



La-Z-Boy to Acquire e-Commerce Retailer Joybird

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MONROE, Mich., July 16, 2018 (GLOBE NEWSWIRE) -- La-Z-Boy Incorporated (NYSE:LZB) today announced it has entered into a definitive agreement to acquire Joybird, an e-commerce retailer and manufacturer of upholstered furniture. The deal is expected to close early in the second quarter of fiscal 2019, at which time Joybird will become a wholly-owned subsidiary of La-Z-Boy.

Joybird is the trade name of Stitch Industries, Inc. Headquartered in Commerce, California with manufacturing operations in Tijuana, Mexico, Joybird is privately-owned and was established in 2014 by Alex Del Toro, Andres Hinostrroza, Joshua Stellin and Christopher Stormer. The company manufactures custom, mid-century modern upholstered furniture, and has experienced rapid growth, with annual revenue last year of approximately \$55 million. The co-founders will continue to lead and grow Joybird, with responsibility for sales, customer service, marketing and brand development as well as the overall operation of the business. Operations will be supported by La-Z-Boy supply chain capabilities which include procurement and manufacturing.

Kurt L. Darrow, Chairman, President and Chief Executive Officer of La-Z-Boy, said, "The Joybird team has created an incredible brand and online shopping platform and this combination provides great synergies for both companies. For La-Z-Boy, it will allow us to better reach millennial and Gen X consumers, leverage our supply chain assets and provide us with a greater presence online. For Joybird, the speed of its growth has been constrained by limited capital and production capacity. When we combine our world-class supply chain with Joybird's current manufacturing capabilities, it will be able to accelerate expansion and better service its customers, by improving production speed and shortening delivery times, while lowering costs. It is truly a complementary scenario and we look forward to this exciting extension of our business."

Christopher Stormer, one of the four co-founders of Joybird, said, "Joining forces with La-Z-Boy will be a strategic game changer for our company as it will provide access to resources and additional capacity. We started Joybird with small investments from family and friends and enjoyed rapid growth over the past four years. However, to expand our business further, we need the additional capabilities that La-Z-Boy is providing, including its amazing supply chain with nationwide delivery capabilities. Joining La-Z-Boy provides us with the ability to become the leading online destination for unique, modern and contemporary furniture."

Darrow concluded, "Last summer, we unveiled a multifaceted e-commerce strategy and the acquisition of Joybird is a core element of our plan. Joybird is one of the premier players in the upholstered furniture e-commerce space and we believe it will provide long-term value to La-Z-Boy and our shareholders."

Terms of the deal were not disclosed and it is subject to customary closing conditions. La-Z-Boy will supply financial information relating to the transaction when it reports its fiscal 2019 first-quarter results in August.

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 casegoods segment consists of three brands: American Drew, Hammary, and Kincaid. The company-owned retail segment includes 146 of the 350 La-Z-Boy Furniture Galleries® stores.

The company's branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 350 stand-alone La-Z-Boy Furniture Galleries® stores and 535 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/>.

Joybird was founded on the idea that people should never settle when it comes to their home furnishing, but rather have the freedom to be boldly original. Its custom-made and curated furniture is built to meet the demands and unique tastes of its customers, providing a high-quality product that will be enjoyed for a lifetime.

As a technology-centric company, Joybird is committed to developing innovative digital experiences that facilitate a 1:1 conversation with users, personalizing every interaction to support a core goal of allowing customers to express themselves through the physical spaces they occupy. Additional information is available at <https://joybird.com/>.

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