

Recticel Half Year Results 2023

- Net sales decrease from € 287.2 million¹ in 2022 to € 266.1 million (-7.4%) in 2023
- Adjusted EBITDA: from € 31.7 million¹ to € 18.2 million (-42.6%)
- Result of the period (share of the Group): from € 34.6 million to € 2.2 million
- Net cash position: € 142.3 million (31 December 2022: net financial debt of € 250.0 million^{1/2}; 30 June 2022: net financial debt of € 256.2 million^{1/2})
- Agreement reached on the divestment of the 33% share in Orsa Foam

Sales and profits have been disappointing in the first half of 2023. Recticel is entirely dependent on the European construction markets, which have remained very challenging in most segments and countries during the period. In the residential markets, new build and renovation activities have been seriously impacted by a combination of high inflation and interest rate increases, weighing on disposable income. In the industrial and commercial markets, fewer projects were launched and some have been postponed. These market trends have been observed in most European countries, with the notable exception of France, which has remained quite dynamic.

As a consequence of these subdued markets, our volumes have been lower year-on-year by more than 15%, in a context of substantial competition leading to price deflation and pressure on margins.

After the closing of the Engineered Foams divestment to Carpenter on 12 and 13 June 2023, and the subsequent € 142.3 million net cash position, several acquisition opportunities are being pursued and progressing well, which will enhance our market and segment positions in Europe.

OUTLOOK

Input costs of chemicals, steel, and to a lesser extent mineral wool have decreased, which should create the conditions for volume growth going forward. Although still volatile, we see improvements in the demand, particularly in Insulated Panels.

In this context, we expect our full year 2023 Adjusted EBITDA to reach between € 40 and 45 million.

¹ As announced in the press release of 14 June 2023, The Soundcoat Company Inc. was not part of the divestment to Carpenter Co was transferred from Discontinued Operations to Continuing Operations as of 1 January 2022. The formerly published 2022 income statements, financial position and cash-flow statements have been restated accordingly.

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

² Excluding the drawn amounts under non-recourse factoring programs: EUR 0.0 million per 30 June 2023 compared to EUR 13.2 million per 31 December 2022 and EUR 29.5 million per 30 June 2022

CONSOLIDATED GROUP RESULTS – KEY FIGURES

	in million EUR		
	1H2022 restated ¹	1H2023	%
Sales	287.2	266.1	-7.4%
Gross profit	52.1	45.5	-12.7%
as % of sales	18.1%	17.1%	
Adjusted EBITDA	31.7	18.2	-42.6%
as % of sales	11.0%	6.8%	
EBITDA	27.1	15.9	-41.5%
as % of sales	9.4%	6.0%	
Adjusted operating profit (loss)	24.1	6.7	-72.4%
as % of sales	8.4%	2.5%	
Operating profit (loss)	19.5	4.0	-79.4%
as % of sales	6.8%	1.5%	
Financial result	(1.5)	(6.2)	n.m.
Income from other associates³	(2.4)	(1.8)	n.m.
Impairment other associates	0.0	(3.9)	n.m.
Change in fair value of option structures	2.3	0.0	n.m.
Income taxes	(5.0)	(3.1)	n.m.
Result of the period of continuing operations	12.9	(10.9)	n.m.
Result of discontinued operations	22.1	13.0	n.m.
Result of the period (share of the Group)	34.6	2.2	-93.6%
Result of the period (share of the Group) - base (per share, in EUR)	0.62	0.04	-93.6%
	31 Dec 2022	30 Jun 2023	%
Total equity	446.2	437.3	-2.0%
Net Financial Debt (incl. IFRS 16 - Leases)	250.0	(142.3)	n.m.
Gearing ratio (Net financial debt / Total equity)	56.0%	N/A	
Leverage ratio (Net financial debt / EBITDA) ⁴	2.2	N/A	

The following change in the scope of consolidation took place in 1H2023:

- Disposal on 12 June 2023 of the Engineered Foams activities, which were already accounted for as Discontinued Operations on 30 June 2022.

The results of the Automotive joint-venture (TEMDA2/Ascorium) are reported under 'Income from other associates'.

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 d.o.o. This pro forma leverage ratio is a better comparable.

Sales: from € 287.2 million¹ in 1H2022 to **€ 266.1 million** in 1H2023.

Second quarter 2023:

2Q2023 sales decreased by 13.7% from € 160.4 million¹ to **€ 138.4 million**, including -1.0% currency impact.

Sequentially, from 1Q2023 to 2Q2023, volumes have increased by about 5% and 40% respectively for Insulation Boards and Insulated Panels. In parallel, the order intake has improved in both segments, and is in 3Q2023 superior to 3Q2022.

Due to the lack in demand, margin pressure has been building up and increasing during the first half of 2023 mostly in the Insulation Boards segment.

First half year 2023:

1H2023 sales decreased by 7.4% from € 287.2 million¹ to **€ 266.1 million**, including -0.9% currency impact.

Adjusted EBITDA: from € 31.7 million¹ in 1H2022 to **€ 18.2 million** in 1H2023.

Adjusted EBITDA margin on sales decreased from 11.0% to **6.8%**.

Besides the topline volume/price evolutions, the raw materials costs have decreased, compensating partially for the negative volume and price effects, as well as for the salary inflation impact.

Adjusted operating profit (loss): from € 24.1 million¹ in 1H2022 to **€ 6.7 million** in 1H2023.

Adjusted operating profit (loss) margin on sales decreased from 8.4% to **2.5%**.

Adjustments to Operating profit (loss) on continuing operations in 1H2023 amount to € 2.7 million and include:

- € 1.2 million of restructuring costs;
- € 1.2 million of various smaller other adjustments;
- € 0.3 million impairment on intangible and tangible fixed assets.

EBITDA: from € 27.1 million¹ in 1H2022 to **€ 15.9 million** in 1H2023.

EBITDA margin on sales decreased from 9.4% to **6.0%**.

Operating profit (loss): from € 19.5 million¹ in 1H2022 to **€ 4.0 million** in 1H2023.

Operating profit (loss) margin on sales decreased from 6.8% to **1.5%**.

Financial result: from € -1.5 million¹ in 1H2022 to **€ -6.2 million** in 1H2023.

Net interest charges increased from € -1.5 million¹ in 1H2022 to € -6.0 million in 1H2023 as a result of the higher debt following the Trimo acquisition in the second quarter of 2022 and the gradually increasing interest rates, in absence of hedging as it was expected to close the Engineered Foams divestment earlier in time.

Other net financial income and expenses: from € -0.04 million¹ in 1H2022 to € 0.13 million in 1H2023.

Income from other associates: from € -2.4 million¹ in 1H2022 to € **-1.8 million** in 1H2023 relates to the negative result of TEMDA2 (at 49%).

Fair value of option structures: from € +2.3 million¹ in 1H2022 to € **+0 million** in 1H2023

Income and deferred taxes: from € -5.0 million¹ in 1H2022 to € **-3.1 million** in 1H2023

- Current income tax: from € -3.8 million¹ in 1H2022 to € -2.3 million in 1H2023;
Current tax charges decrease in line with the lower results.
- Deferred tax: from € -1.2 million¹ in 1H2022 to € -0.7 million in 1H2023;

Result of the period from continuing operations: from € 12.9 million¹ in 1H2022 to € **-11.5 million** in 1H2023.

Result from discontinued operations: from € 22.1 million¹ in 1H2022 to € **13.0 million** in 1H2023.

The result from discontinued operations mainly represents:

- (i) the result until 12 June 2023 of the Engineered Foams activities sold to Carpenter Co. (€ -0.5 million);
- (ii) the net capital gain on the disposal of the Engineered Foams activities sold to Carpenter Co. amounting to € +12.3 million and composed of the following items:
 - gain on the divestment of Engineered Foams: € +30.9 million (including € 24.6 million provisions on transactions related tax exposures and indemnities (incl. Orsa Foam indemnity))
 - direct attributable transaction costs: € -4.7 million;
 - Cumulative Translation Adjustment release in the income statement: € -7.5 million;
 - positive result 1H2023 Orsa Foam (€ +0.5 million) + impairment (€ -6.9 million)
- (iii) the result of the Aquinos closing account settlement (including the release of the closing accounts provision (€ +1.2 million)).

