UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 29, 2023
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______
COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED
(Exact name of registrant as specified in its charter)

Michigan	38-0751137
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
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, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 Par Value	LZB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Class	Outstanding at August 15, 2023
Common Stock, $1.00 Par Value	43,051,539

LA-Z-BOY INCORPORATED
FORM 10-Q FIRST QUARTER OF FISCAL 2024
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PART I - FINANCIAL INFORMATION (UNAUDITED)

ITEM 1. FINANCIAL STATEMENTS

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

(Unaudited, amounts in thousands, except per share data)	Quarter Ended 7/29/2023	Quarter Ended 7/30/2022
Sales	$ 481,651	$ 604,091
Cost of sales	275,923	373,061
Gross profit	205,728	231,030
Selling, general and administrative expense	171,202	178,387
Operating income	34,526	52,643
Interest expense	(122)	(159)
Interest income	3,056	474
Other income (expense), net	556	45
Income before income taxes	38,016	53,003
Income tax expense	10,090	14,063
Net income	27,926	38,940
Net income attributable to noncontrolling interests	(447)	(452)
Net income attributable to La-Z-Boy Incorporated	$ 27,479	$ 38,488
Basic weighted average common shares	43,239	43,092
Basic net income attributable to La-Z-Boy Incorporated per share	$ 0.64	$ 0.89
Diluted weighted average common shares	43,333	43,142
Diluted net income attributable to La-Z-Boy Incorporated per share	$ 0.63	$ 0.89

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited, amounts in thousands)	Quarter Ended 7/29/2023	Quarter Ended 7/30/2022
Net income	$ 27,926	$ 38,940
Other comprehensive income (loss)		
Currency translation adjustment	1,047	(2,160)
Net unrealized gain on marketable securities, net of tax	220	86
Net pension amortization, net of tax	23	36
Total other comprehensive income (loss)	1,290	(2,038)
Total comprehensive income before noncontrolling interests	29,216	36,902
Comprehensive (income) loss attributable to noncontrolling interests	(407)	67
Comprehensive income attributable to La-Z-Boy Incorporated	$ 28,809	$ 36,969

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET

(Unaudited, amounts in thousands, except par value)	7/29/2023	4/29/2023
Current assets		
Cash and equivalents	$ 336,434	$ 343,374
Restricted cash	3,816	3,304
Receivables, net of allowance of $4,425 at 7/29/2023 and $4,776 at 4/29/2023	110,857	125,536
Inventories, net	269,429	276,257
Other current assets	108,944	106,129
Total current assets	829,480	854,600
Property, plant and equipment, net	277,282	278,578
Goodwill	207,488	205,008
Other intangible assets, net	41,529	39,375
Deferred income taxes – long-term	8,545	8,918
Right of use lease assets	422,894	416,269
Other long-term assets, net	60,367	63,515
Total assets	$ 1,847,585	$ 1,866,263
Current liabilities		
Accounts payable	$ 97,954	$ 107,460
Lease liabilities, short-term	77,758	77,751
Accrued expenses and other current liabilities	262,196	290,650
Total current liabilities	437,908	475,861
Lease liabilities, long-term	374,972	368,163
Other long-term liabilities	70,775	70,142
Shareholders' equity		
Preferred shares – 5,000 authorized; none issued	—	—
Common shares, $1.00 par value – 150,000 authorized; 43,110 outstanding at 7/29/2023 and 43,318 outstanding at 4/29/2023	43,110	43,318
Capital in excess of par value	356,684	358,891
Retained earnings	557,666	545,155
Accumulated other comprehensive loss	(4,198)	(5,528)
Total La-Z-Boy Incorporated shareholders' equity	953,262	941,836
Noncontrolling interests	10,668	10,261
Total equity	963,930	952,097
Total liabilities and equity	$ 1,847,585	$ 1,866,263

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, amounts in thousands)	Quarter Ended 7/29/2023	Quarter Ended 7/30/2022
Cash flows from operating activities		
Net income	$ 27,926	$ 38,940
Adjustments to reconcile net income to cash provided by operating activities		
(Gain)/loss on disposal and impairment of assets	113	(4)
(Gain)/loss on sale of investments	307	30
Provision for doubtful accounts	(405)	293
Depreciation and amortization	10,211	9,516
Amortization of right-of-use lease assets	17,265	18,845
Lease impairment/(settlement)	(1,175)	—
Equity-based compensation expense	2,526	1,417
Change in deferred taxes	602	544
Change in receivables	14,769	25,098
Change in inventories	9,271	(25,954)
Change in other assets	(2,820)	(1,229)
Change in payables	(8,565)	22,113
Change in lease liabilities	(17,882)	(19,256)
Change in other liabilities	(26,230)	(37,249)
Net cash provided by operating activities	25,913	33,104
Cash flows from investing activities		
Proceeds from disposals of assets	4,031	46
Capital expenditures	(13,457)	(20,999)
Purchases of investments	(11,407)	(2,176)
Proceeds from sales of investments	12,404	4,421
Acquisitions	(4,250)	(7,230)
Net cash used for investing activities	(12,679)	(25,938)
Cash flows from financing activities		
Payments on debt and finance lease liabilities	(67)	(31)
Stock issued for stock and employee benefit plans, net of shares withheld for taxes	(1,978)	(1,703)
Repurchases of common stock	(10,007)	(5,004)
Dividends paid to shareholders	(7,852)	(7,097)
Net cash used for financing activities	(19,904)	(13,835)
Effect of exchange rate changes on cash and equivalents	242	(750)
Change in cash, cash equivalents and restricted cash	(6,428)	(7,419)
Cash, cash equivalents and restricted cash at beginning of period	346,678	248,856
Cash, cash equivalents and restricted cash at end of period	$ 340,250	$ 241,437
Supplemental disclosure of non-cash investing activities		
Capital expenditures included in payables	$ 7,188	$ 7,130

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited, amounts in thousands)	Common Shares	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total
At April 29, 2023	$ 43,318	$ 358,891	$ 545,155	$ (5,528)	$ 10,261	$ 952,097
Net income	—	—	27,479	—	447	27,926
Other comprehensive income (loss)	—	—	—	1,330	(40)	1,290
Stock issued for stock and employee benefit plans, net of cancellations and withholding tax	149	(221)	(1,906)	—	—	(1,978)
Repurchases of 357 shares of common stock	(357)	(4,512)	(5,138)	—	—	(10,007)
Stock option and restricted stock expense	—	2,526	—	—	—	2,526
Dividends declared and paid ($0.1815/share)	—	—	(7,852)	—	—	(7,852)
Dividends declared not paid ($0.1815/share)	—	—	(72)	—	—	(72)
At July 29, 2023	$ 43,110	$ 356,684	$ 557,666	$ (4,198)	$ 10,668	$ 963,930

(Unaudited, amounts in thousands)	Common Shares	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total
At April 30, 2022	$ 43,089	$ 342,252	$ 431,181	$ (5,797)	$ 8,897	$ 819,622
Net income	—	—	38,488	—	452	38,940
Other comprehensive income (loss)	—	—	—	(1,519)	(519)	(2,038)
Stock issued for stock and employee benefit plans, net of cancellations and withholding tax	151	(194)	(1,660)	—	—	(1,703)
Repurchases of 204 shares of common stock	(204)	—	(4,800)	—	—	(5,004)
Stock option and restricted stock expense	—	1,417	—	—	—	1,417
Dividends declared and paid ($0.165/share)	—	—	(7,097)	—	—	(7,097)
Dividends declared not paid ($0.165/share)	—	—	(45)	—	—	(45)
At July 30, 2022	$ 43,036	$ 343,475	$ 456,067	$ (7,316)	$ 8,830	$ 844,092

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

LA-Z-BOY INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1: Basis of Presentation

The accompanying consolidated financial statements include the consolidated accounts of La-Z-Boy Incorporated and our majority-owned subsidiaries (collectively, the "Company"). We derived the April 29, 2023 balance sheet from our audited financial statements. We prepared the interim financial information in conformity with generally accepted accounting principles ("US GAAP"), which we applied on a basis consistent with those reflected in our fiscal 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC"), but the information does not include all of the disclosures required by US GAAP. In management's opinion, the interim financial information includes all adjustments and accruals, consisting only of normal recurring adjustments (except as otherwise disclosed), that are necessary for a fair statement of results for the respective interim periods. The interim results reflected in the accompanying financial statements are not necessarily indicative of the results of operations that will occur for the full fiscal year ending April 27, 2024.

At July 29, 2023, we owned investments in two privately-held companies consisting of non-marketable preferred shares, warrants to purchase common shares, and convertible notes. Each of these companies is a variable interest entity and we have not consolidated their results in our financial statements because we do not have the power to direct those activities that most significantly impact their economic performance and, therefore, are not the primary beneficiary.

Accounting Pronouncements Adopted in Fiscal 2024

The following table summarizes Accounting Standards Updates ("ASUs") which were adopted in fiscal 2024, but did not have a material impact on our accounting policies or our consolidated financial statements and related disclosures.

ASU	Description	Adoption Date
ASU 2021-08	Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers	Fiscal 2024

Accounting Pronouncements not yet Adopted

The following table summarizes additional accounting pronouncements which we have not yet adopted, but we believe will not have a material impact on our accounting policies or our consolidated financial statements and related disclosures.

ASU	Description	Adoption Date
ASU 2023-02	Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method	Fiscal 2025

Change in Accounting Policy - Distribution Center Costs

In the first quarter of fiscal 2024, we made a voluntary change to the presentation of costs directly attributable to our distribution activities conducted through our distribution centers in the United States. Our policy has changed from presenting these costs within selling, general and administrative ("SG&A") expense to presenting them as cost of sales. We believe this presentation is preferable because it will enhance the comparability of our financial statements with those of our industry peers and align with how we internally manage supply chain costs and margin.

In accordance with US GAAP, the period presented below has been retrospectively adjusted to reflect the change to cost of sales and SG&A expense. This change had no impact to sales, income from operations, net income, earnings per share, retained earnings or other components of equity or net assets.

(Unaudited, amounts in thousands)	For the Quarter Ended July 30, 2022		
	Previously Reported	Effect of Change	As Adjusted
Cost of sales	$ 362,631	$ 10,430	$ 373,061
Gross profit	241,460	(10,430)	231,030
Selling, general and administrative expense	188,817	(10,430)	178,387

Torreón Closure

During the third quarter of fiscal 2023, we made the decision to close our manufacturing facility in Torreón, Mexico as part of our initiative to drive improved efficiencies through optimized staffing levels within our plants. As a result of this action, charges were recorded within the Wholesale segment in the third and fourth quarters of fiscal 2023, totaling $9.2 million in SG&A expense for the impairment of various assets, primarily long-lived assets, and $1.6 million in cost of sales, primarily related to severance. During the first quarter of fiscal 2024, we terminated our lease on the Torreón facility and recognized a $1.2 million gain in SG&A expense within the Wholesale segment related to the settlement of our lease obligation on the previously impaired long-lived assets.

