

REPORT ON THE FIRST QUARTER 2023



Key performance figures

in EUR million	1-3 2023	Change	1-3 2022	2022
Revenue	185.2	2.0%	181.5	779.8
EBITDA	20.8	2.7%	20.3	100.5
EBITDA margin	11.2%	+0.1 PP	11.2%	12.9%
EBIT	13.2	4.2%	12.7	62.1
EBIT margin	7.1%	+0.1 PP	7.0%	8.0%
Earnings after taxes	8.3	13.2%	7.3	38.4
Earnings per share (EPS) ¹ , in EUR	0.02	-96.7%	0.75	11.99
Gross cash flow	10.1	-65.8%	29.6	38.4
Return on equity ²	0.4%	-10.7 PP	11.1%	45.7%

Balance sheet key figures

in EUR million	31.03.2023	Change	31.3.2022	31.12.2022
Total assets	847.6	-15.0%	996.7	842.9
Equity	518.0	-7.6%	560.4	518.2
Equity ratio	61.1%	+4.9 PP	56.2%	61.5%
Additions to intangible assets and property, plant and equipment	5.4	-46.3%	10.0	50.1
Employees (at reporting date)	6,510	-7.1%	7,007	6,528

Sector and segment key figures

in EUR million	1-3 2023	Change	1-3 2022	2022
Industrial Sector = Semperflex + Semperseal + Sempertrans + Semperform				
Revenue	176.4	3.2%	171.0	734.0
EBITDA	30.6	15.7%	26.4	125.2
EBIT	23.7	20.6%	19.6	95.9
Semperflex				
Revenue	72.6	-9.0%	79.8	328.8
EBITDA	16.7	-14.6%	19.6	82.2
EBIT	13.6	-18.1%	16.6	70.2
Semperseal				
Revenue	32.0	-12.7%	36.6	142.1
EBITDA	1.6	-33.1%	2.4	8.3
EBIT	0.0	-98.9%	0.5	-0.6
Sempertrans				
Revenue	43.0	52.0%	28.3	151.9
EBITDA	7.3	>100%	1.3	19.7
EBIT	6.2	>100%	0.3	15.5
Semperform				
Revenue	28.8	9.8%	26.2	111.1
EBITDA	5.0	54.3%	3.2	15.1
EBIT	3.9	79.7%	2.1	10.8
Medical Sector = Sempermed				
Revenue	39.6	-62.7%	106.1	324.2
EBITDA	-11.6	n/a	13.3	-15.4
EBIT	-13.5	n/a	7.6	-49.5

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

¹ Earnings per share are only attributable to the core shareholders of Semperit AG Holding (excl. remuneration from hybrid capital).

² Based on a full-year projection.

Group Management Report

In the first quarter of 2023, the Semperit Group recorded an improvement in its continued operations despite the onset of an economic slowdown. The result of the discontinued operations declined significantly in line with expectations.

Development in the raw material markets

During the first three months, prices for natural rubber (important especially for Sempertrans) and natural latex (important for Sempermed) were significantly lower than in the comparable period of last year (natural rubber –24% and natural latex –18%) on the relevant Asian commodity exchanges.

The average prices for the essential basic raw material butadiene, which is relevant for all segments, were slightly higher in Asia (+2%) and lower in Europe (–9%) in the first quarter of 2023 compared to the same period of the previous year. However, the prices of butadiene derivatives such as butadiene rubber, styrene butadiene rubber and nitrile butadiene rubber did not decrease accordingly due to the energy surcharges still included.

In the first quarter of 2023, prices for nitrile latex, the most important raw material for Sempermed, were significantly below the comparable level of last year due to a continued decline in market demand and despite slightly higher Asian butadiene prices.

Generally, the price trend of heavy fuel oil (HFO), which strongly correlates with the general crude oil price development, is a relevant indicator for the filler carbon black, which is used in the entire Industrial Sector. However, other factors (energy and CO₂ surcharges and above all the war in Ukraine) have had a significant impact on carbon black prices in the last 12 months. While in the first quarter of 2023, the average HFO price was 24% lower than in the first quarter of 2022, carbon black prices were very significantly higher than in the same period of the previous year. The increase was caused by the energy and CO₂ surcharges on the one hand and, on the other hand especially by the significant drop in carbon black imports into the EU from Russia (–50%) and the discontinuation of imports from Ukraine as well as due to the announced EU sanctions for 2024.

Prices for wire rod – a raw material relevant for the Semperflex, Sempertrans and Semperform segments – decreased by up to 30% after the record levels in the second quarter of 2022 but are still above the five-year average. This development was, on the one hand due to energy prices and, on the other hand, to the current global cooling of the economy and low demand, which led to high inventories of finished and semi-finished materials.

The price of iron ore, the raw material for wire rod, reflects the low demand – especially from China – and declined by 25% year-on-year.

Revenue and earnings performance

Key figures Semperit Group

in EUR million	1-3 2023	Change	1-3 2022
Revenue	185.2	+2.0%	181.5
EBITDA	20.8	+2.7%	20.3
EBITDA margin	11.2%	+0.1 PP	11.2%
EBIT	13.2	+4.2%	12.7
EBIT margin	7.1%	+0.1 PP	7.0%
Earnings after tax from continued operations	8.3	+13.2%	7.3
Earnings after tax from discontinued operations	-7.9	n/a	8.2
Earnings after taxes	0.4	-97.4%	15.5
Additions to intangible assets and property, plant and equipment	5.4	-46.3%	10.0
Employees (at reporting date)	6,510	-7.1%	7,007

In the first quarter of 2023, the continued operations of the Semperit Group recorded an increase in revenue of +2.0% to EUR 185.2 million compared to the previous year. Revenue in the Industrial Sector increased by +3.2% to EUR 176.4 million, whereas revenue from continued operations in the Medical Sector (in Wimpassing and Sopron) decreased by -16.9% to EUR 8.8 million. The increase in revenue compared to Q1 2022 was mainly driven by the increase in average selling prices in the course of 2022 resulting in average price effect on revenues at 19% in the Industrial Sector – the price effect being in a range between 15% and 29% for the individual segments – thus input factor price increases could be passed on. The volume increase at Sempertrans (+23.0%) is largely attributable to a positive market environment in the mining industry and higher demand. Sales volumes in the other segments fell significantly; at Semperflex, this decline was mainly due to full inventories held by most customers, while in the Semperform segment it was mainly the Engineered Solutions business unit (driven by reduced market activity in the railroad superstructure sector), which fell short of the previous year's figures. Semperseal recorded a significant decline in sales volumes resulting from the weak development of the construction sector.

