

## Press Release

### Half-Year Results: January - June 2014

Brussels, 29 August 2014 – **Robust rebitda thanks to mild winter in Europe and solid return on investment in emerging markets. 2014 outlook more cautious.**

Building materials group Etex posted slightly higher sales of 1,490 million euro in the first half of 2014. On a like-for-like basis this represents a 7% growth. The bottom line was favourably impacted by the European winter conditions in the first quarter and the careful management of costs.

#### **Mixed results in Europe, with good sales for roofing and cladding**

*“The mild winter conditions in Europe at the beginning of the year had a favourable effect on our European business, in particular on our roofing and cladding segments. The economic situation in Europe must however improve in order to create a healthier business environment”,* explains Fons Peeters, CEO of Etex.

The European construction market differs from country to country, since it is linked to local economic and financial circumstances but, overall, the sector remains rather stable. The residential new build market is recovering in the UK and that is reflected positively in the sales volumes of slates, concrete tiles, fibre cement cladding and gypsum boards. Overall market conditions in France are weakening, which has had a particular impact on Siniat’s results there. The German market remains stable; Etex performed better than last year. As for Ukraine, the international tensions have made operations in the eastern part of the country quite difficult.

#### **Recent investments in emerging markets and high-performance insulation pay off**

*‘Trade in Latin America again shows a double-digit sales growth in the first half of the year. Unfortunately, adverse exchange rate effects continue to have a negative influence,’* says Fons Peeters. Despite the economic turmoil in Argentina, the fibre cement and ceramics business grew significantly. In Chile, new construction seems to be slowing down due to political uncertainty. The new ceramics factory supported strong growth in Colombia, while sales in fibre cement were up in Peru. The new plasterboard factories in Brazil and Peru, as well as the new fibre cement production line in Chile, are all on track.

The activities in Africa, the Middle East and Asia are characterised by significantly higher sales in Asia and South Africa. The Indonesian market is expected to grow further in the second half of the year, once the elections are over. In the meantime, the fibre cement greenfield investment in Jakarta is progressing according to plan. In Nigeria, the investment in better-quality flat sheets has started.

The typical Promat segments remain stable in a climate in which public spending is restricted. Nevertheless, margins and the project pipeline are both healthy. The high-performance insulation business is performing well after major investments in Sint-Niklaas (Belgium), the USA and Japan, with particularly strong sales in Japan.

### Debt management on track

In January, Etex successfully refinanced its syndicated facility, improving its conditions and extending the facility for a new period of five years until January 2019.

A month later, Etex paid 145 million euro for the remaining 20% stake in Siniat, as such acquiring full control of its Siniat gypsum division in Europe and Latin America.

At the beginning of 2014, Etex divested two companies which were not at the core of its strategy of focussing on four selected business segments in specific regions. The first one is Batiroc, a French company that produces metal profiled sheets. The second is Etersol, which manufactures and distributes floor coverings, such as carpets and vinyl, in Chile and the neighbouring countries.

As a result of its strict debt reduction programme with a continued focus on working capital, Etex's net financial debt at the end of June was almost 20% lower than that at the same time last year. This resulted in a lowering of the net financial debt/rebitda ratio to 2.37.

### 2014 Outlook

Fons Peeters concludes: *'The operational performance in the first half of the year is in line with our expectations. We remain vigilant for the second half of the year as the difficult economic and financial situation in the different regions and countries we are active in continues to influence the construction sector in general and our businesses in particular. Consequently, the results for the second half may be weakening. We will maintain our disciplined debt management while carrying on our targeted investment efforts to ensure future growth.'*

### Key figures June 2014

In million euro	June 2013	June 2014	var	like-for-like
Revenue	1,483	1,490	0.5%	7%
Recurring operating cash flow (REBITDA)	188	210	12.0%	17.4%
Recurring operating income (REBIT)	106	129	21.8%	28.6%
% revenue	7.1%	8.6%		
Non-recurring items	3	-1		
Operating cash flow (EBITDA)	190	209	10.2%	15.6%
Operating income (EBIT)	108	128	18.2%	24.9%
% revenue	7.3%	8.6%		
Net profit (group share)	41	59	45.2%	
Capital expenditure	69	65		
Net financial debt	1,300	1,044	-19.6%	
Working capital	491	414		
Capital employed	2,710	2,616		

*The results were approved by the Board of Directors on 29 August 2014. They have not been audited.*

### **About Etex**

Etex is a Belgian industrial group manufacturing and selling building materials. Its four core business areas are: cladding and building boards in fibre cement and plaster, roofing materials, passive fire protection and high performance insulation, and ceramic floor and wall tiles. In addition to its headquarters, Etex also has three production sites and two R&D centres in Belgium.

With about 17,500 employees working on 119 production sites in 45 countries and with an annual turnover of more than 3 billion euro, Etex is an international player in sustainable building solutions. For more information, please visit our website: [www.etexgroup.com](http://www.etexgroup.com).

### **More information**

#### **Regine Van Tomme**

Corporate Communications Director

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