Half Year 2018

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H1 Financial Headlines

(3.6%)
yoy sales growth
(consolidated)

- (8.8%) organic
- (2.6%) FX impact
- +7.8% M&A[(1)]

- Rugs organic decline of 16.2%, in-line with guidance, due to partial loss of share of wallet and strong prior year comp of 12.9% growth
- Commercial organic growth of 8.6%, with growth in both US & Europe
- Residential organic decline of 12.8% due to customer disruption, unfavorable weather and weak trading conditions, mainly in the UK

(26.6%)
Adj. EBITDA growth
(consolidated)

- (28.2%) organic
- (5.3%) FX impact
- +6.9% M&A[(1)]

- Organic decline from raw material headwinds and lower volumes in Rugs and Residential division
- Material impact to earnings from FX
- Bentley underlying EBITDA growth of 36.4%[(1)]

3.8x
Leverage

Net Debt
€272.3m

- Leverage of 3.3x as at Q1 2018 and 2.6x at Q2 2017
- Impacted by 12 month trailing EBITDA and normal seasonal working capital increase

(1) Bentley revenue and Adjusted EBITDA recognized from April 1st 2017. Underlying growth refers to Bentley performance year on year in US $

H1 2018 Faced Very Strong Prior Year Comparatives and the Expected Headwinds from H2 2017

- **H1 2018 margins impacted by significant raw material headwinds from 2017**
- **FX negatively impacted H1 EBITDA by 5.3%**
- **Lower volumes with less than proportional reduction in fixed costs, impacting EBITDA performance**
- **Rugs declined as a result of the previously announced partial loss in 'share of wallet' with two US home improvement customers and strong prior year comparative**
  - Q2 impacted by lower customer footfall in Europe
- **Residential performance below expectation due to customer disruption, unfavorable weather and weak trading conditions, mainly in the UK**

H1 2018	H1 2017
(3.6%) yoy sales growth (consolidated)	**+15.1%** yoy sales growth (consolidated)
(26.6%) Adj. EBITDA growth (consolidated)	**11.1%** Adj. EBITDA growth (consolidated)

The Six key Priorities for 2018

Grow profitable revenue:

1 Continue to grow Rugs sales in North America
- by increasing channel penetration and broadening our channel reach
- underpinned by 2017 investment in sales and distribution infrastructure

2 Continue Commercial sales growth, leveraging
- increased capacity of new automated commercial line in Europe
- the 2017 investment to increase our sales force, both in Europe and the US

3 Improve Residential product mix by
- growing sales of higher margin products
- capturing the right value for our products and services through a strategic pricing excellence project started. Benefits mostly in 2019

Deliver increased level of cost savings:

4 Deliver the full benefits of the restructuring of the operational footprint in Residential
- complete ahead of schedule in Summer 2018
- benefits commence early in H2 2018

5 Execute the larger Operational Excellence programme
- Project Management Office in place
- delivering an increased run rate of cost savings as of H2 2018

6 Execute the cost synergies between our European and US commercial business
- operational and procurement synergies identified of $2m, mostly delivered in 2018

Management Actions to Materially Benefit H2 2018

We are Restoring US Rugs to Growth

1

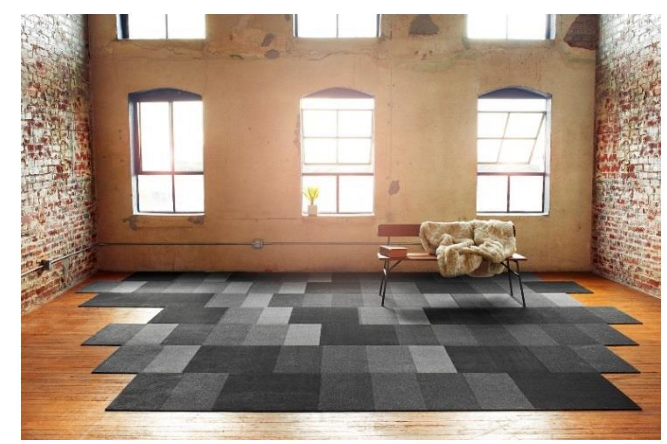
- **Strong progress made in winning back US 'share of wallet' in H2**
  - Regained part of the 'share of wallet' lost in 2017, which will start to benefit from Q4 2018
  - New customer wins, growth in indoor rugs and e-commerce
- **Broadening channel reach and product offering**
  - Continue to invest in the organisation to support our growth in the e-commerce channel
  - New collections including entry into handmade and natural rugs introduced over the summer which was well-received by our customers
- **Lower volume has impacted our EBITDA while we continue to invest for growth**

