

REPORT ON THE FIRST QUARTER 2022



SEMPERIT

Key performance figures

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	277.0	-14.2%	323.1	1,182.2
EBITDA	36.5	-70.1%	122.2	361.8
EBITDA margin	13.2%	-24.6 PP	37.8%	30.6%
EBIT	23.7	-78.6%	110.8	315.0
EBIT margin	8.6%	-25.7 PP	34.3%	26.6%
Earnings after taxes	15.5	-81.8%	85.5	247.5
Earnings per share (EPS) ¹ , in EUR	0.75	-81.8%	4.13	11.99
Gross cash flow	29.6	-0.75	118.7	323.4
Return on equity ²	11.1%	-87%	86.2%	45.7%

Balance sheet key figures

in EUR million	31.03.2022	Change	31.3.2021	31.12.2021
Total assets	996.7	15.2%	865.3	958.6
Equity	560.4	41.5%	396.1	540.1
Equity ratio	56.2%	+10.4 PP	45.8%	56.3%
Additions to intangible assets and property, plant and equipment	10.0	-17.9%	12.2	56.4
Employees (at reporting date)	7,007	0.1%	7,001	6,948

Sector and segment key figures

in EUR million	Q1 2022	Change	Q1 2021	2021
Industrial Sector = Semperflex + Sempertrans + Semperform + Semperseal				
Revenue	171.0	31.4%	130.1	556.1
EBITDA	26.4	28.1%	20.6	82.1
EBIT	19.6	35.0%	14.5	56.8
Semperflex				
Revenue	79.8	45.9%	54.7	240.5
EBITDA	19.6	58.9%	12.3	51.3
EBIT	16.6	73.9%	9.6	40.0
Sempertrans				
Revenue	28.3	5.1%	26.9	104.5
EBITDA	1.3	23.6%	1.0	6.8
EBIT	0.3	75.3%	0.2	3.2
Semperform				
Revenue	26.2	32.5%	19.8	90.6
EBITDA	3.2	5.1%	3.1	12.4
EBIT	2.1	0.4%	2.1	8.5
Semperseal				
Revenue	36.6	27.5%	28.7	120.5
EBITDA	2.4	-43.8%	4.2	11.6
EBIT	0.5	-80.4%	2.6	5.1
Medical Sector = Sempermed				
Revenue	106.1	-45.0%	192.9	626.1
EBITDA	13.3	-87.3%	105.3	301.1
EBIT	7.6	-92.4%	100.2	280.9

Note: Rounding differences in the totalling of rounded amounts and percentages may arise from the use of automatic data processing.

¹ Earnings per share are only attributable to the core shareholders of Semperit AG Holding (excl. remuneration from hybrid capital).

² Based on a full-year projection.

Group management report

The publicly listed Semperit Group recorded decrease in earnings in Q1 2022 in comparison with the extraordinary positive results in Q1 2021. In the Industrial Sector the result for the same period in the previous year was clearly exceeded despite the difficult global market environment. In the Medical Sector, on the other hand, earnings declined as expected due to the fading of the exceptional boom resulting from the pandemic.

Development of the raw materials markets

Over the course of Q1 2022, prices on the relevant Asian commodity exchanges for natural rubber (most relevant for Sempertrans) and natural latex (relevant for Sempermed) trended further higher compared with Q1 2021 (natural rubber +6% and natural latex +4%).

In Q1 2022, the average prices for the essential basic raw material butadiene (relevant for all segments) reached a significantly higher level in Asia (+12%) and Europe (+58%) than in Q1 2021. This, combined with a significant supply shortage in the face of sustained strong demand, led to a further sharp rise in the prices of butadiene derivatives, such as butadiene rubber, styrene butadiene rubber, and nitrile butadiene rubber.

Prices for nitrile latex, the most important raw material for Sempermed, continued to decline over the course of Q1 2022 despite increased prices for butadiene due to declining market demand.

The price trend of heavy fuel oil (HFO), which in turn correlates closely with the general trend in crude oil prices, is a relevant indicator for the filler carbon black, which is used in the entire Industrial Sector. The average HFO price was more than 50% higher from January to March than in Q1 2021. Due to this development and a tight supply situation as well as considerably higher energy and logistics costs, carbon black prices increased significantly compared with Q1 2021.

In Q1 2022, prices for wire rod – a raw material relevant for the Semperflex, Sempertrans, and Semperform segments – continued the rising trend that began in mid-2020. Whereas in the previous year it was assumed that the peak had been reached with the multi-year high, the world market has exhibited new highs as a result of the significant deterioration in the supply situation. The situation is even more drastic especially in Europe, where the sharp rise in transport and energy costs combined with high demand has meant that the level of last year's multi-year high has meanwhile more than doubled. The price of iron ore – the basic raw material for wire rod – has been rising again at a rapid rate since November 2021 following an adjustment from USD 220/t to USD 90/t and is currently USD 140/t.

In addition to raw material prices, general inflation and in particular sharply rising energy prices as well as increases in wages and salaries are becoming additional cost drivers.

Russia-Ukraine conflict

On 24 February 2022, the Russia-Ukraine conflict reached a new level of escalation with Russia launching a war of aggression against Ukraine. Since the outbreak of this war, numerous international punitive sanctions have been imposed on Russia (and Belarus); stiffer sanctions continue to be discussed.

