

Firm grip on growth

Bedding retailer grabs 'fastest' title

By Clint Engel

HIGH POINT — With double-digit sales and store growth last year, bedding giant Mattress Firm claimed the title of fastest growing retailer among Furniture/Today's Top 100 U.S. Furniture Stores. **F/T** exclusive

Primed to become the largest bedding specialty retailer in the nation, Houston-based Mattress Firm was the only company to appear in the top 10 of all five performance measures **see Fastest, p23**

RoomStore may sell all stores

By Clint Engel

RICHMOND, Va. — RoomStore, the Richmond-based retailer that filed for Chapter 11 bankruptcy in December and then scaled back operations in two phases, now has all of its 28 remaining stores on the block. **F/T** update

Julius M. Feinblum Real Estate, which has been marketing the RoomStore units that closed earlier, is now offering the remaining locations as well — 11 stores in Maryland, 10 in Virginia, five in North Carolina and two in South Carolina.

And the retailer's bid to sell its 65% stake in bedding specialist **see RoomStore, p8**

Mattress Firm sales up 38.1%

By Jay McIntosh

HOUSTON — Mattress Firm said its sales jumped 38.1% and its net income rose to \$9.7 million in its fiscal first quarter, up from \$1 million a year earlier, on the strength of a healthy same-store sales gain along with new store openings and acquisitions.

The Houston-based specialty sleep retailer reported sales of \$209.8 million in the 13 weeks ended May 1, up from \$151.9 million in the comparable period a year ago.

see Mattress, p38

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Tempur-Pedic tumbles

Projects 50% decline in 2Q profit

By Thomas Russell

LEXINGTON, Ky. — Mattress manufacturer Tempur-Pedic said last week that it expects its second quarter sales to be 3% to 5% below last year's second quarter, and that it expects diluted earnings

per share to be as much as 50% down from the same period a year earlier.

The news sent the company's stock down more than 40% last week, to a little over \$24 per share at midday Friday. Since its peak at \$87.43 in April, the stock has lost nearly

73% of its value.

Tempur-Pedic's collapse also dragged down other bedding stocks last week, including airbed manufacturer and retailer Select Comfort and retailer Mattress Firm, whose brand lineup includes **see Tempur, p37**

Showtime showrooms busy

F/T exclusive
By Larry Thomas

HIGH POINT — Despite sluggish retail conditions in recent weeks, fabric and leather suppliers exhibiting at last week's Showtime here said business remains brisk as furniture producers finalize fall product lines.

Many exhibitors said they had a full slate of appointments throughout the show, and said producers remained upbeat even though current business at retail isn't as robust as it was in the **see Showtime, p28**



Steve Lindsay of Valdese Weavers welcomes Julie Pritchard of Dillard's, Little Rock, Ark., to Showtime.

Contest seeks wacky sex tales

By David Perry

ATLANTA — Expect more talk about sex and beds, thanks to a new Customer Confidential contest sponsored by latex provider Pure LatexBliss.

The contest, which will take place on Facebook, asks bedding retail sales associates to share their most awkward, humorous and outrageous observations about sex and sleep surfaces from their customers.

The producer was inspired to conduct the Customer Confidential: Confessions from the Bedroom contest by a recent article in Barron's magazine that suggests that Americans are sacrificing sex for a good night's sleep. **see Contest, p32**

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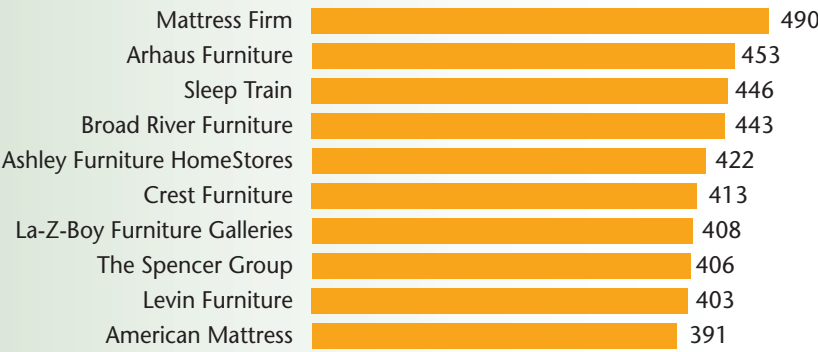
See official rules for complete details at Beautyrest.com.
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Fastest-growing Top 100 Stores

