UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **October 31, 2021**

Commission file number **000-25349**

HOOKER FURNISHINGS CORPORATION
(Exact name of registrant as specified in its charter)

Virginia	**54-0251350**
(State or other jurisdiction of incorporation or organization)	*(IRS employer identification no.)*

440 East Commonwealth Boulevard, Martinsville, VA 24112
(Address of principal executive offices, zip code)

(276) 632-2133
(Registrant's telephone number, including area code)

Hooker Furniture Corporation
(Former name, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer ☐	Accelerated filer ☒
Non-accelerated Filer ☐	Smaller reporting company ☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	**HOFT**	**NASDAQ Global Select Market**

As of December 3, 2021, there were 11,922,314 shares of the registrant's common stock outstanding.

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PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

As of	October 31, 2021 (unaudited)	January 31, 2021
Assets		
Current assets		
Cash and cash equivalents	**$ 57,219**	$ 65,841
Trade accounts receivable, net	**73,585**	83,290
Inventories	**77,864**	70,159
Income tax recoverable	**3,098**	-
Prepaid expenses and other current assets	**6,523**	4,432
Total current assets	**218,289**	223,722
Property, plant and equipment, net	**29,590**	26,780
Cash surrender value of life insurance policies	**26,133**	25,365
Deferred taxes	**11,835**	14,173
Operating leases right-of-use assets	**53,225**	34,613
Intangible assets, net	**24,449**	26,237
Goodwill	**490**	490
Other assets	**3,374**	893
Total non-current assets	**149,096**	128,551
Total assets	**$ 367,385**	$ 352,273
Liabilities and Shareholders' Equity		
Current liabilities		
Trade accounts payable	**$ 16,599**	$ 32,213
Accrued salaries, wages and benefits	**5,928**	7,136
Income tax accrual	**-**	501
Customer deposits	**6,550**	4,256
Current portion of lease liabilities	**7,293**	6,650
Other accrued expenses	**5,456**	3,354
Total current liabilities	**41,826**	54,110
Deferred compensation	**10,676**	11,219
Lease liabilities	**47,530**	29,441
Total long-term liabilities	**58,206**	40,660
Total liabilities	**100,032**	94,770
Shareholders' equity		
Common stock, no par value, **20,000** shares authorized, **11,922** and 11,888 shares issued and outstanding on each date	**53,690**	53,323
Retained earnings	**214,242**	204,988
Accumulated other comprehensive loss	**(579)**	(808)
Total shareholders' equity	**267,353**	257,503
Total liabilities and shareholders' equity	**$ 367,385**	$ 352,273

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended	
	October 31, 2021	November 1, 2020	**October 31, 2021**	November 1, 2020
Net sales	**$ 133,428**	$ 149,687	**$ 458,807**	$ 384,821
Cost of sales (See note 3)	**113,421**	116,204	**373,501**	305,684
Gross profit	**20,007**	33,483	**85,306**	79,137
Selling and administrative expenses	**21,139**	19,850	**63,343**	57,920
Goodwill impairment charges	**-**	-	**-**	39,568
Trade name impairment charges	**-**	-	**-**	4,750
Intangible asset amortization	**596**	596	**1,788**	1,788
Operating (loss)/income	**(1,728)**	13,037	**20,175**	(24,889)
Other income, net	**133**	158	**160**	107
Interest expense, net	**27**	106	**81**	433
(Loss)/income before income taxes	**(1,622)**	13,089	**20,254**	(25,215)
Income tax (benefit)/expense	**(403)**	2,996	**4,563**	(6,263)
Net (loss)/income	**$ (1,219)**	$ 10,093	**$ 15,691**	$ (18,952)
(Loss)/earnings per share				
Basic	**$ (0.10)**	$ 0.85	**$ 1.32**	$ (1.61)
Diluted	**$ (0.10)**	$ 0.84	**$ 1.30**	$ (1.61)
Weighted average shares outstanding:				
Basic	**11,863**	11,833	**11,849**	11,818
Diluted	**11,863**	11,939	**12,017**	11,818
Cash dividends declared per share	**$ 0.18**	$ 0.16	**$ 0.54**	$ 0.48

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME
(In thousands)
(Unaudited)

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended	
	October 31, 2021	November 1, 2020	**October 31, 2021**	November 1, 2020
Net (loss)/income	**$ (1,219)**	$ 10,093	**$ 15,691**	$ (18,952)
Other comprehensive income (loss):				
Amortization of actuarial loss	**100**	84	**301**	253
Income tax effect on amortization	**(24)**	(20)	**(72)**	(60)
Adjustments to net periodic benefit cost	**76**	64	**229**	193
Total comprehensive (loss)/income	**$ (1,143)**	$ 10,157	**$ 15,920**	$ (18,759)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

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HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Thirty-Nine Weeks Ended	
	October 31, 2021	November 1, 2020
Operating Activities:		
Net income/(loss)	**$ 15,691**	$ (18,952)
Adjustments to reconcile net income to net cash provided by operating activities:		
Goodwill and intangible asset impairment charges	**-**	44,318
Depreciation and amortization	**5,623**	5,052
Deferred income tax expense/(benefit)	**2,266**	(10,143)
Noncash restricted stock and performance awards	**367**	1,473
Provision for doubtful accounts and sales allowances	**474**	4,527
Gain on life insurance policies	**(802)**	(1,750)
Changes in assets and liabilities:		
Trade accounts receivable	**9,230**	7,829
Inventories	**(7,705)**	28,730
Income tax recoverable	**(3,098)**	751
Prepaid expenses and other current assets	**(4,074)**	620
Trade accounts payable	**(15,632)**	2,947
Accrued salaries, wages, and benefits	**(1,140)**	(441)
Accrued income taxes	**(501)**	2,015
Customer deposits	**2,294**	967
Operating lease liabilities	**120**	797
Other accrued expenses	**2,104**	(1,165)
Deferred compensation	**(243)**	32
Net cash provided by operating activities	**$ 4,974**	$ 67,607
Investing Activities:		
Purchases of property and equipment	**(6,626)**	(642)
Premiums paid on life insurance policies	**(533)**	(519)
Proceeds received on life insurance policies		1,489
Net cash (used in)/provided by investing activities	**(7,159)**	328
Financing Activities:		
Cash dividends paid	**(6,437)**	(5,699)
Payments for long-term debt	**-**	(4,393)
Cash used in financing activities	**(6,437)**	(10,092)
Net (decrease)/increase in cash and cash equivalents	**(8,622)**	57,843
Cash and cash equivalents - beginning of year	**65,841**	36,031
Cash and cash equivalents - end of quarter	**$ 57,219**	$ 93,874
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	**$ 5,858**	$ 2,301
Cash paid for interest, net	**1**	365
Non-cash transactions:		
increase in lease liabilities arising from changes in right-of-use assets	**$ 23,736**	$ 2,103
Increase in property and equipment through accrued purchases	**17**	12

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except per share data)
(Unaudited)

	Common Stock		Retained	Accumulated Other Comprehensive	Total Shareholders'
	Shares	Amount	Earnings	Income (loss)	Equity
Balance at February 2, 2020	11,838	$ 51,582	$ 223,252	$ (713)	$ 274,121
Net loss			(18,952)		(18,952)
Unrealized loss on defined benefit plan, net of tax of $60				193	193
Cash dividends paid and accrued ($0.48 per share)			(5,699)		(5,699)
Restricted stock grants, net of forfeitures	49	169			169
Restricted stock compensation cost		651			651
Performance-based restricted stock units costs		653			653
Balance at November 1, 2020	11,887	$ 53,055	$ 198,601	$ (520)	$ 251,136
Balance at January 31, 2021	**11,888**	**$ 53,323**	**$ 204,988**	**$ (808)**	**$ 257,503**
Net income			**15,691**		**15,691**
Unrealized loss on defined benefit plan, net of tax of $72				**229**	**229**
Cash dividends paid and accrued ($0.54 per share)			**(6,437)**		**(6,437)**
Restricted stock grants, net of forfeitures	**34**	**(125)**			**(125)**
Restricted stock compensation cost		**813**			**813**
Performance-based restricted stock units costs		**419**			**419**
PSU awards		**(740)**			**(740)**
Balance at October 31, 2021	**11,922**	**$ 53,690**	**$ 214,242**	**$ (579)**	**$ 267,353**

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in tables, except per share amounts, in thousands unless otherwise indicated)
(Unaudited)
For the Thirty-Nine Weeks Ended October 31, 2021

1. Preparation of Interim Financial Statements

The condensed consolidated financial statements of Hooker Furnishings Corporation and subsidiaries (referred to as "we," "us," "our," "Hooker" or the "Company") have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, these statements include all adjustments necessary for a fair statement of the results of all interim periods reported herein. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures prepared in accordance with U.S. generally accepted accounting principles ("GAAP") are condensed or omitted pursuant to SEC rules and regulations. However, we believe that the disclosures made are adequate for a fair presentation of our results of operations and financial position. These financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in our annual report on Form 10-K for the fiscal year ended January 31, 2021 ("2021 Annual Report"). The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect both the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from our estimates. Operating results for the interim periods reported herein may not be indicative of the results expected for the fiscal year.

The financial statements contained herein are being filed as part of a quarterly report on Form 10-Q covering the 2022 fiscal year thirteen-week period (also referred to as "three months," "three-month period," "quarter," "third quarter" or "quarterly period") that began August 2, 2021, and the thirty-nine week period (also referred to as "nine months", "nine-month period" or "year-to-date period") that began February 1, 2021, which both ended October 31, 2021. This report discusses our results of operations for these periods compared to the 2021 fiscal year thirteen-week period that began August 3, 2020, and the thirty-nine week period that began February 3, 2020, which both ended November 1, 2020; and our financial condition as of October 31,2021 compared to January 31, 2021.

References in these notes to the condensed consolidated financial statements of the Company to:

- the 2022 fiscal year and comparable terminology mean the fifty-two-week fiscal year that began February 1, 2021 and will end January 30, 2022; and

- the 2021 fiscal year and comparable terminology mean the fifty-two-week fiscal year that began February 3, 2020 and ended January 31, 2021.

2. Recently Adopted Accounting Policies

In August 2018, the Financial Accounting Standards Board ("FASB") issued ASU No. 2018-14, Compensation —Retirement Benefits —Defined Benefit Plans —General (Subtopic 715-20) —Disclosure Framework —Changes to the Disclosure Requirements for Defined Benefit Plans ("ASU 2018-14"). The amendments in this update change the disclosure requirements for employers that sponsor defined benefit pension and/or other post-retirement benefit plans. It eliminates requirements for certain disclosures that are no longer considered cost beneficial and requires new disclosures that the FASB considers pertinent. The guidance is effective for fiscal years ending after December 15, 2020. We adopted this guidance in the fiscal 2022 first quarter. The adoption of ASU 2018-14 did not have a material impact on our consolidated financial statements or disclosures.

