

RECTICEL

Annual Results 2020

Financial Analysts Meeting
Brussels - February 26, 2021

Olivier Chapelle – Chief Executive Officer
Jean-Pierre Mellen – Chief Financial Officer
Michel De Smedt – Investor Relations Officer

Agenda

- ▷ Key highlights 2020
- ▷ 2020 Results
- ▷ Financial position
- ▷ Dividend proposal – Outlook 2021 – Strategic review Bedding
- ▷ Renewed sustainability strategy 2021-2025
- ▷ Comments on results per business line
- ▷ Appendices

Mitigated COVID-19 Impact - Strong 2nd Half 2020 - Key Strategic Moves

- 1 Like-for-like Sales €828.8m (-5.7%) | Adjusted EBITDA €58.8m (-16.8%) | Net Result €63.2m
- 2 Strong 2nd half 2020 : Sales +7.0% - Adjusted Ebitda +10.0%
- 3 Disposal of the 50% participation in the Eurofoam group (Flexible Foams) to Greiner AG
- 4 Divestment of the Automotive Interiors activities, now operated through a 51/49% Admetos/Recticel joint venture
- 5 Short raw material supply (Force Majeure events) lead to steep raw material price increases since June 2020
- 6 Net financial debt (cash): €4.6m (including IFRS 16) – Gearing @ 1.4% – Leverage @ 0.1x
- 7 Acquisition of FoamPartner signed on 10 November 2020 - Closing expected 1Q2021
- 8 Pursuing further acquisition targets – Decision to launch process to divest Bedding

On 30 June 2020, Recticel completed two important divestment transactions

On 1 July 2020, Recticel was pleased to announce the successful completion on 30 June 2020 of the divestment of its 50% stake in the Eurofoam Flexible Foams joint venture, and the two-step divestment of its Automotive Interiors division

“The closing of the transactions went smoothly and within the foreseen timeframe, despite the challenging environment. These transformational transactions are key steps to increase the focus of our company, to strengthen our financial position and to realize our strategic objectives.”

Discontinued business has a €68.7m positive impact on 2020 results



On 10 November 2020, Recticel announced a key step in its strategic transformation with the 100% acquisition of FoamPartner

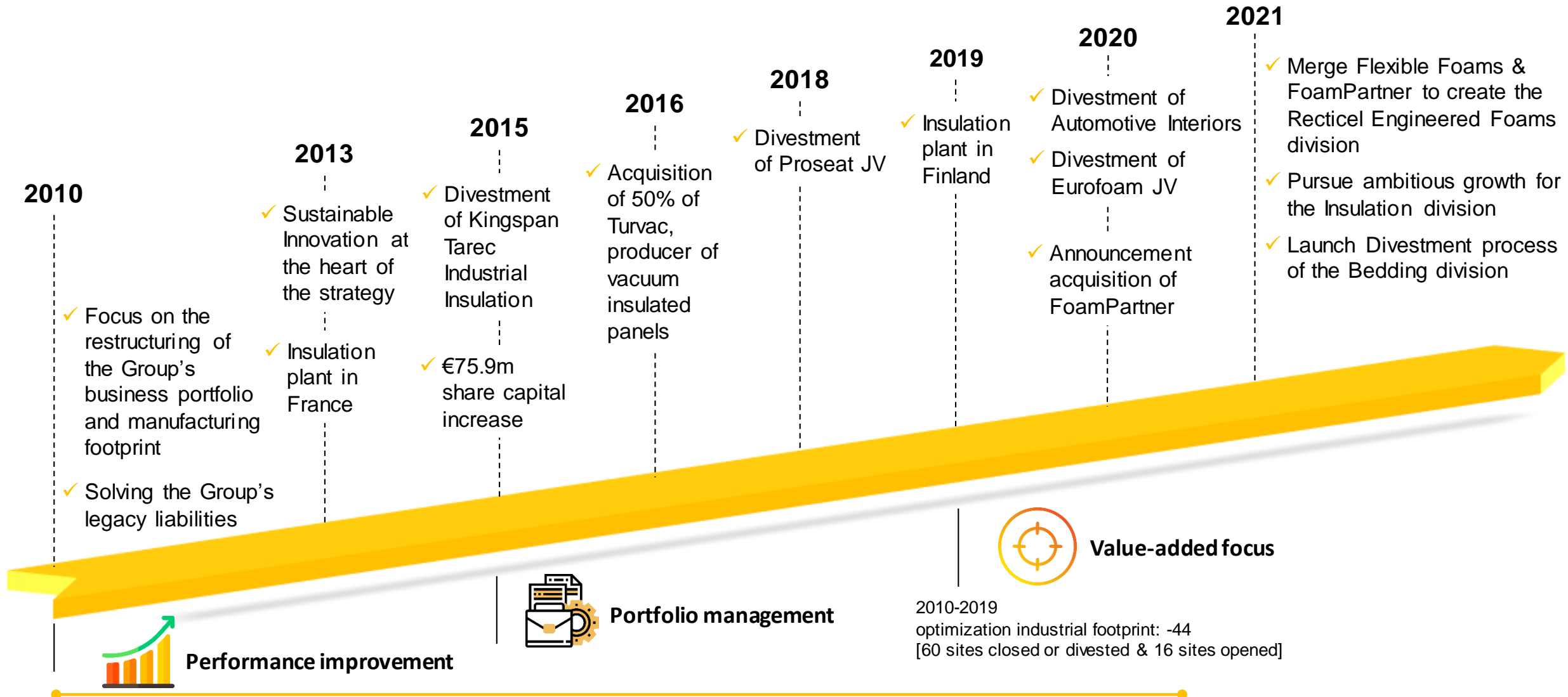
Recticel announced that it has entered into final agreements with Swiss-listed Conzzeta AG (SIX:CON) to acquire 100% of FoamPartner in cash for an enterprise value of CHF 270 million, CHF 20 million of the price being payable in January 2022. This represents an 8.6x average 2019A-2020F normalized EBITDA multiple. The transaction is subject to customary conditions precedent including antitrust approvals.

FoamPartner is a global provider of high value-added technical foam solutions in the Mobility, Industrial Specialties and Living & Care markets. There is significant complementarity and synergy upside with Recticel.

