

Update on COVID-19 impact

Business recovering after April low point

Since the COVID-19 outbreak, our first priority has been to ensure and secure a safe and healthy workplace for our employees. So far the number of confirmed infection cases could be contained to 15 employees, without serious medical consequences. None of these infections originated in the workplace.

Since early June all our plants are operating again, adapting activity levels to market demand.

COVID-19 impact on Recticel sales

The COVID-19 crisis and subsequent governmental lockdown measures in most countries have led to a decrease of our 2Q2020 combined sales by about 33% compared to last year, with 2Q2020 Adjusted EBITDA expected to be slightly positive. After a low point of -53% in April 2020 vs April 2019, the sales shortfall versus 2019 has progressively reduced to -36% in May and -11% in June.

In June, the Insulation division has come back to the level of 2019 as a result of improving activity levels in all building markets.

The Bedding division has ended the month of June slightly ahead of last year, thanks to a strong orderbook secured from mid-May onwards as shops progressively reopened throughout Europe.

In Flexible Foams, comfort markets have bounced back strongly in June, whereas the technical foams segment has remained more subdued due to soft industrial & automotive demand.

The Automotive activities in Europe and the USA were without surprise the most impacted, as a consequence of low new car registrations in these regions, and the subsequent massive temporary shutdowns of the car assembly plants. The automotive forecasts are nonetheless improving since then.

Olivier Chapelle (Chief Executive Officer): *"After the low activity point of April, our sales progressively rebounded in May and further accelerated in June, which combined with the current strength of our orderbooks, gives me confidence that we are now emerging from this extraordinary crisis. In the second half of 2020, the topline of our retained businesses is expected to be back at the level of the second half of 2019, provided that no second wave of coronavirus cases occurs."*

Liquidity

Following the completion of the transactions related to the Eurofoam joint venture and the Automotive Interiors division, announced on 1 July 2020, the Group is currently debt-free, except for about EUR 51 million of lease debt recognised under IFRS 16. Total liquidity, including undrawn available credit facilities and the current net cash position, exceeds EUR 300 million.

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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)

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 (excluding minority stakes in joint ventures) employs 4,270 people in 41 establishments in 20 countries.

Recticel contributes to daily comfort with high performance insulation solutions, foam filling for seats, mattresses and slat bases of top brands 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 segment high-quality thermal insulation products are marketed under the well-known brands Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®.

In 2019 Recticel achieved combined sales of EUR 1.22 billion (IFRS 11 consolidated sales: EUR 1.0 billion).

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

The press release is available in English and Dutch on the website www.recticel.com