3. Cancellation Costs

The Home Meridian segment incurred cancellation costs of $2.6 million for raw materials related to its exit of the ready-to-assemble furniture category. The amount was recorded in cost of sales in the fiscal 2022 third quarter. Due to the increases in freight costs since these items were ordered, we determined that the additional cost needed to move these products stateside would have resulted in a substantially greater loss than the cost to cancel the orders at the factories.

4. Accounts Receivable

	October 31, 2021	January 31, 2021
Trade accounts receivable	$ **83,363**	$ 92,621
Other accounts receivable allowances	**(7,621)**	(6,993)
Allowance for doubtful accounts	**(2,157)**	(2,338)
Accounts receivable	$ **73,585**	$ 83,290

5. Inventories

	October 31, 2021	January 31, 2021
Finished furniture	$ **88,815**	$ 81,290
Furniture in process	**2,152**	1,397
Materials and supplies	**13,176**	9,639
Inventories at FIFO	**104,143**	92,326
Reduction to LIFO basis	**(26,279)**	(22,167)
Inventories	$ **77,864**	$ 70,159

6. Property, Plant and Equipment

	Depreciable Lives *(In years)*	October 31, 2021	January 31, 2021
Buildings and land improvements	15 - 30	$ **31,998**	$ 31,316
Computer software and hardware	3 - 10	**15,592**	15,012
Machinery and equipment	10	**10,570**	9,314
Leasehold improvements	Term of lease	**11,322**	10,005
Furniture and fixtures	3 - 10	**5,748**	2,614
Other	5	**674**	651
Total depreciable property at cost		**75,904**	68,912
Less accumulated depreciation		**(47,851)**	(44,098)
Total depreciable property, net		**28,053**	24,814
Land		**1,077**	1,077
Construction-in-progress		**460**	889
Property, plant and equipment, net		$ **29,590**	$ 26,780

7. Fair Value Measurements

Fair value is the price that would be received upon the sale of an asset or paid upon the transfer of a liability (an exit price) in an orderly transaction between market participants on the applicable measurement date. We use a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1, defined as observable inputs such as quoted prices in active markets for identical assets and liabilities;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of October 31, 2021 and January 31, 2021, Company-owned life insurance was measured at fair value on a recurring basis based on Level 2 inputs. The fair value of the Company-owned life insurance is determined by inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Additionally, the fair value of the Company-owned life insurance is marked to market each reporting period and any change in fair value is reflected in income for that period.

Our assets measured at fair value on a recurring basis at October 31, 2021 and January 31, 2021, were as follows:

	Fair value at October 31, 2021				Fair value at January 31, 2021			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
				(In thousands)				
Assets measured at fair value								
Company-owned life insurance	$ -	$ **26,133**	$ -	$ **26,133**	$ -	$ 25,365	$ -	$ 25,365

8. Intangible Assets

		January 31, 2021		**October 31, 2021**
Non-amortizable Intangible Assets	**Segment**	Beginning Balance	Impairment Charges	**Net Book Value**
Goodwill	Domestic Upholstery	$ 490	$ -	**$ 490**
Trademarks and trade names - Home Meridian	Home Meridian	6,650	-	**6,650**
Trademarks and trade names - Bradington-Young	Domestic Upholstery	861	-	**861**
Trademarks and trade names - Sam Moore	Domestic Upholstery	396	-	**396**
Total Trademarks and trade names		$ 7,907	$ -	**$ 7,907**
Total non-amortizable assets		$ 8,397	$ -	**$ 8,397**

Our amortizable intangible assets are recorded in our Home Meridian and Domestic Upholstery segments. The carrying amounts and changes therein of those amortizable intangible assets were as follows:

	Amortizable Intangible Assets		
	Customer Relationships	**Trademarks**	**Totals**
Balance at January 31, 2021	$ 17,672	$ 658	$ 18,330
Amortization	(1,743)	(45)	(1,788)
Balance at October 31, 2021	**$ 15,929**	**$ 613**	**$ 16,542**

For the remainder of fiscal 2022, amortization expense is expected to be approximately $596,000.

9. Leases

We recognized sub-lease income of $266,000 for the three-month period and $561,000 for the nine-month period, both ended October 31, 2021. We recognized sub-lease income of $144,000 for the three-month period and $432,000 for the nine-month period, both ended November 1, 2020. The components of lease cost and supplemental cash flow information for leases for the three-months and nine-months ended October 31, 2021 and November 1, 2020 were:

	Thirteen Weeks Ended		**Thirty-Nine Weeks Ended**	
	October 31, 2021	November 1, 2020	**October 31, 2021**	November 1, 2020
Operating lease cost	**$ 1,794**	$ 2,061	**$ 5,712**	$ 6,319
Variable lease cost	**53**	37	**162**	105
Short-term lease cost	**27**	70	**94**	272
Total operating lease cost	**$ 1,874**	$ 2,168	**$ 5,968**	$ 6,696
Operating cash outflows	**$ 1,843**	$ 2,056	**$ 5,818**	$ 5,908

The right-of-use assets and lease liabilities recorded on our Condensed Consolidated Balance Sheets as of October 31, 2021 and January 31, 2021 were as follows:

	October 31, 2021	January 31, 2021
Real estate	**$ 52,010**	$ 33,651
Property and equipment	**1,215**	962
Total operating leases right-of-use assets	**$ 53,225**	$ 34,613
Current portion of operating lease liabilities	**$ 7,293**	$ 6,650
Long term operating lease liabilities	**47,530**	29,441
Total operating lease liabilities	**$ 54,823**	$ 36,091

The increase in right-of-use assets and lease liabilities is primarily due to the commencement of the operating lease at our new warehouse facility in Georgia during the fiscal 2022 third quarter.

The weighted-average remaining lease term is 8.5 years. We used our incremental borrowing rate which is LIBOR plus 1.5% at the adoption date. The weighted-average discount rate is 1.93%.

The following table reconciles the undiscounted future lease payments for operating leases to the operating lease liabilities recorded in the condensed consolidated balance sheets on October 31, 2021:

	Undiscounted Future Operating Lease Payments
Remainder of 2022	$ 1,796
2023	8,213
2024	6,980
2025	6,960
2026	7,032
2027 and thereafter	28,519
Total lease payments	$ 59,500
Less: impact of discounting	(4,677)
Present value of lease payments	$ 54,823

As of October 31, 2021, the Company had an additional lease for a showroom in High Point, North Carolina. This lease is expected to commence in Fall of calendar 2022 with an initial lease term of 10 years and estimated future minimum rental commitments of approximately $23.7 million. Since the lease has not yet commenced, the undiscounted amounts are not included in the table above.

10. Long-Term Debt

As of October 31, 2021, we had an aggregate $27.9 million available under our $35 million revolving credit facility (the "Existing Revolver") to fund working capital needs. Standby letters of credit in the aggregate amount of $7.1 million, used to collateralize certain insurance arrangements and for imported product purchases, were outstanding under the Existing Revolver as of October 31, 2021. There were no additional borrowings outstanding under the Existing Revolver as of October 31, 2021.

11. Employee Benefit Plans

We maintain two "frozen" retirement plans, which are paying benefits and may include active employees among the participants. We do not expect to add participants to these plans in the future. The two plans include:

- a supplemental retirement income plan ("SRIP") for certain former and current executives of Hooker Furnishings Corporation; and
- the Pulaski Furniture Corporation Supplemental Executive Retirement Plan ("SERP") for certain former executives.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 31, 2021	November 1, 2020	**October 31, 2021**	November 1, 2020
Net periodic benefit costs				
Service cost	**33**	32	**100**	96
Interest cost	**53**	74	**159**	222
Actuarial loss	**100**	84	**301**	253
Consolidated net periodic benefit costs	**$ 186**	$ 190	**$ 560**	$ 571

The SRIP and SERP plans are unfunded plans. In fiscal 2022, we paid $259,000 in the third quarter and $803,000 in the nine-month period and expect to pay a total of approximately $230,000 in benefit payments from our general assets during the remainder of fiscal 2022 to fund SRIP and SERP payments.

12. Earnings Per Share

We refer you to the discussion of Earnings Per Share in Note 2. Summary of Significant Accounting Policies, in the financial statements included in our 2021 Annual Report, for additional information concerning the calculation of earnings per share.

All stock awards are designed to encourage retention and to provide an incentive for increasing shareholder value. We have issued restricted stock awards to non-employee members of the board of directors since 2006 and to certain non-executive employees since 2014. We have issued restricted stock units ("RSUs") to certain senior executives since fiscal 2012 under the Company's Stock Incentive Plan. Each RSU entitles an executive to receive one share of the Company's common stock if the executive remains continuously employed with the Company through the end of a three-year service period. The RSUs may be paid in shares of our common stock, cash or both at the discretion of the Compensation Committee of our board of directors. We have issued Performance-based Restricted Stock Units ("PSUs") to certain senior executives since fiscal 2019 under the Company's Stock Incentive Plan. Each PSU entitles the executive officer to receive one share of our common stock based on the achievement of two specified performance conditions if the executive officer remains continuously employed through the end of the three-year performance period. One target is based on our annual average growth in our EPS over the performance period and the other target is based on EPS growth over the performance period compared to our peers. The payout or settlement of the PSUs will be made in shares of our common stock.

We expect to continue to grant these types of awards annually in the future. The following table sets forth the number of outstanding restricted stock awards and RSUs and PSUs, net of forfeitures and vested shares, as of the fiscal period-end dates indicated:

	October 31, 2021	January 31, 2021
Restricted shares	**60**	55
RSUs and PSUs	**132**	141
	192	196

All restricted shares, RSUs and PSUs awarded that have not yet vested are considered when computing diluted earnings per share. The following table sets forth the computation of basic and diluted earnings per share:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 31, 2021	November 1, 2020	**October 31, 2021**	November 1, 2020
Net income/(loss)	**$ (1,219)**	$ 10,093	**$ 15,691**	$ (18,952)
Less: Unvested participating restricted stock dividends	**11**	9	**34**	26
Net earnings allocated to unvested participating restricted stock	**-**	47	**84**	-
Earnings/(loss) available for common shareholders	**(1,230)**	10,037	**15,573**	(18,978)
Weighted average shares outstanding for basic earnings per share	**11,863**	11,833	**11,849**	11,818
Dilutive effect of unvested restricted stock, RSU and PSU awards*	**-**	106	**168**	-
Weighted average shares outstanding for diluted earnings per share	**11,863**	11,939	**12,017**	11,818
Basic (loss)/earnings per share	**$ (0.10)**	$ 0.85	**$ 1.32**	$ (1.61)
Diluted (loss)/earnings per share	**$ (0.10)**	$ 0.84	**$ 1.30**	$ (1.61)

*Due to the net loss recorded in the fiscal 2022 third quarter, approximately 164,000 potentially dilutive shares would have been antidilutive and are therefore excluded from the calculation above. Due to the fiscal 2021 year-to-date net loss, approximately 92,000 shares would have been antidilutive and are therefore excluded from the calculation of earnings per share for the thirty-nine weeks ended November 1, 2020.

