

PRESS RELEASE

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HUNTER DOUGLAS RESULTS FIRST HALF YEAR 2021

Rotterdam, August 10, 2021 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first half year 2021:

- **Sales:** USD 2,243.6 million, 43.8% higher than USD 1,559.8 million in the first half of 2020.

The 43.8% sales increase reflects a 40.2% volume increase, a 4.2% positive currency impact, a 0.4% increase from acquisitions and a 1.0% decrease from divestments. Volume increased in all areas.

North America accounted for 51% of sales, Europe 40%, and Asia, Latin America and Australia each 3%. Window Coverings were 94% and Architectural Products were 6% of sales.

- **Earnings before interest, tax, depreciation and amortization - EBITDA:** USD 436.1 million, compared with USD 164.5 million in the first half of 2020.
- **Income from Operations (before other income/expense):** USD 357.6 million compared with USD 88.9 million in the first half of 2020. Results in local currencies were higher in all areas.
- **Other income/expense:** USD 9.9 million negative compared with USD 44.5 million negative in the first half of 2020. The 2021 charges relate to the adjustment to the future purchase prices of interests in partially owned companies, while the 2020 charges mainly relate to reorganization expenses in North America and Europe.
- **Profit before Tax:** USD 343.3 million compared with USD 39.3 million in the first half of 2020.
- **Total Net Profit:** USD 262.5 million (per share EUR 6.27) compared with USD 28.5 million in the first half of 2020 (per share EUR 0.74).

Capital expenditures were USD 47.8 million compared with USD 31.6 million in the first half of 2020, while depreciation was USD 66.1 million compared with USD 64.2 million in the first half of 2020. For the full year capital expenditures are expected to be approximately USD 125 million and depreciation USD 130 million.

Operating cash flow: USD 200.8 million compared with USD 59.8 million in the first half of 2020.

Shareholder's equity was USD 2,191.7 million compared with USD 1,925.4 million at the end of 2020, reflecting the first half year results increased by a positive exchange translation.

RONAE (Return before interest/net assets employed) was 25.0% compared with 10.3% in the first half of 2020.

Q2 2021

Q2 Sales: USD 1,191.4 million, 64.6% higher than USD 724.0 million in the same period of 2020. The increase reflects a 60.6% volume increase, a 5.1% positive currency impact, a 1.0% increase from acquisitions and a 2.1% decrease from divestments. Second quarter organic sales were higher in all areas and were exceptionally high particularly compared with last year's collapse during this period.

Q2 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 253.6 million compared with USD 76.4 million in Q2 2020.

Q2 Income from Operations (before other income/expense): USD 213.5 million compared with USD 39.3 million in Q2 2020. Results in local currencies were higher in all areas.

Other income/expense: USD 9.9 million negative compared with USD 44.5 million negative in the first half of 2020. The 2021 charges relate to the adjustment to the future purchase prices of interests in partially owned companies, while the 2020 charges mainly relate to reorganization expenses in North America and Europe.

Q2 Profit before Tax: USD 199.3 million positive compared with USD 9.1 million negative in Q2 2020.

Q2 Total Net Profit: USD 153.9 million positive (per share EUR 3.68) compared with USD 10.1 million negative in Q2 2020 (per share EUR -0.26).

First half year 2021 by Region

Europe

European sales were USD 894 million, 43% higher than USD 625 million in the same period last year. This reflects a 36% volume increase, a 8% positive currency impact, a 1% increase from acquisitions and a 2% decrease from divestments.

North America

North American sales increased by 46% to USD 1,144 million. The sales increase mainly reflects higher volume.

Latin America

Latin American sales were USD 58 million, 23% higher than USD 47 million in the same period last year. The sales increase reflects higher volume.

Asia

Asian sales increased by 47% to USD 72 million. The higher sales reflect a volume increase of 43% and a 4% positive currency impact.

Australia

Australian sales were USD 76 million, 33% higher than USD 57 million in the same period last year. The sales increase reflects a 18% volume increase and a 15% positive currency impact.

The outlook is positive but there are uncertainties as to when the pattern of consumer discretionary spending will normalize, the development of COVID-19 and the impact of inflation on interest rates and the economies.

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 136 companies with 47 manufacturing and 89 assembly operations in more than 100 countries. Hunter Douglas employs about 23,500 people and had sales in 2020 of USD 3.5 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/mln)

	<u>2021</u>	%	<u>2020</u>	%
Net sales	2,243.6		1,559.8	*
Cost of sales	<u>-1,289.1</u>		<u>-937.9</u>	*
Total gross profit	954.5	42.5	621.9	39.9
Expenses:				
-Marketing, A & P and selling	-365.4		-313.8	
-General and administrative	<u>-153.0</u>		<u>-143.6</u>	
Subtotal expenses	<u>-518.4</u>		<u>-457.4</u>	
EBITDA	436.1	19.4	164.5	10.5
Depreciation and amortization	<u>-78.5</u>		<u>-75.6</u>	
Income from operations (before other income/expense)	357.6	15.9	88.9	5.7
Other income (expense)	<u>-9.9</u>		<u>-44.5</u>	
Income from operations (after other income/expense)	347.7	15.5	44.4	2.8
Interest received	0.3		0.3	
Interest paid	-5.5		-7.1	
Other financial income	<u>0.8</u>		<u>1.7</u>	
Income before taxes	343.3		39.3	
Taxes on income	<u>-80.7</u>		<u>-10.8</u>	
Profit before non-controlling interest	262.6		28.5	
Non-controlling interest	<u>-0.1</u>		<u>_____</u>	
Total net profit	<u>262.5</u>	11.7	<u>28.5</u>	1.8
Net profit per average common share	7.54		0.82	
Net profit per average common share - fully diluted	7.54		0.82	

* restated for outgoing freight reclassification

Annex 2

CONSOLIDATED STATEMENT OF INCOME
 Q2 ended June 30
 (amounts in USD/mln)

	<u>2021</u>	%	<u>2020</u>	%
Net sales	1,191.4		724.0	*
Cost of sales	<u>-672.2</u>		<u>-443.1</u>	*
Total gross profit	519.2	43.6	280.9	38.8
Expenses:				
-Marketing, A & P and selling	<u>-184.7</u>		<u>-134.7</u>	
-General and administrative	<u>-80.9</u>		<u>-69.8</u>	
Subtotal expenses	<u>-265.6</u>		<u>-204.5</u>	
EBITDA	253.6	21.3	76.4	10.6
Depreciation and amortization	<u>-40.1</u>		<u>-37.1</u>	
Income from operations (before other income/expense)	213.5	17.9	39.3	5.4
Other income (expense)	<u>-9.9</u>		<u>-44.5</u>	
Income from operations (after other income/expense)	203.6	17.1	-5.2	-0.7
Interest received	<u>0.2</u>		<u>0.1</u>	
Interest paid	<u>-4.4</u>		<u>-4.6</u>	
Other financial (expense) income	<u>-0.1</u>		<u>0.6</u>	
Income before taxes	199.3		-9.1	
Taxes on income	<u>-45.3</u>		<u>-1.0</u>	
Profit before non-controlling interest	154.0		-10.1	
Non-controlling interest	<u>-0.1</u>		<u></u>	
Total net profit	<u>153.9</u>	12.9	<u>-10.1</u>	-1.4
Net profit per average common share	4.42		-0.29	
Net profit per average common share - fully diluted	4.42		-0.29	

* restated for outgoing freight reclassification

Annex 3

CONSOLIDATED BALANCE SHEET

As per June 30

(amounts in USD/mln)

	<u>2021</u>	<u>2020</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,441.5	1,359.5
Tangible fixed assets	475.0	480.7
Right-of-use tangible fixed assets	127.1	110.2
Other financial non-current assets	<u>211.6</u>	<u>204.4</u>
Total fixed assets	2,255.2	2,154.8
Current assets		
Inventories	639.1	621.2
Accounts receivable		
-Trade	447.5	400.5
-Other	184.1	177.9
Cash and other short-term deposits	<u>171.4</u>	<u>38.1</u>
Total current assets	<u>1,442.1</u>	<u>1,237.7</u>
	3,697.3	3,392.5
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.9	9.4
Additional paid-in capital	167.3	167.3
Retained earnings	<u>2,014.5</u>	<u>1,590.5</u>
Total shareholders' equity	2,191.7	1,767.2
Non-controlling interest	<u>0.4</u>	<u>0.1</u>
Total Group equity	2,192.1	1,767.3
Non-current liabilities		
Interest-bearing loans and borrowings	148.5	490.2
Lease liabilities	102.6	83.8
Preferred shares	9.8	9.3
Provisions	216.4	246.2
Deferred income tax liabilities	<u>43.2</u>	<u>43.3</u>
Total non-current liabilities	520.5	872.8
Current liabilities		
Trade and other payables	922.5	693.8
Lease liabilities	36.1	36.7
Interest-bearing loans and borrowings	<u>26.1</u>	<u>21.9</u>
Total current liabilities	<u>984.7</u>	<u>752.4</u>
	3,697.3	3,392.5

Annex 4

CONSOLIDATED CASH FLOW STATEMENT

First half year ended June 30

(amounts in USD/mln)

	<u>2021</u>	<u>2020</u>
Net profit from continuing operations	262.5	28.5
Adjustments for:		
Depreciation tangible fixed assets	42.9	42.6
Depreciation right-of-use tangible fixed assets	23.2	21.6
Amortization patents & trademarks	12.4	11.4
Decrease provisions	-30.4	-30.8
Adjustments of put/call options over non-controlling interest	9.9	
Other non-cash items	8.9	-12.0
Operating cash flow before working capital changes	329.4	61.3
Changes in working capital:		
-increase trade and other receivables and prepayments	-60.2	-30.9
-increase inventories	-41.1	-16.7
-(decrease) increase trade and other payables	-27.3	46.1
Operating cash flow	200.8	59.8
Net cash from operations	200.8	59.8
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-27.8	
Investment tangible fixed assets	-47.8	-31.6
Divestment tangible fixed assets	11.7	8.3
Investment intangible fixed assets		-0.1
Decrease (increase) other financial non-current assets	9.1	-4.4
Net cash from investing activities	-54.8	-27.8
Cash flow from financing activities		
Decrease interest-bearing loans and borrowings	-1.7	-11.1
Payment of lease liabilities	-19.6	-20.3
Net cash from financing activities	-21.3	-31.4
Net increase in cash and cash equivalents	124.7	0.6
Change in cash and cash equivalents		
Balance at 1 January	47.2	39.3
Net increase in cash and cash equivalents	124.7	0.6
Exchange difference cash and cash equivalents	-0.5	-1.8
Balance at 30 June	171.4	38.1

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First half year 2021 vs first half year 2020

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	36	8	1	-2	43
North America	46	0	0	0	46
Latin America	23	0	0	0	23
Asia	43	4	0	0	47
Australia	18	15	0	0	33
Total	40	5	0	-1	44

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q2 2021 vs Q2 2020

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	52	10	2	-5	59
North America	74	1	0	0	75
Latin America	53	5	0	0	58
Asia	43	4	0	0	47
Australia	21	17	0	0	38
Total	60	6	1	-2	65