

**HAVERTYS**  
FURNITURE

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

 **UBS**

Global Consumer and Retail Confere  
March 13 – 14, 2024



## 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, March 13, 2024.



## OUR STORY OUR MISSION

16 STATES

124 STORES

4.4 MM SQFT

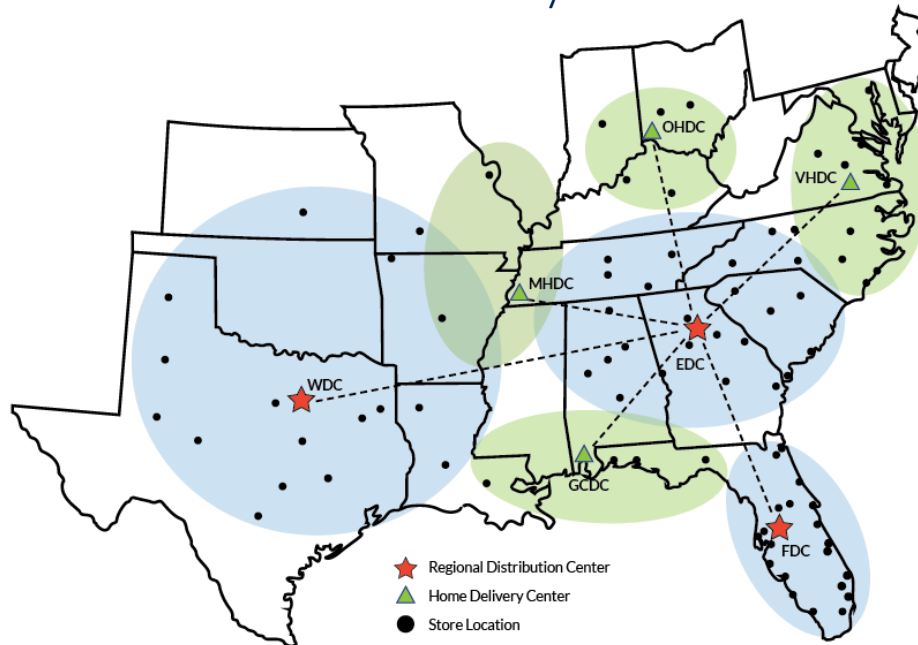
Havertys is a specialty retailer of residential furniture and accessories founded in 1885 serving customers across the Southern and Midwestern United States. Our fully-integrated online and in-store shopping experiences allow our customers to enjoy a seamless interaction when, where, and how they desire.

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

FURNITURE PRICE POINTS

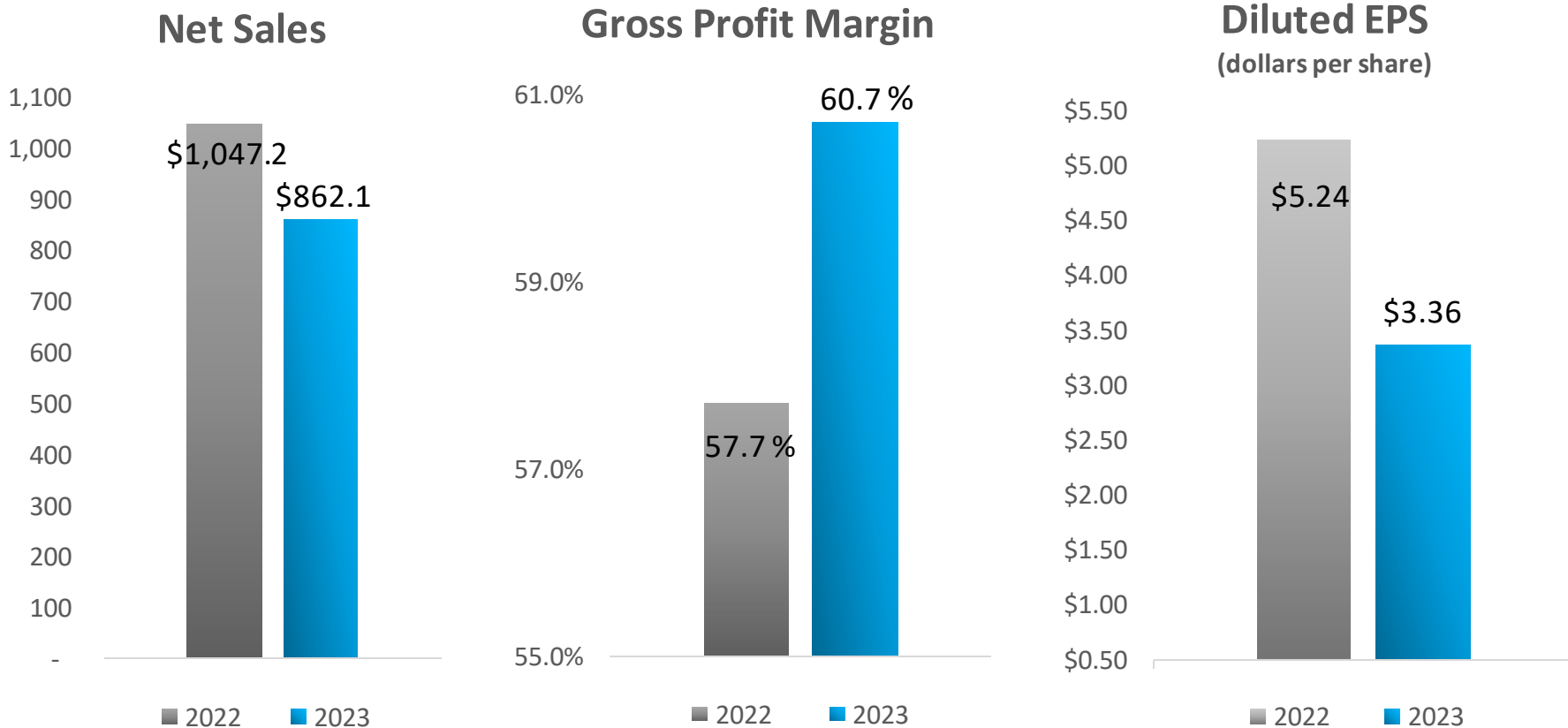


Assortment Appeals to a Broad Spectrum of  
Target Customer Base



# 2023 FINANCIAL RESULTS

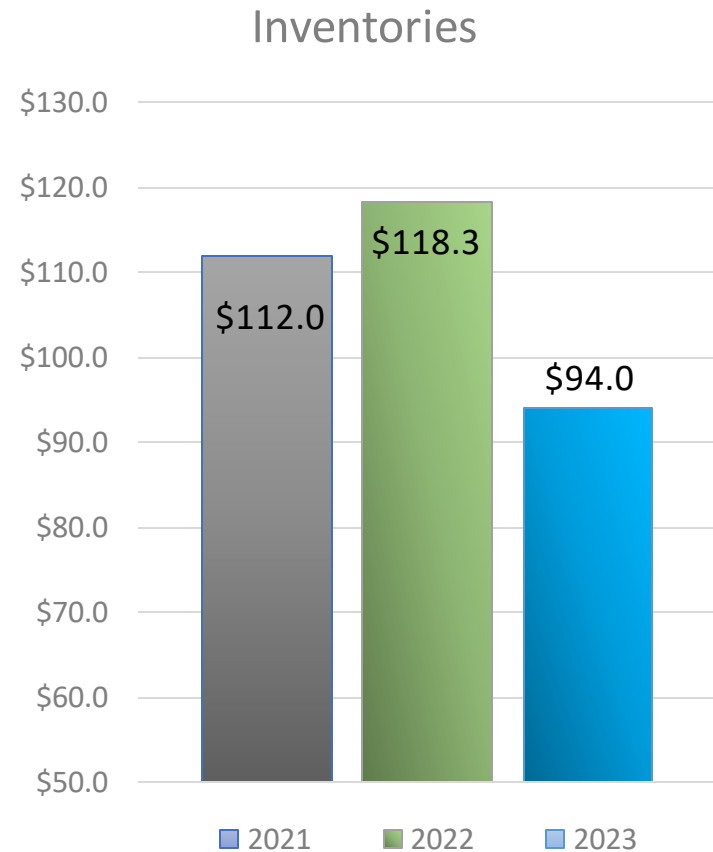
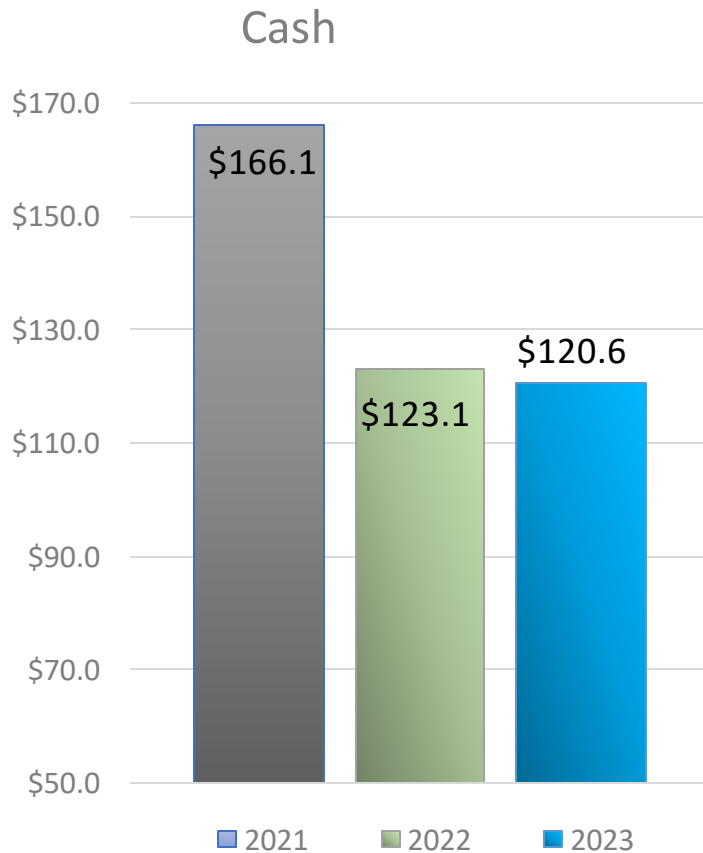
Net sales in 2023 declined against 2022 record results. Gross profit margins improved as freight costs declined. Earnings were driven by solid gross margin improvement but hampered by lower sales and slower reductions in fixed costs.





## CONSOLIDATED BALANCE SHEET

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





## CAPITAL ALLOCATION PHILOSOPHY

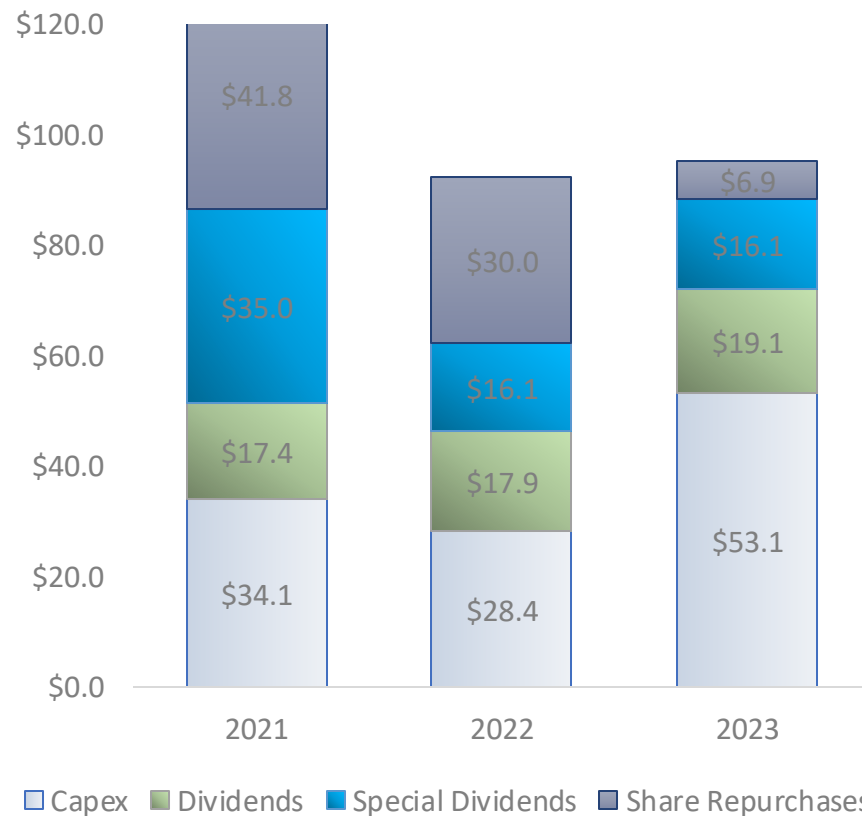
- Disciplined and balanced approach
- Return on Invested Capital Principle
  - Maintain high return on invested capital, benchmarking all uses of excess liquidity against value created for shareholders through share repurchases
- Dividend Principle
  - Targeted payout based on earnings and FCF, with the intent to grow the dividend as we grow
  - Current dividend is greater than 2x the S&P 500 average
  - HVT has a paid a dividend since 1935, and increased it every year since 1975, except during the economic downturn (2008 – 2010) and in Q2 2020 due to COVID-19
- Share Repurchase Principle
  - After meeting the needs of the business, use excess cash to opportunistically repurchase shares, as long as value creating





## CAPITAL ALLOCATION – CASH RETURNED TO SHAREHOLDERS

- Planned capital expenditures for 2024 are \$32 million.
- Focused on return on invested capital principle.
- Balance on current share repurchase authorization at the end of 2023 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 5 stores and close one in 2024, increasing retail square footage by approximately 2.8%. Refurbishing and reformatting four former Bed, Bath and Beyond stores with planned openings in the early portion of 2024.
- Gross profit margins for 2024 are expected to be between 59.5% and 60.0%.
- Fixed and discretionary expenses within SG&A for 2024 are expected to be in the \$295 to \$297 million range.
- Variable SG&A expenses for 2023 are expected to be in the 19.9% to 20.2%.



## 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.**  
**CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2023	2022
<i>(In thousands, except per share data)</i>		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 120,635	\$ 123,126
Restricted cash equivalents	7,142	6,804
Inventories	93,956	118,333
Prepaid expenses	17,067	9,707
Other current assets	12,793	18,283
Total current assets	251,593	276,253
Property and equipment, net	171,588	137,475
Right-of-use lease assets	202,306	207,390
Deferred income taxes	15,641	15,501
Other assets	13,005	12,430
Total assets	<u>\$ 654,133</u>	<u>\$ 649,049</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 18,781	\$ 23,345
Customer deposits	35,837	47,969
Accrued liabilities	46,289	48,676
Current lease liabilities	37,357	34,442
Total current liabilities	138,264	154,432
Noncurrent lease liabilities	180,397	186,845
Other liabilities	27,106	18,373
Total liabilities	345,767	359,650
Stockholders' equity		
Capital Stock, par value \$1 per share		
Preferred Stock, Authorized – 1,000 shares; Issued: None		
Common Stock, Authorized – 50,000 shares; Issued: 2023– 30,220; 2022 – 30,006	30,220	30,006
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2023 – 1,804; 2022 – 1,806	1,804	1,806
Additional paid-in capital	113,307	108,706
Retained earnings	419,472	398,393
Accumulated other comprehensive loss	(983)	(756)
Treasury stock at cost – Common Stock (2023 – 15,355; 2022 – 15,140) and Convertible Class A Common Stock (2023 and 2022 – 522)	(255,454)	(248,756)
Total stockholders' equity	308,366	289,399
Total liabilities and stockholders' equity	<u>\$ 654,133</u>	<u>\$ 649,049</u>

**HAVERTY FURNITURE COMPANIES, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Year Ended December 31,		
	2023	2022	2021
<i>(In thousands, except per share data)</i>			
Net sales	\$ 862,133	\$ 1,047,215	\$ 1,012,799
Cost of goods sold	339,041	442,990	438,174
Gross profit	523,092	604,225	574,625
<b>Expenses:</b>			
Selling, general and administrative	455,812	486,298	456,267
Other expense (income), net	77	44	54
Total expenses	455,889	486,342	456,321
Income before interest and income taxes	67,203	117,883	118,304
Interest income, net	5,508	1,618	231
Income before income taxes	72,711	119,501	118,535
Income tax expense	16,392	30,143	27,732
Net income	\$ 56,319	\$ 89,358	\$ 90,803
<b>Other comprehensive (loss) income, net of tax:</b>			
Defined benefit pension plan adjustments; net of tax expense (benefit) of \$(76), \$513 and \$89	\$ (227)	\$ 1,537	\$ 267
Comprehensive income	\$ 56,092	\$ 90,895	\$ 91,070
<b>Basic earnings per share:</b>			
Common Stock	\$ 3.48	\$ 5.43	\$ 5.06
Class A Common Stock	\$ 3.29	\$ 5.17	\$ 4.75
<b>Diluted earnings per share:</b>			
Common Stock	\$ 3.36	\$ 5.24	\$ 4.90
Class A Common Stock	\$ 3.25	\$ 5.07	\$ 4.69

**HAVERTY FURNITURE COMPANIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,		
	2023	2022	2021
<i>(In thousands)</i>			
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 56,319	\$ 89,358	\$ 90,803
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,603	16,926	16,304
Stock-based compensation	8,010	7,195	8,213
Deferred income taxes	(1,171)	584	234
Net (gain) loss on sale of land, property and equipment	71	128	(77)
Other	1,160	960	869
Changes in operating assets and liabilities:			
Inventories	24,377	(6,303)	(22,123)
Customer deposits	(12,132)	(50,928)	12,714
Other assets and liabilities	8,643	(923)	(3,244)
Accounts payable and accrued liabilities	(6,677)	(5,982)	(6,451)
Net cash provided by operating activities	97,203	51,015	97,242
<b>Cash Flows from Investing Activities</b>			
Capital expenditures	(53,115)	(28,411)	(34,090)
Proceeds from sale of property and equipment	53	86	88
Net cash used in investing activities	(53,062)	(28,325)	(34,002)
<b>Cash Flows from Financing Activities</b>			
Dividends paid	(35,240)	(33,948)	(52,446)
Common stock repurchased	(6,895)	(29,998)	(41,809)
Taxes on vested restricted shares	(4,159)	(1,676)	(2,894)
Net cash used in financing activities	(46,294)	(65,622)	(97,149)
Decrease in Cash, Cash Equivalents and Restricted			
Cash Equivalents	(2,153)	(42,932)	(33,909)
Cash, Cash Equivalents and Restricted Cash Equivalents at			
Beginning of Year	129,930	172,862	206,771
Cash and Cash Equivalents and Restricted Cash Equivalents at			
End of Year	\$ 127,777	\$ 129,930	\$ 172,862