Press Release

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Regulated information
For immediate publication

Balta FY 2020 and Q4 2020 Results

Group Highlights

- Q4 2020 consolidated Revenue of €151.1m (-8.0% YoY), with Adjusted EBITDA of €27.9m (+40.9% YoY) - one of the strongest quarterly Adjusted EBITDA performances since the IPO - and an Adjusted EBITDA margin of 18.5%, well above Q4 2019 of 12.1%.
- FY2020 consolidated Revenue of €561.8m (-16.3% YoY) as COVID-19 subdued demand
    - Rugs -14.2%, Commercial -19.2%, Residential -11.9%
    - Organic revenue declined YoY by 16.0% with an FX impact of -0.3%
- FY2020 Adjusted EBITDA of €68.0m (-8.6% YoY) and Adjusted EBITDA margin of 12.1% (11.1% FY2019)
    - Solid growth in Residential +26.0% and Rugs +4.3%, while Commercial is yet to recover from the impact of COVID-19 and fell by 24.2%
- Net Debt significantly reduced by €30.5m to €283.2m at FYE 2020 from €313.7m at FYE 2019, driven by strong cash generation from reduced working capital and the rigorous focus on cost management. Leverage[1] decreased to 4.2x from 4.7x at the end of Q3 2020, driven by the impact of our strong Q4 2020 on LTM Adjusted EBITDA.
- Total available liquidity amounted to €113.7m at FYE 2020, comprising cash of €106.3m and a further €7.4m headroom to draw under the US revolving credit facility.
- The exchange offer for Senior Secured Notes due September 2022 successfully concluded on 3 March 2021, with €234.9m replacement notes maturing in December 2024. As a result, the €61m European super senior revolving credit facility further extends to June 2024.
- The Board will not propose a dividend for the year.

Business Update

- The strong recovery after the COVID-19 related downturn in Q2 2020 continued in Q4 2020, delivering an H2 2020 Adjusted EBITDA improvement of 34% YoY at an Adjusted EBITDA margin of 16.8% (vs 11.6% in H2 2019). The improvements were driven by stronger YOY revenue and plant utilization in Residential and Rugs, as well as NEXT initiatives, continued fixed cost reductions and lower raw material prices.
- Despite full year revenue impacted by COVID-19, these strong margin improvements improved FY2020 Adjusted EBITDA margin by 1.0% to 12.1%.

[1] Excluding IFRS 16 impact

- In January 2021, we saw Q4 2020 trends broadly continue and we have a solid order book. We remain vigilant as new pandemic restrictions have been imposed in most of our markets and together with other market distortions, such as capacity constraints of raw material supplies and freight congestion, are leading to cost increases.

Cyrille Ragoucy, CEO and Chairman of the Board of Balta said,

"2020 was an unprecedented year due to COVID-19 disruption and its material challenges to our industry. Throughout the pandemic, Balta's first focus was on the safety and health of its employees and other stakeholders. In the second half of the year, we recovered revenues in Rugs and Residential. Commercial is taking somewhat longer to return to more normal levels.

Despite depressed volume due to COVID-19 restrictions, our full year Adjusted EBITDA margin still ended above last year, reflecting the strong margin upside of NEXT initiatives, continued cost savings and lower raw material prices.

Thanks to strong cash flow generation, we reduced Balta's net debt at FYE 2020 to the lowest level since the IPO in 2017. Helped by this performance, we refinanced and extended the European super senior revolving credit facility and our senior secured notes into 2024 with strong support from our banks and bondholders, which substantially improved our debt maturity profile.

The Management Team is committed to continue the transformation of Balta by improving operating performance, prudent cost management and executing our NEXT strategy."

Key Group Financial Figures

(€ million)	FY 2020	FY 2019	% Change
Revenue	561,8	671,2	(16,3%)
Adjusted EBITDA	68,0	74,4	(8,6%)
Adjusted EBITDA Margin	12,1%	11,1%	102 bps
Adjusted Operating Profit	28,0	34,8	(19,6%)
Operating Profit	20,2	28,1	(28,2%)
Profit for the period	(12,6)	10,4	(221,0%)

