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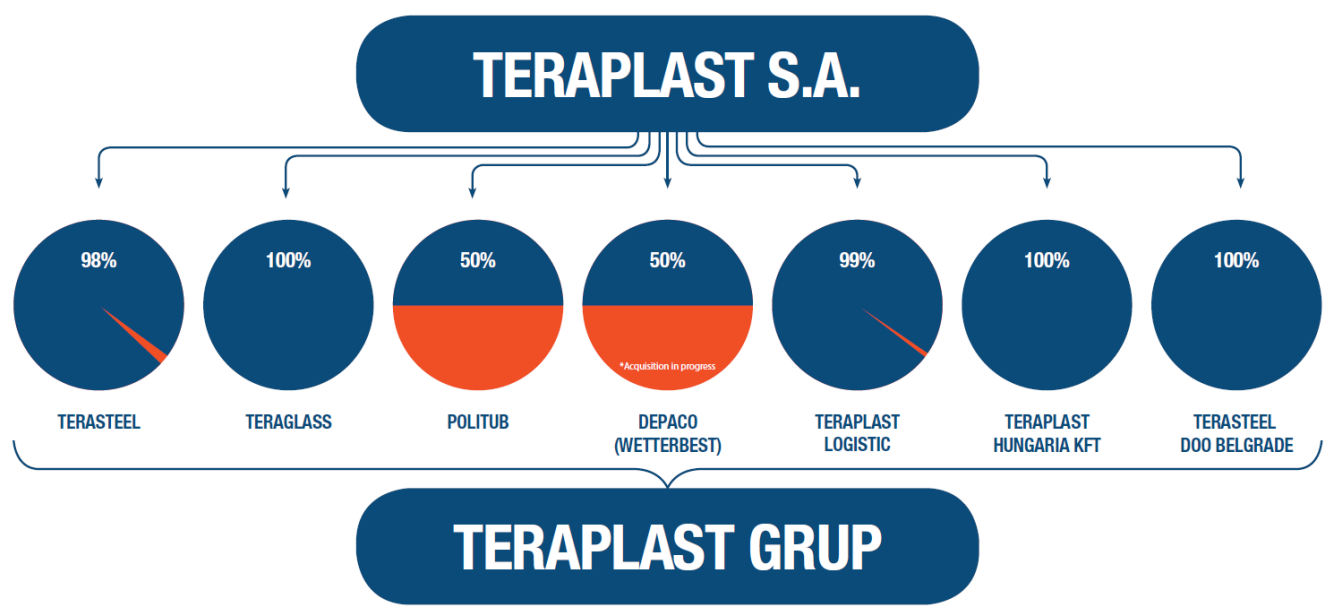
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Teraplast Group structure



TeraPlast Group overview

Consolidated key financials
2016 vs 2015, mil. RON

- 2016 **turnover** RON 398,7 mil + **1%**
- 2016 **net profit** RON 39,4 mil + **11,83%**
- 2016 **EBITDA** RON 61,3 mil + **3,9%**

TeraPlast

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

TeraSteel

TeraSteel, is among the second player 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. TeraPlast owns 50% of Politub.

TeraGlass

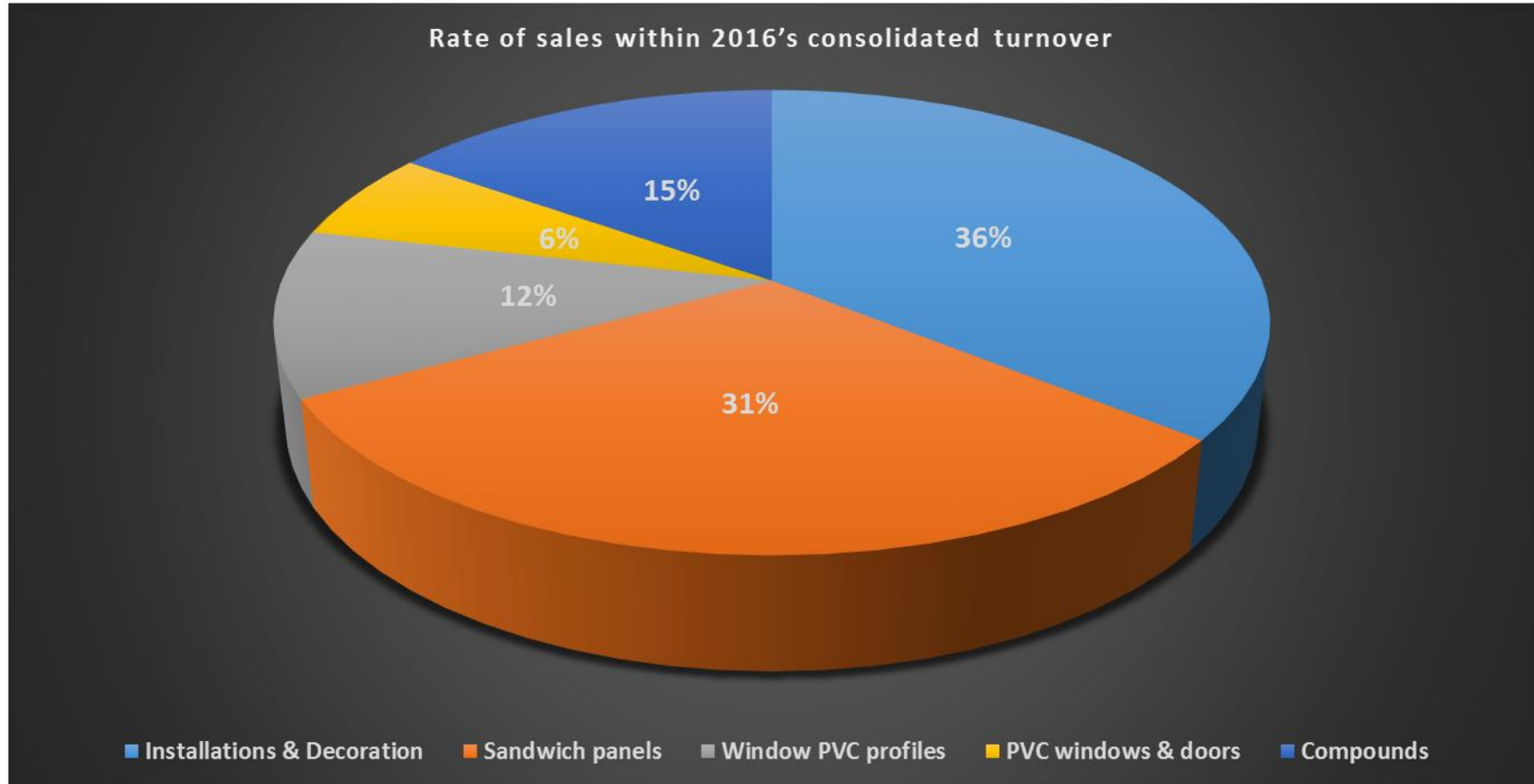
As of April 2015 TeraPlast transferred the activity of PVC windows and doors to TeraGlass. TeraPlast owns 100% of TeraGlass.

TeraPlast Logistic

As of November 2015, TeraPlast decided to incorporate a new company, which took over all logistic activities (warehousing and transport).



TeraPlast Group business lines



TeraPlast Group evolution in Q1 2017

TeraPlast Group managed to stay profitable in the first three months of 2017, despite the unfavorable context generated by the deadlock of the environment infrastructure segment, by the insolvency of some clients and by the long than expected low-season period.

Key indicators, thousand RON	Q1 - 2017	Q1 - 2016	▲%
Incomes	66,578	86,909	(23.39)
Net Profit/(Loss)	1,653	7,058	(76.58)
EBITDA	6,592	13,410	(50.84)
Interest-bearing debts	34,229	38,715	(11.59)
Cash and cash equivalents	19,507	9,121	113.88

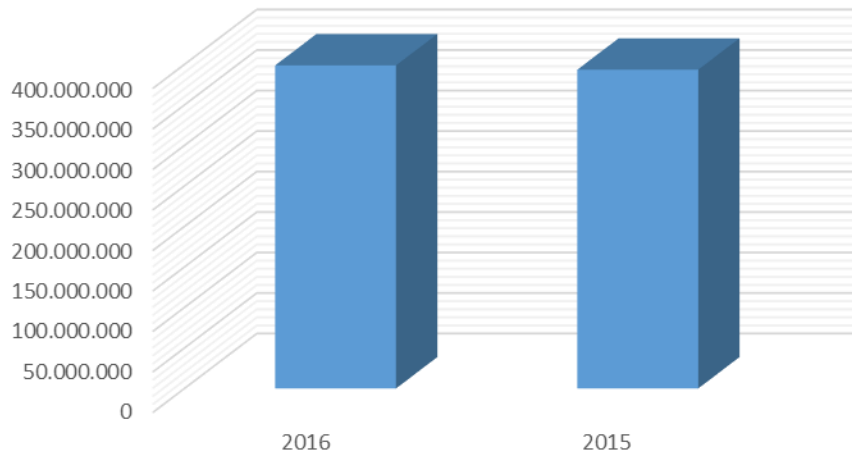


TeraPlast Group overview – Significant events during Q1/2017

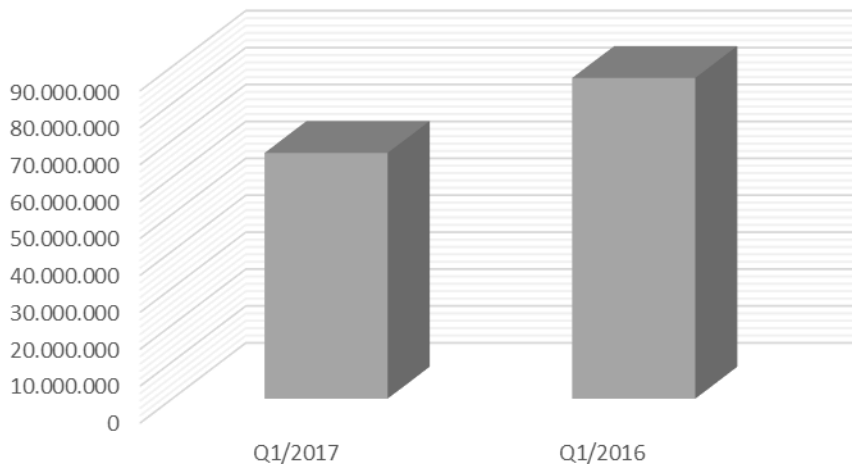
- The Board of Directors decided in **January** to incorporate a company in Serbia, the purpose of this action being the development TeraPlast Group's presence on the Serbian market.
- In **January** Mircea Hotoleanu was appointed as Chief Executive Officer of TeraPlast.
- Subsidiary Plastsistem changed its name in **January** and became TeraSteel, to better reflect the business and corporate identity.
- General Meeting of Shareholders approved in February an investment budget of 72 million RON for 2017 for capex and business scope expansion.
- In **February** Cosmin Patroiu was appointed as Chief Executive Officer of TeraSteel.
- In **March** TeraPlast decided to purchase 50% of the company Depaco, the second player on the metallic tiles market, with the Wetterbest brand.

