

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

September 18, 2019

Date of Report (Date of earliest event reported)

HERMAN MILLER, INC.

(Exact name of registrant as specified in its charter)

Michigan

(State or other jurisdiction of incorporation or organization)

001-15141

(Commission File Number)

38-0837640

(I.R.S. Employer Identification No.)

855 East Main Avenue

Zeeland, MI 49464

(Address of principal executive offices and zip code)

(616) 654-3000

(Registrant's telephone number, including area code)

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:

- ☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MLHR	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 2.02. Results of Operations and Financial Condition

On September 18, 2019, Herman Miller, Inc. issued a press release announcing its financial results for the quarter ended August 31, 2019. A copy of the press release is attached as Exhibit 99.1. Also, a copy of the supplemental financial data for the quarter ended August 31, 2019 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 18, 2019](#)

99.2 [Supplemental financial data for the quarter ended August 31, 2019](#)

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 18, 2019

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 2020 Results

- Year-over-year sales and order growth of 7%
- Operating margin expansion of 160-basis points on a reported basis (90-basis points adjusted)
- 35% increase in reported EPS (22% adjusted)

Webcast to be held Thursday, September 19, 2019, at 9:30 AM ET

Release	Immediate
Date	September 18, 2019
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

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/investors>

Herman Miller, Inc. (NASDAQ: MLHR) today announced results for its first quarter ended August 31, 2019. Net sales in the quarter totaled \$670.9 million, an increase of 7.4% from the same quarter last fiscal year. New orders in the first quarter of \$676.7 million were 6.9% above the prior year level.

On an organic basis, which excludes the impact of foreign currency translation, net sales and orders in the first quarter increased by 7.7% and 7.3%, respectively, compared to the same quarter last fiscal year.

Herman Miller reported net earnings of \$0.81 per share on a diluted basis in the first quarter compared to diluted earnings per share of \$0.60 in the same quarter last fiscal year. Excluding restructuring expenses and other special charges, adjusted earnings per share in the first quarter totaled \$0.84 compared to adjusted earnings per share of \$0.69 in the first quarter of last fiscal year.

Andi Owen, President and Chief Executive Officer, stated, "Strong sales and order growth for the quarter were led by our North America and Retail businesses. Consolidated sales growth, higher gross margins and well-managed operating expenses combined to drive operating margin expansion over the same quarter last year. While there are clear opportunities for additional improvement, the enterprise at large is executing at a very high level, and we are beginning to realize meaningful benefit from our efforts to align the direction of the global business around a common set of strategic priorities."

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First Quarter Fiscal 2020 Financial Results

FINANCIAL HIGHLIGHTS

(Dollars in millions, except per share data)

	(Unaudited)		
	Three Months Ended		
	August 31, 2019	September 1, 2018	% Chg.
Net Sales	\$ 670.9	\$ 624.6	7.4%
Gross Margin %	36.7%	36.0%	N/A
Operating Expenses	\$ 184.2	\$ 178.0	3.5%
Restructuring Expense	\$ 1.8	\$ 1.1	63.6%
Operating Earnings %	9.0%	7.4%	N/A
Adjusted Operating Earnings %*	9.3%	8.4%	N/A
Net Earnings Attributable to Herman Miller, Inc.	\$ 48.2	\$ 35.8	34.6%
Earnings Per Share – Diluted	\$ 0.81	\$ 0.60	35.0%
Adjusted Earnings Per Share – Diluted*	\$ 0.84	\$ 0.69	21.7%
Orders	\$ 676.7	\$ 632.8	6.9%
Backlog	\$ 399.9	\$ 354.8	12.7%

*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 2020 totaled 36.7%, representing a 70-basis point increase from the level reported in the same quarter of last fiscal year.

Operating expenses in the first quarter were \$184.2 million compared to \$178.0 million in the same quarter a year ago. Operating expenses included certain special charges totaling \$0.4 million in the first quarter of fiscal 2020 and \$5.1 million in the same quarter last year. These items in the current quarter related primarily to costs associated with the CEO transition. Excluding these items, operating expenses increased by \$10.9 million compared to the same quarter last year.

The Company recognized pre-tax restructuring expense totaling \$1.8 million in the first quarter. These items related primarily to restructuring actions associated with our profit improvement initiatives, including costs associated with an early retirement program in North America.

Herman Miller's effective income tax rate in the first quarter was 21.0%, compared to 20.0% in the same quarter last fiscal year.

Jeff Stutz, Chief Financial Officer, noted, "We continue to navigate the global tariff picture effectively, taking action where we can in areas around pricing and supply chain, leveraging our profit improvement initiatives and realizing benefits from lower commodity costs. Despite the gross margin pressures we are feeling in our Retail business, some of which are transitory and driven by our nearly complete transition to a new 620,000-foot distribution facility, we delivered 70 basis points of gross margin expansion at the consolidated level over the same quarter last year. Our operating performance contributed to a significant increase in earnings per share compared to last year, exceeding the expectations that we established at the start of the quarter."

The Company ended the first quarter with total cash and cash equivalents of \$159.5 million. Cash flow generated from operations was \$52.8 million in the current quarter compared to \$32.9 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 first quarter of fiscal 2020:

Organic Sales Growth by Segment *

	Three Months Ended August 31, 2019				Three Months Ended September 1, 2018			
	North America	International	Retail	Total	North America	International	Retail	Total
Net Sales, as reported	\$ 458.4	\$ 113.9	\$ 98.6	\$ 670.9	\$ 421.0	\$ 115.4	\$ 88.2	\$ 624.6
% change from PY	8.9%	(1.3)%	11.8%	7.4%				
<u>Proforma Adjustments</u>								
Currency Translation Effects ⁽¹⁾	0.2	1.9	—	2.1	—	—	—	—
Net Sales, organic	\$ 458.6	\$ 115.8	\$ 98.6	\$ 673.0	\$ 421.0	\$ 115.4	\$ 88.2	\$ 624.6
% change from PY	8.9%	0.3 %	11.8%	7.7%				

Organic Order Growth by Segment *

	Three Months Ended August 31, 2019				Three Months Ended September 1, 2018			
	North America	International	Retail	Total	North America	International	Retail	Total
Orders, as reported	\$ 468.2	\$ 116.7	\$ 91.8	\$ 676.7	\$ 425.1	\$ 125.0	\$ 82.7	\$ 632.8
% change from PY	10.1%	(6.6)%	11.0%	6.9%				
<u>Proforma Adjustments</u>								
Currency Translation Effects ⁽¹⁾	0.3	2.0	—	2.3	—	—	—	—
Orders, organic	\$ 468.5	\$ 118.7	\$ 91.8	\$ 679.0	\$ 425.1	\$ 125.0	\$ 82.7	\$ 632.8
% change from PY	10.2%	(5.0)%	11.0%	7.3%				

⁽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

* 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 2020 Guidance

Looking forward, Herman Miller expects net sales in the second quarter of fiscal 2020 to be in the range of \$685 million to \$705 million. On an organic basis, adjusted for foreign currency translation, this forecast implies sales growth of 7% compared to the second quarter of last year at the mid-point of the range. The Company expects diluted earnings per share to range between \$0.85 to \$0.89.

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/investors>.

The Company will host a webcast to discuss the results of the first quarter of fiscal 2020 on Thursday, September 19, 2019, at 9:30 AM ET. To ensure your access to the webcast, you should allow extra time to visit the Company's website at <http://investors.hermanmiller.com/events-and-presentations> 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. Since its inception in 1905, the company has relied on innovative design to help people do great things. The global design leader has evolved into Herman Miller Group, a family of brands that collectively offers a variety of products for environments where people live, learn, work, and heal. The family of brands includes Colebrook Bosson Saunders, Design Within Reach, Geiger, HAY, Maars Living Walls, Maharam, naughtone, Nemschoff, and Herman Miller. For more information visit www.hermanmiller.com/about-us.

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 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, 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, changes in global tariff regulations, 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.

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Financial highlights for the three months ended August 31, 2019 follow:

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

	August 31, 2019		September 1, 2018	
Net Sales	\$	670.9	100.0 %	\$ 624.6 100.0%
Cost of Sales		424.8	63.3 %	399.5 64.0%
Gross Margin		246.1	36.7 %	225.1 36.0%
Operating Expenses		184.2	27.5 %	178.0 28.5%
Restructuring Expense		1.8	0.3 %	1.1 0.2%
Operating Earnings		60.1	9.0 %	46.0 7.4%
Other Expenses, net		2.1	0.3 %	1.9 0.3%
Earnings Before Income Taxes and Equity Income		58.0	8.6 %	44.1 7.1%
Income Tax Expense		12.2	1.8 %	8.9 1.4%
Equity Income, net of tax		2.2	0.3 %	0.7 0.1%
Net Earnings		48.0	7.2 %	35.9 5.7%
Net Earnings Attributable to Noncontrolling Interests		(0.2)	— %	0.1 —%
Net Earnings Attributable to Herman Miller, Inc.	\$	48.2	7.2 %	\$ 35.8 5.7%

Amounts per Common Share Attributable to Herman Miller, Inc.

Earnings Per Share – Basic	\$0.82	\$0.60
Weighted Average Basic Common Shares	58,909,001	59,370,160
Earnings Per Share – Diluted	\$0.81	\$0.60
Weighted Average Diluted Common Shares	59,231,728	59,869,114

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

	August 31, 2019		September 1, 2018	
Net Earnings	\$	48.0	\$	35.9
Net Cash Provided by Operating Activities		52.8		32.9
Net Cash Used in Investing Activities		(22.1)		(99.7)
Net Cash Used in Financing Activities		(27.9)		(33.0)
Effect of Exchange Rates		(2.5)		(2.4)
Change in Cash		0.3		(102.2)
Cash and Cash Equivalents, Beginning of Period		159.2		203.9
Cash and Cash Equivalents, End of Period	\$	159.5	\$	101.7

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

	<u>August 31, 2019</u>	<u>June 1, 2019</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 159.5	\$ 159.2
Short-term investments	9.0	8.8
Accounts and notes receivable, net	218.3	218.0
Unbilled accounts receivable	33.8	34.3
Inventories, net	181.2	184.2
Prepaid expenses and other	51.8	56.8
Total Current Assets	653.6	661.3
Net property and equipment	337.5	348.6
Right of use assets	233.3	—
Other assets	560.4	559.4
Total Assets	\$ 1,784.8	\$ 1,569.3
Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 178.5	\$ 177.7
Accrued liabilities	306.4	268.4
Total Current Liabilities	484.9	446.1
Long-term debt	275.0	281.9
Lease liabilities	200.2	—
Other liabilities	79.5	101.5
Total Liabilities	1,039.6	829.5
Redeemable Noncontrolling Interests	—	20.6
Stockholders' Equity	745.2	719.2
Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity	\$ 1,784.8	\$ 1,569.3

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Earnings Release Data Supplement

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.

Herman Miller, Inc. Supplemental Financial Data

Three Months ended August 31, 2019

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

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures such as Adjusted Earnings per Share, Adjusted Operating Earnings (Loss), and Organic Growth (Decline). Adjusted Earnings per Share represents reported diluted earnings per share excluding the impact from amortization of an inventory step up on the HAY equity method investment, restructuring expenses and other charges or gains, including related taxes. Adjusted Operating Earnings (Loss) represents reported operating earnings plus restructuring expenses and other special charges. Restructuring expenses include actions involving facilities consolidation, targeted workforce reductions and costs associated with an early retirement program. Special charges include costs related to CEO transition and third party consulting costs related to the Company's profit enhancement initiatives. Organic Growth represents the change in sales and orders, excluding currency translation effects. 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.

Adjusted Earnings per Share, Adjusted Operating Earnings (Loss), 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.

Certain tables below summarize select financial information, for the periods indicated, related to each of the Company's reportable segments. The North America Contract 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 dealer is also included in the North America Contract segment. North America Contract also includes the operations associated with the design, manufacture, and sale of high-craft furniture products and textiles including Geiger wood products, Maharam textiles, Nemschoff healthcare and Herman Miller Collection products. The International Contract segment includes the operations associated with the design, manufacture, and sale of furniture products, primarily for work-related settings, in the EMEA, Latin America and Asia-Pacific geographic regions. The Retail 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 and HAY 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.

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

	Three Months Ended	
	August 31, 2019	September 1, 2018
Earnings per Share - Diluted	\$ 0.81	\$ 0.60
Add: Inventory step up on HAY equity method investment, after tax	—	0.01
Add: Special charges, after tax	0.01	0.06
Add: Restructuring expense, after tax	0.02	0.02
Adjusted Earnings per Share - Diluted	\$ 0.84	\$ 0.69
Weighted Average Shares Outstanding (used for Calculating Adjusted Earnings per Share) – Diluted	59,231,728	59,869,114

