



Budget 2019
March 2019





KEY FIGURES



TERAPLAST SA STAND ALONE AND CONSOLIDATED 2019 BUDGET



ASSUMPTIONS AND GROWTH FACTORS



INVESTMENT BUDGET TERAPLAST SA



KEY FIGURES STAND ALONE AND CONSOLIDATED BUDGET

KEY FIGURES TERAPLAST GROUP



F
Y

2
0
1
8

EBITDA

65.1

mil. RON

REVENUE

804.9

mil. RON

EBITDA MARGIN

8.1%

F
Y

2
0
1
9

EBITDA

88.9

mil. RON

REVENUE

977.5

mil. RON

EBITDA MARGIN

9.1%

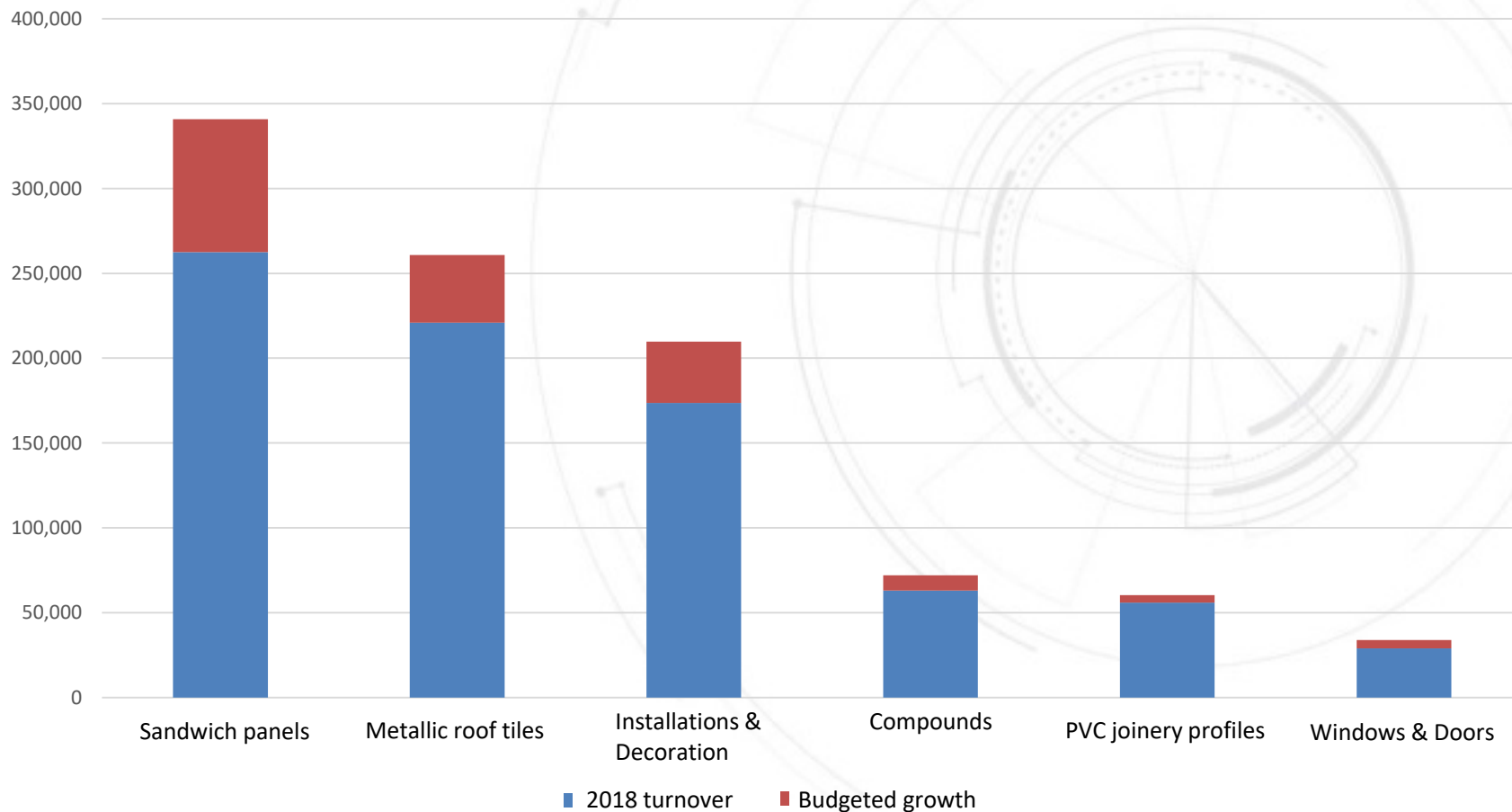
TERAPLAST SA 2019 BUDGET INDIVIDUAL AND CONSOLIDATED