The total result (restated) of discontinued operations in 1H2022 was composed of:

- (i) the result of the period of the Engineered Foams activities which were sold to the Carpenter Co. (€ +4.6 million);
- (ii) the result of the first three months of 2022 of the Bedding activities (€ +1.1 million);
- (iii) the net capital gain on the disposal of the Bedding activities sold to Aquinos Group (€ +17.9 million, including € 5.0 million of provisions for indemnities);
- (iv) the impact of the restatement linked to the transfer from Discontinued Operations to Continuing Operations of The Soundcoat Company Inc. (€ -1.4 million); and
- (v) the result of the settlements related to the divestment of the Ascorium activities (€ -0.1 million).

Consolidated result of the period (share of the Group): from € 34.6 million in 1H2022 to € **2.2 million** in 1H2023.

FINANCIAL POSITION

in million EUR

	30 JUN 2022 restated ¹	30 SEP 2022 restated ¹	31 DEC 2022 restated ¹	31 MAR 2023	30 JUN 2023
Total equity	417.6	-	446.2	-	437.3
Net financial debt excluding factoring	248.8	254.5	239.8	250.8	(151.0)
+ Lease debt (IFRS 16)	7.4	8.2	10.2	9.5	8.8
Net financial debt	256.2	262.8	250.0	260.3	(142.3)
+ Drawn amounts under factoring programs	29.5	17.8	13.2	18.9	0.0
Total net financial debt	285.8	280.5	263.2	279.1	(142.3)
Gearing ratio (incl. IFRS 16)	61.3%	-	56.0%	-	N/A
Leverage ratio (incl. IFRS 16)	2.1	-	2.2	-	N/A

The Group's total net debt position decreased by € 405.5 million over 1H2023 to reach a net cash position of € 142.3 million due to the receipt of € 428.2 million from the sale of the Engineered Foams activities.

SUBSEQUENT EVENT – ORSA FOAM DIVESTMENT

Following the closing of the sale of Engineered Foams to Carpenter, Recticel has now reached an agreement in principle to divest its 33% participation in Italian foam company Orsa Foam srl to its joint venture partner Orsa srl. The purchase price amounts to € 7.15 million and will be paid in instalments with the last payment due in December 2025. The deal is expected to close by the end of the third quarter of 2023.

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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 2022, 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 2023, both which are available from www.recticel.com.

CONSOLIDATED INCOME STATEMENT

	in thousand EUR	
	1H2022 restated ¹	1H2023
Sales	287,237	266,119
Cost of sales	(235,123)	(220,646)
Gross profit	52,114	45,473
General and administrative expenses	(14,628)	(24,104)
Sales and marketing expenses	(12,889)	(15,490)
Research and development expenses	(2,299)	(2,104)
Impairment of goodwill, intangible and tangible assets	(57)	(293)
Other operating revenues	1,233	2,470
Other operating expenses	(3,955)	(1,928)
Income from associates	0	0
Operating profit (loss)	19,519	4,024
Interest income	476	668
Interest expenses	(1,958)	(6,711)
Other financial income	4,821	2,142
Other financial expenses	(4,861)	(2,275)
Financial result	(1,521)	(6,176)
Income from other associates	(2,384)	(1,772)
Impairment other associates		(3,874)
Change in fair value of option structures	2,330	0
Result of the period before taxes	17,944	(7,798)
Income taxes	(5,007)	(3,076)
Result of the period after taxes - continuing operations	12,937	(10,874)
Result from discontinued operations	22,119	12,973
Result of the period after taxes - continuing and discontinued operations	35,056	2,100
of which share of the Group	34,618	2,209
of which non-controlling interests	438	(110)

