

Recticel Annual Results 2022

- Net sales increase from €449.2 million¹ in 2021 to €561.5 million (+25.0%) in 2022, of which €129.2 million contribution from Trimo² and a €48.9 million reduction following the phasing out of sales of chemicals to divested Automotive companies
- Adjusted EBITDA: from €48.4 million¹ to €62.2 million (+28.4%)
- Result of the period (share of the Group): from €53.5 million to €63.2 million
- Closing of the divestment of Engineered Foams expected at the end of 1Q2023
- Proposal to pay an increased gross dividend of €0.31 per share

Olivier Chapelle (CEO Recticel): *“The European construction market has become increasingly challenging as the year 2022 unfolded, with growing economic uncertainties and historically high inflation and rising interest rates weighing progressively more and more on construction activities. In that environment, I am proud of all our employees and want to thank them. In 2022, their focus and contributions have allowed to deliver, when compared to 2021, slightly higher volumes in Insulation Boards and flat volumes in Insulated Panels. Reactivity on pricing and margin management have in turn contributed to deliver solid results.*

The divestment of Engineered Foams is expected to close at the end of the first quarter of 2023. It follows the decision on 26 January 2023 by the Competition and Markets Authority in the UK, to approve the Final Undertakings, which execution is now entering its final phase.

With the acquisition of Trimo on 1 May 2022, now fully integrated, we have created a broader basis for further internal and external growth.

With regard to ESG and sustainable development, after having announced our commitment to the SBTi, we can report a 11.2% reduction in our Scope 1 & 2 carbon emissions in 2022 versus reference year 2021.”

OUTLOOK

The year 2022 has been very challenging due to the consequences of the geopolitical turmoil. During that year, our business has resisted well and is well positioned at the beginning of 2023, despite the current lack of visibility. Margin management, growth initiatives and further progress on ESG are the priorities in 2023.

At this stage, the Company does not provide guidance related to its full year 2023 expected results.

¹ As announced in the press release of 10 August 2022, the Engineered Foams activities which are currently in process of being divested to the US-based Carpenter Co., have been accounted for as Discontinued Operations (IFRS 5).

For comparison purposes the formerly published 2021 income statements and cash flow statements have been restated accordingly.

² Trimo d.o.o. (Insulated Panels) is fully consolidated as of 1 May 2022.

CONSOLIDATED GROUP RESULTS – KEY FIGURES

in million EUR	2021 restated	2022	%
Sales	449.2	561.5	25.0%
Gross profit	84.9	104.7	23.3%
as % of sales	18.9%	18.7%	
Adjusted EBITDA	48.4	62.2	28.4%
as % of sales	10.8%	11.1%	
EBITDA	50.3	55.0	9.4%
as % of sales	11.2%	9.8%	
Adjusted operating profit (loss)	35.6	43.1	21.0%
as % of sales	7.9%	7.7%	
Operating profit (loss)	37.5	34.9	-6.9%
as % of sales	8.3%	6.2%	
Financial result	(1.9)	(9.9)	n.m.
Income from other associates ³	0.5	(1.2)	n.m.
Impairment other associates	0.0	0.0	n.m.
Change in fair value of option structures	(7.3)	2.3	n.m.
Income taxes	5.2	(15.4)	n.m.
Result of the period of continuing operations	33.9	10.8	n.m.
Result of discontinued operations	20.4	52.8	n.m.
Result of the period (share of the Group)	53.5	63.2	18.0%
Result of the period (share of the Group) - base (per share, in EUR)	0.96	1.13	17.5%

in million EUR	31 Dec 2021	31 Dec 2022	%
Total equity	391.3	446.9	14.2%
Net Financial Debt (incl. IFRS 16 - Leases)	147.8	248.4	n.m.
Gearing ratio (Net financial debt / Total equity)	37.8%	55.6%	
Leverage ratio (Net financial debt / EBITDA) ⁴	1.3	2.1	

The following changes in the scope of consolidation took place in 2022:

- Application of IFRS 5 to the Engineered Foams activities, which are in process of being sold to US-based Carpenter Co.
- Disposal on 31 March 2022 of the Bedding activities, which were already accounted for as discontinued operations on 31 December 2021.
- Acquisition of Slovenia-based Trimo d.o.o., which has been fully consolidated as of 1 May 2022.

