

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 2, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-15141

MillerKnoll, Inc.

(Exact name of registrant as specified in its charter)

Michigan

(State or other jurisdiction of
incorporation or organization)

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)

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, par value \$0.20 per share	MLKN	Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of January 5, 2024, MillerKnoll, Inc. had 72,818,258 shares of common stock outstanding.

MillerKnoll, Inc.
Form 10-Q
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PART I - FINANCIAL INFORMATION

Item 1: Financial Statements

MillerKnoll, Inc.

Condensed Consolidated Statements of Comprehensive Income

(Dollars in millions, except share data) (Unaudited)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
	\$	\$	\$	\$
Net sales	949.5	1,066.9	1,867.2	2,145.7
Cost of sales	577.5	699.3	1,137.1	1,406.0
Gross margin	372.0	367.6	730.1	739.7
Operating expenses:				
Selling, general and administrative	287.6	290.8	578.1	587.7
Restructuring expense	1.8	14.7	7.0	15.2
Design and research	22.2	23.4	44.3	47.3
Total operating expenses	311.6	328.9	629.4	650.2
Operating earnings	60.4	38.7	100.7	89.5
Interest expense	19.8	18.3	39.0	35.0
Interest and other investment (income) expense	(1.3)	(0.7)	(3.5)	(1.1)
Other (income) expense, net	(2.4)	(0.5)	(0.2)	0.3
Earnings before income taxes and equity income	44.3	21.6	65.4	55.3
Income tax expense	9.5	4.3	14.6	10.6
Equity (loss) income from nonconsolidated affiliates, net of tax	(0.4)	0.2	(0.3)	0.2
Net earnings	34.4	17.5	50.5	44.9
Net earnings attributable to redeemable noncontrolling interests	0.9	1.5	0.3	3.1
Net earnings attributable to MillerKnoll, Inc.	\$ 33.5	\$ 16.0	\$ 50.2	\$ 41.8
Earnings per share - basic	\$ 0.45	\$ 0.21	\$ 0.67	\$ 0.55
Earnings per share - diluted	\$ 0.45	\$ 0.21	\$ 0.67	\$ 0.55
Other comprehensive (loss) income, net of tax				
Foreign currency translation adjustments	\$ 7.3	\$ 44.2	\$ 11.2	\$ (28.3)
Pension and post-retirement liability adjustments	—	0.4	(0.1)	0.8
Unrealized (loss) gain on interest rate swap agreement	(7.9)	7.2	(0.1)	21.5
Other comprehensive (loss) income, net of tax	\$ (0.6)	\$ 51.8	\$ 11.0	\$ (6.0)
Comprehensive income	33.8	69.3	61.5	38.9
Comprehensive income attributable to redeemable noncontrolling interests	0.9	1.4	0.3	3.1
Comprehensive income attributable to MillerKnoll, Inc.	\$ 32.9	\$ 67.9	\$ 61.2	\$ 35.8

See accompanying notes to Condensed Consolidated Financial Statements.

MillerKnoll, Inc.

Condensed Consolidated Balance Sheets

(Dollars in millions, except share data)

(Unaudited)

	December 2, 2023	June 3, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 225.8	\$ 223.5
Accounts receivable, net of allowance of \$9.5 and \$6.4	319.9	334.1
Unbilled accounts receivable	24.9	29.4
Inventories, net	448.2	487.4
Prepaid expenses	82.0	92.7
Assets held for sale	4.6	—
Other current assets	8.9	9.1
Total current assets	1,114.3	1,176.2
Property and equipment, at cost	1,578.6	1,570.7
Less — accumulated depreciation	(1,060.7)	(1,034.4)
Net property and equipment	517.9	536.3
Right of use assets	382.5	415.9
Goodwill	1,227.6	1,221.7
Indefinite-lived intangibles	482.7	480.7
Other amortizable intangibles, net of accumulated amortization of \$205.0 and \$185.2	297.0	313.1
Other noncurrent assets	133.5	130.9
Total Assets	\$ 4,155.5	\$ 4,274.8
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 250.7	\$ 269.5
Short-term borrowings and current portion of long-term debt	38.8	33.4
Accrued compensation and benefits	95.8	61.7
Short-term lease liability	76.1	77.1
Accrued warranty	18.8	20.8
Customer deposits	92.9	93.8
Other accrued liabilities	140.7	146.5
Total current liabilities	713.8	702.8
Long-term debt	1,278.2	1,365.1
Pension and post-retirement benefits	7.7	7.5
Lease liabilities	360.7	393.7
Other liabilities	264.9	265.5
Total Liabilities	2,625.3	2,734.6
Redeemable noncontrolling interests	109.6	107.6
Stockholders' Equity:		
Preferred stock, no par value (10,000,000 shares authorized, none issued)	—	—
Common stock, \$0.20 par value (240,000,000 shares authorized, 73,077,659 and 75,698,670 shares issued and outstanding in fiscal 2024 and 2023, respectively)	14.6	15.1
Additional paid-in capital	791.5	836.5
Retained earnings	698.6	676.1
Accumulated other comprehensive loss	(84.1)	(95.1)
Total Stockholders' Equity	1,420.6	1,432.6
Total Liabilities, Redeemable Noncontrolling Interests, and Stockholders' Equity	\$ 4,155.5	\$ 4,274.8

See accompanying notes to Condensed Consolidated Financial Statements.

MillerKnoll, Inc.

Condensed Consolidated Statements of Cash Flows

	Six Months Ended	
	December 2, 2023	December 3, 2022
(Dollars in millions)		
(Unaudited)		
Cash Flows from Operating Activities:		
Net earnings	\$ 50.5	\$ 44.9
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	74.6	77.7
Stock-based compensation	11.7	10.9
Amortization of deferred financing costs	2.3	2.3
Loss on sale of equity method investment	0.4	—
Deferred taxes	(0.3)	(0.3)
Restructuring expense	7.0	15.2
Decrease (increase) in current assets	71.0	(34.7)
(Decrease) in current liabilities	(1.7)	(111.9)
Other, net	(2.1)	(9.4)
Net Cash Provided by (Used in) Operating Activities	213.4	(5.3)
Cash Flows from Investing Activities:		
Notes receivables issued	(7.1)	(4.5)
Proceeds from the sale of equity method investment	3.5	—
Capital expenditures	(39.9)	(40.3)
Proceeds from loan on cash surrender value of life insurance	—	13.5
Other, net	2.2	(0.7)
Net Cash (Used in) Investing Activities	(41.3)	(32.0)
Cash Flows from Financing Activities:		
Repayments of long-term debt	(13.1)	(13.1)
Proceeds from credit facility	386.1	559.3
Repayments of credit facility	(457.8)	(492.3)
Dividends paid	(28.1)	(28.4)
Common stock issued	1.9	2.5
Common stock repurchased and retired	(60.0)	(14.3)
Other, net	0.2	(2.1)
Net Cash (Used in) Provided by Financing Activities	(170.8)	11.6
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1.0	(7.1)
Net Increase (Decrease) in Cash and Cash Equivalents	2.3	(32.8)
Cash and Cash Equivalents, Beginning of Period	223.5	230.3
Cash and Cash Equivalents, End of Period	\$ 225.8	\$ 197.5

See accompanying notes to Condensed Consolidated Financial Statements.

MillerKnoll, Inc.

Condensed Consolidated Statements of Stockholders' Equity

Six Months Ended December 2, 2023

(Dollars in millions, except share data)

(Unaudited)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Deferred Compensation Plan	MillerKnoll, Inc. Stockholders' Equity
	Shares	Amount					
June 3, 2023	75,698,670	\$ 15.1	\$ 836.5	\$ 676.1	\$ (95.1)	\$ —	\$ 1,432.6
Net earnings	—	—	—	16.7	—	—	16.7
Other comprehensive income, net of tax	—	—	—	—	11.6	—	11.6
Stock-based compensation expense	(983)	—	6.4	—	—	—	6.4
Restricted and performance stock units released	332,566	0.1	0.1	—	—	—	0.2
Employee stock purchase plan issuances	45,107	—	0.9	—	—	—	0.9
Repurchase and retirement of common stock	(1,670,135)	(0.3)	(31.7)	—	—	—	(32.0)
Dividends declared (\$0.1875 per share)	—	—	—	(14.1)	—	—	(14.1)
September 2, 2023	74,405,225	\$ 14.9	\$ 812.2	\$ 678.7	\$ (83.5)	\$ —	\$ 1,422.3
Net earnings	—	—	—	33.5	—	—	33.5
Other comprehensive income, net of tax	—	—	—	—	(0.6)	—	(0.6)
Stock-based compensation expense	—	—	5.3	—	—	—	5.3
Exercise of stock options	19,429	—	0.4	—	—	—	0.4
Restricted and performance stock units released	11,887	—	—	—	—	—	—
Employee stock purchase plan issuances	31,669	—	1.3	—	—	—	1.3
Repurchase and retirement of common stock	(1,390,551)	(0.3)	(27.7)	—	—	—	(28.0)
Dividends declared (\$0.1875 per share)	—	—	—	(13.7)	—	—	(13.7)
Other	—	—	—	0.1	—	—	0.1
December 2, 2023	73,077,659	\$ 14.6	\$ 791.5	\$ 698.6	\$ (84.1)	\$ —	\$ 1,420.6

Six Months Ended December 3, 2022

(Dollars in millions, except share data)

(Unaudited)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Deferred Compensation Plan	MillerKnoll, Inc. Stockholders' Equity
	Shares	Amount					
May 28, 2022	75,824,241	\$ 15.2	\$ 825.7	\$ 693.3	\$ (107.1)	\$ —	\$ 1,427.1
Net earnings	—	—	—	25.8	—	—	25.8
Other comprehensive loss, net of tax	—	—	—	—	(57.8)	—	(57.8)
Stock-based compensation expense	(13,474)	—	5.4	—	—	—	5.4
Exercise of stock options	43,469	—	1.0	—	—	—	1.0
Restricted and performance stock units released	160,551	—	0.1	—	—	—	0.1
Employee stock purchase plan issuances	35,753	—	0.8	—	—	—	0.8
Repurchase and retirement of common stock	(494,509)	(0.1)	(14.2)	—	—	—	(14.3)
Dividends declared (\$0.1875 per share)	—	—	—	(14.3)	—	—	(14.3)
Other	—	—	0.5	0.5	—	—	1.0
September 3, 2022	75,556,031	\$ 15.1	\$ 819.3	\$ 705.3	\$ (164.9)	\$ —	\$ 1,374.8
Net earnings	—	—	—	16.0	—	—	16.0
Other comprehensive income, net of tax	—	—	—	—	51.8	—	51.8
Stock-base compensation expense	(2,476)	—	5.5	—	—	—	5.5
Restricted and performance stock units released	8,763	—	0.1	—	—	—	0.1
Employee stock purchase plan issuances	44,010	—	0.7	—	—	—	0.7
Repurchase and retirement of common stock	(3,222)	—	(0.1)	—	—	—	(0.1)
Dividends declared (\$0.1875 per share)	—	—	—	(14.3)	—	—	(14.3)
Other	—	—	0.2	(0.4)	—	—	(0.2)
December 3, 2022	75,603,106	\$ 15.1	\$ 825.7	\$ 706.6	\$ (113.1)	\$ —	\$ 1,434.3

See accompanying notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements

(Dollars in millions, except share data)
(unaudited)

1. Description of Business

MillerKnoll, Inc. (the "Company") researches, designs, manufactures, sells, and distributes interior furnishings for use in various environments including residential, office, healthcare, and educational settings and provides related services that support organizations and individuals all over the world. The Company's products are sold primarily through the following channels: independent contract office furniture dealers, direct customer sales, owned and independent retailers, direct-mail catalogs, and the Company's eCommerce platforms.

MillerKnoll is a collective of dynamic brands that comes together to design the world we live in. A global leader in design, MillerKnoll includes Herman Miller® and Knoll®, as well as Colebrook Bosson Saunders®, DatesWeiser®, Design Within Reach®, Edelman®, Geiger®, HAY®, Holly Hunt®, Knoll Textiles®, Maharam®, Muuto®, NaughtOne®, and Spinneybeck®/FilzFelt®. MillerKnoll represents over 100 years of design research and exploration in service of humanity. The Company is united by a belief in design as a tool to create positive impact and shape a more sustainable, caring, and beautiful future for all people and the planet.

Basis of Presentation

The Condensed Consolidated Financial Statements have been prepared by MillerKnoll, Inc. in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Management believes the disclosures made in this document are adequate with respect to interim reporting requirements. Unless otherwise noted or indicated by the context, all references to "MillerKnoll," "we," "our," "Company" and similar references are to MillerKnoll, Inc., its predecessors, and controlled subsidiaries.

The accompanying unaudited Condensed Consolidated Financial Statements, taken as a whole, contain all adjustments that are of a normal recurring nature necessary to present fairly the financial position of the Company as of December 2, 2023. Operating results for the three and six months ended December 2, 2023 are not necessarily indicative of the results that may be expected for the year ending June 1, 2024 ("fiscal 2024"). These Condensed Consolidated Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 3, 2023 ("fiscal 2023"). All intercompany transactions have been eliminated in the Condensed Consolidated Financial Statements. The financial statements of equity method investments are not consolidated.

The Company's fiscal year is the 52 or 53 week period ending on the Saturday closest to May 31. The fiscal year ending June 1, 2024 contains 52 weeks, while fiscal year ended June 3, 2023 ("fiscal 2023") contained 53 weeks. The first quarter of fiscal 2024 contained 13 weeks and the first quarter of fiscal 2023 contained 14 weeks.

Investments in Nonconsolidated Affiliates

On October 30, 2023, the Company sold its 48.2% investment in Global Holdings Netherlands B.V., which owns 100% of Maars Holding B.V. ("Maars") for total purchase consideration of \$5.9 million. As part of this transaction, we received cash proceeds of \$3.5 million at closing, a \$1.4 million receivable under a vendor loan, and \$1.0 million of cash held in an escrow account to secure the representations and warranties made to the purchaser. As a result of the sale, a loss of \$0.4 million was recorded in Equity (loss) income from nonconsolidated affiliates, net of tax during the second quarter of fiscal 2024.

2. Recently Issued Accounting Standards

The Company evaluates all Accounting Standards Updates ("ASUs") issued by the Financial Accounting Standards Board ("FASB") for consideration of their applicability to our consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. In November 2023, the FASB issued this ASU to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements and disclosures.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Tax Disclosures. In December 2023, the FASB issued this ASU which expands disclosures in an entity’s income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2024. We are assessing the effect of this update on our consolidated financial statements and related disclosures.

We have assessed all other ASUs issued but not yet adopted and concluded that those not disclosed are not relevant to the Company or are not expected to have a material impact.

3. Revenue from Contracts with Customers

Disaggregated Revenue

Revenue disaggregated by contract type is provided in the table below:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Net Sales:				
Single performance obligation				
Product revenue	\$ 871.3	\$ 996.6	\$ 1,716.8	\$ 2,004.3
Multiple performance obligations				
Product revenue	74.9	66.3	143.6	132.8
Service revenue	1.0	0.6	2.0	1.8
Other	2.3	3.4	4.8	6.8
Total	\$ 949.5	\$ 1,066.9	\$ 1,867.2	\$ 2,145.7

The Company internally reports and evaluates products based on the categories Workplace, Performance Seating, Lifestyle and Other. A description of these categories is included below.

The Workplace category includes products centered on creating highly functional and productive settings for both groups and individuals. This category focuses on the development of products, beyond seating, that define boundaries, support work and enable productivity.

The Performance Seating category includes products centered on seating ergonomics, productivity and function across an evolving and diverse range of settings. This category focuses on the development of ergonomic seating solutions for specific use cases requiring more than basic utility.

The Lifestyle category includes products focused on bringing spaces to life through beautiful yet functional products. This category focuses on the development of products that support a way of living, in thoughtful yet elevated ways. The products in this category help create emotive and visually appealing spaces via a portfolio that offers diversity in aesthetics, price and performance.

The Other category primarily consists of textiles, uncategorized product sales, and service sales.

Revenue disaggregated by product type and reportable segment is provided in the table below:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Americas Contract:				
Workplace	\$ 311.3	\$ 342.1	\$ 635.5	\$ 680.8
Performance Seating	103.8	115.0	207.1	233.9
Lifestyle	56.0	68.4	116.6	139.5
Other	5.0	4.2	7.3	12.9
Total Americas Contract	\$ 476.1	\$ 529.7	\$ 966.5	\$ 1,067.1
International Contract & Specialty:				
Workplace	\$ 36.5	\$ 49.5	\$ 75.2	\$ 93.8
Performance Seating	64.3	65.7	116.9	134.7
Lifestyle	88.9	99.6	177.3	206.6
Other	51.5	50.1	100.1	102.3
Total International Contract & Specialty	\$ 241.2	\$ 264.9	\$ 469.5	\$ 537.4
Global Retail:				
Workplace	\$ 3.3	\$ 21.9	\$ 7.5	\$ 49.4
Performance Seating	55.6	50.9	97.7	102.1
Lifestyle	172.9	198.8	325.4	388.6
Other	0.4	0.7	0.6	1.1
Total Global Retail	\$ 232.2	\$ 272.3	\$ 431.2	\$ 541.2
Total	\$ 949.5	\$ 1,066.9	\$ 1,867.2	\$ 2,145.7

In the current year, certain products were reclassified within the Performance Seating, Lifestyle, and Other categories based on management's internal reporting of the performance of these product lines. The prior year has been restated to reflect these changes.

Refer to Note 15 of the Condensed Consolidated Financial Statements for further information related to our reportable segments.

Contract Balances

Customers may make payments before the satisfaction of the Company's performance obligation and recognition of revenue. These payments represent contract liabilities and are included within the caption "Customer deposits" in the Condensed Consolidated Balance Sheets. During the three and six months ended December 2, 2023, the Company recognized Net sales of \$24.4 million and \$71.9 million respectively, related to customer deposits that were included in the balance sheet as of June 3, 2023.

4. Acquisitions

Knoll, Inc.

On July 19, 2021, the Company completed the acquisition of Knoll, a leader in the design, manufacture, marketing and sale of high-end furniture products and accessories for workplace and residential markets. The Company has included the financial results of Knoll in the condensed consolidated financial statements from the date of acquisition. The transaction costs associated with the acquisition, which included financial advisory, legal, proxy filing, regulatory and financing fees, were approximately \$30.0 million for the twelve months ended May 28, 2022 and were recorded in general and administrative expenses.

Under the terms of the Agreement and Plan of Merger, each issued and outstanding share of Knoll common stock (excluding shares exercising dissenters rights, shares owned by Knoll as treasury stock, shares owned by the deal parties or their subsidiaries, or shares subject to Knoll restricted stock awards) was converted into a right to receive 0.32 shares of Herman Miller, Inc. (now MillerKnoll, Inc.) common stock and \$11.00 in cash, without interest. The acquisition date fair value of the consideration transferred for Knoll was \$1,887.3 million, which consisted of the following (in millions, except share amounts):

	Knoll Shares	Herman Miller, Inc (now MillerKnoll, Inc.) Shares Exchanged	Fair Value
Cash Consideration:			
Shares of Knoll Common Stock issued and outstanding at July 19, 2021	49,444,825		\$ 543.9
Knoll equivalent shares for outstanding option awards, outstanding awards of restricted common stock held by non-employee directors and outstanding awards of performance units held by individuals who are former employees of Knoll and remain eligible to vest at July 19, 2021	184,857		1.4
Total number of Knoll shares for cash consideration	49,629,682		
Shares of Knoll Preferred Stock issued and outstanding at July 19, 2021	169,165		254.4
Consideration for payment to settle Knoll's outstanding debt			376.9
Share Consideration:			
Shares of Knoll Common Stock issued and outstanding at July 19, 2021	49,444,825		
Knoll equivalent shares for outstanding awards of restricted common stock held by non-employee directors and outstanding awards of performance units held by individuals who are former employees of Knoll and remain eligible to vest at July 19, 2021	74,857		
Total number of Knoll shares for share consideration	49,519,682	15,843,921	688.3
Replacement Share-Based Awards:			
Outstanding awards of Knoll Restricted Stock and Performance units relating to Knoll Common Stock at July 19, 2021			22.4
Total acquisition date fair value of consideration transferred			\$ 1,887.3

The aggregate cash paid in connection with the Knoll acquisition was \$1,176.6 million. MillerKnoll funded the acquisition through cash on-hand and debt proceeds, as described in "Note 13. Short-Term Borrowings and Long-Term Debt."

Outstanding unvested restricted stock awards, performance stock awards, performance stock units and restricted stock units with a fair value of \$53.4 million converted into Company awards. Of the total fair value, \$22.4 million was allocated to purchase consideration and \$31.0 million was allocated to future services and is being expensed over the remaining service periods on a straight-line basis. Per the terms of the converted awards any qualifying termination within the twelve months subsequent to the acquisition resulted in accelerated vesting and related recognition of expense.

The transaction was accounted for as a business combination which requires that assets and liabilities assumed be recognized at their fair value as of the acquisition date. The following table summarizes the fair value of assets acquired and liabilities assumed as of the date of acquisition:

<i>(In millions)</i>	Fair Value
Cash	\$ 88.0
Accounts receivable	82.3
Inventories	219.9
Other current assets	29.2
Property and equipment	296.5
Right-of-use assets	202.7
Intangible assets	756.6
Goodwill	903.5
Other noncurrent assets	25.1
Total assets acquired	2,603.8
Accounts payable	144.0
Other current liabilities	153.1
Lease liabilities	177.8
Other liabilities	241.6
Total liabilities assumed	716.5
Net Assets Acquired	\$ 1,887.3

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill. Goodwill is attributed to the assembled workforce of Knoll and anticipated operational synergies. Goodwill related to the acquisition was allocated to each of the reporting segments with a total value as of the opening balance sheet date of \$903.5 million. Goodwill arising from the acquisition is not deductible for tax reporting purposes.

Certain measurement period adjustments were made during the twelve months ended May 28, 2022 to the preliminary fair values resulting in a net decrease to goodwill of \$22.4 million primarily related to adjustments to the value of certain liabilities acquired and the fair value of intangible assets acquired. The allocation of purchase price was completed in the fourth quarter of fiscal year 2022.

The following table summarizes the acquired identified intangible assets, valuation method employed, useful lives and fair value, as determined by the Company as of the acquisition date:

<i>(In millions)</i>	Valuation Method	Useful Life (years)	Fair Value
Backlog	Multi-Period Excess Earnings	Less than 1 Year	\$ 27.6
Trade name - indefinite lived	Relief from Royalty	Indefinite	418.0
Trade name - amortizing	Relief from Royalty	5-10 Years	14.0
Designs	Relief from Royalty	9-15 years	40.0
Customer Relationships	Multi-Period Excess Earnings	2-15 years	257.0
Total			\$ 756.6

5. Inventories, net

<i>(In millions)</i>	December 2, 2023	June 3, 2023
Finished goods and work in process	\$ 330.3	\$ 357.2
Raw materials	117.9	130.2
Total	\$ 448.2	\$ 487.4

Inventories are primarily valued using the first-in first-out method.

6. Goodwill and Indefinite-Lived Intangibles

Goodwill and other indefinite-lived intangible assets included in the Condensed Consolidated Balance Sheets consisted of the following as of December 2, 2023 and June 3, 2023:

<i>(In millions)</i>	Americas Contract		International Contract & Specialty		Global Retail		Total
June 3, 2023							
Goodwill	\$	565.1	\$	303.0	\$	479.1	\$ 1,347.2
Foreign currency translation adjustments		2.0		1.9		2.0	5.9
Accumulated impairment losses		(36.7)		—		(88.8)	(125.5)
December 2, 2023	\$	530.4	\$	304.9	\$	392.3	\$ 1,227.6

Other indefinite-lived assets included in the Consolidated Balance Sheets consist of the following:

<i>(In millions)</i>	Indefinite-lived Intangible Assets	
June 3, 2023	\$	480.7
Foreign currency translation adjustments		2.0
December 2, 2023	\$	482.7

Goodwill is tested for impairment at the reporting unit level annually, or more frequently when events or changes in circumstances indicate that the fair value of a reporting unit has more likely than not declined below its carrying value. When testing goodwill for impairment, the Company may first assess qualitative factors. If an initial qualitative assessment identifies that it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value, additional quantitative testing is performed. The Company may also elect to bypass the qualitative testing and proceed directly to the quantitative testing. If the quantitative testing indicates that goodwill is impaired, the carrying value of goodwill is written down to fair value.

During the third quarter of fiscal year 2023, the Company assessed changes in circumstances that occurred during the quarter to determine if it was more likely than not that the fair values of any reporting units were below their carrying amounts. Although our annual impairment test is performed during the fourth quarter, we perform this qualitative assessment each interim reporting period.

While there was no single determinate event, the consideration in totality of several factors that developed during the third quarter of fiscal year 2023 led us to conclude that it was more likely than not that the fair value of the Global Retail reporting unit was below its carrying amount. These factors included: (i) the decision to discontinue stand-alone operations of the Fully brand and (ii) the assessment of our third quarter results, for which the performance of the Global Retail reporting unit was below management's expectations.

Accordingly, the Company performed an interim quantitative impairment analysis as of March 4, 2023 to determine the fair value of the Global Retail reporting unit as compared to the carrying value. In performing the quantitative impairment test, the Company determined that the fair value of the Global Retail reporting unit exceeded the carrying amount and, as such, the reporting unit was not impaired. The Company determined that the Global Retail reporting unit exceeded its carrying value by 1% and therefore has a heightened risk of future impairments if any assumptions, estimates or market factors change in the future.

Each of the reporting units was reviewed for impairment using a qualitative assessment as of March 31, 2023, our annual testing date. In performing the qualitative impairment test for fiscal year 2023, the Company determined that the fair value of its reporting units exceeded the carrying amount and, as such, these reporting units were not impaired.

During the second quarter of fiscal year 2024, the Company performed an assessment to determine whether there were indicators of a triggering event which could indicate the carrying amount of the reporting units may not be supported by the fair value. No indicators of a triggering event for potential impairment were noted in the second quarter of fiscal 2024.

The Company generally uses the discounted cash flow method under a weighting of the income and market approach to estimate the fair value of our reporting units. These approaches are based on a discounted cash flow analysis and observable comparable company information that use several inputs, including:

- actual and forecasted revenue growth rates and operating margins,
- discount rates based on the reporting unit's weighted average cost of capital, and
- revenue and EBITDA of comparable companies

The Company selected the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, management's long-term strategic plans, and guideline companies.

Intangible assets with indefinite useful lives are not subject to amortization and are evaluated annually for impairment, or more frequently when events or changes in circumstances indicate that the fair value of an intangible asset may not be recoverable. Management has not identified any events or changes in circumstances that may indicate an indefinite-lived intangible is more likely than not to be impaired as of the second quarter of fiscal year 2024.

7. Employee Benefit Plans

The following table summarizes the components of net periodic benefit cost for the Company's defined benefit pension plans:

(In millions)	Pension Benefits			
	Three Months Ended December 2, 2023		Three Months Ended December 3, 2022	
	Domestic	International	Domestic	International
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	1.5	1.0	1.5	0.8
Expected return on plan assets(1)	(2.3)	(1.2)	(2.0)	(1.1)
Expected administrative expenses	0.2	—	0.1	—
Net amortization loss	—	—	—	0.6
Net periodic benefit (income) cost	<u>\$ (0.6)</u>	<u>\$ (0.2)</u>	<u>\$ (0.4)</u>	<u>\$ 0.3</u>
(In millions)	Six Months Ended December 2, 2023		Six Months Ended December 3, 2022	
	Domestic	International	Domestic	International
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	3.0	2.0	3.0	1.6
Expected return on plan assets(1)	(4.6)	(2.5)	(4.0)	(2.3)
Expected administrative expenses	0.4	—	0.2	—
Net amortization loss	—	—	—	1.2
Net periodic benefit (income) cost	<u>\$ (1.2)</u>	<u>\$ (0.5)</u>	<u>\$ (0.8)</u>	<u>\$ 0.5</u>

(1) The weighted-average expected long-term rate of return on plan assets is 6.0%.

8. Earnings Per Share

The following table reconciles the numerators and denominators used in the calculations of basic and diluted earnings per share ("EPS") for the three and six months ended:

	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Numerators:				
Numerator for both basic and diluted EPS, Net earnings attributable to MillerKnoll, Inc. - in millions	\$ 33.5	\$ 16.0	\$ 50.2	\$ 41.8
Denominators:				
Denominator for basic EPS, weighted-average common shares outstanding	73,655,409	75,370,514	74,573,958	75,458,089
Potentially dilutive shares resulting from stock plans	584,884	507,564	503,754	584,551
Denominator for diluted EPS	74,240,293	75,878,078	75,077,712	76,042,640
Antidilutive equity awards not included in weighted-average common shares - diluted	4,277,783	2,654,297	4,079,832	1,171,951

9. Stock-Based Compensation

The following table summarizes the stock-based compensation expense and related income tax effect for the three and six months ended:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Stock-based compensation expense	\$ 5.3	\$ 5.5	\$ 11.7	\$ 10.9
Related income tax effect	\$ 1.2	\$ 1.3	\$ 2.8	\$ 2.6

Certain Company equity-based compensation awards contain provisions that allow for continued vesting into retirement. Stock-based awards are considered fully vested for expense attribution purposes when the employee's retention of the award is no longer contingent on providing subsequent service.

10. Income Taxes

The Company's process for determining the provision for income taxes for the three and six months ended December 2, 2023 involved using an estimated annual effective tax rate which was based on expected annual income and statutory tax rates across the various jurisdictions in which it operates. The effective tax rates were 21.4% and 19.8%, respectively, for the three month periods ended December 2, 2023 and December 3, 2022. The year over year change in the effective tax rate for the three months ended December 2, 2023 resulted from the same quarter of the prior year having more favorable tax credit impacts in the United States than the current year quarter. For the three months ended December 2, 2023, the effective tax rate is slightly higher than the United States federal statutory rate due to United States state income taxes and the mix of earnings in tax jurisdictions that had rates that were higher than the United States federal statutory rate coupled with less favorable foreign tax credit impacts from the recapture of an overall domestic loss carryover. For the three months ended December 3, 2022, the effective tax rate was lower than the United States federal statutory rate due to the favorable impact of increased foreign tax credits in the United States resulting from the recapture of prior year overall domestic loss.

The effective tax rates were 22.4% and 19.2%, respectively, for the six months ended December 2, 2023 and December 3, 2022. The year over year increase in the effective rate for the six months ended December 2, 2023 resulted from the same six months in the prior year having more favorable foreign tax credit impacts in the United States than the current six months. For the six months ended December 2, 2023, the effective tax rate is higher than the United States federal statutory rate due to United States state income taxes and the mix of earnings in tax jurisdictions that had rates that were higher than the United States federal statutory rate coupled with less favorable foreign tax credit impacts from the recapture of an overall domestic loss carryover. For the six months ended December 3, 2022, the effective tax rate was lower than the United States federal statutory rate due to the favorable impact of increased foreign tax credits in the United States resulting from the recapture of prior year overall domestic loss.

The Company recognizes interest and penalties related to uncertain tax benefits through Income tax expense in its Condensed Consolidated Statements of Comprehensive Income. Interest and penalties recognized in the Company's Condensed Consolidated Statements of Comprehensive Income were negligible for the three and six months ended December 2, 2023 and December 3, 2022.

The Company's recorded liability for potential interest and penalties related to uncertain tax benefits was:

(In millions)	December 2, 2023		June 3, 2023	
Liability for interest and penalties	\$	0.9	\$	0.7
Liability for uncertain tax positions, current	\$	1.6	\$	1.6

The Company is subject to periodic audits by domestic and foreign tax authorities. Currently, the Company is undergoing routine periodic audits in both domestic and foreign tax jurisdictions. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next twelve months because of the audits. Tax payments related to these audits, if any, are not expected to be material to the Company's Condensed Consolidated Statements of Comprehensive Income.

For the majority of tax jurisdictions, the Company is no longer subject to state, local, or non-United States income tax examinations by tax authorities for fiscal years before 2020.

11. Fair Value Measurements

The Company's financial instruments consist of cash equivalents, marketable securities, accounts and notes receivable, deferred compensation plan, accounts payable, debt, interest rate swaps, foreign currency exchange contracts, redeemable noncontrolling interests, indefinite-lived intangible assets and right-of-use assets. The Company's financial instruments, other than long-term debt, are recorded at fair value.

The carrying value and fair value of the Company's long-term debt, including current maturities, is as follows for the periods indicated:

(In millions)	December 2, 2023		June 3, 2023	
Carrying value	\$	1,331.1	\$	1,414.4
Fair value	\$	1,369.4	\$	1,378.2

The following describes the methods the Company uses to estimate the fair value of financial assets and liabilities recorded in net earnings, which have not significantly changed in the current period:

Cash and cash equivalents — The Company invests excess cash in short term investments in the form of money market funds, which are valued using net asset value ("NAV").

Mutual Funds-equity — The Company's equity securities primarily include equity mutual funds. The equity mutual fund investments are recorded at fair value using quoted prices for similar securities.

Deferred compensation plan — The Company's deferred compensation plan primarily includes various domestic and international mutual funds that are recorded at fair value using quoted prices for similar securities.

Foreign currency exchange contracts — The Company's foreign currency exchange contracts are valued using an approach based on foreign currency exchange rates obtained from active markets. The estimated fair value of forward currency exchange contracts is based on month-end spot rates as adjusted by market-based current activity. These forward contracts are not designated as hedging instruments.

The following table sets forth financial assets and liabilities measured at fair value through net income and the respective pricing levels to which the fair value measurements are classified within the fair value hierarchy as of December 2, 2023 and June 3, 2023.

(In millions)

	December 2, 2023		June 3, 2023	
	NAV	Quoted Prices with Other Observable Inputs (Level 2)	NAV	Quoted Prices with Other Observable Inputs (Level 2)
Financial Assets				
Cash equivalents:				
Money market funds	\$ 7.3	\$ —	\$ 17.3	\$ —
Foreign currency forward contracts	—	1.6	—	1.3
Deferred compensation plan	—	18.6	—	16.3
Total	<u>\$ 7.3</u>	<u>\$ 20.2</u>	<u>\$ 17.3</u>	<u>\$ 17.6</u>
Financial Liabilities				
Foreign currency forward contracts	—	0.5	—	1.8
Total	<u>\$ —</u>	<u>\$ 0.5</u>	<u>\$ —</u>	<u>\$ 1.8</u>

The following describes the methods the Company uses to estimate the fair value of financial assets and liabilities recorded in other comprehensive income, which have not significantly changed in the current period:

Interest rate swap agreements — The value of the Company's interest rate swap agreements are determined using a market approach based on rates obtained from active markets. The interest rate swap agreements are designated as cash flow hedging instruments.

The following table sets forth financial assets and liabilities measured at fair value through other comprehensive income and the respective pricing levels to which the fair value measurements are classified within the fair value hierarchy as of December 2, 2023 and June 3, 2023.

(In millions)

(In millions)		December 2, 2023		June 3, 2023	
		Quoted Prices with Other Observable Inputs (Level 2)		Quoted Prices with Other Observable Inputs (Level 2)	
<u>Financial Assets</u>	<u>Balance Sheet Location</u>				
Interest rate swap agreement	Other noncurrent assets	\$	57.5	\$	59.9
Total		\$	57.5	\$	59.9
<u>Financial Liabilities</u>					
Interest rate swap agreement	Other liabilities	\$	0.8	\$	3.0
Total		\$	0.8	\$	3.0

Derivative Instruments and Hedging Activities

Foreign Currency Forward Contracts

The Company transacts business in various foreign currencies and has established a program that primarily utilizes foreign currency forward contracts to reduce the risks associated with the effects of certain foreign currency exposures. Under this program, the Company's strategy is to have increases or decreases in our foreign currency exposures offset by gains or losses on the foreign currency forward contracts to mitigate the risks and volatility associated with foreign currency transaction gains or losses. These foreign currency exposures typically arise from net liability or asset exposures in non-functional currencies on the balance sheets of our foreign subsidiaries. These foreign currency forward contracts generally settle within 30 days and are not used for trading purposes.

These forward contracts are not designated as hedging instruments. Accordingly, we record the fair value of these contracts as of the end of the reporting period in the Consolidated Balance Sheets with changes in fair value recorded within the Consolidated Statements of Comprehensive Income. The balance sheet classification for the fair values of these forward contracts is to Other current assets for unrealized gains and to Other accrued liabilities for unrealized losses. The Consolidated Statements of Comprehensive Income classification for the fair values of these forward contracts is to Other (income) expense, net, for both realized and unrealized gains and losses.

Interest Rate Swaps

The Company enters into interest rate swap agreements to manage its exposure to interest rate changes and its overall cost of borrowing. The Company's interest rate swap agreements exchange variable rate interest payments for fixed rate payments over the life of the agreement without the exchange of the underlying notional amounts. The notional amount of the interest rate swap agreements is used to measure interest to be paid or received. The differential paid or received on the interest rate swap agreements is recognized as an adjustment to interest expense.

The interest rate swaps were designated as cash flow hedges at inception and the facts and circumstances of the hedged relationships remain consistent with the initial quantitative effectiveness assessment in that the hedged instruments remain an effective accounting hedge as of December 2, 2023. Since a designated derivative meets hedge accounting criteria, the fair value of the hedge is recorded in the Consolidated Statements of Stockholders' Equity as a component of Accumulated other comprehensive loss, net of tax. The ineffective portion of the change in fair value of the derivatives is immediately recognized in earnings. The interest rate swap agreements are assessed for hedge effectiveness on a quarterly basis.

(In millions)	Notional Amount	Forward Start Date	Amendment Effective Date	Termination Date	Effective Fixed Interest Rate
September 2016 Interest Rate Swap	\$ 150.0	January 3, 2018	February 3, 2023	January 3, 2028	1.910 %
June 2017 Interest Rate Swap	\$ 75.0	January 3, 2018	February 3, 2023	January 3, 2028	2.348 %
January 2022 Interest Rate Swap	\$ 575.0	January 31, 2022	January 31, 2023	January 29, 2027	1.650 %
March 2023 Interest Rate Swap	\$ 150.0	March 3, 2023	none	January 3, 2029	3.950 %

The swaps above effectively converted indebtedness up to the notional amounts from a SOFR-based floating interest rate plus 0.11448% plus applicable margin to an effective fixed interest rate plus 0.11448% plus applicable margin under the terms of our Credit Agreement, as amended. Effective Fixed Interest Rates include the rates amended effective January 31, 2023, or February 3, 2023, for the first three swaps included in the chart above.

The following table summarizes the effects of the interest rate swap agreements for the three and six months ended:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
(Loss) Gain recognized in Other comprehensive loss (effective portion)	\$ (7.9)	\$ 7.2	\$ (0.1)	\$ 21.5
Gain reclassified from Accumulated other comprehensive loss into earnings	\$ 7.7	\$ 2.4	\$ 15.1	\$ 2.0

There were no gains or losses recognized in earnings for hedge ineffectiveness for the three and six month periods ended December 2, 2023 and December 3, 2022. The amount of gain expected to be reclassified from Accumulated other comprehensive income into earnings during the next twelve months is \$27.1 million, net of tax is \$20.3 million.

Redeemable Noncontrolling Interests

Changes in the Company's redeemable noncontrolling interest in HAY for the six months ended December 2, 2023 and December 3, 2022 are as follows:

(In millions)	December 2, 2023	December 3, 2022
Beginning Balance	\$ 107.6	\$ 106.9
Net income attributable to redeemable noncontrolling interests	0.4	3.1
Dividend attributable to redeemable noncontrolling interests	—	(1.6)
Foreign currency translation adjustments	1.6	(1.8)
Ending Balance	\$ 109.6	\$ 106.6

12. Commitments and Contingencies

Product Warranties

The Company provides coverage to the end-user for parts and labor on products sold under its warranty policy and for other product-related matters. The specific terms, conditions and length of those warranties vary depending upon the product sold. The Company does not sell or otherwise issue warranties or warranty extensions as stand-alone products. Reserves have been established for various costs associated with the Company's warranty programs. General warranty reserves are based on historical claims experience and other currently available information and are periodically adjusted for business levels and other factors. Specific reserves are established once an issue is identified with the amounts for such reserves based on the estimated cost of correction. The Company provides an assurance-type warranty that ensures that products will function as intended. As such, the Company's estimated warranty obligation is accounted for as a liability and is recorded within current and long-term liabilities within the Condensed Consolidated Balance Sheets.

Changes in the warranty reserve for the stated periods were as follows:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Accrual Balance — beginning	\$ 73.2	\$ 72.3	\$ 73.9	\$ 73.2
Accrual for warranty matters	4.9	7.4	10.1	11.7
Settlements and adjustments	(6.8)	(5.6)	(12.7)	(10.8)
Accrual Balance — ending	\$ 71.3	\$ 74.1	\$ 71.3	\$ 74.1

Guarantees

The Company is periodically required to provide performance bonds to do business with certain customers. These arrangements are common in the industry and generally have terms ranging between one year and three years. The bonds are required to provide assurance to customers that the products and services they have purchased will be installed and/or provided properly and without damage to their facilities. The bonds are provided by various bonding agencies. However, the Company is ultimately liable for claims that may occur against them. As of December 2, 2023, the Company had a maximum financial exposure related to performance bonds totaling approximately \$9.1 million. The Company has no history of claims, nor is it aware of circumstances that would require it to pay, under any of these arrangements. The Company also believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the Company's Consolidated Financial Statements. Accordingly, no liability has been recorded in respect to these bonds as of either December 2, 2023 or June 3, 2023.

The Company has entered into standby letter of credit arrangements for purposes of protecting various insurance companies and lessors against default on insurance premium and lease payments. As of December 2, 2023, the Company had a maximum financial exposure from these standby letters of credit totaling approximately \$12.7 million, all of which is considered usage against the Company's revolving line of credit. The Company has no history of claims, nor is it aware of circumstances that would require it to perform under any of these arrangements and believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the Company's Consolidated Financial Statements. Accordingly, no liability has been recorded with respect to these arrangements as of December 2, 2023 or June 3, 2023.

Contingencies

The Company is also involved in legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation currently pending will not have a material adverse effect, if any, on the Company's Consolidated Financial Statements.

13. Short-Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt as of December 2, 2023 and June 3, 2023 consisted of the following:

(In millions)	December 2, 2023		June 3, 2023	
Syndicated revolving line of credit, due July 2026	\$	355.0	\$	426.7
Term Loan A, 7.2128%, due July 2026		360.0		370.0
Term Loan B, 7.4628%, due July 2028		612.5		615.6
Supplier financing program		2.3		2.1
Finance lease liability		1.5		—
Total debt	\$	1,331.3	\$	1,414.4
Less: Unamortized discount and issuance costs		(14.3)		(15.9)
Less: Current debt		(38.8)		(33.4)
Long-term debt	\$	1,278.2	\$	1,365.1

In connection with the acquisition of Knoll, in July, 2021, the Company entered into a credit agreement that provided for a syndicated revolving line of credit and two term loans. The revolving line of credit provides the Company with up to \$725 million in revolving variable rate interest borrowing capacity that matures in July 2026, replacing the previous \$500 million syndicated revolving line of credit. The term loans consist of a five-year senior secured term loan "A" facility with an aggregate principal amount of \$400 million and a seven-year senior secured term loan "B" facility with an aggregate principal amount of \$625 million, the proceeds of which were used to finance a portion of the cash consideration for the acquisition of Knoll, and to pay fees, costs, and expenses related thereto. In January 2023, the company entered into an Amendment to the credit agreement which transitioned the benchmark rate from LIBOR to the Secured Overnight Financing Rate ("SOFR") for U.S. dollar borrowings. SOFR is the recommended risk-free reference rate of the Federal Reserve Board and Alternative Reference Rates Committee, as defined within the credit agreement. The indebtedness incurred under the revolving line of credit and term loans is secured by substantially all of the Company's tangible and intangible assets, including, without limitation, the Company's intellectual property. The Company's direct and indirect wholly-owned domestic subsidiaries have also guaranteed the obligations of the Company and the foreign borrowers under the revolving line of credit and term loans and pledged substantially all of their tangible and intangible assets as security for their obligations under such guarantee.

During the six months ended December 2, 2023 and the six months ended December 3, 2022, the Company made total principal payments on term loans "A" and "B" in the amounts of \$10.0 million and \$3.1 million, respectively.

Available borrowings under the syndicated revolving line of credit were as follows for the periods indicated:

(In millions)	December 2, 2023		June 3, 2023	
Syndicated revolving line of credit borrowing capacity	\$	725.0	\$	725.0
Less: Borrowings under the syndicated revolving line of credit		355.0		426.7
Less: Outstanding letters of credit		12.7		14.1
Available borrowings under the syndicated revolving line of credit	\$	357.3	\$	284.2

Supplier Financing Program

The Company has an agreement with a third-party financial institution that allows certain participating suppliers the ability to finance payment obligations of the Company. Under this program, participating suppliers may finance payment obligations of the Company, prior to their scheduled due dates, at a discounted price to the third-party financial institution.

The Company has lengthened the payment terms for certain suppliers that have chosen to participate in the program. As a result, certain amounts due to suppliers have payment terms that are longer than standard industry practice and as such, these amounts have been excluded from "Accounts payable" in the Condensed Consolidated Balance Sheets as the amounts have been accounted for by the Company as current debt, within "Short-term borrowings and current portion of long-term debt". As of December 2, 2023 and June 3, 2023, the liability related to the supplier financing program was \$2.3 million and \$2.1 million, respectively.

14. Accumulated Other Comprehensive Loss

The following table provides an analysis of the changes in accumulated other comprehensive loss for the six months ended December 2, 2023 and December 3, 2022:

<i>(In millions)</i>	Cumulative Translation Adjustments	Pension and Other Post-retirement Benefit Plans	Interest Rate Swap Agreement	Accumulated Other Comprehensive Loss
Balance at June 3, 2023	\$ (114.0)	\$ (23.8)	\$ 42.7	\$ (95.1)
Other comprehensive income (loss), net of tax before reclassifications	11.2	—	(15.2)	(4.0)
Reclassification from accumulated other comprehensive loss - Other, net	—	(0.1)	15.1	15.0
Tax benefit	—	—	—	—
Net reclassifications	—	(0.1)	15.1	15.0
Net current period other comprehensive income (loss)	11.2	(0.1)	(0.1)	11.0
Balance at December 2, 2023	<u>\$ (102.8)</u>	<u>\$ (23.9)</u>	<u>\$ 42.6</u>	<u>\$ (84.1)</u>
Balance at May 28, 2022	\$ (93.9)	\$ (36.9)	\$ 23.7	\$ (107.1)
Other comprehensive (loss) income, net of tax before reclassifications	(28.3)	—	19.5	(8.8)
Reclassification from accumulated other comprehensive loss - Other, net	—	1.1	2.0	3.1
Tax benefit	—	(0.3)	—	(0.3)
Net reclassifications	—	0.8	2.0	2.8
Net current period other comprehensive (loss) income	(28.3)	0.8	21.5	(6.0)
Balance at December 3, 2022	<u>\$ (122.2)</u>	<u>\$ (36.1)</u>	<u>\$ 45.2</u>	<u>\$ (113.1)</u>

15. Operating Segments

The Company's reportable segments consist of three segments: Americas Contract, International Contract & Specialty, and Global Retail.

The Americas Contract segment includes the operations associated with the design, manufacture and sale of furniture products directly or indirectly through an independent dealership network for office, healthcare, and educational environments throughout North and South America.

The International Contract & Specialty segment includes the operations associated with the design, manufacture and sale of furniture products, indirectly or directly through an independent dealership network in Europe, the Middle East, Africa and Asia-Pacific as well as the global activities of the Specialty brands, which include Holly Hunt, Spinneybeck, Maharam, Edelman, and Knoll Textiles.

The Global Retail segment includes global operations associated with the sale of modern design furnishings and accessories to third-party retailers, as well as direct to consumer sales through eCommerce, direct-mail catalogs, and physical retail stores.

The Company also reports a "Corporate" category consisting primarily of unallocated expenses related to general corporate functions, including, but not limited to, certain legal, executive, corporate finance, information technology, administrative and acquisition-related costs. Management regularly reviews corporate costs and believes disclosing such information provides more visibility and transparency regarding how the chief operating decision maker reviews results of the Company. The accounting policies of the operating segments are the same as those of the Company.

The following is a summary of certain key financial measures for the respective periods indicated:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Net Sales:				
Americas Contract	\$ 476.1	\$ 529.7	\$ 966.5	\$ 1,067.1
International Contract & Specialty	241.2	264.9	469.5	537.4
Global Retail	232.2	272.3	431.2	541.2
Total	<u>\$ 949.5</u>	<u>\$ 1,066.9</u>	<u>\$ 1,867.2</u>	<u>\$ 2,145.7</u>
Operating Earnings:				
Americas Contract	\$ 35.1	\$ 25.3	\$ 76.5	\$ 45.7
International Contract & Specialty	23.8	28.3	35.2	56.2
Global Retail	14.7	2.0	16.9	19.8
Total reportable segments	<u>\$ 73.6</u>	<u>\$ 55.6</u>	<u>\$ 128.6</u>	<u>\$ 121.7</u>
Corporate	(13.2)	(16.9)	(27.9)	(32.2)
Total	<u>\$ 60.4</u>	<u>\$ 38.7</u>	<u>\$ 100.7</u>	<u>\$ 89.5</u>

Many of the Company's assets, including manufacturing, office and showroom facilities, support multiple segments. For that reason, it is impractical to disclose asset information on a segment basis.

16. Restructuring and Integration Expense

As part of restructuring and integration activities the Company has incurred expenses that qualify as exit and disposal costs under U.S. GAAP. These include severance and employee benefit costs as well as other direct separation benefit costs. Severance and employee benefit costs primarily relate to cash severance, as well as non-cash severance, including accelerated equity award compensation expense. The Company also incurs expenses that are an integral component of, and directly attributable to, our restructuring and integration activities, which do not qualify as exit and disposal costs under U.S. GAAP. These include integration implementation costs that relate primarily to professional fees and non-cash losses incurred on debt extinguishment.

The expenses associated with integration initiatives are included in Selling, general and administrative and the expenses associated with restructuring activities are included in Restructuring expense in the Condensed Consolidated Statements of Comprehensive Income.

Knoll Integration:

Following the Knoll acquisition, the Company announced a multi-year program (the "Knoll Integration") designed to reduce costs and integrate and optimize operations of the combined organization. The Company currently expects that the Knoll Integration will result in pre-tax cash costs that are expected to be approximately \$150 million, comprised of the following categories:

- Severance and employee benefit costs associated with plans to integrate our operating structure, resulting in workforce reductions. These costs will primarily include: severance and employee benefits (cash severance, non-cash severance, including accelerated stock-compensation award expense and other termination benefits).
- Exit and disposal activities include those incurred as a direct result of integration activities, primarily including the reorganization and consolidation of facilities as well as asset impairment charges.
- Other integration costs include professional fees and other incremental third-party expenses, including a loss on extinguishment of debt associated with financing of the Knoll acquisition.

For the six months ended December 2, 2023, we incurred \$10.8 million of costs related to the Knoll Integration which was comprised of \$8.7 million of exit and disposal costs related to the consolidation of facilities and \$2.1 million of other integration costs.

For the six months ended December 3, 2022, we incurred \$8.7 million of costs related to the Knoll Integration including: \$1.4 million of severance and employee benefit costs, \$2.8 million of lease termination fees, and \$4.5 million of other integration costs.

The following table provides an analysis of the changes in liability balance for Knoll Integration costs that qualify as exit and disposal costs under U.S. GAAP (i.e., severance and employee benefit costs and exit and disposal activities) for the six months ended December 2, 2023:

<i>(In millions)</i>	Severance and Employee Benefit	Exit and Disposal Activities	Total
June 3, 2023	\$ 2.9	\$ —	\$ 2.9
Integration Costs	—	8.7	8.7
Amounts Paid	(1.6)	(4.7)	(6.3)
Non-cash costs	—	(2.6)	(2.6)
December 2, 2023	\$ 1.3	\$ 1.4	\$ 2.7

The Company expects that a substantial portion of the liability for the Knoll Integration as of December 2, 2023 will be paid in the balance of fiscal year 2024.

The following is a summary of integration expenses by segment for the periods indicated:

<i>(In millions)</i>	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Americas Contract	\$ 6.4	\$ 1.1	\$ 9.5	\$ 4.0
International Contract & Specialty	0.5	1.0	1.2	1.5
Global Retail	—	—	—	0.2
Corporate	—	2.0	0.1	3.0
Total	\$ 6.9	\$ 4.1	\$ 10.8	\$ 8.7

In the second quarter of fiscal 2024 a manufacturing facility located in Wisconsin met the criteria to be classified as an asset held for sale. The decision to sell this facility was made as a result of facility integration activities performed in connection with the integration of Knoll. The carrying amount of these assets held for sale was \$4.6 million and is classified as current assets within "Assets held for sale" in the Condensed Consolidated Balance Sheets as of December 2, 2023. No impairment has been recorded on the carrying value of the asset.

Restructuring Activities

During fiscal year 2023, the Company announced a series of actions that relate to the 2023 restructuring plan ("2023 restructuring plan") to reduce expenses. These restructuring activities included voluntary and involuntary reductions in workforces and charges incurred in connection with the decision to cease operating Fully as a stand-alone brand. As the result of these actions, the Company projected an annualized expense reduction of approximately \$30 million to \$35 million. The Company incurred \$34.0 million of costs related to the 2023 restructuring plan comprised of \$27.9 million of severance and employee benefit costs and \$6.1 million of non-impairment charges related to the closure of the Fully business. The restructuring plan was complete in fiscal 2023 and no future costs related to this plan are expected.

During fiscal year 2024, the Company announced an action related to the 2024 restructuring plan ("2024 restructuring plan") to reduce expenses. This restructuring activity included involuntary reductions in workforces. As the result of the action, the Company projects an annualized expense reduction of approximately \$5.0 million to \$8.0 million. During the six months ended December 2, 2023 the Company incurred \$7.0 million of severance and employee benefit costs related to the 2024 restructuring plan.

The following table provides an analysis of the changes in the restructuring cost reserve for the six months ended December 2, 2023:

<i>(In millions)</i>	Severance and Employee-Related	
	2024 Restructuring Plan	2023 Restructuring Plan
June 3, 2023	\$ —	\$ 7.3
Restructuring Costs	7.0	—
Amounts Paid	(4.6)	(6.6)
December 2, 2023	\$ 2.4	\$ 0.7

The Company expects that remaining liability for the 2023 and 2024 restructuring plans as of December 2, 2023, will be paid in fiscal year 2024.

The following is a summary of restructuring costs by segment for the periods indicated:

(In millions)	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Americas Contract	\$ —	\$ 13.2	\$ 4.3	\$ 13.2
International Contract & Specialty	0.8	0.7	1.5	0.7
Global Retail	1.0	0.8	1.2	1.3
Total	\$ 1.8	\$ 14.7	\$ 7.0	\$ 15.2

17. Variable Interest Entities

The Company entered into long-term notes receivable with certain independently owned dealers that are deemed to be variable interests in variable interest entities. The carrying value of these long-term notes receivable was \$12.6 million and \$6.3 million as of December 2, 2023 and June 3, 2023 respectively and represents the Company’s maximum exposure to loss. The Company is not deemed to be the primary beneficiary for any of these variable interest entities as each independently owned dealer controls the activities that most significantly impact the entity’s economic performance, including sales, marketing, and operations.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

(Dollars in millions, except share data)

The following is management's discussion and analysis of certain significant factors that affected the Company's financial condition, earnings and cash flows during the periods included in the accompanying Condensed Consolidated Financial Statements and should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended June 3, 2023. References to "Notes" are to the footnotes included in the accompanying Condensed Consolidated Financial Statements.

Business Overview

The Company researches, designs, manufactures, sells, and distributes interior furnishings for use in various environments including residential, office, healthcare, and educational settings and provides related services that support organizations and individuals all over the world. The Company's products are sold primarily through independent contract office furniture dealers, direct customer sales, owned and independent retailers, direct-mail catalogs, and the Company's eCommerce platforms. The following is a summary of results for the three months ended December 2, 2023:

- Net sales were \$949.5 million and orders were \$944.0 million, representing a decrease of 11.0% and 6.8%, respectively, when compared to the same quarter of the prior year. On an organic basis, which excludes the impact of foreign currency translation and the impact of the closure of the Fully business, Net sales were \$941.6 million^(*) and orders were \$934.0 million^(*), representing an organic decrease of 10.1% and 6.0%, respectively, when compared to the same quarter of the prior year.
- Gross margin in the second quarter was 39.2% as compared to 34.5% for the same quarter of the prior year. The increase in Gross margin was driven primarily by the impact of price increase actions, reduced costs associated with commodities, inventory handling and freight, as well as the continued realization of synergies associated with the Knoll integration.
- Operating expenses decreased by \$17.3 million or 5.3% as compared to the same quarter of the prior year. The decrease was driven primarily by the realization of cost synergies as a result of optimization of our organizational structure, a reduction in restructuring costs as compared to the same prior of the prior year as well as lower variable costs due to decreased sales.
- As of the end of the second quarter, the Company has captured \$147 million in annualized run rate synergies following the close of the Knoll acquisition in the first quarter of Fiscal 2022. The Company continues to make further progress on integration plans and expects total run-rate cost synergies to equal \$160 million per year by July 2024 (three years following the acquisition closing date).
- The effective tax rate was 21.4% compared to 19.8% for the same quarter of the prior year. The prior year tax rate benefited from favorable tax credit benefits which outpaced the current year benefit.
- Diluted earnings per share was \$0.45 as compared to earnings per share of \$0.21 in the prior year. Excluding integration related costs, restructuring costs, and the amortization of intangible assets purchased as part of the Knoll acquisition, adjusted diluted earnings per share was \$0.59^(*), a 28.3%^(*) increase as compared to prior year adjusted diluted earnings per share.

(*) Non-GAAP measurements; see accompanying reconciliations and explanations under the heading "Reconciliation of Non-GAAP Financial Measures."
The following summary includes the Company's view of the economic environment in which it operates:

- During the second quarter, demand levels for the Company's products continued to be impacted by general economic uncertainty around the world driven by geopolitical concerns, persistent inflationary affects, and elevated market interest rates. The Company believes that our second quarter financial results reflect how our diversified business model, with brands across multiple channels, customer segments and geographies, provides risk diversification, and opportunities for long-term future growth.
- The Americas Contract segment in the second quarter reported Net sales totaling \$476.1 million, down 10.1% compared to the prior year period on a reported basis and down 10.3%^(*) organically. Americas Contract had new orders of \$437.4 million, which was a decrease of 7.7% from the prior year, and down 8.1%^(*) on an organic basis.

- The International Contract & Specialty segment delivered Net sales in the second quarter of \$241.2 million, a decrease of 8.9% from the year-ago period on a reported basis and a decrease of 10.4%^(*) organically. New orders in this segment totaled \$233.9 million, representing a year-over-year decrease of 3.2% on a reported basis and a decrease of 5.1%^(*) organically.
- Net sales in the second quarter for the Global Retail segment totaled \$232.2 million, a decrease of 14.7% over the same quarter last year on a reported basis and a decrease of 9.4%^(*) organically. Orders in the quarter totaled \$272.7 million, down 8.4% compared to the same period last year on a reported basis and down 3.0%^(*) organically.

(*) Non-GAAP measurements; see accompanying reconciliations and explanations under the heading "Reconciliation of Non-GAAP Financial Measures."

The Company's fiscal year is the 52 or 53 week period ending on the Saturday closest to May 31. The fiscal year ending June 1, 2024 contains 52 weeks, while fiscal year ended June 3, 2023 ("fiscal 2023") contained 53 weeks. The first quarter of fiscal 2024 contained 13 weeks and the first quarter of fiscal 2023 contained 14 weeks. This is a factor that should be considered when comparing the Company's year to date financial results to the prior year period.

The remaining sections within Item 2 include additional analysis of the three and six months ended December 2, 2023, including discussion of significant variances compared to the prior year periods.

Reconciliation of Non-GAAP Financial Measures

This report contains non-GAAP financial measures that are not in accordance with, nor an alternative to, generally accepted accounting principles (GAAP) and may be different from non-GAAP measures presented by other companies. These non-GAAP financial measures 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. Reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided in the financial tables included within this report. 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 non-GAAP financial measures referenced within this report include: Adjusted Earnings per Share and Organic Growth (Decline).

Adjusted Earnings per Share represents reported diluted earnings per share excluding the impact from amortization of Knoll purchased intangibles, integration charges, restructuring expenses, and the related tax effect of these adjustments. These adjustments are described further below.

Organic Growth (Decline) represents the change in sales and orders, excluding currency translation effects, the impact of an additional week in the fiscal 2023 and the impact of the closure of the Fully business.

The adjustments made to arrive at these non-GAAP financial measures are as follows:

- **Amortization of Knoll Purchased Intangibles:** Includes expenses associated with the amortization of acquisition related intangibles acquired as part of the Knoll acquisition. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP financial measure. We exclude the impact of the amortization of Knoll purchased intangibles as such non-cash amounts were significantly impacted by the size of the Knoll acquisition. Furthermore, we believe that this adjustment enables better comparison of our results as Amortization of Knoll Purchased Intangibles will not recur in future periods once such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets. Although we exclude the Amortization of Knoll Purchased Intangibles in these non-GAAP measures, we believe that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.
- **Integration Charges:** Knoll integration-related costs include severance, accelerated stock-based compensation expenses, asset impairment charges, and expenses related to synergy realization efforts and reorganization initiatives.
- **Restructuring charges:** Includes actions involving targeted workforce reductions.
- **Tax related items:** We excluded the income tax benefit/provision effect of the tax related items from our non-GAAP measures because they are not associated with the tax expense on our ongoing operating results.

The following tables reconciles Net sales to Net sales, organic for the periods ended as indicated below:

	Three Months Ended December 2, 2023			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Net sales, as reported	\$ 476.1	\$ 241.2	\$ 232.2	\$ 949.5
% change from PY	(10.1)%	(8.9)%	(14.7)%	(11.0)%
<u>Adjustments</u>				
Currency translation effects ⁽¹⁾	(0.8)	(3.9)	(3.2)	(7.9)
Net sales, organic	\$ 475.3	\$ 237.3	\$ 229.0	\$ 941.6
% change from PY	(10.3)%	(10.4)%	(9.4)%	(10.1)%

	Three Months Ended December 3, 2022			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Net sales, as reported	\$ 529.7	\$ 264.9	\$ 272.3	\$ 1,066.9
<u>Adjustments</u>				
Fully closure	—	—	(19.5)	(19.5)
Net sales, organic	\$ 529.7	\$ 264.9	\$ 252.8	\$ 1,047.4

(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

	Six Months Ended December 2, 2023			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Net sales, as reported	\$ 966.5	\$ 469.5	\$ 431.2	\$ 1,867.2
% change from PY	(9.4)%	(12.6)%	(20.3)%	(13.0)%
<u>Adjustments</u>				
Currency translation effects ⁽¹⁾	(1.2)	(6.9)	(5.2)	(13.3)
Net sales, organic	\$ 965.3	\$ 462.6	\$ 426.0	\$ 1,853.9
% change from PY	(6.1)%	(10.7)%	(11.4)%	(8.5)%

	Six Months Ended December 3, 2022			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Net sales, as reported	\$ 1,067.1	\$ 537.4	\$ 541.2	\$ 2,145.7
<u>Adjustments</u>				
Fully closure	—	—	(42.3)	(42.3)
Impact of extra week in FY23	(38.7)	(19.6)	(18.2)	(76.5)
Net sales, organic	\$ 1,028.4	\$ 517.8	\$ 480.7	\$ 2,026.9

(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

The following tables reconcile orders as reported to organic orders for the periods ended as indicated below:

	Three Months Ended December 2, 2023			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Orders, as reported	\$ 437.4	\$ 233.9	\$ 272.7	\$ 944.0
% change from PY	(7.7)%	(3.2)%	(8.4)%	(6.8)%
Adjustments				
Currency translation effects ⁽¹⁾	(1.9)	(4.5)	(3.6)	(10.0)
Orders, organic	\$ 435.5	\$ 229.4	\$ 269.1	\$ 934.0
% change from PY	(8.1)%	(5.1)%	(3.0)%	(6.0)%

	Three Months Ended December 3, 2022			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Orders, as reported	\$ 474.1	\$ 241.7	\$ 297.6	\$ 1,013.4
Adjustments				
Fully closure	—	—	(20.3)	(20.3)
Orders, organic	\$ 474.1	\$ 241.7	\$ 277.3	\$ 993.1

(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.

	Six Months Ended December 2, 2023			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Orders, as reported	\$ 924.7	\$ 461.8	\$ 471.2	\$ 1,857.7
% change from PY	(6.2)%	(6.5)%	(13.9)%	(8.3)%
Adjustments				
Currency translation effects ⁽¹⁾	(4.2)	(7.4)	(5.7)	(17.3)
Orders, organic	\$ 920.5	\$ 454.4	\$ 465.5	\$ 1,840.4
% change from PY	(3.0)%	(4.4)%	(4.4)%	(3.7)%

	Six Months Ended December 3, 2022			
	Americas Contract	International Contract & Specialty	Global Retail	Total
Orders, as reported	\$ 985.4	\$ 494.1	\$ 547.0	\$ 2,026.5
Adjustments				
Impact of extra week in FY23	(36.2)	(18.9)	(16.6)	(71.7)
Fully closure	—	—	(43.3)	(43.3)
Orders, organic	\$ 949.2	\$ 475.2	\$ 487.1	\$ 1,911.5

(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.

The following table reconciles earnings per share - diluted to adjusted earnings per share - diluted for the periods ended as indicated below:

	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Earnings per share - diluted	\$ 0.45	\$ 0.21	\$ 0.67	\$ 0.55
Add: Amortization of Knoll purchased intangibles	0.08	0.08	0.16	0.16
Add: Integration charges	0.09	0.06	0.16	0.12
Add: Restructuring charges	0.02	0.19	0.08	0.20
Tax impact on adjustments	(0.05)	(0.08)	(0.11)	(0.13)
Adjusted earnings per share - diluted	\$ 0.59	\$ 0.46	\$ 0.96	\$ 0.90
Weighted average shares outstanding (used for calculating adjusted earnings per share) - diluted	74,240,293	75,878,078	75,077,712	76,042,640

Key Highlights

The following table presents certain key highlights from the results of operations for the three and six months ended:

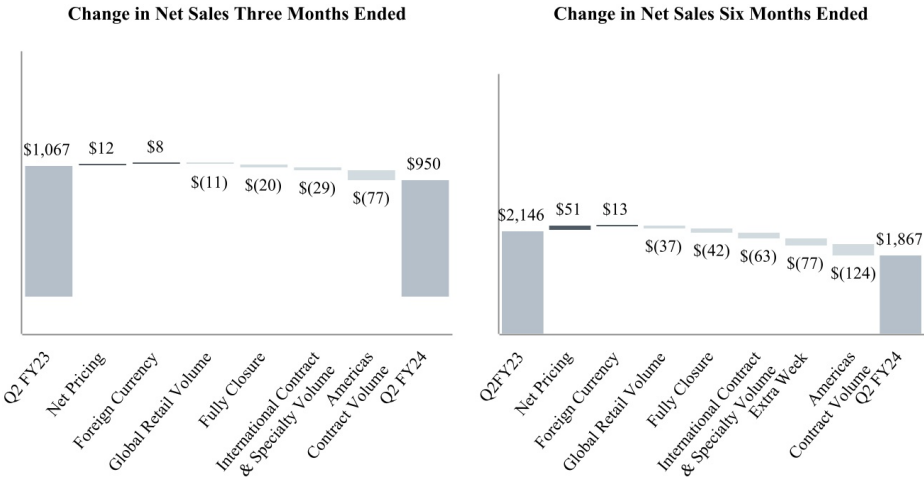
(In millions, except share data)	Three Months Ended			Six Months Ended		
	December 2, 2023	December 3, 2022	% Change	December 2, 2023	December 3, 2022	% Change
Net sales	\$ 949.5	\$ 1,066.9	(11.0)%	\$ 1,867.2	\$ 2,145.7	(13.0)%
Cost of sales	577.5	699.3	(17.4)%	1,137.1	1,406.0	(19.1)%
Gross margin	372.0	367.6	1.2 %	730.1	739.7	(1.3)%
Operating expenses	311.6	328.9	(5.3)%	629.4	650.2	(3.2)%
Operating earnings	60.4	38.7	56.1 %	100.7	89.5	12.5 %
Other expenses, net	16.1	17.1	(5.8)%	35.3	34.2	3.2 %
Earnings before income taxes and equity income	44.3	21.6	105.1 %	65.4	55.3	18.3 %
Income tax expense	9.5	4.3	120.9 %	14.6	10.6	37.7 %
Equity (loss) income from nonconsolidated affiliates, net of tax	(0.4)	0.2	(300.0)%	(0.3)	0.2	(250.0)%
Net earnings	34.4	17.5	96.6 %	50.5	44.9	12.5 %
Net earnings attributable to redeemable noncontrolling interests	0.9	1.5	n/a	0.3	3.1	n/a
Net earnings attributable to MillerKnoll, Inc.	\$ 33.5	\$ 16.0	109.4 %	\$ 50.2	\$ 41.8	20.1 %
Earnings per share - basic	\$ 0.45	\$ 0.21	114.3 %	\$ 0.67	\$ 0.55	21.8 %
Orders	\$ 944.0	\$ 1,013.4	(6.8)%	\$ 1,857.7	\$ 2,026.5	(8.3)%
Backlog	\$ 688.5	\$ 815.4	(15.6)%			

The following table presents select components of the Company's Condensed Consolidated Statements of Comprehensive (Loss) Income as a percentage of Net sales, for the three and six months ended:

	Three Months Ended		Six Months Ended	
	December 2, 2023	December 3, 2022	December 2, 2023	December 3, 2022
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	60.8	65.5	60.9	65.5
Gross margin	39.2	34.5	39.1	34.5
Operating expenses	32.8	30.8	33.7	30.3
Operating earnings	6.4	3.6	5.4	4.2
Other expenses, net	1.7	1.6	1.9	1.6
Earnings before income taxes and equity income	4.7	2.0	3.5	2.6
Income tax expense	1.0	0.4	0.8	0.5
Equity (loss) income from nonconsolidated affiliates, net of tax	—	—	—	—
Net earnings	3.6	1.6	2.7	2.1
Net earnings attributable to redeemable noncontrolling interests	0.1	0.1	—	0.1
Net earnings attributable to MillerKnoll, Inc.	3.5	1.5	2.7	1.9

Net Sales

The following chart presents graphically the primary drivers of the year-over-year change in Net sales for the three and six months ended December 2, 2023. The amounts presented in the graph are expressed in millions and have been rounded.



Net sales decreased \$117 million or 11.0% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023. The following items contributed to the change:

- Decreased sales volume within the Global Retail, International Contract & Specialty, and Americas Contract segments of approximately \$11 million, \$29 million and \$77 million, respectively.
- Decrease of \$20 million related to the closure of the Fully business that occurred in the prior year. Offset in part by:
- Price increases, net of incremental discounting, which drove an increase in Net sales of approximately \$12 million.
- Foreign currency translation increased Net sales by approximately \$8 million.

Net sales decreased \$279 million or 13.0% in the first six months of fiscal 2024 compared to the first six months of fiscal 2023. The following items contributed to the change:

- The additional week during the first quarter of the prior year contributed to approximately \$77 million of the net sales decrease.
- Decrease of \$42 million related to the closure of the Fully business that occurred in the prior year.
- Decreased sales volume within the Global Retail, International Contract & Specialty, and Americas Contract segments of approximately \$37 million, \$63 million and \$124 million, respectively. Offset in part by:
- Price increases, net of incremental discounting, which drove an increase in Net sales of approximately \$51 million.
- Foreign currency translation increased Net sales by approximately \$13 million.

Gross Margin

Gross margin was 39.2% in the second quarter of fiscal 2024 as compared to 34.5% in the second quarter of fiscal 2023. The following factors summarize the major drivers of the year-over-year change in gross margin percentage:

- Price increases, net of incremental discounting, contributed to margin improvement of approximately 90 basis points.

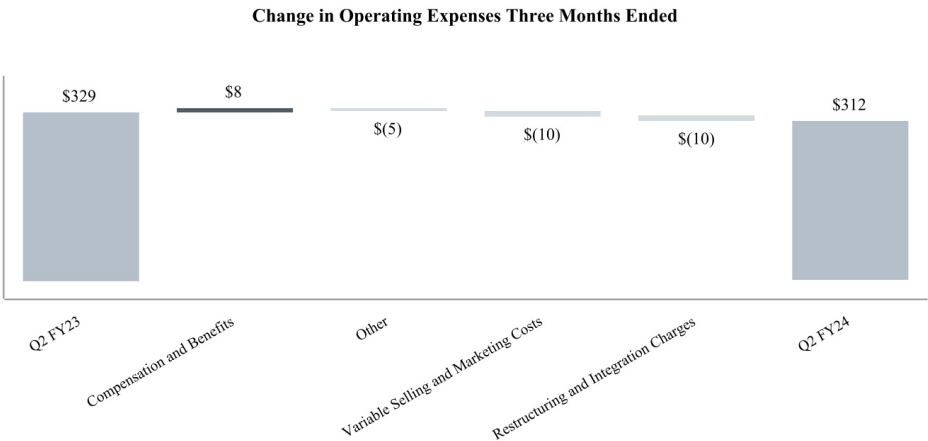
- Reduction in costs from commodities, storage and handling costs, freight and product distribution costs, as compared to the same period of the prior year which increased gross margin by approximately 460 basis points.
- Savings from the realization of incremental synergies associated with the Knoll acquisition as compared to the same period in the prior year. These factors were offset in part by;
- Loss of leverage on lower sales volumes, which negatively impacted margin by approximately 120 basis points.

Gross margin was 39.1% in the six months ended December 2, 2023 as compared to 34.5% for the same period in the prior fiscal year. The following factors summarize the major drivers of the year-over-year change in gross margin percentage:

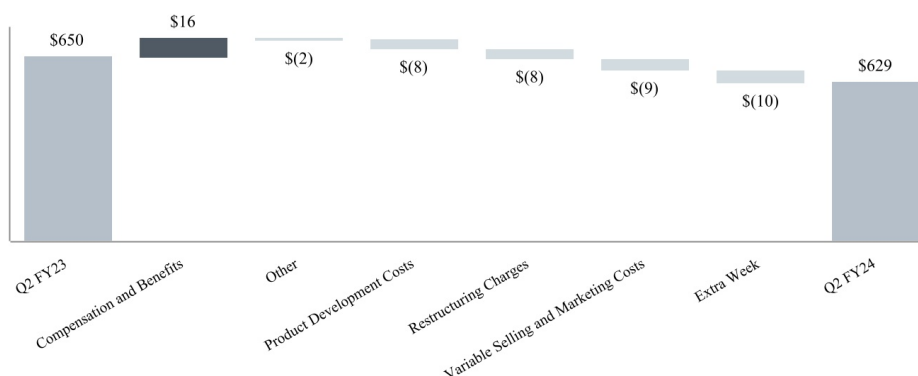
- Price increases, net of incremental discounting, contributed to margin improvement of approximately 180 basis points.
- Reduction in costs from commodities, storage and handling costs, freight and product distribution costs, as compared to the same period of the prior year which increased gross margin by approximately 370 basis points.
- Savings from the realization of incremental synergies associated with the Knoll acquisition as compared to the same period in the prior year. These factors were offset in part by;
- Loss of leverage on lower sales volumes and unfavorable channel and product mix, which negatively impacted gross margin by approximately 110 basis points.

Operating Expenses

The following chart presents graphically the primary drivers of the year-over-year change in Operating expenses for the three and six months ended December 2, 2023. The amounts presented in the graphs are expressed in millions and have been rounded.



Change in Operating Expenses Six Months Ended



Operating expenses decreased by \$17 million or 5.3% in the second quarter of fiscal 2024 compared to the prior year period. The following factors contributed to the change:

- Variable selling and marketing costs decreased by approximately \$10 million, due in part to the closure of the Fully business that occurred in the prior year; and
- Restructuring charges related to reductions in the Company's workforce as well as acquisition related integration costs contributed to a decrease in Operating expenses as compared to the same period of the prior year of approximately \$10 million; and
- Other costs, primarily product development costs decreased approximately \$5 million, primarily in the Americas Contract and Global Retail segments. These decreases were offset in part by:
- Compensation and benefit costs, which increased approximately \$8 million, driven by changes in variable-based compensation and incentives;

Operating expenses decreased by \$21 million or 3.2% in the first six months of fiscal 2024 compared to the first six months of fiscal 2023. The following factors contributed to the change:

- The impact of an extra week in the first quarter of fiscal 2023 decreased operating expenses by approximately \$10 million in the current period; and
- Variable selling and marketing costs decreased by approximately \$9 million, due in part to the closure of the Fully business that occurred in the prior year; and
- Restructuring charges related to reductions in the Company's workforce contributed to a decrease in Operating expenses of approximately \$8 million; and
- Product development costs decreased approximately \$8 million, primarily in the Americas Contract and Global Retail segments; and
- Savings from the realization of incremental synergies associated with the Knoll acquisition as compared to the same period in the prior year. These decreases were offset in part by:
- Compensation and benefit costs, which increased approximately \$16 million, driven by changes in variable-based compensation and incentives.

Other Income/Expense

During the three months ended December 2, 2023, net Other expense was \$16.1 million, representing a decrease of \$1.0 million compared to the same period in the prior year, driven primarily by increased interest income as well as higher foreign currency gains recorded in the current fiscal year, offset in part by increased interest expense as compared to the same period of the prior year.

During the six months ended December 2, 2023, net Other expense was \$35.3 million, representing an increase of \$1.1 million compared to the same period in the prior year. This change is driven primarily by increased interest expense as compared to the same period of the prior year, offset in part by increased interest income in the current year.

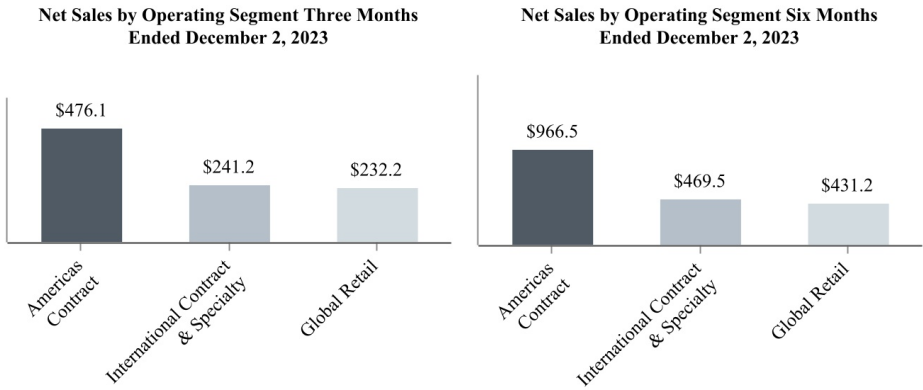
Income Taxes

See Note 10 of the Condensed Consolidated Financial Statements for additional information.

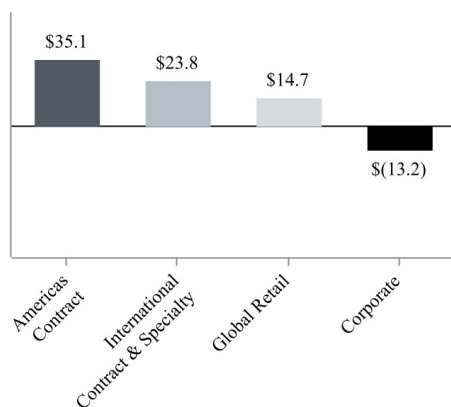
Operating Segment Results

The business is comprised of various operating segments as defined by generally accepted accounting principles in the United States. These operating segments are determined on the basis of how the Company internally reports and evaluates financial information used to make operating decisions. The segments identified by the Company are Americas Contract, International Contract & Specialty, and Global Retail. Unallocated expenses are reported within the Corporate category. For descriptions of each segment, refer to Note 15 of the Condensed Consolidated Financial Statements.

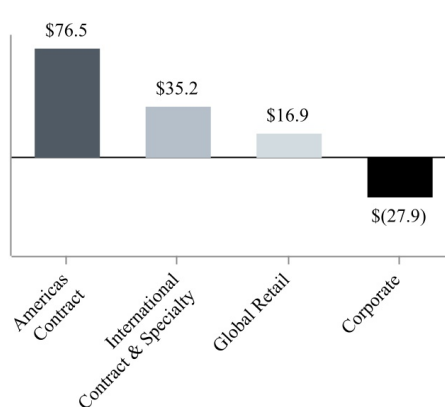
The charts below present the relative mix of Net sales and Operating earnings across each of the Company's segments during the three and six month periods ended December 2, 2023. This is followed by a discussion of the Company's results, by reportable segment. The amounts presented in the charts are in millions and have been rounded.



**Operating Earnings by Operating Segment
Three Months Ended December 2, 2023**



**Operating Earnings by Operating Segment
Six Months Ended December 2, 2023**



Americas Contract

(Dollars in millions)	Three Months Ended			Six Months Ended		
	December 2, 2023	December 3, 2022	Change	December 2, 2023	December 3, 2022	Change
Net sales	\$ 476.1	\$ 529.7	\$ (53.6)	\$ 966.5	\$ 1,067.1	\$ (100.6)
Gross margin	161.0	158.7	2.3	335.8	302.9	32.9
Gross margin %	33.8 %	30.0 %	3.8 %	34.7 %	28.4 %	6.3 %
Operating earnings	35.1	25.3	9.8	76.5	45.7	30.8
Operating earnings %	7.4 %	4.8 %	2.6 %	7.9 %	4.3 %	3.6 %

For the three month comparative period, Net sales decreased 10.1%, or 10.3%^(*) on an organic basis, over the prior year period due to:

- Decreased sales volumes within the segment of approximately \$77 million, driven by the impact of a challenging macro-economic environment; offset by
- Price increases, net of incremental discounting of \$23 million.

For the six month comparative period, Net sales decreased 9.4%, or 6.1%^(*) on an organic basis, over the prior year period due to:

- Decreased volumes within the segment of approximately \$124 million, which was driven by the impact of a challenging macro-economic environment compounded by pandemic-driven pent-up demand last year; and
- The impact of an additional week in the same period of the prior year, which reduced sales approximately \$39 million; offset by
- Price increases, net of incremental discounting of \$61 million; and
- Favorable foreign currency translation of approximately \$1 million.

(*) Non-GAAP measurements; see accompanying reconciliations and explanations under the heading "Reconciliation of Non-GAAP Financial Measures."

For the three month comparative period, operating earnings increased \$9.8 million, or 38.7%, over the prior year period due to:

- Increased Gross margin of \$2 million due to the increased gross margin percentage of 380 basis points, which more than offset the decrease in net sales discussed above. The increase in gross margin percentage was due primarily to:

- The impact of incremental list price increases, net of contract price discounting which provided an approximately 330 basis point improvement over the prior year; and
- Decreased commodity costs which provided an improvement of approximately 300 basis points. These increases were offset in part by increased labor costs as well as loss of labor and overhead leverage due to reduced production volumes which had a negative impact on margin of 250 basis points.; as well as
- The favorable impact of realization of synergies associated with the Knoll acquisition.
- Decreased Operating expenses of \$8 million driven primarily by decreased restructuring charges related to reductions in the Company's workforce of approximately \$13 million offset in part by an increase in variable compensation costs of approximately \$4 million.

For the six month comparative period, operating earnings increased \$30.8 million, or 67.4%, over the prior year period due to:

- Increased Gross margin of \$32.9 million due to the increased gross margin percentage of 630 basis points. The increase in gross margin percentage was due primarily to:
 - The impact of incremental list price increases, net of contract price discounting, that increased gross margin percentage by 430 basis points; and
 - Decreased commodity and product distribution costs that increased gross margin percentage by 380 basis points. These increases were offset in part by increased labor costs as well as loss of labor and overhead leverage due to reduced production volumes as well as unfavorable product mix which had a negative impact on margin of 180 basis points. Partially offset by;
- Increased Operating expenses of \$2 million. The following factors contributed to the change:
 - An increase in variable based compensation of approximately \$10 million and increased acquisition related costs costs of \$6 million; offset by
 - A decrease of approximately \$5 million due to the additional week in the prior year as well as decreased restructuring charges related to reductions in the Company's workforce of approximately \$9 million compared to the prior year.

International Contract & Specialty

(Dollars in millions)	Three Months Ended			Six Months Ended		
	December 2, 2023	December 3, 2022	Change	December 2, 2023	December 3, 2022	Change
Net sales	\$ 241.2	\$ 264.9	\$ (23.7)	\$ 469.5	\$ 537.4	\$ (67.9)
Gross margin	106.0	109.0	(3.0)	202.9	222.4	(19.5)
Gross margin %	43.9 %	41.1 %	2.8 %	43.2 %	41.4 %	1.8 %
Operating earnings	23.8	28.3	(4.5)	35.2	56.2	(21.0)
Operating earnings %	9.9 %	10.7 %	(0.8)%	7.5 %	10.5 %	(3.0)%

For the three month comparative period, Net sales decreased 8.9%, or 10.4%^(*) on an organic basis, over the prior year period due to:

- Decline in sales volume of approximately \$29 million driven mainly by challenging macroeconomic conditions in Europe and China; offset in part by
- Favorable foreign currency translation of approximately \$4 million; and
- Price increases, net of incremental discounting of \$1 million.

For the six month comparative period, Net sales decreased 12.6%, or 10.7%^(*) on an organic basis, over the prior year period due to:

- Impact of the extra week in the prior year period, which drove a decrease of \$20 million; and
- Decreased sales volume of approximately \$63 million; offset in part by
- Price increases, net of incremental discounting of \$8 million; and

- Favorable foreign currency translation of approximately \$7 million.

(*) Non-GAAP measurements; see accompanying reconciliations and explanations under the heading "Reconciliation of Non-GAAP Financial Measures."

For the three month comparative period, operating earnings decreased \$4.5 million, or 15.9%, over the prior year period due to:

- Decreased Gross margin of \$3 million due to the decrease in net sales discussed above, which more than offset an increase in gross margin percentage of 280 basis points due primarily to favorable product mix.
- Operating expenses increased approximately \$2 million which was largely due to an increase in variable compensation costs in the current year.

For the six month comparative period, operating earnings decreased \$21.0 million, or 37.4%, over the prior year period due to:

- Decreased Gross margin of \$20 million due to the decrease in sales explained above, which more than offset an increase in gross margin percentage of 180 basis points due primarily to favorable product mix and the impact of incremental list price increases, net of contract price discounting
- Increased Operating expenses of \$2 million which was largely due to an increase in variable compensation costs in the current year of \$8 million offset by a decrease of \$4 million due to the additional week in the prior year and a decrease of \$2 million of variable selling costs.

Global Retail

(Dollars in millions)	Three Months Ended			Six Months Ended		
	December 2, 2023	December 3, 2022	Change	December 2, 2023	December 3, 2022	Change
Net sales	\$ 232.2	\$ 272.3	\$ (40.1)	\$ 431.2	\$ 541.2	\$ (110.0)
Gross margin	105.0	99.9	5.1	191.4	214.4	(23.0)
Gross margin %	45.2 %	36.7 %	8.5 %	44.4 %	39.6 %	4.8 %
Operating earnings	14.7	2.0	12.7	16.9	19.8	(2.9)
Operating earnings %	6.3 %	0.7 %	5.6 %	3.9 %	3.7 %	0.2 %

For the three month comparative period, Net sales decreased 14.7%, and decreased 9.4%^(*) on an organic basis, over the prior year period due to:

- Decrease of \$20 million related to the closure of the Fully business that occurred in the prior year; and
- Incremental discounting, net of price increases which decreased sales by \$12 million; and
- A decrease in sales volume of approximately \$11 million, driven by a slowdown in our wholesale sales internationally due to high rates impacting customer demand and the continued softness in the North American housing market; offset by
- Favorable foreign currency translation of approximately \$3 million.

For the six month comparative period, Net sales decreased 20.3%, and decreased 11.4%^(*) on an organic basis, over the prior year period due to:

- Decrease of \$42 million related to the closure of the Fully business that occurred in the prior year; and
- A decrease in sales volume of approximately \$37 million, driven by a slowdown in the North American housing market and a continuation of general economic uncertainty; and
- The additional week during the first quarter of the prior year contributed to approximately \$18 million of the net sales decrease; and
- Incremental discounting, net of price increases, which decreased sales by \$18 million; offset by
- Favorable foreign currency translation of approximately \$5 million.

(*) Non-GAAP measurements; see accompanying reconciliations and explanations under the heading "Reconciliation of Non-GAAP Financial Measures."

For the three month comparative period, Operating earnings increased \$13 million or 635.0% over the prior year period due to:

- Increased Gross margin of \$5 million due to the gross margin percentage increase of 850 basis points attributable to the favorable impact of reduced costs as compared to the prior year associated with product distribution and inventory handling; and
- Decreased Operating expenses of \$8 million driven primarily by decreased variable selling costs, decreased product development costs, as well as a decrease due to the closure of the Fully business that occurred in the prior year.

For the six month comparative period, Operating earnings decreased \$2.9 million, or 14.6%, over the prior year period due to:

- Decreased Gross margin of \$23 million primarily due to decreased sales explained above, offset by an increase in gross margin percentage of 480 basis points attributable to the favorable impact of reduced costs as compared to the prior year associated with product distribution and inventory handling; and
- Decreased Operating expenses of \$20 million driven primarily by decreased variable selling and marketing costs of \$11 million, a decrease of \$4 million due to the additional week in the prior year, decreased product development of \$3 million, as well as a decrease due to the closure of the Fully business that occurred in the prior year.

Corporate

Corporate unallocated expenses totaled \$13.2 million for the second quarter of fiscal 2024, a decrease of \$3.7 million from the second quarter of fiscal 2023. The decrease was driven primarily by a reduction in integration costs as compared to the same period of the prior year.

Corporate unallocated expenses totaled \$27.9 million for the first six months of fiscal 2024, a decrease of \$4.3 million from the same period of fiscal 2023. The decrease was driven primarily by a reduction in integration costs as compared to the same period of the prior year.

Liquidity and Capital Resources

The table below summarizes the net change in Cash and cash equivalents for the six months ended as indicated.

<i>(In millions)</i>	December 2, 2023	December 3, 2022
Cash provided by (used in):		
Operating activities	\$ 213.4	\$ (5.3)
Investing activities	(41.3)	(32.0)
Financing activities	(170.8)	11.6
Effect of exchange rate changes	1.0	(7.1)
Net change in Cash and cash equivalents	<u>\$ 2.3</u>	<u>\$ (32.8)</u>

Cash Flows - Operating Activities

The principal source of our operating cash flow is net earnings. Net cash provided by operating activities for the six months ended December 2, 2023 totaled \$213.4 million, as compared to cash used of \$5.3 million in the same period of the prior year. The increase in cash inflow is due primarily to higher net income and a reduction in working capital. Our working capital consists primarily of receivables from customers, inventory, prepaid expenses, accounts payable, accrued compensation, and accrued other expenses. The following all affected these account balances:

- The timing of collection of our receivables;
- Effective inventory management resulting in reduced inventory levels; and
- Increased variable compensation in the current quarter.

Cash Flows - Investing Activities

Cash used in investing activities for the six months ended December 2, 2023 was \$41.3 million, as compared to \$32.0 million in the same period of the prior year. The increase in cash outflow in the current year, compared to the prior year, was primarily due to the advancement of \$13.5 million of cash against the value of company owned life insurance policies received in the six months ended December 3, 2022. This is reflected as cash proceeds from investing activities in the Consolidated Statement of Cash Flows. In the six months ended December 2, 2023 the Company received \$3.5 million of proceeds related to the sale of its investment in Maars.

At the end of the second quarter of fiscal 2024, there were outstanding commitments for capital purchases of \$14.4 million. The Company plans to fund these commitments through a combination of cash on hand and cash flows from operations. The Company expects full-year capital purchases to be between \$80 million and \$100 million, which will be primarily related to investments in the Company's facilities and equipment. This compares to full-year capital spending of \$83.3 million in fiscal 2023. Capital expenditures for the first six months of fiscal 2024 of \$39.9 million were comparable to the same period of the prior year.

Cash Flows - Financing Activities

Cash used in financing activities for the six months ended December 2, 2023 was \$170.8 million, as compared to cash provided by financing activities of \$11.6 million in the same period of the prior year. The increase in cash used in the current year, compared to the prior year, was primarily due to net payments on the credit agreement of \$71.7 million in the current year compared to net borrowings of \$67.0 million in the same period of the prior year.

During the six months ended December 2, 2023 we repurchased 3.1 million shares at a cost of 60.0 million, compared to share repurchases totaling \$14.3 million in the same period of the prior year.

Sources of Liquidity

The Company has taken actions to safeguard its cash flow and liquidity position in the current environment. The Company is closely managing spending levels, capital investments, and working capital.

The Company maintains an open market share repurchase program under our existing share repurchase authorization and may repurchase shares from time to time based on management’s evaluation of market conditions, share price and other factors.

At the end of the second quarter of fiscal 2024, the Company had a well-positioned balance sheet and liquidity profile. The Company has access to liquidity through credit facilities as well as cash and cash equivalents. These sources have been summarized below. For additional information, refer to Note 13 to the Condensed Consolidated Financial Statements.

<i>(In millions)</i>	December 2, 2023		June 3, 2023	
Cash and cash equivalents	\$	225.8	\$	223.5
Availability under syndicated revolving line of credit		357.3		284.2
Total liquidity	\$	583.1	\$	507.7

Of the Cash and cash equivalents noted above at the end of the second quarter of fiscal 2024, the Company had \$211.9 million of Cash and cash equivalents held outside the United States.

The Company’s syndicated revolving line of credit, which matures in July, 2026, provides the Company with up to \$725 million in revolving variable interest borrowing capacity and allows the Company to borrow incremental amounts, at its option, subject to negotiated terms as outlined in the agreement. Outstanding borrowings bear interest at rates based on the prime rate, federal funds rate, SOFR or negotiated terms as outlined in the agreement.

As of December 2, 2023, the total debt outstanding related to borrowings under the syndicated revolving line of credit was \$355.0 million with available borrowings against this facility of \$357.3 million.

The Company intends to repatriate \$106.5 million of undistributed foreign earnings all of which is held in cash in certain foreign jurisdictions with the remainder of undistributed earnings outside the U.S. recorded in working capital. The Company has recorded a \$5.8 million deferred tax liability related to foreign withholding taxes on these future dividends received in the U.S. from foreign subsidiaries. A significant portion of the \$106.5 million of undistributed foreign earnings was previously taxed under the U.S. Tax Cut and Jobs Act (TCJA). The Company intends to remain indefinitely reinvested in the remaining undistributed earnings outside the U.S. which is estimated to be approximately \$282.2 million on December 2, 2023.

The Company believes cash on hand, cash generated from operations, and borrowing capacity will provide adequate liquidity to fund near term and foreseeable future business operations, capital needs, future dividends and share repurchases, subject to financing availability in the marketplace.

Contractual Obligations

Contractual obligations associated with ongoing business and financing activities will require cash payments in future periods. A table summarizing the amounts and estimated timing of these future cash payments as of June 3, 2023 was provided in the Company's Annual Report on Form 10-K for the year ended June 3, 2023. There have been no material changes in such obligations since that date.

Guarantees

See Note 12 to the Condensed Consolidated Financial Statements.

Variable Interest Entities

See Note 17 to the Condensed Consolidated Financial Statements.

Contingencies

See Note 12 to the Condensed Consolidated Financial Statements.

Critical Accounting Policies

The Company strives to report financial results clearly and understandably. The Company follows accounting principles generally accepted in the United States in preparing its consolidated financial statements, which require certain estimates and judgments that affect the financial position and results of operations for the Company. The Company continually reviews the accounting policies and financial information disclosures. A summary of the more significant accounting policies that require the use of estimates and judgments in preparing the financial statements is provided in the Company's Annual Report on Form 10-K for the year ended June 3, 2023.

New Accounting Standards

See Note 2 to the Condensed Consolidated Financial Statements.

Cautionary Note Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements relate to future events and anticipated results of operations, business strategies, the anticipated benefits of our acquisition of Knoll, the anticipated impact of the Knoll acquisition on the combined Company’s business and future financial and operating results, the expected amount and timing of synergies from the Knoll acquisition, and other aspects of our operations or operating results. These forward-looking statements generally can be identified by phrases such as “will,” “expects,” “anticipates,” “foresees,” “forecasts,” “estimates” or other words or phrases of similar import. It is uncertain whether any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what impact they will have on the results of operations and financial condition of MillerKnoll or the price of MillerKnoll’s stock. These forward-looking statements involve certain risks and uncertainties, many of which are beyond MillerKnoll’s control, that could cause actual results to differ materially from those indicated in such forward-looking statements, including but not limited to: general economic conditions; the impact of any government policies and actions to protect the health and safety of individuals or to maintain the functioning of national or global economies, and the Company's response to any such policies and actions; the impact of public health crises, such as pandemics and epidemics; risks related to the additional debt incurred in connection with the Knoll acquisition; MillerKnoll’s ability to comply with its debt covenants and obligations; the risk that the anticipated benefits of the Knoll acquisition will be more costly to realize than expected; the effect of the announcement of the Knoll acquisition on the ability of MillerKnoll to retain and hire key personnel and maintain relationships with customers, suppliers and others with whom MillerKnoll does business, or on MillerKnoll’s operating results and business generally; the ability to successfully integrate Knoll’s operations; the ability of MillerKnoll to implement its plans, forecasts and other expectations with respect to MillerKnoll’s business after the completion of the Knoll acquisition and realize expected synergies; business disruption following the Knoll acquisition; the availability and pricing of raw materials; the financial strength of our dealers and the financial strength of our customers; the success of newly-introduced products; the pace and level of government procurement; regional and global geopolitical events; foreign currency exchange fluctuations; and the outcome of pending litigation or governmental audits or investigations. For additional information about other factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to MillerKnoll’s periodic reports and other filings with the SEC, including the risk factors identified in our Annual Report on Form 10-K for the year ended June 3, 2023. The forward-looking statements included in this report are made only as of the date hereof. MillerKnoll does not undertake any obligation to update any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

The information concerning quantitative and qualitative disclosures about market risk contained in the Company’s Annual Report on Form 10-K for the year ended June 3, 2023 has not changed materially. The nature of market risks from interest rates and commodity prices has not changed materially during the first six months of fiscal 2024.

Foreign Exchange Risk

The Company primarily manufactures its products in the United States, United Kingdom, Canada, China, Italy, India, Mexico and Brazil. It also sources completed products and product components from outside the United States. The Company's completed products are sold in numerous countries around the world. Sales in foreign countries as well as certain expenses related to those sales are transacted in currencies other than the Company's reporting currency, the U.S. dollar. Accordingly, production costs and profit margins related to these sales are affected by the currency exchange relationship between the countries where the sales take place and the countries where the products are sourced or manufactured. These currency exchange relationships can also impact the Company's competitive positions within these markets.

In the normal course of business, the Company enters into contracts denominated in foreign currencies. The principal foreign currencies in which the Company conducts its business are the British pound sterling, euro, Canadian dollar, Japanese yen, Mexican peso, Hong Kong dollar, Chinese renminbi, and the Danish krone. Changes in the fair value of such contracts are reported in earnings in the period the value of the contract changes. The net gain or loss upon settlement and the change in fair value of outstanding contracts is recorded as a component of Other (income) expense.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 2, 2023, and the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of that date, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the quarterly period ended December 2, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1: Legal Proceedings

There have been no material changes in the Company's legal proceedings from those set forth in the Company's Annual Report on Form 10-K for the year ended June 3, 2023.

Item 1A: Risk Factors

There have been no material changes in the Company's risk factors from those set forth in the Company's Annual Report on Form 10-K for the year ended June 3, 2023.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The Company has one share repurchase plan authorized by the Board of Directors on January 16, 2019, which provides a share repurchase authorization of \$250.0 million with no specified expiration date. The approximate dollar value of shares available for purchase under the plan at December 2, 2023 was \$160.6 million.

The following is a summary of share repurchase activity during the fiscal quarter ended December 2, 2023.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs (in millions) ⁽¹⁾
9/3/2023 - 9/30/2023	924,662	\$ 18.28	924,662	\$ 171.6
10/1/2023 - 10/28/2023	323,590	\$ 24.04	323,590	\$ 163.8
10/29/2023 - 12/2/2023	142,299	\$ 22.92	142,299	\$ 160.6
Total	1,390,551		1,390,551	

(1) Amounts are as of the end of the period indicated

The Company may repurchase shares from time to time for cash in open market transactions, privately negotiated transactions, pursuant to accelerated share repurchase programs or otherwise in accordance with applicable federal securities laws. The timing and amount of the repurchases will be determined by the Company's management based on their evaluation of market conditions, share price and other factors. The share repurchase program may be suspended or discontinued at any time.

During the period covered by this report, the Company did not sell any shares of common stock that were not registered under the Securities Act of 1933.

Item 5: Other Information

During the period covered by this Quarterly Report on Form 10-Q, no director or officer of the Company adopted or terminated a "Rule 10b5-1 Trading Arrangement" or "Non-Rule 10b5-1 Trading Arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6: Exhibits

The following exhibits (listed by number corresponding to the Exhibit table as Item 601 in Regulation S-K) are filed with this Report:

Exhibit Number Document

- 10.1 [MillerKnoll, Inc. 2023 Long-Term Incentive Plan Global EBITDA Performance Share Unit with TSR Multiplier Award Agreement*](#)
- 31.1 [Certificate of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

31.2 [Certificate of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

32.1 [Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

32.2 [Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101.INS The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL Document.

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

104 Cover Page Interactive Data File (embedded within the Inline XBRL Document)

* Denotes compensatory plan or arrangement.

Signatures

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.
MillerKnoll, Inc.

January 10, 2024

/s/ Andrea R. Owen
Andrea R. Owen
President and Chief Executive Officer
(Duly Authorized Signatory for Registrant)

January 10, 2024

/s/ Jeffrey M. Stutz
Jeffrey M. Stutz
Chief Financial Officer
(Duly Authorized Signatory for Registrant)

MILLERKNOLL, INC. 2023 LONG-TERM INCENTIVE PLAN
GLOBAL EBITDA PERFORMANCE SHARE UNIT WITH TSR
MULTIPLIER AWARD AGREEMENT

Participant: [INSERT NAME]

Award Date: [INSERT AWARD DATE]

Target Number of Performance Share Units: [INSERT TOTAL PSUs]

This certifies MillerKnoll, Inc. (the “Company”) has on the date set forth above (the “Award Date”) granted to the individual named above (the “Participant”) a grant of Performance Share Units (the “Award”) under the MillerKnoll, Inc. 2023 Long-Term Incentive Plan (the “Plan”) as summarized above and as detailed in the Executive Compensation Equity Award Notice (the “Award Notice”) reflected in the web portal maintained by E*TRADE Financial Corporate Services, Inc. (the “Stock Plan Service Provider”).

The Award is subject to the terms and conditions set forth in this Global EBITDA Performance Share Unit with TSR Multiplier Award Agreement (the “Award Agreement”). A copy of the Plan and the U.S. prospectus for the Plan has been delivered or otherwise made available to the Participant. The Plan is incorporated into this Award Agreement by reference, and in the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan shall govern; provided, however, that definitions under this Award Agreement shall govern. Any capitalized terms not defined herein shall have the meaning set forth in the Plan. For purposes of this Award Agreement, “Employer” shall mean the Subsidiary that employs the Participant (to the extent the Participant is not directly employed by the Company).

1. Definitions.

“Actual Performance Share Units” means the number of Performance Share Units earned in accordance with Section 2 of this Award Agreement.

“Award Agreement” means the terms and conditions of the Award set forth in this Global EBITDA Performance Share Unit with TSR Multiplier Award Agreement.

“Common Stock” means the Company’s \$.20 par value per share common stock.

“Earnout Percentage” means the percentage for the relevant Tranche Period by which the number of the Target Performance Share Units subject to such Tranche Period is multiplied to determine the Actual Performance Share Units, as determined under Section 2 of this Award Agreement.

“EBITDA” means the Company’s net income or loss before interest, taxes, depreciation and amortization, excluding earnings attributable to non-controlling interests and plus or minus any approved adjustments determined in accordance with the Manual.

“Manual” shall mean the Incentive Technical Manual as approved by the Committee.

“Peer Group” means the companies approved by the Committee as peer group companies, listed on the attached Appendix A of this Award Agreement. For the sake of clarity, the Company is not included in the Peer Group.

“Performance Period” means the period of three (3) consecutive fiscal years of the Company beginning with the Company’s fiscal year in which the Award Date occurs.

“Performance Share Unit” means the right to receive one (1) share of Common Stock on a future date subject to certain restrictions and on the terms and conditions contained in this Award Agreement.

“Retirement” means for purposes of this Award Agreement the Participant’s resignation on or after attaining (A) age 55 and 5 or more years of service, or (B) 30 or more years of service. For clarity, a Company-initiated termination of the employment of the Participant shall not be considered a “Retirement”.

“Target Performance Share Units” means the number of Performance Share Units specified above and detailed in the Participant’s Award Notice.

“Tranche Period” means a portion of the Performance Period, as follows (A) the first being the first fiscal year of the Performance Period, (B) the second being the second fiscal year of the Performance Period, and (C) the third being the third fiscal year of the Performance Period.

“Tranche Schedule” means that thirty-three percent (33%) of the Target Performance Share Units are subject to the first Tranche Period, thirty-three percent (33%) of the Target Performance Share Units are subject to the second Tranche Period, and the remaining Target Performance Share Units are subject to the third Tranche Period.

“Total Shareholder Return” or “TSR” with respect to the Company and each member of the Peer Group shall mean the quotient of (a) the Beginning Price (as defined below) divided by (b) the Ending Price (as defined below). The “Beginning Price” shall equal the average closing price of a share of common stock during the twenty (20) trading day period ending on the last day before the start of the Performance Period. The “Ending Price” shall equal the average closing price of a share of common stock during the twenty (20) day trading period ending on the last day of the Performance Period. The Beginning Price and Ending Price shall be adjusted to reflect any and all cash, stock or in-kind dividends paid on the stock of such company during the Performance Period, or any stock splits or reverse stock splits that occur during the Performance Period. For the avoidance of doubt, dividends paid throughout the Performance Period for the Company and Peer Group companies will be reinvested as of the ex-dividend date.

“TSR Multiplier” means the adjustment to the initial sum of the Performance Share Units earned for each Tranche Period determined by the Company’s TSR relative to the Peer Group.

2. Determination of Actual Performance Share Units. The Actual Performance Share Units that the Participant may earn shall equal the sum of the Target Performance Share Units earned with respect to each Tranche Period, as adjusted under subsection (d) below. For

each Tranche Period, the Performance Share Units earned shall equal (a) the number of Target Performance Share Units subject to such Tranche Period as specified in the Tranche Schedule, multiplied by (b) the Earnout Percentage of such Tranche Period, as determined under this Section 2.

(a) Determination of EBITDA.

(i) Tranche Period Determinations. Within ninety (90) days after the end of each Tranche Period, the Committee will determine EBITDA for such Tranche Period consistent with the Manual.

(b) Calculation of Earnout Percentage. Within ninety (90) days after the end of each Tranche Period, the Committee will determine the Earnout Percentage applicable to the relevant portion of the Target Performance Share Units specified in the Tranche Schedule based on the EBITDA target specified by the Committee for such Tranche Period, subject to adjustment in accordance with the Manual.

If the EBITDA is between the approved performance levels, then the Earnout Percentage will be determined based on straight line interpolation.

(c) Determination of TSR.

(i) Determination of Company TSR. Within ninety (90) days after the end of the Performance Period, the Committee will determine the Company's TSR during the Performance Period, in accordance with the Manual.

(ii) Determination of Peer Group TSRs. Within ninety (90) days after the end of the Performance Period, the Committee will determine the TSR for each member of the Peer Group during the Performance Period, in accordance with the Manual.

(iii) Determination of Percentile Rank. Following the determination of Company's TSR and the TSR of each member of the Peer Group, the Committee shall determine the percentile rank of the Company within the Peer Group. The Committee will include the Company in its determination of the Company's percentile ranking.

(d) Calculation of TSR Multiplier. The initial sum of the Performance Share Units earned with respect to all Tranche Periods determined in Section 2 shall be adjusted based on the Company's TSR relative to the TSR of the Peer Group in accordance with the following, applying a multiplier approach:

<u>Relative TSR Ranking</u>	<u>TSR Multiplier Percentage</u>
75th percentile or above	125%
55th percentile	100% (no adjustment)

25th percentile or below

75%

If the Company's relative TSR ranking is between performance levels, the TSR Multiplier percentage shall be determined based on straight line interpolation. Notwithstanding any other provision of this Agreement, in no event shall the Actual Performance Share Units (as modified under this Section 2(d)) exceed two hundred percent (200%) of the Target Performance Share Units.

(e) Calculation of Actual Performance Share Units after a Change in Control.

If a Change in Control occurs, the Committee will determine the Participant's Actual Performance Share Units as of the date of such Change in Control in accordance with Section 2(a)-(d), subject to the following:

(i) the Performance Period will end (the "Adjusted Performance Period") on the effective date of the Change in Control;

(ii) with respect to any Tranche Period that is fully completed by the effective date of the Change in Control, the Participant's Actual Performance Share Units earned with respect to such Tranche Period shall be determined in accordance with Section 2(a)-(d);

(iii) with respect to any Tranche Period that is partially completed as of the effective date of the Change in Control, the Committee will determine the EBITDA for such partially completed Tranche Period in which the Change in Control occurs from the first day of the Tranche Period through the effective date of the Change in Control, and the Committee will determine the total EBITDA for such full Tranche Period by multiplying such amount for the partially completed Tranche Period by the amount equal to the quotient of (A) the number of days in such full Tranche Period (if the Change in Control had not occurred), divided by (B) the number of days in the period of time beginning on the first date of such Tranche Period and ending on the effective date of the Change of Control (for clarity, subject to adjustment in accordance with Section 2(c)-(d)); and

(iv) with respect to any Tranche Period that has not started before the effective date of the Change in Control, the deemed EBITDA for such Tranche Period shall equal the targeted EBITDA amount for a one hundred percent (100%) initial Earnout Percentage for such Tranche Period (for clarity, subject to adjustment in accordance with Section 2(c)-(d)).

(f) Certification. Not later than ninety (90) days after the end of the Performance Period or the Adjusted Performance Period, as applicable, the Committee shall determine the Actual Performance Share Units and shall certify such finding to the Company and the Participant.

3. Adjustments Following Termination of Employment.

(a) Termination Due to Death. Notwithstanding anything in this Award Agreement to the contrary, in the event that the Participant's employment with the Company or the Employer terminates prior to the end of the Performance Period due to the Participant's death, the Participant's Actual Performance Share Units shall equal the Participant's Target Performance Share Units multiplied by a fraction, the numerator of which is the number of days that the Participant was employed by the Company or the Employer from the Award Date until the date of the Participant's death, and the denominator of which is the number of days from the Award Date until the original vest date as set forth in the Award Notice, and such Actual Performance Share Units shall vest immediately upon the Participant's death.

