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TeraPlast



S1 2018 results

July 31th, 2018

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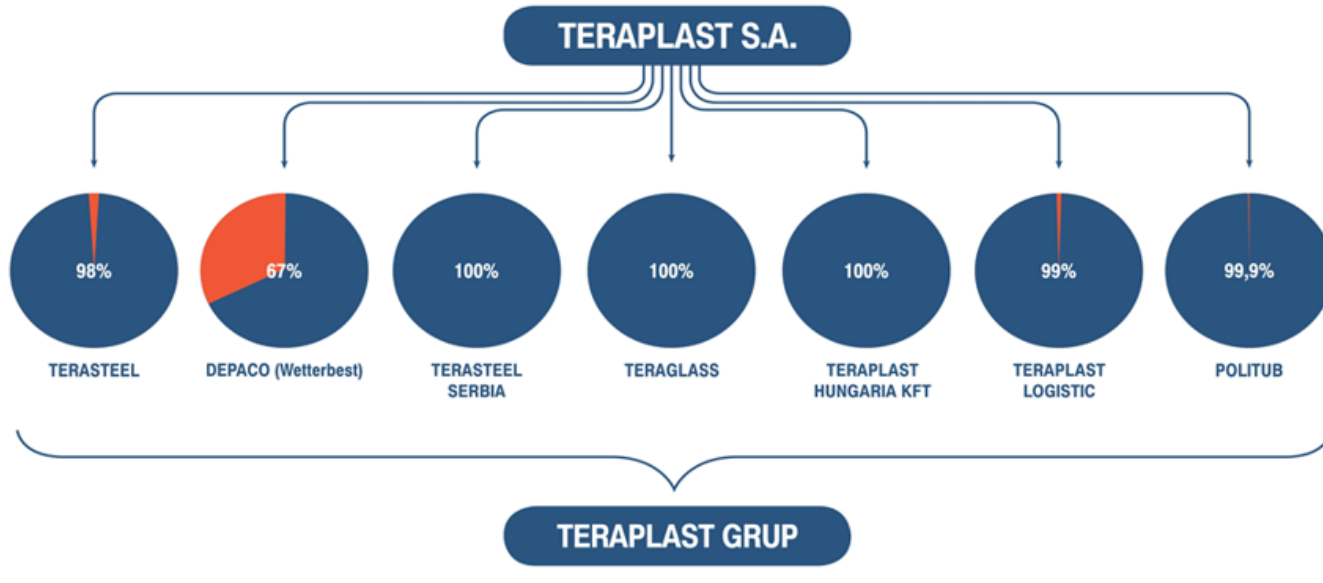
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EBITDA Margin