Inventories of own products of continued operations increased by EUR 7.1 million during the first three months of the year (1-3 2022: increase of EUR 11.7 million).

Cost of materials (including energy and purchased services) in continued operations decreased by EUR 5.9 million or -5.8% to EUR 96.2 million in the first quarter of 2023. The change was largely due to low production volumes in the Semperflex, Semperseal and Semperform segments, which was offset by the increased production volumes at Sempertrans. Increases in raw material and energy prices also had a counteracting effect, although these were more than offset by lower volumes.

Personnel expenses rose to EUR 52.7 million (+5.7%) in the first quarter of 2023, driven mainly by wage and salary increases that became effective in 2022.

At EUR 24.4 million, other operating expenses were up by +9.5% compared to the same period of the previous year (1-3 2022: EUR 22.3 million). The increase is mainly attributable to expenses from strategic corporate development projects – in particular in connection with the signing of the purchase and assignment agreement for the acquisition of the RICO Group. In addition higher maintenance costs and increased travel costs as business travel picked up again after the corona pandemic were recorded.

At EUR 20.8 million, EBITDA in continued operations largely remained unchanged. The EBITDA margin in continued operations was 11.2% (1-3 2022: 11.2%).

In the first quarter of the year depreciation and amortisation in continued operations remained unchanged at EUR 7.6 million (1-3 2022: EUR 7.6 million). At EUR 13.2 million, EBIT of continued operations also remained on the level of the same period of the previous year.

The financial result of continued operations amounted to EUR –1.9 million (1-3 2022: EUR –2.0 million).

Tax expense in continued operations amounted to EUR 2.9 million (1-3 2022: EUR 3.3 million). In the first quarter of 2023, the effective tax rate of continued operations was 24.1% compared to 27.5% in the same period of the previous year. Here, the effective tax rate refers to income taxes in relation to earnings before tax less profit or loss attributable to redeemable non-controlling interests.

Earnings after tax from continued operations were EUR 8.3 million (1-3 2022: EUR 7.3 million). Earnings after tax from discontinued operations amounted to EUR –7.9 million (1-3 2022: EUR 8.2 million). Further details on discontinued operations will follow in the next chapter.

Earnings after tax (continued and discontinued operations together) amounted to EUR 0.4 million (previous year: EUR 15.5 million). Earnings per share attributable to the shareholders of Semperit AG Holding for the first quarter of 2023 were therefore EUR 0.02 (1-3 2022: EUR 0.75).

Discontinued operations

Revenue from discontinued operations decreased to EUR 39.6 million during the first three months of 2023 (1-3 2022: EUR 106.1 million), particularly due to the end of the corona-related special cycle. Nearly 75% of the decline in sales is attributable to lower average selling prices (ASPs) for gloves.

In discontinued operations, the cost of materials was EUR 36.0 million and thus 42% lower than in the previous year (1-3 2022: EUR 62.2 million) due to lower production volumes and low raw material prices. As pre-packaged surgical gloves are currently, and will continue to be, sold by Semperit Technische Produkte GmbH to Semperit Investments Asia Pte Ltd (currently still part of the Group), which then sells the products of the Sempermed segment to internal and external customers, the cost of materials (of the discontinued operations) amounting to EUR 8.8 million from this supply relationship as a result of the contract manufacturing agreement is included in the cost of materials of the discontinued operations. Personnel expenses decreased by EUR 1.7 million, or 18%, to EUR 7.4 million as a result of the reduction in temporary workers and the reduction in vacation accruals. The 52% decline in other operating expenses to EUR 5.2 million was attributable to the significant drop in freight costs.

As expected, EBITDA in the discontinued operations of the Medical Sector thus decreased significantly from EUR 16.3 million to EUR –9.0 million.

Due to the signing of the SPA with HARPS GLOBAL PTE. LTD., it was possible to determine a fair value for the segment assets of Sempermed as of March 31, 2023 based on the selling price (cash and debt free) and taking into account the price adjustment mechanism provided for in the SPA. Directly attributable disposal costs still expected to be incurred were to be deducted from this. The resulting reversal of impairment losses on the assets of the discontinued operation totaled EUR 1.1 million as of March 31, 2023.

EBIT in the discontinued operations of the Medical Sector fell significantly from EUR 11.0 million to EUR –8.0 million.

Semperit Group "as-if", no separation from the discontinued operation

The following table shows the results based on segment reporting. The segmentation by business areas is based on internal management and reporting and also includes the Sempermed segment as a whole.

This "as-if" presentation shows the figures as if the separation into continued and discontinued operations had not taken place. The earnings figures take into account the continued and discontinued operations as well as all consolidation entries necessary at Group level.

