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La-Z-Boy Incorporated Reports Strong Third Quarter Results Led By Double-Digit Retail Sales Growth; Drives Significant Progress On Strategic Initiatives

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Fiscal 2026 Third Quarter Highlights:

- Delivered sales of \$542 million
 - Up 4% versus prior year
- Retail segment written sales increased 11% and delivered sales increased 11%
 - Opened four new company-owned stores in the quarter and 16 in the last 12 months
- Wholesale segment delivered sales increased 1%
 - Completed western U.S. phase of distribution and home delivery transformation project
- GAAP operating margin of 5.5% and adjusted⁽¹⁾ operating margin of 6.1%
- GAAP diluted EPS of \$0.52 and adjusted⁽¹⁾ diluted EPS of \$0.61
- Generated \$89 million in operating cash flow for the quarter, a 57% increase versus last year's comparable period

Further Progress On Strategic Initiatives:

- Successfully integrated 15-store acquisition in southeast U.S. region
- Formally announced planned closure of U.K. manufacturing facility; production set to cease by fiscal year end
- Completed sale of Kincaid upholstery business subsequent to third quarter close
- Signed letter of intent for sale of wholesale casegoods businesses (American Drew and Kincaid)

MONROE, Mich., Feb. 17, 2026 (GLOBE NEWSWIRE) -- La-Z-Boy Incorporated (NYSE: LZB), a global leader in the retail and manufacture of residential furniture, today reported third quarter results for the period ended January 24, 2026. For the quarter, sales totaled \$542 million, up 4% against the prior year comparable period, reflecting growth in Retail and Wholesale segments, partially offset by a decline in Joybird sales. Operating margin was 5.5% for the quarter on a GAAP basis and 6.1% on an adjusted⁽¹⁾ basis. Diluted earnings per share totaled \$0.52 on a GAAP basis and \$0.61 on an adjusted⁽¹⁾ basis.

Third quarter total written sales for the Retail segment (company-owned La-Z-Boy stores) increased 11% versus a year ago and written same-store sales (which exclude the impact of both newly opened stores and newly acquired stores) were down 4%. During the quarter, same-store sales trends were strongest in January with the exception of adverse weather, which slowed traffic late in the month.

Melinda D. Whittington, Board Chair, President and Chief Executive Officer of La-Z-Boy Incorporated, said, "Our strong third quarter results are proof that we continue to strengthen our enterprise and increase the agility of our business. Amid the ongoing challenging consumer environment, we continue to create our own momentum, led by Retail expansion through both acquired and new stores, driving double-digit sales growth in our written and delivered business in the quarter. Over the last twelve months, we have added 29 net company-owned stores, reflecting 16 new, 17 acquired, and four closed. And our current proportion of company-owned stores is now at an all-time high of ~60% of total network. Growing our La-Z-Boy brand reach by expanding our direct-to-consumer business remains a key pillar of our Century Vision strategy.

Furthermore, the momentum in our Wholesale segment remains solid, delivering our seventh consecutive quarter of growth in our core North America La-Z-Boy wholesale business. In addition, we are making meaningful progress on the strategic initiatives announced last quarter to focus on our core business of branded, customized upholstered furniture. Our vertically integrated model with ~90% of upholstered products produced in the U.S. is a key competitive advantage. This has served as the foundation throughout our 99-year history and continues to be a strength as we navigate the challenging macroeconomic environment."

Whittington added, "As a testament to our enduring impact and cultural relevance, La-Z-Boy Incorporated has been recognized by *TIME* magazine as one of America's Most Iconic Companies for 2026. This award reflects the lasting connection generations of families have built with our beloved brand. Looking ahead, we will continue to honor our heritage of comfort and quality while evolving to succeed in any environment, guided by our mission of transforming rooms, homes, and communities."

Fourth Quarter Outlook:

Taylor Luebke, SVP and Chief Financial Officer of La-Z-Boy Incorporated, said, "During the quarter, we made meaningful advancements in our Century Vision strategic initiatives and executed well operationally, with delivered sales and adjusted⁽¹⁾ operating margin both towards the high end of our guidance range even in a challenging environment. We expect fourth quarter sales to be in the range of \$560-580 million and adjusted operating

margin⁽²⁾ to be in the range of 7.5-9.0%, reflecting a continued cautious view on the macroeconomic backdrop as well as the short-term impact of recent adverse weather events.”

Key Results:

| <i>(Unaudited, amounts in thousands, except per share data and percentages)</i> | Quarter Ended | | Change |
|---|---------------|------------|-----------|
| | 1/24/2026 | 1/25/2025 | |
| Sales | \$ 541,588 | \$ 521,777 | 4% |
| GAAP operating income | 29,811 | 35,168 | (15)% |
| Adjusted operating income | 33,281 | 35,422 | (6)% |
| GAAP operating margin | 5.5% | 6.7% | (120) bps |
| Adjusted operating margin | 6.1% | 6.8% | (70) bps |
| GAAP net income attributable to La-Z-Boy Incorporated | 21,650 | 28,429 | (24)% |
| Adjusted net income attributable to La-Z-Boy Incorporated | 25,104 | 28,619 | (12)% |
| Diluted weighted average common shares | 41,485 | 42,103 | |
| GAAP diluted earnings per share | \$ 0.52 | \$ 0.68 | (24)% |
| Adjusted diluted earnings per share | \$ 0.61 | \$ 0.68 | (10)% |

Liquidity Measures:

| <i>(Unaudited, amounts in thousands)</i> | Nine Months Ended | | <i>(Unaudited, amounts in thousands)</i> | Nine Months Ended | |
|--|-------------------|------------|--|-------------------|------------------|
| | 1/24/2026 | 1/25/2025 | | 1/24/2026 | 1/25/2025 |
| Free Cash Flow | | | Cash Returns to Shareholders | | |
| Operating cash flow | \$ 175,690 | \$ 125,269 | Share repurchases | \$ 27,051 | \$ 64,387 |
| Capital expenditures | (56,737) | (51,538) | Dividends | 28,082 | 25,871 |
| Free cash flow | \$ 118,953 | \$ 73,731 | Cash returns to shareholders | \$ 55,133 | \$ 90,258 |
| <i>(Unaudited, amounts in thousands)</i> | | | | <u>1/24/2026</u> | <u>1/25/2025</u> |
| Cash and cash equivalents | | | | \$ 306,117 | \$ 314,589 |

Fiscal 2026 Third Quarter Results versus Fiscal 2025 Third Quarter:

- Consolidated sales in the third quarter of Fiscal 2026 increased 4% to \$542 million versus last year, as growth in our Retail and Wholesale business was partially offset by lower delivered volume in our Joybird business
- Consolidated GAAP operating margin was 5.5% versus 6.7%
 - Consolidated adjusted⁽¹⁾ operating margin was 6.1% versus 6.8% last year, with the change driven by investments in our distribution and home delivery transformation project
- GAAP diluted EPS was \$0.52 versus \$0.68 in the prior year period, and adjusted⁽¹⁾ diluted EPS of \$0.61 versus \$0.68 last year in the comparable period

Retail Segment:

- Sales:
 - Written sales for the Retail segment (company-owned La-Z-Boy stores) increased 11% compared to the year ago period driven by acquired and new stores
 - Written same-store sales (which exclude the impact of new and acquired stores) decreased 4%, as lower traffic was partially offset by higher conversion rates, average ticket, and design sales. During the quarter, same-store sales trends were strongest in January with the exception of dramatic weather events late in the month
 - Delivered sales increased 11% to \$252 million, primarily due to growth from acquired and new stores
- Operating Margin:
 - GAAP operating margin was 10.5% versus 10.7%
 - Adjusted⁽¹⁾ operating margin was 10.7% versus 10.7%, as accretion from acquisitions was offset by investment in new stores and fixed cost deleverage from lower delivered same-store sales

Wholesale Segment:

- Sales:
 - Sales increased 1% to \$367 million versus last year, driven by modest growth across the majority of our businesses, including our core North America La-Z-Boy wholesale business
- Operating Margin:
 - GAAP operating margin was 5.2% versus 6.5%
 - Adjusted⁽¹⁾ operating margin was 6.0% versus 6.5%, driven primarily by expenses related to investments in our distribution and home delivery transformation project and unfavorable foreign exchange rates

Corporate & Other:

- Joybird written sales decreased 13%, as this consumer segment continues to be particularly volatile against the current macroeconomic backdrop
- Joybird delivered sales decreased 3% to \$36 million on lower delivered volume
- Corporate & Other operating loss increased versus the prior year, primarily due to expense deleverage on lower Joybird delivered sales

Balance Sheet and Cash Flow, Fiscal 2026 Third Quarter:

- Ended the quarter with \$306 million in cash⁽³⁾ and no external debt
- Generated \$89 million in cash from operating activities, increasing 57% versus the third quarter of last fiscal year. Year to date, cash flow from operations was \$176 million, up 40% from last year's comparable period
- Invested \$18 million in capital expenditures, primarily related to La-Z-Boy stores (new stores and remodels), manufacturing-related investments, and spending related to our distribution and home delivery transformation
- Returned approximately \$24 million to shareholders, including \$10 million in dividends, and resumed more normalized share repurchases of \$14 million

Dividend:

On February 17, 2026, the Board of Directors declared a quarterly cash dividend of \$0.242 per share on the common stock of the company. The dividend will be paid on March 13, 2026, to shareholders of record on March 3, 2026.

Conference Call:

La-Z-Boy will hold a conference call with the investment community on Wednesday, February 18, 2026, at 8:30 a.m. ET. The toll-free dial-in number is (877) 545-0523; international callers may use (973) 528-0011. Enter Participant Access Code: 662097.

The call will be webcast live, with corresponding slides, and archived on the internet. It will be available at <https://lazboy.qcs-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 Replay Passcode: 53583. The webcast replay will be available for one year.

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About La-Z-Boy:

La-Z-Boy Incorporated (NYSE: LZB) is a leading vertically integrated retailer and manufacturer of high-quality, custom furniture that transforms the home. Founded on American heritage, the iconic La-Z-Boy brand has been synonymous with comfort, quality, and craftsmanship for nearly 100 years. As an end-to-end enterprise, the company manages every aspect of its business—from retail, manufacturing, and design to distribution and after-service care.

La-Z-Boy Incorporated brings timeless and modern furniture to life through a retail network of over 370 La-Z-Boy stores, including 226 company-owned locations, and its digital platform at La-Z-Boy.com. Within the Wholesale segment, the company manufactures comfortable, high quality, custom furniture, with approximately 90% of its products produced in North America. Its Joybird® brand is an omnichannel retailer and manufacturer of modern, custom upholstered furniture, operating 15 U.S. stores. With a global team of about 11,000 employees, La-Z-Boy Incorporated was named to TIME's 2026 list of America's Most Iconic Companies and Newsweek's 2025 list of America's Best Retailers, ranking No. 1 in the furniture category. The company continues to shape the way people live by delivering the transformational power of comfort.

Notes:

⁽¹⁾Adjusted amounts for the third quarter of Fiscal 2026 exclude:

- supply chain optimization charges, including severance costs related to the closure of the U.K. manufacturing operations totaling \$3.4 million pre-tax, or \$0.09 per diluted share
- business realignment gain related to the sale of the Casegoods headquarters building and related fixed assets, partially offset by inventory impairment charges on the upholstery portion of the Casegoods business totaling \$0.8 million pre-tax, or \$0.01 per diluted share
- purchase accounting charges related to acquisitions completed in the current and prior periods totaling \$0.8 million pre-tax,

or \$0.01 per diluted share, all included in operating income

- distribution transformation charges related to the distribution and home delivery project totaling \$0.1 million pre-tax, or less than \$0.01 per diluted share

Adjusted amounts for the third quarter of Fiscal 2025 exclude:

- purchase accounting charges related to acquisitions completed in prior periods totaling \$0.3 million pre-tax, or less than \$0.01 per diluted share, all included in operating income

Please refer to the accompanying “Reconciliation of GAAP to Adjusted Financial Measures” and “Reconciliation of GAAP to Adjusted Financial Measures: Segment Information” for detailed information on calculating the adjusted financial measures used in this press release and a reconciliation to the most directly comparable GAAP measure.

⁽²⁾This reference to **adjusted operating margin** for a future period is an adjusted financial measure. We have not provided a reconciliation of adjusted operating margin for future periods in this press release because such reconciliation cannot be provided without unreasonable efforts.

⁽³⁾**Cash** includes cash and cash equivalents.

Cautionary Note Regarding Forward-Looking Statements:

This news release contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Generally, forward-looking statements include information concerning expectations, projections or trends relating to our results of operations, financial results, financial condition, strategic initiatives and plans, acquisitions, divestitures, expenses, dividends, share repurchases, liquidity, use of cash and cash requirements, borrowing capacity, investments, future economic performance, and our business and industry.

The forward-looking statements in this press release are based on certain assumptions and currently available information and are subject to various risks and uncertainties, many of which are unforeseeable and beyond our control. Additional risks and uncertainties that we do not presently know about or that we currently consider to be immaterial may also affect our business operations and financial results. Our actual future results and trends may differ materially depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed in our Fiscal 2025 Annual Report on Form 10-K and other factors identified in our reports filed with the Securities and Exchange Commission (the “SEC”), available on the SEC’s website at www.sec.gov. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason.

Adjusted 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 adjusted financial measures. Management uses these adjusted financial measures when assessing our ongoing performance. This press release contains references to adjusted operating income (on a consolidated basis and by segment), adjusted operating margin (on a consolidated basis and by segment), and adjusted net income attributable to La-Z-Boy Incorporated per diluted share, adjusted diluted earnings per share (and components thereof, including adjusted income before income taxes and adjusted net income attributable to La-Z-Boy Incorporated), each of which may exclude, as applicable, distribution and home delivery transformation charges, business realignment charges or gains, supply chain optimization charges or gains, and purchase accounting charges. The distribution and home delivery transformation charges in Fiscal 2026 include accelerated lease expense, severance costs, and costs associated with exiting former distribution centers. The business realignment charges in Fiscal 2026 include a gain on sale of Casegoods headquarters building and related fixed assets and the impairment of casegoods inventory held for sale. The supply chain optimization charges in Fiscal 2026 include severance costs related to the closure of our U.K. manufacturing operations. The purchase accounting charges include the amortization of intangible assets and incremental expense upon the sale of inventory acquired at fair value. These adjusted 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 adjusted financial measures to the most directly comparable GAAP financial measures are set forth in the accompanying tables.

Management believes that presenting certain adjusted financial measures 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 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 and the success with which we operate the businesses acquired. 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. Similarly, distribution and home delivery transformation charges, business realignment charges, and supply chain optimization charges are dependent on the timing, size, number and nature of the operations being opened or closed, consolidated or centralized, and the charges may not be incurred on a predictable cycle. Management believes that exclusion of these items facilitates more consistent comparisons of the company’s operating results over time. Where applicable, the accompanying “Reconciliation of GAAP to Adjusted 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

| <u>(Unaudited, amounts in thousands, except per share data)</u> | <u>Quarter Ended</u> | | <u>Nine Months Ended</u> | |
|---|----------------------|------------------|--------------------------|------------------|
| | <u>1/24/2026</u> | <u>1/25/2025</u> | <u>1/24/2026</u> | <u>1/25/2025</u> |
| Sales | \$ 541,588 | \$ 521,777 | \$ 1,556,297 | \$ 1,538,336 |
| Cost of sales | 308,077 | 290,412 | 882,451 | 862,980 |

