



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 first 9 Months of 2019 a net profit of LEI 895,511 decreased by LEI 4,181,641 (-82%) as compared with the same period of 2018, and a value of the net sales of LEI 142,372,892 decreased by 7% as compared with the previous year (9 Months 2018: LEI 152,759,694).

EBITDA Operational recorded in the reported period **an amount of LEI 9,493,087 with an increase of LEI 603,054 (+7%)** as compared with the same period of 2018 as a result of the investments made in the previous years targeting the increase of productivity and a decrease of production costs.

A negative impact on net profit recorded in the period ended September 30, 2019 it had the loss recorded from reevaluation of the assets and liabilities denominated in a foreign currency at the end of each month, which amounted to – LEI 775,883, while in the same period of the previous year it was recorded a profit of LEI 74,500, as well as the decrease of the indicator „Investment income” with the amount of LEI 1,462,331 (-50%). This indicator comprises also the revenues from dividends received from the company’s subsidiaries which in 2018 amounted LEI 1,117,270, but in 2019 its value was 0.

The decrease of the Net sale was due to the Regenerated polymers & compounds’ sector, especially due to the decrease in price of virgin polymers on the international markets which led to a decrease in sales of this sector on these markets.

Another cause of decrease the Net sales is the evolutions recorded in the Plastics processing sector, by the Polyethylene products group, where the goal was to optimize clients portfolio by giving up those orders which, either due to quantity or due to price weren’t efficient, action which finally led to a decrease in sales for this group but in the same time to obtaining an improvement of EBITDA Operational.

Within this group the management aims to identify an optimized structure of production (in this sector are manufactured a large range of products – foils, bags, small bags, covers – both from virgin polymers and regenerated polymers) which will lead to increase in sales and in the same time improve results of the sector.

The evolution of the main indicators in the 9 months period is shown in the following table:

Indicator	2017	2018	2019	2019 vs. 2018	
Revenue (Sales)	149,253,815	152,759,694	142,372,892	▼ (10,386,802)	-7%
Investment income	3,307,478	2,921,397	1,459,066	▼ (1,462,331)	-50%
EBITDA	10,968,334	12,790,242	8,562,958	▼ (4,227,284)	-33%
EBITDA Operational	9,855,129	8,902,515	9,505,569	▲ 603,054	7%
Net profit	3,018,083	5,077,152	895,511	▼ (4,181,641)	-82%
Non-Current assets	209,168,956	188,835,161	168,059,809	▼ (20,775,352)	-11%
Current assets	66,648,934	77,495,413	82,785,446	▲ 5,290,033	7%
Total Equity	131,341,636	136,191,442	136,745,395	▲ 553,953	0%
Total Liabilities	144,476,254	130,139,132	114,099,860	▼ (16,039,272)	-12%
Debt ratio	52%	49%	45%	▼ -3%	-7%
Current liquidity	80%	98%	111%	▲ 14%	14%

About Romcarbon SA

The company has the following fields of activity:

- Plastic processing sector (**55%** of 2018 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 (**17%** of 2018 sales);
- Other production sectors (**3%** of 2018 sales) :automotive and industrial filters, active carbon, breathing protective equipment, PVC traffic base;
- Other activities (**25%** of 2018 sales): sales of goods, services, other sales.