



L A  B O Y®

Winning in Unprecedented Times;
Building for Future Growth

March 2021



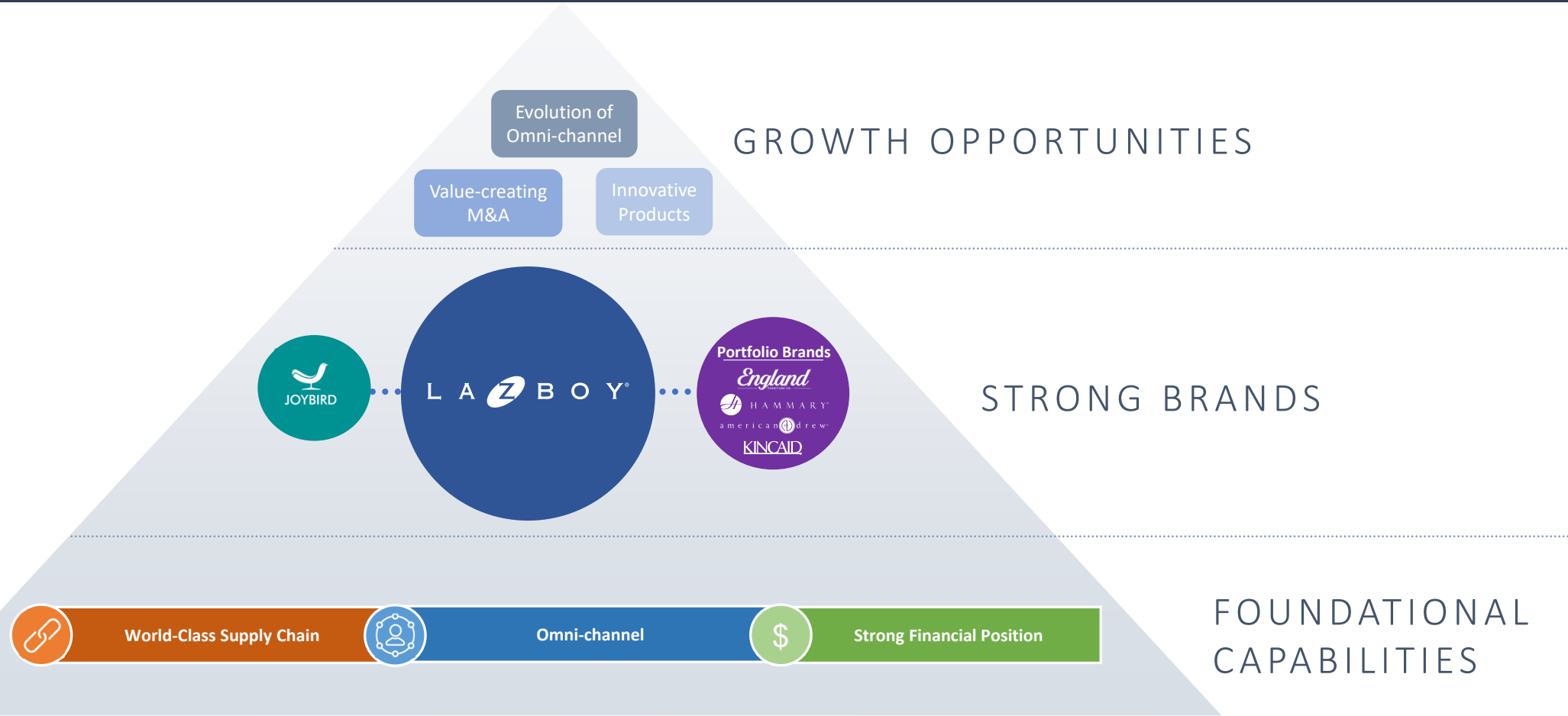
Forward-Looking Disclaimer

- This presentation contains statements that relate directly or indirectly to our future business, events or financial performance that may constitute forward-looking statements.
- In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of La-Z-Boy management, of which many are beyond the control of the company. These statements are subject to a number of risks and uncertainties, including those described in our Annual Report on Form 10-K.
- Actual results, performance or achievements of La-Z-Boy may vary materially from those described explicitly or implicitly in any forward-looking statement.
- The reconciliation of certain Non-GAAP measures in this presentation to the most directly comparable GAAP financial measure may be found at the end of the presentation.