Key figures "as-if" of the Semperit Group, no separation of the discontinued operations

in EUR million	1-3 2023	Change	1-3 2022
Revenue	216.0	-22.0%	277.0
EBITDA	11.7	-68.0%	36.5
EBITDA margin	5.4%	-7.8 PP	13.2%
EBIT	2.5	-89.6%	23.7
EBIT margin	1.1%	-7.5 PP	8.6%

Dividend

At the 134th Annual General Meeting of Semperit AG Holding (the "Company") held on 25 April 2023, the distribution of a basic dividend of EUR 1.50 per share plus a conditional additional dividend of EUR 3.00 per share was resolved for the 2022 financial year in accordance with the proposal of the Executive Board and the Supervisory Board of the Company under the following conditions: The entitlement to the additional dividend as well as the payment are subject to the conditions precedent that the conditions precedent for the sale of the medical business (Sempermed; initially production of examination gloves including sales organisation) are fulfilled by 16 September 2023, that the medical business has been transferred to the buyer by 31 October 2023, and that Semperit AG Holding has received the full purchase price payable on the day of this closing. Within 7 calendar days after the fulfilment of the above conditions, the Company will obtain a confirmation regarding the fulfilment of the conditions and, immediately after receipt of the confirmation, will announce in a supplementary dividend announcement whether the above conditions have been met. The supplementary dividend announcement will also contain the technical modalities of the supplementary dividend payment, whereby the supplementary dividend is to be paid within 21 calendar days after the fulfilment of the above conditions precedent if the conditions precedent are met. If the conditions precedent do not come into effect, the Company will announce this.

Assets and financial position

Balance sheet

The development of the balance sheet structure as of 31 March 2023 can be summarised as follows:

in EUR million	31.03.2023	Share	31.12.2022	Share	Change
Non-current assets	320.9	38%	316.6	38%	+1.4%
Current assets	353.2	42%	338.4	40%	+4.4%
Assets held for sale	173.4	20%	187.9	22%	-7.7%
ASSETS	847.6	100%	842.9	100%	+0.6%
Equity ¹	518.8	61%	519.1	62%	-0.1%
Non-current provisions and liabilities	116.7	14%	115.9	14%	+0.7%
Current provisions and liabilities	166.5	20%	161.0	19%	+3.4%
Provisions and liabilities held for sale	45.6	5%	46.9	6%	-2.9%
EQUITY AND LIABILITIES	847.6	100%	842.9	100%	+0.6%

¹ including non-controlling interests

Non-current assets recorded only a slight change. Additions to non-current assets of EUR 6.3 million and a positive FX effect of EUR 2.4 million were mainly offset by write-downs of EUR 7.6 million.

Current assets have increased since 31 December 2022, due to a EUR 12.4 million rise in cash and cash equivalents and a EUR 7.0 million increase in trade receivables.

The increase in current liabilities and provisions resulted primarily from the increase in other provisions by EUR 4.1 million and in other financial liabilities by EUR 3.2 million.

As of 31 March 2023, the Semperit Group exhibited a net cash surplus of EUR 66.1 million, as cash and cash equivalents exceeded financial liabilities (31 December 2022: EUR 54.2 million). The calculated ratio between the net cash surplus (i.e., theoretical negative net indebtedness) and EBITDA as of 31 March 2023 was thus -0.8x (31 December 2022: -0.5x).

With effect from March 31, 2023, new bank financing agreements with a financing volume of up to EUR 360 million were concluded. A financing agreement totaling EUR 250 million consisting of a loan of up to EUR 150 million and a credit facility line of EUR 100 million. In this financing agreement, Semperit AG Holding has committed to compliance with three ESG KPIs, which are also part of the sustainability strategy "30 by 2030". This financing is provided by a group of six Austrian and international banks and replaces the former credit facility line in the amount of EUR 75 million. The second financing agreement in the amount of EUR 110 million was concluded in particular to finance the expansion investment in Odry.

Cash flow

The cash flow statement is prepared jointly for the continued and discontinued operations; no distinction is made between the cash flows of the individual business units. The cash flows from operating, investing and financing activities of the discontinued operation are disclosed in the notes.

The development of the liquidity situation in the first three months of 2023 can be summarised as follows:

in EUR million	1-3 2023	Change	1-3 2022
Cash flows from operating activities	21.1	+20.0%	17.5
Cash flows from investing activities	-13.9	-21.2%	-17.7
Free cash flow	7.1	n/a	-0.1
Cash flows from financing activities	-1.2	-81.2%	-6.2
Net increase / decrease in cash and cash equivalents	5.0	n/a	-4.4
Cash and cash equivalents at the end of the period	162.9	-29.5%	231.1

In the first quarter of 2023, cash flow from operating activities was higher than in the previous year despite the lower result, mainly thanks to the development of the balance from changes in inventories, trade receivables and trade payables, which was positive during the first three months 2023 and amounted to EUR 5.3 million (1-3 2022: funds tied up at EUR 27.3 million).

At EUR 14.5 million, cash expenditures in intangible assets and property, plant and equipment in the first quarter of 2023 were below the prior-year level (1-3 2022: EUR 17.2 million). The largest investments were made in the Czech Republic with EUR 6.3 million (1-3 2022: EUR 1.5 million), Austria with EUR 3.3 million (1-3 2022: EUR 5.4 million), Germany with EUR 1.4 million (1-3 2022: EUR 0.8 million) and Poland with EUR 1.4 million (1-3 2022: EUR 1.2 million).

Free cash flow (the balance of cash flow from operating activities and cash flow from investing activities) was EUR 7.1; in the first quarter of 2022 it was EUR -0.1 million.

Cash flow from financing activities in the first quarter of 2023 included in particular the repayment of lease liabilities (EUR 1.0 million). In the comparative period, this item included the repayment of a current financial liability in Malaysia amounting to EUR 4.8 million.

Performance of sectors and segments

Industrial Sector

Key figures Industrial Sector

in EUR million	1-3 2023	Change	1-3 2022
Revenue	176.4	+3.2%	171.0
EBITDA	30.6	+15.7%	26.4
EBITDA margin	17.3%	+1.9 PP	15.5%
EBIT	23.7	+20.6%	19.6
EBIT margin	13.4%	+1.9 PP	11.5%
Additions to intangible assets and property, plant and equipment	5.0	+16.4%	4.3
Employees (at reporting date)	3,756	-3.2%	3,881

- Continuing low demand, especially at Semperflex, Semperform and Semperseal, due to partly high customer inventories and continuous destocking, resulted in a lower order intake overall in the first quarter of 2023. In aggregate, the order book of the industrial segments was around 46% below the above-average level of Q1 2022.
- Revenue increase in total above that of the first quarter of 2022 as lower sales volumes were contrasted by average price levels above last year (following gradual price increases in the course of the 2022 financial year).
- The cost level in the first quarter 2023 was only slightly below the comparative figure of the previous year – following the sharp increase, particularly in the second and third quarter of 2022, and the incipient recovery since the fourth quarter last year. The slight easing of material costs was offset by a higher level of personnel and other expenses, latter mainly driven by expenses from strategic corporate development projects, in particular in connection with the signing of the purchase and assignment agreement for the acquisition of the RICO Group.

Semperflex segment

Key figures Semperflex

in EUR million	1-3 2023	Change	1-3 2022
Revenue	72.6	-9.0%	79.8
EBITDA	16.7	-14.6%	19.6
EBITDA margin	23.0%	-1.5 PP	24.5%
EBIT	13.6	-18.1%	16.6
EBIT margin	18.8%	-2.1 PP	20.8%
Additions to intangible assets and property, plant and equipment	1.6	+54.6%	1.1
Employees (at reporting date)	1,710	-6.7%	1,834

- Continued low demand due to high inventories and destocking by customers.
- Order intake (especially for hydraulic hoses) significantly below prior year level; consequently order backlog further reduced.
- Revenue in the first quarter of 2023 was yoy lower due to volume factors despite higher price levels
- Slight easing of the cost level, which rose continuously over the 2022 financial year, e.g. due to lower sea freight costs and targeted cost-cutting measures such as staff reductions and various energy-saving measures.

Semperseal segment

Key figures Semperseal

in EUR million	1-3 2023	Change	1-3 2022
Revenue	32.0	-12.7%	36.6
EBITDA	1.6	-33.1%	2.4
EBITDA margin	5.0%	-1.5 PP	6.5%
EBIT	0.0	-98.9%	0.5
EBIT margin	0.0%	-1.4 PP	1.4%
Additions to intangible assets and property, plant and equipment	1.9	+2.9%	1.8
Employees (at reporting date)	564	-0.5%	567

- Weak construction sector continues to impact order intake and is reflected accordingly in comparatively low order backlog.
- Sales volumes were down from the comparative period in 2022 due to weak demand; as a result, revenue in the first quarter of 2023 was also significantly impacted despite the higher price level.
- The price level, which increased in the course of the 2022 financial year, only partly offset the cost increases. EBITDA and EBIT therefore declined disproportionately, as did the corresponding margins.

Sempertrans segment

Key figures Sempertrans

in EUR million	1-3 2023	Change	1-3 2022
Revenue	43.0	+52.0%	28.3
EBITDA	7.3	>100%	1.3
EBITDA margin	17.0%	+12.5 PP	4.5%
EBIT	6.2	>100%	0.3
EBIT margin	14.4%	+13.2 PP	1.2%
Additions to intangible assets and property, plant and equipment	0.4	+26.7%	0.3
Employees (at reporting date)	888	+1.6%	874

- Demand in the late-cycle business of Sempertrans during the first three months of 2023 continued to be determined by the positive effects from the favourable price development for mining products and the resulting high demand for conveyor and transportation belts.
- Order intake was slightly below the comparatively high level of the first quarter of 2022; the order backlog showed a slight decline compared to the record level of recent quarters after orders had been processed.
- A generally good demand situation resulted in a revenue increase, driven by both volume and price.
- The cost level in the first quarter of 2023 increased at a lower rate than sales, operational leverage resulted in higher margins..

Semperperform segment

Key figures Semperperform

in EUR million	1-3 2023	Change	1-3 2022
Revenue	28.8	+9.8%	26.2
EBITDA	5.0	+54.3%	3.2
EBITDA margin	17.2%	+5.0 PP	12.2%
EBIT	3.9	+79.7%	2.1
EBIT margin	13.4%	+5.2 PP	8.2%
Additions to intangible assets and property, plant and equipment	1.1	-1.2%	1.1
Employees (at reporting date)	594	-1.9%	605

- Overall demand in the segment showed a mixed picture; order intake was slightly higher than in the previous year and order volumes were on the same level as in previous year.
- Overall sales volumes in the first quarter of 2023 were only slightly lower than in the previous year; sales volumes in the Engineered Solutions business unit were lower than in the previous year driven by reduced market activity in the railroad superstructure business.
- Despite lower volumes, revenue was higher than in the comparative period due to the gradual price increases implemented in 2022.
- The higher prices also more than compensated for the significant increase in costs since the first quarter of 2022 – though costs declined slightly in the first quarter 2023. This positive effect is also reflected in EBITDA, EBIT and the corresponding margins.

Medical Sector: Sempermed segment

Key figures Sempermed

in EUR million	1-3 2023	Change	1-3 2022
Revenue	39.6	-62.7%	106.1
EBITDA	-11.6	n/a	13.3
EBITDA margin	-29.3%	-41.9 PP	12.6%
EBIT	-13.5	n/a	7.6
EBIT margin	-34.2%	-41.4 PP	7.2%
Additions to intangible assets and property, plant and equipment	0.7	-84.1%	4.5
Employees (at reporting date)	2,681	-12.2%	3,052

The Medical segment is considered as a whole, without division into discontinued operations and continued operations. The following presentation therefore refers to the entire segment in total.

