Full Year 2023 Results

BELYSSE®

itc modulyss® arc edition® BENTLEY®

Disclaimer

In considering any performance information contained herein, you should bear in mind that past or projected performance is not necessarily indicative of future results, and there can be no assurance that any entity referenced herein will achieve comparable results or that illustrative returns, if any, will be met. Statements in this presentation are made as of the date this presentation is made unless stated otherwise, and the delivery of this presentation at any time shall under no circumstances create an implication that the information contained herein is correct as of any time after such date.

This presentation contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements". Actual outcomes and results could differ materially from those forecasts due to the impact of many factors beyond the control of the Company and its affiliates. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe", "expect", "anticipate", "intends", "plan", "estimate", "aim", "forecast", "project", "will", "may", "might", "should", "could" and similar expressions (or their negative) identify certain of these forward-looking statements. Forward-looking statements include statements regarding: business strategies, outlook and growth prospects; future plans and potential for future growth; growth in demand for soft flooring products; expected developments in production capabilities, including technological advancements in soft flooring manufacturing; expected spending by our customers and competitors; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors. No statement in this presentation is intended to be nor may be construed as a profit forecast.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. These assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control and it may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in the view of the Company, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of profitability, growth, the impact of competitive pricing, shifts in customer, market and consumer demand, competition risk, regulatory risk, financial markets risk, operational risks, the impact of general business, European and Belgian economic conditions and other risks and factors. In light of these risks, uncertainties and assumptions, the forward-looking statements contained in this document might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Figures contained in the presentation may be rounded.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. Any securities offered by the Company have not been and will not be registered under the Securities Act, or under any applicable securities laws of any state or other jurisdiction of the United States. Distribution of this document may be prohibited in the United States. You are required to inform yourself or, and comply with, all such restrictions or prohibitions and the Company does not accept liability to any person in relation thereto. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the above limitations.

The financial information included in this document includes figures that have not been subject to an audit or review by any independent auditor in accordance with generally accepted auditing standards. This presentation also includes certain unaudited pro forma consolidated financial information. The unaudited pro forma adjustments are based upon available information and certain assumptions that Belysse management believes to be reasonable. The assumptions underlying the pro forma adjustments have not been audited or reviewed in accordance with any generally accepted auditing standards.

Introduction

1. Appointment New CEO
2. Full Year 2023 Financial Summary
3. Financial Review
4. Beyond Update
5. Conclusion
6. Q&A

Cyrille Ragoucy
Chairman of the Board

James Neuling
Chief Executive Officer

Andy Rogiest
Chief Financial Officer

Ruben Pattheeuws
Group Director of Sustainability and Strategic projects

Appointment of James Neuling as Group CEO

Belysse has announced Cyrille Ragoucy's internal succession by James Neuling (representative of EQIDNA BV), MD Europe, as Group CEO with effect 1 March 2024. Mr. Ragoucy will continue to support the Company in his role as member and Chairman of the board of directors and as advisor of the management.

James joined Belysse in October 2022 as Managing Director Europe. He is a seasoned and dynamic executive who brings vast experience from a number of industries where he held senior positions.

- Began his career in South East Asia in the Lighting sector where he progressed to be Regional Manager for Zumtobel.
- Joined GE Plastics in a senior commercial role, and then subsequently led the turnaround of GE's European Sheets and Film business.
- Reorganised and divested two global divisions at Rio Tinto Alcan,
- Senior roles at Mondi Group and Scapa.
- Vice President at Beaulieu Flooring Solutions.
- Helped Melrose in the divestment of Nortek HVAC to Madison.

James holds a Bachelor's degree in Electrical & Electronic Engineering (University of Adelaide, Australia), a Graduate Diploma in Marketing (Thames Business School, Singapore) and a MBA (IMD Business School, Switzerland).

