

First half-year 2021 results Strong volumes – Solid margins – Integration of FoamPartner²

- Net sales increase from EUR 374.3 million¹ to EUR 596.2 million (+59.3%), of which 39.7% organic growth, 0.4% currency effect and a EUR 71.9 million contribution from 2Q2021 FoamPartner sales
- Adjusted EBITDA: from EUR 19.0 million¹ to EUR 56.9 million
- Result of the period (share of the Group): from EUR 60.1 million (including EUR 68.8 million result from discontinued operations) to EUR 28.0 million
- Net financial debt³: EUR 206.6 million

Olivier Chapelle (CEO): *"The positive sales trend observed during 1Q2021 continued in 2Q2021, driven by very strong demand in Insulation and solid demand in Engineered Foams. In Bedding, volumes are now improving due to the lifting of the mobility and business restrictions which still affected Germany and The Netherlands specifically during 1H2021.*

The chemical raw materials supply remains very tight due to planned maintenance and new force majeure incidents at the premises of our suppliers, affecting primarily the MDI availability and pricing. Normalization of the situation remains difficult to predict, and we continue to adapt pricing where necessary.

The integration of FoamPartner in Engineered Foams progresses smoothly, and forecasted synergies at the horizon of 2023 are expected to reach EUR 18 million. The divestment process of the Bedding business is on track and binding offers are expected by the end of 3Q2021.

Due to some delay with the carve-out process, the closing of the acquisition of Gór-Stal's insulation board business is now expected to take place in the course of 4Q2021.

Finally, there will be an important change in the composition of the Group Management Committee: after 19 years of service as CFO and Member of the Group Management Committee, Jean-Pierre Mellen has decided to retire on 31 August 2021. He will be succeeded by Dirk Verbruggen, currently General Counsel & General Secretary, who will combine the CFO and General Counsel responsibilities. Dirk joined Recticel's Legal Department in 1999, and was appointed General Counsel & General Secretary and member of the Management Committee in 2012. Jean-Pierre will continue to provide support until August 2022 for special assignments and in order to ensure a smooth transition. I take the opportunity to warmly thank Jean-Pierre for his many contributions and total commitment to Recticel."

OUTLOOK

Our underlying end-use markets continue to show positive momentum in a still very volatile environment. Based upon the current trading, our 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. 1H2020 revenues and results have been restated to reflect the divestments of Automotive Interiors and the Eurofoam participation on 30 June, 2020. The 1H2021 data include the 2Q2021 contribution of FoamPartner.

1. CONSOLIDATED GROUP RESULTS

| <i>in million EUR</i> | 1H2020 | 1H2021 | Δ % |
|---|--------------------|--------------------|---------------|
| | (a) | (b) | (b)/(a)-1 |
| Sales | 374.3 | 596.2 | 59.3% |
| Gross profit | 65.3 | 109.4 | 67.4% |
| as % of sales | 17.5% | 18.4% | |
| Income from associates ⁴ | 0.4 | 0.5 | 30.2% |
| Adjusted EBITDA | 19.1 | 56.9 | 198.1% |
| as % of sales | 5.1% | 9.5% | |
| EBITDA | 17.4 | 46.7 | 168.5% |
| as % of sales | 4.6% | 7.8% | |
| Adjusted operating profit (loss) | 0.9 | 33.8 | n.m. |
| as % of sales | 0.2% | 5.7% | |
| Operating profit (loss) | (2.9) | 23.6 | n.m. |
| as % of sales | -0.8% | 4.0% | |
| Financial result | (2.6) | (1.8) | -29.1% |
| Income from other associates ⁴ | (3.0) | 0.6 | n.m. |
| Change in fair value of option structures | 1.7 | (4.9) | n.m. |
| Income taxes | (2.0) | 9.5 | n.m. |
| Result of the period of the continuing operations | (8.7) | 27.0 | n.m. |
| Result from discontinued operations | 68.8 | 1.3 | n.m. |
| Result of the period (share of the Group) | 60.1 | 28.0 | -53.5% |
| Result of the period (share of the Group) - base (per share, in EUR) | 1.09 | 0.50 | -53.8% |
| | 30 Jun 2020 | 30 Jun 2021 | |
| Total Equity | 331.5 | 354.8 | 7.0% |
| Net Financial Debt (incl. IFRS 16 - Leases) ³ | 43.8 | 206.6 | 371.3% |
| Gearing ratio (Net financial debt/Total Equity) | 13.2% | 58.2% | |
| Leverage ratio (Net financial debt/EBITDA) | 0.9 | 2.6 | |

³ Excluding the drawn amounts under non-recourse factoring programs: EUR 45.2 million per 30 June 2021 versus EUR 0.0 million per 30 June 2020 and 31 December 2020.

⁴ Income from associates = income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam

Income from other associates = income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and TEMDA2 (formerly Automotive Interiors)

The following changes in the scope of consolidation took place in 1H2021:

- 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.

The results of the Automotive joint-ventures over 1H2021 are reported under 'Income from other associates'.

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".

Net Sales: EUR 596.2 million versus EUR 374.3 million in 1H2020.

1H2021 sales increased by 59.3% from EUR 374.3 million to **EUR 596.2 million**; of which 39.7% organic growth, 19.2% from FoamPartner sales over 2Q2021 (EUR 71.9 million of sales) and +0.4% currency impact. Like-for-like 1H2021 sales exceed 1H2019 sales (pre-COVID-19) by 15.5%, from EUR 453.8 million to EUR 524.3 million.

The positive sales trend of the previous quarters continued in 2Q2021. Sales growth in comparison to 1H2020 has been driven by strong demand in most markets and by price increases mitigating the substantial impact of higher purchase price of chemical raw material and other components.

Breakdown of the sales by segment

| <i>in million EUR</i> | 1Q2020 | 2Q2020 | 1H2020 | 1Q2021 | 2Q2021 | 1H2021 | Δ 1Q | Δ 2Q | Δ 1H |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Engineered Foams | 89.4 | 57.7 | 147.1 | 103.6 | 176.1 | 279.7 | 15.9% | 205.0% | 90.1% |
| Bedding | 65.2 | 44.0 | 109.2 | 55.7 | 49.8 | 105.5 | -14.5% | 13.2% | -3.4% |
| Insulation | 60.7 | 52.0 | 112.7 | 86.9 | 101.5 | 188.4 | 43.1% | 95.1% | 67.1% |
| Corporate / Eliminations | 6.2 | (1.0) | 5.2 | 10.5 | 12.1 | 22.5 | 69.4% | n.m. | 336.6% |
| TOTAL CONSOLIDATED SALES | 221.5 | 152.8 | 374.3 | 256.7 | 339.5 | 596.2 | 15.9% | 122.2% | 59.3% |

- Engineered Foams sales increased by 90.1% over 1H2021, supported by solid demand, pricing adjustments and the integration of EUR 71.9 million sales from FoamPartner since 01 April 2021. Excluding FoamPartner, sales increased by 41.1%. Like-for-like sales exceeded 1H2019 by 9.7%.
- Bedding sales decreased by 3.4% over 1H2021. The decrease is due to mobility and shopping restrictions maintained in Germany and The Netherlands until 2Q2021.
- Insulation sales increased by 67.1% over 1H2021, driven by strong demand and higher prices compensating for the chemical raw material cost inflation (i.e. MDI). Sales exceeded the 1H2019 level by 45.2%.

Adjusted EBITDA: EUR 56.9 million versus EUR 19.1 million in 1H2020.

Adjusted EBITDA margin of 9.5% versus 5.1% in 1H2020 and 7.6% in 1H2019.

Breakdown of the Adjusted EBITDA by segment

| <i>in million EUR</i> | 1H2020 | 1H2021 | Δ 1H |
|------------------------------|-------------|-------------|---------------|
| Engineered Foams | 10.3 | 31.3 | 204.8% |
| Bedding | 4.5 | 4.5 | -1.3% |
| Insulation | 11.3 | 28.8 | 155.6% |
| Corporate / Eliminations | (7.0) | (7.8) | 10.5% |
| TOTAL ADJUSTED EBITDA | 19.1 | 56.9 | 198.1% |

The strong increase in Adjusted EBITDA generated by Engineered Foams and Insulation results from restored sales volumes in comparison to 1H2020, which was heavily affected by the COVID-19 crisis, from compensation of raw material cost inflation by increased selling prices and from further efficiency and mix improvements.

Adjusted operating profit (loss): EUR 33.8 million, versus EUR 0.9 million in 1H2020.

Adjusted operating profit (loss) margin of 5.7% versus 0.2% in 1H2020 and 3.7% in 1H2019.

Breakdown of the Adjusted operating profit (loss) by segment

| <i>in million EUR</i> | 1H2020 | 1H2021 | Δ 1H |
|---|------------|-------------|-------------|
| Engineered Foams | 3.1 | 18.7 | 494.0% |
| Bedding | 0.0 | 0.6 | n.m. |
| Insulation | 5.9 | 23.4 | 295.2% |
| Corporate / Eliminations | (8.2) | (8.8) | 7.9% |
| TOTAL ADJUSTED OPERATING PROFIT (LOSS) | 0.9 | 33.8 | n.m. |

Adjustments to Operating profit (loss):

| <i>in million EUR</i> | 1H2020 | 1H2021 |
|--|---------------|----------------|
| Restructuring charges and provisions | (1,4) | (3,3) |
| Other | (0,3) | (6,9) |
| Total impact on EBITDA | (1,7) | (10,2) |
| Impairments | (2,1) | 0,0 |
| Total impact on Operating profit (loss) | (3,8) | (10,2) |

Adjustments to Operating profit (loss) on continuing operations in 1H2021 include mainly:

- Reorganisation charges in Engineered Foams Netherlands, Germany and Switzerland (EUR 1.2 million), in Bedding Netherlands (EUR 1.5 million), and Corporate (EUR 0.5 million).
- Legal and advisory fees for (i) the acquisition of FoamPartner (Engineered Foams), (ii) the preparation of the divestment of the Bedding division, and (iii) the dealings related to the Greiner offer. The item 'Other' also comprises the reversal of some provisions for claims and onerous contracts in Engineered Foams (EUR 1.1 million), adjustment for a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values resulting from purchase price allocations; EUR -3.4 million) and real estate taxes (EUR -2.8 million) relating to the integration of FoamPartner in Engineered Foams, and a revaluation allowance for investment property in Belgium (EUR 2.0 million).

EBITDA: EUR 46.7 million versus EUR 17.4 million in 1H2020.

