

HAVERTYS®



THOUSANDS OF OPTIONS
TO PERSONALIZE YOUR SPACE



KeyBanc
Capital Markets

December 11 - 12, 2013

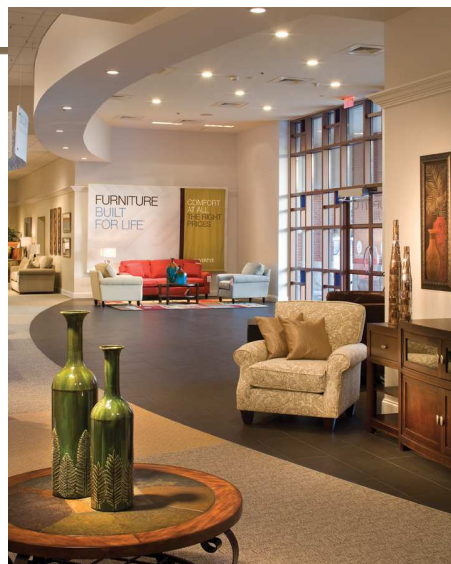


- Founded in 1885
- IPO - October 1929
- Cash dividend since 1935



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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

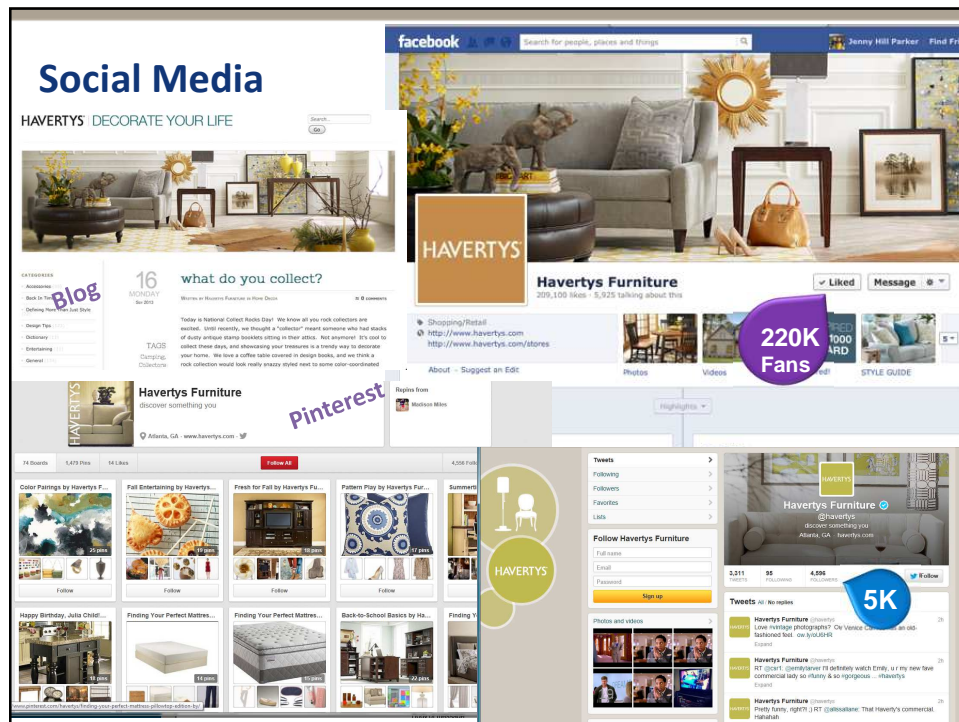
- **Brand**
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Havertys.com - Display and feel mimics store presentation

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 shows user account links like 'Welcome to Havertys', 'Cart (0 items)', 'Wishlist (0 items)', 'Track Orders', and 'Sign In'. The main visual is a large banner for a living room set with the headline 'IT'S SO YOU' and the subtext 'Discover the looks that inspire your one-of-a-kind personality'. Below this banner are four promotional tiles: '18 MONTHS SPECIAL FINANCING', 'HOME FASHION WORKSHOPS', 'REGISTER TO WIN A \$5000 GIFT CARD', and 'CUSTOMLOOK'. At the bottom, a category navigation bar features icons and labels for 'LIVING ROOMS', 'BEDROOMS', and 'DINING ROOMS'.



