

August 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



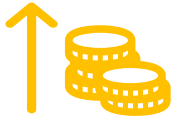
A disciplined share gainer with a clear path to continued growth, margin expansion and strong cash flow



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.



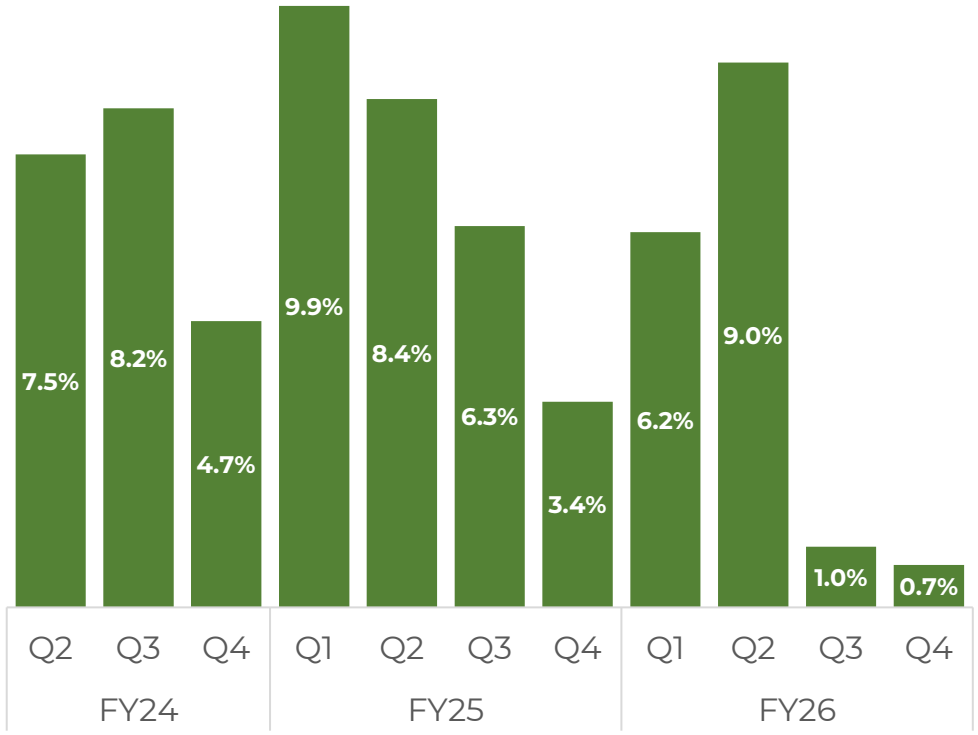
Strong free cash flow generation with low capital intensity and effective working capital management.



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

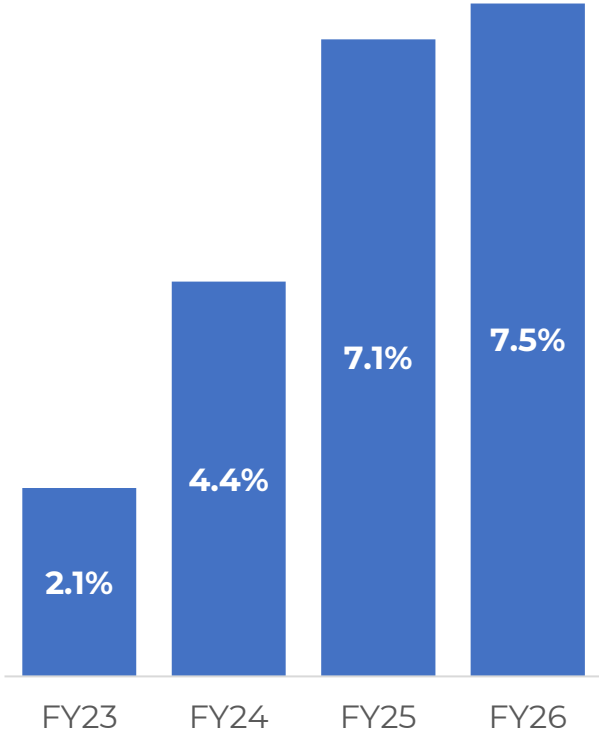
Consistent Share Gains + Margin Expansion → Attractive Shareholder Returns

Quarterly Year-over-Year Sales Growth



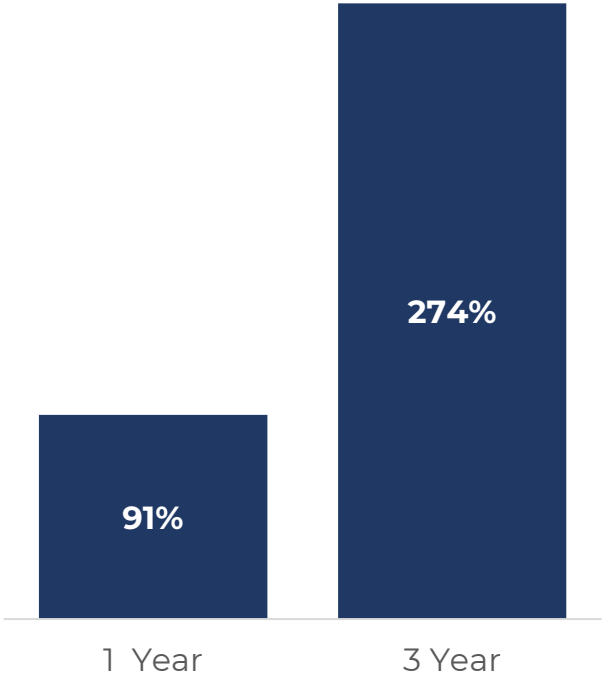
+

Adjusted Operating Margin



Total Shareholder Return (including Dividends)

