# RECTICEL

## Annual Results 2016

## Financial Analysts' Meeting

Brussels, 27 February 2017

Olivier Chapelle – Chief Executive Officer
Jean-Pierre Mellen – Chief Financial Officer
Michel De Smedt – Investor Relations Officer

# Agenda



***Unless indicated otherwise, all comments related to the combined data***

# Key highlights 2016 – Recticel delivers further structural profit growth

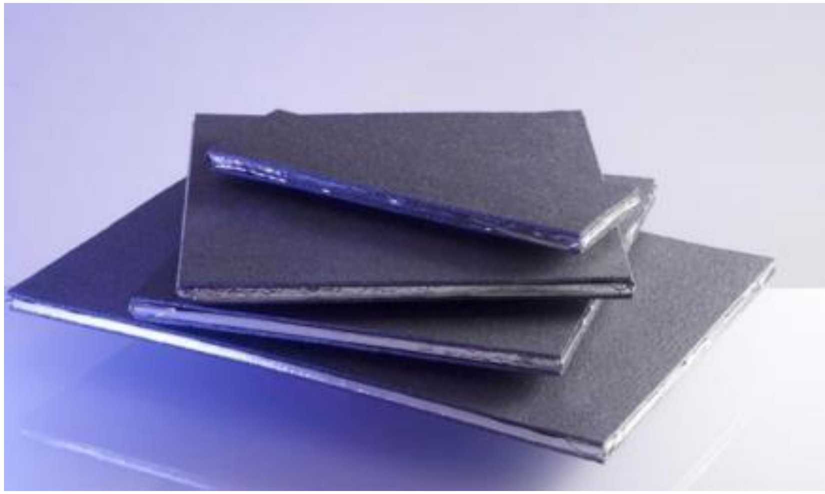
1. Sales +1.5% • REBITDA +19.3% • REBIT +29.6% • Net Result x 3.6
2. Strong performance of Flexible Foams and Automotive divisions
3. Volatile oil & raw material prices and currencies in overall supportive economies
4. Strong efficiency gains and further progress in the streamlining of the company
5. Net debt (incl. off B/S elements) reached a historical low at €178.2m
6. Gearing @ 50.1% and Leverage @ 1.42
7. Insulation: acquisition of Innortex activities and creation of Turvac Joint Venture

# Innortex : acquisition in Insulation perimeter

- Acquired on 6/10/2016
- Location : Angers, France
- State-of-the-art production facility producing fiber bonded solutions by using Flexible Foams production wastes or end of life materials (flexible foams and/or textiles).
- Combines thermal and acoustic insulation for use in applications such as :
  - insulation of partition walls, in between rafters, in intermediate floors…
  - carpeting systems in Automotive applications
- Highly sustainable end products that perfectly meet the requirements of a circular economy
- Supports Recticel sustainability strategy by contributing to the resource efficiency target included in our Sustainability Report : “by 2020, Recticel will double its production volume of recycled solutions”

# Turvac : Joint Venture in Insulation perimeter

- 50/50% JV with Turna, created on 28 November 2016
- Location : greenfield production site in Šoštanj, Slovenia (80 km from Ljubljana)
- Produces Vacuum Insulation Panels (VIPs) : core made from fumed silica or glass fiber, which is put into a bag of a high barrier multilayer film and then put under vacuum
- Aged thermal conductivity 3 times better than highest performance PIR product
- Systems combining VIPs and PIR panels open a wide field of high thermal performance applications
- Particularly applications with space limitations (e.g. terraces, tapered roofs, etc) are preferred areas for the usage of VIP based solutions



# Market environment broadly supportive in 2016, but currencies & raw materials prices have turned into strong headwinds !

- **Tailwinds → Headwinds**
  - Brexit: the Sterling pound lost 16% (0.85£/€) compared to its average level of 2015 (0.73£/€)
  - The appreciation of the Euro since end December 2015 creates adverse variances (average FY 2016) :

    GBP -11.7%

    PLN -2.3%

    CNY -4.1%

    USD -1.7%
  - Oil price levels close to 56$/bl up 82% vs mid-February 2016
  - Chemical raw materials increased by 14% since the bottom reached in April 2016, mainly due to the isocyanates

- **Countries/regions**
  - United Kingdom → strong and still without Brexit impact on the volumes
  - Spain → stronger
  - France → still weak
  - Benelux, Germany & Central EU → relatively strong
  - Scandinavia → stable
  - International → volatile

- **Market Segments**
  - Automotive → "plateau" in USA, volumes very positive in EU and China
  - Bedding/Furniture → stable to positive
  - Construction → still weak but improving in France, strong in UK, strong in NL, stronger in BE
  - Industry → positive

# Income Statement: Sales increased by 1.5%, despite -2.2% currency effect, on strong volumes & efficiency improvements, enabling Rebitda to increase by 19.3% and EAT x 3.6

| MEUR | A 31/12/2015 | A 31/12/2016 | 16/15 |
|---|---|---|---|
| Net Sales | 1,328.4 | 1,347.9 | 1.5% |
| **REBITDA** | **81.9** | **97.7** | 19.3% |
| Non-recurring result | (14.1) | (12.2) | |
| **EBITDA** | **67.8** | **85.4** | 26.0% |
| Depreciation | (37.0) | (39.4) | |
| Impairments | (1.0) | (1.7) | |
| **REBIT** | **44.9** | **58.3** | 29.7% |
| **EBIT** | **29.8** | **44.3** | 48.6% |
| Interest Income & Expenses | (11.5) | (9.3) | |
| Other Financial Income & Expenses | (3.8) | (4.1) | |
| **Pre Tax Result (EBT)** | **14.5** | **30.9** | |
| Current Tax | (6.3) | (7.3) | |
| Deferred Tax | (3.6) | (7.2) | |
| **After Tax Result (EAT)** | **4.5** | **16.3** | |
| Non-controlling interests | | | |
| **Net Result (Group share)** | **4.5** | **16.3** | |
| Net Result (Group share) per share (in EUR) | 0.10 | 0.31 | |

# Agenda

# Net sales are up 1.5%, including currency impact of -2.2%

- **Net sales**: from 1,328.4m€ to **1,347.9m€** (**+1.5%**)
  - **1Q2016**: from 343.4m€ to 345.5m€ (**+0.6%**)
  - **2Q2016**: from 324.1m€ to 340.5m€ (**+5.1%**)
  - **3Q2016**: from 323.4m€ to 318.1m€ (**-1.6%**)
  - **4Q2016**: from 337.6m€ to 343.8m€ (**+1.8%**)

| *in million EUR* | 1Q2016 | 2Q2016 | 3Q2016 | 4Q2016 |
|---|---|---|---|---|
| Flexible Foams | 156.1 | 154.2 | 141.3 | 155.7 |
| Bedding | 79.0 | 69.1 | 70.1 | 74.7 |
| Insulation | 55.5 | 62.7 | 59.0 | 57.0 |
| Automotive | 73.9 | 73.0 | 64.2 | 77.8 |
| Eliminations | ( 18.9) | ( 18.4) | ( 16.7) | ( 21.4) |
| **TOTAL COMBINED SALES** | **345.5** | **340.5** | **318.1** | **343.8** |
| Adjustment for joint ventures by application of IFRS 11 | ( 75.9) | ( 75.6) | ( 68.0) | ( 80.0) |
| **TOTAL CONSOLIDATED SALES** | **269.6** | **264.9** | **250.1** | **263.8** |

- **Currency exchange differences** had a negative impact of -2.2%
  - **1Q2016**: -0.8% ; **2Q2016**: -2.0% ; **1H2016**: -1.4%
  - **3Q2016**: -2.8% ; **4Q2016**: -2.9% ; **2H2016**: -2.8%

- **Higher annual net sales** reported in all segments, except Bedding:
  - **Insulation** (+2.1%) : strong volume growth partially offset by some price erosion in overall competitive construction markets. Adverse currency effects: -4.4% (i.e. Pound Sterling).
  - **Automotive** (+3.1%) : both divisions benefitted from strong market dynamics and new programs started-up in Interiors. Adverse currency effects: -1.4% (i.e. Pound Sterling, Polish Zloty and Yuan).
  - **Flexible Foams** (+0.8%) : growth driven by Technical Foams (+1.7%) which benefited from supportive industrial and automotive markets. Adverse currency effects: -2.1% (i.e. Pound Sterling, Polish Zloty and Yuan).
  - **Bedding** (-0.5%): further improvement of the product- and customer-mix, especially higher sales of boxsprings and, to a lesser extent, Geltex® inside products. Higher sales in Branded Products (+3,9%) but lower sales of Non-Branded/Private Label products (-6.0%). Adverse currency effects: -0.6% (i.e. Polish Zloty and Swiss Franc)

