

# REPORT ON THE FIRST THREE QUARTERS 2022



## Key performance figures

in EUR million	Q1-3 2022	Change	Q1-3 2021	Q3 2022	Veränderung	Q3 2021	2021
Revenue	829.6	-10.4%	926.1	259.0	-2.4%	265.3	1,182.2
EBITDA	85.9	-73.5%	324.3	10.7	-86.1%	76.8	361.8
EBITDA margin	10.3%	-24.7 PP	35.0%	4.1%	-24.8 PP	28.9%	30.6%
EBIT	-9.0	>100%	290.0	-57.4	>100%	65.4	315.0
EBIT margin	-1.1%	-32.4 PP	31.3%	-22.2%	-46.8 PP	24.7%	26.6%
Earnings after taxes	-34.6	>100%	224.1	-69.3	>100%	50.2	247.5
Earnings per share (EPS) <sup>1</sup> , in EUR	-1.68	>100%	10.85	-3.37	>100%	2.43	11.99
Gross cash flow	43.8	-85.2%	295.7	-3.2	>100%	65.2	323.4
Return on equity <sup>2</sup>	-9.4%	-68.1 PP	58.7%	-28.1%	-67.0 PP	38.9%	45.7%

## Balance sheet key figures

in EUR million	30.09.2022	Change	30.09 2021	30.06.2022	Change	30.06.2021	31.12.2021
Total assets	841.1	-13.6%	974.1	969.9	3.8%	934.6	958.6
Equity	492.7	-3.0%	507.8	556.4	22.6%	453.8	540.1
Equity ratio	58.6%	+6.4 PP	52.1%	57.4%	+8.8 PP	48.6%	56.3%
Additions to intangible assets and property, plant and equipment	32.4	-1.9%	33.1	20.3	-7.9%	22.0	56.4
Employees (at reporting date) <sup>1</sup>	6,700	-4.7%	7,027	6,936	-0.3%	6,956	6,948

## Sector and segment key figures

in EUR million	Q1-3 2022	Change	Q1-3 2021	Q3 2022	Change	Q3 2021	2021
<b>Industrial Sector = Semperflex + Sempertrans + Semperform + Semperséal</b>							
Revenue	558.4	36.4%	409.4	186.1	31.7%	141.3	556.1
EBITDA	100.4	55.6%	64.5	32.4	39.9%	23.2	82.1
EBIT	78.1	69.7%	46.0	23.6	38.5%	17.0	56.8
<b>Semperflex</b>							
Revenue	252.2	46.6%	172.1	78.5	36.2%	57.7	240.5
EBITDA	68.3	82.7%	37.4	21.5	92.5%	11.2	51.3
EBIT	59.4	>100%	29.0	18.5	>100%	8.4	40.0
<b>Sempertrans</b>							
Revenue	109.8	38.7%	79.2	40.0	42.7%	28.0	104.5
EBITDA	10.3	58.2%	6.5	3.7	-21.5%	4.7	6.8
EBIT	7.3	85.4%	3.9	2.6	-31.8%	3.8	3.2
<b>Semperform</b>							
Revenue	83.0	24.4%	66.7	29.3	25.7%	23.3	90.6
EBITDA	12.3	24.4%	9.9	4.1	24.7%	3.3	12.4
EBIT	9.1	28.3%	7.1	3.0	29.2%	2.3	8.5
<b>Semperséal</b>							
Revenue	113.3	24.0%	91.4	38.3	18.2%	32.4	120.5
EBITDA	9.5	-11.6%	10.7	3.2	-21.9%	4.1	11.6
EBIT	2.2	-62.2%	5.9	-0.6	>100%	2.5	5.1
<b>Medical Sector = Sempermed</b>							
Revenue	271.2	-47.5%	516.7	72.9	-41.2%	124.0	626.1
EBITDA	-4.0	>100%	277.4	-19.6	>100%	56.9	301.1
EBIT	-75.6	>100%	262.6	-78.5	>100%	52.1	280.9

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

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

<sup>2</sup> Based on a full-year projection.

## Group management report

As expected, the Semperit Group recorded a decrease in earnings in the first nine months of the year in comparison with the exceptionally strong prior-year results. In the Industrial Sector, the result for the same period of the previous year was clearly exceeded – despite the incipient economic downturn. The corona pandemic-induced special economic cycle in the Medical Sector came to an end in the first half of the year, also as expected. In Q3 2022, the trend was already clearly negative. This called for adjustments to the estimates and assumptions relevant to valuation in the Medical Sector and an ensuing necessary impairment.

### Development of the raw materials markets

On average, in the first three quarters of 2022, prices on the relevant Asian commodity exchanges for natural rubber (relevant for Sempertrans) and natural latex (relevant for Sempermed) were at a similar level compared with the same period of the previous year (natural rubber -2% and natural latex +5%).

In the period from January to September 2022, the average prices for the essential basic raw material butadiene (relevant for all segments) reached a significantly higher level year over year in Asia (+8%) and particularly in Europe (+40%). This, combined with a supply shortage in the face of 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. Another significant factor driving up costs for synthetic rubber in Europe was the skyrocketing price of gas (more than quadrupled on average for the first nine months of 2022 compared with the corresponding period of the previous year).

Prices for nitrile latex, the most important raw material for Sempermed, were significantly lower on average in the first three quarters of 2022 than the overall very high prices in the same period of 2021 despite higher average prices for butadiene and acryl nitrile 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 in the first nine months of the year was more than 40% higher than in the same period of the previous year. Due to this development and a tight supply situation (made even worse since the outbreak of the war in Ukraine) as well as significantly higher energy and logistics costs, carbon black prices have increased by more than 80% compared with the first three quarters of 2021.

The price of iron ore – the basic raw material for wire rod – was highly volatile in the first nine months of 2022, with an average value of USD 120/tonne, putting it 25% below the corresponding value in the same period of the previous year. After reaching record levels halfway through the year, prices for wire rod – a raw material relevant for the Semperflex, Sempertrans and Semperform segments – eventually eased slightly. This correction was triggered by a global economic slowdown and explicitly by lower economic growth in China owing among others to the housing crisis and Covid lockdowns. In Europe, the energy crisis has led to the production of wire becoming significantly more cost-intensive, which puts it at a huge competitive disadvantage over China.

## 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), covering measures in the energy, finance and transport sectors, technology import restrictions, export controls and visa restrictions. In addition to sanctions imposed against Russia's central bank, certain Russian financial institutions have also been excluded from the bank communication network SWIFT which allows international payments to be executed securely and quickly. The USA responded to Russia's invasion of Ukraine further by imposing a ban on imports of Russian oil and natural gas. The EU also approved a gradual ban on imports of coal, crude oil and refined petroleum products (oil embargo) as well as on fossil fuels from Russia.

The Russian ruble (RUB) reacted with a massive decline in value and the Russian National Bank implemented comprehensive currency restrictions to stabilise the Russian currency market. In the meantime, the rating agencies have downgraded Russia's credit rating to "junk bond" status for high-risk financial investments. The Russian state defaulted on foreign debt as a consequence of the sanctions at the end of June 2022.

Energy prices reacted with record levels: In March 2022, market prices for Brent and WTI crude oil initially reached their highest levels for over 15 years in global wholesale trading. The prices for natural gas behaved similarly. Further oil price increases were seen later in the year before the situation eased slightly again. Following steady price increases and brief periods of respite, average gas prices have risen significantly. In natural gas-intensive industrial sectors, temporary production shut-downs are already taking place.

In the first nine months of 2022, the direct and indirect consequences of these developments already being observed included drastically increased and more volatile prices for energy, raw materials, input and intermediate products, transportation and supply chain problems, changing interest rates and interest rate expectations, further rising inflation as well as material shortages particularly in the first half of the year. Under these conditions, there are significant effects on the overall competitiveness of Europe as an industrial location.

In the context of the EU sanctions, the Semperit Group stopped deliveries to customers in Russia and Belarus shortly after the war started.