S1 Highlights

Overview and key figures

S
1
2
0
1
7

mRON
18.3

EBITDA

mRON
171.7

Revenue

%
10.7

EBITDA Margin

S
1
2
0
1
8

mRON
28.3

EBITDA

mRON
338.5

Revenue

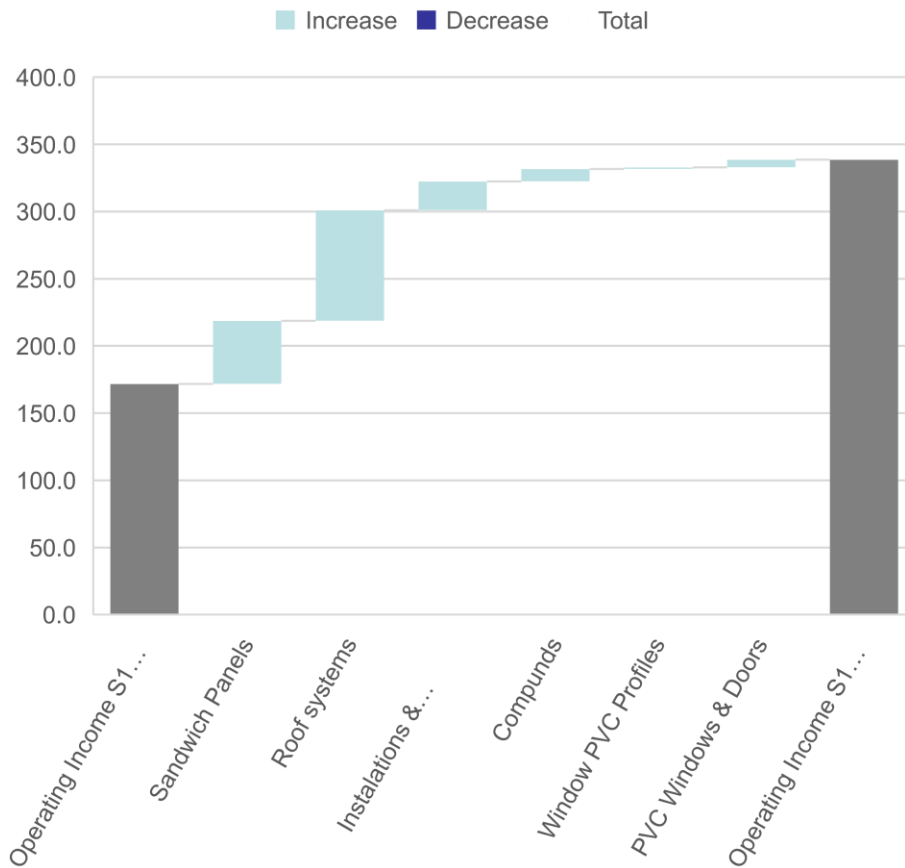
%
8.4

EBITDA Margin

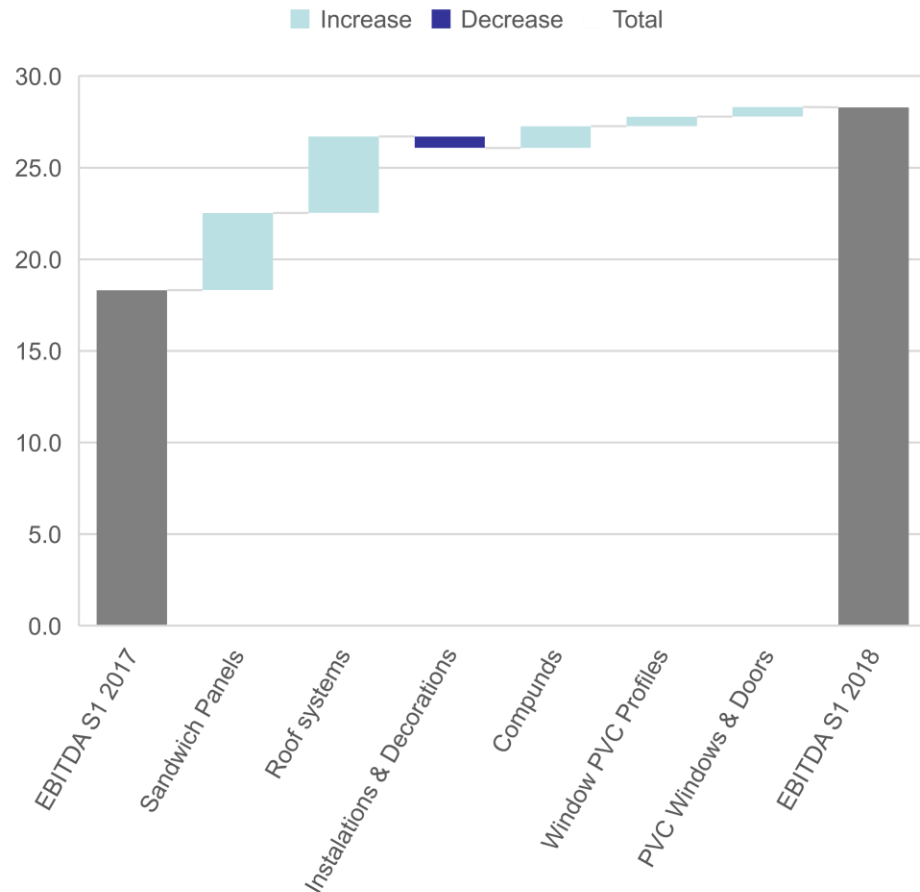
Compared with the previous quarter, we improved our EBITDA margin (Q1 2018 – 5.8%) while achieving our growth ambitions for 2018.

