

RECTICEL

First Half-Year 2017 Results

Financial Analysts' Meeting

Brussels, 31 August 2017

Olivier Chapelle

Chief Executive Officer

Jean-Pierre Mellen

Chief Financial Officer

Michel De Smedt

Investor Relations Officer

Agenda

- 1 1H2017 Key Highlights**
- 2 1H2017 Results**
- 3 Financial Position as of 30 June 2017**
- 4 Outlook Full Year 2017**
- 5 Comments on 1H2017 Results per Business Line**
- 6 Appendix**

Key Highlights 1H2017 – Resilient Results Despite Strong Headwinds

1

Sales +5.9% | REBITDA -8.6% | REBIT -11.9% | Net Result -7.7%

2

**Challenging and unprecedented raw material supply environment:
historical price hikes combined with Isocyanates shortage**

3

Adverse overall currency environment: weak £ and strong €

4

Fire incident in Most (Czech Republic) on 22 January

5

**Much improved financial result and reimbursement on 24 July of 27.7m€
5%-coupon convertible bond 2007-2017**

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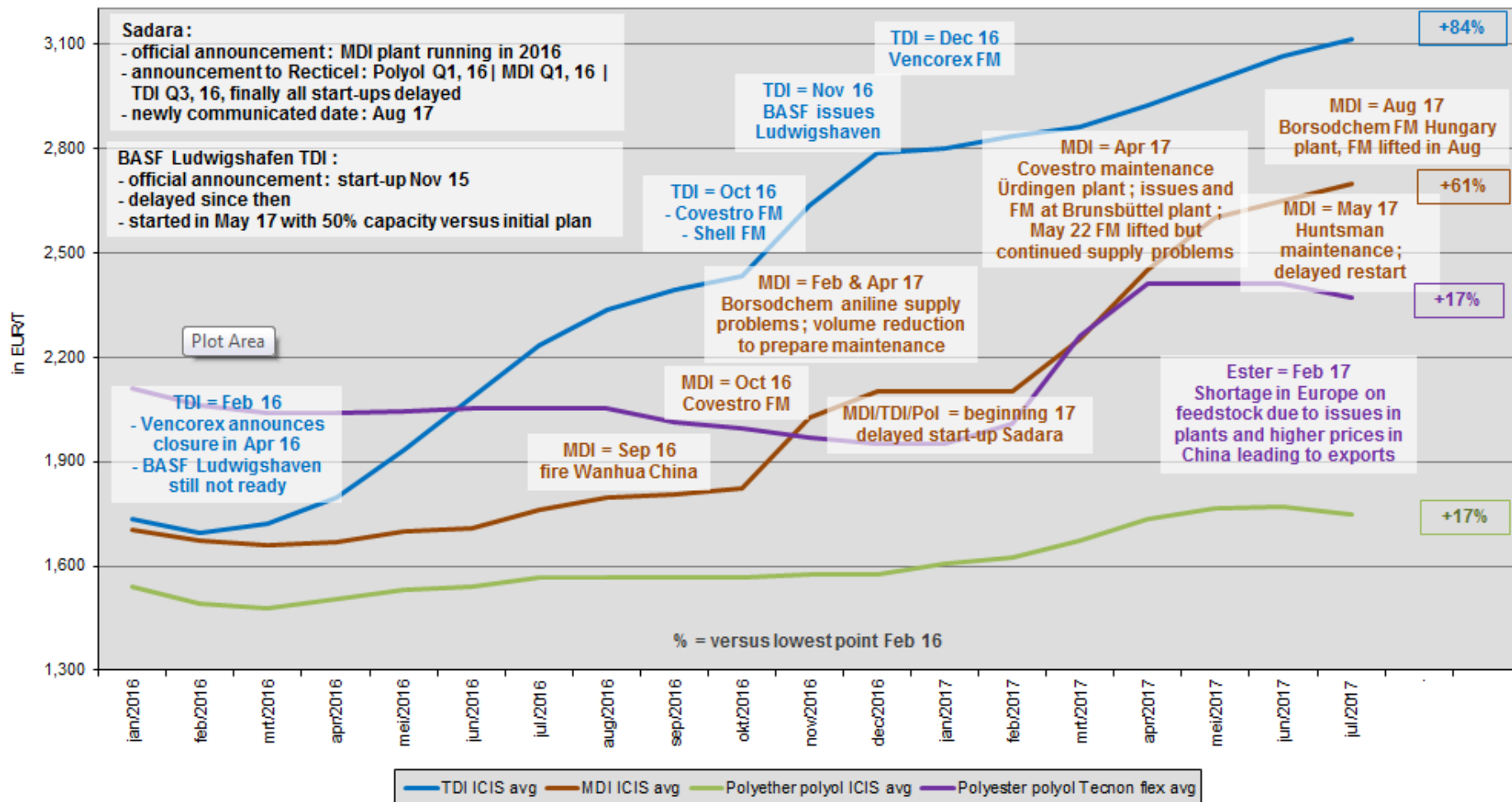
**Net debt (on & off B/S) increased to 222m€ linked to working capital seasonality
coupled with higher raw material prices and subsequent higher selling prices**

7

Growth agenda progressing well – Innovation and Capacity Increase

Isocyanates supply remains short (MDI on allocation since 04/2017), leading to isocyanates price increases while Polyol prices appear to stabilize.

Recent market price evolution TDI / Crude MDI / Polyether & Polyester flex polyol
(price source ICIS/Tecnon)



Fire incident in Most (CZ) on 22 Jan 2017: progressing to resolution.

(latest update press release 31 Aug 17)

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 cooperating actively to maximize the output of the solutions and alternative production plans decided together, in order to minimize the impact on the production programs 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, the supply situation to all customers is now almost normalized, and the totally rebuilt plant will be operational as from mid-October 2017.