# Positive sales evolution in 1H2016 (+2.8%), stabilising 2H2016 sales (+0.1%)

- **2H2016 sales up by 0.1% despite -2.8% currency impact**
  - Strong adverse currency impacts (i.e. Pound Sterling and Polish Zloty) in 2H2016
  - Strong volume in all divisions, except in Bedding, due to supply chain issues
  - Excellent progress on new project start-up in Automotive Interiors

| 2H2015 | 2H2016 | ∆ 2H | *in million EUR* | FY2015 | FY2016 | ∆ FY |
|---|---|---|---|---|---|---|
| 296,4 | 297,0 | *0,2%* | Flexible Foams | 602,3 | 607,2 | *0,8%* |
| 151,1 | 144,9 | *-4,1%* | Bedding | 294,5 | 292,9 | *-0,5%* |
| 116,1 | 116,0 | *-0,1%* | Insulation | 229,4 | 234,1 | *2,1%* |
| 137,4 | 142,0 | *3,3%* | Automotive | 280,3 | 288,9 | *3,1%* |
| ( 40,1) | ( 38,0) | *-5,2%* | Eliminations | ( 78,1) | ( 75,4) | *-3,5%* |
| **661,0** | **661,9** | ***0,1%*** | **TOTAL COMBINED SALES** | **1 328,4** | **1 347,9** | ***1,5%*** |

| 3Q2015 | 3Q2016 | ∆ 3Q | *in million EUR* | 4Q/2015 | 4Q/2016 | ∆ 4Q |
|---|---|---|---|---|---|---|
| 145,0 | 141,3 | *-2,5%* | Flexible Foams | *151,5* | *155,7* | *2,8%* |
| 73,1 | 70,1 | *-4,1%* | Bedding | *77,9* | *74,7* | *-4,1%* |
| 60,3 | 59,0 | *-2,1%* | Insulation | *55,8* | *57,0* | *2,0%* |
| 65,1 | 64,2 | *-1,3%* | Automotive | *72,4* | *77,8* | *7,5%* |
| ( 20,1) | ( 16,7) | *-17,1%* | Eliminations | *( 20,0)* | *( 21,4)* | *6,9%* |
| **323,4** | **318,1** | ***-1,6%*** | **TOTAL COMBINED SALES** | **337,6** | **343,8** | ***1,8%*** |

# Group REBITDA margin rises from 6.2% to 7.2%

- **REBITDA**: from 81.9m€ to **97.7m€** (+19.3%)
  - Strong increase of recurrent profitability due to:
    - Strong volumes
    - Positive product-mix
    - Operational efficiency
  - All segments contributed to the profitability improvement
  - Sequentially, profitability in 2H2016 lower than in 1H2016, as a result of
    - (i) much higher raw material prices – specifically TDI and MDI –,
    - (ii) adverse exchange rate impacts which weighed on profitability in 2H2016 - especially in Insulation -,
    - (iii) the systematically lower number of working days in industry in the second half of a calendar year.

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| Flexible Foams | 20,4 | 17,6 | 38,0 | 28,2 | 18,1 | 46,3 | 37,8% | 3,1% | 21,7% |
| Bedding | 6,0 | 8,1 | 14,1 | 7,9 | 7,8 | 15,7 | 31,6% | -3,4% | 11,5% |
| Insulation | 16,1 | 16,2 | 32,3 | 17,8 | 15,3 | 33,1 | 10,6% | -5,9% | 2,3% |
| Automotive | 9,5 | 5,9 | 15,4 | 10,5 | 9,4 | 19,9 | 10,7% | 58,7% | 29,1% |
| Corporate | ( 9,2) | ( 8,8) | ( 18,0) | ( 9,6) | ( 7,8) | ( 17,3) | 4,1% | -12,0% | -3,7% |
| **TOTAL COMBINED REBITDA** | **42,9** | **39,0** | **81,9** | **54,8** | **42,9** | **97,7** | **27,9%** | **9,8%** | **19,3%** |

# REBITDA increased by +19.3%, supported by strong volumes and efficiency gains

- **Flexible Foams** continued to enhance its industrial performance throughout the period, to increase its volumes and to improve its product/market mix.
- **Insulation** profitability increased on higher volumes and excellent efficiency, thereby over-compensating the negative impact of price erosion in some markets and a depreciated Pound Sterling.
- The increased profitability in **Automotive** is driven by the improvement in Seating due to the positive effect from the closure in 2015 of the Rüsselsheim (Germany) plant and overall efficiency gains, as well as by the contribution of the new Automotive Interior programs.
- **Bedding** benefited from an improved product- and customer-mix and from strong growth in boxspring sales, but suffered from an insufficient overall performance in the last quarter.

# REBITDA and REBIT make parallel progress

- **REBITDA** : from 81.9m€ to **97.7m€** (+19.3%)
  - REBITDA margin increased from 6.2% to 7.2%.

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| Flexible Foams | 20,4 | 17,6 | 38,0 | 28,2 | 18,1 | 46,3 | 37,8% | 3,1% | 21,7% |
| Bedding | 6,0 | 8,1 | 14,1 | 7,9 | 7,8 | 15,7 | 31,6% | -3,4% | 11,5% |
| Insulation | 16,1 | 16,2 | 32,3 | 17,8 | 15,3 | 33,1 | 10,6% | -5,9% | 2,3% |
| Automotive | 9,5 | 5,9 | 15,4 | 10,5 | 9,4 | 19,9 | 10,7% | 58,7% | 29,1% |
| Corporate | ( 9,2) | ( 8,8) | ( 18,0) | ( 9,6) | ( 7,8) | ( 17,3) | 4,1% | -12,0% | -3,7% |
| **TOTAL COMBINED REBITDA** | **42,9** | **39,0** | **81,9** | **54,8** | **42,9** | **97,7** | **27,9%** | **9,8%** | **19,3%** |

- **REBIT** : from 44.9m€ to **58.2m€** (+29.6%)
  - REBIT margin increased from 3.4% to 4.3%.

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| Flexible Foams | 14,6 | 11,5 | 26,1 | 22,0 | 11,8 | 33,8 | 50,6% | 2,3% | 29,3% |
| Bedding | 2,8 | 4,9 | 7,7 | 5,1 | 5,3 | 10,4 | 81,7% | 8,3% | 35,0% |
| Insulation | 13,3 | 13,1 | 26,4 | 14,7 | 12,0 | 26,8 | 10,8% | -7,8% | 1,6% |
| Automotive | 3,8 | ( 0,1) | 3,6 | 3,9 | 1,8 | 5,7 | 2,9% | n.m. | 55,3% |
| Corporate | ( 9,7) | ( 9,3) | ( 18,9) | ( 10,1) | ( 8,3) | ( 18,4) | 4,6% | -10,1% | -2,6% |
| **TOTAL COMBINED REBIT** | **24,8** | **20,1** | **44,9** | **35,6** | **22,6** | **58,2** | **43,5%** | **12,4%** | **29,6%** |

# Non-recurring elements of €-13.9m vs €-15.1m in 2015

| in million EUR | 2015 | 1H2016 | 2H2016 | 2016 |
|---|---|---|---|---|
| Restructuring charges and provisions | ( 12,7) | ( 4,7) | ( 3,1) | ( 7,8) |
| Capital gain on divestment | 1,6 | 0,0 | 0,0 | 0,0 |
| Other | ( 3,0) | ( 2,3) | ( 2,1) | ( 4,4) |
| **Total impact on EBITDA** | **( 14,1)** | **( 7,0)** | **( 5,2)** | **( 12,2)** |
| Impairments | ( 1,0) | ( 1,0) | ( 0,7) | ( 1,7) |
| **Total impact on EBIT** | **( 15,1)** | **( 7,9)** | **( 6,0)** | **( 13,9)** |

- **Impact** non-recurring elements **on EBITDA : -12.2m€** (2015: -14.1m€)
- **Impact** non-recurring elements **on EBIT : -13.9m€** (2015: -15.1m€)

- **Non-recurring elements** mainly relate to:
  - Additional restructuring measures implemented in execution of the Group's rationalisation plan :
    - the closure of the Flexible Foams plant in Noyen-sur-Sarthe (France), and of Automotive in Beijing (China)
    - further rationalisation measures in Bedding
    - additional costs relating to sites closed in 2015, and
    - incurred costs and provisions for legal fees
  - Impairment charges: EUR -1.7 million (2015: EUR -1.0 million) relate to:
    - idle equipment in Flexible Foams in the United Kingdom and France (cfr. closure of Noyen-sur-Sarthe)
    - idle tangible and intangible assets in Bedding.

# Strong improvement of EBITDA & EBIT

- **EBITDA**: from 67.8m€ to **85.4m€** (+26.0%)
  - EBITDA margin increased from 5.1% to 6.3%.

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| Flexible Foams | 19,9 | 14,2 | 34,0 | 23,6 | 15,9 | 39,6 | 19,0% | 12,4% | 16,3% |
| Bedding | 5,1 | 4,4 | 9,5 | 6,6 | 5,5 | 12,1 | 29,6% | 25,6% | 27,7% |
| Insulation | 17,7 | 15,7 | 33,4 | 17,8 | 15,1 | 32,9 | 0,4% | -3,9% | -1,6% |
| Automotive | 5,7 | 4,3 | 9,9 | 9,5 | 8,8 | 18,3 | 68,8% | 104,8% | 84,4% |
| Corporate | ( 9,5) | ( 9,6) | ( 19,1) | ( 9,7) | ( 7,8) | ( 17,4) | 1,9% | -19,0% | -8,6% |
| **TOTAL COMBINED EBITDA** | **38,8** | **29,0** | **67,8** | **47,9** | **37,6** | **85,4** | **23,4%** | **29,6%** | **26,0%** |
| Adjustment for joint ventures by application of IFRS 11[1] | ( 7,1) | ( 7,9) | ( 14,9) | ( 6,9) | ( 5,9) | ( 12,7) | -3,0% | -25,2% | -14,7% |
| **TOTAL CONSOLIDATED EBITDA** | **31,7** | **21,1** | **52,9** | **41,0** | **31,7** | **72,7** | **29,2%** | **50,0%** | **37,5%** |

[1] By application of IFRS 11 the net result after depreciation, financial and tax charges are integrated in consolidated EBITDA

- **EBIT**: from 29.8m€ to **+44.3m€** (+48.6%)
  - EBIT margin increased from 2.2% to 3.3%.

