

Report on the first quarter | 2020



SEMPERIT 

Key performance figures

in EUR million	Q1 2020	Change	Q1 2019 ¹⁾	2019
Revenue	199.1	-6.5%	212.9	840.6
EBITDA	16.9	+2.3%	16.5	67.8
EBITDA margin	8.5%	+0.8 PP	7.7%	8.1%
EBIT	9.8	+24.9%	7.8	-16.5
EBIT margin	4.9%	+1.2 PP	3.7%	-2.0%
Earnings after tax	-1.7	-	3.2	-44.9
Earnings per share (EPS) ¹⁾ , in EUR	-0.17	-	0.07	-2.50
Gross cashflow	14.5	-6.3%	15.5	46.7
Return on equity ²⁾	-2.7%	-6.5 PP	+3.8%	-16.3%

Balance sheet key figures

in EUR million	Q1 2020	Change	Q1 2019	2019
Balance sheet total	706.2	+0.6%	810.1	701.8
Equity	265.1	-3.1%	334.8	273.4
Equity ratio	37.5%	-3.8 PP	41.3%	39.0%
Additions to tangible and intangible assets	4.8	-52.8%	10.2	31.4
Employees (at balance sheet date)	7,046	+1.9%	6,914	6,902

Sector and segment key figures

in EUR million	Q1 2020	Change	Q1 2019	2019
Industrial Sector = Semperflex + Sempertrans + Semperform + Semperseal				
Revenue	121.6	-14.0%	141.4	547.2
EBITDA	17.7	-27.9%	24.5	87.5
EBIT	11.4	-38.2%	18.4	60.9
Semperflex				
Revenue	46.8	-23.4%	61.1	222.7
EBITDA	9.3	-32.9%	13.9	47.9
EBIT	6.5	-41.5%	11.1	36.0
Sempertrans				
Revenue	29.5	-2.9%	30.4	134.0
EBITDA	1.6	-41.5%	2.7	13.5
EBIT	0.6	-69.6%	1.8	8.9
Semperform				
Revenue	19.9	-11.3%	22.4	190.6
EBITDA	3.5	-12.6%	4.0	26.0
EBIT	2.6	-18.1%	3.1	16.0
Semperseal				
Revenue	25.4	-7.7%	27.5	
EBITDA	3.3	-16.1%	3.9	
EBIT	1.8	-24.4%	2.3	
Medical Sector = Sempermed				
Revenue	77.5	+8.4%	71.5	293.3
EBITDA	4.8	-	-0.9	5.5
EBIT	4.3	-	-2.8	-50.2

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

Economic environment

The International Monetary Fund (IMF) has made another downward adjustment for its growth forecast for 2020 published in April 2020 in comparison with the version of January 2020, significantly reduced as a result of the global corona pandemic (SARS-CoV-2). Global economic growth in 2020 is estimated to be -3.0% (2019: 2.9%), instead of 3.3% forecast in January 2020. For 2020, the forecast for emerging and developing countries now stands at -1.0% (so far 4.4%) after 3.7% in 2019, followed by the USA at -5.9% (so far 2.0%) after 2.3% in 2019 and the euro zone at -7.5% (so far 1.3%) after 1.2% in 2019. Growth expectations for the euro zone are therefore 8.8% lower than for the World Economic Outlook published by the IMF in January 2020. Forecasts have also been further lowered for the three major European economies Germany, France, and Italy. Growth expectations for Germany will fall by 8.1 , for France by 8.5 and for Italy by 9.6 percentage points.

In its forecast published in April 2020, the Institute for Economic Research (ifo) speaks of a declining GDP growth rate for Germany. Depending on the duration of the economic standstill due to the coronavirus, two scenarios were considered by the ifo Institute. If the economy is shut down for two months, the Institute for Economic Research expects economic costs for Germany between EUR 255 and EUR 495 billion and thus a negative development in GDP of 7.2 to 11.2 percentage points. For a three-month period, the costs would range between EUR 354 and EUR 729 billion EUR and thus a decrease of 10.0 to 20.6 percentage points.

Regarding the greatest burdens on economic development, the focus in the first quarter of 2020 is no longer on the trade conflicts between the United States and China that dominated previous periods, but rather on the worldwide economic effects of the coronavirus, which cannot be estimated yet. The effects on Semperit, such as the shutdown in China, were only felt to a comparatively small extent in the reporting period, but the coming months and quarters are expected to show stronger general reactions on the world markets.

Development in the raw materials markets

The markets for rubber (natural and synthetic rubber), carbon black, wires as well as a variety of chemicals with various markets (that is why these are not discussed here in more detail) are very important for the rubber industry. The development of these markets in the natural rubber field is influenced, among other things, by weather conditions, while the fields of synthetic rubber and carbon black are impacted by supplier behaviour and costs for basic raw materials, which are affected by the price of crude oil. Demand is partially influenced by the main buyers of rubber products, the tyre and automotive industry.

In the course of the first quarter of 2020, there was a reduction in prices for natural rubber and natural latex on the relevant raw material markets in Asia. The downward trend in natural rubber, which is mainly used in tyre production, was stronger than in natural latex.