Commercial Making Strong Progress on Delivering Profitable Growth

2

- **Europe**
  - Back on track, following start-up issues from the automation of our European tile line, which led to supply restriction in 2017 H2
  - New collection launched, well received by customers
  - 2018 price increase implemented

- **US**
  - Continued investment made to improve and expand sales force to grow national account sales and focus on regions where we see the greatest opportunities
  - Leverage Balta's global network for Bentley - 4 global account wins in H1
  - Expanded LVT offer, complimentary sales opportunity within existing client base
  - 2018 price increase implemented



Commercial H1 consolidated organic revenue growth of 8.6%, EBITDA 9.6%

Residential Initiatives Benefits Coming Through

- **Reminder:**
  - Absorbed Oudenaarde factory into two existing vertically integrated factories in Belgium
  - Closed the rented warehouse in Sint-Niklaas, Belgium
  - Reducing our loss making sales with an SKU reduction programme - 20% less SKUs expected by Q3 2018
- **This will result in:**
  - Total cash benefit of €9.9m with one off costs of €12.4m
  - Run rate EBITDA benefit of €8.3m in FY19, with benefits started to being delivered

- **Residential Strategic Pricing Excellence Programme**
  - Monetising the added value that Balta provides its customers, through improved margin tools, new net pricing rules and greater terms conditionality
  - Full impact in 2019, with first results expected in H2 2018

- **Residential growing higher margin broadloom – over 30% of sales today, versus 15% a year ago and 7% two years ago**

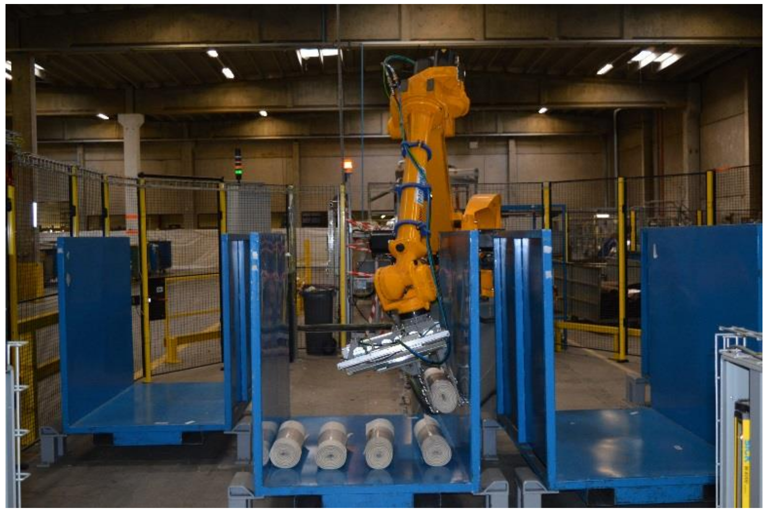
Delivering Increased Level of Operational Efficiencies and Cost Synergies

5

6

- **Executing a Larger Operational Excellence Programme**
  - 120+ activities driving operational and cost improvements, offsetting inflation in wages, energy and transport and partly mitigating further raw material price increases
  - Investment made to create a wider pool of Six Sigma and Lean expertise in the business

- **Procurement and logistics optimisation**
  - Procurement and operational synergies of $2m, now all benefiting in 2018
  - New modulyss warehouse opened to address US inventory and sample requests



