

PRESS RELEASE

3G Capital to acquire controlling interest in Hunter Douglas

ROTTERDAM and NEW YORK – December 30, 2021 – Hunter Douglas (AEX: HDG), the global market leader in window coverings and a major manufacturer of architectural products, and 3G Capital, a global investment firm and private partnership, today announced that Ralph Sonnenberg, the controlling shareholder of Hunter Douglas Group, has entered into a definitive agreement to transfer a controlling interest in the Company to 3G Capital based on a value of €175 per Ordinary Share. The Sonnenberg Family will continue to hold a 25% interest in Hunter Douglas, pro forma for the new capital structure. The Board of Directors of Hunter Douglas, represented only by its Independent Directors, unanimously supports the transaction and has entered into a separate agreement with 3G Capital and Ralph Sonnenberg to facilitate and secure a cash exit for all minority shareholders based on the same price per Ordinary Share. Completion of the transaction is subject to limited closing conditions, including approval by the general meeting of Hunter Douglas.

Strategic Rationale

The transaction values the ordinary shares of Hunter Douglas ("Ordinary Shares") at €175 per Ordinary Share (the "Ordinary Share Price"), implying an enterprise value of approximately \$7.1 billion¹. The Ordinary Share Price represents a 73% premium to Hunter Douglas' closing ordinary share price on December 30, 2021 of €101.40 and a 64% premium to Hunter Douglas' all-time high closing ordinary share price of €106.40.

"3G Capital has deep respect for Hunter Douglas, its diverse portfolio of brands and the steadfast leadership of the Sonnenberg family over three generations. We are honored to be partnering with the Sonnenberg family and to work with Hunter Douglas' management team on the company's next phase of global expansion," said Daniel Schwartz, Co-Managing Partner and Alex Behring, Co-Founder and Co-Managing Partner of 3G Capital. "Our team at 3G Capital has deep experience building consumer branded businesses over a long-term horizon, and we look forward to investing in Hunter Douglas to continue to strengthen its brands and further its expansion. Hunter Douglas' strong market position is the product of its specialized expertise built over the past century. We are committed to preserving this expertise by empowering and supporting Hunter Douglas' leadership and partnering closely with Hunter Douglas' exceptional team of founders and entrepreneurial managers and unrivaled network of dealers and fabricators."

"Hunter Douglas was founded by my Father over 100 years ago and has grown into a global leader due to our commitment to innovation, entrepreneurial culture, leading brands and world class management," said Ralph Sonnenberg. "3G Capital is a well-renowned investor, operator and a strong partner for our business."

Current Hunter Douglas Group Co-President and Co-CEO, David Sonnenberg, will transition to Executive Chairman of the Board of Directors of the Hunter Douglas Group after the closing of the transaction and will continue to be highly involved in the day-to-day business and business strategy, tapping into his 30 years of knowledge and active experience in the company.

¹ Equity value converted into USD at latest EUR/USD exchange rate of 1.13 as of December 30, 2021. Balance sheet reflects reported figures from Q3-2021 filing.

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“We look forward to partnering with 3G Capital in the next chapter of Hunter Douglas’ history. As owner-operators with a long-term investment horizon and significant experience operating global branded businesses alongside founding families, 3G Capital is a dynamic steward to continue the legacy of Hunter Douglas,” David Sonnenberg, Hunter Douglas, said. “As a private enterprise, Hunter Douglas will have the opportunity to advance and expand our business while preserving the family-led culture and strong relationships with stakeholders which have been core to our success.”

João Castro Neves, a Senior Partner at 3G Capital, is expected to serve as Hunter Douglas Group CEO upon completion of the transaction. João Castro Neves has significant experience in consumer-facing companies growing global and local brands in both emerging and developed markets, and working closely with a network of independent wholesalers to better serve customers and consumers, including as CEO of Anheuser-Busch and North America Zone President of Anheuser-Busch InBev from January 2015 to December 2017. João Castro Neves is a Board Member of Kraft Heinz and Restaurant Brands International.

“3G Capital and Hunter Douglas share a strong belief in durable value creation through operational excellence, entrepreneurship and a culture of meritocracy,” said João Castro Neves, 3G Capital. “I look forward to working closely with David Sonnenberg and the Hunter Douglas management team as we accelerate Hunter Douglas’ growth in partnership with our remarkable founders, managers and business partners.”

Transaction Details

Ralph Sonnenberg and 3G Capital have entered into a definitive agreement (the "Block Trade Agreement") for the sale of a controlling interest of 75% in a holding vehicle (the "HoldCo") through which Ralph Sonnenberg currently holds 93.59% of the issued and outstanding shares in Hunter Douglas. The Block Trade Agreement values the Ordinary Shares at €175 per share, and the preferred shares of Hunter Douglas (the "Preferred Shares") held by Ralph Sonnenberg at their nominal value of €0.24 per share (the "Nominal Preferred Share Price").

The Board of Directors of Hunter Douglas, comprising for this purpose only its independent directors (the "Independent Directors"), unanimously supports the transaction, and Hunter Douglas, Ralph Sonnenberg and 3G Capital and certain of their affiliates have entered into a support agreement in relation to the transaction (the "Support Agreement"). The parties to the Support Agreement have agreed that, following consummation of the Block Trade Agreement and completion of the Asset Sale (as described below), statutory squeeze out proceedings in accordance with applicable Curacao law and Hunter Douglas' articles of association will be initiated in respect of any remaining shares in Hunter Douglas (the "Buy-Out"). In these proceedings, the position will be taken that the price of such Hunter Douglas shares will be the same as pursuant to the Block Trade Agreement for each Ordinary Share, being €175, and €0.43 for each Preferred Share in the capital of Hunter Douglas other than the Preferred Shares held by Ralph Sonnenberg (the "Preferred Share Price"), representing the latest closing preferred share price prior to this announcement. This will allow minority shareholders to benefit from the same cash price for their ordinary shares as the controlling shareholder and a better cash price for their preferred shares than the controlling shareholder, in line with the Support Agreement.

In order to obtain full ownership of the Hunter Douglas business, and as requested as an essential part of the transaction by 3G Capital, Hunter Douglas and 3G Capital have agreed that immediately upon completion of the Block Trade Agreement, Hunter Douglas will sell and transfer its entire business to HoldCo (or any designated wholly-owned subsidiaries of HoldCo) (the

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"Asset Sale"). The purchase price payable by HoldCo to Hunter Douglas pursuant to the Asset Sale (the "Purchase Price"), which will remain indebted in the form of a note, equals the value of all Hunter Douglas' outstanding shares based on the Ordinary Share Price, the Nominal Preferred Share Price, for the Preferred Shares held by Ralph Sonnenberg, and the Preferred Share Price for the Preferred Shares held by minority shareholders.

The transaction is subject to only limited conditions including anti-trust approvals and is not subject to any financing or material adverse effect condition. An extraordinary general meeting of Hunter Douglas' shareholders will be convened in connection with the transaction to adopt, among other things, certain resolutions relating to the Asset Sale.

Together with its own independent financial and legal external advisors, the Independent Directors reviewed the strategic, social, financial, and operational consequences of the proposed transaction for Hunter Douglas and its various stakeholders. Rabobank in its capacity as independent financial advisor to the Independent Directors, has issued a fairness opinion confirming that the Purchase Price and the Ordinary Share Price are fair from a financial point of view. On the basis of such review, and the agreed terms for the protection of Hunter Douglas' stakeholders, including minority shareholders as laid down in the Support Agreement, the Board of Directors has unanimously concluded and resolved that providing support to the transaction supports the ongoing, sustainable success of the business and is in the interest of Hunter Douglas and all of its stakeholders. Ralph Sonnenberg, the controlling shareholder and Executive Chairman of Hunter Douglas, did not partake in any deliberations or decision-making in the Hunter Douglas Board of Directors relating to the transaction.

3G Capital has obtained, subject to customary conditions, fully committed financing for the transaction from reputable global financial institutions along with its existing equity commitments for the consideration payable under the Block Trade Agreement as well as the Buy-Out. As part of the Support Agreement HoldCo has agreed to certain non-financial covenants.

Ralph Sonnenberg has committed to vote in favor of the required resolutions at the extraordinary general meeting of Hunter Douglas. It is expected that the block trade and the Asset Sale will close in the first quarter of 2022.

Trading Update and Outlook

In Q4, consumer confidence and trading conditions remained constructive, and Hunter Douglas expects sales to be in line with Q3. Q4 EBITDA is expected to be between USD 195 – 205 million.

The outlook for 2022 is positive, but uncertainties remain as to when consumer discretionary spending will normalize. Hunter Douglas continues to be in a strong position. Assuming continuation of current market conditions, management anticipates delivering full-year 2022 sales and EBITDA growth of mid-single digits percent versus full-year 2021, excluding the impact from acquisitions and divestments, with an EBITDA margin in excess of 18%.

Advisors

Credit Suisse served as exclusive financial advisor to the Sonnenberg Family, and De Brauw Blackstone Westbroek N.V. served as lead legal advisor. White & Case LLP also served as legal advisor. Loyens & Loeff served as tax counsel.

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Lazard served as lead financial advisor to 3G Capital. J.P. Morgan and Morgan Stanley also served as financial advisors. Paul Weiss served as lead legal advisor to 3G Capital, with Stibbe serving as co-counsel. Kirkland & Ellis served as financing legal counsel.

Rabobank served as exclusive financial advisor and DLA Piper served as lead legal advisor to the Board of Directors of Hunter Douglas, represented by the Independent Directors. Spigt Dutch Caribbean served as legal advisor on matters of Curacao law.

Hunter Douglas Profile

Hunter Douglas is the world market leader in window coverings (Luxaflex®) 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 23,000 people and had sales in the first 9 months of 2021 of USD 3.4 billion.

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

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Disclaimer

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