

Press Release

Semperit delivers a strong performance in the first quarter but is behind the exceptionally high results from the corresponding period as expected

- Revenue at Group level down on Q1 in 2021, an exceptional year, by a comparatively moderate -14.2% to EUR 277.0 million
- Significant growth of Industrial Sector by 31.4% to EUR 171.0 million, partially compensating for -45.0% drop in revenue to EUR 106.1 million in the Medical Sector
- EBITDA declined as expected by -70.1% to EUR 36.5 million and EBITDA margin down -24.6 percentage points to 13.2%
- EBIT declined as expected by -78.6% to EUR 23.7 million and EBIT margin down -25.7 percentage points to 8.6%
- Decrease in free cash flow to EUR -0.1 million (Q1 2021: EUR 38.8 million)
- 2021 dividend payment of EUR 1.50 per share equating to return of 5.1%

Vienna, Austria, 18 May 2022 – The publicly listed Semperit Group recorded a strong performance in the first quarter of 2022, despite the fading of the exceptional boom in the Medical Sector brought about by the pandemic and the extremely challenging geopolitical situation. Nevertheless, the company is behind its exceptional results from the same period in the previous year as expected. “Despite the predicted declines compared to last year, our Group recorded a strong performance in the first three months of 2022, predominantly due to the positive results in the Industrial Sector on the whole”, said Karl Haider, CEO of the Semperit Group.

“We may have a successful quarter behind us, but the challenging market conditions and our Group’s tendency to not record such a strong performance during the second half of the year mean, we cannot rely on the assumption that we will be able to sustain these positive results as the year goes on”, added Petra Preining, CFO of the Semperit Group. In fact, it has to be expected that the Group will see the delayed negative impact of supply chain and raw material supply issues caused by the war in Ukraine and other developments influenced by market conditions over the coming months. It is on this basis that Semperit published a profit warning for the 2022 annual result on 9 March 2022.

Strong increase in revenue in Industrial Sector

Faced with extremely challenging market conditions exacerbated by high inflation, rising costs for raw materials, energy, wages and transportation, and the war in Ukraine since the end of February, the Semperit Group recorded a -14.2% drop in revenue at the Group level compared to the first quarter 2021, taking the figure down to EUR 277.0 million. However, the Industrial Sector recorded a significant increase in revenue of 31.4% to EUR 171.0 million. This can be attributed primarily to the active increase of average sales prices across all segments, with most increases in raw material and energy costs being passed on promptly. By contrast, the Medical Sector recorded a decline in revenue of -45.0% to EUR 106.1 million. This was caused by the major drop in prices following the end of the exceptional boom in personal protective equipment business brought about by the pandemic. The sales prices were still ahead of the pre-pandemic levels but continue to fall compared to the previous periods.

Results down due to end of exceptional boom brought about by the pandemic

The decline in revenue compared to the previous year and the rising costs for materials (including energy and purchased services; +12.2%), staff (+11.0%), and other operating expenses (especially outgoing freight costs and energy costs outside of production; +37.8%) had a negative impact on the operating results. Having increased sharply in the last two years due to the exceptional boom brought about by the pandemic, the EBITDA dropped by -70.1% from EUR 122.2 million in Q1 2021 to EUR 36.5 million. The EBITDA margin was 13.2% (Q1 2021: 37.8%). The EBIT dropped to EUR 23.7 million in first quarter of 2022, compared to EUR 110.8 million in the previous year. The Semperit Group’s EBIT margin therefore decreased from 34.3% in Q1 2021 to 8.6% as it now stands.

However, this means that the earnings figures are all above the pre-pandemic level in the first quarter of 2019.

Cash expenditures on intangible assets and property, plant and equipment in Q1 2022 were EUR 17.2 million, putting them above the previous year's level of EUR 10.2 million. Going forward, there will be an increasing focus on investments to drive growth in the Industrial Sector in particular.

During the first quarter of 2022, the free cash flow amounted to EUR -0.1 million in total compared to EUR 38.8 million in the same period in the previous year. This was mainly due to the lower results but was also negatively influenced by the conscious decision to build up the trade working capital, in particular, the further development of security warehouses. The level of investment also jumped up during this period, which added to the reduction.

