



RECTICEL
The passion for comfort

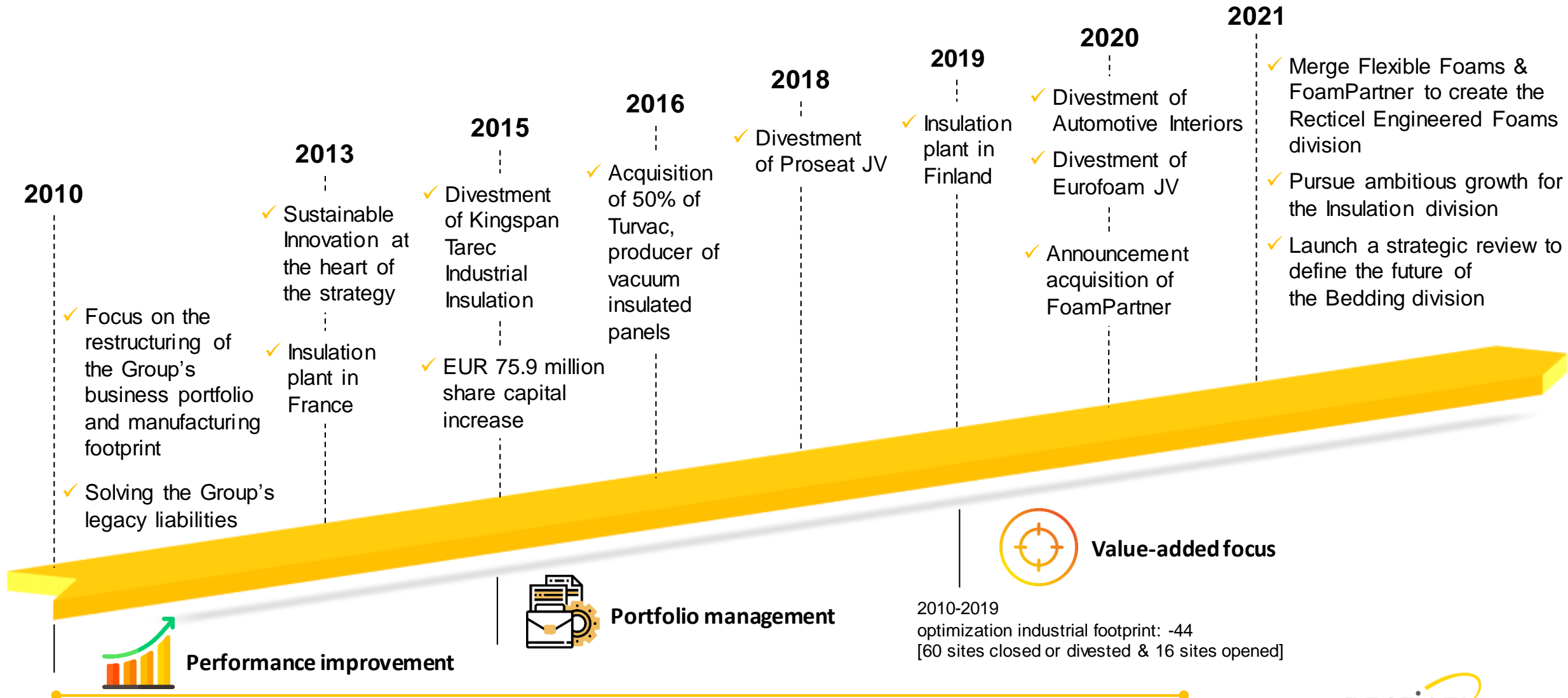
FOAMPARTNER
best in foam

**Shaping
the future**

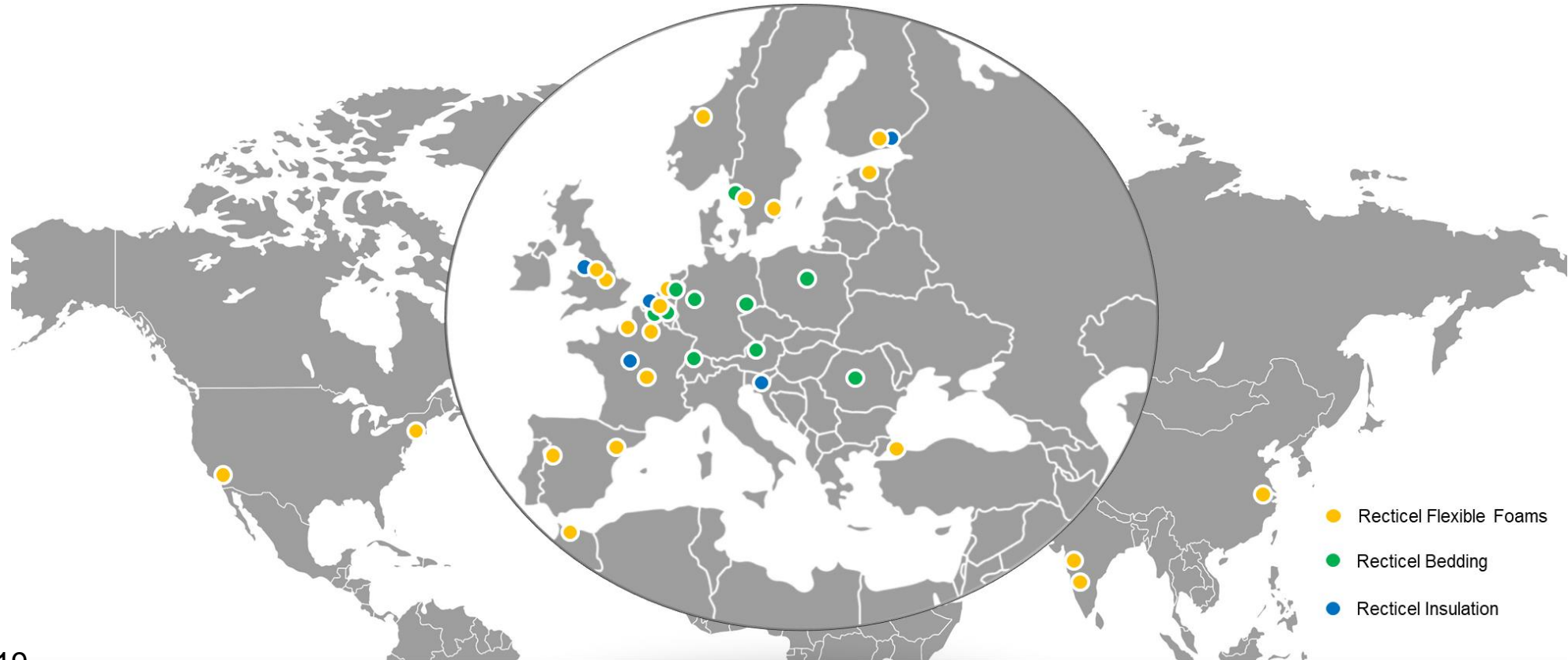
Strategic acquisition of FoamPartner

A key transformational step for our company

This transformational acquisition follows the restructuring of the Group's legacy, the investments to expand Insulation and the divestment of non-core businesses...

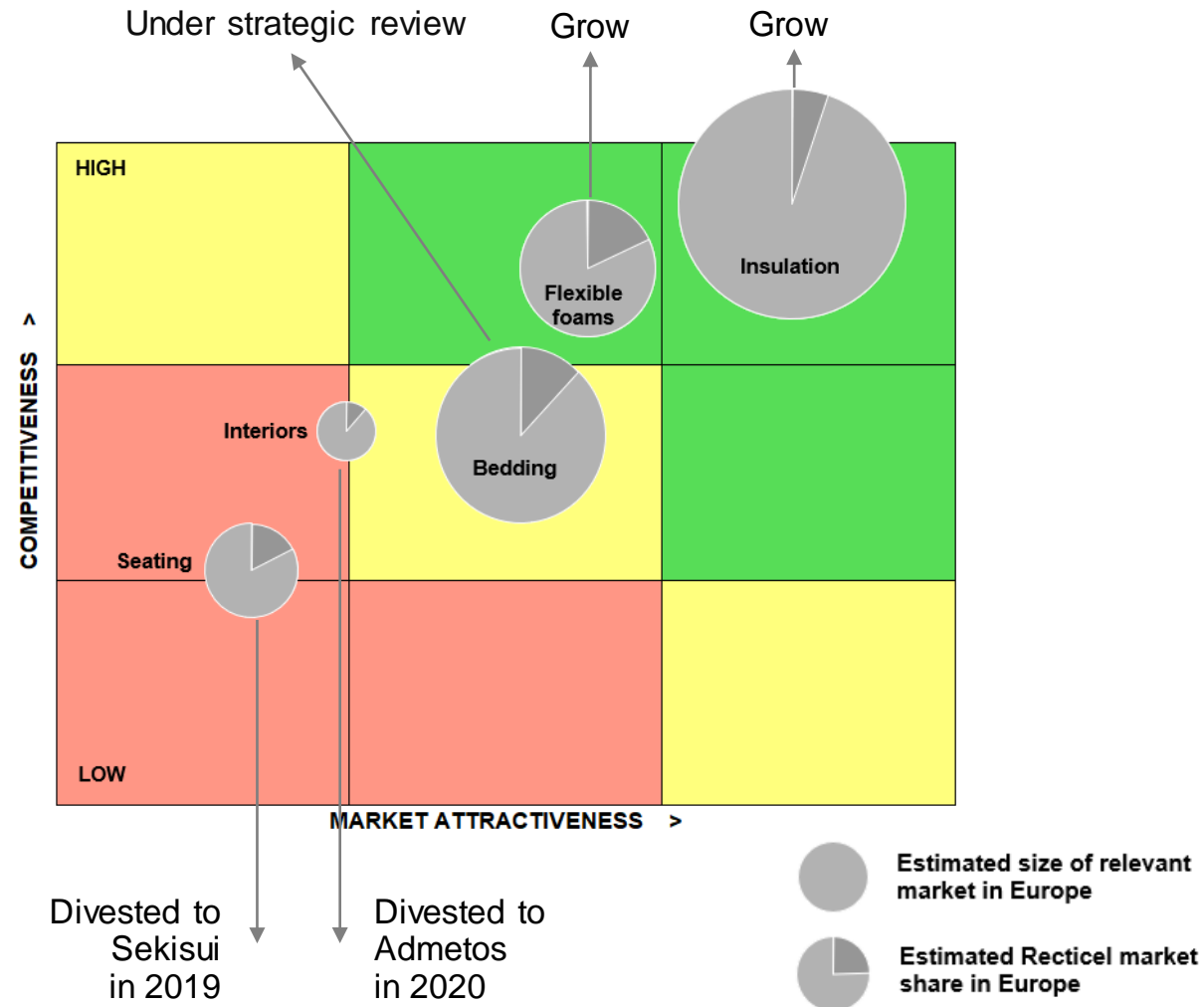


The Group's business portfolio and manufacturing footprint have been profoundly restructured and optimized over the last 10 years



2010-2019
optimization industrial footprint: -44
60 sites closed or divested & 16 sites opened (before
divestments)

With Innovation and Sustainable Development at the heart of its strategy, Recticel has refocussed on the highest value adding activities



- Proseat and Automotive Interiors have been partially divested respectively in 2019 and 2020. Full exit is expected by March 2022 (Proseat) and March 2024 (Interiors)
- 50% participation in the Eurofoam JV has been divested to JV partner Greiner in 2020

Maximizing our core competencies in transforming polyurethane and other polymers, Recticel offers high value-added solutions in distinctive markets.

- European provider of technical and comfort foams
- Globally active in technical foams
- 22 locations
- Headcount 1765

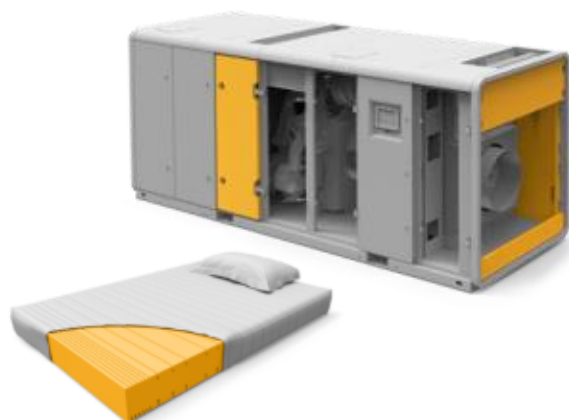
- European provider of high performance, rigid PU thermal insulation boards for the building market
- Portfolio of strong brands
- 7 locations
- Headcount 597

- European provider of mattresses and bed bases
- Portfolio of strong local brands
- 10 locations
- Headcount 1622

Flexible Foams

2019 (in mEUR)

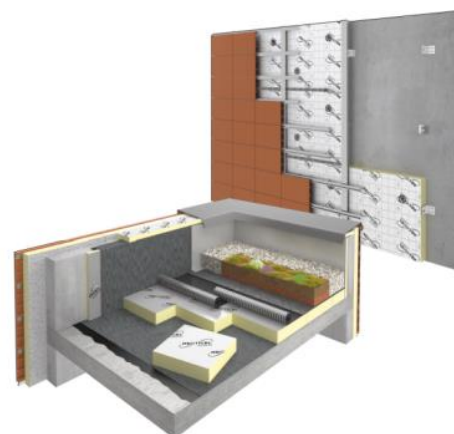
Net sales	Adj. EBITDA	on NS
361	37.2	10.3%



Insulation

2019 (in mEUR)

Net sales	Adj. EBITDA	on NS
247	31.6	12.8%



Bedding

2019 (in mEUR)

Net sales	Adj. EBITDA	on NS
242	16.9	7.0%



Recticel signs a transformational acquisition creating a global player in Engineered Foams

- Recticel entered into a final agreement with the Swiss-listed Conzzeta AG to acquire 100% of FoamPartner
- This acquisition will:
 - ▷ accelerate growth in high value-added activities focused on innovation
 - ▷ enable Recticel to strengthen its European and global presence in specialty foam solutions, specifically in the faster growing APAC and North American markets
 - ▷ be accretive to Group margins before synergies, as of the first full year of consolidation
 - ▷ result in EUR 14 million of synergy upside by 2023, with a run-rate of EUR 10 million achieved by end of 2021
- FoamPartner will be merged with Recticel's Flexible Foams division to form the new Engineered Foams business segment
- Closing of the transaction is subject to customary closing conditions, including regulatory approvals, and is expected to be completed in the first quarter of 2021



FoamPartner is a global provider of foam solutions for technical and specialized applications with an attractive portfolio for the mobility, manufacturing and living & care industries. There is significant complementarity and synergy upside with Recticel.

FOAMPARTNER
best in foam

Who is FoamPartner?



Founded in 1937

member of
conzzeta
since 1980



> 1.100 employees



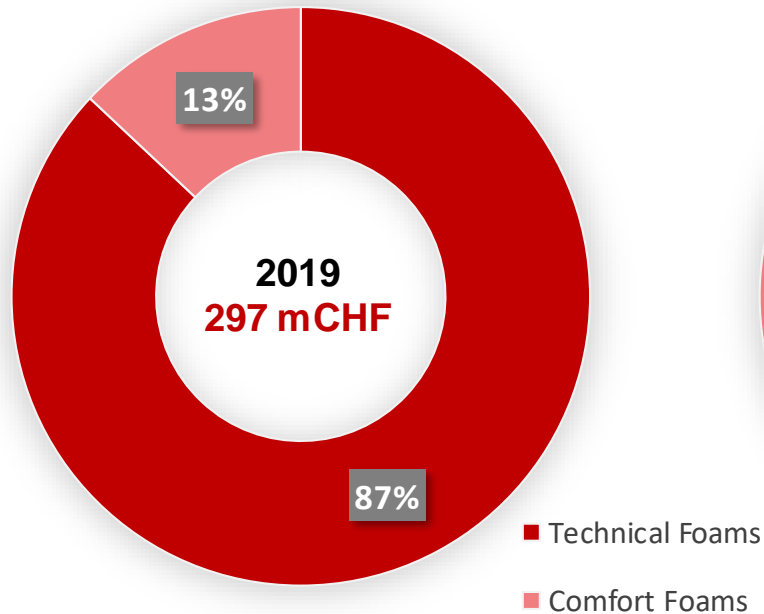
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Business
segments



