

No. 2936/18.11.2021

**CURRENT REPORT
according to A.S.F. Regulation no.5/2018**

According to: A.S.F. Regulation no.5/2018 on issuers of financial instruments and market operations; Law no.24/2017 on issuers of financial instruments and market operations; Law No.31 / 1990, companies, republished with subsequent amendments; Articles of Association of ROMCARBON S.A.

Date of report: 18.11.2021

Name of Issuer: ROMCARBON S.A.

Headquarters: 132, Transilvaniei street, Buzau, Buzau County

Phone number: 0238/711 155/Fax number: 0238/710 697

Single registration code: RO 1158050

Number of Trade Registry: J 10/83/1991

Subscribed and paid up capital: 26.412.209,60 lei

Regulated market where the issued securities are traded: BVB Standard Category

Event to be reported: **holding the teleconference with analysts, investors and journalists – November 18, 2021.**

ROMCARBON S.A. informs shareholders and investors that today, 18.11.2021, the **Teleconference with Analysts, Investors and Journalists took place - 18 November 2021 on the financial results of the company in the first 9 months of 2021**, according to the current Report no.2827/03.11.2021.

We also specify that, following the interest of the participants regarding the evolution in Q 4 of the financial results of the sectors PET - Livingjumbo Industry SA and respectively PE - Romcarbon S.A. the financial information communicated during the teleconference on these two sectors, is completed with data from the below table, which shows the monthly evolution, for the first 10 months of 2021, of the indicators for the two sectors.

Month	PET Sector - Livingjumbo Sales	PET Sector - Livingjumbo Result before overhead	Month	Sector PE - Romcarbon Sales	Sector PE - Romcarbon - Result before overhead
Jan	3,742,707	106,183	Jan	2,532,070	17,452
Feb	3,996,535	- 71,415	Feb	2,281,540	- 285,159
Mar	5,008,726	- 83,395	Mar	3,821,384	125,524
Apr	5,320,951	104,823	Apr	3,237,839	61,507
Mai	4,782,638	- 11,706	Mai	2,936,524	45,150
Iun	5,251,210	- 473,034	Iun	2,342,386	- 445,791
Iul	4,779,671	- 283,852	Iul	3,110,682	- 397,138
Aug	5,224,966	21,465	Aug	3,315,881	- 66,091
Sept	5,403,172	- 224,725	Sept	3,168,985	- 20,272
Oct	6,287,408	219,809	Oct	3,666,763	232,912
Total	49,797,984	- 695,847	Total	30,414,053	- 731,906

Information in the table above, which is the subject of this current report, can also be found on pages 10 and respectively 12, of the event presentation material, as amended.

On the company's website you can find the audio recording of the event as well as the amended material presented in the teleconference, at the following link:

[Teleconference with analysts, investors and journalists – 18th of November 2021 - Romcarbon SA BUZAU](#)

The amended material presented in the teleconference can also be found attached to this report.

Yours sincerely,

Chairman of the Board of Directors
and
General Manager
Huang Liang Neng

SPEAKERS

9 Months 2021
results
teleconference



LEON
HUANG

CHAIRMAN OF THE BOARD
AND GENERAL MANAGER



CARMEN
MANAILA

DEPUTY GENERAL
MANAGER FOR
ADMINISTRATIVE
OPERATIONS



CRISTINEL
DOBROTA

DEPUTY GENERAL MANAGER
FOR DEVELOPMENT



ION
UNGUREANU

PET & EPS DIVISION
MANAGER



VIDRICA
ZAINESCU

FINANCIAL MANAGER



VICTOR
CRETU

PP SMALL & BIG BAGS
MANAGER



AGENDA

1. Romcarbon Group & activities
2. Key figure of consolidated financial statement
3. Contribution of individual profit center
4. Evolution of the business by profit center
5. Financial result of Green Group
6. Activity review and revitalization plan – PET sector
7. Activity review and revitalization plan – PE sector
8. Business prospective for plastic recycle
9. Investment
10. Q&A
11. Legal disclaimer

Romcarbon Group & activities



Plastic processing : PE / PS / PP / PVC

Regenerated Polymer and compounding

Filter and Active carbon

Around
890
employees



Plastic processing : PP / PET / PE

Around
660
employees

**Major
Investment**



Circular economy

Around
1,750
employee



PP woven bags in different sizes for packaging products used in chemical agriculture, food and chemical industry and other application



