

# RECTICEL

## First Half-Year 2020 Results

Financial Analysts Meeting  
Brussels – August 28, 2020

Olivier Chapelle – Chief Executive Officer

Jean-Pierre Mellen – Chief Financial Officer

Michel De Smedt – Investor Relations Officer

# Agenda

- ▷ Highlights 1H2020
- ▷ Results 1H2020 & Financial Position
- ▷ Outlook FY2020
- ▷ Comments on results per business line
- ▷ Appendices

# Highlights 1H2020 - Mitigated COVID-19 Impact & Key Strategic Moves

1

**Like-for-like<sup>1</sup> consolidated sales -17.5% | Adj EBITDA -44.9% | Net result of continuing operations -8.7m€**

2

**Result of discontinued operations : +68.8m€**

3

**Divestment of the Automotive Interiors activities, now operated through a 51/49% Admetos/Recticel JV**

4

**Disposal of the 50% participation in the Eurofoam group (Flexible Foams) to Greiner AG**

5

**Volumes and Sales substantially impacted by COVID-19 in 1H2020, but recovering nicely in V-Shape**

6

**Cash and Cost savings measures taken in light of COVID-19, including temporary unemployment**

7

**Recticel now in a positive net cash position of €11.4m (excluding €55.2m lease obligations)**

8

**Recticel ready to engage in growth strategy centered on its high value added segments**

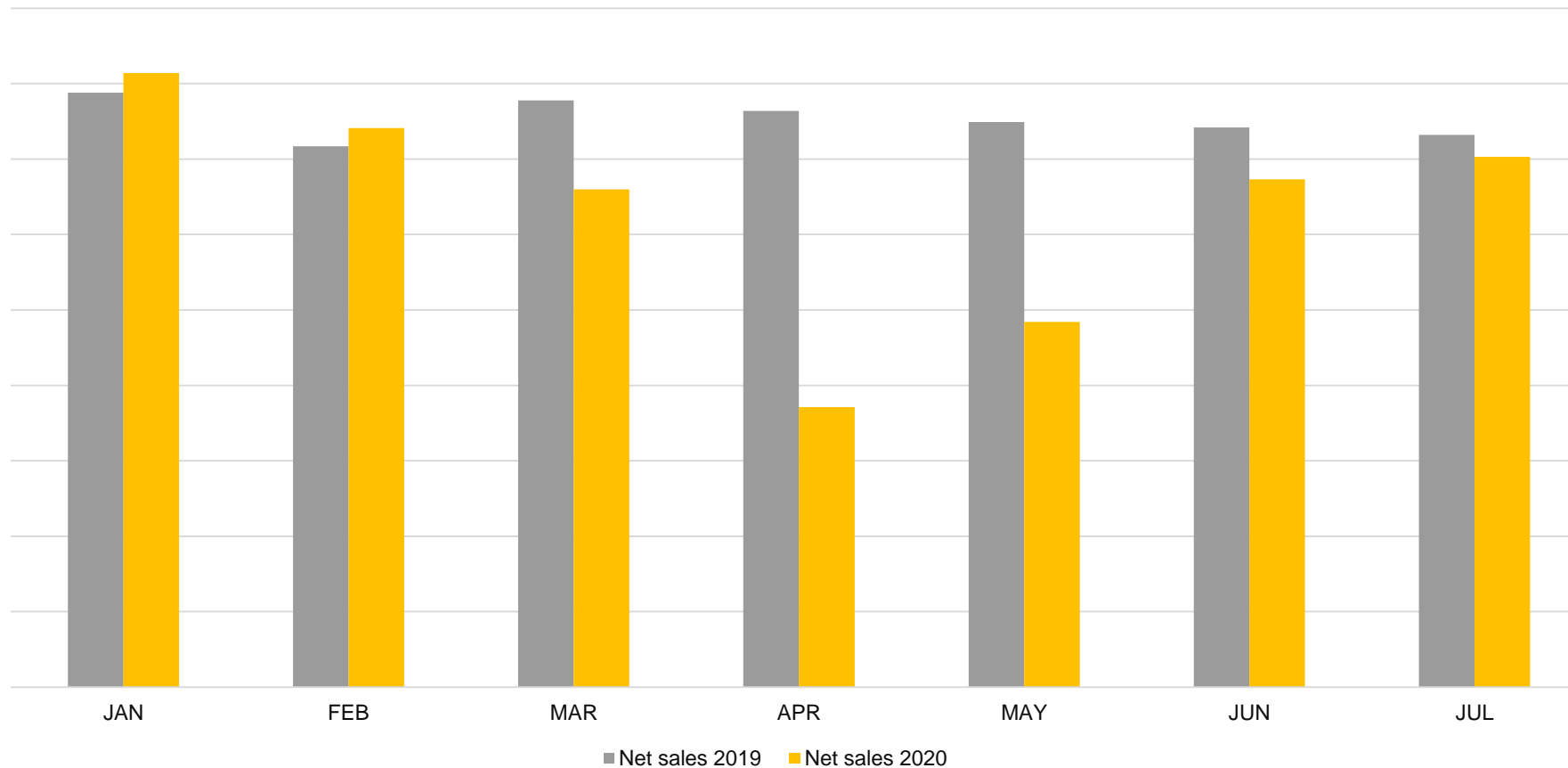
# Covid-19 update: Health & Safety is our primary concern and duty.

- Our first priority is to ensure and secure a safe and healthy workplace for our employees
- Group COVID-19 crisis team in place, deciding and communicating groupwide guidelines about business travel, home office and precautionary measures
- All actions taken to implement precautionary measures in all plants and offices
- Since beginning of the crisis: 21 confirmed infection cases
- No confirmed cases originated in the workplace
- No serious illness nor fatalities



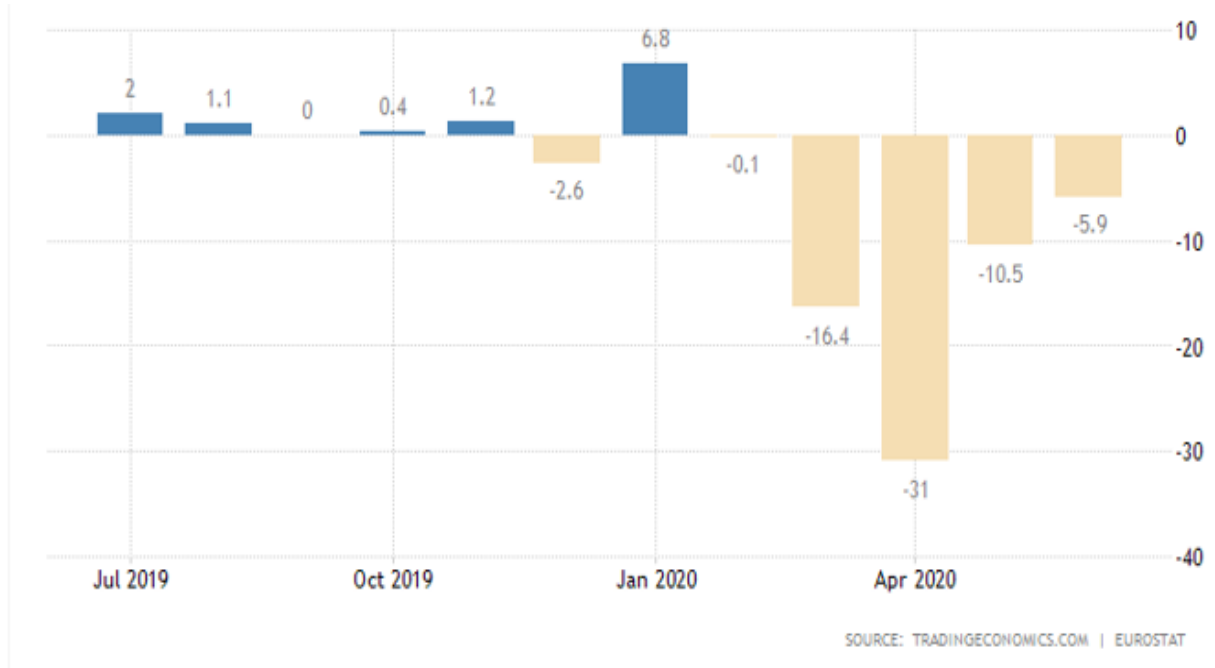
# Covid-19 update: clear V-shape recovery of Net Sales of continued operations !

