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Teraplast Group overview – leading manufacturers of materials for construction market

Consolidated key financials 2015 vs 2014, mil. LEI

- 2015 **turnover** 393.5 mil lei + **19%**
- 2015 **net profit** 35.2 mil lei + **121%**
- 2015 **EBITDA** 58.9 mil lei + **67%**

Teraplast

Teraplast is the largest PVC processor in Romania and holds leading positions in the markets for PVC pipes (42% share), PVC compounds (25% share).

Plastsistem

Plastsistem, is among the top three players on thermal insulating panels market and the leader of the galvanized steel structures market.

Politub

Politub manufactures tubes and pipes, of medium and high density PE for the transport and distribution networks of water, gas and telecommunications, or irrigation.

Teraglass

As of April 2015 Teraplast transferred the activity of PVC windows and doors to Teraglass. Teraplast owns 100% of Teraglass.

Teraplast Logistic

As of November 2015, Teraplast decided to set up a new company, which to take over all logistic activities (warehousing and transport).

Company overview – the largest PVC processor in Romania

Stand alone key financials 2015 vs 2014, mil LEI

- **2015 turnover** – 267.9 mil lei **+15%**
- **2015 net profit** – 28.3 mil lei **+ 201%**
- **2015 EBITDA** – 46.6 mil lei **+ 74%**

Installations & Decorations

- The main player on the external sewage market
- The second player on the internal sewage market

Window Profiles

- Among the key players in the market;
- The market share of TRP increased from 1% in 2009, to 8% in 2015

Compounds

- Teraplast is the domestic market leader for the plasticized compounds and the main supplier of PVC compounds for the cable industry in Romania.

Teraplast Group overview – Significant events during 2015

- As of **April** 2015, Teraplast transferred its window & doors business line on a different company – Teraglass. This company is 100% owned by the parent company Teraplast.
- In **April**, the General Meeting of Shareholders set the value of maximum indebtedness that the company may contract in fiscal year 2015 – 68 million lei.
- In **August** the General Meeting of Shareholders approved the nomination of the company General Consulting MGI as internal auditor of Teraplast.
- In **October** the General Meeting of Shareholders reconfirmed for another year the five members of the Board of Directors. The structure of the Board is the following: Mr. Dorel Goia (Chairman), Mrs. Magda-Eugenia Palfi-Tirau, Mr. Emanoil Ioan Viciu, Mr. Razvan Stefan Lefter and Mr. Teofil- Ovidiu Muresan.
- Teraplast acquired in **October-November** 19.24% of Plastsistem. Teraplast holds at the moment 97.95% of Plastsistem, as compared to previous 78.71%.



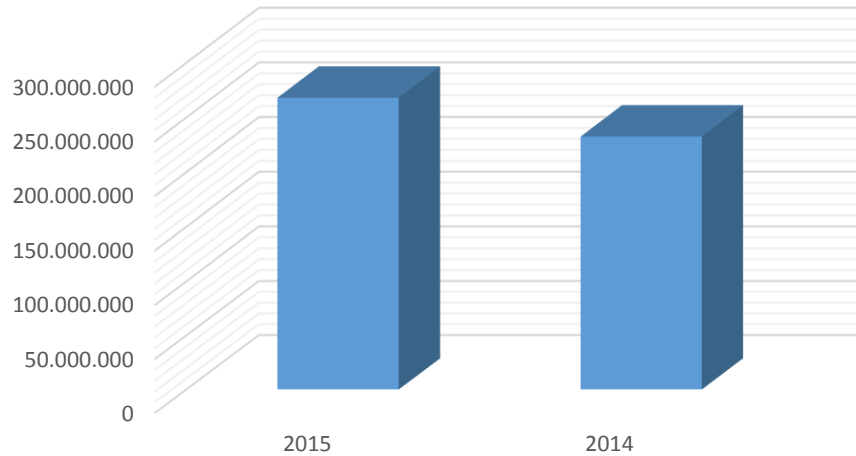
Teraplast Group overview – Significant events during 2015

- In **November** the Board of Directors of Teraplast decided to set up a new company, which to take over all logistic activities (warehousing and transport). The shareholders of the new created company will be Teraplast with 99% of share capital and subsidiary Plastsistem. The outsourcing of the logistic activities is made in the context in which Teraplast Group intends to focus on core business activities, while the other activities are to be transferred to separate entities.
- In **December** the General Meeting of Shareholders approved the share capital increase with 8,874,589 lei by releasing of 88,745,890 new shares, with a nominal value of 0.10 lei/share, which will be distributed for free to all company's shareholders, registered in the Shareholders' Registry, at the registration date **January 29th 2016**. Every shareholder registered in the Shareholders' Registry at the registration date had received a number of 30.72111455 new shares for every 100 owned shares. The **payment date** established for the free shares was February 19th 2016.
- The General Meeting of Shareholders **in December** also approved the share buyback program with the following terms: maximum 2,000,000 shares (0.69% of total share capital) with nominal value of 0.1 lei/share, at a minimum price equal to the stock exchange price of the transaction day and a maximum price of 1 leu/share, in the limit of 1,000,000 lei, for a period of maximum 18 months, in order to implement an employee's loyalty program.



Turnover evolution in 2015 – stand alone and consolidated

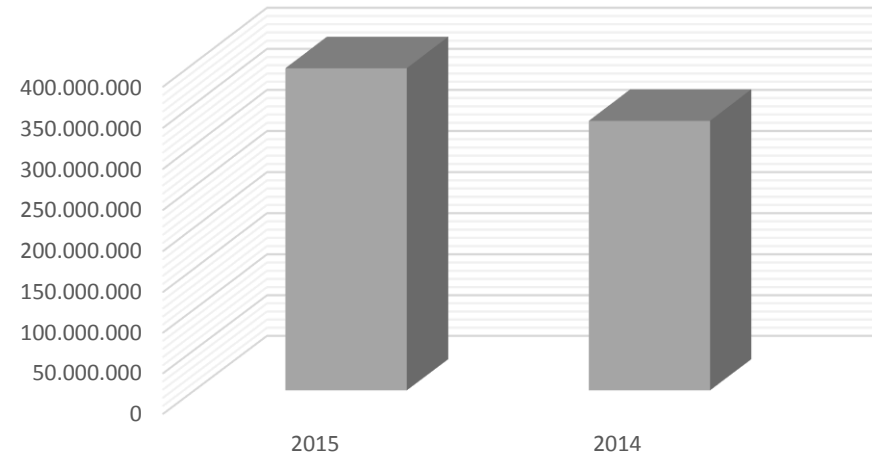
Turnover evolution - stand alone



Teraplast Group realized last year a consolidated turnover of 393.5 million lei, increasing by almost 20% as compared to 2014.

The evolution of the **Group's turnover** was supported on one hand by the evolution of some segment of the construction market, and on the other hand due to the gain of internal market share, in the context in which the evolution of the business lines was above that of the relevant markets.

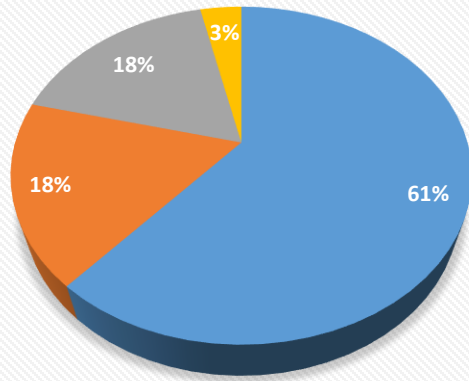
Turnover evolution - consolidated





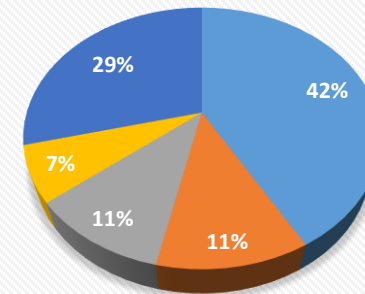
Business lines percentages in 2015 total turnover – stand alone and consolidated