(b) Termination Due to Disability or Termination Without Cause. In the event that the Participant's employment with the Company or the Employer terminates prior to the end of the Performance Period due to Disability or termination by the Company or the Employer without Cause, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of days that the Participant was employed by the Company or the Employer from the Award Date until the date of the termination of the Participant's employment, and the denominator of which is the number of days from the Award Date until the original vest date as set forth in the Award Notice. Actual Performance Share Units shall continue to be calculated according to Section 2.

(c) Termination Due to Retirement. In the event that the Participant's employment with the Company or the Employer terminates prior to the end of the Performance Period due to Retirement, the Participant's Target Performance Share Units will be adjusted as follows:

(i) If the Participant's Retirement occurs prior to the end of the first twelve (12) months after the Award Date, the Participant's Target Performance Share Units will be adjusted by multiplying the Participant's Target Performance Share Units by a fraction, the numerator of which is the number of days that Participant was employed by the Company or the Employer from the Award Date until the date of the Participant's Retirement, and the denominator of which is the number of days in the first 12 months after the Award Date;

(ii) No adjustment to the Participant's Target Performance Share Units will be made if the Participant's Retirement occurs on or after the end of the first twelve (12) months after the Award Date.

Actual Performance Share Units shall continue to be calculated according to Section 2.

(d) Termination of Employment for Other Reasons. In the event that the Participant's employment with the Company or the Employer terminates prior to the end of the Performance Period for any reason other than death, Disability, Retirement, or

Termination by the Company or the Employer without Cause, the Participant's rights to all of the Target Performance Share Units granted under this Award Agreement will be immediately and irrevocably forfeited upon such termination of employment and the Participant shall earn no Actual Performance Share Units.

(e) Termination After a Change in Control. Notwithstanding any term to the contrary in this Award Agreement or the Plan, the Participant shall retain the right to earn all of the Participant's Target Performance Share Units if, within two (2) years following a Change in Control, the Participant's employment (i) is terminated without Cause (including death or Disability), (ii) terminates with Good Reason, or (iii) terminates under circumstances that entitle the Participant to accelerated vesting under any individual employment agreement between the Participant and the Company, the Employer, or any successor thereof, and Actual Performance Share Units shall be calculated in accordance with Section 2(e). For all other terminations of employment that occur after a Change in Control, the Participant's Target Performance Share Units shall be adjusted in accordance with subsections (a)-(c) of this Section 3, and Actual Performance Share Units shall be calculated in accordance with Section 2(e).

(f) For purposes of this Award Agreement, the Committee shall have discretion to determine whether the Participant has ceased to be actively employed by (or, if the Participant is a consultant or director, has ceased actively providing services to) the Company or a Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated. The Participant's active employer-employee or other active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include a period of "garden leave", paid administrative leave or similar period pursuant to applicable law) and in the event of the Participant's termination of employment (whether or not in breach of applicable labor laws), the Participant's right to settle any Actual Performance Share Units after termination of employment, if any, shall be measured by the date of termination of active employment or service and shall not be extended by any notice period mandated under applicable law. Unless the Committee provides otherwise (1) termination of the Participant's employment will include instances in which the Participant is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Employer from the Company or another Subsidiary (whether by transfer of shares, assets or otherwise) such that the Employer no longer constitutes a Subsidiary will constitute a termination of employment or service.

(g) If the Participant is a resident or employed in a country that is a member of the European Union, the grant of the Actual Performance Share Units and this Award Agreement is intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent that a court or tribunal of competent jurisdiction determines that any provision of this Award Agreement is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the

minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

4. Issuance of Common Stock; Shareholder Rights.

(a) Settlement of Performance Share Units to Common Stock. Within ninety (90) days after the end of the Performance Period (or, in the case of the Participant's Retirement prior to the end of the Performance Period, within ninety (90) days after the later of the end of the Performance Period or the expiration of the duration of the restrictive covenant set forth in Section 9(b)(ii), as applicable), the Company shall deposit the number of shares of Common Stock in settlement of such whole Actual Performance Share Units into the Participant's brokerage account with the Stock Plan Service Provider, unless a valid deferral has been made pursuant to Section 7, in which case such distribution will be made within sixty (60) days after the date to which distribution has been deferred, in either case, provided that the Participant has satisfied any tax withholding obligations related to such Performance Share Units.

(b) No Shareholder Rights. No shares of Common Stock will be issued to the Participant prior to the date on which the Target Performance Share Units become Actual Performance Share Units under the provisions of Section 2 of this Award Agreement. The Target Performance Share Units granted pursuant to this Award Agreement represent a contingent right to receive Common Stock in the future, are not issued shares of Common Stock and do not and will not entitle the Participant to any rights of a shareholder of Common Stock, including the right to vote or receive dividends. Except as otherwise provided in Section 2, the rights of the Participant with respect to the Target Performance Share Units will remain forfeitable at all times prior to the end of the Performance Period as provided in this Award Agreement. Prior to settlement of some or all of the Target Performance Share Units into Common Stock, such Target Performance Share Units will represent only an unsecured obligation of the Company. Neither this Section 4(b) nor any action taken pursuant to or in accordance with this Section 4(b) will be construed to create a trust of any kind.

5. Restriction on Transfer. Any rights under this Award Agreement may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition will be void and unenforceable against the Company.

6. Adjustments to Target Performance Share Units for Certain Corporate Transactions. Adjustments to Target Performance Share Units will be determined in accordance with this Section 6.

(a) The Committee will make an appropriate and proportionate adjustment to the number of Target Performance Share Units granted under this Award Agreement if:

(i) The outstanding shares of Common Stock are increased or decreased, as a result of merger, consolidation, sale of all or substantially all of the assets of the Company, reclassification, stock dividend, stock split, reverse stock split with respect to such shares of Common Stock or other securities, or

(ii) Additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities or exchanged for a different number or kind of shares or other securities through merger, consolidation, sale of all or substantially all of the assets of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other distribution with respect to such shares of Common Stock or other securities.

(b) The Committee may make an appropriate and proportionate adjustment in the number of Target Performance Share Units granted under this Award Agreement if the outstanding shares of Common Stock are increased or decreased as a result of a recapitalization or reorganization not included within Section 6(a) above.

7. Deferral of Distribution. The Participant may elect to defer the conversion of Actual Performance Share Units granted under this Award Agreement into Common Stock and the issuance of such Common Stock with respect thereto to a time later than that provided under Section 4(a). The Participant must file such election with the Committee at least 12 months prior to the end of the Performance Period. The Participant must specify in the election the date on which the Actual Performance Share Units earned under this Award Agreement will be converted to Common Stock and issued to the Participant. The date elected must be at least five (5) years later than the date on which the Actual Performance Share Units would have been converted to Common Stock and issued to the Participant under Section 4(a).

8. Tax Withholding.

(a) Regardless of any action the Company or the Employer takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related-items ("Tax Related-Items"), the Participant acknowledges that the ultimate liability for all Tax Related-Items associated with the Actual Performance Share Units are and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related-Items in connection with any aspect of the Actual Performance Share Units, including, but not limited to, the grant, vesting or settlement of the Actual Performance Share Units, the subsequent sale of any shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Actual Performance Share Units to reduce or eliminate the Participant's liability for Tax Related-Items. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related-Items in more than one jurisdiction.

(b) Prior to the delivery of any shares of Common Stock upon settlement of the Actual Performance Share Units, if the Participant's country of residence (and/or the Participant's country of employment, if different) requires withholding of Tax-Related Items, the Company shall withhold a sufficient number of shares of Common Stock otherwise issuable upon settlement of the Performance Share Units that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld. In cases where the Fair Market Value of the number of shares of Common Stock withheld is greater than the Tax-Related Items required to be withheld, the Company shall make a cash payment to the Participant equal to the difference as soon as administratively practicable. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. Alternatively, the Company may permit the Participant to tender payment of the Tax-Related Items to the Company (i) in the form of cash, check (bank check, certified check or personal check) or money order payable to the Company, (ii) in the form of unencumbered shares of Common Stock already owned by the Participant for at least six (6) months, (iii) causing the broker to sell from the number of shares of Common Stock to be issued to the Participant having an aggregate Fair Market Value necessary to satisfy the amount of Tax-Related Items due, or (iv) by having the Company or the Employer withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from the Participant's regular salary/wages, or from any other amounts payable to the Participant. In the event the withholding requirements for Tax-Related Items are not satisfied through any of the foregoing methods, no shares of Common Stock will be issued to the Participant (or the Participant's estate) upon settlement of the Performance Share Units unless and until satisfactory arrangements have been made by the Participant with respect to the payment of any Tax-Related Items which the Company and the Employer determine, in their sole discretion, must be withheld or collected with respect to such Performance Share Units.

(c) Depending on the withholding method, the Company may withhold or account for Tax Related-Items by considering maximum applicable rates to the extent permitted by the Plan, in which case the Participant may receive a refund of any over-withheld amount in cash from the applicable taxing authority and will have no entitlement to the Share equivalent. If the obligation for Tax Related-Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Participant shall be deemed to have been issued the full member of shares of Common Stock issued upon settlement of the Performance Share Units notwithstanding that a member of the shares of Common Stock are held back solely for the purpose of paying the Tax Related-Items.

(d) By accepting the Performance Share Units, the Participant expressly consents to the foregoing methods of tax withholding for Tax-Related Items associated with the Performance Share Units. All other Tax-Related Items related to the Performance Share Units and any shares of Common Stock delivered in payment thereof are the Participant's sole responsibility.

9. Participant Covenants. In consideration of the grant of this Award by the Company, the Participant agrees to the following:

(a) Confidentiality. In the course of the Participant's employment with the Company or the Employer, the Participant will be provided with or may have access to, and/or come into the possession of, Confidential Information; accordingly, the Participant agrees and promises:

(i) to protect and maintain the confidentiality of Confidential Information while employed by the Company or the Employer;

(ii) to return or provide to the Company (and not retain any copies, reproductions, or manifestations of any kind in any form) any and all materials reflecting Confidential Information and any other equipment, materials and writings received from, created for, belonging to the Company or the Employer or relating to the Company's or the Employer's business, then in the Participant's possession or under the Participant's control, (whether in "hard copy" or electronic form) including, but not limited to, those which relate to or contain Confidential Information (including all Company- or Employer-owned equipment) immediately upon end of employment or upon demand by the Company or the Employer;

(iii) not to (without the express prior written consent of the Company or the Employer) use, reproduce, create any derivative work improvement, modify, adapt, disclose, publish, communicate or make available any Confidential Information for any purpose other than as necessary and reasonable for performing the Participant's employment services or duties on behalf of the Company or the Employer or for the benefit of the Company or the Employer; and

(iv) Nothing in this Award Agreement shall prohibit or impede the Participant (or the Participant's attorney) from communicating or otherwise participating in or fully cooperating with any investigation or proceeding that may be conducted by a U.S. federal, state or local governmental, regulatory or law enforcement branch, agency or entity (collectively, a "Governmental Entity"), filing a charge or complaint with the Securities and Exchange Commission, or any other federal, state, or local governmental regulatory or law enforcement agency, or making other disclosures or reports that are protected under the whistleblower provisions of federal, state or local law or regulation, including about alleged unlawful employment practices or alleged criminal conduct. The Participant can provide confidential information to Government Entity without risk of being held liable by the Company or the Employer for liquidated damages or other financial penalties. This Award Agreement also does not limit the Participant's right to receive an award for information provided to any Government Entity. In addition, nothing in this Agreement is intended to interfere with any rights the Participant may have under Section 7 of the National Labor Relations Act.

(b) Restrictive Covenants. The Participant understands and agrees that the Company and the Employer have legitimate interests in protecting their goodwill, their

relationships with customers and business partners, and in maintaining their confidential information, trade secrets and Confidential Information, and that it would cause severe and irreparable harm to the Company or the Employer if the Participant were to improperly utilize or disclose any trade secrets, other Confidential Information or customer relationships, or if the Company or the Employer were to otherwise lose its customer relationships or goodwill. Therefore, the Participant hereby agrees that the following restrictions are appropriate and necessary to meet such goals and that such restrictions do not impose undue hardship or burdens on the Participant.

(i) Non-Solicitation of Company Customers or Employer Customers. The Participant acknowledges that the relationships and goodwill that the Participant develops with Company Customers or Employer Customers as a result of the Participant's employment belong to the Company. The Participant therefore agrees and covenants that during the Restricted Period, the Participant will not, and will not assist anyone else to, except in furtherance of the Participant's employment with the Company or the Employer (1) solicit, aid, induce or encourage any Company Customer or Employer Customer to cease purchasing goods or services from, or otherwise interfere with the relationship between the Company or the Employer and any Company Customer or Employer Customer, respectively.

(ii) Non-Service of Company Customers or Employer Customers. The Participant agrees and covenants, during the Restricted Period, except in the furtherance of the Participant's employment with the Company or the Employer, not to render any services to or sell any products to any Company Customer or Employer Customer, unless such services or products or similar services or products are not provided to any Company Customer or Employer Customer by the Company or the Employer, respectively, and are not planned to be offered by the Company or the Employer to any Company Customer or Employer Customer, respectively. For purposes of this Award Agreement, services, products or business shall be considered "planned to be offered by the Company or the Employer" if the following conditions are satisfied: (1) the Company or the Employer plans to offer or engage in such services, products or business within six (6) months after the termination of Participant's employment, and (2) the Participant participated in the Company's or the Employer's planning of such services, products or business. Except as otherwise provided in this Award Agreement, nothing in this Section shall prevent the Participant from performing or providing such services, products or business as an employee of a Company Customer or Employer Customer, unless: (i) such Company Customer's or Employer Customer's business is to perform or provide services, products or business similar to those performed or provided by the Company or the Employer; (ii) such services, products or business are being performed or provided by the Participant to multiple persons or entities; or (iii) such services, products or business would impair the Company's or the Employer's independence and the Participant has not obtained approval from the Company's Legal Department prior to performing or providing such services, products or business.

(iii) Non-Solicitation of Employees. The Participant agrees and covenants that during the Restricted Period, the Participant shall not, except in furtherance of the Participant's employment with the Company or the Employer, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, hire, recruit, or attempt to solicit, hire, or recruit, any Covered Employee, or induce the resignation of any Covered Employee from the Company or the Employer. This Section does not restrict or impede, in any way, and shall not be interpreted or understood as restricting or impeding, the Participant from exercising protected rights that cannot be waived by agreement.

(iv) Non-Competition. The Participant agrees that during the Restricted Period, the Participant will not, for the Participant, or on behalf of any other person or entity, directly or indirectly, engage in any Competitive Activity, unless approved by the Company or the Employer in advance in writing. Notwithstanding the foregoing, nothing herein shall prohibit the Participant from being a passive owner of not more than two percent (2%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or the Employer, so long as the Participant has no active participation in the business of such corporation.

(c) Definitions. For purposes of this Section 9, the following terms shall be defined as follows:

(i) Company Customer or Employer Customer. "Company Customer" or "Employer Customer" is limited to those customers or partners who did business with the Company, or the Employer as applicable, and (A) with whom the Participant had substantive contact within the most recent 12 months of the Participant's employment with the Company or the Employer (or during the period of the Participant's employment, if the Participant was employed for less than 12 months) and (B) about whom the Participant has Customer Information or any other trade secret or confidential information that is not available publicly. "Company Customer" or "Employer Customer" shall not, however, include any individual who purchased a Competitive Product from the Company, or the Employer as applicable, by direct purchase from one of its retail establishments or via on-line over the Internet, unless such purchase was of such quantity that the purchase price exceeded \$15,000.

(ii) Competitive Activity. "Competitive Activity" means becoming an employee, advisor, officer, director, consultant, contractor, partner, principal, manager, or executive of a Direct Competitor, (including as an employee of, or consultant to, any vendor providing services or products to any Direct Competitor), whether or not for compensation, where there is a reasonable possibility that the Participant may, intentionally or inadvertently, directly or indirectly, use or rely upon Confidential Information; or (1) in a capacity that is similar to the capacity the Participant was in, (2) where the Participant provides services that are similar to the services the Participant provided, or (3) with

responsibilities that are similar to the responsibilities the Participant had, in each case, during the final 12 months the Participant was employed by the Company or the Employer (or during the period of the Participant's employment, if the Participant was employed for less than 12 months).

(iii) Competitive Services. "Competitive Services" means services of the type that the Company or the Employer provided or offered to its customers or partners at any time during the 12 months immediately preceding the last day of the Participant's employment with the Company or the Employer (or at any time during the Participant's employment if the Participant was employed for less than 12 months), and for which services the Participant was involved in providing or managing.

(iv) Competitive Products. "Competitive Products" means products that serve the same function as, or that could be used to replace, products the Company or the Employer provided to, offered to, or was in the process of developing for a present, former, or future possible customer/partner at any time during the twelve (12) months immediately preceding the last day of the Participant's employment with the Company or the Employer (or at any time during the Participant's employment if the Participant was employed for less than 12 months), with which the Participant had direct responsibility for the sale or development of such products or managing those persons responsible for the sale or development of such products.

(v) Confidential Information. "Confidential Information" means, individually and collectively, the Company's or the Employer's confidential, proprietary and/or trade secret information relating to the Company's actual or anticipated business and/or the Company's or the Employer's existing and prospective clients, products, services, and technology. Confidential Information includes, but is not limited to, existing and prospective client databases, lists, identities, characteristics, and contact information, information regarding decision-makers for the Company's or the Employer's existing and prospective clients, proposals, intellectual property, and other proprietary features of Company's or the Employer's current and anticipated computer programs, software, training materials and products, trade secrets or know-how, pricing schedules, financial information, processes, strategic plans and initiatives, investment strategies and plans, marketing and sales techniques and plans, budgets, projections, forecasts, employee personnel files and other non-public information about Company or Employer employees, compensation or other terms of employment, contracts, procedures, all non-public information that has or could have commercial value or other utility in the business in which the Company or the Employer is engaged or contemplates engaging, and all information the unauthorized use or disclosure of which could be detrimental to the interests of the Company or the Employer, whether or not such information is labeled, marked, or otherwise identified as Confidential Information by the Company or the Employer, and all compilations, reproductions, and derivations of any of the foregoing information. Confidential Information includes not only

information disclosed by the Company or the Employer to the Participant, but also information developed, obtained, or learned, and work product produced, and all by the Participant during the course of the Participant's employment with the Company or the Employer or derived from use of any Company or Employer equipment, systems or information. Confidential Information (i) includes the foregoing information even if disclosed to the Participant in connection with the contemplation of the Participant becoming an employee of the Company or the Employer, i.e., prior to the effective date of the Participant's employment, or prior to the Participant signing this Award Agreement, and (ii) does not include any information that is publicly known, or after it becomes publicly known through no wrongful act or omission of the Participant or of others who were under confidentiality or non-disclosure obligations at that time related to such information.