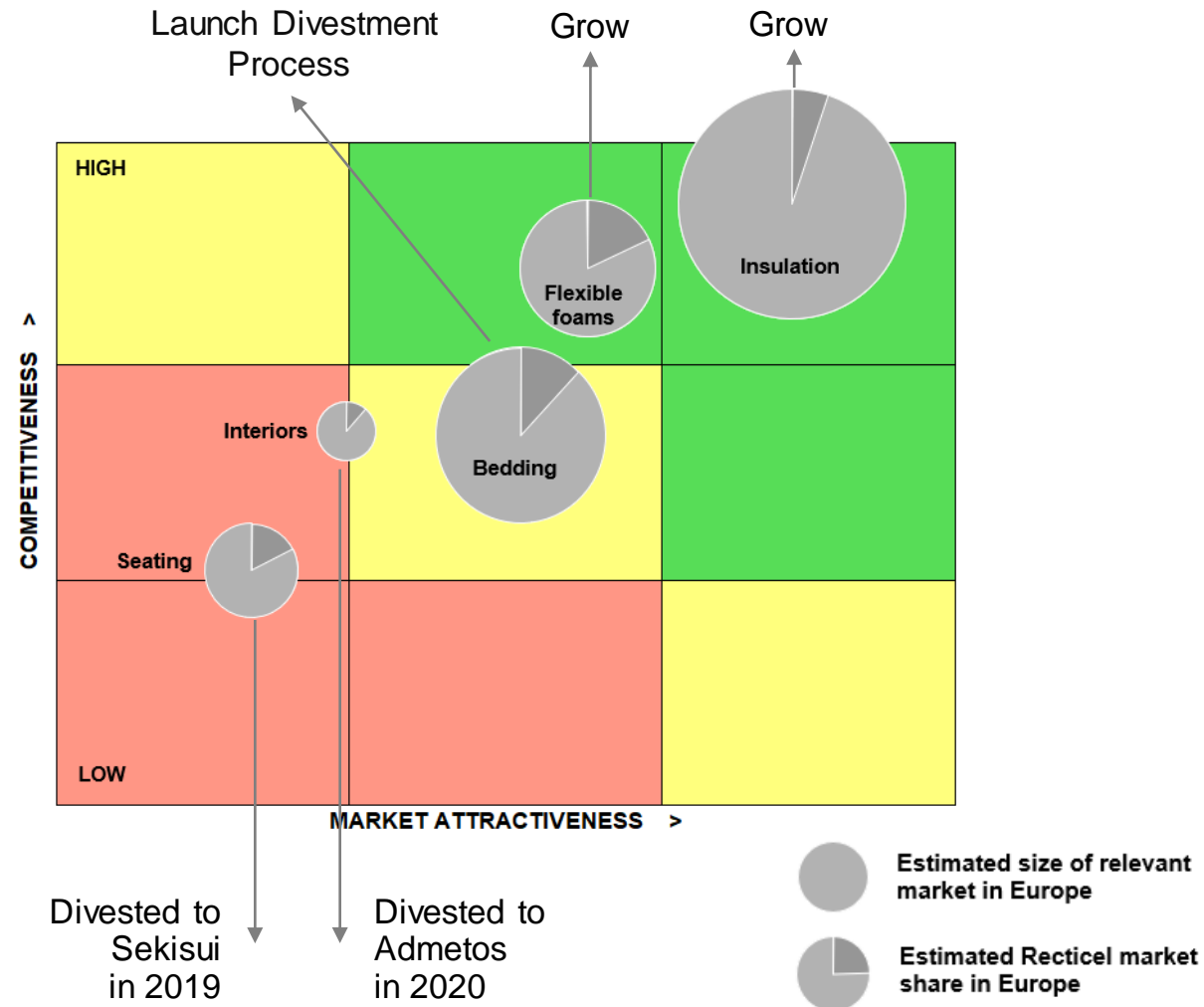
The FoamPartner business will be merged with the Recticel Flexible Foams division to form the new **Engineered Foams** business segment.



The perimeter transformation follows the restructuring of the Group's legacy, the investments to expand Insulation and the divestment of non-core businesses...

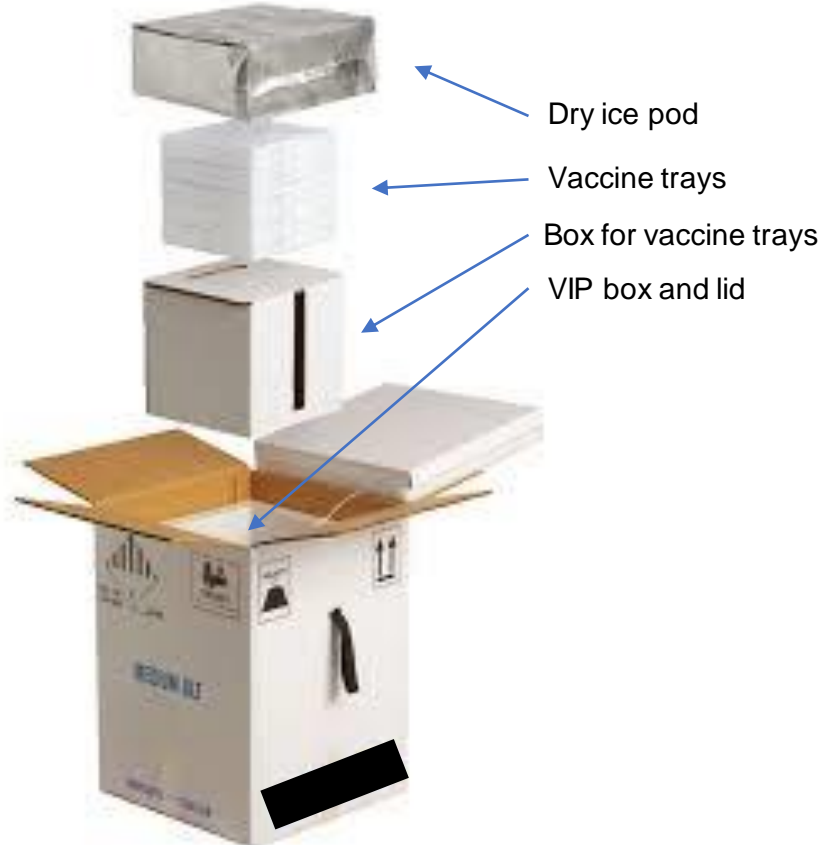


With Innovation and Sustainable Development at the heart of its strategy, Recticel has refocussed on the highest value adding activities



- 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
- Acquisition of FoamPartner signed on 10 November 2020
- Launch Bedding divestment process in March 2021
- Pursuit of further acquisition targets

Recticel JV TURVAC (74% participation) included in COVID-19 vaccines supply chain.

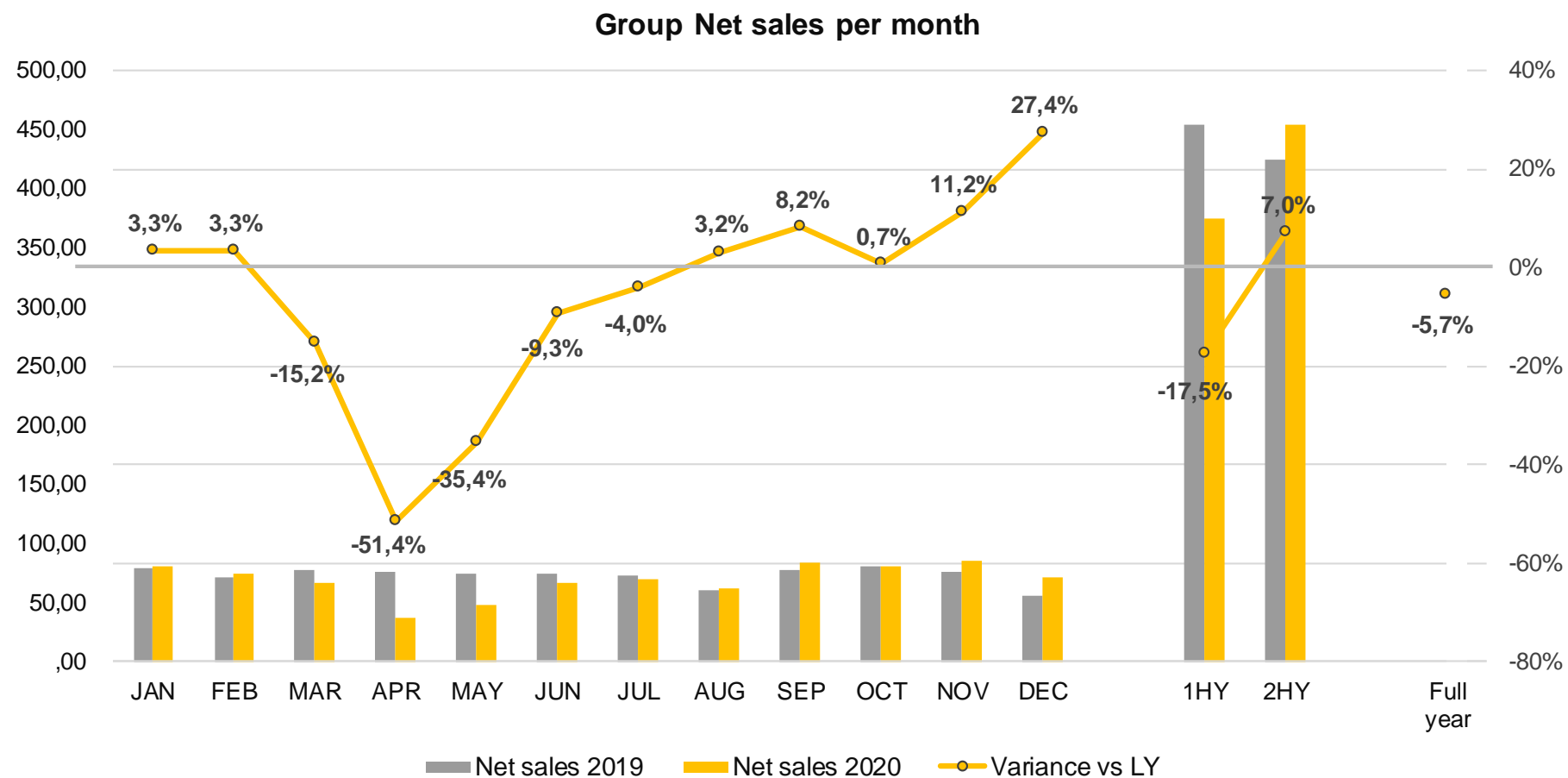


- In order to ensure safe transport at ultra-low temperatures, TURVAC is producing transport boxes made of Vacuum Insulation Panels (VIP)
- In combination with dry ice (frozen CO₂), these high performance insulation boxes are securing a temperature of <-70°C for 5 days
- During 2021 TURVAC will produce transport boxes for more than 2 billion doses of vaccines, leading to Net Sales of >€20m
- Competitor in this business is amongst others also Va-Q-Tec

Agenda

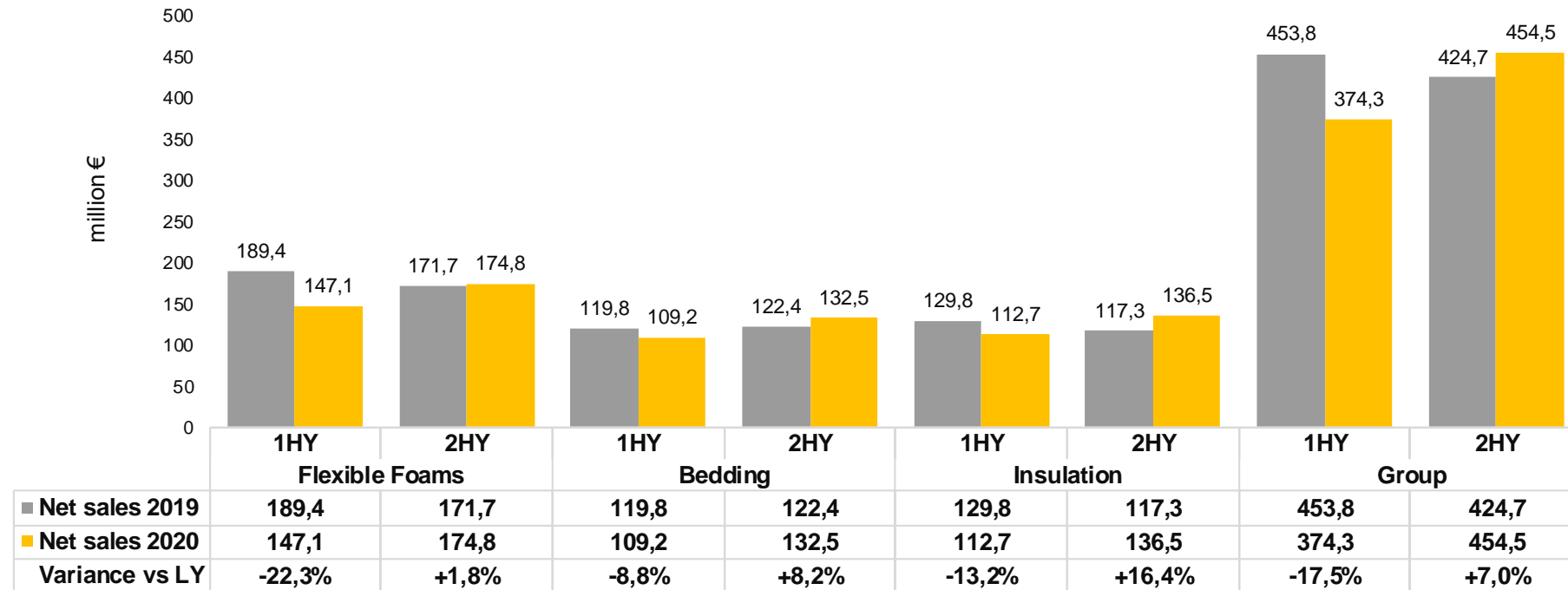
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COVID-19 update: clear V-shape recovery of Net sales (continuing activities)



Weak 1H2020 sales decreased by -17.5% → Strong 2H2020 sales increased by +7.0%

Consolidated net sales by segment



FY2020 -10.8%

Volumes impact by lockdown measures in 2Q.

Subdued volumes in 2H (raw material supply) combined with selling price increases lead to sales increase by +1.8%

FY2020 -0.2%

Weak 2Q following COVID-19 retail shopping restrictions in most European countries.

Strong 3Q (+18.1% y/y) on the back of strong orderbook, but stable 4Q (-0.6% y/y) due to raw material supply constraints

FY2020 +0.8%

Volumes heavily impacted by COVID-19 lockdown measures March to May.

Stronger volumes 2H combined with higher selling prices lead to 16.4% sales increase

Consolidated sales: -5.7% | Adjusted EBITDA: -16.8% | EAT €63.2m
Net financial debt reduced to €4.6m (including IFRS16)

<i>in million EUR</i>	FY2019 as published	FY2019 restated ¹	FY2020	Δ %
		(a)	(b)	(b)/(a)-1
Sales	1 038.5	878.5	828.8	-5.7%
Gross profit	191.1	168.7	157.0	-6.9%
as % of sales	18.4%	19.2%	18.9%	
Income from associates ³	9.3	1.3	0.7	-45.7%
Adjusted EBITDA	n.a.	70.7	58.8	-16.8%
as % of sales		8.1%	7.1%	
EBITDA	95.3	60.7	51.6	-15.0%
as % of sales	9.2%	6.9%	6.2%	
Adjusted operating profit (loss)	n.a.	34.8	23.5	-32.5%
as % of sales		4.0%	2.8%	
Operating profit (loss)	37.1	24.4	13.8	-43.3%
as % of sales	3.6%	2.8%	1.7%	
Financial result	(8.2)	(4.2)	(5.1)	21.9%
Result from other associates ³	0.0	4.7	(10.2)	
Income taxes	(4.2)	(0.9)	(4.0)	354.3%
Result of the period of the continuing operations	24.7	24.0	(5.5)	-123.0%
Result of the discontinued operations	0.0	0.7	68.7	n.m.
Result of the period (share of the Group)	24.8	24.8	63.2	155.0%
Result of the period (share of the Group) - base (per share, in EUR)	0.45	0.45	1.13	153.5%

	31 Dec 2019	31 Dec 2019	31 Dec 2020	
Total Equity	275.4	275.4	334.8	21.6%
Net Financial Debt (incl. IFRS 16 - Leases)	168.6 ²	96.7 ²	4.6	-95.2%
Gearing ratio (Net financial debt/Total Equity)	61.2%	35.1%	1.4%	
Leverage ratio (Net financial debt/EBITDA)	1.8	1.6	0.1	

¹ Following the loss of control as a result of the partial divestment of Automotive Interiors and the sale of Eurofoam, the 2019 consolidated income statement was restated to present these as discontinued operations.

