

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 7, 2026

Arhaus, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-41009
(Commission File Number)

87-1729256
(I.R.S. Employer Identification Number)

51 E. Hines Hill Road, Boston Heights, Ohio

(Address of Principal Executive Offices)

44236

(Zip Code)

(440) 439-7700

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Class A common stock, \$0.001 par value per share

Trading Symbol
ARHS

Name of each exchange on which registered
The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On May 7, 2026, Arhaus, Inc. (the "Company") issued a press release announcing its financial results for the first quarter ended March 31, 2026. A copy of the release is attached as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure

On May 7, 2026, the Company issued an Investor Presentation. A copy of this presentation is attached hereto as Exhibit 99.2 and is incorporated herein by reference. This presentation, as well as similar presentations the Company may issue in the future, will be posted in the Investor Relations section of the Company's website: ir.arhaus.com.

The information furnished pursuant to Item 2.02 and Exhibit 99.1 and Exhibit 99.2 of this Current Report on Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Current Report, regardless of any general incorporation language in the filing.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are being filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated May 7, 2026 announcing the release of first quarter 2026 results.
99.2	Investor Presentation dated May 7, 2026.
104	Cover Page with Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 7th day of May, 2026.

ARHAUS, INC.

By: /s/ Michael Lee

Name: Michael Lee

Title: Chief Financial Officer

ARHAUS[®]

your home

ARHAUS REPORTS FIRST QUARTER 2026 FINANCIAL RESULTS

BOSTON HEIGHTS, Ohio (May 7, 2026)—Arhaus, Inc. (“Arhaus” or the “Company”) (NASDAQ: ARHS), a premium home furnishing brand known for responsibly sourced, artisan-crafted products and heirloom-quality design, reported first quarter results for the period ended March 31, 2026.

First Quarter 2026 Highlights

Compared to the first quarter of 2025:

- **Net revenue** increased 0.9% to \$314 million
- **Gross margin** decreased 1.0% to \$114 million
- **Selling, general and administrative expenses** increased 1.9% to \$112 million
- **Net and comprehensive income** decreased 54.5% to \$2 million
- **Adjusted EBITDA** decreased 3.1% to \$18 million
- **Comparable Delivered Sales⁽¹⁾** decreased 1.7%
- **Comparable Written Sales⁽²⁾** decreased 5.7%

John Reed, Co-Founder and Chief Executive Officer, said:

“We achieved the highest first-quarter net revenue in Arhaus history, reflecting the strength of our operating model, the resilience of our client base, and the disciplined execution of our team. While broader macro uncertainty created some near-term pressure on Comparable Written Sales, we saw meaningful improvement as the quarter progressed and remain confident in our long-term strategy, differentiated product leadership, and the significant opportunity ahead for Arhaus.”

Michael Lee, Chief Financial Officer, said:

“While the operating environment is challenging, we remain disciplined in how we are managing the business, with a focus on controlling costs, prioritizing high-return investments, and maintaining flexibility while continuing to invest in the long-term growth of Arhaus. Based on the strength of our business and improving Comparable Written Sales trends, we remain confident in our full-year 2026 outlook and we are reaffirming our guidance. We want to thank our teams across Arhaus for their continued dedication and execution, and our shareholders for their ongoing support as we remain focused on driving long-term shareholder value.”

Business Highlights

First quarter net revenue was \$314 million, an increase of 0.9% year-over-year and above the midpoint of the Company's guidance range.

Comparable Delivered Sales⁽¹⁾ decreased 1.7% in the first-quarter, above the midpoint of the Company's guidance range. Comparable Written Sales⁽²⁾ decreased 5.7% in the first-quarter.

Showroom Highlights

At the end of the first quarter of 2026, Arhaus operated 107 Showrooms across 31 states. In April, the Company opened a new Traditional Showroom in Ashburn, Virginia and in early May, Arhaus completed an expansion of its Park Meadows, Colorado showroom.

For 2026, the Company continues to expect to complete approximately 10 to 14 Total Showroom Projects⁽³⁾, consisting of 4 to 6 new openings and 6 to 8 relocations, renovations, or expansions, representing Net Unit Growth⁽⁴⁾ of mid-single-digits for the year.

Balance Sheet and Liquidity

As of March 31, 2026, the Company reported the following:

- No long-term debt.
- Cash and cash equivalents totaled \$177 million, a 30.1% decrease from December 31, 2025 to March 31, 2026. This primarily reflects the \$49 million special cash dividend paid in March.
- Net merchandise inventory of \$369 million, a 9.0% increase from December 31, 2025 to March 31, 2026.
- Client deposits of \$271 million, a 15.0% increase from December 31, 2025 to March 31, 2026.
- Net cash used in operating activities totaled \$10 million for the three months ended March 31, 2026.
- Net cash used in investing activities was \$16 million for the three months ended March 31, 2026. Company-funded capital expenditures⁽⁵⁾ were \$13 million and landlord contributions were \$3 million.

Special Cash Dividend

On February 17, 2026, the Board of Directors of the Company declared a special cash dividend on the Company's Class A and Class B common stock of \$0.35 per share. This was paid on March 31, 2026, to shareholders of record at the close of business on March 18, 2026.

Outlook

The Company is reaffirming its full-year 2026 outlook and providing second quarter 2026 guidance. While the Company continues to operate in a challenging environment, the Company remains confident in its full-year 2026 outlook.

As a reminder, the Company is also lapping a particularly strong second quarter in the prior year, where the Company successfully brought operations of its Dallas Distribution Center in-house which ramped ahead of schedule. This transition enabled the Company to convert strong first quarter demand into net revenue more efficiently and at a higher volume than expected. As a result, second quarter performance should be viewed in the context of this strong prior-year comparison.

Additionally, the Company's current outlook does not include any benefit from potential IEEPA tariff refunds. As there is greater clarity and confirmation regarding those refunds, the Company will evaluate any impact and update guidance if necessary.

	Full-Year 2026	Q2 2026
Net revenue	\$1.43 billion to \$1.47 billion	\$350 million to \$370 million
Net revenue growth	3.7% to 6.6%	(2.4)% to 3.2%
Comparable delivered sales ⁽¹⁾	0% to 3%	(5)% to 0%
Net income ⁽⁶⁾	\$66 million to \$75 million	\$19 million to \$24 million
Adjusted EBITDA ⁽⁷⁾	\$150 million to \$161 million	\$40 million to \$49 million

Other Estimates

Company-funded capital expenditures ⁽⁵⁾	\$70 million to \$90 million
Depreciation & amortization	\$50 million to \$55 million
Fully diluted shares	~ 142 million
Effective tax rate	~ 28.2%
Showroom openings	4 to 6 new Showrooms
Total Showroom Projects ⁽³⁾	10 to 14 Showroom Projects
Net Unit Growth ⁽⁴⁾	Mid-Single-Digit

⁽¹⁾ **Comparable Delivered Sales** previously referred to as "Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

⁽²⁾ **Comparable Written Sales** previously referred to as "Demand Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of written sales from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

⁽³⁾ **Total Showroom Projects** is defined as the number of Showroom projects completed during the period, including new Showroom openings, relocations, remodels, and expansions. The Company considers all Showroom projects integral to its long-term growth strategy, with each evaluated based on strategic relevance and expected return on investment.

⁽⁴⁾ **Net Unit Growth** reflects the percentage change in total Showroom count during the period, calculated as new Showroom openings net of Showroom closures or relocations that do not increase total unit count.

⁽⁵⁾ **Company-funded capital expenditures** is defined as total net cash used in investing activities less landlord contributions.

⁽⁶⁾ U.S. GAAP net income (loss).

⁽⁷⁾ We have not reconciled guidance for Adjusted EBITDA to the corresponding GAAP financial measure because we do not provide guidance for the various reconciling items. These items include, but are not limited to, future share-based compensation expense, income taxes, interest income, and transaction costs. We are unable to provide guidance for these reconciling items because we cannot determine their probable significance, as certain items are outside of our control and cannot be reasonably predicted due to the fact that these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measure is not available without unreasonable effort.

Updates to Disclosures and Reporting

Investor Relations Materials

An Investor Relations presentation has been issued in conjunction with the Company's first-quarter results in alignment with the Company's earnings. This can be accessed online at <http://ir.arhaus.com>.

Comparable Sales Metrics

As previously shared, the Company refined the naming and presentation of its comparable sales metrics.

Comparable Delivered Sales⁽¹⁾ previously referred to as "Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

Comparable Written Sales⁽²⁾ previously referred to as "Demand Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of written sales from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

Showroom Growth and Real Estate Disclosures

As previously shared, the Company has made enhancements to its Showroom growth and real estate disclosures. These updates provide additional context on the Company's long-term Showroom strategy and economics.

Additional detail is provided in the Company's Investor Relations presentation which is available on the Company's website at <http://ir.arhaus.com>. Supporting schedules are included in this earnings release.

Additional Schedules

As previously shared, the Company is providing additional schedules. Supplemental schedules related to Showroom growth, real estate activity, and comparable sales metrics are included in the earnings release and Investor Relations presentation.

Conference Call

You are invited to listen to Arhaus' conference call to discuss the first quarter 2026 financial results scheduled for today, May 7, 2026, at 8:30 a.m. Eastern Time. The call will be available over the Internet on our website (<http://ir.arhaus.com>) or by dialing (877) 407-3982 within the U.S., or 1 (201) 493-6780, outside the U.S. The conference ID number is 13758506.

A recorded replay of the conference call will be available within approximately three hours of the conclusion of the call and can be accessed online at <http://ir.arhaus.com> for approximately twelve months.

About Arhaus

Founded in 1986 by Chief Executive Officer John Reed and his father, Arhaus is a premium home furnishings brand built on a simple idea: furniture and décor should be responsibly sourced, lovingly made, and built to last. Arhaus operates a vertically integrated model, designing and sourcing products directly from skilled artisans and carefully selected manufacturing partners around the world, including domestic upholstery production at its own North Carolina manufacturing facility. This approach enables Arhaus to offer a highly exclusive and customizable assortment of heirloom-quality furniture and décor designed to be used and enjoyed for generations.

With more than 100 Showroom locations across the United States, Arhaus' integrated omni-channel model connects every client touchpoint, from Showroom and interior design to eCommerce and catalog, allowing Arhaus to meet clients wherever and however they choose to shop while delivering a highly personalized client-first experience from discovery through delivery.

