

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): December 14, 2020

INTERFACE INC

(Exact name of Registrant as Specified in its Charter)

Georgia	001-33994	58-1451243
(State or other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification No.)
1280 West Peachtree Street NW	Atlanta	Georgia
(Address of principal executive offices)		30309
		(Zip code)

Registrant's telephone number, including area code: (770) 437-6800

Not Applicable

(Former name or former address, if changed since last report)

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.10 Par Value Per Share	TILE	Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 7.01 Regulation FD Disclosure.**

On December 14, 2020, management of Interface, Inc. (the “Company”) will meet with and present to investors and potential investors. A copy of the slide presentation, which may be used in whole or in part in the presentation, is attached as Exhibit 99.1.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

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Item 9.01 [Financial Statements and Exhibits](#)

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	Interface Inc., Slide Presentation dated December 14, 2020
104	The cover page from this Current Report on Form 8-K formatted in Inline XBRL (included as Exhibit 101)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTERFACE, INC.

By: /s/ David B. Foshee  
David B. Foshee  
Vice President

Date: December 14, 2020



**Interface®**

**SUSTAINABILITY – MORE THAN A COMMITMENT**  
**ESG NDR PRESENTATION**

DECEMBER 14, 2020

DAN HENDRIX, CHIEF EXECUTIVE OFFICER

BRUCE HAUSMANN, CHIEF FINANCIAL OFFICER

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## Forward Looking Statements and Non-GAAP Measures

This presentation contains forward-looking statements, including, in particular, statements about Interface's plans, strategies and prospects. These are based on the Company's current assumptions, expectations and projections about future events.

Although Interface believes that the expectations reflected in these forward-looking statements are reasonable, the Company can give no assurance that these expectations will prove to be correct or that savings or other benefits anticipated in the forward-looking statements will be achieved. The forward-looking statements set forth involve a number of risks and uncertainties that could cause actual results to differ materially from any such statement, including risks and uncertainties associated with the ongoing COVID-19 pandemic, including interruptions to our manufacturing operations and reduced demand for our products, and economic conditions in the commercial interiors industry. Additional risks and uncertainties that may cause actual results to differ materially from those predicted in forward-looking statements also include, but are not limited to the risks under the subheadings in "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2019, as supplemented in the Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended April 5, 2020 and October 4, 2020, which discussions are hereby incorporated by reference. You should also consider any additional or updated information we include under the heading "Risk Factors" in our subsequent annual and quarterly reports.

Forward-looking statements in this presentation include, without limitation, the information set forth in the slides titled "Progress & Moving Forward", "Company Overview," "Participating in Attractive Commercial Flooring Categories", "Strong Cash Flow Profile", "Climate Take Back Mission" and "State of the Office". Other forward-looking statements can be identified by words such as "may," "expect," "forecast," "anticipate," "intend," "plan," "believe," "could," "should", "goal", "aim", "objective", "seek," "project," "estimate," "target," and similar expressions. Forward-looking statements speak only as of the date made. The Company assumes no responsibility to update or revise forward-looking statements and cautions listeners and meeting attendees not to place undue reliance on any such statements.

This presentation includes certain financial measures not calculated in accordance with U.S. GAAP. They may be different from similarly titled non-GAAP measures used by other companies, and should not be used as a substitute for, or considered superior to, GAAP measures. Reconciliations to the most directly comparable GAAP measures appear in the Appendix.

# Investment Thesis



# Interface at a Glance

Interface is the leader in commercial flooring.

Global Sustainability Leader

All products are Carbon Neutral

Only Company with Carbon Negative Products

7 manufacturing locations on 4 continents

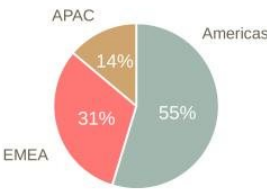
4,100 global employees

Sales in over 110 countries

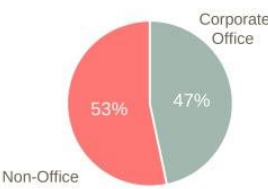
Over 1,100 Sales & Marketing professionals

(\$ in millions, except EPS)	LTM Q3 2020
Net Sales	\$1,166
Adj Operating Income*	\$126
Adj EPS (Diluted)*	\$1.34
Net Debt*	\$476
Adj EBITDA*	\$162
Net Debt / Adj EBITDA*	2.9x

REVENUE BY REGION



REVENUE BY VERTICAL



\* See Appendix for a reconciliation of Non-GAAP figures  
 Note: Geographic breakdown and segment figures represent YTD Q3 2020



## Who We Are

Design and Innovation Leader Focused on Solving Customer Problems Across Multiple Segments



**Strong brands** with a history of innovation and a commitment to sustainability



**Leading global provider** of commercial flooring: Carpet Tile, Modular Area Rugs, LVT, Rubber



**Innovation and Design Leader** in modular carpet

**Strong global sales & marketing capabilities**



**Global sales & manufacturing footprint with industry-leading gross margins**

**Engaged customer-centric culture** focused on performance and galvanized around our **sustainability mission**



# Progress & Moving Forward

Our sustainability journey began in 1994, led by our founder, Ray Anderson.



Note: Data as of 2018

## Company Overview

### COMPANY

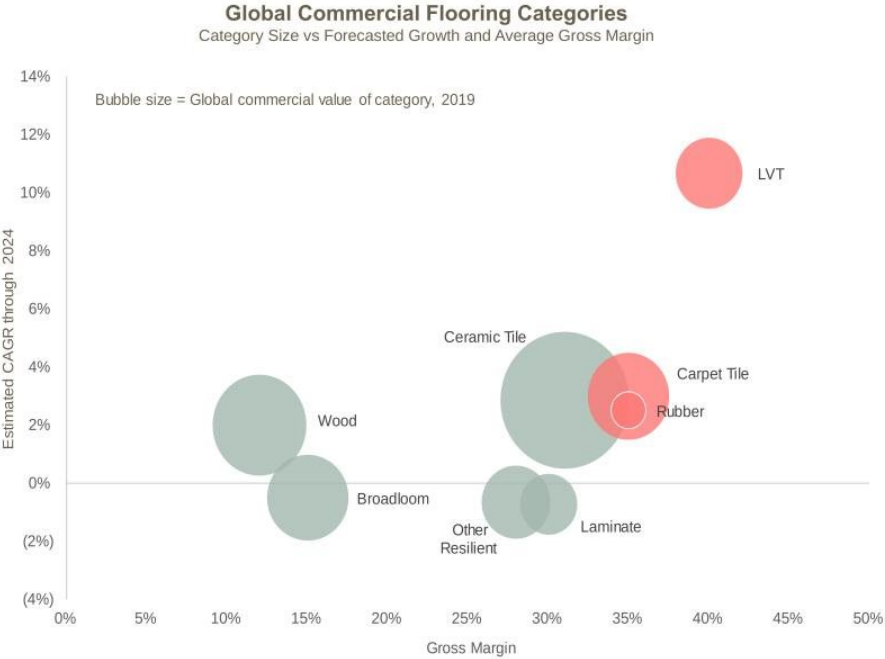
- Best-in-Class **ESG Company Initiatives**
  - **First-ever carbon-negative carpet tile** product, which is third party verified under EPD
  - All products are **carbon neutral**
- Strong **commercial brands** that lead in growth areas of the industry
  - Recognized **design leader** in commercial flooring
- Attractive **gross profit margins**; Strong **liquidity and healthy balance sheet**
- **Global footprint** with manufacturing on four continents to service local and global customers
- Generated \$149 million of **cash from operations**, trailing 12 months
- Strong **capital structure** with no re-financing deadlines until 2025 and 2028

### PRODUCT

- **Share leader** in a \$39 billion global commercial flooring category:
  - Leading share in carpet tile and rubber
  - Growing share in Luxury Vinyl Tile (LVT)
- Solid **growth execution** and **positioned for future growth**:
  - **Selling system** transformation is increasing **salesforce productivity** and delivering results
  - Segmentation strategy is further expanding opportunity in healthcare, education, hospitality, and life sciences
  - Geographic diversification is leveraging global account growth opportunities, supplemented by our **dealer strategy**
  - Cross-selling opportunities are expanding across Interface and nora
  - **FLOR** consumer brand growing with omni-channel approach across catalog and phone
- **Robust innovation** pipeline
  - Advanced tufting technology
  - Manufacturing efficiencies
  - New product introductions around Luxury Vinyl Sheet and LVT Stone Collection

# Participating in Attractive Commercial Flooring Categories

Interface Serves Growing Segments of Resilient and Soft Surface with the Highest Margins



Source: Management estimates

## Strong Cash Flow Profile

- Investing in the business to fuel our growth strategy while upholding a disciplined approach to deleveraging

Historic Free Cash Flow / Free Cash Flow Conversion <sup>(1)</sup>



### Capital Deployment Philosophy

#### Reduce Debt

- Utilize excess cash to pay down debt
- Optimize cost of capital and target Net Debt / Adjusted EBITDA < 2.0x

#### Reinvest in the Business

- Invest in strategic initiatives with high returns, including organic growth opportunities, innovation, manufacturing productivity and salesforce effectiveness

#### Explore M&A Opportunities

- Opportunistically evaluate accretive M&A transactions

#### Return Excess Cash to Shareowners

- Reduced dividend to \$0.01 per share in response to COVID

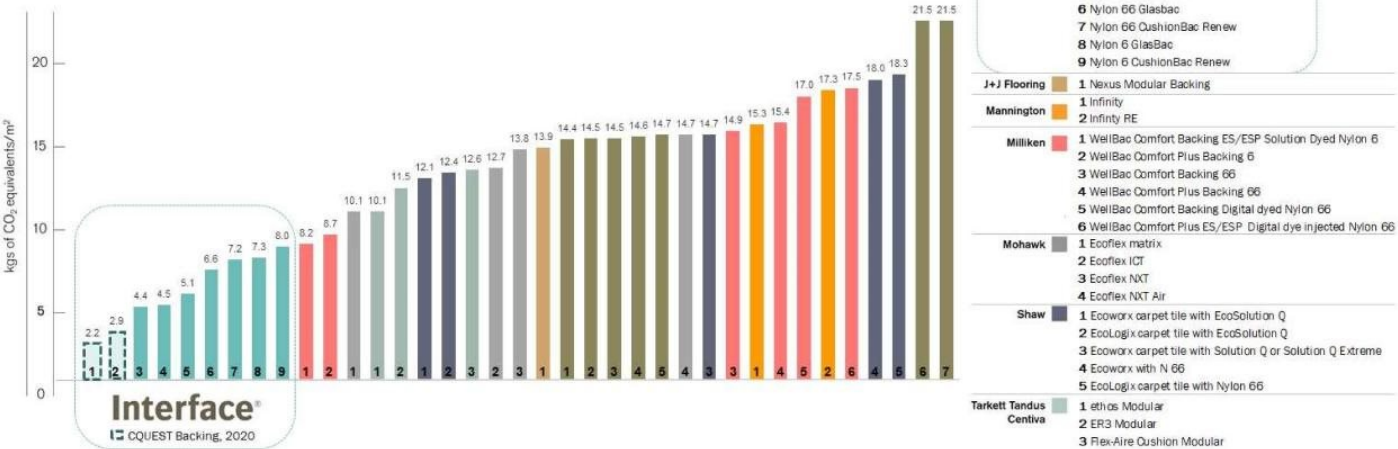
(1) Free Cashflow represented as Adjusted EBITDA less Capital Expenditures; FCF Conversion indicates FCF as a % of Adjusted EBITDA

# Recognized Global Leadership in Environmental Sustainability

## Carpet Tile Carbon Footprint Comparison

CRADLE-TO-GATE CARBON FOOTPRINT,  
FROM RAW MATERIAL EXTRACTION THROUGH MANUFACTURING

Expected Introduction of First Carbon Negative Carpet Tile in Q4 2020



The carbon footprint values are taken from publicly available third party verified Environmental Product Declarations. Although Environmental Product Declarations generally have limited comparability, the characterization factor for each product's carbon footprint is the same across all these Environmental Product Declarations. This data is geographically limited to United States manufacturing and the above metrics do not compare any product outside the United States. Updated August 2020





## Environmental, Social, and Governance (ESG)

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# 2019 Company Footprint

**635,735**  
metric tons CO<sub>2</sub>e

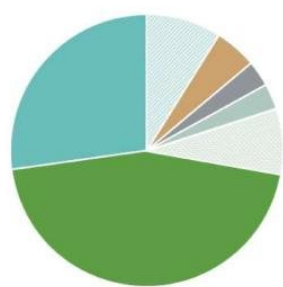
Total company emissions resulting from Scopes 1, 2 & 3

**15,115**  
metric tons CO<sub>2</sub>e

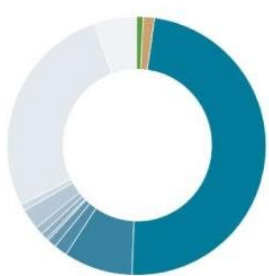
Company emissions resulting from Scopes 1 & 2 (2.4%)

**620,620**  
metric tons CO<sub>2</sub>e

Company emissions resulting from Scope 3 (97.6%)



2019 Carbon Impact – 635,735 mtCO<sub>2</sub>e

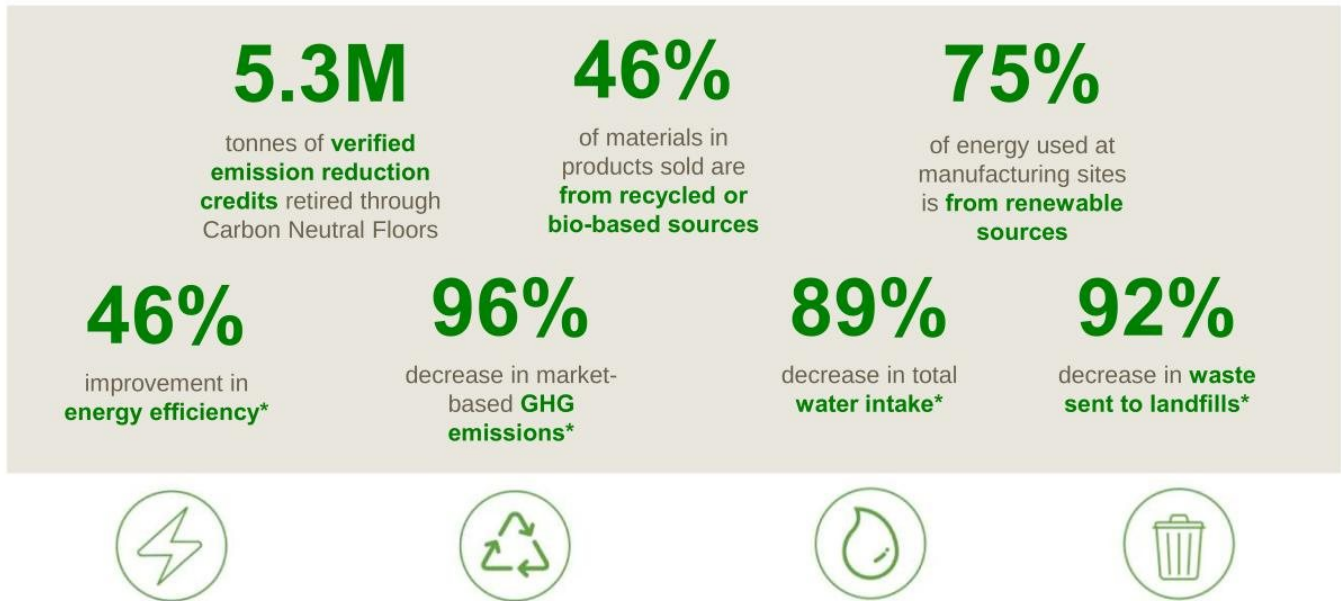


2019 Global GHG Emissions – 635,735 mtCO<sub>2</sub>e

- SCOPE 1**  
Direct Emissions 5,782
- SCOPE 2**  
Indirect Emissions (Market Based) 8,333
- SCOPE 3**  
Indirect Emissions 620,620
  - Category 1 – Purchased goods and services: 307,350
  - Category 2 – Capital goods: 54,000
  - Category 3 – Fuel- and energy-related activities: 12,000
  - Category 4 – Upstream transportation and distribution: 6,300
  - Category 5 – Waste generated in operations: 1,820
  - Category 6 – Business travel: 4,600
  - Category 7 – Employee commuting: 6,300
  - Category 8 – Upstream leased assets: Included in Scopes 1 & 2
  - Category 9 – Downstream transportation and distribution: 12,600
  - Category 10 – Processing of sold products: 4,400
  - Category 11 – Use of sold products: 173,000
  - Category 12 – End-of-life treatment of sold products: 33,260



## Continued Reductions in Environmental Impacts



\*At global carpet manufacturing sites since 1996  
 Note: Data as of 2019  
[Link](#)

## Programs and Partnerships



**Net-Works program** turns discarded fishing nets into supplemental income for communities and 100% recycled content nylon that we use in our carpet tiles.

**114k**

pounds of post-consumer fishing nets collected and shipped to our yarn supplier **for recycling**



**ReEntry program** prompts reclamation process for recycling of carpet and other products.

**13.5M**

pounds of post-consumer carpet collected and diverted into the **most sustainable option**



**Suppliers to Zero program** partners with **Manufacture 2030** to measure and reduce the carbon footprint in our supplier's raw materials with efficiency.

**45%**

of total enterprise carbon impact accounts for **purchased raw materials**

Note: Data as of 2019

## Climate Take Back Mission

### Short-term Goal: ✓

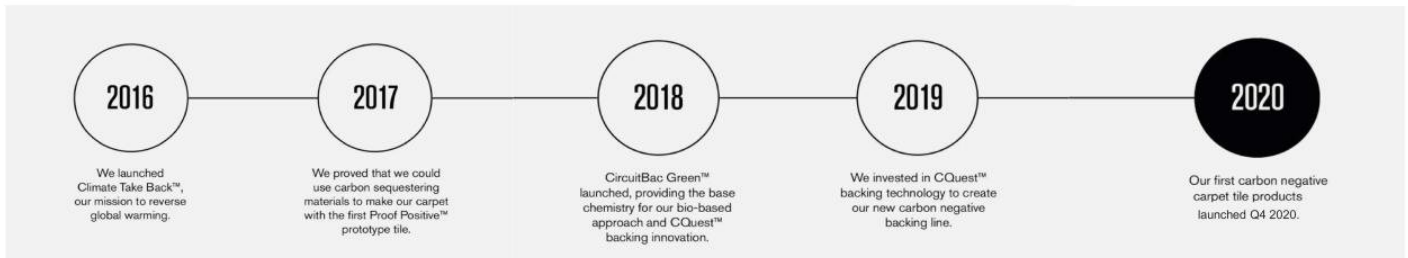
Launch first-ever carbon negative carpet tile by YE2020

### Long-term Goal:

Become a carbon negative enterprise by 2040  
Offer the industry's lowest carbon footprint products

### Path to Success:

Invest in product innovation  
Seek new opportunities



## Product Innovation – The First Carbon Negative Carpet Tile

- Our goal is to make products with the lowest carbon footprint possible – products that go beyond neutral to help restore the health of the planet
- We've innovated ways to work with recycled content and bio-based materials – which has led us to make carpet tiles that store carbon, preventing its release into the atmosphere
- When we stop seeing carbon as the enemy and start using it as a resource, great things can happen. Taking our cue from nature, we can learn to work with carbon, using it as a building block to engineer better products

### The carbon life cycle

In the life of almost any product, carbon dioxide is released into the atmosphere. This release of carbon happens in two stages: the embodied carbon stage and the operational carbon stage



### Embodied carbon

The carbon dioxide emitted by making our products. This phase covers raw material creation, growth and extraction, through manufacture, until a product is ready for sale. Also known as "cradle to gate", this is the most exciting phase for us because we can engineer our embodied carbon footprint to negative



### Operational carbon

The carbon emitted after our product is installed. This phase includes customer use through end-of-life. Also known as "gate to end-of-life", this phase is much harder for us to control. So we purchase offsets and we reclaim and recycle our products at the end of their useful life



### CQuest™GB Backing

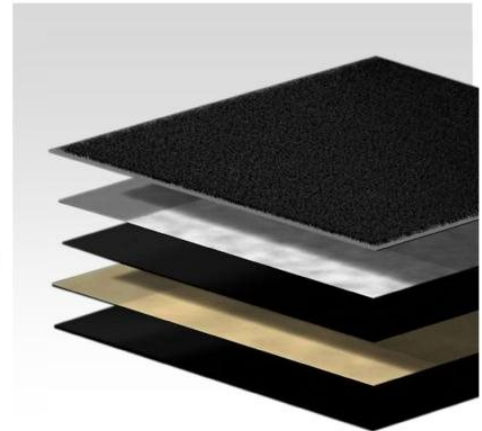
A new-and-improved version of our GlasBac™ backing. It features the same superior performance with a construction of post-consumer carpet tiles, bio-based additives, and pre-consumer recycled materials, which are net carbon negative

### CQuest™Bio Backing

A non-vinyl backing made with biopolymers, and bio-based and recycled fillers which are net carbon negative

### CQuest™ BioX Backing

Our most carbon negative backing. It's the same material make-up as CQuest™Bio with a higher concentration of carbon negative materials



# Purpose-Driven Culture

## Recognition

2020 UN Global Climate Action Awards

2020 GlobeScan/SustainAbility Leaders Survey Report

Fast Company's Most Innovative Companies of 2020

Corporate Knights' Green 50:

Top Business Moves that Helped the Planet (2020)

Sustainability Initiative of The Year 2020 (UK)

CFJ/CFA Awards (2020)

2020 GoldenBee CSR China Honor Roll

Sustainable Product & Service Award (China)

The Sustainability Awards 2020 Innovation:

Green Building Material (Australia)

Floor Covering Weekly's GreenStep Awards

Pinnacle Award Winner 2019

INEX Sustainable Product of the Year 2019 (India)

Sustainable Business Awards 2019 (Singapore)

Winner, Climate Changes & Best Flagship Initiative

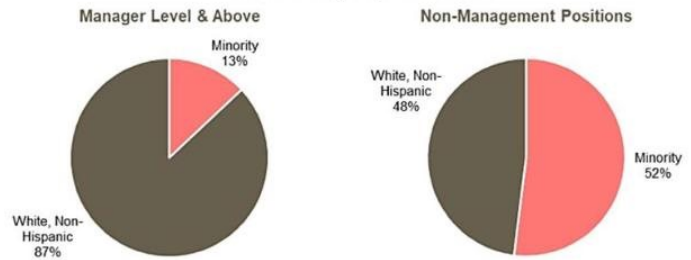
## Industry Leader

First company to adopt the Natural Step (TNS) Framework

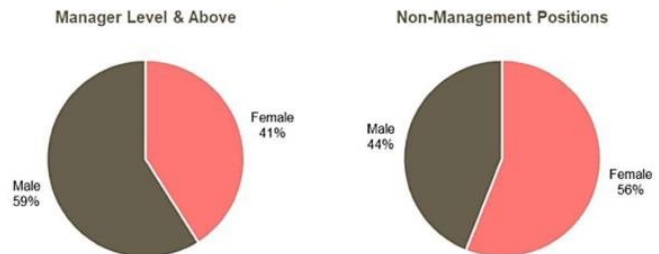
First in our industry to adopt an Environmental Product Declaration (EPD)

## Diversity & Inclusion

### U.S. Minority Representation



### U.S. Gender Diversity



## Management Oversight

Our board and executive team has a continued commitment to ESG.

"At Interface, purpose and profits do not compete for resources. We believe in a purpose driven approach that creates value for all of our stakeholder groups equally, our employees, our customers, our shareholders, and the environment. While we have come a long way in my 37 years with the Company, much work remains. I am optimistic that we can deliver on this challenge, and I believe we can make it possible."



**Dan Hendrix**  
President,  
Chief Executive Officer &  
Chairman of the Board

"Sustainability is core to Interface's DNA and drives decision making across many facets of its business – including corporate responsibility, human capital management, safety, ethical behavior, and corporate governance. The Board of Directors is committed to supporting Interface as it creates a sustainable business model for itself and for the Earth."



**Chris Kennedy**  
Lead Independent Director

"Our commitment to delivering value to multiple stakeholder groups is a foundational hallmark of our organization. We have seen the value of this commitment in our inspired and engaged culture, in our product innovation and differentiation and in our operations. As we pursue our mission focused on creating positive impacts in the world, we will continue to pioneer approaches to sustainable business and share our lessons learned with our customers, industry and the world."



**Erin Meezan**  
Vice President &  
Chief Sustainability Officer



## Experienced and Diverse Board of Directors



**Daniel T. Hendrix**  
President and CEO of Interface, Inc.  
and Chairman of the Board



**John P. Burke**  
Chief Executive Officer, Trek Bicycle  
Corporation



**Dwight Gibson**  
Chief Commercial Officer, SPX FLOW



**Christopher Kennedy**  
Chairman, Joseph P. Kennedy  
Enterprises, Inc.



**Joseph Keogh**  
Chairman and CEO, Wood Partners



**Catherine M. Kilbane**  
Former Senior Vice President, General  
Counsel and Secretary of The Sherwin  
Williams Company



**K. David Kohler**  
President and Chief Executive Officer,  
Kohler Co



**Sheryl Palmer**  
Chairman and CEO, Taylor Morrison  
Home Corporation

The Nominating and Governance Committee has oversight of ESG matters.

## Sustainability Measures

### ENVIRONMENTAL

- ✓ Carbon Neutral Certified
- ✓ SASB Aligned
- ✓ Climate Disclosure Year End Report
- ✓ Sustainable Plastics Insight Report
- ✓ LEED Certified
- ✓ Green Star Credited
- ✓ materialsCAN (Carbon Action Network)
- ✓ GreenCircle Certified Environmental Facts
- ✓ Environmental Product Declaration (EPD)
- ✓ Health Product Declaration (HPD)
- ✓ ISO 9001 and 14001 Certified
- ✓ WELL Building Standard
- ✓ NSF Certified

### SOCIAL

- ✓ [Gender Pay Gap Report](#)
- ✓ Supplier Code of Conduct
- ✓ Code of Business Conduct and Ethics
- ✓ ISO 45001 Certified
- ✓ Safety Total Reportable Injury Rate
- ✓ Human Rights Policy
- ✓ Freedom of Association Policy
- ✓ D&I Policy

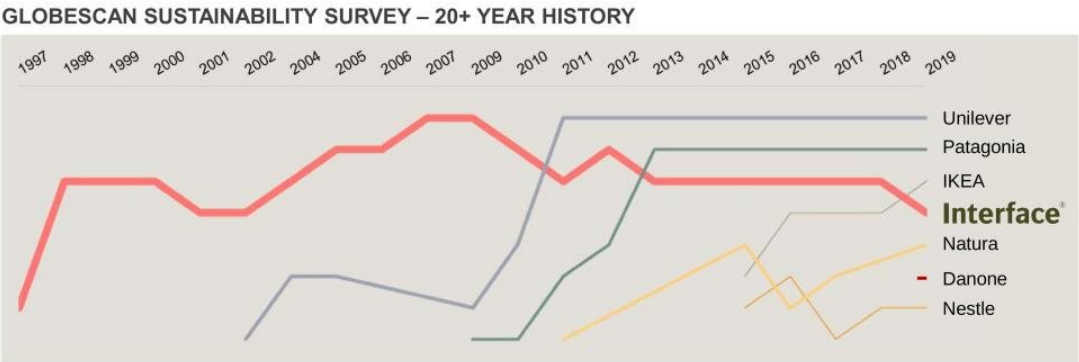
### GOVERNANCE

- ✓ Anti-Corruption and Anti-Bribery Policy
- ✓ Corporate Governance Guidelines
- ✓ Majority Voting Director Resignation Policy
- ✓ Diverse Leadership Team and Board
- ✓ Ethics Practices Policy

Learn more about Interface's sustainability strategy, environmental commitment and social responsibility at:  
<https://investors.interface.com/corporate-responsibility-esg/default.aspx>



Alignment and Engagement with ESG-focused Agencies



Interface is a signatory to the UN Global Compact. Our sustainability goals and activities are aligned with the UN Sustainable Development Goals (SDGs).

## Financial Performance



## GAAP Financial Results

(\$ in millions, except EPS)

	Third Quarter		Year to Date	
	2020	2019	2020	2019
Net Sales	\$279	\$348	\$826	\$1,004
Gross Profit	102	138	314	395
% of Net Sales	36.7%	39.5%	38.0%	39.4%
SG&A Expense	88	93	256	291
% of Net Sales	31.6%	26.8%	31.0%	29.0%
Restructuring Charges	(2)	1	(3)	1
Goodwill and Intangible Asset Impairment Charge	-	-	121	-
Operating Income/(Loss)	16	44	(60)	103
% of Net Sales	5.7%	12.5%	(7.3%)	10.3%
Net Income/(Loss)	6	26	(92)	63
% of Net Sales	2.1%	7.5%	(11.1%)	6.3%
Diluted EPS	\$0.10	\$0.45	(\$1.56)	\$1.06

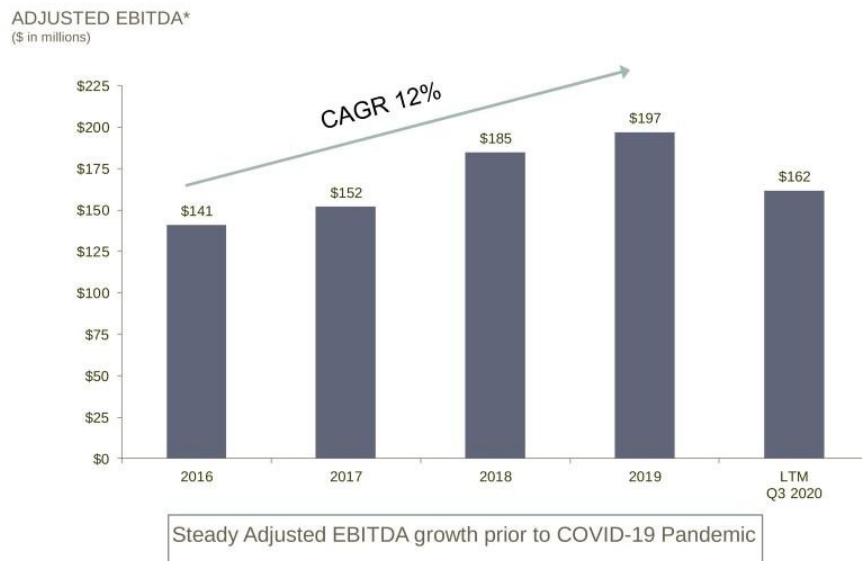
## Adjusted Financial Results\*

(\$ in millions, except EPS)

	Third Quarter		Year to Date	
	2020	2019	2020	2019
Net Sales	\$279	\$348	\$826	\$1,004
Adjusted Gross Profit	104	139	318	400
<i>% of Net Sales</i>	37.2%	39.9%	38.5%	39.8%
Adj SG&A Expense	75	93	233	291
<i>% of Net Sales</i>	27.1%	26.8%	28.2%	29.0%
Adjusted Operating Income	28	46	85	108
<i>% of Net Sales</i>	10.1%	13.1%	10.3%	10.8%
Adjusted Net Income	17	27.7	51	67
<i>% of Net Sales</i>	5.9%	7.9%	6.2%	6.6%
Adjusted Diluted EPS	\$0.28	\$0.47	\$0.88	\$1.13
Adjusted EBITDA	\$37	\$56	\$108	\$144

\* See Appendix for a reconciliation on Non-GAAP figures

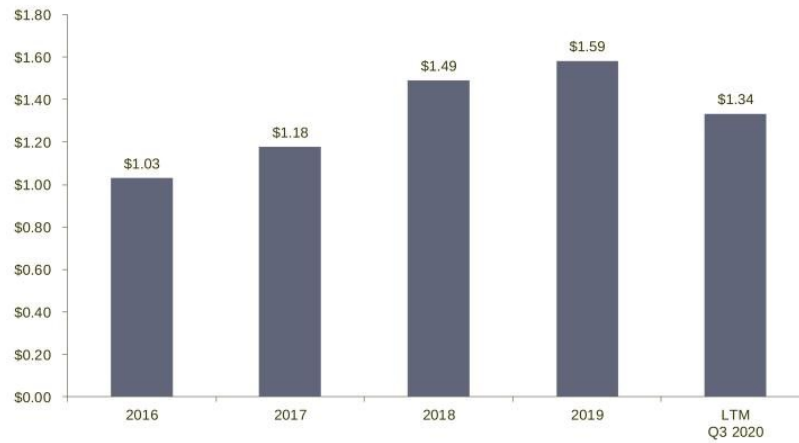
## Adjusted EBITDA Growth



\* See Appendix for a reconciliation on Non-GAAP figures

## Adjusted Earnings Per Share

ADJUSTED EARNINGS PER SHARE (DILUTED)\*

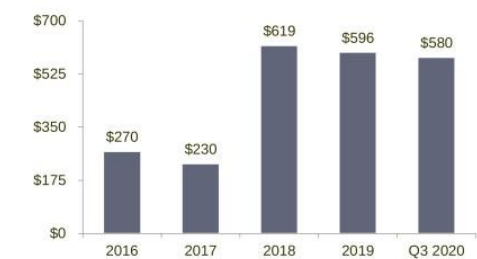


Our value creation strategy is generating solid earnings

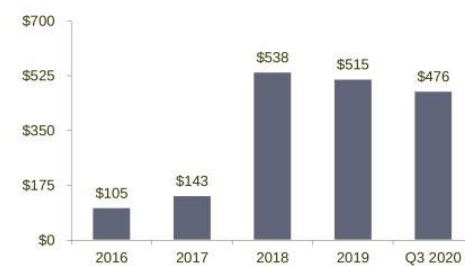
\* See Appendix for a reconciliation on Non-GAAP figures

## Capitalization and Liquidity

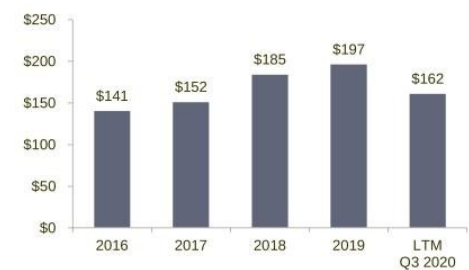
**TOTAL DEBT**  
(\$ in millions)



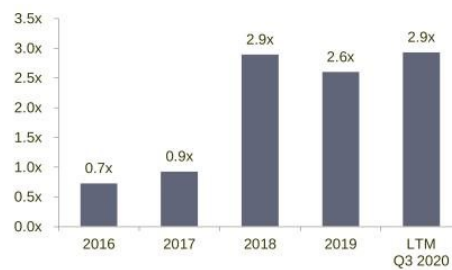
**NET DEBT**  
(\$ in millions)



**ADJUSTED EBITDA\***  
(\$ in millions)



**NET DEBT / ADJUSTED EBITDA\***



\* See Appendix for a reconciliation on Non-GAAP figures



# Appendix

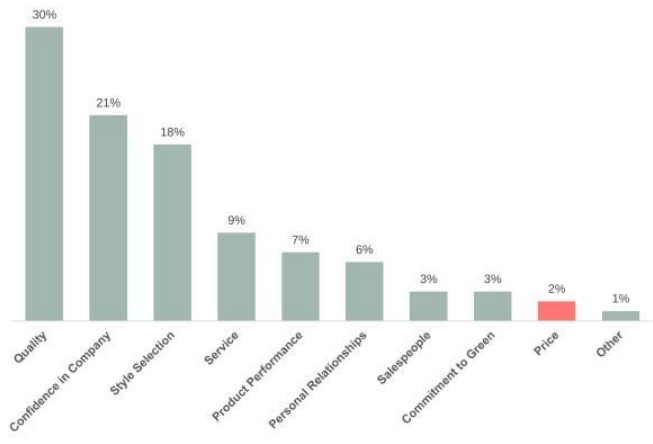
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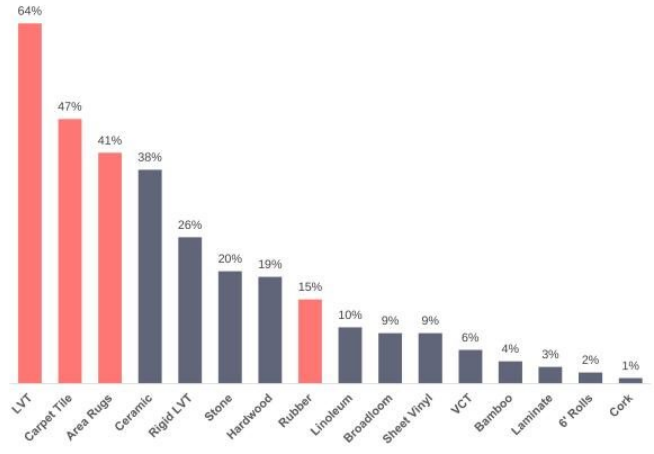
# Close Alignment with the A&D Community

Floor Focus' Annual Survey of the Top 250 Designers Shows Interface is Well Positioned to Compete on Product Characteristics and in the Most Relevant Categories

Designers' Top Priorities



What are Designers Specifying?



Source: Floor Focus 2020 Top 250 Design Survey – October 2020

## Carbon Matters – To Us and To Our Customers

We believe our Carbon Neutral and Carbon Negative products are, and will be, a key differentiator with customers

### End-Users

- 90% of our top customers have publicly-declared, time-bound goals to reduce the carbon footprint of their enterprise
- 23% of Fortune Global 500 companies have made a public commitment that they are, or will be by 2030, carbon neutral










### A&D Community

- Perkins&Will recently launched *Net-Zero Now. Interiors* program with the goal of delivering a net-zero embodied carbon scheme for interior projects, pledging that:
  - By end of 2021, half of projects will be designed to be 100% Circular (i.e., focuses not just on recycling, but on designing cycles for biological and technical materials from the beginning)
  - By end of 2025, all projects will be designed to be 100% Circular
  - By 2030, all projects will be net-zero embodied carbon
- Architecture 2030, a climate-focused non-profit, recently launched the 2030 Challenge for Embodied Carbon:
  - Asks the global architecture and building community to adopt phased target goals for embodied carbon emissions, with the intent to be net-zero embodied carbon by 2040

Sources: Review of annual reports and press releases for our top 30 global customers based on full-year 2019 sales; Natural Capital Partners September 2019 report "Deeds Not Words: The Growth of Climate Action in the Corporate World"; 30 Perkins&Will website; Architecture 2030 website

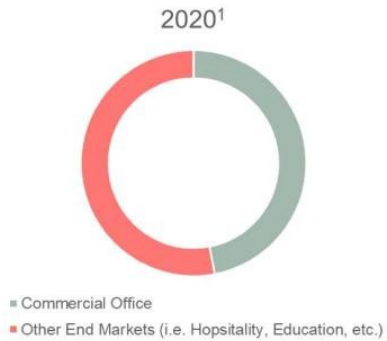
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## Experienced and Talented Management Team

Management Team		
	<b>Dan Hendrix</b> <i>President, CEO &amp; Chairman of the Board</i>	<ul style="list-style-type: none"> <li>■ CEO from 2001 – 2017, 2020; previous roles include executive vice president, CFO, treasurer</li> <li>■ Experience extends to virtually all aspects of the company's business, but with a particular emphasis on strategic planning and financial matters</li> <li>■ 30+ years at Interface</li> </ul>
	<b>Bruce Hausmann</b> <i>Vice President &amp; CFO</i>	<ul style="list-style-type: none"> <li>■ Vice President &amp; CFO</li> <li>■ 3+ years at Interface</li> <li>■ 25+ years in various industries with equity and venture backed capital structures</li> <li>■ Previous leadership includes SVP &amp; CFO at Aramark's DSD Sector, VP &amp; Segment Controller at The Walt Disney Company</li> </ul>
	<b>David Foshee</b> <i>Vice President, General Counsel &amp; Secretary</i>	<ul style="list-style-type: none"> <li>■ Former Associate General Counsel</li> <li>■ Responsible for overseeing all legal affairs in the company, as well as corporate governance and supporting the Board of Directors in the carrying out of its fiduciary duties</li> <li>■ 20+ years at Interface</li> </ul>
	<b>Greg Minano</b> <i>Vice President &amp; Chief Human Resources Officer</i>	<ul style="list-style-type: none"> <li>■ Former VP of Strategy &amp; Integration</li> <li>■ Led the integration of 2018-acquired Nora Systems, including organizational realignment, IT systems consolidation, and change management initiatives</li> <li>■ 15+ years at Interface</li> </ul>
	<b>Jake Elson</b> <i>Vice President &amp; Chief Information Officer</i>	<ul style="list-style-type: none"> <li>■ Vice President &amp; CIO since 2019</li> <li>■ 20+ years of IT leadership and transformation experience, bringing a holistic view of the company from the customer through distribution, supply chain, and manufacturing</li> <li>■ Previous leadership includes CIO of Design Group and 20 years at Kimberly-Clark</li> </ul>
	<b>Erin Meezan</b> <i>Vice President &amp; Chief Sustainability Officer</i>	<ul style="list-style-type: none"> <li>■ Leads a global team that provides technical assistance and support to the company's global business, addressing sustainability</li> <li>■ Responsible for creating a framework for and implementing the company's newest sustainability mission Climate Take Back</li> </ul>
	<b>Lisa King, Ph.D.</b> <i>Vice President of Marketing and Innovation</i>	<ul style="list-style-type: none"> <li>■ Leads global brand and digital marketing for Interface and nora brands</li> <li>■ Responsible for company's innovation strategy and key product management initiatives</li> <li>■ Previous leadership roles across American Standard, Newell Rubbermaid, and The Boeing Company</li> </ul>
	<b>Nigel Stansfield</b> <i>President, Interface EAAA</i>	<ul style="list-style-type: none"> <li>■ Responsible for setting and leading the company's growth strategy throughout the EAAA region</li> <li>■ 30+ years experience as a textile technologist, an expert in yarn, carpet, and carpet manufacturing</li> <li>■ 20+ years at Interface</li> </ul>
	<b>Jim Poppens</b> <i>President, Interface Americas</i>	<ul style="list-style-type: none"> <li>■ Responsible for leading the strategy for the Americas business, overseeing operational and functional teams, including supply chain and production, finance, sales and marketing</li> <li>■ Led restructuring of the FLOR business and most recently served as Vice President of Corporate Marketing</li> <li>■ 30+ years of experience in marketing, sales and general management across a variety of industries including leadership roles at Newell Rubbermaid, Kellogg Company, and Coca-Cola</li> </ul>

## State of the Office

### End Market Diversification



80% of commercial business is Renovations and Remodel

### Importance of Office

44% of employees prefer to be back in the office full time

44% prefer a hybrid, a combination of 1-2 or 3-4 days at home<sup>2</sup>

### Post COVID-19 Initiatives

**"Culture beats strategy every time, and we anticipate demand to pick up in the coming quarters and believe there will be a recovering office market in the second half of 2021."**

Dan Hendrix, CEO  
3Q20 Earnings Call

- "Design for Distance" campaign launched to respond to school and office re-designs during the COVID-19 environment.
- Each product can use pattern and shading to guide traffic direction, zoning and other visual cues.
- Interface should get more traction to accommodate social distancing measures as large companies and businesses begin to re-open.

1. As of September YTD 2020  
2. Per Gensler Study

# SASB Disclosures

TOPIC	ACCOUNTING METRIC	CODE	RESPONSE	VERIFIED
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-BF-130a.1	1) In 2019 Interface consumed 559,723 GJ of energy in manufacturing. 2) 44% of electricity use in manufacturing was grid electricity, while 54% was thermal energy. 3) 100% of the electricity was renewable or made renewable through the purchase of Renewable Energy Credits (RECs). 75% of Interface's total energy usage, both electricity and thermal, comes from renewable sources through direct purchase or renewable energy credits.	✓ Third party verified by Apex
Management of Chemicals in Products	Description of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-BF-250a.1	Interface has established an aggressive approach to the management of chemicals in our raw materials and finished products. Interface's goal is to have zero chemicals of concern in our products. Interface determines chemicals of concern based on a rigorous review of medical and scientific literature, regulations and market trends and adopts global goals for their substitution and phase out for all product inputs. Using this approach, Interface has phased out the use of numerous categories of chemicals including the elimination of ortho-phthalate esters, formaldehyde, fluorocarbon and flame retardants. Making products that are safe to use is only a starting point for creating sustainable and healthy products. In addition to being screened for chemicals of concern, every material used in Interface products must meet stringent requirements for contribution to product performance, carbon footprint reduction, elimination of virgin raw materials, and recyclability at the product's end of life.	
	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250a.2	All Interface flooring (100%) meets indoor air quality standards for low VOC emissions. This is certified through several IAQ standards including CRI Green Label Plus, FloorScore, ACCS, GUT, GreenTag, Blue Angel, CDPH, GreenGuard and other regionally specific standards.	✓ Certified through various product standards
Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	Interface uses life cycle assessment to drive reduction in the environmental impact of products and publishes results of these assessments in Environmental Product Declarations (EPDs). Interface leads the industry in promoting the adoption and use of EPDs for product disclosures. EPDs show the progress that Interface has made to reduce the energy used to manufacture products, the use of renewable energy to make products, the use of recycled materials and the reduced use of chemicals in products. EPDs exist for 95% of Interface's total global products, are published on company websites and are created following applicable Product Category Rules (PCRs) and third party verified disclosures. Interface also has a strong commitment to reducing the carbon emissions from our products and raw materials supply chain. Interface leads the industry in offering the lowest carbon footprint products and in verified carbon neutral products across our carpet tile, and resilient and rubber flooring. Interface's Carbon Neutral Floors program has shown continuous reduction of product carbon footprint since 2005, and all flooring products sold by Interface – carpet tile, LVT, and non-rubber sheets and tiles – are carbon neutral across their full product life cycle. Through this verified program Interface has its carbon reductions, carbon offsets balance and offset retirement verified on an annual basis covering all product categories. Interface has provided take back and recycling of carpets at the end of their life since 2001 with our ReEntry program. Interface has a goal to take back our products in all and we've made significant progress with market facing recovery programs to accomplish this. In the Americas region, 96% of our sales region is covered by Interface's ReEntry program. In our EMEA region, our Europe and Asia Pacific operations combined, almost 70% of our sales region is covered by ReEntry programs. We offer more limited take back of our LVT products through our ReEntry program, and we do not yet have a take back program for rubber products. Since 1995, we have been able to keep more than 300 million pounds of carpet and carpet waste out of landfills, including carpet from our competitors. And we have recycled much of that back into new products. In the last 4 years, we have recycled or repurposed more than 34 million pounds of post-consumer carpet through our global ReEntry programs. Interface's ReEntry program has provided used carpets that provide raw materials for recycled carpet backing which incorporates both pre-consumer and post-consumer carpet materials.	✓ Carbon Neutral Floors program verified by Apex EPDs verified by UL and EBC
	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	CG-BF-410a.2	1) In 2019 Interface recovered 5,460 metric tonnes of post-consumer carpet through its global ReEntry program – This material was either recycled by Interface internally, reused, or repurposed or reused by others. 2) In 2019, 54% of the post-consumer material recovered by Interface was recycled. This material was either recycled by Interface internally, reused, or repurposed/reused by others.	
Wood Supply Chain Management	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard	CG-BF-430a.1	This category is not material to our business as we do not source wood materials within our product manufacturing.	

## Appendix: Reconciliation of Non-GAAP Figures

(\$ in millions)	Q3 2019	Q3 2020	YTD 2019	YTD 2020
<b>Net Sales as Reported (GAAP)</b>	\$348.4	\$278.6	\$1,003.5	\$826.3
Impact of Changes in Currency	-	(5.6)	-	1.9
<b>Organic Sales</b>	<b>\$348.4</b>	<b>\$273.1</b>	<b>\$1,003.5</b>	<b>\$828.2</b>
<b>Gross Profit as Reported (GAAP)</b>	<b>\$137.7</b>	<b>\$102.2</b>	<b>\$395.0</b>	<b>\$313.8</b>
Purchase Accounting Amortization	1.3	1.4	4.6	4.0
<b>Adjusted Gross Profit</b>	<b>\$139.1</b>	<b>\$103.6</b>	<b>\$399.6</b>	<b>\$317.8</b>
<b>SG&amp;A Expense as Reported (GAAP)</b>		\$88.2		\$255.9
Change in Equity Award Forfeiture Accounting		-		(1.4)
Restructuring, Asset Impairment, Severance and Other Charges		(7.7)		(16.6)
SEC Fine		(5.0)		(5.0)
<b>Adjusted SG&amp;A Expense</b>		<b>\$75.5</b>		<b>\$232.9</b>
<b>Operating Income as Reported (GAAP)</b>	<b>\$130.9</b>	<b>\$43.7</b>	<b>\$103.0</b>	<b>\$60.2</b>
Purchase Accounting Amortization	5.9	1.3	4.6	4.0
Goodwill and Intangible Asset Impairment	-	-	-	121.3
Change in Equity Award Forfeiture Accounting	-	-	-	1.4
Restructuring, Asset Impairment, Severance and Other Charges	12.9	0.7	0.7	13.5
SEC Fine	-	-	-	5.0
<b>Adjusted Operating Income*</b>	<b>\$149.8</b>	<b>\$45.7</b>	<b>\$108.2</b>	<b>\$84.9</b>
<b>Net Income as Reported (GAAP)</b>		\$26.2		\$62.8
Purchase Accounting Amortization		0.9		2.8
Goodwill and Intangible Asset Impairment		-		119.8
Impact of Change in Equity Award Forfeiture Accounting		-		1.1
Restructuring, Asset Impairment, Severance and Other Charges		0.5		10.8
Warehouse Fire Loss		-		3.2
SEC Fine		-		5.0
<b>Adjusted Net Income</b>		<b>\$27.7</b>		<b>\$66.5</b>

	2016	2017	2018	2019	Q3 2019	Q3 2020	YTD 2019	YTD 2020	LTM Q3 2020
<b>Diluted EPS as Reported (GAAP)</b>	<b>\$0.83</b>	<b>\$0.86</b>	<b>\$0.84</b>	<b>\$1.34</b>	<b>\$0.45</b>	<b>\$0.10</b>	<b>\$1.06</b>	<b>(\$1.56)</b>	<b>\$ (1.28)</b>
Purchase Accounting Amortization	-	-	0.38	0.08	0.02	0.02	0.06	0.05	0.07
Transaction Related Expenses	-	-	0.12	-	-	-	-	-	-
Goodwill and Intangible Asset Impairment	-	-	-	-	-	-	-	2.05	0.02
Impact of Change in Equity Award Forfeiture Accounting	-	-	-	-	-	-	-	0.02	0.02
Restructuring, Asset Impairment, Severance and Other Charges	0.20	0.08	0.26	0.17	0.01	0.08	0.01	0.18	0.35
Tax Act Expense (Benefit)	-	0.25	(0.11)	-	-	-	-	-	-
Warehouse Fire Loss	-	-	-	-	-	-	-	0.05	0.05
SEC Fine	-	-	-	-	-	0.09	-	0.09	0.09
<b>Adjusted Diluted EPS*</b>	<b>\$1.03</b>	<b>\$1.18</b>	<b>\$1.49</b>	<b>\$1.59</b>	<b>\$0.47</b>	<b>\$0.28</b>	<b>\$1.13</b>	<b>\$0.88</b>	<b>\$1.34</b>

Note: Sum of reconciling items may differ from total due to rounding of individual components

## Appendix: Reconciliation of Non-GAAP Figures

(\$ in millions)	Q1 2020	Q2 2020	Q3 2020	YTD Q3 2020	LTM Q3 2020
<b>Net Income as Reported (GAAP)</b>	<b>(\$102.2)</b>	<b>\$4.7</b>	<b>\$5.9</b>	<b>(\$91.5)</b>	<b>(\$75.1)</b>
Income Tax Expense (Benefit)	1.5	2.6	1.6	5.7	10.7
Interest Expense	5.6	5.0	5.4	16.0	21.5
Depreciation and Amortization (excluding debt issuance cost amortization)	10.5	10.4	10.9	31.8	42.4
Stock Compensation Amortization (Benefit)	(2.9)	0.7	0.8	(1.4)	0.8
Purchase Accounting Amortization	1.3	1.3	1.4	4.0	5.4
Goodwill and Intangible Asset Impairment	121.3	-	-	121.3	121.3
Restructuring, Asset Impairment, Severance and Other Charges	(1.1)	8.8	5.8	13.5	25.7
Warehouse Fire	-	4.2	-	4.2	4.2
SEC Fine	-	-	5.0	5.0	5.0
<b>Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (AEBITDA)*</b>	<b>\$34.0</b>	<b>\$37.6</b>	<b>\$36.9</b>	<b>\$108.5</b>	<b>\$161.8</b>
Less: Capital Expenditures	(22.2)	(13.5)	(11.2)	(46.9)	(67.7)
<b>Free Cash Flow</b>	<b>\$11.8</b>	<b>\$24.1</b>	<b>\$25.7</b>	<b>\$61.6</b>	<b>\$94.1</b>

(\$ in millions)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	YTD Q3 2019
<b>Net Income as Reported (GAAP)</b>	<b>\$7.1</b>	<b>\$29.5</b>	<b>\$26.2</b>	<b>\$16.4</b>	<b>\$62.8</b>
Income Tax Expense (Benefit)	1.5	6.3	9.9	4.9	17.7
Interest Expense	6.8	6.8	6.6	5.5	20.2
Depreciation and Amortization (excluding debt issuance cost amortization)	10.6	10.7	10.1	10.6	31.4
Stock Compensation Amortization	2.8	2.0	1.7	2.2	6.5
Purchase Accounting Amortization	1.9	1.3	1.3	1.3	4.6
Restructuring, Asset Impairment, Severance and Other Charges	-	-	0.7	12.3	0.7
<b>Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (AEBITDA)*</b>	<b>\$30.7</b>	<b>\$56.7</b>	<b>\$56.4</b>	<b>\$53.3</b>	<b>\$143.7</b>

(\$ in millions)	2016	2017	2018	2019
<b>Net Income as Reported (GAAP)</b>	<b>\$54.2</b>	<b>\$53.2</b>	<b>\$50.3</b>	<b>\$79.2</b>
Income Tax Expense (Benefit)	25.0	47.3	4.7	22.6
Transaction Related Other Expense	-	-	4.2	-
Interest Expense	6.1	7.1	15.4	25.7
Depreciation and Amortization (excluding debt issuance cost amortization)	30.1	29.8	37.9	42.0
Stock Compensation Amortization	5.9	7.2	14.5	8.7
Purchase Accounting Amortization	-	-	32.1	5.9
Transaction and Integration Related Expenses	-	-	5.3	-
Restructuring, Asset Impairment, Severance and Other Charges	19.8	7.3	20.5	12.9
<b>Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (AEBITDA)*</b>	<b>\$141.1</b>	<b>\$152.0</b>	<b>\$184.9</b>	<b>\$197.0</b>
Less: Capital Expenditures	(28.1)	(30.5)	(54.9)	(74.6)
<b>Free Cash Flow</b>	<b>\$113.0</b>	<b>\$121.5</b>	<b>\$130.0</b>	<b>\$122.4</b>

(\$ in millions)	2016	2017	2018	2019	Q3 2020
<b>Total Debt</b>	<b>\$270</b>	<b>\$230</b>	<b>\$619</b>	<b>\$596</b>	<b>\$580</b>
Less: Cash	(166)	(87)	(81)	(81)	(104)
<b>Net Debt</b>	<b>\$105</b>	<b>\$143</b>	<b>\$538</b>	<b>\$515</b>	<b>\$476</b>

<b>Total Debt / LTM Net Income as Reported (GAAP)</b>	5.0x	4.3x	12.3x	7.5x	(7.7x)
<b>Net Debt / LTM Adjusted EBITDA</b>	0.7x	0.9x	2.9x	2.6x	2.9x

Note: Sum of reconciling items may differ from total due to rounding of individual components

\* Historical AEBITDA figures have been updated to reflect a change in depreciation and amortization values used to calculate AEBITDA.

