

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

November 5, 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 7.01. Regulation FD Disclosure

Herman Miller, Inc. (the "Company") will participate in the Baird's 2019 Global Industrial Conference in Chicago, IL on Tuesday, November 5, 2019. The presentation will begin at 12:30 pm CT, and the presentation will include discussion of the slides that are attached to this Current Report on Form 8-K as Exhibit 99. A live webcast of the presentation will be available on the investor relations page of the Company's corporate website at <http://www.hermanmiller.com/investors>.

The information in this Item 7.01 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 [Herman Miller, Inc. Slide Presentation for the Baird's 2019 Global Industrial Conference on November 5, 2019](#)

SIGNATURE

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

Dated: November 5, 2019

HERMAN MILLER, INC.

(Registrant)

/s/ Kevin J. Veltman

By: Kevin J. Veltman

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



NASDAQ: MLHR

Inspiring Designs to Help People Do Great Things

HermanMiller

Baird 2019 Industrial Conferen

Andi Owen, President and CEO
Jeff Stutz, Chief Financial Office

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.

This presentation is available on hermanmiller.com, where you will also find reconciliations of any non-GAAP information

HermanMiller

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

FY19 Revenue: **\$2.57B**
FY19 Adj. Operating
Income: **\$227M**

FY19 REVENUE MIX

North America 66%
Retail 15%
International 19%



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**Omni-Channel
distribution model**

- Over 600 contract dealers in 109 countries
- 37 retail studios
- Multiple global e-commerce storefronts



**Broad product library
across Herman Miller
Group of Brands**

STRATEGIC PRIORITIES: UNLOCK THE POWER OF ONE HERMAN MILLER

Herman Miller Group



HermanMiller

A leading provider of problem-solving furnishings, technologies, and services for the office and the home

GEIGER

A maker of exquisitely crafted, timeless designs for refined working environments

maharam

A prominent creator of textiles known for its rigorous commitment to design

HermanMiller



colebrook
bosson
saunders

A designer and manufacturer of high-performance monitor arms, lighting, and accessories

HAY

An international leader in authored accessories and furniture for the home, office, and hospitality

naughtone

A leader in contemporary furnishings for workplace, institutional, and hospitality environments



A purveyor of the world's largest collection of authentic modern furniture

maars LIVING WALLS®

A worldwide leader in the design and manufacture of interior partition walls

Nemschoff

A chief manufacturer of beautifully styled, highly engineered performance furnishings

**Our strategy is centered
around four strategic priorities**

1

UNLOCK THE POWER OF
ONE HERMAN MILLER

2

BUILD A CUSTOMER-
CENTRIC, DIGITALLY-ENABLED
BUSINESS MODEL

3

ACCELERATE
PROFITABLE GROWTH

4

REINFORCE OUR COMMITMENT
TO OUR PEOPLE, OUR PLANET
& OUR COMMUNITIES

1 UNLOCK THE POWER OF *ONE HERMAN MILLER*

OBJECTIVES:

Build an agile, collaborative, globally-connected organization fit for continuous evolution

Simplify and tailor our go-to-market approach

Continue to lead in Product Innovation across all businesses



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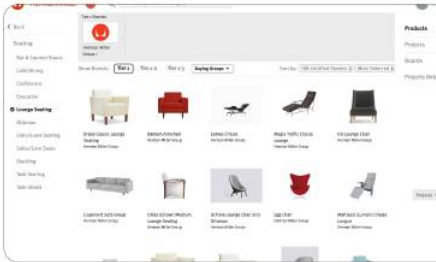
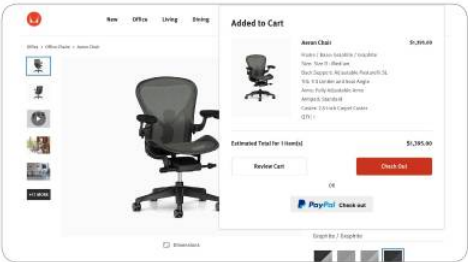
2 BUILD A CUSTOMER-CENTRIC, DIGITALLY-ENABLED BUSINESS MODEL

OBJECTIVES:

Leverage deep understanding of customer journeys to deliver inspired products and frictionless customer experiences

Drive step-change in our data, analytics, marketing, and brand capabilities

Strengthen our core technology backbone



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3 ACCELERATE PROFITABLE GROWTH

OBJECTIVES:

Strengthen & evolve the North America Contract business



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Drive outsized growth in International



Expand our Retail business



4 REINFORCE OUR COMMITMENT TO OUR PEOPLE, OUR PLANET, & OUR COMMUNITIES

OBJECTIVES:

Build, develop, and retain and world-class talent



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Shape an inclusive and diverse work force



Elevate our Total Societal Impact (Better World) Commitment



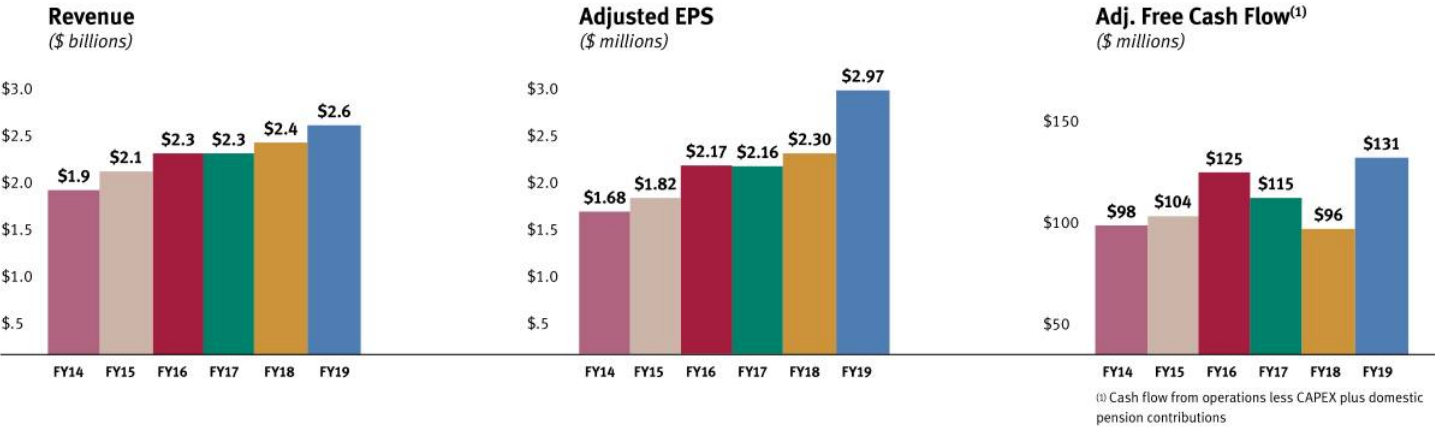


Financial Outlook

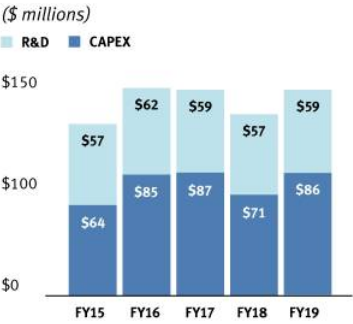
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Strong track record of financial performance

- Organic revenue growth of 6.1% at a premium to North America industry growth of 3.7% over past 5 years
- Robust EPS growth over the same time frame
- Healthy free cash flow generation

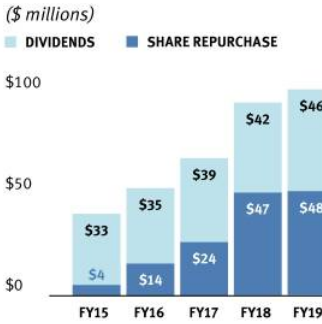


Disciplined capital allocation approach focused on value creation



Investments in Design Within Reach, naughtone, HAY, and Maars Living Walls totaling **\$367M** in past 5 years.

| | Q1 FY20 |
|-----------------------|---------|
| Cash | \$160M |
| L/T Debt | \$275M |
| Leverage Ratio | 0.9x |
| Revolver Availability | \$265M |



Average annual return on invested capital of **22%** over past 5 years

Focused acquisition and partnership strategy

| | FY10 | | FY12 | FY13 | FY15 | FY16/FY20 | FY19 | FY19/FY20 |
|---------------------|---|---|---|---|---|---|---|---|
| |  |  |  |  |  |  |  |  |
| Strategic Rationale | | | | | | | | |
| Audience | | ✓ | | | ✓ | | | ✓ |
| Channel | | | ✓ | ✓ | ✓ | | | |
| Geography | | | ✓ | | | ✓ | ✓ | ✓ |
| Product | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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Opportunity for continued revenue growth over the next three to five years

| | |
|--|-------|
| Revenue | |
| Core Contract Industry | 2-3% |
| New Products and Initiatives | 1-2% |
| Retail Growth | 1-2% |
| <hr/> | |
| Estimated Annual Organic Revenue Growth | 4-7% |
| Targeted Acquisitions | 2-3% |
| <hr/> | |
| Estimated Annual Revenue Growth Including Acquisitions | 6-10% |

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Operating income growth of 2x to 2.5x the rate of organic revenue growth


Structurally higher operating margins driven by:

- Growth in high margin product categories
- Digital transformation
- Retail growth and optimization
- Scale advantages
- Profit improvement initiatives

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Our Compelling Story



Distinct Capabilities


1

2

3

4

Clear strategic priorities



Strong track record of financial performance and compelling outlook



Appendix

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APPENDIX – RECONCILIATION OF NON-GAAP MEASURES

This presentation contains Organic Sales Growth, 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.