Indicators (thousand RON)	TeraPlast Individual	TeraPlast Consolidated
Turnover	341,907	977,492
Raw materials and merchandise expenses	232,702	716,071
Gross margin	109,205	261,421
Operational expenditure, of which:	95,504	200,665
<i>Amortisation expenses</i>	16,671	28,162
Operating profit	13,701	60,756
Financial result	(4,282)	(9,522)
Profit before tax	9,419	51,234

BUDGETED GROWTH

2019 Budgeted Growth, thousand lei





ASSUMPTIONS AND GROWTH FACTORS

- Market share increases:
 - Potential to increase TeraSteel market share in Central and Eastern Europe
 - Compound and joinery profiles areas have a favourable market landscape
 - Wetterbest and TeraGlass act on markets with many players, most smaller players
 - Expand production capacities through projects co-financed through State grants
- Exit the stagnation area of the infrastructure works:
 - Infrastructure works have exceeded the design, bidding and (eventually) the phases of appeal. There are currently ongoing execution contracts.
- Economic correction does not appear for 2019
 - The budget was based on the premise that there will be no major market corrections in 2019
 - The diversity of the group's business, both as product range and geographically, can accommodate a minimal correction and deliver the budgeted figures

TeraSteel Sandwich Panels

(Romania & Serbia)

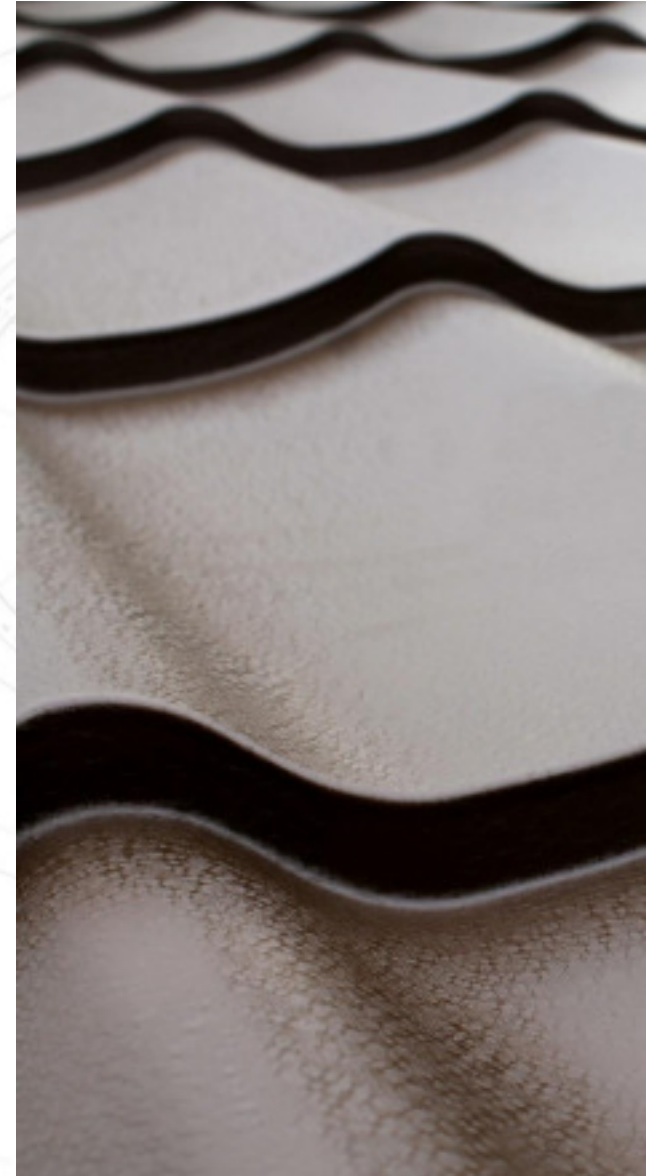
- In 2019 we target sales of 340 million RON (2018: 262 million RON)
- We will increase the sales of mineral wool panels manufactured in Serbian factory
- We will further increase our market share in Central and Eastern Europe offering a complete portfolio of products for non-residential buildings: sandwich panels with polyurethane foam and mineral wool, metallic structure and folded metallic tile
- We will develop our value-added products and “turn-key” concepts



Wetterbest – Roof systems

We aim an 18% turnover increase in comparison to 2018

- Production capacity expansion will facilitate the increase in market share
- The new production facility in Baicoi (Prahova) will allow logistics and production flow optimisation, which will lead to increased profitability
- The investment will be co-financed through State grant: the investment project requires 18,2 million RON, and the State grant financing represents 8,9 million RON
- We look to develop business partnerships with small producers and also steel trading



TeraPlast – Installations

(sewerage, water and gas)

Objectives:

- PE and PP sewerage systems development: coextruded and multilayer pipes for inner sewerage, including soundproofed pipes (investments through State grant)
- Increased capacity for outer sewerage systems: PP pipes and injected components (e.g. manholes)
- As market leader in the field of outer sewage, we also aim to increase the sales from related products, e.g. drilling pipes and injected products
- Product range development investments through State grant project



TeraPlast – Compounds

We will continue to increase the turnover and to maintain the EBITDA margin relying on the differentiators that have made us the market leader in Romania: the ability to develop recipes that correspond to the technical specifications demanded by our clients at competitive prices

Objectives:

- Launching new products (HFFR compounds)
- Exploit current opportunities on export markets
- Recycled materials sale to third parties



TeraPlast – PVC Profiles

- Increase the use of recycled PVC, which is produced within the group
- Launch of the profiles' second generation: high gloss, new gaskets and for the main profiles- the layer technology
- Increase the distribution network
- Sales increase in Hungary via TRP Hungaria kft



TeraPlast – Recycling

In the last 6 months (September 2018 - February 2019), on average we produced 600 tonnes / month of recycled PVC, which is used internally

- functioning as an independent business
- extension of the post-industrial waste collection network in Romania and CEE
- sales to third parties - without having just TRP as unique customer



TeraGlass – Windows & Doors

We will double the production capacity with an EUR 3.8 million investment, 50% financed through State grant





TERAPLAST SA INVESTEMENT PLAN

For 2019, the company has an investment program worth 69 million RON, of which:

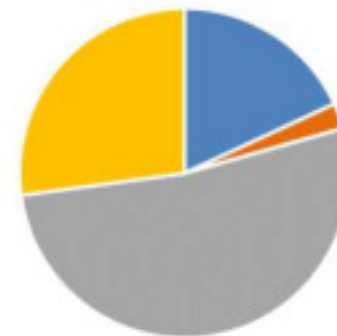
- 29 million RON for the State grant project
- 24 million RON for financial investments
- 16 million RON for equipment, maintenance and construction

Project value with State grant



■ equipment ■ constructions

2019 Capex



■ others ■ constructions ■ equipment ■ maintenance

- Expansion of production capacities through the State grant project
- Maintain optimal parameters of existing plant and equipment
- Replacement of physically and / or obsolete equipment
- Exploring market opportunities





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