EBITDA margin of 7.8% versus 4.6% in 1H2020 and 6.7% in 1H2019.

Breakdown of EBITDA by segment

| <i>in million EUR</i> | 1H2020 | 1H2021 | Δ 1H |
|--------------------------|-------------|-------------|---------------|
| Engineered Foams | 9.5 | 24.5 | 158.7% |
| Bedding | 3.5 | 3.0 | -15.4% |
| Insulation | 11.2 | 28.7 | 156.4% |
| Corporate / Eliminations | (6.8) | (9.5) | 39.8% |
| TOTAL EBITDA | 17.4 | 46.7 | 168.5% |

Operating profit (loss): EUR 23.6 million versus EUR -2.9 million in 1H2020.

Operating profit (loss) margin of 4.0% versus -0.8% in 1H2020 and 2.7% in 1H2019.

Breakdown of **Operating profit (loss)** by segment

| <i>in million EUR</i> | 1H2020 | 1H2021 | Δ 1H |
|--------------------------------------|---------------|-------------|-------------|
| Engineered Foams | 1.2 | 11.8 | 857.5% |
| Bedding | (1.9) | (0.9) | -50.7% |
| Insulation | 5.8 | 23.3 | 298.3% |
| Corporate / Eliminations | (8.1) | (10.6) | 31.3% |
| TOTAL OPERATING PROFIT (LOSS) | (2.9) | 23.6 | n.m. |

Financial result: from EUR -2.6 million to **EUR -1.8 million** (-29.1%):

Net interest charges: EUR -2.9 million – of which EUR -1.2 million relating to operating leases (IFRS 16) – versus EUR -1.7 million in 1H2020.

‘Other net financial income and expenses’: EUR +1.0 million versus EUR -0.8 million in 1H2020. This item comprises interest capitalisation costs under provisions for pension liabilities (EUR -0,1 million versus EUR -0.2 million in 1H2020) and exchange rate differences (EUR +1.1 million versus EUR -0.7 million in 1H2020).

Income from other associates : EUR 0.6 million relates to the result of TEMDA2 (at 49%) versus -3.0 million related to TEMDA2 and Proseat in 1H2020. The net loss of Proseat over 1H2021, has been anticipated by the impairment of the participation in 2020.

Fair value of option structures : EUR -4.9 million, versus EUR +1.7 million in 1H2020, results from an adjustment of the fair value of the put/call structure on the Proseat participation to zero. The put/call structure on the remaining 49% participation in TEMDA2 (Automotive Interiors) has been maintained at a “zero” value, given the uncertainties over the period until the earliest exercise date of the options, in 2024.

Income taxes and deferred taxes: from EUR -2.0 million to **EUR +9.5 million**

- Current income tax: EUR -2.7 million (1H2020: EUR -0.7 million);
- Deferred tax: EUR +12.2 million (1H2020: EUR -1.4 million).

The positive deferred tax impact results from the increased profit expectations in Belgium, France and Spain, where tax loss carry-forwards are available, leading to the recognition of additional deferred tax assets.

Result of the period from continued operations: EUR 27.0 million versus EUR -8.7 million in 1H2020.

Result from discontinued operations: EUR 1.3 million, following the post-closing adjustments on the TEMDA2 transaction, versus 68.8 million in 1H2020.

As a reminder, the total result of discontinued operations in 1H2020 was composed of:

- net gain on the divestment of the 50% participation in Eurofoam group (Flexible Foams),
- net loss realised on the sale of 49% of the Automotive Interiors activities,
- pro rata share of the result of the period after taxes of Eurofoam (50%) and Automotive Interiors activities (100%).

Consolidated result of the period (share of the Group): EUR 28.0 million versus EUR 60.1 million in 1H2020.

2. FINANCIAL POSITION

| <i>in million EUR</i> | 30 JUN 2020 | 30 SEP 2020 | 31 DEC 2020 | 31 MAR 2021 | 30 JUN 2021 |
|--|--------------|-------------|--------------|--------------|--------------|
| TOTAL EQUITY | 331.5 | - | 334.8 | - | 354.8 |
| Net financial debt excluding factoring | (11.4) | (9.1) | (47.9) | 132.2 | 145.3 |
| + Lease debt (IFRS 16) | 55.2 | 52.9 | 52.5 | 63.1 | 61.3 |
| CONSOLIDATED NET FINANCIAL DEBT | 43.8 | 43.8 | 4.6 | 195.3 | 206.6 |
| + Drawn amounts under factoring programs | 0.0 | 0.0 | 0.0 | 43.3 | 45.2 |
| TOTAL CONSOLIDATED NET FINANCIAL DEBT | 43.8 | 43.8 | 4.6 | 238.6 | 251.8 |
| Gearing ratio (incl. IFRS 16) | 13.2% | - | 1.4% | - | 58.2% |
| Leverage ratio (incl. IFRS 16) | 0.7 | - | 0.1 | - | 2.6 |

The Group's total net financial debt position increased by EUR 247.2 million over 1H2021 to reach EUR 251.8 million. The increase in financial debt results from (i) the acquisition of FoamPartner (see press release 01 April 2021) and its EUR 7.5 million impact on consolidated IFRS 16 lease debt, and (ii) a higher net working capital induced by higher activity levels, seasonality and the effects of increased raw material prices.

