

## **The growth story of Masterplast continues**

### **The strategy has been put together for the next big leap of Masterplast**

**Masterplast has presented its earnings expectations and medium-term business strategy at its investor conference. The Hungarian majority-owned building material and healthcare industry company has had a year with unprecedented success and it is expecting a similarly favourable outlook. According to the medium-term strategy, turnover might exceed 300 million euros in 2024 and the profit after tax could rise to more than 26 million euros by more than 70 percent.**

According to its forecast, Masterplast outweighed all previous records in 2021. Turnover increased to 190.3 million euros after a 55 percent raise, while profitability expanded even more. EBITDA doubled and exceeded 22 million euros, while the profit after tax was almost 2.5 times the base year's performance, 15.4 million euros. The growth of the European construction and insulation industry and the company's market share stand behind the unprecedentedly successful year. The company increased its competitiveness and the number of partners due to its stable supply of raw materials and its expanding own production. In the healthcare segment, the German plant's production and sales of high-volume healthcare overalls also increased the company's profitability.

There were several development projects at Masterplast in 2021 that will support further growth in 2022. New plants were handed over to produce healthcare textiles and finished healthcare products and new units were built for serving logistics at the company's seat. In Subotica, the third stage of fiberglass production development will be completed by the beginning of this year, which will cause a further increase in capacity, operational efficiency, and range of manufacturing services of the globally significant plant. The company's increased profitability, successful bond issues and state aids ensured the financing of the company's investments in the total amount of 43 million euros. Besides the implemented developments, further investments are in progress. The previously announced development of XPS insulation material production in Subotica is progressing according to plan, and the plant established with the investment of 14 million euros will start production in 2023.

Besides the well-known projects, the company's management has also informed investors about the launch of a new construction business segment. In response to both the challenges of the construction industry and the consumer demands, as a manufacturer Masterplast is entering modular architecture, the most promising and probably the fastest growing construction segment of the decade. Modular technology offers a more efficient solution than the traditional construction method in several respects. Production can take place under controlled operating conditions during the 12 months of the year, even in continuous shifts. Many building types can be manufactured from standard building modules, which can be widely used. With the help of the technology, houses, summer houses, offices, dressing rooms, workers' hostels, medical practices, gyms or even catering units can be built very quickly with low demand for live labour on site. The company's supplier relationship system, its own manufacturing background, manufacturing expertise and capitalisation provide a significant competitive advantage. The first plant will be established in the catchment area of Székesfehérvár, and production is scheduled to start by the end of 2022. The goal is to produce 500 building modules in the first year which can result in sales of 10 million euros in 2023. The management has built its growth plan for the next 3 years based on the favourable outlook of the industries, the achieved effectiveness, the stable supply chain, both the implemented improvements and the ongoing ones, the strong financial background, and the acquisition opportunities.

The European Union's climate protection policy provides financial resources for building energy renovation programs, which results in increasing and long-term demand for the insulation industry, together with stricter energy regulations. The newly launched modular building business provides a marketable solution to the hunger for urgent construction capacity and the immediate need for new buildings. The outlook for the health industry is also favourable, the importance of the sector was significantly revalued by the Pandemic. The implemented production equipment and organizational development provide a stable basis for the business improvement. To take advantage of market expansion, Masterplast's product base is provided by its stable supply chain and the expanding own manufacturing background.

The company's management has published a new medium-term profit forecast, in which Masterplast aims to reach a new level. **In 2024, the company's sales revenue might reach 305 million euros, while its EBITDA margin could reach 13.4 percent and exceed 40 million euros. The profit after tax could increase by 72 percent compared to the record profit expected in 2021, reaching 26.5 million euros. As a result, earnings per share could rise over 1.8 euros in 2024. The company intends to implement new investments by using its expanding results, while maintaining a steadily growing level of dividends.**

*"Masterplast's growth strategy could lead to another level in the upcoming years, as several ongoing investments with significant potential become fruitful. I believe that the dynamics of shareholder value growth can continue, and I hope that our investors will be satisfied with Masterplast shares in the future as well"* - **added Dávid Tibor, the President of Masterplast.**