Full Year 2023 Financial Summary

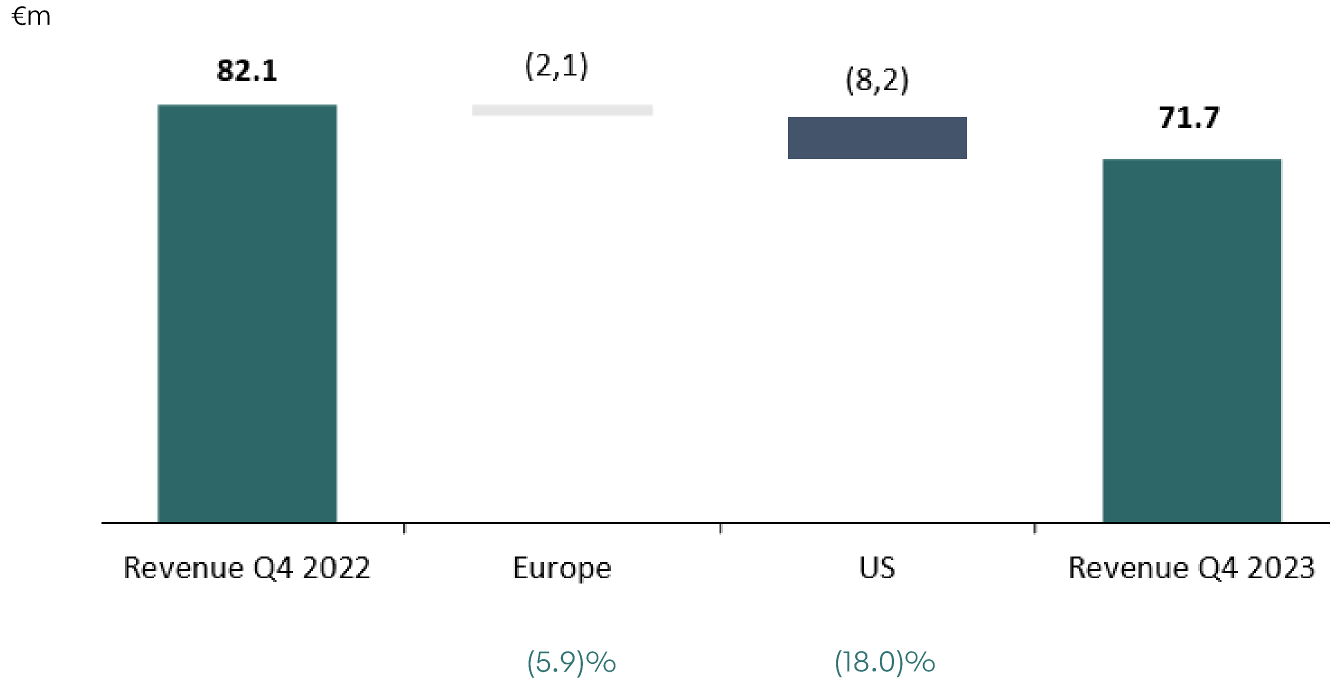
(10.8)%
YoY Revenue growth (consolidated)
	(9.6)% organic
	(1.2)% FX impact
		• FY 2023 Consolidated Revenue of €300.9m
		• Revenue growth by division:
		  • US (12.2)%
		  • Europe (9.5)%

(5.1)%
YoY Adj. EBITDA growth
	(2.4)% organic
	(2.7)% FX impact
		• FY 2023 Consolidated Adjusted EBITDA of €33.7m
		  • US €30.6m
		  • Europe €3.0m

4,5x Leverage Excluding IFRS16	Q4 Net Debt €145.3m	• Leverage reduced to 4,5x at the end of Q4 2023 compared to 5,2x at the end of Q3 2023 • Net Debt includes €27.1m impact from IFRS 16 lease liabilities

