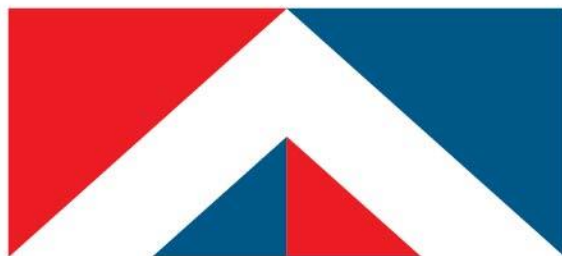


120  
ani



since 1896

# TeraPlast



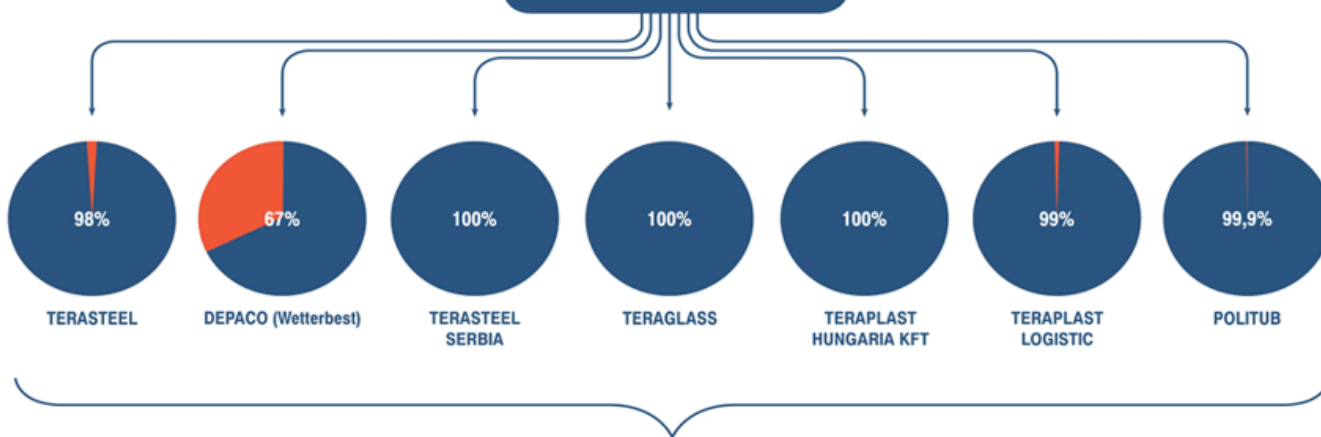
[www.teraplast.ro](http://www.teraplast.ro)

## Q3 2018 results

October 30<sup>th</sup>, 2018



**TERAPLAST S.A.**



**TERAPLAST GRUP**



# Agenda

- |          |                                 |           |
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| <b>2</b> | <b>Bridge Analysis</b>          | <b>6</b>  |
| <b>3</b> | <b>EBITDA Margin</b>            | <b>8</b>  |
| <b>4</b> | <b>Q3 Highlights</b>            | <b>10</b> |

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| <b>4</b> | <b>Q3 Highlights</b>            | <b>10</b> |

