

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: December 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 December 20, 2017, Herman Miller, Inc. issued a press release announcing its financial results for the quarter ended December 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 December 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 December 20, 2017](#)

99.2 [Supplemental financial data for the quarter ended December 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: December 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 Second Quarter Fiscal 2018 Results

- **Orders at all-time record level of \$629 million; up 10% organically**
- **Reported EPS of \$0.55 per share; adjusted EPS of \$0.57 per share 6% higher than prior year**
- **Further progress on cost savings initiative**

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

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Release	Immediate
Date	December 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	<a href="http://www.hermanmiller.com">www.hermanmiller.com</a>

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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 second quarter ended December 2, 2017. Net sales in the quarter totaled \$604.6 million, an increase of 4.7% from the same quarter last fiscal year. New orders in the second quarter of \$629.4 million were 9.3% above the prior year level.

On an organic basis, which excludes the impact of foreign currency translation and dealer divestitures, net sales and orders in the second quarter increased by 6.0% and 10.2%, respectively, from the same quarter last fiscal year.

Herman Miller reported net earnings of \$0.55 per share on a diluted basis in the second quarter compared to diluted earnings per share of \$0.53 in the same quarter last fiscal year. Excluding the impact of restructuring and other charges recognized in the period associated with the Company's previously announced profitability improvement initiative, adjusted earnings per share in the second quarter totaled \$0.57, compared to adjusted earnings per share of \$0.54 in the second quarter of last fiscal year.

Brian Walker, Chief Executive Officer, stated “Strong demand levels were a clear highlight of the quarter, as orders reflected an all-time record level for our Company and grew 10% organically compared to the same quarter last year. Encouragingly, this order growth was fairly broad-based across our business segments, reflecting what continues to be a generally supportive macro-economic environment and success in our strategy to serve customer audiences through multiple channels. The momentum we have seen through the first half of the fiscal year is a testament to our focus in recent years to tune our offer to the shifting needs of the market, and while we have more work to do, we feel very good about the progress we are making on our strategic priorities. This includes the advances we’ve made toward our overall profit improvement goals, including specific initiatives we have planned within our Consumer business. These are expected to gain traction toward the end of this fiscal year and into the first half of fiscal 2019.”

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## Second Quarter Fiscal 2018 Financial Results

FINANCIAL HIGHLIGHTS						
(Dollars in millions, except per share data)	(Unaudited) Three Months Ended			(Unaudited) Six Months Ended		
	12/2/2017 (13 weeks)	12/3/2016 (13 weeks)	% Chg.	12/2/2017 (26 weeks)	12/3/2016 (27 weeks)	% Chg.
Net Sales	\$ 604.6	\$ 577.5	4.7%	\$ 1,184.8	\$ 1,176.1	0.7 %
Gross Margin %	36.7%	37.7%	N/A	37.1%	38.1%	N/A
Operating Expenses	\$ 170.4	\$ 167.4	1.8%	\$ 336.1	\$ 341.0	(1.4)%
Restructuring Expenses and Other Charges	\$ 1.7	\$ 1.0	70.0%	\$ 3.8	\$ 1.0	280.0 %
Operating Earnings %	8.3%	8.6%	N/A	8.4%	9.0%	N/A
Adjusted Operating Earnings %*	8.6%	8.8%	N/A	8.7%	9.1%	N/A
Adjusted EBITDA*	\$ 68.6	\$ 64.6	6.2%	\$ 136.5	\$ 135.5	0.7 %
Net Earnings Attributable to Herman Miller, Inc.	\$ 33.5	\$ 31.7	5.7%	\$ 66.5	\$ 68.0	(2.2)%
Earnings Per Share – Diluted	\$ 0.55	\$ 0.53	3.8%	\$ 1.10	\$ 1.13	(2.7)%
Adjusted Earnings Per Share – Diluted*	\$ 0.57	\$ 0.54	5.6%	\$ 1.14	\$ 1.14	— %
Orders	\$ 629.4	\$ 575.9	9.3%	\$ 1,224.2	\$ 1,171.5	4.5 %
Backlog	\$ 356.9	\$ 318.9	11.9%			

\*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 second quarter of fiscal 2018 totaled 36.7%, representing a 100 basis point decrease from the level reported in the same quarter of last fiscal year. Operating expenses in the second quarter were \$170.4 million compared to \$167.4 million in the same quarter a year ago.