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

3. MARKET SEGMENTS

3.1. ENGINEERED FOAMS

| in million EUR | 1H2020 | 1H2021 | Δ |
|---|--------------|--------------|---------------|
| | (a) | (b) | (b)/(a)-1 |
| Sales | 147.1 | 279.7 | 90.1% |
| Adjusted EBITDA | 10.3 | 31.3 | 204.8% |
| as % of sales | 7.0% | 11.2% | |
| EBITDA | 9.5 | 24.5 | 158.7% |
| as % of sales | 6.4% | 8.8% | |
| Adjusted operating profit (loss) | 3.1 | 18.7 | 494.0% |
| as % of sales | 2.1% | 6.7% | |
| Operating profit (loss) | 1.2 | 11.8 | 857.5% |
| as % of sales | 0.8% | 4.2% | |

Sales

The positive trend of 1Q2021 (+15.9%) further accelerated in 2Q2021 with like-for-like¹ **sales** increasing by 80.4% in **2Q2021** from EUR 57.7 million in 2Q2020 (heavily impacted by the COVID-crisis) to **EUR 104.1 million**, including a -0.6% impact from exchange rate differences. Including FoamPartner – which was consolidated as from 01 April 2021 (EUR 71.9 million) – **2Q2021 sales** amounted to **EUR 176.1 million**. **External sales**, including FoamPartner, reached **EUR 165.6 million in 2Q2021**.

Over **1H2020**, like-for-like¹ **sales** increased from EUR 147.1 million to **EUR 207.7 million** (+41.2%), including a -0.1% impact from exchange rate differences. Including the contribution from FoamPartner, total sales increased by 90.1% from EUR 147.1 million to **EUR 279.7 million**. **External sales**, including FoamPartner, amounted to **EUR 262.7 million in 1H2021**.

Apart from the FoamPartner integration as of 2Q21, the increase in sales is attributable to substantial volume growth and higher selling prices, compensating for the steep surge in chemical raw material prices which followed several *force majeure* events and other supply issues in the upstream value chain since September 2020.

Profitability

The higher volumes, a good product-mix and active pricing management led to a like-for-like Adjusted EBITDA margin improvement to 12.4% versus 7.0% in 1H2020. Including the contribution of FoamPartner and related integration costs the Adjusted EBITDA margin was 11.2%.

EBITDA includes adjustments for EUR -6.8 million (1H2020: EUR -0.8 million): (i) EUR -1.2 million restructuring charges mainly in the Netherlands and at FoamPartner, (ii) other costs and expenses for legal and advisory services relating to the acquisition of FoamPartner, (iii) a EUR +1.1 million reversal of provisions for claims and onerous contracts and (iv) a EUR -3.4 million reversal of inventory step up values resulting from purchase price allocations.

3.2. BEDDING

| in million EUR | 1H2020 | 1H2021 | Δ |
|---|---------------|---------------|---------------|
| | (a) | (b) | (b)/(a)-1 |
| Sales | 109.2 | 105.5 | -3.4% |
| Adjusted EBITDA | 4.5 | 4.5 | -1.3% |
| as % of sales | 4.2% | 4.2% | |
| EBITDA | 3.5 | 3.0 | -15.4% |
| as % of sales | 3.2% | 2.8% | |
| Adjusted operating profit (loss) | 0.0 | 0.6 | n.m. |
| as % of sales | 0.0% | 0.5% | |
| Operating profit (loss) | (1.9) | (0.9) | -50.7% |
| as % of sales | -1.7% | -0.9% | |

Sales

After a weak start in 1Q2021 (-14.5%) - due to COVID-19 related shopping restrictions, which impacted volumes in the Netherlands and in the DACH countries – the trend reversed in 2Q2021 when mobility and shopping restrictions were gradually lifted in most countries. **2Q2021 sales** increased by 13.2% from EUR 44.0 million in 2Q2020 to **EUR 49.8 million in 2Q2021**, including a -0.1% impact from exchange rate differences. **External sales** increased by 13.0%% to reach **EUR 49.0 million in 2Q2021**.

1H2021 sales slightly decreased from EUR 109.2 million to **EUR 105.5 million (-3.4%)**, including a +0.2% impact from exchange rate differences. **External sales** decreased by 3.6% from EUR 107.6 million to **EUR 103.7 million**.

Profitability

Adjusted EBITDA margin remained stable at 4.2%.

EBITDA decreased from EUR 3.5 million to EUR 3.0 million; including non-recurring costs for EUR -1.5 million (1H2020: EUR -1.0 million), mainly restructuring charges in the Netherlands.

3.3. INSULATION

| in million EUR | 1H2020 | 1H2021 | Δ |
|---|--------------|--------------|---------------|
| | (a) | (b) | (b)/(a)-1 |
| Sales | 112.7 | 188.4 | 67.1% |
| Adjusted EBITDA | 11.3 | 28.8 | 155.6% |
| as % of sales | 10.0% | 15.3% | |
| EBITDA | 11.2 | 28.7 | 156.4% |
| as % of sales | 9.9% | 15.3% | |
| Adjusted operating profit (loss) | 5.9 | 23.4 | 295.2% |
| as % of sales | 5.2% | 12.4% | |
| Operating profit (loss) | 5.8 | 23.3 | 298.3% |
| as % of sales | 5.2% | 12.4% | |

Sales

The strong momentum of 1Q2021 (+43.1%) continued in 2Q2021 with **2Q2021 sales** increasing by 95.1% from EUR 52.0 million in the COVID-19 impacted 2Q2020 to **EUR 101.6 million**, including a +0.9% impact from exchange rate differences.

