



February 2026

Flexsteel Industries, Inc.

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.



CONTENT

1

Company Overview

2

Competitive Advantage and Differentiation

3

Growth Drivers

4

Investment Thesis

5

Financial Outlook

6

Appendix



1. COMPANY OVERVIEW



Top 10

U.S. Furniture Manufacturer

\$441 million

FY25 Revenue

~ 50 / 50

Target Mix of North American
Manufacturing and Global Sourcing

1893

Company Founded

~1500

Team Members

7

Manufacturing and Distribution Facilities

**One of the largest
manufacturers, importers,
and marketers of
residential furniture
products in the U.S.**

**Our furniture is built for everyday
life and lasting beauty, and it's
differentiated due to its superior
quality, comfort, and durability
derived from innovation, like our
patented Blue Steel Spring.**

**Over 2,700 retail stores and
dozens of leading e-tailers
choose to sell Flexsteel
because it's a trusted brand
supported by passionate
people that strive to deliver
the highest service levels
and customer experience in
the industry.**

Flexsteel offers a wide breadth of products to meet diverse consumer needs throughout their homes.


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

PRIMARY LIVING AREAS



82%
of sales¹

BEDROOM



4%
of sales¹

STORAGE / ORGANIZATION




3%
of sales¹

HEALTH & WELLNESS



7%
of sales¹

DINING



3%
of sales¹

OUTDOOR



1%
of sales¹

(1) Based of FY26 Estimated Sales Mix

Flexsteel addresses different market segments through three distinct core brands: Flexsteel™, Charisma™, and homestyles™, and several category specific sub-brands: flex™ and Zecliner™. Each has a unique value proposition tailored to specific consumer needs.

Growth opportunity: Expand consumer brand awareness and strengthen brand portfolio to resonate with younger consumers.



OUR OMNI-CHANNEL SALES DISTRIBUTION

Flexsteel has broad sales distribution across the US through multiple channels. We strive to position our brands where and how consumers want to purchase furniture both now and in the future.

Growth opportunity: Accelerate sales distribution expansion beyond independent retailers.

INDEPENDENT RETAIL

Large and important; Aligned with the winners and gaining share

88 to 92%

of estimated FY26 sales

+1400

Customers

+2700

Store Fronts



Raymour & Flanigan
FURNITURE | MATTRESSES®

Jordan's
FURNITURE

GF GALLERY FURNITURE

LEVIN
FURNITURE & MATTRESS

HOM
FURNITURE

E-TAIL

Long-term relationships with leading e-tailers

4 to 6%

of estimated FY26 sales

+30

Leading e-tailers

amazon

wayfair



BIG BOX

New; Quickly growing and profitable

4 to 6%

of estimated FY26 sales



HomeGoods®

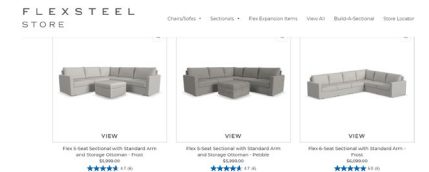
DIRECT-TO-CONSUMER

Learning & building new capabilities; Complements core selling channels

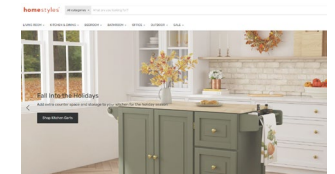
<1%

of estimated FY26 sales

flexsteelstore.com



www.homestylesfurniture.com



Experienced and results-driven management team.



Bob Bestercy

VP, Global Logistics & Distribution



David Crimmins

VP, Sales & Product Management



Stacy Kammes

VP, Human Resources



Michael McClafflin

Chief Information Officer



Mike Ressler

Chief Financial Officer



Derek Schmidt

President and Chief Executive Officer



Vic Tsai

VP, Global Strategic Sourcing & GM Asia



Dan Wallace

VP, Customer Experience



Years of Experience: ● Total ● Furniture Industry ● Flexsteel

Strong, advantaged operations: efficient, agile and cost competitive.

Manufacturing locations are cost advantaged. Logistics operations are positioned to efficiently serve all major US markets. Breadth of fulfillment capabilities to serve a wide range of customer needs.

Ample capacity to support future growth with minimal investment.

Manufacturing Locations:

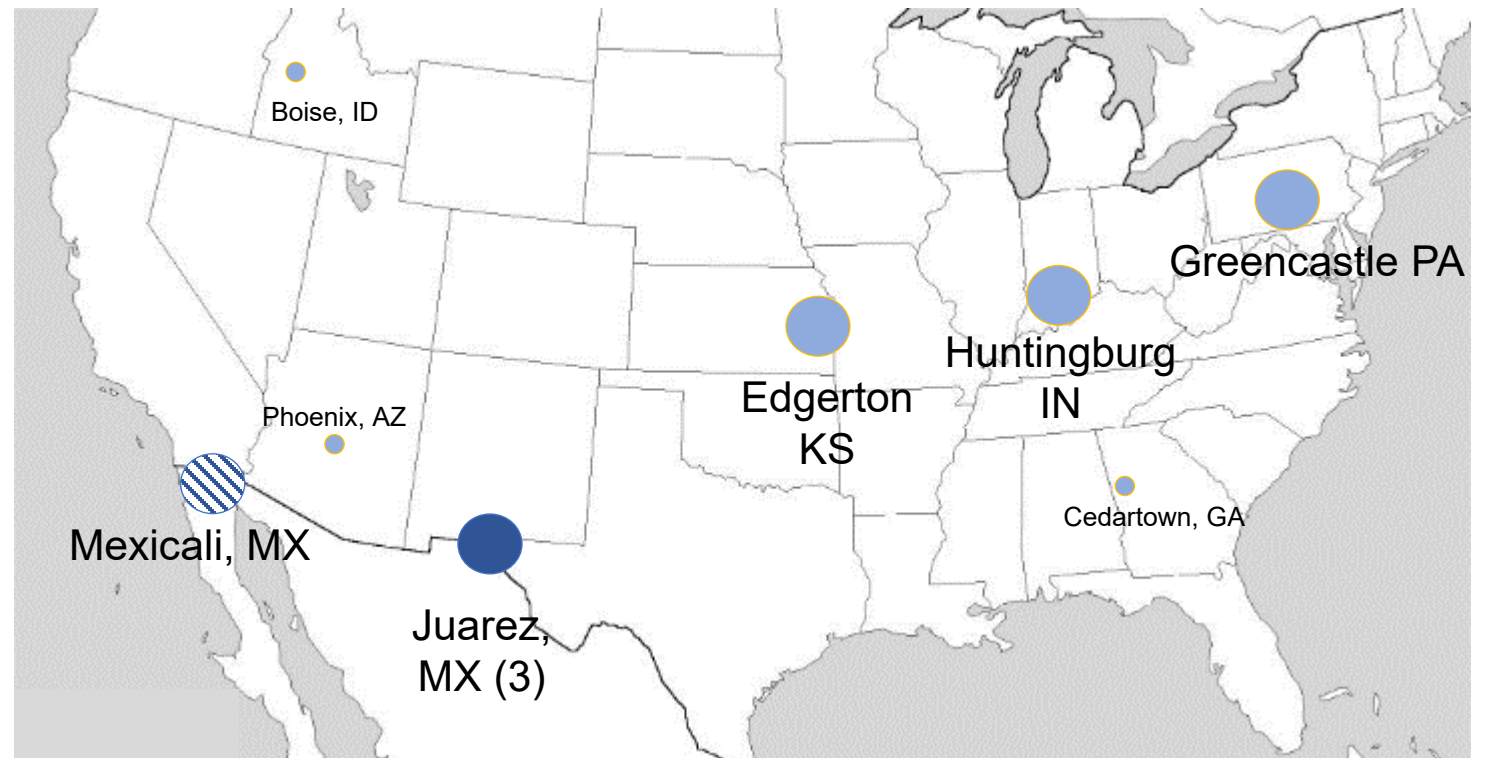
- Juarez, Mexico (3 plants)
- Mexicali, Mexico (no current production; available for future growth)

