



Full year 2017 and Q4 financial results

Forward-looking statement

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Highlights Q4

Sales of

EUR 644 million

up 10.6%* in reported figures

Sales increase in local currencies*

10.3% ↑

EBIT of

EUR 72 million

up 25% compared to last year

EBIT margin of

11.2%

up 1.3 percentage points

Free cash flow of

EUR 27 million

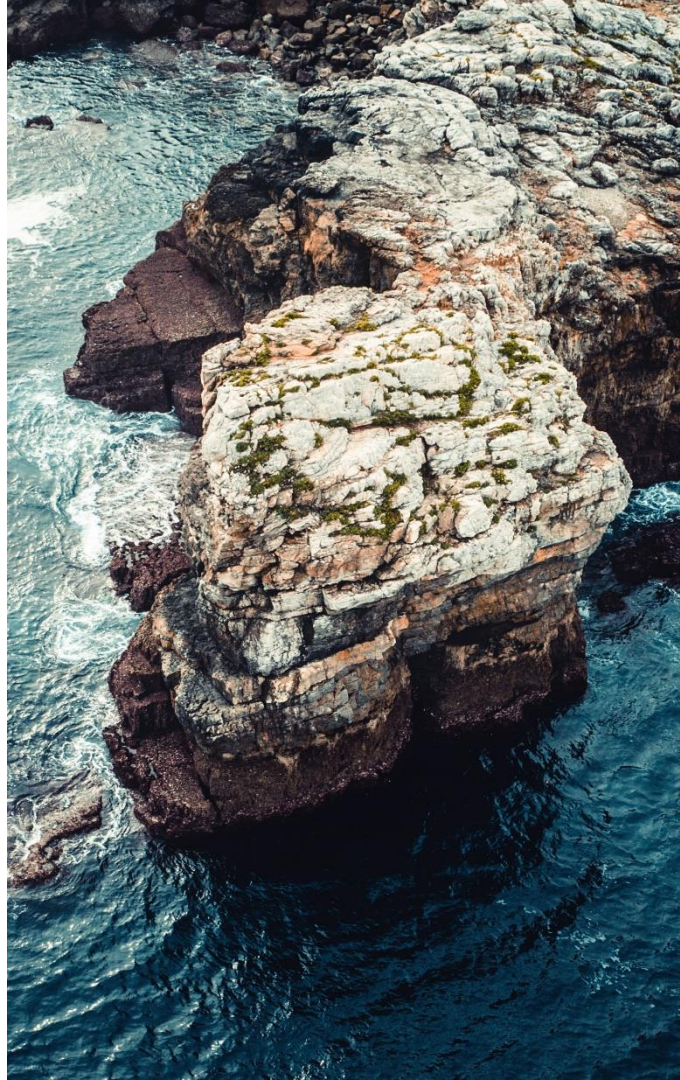
down EUR 70 million

Net profit

EUR 79 million

up EUR 35 million, incl. EUR 25 million
from revaluation of shares in Flumroc

*Excl. Flumroc



Q4 periodic sales growth of 10.3%

Sales grew 10.3% in local currencies*, with double digit growth in many of our main markets.

Sales increased 10.6% in reported figures and reached EUR 644 million including a negative currency effect of 1.6%-points and 1.9%-points impact from Flumroc net sales.

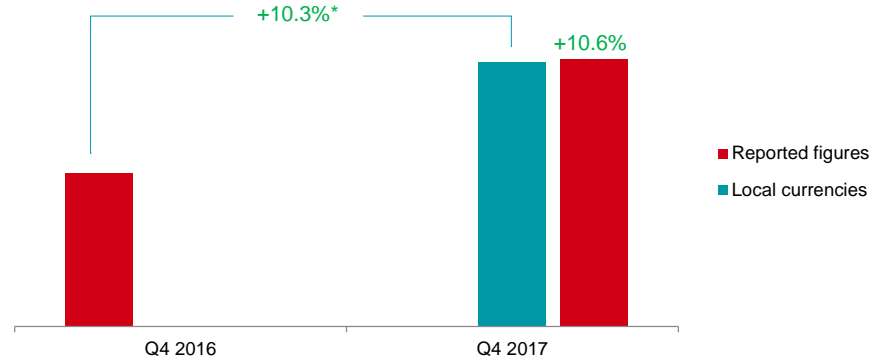
The main drivers came from double digit growth in key markets in Western Europe (up 11%*), Eastern Europe (up 14%) and North America (up 12%) in local currencies, while Asia had a slow quarter.

Insulation up 12.1%* in local currencies and 13.3% in reported figures amounting to EUR 473 million.