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	
	1H2022 restated ¹	1H2023
Number of shares outstanding (including treasury shares)	56,208,420	56,230,920
Weighted average number of shares outstanding (before dilution effect)	55,714,814	55,891,564
Weighted average number of shares outstanding (after dilution effect)	56,734,281	56,775,738
Earnings per share		
Earnings per share - continuing operations	0.23	(0.19)
Earnings per shares - discontinued operations	0.40	0.23
Earnings per share of continuing and discontinued operations	0.63	0.04
Earnings per share from continuing operations		
Earnings per share from continuing operations - Basic	0.23	(0.19)
Earnings per share from continuing operations - Diluted	0.23	(0.19)
Earnings per share from discontinued operations		
Earnings per share from discontinued operations - Basic	0.40	0.23
Earnings per share from discontinued operations - Diluted	0.39	0.23
Net book value	7.43	7.78

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	in thousand EUR	
	1H2022 restated ¹	1H2023
Result for the period after taxes	35,056	2,100
Other comprehensive income		
Actuarial gains (losses) on employee benefits recognized in equity	2,874	(803)
Deferred taxes on actuarial gains (losses) on employee benefits	(136)	106
Currency translation differences that will not subsequently be recycled to profit and loss	10	(99)
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	2,748	(796)
Hedging reserves	0	0
Currency translation differences that subsequently may be recycled to profit and loss	1,986	(980)
Foreign currency translation reserve difference recycled in the income statement	(642)	0
Deferred taxes on retained earnings	162	91
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	1,506	(889)
Other comprehensive income net of tax	4,255	(1,684)
Total comprehensive income for the period	39,310	415
Total comprehensive income for the period	39,310	415
Total comprehensive income for the period attributable to the owners of the parent	38,872	525
Total comprehensive income for the period attributable to non-controlling interests	438	(110)
Total comprehensive income for the period attributable to the owners of the parent	38,872	525
Total comprehensive income for the period attributable to the owners of the parent - Continuing operations	29,903	(10,874)
Total comprehensive income for the period attributable to the owners of the parent - Discontinued operations	8,969	11,399

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	in thousand EUR	
	31 DEC 2022 restated ¹	30 JUN 2023
Intangible assets	77,357	72,488
Goodwill	63,218	62,409
Property, plant & equipment	111,491	114,626
Right-of-use assets	27,742	25,664
Investment property	113	113
Investments in associates	0	0
Investments in other associates	9,520	3,874
Non-current receivables	15,477	14,947
Deferred tax assets	23,508	22,494
Non-current assets	328,426	316,616
Inventories	57,346	53,114
Trade receivables	67,716	91,183
Deferred receivable for share investments/divestment	25,286	21,200
Other receivables and other financial assets	9,754	11,707
Income tax receivables	2,332	2,830
Cash and cash equivalents	39,782	172,070
Assets classified as held for sale	544,236	7,150
Current assets	746,452	359,254
TOTAL ASSETS	1,074,878	675,870
Capital	140,521	140,577
Share premium	133,596	133,729
Share capital	274,117	274,307
Treasury shares	(1,450)	(1,450)
Other reserves	(354)	(4,416)
Retained earnings	132,461	173,229
Hedging and translation reserves	(1,752)	(900)
Elements of comprehensive income of discontinued operations	41,284	(5,188)
Equity (share of the Group)	444,305	435,582
Equity attributable to non-controlling interests	1,850	1,741
Total equity	446,155	437,322
Employee benefit liabilities	13,207	13,443
Provisions	17,992	34,257
Deferred tax liabilities	21,704	21,339
Financial liabilities	196,763	24,742
Other amounts payable	1,016	996
Non-current liabilities	250,681	94,777
Provisions	256	0
Financial liabilities	93,824	5,033
Trade payables	75,638	73,580
Current contract liabilities	7,587	11,320
Income tax payables	4,444	2,585
Deferred payables for share investments	0	0
Other amounts payable	29,964	51,253
Liabilities directly associated with assets classified as held for sale	166,329	0
Current liabilities	378,042	143,771
TOTAL EQUITY AND LIABILITIES	1,074,878	675,870