Distribution Centers:

- Edgerton, KS (500K ft²)
- Greencastle, PA (242K ft²)
- Huntingburg, IN (337K ft²)
- Trailer Transfer Points: Boise, ID, Phoenix, AZ, and Cedartown, GA

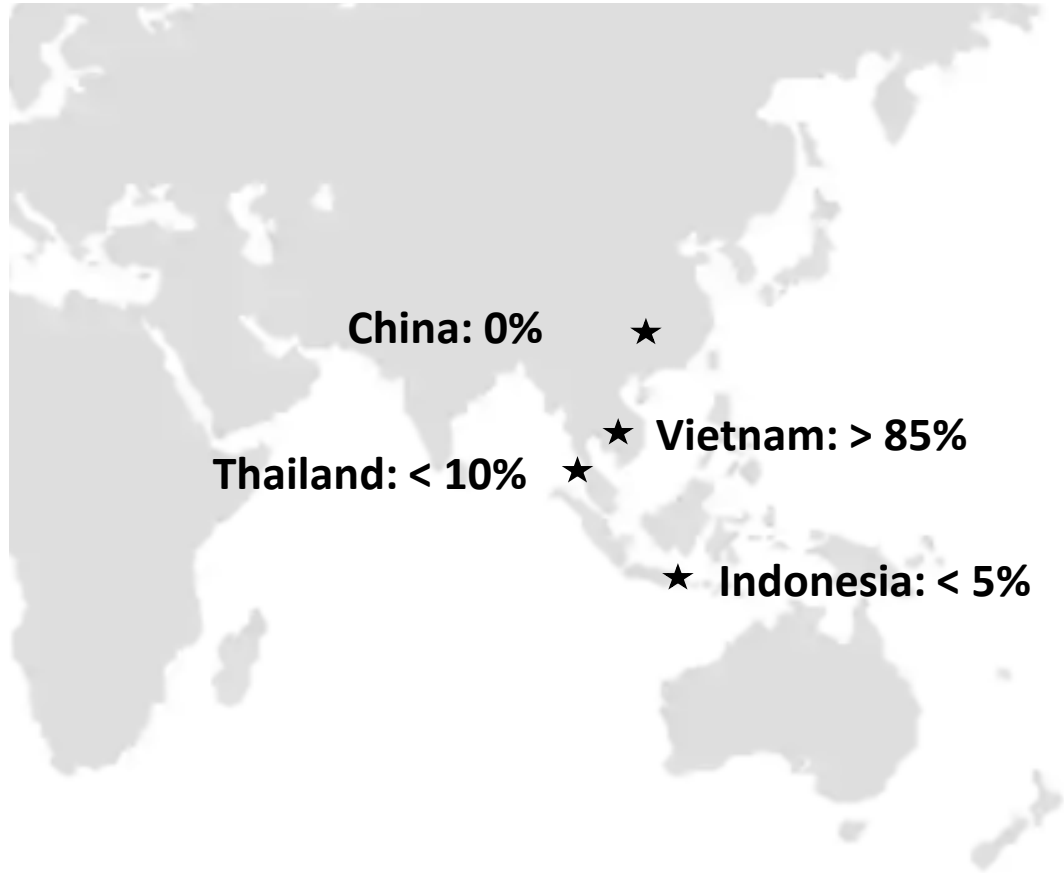
Fulfillment Capabilities:

- Container direct
- Full truckload / Multi-stop truckload
- Customer pickup
- Direct-to-consumer small parcel
- Direct-to-consumer white-glove delivery



Diversified global supply chain supported with offices and talent in Vietnam, China, Thailand and Indonesia. Aligned with strong, capable strategic partners. Expanding geographic sources to further diversify.

CURRENT SOURCES



NEW EMERGING SOURCES



OUR VISION

We exist...

to create better living spaces that improve lives

We care...

about our employees, customers, partners and communities

We strive...

to be a sustainable, industry leader in home furnishings

We aspire...

to profitably grow to +\$750M in sales through organic growth and acquisitions

We are committed...

to accelerating our sustainability, social responsibility and governance initiatives



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



Waste Reduction & Recycling



Environmental Stewardship



Community Giving



Employee Volunteerism



Employee Engagement & Development



Responsible Material Sourcing



Employee Safety



2. COMPETITIVE ADVANTAGE & DIFFERENTIATION



Operating from a position of strength.



1

Growing, relevant product assortment with compelling value propositions

2

Strong and broad national and omni-channel distribution

3

Diverse, agile, and resilient global supply chain with scalable efficiencies

4

Expanding our leverageable digital content and marketing capabilities

5

Strong financial position and cash flow generation ability

We win by providing compelling designs with **unmatched quality, comfort, and durability**, all supported by **innovation** that drives strong consumer value and sustainable differentiation.



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®

3. GROWTH DRIVERS



CORE MARKETS

NEW / EXPANDED MARKETS

Gain share from:

- Market leadership
- Strategic partner alignment
- Compelling new product

Penetrate new / expanded:

- Consumer segments
- Sales distribution
- Product categories

Invest in growth accelerators:

- Consumer insights
- Innovation
- Marketing and brand-awareness

GROWTH INVESTMENTS

Expanding and repositioning our brand portfolio to align with the consumer needs of the future.



Expanding beyond our core sales distribution and into NEW brick & mortar and e-commerce channels to position our brands wherever consumers desire to shop both today and in the future.

BRICK & MORTAR

E-COMMERCE

CORE

EXPANSION

Independent Retail

Big Box e-Commerce



Leading e-Tailers



EXPANSION

Big Box Retail



Independent e-Com



Direct-to-Consumer



Expanding penetration in the home beyond primary living areas.

CORE

PRIMARY LIVING AREAS



EXPANSION

BEDROOM



STORAGE / ORGANIZATION



HEALTH & WELLNESS



DINING



OUTDOOR



Our new flex™ line is a modular seating system backed by innovation: patented easy assembly system, sustainable & livable fabric, and a unique set of hubs & accessories to ‘flex’ with consumers’ changing needs.



MOVEABLE

Expand. Move. Rearrange. Flex offers countless configurations for evolving lifestyles.



EASY ASSEMBLY

Easily assembles with our patented J-bracket and C-clips—no tools needed.



DURABLE

Sustainable and stain-resistant performance fabric provides long-lasting livability.



Pet Bed Hub



Smart Hub



Narrow Hub



Storage Hub

7% of U.S. adults can't consistently sleep in a bed at night, but most other furniture isn't designed for sleep. Our new 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®

4. INVESTMENT THESIS





1

Compelling long-term industry outlook

2

Strong growth prospects

3

Margin expansion potential

4

Strong cash flow generation

5

Disciplined capital allocation

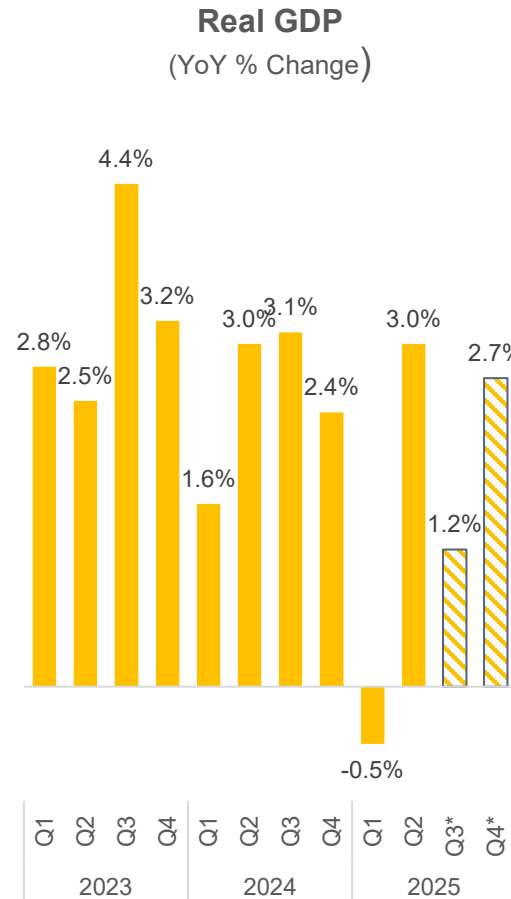
Near-term, the furniture industry faces multiple growth headwinds due to macroeconomic challenges.

Near-term macro challenges:

- Low GDP forecasts
- Elevated interest rates
- Softening labor market
- Weakening consumer sentiment
- Geopolitical uncertainties
- Tariff and input cost uncertainty
- Weakening consumer credit conditions

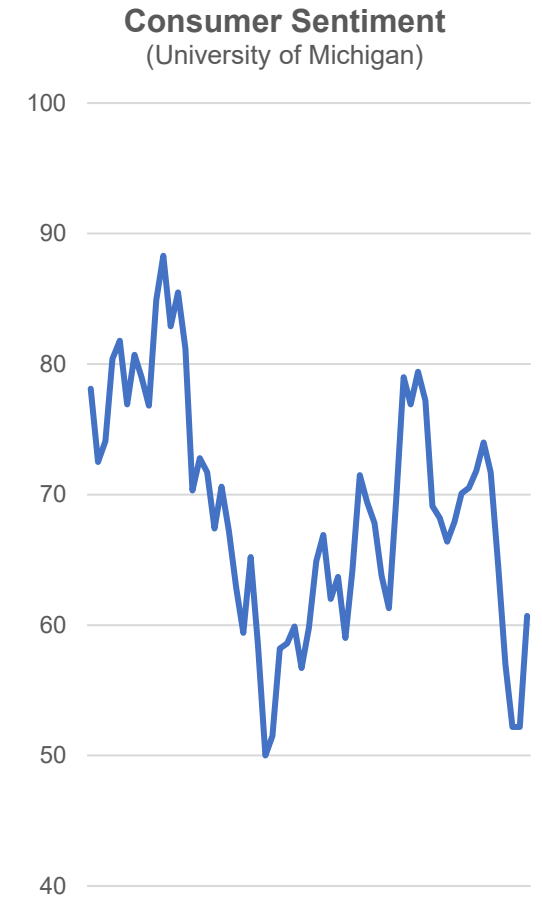
Potential upsides:

- Pent up demand for housing
- Fed signal of interest rate cuts
- Consumer replacement of less desirable furniture purchased during COVID



*Projections

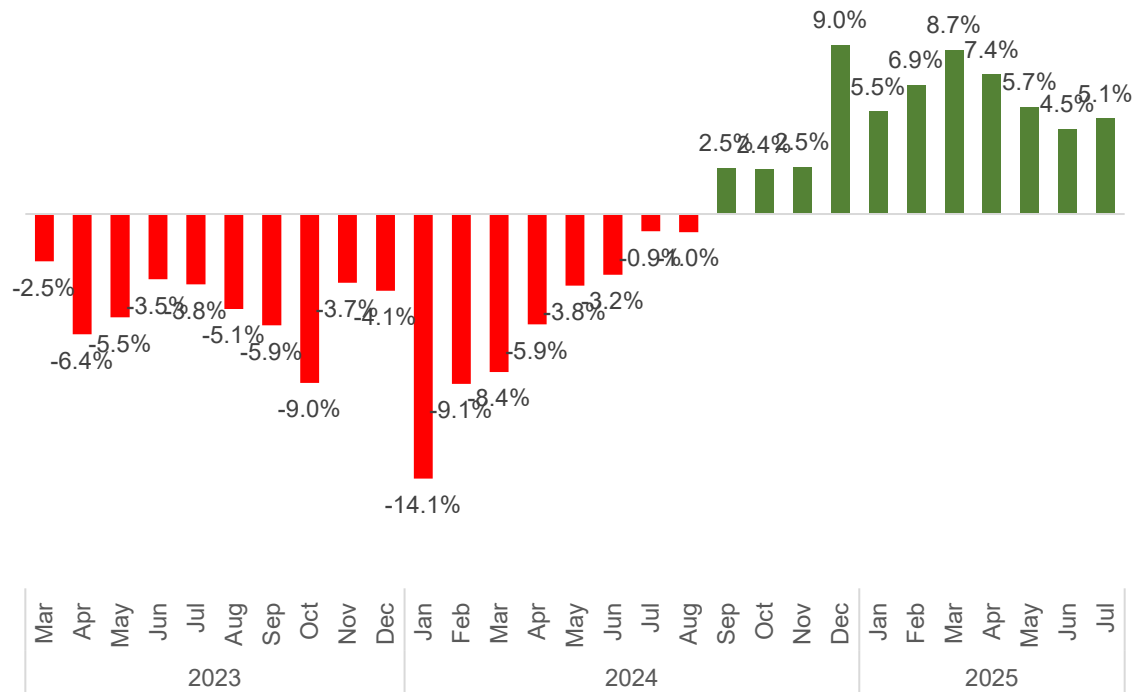
Source: Wells Fargo Securities Forecast as of August 6, 2025



