



 **balta**

Q3 2019

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.

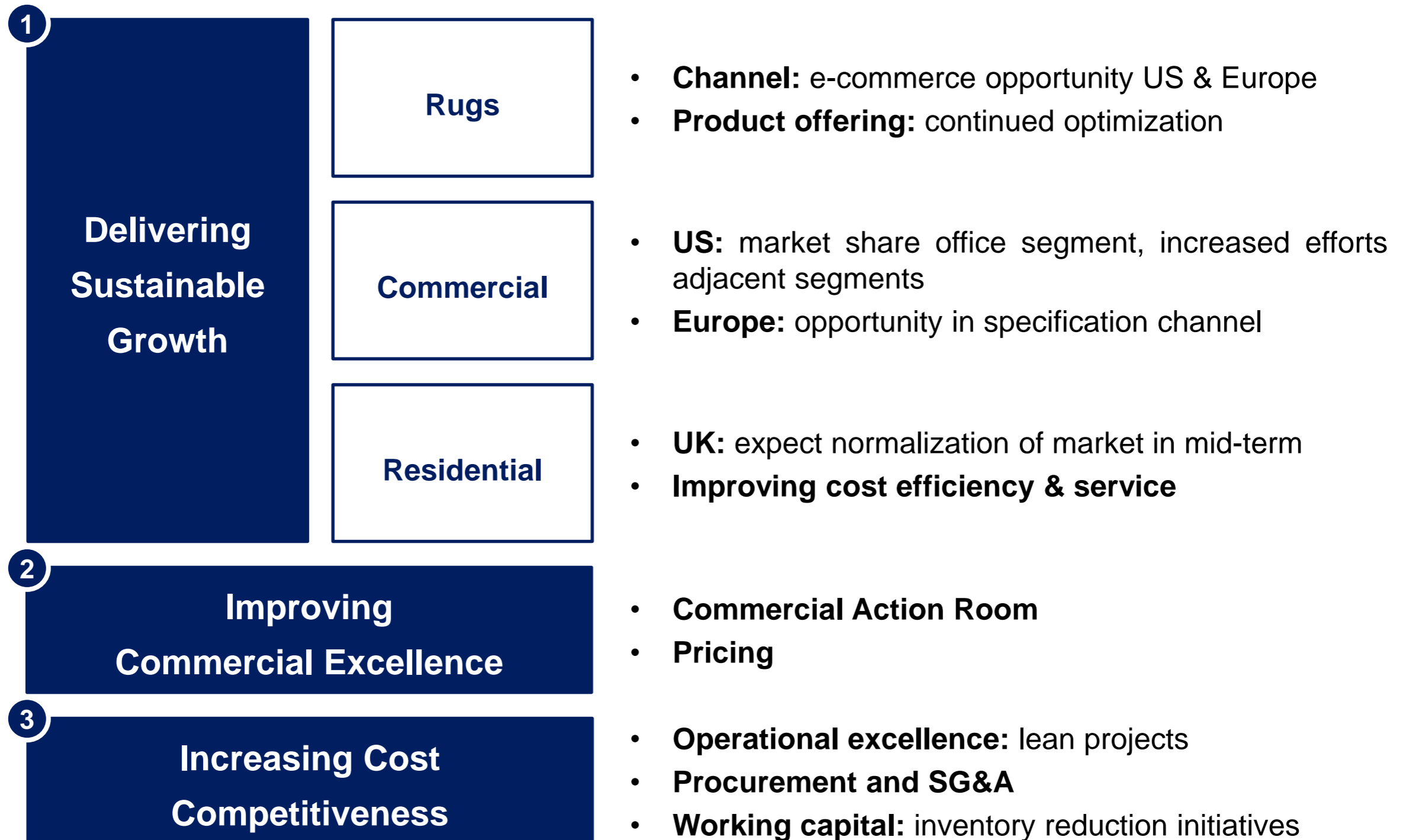
The financial information included in this document includes figures that have not been subject to an audit or review by any independent auditor in accordance with generally accepted auditing standards. This presentation also includes certain unaudited pro forma consolidated financial information. The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

Q3 2019 Financial Summary

<p>+3.0% yoy sales growth (consolidated)</p>	<p>+1.7% organic</p> <hr/> <p>+1.3% FX impact</p>	<ul style="list-style-type: none"> • Q3 2019 Consolidated Revenue of €155.6m (YTD €507.0m, +7.2%) • Solid growth in Commercial (+7.1%), Rugs slightly up (+0.4%), Residential stable year-on-year
<p>-7.0% Adj. EBITDA growth (on a like-for-like basis⁽¹⁾)</p>	<p>-9.1% organic</p> <hr/> <p>+2.1% FX impact</p>	<ul style="list-style-type: none"> • Q3 2019 Consolidated Adjusted EBITDA of €17.3m (YTD €54.6m, -2.4%) • Margin improvement in both Residential and Commercial • Rugs impacted by one-off adjustment sales discounts in US and start-up costs US e-commerce • Investments in Next of €1.0m in Q3 2019 (€3.0m YTD)
<p>3.9x Leverage (on a like-for-like basis⁽²⁾)</p>	<p>Net Debt €319.6m</p>	<ul style="list-style-type: none"> • Net Debt stable vs. Q3 2018 (excluding IFRS16 impact of €42.2m) • Leverage stable vs. Q3 2018 on a like-for-like basis⁽²⁾

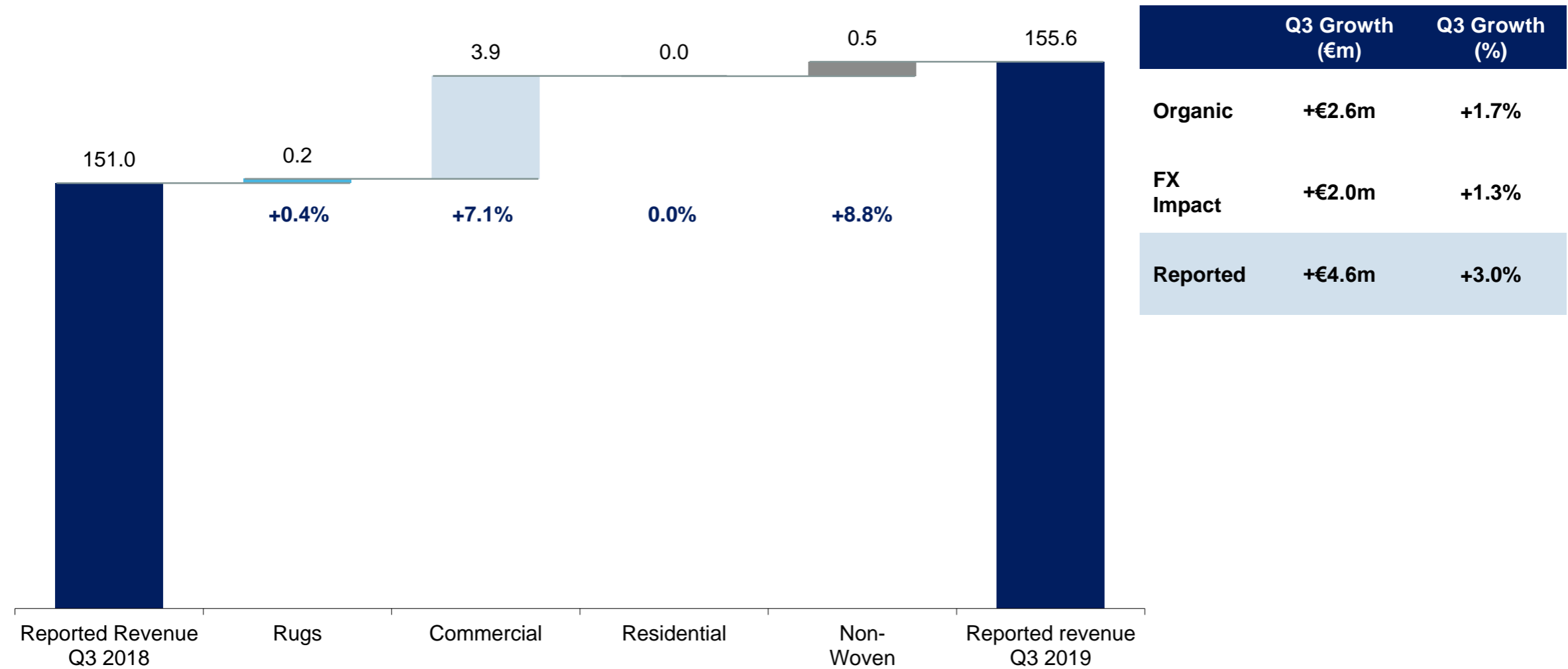
NEXT: Three Year Earnings Enhancement Program

Various growth & cost saving initiatives identified under Strategic and Operational review