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Organic Sales Growth (Decline) by Segment

(\$ Millions); (unaudited)

| | North America | | International | | Retail | | Total | |
|--|-------------------|-------------------|-----------------|-----------------|----------------|-----------------|-------------------|-------------------|
| | 2014 | 2019 | 2014 | 2019 | 2014 | 2019 | 2014 | 2019 |
| Net Sales, as reported | \$ 1,442.1 | \$ 1,686.5 | \$ 392.2 | \$ 492.2 | \$ 67.7 | \$ 388.5 | \$ 1,882.0 | \$ 2,567.2 |
| <u>Proforma Adjustments</u> | | | | | | | | |
| Dealer Divestitures | (40.9) | - | (19.3) | - | - | - | (60.2) | - |
| Cumulative foreign exchange | - | 21.1 | - | 53.9 | - | 1.3 | - | 76.3 |
| Acquisition - base year | - | - | - | - | - | (194.3) | - | (194.3) |
| Net Sales, organic | \$ 1,381.2 | \$ 1,707.6 | \$ 372.9 | \$ 546.1 | \$ 67.7 | \$ 195.5 | \$ 1,821.8 | \$ 2,449.2 |
| Compound Annual Growth Rate, as reported | | 3.5% | | 4.6% | | 41.8% | | 6.4% |
| Compound Annual Growth Rate, organic | | 4.3% | | 7.9% | | 23.6% | | 6.1% |

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Adjusted Operating Margin by Segment

(\$ Millions); (unaudited)

| | FY19 | | | | |
|--|--------------|---------------|---------------|----------|-----------|
| | Consolidated | North America | International | Retail | Corporate |
| Operating Earnings | \$ 203.5 | \$ 189.7 | \$ 57.8 | \$ 5.3 | \$ (49.3) |
| Add: Restructuring/Impairment Expenses | 10.2 | 7.7 | 2.5 | | |
| Add: Special Charges | 13.1 | 0.6 | 0.2 | 0.8 | 11.5 |
| Adjusted Operating Earnings | \$ 226.8 | \$ 198.0 | \$ 60.5 | \$ 6.1 | \$ (37.8) |
| Net Sales | \$ 2,567.2 | \$ 1,686.5 | \$ 492.2 | \$ 388.5 | - |
| Adjusted Operating Margin | \$ 8.8% | 11.7% | 12.3% | 1.6% | - |

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Adjusted Earnings per Share

(\$ Millions); (unaudited)

| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 |
|--|------------------|----------------|----------------|----------------|----------------|----------------|
| Earnings per Share – Diluted | \$ (0.37) | \$ 1.62 | \$ 2.26 | \$ 2.05 | \$ 2.12 | \$ 2.70 |
| Add: Acquisition-related Adjustments | \$ 0.01 | \$ 0.10 | | | | |
| Add: Legacy Pension Expenses | \$ 1.76 | | | | | |
| Add: Other Special Charges | | | | | \$ 0.16 | \$ 0.18 |
| Add: Restructuring/Impairment Expenses | \$ 0.32 | \$ 0.17 | | \$ 0.13 | \$ 0.07 | \$ 0.13 |
| Add: HAY Inventory Step-up | | | | | | \$ 0.01 |
| Less: Tax Impact | | \$ (0.07) | | | \$ (0.05) | \$ (0.02) |
| Less: POSH Contingent Consideration | \$ (0.04) | | | | | |
| Less: Non-recurring Gain | | | \$ (0.09) | \$ (0.02) | | |
| Less: Investment Fair Value Adjustment | | | | | | \$ (0.03) |
| Adjusted Earnings per Share – Diluted | \$ 1.68 | \$ 1.82 | \$ 2.17 | \$ 2.16 | \$ 2.30 | \$ 2.97 |

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Adjusted EBITDA and Adjusted EBITDA Ratios

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

Adjusted EBITDA (Bank) Ratios Trailing 4-Quarter Period Ended

| | Q1 FY20 | Q4 FY19 | Q3 FY19 | Q2 FY19 |
|--|-------------|-------------|-------------|-------------|
| Earnings Before Income Taxes (EBT) | \$ 215.9 | \$ 195.1 | \$ 177.5 | \$ 168.0 |
| Add: | | | | |
| Depreciation | 66.6 | 65.9 | 66.6 | 66.5 |
| Amortization | 5.9 | 6.2 | 6.2 | 6.2 |
| Interest | 12.1 | 12.1 | 12.0 | 12.2 |
| Other Adjustments(1) | \$ 16.3 | 19.5 | 16.4 | 13.7 |
| Adjusted EBITDA - Bank | \$ 316.8 | \$ 294.6 | \$ 278.8 | \$ 266.6 |
| Total Debt, End of Trailing Period (includes outstanding LC's) | \$ 298.2 | \$ 288.1 | \$ 292.0 | \$ 293.4 |
| Rolling 4-Quarter Debt-to-Adj. EBITDA | 0.9 | 1.0 | 1.0 | 1.1 |
| | 26.1 | | | |
| Rolling 4-Quarter Adj. EBITDA-to-Interest | | 24.3 | 23.2 | 21.9 |

⁽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.

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