

STATEMENT REGARDING KINGSPAN GROUP PLC

Recticel NV announces that, after due consideration, in line with its fiduciary duties, of the unsolicited non-binding offer from Kingspan Plc to acquire Recticel's Insulation and Flexible Foams divisions dated April 16, 2019 (the "FF/I Offer"), its Board of Directors (the "Board") has unanimously decided to reject the FF/I Offer as it believes that it is not in the interest of its stakeholders to engage with Kingspan in this respect.

A sale of the Insulation and flexible foam divisions is not in line with Recticel's strategy. As a result of the FF/I Offer, Recticel would remain a listed entity with a significantly reduced business focusing on Bedding and Automotive only with a significantly lower consolidated revenue and EBITDA. The Board is of the opinion that this would be an unattractive proposition for its shareholders and employees given the lack of scale, the reduced strategic fit, financial flexibility, equity story and synergy potential between the two remaining divisions. The Board does not believe that, in the absence of a compelling rationale, such a fundamental change in strategy is in the interest of its stakeholders.

Based on the assessment of its legal advisors, the Board believes that the FF/I Offer would trigger regulatory risks, for which Kingspan has not proposed adequate solutions.

The FF/I Offer would give rise to significant negative tax consequences, both for Recticel and, in case of a capital distribution, its shareholders.

As indicated previously, the back-to-back agreement with Greiner raises a number of concerns that have not been addressed in a satisfactory way by Kingspan nor by Greiner. For example, there is no clarity on the consideration paid, (inter)conditionality with Kingspan's offer, carve-out, integration strategy and impact on Recticel's stakeholders, including but not limited to its employees and customers, in respect of the back-to-back transaction.

Finally, the Board believes that the FF/I Offer significantly underestimates the standalone value of the Insulation and Flexible Foams divisions. In addition, it believes that a number of elements have not been reflected in the FF/I Offer, including, for example, the material synergies resulting from the combination of the insulation and flexible foams divisions with Kingspan and Greiner respectively, the contribution of Recticel's state-of-the-art insulation plant in Finland which has just come on stream as well as multiples paid for similar assets in recent transactions. As such the Board believes the price offered to be inadequate.

Recticel announces that on April 23, 2019 it was approached by Kingspan to also explore a potential acquisition of all of the outstanding securities of Recticel by means of a public offer. This approach refers to an unsolicited, non-binding, conditional approach by Kingspan earlier this year with respect to a possible acquisition of all outstanding securities of Recticel through a public tender offer at EUR 10 per share (excluding the annual dividend for FY2018). At that time, after some preliminary interaction with Kingspan and careful analysis of the terms and conditions of the proposal in line with its fiduciary duties, the Board decided not to further engage with Kingspan given that it believed the combination of value, conditionality, impact on stakeholders and non-financial aspects was not sufficiently compelling to warrant further discussions.

The Board remains open to consider and engage with Kingspan to discuss a possible acquisition of all outstanding securities of Recticel, at the right terms and conditions, in line with its fiduciary duties. It is unsure at this stage whether any such discussions would result into a transaction. Recticel's Board will update the market if and when appropriate.

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Financial calendar

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)
Annual results 2019	28.02.2020 (at 07:00 AM CET)
First quarter 2020 trading update	28.04.2020 (at 07:00 AM CET)
Annual General Meeting	26.05.2020 (at 10:00 AM CET)
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)

For additional information

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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 8,472 people in 97 establishments in 29 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 2018 Recticel achieved combined sales of EUR 1.45 billion (IFRS 11 consolidated sales: EUR 1.1 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