Q  
3  
2  
0  
1  
7

mRON  
32.9

EBITDA

mRON  
294.6

Revenue

%  
11.2

EBITDA Margin

Q  
3  
2  
0  
1  
8

mRON  
52.8

EBITDA

mRON  
590.5

Revenue

%  
8.9

EBITDA Margin

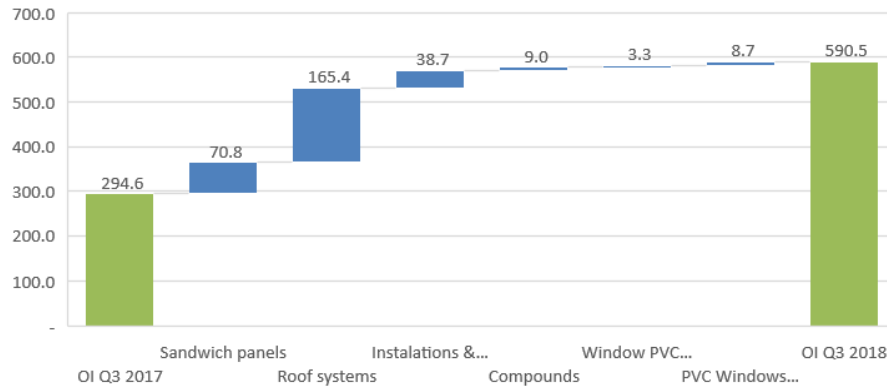
Compared with H1 2018, we improved our EBITDA margin (H1 2018 – 8.4%) while achieving our growth ambitions for 2018.

# Agenda

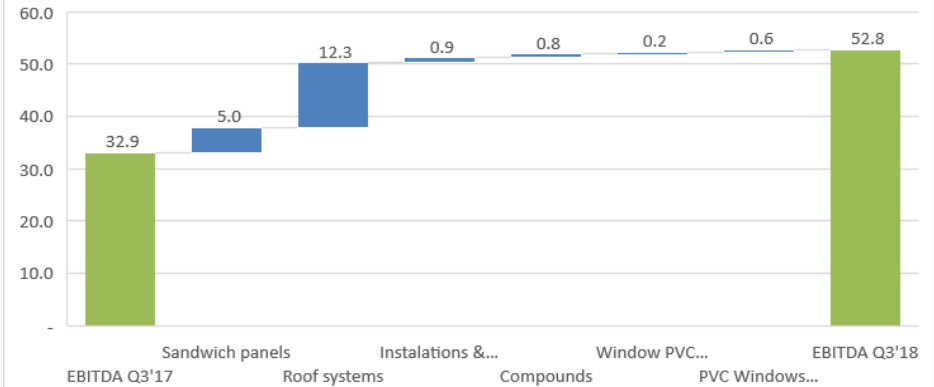
- |          |                                 |           |
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# Bridge analysis - segment results

Operating Income Bridge Q3 2018 vs Q3 2017



EBITDA Bridge Q3 2018 vs Q3 2017



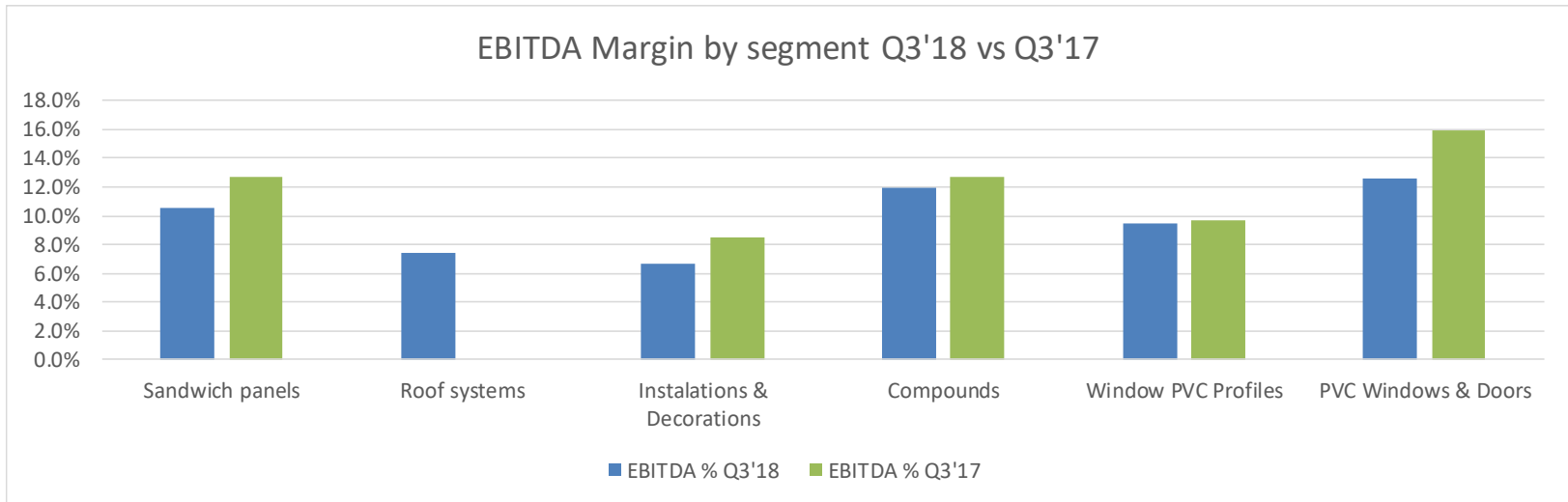
| Segment                    | Operating income |              |             | EBITDA      |                  |             | EBITDA margin |                  |             |             |
|----------------------------|------------------|--------------|-------------|-------------|------------------|-------------|---------------|------------------|-------------|-------------|
|                            | Period >>        | Q3'18        | Q3'18       | Q3'18       | Q3'17            | Q3'17       | Q3'17         | Q-o-Q var %      | Q-o-Q var % | Q-o-Q var % |
| Sandwich panels            |                  | 184.6        | 19.4        | 10.5%       | 113.7            | 14.4        | 12.7%         | 62%              | 35%         | -17%        |
| Roof systems               |                  | 165.4        | 12.3        | 7.5%        | not consolidated |             |               | not consolidated |             |             |
| Instalations & Decorations |                  | 128.0        | 8.5         | 6.6%        | 89.3             | 7.6         | 8.5%          | 43%              | 12%         | -22%        |
| Compounds                  |                  | 47.9         | 5.7         | 11.9%       | 38.9             | 4.9         | 12.7%         | 23%              | 16%         | -6%         |
| Window PVC Profiles        |                  | 41.6         | 3.9         | 9.4%        | 38.4             | 3.7         | 9.7%          | 8%               | 5%          | -3%         |
| PVC Windows & Doors        |                  | 23.0         | 2.9         | 12.6%       | 14.3             | 2.3         | 16.0%         | 61%              | 27%         | -21%        |
| <b>Total</b>               |                  | <b>590.5</b> | <b>52.8</b> | <b>8.9%</b> | <b>294.6</b>     | <b>32.9</b> | <b>11.2%</b>  | <b>100%</b>      | <b>60%</b>  | <b>-20%</b> |

# Agenda

- |          |                                 |           |
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- As compared to Q3 2017, EBITDA increased by 60% from RON 32.9 million to RON 52.8 million; operating income doubled over the same period;
- In Q4 we will focus on improving our margin on Water and Gas segment;



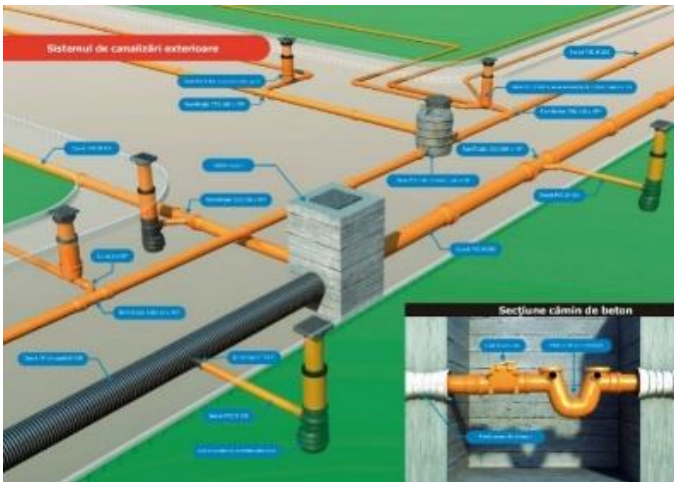
# Agenda

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|          | <b>4.1 Group consumption</b>           | <b>10</b> |
|          | <b>4.2 Steel Division</b>              | <b>12</b> |
|          | <b>4.3 Plastic Division</b>            | <b>15</b> |
|          | <b>4.4 TeraPlast Group - State Aid</b> | <b>18</b> |



## Steel division processing units (2018e)

- Prepainted steel sheets: 56,000 to (approx. 70% of the total prepainted steel sheet output of Romania);
- Galvanized steel: 9,000 to;
- Polyurethane foam: 9,000 to;



## Plastic division processing units (2018e)

- PVC: 22,000 to (approx. 40% of national consumption of PVC);
- PP+PE: 6,100 to;

# Agenda

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## Notable projects for turnkey halls

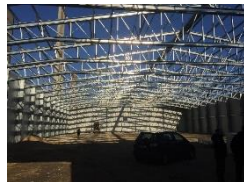
Q3 2018 – Vertatel production hall, 1800 sqm | Magurele



H1 2018 – Kovian production hall, 1350 sqm | Slovakia



H1 2018 – Eurosvit production hall, 2640 sqm | Slovakia

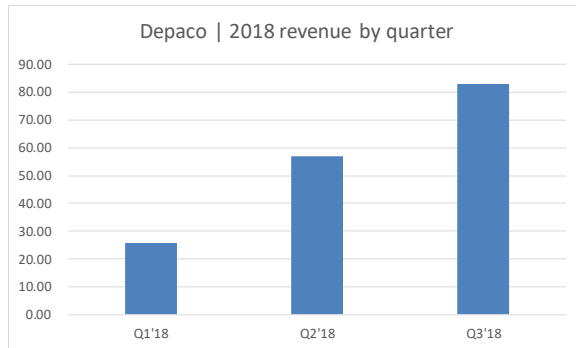


## Sandwich panels

- TeraSteel has won a significant position as a supplier of sandwich panels in CEE with a market share of 17.4%;

## Roof systems segment

- In the 3 months ended 30 Sep 2018 Depaco increased its revenue by 46% as compared with previous quarter (3 months ended 30 Jun 2018);



- For full FY 2018, Depaco is expected to cover approx. 30,000 homes (2017: 28,000 roofs)



# Agenda

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|          | <b>4.4 TeraPlast Group - State Aid</b> | <b>18</b> |

## Operating performance for the plastic division

- 33% growth in operating income from 180.9 mil RON in Q3'17 to 240.5 mil RON in Q3'18;
- 14% growth in EBITDA from 18.5 mil RON in Q3'17 to 21 mil RON in Q3'18;
- TeraPlast is a top supplier of water and sewerage systems with projects across all of Romanian counties;



