



La-Z-Boy Reports 12% Sales Increase for Second-Quarter

11/28/18

Increases Quarterly Dividend

MONROE, Mich., Nov. 28, 2018 (GLOBE NEWSWIRE) -- La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2019 second quarter ended October 27, 2018.

During the second quarter of fiscal 2019 versus last year's second quarter:

- Consolidated sales increased 11.7% to \$439.3 million on solid core growth and the addition of recent acquisitions
- Written same-store sales for the 353-store La-Z-Boy Furniture Galleries® network increased 4.4%, the seventh consecutive quarterly increase
- Delivered same-store sales for the company-owned retail segment increased 4.0%
- Consolidated operating income:
 - GAAP: \$28.5 million versus \$34.3 million
 - Non-GAAP*: \$32.2 million versus \$35.0 million**
- Consolidated operating margin:
 - GAAP: 6.5% versus 8.7%
 - Non-GAAP*: 7.3% versus 8.9%**
- Net income attributable to La-Z-Boy Incorporated per share ("EPS"):
 - GAAP: \$0.42 per diluted share versus \$0.47 per diluted share
 - Non-GAAP*: \$0.48 per diluted share versus \$0.48 per diluted share**

*Non-GAAP amounts for the second quarter of fiscal 2019 exclude purchase accounting charges totaling \$3.9 million, with \$3.7 million included in operating income and \$0.2 million included in interest expense, or \$0.06 per diluted share. Non-GAAP amounts for the second quarter of fiscal 2018 exclude purchase accounting charges totaling \$0.7 million, all included in operating income, or \$0.01 per diluted share.

****Please refer to the accompanying "Reconciliation of GAAP to Non-GAAP Financial Measures" for detailed information on calculating Non-GAAP measures used in this press release and a reconciliation to the applicable GAAP measure.**

For the second quarter of fiscal 2019, consolidated sales increased 11.7% to \$439.3 million on solid base business growth as well as consolidation of recent acquisitions. Consolidated GAAP operating margin was 6.5% versus 8.7% in the prior-year quarter. Excluding purchase accounting charges, Non-GAAP operating margin was 7.3% in the second quarter of the current year versus 8.9% in the second quarter of last year. The decline in operating margin was driven primarily by the Upholstery segment, as well as an increase of approximately 60 basis points for higher incentive compensation expense in the current quarter.

Sales in the company's Upholstery segment increased 4% to \$317.1 million and GAAP operating margin was 10.1% compared with 11.0% in last year's second quarter. Non-GAAP Upholstery operating margin was 10.2% in the current-year quarter vs. 11.1% in last year's second quarter. Operating margin declined, as price increases taken over the last year to counter increased raw material costs were more than offset by changes in product mix and inflationary pressures in our supply chain, including procurement, manufacturing operations and logistics. In the Casegoods segment, sales increased 11.8% to \$31.4 million in the second quarter of fiscal 2019 and GAAP operating margin increased to 12.0% from 11.8% in the prior-year period, driven by a strong portfolio of on-trend collections, a reliable in-stock position and quick ship times.

Sales in the Retail segment increased 19.7% to \$139.7 million in the second quarter of fiscal 2019 reflecting strong results for the core stores as well as \$16.8 million of sales from acquisitions. On the core base of 141 stores included in last year's second quarter, delivered same-store sales increased 4.0%. GAAP operating margin for the Retail segment improved to 4.7% from 3.3% in last year's second quarter. Non-GAAP Retail operating margin was 5.4% in the current-year quarter compared with 3.6% in last-year's second quarter, driven by both delivered same-store sales and the profitability of the Arizona market, acquired early in the second quarter of fiscal 2019.

GAAP EPS for the fiscal 2019 second quarter was \$0.42 per diluted share versus \$0.47 per diluted share in the prior-year period. Non-GAAP EPS was \$0.48 per diluted share in the current-year quarter, unchanged from the comparable fiscal 2018 second quarter. The fiscal 2019 quarter included higher incentive compensation costs of approximately \$0.05 per share versus last year. The prior-year EPS included a \$0.02 per share benefit from an insurance gain and a \$0.03 per share benefit for discrete tax items, and fiscal 2019 includes a \$0.05 per share benefit from lower income taxes when compared with fiscal 2018, as Tax Reform (2017 Tax Cut and Jobs Act) had not been enacted as of the end of the company's fiscal 2018 second quarter.

