



 **balta**

Q1 2019

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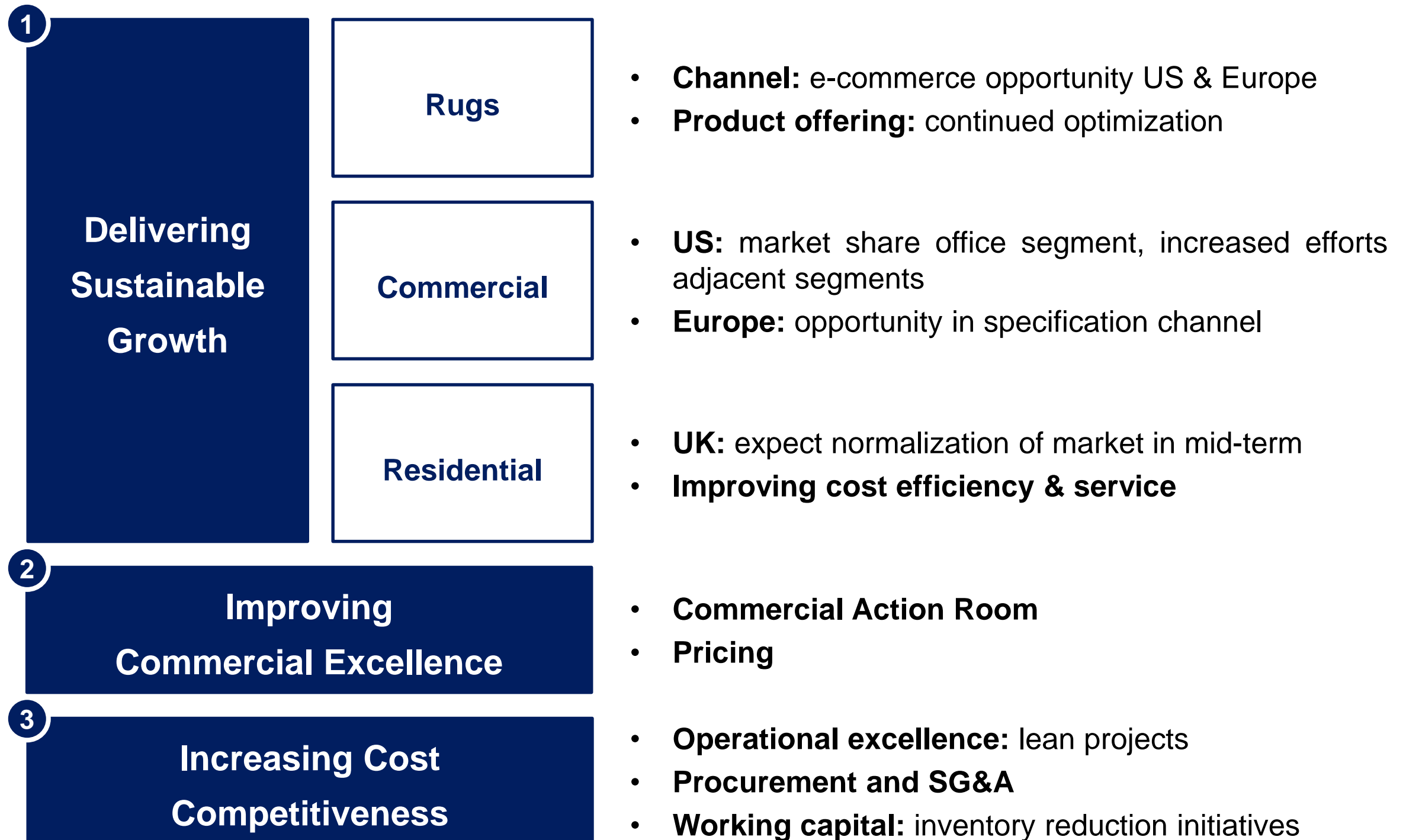
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Q1 2019 Financial Summary

<p>+13.1% yoy sales growth (consolidated)</p>	<p>+11.5% organic</p>	<ul style="list-style-type: none"> • Q1 2019 Consolidated Revenue of €183.5m • Growth in all divisions, with strong performance in Rugs (+23.1%) & Commercial (+15.4%)
<p>+1.6% FX impact</p>		
<p>+3.5% Adj. EBITDA growth (on a like-for-like basis⁽¹⁾)</p>	<p>+1.4% organic</p>	<ul style="list-style-type: none"> • Q1 2019 Consolidated Adjusted EBITDA of €17.5m • Y-o-y growth, yet impacted by €0.7m NEXT investments, cost inflation and negative mix impact in Rugs • Positive impact from FX and the first benefits from price increases • First benefits NEXT later in the year, more significant impact in 2020
<p>+2.1% FX impact</p>		
<p>3.6x Leverage (on a like-for-like basis⁽²⁾)</p>	<p>Net Debt €305.8m</p>	<ul style="list-style-type: none"> • Net Debt stable vs. Q4 2018 (excluding IFRS16 impact Q1/19 of €42.1m) • Leverage stable vs. Q4 2018 on a like-for-like basis⁽²⁾