Net sales 2019 and 2020



|                |      |      |     |     |     |     |     |
|----------------|------|------|-----|-----|-----|-----|-----|
| Variance vs LY | 103% | 103% | 85% | 49% | 65% | 91% | 96% |
|----------------|------|------|-----|-----|-----|-----|-----|

## Construction in Euro area: New construction activities improving but still negative vs 2019.

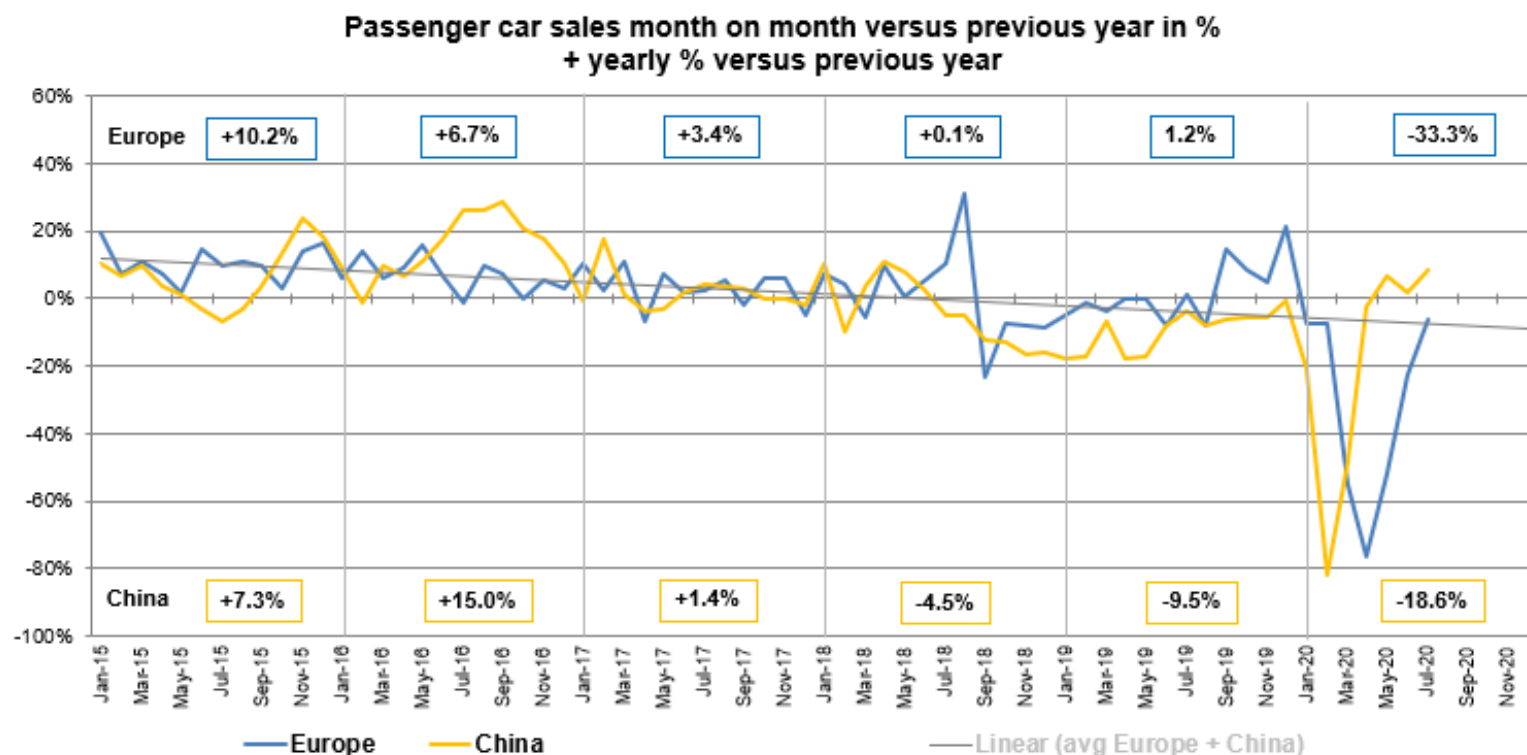


Construction output in the Euro Area declined 10.5% year-on-year in May of 2020, following an upwardly revised 31% slump in the previous month, which was the steepest downturn in construction activity on record.

In June, Euro Area declined by 5.9%. Among Eurozone's largest economies, construction output :

- fell in UK -24.8%
- fell in Spain -24.4%
- fell in France -11.9%
- fell in Belgium -1.5%
- ... but increased in Germany +1.4% !

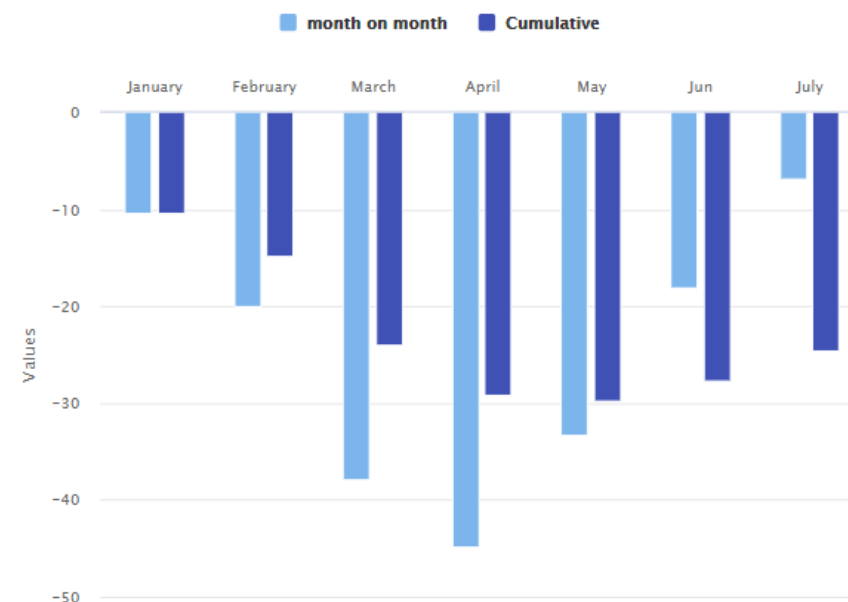
**Automotive market:** new passenger car registrations keep on recovering in July, EU at @ -6.0% and China @ +8.5% vs July 2019. V-shape recovery is happening.



### World car sales crept closer to normality in July 2020

Monthly and cumulative changes to world car sales 2019–20

Source: LMC Automotive



Sources :  
Europe : ACEA  
Asia : China Association of Automobile Manufacturers

# Q2 2020 & outlook of raw material suppliers: low volumes, price erosion and falling profits ...



July 28, 2020

## Peter Huntsman about Huntsman MDI capacity

In July Europe was at 65%, and the Americas 75%, Asia about 95%, he claimed. 'We're moving as much as we can right now in China.' He added that other producers were probably matching production to demand.

'I'd be shocked if somebody was trying to add tonnage in today's sort of market conditions. I think it would just be a colossal waste of shareholder money,' he said.

| HUNTSMAN numbers Q2 2020 (\$ m) |         |         |          |
|---------------------------------|---------|---------|----------|
|                                 | Q2 2020 | Q2 2019 | Change % |
| Sales                           | 1,247   | 1,784   | -30%     |
| Adjusted EBITDA                 | 54      | 245     | -78%     |
| Margin %                        | 4%      | 14%     |          |
| Polyurethanes                   |         |         |          |
| Sales                           | 730     | 1,014   | -28%     |
| Adjusted EBITDA                 | 31      | 156     | -80%     |
| Margin %                        | 4%      | 15%     |          |
| Source : Huntsman               |         |         |          |



July 23, 2020

## DOW to cut 6% of jobs following coronavirus ravaged Q2

"Based on what we've seen in the second quarter and into July, we continue to expect a gradual and uneven recovery and, therefore, remain intensely focused on the actions within our control and maximizing our operational advantages," said Fitterling.

| DOW numbers Q2 2020 (\$ m)                |         |         |          |
|---|---------|---------|----------|
|   | Q2 2020 | Q2 2019 | Change % |
| Sales                                     | 8,354   | 11,014  | -24%     |
| Operating EBIT                            | 57      | 1,059   | -95%     |
| Margin %                                  | 1%      | 10%     |          |
| Industrial intermediates & Infrastructure |         |         |          |
| Sales                                     | 2,417   | 3,342   | -28%     |
| Operating EBIT                            | -220    | 154     |          |
| Margin %                                  | -9%     | 5%      |          |
| Source : DOW                              |         |         |          |



July 29, 2020

## Subdued Q2 for BASF as lower isocyanate margins weigh on firm

BASF said divisional 'sales declined considerably... this was mainly due to lower volumes, especially in the performance materials division.

| BASF - Q2 2020 (€ m)      |         |         |          |
|---------------------------|---------|---------|----------|
|                           | Q2 2020 | Q2 2019 | Change % |
| Sales                     | 12,680  | 14,478  | -12%     |
| EBIT before special items | 226     | 995     | -77%     |
| EBIT                      | 59      | 507     | -88%     |
| Margin %                  | 2%      | 7%      |          |
| Materials                 |         |         |          |
| Sales                     | 5,017   | 5,892   | -15%     |
| EBIT before special items | 129     | 657     | -80%     |
| Margin %                  | 3%      | 11%     |          |
| Source : BASF             |         |         |          |



July 23, 2020

## Q2 2020 results significantly impacted by the coronavirus pandemic as expected

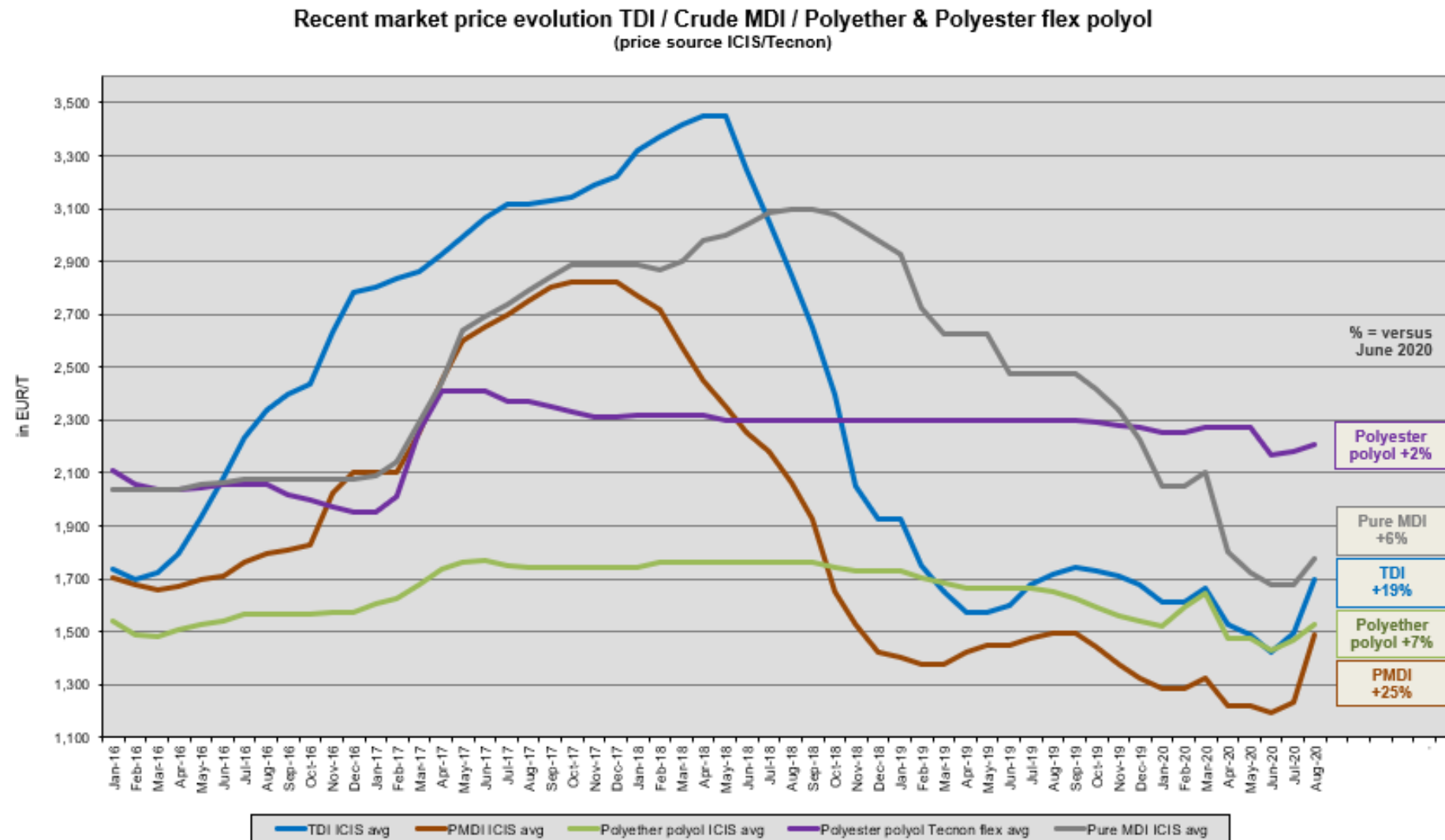
Consistent crisis management and strengthening of liquidity position.

Accelerate orientation towards a circular economy.

| COVESTRO - Q2 2020 (€ m) |         |         |          |
|--------------------------|---------|---------|----------|
|                          | Q2 2020 | Q2 2019 | Change % |
| Sales                    | 2,156   | 3,211   | -33%     |
| EBITDA                   | 125     | 459     | -73%     |
| Margin %                 | 6%      | 14%     |          |
| Materials                |         |         |          |
| Sales                    | 913     | 1,489   | -39%     |
| EBITDA                   | -24     | 172     |          |
| Margin %                 | -3%     | 12%     |          |
| Source : COVESTRO        |         |         |          |



Raw materials prices are now steeply increasing since low point of June 2020.  
Supply not yet back to nominal output, suppliers leveraging situation to repair margins.



## On 30 June 2020, Recticel completed two important divestment transactions

On 1 July 2020, Recticel was pleased to announce the successful completion on 30 June 2020 of the divestment of its 50% stake in the Eurofoam Flexible Foams joint venture, and the two-step divestment of its Automotive Interiors division

“The closing of the transactions went smoothly and within the foreseen timeframe, despite the challenging environment. These transformational transactions are key steps to increase the focus of our company, to strengthen our financial position and to realize our strategic objectives.”

The net cash proceeds from both transactions amounts to about EUR 210 million. Additionally, the leasing debt in application of IFRS 16 will decrease by EUR 36 million.



## Discontinued business have a €68.8m positive impact on 1H2020 results

| in million €                              | Disposal of<br>Eurofoam | Disposal of<br>Automotive<br>Interiors | Total       |
|---|-------------------------|--|-------------|
| <b>Total profit (loss) on transaction</b> | <b>124.6</b>            | <b>(39.9)</b>                          | <b>84.8</b> |
| Result of the period                      | 3.6                     | (19.5)                                 | (15.9)      |
| <b>Total result from divestment</b>       | <b>128.2</b>            | <b>(59.4)</b>                          | <b>68.8</b> |

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Like-for-like<sup>1</sup> consolidated sales: -17.5% | Adj. EBITDA: -44.9% | EAT continuing operations: -8.7m€  
 Result of discontinued operations : +68.8m€  
 Like-for-like<sup>1</sup> net financial debt (on/off BS) reduced from 217.1m€ to 43.8m€ (including IFRS16)

| in million EUR  | 1H2019<br>as published | 1H2019<br>restate d <sup>1</sup><br>(a) | 1H2020<br>(b) | Δ %<br>(b)/(a)-1 |
|---|------------------------|---|---------------|------------------|
| Sales   | 536,1                  | 453,8                                   | 374,3         | -17,5%           |
| Gross profit  | 101,2                  | 88,0                                    | 65,3          | -25,7%           |
| as % of sales   | 18,9%                  | 19,4%                                   | 17,5%         |                  |
| Income from associates <sup>2</sup>                                     | 4,8                    | 0,7                                     | 0,4           | -38,4%           |
| Adjusted EBITDA   | n.a.                   | 34,6                                    | 19,1          | -44,9%           |
| as % of sales   |                        | 7,6%                                    | 5,1%          |                  |
| EBITDA  | 53,2                   | 30,4                                    | 17,4          | -42,8%           |
| as % of sales   | 9,9%                   | 6,7%                                    | 4,6%          |                  |
| Adjusted operating profit (loss)  | n.a.                   | 16,8                                    | 0,9           | -94,7%           |
| as % of sales   |                        | 3,7%                                    | 0,2%          |                  |
| Operating profit (loss)   | 24,7                   | 12,3                                    | ( 2,9)        | -123,5%          |
| as % of sales   | 4,6%                   | 2,7%                                    | -0,8%         |                  |
| Financial result  | ( 4,6)                 | ( 2,8)                                  | ( 2,6)        | -8,0%            |
| Income from other associates <sup>2</sup>                               | -                      | 2,6                                     | ( 3,0)        | n.m.             |
| Change in fair value of option structures                               | -                      | 2,9                                     | 1,7           | n.m.             |
| Income taxes  | ( 4,0)                 | ( 2,6)                                  | ( 2,0)        | -22,3%           |
| Result of the period of the continuing operations                       | 16,1                   | 12,3                                    | ( 8,7)        | -170,9%          |
| Result of the discontinued operations                                   | 0,0                    | 3,8                                     | 68,8          | n.m.             |
| Result of the period (share of the Group)                               | 16,1                   | 16,1                                    | 60,1          | 273,3%           |
| Result of the period (share of the Group)<br>- base (per share, in EUR) | 0,29                   | 0,29                                    | 1,09          | 275,4%           |

|   | 30 Jun 2019 | 30 Jun 2019 | 30 Jun 2020 |        |
|---|-------------|-------------|-------------|--------|
| Total Equity                                    | 265,9       | 265,9       | 331,5       | 24,7%  |
| Net Financial Debt (incl. IFRS 16 -Leases)      | 183,6       | 156,9       | 43,8        | -72,1% |
| Gearing ratio (Net financial debt/Total Equity) | 69,1%       | 59,0%       | 13,2%       |        |
| Leverage ratio (Net financial debt/EBITDA)      | 1,7         | -           | 0,9         |        |

<sup>1</sup> Following the partial divestment from Automotive Interiors on 30 June 2020 (see press release of 01 July 2020), Automotive Interiors is integrated in the consolidated accounts according to the 'equity method'. Due the loss of control as a result of the partial divestment of Automotive Interiors and the sale of Eurofoam, the 2019 consolidated income statement was restated to present their operations as discontinued operations.

<sup>2</sup> Excluding the drawn amounts under non-recourse factoring programs: EUR 0.0 million per 30 June 2020 versus EUR 60.2 million per 30 June 2019 and EUR 47.0 million per 31 December 2019.

As of 30 June 2020 the off-balance sheet treatment of the factoring program has been discontinued.

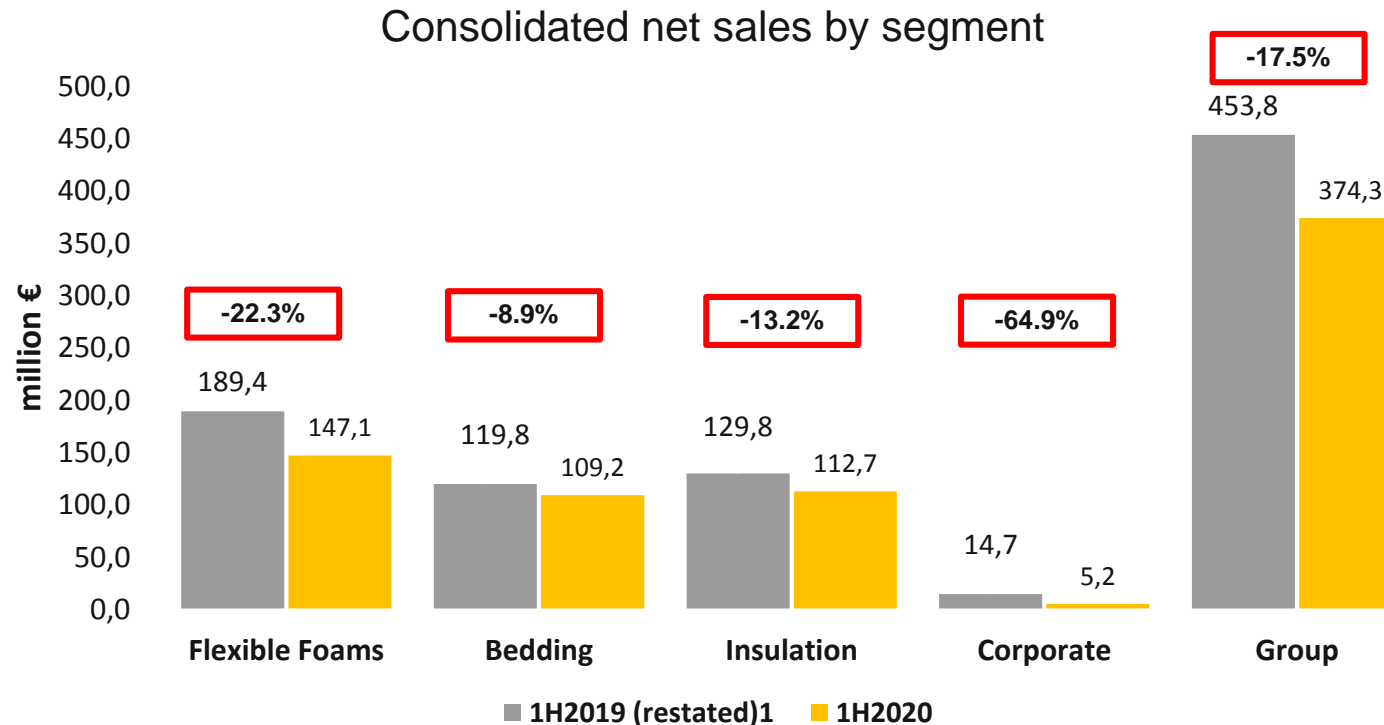
<sup>3</sup> Income from associates = income from associates of continuing operations; i.e. Orsafoam

Income from other associates = income from associates of discontinued operations; i.e. Proseat and Automotive Interiors

# 1H2020 sales decreased by 17.5%, including a currency impact of -0.5%

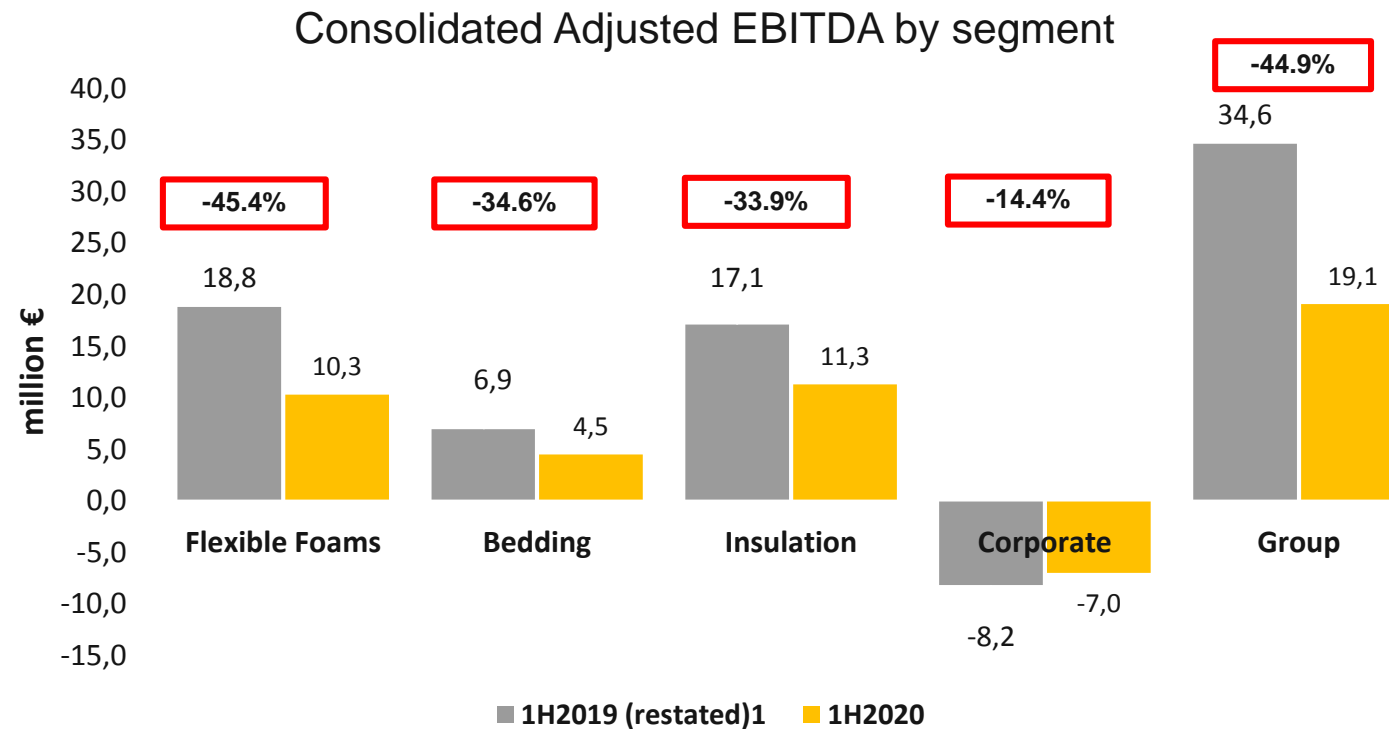
## Lower net sales reported in all segments

- **Bedding** (-8.9%) : weak second quarter following the COVID-19 retail shopping restrictions imposed in most European countries. June sales however ended ahead of last year, thanks to a strong orderbook secured from mid-May onwards as shops progressively reopened throughout Europe.
- **Insulation** (-13.2%) : volumes heavily affected by the COVID-19 lockdown measures from mid-March until May. Accelerating activity levels in the building markets led to June volumes exceeding the level of 2019. Selling prices remained under pressure as a consequence of lower raw material costs.
- **Flexible Foams** (-22.3%) : volumes were heavily impacted by the lockdown measures during 2Q2020. Whereas the Comfort markets bounced back strongly in June, Technical Foams remained more subdued, mainly due to the slow restart of automotive and industrial customers.

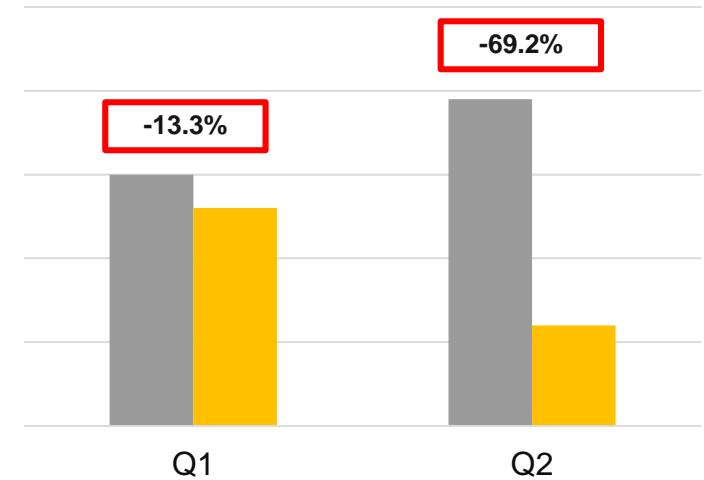


# Like-for-like<sup>1</sup> Adjusted EBITDA decreased by 44.5%

- Lower contribution from all segments due to lower sales volumes following the **COVID-19 crisis** in 2Q2020.
- Negative volume impact mitigated to a maximum extent by cost saving measures: temporary factory shutdown, temporary unemployment, tight spending control, Management & Board remuneration decrease during Q2, ...



Consolidated Adjusted EBITDA 2019 and 2020 per Q



## Adjustments to Operating Profit (Loss) : -3.8m€ versus -4.5m€ in 1H2019

| <i>in million EUR</i>                          | <b>1H2019<br/>restated<sup>1</sup></b> | <b>1H2020</b> |
|--|--|---------------|
| Restructuring charges and provisions           | ( 1,1)                                 | ( 1,4)        |
| Gain (loss) on disposals                       | 0,3                                    | 0,0           |
| Other  | ( 3,4)                                 | ( 0,3)        |
| <b>Total impact on EBITDA</b>                  | <b>( 4,2)</b>                          | <b>( 1,7)</b> |
| Impairments                                    | ( 0,3)                                 | ( 2,1)        |
| <b>Total impact on Operating profit (loss)</b> | <b>( 4,5)</b>                          | <b>( 3,8)</b> |

- Impact adjustment elements on EBITDA** : -1.7m€ (1H2019: -4.2m€)
- Impact adjustment elements on Operating Profit (Loss)** : -3.8m€ (1H2019: -4.5m€)
- Adjustments to Operating Profit (Loss) on continuing operations** include:
  - Reorganisation charges in Flexible Foams (EUR 0.5 million) and in Bedding (EUR 1.0 million)
  - Impairments on idle assets in Flexible Foams in Spain (EUR 1.1 million) and in Bedding in Germany (EUR 0.9 million).



# Financial charges and tax charges reduced

## Net loss from continuing operations offset by positive result of discontinued operations

- **Financial result: -2.6m€** versus -2.8m€ in 1H2019
  - Net interest charges : -1.7m€ (1H2019: -1.7m€), of which -1.1m€ million relating to leases
  - 'Other net financial income and expenses' -0.8m€ (1H2019: -1.0m€). This item comprises mainly interest capitalisation costs under provisions for pension liabilities (-0.2m€ million; 1H2019: -0.4m€) and exchange rate differences (-0.7m€; 1H2019: -0.6m€).
- **Income taxes and deferred taxes : -2.0m€** versus -2.6m€ in 1H2019
  - Current income tax charges: -0.68m€ (1H2019: -2.88m€)
  - Deferred tax charges: +1.36m€ (1H2019: +0.24m€).
- **Result of the period from continuing operations: -8.7m€** versus +12.3m€ in 1H2019
- **Result from discontinuing operations: +68.8m€**
- **Result of the period (share of the Group): +60.1m€** versus +16.1m€ in 1H2019

Gearing (13.2%) and Leverage (x0.9) improved to new record levels  
 Before IFRS 16 net cash position of +11.4m€  
 Net Financial debt of 43.8 m€ after IFRS 16

| <i>in million EUR</i>                            | 30 JUN 2019  | 31 SEP 2019  | 31 DEC 2019  | 30 MAR 2020  | 30 JUN 2020 |
|--|--------------|--------------|--------------|--------------|-------------|
| <b>TOTAL EQUITY</b>                              | 266,5        | -            | 276,6        | -            | 331,5       |
| Net financial debt excluding factoring           | 73,8         | 105,5        | 88,6         | 121,4        | ( 11,4)     |
| + Drawn amounts under factoring programs         | 60,2         | 32,9         | 47,1         | 32,1         | 0,0         |
| + Impact of application IFRS 16                  | 109,8        | 84,0         | 80,0         | 77,6         | 55,2        |
| <b>TOTAL CONSOLIDATED<br/>NET FINANCIAL DEBT</b> | <b>243,9</b> | <b>222,4</b> | <b>215,6</b> | <b>231,1</b> | <b>43,8</b> |
| Gearing ratio (incl. IFRS 16 )                   | -            | -            | 77,9%        | -            | 13,2%       |
| Leverage ratio (incl. IFRS 16)                   | -            | -            | 2,3          | -            | 0,9         |

# Agenda

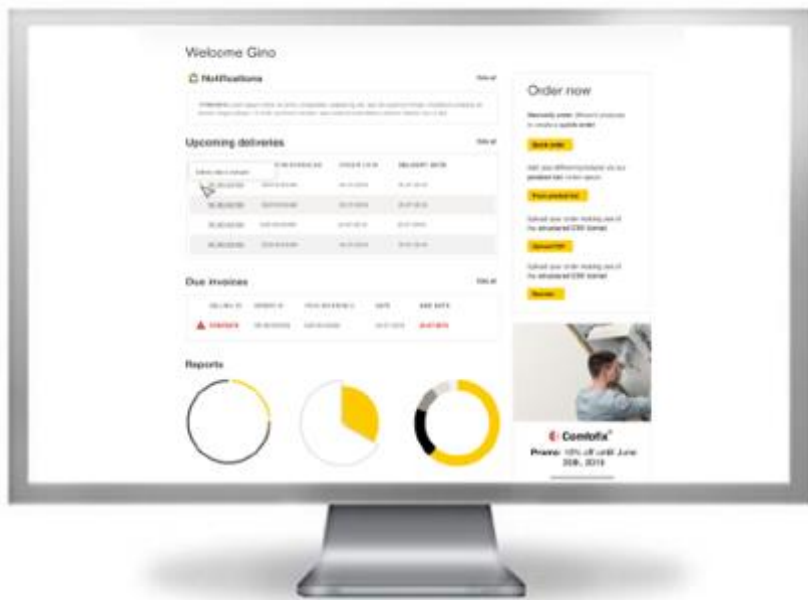
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# Outlook

Subject to there being no further COVID-19 impacts, the dynamics of the recovery observed during the 2nd quarter and the month of July lead the Group to expect the 2H2020 consolidated net sales and Adjusted EBITDA of its retained business to be at the level of 2H2019.

# The Insulation division launched its B2B Portal to enhance Customer Experience

## Customer benefits



- ✓ Universal B2B portal to receive orders
- ✓ Provides immediate order confirmation
- ✓ Provides real time information on stock availability, price, delivery time, delivery status etc
- ✓ Cross-selling functionality (accessories)
- ✓ Possibility to deal with promotional prices
- ✓ Self-service (mobile) tool anytime, anywhere

2020 - go live in BELGIUM

2020 Q4 - roll-out in The Netherlands and UK

2020 Q4 - upgrade portal functionalities

- Ordering project prices
- Download center: price lists, reporting
- Self-service customer dashboards
- Product Content Management system as a Single Source of Truth

2021 Q1 - roll-out in NORDICS, FRANCE

Two awards won over the last 6 months by our Bedding division

## Product of the Year

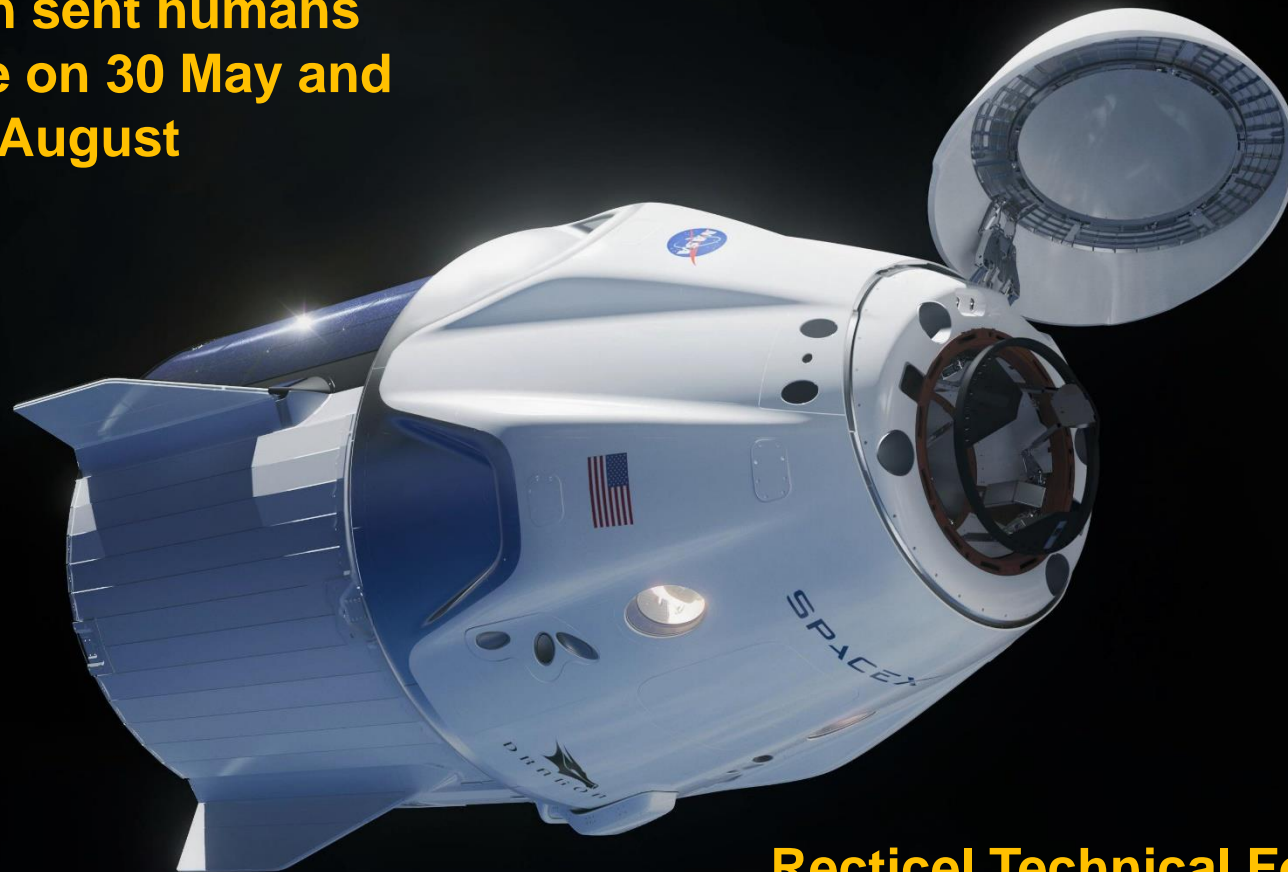


## Germany Design Award





**SpaceX Crew Dragon sent humans  
and cargo into space on 30 May and  
returned safely on 7 August**



**Recticel Technical Foams, manufactured  
through its US subsidiary Soundcoat, are  
used in the capsule to provide vibration &  
acoustic insulation**

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# Lower sales following lower volumes as a result of the lockdown measures during 2Q2020

## Key financials

| in million EUR                   | 1H2019<br>restated <sup>1</sup> | 1H2020 | Δ          |
|----------------------------------|---------------------------------|--------|------------|
|                                  | (a)                             | (b)    | (b)/(a) -1 |
| Sales                            | 189,4                           | 147,1  | -22,3%     |
| Adjusted EBITDA                  | 18,8                            | 10,3   | -45,4%     |
| as % of sales                    | 9,9%                            | 7,0%   |            |
| EBITDA                           | 19,3                            | 9,5    | -50,9%     |
| as % of sales                    | 10,2%                           | 6,4%   |            |
| Adjusted operating profit (loss) | 12,0                            | 3,1    | -73,8%     |
| as % of sales                    | 6,3%                            | 2,1%   |            |
| Operating profit (loss)          | 12,4                            | 1,2    | -90,1%     |
| as % of sales                    | 6,6%                            | 0,8%   |            |

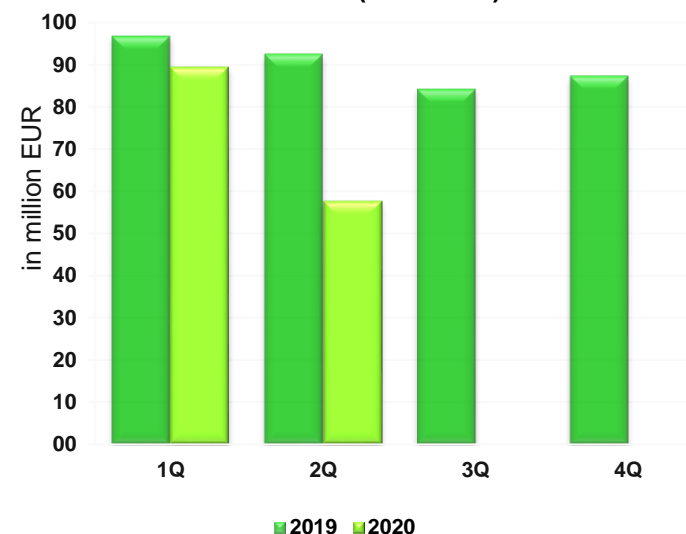
## 1H2020 key topics

- **Sales 1H2020: 147.1m€ (-22.3%)**, with external sales decreasing by -24.0%. Exchange rate differences: -1.3%
  - Comfort: 71.0m€ (-19.6%) - Technical Foams: 76.2m€ (-24.7%+)
  - Lower sales as volumes were heavily impacted by the lockdown measures during 2Q2020.
- Like-for-like<sup>1</sup> **Adjusted EBITDA margin** decreased from 9.9% to 7.0% due to the negative volume impact leading to unabsorbed fixed costs. This impact was partly mitigated by cost saving measures, including temporary unemployment.

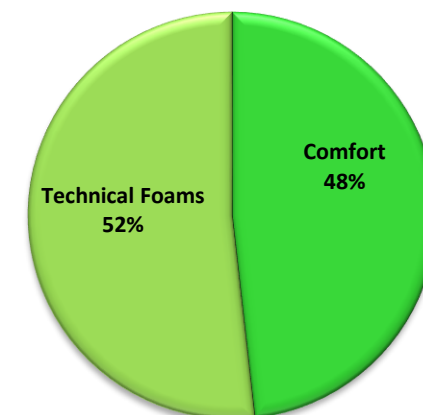
## Recent developments

- Comfort markets bounced back strongly in June, Technical Foams remained more subdued, mainly due to the slow restart of automotive and industrial customers
- Improved product/market-mix (i.e. Technical Foams)

Consolidated Sales  
Flexible Foams (2019-2020)



Sales 1H2020



# Challenging market environment due to COVID-19 retail shopping restrictions imposed in most European countries.

## Key financials

| in million EUR                   | 1H2019 | 1H2020 | Δ         |
|----------------------------------|--------|--------|-----------|
|                                  | (a)    | (b)    | (b)/(a)-1 |
| Sales                            | 119,8  | 109,2  | -8,9%     |
| Adjusted EBITDA                  | 6,9    | 4,5    | -34,6%    |
| as % of sales                    | 5,8%   | 4,2%   |           |
| EBITDA                           | 6,8    | 3,5    | -47,6%    |
| as % of sales                    | 5,6%   | 3,2%   |           |
| Adjusted operating profit (loss) | 2,5    | 0,0    | -99,4%    |
| as % of sales                    | 2,0%   | 0,0%   |           |
| Operating profit (loss)          | 2,0    | ( 1,9) | -194,7%   |
| as % of sales                    | 1,7%   | -1,7%  |           |

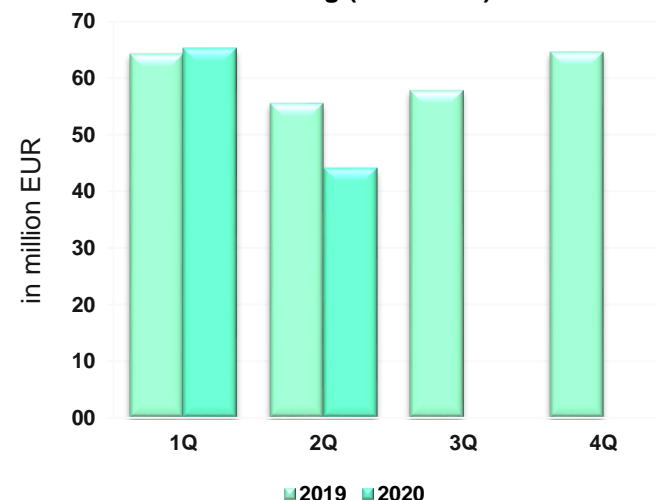
## 1H2020 key topics

- **Sales 1H2020: 109.2m€** (-8.9%), with external sales decreasing by 8.3%.
  - Branded Products: -5.2%
  - Non-Branded/Private Label: -14.6%
- Both sub-segments were heavily impacted during the second quarter by the COVID-19 retail shopping restrictions imposed in most European countries..
- Adjusted EBITDA margin decreased from 5.8% to 4.2%.
- The lower profitability is totally due to the low sales volumes following the COVID-19 crisis in 2Q2020, partially compensated by cost saving measures.

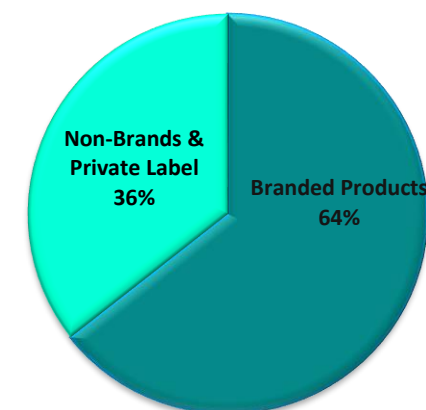
## Recent developments

- The new innovative Geltex 2.0 and boxsprings product lines are supporting the Branded Products subsegment; hence the overall product-mix.
- June '20 sales however ended ahead of last year, thanks to a strong orderbook secured from mid-May onwards as shops progressively reopened throughout Europe.

Consolidated Sales  
Bedding (2019-2020)



Sales 1H2020



# Sales volumes impacted by COVID-19 crisis and competitive pricing environment

## Key financials

| in million EUR                   | 1H2019 | 1H2020 | Δ         |
|----------------------------------|--------|--------|-----------|
|                                  | (a)    | (b)    | (b)/(a)-1 |
| Sales                            | 129,8  | 112,7  | -13,2%    |
| Adjusted EBITDA                  | 17,1   | 11,3   | -33,9%    |
| as % of sales                    | 13,1%  | 10,0%  |           |
| EBITDA                           | 17,1   | 11,2   | -34,3%    |
| as % of sales                    | 13,1%  | 9,9%   |           |
| Adjusted operating profit (loss) | 11,5   | 5,9    | -48,4%    |
| as % of sales                    | 8,8%   | 5,2%   |           |
| Operating profit (loss)          | 11,4   | 5,8    | -48,8%    |
| as % of sales                    | 8,8%   | 5,2%   |           |

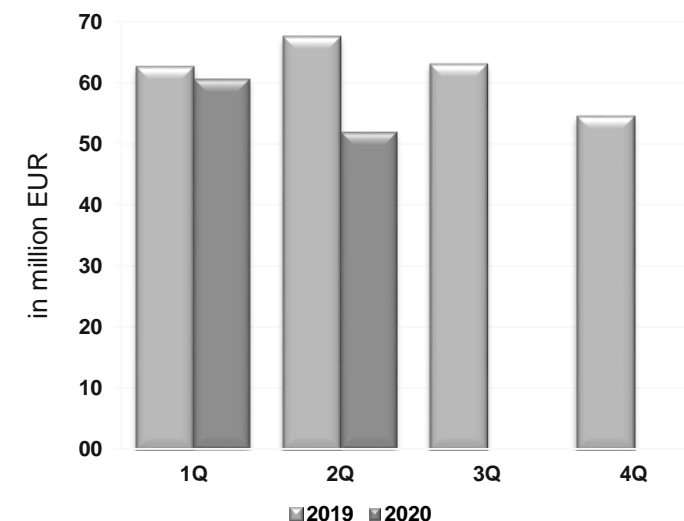
## 1H2020 key topics

- **Sales 1H2020: 112.7m€ (-13.2%)**, including exchange rate differences of -0.1%
- Sales were lower in most countries, except for the new plant in Finland which gradually increases its output, now that all products have been certified for the Nordic countries.
- Profitability declined due to the lower sales volumes and competitive pricing environment, despite substantial cost reduction measures.

## Recent developments

- The new Finnish plant – although still contributing negatively to EBITDA - is gradually ramping-up.
- New chemical raw material price increases announced.

Combined sales Insulation (2019-2020)



# Agenda

- ▶ Highlights 1H2020
- ▶ Results 1H2020 & Financial Position
- ▶ Outlook FY2020
- ▶ Comments on results per business line
- ▶ Appendices

# Consolidated Income Statement

| Group Recticel<br>in thousand EUR  | 1H 2019<br>restated <sup>1</sup><br>(a) | 1H 2020<br>(b)  | Δ<br>(b)/(a)-1 |
|--|---|-----------------|----------------|
| <b>Sales</b>   | <b>453 831</b>                          | <b>374 262</b>  | <b>-17,5%</b>  |
| Distribution costs   | ( 28 375)                               | ( 25 620)       | -9,7%          |
| Cost of sales  | ( 337 475)                              | ( 283 299)      | -16,1%         |
| <b>Gross profit</b>  | <b>87 981</b>                           | <b>65 343</b>   | <b>-25,7%</b>  |
| General and administrative expenses  | ( 30 321)                               | ( 28 589)       | -5,7%          |
| Sales and marketing expenses   | ( 34 300)                               | ( 29 881)       | -12,9%         |
| Research and development expenses  | ( 5 588)                                | ( 4 901)        | -12,3%         |
| Impairments goodwill, tangible and intangible assets                             | ( 333)                                  | ( 2 083)        | 525,5%         |
| Other operating revenues   | 3 229                                   | 3 640           | 12,7%          |
| Other operating expenses   | ( 9 065)                                | ( 6 834)        | -24,6%         |
| Income from associates   | 682                                     | 420             | -38,4%         |
| <b>Operating profit (loss)</b>   | <b>12 285</b>                           | <b>( 2 885)</b> | <b>-123,5%</b> |
| Interest income  | 1 383                                   | 589             | -57,4%         |
| Interest expenses  | ( 3 124)                                | ( 2 330)        | -25,4%         |
| Other financial income   | 6 530                                   | 3 568           | -45,4%         |
| Other financial expenses   | ( 7 561)                                | ( 4 378)        | -42,1%         |
| <b>Financial result</b>  | <b>( 2 772)</b>                         | <b>( 2 551)</b> | <b>-8,0%</b>   |
| Income from other associates   | 2 588                                   | ( 2 954)        | -214,1%        |
| Change in fair value of option structures  | 2 860                                   | 1 702           | -40,5%         |
| <b>Result of the period before taxes</b>   | <b>14 961</b>                           | <b>( 6 688)</b> | <b>-144,7%</b> |
| Income taxes   | ( 2 633)                                | ( 2 045)        | -22,3%         |
| <b>Result of the period after taxes - continuing operations</b>                  | <b>12 328</b>                           | <b>( 8 733)</b> | <b>-170,8%</b> |
| <b>Result of the period after taxes - discontinued operations</b>                | <b>3 773</b>                            | <b>68 812</b>   | <b>n.m.</b>    |
| <b>Result of the period after taxes - continuing and discontinued operations</b> | <b>16 101</b>                           | <b>60 079</b>   | <b>273,1%</b>  |
| of which attributable to the owners of the parent                                | 16 107                                  | 60 110          | 273,2%         |
| of which attributable to non-controlling interests                               | ( 6)                                    | ( 31)           | 416,7%         |

# Consolidated Comprehensive Income

| Group Recticel<br>in thousand EUR  | 1H2019          | 1H2020        |
|--|-----------------|---------------|
| <b>Result for the period after taxes</b>   | <b>16 101</b>   | <b>60 080</b> |
| <b>Other comprehensive income</b>  |                 |               |
| <i>Items that will not subsequently be recycled to profit and loss</i>           |                 |               |
| Actuarial gains (losses) on employee benefits recognized in equity               | ( 4 333)        | 2 100         |
| Deferred taxes on actuarial gains (losses) on employee benefits                  | 759             | ( 452)        |
| Currency translation differences   | ( 18)           | 195           |
| Joint ventures & associates  | ( 655)          | ( 246)        |
| <b>Total</b>   | <b>( 4 247)</b> | <b>1 597</b>  |
| <i>Items that subsequently may be recycled to profit and loss</i>                |                 |               |
| Currency translation differences   | 371             | ( 13 816)     |
| Foreign currency translation reserve difference recycled in the income statement | 305             | 18 345        |
| Deferred taxes on retained earnings  | ( 68)           | ( 1)          |
| Joint ventures & associates  | 158             | 2 003         |
| <b>Total</b>   | <b>766</b>      | <b>6 532</b>  |
| <b>Other comprehensive income net of tax</b>                                     | <b>( 3 481)</b> | <b>8 129</b>  |
| <b>Total comprehensive income for the period</b>                                 | <b>12 620</b>   | <b>68 209</b> |
| <b>Total comprehensive income for the period</b>                                 | <b>12 620</b>   | <b>68 209</b> |
| of which attributable to the owners of the parent                                | 12 626          | 68 239        |
| of which attributable to non-controlling interests                               | ( 6)            | ( 31)         |