13. Income Taxes

We recorded income tax benefit of $403,000 for the fiscal 2022 third quarter compared to $3.0 million income tax expense for the comparable prior year quarter. The effective tax rates for the fiscal 2022 and 2021 third quarters were 24.8% and 22.9%, respectively. For the fiscal 2022 nine-month period, we recorded income tax expense of $4.6 million, compared to income tax benefit of $6.3 million for the comparable prior year period, of which $10.7 million was recorded related to goodwill and trade name impairment charges. The effective tax rates for the fiscal 2022 and 2021 nine-month periods were 22.5% and 24.8%, respectively.

No material and non-routine positions have been identified that are uncertain tax positions.

Tax years ending January 28, 2018 through January 31, 2021 remain subject to examination by federal and state taxing authorities.

14. Segment Information

As a public entity, we are required to present disaggregated information by segment using the management approach. The objective of this approach is to allow users of our financial statements to see our business through the eyes of management based upon the way management reviews performance and makes decisions. The management approach requires segment information to be reported based on how management internally evaluates the operating performance of the company’s business units or segments. The objective of this approach is to meet the basic principles of segment reporting as outlined in ASC 280 *Segments* (“ASC 280”), which are to allow the users of our financial statements to:

- better understand our performance;
- better assess our prospects for future net cash flows; and
- make more informed judgments about us as a whole.

We define our segments as those operations our chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources. We measure the results of our segments using, among other measures, each segment's net sales, gross profit and operating income, as determined by the information regularly reviewed by the CODM. We continually monitor our reportable segments for changes in facts and circumstances to determine whether changes in the identification or aggregation of operating segments are necessary. For financial reporting purposes, we are organized into three reportable segments and "All Other", which includes the remainder of our businesses:

- **Hooker Branded**, consisting of the operations of our imported Hooker Casegoods and Hooker Upholstery businesses;
- **Home Meridian**, a business acquired at the beginning of fiscal 2017, is a stand-alone, mostly autonomous business that serves a different type or class of customer than do our other operating segments and at much lower margins;
- **Domestic Upholstery,** which includes the domestic upholstery manufacturing operations of Bradington-Young, Sam Moore and Shenandoah Furniture; and
- **All Other**, consisting of H Contract and Lifestyle Brands, a new business started in late fiscal 2019. Neither of these operating segments were individually reportable; therefore, we combined them in "All Other" in accordance with ASC 280.

The following table presents segment information for the periods, and as of the dates, indicated.

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	Oct 31, 2021	**% Net Sales**	Nov 1, 2020	% Net Sales	**Oct 31, 2021**	**% Net Sales**	Nov 1, 2020	% Net Sales
Net Sales								
Hooker Branded	**$ 56,037**	**42.0%**	$ 47,287	31.6%	**$ 157,304**	**34.3%**	$ 113,268	29.4%
Home Meridian	**46,230**	**34.6%**	73,727	49.3%	**217,964**	**47.5%**	202,560	52.6%
Domestic Upholstery	**27,972**	**21.0%**	25,350	16.9%	**74,996**	**16.3%**	59,640	15.6%
All Other	**3,189**	**2.4%**	3,323	2.2%	**8,543**	**1.9%**	9,353	2.4%
Consolidated	**$ 133,428**	**100%**	$ 149,687	100.0%	**$ 458,807**	**100.0%**	$ 384,821	100.0%
Gross Profit/(Loss)								
Hooker Branded	**$ 15,366**	**27.4%**	$ 15,446	32.7%	**$ 49,639**	**31.6%**	$ 35,894	31.7%
Home Meridian	**(1,807)**	**-3.9%**	11,169	15.1%	**17,935**	**8.2%**	28,489	14.1%
Domestic Upholstery	**5,353**	**19.1%**	5,751	22.7%	**14,879**	**19.8%**	11,555	19.4%
All Other	**1,095**	**34.3%**	1,117	33.6%	**2,853**	**33.4%**	3,199	34.2%
Consolidated	**$ 20,007**	**15.0%**	$ 33,483	22.4%	**$ 85,306**	**18.6%**	$ 79,137	20.6%
Operating (Loss)/Income								
Hooker Branded	**$ 6,669**	**11.9%**	$ 7,686	16.3%	**$ 25,040**	**15.9%**	$ 15,108	13.3%
Home Meridian	**(10,181)**	**-22.0%**	2,510	3.4%	**(9,274)**	**-4.3%**	(26,754)	-13.2%
Domestic Upholstery	**1,443**	**5.2%**	2,421	9.6%	**3,589**	**4.8%**	(14,399)	-24.1%
All Other	**341**	**10.7%**	420	12.6%	**820**	**9.6%**	1,156	12.4%
Consolidated	**$ (1,728)**	**-1.3%**	$ 13,037	8.7%	**$ 20,175**	**4.4%**	$ (24,889)	-6.5%
Capital Expenditures								
Hooker Branded	**$ 306**		$ 60		**$ 427**		$ 173	
Home Meridian	**2,501**		27		**4,956**		137	
Domestic Upholstery	**344**		82		**1,233**		332	
All Other	**10**		-		**10**		-	
Consolidated	**$ 3,161**		$ 169		**$ 6,626**		$ 642	
Depreciation & Amortization								
Hooker Branded	**$ 645**		$ 444		**$ 1,844**		$ 1,338	
Home Meridian	**710**		540		**1,779**		1,608	
Domestic Upholstery	**682**		700		**1,991**		2,097	
All Other	**3**		3		**9**		9	
Consolidated	**$ 2,040**		$ 1,687		**$ 5,623**		$ 5,052	

Identifiable Assets	As of October 31, 2021	%Total Assets	As of January 31, 2021	%Total Assets
Hooker Branded	$ 164,358	48.0%	$ 174,475	53.5%
Home Meridian	123,991	36.2%	100,497	30.9%
Domestic Upholstery	53,431	15.6%	49,370	15.2%
All Other	666	0.2%	1,204	0.4%
Consolidated	$ 342,446	100%	$ 325,546	100%
Consolidated Goodwill and Intangibles	24,939		26,727	
Total Consolidated Assets	$ 367,385		$ 352,273	

Sales by product type are as follows:

	Net Sales (in thousands)							
	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	October 31, 2021	%Total	November 1, 2020	%Total	October 31, 2021	%Total	November 1, 2020	%Total
Casegoods	$ 75,982	57%	$ 91,457	61%	$ 271,421	59%	$ 234,905	61%
Upholstery	57,446	43%	58,230	39%	187,386	41%	149,916	39%
	$ 133,428	100%	$ 149,687	100%	$ 458,807	100%	$ 384,821	100%

15. Subsequent Events

Dividends

On December 7, 2021, our board of directors declared a quarterly cash dividend of $0.20 per share, an increase of $0.02 per share or 11% over the most recent dividend, which will be paid on December 31, 2021 to shareholders of record at December 17, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

All references to the "Company," "we," "us" and "our" in this document refer to Hooker Furnishings Corporation and its consolidated subsidiaries, unless specifically referring to segment information.

Forward-Looking Statements

Certain statements made in this report, including statements under Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the notes to the consolidated financial statements included in this report, are not based on historical facts, but are forward-looking statements. These statements reflect our reasonable judgment with respect to future events and typically can be identified by the use of forward-looking terminology such as "believes," "expects," "projects," "intends," "plans," "may," "will," "should," "would," "could" or "anticipates," or the negatives thereof, or other variations thereof, or comparable terminology, or by discussions of strategy. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Those risks and uncertainties include but are not limited to:

- disruptions involving our vendors or the transportation and handling industries, particularly those affecting imported products from Vietnam, China, and Malaysia, including customs issues, labor stoppages, strikes or slowdowns and the availability and cost of shipping containers and cargo ships;

- the effect and consequences of the coronavirus (COVID-19) pandemic or future pandemics on a wide range of matters including but not limited to U.S. and local economies; our business operations and continuity; the health and productivity of our employees; and the impact on our global supply chain, inflation, the retail environment and our customer base;

- general economic or business conditions, both domestically and internationally, and instability in the financial and credit markets, including their potential impact on our (i) sales and operating costs and access to financing or (ii) customers and suppliers and their ability to obtain financing or generate the cash necessary to conduct their respective businesses;

- adverse political acts or developments in, or affecting, the international markets from which we import products, including duties or tariffs imposed on those products by foreign governments or the U.S. government, such as the prior U.S. administration's imposition of a 25% tariff on certain goods imported into the United States from China including almost all furniture and furniture components manufactured in China, which is still in effect, with the potential for additional or increased tariffs in the future;

- risks associated with our reliance on offshore sourcing and the cost of imported goods, including fluctuation in the prices of purchased finished goods, ocean freight costs, including the price and availability of shipping containers, vessels and domestic trucking, and warehousing costs and the risk that a disruption in our offshore suppliers could adversely affect our ability to timely fill customer orders;

- risks associated with domestic manufacturing operations, including fluctuations in capacity utilization and the prices and availability of key raw materials, as well as changes in transportation, warehousing and domestic labor costs, availability of skilled labor, and environmental compliance and remediation costs;

- changes in U.S. and foreign government regulations and in the political, social and economic climates of the countries from which we source our products;

- difficulties in forecasting demand for our imported products;

- risks associated with product defects, including higher than expected costs associated with product quality and safety, and regulatory compliance costs related to the sale of consumer products and costs related to defective or non-compliant products, including product liability claims and costs to recall defective products and the adverse effects of negative media coverage;

- disruptions and damage (including those due to weather) affecting our Virginia, Georgia, North Carolina or California warehouses, our Virginia or North Carolina administrative facilities, our North Carolina showrooms or our representative offices or warehouses in Vietnam and China;

- risks associated with our newly leased warehouse space in Georgia, including risks associated with our move to and occupation of the facility, including information systems, access to warehouse labor and the inability to realize anticipated cost savings;
- the risks specifically related to the concentrations of a material part of our sales and accounts receivable in only a few customers, including the loss of several large customers through business consolidations, failures or other reasons, or the loss of significant sales programs with major customers;
- our inability to collect amounts owed to us or significant delays in collecting such amounts;
- the interruption, inadequacy, security breaches or integration failure of our information systems or information technology infrastructure, related service providers or the internet or other related issues including unauthorized disclosures of confidential information or inadequate levels of cyber-insurance or risks not covered by cyber insurance;
- the direct and indirect costs and time spent by our associates associated with the implementation of our Enterprise Resource Planning system (“ERP”), including costs resulting from unanticipated disruptions to our business;
- achieving and managing growth and change, and the risks associated with new business lines, acquisitions, including the selection of suitable acquisition targets, restructurings, strategic alliances and international operations;
- the impairment of our long-lived assets, which can result in reduced earnings and net worth;
- capital requirements and costs;
- risks associated with distribution through third-party retailers, such as non-binding dealership arrangements;
- the cost and difficulty of marketing and selling our products in foreign markets;
- changes in domestic and international monetary policies and fluctuations in foreign currency exchange rates affecting the price of our imported products and raw materials;
- the cyclical nature of the furniture industry, which is particularly sensitive to changes in consumer confidence, the amount of consumers’ income available for discretionary purchases, and the availability and terms of consumer credit;
- price competition in the furniture industry;
- competition from non-traditional outlets, such as internet and catalog retailers; and
- changes in consumer preferences, including increased demand for lower-quality, lower-priced furniture.

