



# Frontier Investors Day

September 3-4, 2020



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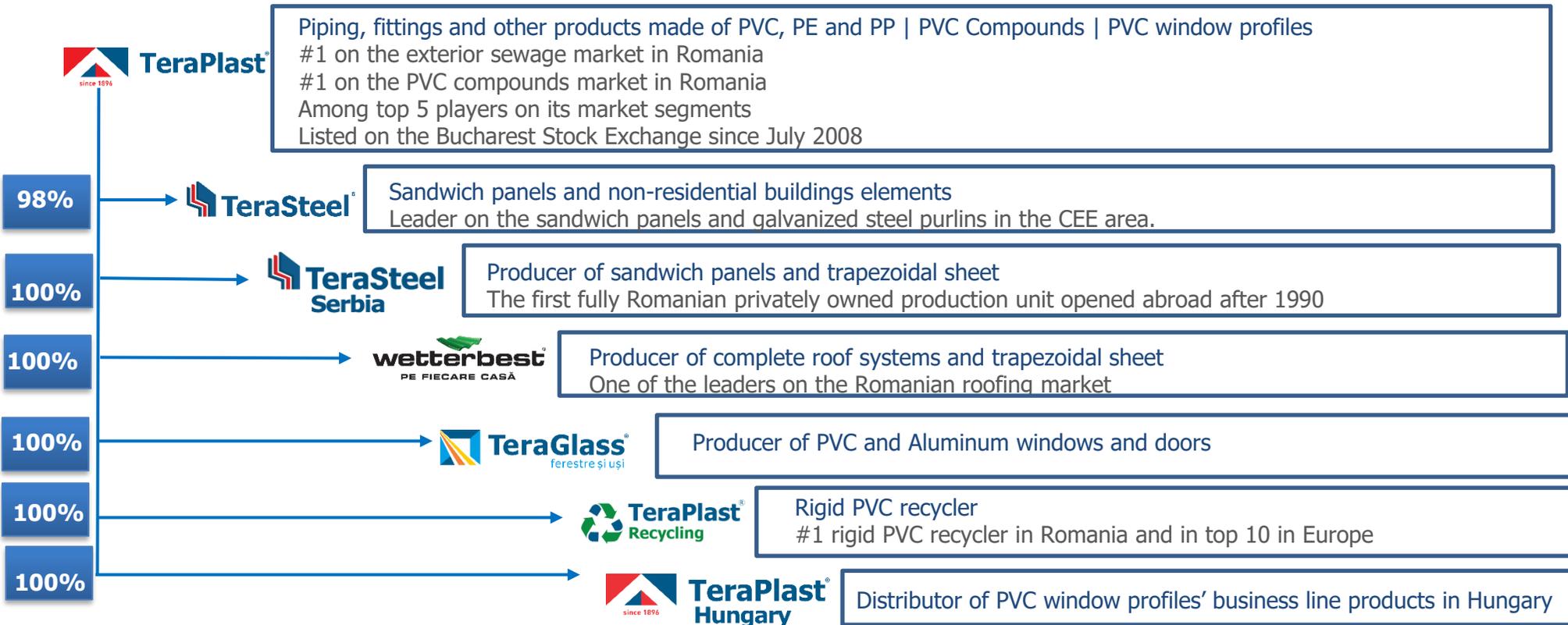
**IR CONTACT**



The largest Romanian construction materials manufacturer.

BBG Ticker TRP RO

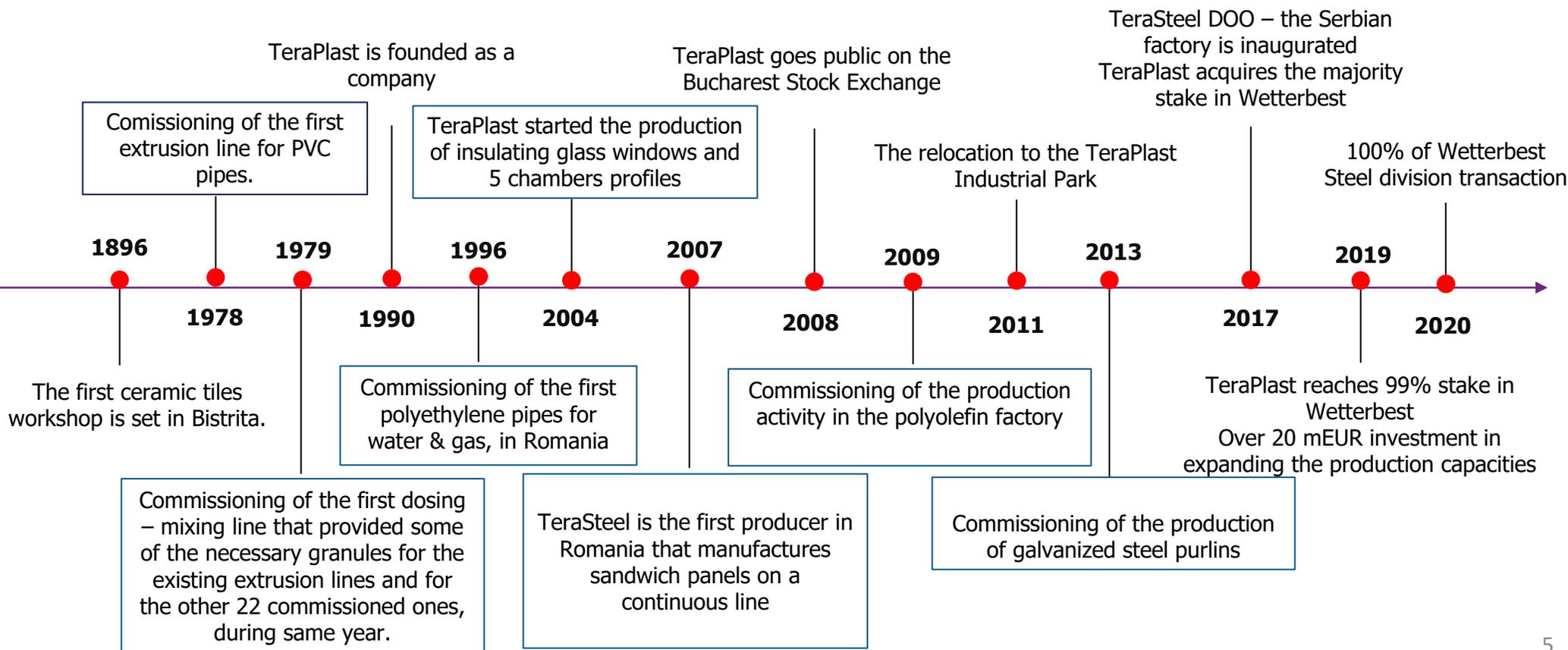
BSE symbol: TRP



## SHORT HISTORY

Long history marked by pioneering, significant research & investment projects.

**TeraPlast Group invested over the years in research too, having 3 patents and 3 in progress.**



### PRODUCT PORTFOLIO COVERS ALL CONSTRUCTION MARKET SEGMENTS



#### Installation



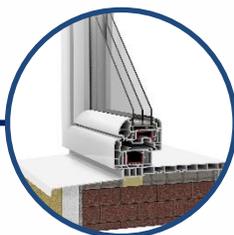
Complete systems for:

- Exterior sewage
- Water & gas
- Interior sewage
- Electric cable protection
- Rainwater & wastewater management

Leader on the exterior PVC sewage market



#### Window profiles



3 window profiles systems:

- 4 chambers
- 6 chambers
- 7 chambers

8% market share (RO)



#### Compounds



- Rigid PVC compounds
- Plasticized PVC compounds
- HFFR compounds – NEW product (2020)

Market leader in Romania  
34% market share



#### Windows & Doors



- PVC Windows
- PVC Doors
- Facades & Terraces
- Aluminum accessories

Over 80% exports annually



#### Rigid PVC recycling



- Granulated PVC compounds
- Micronized PVC

The largest Romanian rigid PVC recycler & in top 10 in Europe



Residential  
Non-residential  
Infrastructure



Manufacturing



Manufacturing



Residential  
Non-residential



Manufacturing

## PRODUCT PORTFOLIO

PRODUCT PORTFOLIO COVERS ALL CONSTRUCTION MARKET SEGMENTS



### Sandwich panels



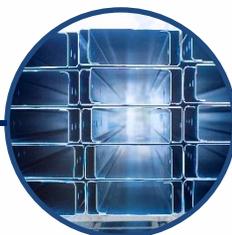
- Polyurethane foam sandwich panels
- Mineral wool sandwich panels
- Lead turnkey halls
- Metal accessories



Non-residential



### Galvanized steel purlins



- Z, C, U & Sigma galvanized steel purlins
- Joinery profiles accessories



Non-residential



### Self-supporting trapezoidal sheet



- Corrugated sheet of 153mm



Non-residential



### Complete roof systems



- 5 metallic roof tiles profiles
- 4 types of self-supporting trapezoidal sheet
- Complete roof accessories



Residential  
Non-residential

## HIGHLIGHTS

### Shareholder Structure

#### Shareholders as at Aug 19, 2020

D. Goa	46.83%
Legal Entities	16.10%
Individuals	16.03%
NN Pension Fund	10.99%
KJK Balkan Holding	10.05%
<b>TOTAL</b>	<b>100.00%</b>

### Teraplast SA | TRP RO

BBG Ticker	TRP RO
Market Cap (EUR mn)	84.8
ADTV (EUR '000   Aug'20)	125.6
Price to Earnings (Jun'20)	6.9
Price to Book (Jun'20)	1.4
EB/EBITDA (Jun'20)	5.4

<https://investors.teraplast.ro/>

#### ADTV (EUR '000 | as of Aug 30, 2020)

1W	123.5
1M	125.6
3M	127.9
6M	110.4
12M	85.4

Market Making started as of Feb 12, 2020

Net debt	2018	2019	H1'20 (*)
ST Debt	26.4	33.0	23.1
LT Debt	15.4	13.8	20.5
Cash	(4.9)	(6.1)	(6.0)
<b>Net debt</b>	<b>36.9</b>	<b>40.6</b>	<b>37.6</b>
Net debt / EBITDA	2.6x	2.1x	1.2x