PE packaging (little bags, bags, pouches by extrusion, printing, welding), general purpose film, foil for greenhouse, thermo foil PLA vegetable & fruit bag for the supermarket Yellow bag for separation collection



Expanded **PS** tray for food industry EPS floor underlayment for construction, home improvement Biodegradable catering tray



Plastic recycle and compound plastic regranulate made of PP / PE / PS / ABS post industry or consume plastic waste Custom made plastic compound

PET tray rigid film and tray for food packaging application 9 layers coextruded multilayer film for top sealing / thermoforming / lamination and other



Filter for different application Protection mask, active carbon PVC base for road sign; PP packaging strap

9 months key financial figure – 2021 vs 2020

ROMCARBON Standalone Financial Statements

SALES

Increased + 63,667,318 lei (+46%)

EBITDA Operational

increased + 2,112,785 lei (+20%)

NET PROFIT

increased + 2,748,575 lei (+143%)

GROUP Consolidated Financial Statements

SALES

increased + 53,577,166 lei (+28%)

EBITDA Operational

decreased -1,365,298 lei (-9%)

NET PROFIT (without Green-Group)

decreased -2,818,844 lei (-25%)

NET PROFIT (include Green-Group)

increased +3,144,789 lei (+ 124%)



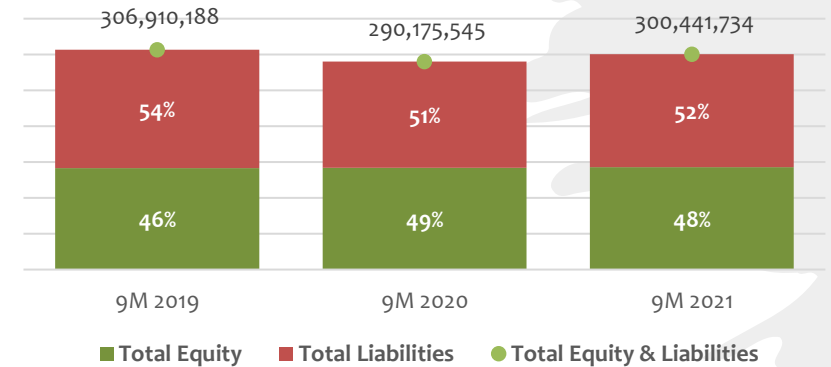
Consolidated financial statement – key figure

Item (lei)	9M 2019	9M 2020	9M 2021	2021 vs 2020
Revenue (Sales)	187,560,270	193,429,377	247,006,543	▲ 53,577,166
Other income	4,121,692	3,648,287	3,976,152	▲ 327,865
Share of profit / loss of associates	1,432,866	(1,244,003)	2,857,339	▲ 4,101,341
EBITDA	11,729,622	13,002,355	16,019,992	▲ 3,017,638
EBITDA Operational	9,279,549	15,468,410	14,103,112	▼ (1,365,298)
Net profit	565,060	2,531,394	5,676,182	▲ 3,144,789
Net profit without the impact of Share of profit / loss of associates [Green-Group]	(867,806)	3,775,396	2,818,844	▼ (956,552)

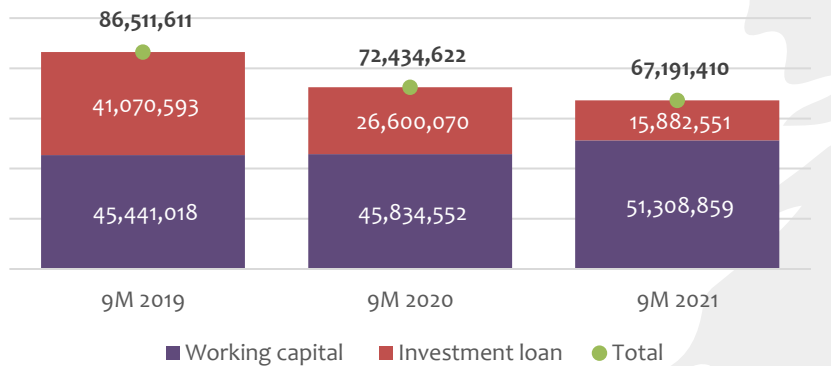
Non-Current assets	210,209,053	187,149,148	173,961,193	▼ (13,187,955)
Current assets	96,701,134	103,026,397	126,480,541	▲ 23,454,144
Total Equity	141,717,247	142,017,125	142,784,720	▲ 767,595
Total Liabilities	165,192,941	148,158,421	157,657,014	▲ 9,498,593
Debt ratio	54%	51%	52%	▲ 0
Current liquidity	94%	100%	105%	▲ 0

