

More to KNOW…

LFL GROUP

INVESTOR PRESENTATION | MARCH 2025

Forward Looking Statements

Certain statements in this document and in Leon's Furniture Limited ("the Company's") oral and written public communications may constitute forward-looking statements that reflect management's expectations regarding the Company's future growth, results of operations, performance and business prospects and opportunities as of the date of this presentation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "forecast", "expect", "intend", "would", "could", "if", "may" and similar expressions. All such statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation.

These statements reflect current expectations of management regarding future events and operating performance, and speak only as of the date of this presentation. In addition, forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information for other purposes may not be appropriate. By their very nature, forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that management's assumptions may not be accurate and that actual results, performance or achievements may differ significantly from such predictions, forecasts, conclusions or projections expressed or implied by such forward-looking statements. We caution readers not to place undue reliance on the forward-looking statements in this presentation as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, outlooks, expectations, goals, estimates or intentions expressed in the forward-looking statements.

All financial figures in this presentation are in Canadian dollars ($) unless otherwise indicated.

So much more to KNOW



Third-party Channel

Flexiti:
retail financing

Real Estate Portfolio

5.5M[1]
ft² in real estate holdings

Financial Services

2M+
customers under warranty

1M+
insurance policies sold life-to-date

Commercial Channel

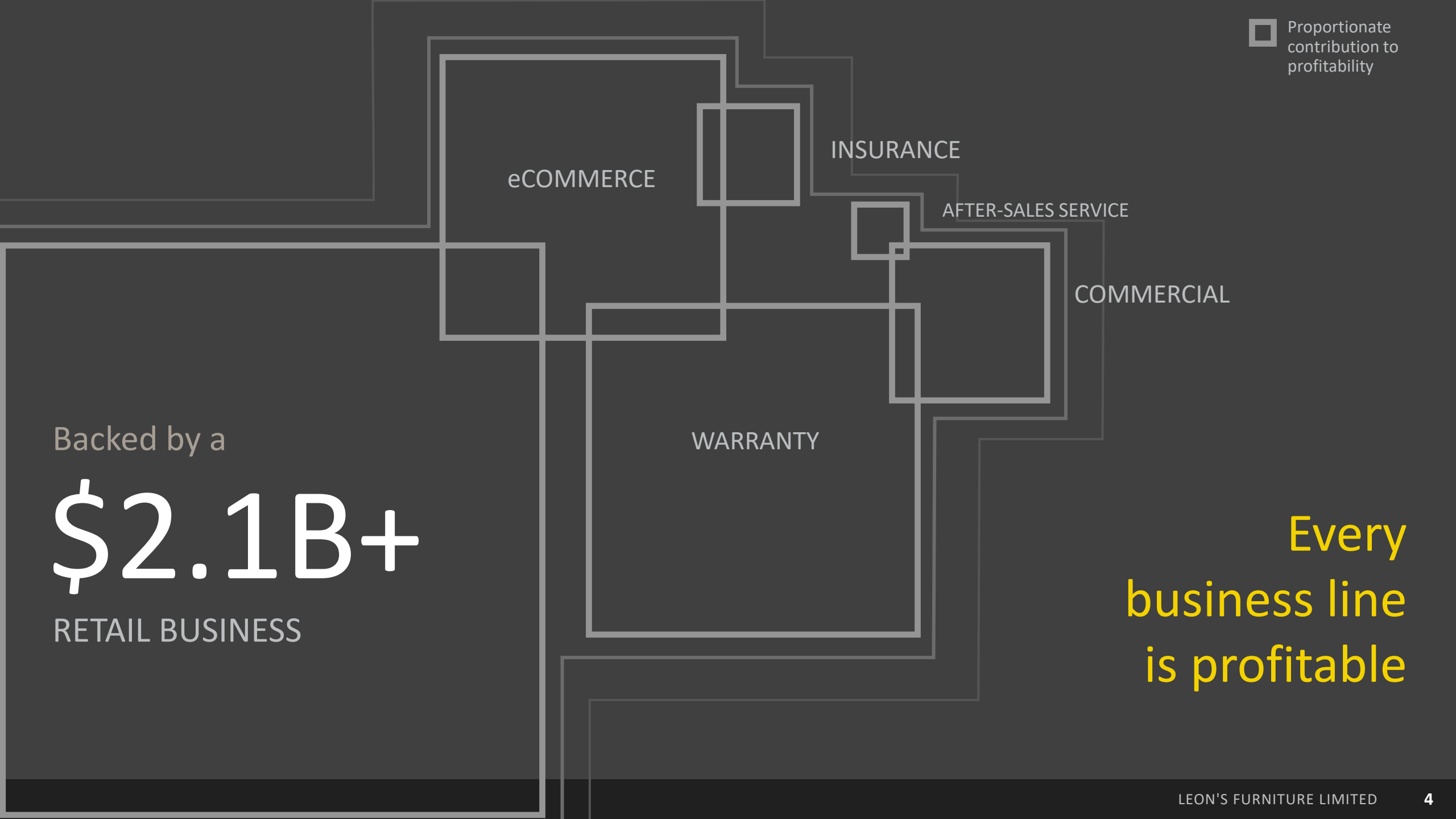
$370M
builder sales

E-commerce Channel

23%
sales CAGR since 2017

Harvesting value from our scale

1 The Company's total owned and leased real estate portfolio consists of 12.1M square feet. 5.5M square feet is owned real estate including the full square footage in two Distribution Centre properties that are held at 50% ownership interest.



Backed by a

$2.1B+

RETAIL BUSINESS

Every business line is profitable



Leon's Furniture Limited:
Dominant home retailer touching Canadians coast to coast

What makes a best-in-class retailer?



Bricks & Mortar

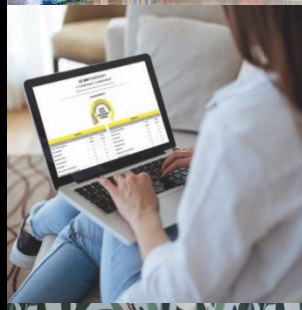
Distribution

Digital Assets

Proven Operators









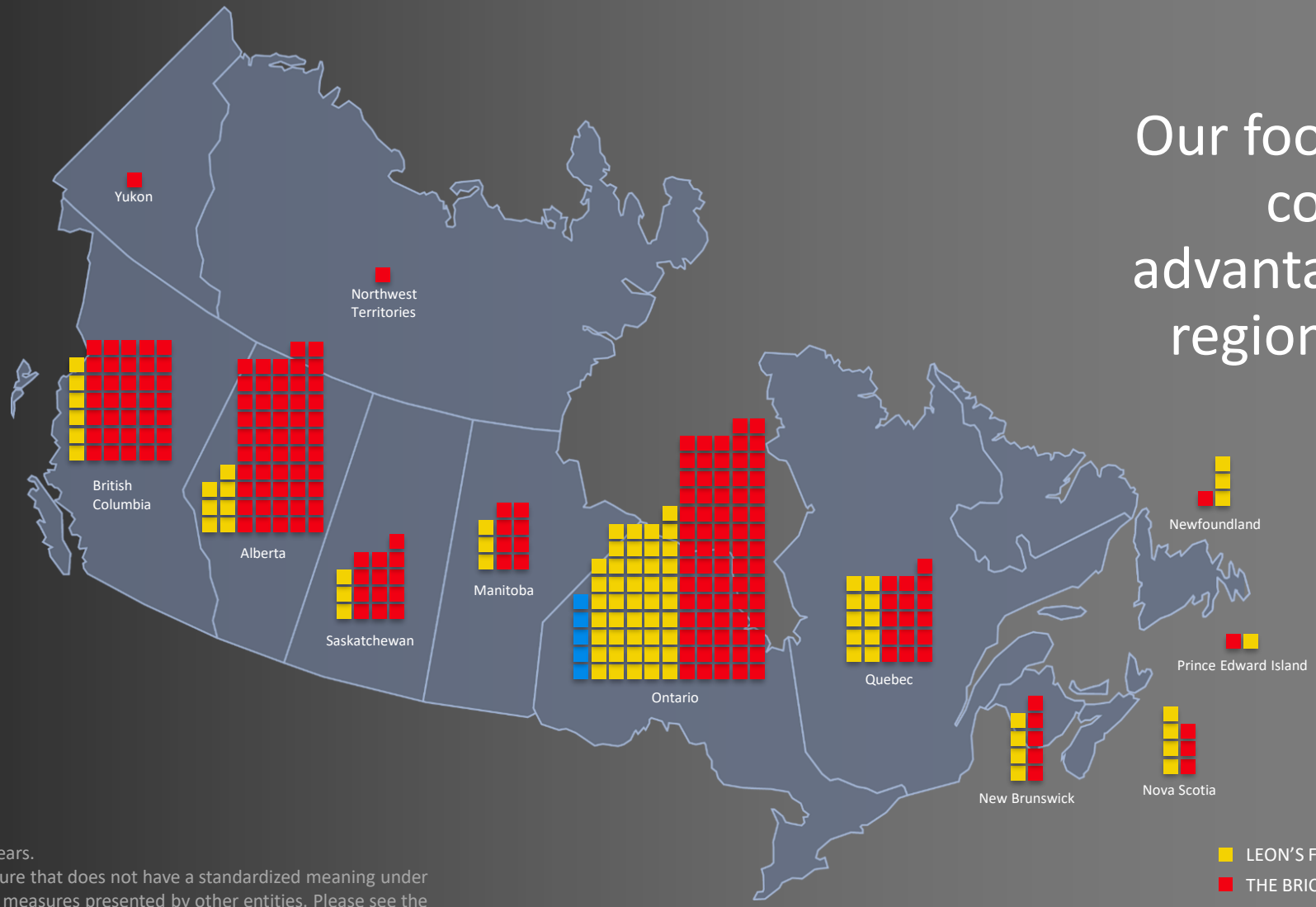
Comprehensive coverage across Canada

299
stores
nationwide

2.5%
Consistent growth in system wide sales[1]

Proven driver of higher value baskets

7,800
retail associates[2]

