

RECTICEL

3Q2021 Trading Update and Recent Strategic Moves

ING BENELUX CONFERENCE BRUSSELS

22 November, 2021

Olivier Chapelle – Chief Executive Officer

Michel De Smedt – Investor Relations Officer

Agenda

- ▶ Key highlights YTD 2021
- ▶ 3Q2021 Trading update
- ▶ Financial position
- ▶ Outlook 2021
- ▶ Renewed sustainability strategy 2021-2025
- ▶ Divestment of Recticel Bedding to Acquinos Group
- ▶ Strategy update and intended sale of Engineered Foams business

9M2021 : Strong volumes | Solid margins | Integration of FoamPartner

2 YTD Sep 2021 : Sales € 915.9m (+54.8%) – organically +31.2%, currency effect +0.2% and €138.0m from contribution of FoamPartner (Engineered Foams) since 01 April 2021

3 Raw material supply and pricing progressively normalizing

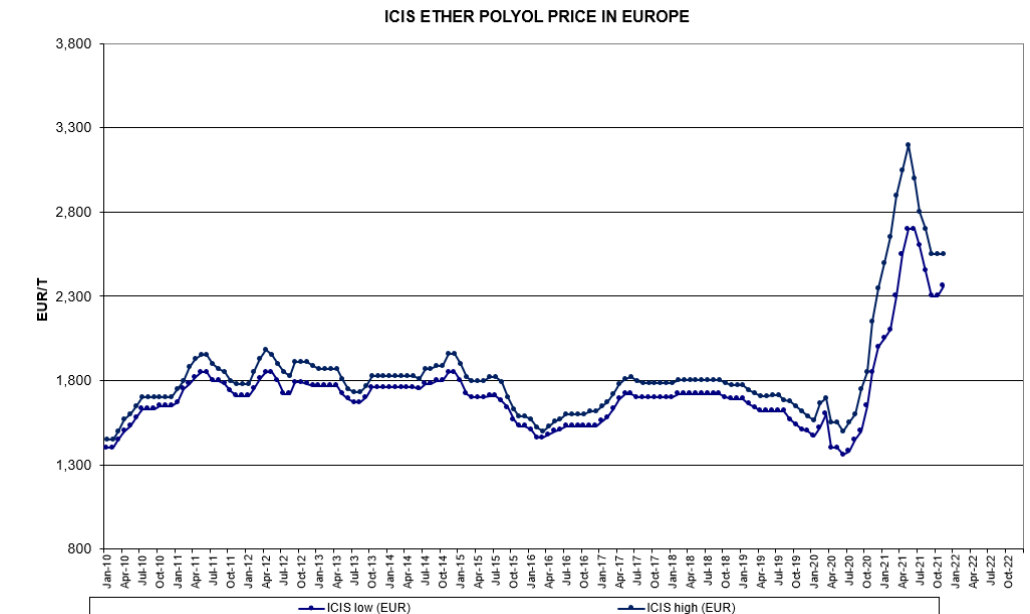
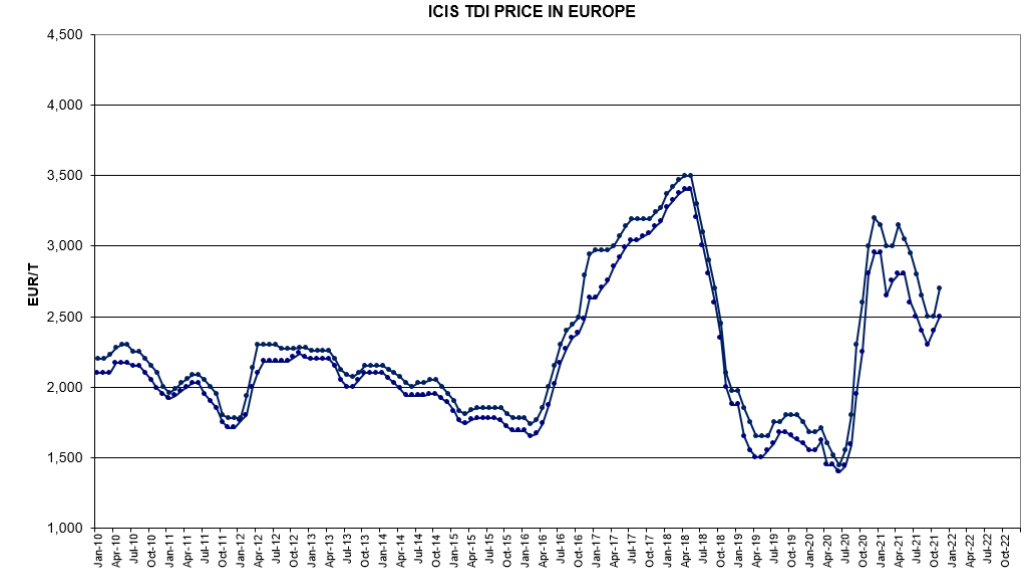
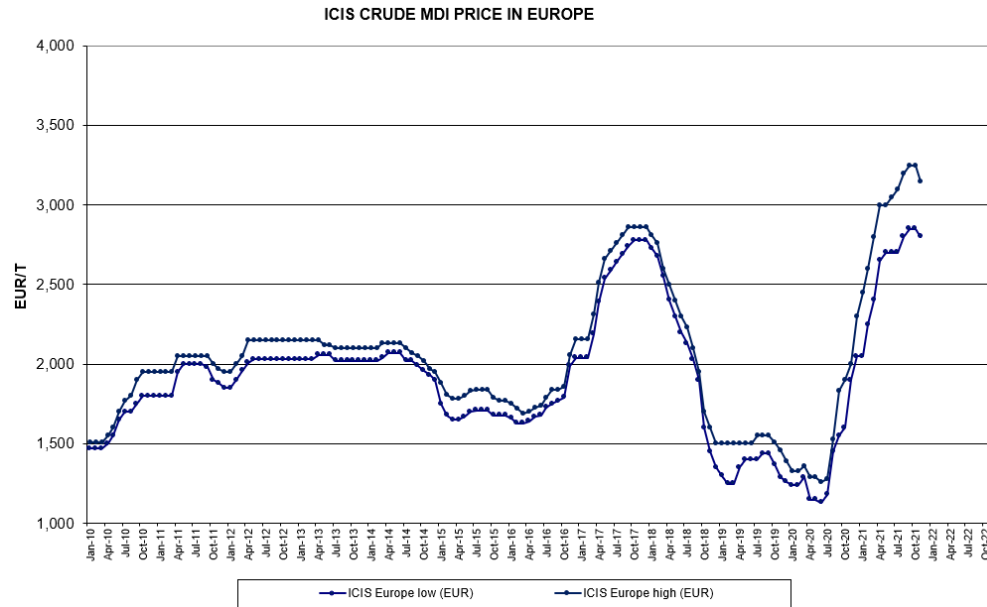
4 Net financial debt: €189.0m per 30 Sep 2021 (30 June 2021 : €206.6m)

5 11 Oct 2021 : strategy update and intended sale of Engineered Foams business

6 18 Nov 2021 : binding agreement with the Aquinos Group on the divestment of Bedding business line

7 ESG rating : MSCI upgraded Recticel from “A” to “AA” in 2021

The ICIS perspective on raw material costs in November 2021



- PMDI (Insulation) prices easing from its multiyears highs. Covestro lifted its force majeure earlier in November.
- TDI (Engineered Foams) prices increased in November amid concern of tightening supply especially at start of November.
- Ether polyol (REF) November prices stable to firm. Supply tighter, demand varies regionally.

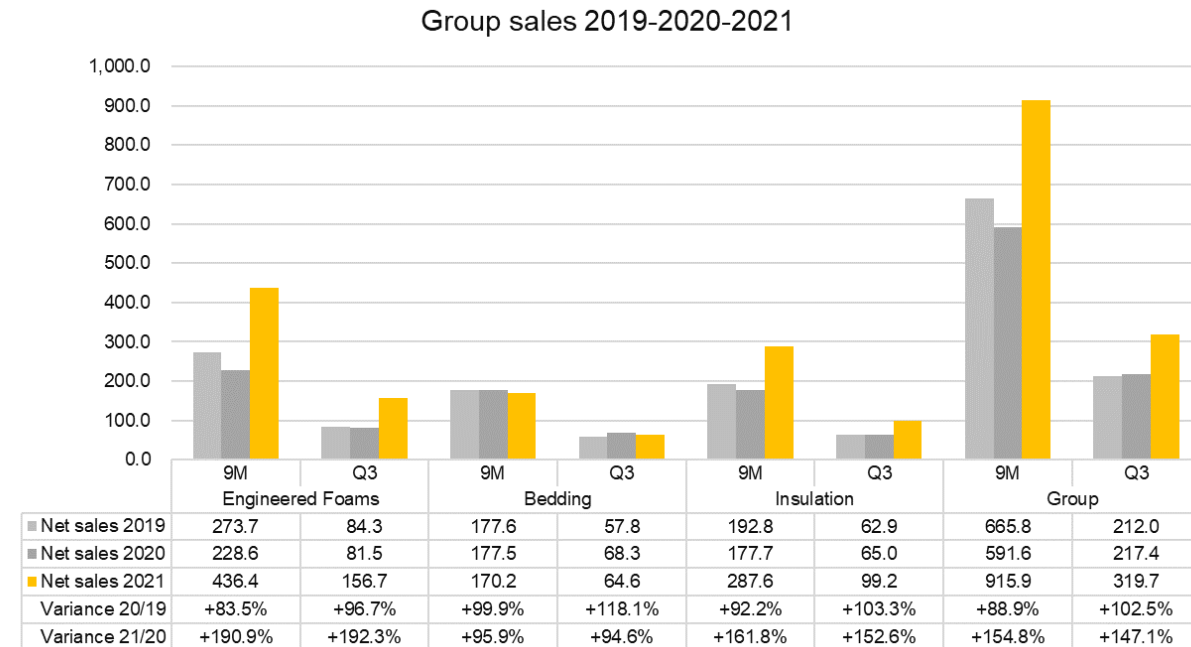
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3Q2021 Trading update – Sales increased by 47.1% over 3Q2021

Net sales by segment:

<i>in million EUR</i>	3Q2020	3Q2021	Δ 3Q	9M2020	9M2021	Δ 9M
Engineered Foams	81.5	156.7	92.3%	228.6	436.4	90.9%
Bedding	68.3	64.6	-5.4%	177.5	170.2	-4.1%
Insulation	65.0	99.2	52.6%	177.7	287.6	61.8%
Corporate / Eliminations	2.6	(0.7)	-128.5%	7.8	21.8	180.0%
TOTAL CONSOLIDATED SALES	217.4	319.7	47.1%	591.6	915.9	54.8%



Sales growth in 9M2021 has been driven by supportive demand in most markets and by price increases mitigating the substantial impact of higher purchase prices of chemical raw material and other components.

- 3Q2021 sales increased by 47.1% from EUR 217.4 million to EUR 319.7 million; of which +15.8% organic growth, +0.5% currency, and +30.8% from FoamPartner sales (EUR 66.1 million).
- 9M2021 sales increased by 54.8% from EUR 591.6 million to EUR 915.9 million; of which +31.2% organic growth, +0.2% currency, and +23.4% from FoamPartner sales over 2Q and 3Q2021 (EUR 138.0 million).

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Total net debt position decreased by €21.4m over 3Q2021 to reach €230.4m

Resulting primarily from:

- strong positive operating cash generation
- slightly lower net working capital

<i>in million EUR</i>	30 SEP 2020	31 DEC 2020	31 MAR 2021	30 JUN 2021	30 SEP 2021
TOTAL EQUITY	-	334.8	-	354.8	-
Net financial debt excluding factoring	(9.1)	(47.9)	132.2	145.3	130.3
+ Lease debt (IFRS 16)	52.9	52.5	63.1	61.3	58.7
CONSOLIDATED NET FINANCIAL DEBT	43.8	4.6	195.3	206.6	189.0
+ Drawn amounts under factoring programs	0.0	0.0	43.3	45.2	41.4
TOTAL CONSOLIDATED NET FINANCIAL DEBT	43.8	4.6	238.6	251.8	230.4
Gearing ratio (incl. IFRS 16)	-	1.4%	-	58.2%	-
Leverage ratio (incl. IFRS 16)	-	0.1	-	2.6	-

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Outlook for full year 2021 is confirmed

Despite declining momentum in some end-markets, reflecting a slowdown in economic recovery and supply chain disruptions, the Group confirms its expectation of an Adjusted EBITDA in a range between EUR 123 million to EUR 133 million for the full year 2021, including the contributions of FoamPartner (9 months) and its related synergies.