Source: Federal Reserve Bank of St. Louis

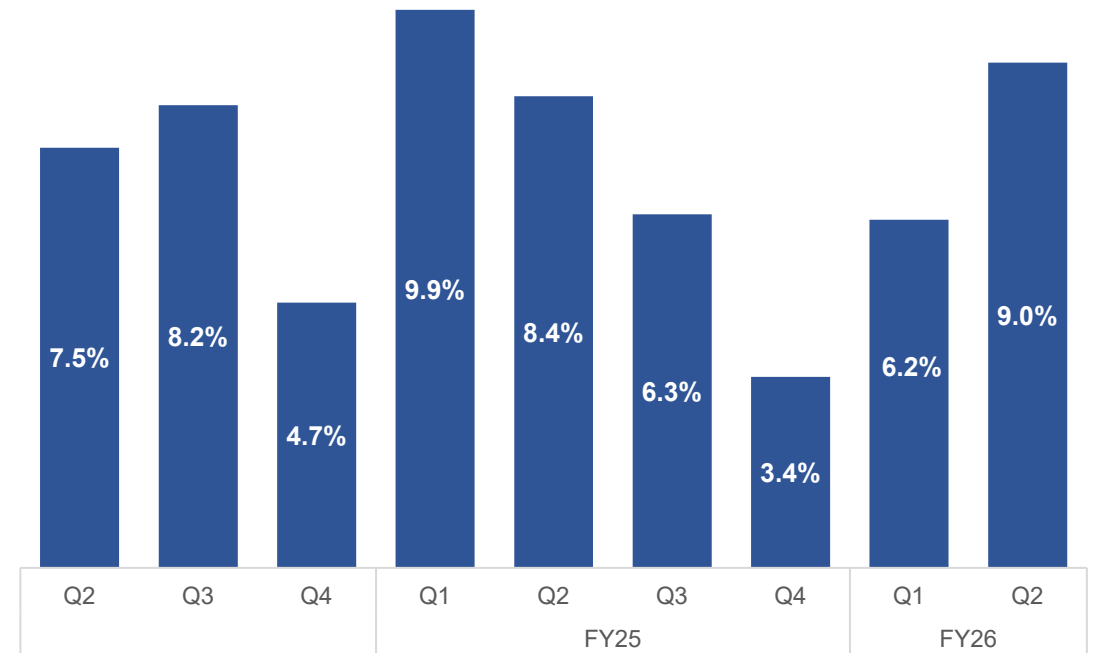
Retail furniture sales rebounded after **18 consecutive months of declines** signaling a potential rebound for the industry.

Furniture & Home Furnishings Retail Sales Growth



Despite industry headwinds, Flexsteel is leveraging innovation and its growth initiatives to grow and gain share in a difficult market.

Flexsteel Year-over-Year Sales Growth

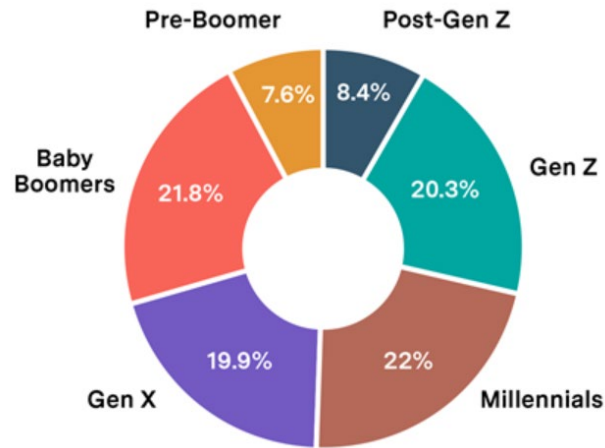


*Source: US Census Bureau release October 2024

Despite near-term choppiness, conditions are favorable to long-term industry growth. Three key drivers: consumer generation shifts, continued domestic migration, and healthy long-term demand for housing.

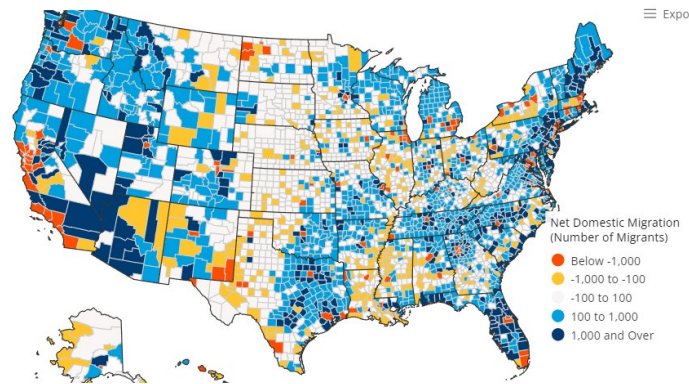
US Population by Generation

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



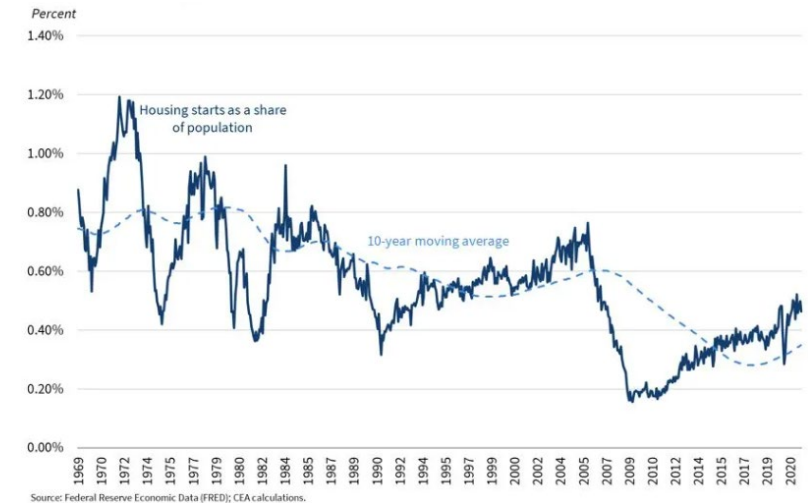
US Domestic Migration Trends

The pandemic and rise of remote working has propelled state-to-state migration which is expected to continue. Moving drives housing turnover which in turn drives furniture purchases.



