

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: June 7, 2018
(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 1.01 Entry into a Material Definitive Agreement

On June 7, 2018, Herman Miller Holdings Limited, a wholly owned subsidiary of Herman Miller, Inc., (the "Company") entered into an agreement and acquired 33% of the outstanding equity of Nine United Denmark A/S, d/b/a HAY ("HAY"), a Copenhagen, Denmark-based, design leader in furniture and ancillary furnishings for residential and contract markets in Europe and Asia. The Company acquired its 33% ownership interest in HAY for approximately \$66 million in cash. The Company also acquired the rights to the HAY brand in North America under a long-term license agreement for approximately \$5 million in cash. The Company closed the transaction on June 7, 2018.

The Company issued a press release on June 7, 2018, announcing the execution of the purchase agreement and license agreement. A copy of this press release is attached as [Exhibit 99.1](#).

Item 7.01 Regulation FD Disclosure

The Company is also providing transaction highlights materials, which are attached as [Exhibit 99.2](#).

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: June 7, 2018

HERMAN MILLER, INC.

(Registrant)

By: /s/ Kevin J. Veltman

Kevin J. Veltman

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



Herman Miller Acquires an Interest in HAY

- *Extends Herman Miller's global reach and expands offering of furnishings and accessories*
- *HAY's goods available in the coming year through Herman Miller's Design Within Reach channels*
- *Expected to be accretive to earnings per share in fiscal 2019*

June 7, 2018

News Release

ZEELAND, Michigan – Herman Miller, Inc. (NASDAQ: MLHR), the global designer and furniture manufacturer, announced today it acquired a 33 percent equity interest in Nine United Denmark A/S (HAY) for \$66 million. The transaction expands Herman Miller's portfolio of leading global brands and allows the company to scale its consumer business, accessing a growing customer base that prioritizes both industry-leading design and value. Herman Miller also acquired the rights to the HAY brand in North America for approximately \$5 million. The company has the option to increase its ownership stake in the future.

Founded in Copenhagen in 2002 by Troels Holch Povlsen and Rolf and Mette Hay, the company is a leader in ancillary furnishings in Europe and Asia, and active in both the contract and residential furnishing markets. Over the course of the coming year, HAY's goods will be available through Herman Miller's Design Within Reach channels. Herman Miller will launch an on-line store, as well as open four HAY retail locations in North America. HAY products will also be integrated into the offer to Herman Miller's North American and International Dealers.

HAY's proven success as a fast-growing global company, and its deep catalog of high-quality, well-designed furniture and accessories makes it a welcome and transformative addition to Herman Miller's family of brands. HAY extends Herman Miller's global reach and dramatically expands the company's offering of furnishings and accessories for the home, contract, and hospitality markets.

"HAY is one of the best articulated design brands in the furnishings space," said Herman Miller CEO Brian Walker. "HAY is a key building block toward our stated priority to scale our consumer business. The HAY assortment will significantly expand our offer to a younger, more urban demographic that we have targeted for expansion."

Walker continued: "With more workplaces and commercial spaces adopting a residential feel, the opportunity to offer quality designs at an attainable price point is only expanding. Adding HAY's considerable stable of products to our ancillary offer further cements Herman Miller's ability to deliver excellent design to customers regardless of budget or what kind of space they're outfitting."

"Herman Miller is the perfect partner to expand HAY's position in North America," said Rolf Hay, co-founder of HAY. "On a personal level, Herman Miller and the work of Charles and Ray Eames are big reasons I do what I do today, and I am excited to align with a company that shares our sense of purpose and values."

The entire existing management team led by CEO Henrik Steensgaard will continue driving the HAY brand, its product development, and its efforts in Europe and Asia from their headquarters in Denmark. CEO Henrik Steensgaard will report to a new HAY Board of Directors chaired by Troels Holch Povlsen.

"We're pleased to join Troels Holch Povlsen and Rolf Hay as co-owners of the company," said Jeremy Hocking, Executive Vice President of Strategy and Business Development, Herman Miller. "And we're also delighted that Rolf and Mette Hay will maintain their current creative and leadership roles."

HermanMiller



News Release

Thanks to its already formidable global presence and strong adoption across the world, HAY is a clear leader in delivering design-forward goods for modern living and work. With its new home in the Herman Miller family of brands, consumers, distributors, and specifiers will soon see why HAY has been a runaway success across the globe.

The company expects to reflect its share of HAY's operating results within equity earnings from non-consolidated affiliates going forward. Forecast revenue for HAY's current fiscal year that ends in July 2018 is expected to total approximately \$155 million. On a GAAP basis, this transaction is expected to be between \$0.02 and \$0.04 accretive to earnings per share in fiscal 2019. This amount includes estimated expenses of \$0.02 per share from certain purchase accounting adjustments.

Additional information concerning the transaction is included in an investor presentation available on the Company's investor relations website. [View presentation.](#)

For more information contact: Media_Relations@hermanmiller.com
Investor_Relations@hermanmiller.com

About Herman Miller

Herman Miller is a globally recognized provider of furnishings and related technologies and services. Headquartered in West Michigan, the 113-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. hermanmiller.com/about-us @hermanmiller on Instagram, Facebook, and Twitter.

About HAY

HAY was founded in 2002 with the ambition to create contemporary furniture with an eye for modern living and sophisticated industrial manufacturing. That remains our ambition today. Through our commitment to the design and production of furniture and accessories with an international appeal, we strive to make good design accessible to the largest possible audience. We are inspired by the stable structures of architecture and the dynamics of fashion, which we seek to combine in durable quality products that provide added value for the user. HAY's continued vision is to create straightforward, functional and aesthetic design in cooperation with some of the world's most talented, curious and courageous designers.