A shift in global procurement flows and inventory management is to be noted for key raw materials and consumables used in the manufacture of the Semperit Group's products as a result of the Russia-Ukraine conflict. The Semperit Group has long since established international multiple sourcing activities. The materials are no longer procured from Russian companies included on the sanctions list or from companies owned by sanctioned individuals. This has led to further changes in sourcing by the Semperit Group and the procurement flows. Availability of relevant materials has been secured. Another significant influencing factor in connection with the war and in particular with the sanctions is the risk that special raw materials and consumables which are necessary for the production of the Semperit Group's products or further companies along the supply chain could be included on the sanctions list. This would lead to further shifts in procurement flows and to price increases.

In light of the strained situation, reserves of production-critical materials, such as certain fillers, have been increased. Storage capacities along the supply chain are used for this purpose. However, increasing reserves in relation to the rise in finished products increased the trade working capital to a level that is being temporarily consciously introduced in line with a proactive approach to securing production and delivery reliability on the understanding that it conflicts with the long-term objective of the Semperit Group. In regard to securing supplies, road freight transport has also seen constraints and an increase in the cost of European freight capacities due to the lack of Russian, Ukrainian and Belarusian truck drivers.

Prices for synthetic rubber, paraffinic oils and fillers, such as carbon black and silicates, correlate strongly with the market price trend for crude oil and natural gas due to the energy intensity of their production. Further suppliers could drop out as a result of the sanctions, whereby price-driving surplus demand could result. In light of this, the Semperit Group expects price levels for essential raw materials and supplies to remain high. Price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics on the segment-specific product markets, with a tendency for the opportunity to pass on prices to decrease.

The market price trend for oil and natural gas in light of the Russia-Ukraine conflict led to an increase in expenses for energy. In addition, the Semperit Group continues to expect additional costs due to rising energy prices. The production of examination gloves in Kamunting (Malaysia) consumes the most natural gas by far within the Semperit Group. The non-European production sites are not directly affected by the price increases and volatility on the European gas market; however prices are also rising considerably on the international markets. For the Semperit Group, this is particularly relevant in Malaysia where gas prices are linked to Brent prices, which have risen significantly on average as a result of the crisis. The current price developments are even more noticeable because of the de-regulation of gas prices in Malaysia since the end of 2021.

In this tense environment, a suspension of gas deliveries from Russia, whether as a Russian decision, or potentially brought about as a result of further EU sanctions or the destruction of pipeline capacities, cannot be ruled out. To be prepared for a possible stoppage of Russian gas supplies, the management of the Semperit Group has decided to use energy sources and technologies in the future which, unlike the steam boiler burners currently used, do not have to be fired with natural gas. This applies in particular to the sites in Wimpassing, Austria and in Odry, Czech Republic, as well as to the German sites. These alternatives are already ready to use in Wimpassing, Austria and Odry, Czech Republic, and are in preparation at the German sites and will be ready to use in the coming months.

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 very prudent approach to the situation.

## Revenue and earnings performance

### Key figures Semperit Group

in EUR million	Q1-3 2022 <sup>2</sup>	Change	Q1-3 2021	2021
Revenue	829.6	-10.4%	926.1	1,182.2
EBITDA	85.9	-73.5%	324.3	361.8
EBITDA margin	10.3%	-24.7 PP	35.0%	30.6%
EBIT adjusted	44.9	-84.5%	290.0	315.0
EBIT margin adjusted	5.4%	-25.9 PP	31.3%	26.6%
EBIT	-9.0	n.a.	290.0	315.0
EBIT margin	-1.1%	-32.4 PP	31.3%	26.6%
Earnings after tax adjusted	19.3	-91.4%	224.1	247.5
Earnings after taxes	-34.6	n.a.	224.1	247.5
Additions to intangible assets and property, plant and equipment	32.4	-1.9%	33.1	56.4
Employees (at reporting date) <sup>1</sup>	6,700	-4.7%	7,027	6,948

<sup>1</sup> 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.

<sup>2</sup> Adjusted for the negative one-off effect of the impairments in segments Sempermed and Semperseal (Q1-3 2022: EBIT effect EUR - 53.9 million, earnings after tax EUR -53.9 million)

The Semperit Group recorded a decrease in revenue in the first nine months of 2022 of 10.4% to EUR 829.6 million compared with the previous year. Revenue in the Industrial Sector increased by 36.4% to EUR 558.4 million, whereas revenue in the Medical Sector decreased by 47.5% to EUR 271.2 million. The increase in revenue in the Industrial Sector was driven in particular by the rise in average selling prices in all segments (Semperflex +40.0%, Sempertrans +26.3%, Semperseal +32.0%, Semperform +27.0%) compared with the first three quarters of 2021, whereby raw material and energy-related price increases were promptly passed on. The increased sales volumes recorded by Sempertrans and Semperflex more than compensated for the decreased sales volumes recorded by Semperseal and Semperform. At Semperflex (+6.5%), 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 Sempertrans segment (+12.4%) can be mainly attributed to the recovery of the market following the challenging pandemic years that came before. Sales volumes in the Semperform segment were down on last year in both the Handrails (owing to the temporary closure of the production sites in China in April/May 2022 due to the pandemic) and Engineered Solutions business units, while sales volumes in the Special Applications business unit (cable car rings and ski foils) continued to rise. The Semperseal segment also reported a decrease in sales volumes. The expected decrease in revenue in the Medical Sector was due in particular to the declining price level. Although sales prices were still above pre-Corona levels on average in the first three quarters of 2022, they continued to decline steadily through the course of 2022. Sales volumes continued to develop positively compared with the previous year (+8.5%), however volumes were severely negatively impacted in the same period of the previous year owing to the stoppage of production in Malaysia due to the pandemic.

Picking up where it left off prior to the coronavirus pandemic, the Industrial Sector generated 67% of the Semperit Group's revenue, while the Medical Sector generated 33%. This means that compared to the same period of 2021, the ratio between the revenue levels is now the opposite of what it was (Q1-3 2021: Medical Sector 56%, Industrial Sector 44%).

The inventory of own products decreased by EUR 10.1 million in the first three quarters of 2022 (Q1-3 2021: increase of EUR 26.0 million), with the inventory reduction in the Sempermed segment significantly exceeding the build-up of inventory in the Industrial Sector.

Other operating income decreased by EUR 4.8 million overall compared to the previous year. In the first three quarters of 2021, this item included a positive deconsolidation effect of EUR 3.7 million as a result of the reclassification of (historical) currency translation differences in the consolidated income statement following the liquidation of Sempertrans Best (ShanDong) Belting Co. Ltd. (SBB). In the previous year, this item also included a research grant of EUR 0.9 million, which has not yet been finally awarded so far this year.

The cost of materials (including energy and purchased services) increased in the first nine months of 2022 by EUR 68.5 million or 17.5% to EUR 459.2 million. The change was largely due to higher energy prices in both sectors, but also to the increased cost of materials in the Industrial Sector. The market price trend for oil and natural gas in light of the Russia-Ukraine conflict led to an increase in expenses for energy – especially electricity (+60.5%) and natural gas (+148.8%). Lower production and commodity volumes at Sempermed had an opposite effect. The cost of materials also includes provisions for individual raw material procurement and energy contracts which have developed adversely in view of the current market developments.

Personnel expenses increased in the first nine months of 2022 to EUR 176.6 million (+9.1%). The main reason for this was general wage and salary increases.

At EUR 103.1 million, other operating expenses were up by around 19.9% compared to the same period of the previous year (Q1-3 2021: EUR 86.0 million). The increase can be attributed in particular to higher outbound freight expenses of around EUR 11.3 million and, to a lesser extent, to price-related increases in non-production-related energy costs, maintenance costs and travel costs that rose again after the pandemic. Lower consultancy fees had an offsetting effect in the first nine months of 2022.

As expected, the EBITDA, which rose sharply over the past two years as a result of the corona-induced special economic cycle in the Medical Sector, fell considerably from EUR 324.3 million in the first nine months of 2021 to EUR 85.9 million – a decline of 73.5%. The EBITDA margin was 10.3% (Q1-3 2021: 35.0%).

