

PRESS RELEASE

TeraPlast Group navigated a challenging first quarter in 2026 amid unfavourable market conditions

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TeraPlast Group, the largest polymer processor in south-eastern Europe, announces its consolidated financial results for the first quarter of 2026, one of the most challenging quarters in recent years for the construction sector, amid the overlap of several external factors that affected the Group's operations across its main European markets.

The severe weather conditions during the first two months of the year, the electoral context in Hungary, and the geopolitical volatility slowed down public investments and the implementation of infrastructure projects in January and February.

Starting in March, the Group's activity gradually improved, driven by the resumption of projects and higher order volumes across the Group's main markets. Looking ahead, the restart of public investments, the expected release of EU-funded projects in Hungary, and the start of the construction sector's seasonal cycle create the premises for an improvement in the Group's activity.

The Group's revenue reached **235.5 million RON** in this year's first quarter, slightly down by 6% compared to the same quarter of 2025. **EBITDA** amounted to 8.9 million RON in Q1/2026, compared to 21 million RON in Q1/2025, and the **consolidated EBITDA margin** was **3.8%**, compared to 8.4% in Q1/2025.

Regarding the net result, after the first three months of 2026, TeraPlast Group recorded **-10,6 million RON**, compared to a budgeted loss of close to -7 million RON for the period and a net result of 1.2 million RON in the first quarter of last year.

The gross margin increased by 2% in value, from 90.8 million RON in Q1/2025, to **93 million RON in Q1/2026, reaching 40%**, up by 4 percentage points compared to Q1/2025 (36%). However, this evolution could not offset the increase in operational expenses.

Sales volumes amounted to **27 thousand tons** in January–March 2026, compared to 29 thousand tons in the same period of last year.

Sales outside Romania accounted for 35% of the consolidated revenue, slightly down from 38% in Q1/2025. Sales in Romania remained broadly in line with the previous year, while some export markets, such as Germany, Slovakia and Croatia, recorded positive developments. However, these were not sufficient to fully offset the temporary declines in other foreign markets, particularly Hungary, France and Italy.

Towards the end of the quarter, the escalation of the conflict in the Middle East triggered accelerated increases in raw material prices adding further pressure on operational costs and planning.

In this context, compounded by the pressure on prices and the limited availability of raw materials, the Group prioritized operational flexibility and the efficient management of commercial relationships on the key-markets. The outlook for 2026 remains positive, including in the Hungarian market, where EU-funded projects are expected to resume starting from the third quarter.

„Although structurally the first quarter is seasonally the weakest for the construction sector, the first quarter of 2026 was one of the most challenging quarters in recent years, as several adverse factors overlapped: a prolonged winter season and the elections in Hungary, which brought the infrastructure projects to a standstill in January and February. While activity gradually improved across the Group’s main markets starting March, it remained below potential amid the sharp volatility in raw material prices triggered by the escalation of tensions in the Middle East.

Nevertheless, the 40% gross margin demonstrates that our operating model remains solid, while the Group’s ability to manage external pressures has strengthened. The projects currently under execution and the Group’s regional positioning provide the basis for improved performance in the coming quarters, although we continue to operate in an unpredictable international environment. We rely on our Group’s experience, operational discipline and flexibility to respond quickly to future market changes.” stated Mr. Bogdan Crăciunaș, Chief Financial Officer of TeraPlast Group.

<i>amounts in RON, thousands</i>	Q1/2026	Q1/2025	Variation Q1/26 vs Q1/25
Revenue,	235.508	249.223	-6%
of which			
Installations*	165.055	178.563	-8%
Granules*	19.048	24.906	-24%
Packaging*	39.051	34.795	12%
Windows*	12.354	10.959	13%
Gross Margin	93.074	90.819	2%
EBITDA, of which	8.887	21.026	-58%
Group EBITDA margin	3,8%	8,4%	
Installations	8.999	18.148	-50%
<i>EBITDA margin</i>	5,5%	10,2%	
Granules	1.344	2.687	-50%
<i>EBITDA margin</i>	7,1%	10,8%	
Packaging	-693	197	-451%
<i>EBITDA margin</i>	-1,8%	0,6%	
Windows	-763	-7	n/a
<i>EBITDA margin</i>	-6,2%	-0,1%	
Net result	-10.611	1.196	-987%

*The Installations Division includes complete water management systems, external and internal sewage systems, energy systems, injected products, and micronized recycled PVC.

