

PRESS RELEASE

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HUNTER DOUGLAS RESULTS Q1 2018

Rotterdam, May 2, 2018 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for Q1 2018:

- **Sales:** 16.3% higher to USD 818.4 million, compared with USD 703.7 million in Q1 2017.

The 16.3% sales increase reflects a 1.2% volume increase, 5.1% positive currency impact and 10.0% increase from acquisitions. Volume increased in Latin America and Asia and was level in North America, Europe and Australia.

North America accounted for 45% of sales, Europe 41%, Latin America 5%, Asia 6% 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 70.0 million, 6.4% higher than USD 65.8 million in Q1 2017.
- **Income from Operations:** USD 44.1 million, 9.2% higher than USD 40.4 million in Q1 2017. Results in local currencies were better in Europe and lower in all other areas.
- **Profit before Tax:** USD 40.6 million compared with USD 41.8 million in Q1 2017.
- **Total Net Profit:** USD 33.1 million (per share EUR 0.78) compared with USD 34.7 million in Q1 2017 (per share EUR 0.93).

Operating cash flow: USD 25.0 million negative compared with USD 53.7 million negative in Q1 2017.

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, 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 132 companies with 50 manufacturing and 82 assembly operations in more than 100 countries. Hunter Douglas employs about 22,750 people and had sales in 2017 of USD 3.226 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 for Q1 2018 (Annex 1), Balance Sheet per March 31, 2018 (Annex 2), Cash Flow Statement for Q 1 2018 (Annex 3) and Sales change attribution percentages by geographic region for Q1 2018 (Annex 4) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

Q1 ended March 31
 (amounts in USD/mln)

	<u>2018</u>	%	<u>2017</u>	%
Net sales	818.4		703.7	
Cost of sales	<u>-486.8</u>		<u>-420.7</u>	
Gross profit	331.6	40.5	283.0	40.2
Gross profit Metals Trading	<u>4.1</u>		<u>3.8</u>	
Total gross profit	335.7	41.0	286.8	40.8
Expenses:				
-Marketing, A & P and selling	<u>-175.4</u>		<u>-145.9</u>	
-General and administrative	<u>-90.3</u>		<u>-75.1</u>	
Subtotal expenses	<u>-265.7</u>		<u>-221.0</u>	
EBITDA	70.0	8.6	65.8	9.4
Depreciation and amortization	<u>-25.9</u>		<u>-25.4</u>	
Income from operations	44.1	5.4	40.4	5.7
Interest received	<u>0.2</u>		<u>0.2</u>	
Interest paid	<u>-4.9</u>		<u>-3.5</u>	
Other financial income	<u>0.9</u>		<u>1.2</u>	
Net result investment portfolio	<u>0.3</u>		<u>3.5</u>	
Income before taxes	40.6		41.8	
Taxes on income	<u>-6.4</u>		<u>-7.1</u>	
Profit before minority interest	34.2		34.7	
Minority interest	<u>-1.1</u>		<u></u>	
Total net profit	33.1	4.0	34.7	4.9
Net profit per average common share	0.95		1.00	
Net profit per average common share - fully diluted	0.95		1.00	

Annex 2

CONSOLIDATED BALANCE SHEET

As per March 31

(amounts in USD/mln)

	<u>2018</u>	<u>2017</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,114.4	577.7
Tangible fixed assets	533.2	473.2
Other financial non-current assets	<u>243.0</u>	<u>253.1</u>
Total fixed assets	1,890.6	1,304.0
Current assets		
Inventories	750.3	665.5
Accounts receivable		
-Trade	491.1	429.8
-Other	257.4	182.6
Investment portfolio	11.7	128.2
Cash and other short-term deposits	<u>35.7</u>	<u>32.5</u>
Total current assets	<u>1,546.2</u>	<u>1,438.6</u>
	<u>3,436.8</u>	<u>2,742.6</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	10.5	9.1
Additional paid-in capital	87.1	75.7
Retained earnings	<u>1,329.7</u>	<u>1,204.7</u>
Total shareholders' equity	1,427.3	1,289.5
Minority interest	<u>24.6</u>	<u>17.1</u>
Total Group equity	1,451.9	1,306.6
Non-current liabilities		
Interest-bearing loans and borrowings	907.0	570.9
Preferred shares	10.2	8.8
Provisions	238.6	156.2
Deferred income tax liabilities	<u>9.8</u>	<u>1.0</u>
Total non-current liabilities	1,165.6	736.9
Current liabilities		
Trade and other payables	680.4	591.6
Interest-bearing loans and borrowings	<u>138.9</u>	<u>107.5</u>
Total current liabilities	<u>819.3</u>	<u>699.1</u>
	<u>3,436.8</u>	<u>2,742.6</u>

Annex 3

CONSOLIDATED CASH FLOW STATEMENT

Q1 ended March 31
 (amounts in USD/mln)

	<u>2018</u>	<u>2017</u>
Net profit attributable to equity shareholders	33.1	34.7
Adjustments for:		
Depreciation property, plant & equipment	20.8	20.4
Amortization patents & trademarks	5.1	5.0
Increase (decrease) provisions	0.5	-1.0
Other non-cash items	-1.7	-3.8
Unrealized result investment portfolio	-0.3	-4.0
Operating cash flow before working capital changes	57.5	51.3
Changes in working capital:		
-decrease (increase) trade and other receivables and prepayments	20.4	-47.5
-increase inventories	-14.5	-28.8
-decrease trade and other payables	-88.4	-28.7
Net cash from operations	-25.0	-53.7
Cash flow from investing activities		
Investment subsidiaries, net of cash acquired	-28.7	
Investment property, plant and equipment	-29.3	-30.5
Divestment property, plant and equipment	3.7	1.0
Investment intangible fixed assets	-5.0	
Decrease investment portfolio	22.0	82.0
Increase other financial non-current assets	-2.2	-9.7
Net cash from investing activities	-39.5	42.8
Cash flow from financing activities		
Increase interest-bearing loans and borrowings	67.5	1.5
Net cash from financing activities	67.5	1.5
Net increase (decrease) in cash and cash equivalents	3.0	-9.4
Change in cash and cash equivalents		
Balance at 1 January	32.0	41.4
Net increase (decrease) in cash and cash equivalents	3.0	-9.4
Exchange difference cash and cash equivalents	0.7	0.5
Balance at 31 March	35.7	32.5

Annex 4

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q1 2018 vs Q1 2017

Area	Volume	Currency	Acquisitions	Total
Europe	1	14	30	45
North America	1	0	0	1
Latin America	6	0	0	6
Asia	8	5	0	13
Australia	-4	4	0	0
Total	1	5	10	16