LA-Z-BOY®

August 2020

Forward-Looking Disclaimer

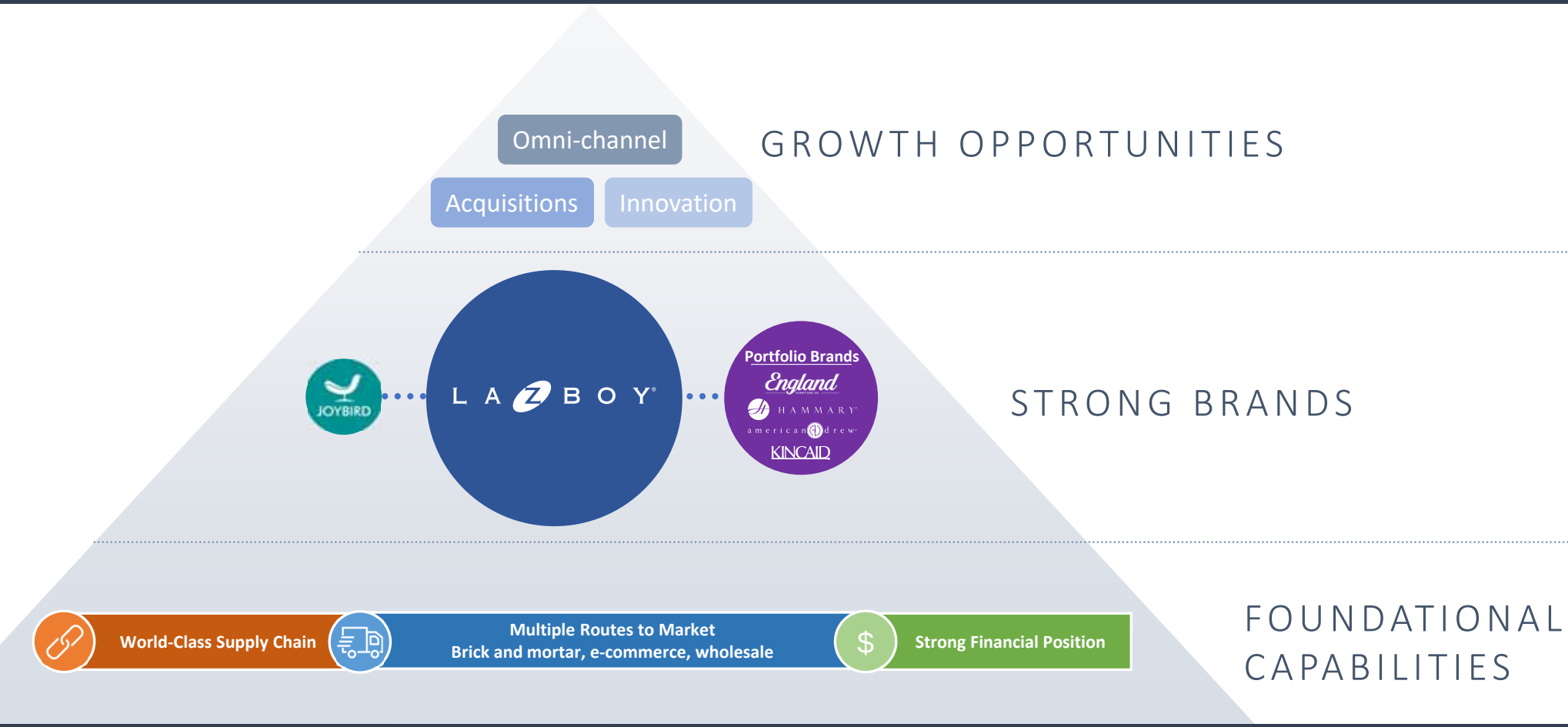
- This presentation contains statements that relate directly or indirectly to our future business, events or financial performance that may constitute forward-looking statements.
- In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on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