### Key Business performance 2018-2020B

Segment	Plastic Net Sales (mEUR)				Plastic EBITDA (mEUR)				Plastic EBITDA Margin (%)		
	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	2019	2020	vs H1'19 (%)
Instalation (TRP)	22.8	28.8	6.0	26%	2.2	4.6	2.4	108%	9.8%	16.1%	65%
Compunds (TRP)	6.7	7.2	0.5	8%	0.7	1.2	0.5	74%	10.7%	17.3%	61%
Window profiles (TRP)	5.9	5.4	(0.6)	-9%	0.5	0.6	0.1	27%	7.8%	11.0%	40%
PVC Windows & Doors	2.7	3.2	0.5	20%	0.2	0.1	(0.2)	-76%	8.8%	1.7%	-80%
<b>Total Plastic Division</b>	<b>38.0</b>	<b>44.5</b>	<b>6.5</b>	<b>17%</b>	<b>3.6</b>	<b>6.5</b>	<b>2.9</b>	<b>79%</b>	<b>9.6%</b>	<b>14.7%</b>	<b>53%</b>

Segment	Steel Net Sales (mEUR)				Steel EBITDA (mEUR)				Steel EBITDA Margin (%)		
	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	2019	2020	vs H1'19 (%)
Sandwich panels (TRS)	27.6	32.4	4.8	17%	2.8	3.4	0.6	22%	10.0%	10.4%	4%
Roof systems (WTB)	22.2	24.2	2.0	9%	1.0	1.0	0.0	0%	4.7%	4.3%	-8%
<b>Total Steel Division</b>	<b>49.8</b>	<b>56.5</b>	<b>6.7</b>	<b>14%</b>	<b>3.8</b>	<b>4.4</b>	<b>0.6</b>	<b>16%</b>	<b>7.6%</b>	<b>7.8%</b>	<b>2%</b>

### Stock Price Performance (last 12 months as at Sep 2, 2020)



\*Market Cap (Sept. 2<sup>nd</sup>): 130 mn. EUR

(\*) Net Debt as at Jun 30, 2020 divided by 12M EBITDA from 2020 Budget

## GEOGRAPHICAL FOOTPRINT

**TeraPlast Group's exports represent  
23% of its turnover in 2019**

- Which means around EUR 47 million in 2019
- To over 25 countries
- Cover a population of 19.5 million in Romania and 66 million in core CEE countries

### Assets

- 11 factories that sum up over 75 200 sqm in building surface
- 5 production sites that sum up over 330.000 sqm in surface
- 8 warehouses and showrooms



Optimal distribution range - RO

Optimal distribution range - RS

## CONSTRUCTION SECTOR IN ROMANIA<sup>1</sup>

### Evolution of construction works in RO

**In the first half of 2020, the Romanian construction works' volume rose by 21% compared to the first half of 2019, in spite of a slight decline during April-May caused by the lockdown.**

The biggest growth was registered in maintenance and current repairs → +56,8% compared to the first half of 2019. Major repairs also registered a big growth, by 44,7%, while the new construction works rose by only 8,9%.

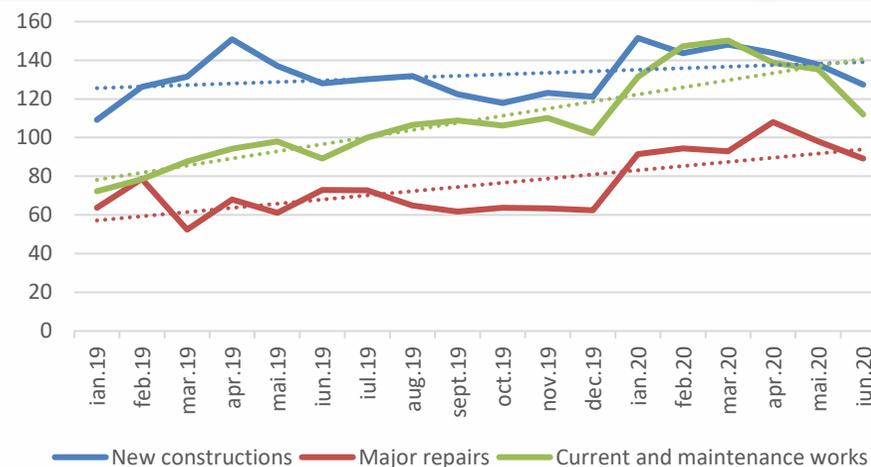
By construction objects, the biggest growth was registered in engineering works → 32,6%. While the non-residential works increased by only 8,8%, the residential works registered a 19,3% advance compared to the first half of 2019.

This partially reflects the population's orientation towards upgrading their living quarters, caused by the impact of the sanitary crisis lockdown.

### Monthly evolution of construction works by construction objects



### Monthly evolution of construction works by structure elements



### Country highlights

- Full EU member since 2007 with a strategic positioning
- The **8<sup>th</sup> largest European country by population and 2<sup>nd</sup> in CEE**
- **Macroeconomic stability and investment grade**
- Investors benefit from **access to financial support from the EU structural funds**
- **Elevated political transparency**
  - Gaining praise from the EU
  - Government expected to avoid abrupt economic decisions going forward
  - Shift to business-friendly policies
    - Civil Servant reductions
    - Support to corporates

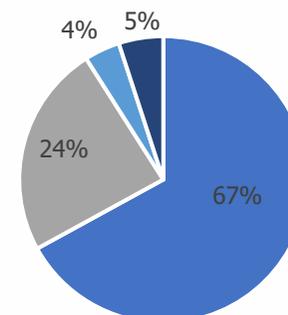
### Macro overview

- **Among fastest growing EU economies for the last two consecutive years**
- **Economic growth is expected at 4.2% in 2019 and 2.6% in 2020**
- **Growth of the Romanian economy will continue to fuel the construction sector which is an important contributor to GDP (historically at an average level of 5%)**
- **Increase in disposable income (levels of >10% yoy in the last 2 years) leading to increased spending in renovations and infrastructure.**

### Main macro parameters<sup>1</sup>

Key figures	2016A	2017A	2018A	2019F	2020F
GDP (€ bn)	170.4	187.5	202.1	223	235.0
Population (m)	19.8	19.6	19.5	19.5	19.5
GDP per capita (€)	8,622	9,547	10,352	11,435	12,076
Real GDP growth (%)	4.8%	7.0%	4.1%	4.1%	-6.0%
Unemployment rate (%)	5.9%	4.9%	4.2%	3.9%	4.4%
Private Consumption	7.9%	10.0%	5.2%	5.1%	3.2%
Public debt (% GDP)	37.3%	35.2%	35.1%	36.0%	36.8%
CPI (pavg)	- 1.5%	1.3%	4.6%	4.1%	3.6%
Monthly wage (EUR)	643	724	965	1,084	1,132
EUR FX rate (eop)	4.54	4.66	4.66	4.78	4.85
Construction (% GDP)	6.0%	5.6%	5.4%	6.6%	6.7%

### GDP Contributors (2018 breakdown) <sup>1</sup>



**69.4%**



of Romania's population is connected to a water network\*

**52.7%**



of Romania's population is connected to a sewage network\*

**35%**



of Romania's population is connected to a gas network\*\*

**9.8 billion €**



of the total EU funds allocated for large infrastructure projects (POIM) were contracted\*\*\*

### Residential segment drivers

- The top 10 countries by home ownership dominated by countries from CEE, with Romania having the highest rate of home ownership in the world (~90%)
- Existing housing stock in Romania reached c. 9mn as of YE 2018
- Out of the total 9mn residential housing stock, c. 5mn individual houses out of which 40% are over 50 years old
- On average, Romanians replace their roof every 30 years and perform maintenance and repair more often than this
- Home ownership and old housing stock supporting constant growth in the maintenance and renovation repair works in the residential sector
- Increase in disposable income (levels of >10% yoy in the last 2 years) leading to spends in renovations
- Average cost of one metallic roof represents 1.5% of the cost of the construction allowing easy or accessible replacement when required

### Non-residential segment drivers

- Further growth in non-residential construction deliveries expected as retail & DIY chains continue their expansion plans as well as logistic and office spaces being on an increasing trend
- Modern retail & DIY is expected to continue its growth supported by increasing purchasing power of the Romanian population which boosts consumption and continues shift from traditional stores to modern retail which is on an upward trend
- Increase in deliveries of modern office spaces over the past 5 years with 2019 expected to bring a new record of deliveries totaling c. 0.5mn sqm especially in Bucharest which is expected to reach 3mn sqm (out of which 1mn built over the last 5 years)

### Board of Directors



**Alexandru Stanean**  
CEO TeraPlast Group

- CEO since July 2018
- In his 2<sup>nd</sup> mandate
- Within the Group since 2006

**Ioana Birta**  
CFO TeraPlast Group

- CFO since June 2017
- ACCA & CAFR member
- More than 10 years of experience in auditing

**Ioana Borza**  
Group Marketing Director

- Marketing Director since May 2018
- More than 15 years experience in marketing



**Zoran Cvijovic**  
TeraSteel Serbia CEO



**Cosmin Patroiu**  
TeraSteel CEO

- CEO since February 2017
- More than 15 years of experience in sales both locally and abroad on the construction sector market



**Marian Pirvu**  
Wetterbest CEO

- CEO since January 2019
- More than 20 years of experience on the market
- Strong international expertise



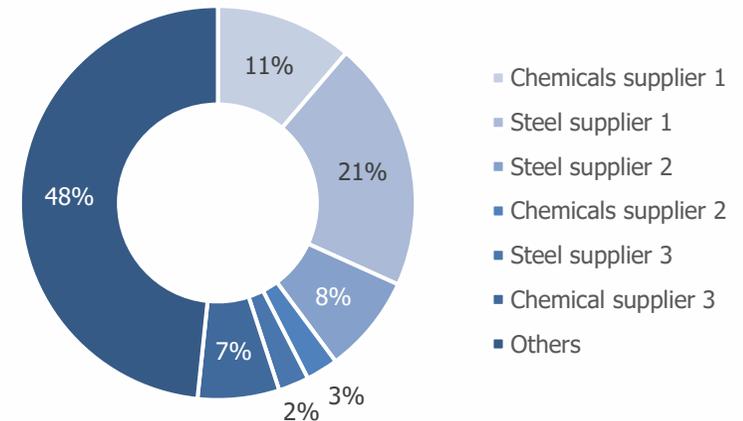
**Bela Varga**  
TeraGlass CEO

- CEO since July 2019
- More than 20 years of experience on the international thermal insulating joinery market

