

Belysse Group nv 2023 First Quarter Results

Group Highlights

- Q1 consolidated Revenue of €76.6m (+2.2% YoY)
 - Organic Revenue was flat, while FX impact contributed 2.2%
 - Revenue growth by division: United States (US) 8.6%, Europe -3.2%
- Q1 Adjusted EBITDA was €5.0m (-17.5% YoY) with an Adjusted EBITDA margin of 6.5% (8.0% in Q1 2022)
 - US EBITDA was €4.9m (-18.1% YoY)
 - Europe EBITDA was again break-even
- Q1 Net Debt was €156.3m (including €30.6m of IFRS 16 impact), a seasonal increase from last quarter. Leverage¹ stands at 4.6x (4.0x Q4 2022) and total available liquidity (including headroom under the RCF) remains strong at the end of Q1 (€64m).

Business Update

While our US business saw a slow start, after an acceleration of shipments at the end of last year, volumes recovered in the second part of the quarter and Q1 revenue ended 8.6% above last year. The EBITDA margin for the quarter saw a temporary drop affected by higher raw material costs following the change of our main yarn supplier last year. This transition and the negative impact on margins is coming to an end.

In Europe, Q1 2023 faced a challenging macro-economic environment with weak demand across the market, in particular in residential renovation. Countering the negative volume impact, we have been seeing some recovery in our unitary margins from last year's low levels, despite high raw material costs still weighing on the Q1 2023 P&L due to FIFO accounting.

The increase in Net Debt is mainly explained by a seasonal decrease in payables. However, we have been able to reduce inventory levels by a more efficient sales and operations planning.

¹ As defined in the SSN facility agreements, excluding IFRS16 impact but including sale and leasebacks

Q1 2023 Revenue and Adjusted EBITDA per Division

<i>(€ million, unless otherwise mentioned)</i>	Q1 2023	Q1 2022	% Change	o/w organic	o/w FX
Europe	39.2	40.5	(3.2)%		
US	37.4	34.4	8.6%		
Consolidated Revenue	76.6	75.0	2.2%	0.0%	2.2%
Europe	0.0	(0.0)	N/A		
US	4.9	6.0	(18.1)%		
Consolidated Adjusted EBITDA	5.0	6.0	(17.5)%	(21.0)%	3.6%
Europe	0.1%	0.0%			
US	13.2%	17.5%			
Consolidated Adjusted EBITDA Margin	6.5%	8.0%			

Glossary: Alternative Performance Measures

The following alternative performance measures (non-IFRS) have been used as management believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The alternative performance measures may not be comparable to similarly-titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results, our performance, or our liquidity under IFRS.

Organic Growth is defined as growth excluding (i) FX impacts, which comprise the translation of key foreign entities and (ii) M&A impacts.

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) the impact of the purchase price allocation mainly on change in inventories, (ii) gains on asset disposals, (iii) integration and restructuring expenses, (iv) depreciation / amortization and (v) impairment and write-offs.

Adjusted EBITDA margin is defined as the Adjusted EBITDA as a percentage of revenue.

Gross Debt is defined as (i) Senior Secured Notes adjusted for the financing fees included in the carrying amount and (ii) Bank and other borrowings adjusted for capitalized financing fees.

Net Debt is defined as (i) Senior Secured Notes adjusted for the financing fees included in the carrying amount, (ii) Bank and other borrowings adjusted for capitalized financing fees less (iii) cash and cash equivalents.

Leverage is defined as the ratio of Net Debt to Adjusted EBITDA (both excluding IFRS 16 impacts as per financing documentation, except for sale and leaseback transactions).

Earnings call

The Q1 2023 Results will be presented on 12 May 2023 at 10.00 am CET via a webcast, by the Chairman of the Board and CEO Cyrille Ragoucy and CFO Andy Rogiest. Dial-in details and the results presentation will be available on www.belysse.com/investors.

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ABOUT BELYSSE

Belysse manufactures sustainable textile floor coverings for commercial and residential applications and commercializes its products focusing 90% on North-America and Europe under the premium brands Bentley (US), modulyss, arc edition and ITC (Europe). Belysse employs nearly 1,300 people and operates three manufacturing sites in Belgium (Tielt and Zele) and the United States (Los Angeles).

IMPORTANT NOTICE

Certain financial data included in this press release are “non-IFRS financial measures.” These non-IFRS financial measures may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards. Although Belysse Group nv believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, users are cautioned not to place undue reliance on any non-IFRS financial measures or any ratios included in this presentation.

This press release may include projections and other “forward-looking” statements. Any such projections or statements reflect the current views of the issuer about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections.

Rounding adjustments have been made in calculating some of the financial information included in this press release. As a result, figures shown as totals may not be exact arithmetic aggregations of the figures that precede them.

NEXT SCHEDULED ANNOUNCEMENT

Belysse Group nv intends to publish its Half Year 2023 results on 25 August 2023.