

Ad-Hoc Press Release

Semperit AG Holding: Good Revenue and Earnings Development in H1 2014

- Revenue up 2.9% in H1 2014 to EUR 464.3 million
- Increase in EBITDA (+4.6%) and EBIT (+5.7%)
- Organic growth and high profitability
- Continuation of current order situation expected

Vienna, August 19, 2014 – The publicly listed Semperit Group continued its organic growth in the first half of 2014, showing a good revenue and earnings development. Revenue in the first six months of 2014 rose 2.9% year-on-year to EUR 464.3 million from EUR 451.4 million in the prior-year period. Both the Medical and Industrial Sectors contributed to growth based on strong sales performances and higher global sales. This more than offset the decrease in selling price levels caused by the substantial drop in raw material prices. Double-digit growth was achieved in the Medical Sector, whereas the more cyclically-dependent Industrial Sector further increased its revenue and profitability.

In the first half of 2014, the Group's consolidated EBITDA improved by 4.6% to EUR 68.8 million from EUR 65.8 million in the previous year. EBIT was up 5.7% to EUR 46.2 million, compared to the prior-year level of EUR 43.7 million. In addition to the positive operating development, the resolute implementation of strategic raw material management, stringent cost discipline as well as further efficiency improvements related to good capacity utilisation contributed to the rise in earnings. The EBITDA margin was up from 14.6% to 14.8%, and the EBIT margin climbed to 10.0% from 9.7% in the previous year. Semperit achieved a net result (earnings after tax) of EUR 27.8 million, which declined slightly from the comparable figure of EUR 28.2 million in the first half of 2013 due to the somewhat higher financial expenses.

“The expansion of our sales activities and the further globalisation of our business paid off again in the first half of 2014. This enabled us to achieve double-digit sales increases and to grow once more faster than the market. We not only gained market shares and attracted new customers but also managed to further increase profitability. This can be attributed to our high capacity utilisation as well as the successful, active management of our raw material needs”, says Semperit CEO Thomas Fahnemann in commenting on the current business development.

Semperit also held up well in the second quarter of 2014. Although production and sales volumes could be significantly increased, the lower raw material prices compared to the prior-year period resulted in a slight revenue decline to EUR 231.6 million, down from EUR 236.2 million in the second quarter of 2013. EBITDA fell by 2.9% to EUR 35.4 million, and EBIT decreased to EUR 23.9 million, a drop of 4.2%. In spite of these earnings declines, profitability remained at a very good level as reflected by the EBITDA margin of 15.3% and an EBIT margin of 10.3%.

Semperit boasted a solid capital base at the reporting date of June 30, 2014. The equity ratio remained at a consistently high level of 48.9% compared to 48.3% as per December 31, 2013. Cash and cash equivalents amounted to EUR 157.3 million, down from EUR 182.6 million at the end of 2013, which can be mainly attributed to the dividend payment. “Despite distributing a dividend which was higher than in the previous year and implementing an extensive investment programme, we still have a positive net liquidity of EUR 17.5 million

after deducting all financing liabilities. The financing of future growth activities is therefore well secured”, explains Semperit CFO Johannes Schmidt-Schultes.

Medical Sector: Higher revenue and earnings

In the Medical Sector (the Sempermed segment), the intensified sales activities resulted in a considerable rise in sales volumes. Therefore, the ongoing negative price effects caused by the lower raw material prices could be offset. Demand for examination gloves was strong, especially in Europe. Sales in the industrial and consumer goods sectors continued to develop positively. In contrast, higher energy prices in Malaysia as well as several days of production standstills at the Kamunting, Malaysia facility related to external infrastructure work on the water supply for the new Semperit plant at this site had an adverse effect on the Medical Sector’s performance. Capacity utilisation remained high at all Sempermed production plants.

Revenue of the Medical Sector rose 1.1% in the first half-year 2014 to EUR 220.6 million. EBITDA was up 3.6% to EUR 29.2 million, comprising an improved EBITDA margin of 13.3% compared to 12.9% in the prior-year period. The EBIT margin rose marginally from 7.8% to 7.9%.

