

Press Information

Semperit shows significant annual revenue and results growth in the Industrial Sector

- Revenue in continued operations (Industrial Sector plus production of surgical gloves) up 29.6% to EUR 779.8 million in 2022 financial year
- EBITDA growth of 86.2% to EUR 100.5 million; EBITDA margin increased to 12.9% (2021: 9.0%)
- EBIT more than doubled to EUR 62.1 million; EBIT margin increased to 8.0% (2021: 4.2%)
- Signing of the sale of the Sempermed segment on 16 December 2022 – first sales phase (production of examination gloves plus organisation of sales and distribution) expected around mid-2023
- Proposal to distribute a base dividend of EUR 1.50 per share and a conditional additional dividend of EUR 2.00 to 3.50 per share for the 2022 financial year

Vienna/Austria, 22 March 2023 – In 2022, the Semperit Group recorded a significant increase in revenue and results in its continued operations – particularly in the Industrial Sector – despite a challenging market environment and a visible economic slowdown.

Sale of the Medical segment in two phases, accounting effects

In December 2022, a contract was signed with HARPS GLOBAL PTE. LTD. (“Harps”) for the sale of the medical division, which is subject to foreign direct investment control and competition authority approvals. The plan is to first sell the production of examination gloves and the entire sales and distribution organisation of the Medical Sector and, after five years at the latest, to also transfer the production of surgical gloves in Wimpassing and Sopron. Until this second step of the sale, surgical gloves will be produced as contract manufacturing for Harps. The part of the Semperit Group to be sold is presented separately in the consolidated financial statements – as a discontinued operation in the consolidated income statement and as an item held for sale in the balance sheet. This press release primarily refers to continued operations, i.e., the four industrial segments and the production of surgical gloves at the Wimpassing and Sopron sites, which will remain with Semperit for the time being.

CEO Karl Haider comments on the past financial year: “2022 was a very important year for Semperit: we managed to generate significant revenue growth in a volatile business environment. With the sale of the Medical segment, we create the opportunity to grow faster and profitably in the Industrial business. This means that the 2022 financial year is the kick-off for a corporate strategy focused purely on industrial elastomer applications.”

Higher sales prices drive sales growth in the Industrial Sector

In a difficult market environment characterised by high inflation and an economic slowdown, raw material and energy-related price increases as well as wage increases were passed on promptly through the increase in average sales prices in the Industrial Sector. The Sempertrans segment, which was particularly hard hit by the corona pandemic and achieved a 14% increase in production volume in 2022 as expected, deserves special mention. The revenue increase of 32.0% to EUR 734.0 million in the Industrial Sector was thus largely responsible for the revenue growth of 29.6% to EUR 779.8 million in the entire continued operations of the Semperit Group. Revenue from continued operations in the Medical Sector (Wimpassing and Sopron) remained virtually unchanged at EUR 45.8 million.

Industrial Sector significantly increases earnings

The increase in revenue in the Industrial Sector achieved through price increases was accompanied by an increase in margins in continued operations: the company was able to counteract the rising costs for material expenses (including energy and purchased services) of +36.8%, personnel expenses of +7.9% and other operating expenses (especially outbound freight, non-production-related energy costs and maintenance costs) of +11.1% through price adjustments. EBITDA grew by +86.2% from EUR 54.0

million in the previous year to EUR 100.5 million in the 2022 financial year. The EBITDA margin was 12.9% (2021: 9.0%). Adjusted for the net proceeds from the sale of a property in France, EBITDA amounted to EUR 95.8 million and the EBITDA margin was 12.3%.

EBIT from continued operations more than doubled from EUR 25.2 million in the previous year to EUR 62.1 million in the 2022 financial year; the EBIT margin improved significantly from 4.2% to 8.0%. EBIT adjusted for impairments and the sale of the property amounted to EUR 65.4 million; the adjusted EBIT margin was 8.4%. COO Kristian Brok assesses the figures as follows: "The 2022 financial year entailed a number of unexpected challenges along the supply and value chains. With its operating performance, the Semperit Group has impressively demonstrated its resilience."

Earnings after tax (continued and discontinued operations combined) amounted to EUR –5.6 million (2021: EUR 247.5 million). The negative balance is due to the adverse business development of the discontinued operation (examination gloves) with earnings after tax of EUR –44 million. The earnings per share attributable to the shareholders of Semperit AG Holding are therefore EUR –0.27 for 2022 (2021: EUR 11.99). In contrast, earnings after tax adjusted for the one-off effects were positive and amounted to EUR 10.9 million.

At EUR 54.5 million, cash expenditures in intangible assets and property, plant and equipment in 2022 were above the prior-year level of EUR 47.9 million and will continue to focus increasingly on growth-oriented investments in the future. Free cash flow amounted to EUR 0.0 million in 2022 (2021: EUR 241.2 million). CFO Helmut Sorger comments on the past financial year: "The Russia-Ukraine conflict had implications for supply chains, our inventory holding and the added value process. In order to ensure the latter, we decided to temporarily increase inventories, with the consequence that working capital increased. From a strategic point of view, disciplined cash management is now even more important."

