

## PRESS RELEASE

# TeraPlast Group: 32% organic growth in profitability and 20% increase in revenue in the first quarter

**Bistrița, April 22, 2020**

TeraPlast Group, the largest Romanian construction materials manufacturer, registered a 32% growth in EBITDA in Q1-2020 versus Q1-2019, up to RON 17,4 million, despite the outbreak of the coronavirus crisis in March. The Group's turnover rose by 20% in the same period, up to RON 208,9 million. TeraPlast SA and TeraSteel Serbia were the main drivers of growth.

*„Our Group implemented extensive investment projects in 2019, worth almost RON 100 million. In the first quarter of 2020 we focused on getting these investments within normal functioning parameters, as they set the ground for our development during the next years. Despite the difficult context we find ourselves in, starting March, we kept a balanced profitability margin at Group level and even performed in certain areas. Our production facilities are all operational, and we adapt to the current environment. It is premature to estimate the impact the following economic crisis will have upon our business but the results of the first quarter indicate that we might close 2020 with a performance similar to what we had in 2019”, stated Ioana Birta, CFO of TeraPlast Group.*

		<b>Q1 2020</b> <i>(RON, million)</i>	<b>Q1 2019</b> <i>(RON, million)</i>	<b>Evolution</b>
<b>TeraPlast</b>	Revenue	88,3	68,8	28%
	EBITDA	12,6	5,7	122%
<b>TeraSteel Romania &amp; Serbia</b>	Revenue	69,0	55,8	24%
	EBITDA	5,9	5,7	3%
<b>Wetterbest</b>	Revenue	45,4	44,1	3%
	EBITDA	(0,9)	1,3	(167)%
<b>TeraGlass</b>	Revenue	6,3	6,0	6%
	EBITDA	(0,2)	0,5	(145)%
<b>TeraPlast Group</b>	<b>Revenue</b>	<b>208,9</b>	<b>174,6</b>	<b>20%</b>
	<b>EBITDA</b>	<b>17,4</b>	<b>13,2</b>	<b>32%</b>

\*The revenue does not include the sales between the Group's companies

\*EBITDA represents the operating result plus amortization and the adjustments for the impairment of non-current assets and provisions, minus the revenue from subsidies

\*TeraPlast is comprised of the results of TeraPlast, TeraPlast Recycling and TeraPlast Hungary

TeraPlast had the best evolution during the first quarter of 2020. Its revenue rose by 28% year/year, amid the evolution of the infrastructure works. At the same time, the company generated 72% of the Group's EBITDA and marked the best profitability margin of 14,3% due to operational efficiency measures.

The TeraSteel business registered a RON 5,9 million EBITDA, slightly increasing compared to the first quarter of 2020, while the revenue rose by 24% compared to the same period. The Serbian factory continues to be the main driver of growth for this business since the one in Romania operates at full capacity. TeraSteel is one of the main producers of thermal insulating panels, galvanized steel purlins and turnkey halls in the CEE area and its products reach 25 European countries.

Wetterbest and TeraGlass registered moderate growth in revenue compared to the first quarter of 2019 due to the decrease in sales in March. These companies were the most impacted by the sanitary crisis since roof systems, windows and doors are addressed to final beneficiaries. The eroded profitability of the two companies is due to additional costs with ramping up the recent investments of last year. Moreover, the staff structure was tailored in order to support the budgeted growth in 2020. Considering the current context, both companies implemented measures to cut the personnel costs and offer support for their employees.

Wetterbest is one of the leaders of the roof systems market in Romania. The company inaugurated in March a new production unit in Băicoi, following a RON 44,5 million worth investment project.

TeraGlass manages the windows and doors portfolio within TeraPlast Group. The company implemented an extensive investment project in 2019, worth RON 17,7 million, in order to increase the production capacity.

Since the beginning of March, the Group implemented measures aimed to protect the businesses and the employees in the coronavirus outbreak context. The Group's Analysis Commission set up 10 action scenarios depending on the possible current context evolution, in addition to the strict hygiene measures and the special interaction proceedings. These scenarios include optimizing the activity in areas where drops in demand are registered, as well as credit risks management and protection as well as fixed costs reduction. At the same time, the Group continues to evaluate business opportunities that may arise in the present economic context, in order to ensure a sustainable mid-term growth of the Group.

Additionally, the Group management temporarily reduced their salaries within a 25% - 50% range.

## About TeraPlast Group

*With more than 120 years of history, the TeraPlast Group is today the largest Romanian manufacturer of construction materials. The Group is comprised of: TeraPlast, TeraSteel Romania and Serbia, Wetterbest, TeraGlass, TeraPlast Hungary. Starting April 2019, the Group's recycling business has become an independent company within the Group, named TeraPlast Recycling. Since July 2<sup>nd</sup>, 2008, the largest company in the Group – TeraPlast SA – has been listed on the Bucharest Stock Exchange, under the TRP symbol. TeraPlast passed ARIR's Vektor evaluation, based on 15 different criteria regarding investor communications, with the highest mark, 10.*

**The report containing the financial results for the first quarter of 2020** is available on the website [www.TeraPlast.ro](http://www.TeraPlast.ro), Investors, Financial reports section and can also be seen by accessing the link below: