

March 3<sup>rd</sup> 2023

# Full Year 2022 Results

# BELYSSE™

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# Introduction

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2. Financial Review
3. Beyond Update
4. Conclusion
5. Q&A



Cyrille Ragoucy  
Chief Executive Officer  
Chairman of the Board



Andy Rogiest  
Chief Financial Officer

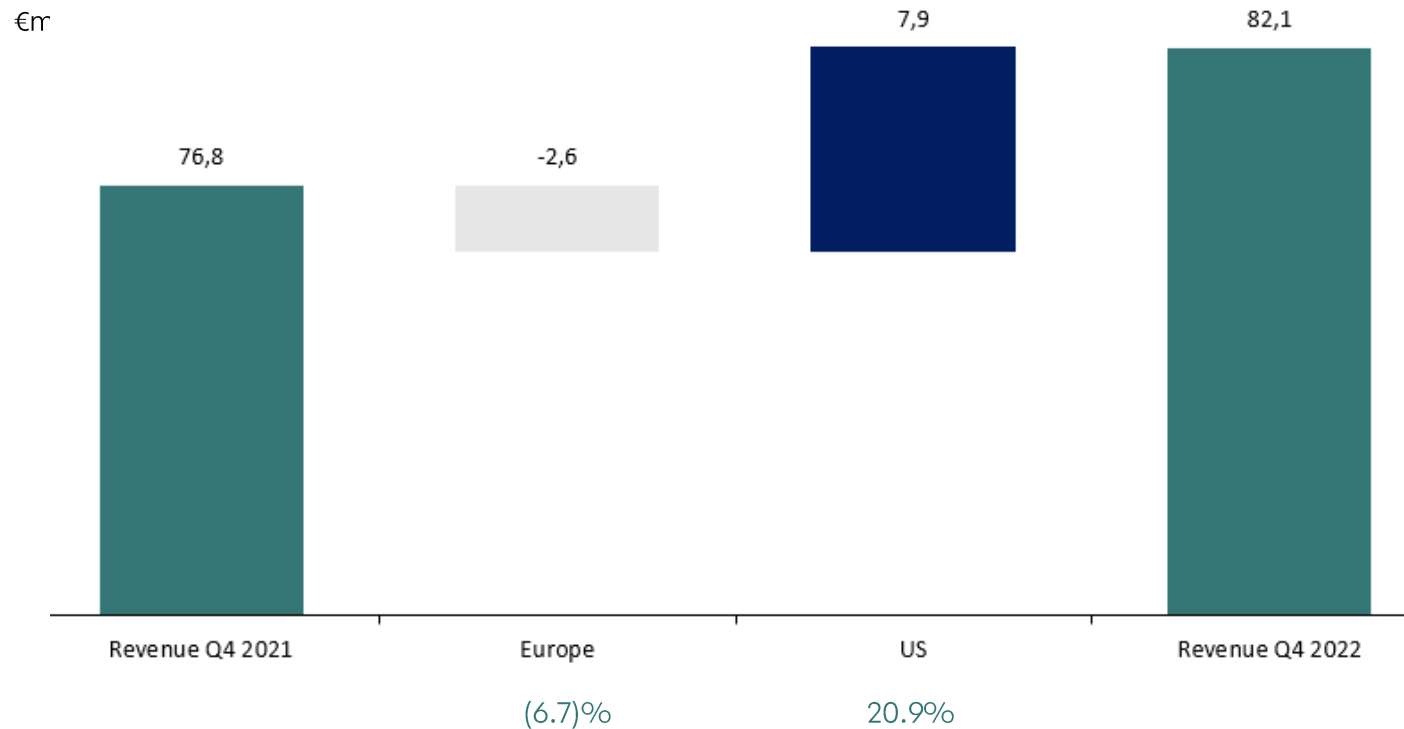


Ruben Pattheeuws  
Strategic Project Director

# Full Year 2022 Financial Summary

<b>21.9%</b> YoY Revenue growth (consolidated)	14.8% organic <hr/> 7.1% FX impact	<ul style="list-style-type: none"><li>• FY 2022 Consolidated Revenue of €337.4m</li><li>• Revenue growth by division: US 32.8%, Europe 11.6%</li></ul>
<b>(17.6)%</b> YoY Adj. EBITDA growth	(26.2)% organic <hr/> 8.6% FX impact	<ul style="list-style-type: none"><li>• FY 2022 Consolidated Adjusted EBITDA of €35.5m<ul style="list-style-type: none"><li>• US €33.2m</li><li>• Europe €2.3m</li></ul></li></ul>
<b>4.0x</b> Leverage Excluding IFRS16	Q4 Net Debt €148.3m	<ul style="list-style-type: none"><li>• Leverage was 4.0x per Q3 2022</li><li>• Net Debt includes €32.4m impact from IFRS16</li></ul>