Outlook

For the 2023 financial year, the management of the Semperit Group expects a decline in earnings from continued operations. This is based on the following assumptions: The overall economic slowdown is expected to have a noticeable impact on the Industrial Sector, especially in the first half of the year. Inventory optimisation programmes on the part of customers are expected to lead to restrained ordering behaviour of customers. The option to pass on potential further cost increases to customers will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets. As a result, lower sales volumes and increased pressure on margins are to be expected. In addition, the earnings position of the Semperit Group may of course continue to be significantly influenced by developments such as the Russia-Ukraine conflict: The Executive Board continues to expect a high degree of volatility with regard to the price development and availability of energy in Europe, which may have a negative impact on the earnings situation. Possible uncertainty regarding the availability of necessary raw materials and supplies and their price development also pose a further risk. In addition, visibility regarding the further development of the corona pandemic and the possible effects on international production sites is still low; this applies in particular to China, both as a location of Semperit plants and with regard to global supply chains. Further developments in geopolitical trouble spots are still unclear and therefore uncertain. Negative effects of inflation and foreign currency developments require a high level of attention from the Executive Board.

Against this backdrop, the Executive Board expects EBITDA from continued operations of EUR 70 to 90 million for the 2023 financial year.

With regard to the sale of the medical business, a first closing is expected in the middle of 2023. Earnings after taxes are still expected to be burdened by the Medical Sector, as a result of the end of the corona-related special economic situation, and after the negative second half of 2022. Until the closing, the negative earnings development will be borne by the Semperit Group.

The management is consistently pursuing the implementation of the transformation into an industrial rubber specialist, focusing on organic and inorganic growth projects. Current geopolitical and market-related developments are closely monitored, as are their effects on capital goods markets and possible corporate acquisitions.

An overview of the most important key figures at Group and segment level can be found in 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 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 6,500 people worldwide in its continued and discontinued operations, including some 3,100 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 2022 financial year, the Group generated revenue of EUR 779.8 million and an EBITDA of EUR 100.5 million in continued operations.

Overview of the main financial figures of 2022

Key performance figures of the Semperit Group, in EUR million	2022	Change	2021
Revenue	779.8	+29.6 %	601.8
EBITDA adjusted ¹	95.8	+77.5 %	54.0
EBITDA margin – adjusted ¹	12.3 %	+3.3 PP	9.0 %
EBITDA	100.5	+86.2 %	54.0
EBITDA margin	12.9 %	+3.9 PP	9.0 %
EBIT adjusted ¹	65.4	>100 %	25.2
EBIT margin – adjusted ¹	8.4 %	+4.2 PP	4.2 %
EBIT	62.1	>100 %	25.2
EBIT margin	8.0 %	+3.8 PP	4.2 %
Earnings after tax – adjusted ¹	10.9	-95.6 %	247.5
Earnings after tax	-5.6	n/a	247.5
Earnings per share, in EUR	-0.27	n/a	11.99
Gross cash flow	30.5	-90.6 %	323.4
Free cash flow	0.0	n/a	241.2

Balance sheet key figures, in EUR million (at balance sheet date)

	31.12.2022	Change	31.12.2021
Balance sheet total	842.9	- 12.1 %	958.6
Equity	518.2	- 4.1 %	540.1
Net debt (+) / Net cash (-)	-54.2	- 62.4 %	- 144.2
Net debt/EBITDA ratio	n.a.	n.a.	n.a.
Additions to intangible assets and property, plant and equipment	50.1	- 11.2 %	56.4

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	2022	Change	2021
Employees (at balance sheet date)	6,528	- 6.1 %	6,948

Sector and segment key figures, in EUR million

		2022	Change	2021
Industrial Sector	Revenue	734.0	+32.0 %	556.1
	EBITDA	125.2	+52.5 %	82.1
	EBIT	95.9	+68.9 %	56.8
Semperflex	Revenue	328.8	+36.7 %	240.5
	EBITDA	82.2	+60.1 %	51.3
	EBIT	70.2	+75.6 %	40.0
Sempertrans	Revenue	151.9	+45.5 %	104.5
	EBITDA	19.7	n/a	6.8
	EBIT	15.5	n/a	3.2
Semperform	Revenue	111.1	+22.7 %	90.6
	EBITDA	15.1	+22.2 %	12.4
	EBIT	10.8	+26.6 %	8.5
Semperseal	Revenue	142.1	+17.9 %	120.5
	EBITDA	8.3	- 28.5 %	11.6
	EBIT	- 0.6	n/a	5.1
Medical Sector (Sempermed)	Revenue	324.2	- 48.2 %	626.1
	EBITDA	- 15.4	n/a	301.1
	EBIT	- 49.5	n/a	280.9

¹ Adjusted for the positive one-off effect of the net proceeds from the sale of properties in France in the Sempertrans segment (2022: effect on EBITDA, EBIT: EUR 4.7 million; earnings after tax: EUR 4.0 million), for the negative effect of the net impairments in the Sempermed and Semperseal segments (2022: effect on EBIT from continued operations: EUR -7.9 million; earnings after tax in total from continued and discontinued operations: EUR -12.3 million) and for the negative effect of the transaction costs (2022: effect on earnings after tax: EUR -8.2 million)

For further details please see the Semperit Group's Annual Report 2022.