

## Belysse Group nv 2023 Third Quarter Results

### Highlights

- Q3 consolidated Group Revenue was €73.6m (-19.2% YoY)
  - Organic Revenue declined -15.9%, while FX impact contributed -3.3%
  - Revenue growth by division: United States (US) -16.5% (-10.5% organic, -6.0% FX), Europe -22.7%
- Q3 Adjusted EBITDA was €11.0m (+1.1% YoY) with an Adjusted EBITDA margin of 15.0% (12.0% in Q3 2022)
  - US EBITDA: €9.9m
  - Europe EBITDA: €1.2m
- Q3 Net Debt was €150.8m (including €29.0m of IFRS 16 lease liabilities), down from last quarter. Leverage<sup>1</sup> reduced to 5.2x (5.5x at end of Q2 2023) and total available liquidity (including headroom under the RCF) remains strong and has improved to €68m at the end of Q3 (€65m end of H1 2023)

### Business Update Q3 2023

In US, volumes and revenues were below a very strong third quarter of 2022 where higher volumes were shipped as the installation of new production capacity enabled a catch-up on the backlog of open orders. Revenues stay at a similar level as previous quarter and remain above pre-COVID levels.

In response to the lower volumes, costs have been brought down to maintain profitability. US further improved its EBITDA margin to 23.2% in the quarter, up from previous quarter and last year (20.5% per Q2 2023 and 19.9% in Q3 2022 respectively). In USD terms Q3 EBITDA has outperformed last year's results by +4% despite lower volumes.

In Europe, Q3 2023 revenue has mainly been affected by a continued decrease of volumes in the Residential market, due to low footfall during summer combined with destocking by the retailers. Volumes in the Commercial business remained at the level of previous quarter.

In Europe, despite the currently low volumes, margins have improved compared to prior quarter and prior year, mainly due to the 2022 sales price increases and lower product costs. As anticipated, the First-In, First-Out (FIFO) accounting of the cheaper raw materials and utilities purchased since the beginning of the year had its first P&L effect in September but the full effect will be starting in October. Combined with the positive effects of the executed fixed expense reduction program, EBITDA was €1.2m positive for the quarter, up from both previous quarter and last year.

Assuming all else remains materially unchanged from the current trading environment, Belysse is expecting the full year 2023 EBITDA to recover to 2022 levels and a year-end leverage reducing to around 4.0x.

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

## Q3 2023 Revenue and Adjusted EBITDA per Division

<i>(€ million, unless otherwise mentioned)</i>	Q3 2023	Q3 2022	% Change	o/w organic	o/w FX
Europe	31,2	40,4	(22,7)%		
US	42,4	50,8	(16,5)%		
<b>Consolidated Revenue</b>	<b>73,6</b>	<b>91,2</b>	<b>(19,2)%</b>	<b>(15,9)%</b>	<b>(3,3)%</b>
Europe	1,2	0,8	46,9%		
US	9,9	10,1	(2,6)%		
<b>Consolidated Adjusted EBITDA</b>	<b>11,0</b>	<b>10,9</b>	<b>1,1%</b>	<b>7,2%</b>	<b>(6,1)%</b>
Europe	3,8%	2,0%			
US	23,2%	19,9%			
<b>Consolidated Adjusted EBITDA Margin</b>	<b>15,0%</b>	<b>12,0%</b>			

## YTD 2023 Revenue and Adjusted EBITDA per Division

<i>(€ million, unless otherwise mentioned)</i>	YTD Q3 2023	YTD Q3 2022	% Change	o/w organic	o/w FX
Europe	105,9	123,3	(14,1)%		
US	123,3	132,1	(6,6)%		
<b>Consolidated Revenue</b>	<b>229,2</b>	<b>255,4</b>	<b>(10,2)%</b>	<b>(9,4)%</b>	<b>(0,8)%</b>
Europe	(0,4)	2,1	(120,3)%		
US	23,7	25,7	(7,8)%		
<b>Consolidated Adjusted EBITDA</b>	<b>23,3</b>	<b>27,9</b>	<b>(16,4)%</b>	<b>(14,3)%</b>	<b>(2,1)%</b>
Europe	-0,4%	1,7%			
US	19,2%	19,5%			
<b>Consolidated Adjusted EBITDA Margin</b>	<b>10,2%</b>	<b>10,9%</b>			

## 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).

## Trading update

The Third Quarter 2023 Results will be presented on 26 October 2023 at 10.00 am CET via a webcast, by the Chairman of the Board and CEO Cyrille Ragoucy and CFO Andy Rogiest. The results presentation will be available on [www.belysse.com/investors](http://www.belysse.com/investors).

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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 1300 people and operates three manufacturing sites in Belgium (Tielt and Zele) and the United States (Los Angeles). Belysse realised sales of 337 million euros in 2022 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 its Full Year 2023 results on 1 March 2024.