Over **1H2021** sales increased by 67.1% from EUR 112.7 million to **EUR 188.4 million**, including a currency impact of +0.3%. 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.

In 1H2021 the strong demand for VIP - Vacuum Insulation Panels- continued. Sales were boosted by demand for high performance insulation materials for the transportation and storage of COVID-19 vaccines.

Profitability

Adjusted EBITDA margin of 15.3% versus 10.0% in 1H2020.

Despite the tight MDI supply, profitability strongly improved on the back of higher volumes, good pricing management and the further ramp-up of the new Finnish plant.

4. POST-BALANCE SHEET DATE EVENTS

4.1. STATUS ACQUISITION GOR-STAL (INSULATION)

In its press release of 19 March 2021 Recticel announced that it had entered into preliminary agreements with the owners of the private Polish company Gór-Stal Sp. z o.o. ("Gór-Stal") to acquire Gór-Stal's thermal polyisocyanurate-based (PIR) insulation board business.

The acquisition is to be made in cash for an enterprise value of EUR 30 million, of which EUR 27.25 million payable at closing and EUR 2.75 million in two equal tranches in 2022 and 2023. The transaction is subject to confirmatory due diligence and customary conditions precedent.

Due to additional time required to implement the necessary carve-out, the closing of the transaction is now anticipated in the course of 4Q2021.

4.2. STATUS GREINER OFFER

With regard to the Greiner offer, Recticel refers to its previous communications on this topic.

APPENDICES

All figures and tables contained in these annexes have been extracted from the Interim Condensed Consolidated Financial Statements per 30 June 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting, as endorsed by the European Union and authorised for issue by the Board of Directors on 26 August 2021. The statutory auditor PwC Bedrijfsrevisoren BV has reviewed these Condensed Consolidated Financial Statements and concluded that based on the review, nothing has come to the attention that causes them to believe that the consolidated condensed Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union. For the Interim Condensed Consolidated Financial Statements per 30 June 2021 and the review report of the statutory auditor we refer to <https://www.recticel.com/investors/annual-half-year-reports.html>.

1. Condensed consolidated income statement

| Group Recticel in thousand EUR | 1H2020 | 1H2021 | Δ |
|--|-----------------|-----------------|----------------|
| Sales | 374 262 | 596 162 | 59.3% |
| Distribution costs | (25 620) | (31 951) | 24.7% |
| Cost of sales | (283 299) | (454 808) | 60.5% |
| Gross profit | 65 343 | 109 403 | 67.4% |
| General and administrative expenses | (28 589) | (37 704) | 31.9% |
| Sales and marketing expenses | (29 881) | (34 571) | 15.7% |
| Research and development expenses | (4 901) | (4 940) | 0.8% |
| Impairments goodwill, tangible and intangible assets | (2 083) | 0 | -100.0% |
| Other operating revenues | 3 640 | 2 755 | -24.3% |
| Other operating expenses | (6 834) | (11 917) | 74.4% |
| Income from associates | 420 | 547 | 30.2% |
| Operating profit (loss) | (2 885) | 23 573 | -917.1% |
| Interest income | 589 | 306 | -48.0% |
| Interest expenses | (2 330) | (3 191) | 37.0% |
| Other financial income | 3 568 | 3 223 | -9.7% |
| Other financial expenses | (4 378) | (2 147) | -51.0% |
| Financial result | (2 551) | (1 809) | -29.1% |
| Income from other associates | (2 954) | 572 | -119.4% |
| Change in fair value of option structures | 1 702 | (4 865) | -385.8% |
| Result of the period before taxes | (6 688) | 17 471 | -361.2% |
| Income taxes | (2 045) | 9 485 | -563.8% |
| Result of the period after taxes - continuing operations | (8 733) | 26 956 | -408.7% |
| Result of the period after taxes - discontinued operations | 68 812 | 1 287 | n.m. |
| Result of the period after taxes - continuing and discontinued operations | 60 079 | 28 243 | -53.0% |
| of which attributable to the owners of the parent | 60 110 | 27 954 | -53.5% |
| of which attributable to non-controlling interests | (31) | 289 | -1032.3% |

A distinction has been made between Income from associates - included in operating profit (loss) - and Income from other associates - excluded from operating profit (loss).

Income from associates: income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam

Income from other associates: income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and Automotive Interiors

2. Earnings per share

| in EUR | 1H2020 | 1H2021 | Δ |
|--|-------------|-------------|---------------|
| Number of shares outstanding (including treasury shares) | 55 397 439 | 55 893 420 | 0.9% |
| Weighted average number of shares outstanding (before dilution effect) | 54 959 861 | 55 461 573 | 0.9% |
| Weighted average number of shares outstanding (after dilution effect) | 55 154 501 | 56 162 796 | 1.8% |
| Earnings per share - continuing operations | (0.16) | 0.49 | n.m. |
| Earnings per shares - discontinued operations | 1.25 | 0.02 | -98.1% |
| Earnings per share of continuing and discontinued operations | 1.09 | 0.51 | -53.4% |
| Earnings per share from continuing operations | | | |
| Basic | (0.16) | 0.49 | n.m. |
| Diluted | (0.16) | 0.48 | n.m. |
| Earnings per share from discontinued operations | | | |
| Basic | 1.25 | 0.02 | -98.1% |
| Diluted | 1.25 | 0.02 | -98.2% |
| Net book value | 5.98 | 6.35 | 6.1% |