Financial Review

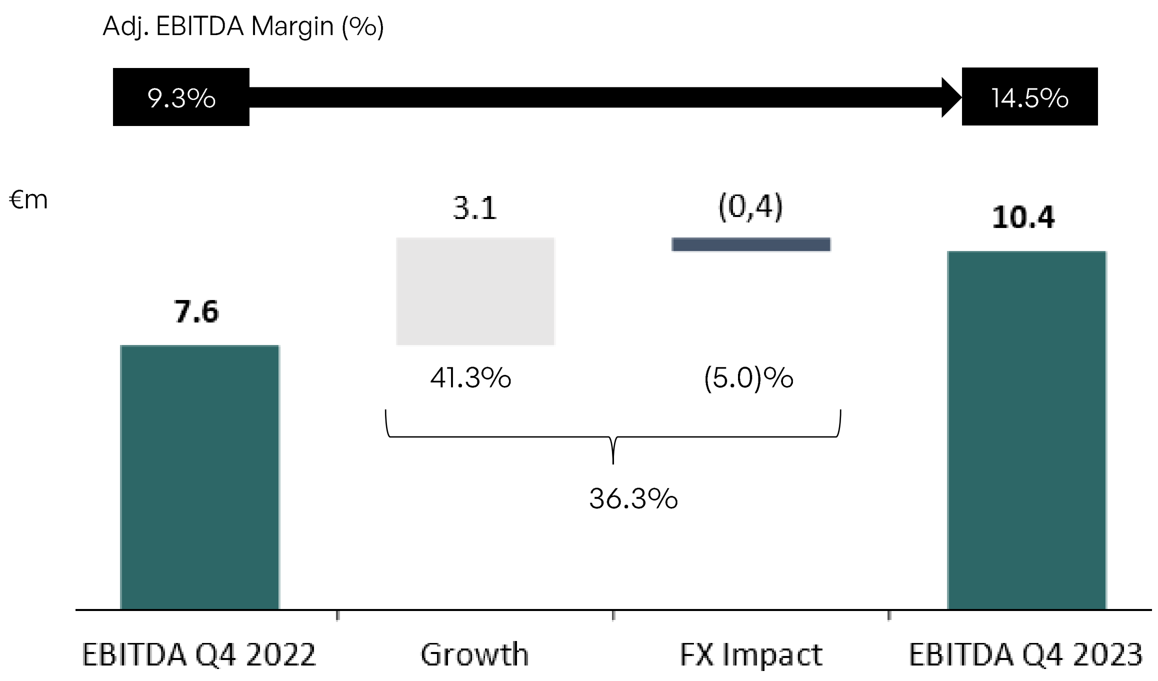
Q4 2023 Group Revenue



	Q4 Growth (€m)	Q4 Growth (%)
Organic	(8.4)	(10.2)%
FX Impact	(2.0)	(2.5)%
Reported	(10.4)	(12.7)%

- 4Q23 Consolidated Revenue was €71.7m (-12.7% YoY)
- In US, Revenue decreased by (18.0)% to €37.5m compared to last year, reflecting a further softening of overall market demand.
- In Europe, Revenue decreased by (5.9)% to €34.2m compared to last year. The 4Q23 Revenue was driven by lower volumes due to the continued demand weakness.

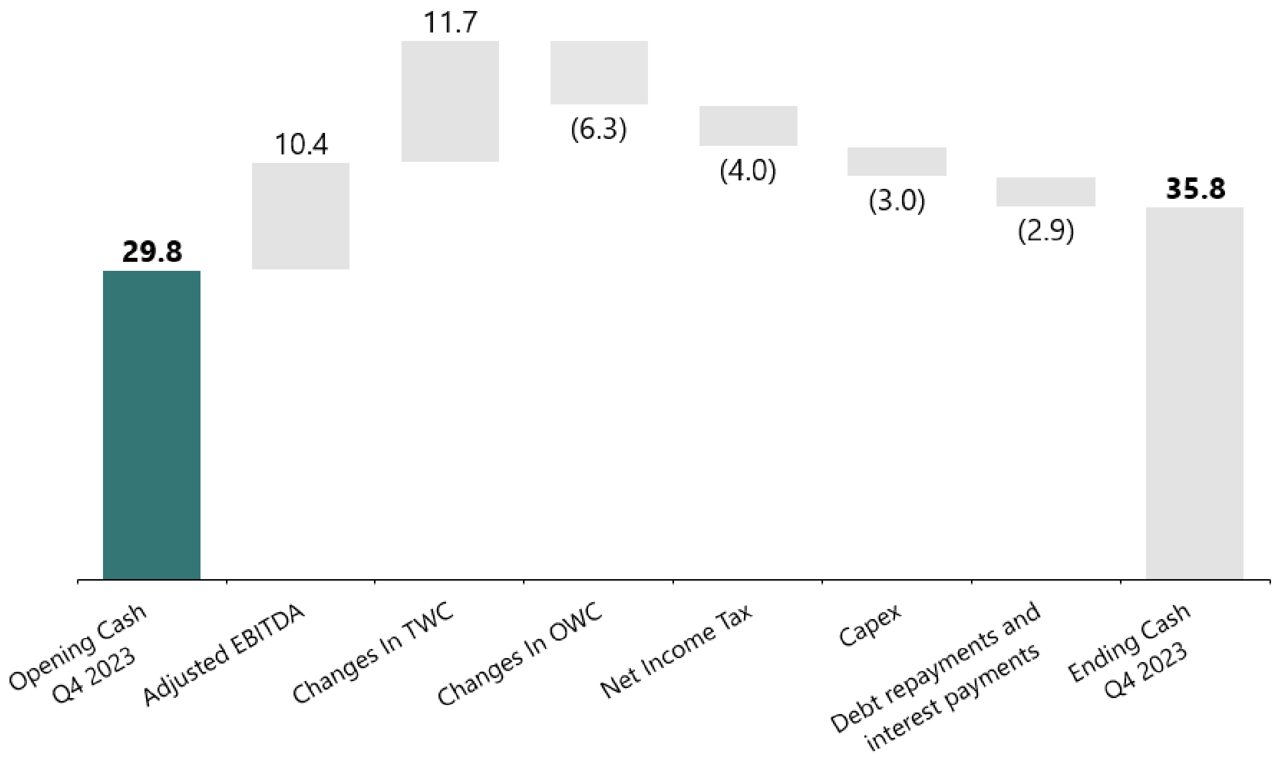
Q4 2023 Group Adjusted EBITDA



€m	Q4 2023	Q4 2022	% Change
Europe	3.5	0.1	2604.4%
US	6.9	7.5	(7.7)%
Consolidated Adjusted EBITDA	10.4	7.6	36.3%

