



May 2026

Flexsteel Industries, Inc. (FLXS) Investor Presentation

FLEXSTEEL®

FORWARD-LOOKING STATEMENTS

This information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended, that are based on management's beliefs, assumptions, current expectations, estimates, and projections about the furniture industry, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," "aspires," "likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. For those statements, Flexsteel Industries, Inc. claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

These statements do not guarantee future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, likelihood, and degree of occurrence. These risks and uncertainties are detailed in certain of Flexsteel's filings with the Securities and Exchange Commission ("SEC"), including in its Annual Report on Form 10-K for the year ended June 30, 2024, under the heading "Risk Factors", and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Outlook," and updated by our subsequent quarterly reports on Form 10-Q, and other SEC filings, as applicable." These reports, as well as the other documents filed by Flexsteel with the SEC, are available free of charge at the SEC's website at www.sec.gov. Due to these risks and uncertainties, actual results and outcomes may materially differ from what we express or forecast. Furthermore, Flexsteel Industries, Inc. undertakes no obligation to update, amend or clarify forward-looking statements.



1. COMPANY OVERVIEW

2. OUR STRATEGY

- COMPETITIVE ADVANTAGES & DIFFERENTIATION
- GROWTH DRIVERS

3. INVESTMENT THESIS

4. FINANCIAL OUTLOOK

5. APPENDIX



1. COMPANY OVERVIEW



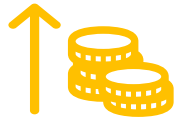
A **disciplined share gainer** with a clear path to continued **growth, margin expansion** and **strong cash flow**



Outgrowing the market through consistent share gains. Compelling future growth potential with an industry recovery.



Differentiated operating model built on consumer insights, innovation and advantaged execution.



Clear margin expansion path driven by mix improvement, operational excellence and sales growth leverage.



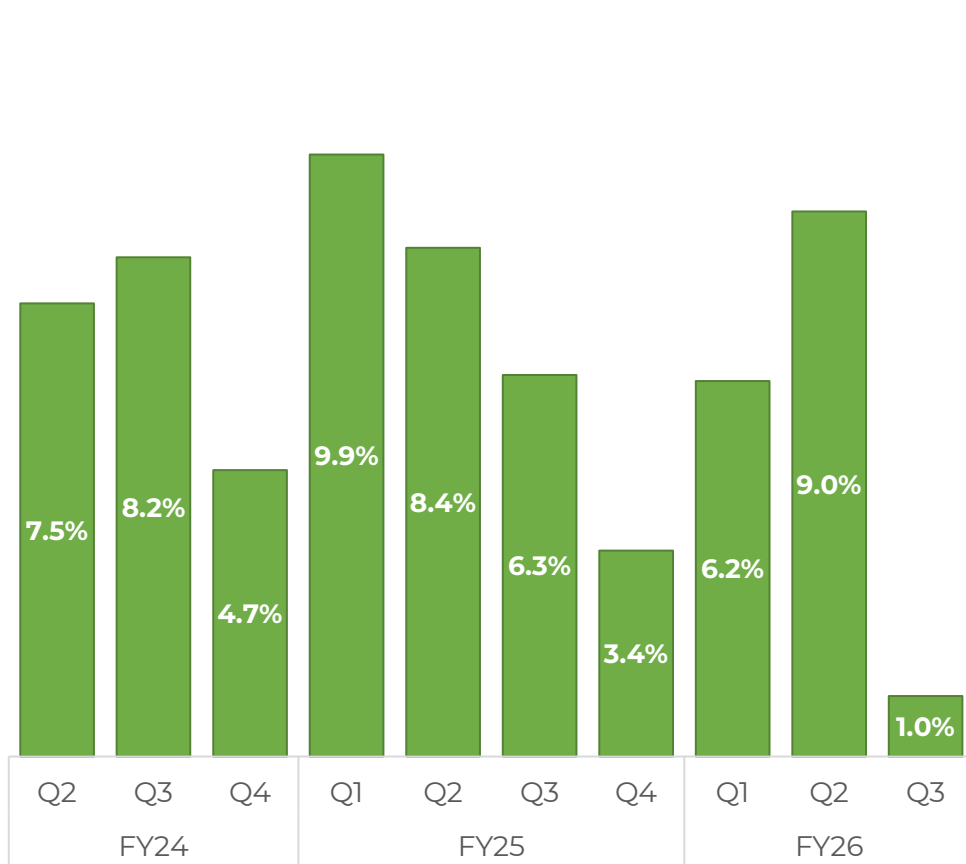
Strong free cash flow generation with low capital intensity and effective working capital management.



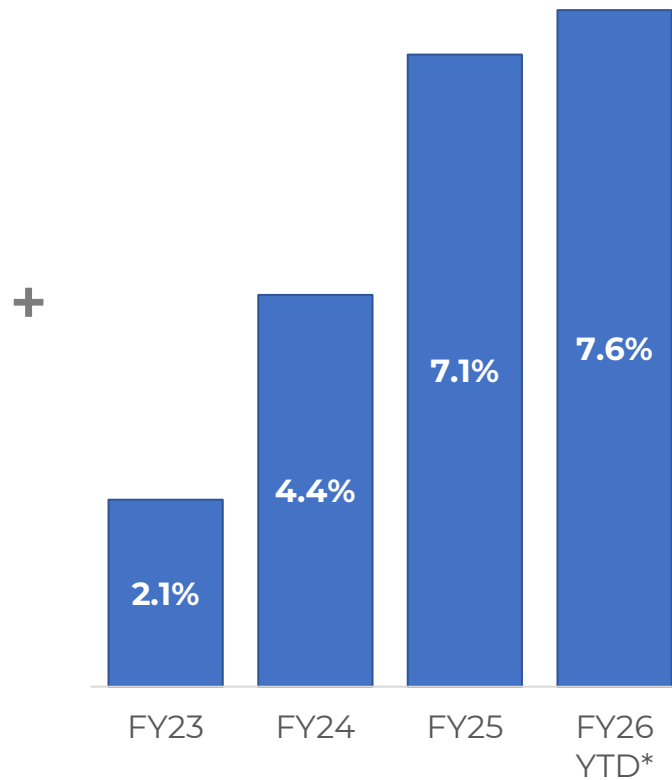
Disciplined capital allocation focused on high-return investment and shareholder returns.

Consistent Share Gains + Margin Expansion → Attractive Shareholder Returns

Quarterly Year-over-Year Sales Growth

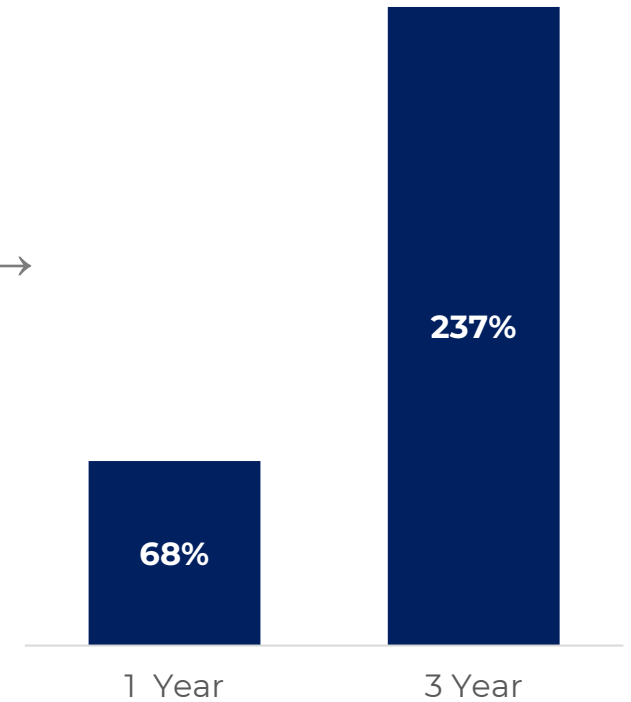


Adjusted Operating Margin



Total Shareholder Return (including Dividends)

