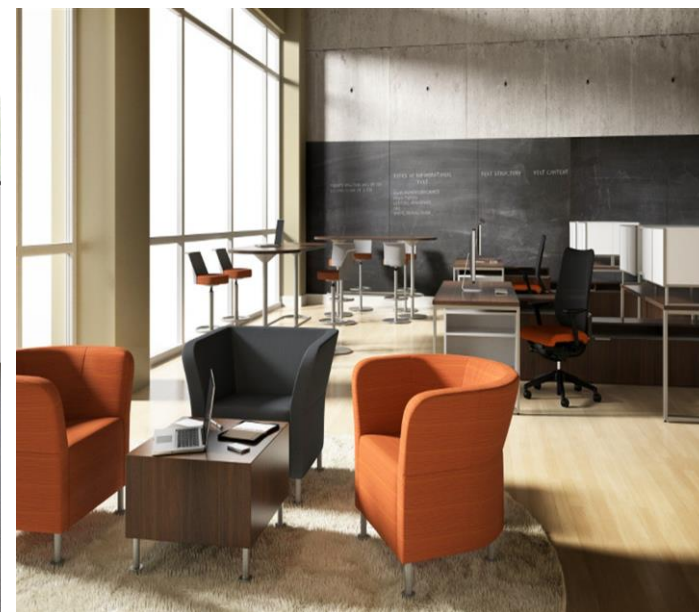


The HNI logo consists of the letters "HNI" in a white, serif font, centered within a solid red square.

SECOND QUARTER FISCAL 2016 RESULTS

July 22, 2016



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.



Conference Call Agenda

2nd Quarter Assessment

Review of 2nd Quarter Financials

Outlook

Q&A

Income Statement	2Q16	2Q15	\$ change	% change Basis Pt Change
Net Sales	536.5	568.2	(31.7)	(5.6%)
Non-GAAP Gross Profit (excluding restructuring and transition costs)	213.8	207.5	6.4	3.1%
% of Net Sales ⁽¹⁾	39.9%	36.5%		340
Restructuring and Transition Costs ⁽²⁾	4.9	1.3	3.6	276.9%
GAAP Gross Profit	208.9	206.1	2.8	1.4%
% of Net Sales	38.9%	36.3%		260
Freight & Distribution	49.9	51.0	(1.2)	(2.3%)
% of Net Sales	9.3%	9.0%		30
Non-GAAP Other SG&A (excluding F&D; restructuring charges; and non-recurring gain) ⁽³⁾	114.5	116.3	(1.7)	(1.5%)
% of Net Sales	21.3%	20.5%		80
Restructuring Charges ⁽²⁾	0.6	(0.6)	1.1	(202.3%)
Non-recurring Gain	(2.0)	-	(2.0)	-
GAAP SG&A	162.9	166.7	(3.8)	(2.3%)
% of Net Sales	30.4%	29.3%		110
Non-GAAP Operating Income	49.5	40.2	9.3	23.1%
% of Net Sales	9.2%	7.1%		210
Operating Income	46.0	39.4	6.6	16.8%
% of Net Sales	8.6%	6.9%		170
Net Income attributable to HNI Corp	29.0	23.9	5.1	21.6%
% of Net Sales	5.4%	4.2%		120
EPS (diluted) - GAAP	\$ 0.64	\$ 0.52	0.12	23.1%
EPS (diluted) - Non-GAAP	\$ 0.68	\$ 0.53	0.15	28.3%
Shares (diluted)	45.6	45.6	0.0	0.0%

(1) Margin improvement driven by strong operational performance, material productivity, and price realization partially offset by lower volume

(2) Includes costs related to consolidation of hearth and office furniture production facilities

(3) Change from prior year due to cost reductions at the operating segments and corporate level, partially offset by incentive based compensation and acquisition impacts



2nd Quarter Results – Segments

Segment Breakdown	2Q16	2Q15	\$ change	% change Basis Pt Change
Sales				
Office Furniture ⁽¹⁾	\$428.1	\$450.6	(\$22.5)	(5.0%)
Hearth Products ⁽²⁾	\$108.4	\$117.6	(\$9.2)	(7.8%)
Total	\$536.5	\$568.2	(\$31.7)	(5.6%)
Operating Profit				
Office Furniture ⁽³⁾	\$43.4	\$39.8	\$3.6	9.0%
Office Furniture Operating Margin ⁽⁴⁾	10.1%	8.8%		130
Hearth Products ⁽⁵⁾	\$10.0	\$11.2	(\$1.2)	(10.8%)
Hearth Operating Margin ⁽⁶⁾	9.2%	9.5%		-30
Unallocated Corporate Expense ⁽⁷⁾	(\$8.4)	(\$13.4)	\$5.0	-37.6%
Income Before Taxes	\$45.0	\$37.6	\$7.4	19.7%

