

**PRESS RELEASE**

**TeraPlast Group: first half of 2020 projection**

**Bistrita, May 25, 2020**

TeraPlast Group, the largest Romanian construction materials producer, brings information regarding the Group’s evolution during the first half of 2020 to the attention of its shareholders and investors. This projection comes in the context of the uncertainty and volatility of the business environment.

Thus, for the first half of 2020, TeraPlast Group estimates over RON 470 million in turnover, which represents a 15% increase compared to the first half of 2019. For the same period, the Group estimates an improved profitability, with over RON 40 million in EBITDA, increasing by 32% compared to the first half of 2019.

	<i>RON, million</i>	<b>30.06.2020 Estimate</b>	<b>30.06.2019 Achieved</b>	<b>Evolution</b>
<b>Plastics division</b>	Revenue	213	180	18%
	EBITDA	27	17	54%
	EBITDA Margin	12.5%	9.6%	
<b>Steel division</b>	Revenue	265	236	13%
	EBITDA	20	18	11%
	EBITDA Margin	7.7%	7.8%	
<b>TeraPlast Group Total</b>	Revenue	478	416	15%
	EBITDA	47	36	32%
	EBITDA Margin	9.8%	8.6%	

*\*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*

*„We expected the Group’s results in the first six months of 2020 to be at least at the same level as 2019, but the demand was higher than expected. Therefore, we will have a 15% increase compared to the last year, with improved profitability. The Group’s management has implemented the needed measures to ensure an adequate liquidity and has reduced operating costs where necessary. It is important to focus on restarting the economy and the opportunities that will arise during the following period”* stated Ioana Birta, TeraPlast Group CFO.

For the first quarter of 2020, TeraPlast Group announced a turnover of RON 208,9 million, 20% higher than the first quarter of 2019, and RON 17,4 million in EBITDA – a 32% increase compared to the same period of last year. The main drivers of growth during Q1 were the Serbian factory and the Installation business line thanks to the positive evolution of the infrastructure works. These kept their positive trend during the second quarter as well and are reflected in the first half of 2020 projections.

In the last two months, measures were implemented at Group level to protect the group’s businesses and employees, as well as to ensure their sustainability. Strict hygiene and prevention measures were set along with aligning the costs to the new business volumes. Part of this measures are the temporary management salaries reduction within a 25%-50% range.

The TeraPlast Group management mentions that the present material provides preliminary estimated information for the January-June 2020 period. The Report containing the consolidated financial results for the afore mentioned period will be published, in accordance with the financial calendar, in July 27, 2020. Thus, the present information is estimated and can be subject to change in the half-year financial report.

## 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 Recycling and TeraPlast Hungary.*

*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.*

## For further information you can contact us by

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