As of May 11, 2026



* Nine months ending 3/31/26 (FY26 Q3)

\$458M

LTM¹ Sales

\$36.5M

LTM¹ Operating Income

7.6%

FY26 YTD² Operating Margin

\$42.7M

LTM¹ Free Cash Flow

\$57.3M / \$0M

Cash³

External Debt³



Top 10

U.S. Furniture Manufacturer

~1200

Team Members

+2700

Retail Stores & E-tailers
Selling Flexsteel

**Hybrid Sourced /
Manufactured
Supply Chain**

Target Mix: ~50/50

7

North American Manufacturing
& Distribution Facilities

¹ Last 12 months (LTM) for the period ending 3/31/26 (FY26 Q3)

² Nine months ending 3/31/26 (FY26 Q3)

³ As of the period ending 3/31/26 (FY26 Q3)

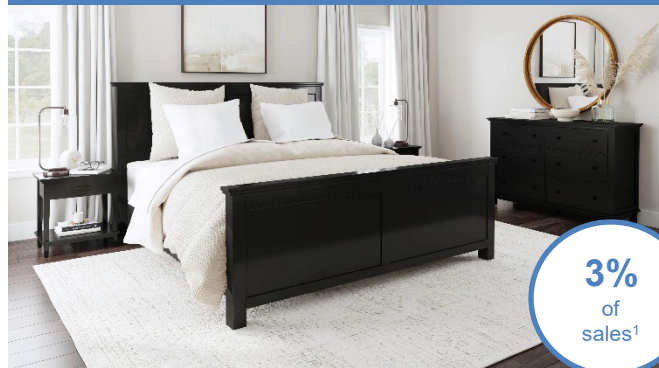
Growing, relevant product assortment with compelling value propositions to meet diverse consumer needs within the home.

Growth opportunity: Expand penetration in the home beyond primary living areas.

PRIMARY LIVING AREAS



BEDROOM



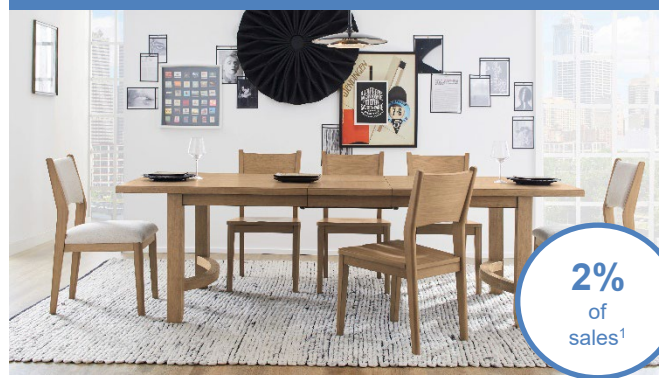
STORAGE / ORGANIZATION



HEALTH & WELLNESS



DINING



OUTDOOR



(1) Based of FY26 Estimated Sales Mix

Strong and broad omni-channel sales distribution across the US that positions our brands where and how consumers want to purchase furniture.

Growth opportunity: Expand sales distribution and share with leading independent retailers and national accounts.

INDEPENDENT RETAIL

Large and important; Aligned with the winning retailers and gaining share

93 to 95%

of estimated FY26 sales

+1400

Customers

+2700

Store Fronts



Raymour & Flanigan
FURNITURE | MATTRESSES®



CITY
FURNITURE

slumberland
FURNITURE

GW
GARDNER WHITE

NATIONAL ACCOUNTS

Leveraging long-term relationships with leading e-tailers / marketplaces

3 to 4%

of estimated FY26 sales

+30

Leading e-tailers



NATIONAL ACCOUNTS

Developing newer big box retail partnerships

2 to 3%

of estimated FY26 sales



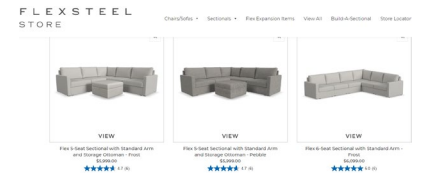
DIRECT-TO-CONSUMER

Complements core selling channels

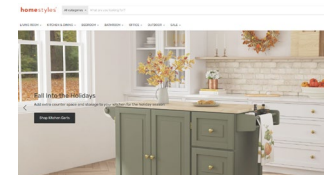
<1%

of estimated FY26 sales

flexsteelstore.com

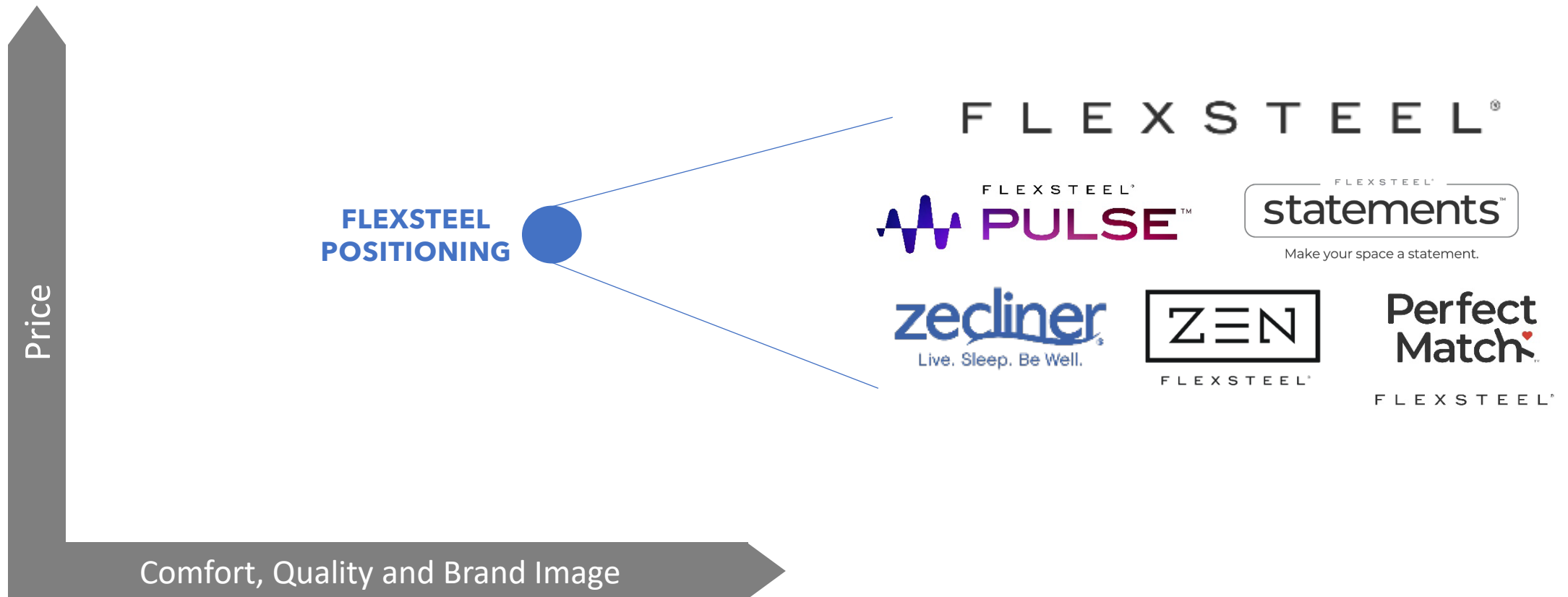


www.homestylesfurniture.com



Flexsteel addresses different market segments through our core brand, **Flexsteel™**, and several category specific sub-brands: **Zecliner™**, **Statements™**, **Zen**, **Perfect Match** and **Pulse™**. Each has a **unique value proposition** tailored to specific consumer needs.