The Company recognized pre-tax restructuring expenses and other charges totaling \$1.7 million in the second quarter of fiscal 2018, 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 initiative within the Consumer business segment.

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

Jeff Stutz, Chief Financial Officer, noted, "Gross margins in the quarter were impacted by higher levels of price discounting, product mix, and a continuation of capacity imbalances we experienced last quarter that resulted in additional costs. While gross margins did not meet our expectations in the period, the organization once again did a great job managing operating expenses and delivering progress toward our long-term cost reduction goal. We also benefited this quarter from a tax rate at the low end of our expectations and better than anticipated "below the line" earnings contribution from our equity investment in UK-based naughtone Holdings, Ltd., a designer and manufacturer of upholstered products serving the fast-growing ancillary products category. The combination of these factors drove solid earnings growth and strong operating cash flow generation for the quarter."

The Company ended the second quarter with total cash and cash equivalents of \$114.6 million, an increase of \$18.4 million from the balance at the end of the fiscal 2017. Cash flow generated from operations in the second quarter was \$62.6 million. This compared to \$64.1 million in the same quarter last fiscal year.

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## Segment Sales and Orders

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

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

	Three Months Ended 12/2/17					Three Months Ended 12/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 330.5	\$ 113.0	\$ 74.4	\$ 86.7	\$ 604.6	\$ 313.9	\$ 107.6	\$ 76.4	\$ 79.6	\$ 577.5
% change from PY	5.3%	5.0%	(2.6)%	8.9%	4.7%					
<u>Proforma Adjustments</u>										
Dealer Divestitures	—	—	—	—	—	(10.6)	—	—	—	(10.6)
Currency Translation Effects <sup>(1)</sup>	(1.2)	(2.5)	(0.1)	(0.1)	(3.9)	—	—	—	—	—
Net Sales, organic	\$ 329.3	\$ 110.5	\$ 74.3	\$ 86.6	\$ 600.7	\$ 303.3	\$ 107.6	\$ 76.4	\$ 79.6	\$ 566.9
% change from PY	8.6%	2.7%	(2.7)%	8.8%	6.0%					

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

	Three Months Ended 12/2/17					Three Months Ended 12/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Orders, as reported	341.1	\$ 118.0	\$ 77.1	\$ 93.2	\$ 629.4	\$ 322.1	\$ 99.7	\$ 70.7	\$ 83.4	\$ 575.9
% change from PY	5.9%	18.4%	9.1%	11.8%	9.3%					
<u>Proforma Adjustments</u>										
Dealer Divestitures	—	—	—	—	—	(8.4)	—	—	—	(8.4)
Currency Translation Effects <sup>(1)</sup>	(1.3)	(2.4)	(0.1)	(0.1)	(3.9)	—	—	—	—	—
Orders, proforma	\$ 339.8	\$ 115.6	\$ 77.0	\$ 93.1	\$ 625.5	\$ 313.7	\$ 99.7	\$ 70.7	\$ 83.4	\$ 567.5
% change from PY	8.3%	15.9%	8.9%	11.6%	10.2%					

<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.

## Third Quarter Fiscal 2018 Guidance

Looking forward, Herman Miller expects net sales in the third quarter of fiscal 2018 to be in the range of \$565 million to \$585 million. On an organic basis, adjusted for the impact of dealer divestitures and foreign currency translation, this forecast implies sales growth of 9% compared to the third quarter of the prior year at the mid-point of the range.

Given the potential significance of pending U.S. tax legislation on Herman Miller's third quarter earnings guidance, the Company is providing an initial earnings per share estimate assuming existing U.S. tax regulations remain in effect for the period. Under this set of assumptions, the Company expects its effective tax rate in the third quarter to range between 29.5% to 31.5%, and diluted earnings per share to range between \$0.46 to \$0.50. If the latest proposed tax changes are signed into law before the end of calendar 2017, the Company estimates its full fiscal year 2018 effective tax rate would drop to between 26% to 28%, excluding any one-time adjustments required by the new bill.