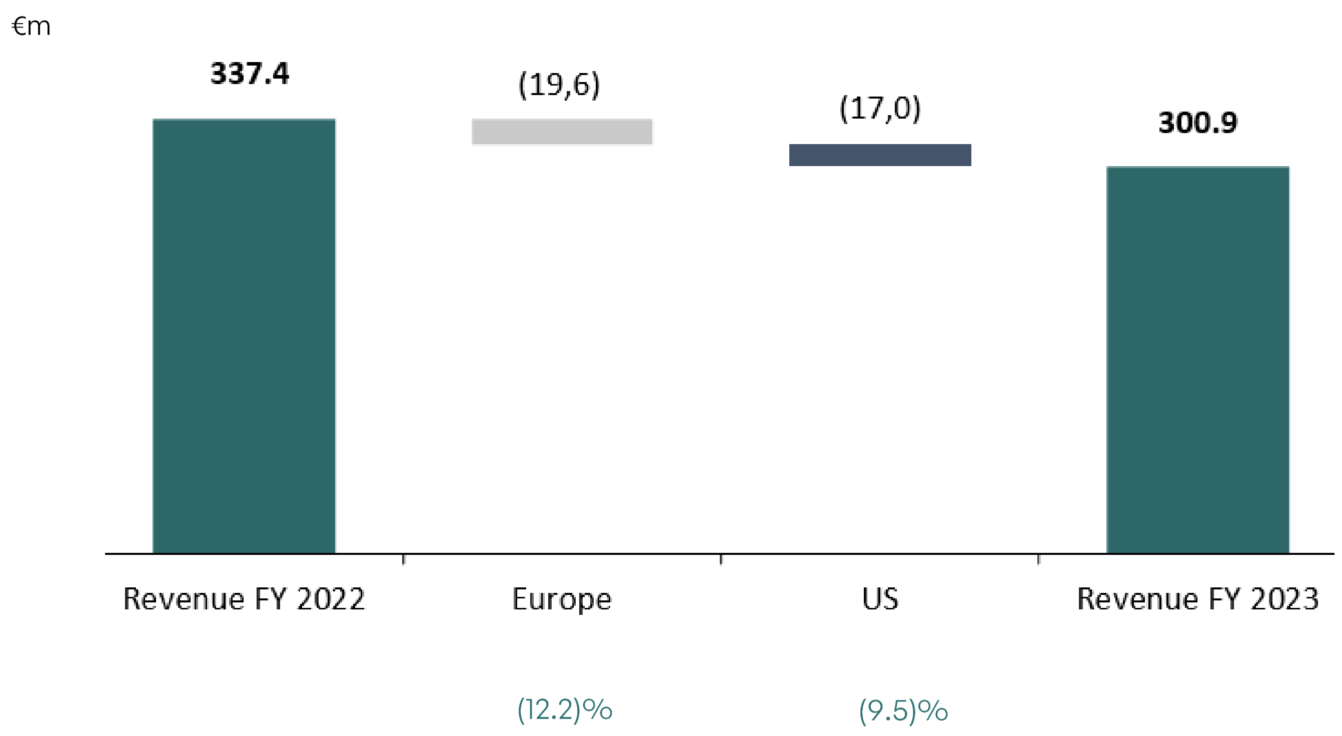
- 4Q23 Adjusted EBITDA was €10.4m (+36.3% YoY) with an Adjusted EBITDA margin of 14.5% (versus 9.3% in 4Q22).
- US EBITDA was €6.9m in 4Q23 (-7.7% YoY) with an Adjusted EBITDA margin of 18.4% (versus 16.4% in 4Q22). The relative margin has improved YoY mainly due to higher unitary margins and lower fixed expenses.
- Europe EBITDA was €3.5m in 4Q23 (+2604.4% YoY) with an Adjusted EBITDA margin of 10.2%, driven by the lower raw materials and energy prices in the costs of goods sold in combination with the positive effects of the executed fixed expense program.

Q4 2023 Cash Flow



- The positive Cash Flow of €6.0m in 4Q23 was mainly driven by the Adjusted EBITDA of €10.4 and positive changes in Trade Working Capital (TWC) of €11.7m while the Other Working Capital (OWC) movement negatively impacted our cash by €6.3m.
- During the quarter we paid €4.0m of Net Income Tax.