As of August 19, 2026



FLEXSTEEL AT A GLANCE

$459.2M
FY26 Sales

$34.4M
FY26 Adjusted Operating Income

7.5%
FY26 Adjusted Operating Margin

$47.6M
FY26 Free Cash Flow

$16.7M Cash / **$0M** External Debt
as of June 30, 2026



Top 10
U.S. Furniture Manufacturer

~1200
Team Members

+2700
Retail Stores & E-tailers Selling Flexsteel

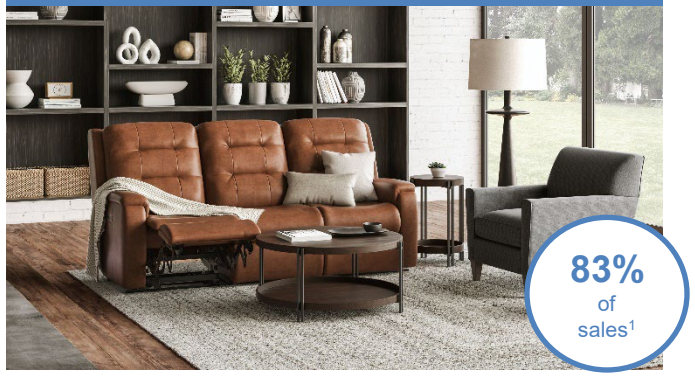
Hybrid Sourced / Manufactured Supply Chain
Target Mix: ~50/50

7
North American Manufacturing & Distribution Facilities

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

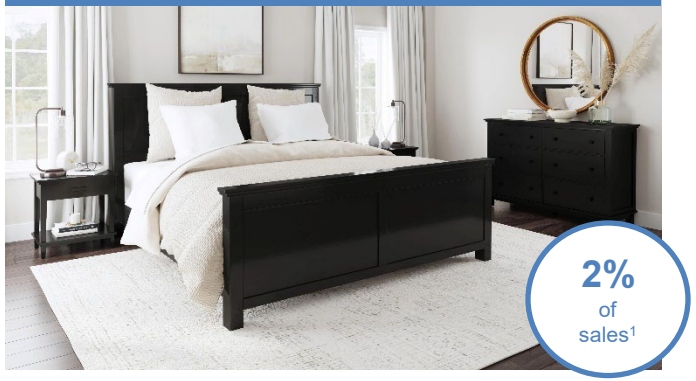
Growth opportunity: Expand penetration in the home beyond primary living areas.

PRIMARY LIVING AREAS



83% of sales[1]

BEDROOM



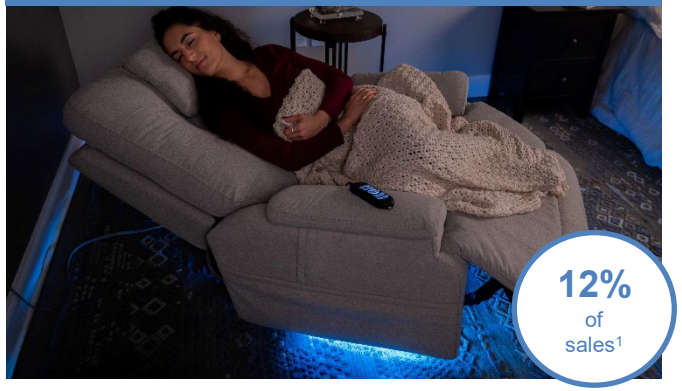
2% of sales[1]

STORAGE / ORGANIZATION



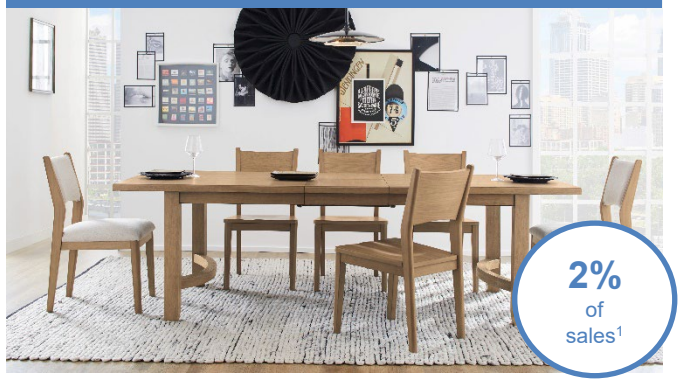
<1% of sales[1]

HEALTH & WELLNESS



12% of sales[1]

DINING



2% of sales[1]

OUTDOOR



<1% of sales[1]

(1) Based of FY27 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

94 to 96%
of estimated FY27 sales

+1400
Customers

+2700
Store Fronts

NFM · Raymour & Flanigan Furniture | Mattresses · Living Spaces · City Furniture · slumberland Furniture · GW Gardner White

NATIONAL ACCOUNTS

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

1 to 2%
of estimated FY27 sales

+30
Leading e-tailers

amazon · wayfair · The Home Depot

Developing newer big box retail partnerships

2 to 3%
of estimated FY27 sales

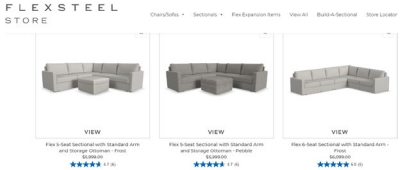
Costco Wholesale · macy's

DIRECT-TO-CONSUMER

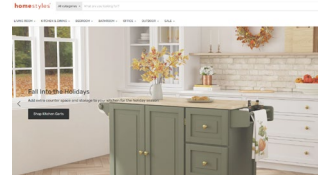
Complements core selling channels

<1%
of estimated FY27 sales

flexsteelstore.com

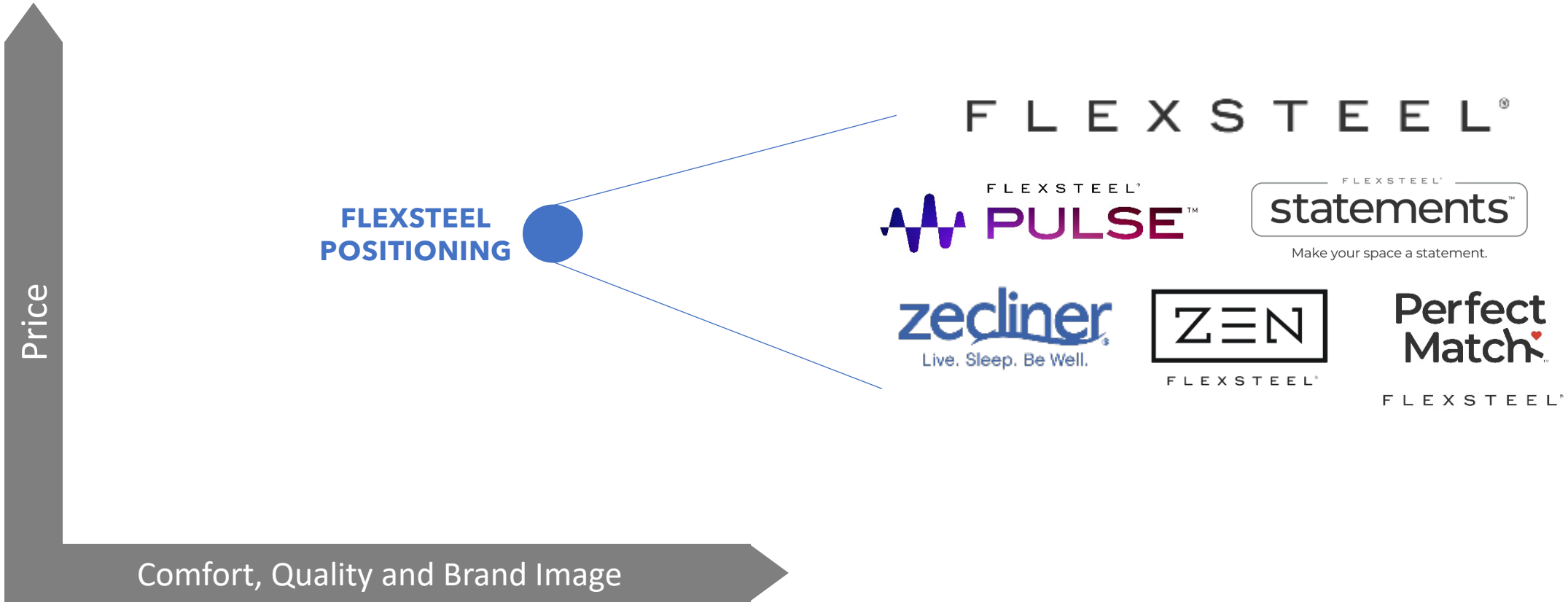


www.homestylesfurniture.com



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.

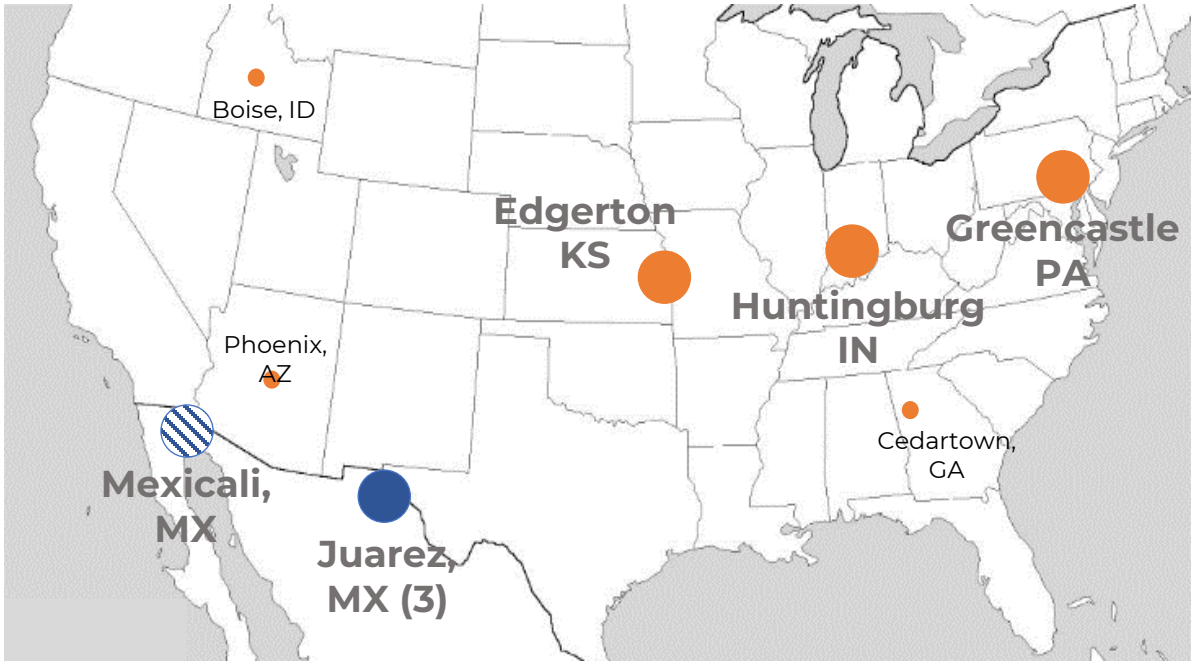


Advantaged global supply chain: **diversified, efficient, agile** and **cost competitive**. Ample capacity to support future growth with minimal investment.

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

40 4 4



David Crimmins

Chief Growth Officer

18 18 7



Stacy Kammes

VP, Talent & Customer Experience

24 12 12



Michael McClaflin

Chief Information Officer

38 18 7



Mike Ressler

Chief Financial Officer

20 20 20



Derek Schmidt

President and Chief Executive Officer

31 13 6



Vic Tsai

VP, Global Sourcing, Innovation & GM Asia

20 20 5

FLEXSTEEL®

core values

Consumer-Driven

We put consumers at the center of every decision.

Agility

We adapt quickly to change and opportunity.

Results Driven

We deliver meaningful results and continuous improvement.

Empowerment

We trust our people to make great decisions.

Unity

We work as one team and value every perspective.

Innovation

We create solutions that solve real problems.

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

Key focus areas:

Sustainable Products & Packaging



Responsible Material Sourcing

FSC

Waste Reduction & Recycling

Environmental Stewardship



Community Giving

City of Hope®

Employee Volunteerism



Employee Engagement & Development



Employee Safety



2. OUR STRATEGY — COMPETITIVE ADVANTAGES & DIFFERENTIATION



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

CONSUMER-DRIVEN AT OUR CORE

Defines where we focus

- Clear consumer segments & use cases

INDUSTY-LEADING INNOVATION

Determines how we create value

- Bold bets tied to unmet consumer needs



EXCEPTIONAL PEOPLE & CULTURE

Sustains how we win over time

- Accountability, judgment & adaptability

DISCIPLINED EXECUTION

Ensures we deliver at scale

- Better service, speed & financial outcomes

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







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.





