

Wrocław, 29 May 2017

Selena Group: Sales of 220 million achieved in Q1 2017 – a record-breaking increase of 23% year-on-year

**In the first quarter of 2017, Selena Group achieved sales of PLN 220 million. This is by 23% higher than in the corresponding period of 2016. The Group's net result in the reporting period was - 8.5 million PLN. The result is in line with the company's expectations, and was affected mainly by seasonality construction chemicals trading. At the same time, Selena Group's EBIT and EBITDA figures were at their highest levels in five years. Over the coming months, the company plans to focus on further optimisation of its operating effectiveness and integration of Uniflex S.p.A. with the Group – in March, Selena acquired a 64% stake in the Italian firm.**

The high level of Selena's sales results from an increase in business in most of the markets in which the Group is active. The highest increase was noted in **China (130%)**, with very good results in **Russia (65%)** and **Kazakhstan (48%)**. Positive trend in sales was also observed in Europe and Americas – **Brazil (26%)**, **Turkey (24%)**, **Poland (18%)**, **Spain, USA (8%)** and **Central Europe (7%)**. **Gross profit margin remains high at 30.6%**. The increase in sales globally is an effect of changes implemented steadily by the Management Board. Selena started the process of modifying its managing structure, and has further changes in the pipeline. These changes are designed to increase effectiveness of production, strengthen the marketing, sales and development activity, as well as improve the effectiveness of administrative functions. The key elements of the Group's strategy include optimisation of operating activities, building competitive edge in international markets, particularly thanks to innovative products, not offered by any competitor, as well as consistent development of the distribution network.

***“The beginning of the year was quite intensive for Selena – the Management Board was joined by new persons, and the company's senior management was also strengthened. Furthermore, the company consolidated its position in Europe by acquiring a new company – Italian Uniflex. Selena has benefited from gaining access to new, innovative and specialized products, becoming one of the three largest producers of acrylics in Europe. Thanks to the synergies achieved as a result of the merger with Uniflex, Selena is going to expand the scope of its activities, optimise manufacturing costs and transfer know-how. The additional products added to the Group's portfolio will allow it to achieve a leading position in the construction chemicals***



in Western Europe, with a 20% market share in some segments” – said **Jean-Noël Fourel, CEO of Selena FM SA**, parent company of Selena Group.

**Uniflex was formed in 1996** – it specialises in acrylic sealants, which constitute as much as 80% of its production volume. In this way, **the company ranks 2nd in Europe** in terms of the volume of sales of these products. In addition, Uniflex has high quality adhesives, silicones and other construction chemicals in its portfolio. The company has a strong position in its home Italian market: its branded products cater to the needs of **80% of the local market**, while exports, mainly to Western Europe, account for 30% of the company’s sales.

The first quarter of 2017 was a time when Selena worked on a strategy of counteracting the effects of the upheaval in the raw materials market. Since the end of 2016, there has been a very high increase in raw materials prices – higher than expected by the market. In addition, limitations appeared with availability of certain materials – even if the volumes had been contracted earlier. The trend will be sustained in the coming months as well. The Group’s plans also provide for mitigating the effects of growing raw material prices, e.g.. by product price adjustments.

Concurrently, since the beginning of the year, Selena has been consistently and actively marketing new, innovative products from its portfolio – in February in **Bulgaria** and in April in **Russia**. In May, **as many as six pioneering solutions** made their debut in **Brazil**.

*“Selena’s competitive advantage is founded inter alia on **technological advancement** – the Group’s construction chemicals **are the world’s top solutions in terms of quality and efficiency**.. Furthermore, certain solutions are **unique** – Selena’s portfolio contains products whose parameters are not available from any competitor. In the coming months and years, the Group is going to focus on strengthening this advantage by further development of ground-breaking solutions for construction and **expanding its R&D function**. **Selena is now one of the beneficiaries of the Horizon 2020 programme, and towards the end of 2017 plans to open a new, even more innovative laboratory”** – added **Jean-Noël Fourel, CEO of Selena FM SA**.*

### Additional information:

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Selena Group is a global manufacturer and distributor of construction chemicals and one of the third largest producers of polyurethane foam in the world. The Group’s product range includes foams, sealants, adhesives, hydroinsulation 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 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 Matisol. In April 2008, the shares of Selena FM SA, the Group's holding entity, became admitted to trading on Warsaw Stock Exchange.

To find out more about the company go to: [www.selena.com](http://www.selena.com)