## 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 second quarter of fiscal 2018 on Thursday, December 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 112-year-old company has relied on innovative design to solve problems wherever people work, live, learn, and heal. With recognizable designs as part of museum collections worldwide, Herman Miller is a past recipient of the Smithsonian Institution's Cooper Hewitt National Design Award and has been ranked number one on Contract Magazine's list of "Brands that Inspire" for four straight years. Known and respected for its leadership in corporate social responsibility, Herman Miller has earned numerous global sustainability and inclusivity awards including the Human Rights Foundation's top rating in its Corporate Equality Index for 11 years in a row. 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 three and six months ended December 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>Six Months Ended</u>						
	<u>December 2, 2017</u>		<u>December 3, 2016</u>		<u>December 2, 2017</u>		<u>December 3, 2016</u>					
	(13 weeks)		(13 weeks)		(26 weeks)		(27 weeks)					
Net Sales	\$	604.6	100.0%	\$	577.5	100.0 %	\$	1,184.8	100.0%	\$	1,176.1	100.0%
Cost of Sales		382.5	63.3%		359.5	62.3 %		745.8	62.9%		728.1	61.9%
Gross Margin		222.1	36.7%		218.0	37.7 %		439.0	37.1%		448.0	38.1%
Operating Expenses		170.4	28.2%		167.4	29.0 %		336.1	28.4%		341.0	29.0%
Restructuring and Impairment Expenses		1.7	0.3%		1.0	0.2 %		3.8	0.3%		1.0	0.1%
Operating Earnings		50.0	8.3%		49.6	8.6 %		99.1	8.4%		106.0	9.0%
Other Expenses, net		3.0	0.5%		4.3	0.7 %		5.6	0.5%		7.4	0.6%
Earnings Before Income Taxes and Equity Income		47.0	7.8%		45.3	7.8 %		93.5	7.9%		98.6	8.4%
Income Tax Expense		14.3	2.4%		14.5	2.5 %		28.5	2.4%		31.6	2.7%
Equity Income, net of tax		0.8	0.1%		0.8	0.1 %		1.5	0.1%		1.1	0.1%
Net Earnings		33.5	5.5%		31.6	5.5 %		66.5	5.6%		68.1	5.8%
Net Earnings (Loss) Attributable to Noncontrolling Interests		—	—%		(0.1)	— %		—	—%		0.1	—%
Net Earnings Attributable to Herman Miller, Inc.	\$	33.5	5.5%	\$	31.7	5.5 %	\$	66.5	5.6%	\$	68.0	5.8%

<b>Amounts per Common Share Attributable to Herman Miller, Inc.</b>				
Earnings Per Share – Basic	\$0.56	\$0.53	\$1.11	\$1.13
Weighted Average Basic Common Shares	59,747,932	59,954,194	59,753,271	59,942,049
Earnings Per Share – Diluted	\$0.55	\$0.53	\$1.10	\$1.13
Weighted Average Diluted Common Shares	60,272,207	60,354,760	60,296,728	60,382,932

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

	<u>Six Months Ended</u>	
	<u>December 2, 2017</u>	<u>December 3, 2016</u>
	(26 weeks)	(27 weeks)
<b>Net Earnings</b>	<b>\$ 66.5</b>	<b>\$ 68.1</b>
Cash Flows provided by Operating Activities	81.5	94.4
Cash Flows used for Investing Activities	(30.6)	(77.3)
Cash Flows used for Financing Activities	(33.2)	(30.3)
Effect of Exchange Rates	0.7	0.2
<b>Change in Cash</b>	<b>18.4</b>	<b>(13.0)</b>
Cash, Beginning of Period	96.2	84.9
<b>Cash, End of Period</b>	<b>\$ 114.6</b>	<b>\$ 71.9</b>