Business lines percentages in total turnover - stand alone



■ Installations & Decoration ■ Window profiles ■ Compounds ■ PVC Windows & Doors

Business lines percentages in total turnover - consolidated

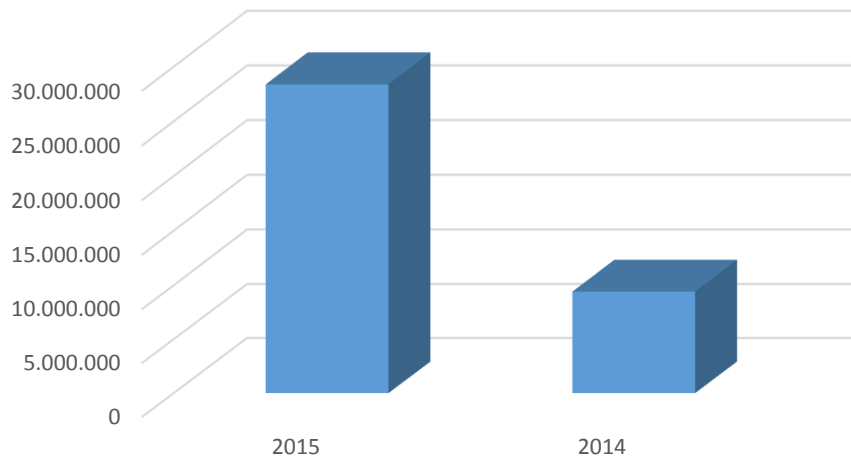


■ Installations & Decoration ■ Window profiles
 ■ Compounds ■ PVC Windows & Doors
 ■ Sandwich panels & Galvanized profiles



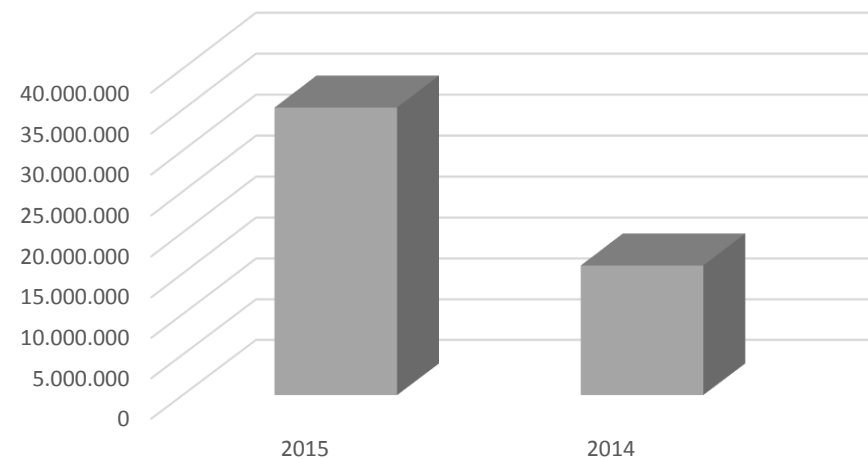
Net profit evolution in 2015 – stand alone and consolidated

Net profit evolution - stand alone



The net profit realized by Teraplast Group in 2015 was of **35.2 million lei**, as compared to 15.9 million lei, the value obtained in 2014. The evolution of the consolidated net profit was the result of a sustained process of operational performance improvement.

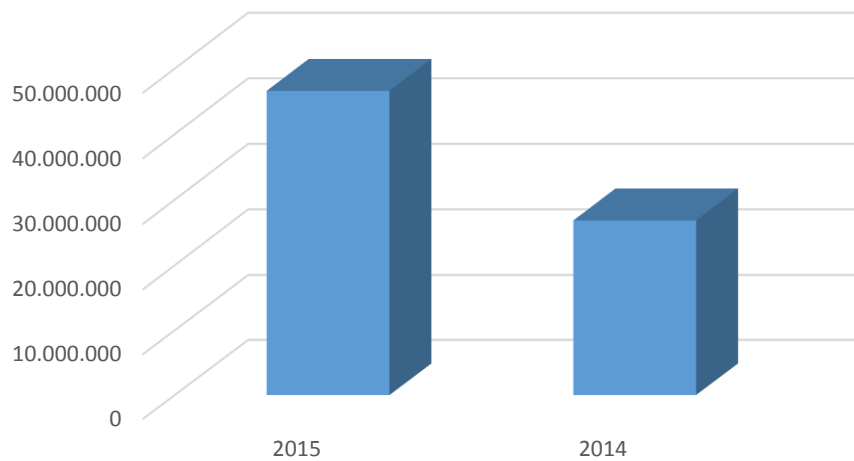
Net profit evolution - consolidated





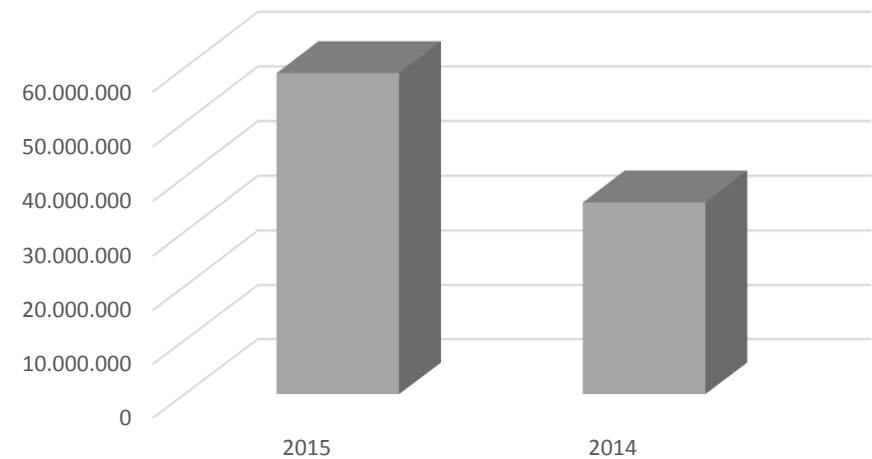
EBITDA evolution in 2015 – stand alone and consolidated

EBITDA evolution - stand alone



EBITDA of Teraplast Group, also increased in 2015, up to **58.9 million lei**, as compared to 35.3 million lei in the previous year.

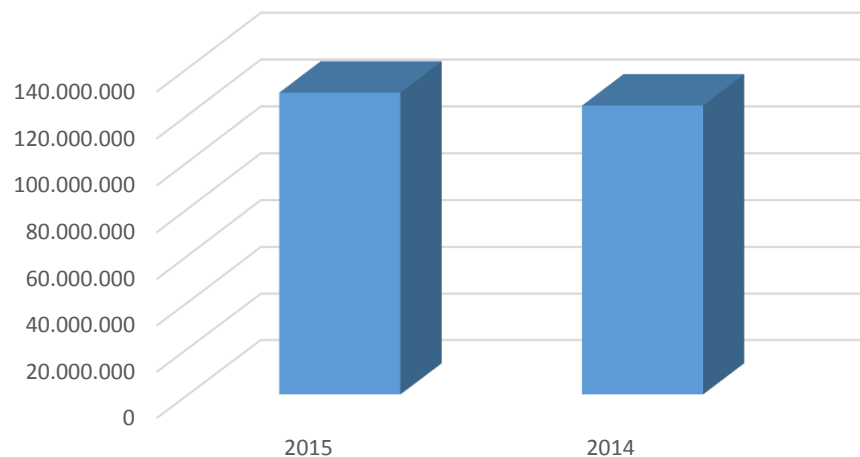
EBITDA evolution - consolidated





Non-current assets evolution in 2015 – stand alone and consolidated

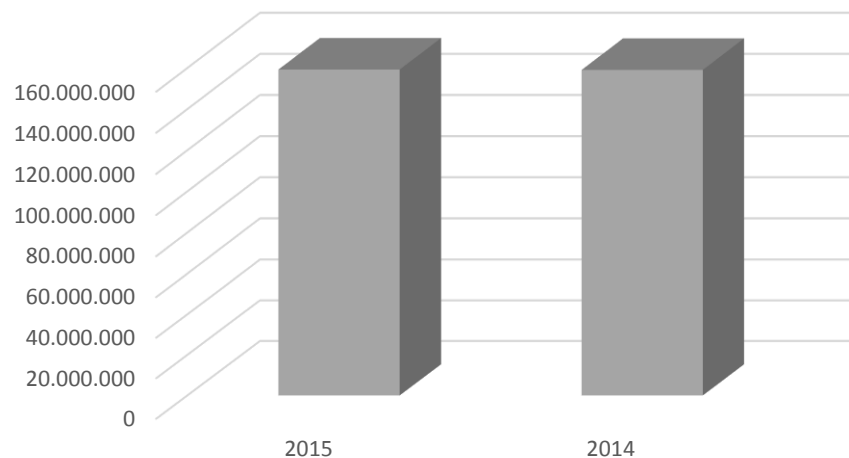
Non-current assets - stand alone



At the parent company level, the non-current assets also increased to **129.3 million lei** in 2015, as compared to 123.8 million lei in 2014.

