RECTICEL
Annual Results 2018

Financial Analysts Meeting

Brussels - February 28th, 2019

Olivier Chapelle – Chief Executive Officer

Jean-Pierre Mellen – Chief Financial Officer

Michel De Smedt – Investor Relations Officer

Agenda

- Key highlights 2018
- 2018 Results
- Financial position
- Sustainable development & innovations
- Dividend proposal and Outlook 2019
- Comments on results per business line
- Appendices

Highlights 2018 – Record EAT – Record low Net Debt – Record Insulation Result

1. **Sales -0.9% | Adjusted EBITDA -1.6% | Earnings after taxes +20.6%**
2. **Successful start-up of new greenfield Insulation plant in Finland in 4Q2018**

3. **New Flexible Foams converting units started up in Wuxi (China) and Tanger (Morocco)**

4. **Weak furniture/bedding markets since the spring, declining Automotive markets since the summer**
5. **High chemical raw material prices volatility**
6. **2-step divestment of the Proseat joint venture @ 8.5 x av. 2016-18 EBITDA**
7. **Divestment of Automotive Interiors more challenging over last 6 months in rapidly declining automotive market**
8. **Combined net debt of € 100.2m, an historical low → Gearing @ 38.0% and Leverage @ 1.1**
9. **Proposal to pay a gross dividend of € 0.24 per share (+9.1%)**

On 31 January 2019, acquisition of additional 24% stake in Turvac d.o.o.

Turvac
Deck-VQ®

On 31 January 2019 Recticel Insulation became majority shareholder (74%) in Turvac d.o.o., the Slovenian producer of Vacuum Insulation Panels (VIP), by acquiring an additional 24% of the shares of Turvac d.o.o. held by the Slovenian joint venture partner Turna d.o.o., representing an additional investment of EUR 0,8 million. Since November 2016 Recticel already held 50% in the joint venture Turvac d.o.o., which operates from Šoštanj (Slovenia). Under the joint venture agreement, Recticel Insulation commercializes for the European construction market the VIPs produced by the joint venture, whereas the joint venture partner Turna d.o.o. focusses on the sale of VIPs to the household appliances sector (e.g. freezers and refrigerators).

The factory in Šoštanj (Slovenia) has been continually improving its VIP products in order to comply with the quality required for construction purposes. Today these CE certified VIP boards offer an aged lambda value of 0.006W/mK, which is the benchmark in the industry.

Currently Recticel Insulation introduced to the market Deck-VQ®, an ultra-performant thermal insulation solution with a PIR-VIP combination, for flat roofs and terraces.

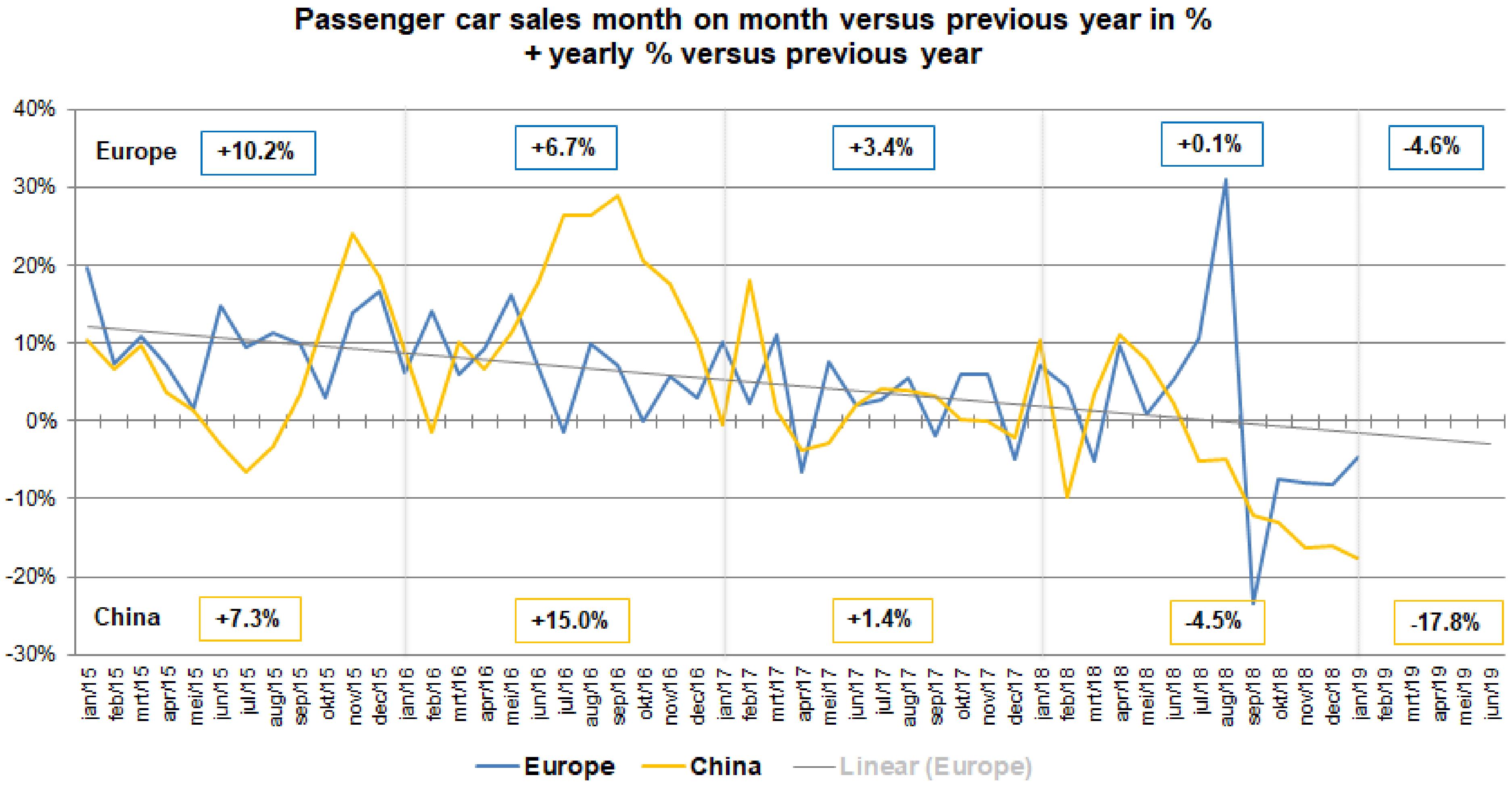
By holding 74% of the shares of Turvac d.o.o., Recticel secures the know-how and production base for this high performance insulation material. This is another step forward to become the European leader in high performance insulation solutions for buildings.

On 19 february 2019, closing of 2-step divestment of Proseat JV

On 19 February 2019 Recticel announced the closing of the transactions as a result of which Sekisui Plastics Co., Ltd. acquires 75% in Proseat. Recticel keeps 25% in Proseat with the option to sell this remaining participation within three years if Sekisui exercises its call option during this period, or after three years when Recticel exercises its put option.

The net proceeds of the current transactions amounts to EUR 21 million, which values the joint venture Proseat at an enterprise value of 8.5 times the average (2016-2018) EBITDA.

Automotive – EU & China new passenger car registrations strongly down since the summer 2018.