LA Z BOY®

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

LA Z BOY®

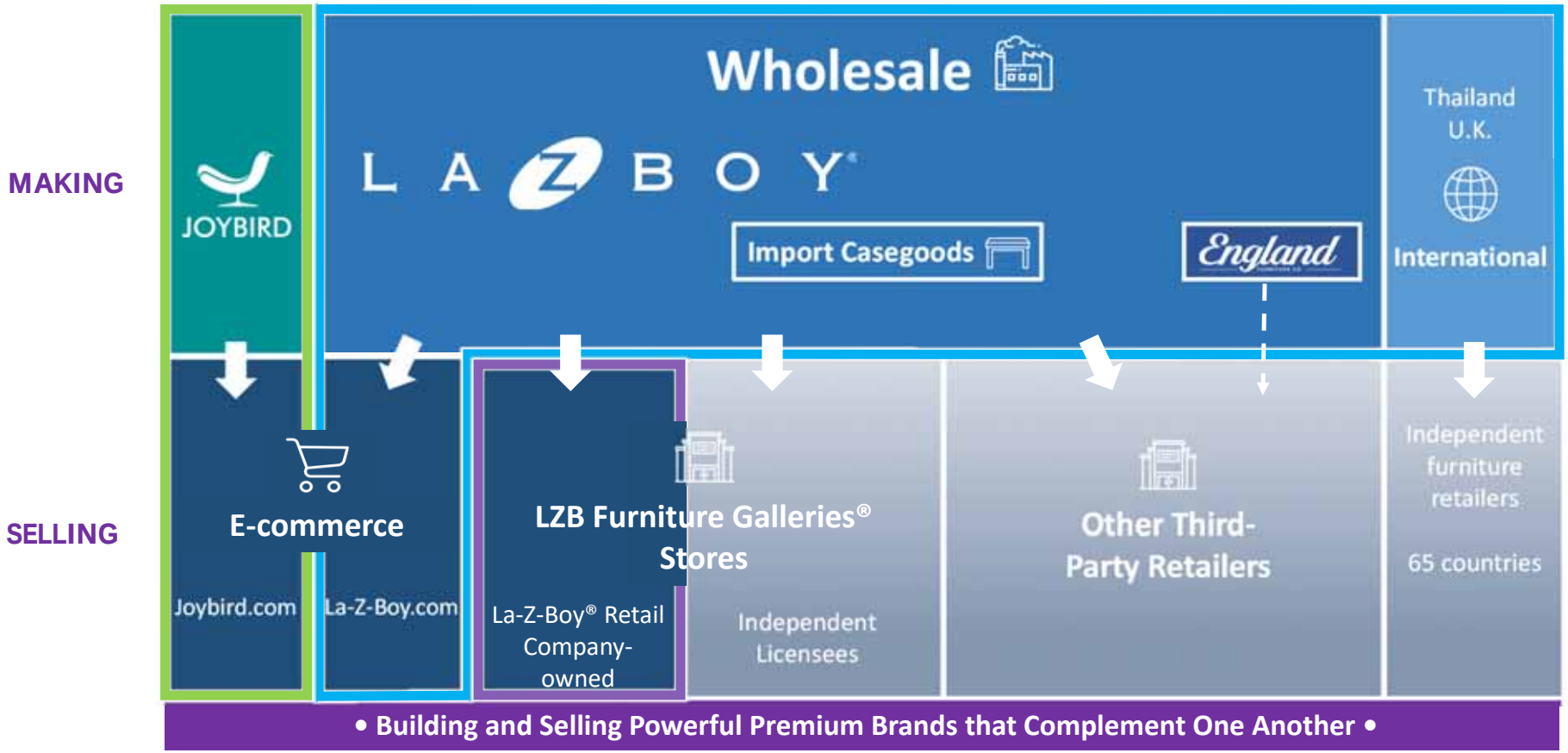
Delivering Industry-Leading Performance



Consistent Returns to Shareholders

Circles represent relative size (not 100% to scale)

The LZB Enterprise



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

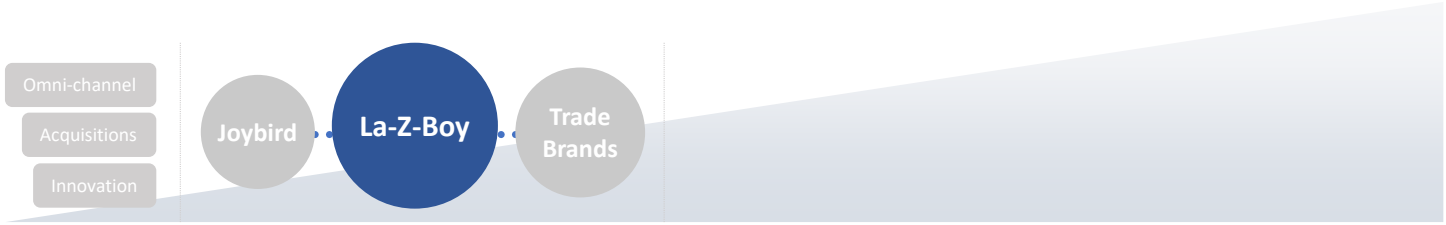
Relative revenue representation (not 100% to scale)

Legend

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

The La-Z-Boy Brand

- Most recognized brand in $115 billion industry
- Second-largest manufacturer/distributor of residential furniture in the U.S.*
- Strong core attributes built over 90+ years
- *Live Life Comfortably*® brand platform
  - Full line of on-trend stationary furniture
  - Enhanced by La-Z-Boy Furniture Galleries® store experience
  - New brand ambassador Kristen Bell (May 2019)
    - Increase in consumer recognition
    - Increase in consumer sentiment
      - La-Z-Boy "fits my style" and "is for people like me"



*Furniture Today, May 2020

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La-Z-Boy Brand – Supply Chain

- Efficient, cost-effective and multi-modal
  - Three U.S. assembly plants
  - Cut-and-Sew Center in Mexico supplies two thirds of kits
  - Six U.S. regional distribution centers
  - Asian-sourced component parts
- Unmatched customization - scale and speed
  - Custom furniture in four weeks
  - Excellent service
  - Compelling value proposition
- Legacy of innovation
  - New Innovation Center 2019