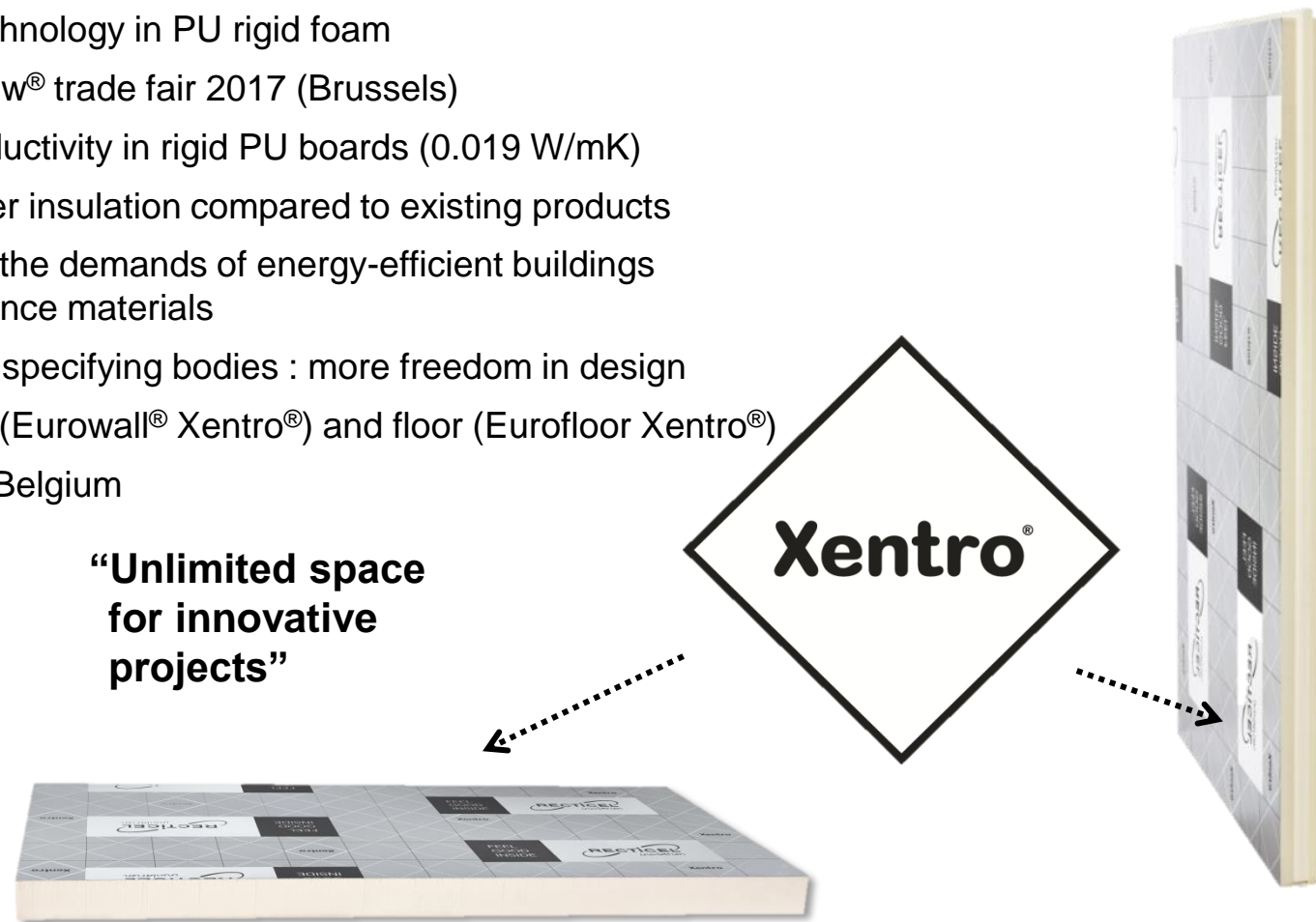
RAI Most s.r.o. is insured according to industry standards.

To date, the net non-recurring financial impact is assessed at EUR -4.9 million, being the result of the very important additional operational costs, which were compensated to a large extent by insurance advances received to date. Given that the Most plant will not be fully operational before October 2017, additional non-recurring costs and income will be taken over the remainder of 2017.

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.

Recticel Insulation introduces a breakthrough Low Lambda technology Xentro® at the Batibouw® trade fair (press release 20 Feb 17)

- ▶ Xentro technology allows Lambda to reach 0.019 W/mK
- ▶ In house low lambda technology in PU rigid foam
- ▶ Launched at the Batibouw® trade fair 2017 (Brussels)
- ▶ The lowest thermal conductivity in rigid PU boards (0.019 W/mK)
 - Offering 13% better insulation compared to existing products
 - Better addressing the demands of energy-efficient buildings and high performance materials
- ▶ Focus on architects and specifying bodies : more freedom in design
- ▶ Applications: cavity wall (Eurowall® Xentro®) and floor (Eurofloor Xentro®)
- ▶ Production: Wevelgem, Belgium



Recticel Insulation plans an expansion investment in Finland (press release 21 Jun 17)

Recticel announces that its Insulation division – a leading PIR insulation board manufacturer - plans to invest in a new greenfield production site in Finland, in order to serve the growing demand for high performance thermal insulation materials in the Nordic region (Finland, Norway, Sweden, Denmark and the Baltic countries).

Recticel is pleased to announce that its Insulation division will expand its activities in Scandinavia. The new state-of-the-art production facility will produce high performance rigid polyurethane foam (“PIR”) panels for thermal insulation for the construction sector. With this important investment, Recticel Insulation will serve the growing demand for thermal insulation materials in Northern Europe and will pursue its growth strategy.

Further growth is to be expected in the coming years because the structural demand for high performing polyurethane building insulation will continue to increase as a result of stricter insulation standards and regulations, and the ever growing awareness of the need for more and better insulation.

The investment is expected to amount to about €23 million, and start of production is planned in the second half of 2018.

Olivier Chapelle (CEO): *“This investment is an additional step in the execution of the growth strategy of our Insulation business. It offers an attractive expansion in the Nordic region, which is a growing market for high performance insulation materials.”*

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**Combined Income Statement: net sales are +5.9%, (incl. -1.0% currency)
REBITDA -8.6% | REBIT -11.9% | Net Result -7.7%**

MEUR	LY 30/06/2016	A 30/06/2017	17/16
Net Sales	686.0	726.8	5.9%
REBITDA	54.8	50.1	-8.6%
Non-recurring result	(7.0)	(9.1)	
EBITDA	47.9	41.0	-14.3%
Depreciation	(19.3)	(18.8)	
Impairments	(1.0)		
REBIT	35.6	31.3	-11.9%
EBIT	27.6	22.2	-19.6%
Interest Income & Expenses	(4.5)	(4.1)	
Other Financial Income & Expenses	(1.2)	1.8	
Pre Tax Result (EBT)	21.9	19.9	-9.2%
Current Tax	(4.8)	(2.8)	
Deferred Tax	(1.6)	(2.8)	
After Tax Result (EAT)	15.5	14.3	-7.8%
Non-controlling interests			
<u>Net Result (Group share)</u>	<u>15.5</u>	<u>14.3</u>	-7.7%
Net Result (Group share) per share (in EUR)	0.29	0.27	

Net sales increase by +5.9%, including -1.0% currency impact

- ▶ **Net sales:** from 686.0m€ to **726.8m€ (+5.9%)** incl. -1.0% currency impact or -7.5m€
 - ❑ **1Q2017:** from 345.5m€ to 365.3m€ (+5.7%, including -1.2% currency impact)
 - ❑ **2Q2017:** from 340.5m€ to 361.5m€ (+6.2%, including -0.8% currency impact)

<i>in million EUR</i>	1Q2016	2Q2016	1H2016	1Q2017	2Q2017	1H2017	Δ 1Q	Δ 2Q	Δ 1H
Flexible Foams	156.1	154.2	310.3	160.6	157.0	317.5	2.9%	1.8%	2.3%
Bedding	79.0	69.1	148.1	75.0	63.3	138.3	-5.0%	-8.4%	-6.6%
Insulation	55.5	62.7	118.1	61.3	67.9	129.2	10.5%	8.4%	9.4%
Automotive	73.9	73.0	146.9	84.6	88.8	173.5	14.5%	21.7%	18.1%
Eliminations	(18.9)	(18.4)	(37.3)	(16.3)	(15.4)	(31.7)	-14.0%	-16.0%	-15.0%
TOTAL COMBINED SALES	345.5	340.5	686.0	365.3	361.5	726.8	5.7%	6.2%	5.9%
Adjustment for joint ventures by application of IFRS 11	(75.9)	(75.6)	(151.5)	(83.4)	(77.4)	(160.8)	9.9%	2.3%	6.1%
TOTAL CONSOLIDATED SALES	269.6	264.9	534.5	281.9	284.1	566.0	4.6%	7.3%	5.9%