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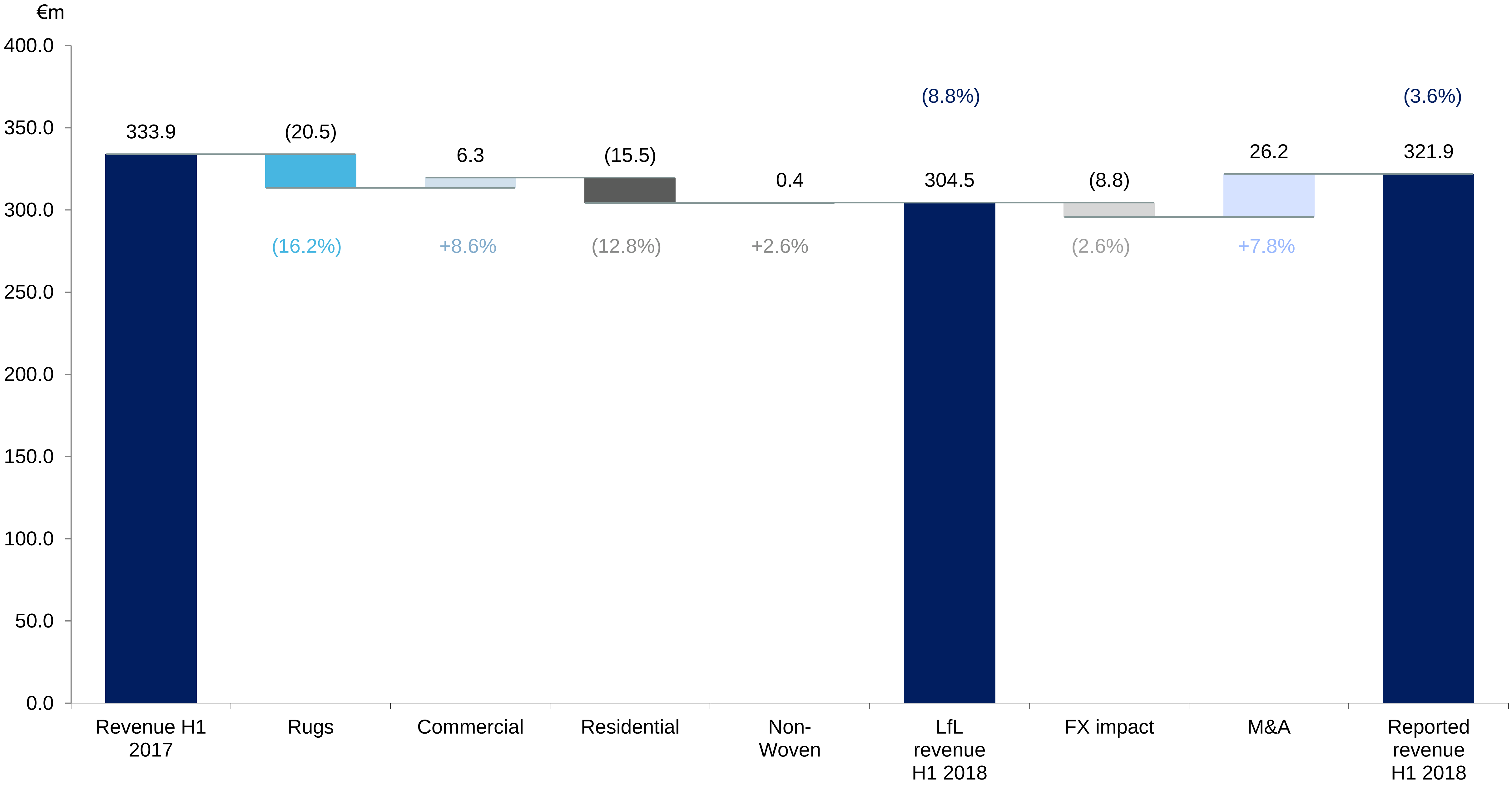
Group H1 Revenue Performance



Rugs decline due to partial loss of share of wallet and strong prior year comparative of 12.9% growth