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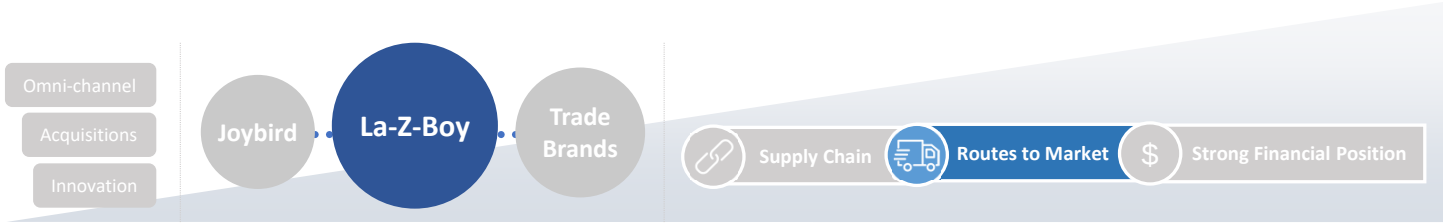
La-Z-Boy Brand – Distribution

OMNI-CHANNEL

- La-Z-Boy Furniture Galleries® Network
  - Vibrant and growing: 350+ stores
    - Approximately 60% of La-Z-Boy branded business
  - Preferred shopping venue for LZB core consumer
    - Research online; buy in store
    - Flagship store experience
    - Design services
    - Opportunity to sell full room groups; build a relationship
  - Company increasing ownership of galleries (approx. 45%)



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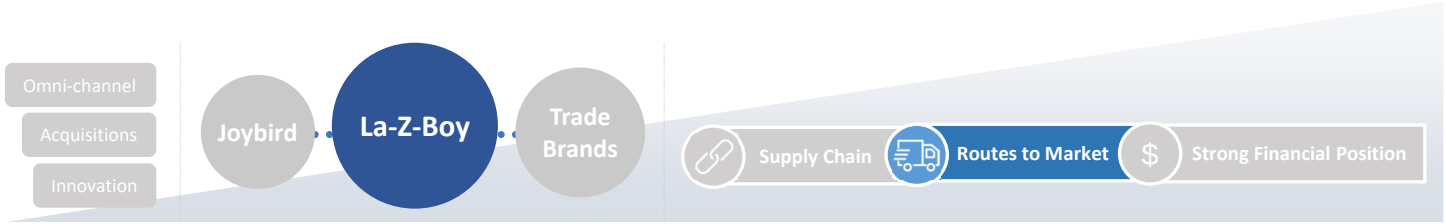
La-Z-Boy Brand – Company-Owned Retail

OMNI-CHANNEL

- La-Z-Boy Furniture Galleries® Network
  - Company increasing ownership of network (approx. 45%)
    - 155 of 355 stores as of FY21 Q1
    - Opportunity to continue to acquire stores from independent dealers
    - Integrated operating margin
      - Wholesale and retail
    - Leverage opportunity to be closer to the consumer



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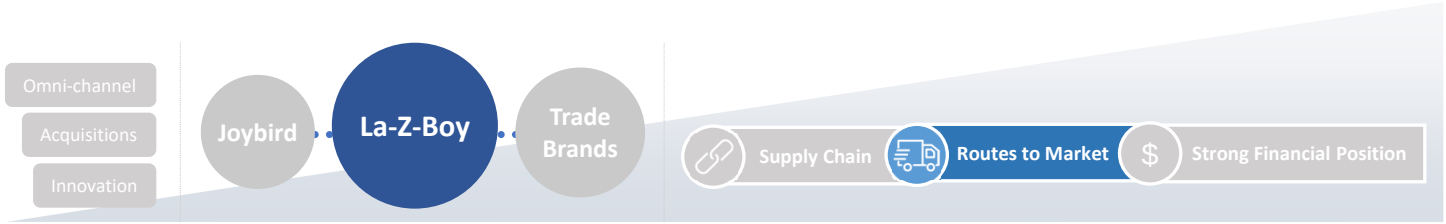
La-Z-Boy Brand – Distribution (cont.)

OMNI-CHANNEL

- Other third-party distribution in North America
  - La-Z-Boy sold through a network of 2,350 dealers outside the La-Z-Boy Furniture Galleries® network
    - Includes 558 Comfort Studio® locations
- E-Commerce
  - La-Z-Boy.com
    - Primary customer research tool: product information; trends; and inspiration
    - Hub for omni-channel experience
    - Traffic driver to stores
    - Foundation for implementation of new technology: AR; VR; and Visual Search
    - Lead source for free Design Services
  - Steady growth on Wayfair
- Growing business with QVC and HSN



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La-Z-Boy Brand – International

- Global appeal – sold in about 65 countries
  - Significant presence in Canada and U.K.
  - Growing business in China with more than 300 stores through licensing arrangement with KUKA
- Manufacturing
  - JV in Thailand
  - Contract and licensing arrangements in multiple countries

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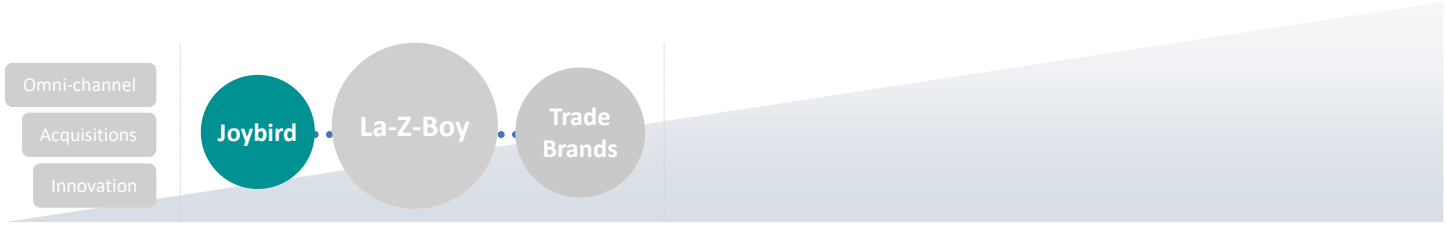
Joybird

