



Sint-Baafs-Vijve, 10 July 2020

**Regulated information – inside information**

For immediate publication

## COVID-19 Trading update

Balta today issued a trading update for Q2 2020, which summarizes Balta's trading developments since the announcement of its results for Q1 2020 on 6 May 2020 and provides updates on the development of its business following the COVID-19 related lockdowns.

- Q2 2020 consolidated Revenue was €106.7m (-36.5% YoY)
  - Organic revenue declined by -36.9% and FX impact of +0.4%
  - Q2 Revenue YoY by division: Rugs -35.2%, Commercial -28.1%, Residential -43.7%
- Despite the negative impact on revenue, Q2 2020 net cash flow was €7m positive, strengthening Balta's cash balance at the end of Q2 2020 to ca. €87m. Our RCF continues to be fully drawn at the end of June 2020.
- All plants reopened mid-May after taking all necessary actions to protect the employees against COVID-19, including the implementation of social distancing in all factories and supplying personal protective equipment.
- The implementation of NEXT, the three-year program designed to deliver significant improvement in earnings, resumed as of early July. Balta believes the benefits, which had started to become visible in the first two months of 2020, will continue once demand and production return towards normal levels.
- Modulyss was awarded Cradle to Cradle Certified™<sup>1</sup> Gold level on 28 of its carpet tiles products. This certification marks the transitioning of modulyss – and Balta - towards circularity and is an important attribute for larger and government contracts.

Q2 was challenging for Balta due to COVID-19 lockdowns that had a significant negative impact on the quarter, most severely impacting April, with an easing trend starting mid-May and continuing in June. The company has made great efforts to save costs and preserve cash, in order to mitigate the negative impact of the pandemic, while taking actions to protect the employees. Balta will continue to adjust its mode of operations to the changes in the external environment.

More detail on the results of the second quarter of 2020 will be provided during the presentation of our half-year 2020 results on 28 August 2020. Balta is issuing this statement on a one-off basis to update its investors given the significant impact of the COVID-19 related lockdowns on its markets, and does not currently anticipate that it will issue similar quarterly recent developments updates in the future, unless otherwise required by stock exchange regulations, applicable law or the terms of its indebtedness agreements.

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<sup>1</sup> Cradle to Cradle Certified™ is a globally recognized standard for products with a positive impact on people and the planet.

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**About Balta**

Balta is a leading manufacturer of textile floor coverings, selling to over 125 countries worldwide. The Balta divisions are Balta Rugs (Balta home), Balta Residential Carpets & Tiles (under the brands Balta carpets, ITC and Balta carpet tiles), Balta Commercial Carpets & Tiles (under the brands modulyss, arc edition and Bentley), and Balta Non-Woven (under the brand Captiqs). With the addition of Bentley, Balta employs nearly 4,000 people in 10 manufacturing sites and distribution centres in Belgium, Turkey and the United States.

**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 Balta 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. Rounding adjustments have been made in calculating some of the financial information included in this press release. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.*