

Recticel trading update 1st quarter 2022

- Net sales increase from EUR 206.2 million¹ to EUR 294.7 million (+42.9%), mainly driven by the FoamPartner² scope change, as well as a 28.1% increase in Insulation sales
- Net financial debt: EUR 129.6 million (31 December 2021 : EUR 147.8 million)

Olivier Chapelle (CEO): “ We are pleased with the sales and profitability development of our Insulation and Engineered Foams activities in 1Q2022, in a business environment marked by strong inflationary pressures and supply chain disruptions.

While volumes have remained broadly supportive, our business and commercial teams are remaining fully focussed on the pass-through in selling prices of the inflation pressure affecting raw material, transportation, energy and labour costs.

The first quarter has been intense on the M&A front. We have signed on 22 March 2022 with Innova Capital the acquisition of Trimo, which is a key step in strengthening our positions in the insulation markets; we now intend to close within the coming days. On 31 March 2022, we have closed the divestment of the Bedding business line to Aquinos, which is perfectly matching its portfolio of activity. On 14 April 2022, we have notified to Sekisui Kasei Co. the exercise of our put option on the remaining 25% participation in Proseat, which we expect to complete before the end of May 2022. Finally, we are making progress together with Carpenter Co., in the preparation for the closing of the Engineered Foams divestment around mid-2022.

Regarding the shareholding of Recticel, we are very happy to welcome Baltisse as our new reference shareholder and as director, represented by Mr Filip Balcaen.”

OUTLOOK

As mentioned in our previous communication, given the important scope changes expected in Recticel during 2022, the uncertainties on the timing of the closings of the Engineered Foams divestment and the Trimo acquisition, as well as the subsequent alignment of our organization setup, the Group does not provide an outlook for the full year at this stage. However, despite the current geopolitical instability and the inflationary pressure, the business continues to develop well in 2022, and Recticel continues to work on accelerated growth plans in order to double its sales by 2025.

¹ As announced in the press release of 15 February 2022, the Bedding activities which have been divested to the Aquinos Group on 31 March 2022, have been accounted for as Discontinued Operations per 31 December 2021 (IFRS 5).

For comparison purposes, the formerly published 2021 sales figures have been restated accordingly.

² FoamPartner is fully consolidated as of 01 April 2021.

1. SALES DEVELOPMENT

1Q2022 sales increased by 42.9% from EUR 206.2 million¹ to **EUR 294.7 million**; of which +4.2% organic growth, +0.7% currency impact and +37.5% from FoamPartner (EUR 77.3 million).

For both segments the sales growth has been primarily driven by price increases mitigating the substantial impact of higher purchase prices for chemical raw material and other cost components.

Sales “at cost” of chemical raw materials to the automotive companies Proseat and TEMDA2 are integrated under “Corporate/Eliminations”.

Breakdown of the sales by segment

<i>in million EUR</i>	1Q2021 restated ¹	1Q2022	Δ
Engineered Foams	100.5	174.0	73.1%
Insulation	86.9	111.2	28.1%
Corporate / Eliminations	18.9	9.5	-49.8%
TOTAL CONSOLIDATED SALES	206.2	294.7	42.9%

A. Engineered Foams

Sales increased by 73.1% from EUR 100.5 million in 1Q2021 to **EUR 174.0 million in 1Q2022**, including a +0.4% impact from exchange rate differences and EUR 77.3 million from FoamPartner, which was consolidated as of 01 April 2021.

Like-for-like sales excluding the contribution from FoamPartner decreased by 3.8%, from EUR 100.5 million in 1Q2021 to **EUR 96.6 million in 1Q2022**, mainly as a result of lower comfort foam volumes in Europe.

B. Insulation

Sales increased by 28.1% from EUR 86.9 million in 1Q2021 to **EUR 111.2 million in 1Q2022**, including a +1.1% impact of exchange rate differences.

Sales increased mainly as a result of higher selling prices which compensate for the chemical raw material price increases (i.e. MDI and polyester polyols). The plant in Finland continues to increase its output and has started to operate its second production shift.

The announced acquisition of Trimo, the Slovenian premium insulated panel producer (see press release dd. 22 March 2022) is on track and expected to close in the coming days.

2. FINANCIAL POSITION

<i>in million EUR</i>	31 MAR 2021	30 JUN 2021	30 SEP 2021	31 DEC 2021	31 MAR 2022
TOTAL EQUITY	-	354.8	-	391.3	-
Net financial debt excluding factoring	132.2	145.3	130.3	103.8	92.6
+ Lease debt (IFRS 16)	63.1	61.3	58.7	44.0	37.0
CONSOLIDATED NET FINANCIAL DEBT	195.3	206.6	189.0	147.8	129.6
+ Drawn amounts under factoring programs	43.3	45.2	41.4	25.2	0.0
TOTAL CONSOLIDATED NET FINANCIAL DEBT	238.6	251.8	230.4	173.0	129.6
Gearing ratio (incl. IFRS 16)	-	58.2%	-	37.8%	-
Leverage ratio (incl. IFRS 16)	-	2.6	-	1.6	-

The Group's total net debt position decreased by EUR 43.4 million over 1Q2022 to reach EUR 129.6 million, mainly due to (i) the net cash-in flow from the disposal of the Bedding activities to Aquinos on 31 March 2022, partially off-set by (ii) the deferred payment in January 2022 of CHF 20 million with respect to the acquisition of FoamPartner and (iii) higher net working capital needs resulting from seasonality and price inflation.

3. PUT OPTION EXERCISE

On 14 April 2022, Recticel exercised its put option under the agreement signed with Sekisui in February 2019. As a result Sekisui will acquire the remaining 25% in Proseat till then held by Recticel and Recticel will no longer hold any shares in Proseat Group. The put option is exercised on the basis of a pre-agreed price calculation formula, and will have no impact on Recticel's financials.

ooo

Financial calendar

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 solid European dimension and operations in Asia, the United States and Africa.

Recticel contributes to daily comfort with high-performance thermal insulation solutions for the construction industry and an extensive range of polyurethane foam products for industrial and domestic applications. Whilst focusing on industry-leading, customized solutions supported by sustainable innovations, Recticel strives to provide responsible answers to societal challenges, including climate change and conservation of resources.

The Insulation business line helps to reduce energy consumption with products marketed under well-known brands such as Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®.

The Engineered Foams business offers a diversified and unique range of foams and systems, spanning transport, industrial, consumer goods and comfort applications.

With 3,556 employees operating in 43 locations in 19 countries, Recticel realized in 2021 consolidated sales of EUR 1,032.8 million (excluding the Bedding sales accounted for in discontinued operations as per IFRS5).

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