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

	<u>December 2, 2017</u>	<u>June 3, 2017</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 114.6	\$ 96.2
Marketable Securities	8.5	8.6
Accounts and Notes Receivable, net	189.8	186.6
Inventories, net	172.2	152.4
Prepaid Expenses and Other	41.1	48.1
<b>Total Current Assets</b>	<b>526.2</b>	<b>491.9</b>
Net Property and Equipment	330.8	314.6
Other Assets	494.1	499.8
<b>Total Assets</b>	<b>\$ 1,351.1</b>	<b>\$ 1,306.3</b>
<u>LIABILITIES &amp; STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts Payable	166.7	148.4
Accrued Liabilities	229.8	237.3
<b>Total Current Liabilities</b>	<b>396.5</b>	<b>385.7</b>
Long-term Debt	200.0	199.9
Other Liabilities	99.9	108.4
<b>Total Liabilities</b>	<b>696.4</b>	<b>694.0</b>
<b>Redeemable Noncontrolling Interests</b>	<b>23.9</b>	<b>24.6</b>
Herman Miller, Inc. Stockholders' Equity	630.6	587.5
Noncontrolling Interests	0.2	0.2
<b>Total Stockholders' Equity</b>	<b>630.8</b>	<b>587.7</b>
<b>Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity</b>	<b>\$ 1,351.1</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 and Six Months Ended December 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			Six Months Ended		
	12/2/2017	12/3/2016	% change	12/2/2017	12/3/2016	% change
<b><u>Net Sales</u></b>						
North America	\$ 330.5	\$ 313.9	5.3 %	\$ 659.0	\$ 661.1	(0.3)%
ELA	113.0	107.6	5.0 %	206.4	204.9	0.7 %
Specialty	74.4	76.4	(2.6)%	149.5	155.1	(3.6)%
Consumer	86.7	79.6	8.9 %	169.9	155.0	9.6 %
<b>Total</b>	<b>\$ 604.6</b>	<b>\$ 577.5</b>	<b>4.7 %</b>	<b>\$ 1,184.8</b>	<b>\$ 1,176.1</b>	<b>0.7 %</b>
<b><u>Gross Margin</u></b>						
North America	\$ 115.9	\$ 113.0	2.6 %	\$ 235.5	\$ 243.0	(3.1)%
ELA	38.4	37.0	3.8 %	70.2	71.2	(1.4)%
Specialty	29.3	31.7	(7.6)%	58.2	64.2	(9.3)%
Consumer	38.5	36.3	6.1 %	75.1	69.6	7.9 %
<b>Total</b>	<b>\$ 222.1</b>	<b>\$ 218.0</b>	<b>1.9 %</b>	<b>\$ 439.0</b>	<b>\$ 448.0</b>	<b>(2.0)%</b>
<b><u>Gross Margin % Net Sales</u></b>						
North America	35.1%	36.0%		35.7%	36.8%	
ELA	34.0%	34.4%		34.0%	34.7%	
Specialty	39.4%	41.5%		38.9%	41.4%	
Consumer	44.4%	45.6%		44.2%	44.9%	
<b>Total</b>	<b>36.7%</b>	<b>37.7%</b>		<b>37.1%</b>	<b>38.1%</b>	
<b><u>Operating Earnings (Loss)</u></b>						
North America	\$ 45.1	\$ 38.9	15.9 %	\$ 93.8	\$ 89.8	4.5 %
ELA	12.3	12.1	1.7 %	18.9	20.6	(8.3)%
Specialty	2.1	5.2	(59.6)%	3.7	10.9	(66.1)%
Consumer	1.0	1.8	(44.4)%	1.3	2.6	(50.0)%
Corporate Unallocated Expenses	(10.5)	(8.4)	25.0 %	(18.6)	(17.9)	3.9 %
<b>Total</b>	<b>\$ 50.0</b>	<b>\$ 49.6</b>	<b>0.8 %</b>	<b>\$ 99.1</b>	<b>\$ 106.0</b>	<b>(6.5)%</b>
<b><u>Operating Earnings % Net Sales</u></b>						
North America	13.6%	12.4%		14.2%	13.6%	
ELA	10.9%	11.2%		9.2%	10.1%	
Specialty	2.8%	6.8%		2.5%	7.0%	
Consumer	1.2%	2.3%		0.8%	1.7%	
<b>Total</b>	<b>8.3%</b>	<b>8.6%</b>		<b>8.4%</b>	<b>9.0%</b>	

