



Inspiring Designs to Help People Do Great Things

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 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, our success in initiatives aimed at achieving long-term profit optimization 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, changes in global tariff regulations, 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, changes in future tax legislation or interpretation of current tax legislation, 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 retail 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, our ability to integrate and benefit from acquisitions and investments, 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.

Headquarters:
Zeeland, MI, USA
Founded: **1905**
Employees: **~8,000**

FY18 Revenue:
\$2.38B
FY18 Adj. EBITDA:
\$271M

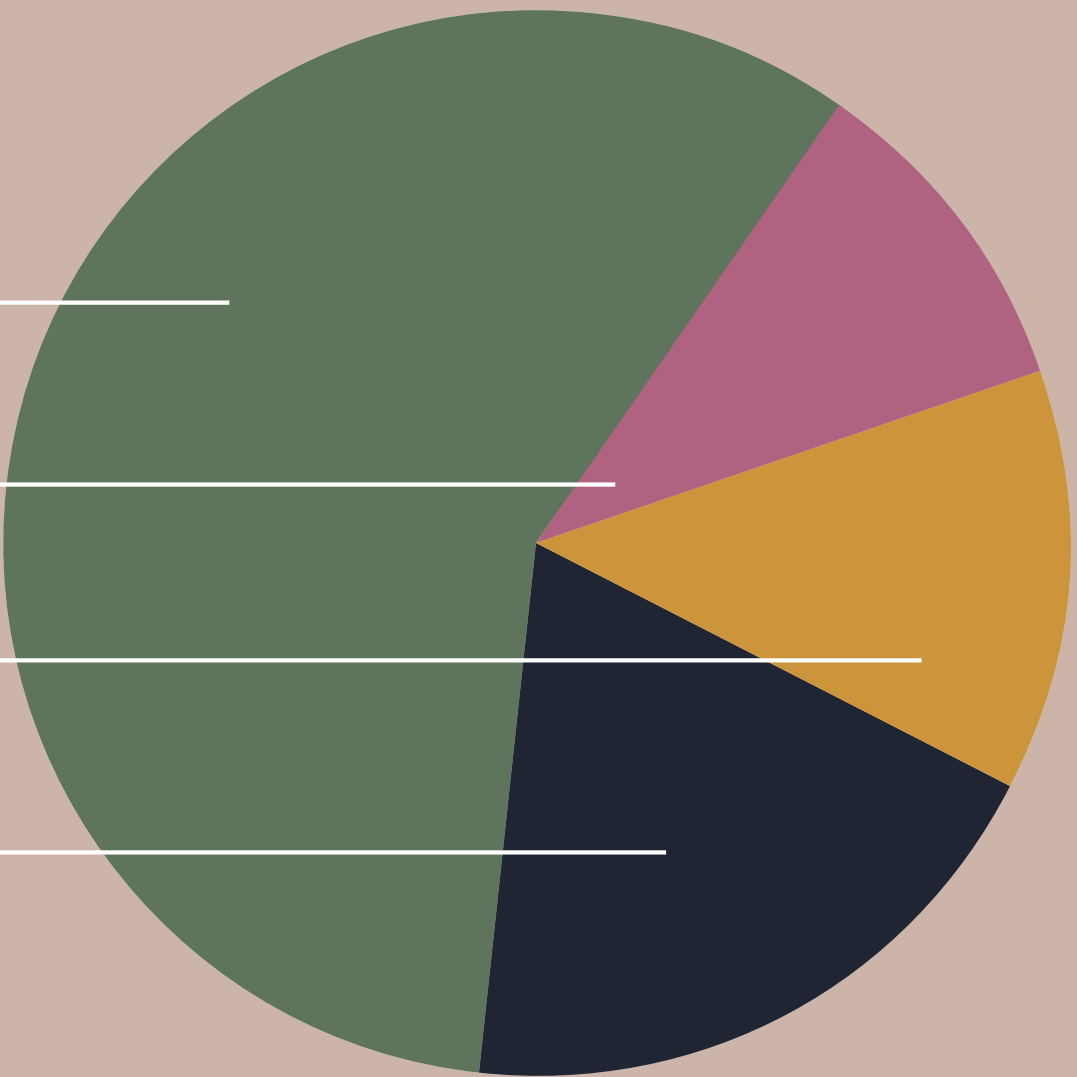
Over **600 dealers** in
109 countries and
35 retail studios

North America 54%

Specialty 13%

Consumer 15%

ELA 18%





Strategic Position

STRATEGIC POSITION

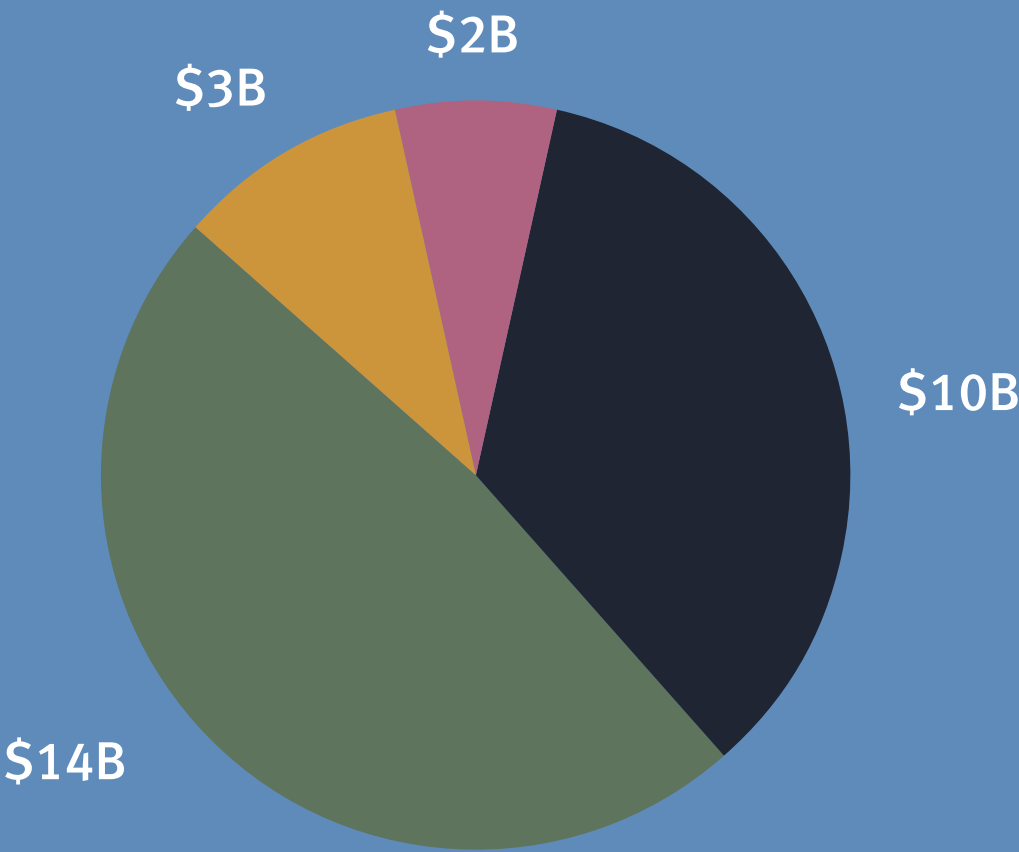
Capitalizing on an expanded total addressable market

- North America (Contract)
- European (Contract)
- Target Emerging Markets (Contract)
- Healthcare/Education/Hospitality
- Textiles
- Consumer Lifestyle

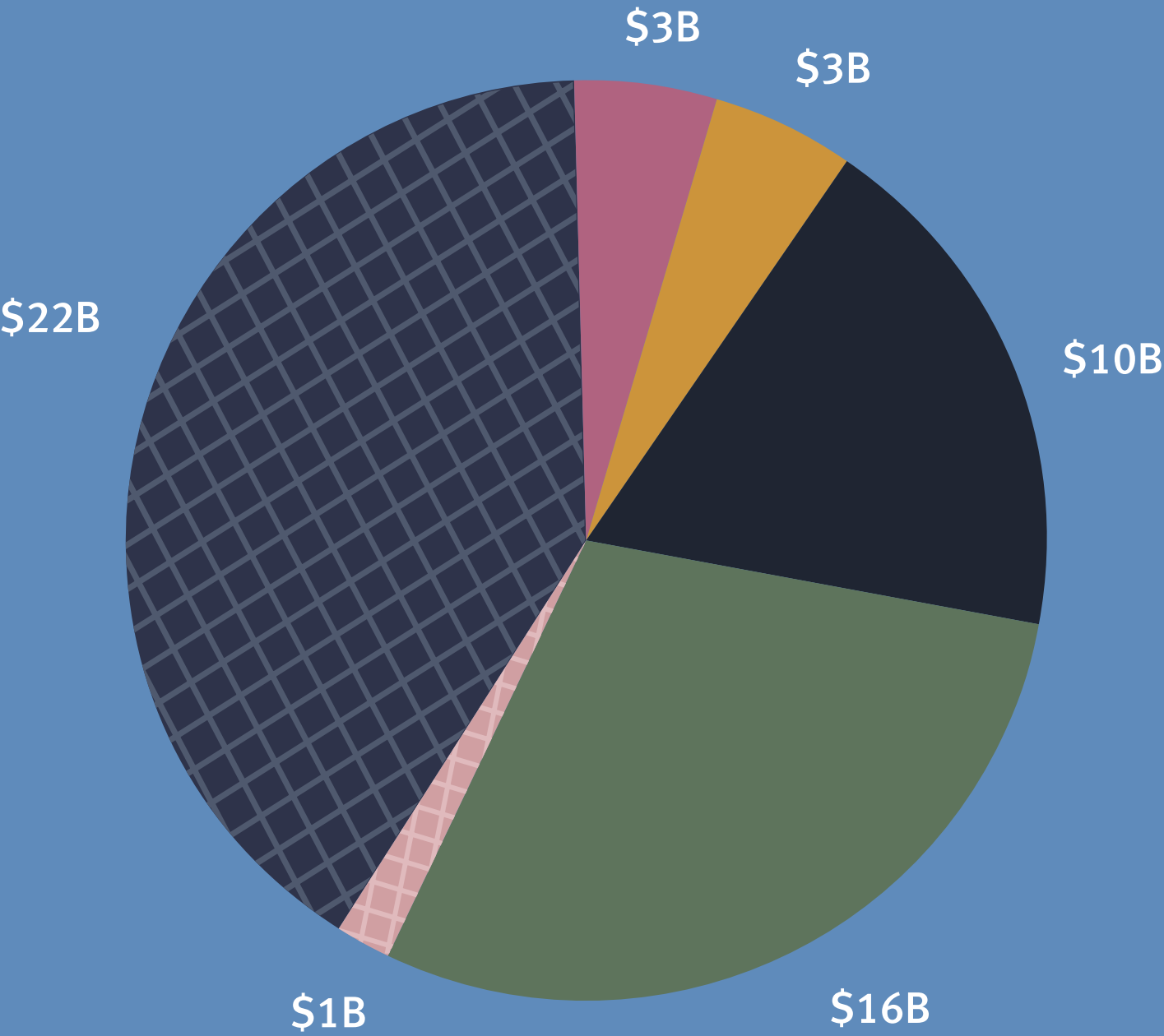
Sources:
BIFMA, CSIL, Parthenon Group,
ACT Financial Survey, Management Estimates

HermanMiller

2013—\$29B



2018—\$55B



Unparalleled multi-channel reach including direct to consumer

Over 600 contract dealers in 109 countries

33 Design Within Reach retail studios

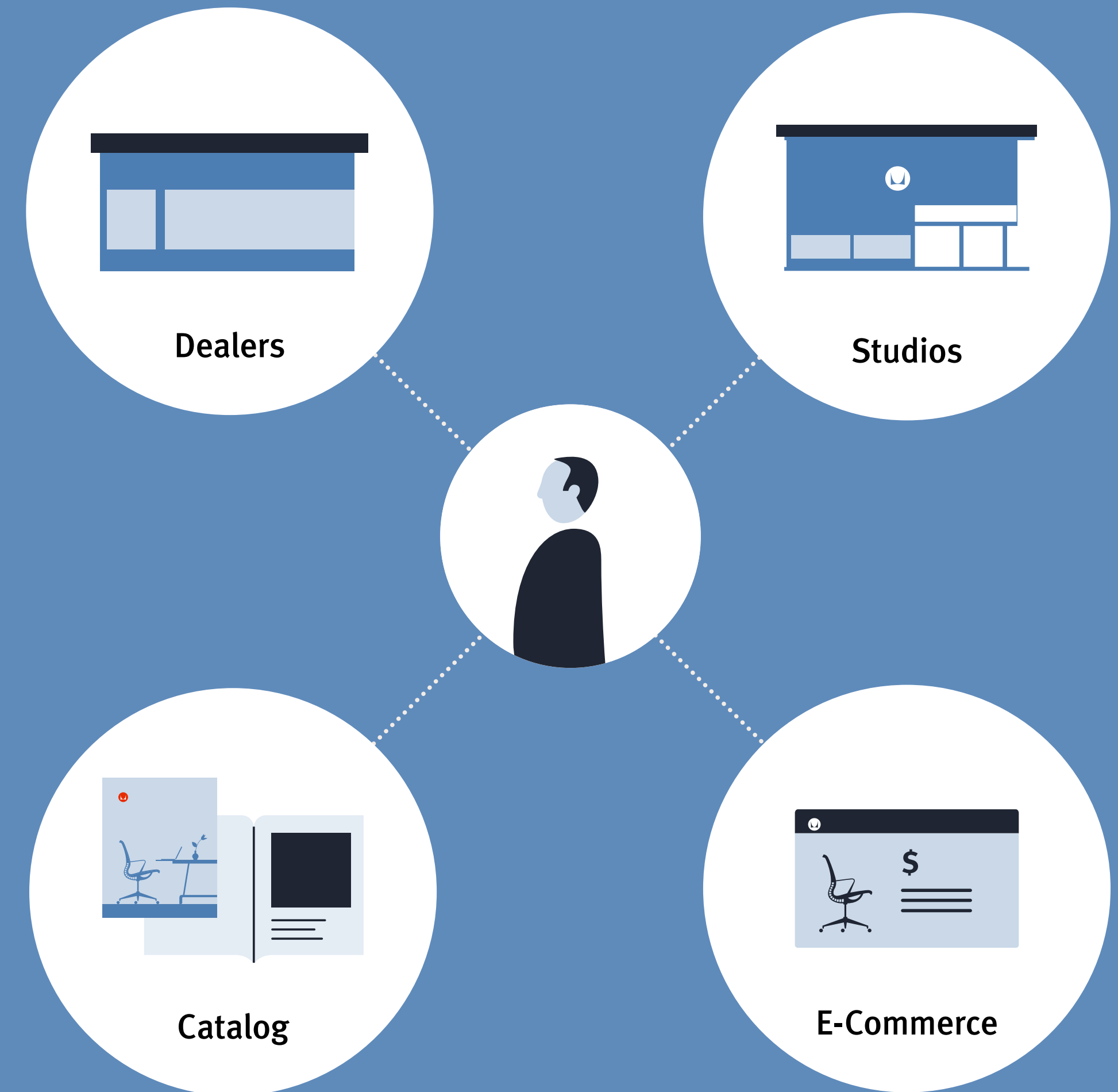
2 HAY retail studios

Direct to consumer catalog

Multiple global e-commerce storefronts

Opportunities to grow share of channel/customer wallet

Serve customers where they work, heal, learn and live



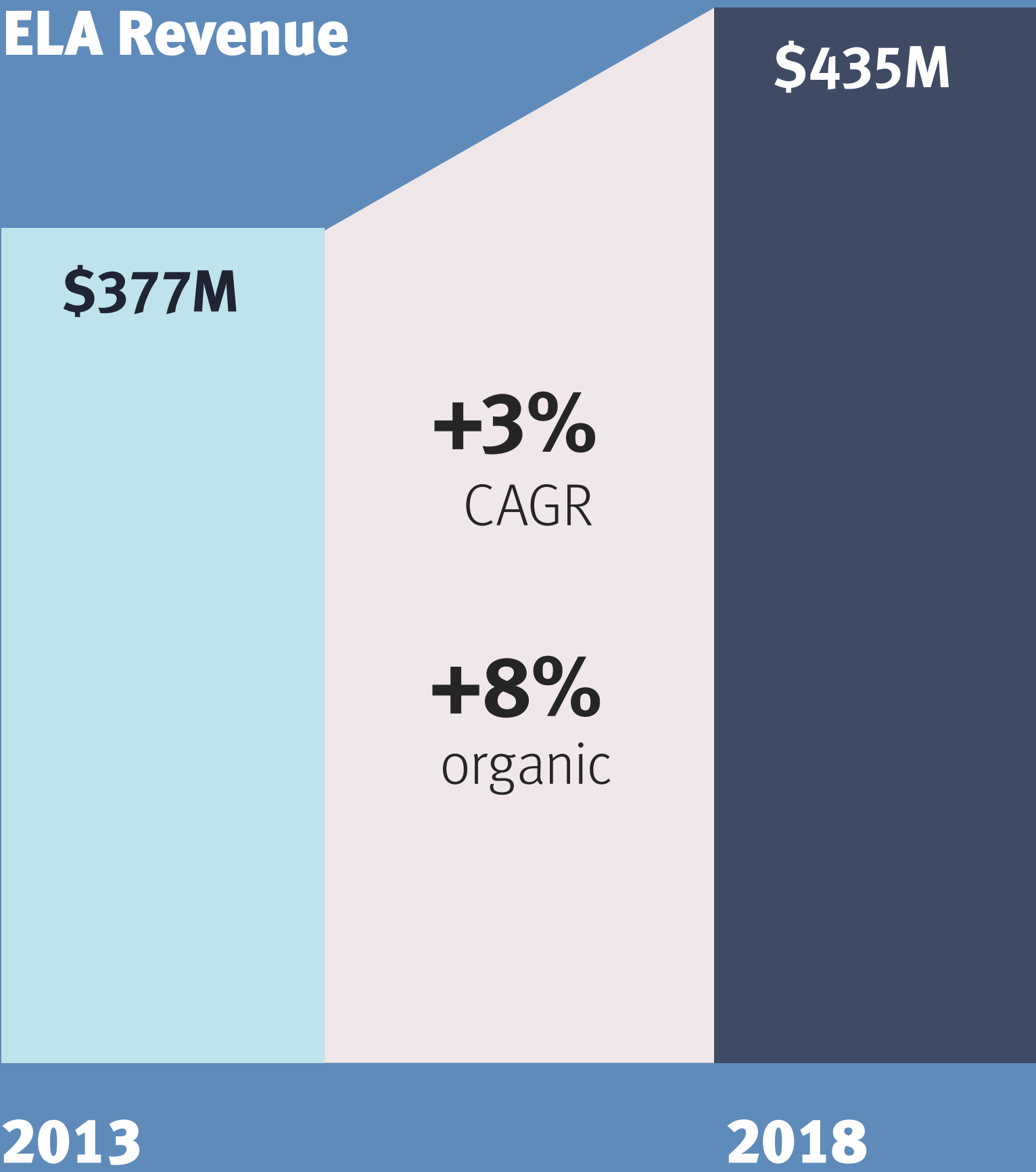
Positioned for global growth

Growing and profitable business outside North America

Favorable trends and demographics in Asia-Pacific

Further growth opportunities:

- Leverage Herman Miller and POSH brands in Asia-Pacific
- Expand dealer networks and e-commerce platforms
- Regional R&D and manufacturing capabilities support new product growth
- Leverage Healthcare, Education and Consumer franchises





Investment Thesis

Our Compelling Story



**A higher
ambition culture**



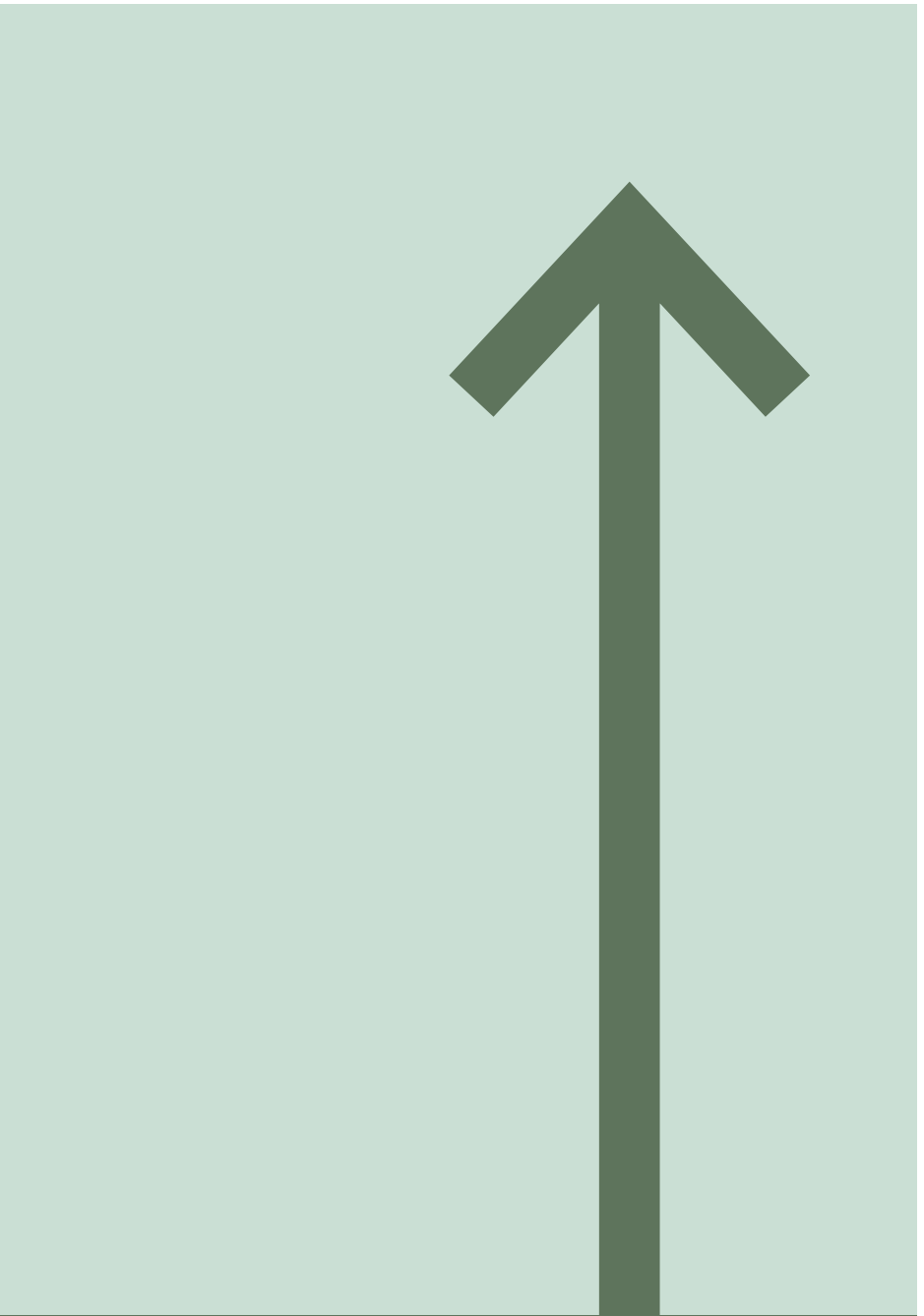
**Powerful brands
deliver design and
innovation leadership**



Strategic priorities



**Strong track record of
performance and healthy
returns on capital**



**Compelling financial
outlook and opportunity
for margin expansion**

A HIGHER AMBITION CULTURE

Driven by a sense of purpose and values

“A business is rightly judged by its products and services, but it must also face scrutiny as to its humanity.”

- D.J. De Pree, Herman Miller Founder

Eleven Consecutive Perfect Scores *in Human Rights Campaign Foundation's Corporate Equality Index*

Sustainability Leader for the Last Fourteen Years *in the RobecoSAM Sustainability Yearbook*

Corporation of the Year in the Commercial sector for 12 of the last 14 years *by the Michigan Minority Supplier Development Council*



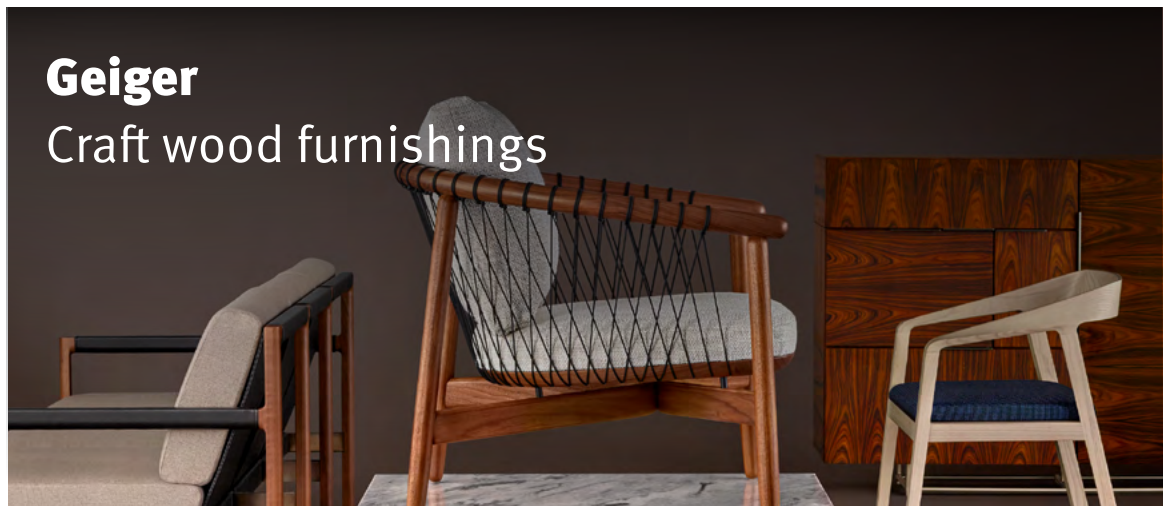
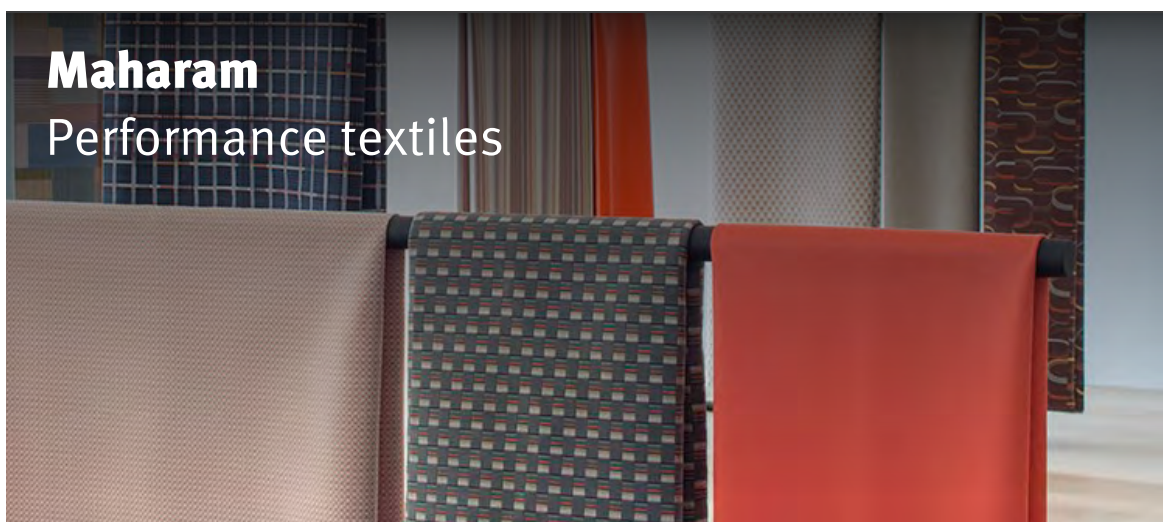
Inspiring brands that customers value

Herman Miller #1 in Brand that Inspires,
Contract Magazine Survey (2017)

Herman Miller brands are #1 in six categories,
Contract Magazine Survey (2017)

Social Media Followers –
Nearly 5x all major competitors combined*

* Twitter followers as of February 2019 (Herman Miller, Allsteel, Haworth, Knoll, and Steelcase)



STRATEGIC PRIORITIES



1 REALIZE
LIVING OFFICE



2 DELIVER
INNOVATION



3 LEVERAGE DEALER
ECO-SYSTEM



4 SCALE
CONSUMER



5 PROFIT
OPTIMIZATION

Bringing innovative solutions to our customers through the Living Office framework

An insight-driven and research-based framework for making place a strategic asset

Deliver measurable results through improved:

- Workplace Effectiveness
- Work Activity Support
- Workplace Experience

Create smart, connected workplaces through Live OS^(SM)

Guide innovation agenda

Example results from customer case studies:
My work environment is the reason I continue to work here.



Staff Survey, Tavistock Development Company

I can have impromptu meetings with colleagues.



Staff Survey, Harry's

My workplace presents a good corporate image.



Staff Survey, CHS, Inc.

Commitment to Innovation

Innovation Priorities:

Collaborative and other work points

Active/healthy postures

Technology enhanced user experience

Enclosures

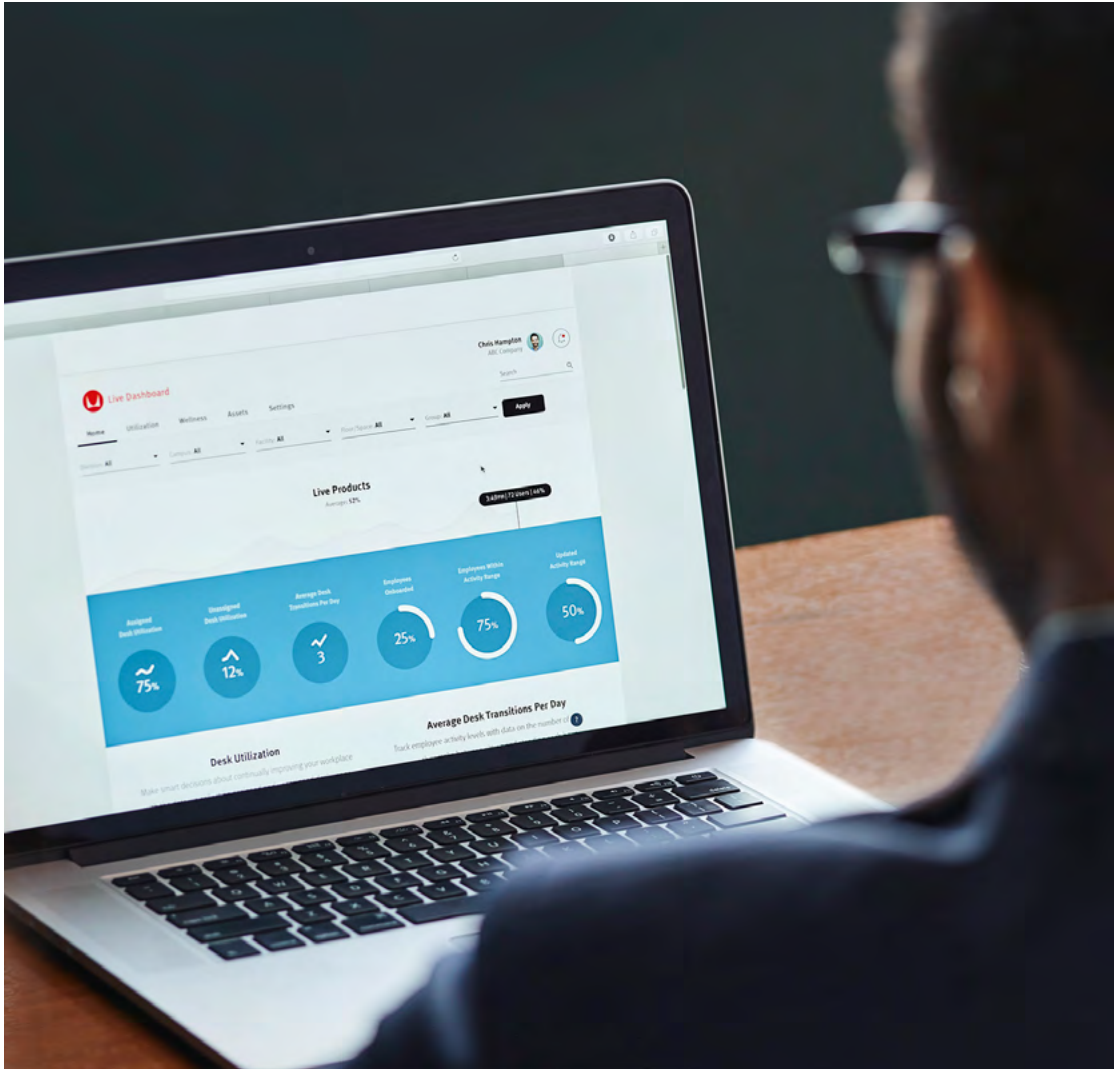
29% of our sales were from new products in fiscal 2018

Introduced 46 new products and extensions in fiscal 2018

Industry-leading investment in design, research and development at 3.1% of sales in fiscal 2018



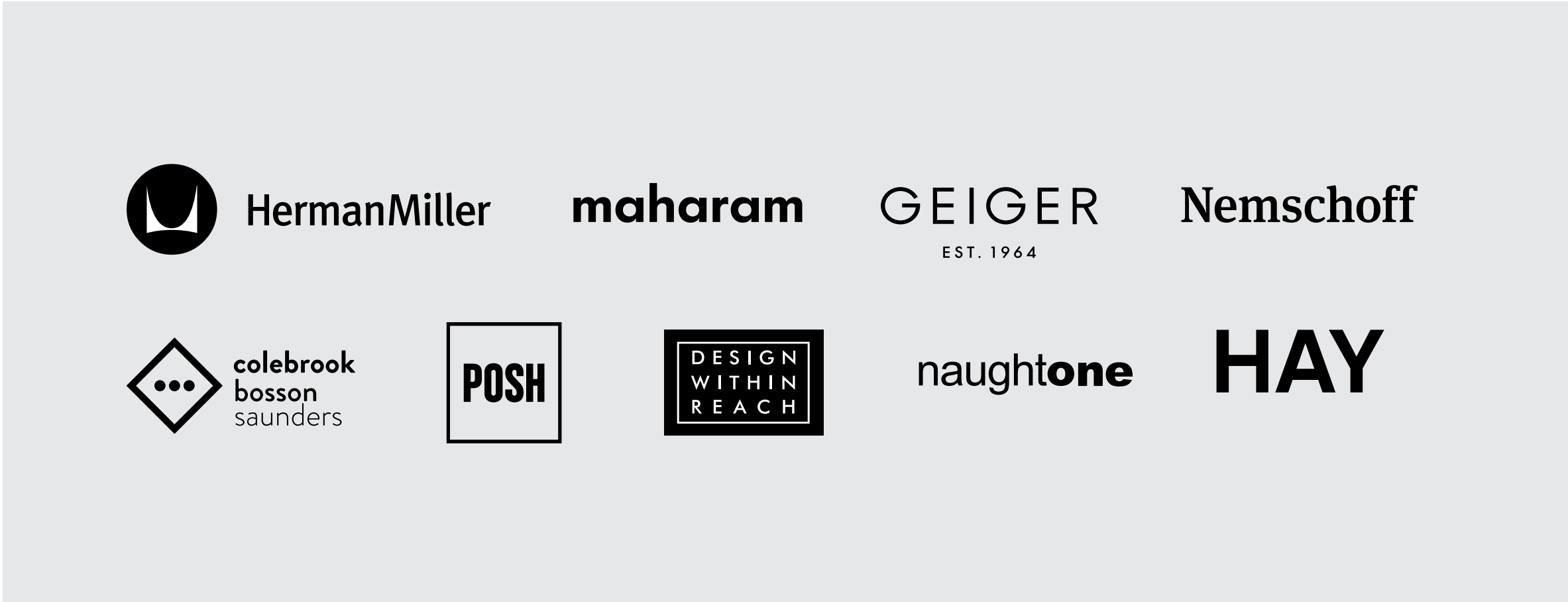
Leverage Dealer Eco-System



Digital Tools



“Bend” Price/Performance Curve



Sales & Marketing Through Herman Miller Elements

STRATEGIC PRIORITIES

Clear path to revenue growth and margin expansion in Consumer business

Double digit revenue growth opportunity by transforming legacy studios to larger formats and adding new Design Within Reach and HAY locations

- Increase DWR studio count to low forties and square footage to 400,000 - 450,000 by 2020
- Two new HAY studios and e-commerce site launched in FY19

Increase exclusive product mix from 60% to 70% of revenue

Continued e-commerce growth

Drive operational excellence through \$15 to \$20M profitability improvement initiative

High single digit operating margin target

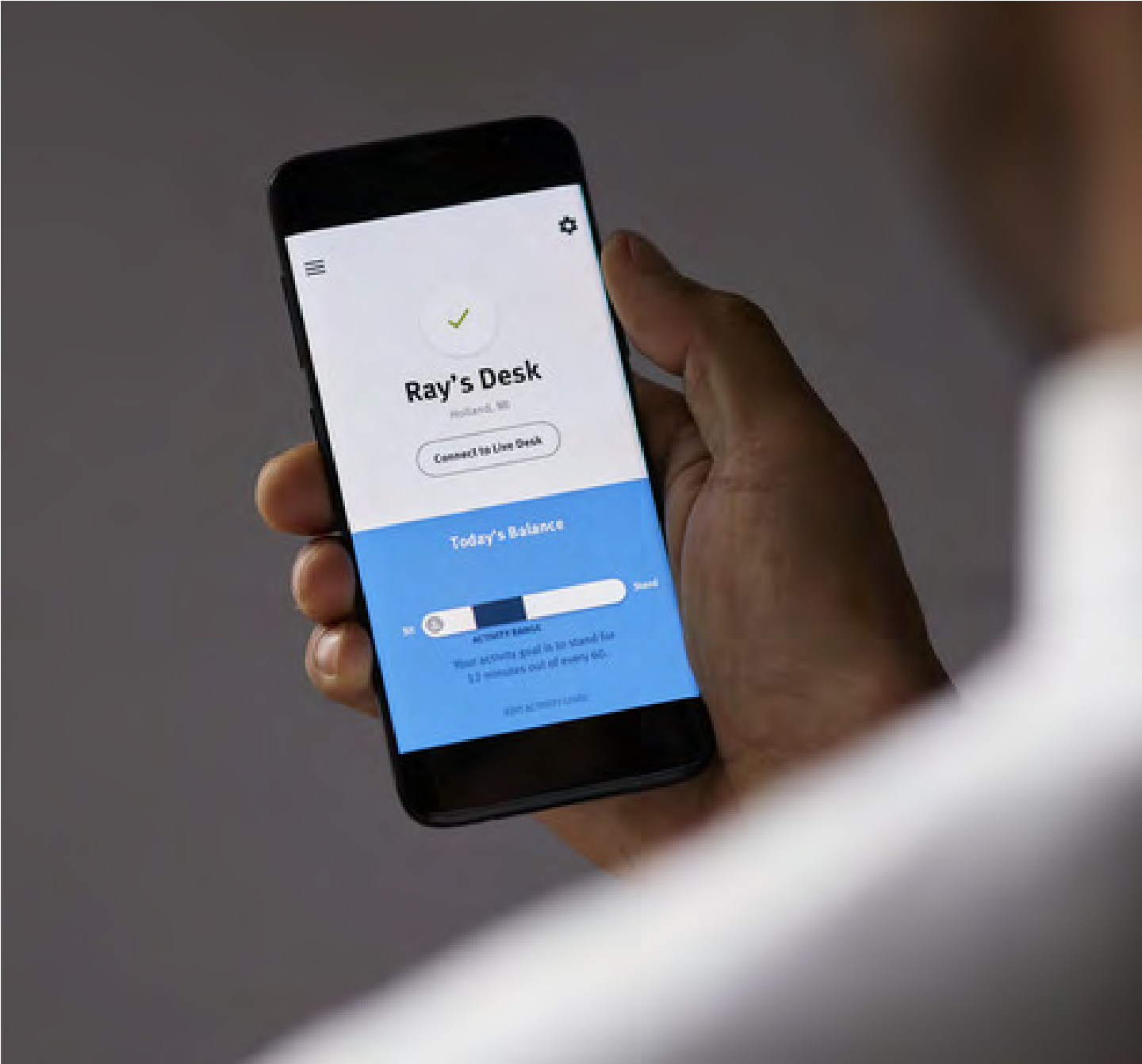


Profit Optimization Initiative

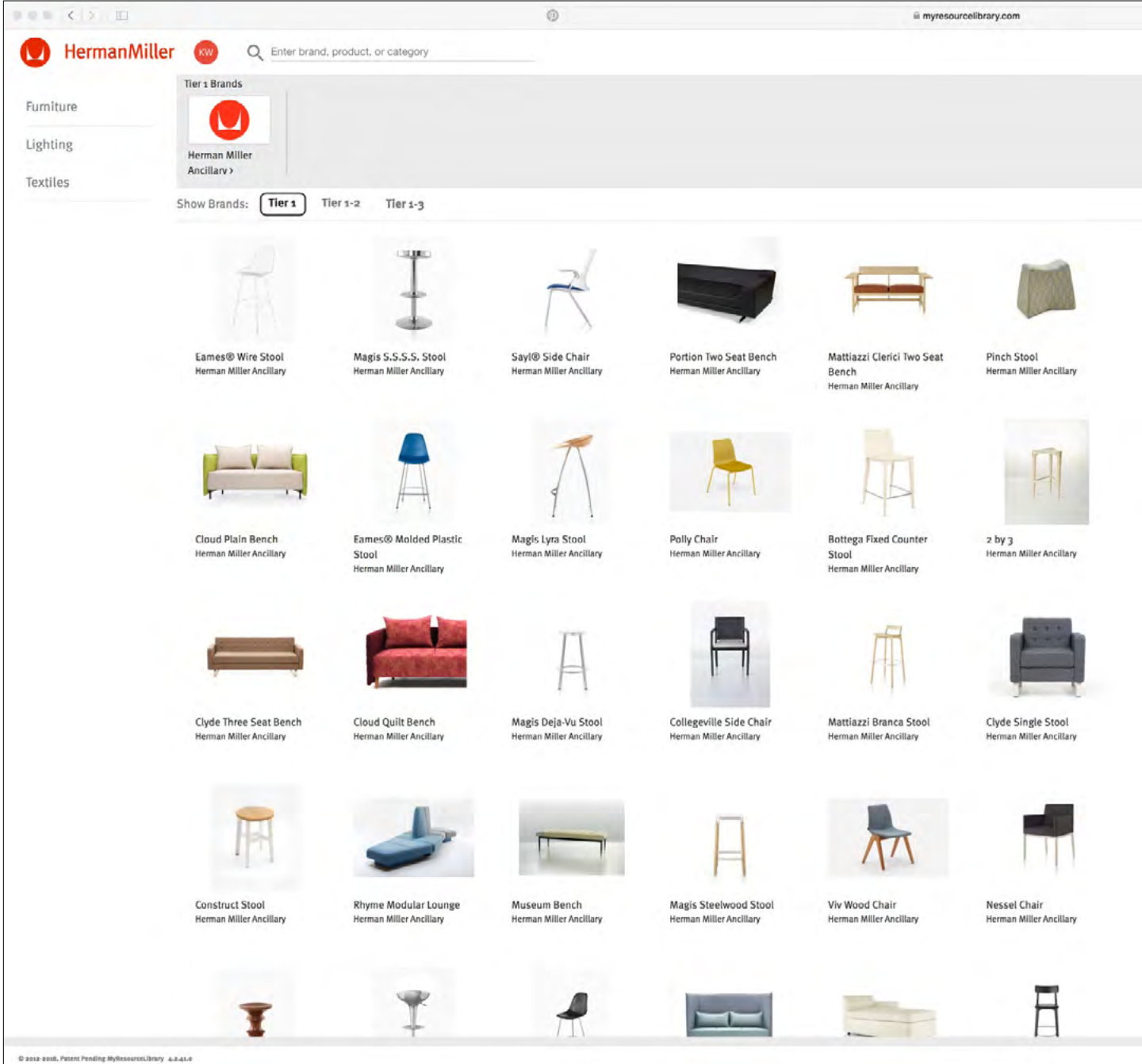


STRATEGIC PRIORITIES

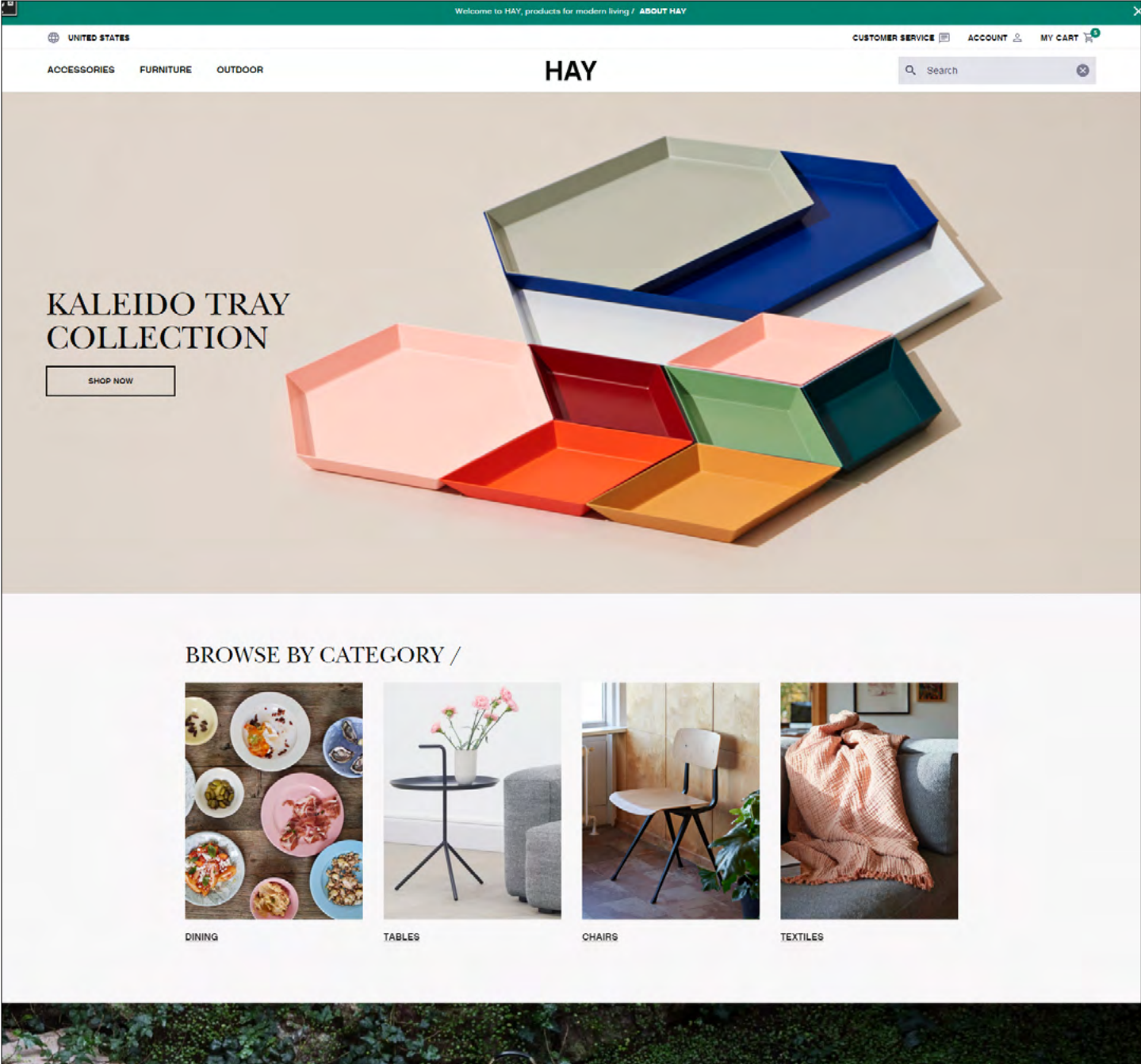
Building a Digital Foundation



Live OS



B2B Tools

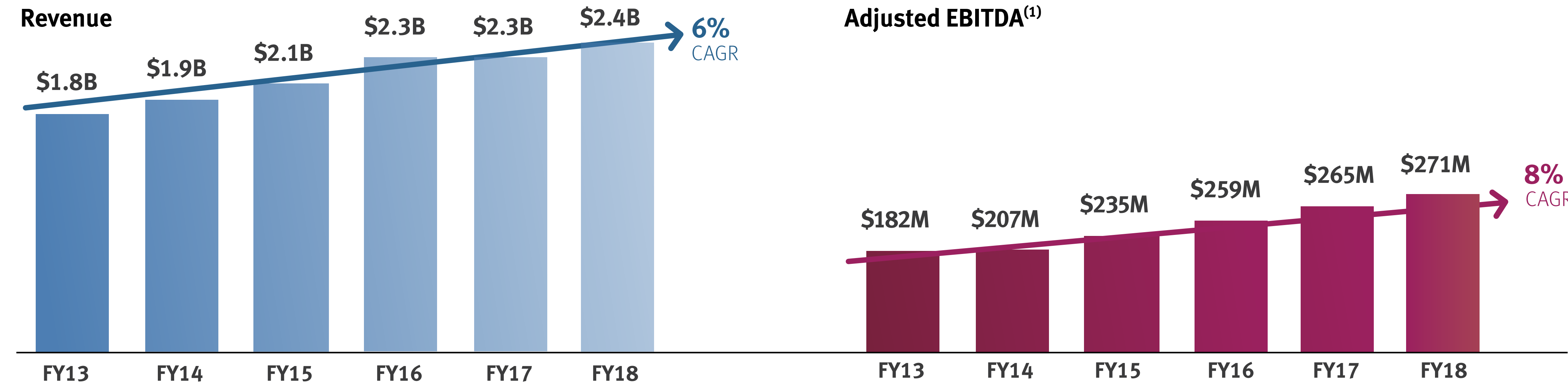


Global eCommerce Resources











**Strong track record of
performance and healthy
returns on capital**

Organic revenue growth of 6% at a premium to North America Contract industry growth of 3%, and **robust EBITDA growth** over last 5 years



⁽¹⁾ Represents a non-GAAP measure; see Appendix for reconciliation

Focused acquisition and partnership strategy accelerates our performance

	FY10		FY12	FY13	FY15	FY16	FY19	
								
Strategic Rationale								
Audience		✓			✓			✓
Channel			✓	✓	✓			
Geography			✓			✓	✓	✓
Product	✓	✓	✓	✓	✓	✓	✓	✓

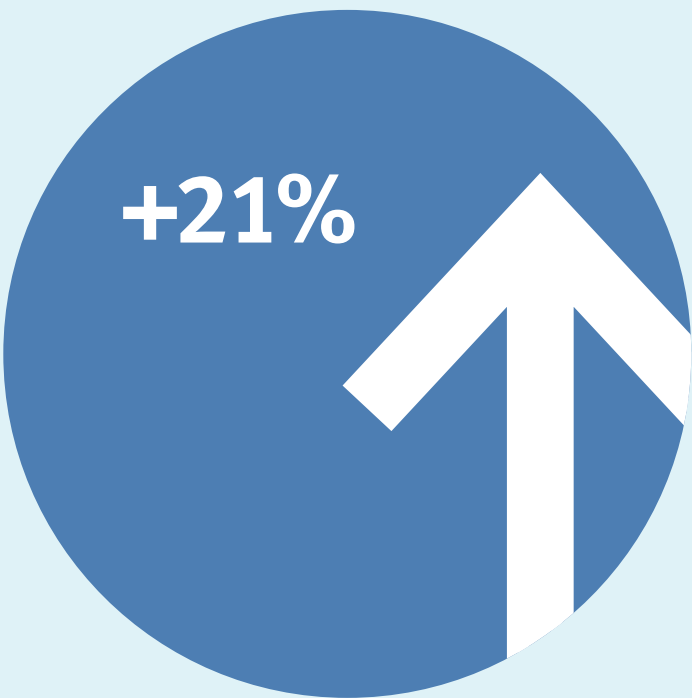
Best-in-class lean enterprise delivers leverage

Focused improvement through:

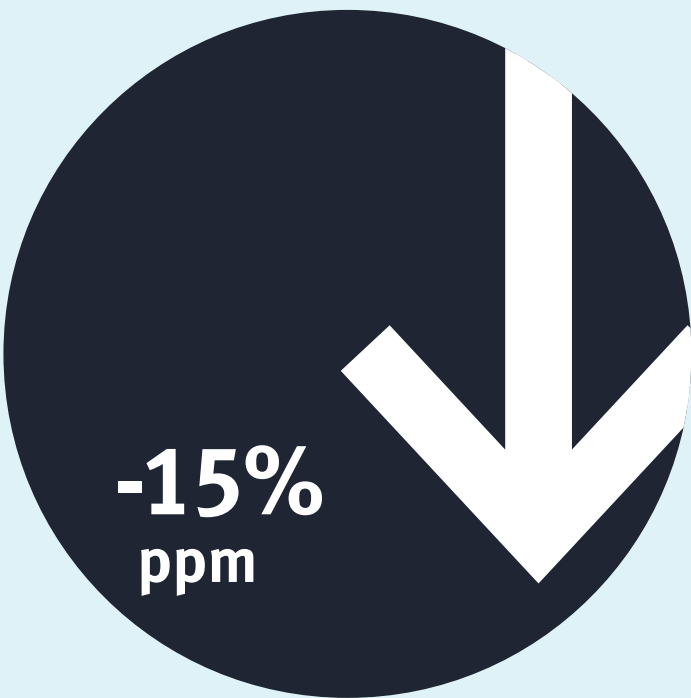
- Customer first orientation
- Waste reduction
- Asset efficiency

One of three U.S. companies showcased by Toyota Production System Support Center

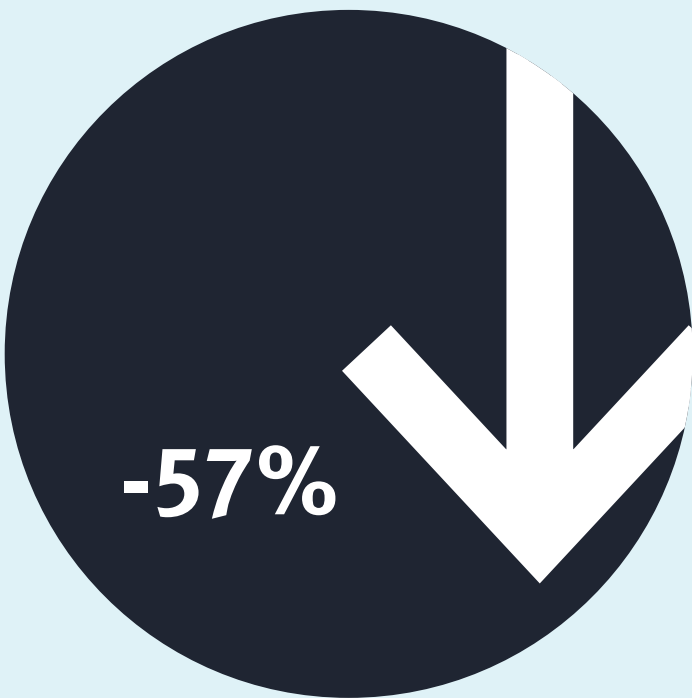
Further opportunity to spread more broadly and deeply through the organization and across the entire value chain



West Michigan sales per mfg. square foot



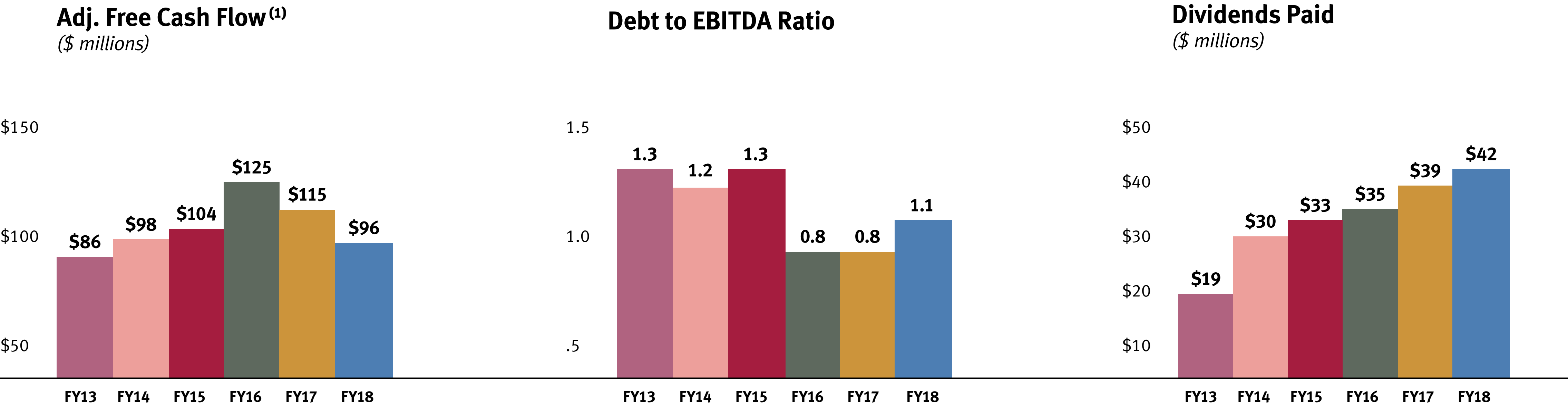
Manufacturing defect rate



Engineering lead time for custom requests

Improvement from FY13 to FY18

Robust free cash flow generation and disciplined approach to capital allocation drives **average annual return on invested capital of 21%** over last five years

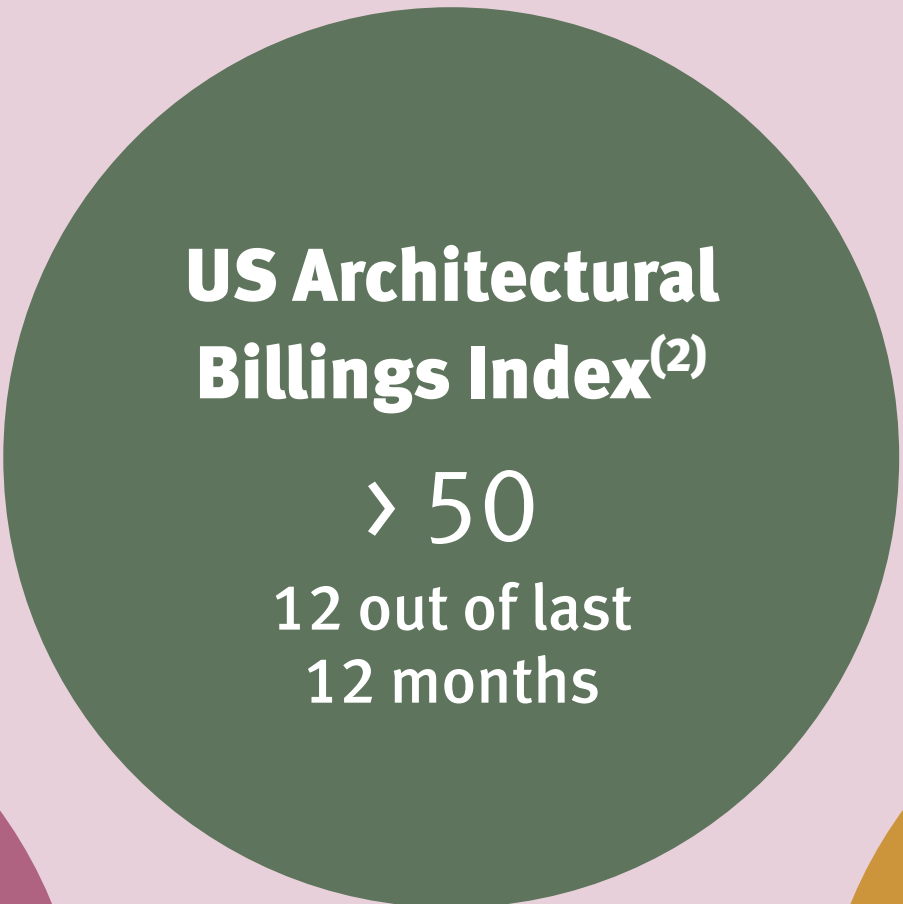
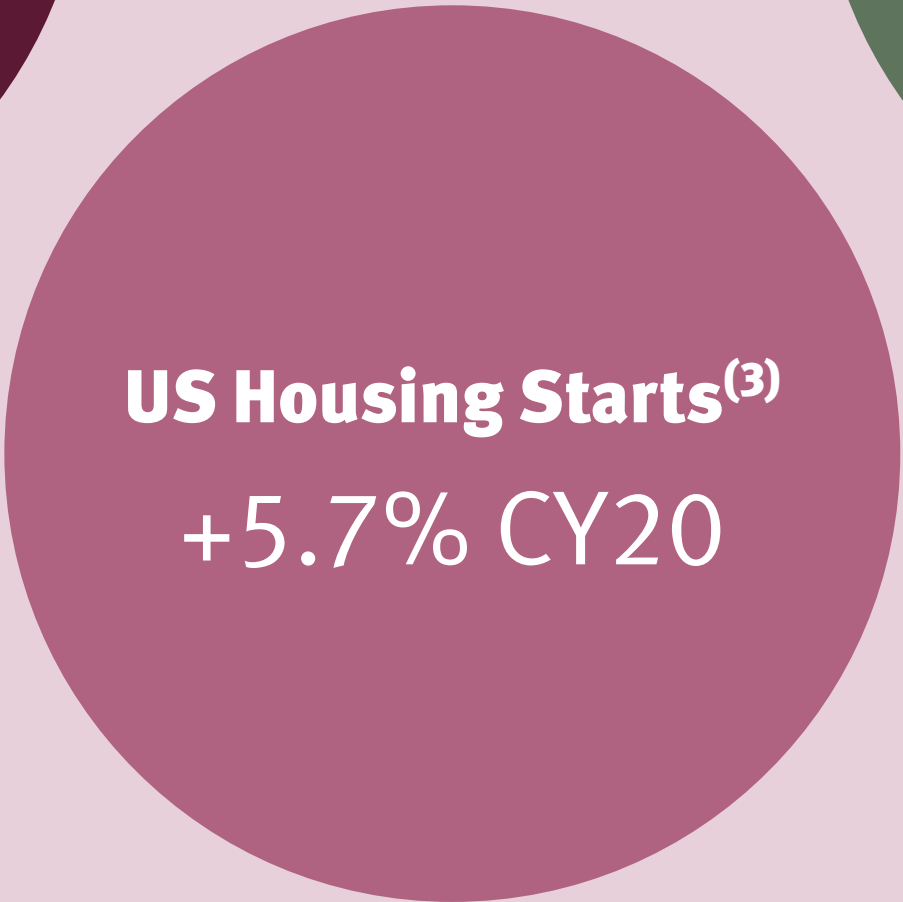


⁽¹⁾ Cash flow from operations less CAPEX plus domestic pension contributions



**Compelling financial
outlook and opportunity
for margin expansion**

Supportive economic backdrop



(1) BIFMA (January 2019)
(2) American Institute of Architects (December 2018)
(3) National Association of Realtors (March 2019)

Opportunity for continued above-average revenue performance over the next three to five years

Revenue

Core Contract Industry	1-3%
New Products and Initiatives	1-1.5%
Consumer Growth	1-1.5%

Estimated Annual Organic Revenue Growth	3-6%
Targeted Acquisitions	1-2%

Estimated Annual Revenue Growth Including Acquisitions	4-8%
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Operating income growth of 2x to 2.5x the rate of organic revenue growth

Structurally higher operating margins driven by:

- Expanding business and channel mix
- Consumer growth and higher exclusive product mix
- Volume leverage
- Lean enterprise focus
- Profit Optimization initiatives
- Target consolidated operating margin of 10% by FY20



Our Compelling Story



**A higher
ambition culture**



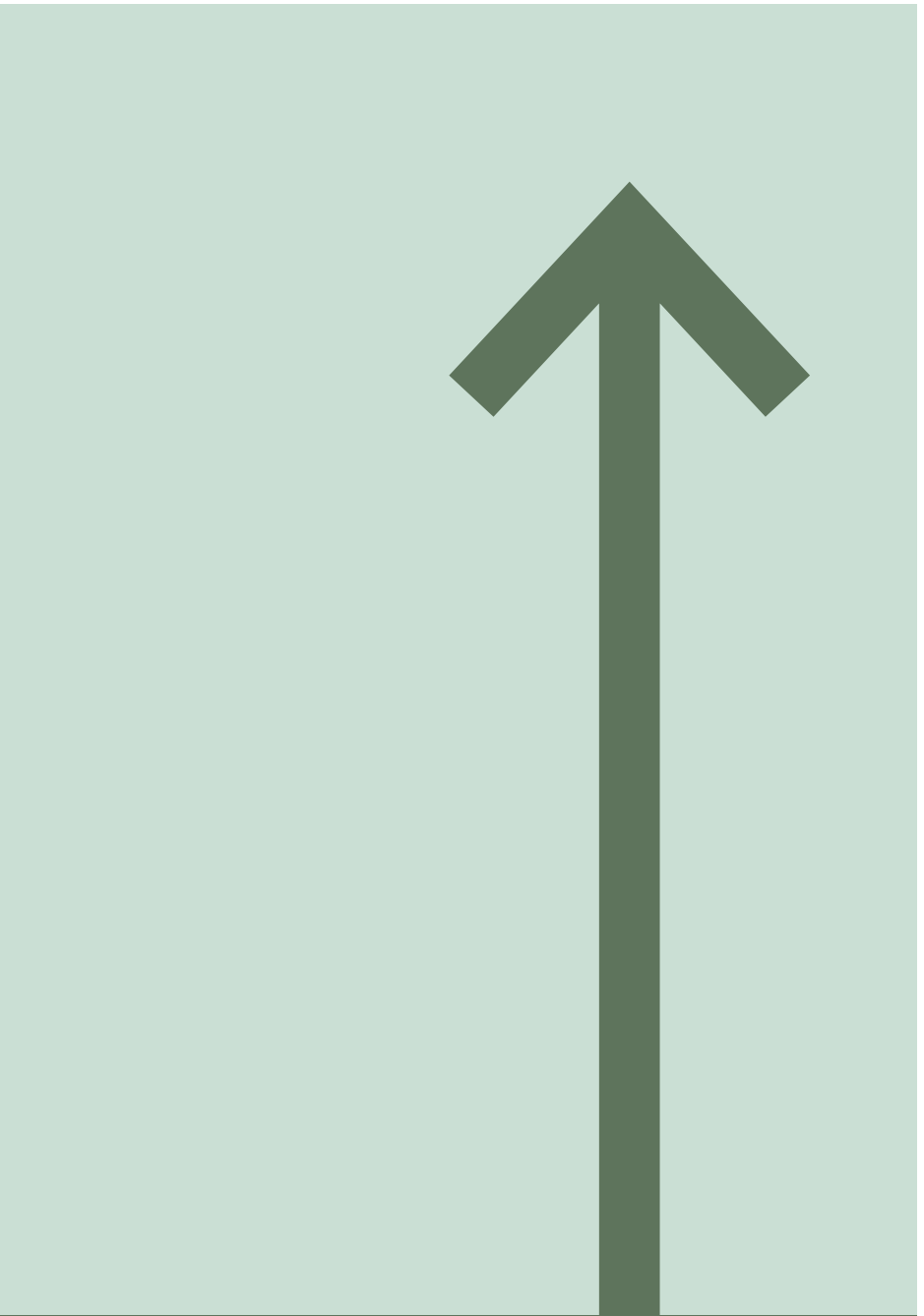
**Powerful brands
deliver design and
innovation leadership**



Strategic priorities



**Strong track record of
performance and healthy
returns on capital**



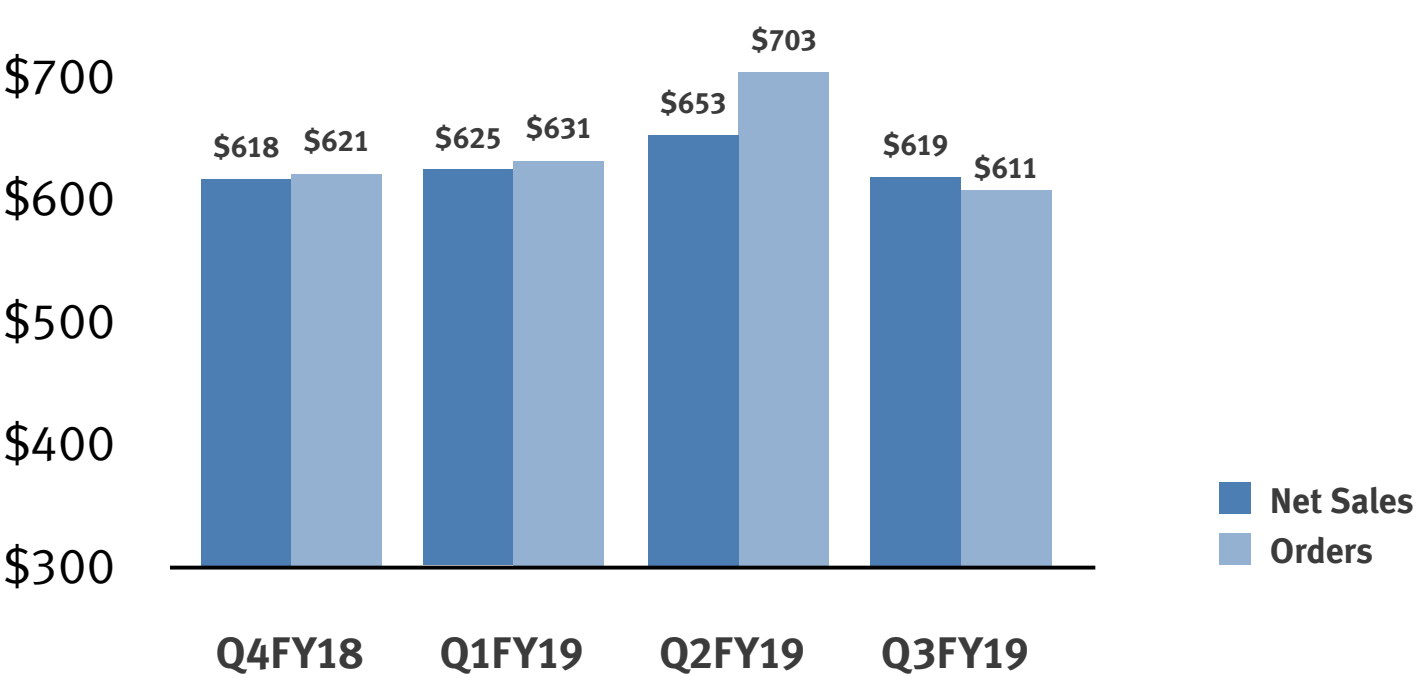
**Compelling financial
outlook and opportunity
for margin expansion**



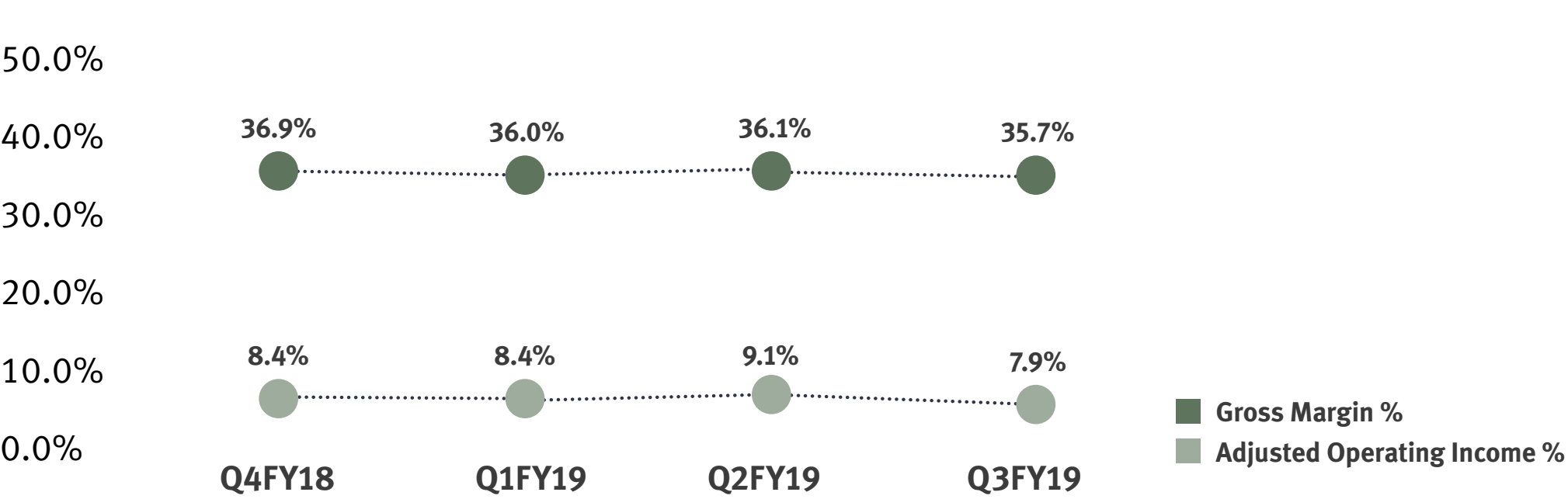
Recent Quarterly Financial Trends

RECENT QUARTERLY FINANCIAL TRENDS

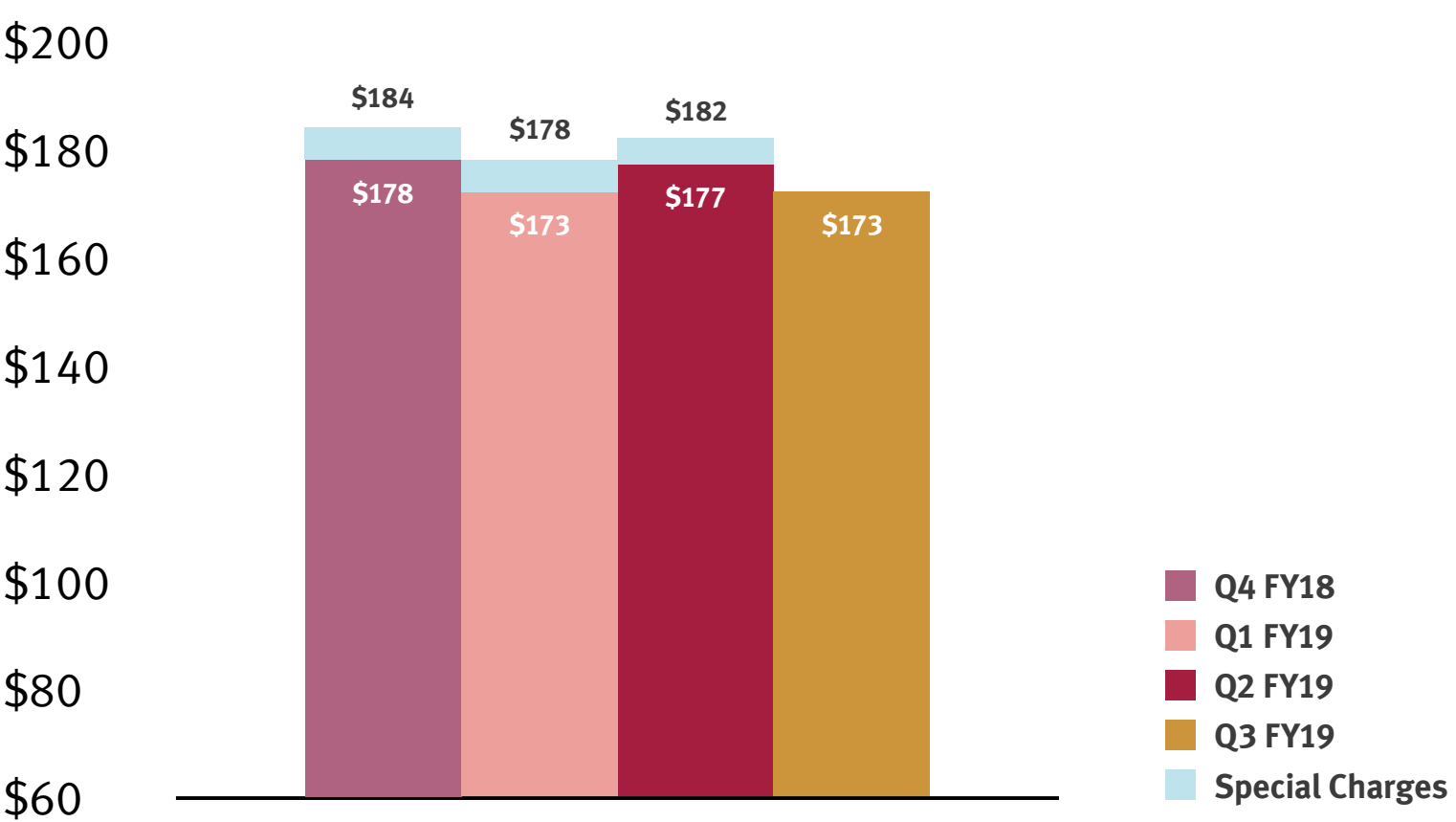
Quarterly Net Sales + Orders (\$ millions)



Gross Margin and Adjusted Operating Margin (% net sales)



Quarterly Operating Expenses (\$ millions)



Q3 net sales and orders increased 7% and 8%, respectively, from the prior year.

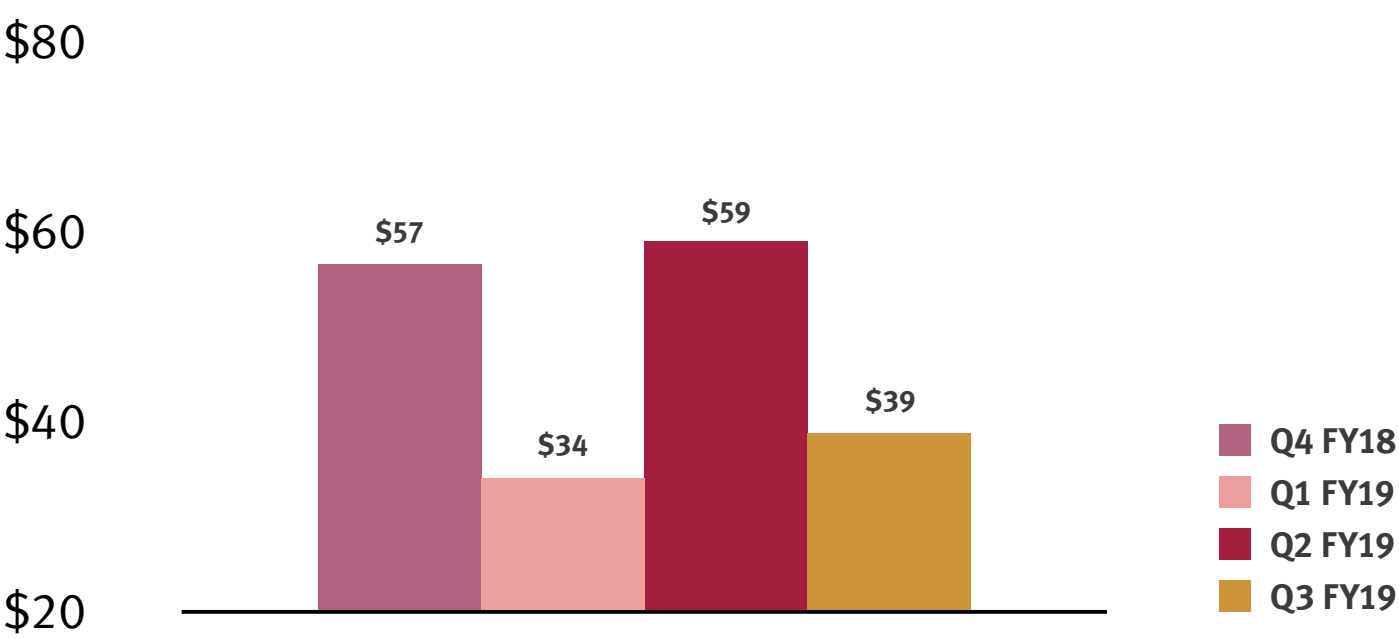
Gross margin in Q3 increased 10 bps from the prior year. Excluding a 60 basis point impact from adopting the new revenue recognition standard, gross margin was 70 bps higher than the prior year.

Operating expenses in Q3 include \$0.5 million of special charges.

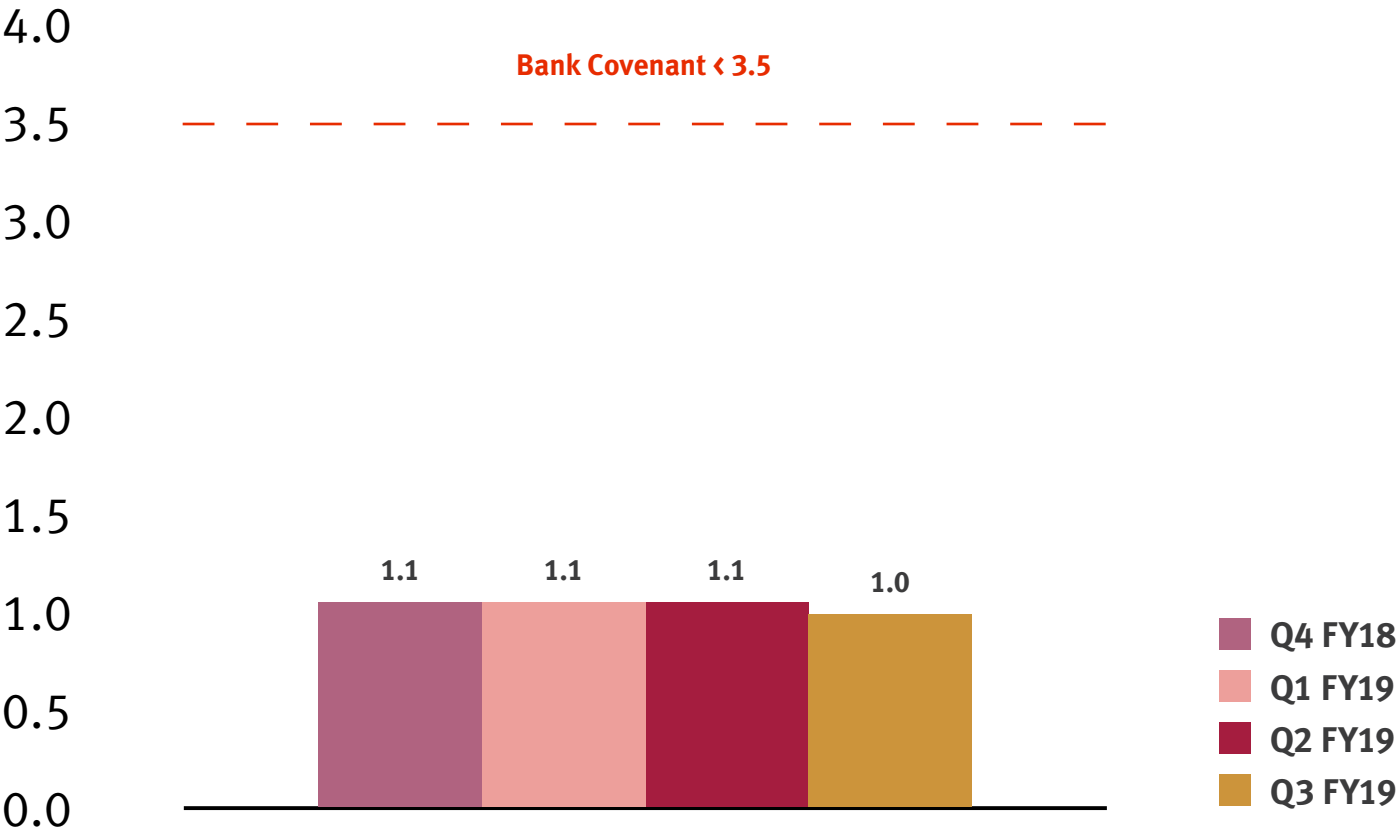
EPS in Q3 totaled \$0.66 per share; \$0.64 per share on an adjusted basis, compared to \$0.49 per share last year on a reported basis and \$0.50 adjusted.

RECENT QUARTERLY FINANCIAL TRENDS

Quarterly Cash Flow from Operations (\$ millions)

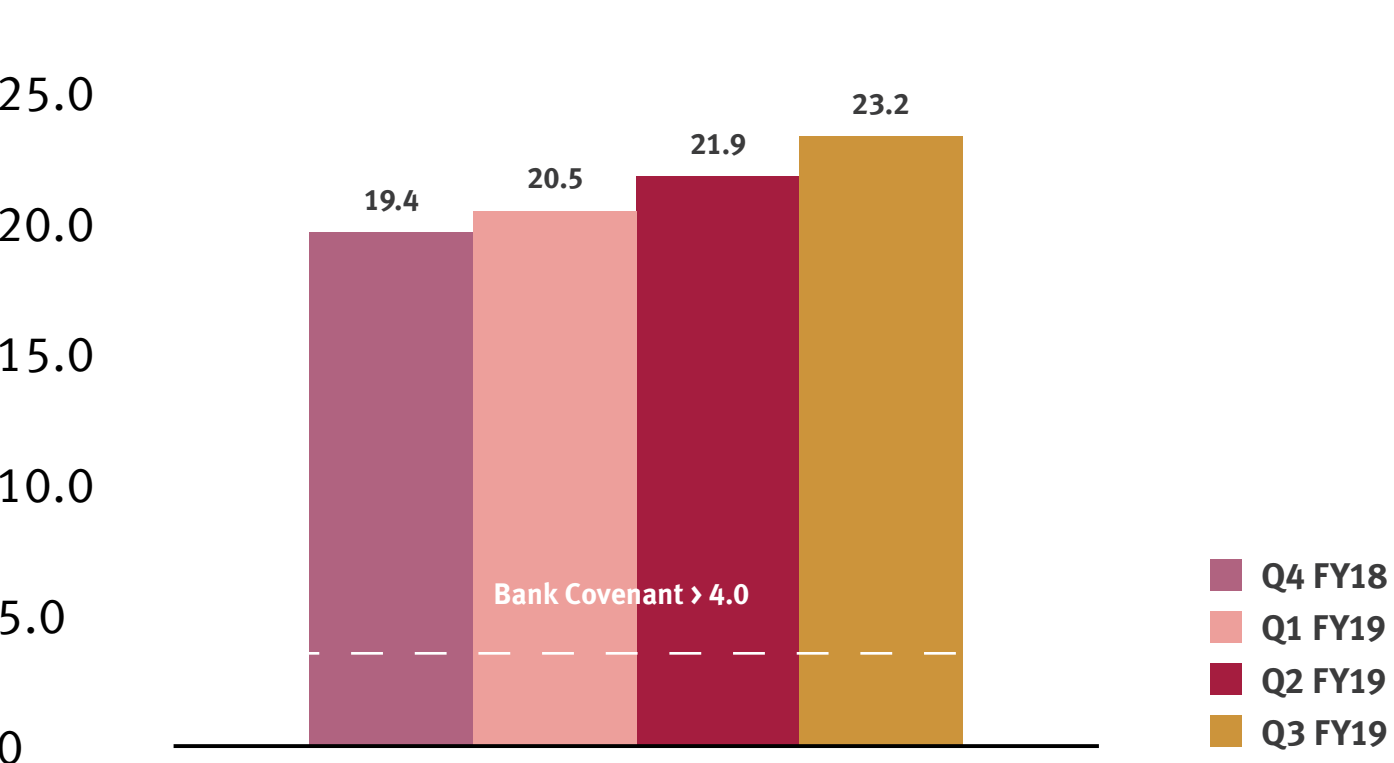


Rolling 4 Qtr Leverage Ratio (Debt to EBITDA)⁽¹⁾



(1) Represents a Non-GAAP Measure, see Appendix for reconciliation

Rolling 4 Qtr Coverage Ratio (EBITDA⁽¹⁾ to Interest)



Q3 ending cash and equivalents totaled \$114 million.