2012 Top 100

Top growth index leaders
Index totals

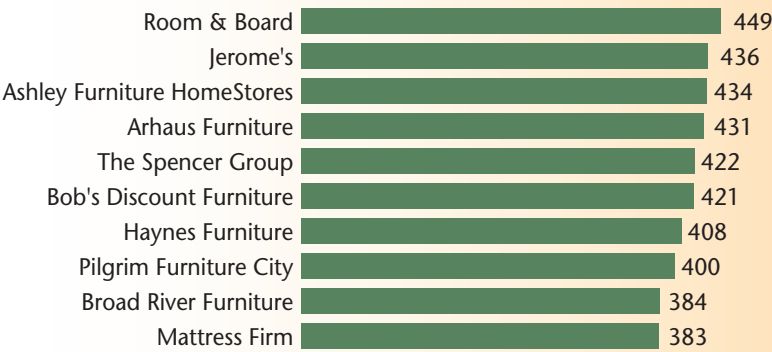
2010-2011



The index is a composite score based on a store's ranking in five categories: net increase in furniture sales, percentage increase in furniture sales, net increase in units, percentage increase in units and percentage increase in equivalent-store sales. The highest possible index score is 500; the highest score in any of the five categories is 100.

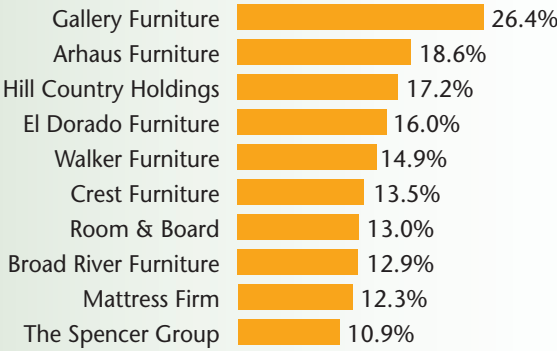
2011 Top 100

2009-2010



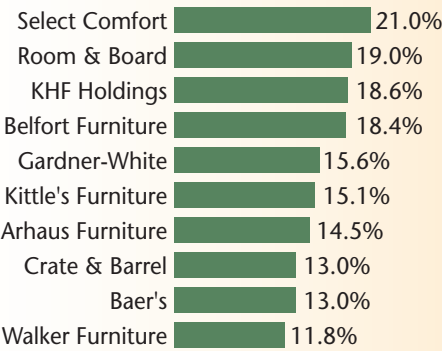
Top growth leaders in equivalent-store sales
Percentage increases

2010-2011



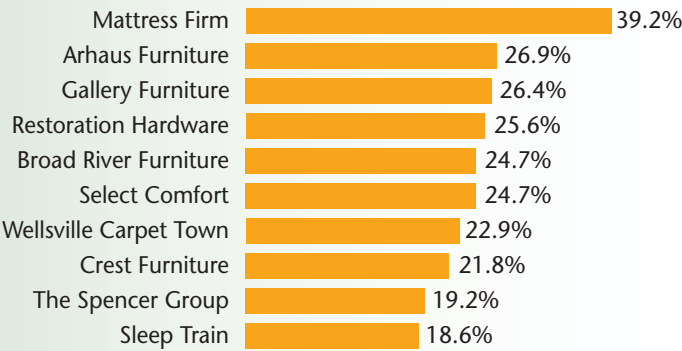
Equivalent-store sales are derived by subtracting the percentage change in units from the percentage increase in furniture sales. Stores which decreased in units were excluded. For those retailers who provided a same-store sales figure on this year's Top 100 form, Furniture/Today market research used the retailer's same-store percentage and did not calculate an equivalent-store sales percentage.

2009-2010

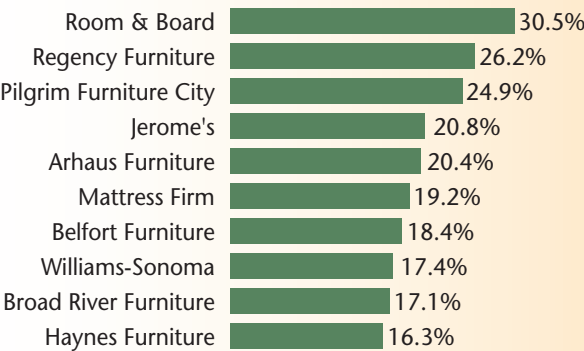


Top growth leaders in furniture, bedding and accessory sales
Percentage increases

2010-2011

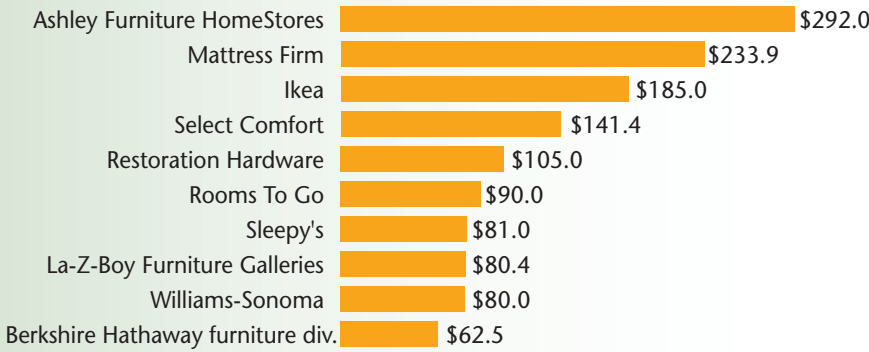


2009-2010

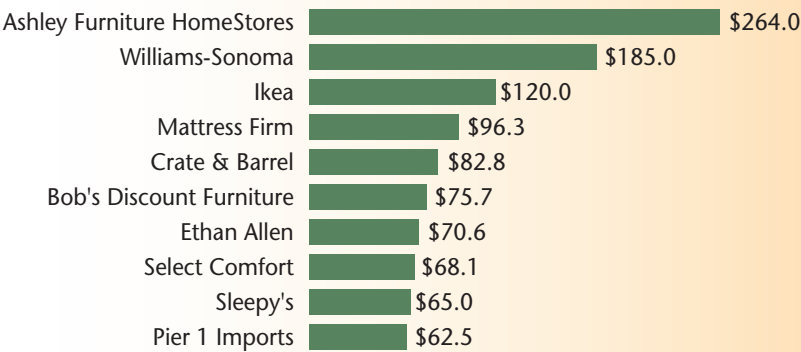


Net increases in \$ millions

2010-2011



2009-2010



Fastest-growing Top 100 Stores

► Fastest

from p1 used to compile the index of top growth leaders.

No. 10 on the Top 100, Mattress Firm posted the greatest percentage sales increase last year as its volume grew 39.2% to an estimated \$831.2 million. Its \$233.9 million in net sales growth was second only to the Ashley Furniture HomeStores dedicated store networks, which grew by \$292 million.

Mattress Firm also netted more new stores than anyone else, growing by 181 units through organic growth and several major acquisitions for a total of 855 combined company-owned and franchised stores at year end. The com-

pany now has more stores than any other bedding specialist, and its 26.9% increase in store count was second among all Top 100 companies.

And in equivalent-store sales — Furniture/Today's version of same-store sales, and perhaps the most critical performance measure — Mattress Firm posted the ninth best increase, up 12.3%.

Equivalent-store sales figures are calculated by subtracting the percentage change in a retailer's store count from the percentage increase in sales — not the perfect answer to determining same-store sales from private companies, but a close simulation.

Companies that posted an increase in sales but a decrease

in store count are not included. Also, retailers with percentage gains in store count but smaller percentage increases in sales would be considered as having negative equivalent-store sales.

Furniture/Today asked retailers to provide same-stores sales data; eight complied and for these companies, same-store sales were used instead of our equivalent-store sales calculation.

Another sign that the 2011 rebound shaped up into a potentially sustainable recovery was apparent in the total number of Top 100 companies that posted equivalent-store or same-store sales gains — 49 this time, compared with 47 a year ago and just seven com-

panies the year before that (the 2009 sales year).

It seems fitting that Mattress Firm should top the index, considering all that has transpired for the bedding specialist this past year. Its store growth included some 44 new franchised stores and the acquisition of 55 former Mattress Giant units in Atlanta, St. Louis and Minneapolis in November.

Also in November, the company completed an initial public offering, although private equity firm J.W. Childs maintains a majority stake. Despite a decline last week, the stock was up more than 30% from its \$22 per-share opening price.

And this year, Mattress Firm appears on course to overtake Sleepy's — No. 9 on the Top 100

— to become the largest bedding chain in the country, with its recent acquisition of the remaining Mattress Giant assets (180 more stores in Florida and Texas) and plans to open 100 additional stores.

Walton Hills, Ohio-based Arhaus Furniture was the second fastest growing company, placing in the Top 10 in three performance categories — equivalent-store sales, percentage sales increase and net unit growth — for a well-rounded growth story.

No. 40 on the Top 100, Arhaus had an equivalent-store sales increase of 18.6%, second best behind Houston-based Gallery Furniture's 26.4% gain. Arhaus' 26.9% percent sales increase to an estimated \$165 million also was second best among the Top 100.

And its three-store net increase in store count to 39 stores tied with nine other retailers for 10th place in net unit growth. Arhaus opened stores in North Bethesda, Md., Manhattan and Atlanta last year and has plans for four more this year, including in new states, North Carolina and Minnesota.

No. 3 on the growth index is Sleep Train of Citrus Heights, Calif., another heavy hitter in the bedding specialty category. Sleep Train showed up in the Top 10 in two performance areas, but it was no slacker in any category.

No. 20 on the Top 100, Sleep Train had the fourth best net gain in store count, up 20 stores for a total of 251 units at year end, and it had the 10th best percentage increase in sales, up 18.6% to \$371.8 million.

The retailer, which expanded into new markets with its Sleep Train, Mattress Discounters and Sleep Country USA brands, appeared in the Top 20 of every performance category, just missing the Top 10 cut for net volume increase, with a \$58.4 million gain, and posting the 14th best equivalent-store sales gain, up 10%.

Charlotte, N.C.-based Broad River Furniture, which operates Ashley Furniture HomeStores and a multi-line store called Savvy Spaces, is the fourth fastest growing retailer, earning a Top 10 spot in every category except net sales gain.

No. 78 on the Top 100, Broad River had the third greatest percentage increase in store count with its three new locations amounting to a 25%

see Fastest, p24

2012 Top 100

2011 Top 100

Top growth leaders in units

Percentage increases, number of units	2010-2011	2009-2010
Art Van	88.9%	The Spencer Group 50.0%
Mattress Firm	26.9%	Miskelly Furniture 50.0%
Broad River Furniture	25.0%	Pilgrim Furniture City 50.0%
Weekends Only Furniture Outlet	25.0%	Hill Country Holdings 40.0%
KHF Holdings	25.0%	Living Spaces 40.0%
Wellsville Carpet Town	25.0%	Chair King/Fortunoff Backyard Store 38.9%
Steinhafels	21.4%	Jerome's 33.3%
HOM Furniture	20.0%	Regency Furniture 33.3%
Mealey's Furniture	20.0%	Mor Furniture for Less 25.0%
Regency Furniture	16.7%	Mattress Firm 20.9%

Net increases	2010-2011	2009-2010
Mattress Firm	181	Mattress Firm 117
Sleepy's	115	Ashley Furniture HomeStores 21
Art Van	32	Chair King/Fortunoff Backyard Store 7
Sleep Train	20	Hill Country Holdings 6
Ashley Furniture HomeStores	12	Bob's Discount Furniture 5
Slumberland	6	Raymour & Flanigan 4
Farmers Home Furniture	6	Art Van 4
Pier 1 Imports	4	Mor Furniture for Less 4
American Mattress	4	The Spencer Group 4
Raymour & Flanigan	3	Rooms To Go 3
La-Z-Boy Furniture Galleries	3	Farmers Home Furniture 3
Crate & Barrel	3	Furniture Mart USA 3
Bob's Discount Furniture	3	Regency Furniture 3
HOM Furniture	3	
Arhaus Furniture	3	
Steinhafels	3	
Sit 'n Sleep	3	
Chair King/Fortunoff Backyard Store	3	
Broad River Furniture	3	