² Excluding the drawn amounts under non-recourse factoring programs: €0.0m per 31 December 2020 versus €47.0m per 31 December 2019 and €0.0m per 30 June 2020.

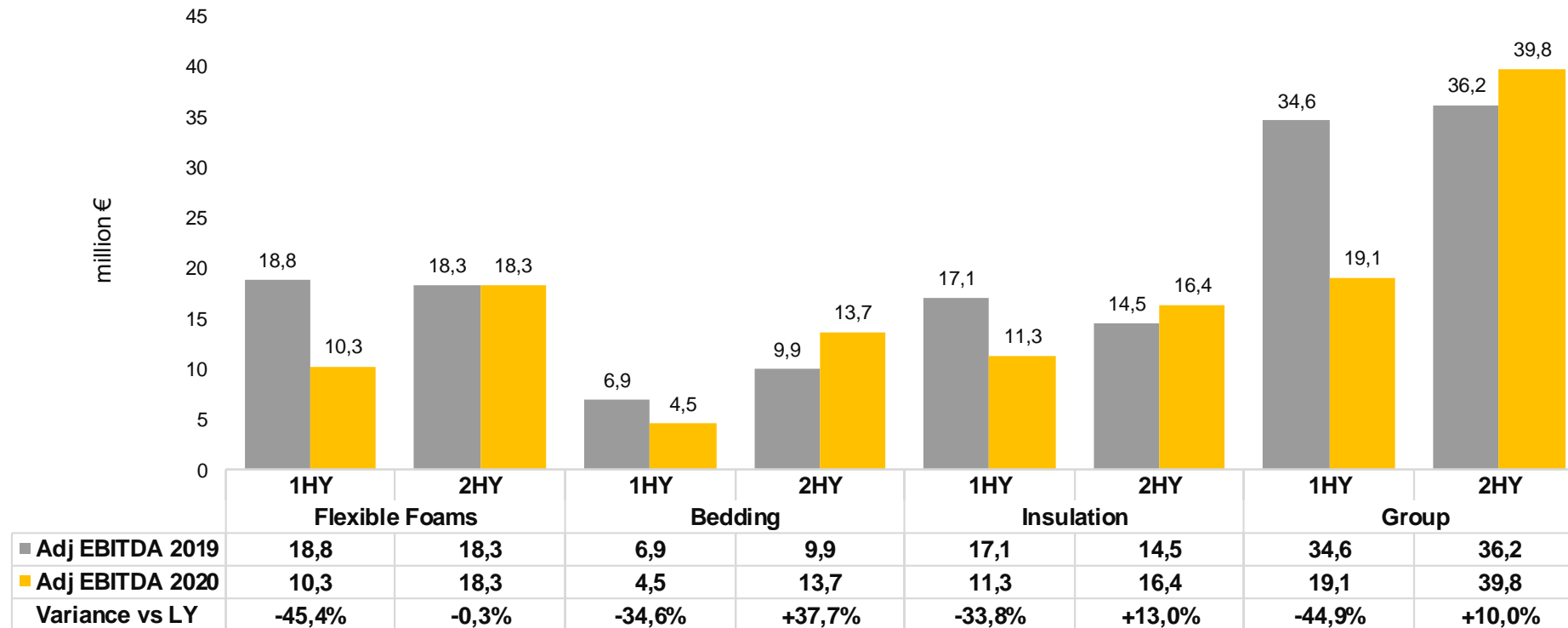
³ Income from associates = income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam

Income from other associates = income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and Automotive Interiors

Like-for-like¹ Adjusted EBITDA decreased by 16.8%, but strong recovery in 2H2020

- Lower contribution from all segments, except in Bedding, due to **COVID-19 crisis** impact during 2Q2020.
- 1H2020 negative volume impact mitigated to a great extent by cost saving measures and temporary unemployment.
- 2H2020 volume recovery in all activities and disciplined selling price adjustments to compensate for the higher chemical raw material costs (cfr. many force majeure events at suppliers' production lines).

Consolidated Adjusted EBITDA by segment



Adjustments to Operating Profit (Loss): €-9.7m including €-2.4m impairments

<i>in million EUR</i>	1H2019 restated ¹	2H2019 restated ¹	FY2019 restated ¹	1H2020	2H2020	FY2020
Restructuring charges and provisions	(1.1)	(5.6)	(6.7)	(1.4)	(0.6)	(2.0)
Other	(3.1)	(0.3)	(3.4)	(0.3)	(4.9)	(5.2)
Total impact on EBITDA	(4.2)	(5.8)	(10.0)	(1.7)	(5.5)	(7.2)
Impairments	(0.3)	(0.1)	(0.4)	(2.1)	(0.4)	(2.4)
Total impact on Operating profit (loss)	(4.5)	(5.9)	(10.4)	(3.8)	(5.9)	(9.7)

Adjustments to Operating Profit (Loss) on continuing operations include:

- Reorganisation charges in Flexible Foams (€0.9m) and Bedding (€1.0m)
- Legal fees, and expenses linked to FoamPartner acquisition (press release 10 November 2020) - (€4.9m)
- Impairments: (€1.3m) in Flexible Foams in Spain and (€1.1m) in Bedding (closure of the Hassfurt plant, Germany)

Financial result includes € -0.4m net interest charges (before IFRS16) and €-2.7m IFRS16 impact
Negative contribution from other associates

- **Financial result: €-5.1m** (2019: €-4.2m)
 - Net interest charges: €-3.4m (2019: €-2.8m), of which €-2.1m million relating to leases
 - 'Other net financial income and expenses': €-1.7m (2019: €-1.4m), incl. interest capitalisation costs under provisions for pension liabilities (€-0.3m; 2019: €-0.8m) and exchange rate differences (€-1.4m; 2019: €-0.6m)
- **Result from other associates: €-10.2m**, of which
 - €-5.7m attributable to reported results in Proseat (€-5.1m) and Automotive Interiors (€-0.6m)
 - €-5.5m impairment on Proseat participation
 - €1.1m fair value of option structure (Proseat)
- **Income taxes and deferred taxes: €-4.0m** (2019: €-0.9m)
 - Current income tax charges: €-4.0m (2019: €-3.6m)
 - Deferred tax charges: €-0.02m (2019: €2.7m)
- **Result from continuing operations: €-5.5m** (2019: €24.1m)
- **Result from discontinued operations: €68.7m**
- **Result of the period (share of the Group): €63.2m** (2019: €24.7m)

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Strong Cash flow generation in 2H2020 leading to net cash position of €-47.9m
Close to 0 Gearing and leverage ratio after divestments

<i>in million EUR</i>	31 DEC 2019	31 MAR 2020	30 JUN 2020	30 SEP 2020	31 DEC 2020
TOTAL EQUITY	276.6	-	331.5	-	334.8
Net financial debt excluding factoring	88.6	121.4	(11.4)	(43.7)	(47.9)
+ Drawn amounts under factoring programs	47.1	32.1	0.0	0.0	0.0
+ Impact of application IFRS 16	80.0	77.6	55.2	52.9	52.5
TOTAL CONSOLIDATED NET FINANCIAL DEBT	215.6	231.1	43.8	9.3	4.6
Gearing ratio (incl. IFRS 16)	60.9%	-	13.2%	-	1.4%
Leverage ratio (incl. IFRS 16)	1.8	-	0.7	-	0.1

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Dividend

The Board of Directors will propose to the Annual General Meeting of 25 May 2021 the payment of a gross dividend of EUR 0.26 per share on 55.7 million shares or a total dividend pay-out of EUR 14.5 million (2019: respectively EUR 0.24 per share and EUR 13.3 million in total).

