

BRAAS MONIER
BUILDING GROUP

Interim Management Statement
Q3 / 9M 2016

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2 November 2016

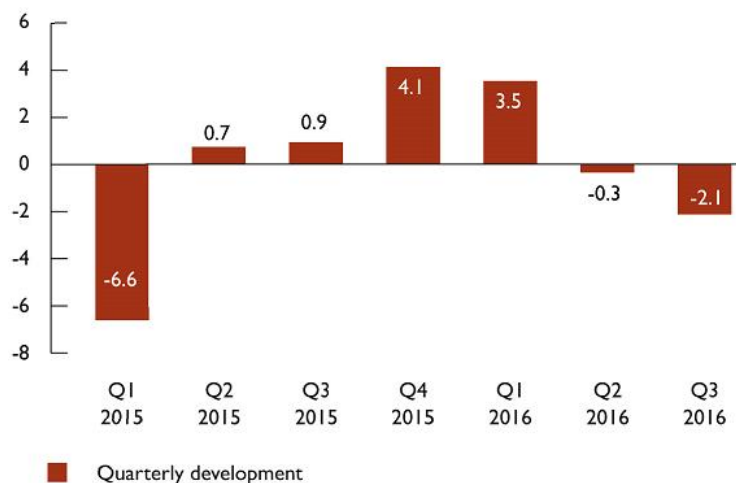
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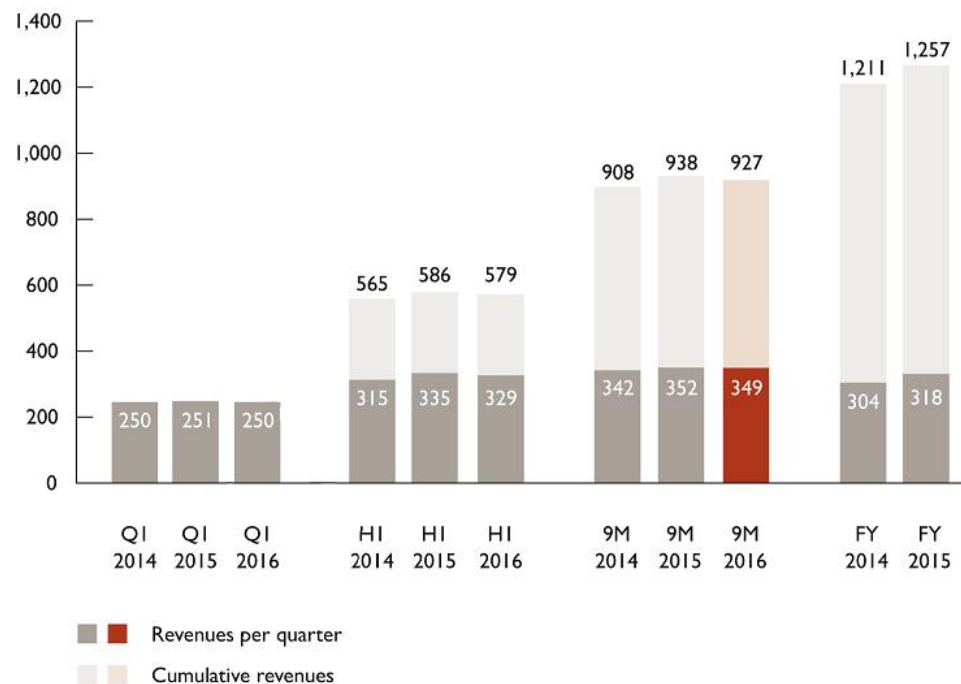
Revenues stable despite lower volumes

Following volume declines in July/August, trend in European tile volumes (like-for-like) slightly improved in September

BRAAS MONIER'S EUROPEAN TILE VOLUMES (LIKE-FOR-LIKE)
(YEAR-ON-YEAR CHANGE, IN %)



REVENUES
(EUR MILLION)



Operating EBITDA margin reflects lower volumes and UK operating issues

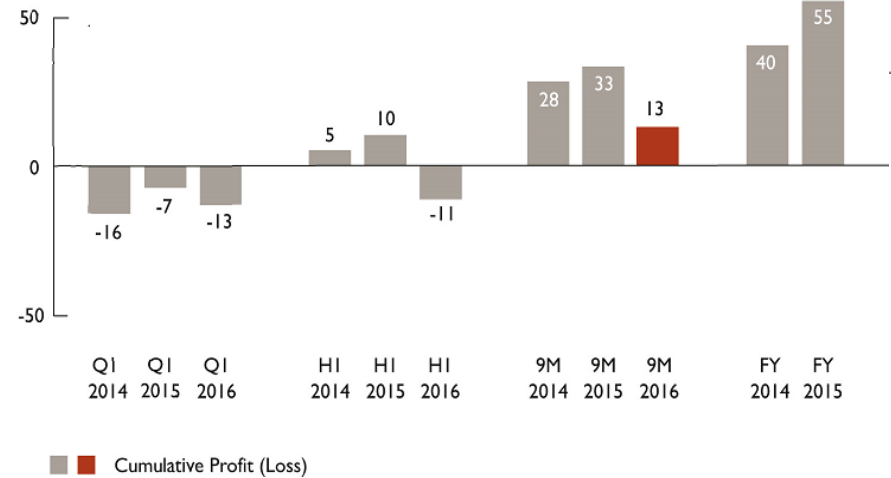
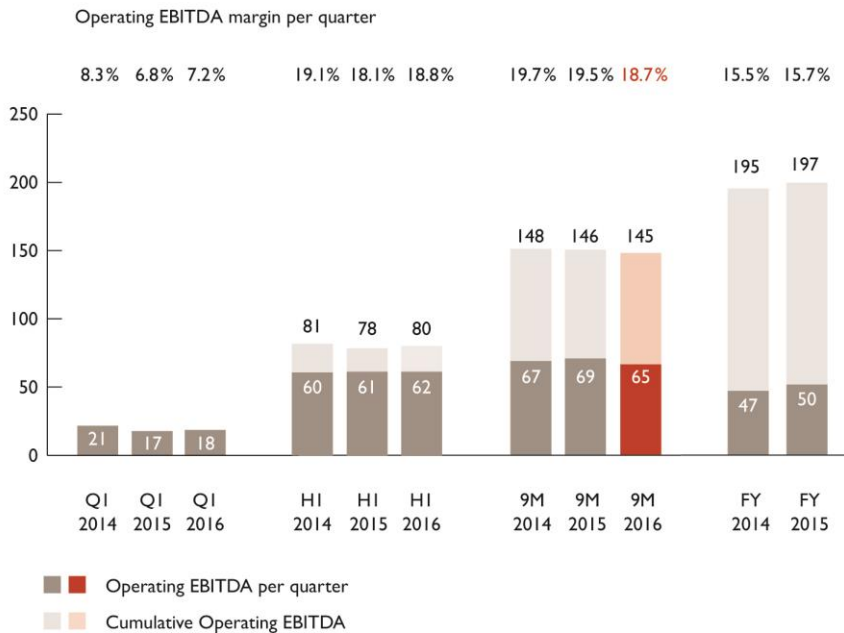


