William Blair

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Home and Outdoor

Survey of Industry Professionals and Consumers; Insight Into the Housing Market, Furniture, Mattresses, and Home Renovations

			Stock Rating
Arhaus, Inc.	ARHS (NASDAQ)	$7.65	Outperform
Floor & Decor Holdings, Inc.	FND (NYSE)	$51.08	Outperform
MillerKnoll, Inc.	MLKN (NASDAQ)	$17.60	Outperform
RH	RH (NYSE)	$137.51	Market Perform
Somnigroup International Inc.	SGI (NYSE)	$79.06	Outperform
Wayfair Inc.	W (NYSE)	$78.78	Outperform

Over the past few weeks, we surveyed consumers to track evolving sentiment around the housing market and its downstream implications for furniture, mattresses, and home renovation activity. This report expands the analytical lens by pairing consumer demand signals with real-time perspectives from professionals operating across the home remodel and interior design ecosystem, offering a more dimensional view of how preferences, budgets, and behaviors are shifting amid continued market volatility.

Our report incorporates insights from two distinct surveys. The first captures responses from 536 general consumers who either currently own a home or expect to do so within the next five years, focusing on housing sentiment, furniture and mattress purchasing plans, and both past and planned renovation activity. The second survey reflects the views of 109 home-sector professionals (including general contractors, interior designers, installers, handymen, and skilled laborers) providing perspective on demand trends, pricing and cost pressures, labor availability, budgets, and evolving project mix.

By integrating consumer intent with on-the-ground feedback from industry professionals, this report aims to isolate early inflection points, identify emerging divergences across categories, and better contextualize where demand is stabilizing versus structurally changing. The consumer results are benchmarked against prior surveys to assess how preferences and behaviors have evolved over time, while the professional responses provide a real-time snapshot of current market conditions and constraints.

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Please refer to important disclosures on pages 45 – 46. Analyst certification is on page 45.
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Overview

Overall, underlying demand trends appear to be stable to modestly improving despite elevated macro and geopolitical noise, with our surveys of both industry professionals and consumers suggesting continued resilience among higher-income cohorts and willingness to proceed with larger discretionary projects. While we expect some choppiness through the first half, particularly experienced in the first quarter given war-related headlines and oil price volatility, we do not see a material risk to broader consensus expectations for the full year.

If macro conditions remain stable, our latest survey results suggest there is growing potential for a slight acceleration in demand. Still, we expect any improvement will be uneven across categories and retailers. Our survey suggests a more promising outlook for mattresses and home renovations, while demand for furniture remains choppy at best, and the housing market continues to show little to no signs of a recovery.

Our surveys suggest there is quite a bit of pent-up demand in the housing market, particularly across younger demographics looking for more space. High housing prices and elevated mortgage rates are becoming less of a drag on plans to move as the higher cost environment becomes the new norm; however, a mortgage rate of 5.5% seems to be a key tipping point to reengage a more meaningful segment of consumers. Industry demand remains highly correlated with moving, although the mattress category seems to be an outlier and is breaking away from the pack as the consumer's prioritization of quality and health and wellness over price seems to be stimulating a replacement cycle.

We believe we are through the pandemic-related pull-forward in demand for furniture and home renovations, as roughly 60% of consumers in our surveys indicated they were ready for or starting to think about the replacement of items purchased during the period. As a result, we believe industry volumes will remain stable at current levels, with isolated pockets of growth, while a more meaningful inflection and subsequent return to normalized annual growth in the 3% to 5% range would require a recovery in the housing market.

Price remains a bit of a wild card here after inflation reaccelerated in 2025 and early 2026 as tariff mitigation efforts took hold. Industry prices remain some 25% above pre-pandemic levels, a sharp contrast to the average annual deflation of nearly 1% over the prior two decades. Our survey suggests the consumer is becoming increasingly value-conscious and promotionally driven. Most retailers seem to be employing a mixed strategy by increasing base level pricing to offset cost headwinds while simultaneously increasing promotions and discounts to stimulate volumes, with net ticket values up year-over-year. If cost headwinds continue—namely, an increase in freight and transportation costs on rising oil prices, where the industry typically maintains 3 to 4 times the exposure of the typical retailer—or if the tariff environment remains uncertain, we would expect companies to continue to deploy this sort of mixed strategy while continuing to increase net pricing. However, if cost headwinds were to level out, we expect retailers could get more aggressive with price reductions in an attempt to force an industry recovery, as the incremental leverage on volumes against increasingly lean operating expense structures should be more than enough to offset the gross margin deterioration. At this point in the year, we expect retailers will remain more cautious, preferring to hold onto gross margin without a more favorable consumer outlook supporting larger-ticket discretionary spend.

Stock Implications Across Our Coverage

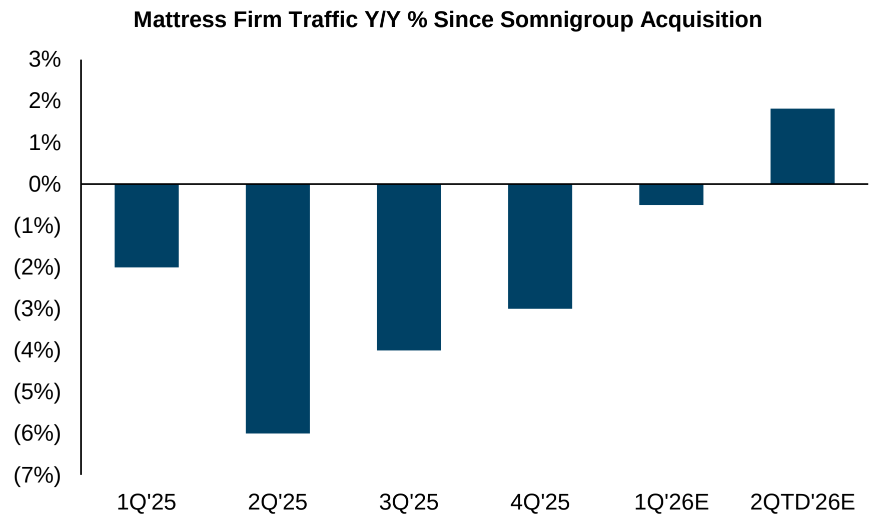
Based on our latest consumer and professional survey results, combined with recent sales and traffic trends across our coverage and our expectations for the industry throughout the remainder of the year, we ranked our relevant coverage across the furniture and home improvement space below in order of confidence in potential upside for the remainder of the year. We provide details of valuation and risks beginning on page 40. Prices and valuation are as of the close on Friday, April 24.

Highest Confidence in Potential for Upside

Somnigroup (SGI $79.06; Outperform)
Our survey results were particularly constructive for the mattress category (see page 32 for details), reinforcing our view that Somnigroup is well positioned as one of the biggest beneficiaries of a recovery in the space, where volumes remain 26% below the pre-pandemic annual average and some 12% below 20-year trough levels reached in 2009. Mattress replacement intent continues to rise meaningfully, with demand far less dependent on housing turnover than other home-related categories and

driven primarily by wear-and-tear, comfort, and quality upgrades. Importantly, consumers rank comfort and quality ahead of price and promotions when purchasing mattresses, which supports Somnigroup's premium positioning and relative insulation from an increasingly promotional environment across the broader home and furnishings market.

At Mattress Firm specifically, sales trends have improved notably in recent months. Despite some expected weather-related noise early in the first quarter, performance around Presidents' Day was particularly strong, and trends remained resilient through March even amid heightened macro uncertainty and aggressive promotional activity across categories. Early reads on the second quarter to date suggest momentum has carried forward, and we expect a continuation of strong growth through the Memorial Day promotional period as accelerated replacement demand materializes, as indicated by our survey.



Sources: Placer.Ai and William Blair Equity Research

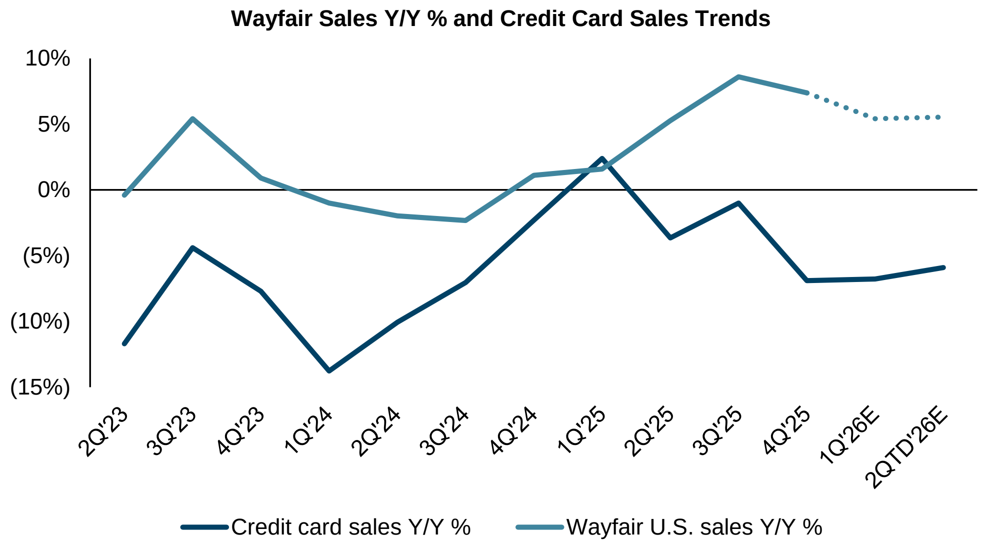
Operationally, any acceleration at Mattress Firm carries meaningful leverage in the Somnigroup model given the heavier fixed-cost nature in retail, and we continue to see upside to both sales and earnings estimates for the first quarter, second quarter, and the full year. While the stock was pressured following the investor day in early March due to the absence of incremental synergy targets, and more recently by war-related risk-off sentiment and oil-driven COGS concerns, we believe these dynamics have created an attractive entry point. The company continues to execute against synergies not reflected in its longer-term targets, and we would not be surprised to see shares re-rate toward all-time highs around $100 as confidence improves throughout the next two quarters. Furthermore, we remain constructive on the pending acquisition of Leggett & Platt (see our recent note for more details), which we believe should have minimal regulatory hurdles and should further extend the company's vertical integration efforts and control over the broader bedding category.

Elevated Confidence

Wayfair (W $78.78; Outperform)

Wayfair remains at an attractive entry point, in our view, as expectations appear largely reset following a prolonged period of volatility. Survey data showing signs of stabilization to modest improvement in furniture purchasing behavior, particularly among younger and higher-income consumers, supports the view that category demand has reached a bottom. Channel mix trends are also increasingly favorable, with in-store shopping regaining share, creating incremental opportunity as Wayfair expands its physical retail presence.

We expect some near-term choppiness in the first quarter tied to war-related macro noise, but do not see material downside risk to the full-year outlook. Stable midsingle-digit growth over the balance of the year appears achievable, supported by share gains from smaller, less-scaled competitors and improving category fundamentals. From a margin perspective, we believe SG&A discipline could become a more visible upside lever, helping offset gross margin pressure from ongoing investments in loyalty and price. Incremental productivity initiatives, particularly regarding AI-driven efficiencies, could support EBITDA acceleration, which we think investors would increasingly reward. Overall, we believe there is little risk around adjusted EBITDA margin declines this year as management continues to focus on building credibility with the Street.



Sources: Bloomberg, Wayfair, and William Blair Equity Research

Long-Term Confidence, but Near-Term Uncertainty

MillerKnoll (MLKN $17.60; Outperform)
Our confidence is higher in MillerKnoll's retail business than in the contract segment for the near term. There is some uncertainty regarding how geopolitical tensions could temporarily delay contract orders, particularly given that demand across high-growth Middle Eastern markets has temporarily been reduced to nil. That said, broader survey data still points to increasing in-office utilization and normalization of workplace attendance, which should gradually support workplace furniture demand as the year progresses.

We remain most constructive on the retail opportunity, which we believe remains highly underappreciated by the Street. MillerKnoll's customer base skews toward affluent, high-discretionary-capacity consumers who should be better insulated from macro volatility. Low brand awareness (see page 26), coupled with new store expansion and product assortment growth, creates a credible path to share gains, particularly as consumers increasingly seek differentiated design and are less willing to trade down on quality despite greater price sensitivity.

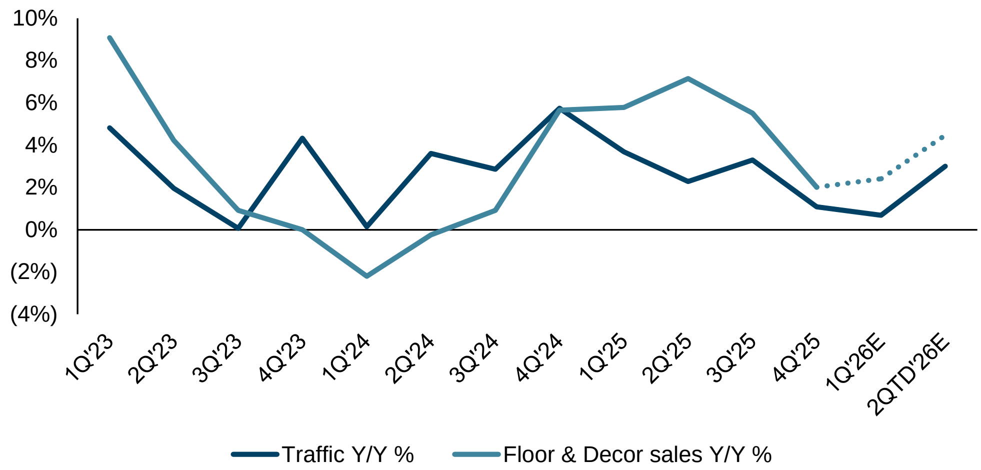
Floor & Decor (FND $51.08; Outperform)
Traffic trends for Floor & Decor appear stable and modestly improving, which we believe is largely embedded in current estimates. Given that housing mobility remains constrained, we do not expect a meaningful volume-driven inflection this year aside from category expansion opportunities such as outdoor, cabinets, and large-format slabs. However, survey results reinforce several structural advantages for Floor & Decor that could drive upside to ticket and earnings despite a still-challenging housing backdrop, such as the company's unique direct sourcing model and high in-stock levels.

Consumers and professionals alike continue to show elevated price sensitivity and a growing focus on promotions, dynamics that should give an advantage to scaled, value-oriented players like Floor & Decor relative to smaller independents. Flooring stands out in our professionals' survey as the category with the longest lead times, which underscores the benefit of Floor & Decor's in-stock inventory model and helps support share gains when availability and speed matter. In addition, recent pricing actions, which we estimate to be around 2.1% in the first quarter, along with initiatives focused on increasing adoption of its interior designer offering and better/best product assortment should help lift average ticket and drive modest gross margin upside.

That said, our survey's results showing an increasing appetite for home renovations could support a slight upside to comps, which, against structural improvements in gross margin and efforts to reduce operating expense and capex against a tougher macro backdrop, could produce outsized earnings and free cash flow this year, which we expect would be richly rewarded by the Street.

Client interest in Floor & Decor has been higher over the past month or so than over the past year, suggesting investors are taking a fresh look at the name at current levels. We believe shares could be a coiled spring, where any signs of an acceleration would result in steep gains for the company. Furthermore, we are encouraged by the transition to a new CEO—management appears hungry to generate growth rather than accepting its fate as a casualty of a poor housing market, which we think could start to show up in results as early as this year. Overall, while housing remains the primary catalyst for a more durable comp inflection, we believe flat to slightly positive sales expectations this year are achievable, with greater upside potential in the back half.

Floor & Decor Sales and Traffic Trends



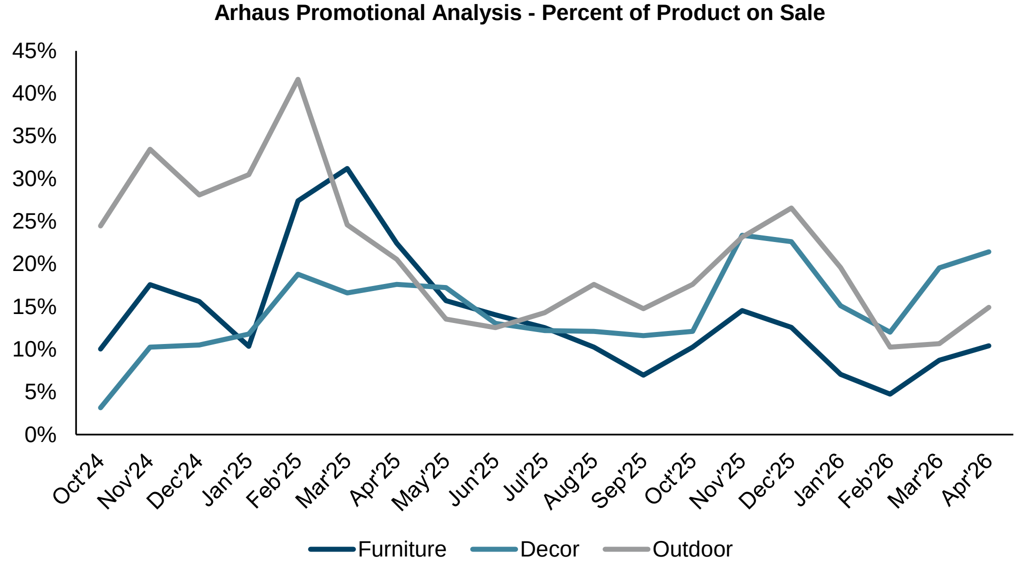
Sources: Placer.AI, Floor & Decor, Factset, and William Blair Equity Research

Arhaus (ARHS $7.65; Outperform)

Arhaus continues to appear well positioned as a share gainer within higher-end furniture, with a differentiated assortment and strong resonance among more affluent consumers. Trends have sequentially improved, and we believe first-quarter sales should be broadly in line. As discussed in our promotional analysis above, while promotional intensity ticked higher earlier in the year, recent data suggests improving discipline, particularly within furniture. We view this as supporting mix and margin durability relative to peers.

Notably, discounting and clearance for core furniture and outdoor categories remained below prior years, while home decor (e.g., lighting, rugs, accessories) has been slightly elevated. In our view, the recent downshift in furniture promotions suggests Arhaus is becoming more disciplined in how it deploys promotions, consistent with management's commentary about shifting away from a broad, reactive discounting phase and moving toward a more refined, volume-based promotional strategy. This moderation comes alongside sequentially improving demand trends, reducing the need for incremental promotional support to drive traffic. Still, demand could face incremental pressure from competition as RH leans more aggressively into discounts to stimulate traffic and clear inventory ahead of the RH Estates collection launch.

Arhaus Promotional Analysis - Percent of Product on Sale



Sources: Arhaus and William Blair Equity Research

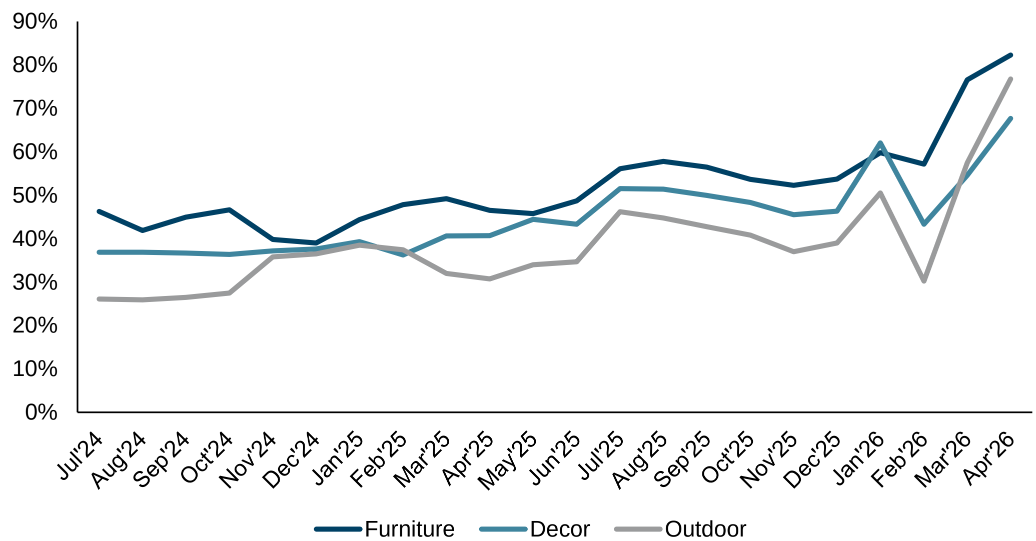
We see risk regarding second-quarter expectations, which strike us as somewhat lofty given tougher comparisons and potential lingering effects from equity market volatility observed in March. As a result, we expect shares to remain somewhat choppy through the first half of the year, despite Arhaus's relative promotional restraint and favorable long-term positioning.