Note 2: Acquisitions

None of the below acquisitions were significant to our consolidated financial statements, and, therefore, pro-forma financial information is not presented. All of our provisional purchase accounting estimates for the acquisitions completed in fiscal 2024 are based on the information and data available to us as of the time of the issuance of these financial statements, and in accordance with Accounting Standard Codification Topic 805-10-25-15, are subject to change within the first 12 months following the acquisition as we gain additional data.

Each of the following Retail acquisitions completed in fiscal 2024 and 2023 reflect a core component of our strategic priorities, which is to grow our company-owned retail business and leverage our integrated retail model (where we earn a combined profit on both the wholesale and retail sales) in suitable geographic markets, alongside the existing La-Z-Boy Furniture Galleries® network.

Prior to each Retail acquisition completed in fiscal 2024 and 2023, we licensed to the counterparty the exclusive right to own and operate the La-Z-Boy Furniture Galleries® stores (and to use the associated trademarks and trade name) in each of their respective markets, and we reacquired these rights when we consummated the transaction. These required rights are indefinite-lived because our retailer agreements are perpetual agreements that have no specific expiration date and no renewal options. The effective settlement date of these arrangements resulted in no settlement gain or loss as the contractual terms were at market. For federal income tax purposes, we amortize and deduct these indefinite-lived intangible assets and goodwill, if any, over 15 years.

Colorado Springs, Colorado Acquisition

On July 17, 2023, we completed our acquisition of the Colorado Springs, Colorado business that operates two independently owned La-Z-Boy Furniture Galleries® stores and one distribution center for $6.0 million, subject to customary adjustments. We paid total cash of $4.3 million in the first quarter of fiscal 2024 and the remaining consideration includes forgiveness of accounts receivable and payments based on working capital adjustments. As part of the acquisition, we recorded an indefinite-lived intangible asset of $2.3 million related to the reacquired rights described above. We also recognized $2.0 million of goodwill in our Retail segment related primarily to synergies we expect from the integration of the acquired stores and future benefits of these synergies.

Prior Year Acquisitions

Denver, Colorado Acquisition

On July 18, 2022, we completed our acquisition of the Denver, Colorado business that operates five independently owned La-Z-Boy Furniture Galleries® stores and one distribution center for $10.1 million, subject to customary adjustments. We paid total cash of $7.7 million in the first and second quarters of fiscal 2023 and the remaining consideration includes forgiveness of accounts receivable and payments based on working capital adjustments. As part of the acquisition, we recorded an indefinite-lived intangible asset of $4.3 million related to the reacquired rights described above. We also recognized $7.6 million of goodwill in our Retail segment related primarily to synergies we expect from the integration of the acquired stores and future benefits of these synergies.

Note 3: Cash and Restricted Cash

We have restricted cash on deposit with a bank as collateral for certain letters of credit. All our letters of credit have maturity dates within the next twelve months, but we expect to renew some of these letters of credit when they mature.

(Unaudited, amounts in thousands)	7/29/2023	7/30/2022
Cash and cash equivalents	$ 336,434	$ 238,170
Restricted cash	3,816	3,267
Total cash, cash equivalents and restricted cash	$ 340,250	$ 241,437

Note 4: Inventories

A summary of inventories is as follows:

(Unaudited, amounts in thousands)	7/29/2023	4/29/2023
Raw materials	$ 119,477	$ 116,440
Work in process	21,512	24,328
Finished goods	174,352	181,401
FIFO inventories	315,341	322,169
Excess of FIFO over LIFO	(45,912)	(45,912)
Total inventories	$ 269,429	$ 276,257

Note 5: Goodwill and Other Intangible Assets

We have goodwill on our consolidated balance sheet as follows:

Reportable Segment/Unit	Reporting Unit	Related Acquisition
Wholesale Segment	United Kingdom	Wholesale business in the United Kingdom and Ireland
Wholesale Segment	United Kingdom	La-Z-Boy United Kingdom Manufacturing (Furnico)
Retail Segment	Retail	La-Z-Boy Furniture Galleries® stores
Corporate and Other	Joybird	Joybird

The following table summarizes changes in the carrying amount of our goodwill by reportable segment:

(Unaudited, amounts in thousands)	Wholesale Segment	Retail Segment	Corporate and Other	Total Goodwill
Balance at April 29, 2023 (1)	$ 20,202	$ 129,360	$ 55,446	$ 205,008
Acquisitions	—	1,951	—	1,951
Translation adjustment	450	79	—	529
Balance at July 29, 2023 (1)	$ 20,652	$ 131,390	$ 55,446	$ 207,488

(1) Includes $26.9 million of accumulated impairment losses in Corporate and Other.

We have intangible assets on our consolidated balance sheet as follows:

Reportable Segment	Intangible Asset	Useful Life
Wholesale Segment	Primarily acquired customer relationships from our acquisition of the wholesale business in the United Kingdom and Ireland	Amortizable over useful lives that do not exceed 15 years
Wholesale Segment	American Drew® trade name	Indefinite-lived
Retail Segment	Reacquired rights to own and operate La-Z-Boy Furniture Galleries® stores	Indefinite-lived
Corporate and Other	Joybird® trade name	Amortizable over eight-year useful life

The following summarizes changes in our intangible assets:

(Unaudited, amounts in thousands)	Indefinite-Lived Trade Names	Finite-Lived Trade Name	Indefinite-Lived Reacquired Rights	Other Intangible Assets	Total Intangible Assets
Balance at April 29, 2023	$ 1,155	$ 2,594	$ 33,739	$ 1,887	$ 39,375
Acquisitions	—	—	2,307	—	2,307
Amortization	—	(200)	—	(55)	(255)
Translation adjustment	—	—	60	42	102
Balance at July 29, 2023	$ 1,155	$ 2,394	$ 36,106	$ 1,874	$ 41,529

We test indefinite-lived intangibles and goodwill for impairment on an annual basis in the fourth quarter of each fiscal year, and more frequently if events or changes in circumstances indicate that an asset might be impaired. We test amortizable intangible assets for impairment if events or changes in circumstances indicate that the assets might be impaired.

Note 6: Investments

We have current and long-term investments intended to enhance returns on our cash as well as to fund future obligations of our non-qualified defined benefit retirement plan, our executive deferred compensation plan, and our performance compensation retirement plan.

Our short-term investments are included in other current assets and our long-term investments are included in other long-term assets on our consolidated balance sheet.

The following summarizes our investments:

(Unaudited, amounts in thousands)	7/29/2023	4/29/2023
Short-term investments:		
Marketable securities	$ 7,402	$ 5,043
Held-to-maturity investments	1,349	1,351
Total short-term investments	8,751	6,394
Long-term investments:		
Marketable securities	15,107	18,509
Total investments	$ 23,858	$ 24,903
Investments to enhance returns on cash	$ 10,646	$ 11,617
Investments to fund compensation/retirement plans	13,212	13,286
Total investments	$ 23,858	$ 24,903

The following is a summary of the unrealized gains, unrealized losses, and fair value by investment type:

	7/29/2023			4/29/2023		
(Unaudited, amounts in thousands)	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Equity securities	$ 1,890	$ (68)	$ 7,446	$ 1,338	$ (103)	$ 6,853
Fixed income	13	(297)	12,545	42	(620)	14,039
Other	1,170	—	3,867	1,171	—	4,011
Total securities	$ 3,073	$ (365)	$ 23,858	$ 2,551	$ (723)	$ 24,903

The following table summarizes sales of marketable securities:

	Quarter Ended	
(Unaudited, amounts in thousands)	7/29/2023	7/30/2022
Proceeds from sales	$ 12,404	$ 4,246
Gross realized gains	153	27
Gross realized losses	(459)	(56)

The following is a summary of the fair value of fixed income marketable securities, classified as available-for-sale securities, by contractual maturity:

(Unaudited, amounts in thousands)	7/29/2023
Within one year	$ 7,398
Within two to five years	1,899
Within six to ten years	—
Thereafter	3,248
Total	$ 12,545

Note 7: Product Warranties

We accrue an estimated liability for product warranties when we recognize revenue on the sale of warrantied products. We estimate future warranty claims on product sales based on our historical claims experience and periodically adjust the provision to reflect changes in actual experience. We incorporate repair costs into our liability estimates, including materials, labor and overhead amounts necessary to perform repairs, and any costs associated with delivering repaired product to our customers. Over 90% of our warranty liability relates to our Wholesale reportable segment, as we generally warrant our products against defects for one to three years on fabric and leather, from one to ten years on cushions and padding, and provide a limited lifetime warranty on certain mechanisms and frames, unless otherwise noted in the warranty. Additionally, our Wholesale segment warranties cover labor costs relating to our parts for one year. We provide a limited lifetime warranty against defects on a majority of Joybird products, which are a part of our Corporate and Other results. For all our manufacturer warranties, the warranty period begins when the consumer receives our product. We use considerable judgment in making our estimates, and we record differences between our actual and estimated costs when the differences are known.

A reconciliation of the changes in our product warranty liability is as follows:

	Quarter Ended	
(Unaudited, amounts in thousands)	7/29/2023 (1)	7/30/2022
Balance as of the beginning of the period	$ 30,984	$ 27,036
Accruals during the period	6,665	7,826
Settlements during the period	(6,855)	(7,346)
Balance as of the end of the period	$ 30,794	$ 27,516

(1) $20.0 million and $19.9 million is recorded in accrued expenses and other current liabilities as of July 29, 2023, and April 29, 2023, respectively, while the remainder is included in other long-term liabilities.

We recorded accruals during the periods presented in the table above, primarily to reflect charges that relate to warranties issued during the respective periods.

Note 8: Stock-Based Compensation

The table below summarizes the total stock-based compensation expense we recognized for all outstanding grants in our consolidated statement of income:

	Quarter Ended	
(Unaudited, amounts in thousands)	7/29/2023	7/30/2022
Equity-based awards expense	$ 2,526	$ 1,417
Liability-based awards expense (1)	88	128
Total stock-based compensation expense	$ 2,614	$ 1,545

(1) Includes stock appreciation rights, deferred stock units issued to Directors, restricted stock units, and performance-based units. Compensation expense for these awards is based on the market price of our common stock on the grant date and is remeasured each reporting period based on the market value of our common shares on the last day of the reported period.

Restricted Stock. We granted 330,140 shares of restricted stock units to employees during the first quarter of fiscal 2024 and we also have restricted stock awards outstanding from previous grants. We issue restricted stock at no cost to the employees and account for restricted stock awards as equity-based awards because when they vest, they will be settled in common shares. We recognize compensation expense for restricted stock over the vesting period equal to the fair value on the date our Compensation and Talent Oversight Committee of our board of directors approved the awards. Restricted stock awards vest at 25% per year, beginning one year from the grant date for a term of four years, with continued vesting upon retirement with respect to the fiscal 2023 and 2024 grants. We accelerate the expense for restricted stock granted to retirement-eligible employees over the vesting period, with expense recognized from the grant date through their retirement eligibility date or over the ten months following the grant date, whichever period is longer. We have elected to recognize forfeitures as an adjustment to compensation expense in the same period as the forfeitures occur. The weighted-average fair value of the restricted stock that was awarded in the first quarter of fiscal 2024 was $27.66 per share, the market value of our common shares on the date of grant.