Source: Furniture/Today's Top 100 U.S. Furniture Stores, 2011

Fastest-growing Top 100 Stores

Noteworthy contenders also grew sales

By Clint Engel

HIGH POINT — It never fails. Each year, there are a number of Top 100 companies that do well in one or more performance measures yet fail to make the cut for the growth index Top 10.

► Fastest

from p23

increase. Perhaps more impressive was its fifth place showing in percentage sales gain (up 24.7% to \$66.4 million) and its eighth best equivalent-store sales increase of 12.9%.

The company also was among 10 retailers tying for the 10th best net unit gain.

With 15 stores in the Carolinas and Georgia, Broad River continued its expansion with Ashley last year with a HomeStore in Fayetteville, N.C., a new market, and through an Ashley outlet in the Charlotte suburb of Matthews, N.C. But what made last year particularly unusual was the opening of its first multi-line Savvy Spaces showroom in a former Boyles Furniture location in Pineville, N.C.

This year four new stores are on tap for this retailer, which has yet to show any signs of slowing down.

No. 5 on the index is the Ashley Furniture HomeStores network, thanks in part to its \$292 million net sales gain to \$2.69 billion last year. That net growth beat all comers and helped Ashley maintain its No. 1 status atop the Top 100 for the sixth year in a row.

Ashley also had the fifth best net store gain as the network of company-owned and licensed stores added a net 12 showrooms for a total of 434 stores at year end.

Ashley didn't show up in the Top 10 of any other performance category, but it scored high in equivalent-store sales (16th), with a 9.4% gain. It also had the 25th best percentage sales increase at 12.2%.

Crest Furniture of Dayton, N.J., opened just one new Ashley Furniture HomeStore this past year, but its strong sales

Here's a small sample of some of the most noteworthy index contenders:

► **Regency Furniture:** The Brandywine, Md.-based operator of Regency Furniture and Ashley Furniture HomeStores in Maryland and Virginia missed the in-

dex cutoff by one position. Regency posted an 18.3% gain in sales (12th best) to \$97 million, while adding two stores for the 10th greatest percentage increase in store count to 14 by year end.

The retailer has since

and equivalent-store sales showing helped push the company onto the growth index Top 10 at No. 6.

Crest's 13.5% equivalent-store sales gain was sixth best among the Top 100, and it was No. 8 measured by percentage sales gain, up 21.8% to \$94.3 million.

No. 60 on the Top 100, Crest operates Value City Furniture stores in New Jersey and Ashley Furniture HomeStores in New Jersey and Pennsylvania. In addition to its Top 10 showings, Crest also was in the top third in net percentage increase in units (22nd) and dollar volume increase (30th, with a \$16.9 million gain).

La-Z-Boy Furniture Galleries, No. 11 on the Top 100, also showed up in the Top 10 of two performance categories to take seventh place on the growth index.

Like Ashley, the dedicated network of company-owned and licensed stores posted strong net sales growth, an increase of \$80.4 million — eighth best — for total sales last year of \$820 million. La-Z-Boy's store network was one of the 10 retailers tying for 10th place in the net unit increase measure with a three-store gain.

Although it didn't make the Top 10 in the equivalent-store sales, La-Z-Boy was close with the 12th best gain of 10.7%.

No. 8 on the growth index is The Spencer Group, another operator of Ashley Furniture HomeStores and a multi-line format. The 13-store Saltillo, Miss.-based retailer, No. 61 on the Top 100, had the ninth greatest percentage sales gain (up 19.2% to \$91 million) and the 10th best increase in equivalent-store sales, up 10.9%.