Q4 2020 Revenue and Adjusted EBITDA per segment

(€ million, unless otherwise mentioned)	YTD Q4 2020	YTD Q4 2019	% Change	o/w organic growth	o/w FX
Rugs	50,2	49,7	1,0%		
Commercial	45,5	60,8	(25,2)%		
Residential	51,3	46,7	9,7%		
Non-Woven	4,1	6,9	(40,7)%		
Consolidated Revenue	**151,1**	**164,1**	**(8,0)%**	**(6,7)%**	**(1,3)%**
Rugs	9,5	5,0	90,7%		
Commercial	9,6	10,7	(10,6)%		
Residential	8,6	3,7	136,5%		
Non-Woven	0,1	0,4	(66,6)%		
Consolidated Adjusted EBITDA	**27,9**	**19,8**	**40,9%**	**43,0%**	**(2,1)%**
Rugs	19,0%	10,1%			
Commercial	21,1%	17,6%			
Residential	16,9%	7,8%			
Non-Woven	3,5%	6,2%			
Consolidated Adjusted EBITDA Margin	**18,5%**	**12,1%**			

Full Year 2020 Revenue and Adjusted EBITDA per segment

(€ million, unless otherwise mentioned)	FY 2020	FY 2019	% Change	o/w organic growth	o/w FX
Rugs	182,9	213,0	(14,2)%		
Commercial	190,5	235,6	(19,2)%		
Residential	171,2	194,4	(11,9)%		
Non-Woven	17,3	28,1	(38,4)%		
Consolidated Revenu	**561,8**	**671,2**	**(16,3)%**	**(16,0)%**	**(0,3)%**
Rugs	17,5	16,8	4,3%		
Commercial	30,7	40,5	(24,2)%		
Residential	19,0	15,1	26,0%		
Non-Woven	0,9	2,1	(58,3)%		
Consolidated Adjusted EBITDA	**68,0**	**74,4**	**(8,6)%**	**(8,0)%**	**(0,6)%**
Rugs	9,6%	7,9%			
Commercial	16,1%	17,2%			
Residential	11,1%	7,7%			
Non-Woven	5,0%	7,4%			
Consolidated Adjusted EBITDA Margin	**12,1%**	**11,1%**			

Business Review

Performance in 2020

Following a strong start in the first two months of 2020, the disruptive impact of COVID-19 began in March 2020. Balta took swift and decisive measures to protect its employees and other stakeholders, to reduce its operating costs and to manage its cash flows. In the second quarter, 6 of our 8 plants were temporarily shut down on a voluntary basis to manage costs, senior staff took voluntary reductions in pay, the vast majority of staff were put into temporary unemployment programmes and all non-essential expenditure was deferred. Despite the voluntary closures, we retained the flexibility to resume partial production at our facilities to satisfy demand and service customer orders. As a precautionary measure, to address our short-term liquidity and working capital needs, revolving credit facilities were fully drawn and covenants renegotiated.

Throughout the second half of 2020, all plants were operational, while fixed and variable cost saving measures were still in place. We prepared for the market re-opening, with procurement, inventory and other working capital items well managed. Starting in July, revenues began to recover to normal levels in Rugs and Residential. Commercial rebounded less strongly and volumes are still to recover.

NEXT, the three-year program designed to deliver a significant improvement in earnings, delivered strong results in the first two months of 2020. As of July, the NEXT programme initiatives resumed. Although delayed, a material part of our margin improvement in the second half of 2020 was achieved through NEXT enhancements.

The focus on cost savings, cash preservation, the benefit of lower raw material costs and the recovery in H2 2020 resulted in positive net cash flow and comfortable liquidity throughout the year. The year ended with cash and cash equivalents of €106.3m, with a further €7.4m available to draw under the US revolving credit facility. The total available liquidity amounted to €113.7m at year-end 2020.

In October 2020, Balta amended and extended its existing European super senior revolving credit facility. The maturity date has now extended to 30 June 2024, following the successful exchange offer for our Senior Secured Notes which are now due 31 December 2024.

Strategic priorities

Balta identified three strategic priorities, which will drive the long-term value of its businesses:

NEXT:[2]

Operational savings are on track, albeit slightly delayed due to our decision to postpone capital expenditure until early July. In July, we resumed investment in Lean, supply chain and procurement initiatives across our 8 plants. In 2020, NEXT initiatives achieved €7m of incremental Adjusted EBITDA versus 2019 and contributed to the cash generating reduction of inventory. We continue to have a strong pipeline of NEXT cost initiatives.

Despite subdued demand and the overall revenue decline due to COVID-19, we achieved material revenue from our e-commerce channel initiative in Rugs, our direct route-to-market approach at Modulyss and the launch of sustainable products in all divisions. At the end of 2020, top-line NEXT initiatives remain on track with €68m of cumulative incremental revenue since we started, and €43m of incremental revenue in 2020 versus 2019.

- In Rugs e-commerce, we continued to penetrate the US and European markets through our dedicated fulfilment centre in the US and our European partnerships with leading digital platforms. E-commerce revenue has more than doubled in 2020 and now represents 17% of North-American revenue. Fulfilment performance improved as well and same-day shipping in the US reached 95% for e-commerce products.

2 See Glossary for definition of NEXT Key Assumptions and Impacts

- Despite of an overall decline in European Commercial tiles revenue, our targeted direct route-to-market approach in Modulyss delivered €7m of incremental sales in 2020 versus 2019.
- Other revenue initiatives produced strong results, with €28m of incremental revenue in 2020 versus 2019 through the launch of innovative products more tailored to customer expectations. Residential introduced a premium carpets range with a strong focus on durability and comfort, whilst Rugs introduced new sustainable qualities which already represent 20% of divisional Q4 2020 revenue. Bentley's EliteFlex range targets the Healthcare and Educations segments with its unique noise-absorbing backing and thermoplastic layers which are impermeable to moisture.

Environmental, Social and corporate Governance (ESG):

Sustainability is an integral part of Balta's business strategy. The primary goal of Balta's product development process is to increase recycled content and make products easier to recycle so we achieve a fully circular lifecycle.

In 2020, Balta's commitment to have a net positive impact on the planet and its population, by establishing a circular economy in the flooring industry, translated into some important milestones:

- Bentley successfully completed its NSF/ANSI 140 Audit, which represents the highest US standard for environmentally responsible carpet products. The audit addressed economic, environmental and societal impacts throughout the supply chain and assures the sustainability of Bentley's full product life-cycle.
- Sustainable products, with a minimum content of 40% recycled material or single-material rugs, with 10 sustainable collections launched.
- Modulyss was awarded "Cradle to Cradle" Certified™ Platinum, Gold and Silver certificates for 127 sustainable products. The carbon neutral qualification of these products gives us a competitive advantage and wider access to more specified projects.
- Safety remains our number one priority in caring for our employees' wellbeing. In 2020, we achieved a 30% year-on-year drop in the Lost Time Accident Frequency Rate.

Digital Transformation:

In 2020, our digital transformation accelerated allowing us to better manage the customer relationship and improve digital operations, logistics and planning.

- Bentley enhanced its digital tools for online sample ordering. Bentley's latest software allows it to create high quality rendering for carpet tiles.
- With physical fairs and events cancelled by COVID-19 restrictions, virtual events were organised to launch new collections digitally, with digital showroom tours, webinars and digital brochures.
- Data from the new integrated forecasting tool available to our salesforce on their mobile devices will materially improve production planning. Implementation is expected in H1 2021.
- Our Field Service Management project has been successfully piloted in 2 plants in 2020 and will be rolled out across all plants in 2021. It is a step change in the way Balta manages maintenance by providing real-time stock levels for spare parts, interactive planning and on-line feedback from maintenance technicians.

Financial Review

Balta delivered full year 2020 Consolidated Revenue of €561.8m, down 16.3% versus 2019, and Consolidated Adjusted EBITDA of €68.0m, down 8.6%. The Consolidated Adjusted EBITDA margin of 12.1% was up from 11.1%, reflecting strong margin improvements in our Residential and Rugs divisions, and despite the significant volume impact from COVID-19 across all divisions.

Financial Review by Division

Rugs

Full year Revenue for 2020 of €182.9m was down 14.2% (€213.0m 2019). From a regional perspective, North America showed double-digit growth, while revenue in Europe and Rest of World saw double-digit decline. In North America, we grew our e-commerce business strongly and secured a stable share for our 2021 outdoor season programmes. In Europe, revenue significantly declined from mid-March due to COVID-19 lockdowns, but substantially rebounded in June.

Full year Adjusted EBITDA for 2020 grew 4.3% to €17.5m (€16.8m 2019) with Adjusted EBITDA margin of 9.6%, up from 7.9% in 2019. Against the backdrop of subdued volumes due to COVID-19, Adjusted EBITDA improved due to better product mix, lower raw material prices, strict cost control and margin improvements from NEXT initiatives. US e-commerce margins continue to be impacted by fixed costs until we reach critical mass.