The prices for butadiene, an essential raw material for the production of synthetic rubber and synthetic latex, were also down in Europe and Asia from January to March. The prices for butadiene, which is particularly relevant as a basic raw material in the Semperflex, Sempertrans and Sempermed segments, were therefore lower in the first quarter of 2020 than in the same period last year.

The development for the filler carbon black, which is relevant for all four segments of the Industrial Sector, was somewhat more differentiated. The price for the basic raw material "Heavy Fuel Oil (HFO)" for carbon black increased in the fourth quarter of 2019. This had led to rising carbon black prices in the first quarter of this year. However, HFO prices have also been showing a declining trend since the beginning of 2020, similar to crude oil, which will then lead to reduced carbon black prices in the second quarter.

In the first quarter of 2020, the prices for wire rod, a preliminary product for wires, which are used primarily in the Semperflex and Sempertrans segments, were at the same low level as in the fourth quarter of 2019.

Revenue and earnings development

First quarter of 2020

In the first quarter of 2020, the Semperit-Group recorded a decrease in revenue by 6.5% to EUR 199.1 million compared with the same period in the previous year. In the Industrial Sector – where the Semperform and Semperséal segments are shown separately for the first time – revenue declined by 14.0%, while the Medical Sector recorded an increase of +8.4% (details on the development of the Sectors and segments see page 8). The decline in the Industrial Sector was primarily characterised by the Semperflex, Semperséal and Semperform segments. The increase in revenue in the Medical Sector, i.e. the Sempermed segment, is mainly due to an increase in volumes sold, which was achieved in particular due to the improved capacity utilization as a result of higher production volumes.

In the first quarter of 2020, the Industrial Sector accounted for 61% or almost two thirds and the Medical Sector for 39% of the Semperit-Group's revenue, which is a slight shift compared to the first quarter of 2019 when the ratio was 66% to 34%.

In the first quarter of 2020, inventories increased by EUR 4.9 million compared with an increase of EUR 0.3 million in the first quarter of 2019.

Other operating income amounted to EUR 1.6 million in the first quarter of 2020. In comparison, the value in the first quarter of 2019 was EUR 2.9 million, which also included earnings of EUR 1.3 million from the sale of tangible assets from the Sempertrans production site in China, which was closed in 2018.

In the first quarter of 2020, cost of materials decreased by EUR 10.0 million or 8.2% to EUR 112.6 million. The change is primarily due to a decline in volumes sold in the industrial segment.

In the first quarter of 2020, personnel expenses rose to EUR 50.5 million (+1.2%), a lower extent than the increase in employees (FTE) of +1.9%.

Other operating expenses were EUR 26.7 million lower than in the same period of the previous year (EUR 27.9 million). Despite lower revenues, EBITDA (earnings before interest, tax, depreciation and amortisation) rose from EUR 16.5 million in the first quarter of 2019 to EUR 16.9 million in the first quarter of 2020 due to a lower expense level. The EBITDA margin increased accordingly from 7.7% to 8.5%.

Depreciation decreased to EUR 7.1 million (–18.1%), mainly due to the reduced depreciation basis as a result of the impairment in the Sempermed segment, which was recorded in the third quarter of 2019.

EBIT (earnings before interest and tax) improved to EUR 9.8 million in the first quarter of 2020 compared to EUR 7.8 million in the first quarter of 2019. The EBIT margin increased from 3.7% to 4.9%.

Key figures Semperit-Group

in EUR million	Q1 2020	Change	Q1 2019
Revenue	199.1	–6.5%	212.9
EBITDA	16.9	+2.3%	16.5
EBITDA margin	8.5%	+0.7 PP	7.7%
EBIT	9.8	+24.9%	7.8
EBIT margin	4.9%	+1.2 PP	3.7%
Earnings after tax	–1.7	–	3.2
Additions to tangible and intangible assets	4.8	–52.8%	10.2
Employees (at balance sheet date)	7,046	+1.9%	6,914

The financial result totalled EUR –7.6 million in the first quarter of 2020 after EUR –1.3 million in the first quarter of 2019. Financing expenses (primarily interest expenses for loans and credits) amounted to EUR 1.6 million in the first quarter of 2020 and were therefore below the previous year's value of EUR 2.0 million – due to the repayment of Schuldschein loans.

At EUR –5.3 million, the other financial result was negative in the first quarter of 2020, while in the first quarter of 2019 the value had been EUR 1.7 million. This item includes primarily the balance from foreign exchange gains and losses (net foreign exchange results). The negative net foreign exchange result in the first quarter of 2020 is primarily due to the fall in the exchange rate of the Czech koruna and the Polish zloty in March 2020. This led to unrealized foreign exchange losses from the foreign currency valuation of intercompany financing.

Income tax expenses increased by EUR 0.6 million to EUR 3.9 million in the first quarter of 2020. This includes EUR 1.1 million impairment of deferred tax assets.

Earnings after tax totalled EUR –1.7 million for the first quarter of 2020 compared with EUR 3.2 million in the first quarter of 2019. Earnings per share amounted to EUR –0.17 in the first quarter of 2020 after EUR 0.07 in the first quarter of 2019.