Total bank credit	86,511,611	72,434,622	67,191,410	▼ (5,243,212)
Working capital	45,441,018	45,834,552	51,308,859	▲ 5,474,307
Investment loan	41,070,593	26,600,070	15,882,551	▼ (10,717,519)
Debt service	10,822,419	10,308,500	9,285,502	▼ (1,022,998)

EQUITY VS LIABILITIES

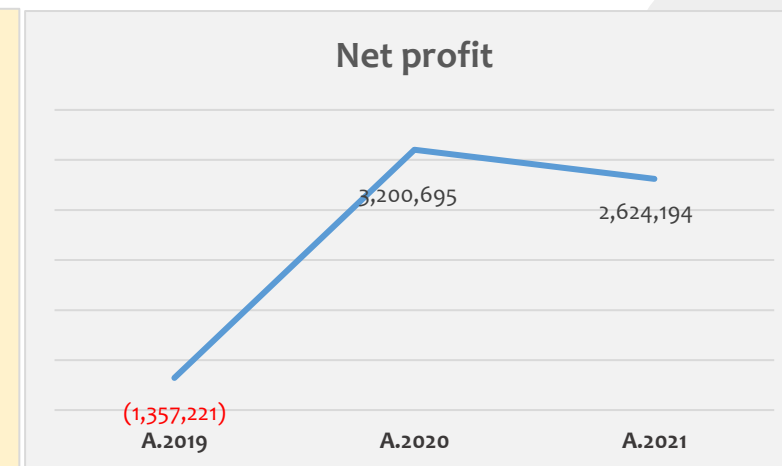
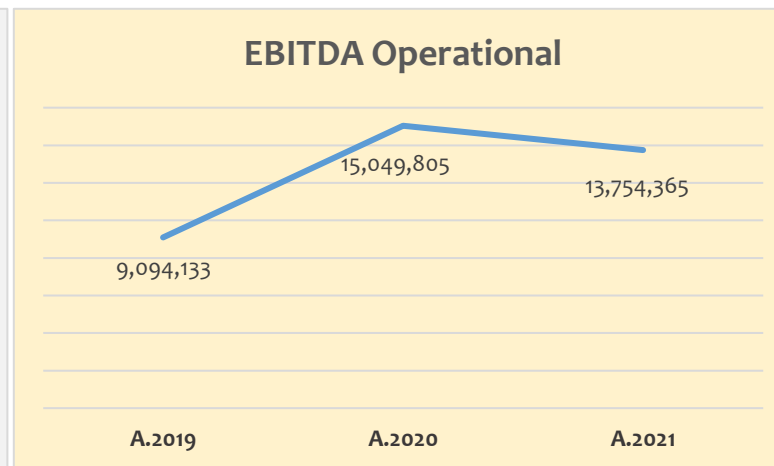
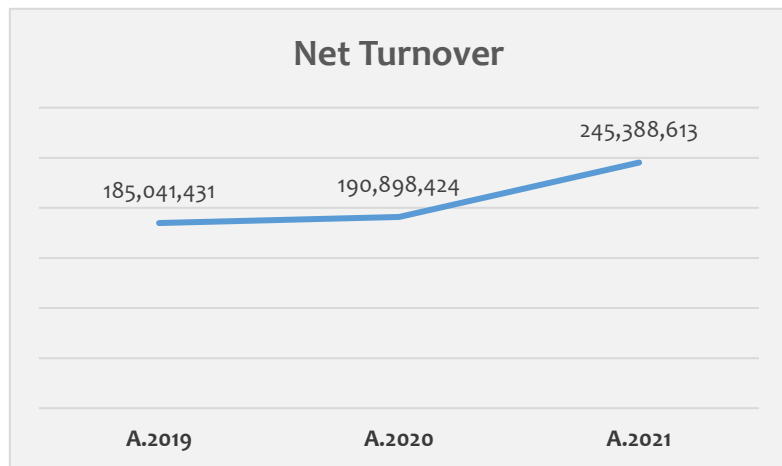


