

# HAVERTYS®



THOUSANDS OF OPTIONS  
TO PERSONALIZE YOUR SPACE



December 3-4, 2013

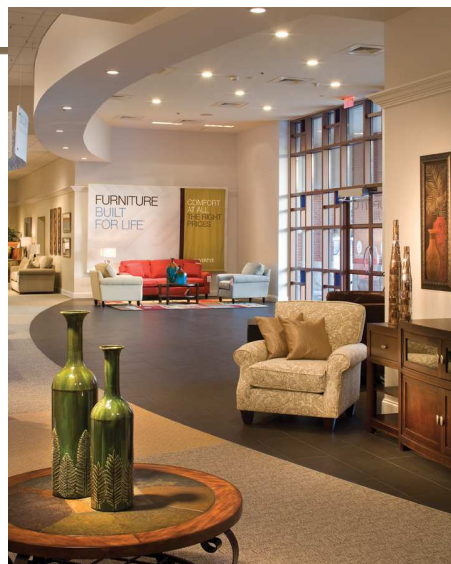


- Founded in 1885
- IPO - October 1929
- Cash dividend since 1935



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**Retail Footprint: 119 Stores across 16 states**  
**4.3 M retail sq.ft.**



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## Customer Demographics and Psychographics

- **Women**
- **80% own a home**
- **Household Income \$75k +**
- **Age 35+**
- **Primarily driven by style**
- **Refreshing the home for variety's sake**
- **Considers value, but favors selecting right item over just price**

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## Focused Business Strategy

- Brand
- Growth Opportunities
- Operating Excellence
- Returns to Stockholders

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## Focused Business Strategy

- Brand
  - Store
  - Website, media and other touches
  - Merchandise
- Growth Opportunities
- Operating Excellence
- Returns to Stockholder

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## Focused Business Strategy

- **Brand**
  - Store
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## Havertys.com - Display and feel mimics store presentation

The screenshot displays the Havertys.com website interface. At the top, the navigation bar includes the Havertys logo, links for 'SHOP BY ROOM', 'SHOP BY ITEM', and 'SPECIALS', along with social media icons and a search bar. Below the navigation bar, a secondary bar contains links for 'Welcome to Havertys', 'Cart (0 items)', 'Wishlist (0 items)', 'Track Orders', 'Sign In', 'CURRENT ADVERTISING', 'PLAN YOUR ROOM', and 'APPLY FOR CREDIT'.

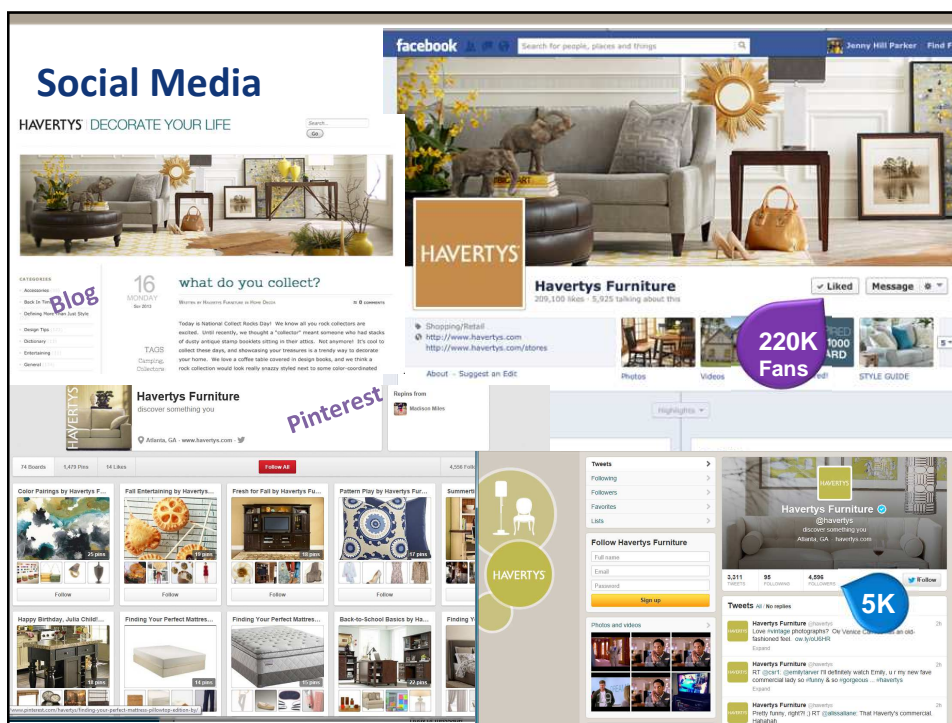
The main content area features a large banner for a living room furniture set with the headline 'IT'S SO YOU' and the subtext 'Discover the looks that inspire your one-of-a-kind personality'. A 'shop now' button is positioned below the headline. The banner image shows a brown sofa, a coffee table, and side tables in a well-lit room.

Below the banner, there are four promotional banners:

- 18 MONTHS SPECIAL FINANCING**: AVAILABLE ON PURCHASES OF \$2000 OR MORE
- HOME FASHION WORKSHOPS**: JOIN US IN STORE FOR THE LATEST TIPS & TRENDS. [LEARN MORE](#)
- REGISTER TO WIN A \$5000 GIFT CARD**
- CUSTOMLOOK**: PERSONALIZE YOUR SPACE

At the bottom, there are three category buttons: 'LIVING ROOMS' (with a chair icon), 'BEDROOMS' (with a bed icon), and 'DINING ROOMS' (with a dining table icon).





## Digital and Social Media Stats

### YTD Q3 2013

- **Havertys.com** - Unique Visitors 6.2 M
  - Ratings and reviews – avg. 700 per month
- **Facebook** – 370 K avg. weekly reach  
220 K Fans
- **Pinterest** – 4,600 Followers
- **Twitter** – 4,800 Followers
- **Blog** – 6,000 average weekly views
- **YouTube** – 655K views

## Television



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## Focused Business Strategy

- **Brand**
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## Merchandise

- Primarily Havertys Brand
- Mid- to upper middle price points
- Large array of styles



- Variety of custom options
- Sourced to our specs

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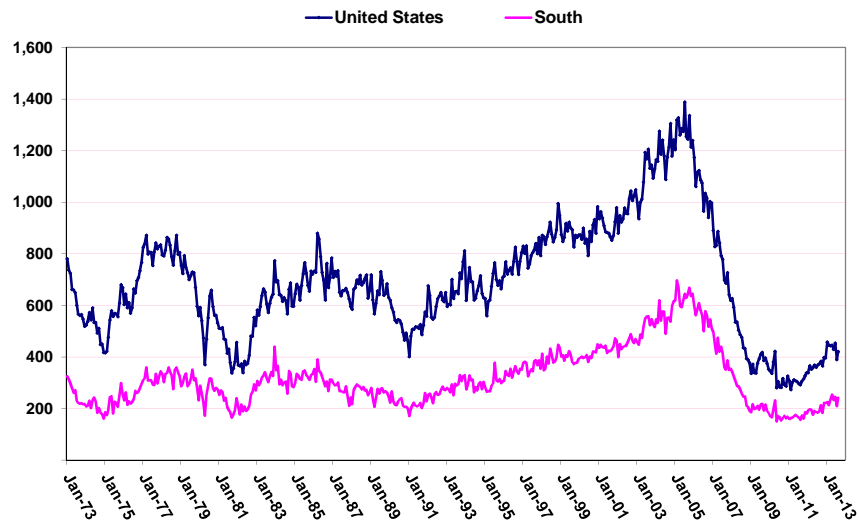
## Focused Business Strategy

- Brand
- Growth Opportunities
  - Macro environment
  - Increase sales per sq. ft.
  - Store growth and improvements
- Operating Excellence
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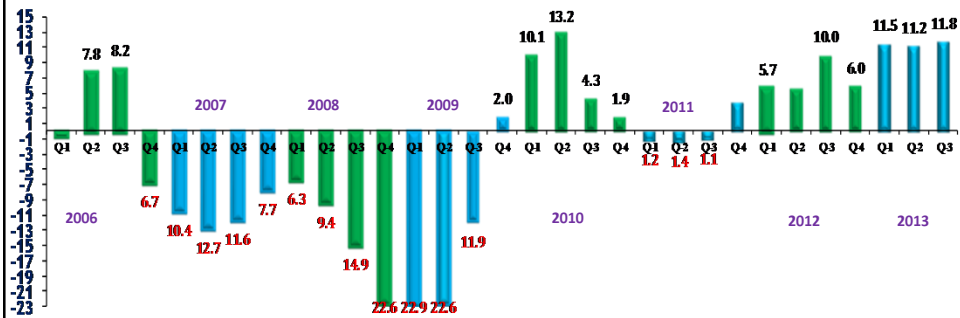
**NEW SINGLE FAMILY HOME SALES**  
Monthly Data: Seasonally-Adjusted Annualized



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## Comp-Store Sales % - Quarterly



