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**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**

**June 18, 2019**

(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.

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 Shares, \$1.00 par value	LZB	New York Stock Exchange

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**Item 2.02 Results of Operations and Financial Condition**

On June 18, 2019, La-Z-Boy Incorporated issued a news release to report the company's financial results for the fiscal year ended April 27, 2019. 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.

**Item 7.01 Regulation FD Disclosure**

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 and shall not be deemed to be incorporated by reference in any filing of the Company 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:

	<b>Description</b>
99.1	<a href="#">News Release Dated June 18, 2019</a>
99.2	<a href="#">Unaudited financial schedules</a>

**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 hereunto duly authorized.

**LA-Z-BOY INCORPORATED**  
(Registrant)

Date: June 18, 2019

BY: /s/ Lindsay A. Barnes  
Lindsay A. Barnes  
Vice President, Corporate Controller and Chief Accounting Officer

**NEWS RELEASE****Contact:** Kathy Liebmann

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**LA-Z-BOY REPORTS STRONG FISCAL 2019 PERFORMANCE**

MONROE, Mich., June 18, 2019—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2019 fourth quarter and full year ended April 27, 2019.

**Fiscal 2019 full year versus Fiscal 2018 full year:**

- Consolidated sales for the full fiscal 2019 year increased 10.2% to \$1.75 billion
  - Delivered same-store sales for the company-owned Retail segment increased 5.7%
  - Written same-store sales for the 353-store La-Z-Boy Furniture Galleries® network, including Canada, increased 1.8%
    - Written same-store sales for the U.S. network of 318 stores increased 3.2%
- Consolidated operating income:
  - GAAP: \$129.7 million versus \$129.4 million
  - Non-GAAP\*: \$136.6 million versus \$130.3 million
- Consolidated operating margin:
  - GAAP: 7.4% versus 8.2%
  - Non-GAAP\*: 7.8% versus 8.2%
- Net income attributable to La-Z-Boy Incorporated per diluted share (“EPS”):
  - GAAP: \$1.44 versus \$1.67
  - Non-GAAP\*: \$2.14 versus \$1.68, with fiscal 2019 excluding a non-cash charge of \$0.58 per share for the termination of the company’s defined benefit pension plan and a charge of \$0.12 per share for purchase accounting; Fiscal 2018 excluded \$0.01 per share for purchase accounting
- Cash generated from operating activities increased 30% to \$151 million

**Fiscal 2019 fourth quarter versus Fiscal 2018 fourth quarter:**

- Consolidated sales for the fourth quarter increased 8.0% to \$453.8 million
    - Delivered same-store sales for the company-owned Retail segment increased 8.0%
    - Written same-store sales for the 353-store La-Z-Boy Furniture Galleries® network, including Canada, increased 0.8%
      - Written same-store sales for the U.S. network of 318 stores increased 2.5%
  - Consolidated operating income:
    - GAAP: \$37.2 million versus \$45.7 million
    - Non-GAAP\*: \$38.9 million versus \$45.9 million
  - Consolidated operating margin:
    - GAAP: 8.2% versus 10.9%
    - Non-GAAP\*: 8.6% versus 10.9%
  - Net income attributable to La-Z-Boy Incorporated per diluted share (“EPS”):
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- GAAP: \$0.03 versus \$0.72
- Non-GAAP\*: \$0.64 versus \$0.72, with fiscal 2019 Q4 excluding a non-cash charge of \$0.58 per share for the termination of the company's defined benefit pension plan and a charge of \$0.03 per share for purchase accounting
- Cash generated from operating activities increased 141% to \$59 million

Kurt L. Darrow, Chairman, President and Chief Executive Officer of La-Z-Boy, said, "We delivered solid performance for fiscal 2019. Sales increased 10% reflecting both organic growth and our acquisitions, and operating margins across our established businesses were solid. We generated robust cash from operating activities, returned a combined total of \$46 million to shareholders through share purchases and an increased dividend, and funded \$48 million in capital expenditures to position our operations for long-term growth. We also solidified our position in the e-commerce space with the acquisition of Joybird and enhanced an already successful retail platform with the purchase of the Arizona-based La-Z-Boy Furniture Galleries® stores."

