



Heritage Home Group

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Heritage Home Group Announces Transactions to Complete Sale of Its Iconic Brand Portfolio

*Buyers Identified for All Brands as Company Continues Outreach
to Identify Other Interested Parties*

HHG to Complete In-Court Restructuring to Facilitate Auction Sale Process

July 30, 2018 -- HIGH POINT, NC – Heritage Home Group LLC (“HHG” or the “Company”) today announced that it and its affiliates have identified buyers for the purchase of the Company’s portfolio of iconic furniture brands.

RHF Investments Inc (RHF), owner of well-known furniture brands such as Century, Hancock & Moore and Highland House, has signed an agreement to acquire HHG’s Luxury business, which includes the Hickory Chair, Maitland-Smith and Pearson brands and related operations in Hickory, North Carolina, and throughout the United States. This transaction provides an opportunity for the Luxury business to join a well-established and successful strategic player in the high-end furniture industry and will enable continued growth in its core Interior Design and Retail selling channels.

In addition, the Company has signed a Letter of Intent and are in final negotiations with a buyer for the acquisition of both its Thomasville & Co and Broyhill business units. We expect to be able to provide more information on this transaction over the next few days.

To ensure that HHG maximizes the value of its assets for the benefit of stakeholders, HHG’s parent company, HH Global II BV, and its related U.S. affiliates have filed petitions with the U.S. Bankruptcy Court for the District of Delaware in Wilmington to commence a restructuring process that will allow the Company to complete the sale of its businesses under Section 363 of the Bankruptcy Code. Through an auction expected to be held within the next 60 days, HHG intends to secure the next chapter of its brands’ long histories by identifying owners that will demonstrate the highest-and-best value for the assets along with the ability to invest in and support their growth. The Company will shortly file a bid procedures motion to establish a process for soliciting competing bids, subject to Court approval.

HHG has obtained a commitment from PNC, N.A. to provide a \$98 million debtor-in-possession (DIP) financing facility, which will provide up to \$18 million additional liquidity to support the Company’s operations during the restructuring and sales process. There is not anticipated to be any material change in HHG’s operations through the commencement of the sale process. Employees will be paid as usual, customers should see no interruption, and suppliers will be paid for goods and services provided after the filing date. This financing will allow the Company to continue to deliver best-in-class furniture and accessories to its customers.

Robert Albergotti, who currently serves as HHG’s Interim Chief Financial Officer and is a managing director at AlixPartners, LLP, has been named as Chief Restructuring Officer to support the Company through this process. Albergotti remarked, “With the creation of our more focused Broyhill, Thomasville &



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Co and Luxury business units in late 2017, our Lane and Lane Venture businesses were designated for divestiture and we were fortunate to find excellent trade buyers for each in United Furniture and Bassett Furniture, respectively. Those businesses are thriving today under their new owners, and the proceeds of the sales were used to repay considerable debt obligations of the Company and provide meaningful liquidity to support our operations and the current sales process for the remaining business units."

He added, "Heritage Home Group has a number of iconic brands with strong reputations, solid manufacturing operations and longstanding relationships with best-in-class suppliers, renowned designers, and leading retailers around the world. We are excited to have identified buyers for all of HHG's brands and secured fresh liquidity to run this sale process, which will deliver the highest-and-best value for our stakeholders. During this time, we remain firmly committed to producing and selling the high-quality products that our customers expect. I want to thank the talented HHG employees, designers, representatives and distributors for their support and continued dedication."

HHG is being advised by AP Services LLC, the law firm of Young Conaway Stargatt & Taylor, LLP, and Houlihan Lokey Capital, Inc., as its investment banker.

About HHG

Heritage Home Group is a world leader in designing, manufacturing, sourcing and retailing home furnishings and is made up of three unique business units: Broyhill, Thomasville & Co. and the Luxury Group. Broyhill has tremendous brand recognition, broad product assortment and wide appeal serving the mid-market price range. Thomasville and Co. is made up of the Thomasville, Drexel and Henredon brands, which offer three distinctive design territories with a classic, contemporary and luxe style aesthetic, respectively, and are sold through corporately owned Thomasville stores and independent retailers. The Luxury Group, comprised of Hickory Chair, Pearson and Maitland-Smith, targets the interior design channel and also sells through high-end luxury retail furniture and boutique stores. Heritage Home Group is headquartered in High Point, NC.

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