



July 30, 2019  
H1 results



TeraPlast Group is **the largest Romanian producer of construction materials.**



98%

99%

100%

100%

100%

100%



## MACROECONOMIC OUTLOOK



## KEY FIGURES & HIGHLIGHTS



## MACROECONOMIC OUTLOOK

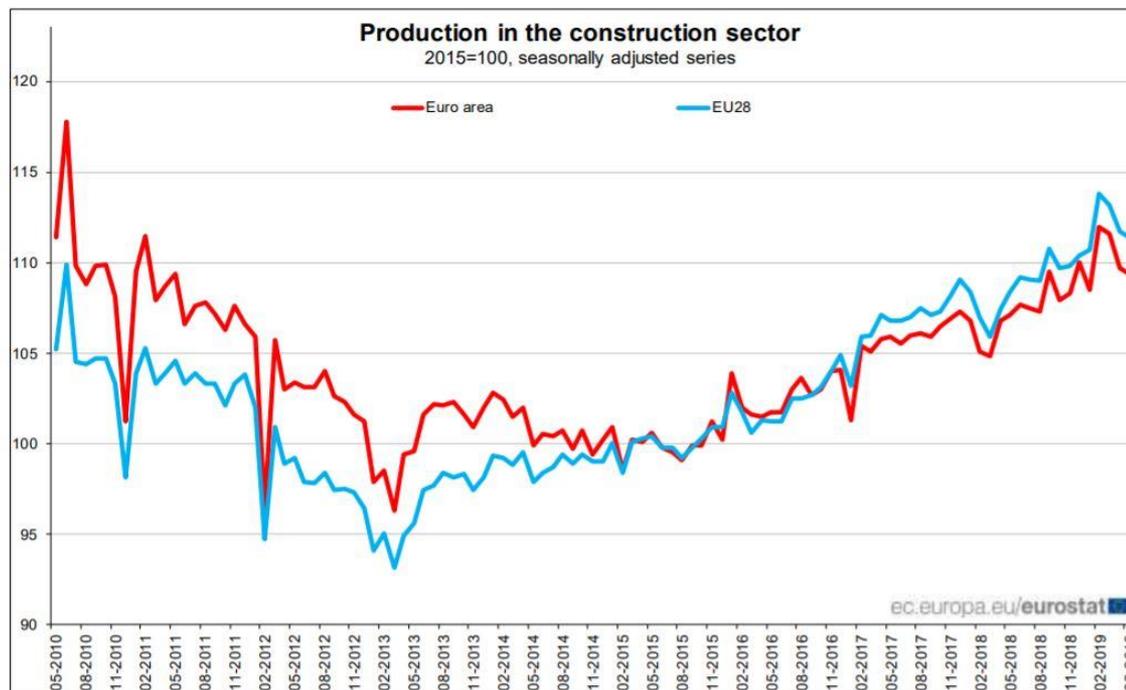


## KEY FIGURES & HIGHLIGHTS



## Euro Area:

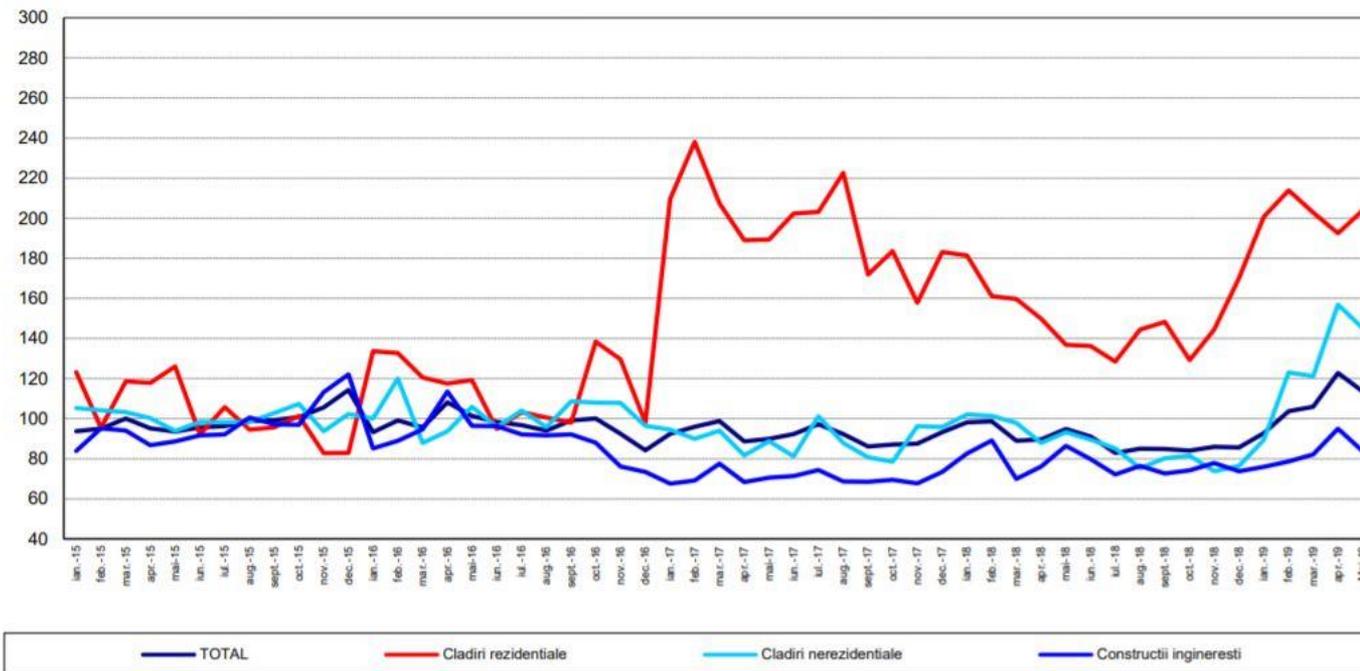
- In the euro area (EA19), in May 2019, compared with May 2018, civil engineering increased by 2.3% and building construction by 2.0%.
- In the EU28, civil engineering rose by 4.7% and building construction by 2.0%.
- Romania had one of the highest increases in production in construction among the Member States for which data are available, alongside Hungary and Slovenia.



\*source: [EuroStat report](https://ec.europa.eu/eurostat)

## Romania:

- The volume of output in the construction sector increased by 19,6% in May, compared to the same period of last year (May 2018)
- In the first 5 months of the year (January-May), the construction sector output increased by 14,5% compared to the same period last year (January-May 2018)
- The biggest increase was registered by the non-residential constructions with a 31,7% increase during January-May 2019 compared to January-May 2018