# Q4 2022 Group Revenue

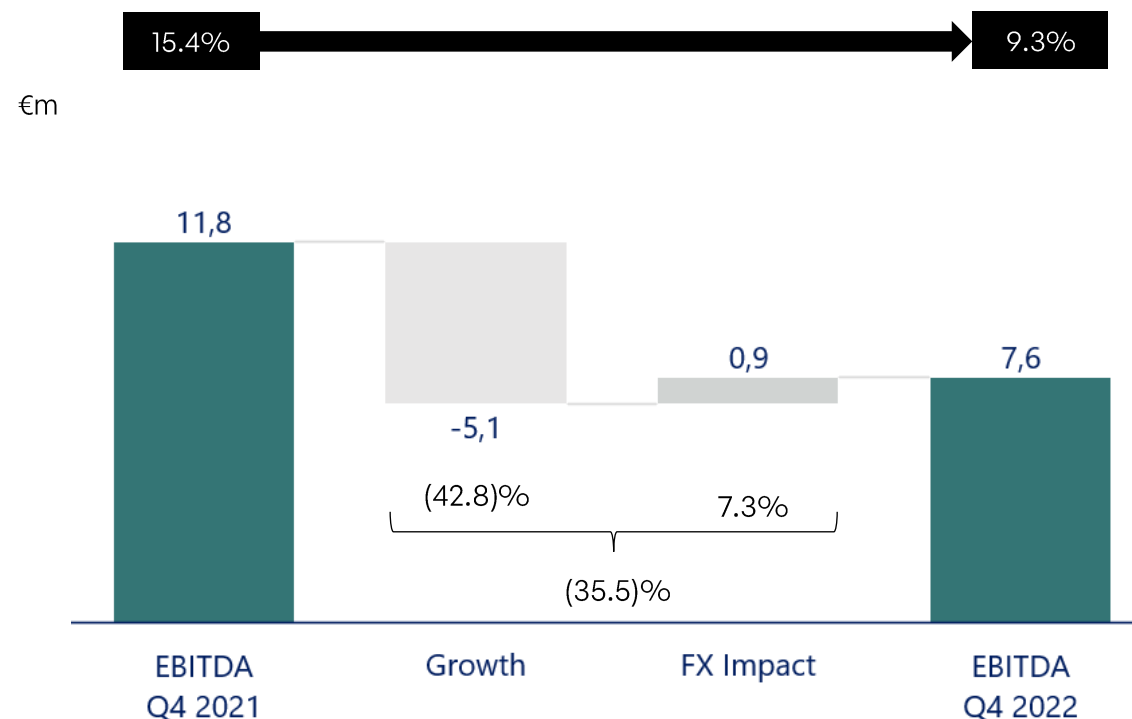


- Q4 2022 consolidated revenue amounted to €82.1m representing an increase of 6.9% YoY.
- In the US revenue increased with 20,9% versus Q4 last year, driven by the realized price increases.
- In Europe revenue decreased with 6,7% versus Q4 last year, driven by lower volumes due to a general demand decrease in Residential.

	Q4 Growth (€m)	Q4 Growth (%)
Organic	0.3	0.4%
FX Impact	5.0	6.5%
Reported	5.3	6.9%