Commercial organic growth of 8.6%, with growth in both US & Europe

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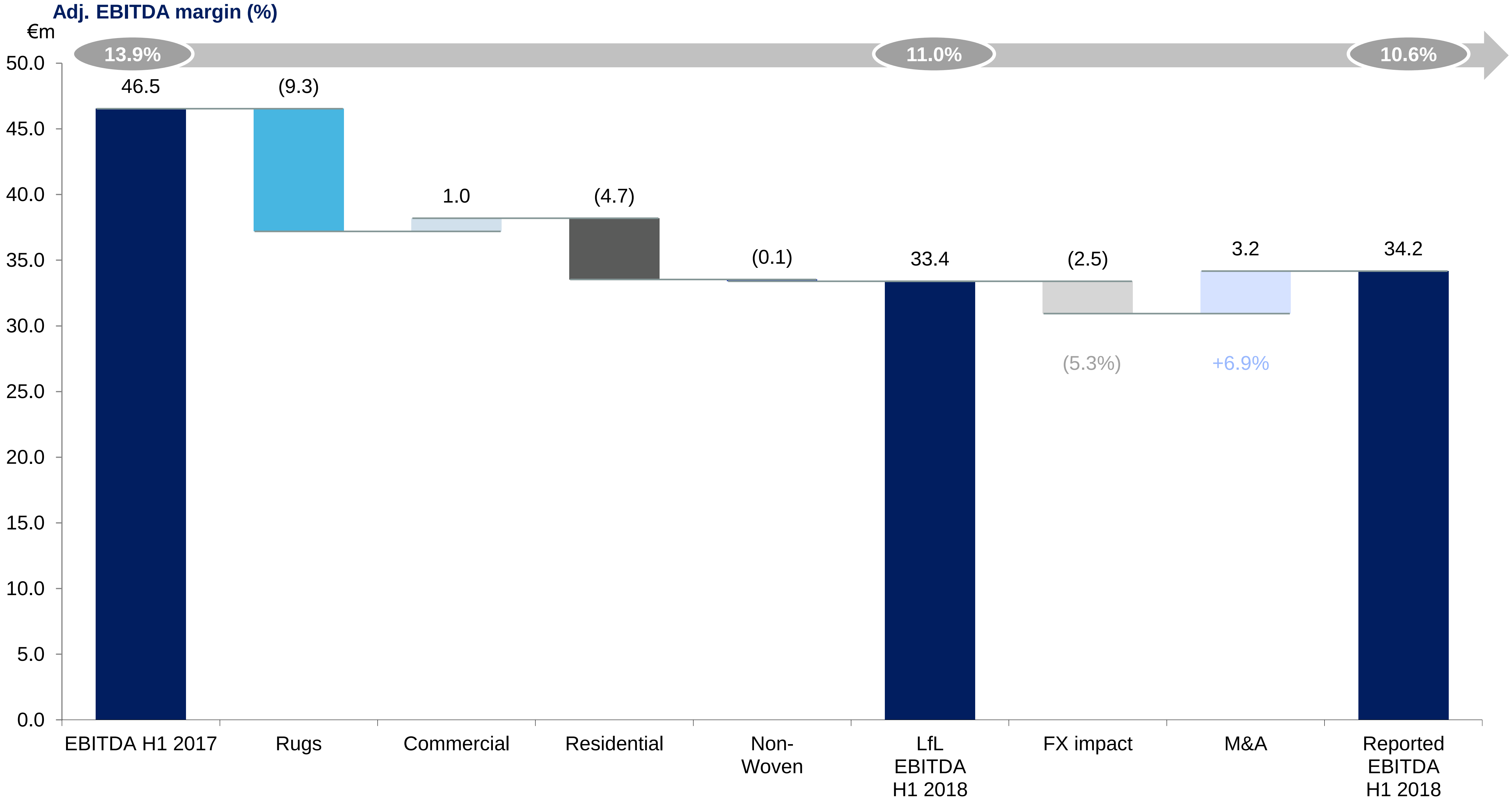
Group H1 EBITDA and Margins