- Premier e-commerce retailer and upholstery manufacturer
  - Direct-to-consumer model
  - Custom mid-century modern furniture
- Acquired summer 2018
- Continues to exhibit fast-paced growth
- Access to a younger consumer in a new channel
- Synergistic combination
  - La-Z-Boy supply chain
  - Joybird online shopping platform expertise



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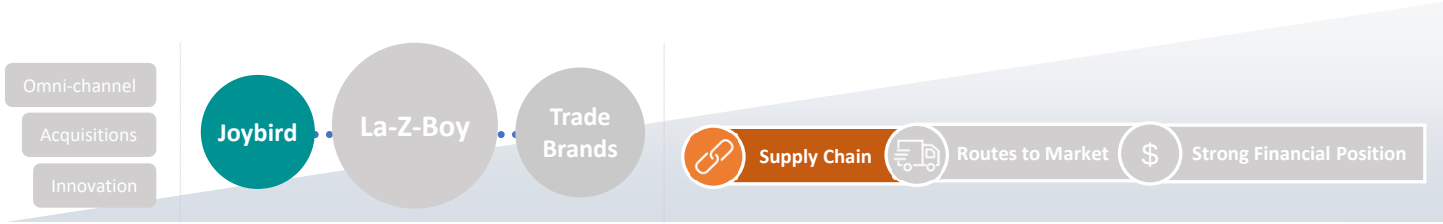
Joybird – Supply Chain

- Manufactured primarily in Tijuana
- Leveraging La-Z-Boy supply chain assets
  - Improved production capacity at Tijuana facility
  - Manufacturing Joybird most-popular styles/colors at La-Z-Boy Dayton facility to provide quick delivery
  - Utilize La-Z-Boy nationwide distribution capabilities
    - Decrease shipping costs and delivery times
  - Lower costs
    - Raw material procurement
    - Manufacturing expertise



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Joybird – Distribution

- Direct-to-consumer model
  - Robust e-commerce platform
  - Excellent consumer interface
    - Easy to use
    - Customization
    - Online support
    - Order/build tracking capability
- Opportunity to leverage online expertise across La-Z-Boy

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Powerhouse Trade Brands

- England
  - Unique manufacturing and shipping model; unparalleled in industry
    - Custom furniture in 21 days or less
    - Proprietary logistics system
  - Expanding business across the U.S.

Powerhouse Trade Brands

- Casegoods
  - Three brands
  - All-import model; primarily from Vietnam
  - Leverages global supply chain
  - Provides excellent service to customers
  - On-trend collections

Powerhouse Trade Brands - Distribution

- England and Casegoods companies
  - Sales to approximately 1,660 dealers across North America
    - Proprietary distribution through in-store galleries
      - England 436
      - Kincaid 175
  - Online distribution through Wayfair

Growth

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Driving Profitable Growth

Omni-channel

STRATEGICALLY CAPITALIZE ON ONLINE SHOPPING TREND, SUCCESSFUL BRICK AND MORTAR AND VERTICAL INTEGRATION

- La-Z-Boy Furniture Galleries® stores
- La-Z-Boy.com
- Joybird.com
- Other online distribution

Acquisitions

STRATEGIC ACQUISITIONS TO COMPLEMENT EXISTING BUSINESS; TARGET FASTER-GROWING SEGMENTS

- Independent La-Z-Boy Furniture Galleries® stores
- Smaller, easily-digestible acquisitions
- International
- New Product Segments

Innovation

MAINTAIN INDUSTRY LEADERSHIP POSITION; STEADY PIPELINE OF INNOVATIVE PRODUCTS

- Innovate around core needs of consumers
- Local and global trends
- Technology
- Aesthetics, functionality and sustainability
- Leverage engineering expertise across manufacturing
- New Innovation Center

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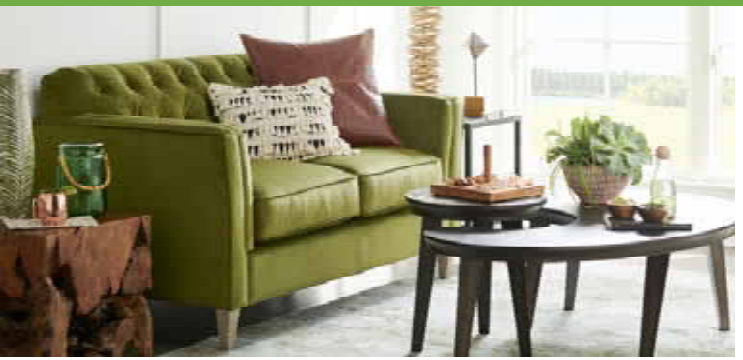
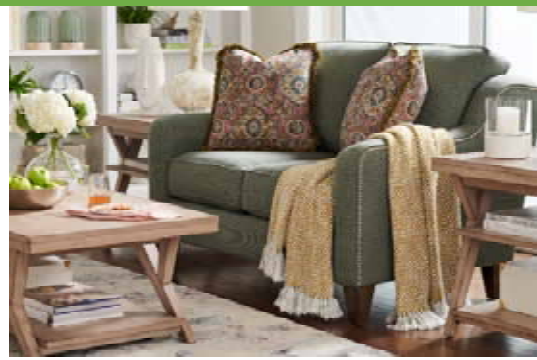
Financial Strength





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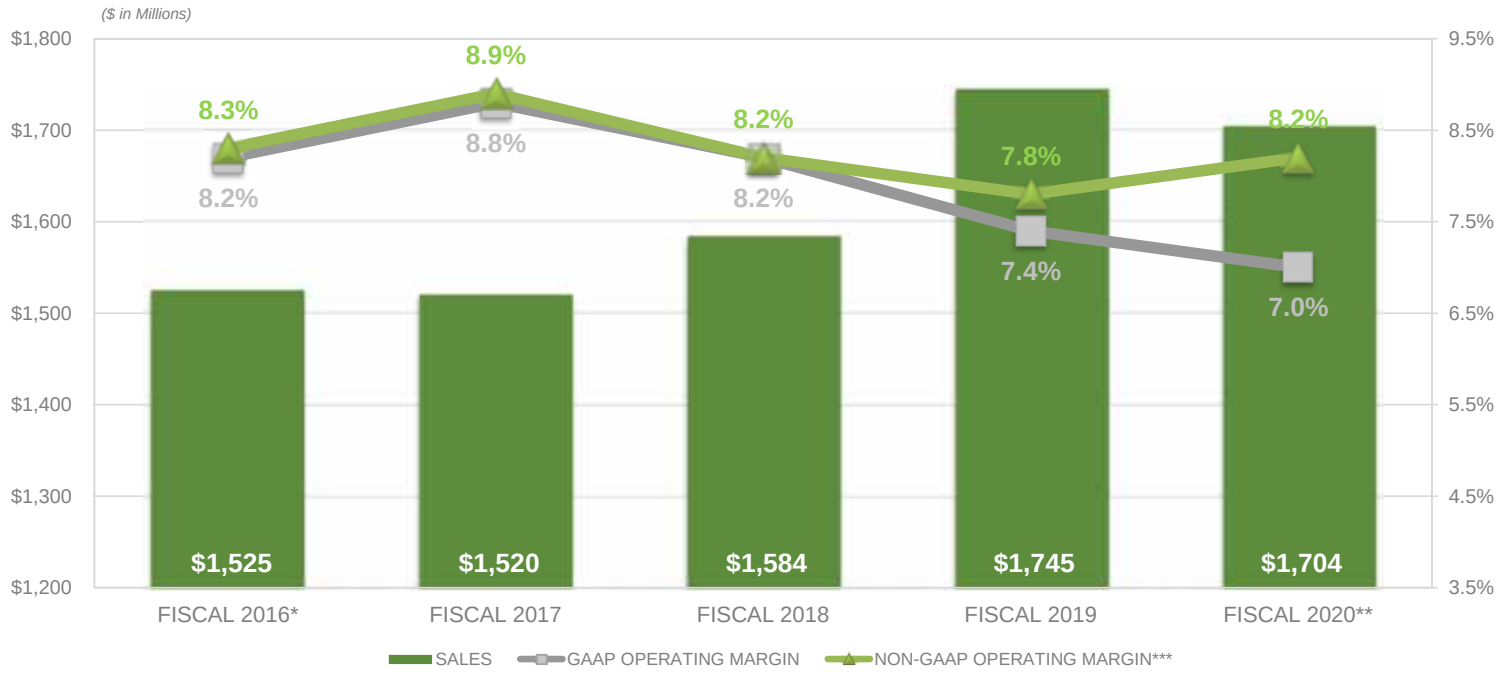
CREATE AND RETURN VALUE: 5-YEAR SALES AND OPERATING MARGIN



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

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

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

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CREATE AND RETURN VALUE: STRONG BALANCE SHEET

* Fiscal 2018 debt is $422k
** Fiscal 2019 debt is $199k
*** Fiscal 2020 debt reflects proactive draw on credit facility to enhance liquidity in response to COVID-19

