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Selena Group posts revenue increase in Q1 2022

Selena Group, a global manufacturer and distributor of construction chemicals, has summed up its financial results in the first quarter of 2022. The company has reported record-high revenues of PLN 421.6 million, up a significant 20.6% YoY. Operating profit has also increased by 30.5% to PLN 25.8 million. After Q1 2022, gross profit margin stands at 32.1%, up 2.3 p.p. on the year-ago figure.

Selena Group's excellent performance was achieved despite the negative impact of Russia's aggression on the territory of Ukraine. The financial results were influenced by the revenues earned as a result of price list updates in the last quarter of 2021.

"The beginning of 2022 brought us relative peace amid partial stabilization of raw material prices and supply chains. Just as the whole world was looking forward to further stabilization, the war heavily impacted on economic relations in Europe and globally. Selena Group does more than observe the emerging developments in the world or European geopolitics and, consequently, in macroeconomics. Despite the headwinds, we are continuing our strategy of flexible response and adaptation to the conditions prevailing in individual markets," says Jacek Michalak, CEO of Selena Group.

EU countries (with a particular focus on Western Europe) remain Selena's key markets. In Q1 2022, this segment generated 68% of the Group's sales revenues, which is the same as in Q1 2021. The North and South America region achieved a 2% increase in its contribution to the Group's sales compared to the corresponding period of 2021. The Eastern Europe and Asia segment recorded a slight decrease in its share in the Group's sales revenues (from 24% to 22% YoY). At the same time, the Group recognized a provision of PLN 6.2 million for potential war-related losses.

"The robust results for the first quarter of 2022 are testament to the improvement of our product margins. The Group puts a high premium on constantly increasing the share of sales of innovative products with a higher margin. On a global scale, during the first months of the year, Selena Group also benefited from the lower volatility of raw material prices. We're also closely looking at Western European and US markets, where we've successfully redirected our supply from Eastern markets," Michalak added.

The first quarter of 2022 also brought an 18.5% increase in selling costs compared to the corresponding period of the previous year, which was due to the continued investments in the Group's brands, and rising transport and logistics costs. The Group is going to balance potential growth in raw material prices by e.g. developing new and optimizing existing product formulations. Since its very beginning, Selena Group has focused on the creation and development of innovative solutions for construction that are easy to use, accelerate contractors' work and support the idea of sustainable development.

At present, Selena Group comprises 34 companies in 19 countries. The Group's manufacturing plants are located in Poland, South Korea, China, Romania, Turkey, Kazakhstan, Spain, and Italy. The Group's portfolio

includes such outstanding brands as: Tytan Professional, Quilosa, Artelit and COOL-R, which are recognized by customers in 100 markets around the world.

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Additional information:

Selena Group

Selena Group is a global leader and distributor of construction chemicals and one of the four largest global producers of mounting foams for construction. The Group's product range includes products that increase the energy efficiency of buildings, including foams, sealants, adhesives, waterproofing products, insulation systems, fastenings, and a complete energy roof system. For 30 years now, Selena Group has been actively working for sustainable construction, providing innovative solutions that increase the energy efficiency of buildings. Selena is also involved in sustainable construction projects as a member of the Polish Green Building Council (PLGBC).

With its international experience gained in diverse markets, Selena Group can grow fast as an innovative company. The Group comprises 34 companies in 19 countries. The Group's manufacturing plants are located in Poland, South Korea, China, Romania, Turkey, Kazakhstan, Spain, and Italy. Selena's modern products of highest quality are appreciated by the Group's partners and customers in 100 countries. The Group's portfolio includes globally recognized brands, such as: Tytan Professional, Quilosa, Artelit and Cool-R. In April 2008, the shares of Selena FM S.A., the Group's holding entity, became admitted to trading on Warsaw Stock Exchange.