

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: September 20, 2017  
(Date of earliest event reported)

HERMAN MILLER, INC.

(Exact name of registrant as specified in its charter)

**Michigan**  
(State or Other Jurisdiction of  
incorporation)

**001-15141**  
(Commission File No.)

**38-0837640**  
(IRS Employer  
Identification no.)

**855 East Main Avenue**  
**Zeeland, Michigan**  
(Address of Principal Executive Offices)

**49464**  
(Zip Code)

**(616) 654-3000**

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition**

On September 20, 2017, Herman Miller, Inc. issued a press release announcing its financial results for the quarter ended September 2, 2017. A copy of the press release is attached as Exhibit 99.1. Also, a copy of the supplemental financial data for the quarter ended September 2, 2017 is attached as Exhibit 99.2.

The information in this Form 8-K and the attached Exhibits shall not be deemed filed for purposes of Section 18 of the Securities Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

Exhibits.

99.1 [Press release dated September 20, 2017](#)

99.2 [Supplemental financial data for the quarter ended September 2, 2017](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: September 20, 2017

HERMAN MILLER, INC.

(Registrant)

/s/ Kevin J. Veltman

By: Kevin J. Veltman

Vice President of Investor Relations & Treasurer  
(Duly Authorized Signatory for Registrant)

# Herman Miller Reports First Quarter Fiscal 2018 Results

- **Orders and backlog up 8% organically compared to prior year**
- **Reported EPS of \$0.55 per share; adjusted EPS of \$0.57 per share in-line with guidance**
- **Continued progress on cost savings initiative**

**Webcast to be held Thursday, September 21, 2017, at 9:30 AM ET**

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Release	Immediate
Date	September 20, 2017
Contact	Kevin Veltman (616) 654-3973 or kevin_veltman@hermanmiller.com Jeff Stutz (616) 654-8538 or jeff_stutz@hermanmiller.com Media (616) 654-5977 or media_relations@hermanmiller.com
Address	Herman Miller, Inc., 855 East Main Avenue, PO Box 302, Zeeland, MI 49464-0302
Internet	www.hermanmiller.com

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*NOTE: A data supplement with additional financial information relating to the periods covered by this press release is available for download from the company's website at <http://www.hermanmiller.com/about-us/investors.html>.*

Herman Miller, Inc. (NASDAQ: MLHR) today announced results for its first quarter ended September 2, 2017. The quarter included a standard thirteen weeks of operations as compared to fourteen weeks in the prior fiscal year's first quarter. The additional week in last year's first quarter was required to more closely align Herman Miller's fiscal year with the calendar months.

On an organic basis, net sales and orders in the first quarter increased by 3.9% and 7.8%, respectively, from the same quarter last fiscal year. Organic net sales and orders exclude the impact of the extra week in last fiscal year's first quarter, foreign currency translation and dealer divestitures, as well as the impact of a change in shipping terms for Design Within Reach sales during the quarter. Reported net sales in the quarter totaled \$580.3 million, a decrease of 3.1% from the same quarter last fiscal year. Reported new orders in the first quarter of \$594.8 million were consistent with the prior year level.

Herman Miller reported net earnings of \$0.55 per share on a diluted basis in the first quarter. Excluding the impact of restructuring and other charges recognized in the period associated with the company's previously announced profitability improvement initiatives, adjusted earnings per share in the first quarter totaled \$0.57, compared to earnings per share of \$0.60 in the first quarter of last fiscal year. The company estimates the extra week of operations in the prior year first quarter increased earnings per share by approximately \$0.05 in that period.

Brian Walker, Chief Executive Officer, stated "We are encouraged by the strong level of demand across much of the business. This was particularly notable within our North America and ELA segments, both of which delivered solid year-over-year organic order growth in the quarter that was better than we experienced last fiscal year. These improvements were complemented by continued traction in our Consumer business, which posted double-digit organic net sales and order growth this quarter. Despite some operating challenges with product mix shifts and heightened warranty accruals, we were able to deliver net sales and earnings in-line with the expectations we set at the beginning of the quarter. Our employee-owners did a great job of managing cost and implementing the cost initiatives we announced last year. Looking forward, while we think the overall global economic picture remains positive, there will be some challenges resulting from the recent storms in Texas and the South East. We are thankful that our people and the employees of our dealer partners are safe, but we know that many of them and our customers are understandably spending a good deal of time recovering and helping others less fortunate."

