



GÓR-STAL

Shaping  
the  
future

**RECTICEL**  
*The passion for comfort*

# **Acquisition of the PIR insulation board business of GóR-Stal**

A key step in our Insulation business line growth strategy

“ The acquisition of the G6r-Stal PIR-based insulation board activities marks an important step in the development of our Insulation business. This acquisition perfectly fits our ambition to further expand in the very promising thermal insulation markets of Central and Eastern Europe. It meets three fundamental prerequisites: a state-of-the-art asset, a perfect geographical complementarity, and a focus on high performance PIR insulation solutions. We look forward to welcoming our new and highly skilled colleagues from G6r-Stal. ”

*Olivier Chapelle, CEO Recticel*

# Recticel signs a preliminary purchase agreement that will allow to create a strong presence in Central & Eastern Europe for its Insulation business line

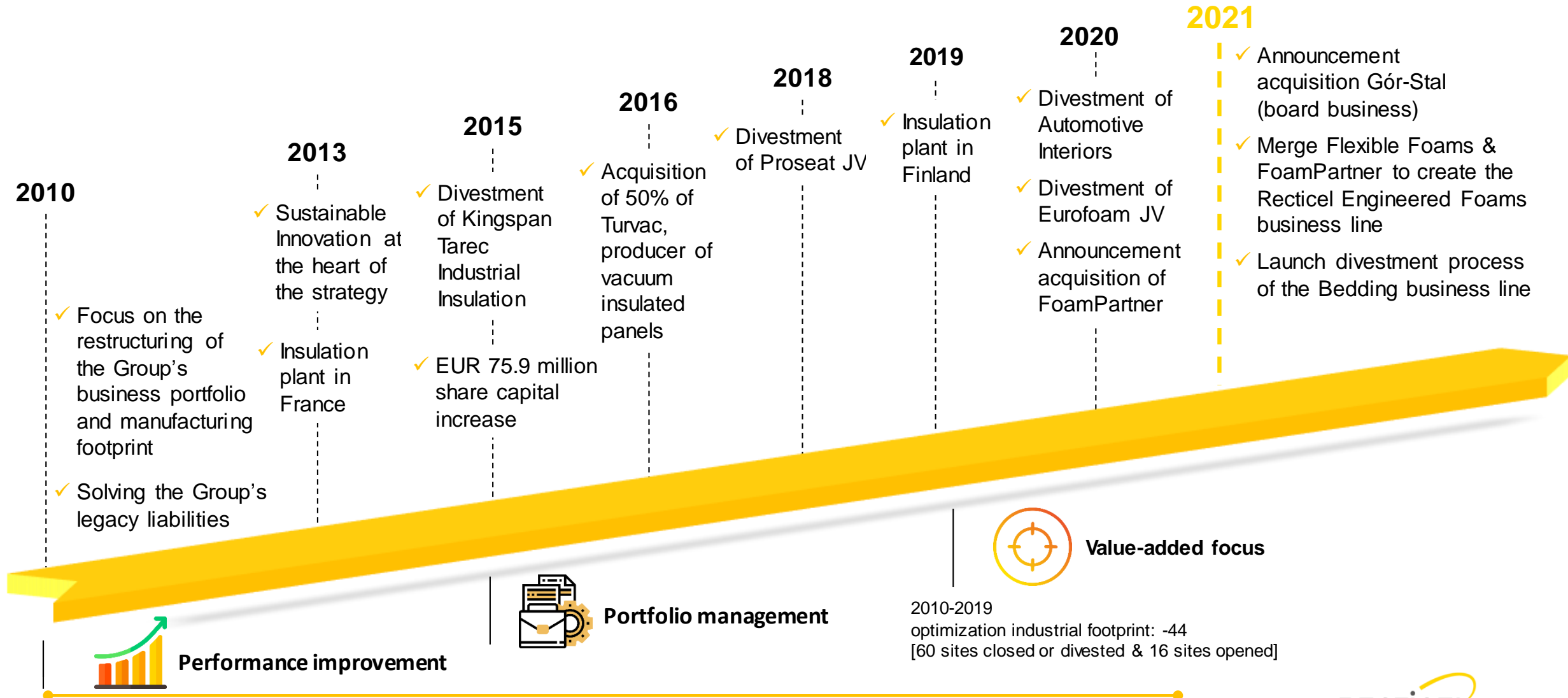
- Recticel entered into a preliminary agreement with the Polish company Gór-Stal for a 100% acquisition of its insulation boards business
- This acquisition
  - ▷ confirms Recticel's announced strategic approach
  - ▷ broadens the Recticel Insulation market and production footprint to cover large parts of Central/Eastern Europe and to become a true European player
  - ▷ strengthens Recticel's position by consolidating existing production capacity
  - ▷ creates immediate positive EBITDA and Cash Flow contribution to the business line and Group
- The deal relates to the Bochnia factory and its business of insulation boards
- Enterprise value of EUR 30 million
- Closing of the transaction is subject to confirmatory due diligence as well as customary closing conditions, including regulatory approvals, and is expected to be completed by July 2021



