



Q3 2017 Financial Results

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Despite the Challenges in Q3 we have Made Good Progress Executing our Strategy

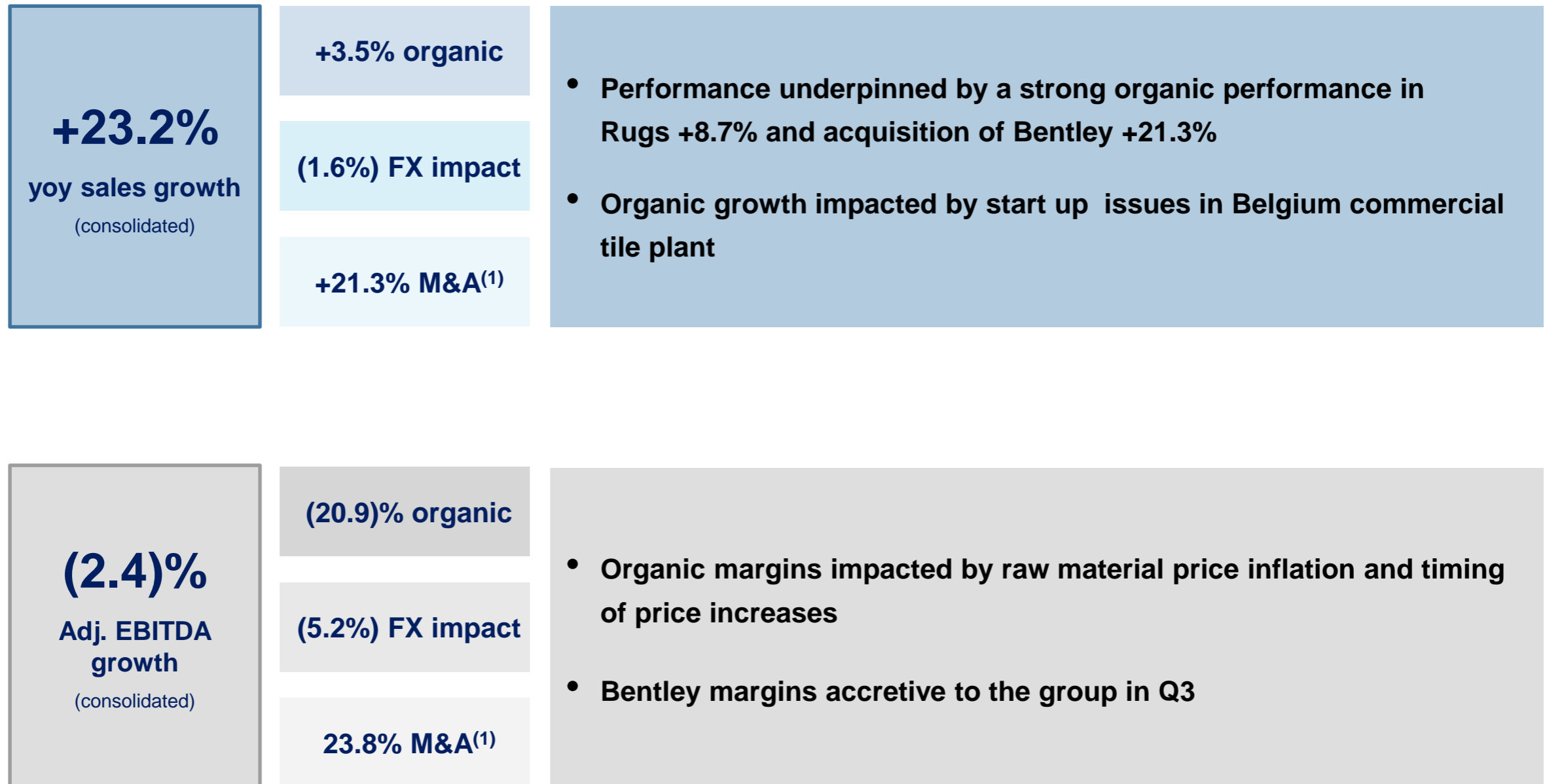
- **Continued investment in the attractive growth areas of Rugs and Commercial**
 - We now have a fully automated production process for tile carpets
 - We have received our first specified orders for Modulyss tiles in Bentley
- **Responding to the challenges in the Residential market**
 - We have introduced new high end ranges in Broadloom to drive margin
 - Announced our intention to optimise the residential operational footprint
- **We have started to refinance the business at materially lower cost**

