



**ROMCARBON SA** | Thinking forward  
a company listed on **BVB**



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**Romcarbon SA**, one of the major plastic packages producers (Polystyrene, Polypropylene, Polyethylene) in Romania and the most important Romanian producer of regenerated polymers & compounds, recorded in the period January-September 2020 a net profit of RON 1,920,992, + RON 1,025,481 (115%) as compared with the same period of 2019, and net sales of RON 137,741,165 decreased by 3% as compared with the previous year (9 Months of 2019: RON 142,372,892). Considering the sales of finished products it was registered a decrease of 8% as compared with the same period of the previous year (9 Months of 2019: RON 107,605,712).

**EBITDA Operational** recorded in the reporting period an amount of **RON 10,424,982**, increased with RON 919,413 (+10%) as compared with the same period of the previous year.

Regarding the decrease in Net Sales of finished products, a significant influence had the sector Regenerated polymers & compounds (- RON 7,529,947; -31%), as one of its major market being the automotive industry that have delayed the orders in the first months of 2020 due to the lockdown policy in many countries due to COVID-19 pandemic. In June 2020 it was observed a rebound of this sector, the sales increasing by 53% compared with the previous month, but this trend did not continue in the following months.

The plastics sector registered in the period January-September 2020 a slight decrease in sales by -1.74% compared to the same period of the previous year, managing to reduce the gap of -4.27% registered in Semester 1 2020 as compared with Semester I 2019. Within this sector, the polyethylene products registered an increase of sales with 4% as compared with the similar period of the previous year, while the other two groups of products recorded decreases of sales of - RON 603,535 (-2%) - polystyrene products - and - RON 1,575,329, -6% - polypropylene products. An aspect that must be highlighted regarding polyethylene products is the beginning, in the last months of 2019, of **the production of biodegradable small bags**, Romcarbon obtaining for these products the certification regarding the biodegradability issued by TUV Austria.

To reduce the impact of the decrease of orders the company had sent in average 108 employees for technical unemployment in April and 111 employees in May mainly from the sectors Compounds & regenerated polymers and Plastic processing. Following the gradually recovery of the activity, starting with June all these employees were re-employed. At the date of the report none of the company employees are in technical unemployment.

The evolution of the company main indicators in the reporting period is shown in the following table:

Indicator	9 Months 2018	9 Months 2019	9 Months 2020	2020 vs. 2019	
Revenue (Sales)	152,759,694	142,372,892	137,741,165	▼ (4,631,727)	-3%
Investment income	2,921,397	1,459,066	1,328,578	▼ (130,488)	-9%
EBITDA	12,790,242	8,562,958	9,193,928	▲ 630,970	7%
<b>EBITDA Operational<sup>1</sup></b>	<b>8,907,873</b>	<b>9,505,569</b>	<b>10,424,982</b>	<b>▲ 919,413</b>	<b>10%</b>
Net profit	5,077,152	895,511	1,920,992	▲ 1,025,481	115%
Non-Current assets	188,835,161	168,059,809	156,838,739	▼ (11,221,070)	-7%
Current assets	77,495,413	82,785,446	82,063,534	▼ (721,912)	-1%
Total Equity	136,191,442	136,745,395	138,975,244	▲ 2,229,849	2%
Total Liabilities	130,139,132	114,099,860	99,927,029	▼ (14,172,832)	-12%
Debt ratio	49%	45%	42%	▼ -4%	-8%
Current liquidity	98%	111%	114%	▲ 2%	2%

<sup>1</sup> EBITDA Operational was calculated taking into account only the exploitation activity, excluding financial activity, sales of assets, depreciation and any other non-recurring items. From the point of view of evaluating the main activity of the company, this indicator is the most relevant.

## About Romcarbon SA

The company has the following fields of activity:

- Plastic processing sector (**57%** of 2020 sales):
  - Polyethylene processing (virgin polymers and regenerated) :bags, small bags, covers, general use foil, thermo foil;
  - Polystyrene processing : trays for the food industry (standard, absorbent, catering) and products for constructions as plates and rolls;
  - Polypropylene processing: laminated and non-laminated woven bags in different sizes for packaging products used in agriculture, food and chemical industry;
- Regenerated polymers and compounds (**12%** of 2020 sales);
- Other production sectors (**3%** of 2020 sales) :automotive and industrial filters, active carbon, breathing protective equipment, PVC traffic base;
- Other activities (**28%** of 2020 sales): sales of goods, services, other sales.

**Chairman of the Board and General Manager,**  
**Huang Liang Neng**

**Financial Manager,**  
**ec. Zainescu Viorica Ioana**