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SECOND QUARTER FISCAL 2015 RESULTS

Quarter ended August 29, 2014

WEBCAST

Wednesday, September 24, 2014

steelcase inc

Forward-looking statements

From time to time, in written and oral statements, the company discusses its expectations regarding future events and its plans and objectives for future operations. These forward-looking statements generally are accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to vary from the company's expectations because of factors such as, but not limited to, competitive and general economic conditions domestically and internationally; acts of terrorism, war, governmental action, natural disasters and other Force Majeure events; changes in the legal and regulatory environment; restructuring activities; changes in raw materials and commodity costs; currency fluctuations; changes in customer demands; and the other risks and contingencies detailed in the company's most recent Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission. Steelcase undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

Updating of information

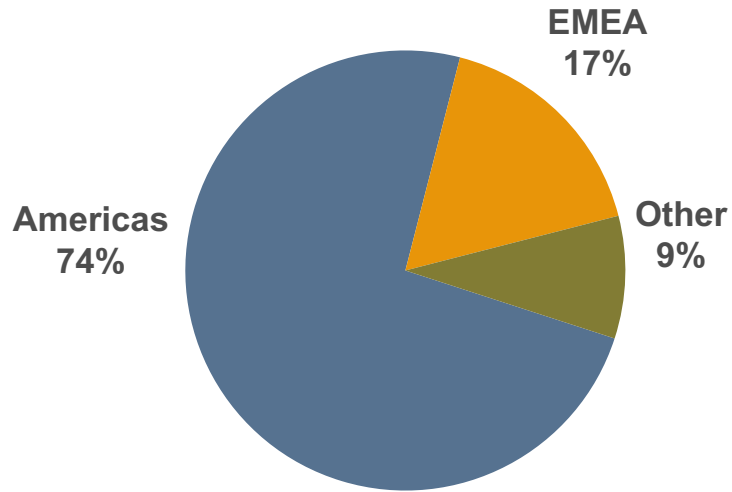
This presentation is provided as a supplement to our earnings release conference call and webcast on the date stated on the cover and is intended to be read in connection with the information provided therein and the related earnings press release. The information contained in this presentation is provided as of the date stated on the cover and may be superseded by information disclosed in our subsequent Form 10-Q, Form 10-K or other filings with the Securities and Exchange Commission. We undertake no obligation to update, amend or clarify this presentation, or any forward-looking statements included herein, whether as a result of new information, future events or otherwise.

Basis of presentation

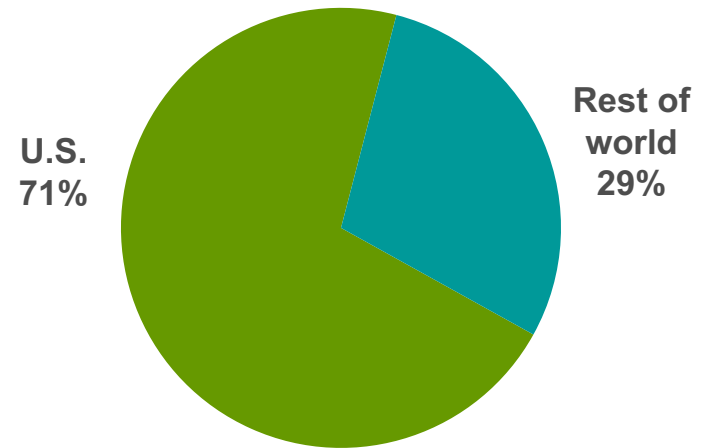
Reference to a year relates to the fiscal year, ended in February of the year indicated, rather than the calendar year, unless indicated by a specific date. Additionally, Q1, Q2, Q3 and Q4 reference the first, second, third and fourth quarter, respectively, of the fiscal year indicated. All amounts are in millions, except share and per share data, data presented as a percentage or as otherwise indicated.

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Segment View



Geographic View



BUSINESS SEGMENTS

- The Americas segment serves customers in the U.S., Canada and Latin America with a portfolio of integrated architecture, furniture and technology products marketed to corporate, government, healthcare, education and retail customers through the Steelcase, Coalesse, Details and Turnstone brands.
- The EMEA segment serves customers in Europe, the Middle East and Africa primarily under the Steelcase and Coalesse brands, with an emphasis on freestanding furniture systems, storage and seating solutions.
- The Other category includes Asia Pacific, Designtex and PolyVision.