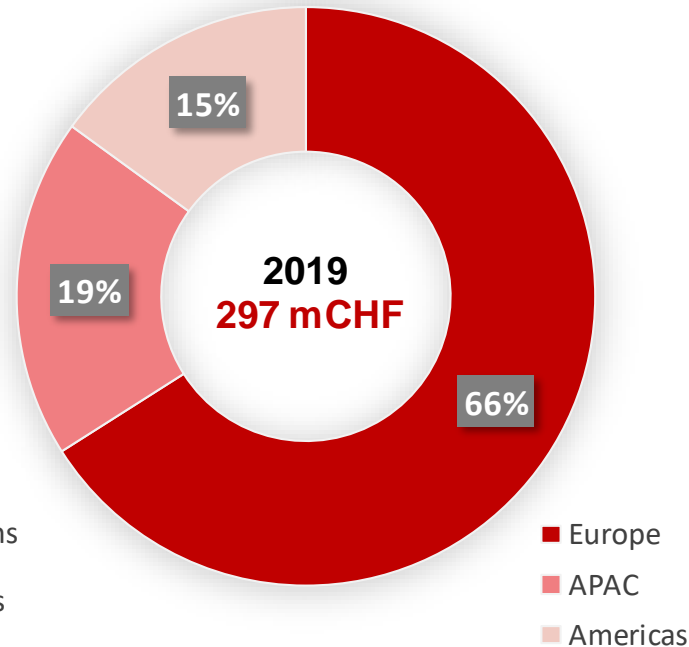
297.0
CHF million
NET SALES
(2019)

FoamPartner is a global provider of PU foams with a strong focus on technical foam applications

FoamPartner
net sales by segment



FoamPartner
net sales by geography



- Strategic focus on attractive, high-end & high value-added specialty applications
- Complementary commercial footprints globally (DACH, USA, APAC) to Recticel Flexible Foams
- Significant potential to further improve the efficiency of the combined industrial footprint

FoamPartner (2019)

	in mCHF	in mEUR
Net Sales	297	271
Adj. EBITDA	37.3	34.0
% on NS	12.4%	12.4%



FoamPartner business portfolio is complementary to that of the Flexible Foams division, with a focus on high value-added segments

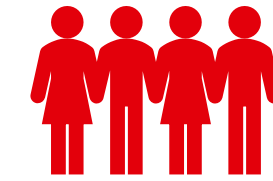
					
Category & segment	Specialties	Acoustic & Thermal Solutions	Living & Care	Automotive Rolls	Specialty PUR Systems
Share of total sales 2019	31%	9%	13%	30%	17%
Key applications	Filtration & sealing, cleaning, surface treatment, infotainment, packaging	Thermal insulations, absorber solutions, acoustic solutions, air channel insulations	Bedding, medical care, digital sleep solutions, mattresses and cores, medical care solutions	Headliners, car & climate controlled seats, armrests & door panels	Integral skin foam systems, rigid foam systems, soft foam systems, acoustic solutions and moulded parts
End markets	Technical applications in various specialized market segments	Mobility (e-mobility) and specialized market segments	Seating & Sleeping, Medical	Mobility	Mobility and specialized market segments

FoamPartner brings a truly global footprint with foaming and converting activities in all 3 regions



FoamPartner brings a strong pipeline of projects, skilled scientific workforce and cutting-edge development capabilities focusing on sustainable innovation