At the group level, the non-current assets were in 2015 at the level of **159.2 million lei**, as compared to 159.04 million lei in 2014.

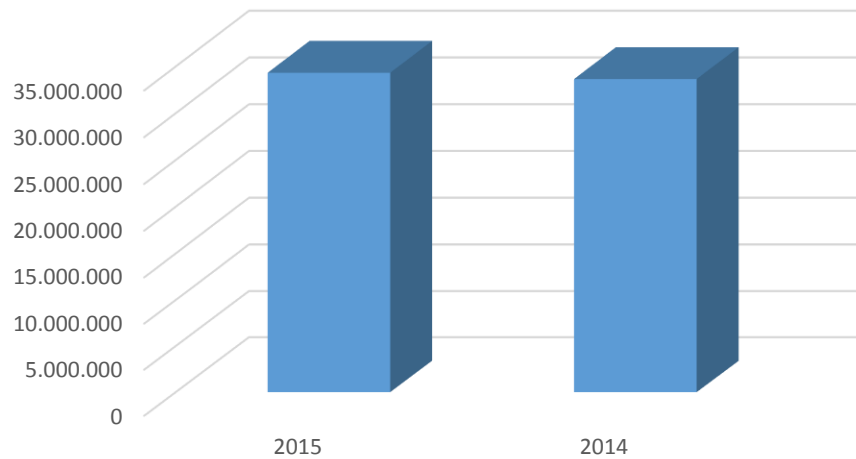
Non-current assets - consolidated





Inventories evolution in 2015 – stand alone and consolidated

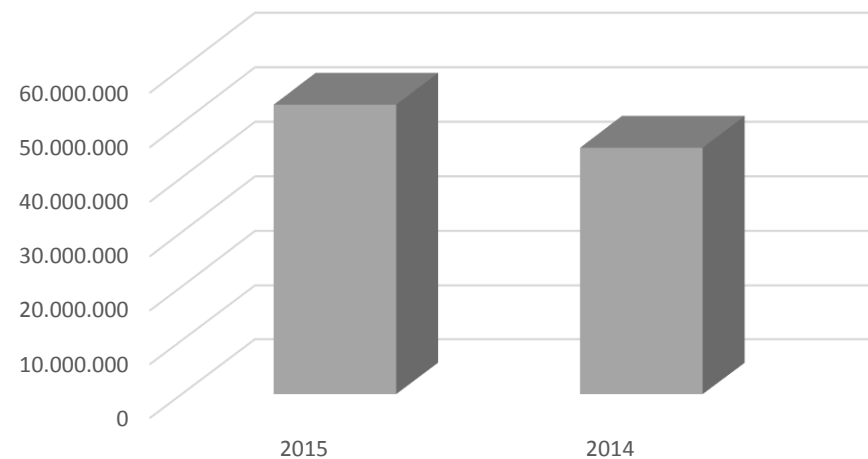
Inventories evolution - stand alone



Parent company's inventories also increased up to **34.3 million lei** in 2015, as compared to 33.6 million lei in 2014.

At the Group's level, inventories increased up to **53.3 million lei** in 2015, as compared to 45.4 million lei in 2014.

