

PRESS RELEASE

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HUNTER DOUGLAS NINE MONTHS 2018 RESULTS

Rotterdam, November 6, 2018 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2018:

- **Sales:** USD 2,716.2 million, 15.8% higher, compared with USD 2,346.5 million in the first nine months of 2017.

The 15.8% sales increase reflects a 6.7% volume increase, 2.1% positive currency impact and 7.0% increase from acquisitions/divestments. Volume increased in all areas.

North America accounted for 48% of sales, Europe 40%, Latin America 4%, Asia 5% and Australia 3%. Window Coverings were 86% and Architectural and Other Products were 14% of sales.
- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 326.9 million, 18.2% higher than USD 276.6 million in the first nine months of 2017.
- **Income from Operations (before non-recurring expenses):** USD 251.7 million, 25.2% higher than USD 201.0 million in the first nine months of 2017. Results in local currencies were better in North America and Europe, level in Asia and Australia and lower in Latin America.
- **Non-recurring expenses:** USD 10.1 million, compared with USD 12.9 million in 2017. These expenses relate to reorganizations in Europe and Australia.
- **Profit before Tax:** USD 236.9 million, 28.2% higher than USD 184.8 million in the first nine months of 2017.
- **Total Net Profit:** USD 181.7 million (per share EUR 4.38), 25.1% higher than USD 145.2 million in the first nine months of 2017 (per share EUR 3.74).

Capital expenditures were USD 88 million compared with USD 93 million in the first nine months of 2017, while depreciation was USD 59 million compared with USD 61 million in the same period last year. For the full year capital expenditures are expected to be approximately USD 115 million and depreciation USD 80 million.

Operating cash flow: USD 296 million compared with USD 104 million in the first nine months of 2017.

Shareholder's equity was USD 1,442 million compared with USD 1,385 million at the end of 2017, reflecting the first nine months results offset by negative exchange translation and the payment of the dividend of EUR 1.85 per share, totalling USD 76 million.

RONAE (Return before interest/net assets employed) excluding Metals Trading and Investment Portfolio was 14.2% compared with 14.5% in the first nine months of 2017.

Q3 2018

Q3 Sales: USD 923.6 million, 10.8% higher than USD 833.7 million in the same period of 2017. The increase reflects a 10.1% volume increase, a 0.8% negative currency impact and 1.5% increase from acquisitions/divestments. Third quarter organic sales were higher in all areas.

Q3 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 115.2 million, 14.3% higher than USD 100.8 million in Q3 2017.

Q3 Income from Operations (before non-recurring expenses): USD 90.7 million, 23.2% higher than USD 73.6 million in Q3 2017. Results in local currencies were better in North America, Europe, Asia and Australia and lower in Latin America.

Q3 Non-recurring expenses: USD 10.1 million, compared with USD 12.9 million in Q3 2017. These expenses relate to reorganizations in Europe and Australia

Q3 Profit before Tax: USD 80.3 million, 40.9% higher than USD 57.0 million in Q3 2017.

Q3 Total Net Profit: USD 59.0 million (per share EUR 1.45), 29.1% higher than USD 45.7 million in Q3 2017 (per share EUR 1.11).

First nine months 2018 by Region

Europe

European sales were USD 1,089 million, 29% higher than USD 843 million in the same period last year. This reflects a 4% volume increase, a 6% positive currency impact and 19% increase from acquisitions. In EUR, sales increased by 21% to EUR 913 million compared with EUR 756 million in 2017.

North America

North American sales increased by 8% to USD 1,293 million. The sales increase reflects a 9% volume increase and 1% decrease from divestments.

Latin America

Latin American sales were USD 117 million, 2% higher than USD 115 million in the same period last year. The sales increase reflects a 8% volume increase and a 6% negative currency impact.

Asia

Asian sales increased by 7% to USD 138 million. The higher sales reflect a volume increase of 5% and a 2% positive currency impact.

Australia

Australian sales were USD 79 million, 18% higher than USD 67 million in the same period last year. The sales increase reflects a 7% volume increase, a 1% negative currency impact and a 12% 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 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 48 manufacturing and 86 assembly operations in more than 100 countries. Hunter Douglas employs about 24,000 people and had sales in 2017 of USD 3.2 billion.

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

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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>2018</u>	%	<u>2017</u>	%
Net sales	2,716.2		2,346.5	
Cost of sales	<u>-1,601.0</u>		<u>-1,374.8</u>	
Gross profit	1,115.2	41.1	971.7	41.4
Gross profit Metals Trading	<u>15.5</u>		<u>11.9</u>	
Total gross profit	1,130.7	41.6	983.6	41.9
Expenses:				
-Marketing, A & P and selling	-530.6		-456.3	
-General and administrative	<u>-273.2</u>		<u>-250.7</u>	
Subtotal expenses	<u>-803.8</u>		<u>-707.0</u>	
EBITDA	326.9	12.0	276.6	11.8
Depreciation and amortization	<u>-75.2</u>		<u>-75.6</u>	
Income from operations before non-recurring expenses	251.7	9.2	201.0	8.6
Non-recurring expenses	<u>-10.1</u>		<u>-12.9</u>	
Income from operations after non-recurring expenses	241.6		188.1	
Interest received	1.0		0.6	
Interest paid	-15.6		-13.0	
Other financial income	9.4		2.9	
Net result investment portfolio	0.5		6.2	
Income before taxes	236.9		184.8	
Taxes on income	<u>-55.5</u>		<u>-34.6</u>	
Profit before minority interest	181.4		150.2	
Minority interest	<u>0.3</u>		<u>-5.0</u>	
Total net profit	181.7	6.7	<u>145.2</u>	6.2
Net profit per average common share	5.22		4.17	
Net profit per average common share - fully diluted	5.22		4.17	

Annex 2

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

	<u>2018</u>	%	<u>2017</u>	%
Net sales	923.6		833.7	
Cost of sales	<u>-542.1</u>		<u>-485.8</u>	
Gross profit	381.5	41.3	347.9	41.7
Gross profit Metals Trading	<u>5.7</u>		<u>4.0</u>	
Total gross profit	387.2	41.9	351.9	42.2
Expenses:				
-Marketing, A & P and selling	<u>-174.4</u>		<u>-161.7</u>	
-General and administrative	<u>-97.6</u>		<u>-89.4</u>	
Subtotal expenses	<u>-272.0</u>		<u>-251.1</u>	
EBITDA	115.2	12.5	100.8	12.1
Depreciation and amortization	<u>-24.5</u>		<u>-27.2</u>	
Income from operations before non-recurring expenses	90.7	9.8	73.6	8.8
Non-recurring expenses	<u>-10.1</u>		<u>-12.9</u>	
Income from operations after non-recurring expenses	80.6		60.7	
Interest received	<u>0.7</u>		<u>0.2</u>	
Interest paid	<u>-5.7</u>		<u>-5.5</u>	
Other financial income	<u>4.6</u>		<u>1.1</u>	
Net result investment portfolio	<u>0.1</u>		<u>0.5</u>	
Income before taxes	80.3		57.0	
Taxes on income	<u>-21.4</u>		<u>-10.8</u>	
Profit before minority interest	58.9		46.2	
Minority interest	<u>0.1</u>		<u>-0.5</u>	
Total net profit	59.0	6.4	45.7	5.5
Net profit per average common share	1.70		1.31	
Net profit per average common share - fully diluted	1.70		1.31	

Annex 3

CONSOLIDATED BALANCE SHEET

As per September 30

(amounts in USD/mln)

	<u>2018</u>	<u>2017</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,113.3	996.8
Property, plant and equipment	531.2	518.8
Other financial non-current assets	<u>240.7</u>	<u>254.5</u>
Total fixed assets	1,885.2	1,770.1
Current assets		
Inventories	738.5	691.9
Accounts receivable		
-Trade	556.3	492.3
-Other	169.0	202.8
Investment portfolio		60.3
Cash and other short-term deposits	<u>34.8</u>	<u>43.2</u>
Total current assets	<u>1,498.6</u>	<u>1,490.5</u>
	<u>3,383.8</u>	<u>3,260.6</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.9	10.1
Additional paid-in capital	82.2	83.6
Retained earnings	<u>1,341.0</u>	<u>1,238.9</u>
Total shareholders' equity	<u>1,433.1</u>	1,332.6
Minority interest	<u>9.2</u>	<u>30.7</u>
Total Group equity	1,442.3	1,363.3
Non-current liabilities		
Interest-bearing loans and borrowings	568.6	933.5
Preferred shares	9.6	9.8
Provisions	260.5	144.7
Deferred income tax liabilities	<u>9.3</u>	<u>1.8</u>
Total non-current liabilities	848.0	1,089.8
Current liabilities		
Trade and other payables	820.7	700.5
Interest-bearing loans and borrowings	<u>272.8</u>	<u>107.0</u>
Total current liabilities	<u>1,093.5</u>	<u>807.5</u>
	<u>3,383.8</u>	<u>3,260.6</u>

Annex 4

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

	<u>2018</u>	<u>2017</u>
Net profit attributable to equity shareholders	181.7	145.2
Adjustments for:		
Depreciation property, plant & equipment	58.9	60.7
Amortization patents & trademarks	16.3	14.9
Decrease provisions	-8.1	-0.7
Other non-cash items	-23.5	1.9
Unrealized result investment portfolio	-0.5	-6.2
Operating cash flow before working capital changes	224.8	215.8
Changes in working capital:		
-decrease (increase) trade and other receivables and prepayments	32.0	-94.3
-increase inventories	-15.6	-12.9
-increase (decrease) trade and other payables	54.8	-4.4
Operating cash flow	296.0	104.2
Dividend paid	-75.8	-68.1
Net cash from operations	220.2	36.1
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-72.0	-366.4
Investments in property, plant and equipment	-88.2	-93.4
Divestments property, plant and equipment	20.6	5.5
Investments in intangible fixed assets	-8.2	
Decrease investment portfolio	34.5	152.1
Increase other financial non-current assets	-5.4	-36.7
Net cash from investing activities	-118.7	-338.9
Cash flow from financing activities		
(Decrease) increase interest-bearing loans and borrowings	-97.5	302.4
Net cash from financing activities	-97.5	302.4
Net increase (decrease) in cash and cash equivalents	4.0	-0.4
Change in cash and cash equivalents		
Balance at 1 January	32.0	41.4
Net increase (decrease) in cash and cash equivalents	4.0	-0.4
Exchange difference cash and cash equivalents	-1.2	2.2
Balance at 30 September	34.8	43.2

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First nine months 2018 vs first nine months 2017

Area	Volume	Currency	Acquisitions/ divestments	Total
Europe	4	6	19	29
North America	9	0	-1	8
Latin America	8	-6	0	2
Asia	5	2	0	7
Australia	7	-1	12	18
Total	7	2	7	16

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q3 2018 vs Q3 2017

Area	Volume	Currency	Acquisitions/ divestments	Total
Europe	7	0	3	10
North America	14	0	-1	13
Latin America	3	-13	0	-10
Asia	3	0	0	3
Australia	5	-9	36	32
Total	10	-1	2	11