

Press Release Half year performance

Brussels, 30 August 2016 – **Etex reports like-for-like growth of 2.6 % in sales and 10.4 % in Rebitda for the first half of the year. The building materials group has reshaped its structure, management framework and portfolio as first steps toward its newly-defined strategy.**

Half year results show like-for-like growth for sales and Rebitda

During the first six months of 2016, Etex recorded sales of 1.480 billion euro. This is 2.6 % growth on a like-for-like basis (same exchange rates, same scope). Taking the impact of scope and exchange rates into account, this represents a 2.8 % decline.

The resulting recurring operating cash flow (Rebitda) is 216 million euro. This represents 10.4% growth on a like-for-like basis and a 6.8 % increase including scope and exchange rate impacts. The Rebitda margin reached 14.6 % at the end of June 2016, up from 13.3 % at the end of June 2015.

All segments reported moderate top line growth. The markets in Germany and France, where manufacturing capacity is being downsized, remain weak. In Latin American countries growth was realised with the exception of Brazil. The profitability of this growth is under pressure from exchange rates and increased competition. Rebitda increase and margin improvements were driven by lower energy costs in Europe.

The net financial debt increased from 833 million euro at the end of December 2015 to 885 million euro at the end of June 2016. This was primarily driven by the seasonal increase in working capital and selected acquisitions, and partially offset by an increase of the non-recourse factoring programme. The net financial debt/Rebitda ratio remained stable at 2.0 at the end of June 2016, in line with June and December 2015.

The outlook for the year confirms a modest progression of sales and Rebitda at similar scope and exchange rates. Etex also foresees a reduction of the net financial debt compared to December 2015.

Turning strategy into achievements

During today's challenging economic times and unstable political situations in some cases, Etex aims to provide technically and aesthetically superior building materials to meet people's building needs.

Working towards this overarching goal, Etex has honed its strategy into three priorities:

- **Profitable growth** – fostering stronger and closer ties with customers and leveraging innovation in line with customer needs as a driver of success.
- **Operational performance** – enhancing processes, focusing on continuous improvement and committing to safety in the workplace.
- **An engaged workforce** – enabling employees to grow their expertise and build innovative teams while implementing shared values.

Adapted organisation with an enhanced core business focus

The new Etex organisational structure provides for these priorities. Global divisions each target a well-defined business segment. **Etex Building Performance** provides fibre cement and gypsum building boards, fire protection and dry construction solutions. **Etex Roofing** offers roof systems, fibre cement slates and corrugated sheets, clay and concrete tiles, and roofing components, while **Etex Cladding** markets fibre cement cladding boards. **Etex Industry** targets industrial players, such as the transportation and oil & gas markets, with its high performance insulation and fire protection solutions.

The sale of **Etex Ceramics**, the floor and wall tile business in Latin America, is expected to be finalised before the end of the year. In addition, Etex has adjusted its portfolio and continues to do so in line with its core businesses.

Earlier this year, the group acquired British companies John Brash and EOS Facades. John Brash & Co. supplies the materials to which roofing products are secured, such as timber roofing battens, which are the long horizontal lattes placed across roofs to which roofing tiles and slates are fixed. EOS Facades supplies steel framing systems for dry construction solutions. Furthermore, Etex announced the sale of its UK-based Bracknell Roofing Contractor.

The group's operations in the Africa and Latin America regions will be integrated into this global division structure in 2017.

The Executive Committee has a balanced representation of business and support functions

As of 1 September its members are as follows:

- Paul Van Oyen, Chief Executive Officer and responsible for Etex Industry Division, Africa Region and Communications
- Alex Carnevale, Chief Performance Officer and responsible for Environment, Health and Safety (EHS), Engineering and Purchasing
- Frédéric Deslypere, Head of Latin America Region
- Mel de Vogue, Chief Finance Officer and responsible for IT and Legal
- Michael Fenlon, Head of Etex Cladding Division
- Jean-Pierre Hanin, Head of Etex Building Performance Division
- Michel Klein, Head of Etex Roofing Division
- Myriam Macharis, Corporate Human Resources Director

Changes to the Board of Directors

In May 2016 Etex welcomed Bernadette Spinoy to its Board of Directors. The Board is now composed as follows:

- Jean-Louis de Cartier de Marchienne, chairman
- Paul Van Oyen, managing director
- Walter Emsens, director
- Regnier Haegelsteen, director
- Gustavo Oviedo, director
- J. Alfons Peeters, director
- Teodoro Scalmani, director

- Christian Simonard, director
- Bernadette Spinoy, director
- Caroline Thijssen, director
- Philippe Vlerick, director
- Guillaume Voortman, director

For more information about Etex's management and pictures, please visit:
<http://www.etexgroup.com/en/who-we-are/our-people/management>.

Key Figures June 2016

In million euro	June 2015	June 2016	% var	% var like-for-like
Revenue	1,522	1,480	- 2.8%	2.6%
Recurring operating cash flow (rebitda)	202	216	6.8%	10.4%
% revenue	13.3%	14.6%		
Recurring operating income (rebit)	119	135	13.5%	17.2%
% revenue	7.8%	9.2%		
Non-recurring items	2	- 16		
Operating cash flow (ebitda)	205	201	- 2.2%	
Operating income (ebit)	122	119	- 1.7%	
% revenue	8.0%	8.1%		
Profit for the year	63	55	- 12.0%	
Group share	62	52	- 15.8%	
Non-controlling interest	1	3		
Working capital (*)	425	460		
Net financial debt	1,027	885		
Capital expenditure	81	39		

(*) excluding the favourable impact of 195 million euro of the non-recourse factoring programme

About Etex

Etex is a Belgian industrial group manufacturing and selling building materials. Its core businesses are

- Etex Building Performance : fibre cement and gypsum building boards, fire protection and dry construction solutions
- Etex Roofing : roof systems, fibre cement slates and corrugated sheets, clay and concrete tiles, and roofing components
- Etex Cladding : fibre cement cladding boards
- Etex Industry : high performance insulation and fire protection solutions for industrial players, such as the oil & gas sector
- Etex Ceramics : floor and wall tile business in Latin America (in the process of being sold)

With over 17,000 employees working at 120 production sites in 42 countries, and with an annual turnover of 3 billion euro, Etex is an international player in sustainable building solutions. In Belgium, in addition to its headquarters, Etex operates three production sites and two R&D centres. For more information, please visit our website: www.etexgroup.com.

More information

Regine Van Tomme

Corporate Communications Director

Tel + 32 2 778 12 11 or +32 2 778 12 84