



1H20 results TeraPlast Group

July 28, 2020



This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, constituting or forming part of, any actual offer to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares issued by the TeraPlast SA or any of its subsidiaries in any jurisdiction or any inducement to enter into investment activity; nor shall this document or any part of it, or the fact of it being made available, form the basis of, or be relied on in any way whatsoever. No part of this presentation, nor the fact of its distribution, shall form part of or be relied on in connection with any contract or investment decision relating thereto; nor does it constitute a recommendation regarding the securities issued by TeraPlast. The information and opinions contained in this presentation and any other information discussed in this presentation are provided as at the date of this presentation and are therefore of a preliminary nature, have not been independently verified and may be subject to updating, revision, amendment or change without notice. Where this presentation quotes any information or statistics from any external source, it should not be interpreted that TeraPlast has adopted or endorsed such information or statistics as being accurate.

No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally. No representation or warranty, express or implied, is given as to the accuracy, fairness or currentness of the information or the opinions contained in this document or on its completeness and no liability is accepted for any such information, for any loss howsoever arising, directly or indirectly, from any use of this presentation or any of its content or otherwise arising in connection therewith.

This presentation may contain forward-looking statements. These statements reflect TeraPlast's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology. By their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond TeraPlast's control that could cause the TeraPlast actual results and performance to differ materially from any expected future results or performance expressed or implied by any forward-looking statements.

None of the future projections, expectations, estimates or prospects in this presentation should in particular be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared or the information and statements contained herein are accurate or complete. As a result of these risks, uncertainties and assumptions, you should in particular not place reliance on these forward looking statements as a prediction of actual results or otherwise. This presentation does not purport to contain all information that may be necessary in respect of TeraPlast or its shares and in any event each person receiving this presentation needs to make an independent assessment.

TeraPlast undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this presentation that may occur due to any change in its expectations or to reflect events or circumstances after the date of this presentation.

This presentation and its contents are proprietary to TeraPlast and its subsidiaries and neither this document nor any part of it may be reproduced or redistributed to any other person.

TERAPLAST GROUP STRUCTURE

LOCAL CONSTRUCTION SECTOR

H1 KEY FIGURES – TERAPLAST GROUP

H1 KEY FIGURES – GROUP'S COMPANIES

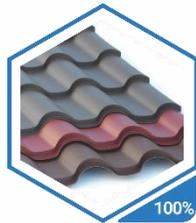
GROUP'S COMPANIES IN H1

STEEL DIVISION TRANSACTION

Q&A

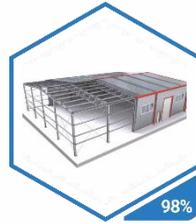
Steel Division

- Complete roof systems
- #2 on the market



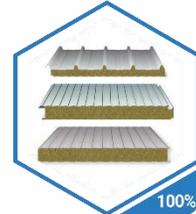
wetterbest
PE FIECARE CASA

- Sandwich panels, galvanized steel purlins, turnkey halls
- #1 on the sandwich panels market in Romania

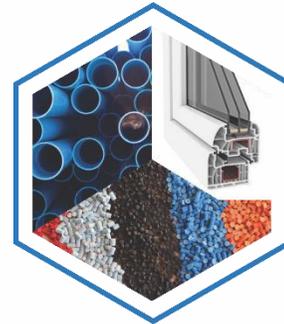


TeraSteel

- Sandwich panels, trapezoidal sheet
- Top producer on the CEE area



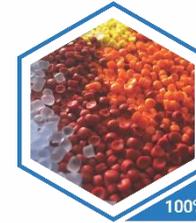
TeraSteel
Serbia



TeraPlast
since 1976

- Installation, Window Profiles, Compounds
- #1 on the exterior sewage market
- #1 on the compounds market

