

KBC SMALL CAP CONFERENCE

Brussels, 10 December 2015

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Agenda

- 1 Introduction to the Recticel Group**
- 2 Strategy**
- 3 Key highlights 9M2015**
- 4 Financial situation**
- 5 Outlook Full Year 2015**
- 6 9M2015 Comments per Business Line**

Recticel at a glance

- ▶ Recticel is an important innovator in the industry, being the European #1 & Worldwide #2 in polyurethane applications
- ▶ Its activities are concentrated in Europe (94% of sales) and growing in Asia and USA
- ▶ Recticel generates, on a combined basis, sales of €1.28bn and REBITDA of €65.9m with 7,578 employees spread over 99 locations in 27 countries
- ▶ 4 business lines serve Recticel's key end-use markets (2014 combined figures):

Insulation

- ▶ #2 European provider of high performance, polyurethane based rigid thermal insulation boards for the building market
- ▶ Portfolio of strong brands Eurowall®, Powerdeck®, Powerroof®, Powerwall®, etc.
- ▶ Strong presence in Benelux, France and UK
- ▶ Segment with high growth potential

Sales: €227.0m
REBITDA: €27.1m
REBITDA margin: 11.9%

Bedding

- ▶ #2 European provider of mattresses and bed bases
- ▶ Ongoing development of strong ingredient brands such as GELTEX® inside
- ▶ Portfolio of strong local brands such as Schlaraffia®, Beka®, Swissflex®, etc.
- ▶ Brands = 58% of sales

Sales: €281.60m
REBITDA: €13.5m
REBITDA margin: 4.8%

Flexible Foams

- ▶ #1 provider of comfort foams and technical foams in Western and Eastern Europe
- ▶ Broad range of high value added and differentiated Technical Foams applications
- ▶ Globally active in Technical Foams (#1 in Europe)

Sales: €593.0m
REBITDA: €27.7m
REBITDA margin: 4.7%

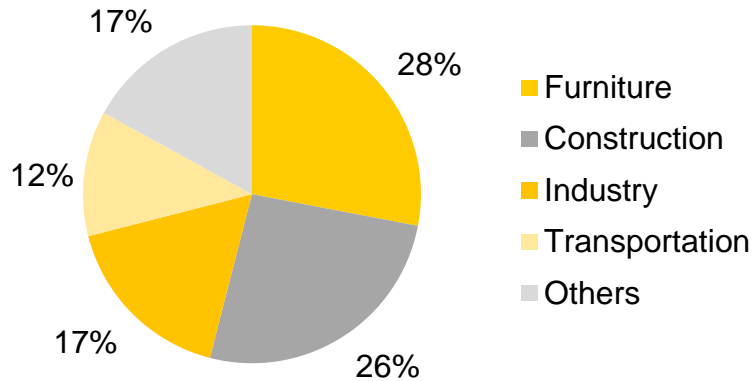
Automotive

- ▶ **Interiors** division is the sole worldwide provider of patented polyurethane sprayed (Colo-Sense® Lite) skins for car interiors
- ▶ Well positioned via **Proseat** (51/49 joint venture) in the European **Seating** foam and trim parts markets, with recent expansion in lightweight EPP (expanded polypropylene) parts

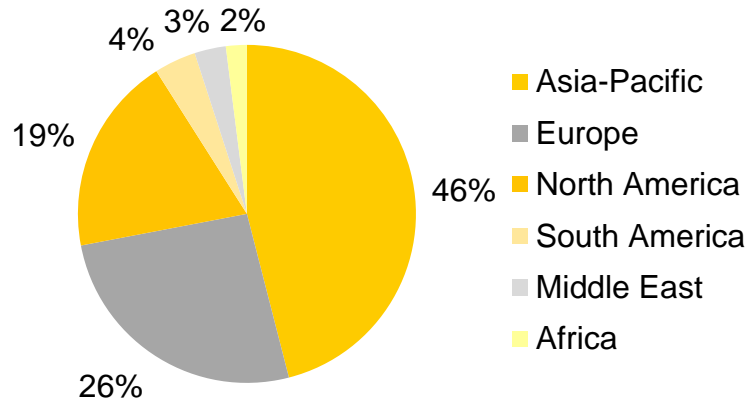
Sales: €264.0m
REBITDA: €14.9m
REBITDA margin: 5.6%

Leading player offering specific polyurethane solutions to global customers

Global polyurethane markets¹



Global production of polyurethane¹



- ▶ Global PU applications market of €50bn
- ▶ Worldwide annual PU raw materials consumption of ~13.5 million tons
- ▶ Highly attractive PU applications market:
 - Broad and **diversified** end-markets
 - Large markets which are **regionally driven** due to high transportation costs
 - PU is **versatile material with high performance characteristics**, enabling value enhancing solutions
 - Global and long-term **mega trends** driving several PU applications:
 - Environmental protection
 - Energy conservation
 - Increasing consumer appetite for premium quality and comfort

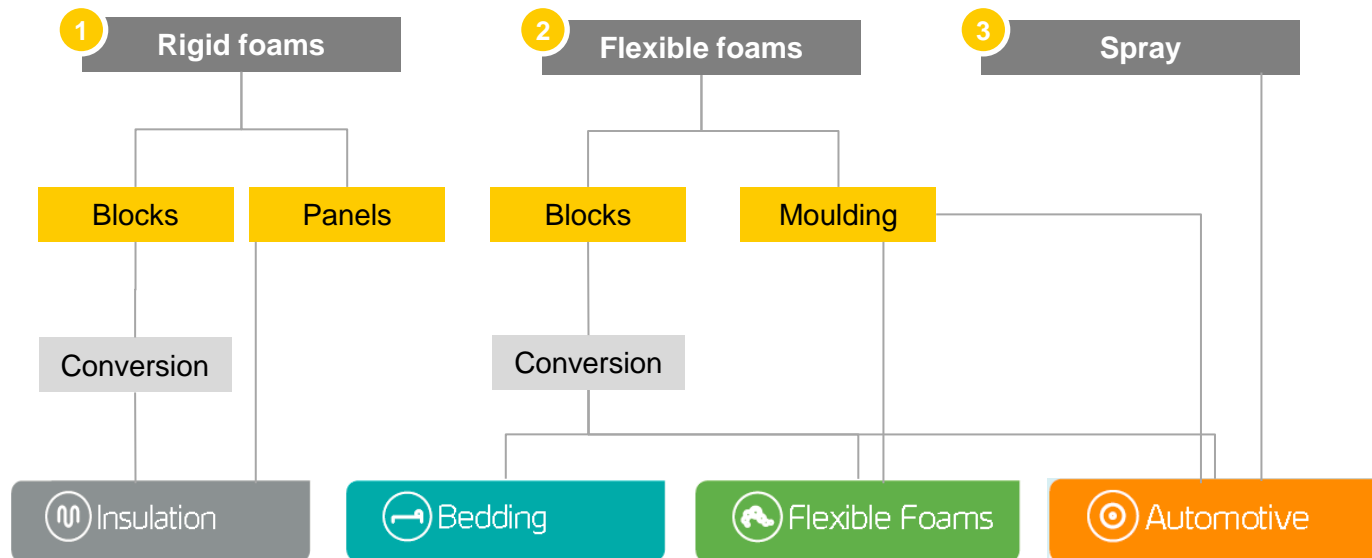


Recticel is an important innovator in the industry, being the European #1 & Worldwide #2 in polyurethane applications