3. Condensed consolidated statement of comprehensive income

| Group Recticel in thousand EUR | 1H2020 | 1H2021 | Δ |
|--|---------------|---------------|---------------|
| Result for the period after taxes | 60 080 | 28 243 | -53.0% |
| Other comprehensive income | | | |
| <i>Items that will not subsequently be recycled to profit and loss</i> | | | |
| Actuarial gains (losses) on employee benefits recognized in equity | 2 100 | 3 819 | 81.9% |
| Deferred taxes on actuarial gains (losses) on employee benefits | (452) | (457) | 1.1% |
| Currency translation differences | 195 | (132) | -167.7% |
| Joint ventures & associates | (246) | 0 | -100.0% |
| Total | 1 597 | 3 230 | 102.3% |
| Hedging reserves | 0 | 29 | n.m. |
| Currency translation differences | (13 816) | 2 913 | -121.1% |
| Foreign currency translation reserve difference recycled in the income statement | 18 345 | 0 | -100.0% |
| Deferred taxes on retained earnings | (1) | 288 | -28900.0% |
| Joint ventures & associates | 2 003 | 0 | -100.0% |
| Total | 6 532 | 3 230 | -50.5% |
| Other comprehensive income net of tax | 8 129 | 6 460 | -20.5% |
| Total comprehensive income for the period | 68 209 | 34 703 | -49.1% |
| Total comprehensive income for the period | 68 209 | 34 703 | -49.1% |
| of which attributable to the owners of the parent | 68 239 | 34 414 | -49.6% |
| of which attributable to non-controlling interests | (31) | 289 | n.m. |

4. Condensed consolidated statement of financial position

| Group Recticel in thousand EUR | 31 Dec 2020 | 30 Jun 2021 | Δ |
|--|----------------|------------------|---------------|
| Intangible assets | 14 806 | 44 070 | 197.6% |
| Goodwill | 24 139 | 34 578 | 43.2% |
| Property, plant & equipment | 173 000 | 327 525 | 89.3% |
| Right-of-use assets | 75 377 | 84 178 | 11.7% |
| Investment property | 3 331 | 5 331 | 60.0% |
| Investments in associates | 12 351 | 12 885 | 4.3% |
| Investments in other associates | 11 030 | 11 731 | 6.4% |
| Non-current receivables | 25 760 | 21 463 | -16.7% |
| Deferred taxes | 25 298 | 37 909 | 49.8% |
| Prepaid for defined benefit plans | 0 | 1 897 | n.m. |
| Non-current assets | 365 092 | 581 567 | 59.3% |
| Inventories | 90 833 | 152 330 | 67.7% |
| Trade receivables | 102 726 | 168 426 | 64.0% |
| Other receivables and other financial assets | 57 929 | 36 268 | -37.4% |
| Income tax receivables | 1 452 | 2 390 | 64.6% |
| Other investments | 170 | 170 | 0.0% |
| Cash and cash equivalents | 79 255 | 87 597 | 10.5% |
| Assets held for sale | 1 300 | 1 300 | 0.0% |
| Current assets | 333 665 | 448 481 | 34.4% |
| TOTAL ASSETS | 698 757 | 1 030 048 | 47.4% |
| Capital | 139 357 | 139 734 | 0.3% |
| Share premium | 131 267 | 131 780 | 0.4% |
| Share capital | 270 624 | 271 514 | 0.3% |
| Treasury shares | (1 450) | (1 450) | 0.0% |
| Other reserves | (22 487) | (18 747) | -16.6% |
| Retained earnings | 98 760 | 110 968 | 12.4% |
| Hedging and translation reserves | (11 372) | (8 431) | -25.9% |
| Equity (share of the Group) | 334 075 | 353 854 | 5.9% |
| Equity attributable to non-controlling interests | 705 | 994 | 41.0% |
| Total equity | 334 780 | 354 848 | 6.0% |
| Pensions and similar obligations | 52 342 | 50 897 | -2.8% |
| Provisions | 18 979 | 19 263 | 1.5% |
| Deferred taxes | 12 173 | 32 794 | 169.4% |
| Financial liabilities | 70 426 | 284 493 | 304.0% |
| Other amounts payable | 26 | 76 | 192.3% |
| Non-current liabilities | 153 946 | 387 523 | 151.7% |
| Provisions | 1 598 | 5 991 | 274.9% |
| Financial liabilities | 14 403 | 9 877 | -31.4% |
| Deferred payable for share investment | 0 | 18 196 | n.m. |
| Trade payables | 88 923 | 125 676 | 41.3% |
| Current contract liabilities | 15 183 | 18 067 | 19.0% |
| Income tax payables | 1 045 | 3 414 | 226.7% |
| Other amounts payable | 88 879 | 106 456 | 19.8% |
| Current liabilities | 210 031 | 287 677 | 37.0% |
| TOTAL EQUITY AND LIABILITIES | 698 757 | 1 030 048 | 47.4% |

For comments on the statement of financial position, reference is made to the IAS 34 Interim Report which is available on www.recticel.com

