

Press release

Semperit posts record result again in 2021 despite difficult conditions – revenue exceed billion-euro threshold

- Consolidated sales increased by 27.4% to EUR 1,182.2 million in 2021
- Revenue in the Industrial Sector grew by 16.2% to EUR 556.1 million and by 39.4% to EUR 626.1 million in the Medical Sector
- EBITDA increased by 73.5% to EUR 361.8 million; EBITDA margin again significantly increased to 30.6% (2020: 22.5%)
- EBIT again noticeably improved to EUR 315.0 million (2020: EUR 237.8 million) and significantly increased compared to adjusted EBIT; EBIT margin at 26.6% (2020: 25.6%, adjusted 18.5%)
- Free cash flow increased by 36.9% to EUR 241.2 million (2020: EUR 176.2 million)
- Proposed dividend of EUR 1.50 per share corresponds to dividend yield of 5.1%

Vienna, Austria, 23 March 2022 – The publicly listed Semperit Group again achieved a record result in the 2021 financial year despite the difficult economic climate, which was affected by the ongoing coronavirus pandemic, rising inflation and the consistently tense situation in the global supply chains. “Although the dramatic developments surrounding the Russia-Ukraine war naturally dampen the joy of our company’s success for the second consecutive year, this is an outstanding achievement for which we would first and foremost like to thank our employees”, says Petra Preining, CFO of Semperit AG Holding. COO Kristian Brok: “Thanks to the forward-looking, highly-flexible collaboration between individual corporate divisions, we are increasingly making a routine of successfully managing the manifold challenges related to raw material availability, the supply chain, the pricing landscape and cost increases.”

Semperit mitigated the risks associated with the aforementioned topics early in the 2021 reporting year and thus proactively prevented potentially negative impacts: “This basically creates a solid starting point for dealing with the expected effects of the Russian war of aggression on Ukraine as well as the related sanctions and restrictions, which will be a significant burden for European companies in the current financial year”, says CEO Karl Haider, who assumed his role at the beginning of this year. Already on 9 March 2022, Semperit had indicated in an ad hoc release that the developments surrounding the Russia-Ukraine escalation are expected to have a negative effect on the company’s forecast earnings in 2022. Industry associations are now also warning of production cutbacks due to raw material shortages in the rubber industry.

Strong revenue growth in both sectors

Notwithstanding the difficult environment already experienced in the previous year, the Semperit Group 2021 achieved a 27.4% increase in consolidated revenue, reaching EUR 1,182.2 million. This record level was achieved through significant revenue growth in both sectors: The Industrial Sector posted growth of 16.2% to EUR 556.1 million; the Medical Sector posted a gain of 39.4% to EUR 626.1 million. Revenue growth in the Industrial Sector was driven in particular by higher volumes in the Semperflex (+20.4%) and Semperseal (+23.7%) segments, which overall more than compensated for the decline in sales volumes in the Sempertrans segment. In contrast, sales volumes in the Medical Sector declined due to the limited availability of containers (–25.7% for examination and protective gloves) and production in Malaysia was temporarily restricted due to regulatory requirements under the Enhanced Movement Control Order (EMCO) in summer 2021. However, the significantly higher selling prices for examination gloves, which remain high due to the special boom in light of the coronavirus pandemic, more than offset these effects.

Excellent operating income despite high inflation

The strong revenue increases also led to a noticeable improvement in operating income – and this despite inflationary price developments for commodities, energy, and logistics. EBITDA improved by 73,5%, from EUR 208,6 million in the 2020 financial year to EUR 361,8 million in the 2021 financial year. The EBITDA margin was 30,6% (financial year 2020: 22,5%). Consolidated EBIT also increased to EUR 315,0 million in the 2021 financial year, in contrast with EUR 237,8 million in the previous year. Compared to the EBIT in the 2020 financial year (EUR 171,4 million), which was adjusted for the impairment reversal in the Sempermed segment and the impairment loss in the Sempertrans segment, EBIT climbed by a significant 83.8% in the 2021 financial year. The Semperit Group's EBIT margin increased from 25,6% (adjusted 18,5% in financial year 2020) to the current 26,6%.

Cash expenditures on intangible assets and property, plant and equipment in the 2021 financial year EUR 47,9 million, above the previous year's level of EUR 26,4 million. The focus will increasingly be on growth-oriented investments.

Free cash flow in the 2021 financial year totalled EUR 241.2 million compared to EUR 176,2 million in the previous year. On the one hand, this means that the Semperit Group is well positioned even in an increasingly difficult market environment and solidly prepared for the potential economic effects of the war in Ukraine. On the other hand, Semperit has expanded its growth options thanks to this strong financial base. M&A activities are still in the focus; however, as the market is difficult at the moment, Semperit is also increasingly looking at organic growth opportunities.

In view of the very successful 2021 financial year, the Executive Board of the Semperit Group will propose a dividend of EUR 1.50 per share to the annual general meeting. A total of EUR 30.9 million will be distributed. At a share price of EUR 29.30 at the end of 2021, the dividend yield is 5.1% (2020: 6.2%).

Outlook

As of H2 2021, the ongoing effects of the coronavirus pandemic have continued to have a positive impact on the price of medical products. However, in light of the significant downward trend, it can be expected that the price level will return to normal during the 2022 financial year. The results of the Semperit Group will still depend heavily on the availability and prices of the raw materials and consumables as well as by the functioning supply chains. Other key factors are the sufficient availability of containers to be used to deliver Semperit Group's products, and the availability of qualified staff. Furthermore, it is still difficult to forecast the effects in connection with the further development of the coronavirus pandemic – particularly due to the widely varying regional trends and their influence on the international production sites.

Due to the start of a Russian war of aggression against Ukraine, the Russia-Ukraine conflict developed into a new economic and geopolitical threat beginning in late February 2022. The already observable consequences of this armed conflict include – to a limited extent – direct and indirect negative influences on the Semperit Group's sales volume and revenue figures, impending material bottlenecks, energy and raw material price increases, transport and supply chain problems, changes in the interest rate landscape, increased inflation expectations, and an increased risk of cyberattacks on companies. Material shortages of key raw materials and consumables for the manufacture of vulcanised rubber products could lead to production constraints in 2022 and consequently to delivery delays and restrictions. With respect to expenses, additional costs are expected for raw materials and consumables, input and intermediate products, and energy and transportation expenses. In addition, the current situation will have a noticeable cost-increasing effect on wages and salaries. Price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets. With respect to interest rate exposure, the Semperit Group is protected against changes in interest rates, as all outstanding promissory note loans bear interest at a fixed rate. The Semperit Group's management is acting prudently and has initiated the evaluation of appropriate proactive measures to mitigate these developments at an early stage; initial packages of measures, particularly in the area of materials management, are already being successfully implemented. Current geopolitical and market developments in connection with

the Russia-Ukraine conflict are being closely monitored, as are their effects on capital goods markets and the market for business acquisitions.

Against the backdrop of an expected subsiding course of the COVID-19 pandemic with declining average sales prices for medical products and impending material bottlenecks, supply chain issues, and sharp increases in input factor prices in industrial production, management expects another year characterised by major challenges for the Semperit Group's transformation process. The management of the Semperit Group expects that the annual result for 2022, measured in terms of earnings before interest, tax, depreciation and amortisation (EBITDA), is likely to fall significantly short of the average market expectations (EUR 100–120 million at the beginning of March), in particular due to the Russia-Ukraine conflict and the related sanctions and uncertainties for industrial production. The exact financial impact on the expected annual result of the Semperit Group cannot yet be estimated at the time of publication of the Annual Report for 2021.

At the end of January 2020, the Semperit Group announced that it would be evolving to become an industrial rubber specialist as part of its strategic realignment and would therefore be moving away from the medical sector. Although this shift has been delayed by the coronavirus pandemic, the newly formed Semperit Group Executive Board will be continuing with the planned transformation in the 2022 financial year. Measures to increase profitability are still high on the Executive Board's list of priorities. Strategic corporate development projects have the clear objective of organic and inorganic growth.

Investments aimed at growth and a dividend strategy to match have been made possible in particular by the earnings brought about by special economic developments within the Sempermed segment during the 2020 and 2021 financial years.

For an overview of the most important key figures at the Group and segment level, please see the table on page 4.

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About Semperit

The publicly listed company Semperit AG Holding is an internationally oriented group that develops and produces highly specialised rubber products for the industrial and medical sectors, selling them in over 100 countries around the world: hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, products for railway superstructures, and examination and surgical gloves. Founded in 1824, this long-standing Austrian company has its headquarters in Vienna, Austria. The Semperit Group employs around 7,000 people worldwide, including some 3,800 in Asia and approximately 900 in Austria (Vienna and production site Wimpassing, Lower Austria). The Group has 15 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, Australia, and America. In 2021, the Group generated revenue of EUR 1,182.2 million and an EBITDA of EUR 361.8 million.

Overview of the most important key financial figures in 2021

| Key figures of the Semperit-Group, in EUR million | 2021 | Change | 2020 ¹ |
|---|---------|---------|-------------------|
| Revenue | 1,182.2 | +27.4% | 927.6 |
| EBITDA | 361.8 | +73.5% | 208.6 |
| EBITDA margin | 30.6% | +8.1 PP | 22.5% |
| EBIT – adjusted | 315.0 | +83.8% | 171.4 |
| EBIT margin – adjusted | 26.6% | +8.2 PP | 18.5% |
| EBIT | 315.0 | +32.5% | 237.8 |
| EBIT margin | 26.6% | +1.0 PP | 25.6% |
| Earnings after tax – adjusted | 247.5 | >100% | 121.9 |
| Earnings after tax | 247.5 | +27.2% | 194.6 |
| Earnings per share (EPS), in EUR | 11.99 | +32.3% | 9.06 |
| Gross cash flow | 323.4 | +66.9% | 193.7 |
| Free cash flow | 241.2 | +36.9% | 176.2 |

| Balance sheet key figures, in EUR million | 31.12.2021 | Change | 31.12.2020 |
|---|------------|--------|------------|
| Total assets | 958.6 | +25.4% | 764.4 |
| Equity | 540.1 | +62.6% | 332.3 |
| Net debt (+) / Net cash (-) | - 144.2 | n.a. | 22.1 |
| Net debt to EBITDA | n.a. | n.a. | 0.1 |
| Additions to tangible and intangible assets | 56.4 | +98.1% | 28.5 |

| ESG | 2021 | Change | 2020 |
|-----------------------------------|-------|--------|-------|
| Employees (at balance sheet date) | 6,948 | +0.1% | 6,943 |

| Sector and segment key figures, in EUR million | | 2021 | Change | 2020 ¹ |
|--|---------|-------|--------|-------------------|
| Industrial Sector | Revenue | 556.1 | +16.2% | 478.4 |
| | EBITDA | 82.1 | +7.2% | 76.6 |
| | EBIT | 56.8 | +75.0% | 32.4 |
| Semperflex | Revenue | 240.5 | +26.6% | 189.9 |
| | EBITDA | 51.3 | +22.4% | 41.9 |
| | EBIT | 40.0 | +29.3% | 30.9 |
| Sempertrans | Revenue | 104.5 | -7.7% | 113.1 |
| | EBITDA | 6.8 | -21.3% | 8.7 |
| | EBIT | 3.2 | >100% | -14.9 |
| Semperform | Revenue | 90.6 | +10.8% | 81.8 |
| | EBITDA | 12.4 | -17.2% | 15.0 |
| | EBIT | 8.5 | -24.3% | 11.3 |
| Semperseal | Revenue | 120.5 | +28.7% | 93.6 |
| | EBITDA | 11.6 | +4.8% | 11.0 |
| | EBIT | 5.1 | -1.6% | 5.1 |
| Medical Sector (Sempermed) | Revenue | 626.1 | +39.4% | 449.2 |
| | EBITDA | 301.1 | >100% | 150.4 |
| | EBIT | 280.9 | +24.9% | 224.9 |

¹ Adjusted for the positive non-recurring effect from the reversal of an impairment loss in the Sempermed segment (2020: EBIT effect: EUR +86.2 million; earnings after taxes effect: EUR +88.8 million) and by the negative non-recurring effect from the impairment in the Sempertrans segment (2020: EBIT effect: EUR -9.8 million; earnings after tax effect: EUR -16.1 million).

Additional details can be found in the Semperit Group's 2021 annual report.