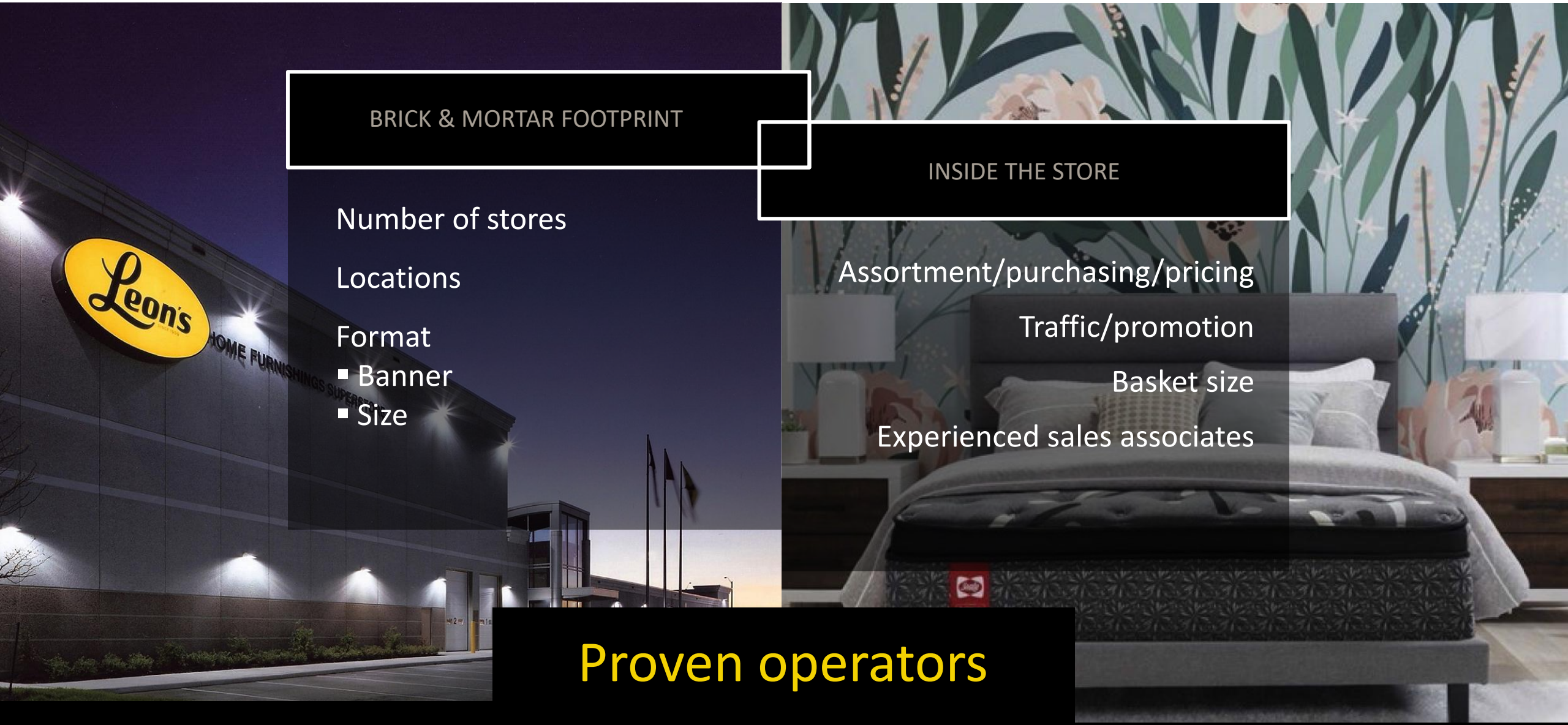


Our footprint is a competitive advantage versus regional players

1 Total System Wide Sales over the past 10 years.
Total System Wide Sales is a financial measure that does not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other entities. Please see the section of this presentation titled "Non-IFRS Financial Measures" for further detail.

2 Figure reflects corporate stores only.

Established track record of a successful retailer



BRICK & MORTAR FOOTPRINT

Number of stores

Locations

Format
- Banner
- Size

INSIDE THE STORE

Assortment/purchasing/pricing

Traffic/promotion

Basket size

Experienced sales associates

Proven operators

Unmatched fulfillment capabilities in Canadian furniture retail



WAREHOUSE AND DISTRIBUTION

4.2M

Total Distribution Centre space

6
Regional Stand-alone Distribution Centres

22
Delivery warehouse centres

15M
Units moved across all distribution centres

LAST MILE DELIVERY

One of the largest last mile delivery networks in Canada

1M+
Stops per year

70%
LFL's own fleet

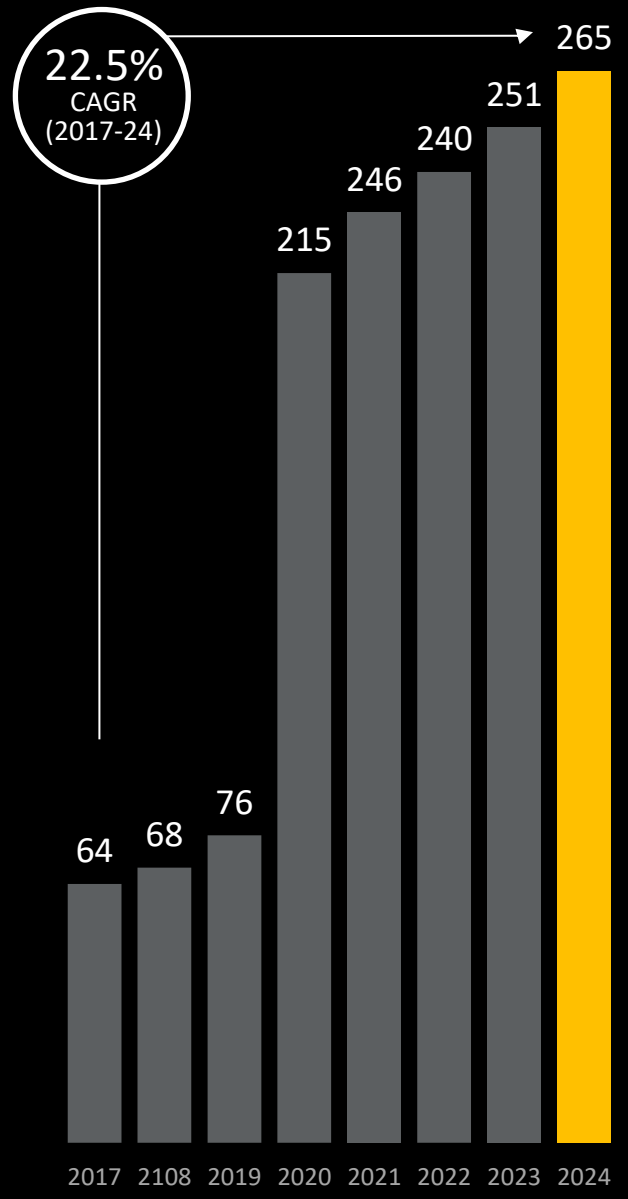
30%
3rd party deliveries

Validated, proven digital strategy

$265M
Ecommerce sales (2024)

