

RECTICEL

Annual Results 2019

Financial Analysts Meeting
Brussels - February 28, 2020

Olivier Chapelle – Chief Executive Officer

Jean-Pierre Mellen – Chief Financial Officer

Michel De Smedt – Investor Relations Officer

Agenda

- ▷ Key highlights 2019
- ▷ 2019 Results
- ▷ Financial position
- ▷ Sustainable Development & Digitalisation
- ▷ Dividend proposal and Outlook 2020
- ▷ Comments on results per business line
- ▷ Appendices

Highlights – Full Year 2019 in line with guidance and analysts consensus

- 1 **Like-for-like Combined Sales €1,221m | Combined Adj EBITDA €88.2m | Net Result €26.0m (all before IFRS 16)**
- 2 **Reduction of participation in Proseat joint venture (Automotive): from 51% to 25% (exit 1 Jan 2022 at the latest)
Increase of participation in Turvac joint venture (Vacuum Insulated Panels - Insulation): from 50% to 74%**
- 3 **Strong performance of Flexible Foams division, record profits**
- 4 **Bedding division back to growth since 2Q2019, supported by its Geltex 2.0, strong profit improvement**
- 5 **Double digit volume growth in Insulation, coupled with margin erosion in highly competitive markets
New Finland plant, which started production in 4Q2018, in ramp-up phase**
- 6 **Resilience of Automotive Interiors results in very unfavorable markets,
The divestment progresses in unfavorable market circumstances**
- 7 **Closure of Hassfurt (Bedding) and Troisdorf (Eurofoam - Flexible Foams) plants**
- 8 **Combined net financial debt @ €93.4m and Gearing @ 33.8% at new record bests
Leverage ratio stable 1.2 (all before IFRS 16)**
- 9 **IFRS 16 impacts on full year 2019: 26.6m€ on combined EBITDA and +87.0m€ on combined net financial debt**

Reminder: on 31 January 2019, acquisition of additional 24% stake in Turvac d.o.o.

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.

Reminder: on 19 February 2019, closing of 2-step divestment of Proseat JV



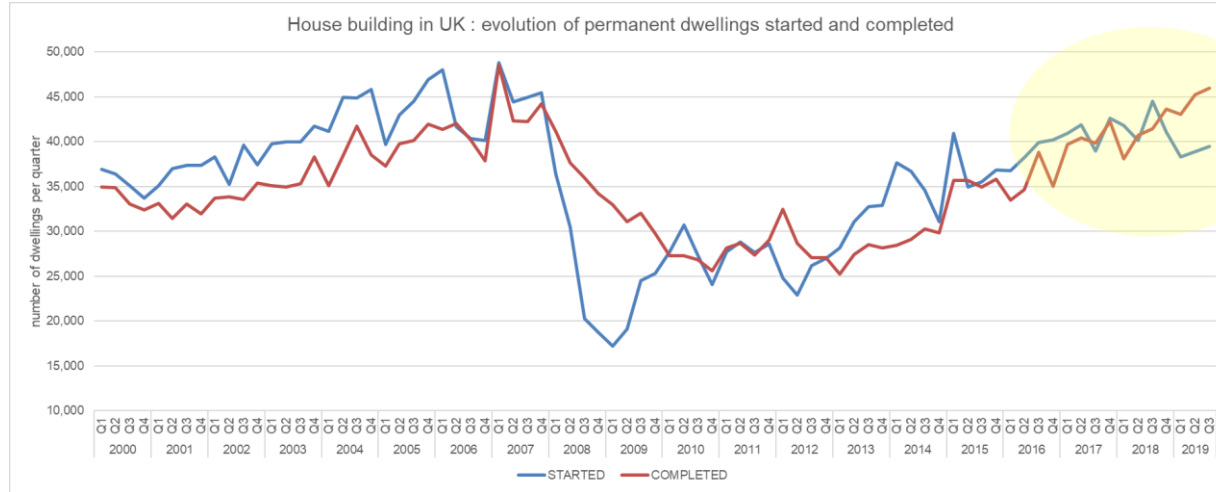
On 19 February 2019 Recticel announced the closing of the transactions as a result of which Sekisui Plastics Co., Ltd. acquires 75% in Proseat. Recticel keeps 25% in Proseat with the option to sell this remaining participation within three years if Sekisui exercises its call option during this period,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

Update: Automotive Interiors divestment update

The Automotive Interiors divestment progresses in unfavorable market circumstances, but has been recently slowed down by the most recent developments in the Chinese market, still not allowing us to communicate on its outcome.

Construction in United Kingdom: new construction activities are weakening.



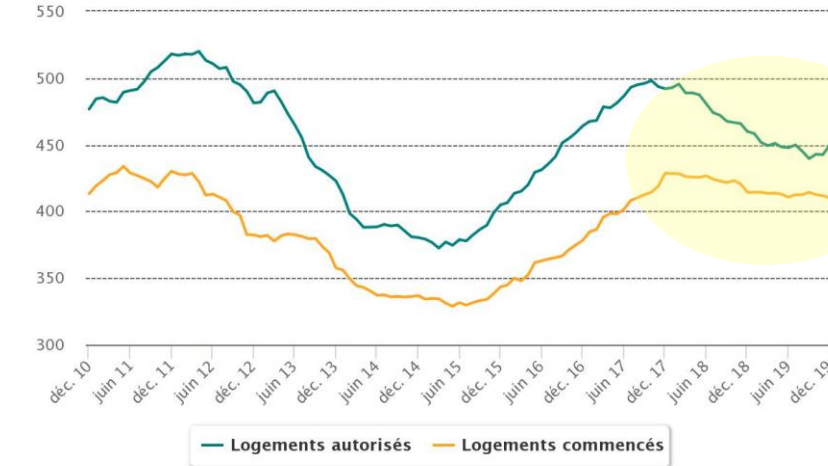
The Ministry of Housing, Communities and Local Government also publishes an annual release entitled 'Housing supply: net additional dwellings', which is the primary and most comprehensive measure of housing supply. The new build dwellings release should be regarded as a leading indicator of overall housing supply. This release includes, also, information from Energy Performance Certificates, another leading indicator of total housing supply.

- On a quarterly basis, new build dwelling starts in England were estimated at 39,510 (seasonally adjusted) in the latest quarter, a 2 per cent increase compared to the previous 3 months and an 11 per cent decrease on a year earlier. Completions were estimated at 46,000 (seasonally adjusted), a 2 per cent increase from the previous quarter and 11 per cent higher than a year ago.
- Annual new build dwelling starts totalled 157,550 in the year to September 2019, a 7 per cent decrease compared with the year to September 2018. During the same period, completions totalled 177,980 an increase of 9 per cent compared with last year.

Construction in France: new building permits and construction activities decreased in 2019

Nombre de logements cumulés sur douze mois

En milliers de logements



La construction de logements baisse encore en France en 2019, mais moins qu'en 2018 (ministère)

Par Le Figaro avec AFP

Publié 28 janvier 2020

La construction de logements neufs s'est repliée en France l'année dernière, comme en 2018 mais dans une moindre mesure, selon des statistiques publiées mardi dans lesquelles le gouvernement veut voir au dernier trimestre 2019 «une reprise» à consolider.

Les permis de construire, qui donnent une idée plus avancée des tendances à venir, se sont élevés à 449.400 unités, soit une baisse de 2,3% par rapport à 2018, selon les chiffres du ministère de la Cohésion des Territoires. Le nombre de mises en chantier s'est établi à 410.300, soit une baisse de 1,0%.

Construction in Belgium: new permits to build continue to substantially decrease

Building permits: October 2019

HOUSING 31 January 2020

Annual evolution

The number of permits issued for new residential buildings in the first 10 months of 2019 has decreased by 6.1% to 23,039 buildings compared to the same period in 2018. The decrease in the Flemish Region amounted to 8.7%. In the Walloon Region, the number of permits issued for new residential buildings was 2.8% higher, and the Brussels-Capital Region registered a decrease of 12.1%.

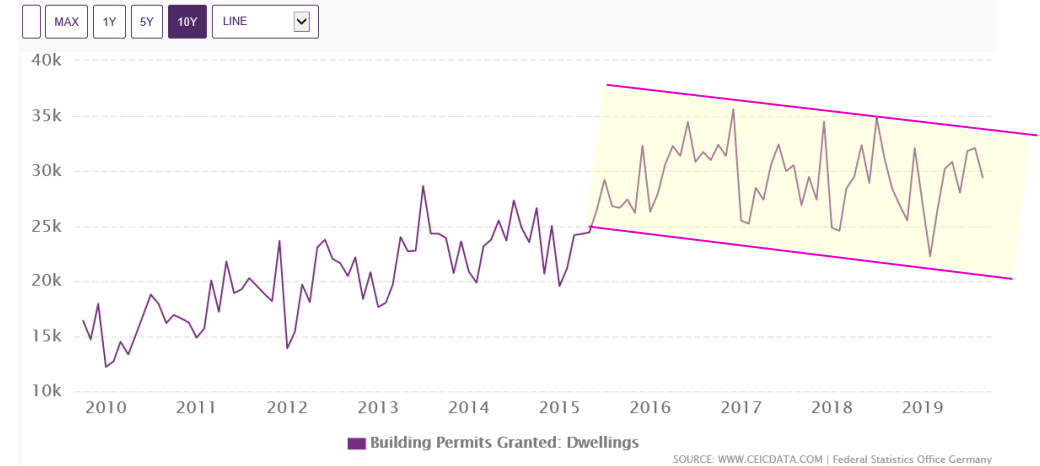
Figures for the first 10 months - number of building permits for new residential buildings + evolution compared to the previous period

	Belgium		Flemish Region		Walloon Region		Brussels-Capital Region
2005	26,226		18,209		7,713		304
2010	24,189	(-7.8%)	16,759	(-8.0%)	7,208	(-6.5%)	222
2015	18,532	(-23.4%)	13,093	(-21.9%)	5,247	(-27.2%)	192
2016	20,024	(+8.1%)	14,745	(+12.6%)	5,110	(-2.6%)	169
2017	18,681	(-6.7%)	12,879	(-12.7%)	5,649	(+10.5%)	153
2018	24,546	(+31.4%)	18,908	(+46.8%)	5,506	(-2.5%)	132
2019	23,039	(-6.1%)	17,266	(-8.7%)	5,659	(+2.8%)	116

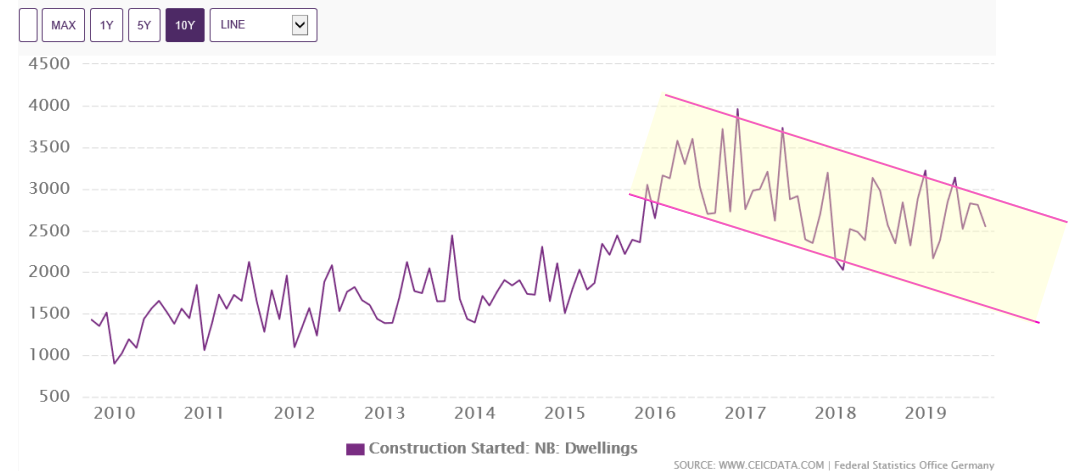
Table 1: Figures for the first 10 months - number of building permits for new residential buildings + evolution compared to the previous period

Construction in Germany: new permits to build and construction are declining.

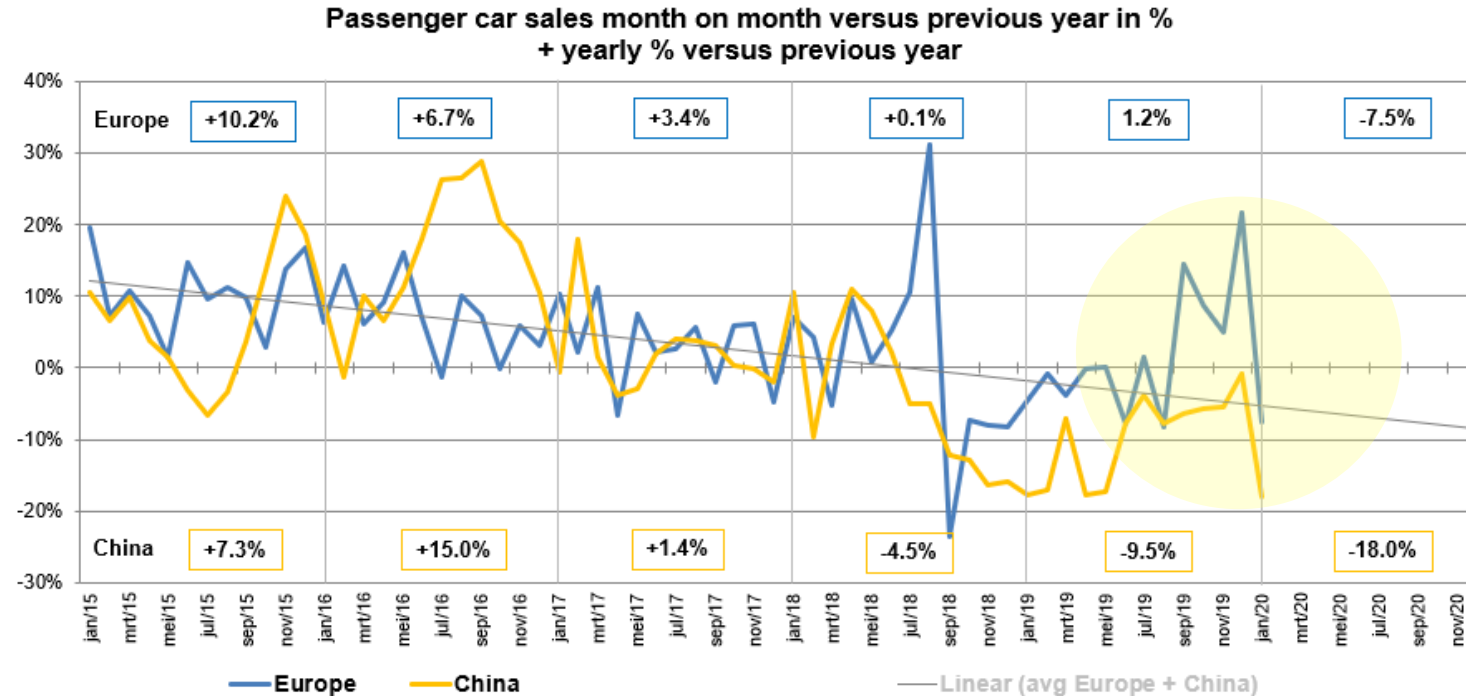
View Germany's Building Permits Granted: Dwellings from Jan 2000 to Nov 2019 in the chart:



View Germany's Construction Started: NB: Dwellings: Germany from Jan 2003 to Nov 2019 in the chart:



Automotive new passenger car registrations slightly positive in Europe in 2019, in a volatile year, while China's terrible 2019 year seems to continue into 2020.



Le Figaro avec AFP

16 décembre 2019

Allemagne: la production automobile au plus bas depuis 22 ans

La production automobile allemande, freinée par les conflits commerciaux internationaux, devrait tomber en 2019 à son plus bas niveau depuis 22 ans et continuer de s'enfoncer en 2020, selon une étude de l'université de Duisburg-Essen.

«L'industrie automobile mondiale est en récession», note Ferdinand Dudenhöffer, auteur de l'étude, «cela a un impact direct sur la production allemande». Quelque 4,67 millions de voitures seront fabriquées dans le pays cette année, selon les calculs de l'expert qui se base sur les données des 11 premiers mois fournis par la fédération des constructeurs allemands (VDA). En 2018, l'industrie automobile allemande, pilier de l'économie du pays, a encore produit 5,12 millions d'unités.

Le Figaro avec AFP

20 février 2020

Chine: chute de 92% des ventes de voitures sur la 1ère quinzaine de février

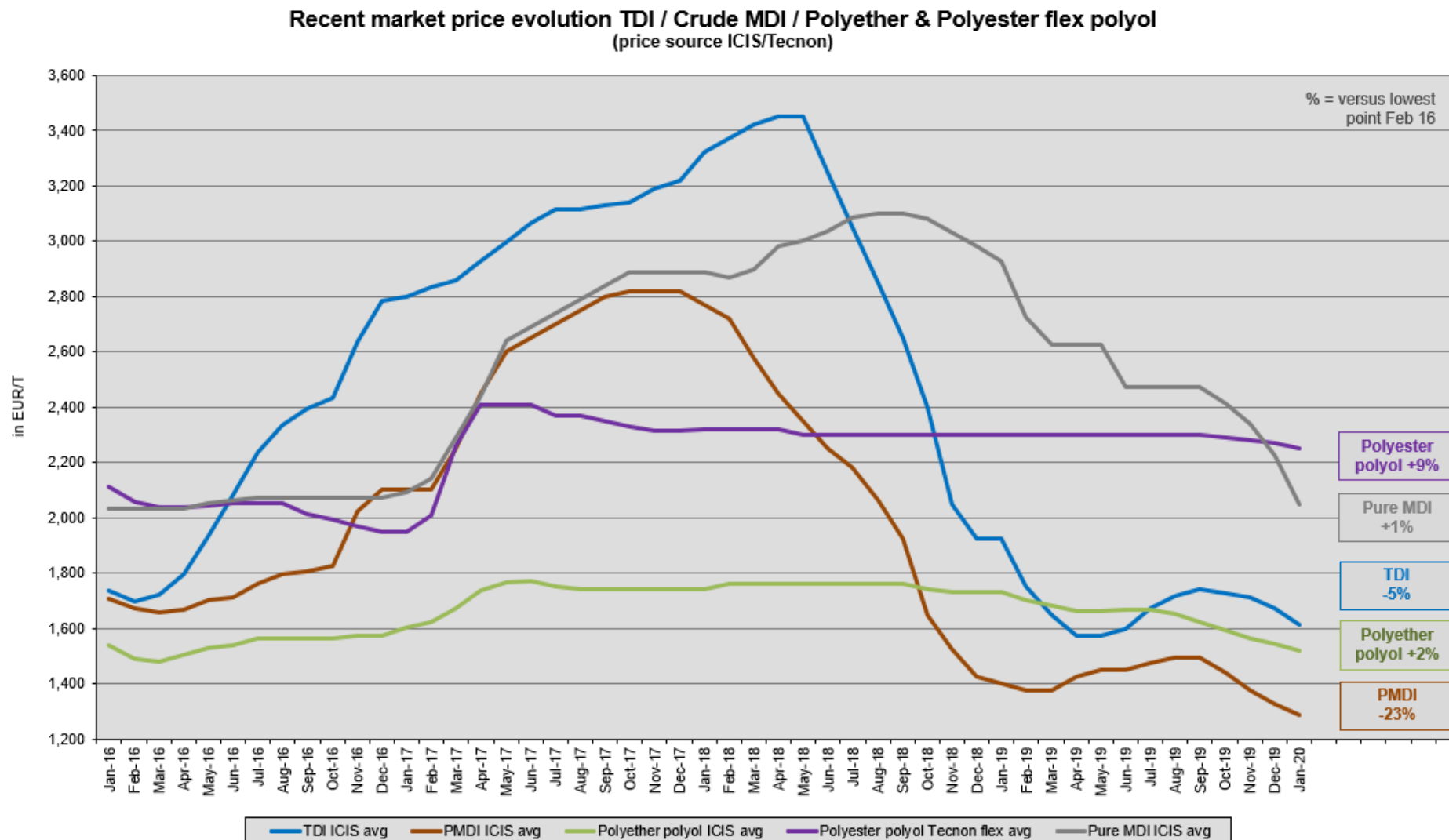
Les ventes automobiles se sont effondrées de 92% sur un an sur les 15 premiers jours de février, a annoncé vendredi une fédération professionnelle, le premier marché automobile mondial restant paralysé par l'épidémie du nouveau coronavirus. Quelque 4 900 voitures ont été vendues sur la période allant du 1er au 16 février, contre près de 60.000 sur la même période l'an dernier, a indiqué la Fédération chinoise des constructeurs de voitures individuelles (CPCA).

Sources :
Europe : ACEA
Asia : Statista & Marklines.com

Bedding Lattoflex Geltex Wellness voted Mattress of the Year 2020 in Belgium & Luxembourg



Raw materials prices have declined in 2019, in a context where supply has substantially exceeded demand.



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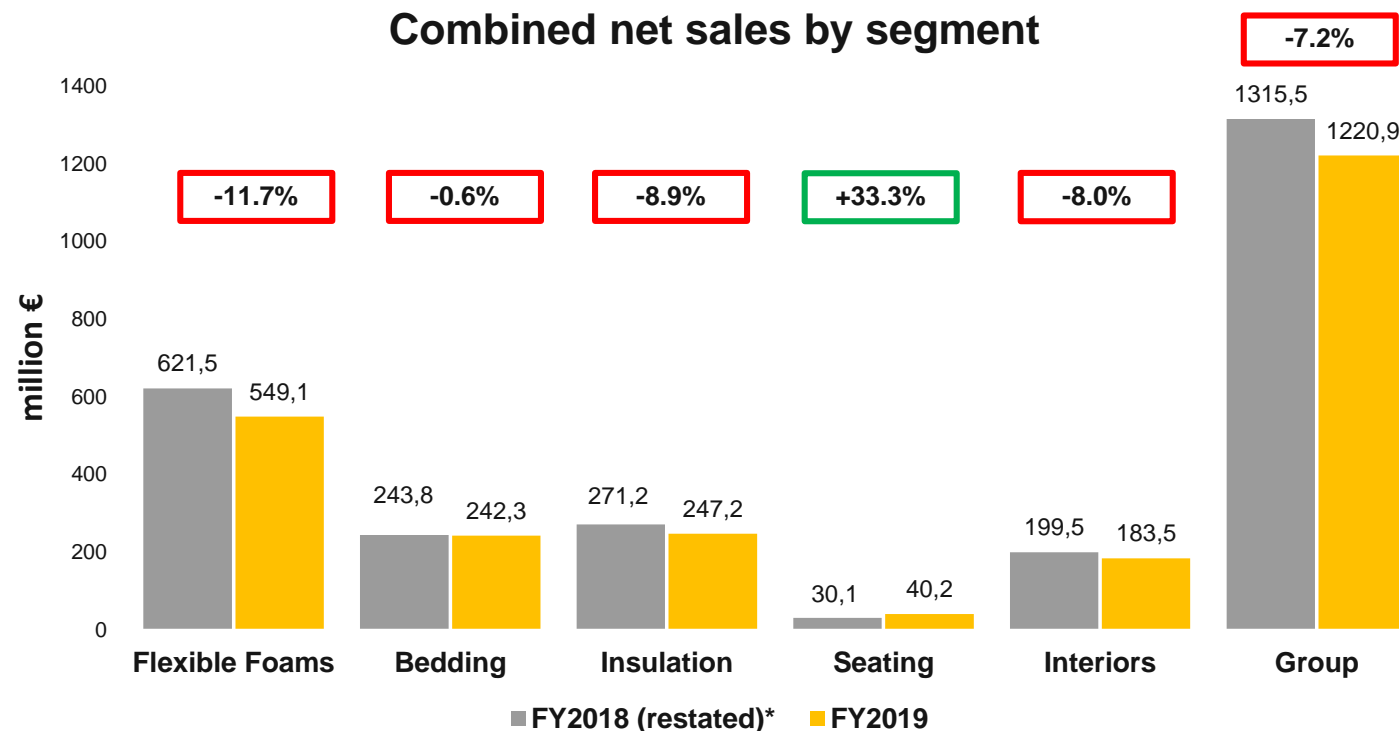
Combined Income Statement : Adj. EBITDA @ €88.2m (-9.7%) resilient in adverse context.
Net Result @ €26.0 is second best in Recticel history.

	FY2018	FY2018	FY2019		FY2019	Variance
	As published	Restated for Proseat	Before IFRS 16	IFRS 16	After IFRS 16	19/18 Before IFRS 16
Net Sales	1,448.3	1,315.5	1,220.9	0.0	1,220.9	-7.2%
Adjusted EBITDA	103.8	97.7	88.2	26.6	114.7	-9.7%
Adjustments to EBITDA	(10.4)	(10.2)	(9.1)	0.0	(9.1)	
EBITDA	93.4	87.3	79.1	26.6	105.6	-9.5%
TOTAL DEPRECIATION	(40.5)	(36.7)	(39.9)	(23.7)	(63.6)	
IMPAIRMENTS	(5.8)	(5.8)	(1.8)	0.0	(1.8)	
Adjusted EBIT	63.3	60.9	48.3	2.9	51.2	-20.7%
EBIT	47.0	44.9	37.4	2.9	40.3	-16.7%
Total Financial Result	(5.7)	(4.4)	(4.6)	(4.1)	(8.6)	
Earnings Before Tax (EBT)	41.3	40.5	32.8	(1.2)	31.6	-18.9%
Tax Charge Current	(6.1)	(5.4)	(9.4)	0.0	(9.4)	
Tax Charge Deferred	(6.4)	(6.4)	2.5	0.0	2.5	
EAT - Earnings After Tax	28.8	28.8	25.9	(1.2)	24.7	-9.8%
Minorities	0.0	0.1	0.0	0.0	0.0	
EAT - Share of the Group	28.8	28.8	26.0	(1.2)	24.8	-9.9%
EAT per share (€)	0.53		0.47		0.45	

FY2019 **combined sales** decreased by 7.2% on a comparable restated basis¹, including a currency impact of +0.1%

○ **Lower net sales reported in all segments**

- **Flexible Foams** (-11.7%): price erosion due to lower raw material costs, and to soft demand in the comfort and automotive end-use markets throughout the year, leading to somewhat lower volumes.
- **Bedding**: flat, but hiding the very positive trend of progressively increasing quarter-on-quarter growth after a weak 1Q
- **Insulation** (-8.9%): double-digit volume growth, more than offset by lower selling prices induced by lower raw material costs & intense competition in some markets.
- **Automotive Interiors** (-8.0%): lower sales on a like-for-like basis¹, as volumes dropped globally in the main Automotive markets.



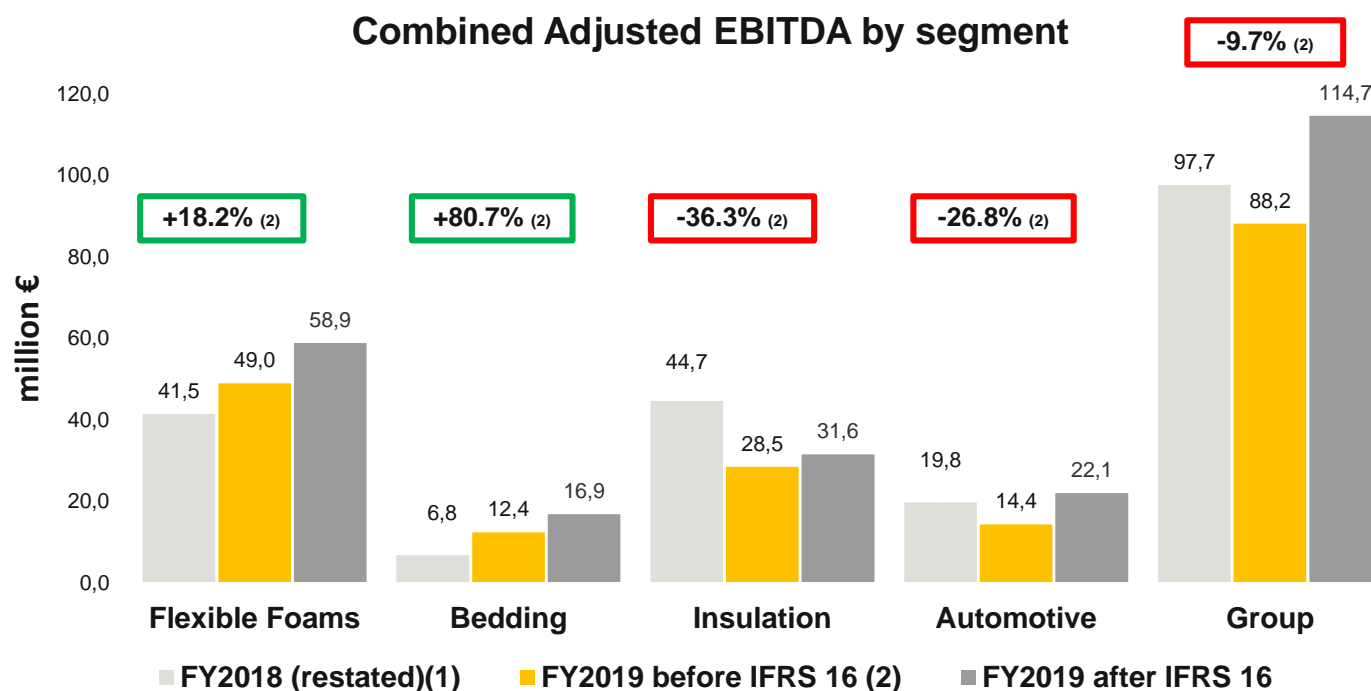
* Following the partial divestment from Proseat (Automotive – Seating) in February 2019, Proseat is now integrated in the 2019 combined figures according to the 'equity method', i.o. previously on a proportionate basis. For comparison purposes the 2018 data have been restated accordingly.

Like-for-like^{1/2} **combined Adj. EBITDA** decreased by 9.7%

Impact IFRS 16 on combined Adjusted EBITDA: +26.6m€

Challenging market environment:

- **Flexible Foams** (+18.2%): despite somewhat lower volumes, Flexible Foams delivered positive product & price mix combined with operational improvements.
- **Bedding** (+80.7%): strongly improved due to improving volume trend, strong product-mix and further cost rationalization measures.
- **Insulation** (-36.3%): despite higher volumes, profitability decreased due to lower average margins as a consequence of intensified competition, and to the new (since 4Q2018) plant in Finland in ramp-up phase, generating temporarily unabsorbed additional fixed costs.
- **Automotive** (-26.8%): profitability decreased, impacted by lower call-offs under running programs.



¹ Following the partial divestment from Proseat (Automotive – Seating) in February 2019, Proseat is now integrated in the 2019 combined figures according to the 'equity method', i.o. previously on a proportionate basis. For comparison purposes the 2018 data have been restated accordingly.

² To facilitate comparisons and understanding of the Group's underlying performance, all comments in this document on developments in revenue or results are made on a like-for-like basis unless otherwise indicated; i.e. 2018 restated data compared to 2019 data before the impact of IFRS 16.

Adjustments on combined EBIT: -10.9m€ versus -16.0m€ (restated) in 2018

in million EUR	2018 (as published)	2018 (restated) ²	1H2019	2H2019	2019
Gain/(loss) on disposals	0,0	0,0	5,0	0,9	5,9
Restructuring charges and provisions	(10,1)	(9,9)	(3,2)	(8,0)	(11,2)
Net impact fire incident in Most	5,6	5,6	0,0	0,0	0,0
Other	(6,0)	(6,0)	(1,5)	(2,2)	(3,8)
Total impact on EBITDA	(10,4)	(10,2)	0,3	(9,3)	(9,1)
Impairments	(5,8)	(5,8)	(0,7)	(1,1)	(1,8)
Total impact on EBIT	(16,2)	(16,0)	(0,4)	(10,5)	(10,9)

- **Impact adjustments on combined EBITDA:** **-9.1m€ (2018: -10.2m€)**
- **Impact adjustments on combined EBIT:** **-10.9m€ (2018: -16.0m€)**
- **Adjustments include:**
 - Gain on the reduction of the participation in Proseat from 51% to 25%
 - Restructuring measures in execution of the Group's rationalisation plan:
 - closure of the Troisdorf plant (Flexible Foams - Eurofoam Germany)
 - closure of the Hassfurt plant (Bedding - Germany)
 - provision related to the intention to close the Schönebeck plant (Automotive Interiors-Germany)
 - streamlining in the corporate and central services
 - 'Other' adjustments relate to costs of legacy remediation & litigations, and to costs linked to the fire incident in the plant in Wetteren (Belgium)
 - Impairments of idle assets in Bedding (following the closure of the Hassfurt plant) and in Automotive in Germany

Combined Financial Result: substantial reduction in interest charges offset by unfavorable FX result
IFRS16 impact of 4.0m€

in m€	FY2018	FY2018	FY2019	FY2019
	As published	Restated for Proseat	Before IFRS 16	After IFRS 16
Interest Charges	(3.8)	(3.2)	(2.6)	(2.6)
Lease charges	(0.5)	(0.3)	(0.3)	(4.6)
Foreign exchange	(0.4)	0.1	(0.6)	(0.4)
Pension & other charges	(0.9)	(0.9)	(1.0)	(1.0)
Financial Result	(5.7)	(4.3)	(4.6)	(8.6)

● **Combined income taxes and deferred taxes : -6.9m€ (2018: -12.5m€)**

- Current income tax charges: -9.4m€ (2018: -6.1m€)
- Deferred tax charges: +2.5m€ (2018: -6.4m€).

● **Net result (share of the Group): 26.0m€ (or 24.7m€ after IFRS 16) (2018: 28.8m€)**

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Pre-IFRS 16 Gearing and Combined Net Debt reach new record levels - Leverage stable.
IFRS 16 adds 87.0m€ to combined financial debt.

<i>in million EUR</i>	31 DEC 2018	31 MAR 2019	30 JUN 2019	31 SEP 2019	31 DEC 2019
TOTAL EQUITY - before IFRS 16	265,0	-	266,5	-	276,6
<u>Combined debt figures</u>					
Net financial debt on balance sheet	100,2	103,6	83,9	113,5	93,4
+ Impact of application IFRS 16	-	112,0	117,1	90,8	87,0
+ Drawn amounts under factoring programs	51,3	36,0	60,2	32,9	47,0
TOTAL COMBINED NET FINANCIAL DEBT	151,5	251,6	261,3	237,2	227,5
Gearing - combined before IFRS16	37,8%	-	-	-	33,8%
Leverage - combined before IFRS16	1,1	-	-	-	1,2
<u>Consolidated debt figures</u>					
Net financial debt on balance sheet	84,6	97,0	73,8	105,5	88,6
+ Impact of application IFRS 16	-	105,0	109,8	84,0	80,0
+ Drawn amounts under factoring programs	51,3	36,0	60,2	32,9	47,1
TOTAL CONSOLIDATED NET FINANCIAL DEBT	135,9	237,9	243,9	222,4	215,6
Gearing - consolidated before IFRS16	31,9%	-	-	-	32,0%
Leverage - consolidated before IFRS16	1,1	-	-	-	1,3

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Good progress on sustainable development KPI's – vision 2025 to be issued later this year

MATERIAL ASPECT	KPI	2016	2017	2018	2019
INNOVATION FULFILLING SOCIETAL NEEDS	Sustainability Index (Percentage of active R&D projects classified as sustainable)	45%	54%	66%	62%
OPTIMISING CARBON FOOTPRINT	Recticel carbon footprint (tonnes of CO ₂ e)	1,082,707	1,090,548	998,407	969,543
	Positive impact Recticel expressed in tonnes of avoided CO ₂ e in use phase	38,767,116	39,391,355	36,898,355	39,723,922
RESOURCE EFFICIENCY	Tonnes of recycled flexible foam produced by Recticel	5,567	5,129	4,534	5,044

MATERIAL ASPECT	KPI	2016	2017	2018	2019
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	425	526	4,631	5,309
REDUCING HS&E IMPACTS OF OUR ACTIVITIES	Work accident frequency rate	5.8	6	5.8	4.4
INSPIRING & REWARDING PLACE TO WORK	The number of countries in which engagement surveys are conducted among blue and white collars	3 countries	2 countries	2 countries	5 countries

Reduce the CO₂ footprint of our Supply Chain

- Over the last 10 years, Recticel has shut or sold 47 factories. Over the same period, 16 have been opened related to thermal & acoustic insulation or to expansion outside of Europe
- Electricity Sustainability Roadmap 2020-2025** created to reduce by 75% (vs 2017) the consumption of “carbonated” electricity, compared to -17% in 2019.
 - Implement energy saving plan for each plant
 - Smart efficient lighting projects ongoing in largest facilities
 - Selective installation of solar panels to generate green electricity
 - Large windmill to be started in Belgium by mid-2021
- Carbon footprint of raw materials taken into consideration in choosing suppliers.



End-of-Life → mechanical recycling: Fiber Bonded Foams solution for mechanical recycling
2000 tons planned in 2020 = 100,000 mattress-equivalent recycled per year.

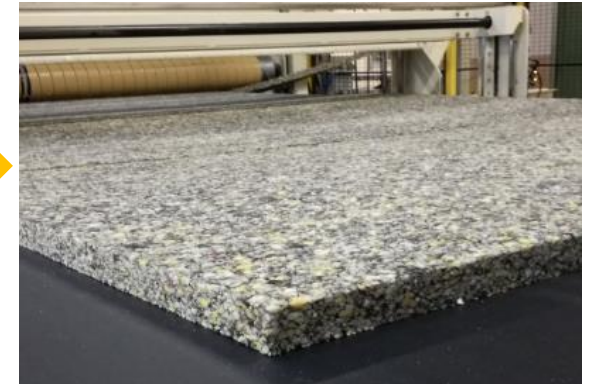


End-of-Life (EOL) foam from mattress recycling

→ laminated Fiber Bonded Foam (FBF)
→ compliant with legal & HSE regulations

Applications

- thermal & acoustic Insulation
- shockpads & Flooring
- introduction in bedding



Silentwall and Simfofit 80
→ Wall acoustic insulation



Silentwall®
Eenvoudig aan te brengen akoestisch isolatiepaneel voor het reduceren van luchtgeluid (professionelen)



Simfofit®
Akoestisch isolatiepaneel voor een vermindering van luchtgeluid (doe-het-zelf)

End-of-Life → chemical recycling : PUReSmart



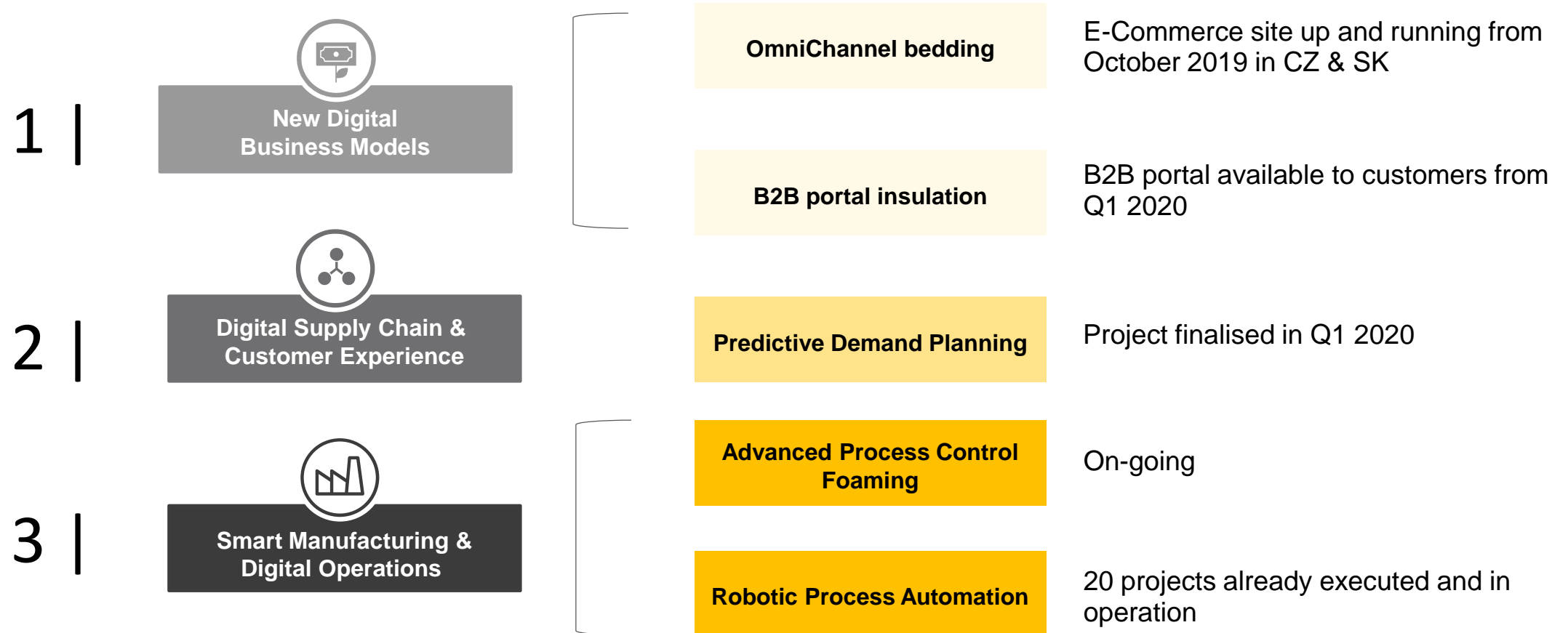
- H2020 EU project: 100% financing
- Budget 6m€ (Recticel: 1.2m€)
- Start Jan 2019
- Project coordinator: Recticel
- TRL 4 → TRL 6: pilot phase in 2020



Objective of project : recover 90% of end-of-life PU through

1. Smart design
2. Smart sorting
3. Smart chemolysis
 - higher recovery of the raw materials by chemical breakdown
 - 2 Recticel patent applications

Digitalisation projects progressing according to plan



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Dividend

The Board of Directors will propose to the Annual General Meeting of 26 May 2020 the payment of a gross dividend of EUR 0.24 per share on 55.4 million shares or a total dividend pay-out of EUR 13.3 million (2018: respectively EUR 0.24/share and EUR 13.3 million in total).

Outlook 2020

Looking forward into 2020, our underlying end-use markets remain difficult to predict given the volatile economic and geopolitical environment, further complicated by the impacts of the coronavirus on the world economy. Compared to 2019, and building on its strong financial position and its ability to quickly adapt to changing market conditions, Recticel's target in 2020 is to increase its Adjusted EBITDA.

