

PRESS RELEASE

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HUNTER DOUGLAS RESULTS 2019

Rotterdam, March 12, 2020 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2019:

- **Sales:** 1.4% higher to USD 3,686.3 million, compared with USD 3,633.9 million in 2018.

The 1.4% sales increase reflects a level volume, 2.6% negative currency impact, 7.7% increase from acquisitions and 3.7% decrease from divestments. Volume increased in Europe and Latin America, was level in North America and Australia and lower in Asia.

North America accounted for 51% of sales, Europe 38%, Latin America 4%, Asia 4% and Australia 3%. Window coverings were 91% of sales and Architectural products 9%.

- **Earnings before interest, tax, depreciation and amortization - EBITDA:** USD 503.4 million, 15.5% higher than USD 436.0 million in 2018.
- **Income from Operations (before other income/expense):** 4.1% higher to USD 339.6 million, compared with USD 326.3 million in 2018. Results in local currencies were higher in all areas, except Asia and Australia.
- **Other income/expense:** USD 4.5 million positive, compared with USD 37.2 million positive in 2018. This relates to losses on divestments, adjustments of future purchase prices for not fully owned companies, reorganization expenses and badwill on acquired companies.
- **Profit before Tax:** USD 330.4 million, compared with USD 358.4 million in 2018.
- **Total Net Profit:** USD 277.6 million (per share EUR 7.12), 6.6% higher than USD 260.5 million in 2018 (per share EUR 6.35).

Capital expenditures were USD 125 million, compared with USD 122 million in 2018, while depreciation was USD 141 million, compared with USD 91 million in 2018. In 2020 capital expenditures will be about USD 100 million and depreciation USD 140 million.

Operating cash flow: USD 546 million, compared with USD 406 million in 2018.

Shareholders' equity was USD 1,771 million, compared with USD 1,497 million at the end of 2018. The 2019 equity was impacted by the payment of the dividend of EUR 2.00 per share, totalling USD 79 million.

Financing: All borrowings are covered by committed long term facilities.

RONAE (Return before interest on Net Assets Employed) excluding other income/expense: 13.5% compared with 13.4% in 2018.

Return on Equity: 17.0% compared with 18.1% in 2018.

Employees: The company had approximately 25,000 employees at the end of 2019.

Dividend: The Board of Directors proposes a cash dividend for 2019 of EUR 2,10 per common share (2018: EUR 2.00), with an option of a stock dividend.

Q4 2019

Q4 Sales were USD 908.4 million, 1.0% lower than USD 917.7 million in the same period of 2018. This reflects a 1.0% volume decrease, a 0.9% negative currency impact, 5.3% increase from acquisitions and 4.4% decrease from divestments. Fourth quarter organic sales were higher in North America, level in Latin America and Australia and lower in Europe and Asia.

Q4 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 145.6 million, 21.0% higher than USD 120.3 million in Q4 2018.

Q4 Income from Operations (before other income/expense): USD 81.1 million, compared with USD 85.8 million in Q4 2018. Results in local currencies were higher in all areas, except in Asia and Australia where results were lower.

Q4 Other income/expense: USD 13.2 million positive, compared with USD 40.6 million positive last year. This relates to losses on divestments, adjustments of future purchase prices for not fully owned companies, reorganization expenses and goodwill on acquired companies.

Q4 Profit before Tax: USD 90.6 million, compared with USD 123.8 million in Q4 2018.

Q4 Total Net Profit: USD 88.6 million (per share EUR 2.28), 12.4% higher than USD 78.8 million in Q4 2018 (per share EUR 1.97).

Total year 2019 by Region

Europe

European operations had record sales and profits.

European sales (excl. Nedal) were USD 1,414 million, 1% higher than USD 1,402 million last year. This reflects a 2% volume increase, a 5% negative currency impact, a 5% increase from acquisitions and a 1% decrease from divestments.

North America

North American operations had higher sales and profits.

Sales increased by 9% to USD 1,861 million. The sales increase reflects a 1% decrease in volume, a 11% increase from acquisitions and a 1% decrease from divestments.

