

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-1004

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

August 23, 2016

(Date of Report (Date of Earliest Event Reported))

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of
incorporation)

1-9656

(Commission
File Number)

38-0751137

(IRS Employer
Identification Number)

One La-Z-Boy Drive, Monroe, Michigan

(Address of principal executive offices)

48162-5138

(Zip Code)

Registrant's telephone number, including area code **(734) 242-1444**

None

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On August 23, 2016, La-Z-Boy Incorporated issued a news release to report the company's financial results for the first quarter ended July 30, 2016. A copy of the news release is attached to this current report on Form 8-K as Exhibit 99.1. Exhibit 99.2 contains unaudited financial data.

The information in Item 2.02 of this report and the related exhibits (Exhibits 99.1 and 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

- (d) The following exhibits are furnished as part of this report:

	<u>Description</u>
99.1	News Release Dated August 23, 2016
99.2	Unaudited financial schedules

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

Date: August 23, 2016

BY: /s/ Margaret L. Mueller
Margaret L. Mueller
Vice President of Finance



NEWS RELEASE

Contact: Kathy Liebmann

(734) 241-2438

kathy.liebmann@la-z-boy.com

LA-Z-BOY REPORTS FISCAL 2017 FIRST-QUARTER RESULTS

MONROE, Mich., August 23, 2016—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2017 first quarter ended July 30, 2016.

Fiscal 2017 first-quarter highlights:

- Consolidated operating income for the fiscal 2017 first quarter increased 9.0% to \$21.8 million, with consolidated operating margin increasing 60 basis points to 6.4% from 5.8% in the fiscal 2016 first quarter;
- Operating margin for the upholstery and casegoods segments increased versus the prior-year period;
- The company reported earnings per share of \$0.28 attributable to La-Z-Boy Incorporated versus \$0.27 in last year's first quarter;
- Cash flow from operations was \$34.1 million versus \$1.5 million in the fiscal 2016 first quarter;
- Same-store sales for the La-Z-Boy Furniture Galleries® network declined 1.9% versus an increase of 5.3% in last year's first quarter; and
- The company purchased more than 500,000 shares of stock in the open market.

Sales for the fiscal 2017 first quarter were \$340.8 million, compared with \$341.4 million in the prior year's first quarter. The company reported net income attributable to La-Z-Boy Incorporated of \$13.8 million, or \$0.28 per share, versus \$13.7 million, or \$0.27 per share, in last year's first quarter.

Kurt L. Darrow, Chairman, President and Chief Executive Officer, of La-Z-Boy, said, "Our manufacturing operations are running efficiently and when combined with other supply chain initiatives, we drove improved profitability for the fiscal 2017 first quarter, increasing consolidated operating margin to 6.4%. While we experienced flat sales for the quarter due to weaker demand at wholesale and inconsistent traffic throughout the La-Z-Boy Furniture Galleries® store system, we are in an excellent service position for both our dealers and the consumer as we approach the traditionally stronger fall selling season."

Wholesale Segments

For the fiscal 2017 first quarter, sales in the company's upholstery segment decreased 1.9% to \$267.4 million versus the prior year's first quarter. In the casegoods segment, sales for the fiscal 2017 first quarter were \$25.0 million, up 7.0% over last year's first quarter.

Darrow commented, "During the quarter, we achieved an 11.1% operating margin in the upholstery segment, some 200 basis points higher than in last year's comparable quarter. The main performance

drivers were improvements in procurement, plant efficiency and productivity, and we also benefitted from a slight shift in product mix. In our casegoods segment, the operating margin for the quarter was 8.6%, versus 7.2% in last year's comparable quarter, reflecting both improved volume, particularly as we gain traction with our newer more transitional collections, and operating efficiencies."

Darrow said, "As we move into the early fall, we are optimistic about the prospects for upholstery and casegoods collections introduced at the April Furniture Market in High Point, NC. In particular, the iClean™ fabric collection introduced for our La-Z-Boy product line and the AD Modern group from American Drew were received enthusiastically by our dealer base. These products will arrive on retail floors in September."

Retail Segment

For the fiscal 2017 first quarter, sales in the company's retail segment increased 10.5% to \$95.7 million versus the prior year's first quarter. On the core base of 108 stores included in last year's comparable quarter, delivered sales for the segment decreased 4.4%.

Darrow continued, "We continue to grow the company-owned base of La-Z-Boy Furniture Galleries® through new stores associated with our 4-4-5 store build-out strategy and acquisitions of stores owned by independent dealers. With a larger company-owned retail business, we will further benefit from the combined margin associated with our integrated retail strategy, where we earn an operating profit on both the wholesale and retail sides of the business with every piece of furniture sold through a company-owned store. In the first quarter, the company opened two stores, one in Midlothian, Virginia, and one in Canton, Ohio. Additionally, subsequent to quarter end, we bought four stores from an independent licensee — three in Calgary and one in Winnipeg — with the acquisitions representing the retail segment's first foray into Canada. Historically, in terms of sales, these four stores have been among the highest-performing throughout the La-Z-Boy Furniture Galleries® network and we expect them to contribute approximately \$25 million in sales on an annual basis to the company's retail segment."