# Consolidated Balance Sheet

| Group Recticel<br>in thousand EUR                  | 31 Dec 2019<br>as published | 30 Jun 2020    |
|--|-----------------------------|----------------|
| Intangible assets                                  | 14 306                      | 13 883         |
| Goodwill   | 24 412                      | 24 102         |
| Property, plant & equipment                        | 227 617                     | 171 552        |
| Right-of-use assets                                | 105 110                     | 80 128         |
| Investment property                                | 3 331                       | 3 331          |
| Investments in joint ventures and associates       | 65 465                      | 12 052         |
| Investments in other joint ventures and associates | ( 1)                        | 20 122         |
| Non-current receivables                            | 26 383                      | 33 831         |
| Other non-current contract assets                  | 11 138                      | 0              |
| Deferred taxes                                     | 24 108                      | 22 139         |
| <b>Non-current assets</b>                          | <b>501 869</b>              | <b>381 140</b> |
| Inventories  | 101 797                     | 84 601         |
| Trade receivables                                  | 99 117                      | 119 712        |
| Other current contract assets                      | 11 300                      | 0              |
| Other receivables and other financial assets       | 32 667                      | 31 349         |
| Income tax receivables                             | 1 448                       | 1 515          |
| Other investments                                  | 154                         | 154            |
| Cash and cash equivalents                          | 48 479                      | 197 477        |
| Assets held for sale                               | 5 638                       | 3 738          |
| <b>Current assets</b>                              | <b>300 600</b>              | <b>438 546</b> |
| <b>TOTAL ASSETS</b>                                | <b>802 469</b>              | <b>819 686</b> |
| Capital  | 138 494                     | 138 846        |
| Share premium                                      | 130 334                     | 130 741        |
| <b>Share capital</b>                               | <b>268 828</b>              | <b>269 587</b> |
| Treasury shares                                    | ( 1 450)                    | ( 1 450)       |
| Other reserves                                     | ( 25 621)                   | ( 21 061)      |
| Retained earnings                                  | 51 227                      | 95 550         |
| Hedging and translation reserves                   | ( 18 288)                   | ( 11 755)      |
| <b>Equity (share of the Group)</b>                 | <b>274 696</b>              | <b>330 871</b> |
| Equity attributable to non-controlling interests   | 701                         | 671            |
| <b>Total equity</b>                                | <b>275 397</b>              | <b>331 542</b> |
| Pensions and similar obligations                   | 57 164                      | 47 843         |
| Provisions   | 6 905                       | 23 371         |
| Deferred taxes                                     | 10 023                      | 10 644         |
| Financial liabilities                              | 100 334                     | 77 285         |
| Non-current contract liabilities                   | 20 339                      | 0              |
| Other amounts payable                              | 43                          | 43             |
| <b>Non-current liabilities</b>                     | <b>194 808</b>              | <b>159 186</b> |
| Pensions and similar obligations                   | 696                         | 3 376          |
| Provisions   | 5 759                       | 921            |
| Financial liabilities                              | 117 415                     | 164 400        |
| Trade payables                                     | 93 008                      | 55 903         |
| Current contract liabilities                       | 32 832                      | 17 301         |
| Income tax payables                                | 1 229                       | 229            |
| Other amounts payable                              | 81 325                      | 86 828         |
| <b>Current liabilities</b>                         | <b>332 264</b>              | <b>328 958</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                | <b>802 469</b>              | <b>819 686</b> |

# Consolidated Statement of Cash Flow

| Group Recticel<br>in thousand EUR                                 | 1H2019<br>as published | 1H2020         | Δ              |
|---|------------------------|----------------|----------------|
| <b>Operating profit (loss)</b>                                    | <b>24 733</b>          | <b>-2 886</b>  | <b>-111,7%</b> |
| Income from discontinued operations                               | 0                      | 68 812         | n.m.           |
| Depreciation, amortisation and impairment losses on assets        | 28 513                 | 32 126         | 12,7%          |
| Write-offs (-back) on assets                                      | 79                     | 671            | 749,7%         |
| Write-offs (-back) on shares of affiliates                        | 0                      | 220            | n.m.           |
| Changes in provisions   | -3 309                 | 13 292         | -501,7%        |
| Stock options   | -2 860                 | 304            | -110,6%        |
| (Gain)/Loss on disposal of assets                                 | -3 642                 | -737           | -79,8%         |
| (Gain)/Loss on disposal of shares                                 | 0                      | -101 703       | n.m.           |
| (Gain)/Loss on disposal of receivables                            | 0                      | 201            | n.m.           |
| Income from associates  | -4 833                 | -420           | -91,3%         |
| <b>Gross operating cash flow</b>                                  | <b>38 681</b>          | <b>9 882</b>   | <b>-74,5%</b>  |
| Changes in working capital  | -8 120                 | -48 194        | 493,5%         |
| <b>Gross operating cash flow after changes in working capital</b> | <b>30 561</b>          | <b>-38 312</b> | <b>-225,4%</b> |
| Income taxes paid   | -2 484                 | -2 545         | 2,5%           |
| <b>Net cash flow from operating activities (a)</b>                | <b>28 077</b>          | <b>-40 858</b> | <b>-245,5%</b> |
| <b>Net cash flow from divestment (investment) activities (b)</b>  | <b>7 460</b>           | <b>218 566</b> | <b>2829,8%</b> |
| Paid interest charges on financial debt (c)                       | -1 355                 | -1 714         | 26,5%          |
| Paid interest charges on lease debt                               | -101                   | 0              | -100,0%        |
| Paid dividends  | -13 204                | -13 254        | 0,4%           |
| Increase (Decrease) of capital                                    | 312                    | 760            | 143,5%         |
| Increase of financial debt  | 11 507                 | 97 523         | 747,5%         |
| Decrease of financial debt  | 0                      | -97 487        | n.m.           |
| Increase of lease debt  | 0                      | 0              | n.m.           |
| Decrease of lease debt (d)  | -12 638                | -14 750        | 16,7%          |
| <b>Net cash flow from financing activities (e)</b>                | <b>-15 479</b>         | <b>-28 922</b> | <b>86,8%</b>   |
| Effect of exchange rate changes (f)                               | 2 268                  | 212            | -90,7%         |
| <b>Changes in cash and cash equivalents (a)+(b)+(e)+(f)+(g)</b>   | <b>22 326</b>          | <b>148 999</b> | <b>567,4%</b>  |
| <b>FREE CASH FLOW (a)+(b)+(c)+(d)</b>                             | <b>21 443</b>          | <b>161 245</b> | <b>652,0%</b>  |



# Statement of changes in equity

| Group Recticel<br>in thousand EUR              | Capital | Share premium | Treasury<br>shares | Other reserves | Retained<br>earnings | Translation<br>differences<br>reserves and<br>hedging<br>reserves | Total<br>shareholders'<br>equity | Non-controlling<br>interests | Total equity,<br>non-controlling<br>interests<br>included |
|--|---------|---------------|--------------------|----------------|----------------------|---|----------------------------------|------------------------------|---|
| At the end of the period<br>(31 December 2019) | 138 464 | 130 334       | -1 460             | -26 821        | 61 227               | -18 288   | 274 698                          | 701                          | 276 387   |
| Dividends                                      | 0       | 0             | 0                  | 0              | -13 127              | 0   | -13 127                          | 0                            | -13 127   |
| Stock options (IFRS 2)                         | 0       | 0             | 0                  | 304            | 0                    | 0   | 304                              | 0                            | 304   |
| Capital movements                              | 362     | 407           | 0                  | 0              | 0                    | 0   | 759                              | 0                            | 759   |
| Shareholders'<br>movements                     | 362     | 407           | 0                  | 304            | -13 127              | 0   | -12 084                          | 0                            | -12 084   |
| Profit or loss of the<br>period                | 0       | 0             | 0                  | 0              | 80 110               | 0   | 80 110                           | - 30                         | 80 080  |
| Other comprehensive<br>income                  | 0       | 0             | 0                  | 2 049          | - 453                | -11 812   | -10 216                          | 0                            | -10 216   |
| Change in scope                                | 0       | 0             | 0                  | 2 145          | -2 145               | 18 345  | 18 345                           | 0                            | 18 345  |
| Comprehensive income                           | 0       | 0             | 0                  | 4 194          | -2 698               | 8 633   | 8 129                            | 0                            | 8 129   |
| Reclassification                               | 0       | 0             | 0                  | 82             | - 82                 | 0   | 0                                | 0                            | 0   |
| At the end of the period<br>(30 June 2020)     | 138 848 | 130 741       | -1 460             | -21 081        | 86 660               | -11 766   | 330 871                          | 671                          | 331 642   |

# Data per share

| in EUR   | 1H 2019<br>restated <sup>1</sup> | 1H 2020     | Δ             |
|--|----------------------------------|-------------|---------------|
| Number of shares outstanding (including treasury shares)               | 55 293 406                       | 55 397 439  | 0,2%          |
| Weighted average number of shares outstanding (before dilution effect) | 54 917 196                       | 54 959 861  | 0,1%          |
| Weighted average number of shares outstanding (after dilution effect)  | 55 128 831                       | 55 154 501  | 0,0%          |
| Earnings per share - continuing operations                             | 0,22                             | ( 0,16)     | n.m.          |
| Earnings per share - discontinued operations                           | 0,07                             | 1,25        | n.m.          |
| <b>Earnings per share of continuing and discontinued operations</b>    | <b>0,29</b>                      | <b>1,09</b> | <b>272,8%</b> |
| <b>Earnings per share from continuing operations</b>                   |                                  |             |               |
| Basic  | 0,22                             | ( 0,16)     | n.m.          |
| Diluted  | 0,22                             | ( 0,16)     | n.m.          |
| <b>Earnings per share from discontinued operations</b>                 |                                  |             |               |
| Basic  | 0,07                             | 1,25        | 1722,4%       |
| Diluted  | 0,07                             | 1,25        | 1723,0%       |
| <b>Net book value</b>  | <b>4,98</b>                      | <b>5,98</b> | <b>20,2%</b>  |

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## Financial calendar

|                                   |                              |
|-----------------------------------|------------------------------|
| First half-year 2020 results      | 28.08.2020 (at 07:00 AM CET) |
| Third quarter 2020 trading update | 30.10.2020 (at 07:00 AM CET) |
| Annual results 2020               | 26.02.2021 (at 07:00 AM CET) |
| First quarter 2021 trading update | 27.04.2021 (at 07:00 AM CET) |
| Annual General Meeting            | 25.05.2021 (at 10:00 AM CET) |
| First half-year 2021 results      | 27.08.2021 (at 07:00 AM CET) |
| Third quarter 2021 trading update | 29.10.2021 (at 07:00 AM CET) |

### 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