

EVERY

ANNUAL MEETING OF STOCKHOLDERS
NOVEMBER 14

ETHAN ALLEN®

DEMANDS

annual report 2018



Financial Results - FY 2018

(\$, millions except per share amounts)

(non-GAAP*)

	<u>F2018</u>
Net sales	\$ 766.8
Operating income	\$ 50.1
Operating margin	6.5%
Net Int & Other Exp	\$ 0.3
Pretax income	\$ 50.4
Net income	\$ 37.3
Diluted EPS	\$1.35
Cash from Operating Activities	\$ 42.5
Dividends Paid	\$ 29.5
Dividend Increase to PY	47.3%
Share Repurchases	\$ 22.0
Capital Expenditures	\$ 18.8
Debt at 6/30/2018	\$ 1.7

*see non-GAAP reconciliation

POSITIONED FOR GROWTH

Growth strategy centered on enhancing differentiation through

- Relevant product offerings
- World's leading interior design destination
- Leveraging vertical integration
- Increasing marketing
- Enhancing technology
- Expanding international, government, and contract business
- Focus on social responsibility



OFFERINGS – PRODUCT STRATEGY

Fresh Product Programs

- 70% of floor refreshed in past three years
- Relevant and fashionable offerings spanning multiple lifestyles and targeting multiple demographics
- Leverages our vertical structure
- Spring and Fall 2018 product launches further refine lifestyle assortment





FALL 2016



SUMMER 2016



SPRING 2016



SPRING 2018



FALL 2017



WINTER 2018



FALL 2018



FALL 2018



FALL 2018



SPRING 2019



SPRING 2019

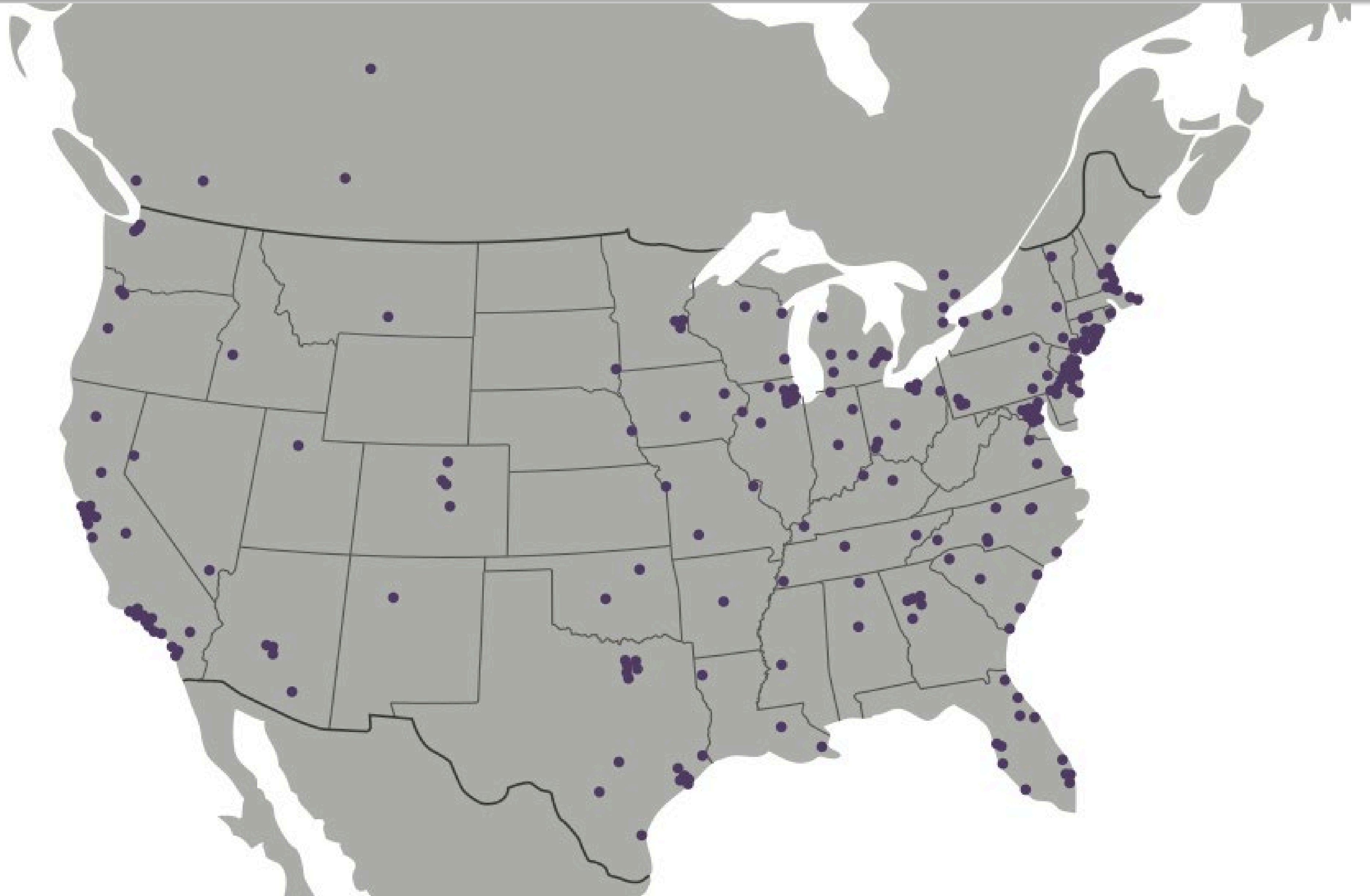


SPRING 2019

WORLD'S LEADING INTERIOR DESIGN DESTINATION

NORTH AMERICAN DESIGN CENTERS

Approximately
200 Locations

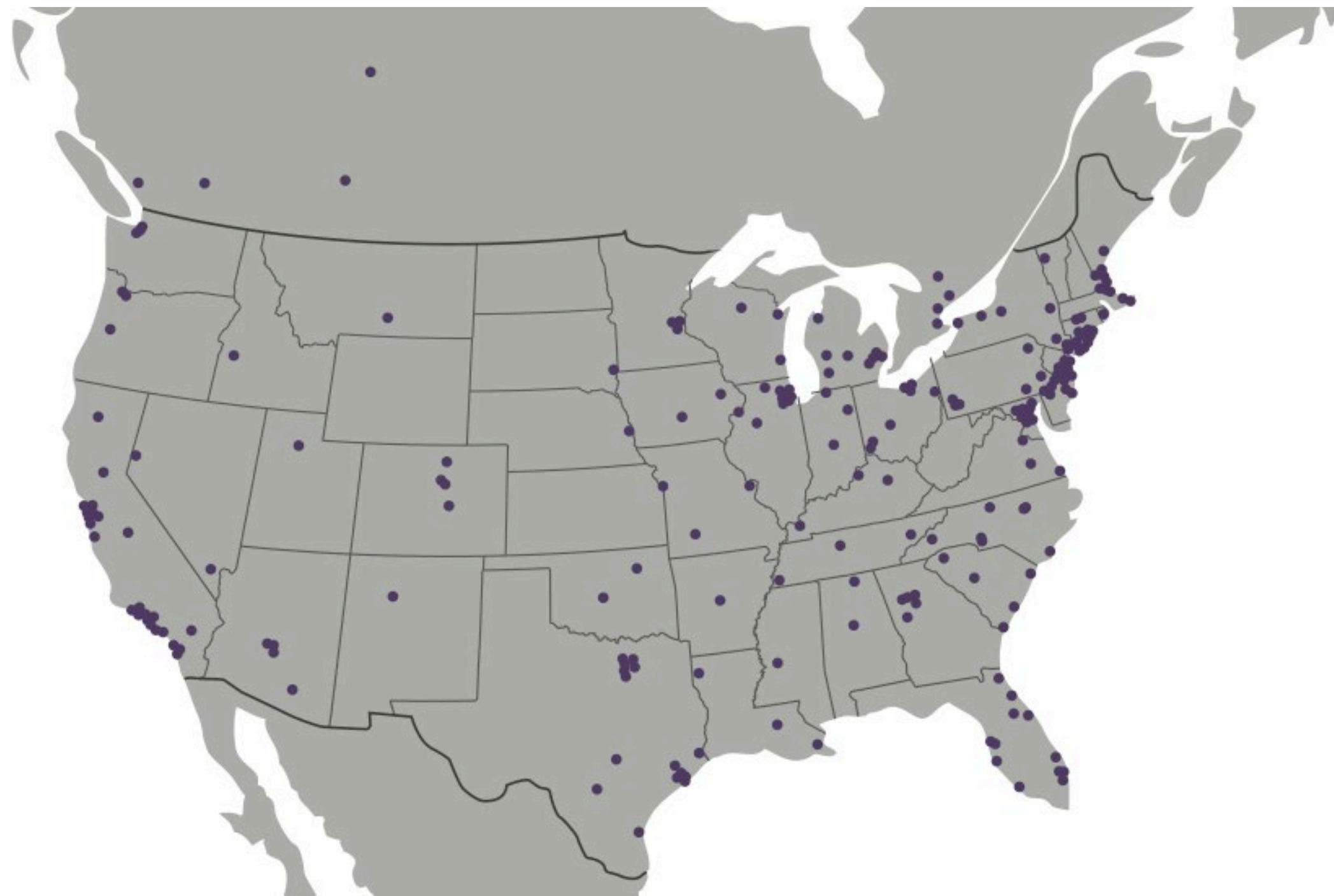


WORLD'S LEADING INTERIOR DESIGN DESTINATION – TALENT

- Approximately 1,500 interior designers in North America and 2,000 networkwide
- 8,000 Interior Design Affiliates
- Combining personal service and technology



NORTH AMERICAN DESIGN CENTERS



Recent relocations to Design Centers with smaller footprints, enhanced technology

- Average Design Center opened in last 3 years ~10,000 sq. ft. vs. ~16,000 sq. ft.
- New locations leased in high-traffic town centers and lifestyle centers

Lifestyle Design



Average 8,000 sq. ft.

Classic Design



Average 15,000 sq. ft.

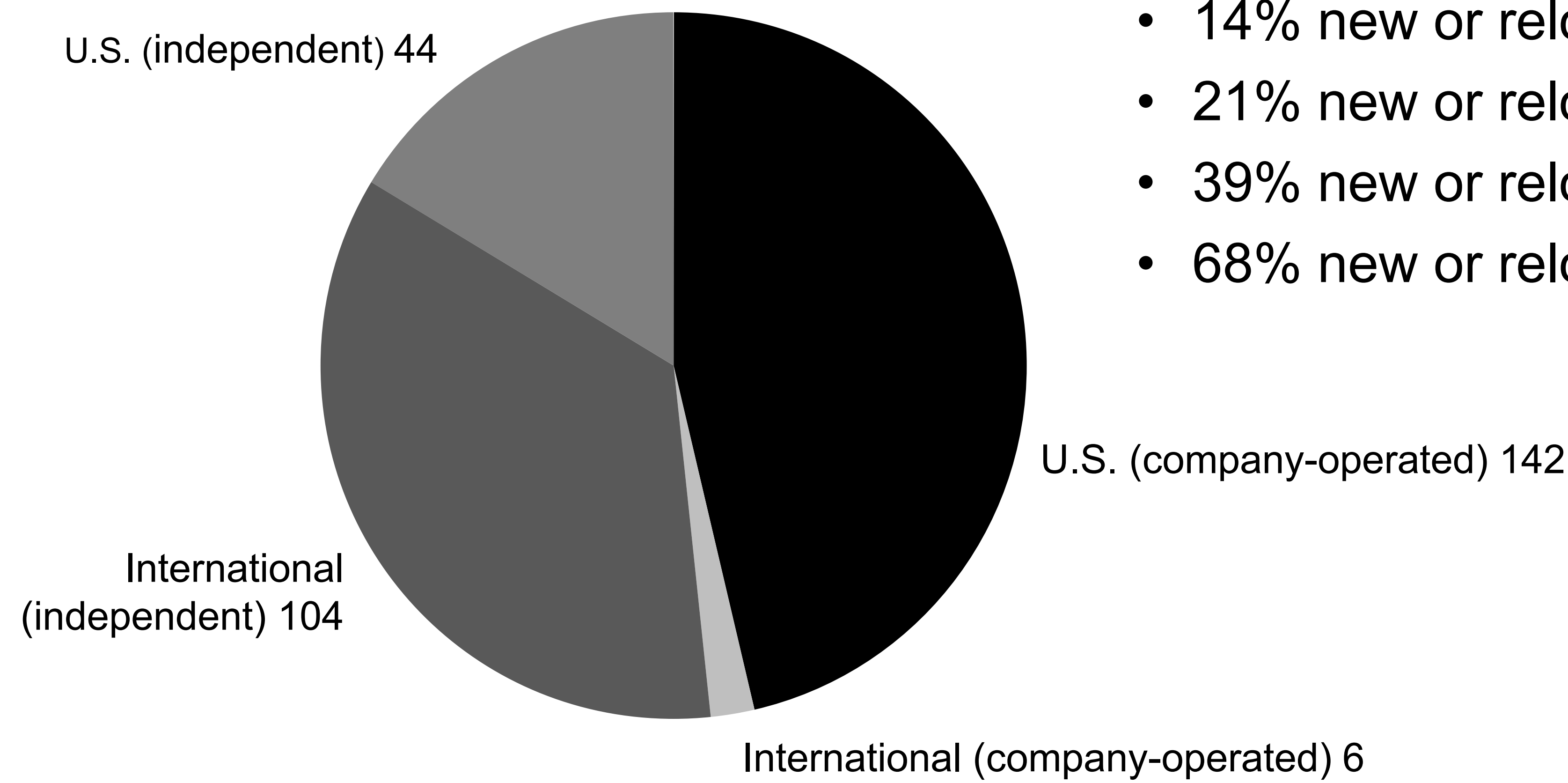
Neoclassical Design



Average 18,000 sq. ft.

REPOSITIONING INTERIOR DESIGN NETWORK

Transitioning Real Estate from Legacy Locations



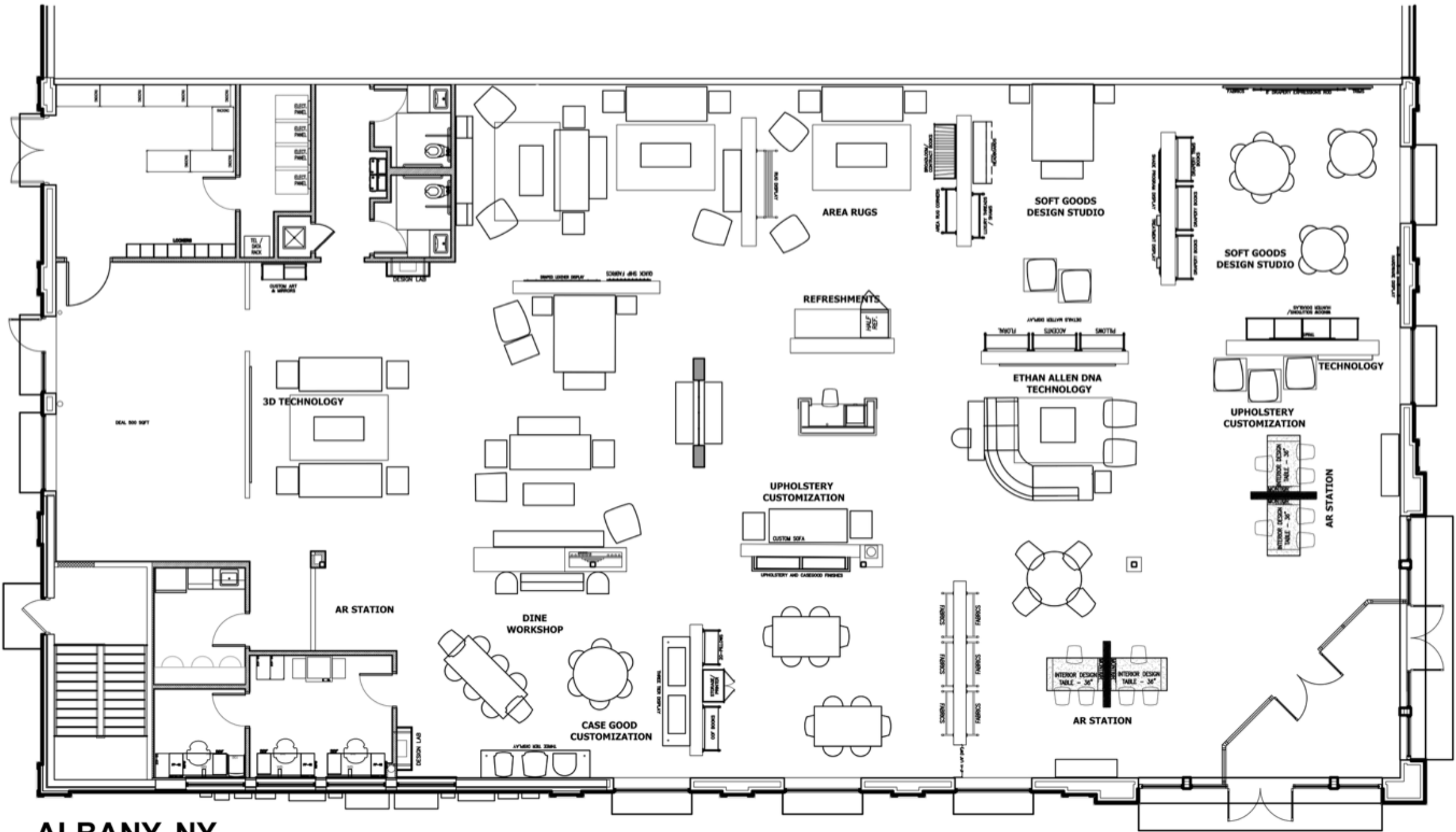
- 14% new or relocated within past 3 years
- 21% new or relocated within past 5 years
- 39% new or relocated within past 10 years
- 68% new or relocated within past 15 years

INTERIOR DESIGN NETWORK FY 2018 NEW LOCATIONS



INTERIOR DESIGN NETWORK NEW PROJECTION

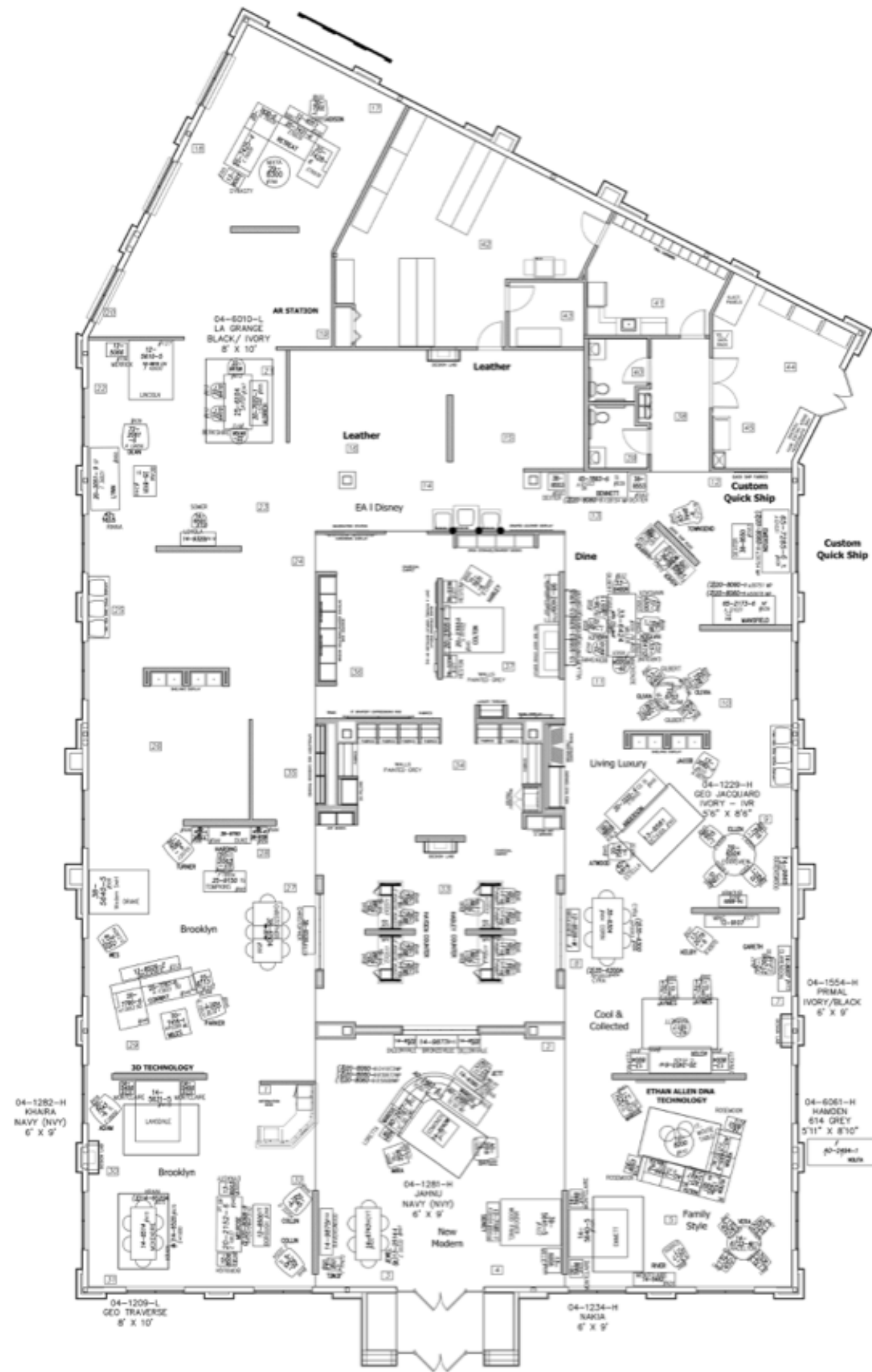
Albany, NY



ALBANY, NY
TOTAL S.F.: 8,007
DISPLAY S.F.: 6,302
OPEN DATE: APRIL 2019

INTERIOR DESIGN NETWORK NEW PROJECTION

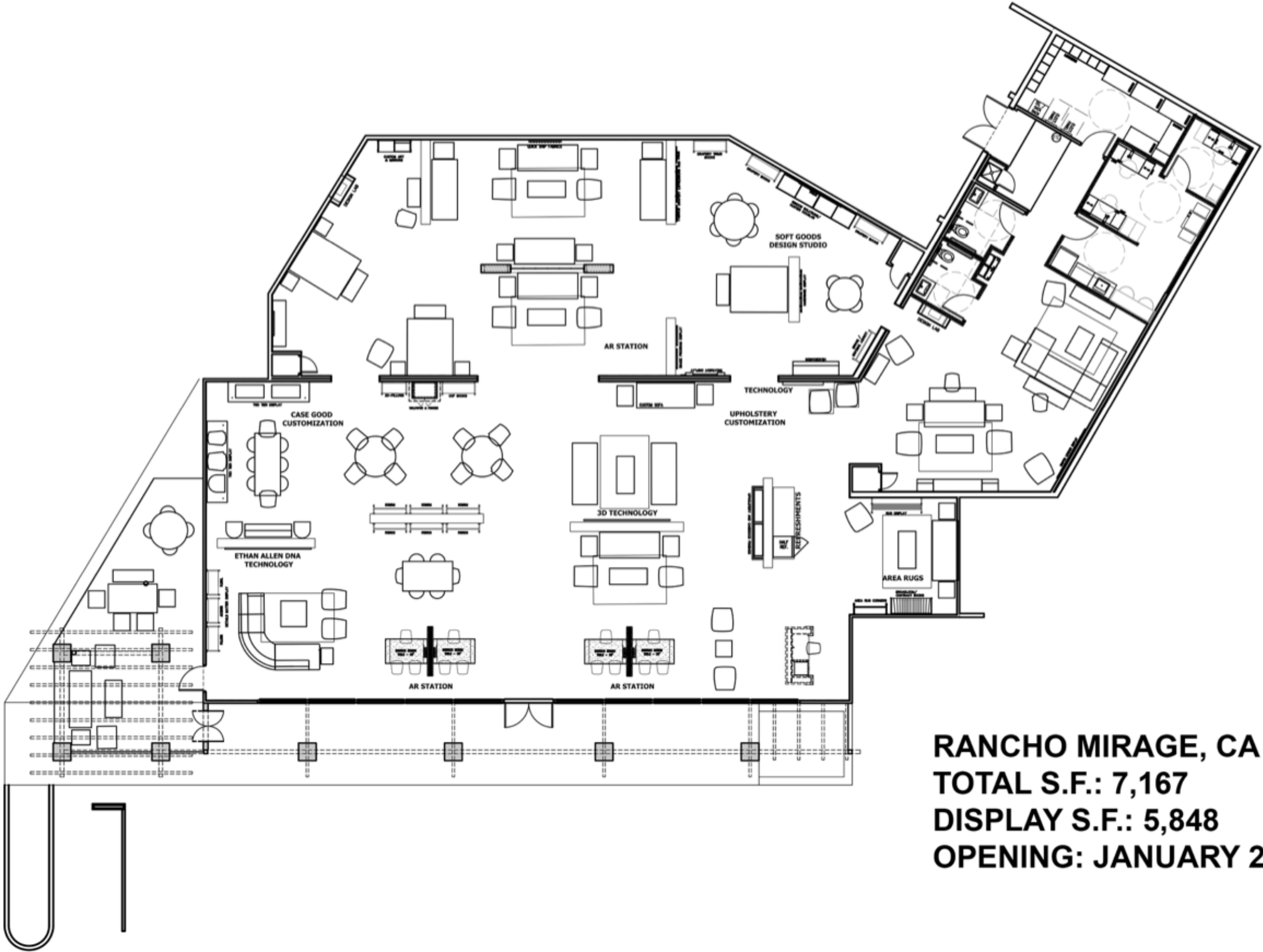
Superior, CO



SUPERIOR, CO
TOTAL S.F.: 12,035
DISPLAY S.F.: 10,633
OPENING: NOVEMBER 2018

INTERIOR DESIGN NETWORK NEW PROJECTION

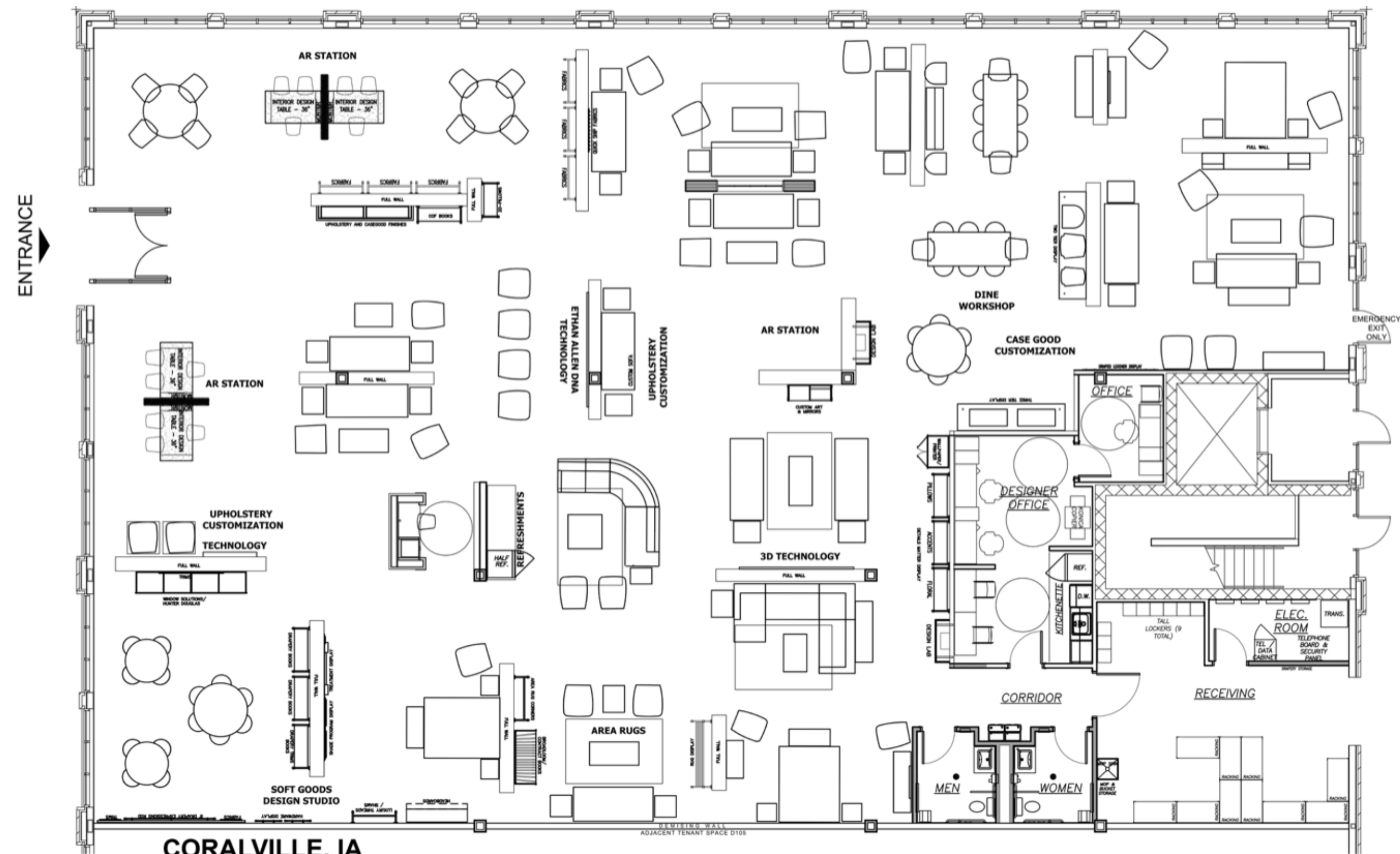
Rancho Mirage, CA



RANCHO MIRAGE, CA
TOTAL S.F.: 7,167
DISPLAY S.F.: 5,848
OPENING: JANUARY 2019

INTERIOR DESIGN NETWORK NEW PROJECTION

Coralville, IA



CORALVILLE, IA
TOTAL S.F.: 8,914
DISPLAY S.F.: 7,641
OPENING: APRIL 2019

MANUFACTURING STRATEGY

- North American manufacturing supports excellent service
- Enables product customization as part of designer services
- Custom Quick Ship Upholstery delivered in home within 30 days
- Short replenishment lead times for stocked case goods
- Supports GSA business
- 7 plants in U.S. plus one each in Mexico and Honduras



LOGISTICS STRATEGY

Wholesale Distribution

- World class logistics structure
- Shipments delivered nationally at one landed cost
- Strong network of direct, LTL, intermodal and parcel shipping
- CTPAT certified
- Import/export operations support international retailers



TALENT



BEECHER FALLS



PINE VALLEY



SILAO



MAIDEN



ORLEANS

TALENT



SILAO

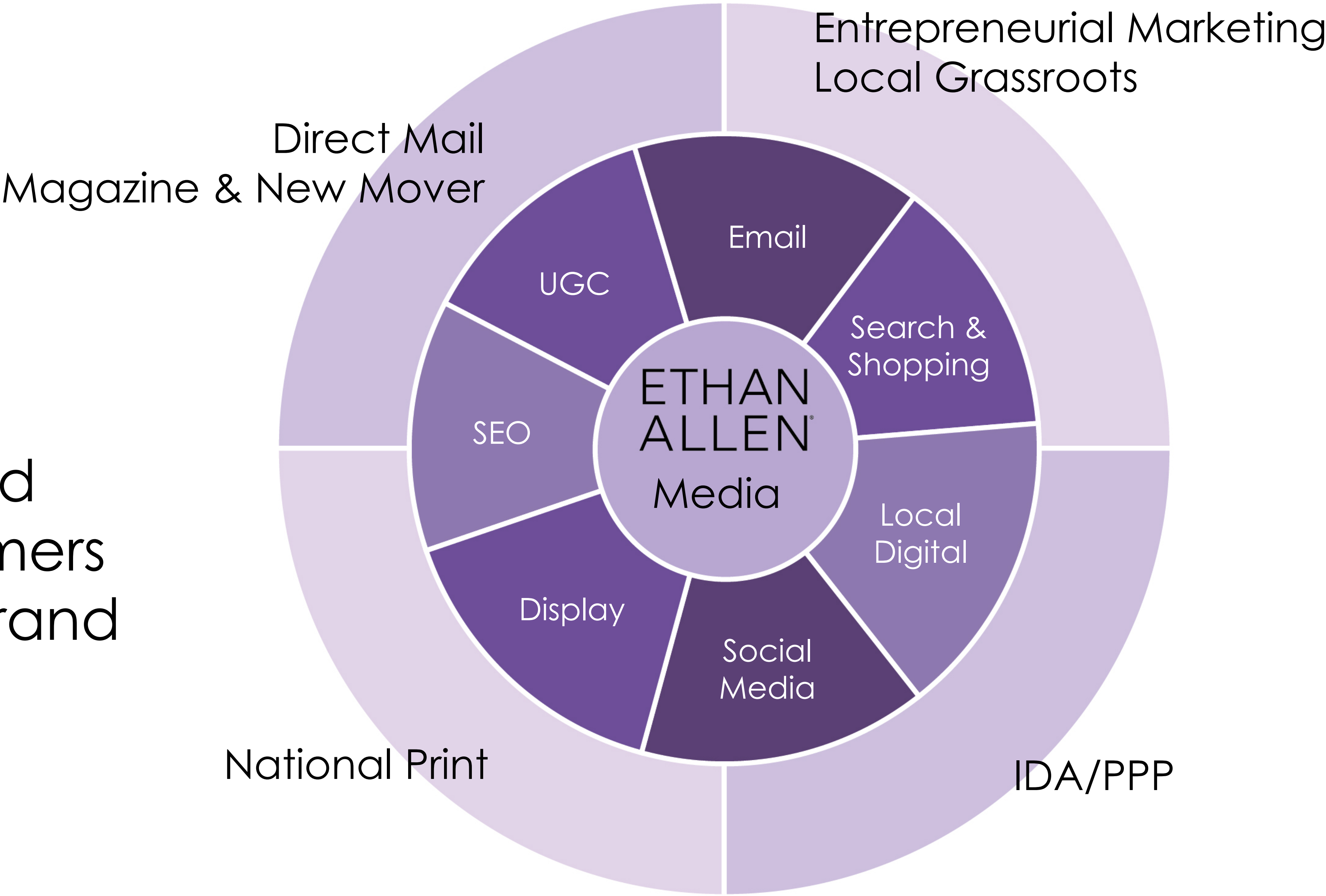
MARKETING STRATEGY

Known and Desired

- Expand demographic base
- Utilize and increase broadcast/print
- Expand digital marketing
- Utilize technology to expand reach

MEDIA MIX

Portfolio of tactics designed to reach, educate, inspire, and convert new consumers to the Ethan Allen brand experience



WEBSITE HOMEPAGE

SAVE UP TO 25% Plus even bigger savings on select styles. +

ETHAN ALLEN®

Free Design Service | Design Ideas | Shop By Room | Blog | AR App

Locations | My Account

MY CART

Designer Chat



Search



LIVING DINING BEDROOM BEDDING OFFICE OUTDOOR LIGHTING RUGS DECOR ETHAN ALLEN® Disney CLEARANCE

COMPLIMENTARY DESIGN SERVICE

Our designers can help with any decorating decision, big or small. Visit a Design Center, schedule a home call, or chat online today!

LEARN MORE



QUALITY & CRAFTSMANSHIP

Ethan Allen furniture is made by hand, just for you—it's quality you won't get anywhere else.

LEARN MORE



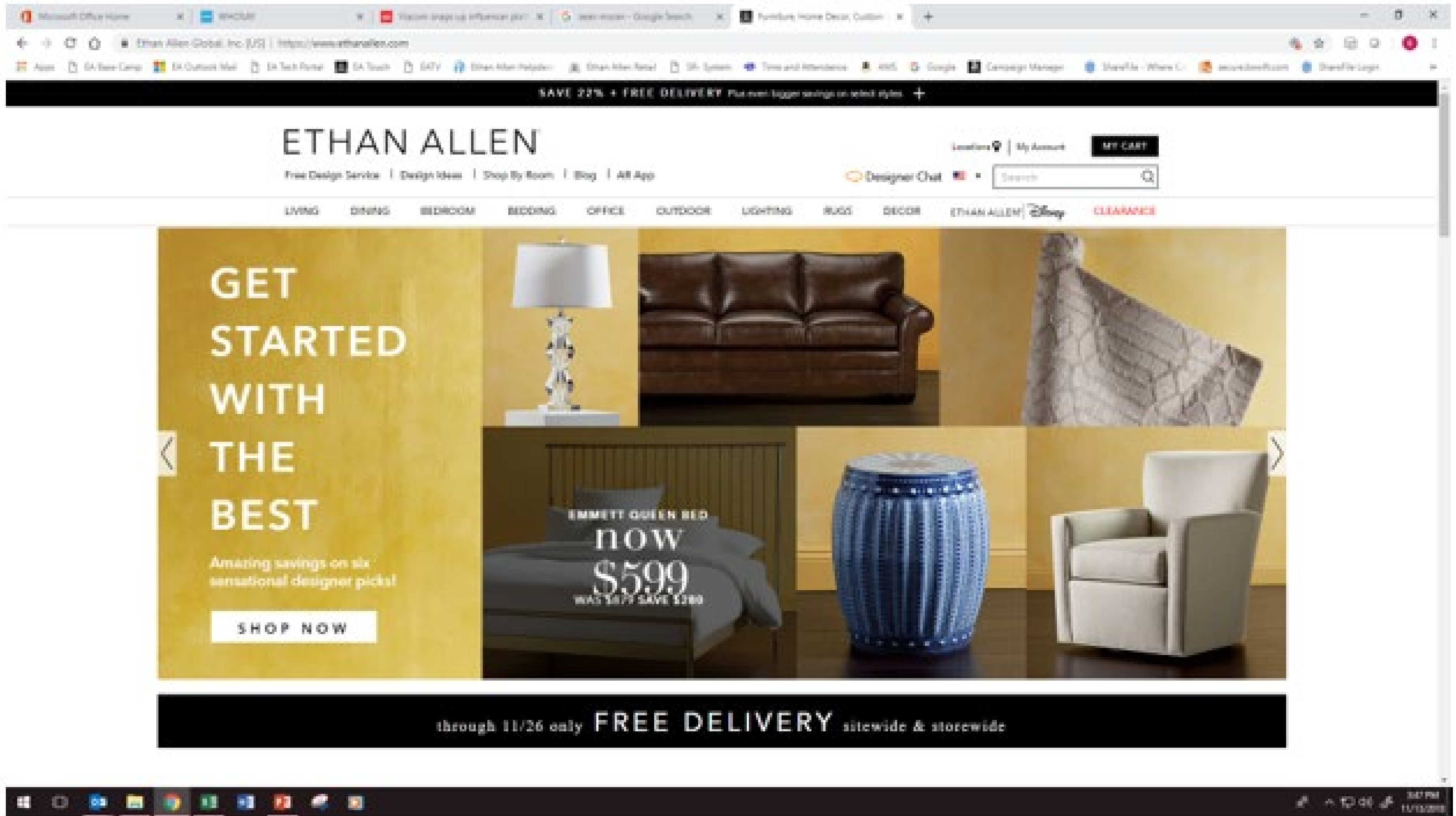
PASSION FOR THE PLANET

Our products are designed to be treasured for generations in a world preserved for future generations.

LEARN MORE



THE ETHAN ALLEN DIFFERENCE



DIRECT MAIL MAGAZINE


- Targeted and tactical
- Proven revenue generator and brand builder
- Prospect conversions have higher average order value



EMAILS

NEW | SHOP | BLOG | CLEARANCE | INSPIRATION | ETHAN ALLEN | DISNEY

ETHAN ALLEN®




complimentary interior design

THE DESIGNER DIFFERENCE

learn more

NEW | SHOP | BLOG | CLEARANCE | INSPIRATION | ETHAN ALLEN | DISNEY

ETHAN ALLEN®



complimentary interior design

THE DESIGNER DIFFERENCE

learn more

Personal, complimentary interior design service—our design pros will help as little or as much as you like.



The Shelton Custom Quick Ship sofa

“Custom doesn’t have to be complicated. Start with a Custom Quick Ship piece in your favorite neutral and *let the accents reflect your personality.*”



The Arcata Custom Quick Ship sofa



The Hyde Custom Quick Ship sofa



The Emerson Custom Quick Ship chair

Connecting the differences — that’s *what great design does.*

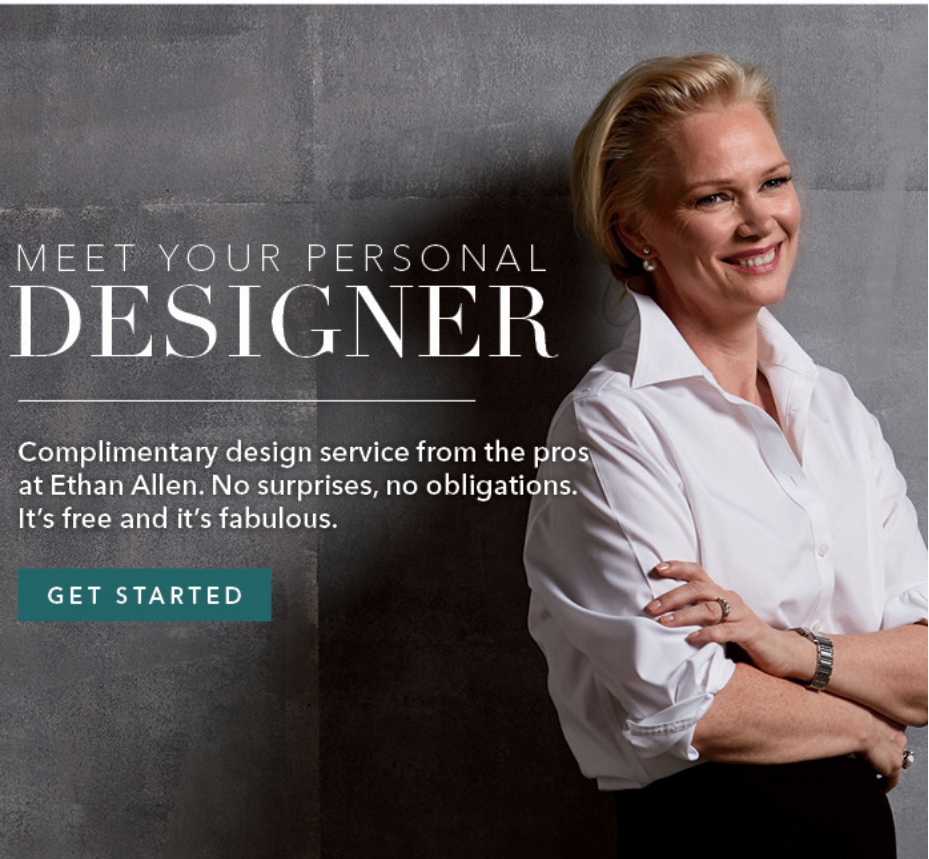


{ THE ETHAN ALLEN DIFFERENCE }

MEET YOUR PERSONAL DESIGNER

Complimentary design service from the pros at Ethan Allen. No surprises, no obligations. It’s free and it’s fabulous.

GET STARTED




DIVERSITY OF STYLES

CUSTOMIZATION

CRAFTSMANSHIP

PREMIER IN-HOME DELIVERY

ENVIRONMENT



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PREMIER IN-HOME DELIVERY

ENVIRONMENT



DISPLAY ADS – ZILLOW/REALTOR.COM

ETHAN ALLEN®

SAVE 22%

on your TOTAL PURCHASE*

SHOP NOW ▶



*EXCLUSIONS APPLY

ETHAN ALLEN®

SAVE 22%

on your TOTAL PURCHASE*



*EXCLUSIONS APPLY

SHOP NOW ▶

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*EXCLUSIONS APPLY

SHOP NOW ▶

ETHAN ALLEN®

SAVE 22%

on your TOTAL PURCHASE*



*EXCLUSIONS APPLY

SHOP NOW ▶

DIGITAL BANNER ADS – SERVING CREATIVE BASED ON INTEREST

ETHAN
ALLEN®



DINING ROOM

SHOP NOW

This digital banner for Ethan Allen's dining room features a black header with the brand name in white. The main image shows a rustic dining room with a light wood table, black Windsor-style chairs, a black chandelier, and a patterned wall hanging. A black footer contains the text 'DINING ROOM', and a white button at the bottom says 'SHOP NOW'.

ETHAN
ALLEN®



LIVING ROOM

SHOP NOW

This digital banner for Ethan Allen's living room features a black header with the brand name in white. The main image shows a modern living room with a white sofa, a dark wood coffee table, a fireplace with logs, and a floor lamp. A black footer contains the text 'LIVING ROOM', and a white button at the bottom says 'SHOP NOW'.

ETHAN
ALLEN®




BEDROOM

SHOP NOW

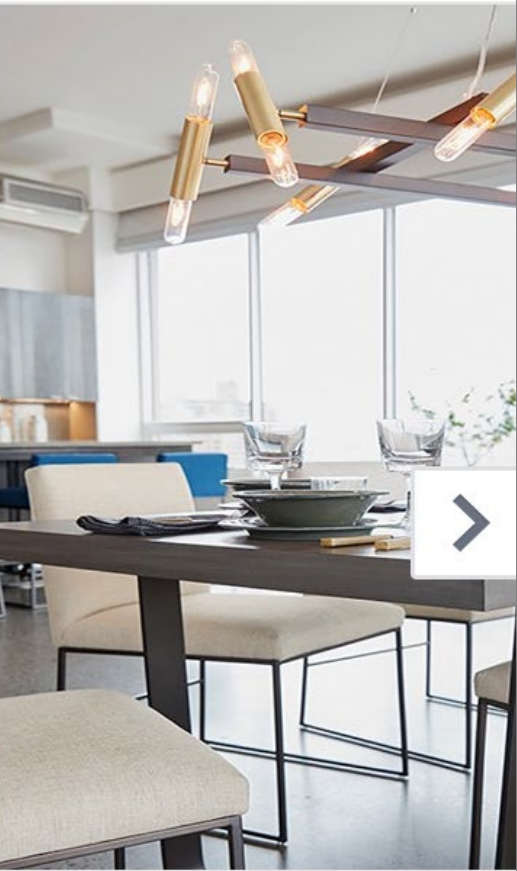

This digital banner for Ethan Allen's bedroom features a black header with the brand name in white. The main image shows a bedroom with a bed featuring a patterned blanket, a black metal bed frame, and a black chair. A black footer contains the text 'BEDROOM', and a white button at the bottom says 'SHOP NOW'.

PAID SOCIAL



Ethan Allen
Sponsored (demo) · 🌐

Prepare for endless compliments. Shop the newest Ethan Allen designs to elevate your favorite spaces.



Shop the Newest Dining Styles

Shop Now


Chic Dining Essentials



Ethan Allen
Sponsored (demo) · 🌐

Show your space some love for less! Enjoy free UPS shipping on accents, decor and more, plus 20% off everything with code FALL20.





Instagram

Search


👤


❤️

🗒️

36

4



ethanallen

ethanallen The Celebration Sale is on! From July 13-17th, enjoy free premium in-home delivery and shipping on our entire selection with code FREESHIP. And did we mention everything is up to 25% off?

❤️

💬

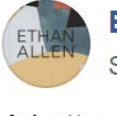
🗒️

🔖

Be the first to like this.


JULY 13

Add a comment...

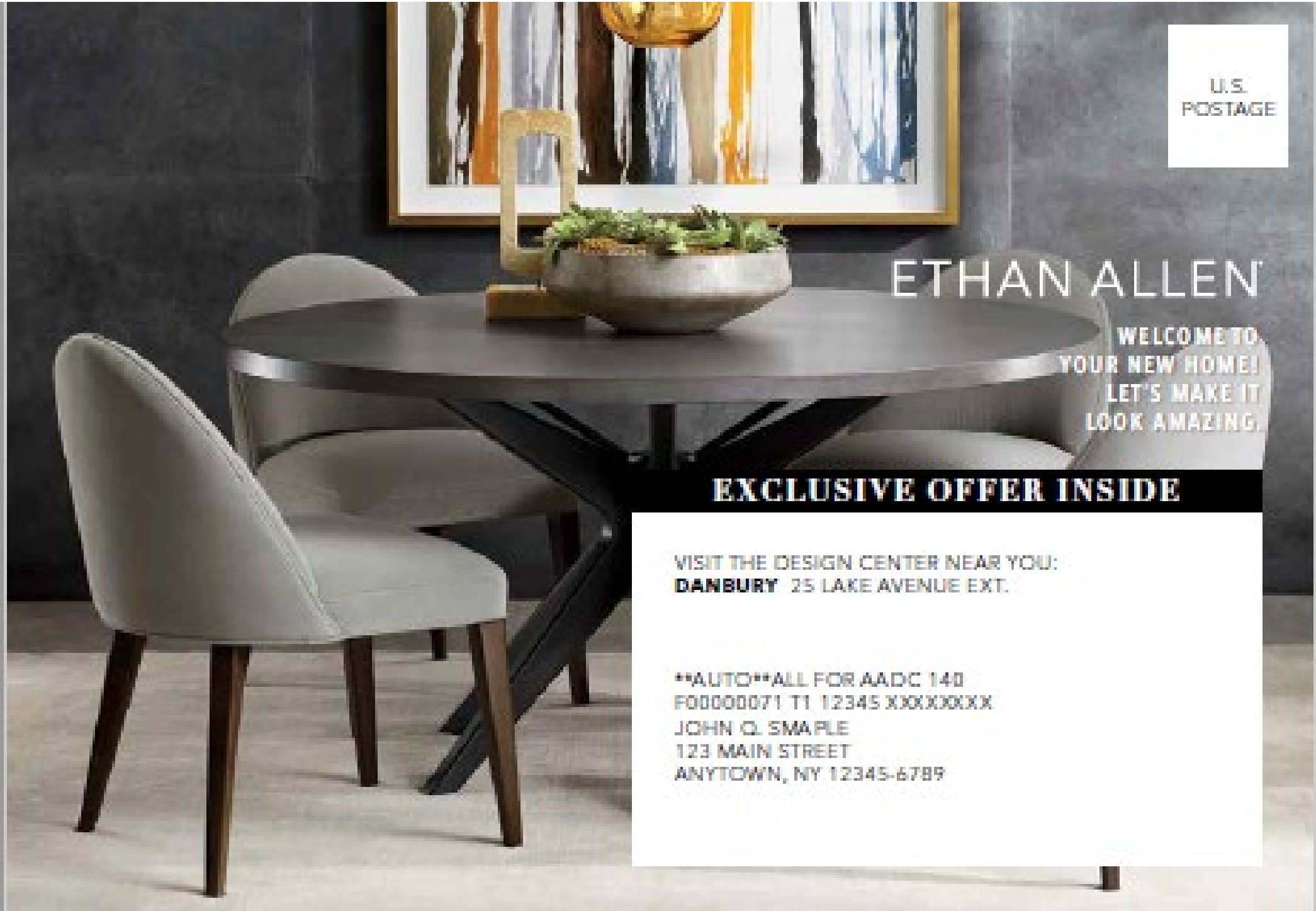


Ethan Allen
Sponsored (demo) · 🌐


A better bedroom awaits! Sink into the newest Ethan Allen styles today.



NEW MOVER PROGRAM



SHELTER MAGAZINES



A dining room scene featuring a dark wood table, three upholstered chairs (two grey, one white), and three textured pendant lights. The background wall is white with vertical paneling and framed art.

NEW
CLASSIC
MODERN
LIVING

SPECIAL SAVINGS GOING ON NOW
ETHAN ALLEN
— EVERY DETAIL MATTERS —

QUALITY • CRAFTSMANSHIP • COMPLIMENTARY DESIGN SERVICE • PREMIER IN-HOME DELIVERY
Sale going on for a limited time. Exclusions apply. Ask a designer or visit ethanallen.com for details. ©2018 Ethan Allen Global, Inc.



A living room scene featuring a light beige sofa with a yellow throw, a dark wood side table, a large orange vase, and a patterned rug. The background wall is white with vertical paneling and a large window.

CELEBRATE
QUALITY,
COMFORT
& STYLE
FALL 2018

SPECIAL SAVINGS GOING ON NOW
ETHAN ALLEN
— EVERY DETAIL MATTERS —

Sale going on for a limited time. Exclusions apply. Ask a designer or visit ethanallen.com for details. ©2018 Ethan Allen Global, Inc.



A living room scene featuring a red tufted sofa, a white armchair, a coffee table, and a dog sitting on the sofa. The background wall is white with vertical paneling and a large window.

NEW
CLASSIC
MODERN
LIVING

SPECIAL SAVINGS GOING ON NOW
ETHAN ALLEN
— EVERY DETAIL MATTERS —

QUALITY • CRAFTSMANSHIP • COMPLIMENTARY DESIGN SERVICE • PREMIER IN-HOME DELIVERY
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NEW YORK TIMES

INTRODUCING
NEW CLASSIC
MODERN LIVING

NOLITA SOFA
as shown in Olive Shiva fabric
AUGUST 2018
NOW \$2250

HOYT
RECTANGULAR
DINING TABLE
16.0" x 31.0" x 30.0"
NOW \$1192

CURSON
BOOKCASE
39.0" x 45.0" x 82.0"
NOW \$1711

SAVE UP TO 25%*
INCREDIBLE QUALITY, CRAFTSMANSHIP, SERVICE, & STYLE

ETHAN ALLEN®
— EVERY DETAIL MATTERS —

NEW YORK GARDEN CITY HARTSDALE/WHITE PLAINS HUNTINGTON STATION MANHATTAN 915 BROADWAY & 1010 3RD AVE. NEWBURGH SETAUKET WATER MILL
NEW JERSEY ENGLISHTOWN MARLTON PRINCETON RIVER EDGE/PARAMUS SOMERVILLE/BRIDGEWATER WATCHUNG WAYNE WHIPPANY CONNECTICUT DANBURY STAMFORD
*Discounts taken off our Everyday Best Prices. Prior reductions may have been taken. Exclusions apply. Ask a designer or visit [ethanallen.com](#) for details. Offer ends October 31, 2018. ©2018 Ethan Allen Global, Inc.

INTRODUCING
NEW CLASSIC
MODERN LIVING

SAVE
UP TO 25%*
ON INCREDIBLE QUALITY,
CRAFTSMANSHIP, SERVICE
& STYLE

NEW VERA DINING CHAIRS
as shown in Dark Ship fabric AUGUST 2018 \$999 now \$749
NEW HAZELTON 60" ROUND DINING TABLE
16.0" x 31.0" x 30.0" NOW \$1245

ETHAN ALLEN®
— EVERY DETAIL MATTERS —

NEW YORK GARDEN CITY HARTSDALE/WHITE PLAINS HUNTINGTON STATION MANHATTAN 915 BROADWAY & 1010 3RD AVE. NEWBURGH SETAUKET WATER MILL
NEW JERSEY ENGLISHTOWN MARLTON PRINCETON RIVER EDGE/PARAMUS SOMERVILLE/BRIDGEWATER WATCHUNG WAYNE WHIPPANY CONNECTICUT DANBURY STAMFORD
*Discounts taken off our Everyday Best Prices. Prior reductions may have been taken. Exclusions apply. Ask a designer or visit [ethanallen.com](#) for details. ©2018 Ethan Allen Global, Inc.

FALL PREVIEW:
SAVE 20% NOW*

INTRODUCING
NEW CLASSIC MODERN LIVING

ETHAN ALLEN®
— EVERY DETAIL MATTERS —

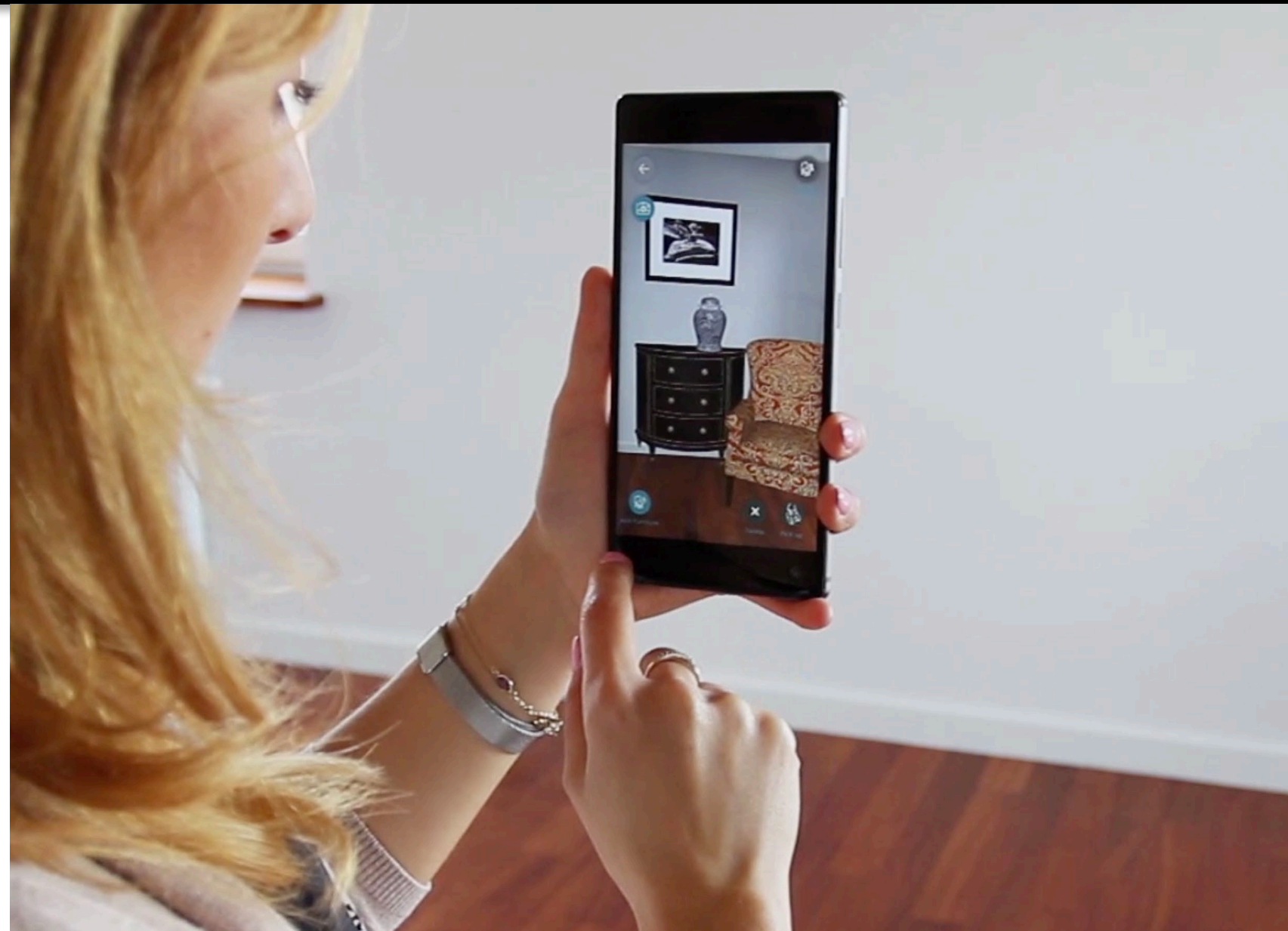
NEW YORK GARDEN CITY HARTSDALE/WHITE PLAINS HUNTINGTON STATION MANHATTAN 915 BROADWAY & 1010 3RD AVE. SETAUKET WATER MILL
NEW JERSEY RIVER EDGE/PARAMUS SOMERVILLE/BRIDGEWATER WATCHUNG WAYNE WHIPPANY
*Discounts taken off our Everyday Best Prices. Prior reductions may have been taken. Ask a designer or visit [ethanallen.com](#) for details.
©2018 Ethan Allen Global, Inc.

GRASSROOTS MARKETING– Designer Showhouses



TECHNOLOGY STRATEGY

- Combining personal service and technology
 - Augmented reality
 - 3D Room Planning
 - Manufacturing/logistics
 - Retail systems
 - Digital



SAVE UP TO 25% Plus even bigger savings on select styles. +

ETHAN ALLEN®

Free Design Service | Design Ideas | Shop By Room | Blog | AR App

Your closest design center is Danbury📍 | My Account

MY CART

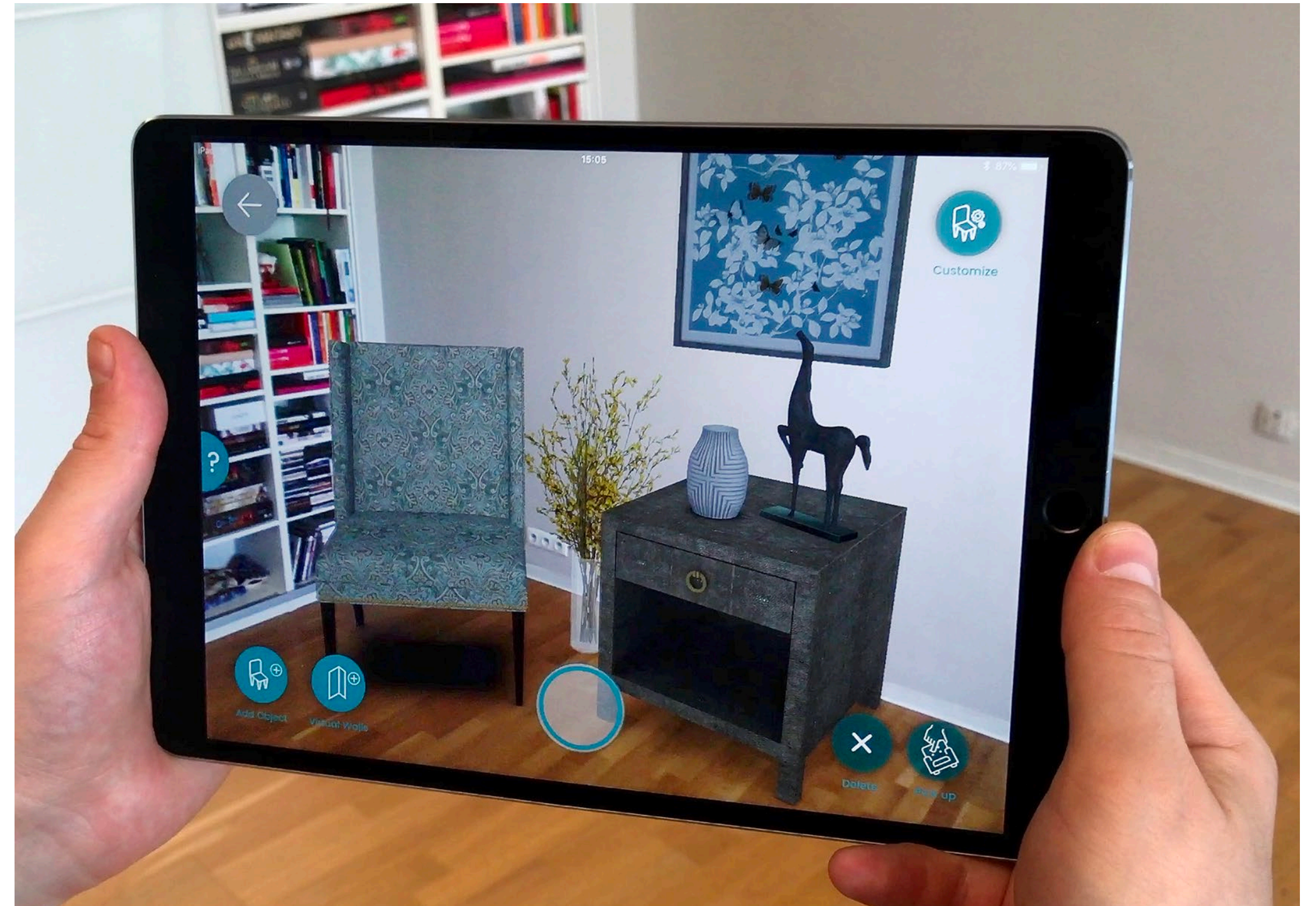
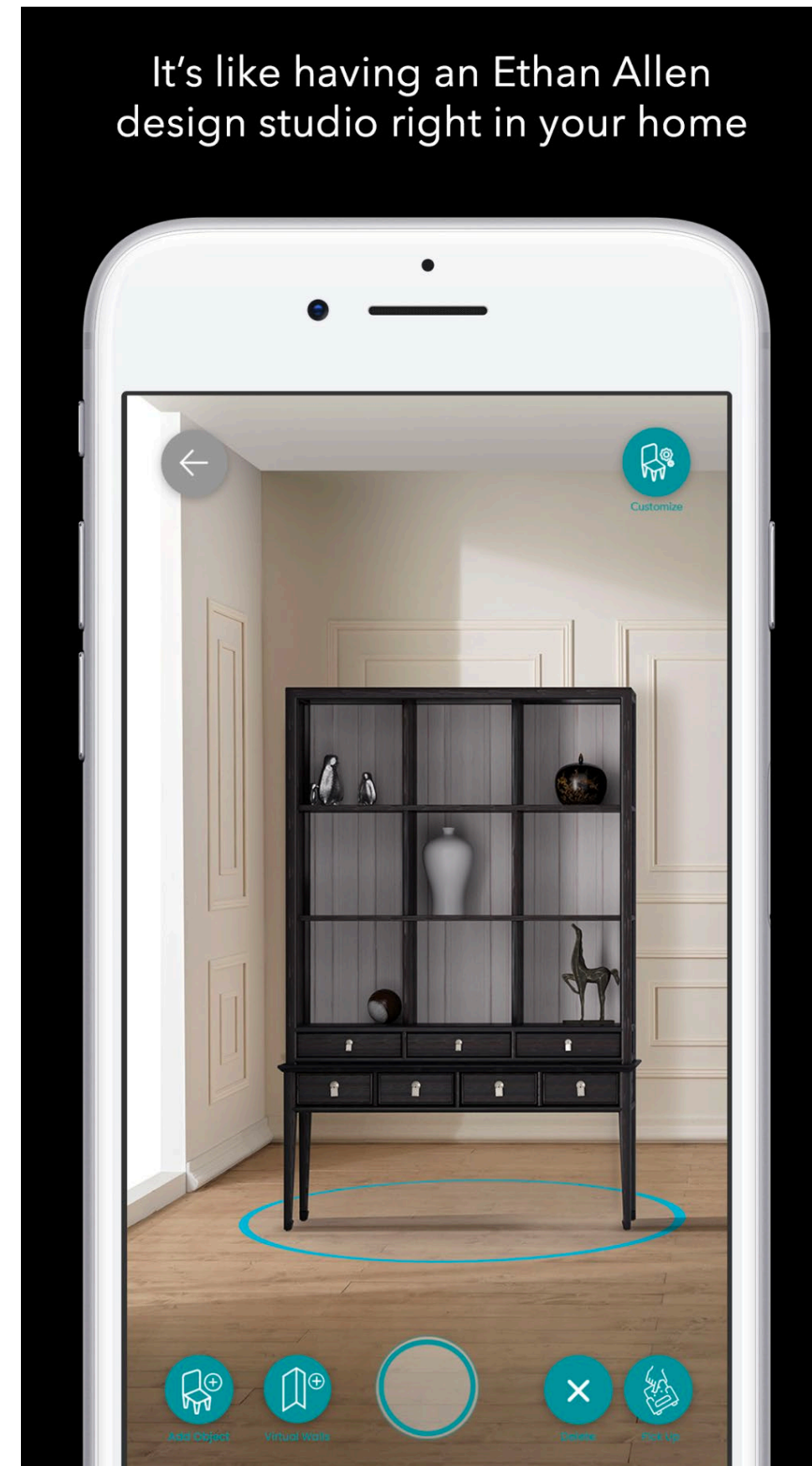
Designer Chat 🇺🇸 ▼

Search 🔍

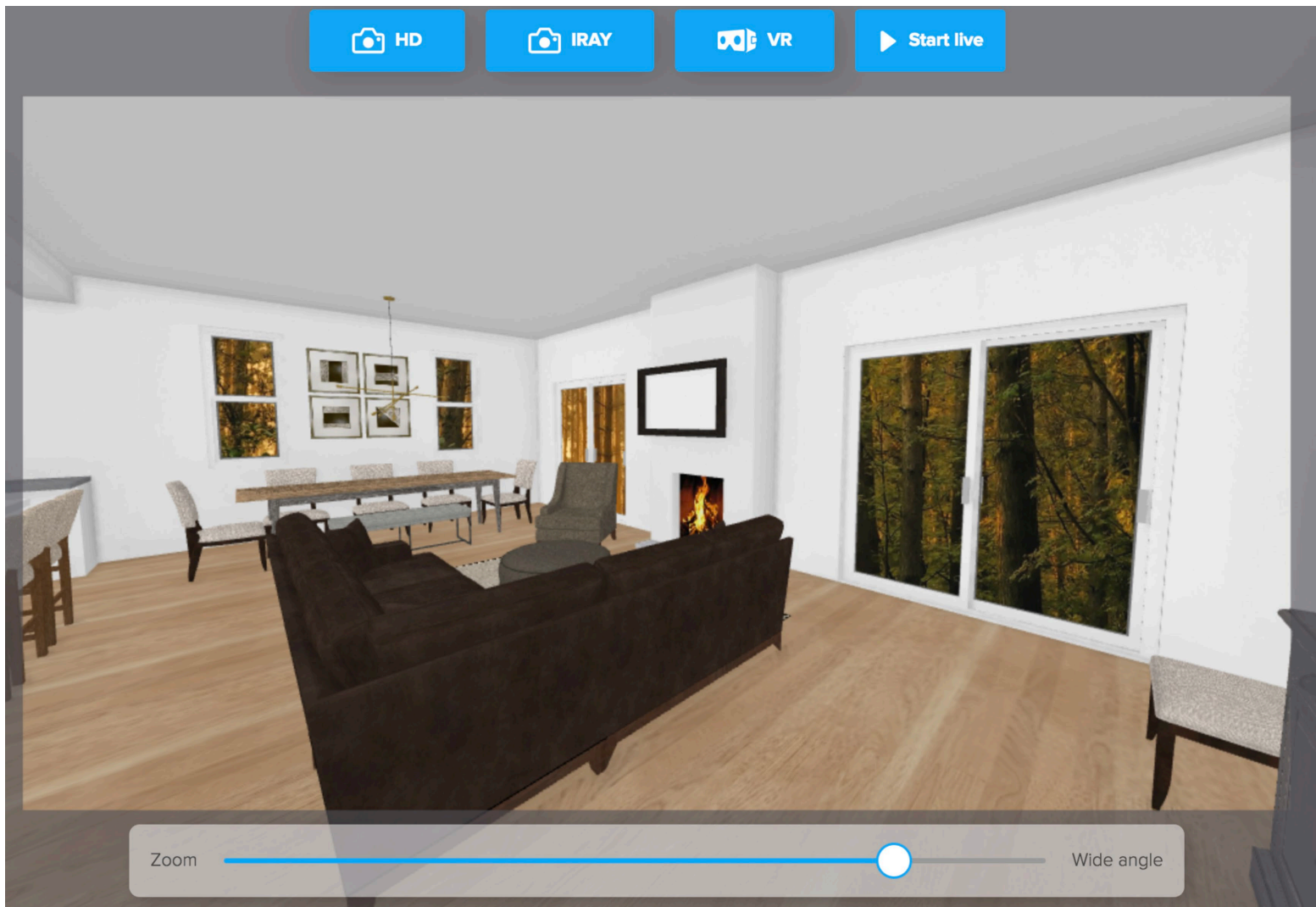
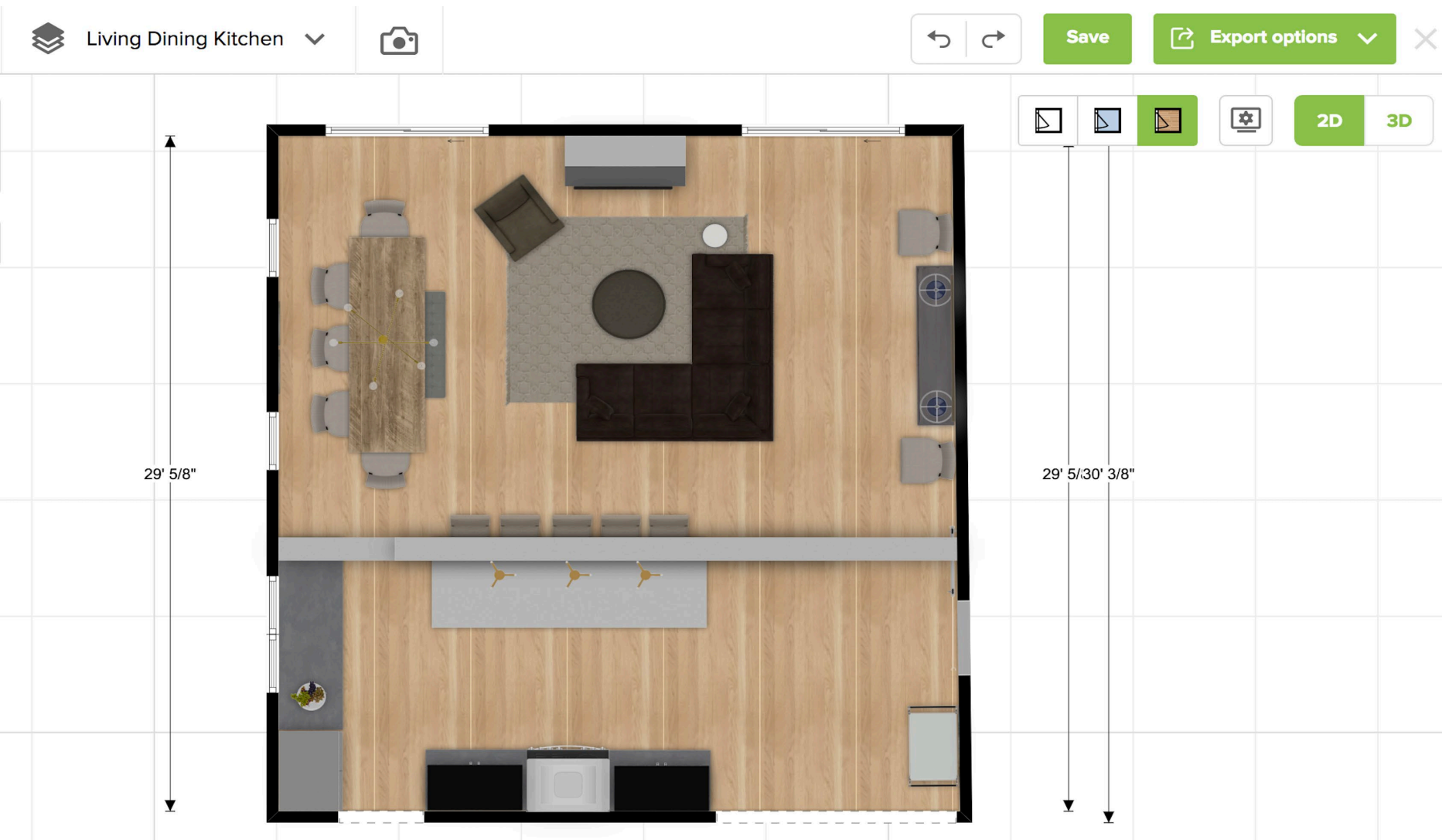
LIVING DINING BEDROOM BEDDING OFFICE OUTDOOR LIGHTING RUGS DECOR ETHAN ALLEN® Disney CLEARANCE



AUGMENTED REALITY (AR) - ETHAN ALLEN inHOME™



3D ROOM PLANNER – 2D, 3D, AND HD

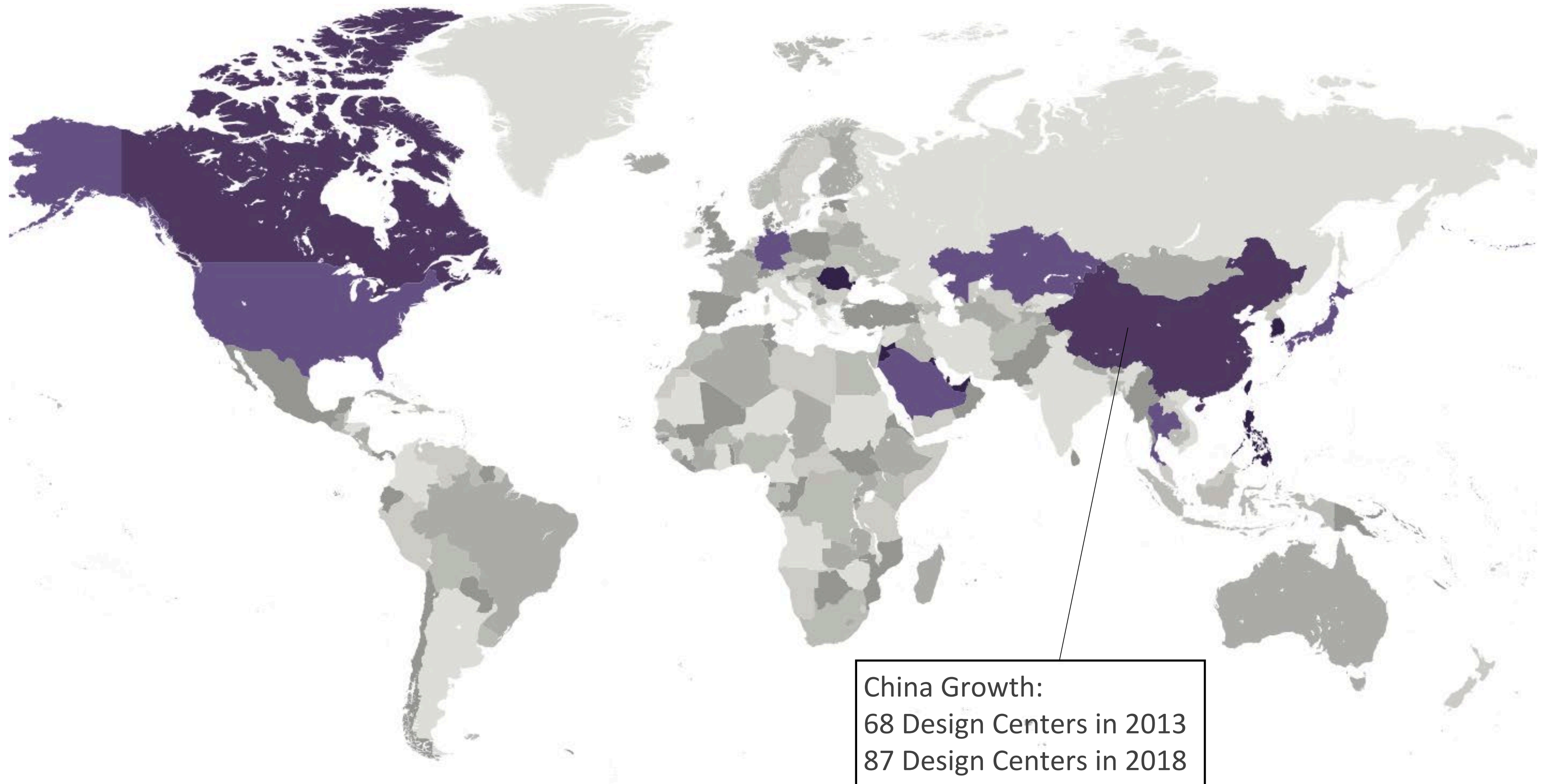


3D ROOM PLANNER – 2D, 3D, AND HD



INTERNATIONAL GROWTH STRATEGY

110 International Design Centers

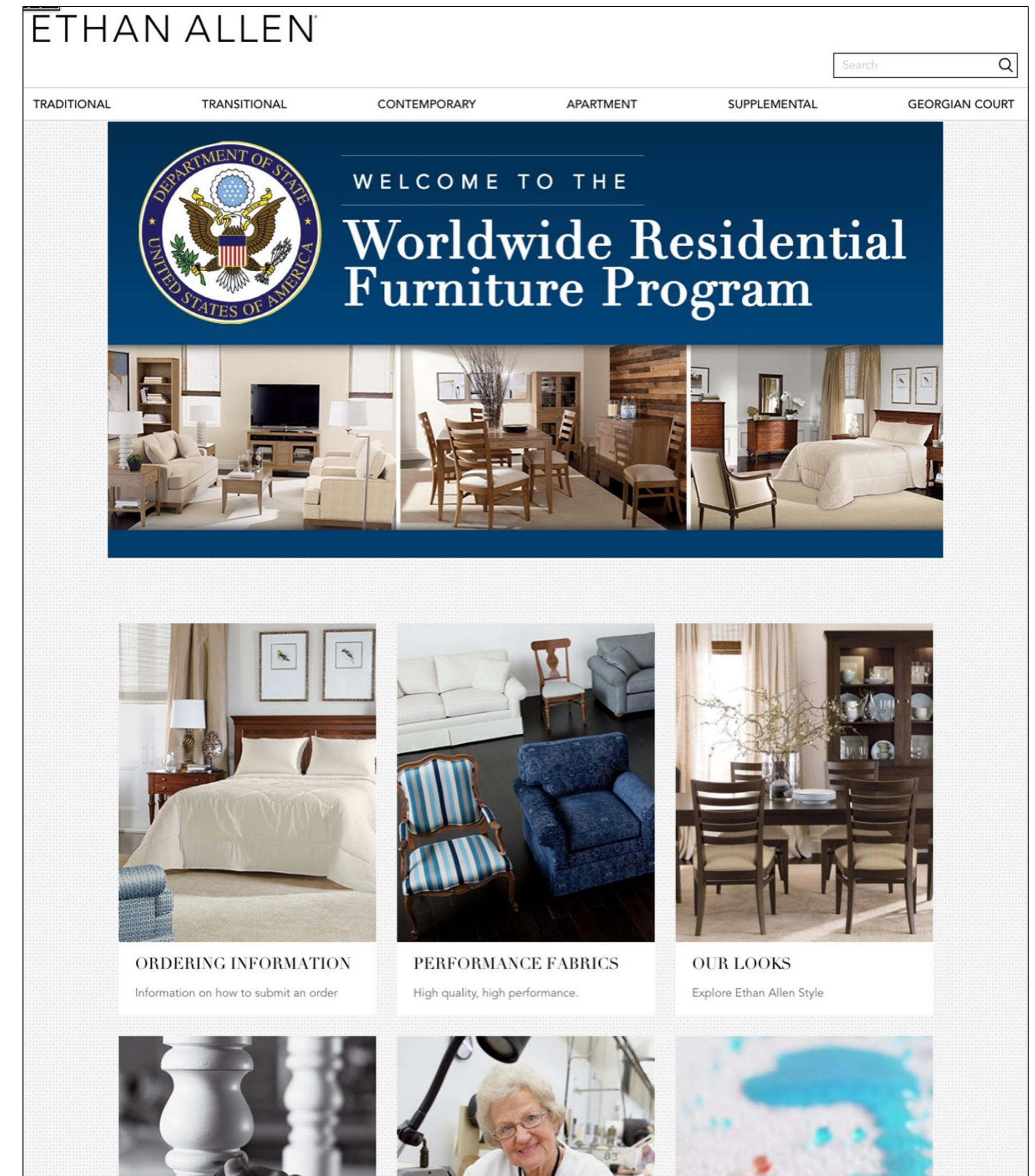


INTERNATIONAL GROWTH STRATEGY



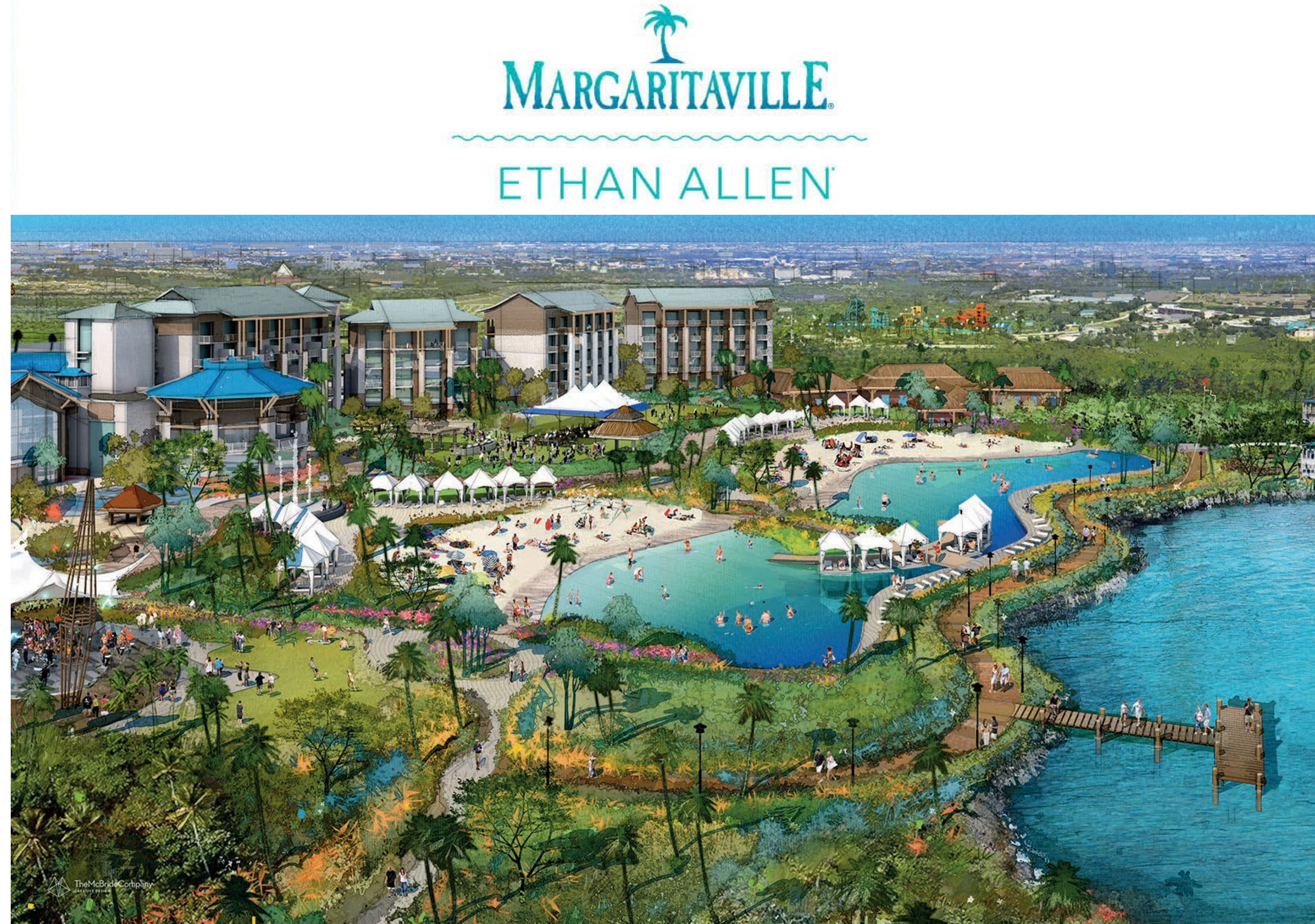
GOVERNMENT BUSINESS STRATEGY

- U.S. State Department
- U.S. Military, Department of Defense
- Other government agencies




CONTRACT BUSINESS STRATEGY

- Orlando
- 1,000 vacation homes
- Hotel
- Future opportunities



ESG

ENVIRONMENTAL
SOCIAL
GOVERNANCE

A close-up photograph of a pair of weathered, brown hands cupped together, holding a small green seedling with several leaves. The hands are filled with dark, rich soil. The background is a blurred blue fabric.

LIVING
OUR
VALUES

ETHAN ALLEN®



“‘Green’ isn’t a buzzword here; it’s ingrained in our business model, and it’s something we take pride in locally and globally. I am proud of the fact that we have received numerous awards and recognition from various agencies and states regarding our work.”

–Farooq Kathwari

2010: implemented the American Home Furnishings Alliance's environmental management system – EFEC – Enhancing Furniture's Environmental Culture.

2016: All U.S. manufacturing, distribution, and service centers are Sustainable by Design.

Our carbon footprint calculator measures six key metrics:

- **Carbon footprint**
- **Electricity usage**
- **Water usage**
- **Landfill waste**
- **Greenhouse gases**
- **Biomass usage**





Social CONSCIENCE

RESPECTING PEOPLE

Our Code of Conduct makes it clear that we expect fair treatment for workers. Fair treatment means providing adequate wages and benefits, and it means understanding that child and involuntary labor are unacceptable.

RESPECTING THE LAW

We do everything possible to respect the laws and regulations of the countries in which we operate. We expect Ethan Allen suppliers to avoid prohibited business practices. We also expect them to refrain from engaging in bribery or other corrupt customs.

RESPECTING THE LAND

We believe that by using land and natural resources responsibly we demonstrate our respect for people and the environment. We comply with local, state, federal, and international regulations to minimize the presence of toxins in our products and packaging.

TRANSFORMING BUSINESS PRACTICES & LIVES



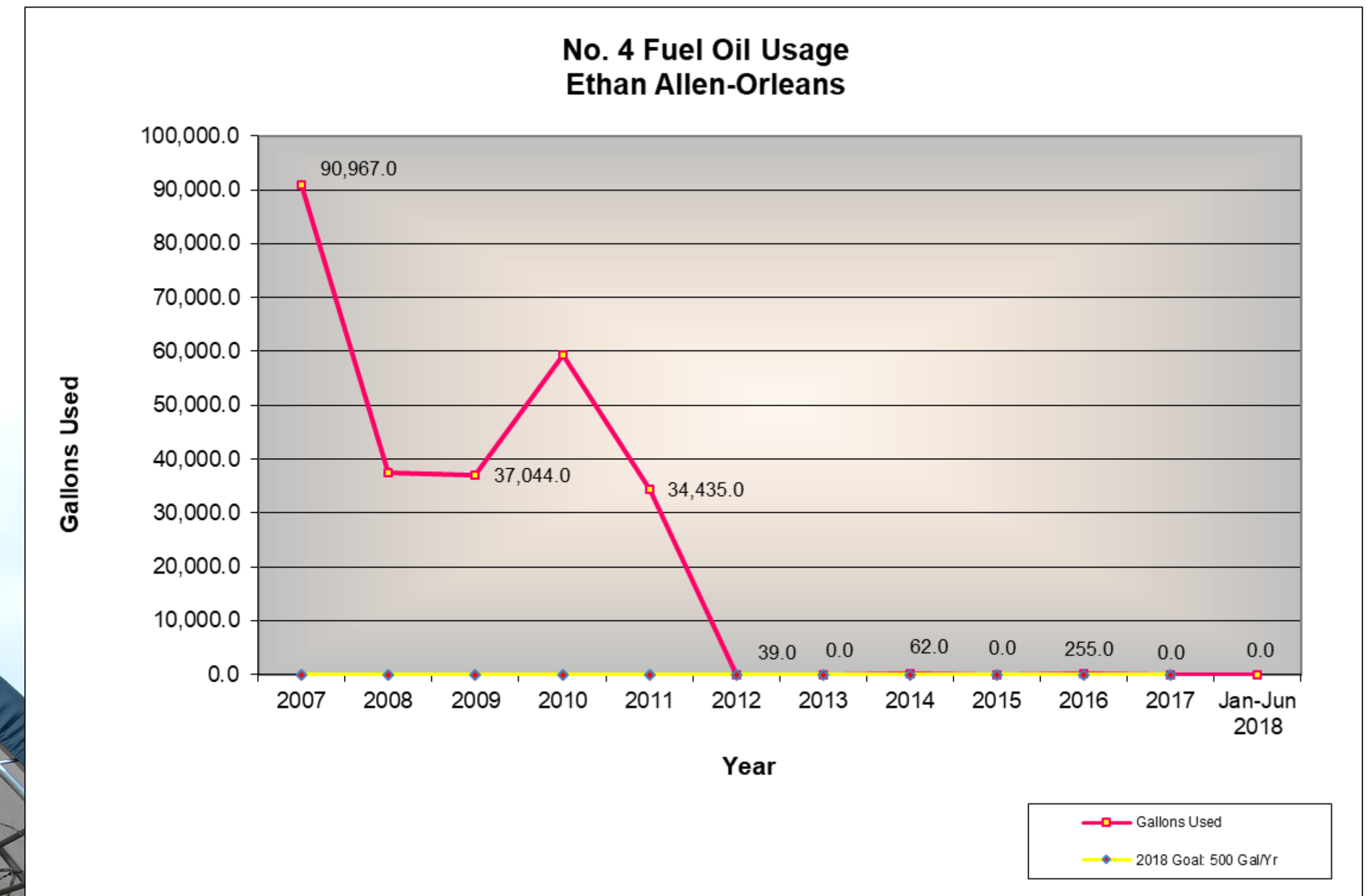


Safe PROCESSES

"We have an obligation to help vendors raise their safety and environmental standards, in partnership with government and business leaders. No matter where they live and work, we care about the safety of those who manufacture our products—and we expect our products to deliver the quality, craftsmanship, and longevity for which Ethan Allen is so well known."

—Farooq Kathwari

ENVIRONMENTAL INITIATIVE



By burning wood chips and sawdust from Beecher Falls and Orleans, the Vermont plants were able to stop using fuel oil in 2012



Pine Valley Plant

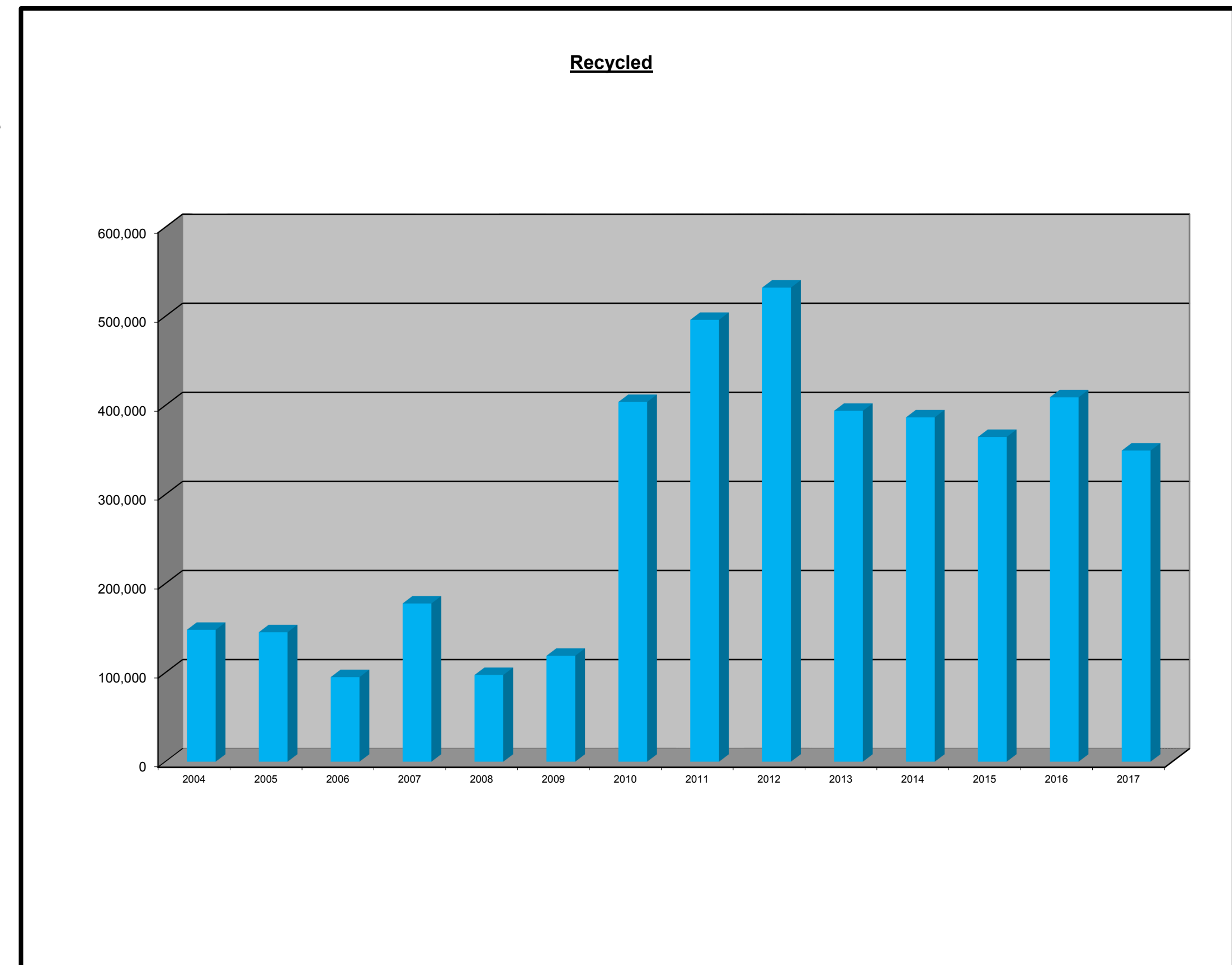
Recycling - Trending Up

Waste Reduction Goals for 2018

Continue to hold our waste footprint where we have reduced it to and increase recycling as much as practical. We decreased landfill waste last year compared to the previous year, and there has been a reduction in waste overall when compared to our baseline year.

- The **Recycling Team** will continue to determine what waste can be **RECYCLED**.

- We will continue to compare the amount of waste going to **RECYCLE** vs. the amount going to the landfill to find ways to improve.



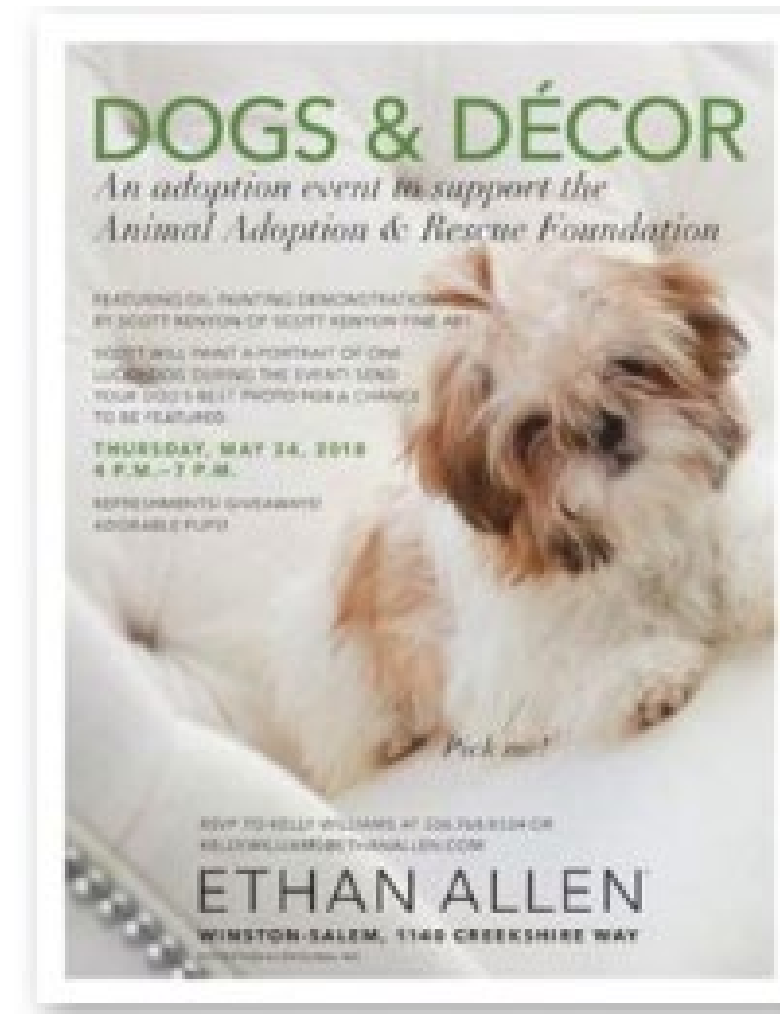
GIVING BACK

From corporate giving initiatives to individual volunteer efforts, Ethan Allen and its associates are committed to community service.

44,000 Items
\$19,000,000
140



National Programs



Local Programs

CORPORATE GOVERNANCE

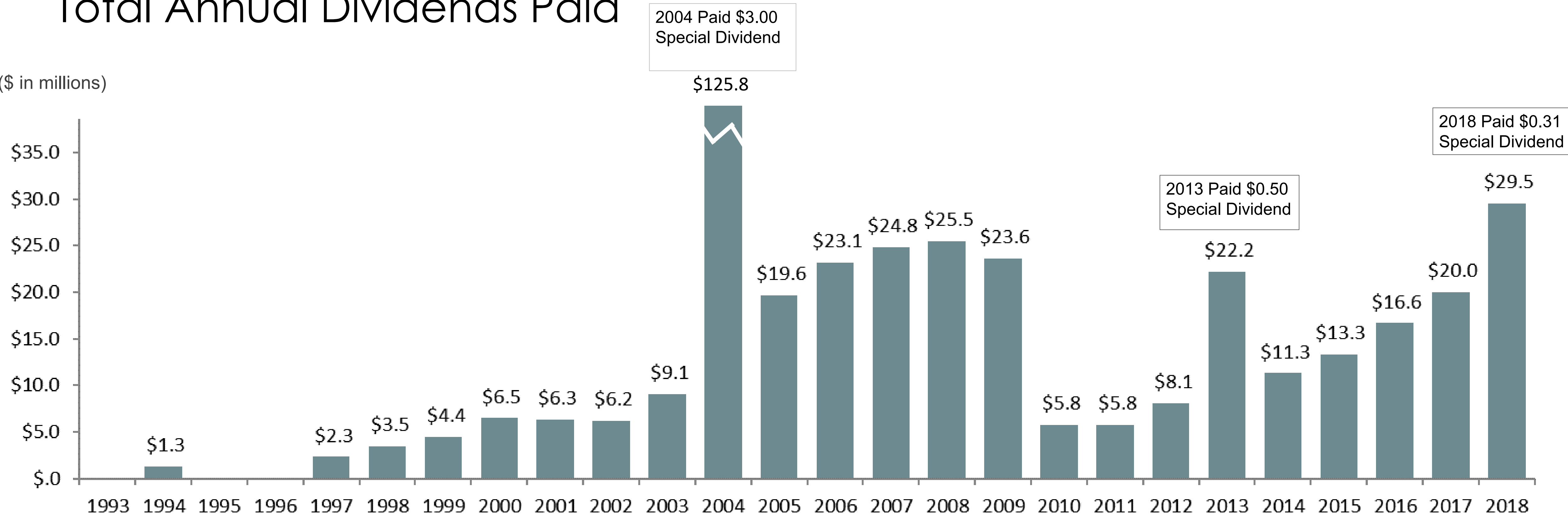
FOCUS ON STOCKHOLDER RETURNS

Total Dividends of \$414.6 million paid through FY 2018

Long and consistent history of returning value to stockholders, including payment of Regular and Special Dividends.

Total Annual Dividends Paid

(\$ in millions)

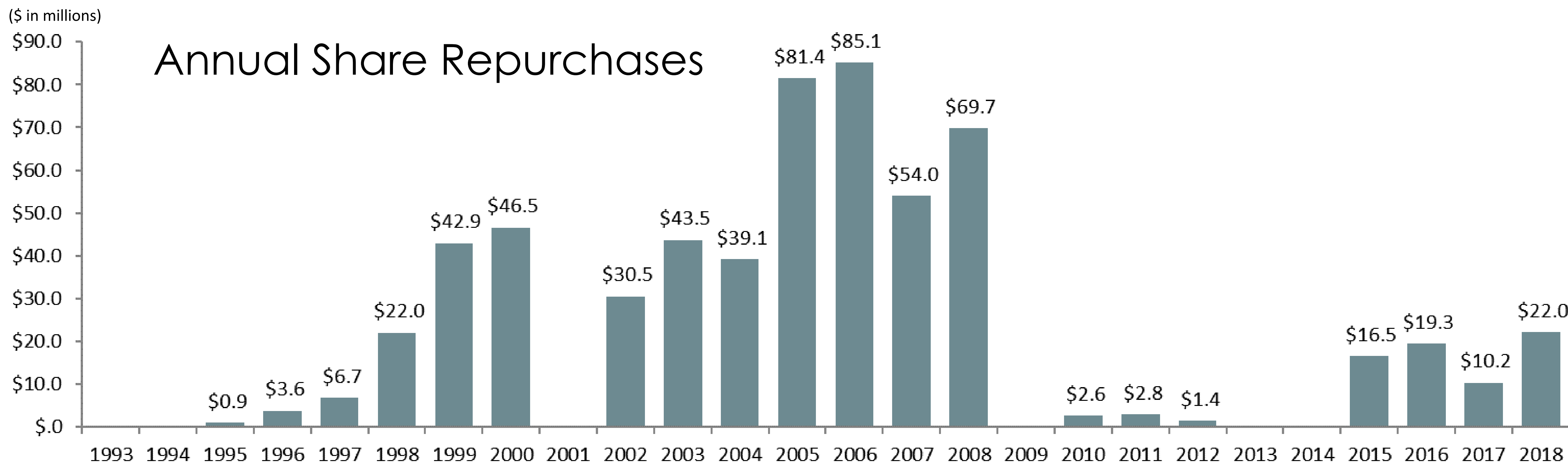


FOCUS ON STOCKHOLDER RETURNS

- Total shares issued 49.0 million
- Shares outstanding June 30, 2018 26.5 million
- Cumulative share repurchases 42.6%

Long and consistent history of returning value to stockholders, including Share Repurchases

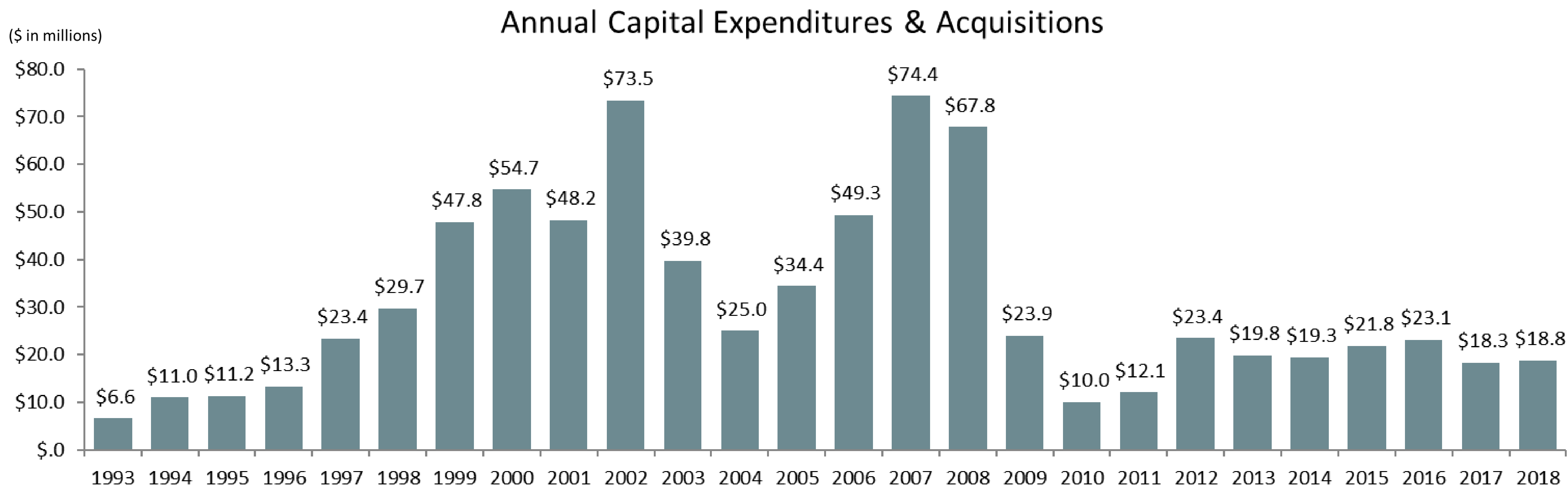
Total of 20.9 million Shares Repurchased for \$600.8 million



FOCUS ON STOCKHOLDER RETURNS

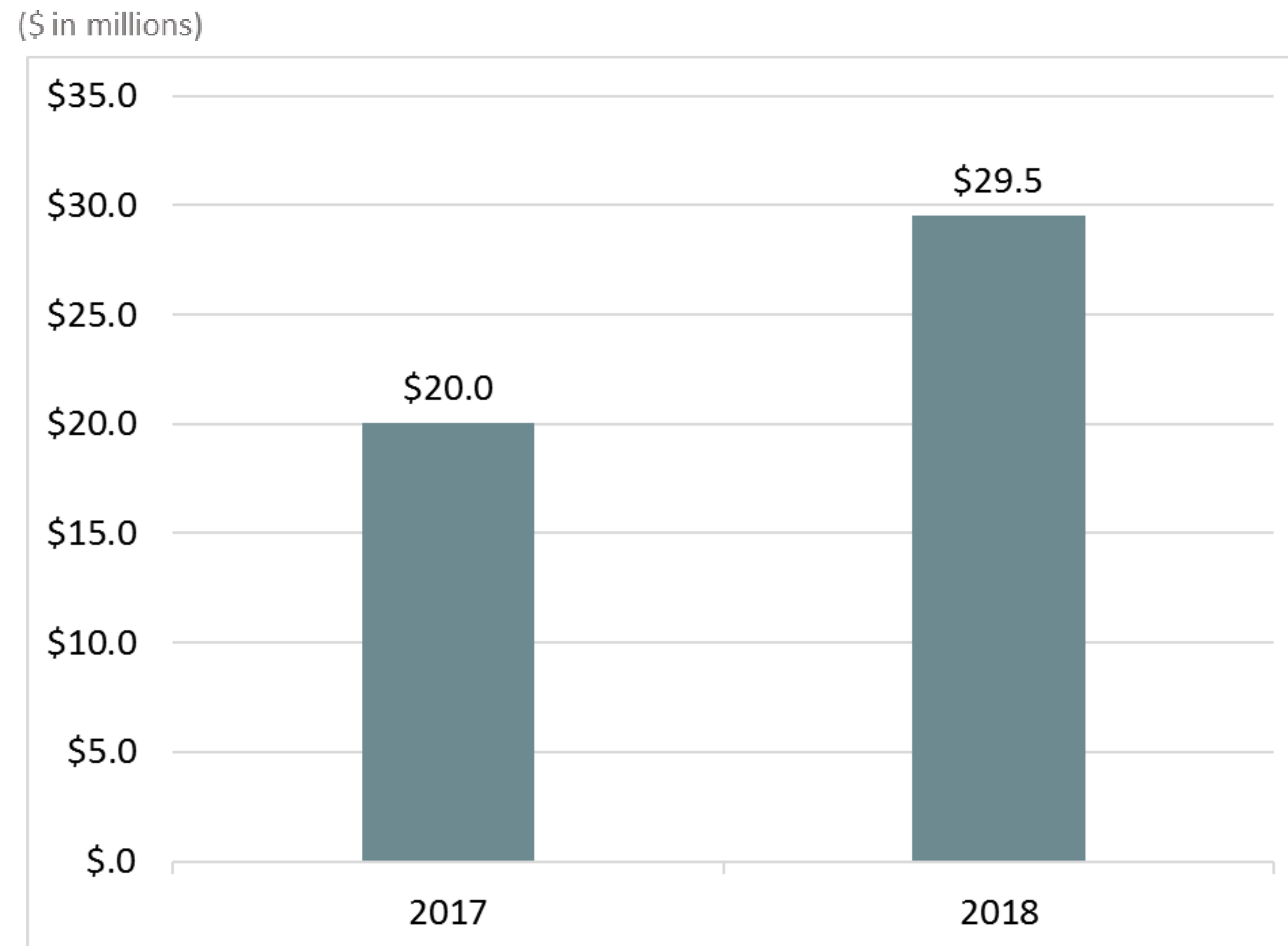
Total Capital Expenditures and Acquisitions of \$800.4 million through FY 2018

Long and consistent history of returning value to stockholders, including reinvesting capital into the company.



FOCUS ON STOCKHOLDER RETURNS

Total Dividends Paid Fiscal 2018



47.3%
Increase in
Dividends
Paid

Paid 31¢ per
Share
Special
Dividend

OPPORTUNITY SCENARIOS – OPERATING LEVERAGE

ETHAN ALLEN INTERIORS, INC.

(\$, millions except per share)

	GROWTH OPPORTUNITES			
	A	B	C	D
Net sales	\$ 900	\$ 1,000	\$ 1,200	\$ 1,500
Gross margin	55.3%	55.6%	56.0%	56.0%
Operating expenses	\$ 400	\$ 435	\$ 504	\$ 623
% of NS	44.4%	43.5%	42.0%	41.5%
Operating income	\$ 98	\$ 121	\$ 168	\$ 217
% of NS	10.9%	12.1%	14.0%	14.5%
Net interest & other	\$ -	\$ -	\$ -	\$ -
Pretax income	\$ 98	\$ 121	\$ 168	\$ 217
Net income	\$ 73	\$ 91	\$ 126	\$ 163
Diluted EPS	\$ 2.71	\$ 3.38	\$ 4.68	\$ 6.06
Wtd. Avg. shares	26.9	26.9	26.9	26.9

Assumptions: Results reflect tax rate of 25.0% and exclude certain recurring and non-recurring charges and gains and the tax effect of these adjustments, and are normalized annual opportunities; quarterly results are affected by many factors including seasonality. The Opportunity Scenarios are not intended to be projections but rather hypothetical outcomes that show the sensitivity of results to certain variables. Actual results will depend on external macroeconomic conditions and other factors including future decisions by the Company and the risk factors disclosed in the Company's SEC filings

POSITIONED FOR GROWTH

Growth strategy centered on enhancing differentiation through

- Relevant product offerings
- Worlds leading interior design destination
- Leveraging vertical integration
- Increasing marketing
- Enhancing technology
- Expanding international, government and contract business
- Focus on social responsibility



Ethan Allen Interiors			
Non-GAAP Reconciliation			
(\$, millions except per share amounts)			
	YTD Actual F18	Special Items	YTD Actual Pro-forma F18
Net sales	\$ 766.8		\$ 766.8
Cost of sales	\$ 350.8	\$ -	\$ 350.8
Gross profit	\$ 416.0	\$ -	\$ 416.0
Gross margin	54.2%		54.2%
Selling	\$ 209.9	\$ (0.1)	\$ 209.7
General and administrative	\$ 157.2	\$ (1.1)	\$ 156.1
Restructuring charges	\$ -	\$ -	\$ -
Operating expenses	\$ 367.1	\$ (1.3)	\$ 365.8
% of sales	47.9%		47.7%
Operating income (loss)	\$ 48.9	\$ 1.3	\$ 50.1
Operating margin	6.4%		6.5%
Interest and other			
miscellaneous income	\$ 0.5	\$ 0.1	\$ 0.6
Interest expense and other			
related financing costs	\$ 0.3		\$ 0.3
Net Int & Other Exp	\$ 0.2	\$ 0.1	\$ 0.3
Pretax income (loss)	\$ 49.1	\$ 1.3	\$ 50.4
Income tax expense	\$ 12.7	\$ 0.4	\$ 13.1
Net income (loss)	\$ 36.4	\$ 0.9	\$ 37.3
Shares	27,625	27,625	27,625
Diluted EPS	\$1.32	\$0.03	\$1.35
Notes: Operating Expenses: net loss (gain) on sale of assets, organizational changes and other exit costs Interest and other miscellaneous income: early debt extinguishment Income Taxes: valuation reserves and similar relative to normalized tax rate of 30.5% in current year and 36.5% in prior year Diluted EPS: after tax impact of above noted items			

Non-GAAP Financial Information

This presentation is intended to supplement, rather than to supersede, the Company's condensed consolidated financial statements, which are prepared and presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). In this presentation we have included financial measures that are not prepared in accordance with GAAP. The Company uses the following non-GAAP financial measures: "adjusted operating expenses", "adjusted operating income", "adjusted operating margin", "adjusted net income", "adjusted earnings per share", and earnings before interest, taxes, depreciation and amortization ("EBITDA") (collectively "non-GAAP financial measures"). We compute these non-GAAP financial measures by adjusting the GAAP measures to remove the impact of certain recurring and non-recurring charges and gains and the tax effect of these adjustments. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company believes that they provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. The non-GAAP financial measures used by the Company in this presentation may be different from the non-GAAP financial measures, including similarly titled measures, used by other companies. A reconciliation of these financial measures to the most directly comparable financial measure reported in accordance with GAAP is also provided at the end of this presentation.

Forward-Looking Information

This presentation and any related webcasts, conference calls and other related discussions should also be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2018 and other reports filed with the Securities and Exchange Commission.

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which represent our management's beliefs and assumptions concerning future events based on information currently available to us relating to our future results. Such forward-looking statements are identified in this presentation and any related webcasts, conference calls and other related discussions or documents incorporated herein by reference by use of forward-looking words such as "anticipate", "believe", "plan", "estimate", "expect", "intend", "will", "may", "continue", "project", "target", "outlook", "forecast", "guidance", and similar expressions and the negatives of such forward-looking words. These forward-looking statements are subject to management decisions and various assumptions about future events, and are not guarantees of future performance. Actual results could differ materially from those anticipated in the forward-looking statements due to a number of risks and uncertainties including, but not limited to: competition from overseas manufacturers and domestic retailers; our anticipating or responding to changes in consumer tastes and trends in a timely manner; our ability to maintain and enhance our brand, marketing and advertising efforts and pricing strategies; changes in global and local economic conditions that may adversely affect consumer demand and spending, our manufacturing operations or sources of merchandise and international operations; changes in U.S. policy related to imported merchandise; an economic downturn; potentially negative or unexpected tax consequences of changes to fiscal and tax policies; our limited number of manufacturing and logistics sites; fluctuations in the price, availability and quality of raw materials; environmental, health and safety requirements; product safety concerns; disruptions to our technology infrastructure (including cyber-attacks); increasing labor costs, competitive labor markets and our continued ability to retain high-quality personnel and risks of work stoppages; loss of key personnel; our ability to obtain sufficient external funding to finance our operations and growth; access to consumer credit; the effect of operating losses on our ability to pay cash dividends; additional impairment charges that could reduce our profitability; our ability to locate new design center sites and/or negotiate favorable lease terms for additional design centers or for the expansion of existing design centers; results of operations for any quarter are not necessarily indicative of our results of operations for a full year; possible failure to protect our intellectual property; and those matters discussed in "Item 1A - Risk Factors" of our Annual Report on Form 10-K for the year ended June 30, 2018, and elsewhere in this presentation and our SEC filings. Accordingly, actual circumstances and results could differ materially from those contemplated by the forward-looking statements.

Given the risks and uncertainties surrounding forward-looking statements, you should not place undue reliance on these statements. Many of these factors are beyond our ability to control or predict. Our forward-looking statements speak only as of the date of this presentation. Other than as required by law, we undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

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