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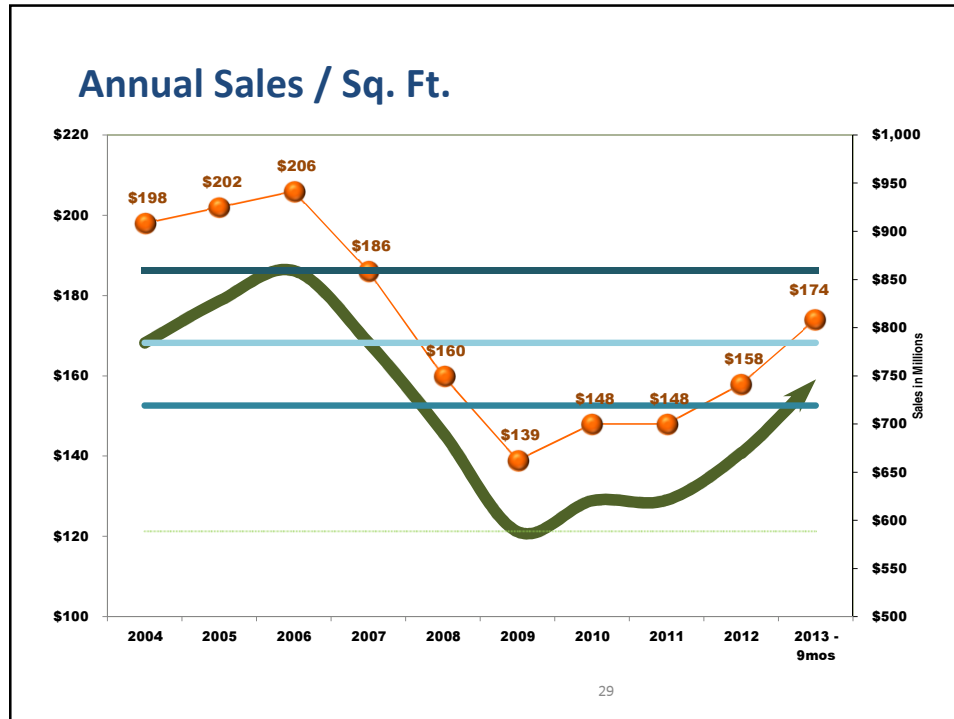
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## Focused Business Strategy

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## Focused Business Strategy

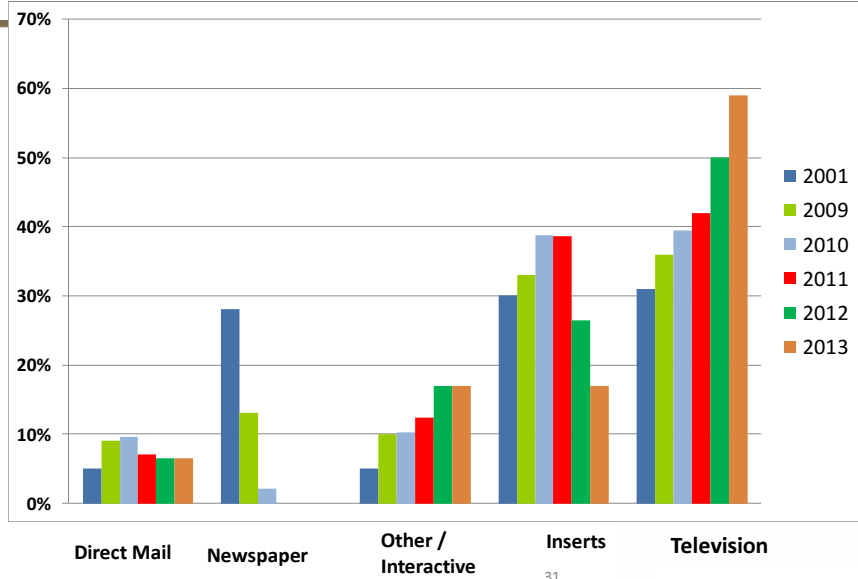
- Brand
- **Growth Opportunities**
  - Macro environment
  - **Increase sales per sq. ft.**
    - Traffic
    - Average Ticket
  - Store growth and improvements
- Operating Excellence
- Returns to Stockholder

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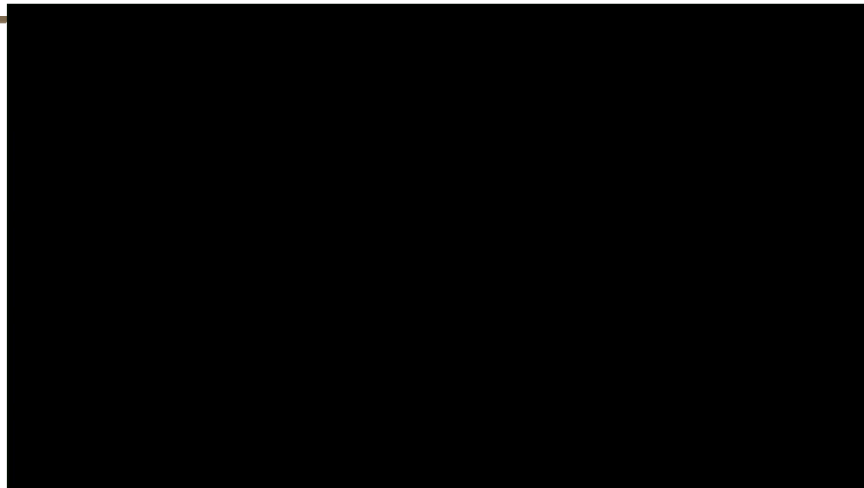
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## Shifting the Media Mix