Commenting on the fourth quarter, Darrow stated: "We were pleased with the excellent sales and operating results for our company-owned Retail segment. However, sales declined in our wholesale Upholstery and Casegoods segments, consistent with a slow start to the calendar year across the North American retail home furnishings landscape. Given our fixed costs, the decline in volume translated to a direct impact to operating margins for our wholesale businesses in the fourth quarter. Additionally, our Canadian business has been particularly challenged due to a variety of factors, including weakening exchange rates and the retaliatory tariff on finished goods coming from the U.S., which was lifted in May."

Consolidated sales in the fourth quarter of fiscal 2019 increased 8.0% to \$453.8 million, driven by strong Retail performance, which included the acquired Arizona-based La-Z-Boy Furniture Galleries® stores, and the acquisition of Joybird. Consolidated GAAP operating margin was 8.2% versus 10.9% in the prior-year quarter. Excluding purchase accounting charges, Non-GAAP operating margin was 8.6% in the current-year quarter versus 10.9% in last year's fourth quarter. The fiscal 2019 fourth quarter included increased incentive compensation costs that were 170 basis points higher than the prior year and a 40 basis point negative impact relating to changes in employee benefits policies. As expected, operating margin in the fourth quarter of fiscal 2019 also reflects a 120 basis point drag due to the acquisition of Joybird and growth of our Retail segment, which caused 310 basis points higher SG&A, partly offset by a higher gross margin.

For the fourth quarter, sales in the company's Upholstery segment decreased 1.2% to \$323.3 million and GAAP operating margin was 11.5% compared with 12.8% in last year's fourth quarter. Non-GAAP operating margin was 11.6% in the current-year quarter versus 12.8% in last year's fourth quarter, reflecting a decline in units and a change in product mix. In the Casegoods segment, sales decreased 12.9% to \$26.6 million in the fiscal 2019 fourth quarter and GAAP operating margin was 9.1% compared with 9.2% in the prior-year period.

Sales in the Retail segment increased 24.9% to \$151.9 million in the fourth quarter of fiscal 2019 on growth for the base stores and \$22.2 million of sales from recent acquisitions. On the core base of 139 stores included in last year's fourth quarter, better execution at the store level drove a delivered same-store sales increase of 8.0%. GAAP operating margin for the Retail segment improved to 8.4% from 6.6% in last year's fourth quarter, and Non-GAAP operating margin was 8.5% in the current-year quarter compared with 6.6% in last year's fourth quarter. Sales growth, a higher average ticket, and the recently acquired Arizona stores, which are the best performing stores across the La-Z-Boy Furniture Galleries® network, drove improved operating performance.

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GAAP EPS was \$0.03 for the fiscal 2019 fourth quarter versus \$0.72 in the prior-year quarter. Non-GAAP EPS was \$0.64 versus \$0.72 in last year's fourth quarter, with the fiscal 2019 fourth quarter excluding a charge of \$0.03 per share for purchase accounting and a non-cash charge of \$0.58 per share for the termination of the company's defined benefit pension plan. The fiscal 2019 results also include charges of \$0.13 per share for higher incentive compensation, and \$0.03 per share for changes in employee benefits. Results for the fourth quarter of fiscal 2018 included a \$0.06 per share benefit related to tax reform.

### **Balance Sheet and Cash Flow**

During the fourth quarter, the company generated \$59.3 million in cash from operating activities. La-Z-Boy ended the fiscal 2019 year with \$130 million in cash and cash equivalents, \$31.5 million in investments to enhance returns on cash, and \$2 million in restricted cash. In fiscal 2019, the company invested \$48.4 million in the business through capital expenditures, paid \$23.5 million in dividends, and spent \$23.0 million purchasing 0.8 million shares of stock, including 0.2 million in the fourth quarter, in the open market under its existing authorized share purchase program, leaving 5.9 million shares of purchase availability in the program. La-Z-Boy repaid the remaining \$20 million of borrowings outstanding under its revolving line of credit during the fourth quarter. The credit line borrowings were used to fund a portion of the acquisition payments made during the second quarter.