Growth opportunity: Expand consumer brand awareness and strengthen brand portfolio to resonate with early-life stage consumers.

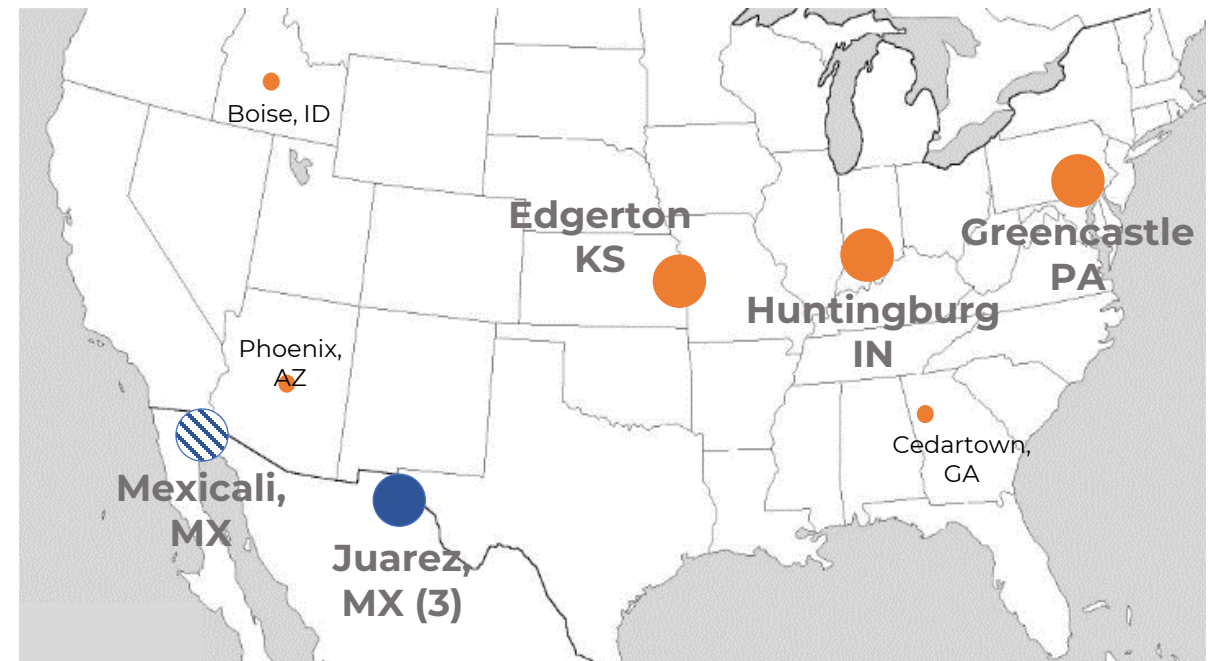


Advantaged global supply chain: **diversified, efficient, agile** and **cost competitive**. Ample capacity to support future growth with minimal investment.

GLOBAL SOURCING



NORTH AMERICA MANUFACTURING & DISTRIBUTION



- Manufacturing Facilities
- Distribution Centers
- Distribution Transfer Points

OUR LEADERSHIP: EXPERIENCED AND RESULTS DRIVEN

Years of Experience:

- Total
- Furniture Industry
- Flexsteel



Bob Bestercy

VP, Global Logistics & Distribution



David Crimmins

Chief Growth Officer



Stacy Kammes

VP, Talent & Customer Experience



Michael McClafin

Chief Information Officer



Mike Ressler

Chief Financial Officer



Derek Schmidt

President and Chief Executive Officer



Vic Tsai

VP, Global Sourcing, Innovation & GM Asia



FLEXSTEEL®
CORE VALUES



CUSTOMER FOCUS

Seeing through the lens of channel partners & consumers to drive excellent customer service



RESULTS DRIVEN

Accountability for delivering results to all stakeholders (internal & external)



CONTINUOUS IMPROVEMENT

Challenge the status quo and find ways to improve all areas around you



AGILITY

Ability and capability to efficiently respond to different and/or changing requirements.



EMPOWERMENT

Having the autonomy to use information and knowledge to influence and make business decisions



DIVERSITY & INCLUSION

Offering an environment that seeks, welcomes, respects and values the contributions of all individuals and groups equally

Committed to positively impacting **healthy people, healthy communities, and a healthy planet.**

Key focus areas:

Sustainable Products & Packaging



SKY
MODULAR SOFT SEATING

Each Sofa reduces waste by keeping 730 Plastic Water Bottles from entering our waterways and landfills!

FEATURING
CLOUDLUX
ECO-FRIENDLY DOWN ALTERNATIVE

Responsible Material Sourcing



Waste Reduction & Recycling



Environmental Stewardship



Arbor Day Foundation
13,000 Trees Planted

Community Giving



Employee Volunteerism



Employee Engagement & Development



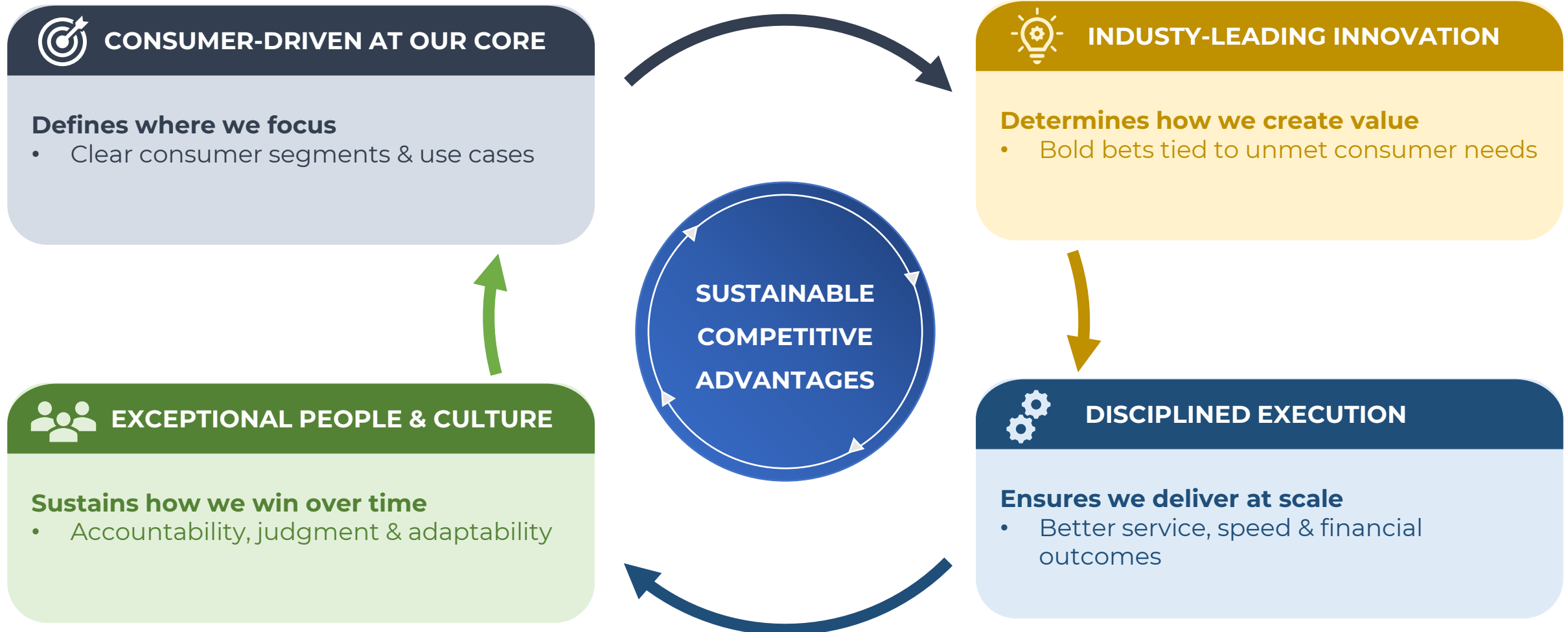
Employee Safety



2. OUR STRATEGY — COMPETITIVE ADVANTAGES & DIFFERENTIATION



A repeatable system for **consumer relevance**, meaningful **differentiation**, and **advantaged execution**.



We create strong consumer value with unmatched **quality, comfort, and durability**, all supported by **innovation** and compelling designs.



FLEXSTEEL™

The Blue Steel Advantage

At the heart of our upholstered seating is our Blue Steel Spring™ - a patented ribbon of steel that provides unmatched comfort and durability.



flex™
FLEXSTEEL™

Easy Assembly - No Tools Required
Patent-Pending J-Brackets and C-Clips Included

Done in Minutes



Now with **Nanobionic Wellness Fabric**

Recycles your body's energy for:

- Improved blood flow
- Enhanced recovery
- More restful sleep

zedliner
Live. Sleep. Be Well.

FLEXSTEEL™

EXAMPLE

7% of U.S. adults can't consistently sleep in a bed at night, but most furniture isn't designed for sleep. The **Zecliner™** is a **sleep chair** that aesthetically fits into any living room or bedroom and is innovatively **designed to sleep comfortably for 8+ hours** as validated by independent sleep studies.

zecliner™
FLEXSTEEL®

APPROVED BY
Sleep Score
Validated
SLEEP EXPERTS

ZERO GRAVITY

LIVESMART FABRIC

TECHNOGEL HEAD PILLOW

APP TECHNOLOGY

LED LIGHTING

APPROVED BY
Sleep Score
Validated
SLEEP EXPERTS

84% REPORTED FEELING PRESSURE RELIEVED BY ZECLINER

95% PARTICIPANTS REPORTED THAT ZECLINER FELT WEIGHTLESS

119% INCREASE IN FEELING WELL-RESTED UPON WAKING UP

121% INCREASE IN OVERALL SLEEP QUALITY

zecliner™
Live. Sleep. Be Well.
FLEXSTEEL®

2. OUR STRATEGY - GROWTH DRIVERS



Dimension

Core Markets

New/Expanded Markets

Product Categories

 **IN-STOCK SEATING**

 **HEALTH & WELLNESS**

 **MADE-TO-ORDER SEATING**

FLEXSTEEL®

 **CASEGOODS**


 Make your space a statement.

Sales Distribution


 **STRATEGIC ACCOUNTS**



   


 **NATIONAL ACCOUNTS**

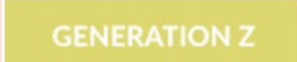

  

Consumer Segments & Life Stages

 **ESTABLISHED HOUSEHOLDS**

 **EARLY-STAGE HOUSEHOLDS**

3. INVESTMENT THESIS



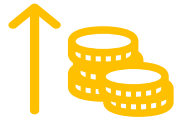
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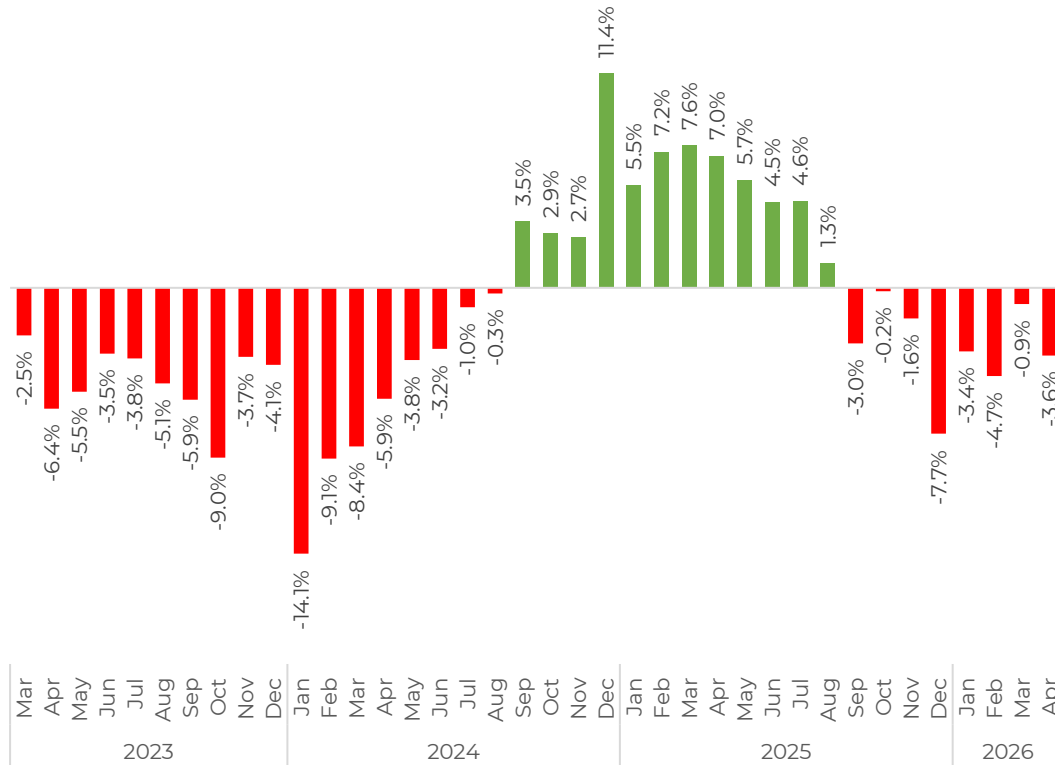
Strong free cash flow generation with low capital intensity and effective working capital management.



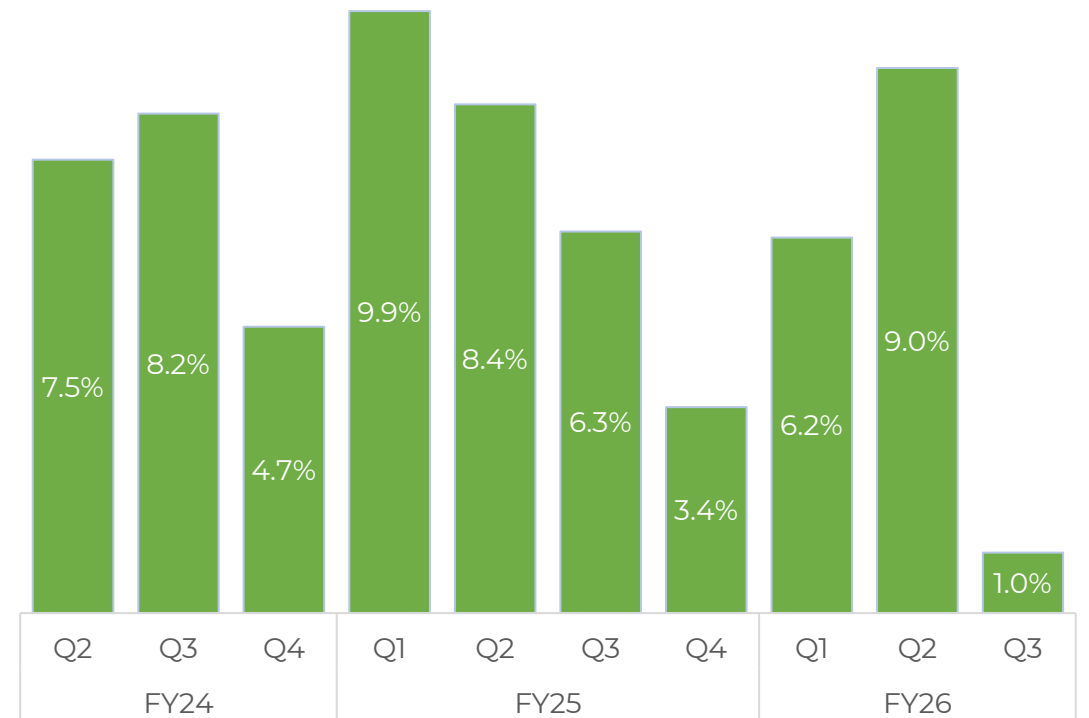
Disciplined capital allocation focused on high-return investment and shareholder returns.