Today's La-Z-Boy: Sophisticated, Stylish and On-trend



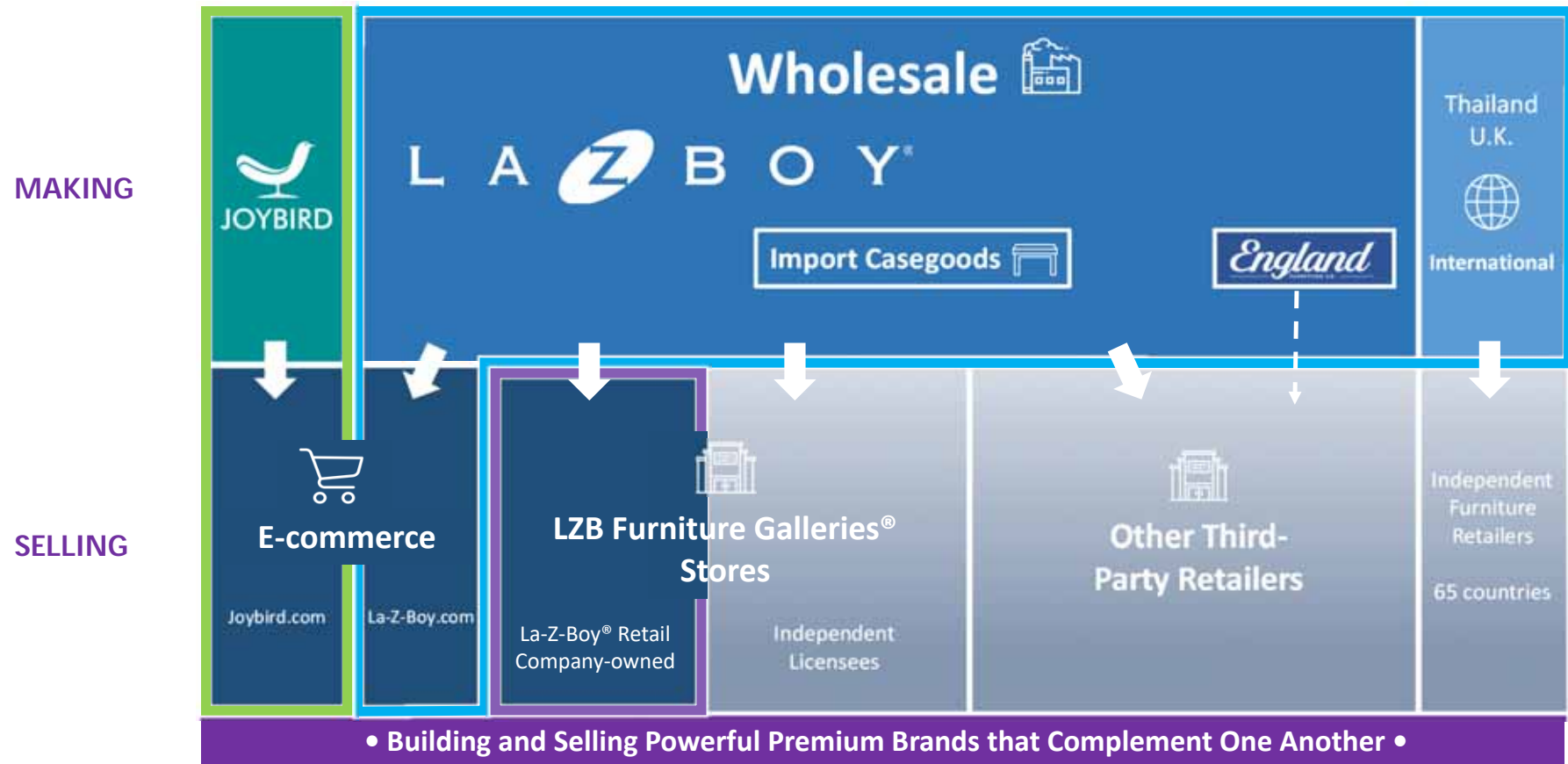
Winning in Unprecedented Times; Building for Future Growth



Consistent Returns to Shareholders

Circles represent relative size (not 100% to scale)

The LZB Enterprise



Legend

- Wholesale Segment
- Retail Segment
- Joybird included in Corporate/other

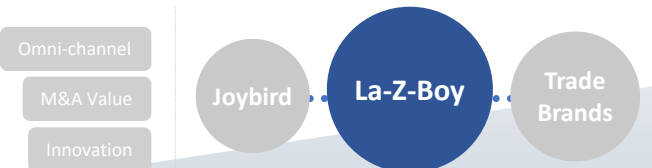
Approximately 95% of sales in North America; capitalizing on U.S.-centric supply chain

Relative revenue representation (not 100% to scale)

The La-Z-Boy Brand

- One of the most recognized brands in \$115 billion industry
- Second-largest manufacturer/distributor of residential furniture in the U.S.*
- Strong core attributes built over 90+ years
- *Live Life Comfortably*® brand platform
 - Full line of on-trend stationary furniture
 - Enhanced by La-Z-Boy Furniture Galleries® store experience
 - Brand ambassador Kristen Bell
 - Increase in consumer recognition/sentiment
 - La-Z-Boy “fits my style” and “is for people like me”

*Furniture Today, May 2020

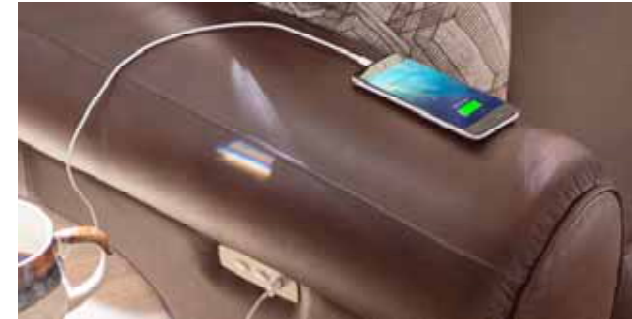


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La-Z-Boy Brand – Supply Chain

- Efficient, cost-effective and expanding
 - Three U.S. assembly plants
 - Two plants in Mexico
 - Cut-and-Sew Center
 - supplies two thirds of fabric/leather kits
 - now assembling fully upholstered product
 - New upholstery assembly plant in San Luis Rio Colorado
 - Seven U.S. regional distribution centers
 - Asian-sourced component parts
- Unmatched customization - scale and speed*
- Legacy of innovation

*Outside of COVID-19 environment



L A **Z** B O Y®

La-Z-Boy Brand – Omni-channel

... facilitating a seamless cross-channel experience

- La-Z-Boy Furniture Galleries® Network
 - Vibrant and growing: 350+ stores
 - Approximately half of La-Z-Boy branded business
 - Preferred shopping venue for LZB core consumer
 - Research online; buy in store – meet the consumer wherever she wants
 - Design services offer strongest consumer proposition
 - Increasing ownership of galleries (approx. 45%)
 - Integrated operating margin
 - Seattle acquisition September 2020 – six stores
 - Increasing investment in store system with >20 projects per year



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La-Z-Boy Brand – Omni-channel (cont.)

... facilitating a seamless cross-channel experience

- E-Commerce expansion
 - La-Z-Boy.com – enhancing capabilities
 - Primary customer research tool; drives traffic to stores
 - Augmented Reality, Virtual Reality and Visual Search
 - Lead source for free Design Services
 - Steady growth on Wayfair
- Other third-party distribution in North America
 - 2,300 dealers outside the La-Z-Boy Furniture Galleries® network
 - Includes 563 Comfort Studio® locations
- Growing business with QVC and HSN



L A **Z** B O Y®



La-Z-Boy Brand – International

- Global appeal – sold in about 65 countries
 - Significant presence in Canada and U.K.
 - Growing business in China with about 375 stores through licensing arrangement with KUKA
- Manufacturing
 - JV in Thailand
 - Contract and licensing arrangements in multiple countries



L A **Z** B O Y®



Joybird – Omni-channel

... facilitating a seamless cross-channel experience

- Premier e-commerce retailer and upholstery manufacturer
 - Direct-to-consumer model
 - Custom mid-century modern furniture
- Expanding retail store footprint
 - Brooklyn, Chicago, and DC
 - Exploring other key markets
- Supply chain synergies
 - Manufactured primarily in Tijuana, Mexico
 - Most popular styles manufactured at LZB Dayton, TN plant
 - Leveraging La-Z-Boy nationwide distribution capabilities
 - Raw material procurement



Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade
Brands

L A Z B O Y®

Powerhouse Trade Brands

- **England**
 - Unique manufacturing and shipping model; unparalleled in industry
 - Custom furniture in 21 days or less*
 - Proprietary logistics system
 - Expanding business across the U.S.
- **Casegoods**
 - Three brands: American Drew, Hammary and Kincaid
 - All-import model; primarily from Vietnam
 - Leverages global supply chain
 - On-trend collections
- **Sales to approximately 1,650 dealers across North America**
 - Proprietary distribution through in-store galleries
 - England 436
 - Kincaid 182
 - Online distribution through Wayfair

*Outside of COVID-19 environment



L A **Z** B O Y®

Growth



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Driving Profitable Growth

UNPRECEDENTED TIMES

BRAND STRENGTH

- Strong written orders
- Record backlog

SUPPLY CHAIN EXPANSION – flexible and agile

- U.S.
 - Additional shifts/Overtime
 - Temporary re-start of Newton, MS plant
- Mexico
 - Manufacturing cells added at Cut-and-Sew Center
 - New assembly plant in San Luis Rio Colorado

BUILDING FOR LONG-TERM GROWTH

INVEST IN THE BUSINESS

- Supply Chain
 - Neosho, Missouri plant
 - San Luis Rio Colorado plant
- Omni-channel
 - E-commerce opportunities
 - Retail – new stores, relocations, remodels
- M&A opportunities
 - Independent La-Z-Boy Furniture Galleries® stores
 - Value-creating transactions
- Internal capabilities
 - IT across organization; La-Z-Boy.com