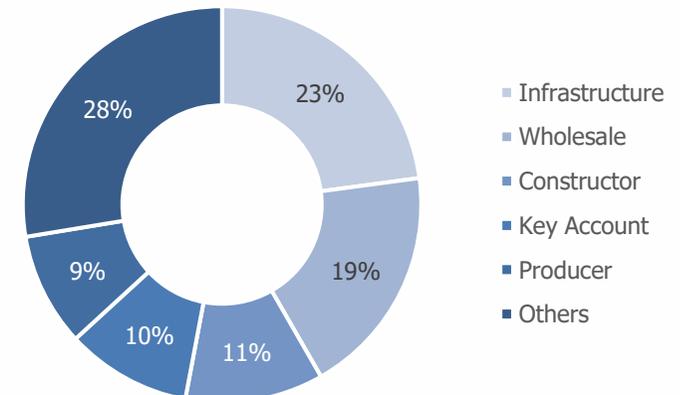
The Group has good reputation among its clients and suppliers being recognized as a trustworthy, strategic business partner

- Tight credit risk monitoring internal & external (insurance)
- Effective purchasing policy: broad supplier base
- Low dependence through client
- Cost-effective production processes
- Good cash management
- Experienced management team
- Diversified portfolio of products & market segments
- Good margins thanks to Group size and innovation
- Customized strategies for each company and market segment
- Flexibility and strategic management → niche strategies and costs leadership
- Regional presence on specific markets → 24% of revenue - exports to 25 European countries
- Not exposed to the public sector but linked to some extent

Suppliers structure – Group level



Clients structure – Group level



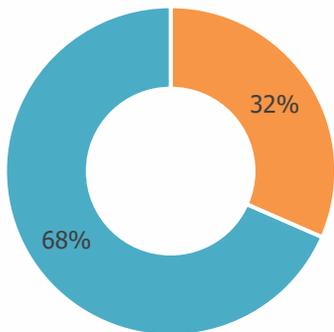
- All Group companies have trade representatives that work closely with the companies' management in all matters regarding collective agreements (except for the Serbian facility).
- **Aggressive sales incentive scheme**, bonus system targeting growth in sales and margin. The bonus schemes offer an increasing income for the sales teams without an upper bound and are revised annually according to the budget and company objectives.
- **Salary level above market average**: +18% in Romania (Group level) and +30% in Serbia

### Annual evolution of no. of employees\*



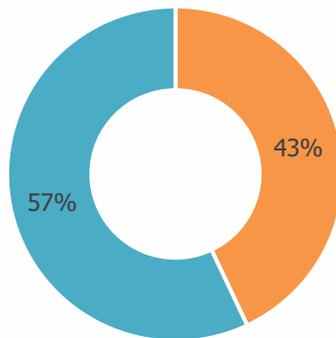
Gender distribution Group level

Women Men



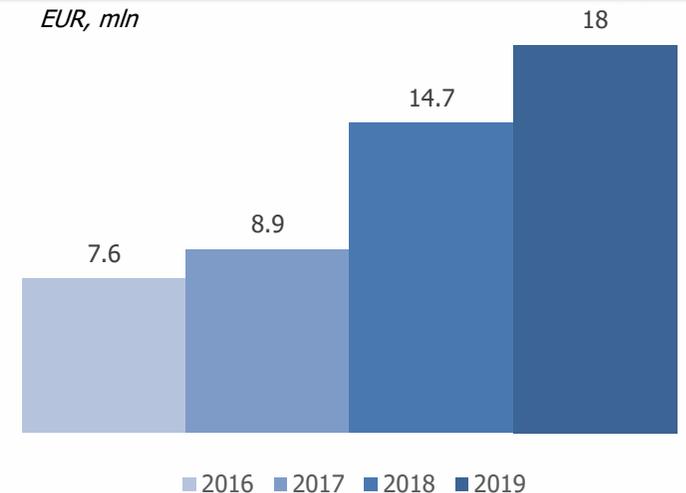
Gender distribution in management

Women Men



### Personnel expenses development (Group level)

EUR, mln



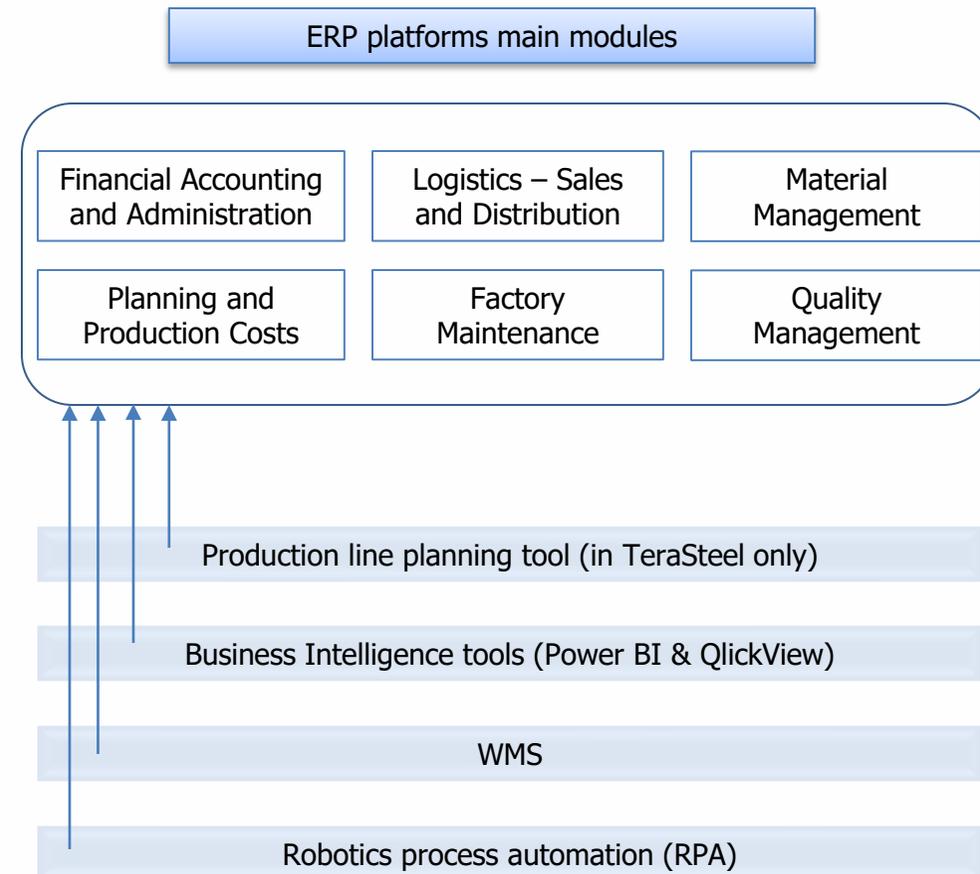
\*Average for each year

### Integrated, flexible software solutions

Highly reliable IT backbone creating operational and cost efficiencies

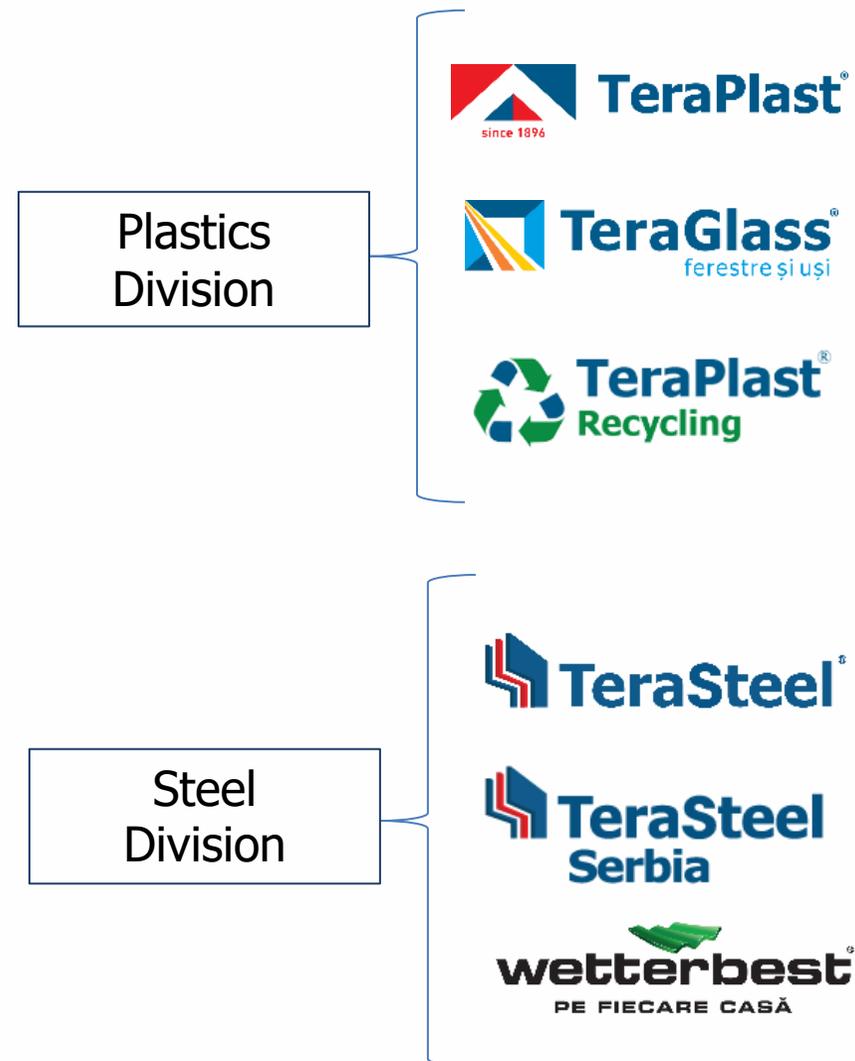
- ERP multi module systems
  - Most entities use SAP (integrated electronic invoicing system)
  - Wetterbest uses Microsoft Dynamics by NAVISION
- Production line planning tool
  - Advanced Planning System (by Siemens) used in TeraSteel
- Business Intelligence tools
  - Power BI used in Wetterbest business analytics solution that allows for data visualization and sharing insights
  - QlikView used throughout the Group - customized business intelligence software tool capable of extensive data personalization
- Warehouse Management System (WMS system)
  - Used by all entities in the automation of the production flow (from the reception to consumption of the raw material)
- Recently implemented RPA (robotics process automation by UI Path) for credit controlling contributing to process efficiencies
  - Following the successful implementation of the first RPA, the analysis process of the Group's clients has improved significantly 100% data accuracy, potential errors eliminated from the process, duration of human intervention in the process decreased by approx 82% for each client analyzed)
  - Automating the calculation process for credit limits now allows to manage the Group's expansion and increase in the number of clients in an optimal and efficient way
  - Currently in the implementation process of the second RPA for payments and cash in recordings