2. OUR STRATEGY - GROWTH DRIVERS



DIVERSE AND BALANCED PORTFOLIO OF GROWTH INITIATIVES

Dimension	Core Markets	New/Expanded Markets
Product Categories	IN-STOCK SEATING: FLEXSTEEL PULSE; Perfect Match FLEXSTEEL	HEALTH & WELLNESS: zecliner Live. Sleep. Be Well.; ZEN FLEXSTEEL
	MADE-TO-ORDER SEATING: FLEXSTEEL	CASEGOODS: FLEXSTEEL statements Make your space a statement.
Sales Distribution	STRATEGIC ACCOUNTS: Raymour & Flanigan Furniture | Mattresses; Living Spaces; GW Gardner White; City Furniture	NATIONAL ACCOUNTS: wayfair; Costco Wholesale; macy's
Consumer Segments & Life Stages	ESTABLISHED HOUSEHOLDS: Generation X; Baby Boomers	EARLY-STAGE HOUSEHOLDS: Generation Z; Millennials

3. INVESTMENT THESIS



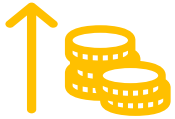
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Clear margin expansion path driven by mix improvement, operational excellence and growth leverage.



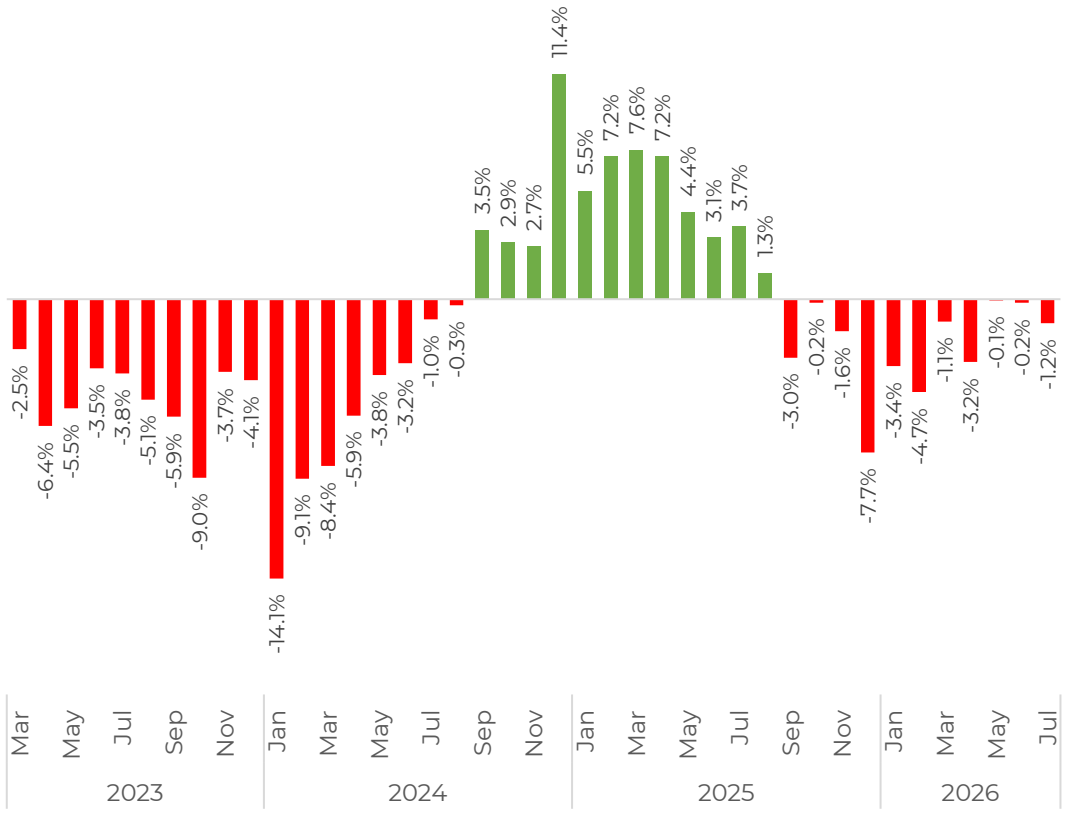
Strong free cash flow generation with low capital intensity and effective working capital management.



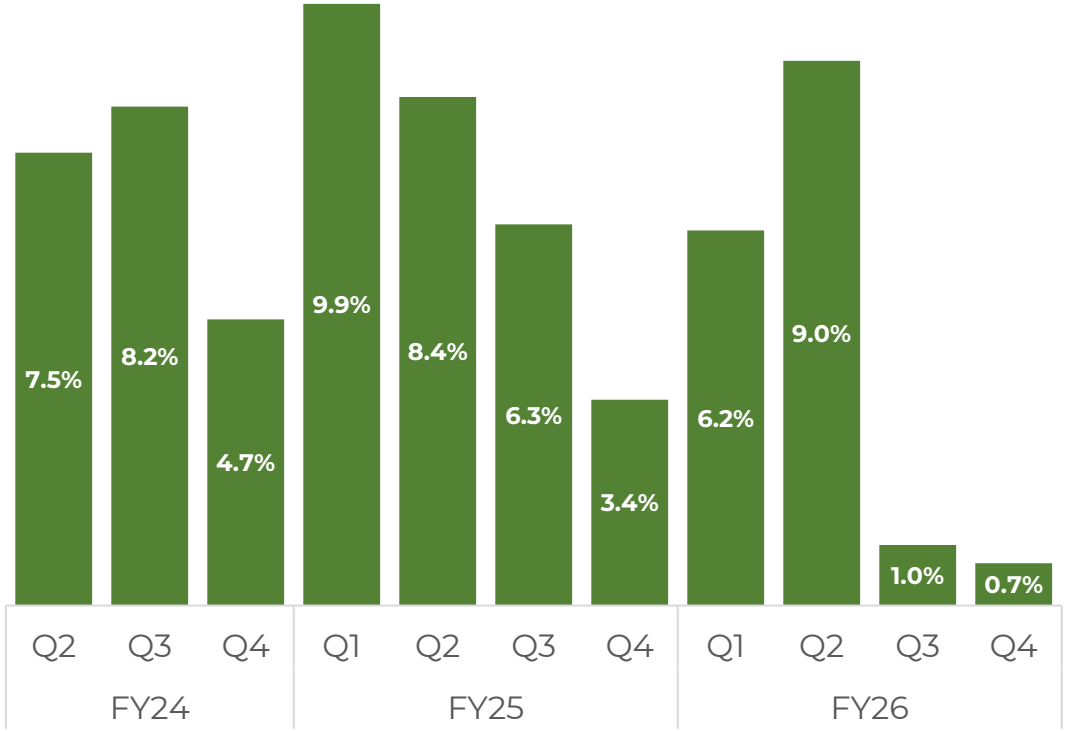
Disciplined capital allocation focused on high-return investment and shareholder returns.

