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La-Z-Boy

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## **Business Analysis of La-Z-Boy Incorporated**

### **Background of La-Z-Boy Incorporated**

La-Z-Boy Incorporated is a furniture brand that is “the world’s leading manufacturer of reclining chairs and one of the nation’s largest producers of upholstered sofas, loveseats, chairs, and ottomans”

(La-Z-Boy Incorporated). The company has furniture brands under its name such as La-Z-Boy, Joybird, Hammary, England Furniture Co., Kincaid Furniture, and American Drew.

The company’s current Board of Chair, President, and CEO is Melinda Whittington. The company has over 190 company-owned furniture gallery stores and a network of partnerships where over 350 furniture galleries serve customers nationwide (La-Z-Boy Incorporated). The company focuses on quality comfort to people’s homes, environmental and sustainable business practices, and ethical business practices (La-Z-Boy Incorporated).

La-Z-Boy Incorporated’s first stock public appearance was on the New York Stock Exchange in 1987 with the abbreviation LZB (Encyclopedia.com). The company originally started by selling recliners that at first were wood recliners and transformed into being power recliners and assisted lifts. From there, the company expanded into selling more furniture and what it is known for today (Encyclopedia.com).

### **La-Z-Boy Incorporated’s Stock**

Over the past 30 days, various articles have been written about La-Z-Boy Incorporated’s fiscal Q3 2026 earnings. This is because its recent earnings date was on February 17, 2026 (Yahoo!Finance, 2026).

According to one article written by GuruFocus News, La-Z-Boy Incorporated's earnings from fiscal Q3 had, "...a 4% increase in total delivered sales, reaching \$542 million for the third quarter. The company generated strong operating cash flow of \$89 million, a 57% increase compared to the previous year" (GuruFocus News, 2026). The same article further talks about the increase in new store acquisitions across the Southeast region of the states, completed its transformation project to enhance supply chain agility, and had an 11% increase in delivered sales (GuruFocus News, 2026).

Although La-Z-Boy Incorporated's Q3 fiscal report shows signs of doing well, GuruFocus News, along with other business media sites also highlight some negative points from the Q3 fiscal year report. GuruFocus News has noted, "Adverse weather conditions in late January and early February negatively impacted traffic sales, with potential timing effects on fourth-quarter deliveries" (GuruFocus News, 2026). It also noted that, "Joybird's [one of La-Z-Boy Inc.'s subsidiaries] total written sales decreased by 13% compared to the previous year, reflecting volatility in this consumer segment" (GuruFocus News, 2026).

Articles also mention other reasons as to why La-Z-Boy Incorporated's stock decreased after the Q3 fiscal year ended. According to an article written by Rich Smith from The Montley Fool, the earnings from La-Z-Boy was considered a "disappointment" and that, "...its earnings under generally accepted accounting principles (GAAP) were only \$0.52 per share, not \$0.61, which was a non-GAAP number" (Smith, 2026). This means that La-Z-Boy Incorporated's report used a non-GAAP number to make its net income look better and that it did not follow the accounting standards that U.S. businesses typically follow (Price, 2024).

Reporters and analysts from Simply Wall St. warn investors that there is uncertainty about the margin pressure and tariff related costs. According to Simply Wall St., "The company's reaffirmed quarterly

dividend of US\$0.242 per share stands out. How comfortably that dividend sits against ongoing margin pressure and tariff related cost risk is likely to be front of mind for many investors” (Simply Wall St., 2026). This is because of how they assume the annual revenue growth would be 3%, meaning that tariff shocks could lead to poor long term growth and margin resilience (Simply Wall St., 2026).

Adam Hejl, a Co-Founder of StockStory, wrote that despite La-Z-Boy beating its sales expectations, its stock drops due to many reasons. Hejl wrote that revenue growth is usually what investors and analysts look for when managing their stocks and that StockStory found, “La-Z-Boy’s recent performance shows its demand has slowed as its annualized revenue growth of 1.7% over the last two years was below its five-year trend” (Hejl, 2026). The article further explains that La-Z-Boy Incorporated’s earnings per share, “...grew at a weak 4% compounded annual growth rate over the last five years, lower than its 6.1% annualized revenue growth” (Hejl, 2026). To various investors, this means that the company is less profitable since investors wouldn’t get much despite the company expanding.

Lastly, an article written by Seeking Alpha analyst Bela Lakos makes a reality which many articles didn’t outright say: high oil prices, elevated interest rates, and weak housing makes La-Z-Boy consumer confidence plummet (Lakos, 2026). With everything going on with the U.S. economy and the state of the U.S. government, consumers in the U.S. are less likely to focus on buying furniture and shift their focus to prioritizing daily essentials such as gas and food. Lakos also calls attention to how the existing home sales are falling in the U.S., which affects La-Z-Boy to soon enough see a downfall in its consumer sales (Lakos, 2026).

### **Analyst Reports**

Although La-Z-Boy Incorporated’s latest financial report says that it's doing well, analysts outside of the company think otherwise.

StockStory's analyst team believes that La-Z-Boy Incorporated's stock is not worth investing in. In the report that StockStory published, La-Z-Boy Incorporated's "Lackluster 6.1% annual revenue growth over the last five years indicates the company is sling ground to competitors [and that] demand will likely fall over the next 12 months as Wall Street expects flat revenue" (StockStory Analyst Team, 2026).

The StockStory Analyst Team further made an overarching statement to their report, which was, "La-Z-Boy's quality isn't up to par. We see more favorable opportunities in the market" (StockStory Analyst Team, 2026). The team further states that the company would later have few growth opportunities and that the profits for La-Z-Boy aren't meaningful for shareholders (StockStory Analyst Team, 2026).

From Zacks Investment Research's proprietary data, the analysts there believe that it is best to sell LZB stocks as it expects, "... a below average return from the LZB shares relative to the market in the next few months" (Zacks Investment Research, 2026). Zacks published on February 17, 2026, that La-Z-Boy has been making surprising quarterly reports for investors, shareholders, and analysts had predicted (Zacks Equity Research, 2026). Zacks further points out that expectations for La-Z-Boy Incorporated's stocks have various mixed reactions and that, "...future earnings expectations will mostly depend on management's commentary on the earnings call" (Zacks Equity Research, 2026).

## **Conclusion**

With La-Z-Boy Incorporated's recent Q3 fiscal year report, the company believes that it will continue to do well in its sales. However, numerous articles and analysts have reported that it would be best for investors to sell La-Z-Boy Incorporated's stock as it doesn't benefit investors as much as they would hope to. This is because of the recent high oil prices, dwindling housing market, and La-Z-Boy's "lackluster" annual revenue growth. With this information, La-Z-Boy Incorporated could see a decrease in its stock price later this year.