



**HAVERTYS**  
FURNITURE

 **HAVERTYS**<sup>®</sup>  
FURNITURE · EST 1885

**PIPER | SANDLER**

**Growth Frontiers Conference**

**September 13, 2022**



## 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, 2021, and from time to time in the Company's subsequent filings with the SEC.

The statements in the presentation are current only as of its date, September 13, 2022.



## OUR STORY OUR MISSION

16 STATES

121 STORES

4.4 MM SQFT

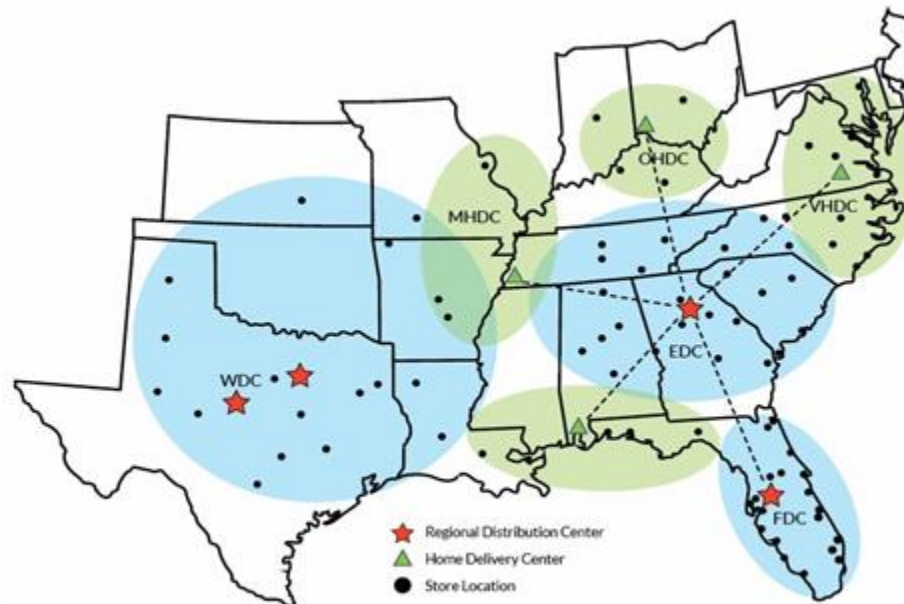
Havertys is a specialty retailer of residential furniture and accessories founded in 1885 serving customers across the Southern and Midwestern United States. Our fully-integrated online and in-store shopping experiences allow our customers to enjoy a seamless interaction when, where, and how they desire.

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

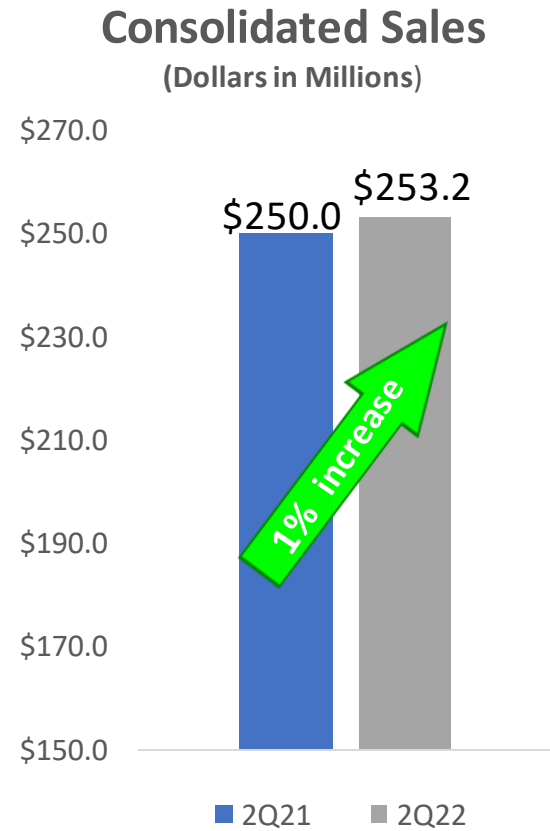
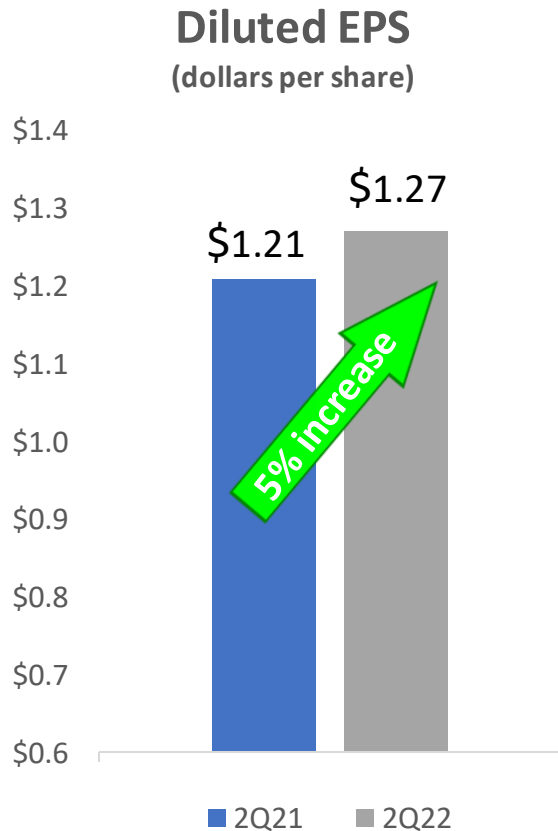
- Attractive target customers.
- Store base is the right size in the right locations.
- Flexible merchandising & fulfillment strategy.
- Fully integrated business model with a strong balance sheet.
- We believe that our distribution and delivery system is one of the best in the retail furniture industry.





## 2 Q '22 FINANCIAL RESULTS

Net sales for 2Q '22 increased \$3.2 million or 1.3%. Strong earnings were driven by solid gross margin improvement and attention to operating costs.



Comparable store sales increased 1.3%

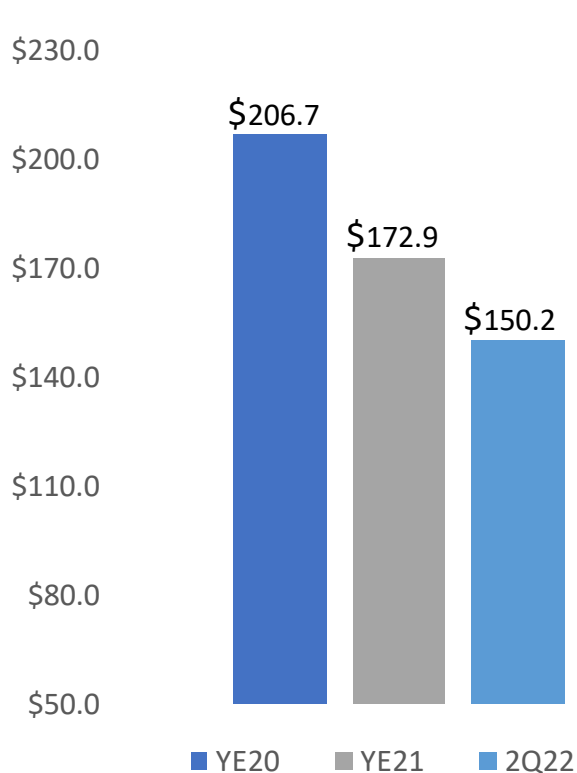


# Consolidated Balance Sheet

Our strong cash position provides flexibility to take advantage of opportunities, advance our strategic goals and return capital to our shareholders. Our domestic vendors are beginning to return to normal production levels as flow of their raw materials improves.

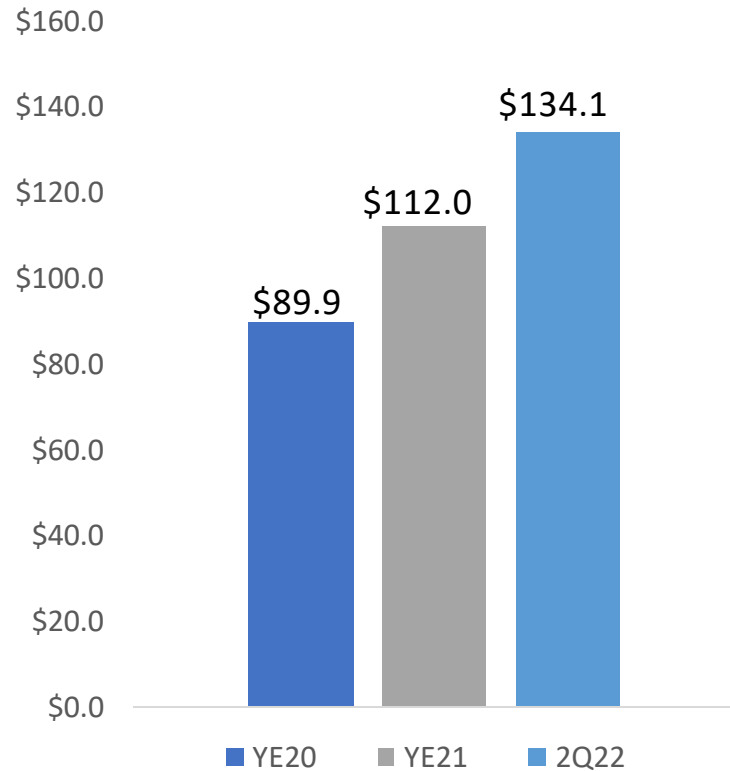
### Cash

(Dollars in Millions)



### Inventories

(Dollars in Millions)





## 2022 EXPECTATIONS

- We believe consumers are still investing in their home. Our written business in Q2 was up 23.2% over the “normal” pre-pandemic Q2 of 2019.
- Significant upgrades to website to enhance shopping experience and develop additional sales opportunities utilizing AI capabilities.
- Capital expenditures of approximately \$32 million.
  - Expect retail square footage to remain relatively flat as we plan to open 3 stores and close 2 stores in 2022.
- Gross profit margins for 2022 are expected to be between 57.7% and 58.0%. Gross profit margins fluctuate quarter to quarter in relation to our promotional cadence.
- Fixed and discretionary expenses within SG&A for 2022 are expected to be \$293.0 to \$295.0 million. Variable SG&A expenses for 2022 are expected to be in the 18.2% to 18.4% range.



## CAPITAL ALLOCATION PHILOSOPHY

- Disciplined and balanced approach.
- Focus on return on invested capital principle.
- Cash on June 30, 2022 is \$150.2 million.
- Targeted payout based on earnings and FCF, with the intent to grow the dividend as we grow.
- On August 5, 2022 the BOD declared a cash dividend of \$0.28 per share on the common stock and \$0.26 per share on the Class A common stock.
- Current dividend is greater than 2x the S&P 500 average.
- HVT has paid a dividend since 1935 and increased it every year since 2013.





## SHARE REPURCHASE PROGRAM

- Share Repurchase Principle: After meeting the needs of the business, use excess cash to opportunistically repurchase shares, as long as it is value creating.
- Purchased approximately 900,000 shares of common stock for \$25.0 million and paid \$8.8 million in quarterly cash dividends during the six months ended June 30, 2022.
- On August 5, 2022 the BOD also approved a new authorization under its stock repurchase program that permits the company to purchase up the \$25.0 million of its common stock and Class A common stock.



## 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
- Best in class Balance Sheet positions HVT to strategically invest while returning a significant amount of FCF to shareholders
- Strong cash position provides flexibility to take advantage of opportunities and advance our strategic goals