The Semperit Group's revenue from customers in the countries affected by the Russia-Ukraine conflict (Russia, Belarus, and Ukraine) comprised around 2% of total revenue in Q1 2022 (Q1 2021: 3%). The Semperit Group has stopped deliveries to customers in Russia and Belarus in the context of the EU sanctions.

A shift in global procurement flows and inventory management is to be noted for key raw materials and consumables used in the manufacture of vulcanised rubber products as a result of the Russia-Ukraine conflict. The Semperit Group has long since stepped up international multiple sourcing activities and increased reserves of production-critical materials, such as certain fillers. As a result, the inventory range is now several weeks longer than usually necessary. Storage capacities along the supply chain are used for this purpose. Nevertheless, it cannot be ruled out that in future, in particular in the second half of 2022, material shortages will lead to production constraints at the European production sites and consequently to delivery delays and restrictions. Production sites outside of Europe, on the other hand, are not expected to be affected by these constraints.

Prices for synthetic rubber, paraffinic oils, and fillers such as soot and silicates correlate strongly with the market price trend for crude oil and natural gas due to the energy intensity of their production. Suppliers are dropping out as a result of the sanctions, whereby price-driving surplus demand can also be observed. In light of this, the Semperit Group again anticipates price increases – in some cases considerable – for key raw materials and consumables; price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics on the segment-specific product markets. In addition, the Semperit Group continues to expect additional costs due to rising energy prices. In this context, it is to be noted that around 60% of the price risks for natural gas at the European production sites are partially hedged depending on actual demand. The non-European production sites are not affected by the price increases and volatility on the European gas market.

The Semperit Group's management is closely monitoring the geopolitical and market-related developments in connection with the Russia-Ukraine conflict and is taking a prudent approach to the situation. All employees of the Semperit Group who were travelling in Russia, Belarus, or Ukraine, particularly in the course of their sales activities, were promptly and safely brought back to countries not directly affected by the war. Management initiated the evaluation of appropriate proactive measures to mitigate these developments at an early stage and is continuously conducting detailed analyses; initial packages of measures were immediately implemented with success and are being continued depending on the situation.

Revenue and earnings performance

Key figures Semperit Group

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	277.0	-14.2%	323.1	1,182.2
EBITDA	36.5	-70.1%	122.2	361.8
EBITDA margin	13.2%	-24.6 PP	37.8%	30.6%
EBIT	23.7	-78.6%	110.8	315.0
EBIT margin	8.6%	-25.7 PP	34.3%	26.6%
Earnings after taxes	15.5	-81.8%	85.5	247.5
Additions to intangible assets and property, plant and equipment	10.0	-17.9%	12.2	56.4
Employees (at reporting date) ¹	7,007	+0.1%	7,001	6,948

The Semperit Group recorded a decrease in revenue in Q1 2022 of -14.2% to EUR 277.0 million compared with the previous year. Revenue in the Industrial Sector increased by 31.4% to EUR 171.0 million, whereas revenue in the Medical Sector decreased by -45.0% to EUR 106.1 million. The increase in revenue in the Industrial Sector was driven in particular by the rise in average selling prices in all segments (Semperflex +32.5%, Sempertrans +25.3%, Semperseal +25.1%, and Semperform +23.6%) compared with Q1 2021, whereby raw material and energy-related price increases were promptly passed on for the most part. This more than compensated for the decline in sales volumes observed in the Sempertrans segment in light of the overcrowded US ports and the associated delays together with partial shifts of deliveries to after the end of the quarter. At the same time, sales volumes increased, particularly in the Semperflex and Semperform segments. At Semperflex (+13.4%), this was due to a positive market environment as well as increases in the global market share of hydraulic and industrial hoses, while the increase in sales volumes in the Semperform segment (+8.9%) can be mainly attributed to the recovery of the business unit Special Applications – which primarily produces products related to the winter tourism industry. The expected decrease in revenue in the Medical Sector was due in particular to the declining price level. Although sales prices are still above pre-Corona levels, they continue to decline steadily compared with prior periods. Sales volumes increased slightly (5.3%) as a result of limited container availability: while their situation is still tense, the circumstances have improved somewhat.

Picking up where it left off prior to the Corona crisis, the Industrial Sector generated 62% of the Semperit Group's revenue in Q1 2022 (Q1 2021: 40%), while the Medical Sector generated 38% (Q1 2021: 60%). Thus, the relationship between the sales volumes is now exactly the opposite of what it was during the same period in 2021.

The inventory of own products increased by EUR 3.3 million in Q1 2022 (Q1 2021: EUR 10.4 million), in particular as a consequence of the congestion at American ports – as a result of which container ships are increasingly becoming “floating warehouses” – as well as the significant increase in global transport times. This was offset by effects from inventory valuation in the Sempered segment.

Other operating income decreased year over year by a total of EUR 1.1 million. In Q1 2021, this item included, among other things, a research grant in the amount of EUR 1 million, which has not yet been recognised this year.

The cost of materials (including energy and purchased services) increased by EUR 16.7 million or +12.2% to EUR 153.8 million in Q1 2022. The change was largely due to higher energy prices in both sectors, but also to the increased cost of materials in the Industrial Sector; lower production volumes at Sempermed had an opposite effect.

Personnel expenses increased to EUR 58.9 million (+11.2%) in Q1 2022. The main reasons for this were primarily general wage and salary increases and increased costs for additional temporary workers and production staff.

