

Corporate News/Press Information

Semperit increases profitability in the first half of 2024

- EBITDA up 8% to EUR 47.3 million, earnings after tax more than doubled
- Free cash flow significantly improved to EUR 23.6 million
- Cost-cutting program takes effect: cost reductions of EUR 14.4 million, of which EUR 8.6 million in H1
- EBITDA guidance confirmed at around EUR 80 million for 2024
- Medium-term targets set until 2026: EBITDA to increase to around EUR 120 million

Vienna, August 13, 2024 – In the first half of 2024, the Semperit Group increased EBITDA by 7.9% to EUR 47.3 million in a still challenging market environment and more than doubled earnings after tax to EUR 9.6 million (previous year: EUR 3.9 million). At EUR 345.5 million, revenue was just below the previous year's level (-2.9%). The cost-cutting programs initiated early in 2023 reduced expenses by a total of EUR 14.4 million, of which EUR 8.6 million was attributable to the first half of 2024. The EBITDA margin in the first half of the year thus improved to 13.7% (previous year: 12.3%). The EBITDA guidance for 2024 as a whole is confirmed at around EUR 80 million.

“Economic headwinds continue as expected, but Semperit remains well on track and significantly increased profitability in the first half of 2024. Our cost-cutting program is taking effect, and our strategy of focusing on industrial customers, investing in our growth and further increasing sales excellence and customer proximity is showing positive results,” says **Semperit CEO Karl Haider**. *“From today’s perspective, the challenging market environment will continue into 2025 in any case. However, Semperit stands on a strong and healthy foundation. We continue to work on increasing our efficiency and effectiveness for the next upswing and are thus creating the conditions to outperform the market.”*

Continuation of profitable growth

Semperit will continue its profitable growth in the coming years. This is reflected by the medium-term targets defined by the Executive Board until 2026. The company plans to increase Group revenue to more than EUR 900 million by 2026 (2023: EUR 721.1 million or adjusted¹ EUR 679.0 million). EBITDA is expected to increase by more than 50% to around EUR 120 million by 2026 (2023: EUR 71.8 million or adjusted¹ EUR 78.0 million).

Increased free cash flow and solid financial base

Free cash flow is the net cash flow adjusted for interest payments that is available for strategic growth investments, dividends and the repayment of debt. It improved significantly to EUR 23.6 million in the first half of 2024, compared with EUR 1.8 million in the same period of the previous year. Including the net payment from the second and final closing for the sale of the medical business in the amount of EUR 6.6 million, free cash flow after the sale of companies amounted to EUR 30.2 million (previous year: EUR 1.8 million).

¹ adjusted for the contribution of Surgical Operations, which has since been sold

The Semperit Group has a robust balance sheet and financial base with an equity ratio of 45.7% and a leverage ratio measured by net financial debt in relation to EBITDA of a conservative 1.6. Liquidity reserves amounted to EUR 124.0 million, and undrawn credit lines of EUR 100.0 million are also available.

Earnings development in H1 2024 in detail:

The Semperit Group focuses exclusively on industrial customers with the two divisions Semperit Industrial Applications (SIA) and Semperit Engineered Applications (SEA) and generated revenue of EUR 345.5 million (–2.9%) in the first half of 2024. The two divisions developed differently depending on the market environment and customer sectors. While the persistently challenging economic situation at SIA (Hoses and Profiles) led to a decline in sales volumes and thus revenue by –20.6% to EUR 152.8 million, the SEA division (Form, Belting and Rico/Liquid Silicone) benefited above all from the acquisition of Rico and from higher sales volumes at Form. The SEA division's revenue thus increased by 18.0% to EUR 192.8 million, of which EUR 47.0 million was attributable to Rico.

Total expenses decreased by 4.5% to EUR 303.7 million. Cost of materials fell by EUR 23.3 million or 13.8% to EUR 145.1 million (previous year: EUR 168.3 million). This is primarily due to easing of the purchase prices of raw materials and lower sales volumes in individual business divisions.

Personnel expenses increased to EUR 112.9 million in the first half of 2024 (+11.9% compared to EUR 100.9 million in the same period in 2023), primarily as a result of the Rico takeover. Other effects included inflation-related wage and salary increases as well as capacity-related adjustments to headcount, and the cost program. Adjusted for Rico, personnel expenses fell by 9.7% year-on-year. At EUR 45.8 million, other operating expenses were 6.1% lower than in the previous year (previous year: EUR 48.8 million), which was primarily due to savings in consulting expenses and significantly lower complaint expenses.