**We are focused on executing our long term strategy
that will deliver our medium term guidance**

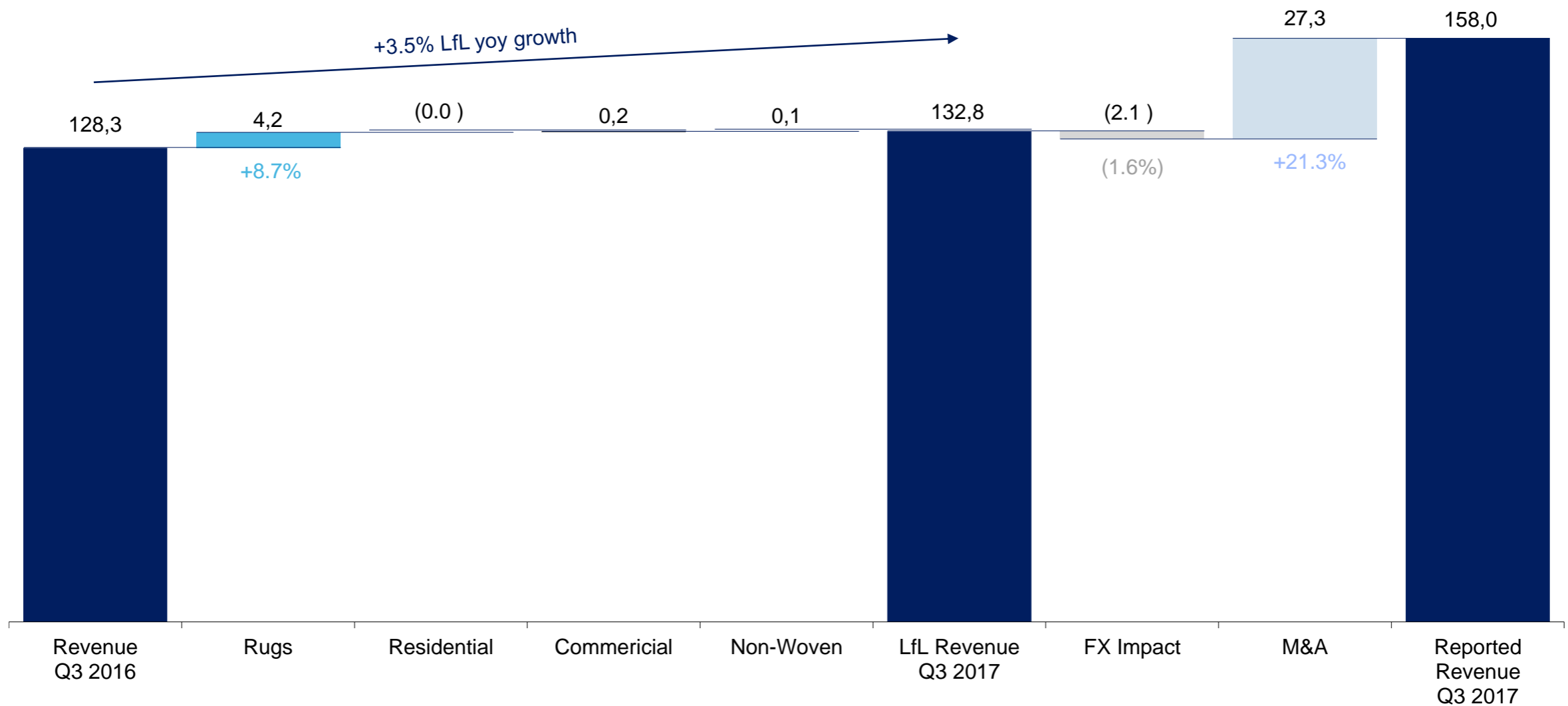
Q3 YTD Financial Summary

<p>+17.6% yoy sales growth (consolidated)</p>	<p>+5.3% organic (1.2%) FX impact +13.5% M&A⁽¹⁾</p>	<ul style="list-style-type: none">• Organic performance driven by growth of Rugs +11.6% and Commercial +5.6%• Acquisition of Bentley +13.5%
<p>+6.8% Adj. EBITDA growth (consolidated)</p>	<p>0.0% organic (7.4%) FX impact 14.3% M&A⁽¹⁾</p>	<ul style="list-style-type: none">• Material impact to earnings from FX -7.4%• Organic growth impacted by raw material price inflation and timing of price increases
<p>2.9x Leverage</p>	<p>Materially improved leverage</p>	<ul style="list-style-type: none">• Leverage reduced from 3.9x as at Q1 2017• Q3 a working capital peak for the business results in leverage at 2.9x versus 2.6x at Q2