Darrow stated, "Our operating margin declined from 5.5% to 2.3% for the quarter, due to lower delivered sales for our core stores and increased investments in our overall marketing spend, including a number of targeted test markets. While we did experience an up-lift in those markets, the remainder of the business did not meet our expectations for the quarter, given the additional spend. We will continue, as appropriate, to make long-term marketing investments in the segment and believe this will translate into increased sales and operating profit over time."

La-Z-Boy Furniture Galleries® Store Network

System-wide, for the first quarter of fiscal 2017, including company-owned and independent-licensed stores, same-store written sales, which the company tracks as an indicator of retail activity, were down 1.9% versus last year's first quarter, which experienced a 5.3% increase.

For the first quarter, total written sales, which include new and closed stores, increased 2.1% compared with the fiscal 2016 comparable period. At the end of the first quarter, the La-Z-Boy Furniture Galleries® store system was composed of 342 stand-alone stores, with 98 in the new concept design format.

Darrow commented, "For fiscal 2017, we are planning for approximately 30 projects, including 12 net new stores, as well as remodels and relocations that include changing out old-format stores into the new concept design format, which is performing at the highest level of our three store formats. During the first quarter, the La-Z-Boy Furniture Galleries® network opened five new stores, remodeled four,

relocated one and closed one. In the second quarter of fiscal 2017, we are planning for three new stores and two remodels throughout the network."

FISCAL 2017 PROJECTED* STORE ACTIVITY

	<u>Total FY16</u>	<u>New</u>	<u>Closed</u>	<u>Acquired</u>	<u>Total FY17</u>	<u>Remodel</u>	<u>Relocation</u>
Company-owned	124	8	(2)	5	135	3	—
Dealer-owned	214	9	(3)	(5)	215	6	3
Total	338	17	(5)	—	350	9	3

*Projects anticipated to be completed.

Balance Sheet and Cash Flow

During the quarter, the company generated \$34.1 million in cash from operating activities. La-Z-Boy ended the quarter with \$117.2 million in cash and cash equivalents, \$32.7 million in investments to enhance returns on cash, and \$9.0 million in restricted cash. During the quarter, the company had \$5.2 million in capital expenditures, paid \$4.9 million in dividends, and spent \$13.6 million purchasing 0.5 million shares of stock in the open market under its existing authorized share purchase program, with remaining authorization to purchase 3.5 million shares.

Business Outlook

Darrow concluded, "We are optimistic about our business for the long term and believe we are making the correct strategic investments to drive sales growth, profitability and returns to shareholders. In addition to the execution of our 4-4-5 store build-out strategy, we are working to increase other distribution channels, expand our share of the stationary upholstery category and capitalize on our integrated retail strategy through growing the number of stores owned by the company. At the same time, we are developing a number of new growth strategies to take us well into the future as we capitalize on our brand strength and efficient operating platform."

Conference Call

La-Z-Boy will hold a conference call with the investment community on Wednesday, August 24, 2016, at 8:30 a.m. eastern time. The toll-free dial-in number is 877.407.0778; international callers may use 201.689.8565.

The call will be webcast live, with corresponding slides, and archived on the Internet. It will be available at <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-calendar>. 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 877.660.6853 and to international callers at 201.612.7415. Enter Conference ID #13643410.

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) interest rate and currency exchange rate changes; (h) operating factors, such as supply, labor or distribution disruptions (e.g., port strikes); (i) changes in the domestic or international regulatory environment; (j) adoption of new accounting principles; (k) severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (l) our ability to procure fabric rolls and leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (m) information technology conversions or system failures and our ability to recover from a system failure; (n) effects of our brand awareness and marketing programs; (o) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (p) litigation arising out of alleged defects in our products; (q) unusual or significant litigation; (r) our ability to locate new La-Z-Boy Furniture Galleries® stores (or store owners) and negotiate favorable lease terms for new or existing locations; (s) the results of our restructuring actions; (t) the impact of potential goodwill or intangible asset impairments; and (u) those matters discussed in Item 1A of our fiscal 2016 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: <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-sec>. 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: <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-alerts&t=&id=&>.

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 127 of the 342 La-Z-Boy Furniture Galleries® stores.