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**
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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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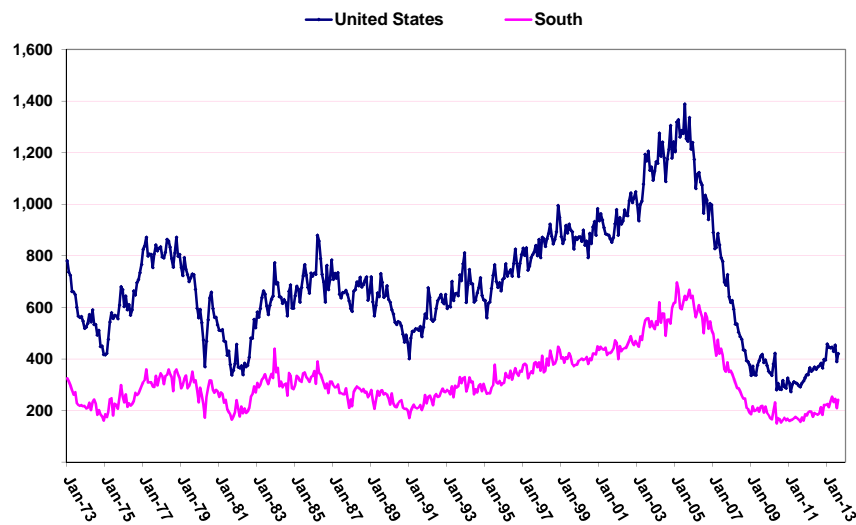
Focused Business Strategy

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

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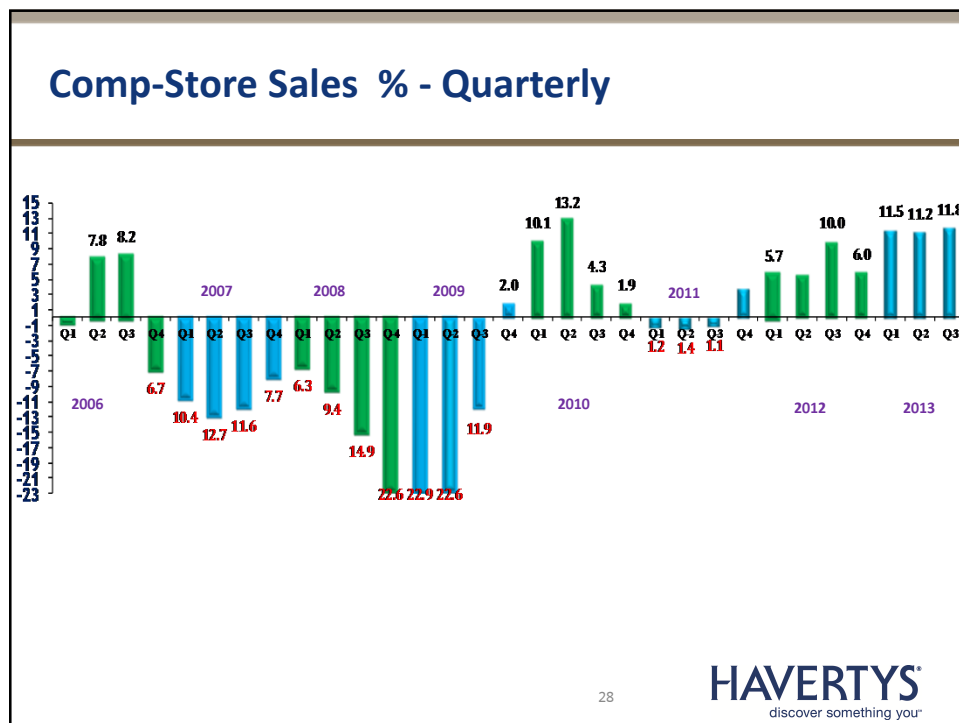
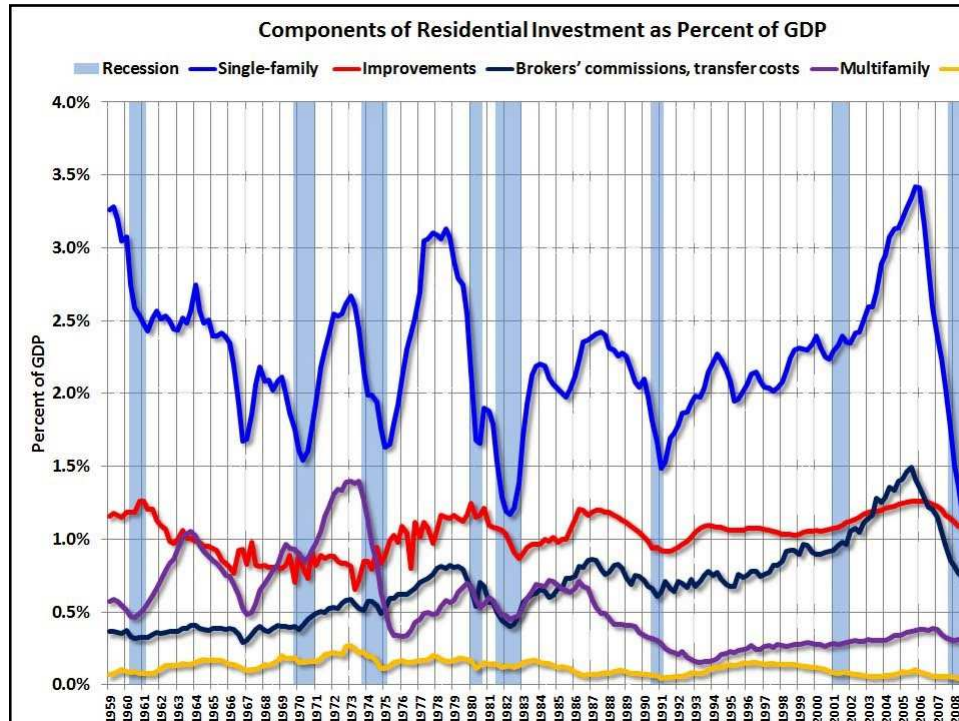
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NEW SINGLE FAMILY HOME SALES
Monthly Data: Seasonally-Adjusted Annualized



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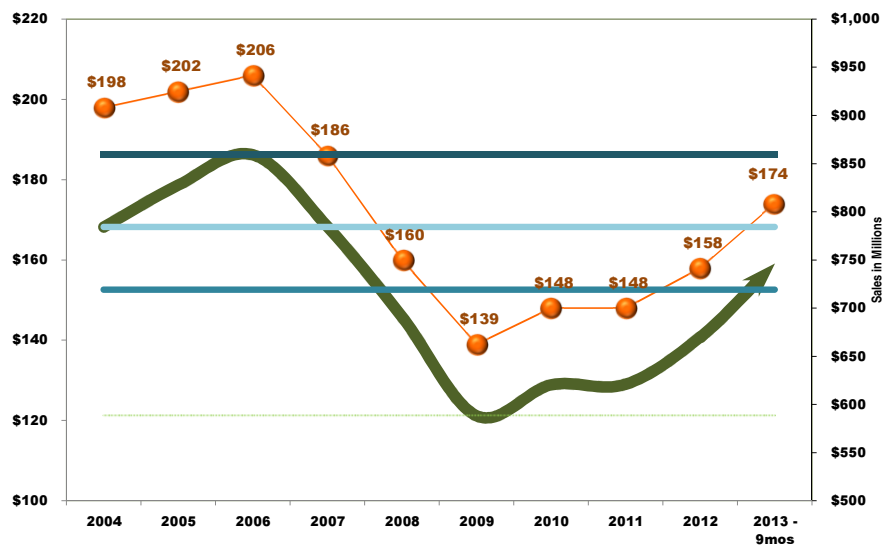
Focused Business Strategy

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Annual Sales / Sq. Ft.



