

Trading update 3rd quarter 2021 Strong performance despite significant cost inflation

- Net sales 3Q2021 increase from EUR 217.4 million¹ in 3Q2020 to EUR 319.7 million (+47.1%), of which +15.8% organic growth, +0.5% currency effect and a EUR 66.1 million contribution from FoamPartner²
- Year-to-date September 2021 net sales increase from EUR 591.6 million¹ in 9M2020 to EUR 915.9 million (+54.8%), of which +31.2% organic growth, +0.2% currency effect and a EUR 138.0 million contribution from FoamPartner²
- Net financial debt: EUR 189.0 million (30 June 2021: EUR 206.6 million)

Olivier Chapelle (CEO): *“The positive sales trend observed during 1H2021 continued in 3Q2021, driven by very strong demand in Insulation. Demand in Engineered Foams and Bedding has stabilised, due to overall hesitating consumer confidence and global supply chain issues affecting among others the automotive production.*

The chemical raw materials supply and prices are stabilizing, but volatility remains high given the recent steep inflation in energy costs affecting our suppliers. Our commercial teams continue to adapt pricing where necessary.

The integration of FoamPartner in EngineeredFoams continues to progress according to plan.

The divestment process of our Bedding division is on track. It is the intention to sign a deal during 4Q2021 and to close the transaction in the course of 1Q2022.

The closing of the acquisition of the insulation board business of Gór-Stal is postponed sine die, as the owners have informed us recently that they do not want to proceed with the sale citing changed circumstances. Recticel will use all legal steps available to enforce the acquisition and obtain full damages.”

OUTLOOK

Despite declining momentum in some end-markets, reflecting a slowdown in economic recovery and supply chain disruptions, the Group confirms its expectation of an Adjusted EBITDA in a range between EUR 123 million to EUR 133 million for the full year 2021, including the contributions of FoamPartner (9 months) and its related synergies.

¹ 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’.

² FoamPartner is fully consolidated for the first time as from 01 April 2021.

To facilitate comparisons and understanding of the Group’s underlying performance, all comments in this document on developments in revenue or results are made on a like-for-like basis unless otherwise indicated; i.e. 9M2020 revenues and results have been restated to reflect the divestments of Automotive Interiors and the Eurofoam participation on 30 June, 2020. The 3Q2021 and 9M2021 data include the contribution of FoamPartner (since 01 April 2021).

The following changes in the scope of consolidation took place in 9M2021:

- Acquisition of Swiss-based FoamPartner Group. FoamPartner has been fully integrated in the business line Engineered Foams as of 01 April 2021.

Changes in the scope of consolidation in 2020:

- Partial divestment of the Automotive Interiors activities at the end of June 2020, which are now operated through TEMDA2, the 51/49% Admetos/Recticel joint venture.
- Disposal of the 50% participation in the Eurofoam group (Flexible Foams) at the end of June 2020.

Sales of chemical raw materials at cost to the Proseat and TEMDA2 companies, which previously were reported under the segment Automotive, are integrated under "Corporate/Eliminations".

1. SALES DEVELOPMENT

Third quarter 2021:

On a like-for-like basis¹ 3Q sales increased by 16.3 % from EUR 217.4 million¹ to **EUR 252.9 million**, including a currency impact of +0.5%.

Including FoamPartner, 3Q2021 sales increased by 47.1% from EUR 217.4 million¹ to **EUR 319.7 million**; of which +15.8% organic growth, +0.5% currency impact and +30.8% from FoamPartner sales (EUR 66.1 million).

Year-to-date September 2021:

On a like-for-like basis¹ 9M sales increased by 31.4% from EUR 591.6 million¹ to **EUR 777.1 million**, including a currency impact of +0.2%.

Including FoamPartner, 9M2021 sales increased by 54.8% from EUR 591.6 million¹ to **EUR 915.9 million**; of which +31.2% organic growth, +0.2% currency impact and +23.4% from FoamPartner sales over 2Q and 3Q2021 (EUR 138.0 million).

Sales growth in 9M2021 has been driven by supportive demand in most markets and by price increases mitigating the substantial impact of higher purchase prices of chemical raw material and other components.

Breakdown of the sales by segment

<i>in million EUR</i>	3Q2020	3Q2021	Δ 3Q	9M2020	9M2021	Δ 9M
Engineered Foams	81.5	156.7	92.3%	228.6	436.4	90.9%
Bedding	68.3	64.6	-5.4%	177.5	170.2	-4.1%
Insulation	65.0	99.2	52.6%	177.7	287.6	61.8%
Corporate / Eliminations	2.6	(0.7)	-128.5%	7.8	21.8	180.0%
TOTAL CONSOLIDATED SALES	217.4	319.7	47.1%	591.6	915.9	54.8%

A. Engineered Foams

Third quarter 2021:

The positive trend of 1H2021 continued in 3Q2021. Like-for-like² sales increased by 10.3%, from EUR 81.5 million in 3Q2020 to **EUR 89.9 million in 3Q2021** including a +0.4% impact from exchange rate differences. Including FoamPartner – which was consolidated as from 01 April 2021 (EUR 66.1 million) – **3Q2021 sales** amounted to **EUR 156.7 million** (+92.3%).

