


April 2025

Company Analysis Chart

Edition 13: Furniture Favorites

L A  B O Y[®]



RH
RESTORATION HARDWARE

WILLIAMS SONOMA
CALIFORNIA

ARHAUS[®]

Researched & Written by Vasav Gupta

Williams - Sonoma Inc.

Ticker: WSM | **Sector:** Consumer Cyclical | **Industry:** Specialty Retail



Metric	Value
Market Cap	\$21.30 Billion
FY25 Total Revenue	\$7.81 Billion
Net Income	\$1.09 Billion
P/E Ratio	19.67
Forward P/E Ratio	19.53
Average Industry P/E	23.2

Recent Headlines

- Stock jumped ~5% after results and guidance impressed investors
- Dividends recently increase by 15%
- Management expects continued growth and market share gains

Leadership

Chief Executive Officer: Laura J. Alber
Chief Financial Officer: Jeffrey E. Howie
General Counsel & Secretary: David Randolph King



Recent Performance Highlights

- Revenue: ~\$7.81B (+~1% YoY)
- EPS (diluted): \$8.84 (record high)
- Operating margin: 18.1% (very strong for retail)

Analyst Takeaway: Williams-Sonoma trades at a below-average P/E relative to peers, indicating potential undervaluation. The company maintains strong operating margins, reflecting effective cost control and pricing power, but revenue growth remains constrained at 1% YoY, signaling limited near-term demand expansion. Despite this, disciplined capital allocation and record-high EPS highlight the strength of its earnings profile and support continued shareholder returns, further reinforced by solid stock performance. Balancing weak top-line growth against strong profitability and capital management, I assign a hold rating on WSM.

Rating: Buy | Hold | Sell

Arhaus Inc.

Ticker: ARHS | **Sector:** Consumer Cyclical | **Industry:** Specialty Retail



Metric	Value
Market Cap	\$958.22 Million
TTM Total Revenue	\$1.38 Billion
Dividend Yield	-
TTM Net Income	\$67.26 Million
P/E Ratio	14.15
Average Industry P/E	23.2

Recent Performance Highlights

- Revenue: ~\$1.38B (+8.5% YoY)
- EPS (GAAP): ~\$0.48 (beat expectations)
- Gross margin: ~\$536M (+7% YoY)
- Special dividend: ~\$0.35/share announced

Recent Headlines

- For a 2026 outlook, modest growth is expected with continued showroom expansion
- Recently announced a new, first-for-firm special dividend.

Leadership

Chief Executive Officer: John P. Reed
Chief Marketing Officer: Jennifer E. Porter
Senior Retail Officer: Kathy E. Veltri



Analyst Takeaway: Arhaus Inc. presents a mixed but constructive outlook, trading at a notable discount to peers (P/E 14.15 vs. industry 23.2), suggesting potential valuation upside. The company is demonstrating solid top-line momentum with ~8.5% YoY revenue growth to \$1.38B and improving gross profit, while EPS has exceeded expectations, signaling operational execution strength. Continued showroom expansion and a newly announced special dividend further reinforce management's confidence and capital return strategy. However, relatively modest net income (\$67.26M) and the absence of a regular dividend may temper investor enthusiasm. Overall, the combination of growth, margin improvement, and discounted valuation supports a cautiously optimistic stance, leaning toward a buy/hold depending on risk tolerance.

Rating: Buy | Hold | Sell

Restoration Hardware

Ticker: RH | **Sector:** Consumer Cyclical | **Industry:** Specialty Retail



Metric	Value
Market Cap	\$2.40 Billion
FY25 Total Revenue	\$3.41 Billion
Net Income	\$109.93 Million
P/E Ratio	23.08
Forward P/E Ratio	11.25
Average Industry P/E	22

Recent Headlines

- Tariffs on furniture imports continue to weigh on margins and sentiment
- New RH “Estates” concept opening in Greenwich (luxury + hospitality format)
- Expansion into experiential retail (galleries, estates, hospitality)

Leadership

Chief Executive Officer: Gary Friedman
Co-Chief Merchandising: Eri Chaya
Co-Chief Merchandising: Lisa Chi



Recent Performance Highlights

- RH trades at discount to broader market multiples
- Company guiding for ~9–11% revenue growth (tempered by tariffs)
- Revenue: ~\$884M (+8.9% YoY)

Analyst Takeaway: RH generated ~\$884M in quarterly revenue (+8.9% YoY) and is guiding for ~9–11% growth, demonstrating resilience despite tariff-driven headwinds.

With FY25 revenue of \$3.41B and net income of \$109.9M, the company remains solidly profitable. Notably, RH trades at a forward P/E of 11.25x vs. ~22x industry average, implying a meaningful valuation discount.

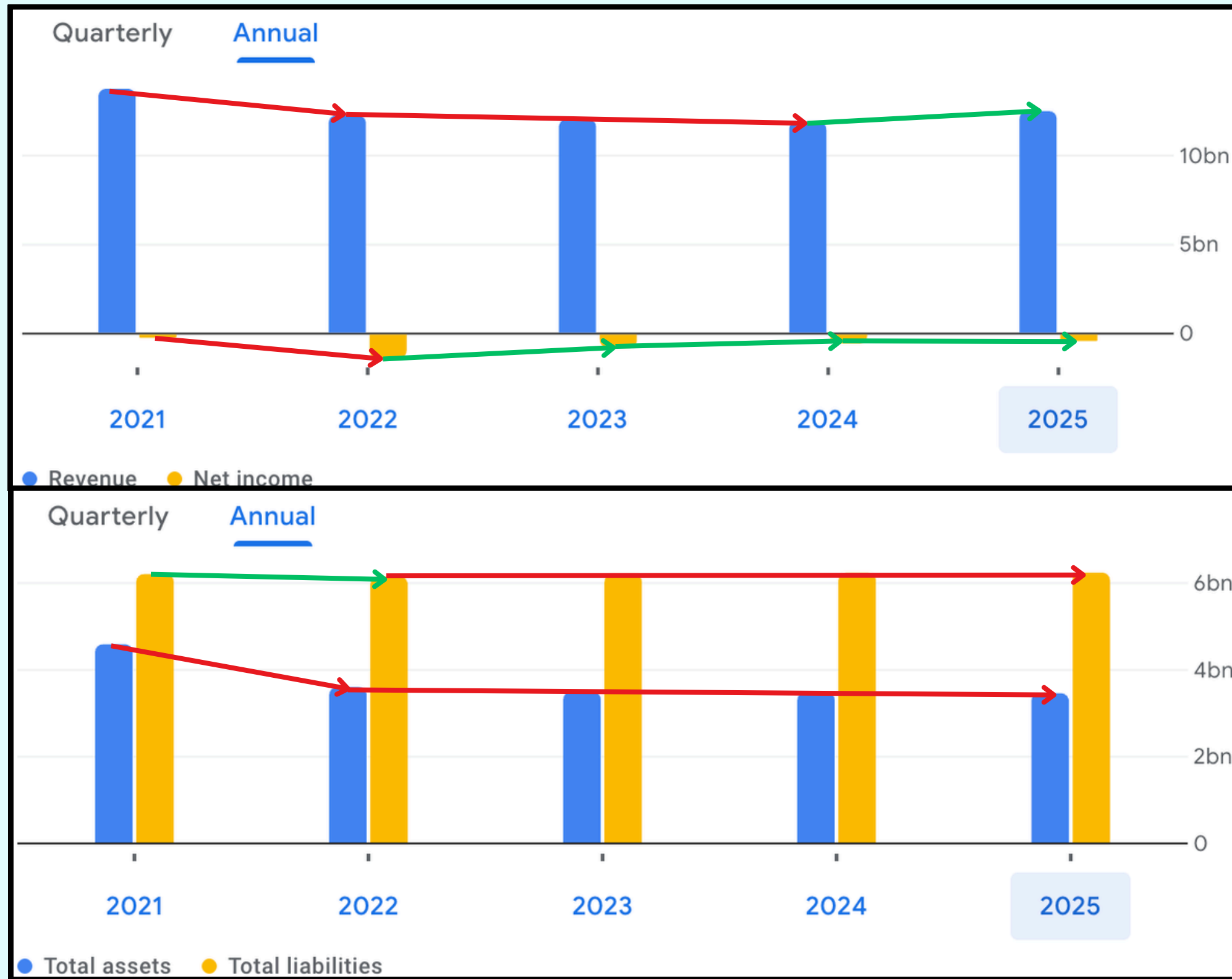
The company’s pivot toward experiential luxury (Estates, galleries, hospitality) strengthens long-term brand equity and pricing power, positioning RH as more than a traditional retailer. While tariffs continue to pressure margins in the near term, growth durability + multiple expansion potential support upside.

Rating: Buy | Hold | Sell



Wayfair Inc

Ticker: W | **Sector:** Consumer Cyclical | **Industry:** Internet Retail



Metric	Value
Market Cap	\$9.46 Billion
TTM Total Revenue	\$12.46 Billion
TTM Net Income	-\$313 Million
Dividend Yield	-
P/E Ratio	-
Forward P/E	24.10x
Average Industry P/E	26

Recent Performance Highlights

- Q4 revenue: ~\$3.3B (+6.9% YoY)
- Full-year 2025 revenue: ~\$12.5B (+5.1% YoY)
- Active customers: ~21.3M (slightly down YoY)
- Orders delivered: +3.7% YoY
- Revenue per customer: +5.6% YoY

Recent Headlines

- Major spring sales and “Cyber Week” events with discounts up to ~80–90% across furniture, décor, and bedding.
- Expanding physical retail footprint (new large-format store in Atlanta opening in 2026)

Leadership

Chief Executive Officer: Niraj Shah
Co-Chairman/ Co-Founder: Steve Conine
Vice-President, Retail Media: Arun Batra



Analyst Takeaway: Wayfair reported moderate growth, with Q4 revenue of ~\$3.3B (+6.9% YoY) and 2025 revenue of ~\$12.5B (+5.1%), driven by higher orders (+3.7%) and revenue per customer (+5.6%). Active customers fell to ~21.3M, signaling weakening demand and retention risks. The company remains unprofitable (TTM net income -\$313M) and trades at a forward P/E of 24.1x, near the ~26x industry average. Heavy promotions (up to 80–90% discounts) support revenue but pressure margins and brand perception. Investments in physical retail and retail media offer growth potential but add execution risk. Sensitivity to consumer cycles and marketing efficiency keeps near-term profitability uncertain. With stable revenue but declining customers and limited earnings visibility, the stock has a balanced risk/reward profile, supporting a Hold rating.

Rating: Buy | Hold | Sell

La-Z-Boy Inc

Ticker: LZB | **Sector:** Consumer Cyclical | **Industry:** Furnishings & Appliances



Metric	Metric
Market Cap	\$1.33 Billion
TTM Fiscal Year 2025 Revenue	\$2.13 Billion
TTM Fiscal Year 2025 Income	\$83.64 Million
Dividend Yield	2.97%
P/E Ratio	16.17
Average Industry P/E	13

Recent Headlines

- La-Z-Boy is continuing to expand its retail footprint by opening new stores and acquiring additional locations.
- Investors have reacted cautiously at times because of concerns about shrinking profit margins and slower future growth.

Analyst Takeaway: La-Z-Boy delivered solid execution in FY2025, with revenue of \$2.13B, net income of \$83.6M, and a Q2 EPS beat of +31%, driving a strong market reaction. Retail sales rose ~11% to ~\$252M, supported by store expansion and acquisitions, reflecting a robust direct-to-consumer strategy. Operating margins fell to ~5.5% from ~6.7% due to higher costs, while the stock trades at a P/E of 16.17x, above the ~13x industry average, limiting multiple expansion. The 2.97% dividend provides income support, but margin pressures and moderate growth expectations constrain upside. Retail footprint expansion is positive, but sustained margin improvement is needed to justify higher valuation, supporting a Hold rating.

Recent Performance Highlights

- Q2 FY2026: big EPS beat (+31%), and stock jumped nearly +19% after the release
- The company's retail segment grew strongly, with sales increasing about 11% to around \$252 million, driven by new and acquired stores.
- The company's operating margin fell to about 5.5% (from about 6.7% last year), with an adjusted margin of around 6.1%, reflecting cost pressures.

Leadership

Chief Executive Officer: Melinda Whittington
President, Retail: Bob Sundy
President, Wholesale Brands: Tj Linz



Rating: Buy | Hold | Sell