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Financial Strength



History of Strong Financial Performance

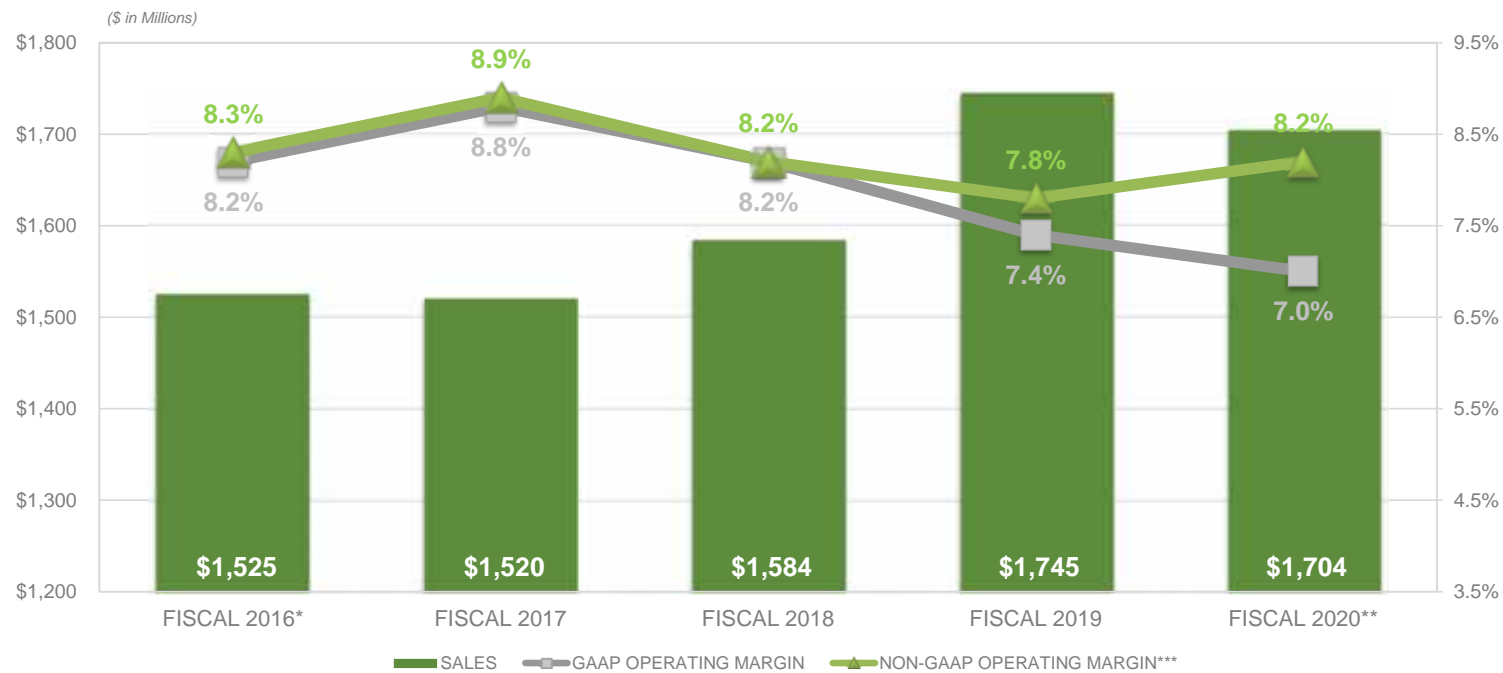
Financial Strength in Unprecedented Times

- Weathering the short term; building for the long term
 - COVID-19 Action Plan – March 2020
 - Managing the business conservatively in the near term
 - Building resources to invest in growth out of the pandemic
 - Strong cash position: \$393 million as of FY21 Q3
- Capital Allocation Policy
 - Invest in business to drive long-term growth
 - Supply chain capabilities
 - Retail stores
 - IT Systems
 - Targeted and synergistic M&A
 - Returns to shareholders
 - Reinstated and increased dividend
 - Reinstated share repurchase program



L A Z B O Y®

CREATE AND RETURN VALUE: 5-YEAR SALES AND OPERATING MARGIN



*Fiscal 2016 includes 53 weeks, while all other years include 52 weeks. The one additional week in fiscal 2016 resulted in approximately \$29 million of additional sales based on the average weekly sales for the year.

** Fiscal 2020 reflects two months of dramatic impact from **COVID-19**

*** See Reconciliation of GAAP to Non-GAAP Financial Measures in Appendix

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade Brands



Supply Chain



Omni-channel



Strong Financial Position

LA-Z-BOY®

CREATE AND RETURN VALUE: STRONG BALANCE SHEET



* Fiscal 2018 debt is \$422k

** Fiscal 2019 debt is \$199k

*** Fiscal 2020 debt reflects proactive draw on credit facility to enhance liquidity in response to COVID-19

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade Brands



Supply Chain



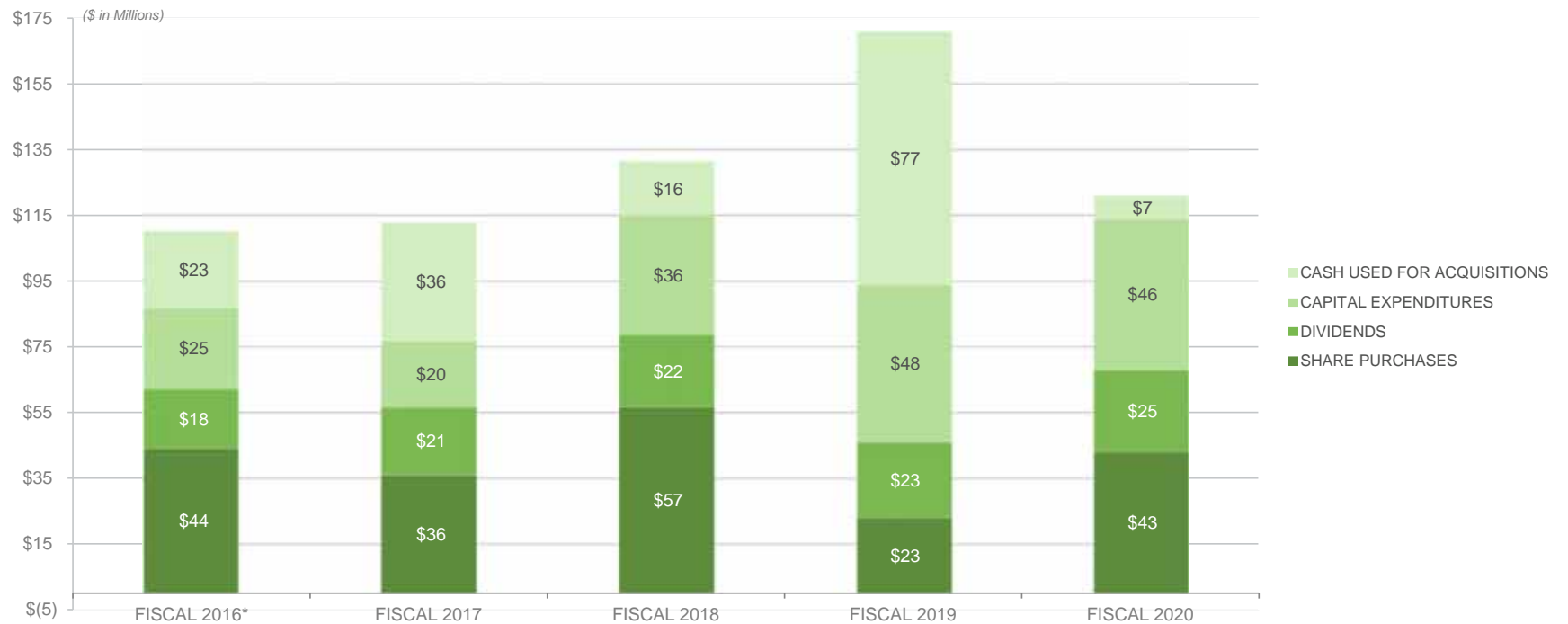
Omni-channel



Strong Financial Position

LA Z BOY®

CAPITAL ALLOCATION: BUSINESS INVESTMENTS AND RETURNS TO SHAREHOLDERS



*Fiscal 2016 includes 53 weeks, while all other years include 52 weeks.

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade
Brands



Supply Chain



Omni-channel



Strong Financial Position

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ESG



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ESG Highlights

• Environmental

- Committed to reducing environmental footprint and caring for the communities in which we operate
- Developing products with a sustainability focus

• Social

- Commitment to Human Capital Management, iC4 values and safety
- Support local communities through volunteer work and donations

• Governance

- Ongoing Board refreshment
- 9 out of 10 directors independent; 40% gender diversity
- Ongoing evaluation of corporate governance practices



For more information on ESG, please visit La-Z-Boy's Sustainability pages at <https://www.la-z-boy.com/content/AboutLaZBoy/corporate-commitment>

L A  B O Y®

Financials: Fiscal 2021 Q3



Fiscal 2021 Third Quarter *(\$ in millions)*



- Strong written trends; record backlog
- Non-GAAP consolidated operating margin of 9.5%
- Joybird delivers second profitable quarter
- Strong cash generation
- COVID-19 impacts



Written SSS — LZB Furniture Galleries® Stores



- Written same-store sales across La-Z-Boy Furniture Galleries® Network:
 - FY21 Q3 +6.3%
 - FY21 Q3 Ex Canada +8.2%
 - Calendar 2020 +6%; average store revenue increased to \$4.4 million

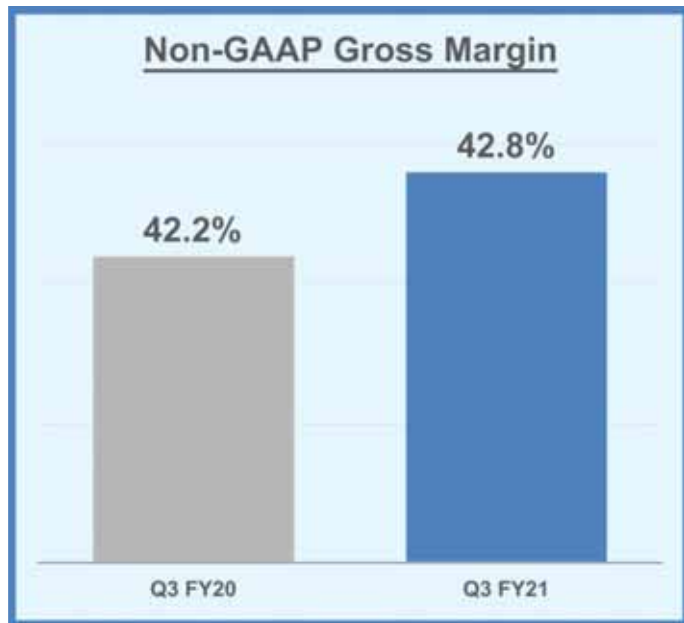
Q3 FY21 Business Results *(\$ in millions)*