Outlook

Following the special economic situation as a result of the pandemic and the high demand for medical products in 2021, price levels are now expected to normalise in the course of the 2022 financial year. However, it is still difficult to forecast the effects in connection with the further development of the COVID-19 pandemic, particularly due to the widely varying regional trends and their influence on the international production sites. This is currently evident, for example, in the recent developments in China. The results of the Semperit Group will continue to depend heavily on the availability and prices of the requisite raw materials, the supply chain, energy price trends, the sufficient availability of containers to be used to deliver its products, and the availability of qualified staff.

The start of the Russian war of aggression against Ukraine in late February 2022 introduced a new economic and geopolitical threat that put Europe as a place of business at a competitive disadvantage. The consequences of this armed conflict already being observed 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 polymer products could lead to production constraints in 2022, during the second half of the year in particular, and consequently to delivery delays and restrictions.

Despite the very positive first quarter, the management of the Semperit Group expects that the annual result for 2022 is likely to fall significantly short of the average market expectations, which were still EUR 100–120 million at the beginning of March 2022, in particular due to the Russia-Ukraine war and the related sanctions and uncertainties for industrial production. This is primarily due to the anticipated negative effects in the second half of the year, measured by EBITDA. The exact financial impact on the expected annual result of the Semperit Group cannot yet be estimated at the time of publication of the report for Q1 2022.

The newly formed Semperit Group Executive Board is pursuing the goal of transforming the company into an industrial polymer specialist as part of a strategic realignment as announced in January 2020. Measures to increase profitability are still high on the Executive Board's list of priorities. Strategic corporate development projects have the clear objective of inorganic and organic growth.

An overview of the key figures at Group and segment level can be found in the table on page 4.

For queries, please contact:

Monika Riedel
Director Group Brand Management,
Corporate Spokesperson
+43 676 8715 8620
monika.riedel@semperitgroup.com

Judit Helenyi
Director Investor Relations
+43 676 8715 8310
judit.helenyi@semperitgroup.com

www.semperitgroup.com

www.linkedin.com/company/semperit-ag

About Semperit

The publicly listed company Semperit AG Holding is an internationally oriented group that develops and produces highly specialised polymer 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 the 2021 financial year, the Group generated revenue of EUR 1,182.2 million and an EBITDA of EUR 361.8 million.

Overview of the key financial figures in Q1 2022

Key figures of the Semperit Group, in EUR million	Q1 2022	Change	Q1 2021
Revenue	277.0	-14.2%	323.1
EBITDA	36.5	-70.1%	122.2
EBITDA margin	13.2%	-24.6 PP	37.8%
EBIT	23.7	-78.6%	110.8
EBIT margin	8.6%	-25.7 PP	34.3%
Earnings after tax	15.5	-81.8%	85.5
Earnings per share (EPS), in EUR	0.75	-81.8%	4.13
Gross cash flow	29.6	-75.0%	118.7
Free cash flow	-0.1	>100%	38.8

Balance sheet key figures, in EUR million	31.03.2022	Change	31.12.2021
Total assets	996.7	+4.0%	958.6
Equity	560.4	+3.8%	540.1
Net debt (+) / Net cash (-)	-144.0	-0.2%	-144.2
Net debt to EBITDA	n.a.	n.a.	n.a.
Additions to tangible and intangible assets	10.0	-82.3%	56.4

ESG	Q1 2022	Change	Q1 2021
Employees (at balance sheet date)	7,007	+0.1%	7,001

Sector and segment key figures, in EUR million		Q1 2022	Change	Q1 2021
Industrial Sector	Revenue	171.0	+31.4%	130.1
	EBITDA	26.4	+28.1%	20.6
	EBIT	19.6	+35.0%	14.5
Semperflex	Revenue	79.8	+45.9%	54.7
	EBITDA	19.6	+58.9%	12.3
	EBIT	16.6	+73.9%	9.6
Sempertrans	Revenue	28.3	+5.1%	26.9
	EBITDA	1.3	+23.6%	1.0
	EBIT	0.3	+75.3%	0.2
Semperform	Revenue	26.2	+32.5%	19.8
	EBITDA	3.2	+5.1%	3.1
	EBIT	2.1	+0.4%	2.1
Semperseal	Revenue	36.6	+27.5%	28.7
	EBITDA	2.4	-43.8%	4.2
	EBIT	0.5	-80.4%	2.6
Medical Sector (Sempermed)	Revenue	106.1	-45.0%	192.9
	EBITDA	13.3	-87.3%	105.3
	EBIT	7.6	-92.4%	100.2

You can find further information in the Semperit Group's report on the first quarter of 2022.