Q3 Financial Summary



Group Q3 Revenue Performance

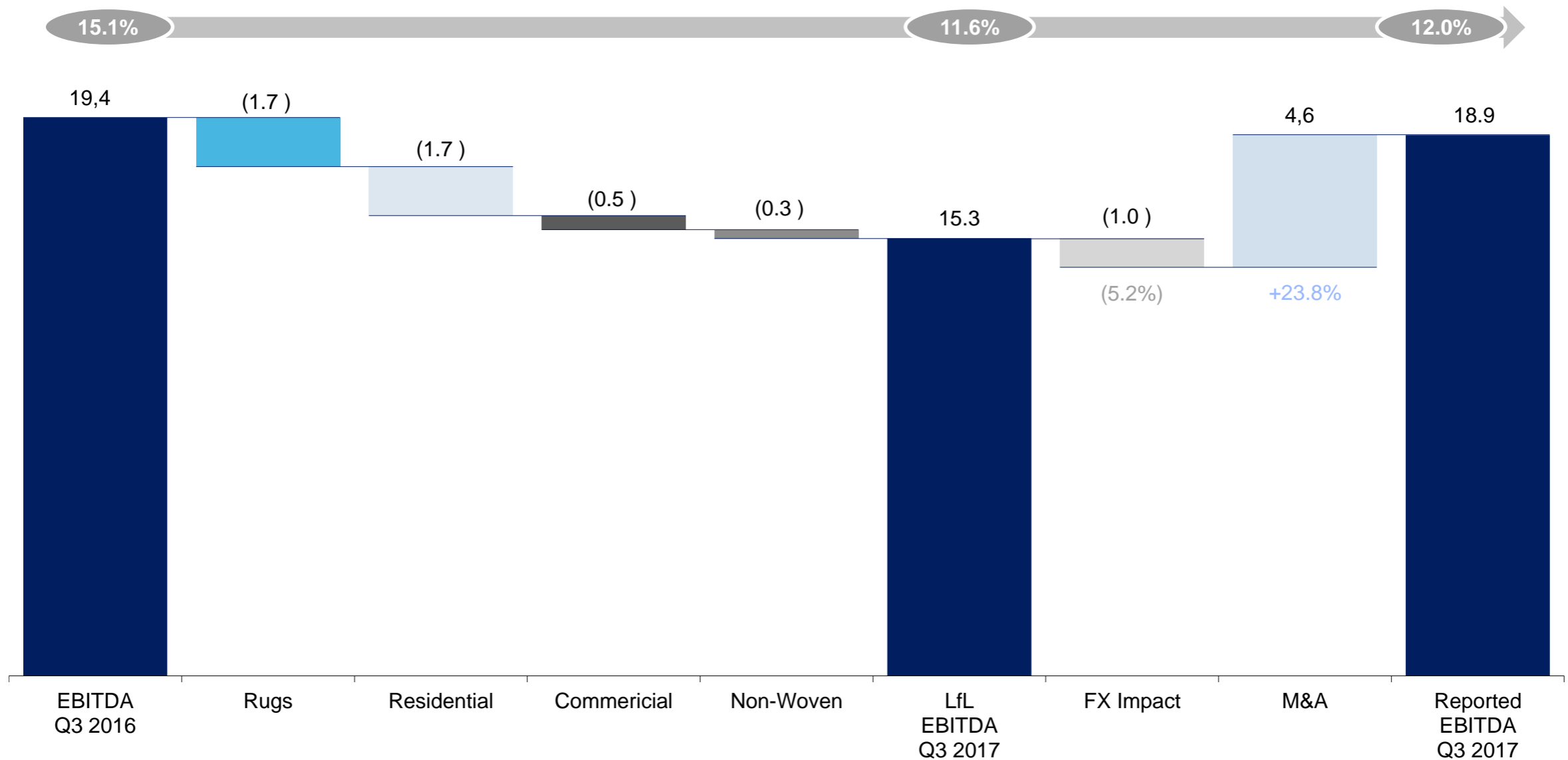


Strong organic performance in Rugs +8.7%

Start up issues in Belgium tile factory held back Commercial performance in Q3

Group Q3 EBITDA and Margins

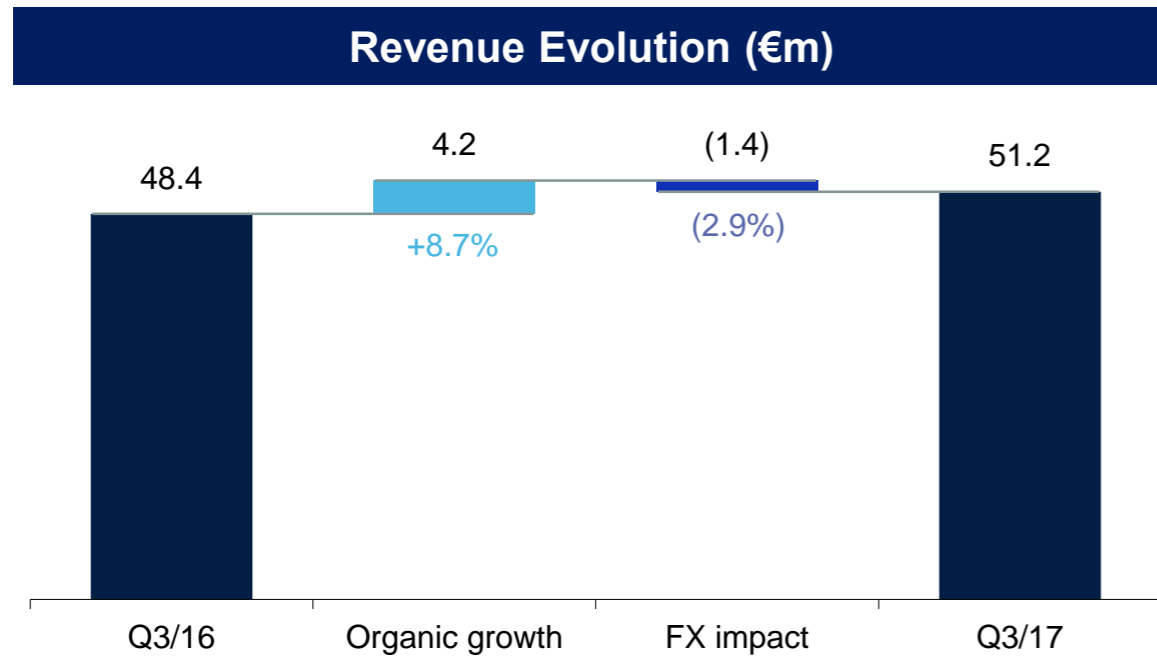
Adj. EBITDA margin (%)