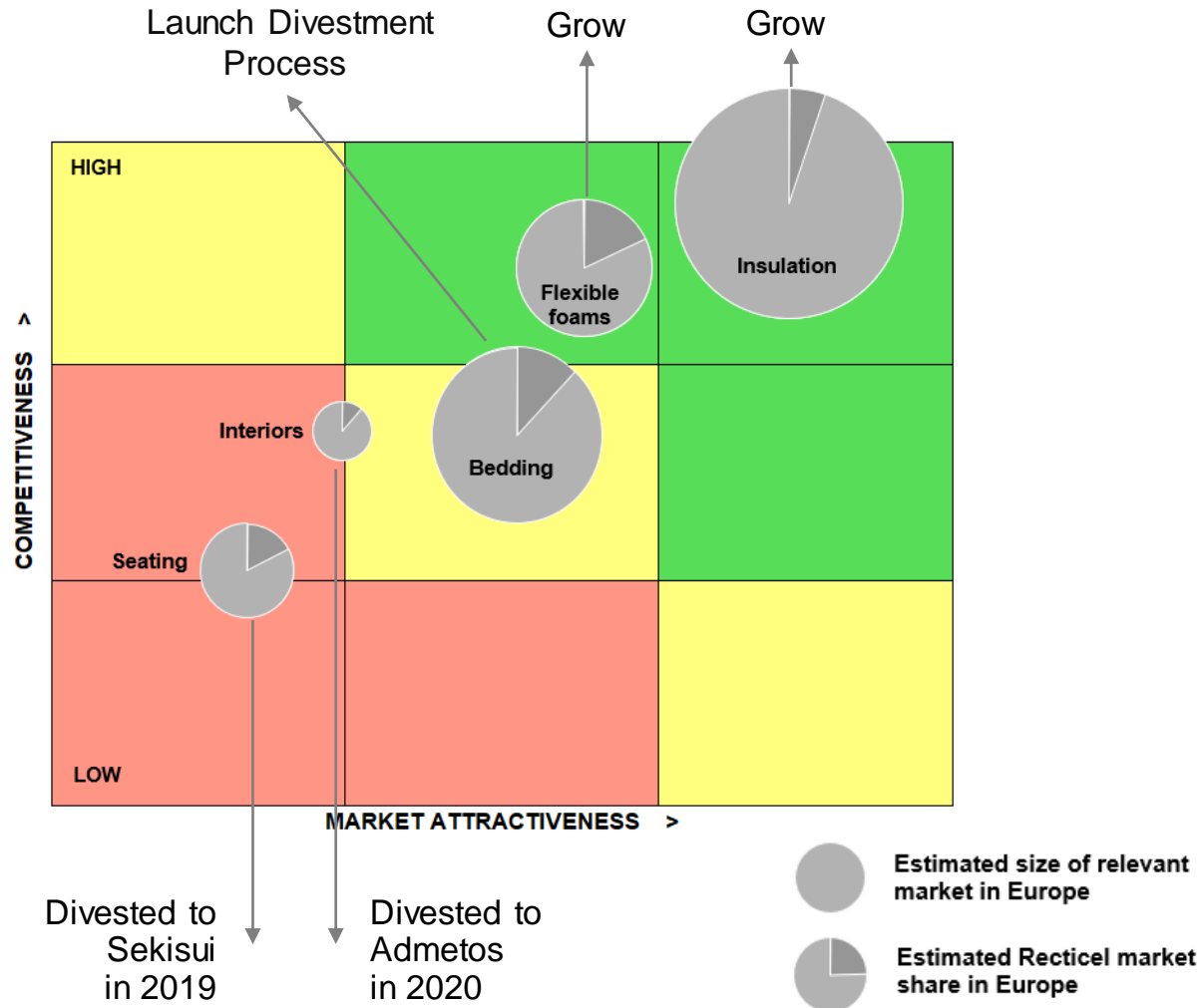
**Gór-Stal** Gór-Stal has been on the market for producers of building materials for over 17 years, providing solutions for industrial, residential and agricultural construction. Next to a wide range of modern wall, roof and cooling sandwich panels, the company also produces **termPIR®** insulation boards.