The family-owned business

operates 11 HomeStores in Tennessee, Kentucky, Mississippi, Arkansas and Alabama as well as two multi-line Stash stores, selling an eclectic mix of midpriced to upper-end goods in Memphis, Tenn., and Oxford, Miss. Spencer added one HomeStore last year in Alabama and is set to open another in July in Tyler, Texas, following its acquisition this spring of a RoomStore lease in that market.

Levin Furniture of Smithton, Pa., is No. 9 on the growth index despite not showing up in the Top 10 of any performance category. However, a top 20 performance in all but one measure helped to drive the midpriced, family-owned retailer into growth leader ranks.

Levin opened a net two stores last year, enough to tie for 11th place with six other retailers in the net stores gain measure. It also had the 13th best percentage increase in unit growth; the 14th greatest percentage increase in sales (up 16.8% to \$175 million) and the 20th largest net sales gain (up by \$25.1 million).

Rounding out the growth index at No. 10 is American Mattress, tying with Pier 1 Imports for the eighth greatest gain in net store count growth, up four units to 82 stores at year end.

The Elmhurst, Ill.-based bedding specialty retailer also had the 17th best equivalent-store sales gains, up 9.4%, and was No. 28 in percentage gain in units.

Five of the companies making the Top 10 growth index this time repeated from the previous year. They are Mattress Firm, Ashley Furniture HomeStores, Arhaus Furniture, The Spencer Group and Broad River Furniture.

opened two more HomeStores, including one in Amman, Jordan. Last month, Regency acquired four-store Marlo Furniture of Forestville, Md., adding a third store brand to the greater Washington market and fueling a possible jump into the growth index next year.

► **Gallery Furniture:** The Houston-based retailer topped all Top 100 companies in equivalent-store sales with a 26.4% increase and was No. 3 in percentage sales increase (also up 26.4%), but since it didn't grow its store base beyond two units, Gallery's overall index score dipped below what it takes to be in the Top 10.

► **Ikea:** The Sweden-based lifestyle specialist, No. 2 on the Top 100, had the third largest net gain in furniture, bedding and accessories sales, up \$185 million to \$2.28 billion. Its 6.1% equivalent-store sales increase was the 26th best among Top 100 companies.

► **Wellsville Carpet Town:** The Weston Mills, N.Y.-based Top 100 newcomer placed high in several categories. Wellsville had the sixth best percentage increase in units, adding two stores last year, and the seventh best percentage increase in sales — up 22.9% to \$39.1 million for a No. 98 ranking on the Top 100. Wellsville Carpet Town also tied with six retailers for the 11th best net increase in store count.

► **Restoration Hardware:** No. 17 on the Top 100, Restoration Hardware was a strong performer in two categories, with the fourth greatest percentage increase in furniture, bedding and accessories sales, up 25.6% to \$515 million, and the fifth best net increase (a gain of \$105 million).

► **Baer's:** The upscale Florida retailer was right behind Regency Furniture, missing the growth index cutoff by two spots. Pompano Beach, Fla.-based Baer's had the 17th best percentage sales

increase (up 15.8% to \$132 million) and the 19th greatest equivalent-store sales increase (up 8.6%).

► **Select Comfort:** The Minneapolis-based vertically integrated maker of the Sleep Number bed had a good sales year despite closing a handful of stores. Select Comfort posted the fourth best net volume increase (up \$141.4 million) and the sixth greatest percentage sales increase, with sales climbing 24.7% to \$713.5 million.

► **Art Van:** Thanks in part to the rollout of Art Van PureSleep bedding specialty stores and its acquisition of Howell, Mich.-based Mattress World, the Warren, Mich.-based Art Van had the best percentage increase in unit count, up nearly 89%, or 32 stores, for a total of 68 units at year end. That net unit growth was third best in the Top 100, behind Mattress Firm and Sleepy's. Art Van also had the 13th greatest net sales increase, as volume grew by \$40 million to \$470 million.

► **Rooms To Go:** The Seffner, Fla.-based retailer, No. 3 on the Top 100, missed the index Top 10, but it did have the sixth greatest net volume increase as sales grew by \$90 million to \$1.5 billion.

Equivalent-stores sales leaders that didn't make the index cut despite their strong showing in this important performance measure included Hill Country Holdings (third best), El Dorado Furniture (fourth) and Walker Furniture (fifth).

New Braunfels, Texas-based Hill Country, an Ashley Furniture HomeStores licensee, also had the 13th greatest percentage increase in sales, up 17.2% to \$196.6 million and the 18th largest net sales increase, up \$28.9 million.

Miami Gardens, Fla.-based El Dorado had the 15th greatest percentage sales increase, up 16%, to \$159.1 million, and the 25th greatest net sales gain, up by \$22 million.

Fastest-growing Top 100 Stores

About this survey

Furniture/Today’s exclusive report spotlighting the fastest-growing furniture stores is based on the 2012 and 2011 surveys of Top U.S. Furniture Stores that appeared in the May 21, 2012 and May 23, 2011 issues.

Sales of furniture, bedding and decorative accessories were used in determining the sales growth leaders, rather than total store revenues. Here’s a list of companies featured in the 2012 report, with this year’s Top 100 rank.

Company, home base	2012 Top 100 Rank	Company, home base	2012 Top 100 Rank
NR = not ranked		NR = not ranked	
American Mattress, Elmhurst, Ill.	80	Chair King/Fortunoff Backyard Store, Houston	67
Arhaus Furniture, Walton Hills, Ohio	40	Crate & Barrel, Northbrook, Ill.	12
Art Van, Warren, Mich.	18	Crest Furniture, Dayton, N.J.	60
Ashley Furniture HomeStores, Arcadia, Wis. .	1	El Dorado Furniture, Miami Gardens, Fla. . .	42
Baer’s, Pompano Beach, Fla.	45	Ethan Allen, Danbury, Conn.	14
Belfort Furniture, Dulles, Va.	94	Farmers Home Furniture, Dublin, Ga. . . .	38
Berkshire Hathaway furniture division, Omaha, Neb.	5	Furniture Mart USA, Sioux Falls, S.D. . . .	48
Bob’s Discount Furniture, Manchester, Conn.	15	Gallery Furniture, Houston.	50
Broad River Furniture, Charlotte, N.C. . . .	78	Gardner-White, Warren, Mich.	59
		Haynes Furniture, Virginia Beach, Va. . . .	28
		Hill Country Holdings, New Braunfels, Texas . .	35
		HOM Furniture, Coon Rapids, Minn. . . .	33
		Ikea, Conshohocken, Pa. . . .	2
		Jerome’s, San Diego	55
		KHF Holdings, Louisville, Ky.	95
		Kittle’s Furniture, Indianapolis	69
		La-Z-Boy Furniture Galleries, Monroe, Mich.	11
		Levin Furniture, Smithton, Pa.	39
		Living Spaces, Rancho Cucamonga, Calif.	37
		Mattress Firm, Houston. . . .	10
		Mealey’s Furniture, Warminster, Pa.	91
		Miskelly Furniture, Jackson, Miss.	93
		Mor Furniture for Less, San Diego	31
		Pier 1 Imports, Fort Worth, Texas	8
		Pilgrim Furniture City, Southington, Conn. . .	NR
		Raymour & Flanigan, Liverpool, N.Y.	6
		Regency Furniture, Brandywine, Md. . . .	57
		Restoration Hardware, Corte Madera, Calif. . .	17
		Room & Board, Minneapolis	27
		Rooms To Go, Seffner, Fla..	3
		Select Comfort, Minneapolis	13
		Sit ‘n Sleep, Gardena, Calif.	62
		Sleep Train, Citrus Heights, Calif. . . .	20
		Sleepy’s, Hicksville, N.Y..	9
		Slumberland, Little Canada, Minn. . . .	19
		Steinhafels, Waukesha, Wis.,	52
		The Spencer Group, Saltillo, Miss.	61
		Walker Furniture, Las Vegas	86
		Weekends Only Furniture Outlet, St. Louis	84
		Wellsville Carpet Town, Weston Mills, N.Y. . . .	98
		Williams-Sonoma, San Francisco	4