Dividend and treasury shares

Semperit's dividend policy is, in principle: the pay-out ratio to shareholders is around 50% of earnings after tax – assuming continued successful performance and that no unusual circumstances occur. In the past year of 2019, Semperit AG Holding generated a net loss, as a result of which no dividend will be paid (no dividend was paid for the 2018 fiscal year either). Semperit AG Holding does not own treasury shares as of 31 March 2020.

Assets and financial position

As of March 31, 2020, the balance sheet total increased only slightly by +0.6% to EUR 706.2 million compared with December 31, 2018.

On the assets side, higher receivables and increased cash and cash equivalents were up against a reduction in tangible assets. The decline in the book values of property, plant and equipment is due in particular to currency translation and to the decline in the exchange rate of the Czech koruna and the Polish zloty.

On the liabilities side, basically two items decreased: current liabilities decreased due to the early repayment of Schuldschein loans at the beginning of the year. Equity decreased due to a negative change in currency translation reserves and a reduction in revenue reserves. The increase in trade payables had the opposite effect.

Trade working capital decreased from EUR 155.2 million to EUR 148.5 million since the end of 2019 and was therefore 18.0% of revenue (year-end 2019: 18.5%). The change is primarily attributable to increased trade receivables (+8.8%) and inventories (+1.6%) in contrast to an increase in trade payables (+27.6%) mainly due to the higher sales volume compared to the fourth quarter of 2019.

As of March 31, 2020, cash and cash equivalents amounted to EUR 151.5 million, which was above the level at year-end 2019 with EUR 141.4 million. The reason for this was, among other things, a consistent cash management and the decrease in tangible and intangible assets.

As of March 31, 2020, the Semperit-Group's equity (excluding non-controlling interests) at EUR 265.1 million was EUR –8.4 million lower than at the end of 2019 at EUR 273.4 million.

As of March 31, 2020, the reported equity ratio was 37.5% after 39.0% at the end of 2019.

Return on equity was –0.7% (first quarter of 2019: 3.8%) for the first quarter of 2020, which is calculated based on earnings after tax of EUR –1.7 million (first quarter of 2019: EUR 3.2 million) in relation to the equity of EUR 265.1 million (first quarter of 2019: EUR 334.8 million) attributable to the shareholders of Semperit AG Holding.

Debt increased to EUR 440.4 million compared with EUR 427.7 million at the end of 2019 – an increase of EUR 12.7 million, primarily due to the increase in current trade payables (EUR +17.0 million) despite the decrease in financial liabilities (EUR –9.0 million).

Financial liabilities amounted to EUR 205.8 million as of March 31, 2020 after EUR 214.8 million at the end of 2019. Taking into consideration cash and cash equivalents of EUR 151.5 million (year-end 2019: EUR 141.4 million), this resulted in an overall net debt of EUR 54.3 million as of March 31, 2020 (net debt at the end of 2019: EUR 73.5 million). The key figure net debt/EBITDA ratio (net debt in relation to EBITDA) as of March 31, 2020 was therefore 0.80 (year-end 2019: 1.08).

Provisions including social capital amounted to EUR 67.4 million and were the same as at the end of 2019. Other liabilities (other liabilities, deferred taxes, current income taxes and other financial liabilities) increased to EUR 70.4 million after EUR 65.3 million at the end of 2019.

Cash flow

The gross cash flow in the first quarter of 2020 amounted EUR 14.5 million after EUR 15.5 million in the first quarter of 2019.

The cash flow from operating activities amounted to EUR 30.0 million in the first quarter of 2020 (first quarter of 2019: EUR 34.6 million), which was partly due to the change in trade receivables and inventories as well as the change in trade payables.

The cash flow from investing activities was EUR –6.7 million in the first quarter of 2020 and therefore below the previous year's value of EUR –15.9 million, which was primarily due to reduced investment activities. The focus was on maintenance investments. Therefore, the free cash flow was significantly positive at EUR 23.3 million, around 25% more than EUR 18.6 million in the first quarter of 2019.

The cash flow from financing activities of EUR –10.3 million in the first quarter of 2020 was below the value of the first quarter of 2019 at EUR –1.6 million. The value in the first quarter of 2020 was impacted by the early repayment of Schuldschein loans.

Investments

At EUR 6.8 million, cash-relevant investments in tangible and intangible assets in the first quarter of 2020 were below the previous year's level at EUR 16.2 million. The focus was mainly on capacity-maintaining investments and only to a lesser extent on expansion investments. The largest investments were made in Germany (EUR 1.9 million) and in Malaysia (EUR 1.4 million), the Czech Republic (EUR 0.9 million) and Austria (EUR 0.9 million).

Performance of sectors and segments

Industrial Sector

In the first quarter of 2020, the results of the Industrial Sector were reported in the new structure for the first time: the sector now consists of four segments (Semperflex, Sempertrans, Semperseal and Semperform) after the former Semperform segment was divided up into two separate segments: Semperseal, which deals with sealing profiles and elastomer sheets, and Semperform, where the business units handrails, cable car rings, ski foils and engineered solutions (SES) are still combined. As expected, the Industrial Sector – above all Semperflex – was hit by the economic downturn, as a result of which the Sector's revenue decreased by 14.0% from EUR 141.4 million to EUR 121.6 million.

