



L A  B O Y®

Winning in Unprecedented Times;
Building for Future Growth *June 2021*



Forward-Looking Disclaimer

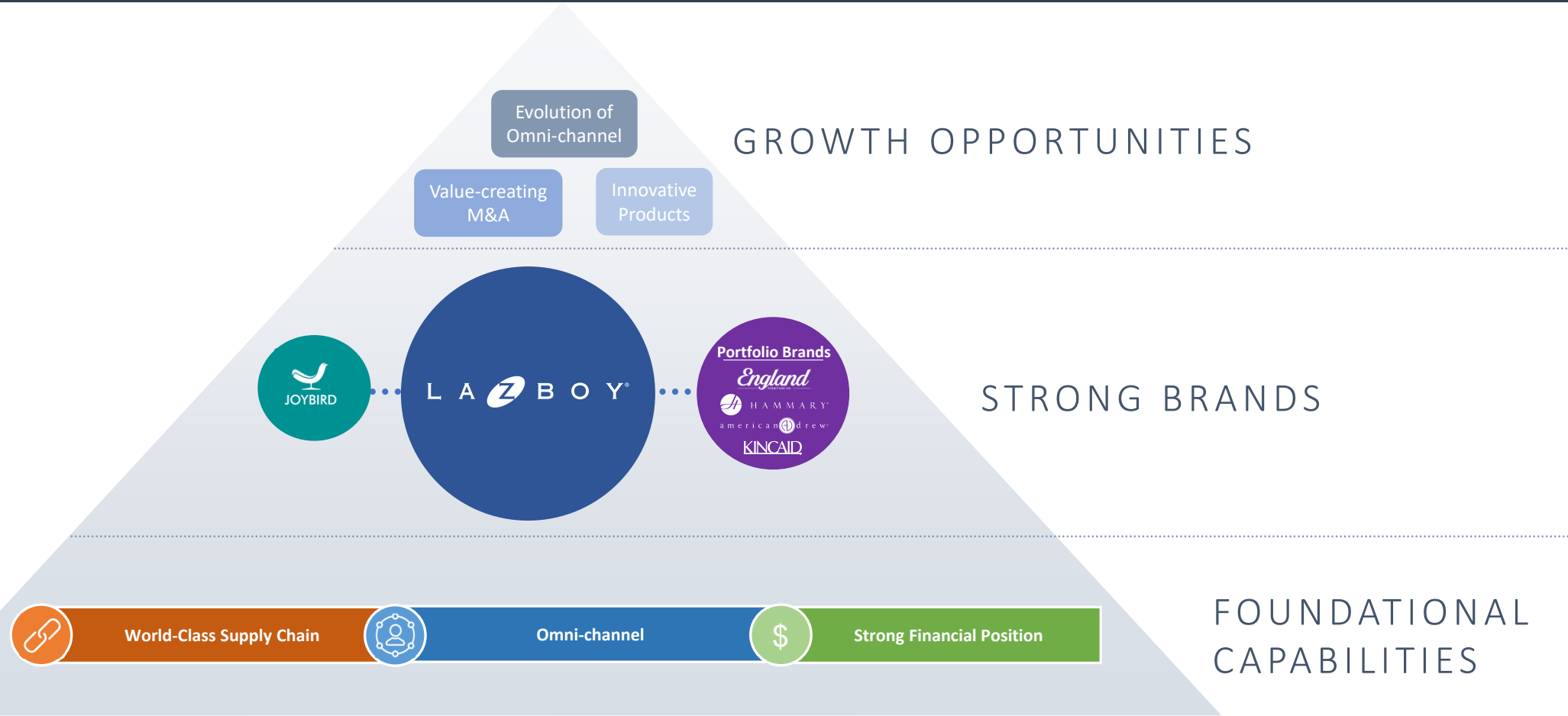
- This presentation contains statements that relate directly or indirectly to our future business, events or financial performance that may constitute forward-looking statements.
- In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on 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.

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



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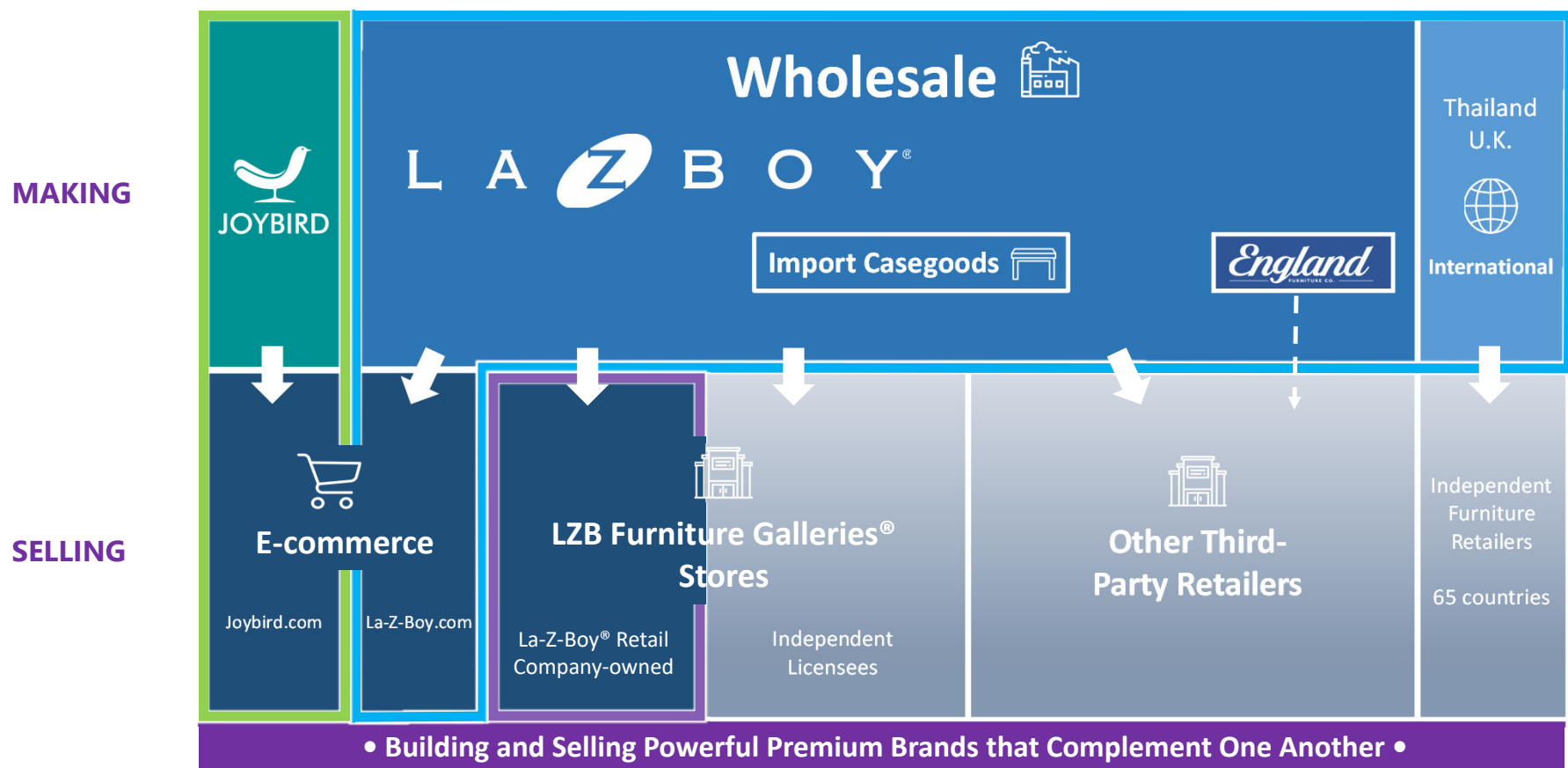
Winning in Unprecedented Times; Building for Future Growth



Consistent Returns to Shareholders

Circles represent relative size (not 100% to scale)

