

PRESS RELEASE

Sirmax Group achieves a record first quarter: double-digit volume growth thanks to a boost in investments in green production and a great performance in the USA

Massimo Pavin (CEO): ‘Positive results were achieved through a well-defined strategy that has ensured proximity to customers and production continuity’

Cittadella (Padua), 10 May 2021 – The first quarter of 2021 was very positive for Sirmax Group. Based in Cittadella, in the province of Padua, the company specialises in the production of polypropylene compounds, post-consumer compounds and bio-compounds for the automotive, home appliance, power tool and household product, electrical, electronics, construction, furniture and packaging sectors. From the beginning of January to the end of March, it recorded a 15% increase in total production, in terms of volume, over the same period in 2020. In this respect, **what stands out the most is the performance of the green business unit**, namely the production of compostable bio-compounds and green compounds from mechanically recycled urban waste, which recorded a 25% increase. **In terms of macro-areas, instead, the USA grew more than the group average, reaching a 45% increase in production**, especially thanks to household goods (coffee machines, refrigerators, dishwashers, washing machines and fitness equipment). The EBITDA (earnings before interest, taxes, depreciation, and amortisation) reached €12.5 million in the first quarter, up 70% on the same period in 2020. In March, its turnover amounted to €100 million, which **projects the group’s overall revenue forecast to reach €400 million by the end of 2021, up from €300 million in 2020.**

‘We are very pleased with these figures,’ Massimo Pavin, chairman and CEO of Sirmax Group, comments. ‘They are the result of a well-defined strategy that has made all the difference in these difficult times of pandemic. Despite the current raw material shortages and sharp price fluctuations, Sirmax has successfully implemented a procurement policy based on a consolidated, transparent and fair partnership with its suppliers that has ensured proximity to customers and production continuity.’

The first quarter figures of 2021 are in line with those of 2020, also positive, in which volume growth worldwide – despite the Covid emergency – stood at +5% year-on-year (+15% in the USA alone). **This growth trend is driven by the investments made, especially in the circular economy and in the production of green materials.** These investments include the redevelopment and expansion of the SER plant in Salsomaggiore Terme (in the province of Parma), where mechanical recycling and the production of post-consumer compounds are concentrated; the redevelopment and expansion of Microtec, in Mellaredo di Pianiga (in the province of Venice), a plant where flexible and rigid bio-

compounds for the food packaging industry are produced; and the construction of a second site in the USA (next to the existing one in Indiana), soon to be completed, also dedicated to the production of green compounds.

*'The market has picked up again. Current trends and figures show that the circular economy is growing at a fast pace,' **President Massimo Pavin adds.** At present, the production of green materials accounts for 15% of our total business, but there is every reason to believe that this figure will increase exponentially over the next five years. In 2020, we generated about €20 million in revenues from biopolymers alone; this year, we expect to reach €30 million. However, our customers appreciate not only the green product but also the all-round sustainability that Sirmax is able to offer. Sustainability means, above all, proximity: proximity to the market and customers, which allows us to anticipate our customers' and partners' needs and experiment with increasingly high-tech, high-performance and eco-friendly compounds.'*

Orders have boomed especially in the USA, where the production capacity of Sirmax NA (North America), the first plant built in 2015, was increased by 25% in 2020. In terms of volumes, the plant in Anderson, Indiana, recorded +15% in 2020, compared to the group average of 5%. **The pandemic has encouraged purchases of all household goods**, in particular home appliances. In the wake of a market that has recovered very well, **Sirmax Group has become a strategic supplier to General Electric for the home appliance sector** and plans to further expand the production capacity of its US plant by 20% to accommodate all demands. The second US plant (SER North America), which will soon be completed and required a €20 million investment, will also be operational in a few months' time. Here, polymers will be produced using recycled raw materials from industrial waste, some of which will be marketed and the rest will be used to produce green technical compounds in North America.

*'In the USA, demand is expected to remain very high for the next six months and even after that,' **Pavin concludes.** The concept of proximity comes into play here as well: **Sirmax has the advantage of having production facilities in the areas where the customer operates.** With our 13 production facilities, the group is present in all macro-areas of the world. This means that we can have an on-site supply chain and are able to build strong and well-structured relationships with suppliers. And suppliers didn't leave Sirmax without supplies when the pandemic forced petrochemical companies or steelworks to close.'*

Sirmax Group

Sirmax Group, based in Cittadella, in the province of Padua, is Europe's leading non-integrated manufacturer and one of the world's top producers of polypropylene compounds for all fields of application – automotive, home appliances, power tools and household products, electrical, electronics, construction and furniture – and in the distribution of plastics. The Group, which has been in business since the 1960s, now owns 13 production facilities: six in Italy – Cittadella (PD), Tombolo (PD), Isola Vicentina (VI), San Vito Al Tagliamento (PN),



Salsomaggiore Terme (PR), Mellaredo di Pianiga (VE) –, two in Poland (2006-2019), one in Brazil (2012), two in the USA (2015-2020), two in India (2017), a sales office in Milan, and foreign subsidiaries in France, Spain and Germany. Sirmax has gained significant market shares in Europe, the Americas and Asia, thus becoming a benchmark player in the global market. Its customers include leading brands such as Whirlpool, Bosch-Siemens, Electrolux, Karcher, Philips, Honeywell, ABB, Technogym, Stellantis, Volkswagen Group and Daimler. In 2020, the Sirmax group generated a €300 million turnover, employing 700 people worldwide.

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