Anticipating the divestment to Carpenter, the Engineered Foams activities have been carved-out and part of the former central corporate activities and related costs have been transferred to Engineered Foams.

Net sales also comprise the sale of chemical raw materials at cost to the Proseat and TEMDA2/Ascorium (formerly Automotive Interiors) companies. Both supply agreements have been terminated, Ascorium as of 1 July 2021 and Proseat as of 1 April 2022.

³ 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 (until April 2022) and Ascorium (formerly Automotive Interiors)

⁴ The pro forma leverage ratio = Net financial debt (after application of IFRS 5) divided by the sum of (a) EBITDA (last 12 months) (before application of IFRS 5) and (b) EBITDA (last 12 months) of the recently acquired company Trimo. This pro forma leverage ratio is a better comparable.

The results of the Automotive joint-ventures (i.e. Proseat and TEMDA2/Ascorium) are reported under 'Income from other associates'. The remaining 25% participation in Proseat was sold on 20 May 2022 following the exercise of our put option on 14 April 2022.

As from 2022, as it became a pure Insulation player, Recticel is reporting on a single segment basis.

Net Sales: from €449.2 million¹ in 2021 to **€561.5 million** in 2022.

in million EUR	1Q2021 restated ¹	2Q2021 restated ¹	3Q2021 restated ¹	4Q2021 restated ¹	FY2021 restated ¹	1Q2022	2Q2022	3Q2022	4Q2022	FY2022	% FY
Net sales	105.7	123.9	107.6	112.0	449.2	120.7	153.6	153.5	133.7	561.5	25.0%

Fourth quarter 2022:

4Q2022 sales increased by 19.4% from €112 million¹ to **€133.7 million**, including €39.0 million from the Trimo acquisition², a €9.0 million reduction in sales of chemicals to divested Automotive companies and a -0.9% currency impact.

Demand remained broadly in line with last year, with the exception of demand for Vacuum Insulated Panels used in low temperature transportation of COVID vaccines which decreased substantially in line with the receding COVID-pandemic.

Full year 2022:

FY2022 sales increased by 25.0% from €449.2 million¹ to **€561.5 million**, including €129.2 million contribution from Trimo², a €48.9 million reduction in sales of chemicals to divested Automotive companies and a +0.04% currency impact.

Adjusted EBITDA: from €48.4 million¹ in 2021 to **€62.2 million** in 2022.

Adjusted EBITDA margin increased from 10.8% to **11.1%**.

in million EUR	1H2021 restated ¹	2H2021 restated ¹	FY2021 restated ¹	1H2022	2H2022	FY2022	% FY
Adjusted EBITDA	22.3	26.1	48.4	29.4	32.8	62.2	28.4%

The slightly higher volumes, pricing discipline and the successful integration of Trimo as from 1 May 2022 led to improved operational profitability, despite strong inflationary pressure on all input costs.

Adjusted operating profit (loss): from €35.6 million¹ in 2021 to **€43.1 million** in 2022

Adjusted operating profit (loss) margin decreased from 7.9% to **7.7%**.

in million EUR	1H2021 restated ¹	2H2021 restated ¹	FY2021 restated ¹	1H2022	2H2022	FY2022	% FY
Adjusted operating profit (loss)	15.8	19.8	35.6	22.7	20.4	43.1	21.0%

