

## **Recticel becomes a pure insulation player after completing the divestment of its Engineered Foams activities on 12 and 13 June 2023**

- **Changes in transaction perimeter: Recticel keeps The Soundcoat Company Inc. (USA – acoustic and thermal insulation) and its 33% participation in Orsa Foam S.p.A. (Italy)**
- **Recticel Ltd. (UK Comfort Foams) sold to GIL Investments Ltd.**
- **Revised Enterprise Value of EUR 454.1 million**
- **Cash proceeds of EUR 427.0 million**
- **Reduction of IFRS16 lease debt by EUR 23.9 million, and reduction of other provisions and liabilities by EUR 30.6 million**
- **The transaction represents a 7.5 x multiple on the average 2021 and 2022 Adjusted EBITDA pertaining to the divested perimeter**

Recticel signed a binding agreement (see press release dd. 07 December 2021) to sell its Engineered Foams activities to US-based Carpenter Co., subject to customary closing conditions, including anti-trust clearance. Carpenter and Recticel received such clearance from the UK Competition & Markets Authority (CMA) on 12 April 2023, and have subsequently signed the divestment of the two UK Comfort foam facilities (remedies meeting CMA requirements) to GIL Investments Ltd. on 17 April 2023 (see press release dd. 28 April 2023). All conditions precedent being met, Carpenter Co. and Recticel could progress to closing the main transaction.

Following subsequent discussions and negotiations, the perimeter was amended as follows:

- Retention of The Soundcoat Company Inc. (USA – 2022 sales of EUR 26.3 million), providing acoustic and thermal insulation solutions for industrial applications, which further reinforces Recticel as a pure insulation player. The Soundcoat Company Inc. generated an average Adjusted EBITDA 2021/2022 of EUR 4.3 million.
- Retention of the 33% participation in Orsa Foam S.p.A. (Italy – 2022 sales of EUR 106.6 million), providing flexible foam products in Southern Europe. Orsa Foam S.p.A. contributed an average EUR 0.6 million to the Engineered Foams Adjusted EBITDA in 2021/2022.

The enterprise value has been revised to EUR 454.1 million, reflecting the reduced perimeter and the Ukraine war impact on the trading in Europe in the last 15 months.

Subject to the completion accounts adjustments, this leads to :

- Cash proceeds of EUR 427.0 million
- IFRS16 lease debt reduction by EUR 23.9 million
- Pension liabilities reduction by EUR 16.8 million
- Other provisions and liabilities reduction by EUR 13.8 million

Based upon the average of 2021 Adjusted EBITDA (restated for 12 months of FoamPartner and exclusion of Orsa Foam S.p.A. and The Soundcoat Company Inc.) and 2022 Adjusted EBITDA (restated for the exclusion of Orsa Foam S.p.A. and The Soundcoat Company Inc.), the transaction completes at a 7.5 x Adjusted EBITDA multiple.

While The Soundcoat Company Inc. will be fully integrated into the Insulation segment, it remains Recticel's intention to divest its minority share in Orsa Foam S.p.A.

Carpenter Co., founded in 1950, is privately owned and headquartered in Richmond, VA (USA). Carpenter Co. is a global, diversified and world class chemical company, and one of the largest integrated producers of polyurethane foams. It employs around 4,300 employees and has worldwide some 56 production sites. With annual 2022 sales in excess of USD 2 billion, Carpenter Co. intends to further develop its flexible foams activities by complementing its existing product offering with technical foams, and expanding its customer base and geographic reach.

**Olivier Chapelle (CEO of Recticel):** *“I am happy that we could finally complete the divestment of our Engineered Foams activities to Carpenter Co., as it will allow us to focus on expanding our Insulation activities. The revised perimeter of the transaction is essentially the consequence of regulatory and strategic reasons.*”

*Recticel is now ready to move forward as a pure player in insulation, focused, cash positive, and driven by ambitious growth, innovation, and sustainability targets. As our transformation journey comes to an end, I want to thank everyone who has worked hard on the completion of this five year transformation process, which started in late 2018 with the divestment of our share in the Proseat joint venture. My gratitude extends to all our stakeholders for their continuous trust and support as we executed our plans.*

*To finish, I wholeheartedly thank all our Engineered Foams colleagues for their cooperation and commitment to Recticel during these last 24 months and last but certainly not least, I wish them lots of success and an exciting continued journey as they transfer to Carpenter Co.”*

**Brad Beauchamp (CEO of Carpenter Co.):** *“We are excited to have completed this transaction, as it represents a unique opportunity for Carpenter to add a great set of locations and business units together with people dedicated to providing superior products and services. This transaction will allow Carpenter to accelerate its growth throughout the various end markets for flexible polyurethane foam.*”

*I want to thank all of those involved in the transaction who have demonstrated their dedication throughout the last 24 months to seeing this through to a successful completion and we look forward to a bright future for our combined operations and for Recticel as it embarks on its insulation strategy.”*

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## 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 9 facilities spread over 6 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: RECT:BB).

## Financial calendar

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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