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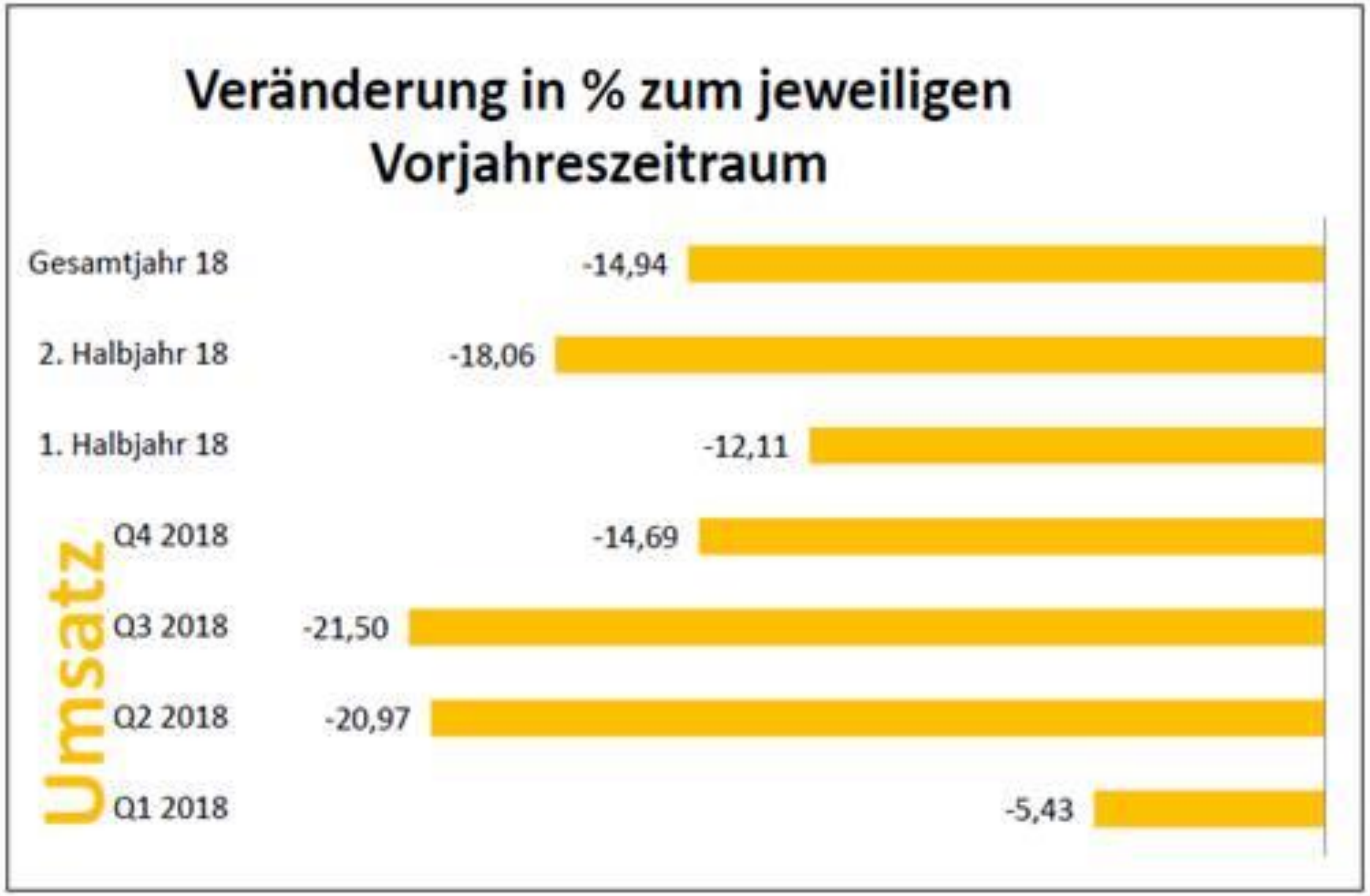
2018 Bedding market development (in value) in Germany



Source: Matratzen Verband

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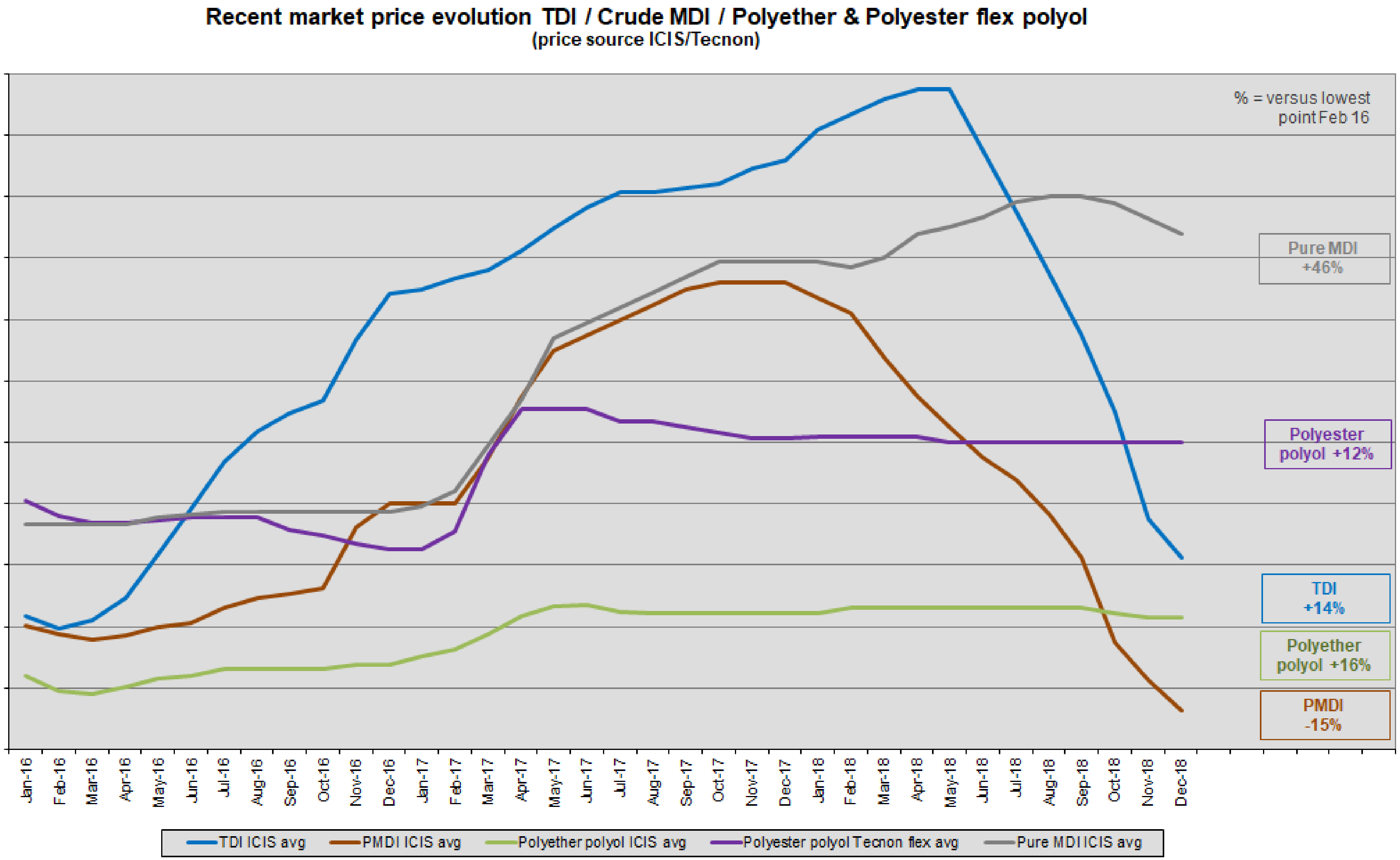
MDI & TDI prices started to decrease in February & June 2018 respectively. Polyol prices have remained stable.



