

Q4/FY 2019 Financial results



Resilient
by nature

Forward-looking statement

The statements on the future in this presentation, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors.

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Highlights FY 2019

Sales of

EUR 2,757 million

up 3.2% in reported figures

Sales increase in local currencies

2.2% ↑

EBIT of

EUR 372 million

up 9.1% over last year

EBIT margin of

13.5%

up 0.7 percentage points

Free cash flow of

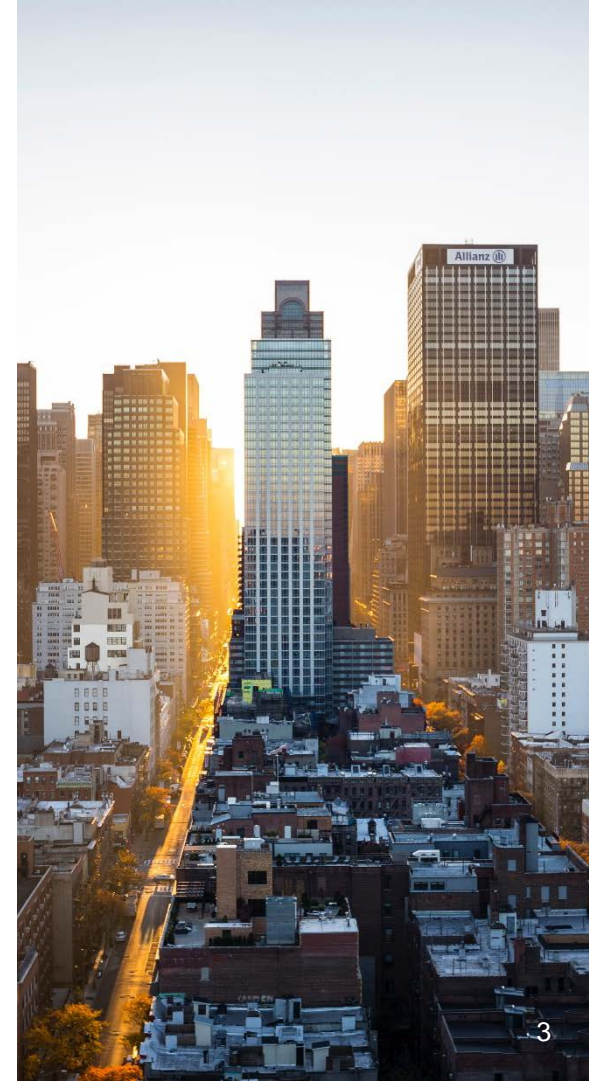
EUR 2 million

down from EUR 196 million last year

Net profit

EUR 285 million

improvement of EUR 20 million



Highlights Q4

Sales of

EUR 715 million

up 0.7% in reported figures

Sales decrease in local currencies

0.6% ↓

EBIT of

EUR 94 million

up 12.9% over last year

EBIT margin of

13.2%

