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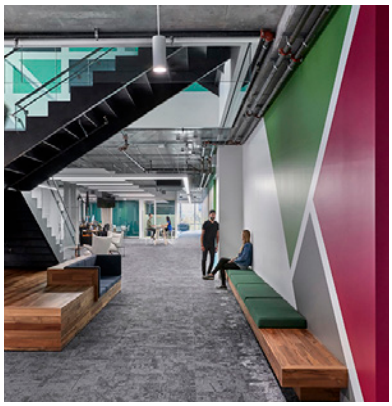
Orgatec 2018 – A Review

Orgatec, which is held every other year in October, is very much alive and kicking. It was a different story two years ago, with many ready to write it off as an anachronism. So why was 2018 so successful? The exhibitors – 760 of them – put on a great show. officeinsight contributor John Sacks reviews the show, the trends, the companies and their products. Enjoy!

FULL STORY ON PAGE 3...

Round Two for Cisco's Meraki – by Studio O+A



Tech conglomerate **Cisco** acquired **Meraki**, a maker of cloud-controlled wireless systems, four years ago, giving them larger quarters designed by **Studio O+A**. in 2017, O+A was invited back to complete another expansion – an opportunity to revisit the designs that made Meraki's first workspace so compelling. O+A recognized a rare opportunity in the project to essentially reopen a closed case – to continue its design work, observing how the company grew in its original space, and to explore how best to expand and tweak a new workspace.

FULL STORY ON PAGE 15...

2018 IIDANY's Color Invasion: Deco Follies

Celebrations and design events go together like milk and cookies, or, in the case of the New York A&D community, gin and tonic. The biggest celebration and charity event in New York by and for interior designers each year, which happened last Thursday night, is the **IIDANY Color Invasion**, a consistently ambitious, ecstatic and over-the-top night of imagination, dress-up, dancing, networking and reconnecting with old friends. This year's iteration of Color Invasion had a theme of **Deco Follies** – a celebration of the Gilded Age, the roaring 20s, and Art Deco.

FULL STORY ON PAGE 23...

CITED:
"IF WE DON'T BELIEVE IN FREEDOM OF EXPRESSION FOR PEOPLE WE DESPISE, WE DON'T BELIEVE IN IT AT ALL."
—NOAM CHOMSKY

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Orgatec 2018 – A Review

by John Sacks

Orgatec, which is held every other year in October, is very much alive and kicking. It was a different story two years ago, with many ready to write it off as an anachronism. The show's formula has hardly changed over the years. There is now an APP – a very good one in fact – but it's hard to think of many other Orgatec innovations in the past 30 years.

So why was 2018 so successful? The exhibitors – 760 of them – put on a great show. Most of the stands were big, bold and bright. Yes, there were still a few with uninviting, closed-off, forbidding high walls or even rope barriers keeping away uninvited guests; but generally there was an air of welcome, with companies wanting to show off their colorful and attractive wares. Lighting, music and lots of massive display screens were used effectively to draw the crowds.

The products were very eye-catching. Desks, tables and cupboards may be interesting to the professional visitor but there's nothing quite like the bright colors and attractive patterns that modern textiles can give to soft seating, screens and enclosures. The industry really was wearing its best clothes.

And the crowds there were. Many visitors were from China; there seemed to be fewer than previously from the USA, South Africa and Australia. Total numbers seemed much higher than in recent years, and on Wednesday and Thursday especially, some of the stands and the connecting aisles were jammed solid.

Manufacturers will always struggle to justify the massive costs and logistical efforts involved in putting on such a show for just a few days, surrounded by their competitors who are all trying to out-do them. However, with the currently benign economic conditions in Europe, and plenty of new products to display, most of the exhibitors seemed happy to be able to show themselves off to old and new customers alike – and reported that for them, the show was very successful.

Orgatec 2018. Photography: John Sacks

For visitors, the sheer size of the exhibition area is demanding. Furniture is very space-hungry, and office furniture companies claiming large shares of their home markets often feel they need massive stands in order to demonstrate their importance. Taken together, that means the conscientious visitor uses up lots of shoe-leather. With nine halls spread over a large area, just covering the distance is demanding. But the effort was rewarded by the products, which frequently displayed a high degree of imagination, flair and design quality.

Judging from the crammed cafés – it's a pity that the menus haven't changed for at least a decade – for

many, Orgatec is at least as important for visitors as a massive networking event as it is about seeing companies and touching their products. In common with many trade shows from other sectors, it is probably a combination which augurs well for its future success. Twitter, Facebook and Skype can't compete with that.

The Exhibitors

The emphasis, unsurprisingly, was on office furniture that looked nothing like office furniture, and much of it upholstered rather than "hard" products. The many ways in which offices and office work continue to move away from the traditional rigidity of desks, tables and benches, allows designers to create softer, less regimented products. For the manufacturer, that often means they can be quicker and less expensive to push to market with new products. Many companies, known for decades as manufacturers of desks and storage, are grabbing that opportunity enthusiastically, as if they are excited to break away from their roots.

At the same time, new companies coming onto the scene have found that the type of products being demanded help them start up and become accepted quickly and cheaply. Customers and their architects are often more relaxed about choosing new suppliers for soft furniture than they are for workstations, storage or task chairs.

For Orgatec, that meant there were plenty of new names showing beautiful products, and other older and long-established ones venturing into new sectors, with varied success.

This is apart, of course, from German companies, which as always, dominated the show. Many of the best exhibits were from companies from the Nordic as well as from Eastern and Central Europe. The Czech Republic, Estonia, Lithuania – and notably Poland with 24 exhibitors – all well represented.

Many of the world's – and even Europe's – largest companies were notable by their absence, and it was sad that there were so few companies representing the USA and France. Turkish exhibitors outnumbered those from the U.K.

The Trends

Furniture to create and furniture for casual meeting areas, was everywhere. Plenty of bright, primary colors were evident, but doubtless, some of that was show-related, attention grabbing. Whilst natural wood finishes which had been seeing a comeback, were on show, there were also plenty of other materials being used, including plain laminates, compressed recycled plastics, Perspex, glass and, of course, fabrics.

Acoustic, health-related and environmentally-friendly benefits were being claimed by many companies for their products; but without internationally accepted, objectively judgeable standards to which product can be tested, much is left to individual judgement.

Telephone booths and other larger pods and cabins were everywhere, both from companies specializing in enclosures and from manufacturers better known for more general furniture products. It seemed like a bandwagon on which many manufacturers were jumping, and there was talk of one Scandinavian company actively seeking to protect what it saw as infringement of its exclusive design rights.

There were some good examples of modular open shelving units being used for display, storage and space division as well as attractive, organically-shaped, unit seating systems.

The Companies and Their Products

N.A.P. Neuron Activation Pod from Loook Industries Finland

Colorful lounge seating from Profim, Poland

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Landing and Sitzbock by RSW for Wilkhahn

Soft seating from Alki, France

An enclosure from NowyStyl made from compressed recycled PET

SE:cube by Sedus

Acoustic privacy hoods from Slalom, Italy

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Silence Delivery from Mute Design, Poland

Open shelving from Dieffebi

Room in a Room, by Dauphin

Open shelving system from Andreu World

Workstation and open shelving system from Archiutti

Okamura launched a new beautifully engineered chair, Finora, from Giugiaro Design, the creators of the original Contessa chair

König + Neurath presented the concept idea of a sit-stand table in a box.

events

Also from Japan, Kokuyo showed their new Ing task chair in both conventional and exploded presentations

The German company Inwerk showed their clever new Masterbox system, entirely constructed from 400mm modular steel boxes, connected only with strong magnetic sheets

MasterPod using the MasterBox system

Another type of pod was the Green Park Office from the Polish company Bejot

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Lapalma's new workstation and open shelving storage system

Flexi, designed by Orlandini for LD Seating

Booths by Casala

Desk and open shelving system by Italian company Bralco

Halm, designed by Jehs+Laub for Brunner, which had one of the most impressive collections in the show

Perspectives by Brunner

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The large Turkish manufacturer Burotime, from Konya, showed a wide range of furniture, including this attractive home office desk and chair

Rookie by Konstantin Grcic for Vitra. Vitra, and companies with whom they work, came together to be the single occupant of Hall 5.2

Table from Amsterdam plastic, by Vepa. The Dutch company Vepa is a member of the VDB Group and had a set of interesting environmentally related stories. During the show, they also announced the acquisition of the British office seating company Nomique

Another company from Turkey was Nurus, which presented a fun rocking seat called Lips

Unifor's modular bench seating and storage system

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The Canadian company Molo, whose products are entirely made from corrugated paper, showed how its range has been further extended

Organic Office from Viasit, designed by Pima Kunkel

Fursys, the Korean company better known for their task seating, launched a very good looking personal working area, Playworks, designed by Claudio Bellini, reminiscent of Steelcase's Brody

ICF from Italy used designer Norbert Geelan to create its new Nevio table system

Also from Korea was Bestuhl and their new S50 task chair

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The long-established German seating company Rovo showed its new swivel-seat Twist study and conference chairs

S-Pod by Sorec France

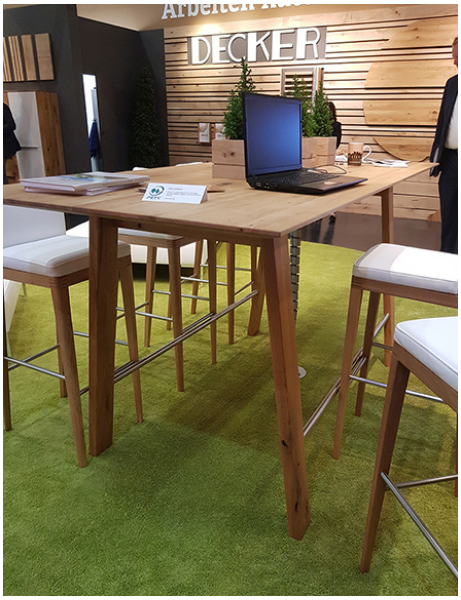
S-Med by Sorec

French manufacturers were represented by Sorec, a member of the Eurosit Group, which showed two very attractive products. A classy pod system – S-Pod and a combination high meeting table and screen display unit

Koleksiyon's pod used translucent corrugated Perspex

Designer Martin Ballendat's work was well represented, including by Xilium, the new task chair he created for Nowy Styl

events



Decker, a company from Borgentreich in Germany that manufactures only from solid wood, showed a new high chair and table.