CONSOLIDATED STATEMENT OF CASH FLOW

in thousand EUR

		1H2022 restated ¹	1H2023
Operating profit (loss)		19,519	4,024
Amortisation of intangible assets		598	3,772
Depreciation of tangible assets		6,757	7,779
(Reversal) Impairment losses on tangible assets		0	293
(Write-back)/Write-offs on assets		1,020	844
Changes in provisions		(360)	(1,324)
(Gains) / Losses on disposals of intangible and tangible assets		(308)	(20)
Income from associates		0	0
Other non-cash elements		532	598
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS		27,757	15,965
Inventories		937	3,692
Trade and other receivables		(27,217)	(18,887)
Trade and other payables		11,576	17,646
Changes in working capital		(14,704)	2,451
Trade & Other long term debts maturing within 1 year		0	0
Tax credit (non-current receivables)		0	
Income taxes paid		(984)	(4,411)
Cash flow from operating activities (discontinued operations)		(12,992)	10,887
NET CASH FLOW FROM OPERATING ACTIVITIES	(a)	(924)	24,892
Interests received		646	1,270
Dividends received		33	0
Disposal of Bedding		84,520	3,000
Acquisition Trimo, net of cash acquired		(154,783)	312
Disposal of Engineered Foams		0	428,202
Increase of loans and receivables		(633)	(21)
Decrease of loans and receivables		149	0
Investments in intangible assets		(1,998)	(1,680)
Investments in property, plant and equipment		(3,122)	(7,551)
Disposals of intangible assets			395
Disposals of property, plant and equipment		7,660	180
Proceeds from affiliates and joint ventures disposals		0	0
Disposals of investments held for sale		0	0
(Increase)/Decrease of investments available for sale		0	0
Cash flow from divestment (investment) activities (discontinued operations)		(24,992)	(4,141)
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	(b)	(92,518)	419,965
Interests paid on financial debt	(c)	(1,844)	(6,462)
Interests paid on lease debt	(c)	(52)	(50)
Dividends paid		(16,229)	(17,425)
Increase (Decrease) of capital		2,121	189
Increase of financial debt		87,043	9,280
Decrease of financial debt			(313,548)
Decrease of lease debt	(d)	(2,335)	(3,036)
Cash flow from financing activities (discontinued operations)		(4,453)	(6,645)
NET CASH FLOW FROM FINANCING ACTIVITIES	(e)	64,251	(337,696)
Effect of exchange rate changes	(f)	(1,739)	(132)
Effect of exchange rate changes (discontinued operations)	(f)	1,358	(172)
CHANGES IN CASH AND CASH EQUIVALENTS	(a)+(b)+(e)+(f)	(29,572)	106,857
NET FREE CASH FLOW	(a)+(b)+(c)+(d)	(97,672)	435,310

	in thousand EUR	
	1H2022	1H2023
Net cash position opening balance (continuing operations)	84,055	39,782
Net cash position opening balance (discontinued operations)	41,664	25,431
Net cash position opening balance	(g) 125,719	65,213
Net cash position closing balance (continuing operations)	66,845	172,070
Net cash position closing balance (discontinued operations)	29,302	
Net cash position closing balance	(h) 96,147	172,070
CHANGES IN CASH AND CASH EQUIVALENTS	(h) - (g) (29,572)	106,857

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR HALF YEAR ENDING 30 JUNE 2023

	in thousand EUR										
2023	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	140,521	133,596	(1,450)	(354)	132,461	(1,752)	403,022	41,283	444,305	1,850	446,155
Restatement IFRS 16	0	0	0	0	0	0			0	0	0
Dividends	0	0	0	0	(17,425)	0	(17,425)	0	(17,425)		(17,425)
Stock options (IFRS 2)	0	0	0	598	0	0	598	0	598		598
Capital movements	56	133	0	0	0	0	189	0	189		189
Shareholders' movements	56	133	0	598	(17,425)	0	(16,638)	0	(16,638)	0	(16,638)
Profit or loss of the period	0	0	0	0	(10,763)	0	(10,763)	12,973	2,210	(110)	2,100
Other comprehensive income	0	0	0	(1,011)	48	852	(111)	(1,574)	(1,685)	0	(1,685)
Total comprehensive income	0	0	0	(1,011)	(10,715)	852	(10,874)	11,399	525	(110)	415
Changes in scope	0	0	0	(3,646)	68,908	0	65,262	(57,870)	7,392	0	7,392
Equity at the end of the period	140,577	133,729	(1,450)	(4,413)	173,229	(900)	440,772	(5,188)	435,584	1,740	437,324

RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

	in thousand EUR	
	1H2022 restated ¹	1H2023
Income statement		
Sales	287,237	266,119
Gross profit	52,114	45,473
EBITDA	27,143	15,867
Operating profit (loss)	19,519	4,024
Operating profit (loss)	19,519	4,024
Amortisation of intangible assets	598	3,772
Depreciation of tangible assets	6,978	7,779
Amortisation deferred charges long term	(9)	0
Impairments on goodwill, intangible and tangible fixed assets	57	293
EBITDA	27,142	15,867
EBITDA	27,142	15,867
Restructuring charges	1,180	1,200
Other	3,386	1,146
Adjusted EBITDA	31,708	18,214
Operating profit (loss)	19,519	4,024
Restructuring charges	1,180	1,200
Other	3,386	1,146
Impairments	57	293
Adjusted Operating Profit (Loss)	24,141	6,663
Total net financial debt		
	31 DEC 2022 restated¹	30 JUN 2023
Non-current financial liabilities	196,763	24,742
Current financial liabilities	93,824	5,033
Cash	(39,782)	(172,070)
Other financial assets	(806)	(1)
Net financial debt on statement of financial position	249,999	(142,297)
Factoring programs	13,237	18
Total net financial debt	263,236	(142,278)
Gearing ratio (Net financial debt / Total equity)		
Total equity	446,155	437,322
Net financial debt on statement of financial position / Total equity	56.0%	N/A
Total net financial debt / Total equity	59.0%	N/A
Leverage ratio (Net financial debt / EBITDA)		
Net financial debt on statement of financial position / EBITDA	2.2	N/A
Total net financial debt / EBITDA	2.3	N/A
Net working capital		
Inventories and contracts in progress	57,346	53,114
Trade receivables	67,716	91,183
Other receivables	35,040	32,908
Income tax receivables	2,332	2,830
Trade payables	(75,638)	(73,580)
Current contract liabilities	(7,587)	(11,320)
Income tax payables	(4,444)	(2,585)
Other amounts payable	(29,964)	(51,253)
Net working capital	44,800	41,296
Current ratio (= Current assets / Current liabilities)		
Current assets	746,452	359,254
Current liabilities	378,042	143,771
Current ratio (factor)	2.0	2.5

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 considered as being part of the Group's core business are integrated in Operating profit (loss).

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).

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

Margin: EBITDA margin, Adjusted EBITDA margin, Operating Profit (loss) margin and Adjusted operating profit (loss) margin are expressed as a % on Sales

Net free cash-flow: 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 company with a strong presence in Europe and the USA. It's overriding purpose is to accelerate the fight against climate change with solutions that advance a carbon-free economy and a better quality of life.

Recticel operates through four main activities. **Recticel Insulation Boards** designs thermal insulation boards and easy-to install thermo-acoustic boards for optimal comfort and energy efficiency in buildings. **Trimo Insulated Panels** enables the highest aesthetic standards and extends architectural possibilities, primarily in non-residential applications. **Soundcoat Acoustic Insulation** engineers noise control solutions used in some of the world's leading technological innovations. **Turvac Vacuum Insulation** provides vacuum insulation panels for cold chain activities in industries ranging from food to pharma.

At the end of 2022, Recticel employed 1,325 people in 11 facilities spread over seven countries and achieved sales of €587.8 million.

The company recently formalised its net zero emissions targets by submitting them to the Science Based Target initiative (SBTi).

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

Financial calendar

Third quarter 2023 trading update 27.10.2023 (07:00 AM CET)

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