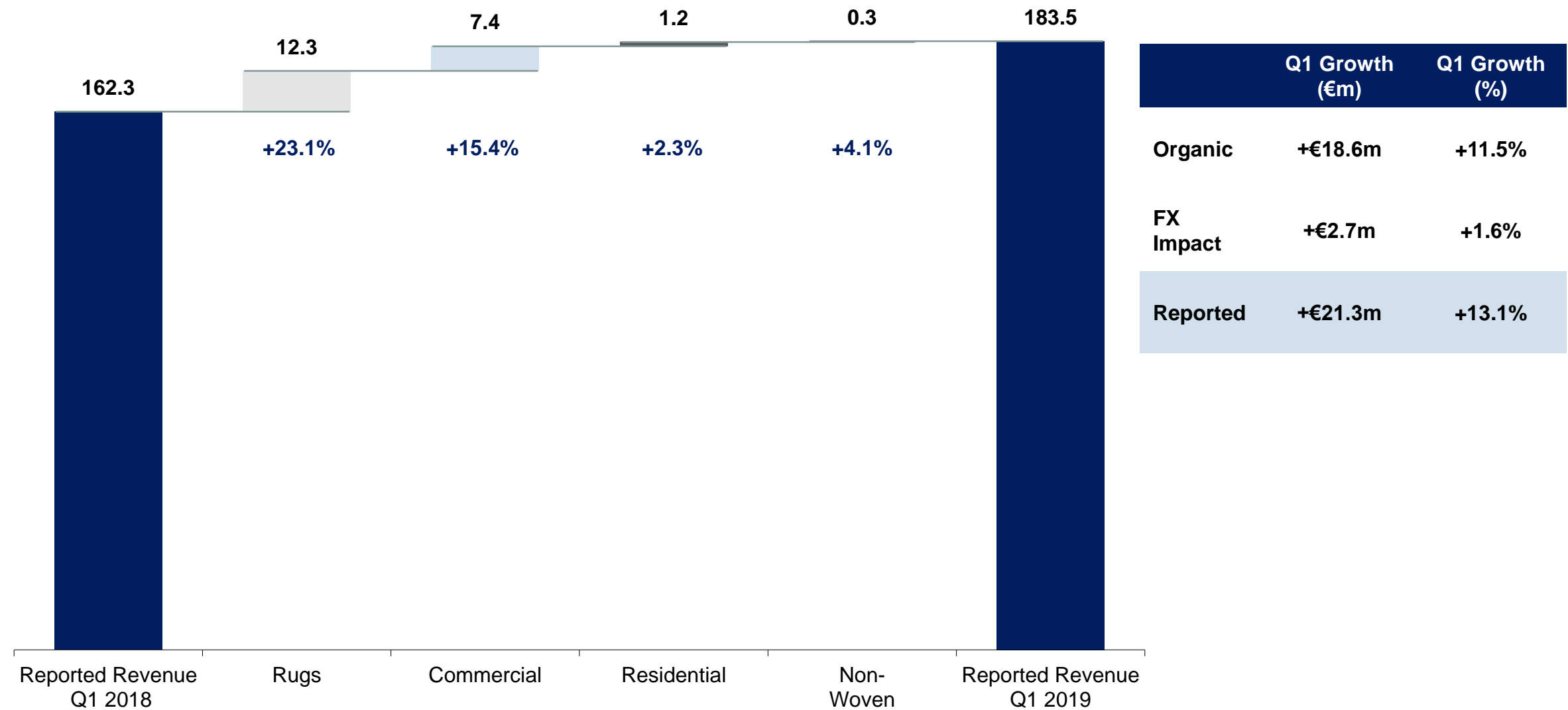
NEXT: Three Year Earnings Enhancement Program

Various growth & cost saving initiatives identified under Strategic and Operational review