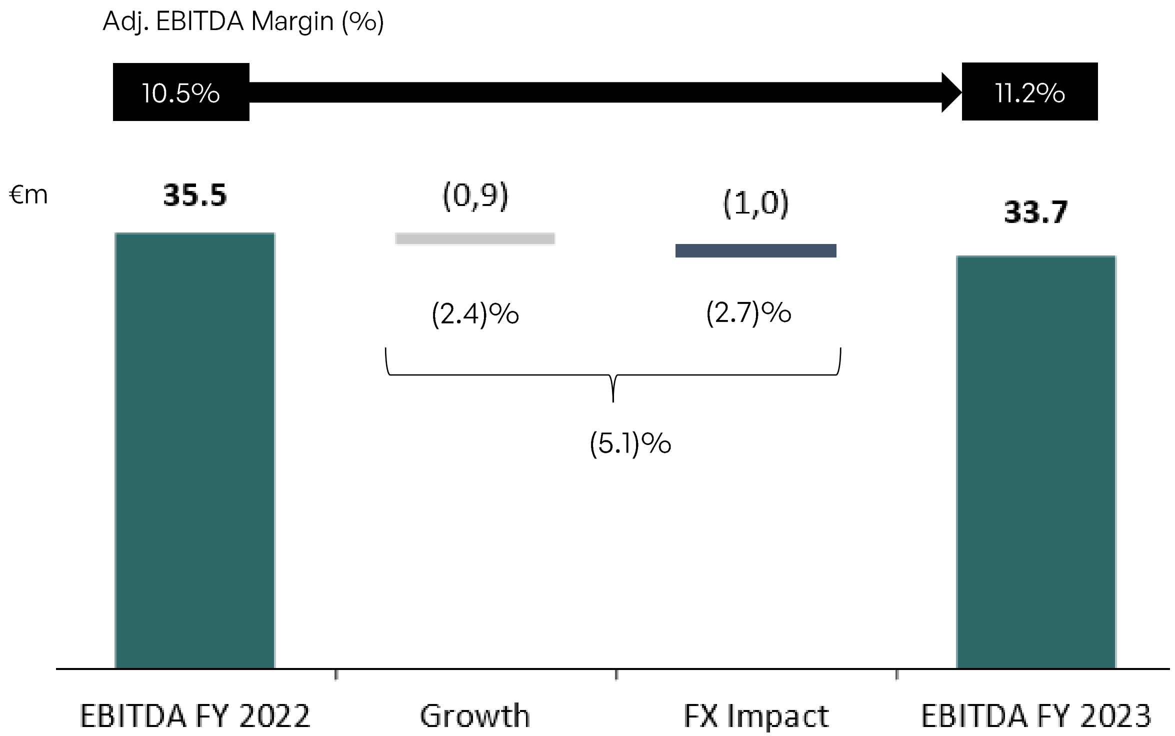
Full Year 2023 Group Revenue



	FY 23 Growth (€m)	FY 23 Growth (%)
Organic	(32.4)	(9.6)%
FX Impact	(4.1)	(1.2)%
Reported	(36.5)	(10.8)%

- FY23 consolidated Revenue was €300.9m (-10.8% YoY).
- In US, Revenue decreased by (9.5)% to €160.8m compared to last year. Sales volumes were lower compared to a very strong year 2022 following a general market demand softening, while cost inflation could be passed through with higher average sales price levels. Unfavourable FX translation also contributed to the lower reported Revenue.
- In Europe, Revenue decreased by (12.2)% to €140.1m compared to last year. The lower revenue is driven by the weak market demand while average sales prices are materially higher after the implementation of several price increase waves in the course of 2022 to compensate for the strong cost inflation.

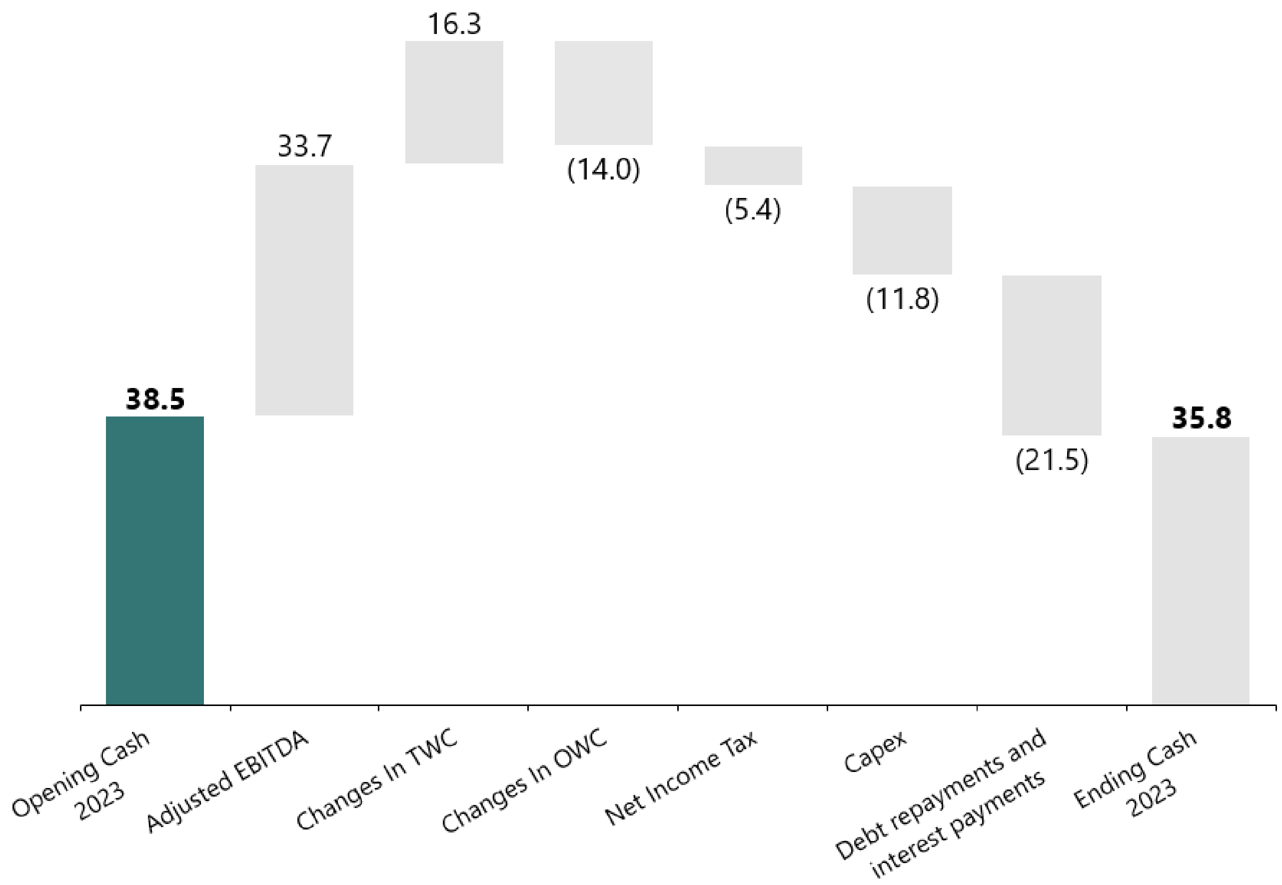
Full Year 2023 Group Adjusted EBITDA



€m	FY 2023	FY 2022	% Change
Europe	3.0	2.3	34.4%
US	30.6	33.2	(7.8)%
Consolidated Adjusted EBITDA	33.7	35.5	(5.1)%

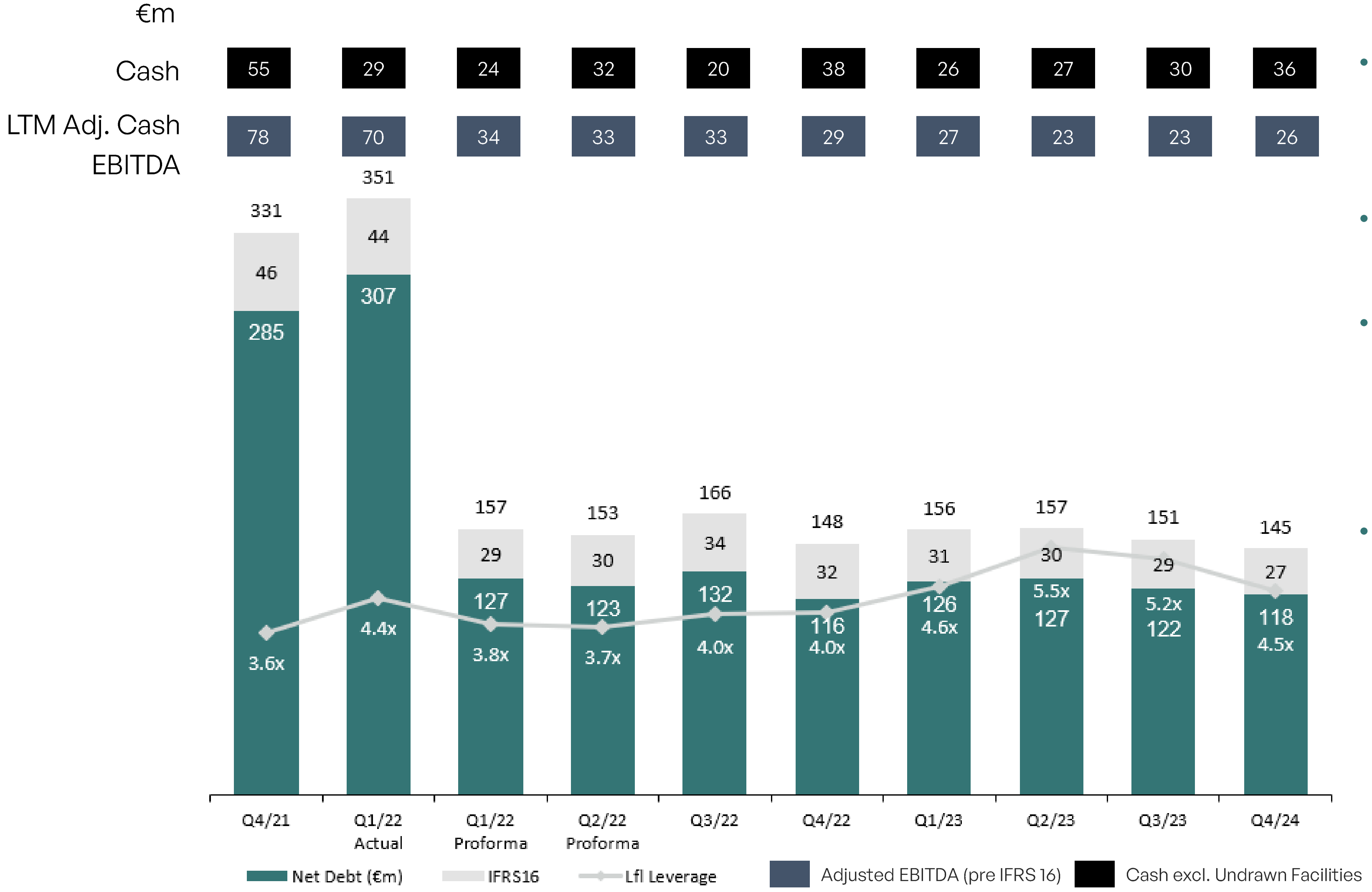
- FY23 Adjusted EBITDA was €33.7m (-5.1% YoY) with an Adjusted EBITDA margin of 11.2% (versus 10.5% in FY22).
- US EBITDA was €30.6m in FY23 (-7.8% YoY) with an Adjusted EBITDA margin of 19.0%. At constant FX, the Full Year Adjusted EBITDA for 2023 was down by 5.0%. The negative impact of the lower volumes was partly offset by higher unitary margins and lower fixed expenses.
- Europe EBITDA was €3.0m in FY23 (+34.4% YoY) with an Adjusted EBITDA margin of 2.2%. This performance is driven by the lower volumes in both the Commercial and Residential business lines throughout the year. Improved raw material and production costs as well as reduced fixed expenses brought positive effects, but only benefiting results in 2H23.