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Key financials

in million EUR	FY2018	FY2019 before IFRS 16	Δ	FY2019 after IFRS 16
	(a)	(b)	(b)/(a)-1	
Sales	621,5	549,1	-11,7%	549,1
Adjusted EBITDA	41,5	49,0	18,2%	58,9
as % of sales	6,7%	8,9%		10,7%
EBITDA	33,0	44,2	34,2%	54,1
as % of sales	5,3%	8,1%		9,9%
Adjusted EBIT	28,9	36,5	26,4%	37,6
as % of sales	4,6%	6,6%		6,8%
EBIT	15,6	31,6	103,3%	32,7
as % of sales	2,5%	5,8%		6,0%

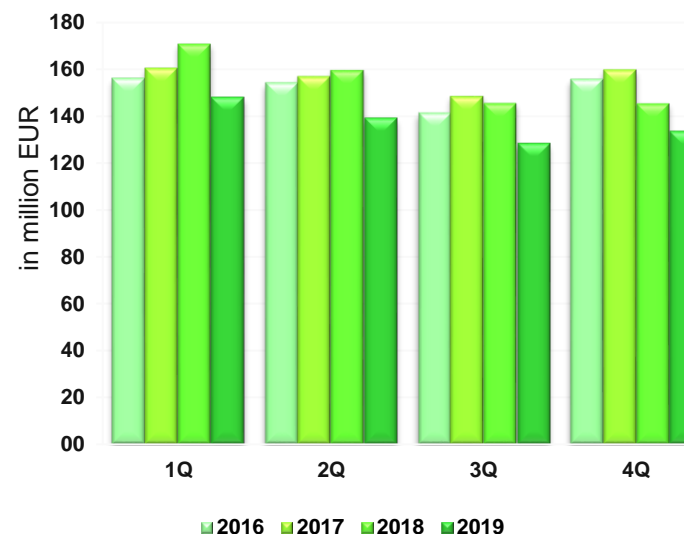
2019 key topics

- Sales 2019: €549.1m (-11.7%), with external sales (-8.1%)**
 - Both Comfort (-14.2%) and Technical Foams (-8.2%) suffered from soft end-demand in the furniture and mattress sector and price erosion as a consequence of falling chemical raw material prices
 - Despite lower volumes, higher profit margins driven by
 - positive net pricing effects
 - increased prices for trim foam
 - an improved product-mix
 - operational efficiency gains.

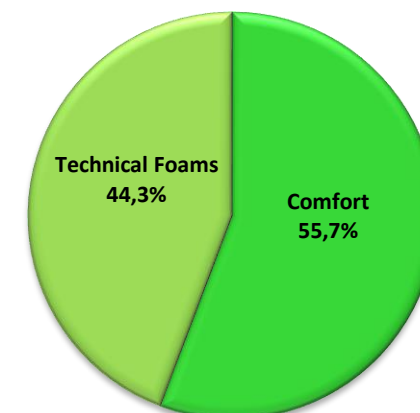
Recent developments

- Volatile chemical raw material prices
- Closure of the Eurofoam plant in Troisdorf (Germany)
- Streamlining of central departments
- Fire incident in Wetteren (Belgium) had limited impact

Combined Sales Flexible Foams (2016-2019)



Combined sales 2019



Stabilising sales with progressive quarter-on-quarter improvement, much improved profitability due to better mix, cost control and operational efficiency

Key financials

in million EUR	FY2018	FY2019 before IFRS 16	Δ	FY2019 after IFRS 16
	(a)	(b)	(b)/(a)-1	
Sales	243,8	242,3	-0,6%	242,3
Adjusted EBITDA	6,8	12,4	80,7%	16,9
as % of sales	2,8%	5,1%		7,0%
EBITDA	2,0	11,5	474,1%	16,0
as % of sales	0,8%	4,7%		6,6%
Adjusted EBIT	2,3	7,8	234,7%	8,2
as % of sales	1,0%	3,2%		3,4%
EBIT	(2,1)	6,7	n.m.	7,0
as % of sales	-0,8%	2,8%		2,9%

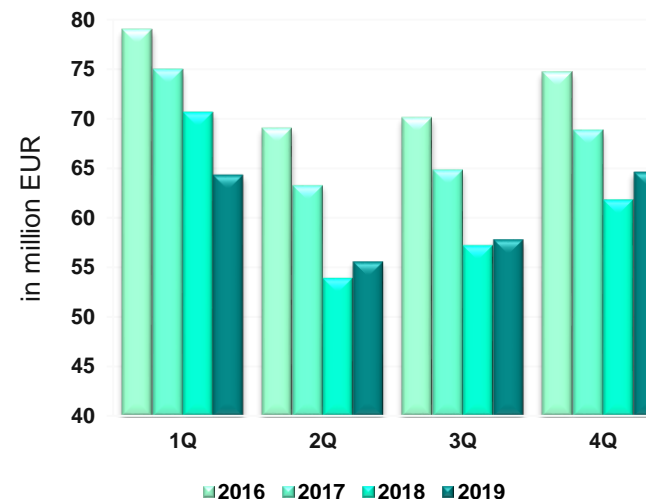
2019 key topics

- **Sales 2019: €242.3m (-0.6%)**
 - Branded Products: +4.6%
 - Non-Branded/Private Label: -8.1%
- Market characterised by strong competition from e-commerce players, and a specific market situation related to one customer in Germany
- Much improved profitability due to
 - better product-mix (i.e. growth in Brands and reduction of low margin business)
 - cost reductions resulting from closure of the Hassfurt plant
 - containment of advertising expenditures.

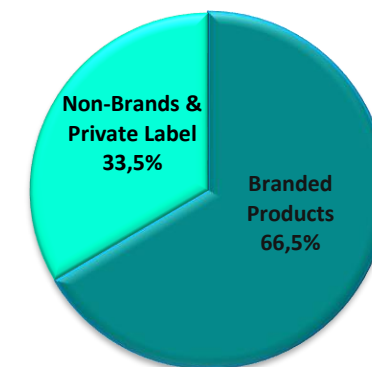
Recent developments

- Increased competition from e-commerce players
- Commercial success from introduction of GELTEX® inside 2.0 products

Combined Sales Bedding (2016-2019)



Combined sales 2019



Double-digit percentage annual volume increase

Increased competition and ramp-up of new plant in Finland

Key financials

in million EUR	FY2018	FY2019 before IFRS 16	Δ	FY2019 after IFRS 16
	(a)	(b)	(b)/(a)-1	
Sales	271,2	247,2	-8,9%	247,2
Adjusted EBITDA	44,7	28,5	-36,3%	31,6
as % of sales	16,5%	11,5%		12,8%
EBITDA	44,7	28,3	-36,6%	31,4
as % of sales	16,5%	11,5%		12,7%
Adjusted EBIT	38,1	20,2	-46,9%	20,9
as % of sales	14,1%	8,2%		8,4%
EBIT	38,1	20,1	-47,4%	20,7
as % of sales	14,1%	8,1%		8,4%

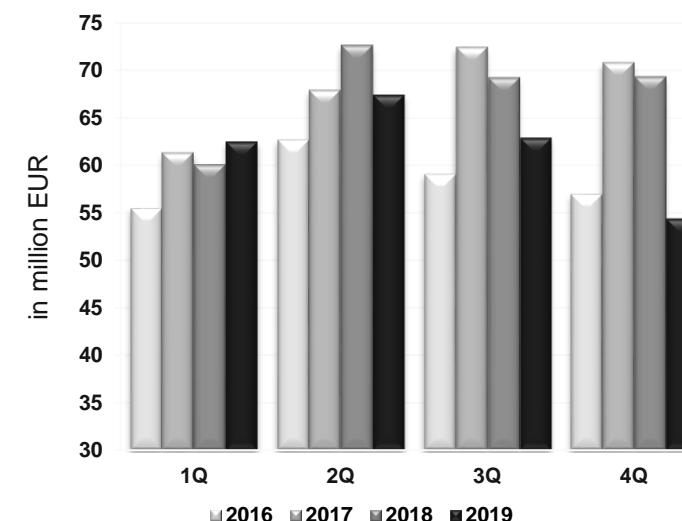
2019 key topics

- **Sales 2019: 247.2m€ (-8.9%)**, including exchange rate differences of +0.2%
- Double-digit percentage annual volume increase
- Increased price competition has more than offset the positive volume impact.
- **Profitability** receded as the growth in sales volumes was more than offset by lower average selling prices.
- Profitability also affected by the new plant in Finland which started production in 4Q2018 was still ramping-up. Induced incremental fixed costs which were not yet absorbed by the additional sales contribution.

Recent developments

- The new production facility in Finland is ramping-up, with all products certified for the Nordic countries.
- 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 (2016-2019)



Key financials

in million EUR	FY2018 (as published)	FY2018 (restated) ²	FY2019 before IFRS 16	Δ	FY2019 after IFRS 16
		(a)	(b)	(b)/(a)-1	
Sales	363,9	229,6	223,7	-2,6%	223,7
of which Interiors	199,4	199,4	183,5	-8,0%	183,5
of which sale of chemicals to Proseat	14,8	30,1	40,2	33,3%	40,2
Adjusted EBITDA	25,9	19,7	14,4	-26,8%	22,1
as % of sales Interiors	7,1%	8,6%	6,5%		9,9%
EBITDA	30,5	24,5	17,2	-29,8%	24,8
as % of sales Interiors	8,4%	10,7%	7,7%		11,1%
Adjusted EBIT	9,8	7,4	0,9	-87,9%	1,7
as % of sales Interiors	2,7%	3,2%	0,4%		0,8%
EBIT	12,9	10,8	2,2	-79,6%	3,0
as % of sales Interiors	3,5%	4,7%	1,0%		1,3%

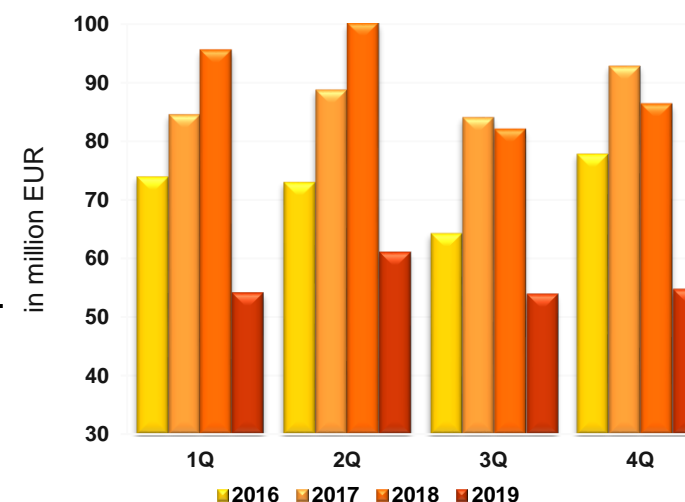
2019 key topics

- **Sales 2019: 223.7m€ (-2.6% on a like-for-like basis)**, including currency exchange differences for +0.8%
- **Interiors: 183.5m€ (-8.0%)**
- **Chemicals to Proseat: 40.2m€ (+33.3%)**
- Sales volumes remained adversely affected by the continued weakness of the European and Chinese Automotive markets.
- Profitability decreased primarily due to lower volumes in Interiors.

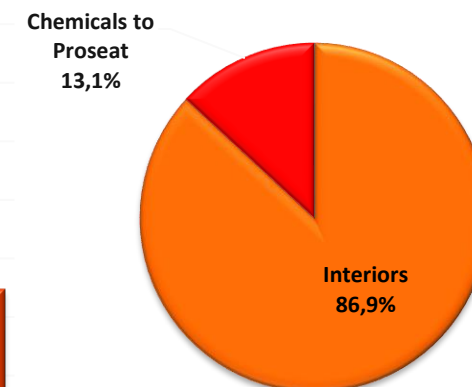
Recent developments

- 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.
- The Interiors divestment process remains on track in unfavorable market circumstances

Combined sales Automotive (2016-2019)



Combined sales 2019



Agenda

- ▶ Key highlights 2019
- ▶ 2019 Results
- ▶ Financial position
- ▶ Sustainable Development & Digitalisation
- ▶ Dividend proposal and Outlook 2020
- ▶ Comments on results per business line
- ▶ Appendices

Consolidated key figures 2019 *

* All comparisons are made with the comparable period of 2018, unless mentioned otherwise.

- **Sales:** from 1,117.7m€ to 1,038.5m€ (-7.1%), including currency effect of +0.24%
- **Income from joint ventures and associates:** from 10.2m€ to 9.3m€
- **EBITDA:** 95.3m€, 70.8m€ before IFRS 16 versus 80.5m€ in 2018
- **EBIT:** 37.1m€, 34.4m€ before IFRS 16 versus 42.9m€ in 2018
- **Financial result:** -8.2m€, -4.2m€ before IFRS 16 versus -3.9m€ in 2018
- **Income taxes and deferred taxes:** from -10.2m€ to -4.2m€
- **Result of the period (share of the Group):** 24.8m€, 26.0m€ before IFRS 16 versus 28.8m€ in 2018.
- **Net financial debt¹:** from 84.6m€ (31-Dec-18) to 88.6m€ (31-Dec-19), 168.6m€ after IFRS 16
- **Gearing ratio** (Net financial debt¹/Total equity): from 31.9 % (31-Dec-18) to 32.0% (31-Dec-19), 61.2% after IFRS 16
- **Leverage ratio** (Net financial debt¹/EBITDA): from 1.1 (31-Dec-18) to 1.3 (31-Dec-19), 1.8 after IFRS 16

¹ Excluding the drawn amounts under non-recourse factoring/forfeiting programs: 47.0m€ per 31 December 2019 versus 51.3m€ per 31 December 2018.

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Financial calendar	
Annual results 2019	28.02.2020 (at 07:00 AM CET)
First quarter 2020 trading update	28.04.2020 (at 07:00 AM CET)
Annual General Meeting	26.05.2020 (at 10:00 AM CET)
First half-year 2020 results	28.08.2020 (at 07:00 AM CET)
Third quarter 2020 trading update	30.10.2020 (at 07:00 AM CET)
Annual results 2020	26.02.2021 (at 07:00 AM CET)
First quarter 2021 trading update	27.04.2021 (at 07:00 AM CET)

Uncertainty risks concerning the forecasts made

This report contains forecasts which entail risks and uncertainties, including with regard to statements concerning plans, objectives, expectations and/or intentions of the Recticel Group and its subsidiaries. Readers are informed that such forecasts entail known and unknown risks and/or may be subject to considerable business, macroeconomic and competition uncertainties and unforeseen circumstances which largely lie outside the control of the Recticel Group. Should one or more of these risks, uncertainties or unforeseen or unexpected circumstances arise or if the underlying assumptions were to prove to be incorrect, the final financial results of the Group may possibly differ significantly from the assumed, expected, estimated or extrapolated results. Consequently, neither Recticel nor any other person assumes any responsibility for the accuracy of these forecasts.

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