Performance Shares. During the first quarter of fiscal 2024, we granted 219,154 performance-based shares, and we also have performance-based share awards outstanding from previous grants. Payouts of these grants depend on our financial performance (50%) and a market-based condition based on the total return our shareholders receive on their investment in our stock relative to returns earned through investments in other public companies (50%). The performance share opportunity ranges from 50% of the employee’s target award if minimum performance requirements are met to a maximum of 200% of the target award based on the attainment of certain financial and shareholder-return goals over a specific performance period, which is generally three fiscal years.

We account for performance-based shares as equity-based awards because when they vest, they will be settled in common shares. In the event of an employee's termination during the vesting period, the potential right to earn shares under this program is generally forfeited and we have elected to recognize forfeitures as an adjustment to compensation expense in the same period in which the forfeitures occur. For shares that vest based on our results relative to the performance goals, we expense as compensation cost the fair value of the shares as of the day we granted the awards recognized over the performance period, taking into account the probability that we will satisfy the performance goals. The fair value of each share of the awards we granted in fiscal 2024 that vest based on attaining performance goals was $25.48, the market value of our common shares on the date we granted the awards less the dividends we expect to pay before the shares vest. For shares that vest based on market conditions, we use a Monte Carlo valuation model to estimate each share’s fair value as of the date of grant. The Monte Carlo valuation model uses multiple simulations to evaluate our probability of achieving various stock price levels to determine our expected performance ranking relative to our peer group. For shares that vest based on market conditions, we expense compensation cost over the vesting period regardless of whether the market condition is ultimately satisfied. Based on the Monte Carlo model, the fair value as of the grant date of the fiscal 2024 grant of shares that vest based on market conditions was $34.15.

Stock Options. We did not grant stock options to employees during fiscal 2024, but we have stock options outstanding from grants from prior years. We account for stock options as equity-based awards because when they are exercised, they will be settled in common shares. We recognize compensation expense for stock options over the vesting period equal to the fair value on the date our Compensation and Talent Oversight Committee of our board of directors approved the awards. The vesting period for our stock options ranges from one to four years, with accelerated vesting upon retirement. The vesting date for retirement-eligible employees is the later of the date they meet the criteria for retirement or ten months after the grant date. We accelerate the expense for options granted to retirement eligible employees over the vesting period, with expense recognized from the grant date through their retirement eligibility date or over the ten months following the grant date, whichever period is longer. We have elected to recognize forfeitures as an adjustment to compensation expense in the same period as the forfeitures occur. Granted options outstanding under the former long-term equity award plan remain in effect and have a term of 10 years. We estimated the fair value of the employee stock options granted in prior years at their respective grant date using the Black-Scholes option-pricing model, which requires management to make certain assumptions.

Note 9: Accumulated Other Comprehensive Income (Loss)

Activity in accumulated other comprehensive income (loss) for the quarters ended July 29, 2023, and July 30, 2022, is as follows:

(Unaudited, amounts in thousands)	Translation adjustment	Unrealized gain (loss) on marketable securities	Net pension amortization and net actuarial loss	Accumulated other comprehensive income (loss)
Balance at April 29, 2023	$ (2,652)	$ (145)	$ (2,731)	$ (5,528)
Changes before reclassifications	1,087	(15)	—	1,072
Amounts reclassified to net income	—	307	31	338
Tax effect	—	(72)	(8)	(80)
Other comprehensive income (loss) attributable to La-Z-Boy Incorporated	1,087	220	23	1,330
Balance at July 29, 2023	$ (1,565)	$ 75	$ (2,708)	$ (4,198)
Balance at April 30, 2022	$ (1,961)	$ (298)	$ (3,538)	$ (5,797)
Changes before reclassifications	(1,641)	55	—	(1,586)
Amounts reclassified to net income	—	59	48	107
Tax effect	—	(28)	(12)	(40)
Other comprehensive income (loss) attributable to La-Z-Boy Incorporated	(1,641)	86	36	(1,519)
Balance at July 30, 2022	$ (3,602)	$ (212)	$ (3,502)	$ (7,316)

We reclassified both the unrealized gain (loss) on marketable securities and the net pension amortization from accumulated other comprehensive loss to net income through other income (expense), net.

The components of noncontrolling interest were as follows:

	Quarter Ended	
(Unaudited, amounts in thousands)	7/29/2023	7/30/2022
Balance as of the beginning of the period	$ 10,261	$ 8,897
Net income	447	452
Other comprehensive income (loss)	(40)	(519)
Balance as of the end of the period	$ 10,668	$ 8,830

Note 10: Revenue Recognition

Our revenue is primarily derived from product sales. We report product sales net of discounts and recognize them when control (rights and obligations associated with the product) passes to the customer. For sales to furniture retailers or distributors, control typically transfers when we ship the product. In cases where we sell directly to the end consumer, control of the product is generally transferred upon delivery.

For shipping and handling activities, we have elected to apply the accounting policy election permitted in ASC 606-10-25-18B, which allows an entity to account for shipping and handling activities as fulfillment activities (rather than as a promised good or service) when the activities are performed even if those activities are performed after the control of the good has been transferred. We expense shipping and handling costs at the time we recognize revenue in accordance with this election.

For sales tax, we have elected to apply the accounting policy election permitted in ASC 606-10-32-2A, which allows an entity to exclude from the measurement of the transaction price all taxes imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer, including sales, use, excise, value-added, and franchise taxes (collectively referred to as sales taxes). This allows us to present revenue net of these certain types of taxes.

We have elected the practical expedient permitted in ASC 606-10-32-18, which allows an entity to recognize the promised amount of consideration without adjusting for the effects of a significant financing component if the contract has a duration of one year or less. As our contracts typically are less than one year in length and do not have significant financing components, we have not adjusted consideration.

The following table presents our revenue disaggregated by product category and by segment or unit:

	Quarter Ended July 29, 2023				Quarter Ended July 30, 2022			
(Unaudited, amounts in thousands)	Wholesale	Retail	Corporate and Other	Total	Wholesale	Retail	Corporate and Other	Total
Upholstered Furniture	$ 283,418	$ 170,714	$ 46,434	$ 500,566	$ 330,478	$ 196,802	$ 51,242	$ 578,522
Casegoods Furniture	20,376	11,833	4,708	36,917	28,006	12,454	7,728	48,188
Delivery	40,043	8,243	1,902	50,188	56,237	8,016	1,903	66,156
Other (1)	(10,362)	17,453	(12,983)	(5,892)	27,097	18,749	(12,143)	33,703
Total	333,475	208,243	40,061	581,779	441,818	236,021	48,730	726,569
Eliminations				(100,128)				(122,478)
Consolidated Net Sales				$ 481,651				$ 604,091

(1) Primarily includes discounts and allowances, revenue for advertising, royalties, parts, accessories, after-treatment products, surcharges, rebates and other sales incentives. In fiscal 2024, certain amounts that were previously charged as surcharges in fiscal 2023 are now included in the base product pricing and reflected in the amounts by product category.

Upholstered Furniture - Includes gross revenue for upholstered furniture, such as recliners, sofas, loveseats, chairs, sectionals, modulars, and ottomans. This gross revenue includes sales to La-Z-Boy Furniture Galleries® stores (including company-owned stores), operators of La-Z-Boy Comfort Studio® locations, England Custom Comfort Center locations, other major dealers, independent retailers, and the end consumer.

Casegoods Furniture - Includes gross revenue for casegoods furniture typically found in a bedroom, such as beds, chests, dressers, nightstands and benches; furniture typically found in the dining room, such as dining tables, storage units, and stools; and furniture typically found throughout the home, such as cocktail tables, chairsides, sofa tables, end tables, and entertainment centers. This gross revenue includes sales to La-Z-Boy Furniture Galleries® stores (including company-owned stores), independent retailers, and the end consumer.

Contract Assets and Liabilities. We receive customer deposits from end consumers before we recognize revenue and in some cases, we have the unconditional right to collect the remaining portion of the order price before we fulfill our performance obligation, resulting in a contract asset and a corresponding deferred revenue liability. In our consolidated balance sheet, customer deposits and deferred revenue (collectively, the "contract liabilities") are reported in accrued expenses and other current liabilities while contract assets are reported as other current assets.

The following table presents our contract assets and liabilities:

(Unaudited, amounts in thousands)	7/29/2023	4/29/2023
Contract assets	$ 41,604	$ 44,939
Customer deposits	$ 97,172	$ 105,766
Deferred revenue	41,604	44,939
Total contract liabilities (1)	$ 138,776	$ 150,705

(1) During the quarter ended July 29, 2023, we recognized revenue of $126.0 million related to our contract liability balance at April 29, 2023.

Note 11: Segment Information

Our reportable operating segments include the Wholesale segment and the Retail segment.

Wholesale Segment. Our Wholesale segment consists primarily of three operating segments: La-Z-Boy, our largest operating segment, our England subsidiary, and our casegoods operating segment that sells furniture under three brands: American Drew®, Hammary® and Kincaid®. The Wholesale segment also includes our international wholesale and manufacturing businesses. We aggregate these operating segments into one reportable segment because they are economically similar and meet the other aggregation criteria for determining reportable segments. Our Wholesale segment manufactures and imports upholstered furniture, such as recliners and motion furniture, sofas, loveseats, chairs, sectionals, modulars, ottomans and sleeper sofas and imports casegoods (wood) furniture, such as bedroom sets, dining room sets, entertainment centers and occasional pieces. The Wholesale segment sells directly to La-Z-Boy Furniture Galleries® stores, operators of La-Z-Boy Comfort Studio® locations, England Custom Comfort Center locations, major dealers, and a wide cross-section of other independent retailers.

Retail Segment. Our Retail segment consists of one operating segment comprised of our 175 company-owned La-Z-Boy Furniture Galleries® stores. The Retail segment sells primarily upholstered furniture, in addition to some casegoods and other accessories, to end consumers through these stores.

Corporate and Other. Corporate and Other includes the shared costs for corporate functions, including human resources, information technology, finance and legal, in addition to revenue generated through royalty agreements with companies licensed to use the La-Z-Boy® brand name on various products. We consider our corporate functions to be other business activities and have aggregated them with our other insignificant operating segments, including our global trading company in Hong Kong and Joybird, an e-commerce retailer that manufactures upholstered furniture, such as sofas, loveseats, chairs, ottomans, sleeper sofas and beds, and also imports casegoods (wood) furniture, such as occasional tables and other accessories. Joybird sells to the end consumer primarily online through its website, www.joybird.com. None of the operating segments included in Corporate and Other meet the requirements of reportable segments.