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## First Quarter Fiscal 2018 Financial Results

FINANCIAL HIGHLIGHTS (Dollars in millions, except per share data)	(Unaudited)		
	Three Months Ended		
	9/2/2017 (13 weeks)	9/3/2016 (14 weeks)	% Chg.
Net Sales	\$ 580.3	\$ 598.6	(3.1)%
Gross Margin %	37.4%	38.4%	N/A
Operating Expenses	\$ 165.7	\$ 173.6	(4.6)%
Restructuring Expenses and Other Charges	\$ 2.1	\$ —	N/A
Operating Earnings %	8.5%	9.4%	N/A
Adjusted Operating Earnings %*	8.8%	9.4%	N/A
Adjusted EBITDA*	\$ 67.8	\$ 70.9	(4.4)%
Net Earnings Attributable to Herman Miller, Inc.	\$ 33.1	\$ 36.3	(8.8)%
Earnings Per Share – Diluted	\$ 0.55	\$ 0.60	(8.3)%
Adjusted Earnings Per Share – Diluted*	\$ 0.57	\$ 0.60	(5.0)%
Orders	\$ 594.8	\$ 595.6	(0.1)%
Backlog	\$ 332.1	\$ 320.5	3.6 %

\*Items indicated represent Non-GAAP measurements; see the reconciliations of non-GAAP financial measures and related explanations in the supplemental data file available for download at <http://www.hermanmiller.com/about-us/investors.html>. A copy of this supplemental data file has also been included with the earnings press release filed on Form 8-K with the Securities and Exchange Commission.

Consolidated gross margin in the first quarter of fiscal 2018 totaled 37.4%, representing a 100 basis point decrease from the level reported in the same quarter of last fiscal year.

Operating expenses in the first quarter were \$165.7 million compared to \$173.6 million in the same quarter a year ago. This represented a year-over-year decrease of \$7.9 million, the majority of which related to the impact of an extra week of operations in the first quarter of fiscal 2017.

The Company recognized pre-tax restructuring expenses and other charges totaling \$2.1 million in the first quarter, all of which relate directly to initiatives aimed at achieving its previously outlined cost reduction goals. Restructuring expenses related to severance and outplacement benefits associated with targeted workforce reductions implemented during the period. Other charges related to external consulting fees associated with the company's profitability improvement initiatives within the Consumer business segment.

Herman Miller's effective income tax rate in the first quarter was 30.5%, compared to 32.0% in the same quarter last fiscal year.

Jeff Stutz, Chief Financial Officer, noted, "Our results this quarter reflect a combination of offsetting positive and negative factors. Gross margin came in near the low end of our expectations for the quarter. This was due in part to a product mix shift that caused capacity imbalances that resulted in additional cost to serve customers, as well as lower production leverage in some operations. Despite these pressures on gross margin, the organization continued its collective focus on cost management, enabling us to deliver earnings in-line with the expectations we set at the start of the quarter. This focus on cost savings also helped offset higher than normal warranty expenses this quarter. While we have more work in front of us, we are encouraged by the progress we've made toward our long-term goal of achieving gross annualized cost savings of \$25 million to \$35 million. Achieving this target is important to our strategy as it will help fund growth investments and help us drive operating margins above 10% by the end of fiscal 2020."

The Company ended the first quarter with total cash and cash equivalents of \$80.0 million, a decrease of \$16.2 million from the balance at the end of the fiscal 2017. Cash flow generated from operations in the first quarter was \$18.9 million. This compared to \$30.2 million in the respective period last fiscal year.

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## Segment Sales and Orders

The following tables summarize reported and organic segment sales and orders for the first quarter of fiscal 2018:

### Organic Sales Growth (Decline) by Segment \*

	Three Months Ended 9/2/17					Three Months Ended 9/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 328.6	\$ 93.4	\$ 75.1	\$ 83.2	\$ 580.3	\$ 347.2	\$ 97.3	\$ 78.7	\$ 75.4	\$ 598.6
% change from PY	(5.4)%	(4.0)%	(4.6)%	10.3%	(3.1)%					
<b>Proforma Adjustments</b>										
Dealer Divestitures	—	—	—	—	—	(8.1)	—	—	—	(8.1)
Currency Translation Effects <sup>(1)</sup>	(0.4)	0.1	—	—	(0.3)	—	—	—	—	—
Impact of Extra Week in FY17	—	—	—	—	—	(21.7)	(6.3)	(4.3)	(4.7)	(37.0)
Impact of Change in DWR Shipping Terms	—	—	—	(5.0)	(5.0)	—	—	—	—	—
Net Sales, organic	\$ 328.2	\$ 93.5	\$ 75.1	\$ 78.2	\$ 575.0	\$ 317.4	\$ 91.0	\$ 74.4	\$ 70.7	\$ 553.5
% change from PY	3.4 %	2.7 %	0.9 %	10.6%	3.9 %					

### Organic Order Growth (Decline) by Segment \*

	Three Months Ended 9/2/17					Three Months Ended 9/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Orders, as reported	\$ 334.8	\$ 108.5	\$ 75.4	\$ 76.1	\$ 594.8	\$ 333.3	\$ 109.8	\$ 81.4	\$ 71.1	\$ 595.6
% change from PY	0.5%	(1.2)%	(7.4)%	7.0%	(0.1)%					
<b>Proforma Adjustments</b>										
Dealer Divestitures	—	—	—	—	—	(7.0)	—	—	—	(7.0)
Currency Translation Effects <sup>(1)</sup>	—	(0.1)	—	—	(0.1)	—	—	—	—	—
Impact of Extra Week in FY17	—	—	—	—	—	(20.0)	(8.1)	(4.8)	(4.0)	(36.9)
Orders, organic	\$ 334.8	\$ 108.4	\$ 75.4	\$ 76.1	\$ 594.7	\$ 306.3	\$ 101.7	\$ 76.6	\$ 67.1	\$ 551.7
% change from PY	9.3%	6.6 %	(1.6)%	13.4%	7.8 %					

<sup>(1)</sup> Currency translation effects represent the estimated net impact of translating current period sales and orders using the average exchange rates applicable to the comparable prior year period.

\* Items represent Non-GAAP measurements; see the reconciliations of non-GAAP financial measures and related explanations in the supplemental data file available for download at <http://www.hermanmiller.com/about-us/investors.html>. A copy of this supplemental data file has also been included with the earnings press release filed on Form 8-K with the Securities and Exchange Commission.

## Second Quarter Fiscal 2018 Guidance

Looking forward, Herman Miller expects net sales in the second quarter of fiscal 2018 to be in the range of \$590 million to \$620 million. On an organic basis, adjusted for the impact of a dealer divestiture and foreign currency translation, this forecast implies organic sales growth of 6% compared to the second quarter of the prior year at the mid-point of the range. Diluted earnings per share in the quarter are expected to range from \$0.55 to \$0.61 per share.

## Supplemental Information and Webcast

The company has created a supplemental data report which provides additional information relevant to its quarterly results. This document can be accessed via a link on the Investors section of the company's website at <http://www.hermanmiller.com/about-us/investors.html>.

The company will host a live webcast to discuss the results of the first quarter of fiscal 2018 on Thursday, September 21, 2017, at 9:30 a.m. ET. To ensure your access to the webcast, you should allow extra time to visit the company's website at [www.hermanmiller.com](http://www.hermanmiller.com) to download the streaming software necessary to participate. An online archive of the presentation will be available on the website later that day.

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## About Herman Miller

Herman Miller is a globally recognized provider of furnishings and related technologies and services. Headquartered in West Michigan, the global company has relied on innovative design for over 100 years to solve problems for people wherever they work, live, learn, and heal. Herman Miller's designs are part of museum collections worldwide, and the company is a past recipient of the Smithsonian Institution's Cooper Hewitt National Design Award. Known and respected for its leadership in corporate social responsibility, Herman Miller has earned the Human Rights Campaign Foundation's top rating in its Corporate Equality Index ten years in a row, was named a 2016 Top 100 Healthiest Employer, and has earned numerous global sustainability awards. In fiscal 2017, the company generated \$2.28 billion in revenue and employed nearly 8,000 people worldwide. Herman Miller trades on the NASDAQ Global Select Market under the symbol MLHR.

This release 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 office furniture industry, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," "likely," "plans," "projects," and "should," variations of such words, and similar expressions identify such forward-looking statements. 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 include, without limitation, the success of our growth strategy, our success in initiatives aimed at achieving long-term cost saving goals, employment and general economic conditions, the pace of economic recovery in the U.S., and in our International markets, the increase in white-collar employment, the willingness of customers to undertake capital expenditures, the types of products purchased by customers, competitive-pricing pressures, the availability and pricing of raw materials, our reliance on a limited number of suppliers, our ability to expand globally given the risks associated with regulatory and legal compliance challenges and accompanying currency fluctuations, the ability to increase prices to absorb the additional costs of raw materials, the financial strength of our dealers and the financial strength of our customers, our ability to locate new DWR studios, negotiate favorable lease terms for new and existing locations and implement our studio portfolio transformation, our ability to attract and retain key executives and other qualified employees, our ability to continue to make product innovations, the success of newly-introduced products, our ability to serve all of our markets, possible acquisitions, divestitures or alliances, the pace and level of government procurement, the outcome of pending litigation or governmental audits or investigations, political risk in the markets we serve, and other risks identified in our filings with the Securities and Exchange Commission. Therefore, actual results and outcomes may materially differ from what we express or forecast. Furthermore, Herman Miller, Inc., undertakes no obligation to update, amend or clarify forward-looking statements.

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Financial highlights for the quarter ended September 2, 2017 follow:

Herman Miller, Inc.  
Condensed Consolidated Statements of Operations  
(Unaudited) (Dollars in millions, except per share and common share data)

	<u>Three Months Ended</u>			
	<u>September 2, 2017</u>		<u>September 3, 2016</u>	
	(13 weeks)		(14 weeks)	
Net Sales	\$ 580.3	100.0%	\$ 598.6	100.0%
Cost of Sales	363.4	62.6%	368.6	61.6%
Gross Margin	216.9	37.4%	230.0	38.4%
Operating Expenses	165.7	28.6%	173.6	29.0%
Restructuring and Impairment Expenses	2.1	0.4%	—	—%
Operating Earnings	49.1	8.5%	56.4	9.4%
Other Expenses, net	2.6	0.4%	3.2	0.5%
Earnings Before Income Taxes and Equity Income	46.5	8.0%	53.2	8.9%
Income Tax Expense	14.2	2.4%	17.0	2.8%
Equity Income, net of tax	0.8	0.1%	0.3	0.1%
<b>Net Earnings</b>	<b>33.1</b>	<b>5.7%</b>	<b>36.5</b>	<b>6.1%</b>
Net Earnings Attributable to Noncontrolling Interests	—	—%	0.2	—%
<b>Net Earnings Attributable to Herman Miller, Inc.</b>	<b>\$ 33.1</b>	<b>5.7%</b>	<b>\$ 36.3</b>	<b>6.1%</b>
<b>Amounts per Common Share Attributable to Herman Miller, Inc.</b>				
Earnings Per Share – Basic	\$0.55		\$0.61	
Weighted Average Basic Common Shares	59,758,610		59,930,772	
Earnings Per Share – Diluted	\$0.55		\$0.60	
Weighted Average Diluted Common Shares	60,329,269		60,537,156	

Herman Miller, Inc.  
Condensed Consolidated Statements of Cash Flows  
(Unaudited) (Dollars in millions)