At EUR 33.0 million, other operating expenses were up around +37.6% year over year (Q1 2021: EUR 24.0 million). The increase can be attributed in particular to higher outbound freight expenses of around EUR 6.3 million and, to a lesser extent, to price-related increases in non-production-related energy costs.

As expected, EBITDA, which rose sharply in the past two years as a result of the special economic situation brought about by the Corona-pandemic, fell considerably from EUR 122.2 million in Q1 2021 to EUR 36.5 million in Q1 2022 – a decline of –70,1%. The EBITDA margin was 13.2% (Q1 2021: 37.8%).

Depreciation and amortisation increased to EUR 12.8 million (+12.5%) in Q1 2022; this can be attributed mainly to capital expenditures to of the glove plant in Kamunting, Malaysia (“Plant 7 plus, or P7+”), where six new production lines were ceremonially commissioned on 30 April 2022. EBIT decreased to EUR 23.7 million in Q1 2022 from EUR 110.8 million in the previous year. The Semperit Group’s EBIT margin decreased from 34.3% in Q1 2021 to currently 8.6%.

The negative financial result shrank to EUR 2.5 million, representing a significant year-over-year improvement (Q1 2021: EUR 6.1 million). The other financial result increased by EUR 3.5 million, in particular due to a higher net foreign currency gain. In Q1 2021, the net foreign currency result was driven in particular by the US dollar exchange rate trend. In Q1 2022, net foreign currency result was influenced by the development of the Czech koruna, the Polish zloty, and the US dollar.

Tax expense decreased to in Q1 2022 to EUR 5.7 million (Q1 2021: EUR 19.3 million). The high tax expense in the previous year was due to the exceptional economic trend during the pandemic and the resulting increase in earnings in the Sempermed segment. In Q1 2022, the tax rate was 25.1% (Q1 2021: 18.4%).

Due to the expected lower operating result, earnings after tax amounted to EUR 15.5 million, down –81.8% from the previous year (Q1 2021: EUR 85.5 million). This was offset in particular by foreign exchange effects in the financial result, as well as a lower tax expense. The earnings per share attributable to the shareholders of Semperit AG Holding for Q1 2022 amounted to EUR 0.75 (Q1 2021: EUR 4.13).

Dividends

A dividend of EUR 1.50 per share was resolved for the 2021 financial year at the Annual General Meeting held on 27 April 2022, which led to a total distribution of EUR 30.8 million. At a share price of EUR 29.30 at the end of 2021, this results in a dividend yield of 5.1%. A dividend of EUR 1.50 per share was also distributed in the previous year, which corresponded to a dividend yield of 6.2% based on the closing price of EUR 24.30 in 2020.

Assets and financial positions

Balance sheet

The development of the balance sheet structure as at 31 March 2022 can be summarised as follows:

in EUR million	31.03.2022	Share	31.12.2021	Share	Change
Non-current assets	407.1	41%	407.4	43%	-0.1%
Current assets	589.6	59%	551.1	57%	+7.0%
ASSETS	996.7	100%	958.6	100%	+4.0%
Equity ¹	561.5	56%	541.2	56%	+3.8%
Non-current provisions and liabilities	142.9	14%	140.1	15%	2.0%
Current provisions and liabilities	292.3	29%	277.3	29%	+5.4%
EQUITY AND LIABILITIES	996.7	100%	958.6	100%	+4.0%

¹ including non-controlling interests

Current assets have increased since 31 December 2021, in particular due to an increase in trade receivables. In addition, the increase in current assets can be attributed to a EUR 16.2 million increase in inventories – in particular in the Sempertrans and Semperflex segments.

Equity increased due to the profits of the current period. The return on equity amounted to 11.1% (Q1 2021: 86.2%). The currency translation reserve was reduced predominantly due to changes in the exchange rates for the US dollar (USD), Czech crown (CZK), and Malaysian ringgit (MYR).

The increase in current liabilities resulted primarily from the increase in trade payables. A decrease in liabilities from current taxes had an offsetting effect. As of 31 March 2022, the Semperit Group exhibited a net cash surplus of EUR 144.0 million, as cash and cash equivalents exceeded financial liabilities (net cash surplus as of 31 December 2021: EUR 144.2 million). The calculated ratio between the net cash surplus (i.e. theoretical negative net indebtedness) and EBITDA as at 31 March 2022 was thus -0.5x (31 December 2021: -0.4x). In this context, the negative value of net debt and its ratio to EBITDA means that cash exceeds liabilities, resulting in negative calculated values.

The existing credit facilities with a bank consortium and Österreichische Kontrollbank AG (OeKB) amounting to EUR 75 million and EUR 15 million, respectively, have not yet been used.

Cash flow

The development of the liquidity situation in Q1 2022 can be summarised as follows:

in EUR million	Q1 2022	Change	Q1 2021	2021
Cash flows from operating activities	17.5	-74.9%	69.8	289.2
Cash flows from investing activities	-17.7	-43.0%	-31.0	-48.0
Free cash flow	-0.1	>100%	38.8	241.2
Cash flows from financing activities	-6.2	-80.6%	-32.1	-155.6
Net increase / decrease in cash and cash equivalents	-6.3	>100%	6.8	85.6
Cash and cash equivalents at the end of the period	231.1	+49.8%	154.3	235.5

The cash flow from operating activities was down compared with Q1 2021 primarily due to the lower earnings but was also further reduced by EUR 27.1 million due to the increase in trade working capital.

Cash expenditures on intangible assets and property, plant and equipment amounted to EUR 17.2 million in Q1 2022, putting them above the previous year's level of EUR 10.2 million. The largest investments were made in Malaysia in the amount of EUR 6.6 million (Q1 2021: EUR 2.7 million), Austria in the amount of EUR 5.4 million (Q1 2021: EUR 2.9 million), the Czech Republic in the amount of EUR 1.5 million (Q1 2021: EUR 1.4 million), and Poland in the amount of EUR 1.2 million (Q1 2021: EUR 1.3 million).

In Q1 2022, free cash flow totalled EUR -0.1 million, compared with EUR 38.8 million in Q1 2021.

Cash flow from financing activities in Q1 2022 included the repayment of a current financial liability in Malaysia in the amount of EUR 4.8 million. In Q1 2021, this item included in particular the repayment of hybrid capital in the amount of EUR 30.0 million and the payment of hybrid coupons in the amount of EUR 0.8 million.

Performance of sectors and segments

Industrial Sector

Key figures Industrial Sector

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	171.0	31.4%	130.1	556.1
EBITDA	26.4	28.1%	20.6	82.1
EBITDA margin	15.5%	-0.4 PP	15.9%	14.8%
EBIT	19.6	35.0%	14.5	56.8
EBIT margin	11.5%	+0.3 PP	11.2%	10.2%
Additions to intangible assets and property, plant and equipment	4.3	-37.2%	6.8	28.7
Employees (at reporting date) ¹	3,881	9.1%	3,557	3,764

¹ The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

In the Industrial Sector – comprising the Semperflex, Sempertrans, Semperseal, and Semperform segments – a sustained overall positive sales trend was observed in Q1 2022, although this varied in the individual segments. Following the above-average trend in H1 2021, a slight decrease in current demand and the associated incoming orders has been observed continuously since the second half of 2021. Nevertheless, the order books are still higher than they were in Q1 2021. At the same time, the continuous increases in raw material and energy prices, which were further exacerbated by the Russia-Ukraine war as well as rising wage levels, are putting pressure on margins. The ongoing effort to pass on price increases in the various input factors to customers in a timely manner should counteract against the pressure on margins resulting from these developments.

Semperflex segment

Key figures Semperflex

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	79.8	45.9%	54.7	240.5
EBITDA	19.6	58.9%	12.3	51.3
EBITDA margin	24.5%	+2.0 PP	22.5%	21.3%
EBIT	16.6	73.9%	9.6	40.0
EBIT margin	20.8%	+3.4 PP	17.5%	16.6%
Additions to intangible assets and property, plant and equipment	1.1	54.9%	0.7	8.0
Employees (at reporting date) ¹	1,834	12.8%	1,626	1,753

¹ The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

Already Q1 2021 was characterized by a market recovery following the slump due to the pandemic. This positive sentiment has persisted, although a gradual cooling has been evident since H2 2021. Semperflex customers nevertheless continued to exhibit above-average demand in Q1 2022. This applies to hydraulic hoses as well as to industrial hoses. At the same time, the order books remained at an above-average level – even compared with their level prior to the onset of Corona.

Revenue was up significantly as a result of the increased sales volumes brought about by growing demand, supported by the expansion of production volumes in Odry as well as the price increases necessitated by rising costs for raw materials and logistics expenses. The negative effects of the dramatically elevated and further rising raw material, container, and energy prices, which were further boosted by the war between Russia and Ukraine, placed a burden on earnings. However, just as with the wage increases and the tight availability of raw materials and containers, these effects were offset by considerable increases in sales volumes and the resulting volume advantages, efficiency gains, and price increases. Consequently, EBITDA and EBIT as well as the corresponding margins in Q1 2022 exceeded the respective levels in Q1 2021.

Sempertrans segment

Key figures Sempertrans

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	28.3	5.1%	26.9	104.5
EBITDA	1.3	23.6%	1.0	6.8
EBITDA margin	4.5%	+0.7 PP	3.8%	6.6%
EBIT	0.3	75.3%	0.2	3.2
EBIT margin	1.2%	+0.5 PP	0.7%	3.1%
Additions to intangible assets and property, plant and equipment	0.3	-37.3%	0.5	4.1
Employees (at reporting date) ¹	874	-4.8%	918	921

¹ The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly

As expected, the late-cycle business in the Sempertrans segment was able to realize the first positive results from the favourable development of the project pipelines in Q1 2022. Demand for conveyor and transport belts also increased, driven by the price trend for mining products, which was favourable for Sempertrans' order situation, and global demand in 2021. This general trend has so far remained unaffected by the Russia-Ukraine war; demand in particular for large-scale replacement projects is strong. The positive sentiment is reflected in an order book level that is more than 100% above the level at the end of Q1 2021.

As a result, the first slight increase in sales was recorded in Q1 2022. Although in view of the overcrowded US ports deliveries were partially delayed to after the end of the quarter, sales-side price increases in the wake of sharp cost increases have made a positive contribution to the development of revenue. Despite rising input factor prices also driven by the Russia-Ukraine war, an increase in EBITDA and EBIT as well as in the corresponding margins was also recorded. At the same time, impending material shortages proved to be manageable and negative effects on production were avoided.

