

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

FORM 8-K

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

August 22, 2017

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

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of
incorporation)

1-9656

(Commission
File Number)

38-0751137

(IRS Employer
Identification Number)

One La-Z-Boy Drive, Monroe, Michigan

(Address of principal executive offices)

48162-5138

Zip Code

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

None

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On August 22, 2017, La-Z-Boy Incorporated issued a news release to report the company's financial results for the first quarter ended July 29, 2017. A copy of the news release is attached to this current report on Form 8-K as Exhibit 99.1. Exhibit 99.2 contains unaudited financial data.

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

Item 9.01 Financial Statements and Exhibits

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

	<u>Description</u>
99.1	News Release Dated August 22, 2017
99.2	Unaudited financial schedules

SIGNATURE

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

LA-Z-BOY INCORPORATED

(Registrant)

Date: August 22, 2017

BY: /s/ Lindsay A. Barnes

Lindsay A. Barnes

Vice President, Corporate Controller and Chief
Accounting Officer



NEWS RELEASE

Contact: Kathy Liebmann (734) 241-2438 kathy.liebmann@la-z-boy.com

LA-Z-BOY REPORTS FISCAL 2018 FIRST-QUARTER RESULTS

MONROE, Mich., August 22, 2017—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2018 first quarter ended July 29, 2017.

- Consolidated sales increased 4.8% to \$357.1 million versus \$340.8 million in last year's first quarter;
- Same-store written sales for the La-Z-Boy Furniture Galleries® network increased 0.7%;
- Cash flow from operations was \$19.5 million;
- The company returned \$16.8 million to shareholders through dividends and share purchases; and
- Earnings per share for the quarter were \$0.24 versus \$0.28 in last year's first quarter.

Sales for the fiscal 2018 first quarter were \$357.1 million, compared with \$340.8 million in the prior year's first quarter. The company reported net income attributable to La-Z-Boy Incorporated of \$11.7 million, or \$0.24 per share, versus \$13.8 million, or \$0.28 per share, in last year's first quarter. The fiscal 2018 first quarter's results included a \$0.03 per share benefit in other income for an investment gain, and last year's first quarter included a \$0.03 per share benefit for a legal settlement.

Sales in the company's upholstery segment increased 2.6% to \$274.4 million and the operating margin declined to 8.5% from 11.4% in last year's first quarter, which included a 0.9 percentage point benefit from a legal settlement. In the casegoods segment, sales increased 1.9% to \$25.5 million and the operating margin increased to 10.7% from 8.6%. Sales in the retail segment increased 15.5% to \$110.5 million. On the core base of 122 stores included in last year's first quarter, delivered sales declined 1.1% versus the prior year and the segment's operating margin decreased to 1.6% from 2.3%.

Kurt L. Darrow, Chairman, President and Chief Executive Officer of La-Z-Boy, said, "After a strong finish to fiscal 2017, we are disappointed with our start to this fiscal year. Although we posted a consolidated sales increase for the quarter, much of it related to acquired sales which did not add volume to our upholstery manufacturing operations which is our most profitable segment. Lower volume throughout our plants made it difficult to absorb fixed costs and this, combined with the normal seasonal slowdown and continued investments across the business, impacted our upholstery operating margin for the period. Additionally, due to acquisitions and growth in our retail segment, SG&A expenses increased during the quarter. As we move forward, we intend to manage our SG&A appropriately given various levels of volume. Our casegoods business performed well for the quarter as we continue to improve our product offering, value proposition and service levels to our customers. We believe this business is well positioned for continued growth moving forward."

Darrow continued, "Over the past year, we have developed a comprehensive e-commerce strategy to address the evolution in furniture sales through this channel and are pursuing three opportunities:

increasing online sales of La-Z-Boy furniture through la-z-boy.com and other digital players; leveraging the strength of our world-class global supply chain to support other e-commerce brands; and investing in new online companies. One such investment that converted to preferred shares in a recent round of financing, has already increased in value and contributed to our earnings this quarter."