Depreciation and amortisation increased to EUR 40.9 million in the first nine months of 2022 (+19.5%). This can be attributed mainly to the commissioning of new production lines in the glove plant in Kamunting. Six new production lines were commissioned here on 30 April 2022.

In light of the market dynamics in the market for examination and protective gloves, a review was carried out of the estimates and assumptions relevant to valuation in the Medical Sector. This review identified the need for an impairment loss of EUR 51.8 million. Impairment losses totalled EUR 53.9 million in the first nine months of 2022 (Q1-3 2021: EUR 0 million) and include impairment losses on individual machinery and technical equipment in the Semperseal segment which are not currently envisaged to be used in future production processes.

The EBIT decreased to EUR –9.0 million in the first nine months of 2022 from EUR 290.0 million in the previous year. The Semperit Group's EBIT margin decreased from 31.3% in the previous year to the current figure of –1.1%. If earnings were adjusted for the impairment losses posted at the end of September, there would be adjusted EBIT of EUR 44.9 million and an adjusted EBIT margin of 5.4% for the first nine months of 2022.

The negative financial result shrank to EUR –7.0 million, representing a significant year-over-year improvement (Q1-3 2021: EUR –11.7 million). The other financial result increased by EUR 4.2 million, in particular due to a better net foreign currency result. In both the first nine months of 2022 and the first nine months of 2021, the net foreign currency result was driven in particular by the US dollar exchange rate trend, with the change compared to the first nine months of 2021 being caused in part by the repayment of Schuldschein loan tranches.

The tax expense dropped to EUR 18.7 million (Q1-3 2021: EUR 54.3 million). The high tax expense in the previous year was due to the special economic trend and the resulting increase in earnings in the Sempermed segment. In the first nine months of 2022, tax rate trends did not mirror trends in total comprehensive income: The Group result was negative due in particular to the valua-

tion allowance in the Sempermed segment, but positive performances in other segments resulted in a tax expense overall.

Due to the expected lower operating result, earnings after tax amounted to EUR –34,6 million, consequently below previous year (Q1-3 2021: EUR 224.1 million). The earnings per share attributable to shareholders of Semperit AG Holding for the first nine months of 2022 amounted to EUR –1.68 (Q1-3 2021: EUR 10.85). Earnings after tax adjusted for impairment losses amounted to EUR 19.3 million.

### Third quarter 2022

#### Key figures Semperit Group / Third quarter

in EUR million	Q3 2022 <sup>2</sup>	Q3 2021	Change	Change in EUR million
Revenue	259.0	265.3	–2.4%	–6.3
EBITDA	10.7	76.8	–86.1%	–66.1
EBITDA margin	4.1%	28.9%	–24.8 PP	-
EBIT adjusted	–3.5	65.4	n.a.	–68.9
EBIT margin adjusted	–1.4%	24.7%	–26.0 PP	-
EBIT	–57.4	65.4	n.a.	–122.8
EBIT margin	–22.2%	24.7%	–46.8 PP	-
Earnings after tax adjusted	–15.5	50.2	n.a.	–65.7
Earnings after taxes	–69.3	50.2	n.a.	–119.5
Additions to intangible assets and property, plant and equipment	12.1	11.0	9.9%	1.1
Employees (at reporting date) <sup>1</sup>	6,700	7,027	–4.7%	-

<sup>1</sup> 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.

<sup>2</sup> Adjusted for the negative one-off effect of the impairments in segments Sempermed and Sempersal (Q3 2022: EBIT effect EUR –53.9 million, earnings after tax EUR –53.9 million).

In Q3 2022, the Semperit Group recorded a decrease in revenue of 2.4% to EUR 259.0 million compared with the same period of the previous year (Q3 2021: EUR 265.3 million). The Medical Sector recorded a 41.2% decrease in revenue, while the Industrial Sector recorded an increase in revenue of 31.7%. Despite the continuing above-average level of sales, in terms of sales volumes, the Semperflex segment was exposed to an increasingly challenging market environment in Q3 2022. With regard to sales volumes and prices in the other segments, the statements for the first nine months of 2022 basically also apply to Q3 2022.

The cost of materials increased by 28.8% compared to the previous year's period to EUR 150.3 million. This change was largely due to generally higher prices for energy and raw materials.

Personnel expenses increased to EUR 55.5 million (Q3 2021: EUR 52.0 million).

Other operating expenses increased to EUR 33.6 million (Q3 2021: EUR 30.7 million) – largely due to increased maintenance and travel costs.

As expected, the EBITDA decreased considerably from EUR 76.8 million in the same period of the previous year to EUR 10.7 million in Q3 2022 owing to the sharp decline in results for the Medical Sector and despite the strong improvement in results for the Industrial Sector.

The EBIT decreased to EUR –57.4 million compared with EUR 65.4 million in the previous year. The Semperit Group's EBIT margin decreased from 24.7% in Q3 2021 to the current figure of –22.2%. If earnings were adjusted for the impairment losses posted at the end of September of EUR –53.9 million, there would be adjusted EBIT of EUR –3.5 million and an adjusted EBIT margin of –1.4% for Q3 2022.



### 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 30.9 million. At a share price of EUR 29.30 at the end of 2021, this amounts to 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 position

### Balance sheet

The development of the balance sheet structure as at 30 September 2022 can be summarised as follows:

in EUR million	30.09.2022	Share	31.12.2021	Share	Change
Non-current assets	344.5	41%	407.4	43%	-15.4%
Current assets	496.6	59%	551.1	57%	-9.9%
<b>ASSETS</b>	<b>841.1</b>	<b>100%</b>	<b>958.6</b>	<b>100%</b>	<b>-12.3%</b>
Equity <sup>1</sup>	493.8	59%	541.2	56%	-8.8%
Non-current provisions and liabilities	139.0	17%	140.1	15%	-0.8%
Current provisions and liabilities	208.4	25%	277.3	29%	-24.9%
<b>EQUITY AND LIABILITIES</b>	<b>841.1</b>	<b>100%</b>	<b>958.6</b>	<b>100%</b>	<b>-12.3%</b>

<sup>1</sup> including non-controlling interests

Non-current assets decreased compared to 31 December 2021, in particular due to the impairment loss in the Sempermed segment in the amount of EUR 52.7 million and the impairment loss on individual machinery and technical equipment in the Semperseal segment in the amount of EUR 2.1 million.

Current assets have declined since 31 December 2021, in particular due to the decrease of EUR 91.4 million in cash and cash equivalents. This was partly offset by the EUR 35.7 million increase in trade receivables.

Equity decreased due to the losses of the current period and the payment of the dividend in the second quarter of 2022 amounting to EUR 30.9 million (2021: EUR 30.9 million). This was counteracted by the change in the currency translation reserve, in particular due to the changes in the exchange rates of the US dollar (USD) and Malaysian ringgit (MYR). The return on equity was -9.4% (Q1-3 2021: 58.7%).

There were minimal changes to the non-current liabilities compared to 31 December 2021.

The reduction in current liabilities resulted primarily from the decrease in current income tax liabilities and financial liabilities after the repayment of corporate Schuldschein loans in the amount of EUR 34 million in July. As at 30 September 2022, the Semperit Group had a net cash surplus of EUR 92.0 million, as cash and cash equivalents exceeded financial liabilities (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 30 September 2022 was thus -0.7x (31 December 2021: -0.4x).

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 the first nine months of 2022 can be summarised as follows:

in EUR million	Q1-3 2022	Change	Q1-3 2021	2021
Cash flows from operating activities	20.2	-91.6%	240.3	289.2
Cash flows from investing activities	-39.8	-50.3%	-80.2	-48.0
Free cash flow	-19.6	n.a.	160.1	241.2
Cash flows from financing activities	-80.9	+16.9%	-69.2	-155.6
Net increase / decrease in cash and cash equivalents	-100.6	n.a.	90.9	85.6
Cash and cash equivalents at the end of the period	144.1	-39.4%	237.8	235.5

The lower cash flow from operating activities compared to the previous year was mainly due to the lower earnings in the first nine months of 2022 and was further reduced by EUR 49.4 million as a result of income taxes payable in the 2022 financial year due to the high prior-year earnings, particularly in the Sempermed segment. Cash flow from working capital (balance of changes in inventories, trade receivables and trade payables) showed an absorption of funds of EUR 32.4 million (Q1-3 2021: EUR 39.3 million).

The cash flow from investing activities in the first nine months of 2021 included the investment of fixed-term deposits in U.S. dollars in the amount of EUR 48.3 million. Cash expenditures on intangible assets and property, plant and equipment amounted to EUR 41.8 million in the first nine months of 2022, putting them above the prior-year level of EUR 31.2 million. The largest investments were made in Malaysia in the amount of EUR 15.2 million (Q1-3 2021: EUR 11.9 million), Austria in the amount of EUR 11.4 million (Q1-3 2021: EUR 7.0 million), the Czech Republic in the amount of EUR 4.0 million (Q1-3 2021: EUR 3.2 million), and Germany in the amount of EUR 3.0 million (Q1-3 2021: EUR 1.6 million).

In the first nine months of 2022, free cash flow totalled EUR -19.6 million, compared to EUR 160.1 million in the same period of the previous year.

Cash flow from financing activities most notably included the dividend payout to shareholders of Semperit AG Holding amounting to EUR 30.9 million (Q1-3 2021: EUR 30.9 million) and the repayment of a corporate Schuldschein loan amounting to EUR 34.0 million. In the same period of the previous year, cash flow from financing activities included in particular the repayment of hybrid capital amounting to EUR 30.0 million and the payment of hybrid coupons amounting to EUR 0.8 million on top of the dividend payout.

## Performance of sectors and segments

### Industrial Sector

#### Key figures Industrial Sector

in EUR million	Q1-3 2022 <sup>2</sup>	Change	Q1-3 2021	Q3 2022 <sup>2</sup>	Change	Q3 2021	2021
Revenue	558.4	36.4%	409.4	186.1	31.7%	141.3	556.1
EBITDA	100.4	55.6%	64.5	32.4	39.9%	23.2	82.1
EBITDA margin	18.0%	+2.2 PP	15.8%	17.4%	+1.0 PP	16.4%	14.8%
EBIT adjusted	80.2	74.3%	46.0	25.7	50.9%	17.0	56.8
EBIT margin adjusted	14.4%	+3.1 PP	11.2%	13.8%	+1.8 PP	12.0%	10.2%
EBIT	78.1	69.7%	46.0	23.6	38.5%	17.0	56.8
EBIT margin	14.0%	+2.7 PP	11.2%	12.7%	+0.6 PP	12.0%	10.2%
Additions to intangible assets and property, plant and equipment	17.3	1.0%	17.2	7.7	40.2%	5.5	28.7
Employees (at reporting date) <sup>1</sup>	3,874	4.2%	3,720	3,874	4.2%	3,720	3,764

<sup>1</sup> 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.

<sup>2</sup> Adjusted for the negative one-off effect of the impairment in segment Semperseal (Q1-3 2022 and Q3 2022: EBIT effect: EUR -2,1 million).

In the Industrial Sector – comprising the Semperflex, Sempertrans, Semperseal and Semperform segments – a continuously increasing and positive development of revenue driven primarily by price increases was observed in the first half of 2022, although this varied in the individual segments. Following the above-average trend in the first half of 2021, a continuous, slight decrease in the demand level and the associated incoming orders has been observed since the second half of 2021. This development continued in Q3 2022, partly due to high customer inventories. Nevertheless, the order books are still higher than they were in the same period of the previous year. At the same time, despite a slight easing, high raw material prices, energy price increases further fuelled by the Russia-Ukraine war, the strong rise in inflation and rising wage levels are putting pressure on financial performance. The ongoing effort to pass on price increases in the various input factors to customers in a timely manner should counteract the pressure on margins resulting from these developments.

### Semperflex segment

#### Key figures Semperflex

in EUR million	Q1-3 2022	Change	Q1-3 2021	Q3 2022	Change	Q3 2021	2021
Revenue	252.2	46.6%	172.1	78.5	36.2%	57.7	240.5
EBITDA	68.3	82.7%	37.4	21.5	92.5%	11.2	51.3
EBITDA margin	27.1%	+5.4 PP	21.7%	27.3%	+8.0 PP	19.3%	21.3%
EBIT	59.4	n.a.	29.0	18.5	n.a.	8.4	40.0
EBIT margin	23.5%	+6.7 PP	16.9%	23.6%	+9.0 PP	14.5%	16.6%
Additions to intangible assets and property, plant and equipment	6.3	49.9%	4.2	3.2	70.2%	1.9	8.0
Employees (at reporting date) <sup>1</sup>	1,802	4.3%	1,727	1,802	4.3%	1,727	1,753

<sup>1</sup> 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.

Semperflex customers demonstrated above-average demand up to H1 2022, driven by good market demand as well as by the intentional build-up of inventories by customers. The trend gradually reversed in Q3 2022, however, as a result of the high inventory levels achieved by customers and

the expected and incipient economic slowdown. This applied to hydraulic hoses as well as to industrial hoses. Order intake therefore showed a reduction, reflecting the previously above-average order book levels combined with increasing uncertainty about global trends in 2023.

Revenue increased significantly in the first nine months of 2022 compared with the same period of the previous year. Reasons for this included the on average positive demand and the resulting increase in sales volumes, supported by the expansion of production volumes in Odry and the significant increases in output at all Semperflex plants (with the exception of the plant in China, due to lockdown), as well as by price adjustments due to price pass-throughs required as a consequence of further significant increases in nearly all cost items. The negative effects of the dramatically elevated raw material, transportation 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 effects of the tight availability of raw materials and containers in the first half of the year, 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 exceeded the respective levels in the comparative period.

In Q3 2022, earnings recorded clearly positive developments compared to the comparable prior-year amount, analogous to the first nine months – even if the positive deviation was somewhat lower than in the previous periods due to the market situation described above.

## Segment Sempertrans

### Key figures Sempertrans

in EUR million	Q1-3 2022	Change	Q1-3 2021	Q3 2022	Change	Q3 2021	2021
Revenue	109.8	38.7%	79.2	40.0	42.7%	28.0	104.5
EBITDA	10.3	58.2%	6.5	3.7	-21.5%	4.7	6.8
EBITDA margin	9.4%	+1.2 PP	8.2%	9.2%	-7.5 PP	16.7%	6.6%
EBIT	7.3	85.4%	3.9	2.6	-31.8%	3.8	3.2
EBIT margin	6.7%	+1.7 PP	5.0%	6.5%	-7.1 PP	13.6%	3.1%
Additions to intangible assets and property, plant and equipment	1.5	-45.4%	2.8	0.8	-25.3%	1.1	4.1
Employees (at reporting date) <sup>1</sup>	893	-2.9%	920	893	-2.9%	920	921

<sup>1</sup> 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 realise increasing results from the favourable development of the project pipelines in the first nine months of 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 since 2021. This general market trend has so far remained unaffected by the Russia-Ukraine war. The positive sentiment is reflected in the order books continuing to be at their highest level in the past three years.

This resulted in a significant increase in sales volumes. This positive trend, together with the price increases on the sales side as a consequence of the sharp cost increases, contributed strongly to the development of revenue. Despite higher input factor prices, partly driven by the Russia-Ukraine war, a significant increase in EBITDA and EBIT as well as in the corresponding margins was also recorded in comparison to the previous year. This improvement was also achieved despite the one-off positive deconsolidation effect of EUR 3.7 million in Q3 2021. The effect was due to a deconsolidation effect as a result of the reclassification of (historical) currency translation differences in the consolidated income statement following the liquidation of Sempertrans Best (ShanDong) Belting Co. Ltd. (SBB). However, earnings in Q3 2022 were lower than the figures for the prior-year comparative period as a consequence.