5. Condensed consolidated statement of cash flow

| Group Recticel in thousand EUR | 1H2020 | 1H2021 |
|--|------------------|-------------------|
| Operating profit (loss) | (2 886) | 23 572 |
| Income from discontinued operations | 68 812 | 1 287 |
| Amortisation of intangible assets | 1 202 | 2 236 |
| Depreciation of tangible assets | 26 953 | 20 525 |
| Amortisation of deferred long term and upfront payment | 781 | 334 |
| (Reversal) Impairment losses on goodwill, intangible and tangible assets | 3 189 | 0 |
| (Write-back)/Write-offs on assets | 671 | (559) |
| (Write-back)/Write-offs on shares affiliates | 220 | 0 |
| Changes in provisions | 13 292 | 580 |
| (Gains) / Losses on disposals of intangible and tangible assets | (737) | (626) |
| (Gains) / Losses on disposals of shares affiliates | (101 703) | 0 |
| (Gains) / Losses on disposals of receivables | 0 | 1 |
| Income from associates | (420) | (547) |
| Other non-cash elements | 508 | (1 607) |
| GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS | 9 882 | 45 196 |
| Changes in working capital | (48 194) | 10 832 |
| Income taxes paid | (2 545) | (1 677) |
| NET CASH FLOW FROM OPERATING ACTIVITIES (a) | (40 858) | 54 351 |
| Interests received | 601 | 250 |
| Dividends received | 54 | 25 |
| Acquisition FoamPartner, net of cash acquired | 0 | (223 620) |
| Investments in and subscriptions to capital increases | (1 403) | 0 |
| Increase of loans and receivables | (10 000) | (295) |
| Decrease of loans and receivables | 20 567 | 4 349 |
| Investments in intangible assets | (1 523) | (2 052) |
| Investments in property, plant and equipment | (8 767) | (5 361) |
| Net deferred charges long term | (204) | (191) |
| Disposals of intangible assets | 0 | 5 |
| Disposals of property, plant and equipment | 56 | 1 593 |
| Proceeds from affiliates and joint ventures disposals | 176 303 | 0 |
| NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES (b) | 175 685 | (225 299) |
| Interests paid on financial debt (c) | (1 714) | (1 852) |
| Interests paid on lease debt (c) | 0 | (54) |
| Dividends paid | (13 254) | (14 451) |
| Increase (Decrease) of capital | 760 | 889 |
| Increase of financial debt | 97 523 | 203 300 |
| Decrease of financial debt | (54 606) | 0 |
| Decrease of lease debt (d) | (14 750) | (9 561) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (e) | 13 959 | 178 271 |
| Effect of exchange rate changes (f) | 212 | 1 019 |
| CHANGES IN CASH AND CASH EQUIVALENTS (a)+(b)+(e)+(f) | 148 998 | 8 342 |
| Net cash position opening balance | 48 479 | 79 255 |
| Net cash position closing balance | 197 477 | 87 597 |
| CHANGES IN CASH AND CASH EQUIVALENTS | 148 998 | 8 342 |
| NET FREE CASH FLOW (a)+(b)+(c)+(d) | 118 363 | (182 415) |

6. Condensed consolidated statement of changes in shareholders' equity

| Group Recticel in thousand EUR | Capital | Share premium | Treasury shares | Other reserves | Retained earnings | Translation differences reserves and Hedging reserves | Total shareholders' equity | Non-controlling interests | Total equity, non- controlling interests included |
|--|---------|---------------|-----------------|----------------|----------------------|--|----------------------------------|------------------------------|---|
| At the end of the period 31 December 2020 | 139 357 | 131 267 | (1 450) | (22 487) | 98 766 | (11 378) | 334 075 | 705 | 334 780 |
| Restatement IFRS 16 ¹ | 0 | 0 | 0 | 0 | (1 449) | 0 | (1 449) | 0 | (1 449) |
| Dividends | 0 | 0 | 0 | 0 | (14 468) | 0 | (14 468) | 0 | (14 468) |
| Stock options (IFRS 2) | 0 | 0 | 0 | 393 | 0 | 0 | 393 | 0 | 393 |
| Capital movements | 377 | 513 | 0 | 0 | 0 | 0 | 890 | 0 | 890 |
| Shareholders' movements | 377 | 513 | 0 | 393 | (14 468) | 0 | (13 185) | 0 | (13 185) |
| Profit or loss of the period | 0 | 0 | 0 | 0 | 27 954 | 0 | 27 954 | 289 | 28 243 |
| Other comprehensive income | 0 | 0 | 0 | 3 230 | 288 | 2 942 | 6 460 | 0 | 6 460 |
| Change in scope | 0 | 0 | 0 | 117 | (117) | 0 | 0 | 0 | 0 |
| Comprehensive income | 0 | 0 | 0 | 3 347 | 171 | 2 942 | 6 460 | 0 | 6 460 |
| At the end of the period 30 June 2021 | 139 734 | 131 780 | (1 450) | (18 747) | 110 974 | (8 436) | 353 855 | 994 | 354 849 |

¹Restatement of the opening balance as per 01 January 2021 on dilapidation provision for EUR 2.4 million (additional provision), impacting equity for EUR -1.5 million and increasing right-of-use assets for EUR 0.9 million

