

TRADING UPDATE FOR 1st QUARTER 2018

- Combined sales growth of 4.6%, despite an adverse currency impact of -1.3%
- Further increases in chemical raw material prices lead to additional price adjustments
- Combined net financial debt: EUR 141.7 million

Olivier Chapelle (CEO): *“We are satisfied with the overall sales growth generated during the first quarter of 2018, despite the harsh weather conditions that prevailed. The markets in which we operate have remained overall supportive, with exception of the United Kingdom.*

The polyurethane industry has again been facing raw material price increases during the quarter, and the Recticel teams continue to focus on passing them through to the customers.

Going forward, Recticel remains concentrated on the introduction of product innovations, on the execution of its geographic growth initiatives and on the divestment of its Automotive divisions.

OUTLOOK

For the full-year 2018, the Group expects continued growth of its combined sales and REBITDA thanks to a combination of volume growth, improved mix and efficiency gains.

1. COMBINED DATA

Combined sales increased from EUR 365.3 million in 1Q2017 to **EUR 382.0 million in 1Q2018** (+4.6%), including an adverse net currency effect of -1.3% due to the depreciation of most currencies versus the Euro.

Automotive and Flexible Foams reported higher sales on the back of higher volumes, whereas harsh weather conditions, among others, have weighed on sales of Bedding and Insulation.

Breakdown of sales by segment (unaudited)

<i>in million EUR</i>	1Q2017	1Q2018	Δ
Flexible Foams	160,6	170,9	6,4%
Bedding	75,0	70,7	-5,8%
Insulation	61,3	60,1	-2,0%
Automotive	84,6	95,5	12,8%
Eliminations	(16,3)	(15,0)	-7,6%
TOTAL COMBINED SALES	365,3	382,0	4,6%
Adjustment for joint ventures by application of IFRS 11	(83,4)	(90,8)	8,9%
TOTAL CONSOLIDATED SALES	281,9	291,2	3,3%

A. Flexible Foams

1Q2018 combined sales increased from EUR 160.6 million to **EUR 170.9 million** (+6.4%), including exchange rate differences of -1.2%.

Excluding intersegment sales, combined external sales increased by 7.4% to EUR 158.3 million. Comfort (EUR 101.0 million; +6.6%) and Technical Foams (EUR 69.9 million; +6.1%) reported higher sales, due to higher average selling prices and supportive volumes in Technical Foams.

The Technical Foams teams are finalising their expansions projects in China and Morocco, both due to start up during the second quarter of 2018.

B. Bedding

1Q2018 combined sales decreased by 5.8% from EUR 75.0 million to **EUR 70.7 million**, including exchange rate differences of -0.7%.

Excluding intersegment sales, combined external sales decreased by -5.1% to EUR 68.7 million in 1Q2018. Due to low shop traffic induced by unfavorable weather and a changing market environment (particularly in Germany), the sub-segment Branded Products contracted by 3.1% while sales in the sub-segment Non-Branded/Private Label decreased by 9.0%.

In February 2018, Recticel introduced its GELTEX® inside 2.0 products at the IMM Fair in Cologne. This new generation of superior quality mattresses has been well received by the market and will be available in the shops in the course of the fourth quarter 2018. At the IMM Fair Recticel also received the innovation price for its new boxspring collection.

C. Insulation

1Q2018 combined sales decreased from EUR 61.3 million to **EUR 60.1 million** (-2.0%), including exchange rate differences of -1.0% (Pound Sterling).

Higher average selling prices, reflecting the increased chemical raw material costs were offset by lower volumes due to (i) harsh weather conditions in Europe compared to the prior year and (ii) the industry-wide PIR insulation board unavailability in 2Q & 3Q2017 due to MDI supply shortage.

The construction of a greenfield plant for Insulation in Finland is on schedule to start up in 4Q2018, targeting the Scandinavian and the Baltics markets.

D. Automotive

1Q2018 combined sales increased by 12.8% from EUR 84.6 million to **EUR 95.5 million**, including exchange rate differences of -1.6%. Sales of the Automotive segment continued to benefit from positive market dynamics and new program start-ups.

Sales in **Interiors** increased by 12.4% from EUR 44.7 million to **EUR 50.3 million**, after currency exchange differences of -2.8%.

Sales in **Seating** (i.e. Proseat, the 51/49 joint venture between Recticel and Woodbridge) increased by 13.2% from EUR 39.9 million to **EUR 45.2 million**. Currency exchange differences had an impact of -0.2%.