Our forward-looking statements could be wrong in light of these and other risks, uncertainties and assumptions. The future events, developments or results described in this report could turn out to be materially different. Any forward-looking statement we make speaks only as of the date of that statement, and we undertake no obligation, except as required by law, to update any forward-looking statements whether as a result of new information, future events or otherwise and you should not expect us to do so.

Also, our business is subject to a number of significant risks and uncertainties any of which can adversely affect our business, results of operations, financial condition or future prospects. For a discussion of risks and uncertainties that we face, see the Forward-Looking Statements detailed above and Item 1A, “Risk Factors” in our 2021 Annual Report.

Investors should also be aware that while we occasionally communicate with securities analysts and others, it is against our policy to selectively disclose to them any material nonpublic information or other confidential commercial information. Accordingly, investors should not assume that we agree with any projection, forecast or report issued by any analyst regardless of the content of the statement or report, as we have a policy against confirming information issued by others.

This quarterly report on Form 10-Q includes our unaudited condensed consolidated financial statements for the 2022 fiscal year thirteen-week period (also referred to as “three months,” “three-month period,” “quarter,” “third quarter” or “quarterly period”) that began August 2, 2021, and the thirty-nine week period (also referred to as “nine-months”, “nine-month period” or “year-to-date period”) that began February 1, 2021, which both ended October 31, 2021. This report discusses our results of operations for these periods compared to the 2021 fiscal year thirteen-week period that began August 3, 2020 and the thirty-nine week period that began February 3, 2020, which both ended November 1, 2020; and our financial condition as of October 31, 2021 compared to January 31, 2021.

References in this report to:

- the 2022 fiscal year and comparable terminology mean the fiscal year that began February 1, 2021 and will end January 30, 2022; and
- the 2021 fiscal year and comparable terminology mean the fiscal year that began February 3, 2020 and ended January 31, 2021.

Dollar amounts presented in the tables below are in thousands except for per share data.

In the discussion below and herein we reference changes in sales orders, or "orders," and sales order backlog (unshipped orders at a point in time), or "backlog," over and compared to certain periods of time and changes discussed are in sales dollars and not units of inventory, unless stated otherwise. We believe orders are generally good current indicators of sales momentum and business conditions. However, except for custom or proprietary products, orders may be cancelled before shipment. If the items ordered are in stock and the customer has requested immediate delivery, we generally ship products in about seven days or less from receipt of order; however, orders may be shipped later if they are out of stock or there are production or shipping delays or the customer has requested the order to be shipped at a later date. For the Hooker Branded and Domestic Upholstery segments and All Other, we generally consider unshipped order backlogs to be one helpful indicator of sales for the upcoming 30-day period, but because of our relatively quick delivery and our cancellation policies, we do not consider order backlogs to be a reliable indicator of expected long-term sales. We generally consider the Home Meridian segment's backlog to be one helpful indicator of that segment's sales for the upcoming 90-day period. Due to (i) Home Meridian's sales volume, (ii) the average sales order sizes of its mass, club and mega account channels of distribution, (iii) the proprietary nature of many of its products and (iv) the project nature of its hospitality business, for which average order sizes tend to be larger and consequently, its order backlog tends to be larger. There are exceptions to the general predictive nature of our orders and backlogs noted in this paragraph due to current demand and supply chain challenges related to the COVID-19 pandemic. They are discussed in greater detail below and are essential to understanding our prospects.

At October 31, 2021, our backlog of unshipped orders was as follows:

	Order Backlog (Dollars in 000s)		
Reporting Segment	**October 31, 2021**	January 31, 2021	November 1, 2020
Hooker Branded	**$ 55,599**	$ 34,776	$ 28,627
Home Meridian	**208,364**	180,188	186,487
Domestic Upholstery	**61,516**	30,271	24,582
All Other	**5,432**	2,845	2,210
Consolidated	**$ 330,911**	$ 248,080	$ 241,906

At the end of the fiscal 2022 third quarter, order backlog increased $82.8 million, or 33.3%, as compared to the end of fiscal 2021 and increased $89 million, or 36.8%, as compared to the prior-year nine months end, due to increased incoming orders in all three reportable segments as well as longer delivery times resulting from the supply chain disruptions in the Home Meridian and, to a lesser degree, Hooker Branded segments and production delays in the Domestic Upholstery segment. We are very encouraged by the current historic levels of orders and backlogs; however, due to the current supply chain issues including the lack and cost of shipping containers and vessel space and limited overseas vendor capacity, orders are not converting to shipments as quickly as could be expected compared to the pre-pandemic environment and we expect that to continue at some level through the fiscal 2023 second quarter. The current logistics challenges are slowing order fulfillment, particularly for Home Meridian whose average order sizes tend to be larger and more project-based versus orders for the traditional Hooker businesses, which tend to be smaller and more predictable. Additionally, Home Meridian orders are programmed out and scheduled for delivery to its larger accounts further into the future than usual, which is also contributing to the increased backlog.

The following discussion should be read in conjunction with the condensed consolidated financial statements, including the related notes, contained elsewhere in this quarterly report. We also encourage users of this report to familiarize themselves with all of our recent public filings made with the SEC, especially our 2021 Annual Report. Our 2021 Annual Report contains critical information regarding known risks and uncertainties that we face, critical accounting policies and information on commitments and contractual obligations that are not reflected in our condensed consolidated financial statements, as well as a more thorough and detailed discussion of our corporate strategy and new business initiatives.

Our 2021 Annual Report and other public filings made with the SEC are available, without charge, at www.sec.gov and at http://investors.hookerfurniture.com.

Overview

Hooker Furnishings Corporation, incorporated in Virginia in 1924, is a designer, marketer and importer of casegoods (wooden and metal furniture), leather furniture and fabric-upholstered furniture for the residential, hospitality and contract markets. We also domestically manufacture premium residential custom leather and custom fabric-upholstered furniture. We are ranked among the nation's top five largest publicly traded furniture sources, based on 2020 shipments to U.S. retailers, according to a 2021 survey by a leading trade publication. We believe that consumer tastes and channels in which they shop for furniture are evolving at a rapid pace and we continue to change to meet these demands.

Executive Summary-Results of Operations

- Consolidated net sales for the fiscal 2022 third quarter decreased as compared to the prior year period due to significantly reduced shipments in the Home Meridian segment as the result of temporary COVID-related factory closures in Vietnam and Malaysia. Consolidated gross profit and margin decreased in the fiscal 2022 third quarter as compared to the prior year period due primarily to the sales volume decline and to a lesser extent higher freight costs, inventory cancellation costs and higher than expected customer chargebacks in the Home Meridian segment. Consolidated operating loss for the fiscal 2022 third quarter was $1.7 million, compared to a $13.0 million operating income in the prior year period. Consolidated net loss for the quarter was $1.2 million or ($0.10) per diluted share, as compared to net income of $10.1 million or $0.84 per diluted share in the prior year quarter.

- For the fiscal 2022 nine-month period, consolidated net sales increased by $74.0 million, or 19.2%, compared to the prior year period, as all three reportable segments had sales increases. Consolidated gross profit increased due to increases in the Hooker Branded and Domestic Upholstery segments, partially offset by decreased gross profit and margin in the Home Meridian segment. Consolidated operating income was $20.2 million for the fiscal 2022 nine-month period compared to a $24.9 million operating loss in the prior year period. Consolidated net income was $15.7 million or $1.30 per diluted share for the fiscal 2022 nine-month period, as compared to net loss of $19.0 million or ($1.61) per diluted share in the prior year period.

Our fiscal 2022 third quarter and nine months performance are discussed in greater detail below under "Review" and "Results of Operations."

Review

Despite favorable demand for home furnishings and our strong order backlog, we were challenged by ongoing supply chain disruptions, the COVID lockdown and slower than expected reopenings in Vietnam and Malaysia, and industry-wide inflationary pressures. Fiscal 2022 third quarter consolidated net sales decreased by 10.9% compared to prior year period. Sales volume decline and increased product costs led to an operating loss of $1.7 million.

The Hooker Branded segment's net sales increased by $8.7 million, or 18.5%, as compared to the prior year quarter, which was attributable to increased sales volume and lower discounting driven by higher demand, as well as inventory availability. All the net sales increases were in our Casegoods non-container business, which comprised 80% of revenue in this segment. Because we source product on a consistent weekly basis and ship product to our U.S. warehouses, Hooker Branded is better able to mitigate supply chain constraints and keep its best sellers in stock. However, higher ocean freight and product cost inflation significantly impacted this segment's gross margin and offset the gains from sales increases in the third quarter. Despite these adverse factors, this segment reported $6.7 million operating income or an 11.9% operating margin. Incoming orders decreased slightly by 1.9% as compared to prior year period when business dramatically rebounded. Backlog remained historically high and nearly doubled as compared to the prior year third quarter end when backlog was already at a high level.

Home Meridian segment's net sales decreased by $27.5 million, or 37.3%, as compared to the prior year third quarter and this segment reported a $10.2 million operating loss. Despite the disappointing financial results, we believe the challenges are short-term as discussed below:

- During the quarter, container direct sales, which typically comprise the majority of revenue in this segment, decreased by over 50% compared to the prior year third quarter, driven by sales volume loss due to the temporary COVID lockdowns in Vietnam and Malaysia. As a result, sales with major furniture chains and large independent accounts decreased by over 50% compared to the prior year quarter, which counted for two thirds of total sales decrease in this segment. Additionally, e-commerce sales decreased by 25% due to inventory unavailability and price increases due primarily to increased freight costs. Clubs sales decreased due to lower volume and higher than expected chargebacks which negatively impacted net sales and operating income by $1.9 million in that channel. Hospitality sales also decreased during the quarter as this business has not yet recovered from the COVID crisis.

