



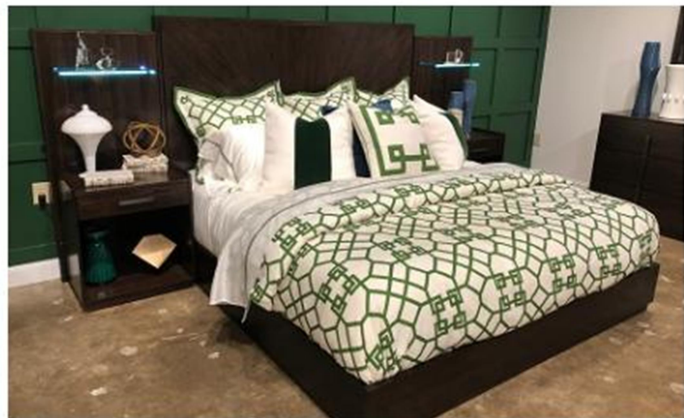
• Legacy Classic shifts sourcing to Vietnam

• *Thomas Russell, September 14, 2018*

HIGH POINT — At last week's Premarket, Universal Furniture unveiled its latest licensed collection, a 60-plus piece debut with Coastal Living magazine.

HIGH POINT — Case goods resource Legacy Classic Furniture is adjusting its China-based sourcing model due to the threat of tariffs as high as 25% on furniture shipped from China.

The company recently revealed it has lined up new sourcing partners in Vietnam to produce its bedroom, dining and occasional collections as well as standalone bedroom and dining sets and bedrooms in its LC Kids line.



Part of the new Paldao collection at Legacy Classic, this wall bed is made with Paldao veneers and has a deep brown wood tone finish.

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Earlier this summer when tariffs were first announced on mostly component types of product vs. finished goods like furniture, the company initially planned to introduce four bedrooms from Vietnam in the fall.

However, when it became apparent that furniture was in the crosshairs of an estimated \$200 billion in additional proposed tariffs ranging from 10% to 25%, the company decided to shift all its sourcing for both Legacy Classic and LC Kids. Legacy is moving all new and inline product to the Vietnam factories, with production expected to begin in December.

For years, the company's line was produced in China at Lacquer Craft Manufacturing Co.'s Shanghai-area factory. Lacquer Craft is the manufacturing arm of Legacy Classic owner Samson Holding, which also owns Universal Furniture and Craftmaster.

Legacy Classic President Don Essenberg said the company will source from four or five plants in Vietnam, which he declined to identify at this time. As part of the transition, he noted that the company will use the same finishing suppliers — AkzoNobel and Sherwin-Williams — it has used previously.

"I am confident that as far as our customers and consumers are concerned, this transition will be seamless," he said, adding that the product will be built to the same specs, designs and finishes. "The product strategy doesn't change; the only thing that changes is the source country."

While Vietnam has lower labor costs than China, the impact on finished goods won't be known right away. Legacy's line currently falls within middle price points, with beds retailing around \$599 to \$699.

"We really have to get into the factories to see how things work," Essenberg said, adding that the product will be phased into the factories production schedules. "Our goal is to start production this year."

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I'm Tom Russell and have worked at Furniture/Today since August 2003. Since then, I have covered the international side of the business from a logistics and sourcing standpoint. Since then, I also have visited several furniture trade shows and manufacturing plants in Asia, which has helped me gain perspective about the industry in that part of the world. As I continue covering the import side of the business, I look forward to building on that knowledge base through conversations with industry officials and future overseas plant tours. From time to time, I will file news and other industry perspectives online and, as always, welcome your response to these Web postings.