

Press release

Armacell Financial Highlights 2019

- Net sales of EUR 644 million
- Adjusted EBITDA of EUR 134 million with adjusted EBITDA margin of 20.7%
- New shareholder partnership with PAI Partners and KIRKBI

Luxembourg, 02 March 2020 – Armacell, a global leader in flexible foam for the equipment insulation market and a leading provider of engineered foams, today reported its preliminary unaudited financial results for the year ending 31 December 2019.

In 2019, Armacell achieved net sales of EUR 644.4 million, an increase of 5.6% vs. 2018 (EUR 610.3 million). This performance was driven by price and volume growth in the Advanced Insulation business as well as by the fast-growing global PET business.

Armacell generated an adjusted EBITDA of EUR 133.5 million (2018: EUR 106.0 million). All businesses contributed to this positive development and the adjusted EBITDA margin reached 20.7%. The adoption of IFRS 16 added EUR 12.0 million to the adjusted EBITDA figure in 2019.

Commenting on the financial performance, Patrick Mathieu, Armacell's President & CEO, said: *"2019 was a historical year for Armacell and we continued delivering strong profitable growth. The significant investments we made in the three regions we operate in and across both business divisions – Advanced Insulation and Engineered Foams – contributed positively to our results. In H2 2019, we commissioned a five-year expansion program for our global PET business and launched the industrial aerogel blanket line at our new facility in South Korea."*

The closing of the share purchase agreement with PAI Partners, a leading European private equity firm, and KIRKBI, the holding and investment company of the Kirk Kristiansen family, was announced on 28 February 2020. *"This transaction is a major step in the 20-year history of Armacell. Consistent with our overall strategy, the new partnership reinforces our ambition of being a truly global leader in advanced material technologies. I am convinced that together with PAI Partners and KIRKBI we are ideally placed to further develop our business as we continue to provide our customers with best-in-class product solutions and services,"* added Patrick Mathieu.

On the successful sale of the company, Dr Max Padberg, CFO of the Armacell Group, commented: *"The refinancing of the transaction was a success. The syndicated term loan was*

multiple times oversubscribed and despite an increased net debt volume of approximately EUR 150 million, we maintained our interest rate at 3.5% above LIBOR. Both rating agencies confirmed our corporate and instrument ratings, highlighting our capital markets following and overall investor support. The financial year 2019 was characterised by a record cash flow and substantial deleveraging of the balance sheet.”

Armacell is rated B (stable) by Standard & Poor's and B3 (stable) by Moody's.

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About Armacell

As the inventors of flexible foam for equipment insulation and a leading provider of engineered foams, Armacell develops innovative and safe thermal, acoustic and mechanical solutions that create sustainable value for its customers. Armacell's products significantly contribute to global energy efficiency making a difference around the world every day. With 3,135 employees and 24 production plants in 16 countries, the company operates two main businesses, Advanced Insulation and Engineered Foams, and generated net sales of EUR 644 million and adjusted EBITDA of EUR 134 million in 2019. Armacell focuses on insulation materials for technical equipment, high-performance foams for high-tech and lightweight applications and next generation aerogel blanket technology.

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