Savings of more than EUR 14 million

The cost-cutting programs introduced early in 2023 already reduced expenses by a total of EUR 14.4 million, of which EUR 8.6 million became effective in the first half of 2024. Overall, around 83% of the savings relate to personnel expenses and the remainder to other operating expenses.

EBITDA improved by 7.9% to EUR 47.3 million (previous year: EUR 43.8 million) and the EBITDA margin to 13.7% (previous year: 12.3%).

Regular depreciation and amortization increased to EUR 22.9 million (previous year: EUR 14.8 million), primarily as a result of the acquisition of the Rico Group. EBIT therefore totaled EUR 23.7 million (previous year: EUR 29.1 million).

The financial result amounted to EUR –7.9 million (previous year: EUR –2.5 million), which was due to an increase in bank liabilities for the financing of growth projects compared to the previous year. Tax expenses fell to EUR 6.3 million (previous year: EUR 8.0 million).

Earnings after tax from continued operations were positive at EUR 9.5 million (previous year: EUR 18.6 million), while earnings after tax from discontinued operations amounted to EUR 0.1 million (previous year: EUR –14.7 million).

Overall, earnings after tax (from continued and discontinued operations) more than doubled to EUR 9.6 million (previous year: EUR 3.9 million). Earnings per share attributable to the shareholders of Semperit AG Holding thus increased significantly to EUR 0.47 in the first half of 2024 (previous year: EUR 0.20).

Overview of the main financial figures of the first half year of 2024:

| Key figures of the Semperit Group, in EUR million | 1-6 2024 | Change | 1-6 2023 ¹ |
|---|----------|---------|-----------------------|
| Revenue | 345.5 | -2.9% | 355.7 |
| EBITDA | 47.3 | +7.9% | 43.8 |
| EBITDA margin | 13.7% | +1.4 PP | 12.3% |
| EBIT | 23.7 | -18.6% | 29.1 |
| EBIT margin | 6.9% | -1.3 PP | 8.2% |
| Earnings after tax | 9.6 | >100% | 3.9 |
| Earnings per share (EPS), in EUR | 0.47 | >100% | 0.20 |
| Free cash flow before the sale of companies | 23.6 | >100% | 1.8 |

| Balance sheet key figures, in EUR million | 06/30/2024 | Change | 12/31/2023 |
|--|------------|---------|------------|
| Total assets | 930.2 | -0.8% | 937.9 |
| Equity | 424.7 | -0.1% | 425.3 |
| Equity ratio | 45.7% | -0.3 PP | 45.3% |
| Net Financial Debt (+) / Net Financial Surplus (-) | 118.4 | +2.8% | 115.2 |

| Segment key figures, in EUR million | | 1-6 2024 | Change | 1-6 2023 |
|---|---------|----------|--------|----------|
| Division Semperit Industrial Applications | Revenue | 152.8 | -20.6% | 192.3 |
| | EBITDA | 31.0 | -12.1% | 35.3 |
| | EBIT | 21.7 | -18.0% | 26.4 |
| Division Semperit Engineered Applications | Revenue | 192.8 | +18.0% | 163.4 |
| | EBITDA | 26.7 | -7.6% | 28.9 |
| | EBIT | 13.2 | -44.6% | 23.9 |

¹ The comparative figures were adjusted.

For further details see Semperit's report on the first half year of 2024: <https://www.semperit-group.com/investor-relations/>

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About Semperit

The publicly listed Semperit AG Holding is an internationally oriented group of companies that develops, produces and sells high-quality elastomer products and applications for industrial customers in over 100 countries worldwide through its two divisions, Semperit Industrial Applications and Semperit Engineered Applications. With its highly efficient production and cost leadership, the Semperit Industrial Applications division focuses on industrial applications in connection with large-scale production, including hydraulic and industrial hoses as well as profiles. The Semperit Engineered Applications division comprises the production of escalator handrails, conveyor belts, cable car rings, other engineered elastomer products, as well as the Rico Group, and focuses on customized technical solutions. The traditional Austrian company was founded in 1824 and is headquartered in Vienna. The Semperit Group employs around 4,200 people worldwide and has 16 production sites and numerous sales offices in Europe, Asia, Australia and America. In the 2023 financial year, the Group generated revenue of EUR 721.1 million and EBITDA of EUR 71.8 million.