

**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

November 29, 2017

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

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

**MICHIGAN**

**1-9656**

**38-0751137**

(State or other jurisdiction of  
incorporation)

(Commission  
File Number)

(IRS Employer  
Identification Number)

**One La-Z-Boy Drive, Monroe, Michigan**

**48162-5138**

(Address of principal executive offices)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition**

On November 29, 2017, La-Z-Boy Incorporated issued a news release to report the company's financial results for the second quarter ended October 28, 2017. 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:

Description

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99.1 News Release Dated November 29, 2017  
99.2 Unaudited financial schedules

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">News Release Dated November 29, 2017</a>
99.2	<a href="#">Unaudited financial schedules</a>

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**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: November 29, 2017

BY: /s/ Lindsay A. Barnes

\_\_\_\_\_  
Lindsay A. Barnes  
Vice President, Corporate Controller and Chief  
Accounting Officer

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## NEWS RELEASE

Contact: Kathy Liebmann

(734) 241-2438

[kathy.liebmann@la-z-boy.com](mailto:kathy.liebmann@la-z-boy.com)

### **LA-Z-BOY REPORTS FISCAL 2018 SECOND-QUARTER RESULTS**

#### **Increases Quarterly Dividend**

MONROE, Mich., Nov. 29, 2017—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2018 second quarter ended October 28, 2017.

- Consolidated sales increased 4.4% to \$393.2 million versus \$376.6 million in last year's second quarter;
- Same-store written sales for the La-Z-Boy Furniture Galleries® network increased 1.9%;
- Cash flow from operations was \$31.7 million;
- The company returned \$24.5 million to shareholders through dividends and share purchases; and
- Earnings per diluted share for the quarter increased 11.9% to \$0.47.

Sales for the fiscal 2018 second quarter were \$393.2 million, up 4.4% compared with the prior year's second quarter. Operating margin was 8.7% in the second quarter of fiscal 2017, down slightly from 9.0% in the second quarter of fiscal 2017. The company reported net income attributable to La-Z-Boy Incorporated of \$22.9 million, or \$0.47 per diluted share, which included a \$0.03 per share benefit for a discrete tax item, versus \$20.8 million, or \$0.42 per diluted share, in last year's second quarter.

Sales in the company's upholstery segment increased 3.0% to \$304.8 million and the operating margin declined to 11.0% from 12.9% in last year's second quarter. In the casegoods segment, sales increased 8.4% to \$28.1 million and the operating margin increased to 11.8% from 11.0%. Sales in the retail segment increased 8.7% to \$116.7 million for the second quarter and the segment's operating margin increased to 3.3% from 2.8% in the prior-year period. On the core base of 130 stores included in last year's second quarter, delivered sales declined 1.3% versus the prior year.

Kurt L. Darrow, Chairman, President and Chief Executive Officer of La-Z-Boy, said, "We are pleased with our performance, particularly given the multiple external factors that influenced the quarter, including the hurricanes, northern California wildfires and raw material pricing pressure, and are encouraged by the prospects for our business. The La-Z-Boy Furniture Galleries® store network posted its third consecutive quarterly written same-store sales increase. This bodes well as we move into the back half of our fiscal year which is a seasonally stronger sales period and where we will be able to maximize our supply chain efficiencies with additional volume. For the quarter, the hurricanes and fires had a negative effect on our sales of approximately 1%, which equated to about a \$0.01 per diluted share

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reduction in earnings. With respect to our operating margin, our cost reduction efforts and the timing of our price increases did not enable us to stay ahead of inflationary pressures we experienced for our three core raw material components of steel, poly and lumber. We have passed these costs through with an across-the-board price increase that will go into effect in December, and expect it to offset the raw material price pressure by the beginning of the calendar year."

Darrow added, "Our casegoods business continues to post markedly improved performance, driven by an enhanced product line that features on-trend collections at compelling price points. This, combined with a 95% in-stock position on our best sellers and quick shipping, has enabled us to expand our floor space with many key retailers. In our retail segment, we opened two new La-Z-Boy Furniture Galleries® stores during the quarter as part of our 4-4-5 store build out strategy, including the network's 350<sup>th</sup> store in Rockford, Illinois. For the quarter, the retail segment's operating margin improved, resulting from an increase in the average ticket that was driven primarily by increased design services and custom orders."

Darrow continued, "Our team remains focused on driving organic growth through our independent dealers, the La-Z-Boy Furniture Galleries® store network, and on-line sales. We continue to make investments in the upholstery segment, with four capital projects underway to bring excellent products and services to market and provide consumers with the quality furniture, excellent shopping experience and the speed-to-market advantage they expect from La-Z-Boy. With innovation at our core and expected to be a key driving force of our continued growth, earlier this month we launched a comprehensive and integrated North American marketing campaign to support our new duo™ product line. At the same time, we are excited to be in the midst of launching a multi-faceted e-

commerce strategy to capture an additional group of consumers. With these initiatives, our world-class global supply chain will play a key role in garnering a competitive advantage for us to improve our profitability and continue to provide returns to shareholders.”

