

INVESTOR PRESENTATION

November 2021

L A Z B O Y
INCORPORATED





Forward-Looking Disclaimer

- This presentation contains statements that relate directly or indirectly to our future business, events or financial performance that may constitute forward-looking statements. Forward-looking statements generally contain words such as “anticipates,” “believes,” “continues,” “estimates,” “expects,” “feels,” “forecasts,” “hopes,” “intends,” “likely,” “non-recurring,” “one-time,” “outlook,” “plans,” “projects,” “seeks,” “short-term,” “target,” “unusual,” “will,” or words of similar meaning. In addition, our representatives may from time to time make oral forward-looking statements.
- Such forward-looking statements are based on the current expectations and certain assumptions of La-Z-Boy management, of which many are beyond the control of the company. These statements are subject to a number of risks and uncertainties, including those described in our Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission (SEC), which are available on the SEC’s website at www.sec.gov.
- Actual results, performance or achievements of La-Z-Boy may vary materially from those described explicitly or implicitly in any forward-looking statement.
- The reconciliation of certain Non-GAAP measures in this presentation to the most directly comparable GAAP financial measure may be found at the end of the presentation.

Lay-Z-Boy Incorporated: Wholesale Manufacturer and Retailer

Including the iconic La-Z-Boy brand, fast-growing Joybird and other trade brands

\$2.1 billion in sales¹ across Wholesale, Retail and Joybird with ~95% of sales in North America

Wholesale
58% of Sales¹

World-class supply chain; manufactures and imports upholstered furniture and casegoods; sells to approximately 4,000 outlets

Retail
35% of Sales¹

159 company-owned La-Z-Boy Furniture Galleries® stores

Benefit of blended operating margin – Wholesale and Retail

Joybird
(Reported in Corporate/Other)

Sells upholstered furniture and other goods through its online website, www.joybird.com, and four small-format urban stores



90+ year legacy of innovation, quality, craftsmanship and American heritage

1. Represents Q2 FY '22 Trailing Twelve Months (TTM)

La-Z-Boy Incorporated's Synergistic Platform

Building and selling powerful premium brands that complement one another



Note: Relative revenue representation (not 100% to scale)

 Wholesale segment

 Retail segment

 Joybird (included in Corporate/other)

La-Z-Boy Incorporated Leadership Team



Melinda Whittington
President and CEO



Bob Lucian
SVP and CFO



Darrell Edwards
SVP and COO



Otis Sawyer
SVP, La-Z-Boy Incorporated
President, La-Z-Boy
Portfolio Brands



Rob Sundy
SVP and CCO



Tj Linz
President, Retail Division



Keith Wilson
President, International
and Joybird



David Behen
VP and CIO



Katie Vanderjagt
VP and CHRO



Raphael Richmond
VP, General Counsel
and Chief Compliance
Officer

Century Vision: Building the La-Z-Boy of Tomorrow

Our plan for profitable growth to our 100th anniversary in CY 2027

Sales growth will outpace industry while delivering double-digit operating margins over the long term

L A Z B O Y

Reinvigorate brand with consumer focus and expand reach

Tell our brand comfort story

Increase appeal to younger consumers

Expand omni-channel presence

JOYBIRD
FURNITURE

Add fuel to accelerate growth of the brand

Expand brand awareness

Expand small-format urban stores

Enterprise Capabilities



Leverage and enhance enterprise capabilities to support consumer brands

Enhance e-commerce and digital marketing capabilities

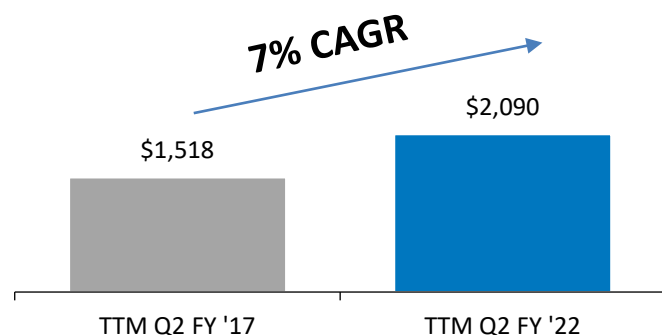
Increase supply chain agility

Enhance efficiencies for potential tack-on acquisitions

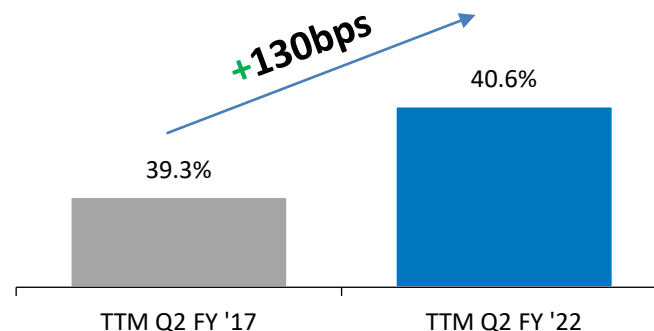
Shareholder Update

Strong track record of growth and value creation over the last 5 years

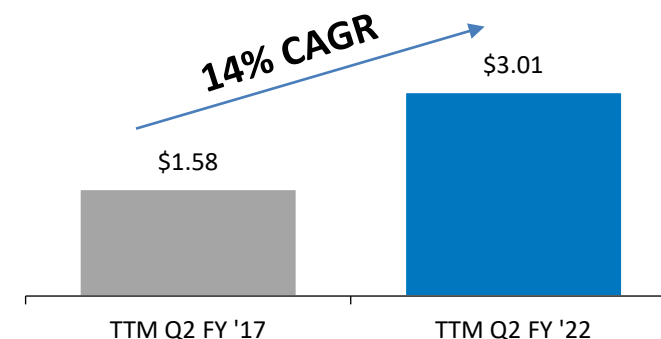
Sales Growth¹



Gross Margin Expansion



Non-GAAP EPS Growth^{1, 2}



Return of Capital to Shareholders

\$111m + **\$234m**
5-Year Total Dividends Paid³ 5-Year Total Share Repurchases³

\$345m
Returned to shareholders over 5 years³

1. 5-year CAGR: TTM Q2 FY '17 vs. Q2 FY '22; \$ in millions, except per share data

2. Reconciliation of GAAP to Non-GAAP provided in Appendix

3. 5-year period ending Q2 FY '22

Fiscal Q2 2022 Update and Fiscal 2022 Outlook

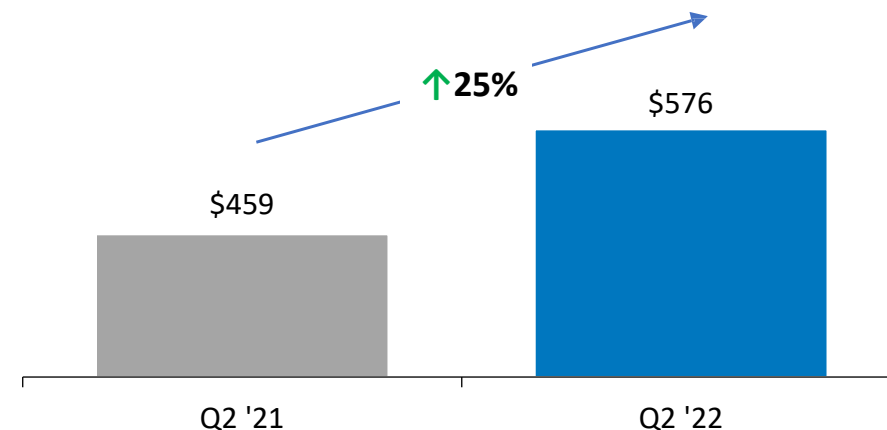
Q2 Highlights

- Record total sales of \$576m (25% increase vs. Q2 FY '21)
 - Sales 29% higher than pre-pandemic Q2 FY '20, a 14% CAGR
- Operating margin of 9.0% (Non-GAAP)¹
 - Impacted by higher raw material prices, costs to increase capacity and labor challenges; partially offset by pricing and surcharge actions and fixed-cost leverage on higher volume
- Strong ongoing demand across business; high backlog
- Strategic investments to increase capacity and improve capabilities
- Adding manufacturing capacity in Mexico
- Working to minimize supply chain disruption
- Early in Q3 FY '22, acquired Furnico upholstery manufacturing business in the U.K.
- Returned \$64m to shareholders in the first half of FY '22 through dividends and buybacks

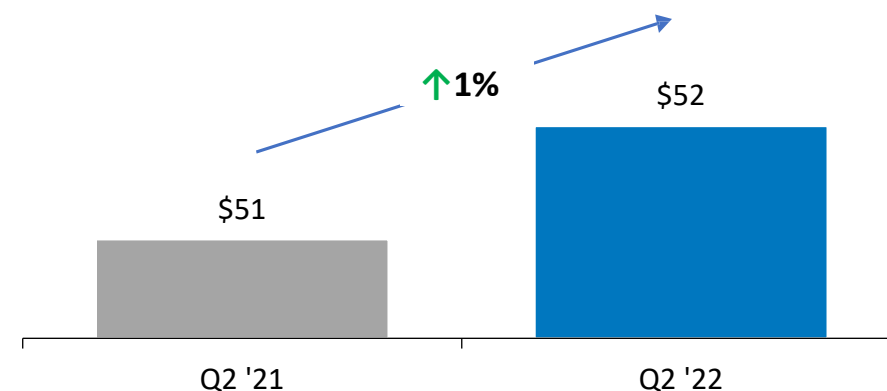
FY 2022 Outlook

- Expect sales and margin in Q3 to be similar to Q2
- Expect sales and margin to accelerate in Q4
- Expect to finish the fiscal year with a consolidated non-GAAP operating margin at or near double digits

Net Sales (\$ in millions)



Non-GAAP Operating Profit (\$ in millions)¹



Capital Allocation

Target to Invest ~50% of Operating Cash Flow into the Business; Return ~50% to Shareholders

Disciplined Investments

Invest in Business

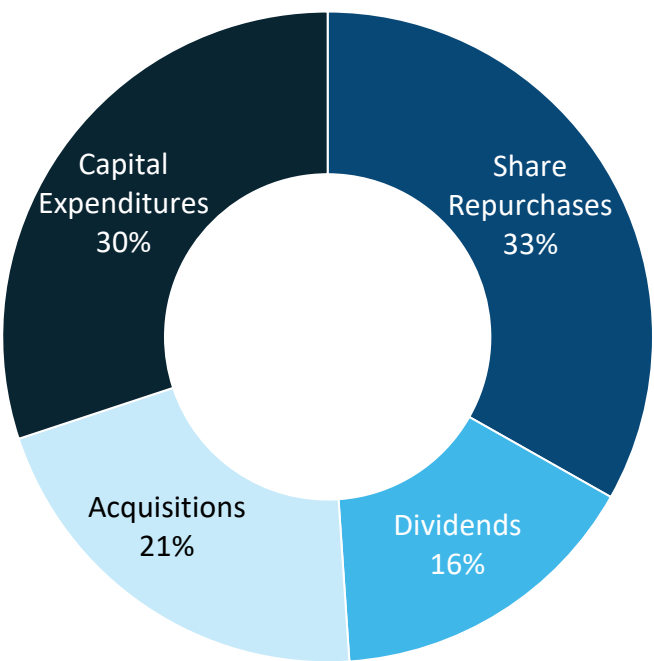
- Core investments: Capacity and IT
- ~22 Retail (company-owned) projects in FY '22
- Recent acquisition of stores on Long Island, NY; purchase agreement to acquire stores in Tennessee/Alabama market
- Increased focus on potential tack-on acquisitions

Returns to Shareholders

- \$51 million of share repurchases over the past two quarters
- Increased share repurchase authorization to ~20% of s/o in Q2 FY '22
- Increased quarterly dividend to \$0.165 per share in Q3 FY '22

Capital Priorities

Allocation Over Last 5 Years¹



1. Represents relative allocation of capital over last 5 years ending Q2 FY '22; incremental operating cash flows utilized for debt repayment and other investments

Sustainability and ESG Commitment

Our Strategy and Initiatives

Reducing our Environmental Impact

- Monitoring and reporting scope 1 and scope 2 emissions across our operations
- Reducing water usage (more than 25m gallons of water saved annually vs. FY 2007)
- Sourcing plantation wood for our products to minimize deforestation impacts
- Prioritizing recycling efforts throughout all facilities to minimize waste to landfills

Promoting a Culture of Diversity and Safety

- Developing practices and initiatives that accelerate Diversity, Equity & Inclusion (DE&I) across our organization
- Maintaining exemplary safety record through extensive training and promoting a culture of safety across the organization

Ensuring Sound Corporate Governance Principles

- Full Board oversees environmental and sustainability risks
- Compensation and Talent Management Committee oversees human capital and diversity-related topics
- Board is committed to prioritizing diversity in refreshment and succession planning

Recent Highlights

- Published a SASB-aligned table detailing material ESG topics
- Aligning climate-specific reporting with the TCFD framework
- Committed to setting science-based targets in the next two years and be carbon neutral by 2050
- Entered in to a 10-year resource-backed virtual power purchase agreement



- Signed the *CEO Action for Diversity & Inclusion* pledge, committing to advance DE&I across our organization
- Formed the La-Z-Boy Diversity, Inclusion and Belonging Council
- Received the *National Safety Council Green Cross Safety Excellence Award* in 2020 for excellence in reducing workplace injuries



- 58% of our Board comprised of women and/or diverse directors
- 83% of Board has human capital management-related expertise



Our Board and management continue to oversee our ESG practices and guide our strategy as we progress our goals and initiatives

New Mission, Purpose and Values

Our Mission

Lead the global furnishings industry by leveraging our expertise in comfort, providing the best consumer experience, creating the highest quality products, and empowering our people to transform rooms, homes and communities



Our Purpose

We believe in the transformational power of comfort



Our Values

Courage
Curiosity
Compassion



Why Invest in La-Z-Boy Incorporated (NYSE: LZB)

Leading Furniture Platform: Wholesaler; Retailer; and Joybird



Preeminent brand in large, dynamic and fragmented furniture industry

Differentiated omni-channel capabilities

Strong wholesale supply chain capability

Accelerating growth with Century Vision

Progressing a comprehensive sustainability strategy

Strong free cash flow generation and focused capital allocation

Track record of creating value for shareholders

Appendix



RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

<i>(Amounts in thousands, except per share data)</i>	Quarter Ended		Six Months Ended	
	10/23/2021	10/24/2020	10/23/2021	10/24/2020
GAAP gross profit	\$ 223,295	\$ 200,555	\$ 425,377	\$ 316,918
Add back: Purchase accounting charges - incremental expense upon the sale of inventory acquired at fair value	—	133	—	430
Add back: Business realignment charges	—	235	—	1,305
Add back: Supply chain optimization initiative charges/(gain)	—	—	—	(50)
Non-GAAP gross profit	\$ 223,295	\$ 200,923	\$ 425,377	\$ 318,603
GAAP SG&A	\$ 169,182	\$ 152,616	\$ 336,893	\$ 264,654
Less: Purchase accounting charges - adjustment to fair value of contingent consideration and amortization of intangible assets and retention agreements	(759)	(2,756)	(1,019)	(3,478)
Less: Business realignment gain/(charges)	3,277	(108)	3,277	(2,580)
Non-GAAP SG&A	\$ 171,700	\$ 149,752	\$ 339,151	\$ 258,596
GAAP operating income	\$ 54,113	\$ 47,939	\$ 88,484	\$ 52,264
Add back: Purchase accounting charges	759	2,889	1,019	3,908
Add back: Business realignment charges/(gain)	(3,277)	343	(3,277)	3,885
Add back: Supply chain optimization initiative charges/(gain)	—	—	—	(50)
Non-GAAP operating income	\$ 51,595	\$ 51,171	\$ 86,226	\$ 60,007
GAAP income before income taxes	\$ 55,008	\$ 47,705	\$ 89,092	\$ 53,539
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	896	3,018	1,336	4,207
Add back: Business realignment charges/(gain)	(3,277)	343	(3,277)	3,885
Add back: Supply chain optimization initiative charges/(gain)	—	—	—	(50)
Non-GAAP income before income taxes	\$ 52,627	\$ 51,066	\$ 87,151	\$ 61,581

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

<i>(Amounts in thousands, except per share data)</i>	Quarter Ended		Six Months Ended	
	10/23/2021	10/24/2020	10/23/2021	10/24/2020
GAAP net income attributable to La-Z-Boy Incorporated	\$ 39,516	\$ 34,935	\$ 64,082	\$ 39,733
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	896	3,018	1,336	4,207
Less: Tax effect of purchase accounting	(105)	(128)	(219)	(413)
Add back: Business realignment charges/(gain)	(3,277)	343	(3,277)	3,885
Less: Tax effect of business realignment charges	865	(85)	859	(940)
Add back: Supply chain optimization initiative charges/(gain)	—	—	—	(50)
Less: Tax effect of supply chain optimization initiative	—	—	—	12
Non-GAAP net income attributable to La-Z-Boy Incorporated	\$ 37,896	\$ 38,083	\$ 62,781	\$ 46,434
GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.89	\$ 0.75	\$ 1.43	\$ 0.86
Add back: Purchase accounting charges, net of tax, per share	0.02	0.06	0.03	0.08
Add back: Business realignment charges (gain), net of tax, per share	(0.06)	0.01	(0.06)	0.07
Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.85	\$ 0.82	\$ 1.40	\$ 1.01

	Trailing Twelve Months Ended	
	10/23/2021	10/29/2016
GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 2.87	\$ 1.58
Add back: Purchase accounting charges, net of tax, per share	0.28	—
Add back: Business realignment charges, net of tax, per share	(0.06)	—
Less: CARES Act benefit, net of tax, per share	(0.08)	—
Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 3.01	\$ 1.58

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

SEGMENT INFORMATION

(Amounts in thousands)	Quarter Ended				Six Months Ended			
	10/23/2021	% of Sales	10/24/2020	% of Sales	10/23/2021	% of Sales	10/24/2020	% of Sales
GAAP operating income (loss)								
Wholesale segment	\$ 43,128	9.8%	\$ 41,683	12.2%	\$ 61,459	7.4%	\$ 59,623	10.5%
Retail segment	23,962	12.5%	15,093	9.3%	44,400	11.9%	8,466	3.3%
Corporate and Other	(12,977)	N/M	(8,837)	N/M	(17,375)	N/M	(15,825)	N/M
Consolidated GAAP operating income	\$ 54,113	9.4%	\$ 47,939	10.4%	\$ 88,484	8.0%	\$ 52,264	7.0%
Non-GAAP items affecting operating income								
Wholesale segment	\$ (3,217)		\$ 226		\$ (3,157)		\$ 3,230	
Retail segment	—		148		—		613	
Corporate and Other	699		2,858		899		3,900	
Consolidated Non-GAAP items affecting operating income	\$ (2,518)		\$ 3,232		\$ (2,258)		\$ 7,743	
Non-GAAP operating income (loss)								
Wholesale segment	\$ 39,911	9.1%	\$ 41,909	12.2%	\$ 58,302	7.0%	\$ 62,853	11.1%
Retail segment	23,962	12.5%	15,241	9.4%	44,400	11.9%	9,079	3.6%
Corporate and Other	(12,278)	N/M	(5,979)	N/M	(16,476)	N/M	(11,925)	N/M
Consolidated Non-GAAP operating income	\$ 51,595	9.0%	\$ 51,171	11.1%	\$ 86,226	7.8%	\$ 60,007	8.1%

N/M - Not Meaningful

- In addition to the financial measures prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), this presentation also includes Non-GAAP financial measures. Management uses these Non-GAAP financial measures when assessing our ongoing performance. The Non-GAAP measures may exclude purchase accounting, charges for our supply chain optimization initiative, benefits from the CARES Act, and charges for our business realignment. In addition, this presentation references the Non-GAAP financial measure of "Non-GAAP operating margin" for a future period. Non-GAAP operating margin may exclude items such as pre-tax purchase accounting charges and pre-tax business realignment charges. These and other not presently determinable items could have a material impact on the determination of operating margin on a GAAP basis and due to the probable variability and limited visibility of excluded items, we have not provided a reference to future period GAAP operating margin or a reconciliation of Non-GAAP operating margin for future periods in this presentation. These Non-GAAP financial measures are not meant to be considered a substitute for La-Z-Boy Incorporated's results prepared in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. Except as otherwise specified herein, reconciliations of such Non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in the tables in this appendix.
- Management believes that presenting certain Non-GAAP financial measures excluding purchase accounting, charges for our supply chain optimization initiative, benefits from the CARES Act, and charges for our business realignment will help investors understand the long-term profitability trends of our business and compare our profitability to prior and future periods. Management uses these Non-GAAP measures to assess the company's operating and financial performance, and excludes purchase accounting and charges for our business realignment because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions and restructuring actions consummated, and the operations being moved or closed. Management also excludes impacts from the CARES Act when assessing the company's operating and financial performance due to the one-time nature of the transactions.