Kurt L. Darrow, Chairman, President and Chief Executive Officer of La-Z-Boy, said, "Solid across-the-board sales increases demonstrate the fundamental strength of our various brands, core manufacturing capabilities and retail business, even as we contend with record-high commodity costs and tariff headwinds. In addition, we are pleased with the progress of our recent acquisitions. Arizona is already contributing to top-line and Non-GAAP bottom-line results. Additionally, we are excited by the potential of Joybird with its proven ability to reach younger consumers through the e-commerce channel and our plans to leverage existing La-Z-Boy domestic manufacturing facilities to fuel Joybird's growth and drive cost synergies."

Acquisitions

During the quarter the company closed on the acquisition of Joybird and 10 La-Z-Boy Furniture Galleries® stores – nine in Arizona and one in North Dartmouth, Massachusetts.

During the second quarter the company recorded \$3.9 million of purchase accounting charges, with \$2.7 million of these charges related to the Joybird acquisition, including \$2.5 million in operating income which is reported as part of Corporate & Other and \$0.2 million in interest expense, and approximately \$1.0 million related to the Arizona and North Dartmouth acquisitions, which are reported as part of the company's Retail segment. The remaining \$0.2 million of purchase accounting charges, as well as the \$0.7 million of purchase accounting charges recorded in the prior-year period, are related to previous acquisitions that closed prior to the second quarter of fiscal 2019. These items are treated as Non-GAAP adjustments and are discussed further at the end of this press release under "Reconciliation of GAAP to Non-GAAP Financial Measures."

Joybird and the acquired La-Z-Boy Furniture Galleries® stores are key strategic acquisitions for the company and are intended to drive long-term growth and profitability. On a Non-GAAP basis, the combined entities are expected to be slightly accretive to profit by the end of fiscal 2019. The company expects purchase accounting charges to be approximately \$0.12 to \$0.14 per diluted share for the full fiscal 2019 year.

Balance Sheet and Cash Flow

During the quarter, the company generated \$13.9 million in cash from operating activities. La-Z-Boy ended the quarter with \$93.9 million in cash and cash equivalents, \$29.8 million in investments to enhance returns on cash, and \$2.0 million in restricted cash. The company used \$85.6 million for the Joybird and the La-Z-Boy Furniture Galleries® store acquisitions payments made during the quarter, with \$7.5 million reported as a use of operating cash and \$78.1 million reported as a use of investing cash on the cash flow statement. La-Z-Boy also invested \$11.1 million in the business through capital expenditures. Additionally, the company spent \$5.7 million on dividends to shareholders and \$3.7 million purchasing 0.1 million shares of stock in the open market under its existing authorized share purchase program, leaving 6.3 million shares of purchase availability in the program. La-Z-Boy borrowed \$35.0 million under its revolving line of credit in the second quarter of fiscal 2019 to fund a portion of the acquisition payments made during the quarter.

Outlook

Darrow concluded, "As the furniture industry weathers the uncertainty of ongoing tariffs, La-Z-Boy is competitively well positioned with a strong business model powered by a diversified global supply chain and domestic manufacturing footprint. Additionally, Joybird has the potential to drive meaningful growth for the company with a new channel and different generation of consumers. We believe La-Z-Boy Incorporated is poised to deliver solid ongoing returns to shareholders over the long term."

Dividend

Subsequent to quarter end, the board of directors increased the company's regular quarterly dividend to shareholders by 8% to \$0.13 per share. The dividend will be paid on December 20, 2018, to shareholders of record as of December 10, 2018.

Conference Call

La-Z-Boy will hold a conference call with the investment community on Thursday, November 29, 2018, at 8:30 a.m. eastern time. The toll-free dial-in number is 877.407.9205; international callers may use 201.689.8054.

