Q3 2023 Results

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Introduction

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Cyrille Ragoucy
Chief Executive Officer
Chairman of the Board

Andy Rogiest
Chief Financial Officer

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Q3 2023 Financial Summary

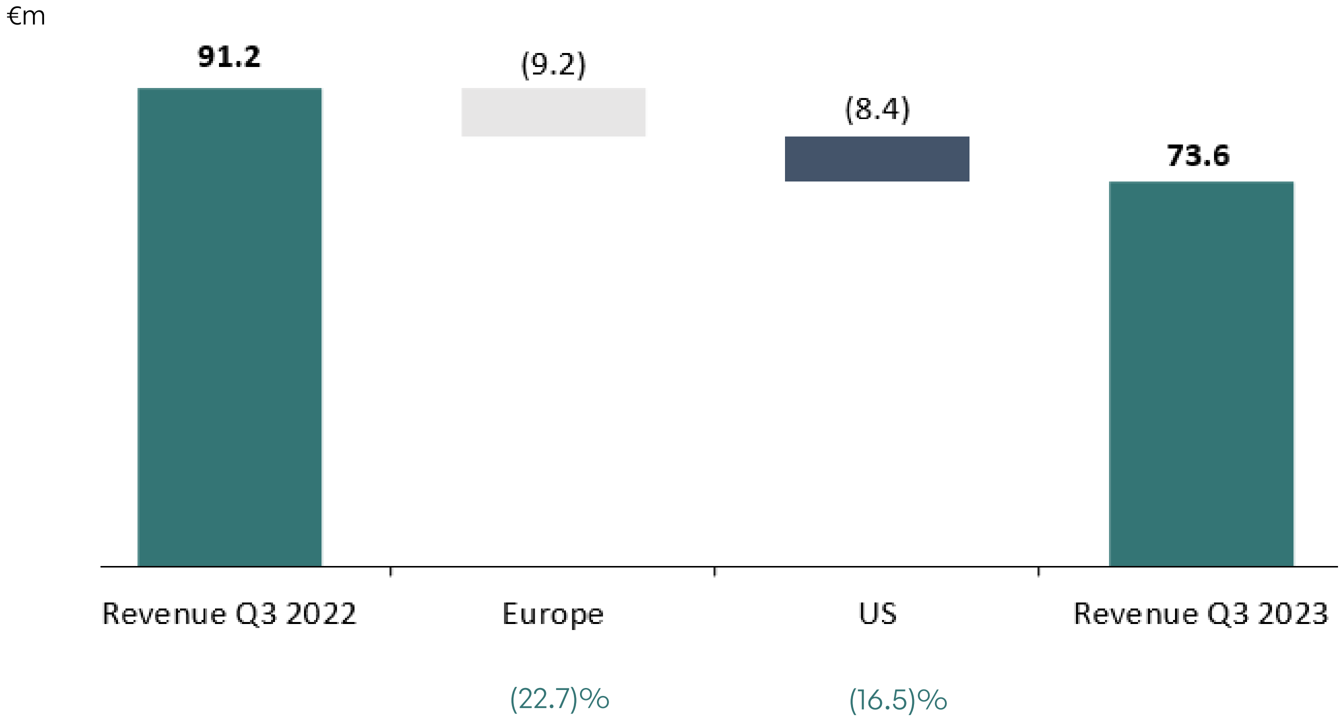
(19.2)% YoY Revenue growth (consolidated)	(15.9)% organic
	(3.3)% FX impact
		• Q3 2023 Consolidated Revenue of €73.6m
		• Revenue growth by division:
		  • US (16.5)%
		  • Europe (22.7)%

1.1% YoY Adj. EBITDA growth	7.2% organic
	(6.1)% FX impact
		• Q3 2023 Consolidated Adjusted EBITDA of €11.0m
		  • US €9.9m
		  • Europe €1.2m

5,2x Leverage Excluding IFRS16	Q3 Net Debt €150.8m	• Leverage reduced to 5,2x at the end of Q3 2023 compared to 5,5x at the end of H1 2023 • Net Debt includes €29.0m impact from IFRS 16 lease liabilities

Financial Review

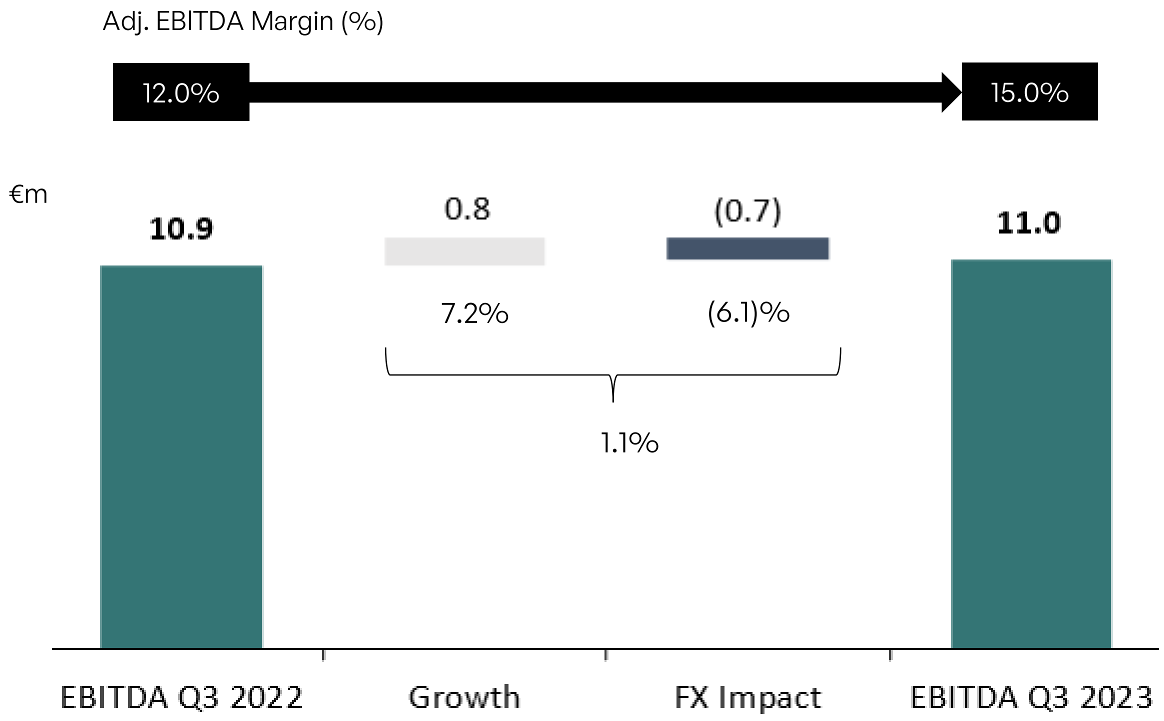
Q3 2023 Group Revenue



	Q3 Growth (€m)	Q3 Growth (%)
Organic	(14.5)	(15.9)%
FX Impact	(3.0)	(3.3)%
Reported	(17.5)	(19.2)%

- 3Q23 consolidated revenue was €73.6m (-19.2% YoY).
- In US, revenue decreased by (16.5)% to €42.4m compared to last year. 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 Europe, revenue decreased by (22.7)% to €31.2m compared to last year. 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.

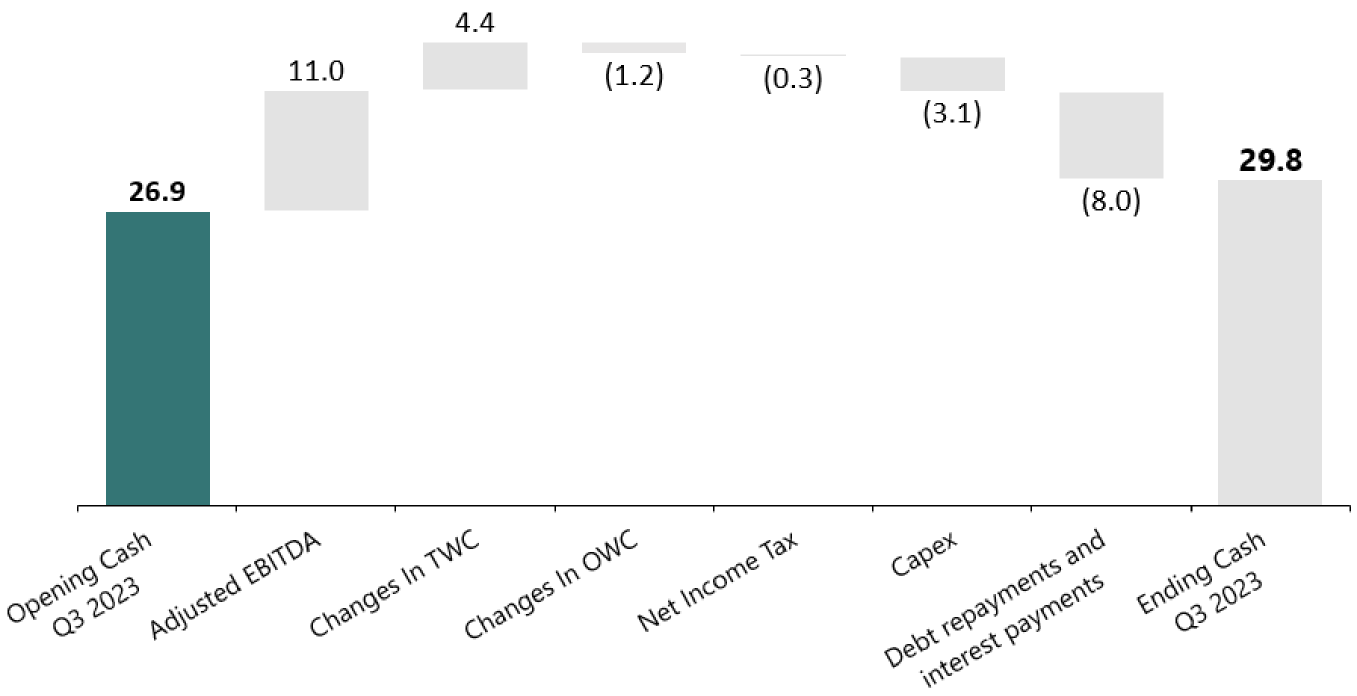
Q3 2023 Group Adjusted EBITDA



€m	Q3 2023	Q3 2022	% Change
Europe	1.2	0.8	46.9%
US	9.9	10.1	(2.6)%
Consolidated Adjusted EBITDA	11.0	10.9	1.1%

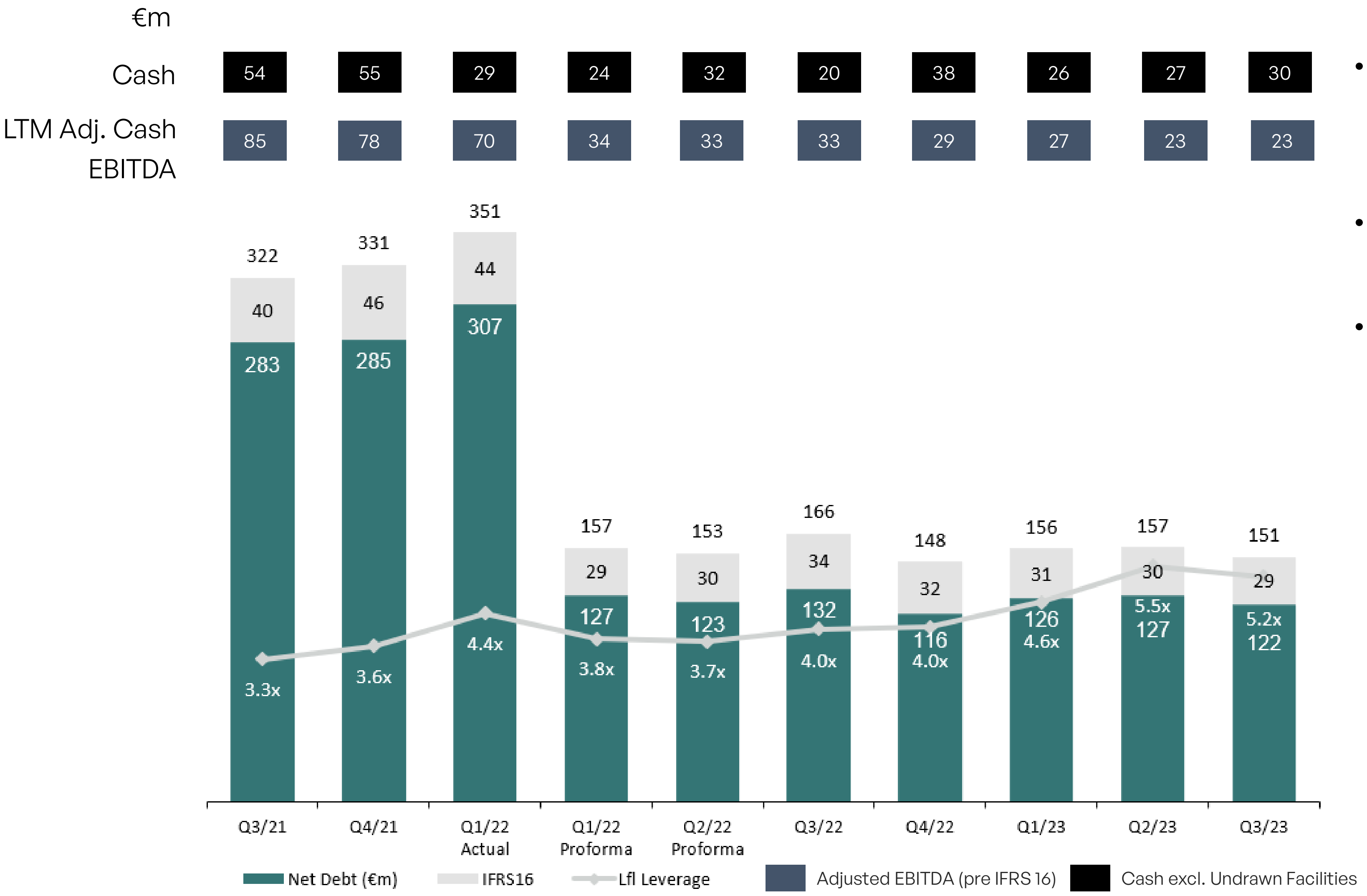
- 3Q23 Adjusted EBITDA was €11.0m (+1.1% YoY) with an Adjusted EBITDA margin of 15.0% (versus 12.0% in 3Q22).
- US EBITDA was €9.9m in 3Q23 (-2.6% YoY). In response to the lower volumes, costs have been brought down to maintain profitability. US further improved its EBITDA margin to 23.2% in the quarter, up from previous quarter and last year (20.5% per 2Q23 and 19.9% in 3Q22 respectively). In USD terms 3Q23 EBITDA has outperformed last year's results by +4% despite lower volumes.
- Europe EBITDA was €1.2m in 3Q23 (+46.9% YoY) with an adjusted EBITDA margin of 3.8%. Margins have improved compared to prior quarter and prior year, mainly due to the 2022 sales price increases and lower product costs. In addition there were the positive effects of the executed fixed expense reduction program.

Q3 2023 Cash Flow



- The positive Cash Flow of €2.9m in 3Q23 was mainly driven by the Adjusted EBITDA of €11.0 and changes in TWC of €4.4m while paying debt and interest of €8.0m and capex of €3.1m.
- The debt and interest payments during the quarter include the half-yearly interest payment of €5.1m for the Senior Secured Notes.

Leverage[1] stands at 5,2x, excluding IFRS 16 lease liabilities



- Net Debt at the end of the period was €150.8m (including €29.0m related to IFRS 16 lease liabilities), down from last quarter.
- Leverage reduced to 5,2x versus 5,5x at the end of 1H23.
- Total available liquidity (including headroom under the RCF) remains strong and has improved to €68m at the end of 3Q23 (€65m end of 1H2023).

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

Beyond Update

Our Lean program has delivered 2.7€m savings year-to-date, exceeding the plan by 35%

8.0

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

2.7

YTD 2023 results amount to €2.7m P&L savings vs. 2022, against a target of €2.0m.

40

Nearly 40 running initiatives with key focus on quality, material / energy / labor efficiency and further automation – new initiatives are continuously added to the pipeline.

Sustainability:
Carpet tile take back program

- We collaborate with local partners in Belgium, the Netherlands, UK and France to recycle old carpet tiles in the most sustainable way possible.
- Together, we're working to reduce waste and promote a greener future.
- Example: in the UK we partner with Uplyfted

  who provide a UK-wide supply and fit service of like-new carpet tiles, tailored to providers of social housing.
- We were part of Uplyfted's pilot collaboration and the first carpet tile manufacturer to sign an agreement to work with Uplyfted for take-back of our carpet tiles.
- In the meantime, several take-back cases have already been realized.

Conclusion

- 3Q23 Consolidated Revenue was €73.6m and Adjusted EBITDA was €11.0m, resulting in an Adjusted EBITDA margin of 15.0%.
- In the US, revenues stay at a similar level as previous quarter and remain above pre-COVID levels. US further improved its EBITDA margin to 23.2% in the quarter, up from previous quarter and last year (20.5% per 2Q23 and 19.9% in 3Q22 respectively). In USD terms 3Q23 EBITDA has outperformed last year's results by +4% despite lower volumes.
- In Europe, despite the currently low volumes, margins have further improved compared to prior quarter and prior year, mainly due to the 2022 sales price increases and lower product costs.
- 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.
- Leverage decreased to 5,2x and total available liquidity (including headroom under the RCF) improved to €68m at the end of the period.
- 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.

Q&A Session

Upcoming

FY 2023 Results Release on 1 March 2024