## Semperseal segment

### Key figures Semperseal

in EUR million	Q1-3 2022 <sup>2</sup>	Change	Q1-3 2021	Q3 2022 <sup>2</sup>	Change	Q3 2021	2021
Revenue	113.3	24.0%	91.4	38.3	18.2%	32.4	120.5
EBITDA	9.5	-11.6%	10.7	3.2	-21.9%	4.1	11.6
EBITDA margin	8.3%	-3.4 PP	11.7%	8.3%	-4.3 PP	12.6%	9.6%
EBIT adjusted	4.3	-26.9%	5.9	1.6	-37.8%	2.5	5.1
EBIT margin adjusted	3.8%	-2.7 PP	6.5%	4.1%	-3.7 PP	7.7%	4.2%
EBIT	2.2	-62.2%	5.9	-0.6	n.a.	2.5	5.1
EBIT margin	2.0%	-4.5 PP	6.5%	-1.4%	-9.1 PP	7.7%	4.2%
Additions to intangible assets and property, plant and equipment	6.2	-15.3%	7.3	2.3	84.4%	1.2	11.5
Employees (at reporting date) <sup>1</sup>	576	14.9%	501	576	14.9%	501	514

<sup>1</sup> 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.

<sup>2</sup> Adjusted for the negative one-off effect of the impairment in segment Semperseal (Q1-3 2022 and Q3 2022: EBIT effect: EUR -2,1 million).

Following the recovery in the 2021 financial year, the market initially experienced a further slight improvement in the course of the first nine months of 2022, but this has been steadily weakening since the summer, particularly as a result of the cooling in the markets (construction, industry). The order books at the end of September 2022 were therefore below the level in the 2021 comparative period – analogously, a similar trend also set in for sales volumes. The Russia-Ukraine crisis also had a noticeable impact on incoming orders. The fact that the Semperit Group has terminated its business activities with Russian customers, in line with EU sanctions, has already been reflected in the current earnings and will also be reflected in the further development of the order book.

A noticeable revenue increase was achieved as a result of the gradual implementation of price increases. At the same time, however, rising input factor prices put pressure on EBITDA and EBIT development, as the gradual cost increases could only be passed on with a time lag. Added to this was an impairment loss of EUR 2.1 million that was recognised on specific machinery and technical equipment in Q3 2022. As a result, EBITDA, EBIT and the corresponding margins were below the level in the same period of the previous year.

The strong economic slowdown was already noticeable in Q3 2022, causing the decline in key figures to be more pronounced than on average in the first nine months of 2022. Incremental price increases could only partially compensate for the cost increases in Q3 2022. EBIT was further burdened by the impairment loss.

The production of sealing products at the new production site in the USA (Newnan, Georgia) started in Q1 2022, but the grand opening celebration did not take place until the beginning of June, due to the coronavirus pandemic. The first deliveries had already been made in April 2022, however; the second production line was commissioned in July and is now running at full capacity.

## Semperform segment

### Key figures Semperform

in EUR million	Q1-3 2022	Change	Q1-3 2021	Q3 2022	Change	Q3 2021	2021
Revenue	83.0	24.4%	66.7	29.3	25.7%	23.3	90.6
EBITDA	12.3	24.4%	9.9	4.1	24.7%	3.3	12.4
EBITDA margin	14.9%	-0.0 PP	14.9%	13.9%	-0.1 PP	14.1%	13.7%
EBIT	9.1	28.3%	7.1	3.0	29.2%	2.3	8.5
EBIT margin	11.0%	+0.3 PP	10.7%	10.3%	+0.3 PP	10.0%	9.4%
Additions to intangible assets and property, plant and equipment	3.3	17.3%	2.8	1.4	8.6%	1.3	5.2
Employees (at reporting date) <sup>1</sup>	603	5.6%	571	603	5.6%	571	576

<sup>1</sup> 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.

The Semperform segment presented a comparatively mixed picture with regard to the development of the individual business units in the first nine months of 2022. The Special Applications business unit in particular was able to gradually recover as a result of the recovery and catch-up effect in the winter tourism industry, as well as of the diversification of the product portfolio. Healthy global demand was observed in the handrail business; Europe and the Americas in particular showed positive trends, while China was impacted by the lockdown in spring. Only Engineered Solutions recorded a slight decline in the niche markets of railway and households compared with the exceptionally high level in H1 2022; at the same time, the filtration and construction markets saw increased demand. However, the necessary price increases put some pressure on the Engineered Solutions market share development. Thanks to these developments and the incremental price increases, order intake rose in the first nine months; order book volume at the end of the period considerably exceeded that at the end of Q3 of the previous year. Business performance was largely unimpacted by the Russia-Ukraine crisis.

Revenue exceeded the level from the previous year. This was due in particular to the change in the portfolio mix and the incrementally introduced price increases to compensate for the sharp rise in input factor prices. While EBITDA and EBIT were therefore higher compared to the respective comparative period, good margins were also achieved. In Q3 2022, only the EBITDA margin was slightly weaker than in the prior-year comparative period. This is due to the allocation of earnings among the business units with varying margin levels.

## Medical Sector: Sempermed segment

### Key figures Sempermed

in EUR million	Q1-3 2022 <sup>2</sup>	Change	Q1-3 2021	Q3 2022 <sup>2</sup>	Change	Q3 2021	2021
Revenue	271.2	-47.5%	516.7	72.9	-41.2%	124.0	626.1
EBITDA	-4.0	n/a	277.4	-19.6	n/a	56.9	301.1
EBITDA margin	-1.5%	-55.2 PP	53.7%	-26.9%	-72.8 PP	45.9%	48.1%
EBIT adjusted	-23.8	n.a.	262.6	-26.7	n.a.	52.1	280.9
EBIT margin adjusted	-8.8%	-59.6 PP	50.8%	-36.6%	-78.6 PP	42.0%	44.9%
EBIT	-75.6	n.a.	262.6	-78.5	n.a.	52.1	280.9
EBIT margin	-27.9%	-78.7 PP	50.8%	-107.6%	-149.6 PP	42.0%	44.9%
Additions to intangible assets and property, plant and equipment	12.9	-14.0%	15.0	3.7	-28.3%	5.2	24.9
Employees (at reporting date) <sup>1</sup>	2,716	-14.3%	3,170	2,716	-14.3%	3,170	3,038

<sup>1</sup> 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.

<sup>2</sup> Adjusted for the negative one-off effect of the impairment in segment Sempermed (Q1-3 2022 and Q3 2022: EBIT effect: EUR -51,8 million).

The market development of the Sempermed segment in the first nine months of 2022 in comparison with the same period of the previous year was clearly determined by the end of the corona-induced special cycle and the consequences of the commissioning of new production capacities in the market: On the one hand, the first two quarters of 2021 were still characterised by the significant increase in selling prices until they reached the plateau in Q2 2021; it was not until Q3 2021 that the noticeable downward trend in prices began. In contrast, there was a continuation of the market price reduction that has been in progress since Q2 2022 in particular. This was intensified by the further drop in market demand as a result of inventory optimisation programmes conducted by customers and an associated high level of overcapacity in glove production. On the other hand, sales volumes of examination gloves increased compared with the previous year. Sales volume development in 2021 was significantly impacted by the coronavirus-related shutdown of production in Malaysia in particular. This catch-up effect temporarily overcompensated for the negative impact of high inventory levels on the demand situation on the part of both wholesalers and end consumers, and also mitigated the negative price effect to some extent. However, comparatively high raw material and container prices, sharp increases in gas and energy costs, the increase in minimum wages in Malaysia since Q2 2022 and weak capacity utilisation further impacted earnings.

The segment's key figures reflect these developments. In the area of operations, provisions totalling around EUR 10.8 million were recognised in the first nine months of 2022 in order to measure at net realisable value contracts that have developed negatively due to current market conditions. Furthermore, in light of the market dynamics in the market for examination and protective gloves, estimates and assumptions relevant for valuation were reviewed based on the latest feedback from the market. The review identified the need to recognise an impairment loss of EUR 51.8 million. EBITDA and EBIT or adjusted EBIT as well as the corresponding margins therefore came under pressure and were negative in both the first nine months of 2022 and in Q3 2022.