Turnover evolution in 2016 and Q1 2017

Turnover evolution 2016



Turnover evolution Q1 2017



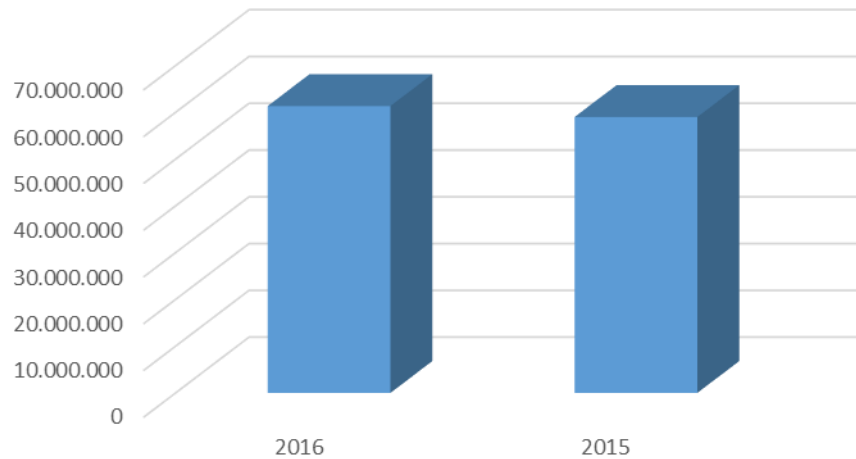
The market segments of TeraPlast Group had in 2016 a fluctuant evolution. Residential and non-residential had a good evolution throughout the year, while the environment infrastructure segment had a good evolution in the first part of the year where there was still available financing from the previous budgetary exercise (2007-2013), but starting with July 2016 the infrastructure entered a deadlock.

TeraPlast Group realized in the first three months of 2017 a **turnover** of RON 66.5 million, decreasing by 23% as compared to the similar period of 2016, as infrastucture sales slowed down due to delays in the launch of water and sewage projects, but also based on the decrease of compounds sales, as a result of Romcab insolvency.



EBITDA evolution in 2016 and Q1 2017

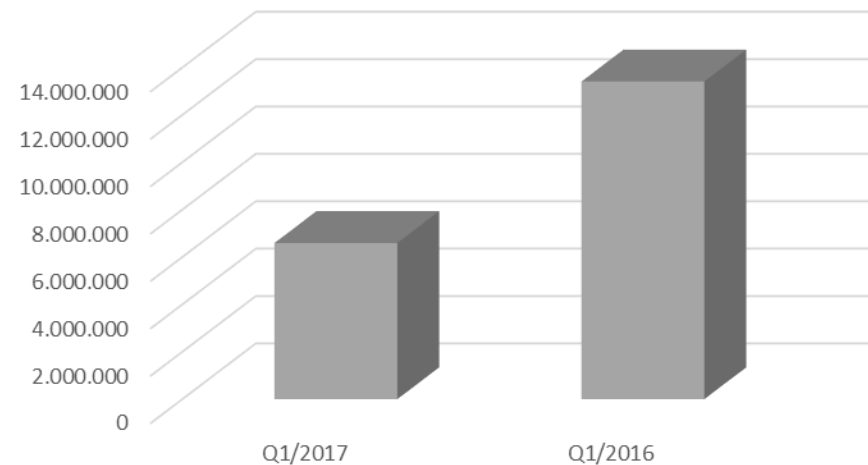
EBITDA evolution 2016



EBITDA of TeraPlast Group, was also increasing, this indicator amounting over RON **61.34 million**, increasing by almost **4%** as compared to 2015, despite a challenging 2H. The BOD and management continues to focus on cost control and efficiency improvement.

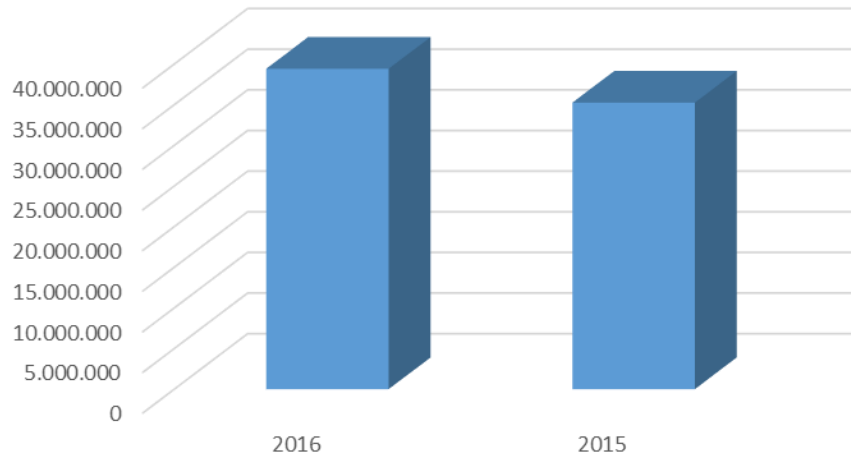
EBITDA in the first three months of 2017 had the value of **RON 6.59 million**.

