Second Quarter Fiscal 2021 Results

July 29th, 2021

Forward-Looking Statements

This presentation contains "forward-looking" statements based on current expectations regarding future plans, events, outlook, objectives, financial performance, expectations for sales growth, and earnings per diluted share (GAAP and non-GAAP), including statements regarding the expected effects on our business, financial condition and results of operations from the COVID-19 pandemic. 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: the duration and scope of the COVID-19 pandemic, and its effect on people and the economy; the levels of office furniture needs and housing starts; overall demand for the Corporation’s products; general economic and market conditions in the United States and internationally; industry and competitive conditions; the consolidation and concentration of the Corporation’s customers; the Corporation’s reliance on its network of independent dealers; change in trade policy; changes in raw material, component, or commodity pricing; market acceptance and demand for the Corporation’s new products; changing legal, regulatory, environmental, and healthcare conditions; the risks associated with international operations; the potential impact of product defects; the various restrictions on the Corporation’s financing activities; an inability to protect the Corporation’s intellectual property; impacts of tax legislation; 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 assumes no obligation to update, amend, or clarify forward-looking statements, except as required by applicable law.

Q2 2021 Conference Call Agenda

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I. Q2 2021 highlights

II. Q3 2021 outlook

III. Q&A

Q2 2021 Highlights

- Non-GAAP EPS doubled versus the prior year to $0.40 driven by 22% sales growth despite headwinds related to material inflation, labor availability, and supply chain capacity
- Residential Building Products operating profit more than doubled and total revenue increased 52% on a year-over-year basis
- Workplace Furnishings revenue was up approximately 9% organically and Non-GAAP operating income grew 21% versus the prior-year period
- Quarter-ending debt levels were $179 million, modestly higher than last quarter and down from $183 million last year. Cash totaled $118 million, representing an increase of more than $24 million from the previous quarter

Year-Over-Year Order Patterns

	Q2'21	Q1'21
Workplace Furnishings	+32%	-11%
Residential Building Products*	+53%	+36%

*Normalized

See GAAP to Non-GAAP reconciliations in appendix.

Secular Trends and HNI-Specific Opportunities

Two differentiated business segments each well positioned with cyclical, secular, and HNI-specific growth drivers. We have diversified revenue streams, and clear opportunities to drive revenue growth and shareholder value.

Workplace Furnishings

-- De-urbanization
-- Work-from-home
-- De-densification
-- Price-point breadth and product depth*
-- Channel and market reach*:
  - eCommerce access
  - Video gaming furniture
  - Design Public acquisition

*Opportunities specific to HNI

Residential Building Products

-- De-urbanization
-- Nesting and work-from-home -- Remodel
-- Reversal of recent downsizing trends
-- Record-low mortgage rates
-- Low housing inventory
-- Vertically-integrated*
-- Opportunity to drive growth in an undermarketed category*:
  - New construction: <40% choose a fireplace
  - Remodel: ~3% projects involve a fireplace

Q2 2021 Review

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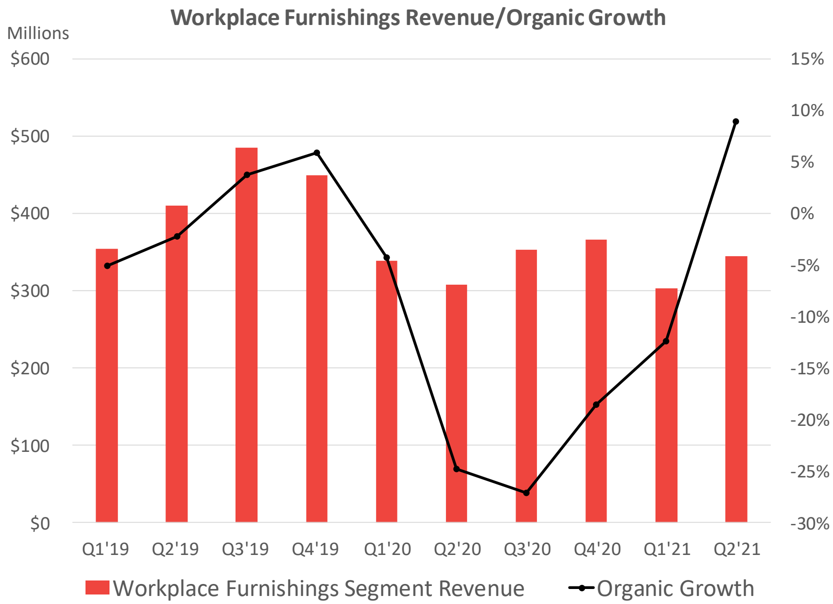
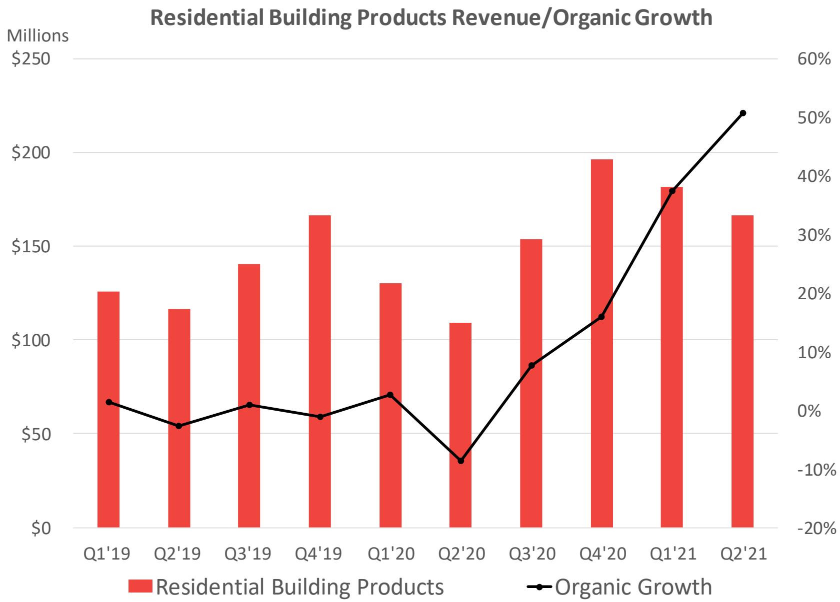
- Total revenue +20% YoY organically
- Residential Building Products revenue +51% YoY organically
  - New construction +31% YoY organically
  - Remodel/retrofit +90% YoY
- Workplace Furnishings revenue +9% YoY organically

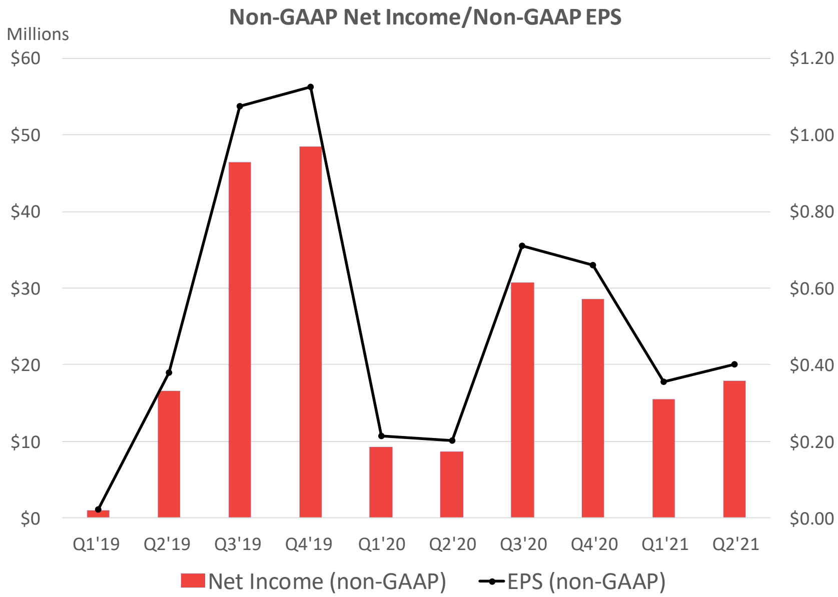


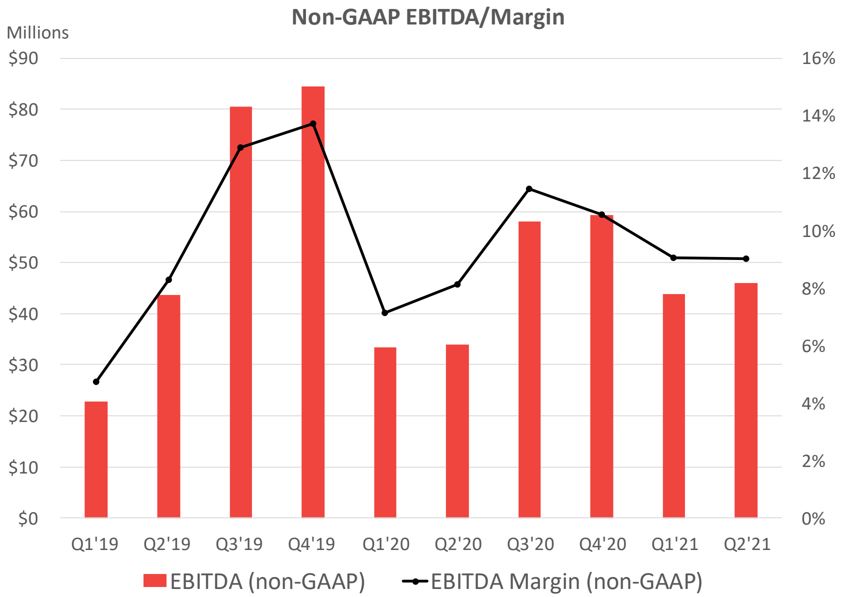


See GAAP to Non-GAAP reconciliations in appendix.

Q2 2021 Review (cont.)

- Gross margin expanded 70 bps year-over-year to 36.8%
- Operating income (non-GAAP) increased 71% year-over-year
- Operating margin (non-GAAP) expanded 140 bps year-over-year to 5.0%
- Reported EPS (non-GAAP) of $0.40 compared to $0.20 in the prior-year





See GAAP to Non-GAAP reconciliations in appendix.

Cash Flow and Liquidity

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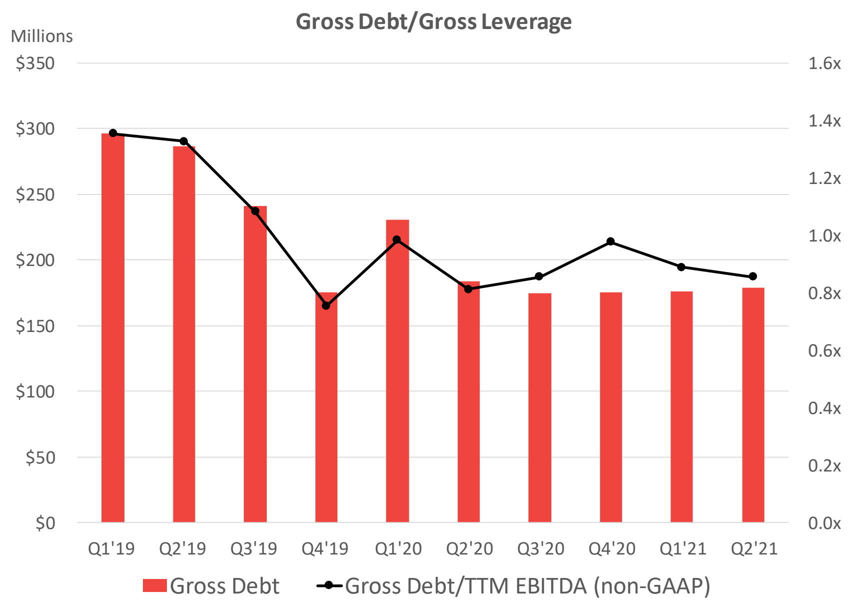
- Quarter-ending debt levels: $179 million
- Quarter-ending gross leverage ratio: 0.9x TTM EBITDA*
- Existing lending agreements gross leverage covenant: 3.5x TTM EBITDA*
- Quarter-ending liquidity (cash plus borrowing availability): $493 million



* As calculated under the Corporation's credit agreements

See GAAP to Non-GAAP reconciliations in appendix.

Q3 2021 Outlook

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Sales and profit outlook:

- Expect consolidated revenue to grow in the mid-20 percent range compared to the prior year quarter, including four to six percentage points negative impact of headwinds from labor availability and supply chain constraints
- Residential Building Products revenue growth in the mid-to-high 20-percent range on a year-over-year basis, net of the impact from constraints
- Workplace Furnishings revenue growth in the low-to-mid 20-percent range year-over-year, including acquisition impacts and the impact of constraints
- Expect the impact of strong volume growth to be mostly offset by cost challenges related to inflationary pressures, increased growth investments, and the return of costs associated with temporary actions taken in 2020

Cash flow and debt:

- Continue to maintain a strong balance sheet throughout 2021
- Expect increase in free cash flow generation to provide ample capacity for continued growth investment, dividend payments, and opportunistic M&A and buyback activity in the second half of the year

Appendix

Q2 2021 Details – Segments

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Segment Breakdown	2Q21	2Q20	$ change F/(U)	% change Basis Pt Change
Sales				
Workplace Furnishings [1]	$344.1	$308.1	$36.1	11.7%
Residential Building Products [2]	$166.3	$109.4	$56.9	52.1%
Total	**$510.5**	**$417.5**	**$93.0**	**22.3%**
Operating Profit (Loss)				
Workplace Furnishings [3]	$8.8	$7.8	$1.0	12.5%
Workplace Furnishings Operating Margin [4]	2.5%	2.5%		-
Residential Building Products	$30.5	$14.4	$16.2	112.5%
Residential Building Products Operating Margin	18.4%	13.1%		530
General Corporate	($14.6)	($7.3)	($7.3)	(99.7%)
Interest Income (Expense)	($1.9)	($1.9)	$0.1	4.4%
Income Before Taxes	$22.8	$12.9	$9.9	77.0%

(1) Organic up 8.9%; acquisition of Design Public Group increased year-over-year sales by $8.7 million
(2) Organic up 50.7%; New construction up 31.1%; Remodel/retrofit products up 89.9%
(3) Non-GAAP operating profit of $9.4M up compared to prior year non-GAAP operating profit of $7.8M
(4) Non-GAAP operating margin of 2.7% up compared to PY non-GAAP operating margin of 2.5%

See GAAP to Non-GAAP reconciliations in appendix.

Q2 2021 Details

Income Statement	2Q21	2Q20	$ change F/(U)	% change Basis Pt Change
Net Sales	$510.5	$417.5	$93.0	22.3%
Non-GAAP Gross Profit	187.9	150.9	37.0	24.5%
% of Net Sales (1)	36.8%	36.1%		70
Gross Profit	$187.9	$150.9	$37.0	24.5%
% of Net Sales	36.8%	36.1%		70
Freight & Distribution	47.8	41.7	(6.1)	14.5%
% of Net Sales	9.4%	10.0%		-60
Non-GAAP Other SG&A (excluding F&D; COVID-19 costs)	114.8	94.3	(20.4)	21.6%
% of Net Sales	22.5%	22.6%		-10
COVID-19 costs (2)	0.6	-	(0.6)	
Operating Income	$24.7	$14.8	$9.8	66.3%
% of Net Sales	4.8%	3.6%		120
Non-GAAP Operating Income	$25.3	$14.8	$10.5	70.7%
% of Net Sales	5.0%	3.6%		140
Net Income attributable to HNI Corp	$17.4	$12.6	$4.9	(38.7%)
% of Net Sales	3.4%	3.0%		40
EPS (diluted) - GAAP	$0.39	$0.29	$0.10	34.5%
EPS (diluted) - Non-GAAP	$0.40	$0.20	$0.20	100.0%
Shares (diluted)	44.5	42.9		

(1) Gross profit margin expanded compared to prior year primarily driven by higher volume and improved net productivity, partially offset by unfavorable price-cost and the return of costs related to temporary actions taken in the prior-year quarter

(2) Comprised of one-time costs from exiting Workplace Furnishings showrooms

See GAAP to Non-GAAP reconciliations in appendix.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial information as defined by Securities and Exchange Commission Regulation G. Pursuant to the requirements of this regulation, reconciliations of this non-GAAP financial information to HNI's financial statements as prepared in accordance with GAAP are included below and throughout this presentation. This information gives investors additional insights into HNI's financial performance and operations. While HNI's management believes the non-GAAP financial measures are useful in evaluating HNI's operations, this information should be considered supplemental and not 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.

To supplement condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, this presentation uses the following non-GAAP financial measures: organic sales, gross profit, operating income (loss), operating profit (loss), income taxes, net income (loss), and net income (loss) per diluted share (i.e., EPS). These measures are adjusted from the comparable GAAP measures to exclude the impacts of the selected items as summarized in the table below. Generally, non-GAAP EPS is calculated using HNI's overall effective tax rate for the year, as this rate is reflective of the tax applicable to most non-GAAP adjustments.

The sales adjustments to arrive at the non-GAAP organic sales information included in this presentation excludes the impact of acquiring DPG and residential building products distributors. The transactions excluded for purposes of our other non-GAAP financial information included in this presentation include non-recurring costs related to the COVID-19 pandemic.

Non-GAAP Reconciliations

(Dollars in millions)	Three Months Ended 7/3/2021			Three Months Ended 6/27/2020		
	Workplace Furnishings	Residential Building Products	Total	Workplace Furnishings	Residential Building Products	Total
Sales as reported (GAAP)	**$344.1**	**$166.3**	**$510.5**	**$308.1**	**$109.4**	**$417.5**
% change from PY	*11.7%*	*52.1%*	*22.3%*			
Less: Impact of Acquisitions	8.7	1.5	10.2	-	-	-
Organic sales (non-GAAP)	**$335.4**	**$164.8**	**$500.2**	**$308.1**	**$109.4**	**$417.5**
% change from PY	*8.9%*	*50.7%*	*19.8%*			

Non-GAAP Reconciliations (cont.)

(Dollars in millions, except per share data)	Three Months Ended 7/3/2021				
	Gross Profit	Operating Income	Tax	Net Income	Diluted EPS
As reported (GAAP)	**$187.9**	**$24.7**	**$5.4**	**$17.4**	**$0.39**
% of net sales	*36.8%*	*4.8%*		*3.4%*	
Tax %			*23.7%*		
COVID-19 costs	-	0.6	0.2	0.5	0.01
Results (non-GAAP)	**$187.9**	**$25.3**	**$5.6**	**$17.9**	**$0.40**
% of net sales	*36.8%*	*5.0%*		*3.5%*	
Tax %			*23.7%*		

(Dollars in millions, except per share data)	Three Months Ended 6/27/2020				
	Gross Profit	Operating Income	Tax	Net Income	Diluted EPS
As reported (GAAP)	**$150.9**	**$14.8**	**$0.3**	**$12.6**	**$0.29**
% of net sales	*36.1%*	*3.6%*		*3.0%*	
Tax %			*2.7%*		
Income tax adjustment	-	-	3.8	(3.8)	(0.09)
Results (non-GAAP)	**$150.9**	**$14.8**	**$4.2**	**$8.7**	**$0.20**
% of net sales	*36.1%*	*3.6%*		*2.1%*	
Tax %			*32.5%*		

Non-GAAP Reconciliations (cont.)

HNI

(Dollars in millions)	Workplace Furnishings			Residential Building Products		
	Three Months Ended		Percent	Three Months Ended		Percent
	7/3/2021	6/27/2020	Change	7/3/2021	6/27/2020	Change
Operating profit as reported (GAAP)	**$8.8**	**$7.8**	**12.5%**	**$30.5**	**$14.4**	**112.5%**
% of net sales	*2.5%*	*2.5%*		*18.4%*	*13.1%*	
COVID-19 costs	0.6	-		-	-	
Operating profit (non-GAAP)	**$9.4**	**$7.8**	**20.8%**	**$30.5**	**$14.4**	**112.5%**
% of net sales	*2.7%*	*2.5%*		*18.4%*	*13.1%*	

Non-GAAP Reconciliations (cont.)

HNI

HNI Corporation Reconciliation										
(Dollars in millions)										
Operating Income (Loss) (EBIT)	**2019**				**2020**				**2021**	
(Dollars in millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
As reported (GAAP)	$ 3.7	$ 23.2	$ 60.7	$ 63.8	$ (23.7)	$ 14.8	$ 38.8	$ 31.5	$ 22.6	$ 24.7
Restructuring and impairment charges	-	0.9	0.3	1.2	32.7	-	-	6.2	-	-
Transition costs	-	-	0.2	-	-	-	-	-	-	-
COVID-19 costs	-	-	-	-	5.0	-	-	1.8	0.7	0.6
Non-GAAP Operating Income (EBIT)	3.7	24.2	61.1	64.9	13.9	14.8	38.8	39.5	23.3	25.3
Depreciation and Amortization	19.0	19.4	19.4	19.6	19.5	19.1	19.3	19.8	20.5	20.7
Non-GAAP EBITDA	$ 22.7	$ 43.6	$ 80.5	$ 84.5	$ 33.4	$ 34.0	$ 58.1	$ 59.3	$ 43.8	$ 46.0
Net Income (Loss)	**2019**				**2020**				**2021**	
(Dollars in millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
As reported (GAAP)	$ 1.0	$ 15.8	$ 46.1	$ 47.6	$ (23.9)	$ 12.6	$ 30.7	$ 22.6	$ 15.0	$ 17.4
Restructuring and impairment charges	-	0.7	0.2	0.9	28.7	-	-	4.6	-	-
Transition costs	-	-	0.2	-	-	-	-	-	-	-
COVID-19 costs	-	-	-	-	4.4	-	-	1.4	0.5	0.5
Income tax adjustment	-	-	-	-	-	(3.8)	-	-	-	-
Non-GAAP Net Income	$ 1.0	$ 16.5	$ 46.5	$ 48.5	$ 9.2	$ 8.7	$ 30.7	$ 28.5	$ 15.5	$ 17.9
Earnings Per Share	**2019**				**2020**				**2021**	
(Per share data in dollars)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
As reported (GAAP)	$ 0.02	$ 0.36	$ 1.07	$ 1.10	$ (0.56)	$ 0.29	$ 0.71	$ 0.52	$ 0.34	$0.39
Restructuring and impairment charges	-	0.02	0.01	0.02	0.67	-	-	0.11	-	-
Transition costs	-	-	0.00	-	-	-	-	-	-	-
COVID-19 costs	-	-	-	-	0.10	-	-	0.03	0.01	0.01
Income tax adjustment	-	-	-	-	-	(0.09)	-	-	-	-
Non-GAAP EPS	$ 0.02	$ 0.38	$ 1.08	$ 1.12	$ 0.21	$ 0.20	$ 0.71	$ 0.66	$ 0.36	$0.40

Non-GAAP Reconciliations (cont.)

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Segment Reconciliation										
(Dollars in millions)										
Residential Building Products Sales	**2019**				**2020**				**2021**	
(Dollars in millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
As reported (GAAP)	$ 125.9	$ 116.5	$ 140.6	$ 166.7	$ 130.3	$ 109.4	$ 153.7	$ 196.3	$ 181.5	$ 166.3
Less: Impact of Acquisitions	-	-	-	-	1.1	2.9	2.4	3.0	2.4	1.5
Organic Sales (non-GAAP)	$ 125.9	$ 116.5	$ 140.6	$ 166.7	$ 129.3	$ 106.5	$ 151.3	$ 193.2	$ 179.1	$ 164.8
Workplace Furnishings Sales	**2019**				**2020**				**2021**	
(Dollars in millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
As reported (GAAP)	$ 353.5	$ 409.5	$ 484.8	$ 449.4	$ 338.4	$ 308.1	$ 353.4	$ 365.9	$ 302.7	$ 344.1
Less: Impact of Acquisitions	-	-	-	-	-	-	-	-	6.4	8.7
Organic Sales (non-GAAP)	$ 353.5	$ 409.5	$ 484.8	$ 449.4	$ 338.4	$ 308.1	$ 353.4	$ 365.9	$ 296.4	$ 335.4