

Press Release**Semperit: Continued revenue growth in half-year 2017, first measures in transition phase taken**

- Revenue in H1 2017 increased by 5.2% year-on-year to EUR 461.6 million
- High growth in earnings in H1 2017: positive one-off effects from joint venture transaction in Q1 2017 more than offset negative one-off effects in Q2 2017
- First measures in transition phase: reduction of costs in Sempermed led to productivity gains; restructuring expenses at Sempertrans, valuation adjustment in IT and impairment at Sempermed
- Outlook remains suspended

Vienna, 17 August 2017 – The Semperit Group achieved continued revenue growth in H1 2017. With the new management complete in June 2017, first decisive measures in the transition phase were taken to ultimately enhance profitability for Sempermed and Sempertrans segments. In Sempermed productivity gains were achieved by reducing costs in production, marketing and sales, including a reduction of number of employees in the segment by 14%. Furthermore, an impairment of EUR 26.0 million at Sempermed, restructuring expenses at Sempertrans in France of 6.8 million and EUR 4.0 million valuation adjustments of capitalised IT costs at the Corporate Center segment were accounted for.

The new CEO of Semperit Group, Dr Martin Füllenbach, highlights the importance of the current analysis and the upcoming strategic review of the existing portfolio in light of global competition and profitability potential: "I can ensure you that we will not leave any stone untouched in the organisation! To establish profitable growth in our corporate DNA, we will need to review core technology and processes."

In H1 2017, all segments except Sempertrans contributed to the 5.2% year-on-year increase in Group revenue, largely driven by strong sales and higher volume. Reported EBITDA rose to EUR 97.3 million, up by 84.4% year-on-year. Reported EBIT was up by 49.9% to EUR 54.3 million. The increase was enabled by the positive one-off effect of EUR 84.8 million in Q1 2017 from the closing of the joint venture transaction while there were negative one-off effects of EUR 36.7 million in Q2 2017. The resulting cash flow was up by 34.7% to EUR 48.8 million and earnings per share rose by 18.6% to EUR 1.03.

When adjusted for the above mentioned positive one-off effects from the joint venture transaction and the negative impacts from the impairment, restructuring expenses and valuation adjustment, operating EBIT was at EUR 6.2 million, which implied a considerable 81.6% decline on a year-on-year comparison. Semperflex and Semperform continued to provide a positive EBIT contribution. Operating EBIT at Sempermed improved but was still negative, while Sempertrans was adversely affected in Q2 by raw material price developments and margin pressure. Adjusted earnings per share were EUR -0.38 (H1 2016: EUR 0.75).

The Semperit Group used the cash inflow from the joint venture transaction in March 2017 to reduce debt and to finance committed capex of the investment programme. Net debt was reduced significantly from EUR 230.6 million at the end of 2016 to EUR 141.4 million on 30 June 2017, which implied a lower net debt/EBITDA ratio of 1.15 x (end of 2016: 2.96 x).

The equity ratio was at a solid 36.3% (end of 2016: 31.8%). Cash and cash equivalents were strong at EUR 189.0 million following the cash inflow from the joint venture transaction (end of 2016: EUR 190.2 million).

Industrial Sector

Segments within the Industrial Sector (Semperflex, Sempertrans and Semperform) performed to a varying degree, with revenue increasing in all segments except Sempertrans, resulting in total revenue up by 4.2% to EUR 280.3 million. However, due to adverse raw materials prices which could not immediately be passed on to customers profitability suffered in H1 2017, with EBITDA down by 49.6% year-on-year to EUR 26.4 million and EBIT lower by 61.1% to EUR 16.6 million. EBIT was particularly impacted by the restructuring expenses of EUR 6.8 million at Sempertrans in France.

Medical Sector

The Medical Sector (segment Sempermed) faced a very difficult market environment, driven by price pressure and excess capacities. Against this backdrop, revenue increased by 6.9% year-on-year to EUR 181.4 million as a result of slightly higher volumes and price increases. The expansion and capacity optimisation at the plant in Malaysia continued while further cost reduction measures in production, marketing and sales were implemented. On a year-on-year comparison, the number of employees in the segment was reduced by 14% or more than 450 people. All these measures led to productivity gains.

Reported EBITDA and EBIT rose to EUR 79.8 million and EUR 48.1 million in H1 2017. After adjustments for the positive contribution from the joint venture transaction in Q1 2017 and the impairment in Q2 2017, operating EBITDA was down to EUR 1.7 million (H1 2016: EUR 5.3 million) and operating EBIT EUR -4.0 million (H1 2016: EUR -1.4 million).

Q2 2017 Results

Revenue at Semperit Group in Q2 2017 increased on a year-on-year comparison by 6.0% to EUR 232.3 million, with revenue in the Industrial Sector up by 3.5% and the Medical Sector by 10.0%. Mainly due to higher costs for material and other operating expenses, EBITDA fell significantly to EUR 2.9 million. Total one-off items in Q2 2017 amounted to EUR 36.7 million, with the impairment at Sempermed accounting for EUR 26.0 million alone. As a result, EBIT was EUR -32.0 million and earnings per share EUR -2.02. Operating EBIT, adjusted for the mentioned one-off items, was EUR 4.6 million.

Outlook 2017

Semperit continues to have limited visibility during the transition phase while, at the same time, volatility in raw material prices makes any attempt to provide reasonable guidance even more difficult.

At this stage of the reporting cycle, however, we can reiterate that the adjusted EBIT for 2017 will be significantly below the 2016 result and that outlook remains suspended for the financial year 2017. Capex is expected to be in the range of EUR 80-90 million by year-end.

The half-year financial report 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 in more than 100 countries highly specialised rubber products 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 long-standing Austrian company, which was founded in 1824, are located in Vienna. The Semperit Group employs around 6,500 people worldwide, including about 3,500 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 revenue of EUR 852 million and an EBITDA of EUR 78 million.