Stand design for Topstar Wagner

Ophelis stand

The German companies Topstar Wagner from Langenneufnach, and Ophelis from Bad Schönborn, had two of the more attractive stands at the show

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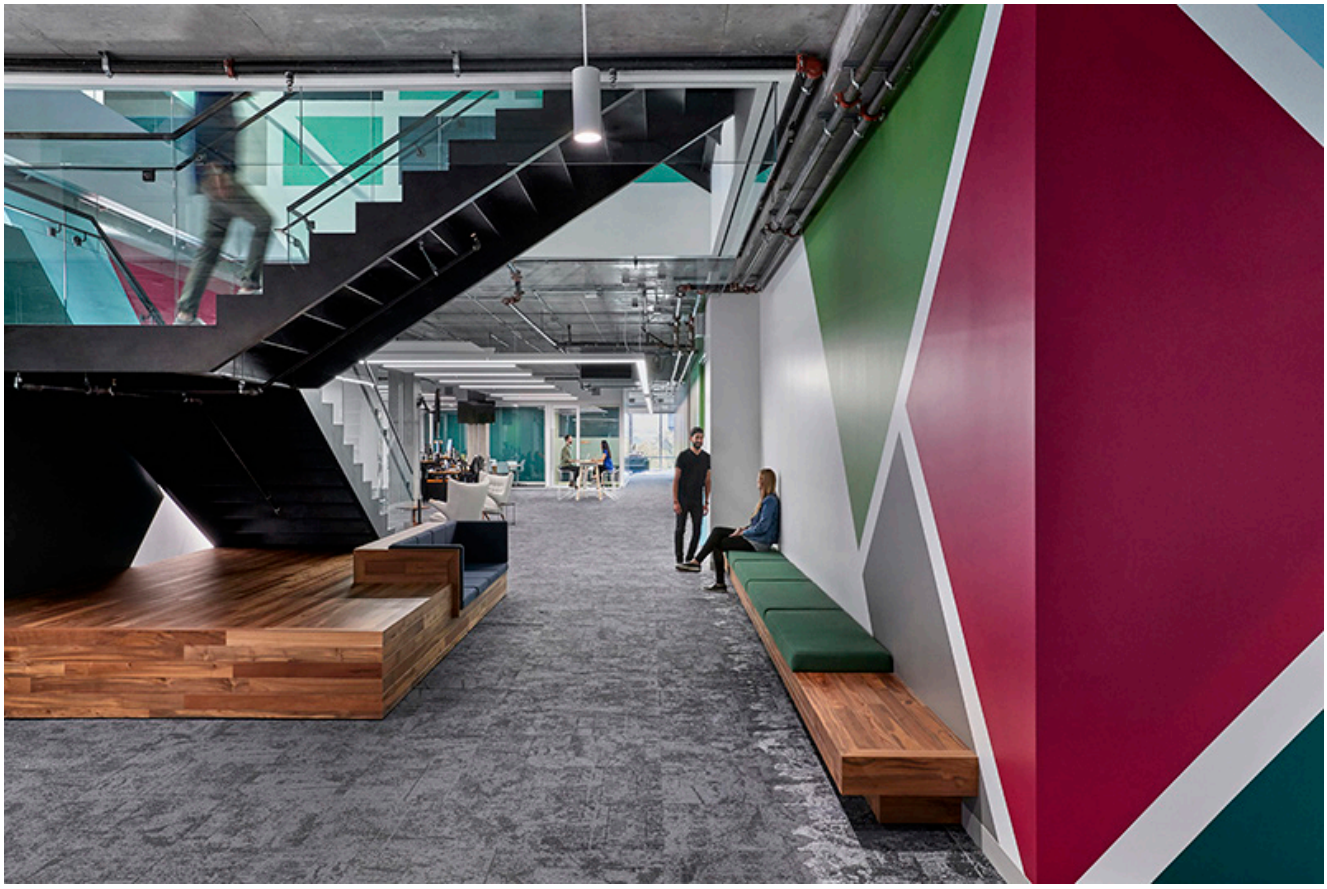

"Vertical circulation meets horizontal millwork. This stair connects all four floors of Meraki, ending at an informal meeting area (and hideaway)." Photography: Garrett Rowland

Round Two for Cisco's Meraki – by Studio O+A

by Mallory Jindra

Four years ago, tech conglomerate **Cisco** acquired **Meraki**, a maker of cloud- controlled wireless systems. At that time, **Studio O+A** designed larger quarters for Meraki – a space to grow but one that would keep the company's sense of identity.

Now, Meraki is expanding into a new floor to accommodate its rapid growth. O+A was invited back to complete the expansion – an opportunity to revisit the design concepts that made Meraki's first workspace so compelling.

O+A recognized a rare opportunity in the project to essentially reopen a closed case – to go back and check in on a past project, not simply a few weeks after move-in for a post-occupancy survey, but to continue its design work – to observe how the company had grown out of the original space, and to explore how best to expand and tweak the workspace.

How to massage a first workspace and use it to inform and influence a second workspace? To maintain continuity between the two while giving life to something new?

First, O+A ensured Meraki's ability to entertain rapid growth – employing workplace strategy tools to accommodate sliding needs for workstations and storage – making the future more manageable.

"O+A's project for Meraki 2nd Floor provided a "Day 1" plan for instant implementation as well as a "Maximum Capacity" plan for long-term growth," noted O+A's project description. "We located graphics and conference rooms in a way that would prevent workstations from getting crammed into every corner and keep circulation paths clear."

Expanding Connective Tissue

Activating connective space – via working and hangout nooks, sunken seating, high-top touch-point tables, and storage – was given special attention.

In each of five workstation neighborhoods, O+A placed custom full height storage doors to "prevent clutter and

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provide dramatic color interventions." In these custom storage spaces, O+A elevated Meraki's storage to serve as much more than simply places to put things; instead, O+A designed the storage units as connective tissue, connecting and dividing spaces, and serving as their own source of artistic interest.

Additions to the new floor also included a modification of the corridor to add a secondary core.

"To have two pathways around the core, rather than just one, helps a lot with circulation," said Mr. Orpilla. "Getting people to move around was important."

Meraki's initial space, completed in 2013, included many forms of what O+A calls "shelters" or "yurts" – semi-enclosed spaces sprinkled strategically throughout the space to encourage impromptu meetings and gatherings.

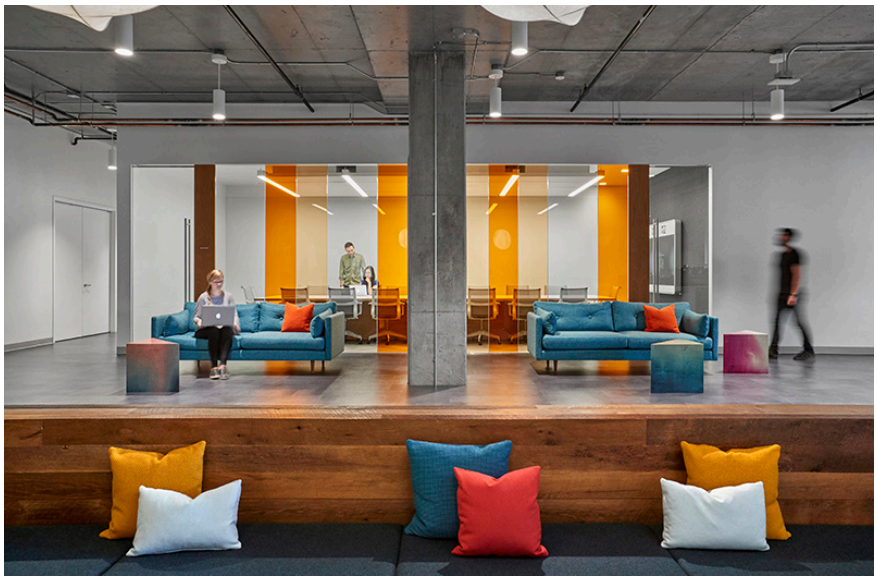
"Their first space was more permeable, with a lot more of these impromptu shelters," said Mr. Orpilla. "In contrast, they wanted the newer space to have smaller, more enclosed rooms – bookable phone booths and small huddle rooms."

Less impromptu, more structure – the move indicated Meraki's maturation since 2013.

"The yurts were very popular for that first office, and they were nice because they were non-bookable," continued

"In a modern office silence really is golden. Four centrally located phone booths, each equipped with the latest Cisco telepresence conferencing technology, provide pockets of solitude behind bi-folding doors."

Enclosed conference room glass wall profile



"Sunken seating in the Boardroom juxtaposes semi-private gathering space with an open lounge and an enclosed conference room – three varieties of meetings in one color-coordinated area."

"Storage is a problem in every growing work environment. These free-standing units distributed throughout the floor adjoin lounge areas furnished for comfortable interactions or quiet solo work."

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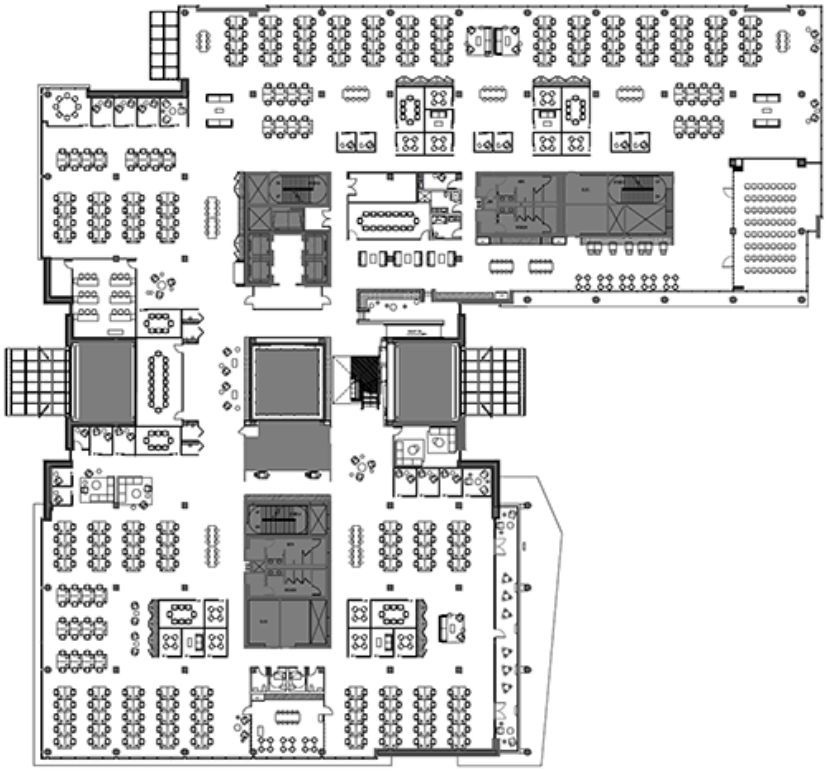
Meraki: Floorplan