Semperseal segment

Key figures Semperseal

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	36.6	27.5%	28.7	120.5
EBITDA	2.4	-43.8%	4.2	11.6
EBITDA margin	6.5%	-8.2 PP	14.7%	9.6%
EBIT	0.5	-80.4%	2.6	5.1
EBIT margin	1.4%	-7.8 PP	9.2%	4.2%
Additions to intangible assets and property, plant and equipment	1.8	-62.7%	4.9	11.5
Employees (at reporting date) ¹	567	22.0%	465	514

¹The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

The markets posted a further slight improvement in Q1 2022 following a solid recovery in the 2021 financial year, with the order book volume as of the end of the Q1 2022 reporting period significantly higher than the volume in Q1 2021. The Russia-Ukraine crisis had already started to have a slight impact by the end of Q1 2022. The fact that the Semperit Group has terminated its business activities with Russian customers will be reflected in the further development of the order book.

A noticeable increase in revenue was achieved as a consequence of high demand for products from the business unit Profiles and the gradual implementation of price increases. At the same time, however, rising input factor prices put pressure on EBITDA and EBIT development, as the increases could only be passed on with a time lag and not to the full extent. As a result, EBITDA, EBIT, and the corresponding margins were well below the level of Q1 2021.

Production at the new rubber gasket plant in the USA (Newnan, Georgia) commenced in Q1 2022. The first deliveries were already carried out in April; work is currently underway to ramp up an additional production line.

Semperform segment

Key figures Semperform

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	26.2	32.5%	19.8	90.6
EBITDA	3.2	5.1%	3.1	12.4
EBITDA margin	12.2%	-3.2 PP	15.4%	13.7%
EBIT	2.1	0.4%	2.1	8.5
EBIT margin	8.2%	-2.6 PP	10.8%	9.4%
Additions to intangible assets and property, plant and equipment	1.1	44.0%	0.8	5.2
Employees (at reporting date) ¹	605	10.6%	548	576

¹The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

The Semperform segment presented a comparatively improved picture with regard to the development of the individual business units in Q1 2022. The winter tourism industry in particular was able to gradually recover and showed increased demand for replacement products, in particular cable car rings. Healthy demand was observed in the handrail business. The niche markets of the Engineered Solutions unit, in particular railway and households, also showed increased activity. Thanks to these developments, order intake developed positively in Q1 2022; order book volume at the end of Q1 2022 exceeded the volume at the end of Q1 2021 by a considerable margin. The Russia-Ukraine crisis has not had any noticeable impact on business performance to date.

Revenue exceeded the level of Q1 2021 thanks in particular to the Special Applications and Engineered Solutions business units. At the same time, the sharp rise in input factor prices, despite price increases to compensate for these developments, had a negative impact on EBITDA and EBIT margins – although EBITDA and EBIT exceeded the comparative figures in absolute terms.

Medical Sector: Sempermed segment

Key figures Sempermed

in EUR million	Q1 2022	Change	Q1 2021	2021
Revenue	106.1	-45.0%	192.9	626.1
EBITDA	13.3	-87.3%	105.3	301.1
EBITDA margin	12.6%	-42.0 PP	54.6%	48.1%
EBIT	7.6	-92.4%	100.2	280.9
EBIT margin	7.2%	-44.8 PP	52.0%	44.9%
Additions to intangible assets and property, plant and equipment	4.5	-11.2%	5.1	24.9
Employees (at reporting date) ¹	3,052	-7.7%	3,307	3,038

¹The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

The market development of the Sempermed segment in Q1 2022 was affected by two main factors compared with the same period of the previous year. On the one hand, Q1 2021 was still characterized by the marked increase in selling prices before a plateau was reached in Q2 2021. At the same time, Q1 2022 saw a continuation of the price reduction that has been ongoing since H2 2021. As a result, prices at the end of the quarter were still above pre-Corona levels. On the other hand, sales volumes of examination gloves increased, which partly compensated for the negative price effect. This was induced by the development of container availability, as – while its availability is still limited – the situation has slightly improved in comparison with Q1 2021. However, longer transport times due to global logistics bottlenecks as well as high raw material and container prices continued to impact earnings.

This development as a result of the changed market environment is reflected in the key figures (revenue, EBITDA, EBIT, and margins). Despite the negative effects, however, it was possible – supported by high efficiency – to achieve a margin level that remains above the pre-Corona level.

The new “Plant 7 plus” production facilities were fully completed and formally opened shortly after the end of Q1 2022.

Employees

The headcount of 7,007 employees (FTE, full-time equivalents) as of 31 March 2022 was only slightly higher (+0.1%) than the level on 31 March 2021 (7,001 employees). In the Industrial Sector, the number of employees increased in all segments compared with 31 March 2021, with the exception of Sempertrans. The workforce increased in particular in the Semperflex, Semperform, and Semperseal segments (12.8%, 10.6%, and 22.0% respectively), whereas the number of employees in the Sempertrans segment decreased by 4.8%. The number of employees in the Medical Sector fell by 7.7% year over year as a consequence of an increase in the level of operational efficiency and automation. The definition of the allocation key for overhead functions was adapted, resulting in slight shifts between the segments; the prior-year figures were adjusted accordingly.

Executive Board and Supervisory Board matters

The Supervisory Board appointed Dr. Karl Haider as the new CEO of Semperit AG Holding at the beginning of January 2022. He began working on 11 January 2022, and his term of office runs until 31 March 2025.