	<u>Three Months Ended</u>			
	<u>September 2, 2017</u>		<u>September 3, 2016</u>	
	(13 weeks)		(14 weeks)	
<b>Net Earnings</b>	<b>\$ 33.1</b>	<b>\$</b>	<b>36.5</b>	<b>\$</b>
Cash Flows provided by Operating Activities	18.9		30.2	
Cash Flows used for Investing Activities	(24.2)		(51.4)	
Cash Flows used for Financing Activities	(13.0)		0.8	
Effect of Exchange Rates	2.1		0.6	
<b>Change in Cash</b>	<b>(16.2)</b>		<b>(19.8)</b>	
Cash, Beginning of Period	96.2		84.9	
<b>Cash, End of Period</b>	<b>\$ 80.0</b>	<b>\$</b>	<b>65.1</b>	<b>\$</b>



Herman Miller, Inc.  
Condensed Consolidated Balance Sheets  
(Unaudited) (Dollars in millions)

	<u>September 2, 2017</u>	<u>June 3, 2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 80.0	\$ 96.2
Marketable Securities	8.7	8.6
Accounts and Notes Receivable, net	191.2	186.6
Inventories, net	166.9	152.4
Prepaid Expenses and Other	51.9	48.1
<b>Total Current Assets</b>	<b>498.7</b>	<b>491.9</b>
Net Property and Equipment	328.1	314.6
Other Assets	491.6	499.8
<b>Total Assets</b>	<b>\$ 1,318.4</b>	<b>\$ 1,306.3</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts Payable	166.2	148.4
Accrued Liabilities	217.8	237.3
<b>Total Current Liabilities</b>	<b>384.0</b>	<b>385.7</b>
Long-term Debt	203.9	199.9
Other Liabilities	98.4	108.4
<b>Total Liabilities</b>	<b>686.3</b>	<b>694.0</b>
<b>Redeemable Noncontrolling Interests</b>	<b>23.4</b>	<b>24.6</b>
Herman Miller, Inc. Stockholders' Equity	608.5	587.5
Noncontrolling Interests	0.2	0.2
<b>Total Stockholders' Equity</b>	<b>608.7</b>	<b>587.7</b>
<b>Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity</b>	<b>\$ 1,318.4</b>	<b>\$ 1,306.3</b>

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## **Earnings Release Data Supplement**

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Herman Miller, Inc. (together with its consolidated subsidiaries, the "company", "we", "our" or "us") provides this supplement to assist investors in evaluating the company's financial and operating results and metrics. We suggest that the narratives to each of the tables included in this supplement be read in conjunction with the financial tables. The financial information included in this supplement contains certain non-GAAP financial measures, as explained in more detail in Section II below.

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# Herman Miller, Inc. Supplemental Financial Data

Three Months Ended September 2, 2017

(Unaudited) (\$ in millions except per share data and square footage metrics)

## I. Operating Segment Information

The table below summarizes select financial information, for the periods indicated, related to each of the company's reportable segments. The North American Furniture Solutions segment includes the operations associated with the design, manufacture, and sale of furniture products for work-related settings, including office, education, and healthcare environments, throughout the United States and Canada. The business associated with the company's owned contract furniture dealers is also included in the North American Furniture Solutions segment. The ELA Furniture Solutions segment includes EMEA, Latin America, and Asia-Pacific. ELA includes the operations associated with the design, manufacture, and sale of furniture products, primarily for work-related settings, in these aforementioned geographic regions. The Specialty segment includes the operations associated with the design, manufacture, and sale of high-craft furniture products and textiles including Geiger wood products, Maharam textiles, Nemschoff and Herman Miller Collection products. The Consumer segment includes operations associated with the sale of modern design furnishings and accessories to third party retail distributors, as well as direct to consumer sales through eCommerce and Design Within Reach retail studios. Corporate costs represent unallocated expenses related to general corporate functions, including, but not limited to, certain legal, executive, corporate finance, information technology, administrative and acquisition-related costs.

	Three Months Ended		
	9/2/2017	9/3/2016	% change
<b>Net Sales</b>			
North America	\$ 328.6	\$ 347.2	(5.4)%
ELA	93.4	97.3	(4.0)%
Specialty	75.1	78.7	(4.6)%
Consumer	83.2	75.4	10.3 %
<b>Total</b>	<b>\$ 580.3</b>	<b>\$ 598.6</b>	<b>(3.1)%</b>
<b>Gross Margin</b>			
North America	\$ 119.7	\$ 130.0	(7.9)%
ELA	31.8	34.2	(7.0)%
Specialty	28.8	32.5	(11.4)%
Consumer	36.6	33.3	9.9 %
<b>Total</b>	<b>\$ 216.9</b>	<b>\$ 230.0</b>	<b>(5.7)%</b>
<b>Gross Margin % Net Sales</b>			
North America	36.4%	37.4%	
ELA	34.0%	35.1%	
Specialty	38.3%	41.3%	
Consumer	44.0%	44.2%	
<b>Total</b>	<b>37.4%</b>	<b>38.4%</b>	
<b>Operating Earnings (Loss)</b>			
North America	\$ 48.7	\$ 50.9	(4.3)%
ELA	6.6	8.5	(22.4)%
Specialty	1.6	5.7	(71.9)%
Consumer	0.3	0.8	(62.5)%
Corporate Unallocated Expenses	(8.1)	(9.5)	(14.7)%
<b>Total</b>	<b>\$ 49.1</b>	<b>\$ 56.4</b>	<b>(12.9)%</b>
<b>Operating Earnings % Net Sales</b>			
North America	14.8%	14.7%	
ELA	7.1%	8.7%	
Specialty	2.1%	7.2%	
Consumer	0.4%	1.1%	
<b>Total</b>	<b>8.5%</b>	<b>9.4%</b>	

# Herman Miller, Inc. Supplemental Financial Data

Three Months Ended September 2, 2017

(Unaudited) (\$ in millions except per share data and square footage metrics)

## II. Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures such as Adjusted Earnings per Share, Adjusted EBITDA and Organic Growth (Decline). Adjusted EBITDA is calculated by excluding depreciation and amortization from operating earnings and including other income and expenses. Organic Growth (Decline) represents the change in sales and orders, excluding currency translation effects and the impacts of acquisitions, divestitures, changes in DWR shipping terms and the extra week in fiscal 2017. The company believes these non-GAAP measures are useful for investors as they provide financial information on a more comparative basis for the periods presented. The three months ended September 3, 2016 included 14 weeks of operations as compared to a standard 13-week period. The additional week is required periodically in order to more closely align Herman Miller's fiscal year with the calendar months.

Adjusted Earnings per Share, Adjusted EBITDA and Organic Growth (Decline) are not measurements of our financial performance under GAAP and should not be considered an alternative to the related GAAP measurement. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of non-GAAP measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items. We compensate for these limitations by providing equal prominence of our GAAP results.

### A. Reconciliation of Earnings per Share to Adjusted Earnings per Share

	Three Months Ended	
	9/2/2017	9/3/2016
Earnings per Share - Diluted	\$ 0.55	\$ 0.60
Add: Restructuring expenses and other charges	0.02	—
<b>Adjusted Earnings per Share - Diluted</b>	<b>\$ 0.57</b>	<b>\$ 0.60</b>