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Combined Income Statement: Adjusted EBITDA & EBITDA stable, EAT +20.6%.

in m€	2017	2018	18/17
Net sales	1,460.8	1,448.3	99.1%
Adjusted EBITDA	**105.5**	**103.8**	98.4%
Non-recurring result	-11.4	-10.4	
EBITDA	**94.1**	**93.4**	99.2%
Depreciation	-39.0	-40.5	
Impairment	-7.0	-5.8	
Adjusted EBIT	**66.5**	**63.3**	95.2%
EBIT	**48.1**	**47.0**	97.8%
Financial result	-5.7	-5.7	
EBT	**42.4**	**41.3**	97.6%
Tax current	-7.4	-6.1	
Tax deferred	-11.0	-6.4	
EAT	**23.9**	**28.8**	120.6%
EAT per share (€)	0.44	0.53	

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Annual Sales stable, excluding currency impact (-0.9%)
Positive sales evolution in 1H2018 (+4.0%), reversed in 2H2018 (-5.7%)

- Full-year sales impacted by weak markets in 2H2018, especially in Furniture/Bedding and Automotive sectors
- 2H2018 sales impacted by some price erosion following reducing chemical raw materials prices

2H2017	2H2018	Δ 2H	*in million EUR*	FY2017	FY2018	Δ FY
308,6	290,9	*-5,7%*	Flexible Foams	626,1	621,5	*-0,7%*
133,8	119,2	*-10,9%*	Bedding	272,1	243,8	*-10,4%*
143,1	138,5	*-3,3%*	Insulation	272,3	271,2	*-0,4%*
176,9	168,3	*-4,9%*	Automotive	350,4	363,9	*3,9%*
(28,4)	(24,5)	*-13,8%*	Eliminations	(60,1)	(52,1)	*-13,4%*
734,0	**692,4**	***-5,7%***	**TOTAL COMBINED SALES**	**1 460,8**	**1 448,3**	***-0,9%***

3Q2017	3Q2018	Δ 3Q	*in million EUR*	4Q2017	4Q2018	Δ 4Q
148,6	145,5	*-2,1%*	Flexible Foams	*159,9*	*145,4*	*-9,1%*
64,9	57,3	*-11,7%*	Bedding	*68,9*	*61,9*	*-10,2%*
72,4	69,2	*-4,3%*	Insulation	*70,8*	*69,3*	*-2,1%*
84,1	82,0	*-2,5%*	Automotive	*92,8*	*86,3*	*-7,0%*
(14,0)	(12,7)	*-9,1%*	Eliminations	*(14,4)*	*(11,7)*	*-18,4%*
356,0	**341,3**	***-4,1%***	**TOTAL COMBINED SALES**	**378,0**	**351,1**	***-7,1%***

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Slightly lower Adjusted EBITDA (-1.6%), stable Adjusted EBITDA margin (7.2%)

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	∆ 1H	∆ 2H	∆ FY
Flexible Foams	23,3	17,3	40,6	21,6	19,8	41,5	-7,2%	14,9%	2,2%
Bedding	7,7	7,4	15,1	5,4	1,4	6,8	-29,9%	-80,6%	-54,7%
Insulation	14,2	26,1	40,3	22,8	21,9	44,7	60,5%	-16,2%	10,8%
Automotive	13,5	12,1	25,6	14,7	11,2	25,9	9,0%	-7,4%	1,2%
Corporate	(8,6)	(7,5)	(16,1)	(8,4)	(6,8)	(15,2)	-2,7%	-9,6%	-5,9%
TOTAL COMBINED ADJUSTED EBITDA	**50,1**	**55,4**	**105,5**	**56,2**	**47,6**	**103,8**	**12,1%**	**-14,1%**	**-1,6%**

- **Flexible Foams** improved its operational efficiency and mix. In addition, the Eurofoam joint venture significantly improved performance after a difficult 2017.
- In **Bedding,** weak demand due to hot summer, increased competition from e-commerce players, as well as the costs incurred in 2H2018 to launch the new Geltex 2.0 products, explain the drop in profitability. A transition year.
- **Insulation** improved its profitability thanks to strong operational and commercial execution.
- **Automotive** benefited from good volumes in a supportive market environment in 1H2018, while sales volumes substantially declined in 2H2018 due to (i) the new WLTP emission norms and (ii) trade tensions on volumes in China and Europe.

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Adjustments to EBIT : EUR -16.2 million vs EUR -18.4 million in 2017

in million EUR	2017	1H2018	2H2018	2018
Net impact of fire incident in Most	(1,1)	(0,8)	6,4	5,6
Restructuring charges and provisions	(3,7)	(0,2)	(9,9)	(10,1)
Other	(6,6)	(3,7)	(2,3)	(6,0)
Total impact on EBITDA	**(11,4)**	**(4,6)**	**(5,8)**	**(10,4)**
Impairments	(7,0)	(0,6)	(5,2)	(5,8)
Total impact on EBIT	**(18,4)**	**(5,2)**	**(11,0)**	**(16,2)**

- **Impact** adjustments **on EBITDA** : **-10.4m€** (2017: -11.4m€)
- **Impact** adjustments **on EBIT** : **-16.2m€** (2017: -18.4m€)

- **Adjustments to EBIT** relate to:
  - Additional insurance indemnities were received following last year's fire incident in Most (Czech Republic).
  - Restructuring measures (EUR -10.1 million) in execution of the last substantial step of the Group's rationalisation plan:
    - in Flexible Foams closure of Catarroja (Spain) and Buren (The Netherlands) plants
    - in Bedding mainly the closure of the Hassfurt (Germany) plant
    - some additional rationalisation efforts in Automotive
  - 'Other' adjustments to EBIT (EUR -6.0 million) relate to costs and fees for legacy remediations and litigations.
  - Impairment charges of EUR -5.8 million (2017: EUR -7.0 million) for:
    - goodwill in the United Kingdom (Flexible Foams) (EUR -1.0 million)
    - idle tangible assets in Flexible Foams (EUR -3.9 million) following the closure of the Flexible Foams plant in Catarroja (Spain)
    - assets in Automotive Interiors in the Czech Republic (EUR -1.4 million).

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Adjusted EBIT margin of 4.4%

- **Combined EBITDA: from 94.1m € to 93.4m€ (-0.8%)**
  EBITDA margin stable at 6.4%

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Flexible Foams	18,7	11,9	30,6	18,8	14,1	33,0	0,9%	18,7%	7,8%
Bedding	7,6	6,8	14,3	5,5	(3,5)	2,0	-27,3%	-152,0%	-86,0%
Insulation	14,2	25,9	40,1	22,8	21,9	44,7	60,6%	-15,6%	11,4%
Automotive	9,1	15,9	25,0	13,2	17,2	30,5	45,1%	8,4%	21,8%
Corporate	(8,6)	(7,3)	(16,0)	(8,9)	(7,9)	(16,8)	3,1%	7,8%	5,3%
TOTAL COMBINED EBITDA	**41,0**	**53,1**	**94,1**	**51,6**	**41,8**	**93,4**	**25,7%**	**-21,3%**	**-0,8%**
Adjustment for joint ventures by application of IFRS 11[1]	(5,6)	(5,8)	(11,3)	(6,1)	(6,7)	(12,9)	10,5%	16,7%	13,6%
TOTAL CONSOLIDATED EBITDA	**35,4**	**47,3**	**82,8**	**45,4**	**35,1**	**80,5**	**28,1%**	**-26,0%**	**-2,8%**

- **Adjusted EBIT : from 66.5m€ to 63.3€ (-4.8%)**
  Adjusted EBIT margin slightly decreased from 4.6% to 4.4%

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Flexible Foams	17,1	10,7	27,9	15,4	13,5	28,9	-9,9%	25,2%	3,6%
Bedding	5,4	5,1	10,5	3,2	(0,8)	2,3	-40,9%	-116,5%	-77,8%
Insulation	11,0	22,7	33,7	19,6	18,5	38,1	79,0%	-18,6%	13,2%
Automotive	7,0	4,5	11,4	6,7	3,1	9,8	-4,2%	-29,9%	-14,3%
Corporate	(9,1)	(7,9)	(17,0)	(8,7)	(7,1)	(15,9)	-4,2%	-9,4%	-6,7%
TOTAL COMBINED ADJUSTED EBIT	**31,3**	**35,1**	**66,5**	**36,2**	**27,1**	**63,3**	**15,5%**	**-22,9%**	**-4,8%**

- **Combined EBIT: from 48.1m € to +47.0m€ (-2.2%)**
  EBIT margin slightly decreased from 3.3% to 3.2%.