- ❑ **Automotive (+18.1%)** : strong market dynamics and new program start-ups in Interiors were the main growth drivers. Limited impact of the fire incident in Most (Czech Republic).
- ❑ **Insulation (+9.4%)** : strong volumes in Q1, weak volumes in Q2 (MDI shrotage) combined with higher average selling prices as a result of raw material price increases.
- ❑ **Flexible Foams (+2.3%)** : slightly negative volumes in Comfort Foams, strong volumes in Technical Foams (continued growth of industrial & automotive markets), as well as substantial growth in the USA, China, India and Turkey.
- ❑ **Bedding (-6.6%)**: slightly negative volumes due to overall weaker market conditions and elimination of non-profitable sales.

REBITDA has proven resilient to very challenging environment

Raw Materials – Currencies – Most fire

- ▶ **Flexible Foams** continued to improve its operational efficiency, but could not prevent the temporary adverse impact due to leadtime to pass through raw material costs increases.
- ▶ **Bedding** fixed its supply chain issues, reduced its fixed operating costs and abandoned insufficiently profitable sales.
- ▶ Profitability in **Insulation** reduced as a result of the reduced volumes in 2Q2017 due to shortage in MDI supply in 2Q2017.
- ▶ **Automotive** increased on higher volumes in the sub-segment Interiors, induced by the addition of the new Interiors programs and solid market demand.

<i>in million EUR</i>	1H2016	1H2017	Δ
Flexible Foams	28.2	23.3	-17.2%
Bedding	7.9	7.7	-2.0%
Insulation	17.8	14.2	-20.2%
Automotive	10.5	13.5	27.9%
Corporate	(9.6)	(8.6)	-9.9%
TOTAL COMBINED REBITDA	54.8	50.1	-8.6%

Combined non-recurring elements slightly higher than in 1H2016

in million EUR	1H2016	1H2017
Net impact fire incident Automotive Interiors	0.0	(4.9)
Restructuring charges and provisions	(4.7)	0.4
Other	(2.3)	(4.5)
Total impact on EBITDA	(7.0)	(9.1)
Impairments	(1.0)	0.0
Total impact on EBIT	(7.9)	(9.1)

- ▶ **Impact non-recurring elements on EBITDA: -9.1m€** (1H2016: -7.0m€)
- ▶ **Impact non-recurring elements on EBIT: -9.1m€** (1H2016: -7.9m€)
- ▶ **Non-recurring elements:**
 - The major non-recurring element in 1H2017 relates to the fire incident in the Automotive Interiors plant in Most (Czech Republic) on 22 January 2017. The net impact in 1H2017, including the reinsurance costs, amounts to -4.9m€. Additional non-recurring costs and insurance income, induced by the fire incident, are still expected during 2H2017.
 - Restructuring provisions were positively influenced by a reduction in onerous contract charges.
 - The 'other' non-recurring elements relate to incurred costs and provisions for legal fees.

Combined EBITDA, REBIT & EBIT

► **EBITDA:** from 47.9m€ to **41.0m€** (-14.3%)

<i>in million EUR</i>	1H2016	1H2017	Δ
Flexible Foams	23.6	18.7	-21.0%
Bedding	6.6	7.6	15.0%
Insulation	17.8	14.2	-20.0%
Automotive	9.5	9.1	-4.4%
Corporate	(9.7)	(8.6)	-10.9%
TOTAL COMBINED EBITDA	47.9	41.0	-14.3%
Adjustment for joint ventures by application of IFRS 11	(6.9)	(5.6)	-19.1%
TOTAL CONSOLIDATED EBITDA	41.0	35.4	-13.5%

► **EBIT:** from 27.6m€ to **+22.2m€** (-19.6%)

<i>in million EUR</i>	1H2016	1H2017	Δ
Flexible Foams	17.2	12.5	-27.3%
Bedding	3.1	5.3	67.3%
Insulation	14.7	11.0	-25.3%
Automotive	2.9	2.6	-8.6%
Corporate	(10.2)	(9.1)	-11.0%
TOTAL COMBINED EBIT	27.6	22.2	-19.6%
Adjustment for joint ventures by application of IFRS 11	(3.0)	(1.6)	-45.6%
TOTAL CONSOLIDATED EBIT	24.6	20.6	-16.4%

► **REBIT :** from 35.6m€ to **31.3m€** (-11.9%)

<i>in million EUR</i>	1H2016	1H2017	Δ
Flexible Foams	22.0	17.1	-22.0%
Bedding	5.1	5.4	5.3%
Insulation	14.7	11.0	-25.6%
Automotive	3.9	7.0	80.5%
Corporate	(10.1)	(9.1)	-10.0%
TOTAL COMBINED REBIT	35.6	31.3	-11.9%

Reduced combined financial charges and income taxes

- ▶ **Combined financial result:** from -5.7m€ to **-2.3m€ (-59.6%)**
 - Net interest charges decreased from -4.5m€ to -4.1m€ as a result of a lower cost of debt.
 - 'Other net financial income and expenses' from -1.2m€ to +1.8m€; comprise mainly interest capitalisation costs under provisions for pension liabilities (-0.6m€ versus -0.6m€ in 1H2016) and exchange rate differences (+2.4m€ versus -0.5m€ in 1H2016).

- ▶ **Combined income taxes and deferred taxes :** from -6.4m€ to **-5.6m€**
 - Current income tax charges: -2.8m€ (1H2016: -4.8m€)
 - Deferred tax charges: -2.8m€ (1H2016: -1.6m€)

- ▶ **Result of the period (share of the Group):** from +15.5m€ to **+14.3m€ (-7.7%)**

Average Trade Working Capital increases to 12.8% on sales over 1H2017 (12.1% over 1H2016), due to 1/ growth & longer DSO in China, 2/ raw material & sales price increases

in m€	Average :	2011	2012	2013	2014	2015	2016	YTD Jun 2017	TARGET 2017
Flexible foams	m€	107.3	100.5	98.1	93.2	88.1	80.1	81.1	
	%/GS	17.7%	16.7%	16.5%	15.4%	14.3%	13.0%	13.0%	13.7%
Interiors + Exteriors	m€	17.0	13.3	13.9	13.7	16.6	20.6	27.7	
	%/GS	11.4%	9.3%	11.2%	11.4%	12.6%	14.3%	17.7%	14.7%
Insulation	m€	33.6	36.8	35.9	34.0	32.3	27.0	34.5	
	%/GS	14.0%	15.3%	14.8%	14.3%	12.4%	9.9%	12.3%	10.7%
Bedding	m€	28.7	38.9	36.6	37.2	38.1	39.2	39.1	
	%/GS	12.5%	12.7%	11.7%	12.0%	11.6%	11.8%	12.0%	11.2%
Proseat	m€	16.9	17.4	13.8	15.7	15.0	12.1	12.7	
	%/GS	13.2%	14.3%	11.4%	12.2%	11.1%	9.0%	9.3%	9.0%
NWC Group	m€	202.7	206.9	198.4	193.7	189.9	179.0	195.1	
	%/GS	14.8%	14.6%	14.2%	13.8%	12.9%	11.9%	12.8%	12.2%

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Combined Net Cash flow

COMBINED CASH FLOW STATEMENT Group Recticel (in k€)	30.06.2016 Combined	30.06.2017 Combined
EARNINGS before INTEREST AND TAXES (EBIT)	27,640	22,228
Depreciations and Amortizations	19,264	18,767
Impairment losses on Assets	959	0
Write-offs on Assets	-156	1,457
Changes in provisions	-2,438	-2,760
Gains / Losses on disposals of Assets	-50	3,231
Income from Associates	-1,055	-988
GROSS OPERATING CASH FLOW	44,163	41,936
Changes in working capital	-5,487	-29,840
Trade & Other Long term debts and maturing < 1 year	-6,881	-12
CASH GENERATED by OPERATIONS	31,795	12,083
Income taxes paid	-3,505	-4,090
NET CASH FLOW FROM OPERATING ACTIVITIES	28,290	7,993
Interest received	66	85
Dividend received	118	249
Investments and subscription capital increase (acquisitions RUB)	-312	0
Increase / Decrease of Loans and receivables	-87	34
Purchases of Intangible Assets	-2,372	-1,817
Purchase of Property, plant and equipment	-22,254	-22,670
Disposals Intangible Assets	4	0
Disposals of Property, plant and equipment	121	62
Disposals of investments available for sale	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-24,717	-24,057
Interest paid	-3,768	-3,851
Dividends paid	-7,549	-9,684
Increase/Decrease of capital	317	2,814
Increase / Decrease Financial debt	-15,495	33,490
CASH FLOW FROM FINANCING ACTIVITIES	-26,495	22,769
Effect of Exchange rate Changes	-1,570	960
CHANGES IN CASH AND CASH EQUIVALENTS	-24,493	7,664
Net cash position opening balance	75,539	51,663
Net cash position closing balance	51,046	59,327
NET VARIATION CASH & CASH EQUIVALENT	-24,493	7,664
NET FREE CASH FLOW	-196	-19,915

(1) Changes in provisions (2.8)

Net additions	5.8
> Pension provisions	5.1
> Other	0.7

Net utilisations (8.6)

> Pension provisions	(5.8)
> Restructuring	(2.6)
> Environmental	(0.2)

(2) Changes in Working Capital (29.8)

> Inventories	(25.5)
> Trade receivables	(24.5)
> Other receivables	(7.9)
> Trade payables	20.3
> Other payables	7.8

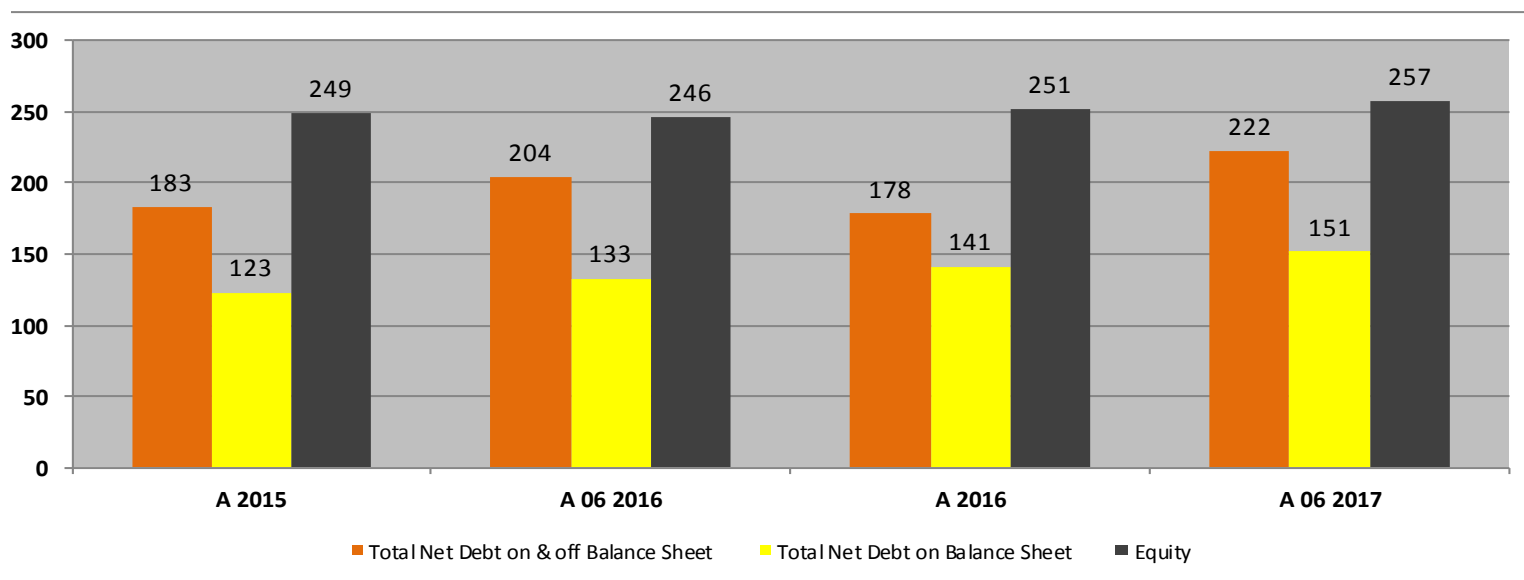
(3) Capex paid (24.5)

> Flexible foams	(5.2)
> Insulation	(1.4)
> Bedding	(1.1)
> Seating	(2.1)
> Interiors	(13.8)
> Other (SID, ICT, Corporate)	(0.9)

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) @ 222m€ increased by 18m€ vs 30/06/2016

in M€	A 2015	A 06 2016	A 2016	A 06 2017
Total Net Debt on & off Balance Sheet	183	204	178	222
Off Balance Factoring, Forfeiting & Discount	-60	-71	-52	-71
Total Net Debt on Balance Sheet	123	133	141	151
Equity	249	246	251	257
Gearing Ratio 1 (Net Debt on BS /Eq Booked)	49%	54%	56%	59%
Gearing Ratio (Net Debt on & off BS /Eq Booked)	74%	83%	71%	86%



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Outlook for full year 2017

The Group reiterates its guidance for the full year 2017:

Recticel expects continued growth of its full year 2017 combined sales and an increase of its full year 2017 REBITDA.

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Solid volumes, better industrial performance, improved product-mix

Key financials

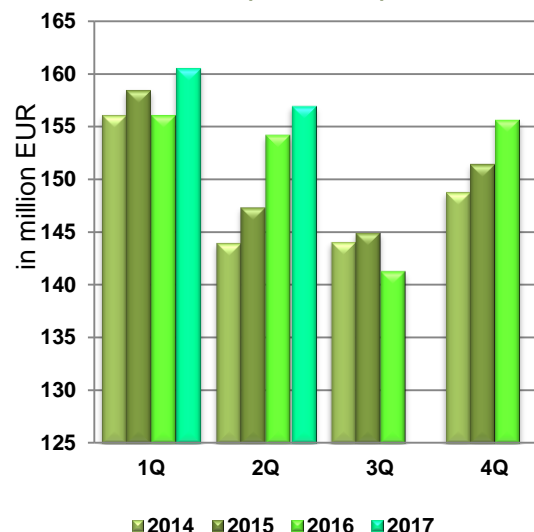
in million EUR	1H2016	1H2017	Δ
Sales	310,3	317,5	2,3%
REBITDA	28,2	23,3	-17,2%
as % of sales	9,1%	7,3%	
EBITDA	23,6	18,7	-21,0%
as % of sales	7,6%	5,9%	
REBIT	22,0	17,1	-22,0%
as % of sales	7,1%	5,4%	
EBIT	17,2	12,5	-27,3%
as % of sales	5,5%	3,9%	

1H2017 key topics

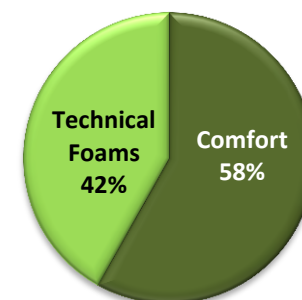
- ▶ Sales 1H2017: 317.5m€ (+2.3%), with external sales increasing by +3.0%
 - Comfort: flat sales. Lower volumes compensated by higher selling prices (cfr raw material costs)
 - Technical Foams: +5.7%, continued to grow in the industrial and automotive markets within Europe, as well as in the USA, China, India and Turkey.

- ▶ Profitability margins decreased as a result of the time lag in passing on the substantial raw material price increases in the selling prices and of non-recurring elements (-4.6m€).

Combined Sales Flexible Foams (2014-2017)



Combined sales 1H2017



Margin improvement due to a better product-mix and cost control measures

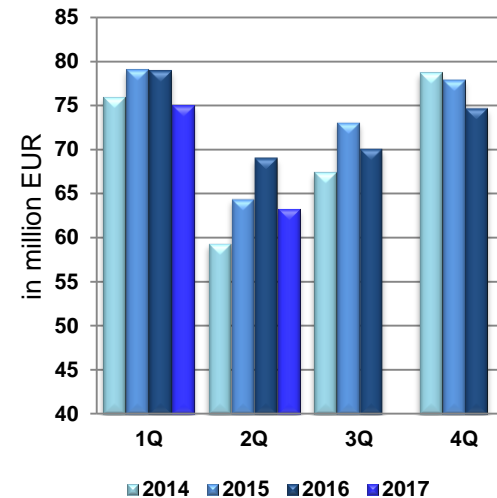
Key financials

in million EUR	1H2016	1H2017	Δ
Sales	148,1	138,3	-6,6%
REBITDA	7,9	7,7	-2,0%
as % of sales	5,3%	5,6%	
EBITDA	6,6	7,6	15,0%
as % of sales	4,5%	5,5%	
REBIT	5,1	5,4	5,3%
as % of sales	3,5%	3,9%	
EBIT	3,1	5,3	67,3%
as % of sales	2,1%	3,8%	

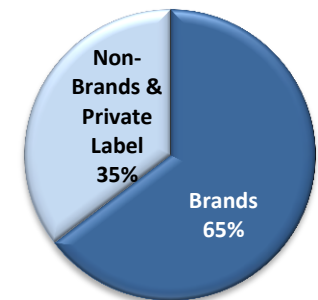
1H2017 key topics

- ▶ Sales 1H2017: 138.3m€ (-6.6%), with external sales decreasing by -3.4%
 - Branded Products: -0.5%
 - Non-Branded/Private Label: -8.1%
- ▶ Under weaker market conditions, further improvement of product and customer-mix
- ▶ Margin improvement due to a better product-mix and the effect of cost control initiatives.

Combined Sales Bedding (2014-2017)



Combined sales 1H2017



Lower margins due to significant raw materials price increases following MDI supply shortage

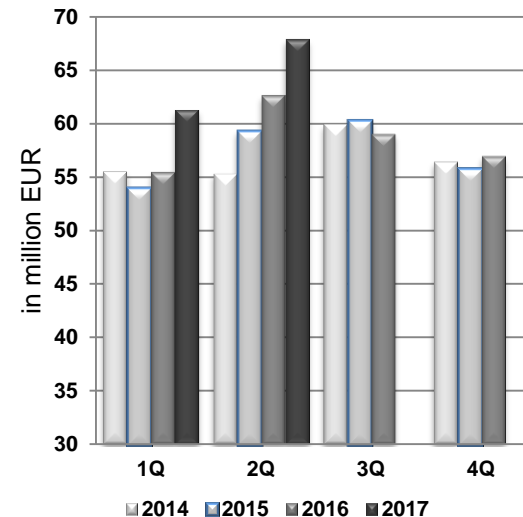
Key financials

in million EUR	1H2016	1H2017	Δ
Sales	118,1	129,2	9,4%
REBITDA	17,8	14,2	-20,2%
as % of sales	15,1%	11,0%	
EBITDA	17,8	14,2	-20,0%
as % of sales	15,0%	11,0%	
REBIT	14,7	11,0	-25,6%
as % of sales	12,5%	8,5%	
EBIT	14,7	11,0	-25,3%
as % of sales	12,4%	8,5%	

1H2017 key topics

- ▶ Sales 1H2017: 129.2m€ (+9.4%), including exchange rate differences of -3.3% (i.e. Pound Sterling)
- ▶ Significantly higher raw material prices due to a shortage of MDI supply
- ▶ Lower margin due to temporary cost inflation and time lag to pass on these higher costs to the market.

Combined sales Insulation (2014-2017)



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

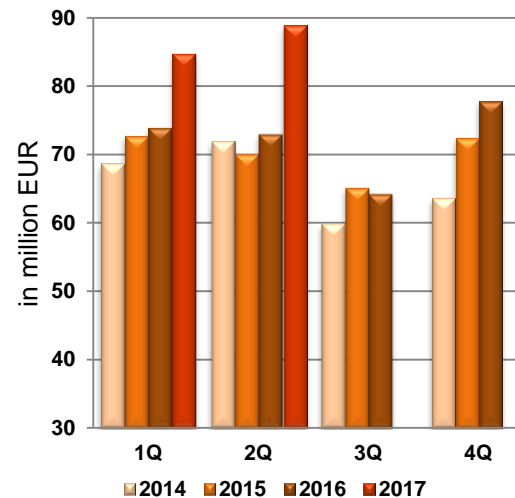
Key financials

in million EUR	1H2016	1H2017	Δ
Sales	146,9	173,5	18,1%
REBITDA	10,5	13,5	27,9%
as % of sales	7,2%	7,8%	
EBITDA	9,5	9,1	-4,4%
as % of sales	6,5%	5,3%	
REBIT	3,9	7,0	80,5%
as % of sales	2,6%	4,0%	
EBIT	2,9	2,6	-8,6%
as % of sales	2,0%	1,5%	

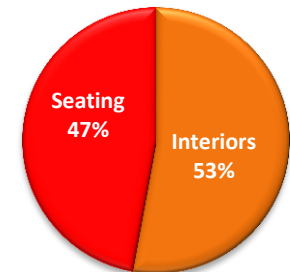
1H2017 key topics

- ▶ Sales 1H2017: 173.5m€ (+18.1%)
 - **Interiors: 92.3m€ (+31.9%)**
 - Growth coming from gradual start-up of new programs and higher than expected commercial success of some care models.
 - Most (CZ) fire incident negatively affected underlying development
 - **Seating: 81.1m€ (+5.6%)**
 - Profitability in Seating negatively impacted by higher chemical raw material costs.

Combined sales Automotive (2014-2017)



Combined sales 1H2017



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- 5 Comments on 1H2017 Results per Business Line**
- 6 Appendix**

Consolidated key figures*

* All comparisons are made with the comparable period 1H2016, unless mentioned otherwise.

- ▶ **Sales:** from 534.5m€ to **566.0€** (+5.9%, incl. -1.4% currency effects)
- ▶ **EBITDA:** from 41.0m€ to **35.4m€** (-13.6%)
- ▶ **EBIT:** from 24.6m€ to **20.6m€** (-16.4%)
- ▶ **Result of the period** (share of the Group): from 15.5m€ to **14.3m€** (-7.7%)
- ▶ **Net financial debt**¹: from 109.5m€ (30-Jun-16) or 108.4m€ (31-Dec-16) to **117.5m€** (30-Jun-17)
- ▶ **Gearing ratio:** from 43.1% (31-Dec-16) to **45.7%**

¹ Excluding the drawn amounts under non-recourse factoring programs: 70.8m€ per 30 June 2017 versus 65.4m€ per 30 June 2016 and 51.7m€ per 31 December 2016.

Lower consolidated financial charges and stable income taxes

- ▶ **Consolidated financial result:** from -5.0m€ to **-2.1m€ (-57.8%)**
 - Net interest charges decreased from -3.9m€ to -3.6m€ as a result of a lower cost of debt.
 - 'Other net financial income and expenses' from -1.1m€ to +1.5m€; comprise mainly interest capitalisation costs under provisions for pension liabilities (-0.5m€ versus -0.6m€ in 1H2016) and exchange rate differences (+2.0m€ versus -0.5m€ in 1H2016).

- ▶ **Consolidated income taxes and deferred taxes :** remained stable at **-4.2m€**
 - Current income tax charges: -2.1m€ (1H2016: -2.2m€)
 - Deferred tax charges: -2.1m€ (1H2016: -2.0m€)

- ▶ **Consolidated result of the period (share of the Group):** from +15.5m€ to **+14.3m€ (-7.7%)**

ANNEXES – Consolidated Income Statement

in million EUR	1H2016	1H2017	Δ
	(a)	(b)	(b)/(a) - 1
Sales	534.5	566.0	5.9%
Distribution costs	(29.5)	(31.7)	7.6%
Cost of sales	(396.2)	(443.3)	11.9%
Gross profit	108.8	91.0	-16.4%
General and administrative expenses	(41.9)	(43.0)	2.4%
Sales and marketing expenses	(37.3)	(33.9)	-9.1%
Research and development expenses	(6.9)	(7.0)	2.8%
Impairments	(1.0)	0.0	-100.0%
<i>Other operating revenues (1)</i>	2.7	25.2	820.9%
<i>Other operating expenses (2)</i>	<u>(10.6)</u>	<u>(13.1)</u>	<u>24.1%</u>
Other operating result (1)+(2)	(7.9)	12.0	-253.0%
Income from joint ventures & associates	10.7	1.5	-86.0%
EBIT	24.6	20.6	-16.4%
Interest income	0.4	0.4	-7.2%
Interest expenses	(4.3)	(4.0)	-7.4%
Other financial income	5.4	8.7	60.7%
Other financial expenses	(6.5)	(7.2)	11.0%
Financial result	(5.0)	(2.1)	-57.8%
Result of the period before taxes	19.7	18.5	-6.0%
Income taxes	(4.2)	(4.2)	0.6%
Result of the period after taxes	15.5	14.3	-7.7%
of which attributable to the owners of the parent	15.5	14.3	-7.7%
of which attributable to non-controlling interests	0.0	0.0	-

ANNEXES – Consolidated Comprehensive Income

in million EUR	1H2016	1H2017
Result for the period after taxes	15.5	14.3
Other comprehensive income		
<i>Items that will not subsequently be recycled to profit and loss</i>		
Actuarial gains (losses) on employee benefits recognized in equity	(10.1)	0.5
Deferred taxes on actuarial gains (losses) on employee benefits	2.2	(0.3)
Currency translation differences	0.7	0.1
Total	(7.3)	0.4
<i>Items that subsequently may be recycled to profit and loss</i>		
Hedging reserves	0.5	1.1
Currency translation differences	(4.7)	(2.9)
Deferred taxes on hedging interest reserves	(0.3)	(0.4)
Total	(4.5)	(2.1)
Other comprehensive income net of tax	(11.8)	(1.7)
Total comprehensive income for the period	3.7	12.6
Total comprehensive income for the period	3.7	12.6
of which attributable to the owners of the parent	3.7	12.6
of which attributable to non-controlling interests	0.0	0.0

ANNEXES – Consolidated Balance Sheet

in million EUR	31 DEC 16	30 JUN 17	Δ
Intangible assets	12,1	12,0	-1,0%
Goodwill	25,1	24,7	-1,4%
Property, plant & equipment	216,2	217,6	0,6%
Investment property	3,3	3,3	0,0%
Interest in joint ventures & associates	82,4	75,5	-8,3%
Other financial investments and available for sale investments	0,5	0,7	41,2%
Non-current receivables	13,9	13,8	-0,5%
Deferred tax	37,8	34,2	-9,6%
Non-current assets	391,3	381,8	-2,4%
Inventories and contracts in progress	91,9	111,0	20,8%
Trade receivables	101,5	134,9	32,9%
Other receivables	69,6	59,7	-14,2%
Income tax receivables	1,4	1,2	-15,4%
Other investments	0,1	0,1	0,0%
Cash and cash equivalents	37,2	48,5	30,5%
Current assets	301,7	355,4	17,8%
TOTAL ASSETS	693,0	737,3	6,4%

in million EUR	31 DEC 16	30 JUN 17	Δ
Equity (share of the Group)	251,2	257,1	2,3%
Non-controlling interests	0,0	0,0	-
Total equity	251,2	257,1	2,3%
Pensions and other provisions	64,2	60,0	-6,6%
Deferred tax	10,1	9,1	-9,7%
Interest-bearing borrowings	97,0	106,4	9,7%
Other amounts payable	0,2	0,2	8,7%
Non-current liabilities	171,5	175,7	2,4%
Pensions and other provisions	5,9	6,8	14,9%
Interest-bearing borrowings	50,1	60,4	20,5%
Trade payables	102,9	122,2	18,7%
Income tax payables	2,3	1,4	-38,6%
Other amounts payable	108,9	113,6	4,3%
Current liabilities	270,2	304,5	12,7%
TOTAL LIABILITIES	693,0	737,3	6,4%