### **Outlook**

Darrow concluded, "As noted in our pre-release, the first calendar quarter was off to a slow start across the home furnishings industry and, with the hangover of tariffs and geopolitical uncertainty, it is unclear if these business conditions will continue further into our fiscal 2020 year. However, we believe the performance of the La-Z-Boy Furniture Galleries® store network and our Retail segment demonstrate the strength of the La-Z-Boy brand in this environment. Moving forward, our healthy balance sheet will enable us to continue to invest to drive growth across the business and capitalize on our strong brands, multi-channel distribution network, and world-class supply chain capabilities. And, with strategic growth initiatives in place, we believe there are continued growth opportunities for La-Z-Boy and are confident we are well positioned within the industry to deliver strong long-term performance."

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*\*For the full fiscal 2019 year, Non-GAAP amounts exclude pre-tax purchase accounting charges totaling \$7.5 million, or \$0.12 per diluted share, with \$6.9 million included in operating income and \$0.6 million included in interest expense. Also excluded is a non-cash pre-tax charge of \$32.7 million, or \$0.58 per diluted share, related to the termination of the company's defined benefit pension plan. Non-GAAP amounts for the full fiscal 2018 year exclude pre-tax purchase accounting charges of \$0.9 million, or \$0.01 per diluted share, all included in operating income.*

*\*Non-GAAP amounts for the fourth quarter of fiscal 2019 exclude pre-tax purchase accounting charges totaling \$2.0 million, or \$0.03 per diluted share, with \$1.8 million included in operating income and \$0.2 million included in interest expense. Also excluded is a non-cash pre-tax charge of \$32.7 million, or \$0.58 per diluted share, related to the termination of the company's defined benefit pension plan. Non-GAAP amounts for the fourth quarter of fiscal 2018 exclude pre-tax purchase accounting charges of \$0.2 million, all included in operating income, which did not impact EPS for the period.*

*Please refer to the accompanying "Reconciliation of GAAP to Non-GAAP Financial Measures" for detailed information on calculating Non-GAAP measures used in this press release and a reconciliation to the applicable GAAP measure.*

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### **Conference Call**

La-Z-Boy will hold a conference call with the investment community on Wednesday, June 19, 2019, at 8:30 a.m. eastern time. The toll-free dial-in number is 844.602.0380; international callers may use 862.298.0970.

The call will be webcast live, with corresponding slides, and archived on the Internet. It will be available at <https://lazboy.gcs-web.com/>. 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 Replay Passcode: 48727. The webcast replay will be available for one year.

### **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) changes in the stock market impacting our profitability and our effective tax rate; (i) operating factors, such as supply, labor or distribution disruptions (e.g. port strikes); (j) changes in legislation, including the tax code, or changes in the domestic or international regulatory environment or trade policies, including new or increased duties, tariffs, retaliatory tariffs, trade limitations and termination or renegotiation of bilateral and multilateral trade agreements impacting our business; (k) adoption of new accounting principles; (l) fires, severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (m) our ability to procure, transport or import, or material increases to the cost of transporting or importing, fabric rolls, leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (n) information technology conversions or system failures and our ability to recover from a system failure; (o) effects of our brand awareness and marketing programs; (p) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (q) litigation arising out of alleged defects in our products; (r) unusual or significant litigation; (s) our ability to locate new La-Z-Boy Furniture Galleries® stores (or store owners) and negotiate favorable lease terms for new or existing locations; (t) the ability to increase volume through our e-commerce initiatives; (u) the impact of potential goodwill or intangible asset impairments; and (v) those matters discussed in Item 1A of our fiscal 2019 Annual Report on Form 10-K and other factors identified from time to time in our reports filed with the Securities and Exchange Commission (the “SEC”). 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: <https://lazboy.gcs-web.com/financial-information/sec-filings>. 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: <https://lazboy.gcs-web.com/>.

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## **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<sup>®</sup>, Hammary<sup>®</sup>, and Kincaid<sup>®</sup>. The company-owned Retail segment includes 156 of the 353 La-Z-Boy Furniture Galleries<sup>®</sup> stores. Joybird is an e-commerce retailer and manufacturer of upholstered furniture.

The corporation's branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 353 stand-alone La-Z-Boy Furniture Galleries<sup>®</sup> stores and 550 independent Comfort Studio<sup>®</sup> 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/>.