Due to the economic slowdown, overall profitability in the Industrial Sector also fell: EBITDA decreased by –27.9% to EUR 17.7 million, EBIT by –38.2% to EUR 11.4 million. The EBITDA margin decreased from 17.3% to 14.5% and the EBIT margin from 13.0% to 9.3%.

In terms of the absolute EBITDA contribution, the Semperflex segment contributed by far the largest share, followed by Semperform, Semperseal and Sempertrans.

Key figures Industrial Sector

in EUR million	Q1 2020	Change	Q1 2019
Revenue	121.6	-14.0%	141.4
EBITDA	17.7	-27.9%	24.5
EBITDA margin	14.5%	-2.8 PP	17.3%
EBIT	11.4	-38.2%	18.4
EBIT margin	9.3%	-3.7 PP	13.0%
Additions to tangible and intangible assets	3.8	-54.4%	8.4
Employees (at balance sheet date)	3,600	-1.0%	3,636

Semperflex segment

After the good results in the last half of 2019 – despite the economic pressure already starting – the Semperflex segment was unable to escape the declining market development in the first quarter 2020. A first slight effect of the corona crisis was the 10-day shutdown in China after the Chinese New Year, as well as the first signs of the corona crisis in Europe in the second half of March. The reduced market demand was also reflected in the low order intake in recent months and in the order book below the level of the first quarter of 2019. This applies to hydraulic hoses as well as industrial hoses. Capacity utilisation was lower than in the previous year due to the lower demand.

Revenue therefore decreased by -23.4% compared to the first quarter of 2019. Profitability also declined as a result, while the EBITDA margin was 19.9% in the first quarter of 2020 (first quarter of 2019: 22.8%) and the EBIT margin 13.9% (first quarter of 2019: 18, 2%).

Following the difficult general market development after a good result in 2019 as well as the expected negative impact of the ongoing Corona crisis in the second half of the year, the outlook for 2020 is burdened with high uncertainties – in any case, however, the result was expected to be significantly lower than in 2019.

Key figures Semperflex

in EUR million	Q1 2020	Change	Q1 2019
Revenue	46.8	-23.4%	61.1
EBITDA	9.3	-32.9%	13.9
EBITDA margin	19.9%	-2.9 PP	22.8%
EBIT	6.5	-41.5%	11.1
EBIT margin	13.9%	-4.3 PP	18.2%
Additions to tangible and intangible assets	0.5	-90.1%	5.1
Employees (at balance sheet date)	1,657	-6.2%	1,767

Sempertrans segment

In a comparison of the first quarter of 2020 with the same quarter of the previous year, revenue decreased slightly by 2.9% due to the lower volume as a result of lower demand in the first quarter of 2019.

The reported figures in the first quarter of 2019 included a profit of EUR 1.3 million from the sale of tangible assets from the production site in China, which was closed in 2018. As a consequence, profitability fell below last year's level: in the first quarter of 2020 the EBITDA margin was 5.4% (9.0% in the first quarter of 2019) while the EBIT margin in the first quarter was 1.9% (6.0% in the first quarter of 2019).

At the end of March, the site in India had to be shut down due to nationwide corona measures for four weeks. Since the end of April, the site is gradually being brought back up to normalized levels.

Already in the first quarter of 2020, there were signs of significant pressure on order books for 2020, particularly in Europe and North America, even though the first half of the year seemed to be affected to a lesser extent. Currently, however, the uncertain situation due to the further development of the corona crisis strongly reduces visibility on the project developments, project delays in the second half of 2020 are expected.

Key figures Sempertrans

in EUR million	Q1 2020	Change	Q1 2019
Revenue	29.5	-2.9%	30.4
EBITDA	1.6	-41.5%	2.7
EBITDA margin	5.4%	-3.6 PP	9.0%
EBIT	0.6	-69.6%	1.8
EBIT margin	1.9%	-4.1 PP	6.0%
Additions to tangible and intangible assets	0.6	-27.6%	0.9
Employees (at balance sheet date)	945	+9.8%	860

Semperseal segment

The new Semperseal segment recorded a decline in revenue compared to the first quarter of 2019, particularly due to weaker demand in the European construction industry as a result of the economic situation. Therefore, the order situation was below the first quarter of previous year.

In a comparison of the first quarter of 2020 with the first quarter of previous year, there was thus a decline in sales (-7.7%), EBITDA (-16.1%) and EBIT (-24.4%). Profitability also declined: the EBITDA margin was 12.8% (first quarter of 2019: 14.1%), while the EBIT margin was 6.9% (first quarter of 2019: 8.4%).

The first steps towards the regional development of the North American markets have brought positive market reactions. However, the expansion project is delayed due to the corona crisis, which is also clearly evident in America. Expectations for 2020 are below the result of 2019 due to the general slowdown in economic development and the uncertainties caused by corona in terms of market demand and business development, particularly in the second half of the year.

