

## PRESS RELEASE

For publication: March 11, 2021  
08.00 hrs

### HUNTER DOUGLAS RESULTS 2020

**Rotterdam, March 11, 2021** – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2020:

- **Sales:** 3.9% lower to USD 3,543.0 million, compared with USD 3,686.3 million in 2019.

The 3.9% sales decrease reflects a 4.6% volume decrease, 0.4% negative currency impact, 2.8% increase from acquisitions and 1.7% decrease from divestments. Volume decreased in all areas, except in Australia where sales were higher.

North America accounted for 51% of sales, Europe 39%, Latin America 3%, Asia 3% and Australia 4%. Window coverings were 92% of sales and Architectural products 8%.

- **Earnings before interest, tax, depreciation and amortization - EBITDA:** USD 530.7 million, 5.4% higher than USD 503.4 million in 2019.

- **Income from Operations (before other income/expenses):** 11.2% higher to USD 377.5 million, compared with USD 339.6 million in 2019. Results in local currencies were higher in all areas, except in Latin America and Asia where results were lower.

- **Other income/expenses:** USD 189.4 million negative, compared with USD 4.5 million positive in 2019. USD 65.2 million of the 2020 charges comprises reorganization expenses, mainly in North America and Europe, to reduce ongoing costs and realign operations to changed market conditions. USD 130.5 million relates to adjustments to the liability of the future purchase prices of minority interests in partially owned companies in accordance with IFRS 9, and USD 6.3 million to goodwill on an acquired company. Most of the purchase price adjustment resulted from the strong performance of Blinds2go, the company's UK internet business, which was subsequently fully acquired in Q1 2021 for the corresponding liability.

- **Profit before Tax:** USD 188.9 million, compared with USD 330.4 million in 2019.

- **Total Net Profit:** USD 116.1 million (per share EUR 2.92), compared with USD 277.6 million in 2019 (per share EUR 7.12).

**Capital expenditures** were USD 74 million, compared with USD 125 million in 2019, while depreciation was USD 124 million, compared with USD 141 million in 2019. In 2021 capital expenditures will be about USD 70 million and depreciation USD 120 million.

**Operating cash flow:** USD 532 million, compared with USD 546 million in 2019.

**Shareholders' equity** was USD 1,925 million, compared with USD 1,798 million at the end of 2019, reflecting the 2020 results and increased by a positive exchange translation.

**Financing:** All borrowings are covered by committed long term facilities.

**RONAE (Return before interest on Net Assets Employed) before other income/expenses:** 14.9% compared with 13.4% in 2019.

**Return on Equity:** 6.2% compared with 16.8% in 2019.

**Employees:** The company had approximately 23,000 employees at the end of 2020.

**Dividend:** The Board of Directors proposes no dividend on the results of 2020.

#### **Q4 2020**

**Q4 Sales** were USD 1,052.3 million, 15.8% higher than USD 908.4 million in the same period of 2019. This reflects a 6.8% volume increase, a 1.3% positive currency impact, a 7.8% increase from acquisitions and 0.1% decrease from divestments. Fourth quarter organic sales were higher in all areas, except in Asia where sales were level.

**Q4 Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 162.6 million, 11.7% higher than USD 145.6 million in Q4 2019.

**Q4 Income from Operations (before other income/expenses):** USD 125.4 million, compared with USD 81.1 million in Q4 2019. Results in local currencies were higher in all areas.

**Q4 Other income/expenses:** USD 56.4 million negative, compared with USD 13.2 million positive last year. USD 17.2 million of the Q4 2020 charges comprises reorganization expenses, mainly in North America and Europe, to reduce ongoing costs and realign operations to changed market conditions. USD 45.5 million relates to adjustments to the liability of the future purchase prices of minority interests in partially owned companies in accordance with IFRS 9, and USD 6.3 million to goodwill on an acquired company. Most of the purchase price adjustment resulted from the strong performance of Blinds2go, the company's UK internet business, which was subsequently fully acquired in Q1 2021 for the corresponding liability.

**Q4 Profit before Tax:** USD 75.6 million, compared with USD 90.6 million in Q4 2019.

**Q4 Total Net Profit:** USD 49.7 million (per share EUR 1.23), compared with USD 88.6 million in Q4 2019 (per share EUR 2.28).

#### **Total year 2020 by Region**

##### **Europe**

European operations had lower sales and higher profits.

European sales were USD 1,381 million, 2% lower than USD 1,414 million last year. This reflects a 1% volume decrease, a 1% positive currency impact, a 2% increase from acquisitions and a 4% decrease from divestments.

##### **North America**

North American operations had lower sales and profits.

Sales decreased by 3% to USD 1,804 million. The sales decrease reflects a 7% decrease in volume and a 4% increase from acquisitions.

### **Latin America**

Latin American operations had lower sales and profits.

Sales were USD 106 million, 28% lower than last year. This reflects a 13% volume decrease and a 15% negative currency impact.

### **Asia**

Asian operations had lower sales and profits.

Sales were USD 119 million, 13% lower than USD 136 million last year, due to a 12% decrease in volume and a 1% negative currency impact.

### **Australia**

Australian operations had record sales and profits.

Sales were USD 133 million, 4% higher than USD 128 million last year, due to 2% volume increase and a 2% increase from acquisitions.

### **Outlook**

Remains dependent on the further development of the COVID-19 pandemic; though once this has been controlled, is cautiously optimistic.

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.

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](mailto:l.reijtenbagh@hdnv.nl)

Website: [www.hunterdouglasgroup.com](http://www.hunterdouglasgroup.com)

A consolidated Statement of Income for the full year 2020 and Q4 2020 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic area for the full year 2020 and Q4 2020 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME  
 Year ended December 31  
 (amounts in USD/mln)

	<u>2020</u>	%	<u>2019</u>	%
<b>Net sales</b>	<b>3,543.0</b>		3,686.3	
Cost of sales	<u>-2,029.5</u>		<u>-2,093.5</u>	
<b>Total gross profit</b>	<b>1,513.5</b>	<b>42.7</b>	1,592.8	43.2
<b>Expenses:</b>				
-Marketing, A & P and selling	<u>-671.6</u>		<u>-761.9</u>	
-General and administrative	<u>-311.2</u>		<u>-327.5</u>	
Subtotal expenses	<u>-982.8</u>		<u>-1,089.4</u>	
<b>EBITDA</b>	<b>530.7</b>	<b>15.0</b>	503.4	13.6
Depreciation and amortization	<u>-153.2</u>		<u>-163.8</u>	
<b>Income from operations (before other income/expense)</b>	<b>377.5</b>	<b>10.7</b>	339.6	9.2
Other income/expense	<u>-189.4</u>		<u>4.5</u>	
<b>Income from operations (after other income/expense)</b>	<b>188.1</b>	<b>5.3</b>	344.1	9.3
Interest received	<u>0.5</u>		<u>0.8</u>	
Interest paid	<u>-10.9</u>		<u>-18.4</u>	
Other financial income	<u>11.2</u>		<u>3.9</u>	
<b>Income before taxes</b>	<b>188.9</b>		330.4	
Taxes on income	<u>-72.8</u>		<u>-52.2</u>	
<b>Profit before non-controlling interest</b>	<b>116.1</b>		278.2	
Non-controlling interest	<u>          </u>		<u>-0.6</u>	
<b>Total net profit</b>	<b><u>116.1</u></b>	<b>3.3</b>	<b><u>277.6</u></b>	<b>7.5</b>
<b>Net profit per average common share</b>	<b>3.34</b>		7.98	
<b>Net profit per average common share - fully diluted</b>	<b>3.34</b>		7.98	

Annex 2

CONSOLIDATED STATEMENT OF INCOME  
 Q4 ended December 31  
 (amounts in USD/mln)

	<u>2020</u>	%	<u>2019</u>	%
<b>Net sales</b>	<b>1,052.3</b>		908.4	
Cost of sales	<u>-599.4</u>		<u>-511.5</u>	
<b>Total gross profit</b>	<b>452.9</b>	<b>43.0</b>	396.9	43.7
<b>Expenses:</b>				
-Marketing, A & P and selling	<u>-192.4</u>		<u>-183.0</u>	
-General and administrative	<u>-97.9</u>		<u>-68.3</u>	
Subtotal expenses	<u>-290.3</u>		<u>-251.3</u>	
<b>EBITDA</b>	<b>162.6</b>	<b>15.5</b>	145.6	16.0
Depreciation and amortization	<u>-37.2</u>		<u>-64.5</u>	
<b>Income from operations (before other income/expense)</b>	<b>125.4</b>	<b>11.9</b>	81.1	8.9
Other income/expense	<u>-56.4</u>		<u>13.2</u>	
<b>Income from operations (after other income/expense)</b>	<b>69.0</b>	<b>6.6</b>	94.3	10.4
Interest received	<u>0.1</u>		<u>0.1</u>	
Interest paid	<u>0.6</u>		<u>-4.3</u>	
Other financial income	<u>5.9</u>		<u>0.5</u>	
<b>Income before taxes</b>	<b>75.6</b>		90.6	
Taxes on income	<u>-25.9</u>		<u>-1.9</u>	
<b>Profit before non-controlling interest</b>	<b>49.7</b>		88.7	
Non-controlling interest	<u></u>		<u>-0.1</u>	
<b>Total net profit</b>	<b>49.7</b>	<b>4.7</b>	88.6	9.8
<b>Net profit per average common share</b>	<b>1.43</b>		2.55	
<b>Net profit per average common share - fully diluted</b>	<b>1.43</b>		2.55	

Annex 3

CONSOLIDATED BALANCE SHEET

As per December 31  
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	1,417.7	1,396.4
Tangible fixed assets	485.6	505.6
Right-of-use tangible fixed assets	134.8	144.9
Other financial non-current assets	<u>216.5</u>	<u>198.4</u>
<b>Total fixed assets</b>	<b>2,254.6</b>	<b>2,245.3</b>
<b>Current assets</b>		
Inventories	603.2	620.4
Accounts receivable		
-Trade	406.4	398.2
-Other	167.3	160.8
Cash and other short-term deposits	<u>47.2</u>	<u>39.3</u>
<b>Total current assets</b>	<b><u>1,224.1</u></b>	<b><u>1,218.7</u></b>
	<b><u>3,478.7</u></b>	<b><u>3,464.0</u></b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Capital stock	10.2	9.4
Additional paid-in capital	167.3	167.3
Retained earnings	<u>1,747.9</u>	<u>1,621.8</u>
<b>Total shareholders' equity</b>	<b>1,925.4</b>	<b>1,798.5</b>
Non-controlling interest	<u>0.4</u>	<u>0.5</u>
<b>Total Group equity</b>	<b>1,925.8</b>	<b>1,799.0</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	121.9	441.5
Lease liabilities	103.7	108.8
Preferred shares	10.1	9.3
Provisions	227.9	295.8
Deferred income tax liabilities	<u>46.4</u>	<u>33.1</u>
<b>Total non-current liabilities</b>	<b>510.0</b>	<b>888.5</b>
<b>Current liabilities</b>		
Trade and other payables	947.5	652.6
Lease liabilities	36.9	41.9
Interest-bearing loans and borrowings	<u>58.5</u>	<u>82.0</u>
<b>Total current liabilities</b>	<b><u>1,042.9</u></b>	<b><u>776.5</u></b>
	<b><u>3,478.7</u></b>	<b><u>3,464.0</u></b>

Annex 4

CONSOLIDATED CASH FLOW STATEMENT  
 Year ended December 31  
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
<b>Net profit from continuing operations</b>	<b>116.1</b>	291.4
<b>Net loss from discontinued operations</b>		-13.8
<b>Adjustments for:</b>		
Depreciation tangible fixed assets	<b>90.2</b>	98.5
Depreciation right-of-use tangible fixed assets	<b>37.7</b>	42.3
Amortization patents & trademarks	<b>25.3</b>	23.0
(Decrease) increase provisions	<b>-4.7</b>	18.0
Adjustments of put/call options over non-controlling interest	<b>130.5</b>	35.9
Other non-cash items	<b>-16.5</b>	-120.2
<b>Operating cash flow before working capital changes</b>	<b>378.6</b>	375.1
<b>Changes in working capital:</b>		
-decrease trade and other receivables and prepayments	<b>1.6</b>	174.5
-decrease inventories	<b>34.1</b>	169.5
-increase (decrease) trade and other payables	<b>117.6</b>	-173.2
<b>Operating cash flow</b>	<b>531.9</b>	545.9
Dividend paid		-78.8
<b>Net cash from operations</b>	<b>531.9</b>	467.1
<b>Cash flow from investing activities</b>		
Investments in subsidiaries, net of cash acquired	<b>-6.4</b>	-111.6
Investments in tangible fixed assets	<b>-73.9</b>	-124.8
Divestments tangible fixed assets	<b>18.9</b>	28.2
Investments in intangible fixed assets	<b>-0.5</b>	-1.2
Decrease investment portfolio		0.5
Decrease (increase) other financial non-current assets	<b>1.3</b>	-0.7
<b>Net cash from investing activities</b>	<b>-60.6</b>	-209.6
<b>Cash flow from financing activities</b>		
Decrease interest-bearing loans and borrowings	<b>-371.0</b>	-209.7
Payment of lease liabilities	<b>-40.6</b>	-39.5
Payment of long-term provisions	<b>-52.5</b>	
<b>Net cash from financing activities</b>	<b>-464.1</b>	-249.2
<b>Net increase in cash and cash equivalents</b>	<b>7.2</b>	8.3
<b>Change in cash and cash equivalents</b>		
<b>Balance at 1 January</b>	<b>39.3</b>	31.1
Net increase in cash and cash equivalents	<b>7.2</b>	8.3
Exchange difference cash and cash equivalents	<b>0.7</b>	-0.1
<b>Balance at 31 December</b>	<b>47.2</b>	39.3

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION  
 Explanation by geographic area  
 2020 vs 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	-1	1	2	-4	-2
North America	-7	0	4	0	-3
Latin America	-13	-15	0	0	-28
Asia	-12	-1	0	0	-13
Australia	2	0	2	0	4
<b>Total</b>	<b>-5</b>	<b>0</b>	<b>3</b>	<b>-2</b>	<b>-4</b>

PERCENTAGE SALES CHANGE ATTRIBUTION  
 Explanation by geographic area  
 Q4 2020 vs 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	7	4	0	0	11
North America	8	0	15	0	23
Latin America	3	-11	0	0	-8
Asia	0	0	0	0	0
Australia	3	8	0	0	11
<b>Total</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>16</b>