

Press release

investor relations

TenCate: Organic growth continues

TenCate trading update third quarter of 2014

Key figures third quarter of 2014

x €1 million	Third quarter 2013*	Third quarter 2014	Change	Organic
Net revenues	270.2	277.1	+ 3%	+ 3%
EBITA	17.8	17.8	0%	0%
EBITA margin	6.6%	6.4%		
Net profit	8.4	9.2	+ 10%	
Net debt	209.8	206.9		
Debt ratio	2.51	2.82		

*) 2013 adjusted for purposes of comparison

In the third quarter of 2014 TenCate recorded organic growth in revenues of 3%, while EBITA remained unchanged, compared to the third quarter of 2013.

Growth that occurred in the first half of the year within the TenCate Advanced Composites and TenCate Grass market groups was sustained compared to last year.

Defence-related revenues rose in the third quarter compared to the previous quarters of 2014 and were the same as in the third quarter of 2013. Demand for TenCate Defender™ M products staged a strong recovery compared to a weak performance earlier in the year. Recovery in armour revenues has not as yet occurred, in part due to continuing delays in projects. There are a growing number of prospects, although the timing of these projects remains as yet uncertain.

In the third quarter the value of net debt on the balance sheet declined compared to mid-2014. This decrease was limited as a result of the sharp rise in the dollar exchange rate.

Advanced Textiles & Composites sector

The revenues of the TenCate Protective Fabrics market group increased in the third quarter, in particular in the industrial safety segment (TenCate Tecasafe® Plus). The order position in this segment developed favourably. This is in part the result of a specific focus on major industrial sectors, such as the oil and gas industry and energy companies, where personal protection is given high priority. The lower segment of the industrial market showed a decline in revenues.

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As expected, sales of TenCate Defender™ M showed a sharp increase in the third quarter compared to the previous quarters of this year. In this market too, the outlook for the remainder of the year is positive.

The aerospace-related revenues of the TenCate Advanced Composites market group increased, driven mainly by the position of TenCate in the Airbus A350 and Boeing 787 programmes. Revenues from the space industry declined, producing a detrimental effect on the sales mix.

Trends were favourable in the field of 'new business development'. Increasing sales in the automotive industry are still mainly concentrated within the sports car and racing car segment (Formula 1). In the field of performance composites too (including the sports / leisure market) revenues in the third quarter rose compared to 2013.

The continuing steep decline in the sales of armour composites compared to last year occurred mainly in the US. Projects suffered delays due to the start being later than planned.

Geosynthetics & Grass sector

The revenues of the TenCate Geosynthetics market group showed slight growth in the third quarter. Sales in Asia and the US increased compared to last year. The market in Europe remained cautious and the costs of raw materials rose, so that margins continued to be depressed.

The TenCate Grass market group grew slightly, in part due to stronger positioning in the American market. The increased demand for synthetic turf fibres led to significant sales growth for TenCate Grass upstream. Positive efficiency effects were partly offset by increased raw materials costs.

Royal Ten Cate
Almelo, The Netherlands, Friday, 24 October 2014

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Royal Ten Cate (TenCate) is a multinational company that combines textile technology with chemical processes and material technology in the development and production of functional materials with distinctive characteristics. TenCate products are sold throughout the world. Systems and materials from TenCate come under four areas of application: safety and protection; aviation and aerospace; infrastructure and the environment; sport and recreation. TenCate occupies leading positions in protective fabrics, composites for aviation and aerospace, antiballistics, geosynthetics and synthetic turf. TenCate is listed on NYSE Euronext (AMX).