# Following the transformational acquisition of FoamPartner, acquiring the insulation board business of G6r-Stal reconfirms our focus on high value-added activities



# With Innovation and Sustainable Development at the heart of its strategy, Recticel has refocused 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

# Spotlight on the PIR insulation board business of G3r-Stal





# The GÓR-STAL thermal insulation board business at a glance



Greenfield facility inaugurated  
in **November 2015**



Strategic location

**66**  
employees

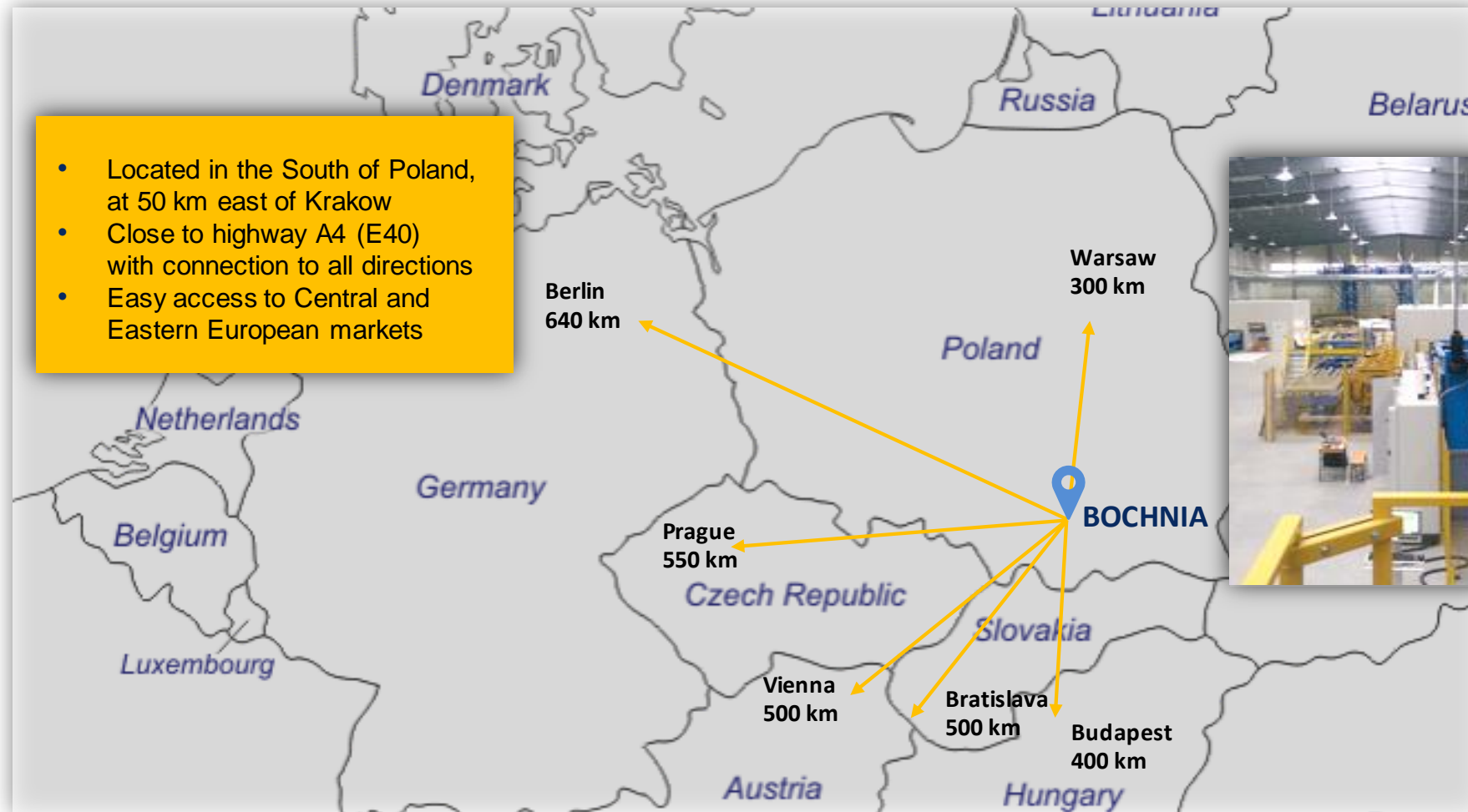


2020 Results

**16.7m€**  
Net sales

**2.5m€**  
Normalized  
EBITDA

# A state-of-the-art facility in Bochnia and a logistical hub into Central and Eastern Europe to support a growing customer base