10 consecutive quarters of year-over-year growth despite challenging industry conditions

Furniture Industry Retail Sales Growth



Flexsteel Quarterly Year-over-Year Sales Growth



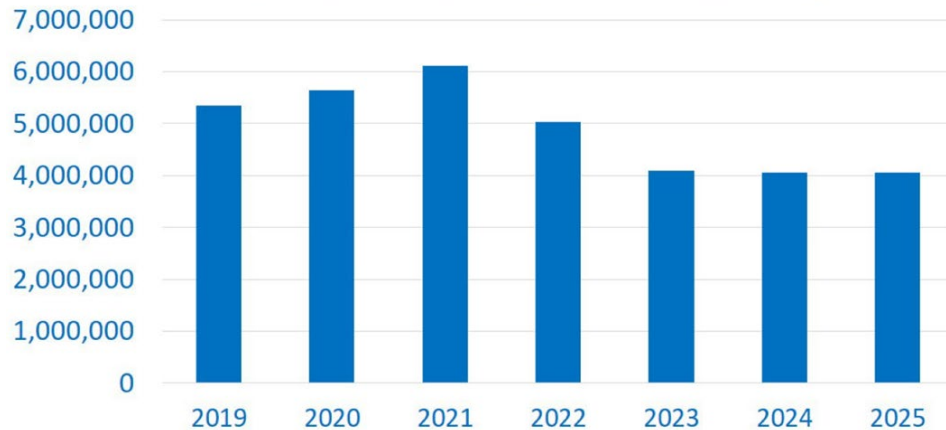
Source: U.S Census Bureau, Advanced Monthly Sales for Furniture and Home Furnishings Stores (Seasonally Adjusted); May 14, 2026

Despite near-term headwinds, conditions are favorable to long-term industry growth driven by healthy long-term **demand for housing** and **consumer generational shifts**

Housing Demand

Housing production has not kept up with population growth and new household formation, and existing home sales have been subpar for 3 years (75% of pre-COVID activity). Pent up and new demand for housing will drive significant demand for new furniture in the coming years.

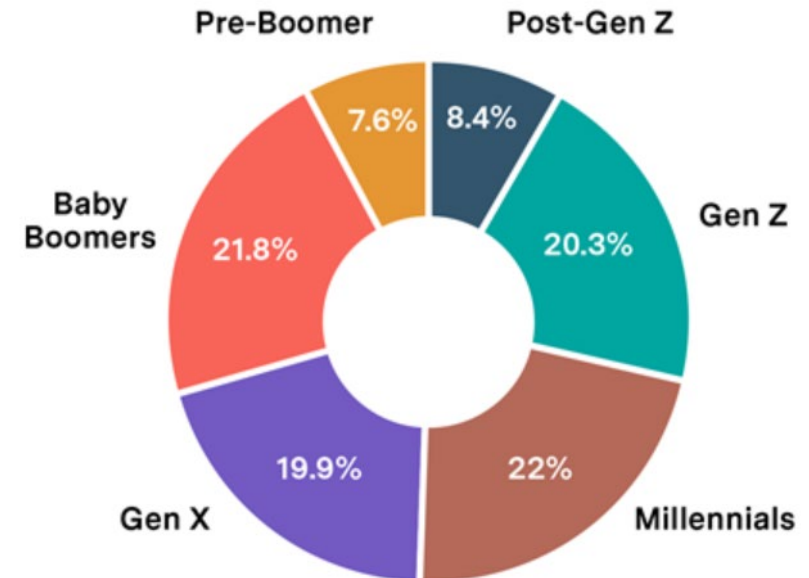
Existing Home Sales



Source: National Association of Realtors

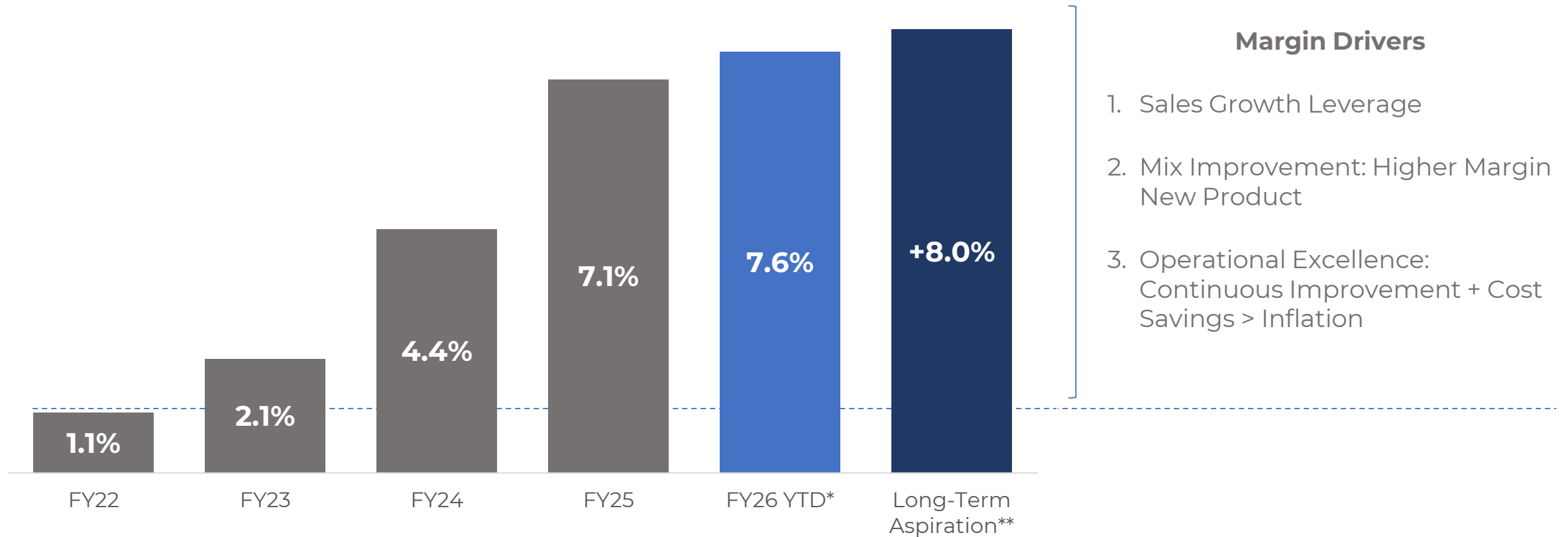
US Population by Generation

Adult Gen Z and Gen Y Millennials are an emerging demographic whose unique preferences will drive furniture demand as their buying power increases.



Strong profit improvement with compelling outlook for continued margin expansion.