Lowest Confidence in Potential for Upside

RH (RH $137.51; Market Perform)
RH ranks lowest in our confidence framework. RH's promotional cadence remains both elevated and increasingly broad-based. Across furniture, decor, and outdoor categories, the percentage of product on sale has risen steadily, with furniture reaching the 80% range most recently, while decor and outdoor have moved into the mid-60% to mid-70% range. While seasonal clearance events contribute to some volatility, the magnitude and persistence of RH's discounting exceed historical norms, suggesting a more aggressive posture aimed at stimulating traffic and clearing inventory ahead of upcoming assortment changes. Unlike Arhaus, where promotions appear episodic and tactical, RH's discounting remains broad-based and ongoing, increasing the risk that elevated promotional intensity becomes embedded in the brand's near-term operating model, complicating margin normalization.

While RH's stock has bounced back to pre-print levels after dropping some 20%, we expect shares to remain volatile. Management's guide suggests a steep acceleration from the first quarter, making it one of the few companies in the space to assume a more aggressive improvement, which is largely predicated on the launch of its new RH Estates collection. We have concerns about the incrementality of the collection and believe there is real risk to the guide, particularly after its prior launch of RH Contemporary fell flat. Furthermore, we believe the company's margin and capital structure remains very uncertain considering the continued deleverage from the international expansion (with little visibility into the timeline or viability of a successful ramp-up), an increasingly complex domestic store expansion strategy, and an increasingly promotional merchandise strategy.

RH Promotional Analysis - Percent of Product on Sale

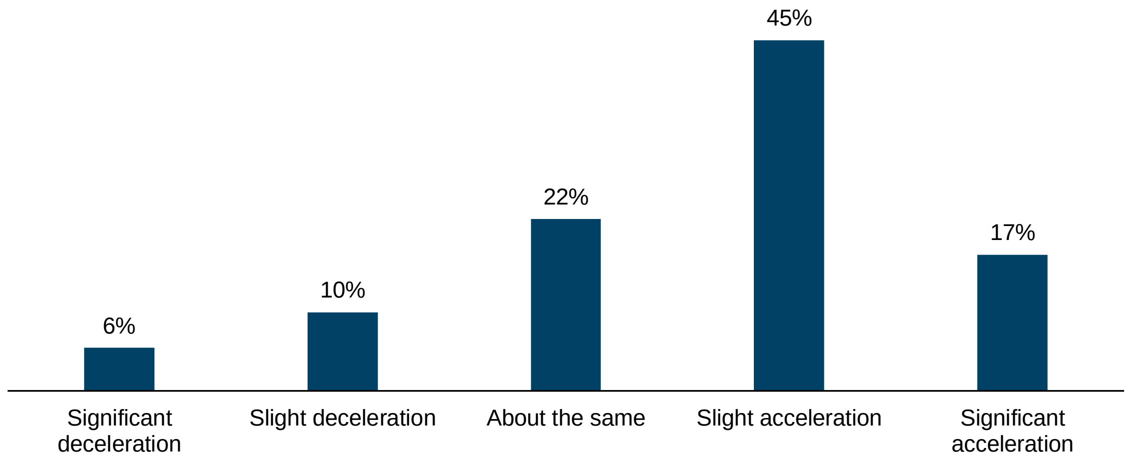


Sources: RH and William Blair Equity Research

Highlights From Our Survey of Industry Professionals

Year-to-date demand trends appear more constructive than expected, particularly given the lack of meaningful improvement in housing mobility. Despite macro noise and a still-constrained housing backdrop, 62% of respondents report some degree of demand acceleration so far in 2026, compared with just 16% citing any deceleration, indicating underlying activity is holding up better than anticipated. This strength is most pronounced among higher-end customer types, where respondents serving primarily premium and luxury clients report materially higher rates of acceleration, while budget-focused clients remain more mixed, highlighting a clear demographic skew toward financially resilient demand. At the same time, project sizes are also trending higher, with 61% of respondents noting acceleration in average project value, suggesting growth is being driven not only by volume but by larger-ticket work. The size uplift is again most evident among middle- to upper-income and premium/luxury client mixes, reinforcing that incremental momentum is coming from customers willing to move forward with larger, discretionary projects even in a challenging macro environment. Overall, the combination of accelerating demand and rising project sizes points to a healthier underlying backdrop than the Street expectations would suggest at this stage of the cycle.

"How would you describe overall demand for your services in 2026 year-to-date compared to one year ago?"



Sources: SurveyMonkey and William Blair Equity Research

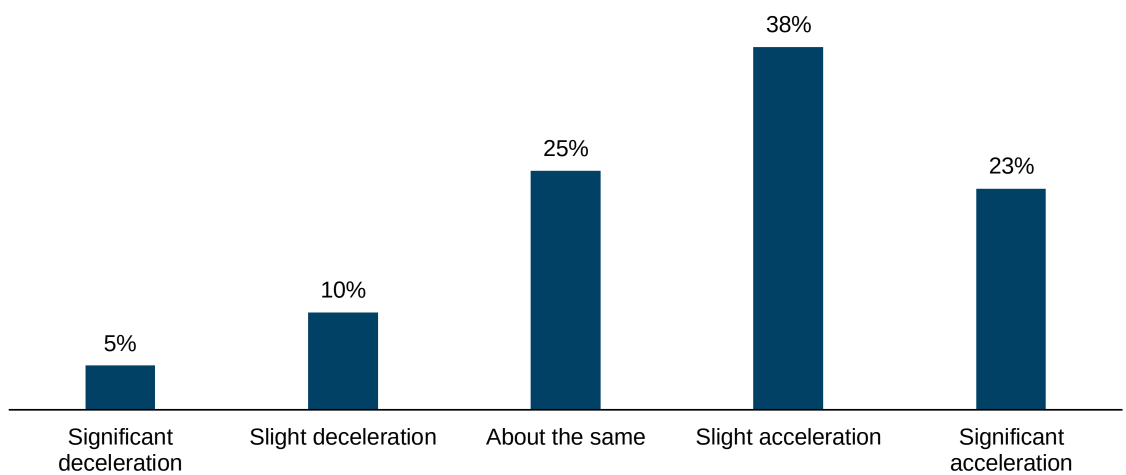
"How would you describe overall demand for your services in 2026 year-to-date compared to one year ago?"

By Customer Type

	Significant deceleration	Slight deceleration	About the same	Slight acceleration	Significant acceleration
Budget-focused clients	0%	0%	50%	0%	50%
Middle-income clients	8%	8%	31%	46%	8%
Mix of premium and middle-income clients	5%	11%	22%	47%	15%
Premium/luxury clients	9%	9%	0%	45%	36%

Sources: SurveyMonkey and William Blair Equity Research

"How would you characterize project size (average dollar value) in 2026 year-to-date compared to one year ago?"



Sources: SurveyMonkey and William Blair Equity Research

"How would you characterize project size (average dollar value) in 2026 year-to-date compared to one year ago?"

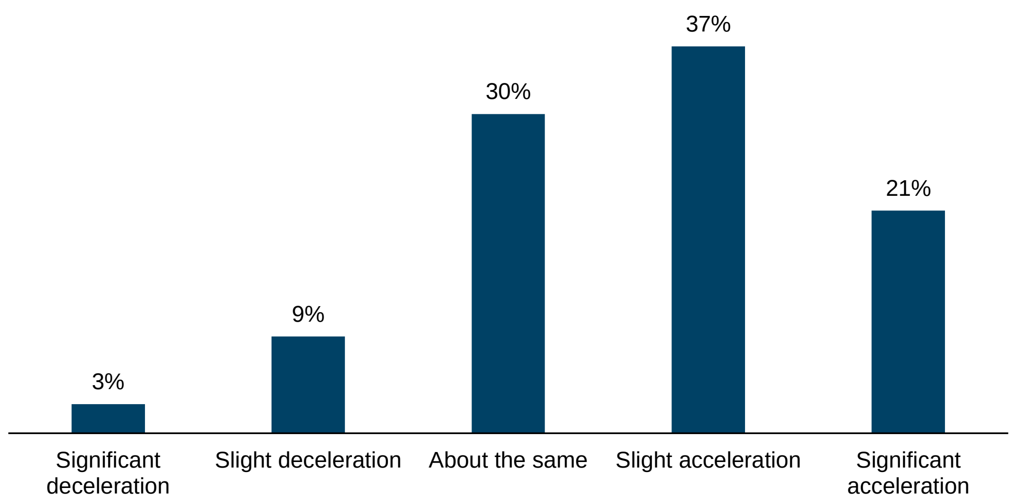
By Customer Type

	Significant deceleration	Slight deceleration	About the same	Slight acceleration	Significant acceleration
Budget-focused clients	0%	0%	50%	0%	50%
Middle-income clients	8%	8%	46%	38%	0%
Mix of premium and middle-income clients	4%	11%	22%	41%	22%
Premium/luxury clients	9%	9%	9%	27%	45%

Sources: SurveyMonkey and William Blair Equity Research

Encouragingly, demand appears to have held up over the past month despite heightened macro concerns following the war with Iran. When asked to compare demand over the past month to the prior six months, a majority of respondents indicated conditions were either about the same (30%) or improving (58%), in contrast to only 12% reporting any form of deceleration in demand. The data suggests limited deterioration in near-term demand, even amid ongoing uncertainty related to geopolitical developments, stock market volatility, and higher gas prices.

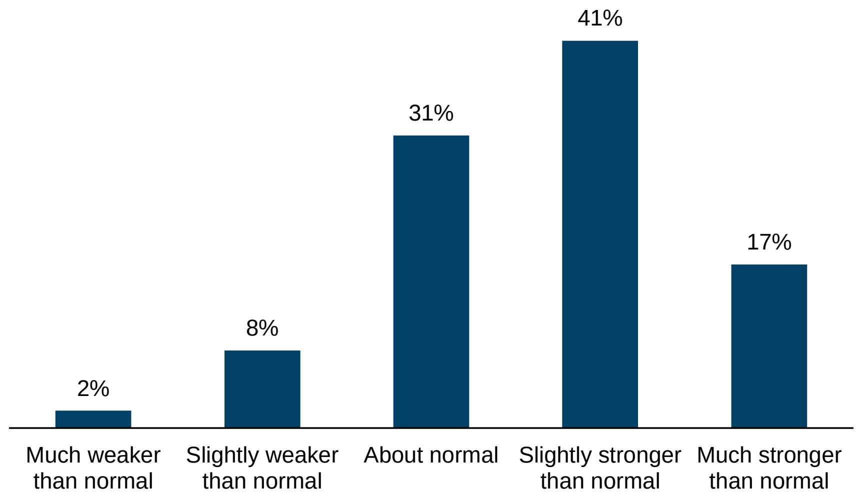
"How would you describe demand over the past month, compared to the prior 6 months?"



Sources: SurveyMonkey and William Blair Equity Research

Forward pipeline expectations point to continuity rather than disruption, reinforcing the view that current demand trends are likely to persist. Notably, 58% of respondents characterize their forward pipeline as stronger than normal while just 10% report any degree of weakness, a skew that is meaningfully constructive given the broader macro uncertainty. The imbalance between strength and weakness seen by the professionals suggests limited downside risk in the near term and supports expectations for demand to track close to recent trends rather than materially deteriorate or inflect lower over the next six months.

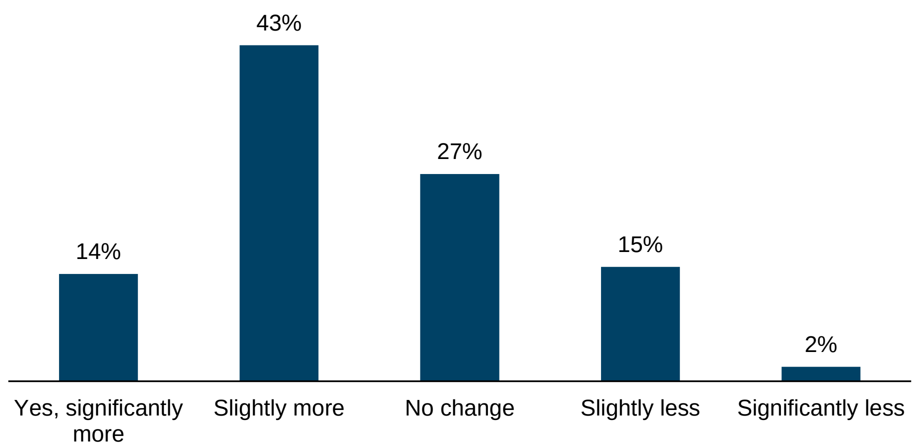
"How strong is your forward pipeline for the next six months?"



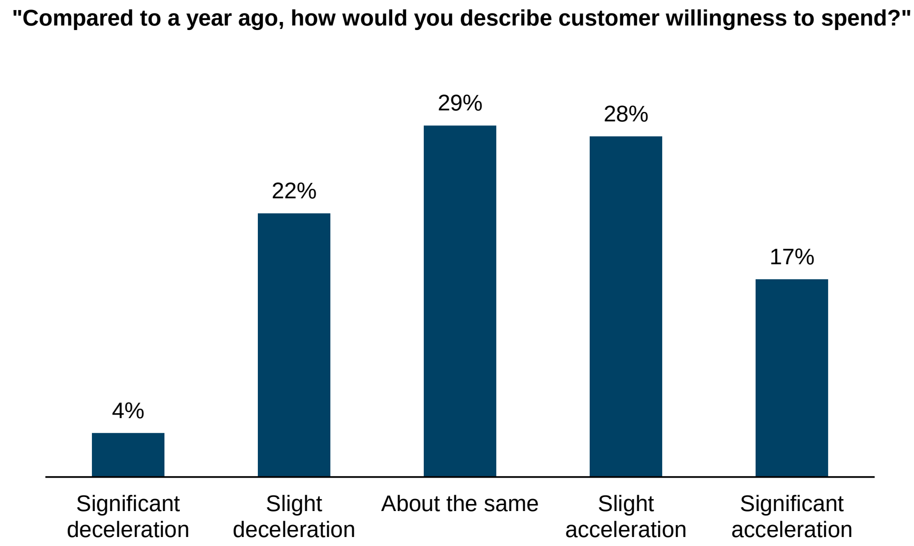
Sources: SurveyMonkey and William Blair Equity Research

Despite signs of accelerating demand and continued willingness to undertake larger-ticket discretionary purchases and remodels, consumers remain increasingly price-sensitive and value-oriented. Over the past year, 57% of respondents indicated customers have become more price-sensitive, while measures of overall willingness to spend continue to skew positive, with 45% citing some degree of acceleration versus 26% noting deceleration. Importantly, this behavior aligns with what consumers themselves report: a growing preference for shopping discounts and promotions, with agreement rising to 68% for home renovation supplies, up meaningfully from prior surveys. Taken together, the data suggests consumers are proceeding with discretionary spend, but doing so more deliberately and with heightened focus on value. We view this dynamic as advantageous for Floor & Decor given its positioning as a scaled, value-oriented player, particularly as smaller local independents may struggle to compete on price, assortment, and promotional flexibility in a more cost-conscious environment.

"Have your customers become more price-sensitive over the past year?"

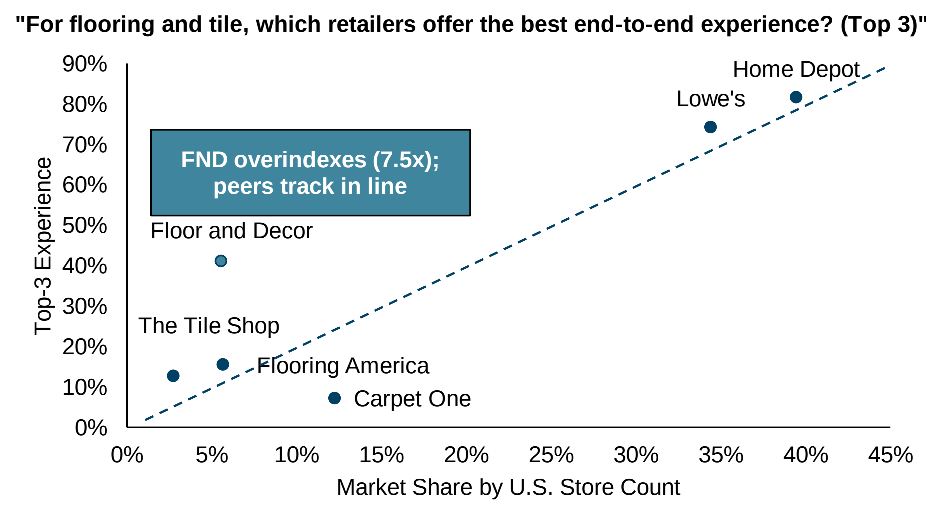


Sources: SurveyMonkey and William Blair Equity Research



Sources: SurveyMonkey and William Blair Equity Research

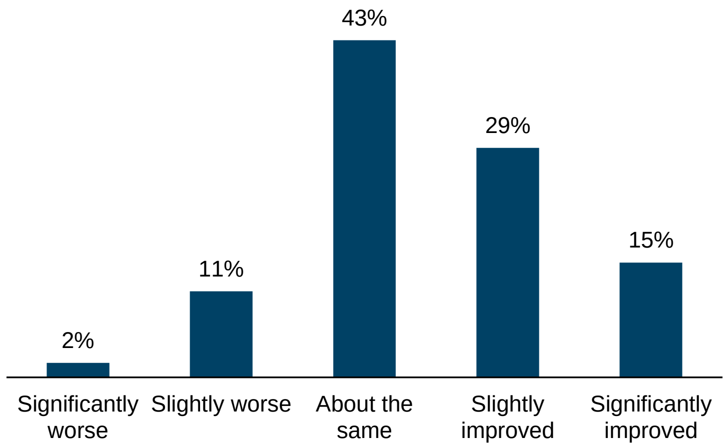
Pros overwhelmingly favor large national retailers when ranking end-to-end experience for flooring and tile needs, with Home Depot (82%) and Lowe's (74%) leading the category, consistent with their scale, store density, and operational reach. **However, when experience rankings are viewed relative to physical footprint, Floor & Decor emerges as a clear positive outlier, delivering a disproportionately strong experience score despite being the second-smallest retailer option within the survey by U.S. store count.** The scatter analysis highlights that most peers track closely in line with their footprint, while Floor & Decor meaningfully overindexes on experience versus scale. In our view, this reinforces the strength of Floor & Decor's specialty model and suggests its customer-related experience advantage is driven by differentiated assortment, in-stock availability, and value execution rather than prevalence alone, an important distinction as customers remain active but increasingly value-conscious.



Sources: SurveyMonkey and William Blair Equity Research

Product lead times continue to trend favorably, despite ongoing choppiness related to supply-chain dynamics and tariff uncertainty. About 45% of respondents report improvement in lead times, compared with just 13% indicating deterioration, while the largest cohort (43%) notes conditions are unchanged. Together, the skew toward stability and improvement suggests lead times remain structurally better than a year ago, even as broader macro and trade-related volatility persists.

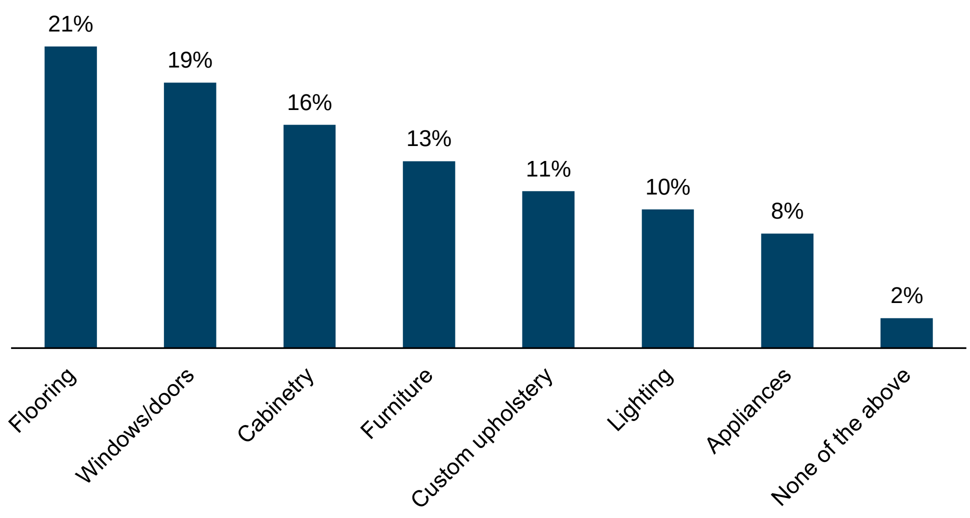
"How have product lead times changed compared to a year ago?"