	(Unaudited) Three Months Ended				(Unaudited) Three Months Ended	
	August 29, 2014		August 23, 2013		May 30, 2014	
Revenue	\$ 786.7	100.0%	\$ 757.6	100.0%	\$ 723.1	100.0%
Cost of sales	536.1	68.1	513.4	67.8	504.5	69.8
Restructuring costs (benefits)	6.2	0.8	(0.1)	—	(10.5)	(1.5)
Gross profit	244.4	31.1	244.3	32.2	229.1	31.7
Operating expenses	191.4	24.4	188.9	24.9	191.9	26.5
Restructuring costs	0.2	—	3.4	0.4	0.8	0.2
Operating income	52.8	6.7	52.0	6.9	36.4	5.0
Interest expense	(4.4)	(0.6)	(4.5)	(0.6)	(4.4)	(0.6)
Investment income (expense)	0.5	0.1	(1.8)	(0.2)	0.4	0.1
Other income, net	3.2	0.4	0.6	—	3.5	0.5
Income before income tax expense	52.1	6.6	46.3	6.1	35.9	5.0
Income tax expense	21.6	2.7	18.7	2.5	14.9	2.1
Net income	<u>\$ 30.5</u>	<u>3.9%</u>	<u>\$ 27.6</u>	<u>3.6%</u>	<u>\$ 21.0</u>	<u>2.9%</u>
Diluted earnings per share	\$ 0.24		\$ 0.22		\$ 0.17	

- **Net income** – The increase was driven by a modest improvement in adjusted operating income, investment income in Q2 2015 compared to investment losses in Q2 2014 and higher other income, net, partially offset by higher restructuring costs and higher income tax expense.

- **Operating income** – The increase in adjusted operating income compared to the prior year was driven by operating leverage from the revenue growth and benefits of improved pricing in the Americas, largely offset by approximately \$9 million of disruption and inefficiencies associated with the manufacturing footprint changes in EMEA.

Sequentially, the increase in adjusted operating income was largely driven by operating leverage from organic revenue growth, improved pricing in the Americas and lower variable compensation. Lower warranty expense, overhead, freight and distribution costs in the Americas were largely offset by higher disruption and inefficiencies associated with the manufacturing footprint changes in EMEA.

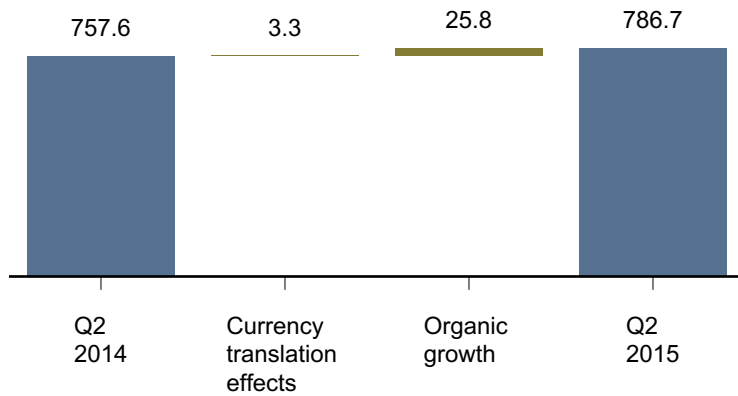
- **Investment income (expense)** – Q2 2014 included losses on variable life company-owned life insurance.

- **Other income, net** – The increase was primarily due to lower foreign exchange losses and higher equity in income of unconsolidated ventures.

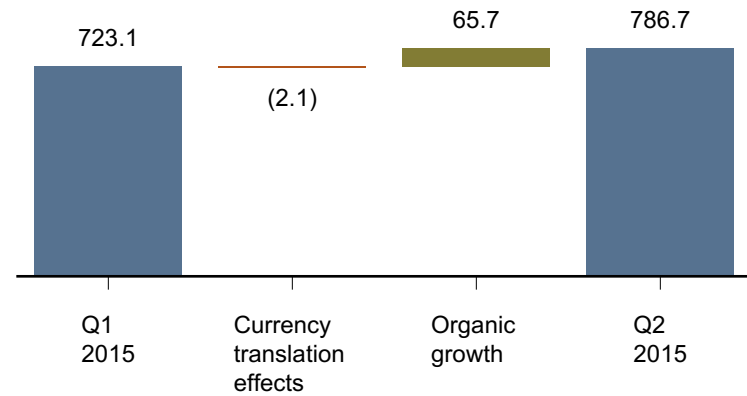
- **Income tax expense** – Income tax expense reflected an overall effective tax rate of approximately 41.5%. The higher rate compared to the US statutory rate was primarily driven by losses in EMEA, which result in deferred tax assets in various jurisdictions for which full valuation allowances have been recorded.