EBITDA evolution Q1 2017



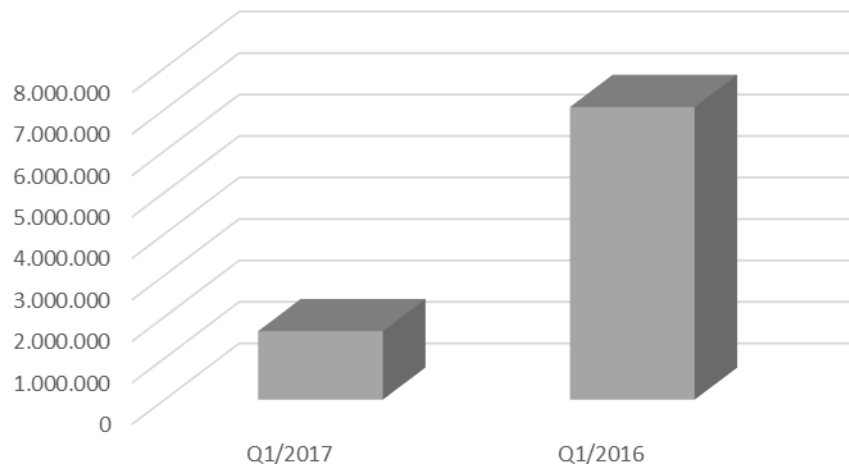
Net profit evolution in 2016 and Q1 2017

Net profit evolution 2016



In 2016 the Group’s net profit had the value of RON 39.42 million, as compared to RON 35.25 million in 2015. The evolution of the net profit was mainly supported by the significant improvement of our operating performance, i.e. TeraPlast Group achieved in 2016 an **operating result** of RON 46.69 million as compared to RON 40 million for the similar 2015 period.

Net profit evolution Q1 2017

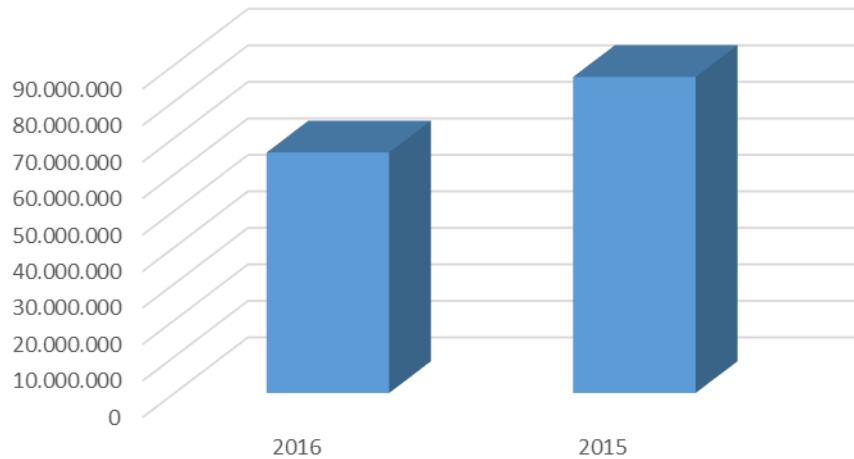


In the first three months of 2017, the **net profit** of TeraPlast Group amounted RON 1.6 million, as a result of sales slowdown vs 1Q-2016. We expect to recover in 2H-2017, pending on Government projects approval.



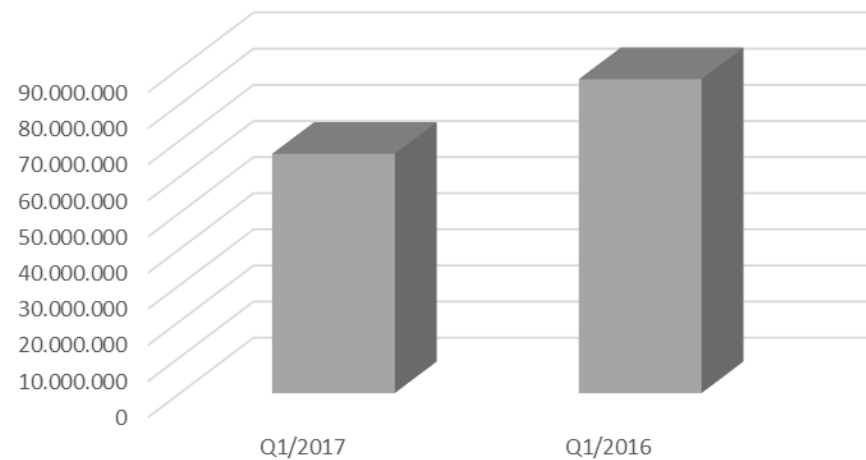
Receivables evolution in 2016 and Q1 2017

Receivables evolution 2016



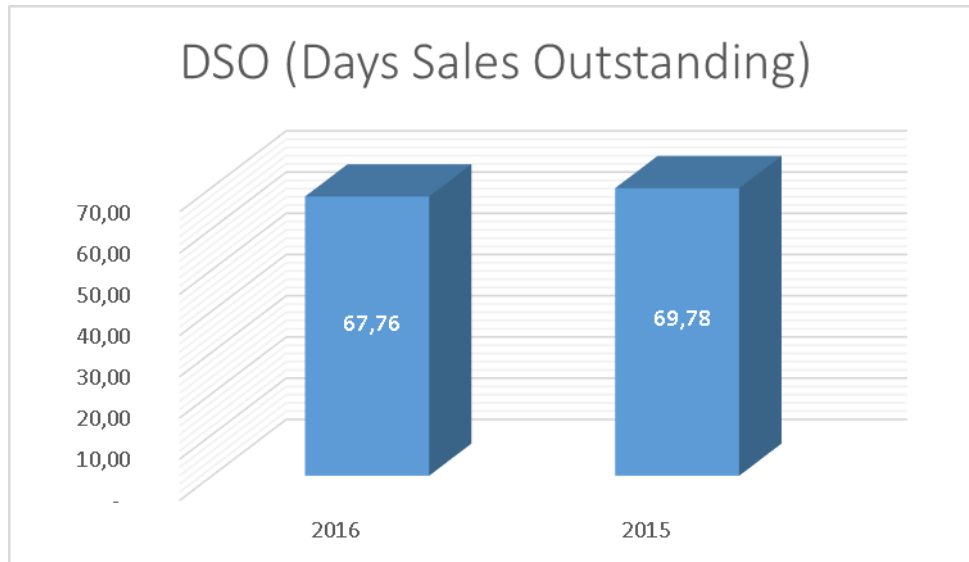
TeraPlast's Group **receivables** have been decreasing both in 2016 and Q1 2017, as a result of a better money collection from the market. Romcab's insolvency resulted in a provision of RON 0,75 million, significantly lower vs past exposures, as management took measures to secure the receivables.