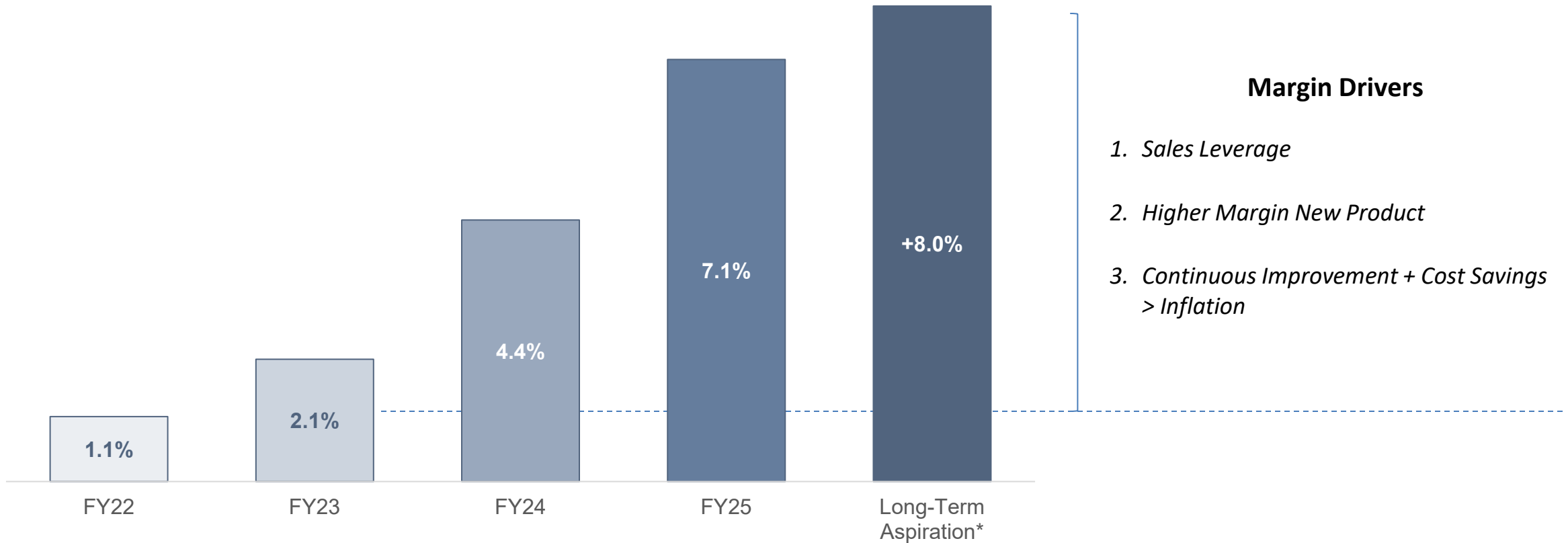
Housing Demand

Housing production has not kept up with population growth and new household formation. New housing demand will remain strong for many years which will also drive demand for new furniture.



Solid profit improvement momentum with compelling outlook for continued margin expansion.

Adjusted Operating Margin

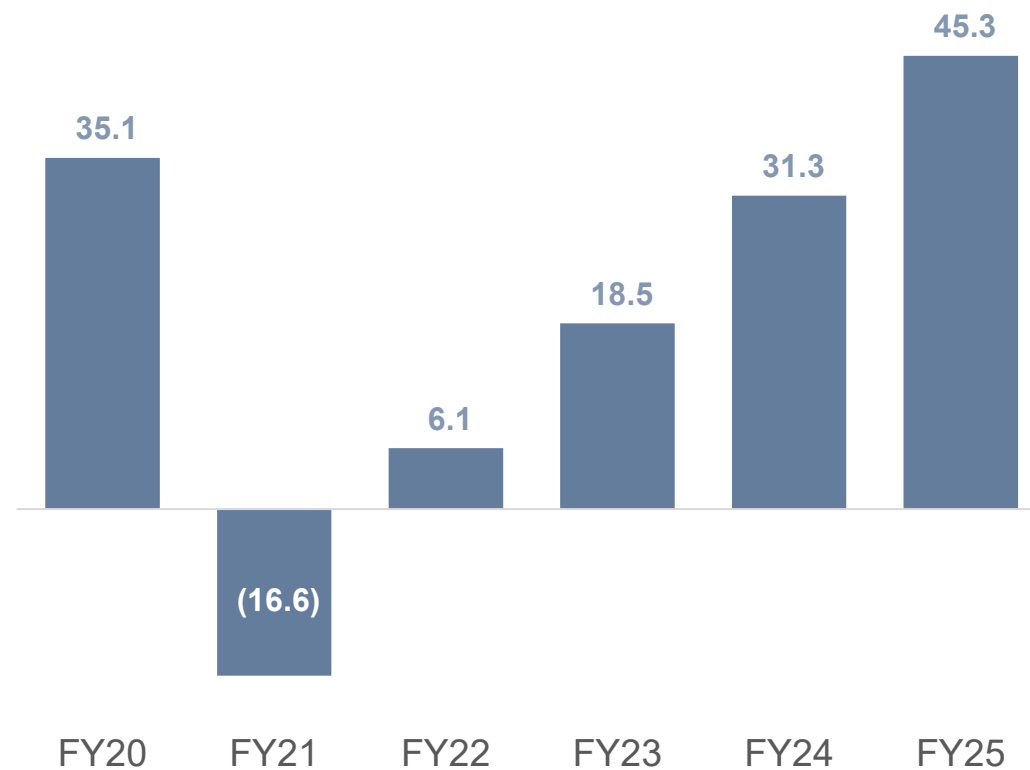
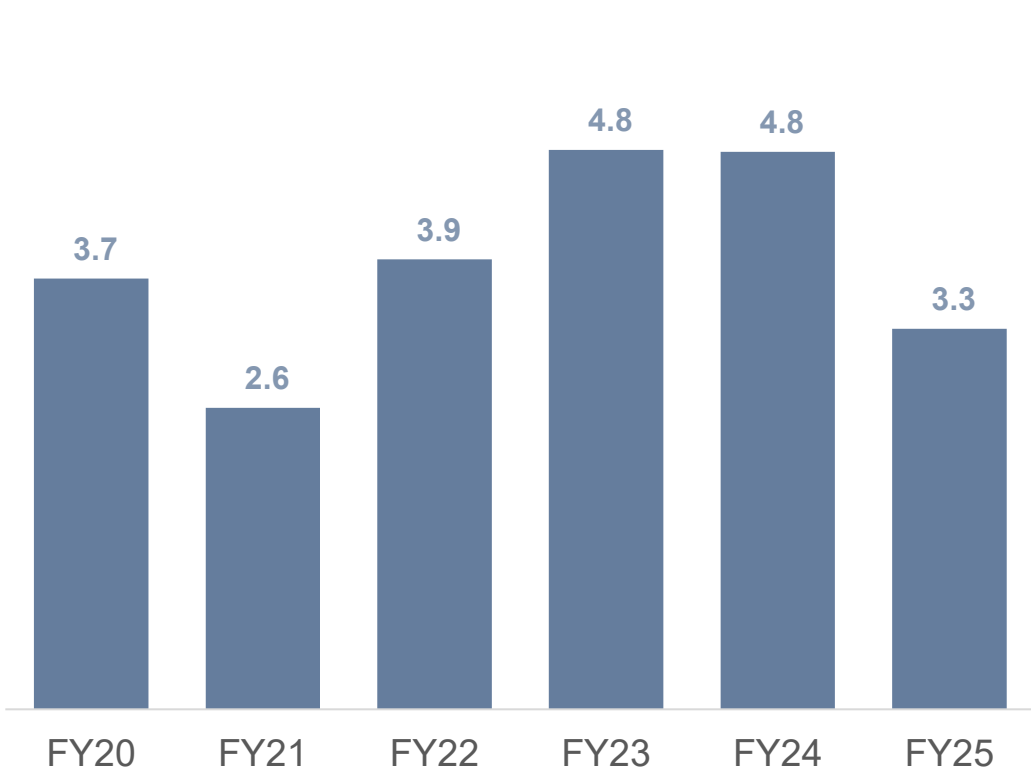


