

PRESS RELEASE

For publication: November 9, 2021
08.00 hrs

HUNTER DOUGLAS NINE MONTHS 2021 RESULTS

Rotterdam, November 9, 2021 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2021:

- **Sales:** USD 3,421.9 million, 31.5% higher than USD 2,602.4 million in the first nine months of 2020.

The 31.5% sales increase reflects a 28.7% volume increase, 3.3% positive currency impact, a 0.4% increase from acquisitions and a 0.9% decrease from divestments. Volume increased in all areas.

North America accounted for 52% of sales, Europe 39%, and Asia, Latin America and Australia each 3%. Window Coverings were 94% and Architectural Products 6% of sales.

- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 646.0 million, compared with USD 368.1 million in the first nine months of 2020.

- **Income from Operations (before other income/expense):** USD 527.3 million, compared with USD 252.1 million in the first nine months of 2020. Results in local currencies were higher in all areas.

- **Other income/expense:** USD 16.3 million negative compared with USD 133.0 million negative in the first nine months of 2020. The 2021 charges relate to the adjustment to the future purchase prices of interests in partially owned companies (USD 19.4 million), partly offset by a gain on a divestment (USD 3.1 million). The 2020 charges were USD 48.0 million for reorganization expenses mainly in Europe and North America and USD 85.0 million for adjustments to the future purchase prices of interests in partially owned companies.

- **Profit before Tax:** USD 509.8 million, compared with USD 113.3 million in the first nine months of 2020.

- **Total Net Profit:** USD 390.3 million (per share EUR 9.39), compared with USD 66.4 million in the first nine months of 2020 (per share EUR 1.69).

Capital expenditures were USD 67.8 million compared with USD 44.7 million in the first nine months of 2020, while depreciation was USD 100.1 million compared with USD 98.6 million in the same period last year. For the full year capital expenditures are expected to be approximately USD 100 million and depreciation USD 130 million.

Operating cash flow: USD 385.4 million compared with USD 306.4 million in the first nine months of 2020.

Shareholder's equity was USD 2,280.3 million compared with USD 1,925.4 million at the end of 2020, reflecting the first nine months results decreased by a negative exchange translation.

RONAE (Return before interest/net assets employed) was 29.0% compared with 13.1% in the first nine months of 2020.

Q3 2021

Q3 Sales: USD 1,178.3 million, 13.0% higher than USD 1,042.6 million in the same period of 2020. The increase reflects a 11.6% volume increase, a 2.0% positive currency impact, a 0.4% increase from acquisitions and a 1.0% decrease from divestments. Third quarter organic sales were higher in all areas, except in Asia where sales were level.

Q3 Earnings before interest, tax, depreciation and amortization – EBITDA:

USD 214.6 million, 5.4% higher than USD 203.6 million in Q3 2020.

Q3 Income from Operations (before other income/expense): USD 174.4 million, 6.9% higher than USD 163.2 million in Q3 2020. Results in local currencies were better in all areas, except in Europe and Australia where results were level.

Other income/expense: USD 6.4 million negative compared with USD 88.5 million negative in Q3 2020. The 2021 charges relate to the adjustment to the future purchase prices of interests in partially owned companies (USD 9.5 million), partly offset by a gain on a divestment (USD 3.1 million). The 2020 charges were USD 3.5 million for reorganization expenses mainly in Europe and North America and USD 85.0 million for adjustments to the future purchase prices of interests in partially owned companies.

Q3 Profit before Tax: USD 166.5 million, compared with USD 74.0 million in Q3 2020.

Q3 Total Net Profit: USD 127.8 million (per share EUR 3.12), compared with USD 37.9 million in Q3 2020 (per share EUR 0.95).

First nine months 2021 by Region

Europe

European sales were USD 1,341 million, 29% higher than USD 1,040 million in the same period last year. This reflects a 24% volume increase, a 6% positive currency impact, a 1% increase from acquisitions and a 2% decrease from divestments.

North America

North American sales increased by 35% to USD 1,759 million, which reflects higher volume.

Latin America

Latin American sales were USD 92 million, 26% higher than USD 73 million in the same period last year. The sales increase reflects higher volume.

Asia

Asian sales increased by 28% to USD 114 million. The higher sales reflect a volume increase of 24% and a 4% positive currency impact.

Australia

Australian sales were USD 116 million, 23% higher than USD 94 million in the same period last year. The sales increase reflects a 13% volume increase and a 10% positive currency impact.

The outlook is positive but there remain uncertainties as to when the pattern of consumer discretionary spending will normalize, the development of COVID-19, the impact of supply chain disruptions, and 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 23,000 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 .

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>2021</u>	%	<u>2020</u>	%
Net sales	3,421.9		2,602.4	*
Cost of sales	<u>-1,975.5</u>		<u>-1,541.8</u>	*
Total gross profit	1,446.4	42.3	1,060.6	40.8
Expenses:				
-Marketing, A & P and selling	-555.8		-479.2	
-General and administrative	<u>-244.6</u>		<u>-213.3</u>	
Subtotal expenses	<u>-800.4</u>		<u>-692.5</u>	
EBITDA	646.0	18.9	368.1	14.1
Depreciation and amortization	<u>-118.7</u>		<u>-116.0</u>	
Income from operations (before other income/expense)	527.3	15.4	252.1	9.7
Other income/expense	<u>-16.3</u>		<u>-133.0</u>	
Income from operations (after other income/expense)	511.0	14.9	119.1	4.6
Interest received	0.3		0.4	
Interest paid	-9.2		-11.5	
Other financial income	<u>7.7</u>		<u>5.3</u>	
Income before taxes	509.8		113.3	
Taxes on income	<u>-119.3</u>		<u>-46.9</u>	
Profit before non-controlling interest	390.5		66.4	
Non-controlling interest	<u>-0.2</u>		<u>_____</u>	
Total net profit	390.3	11.4	<u>66.4</u>	2.6
Net profit per average common share	11.22		1.91	
Net profit per average common share - fully diluted	11.22		1.91	

* restated for outgoing freight reclassification

Annex 2

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

	<u>2021</u>	%	<u>2020</u>	%
Net sales	1,178.3		1,042.6	*
Cost of sales	<u>-686.4</u>		<u>-603.9</u>	*
Total gross profit	491.9	41.7	438.7	42.1
Expenses:				
-Marketing, A & P and selling	<u>-190.4</u>		-165.4	
-General and administrative	<u>-86.9</u>		-69.7	
Subtotal expenses	<u>-277.3</u>		-235.1	
EBITDA	214.6	18.2	203.6	19.5
Depreciation and amortization	<u>-40.2</u>		-40.4	
Income from operations (before other income/expense)	174.4	14.8	163.2	15.7
Other income/expense	<u>-6.4</u>		-88.5	
Income from operations (after other income/expense)	168.0	14.3	74.7	7.2
Interest received			0.1	
Interest paid	<u>-3.7</u>		-4.4	
Other financial income	<u>2.2</u>		3.6	
Income before taxes	166.5		74.0	
Taxes on income	<u>-38.6</u>		-36.1	
Profit before non-controlling interest	127.9		37.9	
Non-controlling interest	<u>-0.1</u>			
Total net profit	<u>127.8</u>	10.8	<u>37.9</u>	3.6
Net profit per average common share	3.68		1.09	
Net profit per average common share - fully diluted	3.68		1.09	

* restated for outgoing freight reclassification

Annex 3

CONSOLIDATED BALANCE SHEET

As per September 30

(amounts in USD/mln)

	<u>2021</u>	<u>2020</u>	
ASSETS			
Fixed assets			
Intangible fixed assets	1,418.3	1,379.0	
Tangible fixed assets	467.3	477.3	
Right-of-use tangible fixed assets	119.1	103.3	
Other financial non-current assets	<u>218.4</u>	<u>210.1</u>	
Total fixed assets	2,223.1	2,169.7	
Current assets			
Inventories	659.8	593.2	
Accounts receivable			
-Trade	408.3	439.1	
-Other	189.5	164.4	
Cash and other short-term deposits	<u>239.2</u>	<u>42.3</u>	
Total current assets	1,496.8	1,239.0	
	<u>3,719.9</u>	<u>3,408.7</u>	
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Capital stock	9.7	9.8	
Additional paid-in capital	167.3	167.3	
Retained earnings	<u>2,103.3</u>	<u>1,653.0</u>	
Total shareholders' equity	2,280.3	1,830.1	
Non-controlling interest	<u>0.4</u>	<u>0.1</u>	
Total Group equity	2,280.7	1,830.2	
Non-current liabilities			
Interest-bearing loans and borrowings	58.2	236.0	
Lease liabilities	99.7	84.8	
Preferred shares	9.6	9.7	
Provisions	232.8	314.4	
Deferred income tax liabilities	<u>55.6</u>	<u>43.6</u>	
Total non-current liabilities	455.9	688.5	
Current liabilities			
Trade and other payables	920.0	779.7	
Lease liabilities	34.9	33.7	
Interest-bearing loans and borrowings	<u>28.4</u>	<u>76.6</u>	
Total current liabilities	983.3	890.0	
	<u>3,719.9</u>	<u>3,408.7</u>	

Annex 4

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

	<u>2021</u>	<u>2020</u>
Net profit from continuing operations	390.3	66.4
Adjustments for:		
Depreciation tangible fixed assets	63.4	65.0
Depreciation right-of-use tangible fixed assets	36.7	33.6
Amortization patents & trademarks	18.6	17.4
(Decrease) increase provisions	-14.0	32.5
Adjustments of put/call options over non-controlling interest	19.4	
Other non-cash items	-8.0	0.9
Operating cash flow before working capital changes	506.4	215.8
Changes in working capital:		
-increase trade and other receivables and prepayments	-33.8	-46.2
-(increase) decrease inventories	-70.8	22.3
-(decrease) increase trade and other payables	-16.4	114.5
Operating cash flow	385.4	306.4
Net cash from operations	385.4	306.4
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-27.8	
Investments in tangible fixed assets	-67.8	-44.7
Divestments tangible fixed assets	12.4	10.1
Investments in intangible fixed assets		-1.1
Decrease (increase) other financial non-current assets	6.1	-6.5
Net cash from investing activities	-77.1	-42.2
Cash flow from financing activities		
Decrease interest-bearing loans and borrowings	-85.8	-230.5
Payment of lease liabilities	-29.6	-29.8
Net cash from financing activities	-115.4	-260.3
Net increase in cash and cash equivalents	192.9	3.9
Change in cash and cash equivalents		
Balance at 1 January	47.2	39.3
Net increase in cash and cash equivalents	192.9	3.9
Exchange difference cash and cash equivalents	-0.9	-0.9
Balance at 30 September	239.2	42.3

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First nine months 2021 vs first nine months 2020

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	24	6	1	-2	29
North America	35	0	0	0	35
Latin America	26	0	0	0	26
Asia	24	4	0	0	28
Australia	13	10	0	0	23
Total	30	3	0	-1	32

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q3 2021 vs 2020

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	5	4	1	-2	8
North America	17	0	0	0	17
Latin America	31	0	0	0	31
Asia	0	5	0	0	5
Australia	5	3	0	0	8
Total	12	2	0	-1	13