Full Year 2023 Cash Flow



- The negative Cash Flow of €2.7m in FY23 was mainly driven by the Adjusted EBITDA of €33.7 and positive changes in Trade Working Capital (TWC) of €16.3m while the Other Working Capital (OWC) movement negatively impacted our cash by €14.0m.
- Debt repayments and interest payments amounted to €21.5m and €11.8m was spent on Capital Expenditures.

Leverage[1] stands at 4,5x, excluding IFRS 16 lease liabilities



- Net Debt at the end of the period was €145.3m (including €27.1m related to IFRS16 lease liabilities), down from last quarter.
- Leverage reduced to 4,5x versus 5,2x at the end of 3Q23.
- Total available liquidity (including headroom under the RCF) remains strong and has improved to €73m at the end of 4Q23 (€68m end of 3Q23).
- Pro forma for the refinancing, leverage at the end of 2023 was 4.3x and available liquidity €38m

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

BEYOND update

Sustainability through Innovation

- Total **CO_2 emission per m^2 produced** has been reduced by 22% compared to the 2018 baseline.
- Compared to 2022, the **share of renewable electric energy** has grown from 30% to 36%.
- **Certified recycled content** in our commercial carpet tiles has further improved to 52% in Europe and in 34% in the US. In both regions, this is the highest share of certified recycled content that we've achieved so far.
- We continue to expand our **Cradle to Cradle** certified collections:
  - 4 certificates for modulyss collections (3 gold, 1 silver); 26 certified collections (vs. 22 last year); 772 certified SKUs (of which 354 gold & 418 silver, vs. 662 last year).
  - First carpet tile manufacturer that successfully completed a level Gold Material Health Assessment in version 4 of the Cradle to Cradle standard.
  - Bentley collections currently have 3 silver certificates, covering now all offered backings (12 C2C certified backings vs. 7 last year).

Our Lean program has delivered 3.4€m savings in 2023, exceeding the plan by 19%

8.0 As a reminder: objective of this Lean program is to deliver €8m cumulative savings over a 4-year period.

3.4 FY23 results amount to €3.4m P&L savings vs. 2022, against a target of €2.8m.

50 More than 50 initiatives were implemented, with key focus on quality, material / energy / labor efficiency and further automation.

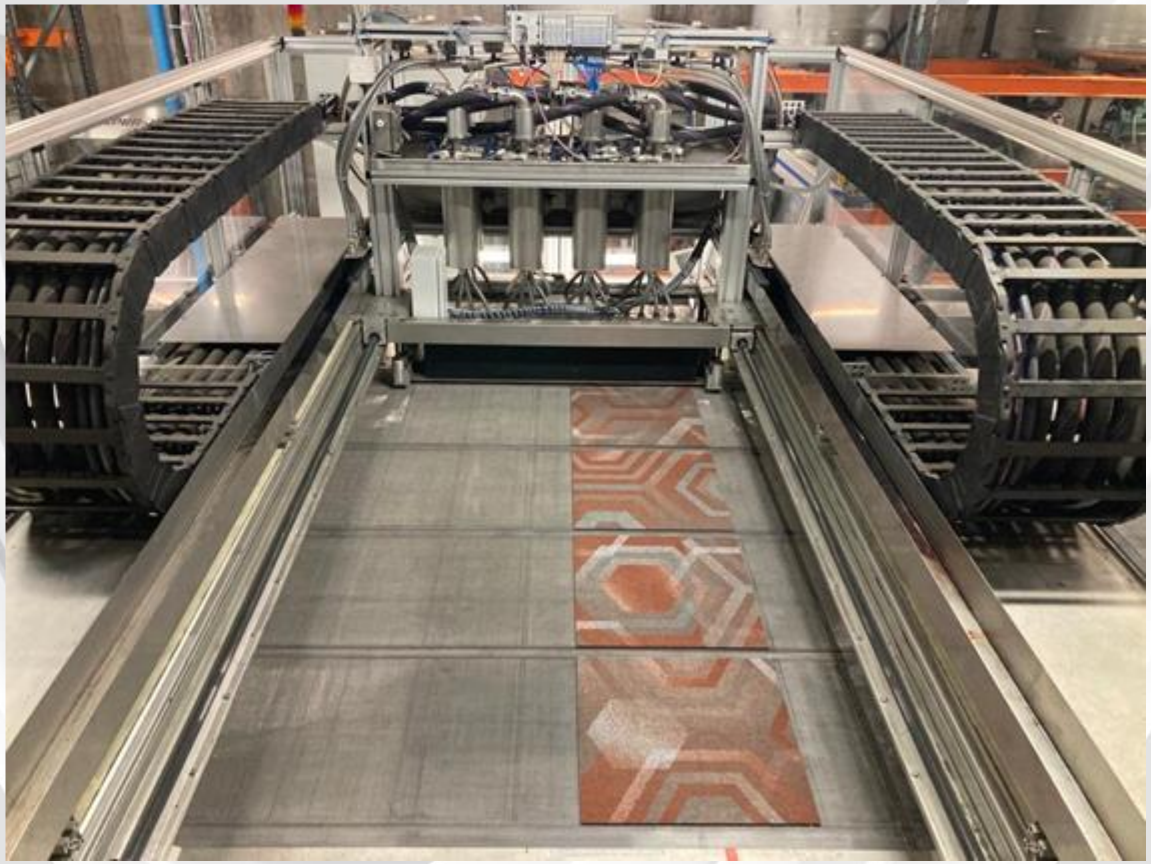
Agility

- On the digital front, 2023 revolved mainly around the further **technical IT split** of the company following the transaction with Victoria.

- On a more operational level, we have been working to further improve our **delivery performance and service level to our customers**, at the same time lowering our end-to-end inventory:

  - A telling example of this is our **quick ship program**.
    In the fast-paced world of design & build, time is of the essence. Therefore, we have defined a “quick ship” program consisting of 188 products across 23 collections, with products ready for shipment within 2 to 4 weeks.

  - Another example is the additional line we installed to **print commercial carpet tiles**, specifically aimed at flexibly producing small runs in custom designs, even allowing individual designs per tile.



Conclusion

- FY23 Consolidated Revenue was €300.9m and Adjusted EBITDA was €33.7m, resulting in an Adjusted EBITDA margin of 11.2%.
- Our US division was able to complete its yarn transition project at the end of 1Q23, but was recently confronted with a slowdown of market demand. Thanks to its unique position in the soft flooring market and flexible cost structure, the company was able to maintain its EBITDA margin.
- In Europe, we faced a slowdown in market demand. The beneficial effects of actions taken within sourcing and supply chain and the general normalization of raw material and energy prices, became only visible at the end of 3Q23. To compensate for the lower volumes, a fixed expense program was executed in July with savings seen in 2H23. Towards the end of the year, all actions taken helped the European results to start recovering and reporting a double digit Adjusted EBITDA margin in 4Q23.
- Leverage stands at 4,5x and total available liquidity remains strong.
- In December, Belysse Group signed a €120m (equivalent) credit facility to repay the existing senior secured notes which provides the company with sufficient time to recover from the weak market environment.

Q&A Session

Q1 2024 trading update
May 2024