### Integrated, flexible software solutions



## WHAT IT MEANS

- Buyer: Kingspan Group
  - Leader on the high-performance insulation market
  - Listed on the London Stock Exchange
  - 11 billion GBP market capitalization
- Estimated value of the Steel division (headline price): RON 410 million – net debt +/- adjustments on the working capital
  - The result of the evaluation for the Steel division is superior to the TeraPlast evaluation on BSE
  - We add value to our shareholders
  - The yield of the investors increases
  - Sets the base for the future Plastics Division investment
- The transfer will be completed after all customary closing conditions are satisfied. For this we estimate a period between 3 to 6 months.



- The Steel division generated 40% of the Group's EBITDA in H1/2020 and represents 40% of the net assets
- The final price will be set at the date of the registration of Kingspan's stake at the Trade Register
- The main elements of the final price calculation:
  - Headline price: RON 410 million minus
  - Interest bearing debts of the Steel division companies ( RON 80 million at 30 Jun 2020)
  - Adjustment to target working capital

	Steel Division	TeraPlast Group	Steel - % of the Group
Turnover Jan - Jun 2020	272.136.888	486.645.621	56%
EBITDA Jan - Jun 2020	21.253.539	52.720.755	40%
Non-current assets, net of deferred income tax, as of June 30 2020	151.407.198	329.446.086	46%
<i>out of which intangible assets and WTB goodwill, net of deferred income tax</i>	<i>36.161.601</i>	<i>36.161.601</i>	
Working capital 30 Jun 2020	88.372.518	209.499.833	42%
Interest bearing debts	112.657.801	211.171.036	53%
<i>out of which contracted by TeraPlast for WTB stake</i>	<i>32.533.129</i>	<i>32.533.129</i>	
Subsidies for investment	4.951.450	25.887.747	19%
Net Assets/ Equity as of 30 Jun 2020	122.170.464	301.887.136	40%
Net assets adjusted by the acquisition of WTB	118.541.992	298.258.664	40%

## 1H 2020 - ESTIMATES

		1H/2020 ESTIMATES	1H/2019 RESULTS	Evolution
	<i>EUR, million</i>			
<b>STEEL DIVISION</b>	Revenue	55	50	+13%
	EBITDA	4,1	3,8	+11%
	EBITDA margin	7,7%	7,8%	
<b>PLASTICS DIVISION</b>	Revenue	44	38	+18%
	EBITDA	5,6	3,6	+54%
	EBITDA margin	12,5%	9,6%	
<b>TERAPLAST GROUP</b>	Revenue	99	88	+15%
	EBITDA	9,7	7,6	+32%
	EBITDA margin	9,8%	8,6%	

## 1H 2020 - RESULTS

### TERAPLAST GROUP H1/2020



### TERAPLAST GROUP H1/2019



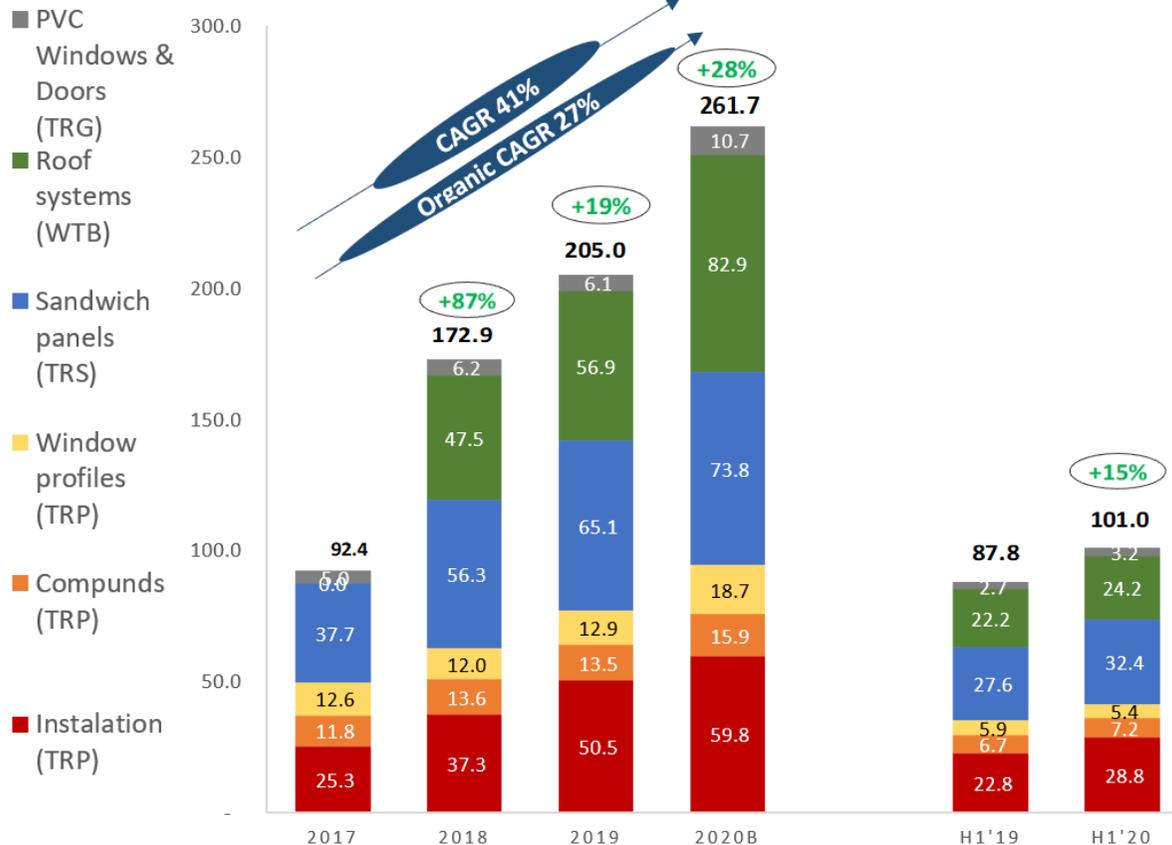
- Turnover above estimated → +17% compared to +15%
- EBITDA above estimated → +49% compared to +32%
- Profitability margin above estimated → 10,8% compared to 9,8%
- Best performer on turnover: TeraGlass (+22%)
- Best performer on EBITDA: TeraPlast (+105%)

<i>EUR, million</i>		<b>H1 2020</b>	<b>H1 2019</b>	<b><i>Evolution</i></b>
TeraPlast	Turnover	41,2	35,3	19%
	EBITDA	6,5	3,2	105%
TeraSteel Romania & Serbia	Turnover	32,3	27,6	19%
	EBITDA	3,4	2,8	24%
Wetterbest	Turnover	24,1	22,2	11%
	EBITDA	1	1	2%
TeraGlass	Turnover	3,2	2,7	22%
	EBITDA	0,06	0,2	(76)%
<b>TeraPlast Group</b>	<b>Turnover</b>	<b>100,8</b>	<b>87,8</b>	<b>17%</b>
	<b>EBITDA</b>	<b>11</b>	<b>7,4</b>	<b>49%</b>

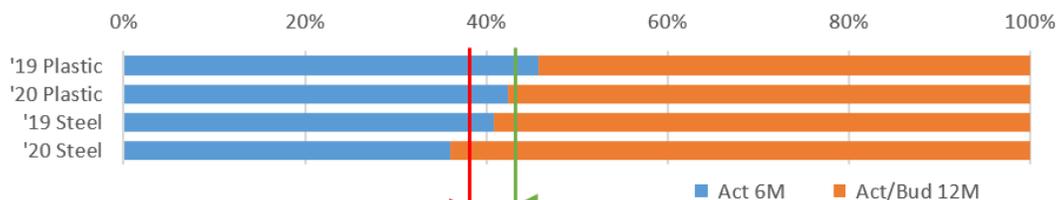
- TeraPlast kept its performance on the EBITDA margin: 15,7%
- Increases due to the evolution of the construction sector and the streamlining as a result of the implemented measures to adapt to new business volumes and the review of the cost structure
- Results above estimates for the Plastics Division and in line with estimates for the Steel division

## NET SALES BY SEGMENT

### NET SALES BY SEGMENT (AMOUNTS IN MEUR)



Net Sales | 6 Months Progress vs Full Year  
(Actual for 12M'19, Budget for 12M'20)



FY20: 39% of sales in H1'20 (vs Budget)

FY19: 43% of sales in H1'19

#### Teraplast (TRP):

- **[Instalation]** – as a market leader in 2019 for PVC Pipes, Teraplast was in the best position to win in the growing infrastructure market;
- **[Compounds]** – development plans includes HFFR (Halogen Free, Fire Resistant) production line for which we started pre-ramp up phase with customer trials and testing;
- **[Window profiles]** – facing challenges but revising business model to be closer to customers;
- **[Recycling]** – has provided an overarching activity enabling profitability growth;

#### Terasteel (TRS)

- **[Sandwich panels]** – FY18 growth was mainly driven by Terasteel Serbia which was operating throught the year (production started in Sept 2017). Net Sales increased from 1.6 to 12.6 mil EUR in 2018 to a further EUR 18.3 mil in 2019. Terasteel Romania increased by EUR 7.6 in FY18 vs 17 mainly due to increase in sales of PIR panels\*. The increase in 2019 is of EUR 3 mil.

