

PRESS RELEASE

TeraPlast Group: 50% increase in EBITDA during 2018

Bistrița, February 25, 2019

The turnover of TeraPlast Group, the largest Romanian owned producer of construction materials, increased by 91% in 2018, to RON 804,9 million, due to the accelerated development of the Steel division, supported by the Serbian market expansion and the consolidation of Depaco. At the same time, the consolidated EBITDA of the Group increased with 55%, to over RON 65 million.

These achievements are the result of the integration, during 2018, of new businesses, of developing the product portfolio and the constant investments in the production lines. These projects are part of the Group's long term strategy.

„2018 continued the development projects and confirms the success of the TeraPlast Group's strategy in the last few years. We've managed, through sustained investments, to strengthen our position on the regional markets, developing all our business segments. Both Steel and Plastics divisions registered two-figures growth indicators. In 2018 we completed the investment in the rigid PVC recycling unit, which places our company no.1 in Romania and among the top 10 rigid PVC recyclers in Europe, by processing capacity. Through state-aid projects, with a total value of EUR 15 million, we set the ground of the mid-term development for the Group”, stated **Ioana Birta, CFO of TeraPlast Group.**

Main indicators, thousand LEI

CONSOLIDATED RESULTS	2018	2017	EVOLUTION
TURNOVER	804,970	422,270	91%
EBITDA	65,184	42,112	55%
STEEL DIVISION			
	2018	2017	EVOLUTION
TURNOVER	483,449	172,345	181%
EBITDA	41,301	18,753	120%
PLASTICS DIVISION			
	2018	2017	EVOLUTION
TURNOVER	321,521	249,925	29%
EBITDA	24,082	23,359	3%

The Steel Division, made up of TeraSteel Romania, TeraSteel Serbia and Depaco, has had an important impact on the positive evolution of the Group's financial results. Thus, the Steel Division's sales increased in 2018 by 181%, as compared to 2017, reaching over RON 483 million, while EBITDA rose by 120% during the same period, reaching RON 41.3 million.

TeraSteel Serbia opened at the end of 2017. It is the first Romanian-owned factory to open abroad after 1990. In addition to the initial investment of over EUR 6,5 million in its production capacities and working capital, TeraPlast Group also invested over EUR 1 million in 2018, in its self-supporting trapezoidal sheet line and its mineral wool module in Serbia. During 2018, TeraSteel Romania and TeraSteel Serbia sold more than 3.1 million square meters of thermal insulating panels. Meanwhile, Depaco, through the Wetterbest brand, one of the main producers of roofing systems in Romania, sold more than 5 million square meters of metal roof tiles.

Wetterbest has been a part of the TeraPlast Group since 2018. It is currently undergoing a project worth EUR 5.2 million, financed through a state aid program, as well as EUR 3.3 million in private company funds. The project calls for the creation of a new production unit, in a new location, with an annual roof tiles and profiles production capacity of over 10 million square meters

Also in 2018, The Wetterbest School has been accredited by the Ministry of National Education, through the National Qualifications Authority and the County Agency for Payments and Social Inspection, which means it is now recognized at both national and EU levels.

The Plastics Division, which includes the Installations, Profiles, Granules, Door and Window Production and PVC Recycling business lines registered sales of RON 321.5 million in 2018, as well as an EBITDA of RON 24 million.

TeraPlast SA and TeraGlass are both the beneficiaries of state grants, with projects worth a total of EUR 9.7 million already on their way, with the purpose of increasing the production capacities of the two companies, in order to expand their existing products, diversify their portfolios and create new jobs.

In 2018, TeraPlast SA produced more than 13.700 km of pipes, more than 6.900 km of PVC Profiles. Meanwhile, TeraGlass, the company that owns TeraPlast Group's windows and doors portfolio, produced a total of 123.000 doors and windows, using 90% of its production capacity.

For 2019, the TeraPlast Group aims to increase its market share and regional coverage, through continued development of its production capacities, the optimization of its product portfolio and the expansion of its distribution network.

About TeraPlast Group

With a tradition of over 120 years, TeraPlast Group is currently the biggest Romanian owned producer of construction materials. The Group's products portfolio is structured on six business lines: Installations, Joinery profiles, Compounds, Thermal insulating panels, Windows&Doors and Metallic roof tiles (through Wetterbest). TeraPlast Group opened, in October 2017, TeraSteel Serbia, the first abroad Romanian fully-owned production facility, inaugurated after 1990.

Starting with 2nd of July 2008, the biggest compny of the Group – TeraPlast SA – is listed at the Bucharest Stock Exchange under the TRP symbol.

The preliminary report for the financial year 2018 can be found on the website [www.TeraPlast.ro / Investors / Financial Reports](http://www.TeraPlast.ro/Investors/FinancialReports) section and can be accessed in the following link: <https://www.teraplast.ro/en/investors/financial-reports/>