For more information, please visit www.arhaus.com.

Investor Contact:

Tara Atwood-Saja
Vice President, Investor Relations
(440) 439-7700
invest@arhaus.com

Non-GAAP Financial Measures

In addition to the results provided in accordance with U.S. GAAP, this press release and related tables include adjusted EBITDA, adjusted EBITDA as a percentage of net revenue, and Free Cash Flow, which present operating results on an adjusted basis.

We use non-GAAP measures to help assess the performance of our business, identify trends affecting our business, formulate business plans and make strategic decisions. In addition to our results determined in accordance with U.S. GAAP, we believe that providing these non-GAAP financial measures is useful to our investors as they present an informative supplemental view of our results from period to period by removing the effect of non-recurring items. However, our inclusion of these adjusted measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items or that the items for which we have made adjustments are unusual or infrequent or will not recur. These non-U.S. GAAP measures are not a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. These measures should only be read together with the corresponding U.S. GAAP measures. Please refer to the reconciliations of adjusted EBITDA and Free Cash Flow to the most directly comparable financial measures prepared in accordance with U.S. GAAP below.

Forward-Looking Statements

Certain statements contained herein, including statements under the heading "Outlook" are not based on historical fact and are "forward-looking statements" within the meaning of applicable securities laws.

Forward-looking statements can generally be identified by the use of forward-looking terminology, including, but not limited to, "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," "forecast," or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Past performance is not a guarantee of future results or returns and no representation or warranty is made regarding future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: our ability to manage and maintain the growth rate of our business; our ability to obtain quality merchandise in sufficient quantities; challenges with the planning or implementation of our technology upgrades, including a new enterprise resource planning system; disruption in our receiving and distribution system, including delays in the integration of our distribution centers and the possibility that we may not realize the anticipated benefits of multiple distribution centers; effects of new or proposed tariffs and changes to international trade policies and agreements; the possibility of cyberattacks and our ability to maintain adequate cybersecurity systems and procedures; loss, corruption and misappropriation of data and information relating to clients and employees; changes in and compliance with applicable data privacy rules and regulations; risks as a result of constraints in our supply chain or disruptions due to geopolitical events such as acts of war and/or terrorism or other hostilities; a failure of our vendors to meet our quality standards; declines in general economic conditions that affect consumer confidence and consumer spending that could adversely affect our revenue; our ability to anticipate changes in consumer preferences; risks related to maintaining and increasing Showroom traffic and sales; our ability to compete in our market; our ability to adequately protect our intellectual property; compliance with applicable governmental regulations; effectively managing our eCommerce sales channel and digital marketing efforts; our reliance on third-party transportation carriers and risks associated with freight and transportation costs; and compliance with SEC rules and regulations as a public reporting company. These factors should not be construed as exhaustive. Further information on potential factors that could affect the financial results of the Company and its forward-looking statements is included in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update any forward-looking statement, except as may be required by law. These forward-looking statements speak only as of the date of this release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Arhaus, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited, amounts in thousands, except share and per share data)

	March 31, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 177,111	\$ 253,356
Restricted cash	3,224	3,124
Accounts receivable, net	432	663
Merchandise inventory, net	369,457	338,806
Prepaid and other current assets	31,619	25,425
Total current assets	581,843	621,374
Operating right-of-use assets	408,763	391,274
Financing right-of-use assets	32,744	33,275
Property, furniture and equipment, net	322,038	316,216
Deferred tax assets	18,863	19,545
Goodwill	10,961	10,961
Other noncurrent assets	2,308	2,101
Total assets	\$ 1,377,520	\$ 1,394,746
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 67,925	\$ 78,360
Accrued taxes	6,544	10,322
Accrued wages	14,851	20,879
Accrued other expenses	40,379	46,781
Client deposits	271,229	235,943
Current portion of operating lease liabilities	64,475	60,115
Current portion of financing lease liabilities	964	862
Total current liabilities	466,367	453,262
Operating lease liabilities, long-term	482,109	467,226
Financing lease liabilities, long-term	52,166	52,374
Other long-term liabilities	4,193	3,656
Total liabilities	\$ 1,004,835	\$ 976,518
Commitments and contingencies (Note 9)		
Stockholders' equity		
Class A shares, par value \$0.001 per share (600,000,000 shares authorized, 54,912,375 shares issued and 54,206,609 outstanding as of March 31, 2026; 54,565,242 shares issued and 53,969,149 outstanding as of December 31, 2025)	54	54
Class B shares, par value \$0.001 per share (100,000,000 shares authorized, 87,115,600 shares issued and outstanding as of March 31, 2026; 87,115,600 shares issued and outstanding as of December 31, 2025)	87	87
Retained earnings	162,209	210,365
Additional paid-in capital	210,335	207,722
Total stockholders' equity	372,685	418,228
Total liabilities and stockholders' equity	\$ 1,377,520	\$ 1,394,746

Arhaus, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(Unaudited, amounts in thousands, except share and per share data)

	Three months ended	
	March 31,	
	2026	2025
Net revenue	\$ 314,276	\$ 311,372
Cost of goods sold	199,841	195,785
Gross margin	114,435	115,587
Selling, general and administrative expenses	112,195	110,058
Loss on disposal of assets	104	108
Income from operations	\$ 2,136	\$ 5,421
Interest income, net	(454)	(573)
Other income	(847)	(86)
Income before taxes	3,437	6,080
Income tax expense	1,214	1,198
Net and comprehensive income	\$ 2,223	\$ 4,882
Net and comprehensive income per share, basic		
Weighted-average number of common shares outstanding, basic	140,966,908	140,361,588
Net and comprehensive income per share, basic	\$ 0.02	\$ 0.03
Net and comprehensive income per share, diluted		
Weighted-average number of common shares outstanding, diluted	141,741,874	141,090,633
Net and comprehensive income per share, diluted	\$ 0.02	\$ 0.03

Arhaus, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited, amounts in thousands)

	Three months ended March 31,	
	2026	2025
Cash flows from operating activities		
Net income	\$ 2,223	\$ 4,882
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	12,370	11,362
Amortization of operating lease right-of-use asset	11,851	10,046
Amortization of deferred financing fees, interest on finance lease in excess of principal paid and interest on operating leases	7,844	6,902
Equity based compensation	2,645	1,595
Deferred tax assets	682	(358)
Amortization of cloud computing arrangements	752	413
Loss on disposal of assets	104	108
Gain on insurance claims	(583)	—
Changes in operating assets and liabilities		
Accounts receivable	231	202
Merchandise inventory	(30,651)	(4,393)
Prepaid and other assets	(7,167)	(380)
Other noncurrent liabilities	515	(377)
Accounts payable	(11,895)	(8,685)
Accrued expenses	(16,059)	(3,209)
Operating lease liabilities	(17,852)	(13,926)
Client deposits	35,286	42,333
Net cash (used in) provided by operating activities	(9,704)	46,515
Cash flows from investing activities		
Purchases of property, furniture and equipment	(16,880)	(27,621)
Insurance proceeds	1,000	—
Net cash used in investing activities	(15,880)	(27,621)
Cash flows from financing activities		
Principal payments under finance leases	(184)	(212)
Repurchase of shares for payment of withholding taxes for equity based compensation	(867)	(1,458)
Cash dividend payments	(49,510)	(239)
Net cash used in financing activities	(50,561)	(1,909)
Net (decrease) increase in cash, cash equivalents and restricted cash	(76,145)	16,985
Cash, cash equivalents and restricted cash		
Beginning of period	256,480	200,929
End of period	\$ 180,335	\$ 217,914
Supplemental disclosure of cash flow information		
Interest paid in cash	\$ 1,287	\$ 1,258
Interest received in cash	1,818	1,938
Income taxes paid in cash	681	541
Noncash investing activities:		
Purchases of property, furniture and equipment in current liabilities	8,688	6,648

Arhaus, Inc. and Subsidiaries
Reconciliation of Net Income to Adjusted EBITDA
(Unaudited, amounts in thousands)

	Three months ended			
	March 31,			
	2026		2025	
Net and comprehensive income	\$	2,223	\$	4,882
Interest income, net		(454)		(573)
Income tax expense		1,214		1,198
Depreciation and amortization		12,370		11,362
EBITDA		15,353		16,869
Equity based compensation		2,645		1,595
Other expenses ⁽¹⁾		—		108
Adjusted EBITDA	\$	17,998	\$	18,572
Net revenue	\$	314,276	\$	311,372
Net and comprehensive income as a % of net revenue		0.7 %		1.6 %
Adjusted EBITDA as a % of net revenue		5.7 %		6.0 %

⁽¹⁾ Other expenses represent costs and investments not indicative of ongoing business performance, such as loss on disposal of assets.

Arhaus, Inc. and Subsidiaries
Reconciliation of Free Cash Flow
(Unaudited, amounts in thousands)

	Three months ended	
	March 31,	
	2026	2025
Net cash (used in) provided by operating activities	\$ (9,704)	\$ 46,515
Net cash used in investing activities	\$ (15,880)	\$ (27,621)
Free cash flow	\$ (25,584)	\$ 18,894

Free Cash Flow is defined as net cash provided by operating activities less net cash used in investing activities.

Supplemental Comparable Metrics Schedules

Comparable Written Sales⁽²⁾ by Quarter and Year-to-Date

The table below represents Comparable Written Sales⁽²⁾ on a quarterly and year-to-date basis for fiscal year 2026. Comparable Written Sales⁽²⁾ reflects written sales trends during the period and is measured using a 13-month comparable Showroom definition, consistent with historical disclosure.

Comparable Written Sales previously referred to as "Demand Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of written sales from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

2026	Comparable Written Sales (Quarter-to-Date)	Comparable Written Sales (Year-to-Date)
First Quarter	(5.7)%	(5.7)%

Comparable Delivered Sales⁽¹⁾ by Quarter and Year-to-Date

The table below represents Comparable Delivered Sales⁽¹⁾ on a quarterly and year-to-date basis for fiscal year 2026. Comparable Delivered Sales⁽¹⁾ reflects revenue recognized during the period and is measured using a 15-month comparable Showroom definition, consistent with historical disclosure.

