

# GENERAL MEETING OF SHAREHOLDERS OF TERAPLAST S.A.– Budget 2024

26 april 2024





## Key premises for 2024

- We will pursue cautious organic growth following the experience of recent years.
- For infrastructure works, fueled by public and European funds, a positive evolution is expected.
- The share of main expenses in turnover will be similar to that of 2023. The same goes for the share of business segments.
- We are reducing fixed costs for businesses that have experienced operational losses.
- **The main contribution to the improvement in results will come from recent acquisitions - Plaplast and the Freiler Group with +15% turnover and EBITDA, respectively.**
- Volumes will increase by 16% for current businesses and by 33% together with the contribution of M&A.
- TeraBio Pack has reached the critical volume threshold and will enter positive profitability territory in 2024. The contribution of stretch films to the turnover of the segment will result in an 80% growth. However, from an EBITDA perspective, the ramp-up of the Opal stretch film factory will have a negative contribution.

### TURNOVER

**864,5 MLN. LEI**

+29% compared to 2023 (672,3 mln. LEI)

### EBITDA

**71,7 MLN. LEI**

+39% compared to 2023 (51,4 mln. LEI)

### EBITDA MARGIN

**8,3%**

+0,7pp compared to 2023 (7,6%)

### NET PROFIT

**10,6 MIL. LEI**

+836% compared to 2023 (1,1 mln. LEI)

### GROSS MARGIN

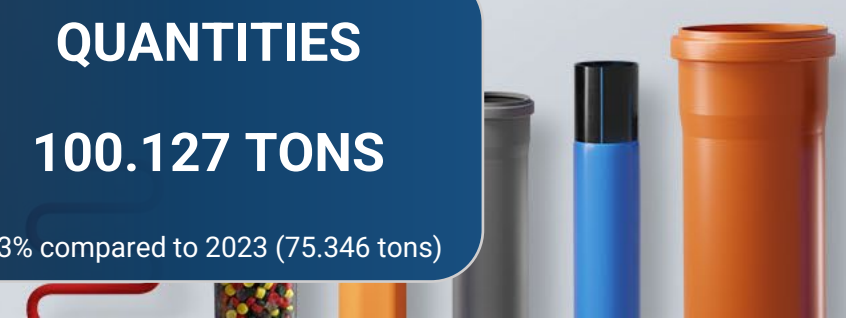
**37%**

2023 (37%)

### QUANTITIES

**100.127 TONS**

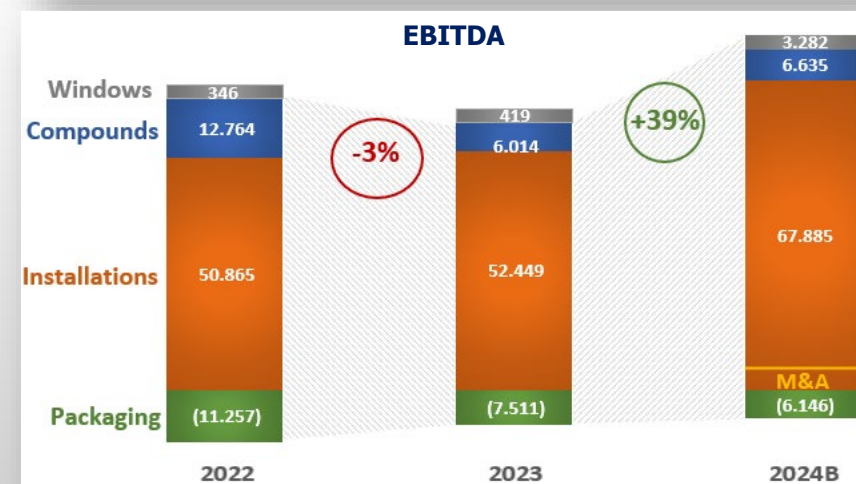
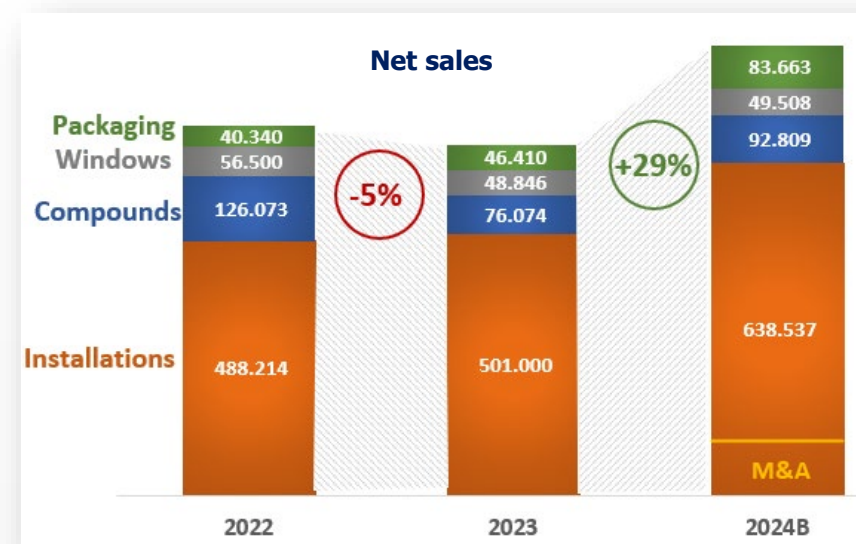
+33% compared to 2023 (75.346 tons)