The call will be webcast live, with corresponding slides, and archived on the Internet. It will be available at <https://lazboy.gcs-web.com/>. A telephone replay will be available for a week following the call. This replay will be accessible to callers from the U.S. and Canada at 877.481.4010 and to international callers at 919.882.2331. Enter Conference ID #40751. The webcast replay will be available for one year.

Forward-looking Information

This news release contains, and oral statements made from time to time by representatives of La-Z-Boy may contain, "forward-looking statements." With respect to all forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Actual results could differ materially from those we anticipate or project due to a number of factors, including: (a) changes in consumer confidence and demographics; (b) the possibility of a recession; (c) changes in the real estate and credit markets and their effects on our customers, consumers and suppliers; (d) international political unrest, terrorism or war; (e) volatility in energy and other commodities prices; (f) the impact of logistics on imports and exports; (g) tax rate, interest rate, and currency exchange rate changes; (h) changes in the stock market impacting our profitability and our effective tax rate; (i) operating factors, such as supply, labor or distribution disruptions (e.g. port strikes); (j) changes in legislation, including the tax code, or changes in the domestic or international regulatory environment or trade policies, including new or increased duties, tariffs, retaliatory tariffs, trade limitations and termination or renegotiation of the North American Free Trade Agreement; (k) adoption of new accounting principles; (l) fires, severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (m) our ability to procure, transport or import, or material increases to the cost of transporting or importing, fabric rolls, leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (n) information technology conversions or system failures and our ability to recover from a system failure; (o) effects of our brand awareness and marketing programs; (p) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (q) litigation arising out of alleged defects in our products; (r) unusual or significant litigation; (s) our ability to locate new La-Z-Boy Furniture Galleries® stores (or store owners) and negotiate favorable lease terms for new or existing locations; (t) the ability to increase volume through our e-commerce initiatives; (u) the impact of potential goodwill or intangible asset impairments; and (v) those matters discussed in Item 1A of our fiscal 2018 Annual Report on Form 10-K and other factors identified from time to time in our reports filed with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether to reflect new information or new developments or for any other reason.

Additional Information

This news release is just one part of La-Z-Boy's financial disclosures and should be read in conjunction with other information filed with the Securities and Exchange Commission, which is available at: <https://lazboy.gcs-web.com/financial-information/sec-filings>. Investors and others wishing to be notified of future La-Z-Boy news releases, SEC filings and quarterly investor conference calls may sign up at: <https://lazboy.gcs-web.com/>.

Background Information

La-Z-Boy Incorporated is one of the world's leading residential furniture producers, marketing furniture for every room of the home. The La-Z-Boy Upholstery segment companies are England and La-Z-Boy. The Caseloads segment consists of three brands: American Drew[®], Hammary[®], and Kincaid[®]. The company-owned Retail segment includes 157 of the 353 La-Z-Boy Furniture Galleries[®] stores. Joybird is an e-commerce retailer and manufacturer of upholstered furniture.

The corporation's branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 353 stand-alone La-Z-Boy Furniture Galleries[®] stores and 543 independent Comfort Studio[®] locations, in addition to in-store gallery programs for the company's Kincaid and England operating units. Additional information is available at <http://www.la-z-boy.com/>.

Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), this press release also includes Non-GAAP financial measures. Management uses these Non-GAAP financial measures when assessing our ongoing performance. This press release contains references to Non-GAAP operating income, Non-GAAP operating margin, Non-GAAP income before income taxes, Non-GAAP net income attributable to La-Z-Boy Incorporated and Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share, each of which excludes purchase accounting charges. These purchase accounting charges include the amortization of intangible assets, incremental expense upon the sale of inventory acquired at fair value, amortization of employee retention agreements, and fair value adjustments of future cash payments recorded as interest expense. These Non-GAAP financial measures are not meant to be considered superior to or a substitute for La-Z-Boy Incorporated's results of operations prepared in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. Reconciliations of such Non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in the accompanying tables.