Comparable Delivered Sales previously referred to as "Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

2026	Comparable Delivered Sales (Quarter-to-Date)	Comparable Delivered Sales (Year-to-Date)
First Quarter	(1.7)%	(1.7)%

Due to differences in order timing, backlog, and revenue recognition, Comparable Written Sales⁽²⁾ and Comparable Delivered Sales⁽¹⁾ use different comparable Showroom eligibility thresholds. Comparable Written Sales⁽²⁾ metrics use a 13-month definition to reflect written sales trends, while Comparable Delivered Sales⁽¹⁾ metrics use a 15-month definition to reflect revenue recognition consistency.

Arhaus, Inc. and Subsidiaries
Supplemental Showroom Schedules
(Unaudited)

Supplemental Showroom Schedules

Showroom Portfolio Composition

The table below represents the composition of the Showroom Portfolio by format and operating footprint as of each period presented:

	March 31, 2026	December 31, 2025
Traditional Showrooms	90	90
Design Studios	9	9
Lofts	8	8
Total Showrooms	<u>107</u>	<u>107</u>
Total gross square footage (in thousands)	1,835	1,836
Showrooms with interior designers	96	97
Total interior designers	146	142
States where we operate	31	31

Geographic Showroom Footprint

The table below represents the number of Showrooms in each U.S. state in which the Company operates as of March 31, 2026.

Locations	Showrooms	Locations	Showrooms
Alabama	1	Missouri	1
Arizona	2	Montana	1
California	16	New Hampshire	1
Colorado	6	New Jersey	5
Connecticut	3	New York	4
Florida	9	North Carolina	4
Georgia	3	Ohio	9
Illinois	4	Oklahoma	1
Indiana	1	Pennsylvania	4
Kansas	1	South Carolina	1
Kentucky	3	Tennessee	1
Louisiana	1	Texas	8
Maryland	4	Utah	1
Massachusetts	3	Virginia	4
Michigan	3	Wisconsin	1
Minnesota	1		

Arhaus, Inc. and Subsidiaries
Supplemental Showroom Schedules
(Unaudited)

Showroom Maturity Mix

The table below represents the composition of the Showroom portfolio by maturity as of the period presented.

March 31, 2026				
Maturity Bucket	Definition	%	of Portfolio	# of Showrooms
≤ 12 Months	Opened within Last 12 Months	6 %		7
12-24 Months	Opened 12 to 24 Months	18 %		19
24-36 Months	Opened 24 to 36 Months	12 %		13
> 36 Months	Mature Showrooms	64 %		68
Total		100 %		107

The elevated proportion of newer showrooms reflects increased openings and relocations over the past several years and supports embedded future revenue growth as locations mature; Maturity is measured from Showroom opening date or relocation reopening date; Includes Traditional Showrooms, Design Studios, and Lofts; Excludes temporary closures.

Illustrative Unit Economics (Targets)

The table below represents targeted Showroom unit economics at maturity, based on internal underwriting assumptions and historical performance.

Metric	Traditional Showroom (~17K sq ft)	Design Studio (~6K sq ft)
Net Revenue Maturity	> \$10M	Lower than Traditional
Contribution Margin (pre-D&A)	~32%	~35%
Cash Payback	< 2 years	< 2 years
Company-funded capital expenditures	~\$4 - 6M	Lower
Revenue Maturity	Year 3	Year 3

Company-funded capital expenditures represents the total net cash used in investing activities less landlord contributions; Targets reflect performance at full maturity; Assumptions are informed by historical performance, internal underwriting, and recent Showroom cohorts.

Arhaus, Inc. and Subsidiaries
Supplemental Showroom Schedules
(Unaudited)

Total Showroom Projects⁽³⁾

The table below represents the total Showroom project pipeline for fiscal year 2026, consistent with the Company's guidance.

Project Type	Guidance Full-Year 2026 Definition	# of Projects
New Openings	New Showroom openings	4 to 6
Relocations	Relocation of existing Showrooms	4 to 5
Renovations/Expansions	Refreshes of remodels and Expansions of existing Showrooms	2 to 3
Total Showroom Projects⁽³⁾		10 to 14

Total Showroom Projects⁽³⁾ are expected to be within the Company's full-year 2026 guidance range. For competitive reasons, the Company does not disclose the specific locations of planned Total Showroom Projects⁽³⁾. The Company provides additional detail on Showroom activity following completion as part of its regular quarterly disclosures.



ARHAUS

INVESTOR PRESENTATION

Long-Term Strategy and Q1 2026 Results
May 7, 2026

DISCLAIMERS

As of March 31, 2026

Forward-Looking Statements

Certain statements contained herein are not based on historical fact and are "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements can generally be identified by the use of forward-looking terminology, including, but not limited to, "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," "forecast," or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Past performance is not a guarantee of future results or returns and no representation or warranty is made regarding future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: our ability to manage and maintain the growth rate of our business; our ability to obtain quality merchandise in sufficient quantities; challenges with the planning or implementation of our technology upgrades, including a new enterprise resource planning system; disruption in our receiving and distribution system, including delays in the integration of our distribution centers and the possibility that we may not realize the anticipated benefits of multiple distribution centers; effects of new or proposed tariffs and changes to international trade policies and agreements; the possibility of cyberattacks and our ability to maintain adequate cybersecurity systems and procedures; loss, corruption and misappropriation of data and information relating to clients and employees; changes in and compliance with applicable data privacy rules and regulations; risks as a result of constraints in our supply chain or disruptions due to geopolitical events such as acts of war and/or terrorism or other hostilities; a failure of our vendors to meet our quality standards; declines in general economic conditions that affect consumer confidence and consumer spending that could adversely affect our revenue; our ability to anticipate changes in consumer preferences; risks related to maintaining and increasing Showroom traffic and sales; our ability to compete in our market; our ability to adequately protect our intellectual property; compliance with applicable governmental regulations; effectively managing our eCommerce sales channel and digital marketing efforts; our reliance on third-party transportation carriers and risks associated with freight and transportation costs; and compliance with SEC rules and regulations as a public reporting company. These factors should not be construed as exhaustive.

Further information on potential factors that could affect the financial results of the Company and its forward-looking statements is included in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update any forward-looking statement, except as may be required by law. These forward-looking statements speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or re-affirmation of these figures as of any future date. Any future update of these figures will be provided only through a public disclosure indicating that fact.

Non-GAAP Financial Measures

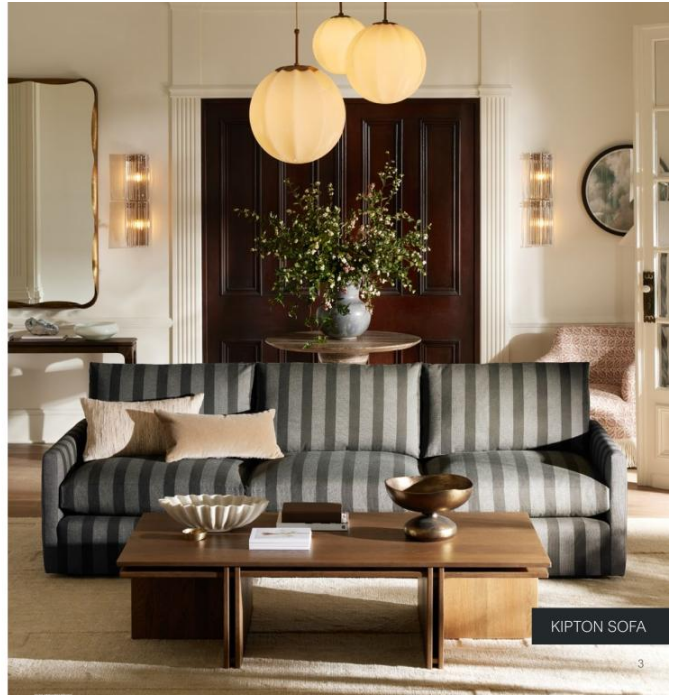
In addition to results provided in accordance with U.S. GAAP results, this presentation contains references to the non-GAAP financial measures. We use these non-GAAP measures to help assess the performance of our business, identify trends affecting our business, formulate business plans and make strategic decisions. In addition to our results determined in accordance with U.S. GAAP, we believe that providing these non-GAAP financial measures is useful to our investors as they present an informative supplemental view of our results from period-to-period by removing the effect of non-recurring items. Our inclusion of these adjusted measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items or that the items for which we have made adjustments are unusual or infrequent or will not recur. These non-U.S. GAAP measures are not a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. These measures should only be read together with the corresponding U.S. GAAP measures. Please refer to the reconciliations to the most directly comparable financial measures prepared in accordance with U.S. GAAP herein.

References and Definitions

Numerical tickmarks noted throughout this presentation correspond to the slide and tickmark numbers included in the Appendix and the references and general disclaimers referenced therein should be read in conjunction with information presented on each slide. Additionally, the Company has included Definitions in the Appendix.

ARHAUS®

SECTION I: COMPANY OVERVIEW



OUR MISSION

We were founded in 1986
on a simple idea:

Furniture and décor should be
responsibly sourced, lovingly made,
and built to last for generations.

*Photo: John Reed with some of our Italian vendor artisans, whom
we have had relationships with for over 20 years.*



ARHAUS AT A GLANCE

Financial & operating metrics as of December 31, 2025, unless otherwise noted.



\$1.38B
NET REVENUE¹ (FY 2025)
~3x since 2019



100+ Showrooms²
IN U.S., ACROSS 31 STATES
Opportunity to 2x footprint³



\$253M
CASH & CASH EQUIVALENTS
Zero Long-Term Debt | YE 2025



+53%
SHOWROOM GROWTH SINCE 2019⁴
+7% CAGR⁵ over the same period

ANNUAL LONG-TERM GROWTH GOALS⁶

TOTAL REVENUE	High Single Digit
COMPARABLE DELIVERED SALES ⁷	Mid Single Digit
SHOWROOM OPPORTUNITY ³	~165 Traditional Showrooms & ~50 Design Studios
NET UNIT GROWTH ⁸	Mid Single Digit
ADJUSTED EBITDA ⁹	Low Double Digit



MIHAELA DINING TABLE IN THE GROVE SHOWROOM

A PROVEN MODEL, EXECUTED WITH DISCIPLINE

Long-term value creation driven by scale, profitability, and capital discipline.