- Demand in the first quarter of 2023 was still clearly characterised by customers' destocking and overcapacities regarding production.
- Sales volumes of surgical gloves were lower than in the comparable period, while the volumes for examination gloves were significantly below the comparable value of 2022.
- EBITDA was also impacted by higher cost levels in addition to the negative revenue development. The reversal of provisions for gas supply contracts as a result of waivers by suppliers for payments for volumes not taken in 2022 had a positive effect

Employees

The headcount as of 31 March 2023 for continued and discontinued operations totalled 6,510 employees (FTE, full-time equivalent), which is –7.1% below the level of 31 March 2022 (7,007). In the Industrial Sector, the number of employees declined compared to 31 March 2022: the Semperflex, Semperform and Semperseal segments saw a decrease in employees of –6.7%, –1.9% and –0.5%, respectively. Meanwhile, the number of employees in the Sempertrans segment increased by 1.6%. The Medical Sector recorded a decrease of –12.2% compared to the previous year.

Executive and Supervisory Board matters

At the 134th Annual General Meeting on 25 April 2023, Thomas Cord Prinzhorn and Marion Weisenberger-Eibl were elected as new members of the Supervisory Board until the end of the Annual General Meeting which resolves on the ratification of actions for the 2025 financial year.

Claus Möhlenkamp and Klaus Erkes were re-elected as Supervisory Board members until the end of the Annual General Meeting which will decide on the discharge for the 2026 financial year.

At the constituent meeting of the Supervisory Board held after the Annual General Meeting, Thomas Cord Prinzhorn was elected Chairman of the Supervisory Board. He takes over from Stefan Fida, who has chaired the supervisory body on an interim basis since December 2022. Stefan Fida was elected Deputy Chairman of the Supervisory Board.

Outlook

For the 2023 financial year, the management of the Semperit Group expects a decline in earnings from continued operations compared to the previous year. This is based on the following assumptions:

The overall economic slowdown is expected to have a noticeable impact on the Industrial Sector, especially in the second and third quarter of 2023. Inventory optimisation programmes on the part of customers already lead to restrained ordering behaviour of customers, as expected. The option to pass on potential further cost increases to customers will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets. As a result, lower sales volumes and increased pressure on margins are to be expected.

In addition, the earnings position of the Semperit Group may of course continue to be significantly influenced by developments such as the Russia-Ukraine conflict: The Executive Board continues to expect a high degree of volatility with regard to the price development and availability of energy in Europe but also of necessary raw materials and supplies.

Further developments in geopolitical trouble spots are still unclear and therefore uncertain. Potential negative effects of inflation and foreign currencies require a high level of attention from the Executive Board.

Against this backdrop, the Executive Board confirms the outlook for the 2023 financial year with EBITDA from continuing operations of between EUR 70 and 90 million, but from today's perspective expects the result to be at the lower end of the range.

With regard to the sale of the medical business, a first closing is expected in mid-2023 or in the following months, depending on the regulatory approval procedures currently underway.

The Medical Sector is still expected to have a negative impact on earnings after taxes. Until the closing, the negative earnings development from the medical business will affect the Semperit Group.

The management is consistently pursuing the implementation of the strategy and is focusing on organic and inorganic growth projects. In this context, the next successful step was taken: on 17 April the Semperit Group announced that it would acquire 100% of the Austrian Rico Group GmbH, a leading global supplier of silicone injection moulding tools and producer of liquid silicone components. Closing is expected in the third quarter of 2023. The long-term potential of the transaction for the Semperit Group lies primarily in high-quality tooling for high-precision and complex solutions and the automation of production steps for the manufacture of large volumes. Furthermore, the acquisition will strengthen market access to North America, where Rico has had its own production facilities for many years.

Note

This outlook is based on the assessments of the Executive Board as of 9 May 2023 and does not take into account the impact of potential acquisitions, divestments, or other unforeseeable structural and economic changes during the remainder of 2023. These assessments are subject to both known and unknown risks and uncertainties, which may result in actual events and outcomes differing from the statements made here.

Consolidated income statement

in EUR thousand	Note	1-3 2023	1-3 2022 ¹
Revenue	2.2	185,197	181,512
Changes in inventories		7,076	11,661
Own work capitalised		562	581
Operating revenue		192,834	193,753
Other operating income		1,260	764
Cost of material and purchased services	2.3	-96,179	-102,122
Personnel expenses	2.4	-52,719	-49,870
Other operating expenses	2.5	-24,383	-22,260
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2.1	20,814	20,265
Depreciation and amortisation of intangible assets and property, plant and equipment		-7,631	-7,612
Earnings before interest and tax (EBIT)	2.1	13,183	12,653
Finance income		286	53
Finance expenses		-584	-731
Profit / loss attributable to redeemable non-controlling interests		-963	-1,333
Other financial result		-687	-29
Financial result		-1,948	-2,041
Earnings before taxes		11,235	10,612
Income taxes		-2,941	-3,282
Earnings after tax from continued operations		8,294	7,330
Earnings after tax from discontinued operations	2.6	-7,885	8,208
Earnings after taxes		409	15,538
thereof attributable to the shareholders of Semperit AG Holding – from ordinary shares		510	15,494
thereof attributable to non-controlling interests		-101	45
Earnings per share in EUR (basic and diluted)²		0.02	0.75
of which earnings per share in EUR from continued operations (basic and diluted)		0.40	0.36
of which earnings per share in EUR from discontinued operations (basic and diluted)		-0.38	0.40

¹ The comparative figures were adjusted (see chapter 2.6).

² Earnings per share only concern the ordinary shareholders of Semperit AG Holding.