Q3 FY21 Financial Snapshot *(\$ in millions, except per share data)*



Gross Margin and SG&A



+60 basis points

- Change in consolidated sales mix
- Improved performance at Joybird



+50 basis points

- Change in consolidated sales mix



Non-GAAP Presentation

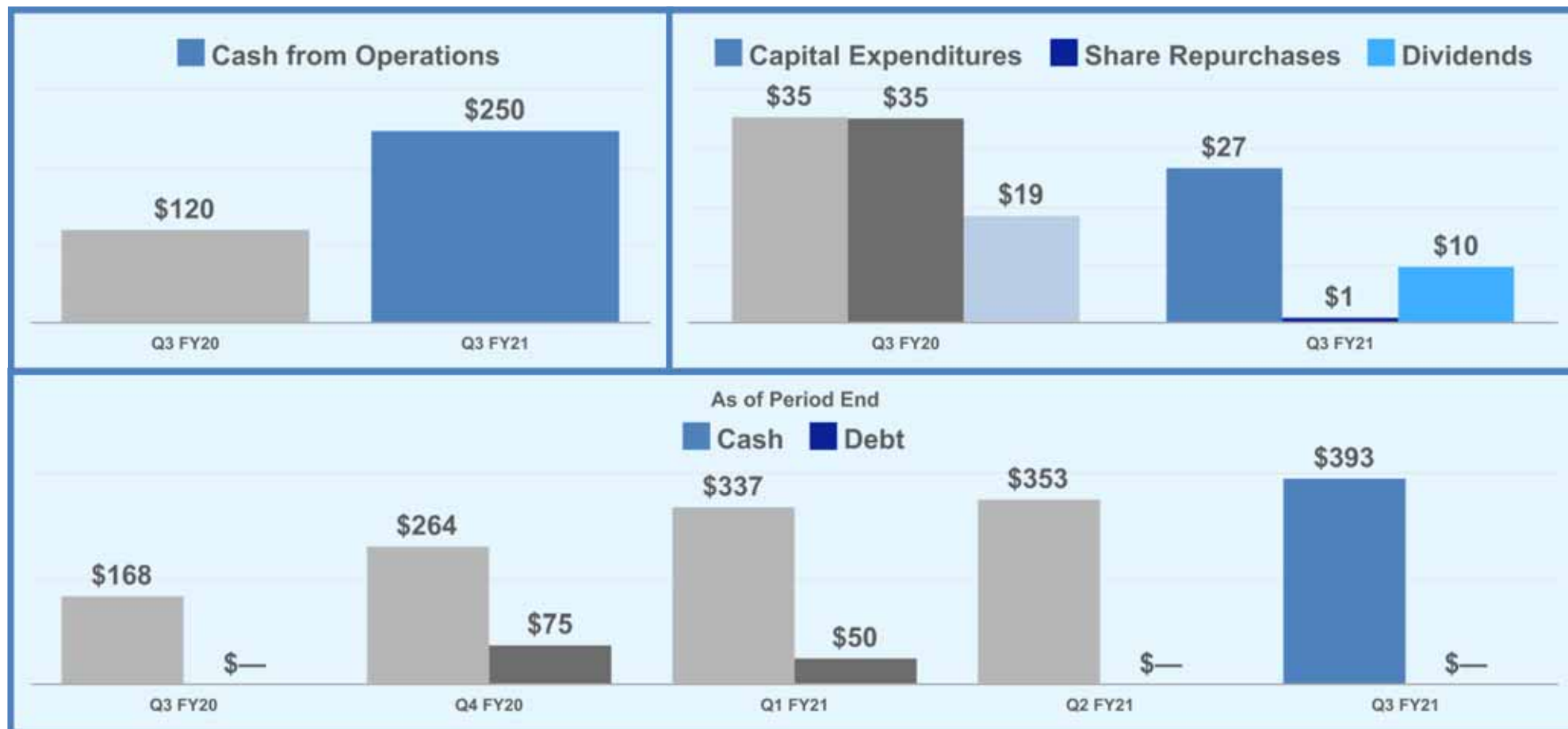
FY21 Q3 Excluded from Non-GAAP

- Purchase accounting charges related to acquisitions completed in prior periods totaling \$10.4 million pre-tax, or \$0.20 per diluted share
 - Primarily due to write up of Joybird contingent consideration liability based on significant improvements to most recent financial projections
- Income of \$5.2 million pre-tax, or \$0.08 per diluted share, for payroll tax credits related to the CARES Act

FY20 Q3 Excluded from Non-GAAP

- Purchase accounting charges of \$1.4 million pre-tax, or \$0.02 per diluted share
- A charge of \$6.0 million pre-tax, or \$0.10 per diluted share, related to the impairment of an investment in one privately held start up
- Income of \$8.7 million pre-tax, or \$0.14 per diluted share, related to the company's Supply Chain Optimization initiative
 - Included the closure of the Redlands, California manufacturing facility/relocation of Newton, Mississippi cut-and-sew operation

YTD Q3 FY21 Cash Snapshot *(\$ in millions)*



Items of Note for Q4 FY21

- Non-GAAP presentation
 - Purchase accounting and related tax adjustments estimated at \$0.02 benefit per diluted share for the fourth quarter
 - Excludes any further adjustments to the Joybird contingent consideration liability, dependent on Joybird's ongoing business trajectory



Items of Note for Q4 FY21 (cont.)