Receivables evolution Q1 2017

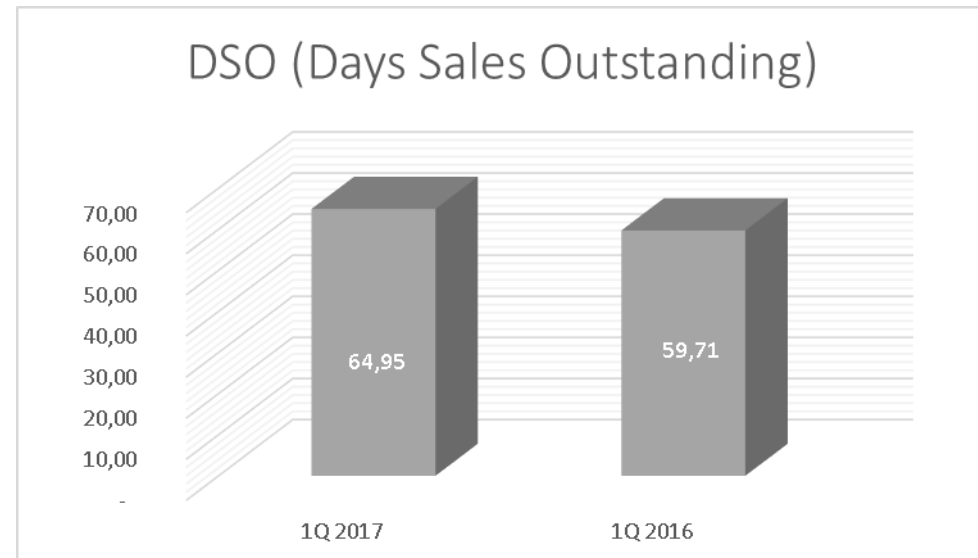




DSO (days sales outstanding) evolution in 2016 and Q1 2017

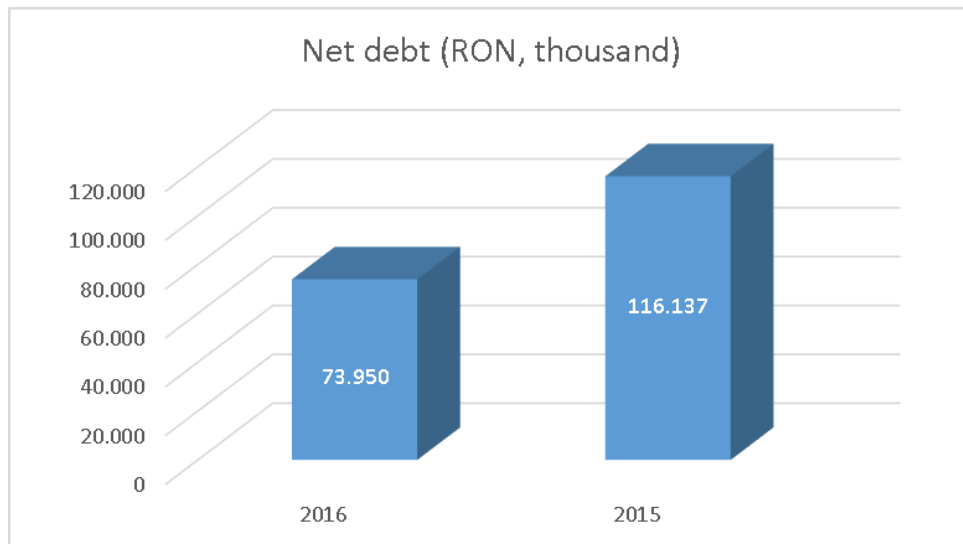


TeraPlast's Group **DSO** decreased in 2016 vs 2015 .
 In Q1 2017 DSO increased to almost 65 days vs the same period last year.