*Forward-looking estimates

Low maintenance capital requirements (~1% of sales) combined with sales growth and improved profitability generating sizable free cash flow.

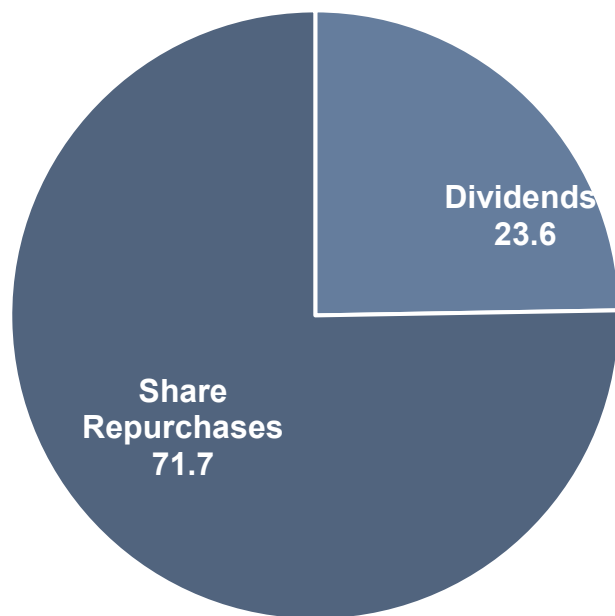
Capital Expenditures
(\$ millions)

Free Cash Flow
(\$ 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 to FY25)
(\$ millions)



Capital Allocation Priorities

~70% Business Reinvestment

1. Growth (including acquisitions)
2. Maintenance CapEx

~30% Return to Shareholders

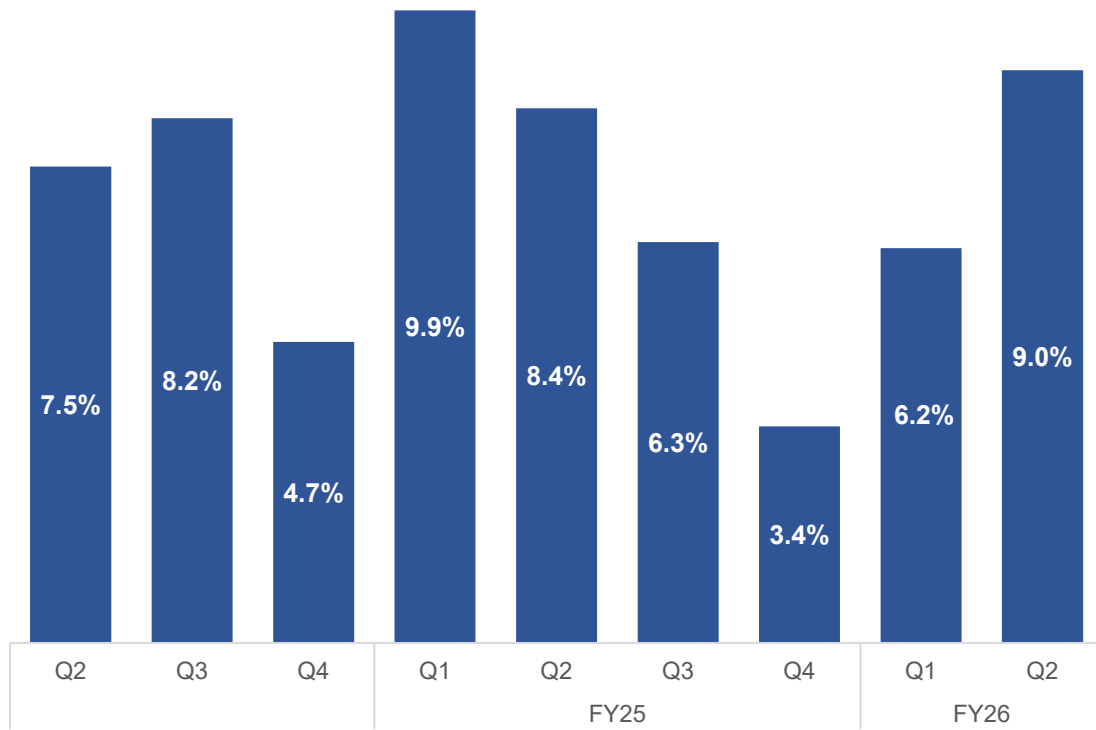
1. Dividend growth
2. Opportunistic share repurchases