#### Wetterbest (WTB)

- **[Roof Systems]** – Development & relocation to the new production facilities impacted in 2019 the margins; Nevertheless we managed to increase sales by 20% so we are in a unique position to increase profitability in 2020 with the new factory, which is operating from Q1 2020.

\* PIR Panels – comprise panels with special slow burning polyurethane foam

## EBITDA BRIDGE 2017 – H1'2020

		mEUR
<b>TRP Group EBITDA 2017</b>	<b>Δ type</b>	<b>9.22</b>
Instalation (TRP)	Δ vs '17	(0.39)
Compunds (TRP)	Δ vs '17	0.14
Window profiles (TRP)	Δ vs '17	(0.26)
Sandwich panels (TRS)	Δ vs '17	1.57
Roof systems (WTB)	Δ vs '17	3.14
PVC Windows & Doors (TRG)	Δ vs '17	0.53
<b>TRP Group EBITDA 2018</b>		<b>13.94</b>
Instalation (TRP)	Δ vs '18	3.20
Compunds (TRP)	Δ vs '18	0.05
Window profiles (TRP)	Δ vs '18	0.13
Sandwich panels (TRS)	Δ vs '18	2.24
Roof systems (WTB)	Δ vs '18	0.05
PVC Windows & Doors (TRG)	Δ vs '18	(0.40)
<b>TRP Group EBITDA 2019</b>		<b>19.21</b>
TRP Group EBITDA H2 2019		11.76
<b>TRP Group EBITDA H1 2019</b>		<b>7.45</b>
Instalation (TRP)	Δ vs 6m'19	2.41
Compunds (TRP)	Δ vs 6m'19	0.53
Window profiles (TRP)	Δ vs 6m'19	0.13
Sandwich panels (TRS)	Δ vs 6m'19	0.61
Roof systems (WTB)	Δ vs 6m'19	0.00
PVC Windows & Doors (TRG)	Δ vs 6m'19	(0.18)
<b>TRP Group EBITDA H1 2020</b>		<b>10.95</b>
Remaining to achieve FY'20 Budget		19.29
<b>TRP Troup EBITDA FY'20 Budget</b>		<b>30.24</b>

The EBITDA increase of EUR 1.57 million (38% vs. 2017) is mainly driven by the overall increase in business (49% increase in net sales) with margins slightly lower (10.1% in FY18 vs 10.9% in FY17).

Wetterbest (Depaco) was consolidated starting with January 1st, 2018, when Teraplast obtained control of the subsidiary with the full year EBITDA of EUR 3.14 million positively impacting the Group results.

The increase in the volume of infrastructure projects is the main reason for the increase in EBITDA. The recycling business reached its normal productivity at the end of 2018, with benefits flowing through the FY19 leading to a EUR 500k economy by using recycled material in PVC pipes and profiles.

The Serbian plant alone contributed with EUR 1.1 mil to the increase in EBITDA as it reached stable operations at the end of 2018 with full benefits in FY19. EBITDA Margin improvement from 10.1% to 12.2% is also due to improvements made in procurement and operational efficiencies.

In 2020 we focused on improving margins - for Instalation from 9.8% in H1'2019 to 16.1% in H1'2020, for Compunds from 10.7% to 17.3%, for Window Profiles from 7.8% to 11.0%.

The increase in EBITDA for the Steel division is mainly volume driven, the EBITDA margin increased slightly from 7.6% to 7.8% in H1'2020.

*In 2020 the Group picked the benefits of the investments made in recent years. Among these benefits: (a) mature operations of Terasteel Serbia, (b) operational efficiencies in Wetterbest, (c) continuous product innovation in plastic division. Improved market conditions for the infrastructure projects was also a major part of our growth.*

## PROFIT & LOSS SUMMARY

P&L summary for the period	2017	2018	2019	2020B	2019 6M	2020 6M	Δ 6M'20-'19
<b>Total Net Sales</b>	<b>92.4</b>	<b>172.9</b>	<b>205.0</b>	<b>261.7</b>	<b>87.8</b>	<b>101.0</b>	<b>15.1%</b>
<b>Total Operating Income</b>	<b>93.3</b>	<b>173.3</b>	<b>205.4</b>	<b>262.8</b>	<b>88.0</b>	<b>101.5</b>	<b>15.4%</b>
Raw materials, consumables & merchandise	(66.2)	(128.0)	(147.7)	(184.0)	(63.2)	(70.2)	11.0%
Salaries and employee benefits	(8.8)	(14.7)	(18.0)	(22.8)	(8.3)	(10.0)	19.5%
Amortization, impairments, provisions and FV a	(3.9)	(7.0)	(7.4)	(7.2)	(2.8)	(4.5)	61.0%
Other operating expenses	(9.0)	(16.1)	(20.3)	(25.1)	(9.0)	(9.1)	1.7%
<b>Operating result</b>	<b>5.3</b>	<b>7.5</b>	<b>12.0</b>	<b>23.7</b>	<b>4.7</b>	<b>7.7</b>	<b>65.9%</b>
<i>Operating result % in Net Sales</i>	<i>5.7%</i>	<i>4.3%</i>	<i>5.9%</i>	<i>9.0%</i>	<i>5.3%</i>	<i>7.6%</i>	<i>44.2%</i>
<b>Financial result</b>	<b>(0.8)</b>	<b>(1.9)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>-40.6%</b>
Share of the result of joint ventures accounted f	0.1	-	-	-	-	-	0.0%
<b>Profit before tax</b>	<b>4.7</b>	<b>5.6</b>	<b>9.8</b>	<b>22.0</b>	<b>3.5</b>	<b>7.1</b>	<b>99.6%</b>
Income tax expense	(0.6)	(0.8)	(1.0)	(1.1)	(0.4)	(0.9)	108.5%
<b>Net Profit for the year</b>	<b>4.1</b>	<b>4.9</b>	<b>8.8</b>	<b>20.9</b>	<b>3.1</b>	<b>6.1</b>	<b>98.3%</b>
<i>Net Profit % in Net Sales</i>	<i>4.4%</i>	<i>2.8%</i>	<i>4.3%</i>	<i>8.0%</i>	<i>3.5%</i>	<i>6.1%</i>	<i>72.3%</i>
<b>EBITDA</b>	<b>9.2</b>	<b>13.9</b>	<b>19.2</b>	<b>30.2</b>	<b>7.4</b>	<b>10.9</b>	<b>47.0%</b>
<i>EBITDA % in Net Sales</i>	<i>10.0%</i>	<i>8.1%</i>	<i>9.4%</i>	<i>11.6%</i>	<i>8.5%</i>	<i>10.8%</i>	<i>27.7%</i>

all amounts in million EUR

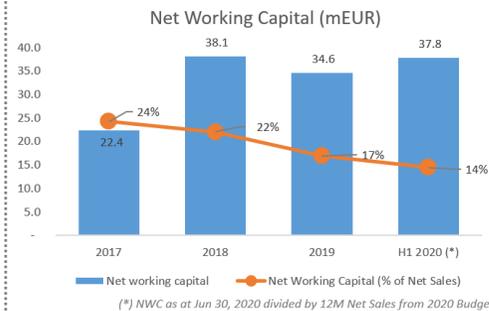
The main driver of group sales growth of 87% in 2018 was the acquisition of Wetterbest (Depaco) which was consolidated since January 1<sup>st</sup>, 2018, when Teraplast obtained control of the subsidiary. In 2019 we grew organically (by 18.6%) our customer base and product lines while focusing on improving recipes and optimizing costs. In 2020, we are on track to achieve our profitability ambitions mainly driven by **Plastic Division** margin improvements.

ASSETS	2017	2018	2019	H1 2020	2020B
<b>Non-current assets</b>					
Property, plant and equipment	39.9	45.9	61.1	59.9	54.0
Investment properties	2.1	1.8	1.5	0.8	1.5
Intangible assets	0.4	7.7	7.2	7.0	6.7
Goodwill	-	7.6	2.3	2.3	2.3
Investments in JV - equity method	8.7	-	-	-	-
Other financial investments	0.0	0.0	0.0	0.0	0.0
Other long term assets	2.3	0.2	0.2	0.1	0.2
<b>Total non-current assets</b>	<b>53.4</b>	<b>63.1</b>	<b>72.2</b>	<b>70.0</b>	<b>64.7</b>
<b>Current assets</b>					
Inventories	21.6	41.7	38.0	43.0	47.9
Services WIP	-	0.1	0.2	0.1	0.2
Receivables	19.3	27.3	29.1	35.8	35.7
Prepayments	0.1	0.2	0.2	0.5	0.3
Cash and equivalents	2.6	4.9	6.1	6.0	21.0
<b>Total current assets</b>	<b>43.5</b>	<b>74.2</b>	<b>73.6</b>	<b>85.5</b>	<b>105.2</b>
Assets held for sale	0.1	0.4	-	-	-
<b>Total assets</b>	<b>97.1</b>	<b>137.7</b>	<b>145.8</b>	<b>155.5</b>	<b>169.8</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital, premium and other rese	24.1	28.8	33.7	33.2	33.7
Reserves	7.2	7.1	7.1	7.0	7.1
Retained earnings	16.8	14.7	17.1	22.0	38.0
Non-controlling interests	0.1	0.4	0.5	0.2	0.5
<b>Total equity</b>	<b>48.2</b>	<b>51.1</b>	<b>58.3</b>	<b>62.3</b>	<b>79.3</b>
<b>Non-current liabilities</b>					
Loans and finance lease liabilities	16.1	15.4	13.8	20.5	19.8
Other non-current liabilities	-	10.5	2.0	-	-
Employee benefit liabilities	0.1	0.2	0.2	0.3	0.3
Investment subsidies - LT portion	0.5	0.8	3.4	4.8	5.6
Deferred tax liabilities	0.7	1.9	1.8	2.0	1.8
<b>Total non-current liabilities</b>	<b>17.4</b>	<b>28.8</b>	<b>21.2</b>	<b>27.6</b>	<b>27.5</b>
<b>Current liabilities</b>					
Trade payables	18.5	31.1	32.9	41.1	39.9
Loans and finance lease liabilities	12.6	26.4	33.0	23.1	22.3
Other current liabilities	-	-	-	-	-
Income tax payable	0.1	0.1	(0.1)	0.6	-
Investment subsidies - ST portion	0.1	0.1	0.2	0.6	0.7
Provisions	0.2	0.2	0.2	0.2	0.2
<b>Total current liabilities</b>	<b>31.5</b>	<b>57.9</b>	<b>66.2</b>	<b>65.6</b>	<b>63.1</b>