Darrow added, "During the period, we continued to grow our retail segment. The company opened two La-Z-Boy Furniture Galleries® stores as part of our 4-4-5 strategy and further integrated recently acquired stores. For the quarter, we achieved a written same-store sales increase of 0.7% throughout the La-Z-Boy Furniture Galleries® store network during the summer period and look forward to moving into the traditionally stronger fall selling season. We are in an excellent service position and as we have demonstrated, we are able to drive increased profitability throughout our manufacturing operations with adequate volume. We remain optimistic about our business for the remainder of the fiscal year, particularly as we capitalize on a dual strategy to reach core La-Z-Boy consumers through our vibrant store program and our independent dealer network while attracting a new and younger consumer through our multi-faceted e-commerce approach."

FISCAL 2018 PROJECTED* STORE ACTIVITY

	<u>Total FY17</u>	<u>New</u>	<u>Closed</u>	<u>Total FY18</u>	<u>Remodel</u>	<u>Relocation</u>
Company-owned	143	7	(2)	148	—	—
Dealer-owned	204	7	(4)	207	8	5
Total	347	14	(6)	355	8	5

*Projects anticipated to be completed.

Balance Sheet and Cash Flow

During the quarter, the company generated \$19.5 million in cash from operating activities. La-Z-Boy ended the quarter with \$119.6 million in cash and cash equivalents, \$33.4 million in investments to enhance returns on cash, and \$6.0 million in restricted cash. During the quarter, the company had \$9.1 million in

capital expenditures, used \$15.9 million to pay for the U.K. acquisition that closed in January, paid \$5.3 million in dividends, and spent \$11.5 million purchasing 0.4 million shares of stock in the open market under its existing authorized share purchase program, leaving 8.3 million shares of purchase availability in the program.

Conference Call

La-Z-Boy will hold a conference call with the investment community on Wednesday, August 23, 2017, at 8:30 a.m. eastern time. The toll-free dial-in number is 877.407.0778; international callers may use 201.689.8565.

The call will be webcast live, with corresponding slides, and archived on the Internet. It will be available at <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-calendar>. A telephone replay will be available for a week following the call. This replay will be accessible to callers from the U.S. and Canada at 877.481.4010 and to international callers at 919.882.2331. Enter Conference ID #10425.

Forward-looking Information

This news release contains, and oral statements made from time to time by representatives of La-Z-Boy may contain, “forward-looking statements.” With respect to all forward-looking statements,

we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Actual results could differ materially from those we anticipate or project due to a number of factors, including: (a) changes in consumer confidence and demographics; (b) the possibility of a recession; (c) changes in the real estate and credit markets and their effects on our customers, consumers and suppliers; (d) international political unrest, terrorism or war; (e) volatility in energy and other commodities prices; (f) the impact of logistics on imports and exports; (g) tax rate, interest rate, and currency exchange rate changes; (h) operating factors, such as supply, labor or distribution disruptions (e.g. port strikes); (i) changes in legislation or changes in the domestic or international regulatory environment (including new or increased duties); (j) adoption of new accounting principles; (k) fires, severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (l) our ability to procure or transport fabric rolls, leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (m) information technology conversions or system failures and our ability to recover from a system failure; (n) effects of our brand awareness and marketing programs; (o) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (p) litigation arising out of alleged defects in our products; (q) unusual or significant litigation; (r) our ability to locate new La-Z-Boy Furniture Galleries® stores (or store owners) and negotiate favorable lease terms for new or existing locations; (s) the ability to increase volume through our e-commerce initiatives; (t) the impact of potential goodwill or intangible asset impairments; and (u) those matters discussed in Item 1A of our fiscal 2017 Annual Report on Form 10-K and other factors identified from time to time in our reports filed with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether to reflect new information or new developments or for any other reason.

Additional Information

This news release is just one part of La-Z-Boy’s financial disclosures and should be read in conjunction with other information filed with the Securities and Exchange Commission, which is available at: <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-sec>. Investors and others wishing to be notified of future La-Z-Boy news releases, SEC filings and quarterly investor conference calls may sign up at: <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-alerts&t=&id=&>.