Impact from raw material headwinds and lower volumes

Material impact to earnings from FX

From Adjusted EBITDA to Net Income

€million	H1 2018	H1 2017
Revenues	**321.9**	**333.9**
Adjusted EBITDA	**34.2**	**46.5**
Depreciation and amortisation	(16.2)	(15.5)
Adjusted Operating Profit	**18.0**	**31.0**
Non-recurring income/expenses	(2.4)	(2.6)
Operating Profit	**15.6**	**28.4**
Financial income and expenses	(12.7)	(21.6)
Profit Before Tax	**2.8**	**6.8**
Income Tax	(0.1)	(3.4)
Reported Net Income	**2.7**	**3.5**

- Residential operational footprint €1.8m expense in the period.

  Note: €8.2m was recognised in 2017

- Decrease mainly driven by lower debt levels and 2017 refinancing

- Normalized ETR c26%. Income tax includes following benefits: €0.3m utilization of tax credits not previously recognized as deferred tax assets and €0.3m impact of tax investment incentives

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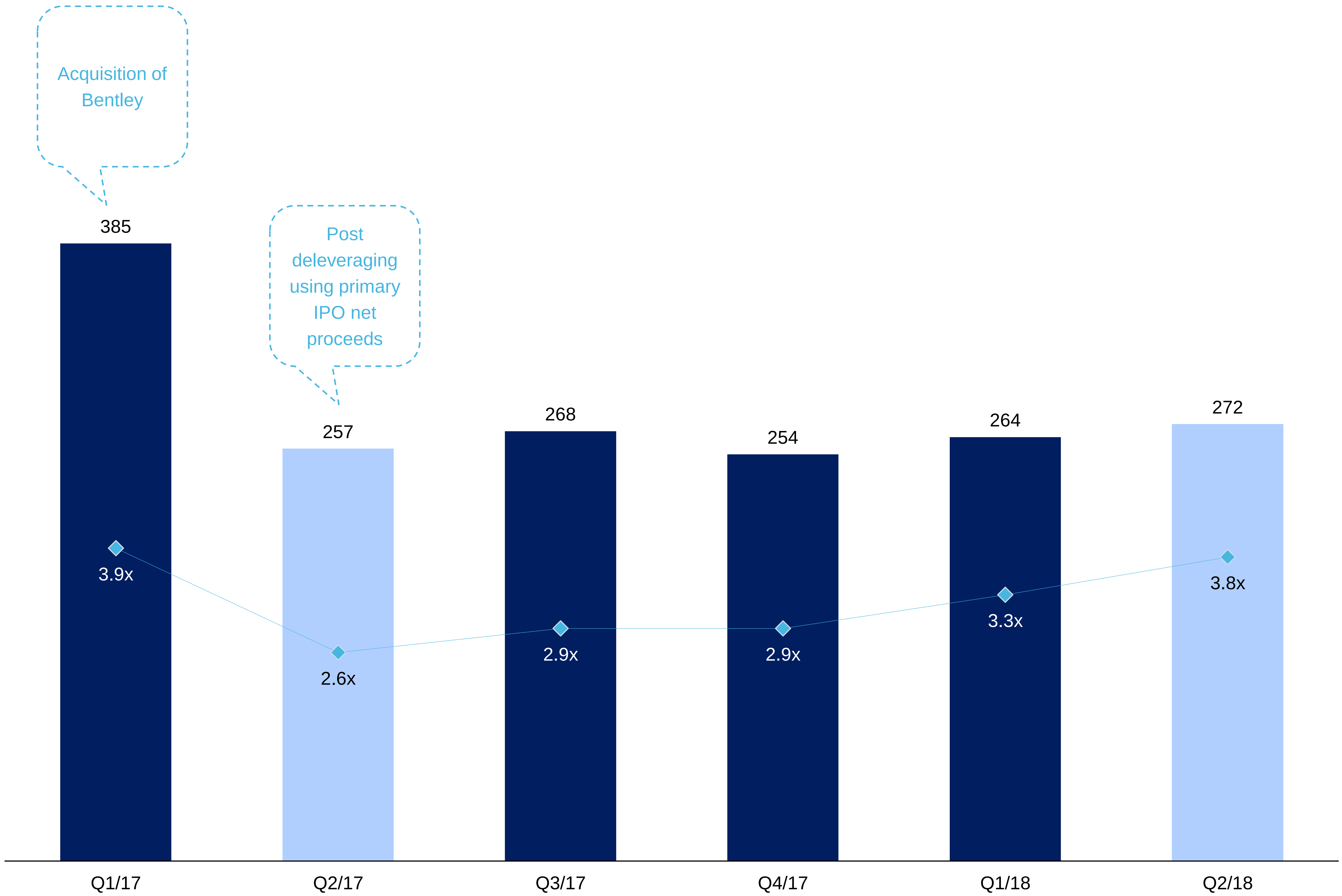
Cash Flow