5. FINANCIAL OUTLOOK



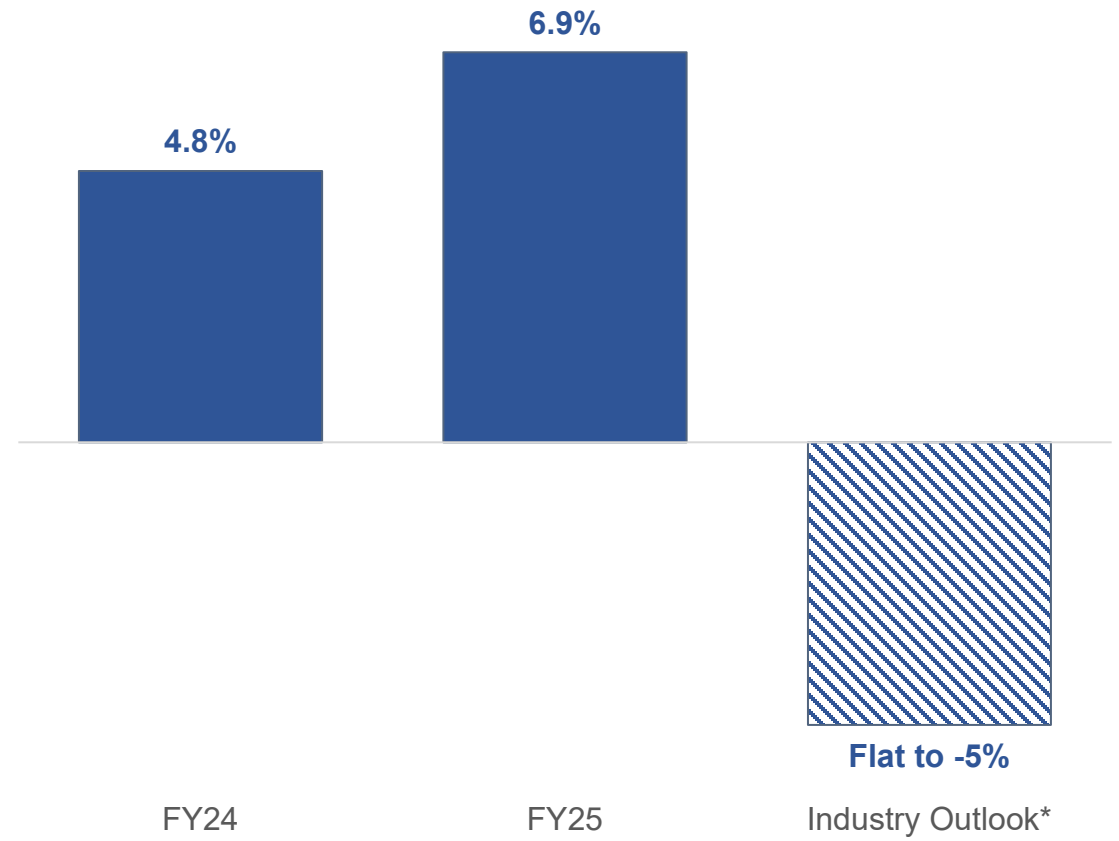
Driving consistent mid- to high-single digit quarterly growth despite industry challenges.

Flexsteel Year-over-Year Sales Growth



Continuing to gain market share.

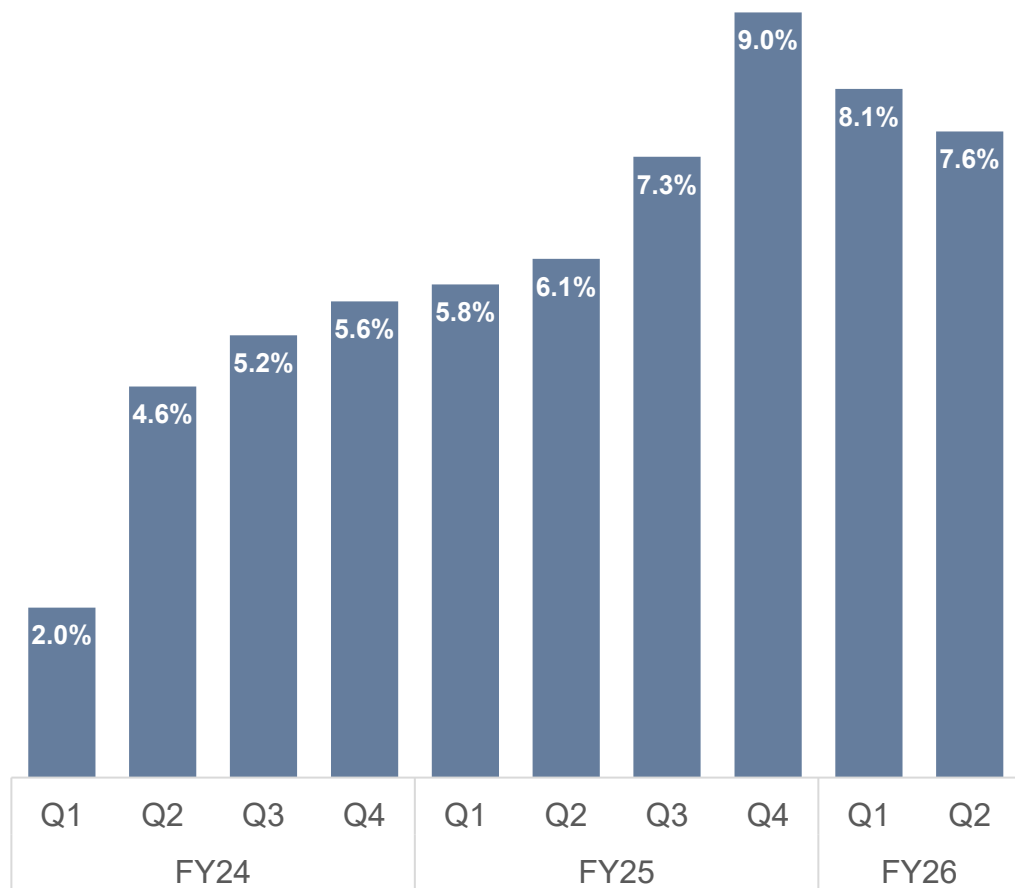
Annual Sales Growth



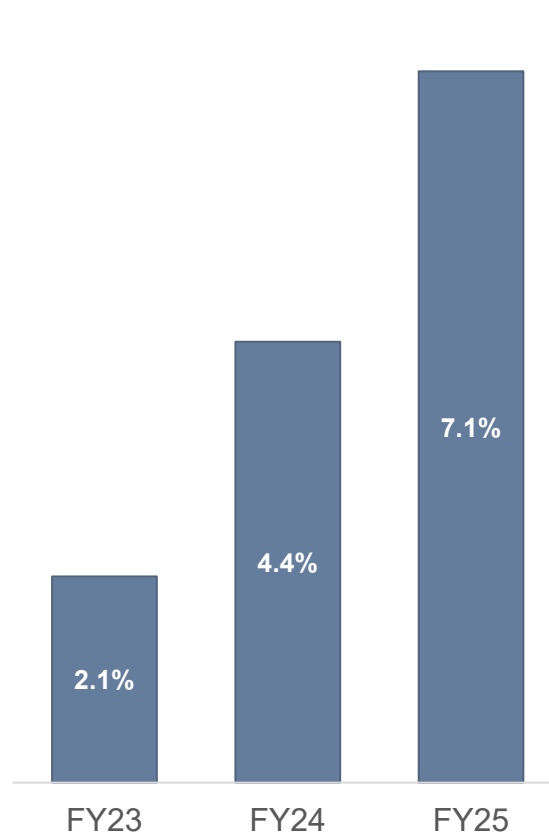
* Forward-looking estimates

Significantly improving profitability through cost savings, pricing optimization, and portfolio management.

