

PRESS RELEASE

For publication: August 1, 2018
08.00 hrs

HUNTER DOUGLAS RESULTS FIRST HALF YEAR 2018

Rotterdam, August 1, 2018 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first half year 2018:

- **Sales:** USD 1,792.6 million, 18.5% higher, compared with USD 1,512.8 million in the first half of 2017.

The 18.5% sales increase reflects a 4.9% volume increase, a 3.7% positive currency impact and 9.9% increase from acquisitions. Volume increased in all areas.

North America accounted for 47% of sales, Europe 41%, Asia 5%, Latin America 4% 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 211.7 million, 20.4% higher than USD 175.8 million in the first half of 2017.
- **Income from Operations:** USD 161.0 million, 26.4% higher than USD 127.4 million in the first half of 2017. Results in local currencies were higher in North America and Europe and lower in all other areas.
- **Profit before Tax:** USD 156.6 million, 22.5% higher than USD 127.8 million in the first half of 2017.
- **Total Net Profit:** USD 122.7 million (per share EUR 2.93), 23.3% higher than USD 99.5 million in the first half of 2017 (per share EUR 2.63).

Capital expenditures were USD 67 million compared with USD 60 million in the first half of 2017, while depreciation was USD 40 million compared with USD 40 million in the first half of 2017. For the full year capital expenditures are expected to be approximately USD 140 million and depreciation USD 85 million.

Operating cash flow: USD 68 million compared with USD 19 million in the first half of 2017.

Shareholder's equity was USD 1,380 million, compared with USD 1,385 million at the end of 2017, reflecting the first half year results offset by negative exchange translation and the payment of the dividend of EUR 1.85, totalling USD 76 million.

RONAE (Return before interest/net assets employed) excluding Metals Trading and Investment Portfolio was 12.9% compared with 16.5% in the first half of 2017.

Q2 2018

Q2 Sales: USD 974.2 million, 20.4% higher than USD 809.1 million in the same period of 2017. The increase reflects a 8.1% volume increase, a 2.4% positive currency impact and a 9.9% increase from acquisitions. Second quarter organic sales were higher in all areas.

Q2 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 141.7 million, 28.8% higher than USD 110.0 million in Q2 2017.

Q2 Income from Operations: USD 116.9 million, 34.4% higher than USD 87.0 million in Q2 2017. Results in local currencies were better in North America, Europe and Australia and were lower in the other areas.

Q2 Profit before Tax: USD 116.0 million, 34.9% higher than USD 86.0 million in Q2 2017.

Q2 Total Net Profit: USD 89.6 million (per share EUR 2.15), 38.3% higher than USD 64.8 million in Q2 2017 (per share EUR 1.70).

First half year 2018 by Region

Europe

European sales were USD 728 million, 41% higher than USD 515 million in the same period last year. This reflects a 3% volume increase, a 10% positive currency impact and a 28% increase from acquisitions. In EUR, sales increased by 28% to EUR 604 million compared with EUR 473 million in 2017.

North America

North American sales increased by 6% to USD 837 million. The sales increase reflects a 6% volume increase.

Latin America

Latin American sales were USD 81 million, 8% higher than USD 75 million in the same period last year. The sales increase reflects a 11% volume increase and a 3% negative currency impact.

Asia

Asian sales increased by 9% to USD 97 million. The higher sales reflect a volume increase of 6% and a 3% positive currency impact.

Australia

Australian sales were USD 50 million, 11% higher than USD 45 million in the same period last year. The sales increase reflects a 9% volume increase and a 2% positive currency impact.

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 132 companies with 48 manufacturing and 84 assembly operations in more than 100 countries. Hunter Douglas employs about 23,750 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 the Frankfurter Börse.

The consolidated first half year report, prepared in accordance with IAS 34, is available on our website www.hunterdouglasgroup.com.

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A consolidated Statement of Income for the first half year and Q2 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the first half year and Q2 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

First half year ended June 30

(amounts in USD/mlin)

	<u>2018</u>	%	<u>2017</u>	%
Net sales	1,792.6		1,512.8	
Cost of sales	<u>-1,058.9</u>		<u>-889.0</u>	
Gross profit	733.7	40.9	623.8	41.2
Gross profit Metals Trading	<u>9.8</u>		<u>7.9</u>	
Total gross profit	743.5	41.5	631.7	41.8
Expenses:				
-Marketing, A & P and selling	<u>-356.2</u>		<u>-294.6</u>	
-General and administrative	<u>-175.6</u>		<u>-161.3</u>	
Subtotal expenses	<u>-531.8</u>		<u>-455.9</u>	
EBITDA	211.7	11.8	175.8	11.6
Depreciation and amortization	<u>-50.7</u>		<u>-48.4</u>	
Income from operations	161.0	9.0	127.4	8.4
Interest received	0.3		0.4	
Interest paid	<u>-9.9</u>		<u>-7.5</u>	
Other financial income	4.8		1.8	
Net result investment portfolio	0.4		5.7	
Income before taxes	156.6		127.8	
Taxes on income	<u>-34.1</u>		<u>-23.8</u>	
Profit before minority interest	122.5		104.0	
Minority interest	<u>0.2</u>		<u>-4.5</u>	
Total net profit	122.7	6.8	<u>99.5</u>	6.6
Net profit per average common share	3.53		2.86	
Net profit per average common share - fully diluted	3.53		2.86	

Annex 2

CONSOLIDATED STATEMENT OF INCOME

Q2 ended June 30

(amounts in USD/mln)

	<u>2018</u>	%	<u>2017</u>	%
Net sales	974.2		809.1	
Cost of sales	<u>-572.1</u>		<u>-468.3</u>	
Gross profit	402.1	41.3	340.8	42.1
Gross profit Metals Trading	<u>5.7</u>		<u>4.1</u>	
Total gross profit	407.8	41.9	344.9	42.6
Expenses:				
-Marketing, A & P and selling	<u>-180.8</u>		<u>-148.7</u>	
-General and administrative	<u>-85.3</u>		<u>-86.2</u>	
Subtotal expenses	<u>-266.1</u>		<u>-234.9</u>	
EBITDA	<u>141.7</u>	<u>14.5</u>	110.0	13.6
Depreciation and amortization	<u>-24.8</u>		<u>-23.0</u>	
Income from operations	116.9	12.0	87.0	10.8
Interest received	0.1		0.2	
Interest paid	<u>-5.0</u>		<u>-4.0</u>	
Other financial income	3.9		0.6	
Net result investment portfolio	0.1		2.2	
Income before taxes	<u>116.0</u>		<u>86.0</u>	
Taxes on income	<u>-27.7</u>		<u>-16.7</u>	
Profit before minority interest	88.3		69.3	
Minority interest	<u>1.3</u>		<u>-4.5</u>	
Total net profit	<u><u>89.6</u></u>	<u><u>9.2</u></u>	<u><u>64.8</u></u>	<u><u>8.0</u></u>
Net profit per average common share	2.58		1.86	
Net profit per average common share - fully diluted	2.58		1.86	

Annex 3

CONSOLIDATED BALANCE SHEET

As per June 30

(amounts in USD/mIn)

	<u>2018</u>	<u>2017</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,083.8	593.4
Tangible fixed assets	539.9	490.7
Other financial non-current assets	<u>239.7</u>	<u>247.3</u>
Total fixed assets	1,863.4	1,331.4
Current assets		
Inventories	732.1	671.7
Accounts receivable		
-Trade	568.3	503.0
-Other	213.1	176.3
Investment portfolio	13.0	121.5
Cash and other short-term deposits	<u>24.3</u>	<u>38.0</u>
Total current assets	<u>1,550.8</u>	<u>1,510.5</u>
	<u>3,414.2</u>	<u>2,841.9</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.9	9.7
Additional paid-in capital	82.6	80.6
Retained earnings	<u>1,287.3</u>	<u>1,183.6</u>
Total shareholders' equity	1,379.8	1,273.9
Minority interest	<u>10.0</u>	<u>23.1</u>
Total Group equity	1,389.8	1,297.0
Non-current liabilities		
Interest-bearing loans and borrowings	730.5	636.1
Preferred shares	9.7	9.4
Provisions	271.9	156.8
Deferred income tax liabilities	<u>9.3</u>	<u>1.5</u>
Total non-current liabilities	1,021.4	803.8
Current liabilities		
Trade and other payables	746.5	638.2
Interest-bearing loans and borrowings	<u>256.5</u>	<u>102.9</u>
Total current liabilities	<u>1,003.0</u>	<u>741.1</u>
	<u>3,414.2</u>	<u>2,841.9</u>

Annex 4

CONSOLIDATED CASH FLOW STATEMENT

First half year ended June 30

(amounts in USD/mln)

	<u>2018</u>	<u>2017</u>
Net profit attributable to equity shareholders	122.7	99.5
Adjustments for:		
Depreciation property, plant & equipment	39.8	39.7
Amortization patents & trademarks	10.9	8.7
Increase (decrease) provisions	7.0	-2.1
Other non-cash items	-21.9	-1.6
Unrealized result investment portfolio	-0.4	-5.7
Operating cash flow before working capital changes	158.1	138.5
Changes in working capital:		
-increase trade and other receivables and prepayments	-21.8	-105.1
-increase inventories	-15.6	-23.9
-(decrease) increase trade and other payables	-53.1	9.9
Operating cash flow	67.6	19.4
Dividend paid	-75.8	-68.1
Net cash from operations	-8.2	-48.7
Cash flow from investing activities		
Investments subsidiaries, net of cash acquired	-30.0	
Investment property, plant and equipment	-66.7	-60.2
Divestment property, plant and equipment	5.4	2.2
Increase intangible fixed assets	-7.9	
Decrease investment portfolio	22.0	90.5
Increase other financial non-current assets	-7.3	-12.6
Net cash from investing activities	-84.5	19.9
Cash flow from financing activities		
Increase interest-bearing loans and borrowings	85.9	24.0
Net cash from financing activities	85.9	24.0
Net decrease in cash and cash equivalents	-6.8	-4.8
Change in cash and cash equivalents		
Balance at 1 January	32.0	41.4
Net decrease in cash and cash equivalents	-6.8	-4.8
Exchange difference cash and cash equivalents	-0.9	1.4
Balance at 30 June	24.3	38.0

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First half year 2018 vs first half year 2017

Area	Volume	Currency	Acquisitions	Total
Europe	3	10	28	41
North America	6	0	0	6
Latin America	11	-3	0	8
Asia	6	3	0	9
Australia	9	2	0	11
Total	5	4	10	19

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q2 2018 vs Q2 2017

Area	Volume	Currency	Acquisitions	Total
Europe	4	6	28	38
North America	11	0	0	11
Latin America	15	-5	0	10
Asia	4	2	0	6
Australia	26	0	0	26
Total	8	3	10	21