

# **RECTICELGROUP**

## **2023 Results**

**Analyst meeting  
Brussels, February 29, 2024**

**Jan Vergote, Chief Executive Officer  
Dirk Verbruggen, Chief Financial & Legal Officer**

# 2023 in summary

- Recticel transitioned into a provider of smart insulation solutions for sustainable buildings.
- Adverse trends in European construction markets resulting in shrinking market volumes, margin pressure in Insulation Boards activity especially fierce in second half of 2023.
- Insulation Boards volumes decrease stopped in 4Q2023; Insulated Panels volumes and market share increase YoY.
- Acquisition REX Panels & Profiles completed on January 10, 2024 and integration progressing well.
- Net cash position allows to further invest in smart additions and geographical expansion.
- Commitment to reach net-zero GHG emissions across value chain by 2050 from a 2021 base year, confirmed by the SBTi.

Sales

**€ 529.4 million**  
-9.9%

Adjusted EBITDA

**€ 39.2 million**  
-39.2%

Net cash position

**€ 161.9 million**

# Outlook

Despite the low visibility on the timing of a potential market recovery, we are confident that we will significantly increase our Adjusted EBITDA compared to 2023.

# Value drivers 2024

- We are achieving cost reductions through disciplined dual sourcing, product reengineering at maintained performance levels, and rightsizing of our white-collar teams.
- We are focusing our sales teams on higher added value products and are stepping up our innovation efforts to better address the challenges of the upcoming large scale sustainability transition in construction.
- A combination of planned and unplanned production stops at our suppliers' facilities, as well as longer supply lines due to the geopolitical issues in the Red Sea, is resulting into MDI price hikes and potential shortages. We expect this will change the price dynamics, especially in the Insulation Boards activity.
- We are diligently working on the integration of REX, aiming at a substantial cross selling opportunity in 2024.
- Throughout the company, our teams are continuously improving our footprint, and we are now helping to prevent 38.4 times more CO<sub>2</sub>e than we emit.

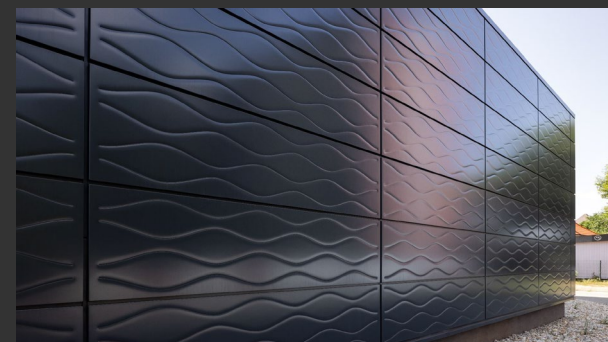




We fight climate change with leading products that **lower the carbon footprint of buildings**

We help architects and clients to **develop exciting spaces**

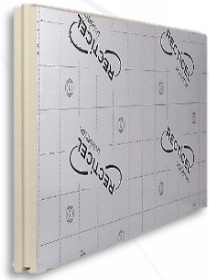
We contribute to well-being with **thermo-acoustic & acoustic solutions**





# Recticel's portfolio of climate mitigation insulation products are key assets in reducing global greenhouse gas emissions