ANNEXES – Consolidated Statement of Cash Flow

	in million EUR		
	1H2016	1H2017	Δ
	(a)	(b)	(b)/(a) -1
EBIT	24.6	20.6	-16.4%
Depreciation, amortisation and impairment losses on assets	16.4	14.8	-9.7%
Write-offs (-back) on assets	(0.4)	1.4	nr
Income from associates and joint ventures	(10.7)	(1.5)	-86.0%
Other non-cash elements	(2.6)	0.4	nr
Gross operating cash flow	27.3	35.7	30.7%
Changes in working capital	(10.3)	(24.1)	135.3%
Gross operating cash flow after changes in working capital	17.1	11.6	-32.2%
Income taxes paid	(1.6)	(2.8)	75.3%
Net cash flow from operating activities (a)	15.5	8.8	-43.1%
Net cash flow from investment activities (b)	(13.5)	(8.9)	-33.6%
Paid interest charges (1)	(3.2)	(3.4)	7.2%
Paid dividends (2)	(7.5)	(9.7)	28.3%
Increase (Decrease) of capital (3)	0.3	2.8	787.7%
Increase (Decrease) of financial liabilities (4)	(8.4)	21.4	nr
Other (5)	0.0	0.0	-
Net cash flow from financing activities (c)= (1)+(2)+(3)+(4)+(5)	(18.8)	11.1	nr
Effect of exchange rate changes (d)	(1.9)	0.3	nr
Effect of change in scope of consolidation (e)	0.0	0.0	-
Changes in cash and cash equivalents (a)+(b)+(c)+(d)+(e)	(18.6)	11.3	nr
FREE CASH FLOW (a)+(b)+(1)	(1.1)	(3.5)	209.0%

ANNEXES – Consolidated Net Cash flow

CONSOLIDATED LEGAL CASH FLOW Group Recticel in k EUR	30.06.2017 Consolidated	30.06.2016 Consolidated
EARNINGS before INTEREST AND TAXES (EBIT)	20,588	24,622
Depreciations and Amortizations	14,821	15,446
Impairment losses on Assets	0	959
Write-offs on Assets	1,449	-375
Changes in provisions	-2,889	-2,530
Gains / Losses on disposals of Assets	3,224	-46
Income from Associates	-1,506	-10,749
GROSS OPERATING CASH FLOW	35,687	27,325
Changes in working capital	-24,108	-3,358
Trade & Other Long term debts (Deferred EU fine)	-19	-6,894
CASH GENERATED by OPERATIONS	11,561	17,074
Income taxes paid	-2,757	-1,573
NET CASH FLOW FROM OPERATING ACTIVITIES	8,804	15,501
Interest received	148	458
Dividend received	8,800	7,350
Investments and subscription capital increase	0	-312
Increase / Decrease of Loans and Receivables	157	653
Investments in intangible Assets	-1,354	-2,061
Investments in property, plant and equipment	-16,711	-19,601
Disposals of Intangible Assets	0	9
Disposals of Property, plant and equipment	24	47
Disposals subsidiaries	0	0
Disposals of investments available for sale	0	0
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-8,937	-13,458
Interest paid	-3,418	-3,187
Dividends paid	-9,684	-7,549
Increase/Decrease of capital	2,814	317
Increase / Decrease Financial debt	21,402	-8,352
CASH FLOW FROM FINANCING ACTIVITIES	11,114	-18,770
Effect of Exchange rate Changes	342	-1,875
CHANGES IN CASH AND CASH EQUIVALENTS	11,323	-18,602
Net cash position opening balance	37,174	55,967
Net cash position closing balance	48,498	37,364
NET VARIATION CASH & CASH EQUIVALENT	11,323	-18,602

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 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
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	(9.7)	0.0	0.0	(9.7)	0.0	(9.7)
Stock options (IFRS 2)	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Capital movements	1.2	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	2.9
Shareholders' movements	1.2	1.6	0.0	0.0	0.0	0.1	(9.6)	0.0	0.0	(6.7)	0.0	(6.7)
Profit or loss of the period	0.0	0.0	0.0	0.0	0.0	0.0	14.3	0.0	0.0	14.3	0.0	14.3
Comprehensive income¹	0.0	0.0	0.0	0.0	0.4	0.0	14.3	(2.9)	0.7	12.6	0.0	12.6
Change in scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
At the end of the period (30 June 2016)	136.4	127.7	(1.5)	(0.0)	(19.2)	2.3	29.6	(13.9)	(4.2)	257.1	0.0	257.1

ANNEXES – Data per share

in EUR	1H2016 (b)	1H2017 (b)	Δ (b)/(a) -1
Number of shares outstanding (including treasury shares)	53 815 498	54 542 382	1.4%
Weighted average number of shares outstanding (before dilution effect)	53 415 088	53 918 269	0.9%
Weighted average number of shares outstanding (after dilution effect)	59 645 280	60 351 199	1.2%
EBITDA	0.77	0.66	-14.3%
EBIT	0.46	0.38	-17.2%
Result for the period before taxes	0.37	0.34	-6.8%
Result for the period after taxes	0.29	0.27	-8.6%
Result for the period (share of the Group) - basic	0.29	0.27	-8.6%
Result for the period (share of the Group) - diluted	0.27	0.25	-8.4%
Net book value	4.56	4.71	3.3%

ANNEXES - New residential building markets expected to grow in 2017, although at a slower pace than in 2016. France is definitely improving.

Country/Year	2013	2014	2015	Total	New	Renovation	Forecasts		Outlook
				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

ANNEXES - Automotive – EU new passenger car registrations increased by +4.7% YTD June 2017 vs 2016, but remain ~1.4% below the 2007 peak