# Herman Miller, Inc. Supplemental Financial Data

Three and Six Months Ended December 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 six months ended December 3, 2016 included 27 weeks of operations as compared to a standard 26-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		Six Months Ended	
	12/2/2017	12/3/2016	12/2/2017	12/3/2016
Earnings per Share - Diluted	\$ 0.55	\$ 0.53	\$ 1.10	\$ 1.13
Add: Restructuring expenses and other charges	0.02	0.01	0.04	0.01
<b>Adjusted Earnings per Share - Diluted</b>	<b>\$ 0.57</b>	<b>\$ 0.54</b>	<b>\$ 1.14</b>	<b>\$ 1.14</b>

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

	Three Months Ended						Three Months Ended					
	12/2/17						12/3/16					
	North America	ELA	Specialty	Consumer	Corporate	Total	North America	ELA	Specialty	Consumer	Corporate	Total
Operating Earnings (Loss)	\$ 45.1	\$ 12.3	\$ 2.1	\$ 1.0	\$ (10.5)	\$ 50.0	\$ 38.9	\$ 12.1	\$ 5.2	\$ 1.8	\$ (8.4)	\$ 49.6
% Net Sales	13.6%	10.9%	2.8%	1.2%	n/a	8.3%	12.4%	11.2%	6.8%	2.3%	n/a	8.6%
Add: Restructuring expenses and other charges	0.5	—	—	—	1.2	1.7	0.7	0.2	0.1	—	—	1.0
<b>Adjusted Operating Earnings (Loss)</b>	<b>\$ 45.6</b>	<b>\$ 12.3</b>	<b>\$ 2.1</b>	<b>\$ 1.0</b>	<b>\$ (9.3)</b>	<b>\$ 51.7</b>	<b>\$ 39.6</b>	<b>\$ 12.3</b>	<b>\$ 5.3</b>	<b>\$ 1.8</b>	<b>\$ (8.4)</b>	<b>\$ 50.6</b>
% Net Sales	13.8%	10.9%	2.8%	1.2%	n/a	8.6%	12.6%	11.4%	6.9%	2.3%	n/a	8.8%
Other Income (Expense), net	—	—	—	—	0.7	0.7	—	—	—	—	(0.4)	(0.4)
Add: Depreciation and Amortization	7.9	2.6	2.5	3.1	0.1	16.2	7.0	2.4	2.1	2.5	0.4	14.4
<b>Adjusted EBITDA</b>	<b>\$ 53.5</b>	<b>\$ 14.9</b>	<b>\$ 4.6</b>	<b>\$ 4.1</b>	<b>\$ (8.5)</b>	<b>\$ 68.6</b>	<b>\$ 46.6</b>	<b>\$ 14.7</b>	<b>\$ 7.4</b>	<b>\$ 4.3</b>	<b>\$ (8.4)</b>	<b>\$ 64.6</b>
<b>% Net Sales</b>	<b>16.2%</b>	<b>13.2%</b>	<b>6.2%</b>	<b>4.7%</b>	<b>n/a</b>	<b>11.3%</b>	<b>14.8%</b>	<b>13.7%</b>	<b>9.7%</b>	<b>5.4%</b>	<b>n/a</b>	<b>11.2%</b>

