

Press release

Regulated information – 1Q 2015 trading update
Under embargo until Tuesday 12 May 2015 at 7:00 a.m. CET

2015 1Q sales growth +18% to € 136 million.

- Sales at comparable scope: +8.7%
- Extension and improvement of financing facilities
- Concerns on rising PVC costs

Sales breakdown

% of sales	1Q 2015
Sales (in € million)	136.2
Exchange rates	+4.6%
Volume	+3.1%
Mix	+1.0%
Change of scope	+9.3%
Total	+18.0%

Tom Debusschere, Deceuninck CEO:

“Deceuninck’s 8.7 % growth at comparable scope during the first quarter has beaten expectations. Particularly the 20% volume growth in North America in spite of the extreme winter conditions in the North East is showing evidence of continued share growth in an attractive market. In Turkey we enjoyed the contribution of the Pimaş sales whereas organic volumes remained stable. Growth remained strong in United Kingdom, Spain and Italy. The double digit volume growth in Poland and Czech Republic reversed the trend of the preceding quarters. The construction climate in France, Belgium and Germany remains weak in a highly competitive market. Volumes deteriorated in Russia due to economic weakness, affecting the property market and consumer confidence.

A stronger balance sheet (as a result of the capital increase in August 2014) and favourable market conditions enabled Deceuninck to negotiate improved conditions for its credit facilities. Meanwhile the term of these facilities has been extended with 3 years (until 2020).

Outlook 2015

At the start of the 2nd quarter the level of our order books is normal for the time of the year. In all regions we expect volume trends to continue into the 2nd quarter.

We are deeply concerned about the increasing number of force majeure declarations for the European chemical feedstocks in general and for PVC resin in particular, which has prompted drastic cost increases. For converters of PP and PE, materials shortages have already led to factory shutdowns; the same dynamic could affect PVC converters if this situation continues.



innovation



ecology



design

Deceuninck has already implemented proactive measures in procurement, production and sales to ensure availability of our products and to handle the volatile costs through price management.

We remain confident that our continued actions to launch innovations, to improve productivity, to reduce structure costs and our discipline to pass on increased material cost to the market will sustain our margins and will allow further growth of net profits.”

Sales breakdown per region.

In € million	2015		Var.2015
	1Q		Loc.curr.
Western Europe	46.9	+1.0%	
Central & Eastern Europe	27.9	-4.6%	+1.5%
Turkey & Emerging Markets	40.4	+58.6%	+47.1%
North America	21.0	+47.1%	+ 19.5%
Total	136.2	+18.0%	

Western Europe

1Q 2015 sales in Western Europe increased 1.0% to €46.9 million (1Q 2014: €46.4 million)

Trends in the region continued to be divergent. Double digit growth in UK, Spain, Italy and Holland was offset by weak demand in France and Belgium, where markets continued to contract. In France, the impact of government incentives to restore newbuild and renovation activity is expected to show renewed dynamism of the market from the second half of the year onwards.

Strong growth continues in UK both from the existing customer base and competitive wins.

Central & Eastern Europe (incl. Germany)

1Q 2015 sales in Central & Eastern Europe decreased year-on-year by 4.6% to €27.9 million (1Q 2014: €29.3 million). (At constant exchange rates sales +1.5%) Sales include Pimaş sales in the region, mainly in Russia.

Sales in the region give a mixed picture: volumes increased in Poland and Czech Republic, whereas volumes decreased in Russia & Germany. Poland & the cluster of Czech Republic, Slovak Republic and Hungary saw double digit sales growth as a result of competitive wins, increased demand from key accounts combined with pull forward sales of building products.

In Germany the market continues to be impacted by increasing imports from Eastern European cheap labour countries. Weak consumer confidence fed by the economic sanctions increasingly impacts newbuild and renovation activity in Russia



Turkey & Emerging Markets

1Q 2015 sales in Turkey & Emerging Markets increased by 58.6% to € 40.4 million (at constant exchange rates +47.1%). Sales include Pimaş sales in Turkey. Organic domestic sales volume was more or less stable due to the slowdown of the Turkish economy as a result of the political tension in the run up to the June parliamentary elections. Consumer confidence is low due to the devaluation of the Turkish Lira by 11% against the USD in the first quarter of 2015. Exports to Northern Africa are impacted by the challenging political environment.

Turkey as Deceuninck's export hub for developing Emerging Markets continued to build up new markets in South America and India.

North America

1Q 2015 sales increased by 47.1% to € 21.0 million. At constant exchange rates, sales increased by 19.5%.

Activity in both R&R (Remodelling & Repair) and new housing market segment were strong in spite of extreme winter conditions in the North East with record low temperatures and high snow fall.

Deceuninck North America's (DNA) strategy of introducing innovative products and materials, creating brand awareness and consistent delivery on "Zero Backorders" paid off. DNA gained new Customers and existing Customers took on new product lines. This resulted in higher than average market sales growth.

Financial calendar 2015

22	July	2015	1H 2015 results
21	October	2015	3Q 2015 trading update

End of press release

Building a sustainable home

At Deceuninck, our commitment towards innovation, ecology and design provides us with a clear focus: building a sustainable home. A home that is more energy-efficient to live in and more attractive to look at. Deceuninck works worldwide with state-of-the-art materials, resulting in low maintenance, top insulating and long lasting products that can be fully recycled at end of life. Moreover, our values of Candor, Top performance and Entrepreneurship help us build a better world for our Partners and end users. Deceuninck has strong ambitions. We want to build a work environment in which people are proud to contribute, and strengthen our position within the top three market players. Alongside our ecological sustainability, Deceuninck also pursues financial sustainability.

Deceuninck employs 3400 people in 25 countries. Deceuninck has production facilities in Belgium, Chili, Czech Republic, France, Germany, Poland, Russia, Thailand, Turkey, UK and US.

Deceuninck sales in 2014 were € 552.8 million with a net positive result of € 10.5 million.

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