14/07/2017

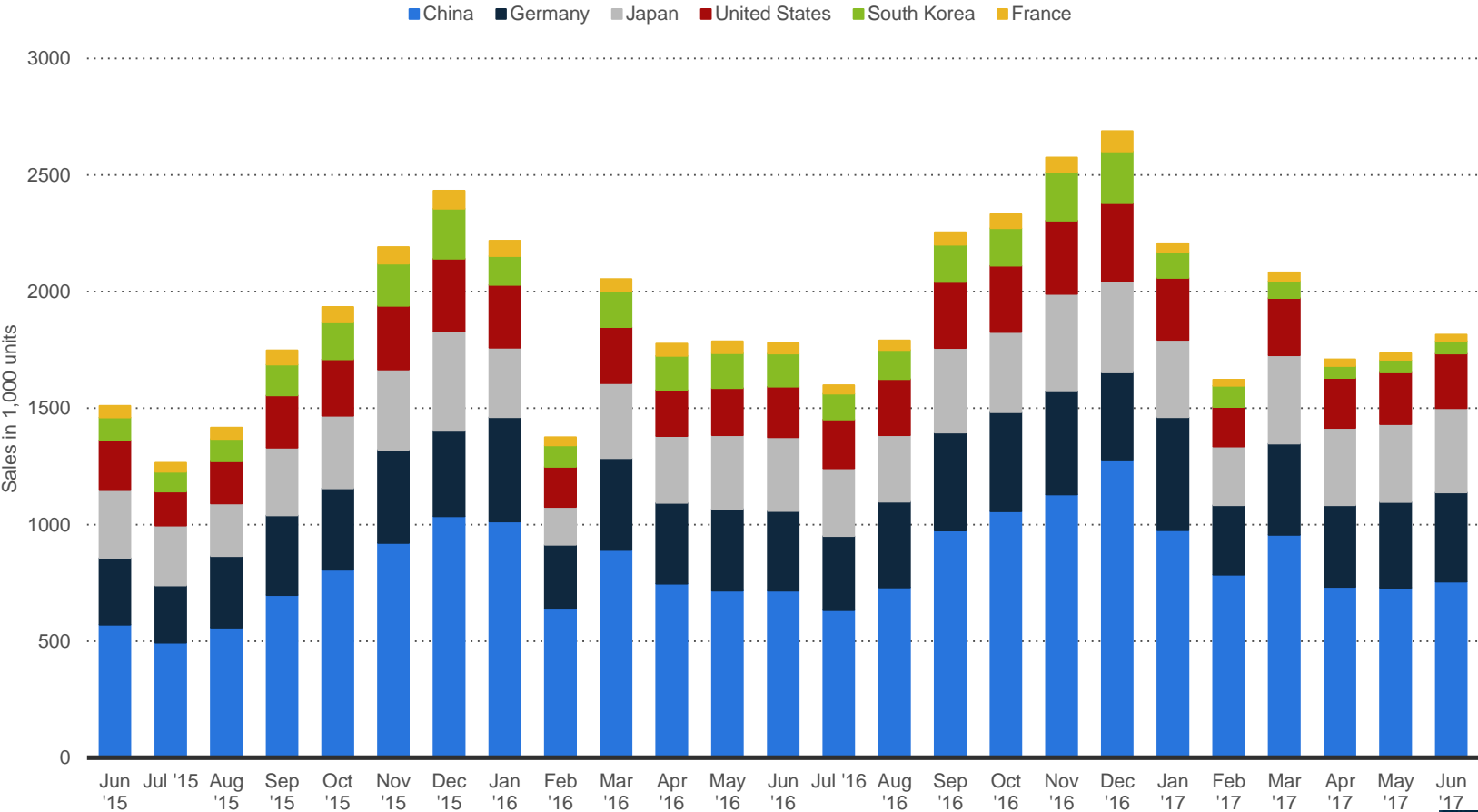
	June '17	June '16	%Change 17/16	Jan - Jun '17	Jan - Jun '16	%Change 17/16
AUSTRIA	35,441	33,751	+5.0	186,561	171,770	+8.6
BELGIUM	55,119	55,272	-0.3	322,302	309,606	+4.1
BULGARIA	3,206	2,440	+31.4	14,749	12,361	+19.3
CROATIA	6,680	6,142	+8.8	31,790	25,728	+23.6
CYPRUS	1,572	1,077	+46.0	7,542	6,793	+11.0
CZECH REPUBLIC	26,634	25,714	+3.6	144,451	132,778	+8.8
DENMARK	23,959	23,632	+1.4	123,791	116,849	+5.9
ESTONIA	2,666	1,994	+33.7	13,332	11,754	+13.4
FINLAND	10,860	10,753	+1.0	64,422	65,478	-1.6
FRANCE	230,926	227,353	+1.6	1,135,267	1,102,429	+3.0
GERMANY	327,693	339,563	-3.5	1,787,026	1,733,839	+3.1
GREECE	10,141	8,863	+14.4	50,356	47,413	+6.2
HUNGARY	10,820	9,692	+11.6	54,793	45,969	+19.2
IRELAND	1,396	1,623	-14.0	91,185	101,327	-10.0
ITALY	187,642	166,232	+12.9	1,136,331	1,043,388	+8.9
LATVIA	1,591	1,935	-17.8	8,614	8,697	-1.0
LITHUANIA	2,677	1,904	+40.6	12,814	10,706	+19.7
LUXEMBOURG	5,206	5,106	+2.0	28,946	28,315	+2.23
NETHERLANDS	41,309	39,249	+5.2	226,690	193,915	+16.9
POLAND	41,890	38,555	+8.6	247,014	210,728	+17.2
PORTUGAL	24,847	23,369	+6.3	127,199	118,626	+7.2
ROMANIA	8,030	5,462	+47.0	45,008	35,452	+27.0
SLOVAKIA	9,568	8,354	+14.5	48,871	43,954	+11.2
SLOVENIA	7,555	6,492	+16.4	39,032	34,980	+11.6
SPAIN	131,797	123,790	+6.5	667,494	623,234	+7.1
SWEDEN	38,324	36,307	+5.6	193,530	187,591	+3.2
UNITED KINGDOM	243,454	255,766	-4.8	1,401,811	1,420,636	-1.3
EUROPEAN UNION	1,491,003	1,460,390	+2.1	8,210,921	7,844,316	+4.7
EU15*	1,368,114	1,350,629	+1.3	7,542,911	7,264,416	+3.8
EU12*	122,889	109,761	+12.0	668,010	579,900	+15.2
ICELAND	3,145	2,855	+10.2	13,654	12,125	+12.6
NORWAY	14,228	13,681	+4.0	77,983	77,749	+0.3
SWITZERLAND	31,923	31,259	+2.1	158,918	158,037	+0.6
EFTA	49,296	47,795	+3.1	250,555	247,911	+1.1
EU + EFTA	1,540,299	1,508,185	+2.1	8,461,476	8,092,227	+4.6
EU15 + EFTA	1,417,410	1,398,424	+1.4	7,793,466	7,512,327	+3.7



European
Automobile
Manufacturers
Association

ANNEXES - Automotive – China new passenger car registrations increased YTD June by 1.7% versus same period 2016 (10.9% vs 2015)

Monthly passenger car sales in China from June 2015 to June 2017, by country of brand origin (in 1,000 units)



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Financial calendar

First half-year 2017 results	31.08.2017 (before opening of the stock exchange)
Third quarter 2017 trading update	31.10.2017 (before opening of the stock exchange)
Annual Results 2017	23.02.2018 (before opening of the stock exchange)
First quarter 2018 trading update	26.04.2018 (before opening of the stock exchange)
Annual General Meeting	29.05.2018 (at 10:00 AM CET)
First half-year 2018 results	29.08.2018 (before opening of the stock exchange)
Third quarter 2018 trading update	30.10.2018 (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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Thank you for your attention!

Q&A