

PRESS RELEASE

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HUNTER DOUGLAS NINE MONTHS 2020 RESULTS

Rotterdam, November 4, 2020 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2020:

- **Sales:** USD 2,490.7 million, 10.3% lower, compared with USD 2,777.9 million in the first nine months of 2019.

The 10.3% sales decrease reflects a 8.3% volume decrease, 0.8% negative currency impact, a 1.1% increase from acquisitions and a 2.3% decrease from divestments. Volume decreased in all areas, except Australia where sales were level.

North America accounted for 50% of sales, Europe 40%, Asia 3%, Latin America 3% and Australia 4%. Window Coverings were 92% and Architectural Products 8% of sales.
- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 368.1 million, 2.9% higher than USD 357.8 million in the first nine months of 2019.
- **Income from Operations (before other income/expenses):** USD 252.1 million, 2.5% lower than USD 258.5 million in the first nine months of 2019. Results in local currencies were lower in all areas, except in Europe and Australia where results were better.
- **Other income/expenses:** USD 133.0 million negative compared with USD 8.7 million negative in the first nine months of 2019. Hunter Douglas is restructuring its operations to an expected lower level of sales. The 2020 charges are USD 48 million for reorganization expenses mainly in North America and Europe and USD 85 million for adjustments to the future purchase prices of interests in partially owned companies.
- **Profit before Tax:** USD 113.3 million, compared with USD 239.8 million in the first nine months of 2019.
- **Total Net Profit:** USD 66.4 million (per share EUR 1.69), compared with USD 189.0 million in the first nine months of 2019 (per share EUR 4.84).

Capital expenditures were USD 45 million compared with USD 82 million in the first nine months of 2019, while depreciation was USD 99 million compared with USD 85 million in the same period last year. For the full year capital expenditures are expected to be approximately USD 70 million and depreciation USD 130 million.

Operating cash flow: USD 306 million compared with USD 389 million in the first nine months of 2019.

Shareholder's equity was USD 1,830 million compared with USD 1,798 million at the end of 2019, reflecting the first nine months results decreased by a negative exchange translation.

RONAE (Return before interest/net assets employed) was 13.1% compared with 14.4% in the first nine months of 2019.

Q3 2020

Q3 Sales: USD 1,000.3 million, 3.7% higher than USD 965.1 million in the same period of 2019. The increase reflects a 4.8% volume increase, a 1.3% positive currency impact and a 2.4% decrease from divestments. Third quarter organic sales were higher in all areas, except in North America where sales were level and Latin America where sales were lower.

Q3 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 203.6 million, 57.5% higher than USD 129.3 million in Q3 2019.

Q3 Income from Operations (before other income/expenses): USD 163.2 million, 69.1% higher than USD 96.5 million in Q3 2019. Results in local currencies were better in all areas, except in Latin America where results were lower.

Other income/expenses: USD 88.5 million negative compared with USD 13.9 million negative in Q3 2019. Hunter Douglas is restructuring its operations to an expected lower level of sales. The 2020 charges are USD 85 million for adjustments to the future purchase prices of interests in partially owned companies and USD 3.5 million for reorganization expenses mainly in North America and Europe.

Q3 Profit before Tax: USD 74.0 million, 6.0% lower than USD 78.7 million in Q3 2019.

Q3 Total Net Profit: USD 37.9 million (per share EUR 0.95), compared with USD 63.9 million in Q3 2019 (per share EUR 1.67).

First nine months 2020 by Region

Europe

European sales were USD 1,008 million, 6% lower than USD 1,078 million in the same period last year. This reflects a 3% volume decrease, a 3% increase from acquisitions and a 6% decrease from divestments.

North America

North American sales decreased by 12% to USD 1,242 million. The sales decrease reflects lower volume.

Latin America

Latin American sales were USD 72 million, 35% lower than USD 110 million in the same period last year. The sales decrease reflects a 18% volume decrease and a 17% negative currency impact.

Asia

Asian sales decreased by 18% to USD 78 million. The lower sales reflect a volume decrease of 17% and a 1% negative currency impact.

Australia

Australian sales were USD 91 million, 1% higher than USD 90 million in the same period last year. The sales increase reflects a 1% volume increase, a 3% negative currency impact and a 3% increase from acquisitions.

Outlook

Considering the continuing COVID-19 crisis the outlook remains uncertain.

Hunter Douglas is in a strong position in terms of its brands, products, distribution and finances.

Profile Hunter Douglas

Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products. The Company has its Head Office in Rotterdam, the Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 134 companies with 47 manufacturing and 87 assembly operations in more than 100 countries. Hunter Douglas employs about 22,750 people and had sales in 2019 of USD 3.7 billion.

The common shares of Hunter Douglas N.V. are traded on Amsterdam's Euronext and the Frankfurter Börse .

For further information:

Leen Reijtenbagh

Chief Financial Officer

Tel. +31 10 486 9582

E-mail : l.reijtenbagh@hdnv.nl

Website: www.hunterdouglasgroup.com

A consolidated Statement of Income for the first nine months and Q3 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the first nine months and Q3 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME
 Nine months ended September 30
 (amounts in USD/mln)

	<u>2020</u>	%	<u>2019</u>	%
Net sales	2,490.7		2,777.9	
Cost of sales	<u>-1,430.1</u>		<u>-1,582.0</u>	
Total gross profit	1,060.6	42.6	1,195.9	43.1
Expenses:				
-Marketing, A & P and selling	-479.2		-578.9	
-General and administrative	<u>-213.3</u>		<u>-259.2</u>	
Subtotal expenses	<u>-692.5</u>		<u>-838.1</u>	
EBITDA	368.1	14.8	357.8	12.9
Depreciation and amortization	<u>-116.0</u>		<u>-99.3</u>	
Income from operations (before other income/expense)	252.1	10.1	258.5	9.3
Other income/expense	<u>-133.0</u>		<u>-8.7</u>	
Income from operations (after other income/expense)	119.1	4.8	249.8	9.0
Interest received	0.4		0.7	
Interest paid	-11.5		-14.1	
Other financial income	<u>5.3</u>		<u>3.4</u>	
Income before taxes	113.3		239.8	
Taxes on income	<u>-46.9</u>		<u>-50.3</u>	
Profit before non-controlling interest	66.4		189.5	
Non-controlling interest	<u> </u>		<u>-0.5</u>	
Total net profit	66.4	2.7	<u>189.0</u>	6.8
Net profit per average common share	1.91		5.43	
Net profit per average common share - fully diluted	1.91		5.43	

Annex 2

CONSOLIDATED STATEMENT OF INCOME
 Q3 ended September 30
 (amounts in USD/mln)

	<u>2020</u>	%	<u>2019</u>	%
Net sales	1,000.3		965.1	
Cost of sales	<u>-561.6</u>		<u>-559.2</u>	
Total gross profit	438.7	43.9	405.9	42.1
Expenses:				
-Marketing, A & P and selling	<u>-165.4</u>		<u>-197.3</u>	
-General and administrative	<u>-69.7</u>		<u>-79.3</u>	
Subtotal expenses	<u>-235.1</u>		<u>-276.6</u>	
EBITDA	203.6	20.4	129.3	13.4
Depreciation and amortization	<u>-40.4</u>		<u>-32.8</u>	
Income from operations (before other income/expense)	163.2	16.3	96.5	10.0
Other income/expense	<u>-88.5</u>		<u>-13.9</u>	
Income from operations (after other income/expense)	74.7	7.5	82.6	8.6
Interest received	<u>0.1</u>			
Interest paid	<u>-4.4</u>		<u>-5.8</u>	
Other financial income	<u>3.6</u>		<u>1.9</u>	
Income before taxes	74.0		78.7	
Taxes on income	<u>-36.1</u>		<u>-14.6</u>	
Profit before non-controlling interest	37.9		64.1	
Non-controlling interest	<u>_____</u>		<u>-0.2</u>	
Total net profit	<u>37.9</u>	3.8	<u>63.9</u>	6.6
Net profit per average common share	1.09		1.84	
Net profit per average common share - fully diluted	1.09		1.84	

Annex 3

CONSOLIDATED BALANCE SHEET
 As per September 30
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>	
ASSETS			
Fixed assets			
Intangible fixed assets	1,379.0	1,131.0	
Tangible fixed assets	477.3	513.8	
Right-of-use tangible fixed assets	103.3	120.0	
Other financial non-current assets	<u>210.1</u>	<u>198.8</u>	
Total fixed assets	2,169.7	1,963.6	
Current assets			
Inventories	593.2	637.9	
Accounts receivable			
-Trade	439.1	445.4	
-Other	164.4	181.4	
Cash and other short-term deposits	<u>42.3</u>	<u>41.8</u>	
Total current assets	<u>1,239.0</u>	<u>1,306.5</u>	
	<u>3,408.7</u>	<u>3,270.1</u>	
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Capital stock	9.8	9.1	
Additional paid-in capital	167.3	77.1	
Retained earnings	<u>1,653.0</u>	<u>1,498.2</u>	
Total shareholders' equity	1,830.1	1,584.4	
Non-controlling interest	<u>0.1</u>	<u>8.9</u>	
Total Group equity	1,830.2	1,593.3	
Non-current liabilities			
Interest-bearing loans and borrowings	236.0	528.7	
Lease liabilities	84.8	84.5	
Preferred shares	9.7	9.0	
Provisions	314.4	225.1	
Deferred income tax liabilities	<u>43.6</u>	<u>24.7</u>	
Total non-current liabilities	688.5	872.0	
Current liabilities			
Trade and other payables	779.7	700.3	
Lease liabilities	33.7	35.6	
Interest-bearing loans and borrowings	<u>76.6</u>	<u>68.9</u>	
Total current liabilities	<u>890.0</u>	<u>804.8</u>	
	<u>3,408.7</u>	<u>3,270.1</u>	

Annex 4

CONSOLIDATED CASH FLOW STATEMENT
 Nine months ended September 30
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
Net profit from continuing operations	66.4	205.5
Net profit from discontinued operations		-16.5
Adjustments for:		
Depreciation tangible fixed assets	65.0	62.3
Depreciation right-of-use tangible fixed assets	33.6	23.0
Amortization patents & trademarks	17.4	13.9
Increase (decrease) provisions	32.5	-22.9
Other non-cash items	0.9	-4.1
Operating cash flow before working capital changes	215.8	261.2
Changes in working capital:		
-(increase) decrease trade and other receivables and prepayments	-46.2	86.4
-decrease inventories	22.3	132.2
-increase (decrease) trade and other payables	114.5	-90.5
Operating cash flow	306.4	389.3
Dividend paid		-78.8
Net cash from operations	306.4	310.5
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired		-71.5
Investments in tangible fixed assets	-44.7	-82.5
Divestments tangible fixed assets	10.1	6.4
Investments in intangible fixed assets	-1.1	-2.5
Decrease investment portfolio		0.5
(Increase) decrease other financial non-current assets	-6.5	13.7
Net cash from investing activities	-42.2	-135.9
Cash flow from financing activities		
Decrease interest-bearing loans and borrowings	-230.5	-135.0
Payment of lease liabilities	-29.8	-27.7
Net cash from financing activities	-260.3	-162.7
Net increase in cash and cash equivalents	3.9	11.9
Change in cash and cash equivalents		
Balance at 1 January	39.3	31.1
Net increase in cash and cash equivalents	3.9	11.9
Exchange difference cash and cash equivalents	-0.9	-1.2
Balance at 30 September	42.3	41.8

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First nine months 2020 vs first nine months 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	-3	0	3	-6	-6
North America	-12	0	0	0	-12
Latin America	-18	-17	0	0	-35
Asia	-17	-1	0	0	-18
Australia	1	-3	3	0	1
Total	-8	-1	1	-2	-10

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q3 2020 vs 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	12	5	0	-6	11
North America	0	0	0	0	0
Latin America	-14	-16	0	0	-30
Asia	10	3	0	0	13
Australia	12	0	0	0	12
Total	5	1	0	-2	4