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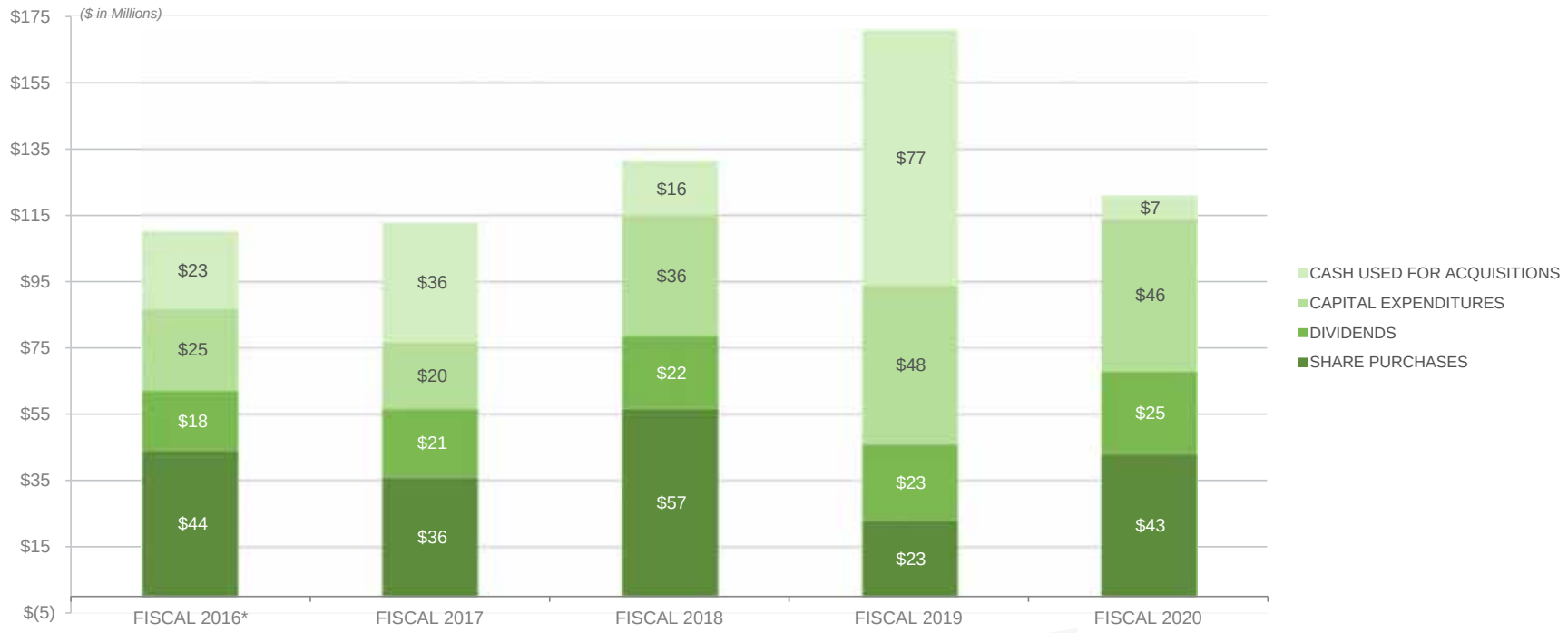
CAPITAL ALLOCATION:
BUSINESS INVESTMENTS AND RETURNS TO SHAREHOLDERS



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

LA-Z-BOY®

Investing in the Business

- Strengthen competitive positioning
- Maintain leadership in innovation
- Increase market share
- Drive long-term profitable growth
- Recent Capital Projects
  - La-Z-Boy
    - Upgrades to domestic plants
    - New stores for company-owned Retail segment
  - England
    - Plant expansion
  - Joybird
    - Upgrades to Tijuana plant
    - Marketing – technology and website

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ESG

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ESG Highlights

- Environmental
  - Committed to reducing environmental footprint and caring for the communities in which we operate
  - Developing products with a sustainability focus
- Social
  - Commitment to Human Capital Management, iC4 values and safety
  - Support local communities through volunteer work and donations
- Governance
  - Ongoing Board refreshment
  - 9 out of 10 directors independent; 40% gender diversity
  - Ongoing evaluation of corporate governance practices

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Financials: Fiscal 2021 Q1

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Non-GAAP Presentation

FY21 Q1 Excluded from Non-GAAP

- Pre-tax charge of $3.5 million, or $0.06 per diluted share, related to Business Realignment announced in June
  - Included 10% reduction of global workforce and closure of the Newton, Mississippi manufacturing facility
- Purchase accounting charges related to acquisitions completed in prior periods totaling $1.2 million, or $0.02 per diluted share

FY20 Q1 Excluded from Non-GAAP

- Pre-tax charge of $1.5 million, or $0.02 per diluted share, related to the company's Supply Chain Optimization initiative
  - Included the closure of the Redlands, California manufacturing facility
- Pre-tax purchase accounting charges of $1.5 million, or $0.02 per diluted share

Q1 FY21 Financial Snapshot *($ in millions, except per share data)*

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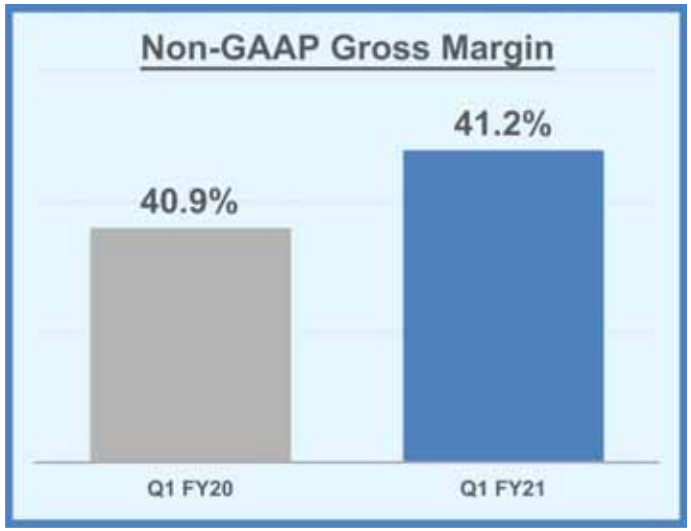
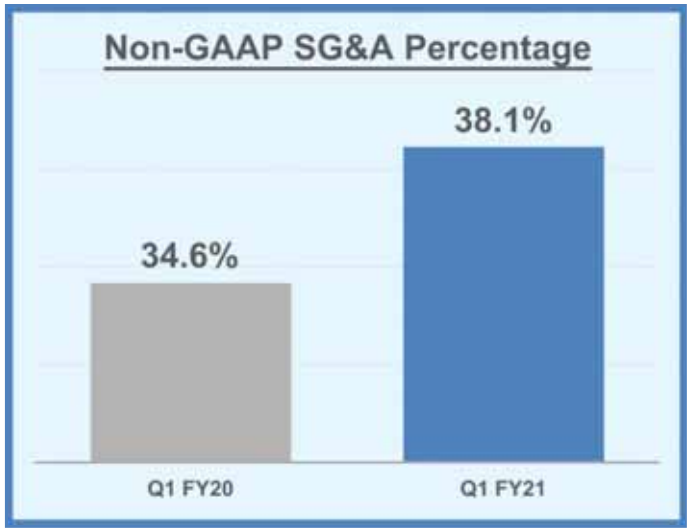
Gross Margin and SG&A





+30 basis points

- Targeted cost-reduction actions
  - Closure of Redlands, CA plant
  - COVID-19 Action Plan
- Improved performance at Joybird

+350 basis points

- Decline in sales relative to fixed costs
- Partial offset to increased SG&A as a percent of sales were cost reductions related to COVID-19 Action Plan

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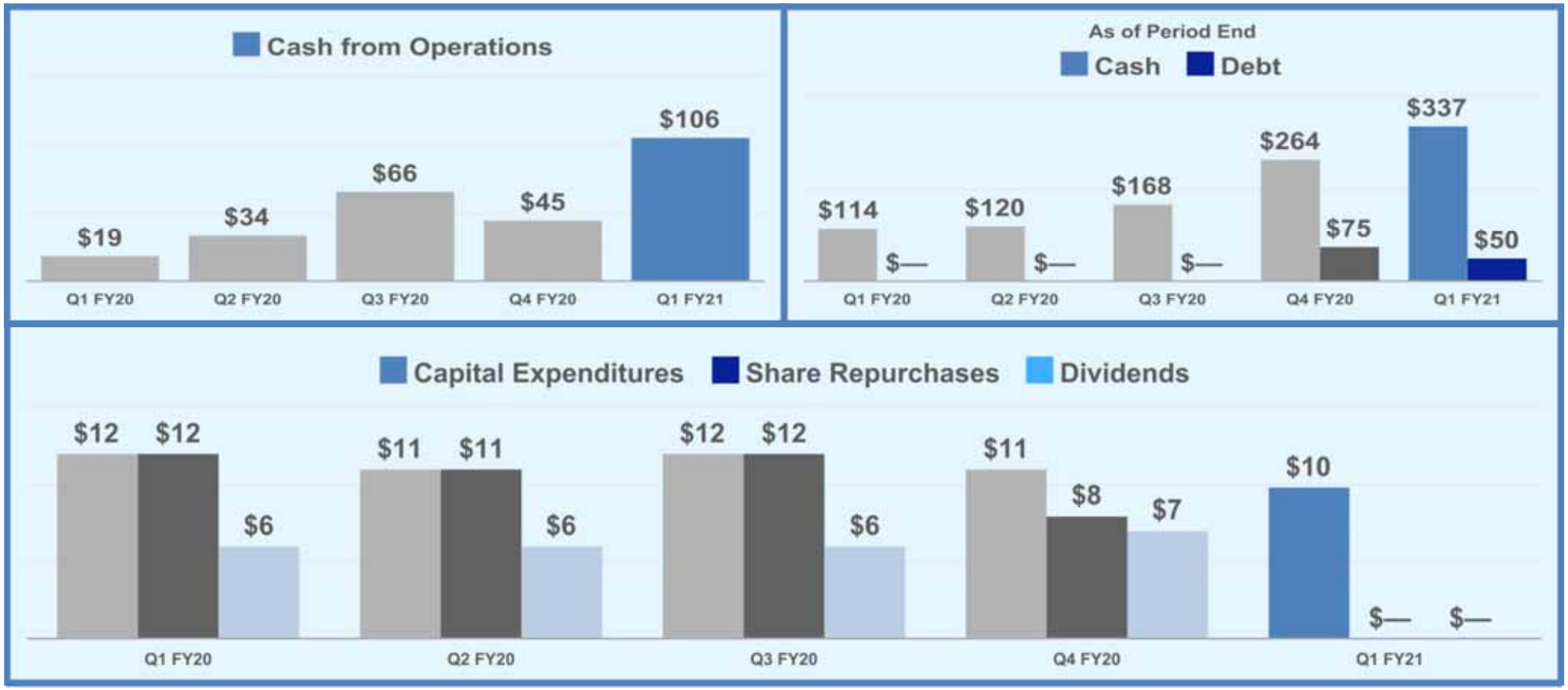
Q1 FY21 Cash Snapshot *($ in millions)*



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Items of Note for FY21

- Non-GAAP presentation
  - Purchase accounting charges estimated at $0.03 to $0.05 per diluted share
  - Anticipate additional pre-tax charges of $0.01 - $0.02 per share, related to Business Realignment
- Remain cautious on future sales trends due to economic uncertainty and pandemic risk
- Tariff exclusion not renewed; expense going forward

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Looking Ahead

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Looking Ahead

- Pleased with strong written order trends
- Flex workforce to meet demand
- Cautiously optimistic as we move into the fall selling season
- Focus on providing good service to customers
- Maintain fiscal conservatism
- Deliver long-term value to shareholders as we capitalize on:
  - Well-known and trusted brand
  - Vast distribution network
  - World-class global supply chain
  - Strong balance sheet