LT Debt maturity schedule:
–PPN (\$50M) due 2021
–Revolver (\$225M) due 2021

Availability of \$165 million on the revolving line of credit at the end of Q3.

CAPEX totaled \$22 million in Q3 and \$63 million year to date.

Q3 dividends paid totaled \$12 million and share repurchases of \$6 million.

RECENT QUARTERLY FINANCIAL TRENDS

Guidance as provided in earnings press release dated March 20, 2019:

	Q4 Fiscal 2019
Net Sales	\$645 to \$665 million
Gross Margin %	36.3% to 37.3%
Adjusted Operating Expenses	\$180 to \$184 million
Effective Tax Rate	21% to 23%
Adjusted Earnings Per Share, Diluted	\$0.76 to \$0.80

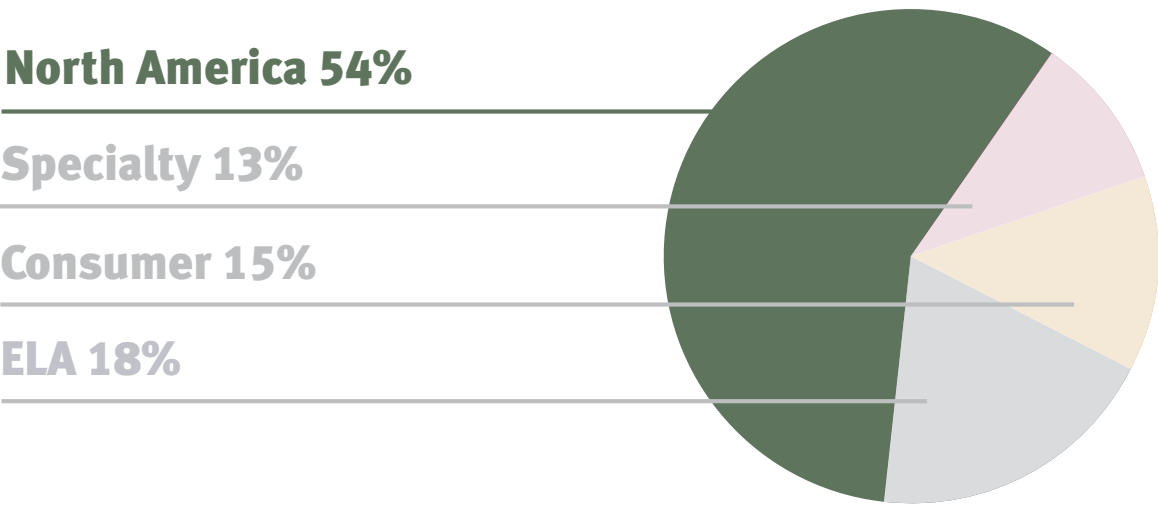


Appendix

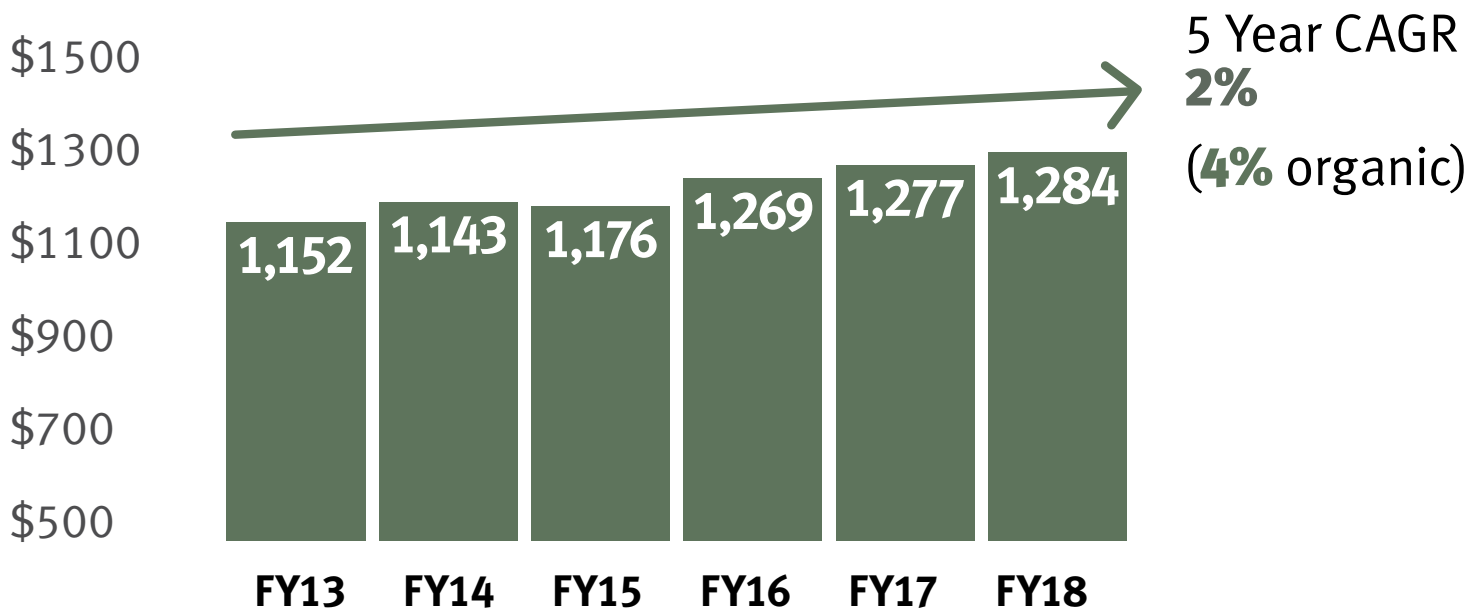
Overview

Description: Design, manufacture and sale of furniture products for office, education and healthcare environments in the United States and Canada

FY18 Percent of Consolidated Revenues



Revenue Trend (in US\$ millions)



FY18 Adj. EBITDA Margin

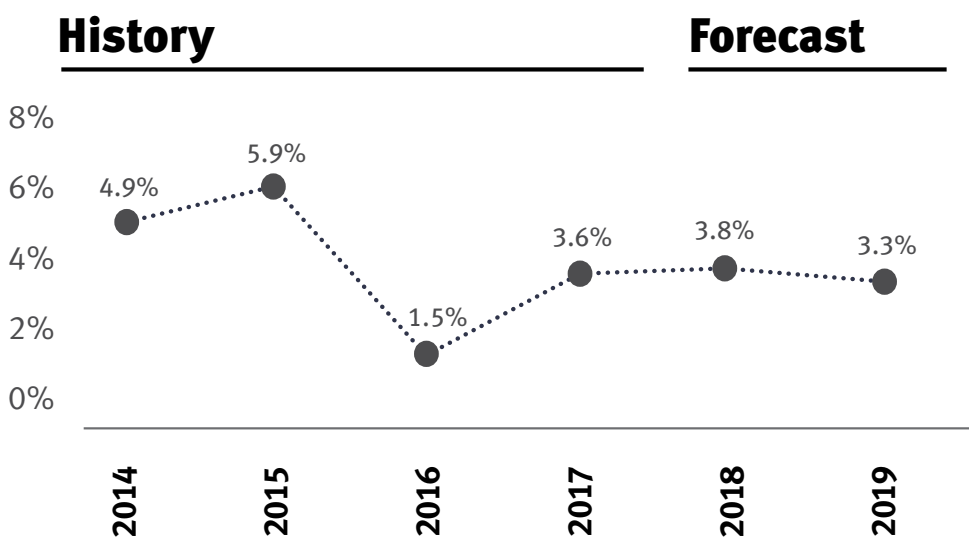
15.8%

Macro-Economic Drivers

Other Leading Economic Indicators include: Corporate profitability, service sector employment, Architectural Billings Index (ABI), Office vacancy rates, CEO and small business confidence, Non-residential Construction

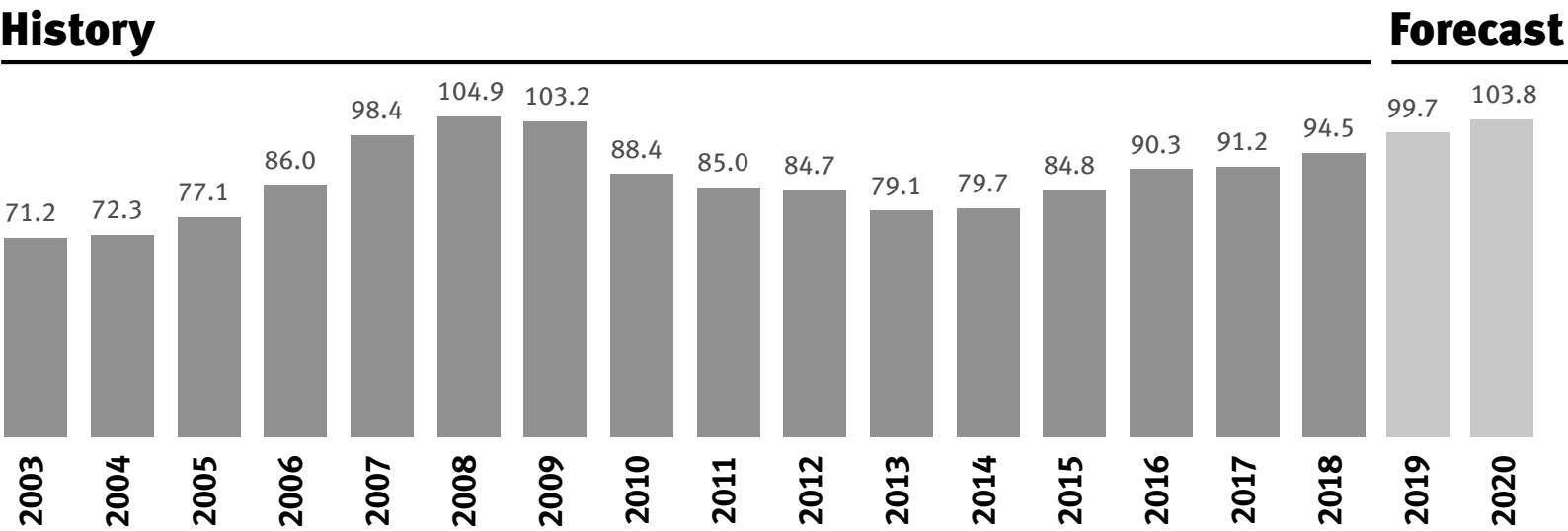
U.S. Commerical Market Sales

Source: BIFMA, January 2019



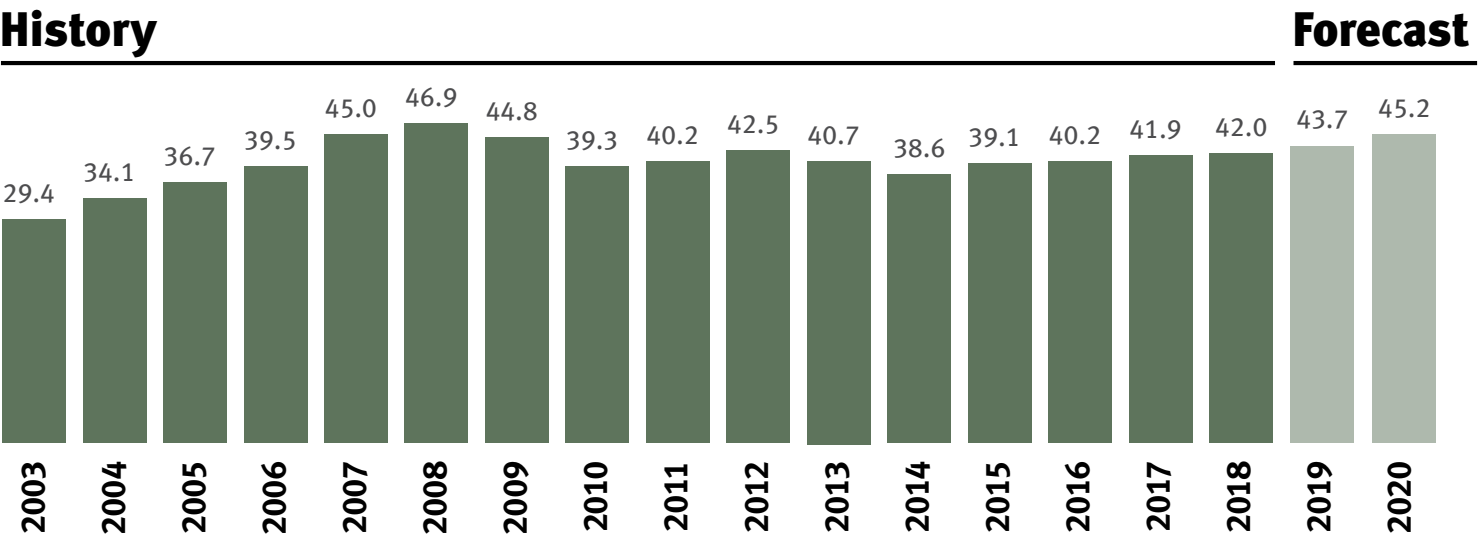
Education Construction Spending (in US\$ billions)

Source: U.S. Census Bureau and AIA Fcst, January 2019



Healthcare Construction Spending (in US\$ billions)

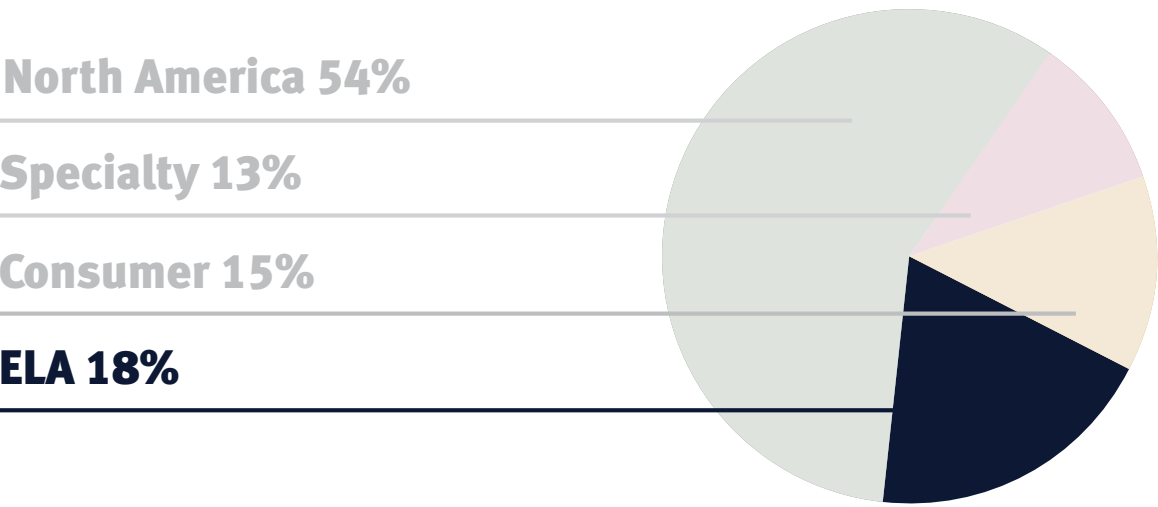
Source: U.S. Census Bureau and AIA Fcst, January 2019