Adjustments to Operating profit (loss):

in million EUR	1H2021 restated ¹	2H2021 restated ¹	FY2021 restated ¹	1H2022	2H2022	FY2022
Restructuring charges and provisions	(0.6)	0.0	(0.6)	(1.1)	(0.1)	(1.3)
Other	0.3	2.2	2.5	(3.5)	(2.4)	(5.9)
Total impact on EBITDA	(0.3)	2.2	1.9	(4.6)	(2.6)	(7.2)
Impairments	0.0	(0.0)	(0.0)		(1.0)	(1.0)
Total impact on Operating profit (loss)	(0.3)	2.1	1.9	(4.6)	(3.6)	(8.2)

Adjustments to Operating profit (loss) on continuing operations in 2022 amount to €-8.2 million and include:

- €-1.3 million of restructuring costs,
- €-5.9 million of other adjustments, which relate mainly to (i) legal and financial advisory fees (€-1.6 million) primarily linked to the acquisition of Trimo, (ii) a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values) resulting from the purchase price allocation of Trimo (€-2.7 million).
- €-1.0 million impairment on right of use assets following the expected reduced usage of the IHQ building following the divestment of Engineered Foams to Carpenter.

Adjustments to Operating profit (loss) on continuing operations in 2021 amounted to €+1.9 million and included:

- €-0.6 million of restructuring costs,
- €+2.5 million of other adjustments, which relate mainly to (i) legal and financial advisory fees (€-1.7 million) primarily linked to the dealings related to the Greiner offer, (ii) a revaluation allowance for investment property in Belgium (€+4.2 million)

EBITDA: from €50.3 million in 2021 to **€55.0 million²** in 2022.

EBITDA margin decreased from 11.2% to **9.8%**.

Operating profit (loss): from €37.5 million in 2021 to **€34.9 million²** in 2022.

Operating profit (loss) margin decreased from 8.3% to **6.2%**.

Financial result: €-9.9 million² (€-1.9 million in 2021)

Net interest charges: €-5.2 million (€-3.0 million in 2021)

Other net financial income and expenses: from €+1.2 million in 2021 to €-4.7 million in 2022. This item comprises mainly exchange rate differences (from €+1.1 million in 2021 to €-4.9 million in 2022) including a €-6.2 million reversal of historic currency translation adjustments as a result of the liquidation of a holding company in the UK.

Income from other associates: €-1.2 million (€+0.5 million in 2021) relates to the negative result of TEMDA2 (at 49%). The participation in Proseat had been fully impaired at the end of 2020 reducing its book value to zero. Hence the FY2022 income statement of Recticel was not impacted by the negative results of Proseat, which has been fully divested on 20 May 2022.

Fair value of option structures: €+2.3 million (€-7.3 million in 2021), results from the reversal of the previously recognised additional provision for Proseat.

The value of the put/call structure on the remaining 49% participation in TEMDA2/Ascorium (formerly Automotive Interiors) was maintained at “zero” value in accordance with the underlying valuation method.

Income and deferred taxes: €-15.4 million (€+5.2 million in 2021)

- Current income tax: €-8.8 million (€-4.4 million in 2021);
Current tax charges mainly relate to charges in Belgium (€-2.0 million) impacted by effects of carve-out operations and divestments and by the tax charges in our recently acquired Insulated Panels activity Trimo (€-1.9 million) and our Insulation Boards activities in the UK.
- Deferred tax: €-6.6 million (€+9.6 million in 2021);
The deferred tax charge mainly results from the use of tax losses in Belgium and the adverse one-off impact in Belgium (€-4.7 million) following the change in tax legislation revising downwards the limit on the use of fiscal losses.

Result of the period from continuing operations: €10.8 million (€33.9 million 2021).

Result from discontinued operations: €52.8 million (€20.4 million in 2021).

The result from discontinued operations mainly represents:

- (i) the result of the period of the Engineered Foams activities which are currently in the process of being sold to the Carpenter Co. (€+32.8 million);
- (ii) the result of the first three months of 2022 of the Bedding activities (€+1.3 million);
- (iii) the net capital gain on the disposal of the Bedding activities sold to Aquinos Group (€+17.9 million, including provisions taken for potential indemnities); and
- (iv) the result of various settlements related to the divestment of the Ascorium activities (€+0.8 million).