Increase of synergies expectation related to the FoamPartner acquisition

The integration of FoamPartner in Engineered Foams progresses smoothly and forecasted synergies at the horizon of 2023 are expected to reach €18m.

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Committed to sustainability

Rated “AA” by MSCI since September 2021

Over the lifetime of their use, the insulation products we sold in 2020 will offset 46 times our carbon footprint for the year

Our promise

We will raise this climate-positive multiple ratio from 46 to

75 by 2025

Reduce carbon Footprint by

40% by 2030

Transition to a circular economy

5,000 tonnes

Post-consumer PU foam from recycled mattresses

PUReSmart

Successful completion by 2023; revolutionary breakthrough in chemical recycling of flexible PU foam

Innovation at our core

80%

Of R&D projects classified as sustainable

>=3

Sustainable R&D projects brought to market every year

MSCI ESG RATING upgraded from 'A' to 'AA' since September 2021

Showing our commitment to ESG



ESG RATINGS

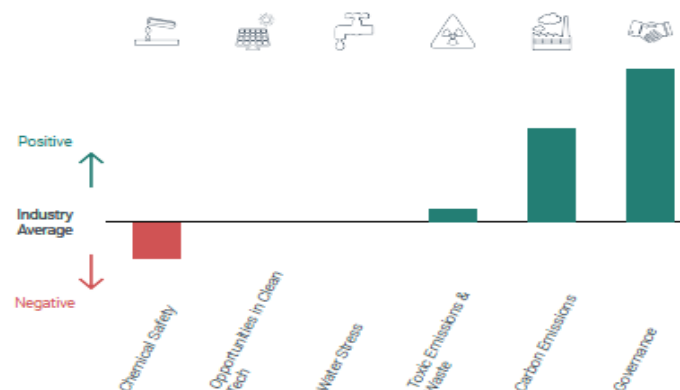
CCC	B	BB	BBB	A	AA	AAA
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RECTICEL NV (REC)
Commodity Chemicals | BE

Score attribution by key issue

This chart highlights the company's positioning relative to the industry average for each Key Issue that contributed to its ESG Rating as of September 20, 2021.



Last ESG Rating action

Rating action date: February 11, 2021

Recticel has been upgraded to 'AA' from 'A'.

Updated water stress data and the inclusion of regional groundwater availability in our evaluation of country-level water stress resulted in a lower risk assessment for Recticel, contributing to the upgrade. However, unlike industry peers, the company appears to lack a formal water management strategy and quantified water withdrawal reduction target.

- ▶ The production of plastic foam products is relatively less carbon-intensive; this lowers Recticel's exposure to compliance-related risks associated with carbon regulations. The company appears to have a robust carbon mitigation plan with an aggressive target to reduce its carbon footprint.
- ▶ Recticel's majority independent board and fully independent audit and pay committees could enhance oversight of management. Moreover, it has a formal policy on bribery and corruption, which is overseen at the executive level.
- ▶ Despite facing high exposure to risks related to stringent chemical safety and potential reformulation costs, Recticel falls short of better-performing peers in chemical management practices. Further, we found limited evidence of plans to phase out chemicals of high concern.

Analysts: Clairecynth Yu, Kiran Gokarn



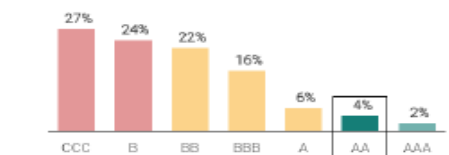
ESG Rating history



ESG Rating history shows five most recent rating actions

ESG Rating distribution

Universe: MSCI ACWI Index constituents, Commodity Chemicals, n=51



Key scores

	Weight	Score (0-10)
Industry-Adjusted Score		8.1
Weighted-Average Key Issue Score		5.4
Environmental Pillar Score	56%	5.4
Social Pillar Score	11%	0.4
Governance Pillar Score	33%	7.2

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What is an ESG Rating? MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.

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Transaction details

- Binding agreement signed with Aquinos Group, one of the largest European mattress and upholstery manufacturers.
- The Bedding division will be sold in its entirety, except for the Nordic bedding activities which will be integrated in the Living & Care segment of Recticel Engineered Foams.
- Cash consideration based on an enterprise value of EUR 122.4 million on a cash and debt free basis.
- Strong strategic fit, highly complementary geographic presence and product offerings.
- The net proceeds after transaction costs are expected to amount to EUR 97 million subject to closing adjustments. EUR 17.9 million IFRS 16 liabilities will be transferred as well.
- Transaction subject to shareholder approval and customary conditions and consultations.



Founded in 1985, **Aquinos Group** is a worldwide home comfort business group with industrial large-scale production for sofas and mattresses and household furnishing retail. The company's headquarters are located in Sinde (Tábua), Portugal. It has 8 production facilities in Portugal, France and Poland, with close to 3,300 employees across 5 continents and business operations in 31 countries worldwide. Aquinos have close to 100 retail chain stores across Portugal and Spain.

Recticel Bedding* at a glance



Development, production & commercialisation of fully finished mattresses, slats, bed bases and, primarily, beds

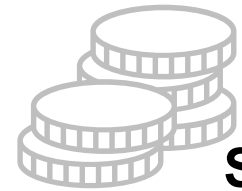
5 Production plants
&
4 Distribution centres



1,550 Employees



Sales
€ 226M



7 leading local consumer brands & **2** innovative, foam ingredient brands



* The Nordic bedding activities will remain with Recticel and be integrated in the Living & Care segment of Recticel Engineered Foams.

Aquinos Group at a glance



Founded in **1985**

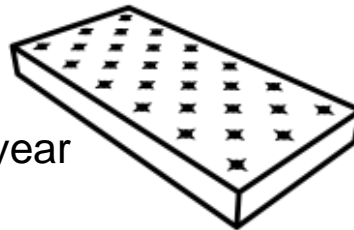
Worldwide **home comfort**
business group

3,300
Employees

€ 370M
Turnover

1,200,000

mattresses per year



2,750,000

seats per year

8 Production sites
(in Europe)



&
Global sales organisation
(**31** countries, **5** continents)



HQ in Sinde
(Tábua), Portugal

Production facilities

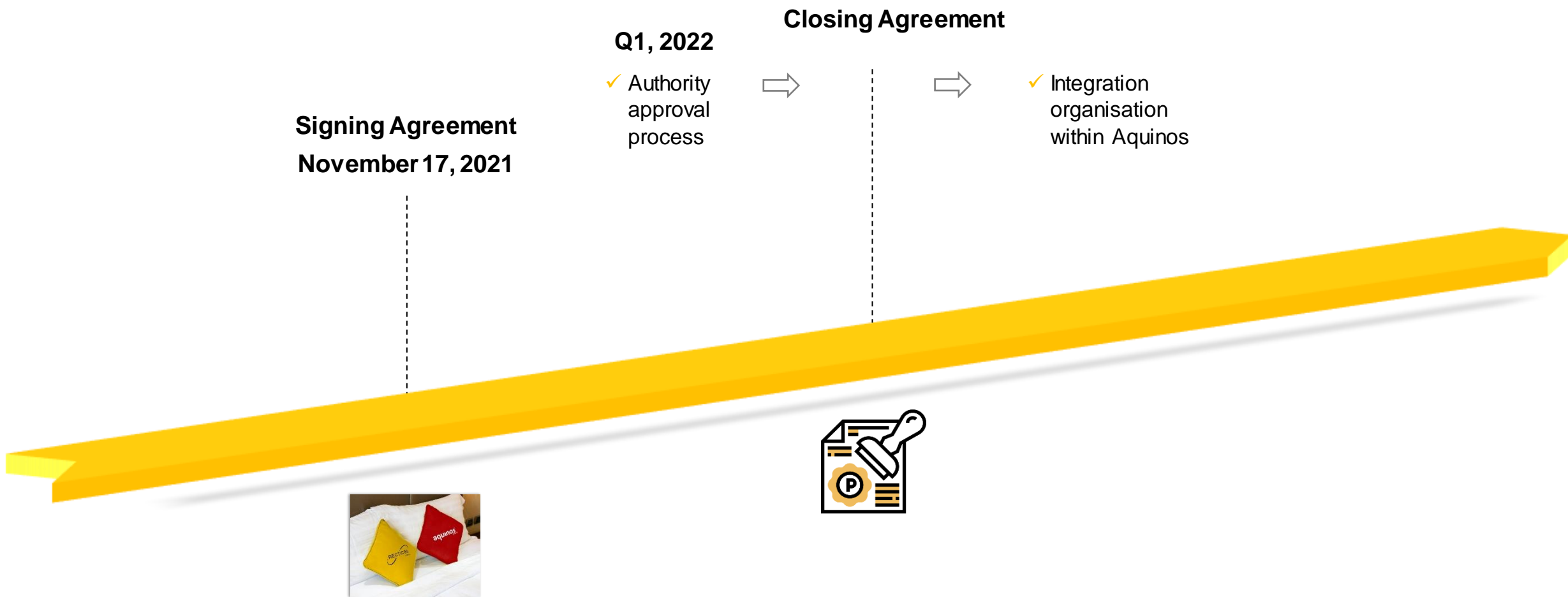
Strong complementarity
between the production
footprint of Aquinos Group
and Recticel Bedding