Consolidated statement of comprehensive income

in EUR thousand	Note	1-3 2023	1-3 2022
Earnings after taxes		409	15,538
Other comprehensive income that will not be recognised through profit and loss in future periods		0	-286
Remeasurements of defined benefit plans		0	0
Income tax thereon		0	-286
Other comprehensive income that will be recognised through profit and loss in future periods		-732	5,124
Currency translation differences		-732	5,124
Other comprehensive income - total		-732	4,838
Comprehensive income		-323	20,376
thereof on earnings attributable to the shareholders of Semperit AG Holding – from ordinary shares		-204	20,320
thereof on earnings attributable to non-controlling interests		-118	56

Consolidated cash flow statement

in EUR thousand	Note	1-3 2023	1-3 2022 ¹
Earnings before taxes		11,235	10,612
Earnings before taxes from discontinued operations ²		-7,794	10,584
Depreciation, amortisation, impairment and reversal of impairment of intangible assets and property, plant and equipment		6,503	12,829
Gain / loss from disposal of assets (including current and non-current financial assets)		0	-39
Change in non-current provisions		2,668	467
Profit / loss attributable to redeemable non-controlling interests		963	1,333
Net interest income (including income from securities)		159	666
Income taxes paid		-4,025	-11,614
Other non-cash income / expense		420	4,802
Gross cash flow		10,129	29,640
Change in inventories		5,396	-18,732
Change in trade receivables		-3,859	-32,660
Change in other receivables and assets		1,028	9,417
Change in trade payables		3,713	24,131
Change in other liabilities and current provisions		4,658	5,752
Cash flows from operating activities		21,065	17,547
Proceeds from sale of property, plant and equipment		36	72
Purchases of intangible assets and property, plant and equipment		-14,469	-17,170
Interest received		416	85
Investment grants received		84	37
Acquisition of financial assets		0	-711
Cash flows from investing activities		-13,932	-17,687
Cash receipts from current and non-current financial liabilities		-3	-4,825
Repayment of lease liabilities		-946	-771
Repayment of liabilities from capital repayment to non-controlling interests in subsidiaries		0	-343
Interest paid		-221	-268
Cash flows from financing activities		-1,169	-6,206
Currency translation differences		-968	1,910
Net change in cash and cash equivalents		4,996	-4,436
Cash and cash equivalents at the beginning of the period related to continued operations		106,631	109,416
Plus cash and cash equivalents related to discontinued operations		51,274	126,123
Cash and cash equivalents at the beginning of the period (consolidated balance sheet value)		157,906	235,539
Cash and cash equivalents at the end of the period		162,902	231,103
Less cash and cash equivalents related to discontinued operations		43,856	94,498
Cash and cash equivalents at the end of the period related to continued operations (consolidated balance sheet value)		119,046	136,605

¹ The comparative figures were adjusted (see chapter 2.6).

² Earnings before taxes from discontinued operations comprise earnings before taxes of EUR -7,694 thousand (previous year: EUR 10,584 thousand) and transaction costs of EUR -100 thousand (previous year: EUR 0 thousand), see section 2.6.

Consolidated balance sheet

in EUR thousand	Note	31.03.2023	31.12.2022
Intangible assets		5,780	6,283
Property, plant and equipment		295,227	293,531
Other financial assets		5,666	5,628
Other assets		8,477	5,842
Deferred tax assets		5,788	5,344
Non-current assets		320,938	316,628
Inventories		125,213	128,214
Trade receivables		95,855	88,861
Other financial assets		1,806	2,457
Other assets		11,050	11,241
Current tax receivables		239	1,010
Cash and cash equivalents		119,046	106,631
Current assets		353,209	338,414
Assets held for sale	3	173,413	187,875
ASSETS		847,560	842,917
Share capital		21,359	21,359
Capital reserves		21,503	21,503
Retained earnings		482,647	482,136
Currency translation reserve		-7,540	-6,825
Equity attributable to the shareholders of Semperit AG Holding		517,970	518,174
Non-controlling interests		852	970
Equity		518,822	519,145
Provisions		32,470	32,134
Liabilities from redeemable non-controlling interests		13,080	12,162
Financial liabilities		37,960	37,956
Trade payables		110	52
Other financial liabilities		19,078	18,925
Other liabilities		2,037	1,995
Deferred tax assets		11,950	12,629
Non-current provisions and liabilities		116,684	115,854
Provisions		27,553	23,442
Liabilities from redeemable non-controlling interests		6,506	6,745
Financial liabilities		15,020	14,503
Trade payables		62,226	63,890
Other financial liabilities		12,769	9,553
Other liabilities		34,774	35,289
Current tax liabilities		7,656	7,586
Current provisions and liabilities		166,503	161,009
Provisions and liabilities held for sale	3	45,550	46,909
EQUITY AND LIABILITIES		847,560	842,917

Consolidated statement of changes in equity

in EUR thousand	Note	Share capital	Capital reserves	Retained earnings	Currency translation reserve	Total	Non-controlling interests	Total equity
As at 01.01.2022		21,359	21,503	512,216	-14,956	540,122	1,028	541,151
Earnings after taxes		0	0	15,494	0	15,494	45	15,538
Other comprehensive income		0	0	-286	5,113	4,827	11	4,838
Comprehensive income		0	0	15,208	5,113	20,320	56	20,376
As at 31.03.2022		21,359	21,503	527,424	-9,844	560,443	1,084	561,527
As at 01.01.2023		21,359	21,503	482,136	-6,824	518,174	970	519,145
Earnings after taxes		0	0	510	0	510	-101	409
Other comprehensive income		0	0	0	-715	-715	-17	-732
Comprehensive income		0	0	510	-715	-204	-118	-323
As at 31.03.2023		21,359	21,503	482,647	-7,539	517,970	852	518,822

Notes to the interim group financial statements (condensed)

1. General

1.1. Basic preparation principals

The interim group financial report has been prepared in accordance with International Financial Reporting Standards (IFRSs) and is based on the regulations for interim financial statements (IAS 34).

For more information on accounting and valuation methods of the Semperit Group, please see the consolidated financial statements as at 31 December 2022, which in this regard form the basis for this interim group financial report.

The reporting currency is the euro, with figures rounded to the nearest thousand, unless expressly stated otherwise. Rounding differences in the totalling of rounded amounts and percentages may arise from the automatic processing of data.

