

HAVERTYS
FURNITURE



HAVERTYS[®]
FURNITURE · EST 1885



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, 2023.

The statements in the presentation are current only as of its date, September 17, 2024.



OUR STORY OUR MISSION

17 STATES
125 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.



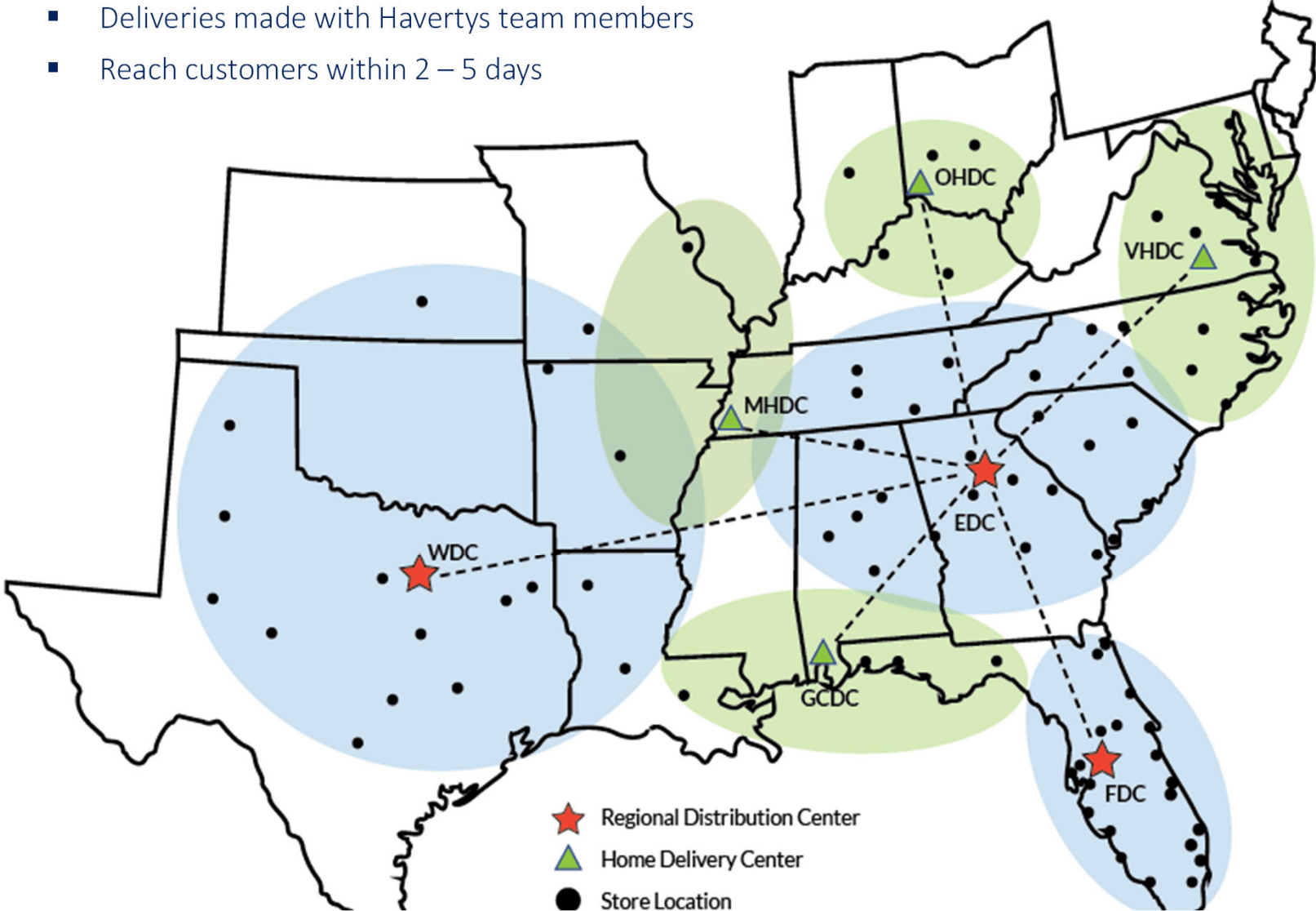
CUSTOMER BASE

- Style-conscious, trend aware
- Pays attention to value but favors right item over right price
- College educated
- Homeowner
- Household income > \$100k
- Seeks information from multiple sources – online & offline
- Looks to social media for trends, opinions & ideas



STORES – RIGHT SIZE, RIGHT LOCATIONS WITH EXCELLENT FULFILLMENT CAPABILITIES

- 125 Stores across the Southern and Midwestern U.S.
 - 2023 — 4 openings; 2 closures; 0.5% increase in sq.ft.
 - 2024 — 6 openings; 1 closure; 3.4% increase in sq.ft.
- Deliveries made with Havertys team members
- Reach customers within 2 – 5 days





EXCLUSIVE MERCHANDISE ACROSS PRICE POINTS & STYLES

FURNITURE PRICE POINTS



Assortment Appeals to a Broad Spectrum of
Target Customer Base



CUSTOMIZATION & FREE IN-HOME DESIGN SERVICE

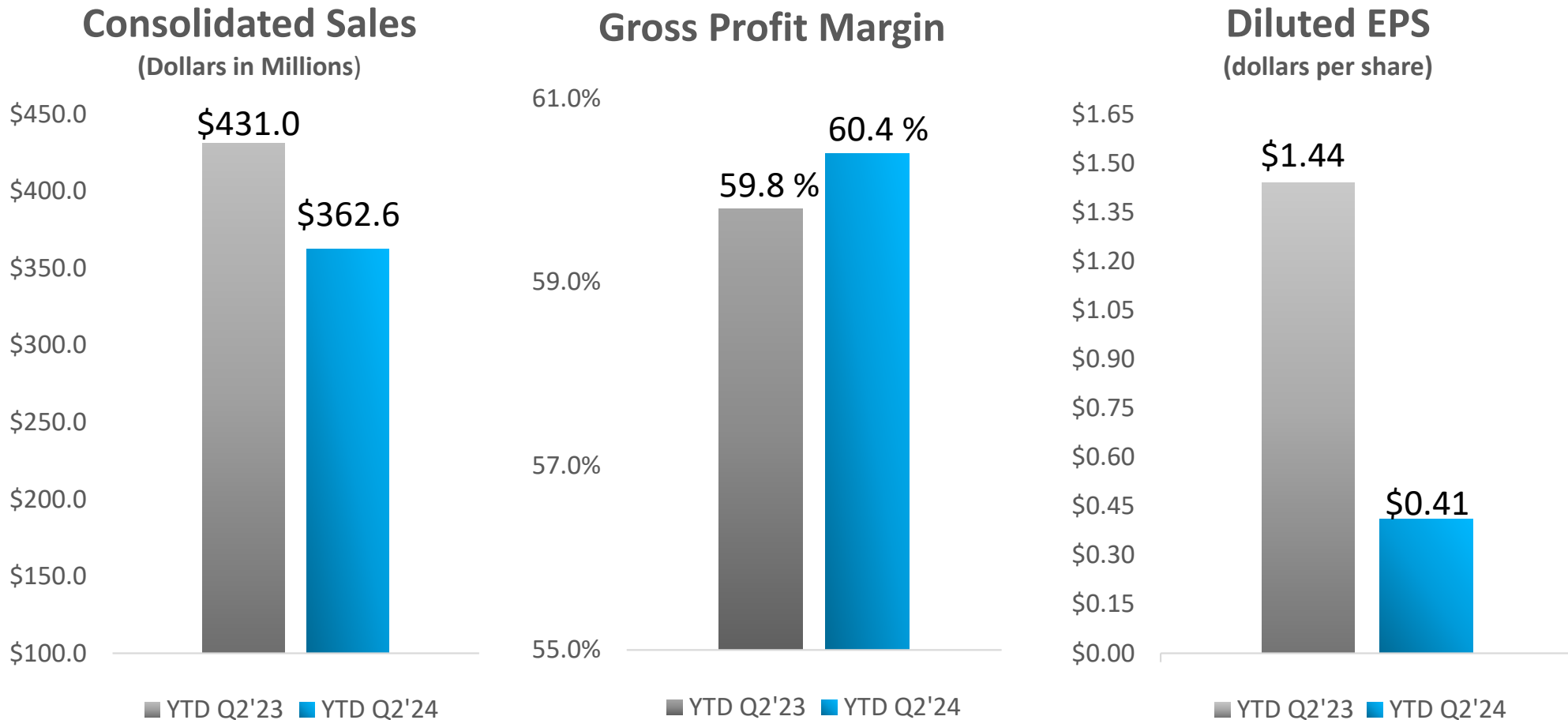


HAVERTYS
LIFE LOOKS GOOD



YTD Q2 2024 FINANCIAL RESULTS

Net sales for YTD Q2'24 declined 15.9% against 2023 results. Gross profit margins improved due to merchandising mix. Earnings were impacted by lower revenues but helped by solid gross margin improvement and reductions in fixed costs.

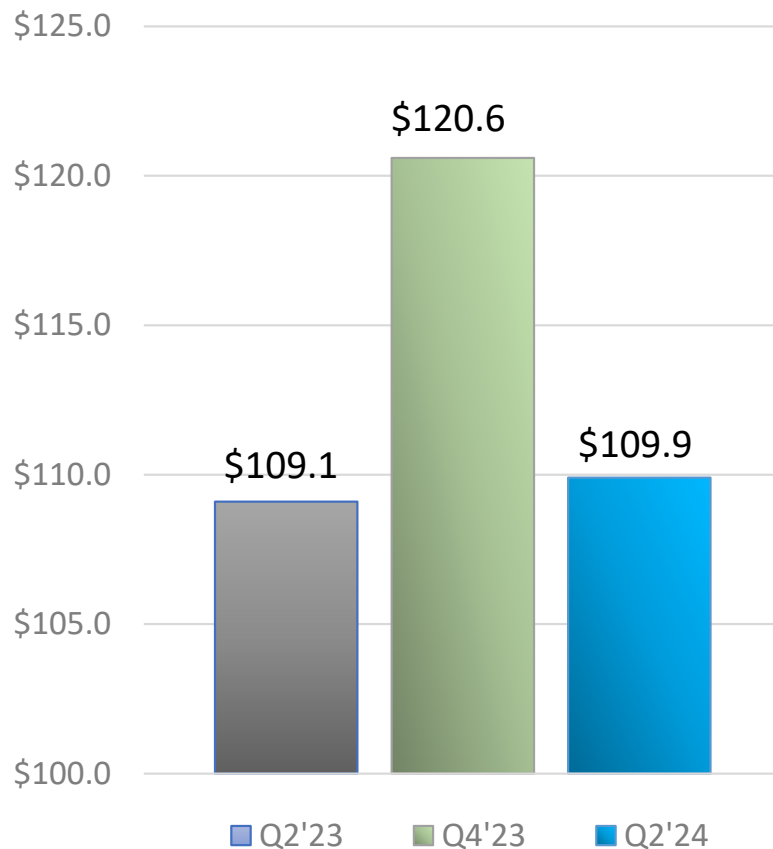




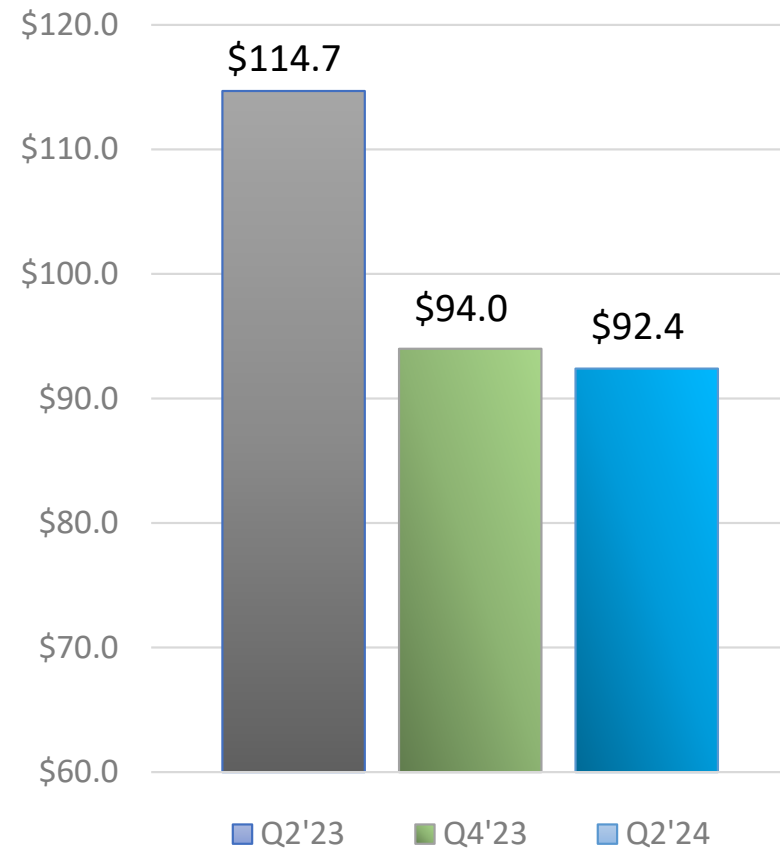
Consolidated Balance Sheet

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

Cash



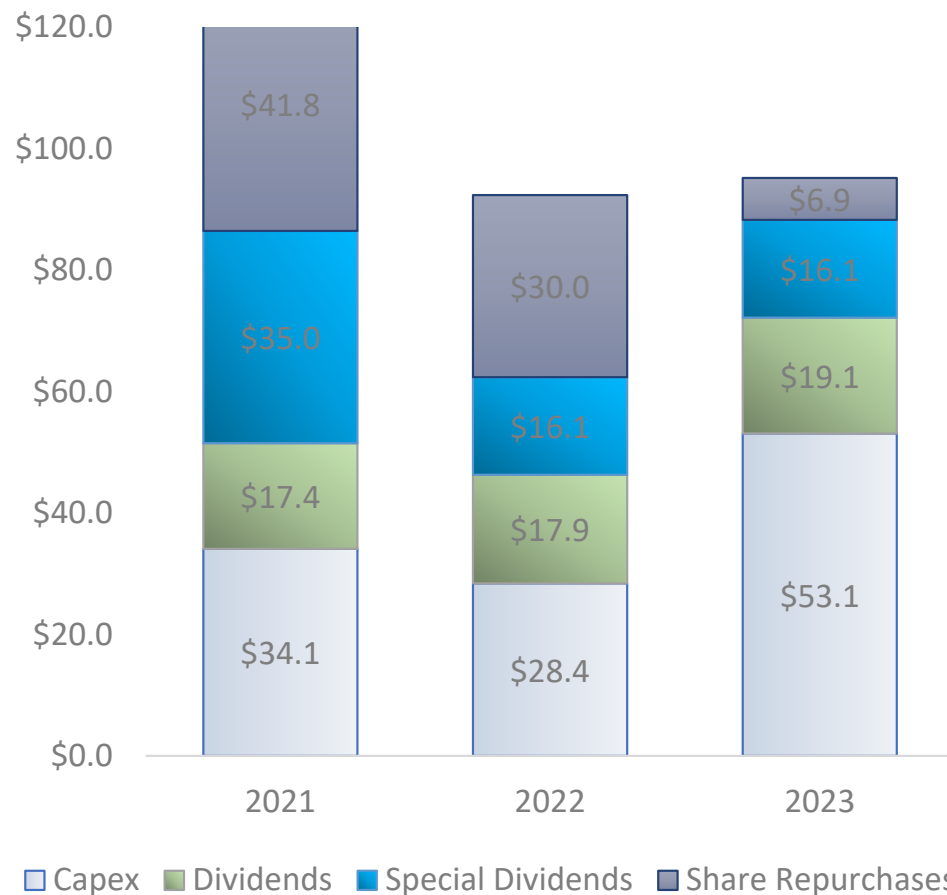
Inventories





CAPITAL ALLOCATION – CASH RETURNED TO SHAREHOLDERS

- Planned capital expenditures for 2024 are \$33 million.
- Focused on return on invested capital principle.
- Balance on current share repurchase authorization at June 30, 2024 was approximately \$13.1 million.





CAPITAL ALLOCATION PHILOSOPHY

- HVT has paid a dividend since 1935.
- Targeted payout based on earnings and FCF, with the intent to grow the dividend as we grow.
- Planned capital expenditures for 2024 are \$33 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 Q2 '24 was approximately \$13.1 million.



2024 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 open 6 stores and close one in 2024, increasing retail square footage by approximately 3.4%. Refurbishing and reformatting former Bed, Bath and Beyond stores. Begin expansion into Houston, TX market.
- Gross profit margins for 2024 are expected to be between 60.0% and 60.5%.
- Fixed and discretionary expenses within SG&A for 2024 are expected to be in the \$282 to \$284 million range.
- Variable SG&A expenses for 2024 are expected to be in the 19.7% to 20.0% range.



COMPELLING INVESTMENT THESIS

- Conservatively run company in a strong regional footprint.
- Track record of improving results spanning over 100 years.
- 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>June 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 109,942	\$ 120,635
Restricted cash and cash equivalents	6,125	7,142
Inventories	92,401	93,956
Prepaid expenses	16,445	17,067
Other current assets	15,497	12,793
Total current assets	240,410	251,593
Property and equipment, net	177,449	171,588
Right-of-use lease assets	195,000	202,306
Deferred income taxes	15,478	15,641
Other assets	13,768	13,005
Total assets	<u>\$ 642,105</u>	<u>\$ 654,133</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 18,058	\$ 18,781
Customer deposits	38,731	35,837
Accrued liabilities	37,090	46,289
Current lease liabilities	36,561	37,357
Total current liabilities	130,440	138,264
Noncurrent lease liabilities	176,940	180,397
Other liabilities	27,627	27,106
Total liabilities	335,007	345,767
Stockholders' equity		
Capital Stock, par value \$1 per share		
Preferred Stock, Authorized – 1,000 shares; Issued: None		
Common Stock, Authorized – 50,000 shares; Issued: 2024 – 30,414; 2023 – 30,220	30,414	30,220
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2024 – 1,798; 2023 – 1,804	1,798	1,804
Additional paid-in capital	114,644	113,307
Retained earnings	416,233	419,472
Accumulated other comprehensive loss	(983)	(983)
Less treasury stock at cost – Common Stock (2024 – 15,281 and 2023 – 15,355 shares) and Convertible Class A Common Stock (2024 and 2023 – 522 shares)	(255,008)	(255,454)
Total stockholders' equity	307,098	308,366
Total liabilities and stockholders' equity	<u>\$ 642,105</u>	<u>\$ 654,133</u>

HAVERTY FURNITURE COMPANIES, INC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>(In thousands, except per share data)</i>				
Net sales	\$ 178,636	\$ 206,289	\$ 362,633	\$ 431,042
Cost of goods sold	70,652	81,394	143,630	173,363
Gross profit	107,984	124,895	219,003	257,679
Expenses:				
Selling, general and administrative	103,099	110,016	212,455	228,377
Other expense (income), net	(101)	14	(78)	9
Total expenses	102,998	110,030	212,377	228,386
Income before interest and income taxes	4,986	14,865	6,626	29,293
Interest income, net	1,467	973	3,022	1,983
Income before income taxes	6,453	15,838	9,648	31,276
Income tax expense	2,015	4,046	2,817	7,112
Net income	\$ 4,438	\$ 11,792	\$ 6,831	\$ 24,164

HAVERTY FURNITURE COMPANIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

<i>(In thousands)</i>	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net income	\$ 6,831	\$ 24,164
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,147	9,017
Share-based compensation expense	4,130	4,439
Other	1,314	(256)
Changes in operating assets and liabilities:		
Inventories	1,555	3,611
Customer deposits	2,894	(2,380)
Other assets and liabilities	916	11,637
Accounts payable and accrued liabilities	(10,245)	(10,104)
Net cash provided by operating activities	17,542	40,128
Cash Flows from Investing Activities:		
Capital expenditures	(15,952)	(40,482)
Proceeds from sale of land, property and equipment	52	23
Net cash used in investing activities	(15,900)	(40,459)
Cash Flows from Financing Activities:		
Dividends paid	(10,070)	(9,414)
Taxes on vested restricted shares	(3,282)	(4,083)
Net cash used in financing activities	(13,352)	(13,497)
Decrease in cash, cash equivalents and restricted cash equivalents during the period	(11,710)	(13,828)
Cash, cash equivalents and restricted cash equivalents at beginning of period	127,777	129,930
Cash, cash equivalents and restricted cash equivalents at end of period	\$ 116,067	\$ 116,102