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MILLER HERMAN INC

Form 10-Q

January 11, 2017

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

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

For Quarter Ended December 3, 2016 Commission File No. 001-15141

HERMAN MILLER, INC.

A Michigan Corporation

ID No. 38-0837640

855 East Main Avenue, Zeeland, MI 49464-0302 Phone (616) 654 3000

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, 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Common Stock Outstanding at January 9, 2017 - 59,907,704 shares

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**Herman Miller, Inc. Form 10-Q**  
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**Herman Miller, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income**  
*(Dollars in millions, except per share data)*  
*(Unaudited)*

	Three Months Ended		Six Months Ended	
	December 31,	November 28,	December 31,	November 28,
	2016	2015	2016	2015
Net sales	\$577.5	\$ 580.4	\$1,176.1	\$ 1,145.8
Cost of sales	359.5	356.0	728.1	704.6
Gross margin	218.0	224.4	448.0	441.2
Operating expenses:				
Selling, general, and administrative	149.0	149.7	303.2	292.8
Restructuring expenses	1.0	—	1.0	—
Design and research	18.4	19.2	37.8	37.8
Total operating expenses	168.4	168.9	342.0	330.6
Operating earnings	49.6	55.5	106.0	110.6
Other expenses:				
Interest expense	3.9	3.9	7.6	7.8
Other, net	0.4	(0.4	) (0.2	) 0.1
Earnings before income taxes and equity income	45.3	52.0	98.6	102.7
Income tax expense	14.5	17.2	31.6	34.2
Equity income from nonconsolidated affiliates, net of tax	0.8	0.1	1.1	0.2
Net earnings	31.6	34.9	68.1	68.7
Net earnings (loss) attributable to noncontrolling interests	(0.1	) 0.2	0.1	0.5
<b>Net earnings attributable to Herman Miller, Inc.</b>	<b>\$31.7</b>	<b>\$ 34.7</b>	<b>\$68.0</b>	<b>\$ 68.2</b>
Earnings per share — basic	\$0.53	\$ 0.58	\$1.13	\$ 1.14
Earnings per share — diluted	\$0.53	\$ 0.57	\$1.13	\$ 1.13
Dividends declared, per share	\$0.170	\$ 0.148	\$0.340	\$ 0.295
Other comprehensive loss, net of tax				
Foreign currency translation adjustments	\$(5.7	) \$ (1.0	) \$(10.4	) \$ (4.5
Pension and other post-retirement plans	0.3	0.5	1.6	1.4
Interest rate swap agreement	4.2	—	4.2	—
Other comprehensive loss	(1.2	) (0.5	) (4.6	) (3.1
Comprehensive income	30.4	34.4	63.5	65.6
Comprehensive income (loss) attributable to noncontrolling interests	(0.1	) 0.2	0.1	0.5
<b>Comprehensive income attributable to Herman Miller, Inc.</b>	<b>\$30.5</b>			