Sources: SurveyMonkey and William Blair Equity Research

Flooring currently stands out as the category experiencing the longest lead times, which we view as a relative positive for Floor & Decor's business model. With 21% of respondents citing flooring as having the longest lead times, more than any other category, the data highlights ongoing fulfillment challenges across the space. Floor & Decor's unique direct-sourcing model and strategy of maintaining a wide breadth of in-stock inventory appears increasingly differentiated versus peers, helping mitigate lead-time friction and support customer experience. As supply chain conditions and tariff dynamics remain choppy, the company's merchandising strategy should position Floor & Decor more favorably to capture demand when availability and speed matter most.

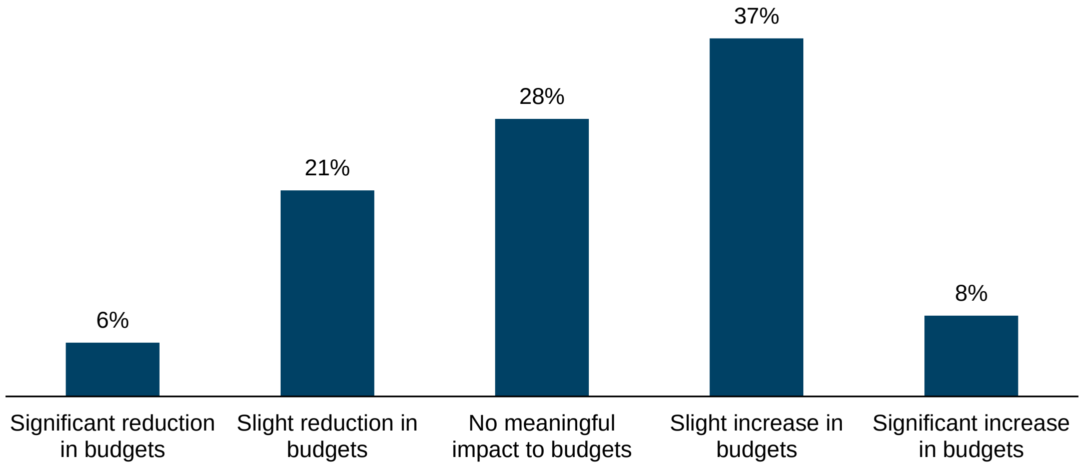
"Which product categories are currently experiencing the longest lead times?"



Sources: SurveyMonkey and William Blair Equity Research

While consumers are increasingly price-sensitive, they do not appear to be pulling back on overall project scope or quality, instead opting to adjust budgets upward. Over the past year, 45% of respondents reported some degree of budget increases due to changes in material costs, making upward budget adjustments the most common response. By comparison, 27% cited some level of budget reduction, while 28% indicated no meaningful impact, suggesting higher costs are more often being absorbed than avoided. The data indicates that consumers are becoming more value-conscious and deliberate, but are choosing to move budgets higher rather than trade down materially on quality or project scope.

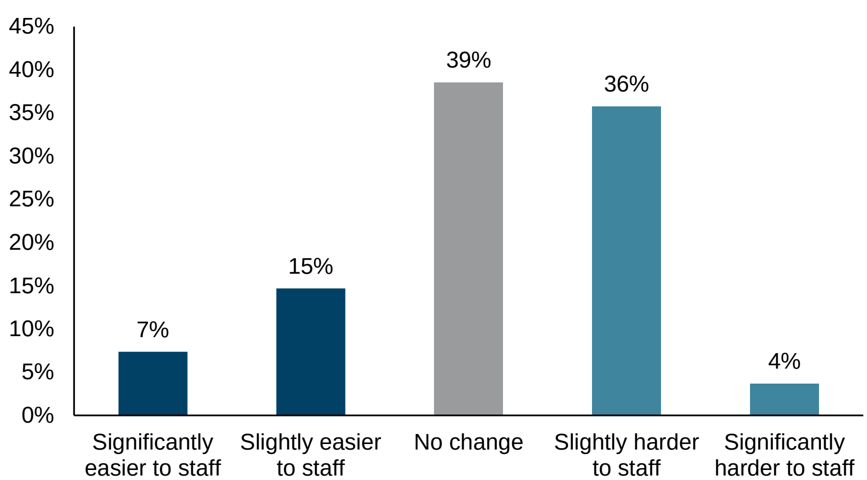
"How have changes in material costs impacted customer budgets over the past year?"



Sources: SurveyMonkey and William Blair Equity Research

Labor availability remains a growing constraint and could emerge as a more meaningful headwind for renovation activity, particularly as labor and installation costs often account for an estimated 40% to 60% of total project budgets. While 39% of respondents report no change in labor availability versus a year ago, a meaningful 40% indicate staffing has become harder, compared with just 22% seeing improvement. As a result, pressure on project timelines and costs is likely to persist, with labor rates needing to move higher to attract and retain qualified workers. We view this dynamic as an incremental risk to future project starts, particularly for labor-intensive remodels, and note that evolving immigration policies may further influence labor supply, adding another layer of uncertainty to an already tight trades market.

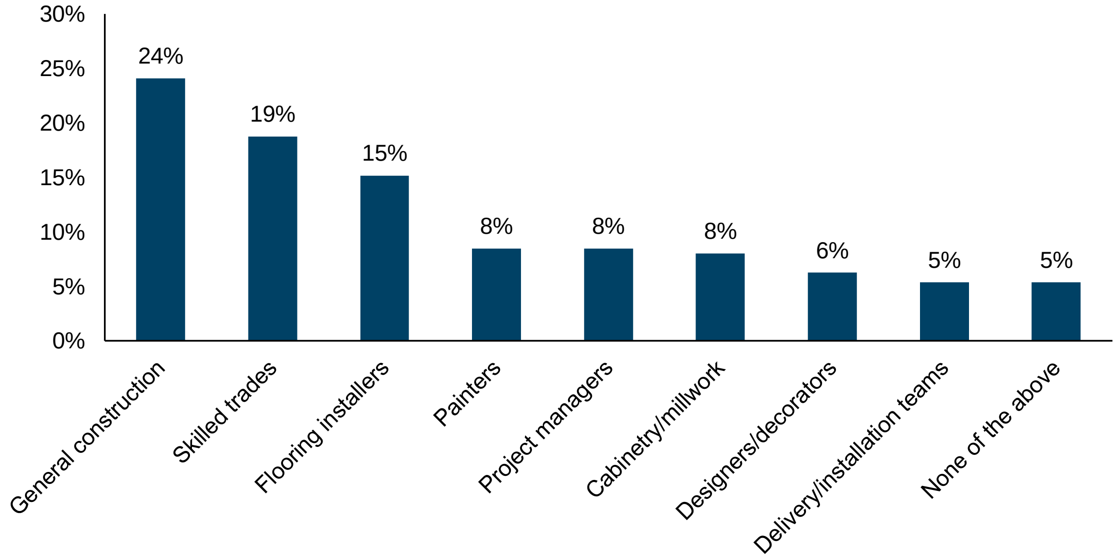
Compared to one year ago, how has labor availability changed?



Sources: SurveyMonkey and William Blair Equity Research

Labor constraints are most acute in general construction (24%), skilled trades (19%), and flooring installers (15%), creating potential upward pressure on project costs in the most labor-intensive areas of renovation and remodeling. Concentration of shortages in these core functions increases the likelihood of higher labor rates and longer timelines, which could further weigh on affordability at a time when consumers are already more price-sensitive. As a result, these constraints may act as an incremental headwind to initiating new projects, particularly for customers earlier in the decision process who are more susceptible to cost uncertainty. Over time, sustained tightness in these roles is likely to require continued wage inflation to attract qualified labor, potentially exacerbating cost pressures across larger and more complex projects.

Which areas of labor are currently the most constrained?

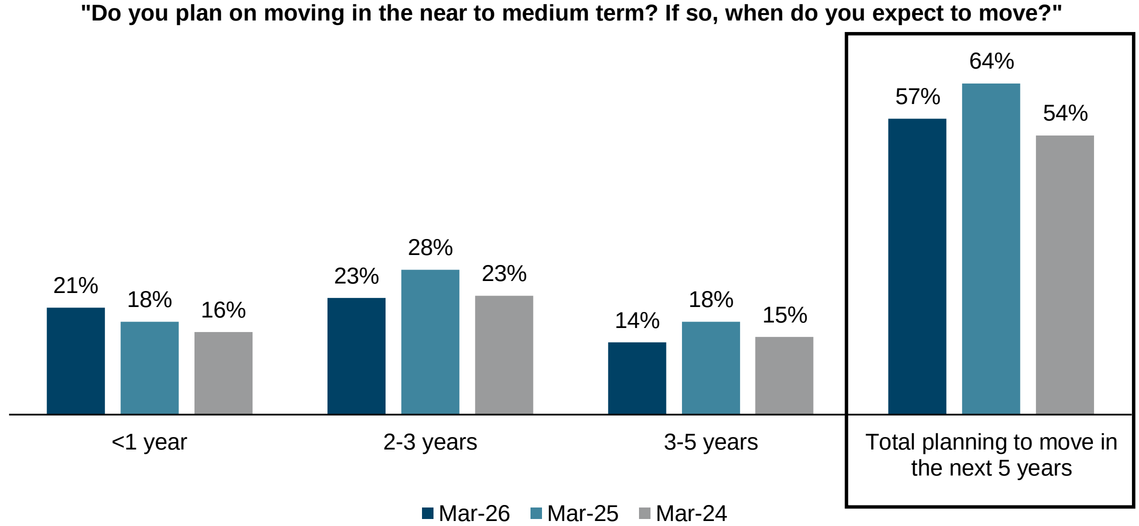


Sources: SurveyMonkey and William Blair Equity Research

Consumer Survey Highlights: Housing Market and Macro Backdrop

Moving intentions have softened after prior improvement, suggesting housing activity may remain constrained without a clear catalyst as the consumer's visibility into the macro backdrop remains choppy at best. While there was a modest uptick in respondents planning to move within the next year, intentions in the two- to five-year horizon shifted lower, reversing earlier momentum and pointing to potential continued stagnation in existing home sales and housing turnover. Overall moving intentions have leveled off following recent gains, reinforcing our view that affordability and uncertainty continue to weigh on medium-term mobility expectations. **Importantly, moving intent remains most concentrated among higher-income households and families with children, with respondents earning above $150,000 and those with children meaningfully more likely to move in the near term, providing some support for activity at the higher end of the market.** Furthermore, intent to move is softest in the Pacific and Southeast, highlighting ongoing regional unevenness and suggesting that broader improvement in housing turnover may remain limited absent supportive macro conditions.

"Do you plan on moving in the near to medium term? If so, when do you expect to move?"



Sources: Survey Monkey and William Blair Equity Research

"Do you plan on moving in the near to medium term? If so, when do you expect to move?"

By Age

	<1 year	2-3 years	3-5 years
18-29	26%	42%	17%
30-44	31%	24%	13%
45-60	20%	19%	17%
> 60	7%	9%	10%

By Region

	<1 year	2-3 years	3-5 years
Upper Midwest	23%	15%	18%
East South Central	18%	25%	10%
New York Tristate	14%	32%	19%
Mountain	32%	16%	8%
New England	21%	14%	18%
Pacific	18%	21%	11%
Southeast	22%	22%	9%
Upper Central	28%	22%	13%
South Central	19%	22%	17%

By Household Income

	<1 year	2-3 years	3-5 years
<$50,000	21%	21%	15%
$50,000-75,000	11%	26%	13%
$75,000-100,000	21%	25%	12%
$100,000-150,000	30%	25%	8%
$150,000-200,000	26%	30%	15%
>$200,000	17%	0%	33%

By Child Count

	<1 year	2-3 years	3-5 years
0	15%	19%	15%
1	31%	23%	19%
2	25%	38%	6%
3	50%	7%	7%
4	33%	50%	17%
5	17%	50%	0%
6+	33%	33%	0%

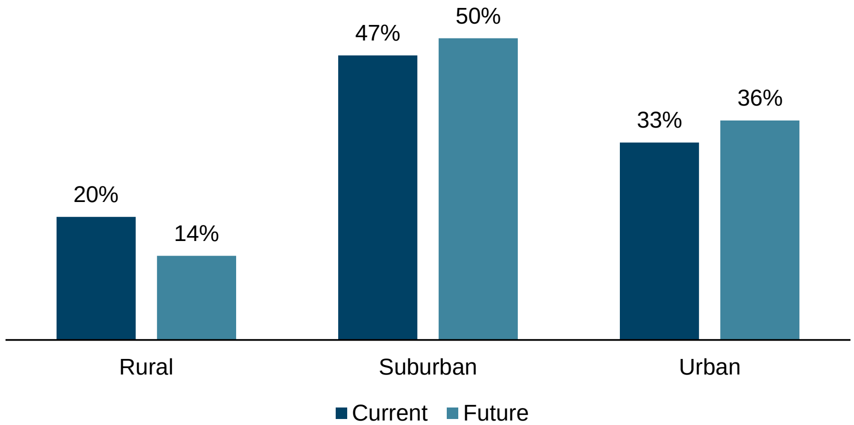
By Ownership Status

	<1 year	2-3 years	3-5 years
Own	16%	17%	11%
Rent	33%	36%	22%

Sources: Survey Monkey and William Blair Equity Research

Housing location preferences suggest a reversal of the pandemic-era shift toward rural living. While 20% of respondents currently live in rural areas, only 14% prefer rural locations for their next home, indicating waning demand for rural moves. In contrast, suburban and urban preferences both rose 3%, signaling renewed relative strength in more populated areas. This reversal suggests that suburban and urban markets could outperform rural going forward, marking a meaningful shift after several years in which pandemic-driven flexibility fueled outsized interest in lower-density locations.

Current Home Location vs. Preferred Location for Next Home



Sources: SurveyMonkey and William Blair Equity Research

The desire for more space has grown more urgent and remains the dominant driver of moving intentions, although a steep deceleration in older generations looking to downsize could exacerbate the supply and affordability issues. Compared to the prior survey, respondents citing the need for more space increased by about 700 basis points in the less than one-year horizon (to 39% from 32%) and were relatively stable in the two- to three-year and three- to five-year time frames, reinforcing that space constraints are increasingly driving near-term decisions. Notably, upgrade in quality rose meaningfully in the two- to three-year horizon (up 1,300 basis points), suggesting a shift toward more discretionary, lifestyle-oriented moves rather than necessity-based relocation, which is constructive for broader housing activity. At the same time, the share of respondents citing less space declined sharply across time horizons (down about 700 basis points in less than one-year plans), which may reflect older homeowners choosing to remain in existing larger homes with locked-in low mortgage rates, continuing to exacerbate the supply and related housing affordability issues for younger households seeking space-driven upgrades.

"What is the primary reason you are planning to move?"

	Plans to move over the next…		
	<1 year	2-3 years	3-5 years
Buying vs. currently renting	8%	7%	11%
Change of scenery/climate	5%	8%	16%
Housing costs	9%	8%	5%
Job/school location	6%	13%	11%
Less space	3%	6%	11%
More space	39%	28%	23%
Other (please specify)	4%	2%	4%
Relationship changes	10%	8%	9%
Upgrade in quality	15%	20%	11%

Sources: Survey Monkey and William Blair Equity Research

"What is the primary reason you are planning to move?"

By Age

	More space
18-29	43%
30-44	27%
45-60	33%
> 60	3%

By Region

	More space
Upper Midwest	38%
East South Central	38%
New York Tristate	26%
Mountain	14%
New England	13%
Pacific	32%
Southeast	34%
Upper Central	45%
South Central	26%

By Household Income

	More space
<$50,000	31%
$50,000-75,000	40%
$75,000-100,000	28%
$100,000-150,000	28%
$150,000-200,000	21%
>$200,000	22%

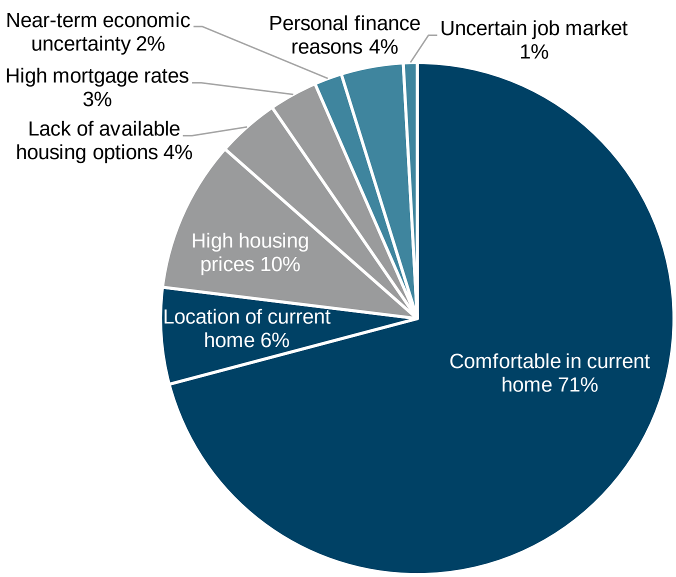
By Child Count

	More space
0	29%
1	35%
2	32%
3	11%
4	17%
5	25%
6+	100%

Sources: Survey Monkey and William Blair Equity Research

Among respondents who are not planning to move, housing affordability is becoming a less binding primary constraint, as fewer consumers cite high home prices or mortgage rates as their main reason for staying put. The share of respondents identifying elevated housing prices and mortgage rates as the primary reason for not planning to move declined to 13% from 20%, indicating reduced sensitivity to housing-specific headwinds as consumers increasingly acclimate to current conditions. At the same time, job market uncertainty and broader near-term economic concerns emerged as identifiable factors, suggesting that macro-level caution, rather than housing affordability alone, is playing a growing role in mobility decisions.

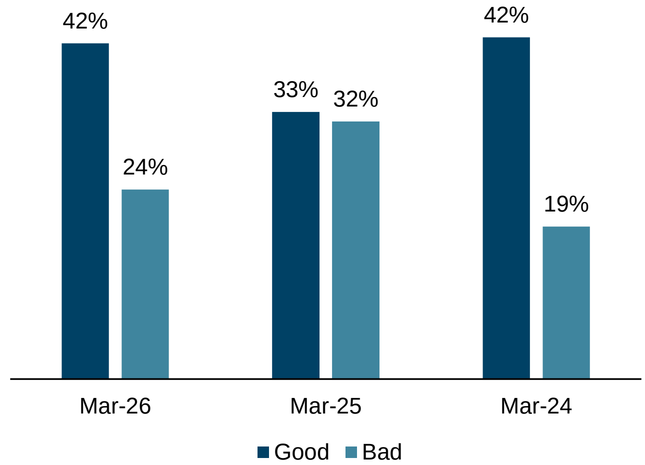
"What is the primary reason for not planning to move?"



Sources: Survey Monkey and William Blair Equity Research

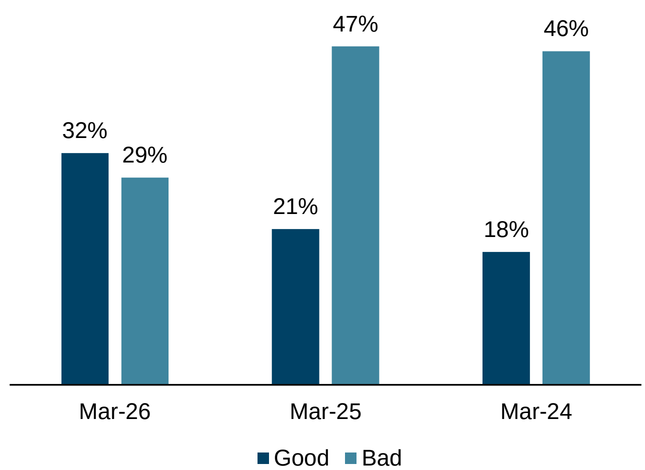
Sentiment around housing market conditions has continued to improve meaningfully. There has been a steady uptick in respondents who believe it is a good time to buy, alongside a notable year-over-year improvement in perceptions of a good market to sell. At the same time, the share of respondents who view the environment as a bad time to buy has fallen sharply over the past two years, suggesting consumers have gradually acclimated to higher home prices and elevated mortgage rates. This shift in mindset appears to coincide with cooling dynamics across formerly overheated Sunbelt markets, where prices are falling. Perceptions of a bad market to sell have also eased, reinforcing a broader normalization in housing sentiment relative to the extremes seen over the prior few years.

"Do you think right now is a good or bad time to sell a house?"



Sources: Survey Monkey and William Blair Equity Research

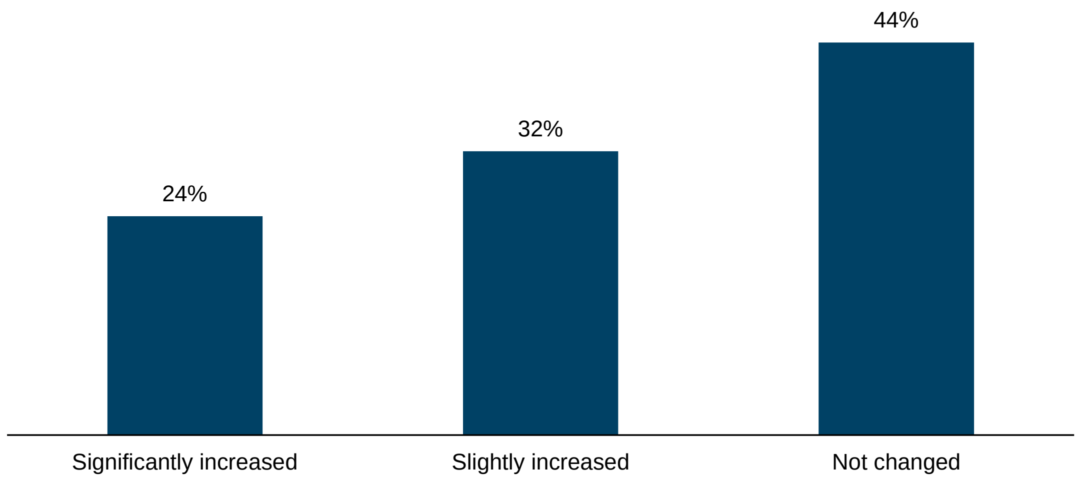
"Do you think right now is a good or bad time to buy a house?"



Sources: Survey Monkey and William Blair Equity Research

Lower mortgage rates appear to be having a more pronounced impact on mobility intentions among higher-income and younger demographics, particularly core millennials. Across the full sample, 56% of respondents indicated the recent decline in mortgage rates has increased their appetite to move, either significantly (24%) or slightly (32%). This sensitivity is notably higher among ages 18 to 29 (80%) and ages 30 to 44 (76%), compared to just 18% among those over 60, underscoring the limited responsiveness from older cohorts. A similar skew is evident by income, with 74% of households earning $150,000 to $200,000 and 56% of those above $200,000 reporting increased appetite to move, versus more muted responses among lower-income brackets. Taken together, the data suggests easing rate pressure is resonating with younger, higher-income households, reinforcing their role as the primary source of incremental housing mobility as financing conditions improve.

"The recent drop in mortgage rates has _______ my appetite to move over the next few years."



Sources: Survey Monkey and William Blair Equity Research

"The recent drop in mortgage rates has _______ my appetite to move over the next few years."

By Age

	Significantly increased	Slightly increased	Not changed
18-29	30%	50%	21%
30-44	39%	37%	24%
45-60	29%	29%	42%
> 60	3%	15%	82%

By Region

	Significantly increased	Slightly increased	Not changed
Upper Midwest	24%	35%	41%
East South Central	15%	33%	53%
New York Tristate	31%	28%	41%
Mountain	12%	32%	56%
New England	14%	32%	54%
Pacific	34%	29%	37%
Southeast	26%	28%	46%
Upper Central	28%	31%	41%
South Central	19%	42%	39%

By Household Income

	Significantly increased	Slightly increased	Not changed
<$50,000	23%	35%	41%
$50,000-75,000	21%	22%	57%
$75,000-100,000	25%	29%	46%
$100,000-150,000	31%	30%	39%
$150,000-200,000	37%	37%	26%
>$200,000	17%	39%	44%

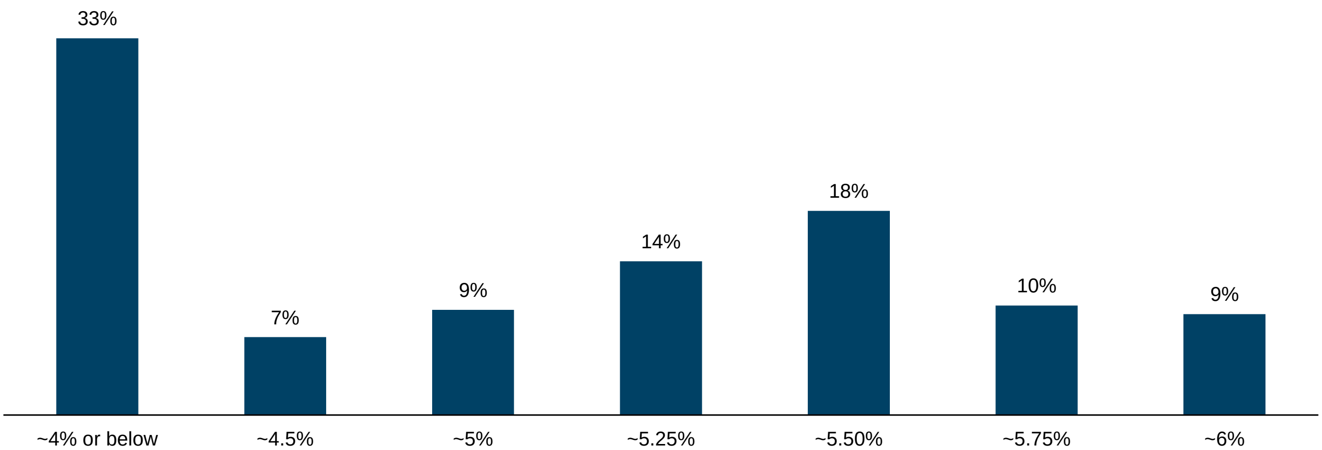
By Child Count

	Significantly increased	Slightly increased	Not changed
0	18%	28%	54%
1	27%	45%	28%
2	43%	31%	26%
3	43%	21%	36%
4	50%	17%	33%
5	17%	50%	33%
6+	67%	33%	0%

Sources: Survey Monkey and William Blair Equity Research

Mortgage rates near 5.5% appear to represent a meaningful behavioral trigger for housing mobility with the potential to reactivate a sizable portion of sidelined demand. Roughly 40% of respondents would consider moving once rates reach the mid-5% range, pointing to a clear inflection versus today's low 6% environment. When benchmarked against the pre-pandemic average of existing home sales, moving from the current stagnated run-rate of roughly 4.0 million units and re-engaging the 40% of consumers who would move at rates around 5.5%, we estimate existing home sales would increase to roughly 4.5 million, reflecting 12% growth from current levels. At the same time, 33% of respondents indicated they would require rates closer to 4% or below, underscoring that a meaningful segment of the market remains effectively locked in and unlikely to re-enter absent a substantially more accommodative rate environment that would likely require a separate recessionary catalyst. In our view, this creates a two-speed recovery dynamic, where incremental declines toward 5.5% unlock meaningful but incomplete mobility, while full normalization remains constrained.

"If current 30-year mortgage rates are averaging near 6%, at what levels would you consider moving to a different home?"



Sources: Survey Monkey and William Blair Equity Research

"If current 30-year mortgage rates are averaging near 6%, at what levels would you consider moving to a different home?"

By Age

	~4% or below	~4.5%	~5%	~5.25%	~5.50%	~5.75%	~6%
18-29	3%	7%	10%	21%	33%	21%	5%
30-44	20%	5%	14%	16%	27%	10%	9%
45-60	36%	7%	9%	16%	12%	9%	12%
> 60	67%	9%	5%	5%	3%	1%	10%

By Region

	~4% or below	~4.5%	~5%	~5.25%	~5.50%	~5.75%	~6%
Upper Midwest	32%	6%	8%	21%	17%	6%	11%
East South Central	30%	3%	10%	10%	20%	10%	18%
New York Tristate	34%	9%	8%	11%	24%	10%	6%
Mountain	40%	4%	8%	4%	16%	16%	12%
New England	36%	7%	14%	14%	7%	14%	7%
Pacific	26%	3%	16%	21%	24%	3%	8%
Southeast	40%	8%	7%	11%	16%	13%	5%
Upper Central	41%	3%	6%	9%	19%	6%	16%
South Central	22%	11%	14%	18%	15%	8%	11%

By Household Income

	~4% or below	~4.5%	~5%	~5.25%	~5.50%	~5.75%	~6%
<$50,000	31%	8%	9%	11%	19%	13%	10%
$50,000-75,000	36%	8%	9%	14%	8%	13%	11%
$75,000-100,000	38%	7%	9%	12%	22%	7%	4%
$100,000-150,000	33%	5%	8%	20%	23%	3%	8%
$150,000-200,000	33%	4%	11%	22%	30%	0%	0%
>$200,000	39%	0%	17%	22%	11%	0%	11%

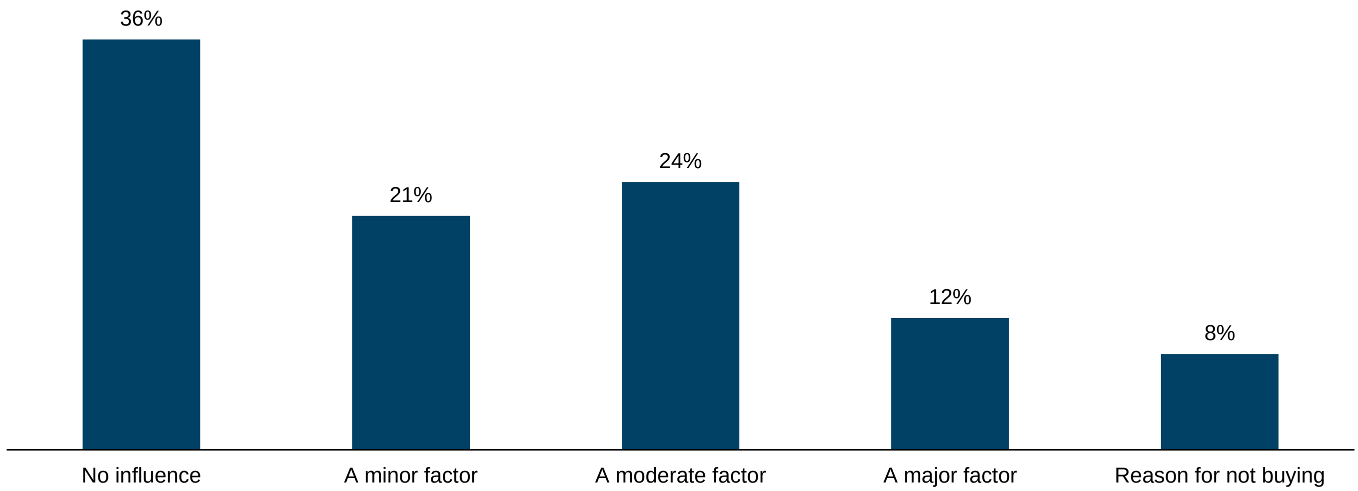
By Child Count

	~4% or below	~4.5%	~5%	~5.25%	~5.50%	~5.75%	~6%
0	41%	7%	9%	11%	14%	9%	9%
1	17%	10%	10%	14%	25%	15%	10%
2	25%	4%	7%	25%	26%	7%	4%
3	43%	0%	14%	21%	7%	7%	7%
4	0%	0%	17%	0%	33%	17%	33%
5	17%	0%	33%	17%	17%	0%	17%
6+	0%	0%	33%	33%	33%	0%	0%

Sources: Survey Monkey and William Blair Equity Research

Concerns about job stability tied to advances in AI are emerging as a meaningful headwind for housing participation, adding to an already cautious consumer backdrop. Survey results show that a meaningful portion of respondents cite AI-related job concerns as an active consideration in whether to buy or sell a house, most commonly as a moderate (24%) factor, but 20% view it as a major factor or the primary reason for staying on the sidelines. This pattern suggests the issue is broadly felt rather than concentrated solely among those fully opting out of the market. The impact skews more heavily toward households earning below $150,000, but remains present across income brackets and is particularly pronounced among younger consumers, where sensitivity to labor-market uncertainty is highest. In our view, the distribution of responses points to AI-related employment concerns as a potential structural headwind over the next several years, contributing to incremental hesitation even without a more acute economic downturn.

"To what extent are concerns about job stability due to advancements in AI influencing your decision to buy or sell a home right now?"



Source: Survey Monkey and William Blair Equity Research

"To what extent are concerns about job stability due to advancements in AI influencing your decision to buy or sell a home right now?"

By Age

	No influence	A minor factor	A moderate factor	A major factor	Reason for not buying
18-29	16%	25%	38%	15%	6%
30-44	24%	24%	29%	14%	9%
45-60	37%	20%	16%	15%	12%
> 60	61%	14%	14%	4%	7%

By Region

	No influence	A minor factor	A moderate factor	A major factor	Reason for not buying
Upper Midwest	35%	14%	30%	14%	8%
East South Central	40%	23%	18%	5%	15%
New York Tristate	41%	27%	19%	10%	3%
Mountain	24%	16%	24%	20%	16%
New England	36%	25%	18%	14%	7%
Pacific	32%	26%	21%	13%	8%
Southeast	34%	18%	27%	15%	7%
Upper Central	41%	22%	22%	3%	13%
South Central	36%	17%	25%	10%	13%

By Household Income

	No influence	A minor factor	A moderate factor	A major factor	Reason for not buying
<$50,000	37%	16%	24%	11%	12%
$50,000-75,000	41%	19%	26%	11%	3%
$75,000-100,000	28%	35%	22%	12%	3%
$100,000-150,000	36%	22%	23%	11%	8%
$150,000-200,000	30%	33%	15%	11%	11%
>$200,000	33%	17%	28%	17%	6%

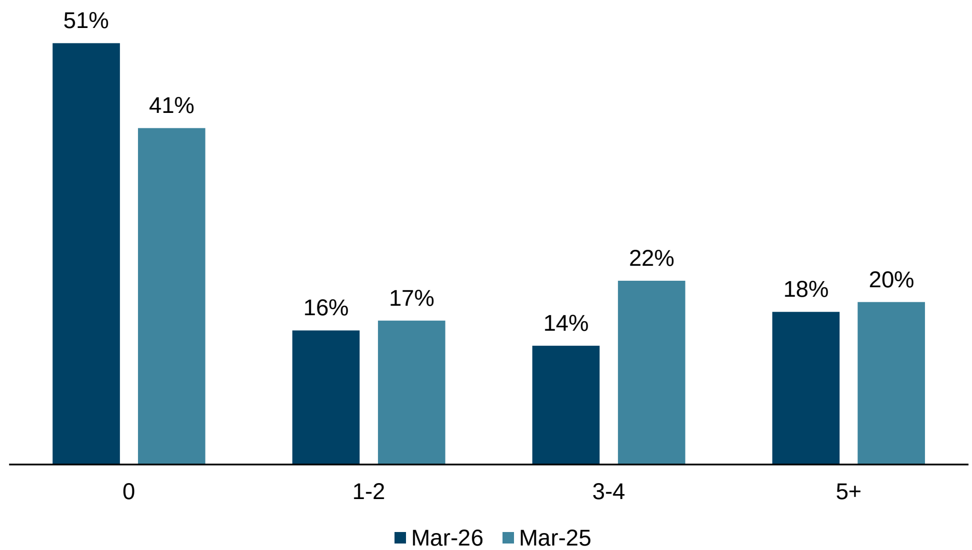
By Child Count

	No influence	A minor factor	A moderate factor	A major factor	Reason for not buying
0	44%	19%	18%	11%	8%
1	25%	22%	33%	10%	10%
2	15%	22%	32%	22%	9%
3	29%	29%	29%	7%	7%
4	33%	50%	17%	0%	0%
5	33%	17%	50%	0%	0%
6+	33%	67%	0%	0%	0%

Source: Survey Monkey and William Blair Equity Research

Home life and functionality remain important, though the work-from-home tailwind is gradually fading. Roughly 50% of respondents still work from home at least one day per week, which should continue to support elevated home-related spend, albeit less so than in prior years, creating moderating year-over-year dynamics. As more workers return to the office, reduced time at home could act as a headwind for residential-driven demand, while higher-income consumers remain disproportionately more likely to work from home, helping sustain furniture and home improvement spend given their significantly higher purchasing power. At the same time, increased in-office utilization should be a positive catalyst for MillerKnoll, benefiting workplace furniture demand as attendance and space usage normalize.

"How Many Days a Week Do You Work From Home?"



Sources: SurveyMonkey and William Blair Equity Research

"How Many Days a Week Do You Work From Home?"

By Age

	0	1	2	3	4	5+
18-29	28%	14%	15%	13%	12%	19%
30-44	34%	9%	14%	12%	7%	24%
45-60	58%	5%	9%	4%	6%	19%
> 60	78%	3%	1%	5%	1%	13%

By Region

	0	1	2	3	4	5+
Upper Midwest	58%	9%	8%	9%	11%	6%
East South Central	68%	3%	8%	5%	5%	13%
New York Tristate	41%	10%	16%	11%	6%	16%
Mountain	56%	8%	0%	4%	4%	28%
New England	64%	7%	4%	14%	0%	11%
Pacific	37%	3%	8%	11%	8%	34%
Southeast	49%	9%	9%	5%	8%	20%
Upper Central	56%	6%	3%	9%	0%	25%
South Central	51%	3%	10%	10%	4%	22%

By Household Income

	0	1	2	3	4	5+
<$50,000	52%	7%	7%	6%	7%	21%
$50,000-75,000	54%	8%	10%	6%	3%	18%
$75,000-100,000	62%	1%	9%	10%	4%	13%
$100,000-150,000	38%	6%	14%	14%	9%	19%
$150,000-200,000	44%	15%	19%	15%	0%	7%
>$200,000	39%	11%	0%	11%	11%	28%

By Child Count

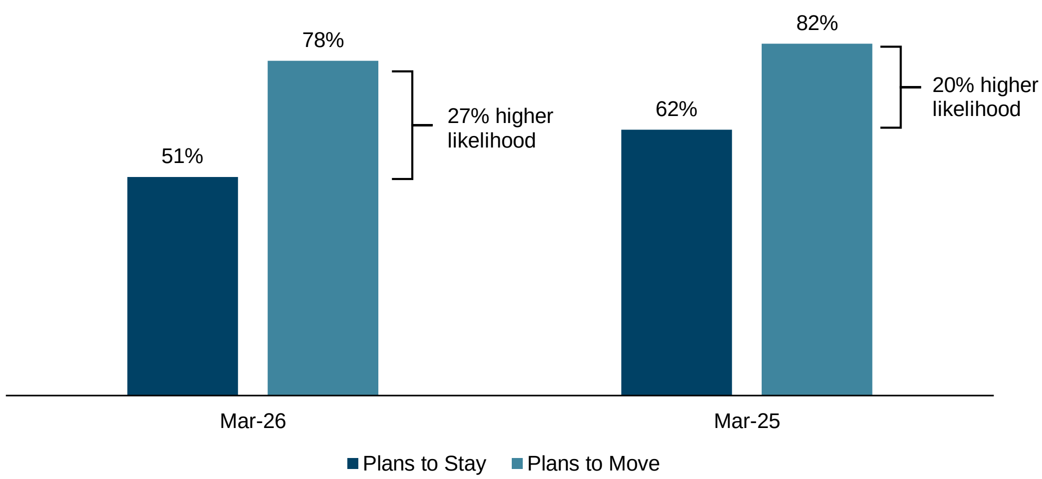
	0	1	2	3	4	5+
0	60%	5%	6%	6%	4%	19%
1	37%	8%	13%	8%	11%	23%
2	35%	12%	15%	13%	10%	15%
3	50%	7%	14%	14%	0%	14%
4	33%	17%	17%	17%	0%	17%
5	33%	17%	17%	17%	17%	0%
6+	33%	0%	33%	33%	0%	0%

Sources: Survey Monkey and William Blair Equity Research

Consumer Survey Highlights: Furniture and Home Decor

Furniture and home decor purchasing remains closely tied to housing mobility; the correlation between demand and the housing market seems to have only strengthened over the past year. Among those planning to move, 78% of respondents reported purchasing furniture or home decor over the past year, down from 82% in March 2025, indicating some cooling among movers as broader housing activity remains constrained. At the same time, purchasing among those planning to stay declined to 51%, down from 62% in March 2025, suggesting that the incremental demand for nonmovers has lost momentum. Importantly, purchasing activity skews heavily toward consumers under 60, with buying rates of 85% for ages 18 to 29, 76% for ages 30 to 44, and 60% for ages 45 to 60, versus only 49% among those 60 and older. Higher-income households are also meaningfully more likely to purchase, with penetration rising from 62% for incomes below $50,000 to about 89% for households earning more than $150,000, indicating that demand is increasingly driven by younger, financially resilient demographics rather than a broad-based recovery in housing mobility.

"Yes" to Purchased Furniture or Home Decor Over the Past Year



Sources: Survey Monkey and William Blair Equity Research

"Yes" to Purchased Furniture or Home Decor Over the Past Year

By Age

	Yes	No
18-29	85%	15%
30-44	76%	24%
45-60	60%	40%
> 60	49%	51%

By Region

	Yes	No
Upper Midwest	68%	32%
East South Central	50%	50%
New York Tristate	75%	25%
Mountain	68%	32%
New England	54%	46%
Pacific	82%	18%
Southeast	61%	39%
Upper Central	59%	41%
South Central	74%	26%

By Household Income

	Yes	No
<$50,000	62%	38%
$50,000-75,000	66%	34%
$75,000-100,000	71%	29%
$100,000-150,000	70%	30%
$150,000-200,000	89%	11%
>$200,000	89%	11%

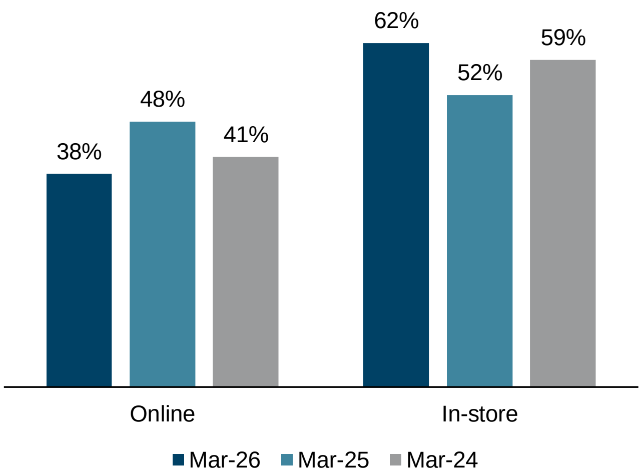
By Child Count

	Yes	No
0	60%	40%
1	75%	25%
2	76%	24%
3	64%	36%
4	100%	0%
5	100%	0%
6+	100%	0%

Sources: Survey Monkey and William Blair Equity Research

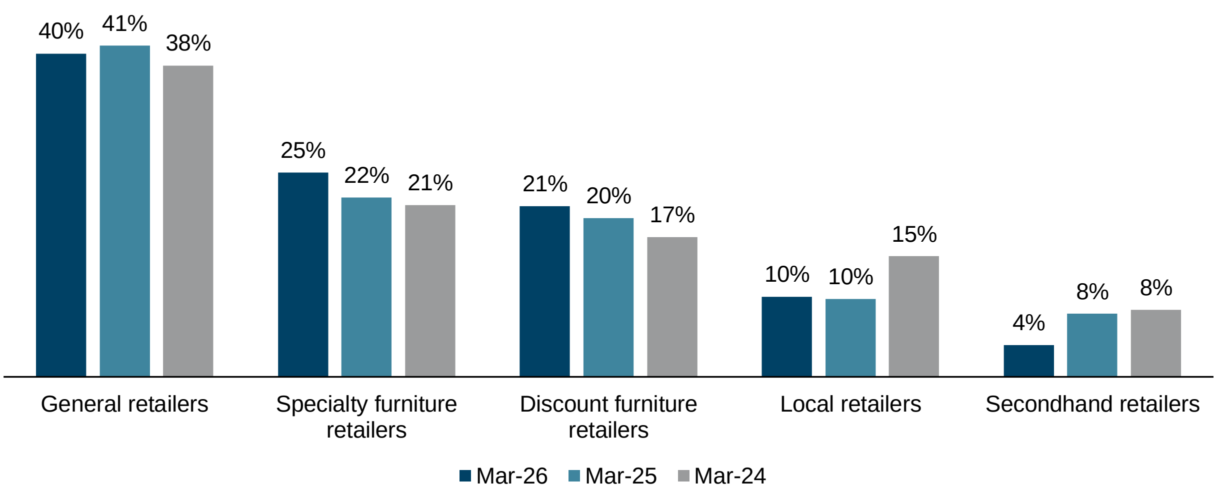
Channel mix continues to normalize, with in-store retail regaining ground and reinforcing the growing importance of physical retail experiences. In the latest survey, 38% of respondents indicated they typically shop online for furniture and home decor, down from 48% in March 2025, while in-store shopping rose to 62%, up from 52% in the previous survey, suggesting online penetration may have reached a near-term equilibrium in the category. This dynamic creates additional opportunity for store expansion from historically online-first players such as Wayfair, as well as newer brands still building out physical footprints including MillerKnoll's DWR and Arhaus, and lends credibility to Williams-Sonoma's recently announced physical store expansion, the first time the company has not been in a net closure position in roughly eight years. Within the channel, specialty furniture retailers increased share to 25% from 22% in March 2025, while discount furniture also rose slightly to 21%, reflecting sustained demand for both differentiated product and value. In contrast, local and secondhand retailers remained pressured, underscoring continued share loss among smaller, less-scaled players as consumers increasingly gravitate toward scaled retailers with physical and digital reach.

"Where do you typically shop for furniture and home decor?"



Sources: Survey Monkey and William Blair Equity Research

"Where do you typically shop for furniture and home decor?"



Sources: Survey Monkey and William Blair Equity Research

"Where do you typically shop for furniture and home decor?"

By Age

	Discount	General	Local	Secondhand	Specialty
18-29	19%	41%	2%	3%	35%
30-44	19%	44%	6%	2%	29%
45-60	22%	51%	9%	5%	13%
> 60	25%	25%	21%	5%	25%

By Region

	Discount	General	Local	Secondhand	Specialty
Upper Midwest	27%	38%	5%	5%	26%
East South Central	13%	38%	20%	5%	25%
New York Tristate	19%	39%	8%	2%	32%
Mountain	12%	44%	8%	4%	32%
New England	29%	39%	4%	7%	21%
Pacific	21%	50%	8%	3%	18%
Southeast	23%	40%	11%	5%	21%
Upper Central	19%	28%	16%	3%	34%
South Central	21%	42%	13%	3%	22%

By Household Income

	Discount	General	Local	Secondhand	Specialty
<$50,000	19%	41%	12%	6%	21%
$50,000-75,000	19%	38%	11%	4%	28%
$75,000-100,000	28%	37%	3%	0%	32%
$100,000-150,000	23%	42%	6%	3%	25%
$150,000-200,000	19%	52%	0%	0%	30%
>$200,000	28%	17%	22%	0%	33%

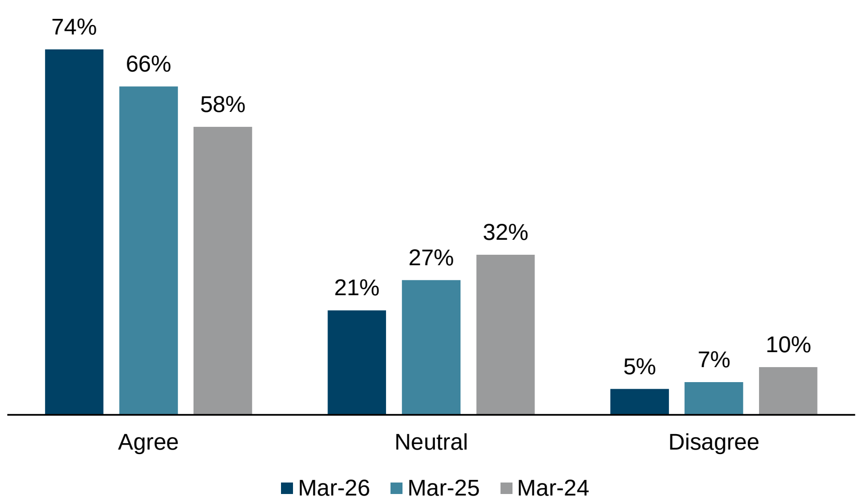
By Child Count

	Discount	General	Local	Secondhand	Specialty
0	22%	38%	13%	5%	22%
1	17%	45%	4%	5%	30%
2	24%	40%	6%	0%	31%
3	14%	50%	7%	7%	21%
4	0%	67%	0%	0%	33%
5	33%	33%	0%	0%	33%
6+	0%	33%	0%	0%	67%

Sources: Survey Monkey and William Blair Equity Research

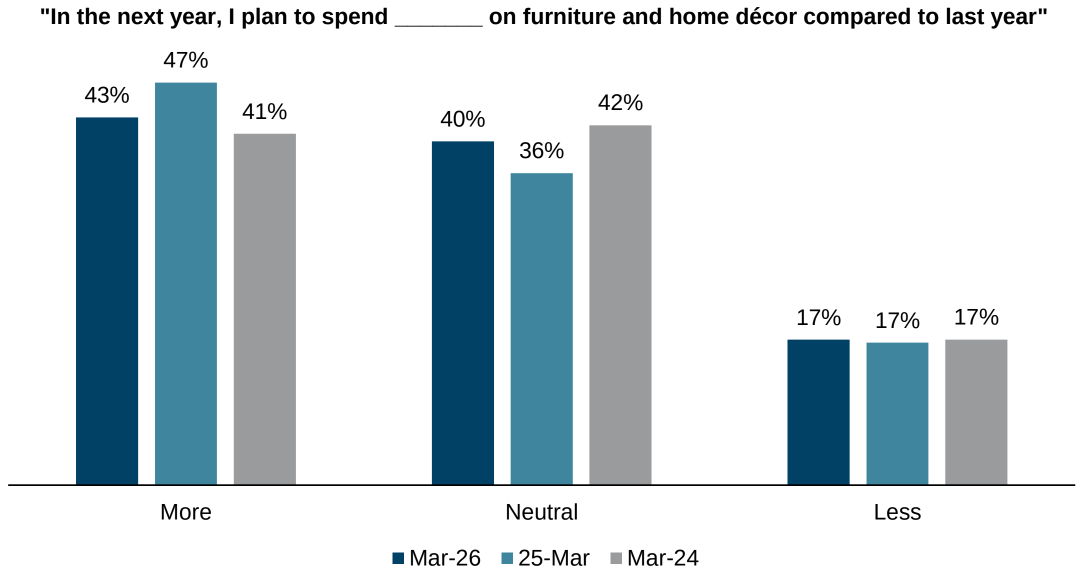
Value and promotions are becoming increasingly central to furniture demand, reinforcing a structurally more promotional environment. In our latest survey, 74% of respondents agreed they are shopping more discounts compared to one year ago, up from 66% and 58% in March 2025 and March 2024, respectively, highlighting a steady intensification in promotion-seeking behavior. Against this backdrop, neutral responses declined to 21% from 27%, while disagreement remained low at 5%, suggesting broad-based acceptance of a more deal-driven purchasing mindset. In our view, this dynamic is likely to continue weighing on pricing power and margins, as elevated price sensitivity persists even as demand shows early signs of recovery.

"When buying furniture, I shop more discounts compared to one year ago."



Sources: Survey Monkey and William Blair Equity Research

Spending intentions continue to skew meaningfully toward younger and higher-income consumers, reinforcing that incremental demand remains concentrated among financially resilient cohorts. In our latest survey, 43% of respondents plan to spend more on furniture and home decor over the next year, broadly consistent with prior periods, though the underlying mix remains highly uneven. By age, 62% of consumers ages 18 to 29 and 50% of ages 30 to 44 expect to spend more, compared to just 19% among those 60 or older, highlighting limited incremental demand from older cohorts. A similar pattern emerges by income, with 63% of households earning more than $150,000 expecting to spend more, versus about 40% for incomes below $75,000, underscoring that category growth is continuing to be driven disproportionately by higher-income consumers rather than broad-based spending expansion.



Sources: Survey Monkey and William Blair Equity Research

"In the next year, I plan to spend _______ on furniture and home décor compared to last year"

By Age

	Much more	Somewhat more	About the same	Somewhat less	Much less
18-29	22%	40%	32%	5%	1%
30-44	19%	31%	38%	7%	4%
45-60	18%	26%	33%	16%	7%
> 60	5%	14%	55%	17%	9%

By Region

	Much more	Somewhat more	About the same	Somewhat less	Much less
Upper Midwest	39%	12%	35%	9%	5%
East South Central	55%	13%	20%	5%	8%
New York Tristate	34%	17%	30%	13%	6%
Mountain	32%	12%	28%	16%	12%
New England	43%	0%	32%	14%	11%
Pacific	26%	29%	26%	18%	0%
Southeast	42%	13%	25%	14%	6%
Upper Central	44%	19%	25%	6%	6%
South Central	46%	22%	24%	6%	3%

By Household Income

	Much more	Somewhat more	About the same	Somewhat less	Much less
<$50,000	15%	25%	41%	11%	7%
$50,000-75,000	14%	22%	45%	17%	3%
$75,000-100,000	12%	31%	44%	6%	7%
$100,000-150,000	23%	27%	34%	11%	5%
$150,000-200,000	26%	37%	22%	15%	0%
>$200,000	6%	61%	28%	6%	0%

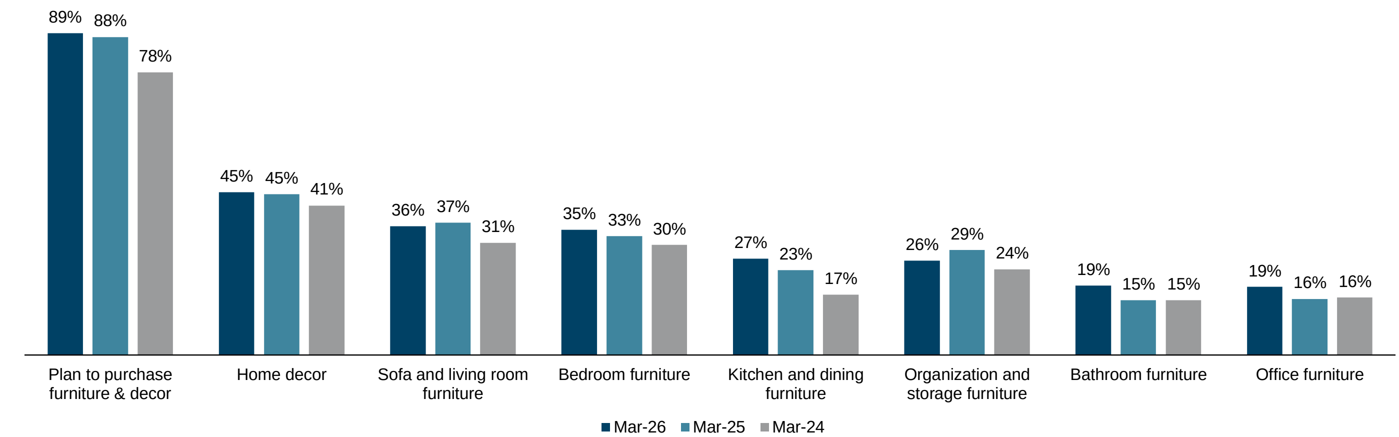
By Child Count

	Much more	Somewhat more	About the same	Somewhat less	Much less
0	8%	22%	44%	14%	13%
1	2%	37%	37%	11%	13%
2	4%	35%	28%	3%	29%
3	0%	29%	43%	7%	21%
4	0%	33%	33%	17%	17%
5	0%	33%	33%	0%	33%
6+	0%	33%	33%	0%	33%

Sources: Survey Monkey and William Blair Equity Research

Planned spend across furniture and home decor categories appears flat to slightly up year-over-year, suggesting stability at current levels, but few signs pointing toward an early inflection. Overall, 89% of respondents plan to purchase furniture or home decor in the next year, relatively in line with March 2025, and meaningfully above March 2024 levels, suggesting stability rather than renewed acceleration. Category-level intentions are largely steady versus the prior survey, with a slight uptick in larger ticket categories like kitchen and dining and bedroom.

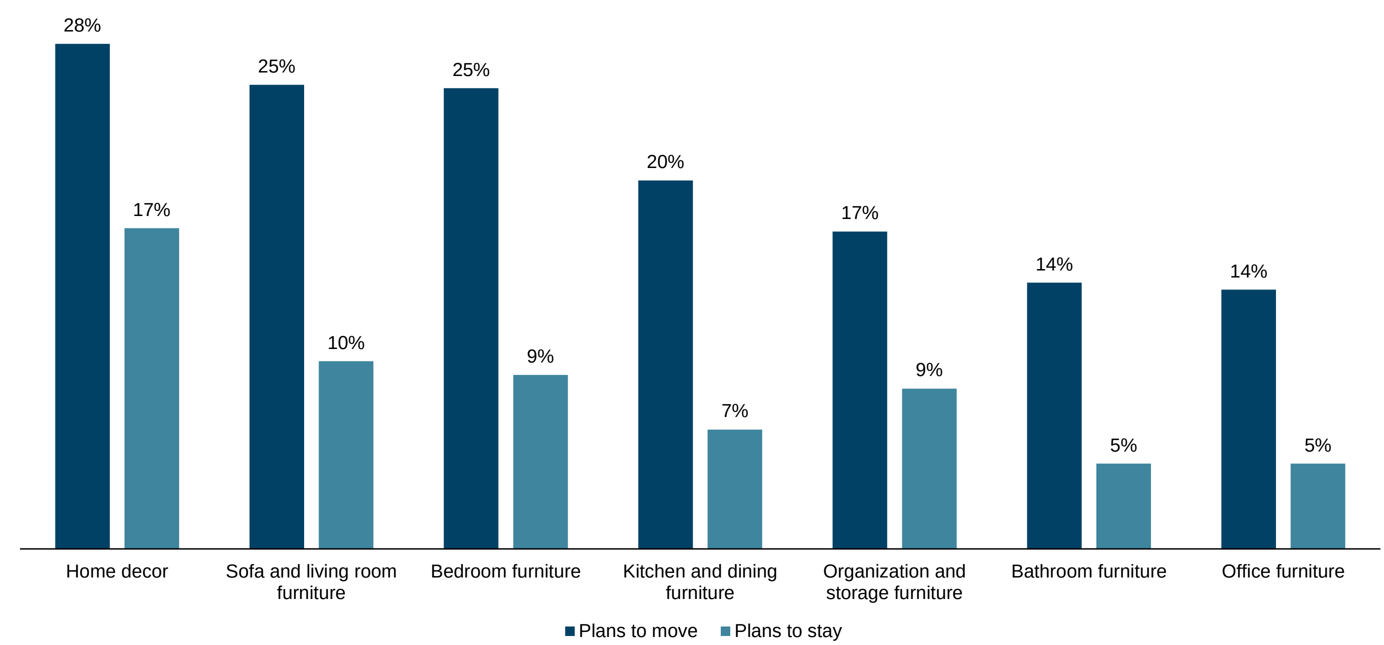
"What furniture and home decor products do you plan to purchase in the next year?"



Sources: Survey Monkey and William Blair Equity Research

Demand for higher-ticket furniture categories remains meaningfully stronger among respondents planning to move, underscoring the continued link between housing mobility and category mix. The gap between movers and nonmovers is most pronounced in sofas and living room furniture (25% versus 10%), bedroom furniture (25% versus 9%), and home decor (28% versus 17%), highlighting the housing-market-dependent nature of these higher-ticket purchases.

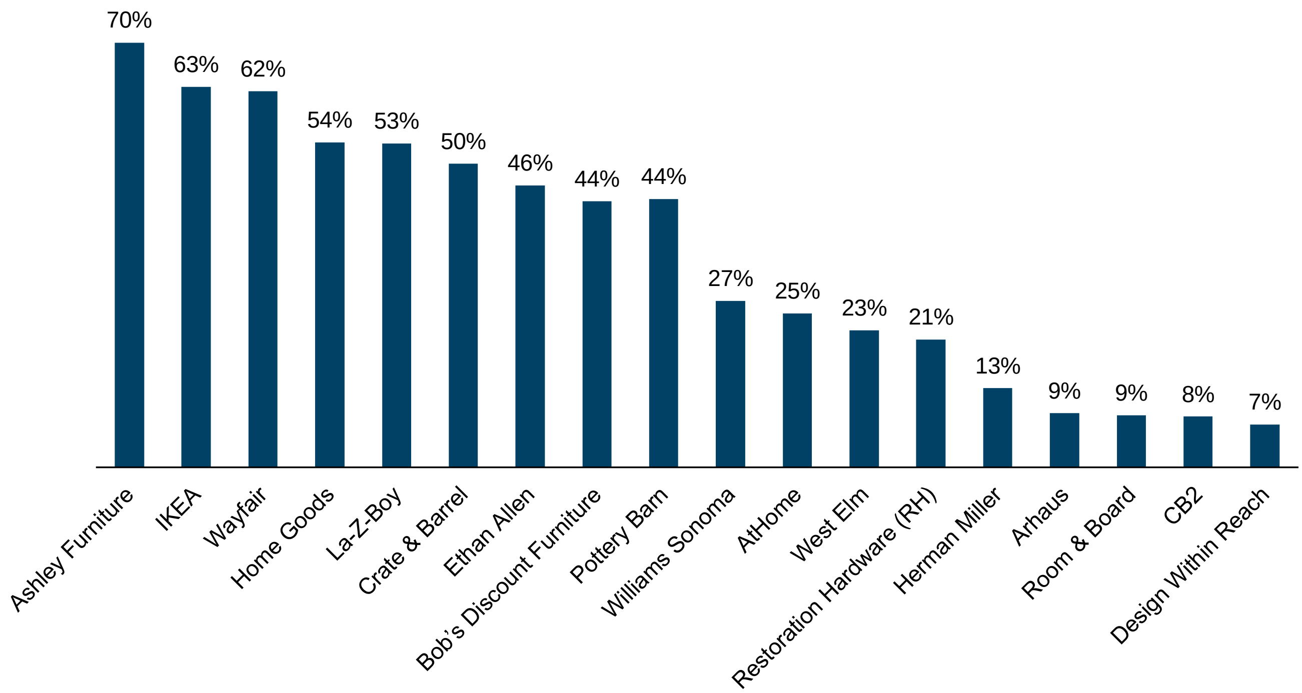
"What furniture and home decor products do you plan to purchase in the next year?"



Source: William Blair and Survey Monkey

Brand awareness opportunities remain significant for Arhaus, Herman Miller, and Design Within Reach, supporting ongoing store expansion opportunities for the brands. Unsurprisingly, mass and discount retailers maintained the highest brand awareness, including Ashley Furniture (70%), IKEA (63%), Wayfair (62%), HomeGoods (54%), and Bob's Discount Furniture (44%). Williams-Sonoma's portfolio of brands landed somewhere in the middle given its broader reach between store footprints and price points. While Herman Miller (13%), Arhaus (9%), and Design Within Reach (7%) were toward the low end of the awareness spectrum and were the lowest among peers in the premium segment of the market, awareness should continue to increase as the companies expand their store footprint, and word of mouth and direct engagement with the local interior design trade should support steady share gains.

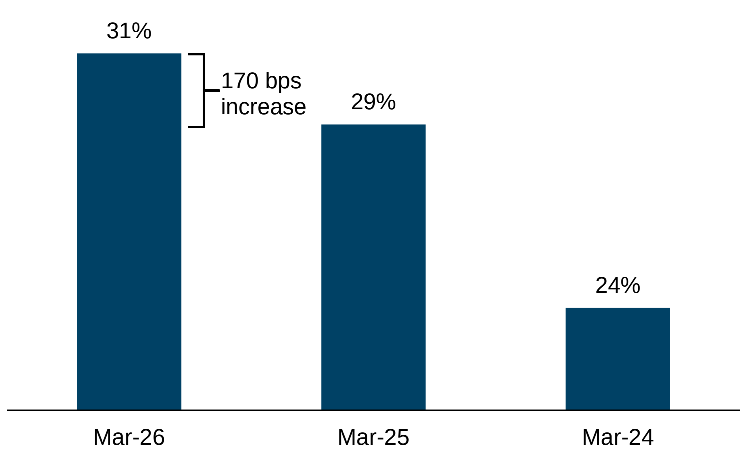
"Which of the following furniture and home decor brands have you heard of? Check all that apply."



Sources: Survey Monkey and William Blair Equity Research

Adoption of interior design services continues to increase, reinforcing the growing importance of trade-driven engagement across the industry. Interior designer usage continued increasing to 31%, up from 29% in March 2025 and 24% in March 2024, signaling steady penetration beyond the ultra-wealthy consumer. Demographically, growth is increasingly evident across middle- to upper-middle-income cohorts, with usage rising notably among households earning $100,000 to $150,000 (41% versus 35%), while penetration among the highest-income brackets remains elevated but more stable. Usage also continues to skew toward younger consumers, with 54% of ages 18 to 29 and 44% of ages 30 to 44 reporting prior use, compared to just 7% among those 60 and older, highlighting a durable, long-term tailwind as younger households form and furnish homes. This dynamic places greater strategic value on retailer trade programs, highlighted by Arhaus's recent revamp of its trade offering, and supports the case for deeper investment in designer relationships and services.

"Yes" to "have you ever used an interior designer?"



Sources: Survey Monkey and William Blair Equity Research

"Yes" to "have you ever used an interior designer?"

By Age			By Household Income		
	Yes	No		Yes	No
18-29	54%	46%	<$50,000	29%	71%
30-44	44%	56%	$50,000-75,000	20%	80%
45-60	22%	78%	$75,000-100,000	29%	71%
> 60	7%	93%	$100,000-150,000	41%	59%
			$150,000-200,000	56%	44%
			>$200,000	39%	61%

Sources: Survey Monkey and William Blair Equity Research

The continued expansion of interior design usage elevates the strategic importance of trade programs as a competitive differentiator across furniture and home categories. As designers play a growing role in purchase decisions, particularly among younger and middle- to upper-income households, the depth and ease of trade offerings are becoming increasingly consequential in driving engagement and share capture. Clear, percentage-based discount structures, such as those offered by Arhaus, Design Within Reach, and Williams-Sonoma, create a lower-friction way to partner with designers, while more complex or restrictive models, including membership-based approaches like RH (or Arhaus before its recent revamp), may become a limiting factor as trade usage broadens beyond the ultra-affluent. As design adoption continues to build, differences in trade support are likely to meaningfully influence brand preference, reinforcing the value of recent investments aimed at strengthening designer relationships and services.

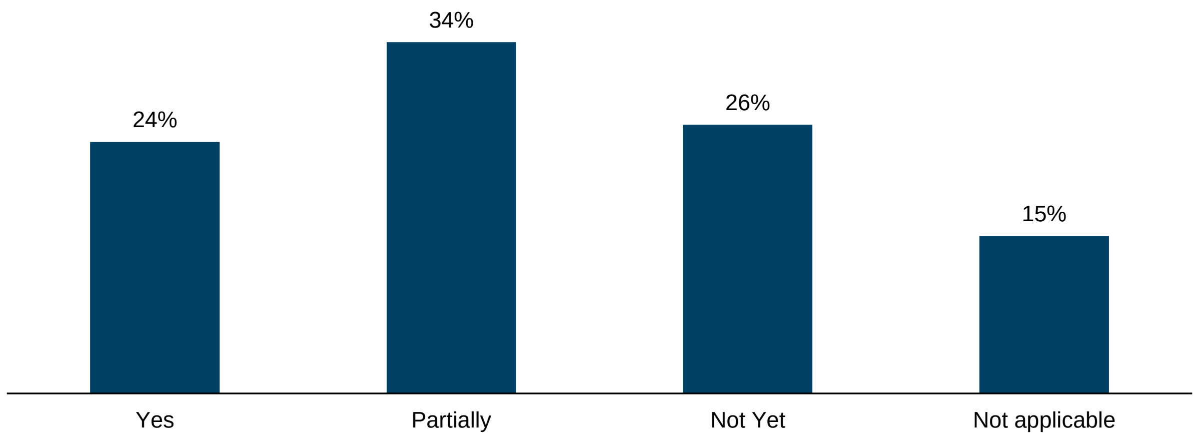
Interior Design Trade Discounts by Brand

ARHAUS	30% trade discount
DWR	25% trade discount
Crate&Barrel	25% trade discount
WILLIAMS SONOMA	20% trade discount
POTTERY BARN	20% trade discount
west elm	20% trade discount
wayfair	Discount ranges by product (2% - 25%+)
RH	Free $200 Annual Membership Fee
FLOOR & DECOR	None

Sources: Interior Design Surveys and William Blair Equity Research

There are growing signs that consumers are beginning to cycle back toward replacing larger purchases originally made during the pandemic time frame. When asked whether the respondents felt they were "through" the big purchases made during the pandemic, 24% indicated they are ready to replace those items, while an additional 34% said they are partly through, implying that nearly 60% of consumers are either actively considering or beginning to look at replacement again. This emerging replacement dynamic is evident across age and income cohorts and suggests that pandemic-era purchases, many of which were deferred or accelerated, are moving back into a more normal replacement cycle, creating a potential incremental tailwind for categories such as mattresses where lifecycle-driven demand is an important driver.

"Do you feel you are 'through' the big purchases you made during the pandemic (i.e., ready to replace again)?"



Source: Survey Monkey and William Blair Equity Research

"Do you feel you are 'through' the big purchases you made during the pandemic (i.e., ready to replace again)?"

By Age

	Yes	Partially	Not Yet	Not applicable
18-29	38%	45%	13%	4%
30-44	31%	34%	21%	13%
45-60	26%	35%	24%	16%
> 60	7%	25%	43%	26%

By Region

	Yes	Partially	Not Yet	Not applicable
Upper Midwest	21%	36%	33%	9%
East South Central	8%	45%	30%	18%
New York Tristate	23%	37%	23%	17%
Mountain	28%	28%	16%	28%
New England	29%	21%	25%	25%
Pacific	45%	13%	34%	8%
Southeast	24%	38%	23%	15%
Upper Central	22%	38%	28%	13%
South Central	26%	32%	26%	15%

By Household Income

	Yes	Partially	Not Yet	Not applicable
<$50,000	25%	33%	24%	18%
$50,000-75,000	24%	26%	39%	11%
$75,000-100,000	19%	44%	22%	15%
$100,000-150,000	28%	34%	25%	13%
$150,000-200,000	30%	33%	22%	15%
>$200,000	17%	56%	17%	11%

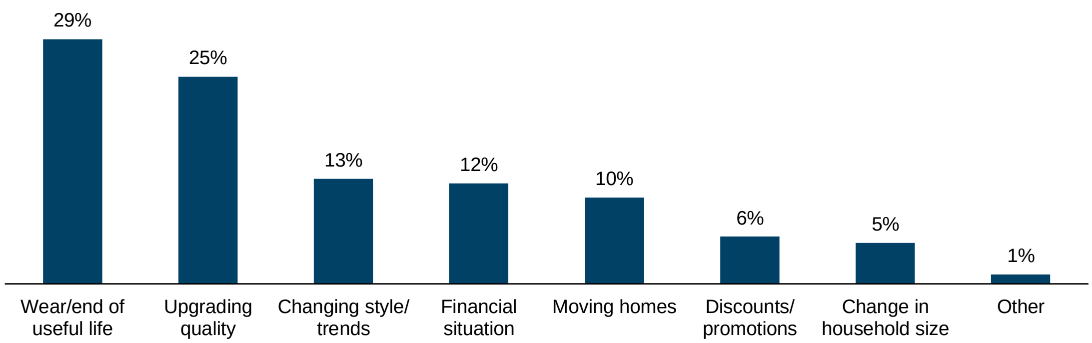
By Child Count

	Yes	Partially	Not Yet	Not applicable
0	19%	33%	31%	18%
1	31%	35%	23%	11%
2	38%	37%	13%	12%
3	36%	29%	21%	14%
4	33%	50%	0%	17%
5	17%	50%	17%	17%
6+	33%	67%	0%	0%

Source: Survey Monkey and William Blair Equity Research

Home-related purchase decisions appear increasingly driven by discretionary considerations rather than necessity-based pressures. When asked about the biggest factor influencing their next major home-related purchase, respondents most frequently cited wear and tear or useful life (29%), followed by upgrading quality (25%) and changing style or trends (13%), collectively accounting for the majority of responses. In contrast, more reactive or constraint-driven factors, such as financial situation (12%), moving homes (10%), and discounts or promotions (6%), ranked meaningfully lower. The demographic breakouts reinforce this pattern, with wear and tear and upgrade-related motivations consistently cited across age and income cohorts, suggesting purchase intent is increasingly shaped by lifestyle preferences, quality considerations, and aesthetic changes rather than immediate financial or transactional triggers.

"What is the biggest factor driving your next major home-related purchase?"



Source: Survey Monkey and William Blair Equity Research

"What is the biggest factor driving your next major home-related purchase?"

By Age

	Wear/end of useful life	Upgrading quality	Changing style/trends	Moving homes	Change in household size	Discounts or promotions	Financial situation
18-29	13%	32%	24%	15%	7%	3%	5%
30-44	22%	29%	15%	14%	6%	5%	8%
45-60	30%	29%	9%	9%	4%	5%	14%
> 60	47%	10%	5%	4%	3%	8%	19%

By Household Income

	Wear/end of useful life	Upgrading quality	Changing style/trends	Moving homes	Change in household size	Discounts or promotions	Financial situation
<$50,000	25%	25%	13%	11%	5%	5%	15%
$50,000-75,000	31%	19%	9%	9%	6%	13%	10%
$75,000-100,000	44%	22%	12%	4%	4%	6%	7%
$100,000-150,000	31%	30%	16%	11%	3%	0%	9%
$150,000-200,000	15%	37%	7%	19%	11%	0%	11%
>$200,000	39%	28%	22%	6%	0%	0%	6%

By Region

	Wear/end of useful life	Upgrading quality	Changing style/trends	Moving homes	Change in household size	Discounts or promotions	Financial situation
Upper Midwest	29%	15%	12%	14%	8%	9%	9%
East South Central	25%	20%	13%	8%	3%	13%	15%
New York Tristate	31%	29%	13%	9%	4%	7%	8%
Mountain	28%	36%	12%	8%	0%	8%	8%
New England	29%	14%	18%	14%	4%	0%	21%
Pacific	34%	24%	16%	8%	0%	3%	16%
Southeast	25%	31%	10%	10%	7%	4%	12%
Upper Central	53%	13%	13%	6%	6%	0%	9%
South Central	24%	24%	13%	14%	6%	6%	15%

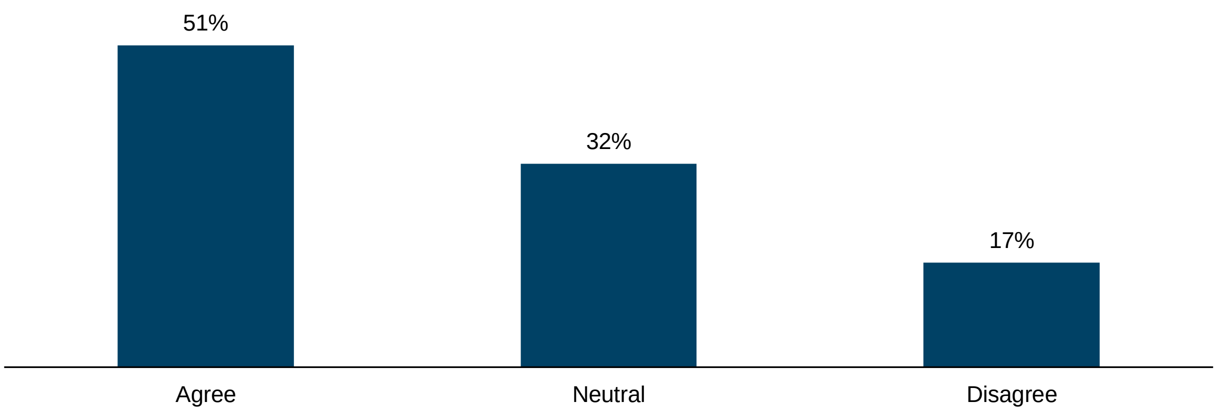
By Child Count

	Wear/end of useful life	Upgrading quality	Changing style/trends	Moving homes	Change in household size	Discounts or promotions	Financial situation
0	34%	20%	11%	9%	5%	7%	13%
1	21%	31%	15%	13%	4%	5%	11%
2	22%	35%	13%	10%	6%	3%	10%
3	43%	29%	7%	14%	0%	0%	7%
4	17%	50%	0%	17%	0%	0%	17%
5	0%	0%	50%	0%	17%	17%	17%
6+	0%	67%	33%	0%	0%	0%	0%

Source: Survey Monkey and William Blair Equity Research

Macro-related pressures tied to elevated oil prices and geopolitical conflict are having a meaningful dampening effect on furniture and home improvement spending intentions. In total, 51% of respondents indicated the recent war and rising oil prices have changed their plans, underscoring the significance of the overhang. The impact skews more heavily toward lower- and middle-income households, where agreement levels are meaningfully higher than among upper-income cohorts, though the effect remains present even at the high end. Notably, sensitivity is especially pronounced among younger consumers, with respondents ages 18 to 44 showing higher agreement than older age groups. The data suggests that while macro headwinds remain broadly pervasive, they may be a particularly important gating factor for discretionary home-related spend among younger and less affluent consumers.

"The recent war with Iran and rising oil prices have changed my plans for spend on furniture and home improvement"



Source: Survey Monkey and William Blair Equity Research

"The recent war with Iran and rising oil prices have changed my plans for spend on furniture and home improvement"

By Age

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
18-29	25%	41%	26%	8%	1%
30-44	20%	35%	32%	8%	5%
45-60	22%	33%	31%	8%	6%
> 60	15%	18%	39%	20%	9%

By Region

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Upper Midwest	15%	33%	27%	20%	5%
East South Central	20%	33%	33%	8%	8%
New York Tristate	16%	36%	36%	9%	4%
Mountain	32%	32%	28%	4%	4%
New England	11%	39%	43%	4%	4%
Pacific	26%	32%	16%	16%	11%
Southeast	22%	32%	31%	11%	5%
Upper Central	19%	28%	28%	9%	16%
South Central	22%	18%	43%	14%	3%

By Household Income

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
<$50,000	19%	33%	32%	11%	6%
$50,000-75,000	25%	30%	30%	11%	3%
$75,000-100,000	22%	25%	43%	7%	3%
$100,000-150,000	16%	38%	28%	11%	8%
$150,000-200,000	22%	30%	26%	19%	4%
>$200,000	17%	17%	39%	22%	6%

By Child Count

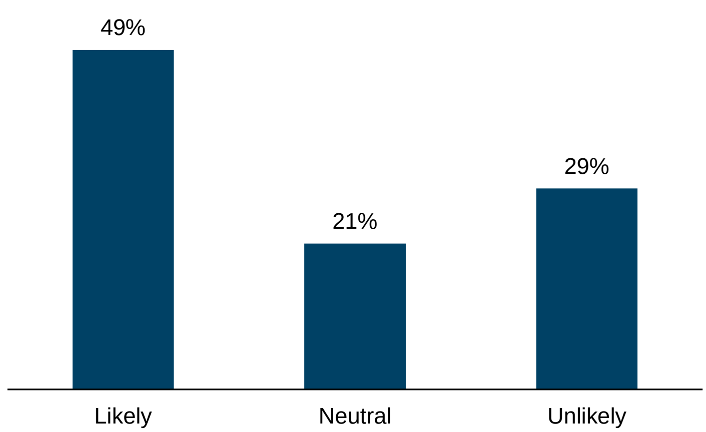
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
0	18%	26%	36%	13%	7%
1	24%	36%	27%	8%	5%
2	24%	40%	29%	7%	0%
3	14%	36%	29%	14%	7%
4	33%	50%	17%	0%	0%
5	0%	67%	17%	0%	17%
6+	33%	67%	0%	0%	0%

Source: Survey Monkey and William Blair Equity Research

Consumer Survey Highlights: Mattresses and Bedding

The mattress category appears well positioned for an acceleration in 2026, with demand that is structurally less tethered to housing mobility than other home-related spend. Unlike furniture and broader home improvement categories, where purchase activity tends to rise and fall with moving intentions, mattress replacement demand remains resilient across the broader consumer base and appears primarily replacement-driven. Nearly half of respondents indicate they are likely to replace their mattress in the next 12 months, a meaningfully higher level of intent than seen across other higher-ticket home categories. This supports a demand profile that extends beyond housing transactions and underscores the relative durability of mattress spending even in a more muted housing environment.

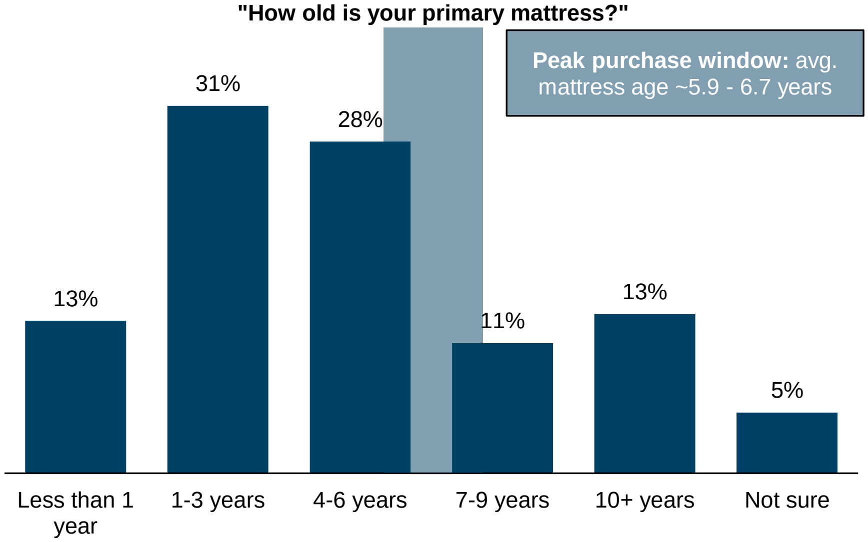
"How likely are you to replace your mattress in the next 12 months?"



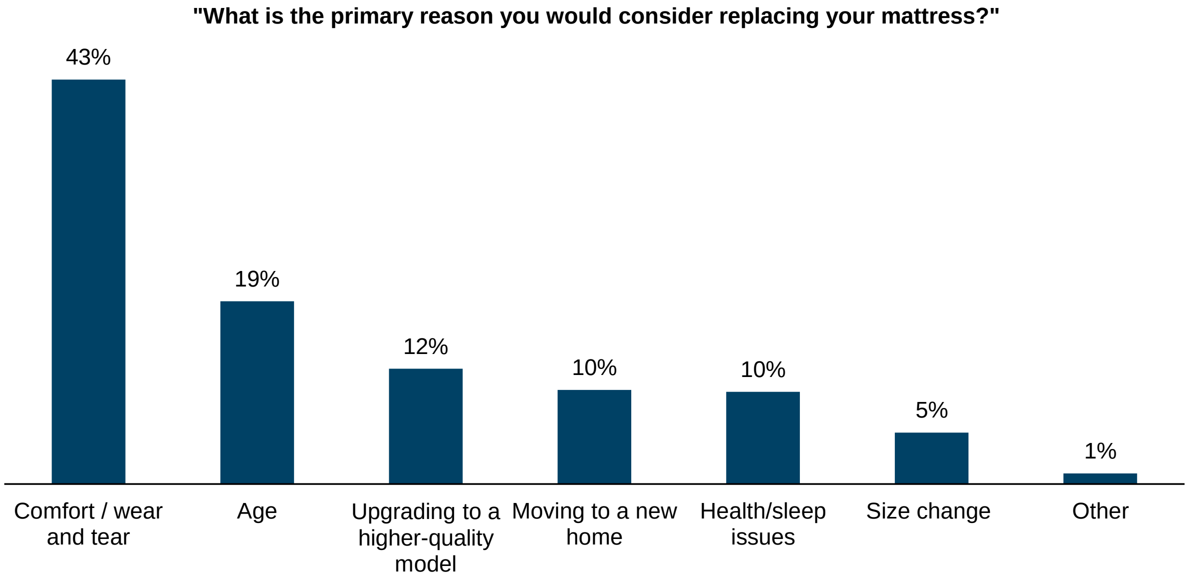
Source: Survey Monkey and William Blair Equity Research

Replacement timing continues to be driven primarily by product age and wear rather than life events, with a weighted average mattress age of 5.9 to 6.7 years among those who are likely to buy a mattress over the next year. About 28% of respondents reported their current mattress is between four and seven years old, while another 31% are one to three years in, reinforcing a steady replacement cadence rather than a one-time pull-forward. When asked why they would replace a mattress, comfort, wear, and tear were cited most frequently (43%), followed by age (19%) and upgrading to a higher-quality model (12%). Notably, moving to a new home accounted for just 10%, further reinforcing that mattress demand is far less dependent on the housing market than other home categories.

"How old is your primary mattress?"



Source: Survey Monkey and William Blair Equity Research



Source: Survey Monkey and William Blair Equity Research

Demographically, mattress replacement shows broad participation, but skews somewhat younger and higher-income, which we view as constructive. Younger consumers (ages 18 to 44) show the highest likelihood of replacement within the year, at nearly 70%. A similar skew is evident by income, where households earning $100,000 or more report higher replacement likelihood than lower-income groups. When examining the primary reasons for considering replacement, the share citing an upgrade to a higher-quality model significantly increases at higher income brackets, nearly doubling the likelihood for those earning more than $100,000. In contrast, moving to a new home represents a relatively small share of responses across cohorts, reinforcing that mattress replacement behavior differs meaningfully from furniture and home improvement categories, where mobility more directly drives purchase decisions.

"How likely are you to replace your mattress in the next 12 months?"

By Age

	Very likely	Likely	Neutral	Very unlikely	Unlikely
18-29	34%	35%	20%	9%	3%
30-44	30%	28%	21%	12%	9%
45-60	23%	24%	20%	18%	15%
> 60	9%	19%	24%	21%	27%

By Region

	Very likely	Likely	Neutral	Very unlikely	Unlikely
Upper Midwest	18%	33%	20%	24%	5%
East South Central	20%	23%	20%	15%	23%
New York Tristate	20%	28%	23%	13%	16%
Mountain	24%	16%	20%	16%	24%
New England	14%	39%	25%	11%	11%
Pacific	42%	18%	13%	13%	13%
Southeast	24%	26%	21%	13%	17%
Upper Central	25%	25%	19%	16%	16%
South Central	26%	22%	26%	18%	7%

By Household Income

	Very likely	Likely	Neutral	Very unlikely	Unlikely
<$50,000	27%	24%	25%	12%	13%
$50,000-75,000	17%	19%	17%	28%	20%
$75,000-100,000	18%	31%	24%	19%	9%
$100,000-150,000	23%	31%	17%	11%	17%
$150,000-200,000	30%	37%	11%	11%	11%
>$200,000	22%	44%	17%	6%	11%

By Child Count

	Very likely	Likely	Neutral	Very unlikely	Unlikely
0	20%	23%	21%	17%	19%
1	27%	26%	23%	15%	9%
2	28%	37%	24%	7%	4%
3	36%	36%	14%	14%	0%
4	50%	33%	17%	0%	0%
5	17%	17%	17%	33%	17%
6+	0%	33%	33%	33%	0%

Source: Survey Monkey and William Blair Equity Research

"What is the primary reason you would consider replacing your mattress?"

By Household Income

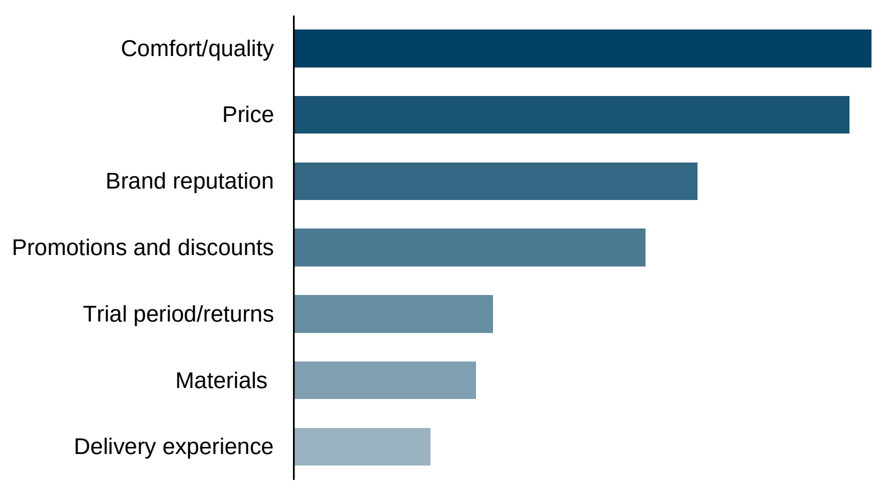
	Age	Comfort/wear and tear	Health/sleep issues	Upgrading to a higher-quality model	Moving to a new home	Size change
<$50,000	21%	37%	11%	10%	11%	9%
$50,000-75,000	17%	49%	10%	15%	8%	1%
$75,000-100,000	22%	53%	7%	6%	7%	3%
$100,000-150,000	13%	44%	9%	17%	14%	3%
$150,000-200,000	22%	33%	7%	26%	7%	4%
>$200,000	22%	61%	0%	17%	0%	0%

Source: Survey Monkey and William Blair Equity Research

When purchasing a mattress, consumers prioritize quality and comfort over price, in direct contrast to the broader furniture space where price is king, which should support continued share gains for the premium end of the market, namely Tempur-Pedic. When asked to rank the factors that matter most when purchasing a new mattress, respondents placed comfort and quality clearly at the top, followed closely by price, with brand reputation and promotions forming a secondary tier of importance. This hierarchy stands in sharp contrast to furniture and home improvement, where price, service, and execution rank materially higher in the decision-making process. The heightened emphasis on comfort, materials, and brand credibility reinforces the competitive positioning of premium mattress brands like Tempur-Pedic, which compete primarily on differentiated product performance rather than price, providing credibility for the company's pricing power even within a more promotional environment.

"When thinking about buying a new mattress, which factors matter most?"

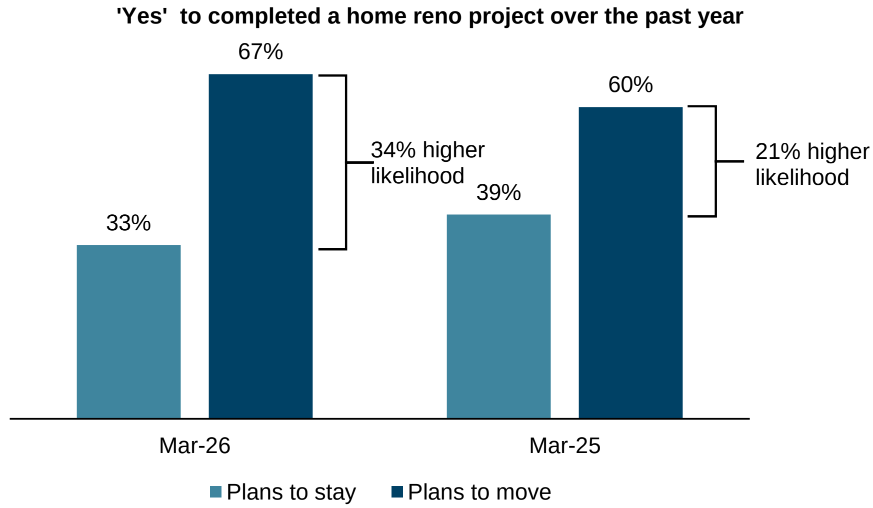
Bars ordered from highest to lowest priority



Source: Survey Monkey and William Blair Equity Research

Consumer Survey Highlights: Home Renovations and Remodels

Home improvement demand remains influenced by housing mobility, with renovation activity becoming more concentrated among those planning to move. Respondents planning to move reported a 67% completion rate for home renovation projects over the past year, compared with 33% among those planning to stay in their current homes, resulting in a 34-point gap, up meaningfully from the 21-point gap in March 2025. While renovation activity among movers has improved, activity among nonmovers has declined, widening the spread and reinforcing that mobility has reemerged as a key driver of renovation decisions. In our view, this reflects a more selective renovation environment where spending is increasingly tied to transition-driven projects rather than discretionary upgrades among homeowners staying put.



Sources: Survey Monkey and William Blair Equity Research

'Yes' to completed a home reno project over the past year

By Age

	Yes	No
18-29	60%	40%
30-44	46%	54%
45-60	41%	59%
> 60	30%	70%

By Region

	Yes	No
Upper Midwest	47%	53%
East South Central	30%	70%
New York Tristate	49%	51%
Mountain	24%	76%
New England	25%	75%
Pacific	58%	42%
Southeast	41%	59%
Upper Central	56%	44%
South Central	44%	56%

By Household Income

	Yes	No
<$50,000	40%	60%
$50,000-75,000	43%	57%
$75,000-100,000	44%	56%
$100,000-150,000	50%	50%
$150,000-200,000	63%	37%
>$200,000	50%	50%

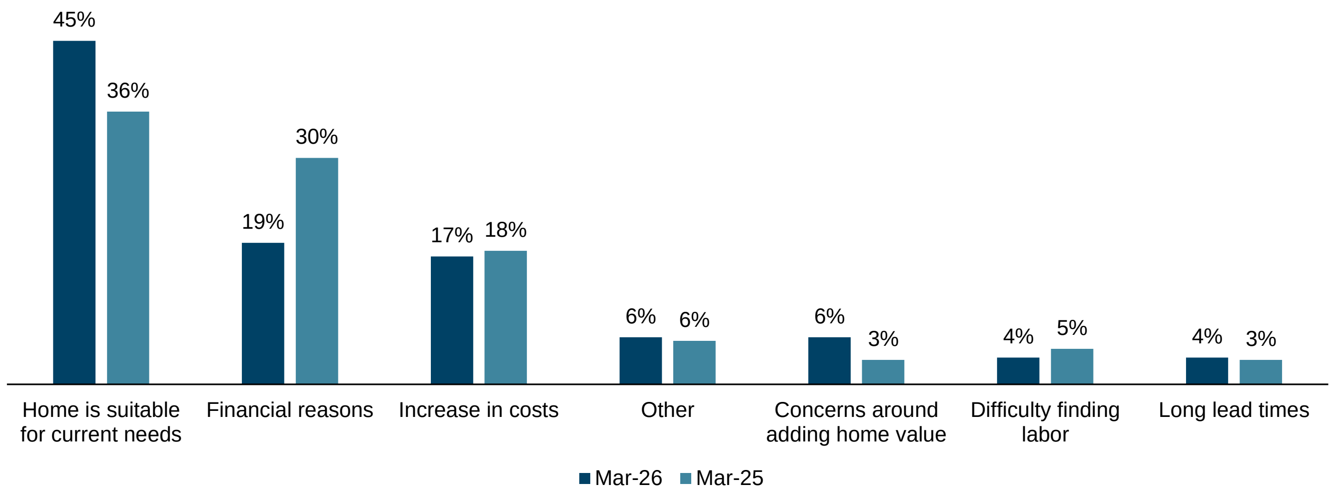
By Child Count

	Yes	No
0	38%	62%
1	47%	53%
2	60%	40%
3	36%	64%
4	67%	33%
5	67%	33%
6+	33%	67%

Sources: Survey Monkey and William Blair Equity Research

The primary reasons consumers are not completing home renovation projects are a combination of contentment with existing space and persistent financial friction. The most frequently cited reason remains that the current home already meets needs (45%, versus 36% in March 2025). Financial considerations dropped off, with personal finances falling to 19% (from 30%), while elevated project costs remained more stable at 17%, as consumers continue to adapt to the higher cost and higher rate environment. Secondary constraints, including difficulty finding labor, concerns about adding home value, and long lead times, remain relatively minor and stable, underscoring that hesitation is driven less by execution challenges and more by a combination of financial caution and reduced urgency to modify existing living situations.

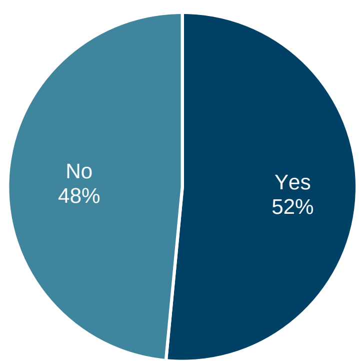
"What was your primary reason for not completing a home renovation/improvement project?"



Sources: Survey Monkey and William Blair Equity Research

Debt usage to fund home renovation projects has stabilized and appears more evenly distributed across income levels compared with prior surveys. Overall, 52% of respondents reported taking on debt for recent home improvement projects, down slightly from 54% in March 2025, suggesting debt incidence has reached a more normalized level after rising steadily through the post-pandemic period. Notably, the skew toward higher-income households has softened, with usage rates declining meaningfully among the $150,000 to $200,000 cohort (53% versus 78%) and $75,000 to $100,000 cohort (53% versus 69%), while debt usage among lower- and middle-income households has remained relatively stable. This suggests a normalization in renovation financing, with reduced concentration at the high end and broader participation across income demographics.

"Did you take on debt to complete the home renovation/improvement project?"



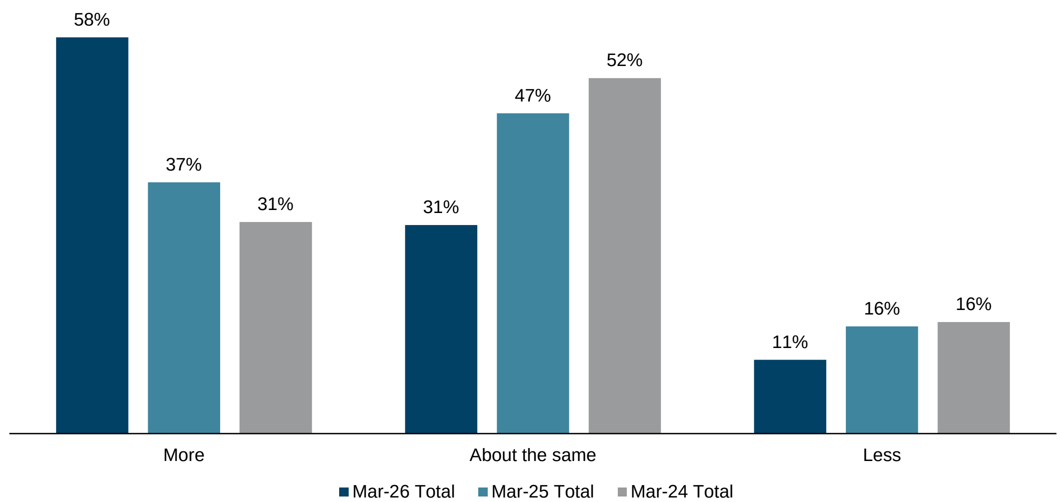
"Yes" by household income

	Mar-26	Mar-25	Mar-24	Mar-23
<$50,000	56%	61%	44%	44%
$50,000-75,000	41%	37%	27%	47%
$75,000-100,000	53%	69%	51%	17%
$100,000-150,000	44%	66%	46%	35%
$150,000-200,000	53%	78%	73%	60%
>$200,000	67%	78%	41%	25%
Overall	**52%**	**54%**	**46%**	**38%**

Sources: Survey Monkey and William Blair Equity Research

Planned spending on home renovation projects over the next year appears more constructive than expected, though still heavily driven by younger and higher-income consumers. Across all respondents, the share planning to spend more rose to 58%, up from 37% in March 2025 and 31% in March 2024, representing a clear sequential and year-over-year improvement. The increase remains disproportionately driven by younger cohorts (ages 18 to 44) and higher-income households (over $100,000), but the breadth and magnitude of the improvement are more encouraging than expected, suggesting renovation demand is stabilizing sooner and with more momentum than anticipated.

"In the next year, I plan to spend ____________ on home renovation/improvement projects compared to the prior year"



Sources: Survey Monkey and William Blair Equity Research

"In the next year, I plan to spend ____________ on home renovation/improvement projects compared to the prior year"

By Age

	Much more	Somewhat more	About the same	Somewhat less	Much less
18-29	19%	44%	30%	7%	0%
30-44	29%	45%	24%	3%	0%
45-60	17%	36%	35%	10%	2%
> 60	6%	37%	35%	19%	3%

By Region

	Much more	Somewhat more	About the same	Somewhat less	Much less
Upper Midwest	11%	47%	26%	13%	2%
East South Central	19%	48%	26%	4%	4%
New York Tristate	23%	38%	28%	9%	1%
Mountain	17%	44%	33%	6%	0%
New England	0%	25%	45%	30%	0%
Pacific	24%	26%	38%	9%	3%
Southeast	15%	39%	36%	9%	1%
Upper Central	24%	57%	14%	5%	0%
South Central	24%	43%	26%	7%	0%

By Household Income

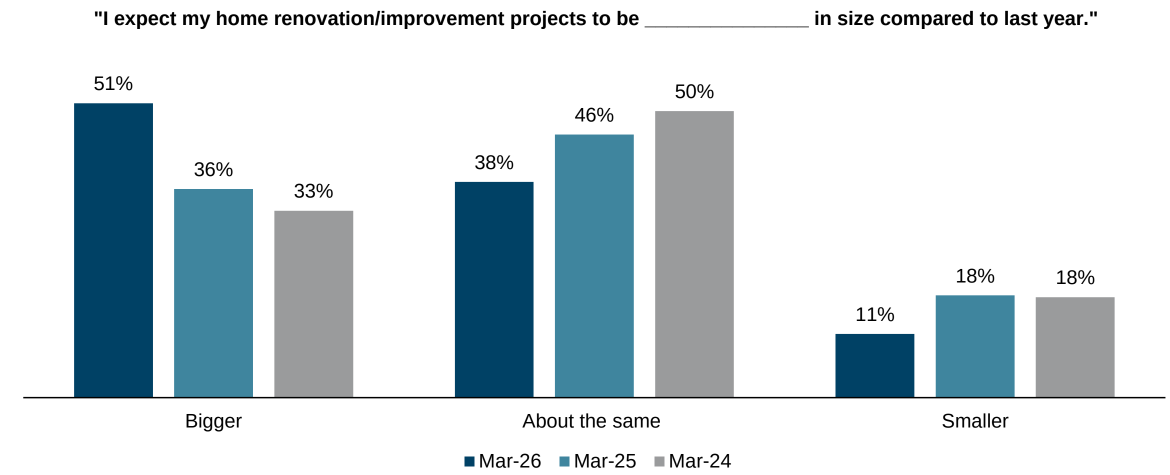
	Much more	Somewhat more	About the same	Somewhat less	Much less
<$50,000	17%	39%	32%	10%	1%
$50,000-75,000	18%	30%	37%	13%	1%
$75,000-100,000	14%	47%	33%	7%	0%
$100,000-150,000	24%	51%	20%	6%	0%
$150,000-200,000	23%	41%	18%	14%	5%
>$200,000	13%	53%	27%	7%	0%

By Child Count

	Much more	Somewhat more	About the same	Somewhat less	Much less
0	16%	36%	34%	12%	1%
1	13%	46%	29%	9%	2%
2	27%	51%	19%	3%	0%
3	36%	36%	27%	0%	0%
4	40%	60%	0%	0%	0%
5	17%	33%	50%	0%	0%
6+	33%	33%	33%	0%	0%

Sources: Survey Monkey and William Blair Equity Research

Consumers appear to be showing modestly greater appetite for larger renovation projects relative to recent surveys. Expectations for project size have stabilized following several years of pull-forward demand related to the pandemic, with fewer respondents shifting toward smaller projects. In our view, this reflects growing acceptance of elevated mortgage rates, where consumers are less inclined to move and instead more likely to invest in renovations to existing homes, including larger upgrades and style-driven changes. Plans to spend more are increasingly tied to larger project scope, a constructive signal for longer-cycle renovation demand.



Source: Survey Monkey and William Blair Equity Research

"I expect my home renovation/improvement projects to be _______________ in size compared to last year."

By Age

	Much bigger	Somewhat bigger	About the same	Somewhat smaller	Much smaller
18-29	25%	30%	42%	4%	0%
30-44	28%	38%	31%	3%	1%
45-60	21%	28%	43%	6%	2%
> 60	8%	28%	35%	24%	6%

By Region

	Much bigger	Somewhat bigger	About the same	Somewhat smaller	Much smaller
Upper Midwest	21%	32%	30%	13%	4%
East South Central	15%	26%	52%	4%	4%
New York Tristate	17%	41%	30%	8%	3%
Mountain	11%	33%	44%	11%	0%
New England	5%	25%	50%	15%	5%
Pacific	29%	26%	29%	12%	3%
Southeast	22%	26%	42%	9%	1%
Upper Central	33%	38%	24%	5%	0%
South Central	24%	26%	44%	6%	0%

By Household Income

	Much bigger	Somewhat bigger	About the same	Somewhat smaller	Much smaller
<$50,000	19%	27%	41%	10%	2%
$50,000-75,000	25%	28%	38%	8%	1%
$75,000-100,000	16%	33%	38%	10%	3%
$100,000-150,000	22%	49%	24%	4%	2%
$150,000-200,000	32%	23%	36%	9%	0%
>$200,000	20%	33%	40%	7%	0%

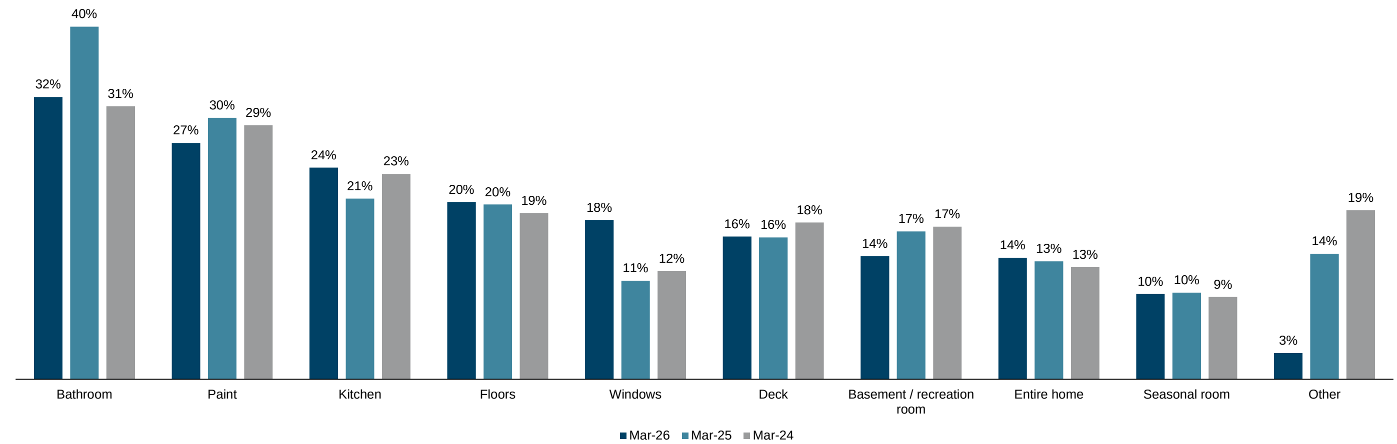
By Child Count

	Much bigger	Somewhat bigger	About the same	Somewhat smaller	Much smaller
0	19%	26%	42%	11%	2%
1	21%	31%	33%	11%	3%
2	20%	47%	32%	0%	0%
3	45%	45%	9%	0%	0%
4	60%	20%	20%	0%	0%
5	17%	33%	50%	0%	0%
6+	0%	67%	33%	0%	0%

Source: Survey Monkey and William Blair Equity Research

Planned renovation activity by category is not a particularly strong year-over-year signal, with modest declines across select areas and only limited pockets of resilience, suggesting the increase in planned spend may be less about the breadth and more around the depth of the renovations, e.g., a full kitchen remodel versus painting the cabinets and replacing the backsplash. Relative to March 2024 and March 2025, paint, deck, and basement/recreation room show the most notable moderation, while several other categories appear relatively flat, underscoring a generally stable demand backdrop at what we believe are trough levels. Still, windows and kitchen stand out as two of the few categories that showed more meaningful improvement, which could be more out of necessity, although we are encouraged by the shift toward larger, higher-ticket projects.

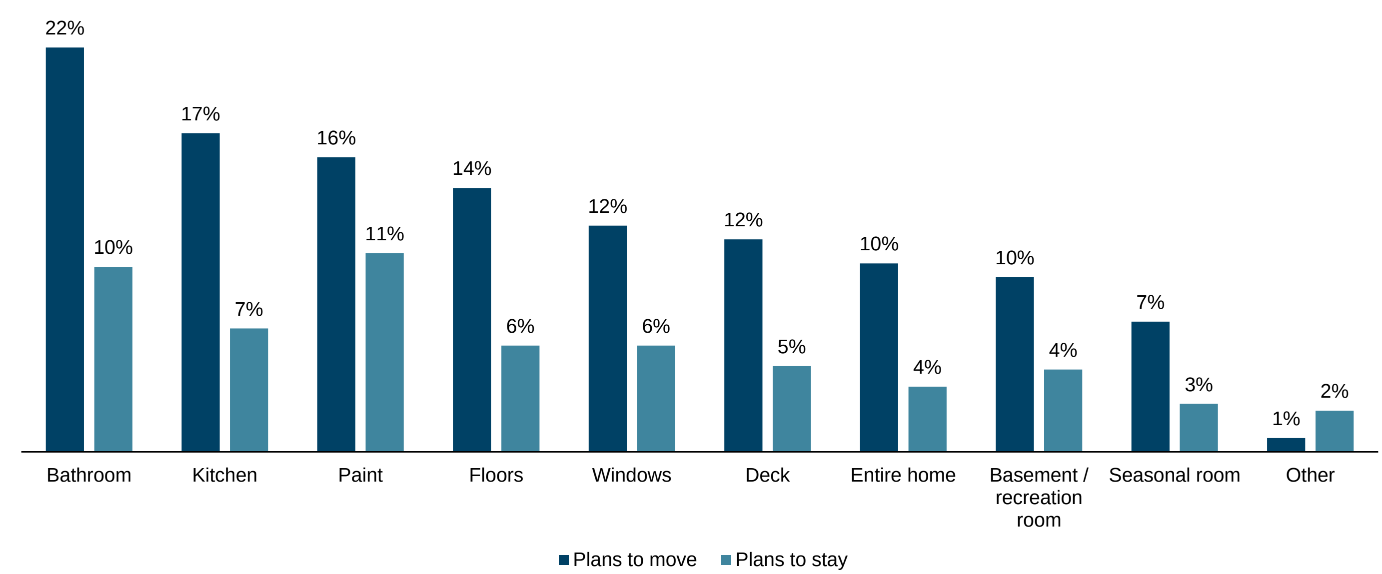
"What home renovation/improvement projects do you plan to complete in the next year?"



Sources: Survey Monkey and William Blair Equity Research

Housing mobility remains a key driver of demand for larger-scale renovation projects. Respondents planning to move consistently indicate meaningfully higher intent across higher-ticket and value-accretive projects relative to those planning to stay. The gap remains most pronounced in bathrooms (22% versus 10%), kitchens (17% versus 7%), flooring (14% versus 8%), and entire-home renovations (10% versus 4%), underscoring that mobility continues to unlock demand for projects with higher returns and greater scope. In contrast, those planning to stay skew more heavily toward smaller, lower-commitment projects, such as paint (16% versus 11%) and seasonal rooms (7% versus 3%), reinforcing that housing turnover remains a critical catalyst for incremental spend in larger renovation categories, even as overall activity remains selective.

"What home renovation/improvement projects do you plan to complete in the next year?"



Sources: Survey Monkey and William Blair Equity Research

Valuation and Risks

Prices are as of the close on April 24.

Arhaus (ARHS $7.65; Outperform): Arhaus trades at 12.8 times our 2027 EPS estimate. We believe the company should trade at a multiple in the range of 18 to 22, in line with other premium peers and unit growth retailers, suggesting a stock price of $12.00, or some 60% upside. We believe expectations have been largely reset, with plenty of room for upside to our current estimates, particularly as seasonal demand begins to take shape over the coming months, where we expect Arhaus should be a significant share gainer. The primary risks include tariffs, potential volatility in earnings stemming from major infrastructure investments, tough multiyear comparisons against a choppy demand environment, uncertainty in the housing market, and elevated competition over higher promotions and demand for real estate.

Arhaus Estimates Summary

	FY 2026		FY 2027	
	Consensus	William Blair	Consensus	William Blair
Comparable sales growth	1.5%	1.8%	3.5%	3.0%
Net sales	1,449	1,460	1,551	1,545
Y/Y %	5.1%	5.8%	7.1%	5.9%
Gross margin	39.5%	39.5%	39.8%	40.0%
Adjusted EBITDA	157	156	173	178
Adjusted EBITDA margin	10.8%	10.7%	11.2%	11.5%
Adjusted EPS	$0.51	$0.50	$0.58	$0.60

Source: Arhaus, Factset, and William Blair Equity Research

Floor & Decor (FND $51.08; Outperform): Floor & Decor trades at approximately 20.4 times our 2027 EPS estimate, well below the company's longer-term average in the mid- to high-30s range. Shares have taken a big hit over the past six months, and the company lost its typical valuation premium as investors became weary of waiting around for an improvement in the housing market with concerns building about the productivity of its class of newer stores. We believe the company's current valuation presents a compelling entry point for long-term-oriented investors given what we believe is a significant runway for further store expansion and market share opportunities in a fragmented industry. The most significant risks are macro in nature, including uncertainty about demand for major discretionary purchases, rising interest rates, and an inactive housing market. Other risks include exposure to tariffs and freight costs.

Floor & Decor Estimates Summary

	FY 2026		FY 2027	
	Consensus	William Blair	Consensus	William Blair
Comparable sales Y/Y %	(0.8%)	(0.0%)	2.7%	2.0%
Net sales	4,699	4,953	5,106	5,147
Y/Y %	5.5%	5.7%	8.7%	3.9%
Gross margin	43.7%	43.7%	43.7%	44.0%
Adjusted EBITDA	532	578	586	648
EBITDA margin	11.3%	11.7%	11.5%	12.6%
Adjusted EPS	$1.81	$2.12	$2.16	$2.50

Source: Floor & Decor, Factset, and William Blair Equity Research

MillerKnoll (MLKN $17.60; Outperform): MillerKnoll currently trades at 8.1 times our fiscal 2027 EPS estimate. We believe shares can trade at a P/E multiple closer to 12 times over the next year, which is still below its peer average but more in line with its long-term average, with increasing visibility into the macro backdrop, a sustainable growth inflection in the contract business, and growing credibility in its accelerated retail expansion strategy serving as the primary catalysts behind the multiple gains. The primary risks to our thesis include corporate layoffs, impact of AI, and workforce shifts; recession and macroeconomic uncertainty; government exposure, international and geopolitical risk; and competition and industry consolidation.

MillerKnoll Estimates Summary

	FY 2026		FY 2027	
	Consensus	William Blair	Consensus	William Blair
Net sales	3,811	3,818	3,956	3,991
Y/Y %	3.9%	4.0%	3.8%	4.5%
Gross margin	38.7%	38.7%	38.9%	39.1%
Operating income	388	232	407	252
Operating margin	10.2%	6.1%	10.3%	6.3%
Adjusted EPS	$1.82	$1.81	$2.00	$2.10
Y/Y %	(6.7%)	(7.2%)	9.8%	15.8%

Sources: MillerKnoll, FactSet, and William Blair Equity Research

RH (RH $137.51; Market Perform): RH currently trades at 19.4 times our 2027 EPS estimate, relatively in line with its historical average in the mid- to high teens. However, given the second-half-weighted setup this year that relies on a significant sales and earnings inflection against an increasingly uncertain macro and housing backdrop, along with limited visibility into the successful ramp-up of international markets and the new product collection, we view the current valuation as appropriate. The most significant risks remain the impact of tariffs and elevated promotions on gross margin, as well as top-line headwinds related to a weak housing market, declining appetite for large ticket, discretionary spend, and the potential wealth effect from stock market volatility on the company's core high-income demographic.

RH Estimates Summary

	FY 2026		FY 2027	
	Consensus	William Blair	Consensus	William Blair
Net sales	3,622	3,612	3,958	3,866
Y/Y %	13.9%	5.0%	9.3%	7.0%
Gross margin	43.3%	43.2%	43.8%	43.5%
Adjusted operating income	342	324	429	387
Operating margin	9.5%	9.0%	10.8%	10.0%
Adjusted EPS	$5.27	$4.20	$9.18	$7.10

Source: RH, Factset, and William Blair Equity Research

Somnigroup (SGI $79.06; Outperform): Somnigroup trades at 19.1 times our 2027 EPS estimate, and we see earnings upside as the primary driver of shares, where we see potential for earnings growth of at least 35% over the next two years as additional synergies from the Mattress Firm acquisition materialize. Still, we believe the company should be able to maintain, if not expand, its current multiple for the next two years or so as earnings accelerate, with potential for more meaningful gains on a recovery in industry volumes or the housing market, as investors chase momentum across quality names. We believe there could be additional earnings upside following the acquisition of Leggett & Platt. The most significant risks include the time and effort required to ramp up two major acquisitions of Leggett & Platt and Mattress Firm, higher-for-longer interest rates pressuring large-ticket demand and housing turnover, elevated promotional and pricing pressures, international uncertainty, and general execution risk as the company is investing in several growth initiatives across its product assortment and operations.

Somnigroup Estimates Summary

	FY 2026		FY 2027	
	Consensus	William Blair	Consensus	William Blair
Net sales	7,945	8,064	8,340	8,360
Y/Y %	6.3%	7.9%	5.0%	3.7%
Gross margin	45.2%	45.3%	45.8%	46.2%
Adjusted EBITDA	1,470	1,490	1,662	1,661
Adjusted EBITDA margin	18.5%	18.5%	19.9%	19.9%
Adjusted EPS	$3.26	$3.35	$4.04	$4.15
			-	-

Sources: Somnigroup, Factset, and William Blair Equity Research

Wayfair (W $78.78; Outperform): Wayfair is trading at 14.1 times our 2027 adjusted EBITDA estimate. We believe there is room for multiple expansion to the high-teens range, as well as earnings upside, particularly if the industry inflects where Wayfair is well positioned to be an outsized share gainer. We believe expectations have been largely reset after the print, where execution against the current guide and continued share gains should support the stock's outperformance from here. The most significant risks include the potential impact of a recession and inactive housing market on demand for the company's core product assortment, rising competition, pressures on employee morale stemming from multiple restructurings, and volatile supply chain costs.

Wayfair Estimates Summary

	FY 2026		FY 2027	
	Consensus	William Blair	Consensus	William Blair
Net sales	13,107	13,083	13,898	13,862
Y/Y %	5.2%	5.0%	6.0%	6.0%
Gross profit	3,934	3,928	4,192	4,197
Gross margin	30.0%	30.0%	30.2%	30.3%
Adjusted EBITDA	836	846	971	981
Adjusted EBITDA margin	6.4%	6.5%	7.0%	7.1%

Source: Wayfair, Factset, and William Blair Equity Research

The prices (as of April 24) of the common stock of other public companies mentioned in this report follow:

Bob's Discount Furniture, Inc.	$11.80
Ethan Allen Interiors, Inc.	$22.43
Home Depot, Inc.	$335.89
La-Z-Boy Inc.	$35.40
Leggett & Platt, Inc.	$11.34
Lowe's Companies, Inc.	$244.45
Tile Shop Holdings, Inc.	$2.95
The TJX Companies, Inc. (Outperform)	$157.03
Williams-Sonoma, Inc.	$190.55

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DOW JONES: 49167.80
S&P 500: 7173.91
NASDAQ: 24887.10

Additional information is available upon request.

Current Rating Distribution (as of April 28, 2026):

Coverage Universe	Percent	Inv. Banking Relationships *	Percent
Outperform (Buy)	74	Outperform (Buy)	13
Market Perform (Hold)	25	Market Perform (Hold)	2
Underperform (Sell)	1	Underperform (Sell)	0

*Percentage of companies in each rating category that are investment banking clients, defined as companies for which William Blair has received compensation for investment banking services within the past 12 months.

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