- Higher freight costs adversely impacted gross margin by 800 bps in the quarter and were the primary driver of increased product costs. We imposed freight surcharges and price increases during the second and third quarters to mitigate these excess costs; however significant volume was shipped at pre-surcharge selling prices.

- To help drive improved future profitability, eliminate low-margin categories and avoid unnecessary costs, we exited the Ready-To-Assemble ("RTA) furniture category and incurred cancellation costs of $2.6 million for raw materials related to this exit. Although these costs increased segment cost of goods sold by 580 bps and resulted in a gross loss in the quarter, we estimate we avoided roughly $10 million in additional product and freight costs related to these orders by taking this action. Furthermore, this action allows us to focus resources on more profitable business opportunities to drive long-term growth.

The Home Meridian segment finished the quarter with a backlog 12% higher than the prior year third quarter end, and more than doubled as compared to pre-pandemic levels.

The Domestic Upholstery segment's net sales increased by $2.6 million, or 10.3%, in the fiscal 2022 third quarter compared to the prior year period as all three divisions of the segment reported over or close to 10% sales increases. However, material cost inflation for nearly all the raw materials and higher freight surcharges on the materials increased product costs by 340 bps and offset the gains from increased sales. Other manufacturing constraints adversely impacted our profitability, including wage inflation and the domestic driver and truck shortage which adversely impacted the delivery of finished products. Despite increased material costs, this segment reported operating income of $1.4 million, or 5.2% operating margin for the third quarter. Although we are encouraged by historically high backlog at the end of the fiscal 2022 third quarter at all three divisions, production levels were adversely impacted by manufacturing capacities, inconsistent deliveries of materials due to supply disruption with our suppliers, and labor inefficiencies at the Sam Moore division. We have implemented price increases and surcharges with major accounts to improve margin and filled key positions to improve labor productivity. Since this segment has current order backlog levels of 5-6 months and prices were not increased on backlog orders, we anticipate seeing the benefits of the price increases beginning in the second quarter of fiscal 2023.

All Other's net sales decreased by $134,000, or 4.0%, in the fiscal 2022 third quarter as compared to the prior year period, due to a 5.6% sales decrease at H Contract. The senior living industry, which comprises the majority of H Contract's business, has been severely impacted by the pandemic and has reduced capital spending due to increased costs and uncertain revenues. However, as vaccination rates have increased, especially among the senior population, H Contract's incoming orders have increased for three consecutive quarters in fiscal 2022 and finished the quarter with backlog 150% higher than prior year third quarter end. Despite the sales decrease, All Other still reported a 10.7% operating margin for the quarter.

Cash and cash equivalents stood at $57.2 million at fiscal 2022 third quarter-end, down $8.6 million compared to the balance at the fiscal 2021 year-end due primarily to $7.7 million increase in inventory. During the first nine months of fiscal 2022, we used cash on hand and $5 million generated from operations to pay $6.6 million of capital expenditures including $4.4 million in our newly opened Georgia distribution center, $6.4 million in cash dividends to our shareholders, and $2.6 million on our new common, cloud-based ERP platform. In addition to our cash balance, we have an aggregate of $27.9 million available under our existing revolver to fund working capital needs. We believe we have the financial resources to fund our business operations for the foreseeable future, including weathering an extended impact of COVID-19 pandemic as well as the logistics issues, cost increases and production capacity constraints which are currently impacting our industry.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items included in the condensed consolidated statements of income included in this report.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	Oct 31, 2021	Nov 1, 2020	**Oct 31, 2021**	Nov 1, 2020
Net sales	**100%**	100%	**100%**	100%
Cost of sales	**85.0**	77.6	**81.4**	79.4
Gross profit	**15.0**	22.4	**18.6**	20.6
Selling and administrative expenses	**15.8**	13.3	**13.8**	15.1
Goodwill impairment charges	-	-	-	10.3
Trade name impairment charges	-	-	-	1.2
Intangible asset amortization	**0.4**	0.4	**0.4**	0.5
Operating income/(loss)	**(1.3)**	8.7	**4.4**	(6.5)
Interest expense, net	-	0.1	-	0.1
Income/(Loss) before income taxes	**(1.2)**	8.7	**4.4**	(6.6)
Income tax expense	**(0.3)**	2.0	**1.0**	(1.6)
Net income/(loss)	**(0.9)**	6.7	**3.4**	(4.9)

Fiscal 2022 Third Quarter and Nine Months Compared to Fiscal 2021 Third Quarter and Nine Months

	Net Sales											
	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Hooker Branded	**$ 56,037**	**42.0%**	$ 47,287	31.6%	$ 8,750	18.5%	**$ 157,304**	**34.3%**	$ 113,268	29.4%	$ 44,036	38.9%
Home Meridian	**46,230**	**34.6%**	73,727	49.3%	(27,497)	-37.3%	**217,964**	**47.5%**	202,560	52.6%	15,404	7.6%
Domestic Upholstery	**27,972**	**21.0%**	25,350	16.9%	2,622	10.3%	**74,996**	**16.3%**	59,640	15.6%	15,356	25.7%
All Other	**3,189**	**2.4%**	3,323	2.2%	(134)	-4.0%	**8,543**	**1.9%**	9,353	2.4%	(810)	-8.7%
Consolidated	**$ 133,428**	**100%**	$ 149,687	100%	$ (16,259)	-10.9%	**$ 458,807**	**100%**	$ 384,821	100%	$ 73,986	19.2%

Unit Volume	**FY22 Q3 % Increase vs. FY21 Q3**	**FY22 YTD % Increase vs. FY21 YTD**	**Average Selling Price ("ASP")**	**FY22 Q3 % Increase vs. FY21 Q3**	**FY22 YTD % Increase vs. FY21 YTD**
Hooker Branded	**0.9%**	**20.6%**	Hooker Branded	**17.1%**	**14.5%**
Home Meridian	**-46.1%**	**-1.8%**	Home Meridian	**4.9%**	**1.6%**
Domestic Upholstery	**0.3%**	**17.1%**	Domestic Upholstery	**8.7%**	**6.4%**
All Other	**-19.4%**	**-17.2%**	All Other	**14.6%**	**7.4%**
Consolidated	**-35.6%**	**2.2%**	Consolidated	**31.7%**	**11.5%**

Consolidated net sales decreased in the fiscal 2022 third quarter due to the sales decline in Home Meridian segment but increased in the first nine months as compared to the prior year periods.

- The Hooker Branded segment's net sales increased significantly in the fiscal 2022 third quarter and nine months, as compared to the respective prior year periods, due to both increased unit volume and ASP, driven by increased demand. Hooker Upholstery unit volume decreased during the third quarter due to inventory unavailability issues.

- The Home Meridian segment's net sales decreased in the fiscal 2022 third quarter driven by a 46% decrease in unit volume as the result of COVID lockdown in Vietnam which led to much lower shipments. For the nine-month period, net sales increased with major furniture chains and retail stores as the result of strong demand, partially offset by decreased net sales in hospitality business, e-commerce and the club businesses, and higher than expected chargebacks from a clubs channel customer. The ASP increase was attributable to price increases to mitigate higher freight costs; however, the increases were not sufficient to cover the excess freight costs.

- The Domestic Upholstery segment's net sales increased in the fiscal 2022 third quarter and nine months as all three divisions of the segment reported increased net sales for both periods. ASP increased at all three divisions in response to the inflation of material costs, with Sam Moore ASP increasing the most in order to improve profitability in this division. However, Sam Moore unit volume decreased during the third quarter due to labor inefficiencies.

- All Other's net sales decreased in the fiscal 2022 third quarter and nine-month period due to reduced unit volume at H Contract, as this division has not yet recovered from the impact of reduced capital spending by the senior living industry as a result of COVID crisis. ASP increased in response to increased product costs; however, it was not sufficient to offset the volume loss.

Gross Profit/(Loss) and Margin

	Thirteen Weeks Ended						**Thirty-Nine Weeks Ended**					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Hooker Branded	**$ 15,366**	**27.4%**	$ 15,446	32.7%	$ (80)	-0.5%	**$ 49,639**	**31.6%**	$ 35,894	31.7%	$ 13,745	38.3%
Home Meridian	**(1,807)**	**-3.9%**	11,169	15.1%	(12,976)	-116.2%	**17,935**	**8.2%**	28,489	14.1%	(10,554)	-37.0%
Domestic Upholstery	**5,353**	**19.1%**	5,751	22.7%	(398)	-6.9%	**14,879**	**19.8%**	11,555	19.4%	3,324	28.8%
All Other	**1,095**	**34.3%**	1,117	33.6%	(22)	-2.0%	**2,853**	**33.4%**	3,199	34.2%	(346)	-10.8%
Consolidated	**$ 20,007**	**15.0%**	$ 33,483	22.4%	$ (13,476)	-40.2%	**$ 85,306**	**18.6%**	$ 79,137	20.6%	$ 6,169	7.8%

For the fiscal 2022 third quarter, consolidated gross profit and margin both decreased as compared to the prior year quarter. For the fiscal 2022 nine-month period, consolidated gross profit increased due to the sales increase while margin decreased.

- The Hooker Branded segment's gross profit and margin both decreased in the fiscal 2022 third quarter driven by higher freight costs, product cost inflation, and higher demurrage and drayage expenses due to supply chain interruptions. For the nine-month period, gross profit increased due primarily to the net sales increase while gross margin decreased slightly.

- The Home Meridian segment's gross profit and margin decreased significantly in the fiscal 2022 third quarter and nine-month period, due to sales volume loss, excess ocean freight costs, higher than expected customer chargebacks and order cancellation costs.

- The Domestic Upholstery segment's gross profit and margin decreased in the fiscal 2022 third quarter due primarily to raw material cost inflation, which offset the effect of increased sales. Gross profit and margin increased in the nine-month period due to net sales increases and production efficiencies from operating near full capacity due to historic levels of backlog.

- All Other's gross profit decreased in the fiscal 2022 third quarter and nine-month period due principally to H Contract net sales declines, while gross margin still maintained a high level.

Selling and Administrative Expenses (S&A)

	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Hooker Branded	**$ 8,697**	**15.5%**	$ 7,762	16.4%	$ 935	12.0%	**$ 24,599**	**15.6%**	$ 20,788	18.4%	$ 3,811	18.3%
Home Meridian	**8,042**	**17.4%**	8,325	11.3%	(283)	-3.4%	**26,208**	**12.0%**	26,305	13.0%	(97)	-0.4%
Domestic Upholstery	**3,647**	**13.0%**	3,067	12.1%	580	18.9%	**10,503**	**14.0%**	8,785	14.7%	1,718	19.6%
All Other	**753**	**23.6%**	696	21.0%	57	8.2%	**2,033**	**23.8%**	2,042	21.8%	(9)	-0.4%
Consolidated	**$ 21,139**	**15.8%**	$ 19,850	13.3%	$ 1,289	6.5%	**$ 63,343**	**13.8%**	$ 57,920	15.1%	$ 5,423	9.4%

Consolidated selling and administrative ("S&A") expenses increased in absolute terms and as a percentage of net sales in the fiscal 2022 third quarter. For fiscal 2022 nine-month period, S&A expenses increased in absolute terms but decreased as a percentage of net sales.

- The Hooker Branded segment's S&A expenses increased in absolute terms in the fiscal 2022 third quarter driven by increased selling costs as the result of higher net sales, increased expenses incurred as part of our ERP project, and increased salaries and wages, partially offset by decreased bonus accruals on lower profits. For the fiscal 2022 nine-month period, S&A expenses increased in absolute terms due to the factors discussed above, offset by lower bad debt expenses due to the absence of a customer write-off in the current year. S&A expenses decreased as a percentage of net sales in the fiscal 2022 third quarter and nine-month period in the segment due to increased net sales.

- The Home Meridian segment's S&A expenses decreased in absolute terms in the fiscal 2022 third quarter due to lower selling costs on decreased sales, partially offset by increased severance expenses due to personnel changes and increased professional service expenses. S&A expense increased as a percentage of net sales in the fiscal 2022 third quarter due to decreased sales. For the fiscal 2022 nine-month period, S&A expenses decreased slightly in absolute terms, with lower selling costs, professional service expenses and advertising supply expenses, nearly offset by increased severance expenses, the absence of employee furloughs in the current year period, and increased market expenses and other spending as business returned to more normal levels. S&A expenses decreased as a percentage of net sales in the nine-month period in the segment due to higher net sales.

- The Domestic Upholstery segment's S&A expenses increased in absolute terms in the fiscal 2022 third quarter and nine-month period due to increased selling expenses on higher net sales, increased salaries and wages due to the absence of a number of employees furloughed when factories were temporarily shut down in the prior year period, and increased depreciation expenses due to the accelerated depreciation of our existing ERP system due to the expected implementation of an upgraded cloud-based ERP solution in fiscal 2023.

- All Other S&A expenses increased in absolute terms in the fiscal 2022 third quarter and stayed essentially flat in the nine-month period due to increased market expenses, advertising supply expenses and other spending, offset by decreased selling expenses. S&A expenses increased as a percentage of net sales due to lower net sales in the segment.

In the prior year first quarter, we recorded $23.2 million and $16.4 million in non-cash impairment charges to write down goodwill in Home Meridian segment and the Shenandoah division under Domestic Upholstery segment, respectively. We also recorded $4.8 million non-cash impairment charges to write down tradenames in the Home Meridian segment.

Intangible Asset Amortization

	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Intangible asset amortization	**$ 596**	**0.4%**	$ 596	0.4%	$ -	0.0%	**$ 1,788**	**0.4%**	$ 1,788	0.5%	$ -	0.0%

Intangible asset amortization expense stayed the same compared to the prior year periods.

Operating (Loss)/Profit and Margin												
	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Hooker Branded	**$ 6,669**	**11.9%**	$ 7,686	16.3%	$ (1,017)	-13.2%	**$ 25,040**	**15.9%**	$ 15,108	13.3%	$ 9,932	65.7%
Home Meridian	**(10,181)**	**-22.0%**	2,510	3.4%	(12,691)	-505.6%	**(9,274)**	**-4.3%**	(26,754)	-13.2%	17,480	65.3%
Domestic Upholstery	**1,443**	**5.2%**	2,421	9.6%	(978)	-40.4%	**3,589**	**4.8%**	(14,399)	-24.1%	17,988	124.9%
All Other	**341**	**10.7%**	420	12.6%	(79)	-18.8%	**820**	**9.6%**	1,156	12.4%	(336)	-29.1%
Consolidated	**$ (1,728)**	**-1.3%**	$ 13,037	8.7%	$ (14,765)	-113.3%	**$ 20,175**	**4.4%**	$ (24,889)	-6.5%	$ 45,064	181.1%

We recognized an operating loss in the fiscal 2022 third quarter due to the factors discussed above.

Interest Expense, net												
	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Consolidated interest expense, net	**$ 27**	**0.0%**	$ 106	0.1%	$ (79)	-74.5%	**$ 81**	**0.0%**	$ 433	0.1%	$ (352)	-81.3%

Consolidated interest expense decreased in both the third quarter and nine months of fiscal 2022 due to the payoff of our term loans in fiscal 2021 fourth quarter.

Income taxes												
	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Consolidated income tax (benefit)/expense	**$ (403)**	**-0.3%**	$ 2,996	2.0%	$ (3,399)	-113.5%	**$ 4,563**	**1.0%**	$ (6,263)	-1.6%	$ 10,826	172.9%
Effective Tax Rate	**24.8%**		22.9%				**22.5%**		24.8%			

We recorded income tax benefit of $403,000 for the fiscal 2022 third quarter compared to $3.0 million income tax expense for the comparable prior year quarter. The effective tax rates for the fiscal 2022 and 2021 third quarters were 24.8% and 22.9%, respectively. For the fiscal 2022 nine-month period, we recorded income tax expense of $4.6 million, compared to income tax benefit of $6.3 million for the comparable prior year period, of which $10.7 million was recorded related to goodwill and trade name impairment charges. The effective tax rates for the fiscal 2022 and 2021 nine-month periods were 22.5% and 24.8%, respectively.

Net (Loss)/Income												
	Thirteen Weeks Ended						Thirty-Nine Weeks Ended					
	Oct 31, 2021	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change	**Oct 31, 2021**	% Net Sales	Nov 1, 2020	% Net Sales	$ Change	% Change
Net (loss)/income Consolidated	**$ (1,219)**	**-0.9%**	$ 10,093	6.7%	$ (11,312)	-112.1%	**$ 15,691**	**3.4%**	$ (18,952)	-4.9%	$ 34,643	182.8%
Diluted earnings/(loss) per share	**$ (0.10)**		$ 0.84				**$ 1.30**		$ (1.61)			

COVID-19

We monitor information on COVID-19 from the CDC and believe we are adhering to their recommendations regarding the health and safety of our personnel. To address the potential human impact of the virus, many of our administrative staff are telecommuting for at least part of their work-week. For those administrative staff not telecommuting and our warehouse and domestic manufacturing employees, we have implemented appropriate social distancing policies and have stepped-up facility cleaning at each location. Domestic travel for our employees has been limited and international travel is mostly non-existent. Testing, treatment and vaccinations for COVID-19 are covered 100% under our medical plan and counseling is available through our employee assistance plan to assist employees with financial, mental and emotional stress related to the virus and other issues. We are encouraging vaccinations and requiring the wearing of masks for unvaccinated employees. In addition, we are offering temporary paid leave to employees diagnosed with the virus (and those associates with another diagnosed person or persons in their household) and are working to accommodate associates with child-care issues related to school or day-care closures.

We continue to cautiously make decisions regarding our financial resources to weather and adapt to changes in market conditions, including any further impacts of COVID-19, including certain COVID variants and possible future pandemics.

Outlook

Consumer and retail demand remain historically strong, with the Company experiencing consolidated backlogs nearly triple compared to pre-pandemic level. However, we expect varying degrees of continued supply chain turbulence and product and raw materials cost inflation to impact our net sales and income in the short term, at least through the second quarter of fiscal 2023.

We expect that our Hooker Branded and Domestic Upholstery segments will continue to be less challenged than Home Meridian primarily due to more than 70% of Home Meridian's business historically being direct container versus domestic warehouse distribution. In addition, higher freight costs have a greater impact as a percentage on the Home Meridian's lower price points.

We continue to manage our logistics issues, with the goal of minimizing costs and maximizing delivery; however, there is no indication that ocean freight container rates will return to pre-COVID-19 levels in the near term. We believe we have mitigated these dynamics as much as possible through surcharges and price increases, but these increases can trail price increases received from logistics partners and suppliers for up to ninety days and up to one hundred eighty days for some backlog orders. Additionally, in the current environment, these supply-side factors are unpredictable and often involve frequent, unexpected changes with little or no notice.

We believe we are utilizing all available levers to help mitigate these headwinds, and we remain optimistic about our long-term position as we work our way through these transitory disruptions. Our strong balance sheet and variable cost business model give us confidence that we can weather this current industry-wide challenge and will allow us to take advantage of the healthy consumer demand environment and long-term positive economic indicators and demographic trends for home-related industries. However, we continue to see increased competition for consumer discretionary income from industries such as travel, apparel, dining out and in-person events as vaccination rates increase. Additionally, potential adverse effects of new COVID-19 variants on the US and global economies remain uncertain.

Longer-term, we believe that several macroeconomic factors provide a path for growth such as the strong housing market and favorable demographics with the large Millennial generation becoming highly engaged in household formation and home furnishings purchases. While we expect the extraordinary levels of demand for home furnishings to diminish somewhat, we also expect that demand for home furnishings will settle into a higher level of demand than pre-pandemic.

We believe we are well positioned to help consumers enhance their homes with comfortable, stylish and quality home furnishings and will continue to focus on items under our control such as developing relevant new products to meet consumer needs, operational improvements, managing overhead and costs, and executing our strategic growth initiatives. We remain optimistic as we manage through the current challenging environment.

Financial Condition, Liquidity and Capital Resources

Cash Flows – Operating, Investing and Financing Activities

	Thirty-Nine Weeks Ended	
	October 31, 2021	November 1, 2020
Net cash provided by operating activities	**$ 4,974**	$ 67,607
Net cash (used in)/provided by investing activities	**(7,159)**	328
Cash used in financing activities	**(6,437)**	(10,092)
Net (decrease)/increase in cash and cash equivalents	**$ (8,622)**	$ 57,843

During the nine months ended October 31, 2021, we used a portion of the existing cash and cash equivalents on hand and $5 million generated from operations to pay $6.6 million of capital expenditures to enhance our business systems and facilities, including $4.4 million in our newly opened Georgia distribution center, $6.4 million in cash dividends, $2.6 million on our new common, cloud-based ERP platform and $533,000 in life insurance premiums on Company-owned life insurance policies.

In comparison, during the nine months ended November 1, 2020, we used a portion of the $67.6 million cash generated from operations and $1.5 million life insurance proceeds to pay $5.7 million in cash dividends, $4.8 million in principal and interest payments on our term loans, $642,000 to enhance our business systems and facilities, and $519,000 in life insurance premiums on Company-owned life insurance policies.

Liquidity, Financial Resources and Capital Expenditures

Our financial resources include:

- available cash and cash equivalents, which are highly dependent on incoming order rates and our operating performance;
- expected cash flow from operations;
- available lines of credit; and
- cash surrender value of Company-owned life insurance.