The total result (restated) of discontinued operations in FY2021 was composed of:

- (i) the result of the period of the Engineered Foams activities which are currently in the process of being sold to Carpenter Co. (€+21.3 million);
- (ii) the net result after taxes of the Bedding activities sold to Aquinos Group (€-2.3 million)
- (iii) the result following various settlements related to the divestment of the Ascorium (formerly Automotive Interiors) activities (€+1.4 million).

Consolidated result of the period (share of the Group): €63.2 million (€53.5 million in 2021).

FINANCIAL POSITION

in million EUR	31 DEC 2021	31 MAR 2022	30 JUN 2022	30 SEP 2022	31 DEC 2022
Total equity	391.3	-	417.6	-	446.9
Net financial debt excluding factoring	103.8	92.4	247.6	253.2	242.2
+ Lease debt (IFRS 16)	44.0	37.2	7.3	7.2	6.3
Net financial debt	147.8	129.5	254.9	260.4	248.4
+ Drawn amounts under factoring programs	25.2	0.0	29.5	17.8	13.2
Total net financial debt	173.0	129.5	284.4	278.2	261.7
Gearing ratio (incl. IFRS 16)	37.8%	-	61.0%	-	55.6%
Leverage ratio (incl. IFRS 16)	1.3	-	2.2	-	2.1

The Group's total net debt position increased by €88.7 million over 2022 to reach €261.7 million, mainly due to (i) the payment of €154.6 million (net of cash) for the acquisition of Trimo, (ii) the deferred payment in January 2022 of CHF 20 million for the acquisition of FoamPartner, (iii) higher net working capital needs resulting from seasonality effects and price inflation, (iv) the dividend payment of €16.2 million; partially offset by (v) the net €84.5 million cash inflow from the disposal of the Bedding activities to Aquinos Group on 31 March 2022 and by (vi) the net proceeds from the sale of investment property in Balen (Belgium) (€7.6 million).

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

SUSTAINABILITY

In October 2022, Recticel joined the SBTi community in a concerted effort to limit global warming to 1.5°C above pre-industrial levels. Recticel has committed to SBTi to become a net-zero emission company on Scope 1 & 2 by 2030 and to reach net-zero on Scope 3 by 2050 at the latest. By 3Q2023, a detailed plan will be presented to SBTi for approval, with 2021 as baseline.

All our emissions are calculated according to the Greenhouse Gas Protocol methodology for the full scope of our insulation activities, including Trimo, for the years 2021 and 2022. The emission reductions realised are fully in line with the SBTi recommended yearly absolute reduction for Scope 1 & 2.

The sustainability intensity indicators are based on realised sales volume instead of turnover, to eliminate any price induced volatility in the indicator, irrelevant to the climate change contribution.

tCO ₂ emissions per scope		Change 2022 compared to 2021 (baseline SBTi)
Scope 1 + 2		11.2% reduction
Scope 3		0.0%
Renewable Energy Indicator		
Photo Voltaic Energy (own production)		309% increase
Intensity Indicators		
Carbon Intensity 1 (tCO ₂ e/m ³)	ratio tCO ₂ e scope 1,2 / m ³ sales volume	12.4% reduction
Carbon Intensity 2 (tCO ₂ e/m ³)	ratio tCO ₂ e scope 1,2,3 / m ³ sales volume	1.4% reduction
Energy Intensity (kWh/m ³)	ratio kWh energy consumed / m ³ sales volume	10.5% reduction

Although Trimo d.o.o is part of Recticel since 1 May 2022, their CO₂e emissions are calculated for the full years 2021 and 2022.

ON-GOING DIVESTMENT PROCESS RECTICEL ENGINEERED FOAMS

On 26 January 2023, the UK Competition and Markets Authority (the “CMA”) accepted the Final Undertakings from the Parties, whereby Recticel Ltd., comprising mainly comfort foams activities and located in Alfreton/Midlands (UK) would be sold separately to a suitable upfront purchaser, before the main transaction can be closed. The divestment process of this UK activity is entering its final phase with binding offers expected shortly.