On 16 December 2022, the management of the Semperit Group reached an agreement with the Southeast Asian glove producer, HARPS GLOBAL PTE. LTD., which is based in Singapore and runs manufacturing operations in Malaysia, on the sale of the Sempermed segment. As far as the production of examination gloves and the associated sales organisation are concerned, the conditions for presentation as discontinued operations were given; for the time being, however, the production of surgical gloves will remain with the Semperit Group and thus will be presented in continued operations.

The interim group financial report of the Semperit Group as at 31 March 2023 have not been fully audited or reviewed by the Group's auditor

1.2. New and amended accounting standards

The following new/revised Standards and Interpretations were applied for the first time in the first quarter of 2023:

		Endorsement	Mandatory application for the Semperit Group	Effects on the Semperit Group
New standards and interpretations				
IFRS 17	Insurance Contracts	19 November 2021	1 January 2023	no
Amended standards				
IAS 1	Amendments to the presentation of the financial statement: disclosure of accounting standards	2 March 2022	1 January 2023	no
IAS 8	Amendments to accounting policies, amendments to accounting estimates and errors: definition of accounting estimates	2 March 2022	1 January 2023	no
IAS 12	Amendments to deferred taxes related to assets and liabilities arising from a single transaction	11 August 2022	1 January 2023	no
Miscellaneous	Amendments to the initial application of IFRS 17 and IFRS 9 – comparative information	8 September 2022	1 January 2023	no

2. Performance

2.1. Segment reporting

Neither the presentation nor the measurement requirements pursuant to IFRS 5 applicable to discontinued operations were used in internal segment reporting.

1-3 2023 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Group Eliminations	Total
Revenue	39,572	72,649	43,018	31,977	28,793	0	0	216,010
Revenue with other segments	0	91	0	0	42	0	-133	0
EBITDA	-11,604	16,734	7,327	1,588	4,954	-7,318	0	11,681
EBIT	-13,544	13,624	6,191	6	3,860	-7,675	0	2,462
Depreciation and amortisation of intangible assets and property, plant and equipment	-3,068	-3,110	-1,136	-1,582	-1,094	-357	0	-10,347
Reversal of impairment of intangible assets and property, plant and equipment	1,128	0	0	0	0	0	0	1,128
Trade working capital	40,026	73,299	34,081	25,351	23,030	-6,482	0	189,306
Additions to intangible assets and property, plant and equipment ¹	714	1,630	436	1,865	1,075	112	0	5,833

¹ Excluding right-of-use assets in accordance with IFRS 16

1-3 2023 in EUR thousand	Total	Adjustments	Discontinued + continued operation	Discontinued operation	Continued operation
Revenue	216,010	8,755	224,764	39,568	185,197
Revenue with other segments	0	0	0	0	0
EBITDA	11,681	100	11,781	-9,034	20,814
EBIT	2,462	2,816	5,277	-7,906	13,183
Depreciation and amortisation of intangible assets and property, plant and equipment	-10,347	2,716	-7,631	0	-7,631
Reversal of impairment of intangible assets and property, plant and equipment	1,128	0	1,128	1,128	0
Trade working capital	189,306	0	189,306	30,464	158,843
Additions to intangible assets and property, plant and equipment ¹	5,833	0	5,833	467	5,366

¹ Excluding right-of-use assets in accordance with IFRS 16

1-3 2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Group Eliminations	Total
Revenue	106,061	79,814	28,307	36,628	26,226	0	0	277,036
Revenue with other segments	0	52	0	64	28	0	-144	0
EBITDA	13,327	19,589	1,273	2,374	3,210	-3,244	0	36,531
EBIT	7,600	16,635	334	519	2,148	-3,534	0	23,702
Depreciation and amortisation of intangible assets and property, plant and equipment	-5,727	-2,954	-939	-1,855	-1,062	-290	0	-12,829
Trade working capital	78,782	75,527	25,098	25,060	22,006	-4,310	0	222,163
Additions to intangible assets and property, plant and equipment ¹	4,492	1,054	344	1,813	1,088	1,206	0	9,997

¹ Excluding right-of-use assets in accordance with IFRS 16

1-3 2022 in EUR thousand	Total	Adjustments	Discontinued + continued operation	Discontinued operation	Continued operation
Revenue	277,036	10,530	287,566	106,054	181,512
Revenue with other segments	0	0	0	0	0
EBITDA	36,531	0	36,531	16,266	20,265
EBIT	23,702	0	23,702	11,050	12,653
Depreciation and amortisation of intangible assets and property, plant and equipment	-12,829	0	-12,829	-5,216	-7,612
Trade working capital	222,163	0	222,163	74,801	147,362
Additions to intangible assets and property, plant and equipment ¹	9,997	0	9,997	4,146	5,852

¹ Excluding right-of-use assets in accordance with IFRS 16

2.2. Revenue

1-3 2023 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Western Europe	5	42,625	18,031	25,506	17,688	103,856
Asia	8,755	5,861	5,677	95	5,229	25,617
North America	0	11,849	7,695	2,937	2,323	24,803
Eastern Europe	0	11,364	2,008	3,439	3,136	19,946
Central and South America	0	619	4,589	0	285	5,493
Africa	0	204	4,806	0	128	5,138
Australia and Oceania	0	127	212	0	4	343
Revenue	8,759	72,649	43,018	31,977	28,793	185,197

1-3 2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Western Europe	7	47,101	12,841	29,296	16,466	105,711
Asia	10,530	5,781	5,800	145	4,964	27,219
North America	0	9,271	2,382	2,337	1,244	15,234
Eastern Europe	0	15,695	3,390	4,847	3,110	27,042
Central and South America	0	1,243	582	3	384	2,213
Africa	0	533	1,589	0	45	2,167
Australia and Oceania	0	190	1,723	0	12	1,926
Revenue	10,537	79,814	28,307	36,628	26,226	181,512

2.3. Cost of materials and purchased services

in EUR thousand	1-3 2023	1-3 2022
Cost of materials	82,183	88,850
Energy expenses	10,382	9,900
Production-related maintenance costs	2,226	1,979
Purchased services	1,389	1,393
Total	96,179	102,122

2.4. Personnel expenses

in EUR thousand	1-3 2023	1-3 2022
Wages	20,170	19,488
Salaries	22,362	20,637
Severance payments	352	301
Retirement benefit expenses	296	199
Statutory social security expenses and other compulsory wage-related payments	8,828	8,544
Other social security expenses	709	701
Total	52,719	49,870

2.5. Other operating expenses

in EUR thousand	1-3 2023	1-3 2022
Outgoing freight	6,326	6,894
Legal, consulting and auditing fees	3,580	2,725
Maintenance and external services	2,968	2,022
Energy costs unrelated to production	1,396	1,206
Insurance premiums	1,360	1,118
Travel expenses	1,220	582
Complaint costs	1,173	69
Commission and advertising expenses	905	549
Software licence expenses	655	1,274
Waste disposal	555	456
Rental and lease expenses	499	714
Other taxes	439	513
Fees, subscriptions and donations	396	243
Office equipment	252	275
Training and education expenses	174	162
Communications	166	171
Bank expenses and hedging costs	65	68
Valuation allowances (+) / income from the release of valuation allowances (-)	-347	63
Miscellaneous	2,602	3,157
Total	24,383	22,260

2.6. Earnings after taxes from discontinued operations

The income statement for the discontinued operations is presented below:

in EUR thousand	1-3 2023	1-3 2022
Revenue	39,568	106,054
Changes in inventories	-277	-8,347
Own work capitalised	19	410
Operating revenue	39,310	98,117
Other operating income	163	100
Cost of material and purchased services	-35,976	-62,165
Personnel expenses	-7,379	-9,051
Other operating expenses	-5,152	-10,735
Earnings before interest, tax, depreciation and amortisation (EBITDA)	-9,034	16,266
Depreciation and amortisation of intangible assets and property, plant and equipment	0	-5,216
Reversal of impairment of intangible assets and property, plant and equipment	1,128	0
Earnings before interest and tax (EBIT)	-7,906	11,050
Finance income	100	38
Finance expenses	-13	-28
Other financial result	125	-476
Financial result	212	-466
Earnings before taxes	-7,694	10,584
Income taxes	-91	-2,375
Earnings after taxes	-7,785	8,208
Transaction costs recognized	-100	0
Income taxes on transactions costs recognized	0	0
Result from deconsolidation	0	0
Reclassification of other income to profit/loss for the period	0	0
Subtotal	-100	0
Result from discontinued operations	-7,885	8,208
thereof earnings attributable to the shareholders of Semperit AG	-7,784	8,164
thereof attributable to non-controlling interests	-101	45

Earnings after taxes arising from the fair-value measurement less costs to sell correspond to the reversal of impairment losses on intangible assets and property, plant and equipment.

The expenses for material and purchased services comprise the following:

in EUR thousand	1-3 2023	1-3 2022
Cost of materials	25,462	49,387
Energy expenses	9,995	11,976
Production-related maintenance costs	456	721
Purchased services	62	81
Total	35,976	62,165

Other operating expenses comprise the following:

in EUR thousand	1-3 2023	1-3 2022
Outgoing freight	2,121	7,869
Miscellaneous	3,031	2,866
Total	5,152	10,735

Cash flows from the operating, investing and financing activities of the discontinued operation:

in EUR thousand	1-3 2023	1-3 2022
Cash flows from operating activities	-2,121	24,721
Cash flows from investing activities	-712	-6,582
Cash flows from financing activities	-146	-5,346

3. Assets held for sale and provisions and liabilities held for sale

in EUR thousand	31.03.2023	31.12.2022
Intangible assets	100	99
Property, plant and equipment	75,422	75,328
Other financial assets	50	81
Other assets	10	24
Non-current assets	75,583	75,532
Inventories	35,141	38,597
Trade receivables	14,443	17,520
Other financial assets	324	454
Other assets	2,256	2,528
Current tax receivables	1,810	1,970
Cash and cash equivalents	43,856	51,274
Current assets	97,830	112,343
Assets held for sale	173,413	187,875
Currency translation differences	-19,725	-16,989
Provisions	7,024	4,747
Other financial liabilities	631	734
Other liabilities	327	400
Deferred tax assets	10	7
Non-current provisions and liabilities	7,993	5,887
Provisions	10,516	10,904
Trade payables	19,121	19,792
Other financial liabilities	2,026	2,299
Other liabilities	2,737	3,524
Current tax liabilities	3,157	4,503
Current provisions and liabilities	37,557	41,022
Provisions and liabilities held for sale	45,550	46,909

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Financial Calendar 2023

10.05.2023	Report on Q1 2023
10.08.2023	Half-year financial report 2023
08.11.2023	Report on Q1-3 2023

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Disclaimer

The terms "Semperit" or "Semperit Group" in this report refer to the group; "Semperit AG Holding" or "Semperit Aktiengesellschaft Holding" is used to refer to the parent company (individual company).

We have prepared this report and verified the information it contains with the greatest possible care. Nevertheless, rounding, typesetting and printing errors cannot be ruled out. Rounding of differences in the summation rounded amounts and percentages may arise from the automatic processing of data.

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and information available and the assessments made at the time that this report was prepared (editorial deadline: 09 May 2023). As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements. Words such as "expect," "want", "believe," "anticipate," "includes," "plan," "assumes," "estimate," "projects," "intends," "should," "will," "shall," or variations of such words are generally part of forward-looking statements.

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Statements referring to people are valid for both men and women.

This report has been written in German and English. In case of doubt, the German version shall take precedence.