The following table presents sales and operating income (loss) by segment:

	Quarter Ended	
(Unaudited, amounts in thousands)	7/29/2023	7/30/2022
Sales		
Wholesale segment:		
Sales to external customers	$ 236,251	$ 323,728
Intersegment sales	97,224	118,090
Wholesale segment sales	333,475	441,818
Retail segment sales	208,243	236,021
Corporate and Other:		
Sales to external customers	37,157	44,342
Intersegment sales	2,904	4,388
Corporate and Other sales	40,061	48,730
Eliminations	(100,128)	(122,478)
Consolidated sales	$ 481,651	$ 604,091
Operating Income (Loss)		
Wholesale segment	$ 23,503	$ 26,142
Retail segment	29,264	38,152
Corporate and Other	(18,241)	(11,651)
Consolidated operating income	34,526	52,643
Interest expense	(122)	(159)
Interest income	3,056	474
Other income (expense), net	556	45
Income before income taxes	$ 38,016	$ 53,003

Note 12: Income Taxes

Our effective tax rate was 26.5% for both the quarter ended July 29, 2023 and the quarter ended July 30, 2022. Our effective tax rate varies from the 21% federal statutory rate primarily due to state taxes.

Note 13: Earnings per Share

The following is a reconciliation of the numerators and denominators we used in our computations of basic and diluted earnings per share:

	Quarter Ended	
(Unaudited, amounts in thousands, except per share data)	7/29/2023	7/30/2022
Numerator (basic and diluted):		
Net income available to common Shareholders	$ 27,479	$ 38,488
Denominator:		
Basic weighted average common shares outstanding	43,239	43,092
Contingent common shares	54	50
Stock option dilution	40	—
Diluted weighted average common shares outstanding	43,333	43,142
Earnings per Share:		
Basic	$ 0.64	$ 0.89
Diluted	$ 0.63	$ 0.89

The values for contingent common shares set forth above reflect the dilutive effect of common shares that we would have issued to employees under the terms of performance-based share awards if the relevant performance period for the award had been the reporting period.

We exclude the effect of options from our diluted share calculation when the weighted average exercise price of the options is higher than the average market price, since including the options' effect would be anti-dilutive. For the quarters ended July 29, 2023 and July 30, 2022, we excluded options to purchase 0.7 million shares and 1.5 million shares from the diluted share calculation, respectively.

Note 14: Fair Value Measurements

Accounting standards require that we put financial assets and liabilities into one of three categories based on the inputs we use to value them:

- Level 1 — Financial assets and liabilities, the values of which are based on unadjusted quoted market prices for identical assets and liabilities in an active market that we have the ability to access.

- Level 2 — Financial assets and liabilities, the values of which are based on quoted prices in markets that are not active or on model inputs that are observable for substantially the full term of the asset or liability.

- Level 3 — Financial assets and liabilities, the values of which are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Accounting standards require that in making fair value measurements, we use observable market data when available. When inputs used to measure fair value fall within different levels of the hierarchy, we categorize the fair value measurement as being in the lowest level that is significant to the measurement. We recognize transfers between levels of the fair value hierarchy at the end of the reporting period in which they occur.

In addition to assets and liabilities that we record at fair value on a recurring basis, we are required to record assets and liabilities at fair value on a non-recurring basis. We measure non-financial assets such as other intangible assets, goodwill, and other long-lived assets at fair value when there is an indicator of impairment, and we record them at fair value only when we recognize an impairment loss.

The following table presents the fair value hierarchy for those assets and liabilities we measured at fair value on a recurring basis at July 29, 2023 and April 29, 2023. There were no transfers into or out of Level 1, Level 2, or Level 3 for any of the periods presented.

At July 29, 2023

	Fair Value Measurements				
(Unaudited, amounts in thousands)	**Level 1**	**Level 2**	**Level 3**	**NAV(1)**	**Total**
Assets					
Marketable securities	$ —	$ 11,815	$ —	$ 10,694	$ 22,509
Held-to-maturity investments	1,349	—	—	—	1,349
Total assets	$ 1,349	$ 11,815	$ —	$ 10,694	$ 23,858

At April 29, 2023

	Fair Value Measurements				
(Unaudited, amounts in thousands)	**Level 1**	**Level 2**	**Level 3**	**NAV(1)**	**Total**
Assets					
Marketable securities	$ —	$ 16,557	$ —	$ 6,995	$ 23,552
Held-to-maturity investments	1,351	—	—	—	1,351
Total assets	$ 1,351	$ 16,557	$ —	$ 6,995	$ 24,903

(1) Certain marketable securities investments are measured at fair value using net asset value per share under the practical expedient methodology.

At July 29, 2023 and April 29, 2023, we held marketable securities intended to enhance returns on our cash and to fund future obligations of our non-qualified defined benefit retirement plan, our executive deferred compensation plan and our performance compensation retirement plan.

The fair value measurements for our Level 1 and Level 2 securities are based on quoted prices in active markets, as well as through broker quotes and independent valuation providers, multiplied by the number of shares owned exclusive of any transaction costs.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We have prepared this Management's Discussion and Analysis as an aid to understanding our financial results. It should be read in conjunction with the accompanying Consolidated Financial Statements and related Notes to Consolidated Financial Statements. After a cautionary note regarding forward-looking statements, we begin with an introduction to our key businesses and then provide discussions of our results of operations, liquidity and capital resources, and critical accounting policies.

Cautionary Note Regarding Forward-Looking Statements

La-Z-Boy Incorporated and its subsidiaries (individually and collectively, "we," "our," "us," "La-Z-Boy" or the "Company") make "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, expenses, dividends, share repurchases, liquidity, use of cash and cash requirements, borrowing capacity, investments, future economic performance, and our business and industry.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements may include words such as "aim," "anticipates," "believes," "continues," "estimates," "expects," "feels," "forecasts," "hopes," "intends," "plans," "projects," "likely," "seeks," "short-term," "non-recurring," "one-time," "outlook," "target," "unusual," or words of similar meaning, or future or conditional verbs, such as "will," "should," "could," or "may." A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak to our views only as of the date of this report. These forward-looking statements are all based on currently available operating, financial, and competitive 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 performance.

Our actual future results and trends may differ materially from those we anticipate depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed in our Annual Report for the fiscal year ended April 29, 2023, under Item 1A, "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in our Annual Report for the fiscal year ended April 29, 2023 or any other public statement made by us, including by our management, may turn out to be incorrect. 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.

Introduction

Our Business

We are the leading global producer of reclining chairs and the second largest manufacturer/distributor of residential furniture in the United States. The La-Z-Boy Furniture Galleries® stores retail network is the third largest retailer of single-branded furniture in the United States. We manufacture, market, import, export, distribute and retail upholstery furniture products under the La-Z-Boy®, England, Kincaid®, and Joybird® tradenames. In addition, we import, distribute and retail accessories and casegoods (wood) furniture products under the Kincaid®, American Drew®, Hammary®, and Joybird® tradenames.

As of July 29, 2023, our supply chain operations included the following:

- Five major manufacturing locations and 13 distribution centers in the United States and four facilities in Mexico to support our speed-to-market and customization strategy
- A logistics company that distributes a portion of our products in the United States
- A wholesale sales office that is responsible for distribution of our product in the United Kingdom and Ireland
- An upholstery manufacturing business in the United Kingdom
- A global trading company in Hong Kong which helps us manage our Asian supply chain by establishing and maintaining relationships with our Asian suppliers, as well as identifying efficiencies and savings opportunities

During the third quarter of fiscal 2023, we made the decision to close our manufacturing facility in Torreón, Mexico as part of our initiative to drive improved efficiencies through optimized staffing levels within our plants. As a result of this action, charges were recorded within the Wholesale segment in the third and fourth quarters of fiscal 2023, totaling $9.2 million in SG&A expense for the impairment of various assets, primarily long-lived assets, and $1.6 million in cost of sales, primarily related to severance. During the first quarter of fiscal 2024, we terminated our lease on the Torreón facility and recognized a $1.2 million gain in SG&A expense within the Wholesale segment related to the settlement of our lease obligation on the previously impaired long-lived assets.

We also participate in two consolidated joint ventures in Thailand that support our international businesses: one that operates a manufacturing facility and another that operates a wholesale sales office. Additionally, we have contracts with several suppliers in Asia to produce products that support our pure import model for casegoods.

We sell our products through multiple channels: to furniture retailers or distributors in the United States, Canada, and approximately 50 other countries, including the United Kingdom, China, Australia, South Korea and New Zealand, directly to consumers through retail stores that we own and operate, and through our websites, www.la-z-boy.com and www.joybird.com.

- The centerpiece of our retail distribution strategy is our network of 351 La-Z-Boy Furniture Galleries® stores and 521 La-Z-Boy Comfort Studio® locations, each dedicated to marketing our La-Z-Boy branded products. We consider this dedicated space to be “proprietary.”

    - La-Z-Boy Furniture Galleries® stores help consumers furnish their homes by combining the style, comfort, and quality of La-Z-Boy furniture with our available design services. We own 175 of the La-Z-Boy Furniture Galleries® stores, while the remainder are independently owned and operated.
    - La-Z-Boy Comfort Studio® locations are defined spaces within larger independent retailers that are dedicated to displaying and selling La-Z-Boy branded products. All 521 La-Z-Boy Comfort Studio® locations are independently owned and operated.
    - In total, we have approximately 7.6 million square feet of proprietary floor space dedicated to selling La-Z-Boy branded products in North America.
    - We also have approximately 2.6 million square feet of floor space outside of the United States and Canada dedicated to selling La-Z-Boy branded products.

- Our other brands, England, American Drew, Hammary, and Kincaid enjoy distribution through many of the same outlets, with slightly over half of Hammary’s sales originating through the La-Z-Boy Furniture Galleries® store network.

    - Kincaid and England have their own dedicated proprietary in-store programs with 615 outlets and approximately 1.8 million square feet of proprietary floor space.

- In total, our proprietary floor space includes approximately 12.0 million square feet worldwide.

- Joybird sells product primarily online and also has limited retail showroom floor space through eleven small-format stores in key urban markets.

Our goal is to deliver value to our shareholders over the long term by executing our Century Vision, our strategic plan for growth to our centennial year in 2027, in which we aim to grow sales and market share and strengthen our operating margins. The foundation of our strategic plan is to drive disproportionate growth of our two consumer brands, La-Z-Boy and Joybird, by delivering the transformational power of comfort with a consumer-first approach. We plan to drive growth in the following ways:

Expanding the La-Z-Boy brand reach

- *Leveraging our connection to comfort and reinvigorating our brand with a consumer focus and expanded omni-channel presence.* Our strategic initiatives to leverage and reinvigorate our iconic La-Z-Boy brand center on a renewed focus on leveraging the compelling La-Z-Boy comfort message, accelerating our omni-channel offering, and identifying additional consumer-base growth opportunities. We launched our new brand campaign and marketing platform in fiscal 2024, *Long Live the Lazy*, with compelling messaging designed to increase recognition and consideration of the brand. We expect this new messaging will enhance the appeal of our brand with a broader consumer base. Further, our goal is to connect with consumers along their purchase journey through multiple means, whether online or in person. We are driving change throughout our digital platforms to improve the user experience, with a specific focus on the ease with which customers browse through our broad product assortment, customize products to their liking, find stores to make a purchase, or purchase at www.la-z-boy.com.