Management believes that presenting certain Non-GAAP financial measures excluding purchase accounting charges will help investors understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers. Management uses these Non-GAAP measures to assess the Company's operating and financial performance, and excludes purchase accounting charges because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions consummated. While the company has a history of acquisition activity, it does not acquire businesses on a predictable cycle, and the impact of purchase accounting charges is unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of these charges facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. Where applicable, the accompanying "Reconciliation of GAAP to Non-GAAP Financial Measures" tables present the excluded items net of tax calculated using the effective tax rate from operations for the period in which the adjustment is presented.

LA-Z-BOY INCORPORATED CONSOLIDATED STATEMENT OF INCOME

	Quarter Ended	
	10/27/18	10/28/17
<i>(Unaudited, amounts in thousands, except per share data)</i>		
Sales	\$439,333	\$393,205
Cost of sales	264,928	238,253
Gross profit	174,405	154,952
Selling, general and administrative expense	145,905	120,683
Operating income	28,500	34,269
Interest expense	(501)	(160)
Interest income	392	376
Other expense, net	(1,997)	(926)
Income before income taxes	26,394	33,559
Income tax expense	6,045	10,353
Net income	20,349	23,206
Net income attributable to noncontrolling interests	(337)	(310)
Net income attributable to La-Z-Boy Incorporated	\$20,012	\$22,896
Basic weighted average common shares	46,888	47,964
Basic net income attributable to La-Z-Boy Incorporated per share	\$0.43	\$0.47
Diluted weighted average common shares	47,259	48,297
Diluted net income attributable to La-Z-Boy Incorporated per share	\$0.42	\$0.47
Dividends declared per share	\$0.12	\$0.11

LA-Z-BOY INCORPORATED CONSOLIDATED STATEMENT OF INCOME

Six Months Ended

<i>(Unaudited, amounts in thousands, except per share data)</i>	10/27/18	10/28/17
Sales	\$824,028	\$750,284
Cost of sales	501,101	456,229
Gross profit	322,927	294,055
Selling, general and administrative expense	271,267	243,488
Operating income	51,660	50,567
Interest expense	(605)	(317)
Interest income	994	719
Other income (expense), net	(1,105)	823
Income before income taxes	50,944	51,792
Income tax expense	11,644	16,842
Net income	39,300	34,950
Net income attributable to noncontrolling interests	(985)	(403)
Net income attributable to La-Z-Boy Incorporated	\$38,315	\$34,547
Basic weighted average common shares	46,802	48,160
Basic net income attributable to La-Z-Boy Incorporated per share	\$0.82	\$0.71
Diluted weighted average common shares	47,219	48,537
Diluted net income attributable to La-Z-Boy Incorporated per share	\$0.81	\$0.71
Dividends declared per share	\$0.24	\$0.22

LA-Z-BOY INCORPORATED CONSOLIDATED BALANCE SHEET

<i>(Unaudited, amounts in thousands, except par value)</i>	10/27/18	4/28/18
Current assets		
Cash and equivalents	\$93,867	\$134,515
Restricted cash	2,001	2,356
Receivables, net of allowance of \$2,647 at 10/27/18 and \$1,956 at 4/28/18	150,507	154,055
Inventories, net	214,948	184,841
Other current assets	76,093	42,451
Total current assets	537,416	518,218
Property, plant and equipment, net	195,327	180,882
Goodwill	182,116	75,254
Other intangible assets, net	30,500	18,190
Deferred income taxes – long-term	23,227	21,265
Other long-term assets, net	83,549	79,158
Total assets	\$1,052,135	\$892,967
Current liabilities		
Short-term borrowings	\$35,000	\$ —
Current portion of long-term debt	217	223
Accounts payable	75,090	62,403
Accrued expenses and other current liabilities	176,075	118,721
Total current liabilities	286,382	181,347
Long-term debt	89	199
Other long-term liabilities	116,433	86,205
Contingencies and commitments		
Shareholders' equity		
Preferred shares – 5,000 authorized; none issued	—	—
Common shares, \$1 par value – 150,000 authorized; 46,905 outstanding at 10/27/18 and 46,788 outstanding at 4/28/18	46,905	46,788
Capital in excess of par value	307,701	298,948
Retained earnings	309,543	291,644
Accumulated other comprehensive loss	(28,329)	(25,199)
Total La-Z-Boy Incorporated shareholders' equity	635,820	612,181
Noncontrolling interests	13,411	13,035
Total equity	649,231	625,216
Total liabilities and equity	\$1,052,135	\$892,967