Plastics Division



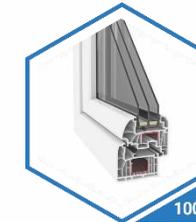
TeraPlast
Recycling

- Rigid PVC recycling
- #1 in Romania
- Top 10 in Europe



TeraGlass
ferestre și uși

- Windows & doors
- Largest exporter of the Group



TeraPlast
Hungary

- PVC profiles distribution in Hungary

LOCAL CONSTRUCTION SECTOR

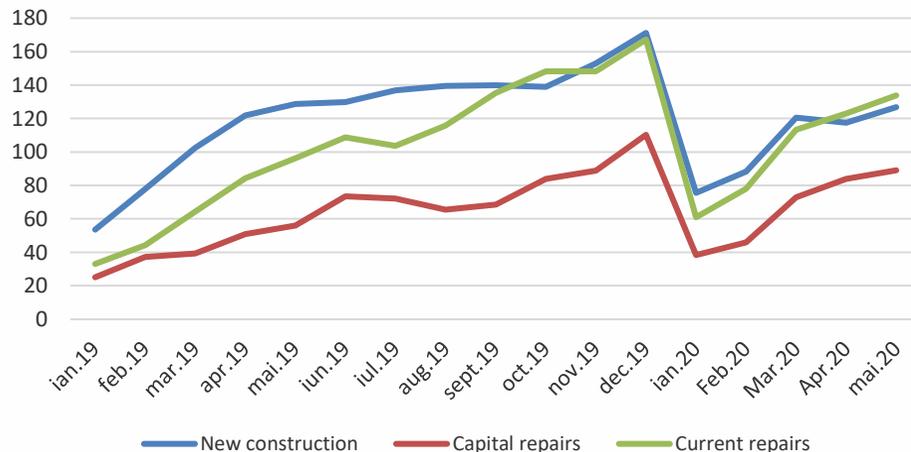
Despite the lack of visibility regarding the impact, the spread of the virus and delays in payments, most of the construction sites remained operational and the construction sector performed especially in the European funds financed areas.

Thus, the total volume of the construction sector for January-May 2020 increased by 23,7% (adjusted series) compared to the same period of 2019.

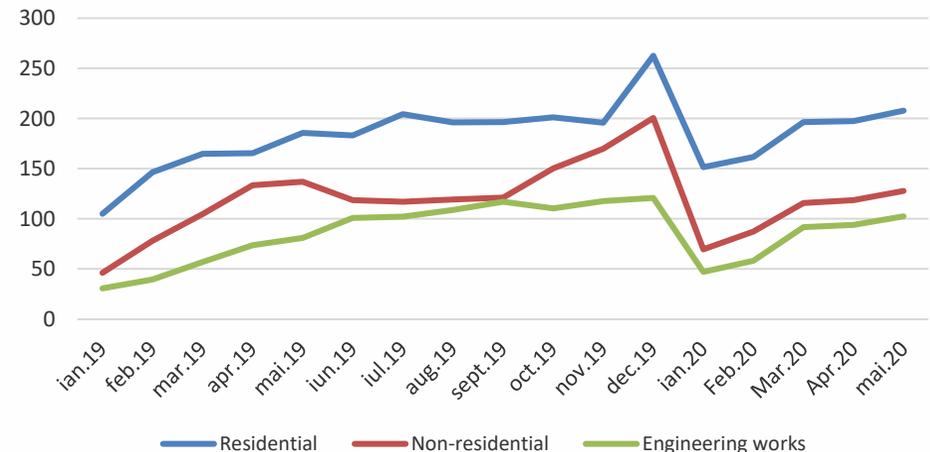
We notice a strong evolution of the current repairs and maintenance works that registered an advance of over 63% compared to January-May 2019, as well as of the capital repairs (+50,2%). New construction works increased by 11,2%.

In the same period of time, the best evolution was registered by the engineering works with an advance of 39,4% alongside the residential buildings (+19,8%).

By construction elements



By construction objects



H1 KEY FIGURES – TERAPLAST GROUP

H1/2020



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%)

H1 KEY FIGURES – GROUP'S COMPANIES

<i>million LEI</i>		H1 2020	H1 2019	<i>Evolution</i>
TeraPlast	Turnover	199	167,7	19%
	EBITDA	31,2	15,2	105%
TeraSteel Romania & Serbia	Turnover	155,8	130,8	19%
	EBITDA	16,2	13,1	24%
Wetterbest	Turnover	116,3	105,2	11%
	EBITDA	5,1	4,9	2%
TeraGlass	Turnover	15,5	12,7	22%
	EBITDA	0,2	1,1	(76)%
TeraPlast Group	Turnover	486,6	416,3	17%
	EBITDA	52,7	35,3	49%

- 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



- Increases mainly due to the Installation business line's sales thanks to the constant and upward trend of the infrastructure works
- Doubling of the EBITDA and profitability margin above market average (15,7%)
- Benefited from the reduced prices for the raw materials during this period
- Begun the delivery of recycled products to third parties – currently cca 50 tons/month



- Improved EBITDA, within parameters
- The Romanian factory reached its production capacity and the Serbian factory represents the main growth source until it will reach its production capacity as well
- Still has good visibility for the orders for the rest of the year

GROUP'S COMPANIES IN H1



- Though affected by the state of emergency, had a positive evolution
- Despite the imposed restrictions the relocation of the new production facility was completed in March and the effects are already visible in the improved logistics and production flows
- The profitability improved significantly in the last two months



- The demand on the foreign markets is on an upward trend again
- Profitability performance below expectations due to the delay in the ramp-up of the recently-completed investment, generated by the restrictions, state of emergency and business volumes
- In focus for future improvement

Key information:

- 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.

STEEL DIVISION TRANSACTION

- 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%

Q&A



TERA PLAST GROUP



©2020 TeraPlast SA. All rights reserved.

TeraPlast Industrial Park
Saratel village, Sieu-Magherus commune
Bistrita-Nasaud county, DN15A km 45+500

investor.relations@teraplast.ro
+40 741 270 439
www.teraplast.ro

Bucharest Stock Exchange symbol: TRP