

Wroclaw, September 13, 2024

Selena Group reports a strong increase in results in the first half of 2024

Selena – a global leader and distributor of construction chemicals and one of the four largest global producers of mounting foams for construction – has strongly increased its results during the first half of 2024. Selena's operating profit (EBIT) was EUR 16.5 million, an increase of 161.8% from EUR 6.3 million reported in the same period last year. Profit before tax exceeded EUR 13 million, while net profit reached almost EUR 10 million, also increasing year-on-year. The results reflect the implementation of the management goals and directions defined last year, and stable raw material prices.

In 2024, Selena Group posted satisfactory performance even though it operates in a market that continues to be challenging and that has not seen a recovery in demand despite cautious forecasts by analysts. In the first half of 2024, gross profit was EUR 69.2 million, up 23% year-on-year, and gross profit margin on sales reached 34.1% vs. 29.9% in the same period of 2023. Selena's growth drivers include the acquisition of the Portuguese company Imperialum, a manufacturer of bituminous products, as well as the implementation of the Company's goals and development directions, helped by the stabilization of raw material prices. This also allowed Selena to generate almost 15% revenue growth in Western Europe, a key market for its business. These robust results directly contributed to the reported net profit from continuing operations of EUR 10.3 million.

The prevailing economic mood is hardly optimistic. We continue to see an increase in general inflation, elevated interest rates and high credit costs, the combined effect of which causes a decrease in demand for construction chemicals.

“As early as the second half of 2023, following a careful analysis of the activity of global markets, we adopted and are consistently pursuing certain business directions. We have managed to achieve satisfactory efficiency by strengthening our key product categories, such as foam adhesives and hybrids, and by applying an appropriate pricing policy. These measures allowed the Group to achieve net cash flow from operating activities of EUR 6.9 million at the end of Q2 this year. Let me emphasize that this is not only the result of improving internal processes. Above all, we owe this to the calibration of our goals in such a way as to limit the impact of the invariably adverse market processes,” says Sławomir Majchrowski, CEO of Selena Group.

Business of significant value for the Polish economy

Selena's financial results, and consequently its business value, were recognized by the market, as it was named on prestigious lists of the largest companies in the Polish economy. Selena was awarded the 2024 Forbes Diamonds and became a Star of the Builder Ranking.

Forbes Diamonds is a prestigious ranking created annually by Dun & Bradstreet Poland for the Forbes Polska magazine. It aims to distinguish and reward the most dynamically developing companies in Poland. As its creators emphasize, the ranking reflects the condition and pace of development of Polish business. The 2024 vote is the selection of “diamonds of diamonds”, as Katarzyna Dębek, editor-in-chief of Forbes Polska, described this year's awards. The award-winning companies have navigated challenging conditions over the



past three years: the pandemic, the war in Ukraine, and high inflation in Poland – and thanks to their flexibility and efficient management, they “coped with all adversities”. The Forbes ranking recognized Selena FM and Selena SA.

Selena Group was also awarded the “Star of the Builder Ranking” certificate by the editors of the Builder monthly together with PwC Poland and Dun & Bradstreet – the authors of the ranking of the 300 largest construction companies in Poland. Selena was ranked first in the categories of “Highest Revenues in Lower Silesia” and “Highest Revenues by Business Area: construction chemicals”.

A dynamic market needs flexibility

In the following quarters of 2024, the adopted management goals and directions will be continued, with scaling up Selena's business in Western Europe and both Americas in order to diversify production and sales while keeping appropriate cost discipline and implementing optimization activities. The market is so demanding that any forecasts must be approached with caution and business must be conducted appropriately having regard to the dynamic environment.

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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 more than 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 ESG Association. Selena Group comprises 30 companies in 19 countries, and in 7 of those countries it has its own R&D laboratories.