Fourth quarter Revenue for 2020 of €50.2m was up 1.0% (€49.7m Q4 2019), despite continuing COVID-19 restrictions. Adjusted EBITDA margin for Q4 2020 was 19.0%, significantly higher than the 10.1% in Q4 2019, due to better product mix, lower raw material prices, strict cost control and margin improvements from NEXT initiatives.

Commercial

Full year Revenue for 2020 declined 19.2% to €190.5m (€235.6m 2019). The US saw a double-digit decline in revenue as COVID-19 restrictions were felt across all segments. Despite this, our gross margin improved as we continued to focus on new segments outside our traditional strength in offices. In Europe, the loss of revenue due to COVID-19 was partly offset by product mix and price improvements.

Full year Adjusted EBITDA for 2020 decreased 24.2% to €30.7m (€40.5m 2019) with Adjusted EBITDA margin of 16.1%, down from 17.2% in 2019. Despite strong results from NEXT initiatives and cost savings, the margin impact of the lower volumes could not be entirely mitigated.

Fourth quarter Revenue for 2020 of €45.5m dropped 25.2% (€60.8m Q4 2019), although Adjusted EBITDA margin for Q4 2020 improved to 21.1% from 17.6% in Q4 2019, due to continued cost control, NEXT margin enhancements in the US and Europe, better product mix and lower raw material prices in Europe.

Residential

Full year Revenue for 2020 reduced by 11.9% to €171.2m (€194.4m 2019) reflecting the impact of COVID-19, despite a strong rebound in the second half of the year. Higher margin products now represent 40% of Residential FY2020 revenue.

Full year Adjusted EBITDA of €19.0m was up 26.0% (€15.1m 2019) with Adjusted EBITDA margin of 11.1% improved from 7.7% in 2019. Our continued focus on growing our share of higher margin products, lower raw material prices, cost control and margin enhancements from NEXT initiatives, more than compensated for the significant volume drop.

Fourth quarter Revenue for 2020 increased by 9.7% to €51.3m (€46.7m 2019), driven by pre-Brexit stocking in the UK and increased sales across Europe and the US. The COVID-19 impact continued to be felt in Central and East Europe. Adjusted EBITDA margin for 2020 of 16.9% was up from 7.8% in Q4 2019, due to volume growth, lower raw material prices and margin improvements from NEXT initiatives.

Other Financial Items Review

Non-Recurring Items below Adjusted EBITDA

The net impact of non-recurring items on 2020 net income was €7.8m (€0.22 per share), as compared to €6.6m (€0.18 per share) in 2019. The 2020 expense was mainly for advisory fees related to the NEXT programme in the first half of the year and for amending and extending our financing.

Net Financing Costs

The net financing cost of €29.2m (€25.2m 2019), primarily represents the interest expense on external borrowings. The net cost increased compared to 2019 as the European and US revolving credit facilities were fully drawn as a precaution against the potential impact of COVID-19 and the FX translation impact.

Taxation

The Group reported a tax expense for 2020 of €3.6m (tax income of €7.4m 2019) based on a loss before tax of €9.0m (profit before tax of €3.0m for 2019). The tax expense is mainly driven by non-recognition of deferred tax assets, non-deductible costs and taxation of previously untaxed Belgian reserves.

Earnings per share

Loss per share of €0.35 in 2020 compared to profit per share of €0.29 in 2019.

Dividend

Given the uncertain COVID-19 environment, the investments in growth and cost saving initiatives resulting from our NEXT programme, combined with our Leverage exceeding 3.0x at year-end, the Board will not propose a dividend for the year.

Cashflow and Net Debt

Q4 2020 Reported Net Debt ended at €283.2m (including €36.4m of IFRS16 impact), compared to €313.7m at the end of Q4 2019. The significant Net Debt decrease of €30.5m is explained by strong cash generation and by IFRS16 depreciation. With reduced Net Debt, Leverage increased only moderately to 4.2x at the end of 2020, from 4.0x at the end of 2019, despite lower Adjusted EBITDA.

Glossary: Alternative Performance Measures

The following alternative performance measures (non-IFRS) have been used as management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The alternative performance measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance or our liquidity under IFRS.

Organic Growth is defined as growth excluding (i) FX impact, which comprises the translation of key foreign entities, (ii) M&A impact and (iii) the impact of IFRS16.