Revenue

Current year quarter over prior year quarter



Sequential quarter over quarter

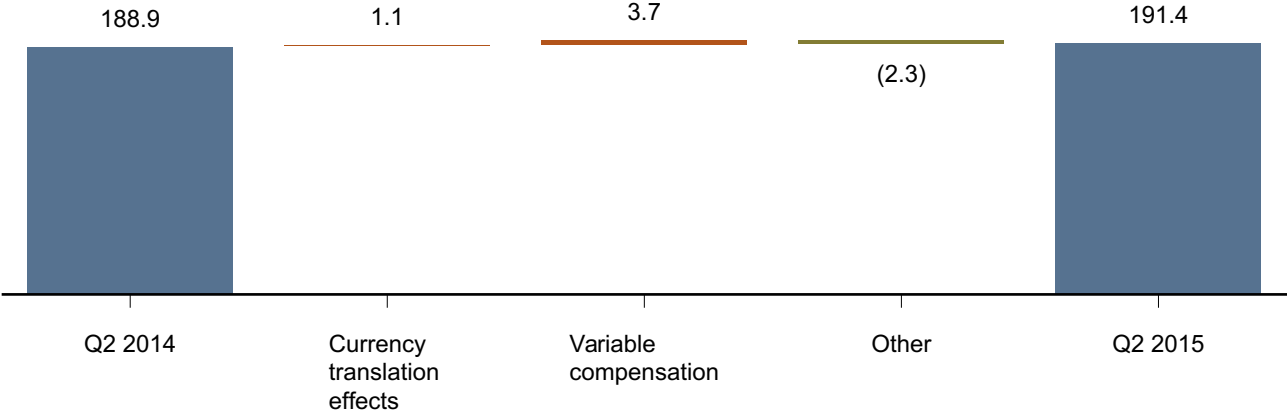


- **Revenue** – The increase in revenue over the prior year quarter was primarily driven by organic growth of 3%. The Americas and the Other category had organic revenue growth of 4% and 13%, respectively, while EMEA experienced an organic revenue decline of 4%.

On a sequential quarter basis, the organic revenue growth was 9% after adjusting for unfavorable foreign currency translation effects.

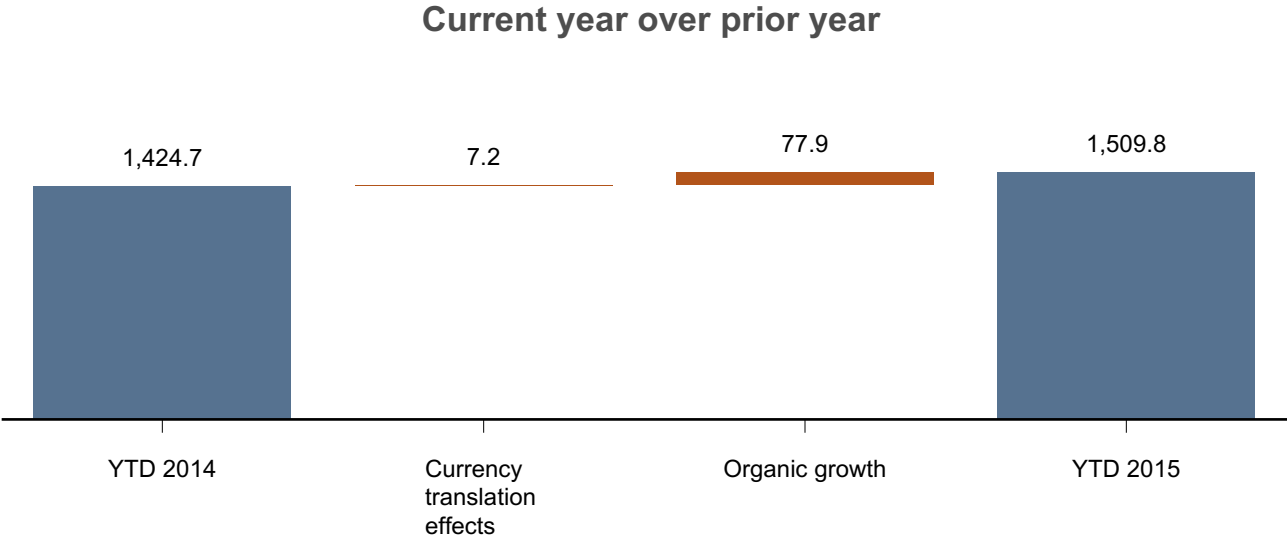
Operating expenses

Current year quarter over prior year quarter



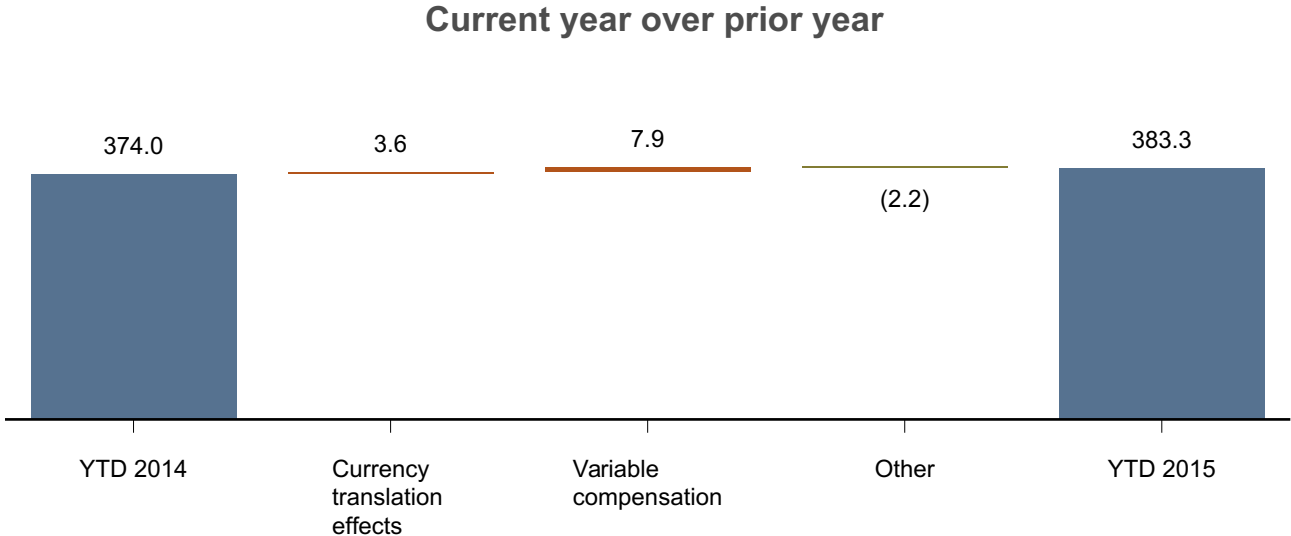
- **Operating expenses** – The increase was largely driven by higher variable compensation and unfavorable foreign currency translation effects.

Revenue



- **Revenue** – The year-to-date increase was largely driven by organic revenue growth of 5%. We realized organic revenue growth of 5% in the Americas, 3% in EMEA and 13% in the Other category.

Operating expenses



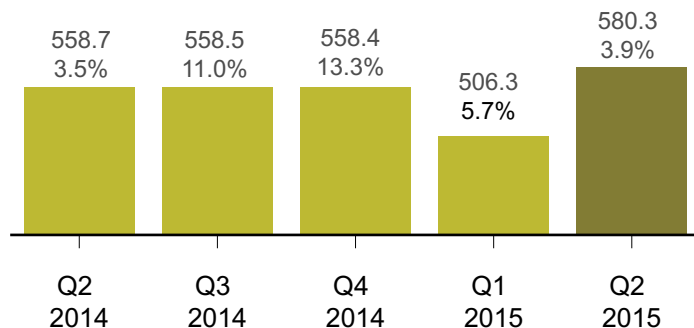
- **Operating expenses** – The year-to-date increase was largely driven by higher variable compensation and unfavorable foreign currency translation effects.

Quarterly cash flow data (unaudited)

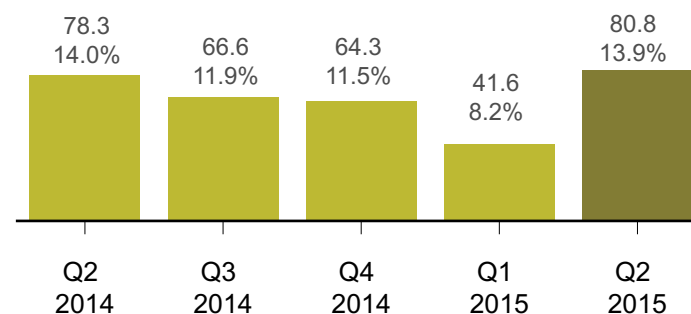
steelcase inc

	August 23, 2013	November 22, 2013	February 28, 2014	May 30, 2014	August 29, 2014
OPERATING ACTIVITIES					
Net income	\$ 27.6	\$ 23.0	\$ 23.9	\$ 21.0	\$ 30.5
Depreciation and amortization	14.8	14.9	16.2	14.7	14.6
Deferred income taxes	(0.6)	(2.8)	16.8	13.0	5.1
Goodwill and intangible asset impairment charges	—	12.9	—	—	—
Restructuring charges (benefits)	3.3	1.7	(2.8)	(9.7)	6.4
Non-cash stock compensation	1.7	2.2	2.1	9.6	3.0
Equity in income of unconsolidated affiliates	(2.8)	(3.1)	(2.6)	(3.7)	(3.7)
Dividends received from unconsolidated affiliates	2.5	0.8	2.2	2.3	3.1
Changes in accounts receivable, net, inventories and accounts payable	(19.9)	(24.6)	41.3	(16.9)	(26.6)
Changes in employee compensation liabilities	16.7	27.6	9.2	(74.4)	19.9
Changes in other operating assets and liabilities	11.6	28.9	(28.0)	(26.7)	6.0
Other, net	1.5	(1.6)	3.5	(1.8)	(1.9)
Net cash provided by (used in) operating activities	<u>56.4</u>	<u>79.9</u>	<u>81.8</u>	<u>(72.6)</u>	<u>56.4</u>
INVESTING ACTIVITIES					
Capital expenditures	(18.0)	(15.5)	(34.9)	(15.8)	(28.5)
Proceeds from disposal of fixed assets	0.7	0.5	7.4	19.0	0.1
Changes in investments, net	0.1	(104.3)	23.2	35.8	10.7
Liquidation of COLI investment	—	74.5	—	—	—
Other, net	(1.1)	(0.5)	4.0	9.8	1.2
Net cash provided by (used in) investing activities	<u>(18.3)</u>	<u>(45.3)</u>	<u>(0.3)</u>	<u>48.8</u>	<u>(16.5)</u>
FINANCING ACTIVITIES					
Dividends paid	(12.6)	(12.5)	(12.6)	(13.6)	(13.0)
Common stock repurchases	(0.1)	(1.0)	(17.1)	(5.9)	(28.4)
Other, net	(0.6)	(0.4)	1.2	(0.6)	(0.4)
Net cash used in financing activities	<u>(13.3)</u>	<u>(13.9)</u>	<u>(28.5)</u>	<u>(20.1)</u>	<u>(41.8)</u>
Effect of exchange rate changes on cash and cash equivalents	(0.1)	0.6	(0.3)	0.4	(0.7)
Net increase (decrease) in cash and cash equivalents	24.7	21.3	52.7	(43.5)	(2.6)
Cash and cash equivalents, beginning of period	103.1	127.8	149.1	201.8	158.3
Cash and cash equivalents, end of period	<u>\$ 127.8</u>	<u>\$ 149.1</u>	<u>\$ 201.8</u>	<u>\$ 158.3</u>	<u>\$ 155.7</u>

Revenue
(% change versus prior year)

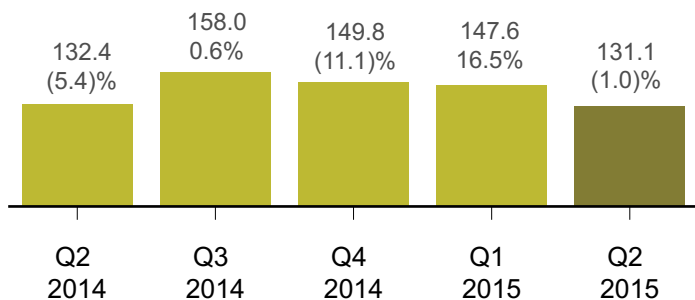


Adjusted operating income
(% of revenue)

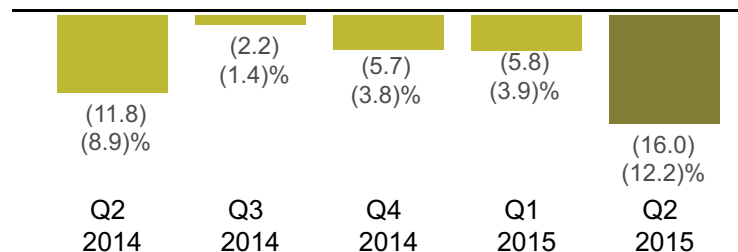


- **Revenue** – Organic revenue growth was \$23.2, or 4%.
 - **Product categories** – Six out of nine categories experienced growth, led by Coalesse and Turnstone.
 - **Vertical markets** – Technical and Professional, Federal Government and Information Technology experienced strong growth while Healthcare, Education, State and Local Government and Financial Services declined year-over-year.
 - **Geographic regions** – Strength in the West and East Business Groups was more than enough to offset a decline in the South Business Group.
 - **Contract type** – Project business had strong growth, while continuing business grew modestly and marketing programs declined year-over-year.
- **Adjusted operating income** – Current quarter adjusted operating income increased modestly compared to the prior year. Operating leverage associated with the organic revenue growth and improved pricing were partially offset by increased operating expenses.

Revenue
(% change versus prior year)

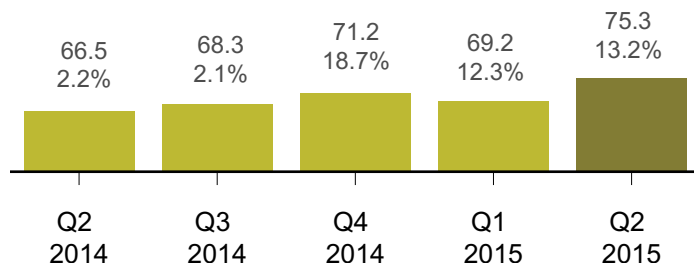


Adjusted operating loss
(% of revenue)

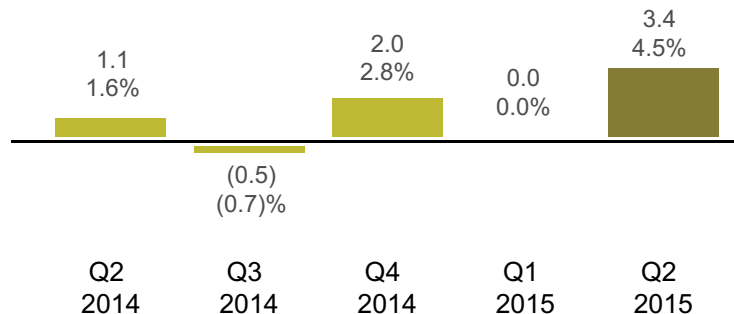


- **Revenue** – The organic revenue decline was \$6.1, or 4%. Organic growth in Benelux, Africa and Spain was more than offset by declines in the Middle East, the export markets of the central, eastern and southern parts of Europe (as a group), France and Germany.
- **Adjusted operating loss** – The higher adjusted operating loss was primarily driven by the organic revenue decline and higher cost of sales due to disruption and inefficiencies associated with the manufacturing footprint changes.

Revenue
(% change versus prior year)



Adjusted operating income (loss)
(% of revenue)



Other

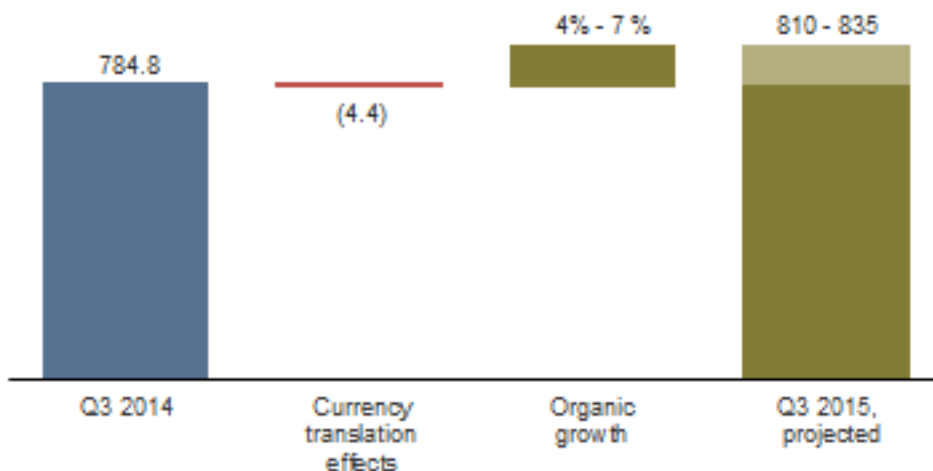
The Other category includes Asia Pacific, Designtex and PolyVision.

- **Revenue** – Organic revenue growth was \$8.7, or 13%. PolyVision, Designtex and Asia Pacific all contributed to the growth in Q2 2015.
- **Adjusted operating income (loss)** – The increase was due to higher operating income at PolyVision and Designtex and lower operating losses in Asia Pacific.

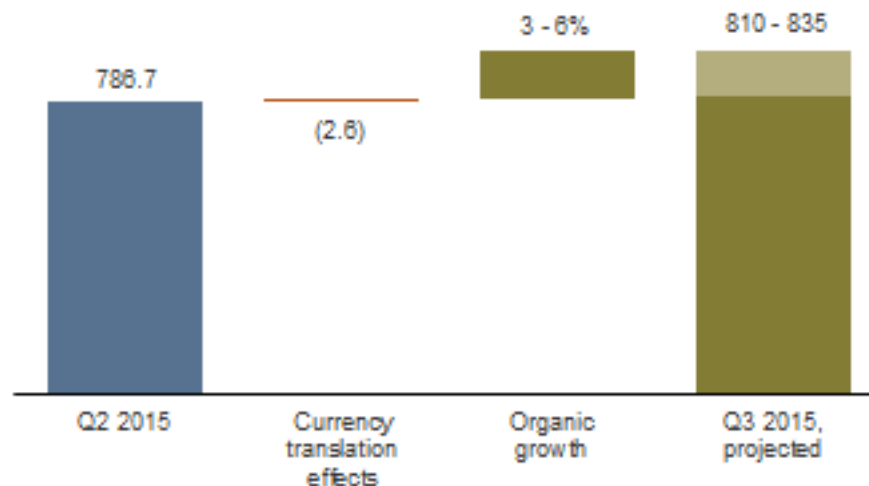
Corporate

- **Operating loss** – Corporate costs of \$9.0 decreased from \$12.3 in the prior year primarily due to lower environmental remediation costs, higher earnings associated with company-owned life insurance and lower earnings associated with deferred compensation.

Forecast quarter over prior quarter



Forecast sequential quarter over quarter



Net income

- Expect Q3 2015 diluted earnings per share in the range of \$0.20 - \$0.24. This estimate includes:
 - approximately \$0.04 per share of restructuring costs relating to previously announced restructuring projects and
 - approximately \$9 million of operating costs associated with disruption and inefficiencies associated with the manufacturing footprint changes in EMEA.
- The Q3 2015 estimates do not include any restructuring costs associated with the proposed transfer of the Wisches, France facility due to the uncertainty of the timing of such costs.
- Expect Q3 2015 adjusted earnings per share in the range of \$0.24 to \$0.28.
- Reported diluted earnings per share in the prior year were \$0.18, and adjusted earnings per share were \$0.19.

Revenue

Expect Q3 2015 revenue in the range of \$810 - \$835. Adjusted for the items below, we project organic revenue growth in the range of 4% to 7% compared to the prior year. The company reported revenue of \$784.8 in Q3 2014.

- This revenue estimate is based on a euro to U.S. dollar exchange rate assumption of 1.32 as of the end of Q2 2015, which compares to an average exchange rate of 1.35 for Q3 2014 and 1.35 for Q2 2015.
- This and other currency assumptions included in our third quarter revenue estimate are expected to have unfavorable effects on the year-over-year comparison of approximately \$4.4 and unfavorable effects on the sequential comparison of approximately \$2.6.