Key figures Semperseal

in EUR million	Q1 2020	Change	Q1 2019
Revenue	25.4	-7.7%	27.5
EBITDA	3.3	-16.1%	3.9
EBITDA margin	12.8%	-1.3 PP	14.1%
EBIT	1.8	-24.4%	2.3
EBIT margin	6.9%	-1.5 PP	8.4%
Additions to tangible and intangible assets	2.3	+50.4%	1.5
Employees (at balance sheet date)	467	-3.5%	484

Semperform segment

The Segment Semperform faced a declining market demand particularly in the Business Unit Engineered Solutions due to the economic slowdown starting towards the end of last year. This development was reflected in the year-on-year lower revenue in the first quarter of 2020.

In a comparison of the first quarter of 2020 with the previous year, a decrease in revenue (-11.3%), in EBITDA (-12.6%) and in EBIT (-18.1%) was recorded. Due to the profitability increasing measures taken in the course of the restructuring and transformation programme, the EBITDA and EBIT margins were only under slight pressure: the EBITDA margin was 17.5% (first quarter of 2019: 17.7%), while the EBIT margin was 12.9% (first quarter of 2019: 13.9%).

Besides the overall weaker economic situation, the uncertainty caused by the corona crisis makes it difficult to assess the segment development in 2020. For the time being, additional negative effects are expected rather for the second half of the year.

Key figures Semperform

in EUR million	Q1 2020	Change	Q1 2019
Revenue	19.9	-11.3%	22.4
EBITDA	3.5	-12.6%	4.0
EBITDA margin	17.5%	-0.2 PP	17.7%
EBIT	2.6	-18.1%	3.1
EBIT margin	12.9%	-1.0 PP	13.9%
Additions to tangible and intangible assets	0.4	-54.5%	0.9
Employees (at balance sheet date)	531	+1.0%	526

Medical Sector: Sempermed segment

In the first quarter of 2020, the development of the Sempermed segment was characterised particularly by increased production volumes due to successful restructuring measures which. As a result, it was possible to increase volumes sold, resulting in an 8.4% rise in revenue compared with the previous year. The first effects of the corona crisis were reflected in increased demand for examination and protective gloves as well as surgical gloves. The increased demand is reflected in an improved order situation.

The measures of the restructuring and transformation process showed their sustainable positive effects on productivity and profitability: EBITDA was EUR 4.8 million in the first quarter of 2020 after EUR –0.9 million in the first quarter of 2019. EBIT amounted to EUR 4.3 million after EUR –2.8 million in the first quarter of 2019.

Due to the continuing corona crisis, demand in the segment is above-average, while the order books are at a very high level. The results in 2020 will be significantly higher than 2019 according to current expectations. Although the operational key figures at Sempermed are currently positive, the Medical Sector is characterised by sharp competitive dynamics. After a thorough examination of various alternatives, the Management Board decided at the beginning of 2020 to separate from the medical business. However, Semperit is setting new priorities due to the corona crisis: in the current phase, supply security for Austria is paramount. Semperit is fulfilling its responsibility and is supporting the Republic with its medical gloves to make the greatest possible contribution to combating the corona crisis. For these reasons, any implementation of the strategic decision to separate from the medical business will be delayed.

Key figures Sempermed

in EUR million	Q1 2020	Change	Q1 2019
Revenue	77.5	+8.4%	71.5
EBITDA	4.8	–	–0.9
EBITDA margin	6.1%	+7.3 PP	–1.2%
EBIT	4.3	–	–2.8
EBIT margin	5.5%	+9.4 PP	–3.9%
Additions to tangible and intangible assets	0.9	–45.2%	1.7
Employees (at balance sheet date)	3,301	+5.2%	3,137

Employees

The headcount as of 31 March 2020 was 7,046 employees and +1.9% above the level as of 31 March 2019. In the Semperflex and Semperseal segments, the number of employees decreased, while in the other segments the number of employees slightly increased. When looking at segments, around 47% of all employees are employed in the Sempermed segment. Around 24% work in the Semperflex segment, 13% in the Sempertrans segment and 8% and 7% in the now separate segments Semperform and Semperseal.

Supervisory and Management Board matters

On 9 January 2020, Peter Edelmann resigned from his position as Chairman of the Supervisory Board and from his chairs in the Supervisory Board committees of Semperit AG Holding effective immediately and resigned from the Supervisory Board on 24 April 2020. Walter Koppensteiner, who has been a member of the Supervisory Board since 2012, has been nominated as the new Chairman of the Supervisory Board.

Since 1 January 2020, Kristian Bok has been a member of the Management Board as Chief Operating Officer (COO) since 1 January 2020; his mandate will end on 31 December 2023. The contract of the Chief Financial Officer (CFO) Frank Gumbinger terminated at his own request on 19 March 2020; the mandate was originally extended until 30 June 2022. Petra Preining was appointed interim successor with effect from 20 March 2020.

For the best possible protection of shareholders, partners and employees in connection with the corona Semperit AG Holding has decided to postpone the date for the Annual General Meeting originally planned for April. The new date was set for July 22, 2020 and will take place in accordance with the relevant regulations as a virtual general meeting without physical attendance of the participants. The general meeting will be convened on time in accordance with the Stock Corporation Act and the articles of association.