Industrial Sector: Excellent development in the first half of 2014

The Industrial Sector (the Semperflex, Sempertrans and Semperform segments) showed a clearly positive development marked by a further rise in revenue and earnings. All three segments once again increased sales volumes, which is mainly due to their strong sales activities. This served as the basis for acquiring new customers and gaining market shares.

In the Semperflex segment, sales successes and a very good capacity utilisation of production plants led to substantial revenue and earnings growth. The hydraulic hose business in Europe and the USA developed well. In spite of the challenging situation in Russia and the Ukraine, the performance of the industrial hose business remained very good, and the initiated globalisation drive showed further success, especially in Asia. The Sempertrans segment achieved volume growth. Sempertrans profited from its good market position and international sales and distribution network, especially in Western Europe. However, negative raw material price effects led to a decline in revenue and earnings. The Semperform segment generated double-digit volume growth by gaining market shares.

Revenue of the Industrial Sector climbed 4.5% in the first half of 2014 to EUR 243.7 million. EBITDA increased even more, rising by 10.1% to EUR 49.7 million, corresponding to an excellent EBITDA margin of 20.4%, compared to 19.4% in the prior-year period. The EBIT margin was up to 16.0% from 14.7% in the previous year, with all three segments generating double-digit EBIT margins.

Outlook 2014 and multi-year targets

For the remainder of 2014 Semperit Group expects the present trend for incoming orders to continue and a satisfying performance in both revenue and earnings compared with 2013. Globally, however, more cautious developments of markets and demands are noted.

The Medical Sector has a growth dynamic that is largely independent from the general trend in the economy. Capacity in the Industrial Sector is well utilised for the next several months. However, geopolitical crises and the economic sanctions against Russia are leading to uncertainty in some sales markets. This also means, among other things, that Semperit's competitors are switching to other markets, increasing competition in these markets as a

result. A further economic slowdown in Russia and Eastern Europe would probably impact local demand for products of some business units negatively.

The Sempermed segment continues to focus on improving efficiency as well as targeting new customer segments. The Semperit Group anticipates that global demand for examination and protective gloves will continue to grow. In order to take advantage of this market growth, Sempermed is expanding production capacity at its plant in Kamunting, Malaysia. A total of around EUR 50 million will be invested in the construction of a new glove factory during the period 2014 to 2016.

With regard to potential volume increases in the Industrial Sector it should be noted that capacities in all three segments are well utilised. As a result, the group has decided to expand its manufacturing capacities for hydraulic and industrial hoses in Odry, Czech Republic, for conveyor belts at the plant in Belchatów, Poland, and for handrails in Shanghai, China. However, these additional capacities will be available step by step in the course of 2015.

For the year 2014 the group expects to invest around EUR 50–60 million (CAPEX), compared to EUR 49.7 million in 2013. Of this amount, around EUR 25 million is intended for the maintenance of existing facilities.

Semperit reaffirms its previous growth targets, namely to achieve double-digit revenue growth on average in the years from 2010 to 2015 inclusive. It still aims to achieve an EBITDA margin of between 12% and 15% and an EBIT margin of between 8% and 11%.

The report on the first half of 2014 is available for download at <http://www.semperitgroup.com/en/ir/publications/quarterly-reports/>

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About Semperit

The publicly listed company Semperit AG Holding is an internationally-oriented group that develops, produces, and sells in more than 100 countries highly specialised rubber and plastic products for the medical and industrial sectors: examination and surgical gloves, hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, and products for railway superstructures. The headquarters of this long-standing Austrian company, which was founded in 1824, are located in Vienna, and the global R & D centre is in Wimpassing, Lower Austria. The Semperit Group employs about 11,200 people worldwide, including more than 8,000 in Asia and more than 700 in Austria (Vienna and production site in Wimpassing, Lower Austria). The Group has 22 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, and America. In 2013 the group generated sales of EUR 906 million and an EBITDA of EUR 133 million.