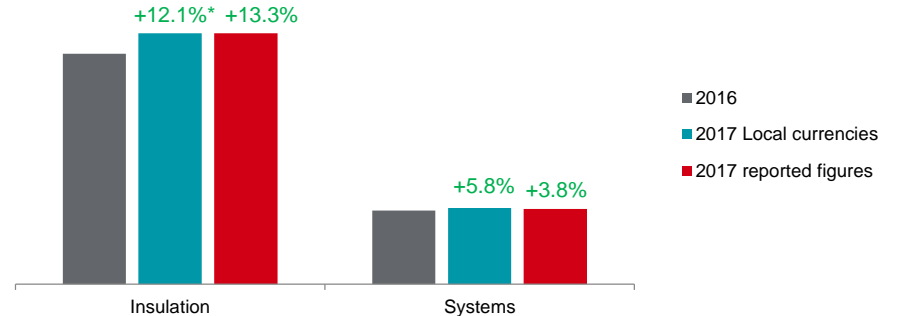
Systems delivered growth during Q4 of 5.8% in local currencies. In reported figures sales were up 3.8% amounting to EUR 171 million.

*Excl. Flumroc

Q4 Net sales
EURm



Q4 Net sales per business area
EURm

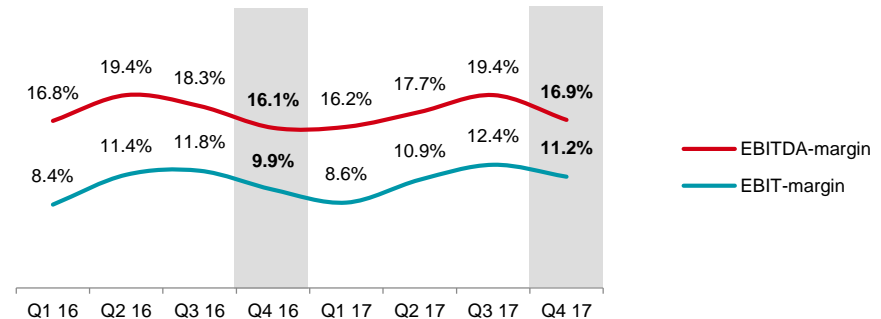
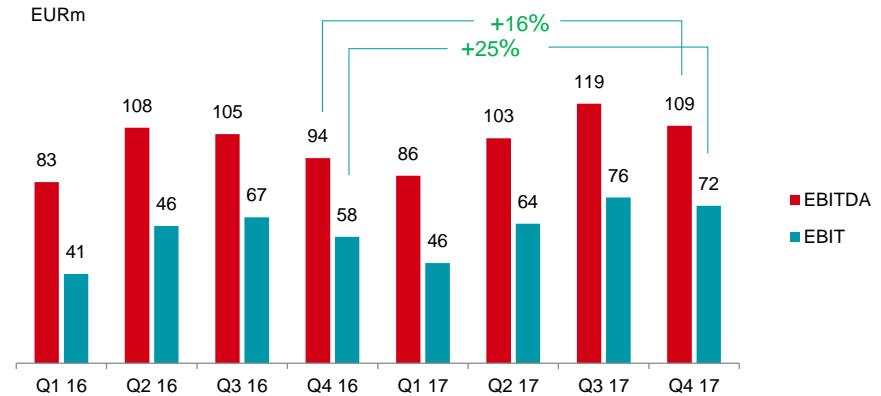


Q4 profitability

EBITDA up 16% to EUR 109 million, with EBITDA margin of 16.9% compared to 16.1% last year.

The improvement was driven by higher pricing and volume and improved productivity, while maintaining a strong control of fixed costs.

EBIT increased by 25% and reached EUR 72 million in Q4, corresponding to an EBIT margin of 11.2%, up 1.3 %-points. Included is around EUR 5 million restructuring costs related to Rockfon and ROCKWOOL in Asia.