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Unaudited, amounts in thousands)</i>	Six Months Ended	
	10/27/18	10/28/17
Cash flows from operating activities		
Net income	\$39,300	\$34,950
Adjustments to reconcile net income to cash provided by (used for) operating activities		
Gain on disposal of assets	(72	) (1,884
Gain on conversion of investment	—	) (2,204
Change in deferred taxes	1,572	) (403
Provision for doubtful accounts	315	74
Depreciation and amortization	15,541	15,869
Equity-based compensation expense	5,679	6,410
Pension plan contributions	(7,000	) (2,000
Change in receivables	122	6,165
Change in inventories	(15,037	) (4,096
Change in other assets	(15,781	) (7,935
Change in payables	6,034	2,136
Change in other liabilities	15,411	4,142
Net cash provided by operating activities	46,084	51,224
 Cash flows from investing activities		
Proceeds from disposals of assets	256	608
Proceeds from property insurance	114	1,485
Capital expenditures	(26,926	) (16,372
Purchases of investments	(5,193	) (18,507
Proceeds from sales of investments	7,754	11,529
Acquisitions, net of cash acquired	(78,145	) (15,879
Net cash used for investing activities	(102,140	) (37,136
 Cash flows from financing activities		
Net proceeds from credit facility	35,000	—
Payments on debt	(116	) (131
Stock issued for stock and employee benefit plans, net of shares withheld for taxes	4,039	356
Purchases of common stock	(11,610	) (30,692
Dividends paid	(11,278	) (10,648
Net cash provided by (used for) financing activities	16,035	(41,115
 Effect of exchange rate changes on cash and equivalents	(982	) 865
Change in cash, cash equivalents and restricted cash	(41,003	) (26,162
Cash, cash equivalents and restricted cash at beginning of period	136,871	150,859
Cash, cash equivalents and restricted cash at end of period	\$95,868	\$124,697
 Supplemental disclosure of non-cash investing activities capital expenditures included in payables	\$4,442	\$1,631

LA-Z-BOY INCORPORATED
SEGMENT INFORMATION

<i>(Unaudited, amounts in thousands)</i>	Quarter Ended		Six Months Ended	
	10/27/18	10/28/17	10/27/18	10/28/17
Sales				
Upholstery segment:				
Sales to external customers	\$254,028	\$251,741	\$494,082	\$476,555

Intersegment sales	63,065	53,020	116,409	102,613
Upholstery segment sales	317,093	304,761	610,491	579,168
Casegoods segment:				
Sales to external customers	26,242	23,915	50,645	44,934
Intersegment sales	5,135	4,150	9,118	8,641
Casegoods segment sales	31,377	28,065	59,763	53,575
Retail segment sales	139,686	116,737	258,914	227,253
Corporate and Other:				
Sales to external customers	19,377	812	20,387	1,542
Intersegment sales	3,001	2,091	5,856	4,021
Corporate and Other sales	22,378	2,903	26,243	5,563
Eliminations	(71,201	) (59,261	) (131,383	) (115,275
Consolidated sales	\$439,333	\$393,205	\$824,028	\$750,284
Operating Income (Loss)				
Upholstery segment	\$32,152	\$33,424	\$56,036	\$56,723
Casegoods segment	3,761	3,302	6,841	6,041
Retail segment	6,563	3,903	11,021	5,670
Corporate and Other	(13,976	) (6,360	) (22,238	) (17,867
Consolidated operating income	\$28,500	\$34,269	\$51,660	\$50,567