65M+
visits per annum

216,000
customer initiated sales online





Higher margin,
Higher growth,
Higher profits

Well-known household banners in Canada



Retail banners

you can’t replicate

Locations

you can’t replicate

Distribution

you can’t replicate



Platform for accelerating profitable growth

Harvesting value from our scale within our ecosystem and from third parties

- Financial Services
- Home Services
- Commercial
- eCommerce
- Real Estate



Growing our financial services offering delivers margin profile

WARRANTY

2M+
customers

40%+
LFL customers purchase warranty

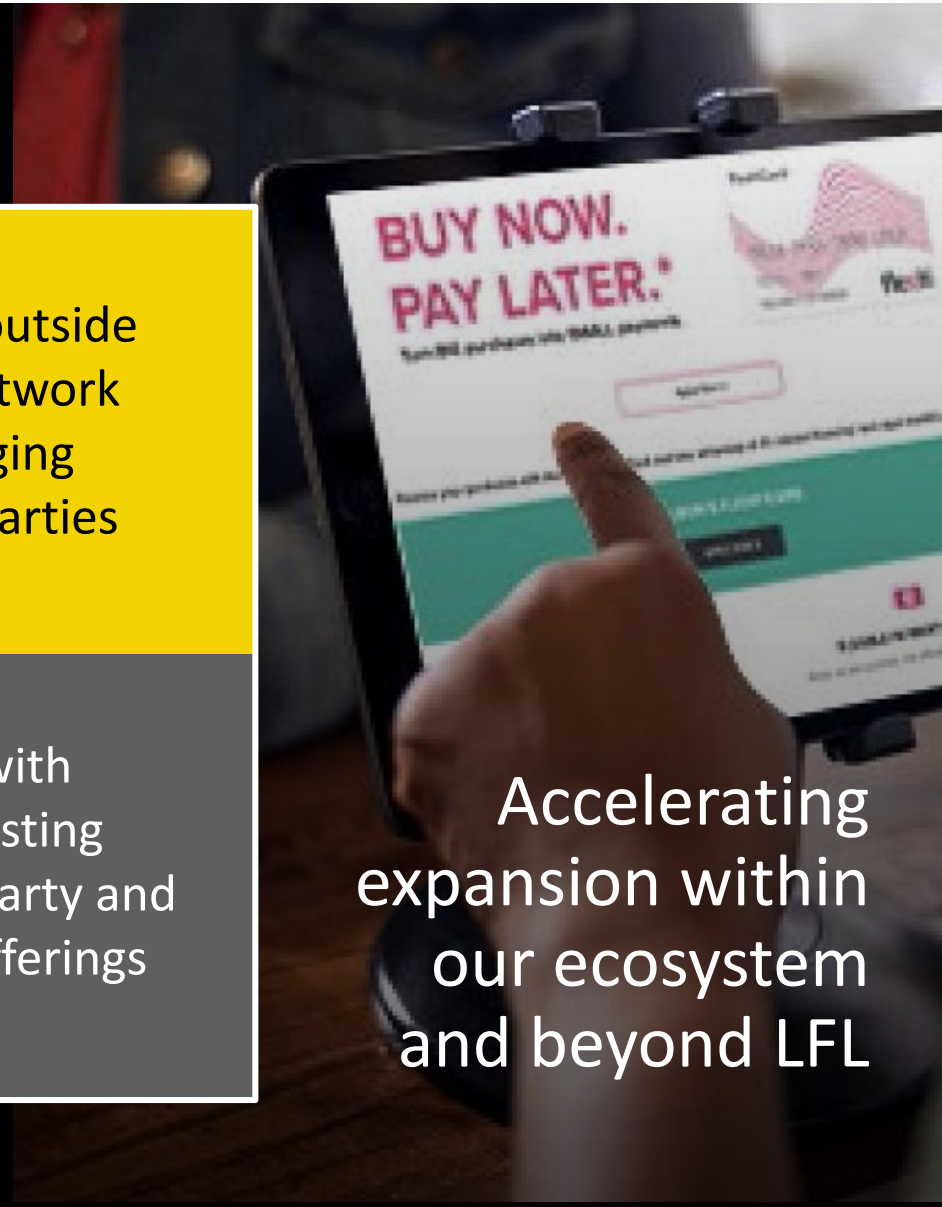
Scale outside our network leveraging third parties

