

## Press release

### Armacell Financial Highlights 2016

Luxembourg, 27 February 2017 – Armacell, a global leader in flexible foam for the equipment insulation market and a leading provider of engineered foams, today reported its unaudited financial results for the year ending 31 December 2016. The accounts are subject to the shareholder approval.

Following record results in 2015, Armacell increased its 2016 revenues by 3.4% to EUR 558.6 million (2015: EUR 540.2 million). Despite a challenging macroeconomic environment, sales growth was generated across all business units. Volume growth outpaced sales with an increase of approx. 6% compared to the previous year. Adverse currency effects impacted revenues by 1.5%.

In 2016, EBITDA excluding non-recurring items was EUR 100.4 million (EUR 95.5 million), an increase of 5.1% over 2015. Adjusted EBITA rose by 4.7% to EUR 82.5 million (EUR 78.8 million).

Commenting on the company's performance, Patrick Mathieu, President & CEO of Armacell International S.A., said: *"With the full support of our shareholders, Blackstone and KIRKBI Invest A/S, we continued to experience steady growth across all of our business units in 2016."* Mathieu continued: *"This momentum demonstrates the dynamic of Armacell's multi-application model and its resilience through economic cycles. These strong financial results also highlight the commitment of our teams and our clients and encourage us to persist in our efforts to deliver high-quality and innovative products."*

Armacell delivered on its strategic plan to enhance its international presence as well as to increase its customer service level globally. The integration of recent acquisitions both in traditional as well as in new foreign markets is on track.

**Advanced Insulation Americas:** Armacell acquired two leading manufacturers of extruded polyethylene insulation foams. The first transaction (PoliPex, Brazil) significantly strengthened Armacell's manufacturing footprint and product portfolio in Latin America while the acquisition of the insulation business of Nomaco (USA) significantly increases its North American polyethylene operations.

**Advanced Insulation APAC:** Armacell, together with JIOS Aerogel Ltd, South Korea, established a joint venture for the development and manufacturing of silica aerogel blankets. The joint venture enables Armacell to deliver a complete portfolio of thermal and acoustic insulation solutions to the oil & gas industry.



Advanced Insulation EMEA: Early in 2016, Armacell launched its Russian brownfield production facility in Lobnya, producing a comprehensive range of products, including high-density materials.

In 2016, Armacell successfully repriced its debt facilities and reduced annual interest expense by almost EUR 6 million. The transaction further strengthened the company's free cash flow and is expected to have a positive impact on the corporate rating in the medium-term. Armacell is rated B (stable) by Standard & Poor's and B3 (stable) by Moody's.

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#### **About Armacell**

Armacell is a world leader in flexible insulation foam for the equipment insulation market and a leading provider of engineered foams. With currently approx. 3,000 employees and 24 production plants in 15 countries, the company generated net sales of EUR 558.6 million in 2016.

Armacell operates two main businesses:

**Advanced Insulation** develops flexible foams for the insulation of technical equipment utilised 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: <http://corporate.armacell.com/>.

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