up 1.5 percentage points

Free cash flow of

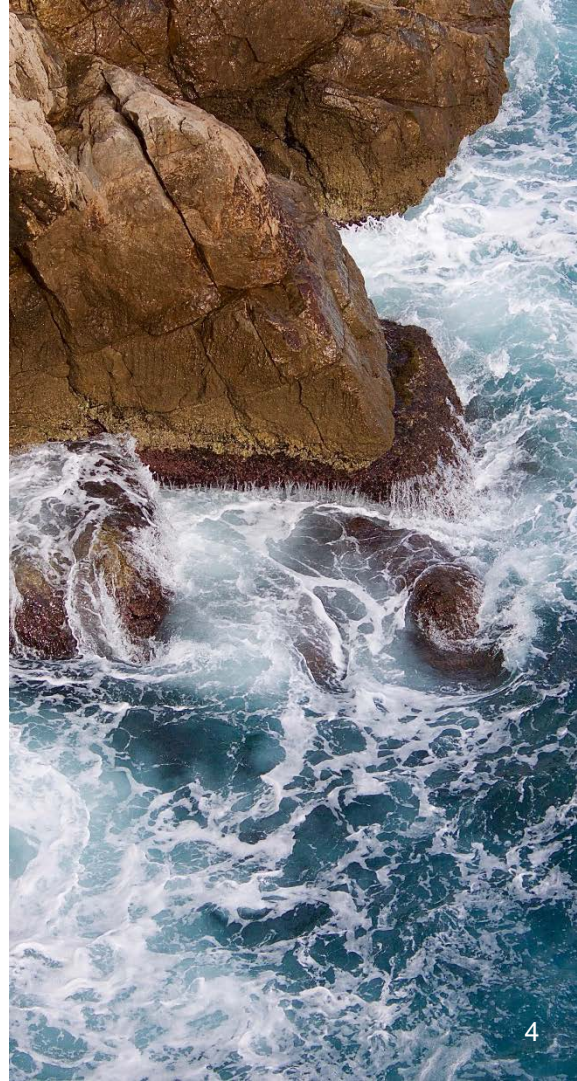
EUR -3 million

down from EUR 58 million last year

Net profit

EUR 72 million

improvement of EUR 6 million



FY 2019 sales growth of 2.2%

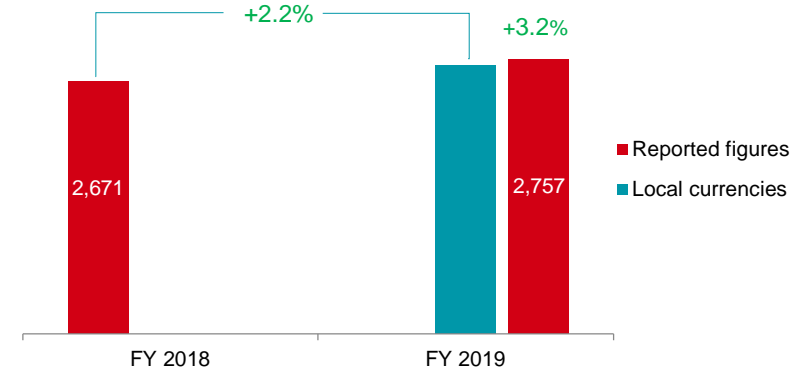
Sales grew 2.2% in local currencies, and reached EUR 2,757 million.

Sales increased 3.2% in reported figures with a positive currency effect of 1.0 percentage point.

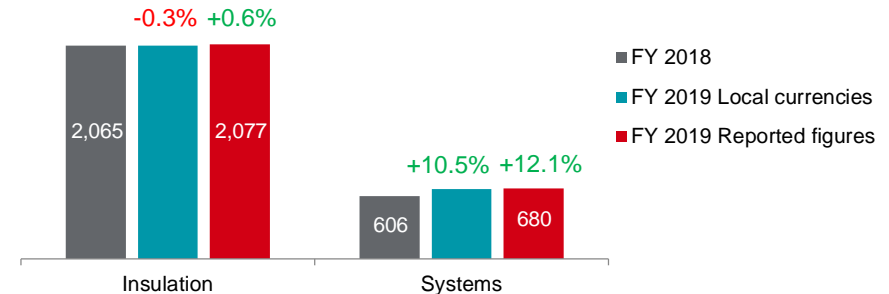
Insulation segment sales down 0.3% in local currencies, but up 0.6% in reported figures.

Systems segment sales grew 10.5% in local currencies and 12.1% in reported figures.

NET SALES
EURm



NET SALES PER BUSINESS SEGMENTS
EURm

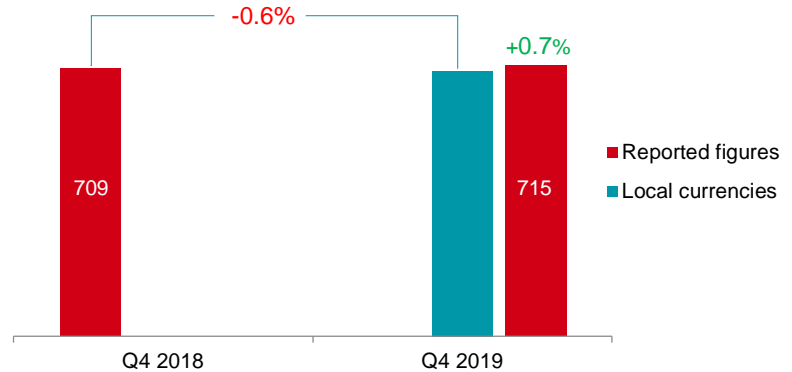


Q4 sales decreased 0.6%

Sales down 0.6% in local currencies, and reached EUR 715 million.

Sales increased 0.7% in reported figures with a positive currency effect of 1.3 percentage points.

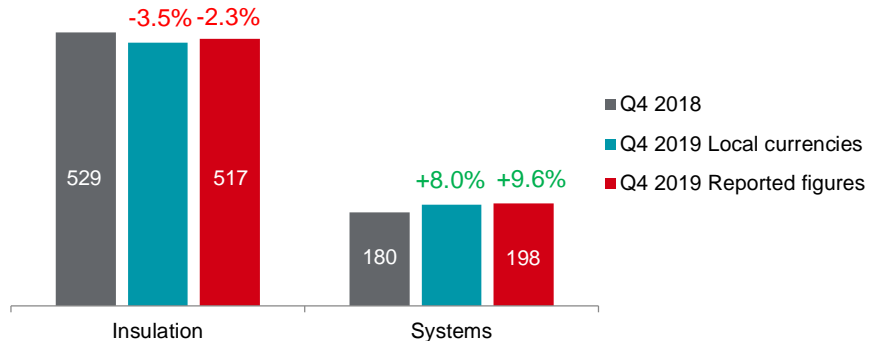
NET SALES
EURm



Insulation segment sales down 3.5% in local currencies, and 2.3% in reported figures.

Systems segment sales grew 8.0% in local currencies and 9.6% in reported figures.

NET SALES PER BUSINESS SEGMENT
EURm



Regional sales development Q4

Growth in local currencies

Western Europe

+0.2% ↑

+0.4% incl. FX effect

CEE incl. Russia

-8.2% ↓

-5.3% incl. FX effect

North America, Asia and others

+4.5% ↑

+7.2% incl. FX effect

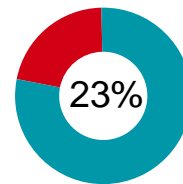
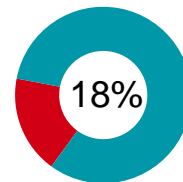
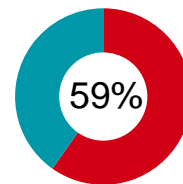
Key developments

- Especially France and the United Kingdom performed well.
- Germany had a difficult quarter.

- General decline in region.
- Minor growth in Russia.
- Positive currency effect of 2.9 percentage points due to Russian rouble.

- Positive sales development in North America and China.
- South East Asia more stable but still slightly negative growth.
- Positive currency effect of 2.7 percentage points.