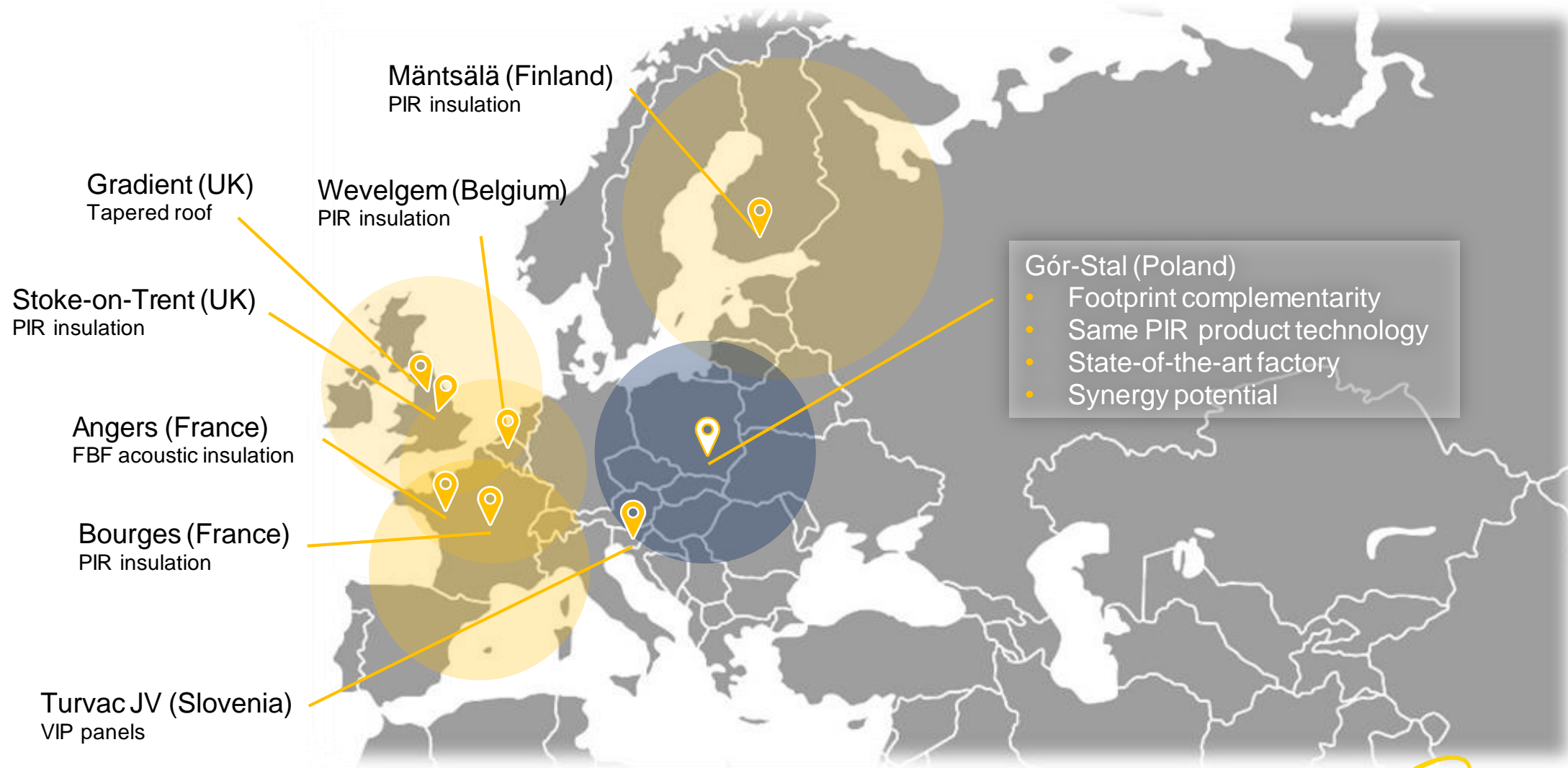


- Located in the South of Poland, at 50 km east of Krakow
- Close to highway A4 (E40) with connection to all directions
- Easy access to Central and Eastern European markets

