

Press release

Armacell generated strong growth in 2015

- Sales up 19.5 % to EUR 540.2 million
- Adjusted EBITDA up by 34.1% to EUR 95.5 million, adjusted EBITDA margin increased to 17.7%
- Successful expansion into attractive markets via acquisitions and brownfield project
- Continuation of growth expected in 2016

Luxembourg, May 19, 2016 – Armacell, a global leader in flexible foam for the equipment insulation market and a leading provider of engineered foams, delivered record results in 2015. Sales amounted to EUR 540.2 million (2014: EUR 452.2 million), an increase of 19.5 % compared to 2014 and considerable outperformance of the market. This development was borne by strong organic growth in both Advanced Insulation and Engineered Foams across all regions, as well as, successful acquisitions in attractive growth markets. Currency translation gains further contributed to the strong overall growth. In 2015, the Advanced Insulation division contributed 77 % and the Engineered Foams business 23 % to group sales.

Adjusted EBITDA rose by 34.1 % from EUR 71.2 million in 2014 to EUR 95.5 million in 2015 – primarily due to the increase in turnover and productivity. Armacell was able to keep adjustments for non-recurring items – mainly for acquisitions and the geographical expansion, the cost related to the sale of the group and for restructuring and refinancing – with EUR 12.4 million in 2015, slightly under the previous year's level (2014: EUR 12.5 million). The adjusted EBITDA-margin in 2015 increased to 17.7 %, up from 15.7 % in 2014. Adjusted EBITA rose from EUR 56.1 million in 2014 to EUR 78.8 million in the reporting period. This corresponds to a growth of 40.4 %. The EBITA margin improved to 14.6 % in 2015 (2014: 12.4 %).

In 2015, Armacell considerably improved its market position in key growth geographies by successfully implementing its' international growth strategy. In January 2015, the group acquired OneFlex (Das Yalıtım Sanayi ve Ticaret Anonim Şirketi), one of the leading manufacturers of flexible insulation materials in Turkey. This acquisition significantly strengthened domestic market share and improved market penetration in the Middle East, Africa and Southeastern Europe. With the purchase of Industrial Thermo Polymers (ITP), a leading Canadian manufacturer of extruded polyethylene foams, in March 2015 Armacell positioned itself as a leading manufacturer of PE insulation foams in North America. At the end of the reporting period Armacell was operating 23 manufacturing sites in 16 countries. This includes the newly launched

brownfield site in Lobyna, Russia north of Moscow. Armacell will use this incremental production capacity to serve the vast demand across the CIS region.

"Today, Armacell is positioned stronger than ever before. Global megatrends are driving our markets and are allowing us to achieve a superior and sustainable growth profile", says Patrick Mathieu, President and CEO of Armacell. "Our manufacturing efficiency programs have delivered significant improvements over the last two years and are now really bearing fruit. It is paramount to our business strategy that we continue to focus on the value-added initiatives for our clients and leverage our talent."

Advanced Insulation division: Significant revenue growth in all regions accelerated by strategic acquisitions

Products and solutions from Armacell's Advanced Insulation division are predominantly utilized to reduce the loss of temperature and the environmental impact when transporting non-electrical hot or cold energy. Typical applications include heating, ventilation and air conditioning, heating and plumbing, refrigeration, oil and gas, commercial and residential construction, as well as, acoustics. Armacell's Advanced Insulation products and solutions are equally applied for initial equipment installations and to replace legacy material in refurbishments.

In 2015, revenues in the Advanced Insulation division increased by 15.9 % to EUR 412.5 million (2014: EUR 355.8 million). All regions contributed to the strong growth. With sales of EUR 195.9 million (2014: EUR 175.0 million) the EMEA region represented 47.5 % of the division's total. The growth of 12.0 % was mainly generated through market share gains in the Middle East countries driven by the newly acquired operations in Turkey and the full-year contribution of the Saudi-Arabian business. In addition, sales increases in Russia and Northern Europe, as well as, the economic recovery in Spain and Italy supported this strong development. Advanced Insulation Americas increased its revenues by 26.3 % to EUR 103.6 million (2014: EUR 82.1 million) mainly fueled by the expansion of the distribution network in the U.S. and intensified sales efforts in Latin America. Moreover, the acquisition of ITP strongly improved Armacell's access to additional U.S. and Canadian markets. Similarly, the Advanced Insulation business in Asia Pacific grew and generated revenues of EUR 113.0 million, an increase of 14.4% compared to EUR 98.7 million in 2014. Improved sales levels in India and South Korea and strong demand in the Japanese refrigeration segment were the main drivers in this region.

Engineered Foams division: Supplier of choice for innovative energy-efficient technologies

The Engineered Foams business focuses on high-performance foam materials which are mostly used in high-tech, light-weight and often tailor-made applications across a broad range of end markets and complex applications. These include wind energy,

automotive, transportation and sports. Moreover, Armacell has developed a new and unique process to manufacture foam core material from recycled PET bottles.

Revenues in the Engineered Foams division exceeded the prior year's level of EUR 94.6 million by 31.5 % growing to EUR 124.4 million in 2015. Armacell has been able to further stabilize its leading market position as a supplier of PET core foams for wind turbines globally. The division also increased its share in the area of composite panels for light weight truck and leisure boat applications and strongly enhanced its distribution network and product offerings due to the purchase of the ITP business.

Well positioned to benefit from the equipment insulation market growth

Growth in Armacell's business is driven by an increasing demand for insulation and the substitution of legacy insulation materials in private, commercial and industrial applications. Stronger global environmental awareness, stricter energy-saving and noise pollution regulations, as well as, volatile energy prices offer long-term potential for Armacell's business. The group is active in a wide range of end-markets and applications, maintains a strong innovation pipeline and enjoys a positive reputation. Given this unique positioning, Armacell's business model has proven highly resilient to cyclical fluctuations. In 2016, Armacell will continue delivering on its international growth strategy by expanding its market position and by globally marketing its pioneering technologies. Apart from continuing to grow above market levels, further profitability increases are expected to be achieved through productivity cost savings. These will mainly be generated through the continuation of efficiency programs and increased operational leverage.

About Armacell

Armacell is a world leader in flexible insulation foams for the equipment insulation market and also a leading provider of engineered foams. In 2015, the company with currently approx. 2,800 employees and 23 production plants in 16 countries generated net sales of EUR 540.2 million. Armacell operates within two main businesses:

Advanced Insulation develops flexible foams for the insulation of technical equipment utilized for the transport of energy - such as heating, ventilation & air conditioning (HVAC) and heating & plumbing (H&P) in residential and commercial construction, process lines in the heavy- and oil & gas industry, equipment in transportation as well as acoustics.

Engineered Foams develops high-performance foams for the use in a broad range of end markets including transportation, automotive, wind energy, sports and construction.

Armacell's products significantly contribute to global energy efficiency.

For more information, please visit www.armacell.com.

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