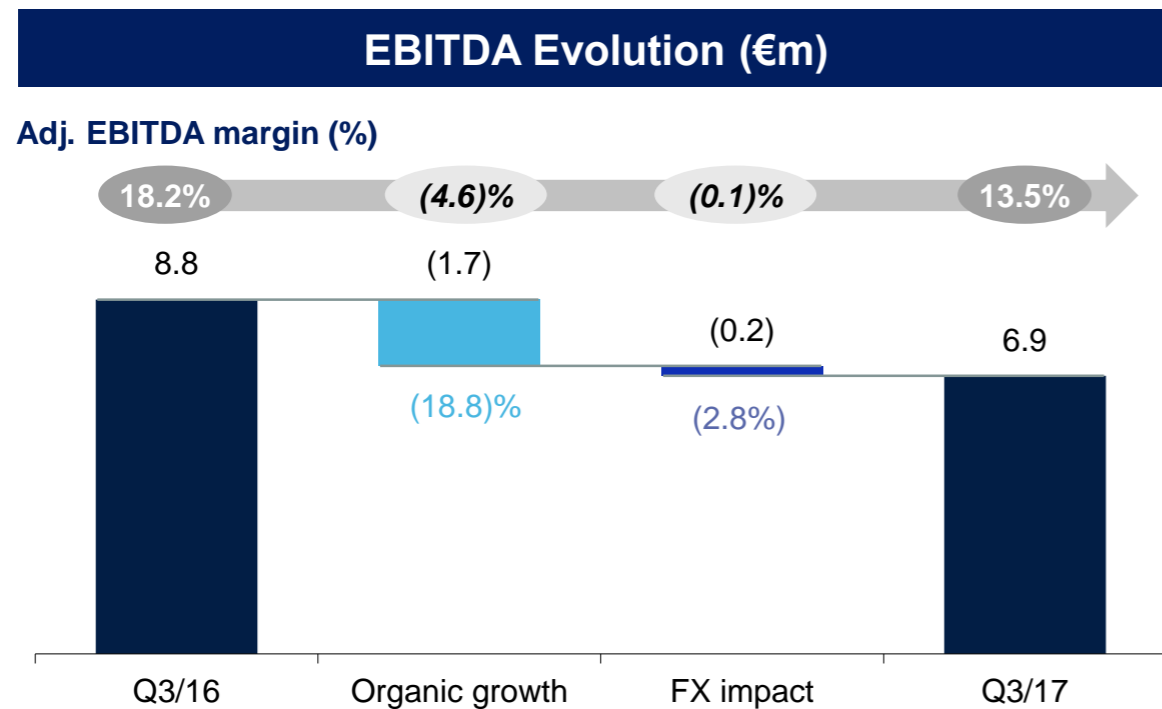
Raw materials and FX have impacted margins in Q3