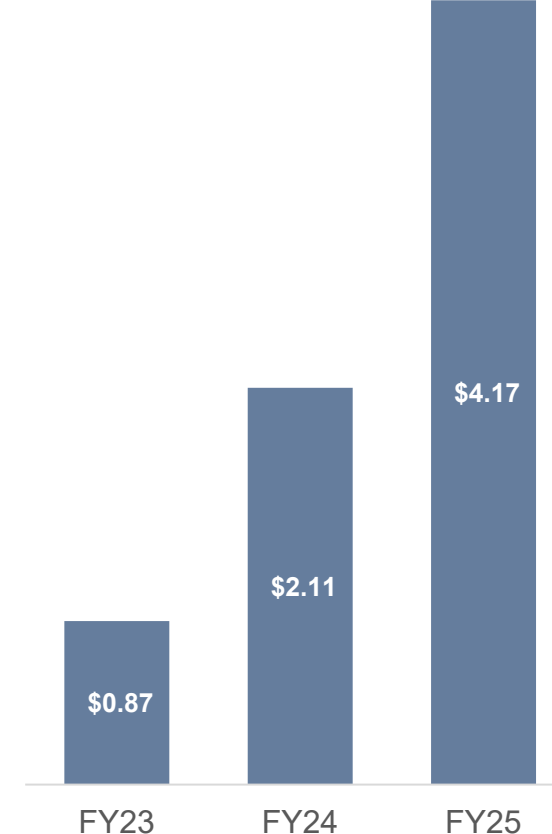
Quarterly Adjusted Operating Income %¹



Annual Adjusted Operating Income %¹

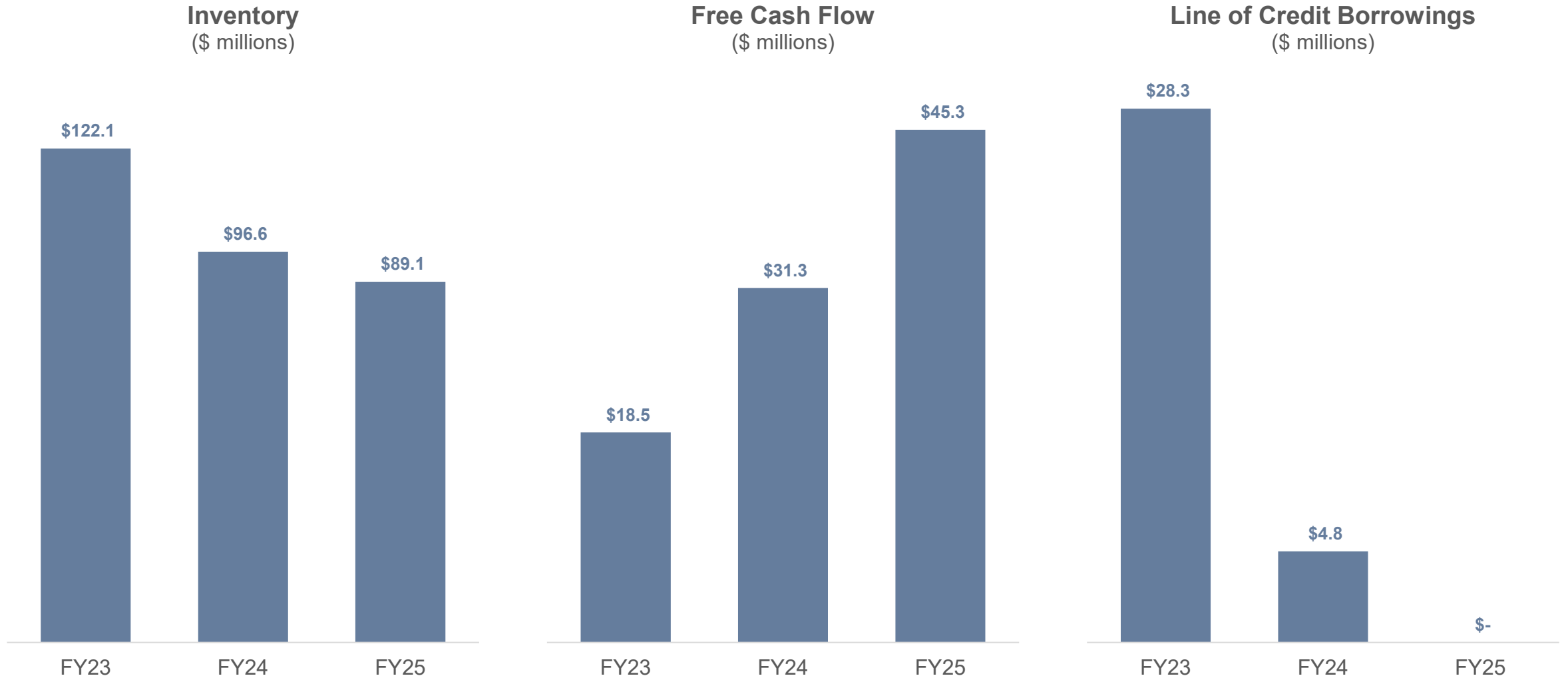


Non-GAAP Diluted EPS¹



¹ Non-GAAP; See Appendix for FY23 & FY24 & FY25 GAAP to Non-GAAP reconciliations

Effective inventory management coupled with higher profits are driving strong Free Cash Flow.



* Forward-looking estimates

MID-TO LONG-TERM FINANCIALS

	FY24	FY25	Longer-Term Aspiration
Net Sales (\$ millions)	\$413	\$441	Up to \$750 (with acquisitions)
Gross Margin	21.3%	22.2%	23%+
Adjusted Operating Income Margin	4.4%	7.1%	8%+
Adjusted Earnings Per Diluted Share	\$2.11	\$4.17	\$7.00+
Free Cash Flow (\$ millions)	\$31	\$45	\$40+



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.

NON-GAP DISCLOSURES (UNAUDITED)

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	<u>\$ 6,047</u>	<u>5.8%</u>	<u>\$ 6,663</u>	<u>6.1%</u>	<u>\$ 8,266</u>	<u>7.3%</u>	<u>\$ 10,272</u>	<u>9.0%</u>	<u>\$ 31,248</u>	<u>7.1%</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, 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	<u>\$ 0.74</u>	<u>\$ 0.95</u>	<u>\$ 1.13</u>	<u>\$ 1.40</u>	<u>\$ 4.17</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 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.