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

Furniture Retail Sales Growth



Quarterly Year-over-Year Sales Growth

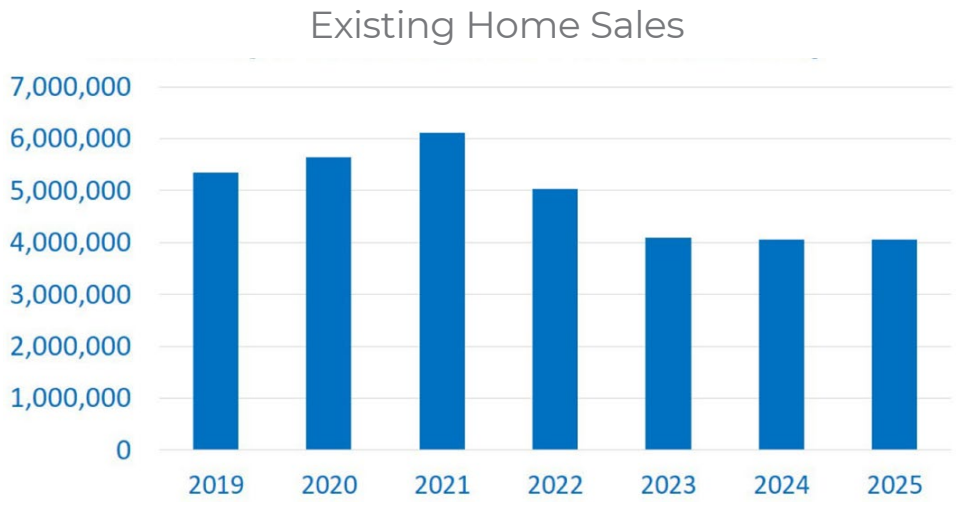


(Seasonally Adjusted); August 20, 2026

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

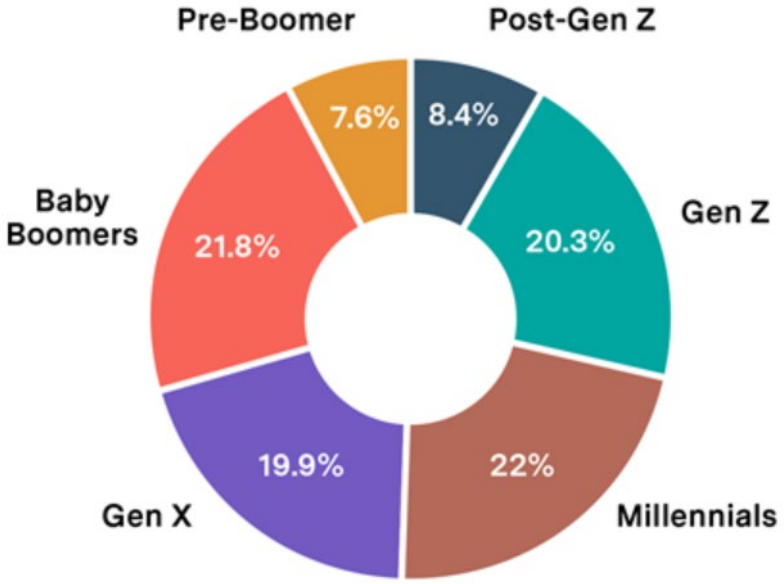
Housing production has not kept up with population growth and new household formation, and existing home sales have been subpar for 3 years (75% of pre-COVID activity). Pent up and new demand for housing will drive significant demand for new furniture in the coming years.



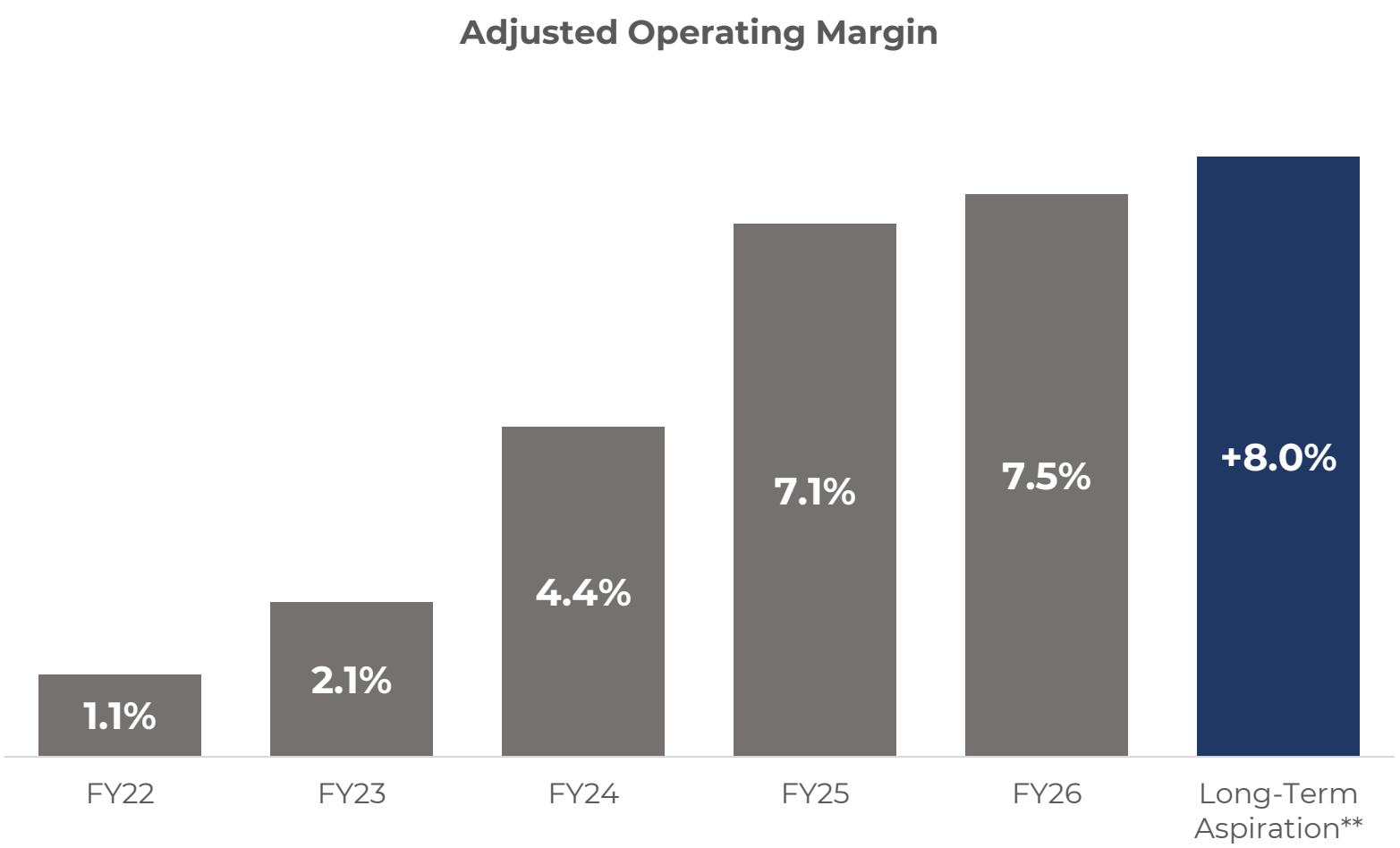
Source: National Association of Realtors