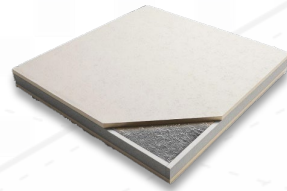
## Insulation Boards



Thermal insulation



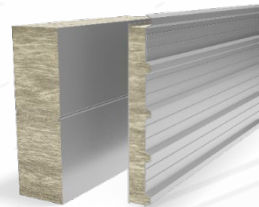
Thermo-acoustic insulation



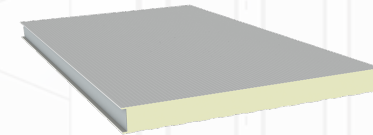
Vacuum insulation



## Insulated Panels



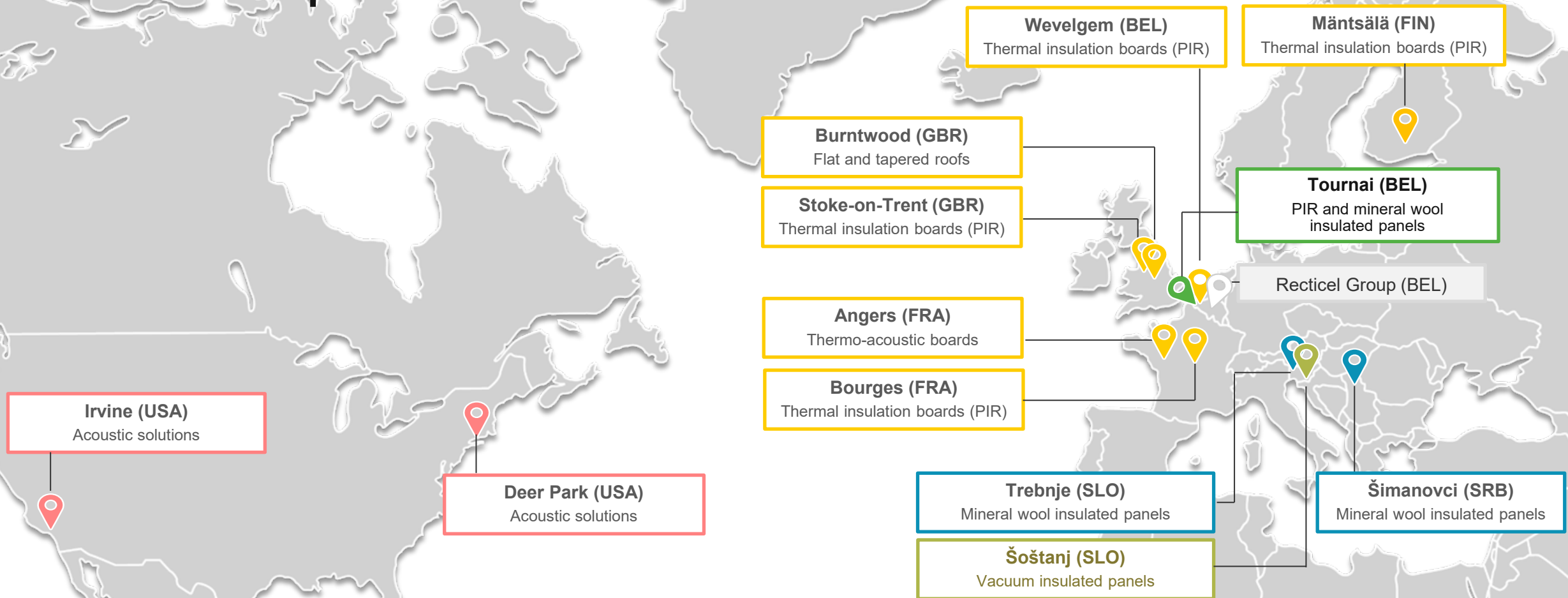
Modular Space Solutions



## Acoustic Solutions



# Recticel footprint



- Recticel Insulation Boards
- Trimo Insulated Panels
- Soundcoat Acoustic Solutions
- Turvac Vacuum Insulation
- REX Insulated Panels

# Consolidated Income Statement

in million EUR

	2022 restated <sup>1</sup>	2023	%
<b>Sales</b>	<b>587.8</b>	<b>529.4</b>	<b>-9.9%</b>
Gross profit	111.2	90.1	-19.0%
as % of sales	18.9%	17.0%	
<b>Adjusted EBITDA</b>	<b>64.4</b>	<b>39.2</b>	<b>-39.2%</b>
as % of sales	10.9%	7.4%	
<b>EBITDA</b>	<b>59.9</b>	<b>36.1</b>	<b>-39.7%</b>
as % of sales	10.2%	6.8%	
<b>Adjusted operating profit (loss)</b>	<b>43.8</b>	<b>15.9</b>	<b>-63.7%</b>
as % of sales	7.4%	3.0%	
<b>Operating profit (loss)</b>	<b>38.3</b>	<b>12.6</b>	<b>-67.1%</b>
as % of sales	6.5%	2.4%	
<b>Financial result</b>	<b>(10.0)</b>	<b>(4.1)</b>	n.m.
<b>Income from other associates<sup>3</sup></b>	<b>(1.2)</b>	<b>(1.8)</b>	n.m.
<b>Impairment other associates</b>	<b>0.0</b>	<b>(7.7)</b>	n.m.
<b>Change in fair value of option structures</b>	<b>2.3</b>	<b>0.0</b>	n.m.
<b>Income taxes</b>	<b>(16.0)</b>	<b>(8.0)</b>	n.m.
<b>Result of the period of continuing operations</b>	<b>13.5</b>	<b>(9.0)</b>	n.m.
<b>Result of discontinued operations</b>	<b>49.3</b>	<b>12.2</b>	<b>-75.3%</b>
<b>Result of the period (share of the Group)</b>	<b>62.4</b>	<b>3.3</b>	<b>-94.7%</b>
Result of the period (share of the Group) - base (per share, in EUR)	1.12	0.06	-94.7%
	31 DEC 2022	31 DEC 2023	%
<b>Total equity</b>	<b>446.2</b>	<b>438.0</b>	<b>-1.8%</b>
Net financial debt (incl. IFRS 16 - Leases)	250.0	(161.9)	n.m.
<b>Gearing ratio (Net financial debt / Total equity)</b>	<b>56.0%</b>	<b>n.a.</b>	
Leverage ratio (Net financial debt / EBITDA) <sup>4</sup>	2.2	n.a.	