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Appendix

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(Amounts in thousands, except per share data)	Quarter Ended 7/25/2020	Quarter Ended 7/27/2019
GAAP Gross Profit	$ 116,363	$ 167,712
Add back: Purchase accounting charges - incremental expense upon the sale of inventory acquired at fair value	297	117
Add back: Business realignment charges	1,070	—
Add back: Supply chain optimization initiative	(50)	1,508
Non-GAAP Gross Profit	**$ 117,680**	**$ 169,337**
GAAP SG&A	$ 112,038	$ 144,290
Less: Purchase accounting charges - amortization of intangible assets and retention agreements	(722)	(1,192)
Less: Business realignment charges	(2,472)	—
Non-GAAP SG&A	**$ 108,844**	**$ 143,098**
GAAP Operating Income	$ 4,325	$ 23,422
Add back: Purchase accounting charges	1,019	1,309
Add back: Business realignment charges	3,542	—
Add back: Supply chain optimization initiative	(50)	1,508
Non-GAAP Operating Profit	**$ 8,836**	**$ 26,239**
GAAP Income before Income Taxes	$ 5,834	$ 23,071
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	1,189	1,502
Add back: Business realignment charges	3,542	—
Add back: Supply chain optimization initiative	(50)	1,508
Non-GAAP Income before Income Taxes	**$ 10,515**	**$ 26,081**

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RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(Amounts in thousands, except per share data)	Quarter Ended 7/25/2020	Quarter Ended 7/27/2019
GAAP Net Income attributable to La-Z-Boy Incorporated	$ 4,798	$ 18,069
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	1,189	1,502
Less: Tax effect of purchase accounting	(235)	(330)
Add back: Business realignment charges	3,542	—
Less: Tax effect of business realignment charges	(701)	—
Add back: Supply chain optimization initiative	(50)	1,508
Less: Tax effect of supply chain optimization initiative	10	(332)
Non-GAAP Net Income attributable to La-Z-Boy Incorporated	**$ 8,552**	**$ 20,417**
GAAP Net Income attributable to La-Z-Boy Incorporated per diluted share	$ 0.10	$ 0.38
Add back: Purchase accounting charges, net of tax, per diluted share	0.02	0.02
Add back: Business realignment charges, net of tax, per diluted share	0.06	—
Add back: Supply chain optimization initiative, net of tax, per diluted share	—	0.02
Non-GAAP Net Income attributable to La-Z-Boy Incorporated per diluted share	**$ 0.18**	**$ 0.42**

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES SEGMENT INFORMATION

(Amounts in thousands, except per share data)	Quarter Ended 7/25/2020	% of Sales	7/27/2019	% of Sales
GAAP Operating Income (Loss)				
Wholesale segment	$ 17,940	*8.0%*	$ 28,864	*9.0%*
Retail segment	(6,627)	*(7.3)%*	8,477	*5.9%*
Corporate and Other	(6,988)	*N/M*	(13,919)	*N/M*
Consolidated GAAP operating income	**$ 4,325**	*1.5%*	**$ 23,422**	*5.7%*
Non-GAAP Items Affecting Operating Income				
Wholesale segment	$ 3,004		$ 1,563	
Retail segment	465		117	
Corporate and Other	1,042		1,137	
Consolidated Non-GAAP Items Affecting Operating Income	**$ 4,511**		**$ 2,817**	
Non-GAAP Operating Income (Loss)				
Wholesale segment	$ 20,944	*9.4%*	$ 30,427	*9.5%*
Retail segment	(6,162)	*(6.8)%*	8,594	*6.0%*
Corporate and Other	(5,946)	*N/M*	(12,782)	*N/M*
Consolidated Non-GAAP operating income	**$ 8,836**	*3.1%*	**$ 26,239**	*6.3%*

N/M - Not Meaningful

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

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

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

NON-GAAP FINANCIAL MEASURES

- In addition to the financial measures prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), this presentation also includes Non-GAAP financial measures. Management uses these Non-GAAP financial measures when assessing our ongoing performance. The Non-GAAP measures may exclude a goodwill impairment charge, purchase accounting, restructuring charges, charges for our supply chain optimization initiative, charges for our business realignment, impacts from terminating the company's defined benefit pension plan and an impairment charge for one investment. These Non-GAAP financial measures are not meant to be considered a substitute for La-Z-Boy Incorporated's results prepared in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. Reconciliations of such Non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in the tables in this appendix.

- Management believes that presenting certain Non-GAAP financial measures excluding goodwill impairment, purchase accounting, restructuring charges, charges for our supply chain optimization initiative, charges for our business realignment, impacts from terminating the company's defined benefit pension plan and an impairment charge for one investment will help investors understand the long-term profitability trends of our business and compare our profitability to prior and future periods. Management uses these Non-GAAP measures to assess the company's operating and financial performance, and excludes goodwill impairment, purchase accounting, restructuring charges, charges for our supply chain optimization initiative, and charges for our business realignment because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions and restructuring actions consummated, and the operations being moved or closed. Management also excludes impacts from the termination of the company's defined benefit pension plan and an impairment charge for one investment when assessing the company's operating and financial performance due to the one-time nature of the transactions.