



## Press Release | Exceptional Q3 2020 update

Regulated Information – inside information

Thursday 22 October 2020 at 7:00h CET

### Deceuninck Q3: Strong EBITDA-growth and cash generation

**Q3 Sales**  
€177.7m (+7.5%)

**Q3 Adj. EBITDA**  
€31.2m (vs €18.4m LY)

**Sep 2020 Net Debt**  
€96.2m (vs €160.6m LY)

Given the increased uncertainty resulting from the COVID-19 pandemic and consistent with COVID-19 related guidelines from the Financial Services and Markets Authority (FSMA), we believe it is appropriate to report, on an exceptional basis, on the unaudited Q3 2020 results.

First however we would like to recognize the drive, commitment and flexibility of our customers, partners and employees around the world. It is thanks to them that our company is weathering this storm well.

Our Q3 2020 results are strong with sales growing 7.5% to €177.7m (vs. €165.3m in Q3 2019). This is mainly driven by the recovery from the Q2 COVID-19 slowdown, market share gains in the US and economic recovery in Turkey. YTD September sales amount to €467m which is broadly in line with the €478m last year.

Adjusted EBITDA improved from €18.4m in Q3 2019 to €31.2m in Q3 2020. This strong profitability improvement reflects higher volumes and the first benefits from the repositioning in Europe next to a one-off positive impact of lower raw material prices. YTD September Adj. EBITDA increased by 22% to €59.1m (or 12.6% on sales) vs €48.5m last year (or 10.2% on sales).

Net financial debt decreased by €64.4m from €160.6m in September 2019 to €96.2m in September 2020. In parallel we decreased our utilization of factoring by €23.4m to €9.9m. This implies a total debt reduction of €87.8m, of which the biggest part is considered permanent and explained by the normalization of CAPEX, structural improvements of working capital, and the €14.2m sale of undeveloped land in Belgium. A smaller part of this decrease, including temporary COVID support measures and exceptionally low inventory levels in certain plants, is temporary and expected to reverse before year end. In addition during Q3 Deceuninck reduced its shareholding in Ege Profil (Turkey) from 95.9% to 93.4% in order to anticipate a new segmentation on the Istanbul Stock Exchange which requires a free float of minimum 10% in order to remain listed on the more liquid market segments. This transaction generated €3.8m. Depending on market conditions another 5% will be sold.

Strategic projects like the rollout of the Reddot award winning Elegant product range and the optimization of our European operational footprint remain broadly on track.

Although the immediate future remains highly uncertain, we remain positive about our long term potential. Despite the COVID-19 crises our growth drivers remain intact: there is an increasing need for housing and renovation in order to meet the needs of a growing population and climate change targets.

We are happy to welcome Bruno Humblet as acting Director of the Board and of the Audit Committee. Bruno brings a wealth of experience from Procter & Gamble and Bekaert. The Board will propose to the April 2021 AGM to appoint Bruno as independent Director.



We also inform you that Wim Van Acker, CFO, decided to leave our company to give a new turn to his career. He will be succeeded by Serge Piceu who joins from BMT Aerospace and who will start 1 January 2021. Wim will remain on board till the publication of our 2020 results in February 2021, which will ensure a smooth transition. Francis Van Eeckhout comments: "I would like to thank Wim for his drive and professionalism throughout the 5 years we worked together. He was a key contributor to the strategic repositioning of the Group. I am very pleased to welcome Serge. His strong international finance experience will ensure continuity and will contribute to the execution of our ambitious strategic plan."

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End of press release

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#### **About Deceuninck**

Founded in 1937, Deceuninck is a top 3 independent manufacturer of PVC and composite profiles for windows and doors. Headquartered in Hooglede-Gits (BE), Deceuninck is organized in 3 geographical segments: Europe, North America and Turkey & Emerging Markets. Deceuninck operates 15 vertically integrated manufacturing facilities, which together with 21 warehousing and distribution facilities guarantee the necessary service and response time to Customers. Deceuninck strongly focuses on innovation, ecology and design. Deceuninck is listed on Euronext Brussels ("DECB").

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