- (1) Organic sales down -6.4%. Supplies channel up +1.0% (organic down -2.2%); all other down -11.1% (organic down -10.7%; North America Contract down -9.0%; International down -20.7%)
- (2) New construction up +7.9%; Retail Non-Pellet down -17.6%; Retail Pellet down -52.0%
- (3) Excluding restructuring and transition costs, non-GAAP Operating Profit is \$45.9M vs \$40.0M prior year
- (4) Non-GAAP operating margin of 10.7% improved due to strong operational performance, material productivity, price realization, and cost reductions partially offset by lower volume, higher incentive based compensation and strategic investments
- (5) Excluding restructuring and transition costs, non-GAAP Operating Profit is \$12.9M vs \$11.7M prior year
- (6) Non-GAAP operating margin of 11.9% improved due to strong operational performance, material productivity, and cost reductions partially offset by lower volume and higher incentive based compensation
- (7) Excluding a non-recurring gain, non-GAAP Unallocated Corporate Expense is \$10.4M for the second quarter 2016. This is lower than prior year due to cost reductions and spend timing partially offset by higher incentive based compensation



Financial Outlook

3rd Quarter

Net Sales – Consolidated	Flat to up +3%
Office Furniture Sales	Flat to up +4%
Hearth Sales	Down -1% to up +3%
Interest Expense	0.8 Million
Annual Effective Tax Rate	35%
Non-GAAP Earnings Per Diluted Share ⁽¹⁾	\$0.90 - \$0.95

Fiscal Year 2016

Non-GAAP Earnings Per Diluted Share ⁽¹⁾	\$2.80 - \$2.95
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(1) Excludes restructuring charges and transition costs and a non-recurring gain



Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: gross profit, operating income, operating profit, and net income per diluted share (i.e., EPS). These measures are adjusted from the comparable GAAP measures to exclude the after-tax impacts of the selected items as summarized in the table below. Non-GAAP EPS is calculated using HNI's overall effective tax rate for the period.

The transactions excluded as part of this earnings presentation include restructuring and transition costs and a non-recurring gain on a litigation settlement. The restructuring and transition costs are costs incurred as part of the previously announced closure of the Paris, Kentucky, hearth manufacturing facility and structural realignments between office furniture facilities in Muscatine, Iowa. Specific items incurred include severance, accelerated depreciation and production move costs.

The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. In addition, these measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

This earnings presentation also contains a forward-looking estimate of non-GAAP earnings per diluted share. We provide such non-GAAP measures to investors on a prospective basis for the same reasons we provide them to investors on a historical basis. We are unable to provide a reconciliation of our forward-looking estimate of non-GAAP earnings per diluted share to a forward-looking estimate of GAAP earnings per diluted share because certain information needed to make a reasonable forward-looking estimate of GAAP earnings per diluted share is difficult to predict and estimate and is often dependent on future events which may be uncertain or outside of our control. These may include unanticipated charges related to asset impairments (fixed assets, intangibles or goodwill), unanticipated acquisition related costs and other unanticipated nonrecurring items not reflective of ongoing operations.



Non-GAAP Reconciliations

Second Quarter – Non-GAAP Financial Measures (Reconciled with most comparable GAAP financial measures)

	Three Months Ended 7/2/2016			Three Months Ended 7/4/2015		
Dollars in millions except per share data as reported (GAAP)	Gross Profit	Operating Income	Diluted EPS	Gross Profit	Operating Income	Diluted EPS
	\$208.9	\$46.0	\$0.64	\$206.1	\$39.4	\$0.52
<i>% of Net Sales</i>	38.9%	8.6%		36.3%	6.9%	
Restructuring Charges	\$1.4	\$2.0	\$0.02	\$0.0	(\$0.6)	(\$0.01)
Transition Costs	\$3.5	\$3.5	\$0.05	\$1.3	\$1.3	\$0.02
Non-recurring Gain	-	(\$2.0)	(\$0.03)	-	-	-
Results (non-GAAP)	\$213.8	\$49.5	\$0.68	\$207.5	\$40.2	\$0.53
<i>% of Net Sales</i>	39.9%	9.2%		36.5%	7.1%	



Non-GAAP Reconciliations (Cont.)

Second Quarter – Non-GAAP Financial Measures (Reconciled with most comparable GAAP financial measures)

Dollars in millions	Office Furniture			Hearth Products		
	Three Months Ended		Percent Change	Three Months Ended		Percent Change
	<u>7/2/2016</u>	<u>7/4/2015</u>		<u>7/2/2016</u>	<u>7/4/2015</u>	
Operating profit as reported (GAAP)	\$43.4	\$39.8	9.0%	\$10.0	\$11.2	(10.8%)
<i>% of Net Sales</i>	10.1%	8.8%		9.2%	9.5%	
Restructuring Charges	-	(\$0.6)		\$2.0	-	
Transition Costs	\$2.5	\$0.8		\$1.0	\$0.5	
Operating profit (non-GAAP)	\$45.9	\$40.0	14.7%	\$12.9	\$11.7	10.2%
<i>% of Net Sales</i>	10.7%	8.9%		11.9%	9.9%	



Non-GAAP Reconciliations (Cont.)

Second Quarter – Non-GAAP Financial Measures (Reconciled with most comparable GAAP financial measures)

	Three Months Ended 7/4/2015		
	Office Furniture	Hearth Products	Total
Net Sales - As Reported	\$450.6	\$117.6	\$568.2
Divestiture Sales	(\$3.2)	-	(\$3.2)
Organic Sales	\$447.4	\$117.6	\$565.0

	Three Months Ended 7/2/2016		
	Office Furniture	Hearth Products	Total
Net Sales - As Reported	\$428.1	\$108.4	\$536.5
Acquisition Sales	(\$9.7)	-	(\$9.7)
Organic Sales	\$418.4	\$108.4	\$526.9
Organic Growth	-6.4%	-7.8%	-6.7%