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.

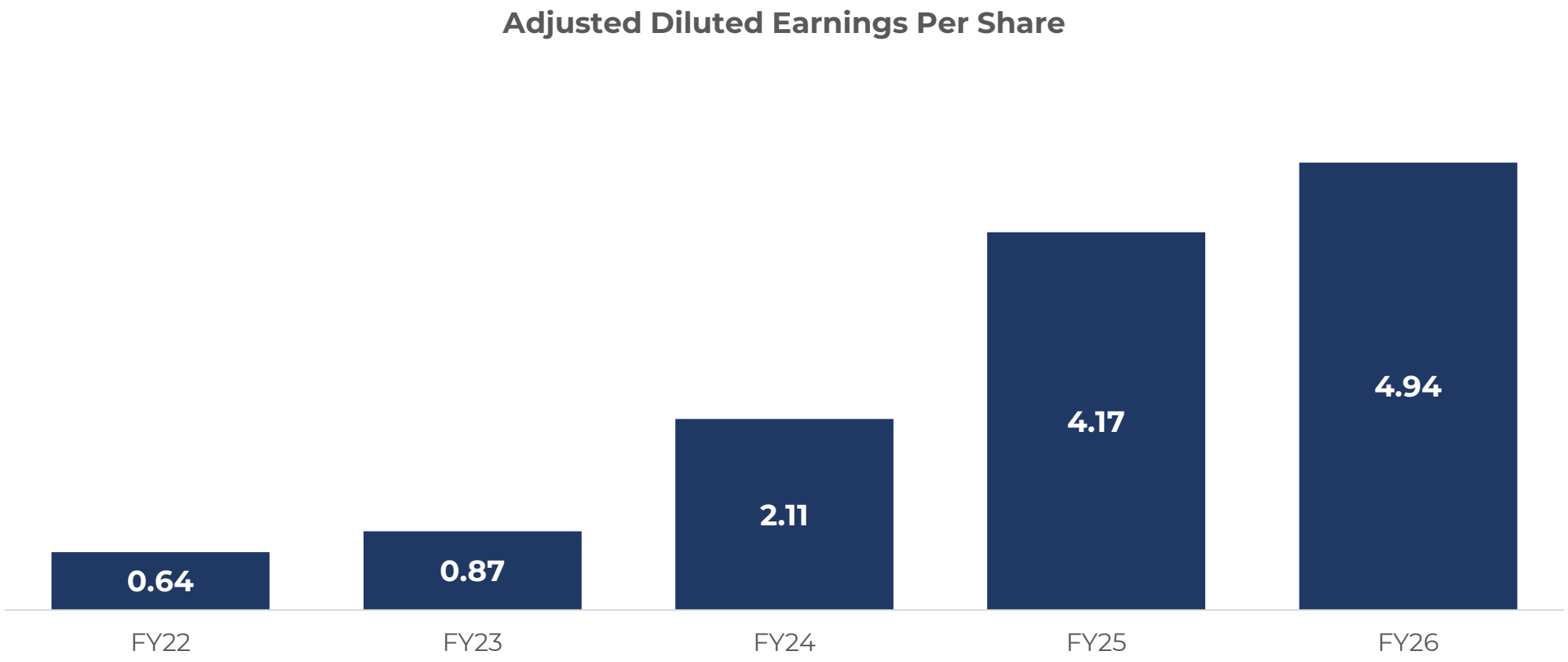


** Forward-looking estimates

Margin Drivers

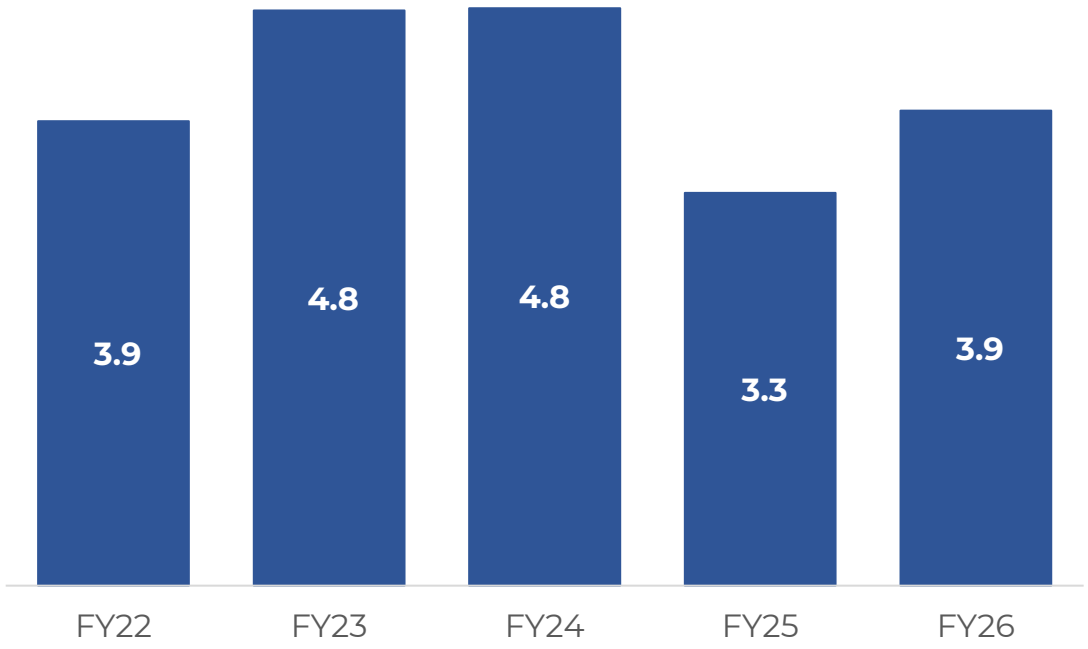
1. Sales Growth Leverage
2. Mix Improvement: Higher Margin New Product
3. Operational Excellence: Continuous Improvement + Cost Savings > Inflation