20 active projects in the pipeline supported by dedicated R&D competence centres



35 FTEs
dedicated to R&D

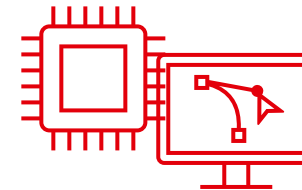
CHF 6.0m
per year



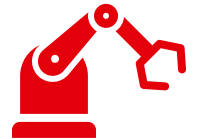
invested in R&D
and Applied Technology



Certified in-house Noise, Vibration and Harshness (NVH) test facility



Proprietary combination
of technologies



Extensive competence
in lightweight solutions
for acoustical and
thermal environments



> 2.000 recipes and
formulations tailored to
customer needs



12 
partners

to boost innovative solutions

FoamPartner's skilled and knowledgeable teams are sharing a similar set of core values

People

We **act and communicate** based on mutual **respect, fairness, and courtesy**, and ensure the health and safety of our employees.

Performance

We **strive** continuously **to improve** the products and services offered to our clients. **We are committed to sustainable innovations.** We aspire to be known as the best in foam.

Innovation

We develop competitive and **innovative solutions that create value** for our clients by taking account of their needs.

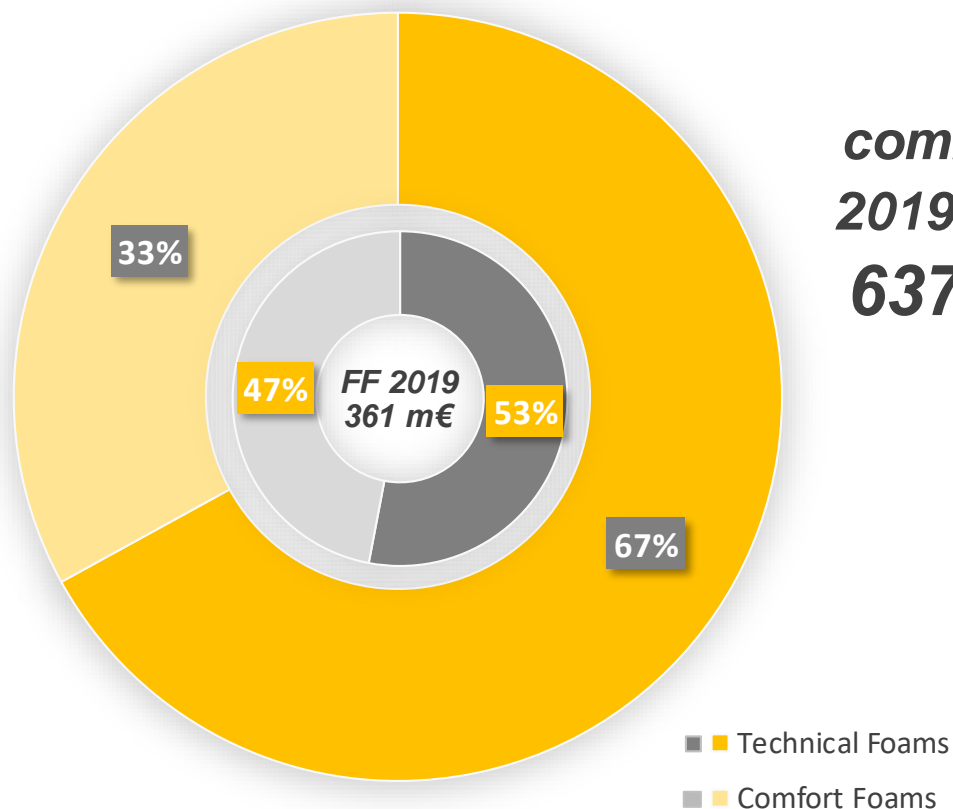


Recticel Engineered Foams

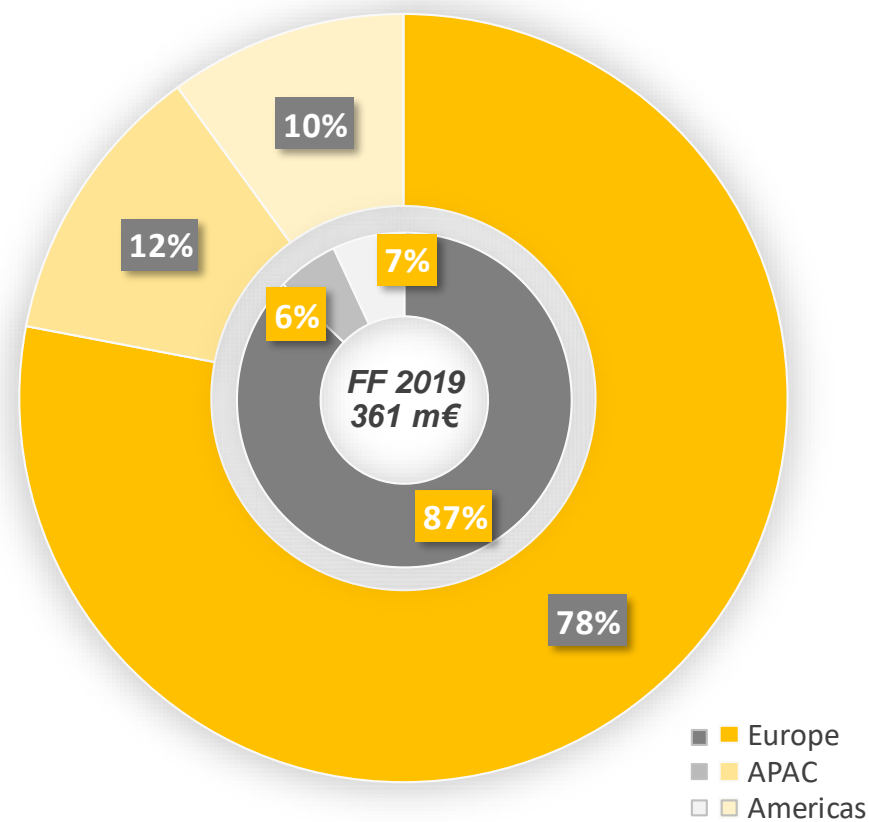
Establishing a global provider of
technical and specialty foam solutions

Engineered Foams benefits from a global position with two-third activity on technical foams and increased international sales