At the 133rd Annual General Meeting on 27 April 2022, the number of members on the Supervisory Board was reduced within the limits specified in the Articles of Association from eight to a total of seven members elected by the Annual General Meeting. Herbert Ortner was re-elected to the Supervisory Board at the Annual General Meeting following the end of his term of office. Stephan Büttner was elected as a new member of the Supervisory Board.

Outlook

Following the special economic cycle as a result of the pandemic and the high demand for medical products in 2021, price levels are now expected to normalize 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 Corona 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 Russia-Ukraine conflict developed into a new economic and geopolitical threat beginning in late February 2022 with the start of a Russian war of aggression against Ukraine. The already observable consequences of this armed conflict 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, in particular during the second half of the year, and consequently to delivery delays and restrictions. With respect to expenses, additional costs are expected for raw materials and consumables, input and intermediate products, and energy and transportation expenses. In addition, the current situation will have a noticeable cost-increasing effect on wages and salaries. Price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets. With respect to interest rate exposure, the Semperit Group is protected against changes in interest rates, as all outstanding promissory note loans bear interest at a fixed rate. The Semperit Group's management is acting prudently and has initiated the evaluation of appropriate proactive measures to mitigate these developments at an early stage; packages of measures, particularly in the area of materials management, have been successfully implemented since the first days of the war. Current geopolitical and market developments in connection with the Russia-Ukraine war are being closely monitored, as are their effects on capital goods markets and the market for business acquisitions.

Against the backdrop of an expected subsiding course of the Corona pandemic with declining average sales prices for medical products and impending material bottlenecks, supply chain issues, and sharp increases in input factor prices in industrial production, management expects another year characterised by major challenges for the Semperit Group's transformation process. Market dynamics should be expected to negatively impact the Semperit Group and/or individual segments. 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 in terms of earnings before interest, tax, depreciation and amortisation (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 interim report for Q1 2022.

At the end of January 2020, the Semperit Group announced its goal of transforming the company into an industrial polymer specialist as part of a strategic realignment. Although this step had been delayed by the coronavirus pandemic, the newly formed Semperit Group Executive Board will continue to consistently pursue the planned transformation process in the 2022 financial year. 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.

Investments aimed at growth and a dividend strategy designed to match are and were made possible in particular by the earnings realised by the Sempermed segment as a result of the special economic developments during the 2020 and 2021 financial years .

Note

This outlook is based on the assessments of the Executive Board as of 17 May 2022 and does not take into account the impact of potential acquisitions, divestments, or other unforeseeable structural and economic changes during the remainder of 2022. These assessments are subject to both known and unknown risks and uncertainties, which may result in actual events and outcomes differing from the statements made here.

Consolidated Financial Statements

Consolidated income statement

in EUR thousand	Note	Q1 2022	Q1 2021
Revenue	2.2	277,036	323,062
Changes in inventories		3,313	10,404
Own work capitalised		991	833
Operating revenue		281,340	334,299
Other operating income	2.3	864	1,954
Cost of material and purchased services		-153,757	-137,033
Personnel expenses		-58,922	-53,009
Other operating expenses	2.4	-32,995	-23,987
Earnings before interest, tax, depreciation and amortisation (EBITDA)		36,531	122,224
Depreciation and amortisation of intangible assets and property, plant and equipment		-12,829	-11,403
Earnings before interest and tax (EBIT)		23,702	110,821
Finance income		91	78
Finance expenses		-760	-972
Profit / loss attributable to redeemable non-controlling interests		-1,333	-1,146
Other financial result	2.5	-505	-4,027
Financial result		-2,506	-6,067
Earnings before taxes		21,196	104,753
Income taxes		-5,657	-19,280
Earnings after taxes		15,538	85,473
thereof attributable to the shareholders of Semperit AG Holding – from ordinary shares		15,494	84,943
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital		0	388
thereof attributable to non-controlling interests		45	142
Earnings per share in EUR (diluted and undiluted)¹		0.75	4.13

¹ The earnings per share are solely attributable to the ordinary shareholders of Semperit AG Holding (excl. interest from hybrid capital).

Consolidated statement of comprehensive income

in EUR thousand	Note	Q1 2022	Q1 2021
Earnings after taxes		15,538	85,473
Other comprehensive income that will not be recognised through profit and loss in future periods		-286	-97
Remeasurements of defined benefit plans		0	0
Income tax thereon		-286	-97
Other comprehensive income that will be recognised through profit and loss in future periods		5,124	9,430
Measurement gain or loss from cash flow hedges		0	0
thereof reclassification to profit / loss for the period		0	481
Currency translation differences		5,124	9,430
Other comprehensive income - total		4,838	9,334
Comprehensive income		20,376	94,807
thereof on earnings attributable to the shareholders of Semperit AG Holding – from ordinary shares		20,320	94,242
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital		0	388
thereof on earnings attributable to non-controlling interests		56	177

