

Press Release

Semperit reports record earnings in the first three quarters of 2021 amid difficult market conditions

- Revenue at Group level up 40.9% in Q1–3 2021 to EUR 962.1 million
- Further significant revenue growth of 11.0% to EUR 409.4 million in the Industrial Sector and of 79.3% to EUR 516.7 million in the Medical Sector
- EBITDA almost tripled from EUR 118.5 million to EUR 324.3 million; EBITDA margin almost doubled at 35% (Q1–3 2020: 18%)
- EBIT improved significantly once again to EUR 290.0 million (Q1–3 2020: EUR 159.5 million) and more than tripled compared with adjusted EBIT for Q1–3 2020 (EUR 92.6 million); EBIT margin at 31.3% (Q1–3 2020: 24.3%, adjusted 14.1%)
- Adjusted free cash flow more than doubled to EUR 208.3 million (Q1–3 2020: EUR 98.8 million)

Vienna, Austria, 17 November 2021 – The publicly listed Semperit Group once again recorded outstanding results up to September 30, 2021 amid difficult market conditions worldwide. “Continuing the trend seen this year to date, we are posting excellent revenue and earnings figures for the first nine months and are on track to achieve an all-time record result for the full year 2021. Despite the risk factors, which we have been keeping an eye on for months and which are now gradually coming to fruition, EBITDA will only be slightly below the aforementioned figure of EUR 395 million”, said Petra Preining, CFO of the Semperit Group.

COO Kristian Brok: “Encouragingly, we are seeing a strong recovery in the order book, particularly in our Industrial Sector, which is our main focus of attention, and look set to exceed pre-crisis 2019 levels. In contrast, the specific effects on glove prices in the medical business attributable to the pandemic have clearly passed the plateau, and we are increasingly faced with falling average prices since the second quarter. This makes us appreciate all the more Semperit’s continued strong performance amid the supply chain issues and logistical challenges that can be observed in all industries worldwide.”

Further strong increase in revenue in both sectors

The Semperit Group successfully defied the increasingly challenging market environment with consistently high revenue growth of 40.9% to EUR 962.1 million compared to the same period of the previous year. The 11.0% increase in revenue to EUR 409.4 million in the Industrial Sector was fuelled in particular by higher sales volumes in Semperflex and Semperseal, which more than compensated for the decline in sales volumes in the Sempertrans segment. Semperflex posted global market share gains in hydraulic and industrial hoses, while sales volumes at Semperseal increased, due mainly to the economic recovery of the European markets.

In contrast, production and sales volumes were down in the Medical Sector due to regulatory restrictions from the Enhanced Movement Control Order (EMCO) in Malaysia in July and to limited availability of containers. Nevertheless, significantly higher sales prices attributable to the ongoing coronavirus pandemic and the resulting increase in demand boosted revenue in the Medical Sector by 79.3% to EUR 516.7 million.

Operating profit up despite rising inflation

The sustained high revenue growth in both sectors also led to a significant improvement in operating profit in spite of exponentially increasing raw materials and logistics prices. Consolidated EBITDA nearly tripled, rising from EUR 118.5 million to EUR 324.3 million, with the EBITDA margin almost doubling to 35% compared with the first nine months of the previous year (Q1–3 2020: 18%). At

EUR 290.0 million, consolidated EBIT also showed a marked improvement year-on-year (Q1–3 2020: EUR 159.5 million). Compared with adjusted EBIT for Q1–3 for the previous year, EBIT more than tripled (Q1–3 2020: EUR 92.6 million). The EBIT margin was significantly increased to 31.3% (Q1–3 2020: 24.3%, adjusted 14.1%).

At EUR 31.2 million, cash expenditures on intangible assets and property, plant and equipment in the reporting period were up on the previous year's level of EUR 17.4 million. Going forward Semperit will continue to focus on growth-driven investment.

Free cash flow adjusted for USD term deposits more than doubled in Q1–3 2021 to EUR 208.3 million (Q1–3 2020: EUR 98.8 million); even in an increasingly challenging market environment the Semperit Group is on a very sound financial footing and has created a solid cushion for growth opportunities.

