

## PRESS RELEASE

# The TeraPlast Group increased its EBITDA by 41% and the turnover by 21% in 2019

**Bistrița, February 17, 2020**

The TeraPlast Group, the largest Romanian manufacturer of construction materials, registered an increase of 21% in turnover, for 2019, compared to the previous year, reaching 972.6 million lei. During the same period, the Group's total EBITDA rose by 41%, reaching 91.2 million lei.

These achievements are a direct result of the favorable market conditions, as well as of the previous investments made by the Group's companies.

*" We are very close to the 1 billion lei in turnover mark, which is twice what the Group registered two years ago. Additionally, we've managed to keep our promise to create value to our investors, by increasing the net profit by 85%, to 41.8 million lei in 2019, as well as by increasing the rentability of capital employed from 9.3% in 2018 to 15% in 2019. The efficiency of our development strategy and the maturation of the businesses that have recently become part of the Group are also reflected within the EBITDA, which has doubled in the last two years, reaching 91.2 million lei.*

*In 2020, we will reap the benefits of the 98 million lei we invested in 2019. These will contribute significantly to the target turnover of 1.25 billion lei, with an EBITDA of 145 million lei," stated Ioana Birta, Chief Financial Officer of the TeraPlast Group.*

<i>million lei*</i>		<b>2019</b>	<b>2018</b>	<b>Evolution</b>
<b>TeraPlast</b>	Turnover	365	292,6	25%
	EBITDA	37	20,6	80%
<b>TeraSteel Romania and Serbia</b>	Turnover	308,8	262	18%
	EBITDA	37,6	26,4	42%
<b>Wetterbest</b>	Turnover	269,9	221	22%
	EBITDA	15,1	14,6	4%
<b>TeraGlass</b>	Turnover	28,9	28,9	0%
	EBITDA	1,4	3,2	-56%

<b>TeraPlast Group</b>	<b>Turnover</b>	<b>972,6</b>	<b>804,5</b>	<b>21%</b>
	<b>EBITDA</b>	<b>91,2</b>	<b>64,9</b>	<b>41%</b>

*\*The turnover does not include the intra-group sales*

*\*EBITDA is the Operational Results minus depreciation and adjustments in assets, including the result from selling the non-current assets and differences in reevaluation, minus the provisions for risks and spendings, minus the subsidies income, minus the sponsorship spending*

*\*TeraPlast includes the results of TeraPlast, TeraPlast Recycling and TeraPlast Hungary*

TeraPlast was the best performer of 2019, with an increase in business of 25%, reaching 365 million lei, while its EBITDA registered an increase of 80% compared to the same period last year, reaching 37 million lei. In 2019, the company manufactured and sold over 16 million linear meters of pipes, more than 8 million pieces of fittings and roto formed products, 7 million linear meters of window profiles and more than 14 thousand tons of compounds.

TeraSteel Romania and Serbia registered the best profit margin, out of all the Group's companies. The increase of the sandwich panel segment margins is a result of the savings made within the acquisition of raw materials, as well as of the higher usage of the Serbian production capacity. The Serbian market continues to be a high potential market for TeraSteel. The company registered an increase in business of 18% in 2019, compared to the same period the previous year, reaching 308.8 million lei. Meanwhile, TeraSteel's EBITDA registered an increase of 42% compared to 2018, reaching 37.6 million lei. The quantity of sales has also increased last year, by over 30%, with TeraSteel selling more than 3.8 million square meters of sandwich panels and 7 thousand tons of galvanized steel purlins.

The turnover for Wetterbest, the second largest metallic tiles manufacturer in Romania, increased by 22% in 2019, reaching 269.9 million lei, with the company's EBITDA reaching 15.1 million lei in 2019. Wetterbest sold 5 million square meters of metallic tiles in 2019, more than 2 million square meters of self-supporting steel sheet, and more than 4 million pieces of drain systems and accessories. The 44.5 million lei investment project started in 2019 and completed by the first part of 2020, will support the increase of the market share and profitability.

TeraGlass benefited from a 16.1 million lei investment in 2019, and, following this process, its workflow was completely automated to produce windows and doors. In 2019, TeraGlass sold more than 118.000 units, mainly on international markets.

The substantial investments made in 2019, in Wetterbest and TeraGlass, are the main drivers for growth in 2020, together with TeraPlast.

For 2020, the Group estimates a significant increase in profitability, with a budgeted EBITDA of over 145 million lei that represents an increase of 59% compared to 2019, and a turnover of 1.25 billion lei, an increase of 29% compared to 2019.

Find out more about the TeraPlast Group's budget for 2020 by accessing the following link:

<https://www.teraplast.ro/investitori/rapoarte-financiare/>.

## About the TeraPlast Group

*With more than 120 years of history, the TeraPlast Group is today the largest Romanian manufacturer of construction materials. The Group is comprised of: TeraPlast, TeraSteel Romania and Serbia, Wetterbest, TeraGlass, TeraPlast Hungary. Starting April 2019, the Group's recycling business has become an independent company within the Group, named TeraPlast Recycling. Since July 2<sup>nd</sup>, 2008, the largest company in the Group – TeraPlast SA – has been listed on the Bucharest Stock Exchange, under the TRP symbol. TeraPlast's stock is included under the BET-BK, BET-XT, BET-XT-TR and BET-Plus indexes. TeraPlast passed ARIR's Vektor evaluation, based on 15 different criteria regarding investor communications, with the highest mark, 10.*