(vi) Covered Employee. "Covered Employee" means any then-current employee of the Company or the Employer or any employee who has been employed by the Company or the Employer in the twelve (12) months before the Participant's last day of employment (or at any time during the Participant's employment if the Participant was employed for less than 12 months) with whom the Participant had contact during the course of performing the Participant's duties.

(vii) Direct Competitor. "Direct Competitor" means any person, business, company or operation, irrespective of form (e.g., a sole proprietorship, partnership, limited liability company, corporation, joint venture or other type of entity) that (1) provides Competitive Products and/or Competitive Services or (2) owns or controls a significant interest in any entity that provides, or proposes or plans to provide, any Competitive Product and/or Competitive Services.

(viii) Restricted Period. "Restricted Period" means the period during the Participant's employment with the Company or the Employer and for a period of twelve (12) months (or such longer period as set forth in another agreement between the Participant and the Company or the Employer) immediately following the termination of the Participant's employment with the Company or the Employer, regardless of the reason for the termination, whether voluntary or involuntary.

(d) Non-disparagement. The Participant agrees that, while employed with the Company or the Employer and thereafter, the Participant will not, directly or indirectly, individually or in concert with others, engage in any conduct or make any statement calculated or likely to have the effect of undermining, disparaging or otherwise reflecting poorly upon the Company or the Employer, any member of its Board of Directors or any executive officer of the Company or the Employer (the "Protected Persons") or the Company's or the Employer's business. This Section does not, in any way, restrict or impede the Participant from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized

Governmental Entity, provided that such compliance does not exceed that required by the law, regulation, or order.

(e) Exception. Nothing in this Award Agreement is intended to prevent the Participant from making disclosures of Confidential Information if required by applicable law, regulation, or legal process, provided that the Participant provide the Company or the Employer with prior notice of the contemplated disclosure and reasonably cooperate with the Company or the Employer, at its expense, in seeking a protective order or other appropriate protection of such information. In addition, nothing in this Award Agreement is intended interfere with the whistleblower provisions of any United States federal, state or local law or regulation, including but not limited to Rule 21F-17 of the Securities Exchange Act of 1934 or § 1833(b) of the U.S. Defend Trade Secrets Act of 2016 (the “DTSA”). Accordingly, notwithstanding anything to the contrary therein, nothing in this Award Agreement prohibits, restricts or prevents the Participant from reporting possible violations of United States federal, state or local law or regulation to any United States federal, state or local governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, or from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from disclosing trade secrets and other Confidential Information in the course of such reporting; provided, however, that the Participant use the Participant’s reasonable best efforts to (i) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity, and (ii) request that such agency or entity treat such information as confidential. The Participant does not need the prior authorization from the Company or the Employer to make any such whistleblower reports or disclosures and is not required to notify the Company or the Employer that the Participant has made such reports or disclosures. The Participant understands and acknowledges that the DTSA provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (X) files any document containing the trade secret under seal; and (Y) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement by and between the Participant and the Company is intended to conflict with the DTSA or create liability for disclosures of trade secrets expressly allowed by such section.

(f) Severability and Enforcement. The covenants set forth in Section 9 of the Award Agreement are independent and severable from every other provision of this Award Agreement, and the breach of any other provision of this Award Agreement by the Company or the Employer or any other agreement between the Participant and the Company or the Employer shall not affect the validity of the provisions of Section 9 or

constitute a defense in any action brought by the Company or the Employer to enforce the provisions of Section 9 or to seek any relief for the Participant's breach thereof. The parties agree that if a competent authority declines to enforce any of the provisions of Section 9, that the authority responsible for such determination shall have the power to reduce, modify or limit the restrictions to restrict competition with or solicitation from the Company or the Employer to the maximum extent permitted by law. To the extent that any invalid or unenforceable provision cannot be cured by modification or reformation, such offending provision shall be limited or eliminated to the minimum extent necessary so that this Section 9 shall otherwise remain in full force and effect and be enforceable. The modification, reformation, limitation or elimination of any provision of this Section 9 shall not affect the validity or enforceability of the remaining provisions of this Agreement in that jurisdiction, or the validity or enforceability of this Agreement in any other jurisdiction. The provisions of this Section 9 will not apply to the Participant to the extent any such provision is prohibited or otherwise restricted by applicable law.

(g) State-Specific Modifications. The US State Addendum, attached hereto and hereby incorporated herein, contains certain important modifications that may apply to the Participant based on the laws of the state of the Participant's Primary Place of Employment if the Participant primarily performs services in the United States. The Participant acknowledges that the Participant reviewed the US State Addendum before electronically accepting this Award Agreement and understand the impact of state law modifications, if any, that may apply to the Participant. The term "Primary Place of Employment" means the location where the Participant primarily performs services for the Company as designated by the Company or the Employer in accordance with the Company's or the Employer's applicable policies and procedures.

10. Miscellaneous.

(a) Neither this Award Agreement nor the Plan confers on the Participant any right with respect to the continuance of employment by the Company or the Employer, nor will there be a limitation in any way on the right of the Company or the Employer to terminate the Participant's employment at any time.

(b) An original record of this Award Agreement and of the Participant's acceptance and acknowledgement will be held on file by the Company. This Award Agreement and the Participant's acknowledgement may be made either in paper or electronic format as specified by the Company. To the extent there is any conflict between the terms contained in this Award Agreement and the terms contained in the original held by the Company, the terms of the original held by the Company will control. Notwithstanding anything to the contrary herein, upon a Change in Control in which the surviving entity does not assume this Award (or replace this Award with an Award having substantially similar terms), this Award shall be treated in accordance with Section 14.3(b) of the Plan.

11. Section 409A Compliance. To the extent applicable, it is intended that this Award Agreement be exempt from or comply with the provisions of Section 409A of the Internal Revenue Code, as amended ("Section 409A"). This Award Agreement will be administered and

interpreted in a manner consistent with this intent, and any provision that would cause the Award Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). If any payments under this Award Agreement constitute nonqualified deferred compensation subject to the requirements of Section 409A and are payable upon a termination of the Participant's employment, then (a) all such payments shall be made only upon a "separation from service" within the meaning of Section 409A, (b) for purposes of determining the timing of such payments, the Participant's termination shall not be considered to occur until the Participant has incurred such a separation from service and (c) to the extent required for compliance with Section 409A if the Participant is a "specified employee" within the meaning of Section 409A, payments will be delayed by six months.

12. Section 280G. Notwithstanding anything contained in this Award Agreement to the contrary, to the extent that any of the payments and benefits provided for under this Award Agreement, together with any payments or benefits under any other agreement or arrangement between the Company or any of its affiliates and the Participant (collectively, the "Payments") would constitute a "parachute payment" within the meaning of Section 280G of the Code, the amount of such Payments shall be reduced (to the extent any reduction is necessary) to the amount that would result in no portion of the Payments being subject to the excise tax imposed pursuant to Section 4999 of the Code if and only if such reduction would provide the Participant with an after-tax amount greater than if there was no reduction. Any reduction shall be done in a manner that maximizes the amount to be retained by the Participant, provided that to the extent any order is required to be set forth herein, then such reduction shall be applied in the following order: (a) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (b) payments due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced next (if necessary, to zero), with amounts that are payable or deliverable last reduced first; (c) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); (d) payments due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24 will be reduced next (if necessary, to zero), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and (v) all other non-cash benefits will be next reduced pro-rata.

13. Electronic Delivery. The Company, in its sole discretion, may decide to deliver any documents related to the Performance Share Units to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

14. Data Privacy. The Company is located at 855 East Main Avenue, Zeeland, MI 49464, United States of America and grants Performance Share Units under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of Performance Share Units under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection,

processing and transfer practices (“Personal Data Activities”). In accepting the grant of Performance Share Units, the Participant expressly and explicitly consents to the Personal Data Activities as described herein. The Participant should consult the Company’s Global Associate Privacy Notice for additional information on its current privacy practices concerning the collection of employee information, a copy of which can be provided by contacting the Participant’s local human resources department or the Company’s privacy team at privacy@millerknoll.com.

(a) Data Collection, Processing and Usage. The Company collects, processes and uses the Participant’s personal data, including the Participant’s name, home address, e-mail address, and telephone number, date of birth, social insurance / passport number or other identification number (e.g. resident registration number), salary, citizenship, job title, any shares of Common Stock or directorships held in the Company, and details of all Performance Share Units or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant’s favor, which the Company receives from the Participant or the Employer (“Personal Information”). In granting Performance Share Units under the Plan, the Company will collect the Participant’s Personal Information for purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Company’s legal basis for the collection, processing and usage of the Participant’s Personal Information is the Participant’s consent.

(b) Stock Plan Service Provider. The Company transfers the Participant’s Personal Information to the Stock Plan Service Provider, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different Stock Plan Service Provider and share the Participant’s Personal Information with another company that serves in a similar manner. The Stock Plan Service Provider will open an account for the Participant to receive and trade shares of Common Stock acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Service Provider, which is a condition to the Participant’s ability to participate in the Plan.

(c) International Data Transfers. The Company and the Stock Plan Service Provider are based in the United States. The Participant should note that the Participant’s country of residence may have enacted data privacy laws that are different from the United States. The Company’s legal basis for the transfer of the Participant’s Personal Information to the United States is the Participant’s consent.

(d) Voluntariness and Consequences of Consent Denial or Withdrawal. The Participant’s participation in the Plan and the Participant’s grant of consent is purely voluntary. The Participant may deny or withdraw the Participant’s consent at any time. If the Participant does not consent, or if the Participant later withdraws the Participant’s consent, the Participant may be unable to participate in the Plan. This would not affect the Participant’s existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.

(e) Data Subject Rights. The Participant may have a number of rights under the data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of Personal Information the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights, the Participant should contact the Participant's local human resources department or the Company's privacy team at privacy@millerknoll.com. Further, the Participant may exercise the Participant's rights via the Company's Privacy Rights Portal (<https://www.millerknoll.com/legal/privacy/privacy-rights>).

15. Severability. In the event that any provision of this Award Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Award Agreement.

16. Governing Law and Venue. Except for Section 9 of this Award Agreement, which shall be governed by, and construed in accordance with, the laws of the State of the Participant's Primary Place of Employment if the Participant primarily works in the United States, the laws of the State of Michigan (other than its choice of law provisions) shall govern this Award Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the Performance Share Units, this Award Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Michigan, and agree that such litigation shall be conducted in the courts of Kent County, or the United States Federal court for the Western District of Michigan, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Award Agreement or any Performance Share Units must be commenced by the Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

17. Nature of Performance Share Units. In accepting the Performance Share Units, the Participant expressly acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(d) the Participant's participation in the Plan is voluntary;

(e) the Performance Share Units, and the income and value of same, is an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Participant's employment or service contract, if any, with the Employer;

(f) the Performance Share Units, and the income and value of same, is an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Participant's employment or service contract, if any, with the Employer;

(g) the Performance Share Units, and the income and value of same, is an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Participant's employment or service contract, if any, with the Employer;

(h) unless otherwise agreed with the Company, the Performance Share Units, and the income from and value of same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary;

(i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

(j) if the shares of Common Stock do not increase in value, the Performance Share Units will have no value;

(k) if the Participant settles the Performance Share Units and obtains shares of Common Stock, the value of the shares of Common Stock obtained upon settlement may increase or decrease in value;

(l) in consideration of the award of the Performance Share Units, no claim or entitlement to compensation or damages shall arise from termination of the Performance Share Units or diminution in value of the Performance Share Units, or shares of Common Stock issued through the settlement of the Performance Share Units, resulting from termination of the Participant's employment or continuous service with the Company or any Subsidiary (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the Performance Share Units, the Participant agrees not to institute any claim against the Company or any Subsidiary; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing/electronically accepting this Award Agreement, the Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue or seek remedy for any such claim; and

(m) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. Dollar that may affect the value of the Performance Share Units or of any amounts due to the Participant pursuant to the settlement of the Performance Share Units or the subsequent sale of any shares of Common Stock acquired upon settlement.

18. Language. The Participant acknowledges that the Participant is proficient in the English language and understands the terms of this Award Agreement. If the Participant has received the Plan, this Award Agreement, the Plan or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by applicable law.

19. Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by the Participant or any other participant.

20. Insider Trading/Market Abuse Laws. By accepting the Performance Share Units, the Participant acknowledges that the Participant is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., Performance Share Units) or rights linked to the value of shares of Common Stock under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (a) disclosing the inside information to any third party, which may include fellow employees and (b) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and the Participant should speak to the Participant's personal advisor on this matter.

21. Legal and Tax Compliance; Cooperation. If the Participant resides or is employed outside of the United States, the Participant agrees, as a condition of the grant of the Performance Share Units, to repatriate all payments attributable to the shares of Common Stock and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of shares of Common Stock acquired pursuant to the Performance Share Units) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Participant's country of residence (and

country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

22. Private Offering. The grant of the Performance Share Units is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the Performance Share Units (unless otherwise required under local law). No employee of the Company is permitted to advise the Participant on whether the Participant should participate in the settlement of any shares of Common Stock pursuant to the Performance Share Units under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the Performance Share Units. Participation in Performance Share Units involves a degree of risk. Before deciding to participate in the settlement of any shares of Common Stock pursuant to the Performance Share Units, the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan or the disposition of them. Further, the Participant should carefully review all of the materials related to the Performance Share Units and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.

23. Foreign Asset/Account Reporting and Exchange Controls. The Participant's country of residence (and country of employment, if different) may have certain exchange control and/or foreign asset/account reporting requirements which may affect the Participant's ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends paid on shares of Common Stock or sale proceeds resulting from the sale of shares of Common Stock) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to comply with any applicable regulations, and that the Participant should speak to the Participant's personal advisor on this matter.

24. Country Addendum. Notwithstanding any provisions of this Award Agreement, the Performance Share Units and any shares of Common Stock acquired under the Plan shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different), as set forth in the addendum to this Award Agreement (the "Country Addendum"). Moreover, if the Participant relocates to one of the countries included in the Country Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines, in its discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the Performance Share Units (or the Company may establish alternative terms and

conditions as may be necessary or advisable to accommodate the Participant's transfer). The Country Addendum shall form part of this Award Agreement.

25. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Performance Share Units and any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in adverse accounting expense to the Company, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

26. Recoupment. The Performance Share Units granted pursuant to this Award Agreement are subject to the terms of the Company's recoupment policy(ies) in the form approved by the Committee from time to time (including any successor(s) thereto, the "Policy") and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the shares of Common Stock and other amounts acquired pursuant to the Participant's Performance Share Units, to re-convey, transfer or otherwise return such shares of Common Stock and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that this Award Agreement and the Policy conflict, the terms of the Policy shall prevail.

27. Notices. The Company may, directly or through its third party Stock Plan Service Provider, endeavor to provide certain notices to the Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding the Participant of the vesting or expiration date of certain awards. The Participant acknowledges and agrees that (a) the Company has no obligation (whether pursuant to this Award Agreement or otherwise) to provide any such notices; (b) to the extent the Company does provide any such notices to the Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (c) the Company, its Subsidiaries and the third party Stock Plan Service Provider have no liability for, and the Participant has no right whatsoever (whether pursuant to this Award Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party Stock Plan Service Provider based on any allegations of, damages or harm suffered by the Participant as a result of the Company's failure to provide any such notices or the Participant's failure to receive any such notices. The Participant further agrees to notify the Company upon any change in the Participant's residence address.

28. Limitations on Liability. Notwithstanding any other provisions of the Plan or this Award Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to the Participant or the Participant's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument the Participant executes in such other capacity. No member of the Board or of the Committee

will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any Performance Share Units.


29. Consent and Agreement With Respect to Plan. The Participant (a) acknowledges that the Plan and the prospectus relating thereto are available to the Participant on the website maintained by the Company's third party Stock Plan Service Provider; (b) represents that the Participant has read and understands the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of the Participant's choice prior to accepting this Award Agreement and fully understands all provisions of this Award Agreement and the Plan; (c) accepts the Performance Share Units subject to all of the terms and provisions thereof; and (d) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Award Agreement.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Award Agreement effective as of the Award Date.

MillerKnoll, Inc.

By: _____


Jeffrey M. Stutz
Chief Financial Officer

ELECTRONIC ACKNOWLEDGEMENT, ACCEPTANCE AND AGREEMENT

By electronically accepting this Award Agreement via the Stock Plan Service Provider's web portal, the Participant hereby acknowledges and accepts the grant of the Performance Share Units described in this Award Agreement, and expressly acknowledges and agrees to be bound by the terms and conditions of the Plan, the Award Notice, this Award Agreement and the following US State Addendum and Country Addendum. Further, the Participant hereby expressly acknowledges and agrees that all decisions and determinations of the Committee with respect to the Performance Share Units and the shares of Common Stock shall be final, conclusive and binding upon the Participant.

Exhibit 31.1

**CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
OF MILLERKNOLL, INC. (THE "REGISTRANT")**

I, Andrea R. Owen, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended December 2, 2023, of MillerKnoll, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2024

/s/ Andrea R. Owen

Andrea R. Owen
President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATE OF THE CHIEF FINANCIAL OFFICER
OF MILLERKNOLL, INC. (THE "REGISTRANT")**

I, Jeffrey M. Stutz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended December 2, 2023, of MillerKnoll, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2024

/s/ Jeffrey M. Stutz
Jeffrey M. Stutz
Chief Financial Officer

Exhibit 32.1

**CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
OF MILLERKNOLL, INC. (THE "COMPANY")**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002:

I, Andrea R. Owen, President and Chief Executive Officer of the company, certify to the best of my knowledge and belief pursuant to Section 906 of Sarbanes-Oxley Act of 2002 that:

- (1) The quarterly report on Form 10-Q for the period ended December 2, 2023, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended December 2, 2023, fairly presents, in all material respects, the financial condition and results of operations of the company

Dated: January 10, 2024

/s/ Andrea R. Owen

Andrea R. Owen
President and Chief Executive Officer

The signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to MillerKnoll, Inc. and will be retained by MillerKnoll, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATE OF THE CHIEF FINANCIAL OFFICER
OF MILLERKNOLL, INC. (THE "COMPANY")**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002:

I, Jeffrey M. Stutz, Chief Financial Officer of the company, certify to the best of my knowledge and belief pursuant to Section 906 of Sarbanes-Oxley Act of 2002 that:

- (1) The quarterly report on Form 10-Q for the period ended December 2, 2023, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended December 2, 2023, fairly presents, in all material respects, the financial condition and results of operations of the company.

Dated: January 10, 2024

/s/ Jeffrey M. Stutz
Jeffrey M. Stutz
Chief Financial Officer

The signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to MillerKnoll, Inc. and will be retained by MillerKnoll, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.