Operating EBITDA margin kept at sustainable high level

Net income in the third quarter increased marginally

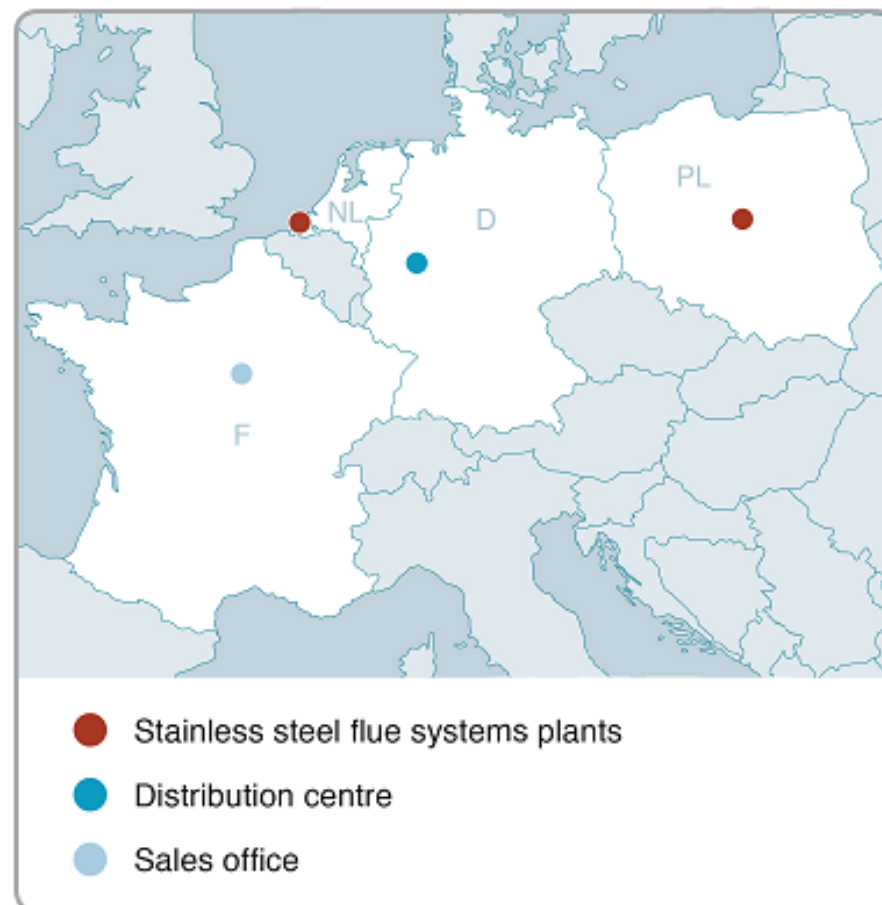
OPERATING EBITDA
(EUR MILLION)

PROFIT (LOSS) FOR THE PERIOD
(EUR MILLION)