Outlook 2021

Our underlying end-use markets remain difficult to predict in the context of the COVID-19 pandemic. Regardless of these uncertainties, our Group expects in 2021 a substantial increase in sales, and a 30% increase of its Adjusted EBITDA, not taking into account the contribution from the FoamPartner acquisition nor the related synergies.

Launch Bedding divestment process

The Board of Directors has completed the strategic review of the Bedding business segment and decided to divest the segment in order to focus on the core segments Insulation and Engineered Foams.

Recticel Bedding is a leading European manufacturer and distributor of branded and unbranded mattresses, slats, bed bases and finished beds. The business operates through a distinguished portfolio of brands including Geltex®, Schlaraffia®, Superba®, Swissflex®, Sembella®, Literie Bultex®, Beka® and Lattoflex® sold mainly in Belgium, Germany, the Netherlands, Poland, Austria and Switzerland. The divestment will provide an opportunity for the segment to unlock its full potential under the ownership of a dedicated shareholder.

The next few months will be used to prepare the carve-out. J.P. Morgan has been retained to advise Recticel on the divestment.

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A satellite image of Earth from space, showing the Americas. The image is oriented with North at the top. The United States, Canada, and Mexico are visible, surrounded by the Atlantic and Pacific Oceans. The text is overlaid on the left side of the image.

Sustainability & ESG

Ambition 2025

During the lifetime of their use, the Insulation products we sold in 2020 will save

46 times

our 2020 total carbon footprint (scope 1,2, & 3)

Ambitious set of objectives to be reached by 2025

Climate Plan

People Plan

	2013	2014	2015	2016	2017	2018	2019	2020	2025 targets
Climate Action Plan									
Positive impact Recticel tonnes multiple of avoided CO ₂ e in use phase	27	28	34	36	36	37	41	46	75
Recticel Carbon Footprint indicator tonnes of CO ₂ e compared to the 100% activity level in 2013	100%	100%	84%	83%	83%	83%	82%	82%	60% (Reduction by 40% of scope 1, 2, 3 vs 2013) (equivalent to Green Deal -55% vs 1990)
Carbon intensity in tonnes CO ₂ e/mio EUR revenue								50	reduction by 25% (scope 1 & 2)
Innovation fulfilling societal needs									
% of active R&D projects classified as sustainable			40%	45%	54%	66%	62%	58%	80%
Number of sustainable R&D projects brought to market									≥ 3 projects each year
Resource efficiency									
Tonnes produced from recycled end-of-life material								2,000 T	> 5,000 T
Use of low carbon emission raw material in % of total									> 10%
Lower HS&E impact									
Frequency 1: Lost Time Accidents	8,8	8,4	8,4	5,8	6	5,8	4,4	5,3	Frequency = ≤ 2
Frequency 2: Lost time Accidents + Restricted Work Cases + Medical Treatment Cases									Frequency = ≤ 5
An inspiring and rewarding place to work									
Gender diversity rate in senior management (HG >18)								18%	25%
Engagement of the workforce									KPI to be updated
% employee participation in e-learning									e-learnings including Legal, Cybersecurity, Safety

Sustainability strategy 2021 - 2025

Three ESG rating agencies are targetted



Sustainability strategy 2021 - 2025

MSCI has rated Recticel @ A in 2018

RECTICEL N.V. (REC)

COMMODITY CHEMICALS | BE

ESG RATING **A**

LAST UPDATE: April 19, 2018

ISSUER COMMUNICATION

Company response last 12 months? **NO**



Chemical Safety - Score 0.2

April 19, 2018

In the context of global industry peers, Recticel ranks at the bottom quartile. Recticel's exposure to regulatory risks and potential reformulation costs is determined to be high. Our analysis finds the company to have low capacity to manage the relevant risks.



Toxic Emissions & Waste - Score 3.6

April 19, 2018

In the context of global industry peers, Recticel ranks at the above average quartile. Recticel's exposure to potential costs associated with its discharges and waste is determined to be moderate. Our analysis finds the company to have low capacity to manage the relevant risks.

STRENGTHS

No areas of substantial strengths in managing material risks or capitalizing on growth opportunities are identified for this company.

OWNERSHIP OVERVIEW

Capital Structure: Single Equity Class
Ownership Classification: Principal Shareholder
Top Shareholders:

Compagnie du Bois Sauvage SA- 27.56%

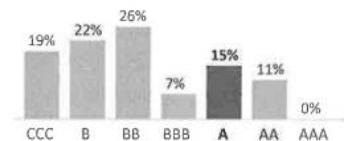
ESG SCORE CARD*

	WEIGHT	SCORE	QUANTILE
Environment	64.0%	5.6	
Toxic Emissions & Waste	20.0%	3.6	***
Carbon Emissions	16.0%	10.0	****
Water Stress	16.0%	4.9	****
Opportunities in Clean Tech	12.0%	3.9	***
Social	20.0%	0.2	
Chemical Safety	20.0%	0.2	*
Governance	16.0%	7.2	
Corporate Governance	16.0%	7.2	****
Overall Score			
Weighted-Average Key Issue Score		4.8	
Industry Relative Score		6.6	

ISSUER COMMUNICATION

Company response last 12 months? **NO**

INDUSTRY RATING DISTRIBUTION



ESG RATING HISTORY

A

Apr-18

RATING COMMENT

We initiate coverage of Recticel at 'A'.

Recticel produces polyurethane foams for bedding, insulation, automobiles etc. The company has better governance practices related to ownership and control than its peers. Its board has an independent majority, which aids critical governance oversight. It also has fairly strong practices to reduce its carbon emissions. It has set a target of reducing its carbon footprint by 25% in 2020 and 40% in 2030 and is utilizing CO2 in its flexible foam applications. However, we note that Recticel faces potential costs associated with discharges and waste, chemical regulatory risks and potential reformulation costs as its practices to mitigate toxic emissions and ensure chemical safety lag its peers.

Analyst: Priyanka Dhingra

KEY RISKS



Chemical Safety - Score 0.2

April 19, 2018

In the context of global industry peers, Recticel ranks at the bottom quartile. Recticel's exposure to regulatory risks and potential reformulation costs is determined to be high. Our analysis finds the company to have low capacity to manage the relevant risks.

MOST RECENT CONTROVERSIES

There are no recent new controversies or updates to ongoing controversies for this company.

* For symbols and terms used in this report, refer to the Glossary section at the end of the report.