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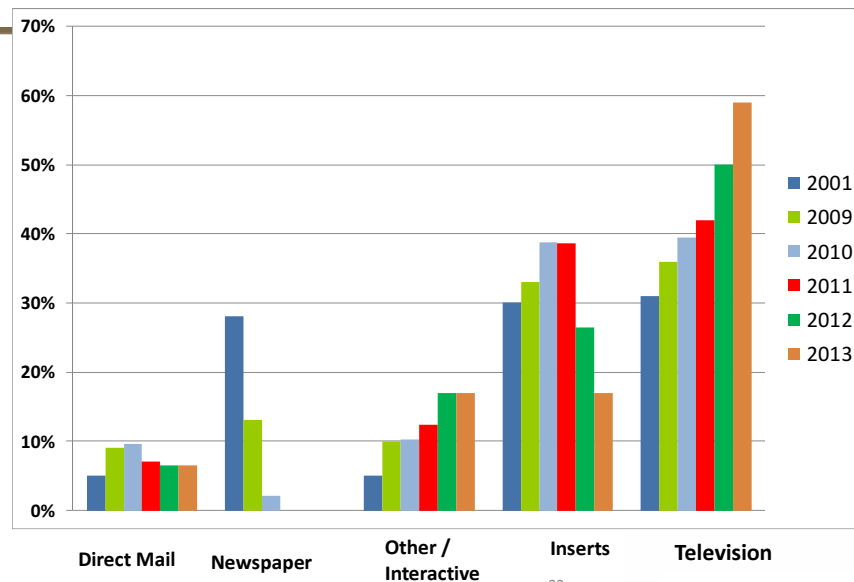
Focused Business Strategy

- 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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Shifting the Media Mix



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Television



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JULY 4TH SALE
SAVE AN EXTRA \$100
ON EVERY \$1000⁺
SHOP SAVINGS ▶

ANNIVERSARY SALE
BONUS DISCOUNTS
SAVE \$100-\$1000⁺
plus extra \$75 off⁺
APRIL 19-22 ONLY
MORE DETAILS ▶

TRADITIONAL HOME Southern Living
Before & After
Instant Spring Makeovers
87 Secrets to Great Cash Appeal
Check Out the New Look of the South
By Traditional Southern Living
Fast or Fabulous? Discover the Difference

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Emails

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

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

Keyword or Item #

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

Where do you get inspiration 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 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 2 3

inspiring textures & pops of color

1 Like us on Facebook at www.facebook.com/havertys
2 Use the official contest app to submit your entry

1 Follow us on Twitter at www.twitter.com/havertys
2 Tweet us your entry and use the hashtag #HavertysContest2013 Don't forget to include the product link.



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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

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She is on the go.....

Customer mobile devices

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“Better” product price points



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Special Orders -- Simplified

Erin Y274 ★★★★★ (4 reviews)



Part of our CUSTOMLOOK SEAT YOURSELF program, our Erin collection features customizable pieces in a simple, sophisticated style. Choose track, rolled or English and 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 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 Con Flex spring unit for stability and strength. Upholstery content: 55% linen, 45% cotton. Cleaning code: S.

ALTERNATE VIEWS

SWATCHES

Zoom Enlarge

Products Details & Benefits Product Reviews Ask & Answer See it in person

Sofa Loveseat

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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



SRV Fation Area Rug

- Transitional
- Loose back cushions are poly-filled and wrapped in polyurethane
- Loose seat cushions have pocketed coils and are wrapped in polyurethane
- Five down blend accent pillows are 22"
- Tapered legs, banded bases, track arms

SKU #080000717
EDLP \$239.99

HVT 12-11207 Table Lamp

- No-sag springs
- Sectional shown in color: stucco
- Custom Choice

SKU #080000844
EDLP \$189.99

WALL ART

WEN Egg Vol 1 Vol II HVT0015 HVT0015, 35" x 40", #07007664 1661, \$299.99 ea.