PROOF OUR MODEL IS WORKING

Financial & operating metrics as of December 31, 2025, unless otherwise noted.



Net Revenue¹: \$1.38B | ~3x since 2019

Exceptional top-line growth, nearly tripling net revenue since 2019, representing a +179% increase.



Net Income²: \$67M | ~4x since 2019

Bottom line has scaled meaningfully, more than quadrupling net income since 2019, representing a 325% increase.



Adjusted EBITDA³: \$145M | ~3x since 2019

Strong operating leverage and disciplined cost management, tripling Adjusted EBITDA since 2019, representing a +190% increase.



Showrooms⁴: 100+ | +53% since 2019

+53% showroom growth and a 7% CAGR since 2019⁵; opportunity to double⁶ the current footprint over time.

EXECUTING WITH DISCIPLINE

Strong balance sheet and liquidity

Zero long-term debt with significant cash, providing flexibility to invest through cycles.

Disciplined capital allocation

Funding showroom growth, technology, and infrastructure while maintaining financial strength.

Thoughtful pace of showroom expansion

Showroom growth paced by economics and market readiness.

Integrated omni-channel model

Connects touchpoints across the client journey to deliver a premium, high-touch experience.

Working capital and inventory discipline

Inventory levels aligned with demand and delivery performance, supporting cash flow.

Balanced approach to shareholder returns

Capital deployment evaluated holistically to support long-term value creation; Arhaus has issued a special cash dividend twice since initial public offering.



ARHAUS' GROWTH TAPESTRY

Our product development and omni-channel go-to-market capabilities, together with our infrastructure and significant scale, enable a compelling combination of design, quality, and value that we believe provides an unmatched experience.

INTEGRATED OMNI-CHANNEL MODEL

Woven throughout the model connecting every growth pillar, our omni-channel model allows us to meet our clients wherever they want to shop, whether online or in one of our Showrooms

Premium, Artisan-Crafted Product

Creates demand and anchors the brand.

Immersive Showrooms

Including our Traditional Showrooms and Design Studios, bring product to life, deepen engagement, and drive conversion.

Brand Awareness & Client Engagement

Strengthened through storytelling, service, and experience.

Disciplined Investment

Reinforces the model, enabling scale, efficiency, and durable long-term growth.

Arhaus' growth is built intentionally over time, with each investment strengthening the integrity of the whole and supporting long-term value creation.

THE ARHAUS INTEGRATED CLIENT JOURNEY: *Omni-channel model*

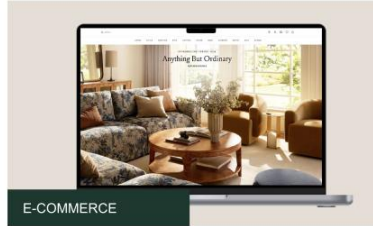
An integrated omni-channel model connecting every client touchpoint to deliver a personalized, client-first experience from discovery through delivery.



SHOWROOMS



INTERIOR DESIGNERS



E-COMMERCE



TRADE PROGRAM



CATALOG & MARKETING



DIGITAL TOOLS

ARHAUS®

SECTION II: PREMIUM, ARTISAN-CRAFTED PRODUCT



AMELIA DINING TABLE



THE ARHAUS DIFFERENCE

What sets Arhaus apart across product, experience, and long-term value creation.



Heirloom Quality, Artisan Craftsmanship

Handcrafted using natural materials and time-honored techniques.



Globally Curated, Exclusive Designs

Developed with our global artisans and vendors.



Custom Upholstery Made In North Carolina

Approximately 70% of our upholstery sourcing in 2025 was domestic, with the largest portion produced from our own North Carolina facility, including hundreds of silhouettes, fabrics, and leathers¹.



Direct-From-Source Value Advantage

Our direct-to-consumer sourcing model enables an exclusive assortment at attractive value while reinforcing margin strength.



Inspirational Showrooms, Aspirational Space

Immersive Showrooms, including our Traditional Showrooms and Design Studios, that bring product to life and elevate brand awareness.



Integrated Omni-Channel Model

An integrated omni-channel model connecting every client touchpoint to deliver a personalized, client-first experience from discovery through delivery.



WHAT WE SELL:
*Core categories
that drive the business*



VERTICALLY INTEGRATED, GLOBALLY DIVERSIFIED SOURCING MODEL¹

Arhaus travels the globe, seeking passionate artisans who use time-honored techniques and imaginative new ways to create one-of-a-kind works of art.

MEXICO

Including handcrafted wood and mixed-material furniture sourced from Mexico. These artisans work with salvaged and sustainably grown timber, as well as recycled metal and glass, to create one-of-a-kind pieces, including dining and occasional tables, lighting, and décor.



U.S. AND NORTH CAROLINA

Arhaus has strategically increased domestic production to support flexibility and mitigate global supply chain and tariff risks.

A meaningful portion of our sourcing remains domestic. In 2025, the United States represented approximately 32% of our total receipts, including our internal manufacturing operations².

North Carolina Facility: We continue to invest in US manufacturing, particularly in our domestic upholstery business. Approximately 70% of our upholstery sourcing in 2025 was domestic, with the largest portion produced from our own North Carolina facility², giving us greater control over design, lead times, quality, and speed, while reinforcing our long-standing commitment to American craftsmanship.



EUROPE

Including premium furniture and décor sourced through Europe: Italy, Romania, Turkey, and Portugal.

In Italy, shared commitments to time-honored craftsmanship and hand-finishing techniques create furniture collections with charming, hand-painted detailing, as well as an expansive upholstery collection and luxurious and layered bedding.

In Romania, a multi-generational workshop crafts distinctive designs that highlight the beauty of natural materials and enduring craftsmanship.

In Portugal, artisans craft richly layered bedding and artful tabletop collections, while artisans in Turkey skillfully weave exquisite bath textiles from some of the world's softest cotton.



ASIA

We have traveled across Asia to build long-standing relationships with a diversified mix of vendors whose skilled craftsmanship and premium materials create the finest products.

In India, rugs are handwoven using techniques passed down for generations. In the Philippines, a family workshop handcrafts distinctive collections from mosaics of marble and petrified wood.

Specialists in China create unique lighting collections with expectational quality, and skilled artisans in Indonesia work with locally and responsibly sourced teak to craft naturally resilient outdoor furniture.





ARTISAN IN MEXICO
CRAFTING THE POLANCO
DINING TABLE

RESPONSIBLE SOURCING¹

Our long-standing commitment to heirloom quality and focus on responsibly sourced materials aligns with client preference for durability over disposability.



Material Selection

Preference towards sustainably harvested and reclaimed natural materials sourced through long-standing vendor relationships. Product design emphasizes craftsmanship, durability, and natural variation, reinforcing the longevity and distinct character of each piece.



Direct Sourcing Model

Direct sourcing from a network of nearly 400 global artisans² (as of 2025) enables greater quality control, supply chain transparency, and brand exclusivity.



Skilled Artisans

Long-standing relationships with skilled artisans support consistent quality and craftsmanship standards.



Lasting Quality

Our artisans craft our collections to last, working with some of the softest, most supportive, and most beautiful materials that will only get better with age. Because we believe furniture doesn't belong in landfills.

Responsible sourcing and durable construction support product longevity, pricing integrity, and long-term brand equity. Demand for eco-friendly materials across the market rose 35% in 2024, signaling a significant shift for suppliers and tradespeople focusing on sustainability³.



RAINFOREST IN
EAST KALIMANTAN, BORNEO

FURNISHING A BETTER WORLD

We are focused on doing what's right—for the environment, for our communities near and far, and for each other¹.



Protecting the Rainforest

Arhaus' work with The Nature Conservancy and its Indonesian affiliate, YKAN, includes helping to preserve hundreds of acres of rainforest in East Kalimantan, Borneo, protecting biodiversity and supporting one of the world's most important carbon-absorbing ecosystems.



Building Homes

We support Habitat for Humanity in its mission to build strength, stability, and self-reliance through shelter in our communities, and we proudly donate furniture and décor to Habitat for Humanity ReStore locations across the country.



Supporting Smiles

Through Arhaus' long-standing partnership with Global Dental Relief, free dental care and education are provided to children in underserved communities across Nepal, India, Kenya, and Guatemala, supporting long-term oral health.

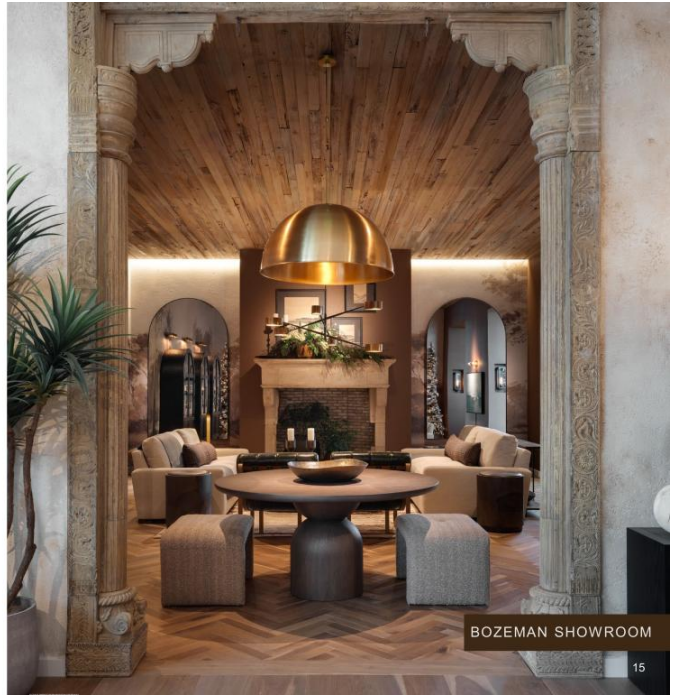


Fostering Futures

Built in partnership with The Small World, The Friends of Arhaus Children's Home is the first project of its kind in the Solukhumbu district of Nepal—providing more than 80 boys and girls a safe and loving place to live, learn, and build their futures.

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SECTION III: IMMERSIVE SHOWROOMS



WHERE WE ARE:
*Showrooms that
inspire*

16





PROXIMITY TO A SHOWROOM IS A PROVEN GROWTH DRIVER

Showrooms serve as the physical hub of our omni-channel model, driving awareness, engagement, and conversion across digital and design channels.



Builds brand awareness



Drives client acquisition & engagement



Supports revenue growth¹

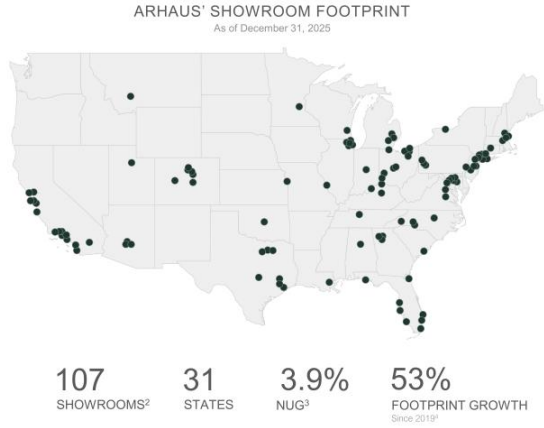
>90%

Of total sales in 2025 came from clients that live within 50 miles of an Arhaus Showroom²

Supported by an integrated omni-channel model

CURRENT U.S. FOOTPRINT WITH SIGNIFICANT RUNWAY FOR DISCIPLINED GROWTH¹

Showroom metrics as of December 31, 2025, unless otherwise noted.



PORTFOLIO COMPOSITION
90 Traditional Showrooms | 9 Design Studios | 8 Lofts
91% of Showrooms Feature Interior Designers

MATURITY MIX⁵
< 12 Months: 11% | 12-24 Months: 15%
24-36 Months: 12% | > 36 Months: 62%

LONG-TERM U.S. SHOWROOM OPPORTUNITY⁶

Based on current analysis of market demographics, client demand, and operating experience

~2x

Opportunity to double the U.S. showroom footprint

~165

total potential Traditional Showroom locations⁷

~50

total potential Design Studio locations⁷

DISCIPLINED SHOWROOM GROWTH WITH ATTRACTIVE UNIT ECONOMICS

Targeted maturity assumptions and data as of December 31, 2025, unless otherwise noted.

TARGETED SHOWROOM MATURITY PROFILE

TRADITIONAL SHOWROOMS & DESIGN STUDIOS

Traditional Showrooms (~17K Sq. Ft.)

- >\$10M net revenue at maturity (Year 3)¹
- <2-year cash payback²; profitability within Year 1
- ~32% contribution margin (pre-D&A)³

Design Studios (~6K Sq. Ft.)

- Lower net revenue per showroom relative to Traditional Showrooms
- Higher contribution margin of ~35% (pre-D&A)³
- Similar cash payback² timelines to Traditional Showrooms

Since 2019, we have expanded our Showroom footprint by more than 50%. New Showrooms opened in the last 6 years have contributed approximately 37% to our incremental net revenue growth over that period and represent approximately 24% of our total net revenue for the full year 2025, reinforcing the long-term value creation from our disciplined Showroom strategy⁵.

ILLUSTRATIVE FOUR-WALL ECONOMICS

TRADITIONAL SHOWROOM

> \$10M

TARGET NET REVENUE¹
year 3 maturity

\$4-6M

COMPANY-FUNDED CAPITAL EXPENDITURES⁴



> 32%

TARGET CONTRIBUTION MARGIN
(pre-D&A)³

< 2 YEARS

TARGET CASH PAYBACK²
from opening; profitability within Year 1



GIANNI SECTIONAL IN NAPLES SHOWROOM

OUR DISCIPLINED REAL ESTATE STRATEGY

Managing total showroom projects annually across new openings, relocations, renovations, and expansions.



New Showrooms – Whitespace Expansion

Targeted expansion into high-quality, high-traffic markets guided by a disciplined, data-driven market selection model.



Relocations – Productivity Optimization

Strategically relocating legacy showrooms into stronger areas with improved visibility, co-tenancy, and access to affluent customers, driving uplift versus prior locations.



Renovations – Brand Protection & Relevance

Refreshing and modernizing existing showrooms to elevate the client experience, reinforce brand standards, and sustain performance over time.

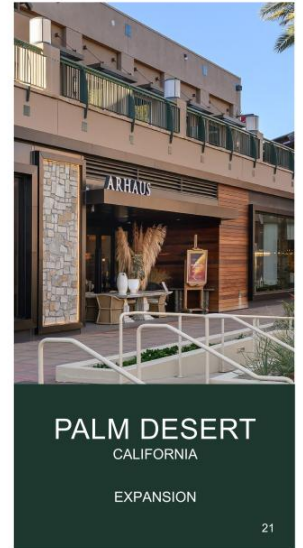
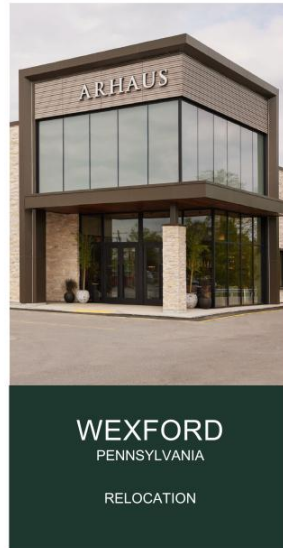


Expansions – Revenue Maximization

Selectively expanding high-performing locations to meet demand, unlock additional square footage productivity and maximize revenue potential.

EXECUTING ACROSS OUR FULL SHOWROOM PORTFOLIO:

A balanced annual real estate program including new openings, relocations, renovations, and expansions.



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SECTION IV: BRAND AWARENESS & CLIENT
ENGAGEMENT



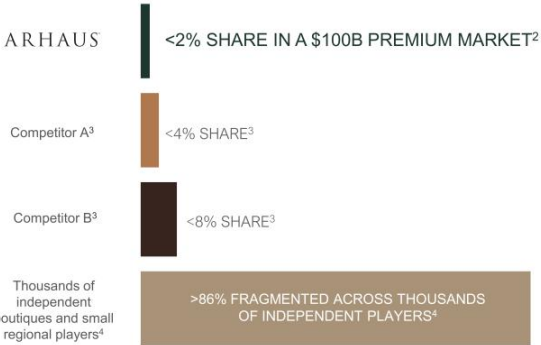
SAVANNAH
CHAIR

BRAND AWARENESS & MARKET SHARE OPPORTUNITY

In a highly fragmented premium market, we believe brand awareness is our largest opportunity. Showrooms are our most powerful lever, reinforced by an integrated omni-channel model that drives conversion and repeat engagement.

SHARE OF U.S. PREMIUM HOME FURNITURE MARKET¹

Metrics as of December 31, 2025, unless otherwise noted.



THREE DRIVERS OF CLIENT DEMAND¹

Purchases are primarily driven by ongoing investment in the home.



LIGHT REFRESHES²

Smaller updates to existing spaces

- Replacing individual furniture pieces.
- Updates tied to paint, flooring, or room refreshes.
- Ongoing investment in homes already owned.

Represents a meaningful portion of ongoing demand.



HOME RENOVATIONS²

Larger, multi-room or whole-home projects

- Remodels and reconfigurations.
- Full-room or whole-home furnishing.
- Often supported by interior design services and contractors.

Interior designer supported projects drive higher AOV.



HOME TURNOVER²

Purchases linked to buying and selling homes

- Existing home sales-related activity.
- Includes second and third homes.

Provides potential incremental upside when housing activity recovers.

Home turnover provides potential upside when housing activity recovers.

OUR 3 CUSTOMER DEMAND CHANNELS ARE SUPPORTED BY ARHAUS' GROWTH TAPESTRY¹

Our customer mix includes our core customer, customers that work with our Arhaus interior designers, and Trade.



WE WIN ACROSS CHANNELS²

Attribute	Arhaus
Value	✓
Premium Quality	✓
Aesthetic / Design	✓
Service	✓
Website Experience	✓
Location	✓
Designer Recommendations	✓

CORE CUSTOMER¹:

*A high-quality client base anchored
in affluence and long-term home investment*

Affluent homeowners making considered, long-term investments
in quality furniture aligned with their style and lifestyle.



~35-64

CORE PURCHASING AGE DEMOGRAPHIC

~50%

OF SALES COME FROM REPEAT CUSTOMERS²

~90%

OF TOTAL SALES IN 2025 CAME FROM CLIENTS THAT
LIVE WITHIN 50 MILES OF AN ARHAUS SHOWROOM³

Metrics as of December 31, 2025, unless otherwise noted.

**ARHAUS' INTERIOR
DESIGN PROGRAM:**
A high-impact, scalable growth lever¹

As Arhaus' interior design program expands, there is an opportunity to drive higher engagement, larger orders, and greater lifetime value with core customers.

#1 DRIVER
OF PREMIUM DEMAND
AND LIFETIME VALUE²

40% REPEAT
APPROXIMATELY 40% OF CLIENTS
BECOME REPEAT PURCHASERS⁴

4x AOV
FOR INTERIOR
DESIGN-SUPPORTED ORDERS³

RECORD
TOTAL WRITTEN SALES FROM
CLIENTS WORKING WITH OUR
INTERIOR DESIGNERS IN 2025⁵

Metrics as of December 31, 2025, unless otherwise noted.



TRADE

A significant market opportunity

The U.S. has ~185,000 interior designers¹, operating across a highly fragmented market and influencing a meaningful share of premium residential furnishing spend.

~\$27 BILLION

U.S. INTERIOR DESIGN
SERVICES MARKET¹

~4.2% 5-YR CAGR

REVENUE GROWTH OF THE U.S. INTERIOR
DESIGN SERVICES MARKET 2020-2025¹

~185,000 DESIGNERS

IN THE U.S. INFLUENCING PREMIUM
RESIDENTIAL FURNISHING PURCHASES¹

63% of REVENUE

FROM THE U.S. INTERIOR DESIGN
INDUSTRY IS TIED TO INDIVIDUALS
AND HOUSEHOLDS¹

Total Market Source: IBISWorld, Interior Designers in the US, July 2025.



WHY TRADE DESIGNERS CONSISTENTLY PARTNER WITH ARHAUS

Designers rely on Arhaus as a trusted execution partner for complex projects, allowing them to stay focused on client relationships and outcomes while we manage the rest.