### B. Reconciliation of Operating Earnings to EBITDA by Segment and Total

	Three Months Ended						Three Months Ended					
	9/2/17						9/3/16					
	North America	ELA	Specialty	Consumer	Corporate	Total	North America	ELA	Specialty	Consumer	Corporate	Total
Operating Earnings (Loss)	\$ 48.7	\$ 6.6	\$ 1.6	\$ 0.3	\$ (8.1)	\$ 49.1	\$ 50.9	\$ 8.5	\$ 5.7	\$ 0.8	\$ (9.5)	\$ 56.4
% Net Sales	14.8%	7.1%	2.1%	0.4%	n/a	8.5%	14.7%	8.7%	7.2%	1.1%	n/a	9.4%
Add: Restructuring expenses and other charges	1.4	—	—	—	0.7	2.1	—	—	—	—	—	—
<b>Adjusted Operating Earnings (Loss)</b>	<b>\$ 50.1</b>	<b>\$ 6.6</b>	<b>\$ 1.6</b>	<b>\$ 0.3</b>	<b>\$ (7.4)</b>	<b>\$ 51.2</b>	<b>\$ 50.9</b>	<b>\$ 8.5</b>	<b>\$ 5.7</b>	<b>\$ 0.8</b>	<b>\$ (9.5)</b>	<b>\$ 56.4</b>
% Net Sales	15.2%	7.1%	2.1%	0.4%	n/a	8.8%	14.7%	8.7%	7.2%	1.1%	n/a	9.4%
Other Income (Expense), net	—	—	—	—	1.1	1.1	—	—	—	—	0.6	0.6
Add: Depreciation and Amortization	7.8	2.4	2.4	2.8	0.1	15.5	6.3	2.5	2.4	2.3	0.4	13.9
<b>Adjusted EBITDA</b>	<b>\$ 57.9</b>	<b>\$ 9.0</b>	<b>\$ 4.0</b>	<b>\$ 3.1</b>	<b>\$ (6.2)</b>	<b>\$ 67.8</b>	<b>\$ 57.2</b>	<b>\$ 11.0</b>	<b>\$ 8.1</b>	<b>\$ 3.1</b>	<b>\$ (8.5)</b>	<b>\$ 70.9</b>
% Net Sales	17.6%	9.6%	5.3%	3.7%	n/a	11.7%	16.5%	11.3%	10.3%	4.1%	n/a	11.8%

Herman Miller, Inc. Supplemental Financial Data  
 Three Months Ended September 2, 2017  
 (Unaudited) (\$ in millions except per share data and square footage metrics)

C. Organic Sales Growth (Decline) by Segment

	Three Months Ended 9/2/17					Three Months Ended 9/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 328.6	\$ 93.4	\$ 75.1	\$ 83.2	\$ 580.3	\$ 347.2	\$ 97.3	\$ 78.7	\$ 75.4	\$ 598.6
% change from PY	(5.4)%	(4.0)%	(4.6)%	10.3%	(3.1)%					
<b>Proforma Adjustments</b>										
Dealer Divestitures	—	—	—	—	—	(8.1)	—	—	—	(8.1)
Currency Translation Effects <sup>(1)</sup>	(0.4)	0.1	—	—	(0.3)	—	—	—	—	—
Impact of Extra Week in FY17	—	—	—	—	—	(21.7)	(6.3)	(4.3)	(4.7)	(37.0)
Impact of Change in DWR Shipping Terms	—	—	—	(5.0)	(5.0)	—	—	—	—	—
Net Sales, organic	\$ 328.2	\$ 93.5	\$ 75.1	\$ 78.2	\$ 575.0	\$ 317.4	\$ 91.0	\$ 74.4	\$ 70.7	\$ 553.5
% change from PY	3.4 %	2.7 %	0.9 %	10.6%	3.9 %					

<sup>(1)</sup> Currency translation effects represent the estimated net impact of translating current period sales and orders using the average exchange rates applicable to the comparable prior year period

D. Organic Order Growth (Decline) by Segment

	Three Months Ended 9/2/17					Three Months Ended 9/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Orders, as reported	\$ 334.8	\$ 108.5	\$ 75.4	\$ 76.1	\$ 594.8	\$ 333.3	\$ 109.8	\$ 81.4	\$ 71.1	\$ 595.6
% change from PY	0.5%	(1.2)%	(7.4)%	7.0%	(0.1)%					
<b>Proforma Adjustments</b>										
Dealer Divestitures	—	—	—	—	—	(7.0)	—	—	—	(7.0)
Currency Translation Effects <sup>(1)</sup>	—	(0.1)	—	—	(0.1)	—	—	—	—	—
Impact of Extra Week in FY17	—	—	—	—	—	(20.0)	(8.1)	(4.8)	(4.0)	(36.9)
Orders, organic	\$ 334.8	\$ 108.4	\$ 75.4	\$ 76.1	\$ 594.7	\$ 306.3	\$ 101.7	\$ 76.6	\$ 67.1	\$ 551.7
% change from PY	9.3%	6.6 %	(1.6)%	13.4%	7.8 %					

<sup>(1)</sup> Currency translation effects represent the estimated net impact of translating current period sales and orders using the average exchange rates applicable to the comparable prior year period

E. Design Within Reach Studio Metrics

	Studio Count		Studio Selling Square Footage	
	Three Months Ended		Three Months Ended	
	September 2, 2017	September 3, 2016	September 2, 2017	September 3, 2016
Beginning of Period	31	29	317,456	246,481
Studio Openings	2	3	30,181	35,353
Studio Closings	(1)	(2)	(4,098)	(9,091)
End of Period	32	30	343,539	272,743
Comparable Studios, End of Period	25	26		
Studios Open Less than 12 Months, End of Period	7	4		

**Herman Miller, Inc. Supplemental Financial Data**  
 Three Months Ended September 2, 2017  
 (Unaudited) (\$ in millions except per share data and square footage metrics)

**E. Design Within Reach Studio Metrics (Continued)**

	<b>Studio Revenue Metrics</b>	
	<b>Three Months Ended</b>	
	<b>September 2, 2017</b>	<b>September 3, 2016</b>
Average Studio Square Footage	330,498	259,612
Annualized Net Sales per Square Foot, All Studios	\$ 520	\$ 579
Annualized Net Sales per Square Foot, Comparable Studios	\$ 653	\$ 625
DWR Comparable Brand Sales*	12.1%	3.5%

\*Fiscal 2017 figures are presented on a pro forma basis using a 13-week average to normalize results for the impact of an extra week of operations in the first quarter of fiscal 2017. DWR comparable brand sales reflects the year-over-year change in net sales across the multiple channels that DWR serves, including studios, outlets, contract, catalog, phone and e-commerce.

Note: Consumer segment sales also include sales through eCommerce, outlet store, call center and wholesale channels.

New and Expanded Design Within Reach Locations during the current quarter	<b>Square footage</b>
Denver, Colorado (expanded)	12,000
Edina, Minnesota (New)	18,000

**F. Sales and Earnings Guidance - Upcoming Quarter**

	<b>Company Guidance</b>
	<b>Q2 Fiscal 2018</b>
Net Sales	\$590 million to \$620 million
Gross Margin %	37.5% - 38.0%
Operating Expenses	\$172 million to \$176 million
Effective Tax Rate	30.5% - 31.5%
Earnings Per Share, Diluted	\$0.55 to \$0.61

## Herman Miller, Inc. Supplemental Financial Data

Three Months Ended September 2, 2017

(Unaudited) (\$ in millions except per share data and square footage metrics)

### **Forward Looking Statements**

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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 office furniture industry, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," "likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. 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 include, without limitation, the success of our growth strategy, employment and general economic conditions, the pace of economic recovery in the U.S and in our International markets, the increase in white-collar employment, the willingness of customers to undertake capital expenditures, the types of products purchased by customers, competitive-pricing pressures, the availability and pricing of raw materials, our reliance on a limited number of suppliers, our ability to expand globally given the risks associated with regulatory and legal compliance challenges and accompanying currency fluctuations, the ability to increase prices to absorb the additional costs of raw materials, the financial strength of our dealers and the financial strength of our customers, our ability to locate new DWR studios, negotiate favorable lease terms for new and existing locations and the implementation of our studio portfolio transformation, our ability to attract and retain key executives and other qualified employees, our ability to continue to make product innovations, the success of newly-introduced products, our ability to serve all of our markets, possible acquisitions, divestitures or alliances, the pace and level of government procurement, the outcome of pending litigation or governmental audits or investigations, political risk in the markets we serve, and other risks identified in our filings with the Securities and Exchange Commission. Therefore, actual results and outcomes may materially differ from what we express or forecast. Furthermore, Herman Miller, Inc., undertakes no obligation to update, amend or clarify forward-looking statements.

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