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Selena Group: Revenue of PLN 580 million in the first half of 2018

In H1 revenue up by 7% year-on-year

Selena Group, one of the leading manufacturers and distributors of construction chemicals and an owner of the TYTAN brand, in the first half of 2018 achieved revenue from sales of PLN 580 million, up more than 7% year-on-year. Net profit was almost PLN 11 million, up nearly 16 million year-on-year, and EBIT was PLN 18.7 million, up 8.8%. The financial results achieved in H1 2018 were primarily influenced by the steady increase in sales, continued improvement of the cost discipline across the Group and reduction of the negative balance of foreign exchange differences.

The second quarter, closing the first half of 2018, saw continuation of the trend that has been maintained since the beginning of the year. The Group's performance benefits from the overall positive situation in the construction industry. According to the data published by Polish Statistics (GUS), in the first half of 2018 home completions increased by 6.3%, and the construction and assembly production was by 24% higher year-on-year. On the other hand, the construction industry suffers from staff shortages, which reduces the growth of the whole sector. The turmoil on the international stage, which affects financial performance, including FX rates, is also significant.

Despite the above macroeconomic factors, Selena has recorded a steady increase in the sales and share of high-margin products, which positively influenced the results for the first half of the year. The largest and most dynamic sales were recorded in developed markets, including in Spain (20%), USA (18%) and Ukraine (14%).



“Selena Group ended the first half of 2018 with strong financial results. During this period, we were still faced with high prices of most raw materials and with fluctuations of foreign exchange rates. We are closely watching those markets in which the situation is not stable. While keeping an eye on currency fluctuations in Russia and Turkey, we take fast decisions to mitigate their impact on the Group's results. We try counterbalance situations in the more challenging markets, e.g. in Brazil, with measures that benefit from the favourable market in Western Europe and the United States. That's where our robust sales growth is maintained. On the other hand, in the Polish market, we are particularly concerned by staff shortages, which start to have a noticeable impact on the potential of the Polish construction sector. Accordingly, in the second half of the year, Selena Group

intends to maximise its use of the good economic situation in other markets, neutralising any factors which might be potentially negative for the company. We currently expect that we will close the year with a positive result”, says **Marcin Macewicz, CEO of Selena Group.**

Despite the current good demand for construction chemicals currently prevailing in the sector, the continued high prices of raw materials, especially the continuously growing prices of raw materials for the production of sealants, roofing membranes and bitumen products, have an adverse impact on the business. This situation may result in users' late acceptance of these increases.

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 Bronisław 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.