## Television



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**JULY 4<sup>TH</sup> SALE**  
**SAVE AN EXTRA \$100**  
**ON EVERY \$1000<sup>+</sup>**  
 SHOP SAVINGS ▶

**ANNIVERSARY SALE**  
**BONUS DISCOUNTS**  
**SAVE \$100-\$1000<sup>+</sup>**  
**plus extra \$75 off<sup>‡</sup>**  
**APRIL 19-22 ONLY**  
 MORE DETAILS ▶

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## Emails

- 2 emails per week
- 1.2 million customers
- Open Rates – 8 – 13 %
- Click Thru – avg. 3%

**HAVERTYS**  
 LIVING ROOMS BEDROOMS DINING ROOMS MATTRESSES MEDIA ROOMS HOME OFFICES ACCESSORIES RUGS

**GET INSPIRED TO WIN A \$1000 HAVERTYS GIFT CARD!**

Where do you get inspiration from when decorating your home? Whether it's a favorite photograph or a gorgeous garden, we want to know! Show us the Havertys product that matches your design inspiration via the entry methods below. Be sure to include the product link from [www.havertys.com](http://www.havertys.com) in the inspiration behind it.

The entry with the most votes wins, so be sure to share with your friends and followers! Limit six unique entries per person. [OFFICIAL RULES](#)

Here's where we got our inspiration:

1. Like us on Facebook at [www.facebook.com/havertys](https://www.facebook.com/havertys)
2. Use the official contest app to submit your entry
3. Follow us on Twitter at [www.twitter.com/havertys](https://www.twitter.com/havertys)
4. Tweet us your entry and use the hashtag #HavertysContest

Don't forget to include the product link.

**stylish savings**  
**EXTRA \$100-\$1000 OFF<sup>1</sup>** [SHOP NOW ▶](#)



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## Havertys.com

**HAVERTYS** SHOP BY ROOM SHOP BY ITEM SPECIALS Products Locate a Store  
Keyword or Item #

Welcome to Havertys Cart (0 items) Wishlist (0 items) Track Orders Sign In CURRENT ADVERTISING PLAN YOUR ROOM APPLY FOR CREDIT

**IT'S SO YOU**  
Discover the looks that inspire your one-of-a-kind personality  
shop now ▶






**18 MONTHS SPECIAL FINANCING**  
AVAILABLE ON PURCHASES OF \$2000 OR MORE

**HOME FASHION WORKSHOPS**  
JOIN US IN STORE FOR THE LATEST TIPS & TRENDS LEARN MORE

REGISTER TO WIN A \$5000 GIFT CARD

**CUSTOMLOOK**  
PERSONALIZE YOUR SPACE


 LIVING ROOMS  BEDROOMS  DINING ROOMS

## She is on the go.....

**HAVERTYS** Keyword or Item #

SHOP LOCATE A STORE

**WE HAVE WHAT YOU'RE LOOKING FOR**  
SHOP NOW ▶



+ SHOP BY ROOMS  
+ SHOP BY ITEMS

SPECIALS

CONTACT US

Facebook Twitter  
Pinterest Blog

PRIVACY POLICY VIEW FULL SITE

**HAVERTYS** Keyword or Item #

SHOP LOCATE A STORE

## Katy Loveseat



Selected color: Dolphin



**CUSTOMLOOK SEAT YOURSELF** This loveseat features ... (more)

View Collection

+ Other Products in Collection

+ Details and Benefits

+ Reviews ★★★★★

+ See It In Person

+ Availability

## Customer mobile devices

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## Focused Business Strategy

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## "Better" product price points



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## Special Orders -- Simplified

[To Do List](#)
[Customer](#)
[Sales](#)
[UPS](#)
[Shop by Rooms](#)
[Shop by Item](#)

Erin Y274 ★★★★★ (4 reviews)

[Zoom](#)
[Enlarge](#)

[ALTERNATE VIEWS](#)

[SWATCHES](#)

Part of our CUSTOMLOOK SEAT YOURSELF program, our Erin collection features customizable pieces in a simple, sophisticated style. Choose track, rolled or English a Pick from a skirted or banded base and turned or tapered legs. The finishing touch each one of your signature pieces will be your choice of over 150 upholstery and accent pillow fabrics in an array of colors, textures and patterns. Sink into loose back and cushions with down-blend cushioning. Seat cushions are supported by a patented Cor Flex spring unit for stability and strength. Upholstery content: 65% linen, 45% cotton. Cleaning code: S.