Investments 2019	mEUR
Installation (TRP)	6.9
Compunds (TRP)	2.0
Window profiles (TRP)	0.8
Sandwich panels (TRS)	1.0
Roof systems (WTB)	6.7
PVC Windows & Doors (TRG)	3.4
<b>Total</b>	<b>20.8</b>

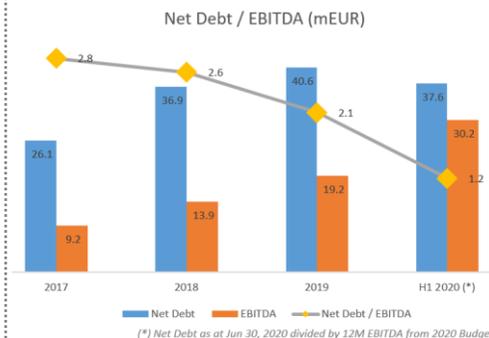
### Investments in 2019

- We focused our investments in 2019 on the segments in need for margin improvement but also aimed to increase the overall capacity with some of the results already visible in 2019;



### NWC

- The significant increase in NWC in 2018 is mainly driven by steel inventory purchases near the end of 2018 to support the increase in business at the beginning of 2019;
- As a % of sales, NWC decreased each year as we're closely managing the working capital;
- Forecasted increase in NWC is in line with the overall development in our business with NWC/Sales expected to remain at 17% by the end of 2020;



### Net debt to EBITDA

- with the significant improvements in EBITDA, we were able to use the cash generated to finance the investments while keeping the debt level low leading to a Net Debt to EBITDA of 2.1x in 2019;

### Net debt structure

- Operating cash generated in 2019 (EUR 16m) was used mainly to finance the investments made through the year (EUR 20 m - see CF slide); the remaining part was financed through debt;
- the split between short and long term financial debt is more balanced in 2020 as we took on the investment loan from EBRD;

all amounts in mEUR      2017      2018      2019      H1 2020

### Cash flows from operating activities

	2017	2018	2019	2020
<b>Net profit before tax</b>	<b>4.7</b>	<b>5.6</b>	<b>9.8</b>	<b>7.1</b>
Amortization, impairments and provisions	3.6	6.6	7.1	3.6
Impairment of current assets	0.3	0.3	0.2	0.6
Gains/(losses) from sale, disposal or fair value changes	(0.0)	0.2	0.1	0.3
Dividend revenues	(0.0)	(0.0)	(0.0)	-
Interest expense	0.6	1.6	1.9	0.9
Gain from gaining control over an associate	(0.5)	-	-	-
<b>Operating profit before changes in working capital</b>	<b>8.6</b>	<b>14.3</b>	<b>19.0</b>	<b>12.4</b>
Impact of changes in NWC	(4.3)	(10.2)	0.0	(2.9)
Income tax paid	(0.6)	(0.7)	(1.3)	(0.3)
Interest paid, net	(0.6)	(1.6)	(1.9)	(0.9)
Other non cash items	(0.3)	(0.2)	0.1	(0.4)

**Cash from operating activities      2.8      1.7      16.0      8.0**

### Cash flows from investments

Acquisition of tangible and intangible assets	(12.5)	(6.9)	(20.8)	(6.1)
M&A activity (net of purchased cash)	(10.5)	(1.3)	(1.0)	(4.2)
Proceeds from sale of tangible assets	0.1	0.4	0.2	2.0
Proceeds from state aid received	-	-	2.6	2.1
Share repurchase	(0.1)	(0.2)	(0.0)	-
Losses from share repurchase	0.0	-	(0.1)	-

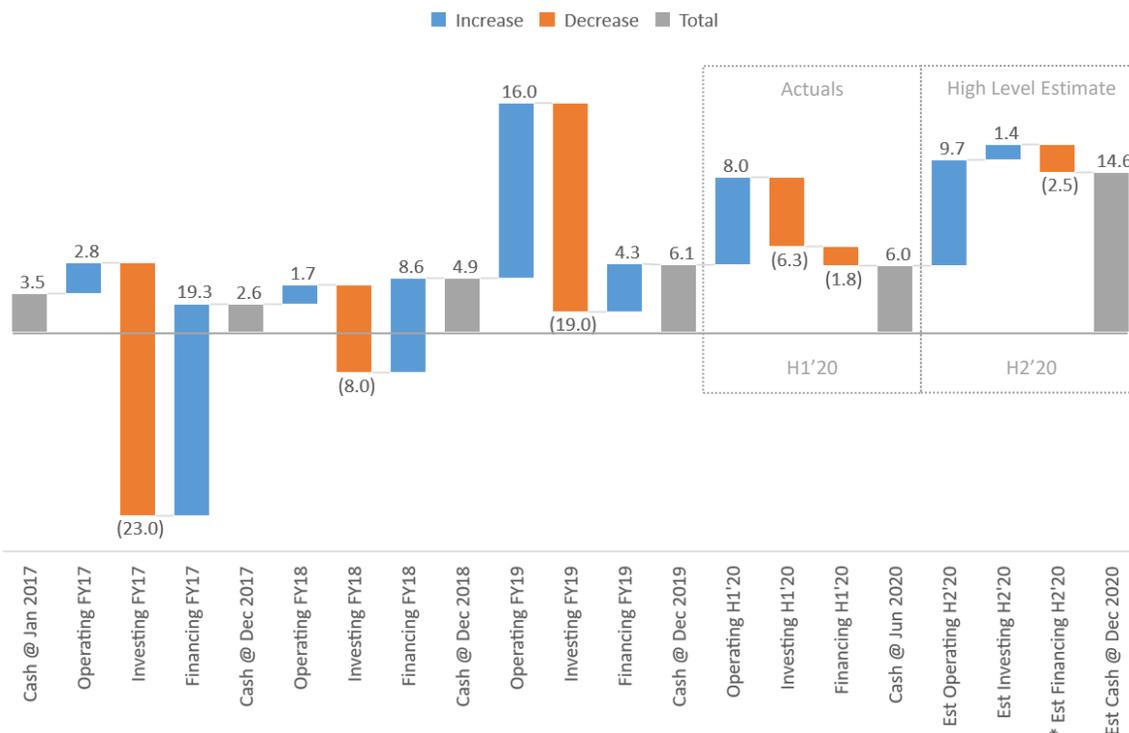
**Net cash from investments      (23.0)      (8.0)      (19.0)      (6.3)**

### Net cash from financing activities

Loan reimbursement	(3.8)	(3.4)	(4.8)	-
Loan drawings	19.8	2.8	6.9	5.7
Net drawings from credit lines	5.6	11.9	2.2	(7.6)
Dividends paid	(2.1)	(2.4)	(0.2)	-
Dividends received	0.0	0.0	0.0	-
Lease payments	(0.2)	(0.2)	0.3	0.1

**Net cash from financing activities      19.3      8.6      4.3      (1.8)**

Cash flow bridge 2017-H1'2020 & High Level Est for H2'20 (\*)



(\*) H2'20 Financing CF (est) excluding dividend payments

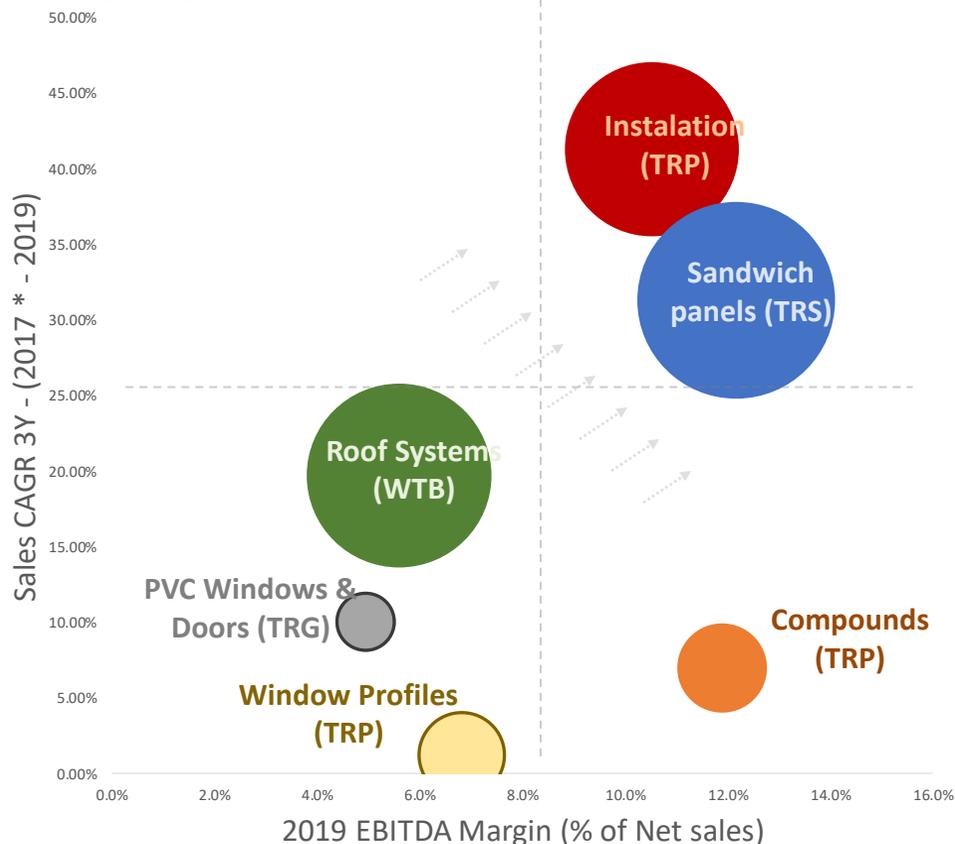
Among the main drivers of improved liquidity in 2019:

- improved margins across the main segments (Installation & Sandwich Panels);
- continuous improvements year over year of working capital (see relevant section below);
- Support from shareholders: reinvested the profit into the operations (no dividends declared in 2019 for 2018 profit);
- We've seen further improvement in cash flows in 2020 when we finalized investments started in previous years; we will consolidate in the following year;

# GROWTH AND MARGINS

## NET SALES GROWTH (CAGR) / EBITDA MARGIN BY SEGMENT

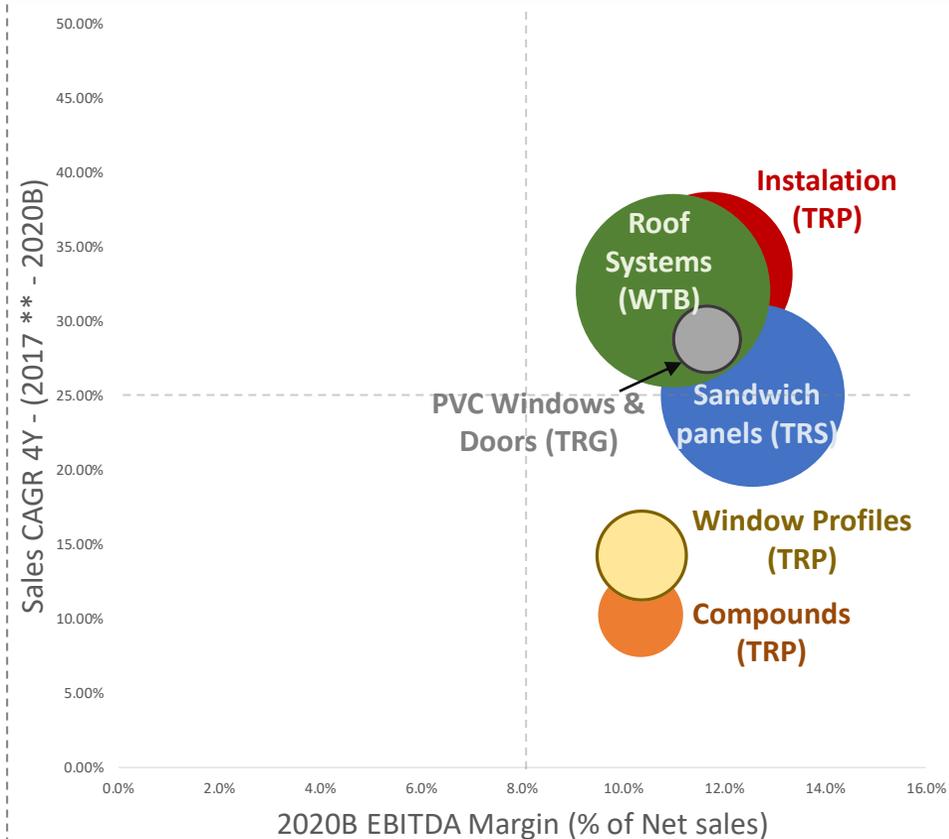
2017 - 2019



Size of the bubble represents 2019 Net Sales

\* For Roof Systems, CAGR is computed for the 2 year period 2018 – 2019;

2017 – 2020B

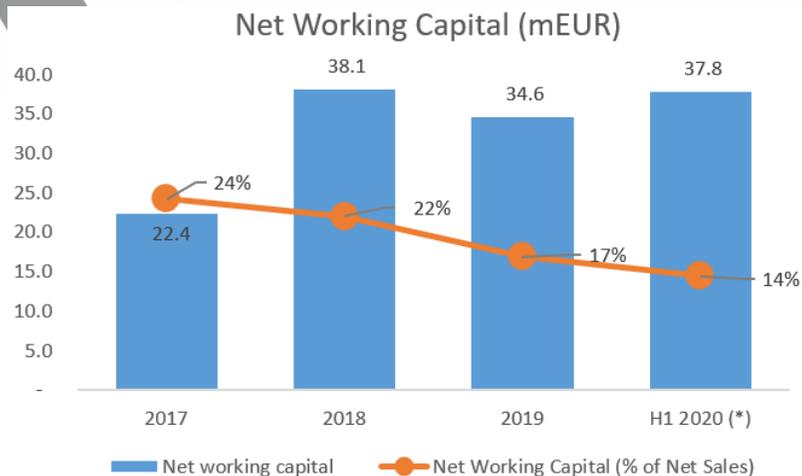


Size of the bubble represents 2020B Net Sales

\* For Roof Systems, CAGR is computed for the 3 year period 2018 – 2020B;

For each segment, we employ different strategies to improve either sales growth or margins and in some cases, both. While we will focus mainly on margin improvement for Sandwich Panels and Instalation, we're still working on new growth opportunities. The commissioning of the new plant for the Roof Systems segment will bring significant improvements in both margins and growth.

## NET WORKING CAPITAL AND CASH CONVERSION CYCLE



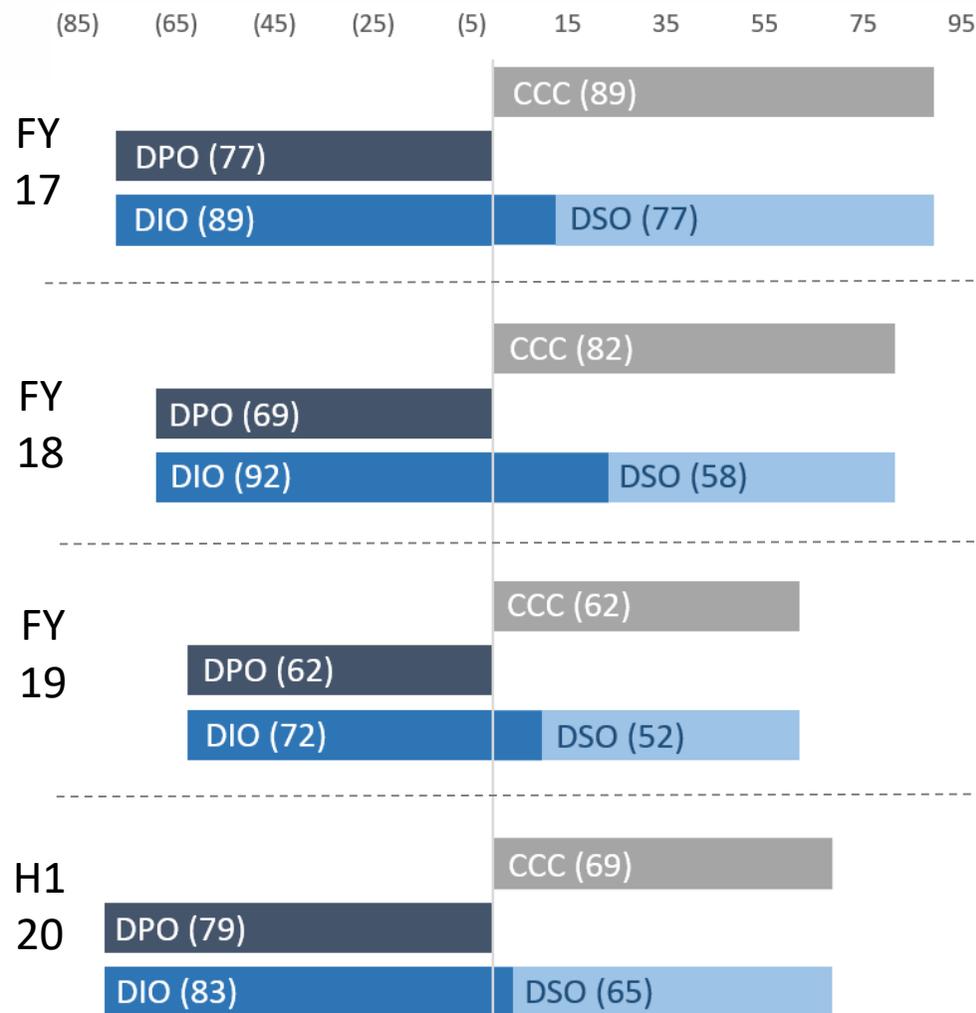
(\*) NWC as at Jun 30, 2020 divided by 12M Net Sales from 2020 Budget

### NWC

- The significant increase in NWC in 2018 is mainly driven by steel inventory purchases near the end of 2018 to support the increase in business at the beginning of 2019;
- As a % of sales, NWC decreased each year as we're closely managing the working capital;

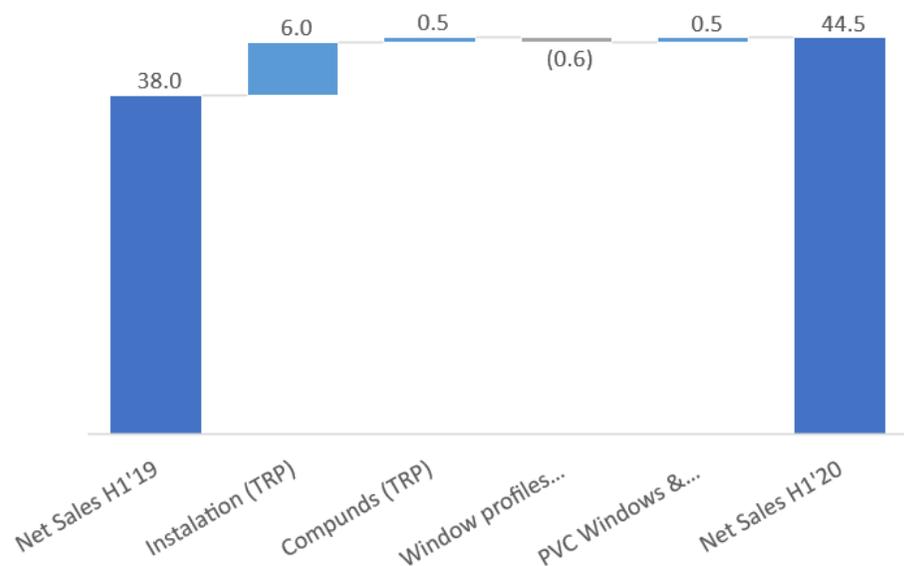
### CCC

- An improved credit policy, continuous improvements in warehouse and inventory management and a fair payable policy all led to a constant decrease of the cash conversion cycle;
- Mid year (Jun'20) cash conversion cycle is usually higher than at the year end as the busy season is ramping up;