BANK CREDITS (LEI)



Romcarbon & Livingjumbo – key financial figure

Indicator	A.2019	A.2020	A.2021	A.2021 vs A.2020	
Turnover, Total, out of which:	211,171,681	223,329,647	299,336,734	76,007,087	34%
Intercompany sales	26,130,250	32,431,223	53,948,121	21,516,898	66%
Net Turnover	185,041,431	190,898,424	245,388,613	54,490,189	29%
EBITDA Operational	9,094,133	15,049,805	13,754,365	-1,295,440	-9%
Net profit	-1,357,221	3,200,695	2,624,194	-576,501	-18%



EVOLUTION OF THE BUSINESS BY ACTIVITIES

PE - LEI [9 MONTHS]	A.2019	A.2020	A.2021	A.2021 vs A.2020	
SALES	21,124,531	21,612,756	26,747,290	5,134,535	24%
EBITDA BEFORE OVERHEAD	-57,337	1,035,308	-372,006	-1,407,314	-136%
NET PROFIT BEFORE OVERHEAD	-733,799	370,233	-964,818	-1,335,051	-361%

PET - LEI [9 MONTHS]	A.2019	A.2020	A.2021	A.2021 vs A.2020	
SALES	25,837,655	38,366,286	43,510,577	5,144,291	13%
EBITDA BEFORE OVERHEAD	-316,752	3,297,194	975,060	-2,322,134	-70%
NET PROFIT BEFORE OVERHEAD	-2,147,170	1,444,978	-915,655	-2,360,633	-163%

PS - LEI [9 MONTHS]	A.2019	A.2020	A.2021	A.2021 vs A.2020	
SALES	31,040,533	30,776,225	40,803,243	10,027,018	33%
EBITDA BEFORE OVERHEAD	7,289,101	8,393,519	8,463,720	70,200	1%
NET PROFIT BEFORE OVERHEAD	5,935,513	7,234,516	7,401,730	167,215	2%

RECYCLING- LEI [9 MONTHS]	A.2019	A.2020	A.2021	A.2021 vs A.2020	
SALES	24,718,973	17,287,767	29,696,954	12,409,187	72%
EBITDA BEFORE OVERHEAD	4,737,566	2,308,059	4,547,805	2,239,746	97%
NET PROFIT BEFORE OVERHEAD	2,002,242	-467,892	1,661,828	2,129,719	-455%

PP - LEI [9 MONTHS]	A.2019	A.2020	A.2021	A.2021 vs A.2020	
SALES	69,768,691	72,494,594	85,313,339	12,818,745	18%
EBITDA BEFORE OVERHEAD	4,819,072	8,083,548	7,654,277	-429,271	-5%
NET PROFIT BEFORE OVERHEAD	3,573,666	7,165,672	6,860,884	-304,788	-4%

OTHERS- LEI [9 MONTHS]	A.2019	A.2020	A.2021	A.2021 vs A.2020	
SALES	4,337,482	4,208,537	4,448,167	239,630	6%
EBITDA BEFORE OVERHEAD	737,419	870,616	569,213	-301,403	-35%
NET PROFIT BEFORE OVERHEAD	429,646	624,974	328,434	-296,540	-47%