**MACROECONOMIC OUTLOOK**



**KEY FIGURES & HIGHLIGHTS**



# KEY FIGURES & HIGHLIGHTS



H  
1

2  
0  
1  
8

**EBITDA**

**28.3**

mil. RON

**REVENUE**

**338.5**

mil. RON

**EBITDA MARGIN**

**8.4%**

H  
1

2  
0  
1  
9

**EBITDA**

**35.7**

mil. RON

**REVENUE**

**416.3**

mil. RON

**EBITDA MARGIN**

**8.6%**

# KEY FIGURES & HIGHLIGHTS



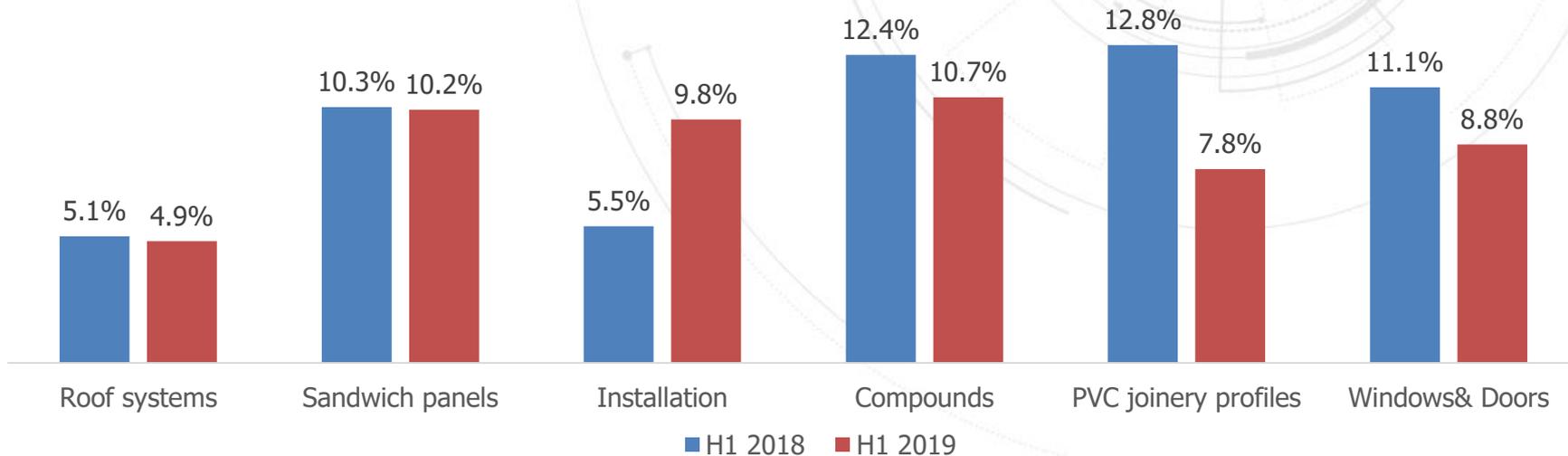
all amounts in thousand RON

Segment	EBITDA H1 2018	Revenue H1 2018	% EBITDA H1 2018	EBITDA H1 2019	Revenue H1 2019	%EBITDA H1 2019
<b>Installation</b> (TeraPlast)	4,112	75,087	5.5%	10,578	107,970	9.8%
<b>Compounds</b> (TeraPlast)	3,961	32,060	12.4%	3,391	31,608	10.7%
<b>PVC joinery profiles</b> (TeraPlast)	3,018	23,604	12.8%	2,203	28,140	7.8%
<b>Sandwich panels</b> (TeraSteel)	11,474	111,278	10.3%	13,294	130,774	10.2%
<b>Roof systems</b> (Wetterbest)	4,174	82,362	5.1%	5,106	105,178	4.9%
<b>Windows &amp; Doors</b> (TeraGlass)	1,560	14,104	11.1%	1,112	12,669	8.8%
<b>Total</b>	<b>28,299</b>	<b>338,494</b>	<b>8.4%</b>	<b>35,683</b>	<b>416,338</b>	<b>8.6%</b>