INSURANCE

8,000+
storefronts sell our offering

47%
revenue earned from third party partners on creditor insurance

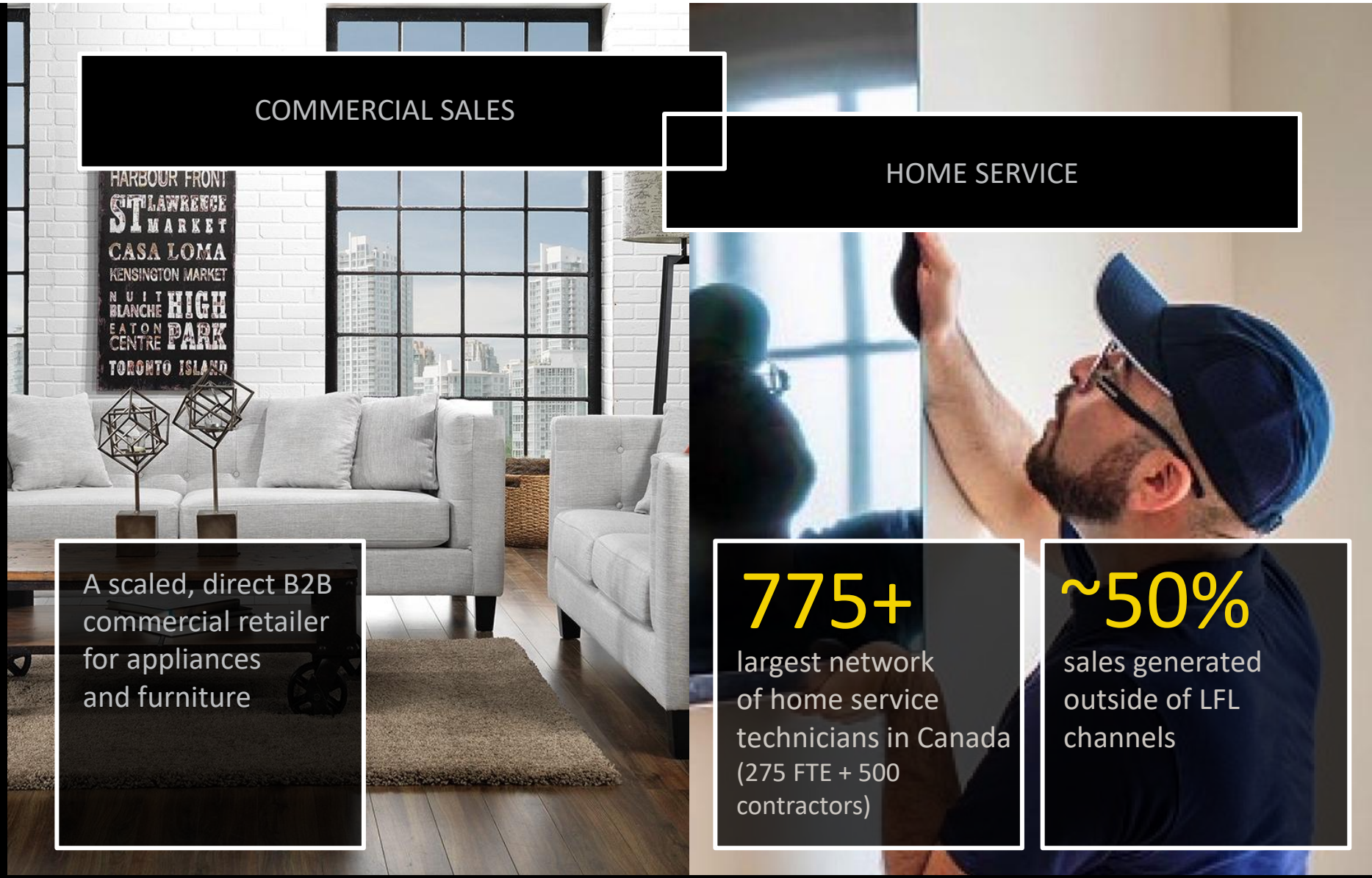
Scale with our existing third party and new offerings



Accelerating expansion within our ecosystem and beyond LFL

High volume opportunities increase our scale

Building customer familiarity at the point of household formation



COMMERCIAL SALES

A scaled, direct B2B commercial retailer for appliances and furniture

HOME SERVICE

775+
largest network of home service technicians in Canada (275 FTE + 500 contractors)

~50%
sales generated outside of LFL channels

>100 years accumulating developed & undeveloped high-value properties

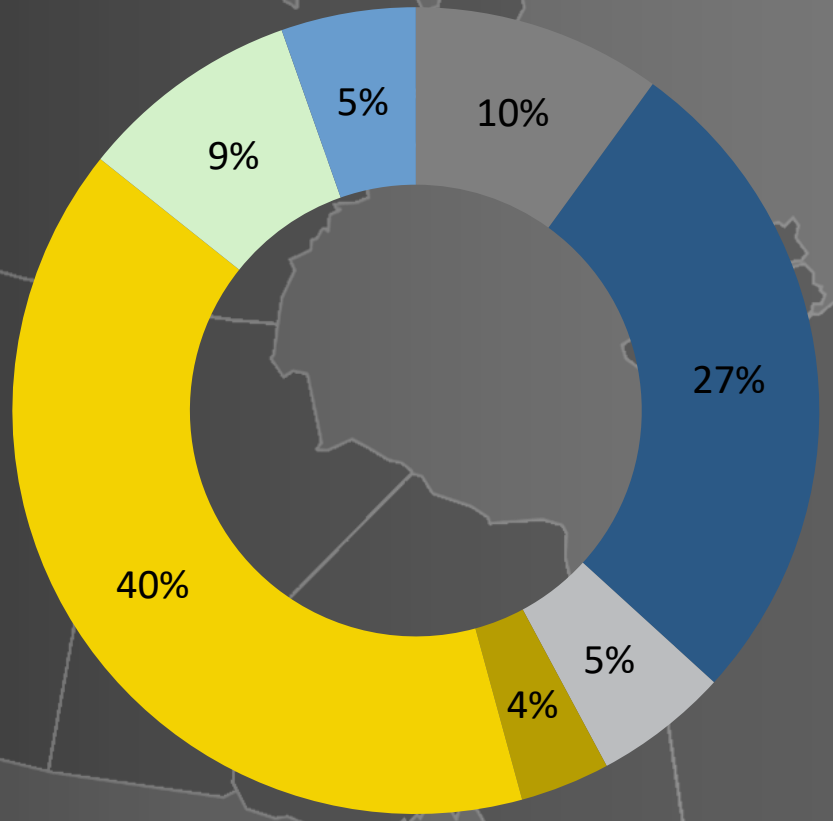
50 properties *on* **430 acres** total land

including

5.5M[1] ft² in real estate holdings

\+ significant land available for intensification/ redevelopment

~$268+M book value



Prime opportunity to vend income properties into a REIT, while intensifying/ redeveloping available land

1 The Company's total owned and leased real estate portfolio consists of 12.2M square feet. 5.6M square feet is owned real estate including the full square footage in two Distribution Centre properties that are held at 50% ownership interest.