Start up issues in Belgium tile factory held back Commercial performance in Q3

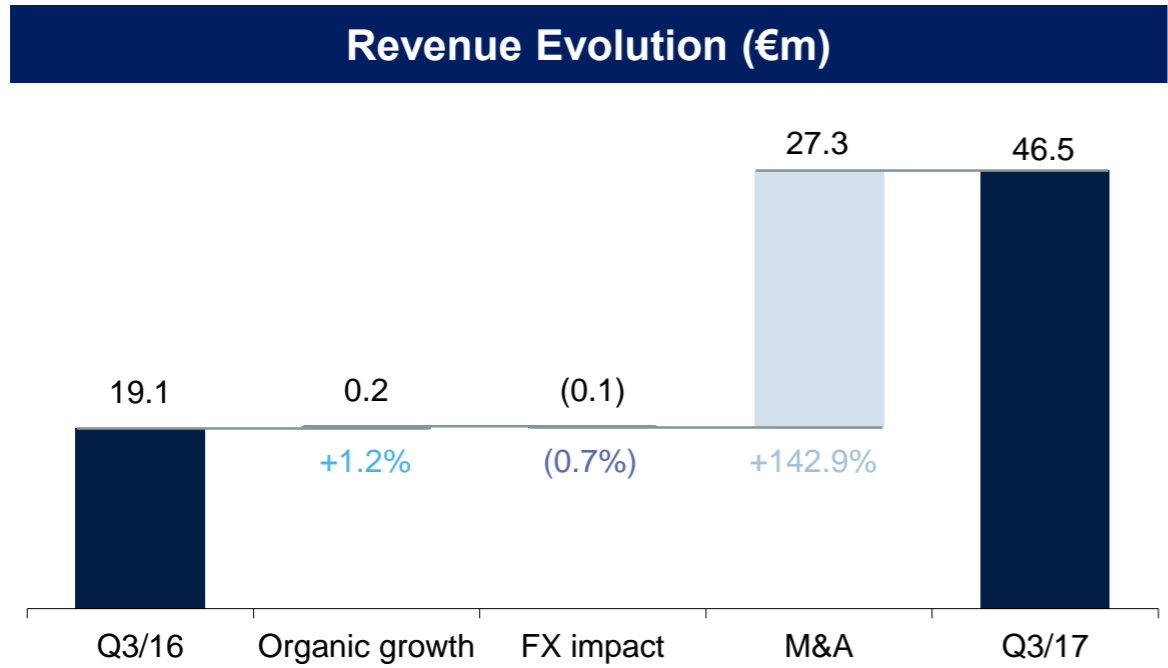
Rugs Business Continues to Grow Strongly



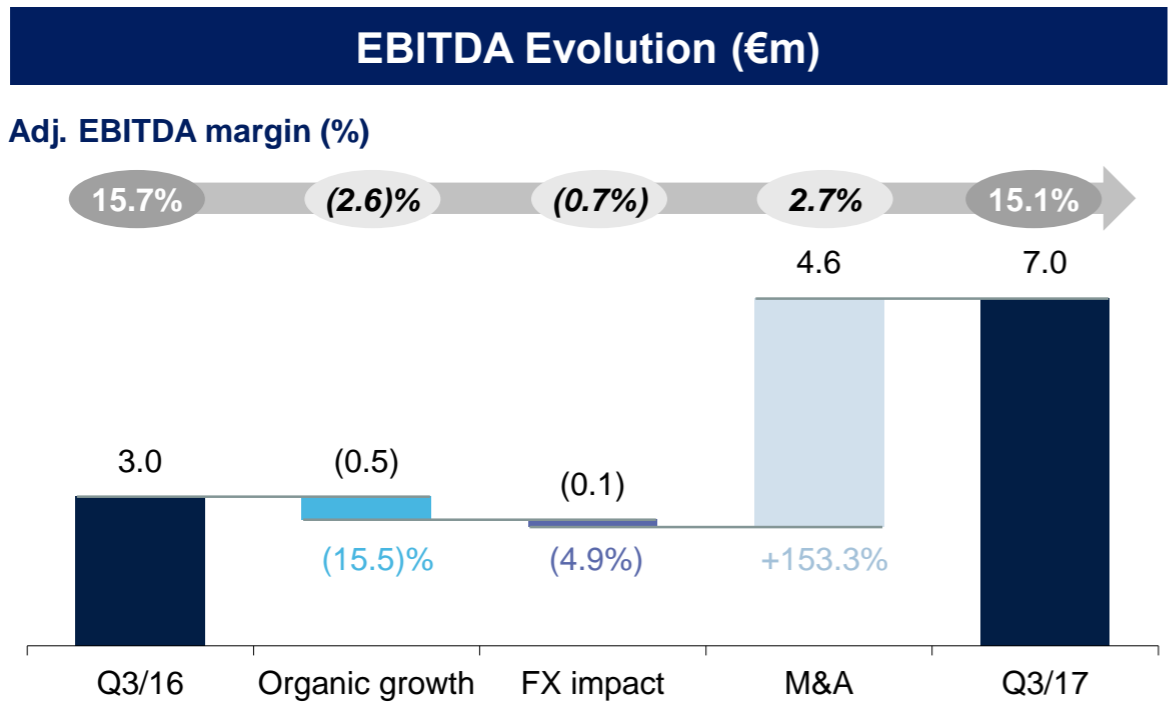
- Strong execution in Rugs leading to +8.7% organic revenue growth
- Margins impacted by:
 - Timing of Raw material and price increase
 - one off costs associated to the reorganisation of the US warehouse infrastructure



