

Press release

Armacell H1 2020 Results

- Resilient first half result despite Covid-19
- Net sales down 10% to EUR 288.4 million
- Adjusted EBITDA of EUR 52.5 million; EBITDA margin at 18.2%
- New shareholder consortium

Luxembourg, 7 September 2020 – Armacell, a global leader in flexible foam for the equipment insulation market and a leading provider of engineered foams, announced its H1 2020 results on 13 August 2020.

In the first half of 2020, net sales of Armacell declined by 10.4% to EUR 288.4 million, after record-breaking results of EUR 321.8 million in H1 2019. The effects of the Covid-19 pandemic resulted in lower sales in key markets, particularly in April and in May with several state initiated lockdowns affecting customers' business activity and their demand.

Adjusted EBITDA reached EUR 52.5 million in H1 2020 (H1 2019: EUR 63.3 million). The EBITDA margin remained stable throughout H1 2020 at 18.2% (H1 2019: 19.7%). Effects of lower sales volumes were not entirely offset by immediate cost control measures.

Patrick Mathieu, President & CEO of the Armacell Group, commented: *“Strategically, we are well on track. Armacell has shown a steady performance in the first half of 2020, and our immediate measures to mitigate the risks arising from the pandemic are proving beneficial. Our good performance over the past months underlines the resilience of our business, which we continue to grow.”*

In May 2020, Armacell launched production of PET foam cores in China. For Armacell, this is the fourth industrial scale PET foaming line globally, supporting the strong growth and profitability of the global PET business.

Dr Max Padberg, CFO of the Armacell Group, said: *“In the first half of 2020, Armacell has taken measures to assure a sufficient liquidity reserve. With EUR 112 million in cash and an undrawn credit line of EUR 48.5 million we have taken precautionary measures to master the current crisis and we posted a positive cash flow in Q2.”*

Following a leveraged buy-out in February 2020, PAI Partners and KIRKBI have become the new majority shareholders of Armacell. KIRKBI substantially upsized its investment in Armacell, after already having been a significant shareholder in the company since 2016. The two investors fully support Armacell's growth strategy to become a global leader in advanced material technologies.

Armacell is rated B by Standard & Poor's and B3 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.

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

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