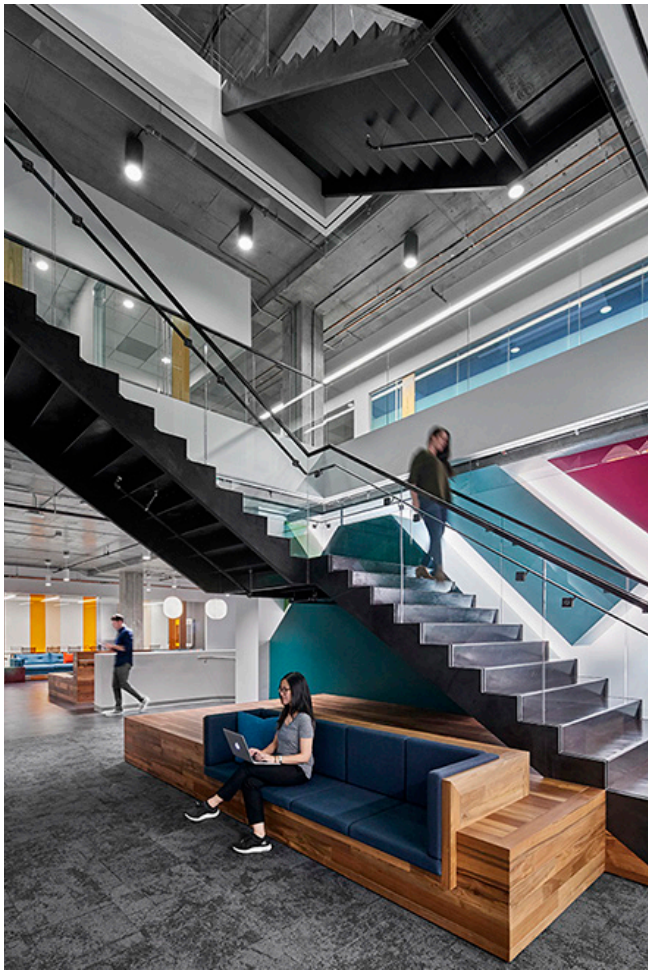


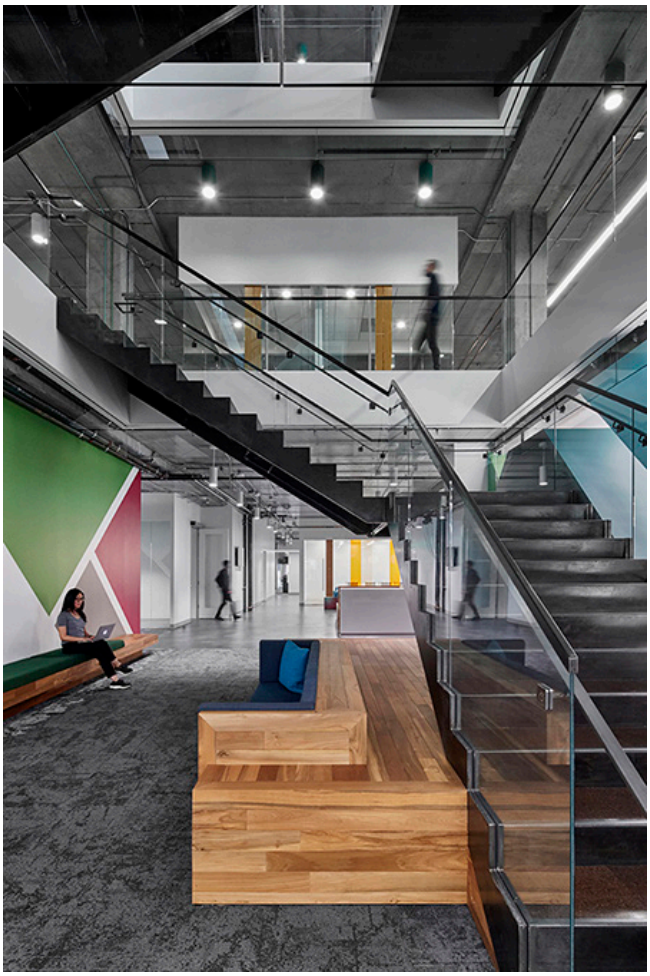
o+a

"This enclosed coffee bar far from the Breakroom's kitchen demonstrates the necessity of providing easy access to amenities in a 56,000 sqft. floor plate. The millwork here pays tribute to the original Meraki design."

Mr. Orpilla. "But peoples' preferences and needs change over time, especially as teams start to migrate out and new teams cycle in. Habits change with the people and the groups that go in and out of the building, and we need to give them that flexibility to change."

The new floor features many standing height meeting spaces – or "studio spaces" – with a higher table, whiteboard or pinup board, and stools around to sit or lean on. The studio spaces are intended to enable quick scrum meetings – not a place staff needs to hang out in long, but rather another destination a team can take advantage of.





Connective space becomes desired space by designing in comfy work nooks and other social and focus opportunities.

Aesthetics: Variations on a Theme

The ways O+A uses color to guide the user through each space is remarkable; color application itself is a driver of workplace strategy.

"We wanted to take something from their old headquarters in the Mission district of San Francisco, so some of what we did spoke to that influence," said Mr. Orpilla. "Our image boards featured a lot of horizons and sunsets."

The play of natural light, shadow and color give Meraki's new environment a buoyancy and brightness, and connectivity.

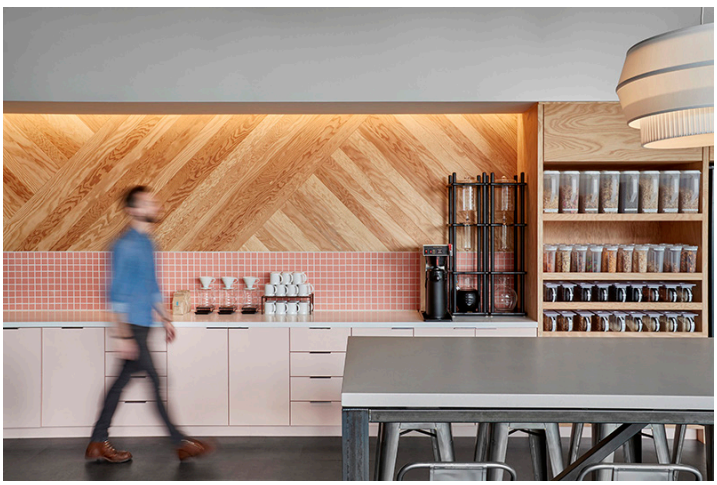
"While none of the designers who worked on Meraki 4th floor in 2013 worked on Meraki 2nd floor in 2017, the new team recognized the need

"As always at Meraki, natural light is abundant. This coffee area attached to the breakroom provides overflow space during all-hands presentations and a sunny respite the rest of the time."

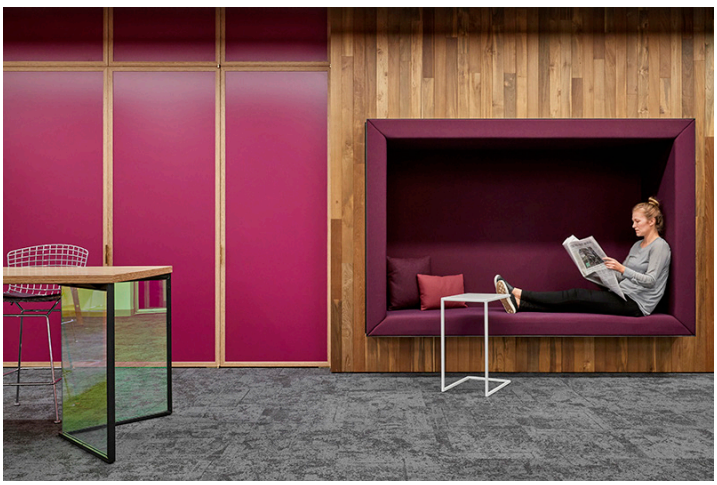
"Benching to allow users to read The New York Times – or is that The Wall Street Journal? This custom banquette design with articulated planks reinterprets an earlier cafe space on another floor."

for cohesion between the two floors and approached the new design not exactly as an homage but perhaps as a variation on a theme," notes the project description. "That theme being Meraki's mission of connectivity and illumination as embodied by its sparkling Bayside location.

"Using some of the same materials and colors from floor 4, but using them in different patterns and combinations, floor 2 took on a distinct personality of its own while bearing a younger sibling's resemblance to its older predecessor. With bold, geometric



"Tech breakrooms now offer more specialty coffee and snack selections than your local cafe. This one also provides elegant circulation between the Boardroom and All Hands area. Custom tables by MASH."



"Sometimes called a "wall cubby," now dubbed a "focus niche," this version of upholstered nook is slightly larger than its predecessors allowing more than one person to focus – presumably on the other person."

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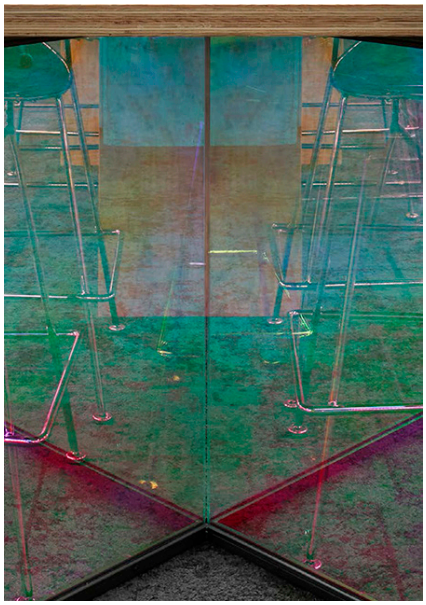

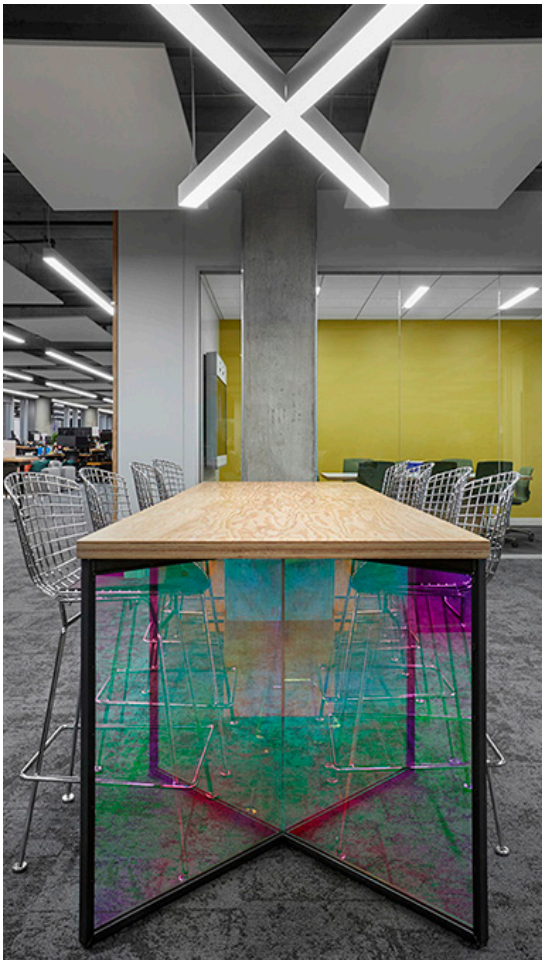

"Dichroic glass changes color depending on the angle and lighting conditions under which it is viewed. O+A designed these custom meeting tables in collaboration with MASH."

graphics spanning the entire core of the building and those colorful storage walls giving each department its own chromatic signature the palette of the space is again a celebration. Custom steel-based tables with dichroic glass and two bright, airy break rooms add to the impact

"The Cisco brand wall at the entrance and an extruded graphic wall at the stair both use light and shadow to create a buoyant, art-gallery atmosphere…create an architectural moment with the impact of fine art."