## Employees

The headcount as at 30 September 2022, at 6,700 employees (FTE, full-time equivalents), was lower (–4.7%) than the level on 30 September 2021 (7,027). In the Industrial Sector, the number of employees increased in all segments except for Sempertrans when compared to 30 September 2021. The biggest increases in the workforce were seen in the Semperflex, Semperform and Semperseal segments (4.3%, 5.6% and 14.9%, respectively). In contrast, the number of employees in the Sempertrans segment decreased by 2.9%. The number of employees in the Medical Sector fell by 14.3% year over year. 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.

Helmut Sorger, most recently CFO of the North America Division of the listed company Wienerberger AG, was appointed as the new CFO of the Semperit Group and began working on 1 October 2022; his term of office runs until 31 December 2025. He succeeds Petra Preining, who took up a new professional challenge and therefore resigned her office prematurely as at 30 September 2022.

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

After a successful first half of the year and a weaker Q3 2022, as expected, the Semperit Group expects a further decline for the remainder of 2022 and therefore confirms the outlook announced in March 2022. This is based on the following assumptions:

The last three months of the year are usually the weakest quarter of the year, both seasonally and due to the plant closure for Christmas. Following the end of the coronavirus-induced special cycle, the Medical Sector is also expected to weigh on the results on Group level in Q4 2022 after the negative result. Added to this is the incipient economic slowdown, which will have a negative impact on the Industrial Sector as well.

The annual result of the Semperit Group may of course also continue to be considerably influenced by developments such as the Russia-Ukraine war. For one thing, the Semperit Group stopped all deliveries to Russia and Belarus, in line with the sanctions imposed by the European Union. For another, the development of the energy crisis in Europe, which is closely linked to the Russian-Ukraine conflict, will have a negative impact on earnings. In addition, uncertainty regarding the worldwide availability and price increases of the necessary raw materials and consumables remains a further risk. In connection with functioning supply chains, there continues to be uncertainty regarding sufficient container availability to deliver the products and regarding the availability of qualified staff.

Furthermore, it is still difficult to forecast the effects in connection with the further development of the coronavirus pandemic and its influence on the international production sites. This is particularly the case for China, as a location of Semperit plants as well as in general as a location with a significant influence on global supply chains.

There is a certain degree of uncertainty regarding sales volumes, since both in the Medical Sector and to some extent in the Industrial Sector, customers' inventory optimisation programmes may lead to customer ordering behaviour that deviates from the usual. This is also due in part to the cost increases, as price pass-through opportunities will depend on the price sensitivity of the respective customers and the dynamics in the segment-specific product markets

Unclear and therefore also uncertain are the still-unforeseeable further developments in geopolitical trouble spots, such as the current situation in Taiwan. Added to this are the negative effects of inflation and foreign currency developments.

The management of the Semperit Group is acting prudently and has initiated the evaluation of appropriate proactive measures to mitigate these developments at an early stage. Current geopolitical and market developments are being closely monitored, as are their effects on capital goods markets and the market for business acquisitions.

The Executive Board of Semperit AG Holding is consistently pursuing the Group's transformation into an industrial rubber specialist in spite of the delay due to the coronavirus pandemic. Following the end of the pandemic-induced special cycle and the prevailing market dynamics in the market for examination and protective gloves, the separation from the Medical Sector has once again moved to the foreground in summer 2022. The Executive Board is gradually taking the next steps towards separation and has already held initial talks with potential buyers. The separation from the Sempered segment shall take place in a timely manner.

#### Note

This outlook is based on the assessments of the Executive Board as at 15 November 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 income statement

in EUR thousand	Note	Q1-3 2022	Q1-3 2021	Q3 2022	Q3 2021
Revenue	2.2	829,598	926,075	258,973	265,288
Changes in inventories		-10,064	25,997	-10,130	5,002
Own work capitalised		2,562	3,257	676	1,377
<b>Operating revenue</b>		<b>822,096</b>	<b>955,330</b>	<b>249,518</b>	<b>271,667</b>
Other operating income	2.3	2,529	7,356	481	4,493
Cost of material and purchased services	2.4	-459,154	-390,641	-150,294	-116,681
Personnel expenses	2.5	-176,560	-161,794	-55,466	-51,982
Other operating expenses	2.6	-103,059	-85,955	-33,579	-30,730
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>85,852</b>	<b>324,295</b>	<b>10,659</b>	<b>76,767</b>
Depreciation and amortisation of intangible assets and property, plant and equipment		-40,946	-34,271	-14,159	-11,366
Impairment of intangible assets and property, plant and equipment	2.7	-53,873	0	-53,873	0
<b>Earnings before interest and tax (EBIT)</b>		<b>-8,968</b>	<b>290,025</b>	<b>-57,373</b>	<b>65,401</b>
Finance income		747	251	430	63
Finance expenses		-2,078	-3,006	-626	-921
Profit / loss attributable to redeemable non-controlling interests		-5,053	-4,100	-1,964	-1,382
Other financial result	2.8	-572	-4,815	-445	-1,753
<b>Financial result</b>		<b>-6,956</b>	<b>-11,670</b>	<b>-2,605</b>	<b>-3,993</b>
<b>Earnings before taxes</b>		<b>-15,924</b>	<b>278,355</b>	<b>-59,978</b>	<b>61,408</b>
Income taxes	2.9	-18,693	-54,273	-9,352	-11,214
<b>Earnings after taxes</b>		<b>-34,616</b>	<b>224,081</b>	<b>-69,330</b>	<b>50,194</b>
thereof attributable to the shareholders of Semperit AG Holding – from ordinary shares		-34,629	223,216	-69,261	50,075
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital		0	388	0	0
thereof attributable to non-controlling interests		13	477	-69	118
<b>Earnings per share in EUR (diluted and undiluted)<sup>1</sup></b>		<b>-1.68</b>	<b>10.85</b>	<b>-3.37</b>	<b>2.43</b>

<sup>1</sup> 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	Q1-3 2022	Q1-3 2021	Q3 2022	Q3 2021
<b>Earnings after taxes</b>		<b>-34,616</b>	<b>224,081</b>	<b>-69,330</b>	<b>50,194</b>
<b>Other comprehensive income that will not be recognised through profit and loss in future periods</b>		<b>-286</b>	<b>210</b>	<b>0</b>	<b>160</b>
Remeasurements of defined benefit plans		0	0	0	0
Income tax thereon		-286	210	0	160
<b>Other comprehensive income that will be recognised through profit and loss in future periods</b>		<b>18,385</b>	<b>11,793</b>	<b>5,590</b>	<b>1,861</b>
Measurement gain or loss from cash flow hedges		0	0	0	-13
thereof reclassification to profit / loss for the period		0	200	0	427
Currency translation differences		18,385	11,793	5,589	1,871
Income tax thereon		0	0	0	3
<b>Other comprehensive income - total</b>		<b>18,099</b>	<b>12,002</b>	<b>5,590</b>	<b>2,021</b>
<b>Comprehensive income</b>		<b>-16,517</b>	<b>236,083</b>	<b>-63,740</b>	<b>52,215</b>
thereof on earnings attributable to the shareholders of Semperit AG Holding – from ordinary shares		-16,573	235,145	-63,683	51,697
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital		0	388	0	0
thereof on earnings attributable to non-controlling interests		55	550	-57	518