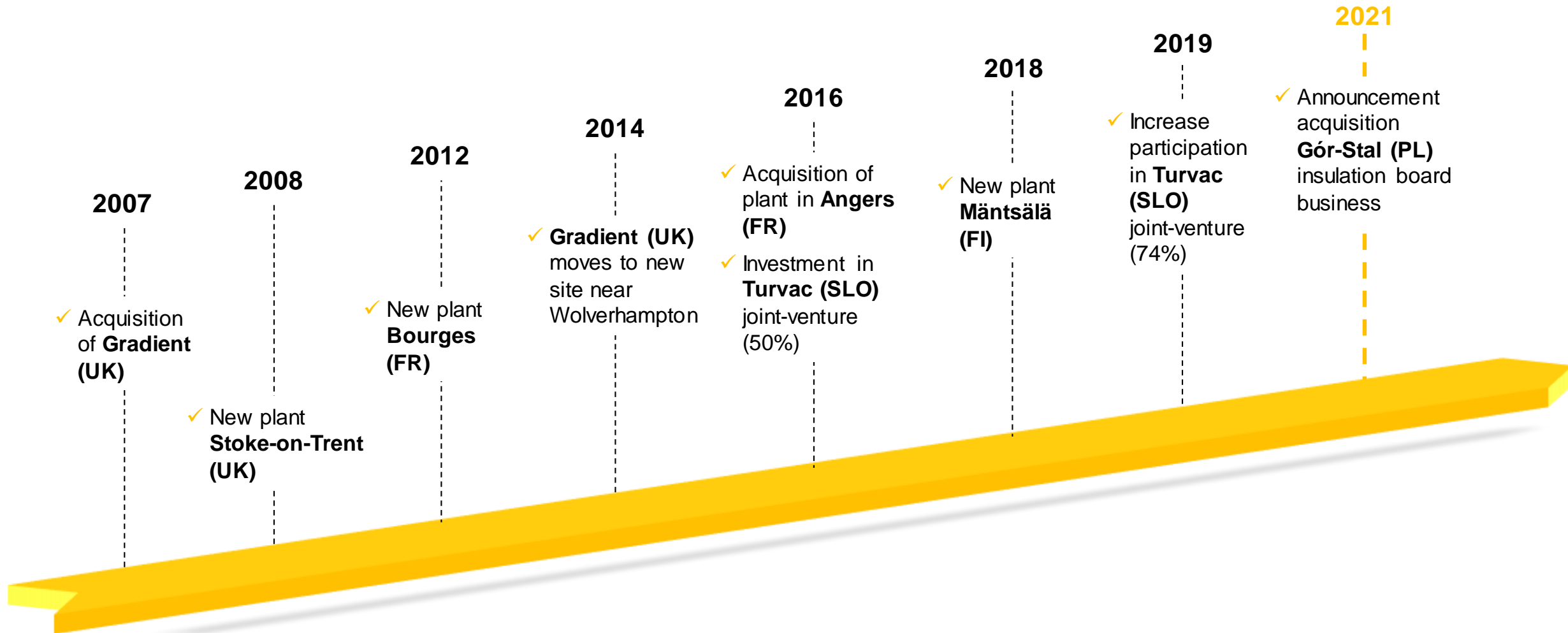


State-of-the-art plant: potential for extension in capacity and future growth

# Recticel Insulation benefits from the Gór-Stal acquisition as it fills a blind-spot in Central/Eastern Europe



After geographical expansion, new product introductions and distribution channels, a strategic acquisition in Poland will accelerate growth