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on change in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) depreciation / amortization and (v) impairment and write-off

Adjusted EBITDA margin is defined as the Adjusted EBITDA as a percentage of revenue.

Gross Debt is defined as (i) Senior Secured Notes adjusted for the financing fees included in the carrying amount, (ii) Senior Term Loan Facility adjusted for capitalized financing fees and (iii) Bank and other borrowings adjusted for capitalized financing fees

Net Debt is defined as (i) Senior Secured Notes adjusted for the financing fees included in the carrying amount, (ii) Senior Term Loan Facility adjusted for capitalized financing fees, (iii) Bank and other borrowings adjusted for capitalized financing fees and (iv) cash and cash equivalents

Leverage is defined as the ratio of Net Debt to Adjusted EBITDA (excluding IFRS16 as per financing documentation, except for sale and leaseback transactions)

NEXT key assumptions and **NEXT impacts** are to be understood versus a baseline of 2018 or 2019:

- Impacts shown for the Revenue initiatives are the anticipated gross impacts and take no account of possible 'cannibalization effects' or the current macro-economic uncertainty
- Impacts shown for the Margin initiatives are the anticipated gross impacts before cost inflation
- Impacts are calculated using forecast volumes
- FX exchange rates are assumed stable over the period
- Lean and Procurement are P&L impacts (excluding Capex savings or cost avoidance) and affect either COGS (raw materials consumption or costs) or fixed expenses (eg maintenance)

Reconciliation of Alternative Performance Measures

Net debt and leverage[1]

(€ million)	December 31, 2020 Non Current	Current	Total	December 31, 2019 Non Current	Current	Total
Senior Secured Notes	233,9	3,4	237,4	232,0	3,4	235,4
Senior Term Loan Facility	-	-	-	-	34,9	34,9
Bank and other borrowings	45,0	67,1	112,1	11,6	1,3	13,0
Less: Cash and Cash equivalents	-	(106,3)	(106,3)	-	(19,2)	(19,2)
Adjusted for capitalized financing fees	1,6	2,0	3,7	2,9	2,0	4,9
Net Debt (excl. IFRS16 Impact)	**280,6**	**(33,7)**	**246,9**	**246,5**	**22,5**	**269,0**
Adjusted EBITDA (excl. IFRS16)			59,4			66,8
Leverage			**4,2x**			**4,0x**
IFRS16 impact	29,5	6,8	36,4	37,3	7,4	44,7
Reported Net Debt	**310,1**	**(26,9)**	**283,2**	**283,9**	**29,8**	**313,7**

[1] Leverage excluding IFRS16 impact

Financial Statements

Statutory auditor's note on the financial information for the year ended 31 December 2020

"The statutory auditor, PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL, represented by Peter Opsomer, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived."

The statutory auditor
PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL

Represented by

Peter Opsomer
Bedrijfsrevisor/Réviseur d'Entreprises

Consolidated Statement of Comprehensive Income

(€ thousands)	For the year ended December 31 2020	2019
I. CONSOLIDATED INCOME STATEMENT		
Revenue	561.833	671.151
Raw material expenses	(234.327)	(317.006)
Changes in inventories	(15.860)	(278)
Employee benefit expenses	(150.681)	(167.301)
Other income	5.698	3.455
Other expenses	(98.672)	(115.666)
Depreciation / amortization	(40.038)	(39.602)
Adjusted Operating Profit	**27.953**	**34.754**
Integration and restructuring expenses	(7.770)	(6.641)
Operating profit / (loss)	**20.183**	**28.114**
Finance income	0	205
Finance expenses	(29.213)	(25.357)
Net finance expenses	**(29.213)**	**(25.152)**
Profit / (loss) before income taxes	**(9.030)**	**2.961**
Income tax benefit / (expense)	(3.555)	7.440
Profit / (loss) for the period from continuing operations	**(12.585)**	**10.401**
Profit / (loss) for the period from discontinued operations	-	-
Profit / (loss) for the period	**(12.585)**	**10.401**
II. CONSOLIDATED OTHER COMPREHENSIVE INCOME		
Items in other comprehensive income that may be subsequently reclassified to P&L		
Exchange differences on translating foreign operations	(21.287)	(2.133)
Changes in fair value of hedging instruments qualifying for cash flow hedge accounting	116	(245)
Items in other comprehensive income that will not be reclassified to P&L		
Changes in deferred taxes	(45)	393
Changes in employee defined benefit obligations	290	(1.740)
Other comprehensive income for the period, net of tax	**(20.926)**	**(3.725)**
Total comprehensive income for the period	**(33.511)**	**6.676**

Consolidated Balance Sheet

(€ thousands)	For the year ended December 31 2020	2019
Property, plant and equipment	312.288	337.594
Of which IFRS 16 related right-of-use assets (excluding sales-and-leaseback)	*34.030*	*42.072*
Land and buildings	*170.545*	*186.173*
Plant and machinery	*131.624*	*138.807*
Other fixtures and fittings, tools and equipment	*10.118*	*12.614*
Goodwill	189.952	195.991
Intangible assets	9.466	10.357
Deferred income tax asset	8.739	11.191
Trade and other receivables	815	1.121
Total non-current assets	**521.260**	**556.253**
Inventories	125.072	152.948
Derivative financial instruments	-	3
Trade and other receivables	50.608	58.379
Current income tax assets	334	908
Cash and cash equivalents	106.289	19.241
Total current assets	**282.303**	**231.479**
Total assets	**803.563**	**787.732**
Share capital	252.950	252.950
Share premium	65.660	65.660
Other comprehensive income	(58.039)	(37.113)
Retained earnings	5.774	18.343
Other reserves	(39.876)	(39.876)
Total equity	**226.469**	**259.964**
Senior Secured Notes	233.936	232.001
Senior Term Loan Facility	-	-
Bank and Other Borrowings	74.513	48.963
Of which IFRS 16 related lease liabilities (excluding sales-and-leaseback)	*29.515*	*37.318*
Deferred income tax liabilities	38.404	41.004
Provisions for other liabilities and charges	2.487	2.729
Employee benefit obligations	3.643	4.106
Total non-current liabilities	**352.982**	**328.802**
Senior Secured Notes	3.425	3.425
Senior Term Loan Facility	-	34.927
Bank and Other Borrowings	73.981	8.680
Of which IFRS 16 related lease liabilities (excluding sales-and-leaseback)	*6.846*	*7.357*
Provisions for other liabilities and charges	-	164
Derivative financial instruments	103	413
Other payroll and social related payables	33.904	36.995
Trade and other payables	109.678	109.019
Income tax liabilities	3.021	5.343
Total current liabilities	**224.112**	**198.966**
Total liabilities	**577.094**	**527.768**
Total equity and liabilities	**803.563**	**787.732**

Consolidated Statement of Cash Flow

(€ thousands)	For the year ended December 31 2020	2019
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) for the period	**(12.585)**	**10.401**
Adjustments for:		
Reclass of capital increase expenses to cashflow from financing activities (gross)	-	-
Income tax expense/(income)	3.555	(7.440)
Finance income	(0)	(205)
Financial expense	29.213	25.357
Depreciation, amortisation	40.038	39.602
Movement in provisions	4.290	(1.001)
(Gain) / loss on disposal of non-current assets	(43)	(1)
Fair value of derivatives	(190)	229
Expense recognised in respect of equity-settled share-based payments	34	15
Cash generated before changes in working capital	**64.312**	**66.959**
Changes in working capital:		
Inventories	24.102	156
Trade receivables	5.985	976
Trade payables	1.497	(10.178)
Other working capital	(11.161)	(812)
Cash generated after changes in working capital	**84.735**	**57.101**
Net income tax (paid)	(5.141)	(7.848)
Net cash generated / (used) by operating activities	**79.595**	**49.253**
II. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition & disposal of property, plant and equipment	(23.757)	(28.704)
Acquisition of intangibles	(2.481)	(1.034)
Proceeds from non-current assets	43	2.342
Net cash used by investing activities	**(26.195)**	**(27.396)**
III. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and other finance charges paid, net	(24.082)	(20.846)
Proceeds from borrowings with third parties	113.873	-
Repayments of borrowings with third parties	(53.456)	(8.624)
Dividends paid	-	-
Net cash generated / (used) by financing activities	**36.335**	**(29.469)**
NET INCREASE/ (DECREASE) IN CASH AND BANK OVERDRAFTS	**89.735**	**(7.612)**
Cash, cash equivalents and bank overdrafts at the beginning of the period	**19.241**	**26.853**
Exchange gains/(losses) on cash and cash equivalents	**(2.687)**	**-**
Cash, cash equivalents and bank overdrafts at the end of the period	**106.289**	**19.241**