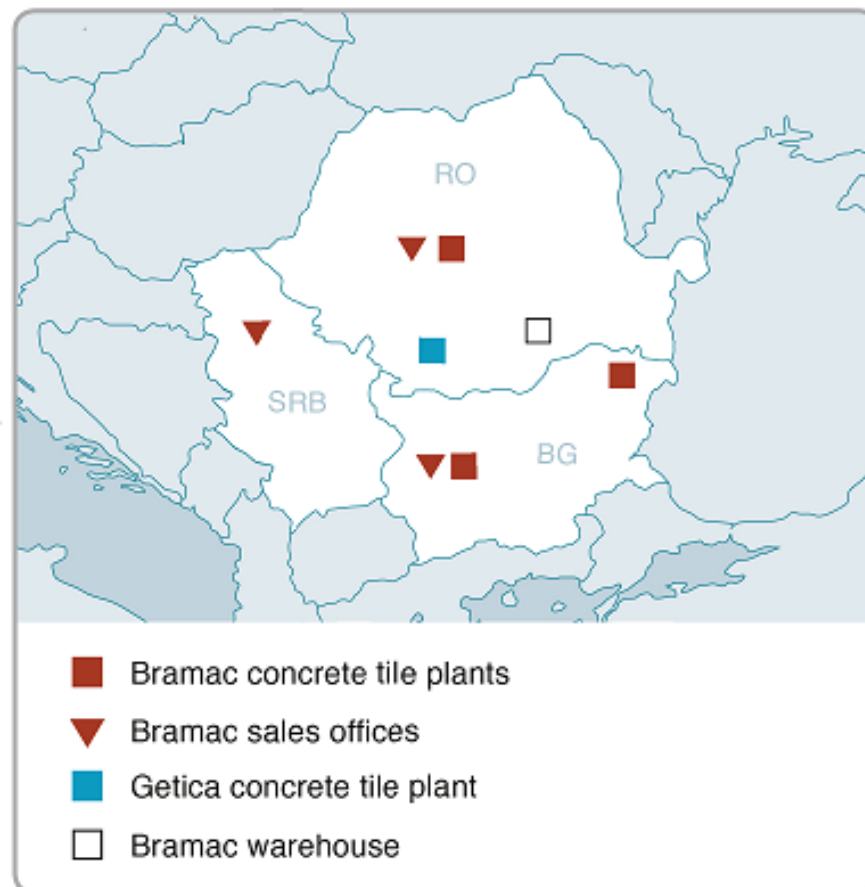
Ontop B.V. (NL) – stainless steel flue systems

- ▶ Acquisition to complement our existing product and brand mix as well as our geographical footprint
- ▶ Clear differentiating proposition with strong focus on non-residential / industrial flue business
- ▶ **Enterprise Value of EUR 15.2 million**, incl. existing net debt (EUR 3.6 million) and add. cost related to the acquisition and the generation of synergies (approx. EUR 1 million)
- ▶ 2015 revenues of EUR 21.7 million and Operating EBITDA of EUR 2.2 million
- ▶ Expected **EV/EBITDA of approx. 5x** (incl. 3 year synergies)



Getica (Romania) - concrete tile plant

- ▶ Further strengthening of leading market position in concrete roof tiles in South-Eastern Europe
- ▶ Active step to consolidate the local concrete tile market
- ▶ Adding further cross-selling potential for roofing components
- ▶ Opening further strategic options for local brand positioning
- ▶ **Total investment of RON 33 million** (EUR 8 million) incl. purchase price, cost related to the acquisition, financing of add. working capital needs and add. capex
- ▶ Expected **Operating EBITDA contribution in 2019** (incl. synergies) of approx. **RON 7.5 million** (EUR 1.7 million)



Based on an exchange rate of 1 EUR = 4.4525 RON (as of 2 September 2016)

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Western Europe

(EUR million)	Q3 2016	Q3 2015	Change	Change like-for-like	9M 2016	9M 2015	Change	Change like-for-like
Revenues	76.0	83.0	-8.4%	-1.7%	231.9	243.0	-4.6%	-0.2%
Operating EBITDA	8.5	12.0	-29.2%	-21.0%	32.2	36.3	-11.3%	-6.4%
<i>in % of revenues</i>	<i>11.2%</i>	<i>14.4%</i>			<i>13.9%</i>	<i>15.0%</i>		
EBIT	2.7	6.3	-57.2%		15.3	19.3	-20.8%	
	Q2 2016	Q2 2016	Change		9M 2016	9M 2015	Change	
Volumes sold tiles (in million m ²)	5.2	5.4	-3.9%		15.6	15.7	-0.5%	
Employees as of period ended	1,327	1,322	0.4%		1,327	1,322	0.4%	

- ▶ Revenue decline in the third quarter and nine months period largely driven by negative currency effects
- ▶ Strong growth in **the Netherlands** was not able to compensate for declines in the **UK and France**
- ▶ Positive ASP development in Q3 in all countries
- ▶ Operating issues in the **UK** and negative transactional effects from fx in the components business impacted Operating EBITDA by approximately EUR 2 million in Q3



Central, Northern & Eastern Europe

(EUR million)	Q3 2016	Q3 2015	Change	Change like-for-like	9M 2016	9M 2015	Change	Change like-for-like
Revenues	128.1	128.7	-0.5%	0.2%	322.9	319.7	1.0%	2.1%
Operating EBITDA	26.8	28.2	-5.2%	-4.4%	54.5	53.7	1.4%	2.0%
<i>in % of revenues</i>	20.9%	21.9%			16.9%	16.8%		
EBIT	22.2	23.8	-6.9%		40.7	39.9	1.7%	
	Q2 2016	Q2 2016	Change		9M 2016	9M 2015	Change	
Volumes sold tiles (in million m ²)	8.5	8.6	-1.4%		21.0	20.8	1.1%	
Employees as of period ended	1,542	1,504	2.5%		1,542	1,504	2.5%	

- ▶ Strong growth in **Poland** and a moderate one in **Germany** were offset by a shrinking of revenues in **Nordic** countries
- ▶ Average selling prices increased in both periods
- ▶ Components showed an encouraging performance in particular in Germany
- ▶ Operating EBITDA decline in Q3 mostly due to negative currency effects and the absence of asset disposals

CENTRAL, NORTHERN & EASTERN EUROPE



Southern Europe

(EUR million)	Q3 2016	Q3 2015	Change	Change like-for-like	9M 2016	9M 2015	Change	Change like-for-like
Revenues	65.5	64.2	1.9%	-1.7%	161.9	157.3	2.9%	-1.5%
Operating EBITDA	14.3	14.6	-2.0%	-7.7%	25.8	26.3	-1.6%	-5.5%
<i>in % of revenues</i>	<i>21.9%</i>	<i>22.8%</i>			<i>16.0%</i>	<i>16.7%</i>		
EBIT	8.7	9.6	-9.6%		8.7	8.6	2.0%	
	Q3 2016	Q3 2015	Change		9M 2016	9M 2015	Change	
Volumes sold tiles (in million m ²)	7.0	6.8	2.5%	-1.7%	16.9	16.3	4.0%	-1.2%
Employees as of period ended	1,297	1,272	2.0%		1,297	1,272	2.0%	