Bridge analysis - segment results

Operating Income Bridge S1 2018 vs S1 2017



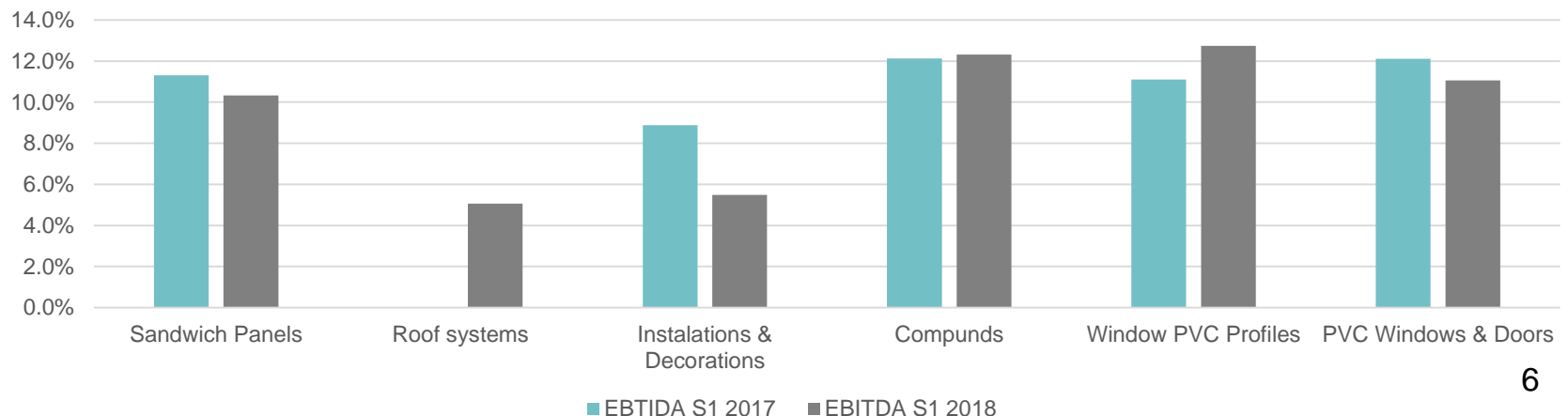
EBITDA Bridge S1 2018 vs S1 2017



EBITDA Margin

- As compared to S1 2017, EBITDA increased by 54% from RON 18.3 million to RON 28.3 million; operating income increased by 97% during the same period;
- Deteriorating margins were due to increased competitive price pressure from other producers;
- In S2 we will focus on improving our margin in Roof Systems and Water and Gas pipes

EBITDA Margin by segment S1 2018 vs S1 2017



S1 Highlights 1/5

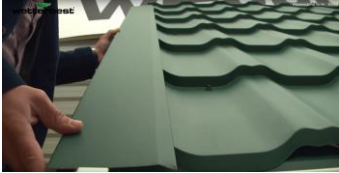
Steel processing

- 57% of the group operating income was generated steel processing operations (Terasteel and Depaco);
- Strong performance for the Sandwich Panels segment (Terasteel): 73% increase in operating income and a 58% increase in EBITDA;
- We are on track on developing our Balkans market; In 2018, we signed new contracts with customers in Serbia, Kosovo, Muntenegro, Macedonia and Croatia;



S1 Highlights 2/5

Steel processing - Wetterbest



Wetterbest School - certified trainer for roofers



Wetterbest ad: tradition and legendary endurance



3 production units: Baicoi (Prahova), Podari (Craiova) & Bistrita

2 showrooms opened this year: Timisoara & Cluj – we target 20% market share in the center and north of the country



industrial sector – 65% increase in sales of roof tiles for industrial buildings

S1 Highlights 3/5

Plastic pipes

- 40% increase in operating income for this segment;
- An important contribution in operating income (of RON 21.5 million) came from the **Instalations & Decorations** segment, where the widening of our distribution network and a better positioning on the residential sector enabled us to achieve an organic growth;



S1 Highlights 4/5

Water pipes

- Out of the RON 21.5 million above, 15.5 million increase in operating income came from the **Polyethylene operations (Politub brand)**;
- We target sales of 6 mil meters of PE pipes this year, 50% increase compared to last year
- **Clean Water** campaign - PE – 100 RC – improved water quality, up to 100 years useful life
- Currently, 65% of Romania's population is connected to a water network, most pipes being older than 50 years



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since 1896

**ȚEAVA POLITUB
PE-100RC**
REZISTENȚĂ, PURITATE,
SĂNĂTATE

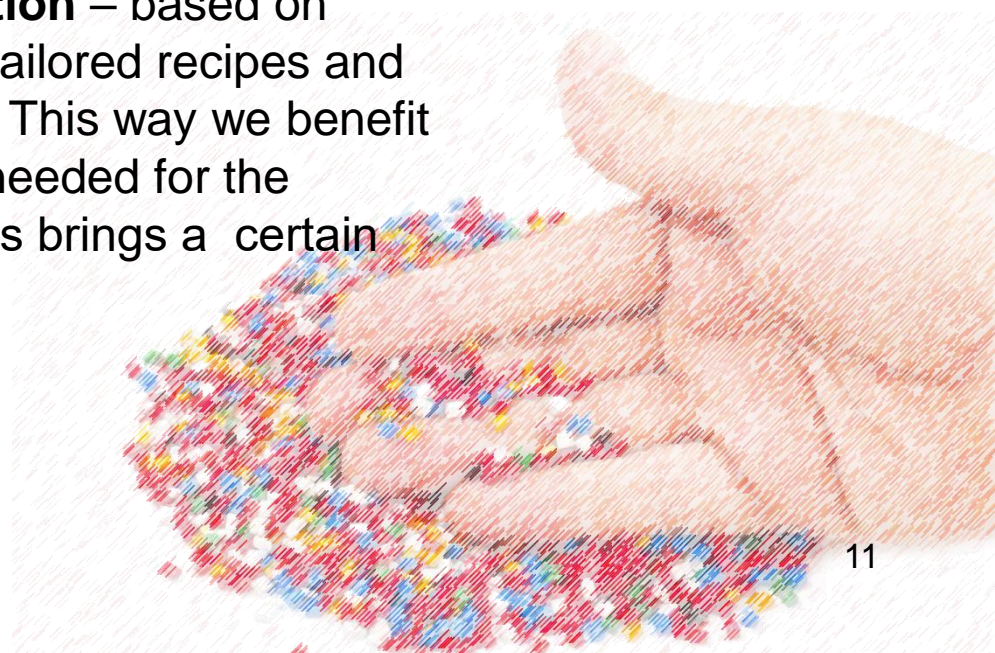
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S1 Highlights 5/5

Plastic products – Compounds

- A very strong performance was obtained by the **Compounds** segment where the operating income increased by 40%, while maintaining a 12% EBITDA margin;
- the core competencies developed in this market enables us to **deliver on our value proposition** – based on customer specification, we develop tailored recipes and deliver cable products to customers. This way we benefit two fold. First we create the lock-in needed for the customer's product lines. Second this brings a certain predictability to this business.





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