Consistent sales growth and margin improvement driving significant earnings momentum.

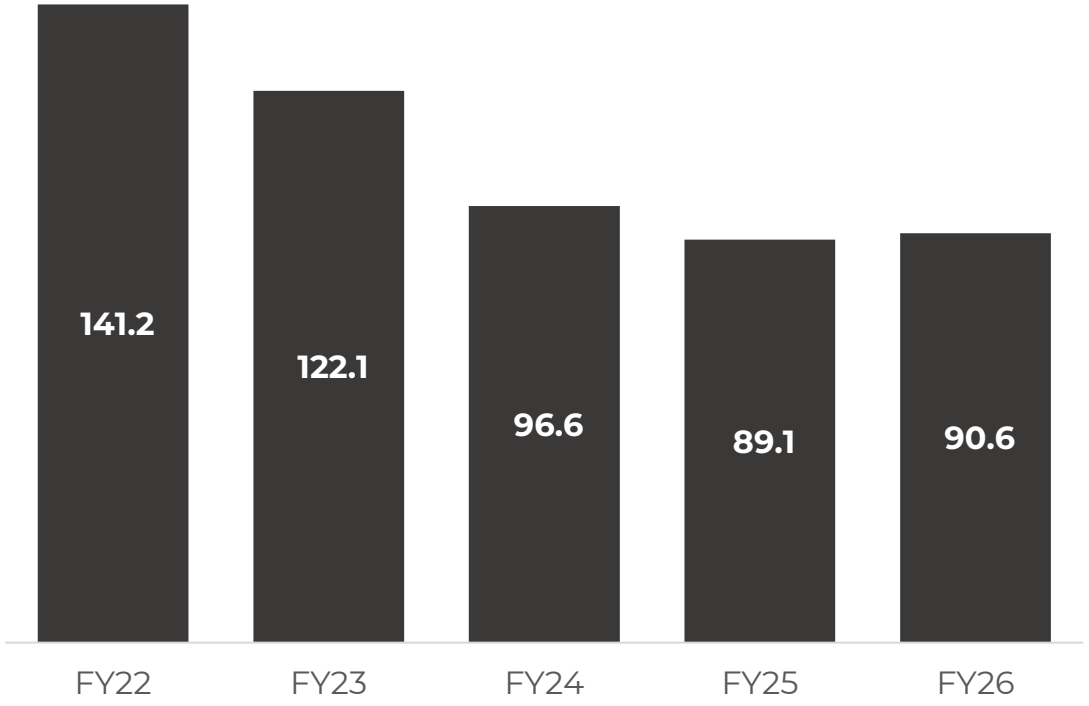


Low capital expenditure requirements (≤1% of sales) and well-managed inventory support continued free cash flow generation.

Capital Expenditures ($ millions)

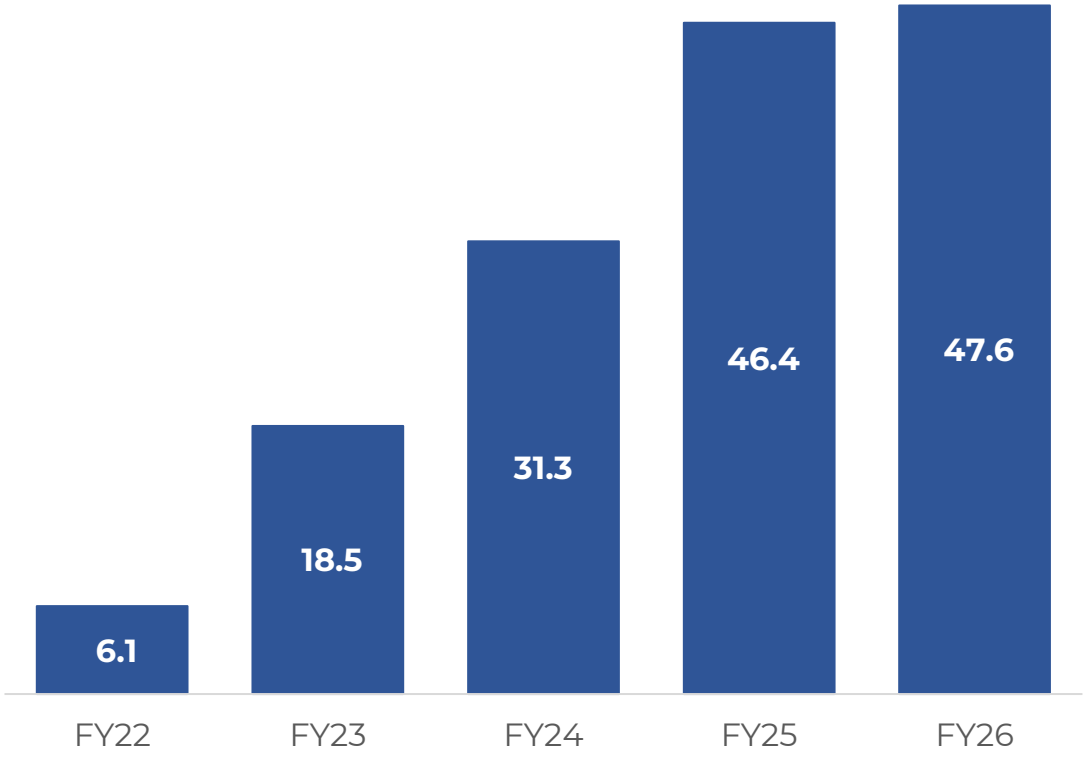


Inventory ($ millions)

