

**Press release****Semperit: operating results improved again in the first nine months of 2018**

- Total revenue of EUR 670.3 million at the previous year's level
- Industrial Sector gained momentum and increased revenue by 5.6% to EUR 432.7 million; revenue decreased by 8.7% in the Medical Sector
- EBITDA adjusted for negative one-off effects increased by 39.1% to EUR 45.8 million; adjusted EBITDA margin rose from 4.9% to 6.8%
- EBIT adjusted for one-off effects more than doubled to EUR 17.5 million, while adjusted EBIT margin improved from 1.2% to 2.6%

Vienna/Austria, 21 November 2018 – The operating earnings (adjusted EBIT) of the publicly listed Semperit Group continued to increase with stable sales in the first nine months of 2018. “We see a clear progress, which manifests itself particularly in the Industrial Sector,” says Martin Füllenbach, Chairman of the Management Board of Semperit AG Holding. “More than 600 initiatives, which we have introduced within the scope of our restructuring and transformation process, contribute significantly to the improvement of operating results. On the personnel side, we have also made considerable changes of the course in recent months and restructured the first and second management levels in the Sempertrans segment. In this quarter, Sempertrans has achieved the best quarterly results in two years.”

The business development was characterised by continuous positive global growth dynamics and primarily favourable economic conditions in the first nine months of 2018. However, the escalating trade war between the USA and China, rising inflation and massive currency devaluations in some of the large emerging economies caused increasing uncertainties in the raw material and financial markets. Over the last few months, increased competition was observed for some of the raw materials needed by Semperit.

In the Medical Sector and in the Sempertrans segment, lower revenues were recorded; at Sempertrans this is among other things due to the closing of plants in France and China. However, Semperflex and Semperform performed well and achieved an increase in revenue. At the same time, the current restructuring measures at the corporate level were continuously enhanced; this caused an improvement of the operating performance. In contrast, volumes sold decreased in the Medical Sector and an impairment of EUR 55.2 million had to be recognised towards the end of the first half of 2018. The half-year report of 2018 already fully included these figures.

At EUR 670.3 million, total revenue in the first nine months of 2018 was at the previous year's level. The Industrial Sector achieved an increase in revenue of 5.6%, which was offset by a revenue decrease by 8.7% in the Medical Sector. EBITDA, adjusted for the negative one-off effects of EUR 3.9 million from the shutdown of the Sempertrans site in China, increased from EUR 32.9 million to EUR 45.8 million, while the adjusted EBITDA margin rose from 4.9% to 6.8%. The reported EBITDA was EUR 41.9 million in the first three quarters of 2018 after EUR 97.8 million in the first three quarters of 2017.

Correspondingly, adjusted EBIT also developed very well and increased from EUR 7.9 million in the first nine months of 2017 to EUR 17.5 million in the same period of 2018, while the adjusted EBIT margin rose from 1.2% to 2.6%. The reported EBIT was EUR –45.5 million in the first three quarters of 2018 after EUR 46.1 million (contained one-off effects from the joint venture transaction in Thailand) in the same period of 2017.

In total, adjusted earnings after tax were EUR –9.9 million in the first three quarters of 2018 compared with the adjusted value of EUR –13.6 million in the same period of 2017. Reported earnings from the beginning of the year until the end of September amounted to EUR –72.9 million after EUR 4.9 million in the same period last year. Adjusted earnings per share were EUR –0.48 in the first nine months of 2018 after EUR –0.66 in the first three quarters of 2017 while the reported earnings per share were EUR –3.68 after EUR 0.24.

At EUR 57.7 million, cash-relevant investments in tangible and intangible assets in the first nine months of 2018 were higher than the previous year's level of EUR 55.8 million. The investment priorities were on expansion and optimisation in the segments Semperflex (expansion of the hydraulic hose production at the site in Odry, Czech Republic) and Sempertrans (primarily for the expansion of mixing in Bełchatów, Poland).

With an equity ratio of 39.7% (end of 2017: 32.6%) Semperit continues to have solid capital resources at the balance sheet date, which were additionally strengthened by the agreement on a hybrid capital line with the core shareholder in December 2017. Under accounting law, the Hybrid capital is classified as equity according to IFRS provisions. In March 2018, EUR 130.0 million were drawn from the hybrid capital. Cash and cash equivalents were EUR 185.3 million at the end of September 2018 and were therefore above the level of the end of 2017 (EUR 165.5 million).

#### INDUSTRIAL SECTOR: SIGNIFICANTLY INCREASING EARNINGS

The Industrial Sector (Semperflex, Sempertrans and Semperform segments) recorded very differentiated developments. Sales figures of Semperflex increased while they maintained their level at Semperform and decreased at Sempertrans. Revenue increased by 5.6% to EUR 432.7 million, with the Semperflex segment accounting for the largest share of the increase by far, followed by Semperform. Despite a revenue decrease, which was partly due to the closing of plants in France and China, Sempertrans achieved the best quarterly results of the last two years. EBITDA of the Industrial Sector improved by 79.9% to EUR 55.8 million compared with the previous year while EBIT more than doubled to EUR 35.3 million. Accordingly, the EBITDA margin increased by 5.3pp to 12.9% while the EBIT margin rose by 4.2pp to 8.2%.

#### MEDICAL SECTOR: DECLINING REVENUE AFTER CONSCIOUS STRATEGY CHANGE

In the first nine months of 2018, the development of the Sempermed segment in the Medical Sector was again characterised by increasing competitive and price pressures, but also by a decrease in volumes sold due to conscious strategy changes focussing on in-house products with higher margins. This was reflected in a revenue development declining by 8.7%. In addition, the earnings development was influenced by a temporarily limited availability of synthetic latex as well as inefficiencies in production and difficult market conditions primarily in North America.

The results include an impairment of EUR 55.2 million (only relevant for EBIT), which was fully taken into account in the half-year results as of 30 June 2018. Adjusted EBITDA for the first nine months of 2018 amounted to EUR –0.8 million compared with EUR 3.3 million in same period of the previous year, which was due to the adjustment by the positive effects of the joint venture transaction. Reported EBIT was EUR –66.4 million compared with EUR 44.7 million in the first nine months of 2017. Since September, Felix Fremerey, who had previously worked in the medical device sector, has been responsible for the Medical sector.

#### OUTLOOK 2018

In the further course of the restructuring and transformation process, the Management Board will decide step by step whether there will be changes in the portfolio of existing segments as

well as further adaptations in the manufacturing footprint. Continuous and potentially new measures to increase profitability remain right at the top of the Management Board's agenda. For 2018, no further significant one-off charges are expected, although they cannot be excluded for 2019. Therefore, 2018 and also 2019 should continue to be viewed as transition years. Due to the above-mentioned developments, the outlook remains suspended for the coming quarters.

Initially, Semperit will focus on organic growth, particularly in the Industrial Sector. In addition to the ongoing optimisation measures in the Sempermed segment, Semperit has started further implementation steps for Sempertrans and Semperform at the beginning of the year. Semperfex is also part of the transformation process. Here, like in Mixing, the focus is on accelerating organic growth following completion of the investment projects. Total capital expenditures (CAPEX) of around EUR 80 million (2017: EUR 74.5 million) have been planned for 2018, while capital expenditures of EUR 50 to 60 million are expected for 2019.

Since the beginning of the analysis and transformation process in autumn 2017, the Management Board has identified significant potentials for earnings improvement and initiated appropriate implementation measures. The conclusion of the transformation of the Semperit Group is scheduled for the end of 2020. From this point of time, the Semperit Group aims to achieve an EBITDA margin of around 10% as central key performance indicator.

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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 6,700 people worldwide, including around 3,500 in Asia and around 900 in Austria (Vienna and production site in Wimpassing, Lower Austria). The group has 15 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, Australia, and America. In 2017, the group generated sales of EUR 874.2 million and an adjusted EBITDA (without one-off effects) of EUR 35.8 million.