## **Non-GAAP Financial Measures**

In addition to the financial measures prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), this press release also includes Non-GAAP financial measures. Management uses these Non-GAAP financial measures when assessing our ongoing performance. This press release contains references to Non-GAAP operating income, Non-GAAP operating margin, Non-GAAP income before income taxes, Non-GAAP net income attributable to La-Z-Boy Incorporated and Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share, each of which excludes purchase accounting charges. These purchase accounting charges include the amortization of intangible assets, incremental expense upon the sale of inventory acquired at fair value, amortization of employee retention agreements, fair value adjustments of future cash payments recorded as interest expense, and adjustments to the fair value of contingent consideration. Additionally, these Non-GAAP measures for the fiscal 2019 periods exclude the non-cash charge for the termination of the company's defined benefit pension plan. These Non-GAAP financial measures are not meant to be considered superior to or a substitute for La-Z-Boy Incorporated's results of operations 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 accompanying tables.

Management believes that presenting certain Non-GAAP financial measures excluding purchase accounting charges and the non-cash charge for the termination of the company's defined benefit pension plan will help investors understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers. Management uses these Non-GAAP measures to assess the company's operating and financial performance, and excludes purchase accounting charges because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions consummated. While the company has a history of acquisition activity, it does not acquire businesses on a predictable cycle, and the impact of purchase accounting charges is unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of these charges facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. Management also excludes the non-cash charge for the termination of the company's defined benefit pension plan when assessing the company's operating and financial performance due to the one-time nature of the transaction. Where applicable, the accompanying "Reconciliation of GAAP to Non-GAAP Financial Measures" tables present the excluded items net of tax calculated using the effective tax rate from operations for the period in which the adjustment is presented, except for the non-cash pension termination charge, which had a specific tax impact due to the one-time nature of the transaction.

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**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**

(Amounts in thousands, except per share data)	Unaudited For the Fiscal Quarter Ended		Unaudited For the Fiscal Year Ended	
	4/27/2019	4/28/2018	4/27/2019	4/28/2018
Sales	\$ 453,791	\$ 420,025	\$ 1,745,401	\$ 1,583,947
Cost of sales	264,018	253,831	1,042,831	961,200
Gross profit	189,773	166,194	702,570	622,747
Selling, general and administrative expense	152,602	120,487	572,896	493,378
Operating income	37,171	45,707	129,674	129,369
Interest expense	(399)	(108)	(1,542)	(538)
Interest income	569	546	2,103	1,709
Pension termination charge	(32,671)	—	(32,671)	—
Other expense, net	(191)	(1,379)	(2,237)	(1,650)
Income before income taxes	4,479	44,766	95,327	128,890
Income tax expense	2,812	10,406	25,186	47,295
Net income	1,667	34,360	70,141	81,595
Net income attributable to noncontrolling interests	(139)	(150)	(1,567)	(729)
Net income attributable to La-Z-Boy Incorporated	<u>\$ 1,528</u>	<u>\$ 34,210</u>	<u>\$ 68,574</u>	<u>\$ 80,866</u>
Basic weighted average common shares	46,889	46,928	46,828	47,621
Basic net income attributable to La-Z-Boy Incorporated per share	\$ 0.03	\$ 0.73	\$ 1.46	\$ 1.69
Diluted weighted average common shares	47,369	47,472	47,333	48,135
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.03	\$ 0.72	\$ 1.44	\$ 1.67

**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED BALANCE SHEET**

(Amounts in thousands, except par value)	Unaudited	
	4/27/2019	4/28/2018
<b>Current assets</b>		
Cash and equivalents	\$ 129,819	\$ 134,515
Restricted cash	1,968	2,356
Receivables, net of allowance of \$2,180 at 4/27/19 and \$1,956 at 4/28/18	143,288	154,055
Inventories, net	196,899	184,841
Other current assets	69,144	42,451
Total current assets	541,118	518,218
Property, plant and equipment, net	200,523	180,882
Goodwill	185,867	75,254
Other intangible assets, net	29,907	18,190
Deferred income taxes — long-term	20,670	21,265
Other long-term assets, net	81,705	79,158
Total assets	\$ 1,059,790	\$ 892,967
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 180	\$ 223
Accounts payable	65,365	62,403
Accrued expenses and other current liabilities	173,091	118,721
Total current liabilities	238,636	181,347
Long-term debt	19	199
Other long-term liabilities	124,159	86,205
Contingencies and commitments		
Shareholders' equity		
Preferred shares — 5,000 authorized; none issued	—	—
Common shares, \$1 par value — 150,000 authorized; 46,955 outstanding at 4/27/19 and 46,788 outstanding at 4/28/18	46,955	46,788
Capital in excess of par value	313,168	298,948
Retained earnings	325,847	291,644
Accumulated other comprehensive loss	(3,462)	(25,199)
Total La-Z-Boy Incorporated shareholders' equity	682,508	612,181
Noncontrolling interests	14,468	13,035
Total equity	696,976	625,216
Total liabilities and equity	\$ 1,059,790	\$ 892,967