Herman Miller, Inc. Supplemental Financial Data

Three Months ended August 31, 2019

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

B. Reconciliation of Operating Earnings to Adjusted Operating Earnings by Segment

	Three Months Ended					
	August 31, 2019		September 1, 2018			
<u>North America Contract</u>						
Net Sales	\$	458.4	100.0 %	\$	421.0	100.0%
Gross Margin		167.7	36.6 %		147.6	35.1%
Total Operating Expenses		104.8	22.9 %		99.5	23.6%
Operating Earnings		62.9	13.7 %		48.1	11.4%
<u>Adjustments</u>						
Restructuring		1.6	0.3 %		—	—%
Adjusted Operating Earnings	\$	64.5	14.1 %	\$	48.1	11.4%
<u>International Contract</u>						
Net Sales	\$	113.9	100.0 %	\$	115.4	100.0%
Gross Margin		39.8	34.9 %		38.1	33.0%
Total Operating Expenses		26.7	23.4 %		27.6	23.9%
Operating Earnings		13.1	11.5 %		10.5	9.1%
<u>Adjustments</u>						
Special Charges		—	— %		0.1	0.1%
Restructuring		0.2	0.2 %		1.1	1.0%
Adjusted Operating Earnings	\$	13.3	11.7 %	\$	11.7	10.1%
<u>Retail</u>						
Net Sales	\$	98.6	100.0 %	\$	88.2	100.0%
Gross Margin		38.6	39.1 %		39.4	44.7%
Total Operating Expenses		42.5	43.1 %		37.3	42.3%
Operating (Loss) Earnings		(3.9)	(4.0)%		2.1	2.4%
Adjusted Operating (Loss) Earnings	\$	(3.9)	(4.0)%	\$	2.1	2.4%
<u>Corporate</u>						
Operating Loss	\$	(12.0)	— %	\$	(14.7)	—%
<u>Adjustments</u>						
Special Charges		0.4	— %		5.0	—%
Adjusted Operating Loss	\$	(11.6)	— %	\$	(9.7)	—%
<u>Herman Miller, Inc.</u>						
Net Sales	\$	670.9	100.0 %	\$	624.6	100.0%
Gross Margin		246.1	36.7 %		225.1	36.0%
Total Operating Expenses		186.0	27.7 %		179.1	28.7%
Operating Earnings		60.1	9.0 %		46.0	7.4%
<u>Adjustments</u>						
Special Charges		0.4	0.1 %		5.1	0.8%
Restructuring		1.8	0.3 %		1.1	0.2%
Adjusted Operating Earnings	\$	62.3	9.3 %	\$	52.2	8.4%

Herman Miller, Inc. Supplemental Financial Data
Three Months ended August 31, 2019
(Unaudited) (\$ in millions except per share data and square footage metrics)

C. Organic Sales Growth by Segment

	Three Months Ended August 31, 2019				Three Months Ended September 1, 2018			
	North America	International	Retail	Total	North America	International	Retail	Total
Net Sales, as reported	\$ 458.4	\$ 113.9	\$ 98.6	\$ 670.9	\$ 421.0	\$ 115.4	\$ 88.2	\$ 624.6
% change from PY	8.9%	(1.3)%	11.8%	7.4%				
<u>Proforma Adjustments</u>								
Currency Translation Effects ⁽¹⁾	0.2	1.9	—	2.1	—	—	—	—
Net Sales, organic	\$ 458.6	\$ 115.8	\$ 98.6	\$ 673.0	\$ 421.0	\$ 115.4	\$ 88.2	\$ 624.6
% change from PY	8.9%	0.3 %	11.8%	7.7%				

D. Organic Order Growth by Segment

	Three Months Ended August 31, 2019				Three Months Ended September 1, 2018			
	North America	International	Retail	Total	North America	International	Retail	Total
Orders, as reported	\$ 468.2	\$ 116.7	\$ 91.8	\$ 676.7	\$ 425.1	\$ 125.0	\$ 82.7	\$ 632.8
% change from PY	10.1%	(6.6)%	11.0%	6.9%				
<u>Proforma Adjustments</u>								
Currency Translation Effects ⁽¹⁾	0.3	2.0	—	2.3	—	—	—	—
Orders, organic	\$ 468.5	\$ 118.7	\$ 91.8	\$ 679.0	\$ 425.1	\$ 125.0	\$ 82.7	\$ 632.8
% change from PY	10.2%	(5.0)%	11.0%	7.3%				

⁽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

Herman Miller, Inc. Supplemental Financial Data
Three Months ended August 31, 2019
(Unaudited) (\$ in millions except per share data and square footage metrics)

E. Design Within Reach Studio Metrics

	Studio Count		Studio Selling Square Footage	
	Three Months Ended		Three Months Ended	
	August 31, 2019	September 1, 2018	August 31, 2019	September 1, 2018
Beginning of Period	36	32	389,247	357,387
Studio Openings	1	2	8,730	17,878
Studio Closings	(2)	(1)	(15,225)	(2,750)
End of Period	35	33	382,752	372,515
Comparable Studios, End of Period*	29	27		
Non-Comparable Studios, End of Period	6	6		

	Studio Revenue Metrics	
	Three Months Ended	
	August 31, 2019	September 1, 2018
Average Studio Square Footage	386,000	364,951
Annualized Net Sales per Square Foot, All Studios	\$ 482	\$ 516
DWR Comparable Brand Sales*	3.0%	9.1%
Annualized Net Sales per Square Foot, Comparable Studios	\$ 496	\$ 546

*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. Comparable studios reflect studios that were fully operational for the applicable current and prior year periods.

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

F. Sales and Earnings Guidance - Upcoming Quarter

	Company Guidance
	Q2 Fiscal 2020
Net Sales	\$685 million to \$705 million
Gross Margin %	36.6% - 37.6%
Operating Expenses	\$189 million to \$193 million
Effective Tax Rate	21% - 23%
Earnings Per Share, Diluted	\$0.85 to \$0.89

Forward Looking Statements

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 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, 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, changes in global tariff regulations, the financial strength of our dealers and the financial strength of our customers, our ability to locate new 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.
