



Trading Update

Since we reported our Q3 2019 results, our Commercial business has continued to benefit from the additional sales people we hired over the last few quarters, performing well with solid margins, both in Office as well as our new targeted segments.

In our Residential business, Q4 margins continue to benefit from both the product mix improvement strategy and the cost saving initiatives, while top-line for the quarter will be impacted as anticipated by the reversal of the Q3 pre-Brexit stocking by some of our customers.

In Rugs, our key European and Rest of World markets have performed in line with expectations. In the US, shipments of the outdoor programs for the 2020 season, for which we secured stable share with our key customers year on year, are now expected to be delayed to early 2020 instead of starting in December 2019. At the same time, the ramp-up of our US e-commerce business has been slower than expected while the related costs have continued in Q4 at a higher level than we had anticipated. As a result of our US Rugs business performing below expectations, Balta Group now expects its 2019 full year Adjusted EBITDA to be below last year by mid-to-high single digit €millions (before IFRS 16).

Despite the setbacks in Rugs, we believe in the long-term potential of this business and remain dedicated to catching-up with our ambition for the e-commerce channel. Overall, the implementation of NEXT, our three year earnings enhancement program, continues to progress well and we remain confident about the significant impact NEXT will have on our earnings.

For further information, please contact

Investors: Bram Decroix – Corporate Finance & IR Director – investor.relations@baltagroup.com

Media: Geert Vanden Bossche - Marketing Director - geert.vandenbossche@baltagroup.com

About Balta

Balta is a leading manufacturer of textile floor coverings, selling to over 130 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.