

## Recticel divests from its Proseat Joint Venture in two steps

**Recticel announces that it has entered into final agreements whereby it will first acquire the remaining 49% in its Proseat joint venture from its Canadian partner Woodbridge Foam Corporation, and subsequently sell 75% in Proseat to Japanese public company Sekisui Plastics Co., Ltd. (hereafter “Sekisui”).**

**The new joint venture between Sekisui (75%) and Recticel (25%) will allow Proseat to build on its leading position as Europe’s largest independent automotive moulded seat foam manufacturer and to further expand its customer base and its product portfolio.**

**The agreement between Recticel and Sekisui contains a call option for Sekisui Plastics Co., Ltd. to acquire the remaining 25% in Proseat from Recticel as from 2019, and a put option for Recticel to sell its remaining 25% in Proseat to Sekisui as from 2022, at pre-agreed price calculation formulae.**

Under the terms of these agreements, the Proseat Joint Venture has been valued at an enterprise value of 8.4x the average (2016-2018F) EBITDA. The transaction will have no material effect on Recticel’s results.

Olivier Chapelle, CEO states: *“We are satisfied with this overall transaction, which enables Recticel to execute an important step of its strategy, and to increase its focus on its core activities. Recticel is also happy to welcome Sekisui as a majority shareholder of Proseat, Sekisui providing to Proseat clear customer and product portfolio complementarities. We are confident that it will create exciting opportunities for Proseat and all its stakeholders in the future. We also want to warmly thank Woodbridge for the 20 years of fruitful cooperation with Recticel as co-shareholders of Proseat.”*

Both transactions (i.e. Recticel/Woodbridge and Recticel/Sekisui Plastics Co. Ltd) are expected to be closed in the course of the first quarter of 2019, and are subject to customary closing conditions, including regulatory approvals.

As from the Closing Date, Recticel will no longer include Proseat’s sales and results pro rata in its combined accounts, but will apply the equity method, as was the case already for its consolidated accounts.

Proseat was established in 1999 as a joint venture between Recticel (51%) and Woodbridge (49%) with the purpose to serve Tier 1 and OEM car manufacturers with moulded seat pads and head- & armrests in polyurethane. Later the joint venture developed complementary activities in lightweight EPP (expanded polypropylene) structural parts for the same automotive sector.

The joint venture is active in Europe, headquartered in Mörfelden (Germany), and operates eight manufacturing sites located in the Czech Republic (1), France (1), Germany (2), Poland (2), Spain (1) and the United Kingdom (1) and employs approximately 2,100 people in total. Proseat realized sales of EUR 291 million in 2017.

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## **Financial calendar**

Annual results 2018	28.02.2019 (at 07:00 AM CET)
First quarter 2019 trading update	29.04.2019 (at 07:00 AM CET)
Annual General Meeting	28.05.2019 (at 10:00 AM CET)
First half-year 2019 results	30.08.2019 (at 07:00 AM CET)
Third quarter 2019 trading update	30.10.2019 (at 07:00 AM CET)

## **For additional information**

**RECTICEL** - Olympiadenlaan 2, B-1140 Brussels (Evere)

### **PRESS**

**Mr Olivier Chapelle**  
Tel: +32 2 775 18 01  
[chapelle.olivier@recticel.com](mailto:chapelle.olivier@recticel.com)

### **INVESTOR RELATIONS**

**Mr Michel De Smedt**  
Mobile: +32 479 91 11 38  
[desmedt.michel@recticel.com](mailto:desmedt.michel@recticel.com)

## **Recticel in a nutshell**

Recticel is a Belgian Group with a strong European dimension, but it also operates in the rest of the world. Recticel employs 8,411 people in 98 establishments in 28 countries.

Recticel contributes to daily comfort with foam filling for seats, mattresses and slat bases of top brands, insulation material, interior comfort for cars and an extensive range of other industrial and domestic applications.

Recticel is the Group behind well-known bedding brands (Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Sembella®, Swissflex®, Superba®, etc.) and GELTEX® inside. Within the Insulation sub-segment high-quality thermal insulation products are marketed under the well-known brands Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®. Technological progress and innovation have led to breakthrough at the biggest names in the Automotive industry thanks to Colo-Fast®, Colo-Sense® and Colo-Sense Lite®.

In 2017 Recticel achieved combined sales of EUR 1.46 billion (IFRS 11 consolidated sales: EUR 1.14 billion).

Recticel (Euronext: REC – Reuters: RECTt.BR – Bloomberg: REC:BB) is listed on Euronext in Brussels.

The press release is available in English, Dutch and French on the website [www.recticel.com](http://www.recticel.com)