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| Flexible Foams | 13,3 | 7,8 | 21,1 | 17,2 | 9,3 | 26,5 | 29,6% | 18,9% | 25,6% |
| Bedding | 1,9 | 1,2 | 3,2 | 3,1 | 2,6 | 5,8 | 63,0% | 111,3% | 81,9% |
| Insulation | 14,9 | 12,6 | 27,5 | 14,7 | 11,9 | 26,6 | -1,3% | -5,4% | -3,2% |
| Automotive | ( 0,1) | ( 1,8) | ( 1,9) | 2,9 | 1,2 | 4,0 | n.m. | n.m. | n.m. |
| Corporate | ( 10,0) | ( 10,1) | ( 20,0) | ( 10,2) | ( 8,3) | ( 18,6) | 2,5% | -17,0% | -7,3% |
| **TOTAL COMBINED EBIT** | **20,0** | **9,8** | **29,8** | **27,6** | **16,6** | **44,3** | **38,5%** | **69,2%** | **48,6%** |
| Adjustment for joint ventures by application of IFRS 11[1] | ( 3,0) | ( 3,5) | ( 6,6) | ( 3,0) | ( 2,0) | ( 5,1) | 0,0% | -42,3% | -22,8% |
| **TOTAL CONSOLIDATED EBIT** | **16,9** | **6,3** | **23,2** | **24,6** | **14,6** | **39,2** | **45,3%** | **132,0%** | **68,8%** |

[1] By application of IFRS 11 the net result after financial and tax charges are integrated in consolidated EBIT

# Lower <u>combined</u> financial charges – net interest charges down by 19.2%
# Higher tax charges – deferred tax charges have doubled

- **Combined financial result**: from -15.3m€ to **-13.4m€**
  - <u>Net interest charges</u> decreased by 2.2m€ (from -11.5m€ to -9.3m€) following a lower average net interest-bearing debt, including the usage of 'off-balance' factoring/forfeiting programs, and better credit conditions following the refinancing of the credit facility in February 2016.
  - '<u>Other net financial income and expenses</u>' from -3.8m€ to -4.1m€; comprise mainly interest capitalisation costs under provisions for pension liabilities (EUR -1.3m€ versus EUR -1.2 m€ in 2015) and exchange rate differences (EUR -2.8m€ versus EUR -2.3 m€ in 2015).

- **Combined income taxes and deferred taxes :** from -10.0m€ to **-14.5m€**
  - <u>Current income tax charges</u>: -7.3m€ (2015: -6.4m€)
  - <u>Deferred tax charges</u>: -7.2m€ (2015: -3.6m€)

- **Result of the period (share of the Group)**: from +4.5m€ to +**16.3 m€.**

# Average Trade Working Capital further decreased by €10.9m to reach 11.9% on sales (compared to 12.9% in FY2015)

| in m€ | Average : | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|
| Flexible foams | m€ | 107.3 | 100.5 | 98.1 | 93.2 | 88.1 | 80.1 |
| | %/NS | **17.7%** | **16.7%** | **16.5%** | **15.4%** | **14.3%** | **13.0%** |
| Interiors + Exteriors | m€ | 17.0 | 13.3 | 13.9 | 13.7 | 16.6 | 20.6 |
| | %/NS | **11.4%** | **9.3%** | **11.2%** | **11.4%** | **12.6%** | **14.3%** |
| Insulation | m€ | 33.6 | 36.8 | 35.9 | 34.0 | 32.3 | 27.0 |
| | %/NS | **14.0%** | **15.3%** | **14.8%** | **14.3%** | **12.4%** | **9.9%** |
| Bedding | m€ | 28.7 | 38.9 | 36.6 | 37.2 | 38.1 | 39.2 |
| | %/NS | **12.5%** | **12.7%** | **11.7%** | **12.0%** | **11.6%** | **11.8%** |
| Proseat | m€ | 16.9 | 17.4 | 13.8 | 15.7 | 15.0 | 12.1 |
| | %/NS | **13.2%** | **14.3%** | **11.4%** | **12.2%** | **11.1%** | **9.0%** |
| **NWC Group** | **m€** | **202.7** | **206.9** | **198.4** | **193.7** | **189.9** | **179.0** |
| | %/NS | **14.8%** | **14.6%** | **14.2%** | **13.8%** | **12.9%** | **11.9%** |

# Agenda

# Net Cash flow positive, despite increase in Capex to €51m

| in k€ | A 31/12/2015 | A 31/12/2016 | |
|---|---|---|---|
| **EARNINGS before INTEREST AND TAXES (EBIT)** | **29,798** | **44,291** | |
| Depreciations and Amortizations | 36,979 | 39,490 | |
| Impairment losses on Assets | 1,032 | 1,672 | |
| Write-off on Assets | 1,600 | -1,329 | |
| Changes in provisions | 4,681 | -3,561 | (1) |
| Gains / Losses on disposals of Assets | -1,943 | 265 | |
| Income from associates | -1,238 | -1,447 | |
| **GROSS OPERATING CASH FLOW** | **70,909** | **79,380** | |
| Changes in working capital | -11,148 | -8,524 | (2) |
| Trade & Other Long term debts (deferred EU fine) | -6,630 | -6,863 | (3) |
| **CASH GENERATED by OPERATIONS** | **53,131** | **63,992** | |
| Income taxes paid | -6,433 | -5,976 | |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | **46,698** | **58,016** | |
| Interest received | 400 | 614 | |
| Dividend received | 921 | 871 | |
| Investments and subscription capital increase | 0 | -1,513 | |
| Increase / Decrease of Loans and Receivables | -90 | -1,399 | |
| Investments in intangible assets | -5,566 | -4,034 | (4) |
| Investments in property, plant and equipment | -36,469 | -46,961 | (4) |
| Investment in associates | | | |
| Disposals of intangible assets | 64 | 89 | |
| Disposals of property, plant and equipment | 4,047 | 7,575 | |
| Disposals of financial investments | 7,822 | 503 | |
| Incrrease / Decrease of investments available for sale | -16 | -16 | |
| **NET CASH FLOW FROM INVESTMENT ACTIVITIES** | **-28,887** | **-44,269** | |
| Interest paid | -11,195 | -8,655 | |
| Dividends paid | -5,893 | -7,492 | |
| Increase/Decrease of capital | 74,216 | 1,210 | |
| Increase/Decrease financial debts | -40,216 | -20,619 | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **16,912** | **-35,556** | |
| Effect of Exchange rate Changes | -2,015 | -2,067 | |
| **CHANGES IN CASH AND CASH EQUIVALENT** | **32,709** | **-23,876** | |
| Net cash position opening balance | 42,830 | 75,539 | |
| Net cash position closing balance | 75,539 | 51,663 | |
| **NET VARIATION CASH & CASH EQUIVALENT** | **32,709** | **-23,876** | |
| **NET FREE CASH FLOW** | **6,617** | **5,091** | |

| | | |
|---|---|---|
| **(1)** | **Changes in provisions** | **(3.6)** |
| | **Net additions** | **12.5** |
| > | Pension provisions | 4.5 |
| > | Restructuring | 4.0 |
| > | Other | 4.0 |
| | **Net utilisations** | **(16.1)** |
| > | Pension provisions | (7.9) |
| > | Restructuring | (6.9) |
| > | Environmental | (0.8) |
| > | Other | (0.5) |

| | | |
|---|---|---|
| **(2)** | **Changes in Working Capital** | **(8.5)** |
| > | Inventories | (1.6) |
| > | Trade receivables | (25.3) |
| > | Other receivables | (6.1) |
| > | Trade payables | 5.5 |
| > | Other payables | 19.0 |

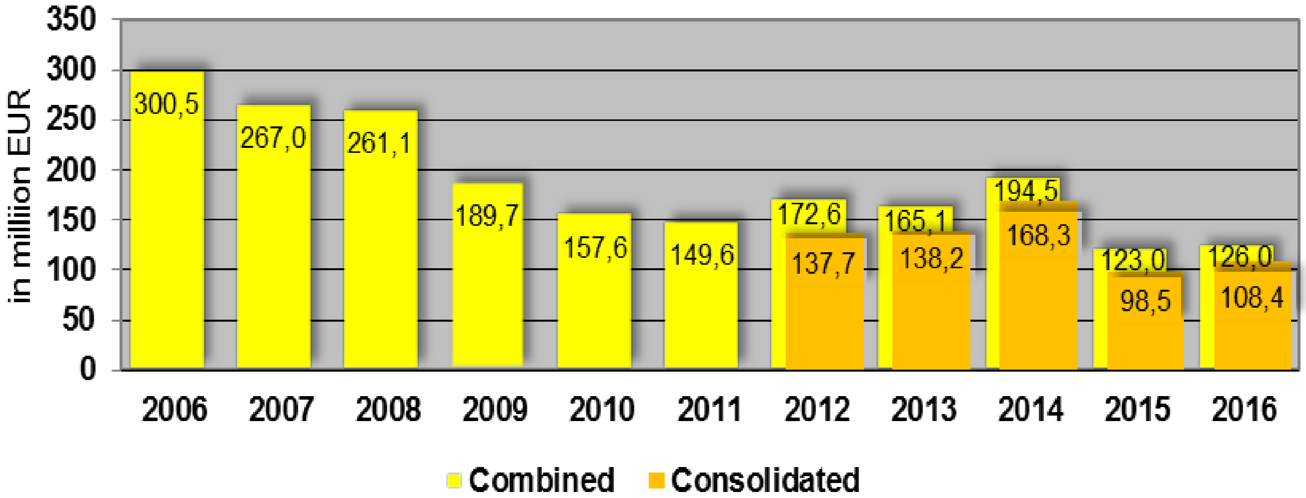
| | | |
|---|---|---|
| **(3)** | **EU fine paid** | **(6.9)** |

| | | |
|---|---|---|
| **(4)** | **Capex paid** | **(51.0)** |
| > | Flexible foams | (12.5) |
| > | Insulation | (13.9) |
| > | Bedding | (1.9) |
| > | Seating | (3.2) |
| > | Interiors | (17.7) |
| > | Other (IDC, ICT, Corporate) | (1.8) |

For the investment and disposal activities, only the cash payment and cash receipts have been reported as stipulated under IAS7.

# Net debt (on & off B/S) @ €178.2m reduced by €26m vs 30/06/2016, and at historically low level, while equity increases by 5m€ (+ EAT – Dividends – Comprehensive Income + Capital additions)

- **Combined** versus **Consolidated net financial debt on balance sheet** (excluding factoring/forfeiting programs)




- **Total[1] combined net financial debt:** from 183.4m€ to 178.2m€
- **Gearing ratio (net debt-to-equity):**
  - **Combined gearing ratio**: **50.1%**

[1] Including the drawn amounts under off-balance non-recourse factoring/forfeiting programs

# Subsequent event : fire incident on 22/01/2017 in Most (CZ)

## 4. SUBSEQUENT EVENT

- **Automotive Interiors – Czech Republic**

On 22 January 2017, a serious fire incident occurred in one of the production halls of the Automotive-Interiors site in Most (Czech Republic). As a result of this, RAI Most s.r.o., a 100% subsidiary of Recticel, had to declare *force majeure* to its customers.

Recticel and its customers, supported by the affected OEMs PSA Peugeot Citroën, Renault, Daimler, BMW and Volkswagen, have been closely cooperating to elaborate the solutions and alternative production plans, in order to allow as early as possible a gradual restart of the production of parts, and to minimize the disruption at the customers' assembly plants.

Since 27 January 2017, intense engineering and contractor work is ongoing in Most and in other facilities of the division to which some production has been transferred. As a result, production has progressively restarted to the maximum possible extent on most of the parts originally produced in Most, and although the situation is not yet normalized, deliveries to the Tier 1 customers have resumed where possible.

RAI Most s.r.o. is insured according to industry standards. To date, the non-recurring financial impact is assessed at EUR 4 million, including the insurance deductibles. Going forward, Recticel will keep the market informed of any new developments in this regard.

The plant in Most produces - on the basis of the patented Colo-Fast® and Colo-Sense® Lite spray technologies - elastomer interior trim parts for cars, such as skins for dashboard and door panels, which are sold to various Tier-1 automotive suppliers. In 2016, RAI Most s.r.o. realised sales of CZK 547 million (EUR 20.3 million) and employed 390 people.

# Agenda

# Proposal to increase the dividend by 28%

The Board of Directors will propose to the Annual General Meeting of 31 May 2017 the payment of a gross dividend of EUR 0.18 per share on 54.1 million shares or a total dividend payout of EUR 9.7 million (2015: respectively EUR 0.14/share and EUR 7.5 million)

# Outlook 2017

For the full year 2017, the Group expects continued growth of its combined sales, and to increase its combined REBITDA thanks to a combination of volume growth, improved mix and efficiency gains.

# Agenda

# Better industrial performance and improved product-mix

Flexible Foams

## Key financials

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **305,9** | **296,4** | **602,3** | **310,3** | **297,0** | **607,2** | 1,4% | 0,2% | **0,8%** |
| **REBITDA** | **20,4** | **17,6** | **38,0** | **28,2** | **18,1** | **46,3** | 37,8% | 3,1% | **21,7%** |
| *as % of sales* | *6,7%* | *5,9%* | *6,3%* | *9,1%* | *6,1%* | *7,6%* | | | |
| **EBITDA** | **19,9** | **14,2** | **34,0** | **23,6** | **15,9** | **39,6** | 19,0% | 12,4% | **16,3%** |
| *as % of sales* | *6,5%* | *4,8%* | *5,6%* | *7,6%* | *5,4%* | *6,5%* | | | |
| **REBIT** | **14,6** | **11,5** | **26,1** | **22,0** | **11,8** | **33,8** | 50,6% | 2,3% | **29,3%** |
| *as % of sales* | *4,8%* | *3,9%* | *4,3%* | *7,1%* | *4,0%* | *5,6%* | | | |
| **EBIT** | **13,3** | **7,8** | **21,1** | **17,2** | **9,3** | **26,5** | 29,6% | 18,8% | **25,6%** |
| *as % of sales* | *4,3%* | *2,6%* | *3,5%* | *5,5%* | *3,1%* | *4,4%* | | | |

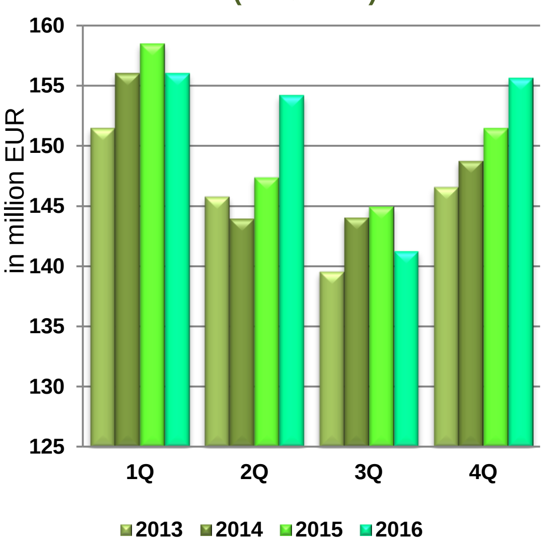
## Recent developments

- Strong volumes
- Improved product/market-mix (i.e. Technical Foams)
- Structural progress in operational efficiency
- Closure of plant in Noyen-sur-Sarthe (France)
- Increasing raw material prices in 2H2016

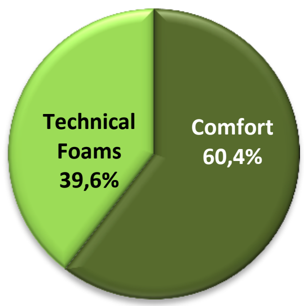
## 2016 key topics

- Sales 2016: €607.2m (+0.8%), with external sales increasing by +1.4%
  - Comfort: flat, especially in Western Europe
  - Technical Foams: +1.7% driven by solid industrial demand and dynamic automotive markets
  - Central & Eastern European countries remained strong
- Overall improvement of profit margins

**Combined Sales Flexible Foams (2013-2016)**




**Combined sales 2016**



# Improved product and customer-mix with strong growth of boxspring beds

Bedding

## Key financials

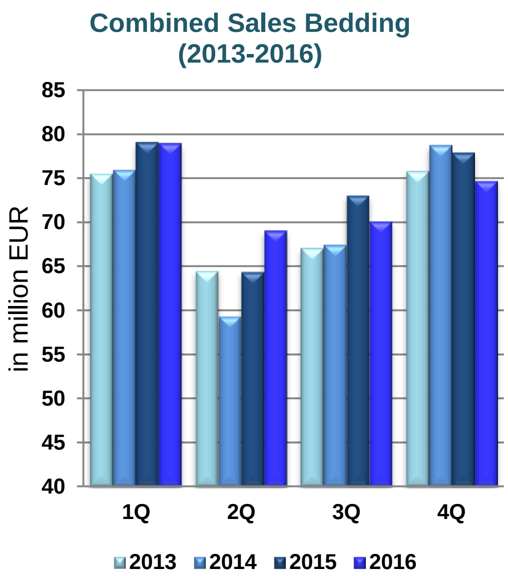
| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **143,5** | **151,1** | **294,5** | **148,1** | **144,9** | **292,9** | 3,2% | -4,1% | **-0,5%** |
| **REBITDA** | **6,0** | **8,1** | **14,1** | **7,9** | **7,8** | **15,7** | 31,6% | -3,4% | **11,5%** |
| *as % of sales* | *4,2%* | *5,4%* | *4,8%* | *5,3%* | *5,4%* | *5,4%* | | | |
| **EBITDA** | **5,1** | **4,4** | **9,5** | **6,6** | **5,5** | **12,1** | 29,6% | 25,6% | **27,7%** |
| *as % of sales* | *3,5%* | *2,9%* | *3,2%* | *4,5%* | *3,8%* | *4,1%* | | | |
| **REBIT** | **2,8** | **4,9** | **7,7** | **5,1** | **5,3** | **10,4** | 81,7% | 8,3% | **35,0%** |
| *as % of sales* | *2,0%* | *3,3%* | *2,6%* | *3,5%* | *3,7%* | *3,6%* | | | |
| **EBIT** | **1,9** | **1,2** | **3,2** | **3,1** | **2,6** | **5,8** | 63,0% | 111,3% | **81,9%** |
| *as % of sales* | *1,3%* | *0,8%* | *1,1%* | *2,1%* | *1,8%* | *2,0%* | | | |

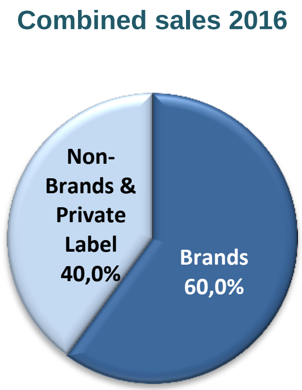
## Recent developments

- Improved product-mix due to further expansion of Branded Products segment
- Successful commercial performance of bedsprings and innovative GELTEX® inside products
- Rationalisation measures in Switzerland