1. Prognosis 2014 in volumes – source Ceresana

Production process serving all 4 business lines

- ▶ Type and characteristics of final products depend on the manufacturing process:
 - 1 Laminated foaming resulting in rigid foam panels
 - 2 Traditional foaming of raw materials resulting in flexible foam blocks or moulded parts
 - 3 Sprayed raw materials forming PU elastomers



Significant synergies within the Group

1

Strong technology synergies throughout the organization

- ▶ Centralized R&D as a platform for innovations in multiple segments
- ▶ Sharing of experience and know-how in both foam manufacturing and converting leading to cross-fertilization throughout the organization

2

High level of complementarity between business lines

- ▶ Broad supplier-customer internal relationship and sharing of production sites between Bedding and Flexible Foams leads to faster innovation
- ▶ Strong product synergy between Insulation and Flexible Foams for acoustic combined with thermal insulation

3

Central purchasing leading to increased purchasing power

- ▶ Centralized purchasing organization leveraging the size of the Group
- ▶ Purchasing synergies particularly realized in the sourcing of chemical raw materials (polyols and isocyanates)

4

Recycling within the different production processes leading to additional benefits

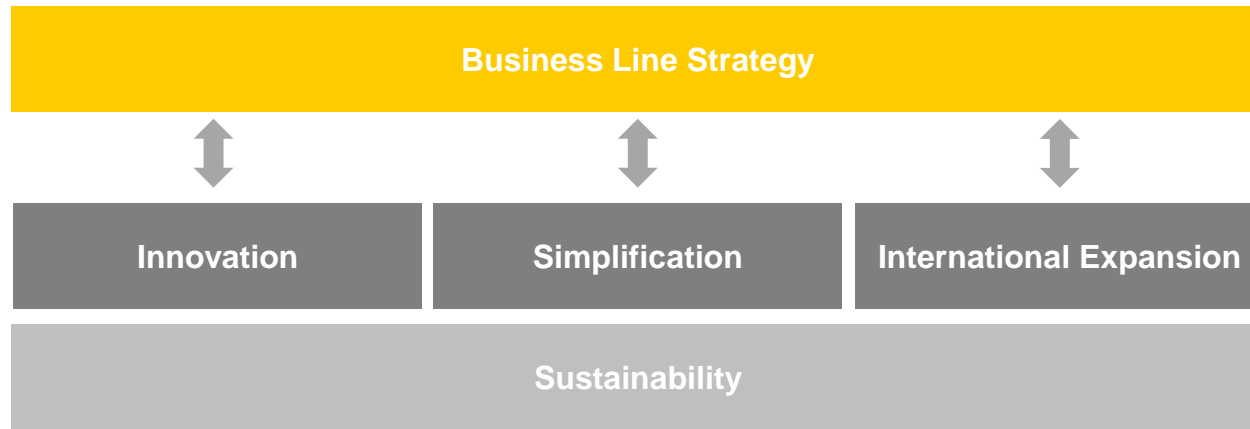
- ▶ Foam waste from the conversion process is recycled and subsequently compounded for use in many applications and markets

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Strategy focused on being the leading provider of high value added solutions in its core markets...

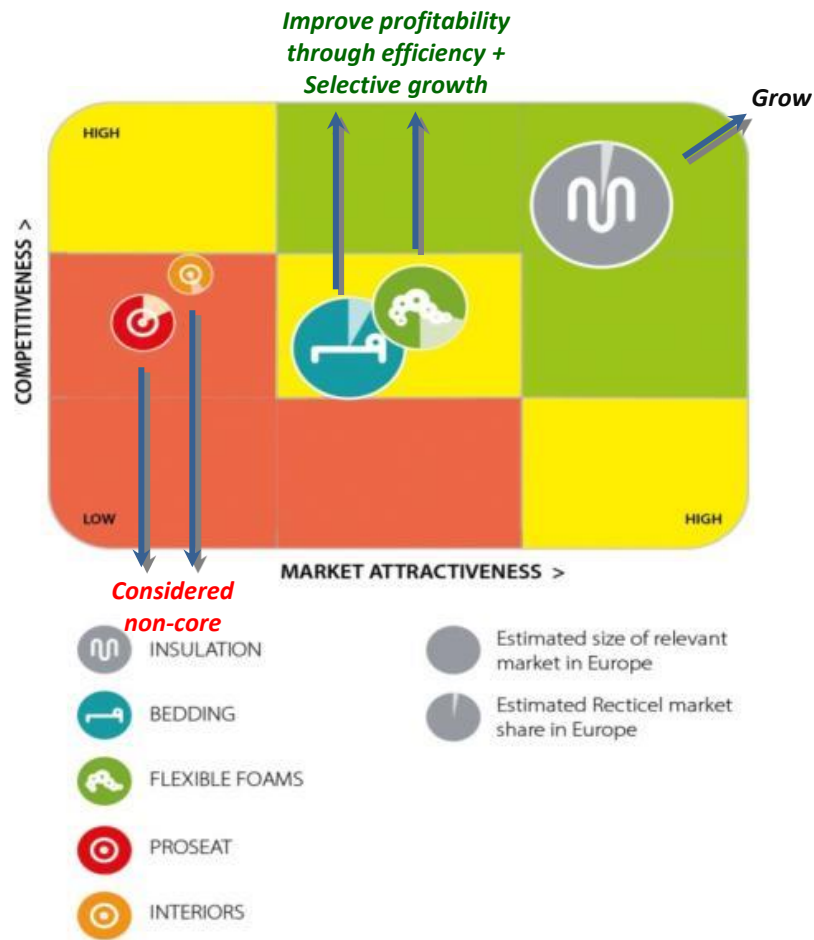
- ▶ The **building blocks** of the Group's strategy are illustrated as follows:



- ▶ Overall group wide **strategic priorities** supported by specific business line strategy:
 - ❑ **Innovation** in high value added applications, products and materials
 - ❑ Overall **simplification** of the Group and finalizing the rationalization of the manufacturing footprint
 - ❑ Pursue prudent **international expansion** outside Europe
 - ❑ Integration of **sustainable development criteria** in all business decisions

...implemented through a thorough business line assessment...