Engineered Foams
net sales by segment



Engineered Foams
net sales by geography

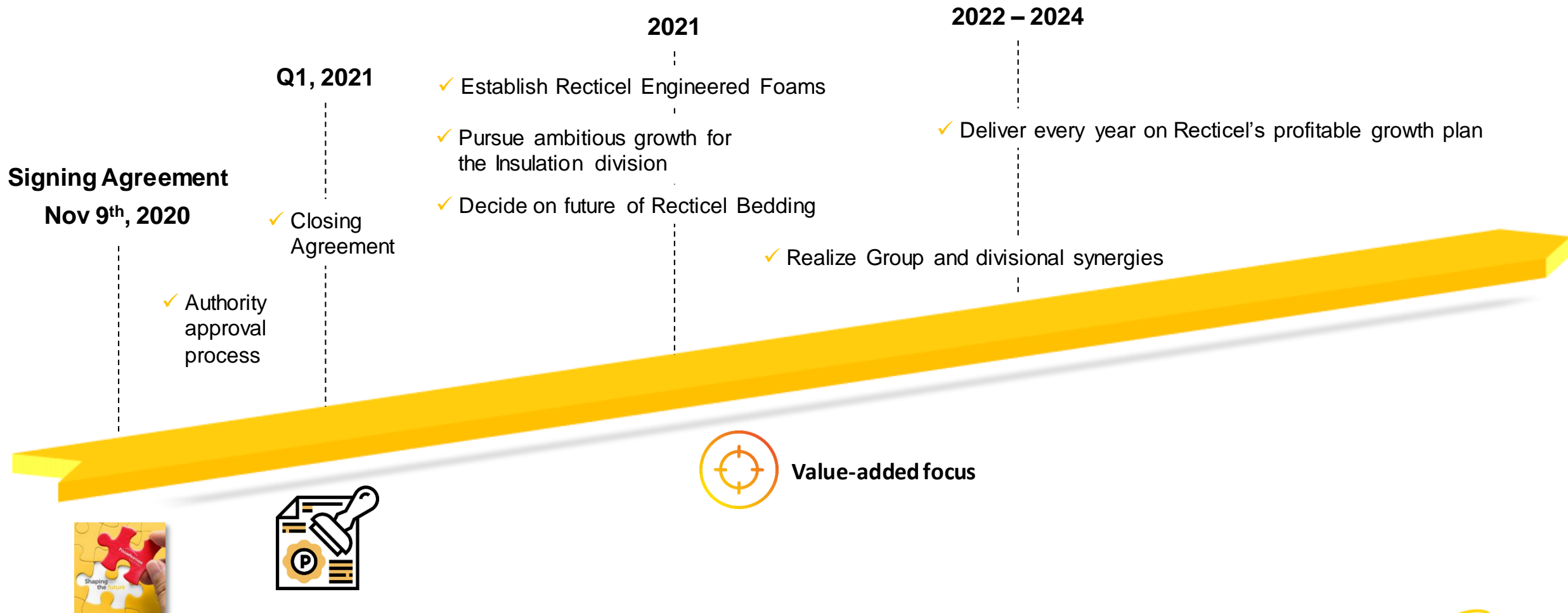


Inner circle: restated 2019 sales Recticel Flexible Foams (FF)
Outer circle: 2019 pro-forma sales Recticel Engineered Foams

Engineered Foams benefits also from a truly global footprint with foaming and converting production facilities in each main region



Following the closing of the acquisition, Recticel will launch a fast-paced integration plan and pursue focus on high value-added segments



Transaction

“

*The acquisition of **FoamPartner** marks an important step in Recticel's strategic portfolio reorientation. Following our divestment of Eurofoam in April, today's announcement is evidence of our strategy to reallocate capital to higher growth and more profitable business opportunities. This transaction is a unique opportunity for Recticel to expand our product offering in **technical and specialty foam solutions** and to further **increase our global reach in Asia and North America**.*

*We look forward to welcoming our many new and **highly skilled colleagues** from FoamPartner. Looking ahead, this acquisition supports our ambition to become a global provider of engineered foam solutions and will create significant value for our customers, employees and all other stakeholders.*

In conjunction with today's announcement, Recticel has launched a strategic review to evaluate the future of the Bedding business segment within Recticel, as the Group progressively focuses on Insulation and Engineered Foams.

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Olivier Chapelle, CEO Recticel

Transaction price & financing

- Enterprise value (EV) of CHF 270 million (~ EUR 250 million), representing an 8.6x average 2019A-2020F normalized EBITDA multiple
- Purchase price is payable in cash, of which CHF 20 million will be deferred until January 2022
- Valuation references in the industry:

Recent transactions:

- | | |
|-------------------------------|-------------------|
| ▷ Eurofoam divestment | 9.5x 2019 EBITDA |
| ▷ Armacell acquisition by PAI | 10.4x 2019 EBITDA |

Trading multiples

- | | |
|----------------|-------------------|
| ▷ Conzzeta | 8.4x 2019 EBITDA |
| ▷ Sheela Foams | 19.7x 2019 EBITDA |

- Recticel had a net cash position of 43.7m€ on 30/09/2020
- Financing secured by committed syndicated acquisition financing facility of EUR 215 million with a tenor of 3 years, with two 1-year extension options
- To secure the financing needs going forward the Group entered into an underwriting agreement to replace the existing EUR 175 million 'club deal' facility, maturing in February 2021, by a new EUR 100 million syndicated revolving credit facility

Synergies are expected to deliver a EUR 14 million upside by 2023, with a run-rate of EUR 10 million achieved by end 2021

- Commercial Build on Segment, Geographic and Customer complementarities
- Procurement Raw material cost savings, mainly for chemicals
- Operations Operational efficiencies and Supply Chain optimisation
- SG&A Streamlining of management functions at central & regional level



Questions?