Adjusted Operating Margin

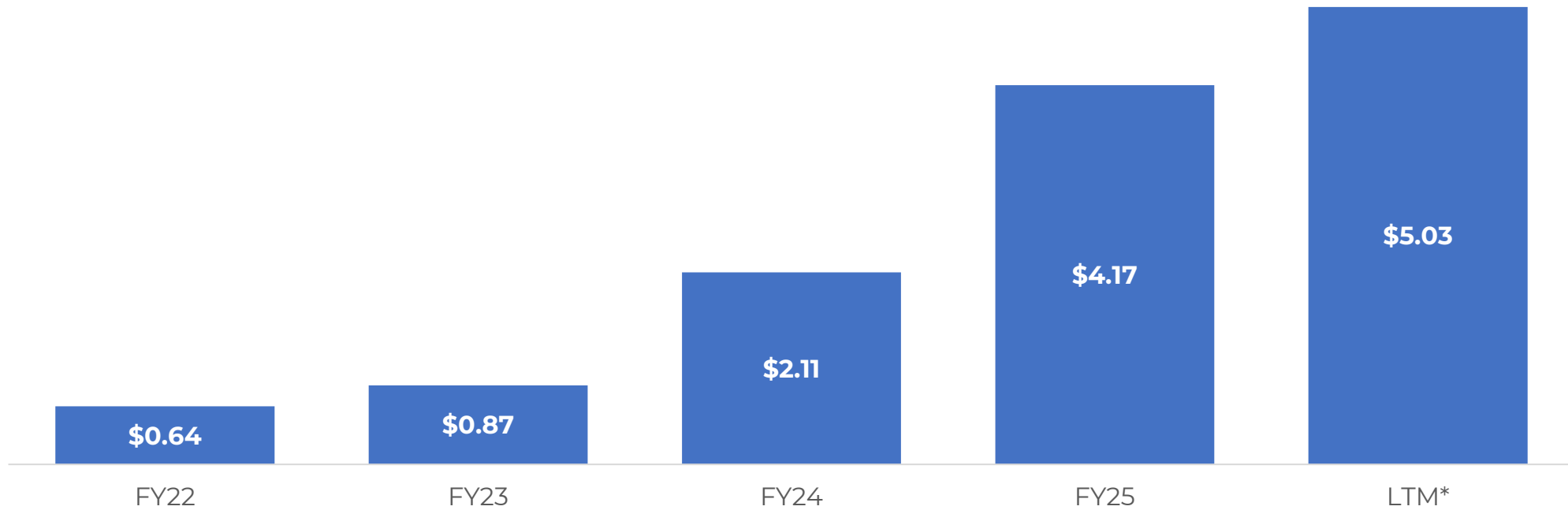


* FY26 YTD: Nine months for the period ending 3/31/26

** Forward-looking estimates

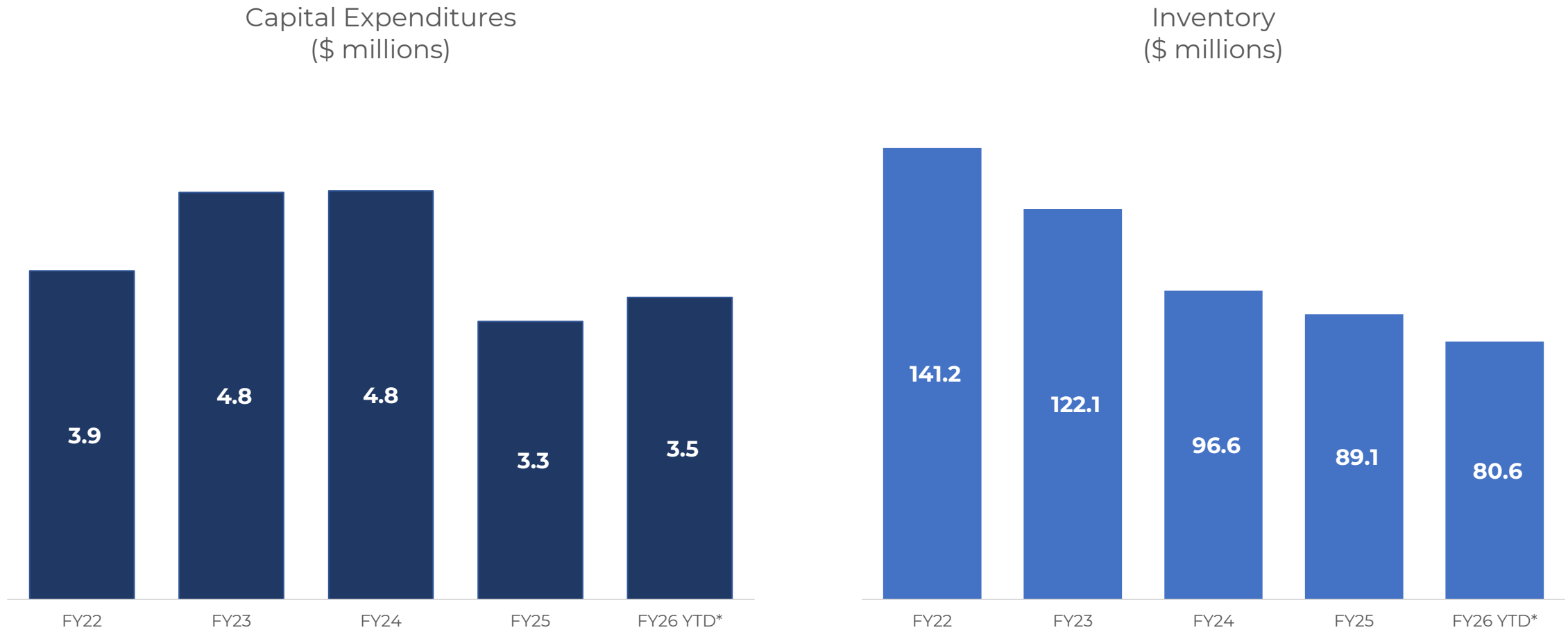
Consistent sales growth and margin improvement driving **significant earnings momentum.**