# Q4 2022 Group Adjusted EBITDA

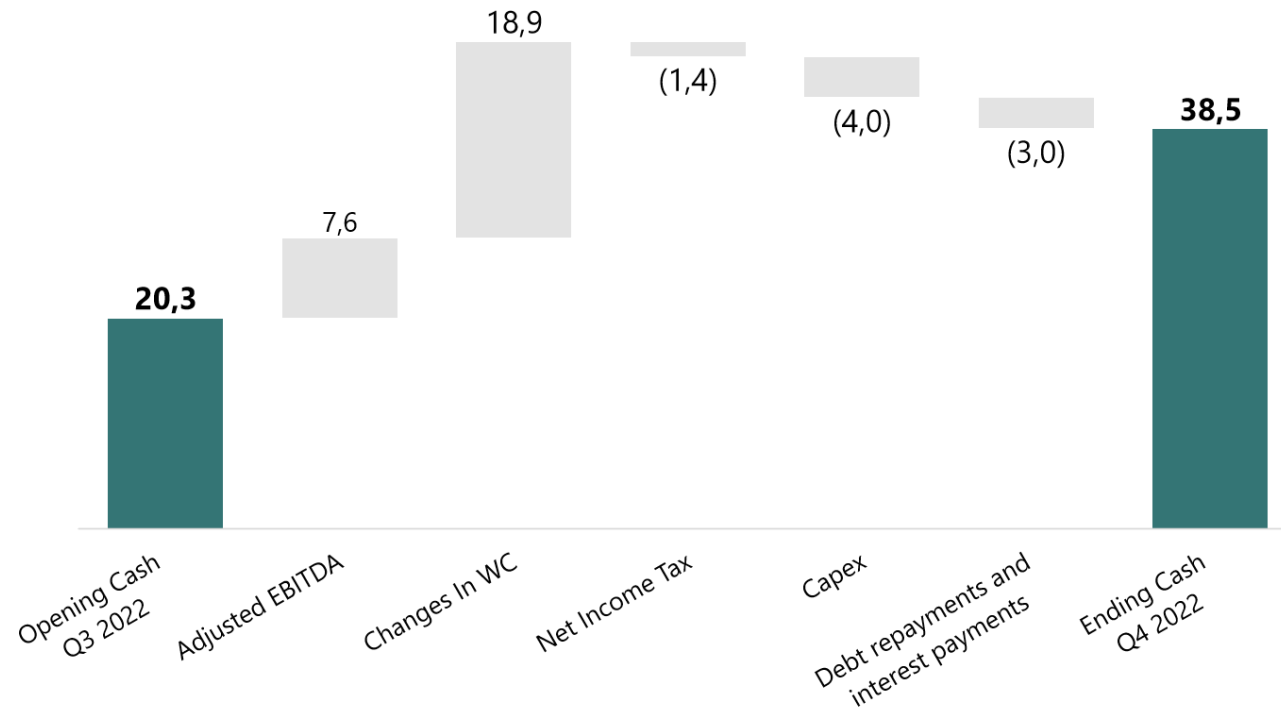
Adj. EBITDA margin (%)



- Q4 2022 Adjusted EBITDA decreased with 35.5% to €7.6m with an Adjusted EBITDA margin of 9.3% versus 15.4% in Q4 2021.
- US EBITDA decreased slightly with 4.4% from €7.9m to €7.5m, mainly due to temporarily higher priced raw materials, required during the transition to new yarn suppliers.
- Europe EBITDA was €0.1m (versus €4.0m in Q4 2021).

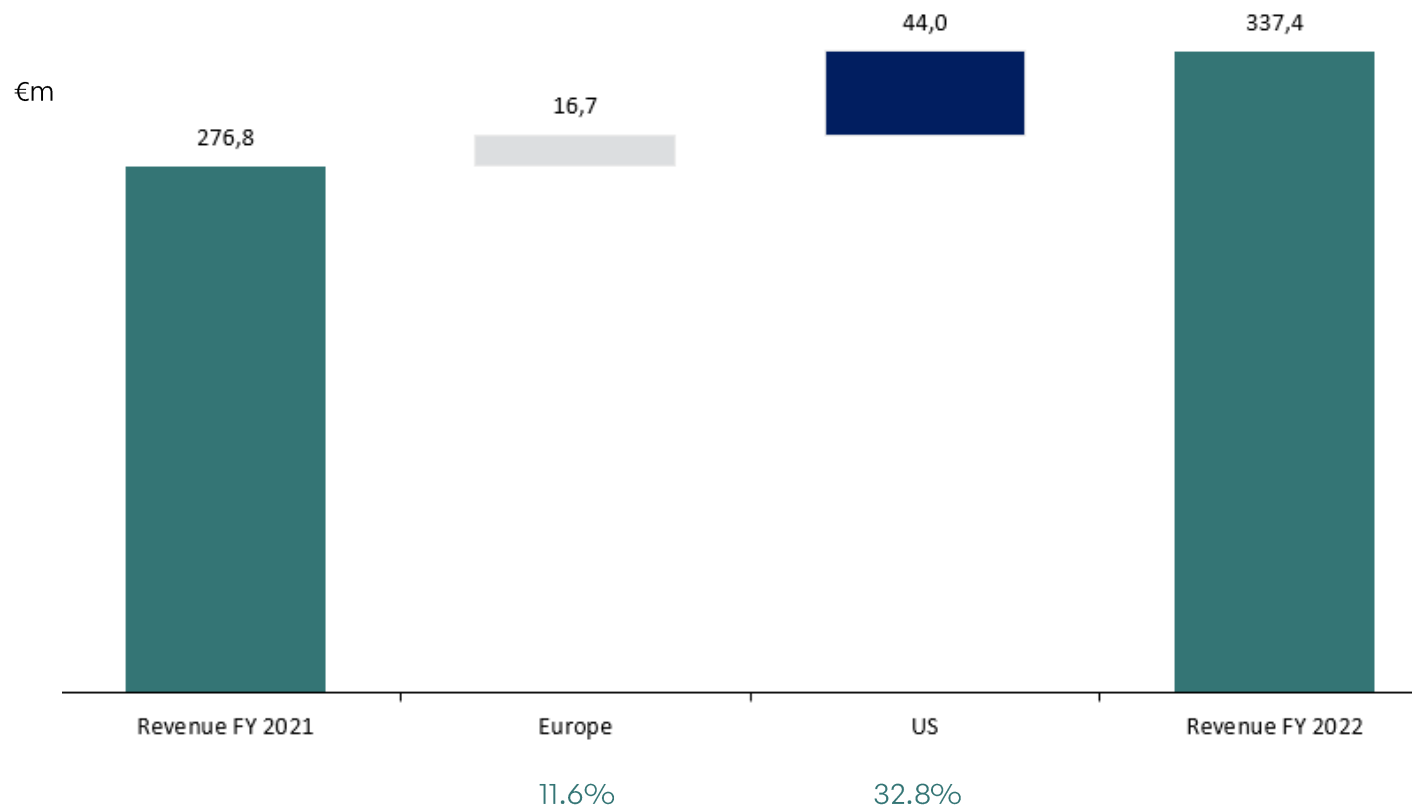
€m	Q4 2022	Q4 2021	% Change
Europe	0.1	4.0	(96.8)%
US	7.5	7.9	(4.4)%
Consolidated Adjusted EBITDA	7.6	11.8	(35.5)%

# Q4 2022 Cash flow



- Positive change in cashflow of €18.2m in Q4 2022, mainly driven by the reduction of working capital (-€18.9m).

# Full Year 2022 Group Revenue

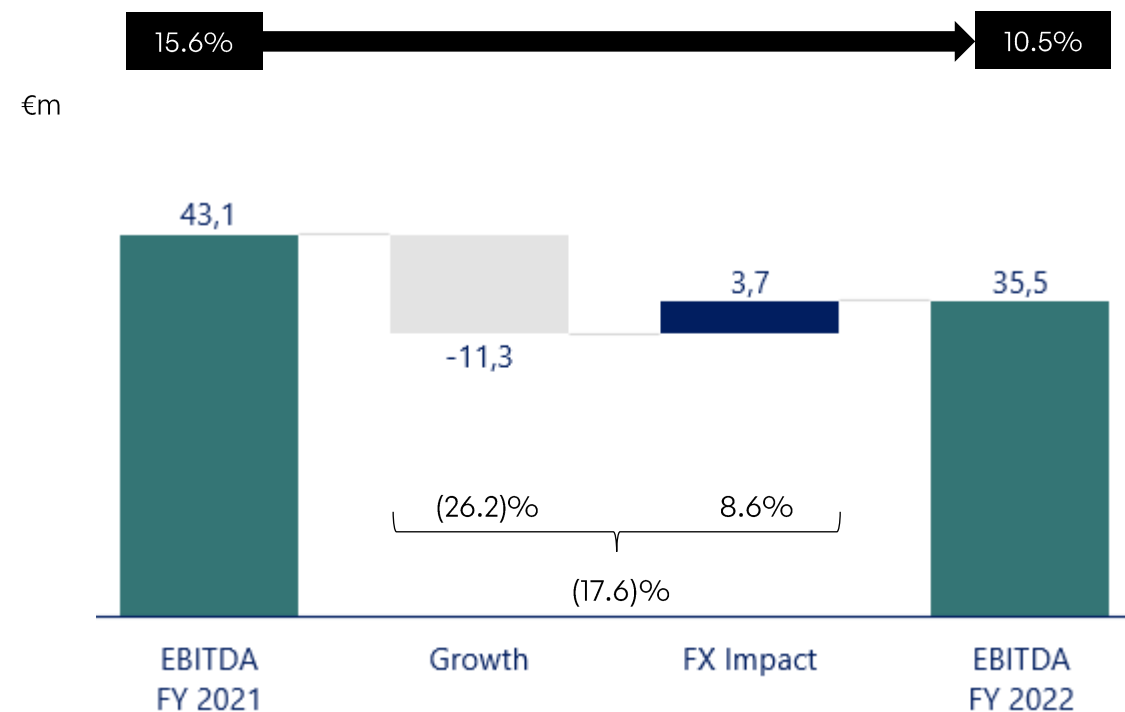


- Full Year 2022 consolidated revenue amounted to €337.4m representing an increase of 21.9% YoY.
- In the US revenue increased with 32.8% versus last year. Sales volumes went up by 7% while realizing higher price levels; also favorable FX translation contributed to the significant growth.
- In Europe revenue increased with 11.6% versus last year. The revenue increase is mainly driven by several price increases that were implemented and trading of some PP products to end-customers in specific markets.

	FY 22 Growth (€m)	FY 22 Growth (%)
Organic	41.1	14.8%
FX Impact	19.6	7.1%
Reported	60.7	21.9%

# Full Year 2022 Group Adjusted EBITDA

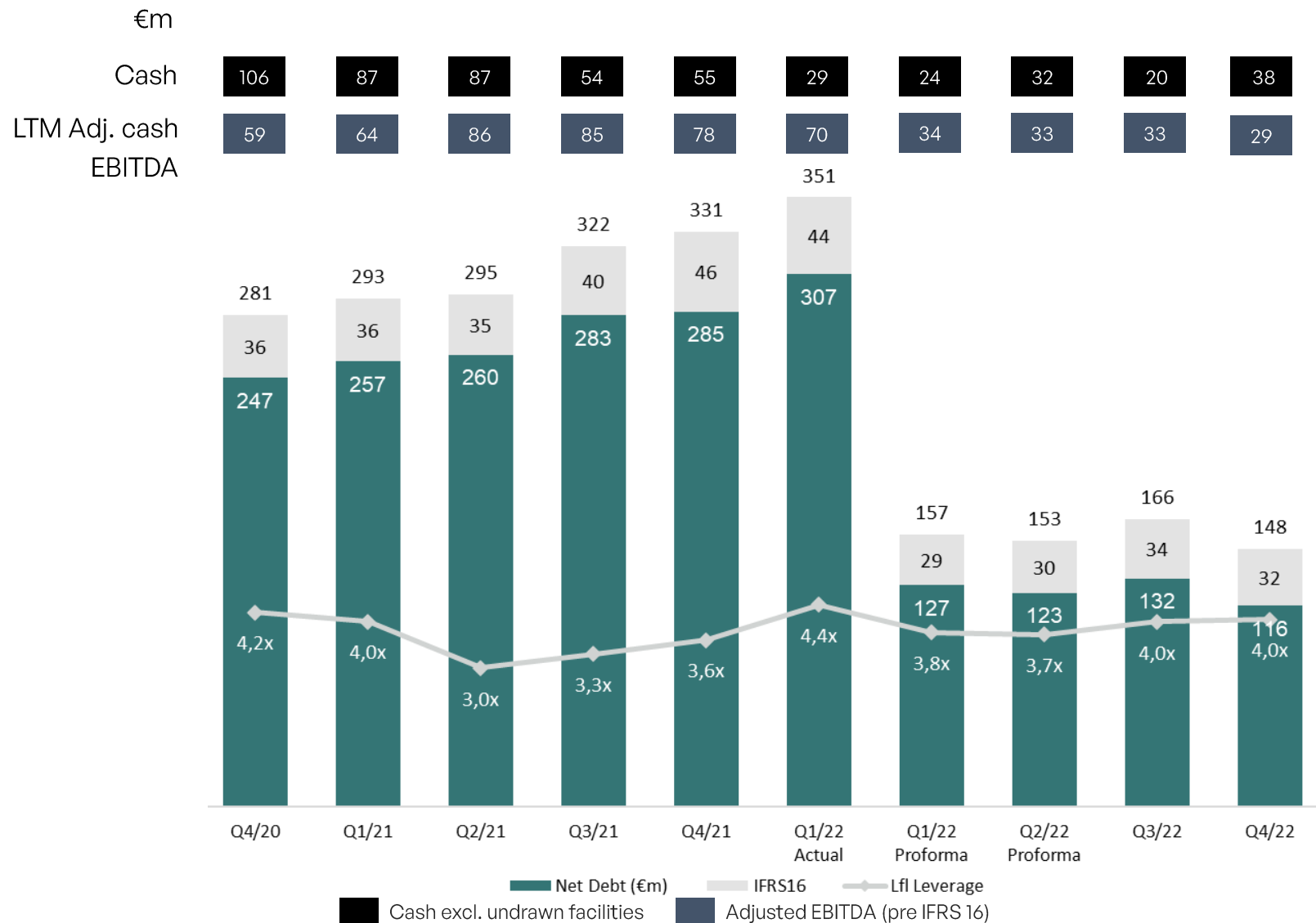
Adj. EBITDA margin (%)



- Full Year 2022 Adjusted EBITDA decreased with 17.6% to €35.5m with an Adjusted EBITDA margin of 10.5% versus 15.6% in 2021.
- US EBITDA increased with 28.6% from €25.8m to €33.2m, reflecting the volume growth while largely offsetting increased input costs through implementation of price increases in combination with BEYOND initiatives
- Europe EBITDA was €2.3m (versus €17.2m in 2021). This low performance was largely driven by the very high input and transformation costs with timing delays in passing on this cost inflation to the customers, and by lower volumes, especially in the Residential business line in the second half of 2022.

€m	FY 2022	FY 2021	% Change
Europe	2.3	17.2	(86.9)%
US	33.2	25.8	28.6%
Consolidated Adjusted EBITDA	35.5	43.1	(17.6)%

# Leverage 4.0x, excluding IFRS16



- Net Debt significantly reduced with the transaction proceeds and leverage is below pre-transaction level of March 2022.
- Q4 Net Debt was €148.3m (including €32.5m of IFRS 16 impact) an improvement of €17.3m compared to last quarter due to strong cash generation in Q4.
- Leverage remained flat compared to last quarter at 4.0x.
- Total available liquidity (including headroom under the RCF) at the end of Q4 amounted to €77.5m.

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# BEYOND update

## Sustainability through Innovation

- Total CO2 emission per m<sup>2</sup> produced has been reduced by 22% compared to 2018. Especially in 2022, strong progress was made with a 15% relative consumption reduction in gas and 10% in electricity vs. 2021, beneficial for sustainability and also from a cost perspective given the exceptionally high energy prices
- Certified recycled content in our commercial carpet tiles saw a particularly strong upsurge in Europe, with recycled content growing from 30% in 2018 to 52% this year
- Commercial tiles in the US was impacted by an industry-wide lower supply availability of recycled materials, resulting in a temporary decrease in recycled content to 24%, while the investigation of potential alternatives is ongoing
- Strong focus is also given to designing our products from the start for easier recyclability, in light of our current product recovery & recycling programs, as well as initiating broader future recycling partnerships

## Our Lean program has delivered €2.7m savings in 2022, exceeding the plan by 38%

- Objective of this Lean program is to deliver €8m cumulative savings over a 4-year period, supported by €12m of CAPEX investments
- FY2022 results amount to €2.7m P&L savings vs. 2021, against a target of €1.9m
- Each of the 3 plants has delivered at least 20% above target
- Q4 was our strongest quarter in terms of Lean results, responsible for 33% of the FY savings, amongst others thanks to process efficiency and energy reduction initiatives further ramping up

## Agility

- On the digital front, 2022 revolved mainly around the IT split in Europe following the separation and sale of the traditional Balta businesses.
- In Europe on a more operational level, we have commenced working to upgrade our Supply Chain, with a view to enhance delivery performance to our customers, by implementing shorter production runs to increase responsiveness and service levels, at the same time lowering our stock levels.
- Continuous complexity reduction has helped us to rationalize the number of SKUs (Stock Keeping Unit with a specific backing, quality and dimension) in the European Residential and Commercial business by 21% vs. 2021

# Conclusion

In 2022 we faced unprecedented inflation in raw materials, energy, transportation and payroll costs especially in Europe.

- In our US division we were able to pass on inflation thanks to our strong market position and demand recovery, leading to sales and EBITDA growth.
- In Europe stronger pricing action was required and was being implemented with time lags. In addition, demand started slowing down after summer in our Residential business.
- Nevertheless, revenue in both US and Europe increased in 2022, resulting in a FY 2022 Consolidated Revenue of €337.4m with a FY 2022 Consolidated Adjusted EBITDA of €35.5m.
- Strong liquidity of €77.5m at the end of 2022.
- Leverage remained stable at 4.0x.

2022 was also the first year of our new transformation plan, called BEYOND. Multiple initiatives were launched during the year targeting sustainability (products and processes), efficiency (lean savings) and increased agility.





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# Q&A Session

Q1 2023 results release on  
12 May 2023