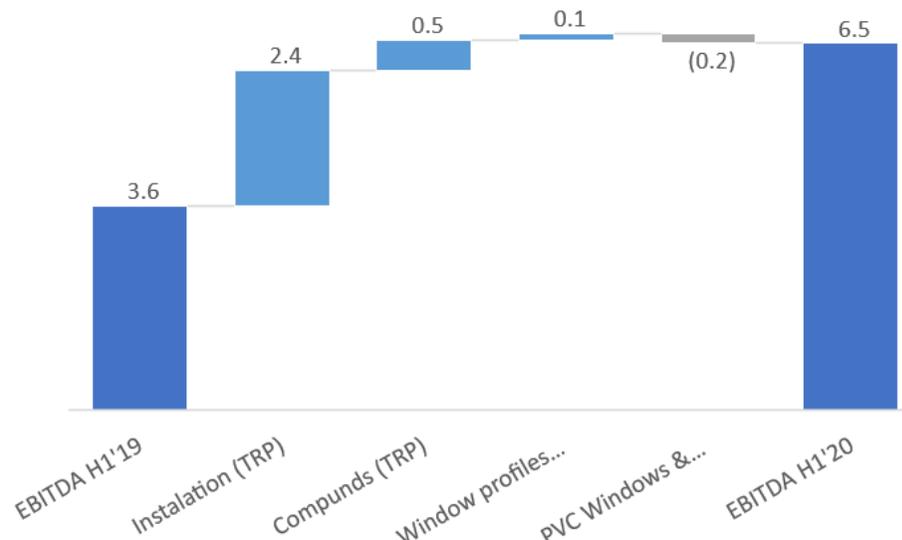


*Working capital management is at the top of our priority list at group level with KPI's being closely monitored and reviewed.*

PLASTIC | Net Sales Bridge H1'20 vs H1'19



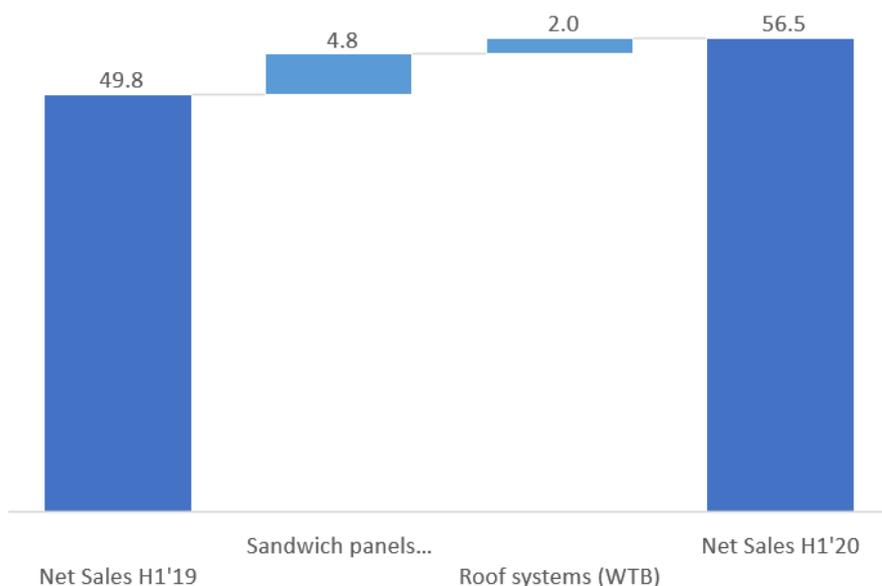
PLASTIC | EBITDA Bridge 2020B vs 2019



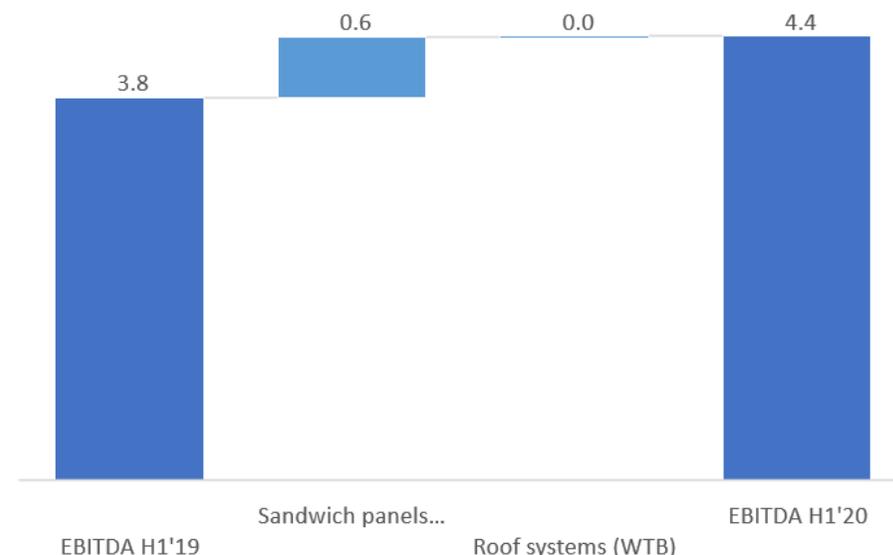
Segment	Plastic Net Sales (mEUR)				Plastic EBITDA (mEUR)				Plastic EBITDA Margin (%)		
	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	2019	2020	vs H1'19 (%)
Installation (TRP)	22.8	28.8	6.0	26%	2.2	4.6	2.4	108%	9.8%	16.1%	65%
Compounds (TRP)	6.7	7.2	0.5	8%	0.7	1.2	0.5	74%	10.7%	17.3%	61%
Window profiles (TRP)	5.9	5.4	(0.6)	-9%	0.5	0.6	0.1	27%	7.8%	11.0%	40%
PVC Windows & Doors	2.7	3.2	0.5	20%	0.2	0.1	(0.2)	-76%	8.8%	1.7%	-80%
<b>Total Plastic Division</b>	<b>38.0</b>	<b>44.5</b>	<b>6.5</b>	<b>17%</b>	<b>3.6</b>	<b>6.5</b>	<b>2.9</b>	<b>79%</b>	<b>9.6%</b>	<b>14.7%</b>	<b>53%</b>

## STEEL | NET SALES AND EBITDA BRIDGE H1 2020 VS H1 2019

STEEL | Net Sales Bridge H1'20 vs H1'19



STEEL | EBITDA Bridge 2020B vs 2019

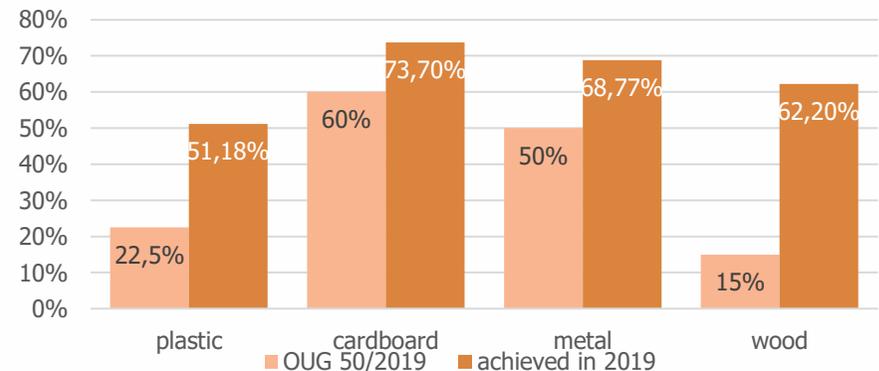


Segment	Steel Net Sales (mEUR)				Steel EBITDA (mEUR)				Steel EBITDA Margin (%)		
	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	H1'19	H1'20	vs H1'19 (abs)	vs H1'19 (%)	2019	2020	vs H1'19 (%)
Sandwich panels (TRS)	27.6	32.4	4.8	17%	2.8	3.4	0.6	22%	10.0%	10.4%	4%
Roof systems (WTB)	22.2	24.2	2.0	9%	1.0	1.0	0.0	0%	4.7%	4.3%	-8%
<b>Total Steel Division</b>	<b>49.8</b>	<b>56.5</b>	<b>6.7</b>	<b>14%</b>	<b>3.8</b>	<b>4.4</b>	<b>0.6</b>	<b>16%</b>	<b>7.6%</b>	<b>7.8%</b>	<b>2%</b>

### Efficient solutions for people and the environment

- Women senior managers represent 37% of the Executive Team and 20% of the Board of Directors
- The resource management KPIs aim at maintaining an equilibrated rate between the production activity and resource consumption. The performance indicators are evaluated and tailored yearly as part of the Integrated Management System evaluation.
- The implemented environmental management system obliges to minimize the quantities of waste resulting from the production processes where possible.
- The management of all categories of waste is carried out in compliance with legal provisions. They are collected selectively, clearly labeled and stored temporarily, without mixing, until handed over to authorized operators (collectors/recyclers).
- The responsible approach towards waste management means being above the yearly legal objectives.

According to OUG 50/2019: objectives for 2019 vs. achieved in 2019



- Implementing corporate governance best practices in order to raise the company competitiveness on the capital market and add value to our shareholders



- Photo-voltaic plant that will ensure cca 11.5% of the necessary energy for the Saratel Industrial Park and will reduce, on long term, the CO2 emissions



- Rigid PVC recycling factory has an annual processing capacity of 12.000 tons.

- Permanent monitoring of the product portfolio performance and recipe development; launching new enhanced and sustainable solutions



- Active multi-level community involvement through the *Building Romania Together* CSR platform by three main areas: Education, Social, Health & Environment



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