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Gross profit | 233,511 | 231,365 | 673,846 | 675,356 |
| Selling, general and administrative expense | <u>203,700</u> | <u>196,197</u> | <u>585,869</u> | <u>569,046</u> |
| Operating income | 29,811 | 35,168 | 87,977 | 106,310 |
| Interest expense | (159) | (102) | (389) | (411) |
| Interest income | 2,698 | 3,465 | 9,355 | 11,619 |
| Other income (expense), net | <u>(599)</u> | <u>97</u> | <u>(1,238)</u> | <u>(2,400)</u> |
| Income before income taxes | 31,751 | 38,628 | 95,705 | 115,118 |
| Income tax expense | <u>9,951</u> | <u>9,683</u> | <u>26,618</u> | <u>29,516</u> |
| Net income | 21,800 | 28,945 | 69,087 | 85,602 |
| Net (income) loss attributable to noncontrolling interests | <u>(150)</u> | <u>(516)</u> | <u>(375)</u> | <u>(977)</u> |
| Net income attributable to La-Z-Boy Incorporated | <u>\$ 21,650</u> | <u>\$ 28,429</u> | <u>\$ 68,712</u> | <u>\$ 84,625</u> |
| Basic weighted average common shares | 41,084 | 41,437 | 41,113 | 41,733 |
| Basic net income attributable to La-Z-Boy Incorporated per share | \$ 0.53 | \$ 0.69 | \$ 1.67 | \$ 2.03 |
| Diluted weighted average common shares | 41,485 | 42,103 | 41,524 | 42,380 |
| Diluted net income attributable to La-Z-Boy Incorporated per share | \$ 0.52 | \$ 0.68 | \$ 1.65 | \$ 2.00 |

**LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET**

| <i>(Unaudited, amounts in thousands, except par value)</i> | <u>1/24/2026</u> | <u>4/26/2025</u> |
|---|---------------------|---------------------|
| Current assets | | |
| Cash and equivalents | \$ 306,117 | \$ 328,449 |
| Receivables, net of allowance of \$4,875 at 1/24/2026 and \$5,042 at 4/26/2025 | 123,800 | 139,533 |
| Inventories, net | 235,051 | 255,285 |
| Assets held for sale | 35,904 | — |
| Other current assets | <u>107,823</u> | <u>82,421</u> |
| Total current assets | 808,695 | 805,688 |
| Property, plant and equipment, net | 340,421 | 339,212 |
| Goodwill | 263,259 | 205,590 |
| Other intangible assets, net | 77,776 | 51,161 |
| Deferred income taxes – long-term | 7,535 | 7,349 |
| Right of use lease asset | 525,107 | 452,848 |
| Other long-term assets, net | <u>64,170</u> | <u>60,314</u> |
| Total assets | <u>\$ 2,086,963</u> | <u>\$ 1,922,162</u> |
| Current liabilities | | |
| Accounts payable | \$ 117,943 | \$ 95,984 |
| Lease liabilities, short-term | 88,546 | 80,592 |
| Accrued expenses and other current liabilities | <u>281,014</u> | <u>244,215</u> |
| Total current liabilities | 487,503 | 420,791 |
| Lease liability, long-term | 479,920 | 410,265 |
| Other long-term liabilities | 64,386 | 59,130 |
| Shareholders' Equity | | |
| Preferred shares – 5,000 authorized; none issued | — | — |
| Common shares, \$1.00 par value – 150,000 authorized; 40,924 outstanding at 1/24/2026 and 41,164 outstanding at 4/26/2025 | 40,924 | 41,164 |
| Capital in excess of par value | 396,810 | 385,601 |
| Retained earnings | 606,864 | 597,432 |
| Accumulated other comprehensive loss | <u>(2,076)</u> | <u>(3,574)</u> |
| Total La-Z-Boy Incorporated shareholders' equity | 1,042,522 | 1,020,623 |
| Noncontrolling interests | <u>12,632</u> | <u>11,353</u> |
| Total equity | 1,055,154 | 1,031,976 |
| Total liabilities and equity | <u>\$ 2,086,963</u> | <u>\$ 1,922,162</u> |

**LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS**

| <i>(Unaudited, amounts in thousands)</i> | Nine Months Ended | |
|---|-------------------|------------|
| | 1/24/2026 | 1/25/2025 |
| Cash flows from operating activities | | |
| Net income | \$ 69,087 | \$ 85,602 |
| Adjustments to reconcile net income to cash provided by operating activities | | |
| (Gain)/loss on disposal and impairment of assets | 384 | 73 |
| (Gain)/loss on sale of investments | (282) | (199) |
| Provision for doubtful accounts | 111 | 518 |
| Depreciation and amortization | 35,624 | 35,020 |
| Amortization of right-of-use lease assets | 62,332 | 61,521 |
| Equity-based compensation expense | 11,745 | 13,428 |
| Change in deferred taxes | 3,143 | 2,134 |
| Change in receivables | 11,470 | 10,465 |
| Change in inventories | 7,939 | (21,726) |
| Change in other assets | (5,280) | (10,217) |
| Change in payables | 25,702 | 11,897 |
| Change in lease liabilities | (61,826) | (62,607) |
| Change in other liabilities | 15,541 | (640) |
| Net cash provided by operating activities | 175,690 | 125,269 |
| Cash flows from investing activities | | |
| Proceeds from disposals of assets | 4,822 | 188 |
| Capital expenditures | (56,737) | (51,538) |
| Purchases of investments | (822) | (6,783) |
| Proceeds from sales of investments | 1,421 | 11,715 |
| Acquisitions | (86,423) | (24,772) |
| Net cash used for investing activities | (137,739) | (71,190) |
| Cash flows from financing activities | | |
| Payments on finance lease liabilities | (702) | (442) |
| Payments for debt issuance costs | (784) | — |
| Stock issued for stock and employee benefit plans, net of shares withheld for taxes | (4,370) | 10,906 |
| Repurchases of common stock | (27,051) | (64,387) |
| Dividends paid to shareholders | (28,082) | (25,871) |
| Dividends paid to minority interest joint venture partners (1) | — | (1,414) |
| Net cash used for financing activities | (60,989) | (81,208) |
| Effect of exchange rate changes on cash and equivalents | 706 | 620 |
| Change in cash and cash equivalents | (22,332) | (26,509) |
| Cash and cash equivalents at beginning of period | 328,449 | 341,098 |
| Cash and cash equivalents at end of period | \$ 306,117 | \$ 314,589 |
| Supplemental disclosure of non-cash investing activities | | |
| Capital expenditures included in payables | \$ 3,297 | \$ 4,010 |

(1) Includes dividends paid to joint venture minority partners resulting from the repatriation of dividends from our foreign earnings that we no longer consider permanently reinvested.

LA-Z-BOY INCORPORATED SEGMENT INFORMATION

| <i>(Unaudited, amounts in thousands)</i> | Quarter Ended | | Year Ended | |
|--|---------------|------------|------------|------------|
| | 1/24/2026 | 1/25/2025 | 1/24/2026 | 1/25/2025 |
| Sales | | | | |
| Wholesale segment: | | | | |
| Sales to external customers | \$ 252,378 | \$ 255,028 | \$ 771,279 | \$ 770,031 |
| Intersegment sales | 114,214 | 107,970 | 317,709 | 307,764 |
| Wholesale segment sales | 366,592 | 362,998 | 1,088,988 | 1,077,795 |
| Retail segment sales | 251,934 | 227,667 | 681,127 | 651,601 |