## 2016 key topics

- Sales 2016: €292.9m (-0.5%), with external sales slightly decreasing by -0.4%
  - Branded Products: +3.9%
  - Non-Branded/Private Label: -6.0%
- Further improvement of product and customer-mix
- Strong sales growth in bedsprings
- Sales growth GELTEX® inside products: +0.8%
- Sales developed very differently from one country to another.
- Overall improvement of profit margins



# Strong growth of sales and good profitability, partially offset by adverse currency impact

Insulation

## Key financials

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 113,3 | 116,1 | 229,4 | 118,1 | 116,0 | 234,1 | 4,3% | -0,1% | 2,1% |
| REBITDA | 16,1 | 16,2 | 32,3 | 17,8 | 15,3 | 33,1 | 10,6% | -5,9% | 2,3% |
| *as % of sales* | *14,2%* | *14,0%* | *14,1%* | *15,1%* | *13,2%* | *14,1%* | | | |
| EBITDA | 17,7 | 15,7 | 33,4 | 17,8 | 15,1 | 32,9 | 0,4% | -3,9% | -1,6% |
| *as % of sales* | *15,6%* | *13,6%* | *14,6%* | *15,0%* | *13,0%* | *14,0%* | | | |
| REBIT | 13,3 | 13,1 | 26,4 | 14,7 | 12,0 | 26,8 | 10,8% | -7,8% | 1,6% |
| *as % of sales* | *11,7%* | *11,2%* | *11,5%* | *12,5%* | *10,4%* | *11,4%* | | | |
| EBIT | 14,9 | 12,6 | 27,5 | 14,7 | 11,9 | 26,6 | -1,3% | -5,4% | -3,2% |
| *as % of sales* | *13,1%* | *10,8%* | *12,0%* | *12,4%* | *10,3%* | *11,4%* | | | |

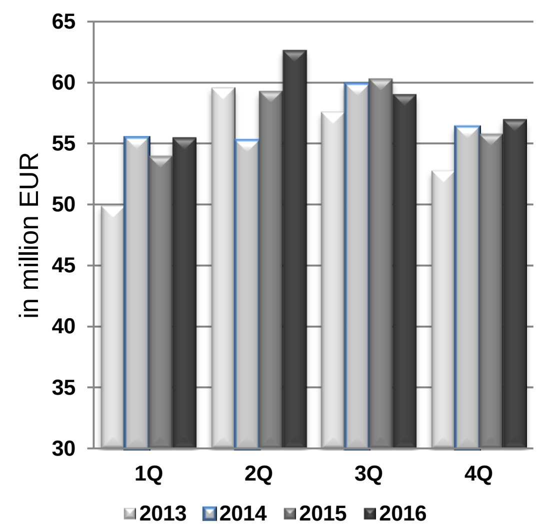
## 2016 key topics

- Sales 2016: 234.1m€ (+2.1%), including exchange rate differences of -4.4% (i.e. Pound Sterling)
- Growth trend of the previous quarters was confirmed (1Q2016: +2.8%; 2Q2016: +5.7% and weaker 3Q2016: -2.1%; but 4Q2016: +2.0%).
- Growing volumes offset by negative currency effect and some price erosion in the most competitive markets.
- Higher raw material (isocyanates) costs in 2H2016.

## Recent developments

- Divestment in February 2015 of the 50% participation in the joint venture Kingspan Tarec Industrial Insulation (KTII)
- 2016: Expansion in France in field of fiber bonded foam solutions for acoustic insulation (Innortex)
- 2016: Creation of production joint venture for Vacuum Insulation Panels (VIP) for niche applications.

**Combined sales Insulation (2013-2016)**



# Growth driven by start-up of new Interiors programs and overall strong global automotive markets

Automotive

## Key financials

| in million EUR | 1H15 | 2H15 | FY15 | 1H16 | 2H16 | FY16 | Δ 1H | Δ 2H | Δ FY |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **142,9** | **137,4** | **280,3** | **146,9** | **142,1** | **288,9** | 2,8% | 3,4% | **3,1%** |
| **REBITDA** | **9,5** | **5,9** | **15,4** | **10,5** | **9,4** | **19,9** | 10,7% | 58,7% | **29,1%** |
| *as % of sales* | *6,7%* | *4,3%* | *5,5%* | *7,2%* | *6,6%* | *6,9%* | | | |
| **EBITDA** | **5,7** | **4,3** | **9,9** | **9,5** | **8,8** | **18,3** | 68,8% | 104,9% | **84,4%** |
| *as % of sales* | *4,0%* | *3,1%* | *3,5%* | *6,5%* | *6,2%* | *6,3%* | | | |
| **REBIT** | **3,8** | **( 0,1)** | **3,6** | **3,9** | **1,8** | **5,7** | 2,9% | n.m. | **55,3%** |
| *as % of sales* | *2,6%* | *-0,1%* | *1,3%* | *2,6%* | *1,3%* | *2,0%* | | | |
| **EBIT** | **( 0,1)** | **( 1,8)** | **( 1,9)** | **2,9** | **1,2** | **4,0** | n.m. | n.m. | **n.m.** |
| *as % of sales* | *-0,1%* | *-1,3%* | *-0,7%* | *2,0%* | *0,8%* | *1,4%* | | | |

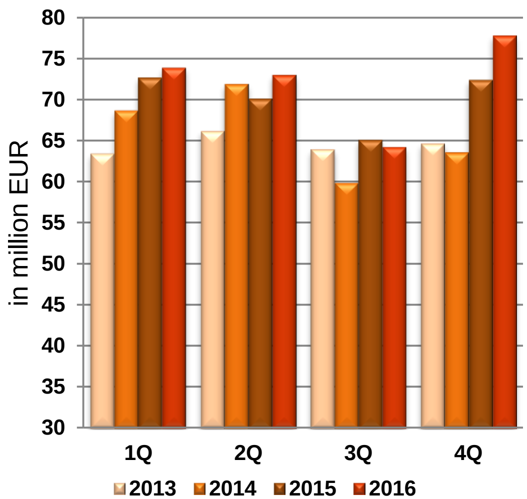
## 2016 key topics

- Sales 2016: 288.9m€ (+3.1%), including a currency exchange differences for -1.4%
  - **Interiors**: 143.5m€ (+9.0%), including currency exchange differences (-0.8%)
    - Growth coming from gradual start-up and ramp-up of new programs.
  - **Seating**: 145.5m€ (-2.1%), including currency exchange differences (-2.0%) (i.e. £ and PLN)
    - Lower volumes by year-end

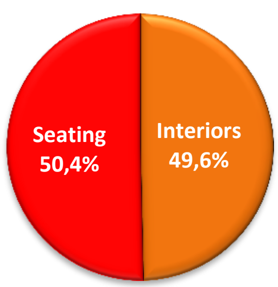
## Recent developments

- As expected, higher volumes following the gradual start-up and ramp-up of new **Interiors programs** - with new production sites in China (Changchun and Langfang)
- Jan 2017: Fire incident in Interiors' plant in Most (Czech Republic)
- **Seating**: efficiency gains following closure of the Rüsselsheim (Germany) plant in 2015

Combined sales Automotive (2013-2016)




Combined sales 2016



# Agenda

# Consolidated key figures*

* *All comparisons are made with the comparable period of 2015, unless mentioned otherwise.*

- **Sales**: from 1,033.8m€ to **1,048.3m€** (+1.4%), including currency effects (-2.3%)
- **EBITDA**: from 52.9m€ to **72.7m€** (+37.5%)
- **EBIT**: from 23.2m€ to **39.2m€** (+68.8%)
- **Result of the period** (share of the Group): from +4.5m€ to **+16.3m€**
- **Net financial debt**[1]: from 98.5m€ (31-Dec-15) to **108.4m€** (31-Dec-16)
- **Gearing ratio**: from 39.6% (30-Dec-15) to **43.1%**

[1] *Excluding the drawn amounts under non-recourse factoring/forfeiting programs: 51.7m€ per 31 December 2016 versus 53.7m€ per 31 December 2015.*

# ANNEXES – Consolidated Income Statement

| in million EUR | 1H15 | 2H15 | FY2015 | 1H16 | 2H16 | FY2016 |
|---|---|---|---|---|---|---|
| **Sales** | **519,1** | **514,7** | **1 033,8** | **534,5** | **513,8** | **1 048,3** |
| Distribution costs | ( 28,3) | ( 29,8) | ( 58,0) | ( 29,5) | ( 28,4) | ( 57,9) |
| Cost of sales | ( 390,8) | ( 390,5) | ( 781,3) | ( 396,2) | ( 393,2) | ( 789,4) |
| **Gross profit** | **100,0** | **94,4** | **194,4** | **108,8** | **92,3** | **201,1** |
| General and administrative expenses | ( 39,6) | ( 37,1) | ( 76,7) | ( 41,9) | ( 37,5) | ( 79,4) |
| Sales and marketing expenses | ( 37,4) | ( 39,7) | ( 77,1) | ( 37,3) | ( 34,7) | ( 72,0) |
| Research and development expenses | ( 6,5) | ( 6,1) | ( 12,5) | ( 6,9) | ( 6,0) | ( 12,9) |
| Impairments | ( 0,7) | ( 0,2) | ( 1,0) | ( 1,0) | ( 0,8) | ( 1,8) |
| *Other operating revenues (1)* | *5,4* | *3,4* | *8,9* | *2,7* | *4,2* | *6,9* |
| *Other operating expenses (2)* | *( 6,3)* | *( 13,3)* | *( 19,6)* | *( 10,6)* | *( 9,1)* | *( 19,6)* |
| Other operating result (1)+(2) | ( 0,9) | ( 9,9) | ( 10,7) | ( 7,9) | ( 4,9) | ( 12,7) |
| Income from joint ventures & associates | 2,0 | 4,8 | 6,9 | 10,7 | 6,2 | 16,9 |
| **EBIT** | **16,9** | **6,3** | **23,2** | **24,6** | **14,6** | **39,2** |
| Interest income | 0,4 | 0,4 | 0,8 | 0,4 | 0,3 | 0,7 |
| Interest expenses | ( 5,5) | ( 4,8) | ( 10,3) | ( 4,3) | ( 4,5) | ( 8,8) |
| Other financial income | 5,4 | 3,0 | 8,4 | 5,4 | 1,7 | 7,1 |
| Other financial expenses | ( 7,8) | ( 3,6) | ( 11,4) | ( 6,5) | ( 4,2) | ( 10,7) |
| **Financial result** | **( 7,5)** | **( 5,0)** | **( 12,5)** | **( 5,0)** | **( 6,8)** | **( 11,7)** |
| **Result of the period before taxes** | **9,4** | **1,3** | **10,7** | **19,7** | **7,8** | **27,5** |
| Income taxes | ( 4,4) | ( 1,8) | ( 6,2) | ( 4,2) | ( 7,0) | ( 11,2) |
| **Result of the period after taxes** | **5,0** | **( 0,5)** | **4,5** | **15,5** | **0,8** | **16,3** |
| of which attributable to the owners of the parent | 5,0 | ( 0,5) | 4,5 | 15,5 | 0,8 | 16,3 |
| of which attributable to non-controlling interests | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |

# ANNEXES – Consolidated Comprehensive Income

| in million EUR | 1H15 | 2H15 | FY2015 | 1H16 | 2H16 | FY2016 |
|---|---|---|---|---|---|---|
| **Result for the period after taxes** | **5,0** | **( 0,5)** | **4,5** | **15,5** | **0,8** | **16,3** |
| **Other comprehensive income** | | | | | | |
| ***Items that will not subsequently be recycled to profit and loss*** | | | | | | |
| Actuarial gains and losses on employee benefits recognized in equity | 6,1 | ( 0,3) | 5,8 | ( 10,1) | 2,7 | ( 7,4) |
| Deferred taxes on actuarial gains and losses on employee benefits | ( 1,1) | 0,0 | ( 1,1) | 2,2 | 0,2 | 2,4 |
| Currency translation differences | ( 0,6) | 0,2 | ( 0,5) | 0,7 | 0,2 | 0,9 |
| **Total** | **4,4** | **( 0,1)** | **4,2** | **( 7,3)** | **3,1** | **( 4,1)** |
| ***Items that subsequently may be recycled to profit and loss*** | | | | | | |
| Hedging reserves | ( 0,3) | 1,9 | 1,6 | 0,5 | 1,3 | 1,9 |
| Currency translation differences | 7,1 | ( 3,0) | 4,1 | ( 4,7) | ( 0,3) | ( 5,0) |
| Foreign currency translation difference recycled in income statement | ( 1,0) | 0,3 | ( 0,7) | 0,0 | 0,0 | 0,0 |
| Deferred taxes on interest hedging reserves | ( 0,2) | ( 0,3) | ( 0,6) | ( 0,3) | ( 0,3) | ( 0,6) |
| **Total** | **5,6** | **( 1,1)** | **4,4** | **( 4,5)** | **0,7** | **( 3,8)** |
| **Other comprehensive income net of tax** | **9,9** | **( 1,3)** | **8,7** | **( 11,8)** | **3,8** | **( 7,9)** |
| **Total comprehensive income for the period** | **15,0** | **( 1,7)** | **13,2** | **3,7** | **4,7** | **8,4** |
| **Total comprehensive income for the period** | **15,0** | **( 1,7)** | **13,2** | **3,7** | **4,7** | **8,4** |
| of which attributable to the owners of the parent | 15,0 | ( 1,7) | 13,2 | 3,7 | 4,7 | 8,4 |
| of which attributable to non-controlling interests | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |

# ANNEXES – Consolidated Balance Sheet

| in million EUR | 31 DEC 15 | 31 DEC 16 | Δ |
|---|---|---|---|
| Intangible assets | 13,4 | 12,1 | -9,7% |
| Goodwill | 25,9 | 25,1 | -3,1% |
| Property, plant & equipment | 209,7 | 216,2 | 3,1% |
| Investment property | 3,3 | 3,3 | 0,0% |
| Interest in joint ventures & associates | 73,2 | 82,4 | 12,6% |
| Other financial investments and available for sale investments | 1,0 | 0,5 | -54,0% |
| Non-current receivables | 13,6 | 13,9 | 1,9% |
| Deferred tax | 43,3 | 37,8 | -12,6% |
| **Non-current assets** | **383,4** | **391,3** | ***2,0%*** |
| Inventories and contracts in progress | 93,2 | 91,9 | -1,4% |
| Trade receivables | 83,4 | 101,5 | 21,7% |
| Other receivables | 55,3 | 69,6 | 25,7% |
| Income tax receivables | 2,1 | 1,4 | -30,1% |
| Available for sale investments | 0,1 | 0,1 | 17,6% |
| Cash and cash equivalents | 56,0 | 37,2 | -33,6% |
| Disposal group held for sale | 3,2 | 0,0 | -100,0% |
| **Current assets** | **293,2** | **301,7** | ***2,9%*** |
| **TOTAL ASSETS** | **676,7** | **693,0** | ***2,4%*** |

| in million EUR | 31 DEC 15 | 31 DEC 16 | Δ |
|---|---|---|---|
| Equity (share of the Group) | 249,0 | 251,2 | 0,9% |
| Non-controlling interests | 0,0 | 0,0 | - |
| **Total equity** | **249,0** | **251,2** | ***0,9%*** |
| Pensions and other provisions | 61,1 | 64,2 | 5,1% |
| Deferred tax | 9,5 | 10,1 | 6,4% |
| Interest-bearing borrowings | 40,4 | 97,0 | 140,4% |
| Other amounts payable | 0,2 | 0,2 | -19,0% |
| **Non-current liabilities** | **111,2** | **171,5** | ***54,3%*** |
| Pensions and other provisions | 6,9 | 5,9 | -14,2% |
| Interest-bearing borrowings | 114,7 | 50,1 | -56,3% |
| Trade payables | 94,3 | 102,9 | 9,2% |
| Income tax payables | 2,5 | 2,3 | -7,0% |
| Other amounts payable | 98,2 | 108,9 | 10,9% |
| **Current liabilities** | **316,5** | **270,2** | ***-14,6%*** |
| **TOTAL LIABILITIES** | **676,7** | **693,0** | ***2,4%*** |

# ANNEXES – Consolidated Statement of Cash Flow

| in k€ | LY 31/12/2015 | A 31/12/2016 | |
|---|---|---|---|
| **EARNINGS before INTEREST AND TAXES (EBIT)** | **23,235** | **39,218** | |
| Depreciations and Amortizations | 28,656 | 31,726 | |
| Impairment losses on Assets | 983 | 1,762 | |
| Write-off on Assets | 1,555 | -1,557 | |
| Changes in provisions | 2,817 | -3,577 | (1) |
| Gains / Losses on disposals of Assets | -1,939 | 292 | |
| Income from associates | -6,873 | -16,927 | |
| **GROSS OPERATING CASH FLOW** | **48,433** | **50,938** | |
| Changes in working capital | -11,051 | 980 | (2) |
| Trade & Other Long term debts (deferred EU fine) | -6,626 | -6,915 | (3) |
| **CASH GENERATED by OPERATIONS** | **30,756** | **45,003** | |
| Income taxes paid | -1,865 | -2,539 | |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | **28,891** | **42,465** | |
| Interest received | 587 | 1,052 | |
| Dividend received | 13,764 | 7,350 | |
| Investments and subscription capital increase | 0 | 0 | |
| Increase / Decrease of Loans and Receivables | -2,415 | -8,345 | |
| Investments in intangible assets | -3,872 | -3,060 | (4) |
| Investments in property, plant and equipment | -29,967 | -40,552 | (4) |
| Investment in associates | -5,100 | -1,513 | |
| Disposals of intangible assets | 116 | 95 | |
| Disposals of property, plant and equipment | 4,010 | 7,506 | |
| Disposals subsidiaries | 8,934 | 503 | |
| Incrrease / Decrease of investments available for sale | -16 | -16 | |
| **NET CASH FLOW FROM INVESTMENT ACTIVITIES** | **-13,958** | **-36,979** | |
| Interest paid | -9,777 | -7,559 | |
| Dividends paid | -5,893 | -7,492 | |
| Increase/Decrease of capital | 74,216 | 1,210 | |
| Increase/Decrease financial debts | -41,956 | -8,336 | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **16,590** | **-22,176** | |
| Effect of Exchange rate Changes | -1,719 | -2,101 | |
| **CHANGES IN CASH AND CASH EQUIVALENT** | **29,803** | **-18,792** | |
| Net cash position opening balance | 26,163 | 55,967 | |
| Net cash position closing balance | 55,967 | 37,174 | |
| **NET VARIATION CASH & CASH EQUIVALENT** | **29,804** | **-18,792** | |

| | | |
|---|---|---|
| **(1)** | **Changes in provisions** | **(3.6)** |
| | **Net additions** | **11.1** |
| | > Pension provisions | 4.3 |
| | > Restructuring | 4.0 |
| | > Other | 2.8 |
| | **Net utilisations** | **(14.7)** |
| | > Pension provisions | (7.2) |
| | > Restructuring | (6.2) |
| | > Environmental | (0.8) |
| | > Other | (0.5) |

| | | |
|---|---|---|
| **(2)** | **Changes in Working Capital** | **1.0** |
| | > Inventories | 0.1 |
| | > Trade receivables | (20.7) |
| | > Other receivables | (5.8) |
| | > Trade payables | 8.2 |
| | > Other payables | 19.2 |

| | | |
|---|---|---|
| **(3)** | **EU fine paid** | **(6.9)** |

| | | |
|---|---|---|
| **(4)** | **Capex paid** | **(43.6)** |
| | > Flexible foams | (8.3) |
| | > Insulation | (13.1) |
| | > Bedding | (1.9) |
| | > Interiors | (18.5) |
| | > Other (IDC, ICT, Corporate) | (1.8) |

# ANNEXES – Statement of changes in equity

| in million EUR | Capital | Share premium | Treasury shares | Investment revaluation reserve | Actuarial gains and losses | IFRS 2 Other capital reserves | Retained earnings | Translation differences reserves | Hedging reserves | Total shareholders' equity | Non-controlling interests | Total equity, non-controlling interests included |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **At the end of the preceding period (31 December 2015)** | **134,3** | **125,7** | **( 1,5)** | **( 0,0)** | **( 15,5)** | **3,1** | **15,0** | **( 6,0)** | **( 6,2)** | **249,0** | **0,0** | **249,0** |
| Dividends | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | ( 7,5) | 0,0 | 0,0 | ( 7,5) | 0,0 | ( 7,5) |
| Stock options (IFRS 2) | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | ( 0,4) | 0,6 | 0,0 | 0,0 | 0,2 | 0,0 | 0,2 |
| Capital movements | 0,8 | 0,4 | 0,0 | 0,0 | 0,0 | ( 0,1) | 0,1 | 0,0 | 0,0 | 1,2 | 0,0 | 1,2 |
| **Shareholders' movements** | **0,8** | **0,4** | **0,0** | **0,0** | **0,0** | **( 0,6)** | **( 6,8)** | **0,0** | **0,0** | **( 6,1)** | **0,0** | **( 6,1)** |
| **Profit or loss of the period** | **0,0** | **0,0** | **0,0** | **0,0** | **0,0** | **0,0** | **16,3** | **0,0** | **0,0** | **16,3** | **0,0** | **16,3** |
| ***Components of other comprehensive income that will not be recycled to profit or loss, net of tax*** | | | | | | | | | | | | |
| Actuarial gains & losses recognized in equity | 0,0 | 0,0 | 0,0 | 0,0 | ( 7,4) | 0,0 | 0,0 | 0,0 | 0,0 | ( 7,4) | 0,0 | ( 7,4) |
| Income tax | 0,0 | 0,0 | 0,0 | 0,0 | 2,4 | 0,0 | 0,0 | 0,0 | 0,0 | 2,4 | 0,0 | 2,4 |
| Currency translation differences | 0,0 | 0,0 | 0,0 | 0,0 | 0,9 | 0,0 | 0,0 | 0,0 | 0,0 | 0,9 | 0,0 | 0,9 |
| **Total other comprehensive income that will not be recycled to profit or loss, net of tax (a)** | **0,0** | **0,0** | **0,0** | **0,0** | **( 4,1)** | **0,0** | **0,0** | **0,0** | **0,0** | **( 4,1)** | **0,0** | **( 4,1)** |
| ***Components of other comprehensive income that will be recycled to profit or loss, net of tax*** | | | | | | | | | | | | |
| Gains (losses) on cash flow hedge | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 1,9 | 1,9 | 0,0 | 1,9 |
| Deferred taxes | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | ( 0,6) | ( 0,6) | 0,0 | ( 0,6) |
| Currency translation differences | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | ( 0,0) | 0,0 | ( 5,1) | 0,0 | ( 5,0) | 0,0 | ( 5,0) |
| **Total other comprehensive income that will be recycled to profit or loss, net of tax (b)** | **0,0** | **0,0** | **0,0** | **0,0** | **0,0** | **( 0,0)** | **0,0** | **( 5,1)** | **1,2** | **( 3,8)** | **0,0** | **( 3,8)** |
| **Comprehensive income'** | **0,0** | **0,0** | **0,0** | **0,0** | **( 4,1)** | **( 0,0)** | **16,3** | **( 5,1)** | **1,3** | **8,4** | **0,0** | **8,4** |
| **Reclassification** | **0,0** | **0,0** | **0,0** | **0,0** | **0,0** | **( 0,4)** | **0,4** | **0,0** | **0,0** | **0,0** | **0,0** | **0,0** |
| **At the end of the period (31 December 2016)** | **135,2** | **126,1** | **( 1,5)** | **( 0,0)** | **( 19,6)** | **2,2** | **24,9** | **( 11,0)** | **( 4,9)** | **251,2** | **0,0** | **251,2** |

# ANNEXES – Data per share

| in EUR | 2015 | 2016 | Δ |
|---|---|---|---|
| Number of shares outstanding (including treasury shares) | 53 731 608 | 54 062 520 | *0,6%* |
| Weighted average number of shares outstanding (before dilution effect) | 44 510 623 | 53 504 432 | *20,2%* |
| Weighted average number of shares outstanding (after dilution effect) | 44 704 483 | 59 643 102 | *33,4%* |
| EBITDA | 1,19 | 1,36 | *14,3%* |
| EBIT | 0,52 | 0,73 | *40,4%* |
| Result for the period before taxes | 0,24 | 0,51 | *113,5%* |
| Result for the period after taxes | 0,10 | 0,31 | *199,0%* |
| Result for the period (share of the Group) - basic | 0,10 | 0,31 | *199,0%* |
| Result for the period (share of the Group) - diluted | 0,10 | 0,30 | *191,5%* |
| Net book value | 4,63 | 4,65 | *0,3%* |

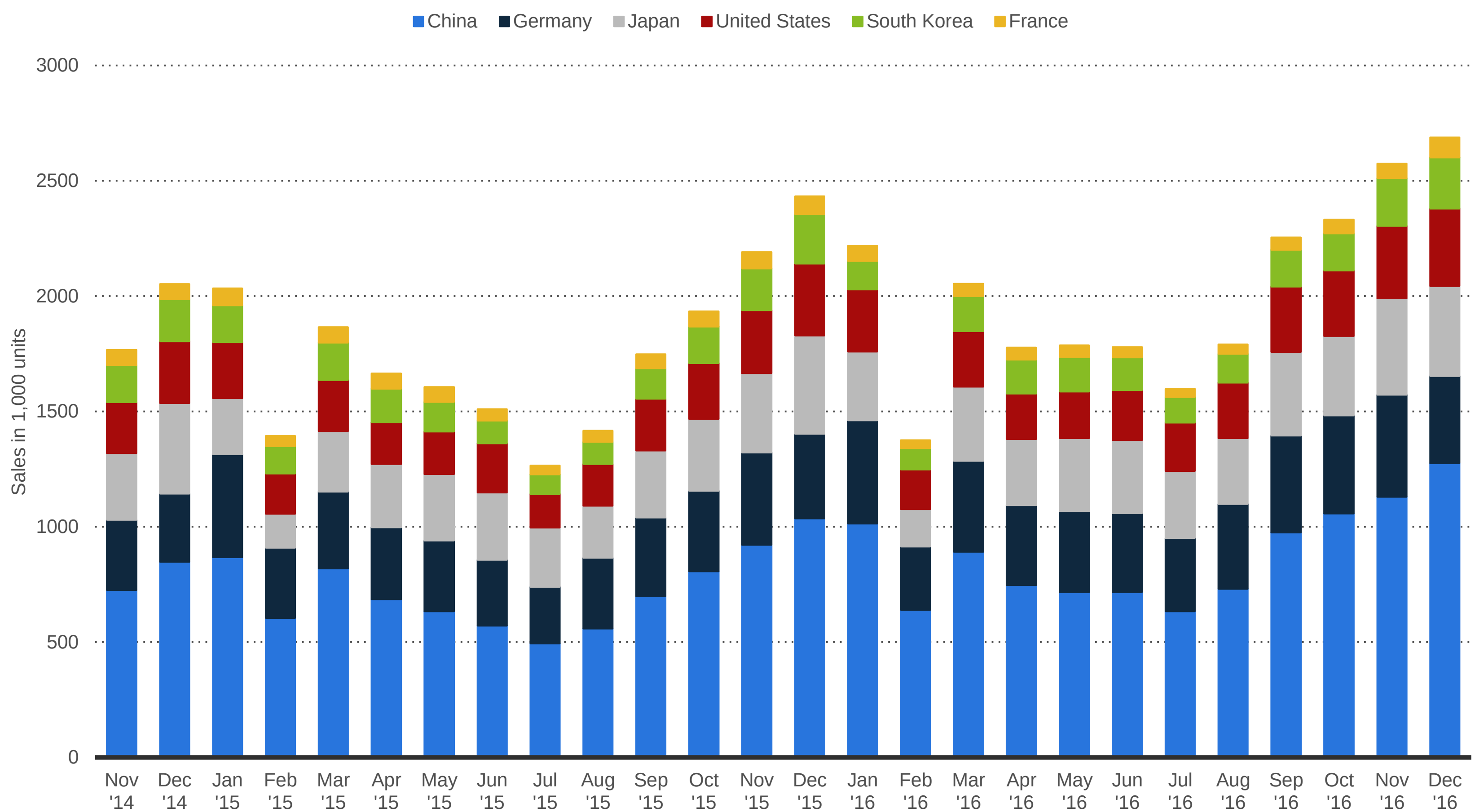
## **ANNEXES:** Automotive – EU28 new passenger car registrations increased by +5.8% year end 2016 vs 2015, but remain ~13% below the 2007 peak.