Outlook

At the end of January 2020, the Management Board announced the goal of transformation into an industrial rubber specialist as part of the strategic reorientation of the Semperit-Group and decided to separate from the medical business.

However, as an Austrian company, the Semperit-Group is setting new priorities due to the crisis caused by the coronavirus (SARS-CoV-2): in the current phase, the focus is on supply security for Austria. Semperit-Group is fulfilling its responsibility for this country and supporting the Republic with its medical gloves in order to make the greatest possible contribution to fighting the corona crisis. For these reasons, the implementation of the basic strategic decision to separate from the medical business will be delayed in any case.

The corona crisis naturally will influence not only the implementation of the strategy, but also the development of the company in the coming months: as the further effects of corona on the global economy and society are still unclear, the impact on Semperit-Group cannot be assessed in detail at present. Furthermore, an economic slowdown has become apparent since the previous year, which will have a significant negative impact, particularly on the Industrial Sector. In the Medical Sector, there are signs of a significant improvement for the current financial year as a result of the successful operational restructuring of recent years and the currently significant increase in demand for medical gloves. Additional potential may result from a possible positive market dynamic and thus from a rising market price level.

To ensure the best possible management of the corona crisis, the Semperit-Group introduced appropriate measures at an early stage: to protect the health of employees, all persons not involved in the operational production processes are working from home. A gradual restart of office operations – in two separate teams – will be implemented from the second half of May onwards. Comprehensive measures have been introduced for this purpose, as well as for the production staff, to increase health protection. If necessary, alternative suppliers of raw materials will ensure the required production quantities. Apart from the shutdown in China in February and in India primarily in April, no significant impairments were apparent in the first quarter. The first uncertainties in the markets were visible at the end of March. In the current second quarter, there were varying market reactions in the segments of the Industrial Sector: on the one hand, safety stocks were built up, and on the other hand, closures on the customer side were observed. These effects partly offset each other.

Against this background, Semperit-Group expects a business year that will be characterised by significant challenges. This will be reflected in visibly lower earnings in the Industrial Sector due to the general economic situation worldwide and the effects of the corona crisis. It is to be expected that the corona crisis and the resulting intensified economic downturn will have a slightly delayed effect on the Semperit-Group, but significant declines in revenue and earnings are expected, particularly from the second half of the year. Earnings in the Medical Sector, on the other hand, are positively influenced by the significant increase in demand and potential price increases in the market. The extent to which these upward trends can compensate for the negative effects from the Industrial Sector cannot be estimated at present.

The restructuring and transformation process of the Semperit-Group initiated at the beginning of 2018, which has led to significant improvements at various levels, has been further accelerated by the corona crisis and will continue in the future: In this context, the focus on cost reduction measures will be further sharpened in the coming months.

Due to the high level of uncertainty with regard to short-term economic developments, particularly in connection with the effects of the coronavirus, it is currently not possible to provide precise estimates for the expected development of revenues and profitability.

Note

This outlook is based on the assessments of the Management Board as of 20 May 2020. 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 2020	Q1 2019
Revenue	2.2	199,104	212,938
Changes in inventories		4,924	344
Own work capitalised		808	635
Operating revenue		204,837	213,918
Other operating income		1,596	2,900
Cost of material and purchased services		-112,588	-122,629
Personnel expenses		-50,457	-49,855
Other operating expenses		-26,729	-27,903
Share of profits from associated companies		209	50
Earnings before interest, tax, depreciation and amortisation (EBITDA)		16,867	16,481
Depreciation and amortisation of tangible and intangible assets		-7,076	-8,643
Earnings before interest and tax (EBIT)		9,791	7,838
Finance income		102	201
Finance expenses		-1,609	-1,956
Profit / loss attributable to redeemable non-controlling interests		-827	-1,256
Other financial result	2.4	-5,263	1,722
Financial result		-7,597	-1,289
Earnings before tax		2,194	6,549
Income taxes		-3,938	-3,328
Earnings after tax		-1,745	3,221
thereof attributable to the shareholders of Semperit AG Holding – from ordinary shares		-3,505	1,480
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital		1,702	1,706
thereof attributable to non-controlling interests		59	35
Earnings per share in EUR (diluted and undiluted)¹⁾		-0.17	0.07

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

Consolidated statement of comprehensive income

in EUR thousand

	Q1 2020	Q1 2019
Earnings after tax	-1,745	3,221
Other comprehensive income that will not be recognised through profit and loss in future periods	17	48
Remeasurements of defined benefit plans	0	0
thereof related to income tax	17	48
Other comprehensive income that will be recognised through profit and loss in future periods	-6,587	2,693
Cashflow hedges	-97	763
thereof Revaluation gains / losses for the period	-202	796
thereof Reclassification to profit / loss for the period	104	-32
Currency translation differences	-6,567	2,164
thereof currency translation differences for the period	-6,567	2,164
thereof related to income tax	77	-235
Other comprehensive income	-6,571	2,741
Comprehensive income	-8,315	5,961
thereof on earnings attributable to the shareholders of Semperit AG Holding – from ordinary shares	-10,049	4,114
thereof attributable to the shareholders of Semperit AG Holding – from hybrid capital	1,702	1,706
thereof on earnings attributable to non-controlling interests	32	141