Year-to-date September 2021:

Over **9M2021**, like-for-like² **sales** increased by 30.2%, from EUR 228.6 million to **EUR 297.6 million**, with no impact from exchange rate differences. Including the contribution from FoamPartner (EUR 138.0 million), total sales increased by 90.9% from EUR 228.6 million to **EUR 436.4 million**.

B. Bedding

Third quarter 2021:

In line with the observed 1H2021 trend (-3.4%), and despite the lifting of most mobility and shopping restrictions, sales decreased by -5.4%, from EUR 68.3 million in 3Q2020 to **EUR 64.6 million** in 3Q2021, including a -0.8% impact from exchange rate differences.

Year-to-date September 2021:

9M2021 sales decreased by 4.1%, from EUR 177.5 million to **EUR 170.2 million**, including a -0.1% impact from exchange rate differences.

C. Insulation

Third quarter 2021:

The strong trend of 1H2021 (+67.1%) continued in 3Q2021. Sales increased by 52.6% from EUR 65.0 million in 3Q2020 to **EUR 99.2 million** in 3Q2021, including a +1.8% impact from exchange rate differences. Volumes remained very strong and selling prices continued to increase, reflecting the higher chemical raw materials costs. The plant in Finland further increased its output. Volumes of VIP-products from the Slovenian joint venture Turvac remain very supportive.

Year-to-date September 2021:

Over **9M2021** sales increased by 61.8% from EUR 177.7 million to **EUR 287.6 million**, including a currency impact of +0.8%. The sales increase results from a combined effect of (i) a solid volume development and (ii) selling price increases compensating for the steep surge in chemical raw material prices (i.e. MDI). In addition the new plant in Finland continues to increase its output. Also the demand for high performance VIP insulation materials for the transportation and storage of COVID-19 vaccines remained robust.

2. FINANCIAL POSITION

<i>in million EUR</i>	30 SEP 2020	31 DEC 2020	31 MAR 2021	30 JUN 2021	30 SEP 2021
TOTAL EQUITY	-	334.8	-	354.8	-
Net financial debt excluding factoring	(9.1)	(47.9)	132.2	145.3	130.3
+ Lease debt (IFRS 16)	52.9	52.5	63.1	61.3	58.7
CONSOLIDATED NET FINANCIAL DEBT	43.8	4.6	195.3	206.6	189.0
+ Drawn amounts under factoring programs	0.0	0.0	43.3	45.2	41.4
TOTAL CONSOLIDATED NET FINANCIAL DEBT	43.8	4.6	238.6	251.8	230.4
Gearing ratio (incl. IFRS 16)	-	1.4%	-	58.2%	-
Leverage ratio (incl. IFRS 16)	-	0.1	-	2.6	-

The Group's total net financial debt position decreased by EUR 21.4 million over 3Q2021 to reach EUR 230.4 million. This decrease results primarily from (i) a strong positive operating cash generation and (ii) slightly lower net working capital needs induced by seasonality effects and working capital management measures.

The Group confirms that all conditions under the financial arrangements with its banks are respected.

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Uncertainty risks concerning the forecasts made

This press 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.

Financial calendar

Annual results 2021	25.02.2022 (at 07:00 AM CET)
First quarter 2022 trading update	28.04.2022 (at 07:00 AM CET)
Annual General Meeting	31.05.2022 (at 10:00 AM CET)
First half-year 2022 results	26.08.2022 (at 07:00 AM CET)
Third quarter 2022 trading update	28.10.2022 (at 07:00 AM CET)

For additional information

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Recticel in a nutshell

Recticel is a Belgian industrial group with a strong European dimension, but also with operations in Asia, Africa and the United States. After the acquisition of FoamPartner (April 2021), Recticel employs 5,235 people in 53 establishments in 21 countries.

Recticel contributes to daily comfort with an extensive range of polyurethane foam products for industrial and domestic applications, with high performance thermal insulation solutions for the construction industry and with mattresses and slat bases of top brands. Overall focus is put on industry-leading, customized solutions with a firm basis in sustainable innovation. In this respect, Recticel strives to provide sustainable answers to societal challenges, including climate protection and conservation of resources.

Recticel Engineered Foams offers a wide and unique range of foams and systems, spanning industrial, automotive and comfort applications.

Within Recticel's Insulation segment, high-quality thermal insulation products are marketed under well-known brands such as Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®.

Recticel is also the Group behind the bedding brands (Beka®, Lattoflex®, Literie Bultex®, Schlafaffia®, Sembella®, Swissflex®, Superba®, etc.) and GELTEX®.

In 2020 Recticel achieved consolidated sales of EUR 828.8 million.

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