- *Growing our La-Z-Boy Furniture Galleries® store network*. We expect our strategic initiatives in this area to generate growth in our Retail segment through an increased company-owned store count and in our Wholesale segment as our proprietary distribution network expands. We are not only focused on growing the number of locations, but also on upgrading existing store locations to our new concept designs. We are prioritizing growth of our company-owned Retail business by opportunistically acquiring existing La-Z-Boy Furniture Galleries® stores and opening new La-Z-Boy Furniture Galleries® stores, primarily in markets that can be serviced through our distribution centers, where we see opportunity for growth, or where we believe we have opportunities for further market penetration. Additionally, we are testing potential store formats to expand our reach to value-seeking consumers and currently operate two Outlet by La-Z-Boy stores.

- *Expanding the reach of our wholesale distribution channels.* Consumers experience the La-Z-Boy brand in many channels including the La-Z-Boy Furniture Galleries® store network and the La-Z-Boy Comfort Studio® locations, our store-within-a-store format. While consumers increasingly interact with the brand digitally, our consumers also demonstrate an affinity for visiting our stores to shop, allowing us to frequently deliver the flagship La-Z-Boy Furniture Galleries® store, or La-Z-Boy Comfort Studio®, experience and provide design services. In addition to our branded distribution channels, approximately 2,200 other dealers sell La-Z-Boy products, providing us the benefit of multi-channel distribution. These outlets include some of the best-known names in the industry, including Slumberland, Nebraska Furniture Mart, Mathis Brothers and Raymour & Flanagan. We believe there is significant growth potential for our consumer brands through these retail channels.

Profitably growing the Joybird brand

- *Profitably growing the Joybird brand with a digital-first consumer experience.* During fiscal 2019, we purchased Joybird, a leading e-commerce retailer and manufacturer of upholstered furniture with a direct-to-consumer model. We believe that Joybird is a brand with significant potential and our strategic initiatives in this area focus on fueling profitable growth through an increase in digital marketing spend to drive awareness and customer acquisition, ongoing investments in technology, an expansion of product assortment, and providing additional small-format stores in key urban markets to enhance our consumers' omni-channel experience.

Enhancing our enterprise capabilities

- *Enhancing our enterprise capabilities to support the growth of our consumer brands and enable potential acquisitions for growth.* Key to successful growth is ensuring we have the capabilities to support that growth, including an agile supply chain, modern technology for consumers and employees, and by delivering a human-centered employee experience. Through our Century Vision strategic plan, we have several initiatives focused on enhancing these capabilities with a consumer-first focus.

Our reportable operating segments include the Wholesale segment and the Retail segment.

- *Retail Segment*. Our Retail segment consists of one operating segment comprised of our 175 company-owned La-Z-Boy Furniture Galleries® stores. The Retail segment sells primarily upholstered furniture, in addition to some casegoods and other accessories, to end consumers through these stores.

- *Wholesale Segment*. Our Wholesale segment consists primarily of three operating segments: La-Z-Boy, our largest operating segment, our England subsidiary, and our casegoods operating segment that sells furniture under three brands: American Drew®, Hammary® and Kincaid®. The Wholesale segment also includes our international wholesale and manufacturing businesses. We aggregate these operating segments into one reportable segment because they are economically similar and meet the other aggregation criteria for determining reportable segments. Our Wholesale segment manufactures and imports upholstered furniture, such as recliners and motion furniture, sofas, loveseats, chairs, sectionals, modulars, ottomans and sleeper sofas and imports casegoods (wood) furniture, such as bedroom sets, dining room sets, entertainment centers and occasional pieces. The Wholesale segment sells directly to La-Z-Boy Furniture Galleries® stores, operators of La-Z-Boy Comfort Studio® locations, England Custom Comfort Center locations, major dealers, and a wide cross-section of other independent retailers.

- *Corporate and Other.* Corporate and Other includes the shared costs for corporate functions, including human resources, information technology, finance and legal, in addition to revenue generated through royalty agreements with companies licensed to use the La-Z-Boy® brand name on various products. We consider our corporate functions to be other business activities and have aggregated them with our other insignificant operating segments, including our global trading company in Hong Kong and Joybird, an e-commerce retailer that manufactures upholstered furniture, such as sofas, loveseats, chairs, ottomans, sleeper sofas and beds, and also imports casegoods (wood) furniture, such as occasional tables and other accessories. Joybird sells to the end consumer primarily online through its website, www.joybird.com. None of the operating segments included in Corporate and Other meet the requirements of reportable segments.

Results of Operations

Fiscal 2024 First Quarter Compared with Fiscal 2023 First Quarter

La-Z-Boy Incorporated

	Quarter Ended		
(Unaudited, amounts in thousands, except percentages)	7/29/2023	7/30/2022	% Change
Sales	$ 481,651	$ 604,091	(20.3)%
Operating income	34,526	52,643	(34.4)%
Operating margin	7.2%	8.7%	

Sales

Consolidated sales decreased $122.4 million, or 20%, in the first quarter of fiscal 2024 compared with the same period a year ago. Sales in the first quarter of fiscal 2023 were fueled by delivery of a significant backlog resulting from heightened demand from prior periods. The decrease in sales in the first quarter of fiscal 2024, primarily due to lower unit volume, reflects a return to industry-wide seasonal trends relative to a historically high comparative period. Partially offsetting the decline in volume, sales benefited from favorable product mix.

Operating Margin

Operating margin, which is calculated as operating income as a percentage of sales, decreased 150 basis points in the first quarter of fiscal 2024, compared with the same period a year ago.

- Gross margin, which is calculated as gross profit as a percentage of sales, increased 450 basis points in the first quarter of fiscal 2024, compared with the same period a year ago.
  - Changes in our consolidated mix improved gross margin by 140 basis points in the first quarter of fiscal 2024 compared with the same period a year ago, driven by relative growth of our Retail segment, which has a higher gross margin than our Wholesale segment.
  - Compared with the same period a year ago, gross margin in the first quarter fiscal 2024 further benefited from lower raw material costs and favorable product mix.
- SG&A expenses as a percentage of sales increased 600 basis points in the first quarter of fiscal 2024 compared with the same periods a year ago.
  - Changes in our consolidated mix increased SG&A expense as a percentage of sales by 120 basis points in the first quarter of fiscal 2024 compared with the same period a year ago, driven by relative growth of our Retail segment, which has a higher SG&A expense as a percentage of sales than our Wholesale segment.
  - The remaining increase in SG&A expense as a percentage of sales was primarily driven by lower delivered sales relative to selling expenses and fixed costs, mainly occupancy expenses.

We discuss each segment's results in the following section.

Retail Segment

(Unaudited, amounts in thousands, except percentages)	Quarter Ended 7/29/2023	7/30/2022	% Change
Sales	$ 208,243	$ 236,021	(11.8)%
Operating income	29,264	38,152	(23.3)%
Operating margin	14.1%	16.2%	

Sales

The Retail segment’s sales decreased $27.8 million, or 12%, in the first quarter of fiscal 2024 compared with the same period a year ago, primarily due to a 16% decline in delivered same-store sales, as sales in the first quarter of fiscal 2023 reached historic levels benefitting from delivery of the backlog built in prior periods. The decrease in delivered same-store sales was partially offset by a $9.1 million increase in sales from our retail store acquisitions that occurred in fiscal 2023 and fiscal 2024.

While delivered sales were down relative to the prior year, written same-store sales increased 2% in the first quarter of fiscal 2024 compared with the same period a year ago, reflecting continued strong store-level execution with improved conversion and higher design sales despite challenging industry trends.

Same-store sales include the sales of all currently active stores which have been open and company-owned for each comparable period.

Operating Margin

The Retail segment's operating margin decreased 210 basis points in the first quarter of fiscal 2024 compared with the same period a year ago.

- Gross margin increased 130 basis points in the first quarter of fiscal 2024 compared with the same period a year ago, primarily due to prior period pricing actions taken by the Retail business which were realized in the first quarter of this fiscal year as products were delivered to consumers.

- SG&A expense as a percentage of sales increased 340 basis points in the first quarter of fiscal 2024 compared with the same period a year ago, primarily due to lower delivered sales relative to selling expenses and fixed costs, mainly occupancy expenses.

Wholesale Segment

(Unaudited, amounts in thousands, except percentages)	Quarter Ended 7/29/2023	7/30/2022	% Change
Sales to external customers	$ 236,251	$ 323,728	
Intersegment sales	97,224	118,090	
Total Sales	333,475	441,818	(24.5)%
Operating income	23,503	26,142	(10.1)%
Operating margin	7.0%	5.9%	

Sales

The Wholesale segment’s sales decreased $108.3 million, or 25%, in the first quarter of fiscal 2024 compared with the same period a year ago. Over the same period, intercompany sales from our Wholesale segment to our Retail segment decreased 18%. The decrease in sales reflects a decline in delivered unit volume as the significant backlog built up in prior periods returns to pre-pandemic levels and the industry returns to typical seasonality. Partially offsetting lower volume, sales benefited from a favorable shift in product mix toward higher priced products.

Operating Margin

The Wholesale segment's operating margin increased 110 basis points in the first quarter of fiscal 2024 compared with the same period a year ago.

- Gross margin increased 470 basis points in the first quarter of fiscal 2024 compared with the same period a year ago.
  - Declining raw material costs drove a 400 basis point increase in gross margin during the first quarter of fiscal 2024 compared with the same period a year ago.
  - Gross margin further improved 120 basis points from a favorable shift in product mix during the first quarter of fiscal 2024 compared with the same period a year ago.
  - Unfavorable fluctuations in the Mexican peso relative to the U.S. dollar, drove higher production-related costs for our manufacturing operations in Mexico, resulting in a 50 basis point decrease in gross margin during the first quarter of fiscal 2024 compared with the same period a year ago.

- SG&A expense as a percentage of sales increased 360 basis points in the first quarter of fiscal 2024 compared with the same period a year ago.
  - Reduced fixed cost leverage and an increase in marketing expense, as a percentage of sales, contributed to higher SG&A expense as a percentage of sales in the first quarter of fiscal 2024 compared with the same period a year ago.
  - During the first quarter of fiscal 2024 we terminated our lease on the Torreón facility that was closed during the fourth quarter of fiscal 2023 and recognized a $1.2 million gain related to the settlement of our lease obligation on the previously impaired long-lived assets, resulting in a 40 basis point decrease in SG&A expense as a percentage of sales.

Corporate and Other

	Quarter Ended		
(Unaudited, amounts in thousands, except percentages)	7/29/2023	7/30/2022	% Change
Sales	$ 40,061	$ 48,730	(17.8)%
Intercompany eliminations	(100,128)	(122,478)	18.2%
Operating loss	(18,241)	(11,651)	(56.6)%

Sales

Corporate and Other sales decreased $8.7 million in the first quarter of fiscal 2024 compared with the same period a year ago. The change in sales was primarily led by Joybird sales which decreased $7.1 million to $35.6 million in the first quarter of fiscal 2024, largely due to lower delivered volume resulting from continued demand challenges consistent with those recently experienced across the e-commerce home furnishings industry. Written sales for Joybird were also down 17% in the first quarter of fiscal 2024 compared with the same period a year ago.