Business focus – PET tray and flexible film

Challenges

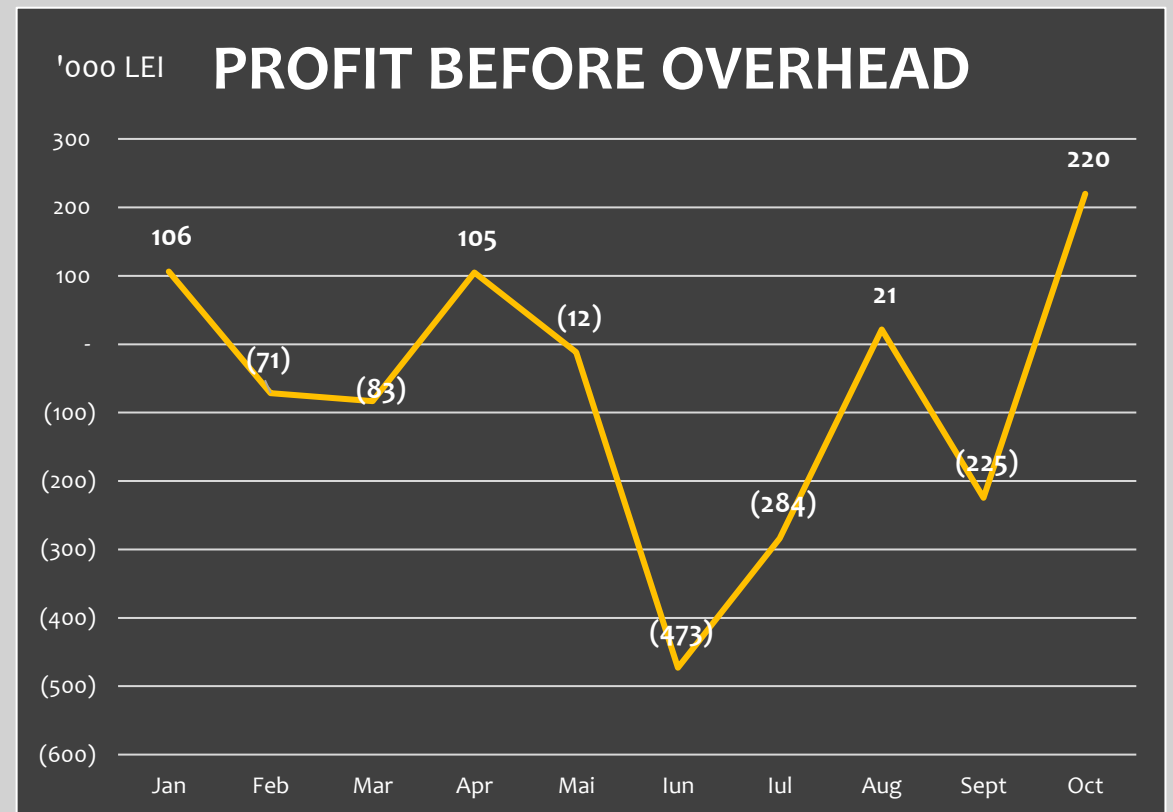
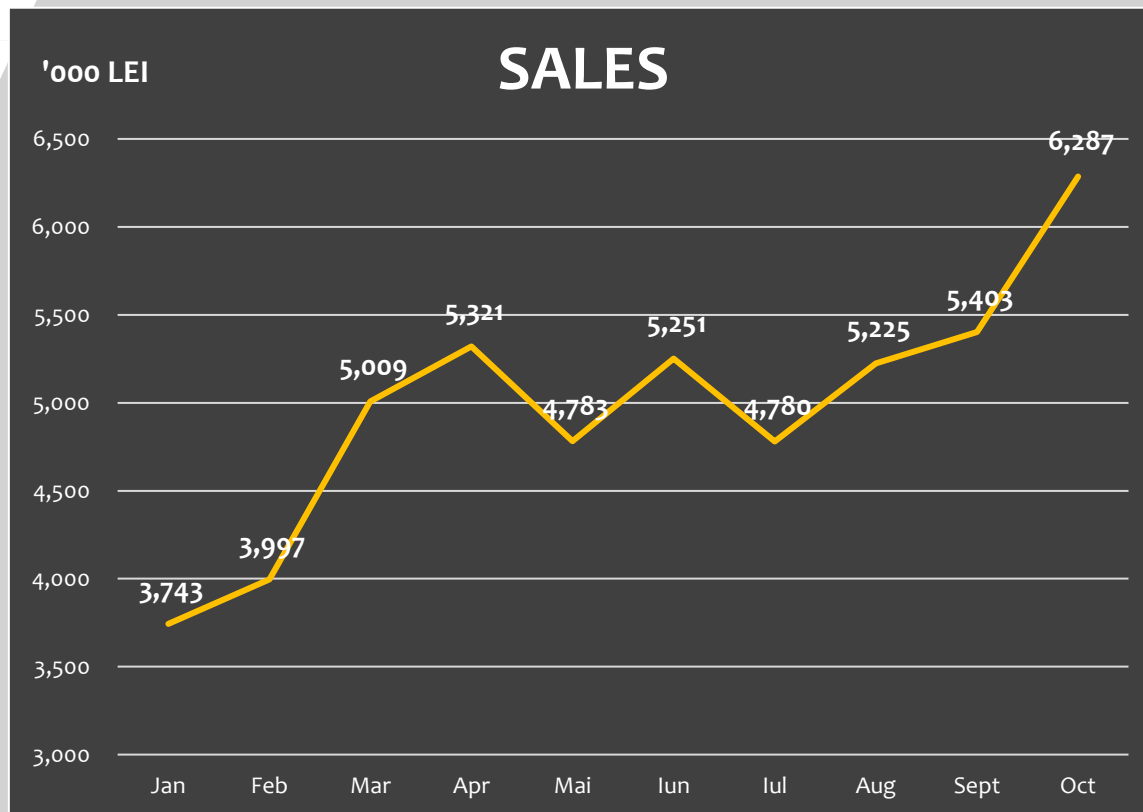
- Big increase in the raw material price
- Availability issue for the material
- High logistic cost for importing PET flake from Asia. Difficult to arrange the shipment
- Market switch from PET to PP due to post consume recyclability issue
- Unlawful competition – products made of cheaper Iranian material, banned on the EU market due to the economic blockade.
- Aftermath of pandemic