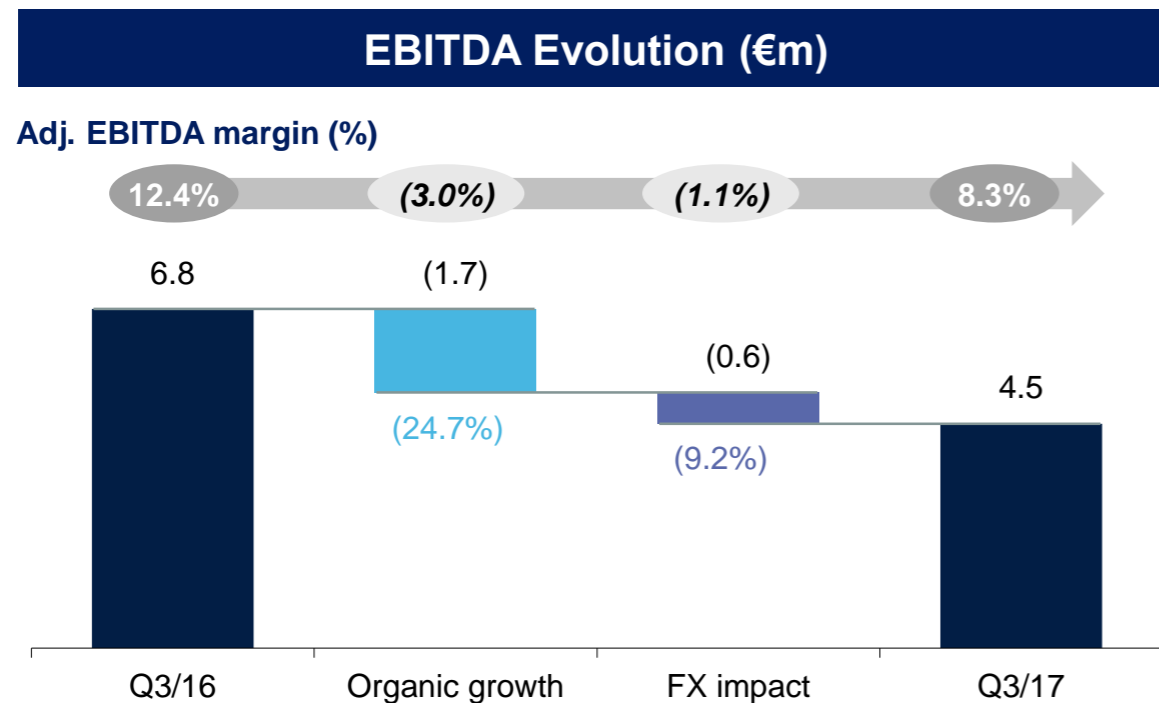
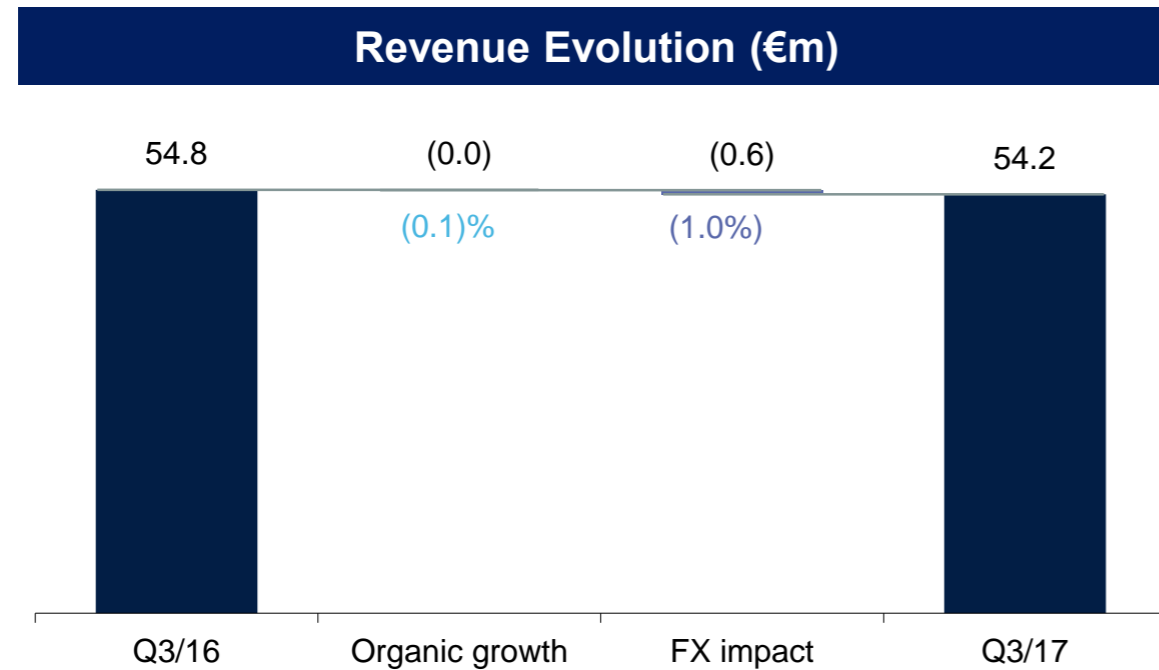
Commercial Business Temporarily Impacted by Supply Interruption



- Q3 Revenue and EBITDA impacted by start up issues in Belgium tile factory, now addressed
- First specified orders received for Modulyss tiles by Bentley customers



Residential More Challenging Market than Expected

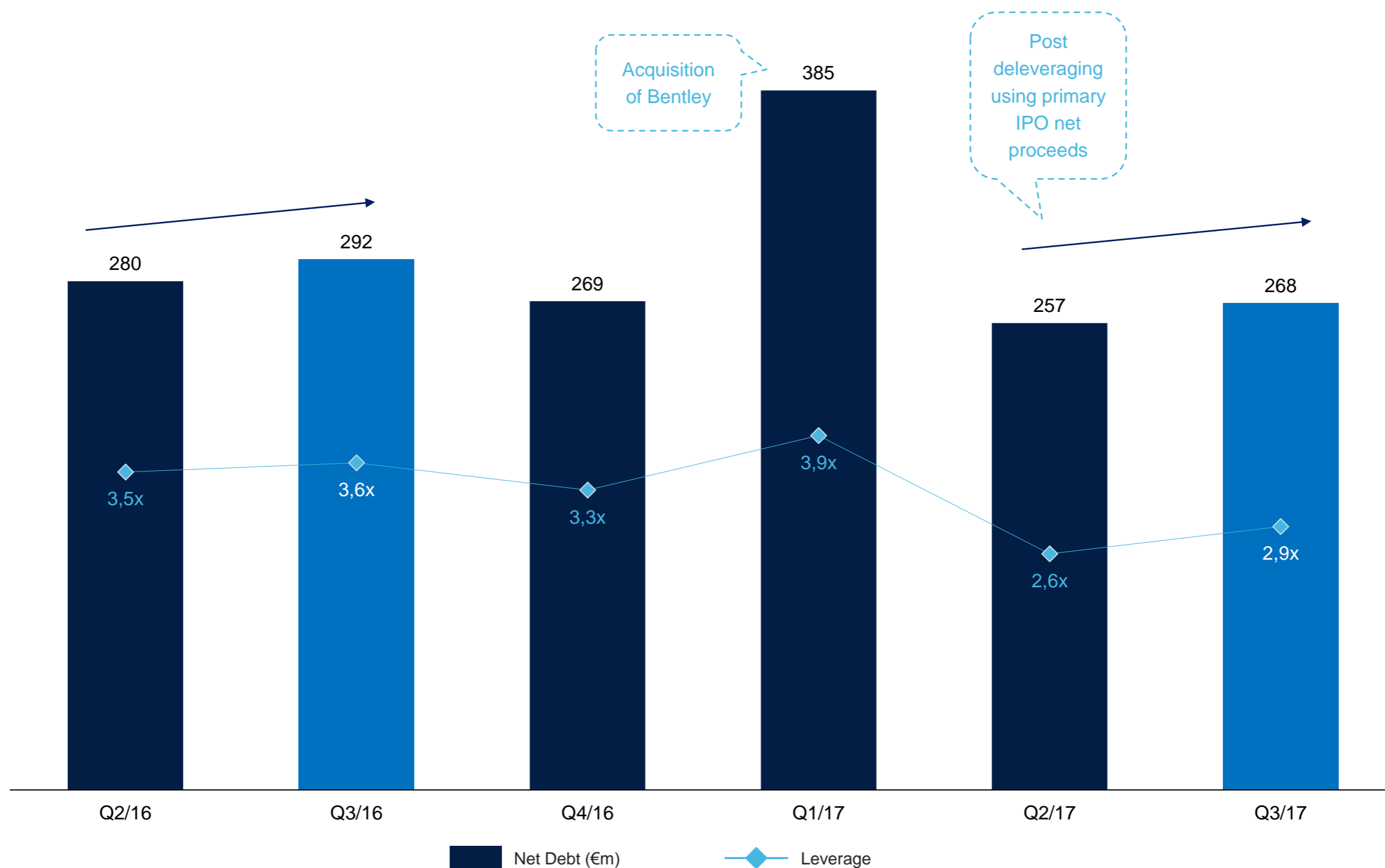


- **Continued challenging market in continental Europe and a stable volume market in the UK**
- **Margins impacted by:**
 - Timing of Raw material and price increase
 - Negative mix in the core volume business
- **Our strategy to grow sales of higher margin new broadloom products led to sales increasing by a third compared to last year, currently representing about 20% of sales of the segment.**

Plan to Restore Residential Margins by Optimising Operational Footprint Enabling Greater Focus on Strategy of Growing Higher Margin Products

- **Intention to absorb Residential production from Oudenaarde factory into the two other Residential factories in Belgium**
- **Intention to close rented warehouse in Sint-Niklaas, Belgium**
- **Currently expected financials of this plan are:**
 - **Significant reduction in transport and handling costs from intercompany movements**
 - **Delivers total cash benefit of €9.9m with exceptional cash costs of €12.4m**
 - **In addition a one off working capital benefit of €1.4m**
 - **Run rate EBITDA benefit of €8.3m in FY19**
- **The plan and financials mentioned on this slide, under Belgium law, are subject to employee consultation**

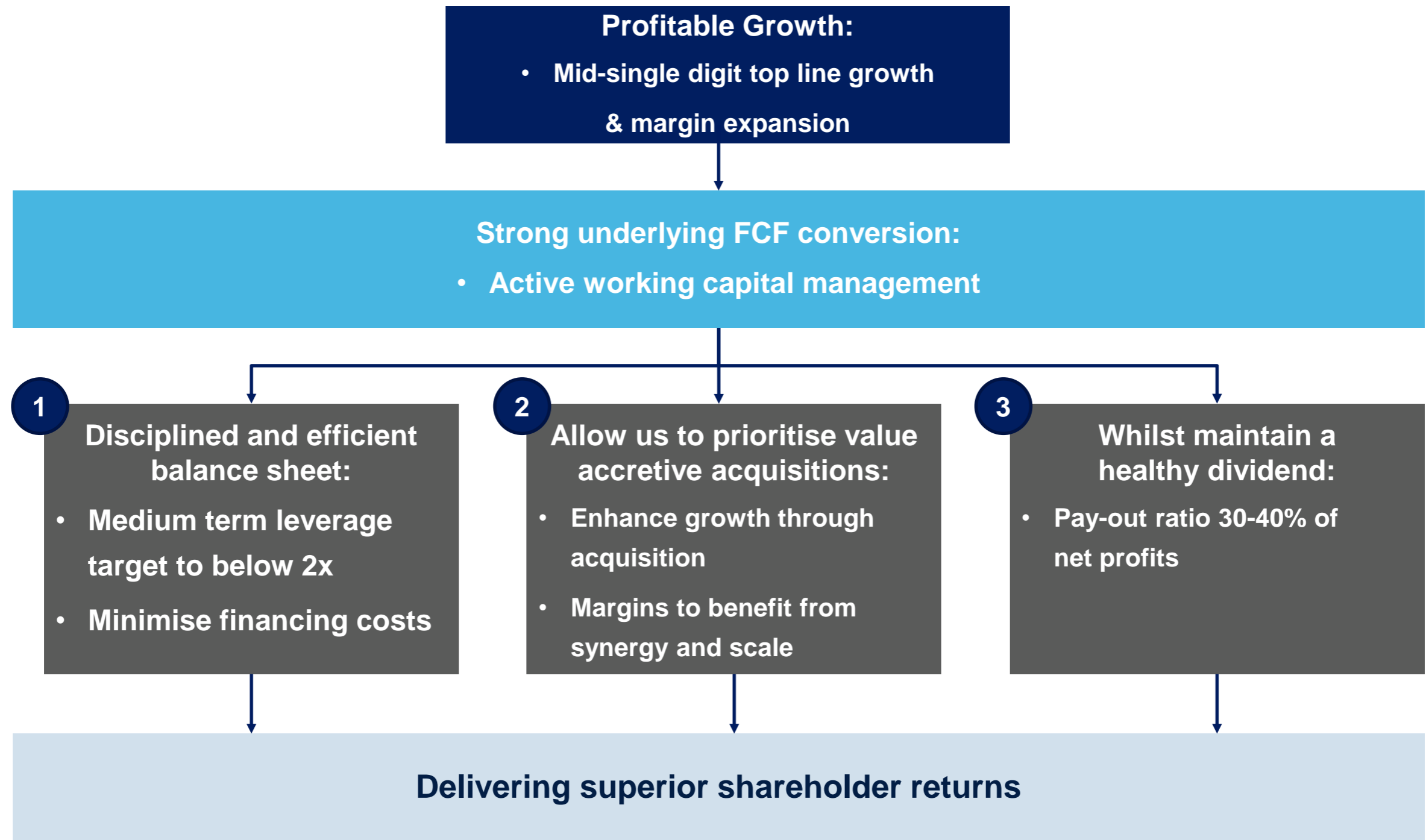
The Movement of Leverage and Net Debt from Q2 and Q3 is Consistent Year on Year Reflecting the Working Capital Peak



2017 Outlook

- **Continued growth in Rugs**
- **Re-acceleration of growth in Commercial**
- **Partially offset by impact from raw materials price inflation and FX**
- **Full year earnings at the lower end of our guidance range**
- **Medium term guidance unchanged**
 - **Mid-single digit top line growth**
 - **EBITDA margin of 15% by 2020**

Our Disciplined Approach to Capital Allocation



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Q&A Session



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Appendices

Refinancing opportunity has the potential to materially lower net financing cost from Sept 2018

