

## Press information

### Semperit starts 2018 with improved results and slight revenue decline

- Total revenue of EUR 220.9 million, down by 3.7% on the previous year
- Revenue in Industrial Sector increases by 0.5% and in Medical Sector decreases by 10.3% due to low sales volume
- Operating EBITDA increases by 83.3% to EUR 15.8 million in year-on-year comparison (adjusted for one-off effects), EBITDA margin rises from 4.2% (adjusted) to 7.1%
- EBIT at EUR 6.0 million, EBIT margin improved from 0,7% (adjusted) to 2.7%

Vienna/Austria, 25 May 2018 – The publicly listed Semperit Group improved its operating results in the first quarter of 2018 despite a slight revenue decrease. “We are looking back on a strong and profitable first quarter,” says Martin Füllenbach, Chairman of the Management Board of Semperit AG Holding. “This should not obscure the fact that we are still in a difficult situation. One successful quarter is not a successful turnaround. However, I am happy that the individual measures we have initiated since the start of our comprehensive restructuring and transformation process are beginning to bite.”

The business development in the first quarter was influenced on the one hand by positive factors such as the continuous global growth momentum and favourable economic framework conditions. On the other hand, increasing inflation and massive currency devaluations in some of the large emerging economies caused increasing uncertainties in the raw material and finance markets. A fierce competition for supply of some of the raw materials Semperit needs has emerged in recent months.

Semperflex and Semperform were able to perform well and increased the volumes sold in the first quarter 2018, whereas in the Medical Sector as well as at Sempertrans there were declines in sales.

At EUR 220.9 million, total revenue in the first quarter of 2018 was 3.7% below the previous year’s value. The Industrial Sector achieved an increase in revenue of 0.5% which was offset by a revenue decrease of 10.3% in the Medical Sector.

EBITDA increased by 83.3% to EUR 15.8 million in comparison with the value of the first quarter of 2017, which was adjusted for the one-off effects from the joint venture transaction, while the EBITDA margin increased from 4.2% to 7.1% in the first quarter of 2018. Correspondingly, EBIT also developed positively and increased from EUR 1.5 million (adjusted value of the first quarter of 2017) to EUR 6.0 million. The EBIT margin rose from 0.7% to 2.7%. Earnings after tax decreased from EUR –2.0 million (adjusted value of the first quarter of 2017) to EUR –2.6 million in the same period in 2018. Earnings per share therefore amounted to EUR –0.14 after EUR –0.10 (adjusted value of the first quarter of 2017) in the relevant reporting period.

At EUR 24.5 million, cash-relevant investments in tangible and intangible assets in the first quarter of 2018 were 12.7% higher than the previous year’s level of EUR 21.7 million. The investment priorities were on expansion and optimisation in the segments Semperflex (expansion of the hose production at the plant in Odry, Czech Republic) and Sempertrans (primarily for the expansion of mixing in Belchatow, Poland).

With an equity ratio of 43.7% (end of 2017: 32.6%) Semperit continues to have solid capital resources on the balance sheet date, which were further 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 213.9 million at the end of March 2018 and were therefore significantly above the level of the end of 2017 (EUR 165.5 million).

Due to negative earnings after tax in 2017 and the continued restructuring and transformation process, a majority at the Annual General Meeting on 25 April 2018 decided to pay out no dividend for 2017 (2016: EUR 0.70 per share).

#### INDUSTRIAL SECTOR: HIGHER SALES AND INCREASING EARNINGS

The Industrial Sector comprises the segments Semperflex, Sempertrans and Semperform and continued to develop in a differentiated way. The sales volumes (volumes sold) in Semperflex and Semperform increased in contrast to those of Sempertrans. Revenue increased by 0.5% to EUR 140.9 million with the largest share being attributable to the Semperflex segment. EBITDA improved by 9.1% to EUR 18.8 million compared with the previous year, while EBIT rose by 6.2% to EUR 13.1 million. Accordingly, the EBITDA margin increased by 1.0% to 13.3%, and the EBIT margin rose by 0.5% to 9.3%.

#### MEDICAL SECTOR: DECLINING SALES

The development of the Sempermed segment in the Medical Sector was characterised by a competitive market environment. The decrease in revenue by 10.3% was characterised by a declining sales development resulting from a focus change on more profitable customer segments and from competitive pressure. The initiated cost reduction programme (production, marketing, sales) for the segment was continued. In total, the earnings development in the first quarter of 2018 was substantially characterised by declining sales. In comparison to the adjusted value of the previous year, EBITDA, and EBIT at EUR 1.4 million and EUR –2.2 million, respectively, in the first quarter of 2018 were above the previous year's values, although again on a low level.

#### CHANGES IN ORGANISATION STRUCTURE TO SUPPORT TRANSFORMATION

The complexity of restructuring and the large number of action fields also require optimisation and an increased focus relating to the organisation structure: Therefore, Martin Füllenbach has taken responsibility for pricing, which will now be managed centrally, in addition to the overall responsibility for the Industrial Sector and the transformation process on Management Board level.

Chief Financial Officer (CFO) Frank Gumbinger will take over responsibility for procurement, which is also in the focus of restructuring measures. Michele Melchiorre, Chief Operating Officer (COO) of Semperit AG Holding, has taken charge of the Medical Sector in addition to his previous tasks.

The Supervisory Board has also decided to extend the Management Board mandate of Michele Melchiorre until 31 May 2022. This ensures continuous responsibility and the implementation of the transformation process in the Sempermed segment on the Management Board level beyond the planned transformation period.

#### OUTLOOK 2018

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

well as further adaptations in the manufacturing footprint. Continuous and potentially new measures to increase profitability and to strengthen the balance sheet structure remain right at the top of the Management Board's agenda. Further considerable one-off charges in addition to the measures already taken and still being analysed can therefore not be excluded in the coming quarters. Therefore, 2018 should be viewed as a transition year. Due to the above-mentioned developments, the outlook remains suspended for the coming quarters.

Semperit continues to focus on organic growth. In addition to the ongoing optimisation measures in the Sempermed segment, Semperit has started further implementation steps for Sempertrans and Semperform. In the Semperflex segment and in Mixing, the focus is on accelerating the profitable implementation of still necessary investment projects and the related organic growth course. Investments in the expansion of capacities will therefore be continued. Total capital expenditures (CAPEX) of around EUR 80 million (2017: EUR 74.5 million) have been planned for 2018.

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 onwards, the Semperit Group aims to achieve an EBITDA margin of 10% as central 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 6,800 people worldwide, including around 3,700 in Asia and more than 800 in Austria (Vienna and production site in Wimpassing, Lower Austria). The group has 16 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.