Intercompany eliminations decreased in the first quarter of fiscal 2024 compared with the same period a year ago due to lower sales from our Wholesale segment to our Retail segment.

Operating Loss

Our Corporate and Other operating loss increased $6.6 million in the first quarter of fiscal 2024 compared with the same period a year ago, primarily due to higher intercompany inventory profit elimination adjustments, lower operating profit from our global trading company in Hong Kong, and higher Joybird operating losses, primarily resulting from lower sales volume and higher fixed costs, partially offset by lower input costs.

Non-Operating Income (Expense)

Interest Income

Interest income was $2.6 million higher in the first quarter of fiscal 2024 compared with the same period a year ago, primarily driven by higher interest rates.

Other Income (Expense), Net

Other income (expense), net was $0.6 million of income in the first quarter of fiscal 2024, primarily due to unrealized gains on investments and exchange rate gains. Other income (expense), net was de minimis in the first quarter of fiscal 2023.

Income Taxes

Our effective tax rate was 26.5% for both the first quarter of fiscal 2024 and the first quarter of fiscal 2023. Our effective tax rate varies from the 21% federal statutory rate primarily due to state taxes.

Liquidity and Capital Resources

Our sources of liquidity include cash and cash equivalents, short-term and long-term investments, cash from operations, and amounts available under our credit facility. We believe these sources remain adequate to meet our short-term and long-term liquidity requirements, finance our long-term growth plans, and fulfill other cash requirements for day-to-day operations and capital expenditures, including fiscal 2024 contractual obligations.

We had cash, cash equivalents and restricted cash of $340.3 million at July 29, 2023, compared with $346.7 million at April 29, 2023. In addition, we had investments to enhance our returns on cash of $10.6 million at July 29, 2023, compared with $11.6 million at April 29, 2023.

The following table illustrates the main components of our cash flows:

	Quarter Ended	
(Unaudited, amounts in thousands)	**7/29/2023**	**7/30/2022**
Cash Flows Provided By (Used For)		
Net cash provided by operating activities	$ 25,913	$ 33,104
Net cash used for investing activities	(12,679)	(25,938)
Net cash used for financing activities	(19,904)	(13,835)
Exchange rate changes	242	(750)
Change in cash, cash equivalents and restricted cash	$ (6,428)	$ (7,419)

Operating Activities

During the first quarter of fiscal 2024, net cash provided by operating activities was $25.9 million, a decrease of $7.2 million compared with the prior year, mainly due to lower net income and less favorable changes to working capital, partially offset by a smaller reduction in customer deposits. Our cash provided by operating activities in fiscal 2024 was primarily attributable to net income, adjusted for non-cash items, a $14.8 million decrease in receivables and a $9.3 million decrease in inventory as we align production with incoming order trends. This was partially offset by a $26.2 million decrease in other liabilities, primarily due to the payout of our fiscal 2023 incentive compensation awards during the first quarter of fiscal 2024 along with a $9.4 million decrease in customer deposits reflecting the reduced backlog.

Investing Activities

During the first quarter of fiscal 2024, net cash used for investing activities was $12.7 million, a decrease of $13.3 million compared with the prior year primarily due to lower capital expenditures and higher proceeds from asset sales. Cash used for investing activities in fiscal 2024 included the following:

- Cash used for capital expenditures in the period was $13.5 million compared with $21.0 million during the first quarter of fiscal 2023, which is primarily related to La-Z-Boy Furniture Galleries® (new stores and remodels) and upgrades at our manufacturing and distribution facilities. We anticipate that spending on these items will continue in fiscal 2024 with full year fiscal 2024 capital expenditures expected to be in the range of $50 to $60 million. We have no material contractual commitments outstanding for future capital expenditures.
- Cash used for acquisitions was $4.3 million, primarily related to the acquisition of the Colorado Springs, Colorado retail business.

Financing Activities

On October 15, 2021, we entered into a five-year $200 million unsecured revolving credit facility (as amended, the “Credit Facility”). Borrowings under the Credit Facility may be used by the Company for general corporate purposes. We may increase the size of the facility, either in the form of additional revolving commitments or new term loans, subject to the discretion of each lender to participate in such an increase, up to an additional amount of $100 million. The Credit Facility will mature on

October 15, 2026 and provides us the ability to extend the maturity date for two additional one-year periods, subject to the satisfaction of customary conditions. As of July 29, 2023, we have no borrowings outstanding under the Credit Facility.

The Credit Facility contains certain restrictive loan covenants, including, among others, financial covenants requiring a maximum consolidated net lease adjusted leverage ratio and a minimum consolidated fixed charge coverage ratio, as well as customary covenants limiting our ability to incur indebtedness, grant liens, make acquisitions, merge or consolidate, and dispose of certain assets. As of July 29, 2023, we were in compliance with our financial covenants under the Credit Facility. We believe our cash and cash equivalents, short-term investments, and cash from operations, in addition to our available Credit Facility, will provide adequate liquidity for our business operations over the next 12 months.

During the first quarter of fiscal 2024, net cash used for financing activities was $19.9 million, an increase of $6.1 million compared with the prior year, primarily due to higher share repurchases. Cash used for financing activities in fiscal 2024 included the following:

- Our board of directors has authorized the repurchase of company stock and we spent $10.0 million in the first quarter of fiscal 2024 to repurchase 0.4 million shares. As of July 29, 2023, 6.9 million shares remained available for repurchase pursuant to this authorization. With the operating cash flows we anticipate generating in fiscal 2024, we expect to continue repurchasing Company stock.
- Cash paid to our shareholders in quarterly dividends was $7.9 million. Our board of directors has sole authority to determine if and when we will declare future dividends and on what terms. We expect the board to continue declaring regular quarterly cash dividends for the foreseeable future, but it may discontinue doing so at any time.

Exchange Rate Changes

Due to changes in exchange rates, our cash, cash equivalents, and restricted cash increased by $0.2 million for the three months ended July 29, 2023. These changes slightly impacted our cash balances held in Canada, Thailand, and the United Kingdom.

Other

During the first quarter of fiscal 2024, there were no material changes to the information about our contractual obligations and commitments disclosed in our Annual Report on Form 10-K for the fiscal year ended April 29, 2023. We do not expect our continuing compliance with existing federal, state and local statutes dealing with protection of the environment to have a material effect on our capital expenditures, earnings, competitive position or liquidity.

Critical Accounting Policies

We disclosed our critical accounting policies in our Annual Report on Form 10-K for the fiscal year ended April 29, 2023. There were no material changes to our critical accounting policies or estimates during the quarter ended July 29, 2023.

Recent Accounting Pronouncements

See Note 1, Basis of Presentation, to the consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of recently adopted accounting standards and other new accounting standards.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

During the first quarter of fiscal 2024, there were no material changes from the information contained in Item 7A of our Annual Report on Form 10-K for the fiscal year ended April 29, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) of the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that such disclosure controls and procedures are effective to ensure that information required to be disclosed in our periodic reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There were no changes in our internal controls over financial reporting that occurred during the first quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1A. RISK FACTORS

We disclosed our risk factors in our Annual Report on Form 10-K for the fiscal year ended April 29, 2023. There have been no material changes to our risk factors during the first quarter of fiscal 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Our board of directors has authorized the repurchase of Company stock. We spent $10.0 million on discretionary repurchases in the first quarter of fiscal 2024 to repurchase 0.4 million shares. As of July 29, 2023, 6.9 million shares remained available for repurchase pursuant to the board authorization. With the operating cash flows we anticipate generating in fiscal 2024, we expect to continue repurchasing Company stock.

The following table summarizes our repurchases of Company stock during the quarter ended July 29, 2023 and includes shares purchased from employees to satisfy their withholding tax obligations upon vesting of restricted shares:

(Unaudited, amounts in thousands, except per share data)	Total number of shares repurchased (1)	Average price paid per share	Total number of shares repurchased as part of publicly announced plan (2)	Maximum number of shares that may yet be repurchased under the plan
Fiscal May (April 30 – June 3, 2023)	—	$ —	—	7,262
Fiscal June (June 4 – July 1, 2023)	428	$ 27.96	357	6,905
Fiscal July (July 2 – July 29, 2023)	—	$ —	—	6,905
Total (Fiscal First Quarter of 2024)	428		357	6,905

(1) In addition to the 357,038 shares we repurchased during the quarter as part of our publicly announced, board-authorized plan described above, this column includes 71,245 shares we repurchased from employees to satisfy their withholding tax obligations upon vesting of restricted and performance based shares.
(2) On October 28, 1987, our board of directors announced the authorization of the plan to repurchase Company stock. The plan originally authorized 1.0 million shares, and since October 1987, 33.5 million shares have been added to the plan for repurchase. The authorization has no expiration date.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Officers

On June 26, 2023, Ms. Janet Kerr, a member of the Company’s Board of Directors, adopted a trading arrangement for the sale of securities of the Company’s common stock (the “Rule 10b5-1 Trading Plan”) that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Ms. Kerr’s Rule 10b5-1 Trading Plan, which has a duration of six months, provides for the sale of up to 4,582 shares of common stock pursuant to the terms of the plan.

Other than as described above, during the three months ended July 29, 2023, none of our directors or officers adopted or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as each term is defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit Number		Description
(10.1)	*	La-Z-Boy Incorporated 2022 Omnibus Incentive Plan Sample Award Agreement effective June 26, 2023
(18.1)		Preferability letter from PricewaterhouseCoopers LLP dated August 22, 2023
(31.1)		Certifications of Chief Executive Officer pursuant to Rule 13a-14(a)
(31.2)		Certifications of Chief Financial Officer pursuant to Rule 13a-14(a)
(32)		Certifications of Executive Officers pursuant to 18 U.S.C. Section 1350(b)
(101.INS)		Inline XBRL Instance Document
(101.SCH)		Inline XBRL Taxonomy Extension Schema Document
(101.CAL)		Inline XBRL Taxonomy Extension Calculation Linkbase Document
(101.LAB)		Inline XBRL Taxonomy Extension Label Linkbase Document
(101.PRE)		Inline XBRL Taxonomy Extension Presentation Linkbase Document
(101.DEF)		Inline XBRL Taxonomy Extension Definition Linkbase Document
(104)		The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended July 29, 2023, formatted in Inline XBRL (included in Exhibit 101)

* Indicates a management contract or compensatory plan or arrangement under which a director or executive officer may receive benefits.

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 22, 2023

BY: /s/ Jennifer L. McCurry
Jennifer L. McCurry
Vice President, Corporate Controller and Chief Accounting Officer

Fiscal year 20XX cycle of the
LA-Z-BOY INCORPORATED 2022 OMNIBUS INCENTIVE PLAN

AWARD AGREEMENT

This Agreement (the “Agreement”) is made effective ________, 20XX (the “Grant Date”) between La-Z-Boy Incorporated (the "Company") and ________ (the "Employee").