Unlocking value in the short-term…

CREATE REIT

- To be created via IPO
- LFL to vend-in a portfolio of income producing properties
- Experienced independent management team
- LFL to retain majority interest (>50%)

SHORT-TERM

Fund continued progress on centralized distribution model

MID- LONG-TERM

Continue to develop properties and vend them into REIT

Value realization on extensive real estate portfolio currently held at a book value of ~$268+M

Optimize Store Footprint

smaller, higher traffic footprints with equivalent profitability

additional redevelopment/ vend-in opportunities

…while providing additional value creation levers over the mid and long term

Several sites with unrealized embedded value

Burlington, Ontario Location

TODAY

TOMORROW

32 acres

73,000 ft²
retail store

73,000 ft²
warehouse centre



LFL leased regional distribution centre

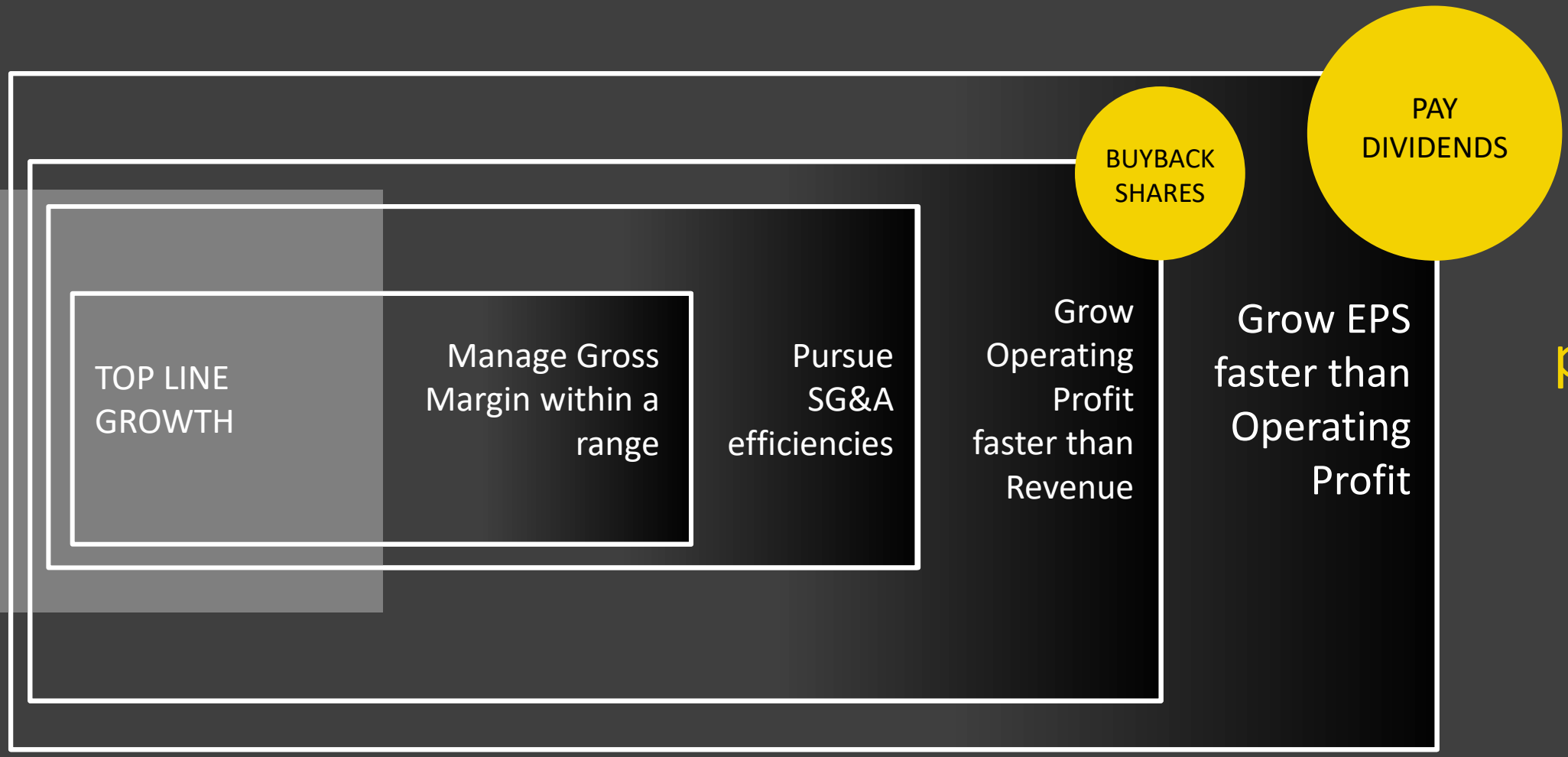
Third-party distribution centre

Dual zoning offers development upside across multiple properties

High density mixed-use development in core Toronto



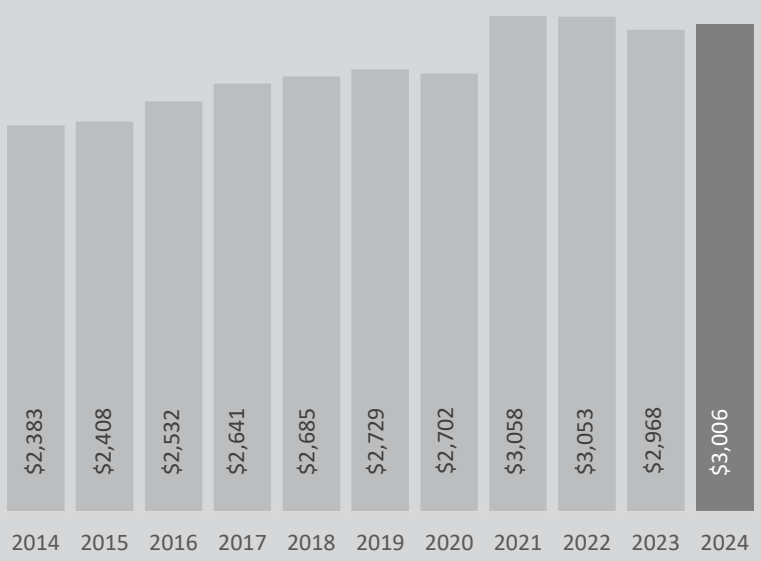
High performance operating model



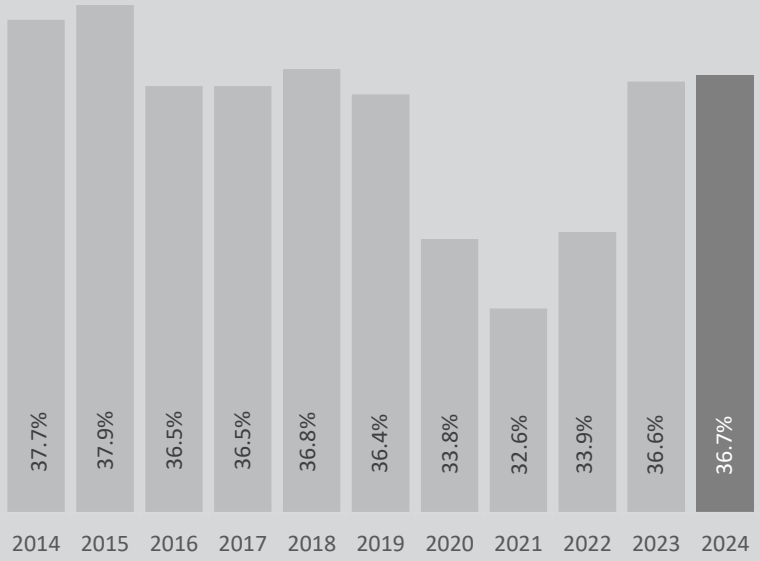
Outsized profitability growth available

Consistent top line growth and disciplined cost management

System Wide Sales[1]
(C$ Millions)



SG&A as a % of Revenue

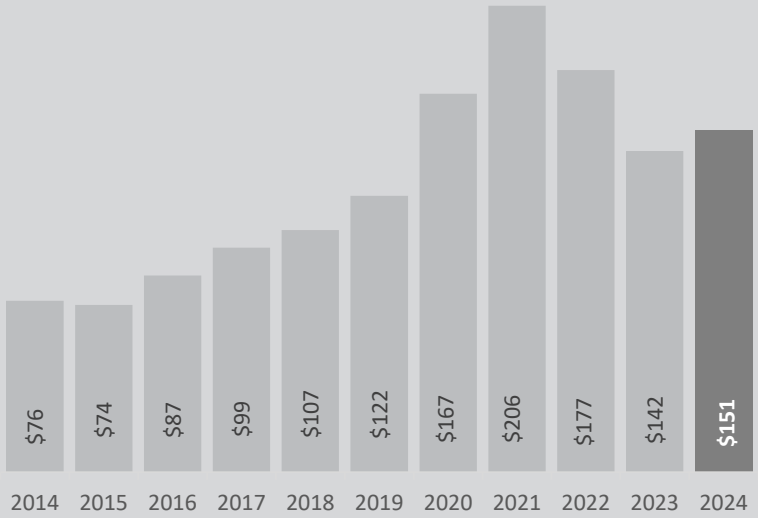


Proven track record as efficient operators

1 Total System Wide Sales is a financial measure that does not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other entities. Please see the section of this presentation titled "Non-IFRS Financial Measures" for further detail.

Focused on Profitability

Adjusted Net Income[1]
(C$ Millions)



