

TeraPlast sells its window profiles business to Dynamic Selling Group

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TeraPlast, the parent-company of TeraPlast Group, announces the sale of its window profiles business to Dynamic Selling Group, producer and distributor of window profiles for thermal insulating carpentry.

The decision comes as a result of TeraPlast's strategy to expand to new businesses and markets. The transfer will be made after obtaining the Competition Council's approval.

TeraPlast has been in talks with two companies – the world leader in the field and the Romanian producer Dynamic Selling Group. Following the negotiation, the transaction materialized with the Romanian Group at a value of approximately EUR 4,5 million that will be adjusted on the date of the transfer, based on the actual working capital.

"The window profiles business was the only business in the Group where we were not in the top two players in the market. Our strategy was and remains to be number 1 or 2 on any of the markets in which we operate. With our partners from Dynamic Selling Group we analyzed three options: acquiring the business, a merger of our profile businesses or selling this business to them. Under similar financial coordinates we decided to sell the window profiles business to the number one manufacturer in Romania. Thus, Dynamic Selling Group can strengthen its market position and contribute to decreasing the imports which, in the field of window profiles, represent a significant share of consumption. In the last 25 years, Dynamic Selling Group's team has been showing reliability, commitment and professionalism, the company being the largest window profiles producer in Romania. We are confident that following this investment they will become leaders on a market with over 20 competitors, most of them strong producers from abroad. We chose to focus on developing other areas of TeraPlast's business. Our objective for every business we enter is to reduce the imports that Romania makes and to produce at the same technical level as the large international manufacturers" stated Alexandru Stănean, TeraPlast's CEO.

In the first nine months of 2020, TeraPlast Group registered a 14% increase of the turnover, up to EUR 167 million, and a 46% increase in EBITDA, up to EUR 20 million.

The window profiles represented EUR 9 million in TeraPlast's turnover in the first nine months of 2020. The distribution network of this business line includes over 200 clients, thermal insulating carpentry producers as well as the TeraPlast Hungary company.

For 2020, TeraPlast Group estimates EUR 9 million net profit for the Plastics Division – 4 times larger than the one in 2019. For the same division, the Group has ongoing investment projects worth over EUR 32 million.

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.

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