[Products](#)
[Details & Benefits](#)
[Product Reviews](#)
[Ask & Answer](#)
[See it in](#)

Sofa

\$4,799.99

Loveseat

\$4,699.99

\$1,499.99

### Special Order Configurator

Vendor: HVT - Havertys  
 Group: Y274  
 Product: Erin Sofa

Image above does not represent Special Order Options

Arm Type:   
 Base Type:   
 Frame:   
 Body Fabric:   
 Pillow Fabric 1 - Front (pair):   
 Pillow Fabric 1 - Back (pair):   
 Fringe/Cord:   
 Finish Color:   
 Nailhead:   
 Mfg Id:

Price \$1799.99

[Add to worksheet](#)

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## Complete the Look

HVT 578A Fla Visions Sectional  
with HVT 591 Lisbon Tables

COASTAL



\*Transitional  
\*Loose back cushions are poly-filled and wrapped in polyurethane  
\*Loose seat cushions have podded coils and are wrapped in polyurethane  
\*Five down filled accent pillows are 22"  
\*Tapered legs, bandied bases, track arms

\*No-sag springs  
\*Sectional shown in color: stucco  
\*Custom Choice  
SKU #  
EDLP \$1999.99 5-yr.  
(3 modular armless, 2 modular corners)



Lisbon tables

SRV Fallon Area Rug

\*Transitional  
\*Moroccan inspired  
\*Sage ivory  
\*7' x 9' area rug  
SKU #050005717  
EDLP \$229.99

HVT 12-11207 Table Lamp

\*Transitional  
\*Maya Collection  
\*Smoke  
\*13" table lamp  
\*5-way switch  
SKU #050006444  
EDLP \$189.99



Eggs Val I

Eggs Val II

WALL ART WEN Eggs Val I Vol II HVT0002 HVT0003, 33"x40", #070007664 7865, \$299.99 ea.

HVT C142 Manhattan Upholstery Group  
with HVT 505 Polaris End Tables



\* Contemporary  
\* 87" sofa  
\* Attached back and seat cushions with tufting  
\* 1.5-density cushions wrapped in polyurethane  
\* Tapered legs in orange finish, track arms  
\* No-sag springs, tufting on corners  
\* Connected, semi-aniline top-grain leather with leather splits  
\* Shown in color: granite

SKU #12500602  
EDLP \$1099.99

CUSTOMLOOKSELECT



Polaris end #040002701

HVT 14-21367 Lamp

\* Geoff  
\* Marble iron base  
\* Linen shade  
\* 100 watt 5-way

#08000682  
EDLP \$199.99



Benjamin

ORW 520W Rug

\* Loft  
\* Tweed shag  
\* Light neutral  
\* 8' x 11'  
#08000603  
EDLP \$249.99

9/15/2013

WALL ART

HVT Benjamin, HAV000005-A, 60"x20", #070008592, \$299.99

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## FREE In Home Designer Program

### Limited introduction:

**2012 - 19 designers serving 22 stores**

**2013 - 45 designers for 55 stores**

**2014 - 85 designers for up to 100 stores by end of the year**

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## Average Ticket Initiatives - Results

### YTD 9 mos. 2013

- Avg. Retail Selling Price SKU up 4.3%
- Avg. ticket up 8.6%
- Custom and Special Orders up 22.9%

### 2012

- Avg. Retail Selling Price SKU up 4.6% over 2011
- Avg. ticket in 2012 up 7.8% over 2011 and  
in 2012 up 13.2% over 2010
- Custom and Special Orders up 14.4% over 2011

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## Store Growth

### 2014 Plans

New store in new market: To be announced Q-4

New store in existing markets: Atlanta, GA Q-3  
Dallas/Ft. Worth Q-4  
To be announced Q-4

Store relocation: Orlando, FL Q-4

Expand one location: Q-2

Increase in square footage of 3.0%

### 2013

Expanded three locations

Closed three locations

Decrease in square footage of 2.2%

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## Bright Inspirations

### Multi-Year Store Refresh Project

Total spend: approx. \$31M on existing stores for remodels/expansions 2010 - 2014

End of 2014: Approx. 95% of store base will be new or improved



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## Capital Expenditures Update

(Approximate in thousands)	Proposed 2014	Estimated 2013
<b>Stores:</b>		
New or replacement stores	\$ 9,100	\$ 2,100
Remodels/expansions	10,000	9,800
Other improvements	5,000	4,400
Total stores	24,100	16,300
Distribution	3,400	1,900
Information technology	2,500	1,800
<b>Total</b>	<b>\$ 30,000</b>	<b>\$ 22,000</b>