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		



- The strategic plan prioritizes resource allocation based on the relative **attractiveness** of the end-markets and the **competitive strength** of the Group in each market

...leading to differentiated business line strategies

Insulation

- ▶ Strong growth driven by:
 - ❑ Innovation and introduction of new products
 - ❑ Development of new and complementary distribution channels
 - ❑ Organic growth potentially coupled with complementary acquisitions
 - ❑ International expansion, primarily in Europe

Bedding

- ▶ Improvement of profitability through operational efficiency and industrial footprint optimization
- ▶ Organic growth through strong product innovation and the right marketing and brand strategy

Flexible Foams

- ▶ Improvement of profitability through operational efficiency and industrial footprint optimization
- ▶ Selective growth initiatives based on capacity expansion in Eastern Europe
- ▶ New products and further geographical expansion in higher added value Technical Foams

Automotive

- ▶ Enhancement of profitability through operational excellence and technological leadership
- ▶ Fully leveraging the existing production capacity
- ▶ Tight investment control

Large number of recent innovations and product launches in the Insulation business line

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		



- ▶ Product line Home® (all-in-one isolation system for DIY)



- ▶ Lambda-21 Eurowall (new generation of PIR panels offering a 10% improvement in thermal insulation)

EUROWALL®

- ▶ Iso-finish® (external insulation concept)



- ▶ Glow: ETICS (external thermal insulation composite systems)



- ▶ L-Ments™ (fully integrated and self-supporting thermal insulation structures for pitched roofs)



Launch of GELTEX® inside, the largest and most important innovation of the last decade in Bedding

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		

Bedding

- ▶ GELTEX® inside combines optimal pressure distribution, ideal support and maximum permeability/climate control properties



New generation of foams launched within the Flexible Foams business line

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		



- ▶ New acoustic foams leading to new contracts for Boeing and SpaceX
- ▶ Development of new comfort foams: GELTEX® and angelpearl® for the bedding sector

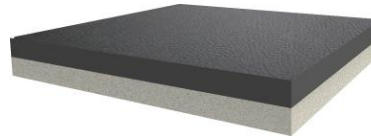


Launch of Colo-sense® Lite, a new high performance skin, in the automotive business line

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		



- ▶ Colo-sense® Lite high performance skin allows for a 25% weight reduction, responding to the OEM's constant search for lighter products



Overall simplification of the Group leading to increased efficiency and reduced fixed costs

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		

Realized streamlining 2010-2015

- ▶ **# Locations:**
 - ❑ 36 locations closed or sold : 30 closed in EU, 1 closed in USA and 5 sold in EU
 - ❑ Interiors -5, Proseat -5, Bedding -1, Flexible Foams -23 and Insulation -2
- ▶ **# Employees:** expected < 7,500 employees end 2015
- ▶ **# Joint ventures:** reduction from 22 to 12
- ▶ **# Legal entities:** reduction from 119 to 85
- ▶ **# SKU's** reduction in most segments or factories
- ▶ Procurement activities now centralized in a **Group Purchasing Organization**
- ▶ Transactional accounting services now optimized, standardized and centralized in a **European Shared Service Centre**

Future actions 2016-2017

- ▶ The Group is committed to continue its efforts to streamline the organization
 - ❑ Further **streamlining the Bedding and Flexible Foams** operations
 - ❑ Further **optimization of central and corporate functions** (2015-2016)
 - ❑ Further work on standardization of product ranges, rationalization customer portfolio, number of joint ventures, number of consolidated entities, ...

International expansion strategy backed by strong market positions in Europe

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		

- ▶ **Recticel is a true international group pursuing further growth through international expansion inside and outside Europe**

Recently realized growth initiatives in some core European countries as well as outside Europe

- ❑ **Europe:** France (Insulation), UK (Insulation) and Germany (Proseat)
- ❑ **China:** Shengyang (Interiors), Beijing (Interiors), Ningbo (Interiors), Langfang (Interiors), Changchun (Interiors) and Shanghai (Flexible Foams)
- ❑ **India:** Mumbai (Flexible Foams) and Bangalore (Flexible Foams)
- ❑ **Turkey:** Istanbul (Flexible Foams)
- ❑ **USA:** Auburn Hills (Interiors), Tuscaloosa (Interiors), New-York (Flexible Foams) and San Diego (Flexible Foams)

- ❑ Grow **Insulation** sales in regions/countries specifying and valuing high performance insulation materials
- ❑ Expand **Branded Bedding** sales in countries valuing Recticel brands
- ❑ Grow **Technical Foams'** presence and activities outside Europe (USA and Asia)
- ❑ Expand **Interiors** activities by following end-customers and OEM's via a plant-in-plant concept (mainly in China and Mexico)

Embracing sustainability to create value for all stakeholders

Business Line Strategy		
Innovation	Simplification	International Expansion
Sustainability		

Embracing sustainability creates a significant competitive edge, reduces cost, fosters innovation and thus creates value for all stakeholders

- ▶ Prioritizing investments in solutions fulfilling societal needs (e.g. insulation = energy saving)
- ▶ Managing production processes and supply chain efficiently to minimize raw material, energy & water consumption, waste and transport
- ▶ R&D focused on sustainable innovations uncovering new solutions for the circular economy, including chemistry research programmes with leading universities
- ▶ Operating to the highest standards of health, safety and environment for the wellbeing of all stakeholders
- ▶ Sustainability Report 2015 to be published in 2016

RECTICEL PRODUCTS HELP

AVOID 20x MORE CO₂ EMISSIONS THAN THEIR OWN CO₂ IMPACT

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Key highlights 9M2015

1

Successful capital increase of € 75.9 million (13 May 2015)

2

Divestment of 50% participation in joint venture KTI (Insulation) (February 2015)

3

Sales (9M2015) +5.1%, driven mainly by Insulation (+9.2%) and Bedding (+6.7%)

4

Operational issues in Flexible Foams (cfr 4Q2014) solved

5

Further progress in the streamlining of the company drives efficiency gains

6

Reduced net financial debt and Gearing (net financial debt/equity) ratio

Key market developments 9M2015

► Tailwinds

- € depreciation vs \$ (-11%), £ (-9%) and Yuan (-8%), together with increasing volatility,
- Oil price decreased to 40\$/bl leads to average raw material price reduction
- No inflation, except on labor ~2%

► Macro-environment

- Automotive : solid growth in Automotive EU and US, has compensated for collapse in Russia and Brazil, China remaining stable,
- Construction only slightly positive in EU, with strong UK and weak France,
- Bedding and Furniture became slightly positive during the year with estimate y-o-y growth of 1-2% in value
- Decreasing momentum in industrial sectors

New residential building markets have been negative in 2012 & 2013, stabilised in 2014, and expected to grow slightly in 2015