- One-Stop Solution for Whole-Home Projects
- White-Glove, VIP Service Model
- Simplified Logistics, Storage, and Delivery
- Premium, Artisan-Crafted Assortment
- Customization and Design Flexibility
- Reliable Execution and Ease of Purchase



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SECTION V: INVESTMENTS IN SCALABLE
INFRASTRUCTURE TO SUPPORT GROWTH



KIPTON SECTIONAL

INVESTMENTS IN TECHNOLOGY + DISTRIBUTION¹

Arhaus has made a series of strategic investments to modernize its technology infrastructure and expand its distribution network capacity to support scalable growth and long-term margin expansion.



TECHNOLOGY INVESTMENTS

- Previously launched a new **e-commerce platform** to enhance the omnichannel experience.
- Fully implemented a new **payment platform** across all showrooms, enabling **Tap to Pay, Apple Pay, and Google Pay**.
- Commenced a **multi-year digital transformation** project to replace core operating systems through **2030**, with a total expected incremental investment of **~\$30 million²**. The Company incurred **\$1 million** in cash outflows for these systems in **2025** and anticipates **\$12 million** in **2026** and **\$10 million** in **2027**. Cash outflows will begin tapering in early 2028 as Arhaus transitions to a run rate of **roughly \$2 million of spend annually through 2030** for ongoing licensing and maintenance. Investment expected to deliver **50 basis points of SG&A improvement by 2030³**.



DISTRIBUTION NETWORK INVESTMENTS

- Opened the **North Carolina** distribution center and **consolidated our upholstery manufacturing facility** in North Carolina.
- Expanded the **Ohio** distribution facility and corporate headquarters.
- Opened the **Dallas, Texas** distribution center.
- Successfully transitioned the **Dallas** distribution center from third-party operations to an **in-house** model.
- Implemented a new **Warehouse Management System (WMS)** across all three distribution centers.

As of December 31, 2025, unless otherwise noted.

These investments strengthen the omni-channel model and support scalable growth and long-term margin expansion¹.

STRATEGIC INVESTMENTS
ENHANCE THE CLIENT
EXPERIENCE, EMPOWER
OUR TEAMS, AND DRIVE
INVESTOR VALUE¹

Building a scalable, efficient, and resilient platform to support long-term growth.



Enhance the Client Experience
Across the Arhaus Journey

Delivering a more seamless, reliable, and elevated experience from discovery through delivery.



Strengthen the Company
and Empower Our Teams

Improving efficiency, scalability, and execution.



We Believe Strategic
Investments Will Drive Bottom-Line
Growth and Investor Value

Enhancing earnings durability, margin structure, and capital efficiency over time.

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SECTION VI: QUARTERLY PERFORMANCE UPDATE



CHELSEA WASHSTAND

Q1 2026 HIGHLIGHTS

The first quarter was impacted by a volatile macroeconomic and geopolitical backdrop which contributed to more cautious consumer sentiment. This caution was most visible in Comparable Written Sales² during the quarter. While the core client remained engaged, the Company saw customers taking a more deliberate approach to purchases, with longer decision cycles and greater focus on value. In addition to the broader macro pressures, written sales were also impacted by weather disruptions, as well as the delayed timing of the Spring catalog release. Despite these headwinds, Arhaus achieved the strongest first-quarter Net Revenue¹ in their history.




- 

\$314M Net Revenue¹
 +0.9% YoY
Driven by Showroom growth
- 

-5.7% Comparable Written Sales²
Impacted by a combination of weather-related disruption in key markets that reduced traffic during important promotions periods, the delayed timing of the Spring catalog release, and macroeconomic and geopolitical uncertainty that weighed on consumer sentiment
- 

-1.7% Comparable Delivered Sales³
Impacted by severe weather, as well as broader consumer softness tied to macroeconomic uncertainty

Company Highlights

		
<p>TMS PHASE 1 GO - LIVE APRIL</p>	<p>ASHBURN VIRGINIA NEW SHOWROOM APRIL</p>	<p>PARK MEADOWS COLORADO EXPANSION MAY</p>



OUTLOOK | FULL-YEAR AND Q2 2026

As of May 7, 2026

	FULL-YEAR 2026	Q2 2026
Net revenue	\$1.43 to \$1.47 billion	\$350 to \$370 million
Net revenue growth	3.7% to 6.6%	(2.4)% to 3.2%
Comparable Delivered Sales ¹	0% to 3%	(5)% to 0%
Net income ²	\$66 to \$75 million	\$19 to \$24 million
Adjusted EBITDA ³	\$150 to \$161 million	\$40 to \$49 million

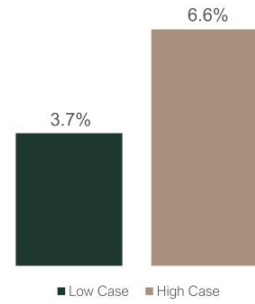
Other Estimates

Company-funded capital expenditures ⁴	\$70 to \$90 million
Depreciation & amortization	\$50 to \$55 million
Fully diluted shares	~ 142 million
Effective tax rate	~ 28.2%

Showroom Projects

New Showroom openings	4 to 6 new Showrooms
Total Showroom Projects ⁵	10 to 14 Showroom Projects
Net Unit Growth ⁶	Mid-Single-Digit

2026 OUTLOOK NET REVENUE GROWTH VS. FULL YEAR 2025



Showroom Expansion & Productivity
New markets driving brand awareness, traffic, and conversion



Client Strength & Interior Design Services
Affluent customer resilience; strong engagement with Arhaus interior design services



Product Innovation & Newness
Strong response to Arhaus products, artisan-crafted assortments, and newness



TOTAL SHOWROOM PROJECT PIPELINE

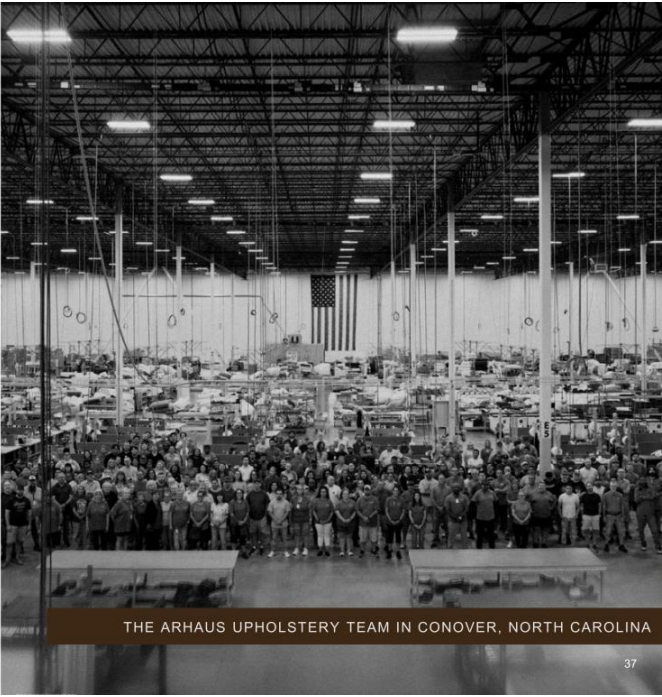
Full Year 2026; As of May 7, 2026

PROJECT TYPE	DEFINITION	# OF PROJECTS
New Openings	New Showroom openings	4 to 6
Relocations, Renovations, or Expansions	Relocation, renovations, and expansions of existing Showrooms	6 to 8
Total Showroom Projects ¹	Inclusive of New Openings, Relocations, Renovations, and Expansions	10 to 14

Planned Total Showroom Projects¹ are expected to remain within the Company's full-year 2026 guidance range. For competitive reasons, specific locations are not disclosed in advance; additional detail is provided following completion through regular quarterly disclosures.

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APPENDIX



THE ARHAUS UPHOLSTERY TEAM IN CONOVER, NORTH CAROLINA

DEFINITIONS: UNDERSTANDING OUR COMPARABLE SALES METRICS

Arhaus reports two comparable sales metrics to reflect the timing difference between client orders and GAAP revenue recognition

COMPARABLE WRITTEN SALES¹ KEY PERFORMANCE INDICATOR

- Key performance indicator metric providing insight into client demand, sentiment, and conversion
- Measures year-over-year growth in written client orders for comparable Showrooms and eCommerce
- Orders have a minimum deposit of 50% at time of order with the remainder due at time of delivery
- Based on a 13-month comparable showroom set

COMPARABLE DELIVERED SALES³ KEY PERFORMANCE INDICATOR

- Key performance indicator revenue metric and the only comparable sales metric used for guidance
- Measures year-over-year growth in delivered and recognized revenue for comparable Showrooms
- Revenue is recognized upon delivery and depends on production, lead times, and logistics cadence
- Based on a 15-month comparable showroom set

WRITTEN SALES CONVERSION TO DELIVERED REVENUE



¹ Comparable Written Sales previously referred to as "Demand Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of written sales from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

² Client deposits represent amounts received from clients in advance of product delivery and are recorded as a liability until revenue is recognized upon delivery.

³ Comparable Delivered Sales previously referred to as "Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

REFERENCES

SLIDE 5: ARHAUS AT A GLANCE

Figures as of December 31, 2025, unless otherwise noted.

¹ Net revenue reflects U.S. GAAP net revenue for fiscal year 2025. “~3x since 2019” compares fiscal year 2025 net revenue to fiscal year 2019 net revenue.

² Showroom count includes Traditional Showrooms, Design Studios, and Loft locations open as of December 31, 2025.

³ Showroom growth opportunity reflects management’s current estimate of the domestic market opportunity based on internal analysis and may evolve over time.

⁴ Showroom growth since 2019¹ reflects the percentage increase in total Showroom count from the end of fiscal year 2019 through fiscal year 2025.

⁵ Compound Annual Growth Rate (CAGR) calculated from the end of fiscal year 2019 through fiscal year 2025.

⁶ These are not projections or predictions of actual results; they are aspirational goals as of December 31, 2025 and are forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals. Long Term Goals are long-term compound annual growth rates. Showroom growth includes traditional showrooms, design studios and outlets.

⁷ Comparable Delivered Sales previously referred to as “Comparable Growth” is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

⁸ Net Unit Growth (“NUG”) reflects the percentage change in total Showroom count during the fiscal year period, calculated as new Showroom openings net of Showroom closures or relocations that do not increase total unit count.