17/01/2017

| | December '16 | December '15 | %Change 16/15 | Jan - Dec '16 | Jan - Dec '15 | %Change 16/15 |
|---|---|---|---|---|---|---|
| AUSTRIA | 25,662 | 22,832 | +12.4 | 329,604 | 308,555 | +6.8 |
| BELGIUM | 33,523 | 32,741 | +2.4 | 539,519 | 501,066 | +7.7 |
| BULGARIA | 3,555 | 3,141 | +13.2 | 26,370 | 23,500 | +12.2 |
| CROATIA | 3,383 | 1,855 | +82.4 | 43,015 | 34,820 | +23.5 |
| CYPRUS | 818 | 959 | -14.7 | 12,643 | 10,344 | +22.2 |
| CZECH REPUBLIC | 21,913 | 19,768 | +10.9 | 259,693 | 230,857 | +12.5 |
| DENMARK | 19,394 | 18,462 | +5.0 | 222,927 | 207,556 | +7.4 |
| ESTONIA | 1,304 | 1,268 | +2.8 | 22,429 | 20,347 | +10.2 |
| FINLAND | 8,146 | 7,925 | +2.8 | 118,986 | 108,819 | +9.3 |
| FRANCE | 194,372 | 183,720 | +5.8 | 2,015,177 | 1,917,226 | +5.1 |
| GERMANY | 256,533 | 247,355 | +3.7 | 3,351,607 | 3,206,042 | +4.5 |
| GREECE | 4,765 | 6,816 | -30.1 | 78,873 | 75,805 | +4.0 |
| HUNGARY | 9,750 | 7,094 | +37.4 | 96,552 | 77,171 | +25.1 |
| IRELAND | 430 | 344 | +25.0 | 146,603 | 124,804 | +17.5 |
| ITALY | 124,438 | 110,060 | +13.1 | 1,824,968 | 1,575,737 | +15.8 |
| LATVIA | 1,144 | 1,060 | +7.9 | 16,359 | 13,765 | +18.8 |
| LITHUANIA | 1,418 | 1,207 | +17.5 | 20,320 | 17,085 | +18.9 |
| LUXEMBOURG | 3,065 | 2,636 | +16.3 | 50,561 | 46,473 | +8.8 |
| NETHERLANDS | 35,723 | 68,779 | -48.1 | 382,825 | 448,927 | -14.7 |
| POLAND | 43,721 | 37,358 | +17.0 | 416,123 | 354,975 | +17.2 |
| PORTUGAL | 16,988 | 13,142 | +29.3 | 207,330 | 178,503 | +16.1 |
| ROMANIA | 9,331 | 8,739 | +6.8 | 94,924 | 81,162 | +17.0 |
| SLOVAKIA | 8,010 | 7,316 | +9.5 | 88,163 | 77,968 | +13.1 |
| SLOVENIA | 4,078 | 3,433 | +18.8 | 63,674 | 59,450 | +7.1 |
| SPAIN | 96,886 | 88,609 | +9.3 | 1,147,007 | 1,034,232 | +10.9 |
| SWEDEN | 37,281 | 33,540 | +11.2 | 372,318 | 345,108 | +7.9 |
| UNITED KINGDOM | 178,022 | 180,077 | -1.1 | 2,692,786 | 2,633,503 | +2.3 |
| **EUROPEAN UNION[1]** | **1,143,653** | **1,110,236** | **+3.0** | **14,641,356** | **13,713,800** | **+6.8** |
| EU15[2] | 1,035,228 | 1,017,038 | +1.8 | 13,481,091 | 12,712,356 | +6.0 |
| EU12[3] | 108,425 | 93,198 | +16.3 | 1,160,265 | 1,001,444 | +15.9 |
| *ICELAND* | *706* | *842* | *-16.2* | *18,442* | *14,004* | *+31.7* |
| *NORWAY* | *13,602* | *13,078* | *+4.0* | *154,603* | *150,686* | *+2.6* |
| *SWITZERLAND* | *35,325* | *32,642* | *+8.2* | *317,318* | *323,783* | *-2.0* |
| EFTA | 49,633 | 46,562 | +6.6 | 490,363 | 488,473 | +0.4 |
| EU + EFTA | 1,193,286 | 1,156,798 | +3.2 | 15,131,719 | 14,202,273 | +6.5 |
| EU15 + EFTA | 1,084,861 | 1,063,600 | +2.0 | 13,971,454 | 13,200,829 | +5.8 |

# **ANNEXES:** Automotive – China new passenger car registrations increased by 15% yoy in 2016 ! (+23% vs 2014)

**Monthly passenger car sales in China from November 2014 to December 2016, by country of brand origin (in 1,000 units)**



## **ANNEXES:** New residential building markets have been negative in 2013, stabilised in 2014 & 2015, growing in 2016 and expected to grow further in 2017

### Development of building market in Europe 2013-2019 Outlook (%)

| Country/Year | | | | Total | New | Renovation | Forecasts | | Outlook |
|---|---|---|---|---|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** (estimate) | | | **2017** | **2018** | **2019** |
| Austria | -0.5 | -0.7 | -0.5 | 1.7 | 1.9 | 1.4 | 1.7 | 1.5 | 1.2 |
| Belgium | -0.3 | 1.8 | 1.9 | 4.0 | 6.1 | 1.9 | 2.1 | 2.8 | 2.8 |
| Denmark | -1.0 | 3.8 | 0.2 | 2.2 | 2.4 | 2.1 | 2.9 | 3.4 | 3.4 |
| Finland | -4.6 | -2.8 | 1.3 | 7.7 | 14.8 | 1.5 | 0.7 | 0.7 | -0.4 |
| France | -1.6 | -6.3 | -1.3 | 2.9 | 3.5 | 2.6 | 4.0 | 3.1 | 2.7 |
| Germany | -0.6 | 1.3 | 0.7 | 2.5 | 6.7 | 0.3 | 1.6 | 0.2 | -0.6 |
| Ireland | 4.6 | 11.4 | 9.1 | 13.5 | 17.5 | 5.8 | 11.4 | 9.2 | 12.1 |
| Italy | -2.7 | -1.9 | -0.2 | 1.9 | -0.8 | 2.7 | 2.1 | 1.4 | 1.8 |
| Netherlands | -6.2 | 0.9 | 10.6 | 6.8 | 7.1 | 6.6 | 5.3 | 4.8 | 4.6 |
| Norway | -0.6 | 0.1 | 1.3 | 5.3 | 9.4 | 1.2 | 0.9 | 1.6 | 3.1 |
| Portugal | -13.6 | -2.0 | 5.2 | 3.6 | 1.2 | 5.9 | 4.6 | 5.7 | 6.0 |
| Spain | -15.0 | -3.2 | 1.9 | 6.6 | 8.5 | 4.1 | 5.8 | 3.9 | 3.7 |
| Sweden | 2.6 | 7.4 | 8.9 | 9.1 | 22.0 | 0.0 | 2.8 | 0.1 | -2.1 |
| Switzerland | 3.3 | 2.9 | 1.9 | 0.5 | 0.2 | 0.9 | 1.3 | 1.5 | 1.1 |
| United Kingdom | 1.4 | 10.3 | 1.0 | 1.1 | 2.1 | -0.4 | -0.4 | 1.0 | 1.8 |
| Western Europe (EC-15) | -1.9 | 0.9 | 1.2 | 3.1 | 4.8 | 1.7 | 2.2 | 1.8 | 1.7 |
| Czech Republic | -6.0 | 3.2 | 2.8 | -6.6 | -3.9 | -11.2 | -3.6 | 3.8 | 6.8 |
| Hungary | -4.1 | 3.4 | 3.6 | 5.0 | 13.4 | -1.5 | 12.0 | 13.1 | 5.5 |
| Poland | -1.4 | 4.4 | 5.2 | 0.9 | 0.6 | 1.8 | 2.4 | 3.7 | 4.3 |
| Slovak Republic | -8.3 | -4.3 | 4.4 | 3.2 | 1.6 | 6.6 | 2.2 | 1.8 | -1.7 |
| Eastern Europe (EC-4) | -3.3 | 3.4 | 4.4 | -0.2 | 0.6 | -1.8 | 2.1 | 4.7 | 4.6 |
| Euroconstruct Countries (EC-19) | -2.0 | 1.0 | 1.3 | 2.9 | 4.5 | 1.6 | 2.2 | 2.0 | 1.8 |

*Source: EUROCONSTRUCT, November 2016*

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## Financial calendar

| | |
|---|---|
| FY2016 Results | 26.02.2017 (before opening of the stock exchange) |
| First quarter 2017 trading update | 06.05.2017 (before opening of the stock exchange) |
| Annual General Meeting | 31.05.2017 (at 10:00 AM CET) |
| First half-year 2017 results | 26.08.2017 (before opening of the stock exchange) |
| Third quarter 2017 trading update | 31.10.2017 (before opening of the stock exchange) |

***Uncertainty risks concerning the forecasts made***

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Thank you for your attention!

Q&A