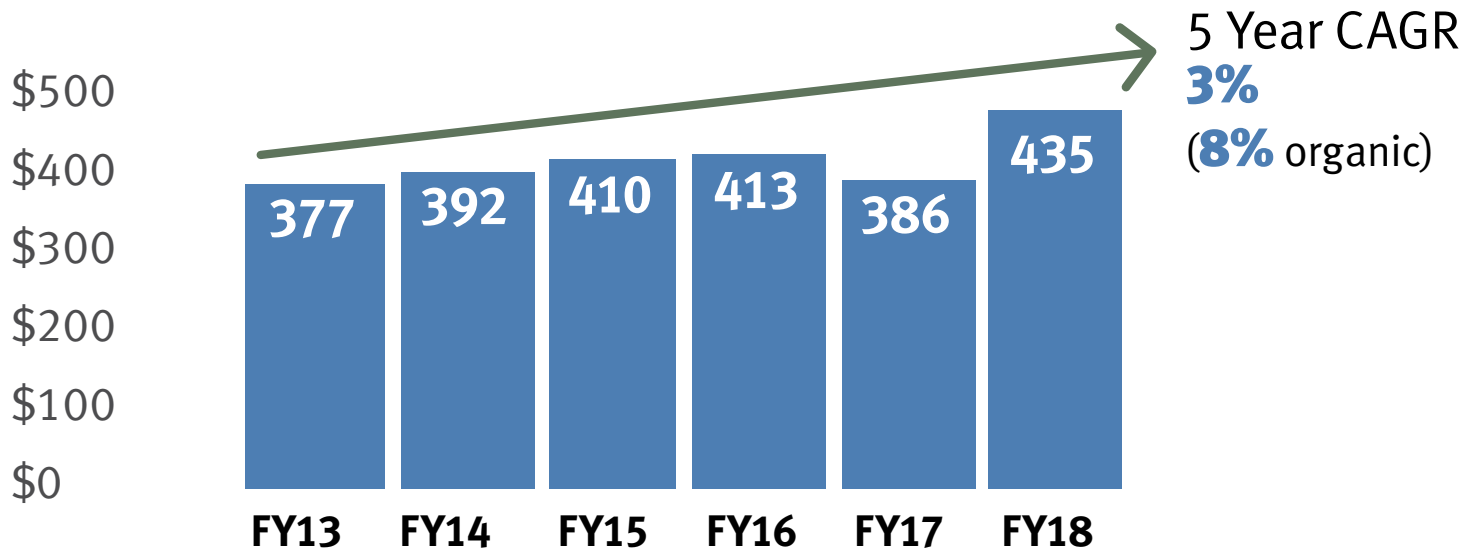
Overview

Description: Design, manufacture and sale of furniture products primarily for office settings in EMEA (38% of sales in FY18), Latin America (23% of sales in FY18) and Asia-Pacific (39% of sales in FY18)

FY18 Percent of Consolidated Revenues



Revenue Trend (in US\$ millions)



FY18 Adj. EBITDA Margin

12.3%

Macro-Economic Drivers

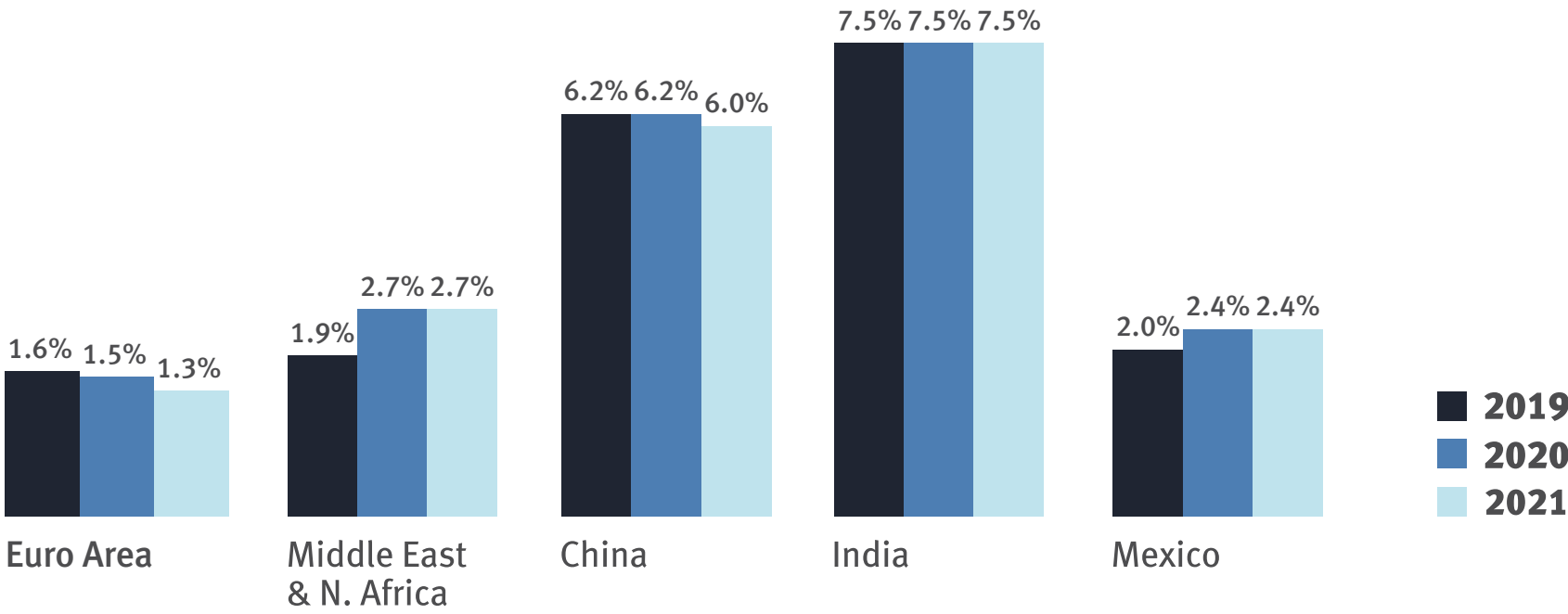
Regional Office Furniture Consumption (in US\$ billions)

Source: CSIL (2018)

Region	Annual Consumption	5 Year CAGR
Europe	\$10.3	3.1%
China	\$12.2	4.3%
India	\$2.6	7.6%
Brazil	\$1.2	-10.6%
Mexico	\$0.3	-4.4%

GDP Forecast

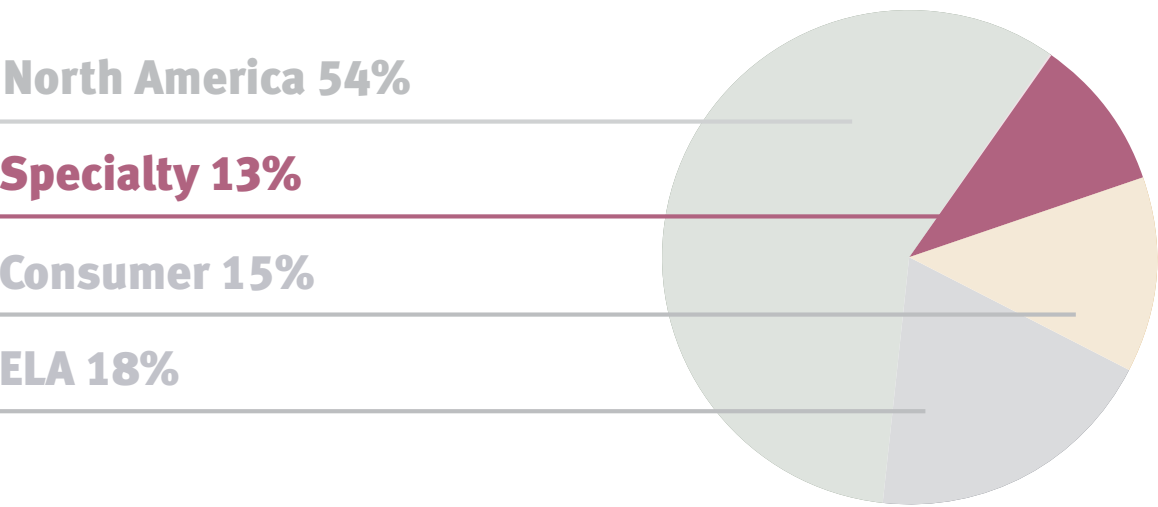
Source: World Bank (January 2019)



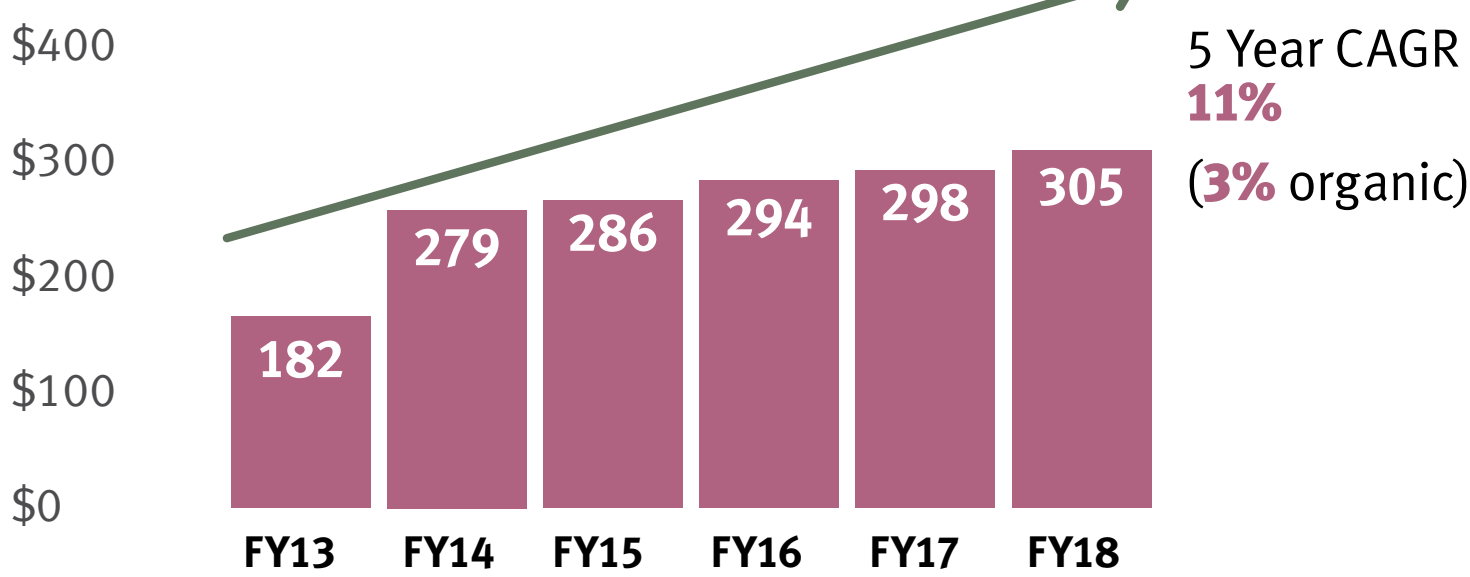
Overview

Description: Design, manufacture and sale of high-craft furniture products and textiles focused on architect and design specifiers. The Specialty portfolio includes Geiger wood products, Maharam textiles, Nemschoff Healthcare and Herman Miller Collection products.

FY18 Percent of Consolidated Revenues



Revenue Trend (in US\$ millions)



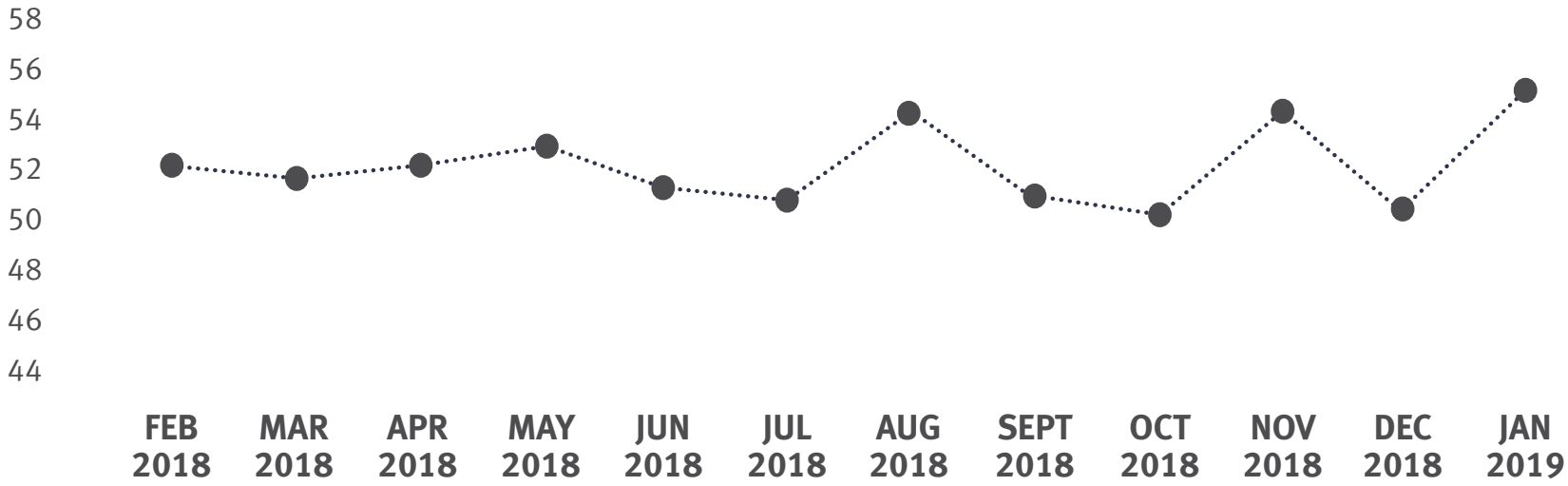
FY18 Adj. EBITDA Margin

6.5%

Macro-Economic Drivers

U.S. Architects Billing Index

Source: The American Institute of Architects



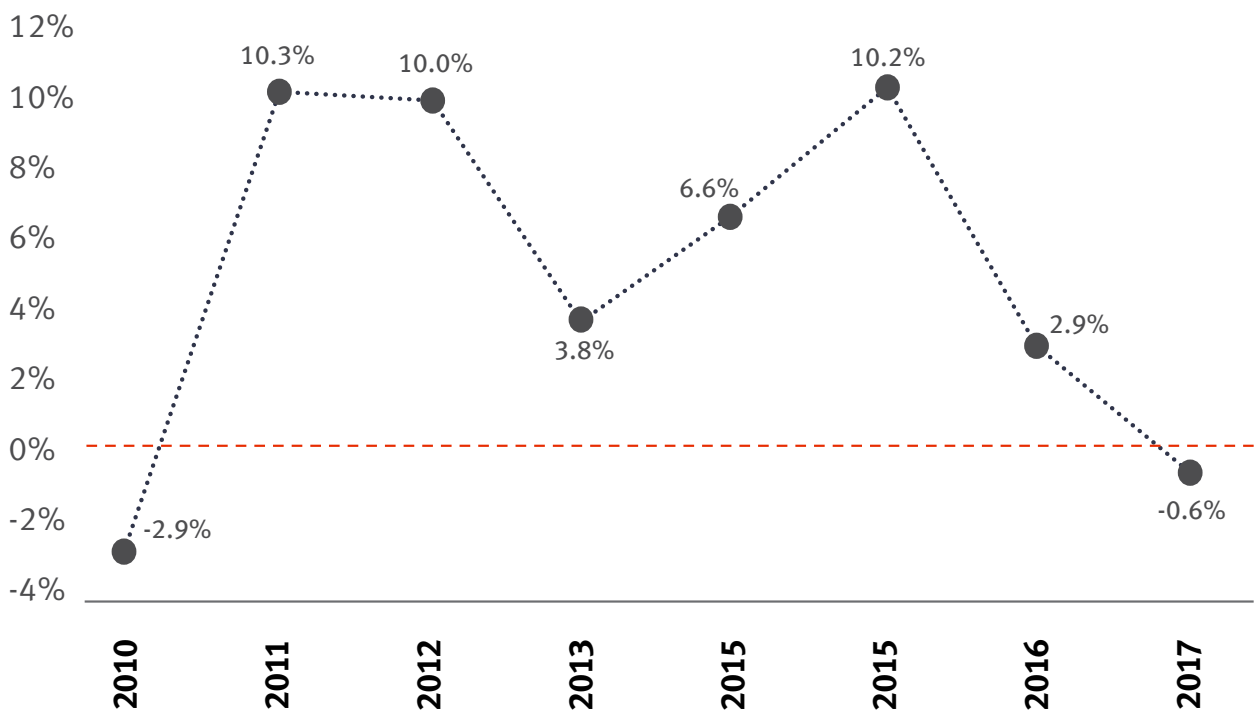
AIA Consensus Construction Forecast

(% YOY Growth)
Source: The American Institute of Architects, January 2019

	2019	2020
Non-Residential	4.4%	2.4%
Commercial Total	3.5%	0.6%
Office	5.1%	1.2%
Health	4.0%	3.6%
Education	5.5%	4.1%
Hotel	3.9%	-0.7%

