

PRESS RELEASE

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HUNTER DOUGLAS RESULTS 2017

Rotterdam, March 7, 2018 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2017:

- **Sales:** 14.4% higher to USD 3.226 billion, compared with USD 2.821 billion in 2016.

The 14.4% sales increase reflects a 2.7% volume increase, 0.7% positive currency impact and 11.0% increase from acquisitions. Volume increased in all areas except in Asia and Latin America where sales were lower.

North America accounted for 49% of sales, Europe 38%, Latin America 5%, Asia 5% and Australia 3%. Window coverings were 85% and architectural and other products were 15% of sales.

- **Earnings before interest, tax, depreciation and amortization - EBITDA:** USD 391 million, 6.8% higher than USD 365 million in 2016.
- **Income from Operations (before non-recurring restructuring expenses):** 3.3% higher to USD 289 million, compared with USD 279 million in 2016. Results in local currencies were better in Europe and North America and lower in the other areas.
- **Non-recurring restructuring expenses:** USD 20 million, compared with USD 16 million in 2016. These relate mainly to the North American operations for the integration of Levolor and to the European operations for acquisition costs of Hillarys.
- **Profit before Tax:** USD 260 million, compared with USD 255 million in 2016.
- **Total Net Profit:** USD 219 million (per share EUR 5.56), 6.3% higher than USD 206 million in 2016, before extraordinary tax gain of USD 65 million (per share EUR 5.36).

Operating cash flow: USD 181 million, compared with USD 197 million in 2016.

Capital expenditures were USD 130 million, compared with USD 84 million in 2016, while depreciation was USD 82 million, compared with USD 71 million in 2016. In 2018 capital expenditures will be about USD 140 million and depreciation USD 90 million.

Shareholders' equity was USD 1,384 million, compared with USD 1,246 million at the end of 2016. The 2017 equity was impacted by the payment of the dividend of EUR 1.75 per share, totalling USD 68 million.

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

Return before interest on Net Assets Employed – RONAE

(before non-recurring restructuring expenses): 13.7% compared with 18.4% in 2016.

Return on Equity: 16.6% compared with 17.6% in 2016.

Employees: The company had approximately 22,750 employees at the end of 2017.

Dividend: The Board of Directors proposes a dividend for 2017 of EUR 1.85 per common share, compared with EUR 1.75 for 2016.

Q4 2017

Q4 Sales were USD 879 million, 15.8% higher than USD 759 million in the same period of 2016. This reflects a 2.8% volume increase, a 3.1% positive currency impact and 9.9% increase from acquisitions. Fourth quarter organic sales were higher in Europe, North America and Latin America, level in Australia and lower in Asia.

Q4 Earnings before interest, tax, depreciation and amortization – EBITDA:

USD 113 million, compared with USD 111 million in Q4 2016.

Q4 Income from Operations (before non-recurring restructuring expenses) was USD 87 million, compared with USD 83 million in Q4 2016. Results in local currencies were higher in Europe and North America and lower in the other areas.

Q4 Non-recurring restructuring expenses: USD 7 million, compared with USD 11 million last year. These relate mainly to the North American operations for the integration of Levolor and to the European operations for acquisition costs of Hillarys.

Q4 Profit before Tax: USD 75 million, compared with USD 74 million in Q4 2016.

Q4 Total Net Profit: USD 73 million (per share EUR 1.82), compared with USD 63 million in Q4 2016, before extraordinary tax gain of USD 65 million (per share EUR 1.68).

Total year 2017 by Region

Europe

European operations had record sales and profits.

European sales were USD 1,214 million, 24% higher than USD 980 million in the same period last year. This reflects a 5% volume increase, a 1% positive currency impact and a 18% increase from acquisitions.

North America

North American operations had higher sales and profits.

Sales increased by 12% to USD 1,588 million. The sales increase reflects a 2% increase in volume and a 10% increase from acquisitions.

Latin America

Latin American operations had level sales and lower operational profits.

Sales were USD 162 million, level compared with last year. This reflects a 1% volume decrease and a 1% positive currency impact.

Asia

Asian operations had lower sales and profits.

Sales were USD 167 million, 4% lower than USD 174 million in the same period last year, due to a 3% decrease in volume and a 1% negative currency impact.

Australia

Australian operations had higher sales and lower profits.

Sales were USD 95 million, 10% higher than USD 86 million in the same period last year, due to a 1% increase in volume, a 3% positive currency impact and a 6% increase from acquisitions.

Outlook

Hunter Douglas expects continued growth in Europe, the US and Asia, and improving economic conditions in Latin America.

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

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 132 companies with 50 manufacturing and 82 assembly operations in more than 100 countries. The common shares of Hunter Douglas N.V. are traded on Amsterdam's Euronext and Deutsche Boerse.

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 full year 2017 and Q4 2017 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic area for the full year 2017 and Q4 2017 (Annex 5) are attached.

Annex 1

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

	<u>2017</u>	%	<u>2016</u>	%
Net sales	3,226		2,821	
Cost of sales	<u>-1,874</u>		<u>-1,639</u>	
Gross profit	1,352	41.9	1,182	41.9
Gross profit Metals Trading	<u>20</u>		15	
Total gross profit	1,372	42.5	1,197	42.4
Expenses:				
-Marketing, A & P and selling	<u>-631</u>		<u>-537</u>	
-General and administrative	<u>-350</u>		<u>-295</u>	
Subtotal expenses	<u>-981</u>		<u>-832</u>	
EBITDA	391	12.1	365	12.9
Depreciation and amortization	<u>-102</u>		<u>-86</u>	
Income from operations (before non-recurring restructuring expenses)	289	8.9	279	9.9
Non-recurring restructuring expenses	<u>-20</u>		<u>-16</u>	
Income from operations (after non-recurring restructuring expenses)	269	8.3	263	9.3
Interest received			1	
Interest paid	<u>-20</u>		<u>-12</u>	
Other financial income	<u>5</u>		<u>2</u>	
Net result investment portfolio	<u>6</u>		<u>1</u>	
Income before taxes	260		255	
Taxes on income	<u>-38</u>		<u>-48</u>	
Profit before minority interest	222		207	
Minority interest	<u>-3</u>		<u>-1</u>	
Total net profit	219	6.8	206	7.3
Extraordinary tax gain			<u>65</u>	
Total net profit (after extraordinary tax gain)	219		<u>271</u>	
Net profit per average common share before non-recurring tax gain	6.28		5.91	
	€ 5.56		€ 5.36	
Net profit per average common share before non-recurring tax gain - fully diluted	6.28		5.91	
	€ 5.56		€ 5.36	

Annex 2

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

	<u>2017</u>	%	<u>2016</u>	%
Net sales	879		759	
Cost of sales	<u>-500</u>		<u>-439</u>	
Gross profit	379	43.2	320	42.1
Gross profit Metals Trading	<u>8</u>		<u>6</u>	
Total gross profit	387	44.1	326	42.9
Expenses:				
-Marketing, A & P and selling	<u>-175</u>		<u>-141</u>	
-General and administrative	<u>-99</u>		<u>-74</u>	
Subtotal expenses	<u>-274</u>		<u>-215</u>	
EBITDA	113	12.9	111	14.6
Depreciation and amortization	<u>-26</u>		<u>-28</u>	
Income from operations (before non-recurring restructuring expenses)	87	9.9	83	11.0
Non-recurring restructuring expenses	<u>-7</u>		<u>-11</u>	
Income from operations (after non-recurring restructuring expenses)	80	9.1	72	9.5
Interest received				
Interest paid	<u>-7</u>		<u>-3</u>	
Other financial income	<u>2</u>		<u>2</u>	
Net result investment portfolio			<u>3</u>	
Income before taxes	75		74	
Taxes on income	<u>-3</u>		<u>-12</u>	
Profit before minority interest	72		62	
Minority interest	<u>1</u>		<u>1</u>	
Total net profit	73	8.4	63	8.4
Extraordinary tax gain			<u>65</u>	
Total net profit (after extraordinary tax gain)	73		<u>128</u>	
Net profit per average common share before non-recurring tax gain	2.11		1.82	
	€ 1.81		€ 1.68	
Net profit per average common share before non-recurring tax gain - fully diluted	2.11		1.82	
	€ 1.81		€ 1.68	

Annex 3

CONSOLIDATED BALANCE SHEET

As per December 31
 (amounts in USD/mln)

	<u>2017</u>	<u>2016</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,062	632
Tangible fixed assets	522	459
Other financial non-current assets	<u>237</u>	<u>244</u>
Total fixed assets	1,821	1,335
Current assets		
Inventories	727	631
Accounts receivable		
-Trade	505	403
-Other	255	157
Investment portfolio	34	206
Cash and other short-term deposits	<u>32</u>	<u>41</u>
Total current assets	<u>1,553</u>	<u>1,438</u>
	<u>3,374</u>	<u>2,773</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	10	9
Additional paid-in capital	85	75
Retained earnings	<u>1,280</u>	<u>1,162</u>
Total shareholders' equity	1,384	1,246
Minority interest	<u>24</u>	<u>10</u>
Total Group equity	1,408	1,256
Non-current liabilities		
Interest-bearing loans and borrowings	801	633
Preferred shares	10	9
Provisions	235	219
Deferred income tax liabilities	<u>9</u>	<u> </u>
Total non-current liabilities	1,055	861
Current liabilities		
Trade and other payables	755	616
Interest-bearing loans and borrowings	<u>156</u>	<u>40</u>
Total current liabilities	<u>911</u>	<u>656</u>
	<u>3,374</u>	<u>2,773</u>

Annex 4

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

	<u>2017</u>	<u>2016</u>
Net profit attributable to equity shareholders	222	271
Adjustments for:		
Depreciation property, plant & equipment	82	71
Amortization patents & trademarks	20	15
(Decrease) increase provisions	-1	6
Other non-cash items	9	-62
Unrealized result investment portfolio	-8	-5
Operating cash flow before working capital changes	324	296
Changes in working capital:		
-increase trade and other receivables and prepayments	-154	-92
-increase inventories	-45	-12
-increase trade and other payables	56	5
Operating cash flow	181	197
Dividend paid	-68	-59
Net cash from operations	113	138
 Cash flow from investing activities		
Investment subsidiaries, net of cash acquired	-400	-319
Investment property, plant and equipment	-130	-84
Divestment property, plant and equipment	15	10
Decrease investment portfolio	180	
Increase other financial non-current assets	-5	-5
Net cash from investing activities	-340	-398
 Cash flow from financing activities		
Increase interest-bearing loans and borrowings	215	272
Net cash from financing activities	215	272
 Net (decrease) increase in cash and cash equivalents	-12	12
 Change in cash and cash equivalents		
Balance at 1 January	42	31
Net (decrease) increase in cash and cash equivalents	-12	12
Exchange difference cash and cash equivalents	2	-1
Balance at 31 December	32	42

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area
2017 vs 2016

Area	Volume	Currency	Acquisitions	Total
Europe	5	1	18	24
North America	2	0	10	12
Latin America	-1	1	0	0
Asia	-3	-1	0	-4
Australia	1	3	6	10
Total	3	0	11	14

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area
Q4 2017 vs Q4 2016

Area	Volume	Currency	Acquisitions	Total
Europe	8	8	29	45
North America	1	0	0	1
Latin America	4	0	0	4
Asia	-6	3	0	-3
Australia	0	4	0	4
Total	3	3	10	16