### **FISCAL 2018 PROJECTED\* STORE ACTIVITY**

	<b><u>Total FY17</u></b>	<b><u>New</u></b>	<b><u>Closed</u></b>	<b><u>Acquired</u></b>	<b><u>Total FY18</u></b>	<b><u>Remodel</u></b>	<b><u>Relocation</u></b>
Company-owned	143	7	(3)	1	148	-	-
Dealer-owned	<u>204</u>	<u>6</u>	(3)	(1)	<u>206</u>	<u>7</u>	<u>5</u>
Total	347	13	(6)	-	354	7	5

\*Projects anticipated to be completed.

### **Balance Sheet and Cash Flow**

During the quarter, the company generated \$31.7 million in cash from operating activities. La-Z-Boy ended the quarter with \$122.3 million in cash and cash equivalents, \$35.3 million in investments to enhance returns on cash, and \$2.4 million in restricted cash. During the quarter, the company had \$7.2 million in capital expenditures, paid \$5.3 million in dividends, and spent \$19.2 million purchasing 0.7 million shares of stock in the open market under its existing authorized share purchase program, leaving 7.6 million shares of purchase availability in the program.

### **Dividend**

Subsequent to quarter end, the board of directors increased the company’s regular quarterly dividend to shareholders by 9% to \$0.12 per share. The dividend will be paid on December 20, 2017, to shareholders of record as of December 11, 2017.

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### **Conference Call**

La-Z-Boy will hold a conference call with the investment community on Thursday, November 30, 2017, 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 <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 #10437.

### **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) operating factors, such as supply, labor or distribution disruptions (e.g. port strikes); (i) changes in legislation, including the tax code, or changes in the domestic or international regulatory environment (including new or increased duties); (j) adoption of new accounting principles; (k) fires, severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (l) our ability to procure or transport fabric rolls, 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 ability to increase volume through our e-commerce initiatives; (t) the impact of potential goodwill or intangible asset impairments; and (u) those matters discussed in Item 1A of our fiscal 2017 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/>.

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## **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 147 of the 350 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 350 stand-alone La-Z-Boy Furniture Galleries® stores and 547 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/>.

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**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**

<i>(Unaudited, amounts in thousands, except per share data)</i>	Quarter Ended	
	10/28/17	10/29/16
Sales	\$393,205	\$376,579
Cost of sales	238,253	227,195
Gross profit	154,952	149,384
Selling, general and administrative expense	120,683	115,526
Operating income	34,269	33,858
Interest expense	160	117
Interest income	376	234
Other income (expense), net	(926)	(969)
Income before income taxes	33,559	33,006
Income tax expense	10,353	11,901
Net income	23,206	21,105
Net income attributable to noncontrolling interests	(310)	(272)
Net income attributable to La-Z-Boy Incorporated	\$22,896	\$20,833
Basic weighted average common shares	47,964	49,153
Basic net income attributable to La-Z-Boy Incorporated per share	\$0.47	\$0.42
Diluted weighted average common shares	48,297	49,511
Diluted net income attributable to La-Z-Boy Incorporated per share	\$0.47	\$0.42
Dividends declared per share	\$0.11	\$0.10

**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**

<i>(Unaudited, amounts in thousands, except per share data)</i>	Six Months Ended	
	10/28/17	10/29/16
Sales	\$750,284	\$717,362
Cost of sales	456,229	433,757
Gross profit	294,055	283,605
Selling, general and administrative expense	243,488	227,289
Operating income	50,567	56,316
Interest expense	317	232
Interest income	719	438
Gain on conversion of investment	2,204	—
Other income (expense), net	(1,381)	(1,731)
Income before income taxes	51,792	54,791
Income tax expense	16,842	19,678
Net income	34,950	35,113
Net income attributable to noncontrolling interests	(403)	(474)
Net income attributable to La-Z-Boy Incorporated	\$34,547	\$34,639
Basic weighted average common shares	48,160	49,129
Basic net income attributable to La-Z-Boy Incorporated per share	\$0.71	\$0.70
Diluted weighted average common shares	48,537	49,554
Diluted net income attributable to La-Z-Boy Incorporated per share	\$0.71	\$0.70
Dividends declared per share	\$0.22	\$0.20

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

<i>(Unaudited, amounts in thousands, except par value)</i>	10/28/17	4/29/17
Current assets		
Cash and equivalents	\$122,345	\$141,860
Restricted cash	2,352	8,999