This Agreement confirms grants to the undersigned Employee of Restricted Stock Units and Performance Units, and outlines terms of a MIP Award payable to such Employee pursuant to and subject to all terms and conditions of the La-Z-Boy Incorporated 2022 Omnibus Incentive Plan (“Plan”). This Agreement is also subject to the award notification letter dated _______, 20XX (“Notification”) as well as the applicable specific and general conditions set forth in attached Appendix A. Capitalized terms used in this Agreement which are not defined herein shall have the meaning provided in the Plan.

The principal features of the foregoing grants and award are as follows:

Restricted Stock Units

TOTAL RESTRICTED STOCK UNITS: XXX

SCHEDULED VESTING DATES:	NUMBER OF RSUS:
______, 20XX	XXX
______, 20XX	XXX
______, 20XX	XXX
______, 20XX	XXX

SETTLEMENT: **COMMON STOCK**

Performance Units (20XX – 20XX Cycle)

MAXIMUM PERFORMANCE UNITS* «FYXXX_PBS_Shares_at_MAX_wTSR_»
TARGET PERFORMANCE UNITS* «FYXXX_PBS_Shares_at_TARGET_wTSR_»

SETTLEMENT: **COMMON STOCK**

Vesting based on attainment of Performance Goals to be established by the Compensation Committee of the Board (the “Committee”).

MIP Award

Your MIP Award payment will be calculated by multiplying (a) your Fiscal Year 20XX **Eligible Earnings** (based on your base salary in effect during Fiscal Year 20XX, calculated in accordance with the Company's payroll system), times (b) your **Target MIP Incentive Opportunity** shown below, times (c) the **Company Achievement Percentage**, which will be determined by how the Company performs in comparison to target goals in **sales (50% weighting) and operating margin (50% weighting)** during the fiscal year. "Eligible Earnings" will be pro-rated for changes in your base salary level during Fiscal Year 20XX and will not include base salary attributable to any period in which you are not eligible to participate in the MIP, such as due to a change in position during the performance year. In addition, "Eligible Earnings" does not include (a) base salary for any period during which you are on a leave of absence, (b) severance pay, or (c) pay for any unused, accrued vacation time (whether paid due to applicable law, a separation from service, or any other reason).

PERFORMANCE PERIOD: Fiscal Year 20XX

TARGET MIP INCENTIVE OPPORTUNITY: ___% of Eligible Earnings

COMPANY ACHIEVEMENT PERCENTAGE RANGE: 0% - 200%*

*The Committee shall have the right to reduce or eliminate the amount that would otherwise be payable to you based on the achievement of the performance goals with respect to the MIP Award for Fiscal Year 20XX if the Committee determines, in its sole discretion, that such reduction or elimination is appropriate and in the best interests of the Company based on such other factors considered by the Committee, in its sole discretion, including Company performance on other metrics, macroeconomic factors and/or individual performance.

Your signature below indicates your agreement that the foregoing grants and award are subject to all of the terms and conditions contained in the Plan, in this Agreement, in attached Appendix A and in the accompanying Notification. Your signature below also indicates your agreement that the Awards granted to you pursuant to this Agreement will be subject to forfeiture, recovery by the Company or other action pursuant to the policy on recoupment of incentive compensation adopted by the Company pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the implementing rules and regulations thereunder or as otherwise required by law or regulation.

Your signature below also indicates that you have received and read a copy of the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated by reference. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

La-Z-Boy Incorporated	**Employee**
______________________________	______________________________
Melinda D. Whittington **President and Chief Executive Officer**	**Name**
	______________________________
	Date

AWARD AGREEMENT
APPENDIX A - TERMS AND CONDITIONS

Terms not defined in this Appendix A are, where applicable, defined as in the La-Z-Boy Incorporated 2022 Omnibus Incentive Plan (the “Plan”).

1. Stock Options

A. Exercising Options

Subject to the terms of Section 13 (Payment) and Section 18.3 (Withholding Taxes) of the Plan, you may exercise Options that have vested by delivering a notice of exercise as described in Section 7 of this Appendix A or by execution of the stock exercise procedures established on the Merrill Lynch Benefits OnLine® website. When you exercise an Option, you pay the grant price for Company stock. You may retain the stock (and, if you choose, sell it at a later date), or you may direct that the stock be sold immediately, subject to compliance with the Company’s insider trading policies. The Company has engaged Merrill Lynch to provide services for exercising Options.

You may exercise Options in one of three ways:

(a) Cash Purchase Exercise

You pay the grant price multiplied by the number of shares covered by the Options you are exercising, plus applicable taxes, by (i) sending a check or wiring funds to Merrill Lynch or (ii) having sufficient funds in your Merrill Lynch account before you deliver notice of exercise. All of the shares covered by the Options being exercised are credited to your Merrill Lynch account.

(b) Cashless Exercise

You may exercise your Options without any initial cash outlay. There are two methods of cashless exercise:

(i) Cashless Hold - Merrill Lynch sells enough shares covered by the Options you are exercising to purchase all of the shares covered by the Options being exercised and to pay the exercise price and applicable taxes, costs, and fees. The remaining shares are credited to your Merrill Lynch account.

(ii) Cashless Sell - Merrill Lynch sells all shares covered by the Options you are exercising, deducts the cost of the stock you purchased plus applicable taxes, costs, and fees, and sends you a check or wires the net proceeds to your bank account.

Certain participants are required to have cashless exercises executed in certain circumstances, including to satisfy tax liabilities.

(c) Stock Swap

You may exercise your Options by delivering to Merrill Lynch shares of Company stock that you have owned for at least six months, duly endorsed for transfer to the Company, having a fair market value on the date you deliver it equal to the grant price multiplied by the number of shares covered by the Options you are exercising, plus applicable taxes.

You have access to the secure Benefits OnLine® website at www.benefits.ml.com. Benefits OnLine provides grant summaries, modeling, and the ability to exercise Options and direct that stock acquired upon exercise be sold. Due to trading restrictions and other equity grant policies applicable to the Company's executive officers, the Company's executive officers and other individuals subject to Section 16 of the Exchange Act are required to conduct equity award transactions through the Merrill Lynch Financial Advisor team designated to service the accounts.

B. Termination of Options

The Options granted by this Agreement will terminate and be of no force or effect at the close of business on the ten-year anniversary of the Option Date, unless they terminate earlier as provided below.

If you cease to be employed by the Company or one of its Subsidiaries, your Options will terminate or be exercisable as follows:

Termination of employment. If you cease to be an Employee for any reason other than for Cause, Retirement (as defined below), death, Disability or a Change in Control Termination, each as described below, your unvested Options will immediately terminate and your vested Options will automatically terminate ninety (90) days after you cease to be an Employee except for any Options that expire earlier by their terms. For purposes of this Agreement, the following are not deemed to be a termination of employment: (i) a transfer from the Company to one of its Subsidiaries, from a Subsidiary to the Company, or between Subsidiaries; or (ii) a leave of absence authorized by the Company or a Subsidiary. For purposes of the Plan, termination of employment will be deemed to occur on the date on which you are no longer obligated to perform services for the Company or any of its Subsidiaries and your right to reemployment is not guaranteed either by statute or contract, regardless of whether you continue to receive compensation from the Company or any of its Subsidiaries.

Cause. If you are terminated for Cause, your Options, whether or not vested, will terminate immediately upon such termination.

Retirement. If you Retire, with the consent of the Company, all of your unvested Options granted at least ten months earlier will immediately fully vest upon such Retirement, and you may exercise your Options during the following 36 months except for Options that expire earlier by their terms. Options granted less than ten months before you Retire will terminate immediately upon your Retirement.

Death or Disability. If you cease to be an Employee because you die or you become Disabled, all of your unvested Options will immediately fully vest upon such death or Disability, and you (or your beneficiary or personal representative) may exercise your Options during the 36 months after you become Disabled or die (whichever occurs first) except for Options that expire earlier by their terms.

Change in Control Termination. In the event of the consummation of any Corporate Transaction and you cease to be an Employee due to (i) a termination by the Company without Cause (as defined below) or (ii) by you due to Good Reason (as defined below), in each case, within two years following the consummation of such Corporate Transaction, your Option will be fully vested and may be exercised in full, beginning on the date of such termination and for the one-year period immediately following such termination.

2. Stock Appreciation Rights

A. Exercising SARs

Subject to the terms of Section 9 (Terms and Conditions of Stock Appreciation Rights) and Section 18.3 (Withholding Taxes) of the Plan, when you exercise SARs, you are entitled to receive in cash an amount equal to the number of SARs exercised multiplied by the difference between the fair market value of one share of La-Z-Boy stock on the date of exercise and the SAR grant price. The Company has engaged Merrill Lynch to provide services for exercising SARs.

B. Termination of Stock Appreciation Rights

The SARs granted by this Agreement will terminate and be of no force or effect at the close of business on the ten-year anniversary of the date they are granted, unless they terminate earlier as provided below.

If you cease to be employed by the Company or one of its Subsidiaries, your SARs will terminate or be exercisable as follows:

Termination of employment. If you cease to be an Employee for any reason other than for Cause, Retirement, death, Disability or a Change in Control Termination, each as described below, your unvested SARs will immediately terminate and your vested SARs will automatically terminate thirty (30) days after you cease to be an Employee except for any SARs that expire earlier by their terms. For purposes of this Agreement, the following are not deemed to be a termination of employment: (i) a transfer from the Company to one of its Subsidiaries, from a Subsidiary to the Company, or between Subsidiaries; or (ii) a leave of absence authorized by the Company or a Subsidiary. For purposes of the Plan, termination of employment will be deemed to occur on the date on which you are no longer obligated to perform services for the Company or any of its Subsidiaries and your right to reemployment is not guaranteed either by statute or contract, regardless of whether you continue to receive compensation from the Company or any of its Subsidiaries.

<u>Cause.</u> If you are terminated for Cause, your SARs, whether or not vested, will terminate immediately upon such termination.

<u>Retirement.</u> If you Retire, with the consent of the Company, all of your unvested SARs granted at least ten months earlier will immediately fully vest upon such Retirement, and you may exercise your SARs during the following 36 months except for SARs that expire earlier by their terms. SARs granted less than ten months before you Retire will terminate immediately.

<u>Death or Disability.</u> If you cease to be an Employee because you die or you become Disabled, all of your unvested SARs will immediately fully vest upon such death or Disability, and you (or your beneficiary or personal representative) may exercise your SARs during the 36 months after you become Disabled or die (whichever occurs first) except for SARs that expire earlier by their terms.

<u>Change in Control Termination</u>. In the event of the consummation of any Corporate Transaction and you cease to be an Employee due to (i) a termination by the Company without Cause or (ii) by you due to Good Reason, in each case, within two years following the consummation of such Corporate Transaction, your SARs will be fully vested and may be exercised in full, beginning on the date of such termination and for the one-year period immediately following such termination.

