

Wroclaw, 23 November 2018

Selena Group: another quarter of profit growth

Net profit grows by more than 96% year-on-year

Selena Group, one of the leading producers and distributors of construction chemicals and the owner of the TYTAN brand – posts an increase in all its key profit lines in Q3 YTD. Selena’s revenue from sales is more than PLN 927 million. Net profit is PLN 23.7 million (up more than 96% YoY), and the Group’s EBIT exceeds PLN 48 million (up 12% YoY). Selena Group’s results have mainly benefited from efficient cost management, increasing share of high-margin products in the portfolio and control over exchange rate differences.

Despite the significant increase in raw material prices, in Q3 Selena Group’s sales continued to trend upwards, as in the whole of 2018. In the reporting period, Selena saw its sales increase in most of its key markets, including: **Spain (19%), Ukraine (12%), China (10%), Kazakhstan (9%) and the USA (8%)**. At the same time, in Q3 YTD gross profit margin amounted to 29.2% and slightly decreased (by 0.6 p.p.) compared to the previous year. The decrease was caused by the continued high prices of raw materials. Nonetheless, in the context of the prevailing market situation, in the following period the Group’s profitability should be helped by the expected reduction in the prices of raw materials for the production of foams.



“Despite the longer-than-expected difficulties in the market of raw materials for the production of construction chemicals and problems in the construction market in Poland resulting from shortage of workers, Selena once again records an increase in sales and profit. Our net profit, which has doubled compared with the previous year, is an effect of higher sales and an improvement in cost discipline – with a material reduction in general and administrative expenses and lower net FX differences. In the coming months, we would like to focus mainly on users’ needs and on working together with users to design new application systems. Building lasting and partner relations with users by offering tailor-made solutions to them is a scenario that guarantees business growth for both our clients’ and Selena Group as a whole”, says Marcin Macewicz, **CEO of Selena Group**.

In response to the existing market and user requirements, in Q3 Selena Group developed its portfolio and started production of a new range of innovative mounting adhesives and fireproof products. As part of the waterproofing category, Selena Group’s R&D department has developed a modern line of liquid products for roof applications and

modern, modified bitumens for general waterproofing applications. The company has been consistently developing and investing in the innovative foam adhesives (FOAD) category.

In connection with the increasingly common pro-environmental trends that promote sustainable construction solutions, Selena has started work on products based on bio-renewable resources. At present, the company takes part in two projects under the Horizon 2020 programme. The solutions developed under these projects will respond to the needs of investors and users, including in the area of LEED, BREEAM, ECO-LABEL and carbon footprint requirements, and are in line with Selena's corporate social responsibility.

To find out more about the Group, go to selena.com

Additional information:

Selena Group is a global leader and distributor of construction chemicals and one of the three largest producers of polyurethane foam in the world. The Group's product range includes foams, sealants, adhesives, waterproofing products, insulation systems, fastenings and complementary products. The Group comprises 30 companies in 17 countries. The Group's manufacturing plants are located in Poland, Brazil, South Korea, China, Romania, Turkey, Spain and Kazakhstan. With its international experience gained in diverse markets, Selena Group can grow fast as an innovative company that develops new solutions adapted to increasing users' needs. Selena Group received multiple awards in the most prestigious rankings. The company was recognised by the President of Poland Bronislaw Komorowski in the category "Sustainable Success" of the Polish President's Economic Awards competition and received the accolade of "Teraz Polska" in the category "Foreign Investment". Selena's modern products of highest quality are appreciated by the Group's partners and customers in 70 countries. The Group's portfolio is topped by such outstanding brands as Tytan, Quilosa, Artelit or Matizol. In April 2008, the shares of Selena FM SA, the Group's holding entity, became admitted to trading on Warsaw Stock Exchange.