

Selena Group presents financial results for 2023. The focus is on growth in Western Europe.

Selena – a global leader and distributor of construction chemicals and one of the four largest global producers of mounting foams for construction – presents a set of results confirming stable health of the whole Group and a steady eye on the adopted business goals and directions. In 2023, Selena Group increased its gross profit margin to more than 30% with revenues at PLN 1.8 billion. In accordance with its main development goals, the company increased the contribution of sales generated in Western Europe to 23.9% (+ nearly 3 p.p.).

With its products, Selena Group supports the industry that operates in a challenging economic environment that has a direct impact on the demand for construction chemicals. In 2023, the market saw a pronounced slowdown due to various factors. The economic situation last year was primarily affected by the consequences of inflation growth, high interest rates and surging credit costs. Exchange rate fluctuations also played a major role. All this significantly contributed to the unfavorable economic climate. Compared to 2022, home completions dropped by 7.2% and the number of apartments with construction permits or notifications accompanied by building plans and specifications fell by 19%. In addition, the number of started home construction projects decreased by 5.6%.

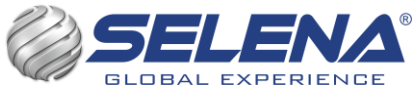
The sector's condition was also affected by the prices of raw materials it used. Following the increases in 2021 and 2022, in 2023 the prices of most raw materials and packaging experienced a correction resulting from stabilized supply chains and weaker consumption. This is with the exception of asphalt, whose price is directly related to oil prices. **Selena Group benefited from the corrections in the market prices of raw materials thanks to its flexible procurement policy** based on multisourcing strategies and taking advantage of price differences between the regions of Europe, Asia and MEA.

The Group's Management Board carefully tracked economic developments and took appropriate optimization and restructuring actions alongside pricing policy measures, all of which were aimed at mitigating the adverse impact of the market processes. Selena Group **increased its gross profit margin to 30.9%. Net profit on continued operations was PLN 50.3 million, while operating profit (EBIT) came in at PLN 108.1 million.**

One of the main business goals pursued in the second half of 2023 and continued this year is also the Group's marketing development and the strengthening of own brands across markets. Many initiatives were undertaken to increase the recognition of the flagship Tytan Professional® brand (and its Spanish equivalent Quilosa Professional®) among the relevant target group: building contractors.

Acquisitions in Western Europe

"We used last year to expand geographically, both in terms of sales and production capacity, allocating appropriate budget to targeted acquisitions. In 2023, we finalized the acquisition of the Portuguese company Imperialum, a manufacturer of bituminous products. By taking control of 100% of the capital and voting rights, we have strengthened our offering in waterproofing solutions not only in Portugal, but also in Western Europe, where we have the ambition to establish ourselves firmly as an international player," says Sławomir Majchrowski, CEO of Selena Group. Imperialum's results have been reported as an integral part of Selena Group's financial statements since Q4 2023.



Selena Group has also begun cooperation with Hungarian group Masterplast to establish a joint glass wool production plant off the Hungarian town of Szerencs. This means that Selena will soon enter into a new market of mineral-based thermal insulation products.

Care about sustainable construction

With stable operations in all its markets, Selena Group may focus on searching for new areas related to sustainable construction, primarily connected with developing technologies that improve the energy efficiency of buildings, which is in line with the global climate policy.

"We also concentrate on thermal upgrade and waterproofing solutions. Furthermore, we're mindful of the expected inflow of National Recovery Plan funds, a significant part of which will be allocated to sustainable transport, transformation and energy efficiency projects. This presents an opportunity for the construction sector to develop those projects, which will be of great importance for entities such as Selena," says Krzysztof Ościłowicz, CFO of Selena Group.

Selena's commitment to ESG-related matters was affirmed, for example, by the **platinum ESG Innovator 2023 award in category E – "Environmental Innovation"**.

Comfortable financial indicators

Selena Group's stable position is evidenced by the levels of consolidated financial indicators reported at the end of Q4 2023. **The ratio of net interest-bearing debt to EBITDA was 1.08.** In turn, **net cash flow from operating activities reached PLN 83.6 million.**

Soundness of the actions taken by the Group's management board in 2023 is also proven by the awards received in the most prestigious rankings. During the 2023 Restart forum, Selena was **awarded by the Rzeczpospolita daily as the Most Innovative Company in the "List of 2000" ranking.** Selena FM S.A. was for the second time **named among Best Managed Companies Poland** by Deloitte – the organizer of the program analyzes the participants' activities in terms of applying the highest standards of strategy, innovation, organizational culture and finance. In addition, **Selena placed fourth in Polityka Insight's report "National Champions"**. The company received the highest rating for its **activity in foreign markets and its dominant position in the industry.** Quite importantly, out of all top 50 companies, Selena advanced most in each of the five editions of the ranking.

Selena Group's activities have so far focused on aspects primarily related to identifying the needs of and cooperating with building contractors. Its product offering is being constantly enhanced and expanded in this respect. This is a major trigger for broadening the areas of operations and business scaling not only in Poland, but also in Western Europe and both Americas. These development lines will also be continued in 2024, even though the market environment is going to remain difficult, influenced by such factors as ramped-up inflation, delays in the availability of EU funds, as well as the challenges currently facing the global construction industry related to negative growth dynamics with a dependence on the health of various markets. Selena Group will continue to pursue its goals and development directions steadily, both in terms of geographic expansion and profit generation.



For more details, please visit: [selena.com](https://www.selena.com) and the press office: [selenagroup.prowly.com](https://www.selenagroup.prowly.com).

Additional information:

Selena Group is a global producer and distributor of construction chemicals and one of the four largest global producers of mounting foams for construction. For over 30 years, it has been successfully delivering innovative products that accelerate and facilitate work on construction sites in nearly 100 countries. Its foams, sealants, adhesives, waterproofing products, insulation systems, fastenings, and the complete energy roof system not only help in saving energy, water and time, but also substantially increase the energy efficiency of buildings. Selena Group has been actively working for sustainable construction. It participates in projects of the Polish Green Building Council (PLGBC) and the Polish ESG Association. Selena Group comprises 30 companies in 19 countries, and in 7 of those countries it has its own R&D laboratories.