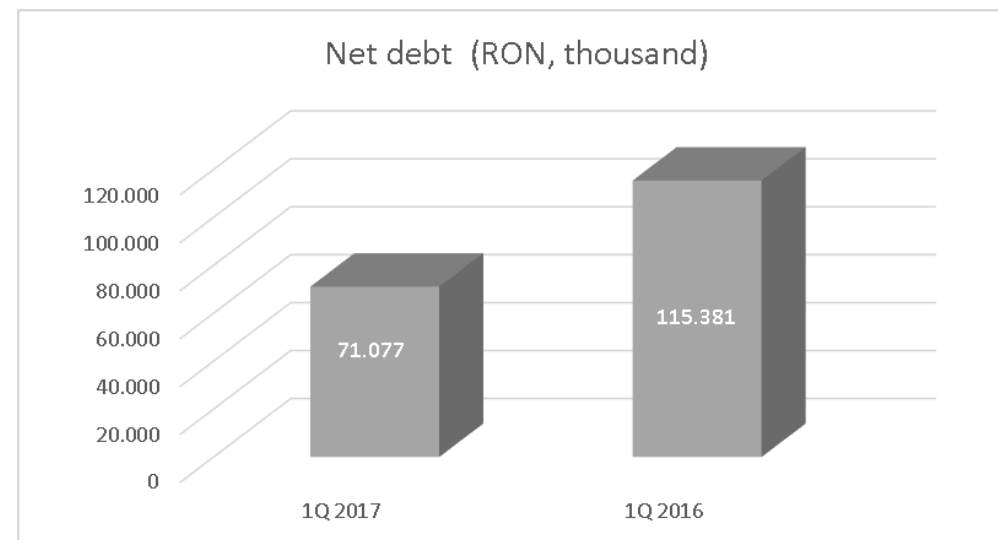




Net Debt evolution in 2016 and Q1 2017

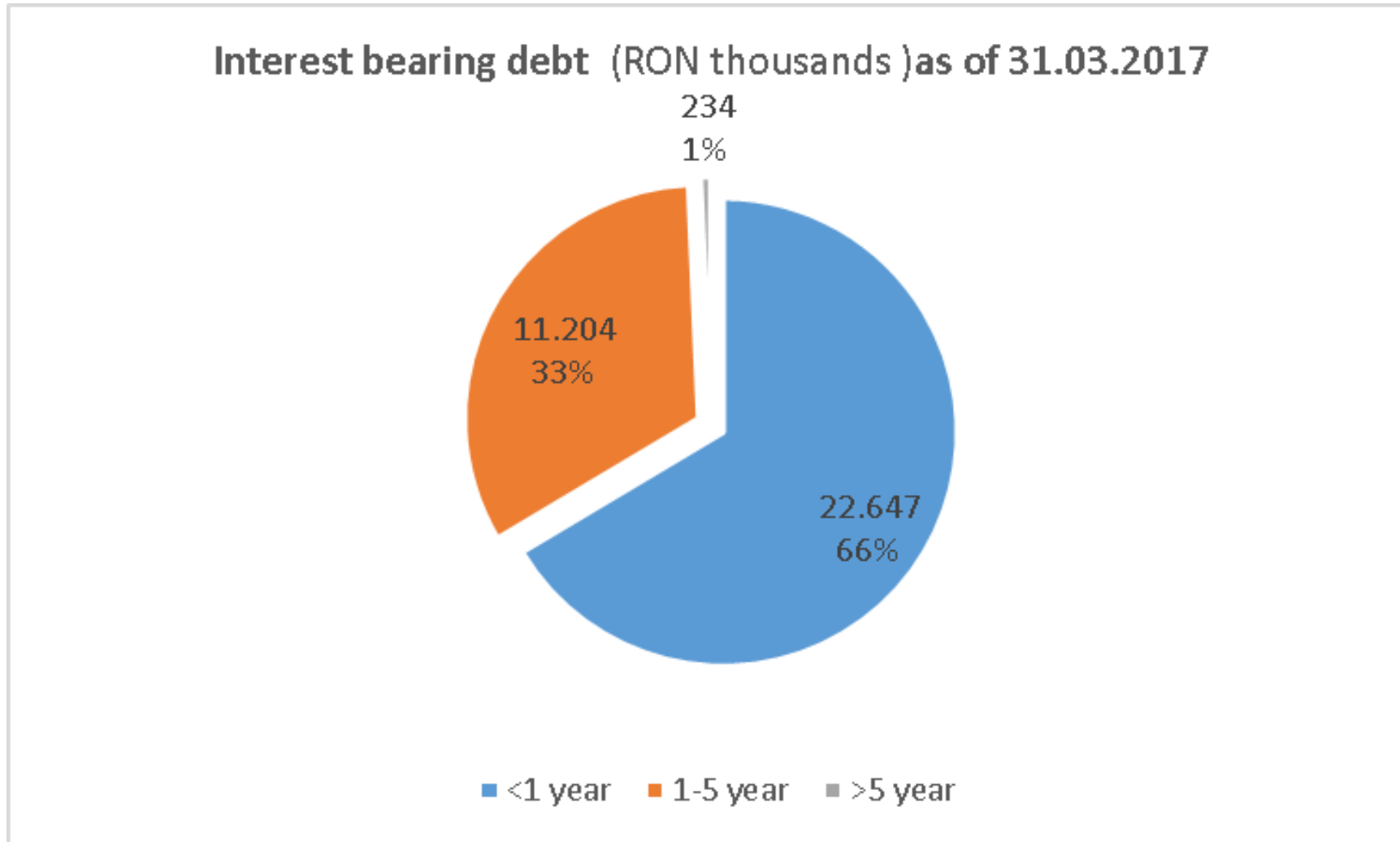


Net debt was computed as Total debt minus cash and cash equivalents. In 2016, the net debt of TeraPlast Group decreased by 36% in 2016 vs 2015.



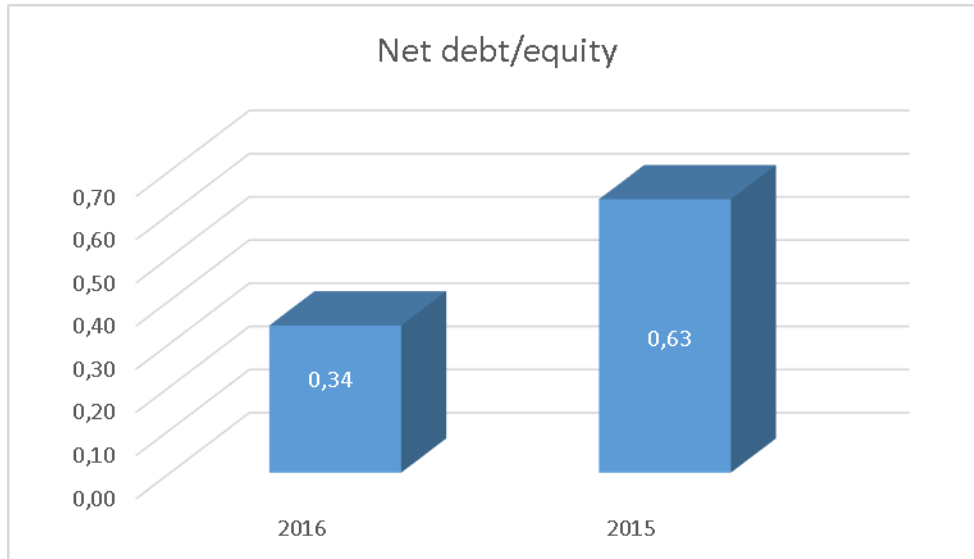
In the first quarter of 2017, TeraPlast Group's **net debt** decreased by 38%, as compared to Q1 2016.

