

Belysse Group nv H1 2024 First Half Results

Group Highlights

H1 2024 Consolidated Group Revenue was €144.7m (-7.0% YoY)

- Organic Revenue declined 7.0%, while FX impact contributed -0.0%
- Revenue growth by division: United States (US) -6.2% (-6.2% organic, -0.0% FX), Europe -7.8%

H1 2024 Adjusted EBITDA was €21.5m (+75.1% YoY)

- US Adjusted EBITDA: €14.4m
- Europe Adjusted EBITDA: €7.1m

Q2 2024 Consolidated Group Revenue was €74.5m (-5.7% YoY)

- Organic Revenue declined 6.2%, while FX impact contributed +0.5%
- Revenue growth by division: United States (US) -1.9% (-2.8% organic, +0.9% FX), Europe -10.4%

H1 Net Debt was €139.2m (including €25.3m of IFRS 16 lease liabilities), being €6,1m lower than reported at the end of 2023.

Net leverage excluding IFRS 16 impact but including sale and leasebacks, decreased to 3.2x (4.5x end of 2023).

Total available liquidity (including headroom under the RCF) was €41m at the end of H1 2024.

Business Update

Consolidated Group Revenue for H1 2024 reflects continued lower market demand in the European Residential business line as well as softer project-driven demand in the US in Q1 2024. Despite the overall softness in the market, H1 2024 Adjusted EBITDA has significantly improved as a result of improved profitability in both regions.

In the US, volumes in Q2 2024 improved vs. Q1 2024, led by higher sales in the education, corporate and residential segments. Adjusted EBITDA and Adjusted EBITDA margin improved in H1 2024 compared to H1 2023 as a result of higher unitary margins as well as fixed cost savings that more than offset the negative impact of the lower volumes.

In Europe, H1 2024 volumes were below H1 2023 due to the continued market softness in the Residential business, and a strategic shift into a more profitable product offering in this segment. In the more project-driven Commercial business line, volumes in H1 2024 were flat compared to H1 2023. Adjusted EBITDA and Adjusted EBITDA margin have recovered significantly compared to H1 2023, which was still at a low comparative base, as a result of lower raw material costs, a higher margin product portfolio and fixed costs saving measures.

H1 2024 Revenue and Adjusted EBITDA per Division

(€ million, unless otherwise mentioned)	H1 2024	H1 2023	% Change	o/w organic	o/w FX
Europe	68,8	74,7	(7,8)%		
US	75,9	81,0	(6,2)%		
Consolidated Revenue	144,7	155,6	(7,0)%	(7,0)%	(0,0)%
Europe	7,1	(1,6)	N/A		
US	14,4	13,9	3,6%		
Consolidated Adjusted EBITDA	21,5	12,2	75,1%	75,1%	0,0%
Europe	10,3%	-2,2%			
US	18,9%	17,1%			
Consolidated Adjusted EBITDA Margin	14,8%	7,9%			

Q2 2024 Revenue per Division

(€ million, unless otherwise mentioned)	Q2 2024	Q2 2023	% Change	o/w organic	o/w FX
Europe	31,7	35,4	(10,4)%		
US	42,7	43,6	(1,9)%		
Consolidated Revenue	74,5	79,0	(5,7)%	(6,2)%	0,5%

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.

Net Debt is defined consistent versus previous reporting as (i) Term Facility, (ii) Notes maturing in 2030, (iii) Bank and other borrowings (and where noted IFRS 16 liabilities) less (iv) cash and cash equivalents.

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

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About BELYSSE

Belysse manufactures sustainable textile floor coverings for commercial and residential applications and commercialises its products focusing 90% on North-America and Europe under the premium brands Bentley (US), modulyss, arc edition and ITC (Europe). Headquartered in Waregem (Belgium), Belysse employs nearly 1100 people and operates three manufacturing sites in Belgium (Tielt and Zele) and the United States (Los Angeles). Belysse realised sales of 301 million euros in 2023 and is listed on Euronext. (Euronext: BELYS)

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. Belysse Group nv expressly disclaims any obligation or undertaking to publicly update or revise these forward-looking statements other than as required by applicable law. The fact that the current press release includes certain forward-looking statements does not imply an obligation of or constitute a guarantee by Belysse Group nv to include such forward-looking statements in future press releases or communication. 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 a trading update for Q3 2024 in October 2024.