7. Reconciliation with alternative performance measures

| Group Recticel in thousand EUR | 30 JUN 2020 | 30 JUN 2021 |
|--|--------------------|--------------------|
| Income statement | | |
| Sales | 374 262 | 596 162 |
| Gross profit | 65 343 | 109 403 |
| EBITDA | 17 384 | 46 668 |
| Operating profit (loss) | (2 885) | 23 572 |
| Operating profit (loss) | | |
| Amortisation intangible assets | 879 | 2 236 |
| Depreciation tangible assets | 9 021 | 12 741 |
| Depreciation right-of-use assets | 7 693 | 7 784 |
| Amortisation deferred charges long term | 557 | 334 |
| Impairments on goodwill, intangible and tangible fixed assets | 2 120 | 0 |
| EBITDA | 17 384 | 46 668 |
| EBITDA | | |
| Restructuring charges | 1 525 | 3 325 |
| Other | 161 | 6 861 |
| Adjusted EBITDA | 19 070 | 56 854 |
| Operating profit (loss) | | |
| Restructuring charges | 1 525 | 3 325 |
| Other | 161 | 6 861 |
| Impairments | (2 083) | 0 |
| Adjusted Operating profit (loss) | (3 282) | 33 758 |
| Total net financial debt | | |
| | 31 DEC 2020 | 30 JUN 2021 |
| Non-current financial liabilities | 70 426 | 284 493 |
| Current financial liabilities | 14 403 | 9 877 |
| Cash | (79 255) | (87 597) |
| Other financial assets ¹ | (999) | (204) |
| Net financial debt on statement of financial position | 4 575 | 206 569 |
| Factoring programs | 0 | 45 205 |
| Total net financial debt | 4 575 | 251 775 |
| ¹ Hedging instruments and interest advances | | |
| Gearing ratio (Net financial debt / Total equity) | | |
| Total equity | 334 780 | 354 848 |
| Net financial debt on statement of financial position / Total equity | 1.4% | 58.2% |
| Total net financial debt / Total equity | 1.4% | 71.0% |
| Leverage ratio (Net financial debt / EBITDA) | | |
| EBITDA (last 12 months) | 51 609 | 80 893 |
| Net financial debt on statement of financial position / EBITDA | 0.1 | 2.6 |
| Total net financial debt / EBITDA | 0.1 | 3.1 |
| Net working capital | | |
| Inventories and contracts in progress | 90 833 | 152 330 |
| Trade receivables | 102 726 | 168 426 |
| Other receivables | 57 929 | 36 268 |
| Income tax receivables | 1 452 | 2 390 |
| Trade payables | (88 923) | (125 676) |
| Current contract liabilities | (15 183) | (18 067) |
| Income tax payables | (1 045) | (3 414) |
| Other amounts payable | (88 879) | (106 456) |
| Net working capital | 58 910 | 105 801 |
| Current ratio (= Current assets / Current liabilities) | | |
| Current assets | 333 665 | 448 481 |
| Current liabilities | 210 031 | 287 677 |
| Current ratio (factor) | 1.6 | 1.6 |

Glossary

- **IFRS measures**

Consolidated (data) : financial data following the application of IFRS 11, whereby joint ventures and associates are integrated on the basis of the equity method.

- **Alternative Performance Measures**

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

Adjusted EBITDA : EBITDA before Adjustments (to Operating Profit)

Adjusted operating profit (loss) : Operating profit (loss) + adjustments to operating profit (loss)

Adjustments to Operating profit (loss) : include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in)tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, revenues or charges due to important (inter)national legal issues and costs of advisory fees incurred in relation to acquisitions or business combination projects, costs of advisory fees incurred in relation to acquisitions, divestments or business combination projects, including fees incurred in connection with their financing and reversals of inventory step up values resulting from purchase price allocations under IFRS 3 Business Combinations.

Current ratio : Current assets / Current liabilities

EBITDA : Operating profit (loss) + depreciation, amortisation and impairment on assets; all of continued activities

Gearing : Net financial debt / Total equity

Income from associates : income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam

Income from other associates : income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. Proseat and Automotive Interiors

Leverage : Net financial debt / EBITDA (last 12 months)

Net free cash-flow : Net free cash flow: is the sum of the (i) Net cash flow after tax from operating activities, (ii) the Net cash flow from investing activities, (iii) the Interest paid on financial liabilities and (iv) reimbursement of lease liabilities; as shown in the consolidated cash flow statement.

Net financial debt : Interest bearing financial liabilities and lease liabilities at more than one year + interest bearing financial liabilities and lease liabilities within maximum one year + accrued interests – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs

Net working capital : Inventories and contracts in progress + Trade receivables + Other receivables + Income tax receivables – Trade payables – Income tax payables – Other amounts payable

Operating profit (loss) : Profit before income from other associates, fair value adjustments of option structures, earnings of discontinued activities, interests and taxes. Operating profit (loss) comprises income from associates of continued activities.

Total net financial debt : Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring programs

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

| | |
|-----------------------------------|------------------------------|
| 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) |
| 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

| RECTICEL | |
|---|----------------------------------|
| avenue du Bourget/Bourgetlaan 42, 1130 Brussels | |
| <u>PRESS</u> | <u>INVESTOR RELATIONS</u> |
| Mr Olivier Chapelle | Mr Michel De Smedt |
| Tel: +32 2 775 18 01 | Mobile: +32 479 91 11 38 |
| chapelle.olivier@recticel.com | desmedt.michel@recticel.com |

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