

HNI

### **Forward-looking Statements**

This presentation contains "forward-looking" statements based on current expectations regarding future plans, events, outlook, objectives and financial performance, expectations for future sales growth and earnings per diluted share (GAAP and non-GAAP). Forward-looking statements can be identified by words including "expect," "believe," "anticipate," "estimate," "may," "will," "would," "could," "confident" or other similar words, phrases or expressions. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Corporation's actual future results and performance to differ materially from expected results. These risks include but are not limited to: general economic conditions in the United States and internationally; unfavorable changes in the United States housing market; industry and competitive conditions; a decline in corporate spending on office furniture; changes in raw material, component or commodity pricing; future acquisitions, divestitures or investments; the cost of energy; changing legal, regulatory, environmental and healthcare conditions; the Corporation's ability to successfully complete its business software system implementation; the Corporation's ability to implement price increases; changes in the sales mix of products; the Corporation's ability to achieve the anticipated benefits from closures and structural alignment initiatives; and force majeure events outside the Corporation's control. A description of these risks and additional risks can be found in the Corporation's annual and quarterly reports filed with the Securities and Exchange Commission on Forms 10-K and 10-Q. The Corporation undertakes no obligation to update, amend or clarify forward-looking statements.

**Thank You Shareholders**

**2015**

**Another **Strong** Year**

# Delivering **Results**



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INCOME \*



+ 30%

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SALES



+ 4%

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CASH



\$173M

\* See GAAP to Non-GAAP reconciliation on website found at [www.hnicorp.com](http://www.hnicorp.com)

# Earnings Growth

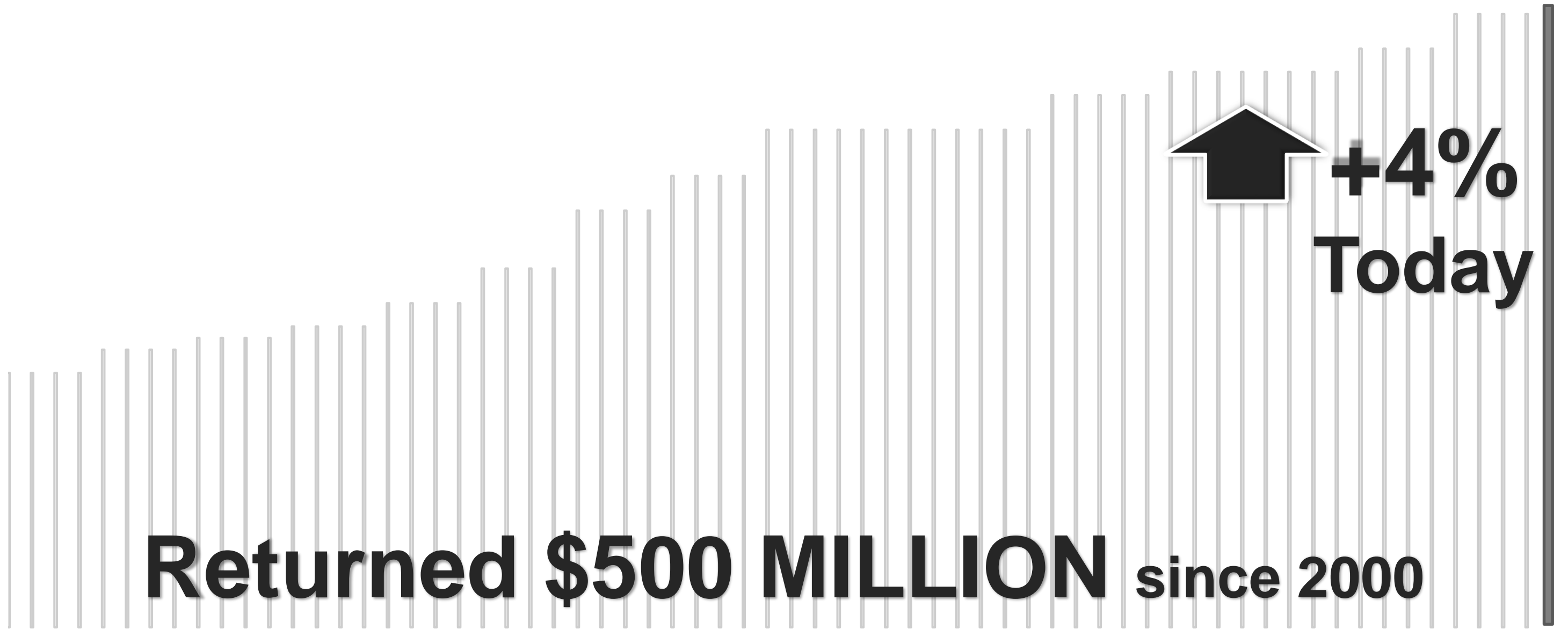


# 2015 **Highlights**

The HNI logo consists of the letters 'HNI' in a white, serif font, centered within a solid black square.

- Office Furniture Profit Improvement
- Record Hearth Earnings
- Outstanding Operational Performance
- Investing for the Long Term
- Business System Transformation (BST)

# Sustainable, Increasing **Dividend**



**Returned \$500 MILLION since 2000**



# 2016 Market Outlook

# Market **Drivers**

## Office Furniture

HNI

- CEO Confidence
- Small Business Confidence
- Corporate Profits

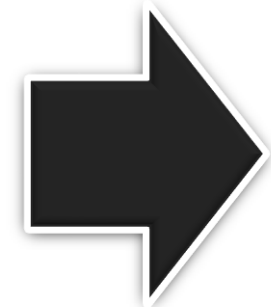


# Market Drivers

## Hearth

HNI

- Single Family Starts
- Consumer Confidence
- Oil Price / Weather



**2016**  
**Well Positioned For**  
**Another **Strong** Year**

# **Significant** Long Term Value Creation Potential

# **Long Term Value Creation**



**OBJECTIVE**

**2X**

**EARNINGS**

**every 3 – 5 years**

# Reasons to **Believe**

The logo for HNI, consisting of the letters 'HNI' in a white, serif font centered within a solid black square.

- Proven Track Record
- Attractive Markets / Leading Positions
- Winning With Winning Customers
- Outstanding Operational Execution
- Financial Capacity and Capability

# The **Power** of HNI

HNI

**LONG TERM  
SHAREHOLDER  
VALUE  
CREATION**

**Leading Market  
Positions**

**Winning Customers**

**Operational Excellence**

**Split and Focus with Leverage**

**Core/Plus**

**Member/Owner Culture with RCI**



**Thank You Shareholders**

*GAAP to Non-GAAP reconciliation*

	<i>2015</i>			<i>2014</i>		
	<i>Amount</i>	<i>% of Net Sales</i>	<i>Earnings per Share</i>	<i>Amount</i>	<i>% of Net Sales</i>	<i>Earnings per Share</i>
<i>GAAP Net Income</i>	<i>\$ 105,436</i>	<i>4.6%</i>	<i>\$ 2.32</i>	<i>\$ 61,471</i>	<i>2.8%</i>	<i>\$ 1.35</i>
<i>Adjustments</i>						
<i>Restructuring and Impairment</i>	<i>\$ 12,569</i>			<i>\$ 38,232</i>		
<i>Transition Costs</i>	<i>4,704</i>			<i>4,894</i>		
<i>(Gain) loss on sales of assets</i>				<i>(10,723)</i>		
<i>Total</i>	<i>\$ 17,273</i>			<i>\$ 32,403</i>		
<i>Tax impact of adjustments</i>	<i>(5,689)</i>			<i>(4,144)</i>		
<i>Non-GAAP Net Income</i>	<i><u>\$ 117,020</u></i>	<i>5.1%</i>	<i>\$ 2.58</i>	<i><u>\$ 89,730</u></i>	<i>4.0%</i>	<i>\$ 1.97</i>