HVT C142 Manhattan Upholstery Group

with HVT 505 Polaris End Tables



- Contemporary
- 37" sofa
- Attached back and seat cushions with tufting
- 1.8-density cushions wrapped in polyurethane
- Tapered legs in orange finish, track arms
- No-sag springs, tufting on ottoman
- Correlated, semi-aniline top-grain leather with leather splits
- Shown in color: granite

SKU #12000002
EDLP \$1099.99

ORW 520W Rug

- Loft
- Toned shag
- Light neutral
- 8' x 11'

SKU #080000403
EDLP \$249.99

HVT 14-21387 Lamp

- Geoff
- Marble iron base
- Linen shade
- 100 watt 3-way

SKU #080000682
EDLP \$199.99

WALL ART

HVT Sanguis, HVT00205-A, 60" x 20", #070008592, \$359.99



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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.
\$34.5M 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
Stores:		
New or replacement stores	\$ 9,100	\$ 200
Remodels/expansions	10,000	11,300
Other improvements	5,000	4,200
Total stores	24,100	15,700
Distribution	3,400	2,300
Information technology	2,500	4,000
Total	\$ 30,000	\$ 22,000

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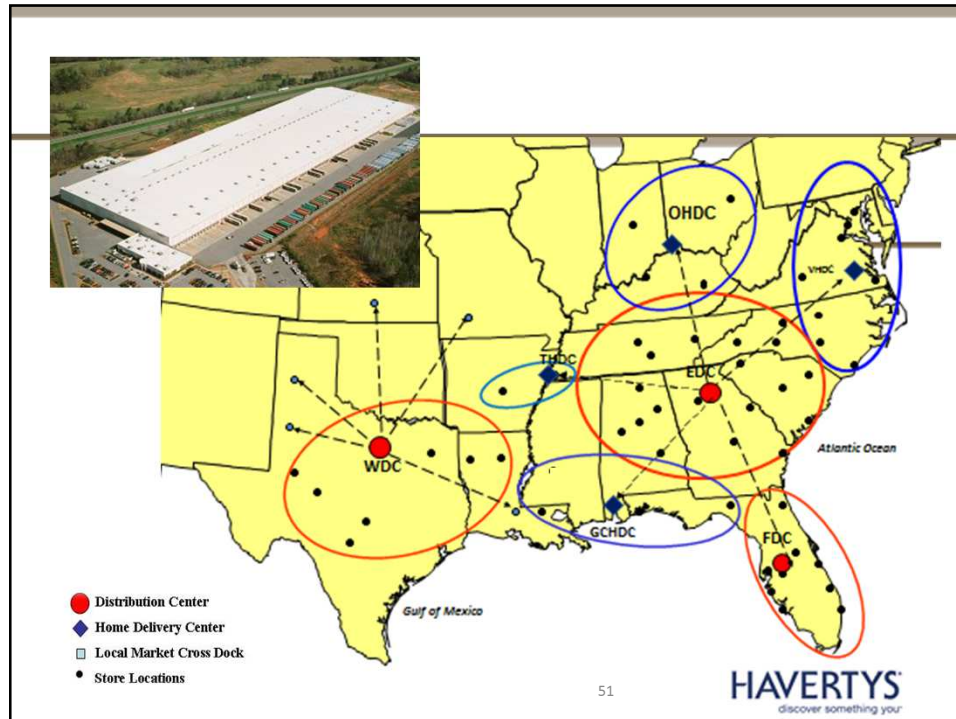