Background Information

La-Z-Boy Incorporated is one of the world’s leading residential furniture producers, marketing furniture for every room of the home. The La-Z-Boy upholstery segment companies are England and La-Z-Boy. The casegoods segment consists of three brands: American Drew, Hammary, and Kincaid. The company-owned retail segment includes 145 of the 348 La-Z-Boy Furniture Galleries® stores.

The corporation’s branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 348 stand-alone La-Z-Boy Furniture Galleries® stores and 551 independent Comfort Studio® locations, in addition to in-store gallery programs for the company’s Kincaid and England operating units. Additional information is available at <http://www.la-z-boy.com/>.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

(Unaudited, amounts in thousands, except per share data)	Quarter Ended	
	7/29/17	7/30/16
Sales	\$ 357,079	\$ 340,783
Cost of sales	217,976	206,562
Gross profit	139,103	134,221
Selling, general and administrative expense	122,805	111,763
Operating income	16,298	22,458
Interest expense	157	115
Interest income	343	204
Other income (expense), net	1,749	(762)
Income before income taxes	18,233	21,785
Income tax expense	6,489	7,777
Net income	11,744	14,008
Net income attributable to noncontrolling interests	(93)	(202)
Net income attributable to La-Z-Boy Incorporated	\$ 11,651	\$ 13,806
Basic weighted average common shares	48,357	49,105
Basic net income attributable to La-Z-Boy Incorporated per share	\$ 0.24	\$ 0.28
Diluted weighted average common shares	48,846	49,594
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.24	\$ 0.28
Dividends declared per share	\$ 0.11	\$ 0.10

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET

(Unaudited, amounts in thousands, except par value)	7/29/17	4/29/17
Current assets		
Cash and equivalents	\$ 119,628	\$ 141,860
Restricted cash	5,963	8,999
Receivables, net of allowance of \$2,557 at 7/29/17 and \$2,563 at 4/29/17	134,904	150,846
Inventories, net	178,508	175,114
Other current assets	49,882	40,603
Total current assets	488,885	517,422
Property, plant and equipment, net	171,078	169,132
Goodwill	74,766	74,245
Other intangible assets, net	18,438	18,489
Deferred income taxes — long-term	38,372	40,131
Other long-term assets, net	76,982	69,436
Total assets	\$ 868,521	\$ 888,855
Current liabilities		
Current portion of long-term debt	\$ 206	\$ 219
Accounts payable	47,352	51,282
Accrued expenses and other current liabilities	126,948	147,175
Total current liabilities	174,506	198,676
Long-term debt	242	296
Other long-term liabilities	90,777	88,778
Contingencies and commitments	—	—
Shareholders' equity		
Preferred shares — 5,000 authorized; none issued	—	—
Common shares, \$1 par value — 150,000 authorized; 48,268 outstanding at 7/29/17 and 48,472 outstanding at 4/29/17	48,268	48,472
Capital in excess of par value	293,041	289,632
Retained earnings	280,251	284,698
Accumulated other comprehensive loss	(30,248)	(32,883)
Total La-Z-Boy Incorporated shareholders' equity	591,312	589,919
Noncontrolling interests	11,684	11,186
Total equity	602,996	601,105
Total liabilities and equity	\$ 868,521	\$ 888,855