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Flexible Foams	12,5	5,2	17,7	11,6	3,9	15,6	-6,9%	-24,6%	-12,1%
Bedding	5,3	4,3	9,6	3,7	(5,8)	(2,1)	-29,3%	-233,7%	-121,6%
Insulation	11,0	22,5	33,5	19,6	18,5	38,1	79,0%	-17,9%	13,9%
Automotive	2,6	1,5	4,1	5,2	7,7	12,9	99,4%	413,5%	213,7%
Corporate	(9,1)	(7,7)	(16,8)	(9,2)	(8,3)	(17,5)	1,2%	7,1%	3,9%
TOTAL COMBINED EBIT	**22,2**	**25,9**	**48,1**	**31,0**	**16,1**	**47,0**	**39,4%**	**-37,9%**	**-2,2%**
Adjustment for joint ventures by application of IFRS 11[1]	(1,6)	(1,6)	(3,2)	(1,8)	(2,3)	(4,1)	12,2%	43,1%	27,3%
TOTAL CONSOLIDATED EBIT	**20,6**	**24,3**	**44,9**	**29,1**	**13,8**	**42,9**	**41,5%**	**-43,1%**	**-4,3%**

[1] By application of IFRS 11 the net result after financial and tax charges are integrated in consolidated EBIT

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Net interest charges down by 42.4% - stable financial charges.
Lower current and deferred tax charges
Net profit of the period increases by 20.6%

- **Combined financial result: stable at - 5.7m €**
  - Net interest charges decreased by 3.2m€ (from -7.6m€ to -4.4m€) as a result of a lower cost of debt and a lower average debt level.
  - ‘Other net financial income and expenses’ from +1.8m€ to -1.3m€; comprise mainly interest capitalisation costs under provisions for pension liabilities (-0.9€ versus -1.1 m€ in 2017) and exchange rate differences -0.5m€ versus +3.5m€ in 2017).

- **Combined income taxes and deferred taxes : from -18.4m€ to -12.5m€**
  - Current income tax charges: -6.1m€ (2017: -7.4m€) mainly induced by tax refunds to be received in Germany
  - Deferred tax charges: -6.4m€ (2017: -11.0m€) . In 2017 the corporate tax reform in Belgium lead to a -4.5m€ additional deferred tax charge.

- **Result of the period (share of the Group): from +23.9m€ to +28.8m€ (+20.6%)**

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Equity stable given the IFRS 15 adjustment of -19.0m€ on 1.1.2018.
Lower debt and stable EBITDA lead to further improvements in Gearing and Leverage

Combined Group capital structure (m€)	**2015**	**2016**	**2017**	**2018**
Equity	249	251	262	265
Net Financial Debt (on + off balance sheet)	183.5	178.2	177.6	151.5
Factoring + forfeiting	60.4	52.2	54.7	51.3
Net Financial Debt (on balance sheet)	123.0	126.0	122.9	100.2
Gearing (on + off balance sheet)	74%	71%	68%	57%
Gearing (on balance sheet)	49%	50%	47%	38%
Leverage (on + off balance sheet)	2.7	2.1	1.9	1.6
Leverage (on balance sheet)	1.8	1.5	1.3	1.1

Strong Combined Net Cash Flow

COMBINED CASH FLOW in k EUR	31.12.2018 Combined	31.12.2017 Combined
EARNINGS before INTEREST AND TAXES (EBIT)	47 045,48	48 081,41
Depreciations and Amortizations	40 523,19	39 040,60
Impairment losses on Assets	5 783,32	7 009,41
Write-offs on Assets	848,32	6 677,08
Changes in provisions	-1 897,09	-734,03
Gains / Losses on disposals of Assets	-644,51	-757,34
Income from Associates	-1 326,68	-1 631,63
GROSS OPERATING CASH FLOW	90 332,04	97 685,51
Changes in working capital	4 462,64	-20 064,00
Trade & Other Long term debts	-2 556,83	-1 289,94
CASH GENERATED by OPERATIONS	92 237,85	76 331,57
Income taxes paid	-7 645,98	-9 830,78
NET CASH FLOW FROM OPERATING ACTIVITIES	84 591,86	66 500,79
Interest received	140,69	911,25
Dividend received	775,65	1 082,42
Investments and subscription capital increase	-125,00	0,00
Increase / Decrease of Loans and Receivables	-490,70	632,67
Investments in intangible Assets	-5 129,75	-5 447,42
Investments in property, plant and equipment	-50 547,70	-59 025,00
Disposals of Intangible Assets	101,56	88,69
Disposals of Property, plant and equipment	476,40	12 809,55
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-54 798,81	-48 964,06
Interest paid	-5 672,94	-7 752,31
Dividends paid	-12 022,54	-9 682,56
Increase/Decrease of capital	3 085,55	3 695,44
Increase / Decrease Financial debt	-50 662,78	16 495,00
CASH FLOW FROM FINANCING ACTIVITIES	-65 272,71	2 755,57
Effect of Exchange rate Changes	479,98	1 250,38
CHANGES IN CASH AND CASH EQUIVALENTS	-34 999,68	21 542,69
Net cash position opening balance	73 206,17	51 662,95
Net cash position closing balance	38 206,11	73 206,17
NET VARIATION CASH & CASH EQUIVALENT	-35 000,06	21 543,22
NET FREE CASH FLOW	24 120,12	9 784,43

(1)	**Changes in provisions**		**-1,9**
	Net additions		**5,3**
	>	Restructuring	5,3
	Net utilisations		**-7,2**
	>	Pension provisions	-2,1
	>	Environmental	-1,1
	>	Other	-4,0
(2)	**Changes in Working Capital**		**4,5**
	>	Inventories	3,3
	>	Trade receivables	20,6
	>	Other receivables	11,6
	>	Trade payables	-31,0
	>	Other payables	0,0
	>	Contract assets/liabilities	0,4
(3)	**Capex paid**		**-55,7**
	>	Flexible foams	-16,4
	>	Insulation	-20,3
	>	Bedding	-3,4
	>	Seating	-2,7
	>	Interiors	-11,0
	>	Other (SID, ICT, Corporate)	-2,0

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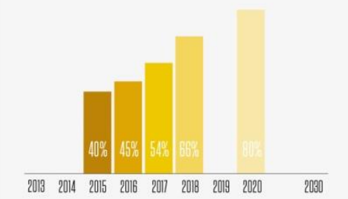
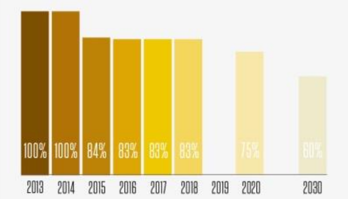
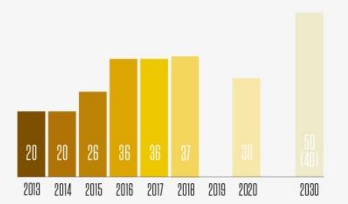
Sustainability Strategy : update #3 compliant with Global Reporting Initiatives (GRI)

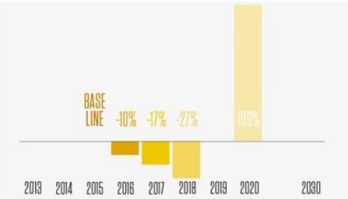
SUSTAINABLE INNOVATION PLAN

MATERIAL ASPECT	KPI	TARGET
INNOVATION FULFILLING SOCIETAL NEEDS	Sustainability index (scope: innovation pipeline Sustainable Innovation Department)	80% of active R&D projects classified as sustainable by 2020 according to the Sustainability Index
OPTIMISING CARBON FOOTPRINT	Recticel Carbon footprint indicator expressed in tonnes of CO_2 equivalent compared to the 100% activity level in 2013 (scope: production sites) The method of calculation is derived from the Cradle to Grave method	Reduce Recticel Carbon Footprint Indicator by 25% in 2020 and by 40% in 2030
	Net Recticel Impact Ratio (whole value chain) defined as ratio of the Recticel Positive Impact to the Recticel Carbon Footprint. The Recticel Positive Impact is expressed in tonnes of avoided CO_2 equivalent in use phase (using appropriate method of calculation per type of product and using appropriate conversion factors calculated by a third party)	Increase Net Recticel Impact Ratio from 20* in 2013 to 30 by 2020 and 50 (40) by 2030. We have reached our 2020 target three years early and have amended our 2030 target to 50. * We have reviewed our method of calculation. The original results over 2013, 2014, 2015 were 20, 20, 26
RESOURCE EFFICIENCY	Tonnes of recycled flexible foam produced by Recticel	100% increase by 2020 compared to 2015. The increase is possible if flexible foam production waste is gradually replaced by post-consumer waste