Meraki's expansion is an imaginative, gleaming new workspace drawn up for elevated creative pursuit and seamless connectivity. ■

CISCO / MERAKI PROJECT STATS

>Location: 500 Terry A Francois Blvd, San Francisco, CA
>Date of occupancy: October 2, 2017
>Gross square footage: 55,646 sq.ft.
>O+A team: Erin Mallon, Joseph Rodriguez, Rachelle Meneses, Nikki Hall, Ryan Barr, Alex Bautista, Nick Escalante, Amy Young
>Furniture dealer: COG
>Furniture: Herman Miller, Bludot, Haworth, Studio Meike Harde, West Coast Ind, GamFratesi, Hightower, knoll, Kasthall, Grainger
>Furniture – Retail: West Elm, Hive Modern, Modernica, Design Within Reach, CB2, Hay, Bo concept, Room & Board
>Furniture – Custom: MASH
>Lighting: Volt Lighting Group, Luminii, Tech Lighting, Rich Brilliant, Willing, Finelite, CSL Lighting, Bartco, Focal Point, Amerlux
>Custom Graphics: Sun Graphics and Signage
>Custom Millwork: PAW
>Flooring: Interface, Armstrong, Daltile
>Tile: Fireclay, Daltile
>Carpet: Interface, Modulyss, Flor
>Textiles: Febrik, Maharam, Knoll Textiles

"Dramatic wall graphics give a simple lounge space the impact of an art gallery."

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Gilded Age decadence at this year's IIDANY Color Invasion – Deco Follies. Photo: Johnny Wolf

2018 IIDANY's Color Invasion: Deco Follies

by Peter Carey

Celebrations and design events go together like milk and cookies, or, in the case of the New York A&D community, gin and tonic. The biggest celebration in New York by and for interior designers each year, which happened last Thursday night, is the **IIDANY Color Invasion**, a consistently ambitious, ecstatic and over-the-top party with the main goal of bringing our design residents together and pausing our normal routines for a night of imagination, dress-up, dancing, networking and reconnecting with old friends.

This year's iteration of Color Invasion had a theme of **Deco Follies**, and it completely lived up to its potential. There were wonderful vignettes of roaring 20s décor; abundant references to Art Deco design and Erte's creations; and prohibition nostalgia in the form of sculptural pieces or large signage sprinkled throughout, adding a slight hint of naughtiness to the festivities. "Welcome back to the Gilded Age," declared **Brian Bates**, sales rep for **Geiger Furniture** and a member of the Color Invasion committee. Indeed, if one compares what happened socially 100 years ago to what is happening now, we are still experiencing an era of serious social problems masked by a thin gold gilding. The Gilded Age was also an era of rapid economic growth, and the period saw an influx of millions of immigrants. Sound familiar?

Getting down to serious business. Photo: Johnny Wolf

events

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This Color Invasion featured a new venue, **Center415,** with a fantastic location on 5th Avenue in Midtown. It was the first change in setting for Color Invasion in four years, and a welcome one at that. Gone was the huge cavernous space of the **Tunnel**, located all the way on Manhattan's West Side and featuring a central layout that was difficult to navigate at best. "We loved the Tunnel," said **Katie Battaglia**, member of the IIDA Color Invasion committee and Design Director at **NEMO Tile + Stone,** "but the challenge of the Tunnel was that it was so long, so it was nice to have a square floor plate for this space."

This year's venue featured a sophisticated entrance setting that slowly built the anticipation with a live a piano player as visitors ascended a staircase.

Rebecca Dorris Steiger from IA Interior Architects with Janine Shapiro from Teknion. Photo: Johnny Wolf

Bob Elliot of Urban Office. Photo: Johnny Wolf

One of the many Art Deco themed vignettes for socializing. Photo: Peter Carey

Party favors like long cigarette holders were very popular at this year's IIDANY Color Invasion. Photo: Johnny Wolf

Be someone else, just for one night. Photo: Johnny Wolf

The deeper one got into the event, the more the themes surrounded you. Room after room revealed different designs and opportunities to celebrate and participate in this special event, which takes the Color Invasion committee many months to plan but is over in just a matter of hours. "This year, because of the theme," said Ms. Battaglia, "we also have a speakeasy that

Speakeasy at this year's Color Invasion. Photo: Johnny Wolf

Themed décor supports networking at the color invasion. Photo: Peter Carey

features an amazing live band that will be playing sets throughout the night. They are all in period dress for a jazz cabaret theme, which is very exciting." While I was there, the speakeasy was the most popular part of the event, and added a special air of exclusivity.

Many attendants arrived in costume, even though the event happened a day after Halloween. While costumes were not always integral to past Color Invasion parties, they were certainly popularized by industry veteran **Selena Thompson**, a fixture in the New York design community who would embrace the spirit of each event's theme and celebrate it for maximum effect with an outrageous outfit. Sadly, Ms. Thompson passed away in 2013, but for many on the IIDA Color Invasion committee and throughout the New York design community, her spirit lives on and is celebrated on this night.

Other memorable features included

Everyone is famous for one night at the Color Invasion. Photo: Johnny Wolf

Getting ready for the Deco Follies at the IIDANY 2018 Color Invasion. Photo: Johnny Wolf

Selena Thompson and Steven South at the 2010 Color Invasion. Photo: Peter Carey

Color Invasion dance floor. Photo: Peter Carey

events

Young designers glamming it up. Photo: Johnny Wolf

a photo booth for visitors, elaborately dressed entertainers mingling with the crowd and lounging around a gilded bathtub and an oversized cocktail glass, a DJ dressed in a fantastic Victor/Victoria outfit and a series of period furniture vignettes that proved to be very Instagram-friendly.

Now in its 16th year, I have been privileged to witness the humble beginnings of this New York fundraising institution all the way to the powerhouse that it is today. Many people may not realize that Color Invasion was originally conceived as a benefit, not only for the IIDA's own scholarship program, but also another charity the committee picks outside our industry.

This year, and for the past six years, the Color Invasion committee has selected the **Pajama Program** to be this year's outside beneficiary. This organization understands deeply how many

Palm Court, sponsored by Napier Joseph Macnamara. Photo: Johnny Wolf

children in this country don't have a stable home life, or a home at all.

"Aside from the pajamas and books we get tonight at the Color Invasion, we love raising awareness for our mission, which is to support every child's right to a good night and a good day," said **Jamie Dyce**, Executive Director of The Pajama Program. "What we have learned after working on this issue for more than 17 years is that it is not just about providing clothing or reading words on a page; these actions become an olive branch between child and adult. The books we share with the children are really a tool to open minds and communication, get people to open up in general," she said. "Bedtime is one of the most vulnerable times for a child, and we believe the day starts at nighttime, because without a good night's rest, a child can't get up in the morning and be ready for whatever life brings them. Our goal is to have all our children be self-actualized, and they can't do that without being properly rested."

So much of our design profession comes down to storytelling; each one of us may have ideas we want to share and themes we would like to explore either in our day-to-day work or in outside creative endeavors. Gathering with like-minded individuals, and pooling that creativity and inspiration has the effect of recharging one's batteries and realizing the potential of what is possible in this community.

Tom Buck, member of the Color Invasion Committee enjoying the event with several friends. Photo: Johnny Wolf

Almost all other design industry events feature a speaker or awards ceremony. At the Color Invasion, everyone who attends is the star of the show. The practice of creativity and imagination is at the heart of what happens here every year; in the case of Deco Follies, the past is just as relevant as the present and the future. We are all informing and refining design thinking in our daily lives, and Color Invasion reminds us of that fact. ■

Everyone got into the act at this year's Color Invasion. Photo: Johnny Wolf

Celebrating design and decadence at the Deco Follies. Photo: Johnny Wolf

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RESEARCH-DESIGN CONNECTION

Time Apart a Plus

by Sally Augustin, Ph.D.

Research recently published indicates the value of providing opportunities in workplaces for people to spend time apart. Bernstein, Shore and Lazer report in the *Proceedings of the National Academy of Science of the United States of America* on their study of the performance of three-person groups doing a complex problem-solving assignment in three different situations. In some of the groups, members never interacted with each other, in another set of groups members interacted constantly, and in the final set of groups, members interacted intermittently with each other.

The investigators found that "the groups in which members never interacted [were] the most creative, coming up with the largest number of unique solutions – including some of the best and some of the worst…the groups that constantly interacted…produce[d] a higher average quality of solution, but that they…fail[ed] to find the very best solutions as often…Groups that interacted only intermittently preserved the best of both worlds…they had an average quality of solution that was nearly identical to those groups that interacted constantly…these groups also preserved enough variation to find some of the best solutions, too." The researchers note that "open offices…often have some group spaces (booths, meeting rooms) and individual spaces (phone booths, pods) in which interaction can be paused for a period of time…these design-based tools for achieving intermittent rather than constant interaction may be even more important for organizational productivity and performance than previously thought." ■

"Collaborate, But Only Intermittently, According to New Study by Harvard Business School Professor and Colleagues." 2018. Press release, Harvard Business School, https://www.hbs.edu/news/releases/Pages/ethan-bernstein-collaborate-only-intermittently.aspx

Sally Augustin, PhD, a cognitive scientist, is the editor of Research Design Connections (www.researchdesignconnections.com), a monthly subscription newsletter and free daily blog, where recent and classic research in the social, design, and physical sciences that can inform designers' work are presented in straightforward language. Readers learn about the latest research findings immediately, before they're available elsewhere. Sally, who is a Fellow of the American Psychological Association, is also the author of Place Advantage: Applied Psychology for Interior Architecture (Wiley, 2009) and, with Cindy Coleman, The Designer's Guide to Doing Research: Applying Knowledge to Inform Design (Wiley, 2012). She is a principal at Design With Science (www.designwithscience.com) and can be reached at sallyaugustin@designwithscience.com.

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PRODUCT INTROS

>Arc-Com's new Line Art wall surfacing collection features three bold designs designed to inspire creativity:
-*Abstract's* crisp, intersecting lines create a bold, shattered graphic design. Comprised of 10 hues, the color palette spans the gamut from neutrals to blackout, with tones and accents between.
-*Sway* is a transitional design printed on a soft, horizontal background, with varying widths of undulating, vertical, intersecting, serpentine line. It includes 10 hues ranging from soft neutrals, bold colors, and strong dynamic accent colorations.
-*Triad's* dynamic hand drawn dry brush triangular design presents a bold and graphic wall surfacing statement. It is offered in a range of 10 hues ranging from black and white through colorful and clear accent colors. Read More

Fritz Hansen: Planner tables designed in 1953 by Paul McCobb

>Republic of Fritz Hansen™ launched coffee tables from the original Planner™ Group series designed by Paul McCobb in 1953. Paul McCobb (1917-1969), one of the leading designers of the American design movement from the mid-20th century, is known for his simple, linear designs, completely free of ornamentation, inspired by his childhood and youth in New England. The Planner series was so named because he wanted the furniture to make it easy to plan a room. Fritz Hansen's edition introduces a marble table top that is less than an inch in thickness and available in two colors. The blackish grey marble tells beautiful haptic stories with its white veins and greyish shades. The cream-colored marble plate has a more closed structure and homogeneity, personalized by the greyish brown shade formations. The table top stands on an elegant steel frame, which is extremely sturdy despite its light and floating appearance. A distinct detail is the narrowing of the steel at the bottom – a good example of how to recognize a genuine McCobb. Read More

>Springboard's new A-Frame is a versatile line of multi-purpose working surfaces. As a writing surface, movable shelving unit, and room divider, it is designed for a variety of spaces including office, education, and healthcare environments. Made in the USA with solid wood and premium low-iron glass, it offers two magnetic glass options—high gloss or lite etc. The working surface is 73" high, 40" wide, and 25" in depth. It has four sturdy wood shelves and is available in twelve carefully curated colors influenced by international trends in fashion, automotive and interior design. Read More

>Tarkett introduced the Scale Study Series designed by Suzanne Tick for Tandus Centiva. It includes an integrated collection of soft surface (*Correlate, Continuum,* and *Metri II* styles) and LVT flooring (*Filament* with Tarkett's *+ Techtonic™*). "Today's designs don't cover the floor plane with a single pattern or texture," said Terry Mowers, Vice President, Commercial Design, Tarkett North America. "Instead, we're seeing a variety of surfaces come together in a way that promotes collaboration and flexibility in the space." Shifts in scale have become a necessity in order to embrace an openness and fluid movement between spaces. The Scale Study Series responds to this with four products that go from large to small, and from macrocosm to micro-

Arc-Com: Line Art

Springboard: A-Frame

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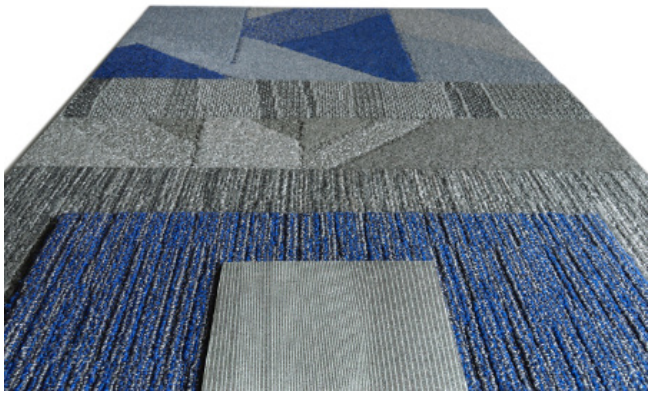

Tarkett: Scale Study Series

cosm—open space to private space. "This series is comprised of four products that work together, reflecting the facades of Zaha Hadid, Luis Barragan, and Frank Gehry's architectural works and bringing those designs inside," said Ms. Tick. "Two large scale graphics along with a solid texture and angled, abstract LVT offer flexibility in pricing without sacrificing design." Read More

NOTEWORTHY

>Steven Pressacco was promoted to Teknion's Regional Vice President, Northern California. Mr. Pressacco joined Teknion in 2010 as a District Manager, developing and growing business in the New York Region. In 2014, he relocated to the company's Asia Pacific Headquarters. Most recently, he held the role of Sales Director Southeast Asia & Oceania based out of Teknion Singapore. In this role, he led Teknion's sales efforts and managed a team across Southeast Asia, New Zealand and Australia. "Steven has a passion for the built environment, and how people work, learn, and conduct business," said Roger Schlick, Teknion's Vice President of U.S. Sales. Read More

Steven Pressacco

>AIS was named "Manufacturer of the Year" for the central Massachusetts region comprised of Worcester and Middlesex counties. The company was selected for the honor by Massachusetts Sen. Dean Tran, who is a member of the state's Joint Legislative Manufacturing Caucus. The Caucus formed in 2014 with a focus on training for manufacturing employees, encouraging innovation by helping start-ups access resources, and expanding apprenticeship opportunities in key manufacturing

AIS received the Manufacturer of the Year Award at a ceremony held at the Massachusetts state capitol in Boston on Oct. 30. Pictured, from left: state Rep. Jeffrey Roy, AIS President & CEO Bruce Platzman, AIS Vice President of Sales Courtney Pirosko, AIS Chairman Arthur Maxwell, state Sen. Dean Tran, state Sen. Eric Lesser.

sectors. AIS – with nearly 800 employees – is the largest employer and manufacturer in the city of Leominster, MA. It has annual sales of $200 million. AIS leadership, including President and CEO Bruce Platzman, accepted the award on behalf of the company at the 3rd Annual Manufacturing Awards Ceremony, which was held Oct. 30 at the state capitol in Boston. Throughout the month of October, AIS also hosted a number of activities related to "Manufacturing Month," observed by companies across the country to celebrate the importance of manufacturing with events that honor manufacturing leaders, educate students about career opportunities in manufacturing, and build broader awareness of manufacturing's positive impact on local and national economies. Read More

>AXOR is celebrating 25 years of exceptional kitchen and bath design with a new partnership with Design Hotels™. Design Hotels is a lifestyle and marketing brand

AXOR bathroom fixtures at Hotel Liberty, a former prison in Offenburg, Germany

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that represents a handpicked collection of more than 300 privately owned and operated hotels around the globe. AXOR faucets, showerheads, and accessories are regularly featured in Design Hotels member properties such as the Hotel Liberty, a former prison in Offenburg, Germany (pictured); the Les Bains in Paris; and 11 Howard in NYC. AXOR collections are iconic and architecturally significant, many created in collaboration with internationally acclaimed architects and product designers, including Philippe Starck, Antonio Citterio, Patricia Urquiola, and Jean-Marie Massaud. A dedicated new website for the U.S. offers an informative, and visually rich overview of the brand and the latest collections. Read More

RE-SITED

>Samantha Crosson joined Kimball as Market Sales Manager on its Northwest Sales Team, located in Sacramento, CA. Most recently Ms. Crosson was an Account Manager for Patcraft Flooring. Prior to that, she was an Account Manager with Shaw Contract, building long term business partnerships by creating trust and providing exceptional customer service. She supports the A&D Community by providing cutting edge design and innovative solutions. Read More

>Mike Rich joined Maars Living Walls as its new manager for the Midwest region. In this role, he will support Maars clients, dealer partners, general contractors and the A&D community for architectural wall projects. Mr. Rich has 15 years of manufacturing and dealer-distribution experience. Before joining Maars, he held the position of regional manager for architectural interiors with Teknion where he was responsible for marketing Teknion's architectural products to dealers, clients, and the architectural and general contractor communities. Before Teknion, he served as an account executive with Thomas Interior Systems, a Herman Miller dealer. "In this growing segment of the furniture and construction market, product education, technical support and project execution are paramount," Rich said. "My goal is to be a trusted adviser to our dealer partners and support all involved parties in executing successful projects." Read More

>Jennifer Sulentic joined Knoll to lead its Chicago sales team. Ms. Sulentic most recently served as a senior program manager with Taproot Partners' U.S. Communities business, and she has also held sales management positions with General Growth Properties. "Throughout Jennifer's career in sales management and business development, including her time as a Knoll sales representative, Jennifer has excelled in connecting clients and influencers in the Chicago contract furniture market, a core deliverable in the sales process," said Knoll West Divisional Vice President Mike Benigno. "Jennifer understands the dynamics of the Chicago region marketplace and is poised to lead the strategic transformation of Knoll, starting with the 2019 debut of our flagship Fulton Market showroom. She is also dedicated to the commercial imperative of customer relationship management as well as working closely with Chicago-based Knoll dealer partners." Read More

>Sonya Verny joined IA Interior Architects as Director of Client Services. With more than 15 years of experience in business development and account management for Fortune 500 companies and AmLaw 100 firms, her primary focus will be on expanding IA's presence in the local market and continuing to bring value to existing New York clients. Ms. Verny is very active in CoreNet as the Co-Chair of its Global Young Leaders Programs Committee and serves as CoreNet's PR Liaison for multiple NYC committees, including Special Events, Membership, and the Newsletter, as well as the Communications Co-Chair for its Eastern Regional Symposium. She is the current Secretary of the Executive Board of IFMA NYC where her interviews with real estate and facilities management professionals are regularly published in the IFMA NYC newsletter. A particular passion of Sonya's is fundraising for St. Jude Children's Research Hospital through her involvement with the Kids for Kids committee which she Co-Chairs. Since its inception, the Kids for Kids foundation has raised over $10 million for children and

Samantha Crosson

Mike Rich

Jennifer Sulentic

Sonya Verny

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families battling catastrophic diseases. Earlier this year, she was honored by St. Francis Food Pantries & Shelters as a Woman of Valor. Read More

ENVIRONMENT

>CaraGreen, a sustainable materials distributor, launched a podcast series to help listeners learn how to "Build Green, Live Green." This series will delve into hot topics, current standards, and practices, ways to design better spaces and specify materials that benefit not only consumers but the world as a whole. Members of CaraGreen and other industry leaders weigh in throughout the series. In the first two podcast episodes, listeners will learn the ins and outs of biophilic design – what it is, how to implement it, and why. The third episode covers China's ban on recycling and how it will impact the sustainability movement. Episode four discusses the WELL Building Standard. Episode six looks at biomimicry and how it is imperative in sustainable design practices. Read More

PROJECTS

>AIA Chicago honored exceptional architectural projects at Designight 2018, the organization's 63rd annual Design Excellence Awards ceremony and celebration. More than 1,000 architecture, engineering and construction industry leaders and professionals attended this year's event at Navy Pier, which was hosted by Chicago television personality, producer, and WTTW host Geoffrey Baer. Thirty-three awards were presented to projects in four categories: Distinguished Building, Divine Detail, Interior Architecture, and Unbuilt FORWARD. In its first year, the new Unbuilt FORWARD Award recognizes architectural design for projects that will not see completion but put a focus on relevant social, cultural and environmental challenges, as well as technological innovations that will drive the architecture profession into the future. Pictured is Perkins+Will's SRAM Headquarters in Chicago, winner of an Interior Architecture award. The global bicycle component manufacturer's active and high-performance environment connects em-

Steinberg Hart Los Angeles

ployees through collaborative spaces and centralized social areas and reinforces their unique culture with a working lab and machine shop. Read More

>The Los Angeles office of architecture firm Steinberg Hart completed its new studio, located at 818 W 7th Street. The nearly 12,000sf space puts on display some of the firm's first-in-class workplace design strategies while fostering productivity and providing room for the Los Angeles practice to continue to grow. "We opened our first office in Los Angeles in 1994 and have continued to evolve our practice," said Steinberg Hart President and CEO David Hart. "This city, and the downtown neighborhood that we call home, has an energy that sparks collaboration and interaction. Our new space embraces the values that our firm was built upon—design, relationships, and change—while inspiring and supporting innovation, exploration and efficiency. Ultimately, all of this allows us to make an even larger impact on the communities that we serve by delivering first-class design for our clients. We're excited to further deepen and expand our footprint across the region."

As 30% of Steinberg Hart's Los Angeles workforce commutes via public transportation, a location in a high-density area that was also accessible to a variety of transit options was key when the firm was selecting a new location for the office. In addition to being located within a block of the Los Angeles METRO 7th St/Metro Center station, the office's amenity-rich downtown neighborhood also boasts high walkability to the area's dining, retail, and entertainment attractions. To further create a connection with the city's landscape, the 11th floor office boasts

AIA Chicago Design Excellence Awards: Perkins+Will's SRAM Headquarters (Chicago, IL)

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270-degree views of the city that immediately visually draw the designers into the urban environment in which they're designing.
In creating their own workspace, the Steinberg Hart team designed a flexible open workspace, gallery, pin-up areas, jewel-box private meeting rooms, forward-thinking amenities, and an expansive communal kitchen that supports a design culture built around collaboration and interactivity with an eye on health and wellness. The original brick, concrete and industrial features of the historic 1920s building serve as the backdrop of the new office. The open-floor modern workspace, layered with the remnants of the historic structure, acts as a catalyst for growth that reflects Steinberg Hart's best practices in workplace design while encouraging productivity and supporting great design. Read More

EVENTS

>IFDA NY's Cocktails, Conversation & Connections event today, Nov. 5, will be at Oscar Wilde, "Manhattan's Longest and Wittiest Bar," 45 West 27th Street, 5:30-7:30 p.m. Read More

IIDA NY Retail Forum - Clicks to Bricks

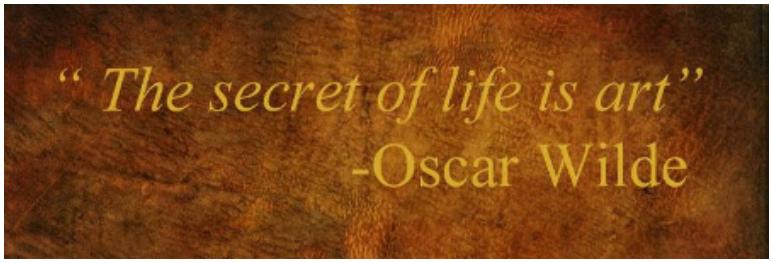
>IIDA NY this Wednesday, Nov. 7 will host a Retail Forum titled "Clicks to Bricks: Transitioning the Brand." This CEU event will take place 6:00-8:00 p.m. at Alu, 30 Broad Street, 27th Floor. Moderated by Zak Hoke, Retail Brand Manager for Nike NYC, the presentation will address the challenges faced by emerging online brands ready to transition to a physical retail environment. Speakers will include Brandon Lee, Director of Visual Merchandising for Bonobos; Andrew Neelon, Chief of Staff at Bonobos; Melody Hill, Store Design Project Manager for Casper; and Michelle Chiu, Vice President of Brand Experience at Blue Apron. Read More

>IIDA NY on Tuesday, Nov. 13 will present a Knowledge Forum: "Emerging Technologies and Their Influence on Interior Design." It will take place at the NYSID Auditorium, 170 East 70th Street, 6:00-8:00 p.m. Panelists will discuss emerging technologies from virtual reality to software to lighting and sound technologies that enhance the design process and the user experience, and how designers can use these technologies most effectively. Read More

>IIDA NY Buffalo City Center is welcoming volunteers for its 4th Annual giveback event Nov. 14 with the children at Child & Family Services, 4:00-7:00 p.m. It will include a Pizza Party with an evening of games, Lego construction, and a design build edible sweet treat showcasing the beloved turkey in preparation for the upcoming Thanksgiving holiday. Read More

IIDA NY Buffalo City Center.Giveback event at Child & Family Services

IIDA NY Knowledge Forum - Emerging Technologies and Their Influence on Interior Design



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RAYMOND JAMES BRIEF 10.29.18

Knoll: Reaffirm SB1; 3Q18 Sales and EPS Slightly Misses Us; Beats Consensus

Analysts: Budd Bugatch, Bobby Griffin

>We reaffirm our Strong Buy rating on KNL following Knoll's 3Q18 earnings report and ahead of management's Tuesday morning conference call. Although EPS and sales missed our estimates slightly, Knoll beat consensus estimates and delivered a solid third quarter with strong double-digit consolidated sales growth driven by increased sales from the Muuto acquisition and management's initiative to shift a higher percentage of consolidated sales towards the high-margin Lifestyle segment.

>Monday, after the market close, Knoll released 3Q18 results. After adjusting for acquisition-related expenses ($0.06 per share benefit before tax), restructuring charges ($0.02 per share benefit before tax), and pension settlement-related charges ($0.01 per share benefit before tax), **3Q18 non-GAAP EPS was $0.48**, thereby missing our $0.49 estimate but beating the $0.47 consensus estimate (three total estimates).

>Organic growth of 8.7% y/y in the Lifestyle segment (4.8% consolidated organic growth) and three full months of sales from newly acquired **Muuto** ($22.5 million in sales this quarter), led to the consolidated sales increase of 12.5% y/y to ~$327.7 million. Reported sales slightly missed our $329.1 million estimate but beat the $327.5 million consensus estimate. Gross margin increased to 37.5% from 36.6% primarily due to management's aim to increase the percentage of the high-margin Lifestyle segment sales out of total consolidated sales.

>Variance Analysis: Despite the bottom line miss versus our estimate, non-GAAP (adjusted) EPS beat our estimate by ~$0.02 at the operating line. A better-than-forecasted gross margin of 37.5% versus our estimate of 36.9% (55 bp delivering a $0.03 benefit) was offset partially by a modestly higher-than-estimated operating expense ratio (6 bp, $0.00 drag).

>Adjusted operating income increased 30.3 y/y to $36.9 million (11.3% of sales), versus our $35.5 million (10.8% of sales) estimate. Below the operating profit line, results missed our estimate due to lower other income (~$0.03 drag).

>Office Segment: Total office segment revenues increased ~2.8% y/y to $197.7 million versus our $204.2 million estimate. Newer workplace platforms and ancillary products grew year-over-year, while legacy system sales remained flat. Adjusted office operating income increased from $15.8 million (~8.22% of sales) to $17.1 million (~8.65% of sales).

>Lifestyle Segment: Lifestyle revenues increased 31.4% y/y to $130.1 million versus our $124.9 million estimate. The year-over-year increase was driven by the inclusion of Muuto sales and increased volume in contract markets across all of the Lifestyle business. Organic net sales increased 8.7% y/y. Adjusted operating income increased from $18.2 million

Industry Stock Prices

	11.2.18	9.28.18	6.29.18	3.29.18	12.29.17	9.29.17	%frYrHi	%fr50-DayMA
HMiller	33.9	38.4	33.9	32.0	40.1	35.9	-19.0%	-5.1%
HNI	38.7	44.2	37.2	36.1	38.6	41.5	-14.9%	-5.2%
Inscape	1.5	1.6	1.8	2.2	3.1	3.6	-57.5%	-8.6%
Interface	17.1	23.4	23.0	25.2	25.2	21.9	-34.8%	-17.2%
Kimball	16.6	16.8	16.2	17.0	18.7	19.8	-18.0%	-0.2%
Knoll	20.1	23.5	20.8	20.2	23.0	20.0	-17.3%	-8.6%
Leggett	38.0	43.8	44.6	44.4	47.7	47.7	-23.9%	-7.2%
Mohawk	131.8	175.4	214.3	232.2	275.9	247.5	-54.1%	-17.6%
Steelcase	17.3	18.5	13.5	13.6	15.2	15.4	-10.8%	0.4%
USG	42.6	43.3	43.1	40.4	38.6	32.7	-2.1%	-0.6%
Virco	4.5	4.9	4.4	4.1	5.1	5.5	-22.6%	4.1%
SUM	**361.8**	**433.6**	**452.8**	**467.3**	**531.0**	**491.4**		
DJIndust	25,271	26,458	24,271	24,103	24,719	22,405	-6.2%	-2.2%

(18.37% of sales) to $25.3 million (19.45% of sales). The Lifestyle segment is a high-margin segment which now represents 40% of consolidated revenues.

>Management will host its conference call on Tuesday, October 30, 2018 at 10:00 a.m. E.T. We will be back with refreshed estimates and further commentary after the call.

RAYMOND JAMES BRIEF 10.30.18

Knoll: Reaffirm Strong Buy and $28 Target; Current Valuation is Compelling

Analysts: Budd Bugatch, Bobby Griffin

>Recommendation: We reaffirm our Strong Buy rating and $28 target on KNL following Knoll's 3Q18 earnings release and management's conference call. Moving forward, we believe Knoll's results will continue to benefit from: (1) an increase in consolidated mix towards the high-margin Lifestyle segment (currently ~40% of consolidated revenue); (2) lean production initiatives within its office segment; and (3) further pricing realization from the second round of pricing increases that went into effect in July 2018. Assuming a stable U.S. domestic economy, the aforementioned benefits should drive EBIT and EBITDA growth over the next couple of years. In addition, with KNL currently trading at ~10.2x our NTM EPS estimate of $1.95, the risk/reward profile favors the reward over risk with our analysis yielding a ~$33 upside scenario and ~$15 downside scenario (+65%/-25%).

>3Q18 Results: As mentioned in our previous note, Monday, after the market close, Knoll reported 3Q18 non-GAAP EPS of $0.48, thereby missing our $0.49 estimate but beating the $0.47 consensus estimate (three total estimates). At the operating line, results beat our estimate by ~$0.02 as a result of a high-than-modeled gross margin ($0.03 benefit), which was partially offset by lower-than-expected revenue and a slightly higher-than-expected adjusted operating expense ratio. Below the operating line, results missed our estimate by $0.01 due to lower-than-anticipated other income ($0.03 drag).

>Knoll delivered solid 3Q18 growth across both business segments, with consolidated sales up 12.5% y/y (+31.4% in the Lifestyle segment) and organic sales up 4.8% (+8.7% in the Lifestyle segment). The strong Lifestyle sales growth was due to the inclusion of Muuto sales and increased volume in contract markets across all of the Lifestyle business. Muuto saw an acceleration of growth in the quarter as orders grew +50% globally and more than quadrupled in North America. Management expects Muuto to continue to benefit from exposure to Knoll's corporate clients and distribution network into 2019 and beyond.

>Lastly, management's lean initiatives within the office segment (~60% of consolidated revenue) have opened up opportunities to re-envision and redesign the entire supply chain, shedding less profitable products and inefficiently used square footage in manufacturing facilities, which should lead to further EBIT and EBITDA improvements over the next couple of years. Recall, relative to its public office furniture peers, Knoll is the youngest company on the "lean" journey.

>Estimates: Reflecting updated FX rates, as well as management's commentary around the 2019 China tariffs, our 2019 Non-GAAP EPS estimate goes to $2.02 from $2.06.

Non-GAAP EPS 2017A: Q1 $0.31; Q2 $0.30; Q3 $0.40; Q4 $0.36; Full Year $1.38

GAAP EPS 2017A: $1.63; Revenues (mil.) $1,133

Non-GAAP EPS 2018E: Q1 $0.35A: Q2 $0.42A; Q3 $0.48A; Q4 $0.52; Full Year $1.78

GAAP EPS 2018E: $1.51; Revenues (mil.) $1,303

Non-GAAP EPS 2019E: Q1 $0.38: Q2 $0.48; Q3 $0.57; Q4 $0.60; Full Year $2.02

GAAP EPS 2019E: $2.02; Revenues (mil.) $1,374

>Valuation: KNL currently trades at 10.2x our NTM non-GAAP EPS estimate of $1.95, compared to its three- and five-year averages of 12.6x and 14.1x, respectively.

BUSINESS AFFAIRS

>DIRTT Environmental Solutions on Oct. 30 issued its third-quarter 2018 earnings release (Canadian dollars in thousands except per share amounts):

3 Mos. Ended	9.30.18	9.30.17	%Ch.
Revenue	$96,604	$84,022	15.0%
Gross profit	$41,976	$35,911	16.9%
SG&A	$32,952	$29,891	10.2%
Net Inc./Loss	-$4,867	$4,179	-
Net Inc./Loss	$11.4	$7.0	62.6%
per share	-$0.06	$0.05	-

9 Mos. Ended	9.30.18	9.30.17	%Ch.
Revenue	$258,019	$219,087	17.8%
Gross profit	$110,143	$92,764	18.7%
SG&A	$94,218	$90,799	3.8%
Net Inc./Loss	-$527	-$93	-
Net Inc./Loss	$12.8	$6.9	85.5%
per share	-$0.01	-	-

"DIRTT's revenue performance this quarter illustrates the growing recognition of the industry's need for a long-term

construction solution that embraces technology and responds to individual building needs," said **Kevin O'Meara**, who was appointed DIRTT's CEO in September. "The quarter's strong operational financial results also demonstrate the contribution that enhanced fiscal discipline can make to our performance going forward.

"Since I joined DIRTT, the executive leadership team has undertaken a comprehensive review of the company's key markets, customer segments, operations and investment targets. While this review is ongoing, we recently decided to exit our **DIRTT for Life** residential services. The pure residential market requires different resources to address fully — resources we believe are better allocated to DIRTT's core markets.

"In addition, we are shifting the way we approach the timber market with our **DIRTT Timber** solution. Although we remain very enthusiastic about the potential of DIRTT Timber, the North American timber market itself is still in its early stages and needs to develop significantly. Accordingly, we are moving from aggressive development to a commercialized approach focused on large, standalone timber projects and timber as a pull-through for other DIRTT solutions. This requires significantly less timber capacity and we will therefore be right-sizing our capacity by the end of this year."

Mr. O' Meara concludes, "DIRTT is one of the most exciting companies in construction today. The combination of our virtual reality technology, product design, precise manufacturing and partner network makes DIRTT a remarkable and logical answer to the industry's most pressing challenges. As issues such as labor shortage and compressed schedules become more and more prevalent, I believe DIRTT's market opportunity will continue to expand. I look forward to leading this outstanding company forward."

The revenue growth reflected increased sales activity in Canada and the U.S. across a range of industry segments, including continued penetration into the healthcare market. As a percentage of total revenue, sales to healthcare increased in the third quarter from 21% in 2017 to 27% and in the year-to-date period from 17% in 2017 to 20%. Third-quarter revenues were also positively impacted by a stronger U.S. dollar in 2018 compared to 2017.

Gross profit percentage increased to 43.5% of revenue in 3Q18 from 42.7% in 3Q17. Adjusted gross profit percentage increased to 45.5% in 3Q18 from 44.8% in 3Q17, and to 44.9% in the nine-month period from 43.9% last year. This improvement reflected increased leverage on fixed manufacturing costs, partially offset by higher materials and direct labor costs primarily due to product mix. The net loss this quarter reflected the impact of a $14.8 million impairment expense of DIRTT for Life and DIRTT Timber assets.

The quarter's SG&A included approximately $2.9 million of reorganization costs, comprised primarily of severance and related costs associated with executive changes announced in the third quarter of 2018. Adjusted SG&A expenses decreased by $0.3 million, or 1.3%, to $26.1 million in 3Q18, from $26.5 million in 3Q17. This decrease reflects reductions in non-essential travel and entertainment, office and other expenditures, substantially offset by increased salaries on a slightly higher headcount compared to the third quarter of 2017 and commissions on larger sales volume.

In the first nine months of 2018, SG&A included reorganization costs associated with certain management changes, totaling $6.0 million in the first nine months of 2018. Adjusted year-to-date SG&A expenses decreased by $0.6 million or 0.8% to $77.7 million in 2018 from $78.3 million in the same period of 2017. Increased salaries due to a slightly higher headcount, and commissions on larger sales volume, as well as one-time costs associated with activist defense ($1.8 million) and the special committee of the board of directors ($0.9 million) were more than offset by reductions in non-essential travel and entertainment, office and other expenditures as well as targeted reductions in non-revenue generating marketing and tradeshow expenses.

Asset Impairment

In the third quarter of 2018, management commenced a review of its solution lines and, as a result, decided to exit its **DIRTT for Life** residential services in October 2018. In addition, management decided to shift from the early stage development of its **DIRTT Timber** market to a commercialized approach focused on large, standalone timber projects and timber as a pull-through for other DIRTT solutions. Management concluded that this strategy requires significantly less timber capacity than currently exists and is therefore taking steps to right-size its timber capacity by the end of 2018. Management also determined these decisions to be an indicator of impairment of the assets related to both of these solution lines as at Sep. 30, 2018.

DIRTT for Life had intangible assets with a carrying value of $1.7 million at Sep. 30, 2018. As these assets cannot be resold and there is no future use for the assets, the entire carrying amount was impaired and a corresponding impairment charge of $1.7 million was recorded in the third quarter of 2018.

Management also performed an assessment of the carrying values of DIRTT Timber's property, plant and equipment, and intangible assets. The net book value of the assets was evalu-

ated against the greater of value-in-use and fair value, less cost of disposal. The value-in-use of the timber assets reflects current assets for timber projects on a standalone basis and the pull-through impact to other DIRTT solutions. In its evaluation, management determined it was unable to reliably quantify the pull-through impact of timber on other DIRTT solutions. As a result, management concluded that the fair value less cost of disposal exceeded the standalone value-in-use of its timber assets. The equipment related to the timber market was custom built for DIRTT and there is no active market for resale. Therefore, the fair value was determined to be management's estimate of scrap value for the specialized assets and an estimated resale value for less specialized assets that cannot be redeployed for DIRTT's other solutions. Management estimated the expected resale values based on the current market and on experience of management in the industry. The fair value less cost of disposal of the timber assets was estimated to be $1.5 million. This assessment resulted in an additional impairment charge of $13.1 million in the third quarter, of which $8.0 million related to tangible assets and $5.1 million related to intangible assets.

Liquidity and Capital Resources

At Sep. 30, 2018, DIRTT had $54.5 million in cash and cash equivalents, compared to $79.6 million at Dec. 31, 2017. The company also had access to an undrawn US$18.0 million revolving credit facility.

Outlook

DIRTT provides a comprehensive interior construction solution empowered by best-in-class technology that addresses challenges frequently encountered within conventional construction. Such challenges include cost overruns, labor shortages, inconsistent quality and time delays. Of the approximate US$1.2 trillion construction market in the United States [Source: US Census Bureau 2017], there is an immediately addressable market of at least US$50 billion in the primary focus areas of commercial (which includes corporate, education, government and certain residential) and healthcare. The company is focused on developing the strategies, disciplines and processes necessary to increase penetration of this largely untapped market.

The establishment of a permanent leadership team is a critical step toward this goal. DIRTT announced the completion of its CEO search on Sep. 10 with the hiring of **Kevin O'Meara**. At the same time, DIRTT also announced the departure of its executive chairman**, Mogens Smed**. Management is undertaking a comprehensive review of DIRTT's market opportunities and operations to develop a long-term strategy that drives continued profitable growth. In particular, it is defining the investments and actions necessary to accelerate market penetration using its existing Partner network, and to increase overall operational efficiency. To increase liquidity for its US shareholders, DIRTT is also actively working toward registering with the **Securities and Exchange Commission** (SEC), including a listing on an accredited U.S. exchange.

While DIRTT's revenues remain subject to inter-quarter volatility, the second half of the year has historically been the strongest, with 2018 being no different. The company reported that it remains on track to achieve its stated Adjusted EBITDA % target of between 13% and 15% for 2018.

The full text of DIRTT's 3Q18 earnings release, including all tables, and a replay of the company's Oct. 31 conference call, including slides, may be accessed at www.dirtt.net/company/investors. A telephone replay of the call will also be available at +1 855-859-2056 (passcode 3659956) until 11:59 p.m. Eastern Time Wednesday, Nov. 7. Additional information may be found in DIRTT's condensed consolidated financial statements available at www.sedar.com and www.dirtt.net/company/investors.

>Interface will present at the Baird 2018 Global Industrial Conference in Chicago this Tuesday, Nov. 6, 7:30 a.m. Central Time. A webcast link to the presentation is available on the company's website at https://investors.interface.com/events-and-presentations/default.aspx

>Kimball International, Inc. shareowners, at their 2018 annual meeting, elected Timothy J. Jahnke, Kristine L. Juster, and Thomas J. Tischhauser to serve on the Board of Directors. Each will serve a term of three years until the 2021 meeting of shareowners, or until their respective successors have been duly elected and qualified. Upon accepting the CEO role, Ms. Juster became a non-independent director. Shareowners also approved the non-binding advisory vote on compensation for executives and ratified the appointment of **Deloitte & Touche, LLP** as the company's independent registered public accounting firm for fiscal year 2019.

Kimball International's Board of Directors declared a quarterly dividend of eight cents ($0.08) per share for all outstanding shares of common stock. It is payable Jan. 15, 2019, to shareowners of record on Dec. 21, 2018. https://www.kimballinternational.com/news-and-events

>Kimball International, Inc. also announced that its Board of Directors appointed Kim Ryan as its new Chair of the Board, effective Nov. 1. Ms. Ryan **replaces Bob Schneider,** who retired effective Oct. 31, after serving four years as both Chair and CEO of the company. Ms. Ryan has served as a member

of the Kimball International Board since being appointed in 2014 and has participated as a member of the Audit Committee during the past four years. Her significant contributions as a Board member in the company's strategic planning alongside Mr. Schneider and the rest of the Board and senior management team, her contributions as an Audit Committee member in overseeing the company's financial and internal controls, risk management, compliance and cybersecurity policies, along with Ms. Ryan's experience as a senior executive **at Hillenbrand, Inc.** have prepared her well for this new role. She will work closely with Kimball International's newly announced CEO, **Kristie Juster**, to lead and oversee the company's next chapter.

Retiring Chair and CEO Bob Schneider stated, "Kim has been a key member of our board for the past four years, offering invaluable insight and perspective on our long-term strategic planning, corporate governance, and risk management. She has ably represented our Board for over four years and I am confident she will excel in the role of Chair of the Board." Mr. Schneider continued, recalling his comments, made at the announcement in May 2018 of his plan to retire, when he indicated he would continue on the Board only to the extent he felt his continuity would be needed with a new CEO, "I've known Kristie for two and a half years as she provided input into our strategies and operations, and I am completely confident in her skills and cultural alignment with our long-standing Guiding Principles. That, combined with Kim as Chair of the Board, the rest of our Board of Directors and management team, all of whom have a deep understanding of our businesses and markets, allows me to step down from the Board completely, knowing that I am leaving this great company and its future in extremely capable hands to pursue the next phase of growth. Given the continuity we have, I feel this is very good governance for the retiring CEO to step down from the Board, and I will be doing so effective with the close of business on Oct. 31, 2018."

Additionally, as a result of the appointment of the independent Chair of the Board, and as permitted by the company's By-laws, the Board discontinued the position of Lead Independent Director. **Pat Connolly** will continue to serve on the Audit Committee, assuming the role as its Chair, while **Susan Frampton** will assume the role of Chair of the Compensation and Governance Committee, on which she has served as a member for the past 2 ½ years. The Board has also determined that it will commence a search for a new director to be added to the Board in the next several months to replace the director position held by Mr. Schneider. https://www.kimballinternational.com/news-and-events

>Knoll, Inc. released its third-quarter 2018 financial results on Oct. 29 (dollars in millions except EPS):

3 Mos Ended	9.30.18	9.30.17	%Ch.
Net Sales	$327.7	$291.3	12.5%
Gross Profit	$122.8	$106.6	15.2%
SG&A	$88.7	$78.9	12.4%
Op. Profit	$32.9	$27.7	18.7%
Net Inc.	$20.3	$19.1	6.2%
EPS (dil.)	$0.41	$0.39	5.1%

9 Mos Ended	9.30.18	9.30.17	%Ch.
Net Sales	$947.6	$816.8	16.0%
Gross Profit	$349.8	$302.2	15.8%
SG&A	$267.0	$231.9	15.1%
Op. Profit	$80.2	$68.2	17.6%
Net Inc.	$48.7	$47.5	2.5%
EPS (dil.)	$0.99	$0.96	3.1%

Adjusted operating profit for the third quarter of 2018 was $36.9 million, an increase of 30.0% from the third quarter of 2017. Net earnings for the third quarter of 2018 were $20.3 million, an increase of 6.2% compared to the third quarter of 2017. Adjusted net earnings for the third quarter of 2018 were $23.7 million, an increase of 21.1% compared to the third quarter of 2017. Adjusted diluted EPS was $0.48 and $0.40 for the third quarter of 2018 and 2017, respectively.

"The bold actions we've taken, from the acquisition of **Muuto** to the launch of new platforms like **Rockwell Unscripted** and the reorganization and expansion of our selling capacity, have continued to enable us to respond to changing design trends and allocation of space within the workplace, penetrate faster growing ancillary categories and drive top line growth," commented Knoll Chairman and CEO **Andrew Cogan.** "Coupled with initiatives to increase the share of revenue from our high-design, high-margin global **Lifestyle** businesses which now represent 40% of our revenues, we are building a unique constellation of design driven brands with durable competitive advantages and superior profitability.

"This quarter the benefit of these initiatives combined with favorable price realization and efforts by our supply chain team to offset continued inflationary pressures led to 100 basis points of adjusted EBITDA margin expansion and adjusted EPS growth of 20%. Looking ahead to the end of the year we expect to continue to grow our business, expand our margins and further delever our balance sheet."

During 3Q18, gross margin increased to 37.5% from 36.6% in 3Q17. This increase was attributed primarily to the continued shift of the percentage of total Knoll, Inc. sales towards its higher margin Lifestyle segment, which experienced significantly higher sales growth than the Office segment.

Operating expenses in the quarter included acquisition related expenses of $2.8 million. These included amortization of acquired intangible assets of $2.1 million, retention agreements for key employees of $0.9 million, and other customary acquisition related expenses of $0.2 million, partially offset by the reduction of an acquisition related liability of $0.4 million. Operating expenses also included restructuring charges of $1.2 million which were related to the company's supply chain optimization initiative. Excluding these items, adjusted operating expenses were $85.9 million for the third quarter of 2018, or 26.2% of net sales compared to $78.3 million, or 26.9% of net sales in the third quarter of 2017. The increase in adjusted operating expenses was related primarily to incremental operating expenses from Muuto, in addition to increased warehousing and showroom costs.

Excluding the impact of the acquisition related expenses, restructuring charges and the pension settlement charge, adjusted net earnings for the third quarter of 2018 was $23.7 million, or $0.48 adjusted diluted earnings per share, compared to $19.6 million, or $0.40 adjusted diluted earnings per share for the third quarter of 2017.

The effective tax rate for 3Q18 was 26.1%, down from 29.9% in 3Q17. The effective tax rate for the third quarter of 2017 was favorably impacted by the reversal of a valuation allowance against certain foreign jurisdiction deferred tax assets. Excluding the impact of the valuation allowance reversal, the effective tax rate for the third quarter of 2018 decreased significantly from the third quarter of 2017 primarily due to the passage of the U.S. Tax Cuts and Jobs Act ("Tax Reform") in the fourth quarter of 2017. Knoll expects its full year effective tax rate will be between 25% and 26% for fiscal year 2018. The mix of pretax income and the varying effective tax rates in the countries and states in which it operates directly affects its consolidated effective tax rate.

Capital expenditures for the third quarter of 2018 totaled $5.3 million compared to $8.7 million in the third quarter of 2017. During the third quarters of 2018 and 2017, the company paid a quarterly dividend of $7.3 million, or $0.15 per share.

Business Segment Results (dollars in thousands)

3 Mos Ended	**9.30.18**	**9.30.17**	**%Ch.**
Office			
Net Sales	$197,682	$192,308	2.8%
Op. Profit	$15,894	$15,802	0.6%
Lifestyle			
Net Sales	$130,055	$98,948	31.4%
Op. Profit	$22,294	$17,578	26.8%

9 Mos Ended	**9.30.18**	**9.30.17**	**%Ch.**
Office			
Net Sales	$570,048	$512,904	11.1%
Op. Profit	$35,076	$29,442	19.1%
Lifestyle			
Net Sales	$377,599	$303,866	24.3%
Op. Profit	$63,435	$50,573	25.4%

(The Office segment includes a complete range of workplace products that address diverse workplace planning paradigms in North America and Europe. These products include: systems furniture, seating, storage, tables, desks and KnollExtra® accessories as well as the international sales of Office products. The Lifestyle segment includes KnollStudio®, HOLLY HUNT®, DatesWeiser, Muuto, KnollTextiles®, Spinneybeck® (including Filzfelt®), and Edelman® Leather. KnollStudio products, which are distributed in North America and Europe, include iconic seating, lounge furniture, side, cafe and dining chairs as well as conference, training and dining and occasional tables. HOLLY HUNT® is known for high quality residential furniture, lighting, rugs, textiles and leathers. In addition, HOLLY HUNT® also includes Vladimir Kagan Design Group, a renowned collection of modern luxury furnishings. DatesWeiser, known for its sophisticated meeting and conference tables and credenzas, sets a standard for design, quality and technology integration. The KnollTextiles®, Spinneybeck® (including Filzfelt®), and Edelman® Leather businesses provide a wide range of customers with high-quality fabrics, felt, leather and related architectural products. The acquisition of Muuto rounds out the Lifestyle segment with its ancillary products and affordable luxury furnishings to make the Lifestyle segment an all-encompassing "resimercial", high-performance workplace, from uber-luxury living spaces to affordable luxury residential living.)

In the Office segment, newer workplace platforms and ancillary products drove sales growth while legacy system sales remained flat.

In the Lifestyle segment, the sales increase was primarily driven by the inclusion of three months of sales from Muuto as well as increased volume in Knoll's contract markets across all Lifestyle businesses. Organic net sales for the Lifestyle segment grew 8.7% in the third quarter of 2018 compared to the same quarter in 2017.

The full text of Knoll's 3Q18 earnings release, including all tables, and a webcast replay of its Oct. 30 conference call, including presentation slides, are available at the Knoll Investor Relations web page. In addition, an audio replay of the call will be available through Aug. 7 at (855) 859-2056 (North America) or (404) 537-3406 (International); Conference ID 9875006. http://phx.corporate-ir.net/phoenix.zhtml?c=66169&p=irol-irhome

>Steelcase Inc. is scheduled to present at Baird's 2018 Global Industrial Conference in Chicago this Thursday, Nov. 8, at 2:30 p.m. Central Time. The accompanying slides will be available at ir.steelcase.com before the presentation.

Steelcase also announced, in a Form 8-K filed with the SEC on Nov. 2, that on Oct. 30 the company entered into a stock repurchase agreement with an independent third party broker

technology

under which the broker is authorized to repurchase up to 1.0 million shares of the company's common stock on behalf of the company during the period from Oct. 30, 2018 through Jan. 18, 2019, subject to certain price, market and volume constraints specified in the agreement. http://ir.steelcase.com/financial-information

TECHNOLOGY

>Humanscale's online ergonomics program, ergoIQ , is now available for businesses. Designed as an initial assessment method, ergoIQ aims to improve workplace wellbeing by bringing expert ergonomic advice directly to professionals and practitioners. It is a cost-effective, scalable tool that businesses can leverage to save time and resources associated with traditional, onsite ergonomic consultations (reducing costs as much as 90%). Recognizing that most people do not fully understand how to apply ergonomic principles to their workstations, ergoIQ's intuitive Q&A format and straightforward visuals make it highly accessible. More than simply pinpointing specific workstation adjustments, ergoIQ takes the process a step further by providing a comprehensive Fit Score. This detailed report conveys how well current work tools are fitted to the body in categories such as seating, monitor alignment and lighting. When analyzed, this data offers a more accurate and nuanced picture of an organization's ergonomic health. By digitizing the ergonomic consultation, ergoIQ offers strategic program management for human resource professionals, facilities managers and workplace strategists. With the aggregated Fit Score, ergoIQ helps identify specific needs for more formal, in-person ergonomic assessments. It also tracks overall improvement levels across multiple facilities, saving hours of administrative work. By automating equipment approvals and procurement, ergoIQ helps to streamline workflows. Companies can even customize the program to include pre-approved tools and vendors. Read More

umanscale: ergoIQ

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