3. **<u>Restricted Stock and Stock Units</u>**

Restricted stock will be settled in Company stock upon the lapse of vesting conditions and Restricted Stock Units will be settled in Company stock except as otherwise provided for in your Award Agreement, with any Restricted Stock Units settled within 60 days following the applicable vesting date or vesting event.

<u>Restricted Stock - Termination of Employment.</u> If you cease to be an Employee other than because you die, become Disabled or due to a Change in Control Termination, you forfeit any Restricted Stock that have not vested, or for which applicable restrictions and

conditions have not lapsed, and you have no further rights with respect to your Award of Restricted Stock. If, during the restriction period, you (i) die, (ii) become Disabled or (iii) are terminated by the Company without Cause or by you due to Good Reason within the two-year period following the consummation of a Corporate Transaction, all of your Restricted Stock will immediately vest and all transfer restrictions imposed by the Plan or this Agreement will immediately terminate.

Restricted Stock Units – Termination of Employment. If you cease to be an Employee other than because you die, become Disabled, Retire or due to a Change in Control Termination, you will forfeit any Restricted Stock Units that have not vested, or for which applicable restrictions and conditions have not lapsed, and you have no further rights with respect to your Award of Restricted Stock Units. If you die during the applicable vesting period, all of your Restricted Stock Units will immediately vest and your Restricted Stock Units will be settled in Company stock (or, if specified in your Award Agreement, cash) within 60 days following such death. If you terminate due to Disability or if you Retire, with the consent of the Company, then the Restricted Stock Units shall remain outstanding and shall be settled in Company stock (or, if specified in your Award Agreement, cash) within 60 days following each applicable vesting date; provided, however, that any Restricted Stock Units granted less than ten months before you Retire will terminate immediately upon your Retirement; provided further, that if you are terminated due to Disability or Retire within the two-year period following a Corporate Transaction, the Restricted Stock Units shall be settled immediately upon such termination to the extent required to comply with Section 409A of the Code. In the event of the consummation of any Corporate Transaction and you cease to be an Employee due to (i) a termination by the Company without Cause or (ii) by you due to Good Reason, in each case, within two years following the consummation of such Corporate Transaction, all of your Restricted Stock Units will immediately vest upon such termination and all transfer restrictions imposed by the Plan or this Agreement will immediately terminate and such Restricted Stock Units will be settled in Company stock (or, if specified in your Award Agreement, cash) within 60 days following such termination of employment; provided, however, if the Corporate Transaction is a not a “change in control event” within the meaning of Section 409A of the Code or the settlement upon such termination of employment would not be permitted under Section 409A of the Code, then the Restricted Stock Units shall vest and shall be settled in Company stock (or, if specified in your Award Agreement, cash) within 60 days following each applicable vesting date or, if earlier, within 60 days following your death.

Restricted Stock Units – Dividend Equivalent Rights. The Restricted Stock Units include a right to dividend equivalents equal to the value of any dividends paid on the Company stock for which the dividend record date (the “Record Date”) occurs between the grant date and the date the Restricted Stock Units are settled or forfeited. Each dividend equivalent entitles you to receive the equivalent cash value, without interest, of any such dividends paid on the number of shares of Company stock underlying the Restricted Stock Units that are outstanding on the Record Date. Dividend equivalents shall be subject to the same vesting conditions and payment terms set forth herein as the Restricted Stock Units to which they relate.

4. **Performance Units**

Performance Units will be settled in Company stock except as otherwise provided for in your Award Agreement. Any payout with respect to Performance Units will occur on **_______, 20XX**.

Termination of Employment. You will not be entitled to receive any Performance Units if, except in the circumstances described below, you cease to be an Employee before the end of the three-year performance period.

Death, Disability or Retirement. Regardless of the above employment requirement, the Company's Compensation Committee may, in its discretion, determine that you are entitled to a partial payout of an award if, before the expiration of the three-year performance period, (i) you Retire, (ii) you become Disabled, or (iii) you die, then you (or, if applicable, your estate) may receive a partial payout of this Award based on any fiscal years that have been completed at the time you die, Retire, or become Disabled. If the payout will be made, it will be based on the portion of the Award that you were eligible to receive based on targets established for, and limited to, such completed fiscal year or years, and the Company's actual performance against those targets. The Compensation Committee's determination of your entitlement to this partial payout will be made after the conclusion of the performance period. Subject to the Corporate Transactions section below, any payout of this portion of the Award will occur on **_______, 20XX**, along with the payout of other awards from the Plan's tranche of grants for that time period; provided however, that if you are terminated due to Disability or Retire within the two-year period following a Corporate Transaction, the Performance Units shall be settled immediately upon such termination to the extent required to comply with Section 409A of the Code.

Corporate Transactions. Any Performance Units for unexpired terms shall be converted to a time-based award at the time of such Corporate Transaction based on the best financial information available to the Company of the Company's performance as of the close of business on the day immediately preceding the Corporate Transaction; provided, however, that in determining whether and to what extent performance criteria of such Performance Units have been satisfied, where such performance criteria are based on results that accumulate over the term of such Awards or over one year of such term (e.g., earnings per share), the performance requirement of such performance criteria shall be prorated in accordance with the portion of the term or year that occurred prior to the Corporate Transaction. In the event of the consummation of any Corporate Transaction and you cease to be an Employee due to (i) a termination by the Company without Cause or (ii) by you due to Good Reason, in each case, within two years following the consummation of such Corporate Transaction, all of your Performance Units will immediately vest upon such termination and all transfer restrictions imposed by the Plan or this Agreement will immediately terminate and such Performance Units will be settled in Company stock (or, if specified in your Award Agreement, cash) within 60 days following such termination of employment; provided, however, if the Corporate Transaction is a not a "change in control event" within the meaning of Section 409A of the Code or the settlement upon such termination of employment would not be permitted under Section 409A of the Code, then the Performance Units shall vest and shall be settled in Company stock (or, if specified in your Award Agreement, cash) on **_____, 20XX.**

5. **Short-Term Cash Incentive (Management Incentive Program)**

Termination of Employment. Except in the circumstances described below, you must be actively employed on the last day of the Fiscal Year to be eligible to receive payment of the short-term cash incentive for such Fiscal Year under the Management Incentive Program, or "MIP".

Disability or Retirement. If you Retire, with the consent of the Company, or became Disabled during the Fiscal Year, you will be entitled to receive payment based on your eligible earnings (as determined by the Committee) during the year.

Death. If you die during or after the Fiscal Year before receiving a MIP payment that you would otherwise receive, payment based on your eligible earnings will be made to your estate.

Approved Leave of Absence. Being on an approved leave of absence (including workers compensation leave, military leave, or leave approved pursuant to the Family and Medical Leave Act), does not affect your eligibility to receive a MIP payment based on your eligible earnings during the fiscal year.

6. **Forfeiture or Return of Awards**

If the Company is required to prepare a material accounting restatement, you may be required to forfeit any Award you earned within three years of when the financial statements that were later restated were filed, if the Board or Committee, in its sole discretion, determines that you engaged in misconduct, the amount of the Award was based on achieving performance goals, and it is later determined that those goals were not achieved. In addition, if, within one year after you receive payment of an Award or exercise an Option, the Board determines in its discretion that you have materially harmed the Company, then you will be required to pay the Company any gain you realized. Additionally, if the Company is required to prepare an accounting restatement due to material noncompliance, the Company will be entitled to, and may be required to, seek recovery of an Award paid to any participant where the misstatement caused an error in incentive-based compensation.

7. **Notices**

Any notice under this Agreement to the Company should be addressed to La-Z-Boy Incorporated in care of its Secretary at One La-Z-Boy Drive, Monroe, Michigan 48162, and, if to you, it will be addressed to your address appearing in the Company's personnel records, or to either party at a different address that the party designates in writing to the other party. Any such notice will be deemed effective when received.

8. **Section 409A.**

The Company intends that the Awards granted under this Award Agreement comply with Code Section 409A or be exempt from Code Section 409A to the maximum extent possible and each payment hereunder shall be considered a separate payment under Code Section 409A. If any Award granted hereunder constitutes "deferred compensation" under Code Section 409A of the Code and you are a "specified employee" for purposes of Code Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Code Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of your "separation from service" (as defined in Code Section 409A without regard to alternative definitions thereunder) or, if earlier, the date of your death, unless such distribution or payment can be made in a manner that complies with Code Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

9. **Definitions.**

Notwithstanding anything in the Plan to the contrary, "Cause" is defined as in the change in control letter agreement between the Company and you in effect on the Grant Date.

"Good Reason" is defined as in the change in control letter agreement between the Company and you in effect on the Grant Date.

Notwithstanding anything in the Plan to the contrary, "Retired" or "Retirement" means the termination of your employment relationship with the Company and all of its Subsidiaries on or after the date on which the sum of your age and Years of Service equals or exceeds 65, with a minimum age of 55.

August 22, 2023

Board of Directors
La-Z-Boy Incorporated
1 La-Z-Boy Drive
Monroe, MI 48162

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to La-Z-Boy Incorporated's (the "Company") Quarterly Report on Form 10-Q for the period ended July 29, 2023 (the "Form 10-Q") pursuant to Item 601 of Regulation S-K.

We have been provided a copy of the Company's Form 10-Q. Note 1 therein describes a change in accounting principle for the Company's classification of certain costs associated with operating the Company's distribution centers from Selling, general, and administrative expense to Cost of sales in the consolidated statement of income. It should be understood that the preferability of one acceptable method of accounting over another for classification of costs associated with operating distribution centers has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, a change to a preferable accounting principle in conformity with Accounting Standards Codification 250, *Accounting Changes and Error Corrections*.

We have not audited any financial statements of the Company as of any date or for any period subsequent to April 29, 2023. Accordingly, our comments are subject to change upon completion of an audit of the financial statements covering the period of the accounting change.

Very truly yours,

s/PricewaterhouseCoopers LLP

Detroit, Michigan

Exhibit 31.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)

I, Melinda D. Whittington, certify that:

1. I have reviewed this quarterly report on Form 10-Q of La-Z-Boy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2023	/s/ Melinda D. Whittington
	Melinda D. Whittington
	President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)

I, Robert G. Lucian, certify that:

1. I have reviewed this quarterly report on Form 10-Q of La-Z-Boy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2023	/s/ Robert G. Lucian
	Robert G. Lucian
	Senior Vice President and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF EXECUTIVE OFFICERS*

Pursuant to 18 U.S.C. section 1350, each of the undersigned officers of La-Z-Boy Incorporated (the "Company") hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the period ended July 29, 2023 (the "Report") fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Melinda D. Whittington

Melinda D. Whittington
President and Chief Executive Officer
August 22, 2023

/s/ Robert G. Lucian

Robert G. Lucian
Senior Vice President and Chief Financial Officer
August 22, 2023

*The foregoing certification is being furnished solely pursuant to 18 U.S.C. section 1350 and is not being filed as part of the Report or as a separate disclosure document.