

Press Release**Semperit: High earnings growth due to one-off effects in Q1 2017**

- Revenue in Q1 2017 increased by 4.5% to EUR 229.3 million
- High growth in earnings due to successful termination of joint venture transaction
- Development of earnings without one-off effects burdened by higher raw material prices
- Transition phase started to enhance profitability; outlook remains suspended

Vienna, 16 May 2017 – The publicly listed Semperit Group recorded high positive one-off effects in the first quarter of 2017 due to the termination of almost all joint venture activities with the Thai Sri Trang Agro-Industry Public Co Ltd Group (“joint venture transaction”). In its operational business significant negative earnings effects were recorded due to higher raw material prices, which could only partially and after a certain time lag be passed on to the market.

Semperit increased corporate revenue by 4.5% from EUR 219.5 million to EUR 229.3 million compared with the same period of previous year. Both the Industrial and the Medical Sector contributed to this growth in sales with a strong sales performance and increase in volumes. EBITDA rose to EUR 94.4 million (after EUR 26.7 million in Q1 2016), while EBIT increased to EUR 86.4 million (after EUR 18.6 million). This strong increase was due to the positive one-off effects from the successful closing of the joint venture transaction on 15 March 2017. The resulting cash inflow amounted to around EUR 190 million before tax, while the positive one-off effects on the EBITDA and EBIT level totalled approximately EUR 85 million. Earnings after tax increased to EUR 62.8 million (after EUR 10.1 million), while earnings per share rose to EUR 3.06 (after EUR 0.49).

Irrespective of the one-off effects from the joint venture transaction, the adjusted EBITDA amounted to EUR 9.6 million in the first quarter of 2017. The adjusted EBIT was EUR 1.5 million. The adjusted earnings after tax totalled EUR –2.0 million, while the adjusted earnings per share were EUR –0.1. The operational decline in earnings without one-off effects in comparison with the same period of previous year resulted notably from a significant price increase for important raw material groups, which could only partially be passed on to the market and with a time lag in the reporting period. These negative earnings effects could not be offset by the strong sales performance, which led to volume growth in all segments and accordingly caused significant negative effects on margins and earnings.

Semperit used the cash inflow from the joint venture transaction to reduce debt and to finance the current investment programme. Net debt was decreased significantly by EUR 136.8 million to now EUR 93.8 million (31 December 2016: EUR 230.6 million). The equity ratio was up by 39.2% (31.8%). Cash and cash equivalents increased to EUR 243.1 million (EUR 190.2 million) as of 31 March 2017.

Industrial Sector: Differentiated development

In the Industrial Sector (Semperflex, Sempertrans and Semperform segments), the production sites of all three segments were well utilised. Semperflex and Semperform generated further increases with a very good sales performance, whereas Sempertrans continued to be burdened by weak demand for heavy conveyor belts. Increases in raw material prices caused additional margin pressure in all three segments, having an above average negative effect on the Sempertrans segment.

The Sector revenue increased in the first quarter of 2017 particularly due to a very strong

development in the Semperflex segment of EUR 133.6 million, a 4.9% increase to EUR 140.1 million. EBITDA declined significantly from EUR 25.1 million to EUR 17.2 million (-31.4%).

Medical Sector: Positive one-off effects

The Medical Sector (Sempermed segment) profited from the positive one-off effects of the joint venture transaction in the first quarter of 2017. This was offset by negative effects on raw material prices, persistently high margin pressure as well as generally unsatisfactory profitability.

The Sector's revenue increased in the first quarter of 2017 by 3.9% to EUR 89.2 million due to volume growth. EBITDA rose to EUR 78.1 million (after EUR 6.1 million in Q1 2016) due to one-off effects from the joint venture transaction. The adjusted EBITDA, without the one-off effects attributable to the Sempermed segment, amounted to zero.

Outlook 2017: Limited visibility/transition phase started

The Semperit Group continues to have a limited visibility for its operational business because of a very high volatility in the development of raw material prices. Semperit assumes that the weak market development of the first quarter of 2017 might partially continue in the upcoming reporting periods, so that considerable negative effects on operational results in comparison with the previous year must be expected.

The adjusted EBIT (without one-off effects from the joint venture transaction) for the 2017 financial year will therefore be significantly below the adjusted EBIT of 2016 (EUR 41 million after deduction of the earnings contribution from the Thai SSC/Siam Sempermed Corporation Ltd. at that time). As communicated in the ad hoc release of 10 April 2017, the long-term earnings outlook for the Sempermed segment (Medical Sector) must be subjected to a thorough review, which might result in a significant impairment in this segment.

At the same time, the Management Board has initiated further measures to increase profitability and review the IT strategy. This might also lead to significant one-off charges in the following reporting periods.

During this transition phase, the Management Board will focus primarily on increasing profitability. This shall be achieved by the above-mentioned measures in addition to a focus on cost reduction and efficiency enhancement in all segments and on the corporate level.

Due to limited visibility, an outlook for the financial year 2017 can still not be provided.

Semperit continues to focus on organic growth. Investments in the expansion of capacities will be continued. Total capital expenditures (CAPEX) of around EUR 80-90 million (2016: EUR 65 million) have been planned for 2017.

The report on the first quarter of 2017 is available at <http://www.semperitgroup.com/en/ir/>.

Photo download: <https://semperitgroup.picturepark.com/Go/wPXX3GzO>

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About Semperit

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells highly specialised rubber and plastic products in more than 100 countries for the medical and industrial sectors: examination and surgical gloves, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, and products for railway superstructures. The headquarters of this traditional Austrian company, which was founded in 1824, are located in Vienna. The Semperit Group employs around 7,000 people worldwide, including close to 3,900 in Asia and more than 800 in Austria (Vienna and production site in Wimpassing, Lower Austria). The group has 22 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, Australia and America. In 2016, the group generated sales of EUR 852 million and EBITDA of EUR 78 million.