## 2024 Budget - segments

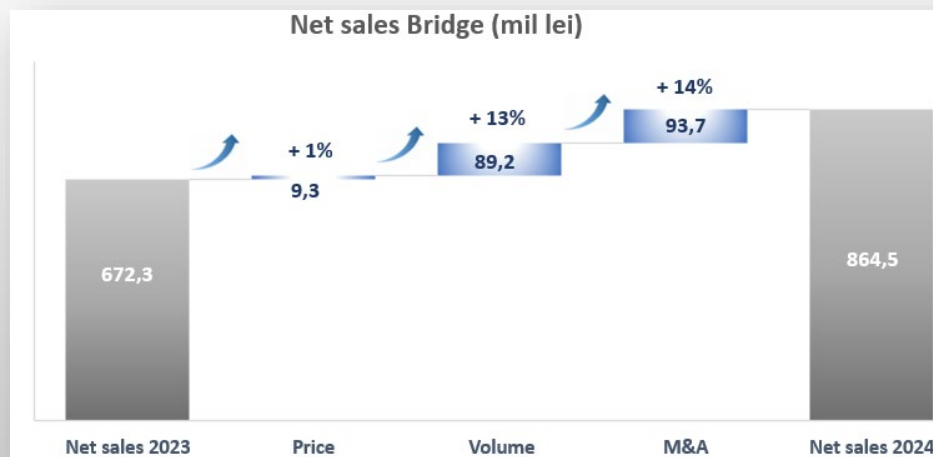
RON '000	2022	2023	2024 B
<b>Net Sales</b>	<b>711.126</b>	<b>672.331</b>	<b>864.518</b>
Other operating income	655	1.835	139
<b>Total Operating Income</b>	<b>711.781</b>	<b>674.165</b>	<b>864.657</b>
Raw materials, consumables & merchandise	(486.499)	(424.942)	(545.111)
Salaries and employee benefits	(83.556)	(95.056)	(116.432)
Utilities	(21.128)	(32.593)	(42.400)
Amortization, impairments, provisions	(26.285)	(33.002)	(36.491)
Other operating expenses	(67.880)	(70.203)	(89.057)
<b>Total Operating Costs</b>	<b>(685.349)</b>	<b>(655.796)</b>	<b>(829.491)</b>
<b>EBIT</b>	<b>26.433</b>	<b>18.369</b>	<b>35.166</b>
<b>EBITDA</b>	<b>52.718</b>	<b>51.372</b>	<b>71.657</b>
<b>EBITDA %</b>	<b>7%</b>	<b>8%</b>	<b>8%</b>
Financial result, net	(9.877)	(13.167)	(17.017)
<b>Profit before tax</b>	<b>16.556</b>	<b>5.202</b>	<b>18.149</b>
Income tax expense	(1.182)	(4.064)	(7.500)
<b>Net Profit</b>	<b>15.374</b>	<b>1.138</b>	<b>10.649</b>
<b>Net Profit %</b>	<b>2%</b>	<b>0%</b>	<b>1%</b>

For this year, TeraPlast Group presents a budget with moderated organic growth, based on the prior years experience and the current macroeconomic context. The expectations are that several market segments will face contractions on various levels, while public works, with governmental or European financing will be on the upswing.



## 2024 Budget - quarters

RON '000	2024 Budget	Q1	Q2	Q3	Q4
<b>Net Sales</b>	<b>864.518</b>	<b>148.736</b>	<b>228.750</b>	<b>269.517</b>	<b>217.515</b>
Other operating income	139	-	46	46	46
<b>Total Operating Income</b>	<b>864.657</b>	<b>148.736</b>	<b>228.797</b>	<b>269.564</b>	<b>217.561</b>
Raw materials, consumables & merchandise	(545.111)	(95.124)	(144.289)	(168.805)	(136.892)
Salaries and employee benefits	(116.432)	(24.291)	(29.398)	(30.260)	(32.483)
Utilities	(42.400)	(7.362)	(11.639)	(12.233)	(11.165)
Amortization, impairments, provisions	(36.491)	(8.158)	(9.431)	(9.486)	(9.416)
Other operating expenses	(89.057)	(19.257)	(23.734)	(23.309)	(22.757)
<b>Total Operating Costs</b>	<b>(829.491)</b>	<b>(154.192)</b>	<b>(218.492)</b>	<b>(244.094)</b>	<b>(212.713)</b>
<b>EBIT</b>	<b>35.166</b>	<b>(5.456)</b>	<b>10.305</b>	<b>25.470</b>	<b>4.848</b>
<b>EBITDA</b>	<b>71.657</b>	<b>2.701</b>	<b>19.736</b>	<b>34.956</b>	<b>14.264</b>
<b>EBITDA %</b>	<b>8%</b>	<b>2%</b>	<b>9%</b>	<b>13%</b>	<b>7%</b>
Financial result, net	(17.017)	(3.806)	(4.529)	(4.316)	(4.366)
Income tax expense	(7.500)	(24)	(1.326)	(3.921)	(2.230)
<b>Net Profit</b>	<b>10.649</b>	<b>(9.286)</b>	<b>4.449</b>	<b>17.233</b>	<b>(1.748)</b>
<b>Net Profit %</b>	<b>1%</b>	<b>-6%</b>	<b>2%</b>	<b>6%</b>	<b>-1%</b>



- The turnover as well as the EBITDA budgeted will increase consistently, which will be mainly the effects of the M&A operations and the new stretch film business.
- For the Installation segment, domestic infrastructure projects are expected to grow in 2024 as well.
- TeraGlass will continue the strategy of 2023 to switch to non-DIY customers. This switch will be boosted by the newly recruited, experienced sales team, focused on the renovations and new buildings market.
- The Packaging turnover will grow by 80% due to the commissioning of Opal (stretch film). TeraBio Pack will reach break-even this year.