Adjusted Diluted Earnings Per Share



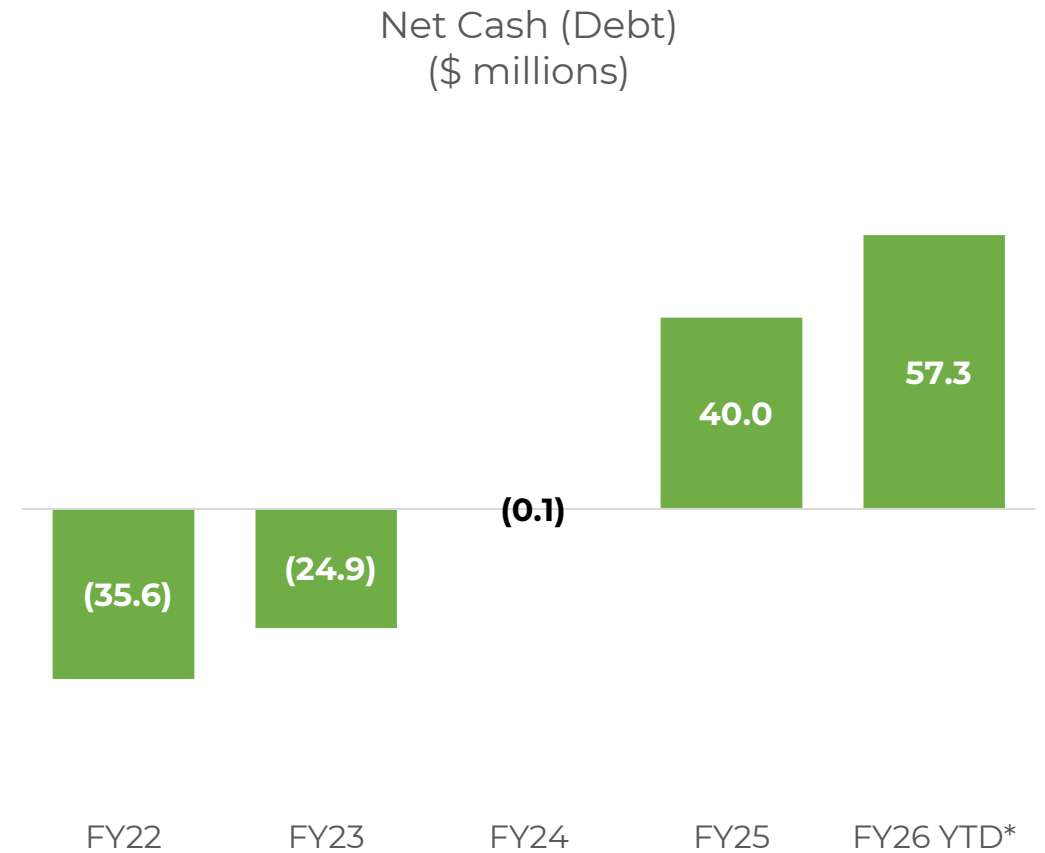
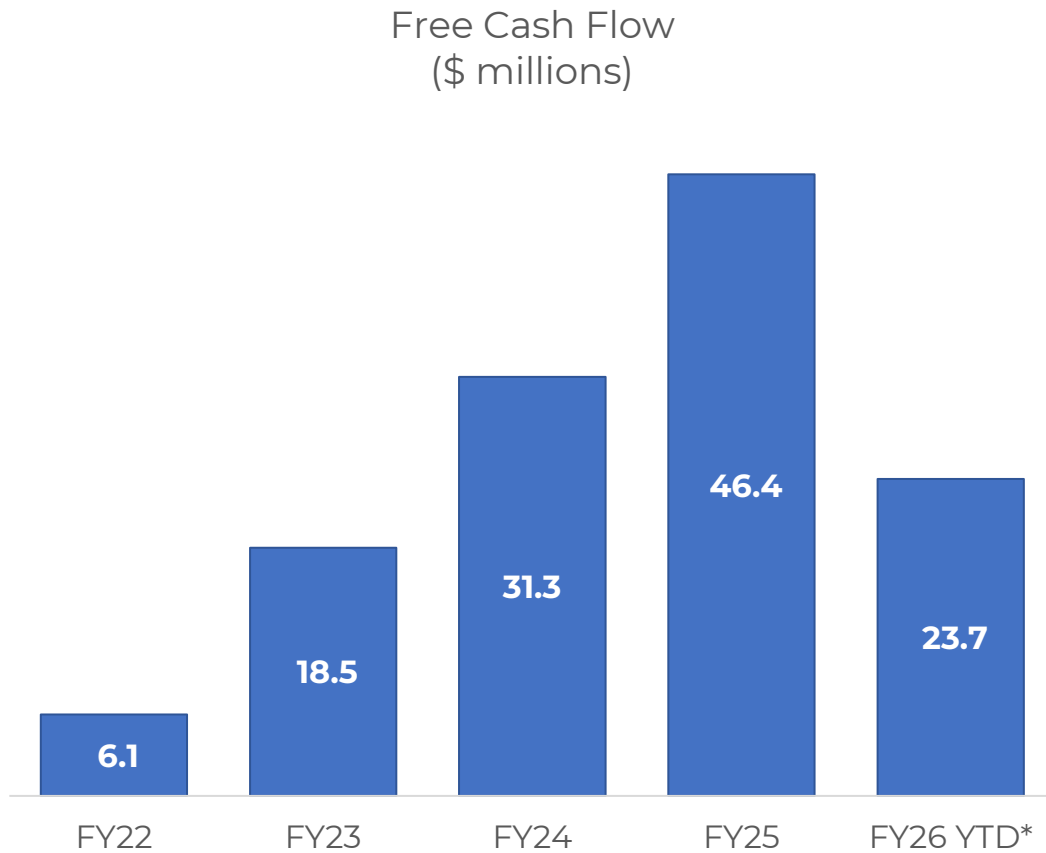
* Last twelve months = Adjusted Diluted EPS for FY26 YTD (Nine months for the period ending 3/31/26) of \$3.63 plus Adjusted Diluted EPS for FY25 Q4 of \$1.40

Low capital expenditure requirements ($\leq 1\%$ of sales) and well-managed inventory support continued free cash flow generation.



* FY26 YTD: Nine months for the period ending 3/31/26

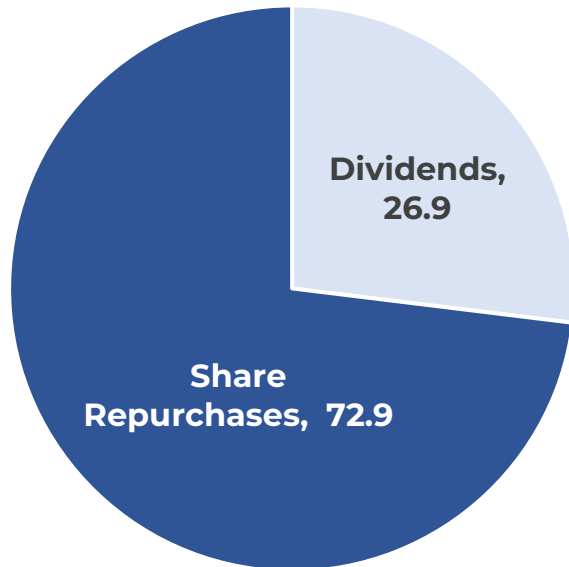
Sales growth, improved profitability and effective capital management generating meaningful free cash flow and strengthening the balance sheet.



* FY26 YTD: Nine months for the period ending 3/31/26

Demonstrated history of **returning excess capital to shareholders**. Long-term capital prioritization focused on **business reinvestment** and **growth opportunities with high ROI**.

Return of Capital (FY20-FY26 YTD*)
(\$ millions)



Capital Allocation Priorities

~60% Business Reinvestment

1. Growth (including acquisitions)
2. Maintenance CapEx

~40% Return to Shareholders

1. Dividend growth
2. Opportunistic share repurchases

* FY26 YTD: Nine months for the period ending 3/31/26

4. FINANCIAL OUTLOOK



LONGER-TERM FINANCIALS

	FY24	FY25	LTM*	Longer-Term Aspiration**
Net Sales (\$ millions)	\$413	\$441	\$458	Up to \$750 (with acquisitions)
Gross Margin	21.3%	22.2%	23.2%	23%+
Adjusted Operating Margin	4.4%	7.1%	8.0%	8.0%+
Adjusted Diluted Earnings Per Share	\$2.11	\$4.17	\$5.03	\$7.00+
Free Cash Flow (\$ millions)	\$31	\$45	\$43	\$40+

* Last twelve months = FY26 YTD (Nine months for the period ending 3/31/26) plus FY25 Q4

** Forward-looking estimates



Thank You





The Company is providing information regarding adjusted operating income and adjusted diluted earnings per share of common stock, which are not recognized terms under U.S. Generally Accepted Accounting Principles (“GAAP”) and do not purport to be alternatives to operating income or diluted earnings per share of common stock as a measure of operating performance. A reconciliation of adjusted operating income and adjusted diluted earnings per share of common stock is provided in the subsequent slide. Management believes the use of these non-GAAP financial measures provide investors useful information to analyze and compare performance across periods excluding the items which are considered by management to be extraordinary or one-time in nature. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies.