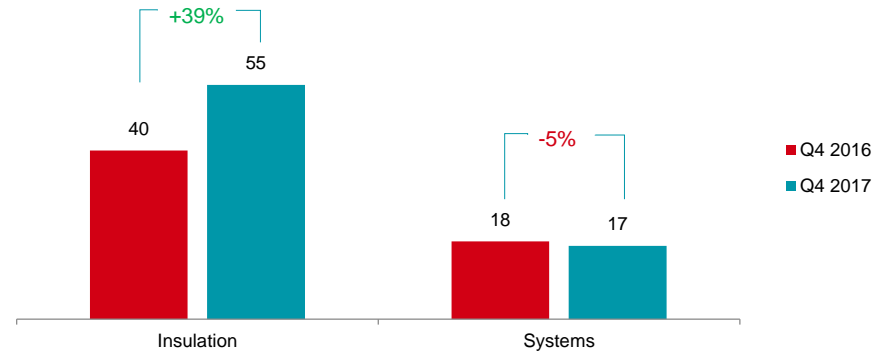


Q4 segment profitability

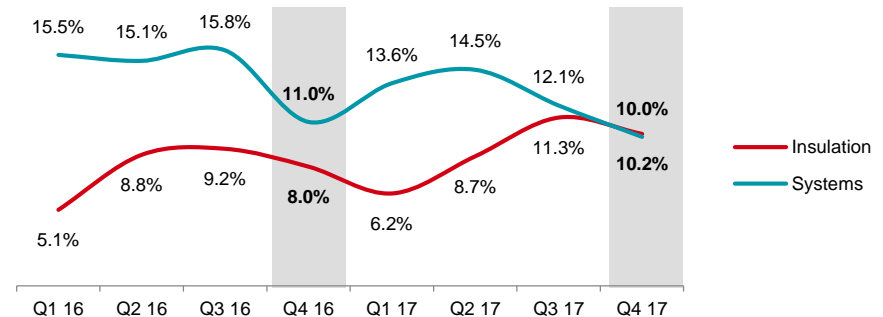
Insulation EBIT increased 39% in Q4 to EUR 55 million, with EBIT margin at 10.2%, up 2.2%-points compared to last year.

Systems EBIT Q4 was down 5% to EUR 17 million, with EBIT margin of 10.0% compared to 11.0% last year primarily due to restructuring costs of EUR 4 million in Rockfon Asia.

Q4 EBIT
EURm



EBIT margin
(%)



Q4 highlight – acquisition of Flumroc AG



Manufacturing facility in Switzerland



Sales of approx. EUR 70 million in 2017

Strong brand



230

highly skilled individuals

Highlights Full Year 2017

Sales of

**EUR 2,374
million**

up 7.8% in reported figures

EBIT of

EUR 258 million

up 12.3% compared to last year

Free cash flow of

EUR 167 million

down EUR 70 million

Sales increase in local currencies*

7.1% ↑

EBIT margin of

10.8%

up 0.4 percentage points

Net profit

EUR 214 million

improvement of EUR 48 million, incl.
EUR 25 million from revaluation of
shares in Flumroc

**Excl. Flumroc*



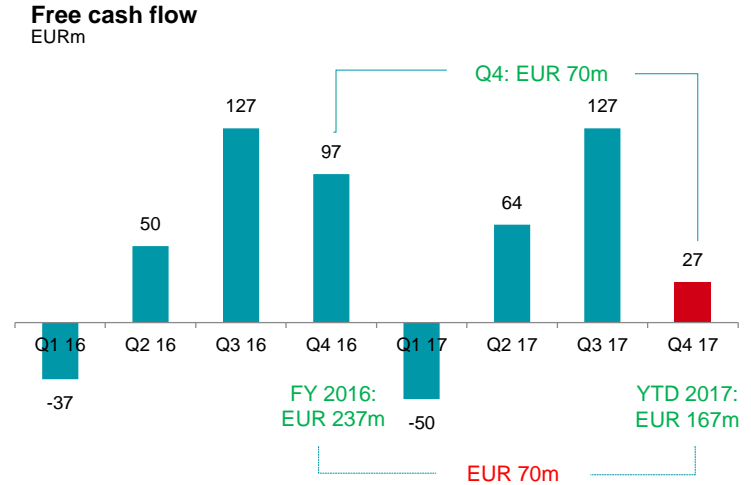
Free Cash Flow in 2017

ROCKWOOL is net debt free with a net cash position at year end of EUR 241 million, an improvement of EUR 125 million compared to last year.

Cash flow from operations before financial items and tax was EUR 394 million, which is an increase of EUR 12 million.

Net working capital was 8.0% of net sales which was on level with last year. In absolute terms, net working capital amounted to EUR 190 million, an increase of EUR 15 million. The increase mainly stems from higher trade receivables and a planned higher inventory.

Free cash flow was EUR 70 million lower than last year, primarily due to higher investments and the acquisition of Flumroc, and reached EUR 167 million.

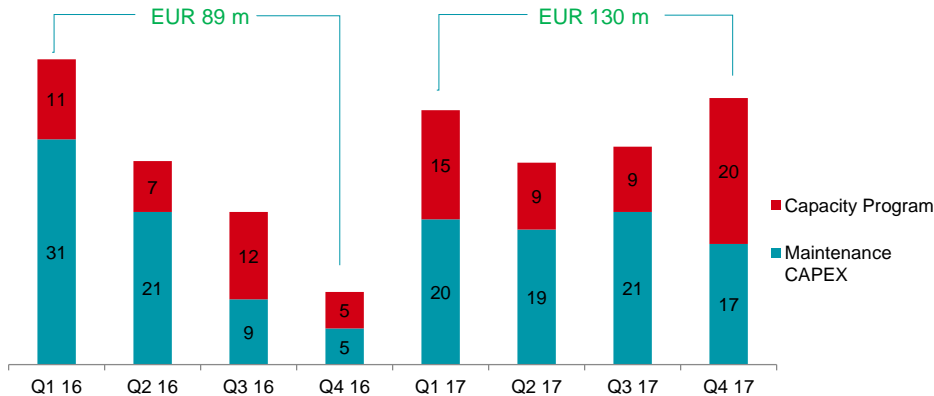


Investment activities in 2017

Capital expenditure excl. acquisitions increased EUR 41 million compared to last year, to an amount of EUR 130 million.

The largest individual investments in 2017 relate to the new Rockfon production facility in the United States and the new factory in Romania.

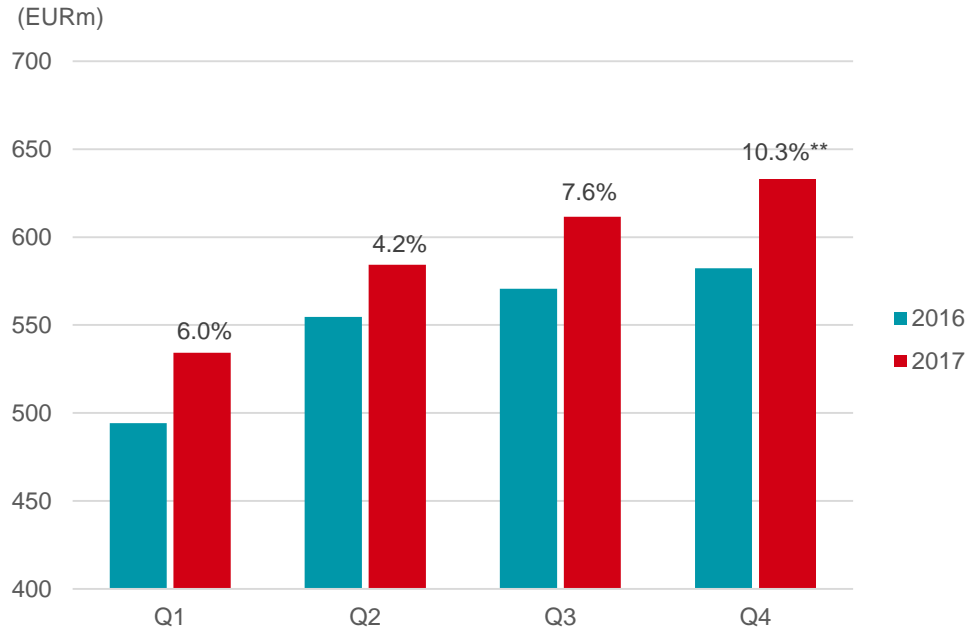
Investments EURm





Outlook for 2018

2017 Quarterly net sales and sales growth*



*) in local currencies

***) Excl. Flumroc



Guidance for 2018

Sales

Net sales are expected to show **growth of 7-10%** in local currencies, including around 2% from the acquisition of Flumroc. With lower comparables, we expect higher growth rates in the first half of the year.

EBIT

EBIT margin is expected **to reach at least 11%**.

Investment

Investment expenditure excluding acquisitions is expected **around EUR 230 million**.



Questions?



Key Figures for the Group

EURm	Q4 2017	Q4 2016	YoY (%)	FY 2017	FY 2016	YoY (%)
Income statement						
Net Sales	644	582	10.6%	2,374	2,202	7.8%
EBITDA	109	94	15.9%	417	389	7.1%
<i>EBITDA %</i>	16.9%	16.1%	0.8pp	17.6%	17.7%	-0.1pp
EBIT	72	58	24.9%	258	229	12.2%
<i>EBIT %</i>	11.2%	9.9%	1.3pp	10.8%	10.4%	0.4pp
Profit before tax	93	59	57.9%	275	225	22.4%
Profit for the period	79	44	80.0%	214	166	28.3%
Balance sheet						
Total Assets				2,164	1,999	8.3%
Equity				1,685	1,536	9.7%
Equity ratio				77.5%	76.8%	0.7pp

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