| | | | | |
|--------------------------------|-------------------|-------------------|---------------------|---------------------|
| Corporate and Other: | | | | |
| Sales to external customers | 37,276 | 39,082 | 103,891 | 116,704 |
| Intersegment sales | 1,801 | 1,580 | 5,110 | 4,753 |
| Corporate and Other sales | <u>39,077</u> | <u>40,662</u> | <u>109,001</u> | <u>121,457</u> |
| Eliminations | <u>(116,015)</u> | <u>(109,550)</u> | <u>(322,819)</u> | <u>(312,517)</u> |
| Consolidated sales | <u>\$ 541,588</u> | <u>\$ 521,777</u> | <u>\$ 1,556,297</u> | <u>\$ 1,538,336</u> |
| Operating Income (Loss) | | | | |
| Wholesale segment | \$ 19,114 | \$ 23,565 | \$ 73,345 | \$ 72,093 |
| Retail segment | 26,522 | 24,457 | 63,463 | 73,003 |
| Corporate and Other | <u>(15,825)</u> | <u>(12,854)</u> | <u>(48,831)</u> | <u>(38,786)</u> |
| Consolidated operating income | <u>\$ 29,811</u> | <u>\$ 35,168</u> | <u>\$ 87,977</u> | <u>\$ 106,310</u> |

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

| <i>(Amounts in thousands, except per share data)</i> | <u>Quarter Ended</u> | | <u>Nine Months Ended</u> | |
|---|----------------------|-------------------|--------------------------|-------------------|
| | <u>1/24/2026</u> | <u>1/25/2025</u> | <u>1/24/2026</u> | <u>1/25/2025</u> |
| GAAP gross profit | \$ 233,511 | \$ 231,365 | \$ 673,846 | \$ 675,356 |
| Purchase accounting charges (1) | 552 | — | 552 | 140 |
| Business realignment charges (2) | 3,019 | — | 3,019 | — |
| Distribution transformation (3) | 141 | — | 2,218 | — |
| Supply chain optimization charges (4) | 3,420 | — | 3,420 | — |
| Adjusted gross profit | <u>\$ 240,643</u> | <u>\$ 231,365</u> | <u>\$ 683,055</u> | <u>\$ 675,496</u> |
| GAAP SG&A | \$ 203,700 | \$ 196,197 | \$ 585,869 | \$ 569,046 |
| Purchase accounting charges (5) | (200) | (254) | (599) | (765) |
| Business realignment gain (6) | 3,862 | — | 3,862 | — |
| Adjusted SG&A | <u>\$ 207,362</u> | <u>\$ 195,943</u> | <u>\$ 589,132</u> | <u>\$ 568,281</u> |
| GAAP operating income | \$ 29,811 | \$ 35,168 | \$ 87,977 | \$ 106,310 |
| Purchase accounting charges | 752 | 254 | 1,151 | 905 |
| Business realignment charges | (843) | — | (843) | — |
| Distribution transformation charges | 141 | — | 2,218 | — |
| Supply chain optimization charges | 3,420 | — | 3,420 | — |
| Adjusted operating income | <u>\$ 33,281</u> | <u>\$ 35,422</u> | <u>\$ 93,923</u> | <u>\$ 107,215</u> |
| GAAP income before income taxes | \$ 31,751 | \$ 38,628 | \$ 95,705 | \$ 115,118 |
| Purchase accounting charges | 752 | 254 | 1,151 | 905 |
| Business realignment charges | (843) | — | (843) | — |
| Distribution transformation charges | 141 | — | 2,218 | — |
| Supply chain optimization charges | 3,420 | — | 3,420 | — |
| Adjusted income before income taxes | <u>\$ 35,221</u> | <u>\$ 38,882</u> | <u>\$ 101,651</u> | <u>\$ 116,023</u> |
| GAAP net income attributable to La-Z-Boy Incorporated | \$ 21,650 | \$ 28,429 | \$ 68,712 | \$ 84,625 |
| Purchase accounting charges | 752 | 254 | 1,151 | 905 |
| Tax effect of purchase accounting | (235) | (64) | (320) | (232) |
| Business realignment charges | (843) | — | (843) | — |
| Tax effect of business realignment | 264 | — | 234 | — |
| Distribution transformation charges | 141 | — | 2,218 | — |
| Tax effect of distribution transformation | (45) | — | (617) | — |
| Supply chain optimization charges | 3,420 | — | 3,420 | — |
| Adjusted net income attributable to La-Z-Boy Incorporated | <u>\$ 25,104</u> | <u>\$ 28,619</u> | <u>\$ 73,955</u> | <u>\$ 85,298</u> |
| GAAP net income attributable to La-Z-Boy Incorporated per diluted share ("Diluted EPS") | \$ 0.52 | \$ 0.68 | \$ 1.65 | \$ 2.00 |
| Purchase accounting charges, net of tax, per share | 0.01 | — | 0.01 | 0.01 |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Business realignment charges, net of tax, per share | (0.01) | — | (0.01) | — |
| Distribution transformation charges, net of tax, per share | — | — | 0.04 | — |
| Supply chain optimization charges, net of tax, per share | 0.09 | — | 0.09 | — |
| Adjusted net income attributable to La-Z-Boy Incorporated per diluted share ("Diluted EPS") | <u>\$ 0.61</u> | <u>\$ 0.68</u> | <u>\$ 1.78</u> | <u>\$ 2.01</u> |