## Consolidated cash flow statement

in EUR thousand	Note	Q1-3 2022	Q1-3 2021
Earnings before taxes		-15,924	278,355
Depreciation, amortisation, impairment and reversal of impairment of intangible assets and property, plant and equipment		94,819	34,271
Gain / loss from disposal of assets (including current and non-current financial assets)		221	334
Change in non-current provisions		-56	-2,468
Profit / loss attributable to redeemable non-controlling interests		5,053	4,100
Net interest income (including income from securities)		1,328	2,755
Income taxes paid		-49,445	-24,783
Other non-cash income / expense		7,806	3,127
<b>Gross cash flow</b>		<b>43,803</b>	<b>295,690</b>
Change in inventories		-10,189	-32,713
Change in trade receivables		-29,403	-8,224
Change in other receivables and assets		8,832	-11,428
Change in trade payables		7,143	1,608
Change in other liabilities and current provisions		9	-4,682
<b>Cash flows from operating activities</b>		<b>20,194</b>	<b>240,250</b>
Proceeds from sale of property, plant and equipment		537	142
Purchases of intangible assets and property, plant and equipment		-41,761	-31,205
Interest received		748	234
Investment grants received		102	32
Proceeds from the repayment of financial assets		1,282	0
Acquisition of financial assets		-729	-48,251
Acquisition of a subsidiary, net of cash acquired		0	-1,126
<b>Cash flows from investing activities</b>		<b>-39,820</b>	<b>-80,174</b>
Repayment of current and non-current financial liabilities		-38,933	2,740
Repayment of lease liabilities		-2,485	-2,337
Dividend to shareholders of Semperit AG Holding		-30,860	-30,860
Dividends to redeemable non-controlling interests in subsidiaries		-5,707	-4,147
Dividends to non-controlling interests in subsidiaries		0	-122
Repayment of liabilities from capital repayment to non-controlling interests in subsidiaries		-349	-830
Disposal of shares of subsidiaries		0	168
Repayment of hybrid capital		0	-30,000
Coupon payments on hybrid capital		0	-785
Interest paid		-2,607	-3,040
<b>Cash flows from financing activities</b>		<b>-80,942</b>	<b>-69,212</b>
<b>Net increase / decrease in cash and cash equivalents</b>		<b>-100,568</b>	<b>90,864</b>
Currency translation differences		9,145	1,971
Cash and cash equivalents at the beginning of the period		235,539	144,972
<b>Cash and cash equivalents at the end of the period</b>		<b>144,116</b>	<b>237,807</b>

## Consolidated balance sheet

in EUR thousand	Note	30.09.2022	31.12.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		6,643	8,492
Property, plant and equipment		320,468	376,576
Other financial assets		5,767	7,430
Other assets		6,635	3,241
Deferred tax assets		5,005	11,707
		<b>344,518</b>	<b>407,447</b>
<b>Current assets</b>			
Inventories		198,864	186,834
Trade receivables		134,492	98,766
Other financial assets		2,098	1,536
Other assets		13,565	23,625
Current tax receivables		2,718	4,064
Cash and cash equivalents		144,116	235,539
		<b>495,854</b>	<b>550,365</b>
<b>Non-current assets held for sale</b>	<b>3</b>	<b>764</b>	<b>764</b>
		<b>496,618</b>	<b>551,128</b>
<b>ASSETS</b>		<b>841,136</b>	<b>958,575</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		21,359	21,359
Capital reserves		21,503	21,503
Retained earnings		446,441	512,216
Currency translation reserve		3,386	-14,956
<b>Equity attributable to the shareholders of Semperit AG Holding</b>		<b>492,690</b>	<b>540,122</b>
Non-controlling interests		1,084	1,028
		<b>493,773</b>	<b>541,151</b>
<b>Non-current provisions and liabilities</b>			
Provisions		42,775	42,824
Liabilities from redeemable non-controlling interests		17,271	11,941
Financial liabilities		45,284	51,685
Trade payables		122	154
Other financial liabilities		19,724	19,602
Other liabilities		2,081	1,948
Deferred tax assets		11,714	11,954
		<b>138,972</b>	<b>140,108</b>
<b>Current provisions and liabilities</b>			
Provisions		31,788	26,406
Liabilities from redeemable non-controlling interests		0	5,595
Financial liabilities		6,796	39,654
Trade payables		95,985	95,166
Other financial liabilities		15,965	12,826
Other liabilities		35,392	40,844
Current tax liabilities		22,465	56,826
		<b>208,392</b>	<b>277,317</b>
<b>EQUITY AND LIABILITIES</b>		<b>841,136</b>	<b>958,575</b>

## 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
<b>As at 01.01.2021</b>		<b>21,359</b>	<b>21,503</b>	<b>30,000</b>	<b>294,886</b>	<b>-35,483</b>	<b>332,266</b>	<b>2,331</b>	<b>334,597</b>
Earnings after taxes		0	0	0	223,604	0	223,604	477	224,081
Other comprehensive income		0	0	0	210	11,720	11,930	73	12,002
Comprehensive income		0	0	0	223,814	11,720	235,534	550	236,083
Dividend		0	0	0	-30,860	0	-30,860	-122	-30,982
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
Acquisitions of non-controlling interests		0	0	0	1,922	0	1,922	-1,922	0
Disposal of shares of subsidiaries		0	0	0	-293	0	-293	462	168
<b>As at 30.09.2021</b>		<b>21,359</b>	<b>21,503</b>	<b>0</b>	<b>488,683</b>	<b>-23,763</b>	<b>507,782</b>	<b>1,299</b>	<b>509,081</b>
<b>As at 01.01.2022</b>		<b>21,359</b>	<b>21,503</b>	<b>0</b>	<b>512,216</b>	<b>-14,956</b>	<b>540,122</b>	<b>1,028</b>	<b>541,151</b>
Earnings after taxes		0	0	0	-34,629	0	-34,629	13	-34,616
Other comprehensive income		0	0	0	-286	18,343	18,056	43	18,099
Comprehensive income		0	0	0	-34,915	18,343	-16,573	55	-16,517
Dividend		0	0	0	-30,860	0	-30,860	0	-30,860
<b>As at 30.09.2022</b>		<b>21,359</b>	<b>21,503</b>	<b>0</b>	<b>446,441</b>	<b>3,386</b>	<b>492,690</b>	<b>1,084</b>	<b>493,773</b>

# 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 30 September 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 or were (earlier) applied for the first time in the first nine months of 2022:

		Endorsement	Mandatory application for the Semperit Group	Effects on the Semperit Group
<b>Amended standards</b>				
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

Q1-3 2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Total
Revenue	271,231	252,235	109,808	113,339	82,985	0	829,598
EBITDA	-3,992	68,310	10,277	9,455	12,334	-10,531	85,852
EBIT	-75,589	59,394	7,310	2,244	9,124	-11,451	-8,968
Trade working capital	64,262	87,644	34,609	31,943	22,912	-3,997	237,372
Additions to intangible assets and property, plant and equipment <sup>1</sup>	12,870	6,253	1,537	6,218	3,314	2,226	32,418

Q1-3 2021 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Total
Revenue	516,674	172,098	79,156	91,430	66,717	0	926,075
EBITDA	277,442	37,394	6,494	10,700	9,918	-17,653	324,295
EBIT	262,614	29,008	3,943	5,944	7,111	-18,596	290,025
Trade working capital	97,773	51,141	24,917	20,049	18,626	-2,975	209,531
Additions to intangible assets and property, plant and equipment <sup>1</sup>	14,968	4,172	2,814	7,340	2,826	938	33,059

<sup>1</sup> Excluding right-of-use assets in accordance with IFRS 16

## 2.2. Revenue

Q1-3 2022 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Western Europe	134,504	150,976	38,244	91,508	51,057	466,289
North America	67,147	37,359	10,861	9,243	4,944	129,555
Eastern Europe	31,407	38,706	17,525	12,045	8,881	108,564
Asia	23,674	18,356	26,875	502	16,802	86,210
Central and South America	10,580	3,530	5,999	40	1,068	21,217
Africa	1,632	1,947	7,920	0	215	11,714
Australia and Oceania	2,286	1,362	2,384	0	18	6,050
<b>Revenue</b>	<b>271,231</b>	<b>252,235</b>	<b>109,808</b>	<b>113,339</b>	<b>82,985</b>	<b>829,598</b>

Q1-3 2021 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Western Europe	287,907	96,556	27,987	72,133	36,096	520,679
North America	112,472	19,166	6,069	4,720	3,479	145,906
Eastern Europe	54,991	35,003	10,313	13,824	7,714	121,845
Asia	44,757	19,387	20,339	745	18,229	103,457
Central and South America	12,056	1,446	7,334	8	873	21,718
Africa	2,762	403	3,984	0	267	7,415
Australia and Oceania	1,729	136	3,130	0	59	5,054
<b>Revenue</b>	<b>516,674</b>	<b>172,098</b>	<b>79,156</b>	<b>91,430</b>	<b>66,717</b>	<b>926,075</b>

## 2.3. Other operating income

The other operating income includes government grants in the amount of EUR 522 thousand (1-9/2021: EUR 522 thousand) that the Semperit Group received in the form of pandemic-related support payments for the first nine months of 2022. The grants were awarded in China and Austria.

## 2.4. Cost of materials and purchased services

in EUR thousand	Q1-3 2022	Q1-3 2021
Cost of materials	377,688	343,809
Energy expenses	68,048	34,058
Production-related maintenance costs	8,630	7,721
Purchased services	4,788	5,053
<b>Total</b>	<b>459,154</b>	<b>390,641</b>

## 2.5. Personnel expenses

in EUR thousand	Q1-3 2022	Q1-3 2021
Wages	65,155	59,018
Salaries	75,415	68,900
Severance payments	1,071	2,277
Retirement benefit expenses	813	1,026
Statutory social security expenses and other compulsory wage-related payments	29,047	26,305
Other social security expenses	5,058	4,267
<b>Total</b>	<b>176,560</b>	<b>161,794</b>

## 2.6. Other operating expenses

in EUR thousand	Q1-3 2022	Q1-3 2021
Outgoing freight	45,404	34,108
Legal, consulting and auditing fees	9,969	12,852
Maintenance and external services	8,725	7,216
Insurance premiums	4,572	4,248
Software licence expenses	3,993	2,831
Travel expenses	3,406	1,293
Energy costs unrelated to production	3,269	1,595
Commission and advertising expenses	3,126	2,644
Rental and lease expenses	2,839	2,567
Waste disposal	1,970	1,882
Other taxes	1,465	1,219
Office equipment	1,019	842
Fees, subscriptions and donations	963	929
Communications	801	693
Training and education expenses	562	488
Bank expenses and hedging costs	377	411
Valuation allowances (+) / income from the release of valuation allowances (-)	-276	-37
Complaint costs (+) / income from reversal of complaint provisions (-)	-1,021	-584
Miscellaneous	11,898	10,758
<b>Total</b>	<b>103,059</b>	<b>85,955</b>

## 2.7. Impairment on assets and intangible assets

### Impairment need in Sempermed segment

The previous buyer's market for examination and protective gloves has become a seller's market as a result of the corona pandemic and the resulting huge increase in the demand for protective equipment, both in the medical and in other sectors (e.g. in the catering and hotel industries). This special economic trend was evidenced by considerable excess demand, a veritable price rally and a recovery in the value of Sempermed's segment assets, which had previously been impaired. In the 2021 financial year, the price rally peaked around the mid-year point. Since then, the average sales price (ASP) has fallen continuously as expected. The surplus supply is currently being exacerbated by the reduction of (excess) stocks of examination and protective gloves along the entire distribution

chain. Inventory optimisation programmes are therefore (once again) leading to customers ordering outside usual practices, to temporary underutilisation of production capacities on the market that are in part newly created and to a general decline in profitability in the industry.

In Q3 2022, there were observable indications that the relative competitive position of the Sempermed segment is again deteriorating or has again deteriorated post-coronavirus. Current feedback from the market indicates that the overcapacities on the market and the resulting price pressure will have a sustained negative impact on profitability compared to the previous planning. The decreasing duration and intensity of the coronavirus pandemic, the increasing speed of the return to a buyer's market, the longer-lasting changes in customer ordering behaviour, the development of (especially Chinese) competitors' production capacities, the pressure for industry consolidation in the market for examination and protective gloves as well as the rising interest rates were reflected in the latest medium-term planning.

Against this backdrop, the management of the Sempermed segment determined recoverable amount for the segment's cash-generating unit as at 30 September 2022. Recoverable amount was calculated as value in use and, as in the 2019 financial year, was lower than the trade working capital, which would again result in a full impairment loss on the non-current segment assets. When allocating the impairment loss, however, this must not fall short of the separately determinable fair values (net of costs to sell) or separately determinable values in use of the assets forming the cash-generating unit. These separate values were determined on the basis of the following assumptions and methods:

- For intangible assets separate, recoverable amounts were not allocable; its recoverable amount was supposed to be zero.
- For land and buildings, including buildings on land owned by others, an expert valuation was primarily performed on the basis of comparative values or replacement costs net of deductions for the functional and economic obsolescence of the buildings. Individual characteristics of the industrial properties were taken into account.
- An expert valuation was also performed for technical equipment and machinery. The valuation was based on the replacement costs for comparable assets, whereby allowances for functional as well as economic obsolescence were incorporated through appropriate deductions.
- An expert valuation was also performed for other equipment, operating and office equipment. The valuation was based on the replacement costs for comparable assets, whereby allowances for functional as well as economic obsolescence were incorporated through appropriate deductions.
- For right-of-use assets the valuation was done considering the future use or the alternative use.
- For the assets of FormTech Engineering (M) Sdn Bhd in Nilai (MY) the recoverable amounts were calculated separately.
- The costs to sell were either explicitly estimated by the experts or determined based on empirical values.

The recoverable amount for the cash-generating unit of the Sempermed segment as at 30 September 2022 was EUR 45,941 thousand and thus was below the carrying amount of EUR 162,924 thousand at the reporting date (of which trade working capital excluding trade payables relating to capital expenditure of EUR 66,063 thousand and lease liabilities of EUR 1,808 thousand). The resulting impairment loss of EUR 52,728 thousand at 30 September 2022 was allocated to non-current segment assets as follows, recognised in the functional currencies of the subsidiaries belonging to the Sem-

permed segment and translated into euros at the respective average exchange rates for the first nine months of 2022:

in EUR thousand	Q1-3 2022	Q1-3 2021
Other intangible assets	841	0
Property, plant and equipment	50,929	0
<b>Impairment expense in segment Sempermed</b>	<b>51,770</b>	<b>0</b>

However, the actual amounts realised for Sempermed's segment assets may differ – ultimately depending on the mode of realisation – from the amounts recognised on the balance sheet, which are based on the current estimates of Sempermed's management and its assumptions about future market dynamics and about Sempermed's relative competitive position. Such estimates and assumptions that are relevant for valuation should be checked regularly; the valuations are to be adjusted where appropriate.

#### Impairment need in Semperseal segment

In the Semperseal segment, specific machines and technical equipment have been identified for which there will be no further use in the Semperit Group. These assets have now been valued at scrap value. In total, this resulted in a need to recognise an impairment loss of EUR 2,103 thousand.

## 2.8. Other financial result

in EUR thousand	Q1-3 2022	Q1-3 2021
Expense (+) / income (-)		
<b>Other financial result</b>		
Net foreign currency result	-1,468	-5,542
Net result from the FVPL and FV measurement categories – hedging instruments	2,043	1,036
Miscellaneous	-4	-309
<b>Total</b>	<b>572</b>	<b>-4,815</b>

## 2.9. Income taxes

in EUR thousand	Q1-3 2022	Q1-3 2021
Current income tax	12,576	52,744
Deferred tax expense (+) / deferred tax income (-)	6,117	1,530
<b>Total</b>	<b>18,693</b>	<b>54,273</b>

## 3. Events after the reporting date

On 13 October 2022, the property held for sale, including the buildings on it, was sold to the French company Sempertrans France Belting Technology S.A.S. with a carrying amount of EUR 764 thousand. The income from the disposal amounted to EUR 4,704 thousand.

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### 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: 15 November 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.

### Financial Calendar 2022 / 2023

16.11.2022	Report on Q1-3 2022
22.03.2023	Publication of 2022 annual financial statements
15.04.2023	Record Date Annual General Meeting
25.04.2023	Annual General Meeting, Vienna
27.04.2023	Ex-dividend day
28.04.2023	Record Date Dividend (= day, on which settled positions are struck at CSD Austria at close of business to determine the entitlement)
02.05.2023	Dividend payment day
10.05.2023	Report on Q1 2023
10.08.2023	Half-year financial report 2023
08.11.2023	Report on Q1-3 2023

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