The LZB Enterprise



Legend

— Wholesale Segment

— Retail Segment

— Joybird included in Corporate/other

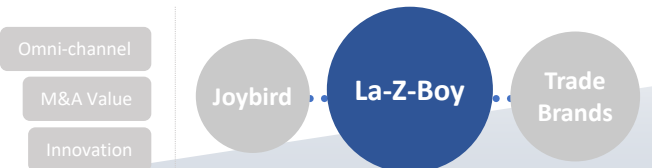
Approximately 95% of sales in North America; capitalizing on U.S.-centric supply chain

Relative revenue representation (not 100% to scale)

The La-Z-Boy Brand

- One of the most recognized brands 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
 - Brand ambassador Kristen Bell
 - Increase in consumer recognition/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 expanding
 - Three U.S. assembly plants
 - Three plants in Mexico
 - Cut-and-Sew Center
 - supplies two thirds of fabric/leather kits
 - now assembling fully upholstered product
 - New upholstery assembly plant in San Luis Rio Colorado
 - New sewing facility in Parras
 - Seven U.S. regional distribution centers
 - Asian-sourced component parts
- Unmatched customization - scale and speed*
- Legacy of innovation

*Outside of COVID-19 environment



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La-Z-Boy Brand – Omni-channel

... facilitating a seamless cross-channel experience

- La-Z-Boy Furniture Galleries® Network
 - Vibrant and growing: 350+ stores
 - Approximately half of La-Z-Boy branded business
 - Preferred shopping venue for LZB core consumer
 - Research online; buy in store – meet the consumer wherever she wants
 - Design services offer strongest consumer proposition
 - Increasing ownership of galleries (approx. 45%)
 - Integrated operating margin
 - Seattle acquisition September 2020 – six stores
 - Plans to acquire three stores on Long Island, NY
 - Increasing investment in store system with approx. 30 projects per year



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La-Z-Boy Brand – Omni-channel (cont.)

... facilitating a seamless cross-channel experience

- E-Commerce expansion
 - La-Z-Boy.com – enhancing capabilities
 - Primary customer research tool; drives traffic to stores
 - Augmented Reality, Virtual Reality and Visual Search
 - Lead source for free Design Services
 - Steady growth on Wayfair
- Other third-party distribution in North America
 - 2,300 dealers outside the La-Z-Boy Furniture Galleries® network
 - Includes 561 Comfort Studio® locations
- Growing business with QVC and HSN



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La-Z-Boy Brand – International

- Global appeal – sold in more than 65 countries
 - Significant presence in Canada and U.K.
 - Growing business in China with more than 400 stores through licensing arrangement with KUKA
- Manufacturing
 - JV in Thailand
 - Contract and licensing arrangements in multiple countries



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Joybird – Omni-channel

... facilitating a seamless cross-channel experience

- Premier e-commerce retailer and upholstery manufacturer
 - Direct-to-consumer model
 - Custom mid-century modern furniture
- Expanding retail store footprint
 - Brooklyn, Chicago, and DC
 - Exploring other key markets
- Supply chain synergies
 - Manufactured primarily in Tijuana, Mexico
 - Most popular styles manufactured at LZB Dayton, TN plant
 - Leveraging La-Z-Boy nationwide distribution capabilities
 - Raw material procurement

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade
Brands



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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.
- **Casegoods**
 - Three brands: American Drew, Hammary and Kincaid
 - All-import model; primarily from Vietnam
 - Leverages global supply chain
 - On-trend collections
- **Sales to approximately 1,600 dealers across North America**
 - Proprietary distribution through in-store galleries
 - England 440
 - Kincaid 185
 - Online distribution through Wayfair

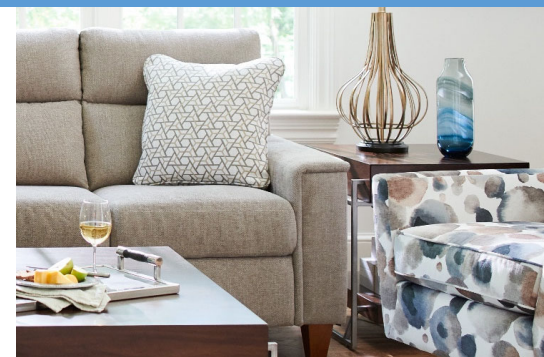
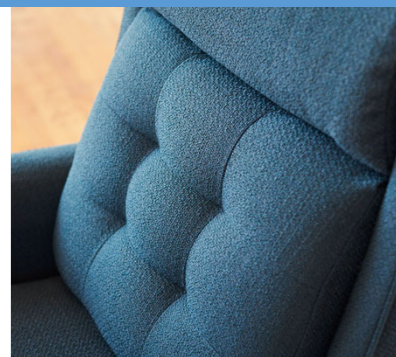
*Outside of COVID-19 environment



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Growth



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Driving Profitable Growth

UNPRECEDENTED TIMES

BRAND STRENGTH

- Strong written orders
- Record backlog

SUPPLY CHAIN EXPANSION – flexible and agile

- U.S.
 - Additional shifts/Overtime
 - Temporary re-start of Newton, MS plant
- Mexico
 - Manufacturing cells added at Cut-and-Sew Center
 - New assembly plant in San Luis Rio Colorado
 - New sewing operation in Parras

BUILDING FOR LONG-TERM GROWTH

INVEST IN THE BUSINESS

- Supply Chain
 - Neosho, Missouri plant
 - San Luis Rio Colorado plant
- Omni-channel
 - E-commerce opportunities
 - Retail – new stores, relocations, remodels
- M&A opportunities
 - Independent La-Z-Boy Furniture Galleries® stores
 - Value-creating transactions
- Internal capabilities
 - IT across organization; La-Z-Boy.com

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade
Brands

Supply Chain



Omni-channel



Strong Financial Position

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Financial Strength



History of Strong Financial Performance

Financial Strength in Unprecedented Times

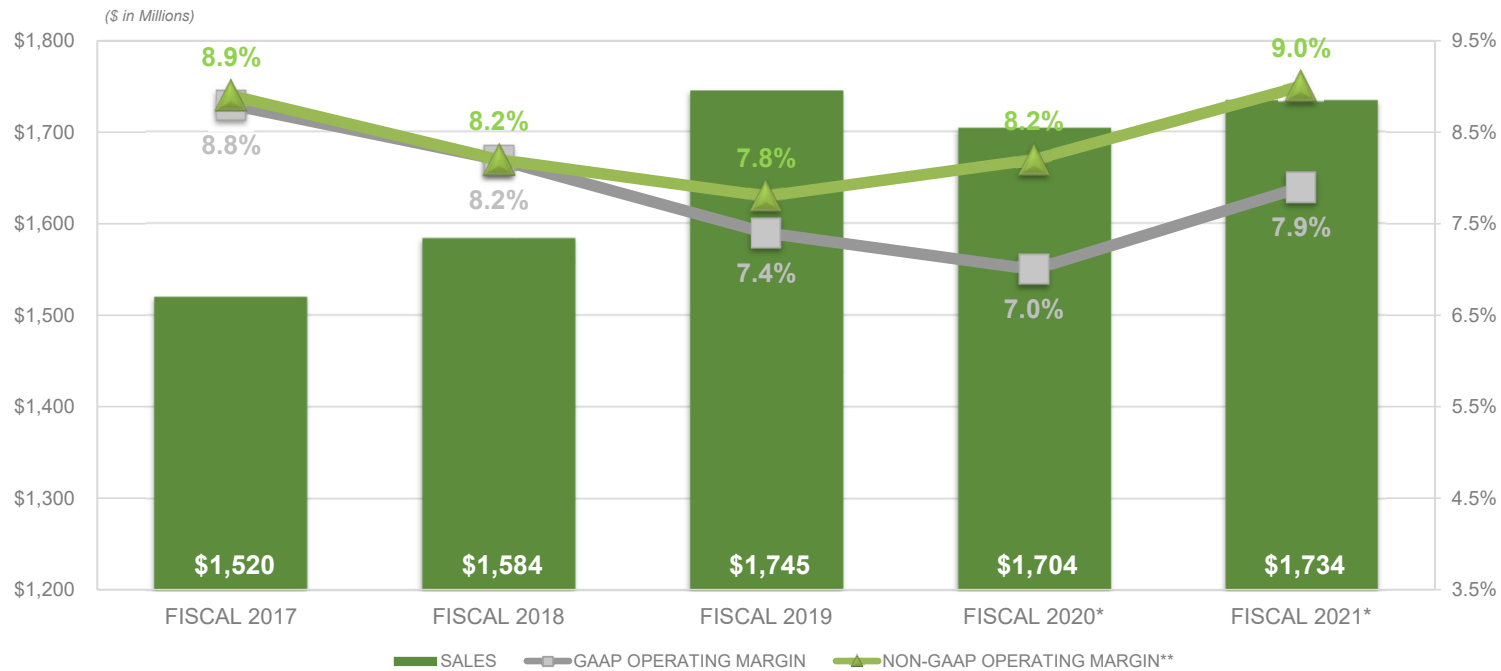
- Weathering the short term; building for the long term
 - COVID-19 Action Plan – March 2020
 - Managing the business conservatively in the near term
 - Building resources to invest in growth out of the pandemic
 - Strong cash* position: \$395 million as of FY21 Q4
- Capital Allocation Policy
 - Invest in business to drive long-term growth
 - Supply chain capabilities
 - Retail stores
 - IT Systems
 - Targeted and synergistic M&A
 - Returns to shareholders
 - Reinstated and increased dividend
 - Reinstated share repurchase program