Consolidated cash flow statement

in EUR thousand	Note	Q1 2022	Q1 2021
Earnings before taxes		21,196	104,753
Depreciation, amortisation, impairment and reversal of impairment of intangible assets and property, plant and equipment		12,829	11,403
Gain / loss from disposal of assets (including current and non-current financial assets)		-39	-51
Change in non-current provisions		467	-690
Profit / loss attributable to redeemable non-controlling interests		1,333	1,146
Net interest income (including income from securities)		666	894
Income taxes paid		-11,614	-2,141
Other non-cash income / expense		4,802	3,372
Gross cash flow		29,640	118,687
Change in inventories		-18,732	-27,941
Change in trade receivables		-32,660	-31,439
Change in other receivables and assets		9,417	514
Change in trade payables		24,131	4,965
Change in other liabilities and current provisions		5,752	5,064
Cash flows from operating activities		17,547	69,849
Proceeds from sale of property, plant and equipment		72	103
Purchases of intangible assets and property, plant and equipment		-17,170	-10,156
Interest received		85	85
Investment grants received		37	18
Acquisition of financial assets		-711	-19,959
Acquisition of a subsidiary, net of cash acquired		0	-1,126
Cash flows from investing activities		-17,687	-31,034
Repayment of current and non-current financial liabilities		-4,825	-11
Repayment of lease liabilities		-771	-816
Dividends to redeemable non-controlling interests in subsidiaries		0	-123
Capital repayment to non-controlling interests in subsidiaries		-343	0
Repayment of hybrid capital		0	-30,000
Coupon payments on hybrid capital		0	-785
Interest paid		-268	-328
Cash flows from financing activities		-6,206	-32,063
Net increase / decrease in cash and cash equivalents		-6,346	6,752
Currency translation differences		1,910	2,560
Cash and cash equivalents at the beginning of the period		235,539	144,972
Cash and cash equivalents at the end of the period		231,103	154,285

Consolidated balance sheet

in EUR thousand	Note	31.03.2022	31.12.2021
ASSETS			
Non-current assets			
Intangible assets		8,112	8,492
Property, plant and equipment		377,619	376,576
Other financial assets		6,486	7,430
Other assets		3,893	3,241
Deferred tax assets		10,978	11,707
		407,089	407,447
Current assets			
Inventories		203,066	186,834
Trade receivables		132,637	98,766
Other financial assets		2,755	1,536
Other assets		14,944	23,625
Current tax receivables		4,369	4,064
Cash and cash equivalents		231,103	235,539
		588,873	550,365
Non-current assets held for sale		764	764
		589,637	551,128
ASSETS		996,726	958,575
EQUITY AND LIABILITIES			
Equity			
Share capital		21,359	21,359
Capital reserves		21,503	21,503
Retained earnings		527,424	512,216
Currency translation reserve		-9,844	-14,956
Equity attributable to the shareholders of Semperit AG Holding		560,443	540,122
Non-controlling interests		1,084	1,028
		561,527	541,151
Non-current provisions and liabilities			
Provisions		43,831	42,824
Liabilities from redeemable non-controlling interests		13,519	11,941
Financial liabilities		51,829	51,685
Trade payables		151	154
Other financial liabilities		19,409	19,602
Other liabilities		1,926	1,948
Deferred tax assets		12,235	11,954
		142,899	140,108
Current provisions and liabilities			
Provisions		28,600	26,406
Liabilities from redeemable non-controlling interests		5,708	5,595
Financial liabilities		35,319	39,654
Trade payables		113,540	95,166
Other financial liabilities		16,276	12,826
Other liabilities		41,207	40,844
Current tax liabilities		51,649	56,826
		292,300	277,317
EQUITY AND LIABILITIES		996,726	958,575

Consolidated statement of the changes in equity

in EUR thousand	Note	Share capital	Capital reserves	Hybrid capital	Retained earnings	Currency translation reserve	Total	Non-controlling interests	Total equity
As at 01.01.2021		21,359	21,503	30,000	294,886	-35,483	332,266	2,331	334,597
Earnings after taxes		0	0	0	85,331	0	85,331	142	85,473
Other comprehensive income		0	0	0	-97	9,395	9,299	35	9,334
Comprehensive income		0	0	0	85,235	9,395	94,629	177	94,806
Dividend		0	0	0	0	0	0	-123	-123
Coupon payments on hybrid capital		0	0	0	-785	0	-785	0	-785
Repayment of hybrid capital		0	0	-30,000	0	0	-30,000	0	-30,000
As at 31.03.2021		21,359	21,503	0	379,335	-26,087	396,109	2,385	398,496
As at 01.01.2022		21,359	21,503	0	512,216	-14,956	540,122	1,028	541,151
Earnings after taxes		0	0	0	15,494	0	15,494	45	15,538
Other comprehensive income		0	0	0	-286	5,113	4,827	11	4,838
Comprehensive income		0	0	0	15,208	5,113	20,320	56	20,376
As at 31.03.2022		21,359	21,503	0	527,424	-9,844	560,443	1,084	561,527

Notes to the interim group financial statements (condensed)

1. General

1.1. Basic preparation principles

The interim group financial report has been prepared in accordance with International Financial Reporting Standards (IFRSs) and is based on the regulations for interim financial statements (IAS 34).

For more information on accounting and valuation methods of the Semperit-Group, please see the consolidated financial statements as at 31 December 2021, which in this regard form the basis for this interim group financial report.

The reporting currency is the euro, with figures rounded to the nearest thousand, unless expressly stated otherwise. Rounding differences in the totalling of rounded amounts and percentages may arise from the automatic processing of data.

The interim group financial report of the Semperit-Group as at 31 March 2022 have not been fully audited or reviewed by the Group's auditor.

