



HNI Corporation (HNI)

Updated March 6th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$41	5 Year Annual Expected Total Return:	15.0%	Market Cap:	\$2.9 B
Fair Value Price:	\$57	5 Year Growth Estimate:	5.5%	Ex-Dividend Date:	03/02/26
% Fair Value:	72%	5 Year Valuation Multiple Estimate:	6.9%	Dividend Payment Date:	03/11/26
Dividend Yield:	3.3%	5 Year Price Target	\$75	Years Of Dividend Growth:	14
Dividend Risk Score:	C	Sector:	Industrials	Rating:	Hold

HNI Corporation was founded in 1944 as an office furniture manufacturer. The company continues to be a leader in that space as it has expanded its portfolio of brands and added a full array of hearth products including fireplaces, inserts and stoves. HNI generates more than \$6 billion in annual revenues.

On May 12th, 2025, HNI Corporation announced that it was increasing its quarterly dividend 3.0% to \$0.34, extending the company's dividend growth streak to 14 consecutive years.

On August 4th, 2025, HNI Corporation announced that it had agreed to purchase Steelcase Inc. (SCS) for \$2.2 billion in a cash and stock transaction. The combined company has a pro forma annual revenue of nearly \$5.8 billion, more than twice what HNI produced alone last year. On December 10th, 2025, HNI Corporation reported that it had completed its acquisition of Steelcase Inc.

On February 25th, 2026, HNI released fourth quarter and full year results for the period ending January 3rd, 2026. For the quarter, revenue surged 38.3% to \$888.4 million, which was \$191 million more than expected. Adjusted earnings-per-share of \$0.83 compared unfavorably to \$0.87 in the prior year and was \$0.08 below of estimates. For the year, revenue grew 10.7% to \$2.8 billion while adjusted earnings-per-share of \$3.46 compared to \$3.06 in 2024.

For the quarter, revenue for the Workplace Furnishings surged 49.1% to \$690.2 million, with much of this growth coming from the addition of Steelcase. Organic sales were up 10% for the period. Residential Building Products generated revenue of \$198.2 million, which was a 10.3% increase from the prior year. Remodel-retrofit net sales outperformed new construction. Synergies from Steelcase acquisition is expected to add \$1.20 to adjusted EPS when fully mature, with a moderate accretion projected to take place in 2026.

We expect that HNI will produce earnings-per-share of \$4.08 in 2026. This would be a 17.9% increase from 2025.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.62	\$1.97	\$2.41	\$2.59	\$1.79	\$1.63	\$2.20	\$2.65	\$3.06	\$3.46	\$4.08	\$5.33
DPS	\$1.09	\$1.14	\$1.18	\$1.21	\$1.22	\$1.24	\$1.27	\$1.28	\$1.31	\$1.35	\$1.36	\$1.65
Shares¹	44	45	44	43	43	43	43	47	49	47	47	46

Because of HNI's extreme cyclicity, earnings-per-share have been volatile over the past decade. Importantly, the trend has been up, but growth has been anything but linear. The company has struggled at times with revenue growth due to its cyclicity, which hurts its growth potential. Since 2016, EPS has a compound annual growth rate of 3.1%. This growth rate accelerates to 20.1% when looking at just the last five years, though much of this increase has occurred in the last few years.

We maintain our earnings-per-share growth estimate of to 5.5% per year through 2031. These results may not occur in a linear fashion, but HNI looks setup for further growth. We see the dividend continuing to rise as well given HNI's track record of returning excess cash to shareholders. We forecast dividends per share of \$1.65 or so by 2031.

¹ In millions of shares

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	16.7	21.2	16.0	14.0	17.5	25.8	12.9	15.8	16.5	12.3	10.0	14.0
Avg. Yld.	2.5%	2.7%	3.0%	3.3%	3.9%	2.9%	4.5%	3.0%	2.6%	3.2%	3.3%	2.2%

HNI's price-to-earnings multiple has experienced volatility over the last decade, which is something you would expect for a cyclical stock. We are reaffirming our 2031 target price-to-earnings ratio of 14, which is below the long-term average of nearly 17. Shares have declined \$4, or 8.9%, since our October 28th, 2025 report. Based on the current price and earnings estimates for 2026, HNI trades with a P/E ratio of 10.0. Reaching our target valuation by 2031 would add 6.9% to annual returns over this period. Shares offer a current yield of 3.3% which is just above the long-term average yield of 3.2%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	41%	56%	49%	47%	68%	76%	58%	48%	43%	39%	33%	31%

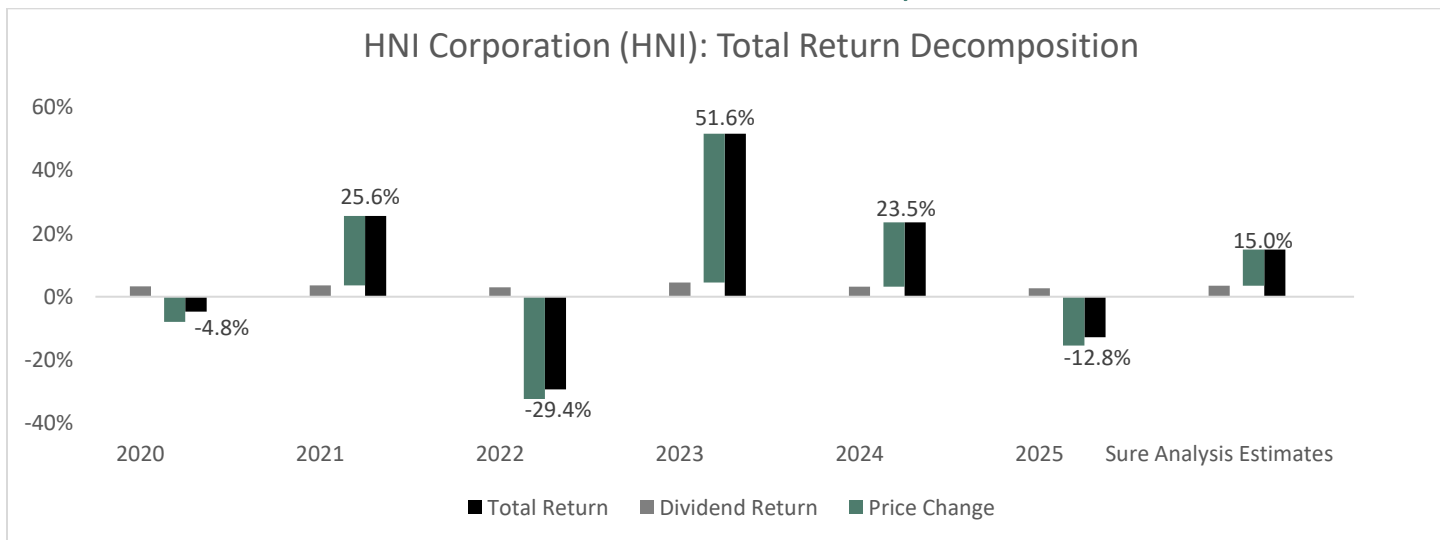
HNI's quality metrics have been somewhat volatile during the past decade but again, its results are expected to be as such. The payout ratio has been reasonable and has gotten to a much healthier level in recent years. We see it moving slightly lower over time as earnings growth outpaces dividend growth by a small margin; this also allows for increased safety of the dividend during the next downturn. Efficiency efforts, price increases, and the closing of the small office furniture business have helped drive margins higher in recent quarters.

HNI's competitive advantage is its scale in the furniture business, as well as its long operating history and track record with customers. HNI has some of the most recognizable brands in the sector, but that does not save it from recessions; the COVID-19 pandemic caused a sizable downswing in HNI's earnings.

Final Thoughts & Recommendation

After fourth quarter results, HNI Corporation is expected to return 15.0% annually through 2031, up from our prior estimate of 10.2%. Our return projection stems from a 5.5% earnings growth rate, a starting yield of 3.3%, and a mid-single-digit tailwind from multiple expansion. HNI had a mixed fourth quarter, but the agreement to purchase Steelcase should expand the company's footprint. We have raised our five-year target price \$9 to \$75 due to estimates for the year, but we continue to rate shares of HNI as a hold due to a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,203	2,176	2,258	2,247	1,955	2,184	2,362	2,434	2,526	2,839
Gross Profit	838	768	811	809	697	727	813	949	1,008	1,148
Gross Margin	38.0%	35.3%	35.9%	36.0%	35.6%	33.3%	34.4%	39.0%	39.9%	40.4%
SG&A Exp.	668	672	691	680	621	666	723	813	822	937
D&A Exp.	69	73	75	77	78	83	84	95	108	107
Operating Profit	197	112	144	154	101	92	120	177	217	241
Operating Margin	9.0%	5.2%	6.4%	6.8%	5.1%	4.2%	5.1%	7.3%	8.6%	8.5%
Net Profit	86	90	93	111	42	60	124	49	140	54
Net Margin	3.9%	4.1%	4.1%	4.9%	2.1%	2.7%	5.2%	2.0%	5.5%	1.9%
Free Cash Flow	104	6	123	152	173	65	13	188	174	209
Income Tax	43	(19)	25	32	12	18	23	16	40	37

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,330	1,392	1,402	1,453	1,418	1,498	1,415	1,929	1,875	4,885
Cash & Equivalents	39	25	78	53	118	54	19	35	29	216
Accounts Receivable	229	259	256	275	203	239	218	244	250	573
Inventories	118	156	157	163	138	182	180	197	194	475
Goodwill & Int. Ass.	473	491	463	446	459	472	440	652	624	1,703
Total Liabilities	829	877	839	868	827	908	798	1,167	1,035	3,049
Accounts Payable	202	236	221	228	191	234	165	194	190	380
Long-Term Debt	214	277	250	236	235	252	280	552	469	1,529
Shareholder's Equity	501	514	563	584	590	590	616	761	840	1,836
LTD/E Ratio	0.43	0.54	0.44	0.44	0.43	0.47	0.49	0.76	0.59	0.87

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.6%	6.6%	6.7%	7.7%	2.9%	4.1%	8.5%	2.9%	7.3%	1.6%
Return on Equity	17.5%	17.7%	17.3%	19.3%	7.1%	10.1%	20.5%	7.1%	17.4%	4.1%
ROIC	12.4%	11.9%	11.6%	13.3%	5.0%	7.0%	13.9%	4.4%	10.4%	2.3%
Shares Out.	44	45	44	43	43	43	43	47	49	47
Revenue/Share	48.43	48.53	50.94	51.66	45.52	49.69	55.97	53.61	52.09	58.06
FCF/Share	2.28	0.13	2.77	3.51	4.02	1.48	0.30	4.15	3.58	4.26

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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