The corporation's branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 342 stand-alone La-Z-Boy Furniture Galleries® stores and 551 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/>.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

(Unaudited, amounts in thousands, except per share data)	Quarter Ended	
	7/30/16	7/25/15
Sales	\$ 340,783	\$ 341,423
Cost of sales	207,252	217,191
Gross profit	133,531	124,232
Selling, general and administrative expense	111,763	104,266
Operating income	21,768	19,966
Interest expense	115	112
Interest income	204	205
Other income (expense), net	(72)	1,968
Income before income taxes	21,785	22,027
Income tax expense	7,777	7,904
Net income	14,008	14,123
Net income attributable to noncontrolling interests	(202)	(447)
Net income attributable to La-Z-Boy Incorporated	\$ 13,806	\$ 13,676
Basic weighted average common shares	49,105	50,583
Basic net income attributable to La-Z-Boy Incorporated per share	\$ 0.28	\$ 0.27
Diluted weighted average common shares	49,594	51,043
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.28	\$ 0.27
Dividends declared per share	\$ 0.10	\$ 0.08

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET

(Unaudited, amounts in thousands, except par value)	7/30/16	4/30/16
Current assets		
Cash and equivalents	\$ 117,159	\$ 112,358
Restricted cash	8,983	8,977
Receivables, net of allowance of \$3,070 at 7/30/16 and \$3,145 at 4/30/16	128,959	146,545
Inventories, net	176,190	175,589
Other current assets	39,082	38,503
Total current assets	470,373	481,972
Property, plant and equipment, net	170,835	171,590
Goodwill	41,152	37,193
Other intangible assets	9,008	8,558
Deferred income taxes — long-term	42,612	41,683
Other long-term assets, net	64,089	59,033
Total assets	\$ 798,069	\$ 800,029
Current liabilities		
Current portion of long-term debt	\$ 266	\$ 290
Accounts payable	45,064	44,661
Accrued expenses and other current liabilities	106,513	112,476
Total current liabilities	151,843	157,427
Long-term debt	448	513
Other long-term liabilities	87,550	84,877
Contingencies and commitments	—	—
Shareholders' equity		
Preferred shares — 5,000 authorized; none issued	—	—
Common shares, \$1 par value — 150,000 authorized; 49,169 outstanding at 7/30/16 and 49,331 outstanding at 4/30/16	49,169	49,331
Capital in excess of par value	283,980	279,339
Retained earnings	248,636	252,472
Accumulated other comprehensive loss	(33,801)	(34,000)
Total La-Z-Boy Incorporated shareholders' equity	547,984	547,142
Noncontrolling interests	10,244	10,070
Total equity	558,228	557,212
Total liabilities and equity	\$ 798,069	\$ 800,029

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, amounts in thousands)	Quarter Ended	
	7/30/16	7/25/15
Cash flows from operating activities		
Net income	\$ 14,008	\$ 14,123
Adjustments to reconcile net income to cash provided by (used for) operating activities		
Deferred income tax expense	(1,076)	148
Provision for doubtful accounts	(77)	(340)
Depreciation and amortization	6,800	6,271
Equity-based compensation expense	3,329	3,012
Change in receivables	17,664	24,610
Change in inventories	510	(22,159)
Change in other assets	(1,467)	(6,933)
Change in payables	403	2,021
Change in other liabilities	(6,044)	(19,223)
Net cash provided by operating activities	34,050	1,530
Cash flows from investing activities		
Proceeds from disposal of assets	35	279
Capital expenditures	(5,209)	(6,506)
Purchases of investments	(7,695)	(5,422)
Proceeds from sales of investments	3,670	12,983
Acquisitions, net of cash acquired	(5,281)	—
Change in restricted cash	(7)	—
Net cash (used for) provided by investing activities	(14,487)	1,334
Cash flows from financing activities		
Payments on debt	(89)	(122)
Stock issued for stock and employee benefit plans	2,564	145
Excess tax benefit on stock option exercises	1,137	363
Purchases of common stock	(13,567)	(9,171)
Dividends paid	(4,923)	(4,055)
Net cash used for financing activities	(14,878)	(12,840)
Effect of exchange rate changes on cash and equivalents	116	(807)
Change in cash and equivalents	4,801	(10,783)
Cash and equivalents at beginning of period	112,358	98,302
Cash and equivalents at end of period	\$ 117,159	\$ 87,519
Supplemental disclosure of non-cash investing activities		
Capital expenditures included in payables	\$ —	\$ 500

**LA-Z-BOY INCORPORATED
SEGMENT INFORMATION**

(Unaudited, amounts in thousands)	Quarter Ended	
	7/30/16	7/25/15
Sales		
Upholstery segment:		
Sales to external customers	\$ 223,809	\$ 232,484
Intersegment sales	43,607	40,192
Upholstery segment sales	267,416	272,676
Casegoods segment:		
Sales to external customers	20,585	21,202
Intersegment sales	4,453	2,191
Casegoods segment sales	25,038	23,393
Retail segment sales	95,720	86,651
Corporate and Other:		
Sales to external customers	669	1,086
Intersegment sales	1,210	516
Corporate and Other sales	1,879	1,602
Eliminations	(49,270)	(42,899)
Consolidated sales	\$ 340,783	\$ 341,423
Operating Income (Loss)		
Upholstery segment	\$ 29,809	\$ 24,594
Casegoods segment	2,147	1,690
Retail segment	2,183	4,729
Corporate and Other	(12,371)	(11,047)

Consolidated operating income

\$ 21,768

\$ 19,966