Summary of Costs Associated with Manufacturing Footprint Changes

	Total Estimated Project Costs	2014	Projected				2015	Projected 2016 & Beyond	Total Estimated Annual Project Savings
			Q1 2015	Q2 2015	Q3 2015	Q4 2015			
Restructuring costs									
Wisches, France facility exit	\$ 40 to 45	\$ —	\$ —	\$ 1	*	*	\$ 35	\$ 5 to 10	\$ 10
Durlangen, Germany facility closure	26	1	1	4	6	6	17	8	10
Total EMEA segment	66 to 71	1	1	5	6	6	52	13 to 18	20
High Point, North Carolina facility closure (Americas segment)	8	—	—	1	1	1	3	5	5
	\$ 74 to 79	\$ 1	\$ 1	\$ 6	\$ 7	\$ 7	\$ 55	\$ 18 to 23	\$ 25
Disruption & inefficiencies (recorded in cost of sales)									
Wisches, France facility exit	\$ 15	\$ —	\$ —	\$ 5	\$ 5	\$ 3	\$ 13	\$ 2	
Durlangen, Germany facility closure	20 to 25	4	3	4	4	4	15	1 to 6	
Total EMEA segment	35 to 40	4	3	9	9	7	28	3 to 8	
High Point, North Carolina facility closure (Americas segment)	2	—	—	—	—	—	—	2	
	\$ 37 to 42	\$ 4	\$ 3	\$ 9	\$ 9	\$ 7	\$ 28	\$ 5 to 10	

* These estimates do not include \$34 of associated costs related to the proposed transfer of the Wisches facility. The Company expects these costs will be incurred in fiscal year 2015, but such timing will depend on the pace of completion of the applicable legal requirements.

Notes

- Wisches, France facility exit expected to be completed by end of Q2FY16; savings expected to begin thereafter.
- Durlangen, Germany facility closure expected to be completed by end of Q2FY16; savings expected to begin thereafter.
- Remaining restructuring and disruption costs for High Point, North Carolina facility closure expected to occur equally in FY16 and FY17.

Supplemental Slides

Non-GAAP financial measures

These webcast slides contain certain non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. Pursuant to the requirements of Regulation G, the company has provided a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure.

The non-GAAP financial measures used within these webcast slides are: (1) organic revenue growth (decline), which represents the change in revenue excluding currency translation effects, the impacts of acquisitions and divestitures and an additional week in Q4 2014; (2) adjusted operating income (loss), which represents operating income (loss), excluding restructuring costs (benefits) and goodwill and intangible asset impairment charges; and (3) adjusted earnings (loss) per share, which represents earnings (loss) per share, excluding restructuring costs (benefits) and goodwill and intangible asset impairment charges, net of tax. These measures are presented because management uses this information to monitor and evaluate financial results and trends. Therefore, management believes this information is also useful for investors.

Reconciliation of non-GAAP measures – organic growth (decline) and adjusted earnings per share

YEAR OVER YEAR ORGANIC REVENUE GROWTH (DECLINE) BY SEGMENT

Q2 2015 vs. Q2 2014

	Steelcase Inc.	Americas	EMEA	Other category
Q2 2014 revenue	\$ 757.6	\$ 558.7	\$ 132.4	\$ 66.5
Currency translation effects*	3.3	(1.6)	4.8	0.1
Q2 2014 revenue, adjusted	760.9	557.1	137.2	66.6
Q2 2015 revenue, reported	786.7	580.3	131.1	75.3
Organic growth (decline) \$	\$ 25.8	\$ 23.2	\$ (6.1)	\$ 8.7
Organic growth (decline) %	3%	4%	(4)%	13%

SEQUENTIAL ORGANIC REVENUE GROWTH (DECLINE) BY SEGMENT

Q2 2015 vs. Q1 2015

	Steelcase Inc.	Americas	EMEA	Other category
Q1 2015 revenue	\$ 723.1	\$ 506.3	\$ 147.6	\$ 69.2
Currency translation effects*	(2.1)	0.6	(2.8)	0.1
Q1 2015 revenue, adjusted	721.0	506.9	144.8	69.3
Q2 2015 revenue, reported	786.7	580.3	131.1	75.3
Organic growth (decline) \$	\$ 65.7	\$ 73.4	\$ (13.7)	\$ 6.0
Organic growth (decline) %	9%	14%	(9)%	9%

PROJECTED ORGANIC REVENUE GROWTH

	Year over year		Sequential	
	Q3 2015 vs. Q3 2014		Q3 2015 vs. Q2 2015	
Prior quarter revenue	\$ 784.8	\$	786.7	\$
Currency translation effects**	(4.4)		(2.6)	
Prior quarter revenue, adjusted	780.4		784.1	
Q3 2015 revenue, projected	810 - 835		810 - 835	
Organic growth \$	\$ 30 - 55	\$	26 - 51	
Organic growth %	4% - 7%		3% - 6%	

PROJECTED ADJUSTED EARNINGS PER SHARE

Q3 2015 vs. Q3 2014

	Projected	
	Q3 2015	Q3 2014
Diluted earnings per share	\$ 0.20 - 0.24	\$ 0.18
Restructuring costs per share, net of tax	0.04	0.01
Diluted earnings per share, adjusted	\$ 0.24 - 0.28	0.19

* Currency translation effects represent the estimated net effect of translating prior quarter foreign currency revenues using the average exchange rate during the current quarter.

** Currency translation effects represent the estimated net effect of translating prior quarter foreign currency revenues using the exchange rate at the end of the most recent quarter.

YEAR OVER YEAR ORGANIC REVENUE GROWTH BY SEGMENT

YTD 2015 vs. YTD 2014

	Steelcase Inc.	Americas	EMEA	Other category
YTD 2014 revenue	\$ 1,424.7	\$ 1,037.5	\$ 259.1	\$ 128.1
Currency translation effects*	7.2	(4.4)	12.3	(0.7)
YTD 2014 revenue, adjusted	1,431.9	1,033.1	271.4	127.4
YTD 2015 revenue, reported	1,509.8	1,086.6	278.7	144.5
Organic growth \$	\$ 77.9	\$ 53.5	\$ 7.3	\$ 17.1
Organic growth %	5%	5%	3%	13%

* Currency translation effects represent the estimated net effect of translating YTD 2014 foreign currency revenues using the average exchange rates during YTD 2015.

Reconciliation of non-GAAP measures – adjusted operating income (loss) (\$ and % of revenue)

Steelcase Inc.	Q2 2014		Q3 2014		Q4 2014		Q1 2015		Q2 2015	
	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income	\$ 52.0	6.9 %	\$ 39.3	5.0 %	\$ 54.2	7.0 %	\$ 36.4	5.0 %	\$ 52.8	6.7 %
Add: goodwill and intangible asset impairment charges	—	—	12.9	1.6	—	—	—	—	—	—
Add: restructuring costs (benefits)	3.3	0.4	1.7	0.2	(2.8)	(0.4)	(9.7)	(1.3)	6.4	0.8
Adjusted operating income	<u>\$ 55.3</u>	<u>7.3 %</u>	<u>\$ 53.9</u>	<u>6.8 %</u>	<u>\$ 51.4</u>	<u>6.6 %</u>	<u>\$ 26.7</u>	<u>3.7 %</u>	<u>\$ 59.2</u>	<u>7.5 %</u>
Americas	Q2 2014		Q3 2014		Q4 2014		Q1 2015		Q2 2015	
	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income	\$ 78.3	14.0 %	\$ 66.6	11.9 %	\$ 63.8	11.4 %	\$ 53.2	10.5 %	\$ 80.1	13.8 %
Add: goodwill and intangible asset impairment charges	—	—	—	—	—	—	—	—	—	—
Add: restructuring costs (benefits)	—	—	—	—	0.5	0.1	(11.6)	(2.3)	0.7	0.1
Adjusted operating income	<u>\$ 78.3</u>	<u>14.0 %</u>	<u>\$ 66.6</u>	<u>11.9 %</u>	<u>\$ 64.3</u>	<u>11.5 %</u>	<u>\$ 41.6</u>	<u>8.2 %</u>	<u>\$ 80.8</u>	<u>13.9 %</u>
EMEA	Q2 2014		Q3 2014		Q4 2014		Q1 2015		Q2 2015	
	\$	%	\$	%	\$	%	\$	%	\$	%
Operating loss	\$ (15.1)	(11.4)%	\$ (3.7)	(2.3)%	\$ (2.3)	(1.5)%	\$ (7.7)	(5.2)%	\$ (21.7)	(16.6)%
Add: goodwill and intangible asset impairment charges	—	—	—	—	—	—	—	—	—	—
Add: restructuring costs (benefits)	3.3	2.5	1.5	0.9	(3.4)	(2.3)	1.9	1.3	5.7	4.4
Adjusted operating loss	<u>\$ (11.8)</u>	<u>(8.9)%</u>	<u>\$ (2.2)</u>	<u>(1.4)%</u>	<u>\$ (5.7)</u>	<u>(3.8)%</u>	<u>\$ (5.8)</u>	<u>(3.9)%</u>	<u>\$ (16.0)</u>	<u>(12.2)%</u>
Other category	Q2 2014		Q3 2014		Q4 2014		Q1 2015		Q2 2015	
	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income (loss)	\$ 1.1	1.6 %	\$ (13.6)	(19.9)%	\$ 1.9	2.7 %	\$ —	— %	\$ 3.4	4.5 %
Add: goodwill and intangible asset impairment charges	—	—	12.9	18.9	—	—	—	—	—	—
Add: restructuring costs	—	—	0.2	0.3	0.1	0.1	—	—	—	—
Adjusted operating income (loss)	<u>\$ 1.1</u>	<u>1.6 %</u>	<u>\$ (0.5)</u>	<u>(0.7)%</u>	<u>\$ 2.0</u>	<u>2.8 %</u>	<u>\$ —</u>	<u>— %</u>	<u>\$ 3.4</u>	<u>4.5 %</u>