⁹ EBITDA represents consolidated net income before depreciation and amortization, interest income, net, and income tax expense. Adjusted EBITDA represents EBITDA adjusted for items that management believes are not reflective of underlying operating performance in a particular period. Management believes Adjusted EBITDA facilitates period-to-period comparisons and provides a more complete understanding of factors and trends affecting the business. A reconciliation of net income to EBITDA and Adjusted EBITDA is included in the Appendix.

SLIDE 6: A PROVEN MODEL, EXECUTED WITH DISCIPLINE

Figures as of December 31, 2025, unless otherwise noted.

¹ Net revenue reflects U.S. GAAP net revenue for fiscal year 2025. “~3x since 2019” compares fiscal year 2025 net revenue to fiscal year 2019 net revenue.

² Net income reflects U.S. GAAP net income (loss) for fiscal year 2025. “4x since 2019” compares fiscal year 2025 net income to fiscal year 2019 net income.

³ EBITDA represents consolidated net income before depreciation and amortization, interest income, net, and income tax expense. Adjusted EBITDA represents EBITDA adjusted for items that management believes are not reflective of underlying operating performance in a particular period. Management believes Adjusted EBITDA facilitates period-to-period comparisons and provides a more complete understanding of factors and trends affecting the business. A reconciliation of net income to EBITDA and Adjusted EBITDA is included in the Appendix. “~3x since 2019” compares fiscal year 2025 Adjusted EBITDA to fiscal year 2019 Adjusted EBITDA.

⁴ Showroom count includes Traditional Showrooms, Design Studios, and Loft locations open as of December 31, 2025.

⁵ Showroom Growth and CAGR calculated from the end of fiscal year 2019 through fiscal year 2025.

⁶ Showroom growth opportunity reflects management’s current estimate of the domestic market opportunity based on internal analysis and may evolve over time.

SLIDE 10: THE ARHAUS DIFFERENCE

¹ Domestic sourcing reflects upholstery products manufactured in the United States. Percentage is based on fiscal year 2025 purchase volume. Includes production from the Company’s North Carolina facility and select domestic vendor partners.

SLIDE 12: VERTICALLY INTEGRATED, GLOBALLY DIVERSIFIED SOURCING MODEL

Figures as of December 31, 2025, unless otherwise noted.

¹ Geographic sourcing descriptions and statements reflect the Company’s vendor network as of fiscal year 2025 and may evolve over time based on business needs and market conditions. Depictions of vendors/products consist of examples of types of vendors that we work with and the products that they create.

² Domestic sourcing in the U.S. reflects upholstery products manufactured in the United States. Percentage is based on fiscal year 2025 purchase volume. Includes production from the Company’s North Carolina facility and select domestic vendor partners.

SLIDE 13: RESPONSIBLE AND SUSTAINABLE SOURCING

Figures as of December 31, 2025, unless otherwise noted.

¹ Reflect supplier representations and sourcing practices as of fiscal year 2025.

² Vendor count represents the approximate number of active global vendors and artisans in fiscal year 2025 and may fluctuate over time.

³ Source: IBISWorld, Interior Designers in the US, July 2025.

REFERENCES

SLIDE 14: FURNISHING A BETTER WORLD

¹ Descriptions of environmental initiatives, charitable partnerships, and sourcing commitments reflect the Company's programs as of fiscal year 2025 and may evolve over time.

SLIDE 17: PROXIMITY TO A SHOWROOM IS A PROVEN GROWTH DRIVER

Figures as of December 31, 2025, unless otherwise noted.

¹ Reflects management's belief that showroom proximity supports revenue growth; actual results may vary by market and over time.

² Represents the percentage of total sales that come from clients that live within 50 miles of an Arhaus showroom.

SLIDE 18: CURRENT U.S. FOOTPRINT WITH SIGNIFICANT RUNWAY FOR DISCIPLINED GROWTH

Figures as of December 31, 2025, unless otherwise noted.

¹ Statements on long-term showroom expansion, market opportunity, and future footprint growth constitute forward-looking statements subject to risks and uncertainties described in the Company's filings with the SEC.

² Showroom count includes Traditional Showrooms, Design Studios, and Loft locations open as of December 31, 2025.

³ Net Unit Growth ("NUG") reflects the percentage change in total Showroom count during 2025, calculated as new Showroom openings net of Showroom closures or relocations that do not increase total unit count.

⁴ Footprint growth since 2019⁵ reflects the percentage increase in total Showroom count from the end of fiscal year 2019 through fiscal year 2025.

⁵ Maturity mix reflects the percentage of Showrooms open as of December 31, 2025.

⁶ Showroom growth opportunity and long-term showroom potential reflect management's current view of the domestic market opportunity based on internal analysis of market demographics, client demand, and operating experience, and may evolve over time as market conditions change.

⁷ ~165 Traditional Showrooms and ~50 Design Studios represent management's current estimate of total potential U.S. locations by format, inclusive of existing locations.

SLIDE 19: DISCIPLINED SHOWROOM GROWTH WITH ATTRACTIVE UNIT ECONOMICS

All figures represent targeted maturity assumptions based on historical performance and internal underwriting and are not reported results. Actual results may differ materially.

¹ Target net revenue at maturity represents management's illustrative estimate of annual net revenue for a Traditional Showroom at approximately year 3 maturity based on historical performance and internal underwriting assumptions and does not represent guidance or a forecast of actual future results.

² Target cash payback is based on cumulative showroom-level cash contribution relative to company-funded capital expenditures.

³ Target contribution margin reflects showroom-level profitability before depreciation and amortization and excludes corporate overhead and shared costs.

⁴ Company-funded capital expenditures is defined as total net cash used in investing activities less landlord contributions.

⁵ The percentage of fiscal year 2025 net revenue attributed to showrooms opened since fiscal year 2019 is based on net revenue and reflects historical performance; it is not indicative of future results.

SLIDE 23: BRAND AWARENESS & MARKET SHARE OPPORTUNITY

Market share data is illustrative and intended to demonstrate relative market positioning; actual competitive dynamics may vary over time.

¹ Market size reflects management estimates of the U.S. premium home furnishings market based on third-party industry data, publicly available company filings, and internal analysis. The premium segment is defined as retailers characterized by higher than industry-average merchandise price points and quality.

² Arhaus share represents fiscal year 2024 net revenue as a percentage of the estimated U.S. premium home furnishings market. Fiscal year 2024 data is used due to the timing lag in availability of comparable fiscal year 2025 competitive data. Market share figures are approximate.

³ Competitor market share estimates are derived from publicly available fiscal year 2024 reported net revenues and management's estimate of the U.S. premium home furnishings market size. These figures may not be directly comparable due to differences in product mix, geographic exposure, reporting methodologies, and inclusion of international or non-premium revenue streams. Competitor A and Competitor B represent two larger premium home furnishings retailers selected for relative market scale comparison.

⁴ The >86% fragmented share represents the estimated remaining portion of the U.S. premium home furnishings market after deducting the approximate shares of the selected retailers, based on management estimates and industry data. This segment primarily consists of independent boutiques and regional retailers.

REFERENCES

SLIDE 24: THREE DRIVERS OF CLIENT DEMAND

Figures as of December 31, 2025, unless otherwise noted. These categories are illustrative and reflect management's current assessment of demand drivers. Actual purchasing behavior may vary by geography, client segment, and macroeconomic conditions.

¹ These categories reflect management's current view of the primary drivers of client demand based on internal analysis, client purchasing behavior, and historical sales patterns. Other demand factors exist but are not presented on this slide.

² Statements regarding the relative contribution of light refreshes, home renovations, and home turnover to overall demand are based on management estimates and historical performance trends and are not intended to represent precise quantitative allocations.

SLIDE 25: CUSTOMER DEMAND CHANNELS

Figures as of December 31, 2025, unless otherwise noted.

¹ "Growth Tapestry" refers to the Company's long-term strategic growth framework, including Product, Showrooms, Brand Awareness & Client Engagement, and Disciplined Investment. This framework is fully integrated with an omni-channel approach. This framework reflects management's current strategic priorities.

² "We Win Across Channels" attributes are based on third-party surveys, industry research, and internal analysis reflecting management's current assessment of Arhaus' competitive positioning. Survey methodologies, competitive dynamics, and results may change over time.

SLIDE 26: CORE CUSTOMER PROFILE

Figures as of December 31, 2025, unless otherwise noted.

¹ Age range reflect management estimates based on internal customer data and are intended to describe general customer characteristics; individual customer profiles may vary.

² Percentage of sales from repeat customers reflects fiscal year 2025 written orders attributable to customers with prior purchase history based on internal Company records.

³ Represents the percentage of total sales that come from clients that live within 50 miles of an Arhaus showroom.

SLIDE 27: INTERIOR DESIGN PROGRAM

Figures as of December 31, 2025, unless otherwise noted.

¹ Statements regarding scalability constitute forward-looking statements subject to risks and uncertainties described in the Company's filings with the SEC.

² "#1 driver" reflects management's assessment based on internal analysis of customer purchasing behavior and lifetime value.

³ "4x AOV" reflects the approximate multiple of average order value for design-supported orders compared to non-design-supported orders based on fiscal year 2025 written orders.

⁴ "40% repeat" reflects the approximate percentage of customers with two or more purchases based on fiscal year 2025 written orders.

⁵ Interior design-supported written orders reflect orders in which a client engaged with an Arhaus Interior Designer during fiscal 2025.

SLIDE 28: TRADE

¹ Source: IBISWorld, Interior Designers in the US, July 2025.

SLIDE 31: INVESTMENTS IN TECHNOLOGY + DISTRIBUTION

¹ Statements regarding impacts and timing of modernization, scaling, optimization, automation, analytics, throughput, margin expansion, SG&A improvement, and long-term outcomes constitute forward-looking statements subject to risks and uncertainties described in the Company's filings with the SEC. Planned investments and expected results may not occur on anticipated timeline or at all.

² The ~\$30 million enterprise systems transformation reflects the Company's multi-year investment plan across ERP, OMS, inventory planning, financial systems, and related infrastructure initiatives and may evolve based on scope, timing, and business needs.

³ References to targeted SG&A improvement, margin expansion and similar performance outcomes reflect management's current long-term objectives and are not financial guidance. Planned investments and expected results may not occur on anticipated timeline or at all.