€million	H1 2018	H1 2017
Adjusted EBITDA	**34.2**	**46.5**
Non-recurring expenses (net)	(2.4)	(2.6)
Changes in provisions and FV of derivatives	(3.2)	-
Cash generated before changes in working capital	**28.6**	**43.9**
Changes in working capital (1)	(15.8)	(18.6)
Net income tax paid	(3.3)	(4.6)
Net cash generated by operating activities	**9.5**	**20.7**
Capital expenditure, net of disposals	(14.9)	(21.1)
Acquisition of Bentley	-	(69.7)
Net cash generated by investing activities	**(14.9)**	**(90.8)**
Interest and other finance charges paid	(10.5)	(17.5)
Net proceeds of IPO	-	136.8
Net debt repayments	(1.2)	(59.4)
Dividends paid	(2.9)	-
Net cash generated by financing activities	**(14.6)**	**60.0**
Net change in cash	**(20.0)**	**(10.1)**

- Provision for restructuring of Residential business has decreased by €3.2m from €7.3m to €4.1m. Together with non-recurring expense for the period, this means total cash-out for restructuring is equal to €5.0m during H1 2018
- Lower inventory build-up offset by lower payables
- Capex below last year
- Annualised run-rate interest expenses currently equal to c€23m, of which €2m non-cash amortisation of capitalised financing fees. Hence €10.5m cash-out during first 6 months
- Dividend of €0.08 per share paid on June 1, 2018

