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Selena Group: sales at a historic high in the first quarter

Selena Group, one of the leading manufacturers and distributors of construction chemicals and an owner of the TYTAN brand, in Q1 2018 achieved highest-ever consolidated revenue from sales of PLN 248 million, which is an increase of nearly 13% year-on-year. Also for the first time in history the Group's Q1 EBIT was positive, amounting to PLN 738 thousand. These results benefited mainly from the effects of optimisation measures and continued cost discipline, as well as a flattening of the seasonal curve in construction, a trend which has been observed for some time already, connected with mild winters that allow construction works to be prolonged.

2018 started off very well for Selena Group. It was a favourable period both from the perspective of the construction sector and in the context of the broadly understood economic situation in most of Selena Group's markets. After the first three months of 2018, the Company has reported robust financial results compared to Q1 2017. In the reporting period, Selena Group's sales increased 13% YoY, with the highest increases noted in: Turkey (+46%), United States (+ 37%), China (35%), Spain (19%) and Kazakhstan (+10%). Even though the situation in the raw materials market remained difficult, Selena Group managed to record an operating profit in the first quarter of 2018. Contributing to this were both higher sales and optimisation of operating costs relative to revenue from sales. In Q1, gross profit margin fell by 1.7 pp YoY (28.9% vs. 30.6%) as a result of an increase in the prices of raw materials, mainly those for the production of foams and sealants. The Group mitigated the higher raw material costs to a substantial degree by increasing the share of high-margin products in its portfolio and by implementing optimisation projects.



"We are very happy about the sales figure achieved in Q1. Our sales are at all-time high and so is our EBIT. We are aware that this success which has been helped by the good market and a flattening of the seasonal curve in construction. This results from the opportunities offered by new technologies, climate changes and limited availability of qualified construction sector employees. The signals we have been receiving from the market, including from our business partners and competitors, indicate that such a good economic situation may not last in subsequent periods", said **Marcin Macewicz, acting CEO of Selena Group.**

The whole construction chemicals sector is still confronted with a challenging raw materials market. The prices of key commodity groups are high. The price of PMDI, a raw material for the production of foams, has stabilised at a relatively high level and is not trending upwards. The supply of raw materials for the production of silicones is rather limited. There are problems with their availability, which causes

prices to go up. Due to growing oil prices and the USD exchange rate, as well as road investments, asphalt prices are expected to increase. The prices of other commodity groups are projected to be relatively stable.

Due to the upcoming AGM date, the Group's Management Board has recommended payment of a dividend from the net profit for 2017 in the amount of PLN 6.85 million, i.e. PLN 0.30 per share. The proposed record date is 2 July, while the dividend payment date has been set to 16 July 2018.

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.