## Recycling

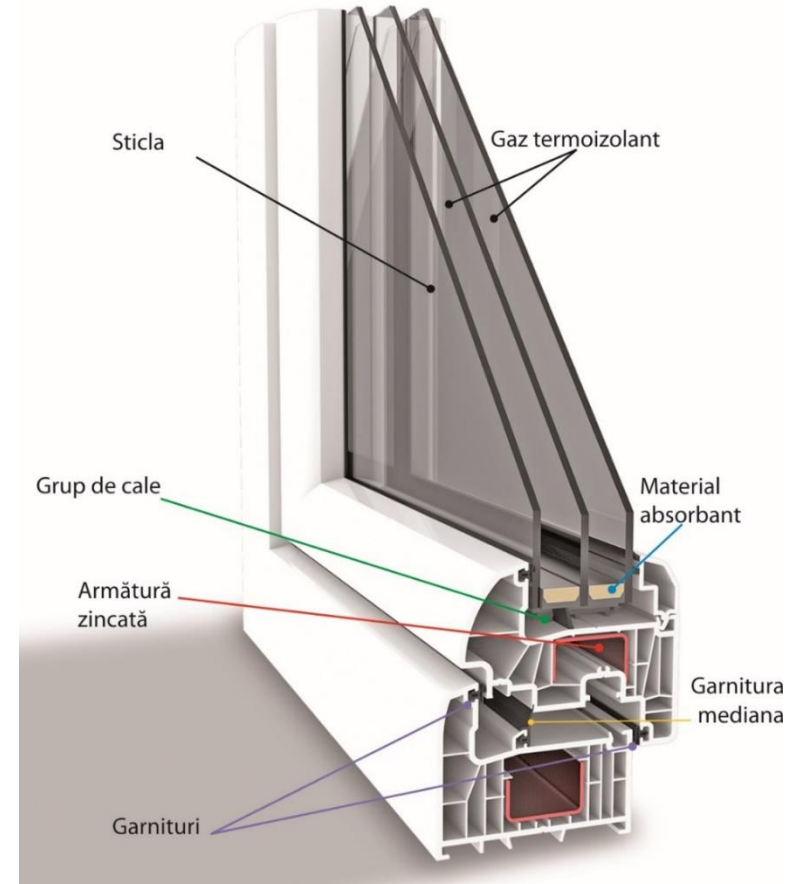
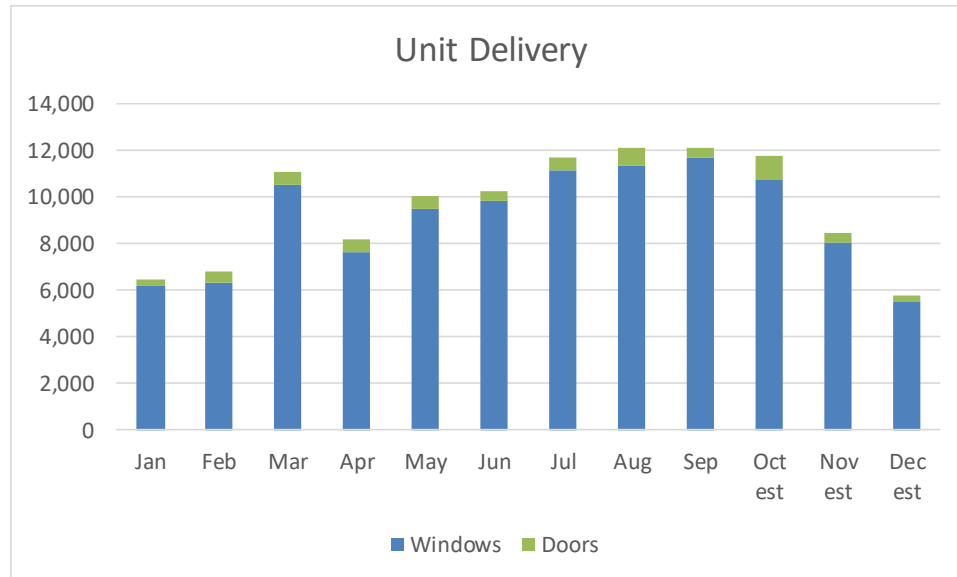
- In Sept 2018, the recycling unit operated at full capacity, processing over 900 tons of rigid PVC;
- This year we estimate to recycle approx. 7,000 to;
- The recycling section is the result of an investment of EUR 3.8 mil and places TeraPlast in the top 10 rigid PVC recyclers at European level (and no 1 nationwide);





## Windows and Doors

- Over 100,000 window units and 6,000 doors are expected to be delivered in the full year 2018;



# Agenda

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| <b>4.4</b> | <b>TeraPlast Group - State Aid</b> | <b>18</b> |

## State Aid

- In Sept 2018, TeraPlast Group applied for State Aid in three investment projects totaling EUR 15 million;
- Investments are aimed at acquiring machinery and equipment to increase the production capacity of existing products, portfolio diversification and the establishment of new production units within three Group companies – TeraPlast, Depaco and TeraGlass;
- The implementation of these three projects will create 159 new jobs within the Group;





**TERA  
PLAST  
GROUP**



TeraPlast



TeraSteel



TeraGlass



TeraPlast  
Hungary



TeraSteel  
Serbia



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