

Interim Announcement within the Second Half of 2014

SIMONA Group in Q3: Further revenue growth – Marked improvement in EBIT

Kirn, 29/10/2014. The SIMONA Group again managed to expand its revenue significantly in the third quarter of 2014. Although the pace of growth slowed in response to a less favourable outlook for the global economy, SIMONA was able to stand its ground in a challenging business environment. Sales revenue totalled €86.7 million, up 12.0 per cent on the figure posted in the third quarter of 2013 (€77.6 million). In the first nine months of the financial year as a whole the SIMONA Group generated sales revenue of €250.6 million. This represents a year-on-year improvement of 15 per cent (€218.0 million), achieved through organic growth as well as the acquisition of Laminations and Boltaron in the United States.

SIMONA succeeded in expanding its business in the core market of Europe, benefiting in part from new and next-generation products targeted at the construction industry. Elsewhere, business in Eastern Europe was adversely affected to some extent by the crisis in Ukraine. Despite these challenges, the Group managed to maintain its forward momentum in the key markets of this region through growth in the product category comprising semi-finished parts. Fuelled by its recent acquisitions, the Group's revenue generated from sales in the United States increased markedly. Business in Asia also produced growth for SIMONA in the first nine months.

The product area encompassing finished and semi-finished parts saw a significant increase in sales revenue from extruded sheets made of PE, PP and fluoropolymers, which are used primarily in the field of chemical tank and equipment construction. Business relating to foamed PVC sheets for applications in the advertising and structural engineering industry developed well in the period under review. Having performed solidly in the first half of the financial year, the product category comprising pipes and fittings lost some of its momentum in the third quarter as a result of dwindling infrastructure investments within the market as a whole and the crisis in Ukraine. Benefiting from successful project business, the company achieved growth in the area of PE and PP pipes during the first nine months of the financial year.

The two acquisitions in the US were financed through own funds held by the SIMONA Group. As a result, the Group saw its cash and cash equivalents decline in the period under review, while total assets increased. The Group's financial position, performance and cash flows remain solid.

Earnings rose significantly in the first nine months of the financial year. As at 30 September 2014, EBIT amounted to €12.6 million, more than double the figure recorded for the same period a year ago (€5.8 million). The EBIT margin stood at 5.0 per cent (30 Sept. 2013: 2.6 per cent), which is within the range targeted for the financial year as a whole.

The SIMONA Group is anticipating revenue of €325-335 million for the 2014 financial year, together with significant growth in earnings. While the targeted EBIT margin of 5.0 per cent for the full financial year is ambitious, it is considered achievable at an operational level, without the exceptional influences of restructuring expenses associated with the process of combining the two sites in the United States.