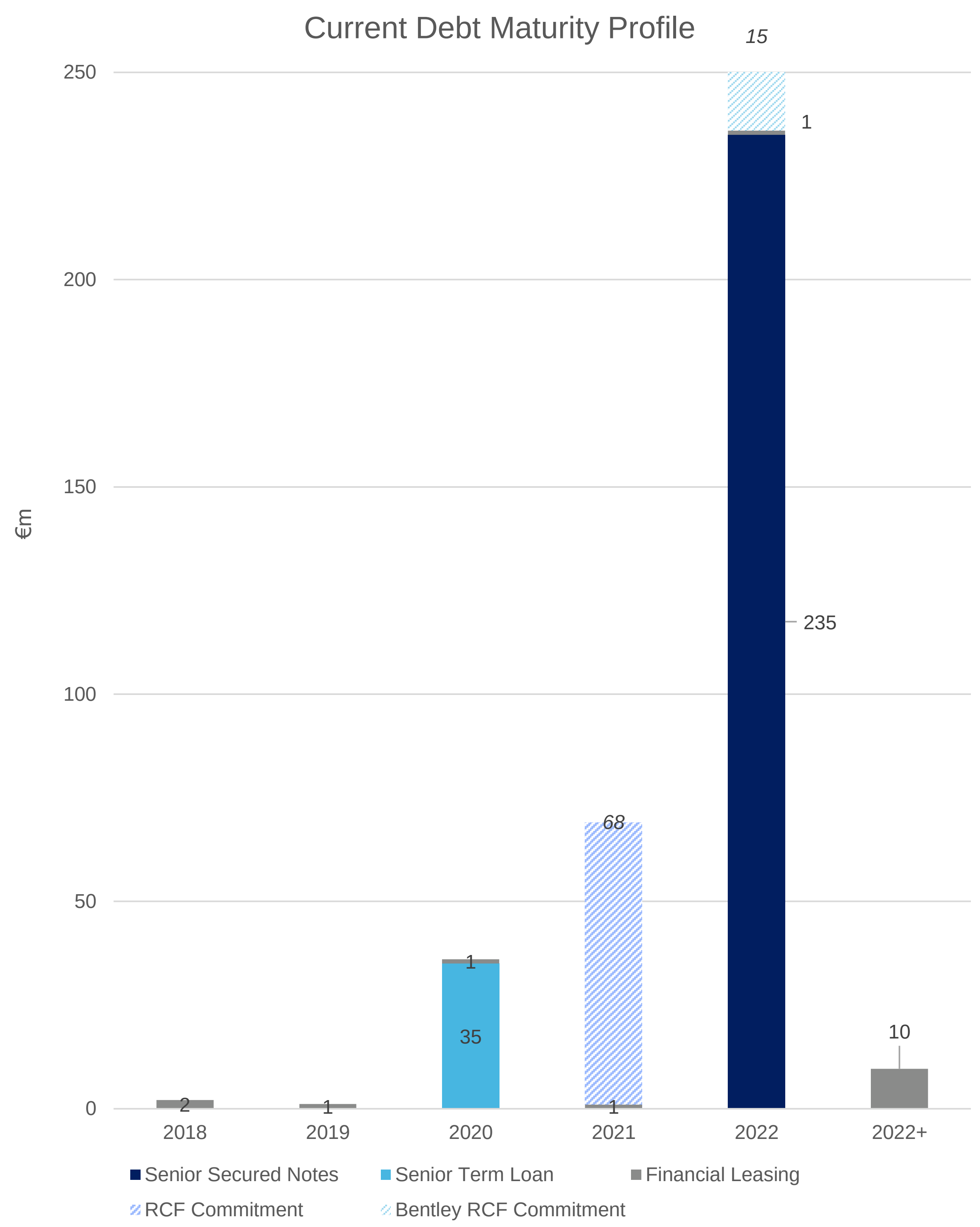
(1) Changes in working capital includes trade working capital and other working capital

Leverage of 3.8x (Net Debt of €272.3m) Compared to 2.6x a Year Ago and 3.3x at Q1 2018



Stable Funding with a Refinancing Opportunity

- **Current blended financing cost is c6.9%**
  - €234.9m Senior Secured Notes (SSN) at 7.75%, maturing 2022
  - €35m Senior Term Loan at E+1.4%, maturing 2020
- **SSN call option from 15th Sept 2018 with cost of redemption of 3.875% of the debt redeemed (c€9.1m one-off)**
  - cost of redemption reduces by c200 basis points from 15 September 2019 to 1.9375% (c€4.6m one-off)
  - cost of redemption is nil from 15 September 2020
  - also requires to refinance the Senior Term Loan
- **Review timing and cost optimisation**



2018 Outlook

- **H2 2018 EBITDA still an improvement on H2 2017 EBITDA (€37.8m), weighted to Q4**
  - Delayed recovery due to soft trading environment in the third quarter mainly in UK Residential and European Rugs
  - Underpinned by the progress we are making on the six key priorities which will deliver the benefits as planned
  - Growth in Commercial and US Rugs
- **Full year leverage reflection of lower EBITDA**
- **Capex low 30’s**