Consolidated cash flow statement

in EUR thousand	Q1 2020	Q1 2019
Earnings before tax	2,194	6,549
Depreciation, amortisation, impairment and write-ups of tangible and intangible assets	7,076	8,643
Profit / loss from disposal of assets (including current and non-current financial assets)	5	11
Change in non-current provisions	-448	523
Share of profits from associated companies	-209	-50
Profit / loss attributable to redeemable non-controlling interests	827	1,256
Net interest income (including income from securities)	1,507	1,755
Taxes paid on income	-2,616	-422
Other non-cash expense/income	6,190	-2,767
Gross cashflow	14,526	15,498
Change in inventories	-4,146	1,928
Change in trade receivables	-9,162	-9,814
Change in other receivables and assets	762	4,026
Change in trade payables	20,678	15,912
Change in other liabilities and current provisions	7,307	7,013
Cashflow from operating activities	29,965	34,563
Proceeds from sale of tangible and intangible assets	10	71
Cash outflows for additions in tangible and intangible assets	-6,790	-16,177
Interest received	103	190
Investments in current and non-current financial assets	0	-10
Cashflow from investing activities	-6,677	-15,926
Repayment of current and non-current financial liabilities	-8,727	-132
Payments arising from leasing liabilities	-720	-542
Acquisition of non-controlling interests	-2	0
Interest paid	-810	-885
Cashflow from financing activities	-10,259	-1,560
Net increase / decrease in cash and cash equivalents	13,029	17,077
Currency translation differences	-2,854	1,539
Cash and cash equivalents at the beginning of the period	141,356	121,549
Cash and cash equivalents at the end of the period	151,532	140,166

Consolidated balance sheet

in EUR thousand	31.03.2020	31.12.2019
ASSETS		
Non-current assets		
Intangible assets	9,530	8,071
Tangible assets	277,844	294,544
Investments in associated companies	2,584	2,375
Other financial assets	7,771	7,965
Other assets	3,484	4,350
Deferred taxes	2,322	3,212
	303,535	320,517
Current assets		
Inventories	124,159	122,157
Trade receivables	102,892	94,555
Other financial assets	6,891	2,816
Other assets	10,410	13,654
Current tax receivables	1,031	1,017
Cash and cash equivalents	151,532	141,356
	396,914	375,556
Non-current assets held for sale	5,734	5,709
	402,648	381,265
ASSETS	706,183	701,782
EQUITY AND LIABILITIES		
Equity		
Share capital	21,359	21,359
Capital reserves	21,503	21,503
Hybrid capital	130,000	130,000
Revenue reserves	110,055	111,865
Currency translation reserve	-17,848	-11,307
Equity attributable to the shareholders of Semperit AG Holding	265,070	273,420
Non-controlling interests	725	691
	265,794	274,111
Non-current provisions and liabilities		
Provisions	43,786	45,110
Liabilities from redeemable non-controlling interests	18,152	18,457
Financial liabilities	172,261	173,763
Trade payables	122	127
Other financial liabilities	8,669	7,073
Other liabilities	212	183
Deferred taxes	10,026	10,323
	253,228	255,037
Current provisions and liabilities		
Provisions	23,577	22,316
Financial liabilities	33,553	41,050
Trade payables	78,510	61,513
Other financial liabilities	16,226	15,161
Other liabilities	31,420	28,702
Current tax liabilities	3,875	3,892
	187,161	172,634
EQUITY AND LIABILITIES	706,183	701,782

Consolidated statement of the changes in equity

in EUR thousand	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Currency translation reserve	Total	Non-controlling interests	Total equity
As at 01.01.2019	21,359	21,503	130,000	164,630	-7,999	329,493	904	330,398
Retrospective adjustment under IAS 8 – Correction of reserves	0	0	0	4,295	-4,295	0	0	0
Adjusted as at 01.01.2019	21,359	21,503	130,000	168,925	-12,294	329,494	904	330,398
Earnings after tax	0	0	0	3,186		3,186	35	3,221
Other comprehensive income	0	0	0	576	2,058	2,634	106	2,741
Comprehensive income	0	0	0	3,762	2,058	5,820	141	5,961
Acquisition of non-controlling interests	0	0	0	-494		-494	494	0
As at 31.03.2019	21,359	21,503	130,000	172,193	-10,236	334,820	1,540	336,359
As at 01.01.2020	21,359	21,503	130,000	111,865	-11,307	273,420	691	274,111
Earnings after tax	0	0	0	-1,803	0	-1,803	59	-1,745
Other comprehensive income	0	0	0	-4	-6,541	-6,544	-26	-6,571
Comprehensive income	0	0	0	-1,807	-6,541	-8,347	32	-8,315
Acquisition of non-controlling interests	0	0	0	-3	0	-3	1	-2
As at 31.03.2020	21,359	21,503	130,000	110,055	-17,848	265,070	725	265,794

Notes to the interim group financial statements (condensed)

1. General

1.1. Preparation and presentation of the interim group financial report

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 at 31 December 2019, which in this regards from 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 totaling of rounded amounts and percentages may arise from the automatic processing of data.