Recticel and Carpenter continue to work together towards the closing of the Engineered Foams transaction, which is still expected to take place at the end of the first quarter of 2023.

PROPOSED DIVIDEND

The Board of Directors will propose to the Annual General Meeting of 30 May 2023 the payment of an increased gross dividend of €0.31 per share on 56,208,420 shares. This represents a total dividend pay-out of €17.4 million (2021: respectively €0.29 per share and €16.2 million in total).

The Board of Directors will reflect and decide in due course on the principle and the amount of a cash distribution to the shareholders. This would not take place before the completion of the divestment of Engineered Foams to Carpenter.

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APPENDICES

All figures and tables contained in these annexes have been compiled in accordance with the IFRS accounting and valuation principles, as adopted within the European Union. The applied valuation principles, as published in the latest annual report at 31 December 2021, were applied for the figures included in this press release.

The analysis of the risk management is described in the annual report and the IAS 34 Interim report per 30 June 2022, both which are available from www.recticel.com.

STATUTORY AUDITOR'S NOTE ON THE CONSOLIDATED FINANCIAL INFORMATION THE YEAR ENDED 31 DECEMBER 2022

The statutory auditor, PwC Bedrijfsrevisoren BV / Reviseurs d'Entreprises SRL, represented by Marc Daelman, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.

Diegem, 27 February 2023

The statutory auditor

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL

Represented by

Marc Daelman
Bedrijfsrevisor/Réviser d'entreprises

CONSOLIDATED INCOME STATEMENT

		in thousand EUR	
Group Recticel	2021 restated	2022	
Sales	449,211	561,516	
Cost of sales	(364,267)	(456,767)	
Gross profit	84,945	104,750	
General and administrative expenses	(26,921)	(29,780)	
Sales and marketing expenses	(18,106)	(26,520)	
Research and development expenses	(3,556)	(4,153)	
Impairment of goodwill, intangible and tangible assets	(27)	(1,047)	
Other operating revenues	6,641	1,624	
Other operating expenses	(5,501)	(9,989)	
Income from associates	(0)	0	
Operating profit (loss)	37,475	34,886	
Interest income	973	996	
Interest expenses	(3,983)	(6,173)	
Other financial income	4,788	7,136	
Other financial expenses	(3,633)	(11,835)	
Financial result	(1,855)	(9,876)	
Income from other associates	451	(1,176)	
Impairment other associates			
Change in fair value of option structures	(7,315)	2,330	
Result of the period before taxes	28,756	26,164	
Income taxes	5,194	(15,408)	
Result of the period after taxes - continuing operations	33,950	10,756	
Result from discontinued operations	20,391	52,802	
Result of the period after taxes - continuing and discontinued operations	54,341	63,558	
of which share of the Group	53,522	63,181	
of which non-controlling interests	819	377	

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 Ascorium (formerly Automotive Interiors)