Group Q1 2019 Revenue Performance

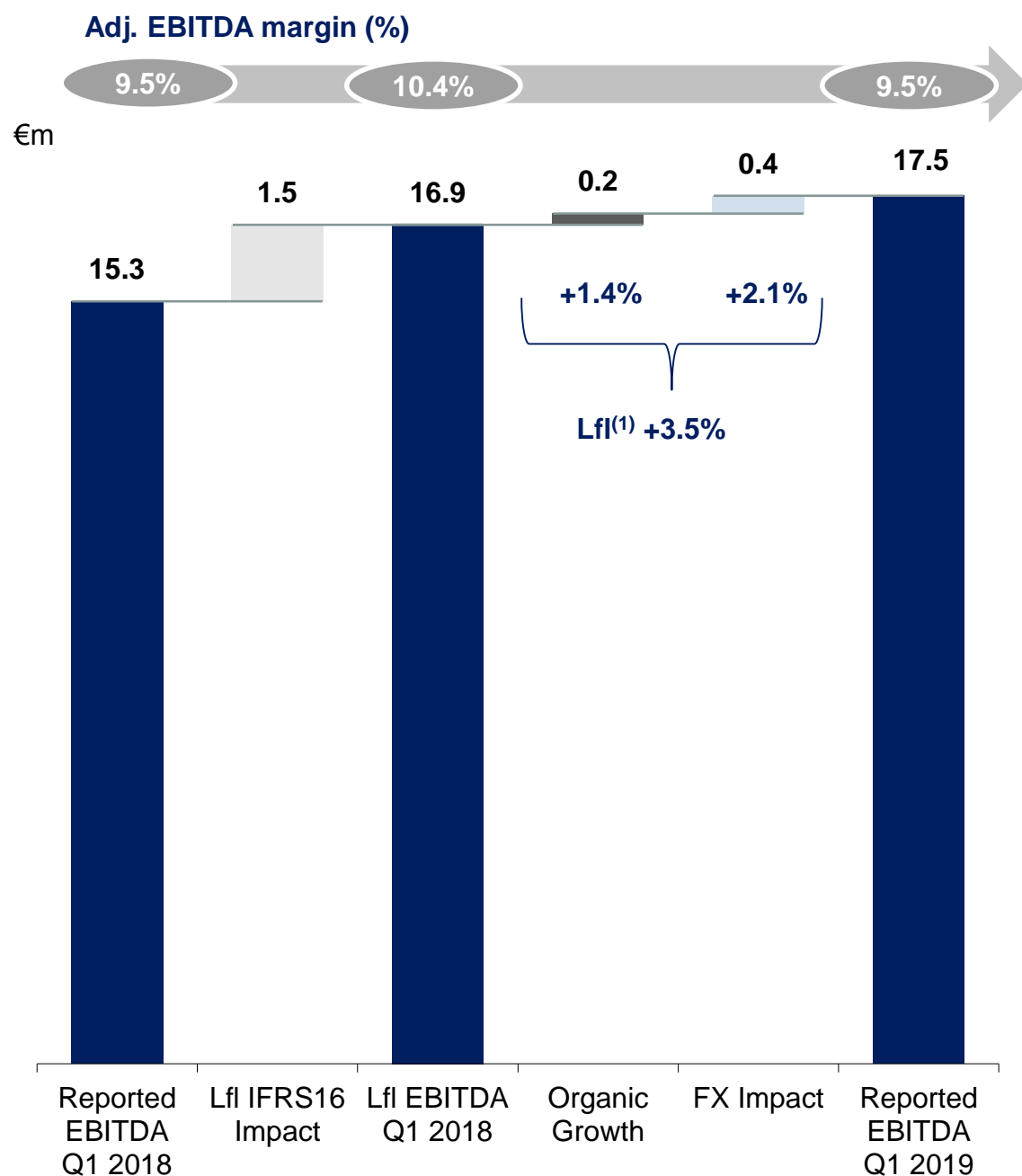
€m



US growth driven by outdoor shipments Rugs and continued double-digit growth in Commercial

**UK/Europe overall remained challenging across divisions
Rugs and Residential benefiting from new product launches and timing of roll-outs**

Group Q1 2019 Adjusted EBITDA and Margins



€m	Lfi(1) Q1 2018	Reported Q1 2019	% Change Lfi(1)
Rugs	6.1	6.2	+1.5%
Commercial	7.2	7.7	+8.1%
Residential	2.9	3.3	+14.5%
Non-Woven	0.8	0.3	(66.2%)
Consolidated Adjusted EBITDA	16.9	17.5	+3.5%

Rugs volume growth, yet unfavourable mix impact
€0.7m NEXT investments, first benefits later this year
Negative impact from cost inflation

First benefits price increases
Positive impact from stronger USD

Impact of IFRS16

- **IFRS16 applicable since 1 January 2019**
- **Leases are recognized as asset financed by a financial liability**
- **At our full year 2018 results we provided a preliminary estimated impact of IFRS on FY2019**
 - Net debt +€45m
 - Adjusted EBITDA + €6m to €8m
 - Net Debt to Adjusted EBITDA + 0.2x to 0.3x

- **Adjusted EBITDA Impact Q1:**

- Like-for-like adjustment on Q1 2018
Adj. EBITDA of +€1.5m

- **Net Debt Impact**

- Like-for-like Leverage (based on financing documentation) stable at 3.6x
- Net Debt: +€42.1m
- IFRS16 adjustments will increase reported Net Debt to Adjusted EBITDA: +0.3x

	<u>Reported</u>		<u>Reported</u>	
	Q1	Lfl	Lfl Q1	Q1
(€ million, unless otherwise stated)	2018	IFRS16 Impact	2018	2019
Rugs	5.9	0.2	6.1	6.2
Commercial	5.9	1.2	7.2	7.7
Residential	2.8	0.1	2.9	3.3
Non-Woven	0.8	-	0.8	0.3
Consolidated Adjusted EBITDA	15.3	1.5	16.9	17.5

Outlook reaffirmed

Excluding the impact of IFRS16

- **Expect Adjusted EBITDA broadly flat versus the prior year**
- **Capex around €40m**
- **Interest flat versus the prior year**
- **Effective Tax Rate between 25 – 27%**



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Q&A Session