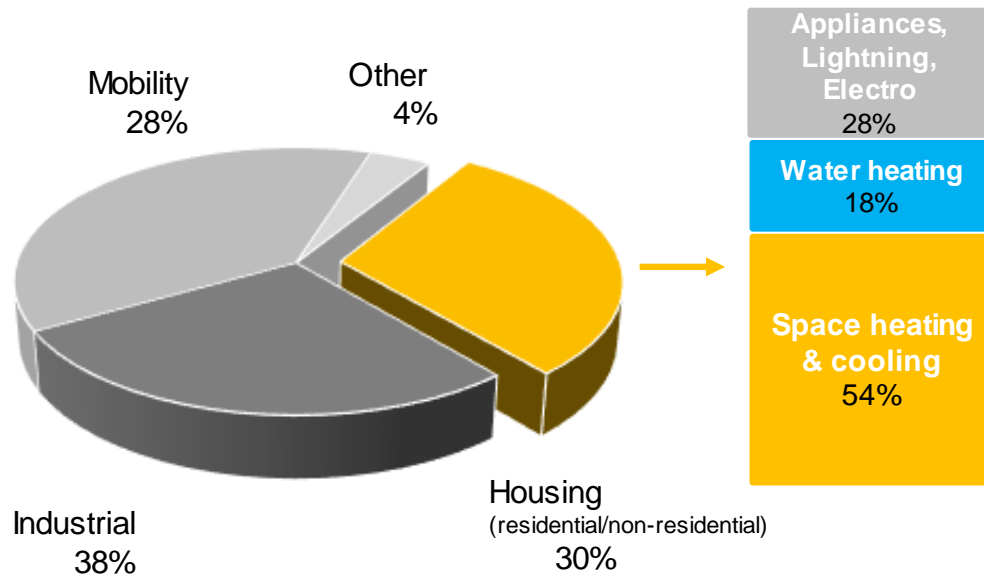


# Insulation & Sustainability go hand in hand

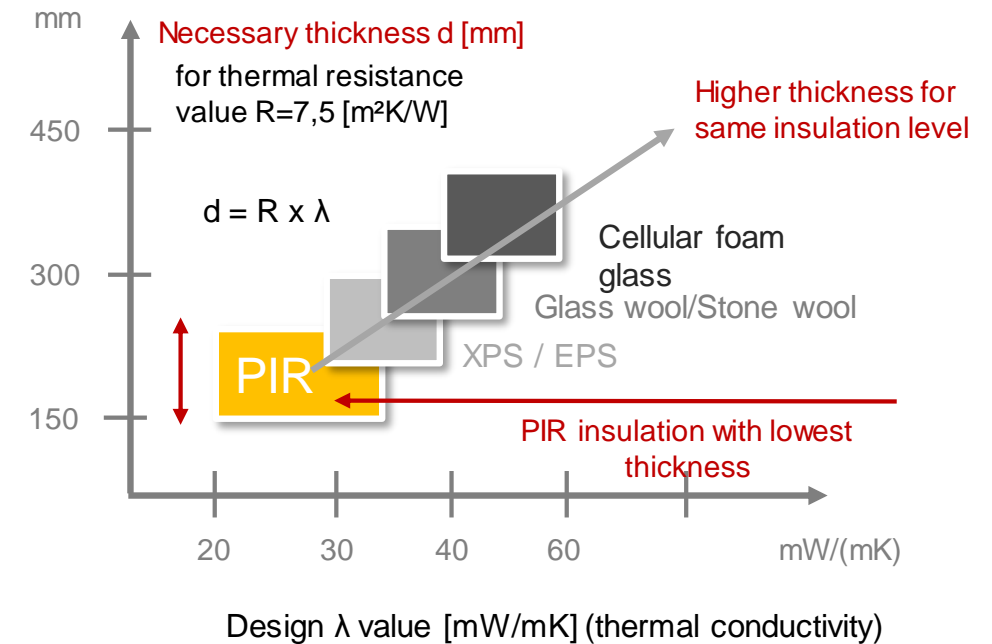
# With substantially better thermal performance than traditional insulation materials, PIR insulation is becoming the preferred option for building insulation

To meet the EU Green Deal 2050 objectives, effective insulation is crucial for saving energy in the heating or cooling of buildings.