Development of building market in Europe 2011-2017F (%)*

	Total building				Total	New	Reno	Forecast	
	2011	2012	2013	2014	2015			2016	2017
Austria	3,2	2,9	-2,0	0,1	0,6	0,6	0,5	1,1	1,6
Belgium	4,4	-0,5	-0,4	1,4	0,7	-1,3	2,6	1,9	2,0
Denmark	5,5	-5,5	-1,5	3,9	1,6	5,2	0,3	3,0	3,4
Finland	4,4	-4,2	-3,8	-0,9	0,2	-3,2	3,2	4,3	2,7
France	5,2	-0,8	-1,4	-4,7	-0,2	-1,4	0,8	3,4	2,8
Germany	5,2	-0,6	-0,3	2,6	1,3	3,1	0,4	0,7	0,0
Ireland	-8,1	-13,5	5,0	10,4	10,1	11,6	8,0	19,9	10,2
Italy	-2,2	-6,4	-2,7	-1,9	-0,4	-5,0	1,1	1,4	1,7
Netherlands	-1,2	-8,5	-3,7	1,5	3,6	5,3	2,3	3,3	4,5
Norway	6,4	4,5	-0,8	0,1	1,7	-0,1	3,5	1,9	1,7
Portugal	-10,9	-15,1	-13,6	-2,0	2,5	1,2	3,8	3,5	4,3
Spain	-14,2	-25,6	-15,0	-3,4	1,2	0,3	2,2	4,6	6,2
Sweden	3,4	-4,6	2,7	8,3	7,8	13,3	4,1	-0,6	0,8
Switzerland	2,9	1,9	1,8	0,3	0,0	-0,7	1,1	-1,1	0,3
United Kingdom	0,6	-7,4	0,8	8,1	4,9	6,1	3,0	3,4	2,7
Western Europe (EC-15)	0,8	-5,0	-1,9	1,0	1,6	1,9	1,4	2,3	2,1
Czech Republic	-0,9	-6,9	-6,0	3,5	4,0	3,0	5,6	3,9	4,6
Hungary	-12,3	-1,9	-3,9	3,1	2,6	4,1	1,2	2,9	3,7
Poland	7,8	3,0	-1,4	4,5	4,7	5,3	3,4	2,8	5,2
Slovak Republic	-3,2	-8,9	-8,3	-4,3	0,1	-2,1	4,3	-0,2	0,0
Eastern Europe (EC-4)	2,2	-1,0	-3,3	3,5	4,1	4,2	3,7	2,9	4,6
Euroconstruct Countries (EC-19)	0,9	-4,9	-2,0	1,1	1,8	2,1	1,5	2,3	2,2

- New building activities in Belgium and France decreasing; growth is mostly triggered by renovation
- Strong market growth in UK

* Euroconstruct June 2015

European Bedding markets have shrunk in value in 2013 and 2014. Data only partially available for 2015, but slight growth expected

Bedding market (mattresses and bases), value development vs previous period, %

Country	2013	2014	2015 H1
DE *	-7%	7%	4%
BE	0%	-2%	n/a
AT	-3%	-8%	n/a
CH **	-7%	-1%	-17%
NL	-4%	-3%	n/a
FRA	-1%	1%	n/a
Weighted Average	-7%	-2.7%	n/a

N.B. EBIA covers 78% of Recticel Bedding's Core Markets (excl Poland and Nordics), but only 60% of all suppliers
 Sources: World Mattress Report 7/2015 and EBIA 9/2015
 * Statistisches Bundesamt 2015
 ** GfK 8/2015

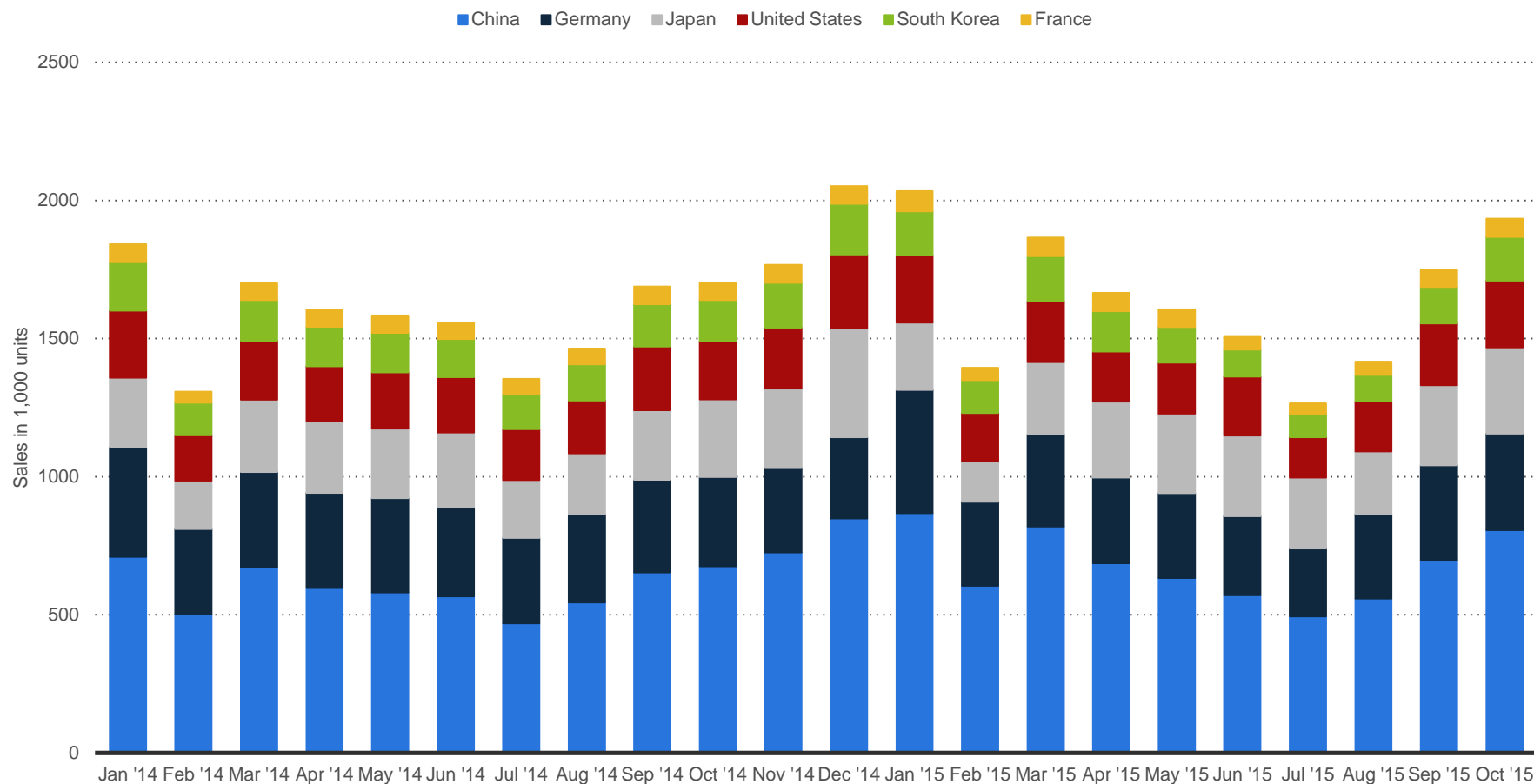
- Recticel gained market share in 2013 (we lost -5.5% compared to -7% in the market) and in 2014 (we lost -2% vs -2.7% in the market).
- Expecting to have gained market share in 2015

Automotive – EU28 new Passenger car registrations increased by 8.2% yoy in 2015, but remained ~20% below 2007

	October '15	October '14	%Change 15/14	Jan - Oct '15	Jan - Oct '14	%Change 15/14
AUSTRIA	25,149	26,945	-6.7	262,342	264,308	-0.7
BELGIUM	39,474	38,115	+3.6	431,996	426,210	+1.4
BULGARIA	1,941	1,682	+15.4	19,022	16,832	+13.0
CROATIA	2,411	2,425	-0.6	30,760	29,819	+3.2
CYPRUS	905	707	+28.0	8,464	7,050	+20.1
CZECH REPUBLIC	19,658	17,791	+10.5	190,668	159,261	+19.7
DENMARK	16,872	16,366	+3.1	171,983	158,359	+8.6
ESTONIA	1,867	2,060	-9.4	17,529	18,024	-2.7
FINLAND	9,166	8,838	+3.7	91,895	91,925	-0.0
FRANCE	161,737	160,149	+1.0	1,583,172	1,497,464	+5.7
GERMANY	278,372	275,320	+1.1	2,686,310	2,556,991	+5.1
GREECE	4,946	6,003	-17.6	63,130	59,848	+5.5
HUNGARY	8,192	6,115	+34.0	63,491	55,496	+14.4
IRELAND	2,562	2,011	+27.4	123,660	95,162	+29.9
ITALY	132,929	122,445	+8.6	1,330,005	1,159,833	+14.7
LATVIA	1,291	1,207	+7.0	11,577	10,446	+10.8
LITHUANIA	1,576	1,252	+25.9	14,440	12,323	+17.2
LUXEMBOURG	4,398	4,522	-2.7	40,425	42,669	-5.3
NETHERLANDS	39,006	35,112	+11.1	340,057	319,168	+6.5
POLAND	29,062	28,690	+1.3	287,302	273,732	+5.0
PORTUGAL	13,696	11,795	+16.1	151,964	119,203	+27.5
ROMANIA	7,562	7,344	+3.0	64,401	58,908	+9.3
SLOVAKIA	6,691	7,282	-8.1	63,699	60,536	+5.2
SLOVENIA	6,123	5,697	+7.5	56,872	51,636	+10.1
SPAIN	80,055	76,073	+5.2	863,973	716,746	+20.5
SWEDEN	31,563	28,252	+11.7	280,216	250,888	+11.7
UNITED KINGDOM	177,664	179,714	-1.1	2,274,550	2,137,910	+6.4
EUROPEAN UNION¹	1,104,868	1,073,912	+2.9	11,523,903	10,650,747	+8.2
EU15²	1,017,589	991,660	+2.6	10,695,678	9,896,684	+8.1
EU12³	87,279	82,252	+6.1	828,225	754,063	+9.8
ICELAND	808	551	+46.6	12,394	8,721	+42.1
NORWAY	13,197	12,963	+1.8	125,008	120,067	+4.1
SWITZERLAND	25,236	26,277	-4.0	264,829	245,413	+7.9
EFTA	39,241	39,791	-1.4	402,231	374,201	+7.5
EU + EFTA	1,144,109	1,113,703	+2.7	11,926,134	11,024,948	+8.2
EU15 + EFTA	1,056,830	1,031,451	+2.5	11,097,909	10,270,885	+8.1

Automotive – China new Passenger car registrations increased by 4% in 2015

Monthly passenger car sales in China from January 2014 to October 2015, by country of brand origin (in 1,000 units)



1H2015 : Sales +4.7%, REBITDA + 15.7%, REBIT +29.1%

<i>in million EUR</i>	1H2014	1H2015	Δ 1H
	--- (restated) ¹ ---		
Flexible Foams	300,1	305,9	1,9%
Bedding	135,4	143,5	5,9%
Insulation	103,3	113,3	9,7%
Automotive	140,8	142,9	1,6%
Eliminations	(41,8)	(38,0)	-8,6%
TOTAL COMBINED SALES	637,7	667,5	4,7%
Contribution joint ventures proportionally consolidated in segment reporting	(143,7)	(148,4)	3,2%
TOTAL CONSOLIDATED SALES	494,0	519,1	5,1%

¹ excluding the contribution of sales by the joint venture Kingspan Tarec Industrial Insulation, which was sold in February 2015 (1H2014: EUR 7.5 m illion)

<i>in million EUR</i>	1H2014	1H2015	Δ
	(restated) ¹		
Flexible Foams	16,6	20,4	23,1%
Bedding	3,3	6,0	79,9%
Insulation	12,4	16,1	29,9%
Automotive	12,8	9,5	-25,3%
Corporate	(8,0)	(9,2)	14,1%
TOTAL COMBINED REBITDA	37,0	42,9	15,7%

¹ Restated for IFRIC 21 and excluding the contribution of REBITDA by the joint venture Kingspan Tarec Industrial Insulation, which was sold in February 2015

3Q2015 and 9M2015 Trading Update

- ▶ Restated like-for-like¹ **3Q combined sales** have increased by **+5.9%**; and **9M combined sales** have increased by **+5.1%**.
- ▶ All business lines have grown

<i>in million EUR</i>	2014		2015		Δ	Δ
	3Q	9M	3Q	9M	3Q y-o-y	9M y-o-y
	--- restated ¹ ---					
Flexible Foams	144,1	444,2	145,0	450,9	0,6%	1,5%
Bedding	67,5	202,9	73,1	216,6	8,4%	6,7%
Insulation	55,7	159,0	60,3	173,6	8,3%	9,2%
Automotive	59,9	200,4	65,1	207,9	8,7%	3,7%
Eliminations	(21,9)	(63,4)	(20,1)	(58,1)	-8,0%	-8,4%
TOTAL COMBINED SALES	305,3	943,0	323,4	990,8	5,9%	5,1%
Contribution joint ventures proportionally consolidated in segment reporting	(66,2)	(209,9)	(70,5)	(218,9)	6,6%	4,3%
TOTAL CONSOLIDATED SALES	239,1	733,1	252,8	771,9	5,7%	5,3%

¹ Excluding the contribution to sales by the joint venture Kingspan Tarec Industrial Insulation, which was sold in February 2015 (3Q2014: EUR 4,2 million; 9M2014: EUR 11,7 million)

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Financing of the Company in 2 steps

1. Successful placement of a rights offering with subscription rights of EUR 75.9 million
 - 86.1% take up of the rights offering
 - 3.6x more demand than offer during the subsequent private placement
 - Share price increased by 1€ (5.25€) on top of theoretical post capital increase price (4.26€), leading to a “doubling” of the market capitalisation
 - Consolidated gearing ratio down to 45%
2. Refinancing targeted to replace the 27m€ outstanding convertible bonds (July 2017) and the 175m€ syndicated revolving facility (December 2016)

Use of proceeds of the net 73m€ proceeds of the rights issue

1

Strengthening Recticel's balance sheet structure and decrease the gearing ratio

50%

- **Initial proceeds will be fully used to repay the revolving credit facility** (lines remaining available until December 2016) in order to reduce the gearing ratio, after which 50% will be used in '2' and '3'

2

Engage in profitable growth projects and business opportunities in the various business lines

25%

► **Investment projects**

- ❑ Expansion and modernization of the **Insulation** factory in Wevelgem (Belgium) (2015-2016)
- ❑ Continued investment in **Bedding** marketing and advertising (cfr GELTEX ® inside ingredient brand) and product innovation
- ❑ Expansion of Eurofoam's **Flexible Foams** capacity in Romania (2015)
- ❑ Expansion of foam converting operations in the USA (2015)

3

Finalize streamlining of industrial footprint and organization (2015-2017)

25%

► **Streamlining of the organisation**

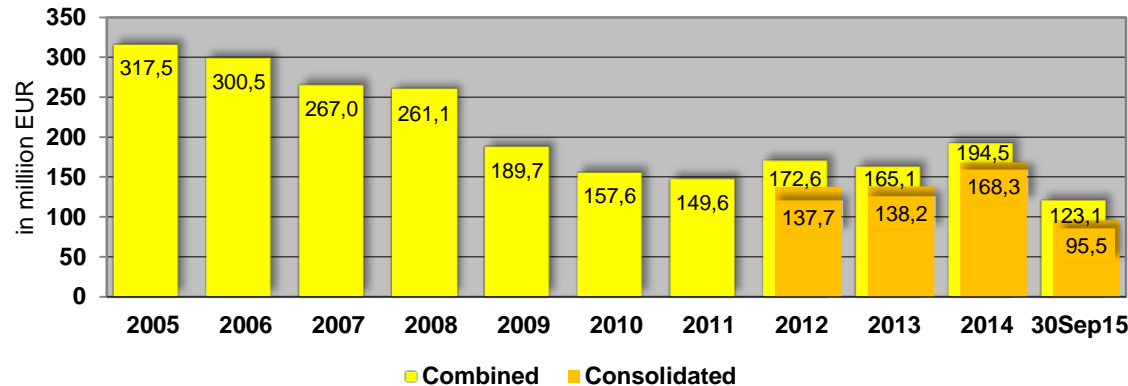
- ❑ Streamlining European Bedding organisation and footprint by 2017
- ❑ Optimisation of the central and corporate functions in the period 2015-2016

Past

- ❑ Settled in 2014 cartel investigations for a total cost of 40m€
- ❑ 6.5m€ paid in 2015 and 6.9m€ still payable in 2016, but already fully provisioned

Lower net financial debt*, as a consequence of the capital increase

► **Combined versus Consolidated net financial debt***



The decrease of the net financial debt is largely explained by the fact that the net proceeds of the right's issue of May 2015 were used for the repayment of debt.

► **Total financial debt** per 30 September 2015

- **Consolidated financial debt** amounted to EUR 160.5 million, including EUR 65.0 million factoring/forfeiting programs
- **Combined financial debt** amounted to EUR 194.2 million, including EUR 71.1 million factoring/forfeiting programs

► **Gearing ratio (net debt*-to-equity):** The rights' issue of May 2015 strengthened the company's equity position

- **Consolidated gearing ratio:** from 101.3% (end 2014) to **45.0%** (end June 2015)
- **Combined gearing ratio:** from 117.1% (end 2014) to **55.1%** (end June 2015)

* Excluding the drawn amounts under non-recourse factoring/forfeiting programs

Agenda

- 1 Introduction to the Recticel Group**
- 2 Strategy**
- 3 Key highlights 9M2015**
- 4 Financial situation**
- 5 Outlook Full Year 2015**
- 6 9M2015 Comments per Business Line**

Outlook

In the first nine months of 2015, Recticel experienced a more favorable business environment which, supported by successful market initiatives and despite growing uncertainty and volatile global economic context, will lead to combined sales growth for the full year 2015. Combined REBITDA¹ for the full year 2015 is expected to increase by about 15%.

¹Excluding the contribution of the joint venture Kingspan Tarec Industrial Insulation (KTII), which was sold in February 2015.

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#2 position in Europe backed by structural growth drivers and innovation capacity



Market dynamics

- ▶ **Structurally growing market** for thermal insulation in Europe
 - ❑ Driven by the EU regulation aiming to save energy and reduce CO2 emissions
- ▶ European **market size of €9.2bn** (172 million m³)
- ▶ **Fragmented market** with **few international players**
- ▶ Different technologies:
 - ❑ Oil-based: polystyrene, polyurethane (PUR), polyisocyanurate (PIR)
 - ❑ Mineral-based (glass-fibre wool and rock wool)
 - ❑ Natural-based (softwool, paper/cellulose and cork)
- ▶ Polyurethanes (PUR or PIR) are the **most efficient thermal insulation materials** with lowest thermoconductivity, leading to thinner applications
- ▶ PUR/PIR accounts for approximately 15% of the European insulation market and is **expected to grow faster than the total market**

Key strengths

- ▶ **#2 player in Europe** in PUR/PIR with an estimated market share in the European PUR/PIR segment of +/-15%
- ▶ **Strong product brands**, like Eurowall®, Powerroof®, Eurofloor® ..., recognized for superior quality and related service
- ▶ Proven **innovation capacity**
- ▶ Three Integrated, **state-of-the-art production** facilities with high cost efficiency
- ▶ Focused on **most performant** PUR/PIR technology
- ▶ Product offering **adapted** to most demanding needs of diversified end-markets (residential, commercial, industrial and agricultural)



Financial performance driven by recent product launches and expansion projects



Key financials

<i>in million €</i>	1H2015	2014	2013	2012
Sales	113.3	227.0	220.0	220.7
REBITDA	16.1	27.1	27.7	36.0
<i>as % of sales</i>	<i>14.2%</i>	<i>11.9%</i>	<i>12.6%</i>	<i>16.3%</i>
REBIT	13.3	21.1	22.0	32.0
<i>as % of sales</i>	<i>11.7%</i>	<i>9.3%</i>	<i>10.0%</i>	<i>14.5%</i>
EBIT	14.9	21.1	21.9	31.8
<i>as % of sales</i>	<i>13.1%</i>	<i>9.3%</i>	<i>10.0%</i>	<i>14.4%</i>
Investments	3.6	6.2	4.8	25.9
<i>as % of sales</i>	<i>3.2%</i>	<i>2.7%</i>	<i>2.2%</i>	<i>11.7%</i>

3Q2015 trading update

- ▶ Sales **3Q2015**: €60.3m (+8.3%¹), including positive impact of currency exchange rate differences (+4.2%).
- ▶ Sales **9M2015**: € 173.6m (+9.2%¹), including positive impact of currency exchange rate differences (+4.0%).

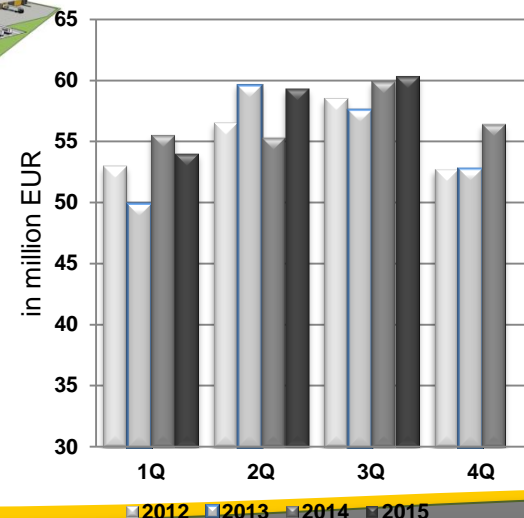
¹ excluding the 50% participation in the KTII joint venture, which was sold in February 2015

Recent developments

- ▶ Still relatively soft construction markets
- ▶ **Price erosion** in some of the most competitive markets, compensated by **cost reduction initiatives and lower raw material prices**
- ▶ **Divestment** in February 2015 of the 50% participation in the joint venture Kingspan Tarec Industrial Insulation (KTII) (capital gain: 1.6m€)
- ▶ 2015-2016: preparation of **expansion of site in Wevelgem (Belgium)**



Combined sales Insulation (2012-2015)



Strong growth of PU foam market supporting further strengthening of Recticel's leading position



Market dynamics

- ▶ **Addressable market of €1.7bn**
 - Total European market of ~€3bn
 - Total Global market of ~€16bn
- ▶ **Fragmented market:** top-30 suppliers worldwide represent ~50% market share
- ▶ Mature market with **high brand relevance:** mix of supplier brands and distributor brands (private labels)
- ▶ 3 main technologies for mattresses: PU foam, innersprings and latex
- ▶ **Strong growth of the PU foams share** in Europe: from 25% to 42% over the last 10 years

Key strengths

- ▶ **#2 player in Europe** with an average estimated market share of ~17% in its key markets
- ▶ **Strong positions in key markets:** Germany, Benelux, Austria, Switzerland and Poland, supported by **well-known local brands**
- ▶ **Strong innovative brand GELTEX® inside and Bultex®** support product mix optimization
- ▶ Integration with comfort foam operations translates in **fast innovation-to-market** capacity and **operational synergies**
- ▶ Provider of multiple **high quality and innovative** bedding products: mattresses, slat bases and box springs

Successful introduction of GELTEX® inside as a platform for future growth



Key financials

<i>in million €</i>	1H2015	2014	2013	2012
Sales	143.5	281.6	283.0	276.5
REBITDA	6.0	13.5	12.8	13.9
<i>as % of sales</i>	<i>4.2%</i>	<i>4.8%</i>	<i>4.5%</i>	<i>5.0%</i>
REBIT	2.8	7.2	6.3	8.4
<i>as % of sales</i>	<i>2.0%</i>	<i>2.5%</i>	<i>2.2%</i>	<i>3.0%</i>
EBIT	1.9	(3.5)	3.8	6.5
<i>as % of sales</i>	<i>1.3%</i>	<i>(1.2%)</i>	<i>1.4%</i>	<i>2.4%</i>
Investments	1.0	3.5	1.7	3.8
<i>as % of sales</i>	<i>0.7%</i>	<i>1.3%</i>	<i>0.6%</i>	<i>1.4%</i>

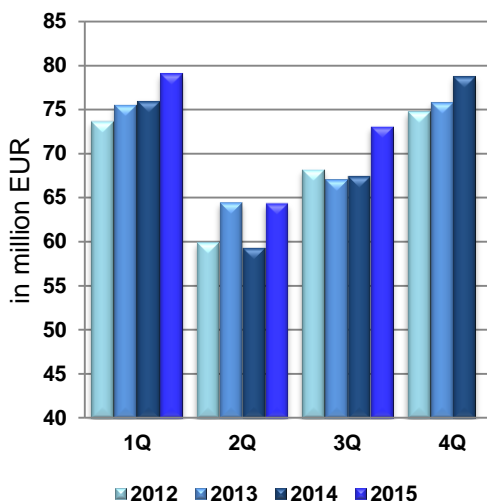
3Q2015 trading update

- ▶ Sales **3Q2015**: €73.1m (+8.4%), including positive impact of currency exchange rate differences (+0.6%). External sales increased by +9.5% to €68.5m.
- ▶ Sales **9M2015**: €216.6m (+6.7%), including positive impact of currency exchange rate differences (+1.0%). External sales increased by +8.3% to €203.0m.
 - ❑ **Brands**: +9.7% supported by **19% growth of GELTEX® inside products**
 - ❑ **Non-brands/Private label**: +6.3%

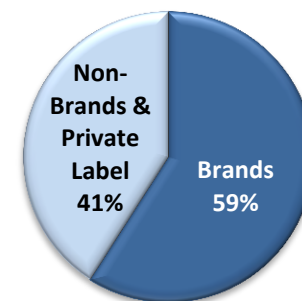
Recent developments

- ▶ Successful commercial performance of **innovative GELTEX® inside products**
- ▶ **Improved product-mix** due to further expansion of Branded Products segment
- ▶ **Sales growth rate significantly higher** than estimated market growth rates in reference markets
- ▶ **Restructuring** in Germany and The Netherlands

Combined Sales Bedding (2012-2015)



Combined sales 9M2015



#1 position in Europe and recent innovations adding to the capacity to increase global reach



Market dynamics

- ▶ European market of **~5.9m tons**
 - Expected volume CAGR '11-'18 of +5%
- ▶ Very **versatile material** used in a wide variety of applications
- ▶ Mainly used in **furniture & upholstery** 'comfort' applications (including Bedding) followed by applications for the transport sector
- ▶ Competitive landscape in Europe characterized by:
 - 8 players representing ~65% of the European flexible foams market
 - And more than 50 other players

Key strengths

- ▶ **#1 provider** of comfort foams and technical foams in Europe
- ▶ **Proven innovation capacity** related to development of specific foam qualities for a variety of applications
- ▶ Strong presence in **Central & Eastern Europe**, developed via the Eurofoam JV
- ▶ **Capacity to increase global reach** in Technical Foams, through development of global key accounts

New generation of innovative foam products leading to important contract wins



Key financials

<i>in million €</i>	1H2015	2014	2013	2012
Sales	305.9	593.0	583.4	588.3
REBITDA	20.4	27.7	30.3	29.2
<i>as % of sales</i>	<i>6.7%</i>	<i>4.7%</i>	<i>5.2%</i>	<i>5.0%</i>
REBIT	14.6	16.5	18.0	15.6
<i>as % of sales</i>	<i>4.8%</i>	<i>2.8%</i>	<i>3.1%</i>	<i>2.7%</i>
EBIT	13.3	13.2	(16.4)	9.0
<i>as % of sales</i>	<i>4.3%</i>	<i>2.2%</i>	<i>-2.8%</i>	<i>1.5%</i>
Investments	4.3	10.3	11.0	10.9
<i>as % of sales</i>	<i>1.4%</i>	<i>1.7%</i>	<i>1.9%</i>	<i>1.8%</i>