Approx. 50% of sales associates use the iPad

...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



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

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	---	---	---

Refresh




Leonard Madrigal
6 Years of service

Key


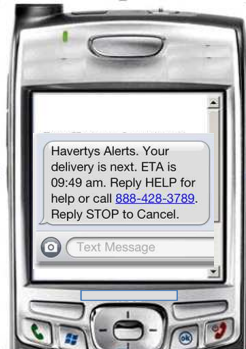
= Your stop

= 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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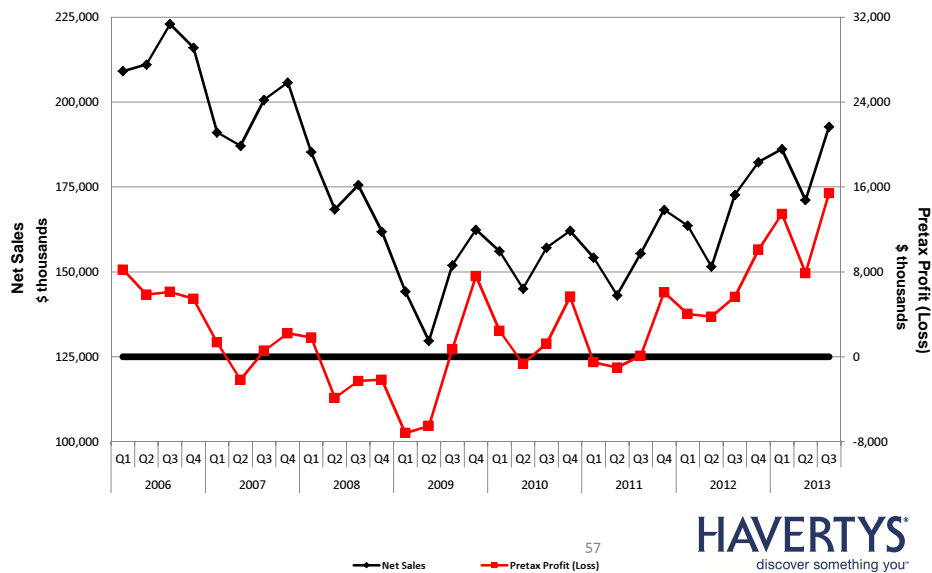
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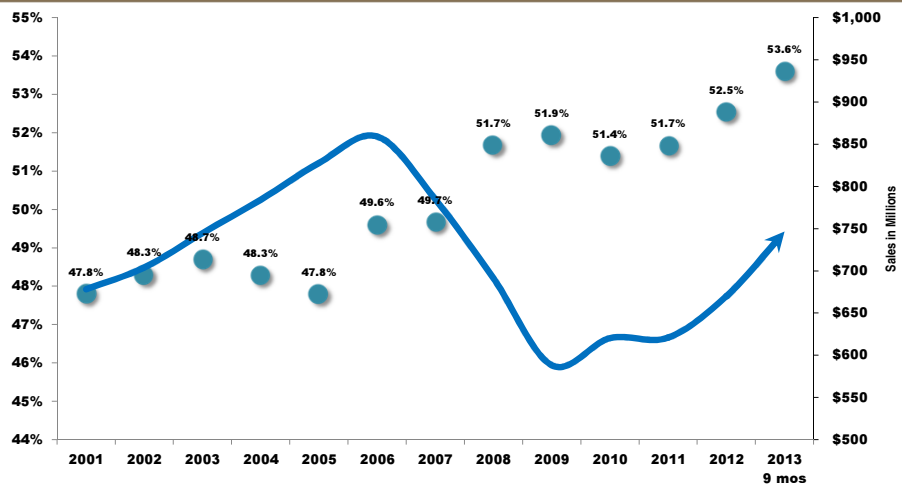
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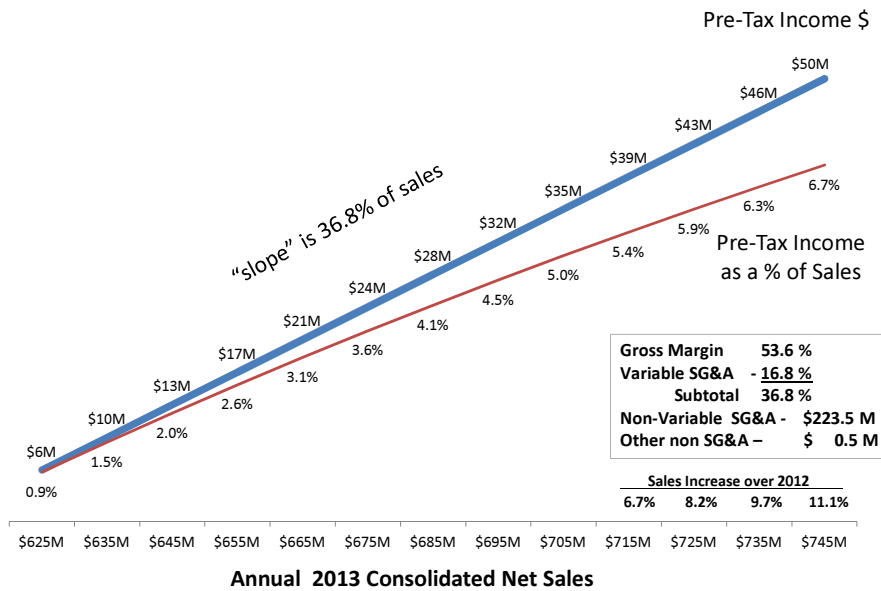
Sales vs. Pretax by quarter



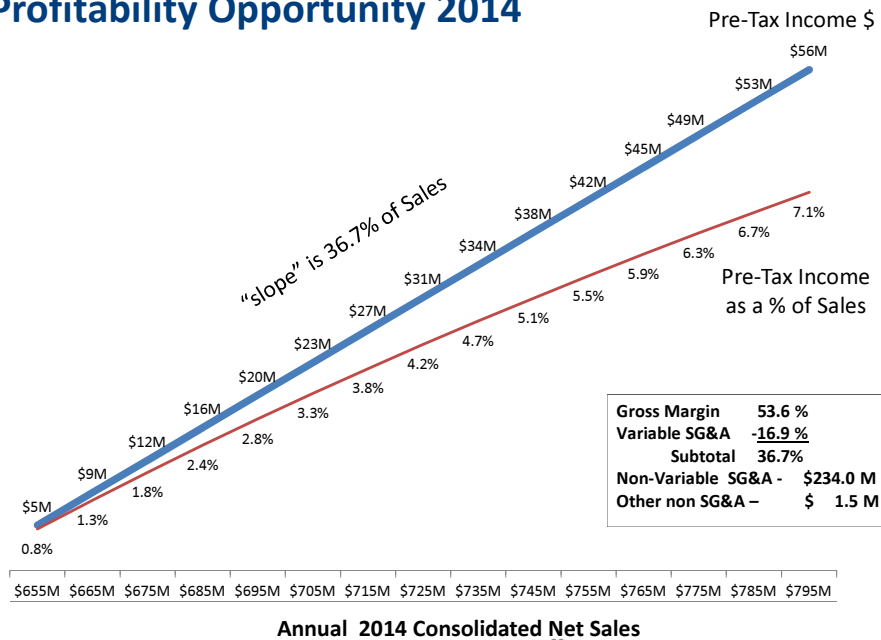
Consolidated Gross Profit Margin



Profitability Opportunity 2013



Profitability Opportunity 2014



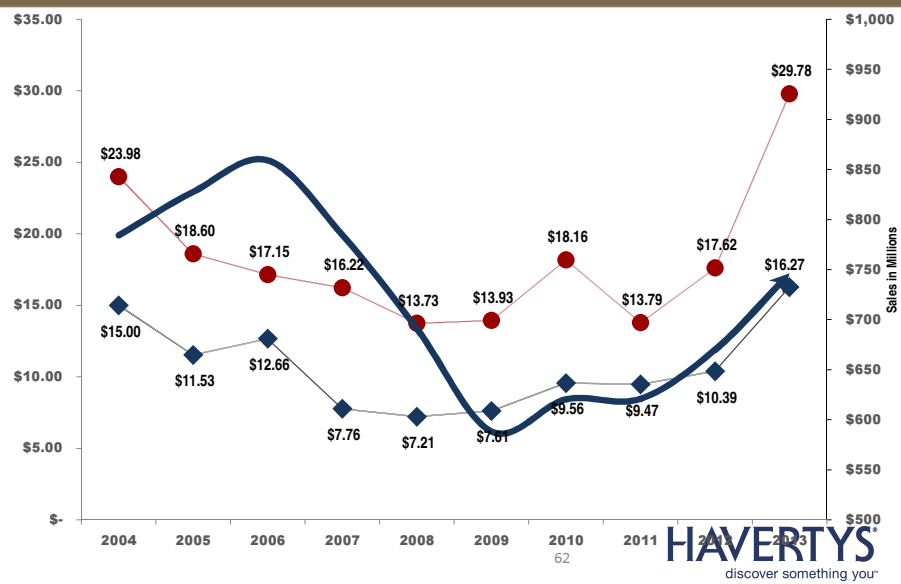
Strong Balance Sheet

- 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

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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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