Latin America

Latin American operations had lower sales but higher profits.

Sales were USD 147 million, 4% lower than last year. This reflects a 6% volume increase and a 10% negative currency impact.

Asia

Asian operations had lower sales and profits.

Sales were USD 136 million, 17% lower than USD 164 million last year, due to a 15% decrease in volume and a 2% negative currency impact.

Australia

Australian operations had higher sales and lower profits.

Sales were USD 128 million, 11% higher than USD 115 million last year, due to level volume, a 7% negative currency impact and a 18% increase from acquisitions.

Outlook

Due to the corona virus the economic outlook is uncertain.

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.

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 the full year 2019 and Q4 2019 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic area for the full year 2019 and Q4 2019 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME
 Year ended December 31
 (amounts in USD/ln)

	<u>2019</u>	%	<u>2018</u>	%
Net sales	3,686.3		3,633.9	
Cost of sales	<u>-2,093.5</u>		<u>-2,113.5</u>	
Total gross profit	1,592.8	43.2	1,520.4	41.8
Expenses:				
-Marketing, A & P and selling	-761.9		-695.9	
-General and administrative	<u>-327.5</u>		<u>-388.5</u>	
Subtotal expenses	<u>-1,089.4</u>		<u>-1,084.4</u>	
EBITDA	503.4	13.6	436.0	12.0
Depreciation and amortization	<u>-163.8</u>		<u>-109.7</u>	
Income from operations (before other income/expense)	339.6	9.2	326.3	9.0
Other income/expense	<u>4.5</u>		<u>37.2</u>	
Income from operations (after other income/expense)	344.1	9.3	363.5	10.0
Interest received	0.8		1.3	
Interest paid	-18.4		-18.1	
Other financial income	3.9		11.1	
Net result investment portfolio			<u>0.6</u>	
Income before taxes	330.4		358.4	
Taxes on income	<u>-52.2</u>		<u>-98.4</u>	
Profit before non-controlling interest	278.2		260.0	
Non-controlling interest	<u>-0.6</u>		<u>0.5</u>	
Total net profit	<u>277.6</u>	7.5	<u>260.5</u>	7.2
Net profit per average common share	7.98		7.49	
	€ 7.12		€ 6.35	
Net profit per average common share - fully diluted	7.98		7.49	
	€ 7.12		€ 6.35	

Annex 2

CONSOLIDATED STATEMENT OF INCOME
 Q4 ended December 31
 (amounts in USD/mln)

	<u>2019</u>	%	<u>2018</u>	%
Net sales	908.4		917.7	
Cost of sales	<u>-511.5</u>		<u>-512.5</u>	
Total gross profit	396.9	43.7	405.2	44.2
Expenses:				
-Marketing, A & P and selling	<u>-183.0</u>		<u>-165.3</u>	
-General and administrative	<u>-68.3</u>		<u>-119.6</u>	
Subtotal expenses	<u>-251.3</u>		<u>-284.9</u>	
EBITDA	145.6	16.0	120.3	13.2
Depreciation and amortization	<u>-64.5</u>		<u>-34.5</u>	
Income from operations (before other income/expense)	81.1	8.9	85.8	9.4
Other income/expense	<u>13.2</u>		<u>40.6</u>	
Income from operations (after other income/expense)	94.3	10.4	126.4	13.8
Interest received	0.1		0.3	
Interest paid	<u>-4.3</u>		<u>-4.7</u>	
Other financial income	0.5		1.7	
Net result investment portfolio			<u>0.1</u>	
Income before taxes	90.6		123.8	
Taxes on income	<u>-1.9</u>		<u>-45.2</u>	
Profit before non-controlling interest	88.7		78.6	
Non-controlling interest	<u>-0.1</u>		<u>0.2</u>	
Total net profit	88.6	9.8	78.8	8.6
Net profit per average common share	2.55		2.27	
	€ 2.28		€ 1.97	
Net profit per average common share - fully diluted	2.55		2.27	
	€ 2.28		€ 1.97	

Annex 3

CONSOLIDATED BALANCE SHEET

As per December 31
 (amounts in USD/mln)

	<u>2019</u>	<u>2018</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,365.8	1,067.0
Property, plant and equipment	505.6	491.6
Right-of-use tangible fixed assets	144.9	
Other financial non-current assets	<u>194.0</u>	<u>212.4</u>
Total fixed assets	2,210.3	1,771.0
Current assets		
Inventories	617.5	771.4
Accounts receivable		
-Trade	398.2	513.7
-Other	160.8	205.3
Investment portfolio		
Cash and other short-term deposits	<u>39.3</u>	<u>31.6</u>
Total current assets	<u>1,215.8</u>	1,522.0
	<u>3,426.1</u>	<u>3,293.0</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.3	9.7
Additional paid-in capital	123.9	80.8
Retained earnings	<u>1,637.3</u>	<u>1,406.3</u>
Total shareholders' equity	1,770.5	1,496.8
Non-controlling interest	<u>0.5</u>	<u>9.0</u>
Total Group equity	1,771.0	1,505.8
Non-current liabilities		
Interest-bearing loans and borrowings	441.5	530.4
Lease liabilities	108.8	
Preferred shares	9.3	9.5
Provisions	275.8	267.8
Deferred income tax liabilities	<u>33.1</u>	<u>9.3</u>
Total non-current liabilities	868.5	817.0
Current liabilities		
Trade and other payables	662.7	764.1
Lease liabilities	41.9	
Interest-bearing loans and borrowings	<u>82.0</u>	<u>206.1</u>
Total current liabilities	<u>786.6</u>	970.2
	<u>3,426.1</u>	<u>3,293.0</u>

Annex 4

CONSOLIDATED CASH FLOW STATEMENT

Year ended December 31

(amounts in USD/mln)

	<u>2019</u>	<u>2018</u>
Net profit from continuing operations	291.4	243.5
Net profit (loss) from discontinued operations	-13.8	17.0
Adjustments for:		
Depreciation tangible fixed assets	98.5	90.9
Depreciation right-of-use tangible fixed assets	42.3	
Amortization patents & trademarks	23.0	18.7
Increase (decrease) provisions	18.0	-30.9
Other non-cash items	-84.3	58.1
Unrealized result investment portfolio		-0.6
Operating cash flow before working capital changes	375.1	396.7
Changes in working capital:		
-decrease trade and other receivables and prepayments	174.5	60.2
-decrease (increase) inventories	169.5	-68.7
-(decrease) increase trade and other payables	-173.2	17.5
Operating cash flow	545.9	405.7
Dividend paid	-78.8	-75.8
Net cash from operations	467.1	329.9
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-111.6	-73.3
Investment tangible fixed assets	-124.8	-122.0
Divestment tangible fixed assets	28.2	17.8
Investment intangible fixed assets	-1.2	-2.4
Decrease investment portfolio	0.5	34.6
Increase other financial non-current assets	-0.7	-0.3
Net cash from investing activities	-209.6	-145.6
Cash flow from financing activities		
Decrease interest-bearing loans and borrowings	-209.7	-183.6
Payment of lease liabilities	-39.5	
Net cash from financing activities	-249.2	-183.6
Net increase in cash and cash equivalents	8.3	0.7
Change in cash and cash equivalents		
Balance at 1 January	31.1	32.0
Net increase in cash and cash equivalents	8.3	0.7
Exchange difference cash and cash equivalents	-0.1	-1.6
Balance at 31 December	39.3	31.1

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION
 Explanation by geographic area
 2019 vs 2018

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	2	-5	5	-8	-6
North America	-1	0	11	-1	9
Latin America	6	-10	0	0	-4
Asia	-15	-2	0	0	-17
Australia	0	-7	18	0	11
Total	0	-3	8	-4	1

PERCENTAGE SALES CHANGE ATTRIBUTION
 Explanation by geographic area
 Q4 2019 vs Q4 2018

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	-3	-1	4	-11	-11
North America	3	0	7	0	10
Latin America	0	-8	0	0	-8
Asia	-16	0	0	0	-16
Australia	-8	-5	10	0	-3
Total	-1	-1	5	-4	-1