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Selena Group's financial results continue to improve after three quarters of 2022

Selena Group, a global manufacturer and distributor of construction chemicals, has presented its financial results for the three quarters of 2022. Amid the unfavorable geopolitical environment, difficult commodity markets and strained supply chains, Selena Group has successfully continued its flexible response strategy. Sales revenues reached PLN 1.49 billion, up 16.3% YoY. The Group's operating profit (EBIT) increased by 42.3% to PLN 120.6 million, while net profit rose by 34.3% compared to the year-ago period.

The past three quarters of 2022 were a difficult time for the world, the entire business community and the construction industry. Significant disruptions in supply chains, uncertainty in raw material markets and the rising inflation, impacting the construction market, have been aggravated by strong political tensions observed since the beginning of the year. As early as towards the end of 2021, Selena Group adopted a strategy of flexible response and adaptation to market developments.

“During the three quarters of this testing year, we generated operating strong profits at all levels. We were able to cope with the challenges of the reporting period by successfully adapting to the rapidly changing market conditions. Our actions and ideas aimed at reducing working capital brought the desired effect and directly helped our cash flows. We expect this situation to be maintained in subsequent periods. We will continue to manage our working capital with great care and attention in order to improve our cash flow position. From the market perspective, inflation is having an increasingly stronger impact on the new housing market – we see developers looking ahead to and closely watching all changes, and we note the reduced number of bank loans granted,” **emphasizes Jacek Michalak, CEO of Selena Group.**

Selena Group is observing a global decline in demand and sales in terms of volume, and therefore expects both margins and sales to be under continued pressure. The Group focuses on Western markets and sees the region as the source of prospective improvement of sales performance.

“The concentration on Western Europe and USA, where we redirected our supply from eastern markets, is already bringing positive results. We want to do business in safe areas, so this will be our main strategic destination in the following periods. We are still actively looking for acquisition targets. In addition to security aspects, we also find it important to acquire a recognizable brand and gain market access,” **Jacek Michalak points out.**

After the third quarter of 2022, the EU segment generated 62% of Selena Group's sales revenues, with 33% contributed by the Polish market. Selena Group admits that its revenue structure may change going forward. The Group also emphasizes its steadfast commitment to the domestic expansion – e.g. through improved distribution and continuation of contractor training programmes.

According to Selena Group's CEO, due to the rising energy costs, with rather low odds of their reduction in the short-term, the thermal renovation trend will be an important factor affecting the whole industry in subsequent periods.

“With skyrocketing energy costs, the payback time of energy-efficient upgrades is becoming more and more attractive – so an increasing number of companies, institutions and individuals decide to go ahead with the investment. We anticipate that the interest in those projects will continue for even several years, so we can safely talk about a megatrend in this case. It's worth emphasizing that this process goes beyond Europe, although in fact it will be the most advanced in this part of the world. Thermal upgrades are also gaining in importance in the United States and other countries. Wherever energy costs go up, investing in thermal upgrades will be basically the only alternative. Deep renovation of buildings that ensures reduction in energy consumption is an vital element of the policy of saving energy resources that is being implemented across the EU. These processes will be supported from EU funds, as well as from own, national sources,” **Jacek Michalak adds.**

For many years now, Selena Group has been strongly advocating sustainable construction in several important aspects, including by creating products that in addition to being friendly to the environment and users, increase the energy efficiency of buildings.

“A good example of such a solution is the WINS system – an innovative standard for installing and sealing windows, which helps prevent energy losses in residential buildings by as much as 30 percent by eliminating “thermal bridges”, i.e. heat escape paths. Selena has recently marketed (initially in Poland) the ETICS Thermo Pro Tytan Professional thermal insulation system, which relies on polyurethane technology. The system can cut bills by up to 60%, and at the same time reduce the carbon footprint (in terms of operational and embodied carbon) throughout the life cycle of the building by up to 50%. In addition to effective and easy-to-apply Selena-branded products, government grants also encourage people to think about thermal upgrades,” **says Ewa Kosmala, Sustainability Director at Selena Group.**

Contact for media:

Bartosz Solarewicz
bartosz.solarewicz@selena.com

Natalia Rzucidło
nrzucidlo@komunikacjaplus.pl
609 944 050

For more details, please visit: selena.com and the press office: selenagroup.prowly.com.

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 32 companies in 19 countries. Selena'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.