



La-Z-Boy to Acquire La-Z-Boy Furniture Galleries® Stores in Seattle Market

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MONROE, Mich., March 05, 2020 (GLOBE NEWSWIRE) -- La-Z-Boy Incorporated (NYSE: LZB) today announced it intends to acquire the business that operates six independently owned La-Z-Boy Furniture Galleries® stores, with approximately \$30 million in annual retail volume, and one warehouse in the Seattle, Washington market. The transaction is a result of the planned retirement of independent dealers, Chris and Lisa Washko, who took over the stores in 2011, and the mutually agreed-upon decision that selling the stores to La-Z-Boy Incorporated would be in the best interest of their employees while providing for the greatest stability and continuity of the business. The transaction is expected to close in June and is subject to customary closing conditions. The stores will become part of La-Z-Boy's Retail segment, which today is composed of 155 stores.

As La-Z-Boy is already recording a portion of the Seattle-based store volume in its wholesale segments, the acquisition of the six stores will contribute approximately \$15 million of additional sales annually to the company on a consolidated basis.

Kurt L. Darrow, Chairman, President and Chief Executive Officer, of La-Z-Boy, said, "The La-Z-Boy Furniture Galleries® network is growing and performing well, with consumers demonstrating a preference to shop in store. We are thrilled to acquire the successful Seattle stores which have sales 25% higher than average across the Furniture Galleries® network. The stores are profitable, will be integrated into our Retail segment, and will be immediately accretive. Additionally, having a dedicated warehouse in the market will provide enhanced distribution capabilities for all the La-Z-Boy companies. As we continue to grow our company-owned store base, we have the opportunity to further leverage the combined margin associated with our integrated retail model, where we earn a profit on both the wholesale and retail sales. Chris and Lisa have been great leaders and friends of La-Z-Boy and we wish them all the best in their well-deserved retirement."

Chris Washko said, "It has been an honor to be part of the La-Z-Boy organization. Lisa and I have worked with a great team of talented and passionate individuals across our business and we are proud of what we have built and the support the team has given to our local community. Additionally, it has been a distinct pleasure to work with the many executives at La-Z-Boy Incorporated as we have collectively grown our businesses."

Tj Linz, President of La-Z-Boy Retail, said, "We expect a smooth and seamless transition for all involved so that customers will continue to enjoy the excellent shopping experience and service they have come to expect from the La-Z-Boy Furniture Galleries® store teams in the Seattle market."

Terms of the deal were not disclosed.

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/>.

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 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 155 of the 355 La-Z-Boy Furniture Galleries® 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 355 stand-alone La-Z-Boy Furniture Galleries® stores and 559 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/>.

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Source: La-Z-Boy Incorporated