



**Baird  
Conference**



**2013**



# Leading Market Position

## Office Furniture - \$1.7B Revenue

*#2 global market position*



HNI Revenue - \$2.0B



### Office Furniture Channels

#### Supplies Driven

- Small office owner is typical customer

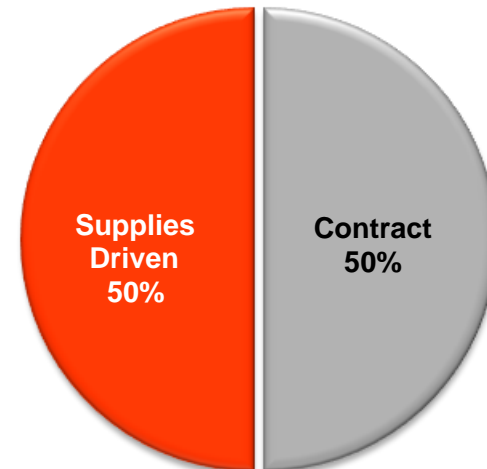
#### Contract

- Large office or image driven firm is target client

#### Key Characteristics

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Shorter buying cycle</li> <li>• Small-medium purchases</li> <li>• Standardized product</li> <li>• Reactive to macro economy</li> <li>• Wholesalers hold inventory</li> </ul> | <ul style="list-style-type: none"> <li>• Longer buying cycle</li> <li>• Project-driven, medium-large products</li> <li>• Customized products</li> <li>• Lags economy</li> <li>• Limited inventory requirements</li> </ul> |
|---|---|

### Office Furniture Revenue by Channel





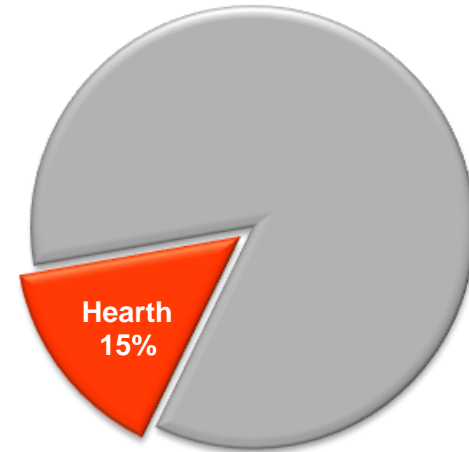
# Leading Market Position

## Hearth - \$0.3B Revenue

*Global market leader*



HNI Revenue - \$2.0B



### New Construction

- Sold through owned & independent installing distributors

### Remodel / Retrofit

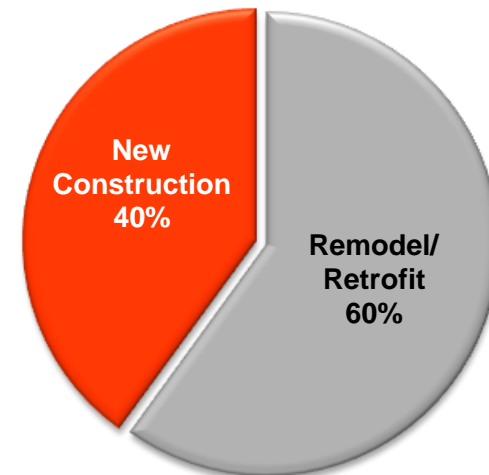
- Sold through owned & independent specialty dealers

### Key Characteristics

- Key customer is new home buyer
- Primarily gas-burning fireplace products
- Leading market position
- Leading portfolio of brands

- Typical customer is existing homeowner
- Serves as a heating source
- Driven by energy prices
- Leading market position

### Hearth Revenue





# Split & Focus

with Leverage

