



TeraPlast[®]

since 1896

Budget 2023

- For the current year, TeraPlast Group is targeting significant increases in financial performance, estimating an acceleration of infrastructure works, expected at the beginning of Q3/2023 at the latest.

+19%

TURNOVER

**848
MLN. LEI**

(2022: 711 MLN. LEI)

+42%

EBITDA

**75
MLN. LEI**

(2022: 52,7 MLN. LEI)

**EBITDA
MARGIN**

8,8%

(2022: 7,4%)

+14,8%

VOLUMES

89.468 TONS

(2022: 77.904 TONS)

The consolidated results in 2023 will improve considering reduced price volatility. Turnover will increase driven by growth in volumes.

The budget presented for 2023 does not include the effects determined by possible M&A.

102 mln. lei

**Total value of the
investments for 2023.**

The most important investment projects in 2023 are the stretch film factory and the photovoltaic plant.

- Second half of 2023 will bring a positive impact for Instalations & Recycling as we expect the start of constuction for the Anghel Saligny projects as well as increased pace on POIM projects. We expect to excede the volumes of 2021.
- In compounds we see a normalisation of the market conditions, meaning more stable prices and less arbitrage which will increase demand for EU products.
- TeraGlass, (Windows & Doors), will grow based on PNRR projects worth EUR 2,2 bn (increased thermal eficiency of buildings). We will also see a slight decrease of prices as well as an increase in volumes. The profitability will grow as there will be less pressure from the cost of raw materials. On the other hand the increase in construction minimum wage will have a negative impact.
- Flexible packaging will also see an increase in volumes, as we will be over the ramp-up stage, have a broader customer base and see an overall increase in demand. In 2023 we will be over the break even threshold.

Market opportunities

INSTALLATION

7 billion EUR

Budgeted for infrastructure through National Recovery & Resilience Plan and Anghel Saligny program (water, sewerage and gas networks)

WINDOWS & DOORS

2,2 billion EUR

Budgeted for renovations – apartment blocks & public buildings renovated/rehabilitated (PNRR Renovation Wave)

FLEXIBLE PACKAGING

274 million EUR

is worth the flexible packaging market in Romania, of which 169 mln EUR are imports

COMPOUNDS

18 billion EUR

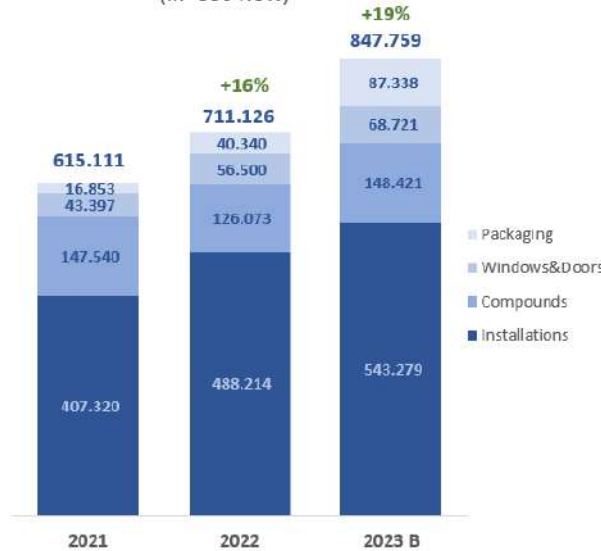
Budgeted for other projects where the Group's products (i.e. compounds) can be used (energy, waste management, transport, social & institutional buildings, healthcare, education etc.)

FINANCIAL PERFORMANCE



RON '000	2021	2022	2023 B
Net sales	615.111	711.126	847.759
Other operating income	3.486	655	704
Total operating income	618.597	711.781	848.463
Raw materials, consumables & m	(406.509)	(486.499)	(560.627)
Salaries and employee benefits	(69.275)	(83.556)	(97.196)
Depreciation and adjustments for	(23.204)	(26.285)	(30.880)
Other operating expenses	(66.291)	(89.008)	(115.634)
Total operating costs	(565.279)	(685.349)	(804.337)
EBIT	53.319	26.433	44.126
EBITDA	74.640	52.718	75.006
EBITDA %	12%	7%	9%
Financial results, net	(2.344)	(9.877)	(20.196)
Profit before tax	50.975	16.556	23.930
Income tax expenses	(8.684)	(1.182)	(4.544)
Net profit	42.291	15.374	19.385
Net profit %	7%	2%	2%

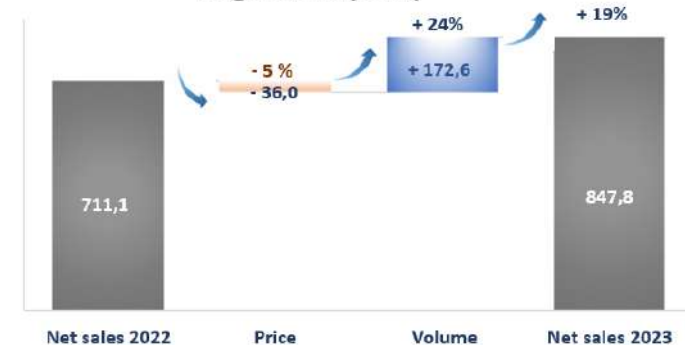
Net sales by segments
(in '000 RON)



EBITDA by segments
(in '000 RON)



Bridge net sales (mil lei)



The 2023 budget remains challenging, and we aim to slightly exceed the Group's record EBITDA in 2021, relying also on the normalization of business segments aimed at diversifying our business. We expect our business to improve in the second half of 2023.

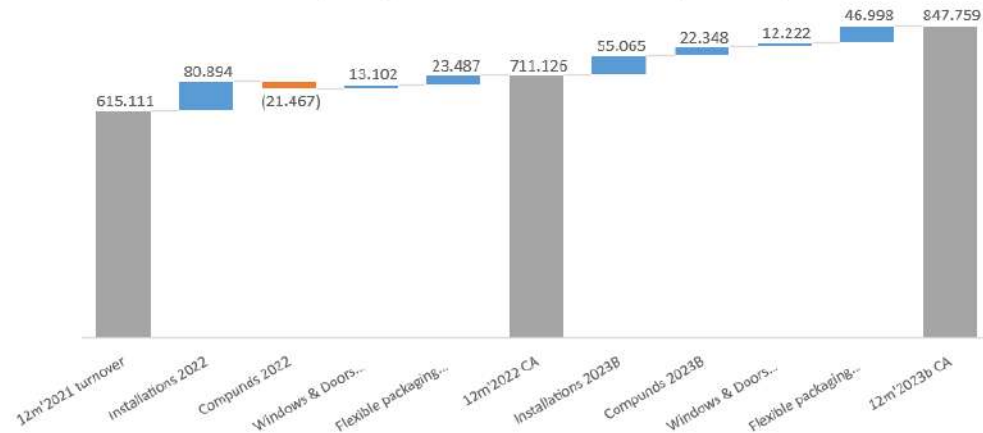
Consolidated results at Group level in 2023 will improve based on reduced price volatility (-5% price decrease). Turnover will increase from higher volumes (+24%).