2. CONSOLIDATED DATA

- **1Q sales increased by 3.3% from EUR 281.9 million to EUR 291.2 million, despite an adverse currency impact of -1.7%**
- **Net financial debt amounted to EUR 106.9 million**

3. FINANCIAL POSITION

Total combined net debt, including amounts drawn under off-balance non-recourse factoring programs, amounted to EUR 199.2 million (31 December 2017: EUR 177.6 million; 31 March 2017 EUR 194.2 million), reflecting the seasonal working capital build up.

Excluding the amount of EUR 57.5 million drawn under the factoring programs, **combined net financial debt** amounted to EUR 141.7 million (31 December 2017: EUR 122.9 million; 31 March 2017: EUR 135.9 million).

Total consolidated net debt, including amounts drawn under off-balance non-recourse factoring programs, amounted to EUR 164.4 million (31 December 2017: 141.8 million; 31 March 2017: 173.1 million).

Excluding the amount of EUR 57.5 million drawn under the factoring programs, **consolidated net financial debt** amounted to EUR 106.9 million (31 December 2017: EUR 87.1 million; 31 March 2017: EUR 114.8 million)

ooo

Glossary

- **IFRS measures**

Combined (figures)	: Figures including Recticel's pro rata share in the joint ventures, after elimination of intercompany transactions, in accordance with the proportional consolidation method.
Consolidated (figures)	: Figures following the application of IFRS 11, whereby Recticel's joint ventures are integrated on the basis of the equity method.

- **Alternative Performance Measures**

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

EBITDA	: = EBIT + depreciation, amortisation and impairment on assets.
Gearing	: Net financial debt / Total equity
Leverage	: Net financial debt / EBITDA
Net financial debt	: Interest bearing financial debts at more than one year + interest bearing financial debts within maximum one year – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs
Non-recurring elements	: Non-recurring elements include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in)tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, gains or losses on discontinued operations, revenues or charges due to important (inter)national legal issues.
REBIT	: = EBIT before non-recurring elements.
REBITDA	: = EBITDA before non-recurring elements
Total net financial debt	: = Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring/forfeiting programs

Uncertainty risks concerning the forecasts made

This press 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.

Financial calendar

First quarter 2018 trading update	26.04.2018 (at 07:00 AM CET)
Annual General Meeting	29.05.2018 (at 10:00 AM CET)
Ex-coupon date	30.05.2018
Record date	31.05.2018
Dividend payment date	01.06.2018
First half-year 2018 results	29.08.2018 (at 07:00 AM CET)
Third quarter 2018 trading update	31.10.2018 (at 07:00 AM CET)
Annual results 2018	28.02.2019 (at 07:00 AM CET)
First quarter 2019 trading update	29.04.2019 (at 07:00 AM CET)
Annual General Meeting	28.05.2019 (at 10:00 AM CET)
First half-year 2019 results	30.08.2019 (at 07:00 AM CET)
Third quarter 2019 trading update	30.10.2019 (at 07:00 AM CET)

For additional information

RECTICEL - Olympiadenlaan 2, B-1140 Brussels (Evere)

PRESS

Mr Olivier Chapelle
Tel: +32 2 775 18 01
chapelle.olivier@recticel.com

INVESTOR RELATIONS

Mr Michel De Smedt
Mobile: +32 479 91 11 38
desmedt.michel@recticel.com

Recticel in a nutshell

Recticel is a Belgian Group with a strong European dimension, but it also operates in the rest of the world. Recticel employs 8,411 people in 98 establishments in 28 countries.

Recticel contributes to daily comfort with foam filling for seats, mattresses and slat bases of top brands, insulation material, interior comfort for cars and an extensive range of other industrial and domestic applications.

Recticel is the Group behind well-known bedding brands (Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Sembella®, Swissflex®, Superba®, Ubica®, etc.) and GELTEX® inside. Within the Insulation sub-segment high-quality thermal insulation products are marketed under the well-known brands Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®. Technological progress and innovation have led to breakthrough at the biggest names in the Automotive industry thanks to Colo-Fast®, Colo-Sense® and Colo-Sense Lite®.

In 2018 Recticel achieved combined sales of EUR 1.46 billion (IFRS 11 consolidated sales: EUR 1.14 billion).

Recticel (Euronext: REC – Reuters: RECTf.BR – Bloomberg: REC:BB) is listed on Euronext in Brussels.

The press release is available in English, Dutch and French on the website www.recticel.com