Annual Fabric Sales

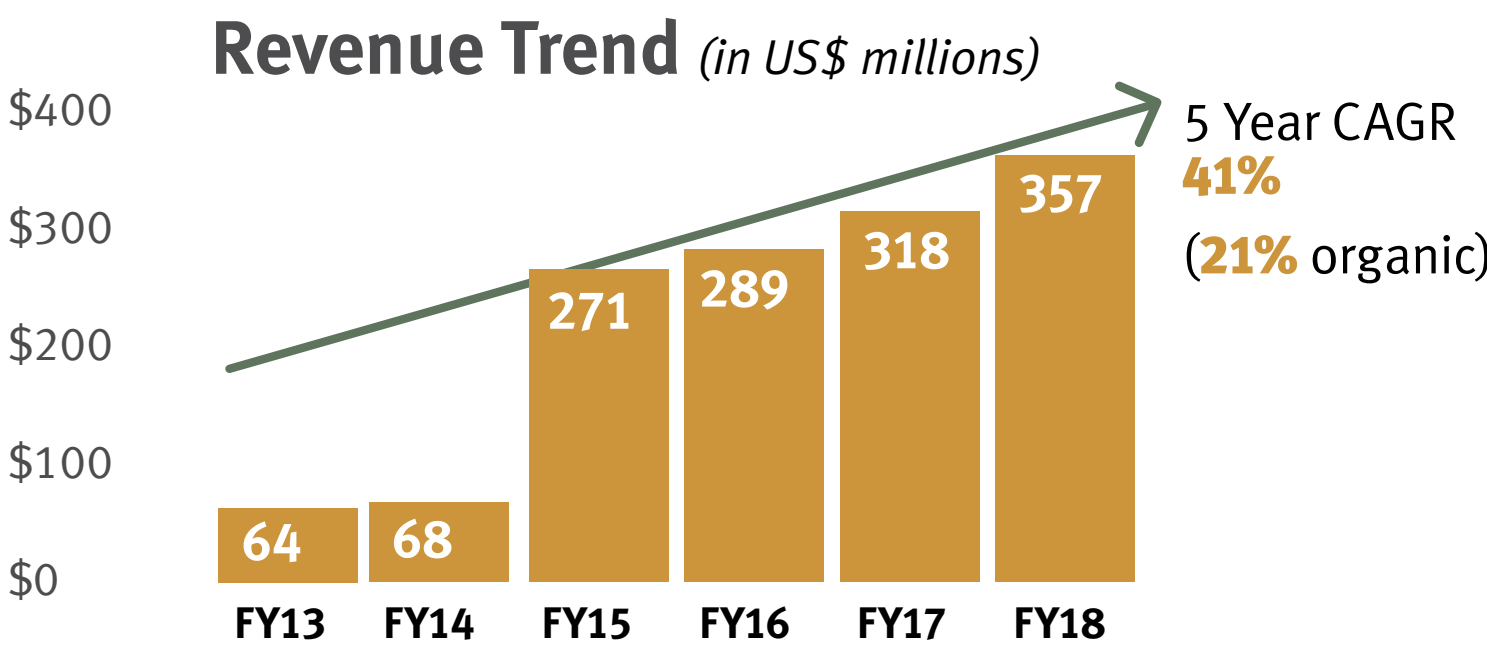
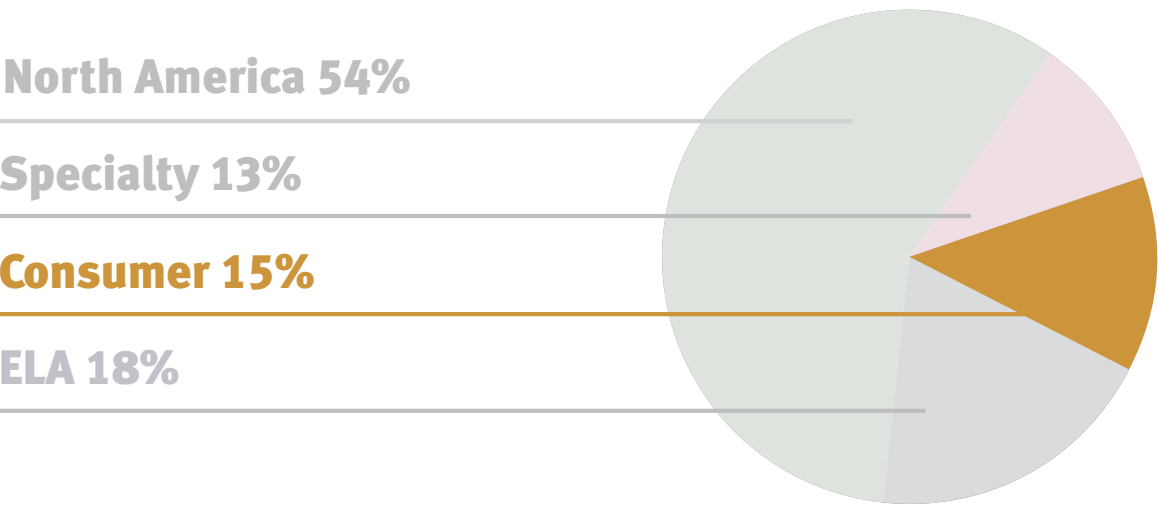
Source: ACT Financial Survey



Overview

Description: Sale of modern design furnishings and accessories in North America through multiple channels, including 32 Design Within Reach studios, eCommerce storefronts, direct mailing catalogs and independent retailers.

FY18 Percent of Consolidated Revenues

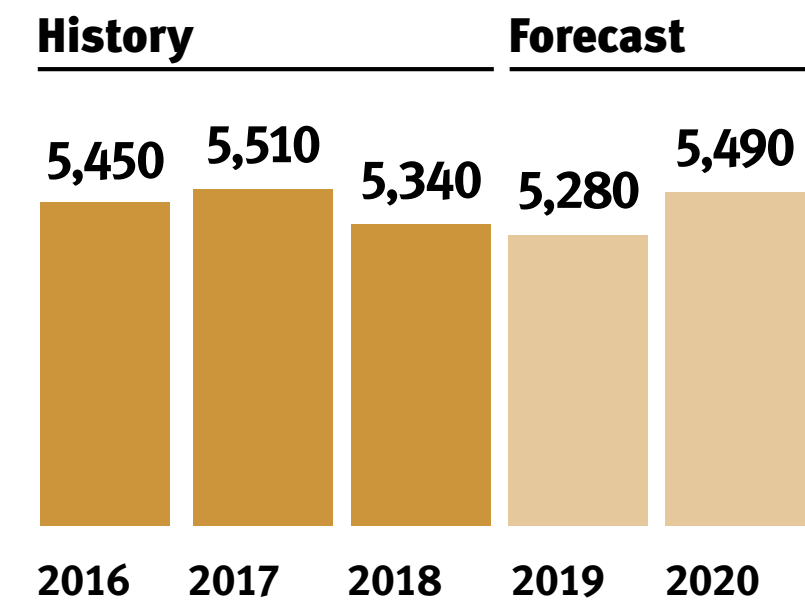


FY18 Adj. EBITDA Margin

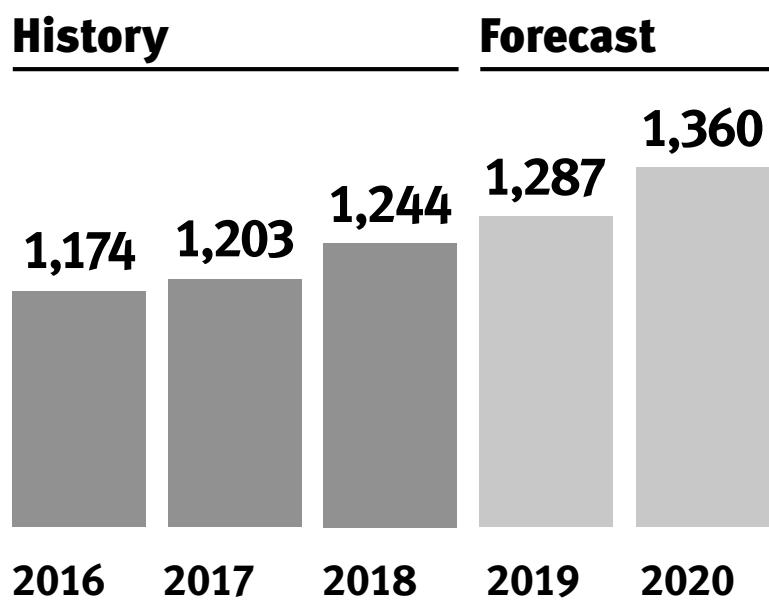
7.3%

Macro-Economic Drivers

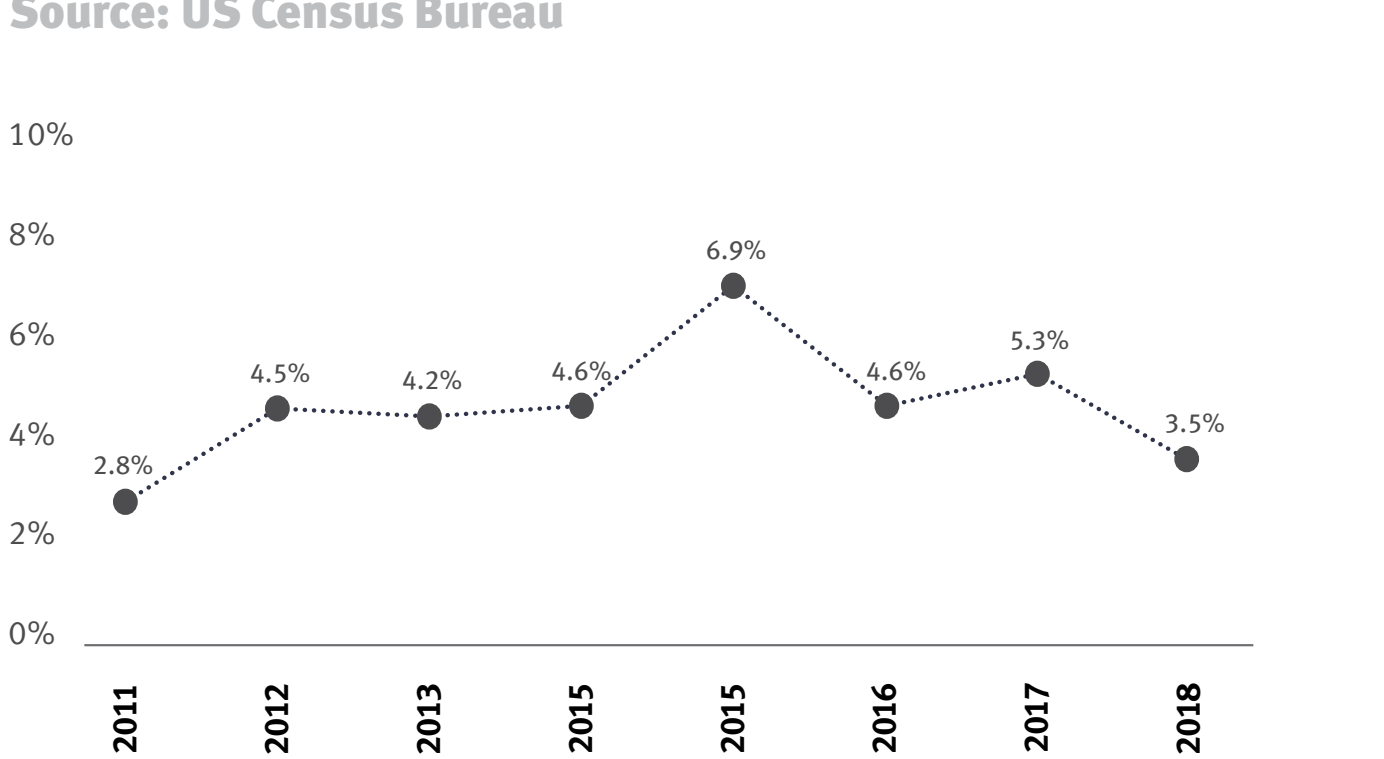
Existing Home Sales (thousands of units)
Source: Ntl. Assoc. of Realtors U.S. Economic Outlook (Mar 2019)



Housing Starts (thousands of units)
Source: Ntl. Assoc. of Realtors U.S. Economic Outlook (Mar 2019)



Furniture and Home Furnishing Stores Annual Sales Growth
Source: US Census Bureau



APPENDIX – RECONCILIATION OF NON-GAAP MEASURES

This presentation contains Organic Sales Growth, Adjusted EBITDA, Adjusted EBITDA ratios, Adjusted Operating Earnings, and Adjusted Earnings Per Share, all of which constitute non-GAAP financial measures. Each of these financial measures is calculated by excluding items the Company believes are not indicative of its ongoing operating performance. The Company presents these non-GAAP financial measures because it considers them to be important supplemental indicators of financial performance and believes them to be useful in analyzing ongoing results from operations.

These non-GAAP financial measures are not measures of financial performance under GAAP and should not be considered alternatives to GAAP. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. In addition, you should be aware that in the future the Company may incur expenses similar to the adjustments presented.

Organic Sales Growth (Decline) by Reportable Segment

(\$ Millions); (unaudited)

	North America		ELA		Specialty		Consumer		Total	
	2013	2018	2013	2018	2013	2018	2013	2018	2013	2018
Sales, as reported	\$ 1,151.6	\$ 1,284.4	\$ 377.3	\$ 434.5	\$ 182.0	\$ 305.4	\$ 64.0	\$ 356.9	\$ 1,774.9	\$ 2,381.2
<u>Proforma Adjustments</u>										
Dealer Divestitures	(68.8)	(18.2)	(24.0)	-	-	-	-	-	(92.8)	(18.2)
Cumulative foreign exchange	-	46.6	-	94.1	-	1.9	-	2.4	-	145.0
Acquisition - base year	-	-			(10.0)	(107.5)	-	(194.3)	(10.0)	(301.8)
Sales, pro forma	\$ 1,082.8	\$ 1,312.8	\$ 353.3	\$ 528.6	\$ 172.0	\$ 199.8	\$ 64.0	\$ 165.0	\$ 1,672.1	\$ 2,206.2
Compound Annual Growth Rate, as reported		2.2%		2.9%		10.9%		41.0%		6.1%
Compound Annual Growth Rate, pro forma		3.9%		8.4%		3.0%		20.9%		5.7%

Adjusted EBITDA by Reportable Segment

(\$ Millions); (unaudited)

	FY13	FY14	FY15	FY16	FY17	FY18					
						Consolidated	NA	ELA	Specialty	Consumer	Corporate
Operating Earnings	\$ 114.9	\$ (25.7)	\$ 163.4	\$ 211.5	\$ 190.8	\$ 177.5	\$ 166.3	\$ 35.5	\$ 8.9	\$ 13.9	\$ (47.1)
Add: Allocated Depreciation & Amortization	37.6	42.4	49.8	53.0	58.9	66.9	33.4	10.2	10.5	12.1	0.7
Add: Acquisition-related Adjustments		(1.2)	10.0			-					
Add: Legacy Pension Expenses	28.2	164.4				-					
Add: Restructuring/Impairment Expenses	1.2	26.5	12.7		12.5	5.7	1.8	3.9			
Add: Special Charges						13.8		2.5			11.3
Less: Non-recurring Gain				(6.1)	(0.7)	-					
Equity Income	(0.1)	0.1	0.1	0.4	1.6	3.0	1.2	1.3	0.6		(0.1)
Other, net			(0.7)	0.5	2.0	4.1					4.1
Adjusted EBITDA	\$ 181.8	\$ 206.5	\$ 235.3	\$ 259.3	\$ 265.1	\$ 271.0	\$ 202.7	\$ 53.4	\$ 20.0	\$ 26.0	\$ (31.1)
Revenue	\$ 1,774.9	\$ 1,882.0	\$ 2,142.2	\$ 2,264.9	\$ 2,278.2	\$ 2,381.2	\$ 1,284.4	\$ 434.5	\$ 305.4	\$ 356.9	
Adjusted EBITDA Margin	10.2%	11.0%	11.0%	11.4%	11.6%	11.4%	15.8%	12.3%	6.5%	7.3%	

Adjusted Operating Earnings and Adjusted Earnings Per Share

(\$ millions, except for per share amounts); (unaudited)

Adjusted Operating Earnings

	Q3 FY19
Net Sales	619.0
Operating Earnings (GAAP)	47.8
Operating Earnings (%)	7.7
Add: Special Charges	0.5
Add: Restructuring Expenses	0.3
Adj. Operating Earnings (non-GAAP)	\$ 48.7
Adj. Operating Earnings (%)	7.9

Adjusted Earnings per Share

	Q3 FY19
Earnings per Share - Diluted	\$0.66
Add: Adjustments related to adoption of U.S. Tax Cuts and Jobs Act	(0.03)
Add: Special charges, after tax	0.01
Adjusted Earnings per Share - Diluted	\$0.64

Adjusted EBITDA and Adjusted EBITDA Ratios

(Bank); (\$ millions); (unaudited)

Adjusted EBITDA (Bank) Ratios Trailing 4-Quarter Period Ended				
	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19
Earnings Before Income Taxes (EBT)	\$ 168.1	\$ 165.7	\$ 168.0	\$ 177.5
Add:				
Depreciation	60.8	63.9	66.5	66.6
Amortization	6.1	6.4	6.2	6.2
Interest	13.5	12.8	12.2	12.0
Other Adjustments(1)	13.5	13.6	13.7	16.4
Adjusted EBITDA - Bank	\$ 262.0	\$ 262.4	\$ 266.6	\$ 278.8
Total Debt, End of Trailing Period (includes outstanding LC's)	\$ 283.3	\$ 291.8	\$ 293.4	\$ 262.3
Rolling 4-Quarter Debt-to-Adj. EBITDA	1.1	1.1	1.1	1.0
Rolling 4-Quarter Adj. EBITDA-to-Interest	19.4	20.5	21.9	23.2

⁽¹⁾ “Other Adjustments” include, as applicable in the period, charges associated with business restructuring actions, non-cash stock-based compensation, as described in lending agreements.