Group Q3 2019 Revenue Performance

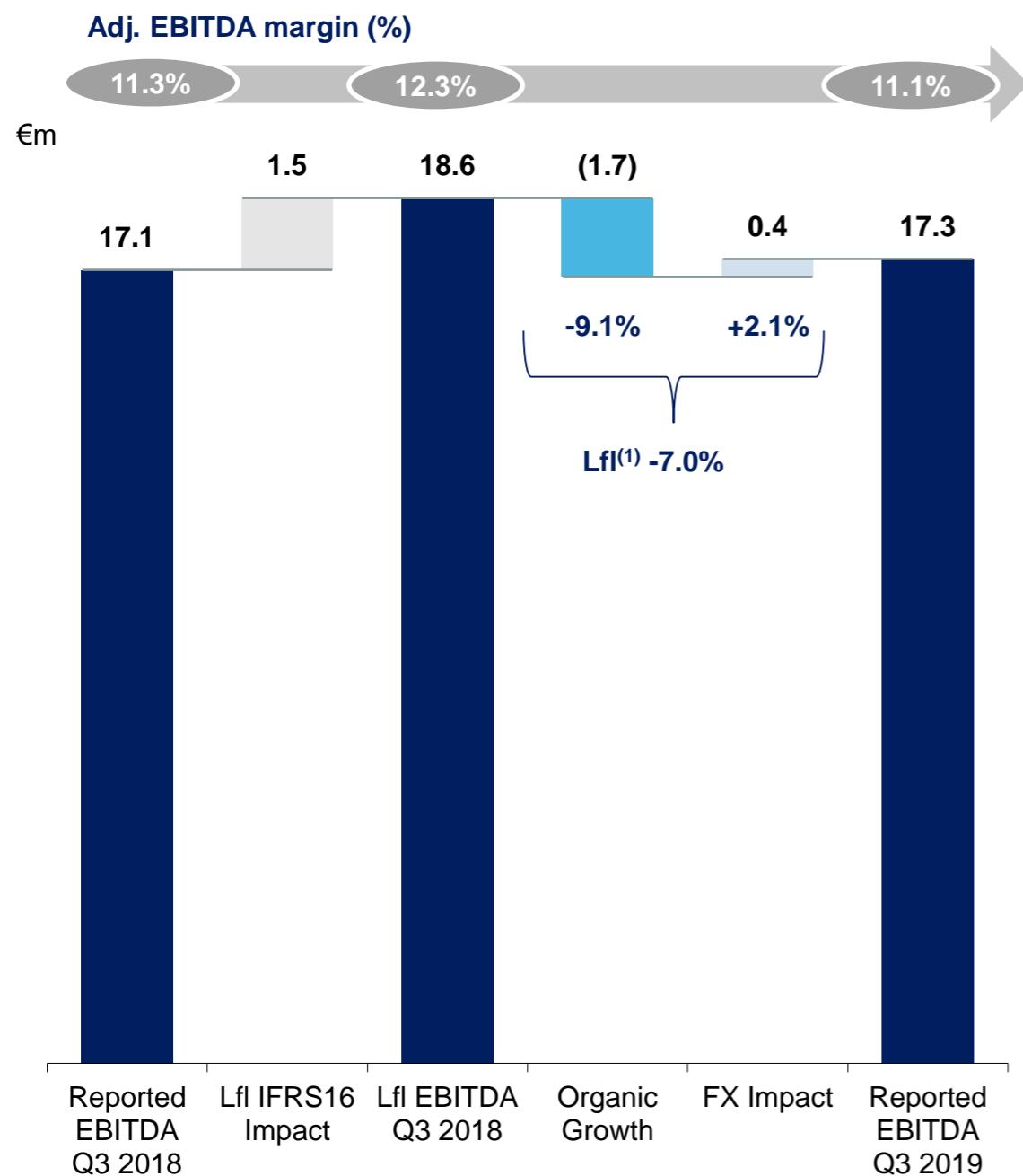
€m



Continued solid growth in our US Commercial business

UK/European market environment overall remained more challenging across divisions

Group Q3 2019 Adjusted EBITDA and Margins

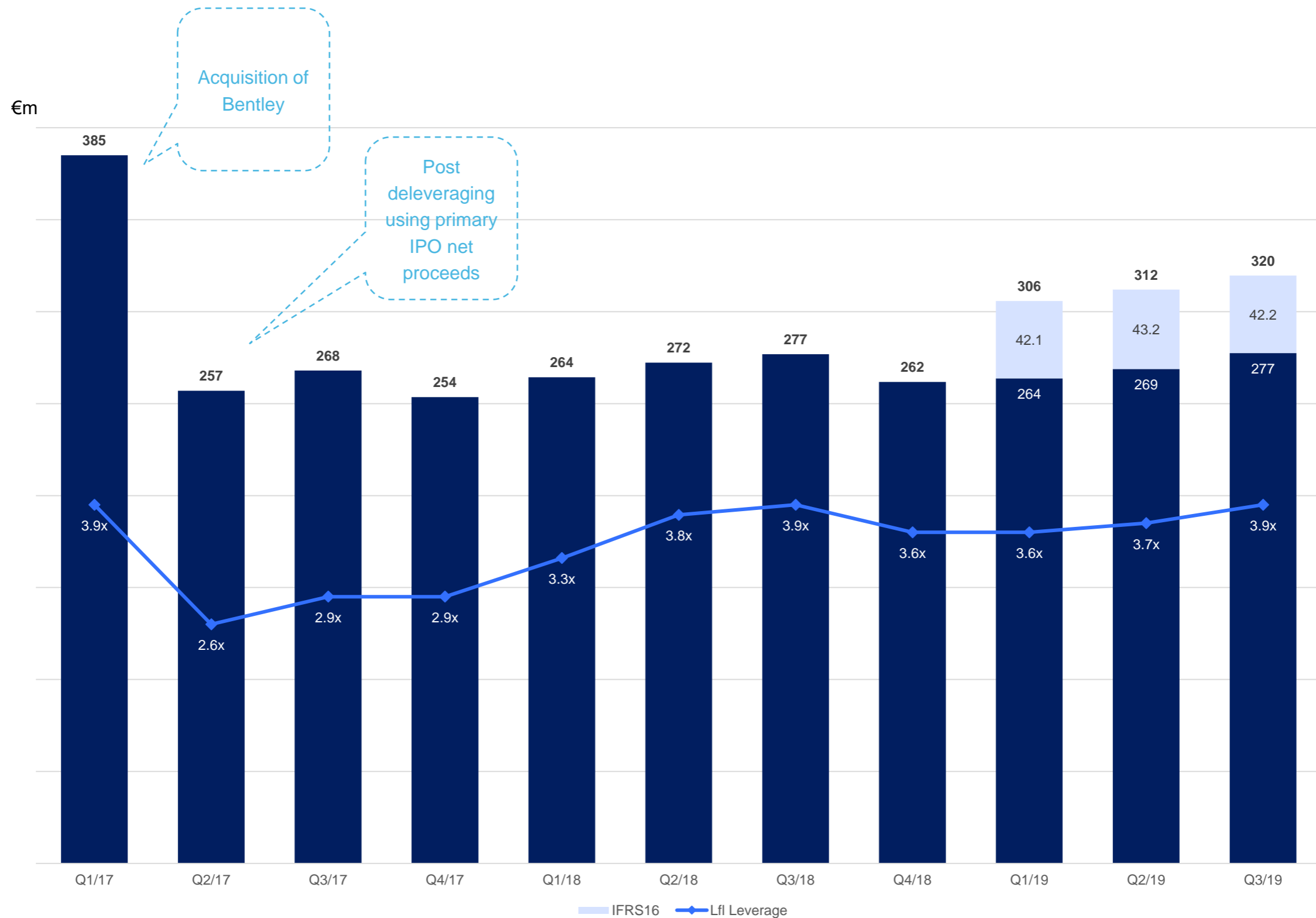


€m	Lfl(1) Q3 2018	Reported Q3 2019	% Change Lfl(1)
Rugs	6.3	2.6	-58.2%
Commercial	9.1	10.5	+15.5%
Residential	2.5	3.5	+39.0%
Non-Woven	0.7	0.6	-9.5%
Consolidated Adjusted EBITDA	18.6	17.3	-7.0%

Rugs impacted by one-off adjustment sales discounts Balta USA
Investments in NEXT €1.0m in Q3/19 (€3.0m YTD)

Residential and Commercial benefiting from mix and price increases

Leverage⁽¹⁾ of 3.9x (Net Debt of €319.6m) stable vs. a year ago



Outlook reaffirmed

Excluding the impact of IFRS16

- **Expect Adjusted EBITDA broadly flat versus the prior year**
- **Capex below €40m**
- **Interest flat versus the prior year**
- **Effective Tax Rate between 25 – 27%**



 **balta**

Q&A Session