

PRESS RELEASE

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HUNTER DOUGLAS NINE MONTHS 2017 RESULTS

Rotterdam, November 2, 2017 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2017:

- **Sales:** USD 2,346.5 million, 13.8% higher, compared with USD 2,061.6 million in the first nine months of 2016.

The 13.8% sales increase reflects a 2.7% volume increase, 0.3% negative currency impact and 11.4% increase from acquisitions. Volume increased in all areas except in Latin America and Asia where sales were lower.

North America accounted for 51% of sales, Europe 36%, Latin America 5%, 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 276.6 million, 8.7% higher than USD 254.4 million in the first nine months of 2016.
- **Income from Operations (before non-recurring expenses):** USD 201.0 million, 2.9% higher than USD 195.3 million in the first nine months of 2016. Results in local currencies were better in Europe and Australia and lower in the other areas.
- **Non-recurring expenses:** USD 12.9 million, compared with USD 5.9 million in 2016. These expenses relate mainly to acquisition costs and reorganizations in Europe.
- **Profit before Tax (excluding Net Result Investment Portfolio):** USD 178.6 million, compared with USD 182.0 million in the first nine months of 2016.
- **Net Result Investment Portfolio:** USD 6.2 million positive (after deduction of imputed interest and expenses) compared with USD 1.7 million negative in the first nine months of 2016. The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 8.7% positive. The Portfolio had a fair value at September 30, 2017 of USD 60.3 million and is being wound down.
- **Profit before Tax:** USD 184.8 million, 2.5% higher than USD 180.3 million in the first nine months of 2016.
- **Total Net Profit:** USD 145.2 million (per share EUR 3.74), 2.0% higher than USD 142.3 million in the first nine months of 2016 (per share EUR 3.68).

Capital expenditures were USD 93 million compared with USD 54 million in the first nine months of 2016, while depreciation was USD 61 million compared with USD 53 million in the same period last year. For the full year capital expenditures are expected to be approximately USD 120 million and depreciation USD 80 million.

Operating cash flow: USD 104 million compared with USD 62 million in the first nine months of 2016.

Shareholder's equity was USD 1,333 million compared with USD 1,244 million at the end of 2016, reflecting the first nine months results offset by negative exchange translation and the payment of the dividend of EUR 1.75, totalling USD 68 million.

RONAE (Return before interest/net assets employed) excluding Metals Trading and Investment Portfolio was 14.5% compared with 17.9% in the first nine months of 2016.

Q3 2017

Q3 Sales: USD 833.7 million, 10.4% higher than USD 755.3 million in the same period of 2016. The increase reflects a 1.7% volume increase, a 1.4% positive currency impact and 7.3% increase from acquisitions. Third quarter organic sales were higher in Europe and about level in all other areas.

Q3 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 100.8 million, compared with USD 100.4 million in Q3 2016.

Q3 Income from Operations (before non-recurring expenses): USD 73.6 million, 9.2% lower than USD 81.1 million in Q3 2016. Results in local currencies were better in Europe and Australia and lower in all other areas.

Q3 Non-recurring expenses: USD 12.9 million, compared with USD 5.9 million in Q3 2016. These expenses relate mainly to acquisition costs and reorganizations in Europe.

Q3 Net Result Investment Portfolio: USD 0.5 million positive (after deduction of imputed interest and expenses) compared with USD 5.6 million positive in Q3 2016.

Q3 Profit before Tax: USD 57.0 million, compared with USD 76.8 million in Q3 2016.

Q3 Total Net Profit: USD 45.7 million (per share EUR 1.11), compared with USD 58.6 million in Q3 2016 (per share EUR 1.51).

First nine months 2017 by Region

Europe

European sales were USD 843 million, 16% higher than USD 724 million in the same period last year. This reflects a 4% volume increase, a 1% negative currency impact and 13% increase from acquisitions. In EUR, sales increased by 16% to EUR 756 million compared with EUR 652 million in 2016.

North America

North American sales increased by 16% to USD 1,193 million. The sales increase reflects a 3% volume increase and 13% increase from acquisitions.

Latin America

Latin American sales were USD 115 million, 2% lower than USD 117 million in the same period last year. The sales decrease reflects a 3% volume decrease and a 1% positive currency impact.

Asia

Asian sales decreased by 4% to USD 129 million. The lower sales reflect a volume decrease of 3% and a 1% negative currency impact.

Australia

Australian sales were USD 67 million, 14% higher than USD 59 million in the same period last year. The sales increase reflects a 2% volume increase, a 3% positive currency impact and a 9% increase from acquisitions.

Outlook

We expect continued growth in Europe, the US and Asia and continued difficult conditions in Latin America.

Hunter Douglas is in a strong position in terms of its 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 131 companies with 50 manufacturing and 81 assembly operations in more than 100 countries. Hunter Douglas employs about 22,500 people and had sales in 2016 of USD 2.821 billion.

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

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 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>2017</u>	%	<u>2016</u>	%
Net sales	2,346.5		2,061.6	
Cost of sales	<u>-1,374.8</u>		<u>1,199.5</u>	
Gross profit	971.7	41.4	862.1	41.8
Gross profit Metals Trading	<u>11.9</u>		<u>9.5</u>	
Total gross profit	983.6	41.9	871.6	42.3
Expenses:				
-Marketing, A & P and selling	<u>-456.3</u>		<u>-396.0</u>	
-General and administrative	<u>-250.7</u>		<u>-221.2</u>	
Subtotal expenses	<u>-707.0</u>		<u>-617.2</u>	
EBITDA	276.6	11.8	254.4	12.4
Depreciation and amortization	<u>-75.6</u>		<u>-59.1</u>	
Income from operations before non-recurring expenses	201.0	8.6	195.3	9.5
Non-recurring expenses	<u>-12.9</u>		<u>-5.9</u>	
Income from operations after non-recurring expenses	188.1		189.4	
Interest received	0.6		0.7	
Interest paid	<u>-13.0</u>		<u>-8.2</u>	
Other financial income	2.9		0.1	
Net result investment portfolio	6.2		-1.7	
Income before taxes	184.8		180.3	
Taxes on income	<u>-34.6</u>		<u>-36.4</u>	
Profit before minority interest	150.2		143.9	
Minority interest	<u>-5.0</u>		<u>-1.6</u>	
Total net profit	145.2	6.2	<u>142.3</u>	6.9
Net profit per average common share	4.17		4.09	
Net profit per average common share - fully diluted	4.17		4.09	

Annex 2

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

	<u>2017</u>	%	<u>2016</u>	%
Net sales	833.7		755.3	
Cost of sales	<u>-485.8</u>		<u>-448.4</u>	
Gross profit	347.9	41.7	306.9	40.6
Gross profit Metals Trading	<u>4.0</u>		<u>3.2</u>	
Total gross profit	351.9	42.2	310.1	41.1
Expenses:				
-Marketing, A & P and selling	<u>-161.7</u>		<u>-140.0</u>	
-General and administrative	<u>-89.4</u>		<u>-69.7</u>	
Subtotal expenses	<u>-251.1</u>		<u>-209.7</u>	
EBITDA	100.8	12.1	100.4	13.4
Depreciation and amortization	<u>-27.2</u>		<u>-19.3</u>	
Income from operations before non-recurring expenses	73.6	8.8	81.1	10.8
Non-recurring expenses	<u>-12.9</u>		<u>-5.9</u>	
Income from operations after non-recurring expenses	60.7		75.2	
Interest received	<u>0.2</u>		<u>0.3</u>	
Interest paid	<u>-5.5</u>		<u>-4.3</u>	
Other financial income	<u>1.1</u>		<u></u>	
Net result investment portfolio	<u>0.5</u>		<u>5.6</u>	
Income before taxes	57.0		76.8	
Taxes on income	<u>-10.8</u>		<u>-17.1</u>	
Profit before minority interest	46.2		59.7	
Minority interest	<u>-0.5</u>		<u>-1.1</u>	
Total net profit	45.7	5.5	58.6	7.8
Net profit per average common share	1.31		1.68	
Net profit per average common share - fully diluted	1.31		1.68	

Annex 3

CONSOLIDATED BALANCE SHEET

As per September 30
 (amounts in USD/mln)

	<u>2017</u>	<u>2016</u>
ASSETS		
Fixed assets		
Intangible fixed assets	996.8	582.7
Tangible fixed assets	518.8	453.7
Other financial non-current assets	<u>254.5</u>	<u>170.4</u>
Total fixed assets	1,770.1	1,206.8
Current assets		
Inventories	691.9	650.0
Accounts receivable		
-Trade	492.3	439.6
-Other	202.8	147.1
Investment portfolio	60.3	202.6
Cash and other short-term deposits	<u>43.2</u>	<u>36.9</u>
Total current assets	<u>1,490.5</u>	<u>1,476.2</u>
	<u>3,260.6</u>	<u>2,683.0</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	10.1	9.5
Additional paid-in capital	83.6	79.0
Retained earnings	<u>1,238.9</u>	<u>1,046.8</u>
Total shareholders' equity	1,332.6	1,135.3
Minority interest	<u>30.7</u>	<u>18.7</u>
Total Group equity	1,363.3	1,154.0
Non-current liabilities		
Interest-bearing loans and borrowings	933.5	728.9
Preferred shares	9.8	9.2
Provisions	144.7	142.5
Deferred income tax liabilities	<u>1.8</u>	<u>0.6</u>
Total non-current liabilities	1,089.8	881.2
Current liabilities		
Trade and other payables	700.5	609.3
Interest-bearing loans and borrowings	<u>107.0</u>	<u>38.5</u>
Total current liabilities	<u>807.5</u>	<u>647.8</u>
	<u>3,260.6</u>	<u>2,683.0</u>

Annex 4

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

	<u>2017</u>	<u>2016</u>
Net profit attributable to equity shareholders	145.2	142.3
Adjustments for:		
Depreciation property, plant & equipment	60.7	52.5
Amortization patents & trademarks	14.9	6.6
(Decrease) increase provisions	-0.7	7.5
Other non-cash items	1.9	-4.3
Unrealized result investment portfolio	-6.2	-1.3
Operating cash flow before working capital changes	215.8	203.3
Changes in working capital:		
-increase trade and other receivables and prepayments	-94.3	-106.8
-increase inventories	-12.9	-17.6
-decrease trade and other payables	-4.4	-16.6
Operating cash flow	104.2	62.3
Dividend paid	-68.1	-58.6
Net cash from operations	36.1	3.7
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-366.4	-302.4
Investment property, plant and equipment	-93.4	-53.7
Divestment property, plant and equipment	5.5	11.1
Decrease (increase) investment portfolio	152.1	-1.0
(Increase) decrease other financial non-current assets	-36.7	0.7
Net cash from investing activities	-338.9	-345.3
Cash flow from financing activities		
Increase interest-bearing loans and borrowings	302.4	348.0
Net cash from financing activities	302.4	348.0
Net (decrease) increase in cash and cash equivalents	-0.4	6.4
Change in cash and cash equivalents		
Balance at 1 January	41.4	30.9
Net (decrease) increase in cash and cash equivalents	-0.4	6.4
Exchange difference cash and cash equivalents	2.2	-0.4
Balance at 30 September	43.2	36.9

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First nine months 2017 vs first nine months 2016

Area	Volume	Currency	Acquisitions	Total
Europe	4	-1	13	16
North America	3	0	13	16
Latin America	-3	1	0	-2
Asia	-3	-1	0	-4
Australia	2	3	9	14
Total	3	0	11	14

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q3 2017 vs Q3 2016

Area	Volume	Currency	Acquisitions	Total
Europe	6	3	22	31
North America	-1	0	0	-1
Latin America	0	0	0	0
Asia	3	0	0	3
Australia	0	11	5	16
Total	2	1	7	10