- ▶ Like-for-like revenues in Q3 slightly down (-1.7%), with high growth rates in **South-Eastern Europe** being offset by unimproved market environment in **Italy**
- ▶ Operating EBITDA decline of EUR 0.3 m driven by lower like-for-like volumes
- ▶ Positive pricing and strict cost measures, in particular in **Italy**



Asia & Africa

(EUR million)	Q3 2016	Q3 2015	Change	Change like-for-like	9M 2016	9M 2015	Change	Change like-for-like
Revenues	29.0	30.1	-3.6%	-7.6%	83.8	99.2	-15.6%	-11.5%
Operating EBITDA	4.6	4.3	8.4%	-4.3%	13.7	14.7	-6.5%	-4.8%
<i>in % of revenues</i>	<i>16.0%</i>	<i>14.2%</i>			<i>16.4%</i>	<i>14.8%</i>		
EBIT	1.9	2.5	-24.0%		4.9	7.4	-34.4%	
	Q3 2016	Q3 2015	Change		9M 2016	9M 2015	Change	
Volumes sold tiles (in million m ²)	6.0	6.2	-3.5%	-5.9%	17.9	19.5	-8.1%	-10.7%
Employees as of period ended	1,884	1,858	1.4%		1,884	1,858	1.4%	

- ▶ Like-for-like revenue decline in Q3 of -7.6% less pronounced than in Q1 (-18.3%) and Q2 (-12.2%)
- ▶ Rates of volume reduction in Malaysia significantly improved with almost stable volumes in September
- ▶ Operating EBITDA increased in Q3 by 8.4%, driven by positive contribution of EUR 0.6 million of GCI and South African plant

ASIA & AFRICA



Chimneys & Energy Systems

(EUR million)	Q3 2016	Q3 2015	Change	Change like-for-like	9M 2016	9M 2015	Change	Change like-for-like
Revenues	50.5	49.6	1.8%	-3.4%	128.4	127.2	0.9%	0.6%
Operating EBITDA	10.1	10.2	-0.6%	-0.6%	18.8	17.9	5.3%	6.5%
<i>in % of revenues</i>	<i>20.0%</i>	<i>20.5%</i>			<i>14.6%</i>	<i>14.0%</i>		
EBIT	7.1	7.7	-6.7%		10.7	10.5	2.2%	
	Q3 2016	Q3 2015	Change		9M 2016	9M 2015	Change	
Chimneys sold (in million m)	0.6	0.6	-7.0%		1.6	1.6	-3.1%	
Employees as of period ended	1,397	1,178	18.6%		1,397	1,178	18.6%	

- ▶ Positive mix und pricing effects overcompensating volume decreases in 9M, but not fully in Q3
- ▶ Operating EBITDA in Q3 on previous year's level of EUR 10.1 million, with average selling price increases and cost improvements almost completely compensating for lower volumes
- ▶ From January to September, Operating EBITDA and Operating EBITDA margin ahead of previous year

CHIMNEYS & ENERGY SYSTEMS



Central Products & Services

(EUR million)	Q3 2016	Q3 2015	Change	Change like-for-like	9M 2016	9M 2015	Change	Change like-for-like
Revenues	27.2	26.9	1.0%	-8.1%	81.7	76.0	7.4%	-2.0%
Operating EBITDA	0.9	-0.5	n.a.	n.a.	0.1	-2.4	n.a.	n.a.
<i>in % of revenues</i>	3.4%	-1.8%			0.2%	-3.2%		
EBIT	-0.8	-1.8	57.5%		-6.0	-3.0	>-100%	
	Q3 2016	Q3 2015	Change		9M 2016	9M 2015	Change	
Volumes sold tiles (in million m ²)	n/a	n/a	n/a		n/a	n/a	n/a	
Employees as of period ended	464	413	12.3%		464	413	12.3%	

- ▶ Revenues in this segment only include part of the components business – majority of components sales were accounted for in the other reporting segments
- ▶ **Components KPI** in first nine months 2016 of EUR 2.28 per m² up 1.3% like-for-like
- ▶ Revenue growth and Operating EBITDA improvement driven by first time inclusion of **J.A. Plastindustri**



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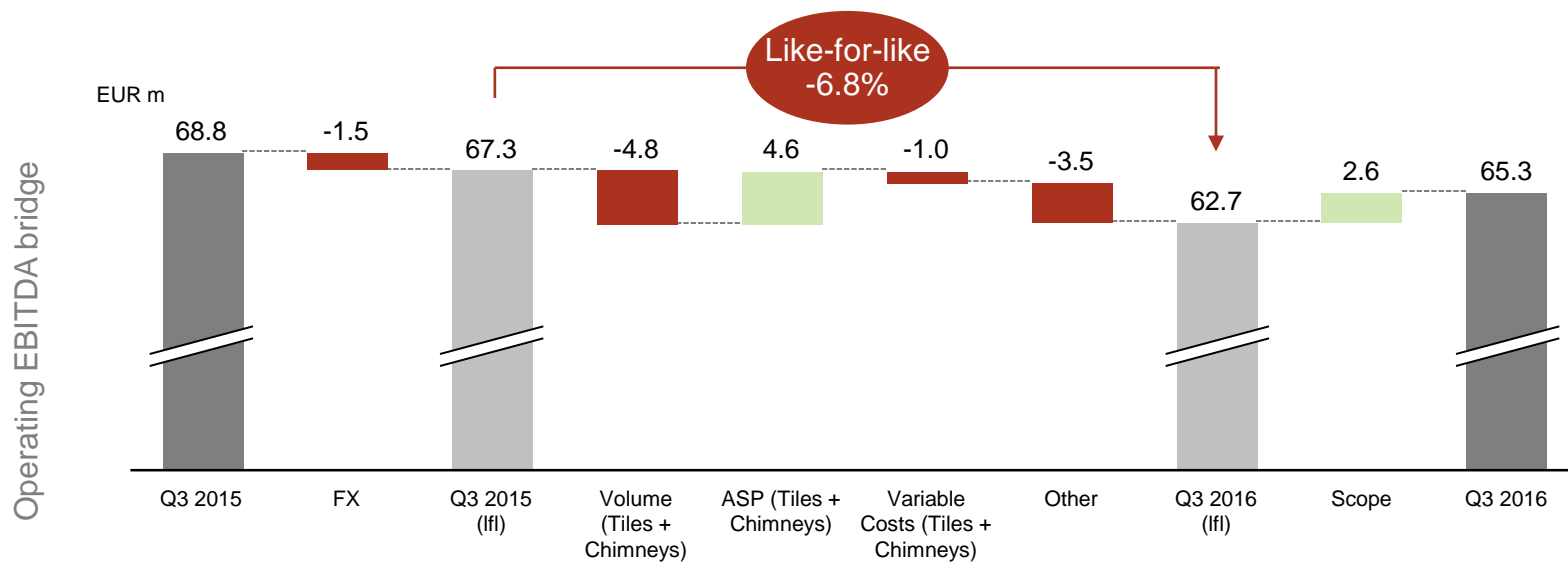
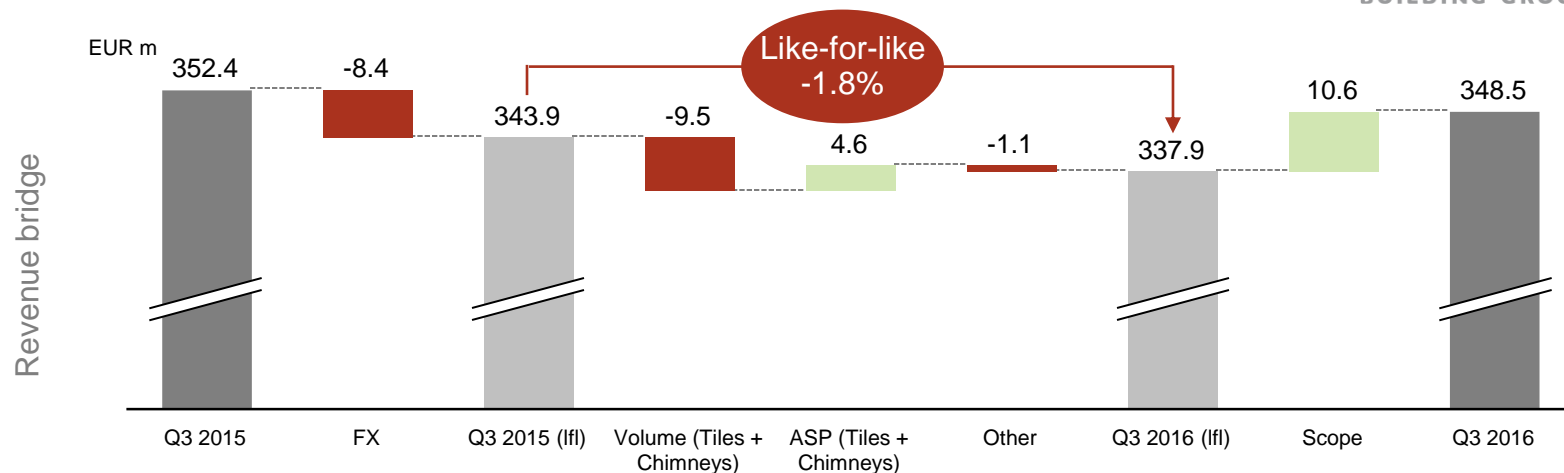
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Summary consolidated income statement

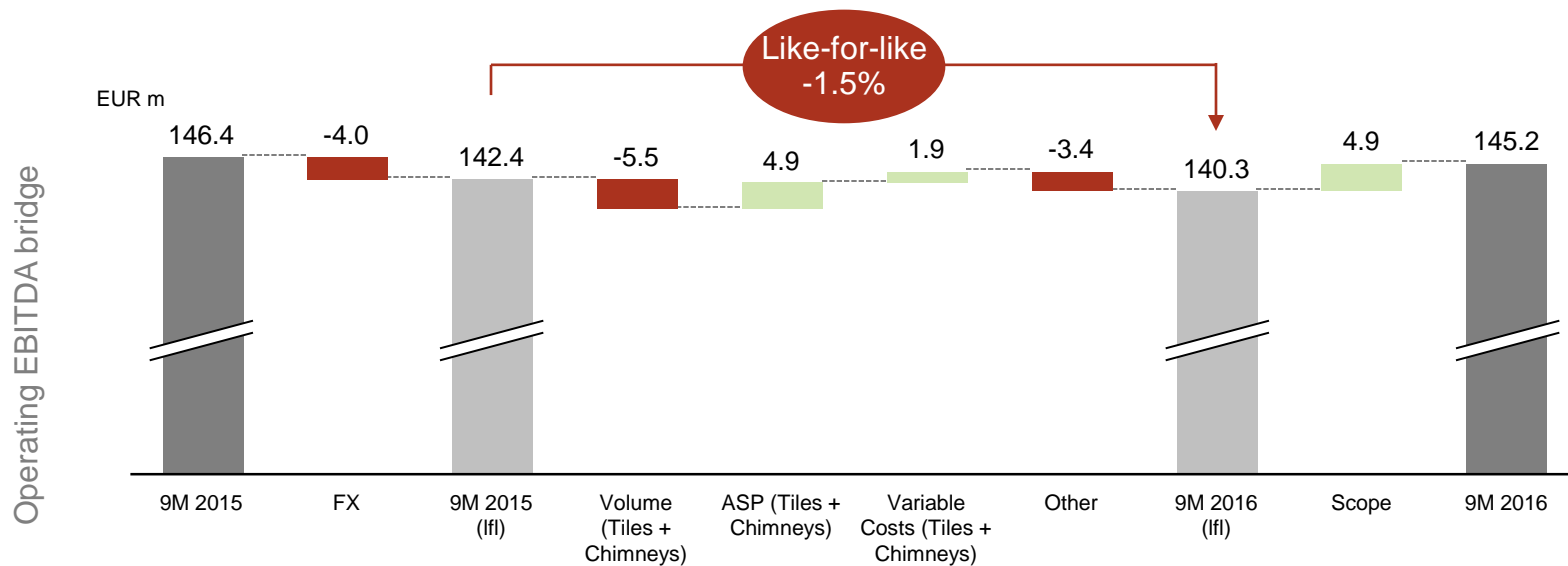
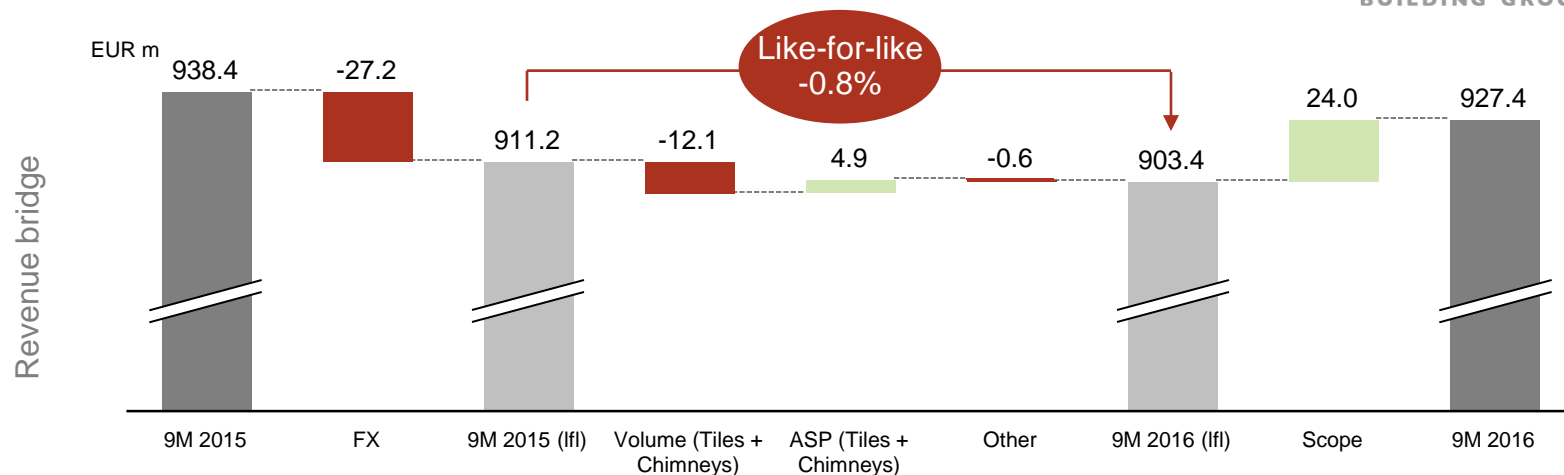
(EUR million)

	Q3 2016	Q3 2015	9M 2016	9M 2015
Revenues	348.5	352.4	927.4	938.4
Operating EBITDA	65.3	68.8	145.2	146.4
in % of revenue	18.7%	19.5%	15.7%	15.6%
Depreciation and amortisation	22.3	21.1	66.9	65.5
Result from associates	0.3	0.2	1.3	0.7
Operating income	43.2	47.9	79.6	81.7
Non-operating result	-1.4	0.1	-5.3	1.1
Earnings before interest and taxes (EBIT)	41.8	48.0	74.2	82.7
Finance result	-6.1	-13.3	-55.2	-33.8
Earnings before taxes (EBT)	35.7	34.7	19.1	49.0
Income taxes	-11.7	-11.2	-6.1	-15.8
Profit (loss) for the period	24.0	23.5	12.9	33.2
Minorities	0.1	0.1	-0.1	0.0
Group share of profit	23.9	23.5	13.0	33.2
Basic earnings per share (in €)	0.61	0.60	0.33	0.85
Diluted earnings per share (in €)	0.61	0.60	0.33	0.85

Revenue and Operating EBITDA development Q3 2016



Revenue and Operating EBITDA development 9M 2016



Balance sheet

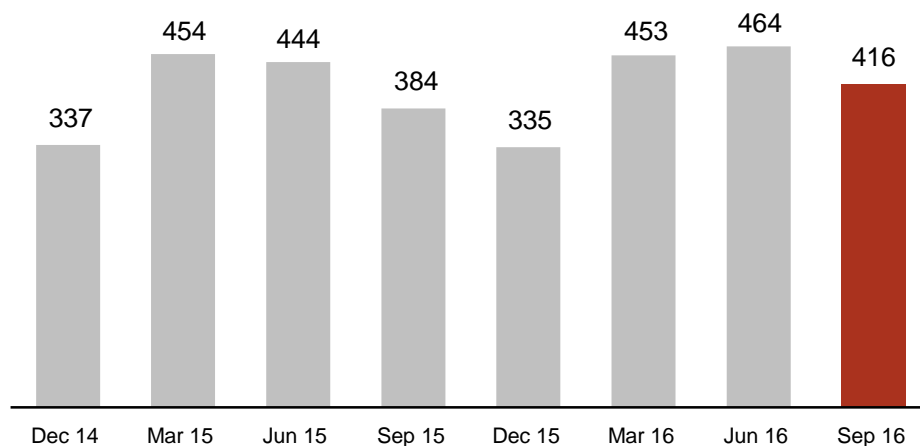
Summary Group balance sheet

(EUR million)

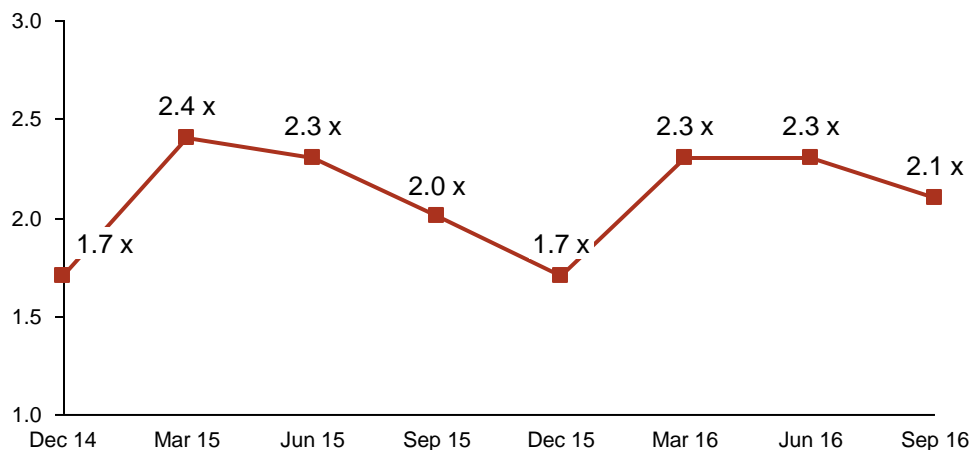
	30 Sep 2016	31 Dec 2015
Assets		
Intangible assets	292.0	285.3
Property, plant and equipment	616.3	639.7
Financial assets	11.5	19.6
Fixed assets	919.9	944.7
Deferred tax assets	60.9	33.0
Receivables	183.3	129.9
Inventories	237.4	222.1
Cash and cash equivalents	83.6	183.4
Assets held for sale	2.0	4.4
Total assets	1,487.1	1,517.5
Equity and liabilities		
Total equity attributable to the shareholders	86.0	145.6
Non-controlling interests	1.6	1.5
Equity	87.6	147.0
Debt	496.4	518.7
Provisions	559.6	504.1
Deferred tax liabilities	15.7	15.2
Operating liabilities	327.8	332.5
Total liabilities	1,487.1	1,517.5

Financial leverage reflects seasonality and refinancing

Net Debt (in EUR m)



Financial Leverage: Net Debt / EBITDA (LTM)



- ▶ Improving Net Debt in line with seasonal working capital development
- ▶ Financial leverage of 2.1x at previous year's level (2.0x) despite growth investments and one-time costs in connection with the refinancing

GROSS DEBT

- ▶ EUR 435 Million Senior Secured Fixed Rate Notes
- ▶ EUR 55 Million Revolving Credit Facility drawn at 30 September 2016

RATINGS

- ▶ Moody's: B1 (positive)
- ▶ S&P: BB- (stable)

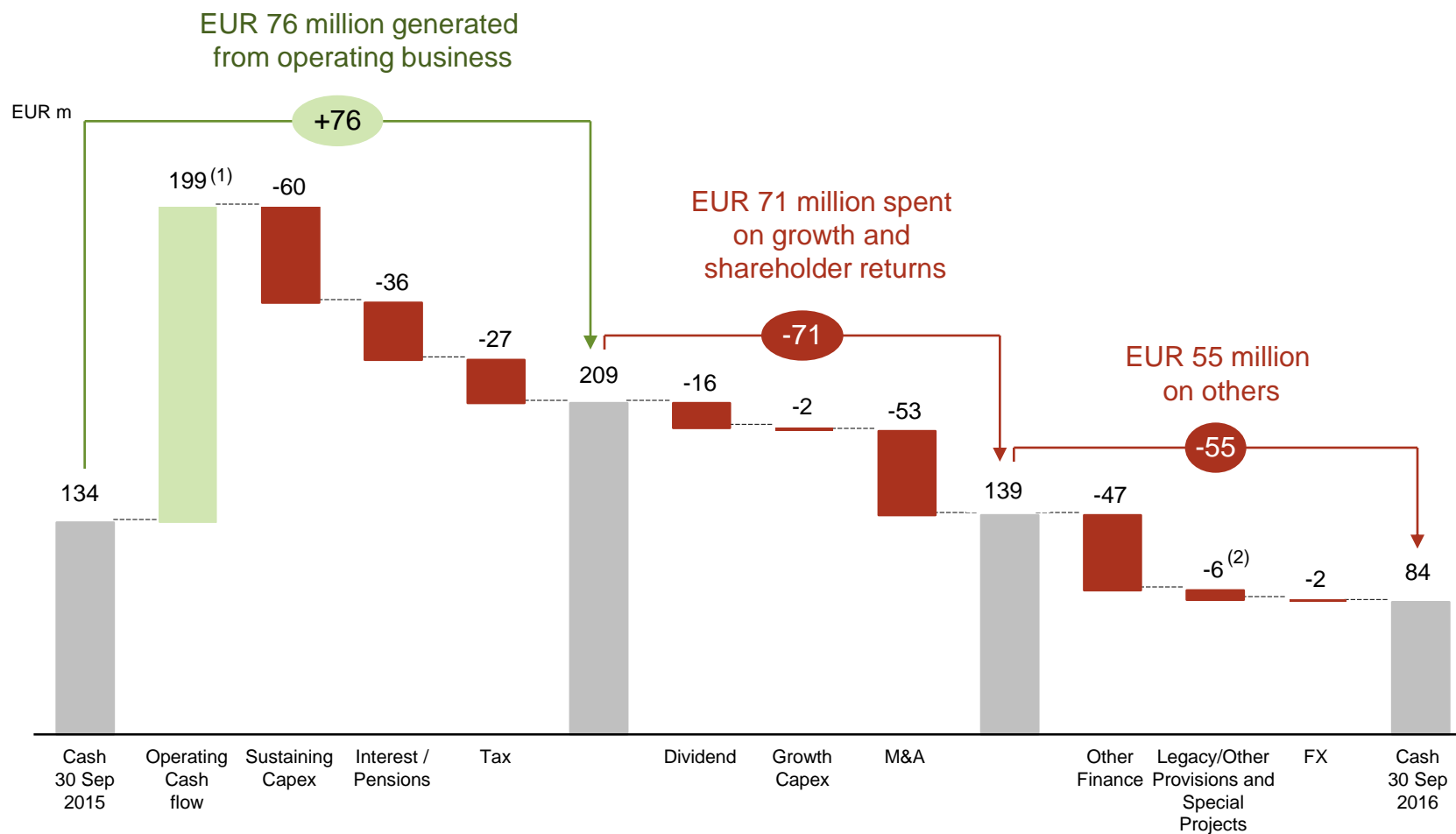
Cash flow

Summary consolidated cash flow statement

(EUR million)

	Q3 2016	Q3 2015	9M 2016	9M 2015
Cash flow before change in provisions and working capital	49.6	59.7	77.7	111.4
Change in provisions	-3.9	-6.7	-14.3	-19.5
Change in working capital	28.0	20.4	-62.5	-63.9
Net cash used in operating activities	73.6	73.4	1.0	27.9
Total investments	-22.5	-13.0	-67.2	-67.3
Proceeds from fixed assets disposals	1.3	0.4	7.5	3.8
Net cash used in investing activities	-21.3	-12.6	-59.7	-63.5
Free cash flow	52.4	60.8	-58.7	-35.6
Net change in bond and loans	-52.7	-10.4	-25.2	-0.2
Proceeds from capital increases	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	-15.7	-11.8
Net cash from financing activities	-52.7	-10.4	-40.9	-11.9
Net change in cash and cash equivalents	-0.4	50.4	-99.6	-47.5
Effect of exchange rate fluctuations on cash and cash equivalents	1.5	-2.4	-0.3	0.4
Change in cash and cash equivalents	1.1	48.0	-99.8	-47.1

Strong operational LTM Cash Flow



(1) Including EUR 10 m additional factoring agreements in UK, Spain and Portugal

(2) Including EUR 10 m legal settlement

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Stable development in 2016

- ▶ Revenues (reported and like-for-like) expected on last year's level
 - ▶ Volume growth expectation dampened by market development in the UK, Scandinavia, Italy, Malaysia and China
 - ▶ ASP to increase slightly to cover increasing input costs
- ▶ First-time inclusion of acquisitions in Malaysia, Denmark, Italy, South Africa, the Netherlands and Romania to contribute around 3% to revenue and approx. 4% to Operating EBITDA
- ▶ Full-year Operating EBITDA expected to increase slightly over last year (2015: EUR 196.8 million)
- ▶ Sustaining Capex of approx. EUR 65 million
- ▶ Approx. EUR 5 million to be invested in growth projects in FY 2016
- ▶ Expected legacy and non-recurring cash-outs in 2016 of approx. EUR 10 million*

* Not reflecting additional costs in relation to the takeover offer

Growth expected in 2017

Based on positive lead indicators for residential new-build and renovation markets, management expects:

- ▶ Overall like-for-like revenue to increase in our European markets, in spite of some declines in the UK
- ▶ Earnings and operating cash flow to improve
- ▶ Growth to be further boosted by first-time contribution of recent acquisitions and lower interest payments following the refinancing in 2016
- ▶ Aerlox, WrapTec and an improving penetration of profitable renovation markets provide additional future revenue and earnings potential

Financial calendar and contact information

15 December 2016	Interest payment on Senior Secured Fixed Rate Notes (FRN)
March 2017	Publication of the 2016 Annual Report
May 2017	Three-Month and First Quarter Results for 2017
10 May 2017	Annual General Meeting, Luxembourg
11 May 2017	Dividend Payment for the Fiscal Year 2016 (Ex-Dividend Date)
15 June 2017	Interest payment on Senior Secured Fixed Rate Notes (FRN)
August 2017	Six-Month and Second Quarter Results for 2017
November 2017	Nine-Month and Third Quarter Results for 2017
15 December 2017	Interest payment on Senior Secured Fixed Rate Notes (FRN)

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