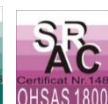




**ROMCARBON SA** | Thinking forward  
a company listed on **BVB**



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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 1st Quarter of 2020 a net loss of LEI 162,818, + LEI 491,467 as compared with the same period of 2019, and a value of net sales of LEI 48,249,634 increased by 1% as compared with the previous year (1st Quarter 2019: LEI 47,862,182). Considering the sales of finished products it was registered a decrease of 3% compared with the same period of the previous year (1st Quarter 2019: LEI 35,219,052).

EBITDA Operational recorded in the reporting period an amount of LEI 2,949,137, slightly lower as compared with the same period of the previous year (-LEI 78,026, - 3%).

Regarding the decrease in Net Sales of finished products, a significant influence had the sector Regenerated polymers & compounds (- LEI 2,179,145, -24%, as compared with 1st Quarter 2019), as one of its major market being the automotive industry that have delayed the orders due to the lockdown policy in many countries due to COVID-19 pandemy. Another negative impact is the low price of the virgin granules. The company expects to recover the business of this sector gradually starting from 2nd half of May, since the automotive industry start to resume the production.

On the other hand the plastics processing sector recorded in the reporting period an increase of sales with LEI 781,625, i.e. 3%, amounting LEI 25,707,153. The highest increase was recorded by the polyethylene products group (+12%), while the polystyrene products recording an increase of sales of 8% comparing with the 1st Quarter of 2019, and polypropylene products a decrease of 8%.

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.

The share of this subgroup of products in the total sales of the group in 2019 was relatively small (1.24%), but for 2020 it is expected to reach 13%, being one of the growth engines of the sector.

**Subsequent events:** To reduce the impact of the decrease of orders the company have sent in average 108 employees for technical unemployment in April and 89 employees in May mainly from the sectors Compounds & regenerated polymers and Plastic processing.

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

Item	Q12018	Q12019	Q12020	2020 vs. 2019	
<b>Net sales</b>	48,150,522	47,862,182	48,249,634	▲	387,452 1%
<b>Investment income</b>	1,841,841	501,221	412,764	▼	(88,457) -18%
<b>EBITDA</b>	3,701,090	1,846,149	2,172,392	▲	326,243 18%
<b>EBITDA Operational<sup>1</sup></b>	2,571,235	3,027,163	2,949,137	▼	(78,026) -3%
<b>Net profit</b>	1,144,041	-626,762	-162,818	▼	463,944 -74%
<b>Non-Current assets</b>	208,393,681	167,803,904	161,432,961	▼	(6,370,943) -4%
<b>Current assets</b>	63,371,830	88,795,682	91,718,704	▲	2,923,022 3%
<b>Total Equity</b>	134,265,660	136,563,533	136,891,434	▲	327,901 0%
<b>Total Liabilities</b>	137,499,851	120,036,053	116,260,231	▼	(3,775,822) -3%
<b>Debt ratio</b>	51%	47%	46%	▼	(0) -2%
<b>Current liquidity</b>	81%	118%	109%	▼	(0) -8%

<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 (**53%** 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 (**14%** of 2020 sales);
- Other production sectors (**3%** of 2020 sales) :automotive and industrial filters, active carbon, breathing protective equipment, PVC traffic base;
- Other activities (**30%** 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**

**General Manager for Administrative Operations,  
Manaila Carmen**