Transaction Highlights

HAY

JUNE 2018





High design European brand offering furniture and accessories products for consumer and contract markets

Headquarters: **Denmark**
Founded: **2002**
Employees: **~180**
Geographic Presence: **Over 50 countries**

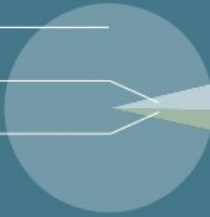
Revenue Growth (4 Yr. CAGR): **14%**
FY18 Forecast (Year Ended July 2018):
Revenue: **\$155M**
EBITDA Margin: **10%**

GEOGRAPHIC MIX:

Europe 93%

North America 4%

Other 3%



CHANNEL MIX:

Wholesale 55%

Contract 37%

Retail 4%

Other 4%



PRODUCT MIX:

Furnishings 79%

Accessories 13%

Lighting & Other 8%





Rolf and Mette Hay are the husband-and-wife duo behind HAY. Rolf began his career working for various design companies in Denmark and teaching himself design and design development, while Mette's parents ran a design store. In 2002, the couple founded HAY as a contemporary design and furniture company.



HAY brings a growing portfolio of beautifully designed furnishings and accessories to the Herman Miller family of brands. Today, they offer 180 styles of furniture and more than 350 accessory options. Here are just a few examples...













#9 on Dezeen* Brands Hot List for the past 2 years

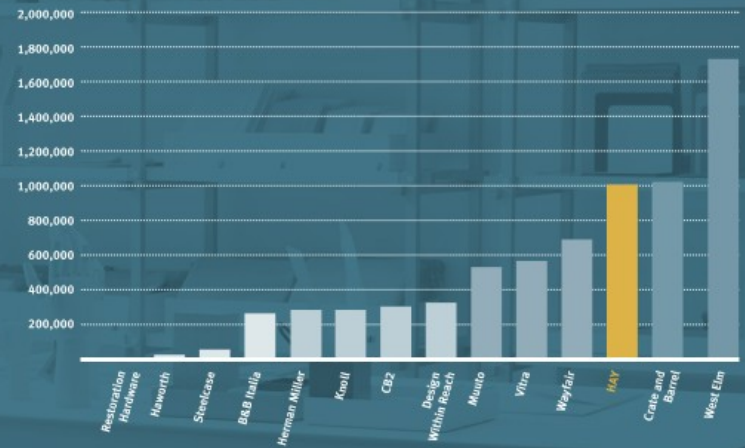
2017

1. IKEA
2. Muji
3. Apple
4. Adidas
5. Airbnb
6. Google
7. Pokemon GO
8. Nike
- 9. HAY**
10. WeWork

2016

1. IKEA
2. Apple
3. Adidas
4. Google
5. Nike
6. Aesop
7. Muji
8. Lego
- 9. HAY**
10. Corten Steel

Strong Social Media Following*



*Dezeen is an architecture, interiors, and design magazine based in London

*Instagram followership, June 2018



I. 33% Equity Investment in HAY

- \$66M cash investment
- EBITDA multiple of 14x
- Expected to account for as a non-consolidated equity investment
- Option to increase ownership percentage in the future
- Year 1 (FY19) estimated accretion of \$0.02 to \$0.04 per share for equity investment
 - Includes estimated expenses of \$0.02 per share related to certain purchase accounting adjustments
- Year 5 estimated accretion of \$0.13 to \$0.15 per share for equity investment (assumes current 33% ownership)
 - Double digit revenue growth opportunity for core HAY business

II. North America Licensing Rights

- \$5M cash investment
- Access to full HAY design catalog for consumer and contract channels
- Accounting directly impacts revenue and EBITDA
- Year 1 (FY19) estimated at break-even EPS from North America licensing
- Year 5 revenue outlook: \$75M to \$100M
- Year 5 EBITDA margin outlook: 12% to 14%
- Year 5 estimated accretion of \$0.11 to \$0.14 per share for North America licensing

YEAR 5 EPS ESTIMATE

Equity Investment	\$0.13 to \$0.15
N.A. Licensing	\$0.11 to \$0.14
Total	\$0.24 to \$0.29



Investments in HAY directly impact two of our strategic priorities:



1 REALIZE
LIVING OFFICE



2 DELIVER
INNOVATION



3 LEVERAGE DEALER
ECO-SYSTEM



4 SCALE
CONSUMER



5 PROFIT
OPTIMIZATION



**SCALE
CONSUMER**

- Wholesale/Retail accounts for nearly 60% of HAY's revenue
- Aspirational brand for *High Earners Not Rich Yet* ("HENRY") segment
- Broadens price points within our Consumer product offer
- Expands accessories and cash and carry options for DWR studios
- Near-term plans to open 4 HAY stores
- Target opening HAY online store by December, 2018
 - Will leverage our existing HM.com and DWR.com platforms



**LEVERAGE DEALER
ECO-SYSTEM**

- Approximately 40% of HAY's revenue comes from serving Contract customers
- Expands offering in fast growing ancillary or "resi-mercial" category
- Enhances our opportunity to increase share of wallet within our global network of over 600 dealers
- Creates a small to medium business opportunity
- Significant opportunity for growth in North America, which currently represents only 4% of HAY's revenue