*Cash includes cash, cash equivalents and restricted cash



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



* Fiscals 2020 and 2021 reflect two months and one month, respectively, of dramatic impact from **COVID-19**

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

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade Brands



Supply Chain



Omni-channel



Strong Financial Position

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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

Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade Brands



Supply Chain



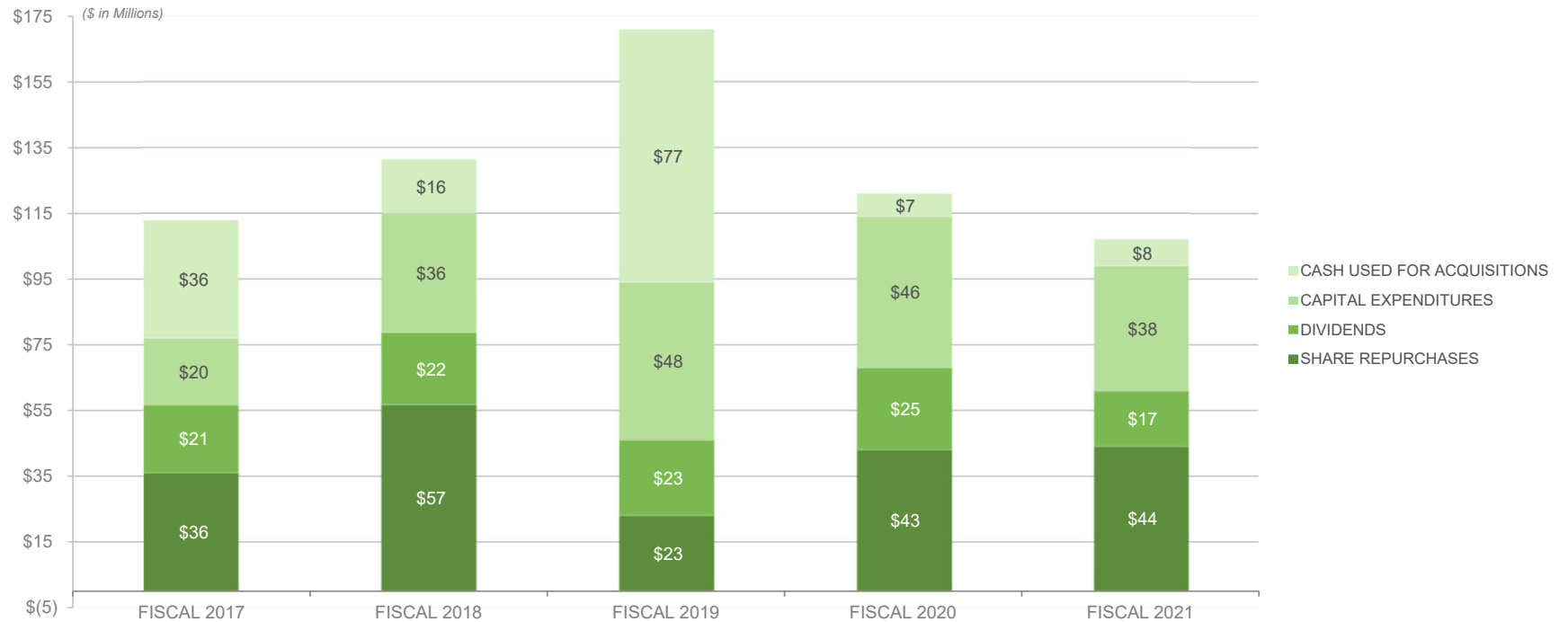
Omni-channel



Strong Financial Position

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CAPITAL ALLOCATION: BUSINESS INVESTMENTS AND RETURNS TO SHAREHOLDERS



Omni-channel

M&A Value

Innovation

Joybird

La-Z-Boy

Trade Brands



Supply Chain



Omni-channel



Strong Financial Position

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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
- Signed the CEO Action for Diversity & Inclusion™ pledge
- Support local communities through volunteer work and donations

• Governance

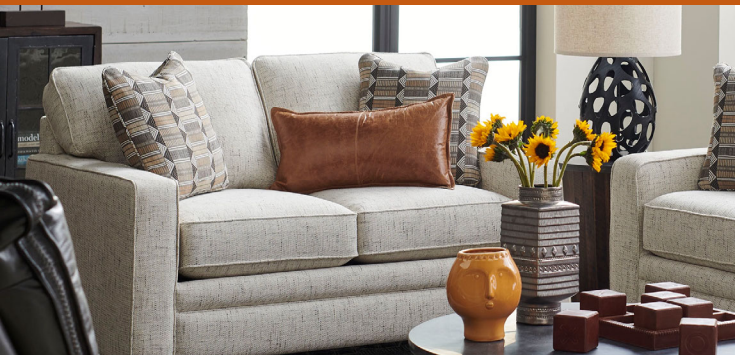
- Ongoing Board refreshment
- 9 out of 11 directors independent; 45% gender diversity
- Ongoing evaluation of corporate governance practices



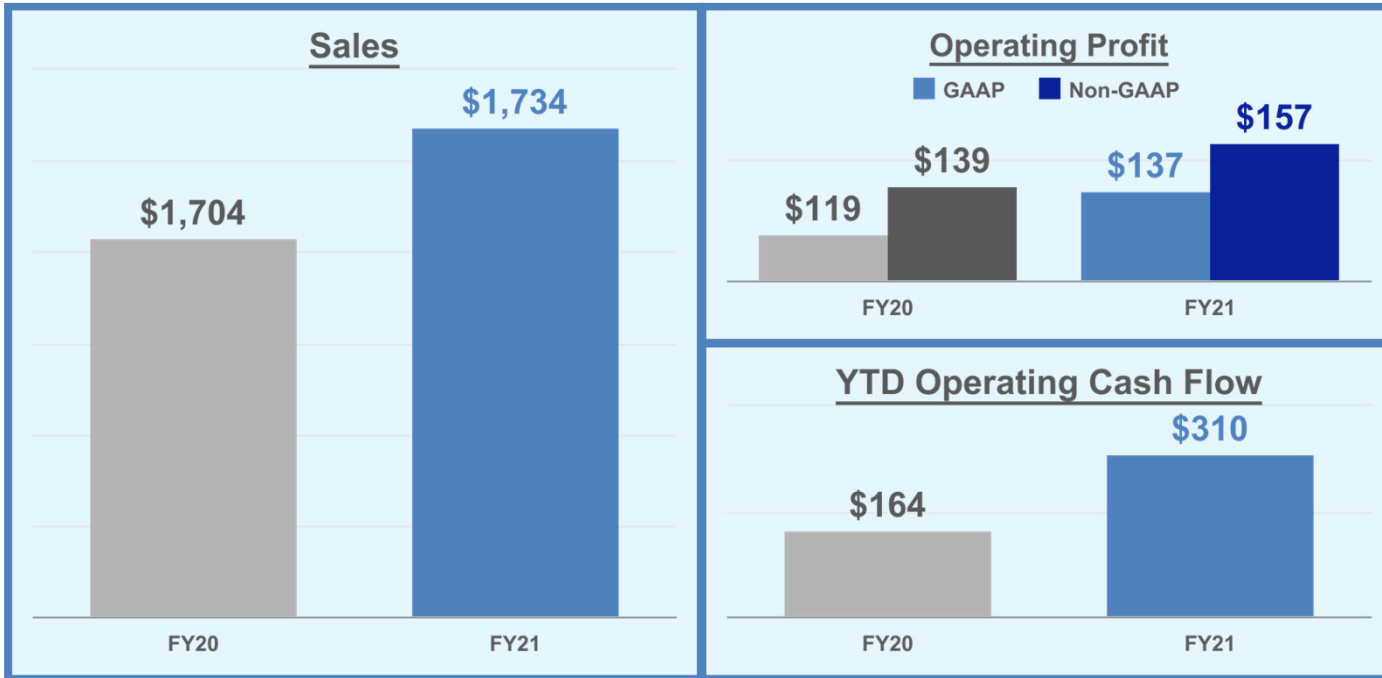
For more information on ESG, please visit La-Z-Boy's Sustainability pages at <https://www.la-z-boy.com/content/AboutLaZBoy/corporate-commitment>