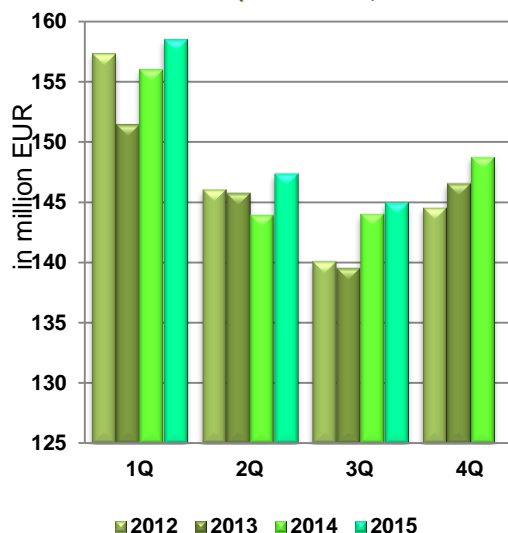
3Q2015 trading update

- Sales **3Q2015**: €145.0m (+0.6%), including positive impact of currency exchange rate differences (+0.6%). External sales increased by +1.8% to €129.6m.
- Sales **9M2015**: €450.9m (+1.9%), including positive impact of currency exchange rate differences (+1.9%). External sales increased by +2.5% to €406.8m.
 - ❑ Comfort: -0.6%
 - ❑ Technical Foams: +4.9%

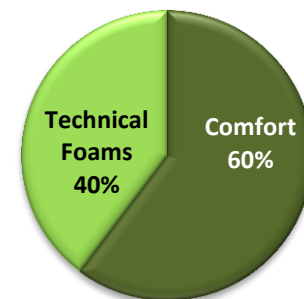
Recent developments

- **Improved product/market-mix** (i.e. Technical Foams)
- Higher sales in **non-European markets**
- **Restored industrial performance** (cfr 4Q2014)
- Positive impact of **cost management initiatives**
- **Lower raw material prices**
- **Reorganisation** in Spain and Sweden

Combined Sales Flexible Foams (2012-2015)



Combined sales 9M2015



Unique technology and strong position serving a recovering industry



Market dynamics

- ▶ 2008-2010: Significant disruptions due to global economic crisis
 - ❑ **Industry is recovering** and resuming growth
- ▶ Main drivers for OEM customers are **cost competitiveness** of the products, maximum **design freedom** and **weight reduction**
- ▶ Complex and high-demanding relationship between customers, OEM's and Tier1 / Tier2 suppliers
- ▶ **Innovation driven** sector



Key strengths

Interiors

- ▶ **Unique patented Interiors technology** (Colo-fast® Spray and Colo-Sense® Lite) for the production of light stable skins in PU for dashboards and door panels
- ▶ **Durability**, high **design freedom** and best-in-class **gloss characteristics**
- ▶ **Strong position with premium OEM's**: Optimized footprint to serve customers globally (Europe, China and USA)

Proseat (JV)



- ▶ **#2 European player**
- ▶ **One-stop-shop**: moulded seat cushions, head and arm rests, consoles, trim parts and lightweight EPP (expanded polypropylene) parts
- ▶ Combining strength of 2 partners in chemical engineering and process technology leads to **strong innovation capacity**

Recovering sales supported by strong order books



Key financials

<i>in million €</i>	1H2015	2014	2013	2012
Sales	142.9	264.0	258.4	289.7
REBITDA	9.5	14.9	18.8	24.2
<i>as % of sales</i>	<i>6.7%</i>	<i>5.6%</i>	<i>7.3%</i>	<i>8.4%</i>
REBIT	3.8	4.2	4.8	8.2
<i>as % of sales</i>	<i>2.6%</i>	<i>1.6%</i>	<i>1.8%</i>	<i>2.8%</i>
EBIT	(0.1)	1.8	(5.3)	6.0
<i>as % of sales</i>	<i>-0.1%</i>	<i>0.7%</i>	<i>-2.1%</i>	<i>2.1%</i>
Investments	9.5	13.0	9.3	6.3
<i>as % of sales</i>	<i>6.7%</i>	<i>4.9%</i>	<i>3.6%</i>	<i>2.2%</i>

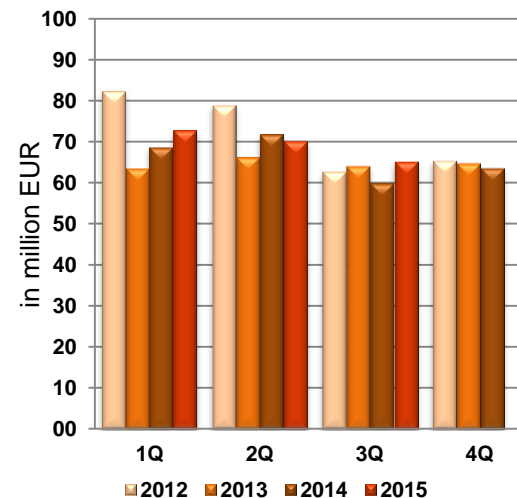
3Q2015 trading update

- ▶ Sales **3Q2015**: €65.1m (+8.7%)
 - Interiors: €27.4m (+14.1%)
 - Seating: €34.6m (+4.1%)
 - Exteriors: €3.0m (+16.5%).
- ▶ Sales **9M2015**: €207.9m (+3.7%)
 - Interiors: €88.6m (+5.8%)
 - Seating: €110.0m (+1.2%)
 - Exteriors: €9.4m (+15.6%).

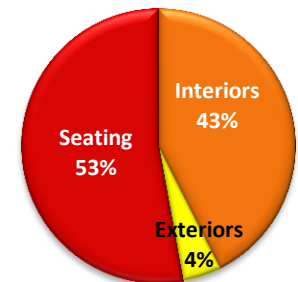
Recent developments

- ▶ As expected, higher **start-up costs** due to newly acquired **Interiors programs** - with new production sites in China (Changchun and Langfang)
- ▶ **Seating**: restructuring due to announced closure of Rüsselsheim (Germany) plant and further rationalisation of overheads

Combined sales Automotive (2012-2015)



Combined sales 9M2015



Thank you for your attention!

Q&A

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Financial calendar

FY2015 Results	26.02.2016 (before opening of the stock exchange)
First quarter 2016 trading update	06.05.2016 (before opening of the stock exchange)
Annual General Meeting	31.05.2016 (at 10:00 AM CET)
First half-year 2016 results	26.08.2016 (before opening of the stock exchange)
Third quarter 2016 trading update	31.10.2016 (before opening of the stock exchange)

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.

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