**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amounts in thousands)	Unaudited For the Fiscal Year Ended	
	4/27/2019	4/28/2018
<b>Cash flows from operating activities</b>		
Net income	\$ 70,141	\$ 81,595
Adjustments to reconcile net income to cash provided by operating activities		
Gain on disposal of assets	(325)	(2,108)
Gain on conversion of investment	—	(2,204)
Gain on sale of investments	(656)	(770)
Change in deferred taxes	(1,668)	17,261
Change in provision for doubtful accounts	502	276
Depreciation and amortization	31,147	31,767
Stock-based compensation expense	10,981	9,474
Pension termination charge	32,671	—
Pension plan contributions	(7,000)	(2,000)
Change in receivables	7,195	(2,801)
Change in inventories	3,135	(8,009)
Change in other assets	(7,737)	(3,245)
Change in accounts payable	(2,388)	6,602
Change in other liabilities	14,747	(10,088)
Net cash provided by operating activities	150,745	115,750
<b>Cash flows from investing activities</b>		
Proceeds from disposals of assets	1,941	1,440
Proceeds from property insurance	184	2,087
Capital expenditures	(48,433)	(36,337)
Purchases of investments	(20,698)	(28,593)
Proceeds from sales of investments	20,944	22,674
Acquisitions, net of cash acquired	(76,505)	(16,495)
Net cash used for investing activities	(122,567)	(55,224)
<b>Cash flows from financing activities</b>		
Payments on debt	(223)	(262)
Payments for debt issuance costs	—	(231)
Stock issued for stock and employee benefit plans, net of shares withheld for taxes	13,901	2,977
Purchases of common stock	(22,957)	(56,730)
Dividends paid	(23,508)	(22,009)
Net cash used for financing activities	(32,787)	(76,255)
Effect of exchange rate changes on cash and equivalents	(475)	1,741
Change in cash, cash equivalents and restricted cash	(5,084)	(13,988)
Cash, cash equivalents and restricted cash at beginning of period	136,871	150,859
Cash, cash equivalents and restricted cash at end of period	\$ 131,787	\$ 136,871
<b>Supplemental disclosure of non-cash investing activities</b>		
Capital expenditures included in accounts payable	\$ 3,250	\$ 5,667

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

(Amounts in thousands)	Unaudited For the Fiscal Quarter Ended		Unaudited For the Fiscal Year Ended	
	4/27/2019	4/28/2018	4/27/2019	4/28/2018
<b>Sales</b>				
Upholstery segment:				
Sales to external customers	\$ 257,388	\$ 270,668	\$ 1,016,957	\$ 1,010,097
Intersegment sales	65,915	56,569	251,285	217,266
Upholstery segment sales	323,303	327,237	1,268,242	1,227,363
Casegoods segment:				
Sales to external customers	21,903	27,098	95,677	95,919
Intersegment sales	4,742	3,505	18,796	15,474
Casegoods segment sales	26,645	30,603	114,473	111,393
Retail segment sales	151,870	121,545	570,201	474,613
Corporate and Other:				
Sales to external customers	22,630	714	62,566	3,318
Intersegment sales	2,290	2,582	11,446	9,421
Corporate and Other sales	24,920	3,296	74,012	12,739
Eliminations				
Consolidated sales	(72,947)	(62,656)	(281,527)	(242,161)
	\$ 453,791	\$ 420,025	\$ 1,745,401	\$ 1,583,947
<b>Operating Income (Loss)</b>				
Upholstery segment	\$ 37,304	\$ 41,927	\$ 127,906	\$ 130,349
Casegoods segment	2,416	2,808	12,589	11,641
Retail segment	12,743	7,963	37,922	20,709
Corporate and Other	(15,292)	(6,991)	(48,743)	(33,330)
Consolidated operating income	\$ 37,171	\$ 45,707	\$ 129,674	\$ 129,369