FINANCIAL PERFORMANCE

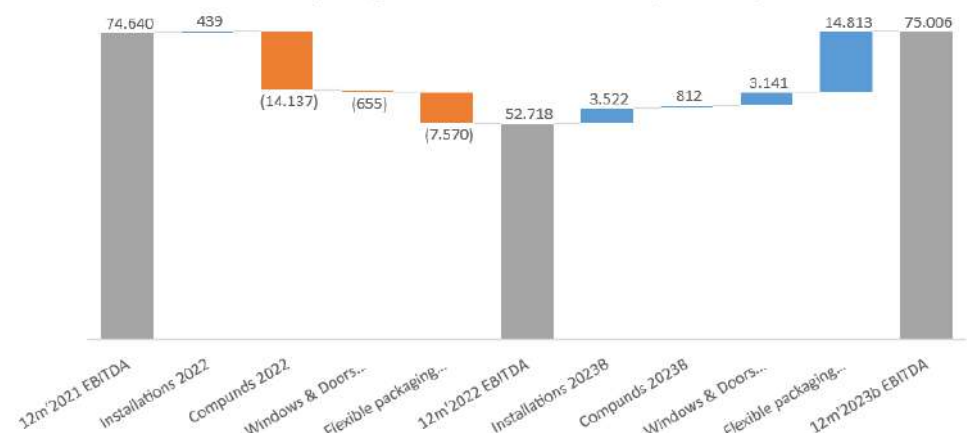


RON '000	Installations and recycling			Compunds			Windows&Doors			Flexible Packaging			Teraplast Group		
	2021	2022	2023b	2021	2022	2023b	2021	2022	2023b	2021	2022	2023b	2021	2022	2023b
Net sales	407.320	488.214	543.279	147.540	126.073	148.421	43.397	56.500	68.721	16.853	40.340	87.338	615.111	711.126	847.759
Other operating income	1.050	556	-	-	61	-	8	16	704	31	21	-	1.089	655	704
Total operating income	408.370	488.770	543.279	147.540	126.134	148.421	43.406	56.516	69.425	16.884	40.361	87.338	616.200	711.781	848.463
Raw materials, consumables, merchan	(268.521)	(320.704)	(346.874)	(99.955)	(98.286)	(112.555)	(25.683)	(34.679)	(40.271)	(12.350)	(32.830)	(60.926)	(406.509)	(486.499)	(560.627)
Salaries and employee benefits	(44.217)	(52.885)	(59.707)	(11.409)	(7.827)	(10.980)	(9.133)	(11.204)	(13.598)	(4.516)	(11.641)	(12.911)	(69.275)	(83.556)	(97.196)
Depreciation and adjustments for asset	(15.976)	(18.919)	(19.812)	(3.005)	(2.680)	(3.208)	(1.595)	(1.352)	(1.217)	(747)	(3.334)	(6.643)	(21.321)	(26.285)	(30.880)
Other operating expenses	(45.124)	(64.233)	(82.228)	(9.357)	(7.340)	(11.393)	(7.590)	(10.288)	(12.069)	(3.705)	(7.148)	(9.945)	(65.776)	(89.008)	(115.634)
Total operating costs	(373.837)	(456.741)	(508.621)	(123.726)	(116.133)	(138.135)	(44.000)	(57.522)	(67.155)	(21.318)	(54.952)	(90.425)	(562.882)	(685.349)	(804.337)
EBIT	34.533	32.029	34.658	23.814	10.001	10.285	(594)	(1.007)	2.270	(4.434)	(14.591)	(3.087)	53.319	26.433	44.126
EBITDA	50.508	50.948	54.470	26.819	12.681	13.493	1.000	346	3.487	(3.687)	(11.257)	3.556	74.640	52.718	75.006
EBITDA %	12,4%	10,4%	10,0%	18,2%	10,1%	9,1%	2,3%	0,6%	5,1%	-21,9%	-27,9%	4,1%	12,1%	7,4%	8,8%
Financial result, net	(1.437)	(6.774)	(13.710)	(235)	(708)	(1.120)	(395)	(1.174)	(2.236)	(276)	(1.221)	(3.131)	(2.344)	(9.877)	(20.196)
Profit before tax	33.096	25.255	20.948	23.579	9.293	9.166	(990)	(2.180)	34	(4.710)	(15.812)	(6.218)	50.975	16.556	23.930
Income tax expenses	(4.625)	(1.647)	(3.736)	(4.012)	(928)	(808)	-	(418)	-	(46)	1.812	-	(8.684)	(1.182)	(4.544)
Net profit	28.471	23.608	17.212	19.566	8.365	8.357	(990)	(2.599)	34	(4.756)	(14.000)	(6.218)	42.291	15.374	19.385
Net Profit %	7,0%	4,8%	3,2%	13,3%	6,6%	5,6%	-2,3%	-4,6%	0,0%	-28,2%	-34,7%	-7,1%	6,9%	2,2%	2,3%

Turnover | Bridge FY21 -> FY22 -> FY 23b (RON'000)



EBITDA | Bridge FY21 -> FY22 -> FY23b (RON'000)

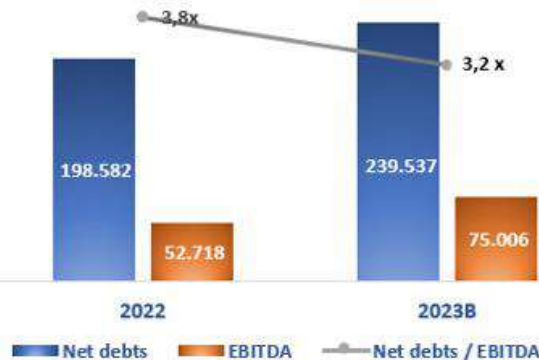


2023B | Balance sheet summary

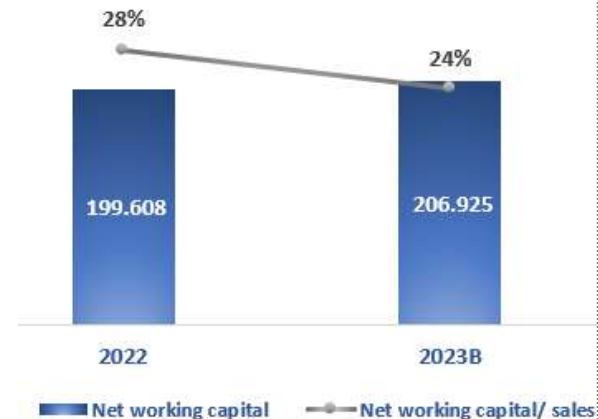
RON '000	TRP Group	
	2022	2023 B
Intangibles assets	3.772	2.859
Tangible assets	355.953	426.716
Investment Property	4.915	4.915
Other non-current assets	2.114	2.114
Total fixed assets	366.754	436.603
Inventories	129.120	150.984
Trade receivables	141.648	155.667
Trade debts	(75.513)	(103.557)
Trade working capital	195.255	203.094
Other payables	(2.002)	(1.957)
Other receivables	8.622	8.622
Working capital - other	6.620	6.665
Net working capital	201.874	209.759
Cash and cash equivalents	11.401	3.946
Finance lease loans and debts	(200.659)	(234.158)
Other long-term debts	(8.372)	(8.372)
Provisions	(953)	(953)
Net (debt) / cash	(198.582)	(239.537)
Investments grants	(60.566)	(77.961)
Net assets	309.479	328.864
Share capital	217.405	217.405
Reserves	52.516	52.516
Retained earnings	36.296	55.681
Non-controlling interest	3.262	3.262
Equity	309.479	328.864

Key aspects

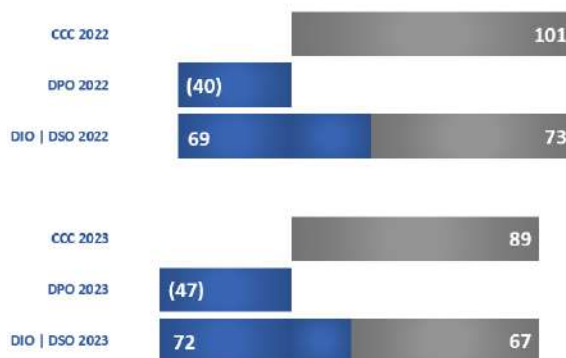
Net debts/ EBITDA ('000 RON, x)



Net working capital and % in sales



Cash Conversion Cycle (in # days)



- Investment payments were 96 million lei in 2022. For 2023 we plan to invest 100 million lei, out of which 63 million lei stretch films and 19 million lei photovoltaic panels.
- This year we received 30,4 million lei in state aid for the TeraBio investment and the TRP projects. Next year we will collect the remaining 23,9 million lei related to projects worth.
- Net working capital will increase in value in 2023 vs 2022 in line with sales growth

2023 B | Cash flow summary

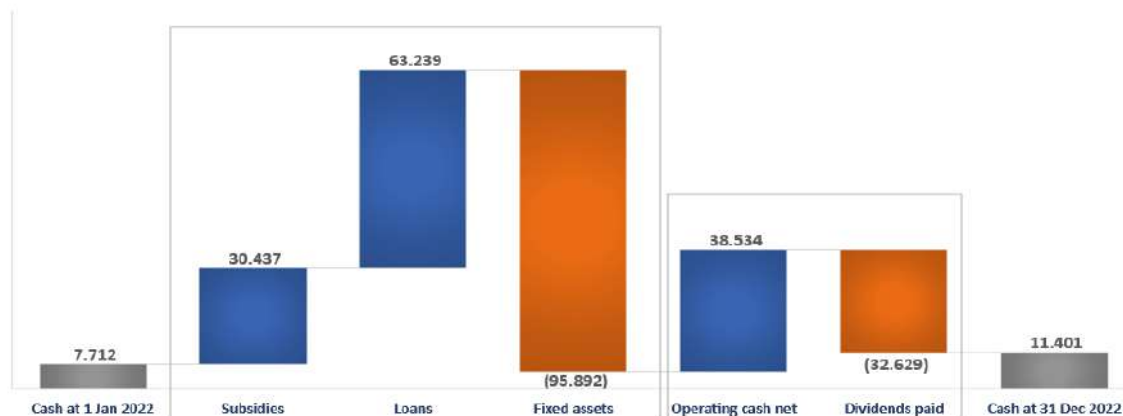
RON '000

Cash flow summary	2022	2023B
Net profit before tax	16.556	23.930
Net profit adjustments	45.733	48.518
(+) Operating profit before changes in working capital	62.289	72.448
Net impact working capital	(6.524)	(7.884)
Income tax paid	(3.102)	(4.544)
Interest paid	(9.874)	(17.639)
Income from subsidies	(4.255)	(6.538)
(-) Subtotal changes in working capital and other	(23.755)	(36.606)
=> Cash from operating activities	38.534	35.842
Payments for fixed assets acquisitions	(98.378)	(100.729)
Receipts from sales of fixed assets	2.486	-
Receipts from subsidies	30.437	23.933
(+) Net cash used for investments	(65.455)	(76.796)
Net repayments of loans and leasing	63.639	33.499
Dividends received	56	-
Dividends paid	(32.685)	-
Share repurchased	(400)	-
(-) Net cash from finance activities	30.610	33.499
Net variance	3.689	(7.455)
Cash & Equiv la Jan 1, 2022/ 2023	7.712	11.401
Cash & Equiv la Dec 31, 2022/ 2023	11.401	3.946

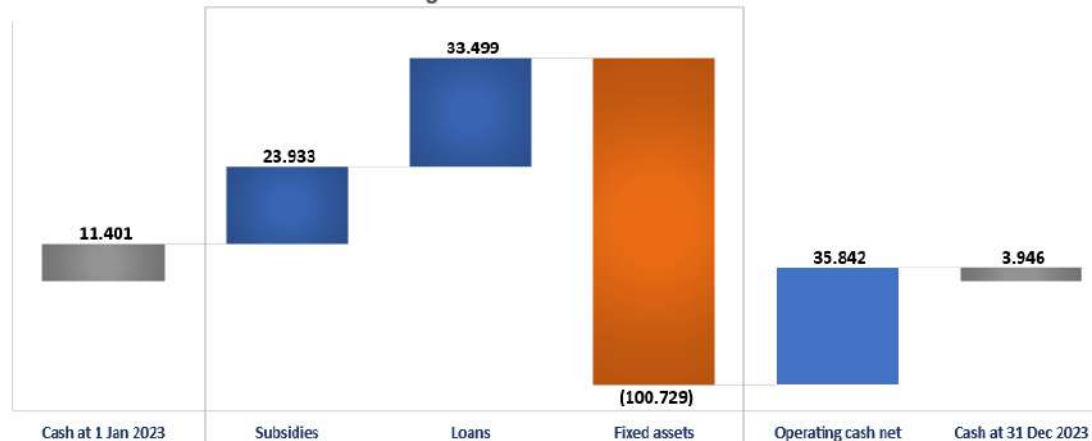
all amounts in thousands of RON unless otherwise specified

Bridge 31 December 2022 / 2023

Bridge Cash Flow 12M 2022



Bridge Cash Flow 12M 2023





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