-  Aquinos Group
-  Recticel Bedding

5 plants in
central
Portugal



Provisional timeline



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Strategy update and intended sale of Engineered Foams (cfr press release of 11 October 2021)

Following the unsolicited offer by Greiner in May 2021, Recticel's Board of Directors concluded that the offer was not in the interest of shareholders and other stakeholders, and significantly undervalued the company.

Subsequently, Recticel's Board of Directors initiated a complete review of its strategic alternatives taking into account the interest of all stakeholders. After due consideration of these alternatives, the Board of Directors came to the conclusion that a better strategic project and superior value can be created by pursuing a strategy to separate its businesses and to dispose Engineered Foams.

○ **Strategy update**

- Group to focus exclusively on its Insulation business segment, presenting excellent growth and profitability prospects going forward
- Consequent sale of Recticel's Engineered Foams business segment, demonstrating far superior value creation versus the unsolicited offer by Greiner

○ **Transaction highlights**

- Binding offer received from US-based Carpenter Co., one of the world's largest producer of foam and specialty products
- Cash consideration based on an enterprise value of EUR 656 million on a cash and debt free basis (representing about €11.65 per Recticel share on a fully diluted basis)
- Strong strategic fit with global footprint, complementary product offering and vertical integration
- Transaction subject to shareholder approval and to customary conditions including regulatory approval and confirmatory due diligence

Special General Meeting of Shareholders on 06 December 2021

The intended sale of the Engineered Foams business is subject to shareholder approval and to certain customary conditions, including regulatory approvals and confirmatory due diligence. The regulatory approvals relate amongst other to anti-trust clearances. The confirmatory due diligence will be completed before the Extraordinary General Meeting. This Extraordinary General Meeting of shareholders, which is mandatory in accordance with art. 7:152 of the Belgian Companies Code in the context of the current take-over bid, will be planned for early December 2021. The closing of the transaction is expected to take place the second quarter of 2022.

Save the date



05/11/2021

Publication agenda SGM



22/11/2021 MIDNIGHT

Legal registration date; in order to vote you should own the shares on this date



30/11/2021

Deadline confirmation of attendance SGM and voting in advance by letter



05/12/2021

Deadline voting in advance by electronic vote



06/12/2021

Special General Meeting at 10:00 am CET in Van der Valk Hotel. Brussels Airport

Background information and practical info of the Special General Meeting of 06 December 2021

Information about the proposed transaction, as well as all practical info to assist and to vote at the Special General Meeting, are available on

www.recticel.com or directly via www.recticel.com/sgm-yourvotecounts



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Financial calendar

Special General Meeting	06.12.2021 (at 10:00 AM CET)
Special General Meeting	24.12.2021 (at 10:00 AM CET)
Annual results 2021	25.02.2022 (at 07:00 AM CET)
First quarter 2022 trading update	28.04.2022 (at 07:00 AM CET)
Annual General Meeting	31.05.2022 (at 10:00 AM CET)
First half-year 2022 results	26.08.2022 (at 07:00 AM CET)
Third quarter 2022 trading update	28.10.2022 (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.

For more product information or direct business contacts, please consult our web site www.recticel.com, where interested parties can also find our press releases and slide presentations of our annual or half-year results.

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