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Q&A Session

Appendices

H1 Year Revenue and Adjusted EBITDA by Segment

(€ million, unless otherwise stated)	H1 2018	H1 2017	% change	o/w organic growth	o/w FX	o/w M&A
Rugs	100.8	126.4	(20.3)%	(16.2)%	(4.0)%	0.0%
Commercial	101.9	72.5	40.6%	8.6%	(4.1)%	36.1%
Residential	105.1	121.4	(13.4)%	(12.8)%	(0.6)%	0.0%
Non-Woven	14.1	13.7	2.6%	2.6%	0.0%	0.0%
Consolidated Revenue	**321.9**	**333.9**	**(3.6)%**	**(8.8)%**	**(2.6)%**	**7.8%**
Pro Forma Adjustment Bentley	-	27.7				
Pro Forma Revenue	**321.9**	**361.6**	**(11.0)%**	**(7.4)%**	**(3.5)%**	
Rugs	12.5	23.2	(46.4)%	(40.2)%	(6.2)%	0.0%
Commercial	14.1	10.4	36.1%	9.6%	(4.7)%	31.2%
Residential	6.2	11.4	(45.3)%	(40.8)%	(4.6)%	0.0%
Non-Woven	1.4	1.5	(8.9)%	(8.9)%	0.0%	0.0%
Consolidated Adjusted EBITDA	**34.2**	**46.5**	**(26.6)%**	**(28.2)%**	**(5.3)%**	**6.9%**
Pro Forma Adjustment Bentley	-	2.9				
Pro Forma Adjusted EBITDA	**34.2**	**49.5**	**(30.9)%**	**(24.9)%**	**(6.0)%**	
Rugs	12.4%	18.4%				
Commercial	13.8%	14.3%				
Residential	5.9%	9.4%				
Non-Woven	9.8%	11.0%				
Consolidated Adjusted EBITDA Margin	**10.6%**	**13.9%**				
Pro Forma Adjustment Bentley		10.6%				
Pro Forma Adjusted EBITDA Margin	**10.6%**	**13.7%**				

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Note:
Bentley was included from the start of Q2 2017, therefore from Q2 2018 Bentley is reported under the Commercial division with organic growth and FX shown separately. For Q1 2018 Bentley is shown under M&A (including the FX impact of US Dollar to Euro translation) and the prior year comparative is shown in the pro-forma figure.

Q2 Revenue and Adjusted EBITDA By Segment

(€ million, unless otherwise stated)	Q2 2018	Q2 2017	% change	o/w organic growth	o/w FX	o/w M&A
Rugs	47.6	63.0	(24.5)%	(20.7)%	(3.8)%	0.0%
Commercial	53.6	50.3	6.6%	12.3%	(5.8)%	0.0%
Residential	51.5	58.2	(11.6)%	(11.1)%	(0.5)%	0.0%
Non-Woven	6.9	6.8	1.2%	1.2%	0.0%	0.0%
Consolidated Revenue	**159.6**	**178.4**	**(10.5)%**	**(7.4)%**	**(3.1)%**	**0.0%**
Pro Forma Adjustment Bentley	-	-				
Pro Forma Revenue	**159.6**	**178.4**	**(10.5)%**	**(7.4)%**	**(3.1)%**	
Rugs	6.6	12.1	(45.7)%	(45.0)%	(0.7)%	0.0%
Commercial	8.2	7.4	10.8%	16.7%	(5.9)%	0.0%
Residential	3.5	6.3	(45.2)%	(42.4)%	(2.8)%	0.0%
Non-Woven	0.6	0.7	(6.7)%	(6.7)%	0.0%	0.0%
Consolidated Adjusted EBITDA	**18.8**	**26.4**	**(28.8)%**	**(26.2)%**	**(2.6)%**	**0.0%**
Pro Forma Adjustment Bentley	-	-				
Pro Forma Adjusted EBITDA	**18.8**	**26.4**	**(28.8)%**	**(26.2)%**	**(2.6)%**	
Rugs	13.8%	19.1%				
Commercial	15.3%	14.7%				
Residential	6.7%	10.9%				
Non-Woven	9.0%	9.7%				
Consolidated Adjusted EBITDA Margin	**11.8%**	**14.8%**				
Pro Forma Adjustment Bentley						
Pro Forma Adjusted EBITDA Margin	**11.8%**	**14.8%**				

Note:
Bentley was included from the start of Q2 2017, therefore from Q2 2018 Bentley is reported under the Commercial division with organic growth and FX shown separately. For Q1 2018 Bentley is shown under M&A (including the FX impact of US Dollar to Euro translation) and the prior year comparative is shown in the pro-forma figure.