# Herman Miller, Inc. Supplemental Financial Data

Three and Six Months Ended December 2, 2017

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

	Six Months Ended 12/2/17						Six Months Ended 12/3/16					
	North America	ELA	Specialty	Consumer	Corporate	Total	North America	ELA	Specialty	Consumer	Corporate	Total
Operating Earnings (Loss)	\$ 93.8	\$ 18.9	\$ 3.7	\$ 1.3	\$ (18.6)	\$ 99.1	\$ 89.8	\$ 20.6	\$ 10.9	\$ 2.6	\$ (17.9)	\$ 106.0
% Net Sales	14.2%	9.2%	2.5%	0.8%	n/a	8.4%	13.6%	10.1%	7.0%	1.7%	n/a	9.0%
Add: Restructuring and Impairment Expenses	1.9	—	—	—	1.9	3.8	0.7	0.2	0.1	—	—	1.0
<b>Adjusted Operating Earnings (Loss)</b>	<b>\$ 95.7</b>	<b>\$ 18.9</b>	<b>\$ 3.7</b>	<b>\$ 1.3</b>	<b>\$ (16.7)</b>	<b>\$ 102.9</b>	<b>\$ 90.5</b>	<b>\$ 20.8</b>	<b>\$ 11.0</b>	<b>\$ 2.6</b>	<b>\$ (17.9)</b>	<b>\$ 107.0</b>
% Net Sales	14.5%	9.2%	2.5%	0.8%	n/a	8.7%	13.7%	10.2%	7.1%	1.7%	n/a	9.1%
Other Income, net	—	—	—	—	1.8	1.8	—	—	—	—	0.2	0.2
Add: Depreciation and Amortization	15.7	5.0	4.9	5.9	0.3	31.8	13.3	4.9	4.5	4.8	0.8	28.3
<b>Adjusted EBITDA</b>	<b>\$ 111.4</b>	<b>\$ 23.9</b>	<b>\$ 8.6</b>	<b>\$ 7.2</b>	<b>\$ (14.6)</b>	<b>\$ 136.5</b>	<b>\$ 103.8</b>	<b>\$ 25.7</b>	<b>\$ 15.5</b>	<b>\$ 7.4</b>	<b>\$ (16.9)</b>	<b>\$ 135.5</b>
<b>% Net Sales</b>	<b>16.9%</b>	<b>11.6%</b>	<b>5.8%</b>	<b>4.2%</b>	<b>n/a</b>	<b>11.5%</b>	<b>15.7%</b>	<b>12.5%</b>	<b>10.0%</b>	<b>4.8%</b>	<b>n/a</b>	<b>11.5%</b>

## C. Organic Sales Growth (Decline) by Segment

	Three Months Ended 12/2/17					Three Months Ended 12/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 330.5	\$ 113.0	\$ 74.4	\$ 86.7	\$ 604.6	\$ 313.9	\$ 107.6	\$ 76.4	\$ 79.6	\$ 577.5
% change from PY	5.3%	5.0%	(2.6)%	8.9%	4.7%					
<u>Proforma Adjustments</u>										
Dealer Divestitures	—	—	—	—	—	(10.6)	—	—	—	(10.6)
Currency Translation Effects <sup>(1)</sup>	(1.2)	(2.5)	(0.1)	(0.1)	(3.9)	—	—	—	—	—
<b>Net Sales, organic</b>	<b>\$ 329.3</b>	<b>\$ 110.5</b>	<b>\$ 74.3</b>	<b>\$ 86.6</b>	<b>\$ 600.7</b>	<b>\$ 303.3</b>	<b>\$ 107.6</b>	<b>\$ 76.4</b>	<b>\$ 79.6</b>	<b>\$ 566.9</b>
<b>% change from PY</b>	<b>8.6%</b>	<b>2.7%</b>	<b>(2.7)%</b>	<b>8.8%</b>	<b>6.0%</b>					

	Six Months Ended 12/2/17					Six Months Ended 12/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Net Sales, as reported	\$ 659.0	\$ 206.4	\$ 149.5	\$ 169.9	\$ 1,184.8	\$ 661.1	\$ 204.9	\$ 155.1	\$ 155.0	\$ 1,176.1
% change from PY	(0.3)%	0.7%	(3.6)%	9.6%	0.7%					
<u>Proforma Adjustments</u>										
Dealer Divestitures	—	—	—	—	—	(18.8)	—	—	—	(18.8)
Currency Translation Effects <sup>(1)</sup>	(1.6)	(2.4)	(0.1)	(0.1)	(4.2)	—	—	—	—	—
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)	—	—	—	—	—
<b>Net sales, organic</b>	<b>\$ 657.4</b>	<b>\$ 204.0</b>	<b>\$ 149.4</b>	<b>\$ 164.8</b>	<b>\$ 1,175.6</b>	<b>\$ 620.6</b>	<b>\$ 198.6</b>	<b>\$ 150.8</b>	<b>\$ 150.3</b>	<b>\$ 1,120.3</b>
<b>% change from PY</b>	<b>5.9 %</b>	<b>2.7%</b>	<b>(0.9)%</b>	<b>9.6%</b>	<b>4.9%</b>					