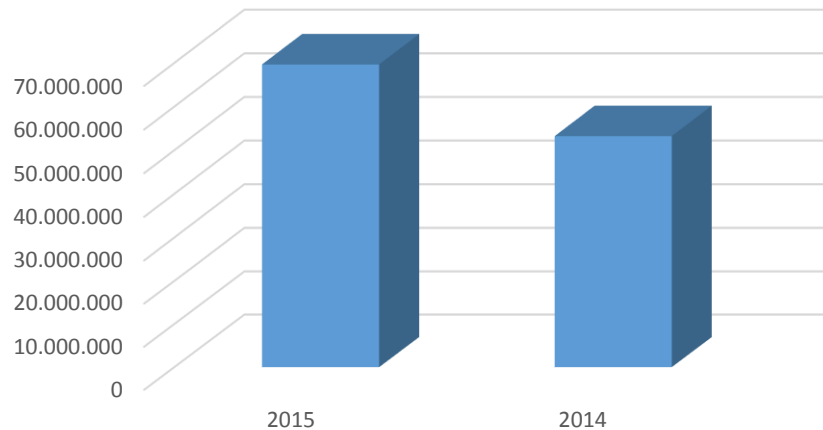
Inventories evolution consolidated





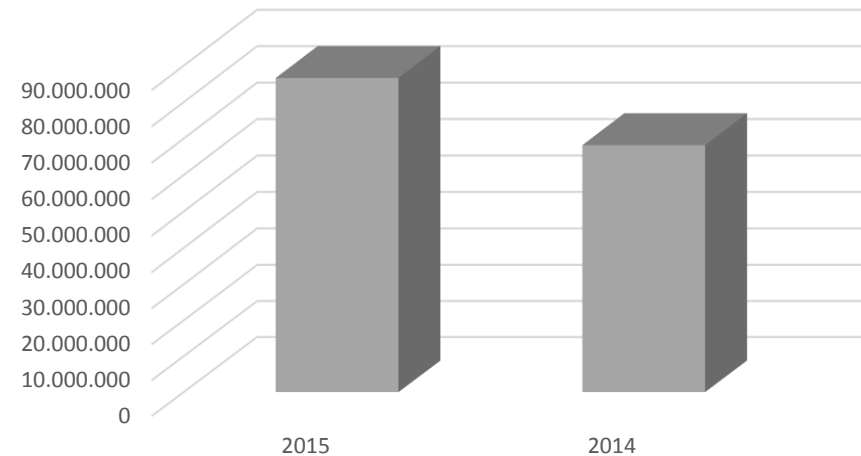
Receivables evolution in 2015 – stand alone and consolidated

Receivables evolution - stand alone



Teraplast's **receivables** have been increasing in 2015, with 30%, due to turnover's evolution. In addition, in 2015, Teraplast insured a part of the client portfolio, which allowed the extension of payment terms for these clients.

Receivables evolution - consolidated

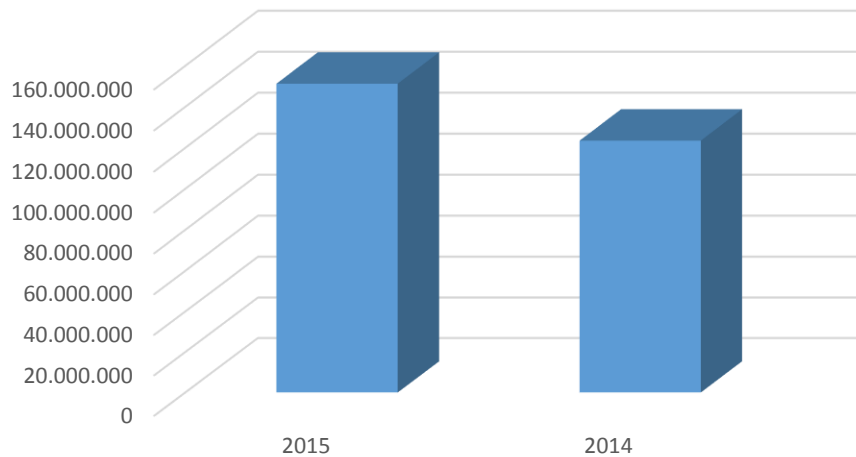


At consolidate level, **Teraplast Group's receivables** recorded an increase of 27% in the 2015 as compared to 2014.



Shareholder's equity evolution in 2015 stand alone and consolidated

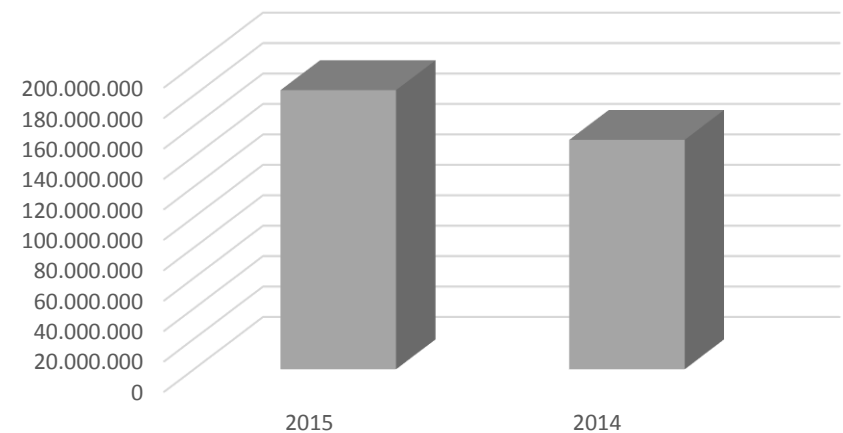
Shareholder's equity evolution - stand alone



At the parent company level, shareholder's equity increased to **151.2 million lei** in 2015, as compared to 123.4 million lei in 2014.

At the group level, the shareholder's equity increased up to **183.4 million lei** in 2015, as compared to 150.7 million lei in 2014.

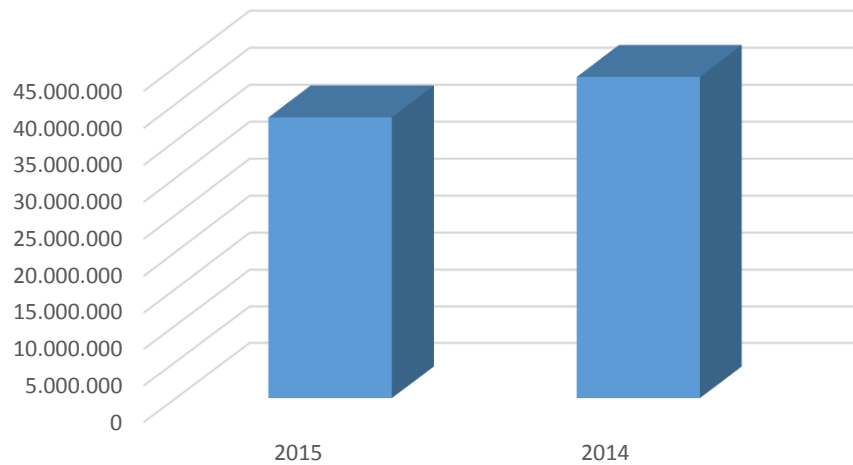
Shareholder's equity evolution - consolidated





Interest-bearing debts evolution in 2015 – stand alone and consolidated

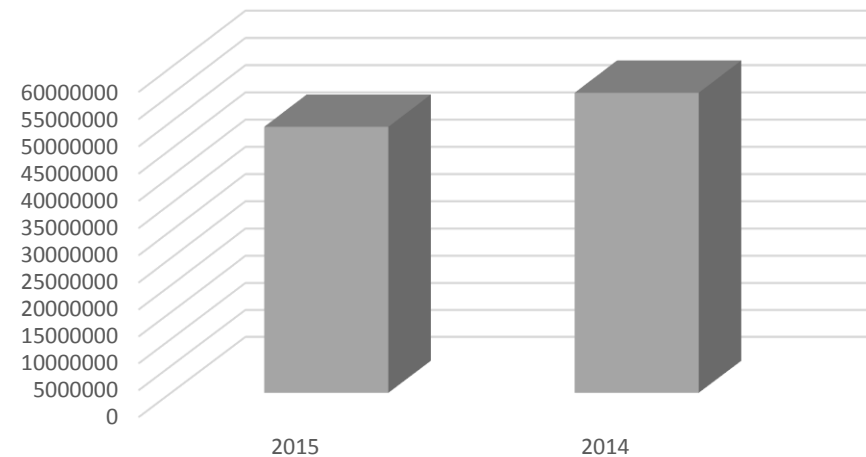
Interest-bearing debts - stand alone



In 2015, the **interest-bearing debts** of parent company Teraplast decreased by **13%**, as compared to previous year.

In the same period, Teraplast Group's **interest-bearing debts** decreased by over **11%**, as compared to 2014.

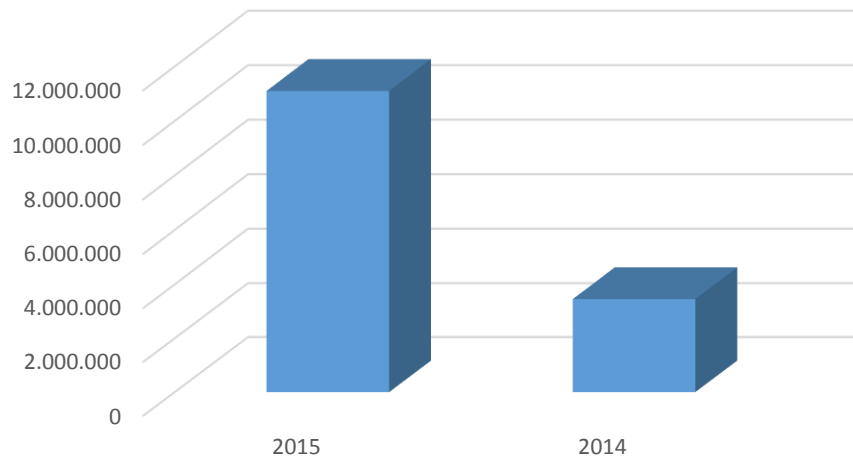
Interest-bearing debts - consolidated





Cash and cash equivalents evolution in 2015 – stand alone and consolidated

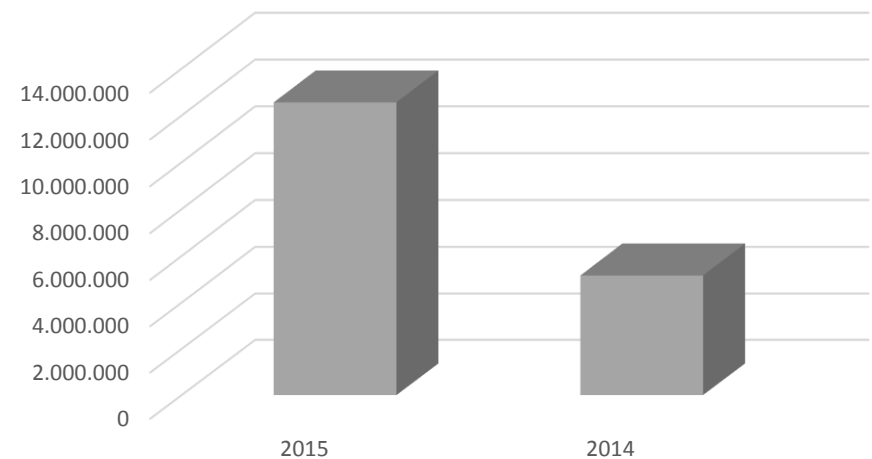
Cash and cash equivalents - stand alone



In 2015, the parent company's available cash increased by **221%**, as compared to 2014.

In the same period, Teraplast Group's **available cash** increased by almost **143%**, as compared to 2014.

Cash and cash equivalents - consolidated



2016 budget – stand alone and consolidated

Stand-alone indicators (thousand, lei)	2016 budget	2015	▲% 2016 vs. 2015	2014	▲% 2015 vs. 2014
Turnover	315.368	267.975	18%	232.469	15%
Total expenses	287.833	268.249	7%	233.480	15%
Net result	35.973	28.382	27%	9.414	201%
EBITDA	53.251	46.608	14%	26.833	74%

Thousand, lei/Thousand, EUR	2016 budget	2016	2015	2015	▲% 2016 vs 2015	2014	▲% 2015 vs 2014
Turnover	473,241	106,346	393,542	88,536	20%	329,487	19%
Total expenses	433,709	97,463	380,628	85,631	14%	329,606	15%
EBITDA	70,524	15,848	58,994	13,272	20%	35,335	67%
Net profit	44,707	10,046	35,247	7,930	27%	15,969	121%



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