

## Press release

### **Semperit: Industrial Sector puts in strong performance in the first nine months – impairment loss in the Medical Sector**

- Decrease in revenue at Group level of -10.4% to EUR 829.6 million in Q1-3 2022
- Increase in revenue in the Industrial Sector of 36.4% to EUR 558.4 million in contrast to a significant decrease in the Medical Sector of 47.5% to EUR 271.2 million
- EBITDA decreased by -73.5% to EUR 85.9 million; EBITDA margin down by -24.7 percentage points to 10.3% (Q1-3 2021: 35.0%)
- Impairment losses in the Medical Sector (EUR 51.8 million) and in the Semperseal segment (EUR 2.1 million)
- EBIT declined sharply to EUR -9.0 million (Q1-3 2021: EUR 290.0 million); EBIT margin fell to -1.1% from 31.3% in the previous year
- EBIT adjusted for the impairment losses in the Medical Sector and the Semperseal segment amounted to EUR 44.9 million; the adjusted EBIT margin was 5.4%
- Decline in free cash flow to EUR -19.6 million (Q1-3 2021: EUR 160.1 million)

Vienna/Austria, 16 November 2022 – Compared with the exceptionally positive prior-year period as a result of the pandemic, the publicly listed Semperit Group recorded an expected decline in revenue and earnings in the first nine months of 2022. “However, in this reporting period we also managed to defy the challenging market environment and the increasing economic slowdown with a strong performance in the Industrial Sector. This reinforces once again that consistently pursuing our Group’s transformation into an industrial rubber specialist is the right path”, said CEO Karl Haider. “Following the end of the pandemic-induced special cycle and the prevailing market dynamics in the market for examination and protective gloves, the separation from the Medical Sector has moved again to the foreground in the summer. We are taking gradual steps towards a prompt separation and have held initial talks with potential buyers.”

#### **Rise in revenue in the Industrial Sector significantly influenced by higher sales prices**

In a still-challenging market environment characterised by high inflation and economic slowdown, the Group managed to promptly pass on raw material and energy-related price increases by raising average sales prices in all Industrial Sector segments. Revenue increased by 36.4% in the Industrial Sector to EUR 558.4 million. This counteracted, at least in part, the sharp decrease in revenue of -47.5% to EUR 271.2 million in the Medical Sector. At Group level, revenue decreased by just -10.4% to EUR 829.6 million. The decrease in revenue in the Medical Sector is due mainly to declining price levels.

#### **Operating earnings depressed by decrease in revenue and rising costs**

Operating earnings were depressed by both the significant decrease in revenue in the Medical Sector and increase in cost of materials (including energy and purchased services) of 17.5%, in personnel expenses of 9.1% and in other operating expenses (in particular outbound freight and non-production-related energy costs) of 19.9%. Having risen sharply over the past two years as a result of the pandemic-induced special cycle in the Medical Sector, EBITDA declined significantly from EUR 324.3 million in the first nine months of 2021 to EUR 85.9 million, a decrease of -73.5%. The EBITDA margin was 10.3% (Q1-3 2021: 35.0%). EBIT declined to EUR -9.0 million in the first nine months of 2022 from EUR 290.0 million in the previous year. The Semperit Group’s EBIT margin decreased from 31.3% in the previous year to currently -1.1%. If earnings were adjusted for the impairment losses posted at the end of September, there would be an adjusted EBIT of EUR 44.9 million and an adjusted EBIT margin of 5.4% for the first nine months of 2022.

Cash expenditures on intangible assets and property, plant and equipment amounted to EUR 41.8 million in the first nine months of 2022, putting them above the prior-year level of EUR 31.2 million. There will continue to be an increasing focus on investments aimed at growth going forward.

In the first nine months of 2022, free cash flow totalled EUR -19.6 million burdened by tax payments in line with rules in connection with the coronavirus-related special cycle in 2021, compared to EUR 160.1 million in the same period of the previous year.

## Outlook

After a successful first half year and a weaker Q3 2022 as expected, the Semperit Group is anticipating a further decline for the remainder of the financial year and therefore confirms the outlook published in March 2022.

This is based primarily on the assumption that the last three months of the year are by far the weakest quarter of the year, both for seasonal reasons and due to company holiday over the Christmas period. Following the end of the pandemic-induced special cycle, the Medical Sector is also expected to weigh on the results on Group level in Q4 2022 after the negative result in Q3. Added to this is the incipient economic slowdown, which will have a negative impact on the Industrial Sector as well.

There is a certain degree of uncertainty regarding sales volumes, since both in the Medical Sector and to some extent in the Industrial Sector, customers' inventory optimisation programmes may lead to customer ordering behaviour that deviates from the usual. This is also due in part to the cost increases, as price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets.

Unclear and therefore also uncertain are the still-unforeseeable further developments in geopolitical trouble spots, such as the current situation in Taiwan. Added to this are the negative effects from inflation and foreign currency trends.

The Executive Board of Semperit AG Holding is consistently pursuing the Group's transformation into an industrial rubber specialist in spite of the delay due to the coronavirus pandemic. Following the end of the pandemic-induced special cycle and the prevailing market dynamics in the market for examination and protective gloves, the separation from the Medical Sector has once again moved to the foreground in summer 2022. The Executive Board is gradually taking the next steps towards separation and has already held initial talks with potential buyers. The separation from the Sempermed segment shall take place in a timely manner.

**An overview of the most important key figures at Group and segment level can be found in the table on page 3.**

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## 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 16 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 most important key financial figures in Q1-3 2022

Key figures of the Semperit Group, in EUR million	Q1-3 2022	Change	Q1-3 2021
Revenue	829.6	-10.4%	926.1
EBITDA	85.9	-73.5%	324.3
EBITDA margin	10.3%	-24.7 PP	35.0%
EBIT adjusted	44.9	-84.5%	290.0
EBIT margin – adjusted	5.4%	-25.9 PP	31.3%
EBIT	-9.0	n.a.	290.0
EBIT margin	-1.1%	-32.4 PP	31.3%
Earnings after tax	-34.6	n.a.	224.1
Earnings per share (EPS), in EUR	-1.68	n.a.	10.85
Gross cash flow	43.8	-85.2%	295.7
Free cash flow	-19.6	n.a.	160.1

Balance sheet key figures, in EUR million	30.09.2022	Change	31.12.2021
Total assets	841.1	-12.3%	958.6
Equity	492.7	-8.8%	540.1
Net debt (+) / Net cash (-)	-92.0	-36.2%	-144.2
Net debt to EBITDA	n.a.	n.a.	n.a.
Additions to tangible and intangible assets	32.4	-42.5%	56.4

ESG	Q1-3 2022	Change	Q1-3 2021
Employees (at balance sheet date)	6,700	-4.7%	7,027

Sector and segment key figures, in EUR million		Q1-3 2022	Change	Q1-3 2021
Industrial Sector	Revenue	558.4	+36.4%	409.4
	EBITDA	100.4	+55.6%	64.5
	EBIT	78.1	+69.7%	46.0
Semperflex	Revenue	252.2	+46.6%	172.1
	EBITDA	68.3	+82.7%	37.4
	EBIT	59.4	n.a.	29.0
Sempertrans	Revenue	109.8	+38.7%	79.2
	EBITDA	10.3	+58.2%	6.5
	EBIT	7.3	+85.4%	3.9
Semperform	Revenue	83.0	+24.4%	66.7
	EBITDA	12.3	+24.4%	9.9
	EBIT	9.1	+28.3%	7.1
Semperseal	Revenue	113.3	+24.0%	91.4
	EBITDA	9.5	-11.6%	10.7
	EBIT	2.2	-62.2%	5.9
Medical Sector (Sempermed)	Revenue	271.2	-47.5%	516.7
	EBITDA	-4.0	n.a.	277.4
	EBIT	-75.6	n.a.	262.6

Additional details can be found in the Semperit Group's report on the first three quarters 2022.