

PRESS RELEASE

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HUNTER DOUGLAS RESULTS Q1 2020

Rotterdam, May 6, 2020 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for Q1 2020:

- **Sales:** 2.5% lower to USD 802.2 million, compared with USD 823.1 million in Q1 2019.

The 2.5% sales decrease reflects a 1.3% volume decrease, 1.9% negative currency impact, 2.2% decrease from divestments and 2.9% increase from acquisitions. Volume decreased in all areas except in North America where sales were higher.

North America accounted for 53% of sales, Europe 38%, Asia 2%, Latin America 4%, and Australia 3%. Window Coverings were 92% and Architectural Products were 8% of sales.

- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 88.1 million, 10.3% higher than USD 79.9 million in Q1 2019.
- **Income from Operations (before other income):** 13.8% higher to USD 49.6 million compared with USD 43.6 million in Q1 2019. Results in local currencies were higher in North America and Europe and lower in the other areas.
- **Other income:** Nil compared with USD 2.9 million positive in Q1 2019. The 2019 amount relates to the restatement of divestments.
- **Profit before Tax:** USD 48.4 million, 9.1% higher than USD 44.0 million in Q1 2019.
- **Total Net Profit:** USD 38.6 million (per share EUR 1.00) compared with USD 36.0 million in Q1 2019 (per share EUR 0.91).

Operating cash flow: USD 5.2 million negative compared with USD 5.7 million negative in Q1 2019.

Outlook

The corona crisis has caused unprecedented disruptions and declines in most economies; which only started to significantly impact the company's sales towards the end of March. Hunter Douglas therefore expects substantially lower sales and profits in most markets for the rest of the year.

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 47 manufacturing and 87 assembly operations in more than 100 countries. Hunter Douglas employs about 25,000 people and had sales in 2019 of USD 3.7 billion.

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

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A consolidated Statement of Income (Annex 1), Balance Sheet (Annex 2), Cash Flow Statement (Annex 3) and Sales change attribution percentages by geographic region (Annex 4) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

Q1 ended March 31
 (amounts in USD/mlin)

	<u>2020</u>	%	<u>2019</u>	%
Net sales	802.2		823.1	
Cost of sales	<u>-461.2</u>		<u>-472.7</u>	
Total gross profit	341.0	42.5	350.4	42.6
Expenses:				
-Marketing, A & P and selling	<u>-179.1</u>		<u>-184.6</u>	
-General and administrative	<u>-73.8</u>		<u>-85.9</u>	
Subtotal expenses	<u>-252.9</u>		<u>-270.5</u>	
EBITDA	88.1	11.0	79.9	9.7
Depreciation and amortization	<u>-38.5</u>		<u>-36.3</u>	
Income from operations (before other income)	49.6	6.2	43.6	5.3
Other income			<u>2.9</u>	
Income from operations (after other income)	49.6	6.2	46.5	5.6
Interest received	<u>0.2</u>		<u>0.3</u>	
Interest paid	<u>-2.5</u>		<u>-4.6</u>	
Other financial income	<u>1.1</u>		<u>1.8</u>	
Income before taxes	48.4		44.0	
Taxes on income	<u>-9.8</u>		<u>-7.9</u>	
Profit before non-controlling interest	38.6		36.1	
Non-controlling interest			<u>-0.1</u>	
Total net profit	<u>38.6</u>	4.8	<u>36.0</u>	4.4
Net profit per average common share	1.11		1.03	
Net profit per average common share - fully diluted	1.11		1.03	

Annex 2

CONSOLIDATED BALANCE SHEET
 As per March 31
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,357.0	1,117.0
Tangible fixed assets	492.0	501.3
Right-of-use tangible fixed assets	127.1	106.2
Other financial non-current assets	195.2	206.6
Total fixed assets	2,171.3	1,931.1
Current assets		
Inventories	624.9	770.5
Accounts receivable		
-Trade	379.9	509.6
-Other	152.8	202.6
Investment portfolio		0.5
Cash and other short-term deposits	34.2	22.7
Total current assets	1,191.8	1,505.9
	3,363.1	3,437.0
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.2	9.4
Additional paid-in capital	167.3	79.4
Retained earnings	1,578.8	1,485.0
Total shareholders' equity	1,755.3	1,573.8
Non-controlling interest	0.1	9.0
Total Group equity	1,755.4	1,582.8
Non-current liabilities		
Interest-bearing loans and borrowings	491.2	555.9
Lease liabilities	96.1	76.7
Preferred shares	9.2	9.3
Provisions	270.9	260.6
Deferred income tax liabilities	33.1	9.5
Total non-current liabilities	900.5	912.0
Current liabilities		
Trade and other payables	603.6	720.9
Lease liabilities	37.0	29.5
Interest-bearing loans and borrowings	66.6	191.8
Total current liabilities	707.2	942.2
	3,363.1	3,437.0

Annex 3

CONSOLIDATED CASH FLOW STATEMENT

Q1 ended March 31
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
Net profit from continuing operations	38.6	36.0
Net profit (loss) from discontinued operations		
Adjustments for:		
Depreciation tangible fixed assets	21.5	21.4
Depreciation right-of-use tangible fixed assets	10.8	10.2
Amortization patents & trademarks	6.2	4.7
Decrease provisions	-20.4	-1.9
Other non-cash items	-5.4	2.6
Operating cash flow before working capital changes	51.3	73.0
Changes in working capital:		
-decrease trade and other receivables and prepayments	8.2	13.0
-(increase) decrease inventories	-27.7	7.1
-decrease trade and other payables	-37.0	-98.8
Operating cash flow	-5.2	-5.7
Net cash from operations	-5.2	-5.7
Cash flow from investing activities		
Investments in tangible fixed assets	-23.9	-31.5
Divestment tangible fixed assets		2.0
Investments in intangible fixed assets		-0.8
(Increase) decrease other financial non-current assets	-4.9	0.1
Net cash from investing activities	-28.8	-30.2
Cash flow from financing activities		
Increase interest-bearing loans and borrowings	43.3	36.7
Payment of lease liabilities	-12.5	-9.4
Net cash from financing activities	30.8	27.3
Net decrease in cash and cash equivalents	-3.2	-8.6
Change in cash and cash equivalents		
Balance at 1 January	39.3	31.1
Net decrease in cash and cash equivalents	-3.2	-8.6
Exchange difference cash and cash equivalents	-1.9	0.2
Balance at 31 March	34.2	22.7

Annex 4

PERCENTAGE SALES CHANGE ATTRIBUTION
Explanation by geographic area
2020 vs 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	-5	-2	7	-6	-6
North America	4	0	0	0	4
Latin America	-8	-14	0	0	-22
Asia	-29	-3	0	0	-32
Australia	-10	-7	7	0	-10
Total	-2	-2	3	-2	-3