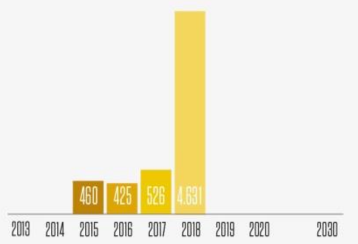


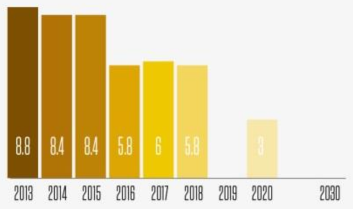


Sustainability Strategy summary #3 compliant with Global Reporting Initiatives (GRI)

PEOPLE PRIORITY PLAN

MATERIAL ASPECT	KPI	TARGET
BUSINESS ETHICS AND INTEGRITY	Number of legal training courses provided by the Corporate Legal Team and the IP Officer (SID) as face-to-face meetings attended and e-learning modules completed	Increase the number of legal training courses provided by the Corporate Legal Team and the IP Officer (SID) as face-to-face meetings attended and e-learning modules completed by 5% per year (cumulative) compared to 460 in 2015
REDUCE HS&E IMPACT OF OUR ACTIVITIES	Frequency work accidents represents the average on Group level for all our plants and offices	Frequency = < 3 by 2020 $\frac{\text{number of accidents x 1,000,000}}{\text{number of hours performed}}$
AN INSPIRING AND REWARDING PLACE TO WORK	The number of countries in which engagement surveys are conducted among blue and white collars	Two new countries each year





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Proposal to distribute and increase the dividend by 9.1%

The Board of Directors will propose to the Annual General Meeting of 28 May 2019 the payment of a **gross dividend of EUR 0.24 per share** on 55.2 million shares or a total dividend payout of EUR 13.3 million (2017: respectively EUR 0.22/share and EUR 12.1 million in total).

Outlook 2019

In a highly volatile economic and geopolitical environment, we are well positioned to adapt quickly to changing market conditions, and we remain focused on the execution of our plans.

In that context, and anticipating an adverse market environment in the first half of 2019, we expect for 2019 Adjusted EBITDA to be above the level of 2018 on a like-for-like basis.

Our stock price reacted with high volatility due
1/ to an increasingly uncertain environment and 2/ to automotive market exposure.

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Improved product-mix but soft end-demand in furniture and bedding sector

Flexible Foams

Key financials

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Sales	**317,5**	**308,6**	**626,1**	**330,6**	**290,9**	**621,5**	4,1%	-5,7%	**-0,7%**
Adjusted EBITDA	**23,3**	**17,3**	**40,6**	**21,6**	**19,8**	**41,5**	-7,2%	14,9%	**2,2%**
as % of sales	*7,3%*	*5,6%*	*6,5%*	*6,5%*	*6,8%*	*6,7%*			
EBITDA	**18,7**	**11,9**	**30,6**	**18,8**	**14,1**	**33,0**	0,9%	18,7%	**7,8%**
as % of sales	*5,9%*	*3,9%*	*4,9%*	*5,7%*	*4,9%*	*5,3%*			
Adjusted EBIT	**17,1**	**10,7**	**27,9**	**15,4**	**13,5**	**28,9**	-9,9%	25,2%	**3,6%**
as % of sales	*5,4%*	*3,5%*	*4,5%*	*4,7%*	*4,6%*	*4,6%*			
EBIT	**12,5**	**5,2**	**17,7**	**11,6**	**3,9**	**15,6**	-6,9%	-24,6%	**-12,1%**
as % of sales	*3,9%*	*1,7%*	*2,8%*	*3,5%*	*1,4%*	*2,5%*			

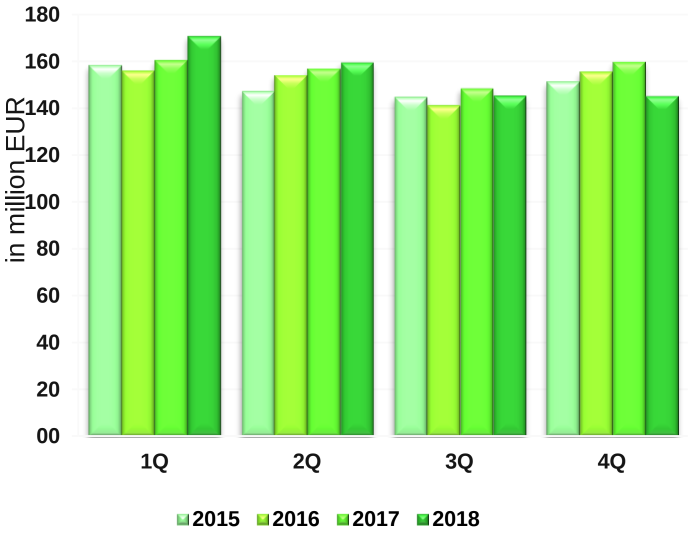
Recent developments

- Volatile chemical raw material prices
- Improved product/market-mix (i.e. Technical Foams)
- Structural progress in operational efficiency
- Closure of the site in Catarroja (Spain) and in Buren (The Netherlands)

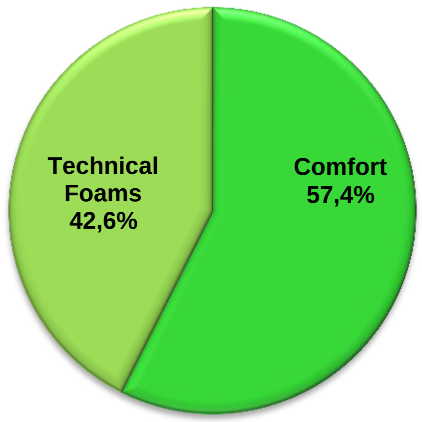
2018 key topics

- **Sales 2018: €621.5m (-0.7%)**, with quasi flat external sales (+0.3%)
  - Comfort (-3.0%): suffered from soft end-demand in the furniture and mattress sector
  - Technical Foams (+2.5%): driven by solid industrial demand and dynamic automotive markets
- **Higher profit margins** driven by
  - an improved product-mix
  - lower chemical raw material costs
  - the improved performance of the Eurofoam joint venture versus 2017 which was impacted by unprecedented raw material price increases.

Combined Sales Flexible Foams (2015-2018)



Combined sales 2018



RECTICEL The passion for comfort

Improved mix and operational efficiency insufficient to compensate for negative impact of lower volumes

Bedding

Key financials

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Sales	**138,3**	**133,8**	**272,1**	**124,6**	**119,2**	**243,8**	-9,9%	-10,9%	**-10,4%**
Adjusted EBITDA	**7,7**	**7,4**	**15,1**	**5,4**	**1,4**	**6,8**	-29,9%	-80,6%	**-54,7%**
as % of sales	*5,6%*	*5,5%*	*5,6%*	*4,3%*	*1,2%*	*2,8%*			
EBITDA	**7,6**	**6,8**	**14,3**	**5,5**	**(3,5)**	**2,0**	-27,3%	-152,1%	**-86,0%**
as % of sales	*5,5%*	*5,0%*	*5,3%*	*4,4%*	*-2,9%*	*0,8%*			
Adjusted EBIT	**5,4**	**5,1**	**10,5**	**3,2**	**(0,8)**	**2,3**	-40,9%	-116,5%	**-77,8%**
as % of sales	*3,9%*	*3,8%*	*3,9%*	*2,6%*	*-0,7%*	*1,0%*			
EBIT	**5,3**	**4,3**	**9,6**	**3,7**	**(5,8)**	**(2,1)**	-29,3%	-233,7%	**-121,6%**
as % of sales	*3,8%*	*3,2%*	*3,5%*	*3,0%*	*-4,9%*	*-0,8%*			

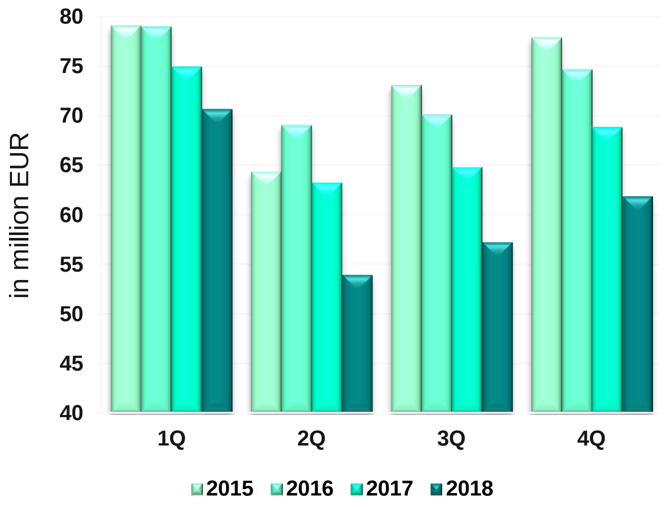
Recent developments

- Increased competition from e-commerce players
- Introduction of new GELTEX® inside 2.0 products in 4Q2018

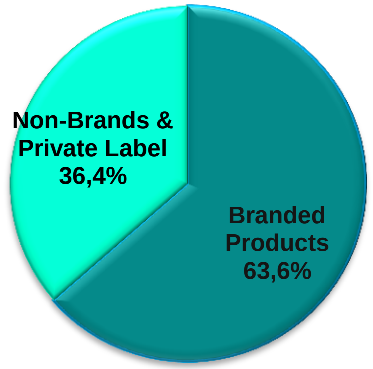
2018 key topics

- **Sales 2018: €243.8m (-10.4**%), with external sales decreasing by -10.1%
  - Branded Products: -7.0%
  - Non-Branded/Private Label: -15.1%
- Difficult market conditions with low shop traffic, especially in Germany
- Lower **profit margins** due to low sales levels, expenses following the launch of the new Geltex® 2.0 product range and adjustements to EBIT linked to the closure of the Hassfurt (Germany) plant

Combined Sales Bedding (2015-2018)



Combined sales 2018



RECTICEL The passion for comfort

Improved profitability, despite ramp-up costs of new plant in Finland

Insulation

Key financials

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Sales	**129,2**	**143,1**	**272,3**	**132,7**	**138,5**	**271,2**	2,7%	-3,3%	**-0,4%**
Adjusted EBITDA	**14,2**	**26,1**	**40,3**	**22,8**	**21,9**	**44,7**	60,5%	-16,2%	**10,8%**
as % of sales	*11,0%*	*18,2%*	*14,8%*	*17,2%*	*15,8%*	*16,5%*			
EBITDA	**14,2**	**25,9**	**40,1**	**22,8**	**21,9**	**44,7**	60,6%	-15,6%	**11,4%**
as % of sales	*11,0%*	*18,1%*	*14,7%*	*17,2%*	*15,8%*	*16,5%*			
Adjusted EBIT	**11,0**	**22,7**	**33,7**	**19,6**	**18,5**	**38,1**	79,0%	-18,6%	**13,2%**
as % of sales	*8,5%*	*15,9%*	*12,4%*	*14,8%*	*13,4%*	*14,1%*			
EBIT	**11,0**	**22,5**	**33,5**	**19,6**	**18,5**	**38,1**	79,0%	-17,9%	**13,9%**
as % of sales	*8,5%*	*15,7%*	*12,3%*	*14,8%*	*13,4%*	*14,1%*			

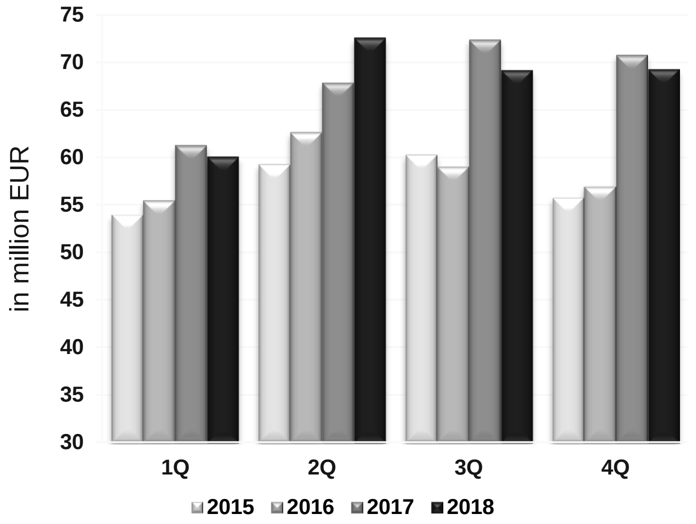
2018 key topics

- **Sales 2018: 271.2m€ (-0.4%)**, including exchange rate differences of -0.3% (i.e. GBP)
- Volumes gradually increased quarter after quarter during the year, but remained below last year on a full year basis.
- **Profitability** improved driven by
  - an improved product-mix
  - operating efficiency
  - lower chemical raw materials costs
- The ramp-up costs of the new plant in Finland impacted 2H2108 results, as the additional fixed costs were not yet absorbed by additional sales.

Recent developments

- In October 2018 start of production of new greenfield manufacturing facility in Finland.
- Early 2019 Recticel Insulation increased its stake in Turvac d.o.o., the Slovenian producer of Vacuum Insulation Panels (VIP), from 50% to 74% .

Combined sales Insulation (2015-2018)



RECTICEL The passion for comfort

Growth driven by start-up of new Interiors programs and overall strong global automotive markets

Automotive

Key financials

in million EUR	1H17	2H17	FY17	1H18	2H18	FY18	Δ 1H	Δ 2H	Δ FY
Sales	**173,5**	**176,9**	**350,4**	**195,6**	**168,3**	**363,9**	12,8%	-4,9%	**3,9%**
Adjusted EBITDA	**13,5**	**12,1**	**25,6**	**14,7**	**11,2**	**25,9**	9,0%	-7,4%	**1,2%**
as % of sales	*7,8%*	*6,9%*	*7,3%*	*7,5%*	*6,7%*	*7,1%*			
EBITDA	**9,1**	**15,9**	**25,0**	**13,2**	**17,2**	**30,5**	45,1%	8,4%	**21,8%**
as % of sales	*5,3%*	*9,0%*	*7,1%*	*6,8%*	*10,2%*	*8,4%*			
Adjusted EBIT	**7,0**	**4,5**	**11,4**	**6,7**	**3,1**	**9,8**	-4,2%	-29,9%	**-14,3%**
as % of sales	*4,0%*	*2,5%*	*3,3%*	*3,4%*	*1,9%*	*2,7%*			
EBIT	**2,6**	**1,5**	**4,1**	**5,2**	**7,7**	**12,9**	99,4%	413,5%	**213,7%**
as % of sales	*1,5%*	*0,8%*	*1,2%*	*2,7%*	*4,6%*	*3,5%*			

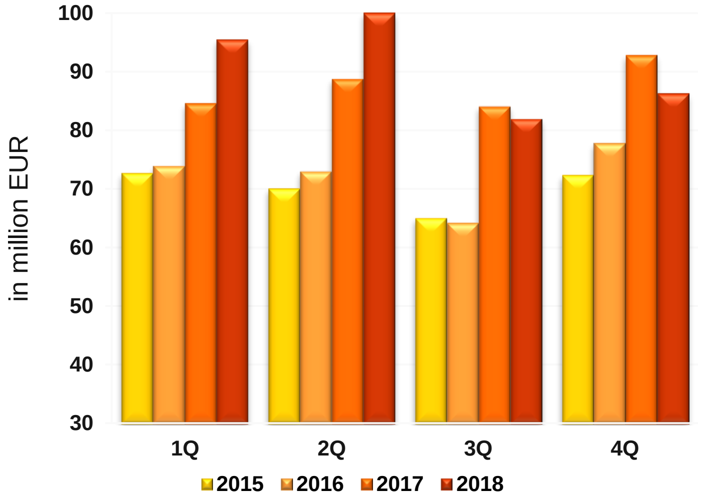
2018 key topics

- **Sales 2018: 363.9m€ (+3.9%)**, including currency exchange differences for -0.7%
  - **Interiors**: 199.4m€ (+6.6%)
  - **Seating**: 164.4m€ (+0.7%)
- Whereas Automotive benefited from good volumes in a supportive market environment in 1H2018, sales volumes receded in 2H2018 due to
  - the new WLTP emission norms in Europe, and
  - the impact of trade tensions on volumes in China.
- Profitability held up well in both divisions.

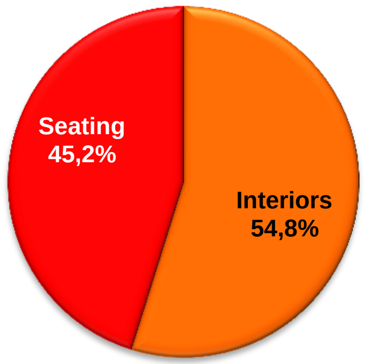
Recent developments

- In 2H2018 automotive sector is impacted by the new WLTP emission norms in Europe and global trade tensions.
- In February 2019 Recticel announced the closing of the transactions as a result of which Sekisui Plastics Co., Ltd. acquires 75% in Proseat. Recticel keeps 25% in Proseat with the option to sell this remaining participation within three years.

Combined sales Automotive (2015-2018)



Combined sales 2018



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Thank you for your attention!

Q&A

Agenda

- Key highlights 2018
- 2018 Results
- Financial position
- Sustainable development & innovations
- Dividend proposal and Outlook 2019
- Comments on results per business line
- Appendices

Consolidated key figures 2018 *

* All comparisons are made with the comparable period of 2017, unless mentioned otherwise.

- **Sales:** from 1,135.4m€ to 1,117.7m€ (-1.6%), including currency effects (-0.9%)
- **Income from joint ventures and associates:** from EUR 2.4 million to EUR 10.2 million (x4.3)
- **EBITDA:** from 82.8m€ to 80.5m€ (-2.8%)
- **EBIT:** from 44.9m€ to 42.9m€ (-4.3%)
- **Financial result:** from EUR -4.7 million to EUR -3.9 million (-18.1%)
- **Income taxes and deferred taxes:** from EUR -16.2 million to EUR -10.2 million (-37.0%)
- **Result of the period (share of the Group):** from +16.3m€ to +23.9m€ (+46.4%)
- **Net financial debt[1]:** from 87.1m€ (31-Dec-17) to 84.6m€ (31-Dec-18)
- **Gearing ratio** (Net financial debt[1]/Total equity)**:** from 33.3 % (31-Dec-17) to 31.9%
- **Leverage ratio** (Net financial debt[1]/EBITDA): stabilised at 1.05

[1] *Excluding the drawn amounts under non-recourse factoring/forfeiting programs: 51.3m€ per 31 December 2018 versus 54.7m€ per 31 December 2017.*

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Appendices – Consolidated Income Statement

in million EUR	1H17	2H17	FY2017	1H18 [1]	2H18 [1]	FY2018 [1]
Sales	**566,0**	**569,3**	**1 135,4**	**579,7**	**537,9**	**1 117,7**
Distribution costs	(31,7)	(30,2)	(62,0)	(29,4)	(30,6)	(60,0)
Cost of sales [2]	(443,3)	(446,5)	(889,9)	(448,2)	(407,9)	(856,1)
Gross profit	**91,0**	**92,5**	**183,5**	**102,2**	**99,5**	**201,6**
General and administrative expenses	(43,0)	(35,5)	(78,4)	(35,3)	(35,2)	(70,6)
Sales and marketing expenses	(33,9)	(35,6)	(69,5)	(34,4)	(38,2)	(72,6)
Research and development expenses	(7,0)	(6,7)	(13,7)	(6,9)	(4,1)	(11,0)
Impairment Goodwill	0,0	0,0	0,0	(1,0)	0,0	(1,0)
Impairments	0,0	(7,0)	(7,0)	0,4	(5,2)	(4,8)
Other operating revenues (1)	*25,2*	*30,8*	*56,0*	*5,0*	*14,3*	*19,3*
Other operating expenses (2) [4]	*(13,1)*	*(15,2)*	*(28,3)*	*(8,3)*	*(19,8)*	*(28,1)*
Other operating result (1)+(2) [3]	12,0	15,6	27,6	(3,3)	(5,5)	(8,8)
Income from joint ventures & associates [5]	1,5	0,9	2,4	7,5	2,7	10,2
Income from investments	0,0	0,0	0,0	0,0	0,0	0,0
EBIT	**20,6**	**24,3**	**44,9**	**29,1**	**13,8**	**42,9**
Interest income	0,4	0,2	0,6	0,3	0,3	0,6
Interest expenses	(4,0)	(3,1)	(7,1)	(2,3)	(1,5)	(3,9)
Other financial income	8,7	3,9	12,6	3,3	0,3	3,6
Other financial expenses	(7,2)	(3,6)	(10,9)	(5,6)	1,4	(4,2)
Financial result	**(2,1)**	**(2,7)**	**(4,7)**	**(4,4)**	**0,5**	**(3,9)**
Result of the period before taxes	**18,5**	**21,6**	**40,1**	**24,8**	**14,3**	**39,1**
Current income taxes	(2,1)	(3,9)	(6,0)	(2,4)	(0,9)	(3,3)
Deferred taxes	(2,1)	(8,1)	(10,2)	(3,7)	(3,3)	(7,0)
Result of the period after taxes	**14,3**	**9,6**	**23,9**	**18,7**	**10,2**	**28,8**
of which attributable to the owners of the parent	14,3	9,6	23,9	18,7	10,2	28,8
of which attributable to non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,0

Appendices – Consolidated Comprehensive Income

in million EUR	1H17	2H17	FY2017	1H18 [1]	2H18 [1]	FY2018 [1]
Result for the period after taxes	**14,3**	**9,6**	**23,9**	**18,7**	**10,2**	**28,8**
Other comprehensive income						
Items that will not subsequently be recycled to profit and loss						
Actuarial gains and losses on employee benefits recognized in equity	0,5	(4,6)	(4,1)	4,5	0,1	4,5
Deferred taxes on actuarial gains and losses on employee benefits	(0,3)	(0,5)	(0,7)	(0,6)	0,1	(0,5)
Currency translation differences	0,1	0,2	0,3	(0,0)	0,0	(0,0)
Joint ventures & Associates	0,0	(0,4)	(0,4)	0,5	(0,0)	0,4
Total	**0,4**	**(5,3)**	**(4,9)**	**4,4**	**0,1**	**4,5**
Items that subsequently may be recycled to profit and loss						
Hedging reserves	1,1	1,1	2,2	0,6	0,1	0,7
Currency translation differences	0,0	(6,5)	(6,5)	0,0	(1,8)	(1,8)
Foreign currency translation difference recycled in income statement	(2,9)	2,9	0,0	0,5	(0,5)	0,0
Deferred taxes on interest hedging reserves	(0,4)	0,8	0,4	(0,1)	(0,0)	(0,1)
Joint ventures & Associates	0,0	1,1	1,1	(1,4)	0,6	(0,8)
Total	**(2,1)**	**(0,6)**	**(2,7)**	**(0,4)**	**(1,7)**	**(2,1)**
Other comprehensive income net of tax	**(1,7)**	**(5,9)**	**(7,6)**	**4,0**	**(1,6)**	**2,4**
Total comprehensive income for the period	**12,6**	**3,7**	**16,3**	**22,6**	**8,6**	**31,2**
Total comprehensive income for the period	**12,6**	**3,7**	**16,3**	**22,6**	**8,6**	**31,2**
of which attributable to the owners of the parent	12,6	3,7	16,3	22,6	8,6	31,2
of which attributable to non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,0

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Appendices – Consolidated Balance Sheet

in million EUR	31 DEC 17	31 DEC 18 [1]	Δ
Intangible assets	12,3	12,0	*-2,3%*
Goodwill	24,2	23,4	*-3,4%*
Property, plant & equipment	226,8	232,5	*2,5%*
Investment property	3,3	3,3	*-1,3%*
Interest in joint ventures & associates	76,2	68,6	*-10,0%*
Other financial assets	0,7	0,8	*18,4%*
Non-current receivables	14,8	15,7	*5,7%*
Non-current contract assets	0,0	15,3	-
Deferred tax	26,2	20,5	*-22,0%*
Non-current assets	**384,6**	**392,1**	***2,0%***
Inventories and contracts in progress	99,4	103,8	*4,4%*
Trade receivables	110,9	107,7	*-2,9%*
Current contract assets	0,0	13,8	-
Other receivables	73,4	55,2	*-24,7%*
Income tax receivables	1,4	5,6	*313,9%*
Other investments	0,1	0,1	*12,2%*
Cash and cash equivalents	57,8	37,7	*-34,8%*
Disposal group held for sale	2,6	19,2	*647,1%*
Current assets	**345,6**	**343,1**	***-0,7%***
TOTAL ASSETS	**730,2**	**735,2**	***0,7%***

in million EUR	31 DEC 17	31 DEC 18 [1]	Δ
Equity (share of the Group)	261,8	265,0	*1,2%*
Non-controlling interests	0,0	0,0	-
Total equity	**261,8**	**265,0**	***1,2%***
Pensions and other provisions	68,6	61,8	*-9,8%*
Deferred tax	9,1	9,7	*5,9%*
Interest-bearing borrowings	96,1	34,7	*-63,9%*
Other amounts payable	0,2	0,2	*-12,2%*
Non-current contract liabilities	0,0	24,1	-
Non-current liabilities	**174,0**	**130,5**	***-25,0%***
Pensions and other provisions	5,1	7,8	*52,7%*
Interest-bearing borrowings	49,0	88,2	*80,0%*
Trade payables	126,6	90,8	*-28,3%*
Current contract liabilities	0,0	45,0	-
Income tax payables	2,4	3,1	*27,0%*
Other amounts payable	111,3	105,0	*-5,7%*
Current liabilities	**294,4**	**339,8**	***15,4%***
TOTAL EQUITY & LIABILITIES	**730,2**	**735,2**	***0,7%***

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Appendices – Consolidated Statement of Cash Flow

in million EUR	2017	2018
EBIT	**44,9**	**42,9**
Depreciation, amortisation and impairment losses on assets	37,9	37,5
Write-off (write-back) of assets	6,5	0,5
Changes in provisions	(0,5)	(0,0)
Income from associates and joint ventures	(2,4)	(10,2)
Other non-cash elements	(0,9)	(0,7)
Gross operating cash flow	**85,6**	**70,1**
Changes in working capital	(4,2)	(6,7)
Gross operating cash flow after changes in working capital	**81,3**	**63,4**
Income taxes paid	(5,7)	(6,0)
Net cash flow from operating activities (a)	**75,6**	**57,4**
Net cash flow from investment activities (b)	**(40,8)**	**(42,3)**
Paid interest charges (1)	(7,1)	(4,9)
Paid dividends (2)	(9,7)	(12,0)
Increase (Decrease) of capital (3)	3,7	3,1
Increase (Decrease) of financial liabilities (4)	(2,3)	(21,9)
Other (5)	0,0	0,0
Net cash flow from financing activities (c)= (1)+(2)+(3)+(4)+(5)	**(15,4)**	**(35,7)**
Effect of exchange rate changes (d)	1,3	0,5
Effect of change in scope of consolidation (e)	0,0	0,0
Changes in cash and cash equivalents (a)+(b)+(c)+(d)+(e)	**20,7**	**(20,1)**
FREE CASH FLOW (a)+(b)+(1)	**27,7**	**10,2**

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Appendices – Statement of changes in equity

in million EUR	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences reserves	Hedging reserves	Total shareholders' equity	Non-controlling interests	Total equity, non-controlling interests included
At the end of the period (31 December 2017)	136,9	128,0	(1,5)	(22,6)	40,9	(16,4)	(3,5)	261,8	0,0	261,8
Changes in accounting policies (IFRS 15)	0,0	0,0	0,0	0,0	(19,5)	0,0	0,0	(19,5)	0,0	(19,5)
Changes in accounting policies (IFRS 9)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
01-01-2018 Adjusted	0,0	0,0	0,0	0,0	(19,5)	0,0	0,0	(19,5)	0,0	(19,5)
								0,0		0,0
Dividends	0,0	0,0	0,0	0,0	(12,0)	0,0	0,0	(12,0)	0,0	(12,0)
Stock options (IFRS 2)	0,0	0,0	0,0	0,4	0,0	0,0	0,0	0,4	0,0	0,4
Capital movements	1,1	2,0	0,0	(0,5)	0,5	0,0	0,0	3,1	0,0	3,1
Shareholders' movements	1,1	2,0	0,0	(0,1)	(11,5)	0,0	0,0	(8,6)	0,0	(8,6)
Profit or loss of the period	0,0	0,0	0,0	0,0	28,8	0,0	0,0	28,8	0,0	28,8
Components of other comprehensive income that will not be recycled to profit or loss, net of tax										
Total other comprehensive income that will not be recycled to profit or loss, net of tax (a)	0,0	0,0	0,0	4,5	0,0	0,0	0,0	4,5	0,0	4,5
Components of other comprehensive income that will be recycled to profit or loss, net of tax										
Total other comprehensive income that will be recycled to profit or loss, net of tax (b)	0,0	0,0	0,0	(0,9)	0,9	(2,6)	0,5	(2,1)	0,0	(2,1)
Comprehensive income'	0,0	0,0	0,0	3,5	29,7	(2,6)	0,5	31,2	0,0	31,2
At the end of the period (31 December 2018)	138,1	129,9	(1,5)	(19,2)	39,6	(19,0)	(3,0)	265,0	0,0	265,0

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Appendices – Data per share

in EUR	2017	2018 [1]	Δ
Number of shares outstanding (including treasury shares)	54 776 357	55 227 012	*0,8%*
Weighted average number of shares outstanding (before dilution effect)	54 110 396	54 659 774	*1,0%*
Weighted average number of shares outstanding (after dilution effect)	57 941 701	55 093 295	*-4,9%*
EBITDA	1,53	1,47	*-3,8%*
EBIT	0,83	0,79	*-5,2%*
Result for the period before taxes	0,74	0,71	*-3,6%*
Result for the period after taxes	0,44	0,53	*19,4%*
Result for the period (share of the Group) - basic	0,44	0,53	*19,4%*
Result for the period (share of the Group) - diluted	0,43	0,52	*22,8%*
Net book value	4,78	4,80	*0,4%*

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Financial calendar

Annual results 2018	28.02.2019 (at 07:00 AM CET)
First quarter 2019 trading update	29.04.2019 (at 07:00 AM CET)
Annual General Meeting	28.05.2019 (at 10:00 AM CET)
First half-year 2019 results	30.08.2019 (at 07:00 AM CET)
Third quarter 2019 trading update	30.10.2019 (at 07:00 AM CET)

Uncertainty risks concerning the forecasts made

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