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Financials: Fiscal 2021 Q4 and Full Year



Fiscal 2021 Full Year *(\$ in millions)*

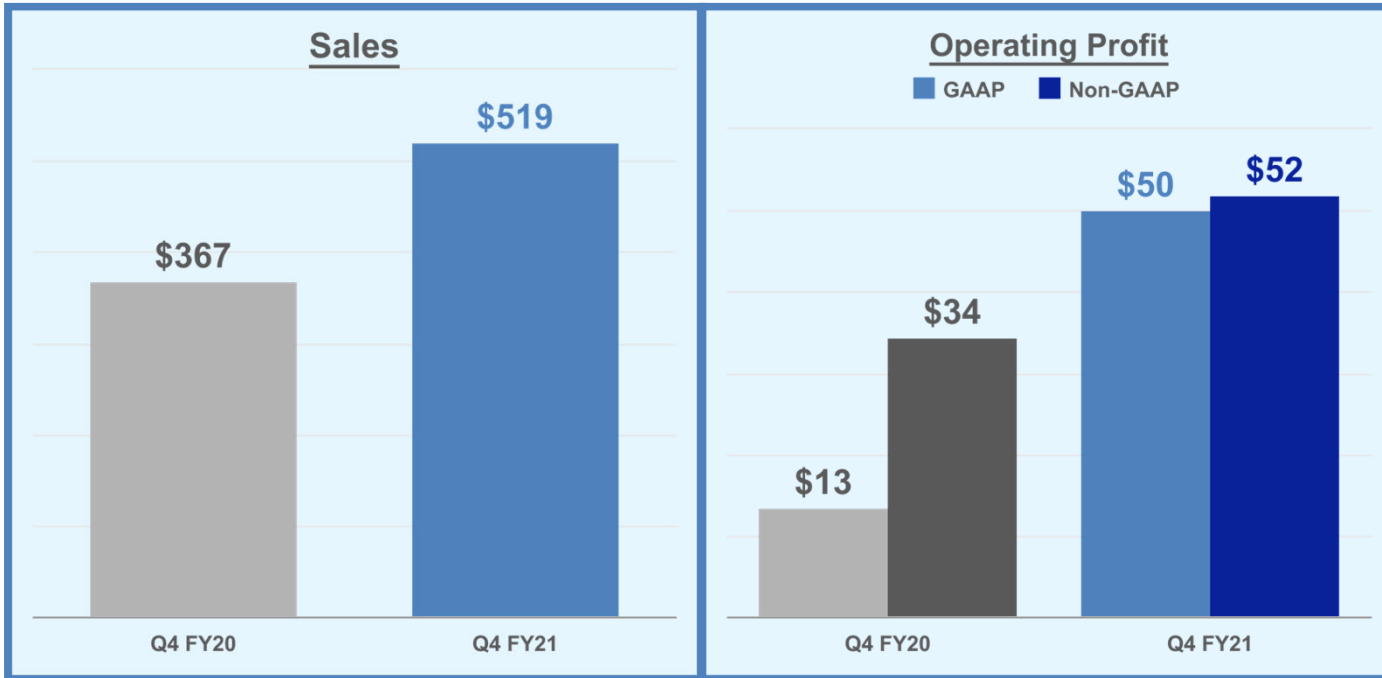


- Start to Fiscal 2021 — early stages of COVID
- Consolidated GAAP operating margin 7.9%; consolidated non-GAAP operating margin 9.0%
- Generated \$310 million in cash from operations
- Returned \$61 million to shareholders



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Fiscal 2021 Fourth Quarter *(\$ in millions)*

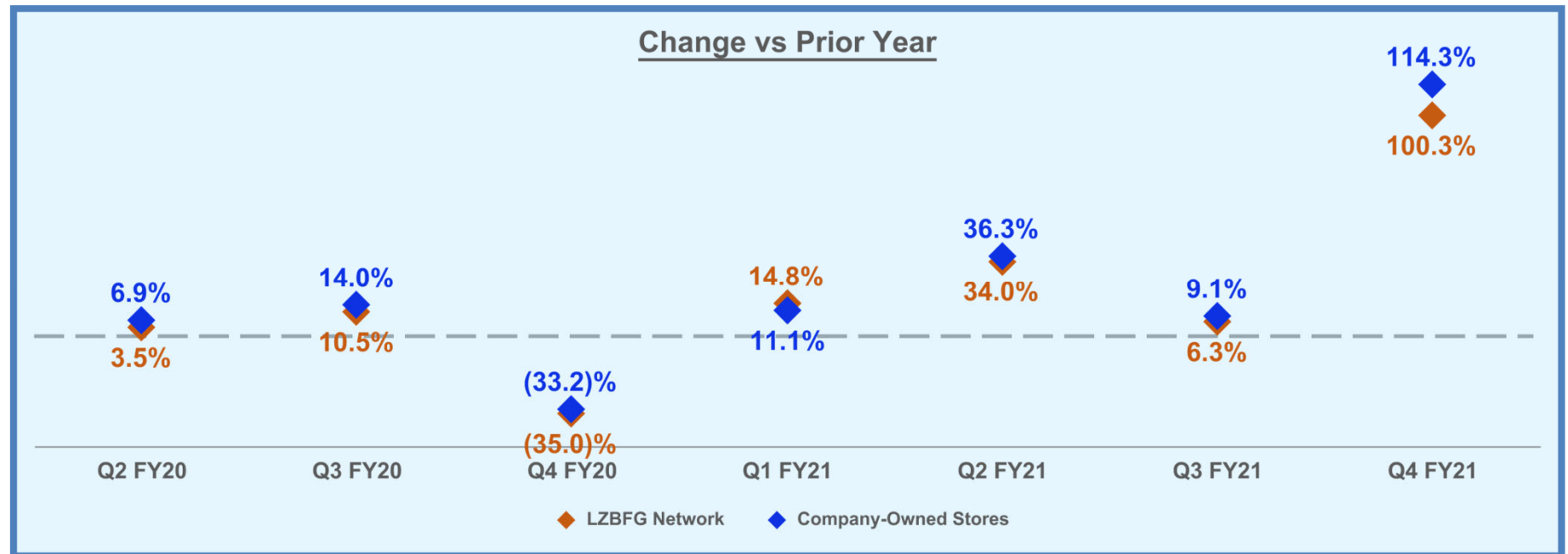


- Strong consumer demand
- Record sales led to record profits
- Excellent performance by company-owned Retail; continued growth at Joybird
- Strong cash generation
- Returned \$50 million to shareholders



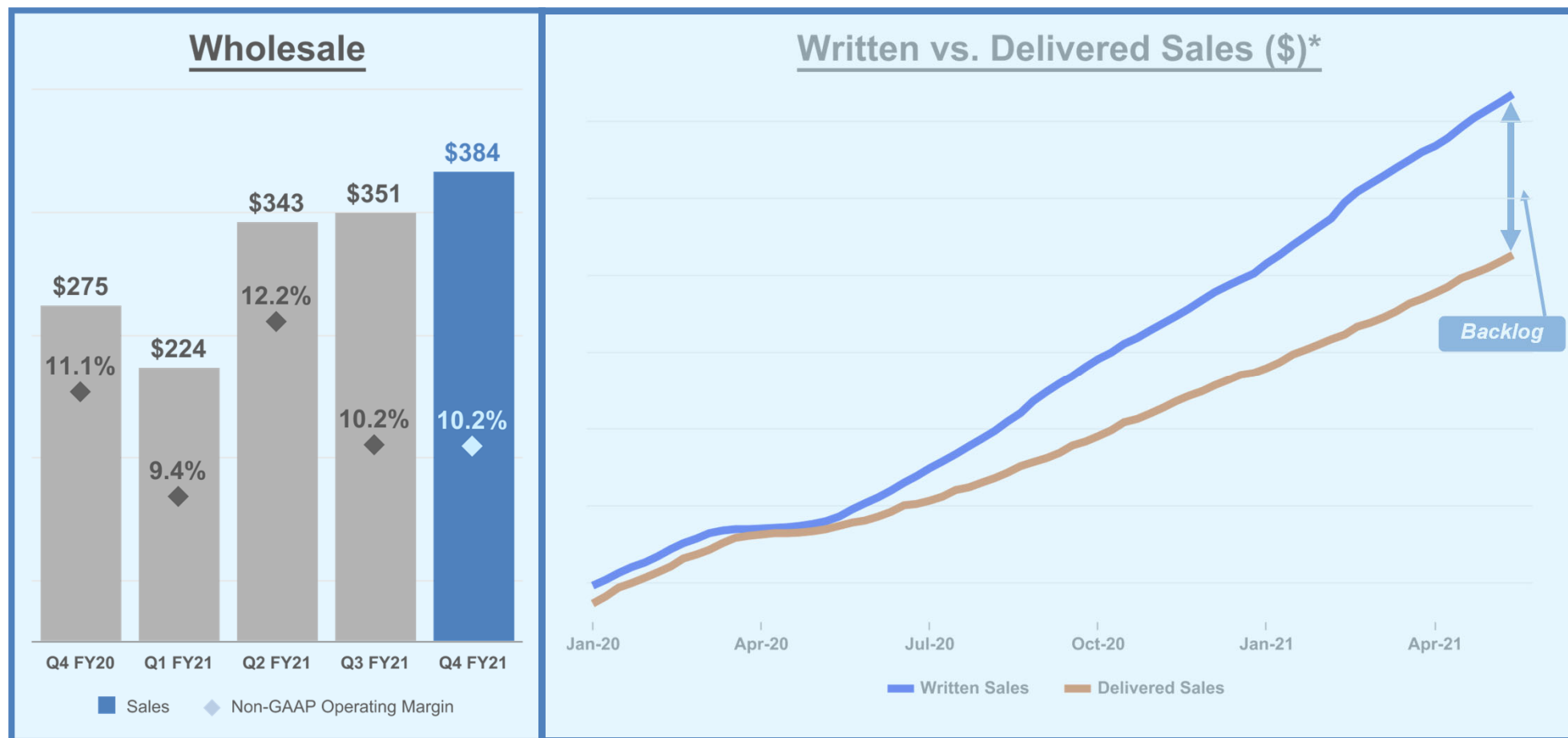
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Written SSS — LZB Furniture Galleries® Stores



- FY21 Q4 written same-store sales across La-Z-Boy Furniture Galleries® Network:
 - +100% compared with FY20 Q4
 - Increased 29% compared with pre-COVID FY19 Q4; 14% CAGR

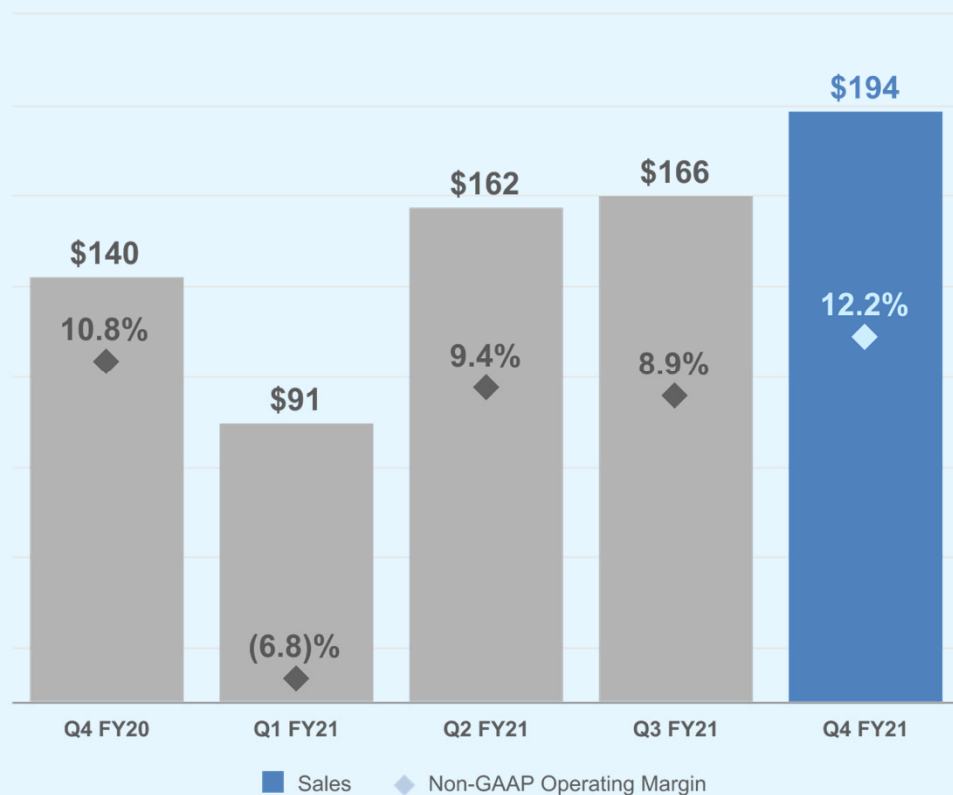
Q4 FY21 Business Results *(\$ in millions)*



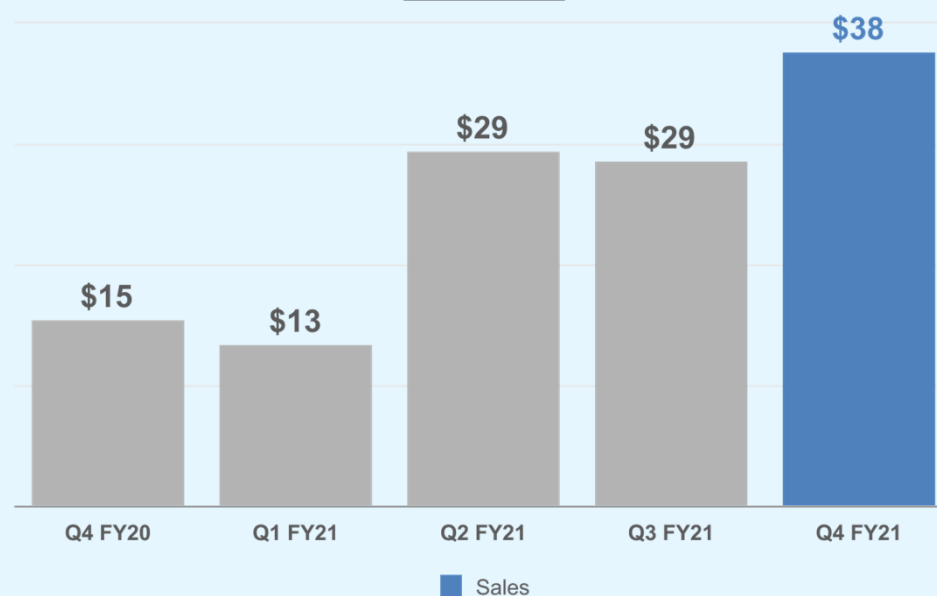
*LZB Branded Business

Q4 FY21 Business Results (cont.) *(\$ in millions)*

Retail



Joybird



Written Sales vs. Q4 Prior Year

+125%

Non-GAAP Presentation - FY21

FY21 Q4 Excluded from Non-GAAP

- Purchase accounting charges for acquisitions completed in prior periods totaling \$2.0 million pre-tax, plus related tax adjustments, or \$0.06 per diluted share
 - Primarily due to write up of Joybird contingent consideration liability based on forecast performance

FY21 Full Year Excluded from Non-GAAP

- Purchase accounting charges totaling \$17 million pre-tax, or \$0.33 per diluted share
 - Primarily due to write up of Joybird contingent consideration liability based on forecast performance
- A charge of \$3.8 million pre-tax, or \$0.07 per diluted share, related to the company's business realignment initiative announced in June 2020
- Income of \$5.2 million pre-tax, or \$0.08 per diluted share, for employee retention payroll tax credits the company qualified for under the CARES Act.

Non-GAAP Presentation - FY20

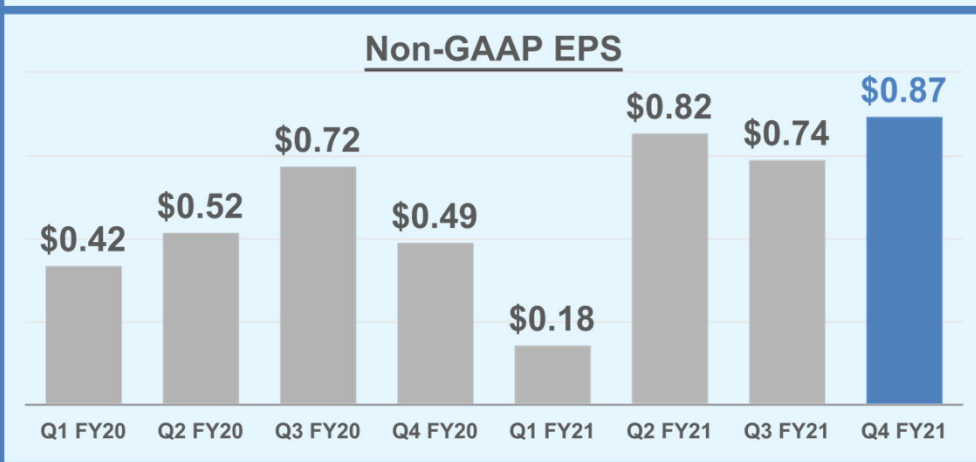
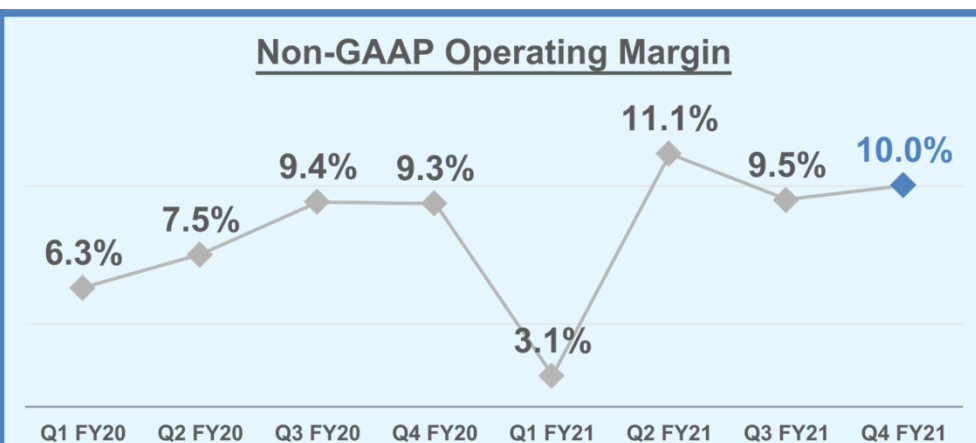
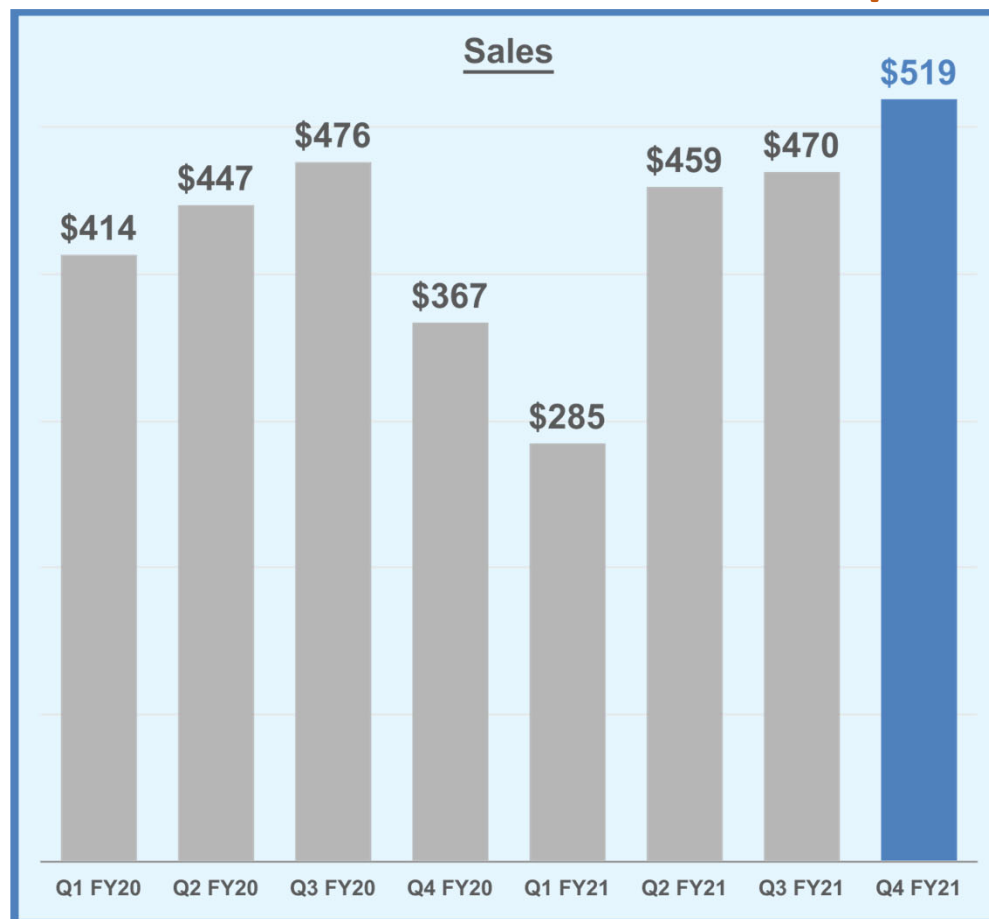
FY20 Q4 Excluded from Non-GAAP

- Non-cash pre-tax, non-tax deductible Joybird goodwill impairment charge of \$27 million
- \$6 million pre-tax net benefit from purchase accounting
 - Primarily related to the reversal of the Joybird contingent consideration liability by its full carrying value of \$8 million

FY20 Full Year Excluded from Non-GAAP

- Non-cash pre-tax, non-tax deductible Joybird goodwill impairment charge of \$27 million
- \$1.4 million pre-tax net benefit from purchase accounting, primarily related to the reversal of the Joybird contingent consideration liability by its full carrying value of \$8 million
- Non-cash impairment charge for one investment in a privately held start-up company
- Net benefit related to supply chain optimization initiative
- Benefit related to the prior-year termination of the company's defined benefit pension plan

Q4 FY21 Financial Snapshot *(\$ in millions, except per share data)*



FY21 Full Year Financial Snapshot *(\$ in millions, except per share data)*

Sales

\$1,734

\$1,704

FY20

FY21

Non-GAAP Operating Margin

9.0%

8.2%

FY20

FY21

Non-GAAP EPS

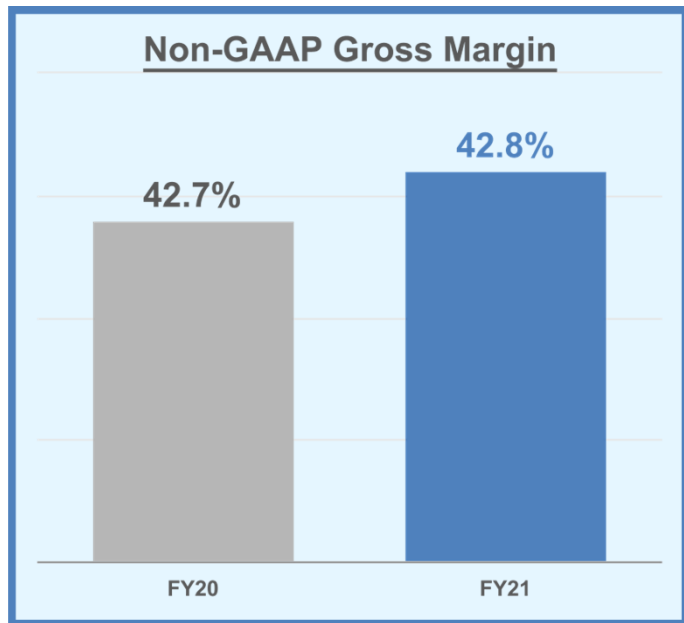
\$2.62

\$2.16

FY20

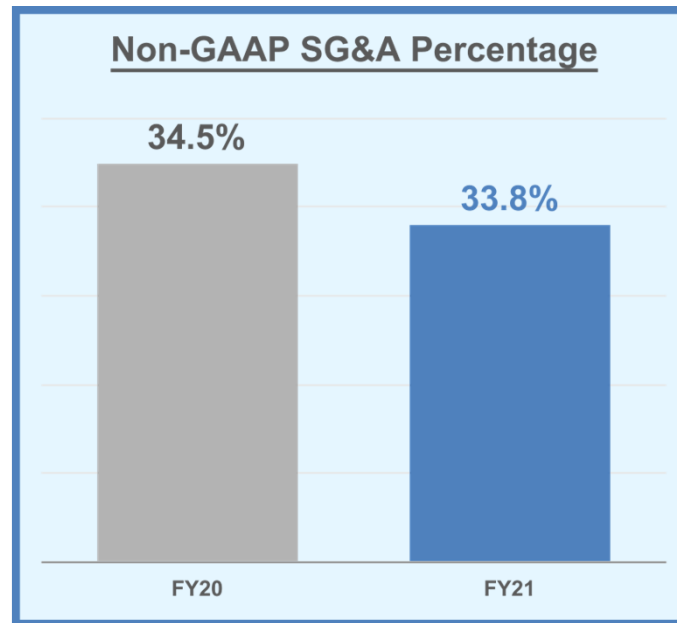
FY21

Gross Margin and SG&A



+10 basis points

- Change in consolidated sales mix
- Improved performance at Joybird

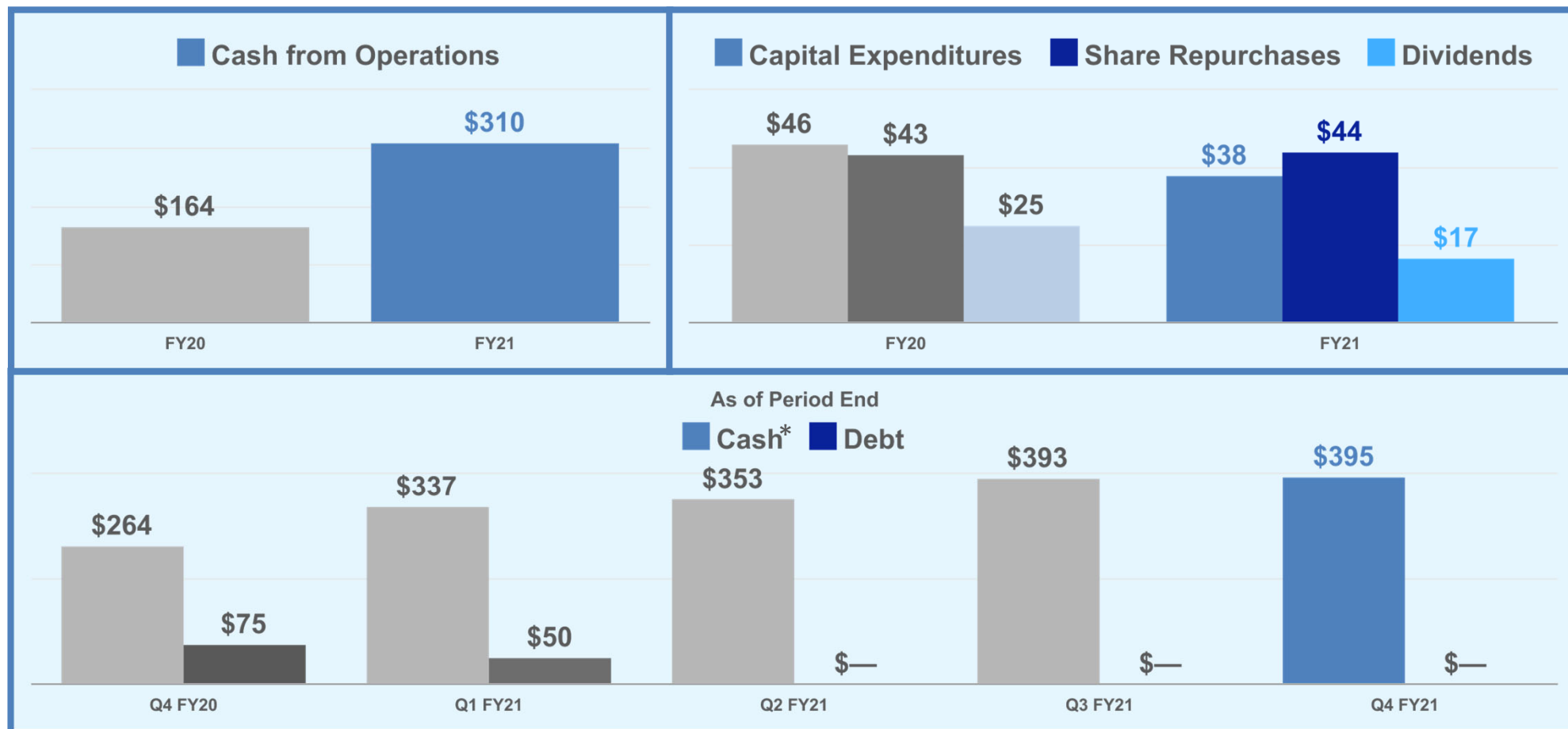


-70 basis points

- Cost-reduction initiatives



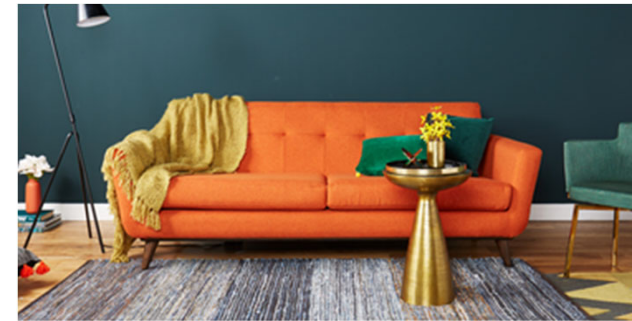
YTD FY21 Cash Snapshot *(\$ in millions)*



*Cash includes cash, cash equivalents and restricted cash

Items of Note for FY22

- Non-GAAP presentation
 - Purchase accounting of \$0.01 to \$0.03
 - Excludes any further adjustments to the Joybird contingent consideration liability, dependent on Joybird's ongoing business trajectory
- Incoming order rates and backlog will mitigate usual seasonal slowdown in Q1
 - Q1 limited to 12 weeks of production and shipments versus usual 13 weeks in Q2 and Q4
- Demand trends remain strong; record backlog
 - Ongoing incremental capacity increases throughout year expected to drive higher delivered sales



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Items of Note for FY22 (cont.)

- Expect significant pressure on profit margins, in the range of 300 bps, in first half of FY22 versus very strong profit margins in FY21 Q4
 - Supply chain disruption and escalating raw material and freight costs; eventually will be offset by already-announced pricing actions in the back half of the year as we work through backlog
 - Will continue to invest in the business
- Capex expected to be in the range of \$55 to \$65 million





Looking Ahead

- Strong cash position provides opportunities
- Focus on increasing capacity and delivering units
- Expect continued volatility over the next several quarters
- Evaluating strengths and opportunities
- Investing in the company to emerge stronger post pandemic
- Exciting time for company; strong demand and ability to play offense

Appendix



RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Appendix

(Amounts in thousands, except per share data)	Quarter Ended		Year Ended	
	4/24/2021	4/25/2020	4/24/2021	4/25/2020
GAAP gross profit	\$ 222,090	\$ 171,706	\$ 740,260	\$ 721,445
Add back: Purchase accounting charges - incremental expense upon the sale of inventory acquired at fair value	—	138	429	541
Add back: Business realignment charges	—	—	1,253	—
Add back: Supply chain optimization initiative	—	95	—	5,386
Non-GAAP gross profit	\$ 222,090	\$ 171,939	\$ 741,942	\$ 727,372
GAAP SG&A	\$ 172,032	\$ 131,418	\$ 603,524	\$ 575,821
Less: Purchase accounting (charges) gains - adjustment to fair value of contingent consideration and amortization of intangible assets and retention agreements	(1,859)	6,240	(15,595)	2,663
Less: Business realignment charges	—	—	(2,580)	—
Add back: Supply chain optimization initiative gain on sale	—	—	—	9,745
Non-GAAP SG&A	\$ 170,173	\$ 137,658	\$ 585,349	\$ 588,229
GAAP operating income	\$ 50,058	\$ 13,426	\$ 136,736	\$ 118,762
Add back: Purchase accounting charges	1,859	(6,102)	16,024	(2,122)
Add back: Business realignment charges	—	—	3,833	—
Add back: Supply chain optimization initiative	—	95	—	(4,359)
Add back: Goodwill impairment	—	26,862	—	26,862
Non-GAAP operating income	\$ 51,917	\$ 34,281	\$ 156,593	\$ 139,143
GAAP income before income taxes	\$ 51,441	\$ 14,025	\$ 145,913	\$ 115,173
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	2,038	(5,933)	16,694	(1,428)
Add back: Business realignment charges	—	—	3,833	—
Add back: Supply chain optimization initiative charges/(gain)	—	95	—	(4,359)
Add back: Goodwill impairment	—	26,862	—	26,862
Less: CARES Act benefit	—	—	(5,219)	—
Add back: Investment impairment	—	—	—	6,000
Less: Pension termination refund	—	—	—	(1,900)
Non-GAAP income before income taxes	\$ 53,479	\$ 35,049	\$ 161,221	\$ 140,348

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Appendix

(Amounts in thousands, except per share data)	Quarter Ended		Year Ended	
	4/24/2021	4/25/2020	4/24/2021	4/25/2020
GAAP net income attributable to La-Z-Boy Incorporated	\$ 37,496	\$ 2,295	\$ 106,461	\$ 77,469
Add back: Purchase accounting charges recorded as part of gross profit, SG&A, and interest expense	2,038	(5,933)	16,694	(1,428)
Less: Tax effect of purchase accounting	837	(635)	(642)	(1,746)
Add back: Business realignment charges	—	—	3,833	—
Less: Tax effect of business realignment charges	—	—	(938)	—
Add back: Supply chain optimization initiative charges/(gain)	—	95	—	(4,359)
Less: Tax effect of supply chain optimization initiative	—	(30)	13	1,176
Add back: Goodwill impairment	—	26,862	—	26,862
Less: CARES Act benefit	—	—	(5,219)	—
Add back: Tax effect of CARES Act benefit	—	—	1,261	—
Add back: Investment impairment	—	—	—	6,000
Less: Tax effect of investment impairment	—	—	—	(1,618)
Less: Pension termination refund	—	—	—	(1,900)
Add back: Tax effect of pension termination refund	—	—	—	513
Non-GAAP net income attributable to La-Z-Boy Incorporated	\$ 40,371	\$ 22,654	\$ 121,463	\$ 100,969
GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.81	\$ 0.05	\$ 2.30	\$ 1.66
Add back: Purchase accounting charges, net of tax, per share	0.06	(0.14)	0.33	(0.07)
Add back: Business realignment charges, net of tax, per share	—	—	0.07	—
Less: Supply chain optimization initiative, net of tax, per share	—	—	—	(0.07)
Add back: Goodwill impairment, net of tax, per share	—	0.58	—	0.58
Less: CARES Act benefit, net of tax, per share	—	—	(0.08)	—
Add back: Investment impairment, net of tax, per share	—	—	—	0.09
Less: Pension termination refund, net of tax, per share	—	—	—	(0.03)
Non-GAAP net income attributable to La-Z-Boy Incorporated per diluted share	\$ 0.87	\$ 0.49	\$ 2.62	\$ 2.16

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES SEGMENT INFORMATION

Appendix

(Amounts in thousands)	Quarter Ended				Year Ended			
	4/24/2021	% of Sales	4/25/2020	% of Sales	4/24/2021	% of Sales	4/25/2020	% of Sales
GAAP operating income (loss)								
Wholesale segment	\$ 39,003	10.2%	\$ 30,245	11.0%	\$ 134,312	10.3%	\$ 142,440	10.9%
Retail segment	23,551	12.2%	14,984	10.7%	46,724	7.6%	48,256	8.1%
Corporate and Other	(12,496)	N/M	(31,803)	N/M	(44,300)	N/M	(71,934)	N/M
Consolidated GAAP operating income	\$ 50,058	9.6%	\$ 13,426	3.7%	\$ 136,736	7.9%	\$ 118,762	7.0%
Non-GAAP items affecting operating income								
Wholesale segment	\$ 60		\$ 149		\$ 3,346		\$ (4,139)	
Retail segment	—		138		612		541	
Corporate and Other	1,799		20,568		15,899		23,979	
Consolidated Non-GAAP items affecting operating income	\$ 1,859		\$ 20,855		\$ 19,857		\$ 20,381	
Non-GAAP operating income (loss)								
Wholesale segment	\$ 39,063	10.2%	\$ 30,394	11.1%	\$ 137,658	10.6%	\$ 138,301	10.6%
Retail segment	23,551	12.2%	15,122	10.8%	47,336	7.7%	48,797	8.2%
Corporate and Other	(10,697)	N/M	(11,235)	N/M	(28,401)	N/M	(47,955)	N/M
Consolidated Non-GAAP operating income	\$ 51,917	10.0%	\$ 34,281	9.3%	\$ 156,593	9.0%	\$ 139,143	8.2%

N/M - Not Meaningful

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Appendix

(Unaudited, \$ amounts in thousands)	<u>Fiscal 2017</u>	<u>% of sales</u>	<u>Fiscal 2018</u>	<u>% of sales</u>	<u>Fiscal 2019</u>	<u>% of sales</u>	<u>Fiscal 2020</u>	<u>% of sales</u>	<u>Fiscal 2021</u>	<u>% of sales</u>
GAAP Operating Income	\$133,342	8.8%	\$129,369	8.2%	\$129,674	7.4%	\$118,762	7.0%	\$136,736	7.9%
Restructuring Charges	441		-		-		-		-	
Purchase Accounting Charges (Gains)	1,766		923		6,917		(2,122)		16,024	
Business Realignment Charges	-		-		-		-		3,833	
Supply Chain Optimization Initiative (Gain on Sale) and Charges	-		-		-		(4,359)		-	
Goodwill Impairment	-		-		-		26,862		-	
Non-GAAP Operating Income	<u>\$135,549</u>	8.9%	<u>\$130,292</u>	8.2%	<u>\$136,591</u>	7.8%	<u>\$139,143</u>	8.2%	<u>\$156,593</u>	9.0%

- 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, benefits from the CARES Act, 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, benefits from the CARES Act, 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 CARES Act, 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.