## Main EBITDA drivers in H1 / 2019:

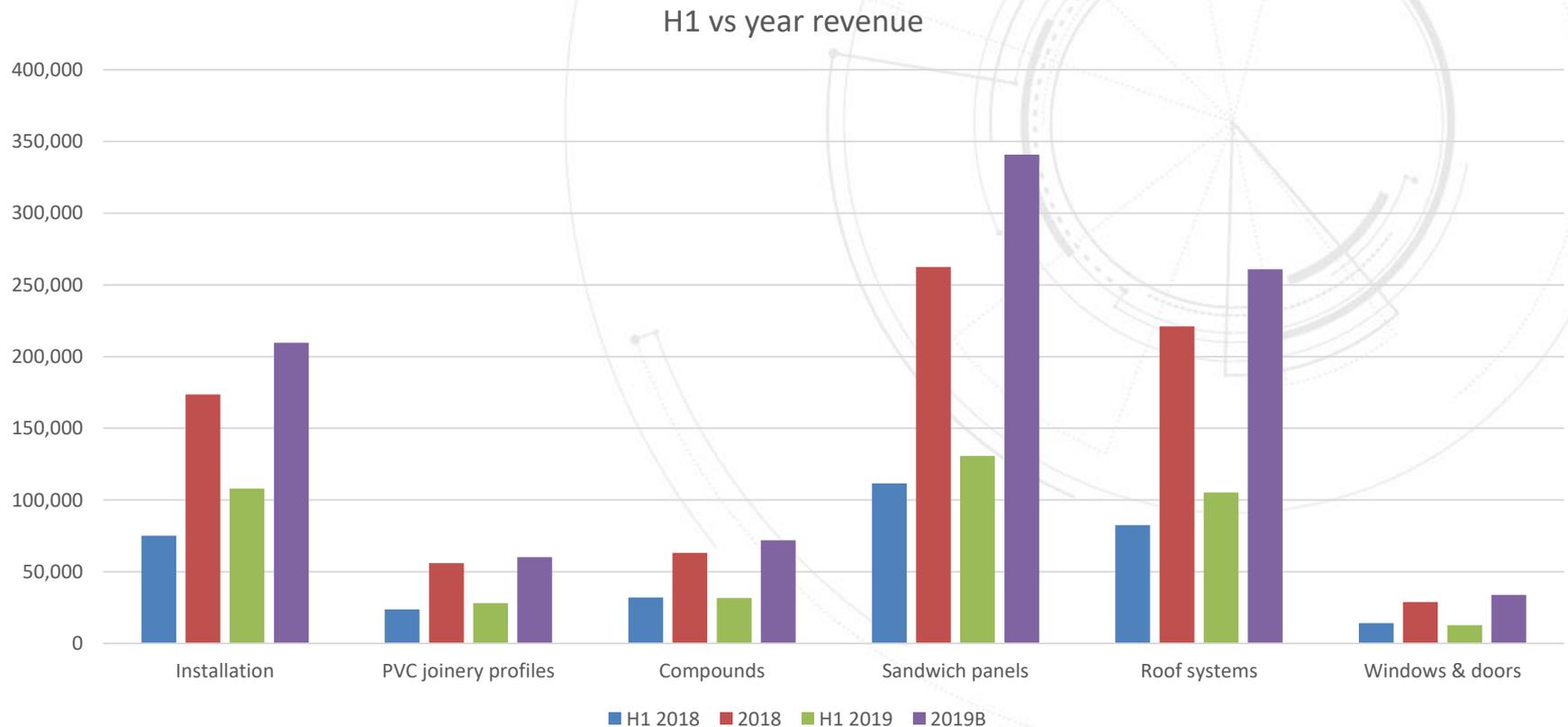
- TeraPlast's Installation business line performed due to the infrastructure projects
- TeraSteel Serbia strengthened its position in the Balkan area

**EBITDA Margin by Segment H1 2018 vs H1 2019**



The Group kept the trend of reaching over 40% of its budgeted revenue in the first half of the year.

- 2018: 43% of the revenue
- 2019: 42% of the budgeted revenue



### TeraPlast

Growth based on the:

- Increase of the PVC and PE pipes sales for water & sewage infrastructure projects
- Increase in traded materials related to infrastructure market

Starting with April 2019, the recycling business line was transferred to **TeraPlast Recycling**. Until now, the whole production of the recycling business was sold to TeraPlast SA and was used approx. 75% for the production of PVC pipes and the rest for the PVC profiles production. The recycling business generated during April-June nearly 1 million lei in EBITDA.

The **TeraGlass** factory has in progress a 16,6 million lei worth investment that requires the reconfiguration of the business and will double the production capacity.



## **TeraSteel**

Growth based on the:

- The increase in production volumes by 28% on sandwich panels and by 38% on galvanized structural profiles
- Development of the client portfolio in the Balkan area
- Dynamics of the civil and industrial constructions sector corroborated with the market opportunities in terms of price dynamics of the main raw materials



## **Wetterbest**

Growth based on the:

- Increase in trading activity
- Increase in national presence – the third showroom, in Brasov, was opened in June

The construction works for the new production unit are in progress. Once the new factory will be operational, we expect and increase in profitability, mainly from efficiency in internal logistics and production flow.

In May 2019, TeraPlast reached 99% in equity stake in Wetterbest, the cost of the investment being over 80 million lei.





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