MSCI | MSCI ESG RESEARCH LLC

ESG RATINGS REPORT

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Sustainability strategy 2021 - 2025

MSCI has rated Recticel @ A in 2018

RECTICEL N.V. (REC)

ESG RATING **A**

CORPORATE GOVERNANCE HIGHLIGHTS

CEO

Name
Olivier Chapelle

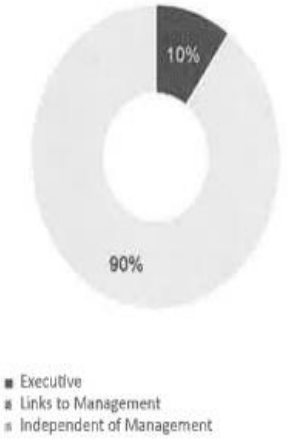
Tenure
8 Years

Total Realized Pay
USD 1,741,700.36

Total Summary Pay
USD 1,184,526.76

BOARD OF DIRECTORS

BOARD TYPE: Unitary Board



KEY AREAS OF CONCERN

Pay Performance Alignment

- CEO Equity Policy
- Clawbacks & Malus
- Significant Vote Against Pay Practices
- Pay Linked to Sustainability

Board Effectiveness

- Overboarded Non-Exec Directors

Accounting Risk

- Revenue Recognition
- Expense Recognition
- Asset-Liability Valuation

Deduction
(-0.75)

(-0.50)

(-0.35)

LARGEST 10 INDUSTRY PEERS (COMMODITY CHEMICALS)

	TOXIC EMISSIONS & WASTE	CARBON EMISSIONS	WATER STRESS	OPPORTUNITIES IN CLEAN TECH	CHEMICAL SAFETY	CORPORATE GOVERNANCE	RATING AND TREND
ASAHI KASEI CORPORATION	****	****	****	****	***	****	AA ↔
TORAY INDUSTRIES, INC.	****	****	***	****	**	**	AA ↔
LG CHEM LTD	***	****	***	***	**	*	A ↓
RECTICEL N.V.	***	****	****	***	*	****	A ↔
NAN YA PLASTICS CORPORATION	***	****	***	*	**	*	BB ↓
LOTTE CHEMICAL CORPORATION	****	**	**	****	***	***	BB ↔
LyondellBasell Industries N.V.	*	**	***	*	****	****	BB ↔
WESTLAKE CHEMICAL CORPORATION	***	*	*	**	*	****	B ↔
Formosa Plastics Corporation	**	**	****	**	**	*	B ↔
FORMOSA CHEMICALS & FIBRE CORPORATION	**	***	**	*	*	*	CCC ↔
PETRONAS CHEMICALS GROUP BERHAD	*	*	***	*	***	**	CCC ↔

QUARTILE KEY: * Bottom Quartile **** Top Quartile
 RATING TREND KEY: ↔ maintain ↑ upgrade ↑↑ two or more notch upgrade ↓ downgrade ↓↓ two or more notch downgrade

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Key financials

in million EUR	1H2019 restated ¹	2H2019 restated ¹	FY2019 restated ¹	1H2020	2H2020	FY2020	Δ 1H	Δ 2H	Δ FY
Sales	189.4	171.7	361.1	147.1	174.8	322.0	-22.3%	1.8%	-10.8%
Adjusted EBITDA	18.8	18.3	37.2	10.3	18.3	28.6	-45.4%	-0.3%	-23.1%
as % of sales	9.9%	10.7%	10.3%	7.0%	10.5%	8.9%			
EBITDA	19.3	14.9	34.1	9.5	17.9	27.4	-50.9%	20.1%	-19.9%
as % of sales	10.2%	8.7%	9.5%	6.4%	10.2%	8.5%			
Adjusted operating profit (loss)	12.0	11.1	23.1	3.1	11.2	14.4	-73.8%	1.4%	-37.7%
as % of sales	6.3%	6.5%	6.4%	2.1%	6.4%	4.5%			
Operating profit (loss)	12.4	7.6	20.0	1.2	10.7	11.9	-90.1%	40.8%	-40.6%
as % of sales	6.6%	4.4%	5.5%	0.8%	6.1%	3.7%			

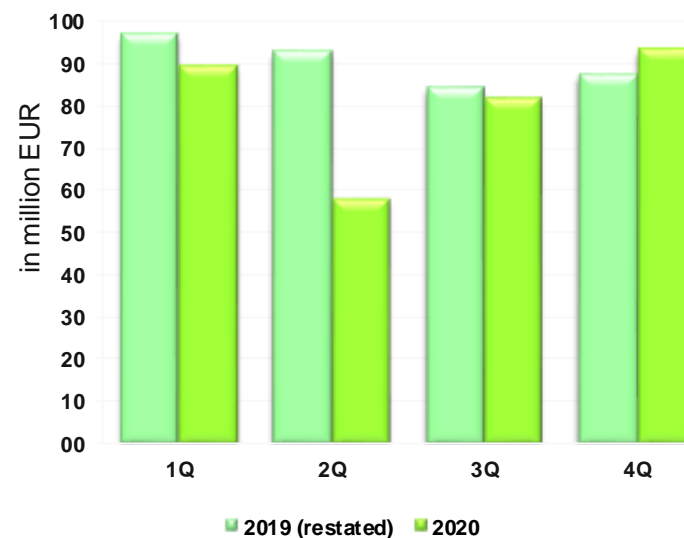
2020 key topics

- Sales 2020: €322.0m (-10.8%);** with external sales (-12.0%)
 - Market demand restored as of September. COVID-induced sales in 1H2020 (-22.3%), could not be compensated during 2H2020 (+1.8%).
 - Selling prices were increased as of September 2020 to compensate for the steep surge in chemical raw material prices.
 - Although profitability gradually improved after Q2, Adjusted EBITDA margin decreased to 8.9% (2019: 10.3%¹). This margin reduction is fully explained by the negative volume impact leading to unabsorbed fixed costs, partially mitigated by cost saving measures, including temporary unemployment and pricing efforts.

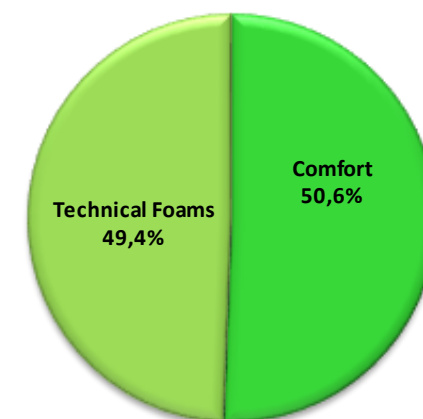
Recent developments

- Volatile chemical raw material prices**
- Announcement acquisition of FoamPartner** (cfr press release 10 November 2020).

