

## TeraPlast Group increases its operating margin by 49% in the first half of 2020, compared to the estimated 32%

**Bistrița, July 27, 2020**

TeraPlast Group, the largest Romanian construction materials manufacturer, opens the half-year financial reporting at BSE and announces a 17% increase in turnover for the first half of 2020, compared to the same period of last year. At the same time, the EBITDA increased by 49%, from over RON 35 million to over RON 52 million.

*„We open the half-year reporting season with good news. The performance in the first 6 months exceeded our expectations. It was a record semester for TeraPlast and we continue our growth strategy.*

*The results for the first half of 2020 and the recently announced transaction, confirm that there are businesses that perform during this period.*

*The transaction with Kingspan creates greater shareholder returns, as the price of this divestment enables our investors to outperform the BSE yield”, stated **Ioana Birta**, CFO TeraPlast Group.*

### Key figures, thousand lei

| TeraPlast Group            | H1 2020 | H1 2019 | Evolution (%) |
|----------------------------|---------|---------|---------------|
| Turnover                   | 486.646 | 416.338 | 17%           |
| EBITDA                     | 52.721  | 35.304  | 49%           |
| EBITDA (%)                 | 10,8%   | 8,5%    |               |
| TeraPlast                  | H1 2020 | H1 2019 | Evolution (%) |
| Turnover                   | 199.048 | 167.684 | 19%           |
| EBITDA                     | 31.202  | 15.234  | 105%          |
| EBITDA (%)                 | 15,7%   | 9,1%    |               |
| Wetterbest                 | H1 2020 | H1 2019 | Evolution (%) |
| Turnover                   | 116.324 | 105.178 | 11%           |
| EBITDA                     | 5.054   | 4.954   | 2%            |
| EBITDA (%)                 | 4,3%    | 4,7%    |               |
| TeraSteel Romania & Serbia | H1 2020 | H1 2019 | Evolution (%) |
| Turnover                   | 155.813 | 130.774 | 19%           |
| EBITDA                     | 16.200  | 13.067  | 24%           |
| EBITDA (%)                 | 10,4%   | 10,0%   |               |

| <b>TeraGlass</b> | <b>H1 2020</b> | <b>H1 2019</b> | <b>Evolution (%)</b> |
|------------------|----------------|----------------|----------------------|
| Turnover         | 15.461         | 12.669         | 22%                  |
| EBITDA           | 266            | 1.112          | -76%                 |
| EBITDA (%)       | 1,7%           | 8,8%           |                      |

TeraPlast, the parent company of the Group, doubled its profitability in the first half of the year, compared to the same period of last year. EBITDA increased from RON 15.2 million to over RON 31 million, marking a profit margin of 15.7%. During the same period, the turnover increased by 17%, to almost RON 200 million, as a result of the significant number of ongoing infrastructure projects and the opening of new construction sites.

The turnover of Wetterbest, one of the leaders of the metallic roof tiles market in Romania, increased by 11%, from over RON 105 million to over RON 116 million. In March of this year, the company inaugurated the new factory in Băicoi, following a RON 44,5 million investment. The new factory has increased its annual production capacity to over 10 million square meters of metallic roof tiles.

The steady upward trend in the industrial segment is reflected in the performance of TeraSteel Romania and Serbia, which recorded double-digit increases in the first half of 2020. TeraSteel's turnover increased by 19%, from RON 130.8 million in the first half of 2019, to RON 156 million in the same period of 2020. TeraSteel's EBITDA exceeded RON 16 million, 24% more than in the first half of 2019.

TeraGlass is currently performing below expectations in terms of profitability, although it has recorded the largest increase in sales among the Group's companies. In the next period, the development of this business is a priority.

On July 24, TeraPlast SA concluded an agreement with Kingspan Group for the sale of the Steel division. The transaction concerns the entire participation of TeraPlast SA in Wetterbest and TeraSteel Romania and Serbia. The value of the division is estimated at RON 410 million, an amount that will be adjusted with the financial debt of the division at the date of the transfer of ownership, based on an agreed formula. The actual transfer will be made in a period of 3-6 months, after fulfilling the customary closing conditions.

## 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 2nd, 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 half of 2020** is available on the website <https://investors.teraplast.ro/>, Reports section, Financial reports, and can also be seen by accessing the link below: