

HAVERTYS FURNITURE



HAVERTYS[®]
FURNITURE · EST 1885



BENCHMARK

New York, NY December 7, 2023



FORWARD LOOKING STATEMENTS

This presentation may contain forward-looking statements. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. Havertys' actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements.

For a discussion of some of the risks and factors that could affect Havertys' future results and financial condition, please see the description of "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2022.

The statements in the presentation are current only as of its date, December 7, 2023.



OUR STORY OUR MISSION

16 STATES

123 STORES

4.4 MM SQFT



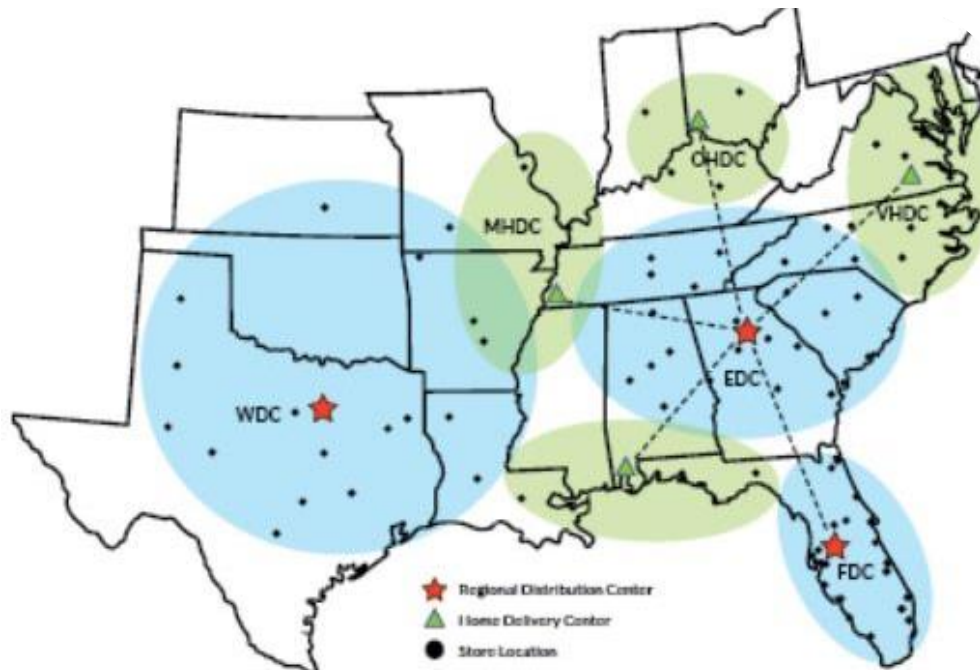
Havertys is a specialty retailer of residential furniture and accessories founded in 1885 serving customers across the Southern and Midwestern United States. Our fully-integrated online and in-store shopping experiences allow our customers to enjoy a seamless interaction when, where, and how they desire.

We are driven to delight our customers by offering personalized design, quality home furnishings, and an outstanding customer experience - all while demonstrating a commitment to our team and delivering consistent value to our shareholders.



STRATEGIC ADVANTAGES

- Attractive target customers.
- Store base is the right size in the right locations.
- Flexible merchandising & fulfillment strategy.
- Fully integrated business model with a strong balance sheet.
- We believe that our distribution and delivery system is one of the best in the retail furniture industry.





EXCLUSIVE MERCHANDISE
ACROSS PRICE POINTS &
STYLES



Assortment Appeals to a Broad Spectrum of
Target Customer Base



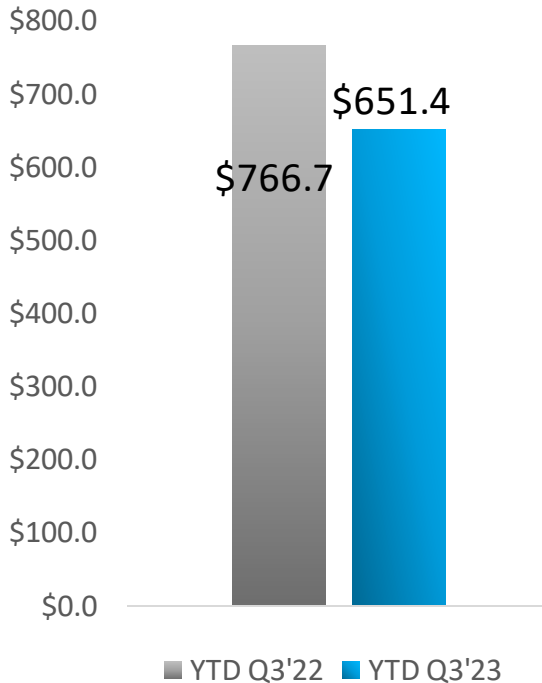


YTD Q3'23 FINANCIAL RESULTS

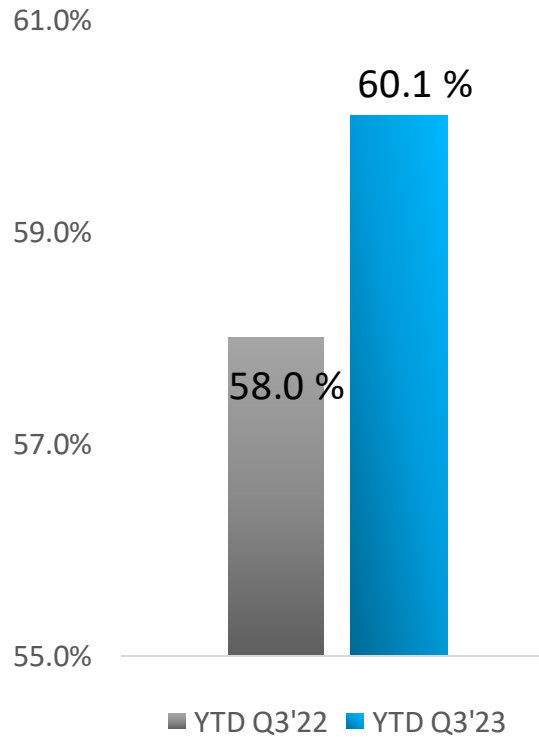
Net sales YTD Q3 '23 declined 15% against 2022 record results. Gross profit margins improved as freight costs declined. Earnings were driven by solid gross margin improvement but hampered by slower reductions in fixed costs.

Consolidated Sales

(Dollars in Millions)

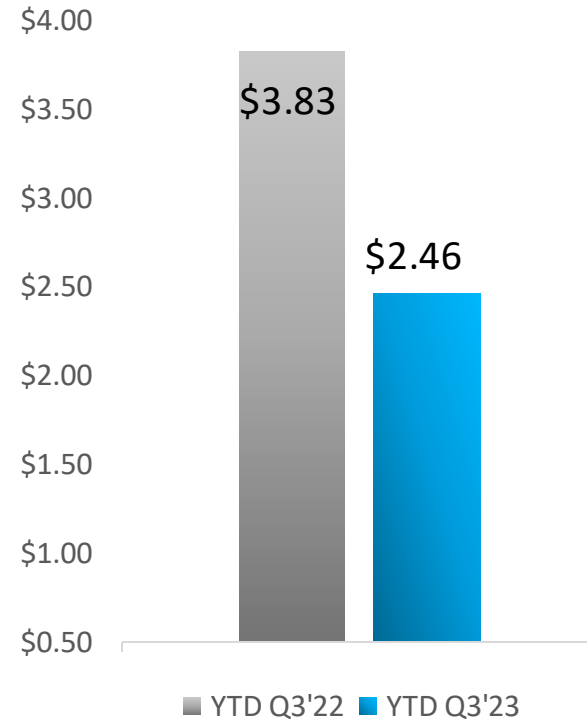


Gross Profit Margin



Diluted EPS

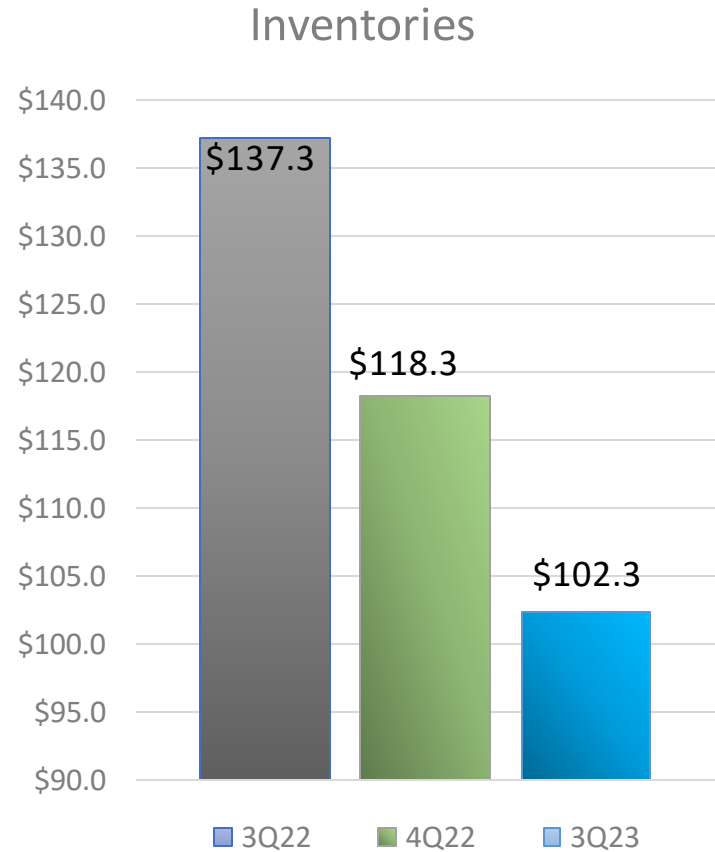
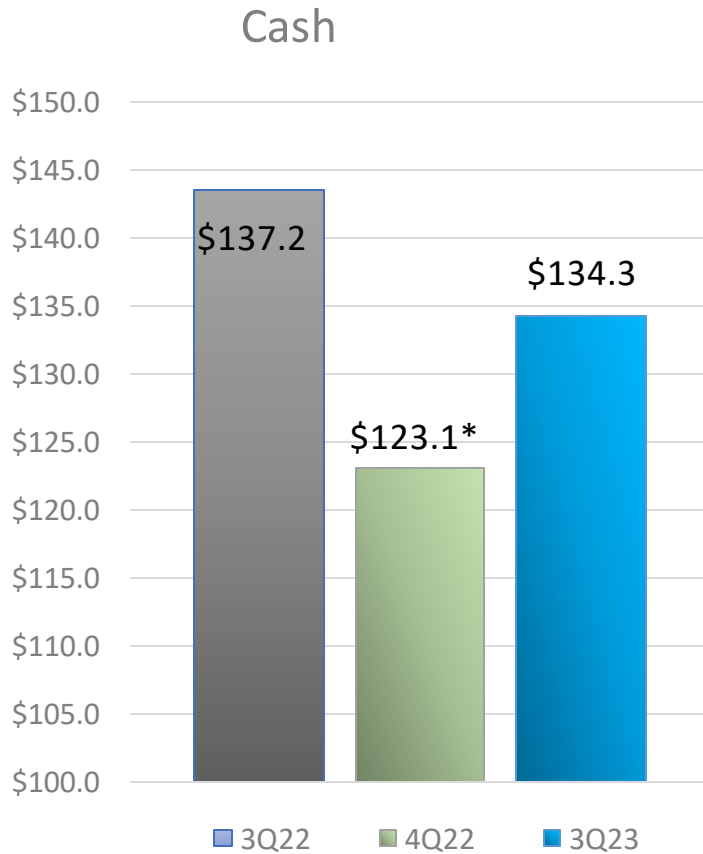
(dollars per share)





Consolidated Balance Sheet

Our strong cash position provides flexibility to take advantage of opportunities, advance our strategic goals and return capital to shareholders.



* Inclusive of \$63.9M returned to shareholders through dividends and share repurchases during 2022



CAPITAL ALLOCATION PHILOSOPHY

- HVT has paid a dividend since 1935.
- In Q2 '23 the BOD authorized a 7.1% increase in the quarterly dividend from \$0.28 per share to \$0.30 per share.
- In Q4 '23 the BOD authorized the payment of a special dividend of \$1.00. Total dividends paid in 2023 will be \$35.2 million.
- Targeted payout based on earnings and FCF, with the intent to grow the dividend as we grow.
- Planned capital expenditures for 2023 are \$57 million.
- Disciplined and balanced approach for return to shareholders.
- Focused on return on invested capital principle.
- After meeting the needs of the business, use excess cash to opportunistically repurchase shares, as long as it is value creating. Balance on current share repurchase authorization at the end of Q3 '23 was approximately \$16.8 million.



2023 EXPECTATIONS

With our strong balance sheet, we are continuing to invest in all parts of our operations, including stores and the important and evolving e-commerce business.

- Focused on adding stores in the best real estate markets in our footprint.
- Plan to add 4 stores in 2023 and close two in 2023, increasing retail square footage by approximately 0.6%.
- Planned capital expenditures \$57 million, including \$3 million during 2023 on refurbishing and reformatting four former Bed, Bath and Beyond stores with planned openings in the first half of 2024.
- Gross profit margins for 2023 are expected to be between 60.0% and 60.2%.
- Fixed and discretionary expenses within SG&A for 2023 are expected to be in the \$286 to \$288 million range.
- Variable SG&A expenses for 2023 are expected to be in the 19.6% to 19.8%.



COMPELLING INVESTMENT THESIS

- Conservatively run company in a strong regional footprint.
- Track record of improving results spanning over 100 years.
- Material opportunities to improve internal capabilities.
- Solid balance sheet.
- Strong cash position provides flexibility to take advantage of opportunities and advance our strategic goals while returning significant FCF to shareholders.



APPENDIX



HAVERTY FURNITURE COMPANIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

<i>(In thousands)</i>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 134,303	\$ 123,126	\$ 137,226
Restricted cash and cash equivalents	7,049	6,804	6,753
Inventories	102,334	118,333	137,315
Prepaid expenses	12,782	9,707	11,992
Other current assets	14,463	18,283	16,801
Total current assets	<u>270,931</u>	<u>276,253</u>	<u>310,087</u>
Property and equipment, net	170,263	137,475	135,300
Right-of-use lease assets	205,257	207,390	217,848
Deferred income taxes	17,886	15,501	17,834
Other assets	12,344	12,430	11,877
Total assets	<u>\$ 676,681</u>	<u>\$ 649,049</u>	<u>\$ 692,946</u>
Liabilities and Stockholders' Equity			
Current liabilities			
Accounts payable	\$ 21,121	\$ 23,345	\$ 24,932
Customer deposits	46,308	47,969	79,746
Accrued liabilities	45,596	48,676	53,366
Current lease liabilities	38,381	34,442	34,702
Total current liabilities	<u>151,406</u>	<u>154,432</u>	<u>192,746</u>
Noncurrent lease liabilities	182,298	186,845	196,799
Other liabilities	26,561	18,373	19,792
Total liabilities	<u>360,265</u>	<u>359,650</u>	<u>409,337</u>
Stockholders' equity	316,416	289,399	283,609
Total liabilities and stockholders' equity	<u>\$ 676,681</u>	<u>\$ 649,049</u>	<u>\$ 692,946</u>

HAVERTY FURNITURE COMPANIES, INC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(In thousands, except per share data)</i>				
Net sales	\$ 220,347	\$ 274,495	\$ 651,389	\$ 766,658
Cost of goods sold	86,349	117,775	259,712	322,368
Gross profit	133,998	156,720	391,677	444,290
Expenses:				
Selling, general and administrative	112,729	124,534	341,106	357,816
Other expense, net	55	58	64	176
Total expenses	112,784	124,592	341,170	357,992
Income before interest and income taxes	21,214	32,128	50,507	86,298
Interest income, net	1,719	481	3,701	699
Income before income taxes	22,933	32,609	54,208	86,997
Income tax expense	5,779	8,058	12,891	21,377
Net income	<u>\$ 17,154</u>	<u>\$ 24,551</u>	<u>\$ 41,317</u>	<u>\$ 65,620</u>
Basic earnings per share:				
Common Stock	\$ 1.05	\$ 1.51	\$ 2.55	\$ 3.96
Class A Common Stock	\$ 1.00	\$ 1.43	\$ 2.41	\$ 3.75
Diluted earnings per share:				
Common Stock	\$ 1.02	\$ 1.46	\$ 2.46	\$ 3.83
Class A Common Stock	\$ 0.98	\$ 1.40	\$ 2.36	\$ 3.66
Cash dividends per share:				
Common Stock	\$ 0.30	\$ 0.28	\$ 0.88	\$ 0.81
Class A Common Stock	\$ 0.28	\$ 0.26	\$ 0.82	\$ 0.75

HAVERTY FURNITURE COMPANIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

<i>(In thousands)</i>	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net income	\$ 41,317	\$ 65,620
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,827	12,744
Share-based compensation expense	6,199	6,032
Other	(1,337)	(450)
Changes in operating assets and liabilities:		
Inventories	15,999	(25,284)
Customer deposits	(1,661)	(19,151)
Other assets and liabilities	10,546	(7,318)
Accounts payable and accrued liabilities	(5,516)	6,007
Net cash provided by operating activities	79,374	38,200
Cash Flows from Investing Activities:		
Capital expenditures	(46,428)	(22,109)
Proceeds from sale of land, property and equipment	53	66
Net cash used in investing activities	(46,375)	(22,043)
Cash Flows from Financing Activities:		
Dividends paid	(14,301)	(13,366)
Common stock repurchased	(3,194)	(29,998)
Taxes on vested restricted shares	(4,082)	(1,676)
Net cash used in financing activities	(21,577)	(45,040)
Increase (decrease) in cash, cash equivalents and restricted cash equivalents during the period	11,422	(28,883)
Cash, cash equivalents and restricted cash equivalents at beginning of period	129,930	172,862
Cash, cash equivalents and restricted cash equivalents at end of period	\$ 141,352	\$ 143,979