1.2. New and amended accounting standards

The following amended standards and interpretations were applicable for the first time in the first quarter of 2022:

		Endorsement	Mandatory application for the Semperit-Group	Effects on the Semperit-Group
Amended standards				
Miscellaneous	Amendments to IFRS 3, IAS 16 and IAS 37	28 June 2021	1 January 2022	no
Miscellaneous	Annual improvements to IFRS, cycle 2018–2020	28 June 2021	1 January 2022	no

2. Performance

2.1. Segment reporting

Q1 2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Total
Revenue	106,061	79,814	28,307	36,628	26,226	0	277,036
EBITDA	13,327	19,589	1,273	2,374	3,210	-3,244	36,531
EBIT	7,600	16,635	334	519	2,148	-3,534	23,702
Trade working capital	78,782	75,527	25,098	25,060	22,006	-4,310	222,163
Additions to intangible assets and property, plant and equipment ¹	4,492	1,054	344	1,813	1,088	1,206	9,997

Q1 2021 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Total
Revenue	192,918	54,697	26,929	28,718	19,800	0	323,062
EBITDA	105,259	12,331	1,030	4,223	3,055	-3,676	122,224
EBIT	100,247	9,564	190	2,646	2,140	-3,967	110,821
Trade working capital	122,439	51,093	20,501	17,143	16,638	-2,409	225,404
Additions to intangible assets and property, plant and equipment ¹	5,060	680	549	4,861	755	266	12,171

¹ Exclusive rights of use in accordance with IFRS 16.

2.2. Revenue

Q1 2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Western Europe	52,361	47,101	12,841	29,296	16,466	158,064
North America	26,512	9,271	2,382	2,337	1,244	41,746
Eastern Europe	14,438	15,695	3,390	4,847	3,110	41,480
Asia	6,947	5,781	5,800	145	4,964	23,636
Central and South America	4,576	1,243	582	3	384	6,789
Australia and Oceania	867	190	1,723	0	12	2,793
Africa	361	533	1,589	0	45	2,528
Revenue	106,061	79,814	28,307	36,628	26,226	277,036

Q1 2021 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Western Europe	92,399	30,524	8,467	23,266	11,124	165,780
North America	50,008	4,462	723	1,312	1,083	57,588
Eastern Europe	22,342	12,100	5,871	3,888	2,408	46,609
Asia	21,359	6,858	6,719	246	4,746	39,928
Central and South America	4,307	440	606	6	302	5,660
Australia and Oceania	1,538	60	2,355	0	24	3,976
Africa	966	253	2,189	0	114	3,522
Revenue	192,918	54,697	26,929	28,718	19,800	323,062

2.3. Other operating income

Other operating income includes government grants in the amount of EUR 325 thousand (Q1 2021: EUR 262 thousand) that the Semperit-Group received in the form of pandemic-related support payments for the first quarter of 2022. The grants were granted in China and Austria.

2.4. Other operating expense

in EUR thousand	Q1 2022	Q1 2021
Outgoing freight	14,763	8,441
Legal, consulting and auditing fees	2,988	2,473
Maintenance and external services	2,382	2,960
Insurance premiums	1,548	1,260
Software licence expenses	1,375	924
Energy costs unrelated to production	1,341	585
Rental and lease expenses	1,025	549
Commission and advertising expenses	792	913
Travel expenses	683	247
Other taxes	601	660
Waste disposal	564	635
Office equipment	356	274
Fees, subscriptions and donations	347	298
Communications	243	234
Complaint costs	194	-294
Training and education expenses	160	87
Bank expenses and hedging costs	110	147
Valuation allowances	69	63
Miscellaneous	3,454	3,532
Total	32,995	23,987

2.5. Other financial result

in EUR thousand	Q1 2022	Q1 2021
Expense (+) / income (-)		
Other financial result		
Net foreign currency result	81	4,446
Net result from the FVPL and FV measurement categories - hedging instruments	339	-549
Miscellaneous	84	130
Total	505	4,027

Contact

Semperit AG Holding

Am Belvedere 10
1100 Vienna, Austria
Tel.: +43 1 79 777 0
Fax: +43 1 79 777 600
www.semperitgroup.com/en

Financial Calendar 2022

18.5.2022	Report on Q1 2022
17.8.2022	Half-year financial report 2022
16.11.2022	Report on Q1-3 2022

Investor Relations

Judit Helenyi
Director Investor Relations
Tel.: +43 1 79 777 310
www.semperitgroup.com/en/ir

Addresses of the Semperit Group

www.semperitgroup.com/en/contact

Contacts of the Semperit Group

Ownership and publisher: Semperit Aktiengesellschaft Holding, Am Belvedere 10, 1100 Vienna, Austria, Produced in-house with firesys GmbH, www.firesys.de

Disclaimer

The terms "Semperit" or "Semperit Group" in this report refer to the group; "Semperit AG Holding" or "Semperit Aktiengesellschaft Holding" is used to refer to the parent company (individual company).

We have prepared this report and verified the information it contains with the greatest possible care. Nevertheless, rounding, typesetting and printing errors cannot be ruled out. Rounding of differences in the summation rounded amounts and percentages may arise from the automatic processing of data.

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and information available and the assessments made at the time that this report was prepared (editorial deadline: 17 May 2022). As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements. Words such as "expect," "want", "believe," "anticipate," "includes," "plan," "assumes," "estimate," "projects," "intends," "should," "will," "shall," or variations of such words are generally part of forward-looking statements.

Furthermore, there is no guarantee that the contents are complete.

Statements referring to people are valid for both men and women.

This report has been written in German and English. In case of doubt, the German version shall take precedence.

SEMPERIT