<sup>1</sup> Including The Soundcoat Company Inc. as of 1 January 2022. Formerly published 2022 statements have been restated accordingly. Trimco d.o.o. consolidated as of 1 May 2022



# Topline under pressure through combination of shrinking market volumes

## Full effect of drop of number of new building permits yet to be seen

## Renovation markets seem more resilient

### Sales 4Q2023

€ 131.0m  
-6.6% vs 4Q2022\*

- Lower prices as a consequence of raw material deflation and competitive pressure
- 4Q2023 vs 3Q2023
  - Insulation Boards  
Volumes resisted well  
Order intake remains volatile
  - Insulated Panels  
Volumes recovered above YoY comparatives  
Order intake shows positive evolution
- Currency impact -0.15%

### Sales FY2023

€ 529.4m  
-9.9% vs FY2022\*

- Insulation Boards volume decrease stopped since 4Q2023
- Insulated Panels volume and market share increase
- Currency impact -0.62%

\* Including The Soundcoat Company Inc. as of 1 January 2022. Formerly published 2022 statements have been restated accordingly.  
Trimo d.o.o. consolidated as of 1 May 2022.

## Adjusted EBITDA 2023

€ 39.2m  
-39.2% vs 2022\*  
7.4% margin on sales

- Margin erosion in Insulation Boards, consequence of increased competitive pressure in building market affected by large volume reductions and decreasing raw material input prices

## Adjusted Operating result 2023

€ 15.9m  
€ -27.9m vs 2023  
3.0% margin on sales

- € -3.3m Adjustments on continuing operations in 2023:
- € -3.1m restructuring costs
  - € 0.1m other adjustments, mainly M&A related transaction costs offset by partial release of Ascorium insurance (€ 1.0m)
  - € -0.3m impairments

## EBITDA 2023

€36.1m  
-39.7% vs 2022\*  
6.8% margin on sales

## Operating result 2023

€ 12.6m  
€ -25.7m vs 2023  
2.4% margin on sales

\* Including The Soundcoat Company Inc. as of 1 January 2022. Formerly published 2022 statements have been restated accordingly.  
Trimo d.o.o. consolidated as of 1 May 2022.

# Financial result and income taxes

- **Financial result: € -4.1m** (vs € -10.0m)
  - Interest charges: € -7.8m (vs € -5.6m): higher debt following Trimo acquisition in 2Q2022 and gradually increasing variable market interest rates, offset in 2H2023 by interest income on cash € +3.9m
  - Other net financial income and expenses: € -0.1m (vs € -4.8m): negative amount in 2022 linked to a € -6.2m one-off reversal of historic currency translation adjustments as a result of the liquidation of a holding company in UK
- **Result from other associates: € -9.5m** (vs € -1.2m) relates to full impairment of TEMDA2 investment value (at 49%)
- **Fair value of option structures: € +0m** (vs € +2.3m)
- **Income and deferred taxes: € -8.0m** (vs € -16.0m)
  - Current income tax: € -4.5m (vs € -9.3), decreasing in line with the lower results
  - Deferred tax: € -3.5m (vs € -6.7m), partially related to changes in tax legislation in Belgium in 2022



# Results from continuing and discontinued operations

- **Result of continuing operations: € -9.0** (vs € 13.5m)
- **Result of discontinued operations: € 12.2m** (vs € 49.3m)
  - 2023
    - result until 12 June 2023 of the Engineered Foams activities sold to Carpenter Co. (€ -0.5m)
    - net capital gain on the disposal of the Engineered Foams activities sold to Carpenter Co. € +10.7m and composed of the following items:
      - gain on the divestment of Engineered Foams: € +32.2m (including € 22.3m provisions on transactions related tax exposures and indemnities)
      - direct attributable transaction costs: € -6.8m
      - Cumulative Translation Adjustment release in the income statement: € -7.5m;
      - positive result 1H2023 Orsa Foam (€ +0.5m) + impairment (€ -6.9m) + related costs (€ -0.8m).
    - result of the Aquinos closing account settlement (including the release of the closing accounts provision and the interest on the Aquinos receivable (€ +2.0m).
  - 2022
    - result of the period of the Engineered Foams activities which were sold to the Carpenter Co. (€ +32.8m)
    - result of the first three months of 2022 of the Bedding activities (€ +1.3m)
    - net capital gain on the disposal of the Bedding activities sold to Aquinos Group (€ +17.9m, including € 5.0m of provisions for indemnities)
    - impact of the restatement linked to the transfer from Discontinued Operations to Continuing Operations of The Soundcoat Company Inc. (€ -3.5m)
    - result of the settlements related to the divestment of the Ascorium activities (€ +0.8m)
- **Result of the period (share of the Group): € 3.3m** (vs € 62.4m)

# On 31 December 2023, Recticel had a net cash position of € 161.9 million

in million EUR

	31 DEC 2022 restated <sup>1</sup>	31 MAR 2023	30 JUN 2023	30 SEP 2023	31 DEC 2023
<b>Total equity</b>	<b>446.2</b>	<b>-</b>	<b>437.3</b>	<b>-</b>	<b>438.0</b>
Net financial debt excluding factoring	239.8	250.8	(151.0)	(163.9)	(173.2)
+ Lease debt (IFRS 16)	10.2	9.5	8.8	8.3	11.3
<b>Net financial debt</b>	<b>250.0</b>	<b>260.3</b>	<b>(142.3)</b>	<b>(155.6)</b>	<b>(161.9)</b>
+ Drawn amounts under factoring programs	13.2	18.9	0.0	0.0	0.0
<b>Total net financial debt</b>	<b>263.2</b>	<b>279.1</b>	<b>(142.3)</b>	<b>(155.6)</b>	<b>(161.9)</b>
<b>Gearing ratio (incl. IFRS 16)</b>	<b>56.0%</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>
<b>Leverage ratio (incl. IFRS 16)</b>	<b>2.2</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>
EBITDA (last 12 months)	116.1		70.2		90.5

The Group's net cash position further improved by € 6.3m over 4Q2023, due to disciplined working capital management, some M&A related incoming payments and positive interest income

# Dividend

The Board of Directors will propose to the Annual General Meeting of 28 May 2024 the payment of a stable gross dividend of € 0.31 per share on 56,230,920 shares. This represents a total dividend pay-out of € 17.4 million (2022: respectively € 0.31 per share and € 17.4 million in total).





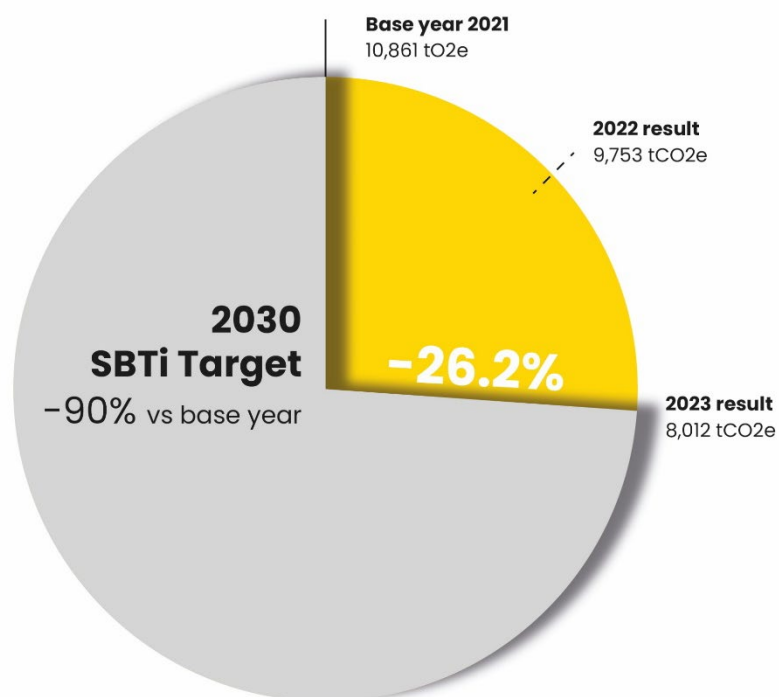
SOCIAL

ENVIRONMENTAL

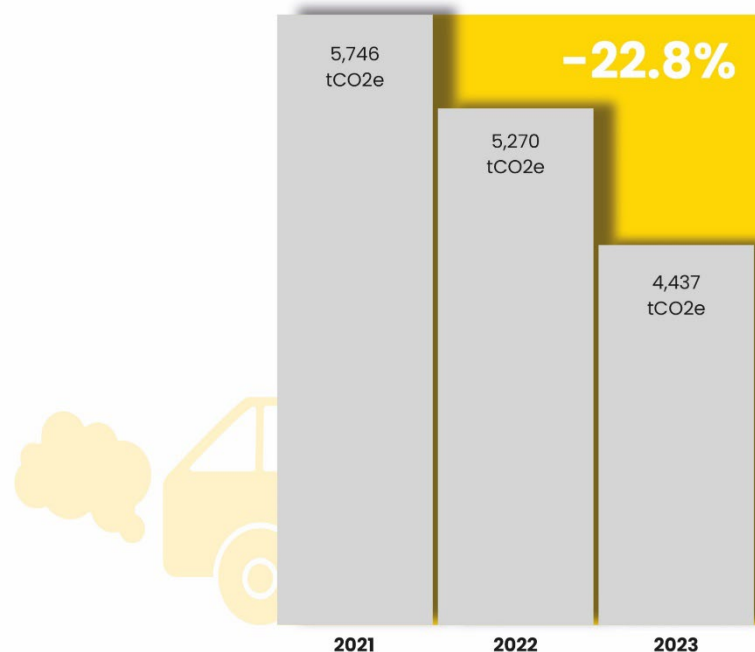
GOVERNANCE

ESG

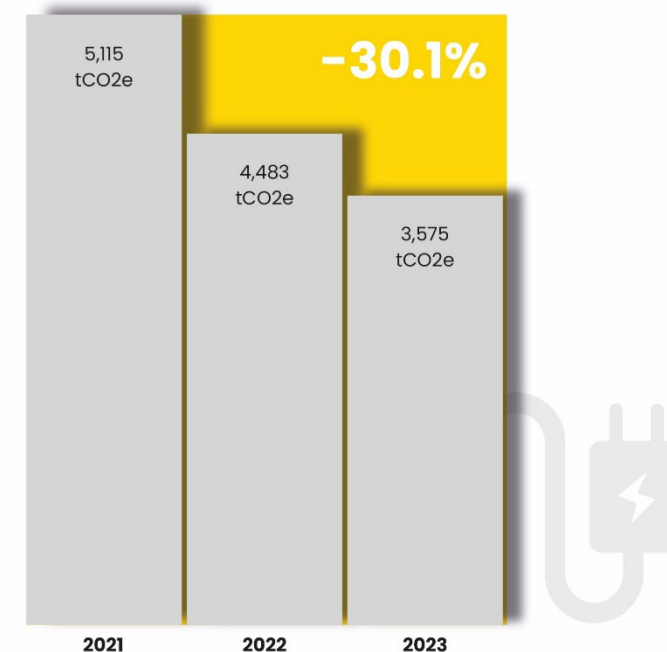
## scope 1+2 GHG emissions



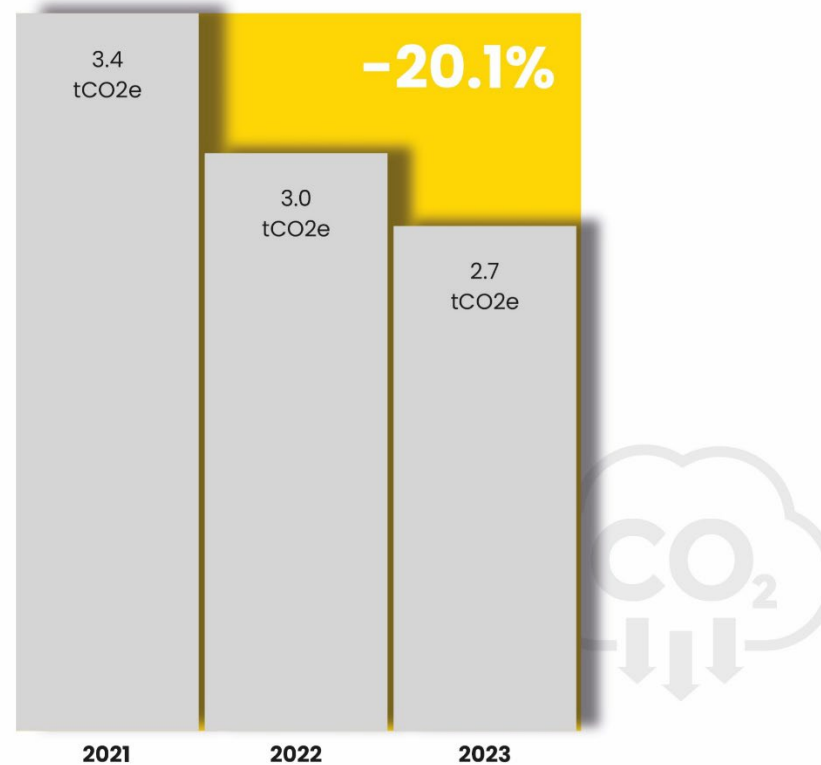
## scope 1 GHG emissions



## scope 2 GHG emissions (market based)

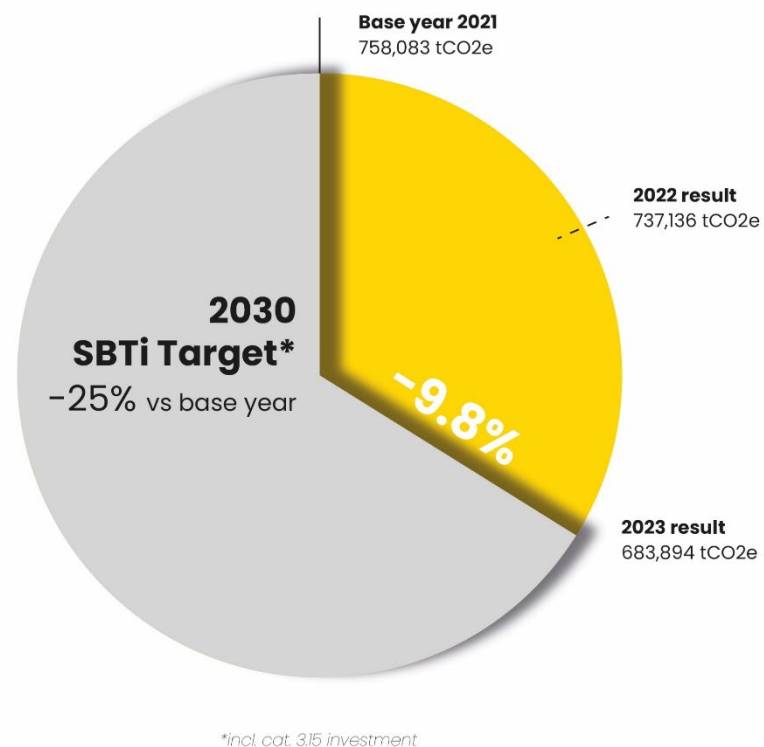


## carbon intensity per sales volume scope 1+2

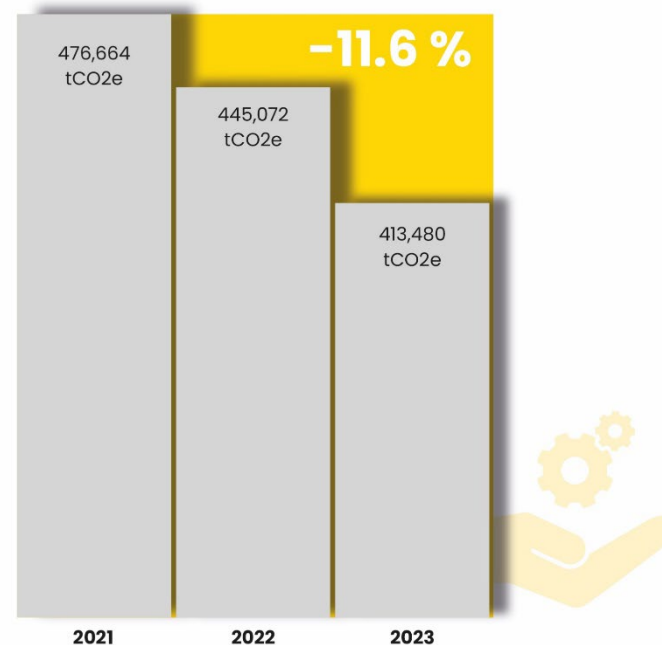




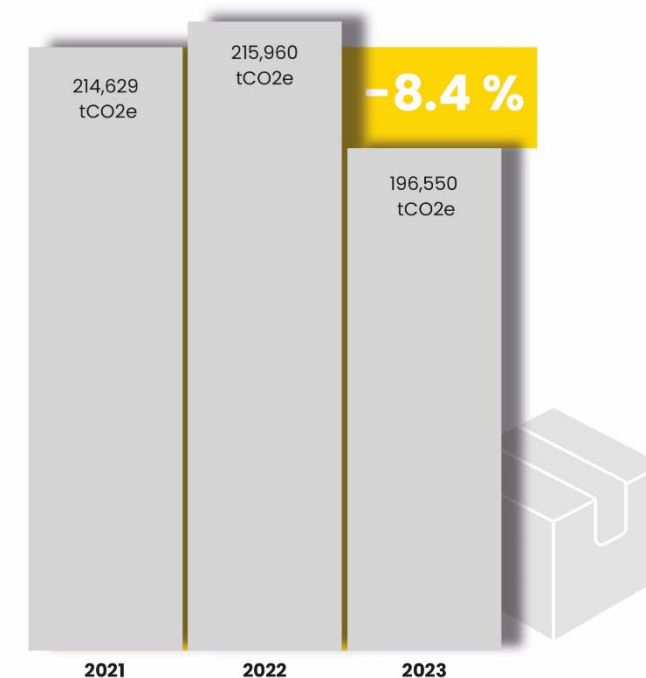
## scope 3 GHG emissions\*



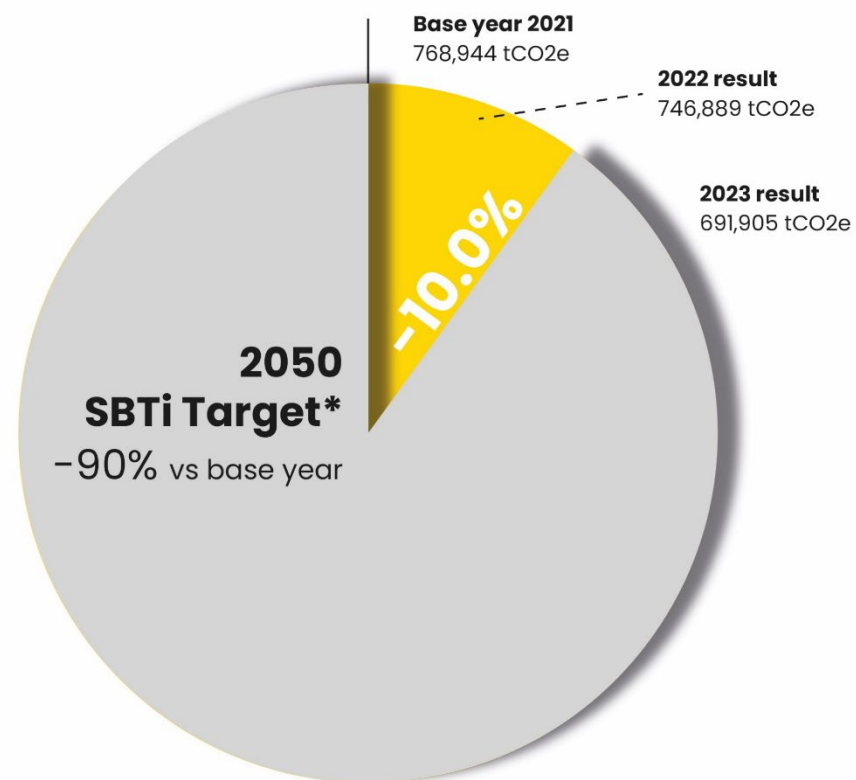
## purchased goods & services



## end-of-life treatment of sold products

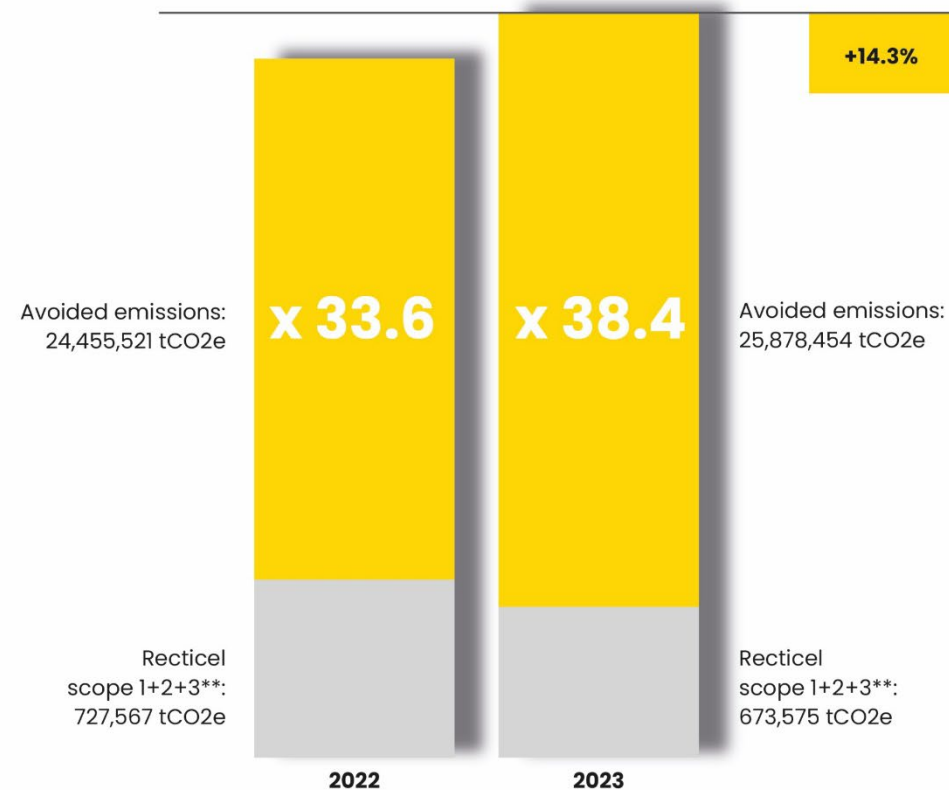


## scope 1+2+3 GHG emissions\*



*\*incl. cat. 3.15 investment*

## avoided emissions\*



\* estimated from all our building insulation products over their lifetime  
 \*\* excluding scope 3.15 investment



## SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**BUSINESS  
AMBITION FOR 1.5°C**



### Overall Net-Zero Target

RECTICEL commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2021 base year.

### Near-Term Targets

RECTICEL commits to reduce absolute Scope 1+2 GHG emissions 90% by 2030 from a 2021 base year.

RECTICEL also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe.

### Long-Term Targets

RECTICEL commits to maintain at least 90% absolute scope 1+2 GHG emissions reductions from 2030 through 2050 from a 2021 base year.

RECTICEL also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year.

**Date of approval:** 14 February 2024

Recticel chose operational control as the consolidation approach and all divisions have been accounted for in the inventory boundary. All targets have been assessed against the absolute contraction approach.

The proposed reduction in scopes 1+2 is aligned with a rate of decarbonization consistent to keep global temperature increase to 1.5°C compared to pre-industrial temperatures.



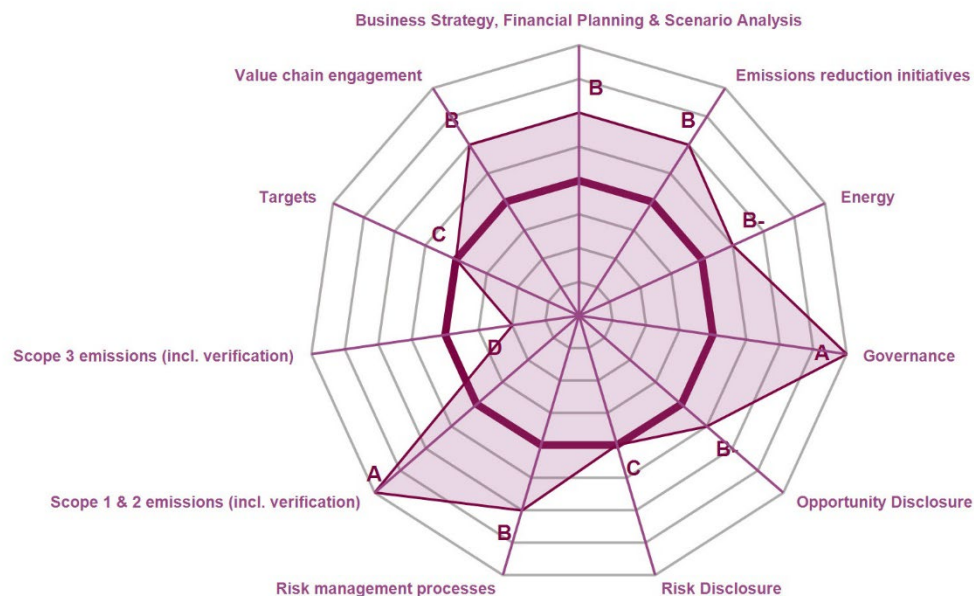


CDP plays a vital role in promoting environmental transparency, encouraging corporate sustainability, and driving action on climate change and other environmental challenges. They assess responding companies across four consecutive levels:

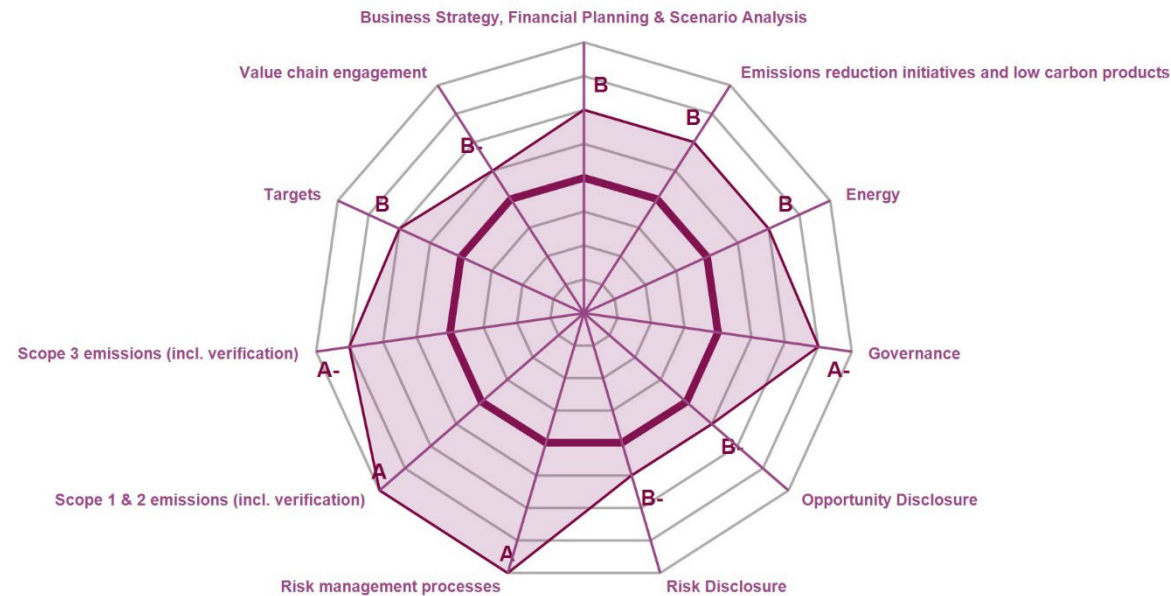
Disclosure:	D/D-	Management:	B/B-
Awareness:	C/C-	Leadership:	A/A-

For 2023, Recticel obtained a score B for Climate Change, which was the same score as in 2022. However the underlying parameters show a substantial improvement.

#### 2022 | CDP score B



#### 2023 | CDP score B



# Contacts

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## Financial calendar

First quarter trading update 2024	29.04.2024 (07:00 CET)
Annual General Meeting	28.05.2024 (10:00 CET)
First half year results 2024	30.08.2024 (07:00 CET)
Third quarter trading update 2024	31.10.2024 (07:00 CET)

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

Customers, suppliers, shareholders, investors and all other stakeholders and interested parties who wish to receive Recticel's annual report and/or its regular press releases, are invited to subscribe to Recticel's **email alert** on the above web site address. This service is free of charge.

### Uncertainty risks concerning the forecasts made

This report contains forecasts which entail risks and uncertainties, including with regards 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.