LA-Z-BOY INCORPORATED
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

<i>(Unaudited, amounts in thousands, except per share data)</i>	Quarter Ended		Six Months Ended	
	10/27/18	10/28/17	10/27/18	10/28/17
GAAP gross profit	\$174,405	\$154,952	\$322,927	\$294,055
Add back: Purchase accounting charges – incremental expense upon the sale of inventory acquired at fair value	2,448	127	2,491	261
Non-GAAP gross profit	\$176,853	\$155,079	\$325,418	\$294,316
GAAP SG&A	\$145,905	\$120,683	\$271,267	\$243,488
Less: Purchase accounting charges – amortization of intangible assets and retention agreements	(1,238	) (595	) (1,341	) (956
Non-GAAP SG&A	\$144,667	\$120,088	\$269,926	\$242,532
GAAP operating income	\$28,500	\$34,269	\$51,660	\$50,567
Add back: Purchase accounting charges	3,686	722	3,832	1,217
Non-GAAP operating income	\$32,186	\$34,991	\$55,492	\$51,784
GAAP income before income taxes	\$26,394	\$33,559	\$50,944	\$51,792
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	3,875	722	4,020	1,217
Non-GAAP income before income taxes	\$30,269	\$34,281	\$54,964	\$53,009
GAAP net income attributable to La-Z-Boy Incorporated	\$20,012	\$22,896	\$38,315	\$34,547
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	3,875	722	4,020	1,217
Less: Tax effect of purchase accounting charges	(887	) (222	) (921	) (396
Non-GAAP net income attributable to La-Z-Boy Incorporated	\$23,000	\$23,396	\$41,414	\$35,368

GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$0.42	\$0.47	\$0.81	\$0.71
Add back: Purchase accounting charges, net of tax, per share	0.06	0.01	0.07	0.02
Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$0.48	\$0.48	\$0.88	\$0.73

LA-Z-BOY INCORPORATED
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
SEGMENT INFORMATION

<i>(Unaudited, amounts in thousands)</i>	Quarter Ended			
	10/27/18	% of sales	10/28/17	% of sales
GAAP operating income (loss)				
Upholstery segment	\$32,152	10.1%	\$33,424	11.0%
Casegoods segment	3,761	12.0%	3,302	11.8%
Retail segment	6,563	4.7%	3,903	3.3%
Corporate and Other	(13,976)	) N/M	(6,360)	) N/M
GAAP Consolidated operating income	\$28,500	6.5%	\$34,269	8.7%
Purchase accounting charges affecting operating income				
Upholstery segment	\$101		\$369	
Casegoods segment	—		—	
Retail segment	1,045		353	
Corporate and Other	2,540		—	
Consolidated purchase accounting charges affecting operating income	\$3,686		\$722	
Non-GAAP operating income (loss)				
Upholstery segment	\$32,253	10.2%	\$33,793	11.1%
Casegoods segment	3,761	12.0%	3,302	11.8%
Retail segment	7,608	5.4%	4,256	3.6%
Corporate and Other	(11,436)	) N/M	(6,360)	) N/M
Non-GAAP Consolidated operating income	\$32,186	7.3%	\$34,991	8.9%
	Six Months Ended			
	10/27/18	% of sales	10/28/17	% of sales
GAAP operating income (loss)				
Upholstery segment	\$56,036	9.2%	\$56,723	9.8%
Casegoods segment	6,841	11.4%	6,041	11.3%
Retail segment	11,021	4.3%	5,670	2.5%
Corporate and Other	(22,238)	) N/M	(17,867)	) N/M
GAAP Consolidated operating income	\$51,660	6.3%	\$50,567	6.7%
Purchase accounting charges affecting operating income				
Upholstery segment	\$204		\$730	
Casegoods segment	—		—	
Retail segment	1,088		487	
Corporate and Other	2,540		—	
Consolidated purchase accounting charges affecting operating income	\$3,832		\$1,217	
Non-GAAP operating income (loss)				
Upholstery segment	\$56,240	9.2%	\$57,453	9.9%
Casegoods segment	6,841	11.4%	6,041	11.3%
Retail segment	12,109	4.7%	6,157	2.7%
Corporate and Other	(19,698)	) N/M	(17,867)	) N/M

Non-GAAP Consolidated operating income	\$55,492	6.7%	\$51,784	6.9%
N/M – Not Meaningful				

Contact:
Kathy Liebmann
(734) 241-2438
kathy.liebmann@la-z-boy.com



Source: La-Z-Boy Incorporated