- Q4 FY20:

- Included in GAAP and non-GAAP

- one-time \$16.3 million benefit in COGS for tariff rebate
 - mostly offset by a bad debt expense of \$13.5 million, due to Art Van bankruptcy and provision for credit losses in the COVID environment

- Excluded from non-GAAP

- non-cash, non-tax-deductible Joybird goodwill impairment charge of \$27 million
 - \$6 million pre-tax net benefit from purchase accounting, primarily related to the reversal of the Joybird contingent consideration liability by its full carrying value of \$8 million



Sales & Profit Perspective

Q4 FY21

- Optimistic about business trajectory and ability to deliver strong results in Q4
 - Significant backlog; long tail for production and deliveries
 - Expanding output; will significantly increase production
 - Increased pricing on October written orders
 - expect to realize less of benefit in Q4 than originally expected
 - evaluating potential for further pricing actions
 - Uncertainty regarding COVID-19 and potential shutdowns; plant absenteeism and global supply chain volatility
 - Considering all of these factors, expect **FY21 Q4 consolidated sales growth of 34% to 39%** versus the prior-year quarter; expect **non-GAAP consolidated operating margin at the lower end of the of 9% to 11% range**



Beyond Fiscal 2021

- Will not experience usual seasonality in FY22 Q1 and Q2 due to existing backlog and capacity increases underway
- Expect to make moderate sequential improvement in Wholesale capacity from Q4 throughout the first half of fiscal 2022
- Will reinvest a portion of returns into our business to strengthen our capabilities for longer-term results
- Expect COVID-19 impacts and global supply chain disruptions to continue to cause uncertainty and temporary volatility





Looking Ahead

- Positive long-term outlook
- Strong brands
- Building market share
- Strong cash position
 - Provides means and flexibility to invest in opportunities that drive long-term growth and value for all stakeholders

Appendix



RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Appendix

<i>(Amounts in thousands, except per share data)</i>	Quarter Ended		Nine Months Ended	
	1/23/2021	1/25/2020	1/23/2021	1/25/2020
GAAP Gross Profit	\$ 201,252	\$ 199,638	\$ 518,170	\$ 549,739
Add back: Purchase accounting charges - incremental expense upon the sale of inventory acquired at fair value	—	88	429	403
Add back: Business realignment charges	(2)	—	1,303	—
Add back: Supply chain optimization initiative	—	1,029	(50)	5,292
Non-GAAP Gross Profit	\$ 201,250	\$ 200,755	\$ 519,852	\$ 555,434
GAAP SG&A	\$ 166,838	\$ 147,325	\$ 431,492	\$ 444,403
Less: Purchase accounting charges - adjustment to fair value of contingent consideration and amortization of intangible assets and retention agreements	(10,257)	(1,194)	(13,736)	(3,576)
Less: Business realignment charges	—	—	(2,580)	—
Add back: Supply chain optimization initiative gain on sale	—	9,745	—	9,745
Non-GAAP SG&A	\$ 156,581	\$ 155,876	\$ 415,176	\$ 450,572
GAAP Operating Income	\$ 34,414	\$ 52,313	\$ 86,678	\$ 105,336
Add back: Purchase accounting charges	10,257	1,282	14,165	3,979
Add back: Business realignment charges	(2)	—	3,883	—
Add back: Supply chain optimization initiative	—	(8,716)	(50)	(4,453)
Non-GAAP Operating Profit	\$ 44,669	\$ 44,879	\$ 104,676	\$ 104,862
GAAP Income before Income Taxes	\$ 40,933	\$ 46,894	\$ 94,472	\$ 101,148
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	10,449	1,448	14,657	4,505
Add back: Business realignment charges	(2)	—	3,883	—
Add back: Supply chain optimization initiative	—	(8,716)	(50)	(4,453)
Less: CARES Act benefit	(5,219)	—	(5,219)	—
Add back: Investment impairment	—	6,000	—	6,000
Less: Pension termination refund	—	—	—	(1,900)
Non-GAAP Income before Income Taxes	\$ 46,161	\$ 45,626	\$ 107,743	\$ 105,300

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Appendix

<i>(Amounts in thousands, except per share data)</i>	Quarter Ended		Nine Months Ended	
	1/23/2021	1/25/2020	1/23/2021	1/25/2020
GAAP Net Income attributable to La-Z-Boy Incorporated	\$ 29,232	\$ 34,512	\$ 68,965	\$ 75,174
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	10,449	1,448	14,657	4,505
Less: Tax effect of purchase accounting	(1,073)	(376)	(1,479)	(1,138)
Add back: Business realignment charges	(2)	—	3,883	—
Less: Tax effect of business realignment charges	—	—	(938)	—
Add back: Supply chain optimization initiative	—	(8,716)	(50)	(4,453)
Less: Tax effect of supply chain optimization initiative	—	2,263	13	1,124
Less: CARES Act benefit	(5,219)	—	(5,219)	—
Add back: Tax effect of CARES Act benefit	1,261	—	1,261	—
Add back: Investment impairment	—	6,000	—	6,000
Less: Tax effect of investment impairment	—	(1,558)	—	(1,515)
Less: Pension termination refund	—	—	—	(1,900)
Add back: Tax effect of pension termination (refund) charge	—	—	—	480
Non-GAAP Net Income attributable to La-Z-Boy Incorporated	\$ 34,648	\$ 33,573	\$ 81,093	\$ 78,277
GAAP Net Income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.62	\$ 0.74	\$ 1.49	\$ 1.60
Add back: Purchase accounting charges, net of tax, per diluted share	0.20	0.02	0.27	0.07
Add back: Business realignment charges, net of tax, per diluted share	—	—	0.07	—
Add back: Supply chain optimization initiative, net of tax, per diluted share	—	(0.14)	—	(0.07)
Less: CARES Act benefit, net of tax, per diluted share	(0.08)	—	(0.08)	—
Add back: Investment impairment, net of tax, per diluted share	—	0.10	—	0.10
Less: Pension termination refund, net of tax, per diluted share	—	—	—	(0.03)
Non-GAAP Net Income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.74	\$ 0.72	\$ 1.75	\$ 1.67

