

PRESS RELEASE

## 61% increase in TeraPlast Group's EBITDA during the first quarter

- **The EBITDA margin is 16,2%, the Group EBITDA reaching RON 17,53 million**
- **The operational profit doubled compared to 1Q/2020 and reached RON 13,2 million**
- **The Group's turnover increased by 28%**
- **The first quarter figures are above the budgeted estimates**

**Bistrița, April 21st, 2021**

TeraPlast Group announces a 28% increase in turnover during the first quarter of this year, up to RON 108 million, compared to the same period of the last year.<sup>1</sup> At the same time, EBITDA improved significantly: during January-March 2021, it exceeded RON 17,5 million, resulting in an EBITDA margin of 16,2%, compared to 12,8% in the first quarter of 2020.

The doubling of the operational profit is the result of the turnover increase and the operational efficiency based on economies of scale. The results highlight the profitability of the accelerated growth business model and reconfirms the development strategy of the Group on the markets it aims to become leader.

<i>amounts in RON, thousand</i>	<b>TeraPlast &amp; TeraPlast Recycling</b>	<b>TeraGlass</b>	<b>Group Total</b>
1Q21 turnover	99.041	8.856	107.898
1Q21 EBITDA	16.819	711	17.531
<i>1Q21 EBITDA (%)</i>	<i>17%</i>	<i>8%</i>	<i>16%</i>
1Q21 operational profit	12.867	332	13.199
1Q20 turnover	78.235	6.307	84.542
1Q20 EBITDA	11.095	(235)	10.860
<i>1Q20 EBITDA (%)</i>	<i>14%</i>	<i>-4%</i>	<i>13%</i>
1Q20 operational profit	6.952	(510)	6.442

The Installation & Recycling segment represents 71% of the consolidated turnover. It achieved an EBITDA margin of 17,5%, namely an EBITDA of RON 13,36 million in absolute value. Thus, the EBITDA margin improved by more than three percentage points over the one in the first quarter of 2020. The compounds segment's turnover increased by 35%,

<sup>1</sup> The results are restated to take into account the Group resizing following the sale of the steel products division and the window profiles business. Somplast is not accounted for since the approval of the Competition Council has been received in the second quarter of 2021.

reaching RON 22,59 million, and an EBITDA margin of 15%. The advance of these businesses came from both the increase by 19% of the quantities sold, and the increase in sale prices, in the context of a consolidated operational efficiency. The increase in sale prices was generated by an increase in raw materials' costs, a persistent and even increasing trend. On top of the raw materials price increase there is also a shortage in the global market, but TeraPlast Group has not been affected by it so far.

TeraGlass had a robust growth of 40% in sales during the first quarter. In addition, the EBITDA margin reached 8%, compared to the loss registered in the same period of last year, which shows that the measures taken by the management are already yielding results.

*„The first quarter generated a 61% increase in EBITDA. To put this in perspective, this is compared to 2020, a year with record breaking results for the Group” stated Mrs. Ioana Birta, Group CFO. "The EBITDA margin of 16% is significantly larger than the 14% margin we've budgeted for 2021. We can say that we are one step ahead of the budget, which makes us believe we will achieve the proposed efficiency. We have recently received the Competition Council's approval to take over Somplast, so it will be integrated in our Group starting this month and, by active involvement of our management, it will contribute to the future consolidated results alongside the fruition of the synergies at Group level. The high volume of water, sewerage and irrigation works together with our operational efficiency make us optimistic and confident we can deliver growth and value to our clients and shareholders” added Ioana Birta.*

For the whole 2021, TeraPlast Group's budget is built on a turnover of RON 636,2 million and an EBITDA of RON 89,1 million. The Group is implementing investments worth over RON 160 million in doubling the production capacity for Installations and in the biodegradable flexible packaging factory. The investments are on track.

At the end of February, the Group announced the closing of the sale of the steel products division to Kingspan. The Board of Directors proposes that, from the received consideration, RON 226,6 million to be distributed as special dividends and, in autumn, to grant 1 free share per each 4 shares owned, within the share capital increase of RON 43,6 million.

TRP is the share with the highest dividend yield. It is the very good start of the process to reunite the operational performance of 2020, namely the RON 130 million EBITDA, created within a Group rebuilt on other accelerated growth bases and improved operational margins.

- The Installation & Recycling segment reached a turnover of RON 76,45 million and an EBITDA of RON 13,36 million, which represents 76% of the consolidated Group EBITDA.
- The Compounds segment contributed by 20% to the consolidated turnover and had a 35% increase compared to the first quarter of last year.

- TeraGlass, the windows& doors segment, had a 37,6% increase in revenue, up to RON 8,86 million, while the EBITDA margin of this segment reached 8%, a substantial improvement of the results after the loss registered in the first quarter of last year.
- During the first quarter, TeraPlast Recycling registered an EBITDA of RON 1,32 million, which translates into economies for the Group by using recycled material in PVC pipes production. The current processing capacity of 12 thousand tons shall increase until the end of the year to 28 thousand tons following the investments carried out by the Group on this segment with high potential in terms of streamlining as well as sustainability.

## Recent events

- TeraPlast Group received the Competition Council's approval to take over Somplast. The acquisition implies the integration of a polyethylene production capacity of 4.000 tons.
- The Board of Directors proposed the distribution of a special dividend worth RON 226,6 million in total and the grant of 1 free share for each 4 shares owned.
- TeraPlast Group announced at the end of February the closing of the sale of the steel products division to Kingspan Group. The price of RON 373 million represents the initial consideration, and the final consideration based on the audited results is RON 375,5 million.
- In 2020, the Plastics Division that continues its activity within the Group after the sale of the steel products division was the most dynamic one, with an EBITDA 56% larger compared to the previous year.

## About TeraPlast Group

*The Group is comprised of the following companies: TeraPlast, TeraGlass, TeraPlast Recycling, TeraPlast Folii Biodegradabile and Somplast.*

*Starting July 2<sup>nd</sup>, 2008, TeraPlast SA – the parent-company of the TeraPlast Group – 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, for the second year.*

**The report containing the financial results for the first quarter of 2021** is also available on the website <https://investors.teraplast.ro/>, Reports section, Financial reports.

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