<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

Herman Miller, Inc. Supplemental Financial Data

Three and Six Months Ended December 2, 2017  
(Unaudited) (\$ in millions except per share data and square footage metrics)

D. Organic Order Growth (Decline) by Segment

	Three Months Ended					Three Months Ended				
	12/2/17					12/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Orders, as reported	\$ 341.1	\$ 118.0	\$ 77.1	\$ 93.2	\$ 629.4	\$ 322.1	\$ 99.7	\$ 70.7	\$ 83.4	\$ 575.9
% change from PY	5.9%	18.4%	9.1%	11.8%	9.3%					
Proforma Adjustments										
Dealer Divestitures	—	—	—	—	—	(8.4)	—	—	—	(8.4)
Currency Translation Effects <sup>(1)</sup>	(1.3)	(2.4)	(0.1)	(0.1)	(3.9)	—	—	—	—	—
Orders, organic	\$ 339.8	\$ 115.6	\$ 77.0	\$ 93.1	\$ 625.5	\$ 313.7	\$ 99.7	\$ 70.7	\$ 83.4	\$ 567.5
% change from PY	8.3%	15.9%	8.9%	11.6%	10.2%					

	Six Months Ended					Six Months Ended				
	12/2/17					12/3/16				
	North America	ELA	Specialty	Consumer	Total	North America	ELA	Specialty	Consumer	Total
Orders, as reported	\$ 675.8	\$ 226.5	\$ 152.5	\$ 169.4	\$ 1,224.2	\$ 655.4	\$ 209.5	\$ 152.2	\$ 154.4	\$ 1,171.5
% change from PY	3.1%	8.1%	0.2%	9.7%	4.5%					
Proforma Adjustments										
Dealer Divestitures	—	—	—	—	—	(15.5)	—	—	—	(15.5)
Currency Translation Effects <sup>(1)</sup>	(1.3)	(2.5)	(0.1)	(0.1)	(4.0)	—	—	—	—	—
Impact of Extra Week in FY17	—	—	—	—	—	(20.0)	(8.1)	(4.8)	(4.0)	(36.9)
Orders, organic	\$ 674.5	\$ 224.0	\$ 152.4	\$ 169.3	\$ 1,220.2	\$ 619.9	\$ 201.4	\$ 147.4	\$ 150.4	\$ 1,119.1
% change from PY	8.8%	11.2%	3.4%	12.6%	9.0%					

(1) 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		Six Months Ended		Three Months Ended		Six Months Ended	
	12/2/17	12/3/16	12/2/17	12/3/16	12/2/17	12/3/16	12/2/17	12/3/16
Beginning of Period	32	30	31	29	343,539	272,743	317,456	246,481
Studio Openings	1	2	3	5	13,398	18,931	43,579	54,284
Studio Expansions	—	—	—	—	4,500	—	4,500	—
Studio Closings	(1)	—	(2)	(2)	(4,050)	—	(8,148)	(9,091)
End of Period	32	32	32	32	357,387	291,674	357,387	291,674
Comparable Studios, End of Period	22	25	21	25				
Non-Comparable Studios, End of Period	10	7	11	7				

	Studio Revenue Metrics			
	Three Months Ended		Six Months Ended	
	12/2/17	12/3/16	12/2/17	12/3/16
Average Studio Square Footage	350,463	282,209	337,422	269,078
Annualized Net Sales per Square Foot, All Studios	\$ 520	\$ 616	\$ 525	\$ 604
DWR Comparable Brand Sales*	8.0%	8.7%	11.0%	6.1%
Annualized Net Sales per Square Foot, Comparable Studios	\$ 621	\$ 702	\$ 638	\$ 659

\*Fiscal 2017 figures are presented on a pro forma basis using a 26-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.

Herman Miller, Inc. Supplemental Financial Data

Three and Six Months Ended December 2, 2017

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

F. Sales and Earnings Guidance - Upcoming Quarter

Company Guidance	
Q3 Fiscal 2018	
Net Sales	\$565 million to \$585 million
Gross Margin %	36.5% - 37.5%
Operating Expenses	\$166 million to \$170 million
Effective Tax Rate (Current Regulations)	29.5% - 31.5%
Earnings Per Share, Diluted	\$0.46 to \$0.50

## 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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