Interest bearing debt maturities as of 31.03.2017



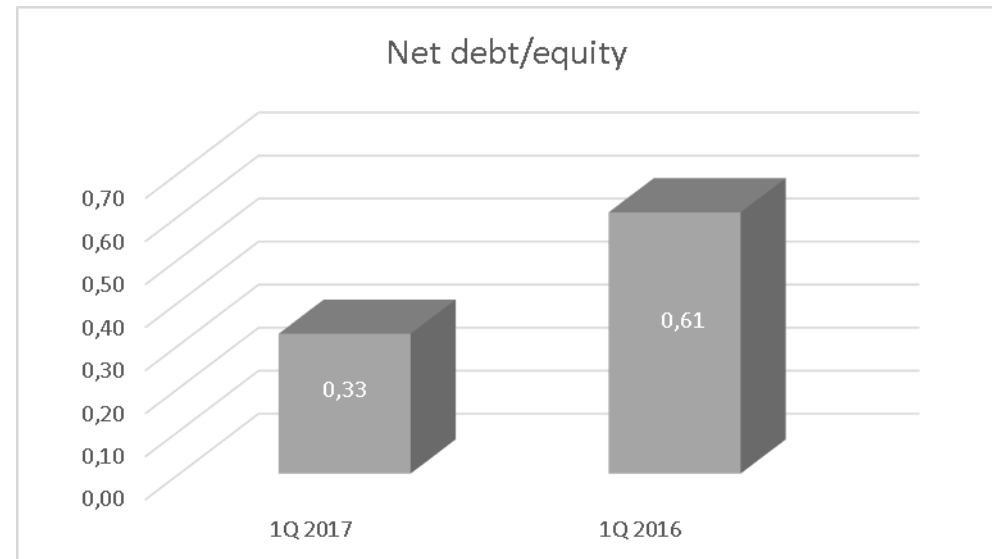


Net Debt / Equity evolution in 2016 and Q1 2017



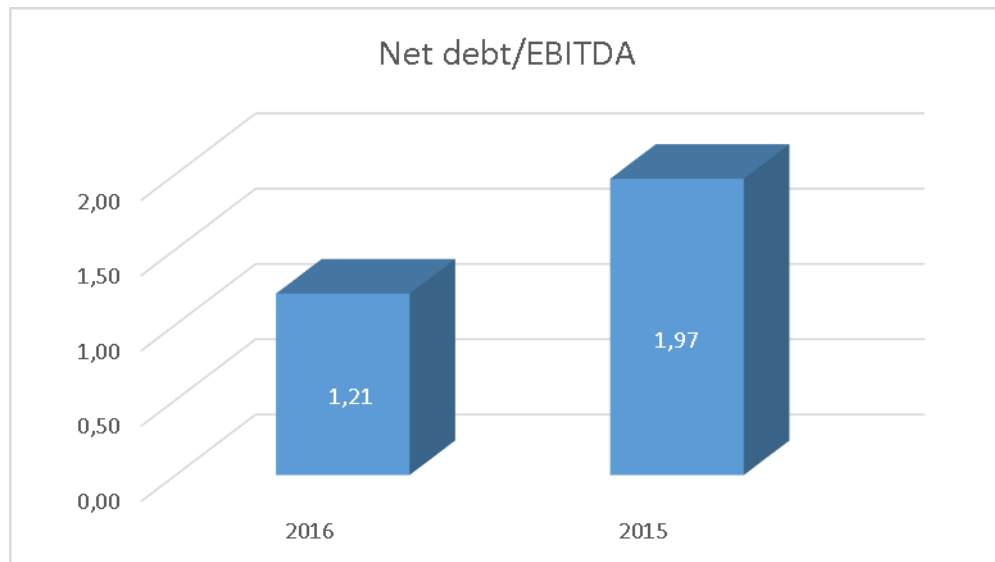
Net debt / Equity ratio was computed as (Total debt minus cash and cash eq.) / Shareholder's equity. At the group level, this ratio decreased from 0.63 in 2015 to 0.34 in 2016.

In the first three months of 2017, this ratio decreased to 0.33 from 0.61 in previous year.



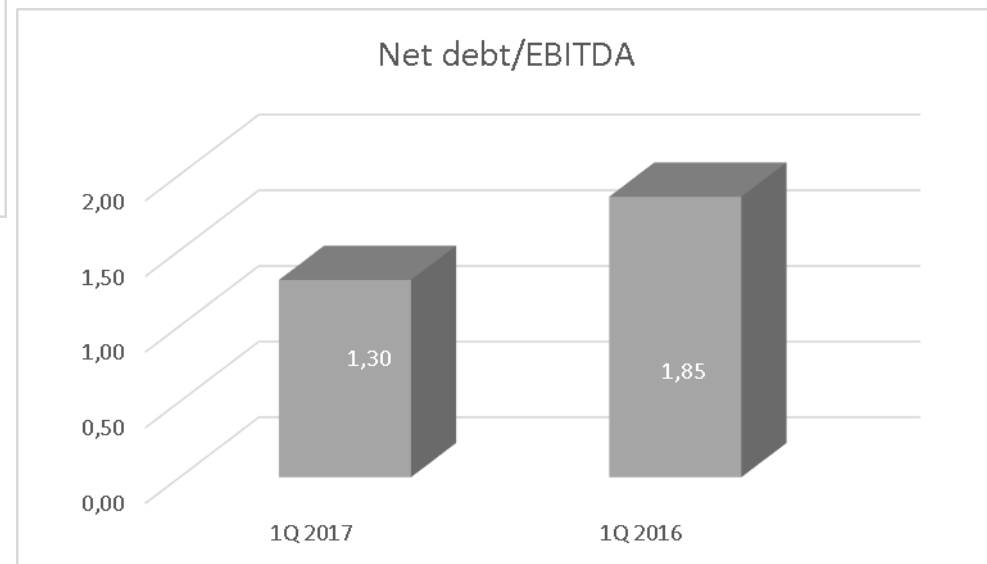


Net Debt / EBITDA evolution in 2016 and Q1 2017



Net debt / EBITDA ratio was computed as (Total debt minus cash and cash eq.) / EBITDA (LTM). At the group level, this ratio decreased from 1.97 in 2015 to 1.21 in 2016.

In the first three months of 2017, this ratio decreased to 1.30 from 1.85 in previous year.



TeraPlast Group 2017 budget and investments

For 2017 we aim positive evolutions of all financial indicators, the increase of exports share in the turnover and the improvement of the products quality. In the second part of the year, we expect positive evolution of the infrastructure segment. That's why, we are confident that we will achieve the sales and profitability targets set for this year

- Turnover: RON 434.600.413
- EBITDA: RON 63.348.223
- Net Profit: RON 38.096.477

TeraPlast programmed for **2017 investments** amounting a total of RON **84 million**. These investments will be directed towards: development/increase of capacity – acquisition of new production facilities, maintenance, heavy construction repair, heavy equipment repair, heavy mold repair, current repair, financial investments, quality improvement, research and laboratory.

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