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Greiner AG notes Recticel's (Euronext: REC) announcement of highly conditional offer expressed by Carpenter Co. for its engineered foams division and continues to pursue its public bid for Recticel shares

- **Greiner questions strategic rationale and deliverability of the “intended” sale of Recticel's main foam business**
- **Greiner considers that the financial terms of its public bid, at EUR 13.50 per share, equivalent to an enterprise value of EUR 20.80¹ per share, remain the best proposal available to the shareholders of Recticel**
- **Offer by Carpenter Co. is conditional and subject to due diligence, shareholder approval and regulatory approval**

Kremsmünster, Austria, 13 October 2021. Greiner takes note of Recticel's announcement of a conditional offer received from Carpenter Co. for its engineered foams division.

The break-up of the company as proposed by Recticel's management is a significant shift from its previously communicated strategy. In Greiner's view, there is no perspective provided for the future development and growth of the company, which would be significantly smaller in size with a reduced footprint and less means while facing a highly competitive environment.

Greiner also notes that Recticel has not communicated on the impact for the remainder of Recticel and neither Recticel nor Carpenter have disclosed any commitments in terms of employment, the future of the engineered foams divisions sites nor any CSR policy for the division.

Even before due diligence, the valuation underlying Carpenter's conditional offer supports, in Greiner's view, Greiner's bid and Greiner's assumptions set out in the prospectus. As stated in the prospectus, Greiner's bid price results in a total enterprise value of MEUR 1172¹, or EUR 20.80 per share. Assuming customary trading multiples for the insulation and bedding divisions², Greiner's bid implies an enterprise value for the engineered foams division of Recticel in line with Carpenter's conditional offer.

¹ When adding MEUR 298 of debt and debt like items (see table on p. 43 of section *Adjustments to enterprise value in 6.3.1 Justification of the Share Offer Price*) and MEUR 114 of corporate costs (see table on p. 60 of section *Trading multiples of listed comparable companies in 6.3.1 Justification of the Share Offer Price*)

valuation to the value of the shares based on a bid price of EUR 13.50 per share of MEUR 760 in total

² MEUR 411 for insulation and MEUR 104 for bedding (see table on p. 60 of section *Trading multiples of listed comparable companies in 6.3.1 Justification of the Share Offer Price*), based on 2022e EBITDA multiples and a total enterprise value of MEUR 1172, resulting in an implicit valuation of engineered foams of MEUR 657, equivalent to EUR 11.67 per share on a cash and debt free basis

However, under Carpenter's conditional offer, the final proceeds to Recticel and its shareholders are likely to be significantly lower when assuming related deductions, like overhead costs, debt and debt like items to be transferred and the tax impact. The proposed special dividend will also give rise to significant negative tax consequences to the shareholders of Recticel, as Recticel itself pointed out in a press release of 26 April 2019³.

Hence, Greiner considers that the financial terms of its public bid remains a better proposal available to the shareholders of Recticel and one that allows them to realize the full value of their investment through both cash proceeds and upside potential from the new, combined group.

Greiner also notes that Recticel does not provide an update on the sale process of its bedding division, although this process has been initiated before the contemplated sale of the engineered foams division.

Greiner further notes that in the announcement of the conditional offer by Carpenter, Recticel has not provided any detail on whether the bidder has already secured committed financing for the transaction.

Given the above, Greiner remains convinced that from a strategic and financial point of view, Greiner's proposal provides a better outcome for all of Recticel's stakeholders, as outlined in the prospectus. Greiner will pursue its public bid and invites the shareholders of Recticel to vote against this defense measure, which in Greiner's view is against the interests of Recticel and its stakeholders.

As previously communicated, the initial acceptance period of Greiner's bid for Recticel will start on 14 October 2021 and is expected to conclude on 17 December 2021 at 4pm Belgian time.

In case of any significant developments, Greiner will inform the market, including through a supplement to the prospectus if needed.

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³ <https://www.recticel.com/statement-regarding-kingspan-group-plc.html-1>

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Greiner

Greiner is headquartered in Kremsmünster, Austria, and has four operating divisions comprised by Greiner Packaging, Greiner Bio-One, Greiner Extrusion and NEVEON (formally Greiner Foam). Greiner is one of the leading producers of foam and processors of plastics for the packaging, furniture, sport, automotive, medical technology and pharmaceutical sectors. It also numbers among the top manufacturers of extrusion lines, tools and complete profile extrusion plants. In the 2020 financial year, Greiner achieved sales revenues of EUR 1.930 billion and employed a workforce of more than 11,000 at 139 locations in 34 countries. The Greiner CEO is Axel Kühner and its CFO is Hannes Moser. www.greiner.com