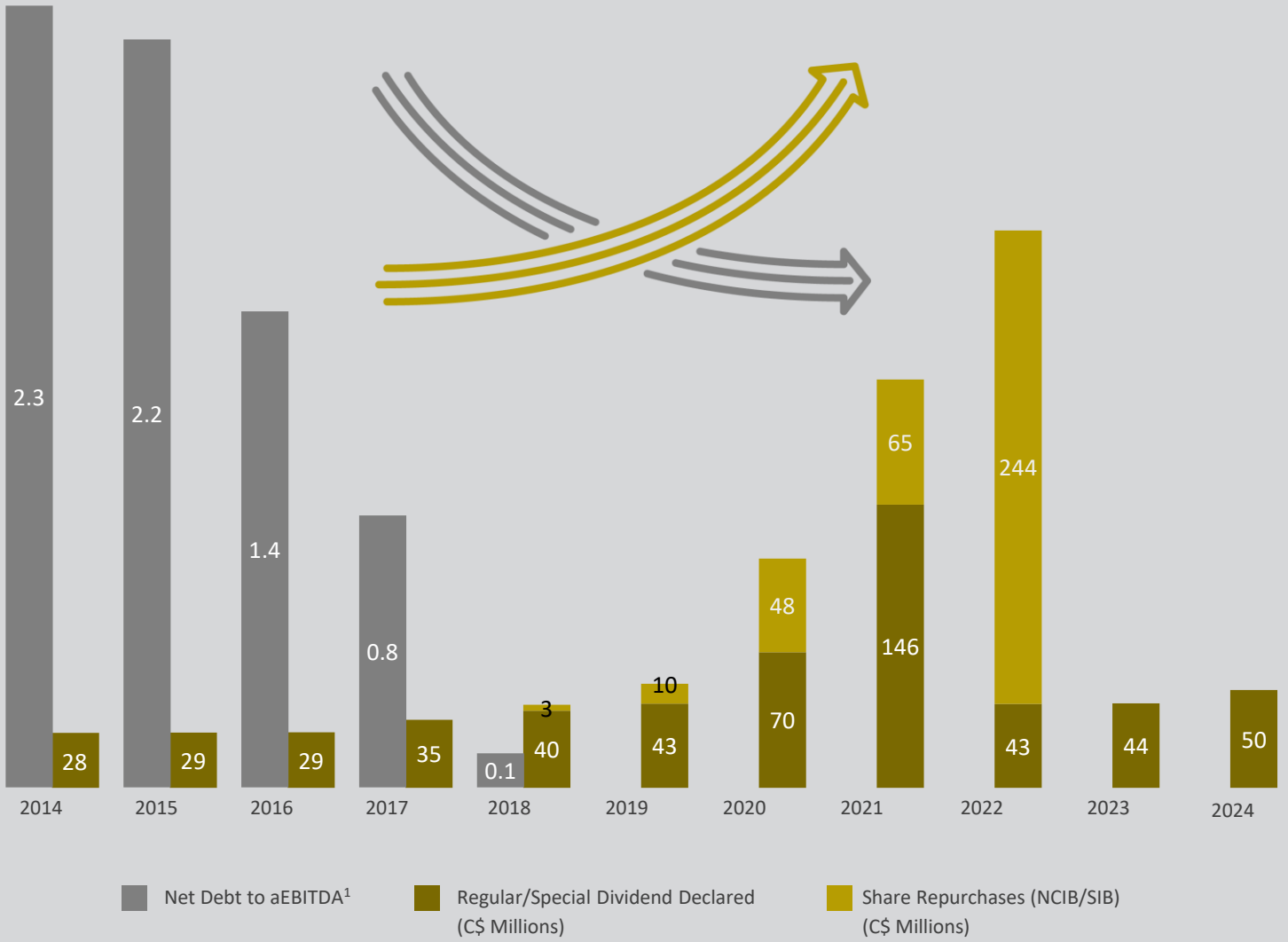




Positioned to continue growing net income over the long term

1 For a full explanation of the Company's use of non-IFRS and supplementary financial measures, please refer to Slide 26 of this presentation under the heading "Non-IFRS Financial Measures"

Capital Return to Shareholders



Brick acquisition consolidated market and built scale enabling increased returns

1 Adjusted EBITDA is a financial measure that does not have standardized meanings under IFRS and may not be comparable to similar measures presented by other entities. Please see the section of this presentation titled "Non-IFRS Financial Measures" for further detail and for a reconciliation of Adjusted EBITDA to Net Income.

Delivering the future of furniture retail… today

With a unified customer experience

Corporate overview



TSX Symbol	LNF
Shares O/S[1]	68.2M
Market Cap[2]	$1.7B
Insider Ownership	~69%
Net Cash[1]	$245.4M

[1] As at December 31, 2024
[2] Based on closing price at February 25, 2025

Non-IFRS financial measures

The Company uses financial measures in this presentation that do not have standardized meaning under IFRS and may not be comparable to similar measures presented by other entities. The Company calculates the non-IFRS financial measures by adjusting certain IFRS measures for specific items the Company believes are significant, but not reflective of underlying operations in the period.

Total System Wide Sales

Total system wide sales refer to the aggregation of revenue recognized in the Company's consolidated financial statements plus the franchise sales occurring at franchise stores to their customers which are not included in the revenue figure presented in the Company's consolidated financial statements. Total system wide sales is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS, but it is a key indicator used by the Company to measure performance against prior period results. Therefore, total system wide sales as discussed in this Presentation may not be comparable to similar measures presented by other issuers. We believe that disclosing this measure is meaningful to investors because it serves as an indicator of the strength of the Company's overall store network, which ultimately impacts financial performance.

Adjusted Net Income

The Company calculates comparable measures by excluding the effect of changes in fair value of derivative instruments, related to the net effect of USD-denominated forward contracts. The Company uses derivative instruments to manage its financial risk in accordance with the Company's corporate treasury policy. Management believes excluding from income the effect of these mark-to-market valuations and changes thereto, until settlement, better aligns the intent and financial effect of these contracts with the underlying cash flows.

Adjusted EBITDA

The Company calculates Adjusted EBITDA by adjusting Net Income for specific items the Company believes are significant, but not reflective of underlying operations in the period. For a reconciliation of Adjusted EBITDA to Net Income, please see below:

Adjusted EBITDA Reconciliation (C$ millions)	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Income	**153.7**	138.9	179.4	207.2	163.3	106.9	111.0	96.6	83.6	76.6	75.5
Income tax expense	**50.9**	43.6	56.8	69.2	47.2	36.1	39.6	34.8	30.6	24.8	27.6
Net finance costs	**14.4**	19.5	21.5	15.0	17.9	25.2	6.9	10.5	14.5	17.6	16.8
Depreciation and amortization	**106.6**	107.8	110.0	112.0	111.3	122.7	37.2	39.6	41.2	41.7	42.7
Gain on settlement	**(23.4)**	(20.0)	-	-	-	-	-	-	-	-	-
Mark-to-market (gain)/loss on financial derivative instruments	**(3.8)**	3.5	(3.0)	(2.2)	4.6	(0.1)	(5.9)	3.3	2.7	(0.4)	-
Severance charge		-	-	-	-	-	-	-	1.7	-	-
Prior period tax adjustment		-	-	-	-	-	-	-	-	(2.6)	-
Adjusted EBITDA	**298.4**	293.3	364.7	401.2	344.3	290.8	188.8	184.8	174.3	157.8	162.6



CANADA’S FURNITURE RETAILER