

PRESS RELEASE

TeraPlast Group: organic growth of 46% in EBITDA and 14% in turnover in the first nine months of 2020

Bistrița, October 26, 2020

TeraPlast Group, the largest Romanian construction materials manufacturer, registered a RON 99,1 million EBITDA in the first nine months of 2020, 46% higher than in the same period of last year. The Group's turnover rose by 14% compared to the first nine months of 2019, up to RON 816,2 million.

"The organic growth in the first nine months of the year shows that our Group can adapt, find solutions and perform even in the difficult context of 2020. We could have increased more but we were limited by the production capacities for several main product groups. The need to increase the production capacities is one of the reasons we are planning investments of over EUR 20 million. We have submitted the first investment project, worth EUR 7,9 million, within the state aid scheme. In the coming period we will submit another three investment projects to increase the production capacities and develop new products. We will continue to bring value to our shareholders and these results represent an additional motivation" stated Ioana Birta, TeraPlast Group CFO.

Key figures, thousand lei

TeraPlast Group	Q3 2020	Q3 2019	Evolution (%)
Turnover	816.235	719.137	+14%
EBITDA	99.121	67.711	+46%
EBITDA (%)	12,1%	9,4%	
TeraPlast	Q3 2020	Q3 2019	Evolution (%)
Turnover	321.607	278.583	+15%
EBITDA	53.948	27.852	+94%
EBITDA (%)	16,8%	10,0%	
Wetterbest	Q3 2020	Q3 2019	Evolution (%)
Turnover	222.678	202.079	+10%
EBITDA	17.560	13.348	+32%
EBITDA (%)	7,9%	6,6%	

	Q3 2020	Q3 2019	Evolution (%)
TeraSteel Romania & Serbia			
Turnover	246.023	217.582	+13%
EBITDA	26.541	24.858	+7%
EBITDA (%)	10,8%	11,4%	
TeraGlass			
Turnover	25.928	20.893	+24%
EBITDA	1.072	1.652	-35%
EBITDA (%)	4,1%	7,9%	

**The turnover 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*

The Group's profitability margin improved in the first nine months of 2020 to 12,1%, while in the same period of last year the profitability margin was 9,4%.

In the third quarter, TeraPlast continued to be the most profitable company of the Group with an EBITDA margin of 16,8% in the first nine months. The company's EBITDA, of RON 53,9 million, is almost double compared to the operational performance in the same period of last year. TeraPlast's turnover rose by 15% y/y and reached RON 321,6 million, due mainly to the water and sewerage infrastructure works. The infrastructure market perspectives are positive for the next 2 years thanks to the investments within POIM (Large Infrastructure Operational Program financed through European funds) and the launch of PNRR (the National Program for Recovery and Resilience).

TeraPlast aims the expansion of the production capacity for the Installation business line, namely the pipes and fitting portfolio. To achieve that, the company submitted the first investment project within the state aid scheme to stimulate the investments with a high impact in the economy. The total value of the project is EUR 7,9 million, out of which 50% represent the requested state aid. The implementation of the project will be finalized in April 2022, and following the project 45 jobs will be created.

Wetterbest is on a positive trend with its EBITDA registering a 32% increase compared to the first nine months of 2019, reaching RON 17,6 million. The company's profitability margin improved significantly reaching 7,9%, and the is still room for improvement. Wetterbest's turnover reached RON 222,7 million, 10% more than in the first nine months of 2019. The lifting of the state of emergency gave way to new opportunities in the market. During this time, the potential of the new production unit in Baicoi began to be visible.

TeraSteel's turnover rose by 13% in the first nine months of 2020 compared to the same period of last year, up to RON 246 million. The company's EBITDA rose by 7%, up to RON 26,5 million after the first nine months of the year. TeraSteel is number one on the thermal insulating panels market in Romania and Serbia.

TeraGlass registered a 35% decrease of its EBITDA in the first nine months of 2020, despite the 24% increase in turnover in the same period, that represents the biggest increase of the Group's companies. The company showed an improved trend for its EBITDA in the third quarter compared to the previous quarters but here too remains room for further improvement.

In July 24, TeraPlast signed an agreement with Kingspan Group to sell its Steel division. The transaction aims the entire stake TeraPlast has in Wetterbest and TeraSteel Romania & Serbia. The transfer will take place after all customary and closing conditions will be satisfied – a process still in progress.

About TeraPlast Group

With a tradition of 125 years, the TeraPlast Group is presently the largest Romanian construction materials manufacturer. The Group is comprised of the following companies: TeraPlast, TeraSteel Romania & Serbia, Wetterbest, TeraGlass, TeraPlast Recycling and TeraPlast Hungary.

Starting July 2nd, 2008, the largest company of the Group – TeraPlast SA – is listed on the Bucharest Stock Exchange under the TRP symbol. TeraPlast's shares are included in the BSE reference index, BET, and since the third quarter of 2020 in FTSE Russell's Total Cap and MicroCap indices.

Within the Vektor evaluation based on 15 criteria for investor relations communication, conducted by ARIR, TeraPlast received the highest mark: 10.

The report containing the financial results for January-September 2020 is available on the website <https://investors.teraplast.ro/>, Reports section, Financial reports, and can also be seen by accessing the link below: