

July 29, 2024

TERAPLAST

Q2'24 Earnings preview

- * Tera plast will publish Q2'24/H1'24 results on July 31.
- * TRP's Q2'24 bottom-line could increase 2.5x Y/Y to RON 4m mainly on increased net turnover (+30% Y/Y to RON 226m).
- * For Q2'24, sales could increase by 30% Y/Y to RON 226m. Installations segment could add 25% Y/Y to RON 161m, Compounds segment could increase by 31% Y/Y to RON 29m, Windows & Doors could increase 3% Y/Y to RON 13m and Biodegradables may increase 2.3x Y/Y to RON 23m.
- * EBITDA could hike 39% Y/Y to RON 20m, while the respective margin could land at 8.8% (from 8.2% in Q2'23).
- * H1'24 bottom-line could land at RON 2m (vs. losses of RON 1m in H1'23).

Q2'24 Earnings preview

BQ: TRP RO

Last close **RON 0.540**

52 - Week range **RON 0.450 | RON 0.620**

Market cap (m) **RON 1,176.7** **€ 236.8**

	Q2'23A	Q2'24E	H1'23A	H1'24E
P&L summary (RONm)				
Net turnover o/w	173.4	225.6	320.6	402.5
Installations	129.1	161.4	231.6	283.3
Compounds	21.9	28.7	42.3	49.2
Windows & Doors	12.2	12.6	24.6	23.0
Biodegradables	10.2	22.9	22.0	46.9
Total operating revenues	175.1	228.0	325.0	407.2
Operating expenses	167.6	218.8	313.6	393.3
D&A	8.5	10.6	16.2	20.1
EBITDA o/w	14.3	19.8	23.3	31.7
EBITDA margin	8.2%	8.8%	7.3%	7.9%
Installations	14.5	18.3	23.7	30.3
EBITDA margin	11.2%	11.3%	10.2%	10.7%
Compounds	2.0	3.2	4.0	5.5
EBITDA margin	9.2%	11.1%	9.5%	11.1%
Windows & Doors	-0.9	0.6	-1.0	1.1
EBITDA margin	-7.0%	4.6%	-3.9%	4.6%
Biodegradables	-1.4	-2.3	-3.4	-5.1
EBITDA margin	-13.6%	-9.9%	-15.6%	-10.8%
EBIT	5.8	9.2	7.0	11.6
EBIT margin	3.3%	4.1%	2.2%	2.9%
Net financial result	-3.0	-3.6	-6.5	-7.0
EBT	2.8	5.6	0.6	4.6
Income tax	-1.2	-1.5	-1.6	-3.0
Net profit	1.6	4.1	-1.0	1.6
Net profit margin	1%	2%	0%	0%

Source: The Group; Swiss Capital estimates



Price performance	1m	3m	12m	YTD
	-4.4%	-3.6%	7.1%	4.9%

Swiss Capital does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decisions.

For analysts certification and other disclosures refer to the Disclosure Section at the end of this report.

DISCLOSURE SECTION

Analysts Certification

The research analyst(s) undersigned and responsible for the preparation of this report hereby certify (-ies) that i) the views expressed in this research report accurately reflect their personal views about any and all of the securities or issuers referred to in this research report, ii) no part of the analyst's compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report and iii) no part of their compensation is tied to any specific investment banking transactions performed by Swiss Capital SA.

Stocks Ratings

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Fair Value - Current Price)/Current Price, subject to limited management discretion. In most cases, the Fair Value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as Discounted Cash Flow etc. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.

A "**STRONG BUY**" recommendation indicates that upside is more than 30%.

A "**BUY**" recommendation indicates that upside is between 15% and 30%.

A "**NEUTRAL**" recommendation indicates that upside or downside is less than 15%.

A "**SELL**" recommendation indicates that downside is more than 15%.

Company Specific Regulatory Disclosures

The following disclosures relate to relationships between Swiss Capital SA and companies covered by the Research Division of Swiss Capital and mentioned in this research.

Mentioned companies

Company	BSE	Rating	Price	Price date	Disclosure
Teraplast	TRP	-	0.540	26/07/2024	NONE

Rating history for TRP

Date	Rating	Share Price (RON)	Target Price (RON)
24/03/2021	Initiation of coverage - NEUTRAL	0.796	0.750
14/02/2023	Update - SELL	0.599	0.427

General disclaimer

THIS REPORT IS: (i) FOR YOUR PRIVATE INFORMATION, AND WE ARE NOT SOLICITING ANY ACTION BASED UPON IT; (ii) NOT TO BE CONSTRUED AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY; AND (iii) BASED UPON INFORMATION THAT WE CONSIDER RELIABLE.

SWISS CAPITAL DOES NOT WARRANT OR REPRESENT THAT THE REPORT IS ACCURATE, COMPLETE, RELIABLE, FIT FOR ANY PARTICULAR PURPOSE OR MERCHANTABLE AND DOES NOT ACCEPT LIABILITY FOR ANY ACT (OR DECISION NOT TO ACT) RESULTING FROM USE OF THIS REPORT AND RELATED DATA. TO THE MAXIMUM EXTENT PERMISSIBLE ALL WARRANTIES AND OTHER ASSURANCES BY SWISS CAPITAL ARE HEREBY EXCLUDED AND SWISS CAPITAL SHALL HAVE NO LIABILITY FOR THE USE, MISUSE, OR DISTRIBUTION OF THIS INFORMATION.

© 2024 SWISS CAPITAL. ALL RIGHTS RESERVED. THIS REPORT MAY NOT BE REPRODUCED OR REDISTRIBUTED, IN WHOLE OR IN PART, WITHOUT THE WRITTEN CONSENT OF SWISS CAPITAL.