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, amounts in thousands)	Quarter Ended	
	7/29/17	7/30/16
Cash flows from operating activities		
Net income	\$ 11,744	\$ 14,008
Adjustments to reconcile net income to cash provided by (used for) operating activities		
Deferred income tax expense	1,344	(1,076)
Provision for doubtful accounts	(22)	(77)
Depreciation and amortization	7,758	6,800
Equity-based compensation expense	3,558	3,329
Change in receivables	15,753	17,664
Change in inventories	(2,477)	510
Change in other assets	(10,837)	(1,467)
Change in payables	(3,974)	403
Change in other liabilities	(3,339)	(4,341)
Net cash provided by operating activities	19,508	35,753
Cash flows from investing activities		
Proceeds from disposals of assets	459	35
Proceeds from property insurance	450	—
Capital expenditures	(9,146)	(5,209)
Purchases of investments	(10,851)	(7,695)
Proceeds from sales of investments	5,857	3,670
Acquisitions, net of cash acquired	(15,879)	(5,281)
Net cash used for investing activities	(29,110)	(14,480)
Cash flows from financing activities		
Payments on debt	(66)	(89)
Stock issued for stock and employee benefit plans, net of shares withheld for taxes	377	860
Excess tax benefit on stock option exercises	—	1,137
Purchases of common stock	(11,491)	(13,567)
Dividends paid	(5,337)	(4,923)
Net cash used for financing activities	(16,517)	(16,582)
Effect of exchange rate changes on cash and equivalents	851	116
Change in cash, cash equivalents and restricted cash	(25,268)	4,807
Cash, cash equivalents and restricted cash at beginning of period	150,859	121,335
Cash, cash equivalents and restricted cash at end of period	\$ 125,591	\$ 126,142
Supplemental disclosure of non-cash investing activities		
Capital expenditures included in payables	\$ 1,671	\$ —

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

(Unaudited, amounts in thousands)	Quarter Ended	
	7/29/17	7/30/16
Sales		
Upholstery segment:		
Sales to external customers	\$ 224,814	\$ 223,809
Intersegment sales	49,593	43,607
Upholstery segment sales	274,407	267,416
Casegoods segment:		
Sales to external customers	21,019	20,585
Intersegment sales	4,491	4,453
Casegoods segment sales	25,510	25,038
Retail segment sales	110,516	95,720
Corporate and Other:		
Sales to external customers	730	669
Intersegment sales	1,930	1,210
Corporate and Other sales	2,660	1,879
Eliminations		
Consolidated sales	\$ (56,014)	\$ (49,270)
	\$ 357,079	\$ 340,783
Operating Income (Loss)		
Upholstery segment	\$ 23,299	\$ 30,499
Casegoods segment	2,739	2,147
Retail segment	1,767	2,183
Corporate and Other	(11,507)	(12,371)

LA-Z-BOY INCORPORATED
UNAUDITED FISCAL 2017 QUARTERLY FINANCIAL DATA (AS ADJUSTED)

In the first quarter of fiscal 2018, we early adopted the provisions of ASU 2017-07, which reclassified certain pension costs out of cost of sales and into other income (expense), net. This change required retrospective application to the prior year. To aid in the understanding of our financial results, the table below presents our fiscal 2017 quarterly financial results, as adjusted to conform to current year presentation.

(Unaudited, amounts in thousands, except per share data)

Fiscal Quarter Ended	7/30/16	10/29/16	1/28/17	4/29/17
Sales	\$ 340,783	\$ 376,579	\$ 389,992	\$ 412,706
Cost of sales	206,562	227,195	233,185	243,815
Gross profit	134,221	149,384	156,807	168,891
Selling, general and administrative expense	111,763	115,526	123,235	125,437
Operating income	22,458	33,858	33,572	43,454
Interest expense	115	117	562	279
Interest income	204	234	241	302
Income from Continued Dumping and Subsidy Offset Act, net	—	—	273	—
Other income (expense), net	(762)	(969)	(52)	(1,000)
Income before income taxes	21,785	33,006	33,472	42,477
Income tax expense	7,777	11,901	9,830	14,248
Net income	14,008	21,105	23,642	28,229
Net income attributable to noncontrolling interests	(202)	(272)	(356)	(232)
Net income attributable to La-Z-Boy Incorporated	\$ 13,806	\$ 20,833	\$ 23,286	\$ 27,997
Diluted weighted average common shares	49,594	49,511	49,384	49,181
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.28	\$ 0.42	\$ 0.47	\$ 0.57
Dividends declared per share	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.11