The Granules Division includes virgin PVC granules and recycled material granules.

The Packaging Division includes flexible packaging products (films, bags, sacks, etc.) and stretch film.

The Windows Division includes PVC and aluminium windows and doors.

Evolution of Group's divisions:

Installations: 70% of the Group's revenue

- **Revenue** of **165 million RON** in Q1/2026, compared to 178.6 million RON in Q1/2025.
- **EBITDA** of **9 million RON** after the first three months of 2026, 50% lower than in the same period of 2025 (18 million RON).
- **EBITDA margin** of 5.5%, down by 4.7 percentage points compared to Q1/2025 (10.2%).

In Romania, the division's sales remained broadly in line with Q1 2025, while low temperatures in January and February, as well as the electoral context, temporarily slowed infrastructure projects in Hungary and further accentuated the seasonality specific to the Installations Division. Overall activity and order volumes gradually improved starting in March, although this was not sufficient to fully offset the impact from the first two months of the year.

In the Republic of Moldova, pricing pressures persist due to the gap between tender prices and the current level of market costs; however, the projects already under execution continue to support the division's activity.

Granules: 8% of the Group's revenue

- **The revenue** decreased by 24%, to **19 million RON** in Q1/2026, compared to 24.9 million RON in Q1/2025.
- **EBITDA** declined by 50% compared to Q1/2025, to **1.3 million RON** in Q1/2026 (2.7 million RON in Q1/2025).
- **EBITDA margin** of 7.1% in the first three months of 2026, compared to 10.8% in the same period of 2025.

The first quarter of 2026 was marked by a high level of caution in the cable market, particularly regarding the implementation of projects underpinning this year's growth prospects. The reduced level of orders in the PVC cable industry intensified market competition, in a context where industry players remained focused on efficiency and cost optimization.

Packaging: 17% of the Group's revenue

- **The revenue** increased by 12% in Q1/2026 compared to Q1/2025, respectively from 34.8 million RON in Q1/2025, to **39 million RON** in Q1/2026.
- Negative **EBITDA**, of -693 k RON in Q1/2026, compared to a value of 197 k RON in Q1/2025.

Market interest in biodegradable and compostable packaging continued to grow, although the beginning of the year was slower, due to existing customer inventories, lower consumption, and cautious procurement behaviour in a volatile economic environment. Demand gradually recovered throughout the quarter, but customers' limited willingness to accept price increases and raw material volatility continued to put pressure on the market.

The market is currently undergoing a consolidation process, creating opportunities in an industry that remains highly fragmented. Opal stretch film, targeting the transport and storage segments, was impacted by lower consumption in retail and logistics, although demand gradually improved toward the end of the quarter, with limited impact amid continued pricing pressure and market instability.

Windows: 5% of the Group's revenue

- **Revenue** of **12.4 million RON**, up 13% compared to Q1/2025, when it amounted nearly 11 million RON.
- Negative **EBITDA**, of -763 thousand RON, compared to -7 thousand RON in Q1/2025.

The results of the Windows Division reflect the seasonality specific to the market, amplified by the unfavourable weather conditions at the beginning of the year. Rising raw material costs impacted margins, while the ability to pass on price increases to the retail segment remained limited. At the same time, revenue growth confirms sustained demand and the strengthening of the division's market position.

About TeraPlast Group

TeraPlast Group is the largest polymer processor in South-Eastern Europe. The Group includes the companies TeraPlast (Romania, Republic of Moldova, Hungary and Austria), TeraGlass (Romania), TeraPlast Recycling (Romania), TeraBio Pack (Romania), Pro-Moulding (Romania and Hungary), Optiplast (Croatia), and the companies of Aquatica Experience Group (Romania). The Group's parent company, TeraPlast SA, has been listed on the Bucharest Stock Exchange since 2 July 2008 under the TRP ticker.

Contact details

Alexandra Herisanu

Phone: +4 0741 270 439

Email: investor.relations@teraplast.ro

The report containing the consolidated unaudited financial results for the first three months of 2026 is available on the website <https://investors.teraplast.ro/reports-and-information/financial-reports/> and on the Bucharest Stock Exchange website, TRP symbol.