- (1) Includes incremental expense upon the sale of inventory acquired at fair value.
- (2) Impairment charge to adjust inventory held for sale to its fair value on the upholstery portion of our Caseloads business.
- (3) Includes accelerated lease expense, severance costs, and costs associated with exiting former distribution centers.
- (4) Includes severance costs related to closure of United Kingdom manufacturing operations.
- (5) Includes amortization of intangible assets.
- (6) Includes gain on sale of Caseloads headquarters building and related fixed assets.

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

| <i>(Amounts in thousands)</i> | Quarter Ended | | | | Nine Months Ended | | | |
|--|------------------|------------|------------------|------------|-------------------|------------|-------------------|------------|
| | 1/24/2026 | % of sales | 1/25/2025 | % of sales | 1/24/2026 | % of sales | 1/25/2025 | % of sales |
| GAAP operating income (loss) | | | | | | | | |
| Wholesale segment | \$ 19,114 | 5.2% | \$ 23,565 | 6.5% | \$ 73,345 | 6.7% | \$ 72,093 | 6.7% |
| Retail segment | 26,522 | 10.5% | 24,457 | 10.7% | 63,463 | 9.3% | 73,003 | 11.2% |
| Corporate and Other | (15,825) | N/M | (12,854) | N/M | (48,831) | N/M | (38,786) | N/M |
| Consolidated GAAP operating income | <u>\$ 29,811</u> | 5.5% | <u>\$ 35,168</u> | 6.7% | <u>\$ 87,977</u> | 5.7% | <u>\$ 106,310</u> | 6.9% |
| Adjusted items affecting operating income | | | | | | | | |
| Wholesale segment | \$ 2,718 | | \$ 55 | | \$ 4,795 | | \$ 166 | |
| Retail segment | 552 | | — | | 552 | | 140 | |
| Corporate and Other | 200 | | 199 | | 599 | | 599 | |
| Consolidated adjusted items affecting operating income | <u>\$ 3,470</u> | | <u>\$ 254</u> | | <u>\$ 5,946</u> | | <u>\$ 905</u> | |
| Adjusted operating income (loss) | | | | | | | | |
| Wholesale segment | \$ 21,832 | 6.0% | \$ 23,620 | 6.5% | \$ 78,140 | 7.2% | \$ 72,259 | 6.7% |
| Retail segment | 27,074 | 10.7% | 24,457 | 10.7% | 64,015 | 9.4% | 73,143 | 11.2% |
| Corporate and Other | (15,625) | N/M | (12,655) | N/M | (48,232) | N/M | (38,187) | N/M |
| Consolidated adjusted operating income | <u>\$ 33,281</u> | 6.1% | <u>\$ 35,422</u> | 6.8% | <u>\$ 93,923</u> | 6.0% | <u>\$ 107,215</u> | 7.0% |

N/M - Not Meaningful



Source: La-Z-Boy Incorporated