Sales Flexible Foams (2019-2020)



Flexible Foams - Sales 2020



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



Key financials

in million EUR	1H2019	2H2019	FY2019	1H2020	2H2020	FY2020	Δ 1H	Δ 2H	Δ FY
Sales	119.8	122.4	242.3	109.2	132.5	241.8	-8.9%	8.2%	-0.2%
Adjusted EBITDA	6.9	9.9	16.9	4.5	13.7	18.2	-34.6%	37.7%	8.0%
as % of sales	5.8%	8.1%	7.0%	4.2%	10.3%	7.5%			
EBITDA	6.8	9.3	16.0	3.5	13.6	17.1	-47.6%	46.7%	7.0%
as % of sales	5.6%	7.6%	6.6%	3.2%	10.3%	7.1%			
Adjusted operating profit (loss)	2.5	5.7	8.2	0.0	10.2	10.2	-99.4%	79.1%	25.5%
as % of sales	2.0%	4.7%	3.4%	0.0%	7.7%	4.2%			
Operating profit (loss)	2.0	5.0	7.0	(1.9)	10.0	8.1	-194.7%	97.5%	15.1%
as % of sales	1.7%	4.1%	2.9%	-1.7%	7.5%	3.3%			

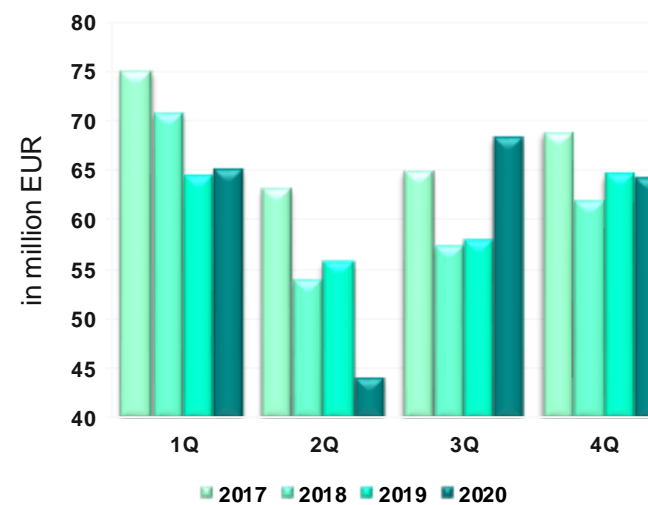
2020 key topics

- **Sales 2020: €241.8m (-0.2%)**
 - Branded Products: +3.8%
 - Non-Branded/Private Label: -6.4%
 - Both sub-segments were heavily impacted during the second quarter by the COVID-19 retail shopping restrictions imposed in most European countries
- The improved profitability was induced by positive mix effects and lower operating costs.

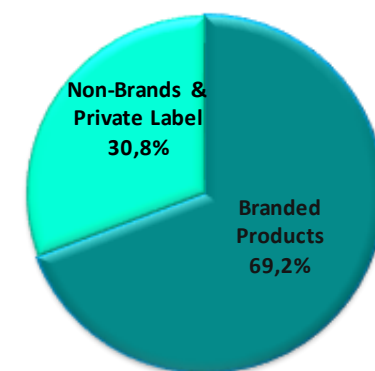
Recent developments

- Market characterised by strong competition from e-commerce players
- Strategic review of Bedding division

Sales Bedding (2017-2020)



Bedding - Sales 2020



Increased volumes due to solid demand Steep increases of chemical raw materials

Key financials

in million EUR	1H2019	2H2019	FY2019	1H2020	2H2020	FY2020	Δ 1H	Δ 2H	Δ FY
Sales	129.8	117.3	247.2	112.7	136.5	249.2	-13.2%	16.4%	0.8%
Adjusted EBITDA	17.1	14.5	31.6	11.3	16.4	27.7	-33.9%	13.0%	-12.3%
as % of sales	13.1%	12.4%	12.8%	10.0%	12.0%	11.1%			
EBITDA	17.1	14.4	31.4	11.2	16.3	27.5	-34.3%	13.4%	-12.5%
as % of sales	13.1%	12.3%	12.7%	9.9%	11.9%	11.0%			
Adjusted operating profit (loss)	11.5	9.4	20.9	5.9	11.2	17.1	-48.4%	19.1%	-18.0%
as % of sales	8.8%	8.0%	8.4%	5.2%	8.2%	6.9%			
Operating profit (loss)	11.4	9.3	20.7	5.8	11.1	16.9	-48.8%	19.9%	-18.0%
as % of sales	8.8%	7.9%	8.4%	5.2%	8.1%	6.8%			

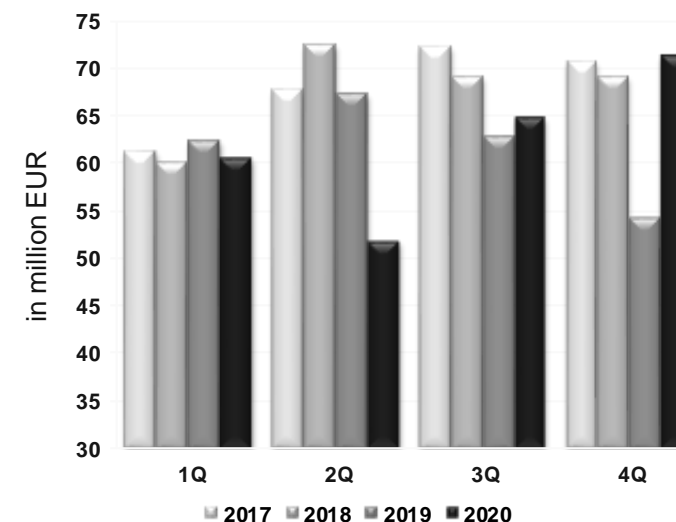
2020 key topics

- **Sales 2020: 249.2m€ (-0.8%)**, including exchange rate differences of -0.5%
- 2H2020 sales increase (+16.4%) results from strong volume development and selling price increases implemented to compensate for the steep surge in chemical raw material prices following a tighter supply in the upstream supply chain.
- The new plant in Finland continues to increase its output.
- In 4Q2020 demand for VIP (vacuum insulation panel) material has sharply increased, boosted by demand for ultra-high performance insulation materials needed for the transportation and storage of COVID-19 vaccines.
- **Profitability** receded due to sub-critical asset utilisation linked to COVID-19 impacted volumes, and steep raw material price increases.

Recent developments

- The new Finnish plant ramp-up is progressing well taking into account the COVID-19 impact and is expected to lead to break-even in 2H2021.

Combined sales Insulation (2017-2020)



Agenda

- ▶ Key highlights 2020
- ▶ 2020 Results
- ▶ Financial position
- ▶ Dividend proposal - Outlook 2021 – Strategic review Bedding
- ▶ Renewed sustainability strategy 2021-2025
- ▶ Comments on results per business line
- ▶ Appendices

Consolidated Income Statement

Group Recticel in thousand EUR	2019 restated ¹ (a)	2020 (b)	Δ (b)/(a)-1
Sales	878 521	828 792	-5.7%
Distribution costs	(55 892)	(54 849)	-1.9%
Cost of sales	(653 965)	(616 913)	-5.7%
Gross profit	168 664	157 030	-6.9%
General and administrative expenses	(58 349)	(57 949)	-0.7%
Sales and marketing expenses	(66 950)	(60 624)	-9.4%
Research and development expenses	(10 643)	(9 281)	-12.8%
Impairments goodwill, tangible and intangible assets	(396)	(2 440)	516.2%
Other operating revenues	8 384	15 514	85.0%
Other operating expenses	(17 587)	(29 103)	65.5%
Income from associates	1 294	703	-45.7%
Operating profit (loss)	24 417	13 850	-43.3%
Interest income	2 759	909	-67.1%
Interest expenses	(5 541)	(4 329)	-21.9%
Other financial income	9 273	5 294	-42.9%
Other financial expenses	(10 711)	(7 018)	-34.5%
Financial result	(4 220)	(5 144)	21.9%
Income from other associates	962	(5 790)	-701.9%
Impairments other associates	0	(5 525)	n.m.
Change in fair value of option structures	3 762	1 103	-70.7%
Result of the period before taxes	24 921	(1 506)	-106.0%
Income taxes	(886)	(4 025)	354.3%
Result of the period after taxes - continuing operations	24 035	(5 531)	-123.0%
Result of the period after taxes - discontinued operations	683	68 686	n.m.
Result of the period after taxes - continuing and discontinued operations	24 718	63 155	155.5%
of which attributable to the owners of the parent	24 762	63 151	155.0%
of which attributable to non-controlling interests	(44)	4	-109.1%