EARNINGS PER SHARE

		in EUR	
Group Recticel	2021 restated	2022	
Number of shares outstanding (including treasury shares)	55,963,420	56,208,420	
Weighted average number of shares outstanding (before dilution effect)	55,519,330	55,799,134	
Weighted average number of shares outstanding (after dilution effect)	56,282,863	56,686,814	
Earnings per share			
Earnings per share - continuing operations	0.61	0.19	
Earnings per shares - discontinued operations	0.37	0.95	
Earnings per share of continuing and discontinued operations	0.98	1.14	
Earnings per share from continuing operations			
Earnings per share from continuing operations - Basic	0.61	0.19	
Earnings per share from continuing operations - Diluted	0.60	0.19	
Earnings per share from discontinued operations			
Earnings per share from discontinued operations - Basic	0.37	0.95	
Earnings per share from discontinued operations - Diluted	0.36	0.93	
Net book value	6.99	7.95	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		in thousand EUR	
Group Recticel	2021 restated	2022	
Result for the period after taxes	54,341	63,558	
Other comprehensive income			
Actuarial gains (losses) on employee benefits recognized in equity	7,352	6,832	
Deferred taxes on actuarial gains (losses) on employee benefits	(1,469)	(1,189)	
Currency translation differences that will not subsequently be recycled to profit and loss	(273)	92	
Share in other comprehensive income in joint ventures & associates that will not subsequently be recycled to profit and loss	0	0	
Items that will not subsequently be recycled to profit and loss	5,610	5,735	
Hedging reserves	0	(145)	
Currency translation differences that subsequently may be recycled to profit and loss	10,794	(4,954)	
Foreign currency translation reserve difference recycled in the income statement	(0)	4,461	
Deferred taxes on retained earnings	0	267	
Share in other comprehensive income in joint ventures & associates that subsequently may be recycled to profit and loss	0	0	
Items that subsequently may be recycled to profit and loss	10,794	(372)	
Other comprehensive income net of tax	16,404	5,363	
Total comprehensive income for the period	70,745	68,921	
Total comprehensive income for the period	70,745	68,921	
Total comprehensive income for the period attributable to the owners of the parent	69,926	68,544	
Total comprehensive income for the period attributable to non-controlling interests	819	377	
Total comprehensive income for the period attributable to the owners of the parent	69,926	68,544	
Total comprehensive income for the period attributable to the owners of the parent - Continuing operations	35,007	17,670	
Total comprehensive income for the period attributable to the owners of the parent - Discontinued operations	34,919	50,874	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousand EUR

Group Recticel	31 DEC 2021 (as published)	31 DEC 2022
Intangible assets	34,945	77,357
Goodwill	13,721	63,218
Property, plant & equipment	313,406	110,653
Right-of-use assets	62,603	25,004
Investment property	7,564	113
Investments in associates	12,709	0
Investments in other associates	10,361	9,520
Non-current receivables	18,730	15,350
Deferred tax assets	46,845	22,786
Non-current assets	520,884	324,001
Inventories	112,897	54,210
Trade receivables	141,596	64,102
Deferred receivable for share investments/divestment	0	25,286
Other receivables and other financial assets	15,869	9,855
Income tax receivables	4,660	2,190
Other investments	0	0
Cash and cash equivalents	118,367	38,655
Assets classified as held for sale	141,466	557,361
Current assets	534,855	751,658
TOTAL ASSETS	1,055,739	1,075,659
Capital	139,909	140,521
Share premium	132,087	133,596
Share capital	271,996	274,117
Treasury shares	(1,450)	(1,450)
Other reserves	(3,698)	(354)
Retained earnings	112,404	129,444
Hedging and translation reserves	(5,680)	(647)
Elements of comprehensive income of discontinued operations	16,210	43,977
Equity (share of the Group)	389,782	445,086
Equity attributable to non-controlling interests	1,524	1,850
Total equity	391,305	446,937
Employee benefit liabilities	39,135	13,207
Provisions	21,993	17,992
Deferred tax liabilities	36,229	21,704
Financial liabilities	208,505	194,383
Other amounts payable	25	1,016
Non-current liabilities	305,887	248,301
Provisions	3,386	256
Financial liabilities	59,064	93,527
Trade payables	120,247	73,995
Current contract liabilities	9,081	7,587
Income tax payables	4,466	4,444
Deferred payables for share investments	18,749	0
Other amounts payable	66,885	28,901
Liabilities directly associated with assets classified as held for sale	76,668	171,712
Current liabilities	358,546	380,422
TOTAL EQUITY AND LIABILITIES	1,055,739	1,075,659

CONSOLIDATED STATEMENT OF CASH FLOW

		in thousand EUR	
Group Recticel		2021 restated	2022
Operating profit (loss)		37,475	34,886
Amortisation of intangible assets		1,531	5,363
Depreciation of tangible assets		11,024	13,723
(Reversal) Impairment losses on intangible assets		0	0
(Reversal) Impairment losses on tangible assets		0	1,047
(Write-back)/Write-offs on assets		(701)	1,436
Changes in provisions		(1,319)	2,197
(Gains) / Losses on disposals of intangible and tangible assets		(966)	(597)
Income from associates		0	0
Other non-cash elements		(3,448)	982
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS		43,597	59,036
Inventories		(11,013)	4,392
Trade and other receivables		18,533	(3,143)
Trade and other payables		7,655	(29,065)
Changes in working capital		15,174	(27,815)
Trade & Other long term debts maturing within 1 year		18	0
Income taxes paid		(4,366)	(5,499)
Cash flow from operating activities (discontinued operations)		58,350	10,931
NET CASH FLOW FROM OPERATING ACTIVITIES	(a)	112,772	36,653
Interests received		(14)	902
Dividends received		25	33
Disposal of Bedding		0	84,529
Acquisition Trimo, net of cash acquired		0	(154,636)
Increase of loans and receivables		(663)	(881)
Decrease of loans and receivables		320	559
Investments in intangible assets		(821)	(3,177)
Investments in property, plant and equipment		(3,500)	(9,748)
Disposals of intangible assets		(3)	10
Disposals of property, plant and equipment		341	8,105
Disposals of investments held for sale		17	0
Cash flow from divestment (investment) activities (discontinued operations)		(229,251)	(32,948)
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	(b)	(233,548)	(107,252)
Interests paid on financial debt	(c)	(3,271)	(4,190)
Interests paid on lease debt	(c)	(116)	(69)
Dividends paid		(14,451)	(16,229)
Increase (Decrease) of capital		1,372	2,121
Increase of financial debt		201,507	93,387
Decrease of financial debt			(41,916)
Decrease of lease debt	(d)	(7,362)	(5,129)
Cash flow from financing activities (discontinued operations)		(13,919)	(11,901)
NET CASH FLOW FROM FINANCING ACTIVITIES	(e)	163,760	16,075
Effect of exchange rate changes	(f)	1,262	(6,058)
Effect of exchange rate changes (discontinued operations)	(f)	2,219	76
CHANGES IN CASH AND CASH EQUIVALENTS	(a)+(b)+(e)+(f)	46,464	(60,506)
NET FREE CASH FLOW	(a)+(b)+(c)+(d)	(131,524)	(79,985)

in thousand EUR

Group Recticel		2021 restated	2022
Net cash position opening balance (continuing operations)		76,790	84,055
Net cash position opening balance (discontinued operations)		2,465	41,664
Net cash position opening balance	(g)	79,255	125,719
Net cash position closing balance (continuing operations)		84,055	38,655
Net cash position closing balance (discontinued operations)		41,664	26,558
Net cash position closing balance	(h)	125,719	65,213
CHANGES IN CASH AND CASH EQUIVALENTS	(h)-(g)	46,464	(60,506)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in thousand EUR

2022	Capital	Share premium	Treasury shares	Other reserves	Retained earnings	Translation differences and hedging reserves	Continuing operations	Discontinued operations	Total shareholders' equity	Non-controlling interests	Total equity
Equity at the beginning of the period	139,909	132,087	(1,450)	(3,698)	112,404	(5,680)	373,572	16,210	389,782	1,524	391,306
Dividends	0	0	0	0	(16,195)	0	(16,195)	0	(16,195)		(16,195)
Stock options (IFRS 2)	0	0	0	981	(145)	0	836	0	836		836
Capital movements	612	1,509	0	0	0	0	2,121	0	2,121		2,121
Shareholders' movements	612	1,509	0	981	(16,340)	0	(13,238)	0	(13,238)	0	(13,238)
Profit or loss of the period	0	0	0	0	11,311	0	11,311	51,871	63,182	377	63,559
Other comprehensive income	0	0	0	1,794	331	5,033	7,158	(1,797)	5,361	0	5,361
Changes in scope	0	0	0	569	21,738	0	22,307	(22,307)	0	(50)	(50)
Total comprehensive income	0	0	0	2,363	33,380	5,033	40,776	27,767	68,543	327	68,870
Equity at the end of the period	140,521	133,596	(1,450)	(354)	129,444	(647)	401,110	43,977	445,087	1,851	446,937

RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

in thousand EUR

Group Recticel	2021 restated	2022
Income statement		
Sales	449,211	561,516
Gross profit	84,945	104,750
EBITDA	50,303	55,018
Operating profit (loss)	37,475	34,886
Operating profit (loss)	37,475	34,886
Amortisation of intangible assets	1,531	5,363
Depreciation of tangible assets	11,353	13,723
Amortisation deferred charges long term	(83)	0
Impairments on goodwill, intangible and tangible fixed assets	27	1,047
EBITDA	50,303	55,018
EBITDA	50,303	55,018
Restructuring charges	626	1,277
Other	(2,504)	5,902
Adjusted EBITDA	48,426	62,197
Operating profit (loss)	37,475	34,886
Restructuring charges	626	1,277
Other	(2,504)	5,902
Impairments	27	1,047
Adjusted Operating Profit (Loss)	35,624	43,111
Total net financial debt		
	31 DEC 2021 (as published)	31 DEC 2022
Non-current financial liabilities	208,505	194,383
Current financial liabilities	59,064	93,527
Cash	(118,367)	(38,655)
Other financial assets	(1,381)	(806)
Net financial debt on statement of financial position	147,821	248,450
Factoring programs	25,162	13,237
Total net financial debt	172,984	261,687
Gearing ratio (Net financial debt / Total equity)		
Total equity	391,305	446,937
Net financial debt on statement of financial position / Total equity	37.8%	55.6%
Total net financial debt / Total equity	44.2%	58.6%
Leverage ratio (Net financial debt / EBITDA)		
Net financial debt on statement of financial position / EBITDA	1.3	2.1
Total net financial debt / EBITDA	1.5	2.3
Net working capital		
Inventories and contracts in progress	112,897	54,210
Trade receivables	141,596	64,102
Other receivables	15,869	35,141
Income tax receivables	4,660	2,190
Trade payables	(120,247)	(73,995)
Current contract liabilities	(9,081)	(7,587)
Income tax payables	(4,466)	(4,444)
Other amounts payable	(66,885)	(28,901)
Net working capital	74,343	40,715
Current ratio (= Current assets / Current liabilities)		
Current assets	534,855	751,658
Current liabilities	358,546	380,422
Current ratio (factor)	1.5	2.0

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 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 Ascorium (formerly 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.

About Recticel

Recticel is a Belgian insulation group with a strong presence in Western and Eastern Europe. End 2022, Recticel (excluding discontinued activities) employed 1,234 people in 12 establishments spread over 7 countries and achieved sales of €561.5 million.

Recticel contributes to the fight against climate change thanks to its energy-efficient insulation applications for the construction industry.

The high-quality thermal and acoustic insulation products of Recticel Insulation boards are marketed under well-known brands such as Eurowall®, Powerroof®, Powerdeck® and Powerwall®.

Trimo Insulated panels focuses on mid to high-end applications of roof and wall cladding, mostly in the non-residential market, under well-known brands such as Trimoterm, Qbiss One and Qbiss Screen.

Recticel has committed to the SBTi to become a net-zero emission company on Scopes 1 and 2 by 2030 and to reach net-zero on Scope 3 by 2050 at the latest.

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

Financial calendar

First quarter 2023 trading update	28.04.2023 (07:00 AM CET)
Annual General Meeting	30.05.2023 (10:00 AM CET)
First half-year 2023 results	31.08.2023 (07:00 AM CET)
Third quarter 2023 trading update	27.10.2023 (07:00 AM CET)

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