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES SEGMENT INFORMATION

Appendix

(Amounts in thousands, except per share data)	Quarter Ended				Nine Months Ended			
	1/23/2021	% of Sales	1/25/2020	% of Sales	1/23/2021	% of Sales	1/25/2020	% of Sales
GAAP Operating Income (Loss)								
Wholesale segment	\$ 35,686	10.2%	\$ 49,046	13.4%	\$ 95,309	10.4%	\$ 112,195	10.8%
Retail segment	14,707	8.9%	16,383	9.8%	23,173	5.5%	33,272	7.3%
Corporate and Other	(15,979)	N/M	(13,116)	N/M	(31,804)	N/M	(40,131)	N/M
Consolidated GAAP Operating Income	\$ 34,414	7.3%	\$ 52,313	11.0%	\$ 86,678	7.1%	\$ 105,336	7.9%
Non-GAAP Items Affecting Operating Income								
Wholesale segment	\$ 56		\$ (8,659)		\$ 3,286		\$ (4,288)	
Retail segment	—		88		613		403	
Corporate and Other	10,199		1,137		14,099		3,411	
Consolidated Non-GAAP Items Affecting Operating Income	\$ 10,255		\$ (7,434)		\$ 17,998		\$ (474)	
Non-GAAP Operating Income (Loss)								
Wholesale segment	\$ 35,742	10.2%	\$ 40,387	11.1%	\$ 98,595	10.7%	\$ 107,907	10.4%
Retail segment	14,707	8.9%	16,471	9.8%	23,786	5.7%	33,675	7.3%
Corporate and Other	(5,780)	N/M	(11,979)	N/M	(17,705)	N/M	(36,720)	N/M
Consolidated Non-GAAP Operating Income	\$ 44,669	9.5%	\$ 44,879	9.4%	\$ 104,676	8.6%	\$ 104,862	7.8%

N/M - Not Meaningful

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Appendix

(Unaudited, \$ amounts in thousands)	<u>Fiscal 2016*</u>	% of sales	<u>Fiscal 2017</u>	% of sales	<u>Fiscal 2018</u>	% of sales	<u>Fiscal 2019</u>	% of sales	<u>Fiscal 2020</u>	% of sales
GAAP Operating Income	\$125,331	8.2%	\$133,342	8.8%	\$129,369	8.2%	\$129,674	7.4%	\$118,762	7.0%
Restructuring Charges	579		441		-		-		-	
Purchase Accounting Charges (Gains)	544		1,766		923		6,917		(2,122)	
Supply Chain Optimization Initiative (Gain on Sale) and Charges	-		-		-		-		(4,359)	
Goodwill Impairment	-		-		-		-		26,862	
Non-GAAP Operating Income	<u>\$126,454</u>	8.3%	<u>\$135,549</u>	8.9%	<u>\$130,292</u>	8.2%	<u>\$136,591</u>	7.8%	<u>\$139,143</u>	8.2%

* Fiscal 2016 includes 53 weeks. All other years presented include 52 weeks.

- In addition to the financial measures prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), this presentation also includes Non-GAAP financial measures. Management uses these Non-GAAP financial measures when assessing our ongoing performance. The Non-GAAP measures may exclude a goodwill impairment charge, purchase accounting, restructuring charges, charges for our supply chain optimization initiative, benefits from the CARES Act, charges for our business realignment, impacts from terminating the company's defined benefit pension plan and an impairment charge for one investment. These Non-GAAP financial measures are not meant to be considered a substitute for La-Z-Boy Incorporated's results 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 tables in this appendix.
- Management believes that presenting certain Non-GAAP financial measures excluding goodwill impairment, purchase accounting, restructuring charges, charges for our supply chain optimization initiative, benefits from the CARES Act, charges for our business realignment, impacts from terminating the company's defined benefit pension plan and an impairment charge for one investment will help investors understand the long-term profitability trends of our business and compare our profitability to prior and future periods. Management uses these Non-GAAP measures to assess the company's operating and financial performance, and excludes goodwill impairment, purchase accounting, restructuring charges, charges for our supply chain optimization initiative, and charges for our business realignment because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions and restructuring actions consummated, and the operations being moved or closed. Management also excludes impacts from the CARES Act, termination of the company's defined benefit pension plan and an impairment charge for one investment when assessing the company's operating and financial performance due to the one-time nature of the transactions.