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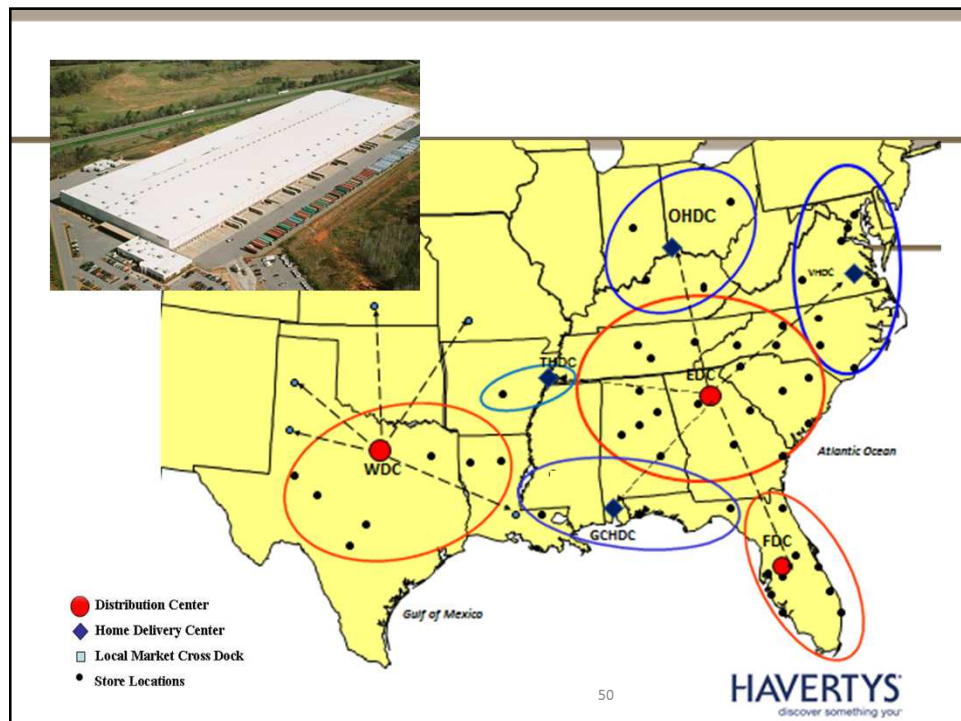


Approx. 50% of sales associates use the iPad

...Providing tools and training to upgrade our talent to match our customer and grow our business

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## Control Expense and Maintain Quality

- Company Owned & Operated
- Standardization
- Accountability

Yielding fewer exceptions and more routes completed in established times




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[Shop By Room](#)
[Shop By Item](#)
[Specials](#)
[Get Design Advice](#)
[Plan Your Room](#)


### My Havertys

Track orders online, save wish lists, create room plans, manage your e-mail preferences, ... and much more!




**My Orders**

- [Schedule Delivery](#)
- [Follow the Truck \(Day of delivery\)](#)
- [See Your Orders](#)




**MY SHOPPING**

- [Shopping Cart](#)
- [Wish List](#)



**My Account**

- [Login Information](#)
- [Manage Contact Information](#)
- [Email offers, catalogs, and more](#)



**Create Room Plans**  
**My Room Plans**

- [Elizas bedroom](#)


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**FOLLOW THE TRUCK** Refresh

STOP	TIME WINDOW QUOTED	# OF ITEMS	CITY & STATE	ZIP	ACTUAL ARRIVAL	ACTUAL DEPARTURE	STATUS
1	8:15 am - 10:15 am	---	LOGANVILLE, GA	30052	8:41 am	8:54 am	Complete
2	8:45 am - 10:45 am	---	LOGANVILLE, GA	30052	8:56 am	9:24 am	Complete
3	9:15 am - 11:15 am	---	GRAYSON, GA	30017	9:30 am	9:50 am	Complete
4	10:00 am - 12:00 pm	---	COVINGTON, GA	30016	---	---	---
5	11:00 am - 1:00 pm	---	COVINGTON, GA	30014	---	---	---
6	12:00 pm - 2:00 pm	---	LOGANVILLE, GA	30052	---	---	---
7	1:00 pm - 3:00 pm	3	ATHENS, GA	30606	---	---	---
8	2:45 pm - 4:45 pm	---	BOGART, GA	30622	---	---	---
9	3:00 pm - 5:00 pm	---	BOGART, GA	30622	---	---	---
10	3:30 pm - 5:30 pm	---	WINDER, GA	30680	---	---	---


**YOUR HAVERTYS DRIVER**



Leonard Madrigal  
6 Years of service

**Key**  
 = Your stop  
 = Truck's location  
 = Delivered/Delivering to you

**GET DELIVERY UPDATES ON YOUR PHONE**  
Text ETA to 62925 to see our arrival time



## Strategic Sourcing



- Over 80% of our selected case goods are imported
- Direct Imports – 17% of 2012 furniture sales:
  - Work with outside designers to develop collections
  - Select factories
  - Use dedicated quality control team to inspect product in factories

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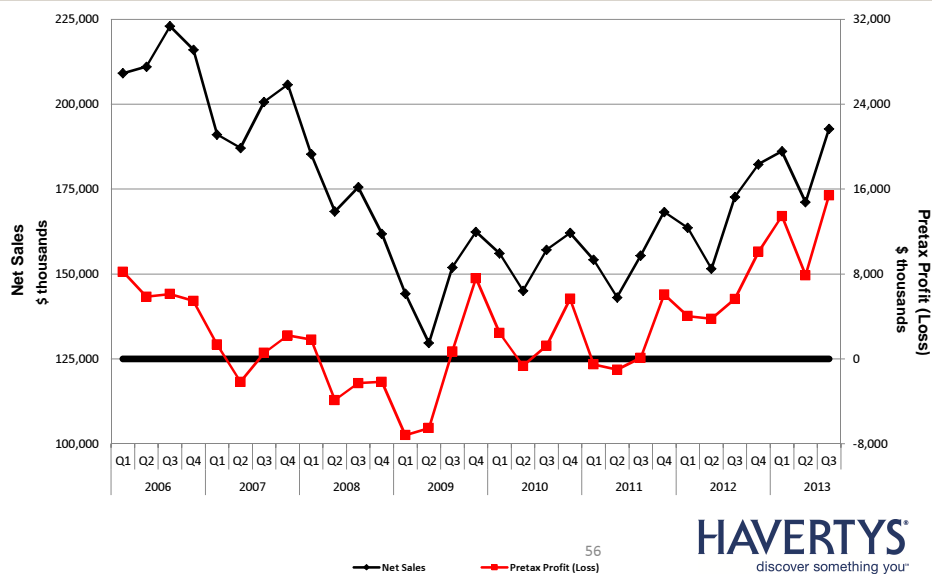
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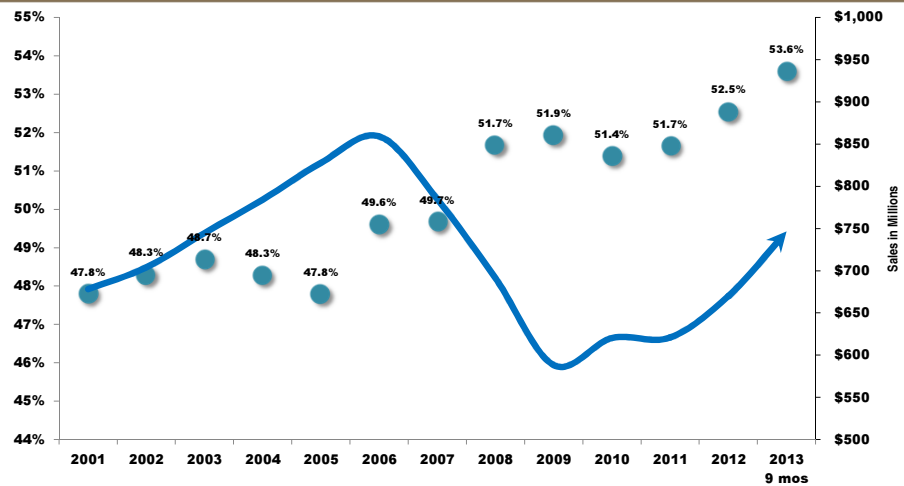
55

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## Sales vs. Pretax by quarter



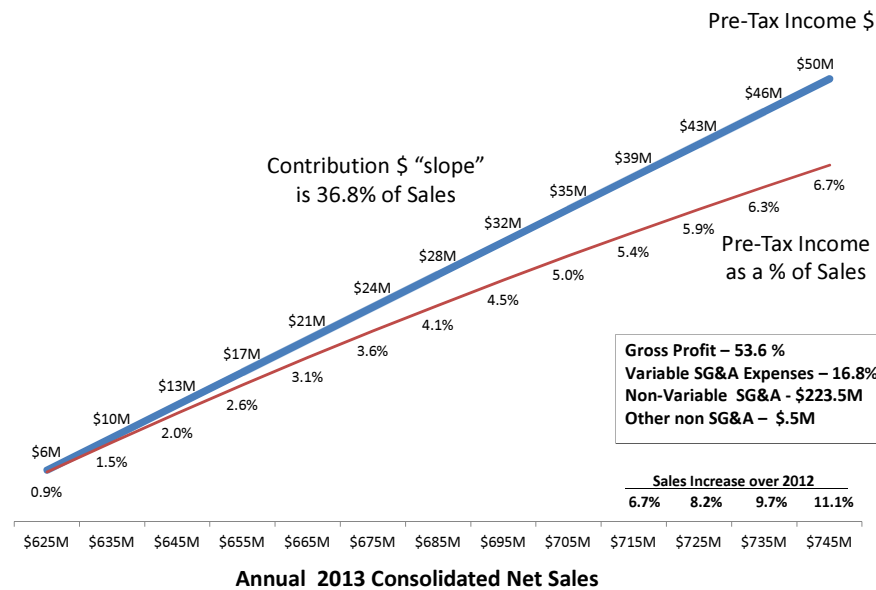
## Consolidated Gross Profit Margin



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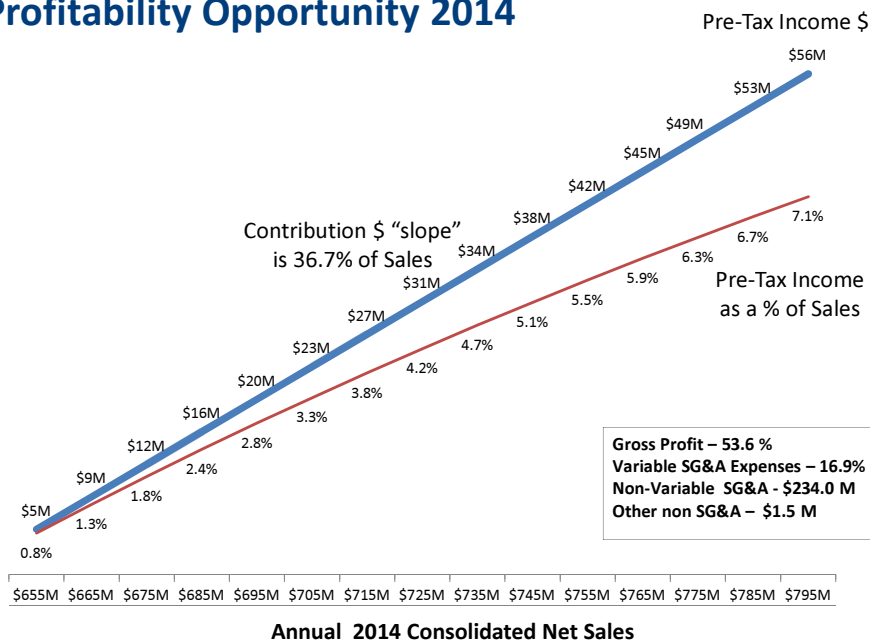
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## Profitability Opportunity 2013



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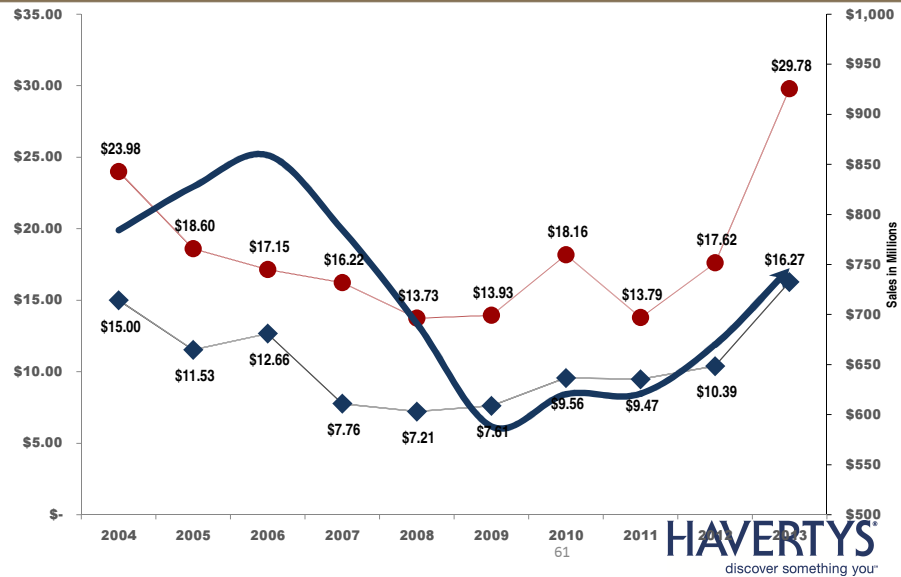
## Profitability Opportunity 2014



## Strong Balance Sheet

- No intangible assets on the balance sheet
- Cash at Q3 2013 - \$ 72.1 M
- Own 37% of Stores and 40% of Distribution Facilities
- Inventory – \$ 91.6 net of LIFO reserve of \$ 18.9 M
- No funded borrowings
- Paid \$26.5 M in cash dividends over last 12 months
- Book Value per outstanding share at Q3 2013: \$12.48

## HVT Stock Price Trading Range



## HAVERTYS' Strategic Advantages

- Attractive Target Customer
- Appealing Store Base in Good Markets
- Flexibility in Sourcing Distinctive Merchandise
- State-of-Art Store / Distribution Systems
- Financially Sound – \$50 million ABL not in use
- Experienced Team

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## Forward-Looking Statements

The forward-looking statements included in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements address the financial condition, results of operations, business initiatives and prospects of the Company and are subject to certain risks and uncertainties that could cause actual results to differ materially. Please refer to the Company’s current press releases and SEC filings, including, but not limited to, reports on forms 10-K, 8-K, and 10-Q, for more information on the risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. The statements are current as of the date of this presentation, and the Company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances that may arise in the future.

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