

## PRESS RELEASE

### TeraPlast Group has in the first half of 2018, two times the revenue it had in the same period of 2017

**Bistrița, 30 July 2018** TeraPlast Group, one of the main players in the construction industry, has recorded during the first half-year of 2018 a 338 million RON turnover, doubling its turnover as compared to the first half-year of the previous year, when its business amounted to about 172 million RON. The businesses added last year to the Group's portfolio had the main contribution to this growth: Depaco (Wetterbest), the sandwich panel manufacturer in Serbia and the Politub business. Historically, the first semester represents about 40% of TeraPlast's annual business, as to the seasonality of the industry.

#### Main indicators, thousand RON

<b>Steel Division</b>	S1 2018	S1 2017	Growth
Turnover	193,485	64,188	201%
EBITDA	15,648	7,257	116%
<b>Plastics Division</b>	S1 2018	S1 2017	Growth
Turnover	145,009	107,483	35%
EBITDA	12,651	11,062	14%

Beyond consolidating the new acquisitions, each business line continued its organic growth, in line with the Group's strategy, which has mainly relied on the development of the distribution network, its increased presence on the European markets and the innovation capacity in developing new products.

**Ioana Birta, financial manager of TeraPlast Group:** *The results of this half-year confirm we had the right strategy with the three major acquisitions we made in 2017: TeraSteel factory in Serbia, the Wetterbest business and the Politub activity. These represented a diversification of our portfolio, have brought value-added and will contribute significantly to the mid-term development of our business, our goal of doubling last year's turnover standing as proof. During the following 6 months we will focus on improving our business and increasing the margin, mainly on the metal tile roofing segments and water, gas and sewage systems.*

#### Steel Division

The sandwich panel segment has generated a 112 million RON turnover, a 74% increase compared to the same period last year, in the context of a 58% EBITDA increase. This growth has been generated especially by the Serbian factory, from where products are marketed to 8 European countries. The manufacturing plant of Bistrița is focusing on developing the premium segment.

Starting with 2018, the financial statements of the Group also include the company Depaco, which had a 25% increase in turnover compared to the first six months of the previous year, by continuing the development of the roofing segment for industrial constructions and an increased presence in the north of the country. Wetterbest is continuing its strategy of increasing the market share.

The **Plastics Division** has recorded a 145 million RON income during H1 2018, a 35% increase as compared to H1 2017. In this segment, TeraPlast Group is leader and, at the same time, is constantly improving its presence in the neighbouring countries.

The compounds segment has obtained a notable performance: a 32 million RON income, a 40% increase as compared to the first half of 2017, while maintaining the EBITDA margin at 12%. On this segment, TeraPlast is the number one producer in Romania, keeping its promise to develop a wide range of compounds, according to customers' technical specifications, offering to manufacturers of cable the most efficient solutions. Based upon these competences, TeraPlast has improved its presence in the neighbouring countries.

According to the company representatives, private sector constructions are still on an ascending trend, however in the context of consumption and industrial production slowdown, we are not expecting the opportunities offered by the market in 2017. In terms of infrastructure projects, there are many engaged and not awarded bids, therefore the results of the Group will be generated, this year too, in relation to the private sector.

**TeraPlast Group Details:**

*With a tradition of over 120 years, TeraPlast Group is currently one of the main manufacturers of materials for construction and piping industry. The Group's product portfolio is structured on six business lines: Piping & Fitting, Joinery Profiles, Granules, Heat insulating panels, PVC Windows & Doors and Metallic Tiles – by Wetterbest brand. TeraPlast Group has been active on the external market since October 2017, after the opening of TeraSteel Serbia, the first factory inaugurated after 1990 and fully owned by a Romanian company.*

*Starting 2 July 2008, the Group's biggest company – TeraPlast – has been listed on Bucharest Stock Exchange under the symbol TRP.*

**The report for half year 2018** can be found on the website [www.TeraPlast.ro](http://www.TeraPlast.ro) / Investors / Financial Reports section and can be accessed in the following link: