

TeraPlast Group marks a 71% increase in net profit in the first half of 2021

- **The net profit of RON 28,67 million was generated by the businesses in the current structure of the TeraPlast Group, excluding the impact of the exit from the Steel division and the window profiles business.**
- **The Group's EBITDA increased by 47% in the first half of 2021 compared to H1 of 2020, up to RON 42,7 million, while the operating profit increased by 63%.**
- **The consolidated turnover rose by 40% compared to the same period of 2020.**
- **This year's investments, worth over RON 160 million, are on track, therefore during the following period they will contribute to the Group's results.**

Bistrița, July 26, 2021

During the first half of 2021, TeraPlast Group registered a turnover close to RON 273 million and an EBITDA of RON 42,7 million, representing an accelerated increase, by 40%, in revenue, and a consistent increase, by 47%, in EBITDA, compared to the restated results for the first half of 2020. During the same period, the net profit registered a jump, increasing by 71%, from RON 16,8 million during H1 of 2020, up to RON 28,67 million during the first half of this year. The operating profit increased by 63% in H1/2021. The EBITDA margin stood at 15,7%, above the budgeted level and by 0,8 percentage points above the level of the same period last year.

The market and the whole context of stimulating economic growth were favorable for the increase in volumes sold.

The consolidated results of the first six months include the effects of Somplast integration since the second quarter, that added the flexible packaging business line to the Group. However, Somplast's results have not been significantly influenced by the Group's management since April, when effective control was exercised, and with the integration still ongoing. The efficiency of the strategy and the fruition of the Group-level synergies will be visible during the next quarters. The flexible packaging business line will benefit from an additional accelerated growth by the investments ongoing – the TeraBio Pack project worth EUR 12 million. The Group management continues to analyze strategic options for expanding, including through M&A.



„The evolution of the raw materials market tried out our adaptability and the record high results show we have successfully passed this test, as well. Comparing these results to the first half of 2020 - at that time considered a new record in terms of financial performance - confirms the success of our positioning and accelerated profitable development strategy in both plastics processing and green economy, through biodegradable packaging and rigid PVC recycling” stated Ioana Birta, TeraPlast Group’s CFO.

„With an EBITDA of RON 42,7 million and a margin of 15,7%, at half-year we are on track with reaching the 2021 budget. For the rest of the year, we will have additional positive impact from the commissioning of further investments. We already have operational equipment that increases the annual production capacity for the PVC pipes to over 30 thousand tons. The construction of the water & gas polyethylene systems factory is carried out according to plans and will be operational starting the fourth quarter. The investment in the biodegradable packaging factory is also on track.” added Ioana Birta.

For the entire 2021, TeraPlast Group’s budget is based on a turnover of RON 636,2 million and an EBITDA of RON 89,1 million. The Group’s results in the first half of this year indicate a favorable evolution to reach these targets.

values in RON, thousand, if not stated otherwise	TeraPlast Group Total*	Installation (including recycled micronized PVC)	Compounds (including recycled compounds)	Windows & Doors	Flexible packaging
Turnover H1/2021	272.903	182.242	64.591	19.914	6.154
Compared to H1/2020	40%	26%	86%	29%	n/a
EBITDA H1/2021	42.743	29.601	11.772	1.368	39
Compared to H1/2020	47%	30%	97%	415%	n/a
EBITDA Margin	15,7%	16,2%	18,2%	6,9%	0,6%
Net profit**	28.674				
Compared to H1/2021	71%				

*Results for the current structure of the TeraPlast Group, compared to the restated results of the first half of 2020, for comparability.

**Generated by the businesses in the current structure of the TeraPlast Group, excluding the impact of the Steel division and window profiles business line transaction.

Installation & Recycling business line (TeraPlast and TeraPlast Recycling)



- With a turnover of RON 182 million, generated two thirds of the consolidated results of the Group.
- The EBITDA of RON 29,6 million represents an increase by 30% compared to H1/2020.
- The production of PVC, PE and PP pipes increased by 9% compared to H1/2020.
- The recycling business had a 28% increase in processed volume.
- The raw materials crisis, manifested not only through prices increase, but through lack of availability as well, determined the increase in demand for the recycled material that can successfully replace the virgin resource. The expanding sustainability policies at European level will further increase the demand for the recycled material.
- TeraPlast Recycling expands its processing capacity this year, from 12.000 tons up to 33.000 tones.

Compounds business line (TeraPlast & TeraPlast Recycling)

- Includes the rigid and plasticized PVC Compounds, as well as the recycled compounds.
- The business line with the best performance in terms of growth compared to the reporting period.
- The turnover of RON 64,6 million, with an advance of 86%, was mainly backed by the sale of recycled compounds.
- The EBTIDA is 97% higher, up to RON 11,7 million.

Windows & Doors business line (TeraGlass)

- Significant improvement of the segment's results, following an efficient management of costs and increase in volumes: EBITDA 4 times higher than the one in H1/2020.
- Turnover close to RON 20 million in H1/2021 (+29%).
- A business line strongly oriented towards exports, with foreign sales of approximately 70% of total, as a result of the strategy for entering the large European DIY networks.

Flexible Packaging business line (Somplast and TeraBio Pack)

- Turnover of RON 6,1 million and EBITDA of RON 39 thousand.
- A new business within TeraPlast Group by the integration of Somplast in the consolidated results starting the second quarter of the current year.
- The actual integration of Somplast is carried out in multiple stages through process optimization, investment in equipment and arranging the Năsăud premises.



- For the biodegradable flexible packaging segment, the Group has under implementation the investment worth EUR 12 million in TeraBio Pack - a new production unit that will be operational starting the fourth quarter of this year.

About TeraPlast Group

The Group is comprised of the following companies: TeraPlast, TeraGlass, TeraPlast Recycling, TeraBio Pack and Somplast. Starting July 2nd, 2008, TeraPlast SA – the parent-company of the TeraPlast Group – is listed on the Bucharest Stock Exchange under the TRP symbol. TeraPlast's shares are included in the BSE reference index, BET, and since the third quarter of 2020 in FTSE Russell's Total Cap and MicroCap indices.

Within the Vektor evaluation based on 15 criteria for investor relations communication, conducted by ARIR, TeraPlast received the highest mark: 10, for the second year.

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