This interim group financial report of the Semperit-Group at 31 March 2020 has not been fully audited or reviewed by the group's auditor.

1.2. Standards and interpretations to be adopted for the first time

The following amended standards and interpretations were applicable for the first time in the first quarter of 2020.

		Endorsement	Obligation to apply for the Semperit-Group	Significant effects on the Semperit-Group
New standards and interpretations				
None				
Amended standards				
IFRS 3	Amendments to Business Combinations: Definition of a business	21 April 2020	01 January 2020	no
IAS 1/8	Amendments to the definition of materiality	29 November 2019	01 January 2020	no
Miscellaneous	Amendments to References to the Conceptual Framework in IFRS Standards	29 November 2019	01 January 2020	no
Miscellaneous	Amendments to IFRS 9, IAS 38 and IFRS 7: Interest Rate Benchmark Reform	15 January 2020	01 January 2020	no

2. Performance

2.1. Segmentreporting

Starting from the business year 2020 the business with profiles and elastomer rubber sheets is separated from the Semperform Segment and is reported as own segment named Semperseal. The Semperform Segment concentrates on the business with handrails, ropeway bull rings, rubber foils for skis and engineered solutions. The comparative figures were adjusted accordingly.

The Management Board and Supervisory Board of Semperit AG Holding decided on 28 January 2020 to divest itself of the Sempermed segment. The requirements for a presentation as discontinued operation have not been met on the balance sheet date.

Q1 2020 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Inter-company transactions	Total
Revenue	77,503	46,848	29,502	25,399	19,853	0	0	199,104
EBITDA	4,766	9,339	1,608	3,262	3,469	-5,577	0	16,867
EBIT	4,255	6,492	552	1,754	2,557	-5,820	0	9,791
Trade Working Capital	57,445	38,421	25,763	14,414	16,810	-4,311	0	148,540
Additions to tangible and intangible assets ¹⁾	905	506	624	2,310	408	55	0	4,809

1st quarter 2019 in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Corporate Center	Inter-company transactions	Total
Revenue	71,490	61,149	30,389	27,524	22,387	0	0	212,938
EBITDA	-871	13,914	2,747	3,888	3,967	-6,925	-238	16,481
EBIT	-2,808	11,105	1,818	2,321	3,122	-7,483	-238	7,838
Trade Working Capital	62,246	60,395	28,882	17,512	19,687	-3,923	0	184,800
Additions to tangible and intangible assets ¹⁾	1,652	5,137	862	1,536	898	97	0	10,183

¹⁾ Excluding right-of-use assets according to IFRS 16

2.2. Revenue

Revenue from contracts with customers is broken down by segment and geographical region as follows:

in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Q1 2020						
Western Europe	43,059	27,555	10,005	20,361	12,956	113,936
Eastern Europe	9,406	10,132	6,841	3,225	1,953	31,556
Asia	7,077	3,677	7,219	81	3,497	21,551
North America	14,411	5,059	4,354	1,730	1,070	26,623
Central and South America	2,678	299	1,041	1	296	4,316
Africa	434	89	41	0	68	633
Australia	439	38	0	0	13	490
Revenue	77,503	46,848	29,502	25,399	19,853	199,104

in EUR thousand	Semper-med	Semper-flex	Semper-trans	Semper-seal	Semper-form	Group
Q1 2019						
Western Europe	38,761	37,848	9,977	22,436	13,470	122,491
Eastern Europe	8,365	11,712	8,894	3,540	2,828	35,339
Asia	7,548	5,144	6,711	25	4,295	23,723
North America	14,263	5,716	1,285	1,524	1,410	24,198
Central and South America	1,537	510	1,984	0	303	4,334
Africa	242	177	1,083	0	59	1,561
Australia	775	43	455	0	20	1,293
Revenue	71,490	61,149	30,389	27,524	22,387	212,938

2.3. Other operating income

In the other operating income of the first quarter 2019, an income in the amount of EUR 1,270 thousand is included arising from the sale of tangible assets from the production site Sempertrans Best (ShanDong) Belting Co. Ltd., that was closed in 2018.

2.4. Other financial result

in EUR thousand	Q1 2020	Q1 2019
Other financial result		
Net foreign exchange result	-5,510	2,008
Net result from the valuation categories FVPL and FV – Hedging Instrument	1,009	-221
Other	-762	-64
	-5,263	1,722

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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: 20 May 2020). 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 2020

20.05.2020	Report on the first quarter of 2020
12.07.2020	Record Date Annual General Meeting
22.07.2020	Annual general meeting, Vienna
24.07.2020	Ex-dividend day
27.07.2020	Record Date Dividend (= day, on which settled positions are struck at CSD Austria at close of business to determine the entitlement) ¹⁾
28.07.2020	Dividend payment day ¹⁾
14.08.2020	Half-year financial report 2020
19.11.2020	Report on the first three quarters of 2020

¹⁾ No dividend proposed for FY 2019 to AGM on 22nd July 2020.

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