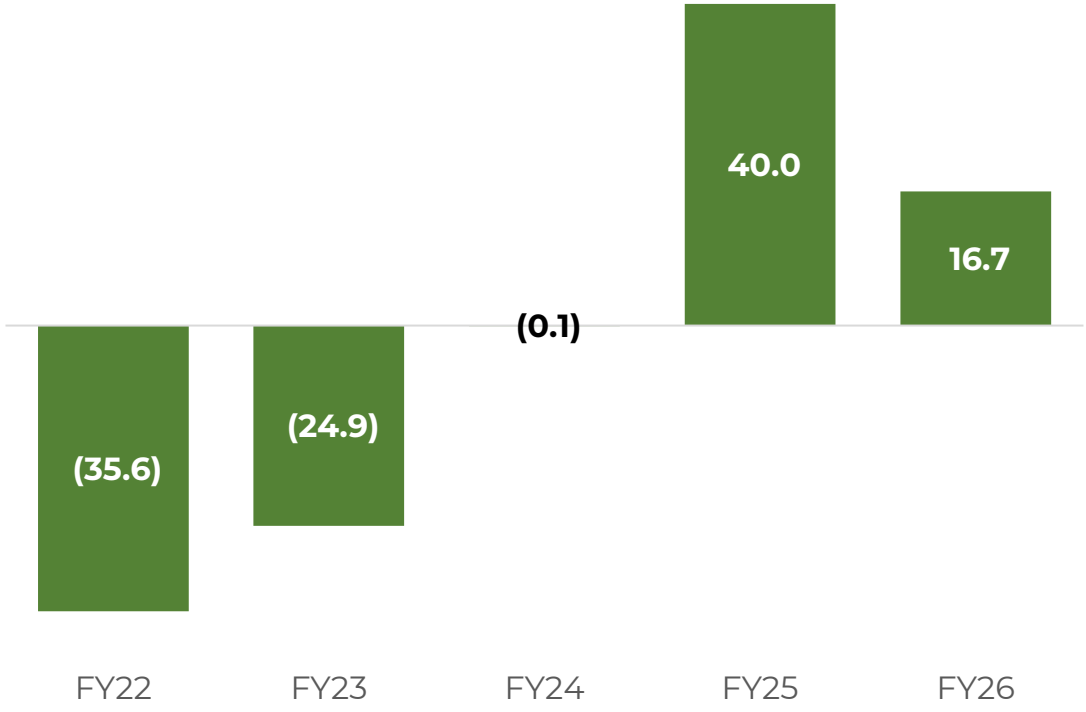


Sales growth, improved profitability and effective capital management generating meaningful free cash flow and strengthening the balance sheet.

Free Cash Flow
($ millions)

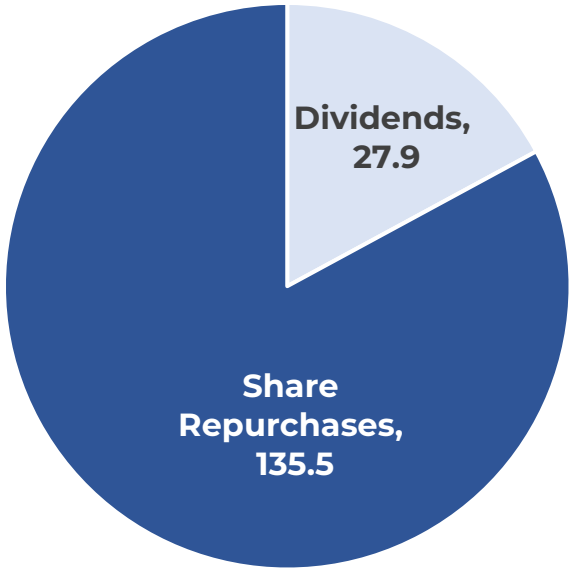


Net Cash (Debt)
($ millions)



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 (FY20-26 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



LONGER-TERM FINANCIALS

	FY24	FY25	FY26	Longer-Term Aspiration**
Net Sales ($ millions)	**$413**	**$441**	**$458**	**Up to $750** (with acquisitions)
Adjusted Operating Margin	**4.4%**	**7.1%**	**7.5%**	**8.0%+**
Adjusted Diluted Earnings Per Share	**$2.11**	**$4.17**	**$4.94**	**$9.50+**
Free Cash Flow ($ millions)	**$31**	**$46**	**$48**	**$45+**

** Forward-looking estimates




Thank You

5. APPENDIX



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, 2026:

(in thousands)	Q1	% of Sales	Q2	% of Sales	Q3	% of Sales	Q4	% of Sales	FY26	% of Sales
Reported GAAP operating income	$ 8,987	8.1%	$ 8,997	7.6%	$ 8,222	7.1%	$ 16,344	14.2%	$ 42,550	9.3%
Tariff Refund	—		—		—		(9,009)	-7.8%	(9,009)	-2.0%
Homestyles exit	—		—		—		905	0.8%	905	0.2%
Adjusted operating income	$ 8,987	8.1%	$ 8,997	7.6%	$ 8,222	7.1%	$ 8,240	7.1%	$ 34,446	7.5%

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, 2026:

	Q1	Q2	Q3	Q4	FY26
Reported GAAP diluted earnings per share	$ 1.31	$ 1.18	$ 1.14	$ 2.58	$ 6.07
Tariff refund	—	—	—	(1.83)	(1.65)
Homestyles exit	—	—	—	0.18	0.17
Tax impact of the above adjustments[1]	—	—	—	0.39	0.36
Adjusted diluted earnings per share	$ 1.31	$ 1.18	$ 1.14	$ 1.33	$ 4.94

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 24.0% was used for the three months ended June 30, 2026. Effective tax rate of 24.0% 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, 2025:

(in thousands)	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)
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:

(in thousands)	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:

(in thousands)	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:

(in thousands)	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)	$ 4,625	3.4%	$ (8,014)	-5.7%	$ 5,755	4.1%	$ 3,581	2.9%	$ 5,947	1.1%

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, 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	$ 0.48	$ (1.05)	$ 0.81	$ 0.41	$ 0.64

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.