Receivables, net of allowance of \$2,656 at 10/28/17 and \$2,563 at 4/29/17	145,167	150,846
Inventories, net	180,050	175,114
Other current assets	46,201	40,603
Total current assets	496,115	517,422
Property, plant and equipment, net	171,510	169,132
Goodwill	74,646	74,245
Other intangible assets, net	17,984	18,489
Deferred income taxes – long-term	40,097	40,131
Other long-term assets, net	81,191	69,436
Total assets	<u>\$881,543</u>	<u>\$888,855</u>
Current liabilities		
Current portion of long-term debt	\$238	\$219
Accounts payable	53,426	51,282
Accrued expenses and other current liabilities	133,257	147,175
Total current liabilities	186,921	198,676
Long-term debt	314	296
Other long-term liabilities	89,950	88,778
Contingencies and commitments		
Shareholders' equity		
Preferred shares – 5,000 authorized; none issued	—	—
Common shares, \$1 par value – 150,000 authorized; 47,540 outstanding at 10/28/17 and 48,472 outstanding at 4/29/17	47,540	48,472
Capital in excess of par value	295,891	289,632
Retained earnings	279,344	284,698
Accumulated other comprehensive loss	(30,511)	(32,883)
Total La-Z-Boy Incorporated shareholders' equity	592,264	589,919
Noncontrolling interests	12,094	11,186
Total equity	604,358	601,105
Total liabilities and equity	<u>\$881,543</u>	<u>\$888,855</u>

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

<i>(Unaudited, amounts in thousands)</i>	<b>Six Months Ended</b>	
	<b>10/28/17</b>	<b>10/29/16</b>
Cash flows from operating activities		
Net income	\$34,950	\$35,113
Adjustments to reconcile net income to cash provided by (used for) operating activities		
Gain on disposal of assets	(1,884)	(62)
Gain on conversion of investment	(2,204)	—
Deferred income tax expense	(403)	1,089
Provision for doubtful accounts	74	(18)
Depreciation and amortization	15,869	13,999
Equity-based compensation expense	6,410	5,880
Pension plan contributions	(2,000)	(2,300)
Change in receivables	6,165	784
Change in inventories	(4,096)	(3,747)
Change in other assets	(7,935)	(1,806)
Change in payables	2,136	1,549
Change in other liabilities	4,142	3,622
Net cash provided by operating activities	<u>51,224</u>	<u>54,103</u>
Cash flows from investing activities		
Proceeds from disposals of assets	608	143
Proceeds from property insurance	1,485	—
Capital expenditures	(16,372)	(10,226)
Purchases of investments	(18,507)	(17,814)
Proceeds from sales of investments	11,529	9,757
Acquisitions, net of cash acquired	(15,879)	(15,997)
Net cash used for investing activities	<u>(37,136)</u>	<u>(34,137)</u>
Cash flows from financing activities		
Payments on debt	(131)	(156)
Stock issued for stock and employee benefit plans, net of shares withheld for taxes	356	1,371

Excess tax benefit on stock option exercises	—	1,826
Purchases of common stock	(30,692)	(19,766)
Dividends paid	(10,648)	(9,869)
Net cash used for financing activities	(41,115)	(26,594)
Effect of exchange rate changes on cash and equivalents	865	(149)
Change in cash, cash equivalents and restricted cash	(26,162)	(6,777)
Cash, cash equivalents and restricted cash at beginning of period	150,859	121,335
Cash, cash equivalents and restricted cash at end of period	<u>\$124,697</u>	<u>\$114,558</u>
Supplemental disclosure of non-cash investing activities capital expenditures included in payables	\$1,631	\$681

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

<i>(Unaudited, amounts in thousands)</i>	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>10/28/17</u>	<u>10/29/16</u>	<u>10/28/17</u>	<u>10/29/16</u>
<b>Sales</b>				
Upholstery segment:				
Sales to external customers	\$251,741	\$244,898	\$476,555	\$468,707
Intersegment sales	53,020	50,891	102,613	94,498
Upholstery segment sales	<u>304,761</u>	<u>295,789</u>	<u>579,168</u>	<u>563,205</u>
Casegoods segment:				
Sales to external customers	23,915	23,567	44,934	44,152
Intersegment sales	4,150	2,321	8,641	6,774
Casegoods segment sales	<u>28,065</u>	<u>25,888</u>	<u>53,575</u>	<u>50,926</u>
Retail segment sales	116,737	107,365	227,253	203,085
Corporate and Other:				
Sales to external customers	812	749	1,542	1,418
Intersegment sales	2,091	1,563	4,021	2,773
Corporate and Other sales	<u>2,903</u>	<u>2,312</u>	<u>5,563</u>	<u>4,191</u>
Eliminations	(59,261)	(54,775)	(115,275)	(104,045)
Consolidated sales	<u>\$393,205</u>	<u>\$376,579</u>	<u>\$750,284</u>	<u>\$717,362</u>
<b>Operating Income (Loss)</b>				
Upholstery segment	\$33,424	\$38,220	\$56,723	\$68,719
Casegoods segment	3,302	2,847	6,041	4,994
Retail segment	3,903	3,007	5,670	5,190
Corporate and Other	(6,360)	(10,216)	(17,867)	(22,587)
Consolidated operating income	<u>\$34,269</u>	<u>\$33,858</u>	<u>\$50,567</u>	<u>\$56,316</u>