Consolidated Comprehensive Income

Group Recticel in thousand EUR	2019	2020
Result for the period after taxes	24 718	63 155
Other comprehensive income		
<i>Items that will not subsequently be recycled to profit and loss</i>		
Actuarial gains (losses) on employee benefits recognized in equity	(4 333)	420
Deferred taxes on actuarial gains (losses) on employee benefits	759	0
Currency translation differences	(18)	161
Share in other comprehensive income in joint ventures & associates	(655)	(262)
Total	(4 247)	319
<i>Items that subsequently may be recycled to profit and loss</i>		
Hedging reserves	0	(70)
Currency translation differences	371	(9 227)
Foreign currency translation reserve difference recycled in the income statement	305	18 311
Deferred taxes on retained earnings	(68)	(113)
Share in other comprehensive income in joint ventures & associates	158	(2 098)
Total	766	6 803
Other comprehensive income net of tax	(3 481)	7 122
Total comprehensive income for the period	21 237	70 277
Total comprehensive income for the period	21 237	70 277
of which attributable to the owners of the parent	21 243	70 273
of which attributable to non-controlling interests	(6)	4

Consolidated Balance Sheet

Group Recticel in thousand EUR	31 Dec 2019 as published	31 Dec 2020
Intangible assets	14 306	14 806
Goodwill	24 412	24 139
Property, plant & equipment	227 617	173 000
Right-of-use assets	105 110	75 377
Investment property	3 331	3 331
Investments in associates	54 512	12 351
Investments in other associates	10 953	11 030
Non-current receivables	26 383	25 760
Other non-current contract assets	11 138	0
Deferred taxes	24 108	25 298
Non-current assets	501 869	365 092
Inventories	101 797	90 833
Trade receivables	99 117	102 726
Other current contract assets	11 300	0
Other receivables and other financial assets	32 667	57 929
Income tax receivables	1 448	1 452
Other investments	154	170
Cash and cash equivalents	48 479	79 255
Assets held for sale	5 638	1 300
Current assets	300 600	333 665
TOTAL ASSETS	802 469	698 757
Capital	138 494	139 357
Share premium	130 334	131 267
Share capital	268 828	270 624
Treasury shares	(1 450)	(1 450)
Other reserves	(25 621)	(22 487)
Retained earnings	51 227	98 760
Hedging and translation reserves	(18 288)	(11 372)
Equity (share of the Group)	274 696	334 075
Equity attributable to non-controlling interests	701	705
Total equity	275 397	334 780
Pensions and similar obligations	57 860	52 342
Provisions	6 905	18 979
Deferred taxes	10 023	12 173
Financial liabilities	100 334	70 426
Non-current contract liabilities	20 339	0
Other amounts payable	43	26
Non-current liabilities	195 504	153 946
Provisions	5 759	1 598
Financial liabilities	117 415	14 403
Trade payables	93 008	88 923
Current contract liabilities	32 832	15 183
Income tax payables	1 229	1 045
Other amounts payable	81 325	88 879
Current liabilities	331 568	210 031
TOTAL EQUITY AND LIABILITIES	802 469	698 757

Consolidated Statement of Cash Flow

Group Recticel in thousand EUR	2019 restated	2020
Operating profit (loss)	37 148	13 848
Income from discontinued operations	0	68 692
Depreciation, amortisation and impairment losses on assets	58 070	49 673
Write-offs (-back) on assets and shares of affiliates	667	1 359
Changes in provisions	-6 740	7 617
Valorisation call/put option Proseat	-3 762	0
(Gain)/Loss on disposal of assets	-3 740	- 132
(Gain)/Loss on disposal of shares	0	-101 674
Income from associates	-9 270	- 704
Other non-cash elements	- 38	607
Gross operating cash flow	72 335	39 286
Changes in working capital and long-term receivables	-1 668	-49 308
Gross operating cash flow after changes in working capital	70 667	-10 022
Income taxes paid	-3 899	-5 188
Net cash flow from operating activities (a)	66 768	-15 210
Net cash flow from investment activities (b)	-30 717	165 669
Paid interest charges on financial debt (c)	-2 453	-2 147
Paid interest charges on lease debt	- 146	- 125
Paid dividends	-13 163	-13 254
Increase (Decrease) of capital	819	1 797
Increase of financial debt	51 169	0
Decrease of financial debt	-13 151	-105 372
Increase of lease liabilities	5 024	18 356
Reimbursement of lease liabilities (d)	-29 490	-20 573
Net cash flow from financing activities (e)	-1 391	-121 318
Effect of exchange rate changes (f)	- 697	1 635
Changes in cash and cash equivalents (a)+(b)+(e)+(f)	33 964	30 776
FREE CASH FLOW (a)+(b)+(c)+(d)	3 963	127 615

Statement of changes in equity

Group Recticel in thousand EUR	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences reserves and Hedging reserves	Total shareholders' equity	Non-controlling interests	Total equity, non- controlling interests included
At the end of the period 31 December 2019	138 484	130 334	-1 450	-25 821	61 227	-18 288	274 886	701	275 587
Dividends	0	0	0	0	-13 299	0	-13 299	0	-13 299
Stock options (IFRS 2)	0	0	0	609	0	0	609	0	609
Capital movements	863	993	0	0	0	0	1 796	0	1 796
Shareholders' movements	863	993	0	609	-13 299	0	-10 894	0	-10 894
Profit or loss of the period	0	0	0	0	63 161	0	63 161	4	63 166
Other comprehensive income ¹	0	0	0	319	- 107	-11 401	-11 189	0	-11 189
Change in scope	0	0	0	2 145	-2 145	18 311	18 311	0	18 311
Comprehensive income	0	0	0	2 464	-2 252	6 910	7 122	0	7 122
Reclassification	0	0	0	61	- 61	0	0	0	0
At the end of the period 31 December 2020	139 367	131 267	-1 450	-22 487	66 786	-11 378	334 075	706	334 780

Data per share

in EUR	2019 restated ¹	2020	Δ
Number of shares outstanding (including treasury shares)	55 070 639	55 742 920	1.2%
Weighted average number of shares outstanding (before dilution effect)	54 959 881	55 174 425	0.4%
Weighted average number of shares outstanding (after dilution effect)	55 154 501	55 381 032	0.4%
Continuing operations			
EBITDA	1.10	0.94	-15.3%
Operating profit (loss)	0.44	0.25	-43.5%
Result of the period before taxes	0.45	(0.03)	n.m.
Earnings per share - continuing operations	0.44	(0.10)	n.m.
Earnings per share - discontinued operations	0.01	1.24	n.m.
Earnings per share of continuing and discontinued operations	0.45	1.14	154.5%
Earnings per share from continuing operations			
Basic	0.437	(0.100)	n.m.
Diluted	0.438	(0.100)	n.m.
Earnings per share from discontinued operations			
Basic	0.012	1.245	9918.3%
Diluted	0.012	1.240	9916.3%
Net book value	5.00	6.01	20.1%

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Financial calendar

First quarter 2021 trading update	27.04.2021 (at 07:00 AM CET)
Annual General Meeting	25.05.2021 (at 10:00 AM CET)
First half-year 2021 results	27.08.2021 (at 07:00 AM CET)
Third quarter 2021 trading update	29.10.2021 (at 07:00 AM CET)
Annual results 2021	25.02.2022 (at 07:00 AM CET)

Uncertainty risks concerning the forecasts made

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