We believe these resources are sufficient to meet our business requirements and the payment of dividends through fiscal 2022 and for the foreseeable future, including expected capital expenditures and working capital needs.

Loan Agreements and Revolving Credit Facility

We currently have one $35 million revolving credit facility (the “Existing Revolver”) with Bank of America, N. A. (“BofA”), which we entered into on January 27, 2021. The credit facility is based on successive past amendments to previous BofA banking agreements which are collectively referred to as the “Previous Agreements.” Details of our Existing Revolver are outlined below:

- The facility is available between January 27, 2021 and February 1, 2026 or such earlier date as the availability may terminate or such later date as BofA may from time to time in its sole discretion designate in any extension notice;
- During the availability period, BofA will provide a line of credit to the maximum amount of the Existing Revolver;
- The initial amount of the Existing Revolver is $35 million;
- The sublimit of the facility available for the issuance of letters of credit was increased to $10 million;
- The actual daily amount of undrawn letters of credit is subject to a quarterly fee equal to a per annum rate of 1%;
- We may, on a one-time basis, request an increase in the Existing Revolver by an amount not to exceed $30 million at BofA’s discretion; and
- Any amounts outstanding under the Existing Revolver bear interest at a rate, equal to the then current LIBOR monthly rate (adjusted periodically) plus 1.00%. We must also pay a quarterly unused commitment fee at a rate of 0.15% determined by the actual daily amount of credit outstanding during the applicable quarter.

The loan covenants agreed to under the Previous Agreements continue to apply to us. They include customary representations and warranties and require us to comply with customary covenants, including, among other things, the following financial covenants:

- Maintain a ratio of funded debt to EBITDA not exceeding 2.00:1.00;
- A basic fixed charge coverage ratio of at least 1.25:1.00; and
- Limit capital expenditures to no more than $15.0 million during any fiscal year.

They also limit our right to incur other indebtedness, make certain investments and create liens upon our assets, subject to certain exceptions, among other restrictions. They do not restrict our ability to pay cash dividends on, or repurchase shares of our common stock, subject to our compliance with the financial covenants discussed above, if we are not otherwise in default under the agreements.

We were in compliance with each of these financial covenants at October 31, 2021 and expect to remain in compliance with existing covenants for the foreseeable future. We believe we have the financial resources to fund our business operations, including weathering the logistics issues, cost increases and production capacity constraints which are currently impacting our industry.

As of October 31, 2021, we had $27.9 million available under our Existing Revolver to fund working capital needs. Standby letters of credit in the aggregate amount of $7.1 million, used to collateralize certain insurance arrangements and for imported product purchases, were outstanding under the Existing Revolver as of October 31, 2021. There were no additional borrowings outstanding under the revolving credit facility as of October 31, 2021.

Capital Expenditures

We expect to spend approximately $500,000 in capital expenditures over the remainder of fiscal 2022 to maintain and enhance our operating systems and facilities.

Enterprise Resource Planning

In early fiscal 2022, our Board of Directors approved an upgrade to our current ERP system and implementation efforts began shortly thereafter. We expect to implement the ERP upgrade in our Hooker Branded segment and certain divisions under Domestic Upholstery segment by mid calendar 2022, with Home Meridian and Shenandoah divisions following afterwards. To complete the ERP system implementation as anticipated, we will be required to expend significant financial and human resources. We anticipate spending approximately $5.5 million over the course of this project, with a significant amount of time invested by our associates. We spent approximately $2.6 million on this project in the first nine months of fiscal 2022 and expect to spend approximately $1 million in the last quarter of fiscal 2022.

Dividends

On December 7, 2021, our board of directors declared a quarterly cash dividend of $0.20 per share, an increase of $0.02 per share or 11% over the most recent dividend, which will be paid on December 31, 2021 to shareholders of record at December 17, 2021. The Board will continue to evaluate the appropriateness of the current dividend rate considering our performance and economic conditions in future quarters.

Critical Accounting Policies

Except as discussed below, there have been no material changes to our critical accounting policies and estimates from the information provided in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included in our 2021 Annual Report.

On the first day of the current fiscal year, we adopted the accounting standards outlined in Part 1, Notes to Condensed Consolidated Financial Statements, “Note 2. Recently Adopted Accounting Policies” (“Note 2”). See Note 2 for additional information related to the impact of adopting this accounting standard.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various types of market risk in the normal course of our business, including the impact of interest rate changes, raw materials price risk and changes in foreign currency exchange rates, which could impact our results of operations or financial condition. We manage our exposure to this risk through our normal operating activities.

Interest Rate Risk

Borrowings under the revolving credit facility bear interest based on LIBOR plus 1.0%. As such, this debt instrument exposes us to market risk for changes in interest rates. There was no outstanding balance under our revolving credit facility as of October 31, 2021, other than amounts reserved for standby letters of credit in the amount of $7.1 million.

Raw Materials Price Risk

We are exposed to market risk from changes in the cost of raw materials used in our domestic upholstery manufacturing processes; principally, wood, fabric and foam products. Increases in home construction activity could result in increases in wood and fabric costs. Additionally, the cost of petroleum-based foam products we utilize are sensitive to crude oil prices, which vary due to supply, demand and geo-political factors.

Currency Risk

For imported products, we generally negotiate firm pricing denominated in U.S. Dollars with our foreign suppliers, typically for periods of at least one year. We accept the exposure to exchange rate movements beyond these negotiated periods. We do not use derivative financial instruments to manage this risk but could choose to do so in the future. Most of our imports are purchased from suppliers located in Vietnam and China. The Chinese currency floats within a limited range in relation to the U.S. Dollar, resulting in exposure to foreign currency exchange rate fluctuations.

Since we transact our imported product purchases in U.S. Dollars, a relative decline in the value of the U.S. Dollar could increase the price we pay for imported products beyond the negotiated periods. We generally expect to reflect substantially all of the effect of any price increases from suppliers in the prices we charge for imported products. However, these changes could adversely impact sales volume or profit margins during affected periods.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended October 31, 2021. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective as of October 31, 2021 to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter ended October 31, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

3.1	Articles of Incorporation of the Company, as amended as of September 16, 2021
3.2	Amended and Restated Bylaws of the Company, as amended December 10, 2013 (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K (SEC File No. 000-25349) for the year ended February 2, 2014)
4.1	Amended and Restated Articles of Incorporation of the Company, as amended (See Exhibit 3.1)
4.2	Amended and Restated Bylaws of the Company, as amended (See Exhibit 3.2)
31.1*	Rule 13a-14(a) Certification of the Company's principal executive officer
31.2*	Rule 13a-14(a) Certification of the Company's principal financial officer
32.1**	Rule 13a-14(b) Certification of the Company's principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Interactive Data Files (formatted as Inline XBRL)
104*	Cover page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

*Filed herewith
** Furnished herewith

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 thereunto duly authorized.

HOOKER FURNISHINGS CORPORATION

Date: December 9, 2021

By: /s/Paul A. Huckfeldt
Paul A. Huckfeldt
Chief Financial Officer and
Senior Vice President – Finance and Accounting

Exhibit 3.1

HOOKER FURNISHINGS CORPORATION
AMENDED AND RESTATED ARTICLES OF INCORPORATION

As Amended September 16, 2021
(with the amendment being only changing the name of the Corporation in Article I)

ARTICLE I
NAME

The name of the Corporation is Hooker Furnishings Corporation.

ARTICLE II
PURPOSE

The Corporation is organized to engage in any lawful business not required by the Virginia Stock Corporation Act to be stated in the Articles of Incorporation.

ARTICLE III
AUTHORIZED SHARES

3.1 Number and Designation. The number and designation of shares that the Corporation shall have authority to issue and the par value per share are as follows:

Class	Number of Shares	Par Value
Common	20,000,000	No Par

3.2 Preemptive Rights. No holder of outstanding shares shall have any preemptive right with respect to (i) any shares of any class of the Corporation, whether now or hereafter authorized, (ii) any warrants, rights or options to purchase any such shares, or (iii) any obligations convertible into any such shares or into warrants, rights or options to purchase any such shares.

ARTICLE IV
LIMIT ON LIABILITY AND INDEMNIFICATION

4.1 Definitions. For purposes of this Article the following definitions shall apply:

(i) "Corporation" means this Corporation only and no predecessor entity or other legal entity;

(ii) "expenses" include counsel fees, expert witness fees, and costs of investigation, litigation and appeal, as well as any amounts expended in asserting a claim for indemnification;

(iii) "liability" means the obligation to pay a judgment, settlement, penalty, fine, or other such obligation, including, without limitation, any excise tax assessed with respect to an employee benefit plan;

(iv) "legal entity" means a corporation, partnership, joint venture, trust, employee benefit plan or other enterprise;

(v) "predecessor entity" means a legal entity the existence of which ceased upon its acquisition by the Corporation in a merger or otherwise; and

(vi) "proceeding" means any threatened, pending, or completed action, suit, proceeding or appeal whether civil, criminal, administrative or investigative and whether formal or informal.

4.2 Limit on Liability. In every instance permitted by the Virginia Stock Corporation Act, as it exists on the date hereof or may hereafter be amended, the liability of a director or officer of the Corporation to the Corporation or its shareholders arising out of a single transaction, occurrence or course of conduct shall be limited to one dollar.

4.3 Indemnification of Directors and Officers. The Corporation shall indemnify any individual who is, was or is threatened to be made a party to a proceeding (including a proceeding by or in the right of the Corporation) because he is or was a director or officer of the Corporation or because he is or was serving the Corporation or any other legal entity in any capacity at the request of the Corporation while a director or officer of the Corporation, against all liabilities and reasonable expenses incurred in the proceeding except such liabilities and expenses as are incurred because of his willful misconduct or knowing violation of the criminal law.

Service as a director or officer of a legal entity controlled by the Corporation shall be deemed service at the request of the Corporation. The determination that indemnification under this Section 4.3 is permissible and the evaluation as to the reasonableness of expenses in a specific case shall be made, in the case of a director, as provided by law, and in the case of an officer, as provided in Section 4.4 of this Article; provided, however, that if a majority of the directors of the Corporation has changed after the date of the alleged conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by the Board of Directors and such person. Unless a determination has been made that indemnification is not permissible, the Corporation shall make advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from him to repay the same if it is ultimately determined that he is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the director or officer and shall be accepted without reference to his ability to make repayment. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that a director or officer acted in such a manner as to make him ineligible for indemnification. The Corporation is authorized to contract in advance to indemnify and make advances and reimbursements for expenses to any of its directors or officers to the same extent provided in this Section 4.3.

4.4 Indemnification of Others. The Corporation may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursements for expenses to its directors and officers pursuant to Section 4.3, provide indemnification and make advances and reimbursements for expenses to its employees and agents, the directors, officers, employees and agents of its subsidiaries and predecessor entities, and any person serving any other legal entity in any capacity at the request of the Corporation, and may contract in advance to do so. The determination that indemnification under this Section 4.4 is permissible, the authorization of such indemnification and the evaluation as to the reasonableness of expenses in a specific case shall be made as authorized from time to time by general or specific action of the Board of Directors, which action may be taken before or after a claim for indemnification is made, or as otherwise provided by law. No person's rights under Section 4.3 of this Article shall be limited by the provisions of this Section 4.4.

4.5 Miscellaneous. Every reference in this Article to persons who are or may be entitled to indemnification shall include all persons who formerly occupied any of the positions referred to and their respective heirs, executors and administrators. Special legal counsel selected to make determinations under this Article may be counsel for the Corporation. Indemnification pursuant to this Article shall not be exclusive of any other right of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Corporation and indemnification under policies of insurance purchased and maintained by the Corporation or others. However, no person shall be entitled to indemnification by the Corporation to the extent he is indemnified by another, including an insurer. The Corporation is authorized to purchase and maintain insurance against any liability it may have under this Article or to protect any of the persons named above against any liability arising from their service to the Corporation or any other legal entity at the request of the Corporation regardless of the Corporation's power to indemnify against such liability. The provisions of this Article shall not be deemed to preclude the Corporation from entering into contracts otherwise permitted by law with any individuals or legal entities, including those named above. If any provision of this Article or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Article, and to this end the provisions of this Article are severable.

4.6 Applications; Amendments. The provisions of this Article shall be applicable from and after its adoption even though some or all of the underlying conduct or events relating to a proceeding may have occurred before its adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereunder to any person arising from conduct or events occurring before the adoption of such amendment, modification or repeal.

ARTICLE V
CERTAIN BUSINESS COMBINATIONS

5.1 Vote Required for Certain Business Combinations. In addition to any affirmative vote required by law or these Amended and Restated Articles of Incorporation, and except as otherwise expressly provided in Section 5.2 of this Article:

(1) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (a) any Interested Stockholder (as hereinafter defined) or (b) any other corporation which immediately before such merger or consolidation is an Affiliate or Associate (as hereinafter defined) of an Interested Stockholder; or

(2) any statutory exchange of stock in which any Interested Stockholder or any Affiliate or Associate of an Interested Stockholder acquires the issued and outstanding shares of any class of capital stock of the Corporation or any Subsidiary in exchange for cash or property or shares or other securities or obligations of any other corporation; or

(3) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder of all or any Substantial Part (as hereinafter defined) of the assets of the Corporation or any Subsidiary; or

(4) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary having an aggregate Fair Market Value equal to or greater than 10% of the aggregate Fair Market Value of all of the issued and outstanding shares of the Voting Stock of the Corporation on the Determination Date (as hereinafter defined) to any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or

(5) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or

(6) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect directly or indirectly, of increasing by more than 5% the proportion of any class of securities of the Corporation or any Subsidiary directly or indirectly owned by an Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; shall require the affirmative vote of the holders of at least 75% of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the “Voting Stock”), voting together as a single class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or otherwise.

5.2 When Higher Vote is Not Required. The provisions of Section 5.1 of this Article shall not be applicable to any particular Business Combination (as hereinafter defined), and such Business Combination shall require only such affirmative vote as is required by law and any other provision of these Amended and Restated Articles of Incorporation, if all of the conditions specified in either of the following paragraphs (1) or (2) are met:

(1) Approval by Continuing Directors. The Business Combination shall have been approved by a majority of the Continuing Directors (as hereinafter defined), it being understood that this condition shall not be capable of satisfaction unless there is at least one Continuing Director.

(2) Price and Procedure Requirements. Consideration shall be paid to the holders of the Common Shares in such Business Combination and all of the following conditions shall have been met:

(a) the aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of Common Shares in such Business Combination shall be at least equal to the highest of the following:

(i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers’ fees) paid by the Interested Stockholder for any Common Shares acquired by it (AA) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination (the “Announcement Date”) or (BB) in the transaction in which it became an Interested Stockholder, whichever is higher;

(ii) the Fair Market Value per Common Share on the Announcement Date or on the date on which the Interested Stockholder became an Interested Stockholder (such latter date is referred to in this Article as the “Determination Date”), whichever is higher; and

(iii) (if applicable) the price per share equal to the Fair Market Value per Common Share determined pursuant to paragraph (2) (a) (ii) above, multiplied by the ratio of (AA) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers’ fees) paid by the Interested Stockholder for any Common Shares acquired by it within the two-year period immediately prior to the Announcement Date to (BB) the Fair Market Value per Common Share on the first day in such two-year period upon which the Interested Stockholder acquired any Common Shares.

(b) the consideration to be received by holders of Common Shares shall be in cash or in the same form as the Interested Stockholder has previously paid for shares of such class. If the Interested Stockholder has paid for Common Shares with varying forms of consideration, the form of consideration for common Shares shall be either cash or the form used to acquire the largest number of shares of such class previously acquired by the Interested Stockholder.

(c) after such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combination, except as approved by a majority of the Continuing Directors: (i) there shall have been (AA) no reduction in the annual rate of dividends paid on the Common Shares (except as necessary to reflect any subdivision of the Common Shares), and (BB) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding Common Shares; and (ii) such Interested Stockholder shall have not become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(d) after such Interested Stockholder has become an Interested Stockholder, except as approved by a majority of the Continuing Directors, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

(e) except as otherwise approved by a majority of the Continuing Directors, a proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to shareholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

5.3 Certain Definitions. For the purposes of this Article:

(1) A "Business Combination" as used in this Article shall mean any transaction which is referred to in any one or more clauses (1) through (6) of Section 5.1 of this Article.

(2) A "person" shall mean any individual, firm, corporation, partnership, joint venture or other entity.

(3) "Interested Stockholder" shall mean any person who or which is the beneficial owner, directly or indirectly, of more than 10% of the outstanding Voting Stock; provided, however, the term Interested Stockholder shall not include the Corporation, any Subsidiary, or any savings, employee stock ownership or other employee benefit plan of the Corporation or any Subsidiary, or any fiduciary with respect to any such plan when acting in such capacity.

(4) A person shall be a "beneficial owner" of any Voting Stock as to which such person and any such person's Affiliates or Associates, individually or in the aggregate, have or share directly, or indirectly through any contract, arrangement, understanding, relationship, or otherwise:

(a) voting power, which includes the power to vote, or to direct the voting of Voting Stock; or

(b) investment power, which includes the power to dispose or to direct the disposition of, Voting Stock; or

(c) economic benefit, which includes the right to receive or control the disposition of income or liquidation proceeds from Voting Stock; or

(d) the right to acquire voting power, investment power or economic benefit (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options or otherwise; provided, that in no case shall a director of the Corporation be deemed to be the beneficial owner of Voting Stock beneficially owned by another director of the Corporation solely by reason of actions undertaken by such persons in their capacity as directors of the Corporation.

(5) For the purpose of determining whether a person is an Interested Stockholder pursuant to paragraph (3) of this Section 5.3, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph (4) of this Section 5.3 but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options or otherwise.

(6) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the person specified.

(7) "Associate" means as to any specified person:

(a) any corporation or organization (other than the Corporation and its Subsidiaries) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities;

(b) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and

(c) any relative or spouse of such person or any relative of such spouse, who has the same home as such person.

(8) "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Interested Stockholder set forth in paragraph (3) of this Section 5.3, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity securities is owned, directly or indirectly, by the Corporation.

(9) "Continuing Director" means any member of the Board of Directors of the Corporation (the "Board") who (i) is a member of the Board before the adoption of these Amended and Restated Articles of Incorporation or (ii) is unaffiliated with the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, or (iii) any successor of a Continuing Director who is unaffiliated with the Interested Stockholder and is recommended to succeed a Continuing Director by a majority of Continuing Directors then on the Board.

(10) "Fair Market Value" means:

(a) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange—Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on any such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a majority of the Continuing Directors in good faith; and

(b) in case of property other than cash or stock, the fair market value of such property on the date in question as determined by a majority of the Continuing Directors in good faith.

(11) "Substantial Part" means more than 10% of the book value of the total assets of the entity in question, as reflected on the most recent fiscal year end consolidated balance sheet of such entity existing at the time the shareholders of the Corporation would be required to approve or authorize the Business Combination involving the assets constituting any such Substantial Part.

5.4 Powers of the Continuing Directors. A majority of the Continuing Directors shall have the power and duty to determine for the purposes of this Article, on the basis of information known to it after reasonable inquiry, (i) whether a person is an Interested Stockholder, (ii) the number of shares of Voting Stock beneficially owned by any person, (iii) whether a person is an Affiliate or Associate of another, (iv) whether the securities to be issued or transferred by the Corporation or any Subsidiary in any Business Combination involving such person have an aggregate Fair Market Value equal to or greater than 10% of the aggregate Fair Market Value of all of the issued and outstanding shares of the Voting Stock of the Corporation on the Determination Date, and (v) whether the assets which are the subject of any Business Combination involving such person constitute a Substantial Part of the assets of the Corporation or any Subsidiary.

5.5 No Effect on Fiduciary Obligations. Nothing contained in this Article shall be construed to relieve any Interested Stockholder or any director of the Corporation from any obligation imposed by law.

5.6 Amendment or Repeal. Notwithstanding any other provision of law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, these Amended and Restated Articles of Incorporation or the bylaws of the Corporation), and in addition to any affirmative vote of the holders of any other class of capital stock of the Corporation then outstanding which is required by law or by these Amended and Restated Articles of Incorporation or the bylaws of the Corporation, the affirmative vote of the holders of 75% or more of the voting power of the shares of the then outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal this Article of these Amended and Restated Articles of Incorporation.

Exhibit 31.1

Form 10-Q for the Quarterly Period Ended October 31, 2021
SECTION 13a-14(a) CERTIFICATION

I, Jeremy R. Hoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hooker Furnishings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 9, 2021

By: /s/ Jeremy R. Hoff
Jeremy R. Hoff
Chief Executive Officer and Director

Exhibit 31.2

Form 10-Q for the Quarterly Period Ended October 31, 2021
SECTION 13a-14(a) CERTIFICATION

I, Paul A. Huckfeldt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hooker Furnishings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 9, 2021

By: /s/ Paul A. Huckfeldt
Paul A. Huckfeldt
Chief Financial Officer and
Senior Vice President - Finance and Accounting

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Hooker Furnishings Corporation (the "Company") Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

a. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 9, 2021

By: /s/ Jeremy R. Hoff
Jeremy R. Hoff
Chief Executive Officer and Director

By: /s/ Paul A. Huckfeldt
Paul A. Huckfeldt
Chief Financial Officer and
Senior Vice President - Finance and Accounting