Thanks to its low thermal conductivity, PIR insulation allows to save 30 to 80% on insulation thickness, making it highly efficient for the refurbishment of existing houses – and for new buildings.



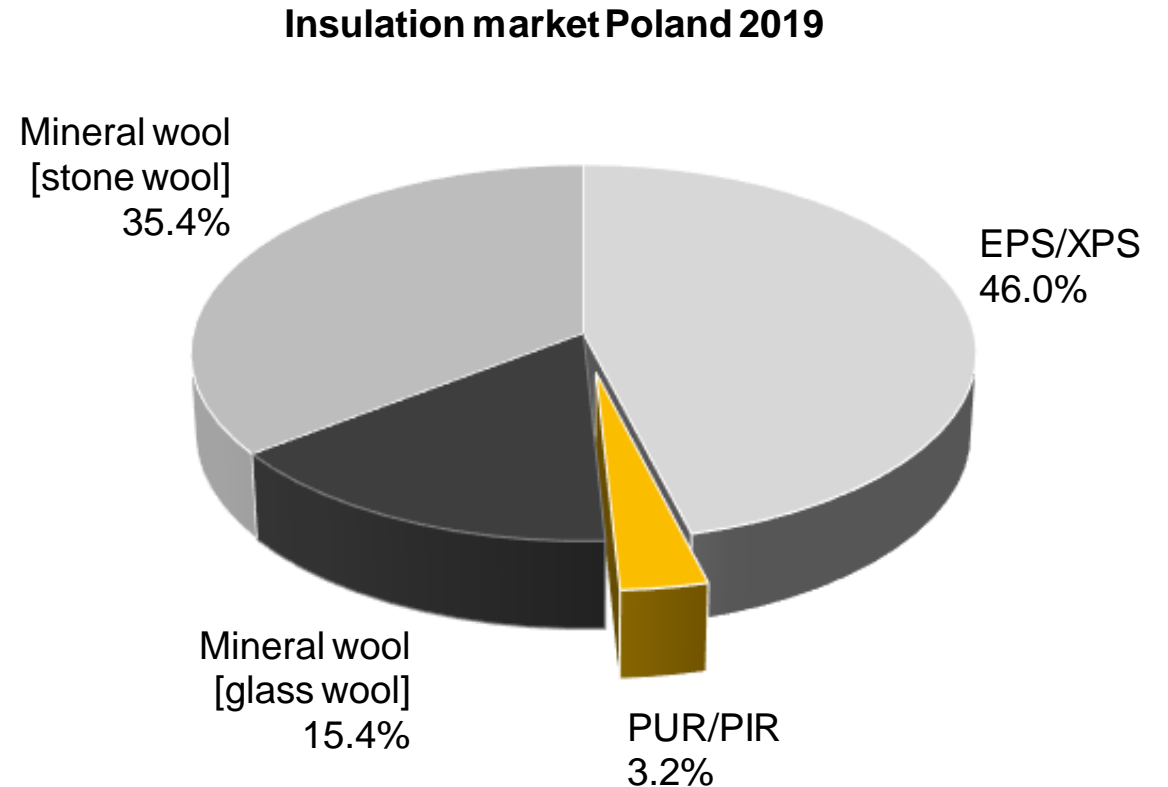
Share of Energy Consumption  
Source: International Energy Agency, 2017



