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MILLER HERMAN INC  
Form 10-Q  
April 08, 2009

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 February 28, 2009

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 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 April 3, 2009 53,786,928 shares

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HERMAN MILLER, INC. FORM 10-Q  
FOR THE QUARTER ENDED FEBRUARY 28, 2009  
INDEX

	<u>Page No.</u>
Part I - Financial Information	
Item 1 Condensed Consolidated Balance Sheets - February 28, 2009, and May 31, 2008	3
Condensed Consolidated Statements of Operations - Three and Nine Months Ended February 28, 2009, and March 1, 2008	4
Condensed Consolidated Statement of Shareholders' Equity - Nine Months Ended February 28, 2009	5
Condensed Consolidated Statements of Cash Flows - Nine Months Ended February 28, 2009, and March 1, 2008	6
Notes to Condensed Consolidated Financial Statements	7
Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3 Quantitative and Qualitative Disclosures about Market Risk	33
Item 4 Controls and Procedures	34
Part II - Other Information	
Item 1 Legal Proceedings	35
Item 1A Risk Factors	35
Item 2 Unregistered Sales of Equity Securities and Use of Proceeds	36
Item 3 Defaults upon Senior Securities - None	
Item 4 Submission of Matters to a Vote of Security Holders - None	
Item 5 Other Information - None	
Item 6 Exhibits	37
Signatures	38

HERMAN MILLER, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Dollars in Millions Except Share Data)  
(Unaudited)

	February 28, 2009	May 31, 2008
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 172.4	\$ 155.4
Short-term investments	13.3	15.7
Accounts receivable, net	152.1	209.0
Inventories:		
Finished goods	22.3	25.6
Work in process	8.6	13.6
Raw materials	12.9	15.9
Total inventories	43.8	55.1
Prepaid expenses and other	58.7	58.0
<b>Total current assets</b>	<b>440.3</b>	<b>493.2</b>
Property and Equipment, at cost	716.9	723.2
Less - accumulated depreciation	(536.0)	(526.9)
<b>Net property and equipment</b>	<b>180.9</b>	<b>196.3</b>
Other Assets:		
Notes receivable, net	0.5	-
Goodwill	70.6	40.2
Other intangible assets, net	14.8	18.1
Other noncurrent assets	37.2	35.4
<b>Total other assets</b>	<b>123.1</b>	<b>93.7</b>
<b>Total Assets</b>	<b>\$ 744.3</b>	<b>\$ 783.2</b>
<b><u>LIABILITIES &amp; SHAREHOLDERS' EQUITY</u></b>		
Current Liabilities:		
Unfunded checks	\$ 4.0	\$ 8.5
Accounts payable	84.0	117.9
Accrued compensation and benefits	41.6	94.2
Unearned revenue	13.3	16.6
Accrued income tax and other taxes	8.7	19.0
Other accrued liabilities	89.7	54.3
<b>Total current liabilities</b>	<b>241.3</b>	<b>310.5</b>
Long-term Liabilities:		
Long-term debt, less current maturities	377.4	375.5
Pension and post-retirement benefits	33.7	34.3
Income tax liabilities	10.2	9.8
Other liabilities	30.2	29.7
<b>Total long-term liabilities</b>	<b>451.5</b>	<b>449.3</b>
<b>Total Liabilities</b>	<b>692.8</b>	<b>759.8</b>
Shareholders' Equity:		
Preferred stock, no par value (10,000,000 shares authorized, none issued)	-	-
Common stock, \$0.20 par value (240,000,000 shares authorized)	10.8	11.1
Additional paid in capital	5.5	-
Retained earnings	123.2	76.7
Accumulated other comprehensive loss	(84.2)	(60.1)
Key executive deferred compensation plans	(3.8)	(4.3)
<b>Total Shareholders' Equity</b>	<b>51.5</b>	<b>23.4</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 744.3</b>	<b>\$ 783.2</b>

*See accompanying notes to condensed consolidated financial statements*

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HERMAN MILLER, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Dollars in Millions, Except Per Share Data)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	February 28, 2009	March 1, 2008	February 28, 2009	March 1, 2008
Net Sales	\$ 354.4	\$ 495.4	\$ 1,310.1	\$ 1,493.0
Cost of Sales	248.5	325.4	886.4	975.3
<b>Gross Margin</b>	<b>105.9</b>	<b>170.0</b>	<b>423.7</b>	<b>517.7</b>
Operating Expenses	85.3	108.3	291.5	331.9
Restructuring Expenses	23.4	-	23.8	5.2
<b>Operating Earnings (Loss)</b>	<b>(2.8)</b>	<b>61.7</b>	<b>108.4</b>	<b>180.6</b>
Other Expenses (Income):				
Interest expense	6.5	5.0	18.6	12.6
Other, net	(0.5)	(0.4)	(1.8)	(1.5)
Earnings (Loss) Before Income Taxes and Minority Interest	(8.8)	57.1	91.6	169.5
Income Tax Expense (Credit)	(3.6)	18.8	30.8	56.8
Earnings (Loss) Before Minority Interest	(5.2)	38.3	60.8	112.7
Minority Interest, net of income taxes	-	-	-	(0.1)
<b>Net Earnings (Loss)</b>	<b>\$ (5.2)</b>	<b>\$ 38.3</b>	<b>\$ 60.8</b>	<b>\$ 112.8</b>
Earnings (Loss) Per Share - Basic	\$ (0.10)	\$ 0.66	\$ 1.12	\$ 1.87
Earnings (Loss) Per Share - Diluted	\$ (0.10)	\$ 0.65	\$ 1.11	\$ 1.86
Dividends Declared, per share	\$ 0.0880	\$ 0.0880	\$ 0.2640	\$ 0.2640

*See accompanying notes to condensed consolidated financial statements*

HERMAN MILLER, INC.  
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY  
(Dollars in Millions Except Share Data)  
(Unaudited)

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Key Exec. Deferred Comp.	Total Shareholders' Equity
<b>Balance, May 31, 2008</b>	<b>55,706,997</b>	<b>\$ 11.1</b>	<b>\$</b>	<b>\$ 76.7</b>	<b>\$ (60.1)</b>	<b>\$ (4.3)</b>	<b>\$ 23.4</b>
Net earnings				60.8			60.8
Foreign currency translation adjustment					(23.3)		(23.3)
Unrealized holding loss on available-for-sale securities					(0.8)		(0.8)
<b>Total comprehensive income</b>							<b>36.7</b>
Cash dividends declared				(14.3)			(14.3)
Exercise of stock options	23,050		0.6				0.6
Employee stock purchase plan	147,875		2.2				2.2
Repurchase and retirement of common stock	(2,135,094)	(0.3)	0.2				(0.1)
Restricted stock units compensation expense			0.3				0.3
Restricted stock units released	7,936		0.2				0.2
Stock grants compensation expense			0.5				0.5
Stock option compensation expense			2.1				2.1
Stock grants issued	2,000						
Directors' fees	30,004		0.4				0.4
Deferred compensation plan			(0.5)			0.5	
Performance share units compensation expense			(0.5)				(0.5)
<b>Balance, February 28, 2009</b>	<b>53,782,768</b>	<b>\$ 10.8</b>	<b>\$ 5.5</b>	<b>\$ 123.2</b>	<b>\$ (84.2)</b>	<b>\$ (3.8)</b>	<b>\$ 51.5</b>

*See accompanying notes to condensed consolidated financial statements*

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HERMAN MILLER, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF  
CASH FLOWS  
(Dollars in Millions)  
(Unaudited)

	Nine Months Ended	
	February 28, 2009	March 1, 2008
Cash Flows from Operating Activities:		
Net earnings	\$ 60.8	\$ 112.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	32.4	32.8
Stock-based compensation	2.9	4.8
Pension benefits	1.0	3.3
Gain on sale of dealership	(0.8)	(0.6)
Restructuring expense	23.8	5.2
Cash payments related to restructuring	(9.2)	(3.2)
Other, net	4.9	(0.1)
(Increase) decrease in current assets	58.6	(40.4)
Increase (decrease) in current liabilities	(110.0)	8.6
<b>Net Cash Provided by Operating Activities</b>	<b>64.4</b>	<b>123.2</b>
Cash Flows from Investing Activities:		
Changes in notes receivable, net	0.1	0.2
Short-term investment purchases	(3.0)	(9.2)
Short-term investment sales	4.4	7.2
Capital expenditures	(20.3)	(28.2)
Proceeds from sales of property and equipment	0.1	0.3
Proceeds from sale of dealership	1.3	0.6
Acquisitions	(2.9)	(11.7)
Other, net	(0.5)	(0.9)
<b>Net Cash Used for Investing Activities</b>	<b>(20.8)</b>	<b>&amp;nb</b>