REFERENCES

SLIDE 32: STRATEGIC INVESTMENTS ENHANCE THE CLIENT EXPERIENCE, EMPOWER OUR TEAMS, AND DRIVE INVESTOR VALUE

¹ Statements regarding scalability, efficiency, net income growth, earnings durability, margin structure, capital efficiency, and long-term growth in value constitute forward-looking statements subject to risks and uncertainties described in the Company's filings with the SEC.

SLIDE 34: Q1 2026 HIGHLIGHTS

Figures as of March 31, 2026, unless otherwise noted.

¹ Net revenue reflects U.S. GAAP results for Q1 2026.

² Comparable Written Sales previously referred to as "Demand Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of written sales from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

³ Comparable Delivered Sales previously referred to as "Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

SLIDE 35: OUTLOOK | FULL-YEAR AND Q2 2026

Outlook Provided as of March 31, 2026, unless otherwise noted.

¹ Comparable Delivered Sales previously referred to as "Comparable Growth" is a key performance indicator and is defined as the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from our comparable Showrooms and eCommerce, including through our catalogs and other mailings.

² U.S. GAAP net income (loss).

³ We have not reconciled guidance for Adjusted EBITDA to the corresponding GAAP financial measure because we do not provide guidance for the various reconciling items. These items include, but are not limited to, future share-based compensation expense, income taxes, interest income, and transaction costs. We are unable to provide guidance for these reconciling items because we cannot determine their probable significance, as certain items are outside of our control and cannot be reasonably predicted due to the fact that these items could vary significantly from period to period. Accordingly, reconciliations to the corresponding GAAP financial measure is not available without unreasonable effort.

⁴ Company-funded capital expenditures is defined as total net cash used in investing activities less landlord contributions.

⁵ Total Showroom Projects is defined as the number of Showroom projects completed during the period, including new Showroom openings, relocations, remodels, and expansions. The Company considers all Showroom projects integral to its long-term growth strategy, with each evaluated based on strategic relevance and expected return on investment.

⁶ Net Unit Growth reflects the percentage change in total Showroom count during the period, calculated as new Showroom openings net of Showroom closures or relocations that do not increase total unit count.

SLIDE 36: FULL YEAR 2026 TOTAL SHOWROOM PROJECT PIPELINE

Outlook Provided as of March 31, 2026, unless otherwise noted.

¹ Total Showroom Projects is defined as the number of Showroom projects completed during the period, including new Showroom openings, relocations, remodels, and expansions. The Company considers all Showroom projects integral to its long-term growth strategy, with each evaluated based on strategic relevance and expected return on investment.

DEFINITIONS

In addition to U.S. GAAP results, this document contains references to the non-GAAP financial measures below. We use these non-GAAP measures to help assess the performance of our business, identify trends affecting our business, formulate business plans and make strategic decisions. In addition to our results determined in accordance with U.S. GAAP, we believe that providing these non-GAAP financial measures is useful to our investors as they present an informative supplemental view of our results from period-to-period by removing the effect of non-recurring items.

The non-GAAP financial measures presented herein are specific to us and may not be comparable to similar measures disclosed by other companies because of differing methods used by other companies in calculating them. These measures are also not intended to be measures of free cash flow for management's discretionary use, as they do not reflect tax payments, debt service requirements and certain other cash costs that may recur in the future, including, among other things, cash requirements for working capital needs. Management compensates for these limitations by relying on our U.S. GAAP results in addition to using these non-GAAP financial measures. The non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. We consider the following financial and operating measures that affect our results of operations:

Net Revenue and Written Sales (Formerly "Demand"). Net revenue is recognized when a client obtains control of the merchandise. We also track written sales in our business which is a key performance indicator linked to the level of client orders placed. Written sales is an operating metric that we use to measure the dollar value of orders (based on purchase price) at the time the order is placed, net of the dollar value of cancellations and returns (based on unpaid purchase price and amount credited to client). These orders are recognized as net revenue when a client obtains control of the merchandise. Because written sales in measured net of cancellations, all written sales will eventually become net revenue, with appropriate reserves, when delivered to the client.

Comparable Delivered Sales (Formerly "Comparable Growth"). Comparable Delivered Sales is the year-over-year percentage change of the dollar value of orders delivered (based on purchase price), net of the dollar value of returns (based on amount credited to client), from comparable Showrooms and eCommerce, including through our catalogs and other mailings. This metric is a key performance indicator used by management to evaluate Showroom performance for locations that have been opened for at least 15 consecutive months, which enables management to view the performance of those Showrooms without the dollar value of orders delivered for new Showrooms being included.

Comparable Showrooms are defined as permanent Showrooms open for at least 15 consecutive months, including relocations in the same market. Showrooms record written sales immediately upon opening, while orders delivered take additional time because product must be delivered to the client. The dollar value of orders delivered for Loft comparable locations is included.

Comparable Delivered Sales provides management insight into business performance for a particular period by comparing the dollar value of orders delivered (based on purchase price) in a period compared to the prior comparable period. Since delivery generally coincides with recognition of net revenue, with appropriate reserves, comparable delivered sales trends will more closely track trends in reported net revenue than comparable written sales.

Comparable Written Sales (Formerly "Demand Comparable Growth"). Comparable Written Sales is the year-over-year percentage change in written sales from our comparable Showrooms and eCommerce, including through our catalogs and other mailings. This metric is a key performance indicator used by management to evaluate Showroom performance for locations that have been opened for at least 13 consecutive months, which enables management to view the performance of those Showrooms without new Showroom written sales. For Comparable Written Sales, comparable Showrooms are defined as permanent Showrooms open for at least 13 consecutive months, including relocations in the same market. The dollar value of orders written for Loft comparable locations is included.

Comparable written sales provides insight into business performance in a particular period by comparing the dollar value of orders (based on purchase price) placed in that period to the prior comparable period. Although these orders do not result in net revenue until the order is delivered at a later point in time, management utilizes this metric to evaluate core performance. While the underlying written sales that support this metrics will generally translate into delivered sales over time, the Comparable Written Sales and Comparable Delivered Sales measures may not correlate in any specific period partially due to the lag effects in both the numerator and denominator that occur between order placement and delivery, which tend to vary based on natural variations in the supply chain. Notwithstanding these limitations, management considers it useful to evaluate both measures together to assess overall performance to trends and believes investors may find them useful when reviewed alongside reported results and other key metrics.

Gross Margin. Gross margin is equal to our net revenue less cost of goods sold. Cost of goods sold includes the direct cost of purchased merchandise, inventory reserves, inbound freight, all freight costs to get merchandise to our Showrooms, credit card fees, design, buying and allocation costs, our supply chain, such as product development and sourcing, occupancy costs related to Showroom operations, such as rent and common area maintenance for our leases, depreciation and amortization of leasehold improvements, equipment and other assets in our Showrooms. In addition, cost of goods sold includes all logistics costs associated with shipping product to our clients, partially offset by delivery fees collected from clients (recorded in net revenue on the consolidated statements of comprehensive income).

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses include all operating costs not included in cost of goods sold. These expenses include payroll and payroll related expenses, Showroom expenses other than occupancy and expenses related to many of our operations at our distribution centers and corporate headquarters, including marketing, information technology, legal, human resources, utilities and depreciation and amortization expense. Payroll includes both fixed compensation and variable compensation. Variable compensation includes Showroom commissions and Showroom bonus compensation related to written sales, likely before the client obtains control of the merchandise. Variable compensation is not significant in our eCommerce sales channel. All new Showroom opening expenses, other than occupancy, are included in SG&A expenses and are expensed as incurred. We expect certain of these expenses to continue to increase as we open new Showrooms, develop new product categories and otherwise pursue our current business initiatives. SG&A expenses as a percentage of net revenue are usually higher in lower-volume quarters and lower in higher-volume quarters because a significant portion of the costs are fixed.

EBITDA. We define EBITDA as consolidated net income before depreciation and amortization, interest income, net and income tax expense.

Adjusted EBITDA. We believe that adjusted EBITDA is a useful measure of operating performance as the adjustments eliminate items that we believe are not reflective of underlying operating performance in a particular period. Adjusted EBITDA facilitates a comparison of our operating performance on a consistent basis from period-to-period and provides for a more complete understanding of factors and trends affecting our business. Because adjusted EBITDA omits certain non-cash items and items that we believe are not reflective of underlying operating performance in a particular period, we feel that it is less susceptible to variances in actual performance resulting from depreciation, amortization and other non-cash charges and can be more reflective of our operating performance in a particular period. We also use adjusted EBITDA as a method for planning and forecasting overall expected performance and for evaluating, on a quarterly and annual basis, actual results against such expectations.

Free Cash Flow. We define Free Cash Flow as net cash provided by operating activities less net cash used in investing activities. We believe that Free Cash Flow is a useful measure that is helpful in understanding the strength of our liquidity and how our business generates cash. Management uses Free Cash Flow to evaluate our overall liquidity needs and determine appropriate capital allocation strategies. Free Cash Flow should not be considered in isolation or as an alternative to net cash from operating activities calculated in accordance with U.S. GAAP and should be viewed together with our U.S. GAAP results.

NON-GAAP RECONCILIATIONS

	Year Ended	
	December 31,	
	2025	2024
	\$ Thousands	
Net and comprehensive income	\$ 67,256	\$ 68,550
Interest income, net	(3,032)	(3,163)
Income tax expense	24,723	22,372
Depreciation and amortization	46,793	39,086
EBITDA	135,740	126,845
Equity based compensation	9,182	7,640
Other expenses (income) ⁽¹⁾	170	(1,202)
Adjusted EBITDA	\$145,092	\$133,283

⁽¹⁾ Other expenses (income) represent costs and investments not indicative of ongoing business performance, such as loss (gain) on disposal of assets. For the year ended December 31, 2025 these other expenses (income) consisted largely of \$0.1 million of loss on disposal of assets. For the year ended December 31, 2024, these other expenses (income) consisted largely of \$1.2 million of gain on disposal of assets.

NON-GAAP RECONCILIATIONS

	Year Ended	
	December 31,	
	2025	2024
	<i>\$ Thousands</i>	
Net cash provided by operating activities	\$136,848	\$147,109
Net cash used in investing activities	(77,816)	(99,534)
Free cash flow	\$ 59,032	\$ 47,575

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