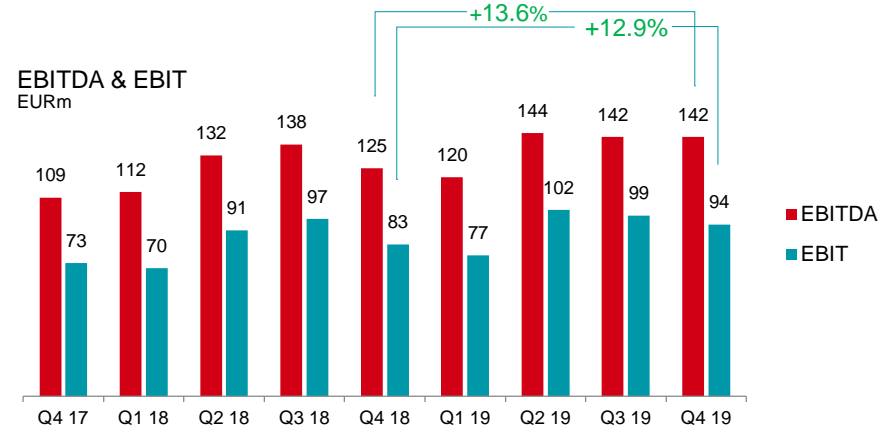
Share of sales*



Profitability Q4

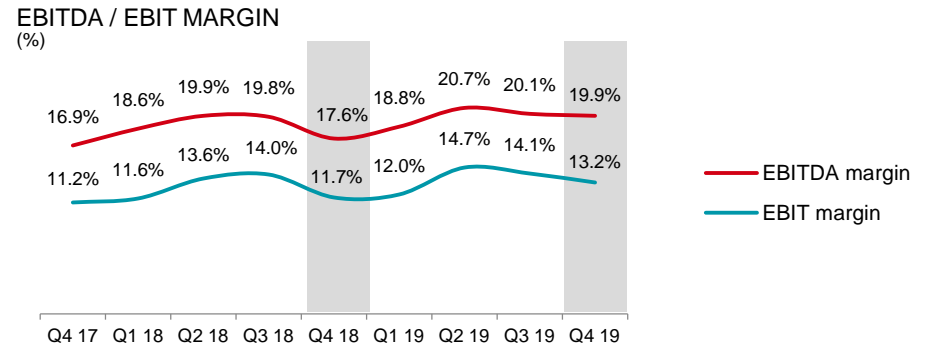
EBITDA up 13.6% to EUR 142 million.

- EBITDA margin of 19.9% compared to 17.6% in the same quarter last year.
- EBITDA margin adjusted for the IFRS 16 lease reclassification was 19.1%, 1.5 percentage points better than last year.



EBIT up 12.9% to EUR 94 million.

- Corresponding to a 13.2% EBIT margin, an increase of 1.5 percentage points.
- The IFRS 16 lease reclassification had no material impact on EBIT.



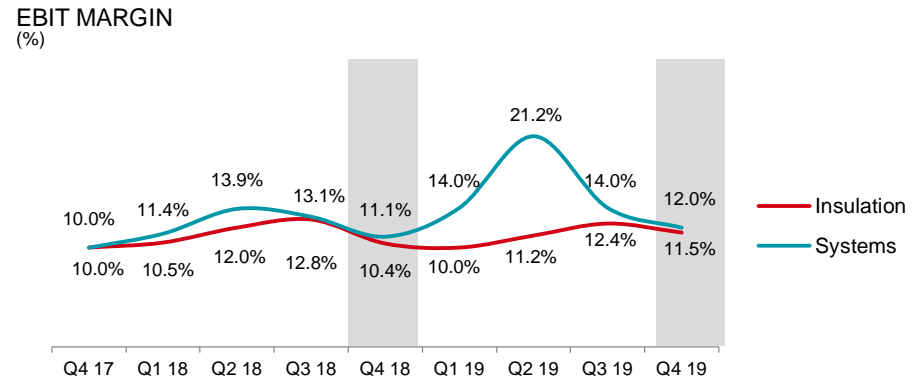
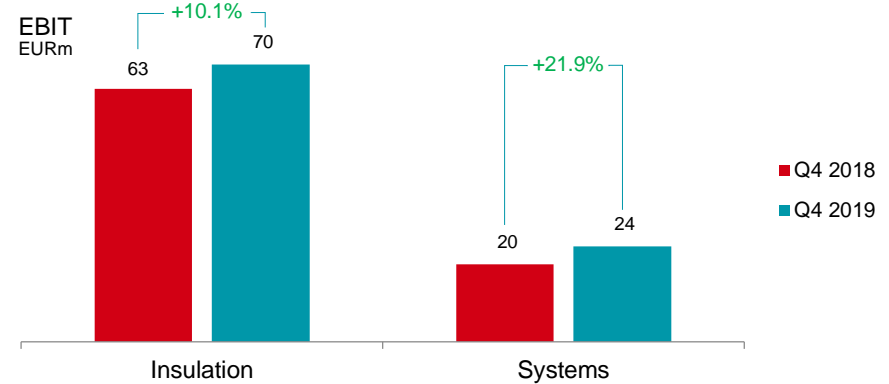
Good underlying profitability in both segments in Q4

Insulation EBIT increased 10.1% to EUR 70 million in Q4 2019.

- EBIT margin increased 1.1 percentage points to 11.5%.

Systems EBIT increased 21.9% to EUR 24 million in Q4 2019.

- EBIT margin reached 12.0%, which was 0.9 percentage points higher than Q4 2018. All businesses contributed positively.



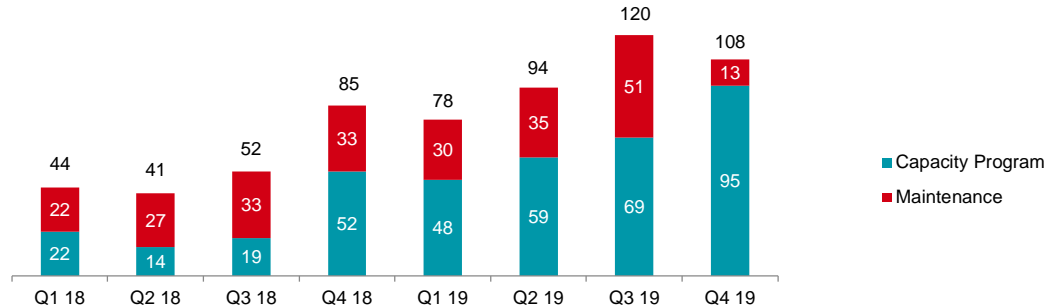
Increased investment activities

Investments totalled **EUR 108 million in Q4 2019** (Q4 2018: EUR 85 million).

Investments totalled **EUR 400 million FY 2019** (2018: EUR 222 million).

- Capacity investments mainly relate to the factory projects in the United States (West Virginia) and Romania as well as the expansion in Germany.
- Sustainability investments have increased.

INVESTMENTS excl. acquisitions
EURm



Latest developments

China factory relocation from Guangzhou to Fogang in 2021.

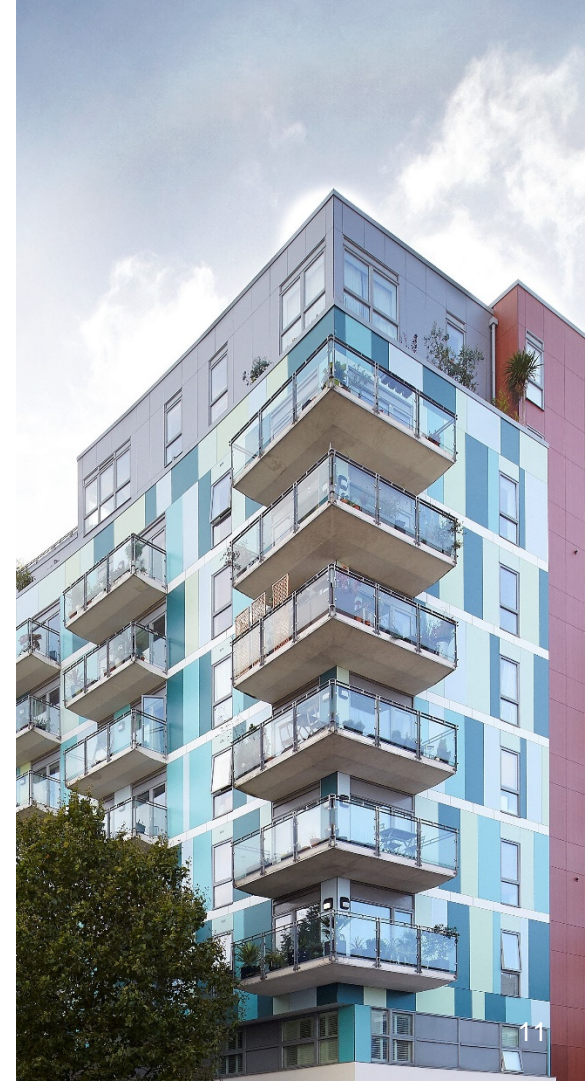
On 21 January 2020 in positive cooperation with authorities, an agreement was signed with the Chinese government:

- Goal to relocate/upgrade factory within 24 months.

Acquisition of the Parafon business from Owens Corning.

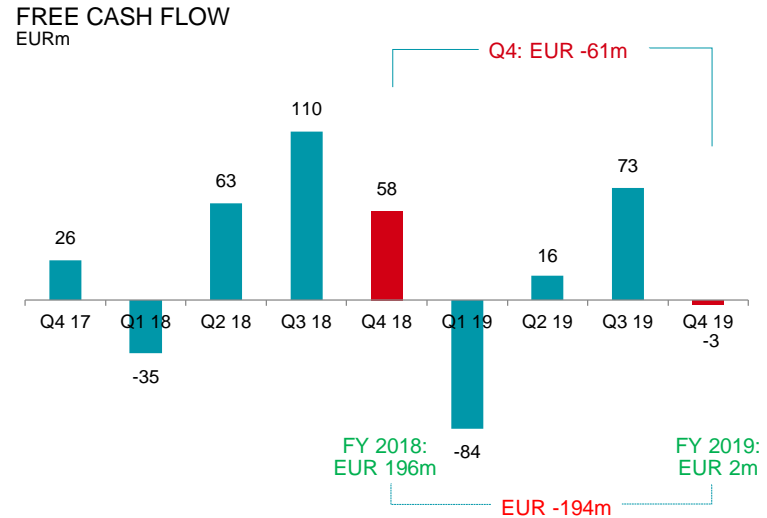
On 3 February 2020 ROCKWOOL Group acquired the Parafon business from its parent company Owens Corning.

- The business includes a Swedish ceiling factory and a Nordic sales organisation.
- Approx. 60 new colleagues have joined the ROCKWOOL Group.



Free cash flow

- **Full year free cash flow** ended at EUR 2 million, down EUR 194 million compared to 2018, mainly due to higher investments and tax payments.
- **NWC** ended at 9.0% (2018: 7.4%) of net sales, increasing from EUR 198 million end of 2018 to EUR 247 million end of 2019.
- ROCKWOOL was **net debt free with a net cash position** of EUR 269 million end of 2019, a decrease of EUR 111 million compared to 2018.



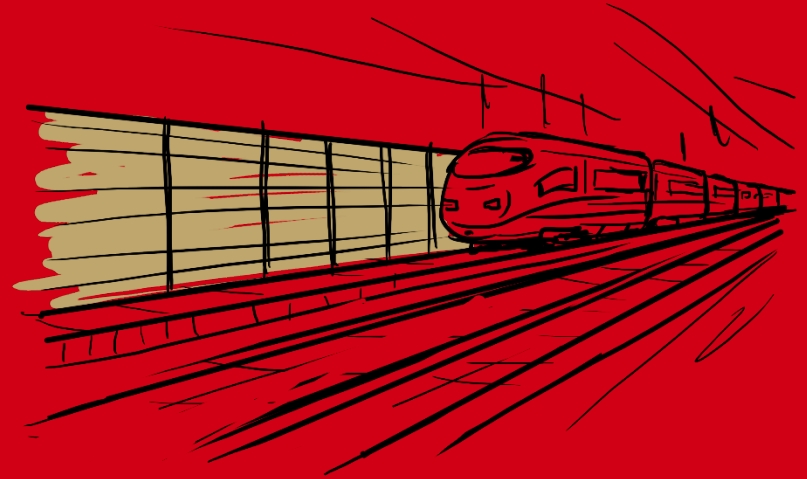
Initiation of share buy-back programme

Initiation of share buy-back programme

- From 6 February 2020 to 5 February 2021.
- Up to a maximum of EUR 80 million.
- Maximum 250,000 and 400,000 of A and B shares respectively.
- Weekly announcements to Nasdaq Copenhagen on the number of shares bought-back and their value.
- The Board of Directors to propose at the AGM 2021 that the shares bought-back under the programme will be cancelled as part of a reduction of the Company's share capital.



Outlook for 2020



Outlook for full year 2020

1. Sales

Low single-digit growth in local currencies.

2. EBIT

EBIT margin around **12 percent**, comparable to 2019 when adjusting for the additional depreciation and the start-up costs in Norway and Germany.

3. Investment

Investment level around **EUR 400 million** excluding acquisitions.



Key figures for the Group

EURm	Q4 2019	Q4 2018	YoY (%)	FY 2019	FY 2018	YoY (%)
Income statement						
Net sales	715	709	0.7%	2,757	2,671	3.2%
EBITDA	142	125	13.6%	548	507	8.2%
EBIT	94	83	12.9%	372	341	9.1%
Profit before tax	97	85	13.2%	367	335	9.6%
Profit for the period	72	66	7.7%	285	265	7.6%
Balance sheet						
Total assets				2,694	2,431	10.7%
Equity				2,118	1,877	12.8%
Equity ratio				78.5%	77.1%	1.4pp

Questions?



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