Source: ISOPA

# Favourable market conditions in Poland and higher insulation standards will fuel the need for PIR insulation materials

- The Polish insulation market is in volume #3 in Europe (behind Germany and France) and growing with a CAGR of 3%.
- PIR is gaining market share by substitution of less performant styrene and mineral based materials.
- The Polish market for PIR insulation is fairly young but increasingly growing year on year.
- New building regulations requiring a 20% increase in insulation values took effect on 1 January 2021 and will provide additional growth



Source: Seresana, SIPUR

# 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

	2013	2014	2015	2016	2017	2018	2019	2020	2025 targets
<b>Climate Action Plan</b>									
Positive impact Recticel tonnes multiple of avoided CO <sub>2</sub> e in use phase	27	28	34	36	36	37	41	46	75
Recticel Carbon Footprint indicator tonnes of CO <sub>2</sub> e compared to 100% activity level of 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 CO <sub>2</sub> e/million EUR revenue								50	37 : a reduction by 25% (scope 1 & 2)
<b>Innovation fulfilling societal needs</b>									
% 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
<b>Resource efficiency</b>									
Tonnes finished goods produced from end-of-life material								1,059 T	> 5,000 T
Use of low carbon emission raw material in % of total								0.5%	> 10%
<b>Lower HS&amp;E impact</b>									
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
<b>An inspiring and rewarding place to work</b>									
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

Climate Plan

People Plan

# 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.

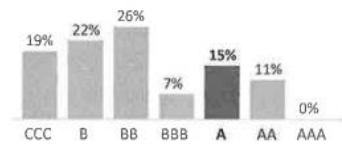
### OWNERSHIP OVERVIEW

Capital Structure	Single Equity Class
Ownership Classification	Principal Shareholder
Top Shareholders:	
Compagnie du Bois Sauvage SA- 27.56%	

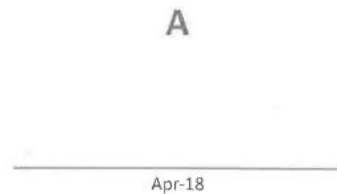
### ESG SCORE CARD\*

	WEIGHT	SCORE	QUANTILE
<b>Environment</b>	<b>64.0%</b>	<b>5.6</b>	
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	***
<b>Social</b>	<b>20.0%</b>	<b>0.2</b>	
Chemical Safety	20.0%	0.2	*
<b>Governance</b>	<b>16.0%</b>	<b>7.2</b>	
Corporate Governance	16.0%	7.2	****
<b>Overall Score</b>			
Weighted-Average Key Issue Score		4.8	
Industry Relative Score		6.6	

### INDUSTRY RATING DISTRIBUTION



### ESG RATING HISTORY



### 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.



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ESG RATINGS REPORT

### ISSUER COMMUNICATION

Company response last 12 months? **NO**



GÓR-STAL

Questions?

**RECTICEL**  
*The passion for comfort*