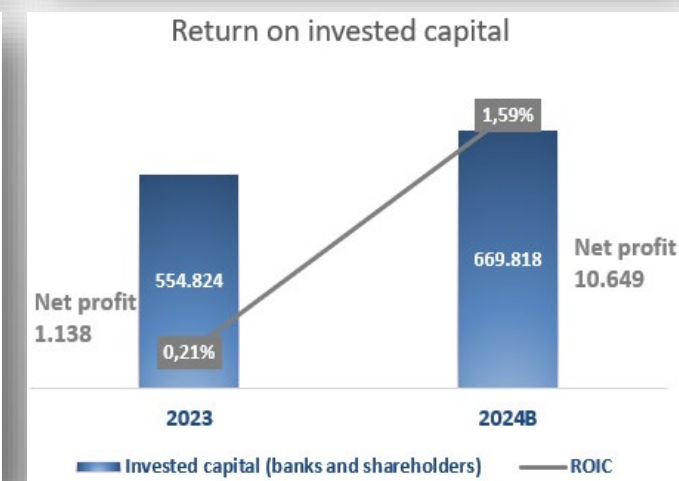
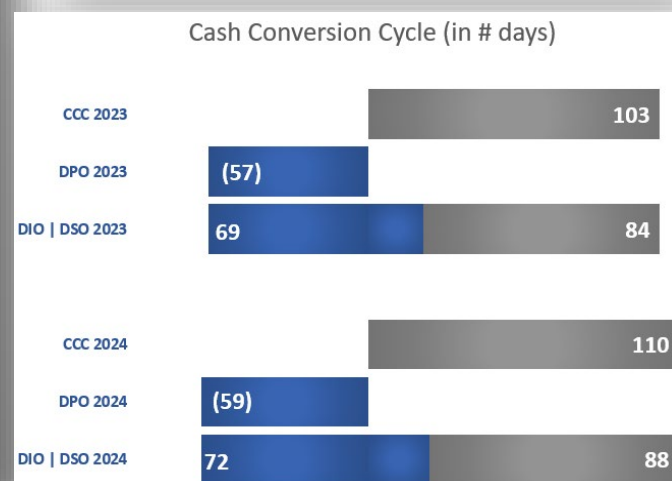
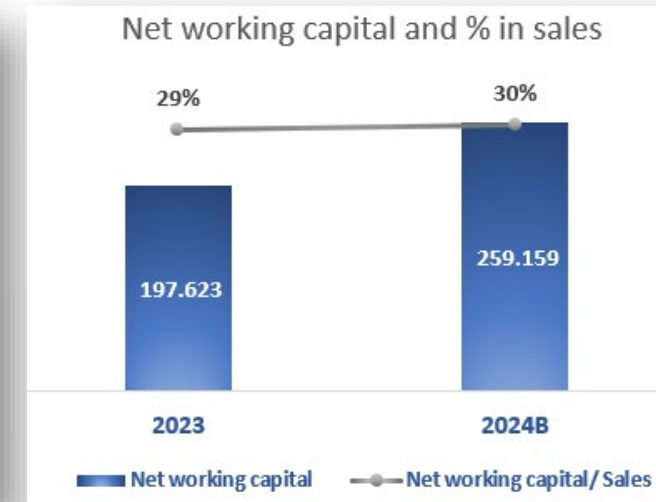
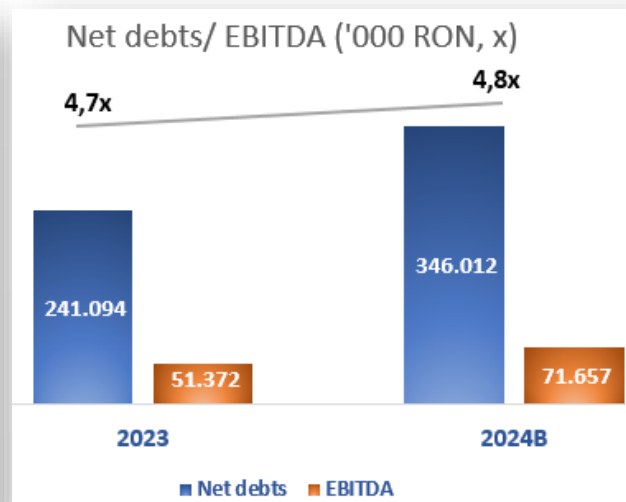


## Financial performance

### 2023 | 2024B Balance-sheet summary

RON '000	TRP Group	
	2023	2024B
Intangibles	3.961	6.156
Tangible assets	421.430	498.793
Investment Property	5.737	6.608
Other non-current assets	1.583	1.568
<b>Non-current assets</b>	<b>432.712</b>	<b>513.124</b>
Inventories	138.564	183.973
Trade receivables	154.411	209.038
Trade payables	(103.329)	(134.455)
<b>Trade working capital</b>	<b>189.647</b>	<b>258.555</b>
Other payables	(2.282)	(2.319)
Other receivables	10.259	2.923
<b>Other working capital</b>	<b>7.977</b>	<b>604</b>
<b>Net working capital</b>	<b>197.623</b>	<b>259.159</b>
Cash and cash equivalents	18.879	1.757
Bank loans and leases	(252.540)	(341.800)
Other non current liabilities	(6.908)	(5.444)
Provisions	(525)	(525)
<b>Net (debt) / cash</b>	<b>(241.094)</b>	<b>(346.012)</b>
Subsides	(76.561)	(102.465)
<b>Net assets</b>	<b>312.681</b>	<b>323.806</b>
Share capital & premiums	217.900	217.900
Reserves	54.259	54.259
Retained earnings	37.856	48.505
Non-controlling interest	2.665	3.142
<b>Equity</b>	<b>312.681</b>	<b>323.806</b>

### Key aspects



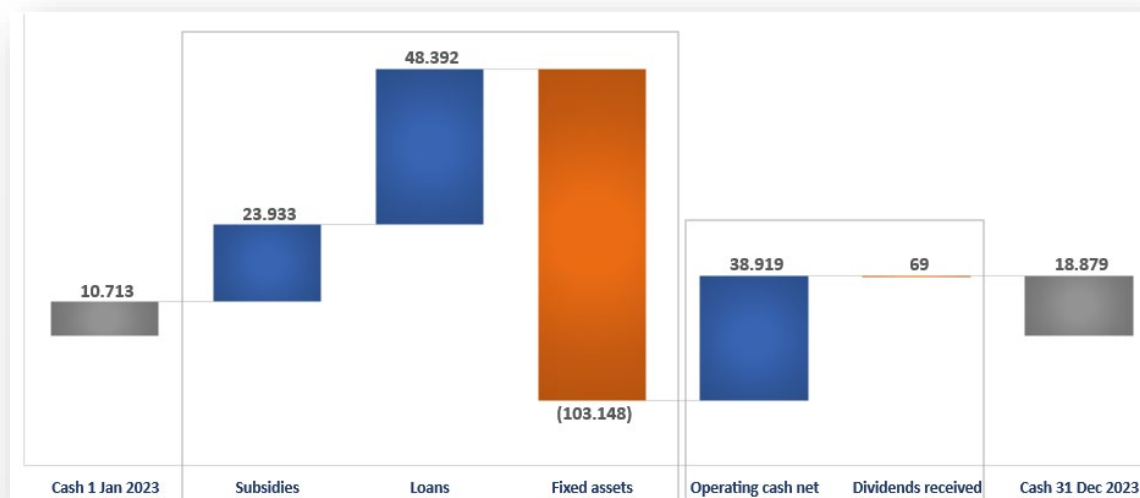
- Investment payments were 104 million lei in 2023. For 2024, we plan to invest 53 million lei.
- This year we received 24 million lei in state aid. Next year we will collect 34 million lei.
- Net working capital will increase slightly in 2024 to support regional expansion.

## Financial performance

### 2023 | 2024B CF summary

Cash flow summary, RON `000	2023	2024B
Net profit before tax	5.202	18.149
Net profit adjustments	54.606	49.752
<b>(+) Operating profit before changes in working capital</b>	<b>59.808</b>	<b>67.901</b>
Net impact working capital	4.230	(22.496)
Income tax paid	(4.052)	(7.500)
Interest paid	(13.129)	(13.261)
Income from subsidiaries	(7.938)	(8.532)
<b>(-) Subtotal changes in working capital and other</b>	<b>(20.888)</b>	<b>(51.789)</b>
<b>=&gt; Cash from operating activities</b>	<b>38.919</b>	<b>16.112</b>
Payments for fixed assets acquisitions	(104.019)	(53.314)
Receipts from sales of fixed assets	872	-
Freiler purchase payments, net of purchased cash	-	(82.309)
Palplast purchase payments, net of purchased cash	-	(3.324)
Receipts from subsidies	23.933	34.437
<b>(+) Net cash used for investments</b>	<b>(79.215)</b>	<b>(104.510)</b>
Net repayments of loans and leasing	48.383	71.276
Dividends received	69	-
Share repurchased	9	-
<b>(-) Net cash from finance activities</b>	<b>48.462</b>	<b>71.276</b>
Net variance	8.166	(17.122)
<b>Cash &amp; Equiv at Jan 1, 2023/ 2024</b>	<b>10.713</b>	<b>18.879</b>
<b>Cash &amp; Equiv at Dec 31, 2023/ 2024</b>	<b>18.879</b>	<b>1.757</b>

### Bridge 31 Dec 2023



### Bridge 31 Dec 2023