**LA-Z-BOY INCORPORATED**  
**UNAUDITED QUARTERLY FINANCIAL DATA**

(Amounts in thousands, except per share data)

Fiscal Quarter Ended	(13 weeks) 7/28/2018	(13 weeks) 10/27/2018	(13 weeks) 1/26/2019	(13 weeks) 4/27/2019
Sales	\$ 384,695	\$ 439,333	\$ 467,582	\$ 453,791
Cost of sales	236,173	264,928	277,712	264,018
Gross profit	148,522	174,405	189,870	189,773
Selling, general and administrative expense	125,362	145,905	149,027	152,602
Operating income	23,160	28,500	40,843	37,171
Interest expense	(104)	(501)	(538)	(399)
Interest income	602	392	540	569
Pension termination charge	—	—	—	(32,671)
Other income (expense), net	892	(1,997)	(941)	(191)
Income before income taxes	24,550	26,394	39,904	4,479
Income tax expense	5,599	6,045	10,730	2,812
Net income	18,951	20,349	29,174	1,667
Net income attributable to noncontrolling interests	(648)	(337)	(443)	(139)
Net income attributable to La-Z-Boy Incorporated	<u>\$ 18,303</u>	<u>\$ 20,012</u>	<u>\$ 28,731</u>	<u>\$ 1,528</u>
Diluted weighted average common shares	47,161	47,259	47,091	47,369
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.39	\$ 0.42	\$ 0.61	\$ 0.03
Dividends declared per share	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.13

**LA-Z-BOY INCORPORATED**  
**UNAUDITED QUARTERLY FINANCIAL DATA**

(Amounts in thousands, except per share data) Fiscal Quarter Ended	(13 weeks) 7/29/2017	(13 weeks) 10/28/2017	(13 weeks) 1/27/2018	(13 weeks) 4/28/2018
Sales	\$ 357,079	\$ 393,205	\$ 413,638	\$ 420,025
Cost of sales	217,976	238,253	251,140	253,831
Gross profit	139,103	154,952	162,498	166,194
Selling, general and administrative expense	122,805	120,683	129,403	120,487
Operating income	16,298	34,269	33,095	45,707
Interest expense	(157)	(160)	(113)	(108)
Interest income	343	376	444	546
Other income (expense), net	1,749	(926)	(1,094)	(1,379)
Income before income taxes	18,233	33,559	32,332	44,766
Income tax expense	6,489	10,353	20,047	10,406
Net income	11,744	23,206	12,285	34,360
Net income attributable to noncontrolling interests	(93)	(310)	(176)	(150)
Net income attributable to La-Z-Boy Incorporated	<u>\$ 11,651</u>	<u>\$ 22,896</u>	<u>\$ 12,109</u>	<u>\$ 34,210</u>
Diluted weighted average common shares	48,846	48,297	47,757	47,472
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.24	\$ 0.47	\$ 0.25	\$ 0.72
Dividends declared per share	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.12

**LA-Z-BOY INCORPORATED**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(Amounts in thousands, except per share data)	Unaudited for the Fiscal Quarter Ended		Unaudited for the Fiscal Year Ended	
	4/27/2019	4/28/2018	4/27/2019	4/28/2018
GAAP gross profit	\$ 189,773	\$ 166,194	\$ 702,570	\$ 622,747
Add back: Purchase accounting charges — incremental expense upon the sale of inventory acquired at fair value	175	99	3,086	474
Non-GAAP gross profit	\$ 189,948	\$ 166,293	\$ 705,656	\$ 623,221
GAAP SG&A	\$ 152,602	\$ 120,487	\$ 572,896	\$ 493,378
Less: Purchase accounting charges — amortization of intangible assets and retention agreements	(1,594)	(106)	(3,831)	(449)
Non-GAAP SG&A	\$ 151,008	\$ 120,381	\$ 569,065	\$ 492,929
GAAP operating income	\$ 37,171	\$ 45,707	\$ 129,674	\$ 129,369
Add back: Purchase accounting charges	1,769	205	6,917	923
Non-GAAP operating income	\$ 38,940	\$ 45,912	\$ 136,591	\$ 130,292
GAAP income before income taxes	\$ 4,479	\$ 44,766	\$ 95,327	\$ 128,890
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	1,959	205	7,486	923
Add back: Pension termination charge	32,671	—	32,671	—
Non-GAAP income before income taxes	\$ 39,109	\$ 44,971	\$ 135,484	\$ 129,813
GAAP net income attributable to La-Z-Boy Incorporated	\$ 1,528	\$ 34,210	\$ 68,574	\$ 80,866
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	1,959	205	7,486	923
Add back: Pension termination charge	32,671	—	32,671	—
Less: Tax effect of purchase accounting and pension termination charge	(5,915)	(24)	(7,275)	(339)
Non-GAAP net income attributable to La-Z-Boy Incorporated	\$ 30,243	\$ 34,391	\$ 101,456	\$ 81,450
GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.03	\$ 0.72	\$ 1.44	\$ 1.67
Add back: Purchase accounting charges, net of tax, per share	0.03	—	0.12	0.01
Add back: Pension termination charge, net of tax, per share	0.58	—	0.58	—
Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.64	\$ 0.72	\$ 2.14	\$ 1.68

**LA-Z-BOY INCORPORATED**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**SEGMENT INFORMATION**

(Amounts in thousands)	Unaudited for the Fiscal Quarter Ended			
	4/27/2019	% of sales	4/28/2018	% of sales
<b>GAAP operating income (loss)</b>				
Upholstery segment	\$ 37,304	11.5%	\$ 41,927	12.8%
Casegoods segment	2,416	9.1%	2,808	9.2%
Retail segment	12,743	8.4%	7,963	6.6%
Corporate and Other	(15,292)	N/M	(6,991)	N/M
GAAP Consolidated operating income	\$ 37,171	8.2%	\$ 45,707	10.9%
<b>Purchase accounting charges affecting operating income</b>				
Upholstery segment	\$ 57		\$ 106	
Casegoods segment	—		—	
Retail segment	175		99	
Corporate and Other	1,537		—	
Consolidated purchase accounting charges affecting operating income	\$ 1,769		\$ 205	
<b>Non-GAAP operating income (loss)</b>				
Upholstery segment	\$ 37,361	11.6%	\$ 42,033	12.8%
Casegoods segment	2,416	9.1%	2,808	9.2%
Retail segment	12,918	8.5%	8,062	6.6%
Corporate and Other	(13,755)	N/M	(6,991)	N/M
Non-GAAP Consolidated operating income	\$ 38,940	8.6%	\$ 45,912	10.9%
<b>Unaudited for the Fiscal Year Ended</b>				
(Amounts in thousands)	4/27/2019	% of sales	4/28/2018	% of sales
<b>GAAP operating income (loss)</b>				
Upholstery segment	\$ 127,906	10.1%	\$ 130,349	10.6%
Casegoods segment	12,589	11.0%	11,641	10.5%
Retail segment	37,922	6.7%	20,709	4.4%
Corporate and Other	(48,743)	N/M	(33,330)	N/M
GAAP Consolidated operating income	\$ 129,674	7.4%	\$ 129,369	8.2%
<b>Purchase accounting charges affecting operating income</b>				
Upholstery segment	\$ 20		\$ 222	
Casegoods segment	—		—	
Retail segment	1,683		701	
Corporate and Other	5,214		—	
Consolidated purchase accounting charges affecting operating income	\$ 6,917		\$ 923	
<b>Non-GAAP operating income (loss)</b>				
Upholstery segment	\$ 127,926	10.1%	\$ 130,571	10.6%
Casegoods segment	12,589	11.0%	11,641	10.5%
Retail segment	39,605	6.9%	21,410	4.5%
Corporate and Other	(43,529)	N/M	(33,330)	N/M
Non-GAAP Consolidated operating income	\$ 136,591	7.8%	\$ 130,292	8.2%

N/M — Not Meaningful