Consolidated Statement of Change in Shareholder Equity

(€ thousands)	Share capital	Share premium	Other comprehensive income	Retained earnings	Other reserves	Total	Non-controlling interest	Total equity
Balance 31 December 2019	**252.950**	**65.660**	**(37.113)**	**18.344**	**(39.876)**	**259.965**	**-**	**259.965**
Profit / (loss) for the period	-	-	-	(12.585)	-	(12.585)	-	(12.585)
Dividends paid								
Equity-settled share-based payment plans	-	-	-	34	-	34	-	34
Other comprehensive income								
Exchange differences on translating foreign operations	-	-	(21.287)	-	-	(21.287)	-	(21.287)
Changes in fair value of hedging instruments qualifying for cash flow hedge accounting	-	-	116	(19)	-	97	-	97
Cumulative changes in deferred taxes	-	-	(45)	-	-	(45)	-	(45)
Cumulative changes in employee defined benefit obligations	-	-	290	-	-	290	-	290
Total comprehensive income for the period	**-**	**-**	**(20.926)**	**(12.570)**	**-**	**(33.496)**	**-**	**(33.496)**
Balance at 31 December 2020	**252.950**	**65.660**	**(58.039)**	**5.774**	**(39.876)**	**226.469**	**-**	**226.469**

(€ thousands)	Share capital	Share premium	Other comprehensive income	Retained earnings	Other reserves	Total	Non-controlling interest	Total equity
Balance at 31 December 2018	**252.950**	**65.660**	**(33.388)**	**9.458**	**(39.876)**	**254.804**	**-**	**254.804**
Adjustment on initial application of Accounting Policies				(1.530)		(1.530)		(1.530)
Adjusted balance 1 January 20	**252.950**	**65.660**	**(33.388)**	**7.928**	**(39.876)**	**253.274**	**-**	**253.274**
Profit / (loss) for the period	-	-	-	10.401	-	10.401		10.401
Equity-settled share-based payment plans	-	-	-	15	-	15	-	15
Other comprehensive income								
Exchange differences on translating foreign operations	-	-	(2.133)	-	-	(2.133)	-	(2.133)
Changes in fair value of hedging instruments qualifying for cash flow hedge accounting	-	-	(245)	-	-	(245)	-	(245)
Cumulative changes in deferred taxes	-	-	393	-	-	393	-	393
Cumulative changes in employee defined benefit obligations	-	-	(1.740)	-	-	(1.740)	-	(1.740)
Total comprehensive income for the period	**-**	**-**	**(3.725)**	**10.416**	**-**	**6.691**	**-**	**6.691**
Balance at 31 December 2019	**252.950**	**65.660**	**(37.113)**	**18.344**	**(39.876)**	**259.965**	**-**	**259.965**

Earnings call

The FY 2020 Results will be presented on **10 March 2021 at 10.00 am CET** via a webcast, by the Chairman of the Board and CEO Cyrille Ragoucy and CFO Jan-Christian Werner. Dial-in details and the results presentation will be available on www.baltainvestors.com

For further information, please contact

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Additional information notice

We kindly refer you to our website www.baltainvestors.com where the FY 2020 Results Presentation is available with more detailed slides on our FY 2020 Results and the NEXT programme.

Noteholders notice

We will release a Noteholder Report regarding the FY 2020 Results on 30 April 2021. This Report will be available on www.baltainvestors.com

About Balta

Balta is a leading manufacturer of textile floor coverings, selling to over 136 countries worldwide. The Balta divisions are Balta Rugs (Balta home), Balta Residential Carpets & Tiles (under the brands Balta carpets, ITC and Balta carpet tiles), Balta Commercial Carpets & Tiles (under the brands modulyss, arc edition and Bentley), and Balta Non-Woven (under the brand Captiqs). Balta employs nearly 4,000 people in 10 manufacturing sites and distribution centers in Belgium, Turkey and the United States.

Important notice

Certain financial data included in this press release are "non-IFRS financial measures." These non-IFRS financial measures may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards. Although Balta believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, users are cautioned not to place undue reliance on any non-IFRS financial measures or any ratios included in this presentation.

This press release may include projections and other "forward-looking" statements. Any such projections or statements reflect the current views of the issuer about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections.

Rounding adjustments have been made in calculating some of the financial information included in this press release. As a result, figures shown as totals may not be exact arithmetic aggregations of the figures that precede them.