Outlook

Based on current figures, the Executive Board of Semperit AG Holding continues to assume that the Group's EBITDA for the full year 2021 will be significantly above the EBITDA for 2020. However, in view of the risk factors already communicated in the first quarter, which progressively materialised as the year went on and continue to exist, the Group is expected to fall short of the figure of EUR 395 million forecast in March by a single-digit percentage.

The earnings forecast for the full year continues to depend in particular on the availability of the required raw materials and their prices, the sales prices for medical protective gloves until year end, as well as sufficient container availability for the delivery of the Semperit Group's products. In addition, trends in raw material and container prices are significant factors influencing the company's results. What is more, it is difficult to forecast the effects in connection with the further development of the coronavirus pandemic and vaccination rates, particularly due to the strongly divergent regional trends and their influence on the international production sites.

The ongoing effects of the coronavirus pandemic will continue to have a positive impact on the price of medical products, with a downward trend. In addition, the coronavirus-related production restrictions in Malaysia in summer 2021 had an unplanned negative effect on earnings.

A noticeable recovery of the markets in the Industrial Sector continues to be expected for 2021 overall – with these showing different patterns of development depending on their cyclicity.

An overview of the 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 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 2020, the group generated revenue of EUR 927.6 million and an EBITDA of EUR 208.6 million.

Overview of the key financial figures in Q1–3 2021

Key figures of the Semperit Group, in EUR million	Q1-3 2021	Change	Q1-3 2020
Revenue	926.1	+40.9%	657.2
EBITDA	324.3	>100%	118.5
EBITDA margin	35.0%	+17.0 PP	18.0%
EBIT – adjusted ¹⁾	290.0	>100%	92.6
EBIT margin – adjusted ¹⁾	31.3%	+17.2 PP	14.1%
EBIT	290.0	+81.9%	159.5
EBIT margin	31.3%	+7.1 PP	24.3%
Earnings after tax – adjusted ¹⁾	224.1	>100%	62.6
Earnings after tax	224.1	+63.2%	137.3
Earnings per share (EPS), in EUR	10.85	+70.1%	6.38
Gross cash flow	295.7	>100%	107.0
Free cash flow	160.1	+62.0%	98.8

Balance sheet key figures, in EUR million	30.09.2021	Change	31.12.2020
Total assets	974.1	+27.4%	764.4
Equity attributable to the shareholders of Semperit AG Holding	507.8	+52.8%	332.3
Net debt	-65.0	n.a.	22.1
Net debt to EBITDA	n.a.	n.a.	0.1
Additions to tangible and intangible assets	33.1	>100%	28.5

ESG	Q1-3 2021	Change	Q1-3 2020
Employees (at balance sheet date)	7,027	+1.5%	6,921

Sector and segment key figures, in EUR million		Q1-3 2021	Change	Q1-3 2020
Industrial Sector	Revenue	409.4	+11.0%	369.0
	EBITDA	64.5	-1.2%	65.3
	EBIT	46.0	+70.9%	26.9
Semperflex	Revenue	172.1	+18.7%	145.0
	EBITDA	37.4	+7.6%	34.8
	EBIT	29.0	+10.0%	26.4
Sempertrans	Revenue	79.2	-12.4%	90.3
	EBITDA	6.5	-25.7%	8.7
	EBIT	3.9	>100%	-14.0
Semperform	Revenue	66.7	+7.2%	62.2
	EBITDA	9.9	-20.2%	12.4
	EBIT	7.1	-26.6%	9.7
Semperseal	Revenue	91.4	+27.9%	71.5
	EBITDA	10.7	+14.3%	9.4
	EBIT	5.9	+21.4%	4.9
Medical Sector (Sempermed)	Revenue	516.7	+79.3%	288.2
	EBITDA	277.4	>100%	67.3
	EBIT	262.6	+78.1%	147.5

1) Q1–3 2020: adjusted for the positive non-recurring effect from the reversal of an impairment loss in the Sempermed segment (EBIT: EUR +86.7 million; earnings after taxes effect: EUR +91.9 million) and for the negative non-recurring effect from the impairment loss in the Sempertrans segment (EBIT and earnings after taxes effect: EUR –19.9 million; earnings after taxes effect: EUR –16.2 million)

You can find further information in the Semperit Group's report on the first three quarters of 2021.