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP operating income to the calculation of adjusted operating income for fiscal year ended June 30, 2025:

<i>(in thousands)</i>	Q1	% of Sales	Q2	% of Sales	Q3	% of Sales	Q4	% of Sales	FY25	% of Sales
Reported GAAP operating income	\$ 6,047	5.8%	\$ 11,654	10.7%	\$ (5,060)	-4.4%	\$ 13,974	12.2%	\$ 26,615	6.0%
Right-of-use asset impairment	—		—		14,079	12.4%	—		14,079	3.2%
(Gain) on sale of real estate	—		—		(753)		—		(753)	-0.2%
Gain on Disposal of Assets	—	0.0%	(4,991)	-4.6%	—		(3,702)	-3%	(8,693)	-2.0%
Adjusted operating income	\$ 6,047	5.8%	\$ 6,663	6.1%	\$ 8,266	7.3%	\$ 10,272	9.0%	\$ 31,248	7.1%

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP diluted earnings per share to the calculation of adjusted diluted earnings per share for fiscal year ended June 30, 2025:

	Q1	Q2	Q3	Q4	FY25
Reported GAAP diluted earnings per share	\$ 0.74	\$ 1.62	\$ (0.71)	\$ 1.89	\$ 3.55
Right-of-use asset impairment	—	—	2.52	—	2.48
(Gain) on sale of real estate	—	—	(0.13)	—	(0.13)
Gain on disposal of assets	—	(0.89)	—	(0.65)	(1.53)
Tax impact of the above adjustments ⁽¹⁾	—	0.22	(0.59)	0.16	(0.20)
Expiring state tax credits	—	—	—	—	—
Remeasurement of deferred tax assets and valuation allowance	—	—	—	—	—
Adjusted diluted earnings per share	\$ 0.74	\$ 0.95	\$ 1.13	\$ 1.40	\$ 4.17

Note: The table above may not foot due to rounding and changes in effective tax rates and weighted average diluted shares outstanding between quarterly and annual periods

(1) Effective tax rate for the three months ended December 31, 2024, March 31, 2025, and June 30, 2025 were 24.66%, 24.6% and 25.2%, respectively. Effective tax rate of 24.2% was used to calculate the twelve months ended June 30, 2025.

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP operating income to the calculation of adjusted operating income for fiscal year ended June 30, 2024:

<i>(in thousands)</i>	Q1	% of Sales	Q2	% of Sales	Q3	% of Sales	Q4	% of Sales	FY24	% of Sales
Reported GAAP operating income	\$ 1,918	2.0%	\$ 4,585	4.6%	\$ 2,982	2.8%	\$ 7,596	6.9%	\$ 17,080	4.1%
Restructuring expense	—		—		2,627	2.5%	355	0.3%	2,982	0.7%
CEO Transition Costs	—		—		—		1,510	1.3%	1,510	0.4%
Gain on Disposal of Assets	—		—		—		(3,262)	-2.9%	(3,262)	-0.8%
Adjusted operating income	\$ 1,918	2.0%	\$ 4,585	4.6%	\$ 5,609	5.2%	\$ 6,199	5.6%	\$ 18,310	4.4%

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP diluted earnings per share to the calculation of adjusted diluted earnings per share for fiscal year ended June 30, 2024:

	Q1	Q2	Q3	Q4	FY24
Reported GAAP diluted earnings per share	\$ 0.14	\$ 0.57	\$ 0.33	\$ 0.89	\$ 1.91
Restructuring expense	—	—	0.48	0.06	0.54
CEO Transition Costs	—	—	—	0.27	0.27
Gain on Disposal of Assets	—	—	—	(0.59)	(0.59)
Tax impact of the above adjustments ⁽¹⁾	—	—	(0.14)	0.11	(0.02)
Adjusted diluted earnings per share	\$ 0.14	\$ 0.57	\$ 0.67	\$ 0.75	\$ 2.11

Note: The table above may not foot due to rounding and changes in effective tax rates and weighted average diluted shares outstanding between quarterly and annual periods

⁽¹⁾ Effective tax rate of 44.2% and 30.0% was used to calculate the three months ended June 30, 2024, and March 31, 2024, respectively. Effective tax rate of 9.2% was used to calculate the twelve months ended June 30, 2024.

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP operating income to the calculation of adjusted operating income for fiscal year ended June 30, 2023:

<i>(in thousands)</i>	Q1	% of Sales	Q2	% of Sales	Q3	% of Sales	Q4	% of Sales	FY23	% of Sales
Reported GAAP operating income	\$ 428	0.4%	\$ 3,762	4.0%	\$ 2,116	2.1%	\$ 4,236	4.0%	\$ 10,542	2.7%
Other expense	347	0.4%	—		—		—		347	0.1%
Environmental remediation	—		(2,788)	-3.0%	—		—		(2,788)	-0.7%
Adjusted operating income	\$ 775	0.8%	\$ 974	1.0%	\$ 2,116	2.1%	\$ 4,236	4.0%	\$ 8,101	2.1%

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP diluted earnings per share to the calculation of adjusted diluted earnings per share for fiscal year ended June 30, 2023:

	Q1	Q2	Q3	Q4	FY23
Reported GAAP diluted earnings per share	\$ 0.05	\$ 0.53	\$ 0.28	\$ 1.91	\$ 2.74
Other expense	0.06	—	—	—	0.06
Environmental remediation	—	(0.52)	—	—	(0.52)
Tax impact of the above adjustments ⁽¹⁾	(0.02)	0.07	—	—	0.11
Expiring state tax credits	—	—	—	0.30	0.29
Remeasurement of deferred tax assets and valuation allowance	—	—	—	(1.85)	(1.83)
Adjusted diluted earnings per share	\$ 0.09	\$ 0.08	\$ 0.28	\$ 0.36	\$ 0.87

Note: The table above may not foot due to rounding and changes in effective tax rates and weighted average diluted shares outstanding between quarterly and annual periods

⁽¹⁾ Effective tax rate of 27% and 13.5% was used to calculate the three months ended September 30, 2022, and December 31, 2022, respectively. Effective tax rate of 25.1% was used to calculate the twelve months ended June 30, 2023.

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP operating income to the calculation of adjusted operating income for fiscal year ended June 30, 2022:

<i>(in thousands)</i>	Q1	% of Sales	Q2	% of Sales	Q3	% of Sales	Q4	% of Sales	FY22	% of Sales
Reported GAAP operating income (loss)	\$ 5,873	4.3%	\$ (8,636)	-6.1%	\$ 5,814	4.1%	\$ 3,566	2.9%	\$ 6,617	1.2%
Restructuring expense (income)	152	0.1%	622	0.4%	(59)	0.0%	15	0.0%	730	0.1%
(Gain) on disposal of assets due to restructuring	\$ (1,400)	-1.0%	\$ —		\$ —		\$ —		\$ (1,400)	-0.3%
Non-GAAP operating income (loss)	<u>\$ 4,625</u>	<u>3.4%</u>	<u>\$ (8,014)</u>	<u>-5.7%</u>	<u>\$ 5,755</u>	<u>4.1%</u>	<u>\$ 3,581</u>	<u>2.9%</u>	<u>\$ 5,947</u>	<u>1.1%</u>

The following table sets forth the reconciliation of the Company's reported quarterly and annual GAAP diluted earnings per share to the calculation of adjusted diluted earnings per share for fiscal year ended June 30, 2022:

	Q1	Q2	Q3	Q4	FY22
Reported GAAP diluted earnings per share	\$ 0.61	\$ (1.13)	\$ 0.82	\$ (0.05)	\$ 0.28
Restructuring expense (income)	0.03	0.09	(0.01)	—	0.11
(Gain) on disposal of assets due to restructuring	(0.20)	—	—	—	(0.22)
Tax impact of the above adjustments ⁽¹⁾	0.04	(0.01)	—	—	0.07
Remeasurement of deferred tax assets and valuation allowance	—	—	—	0.46	0.39
Non-GAAP diluted earnings (loss) per share	<u>\$ 0.48</u>	<u>\$ (1.05)</u>	<u>\$ 0.81</u>	<u>\$ 0.41</u>	<u>\$ 0.64</u>

Note: The table above may not foot due to rounding and changes in effective tax rates and weighted average diluted shares outstanding between quarterly and annual periods

⁽¹⁾ Effective tax rate of 23.2%, 13.8%, 5.9% and 108.1% was used to calculate the three months ended September 30, 2021, and December 31, 2021, March 31, 2022, and June 30, 2022, respectively. Effective tax rate of 68.6% was used to calculate the twelve months ended June 30, 2022.