Actions

- Secure of the material in term of the price and availability by expanding sourcing and extra financing.
- R&D for the new recipe in order to adopt cheaper material to reduce the cost.
- Develop the new product for other application to fill up the gap lost to PP
- Explore the new market.
- New project with the strategic partner aiming to solve the recyclability issue

Business focus – PET tray and flexible film

Result after actions



Business focus – PE processing

Challenges

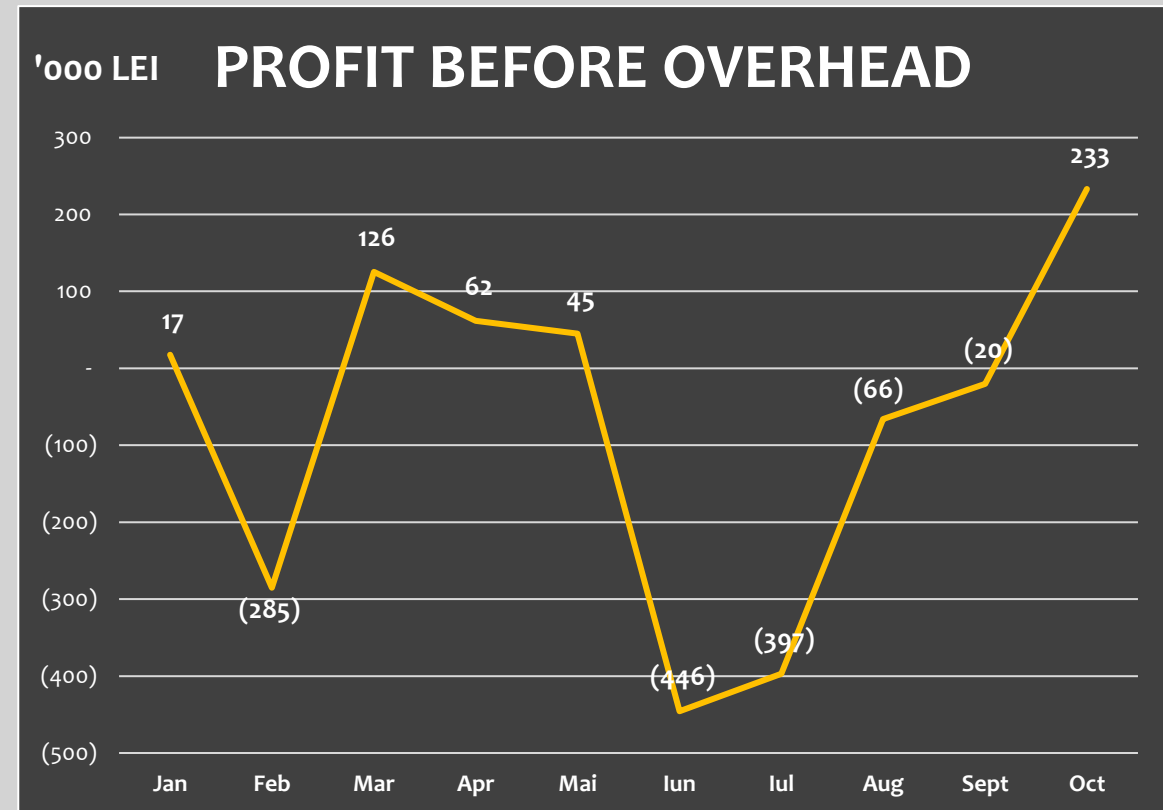
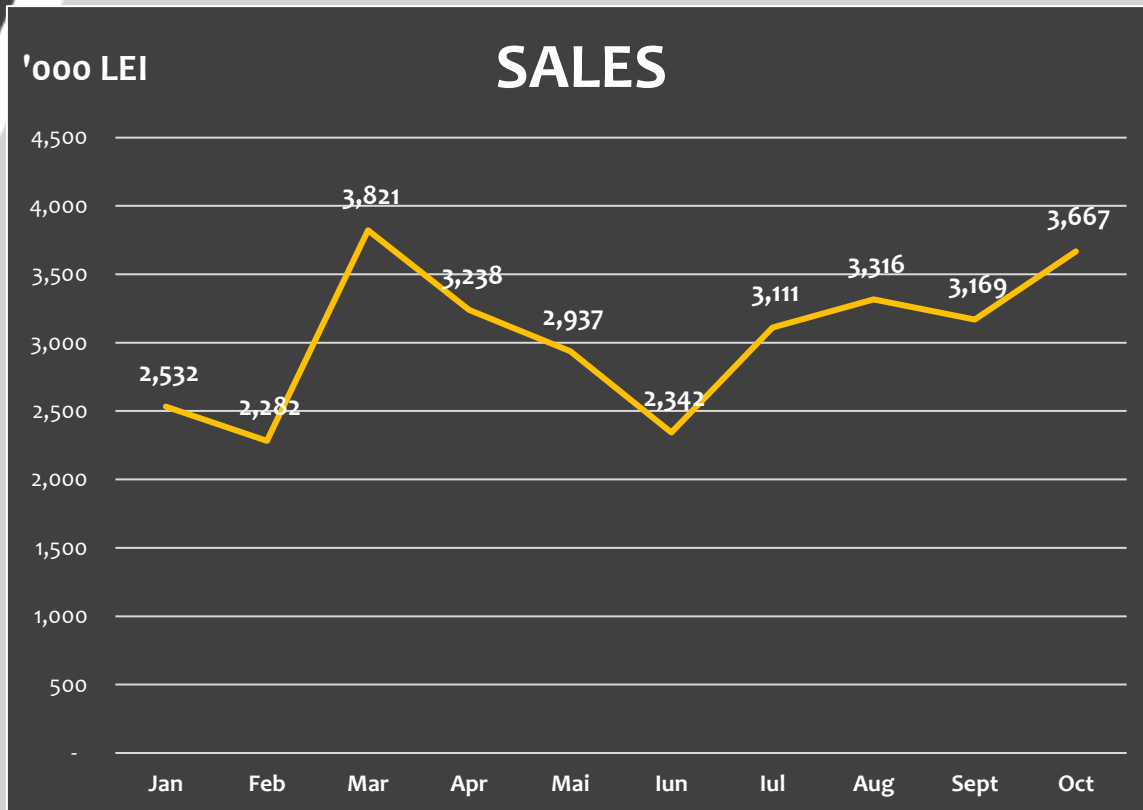
- Shortage of qualified manpower.
- Too many variety of the products that leads to low efficiency in production.
- Frequent change in the production process costs more wastage.

Actions

- Restructure the production team to increase efficiency.
- Adjust the portfolio of the product. Focus on items that can bring better profit.
- Investment for increase the capacity for biodegradable bag.

Business focus – PE processing

Result after actions



Business focus – Plastic recycle

Prospective

- Drastic increase for the virgin material price leads to strong demand for recycled material.
- Sustainability issue urges the recycle activity as the solution.
- Big international corporates start to see using recycled material in their products as a must.

Challenges

- Limited source for the plastic waste due to lower collection during pandemic.
- Need to invest the newer technology for better sorting.
- Limited capacity for pelletizing.

Achievement

- 8 materials approved by producers from automotive industry.
- 1 material approved by a big home depot retailer.
- Participate in a project for a supermarkets chain.



With an installed recycling capacity of 360.000 to/ year, all recyclable waste is integrated into closed loop, reducing annually 100,000 tons of CO2 emission.

Romcarbon is the shareholder in Green Group, holding 17.59%

For 2021 Jan. – Sep. , Green Group posted a profit of 3 million EURO around.

WEEE business being very successful due to inflation of the raw material (ferro and non ferro metal)

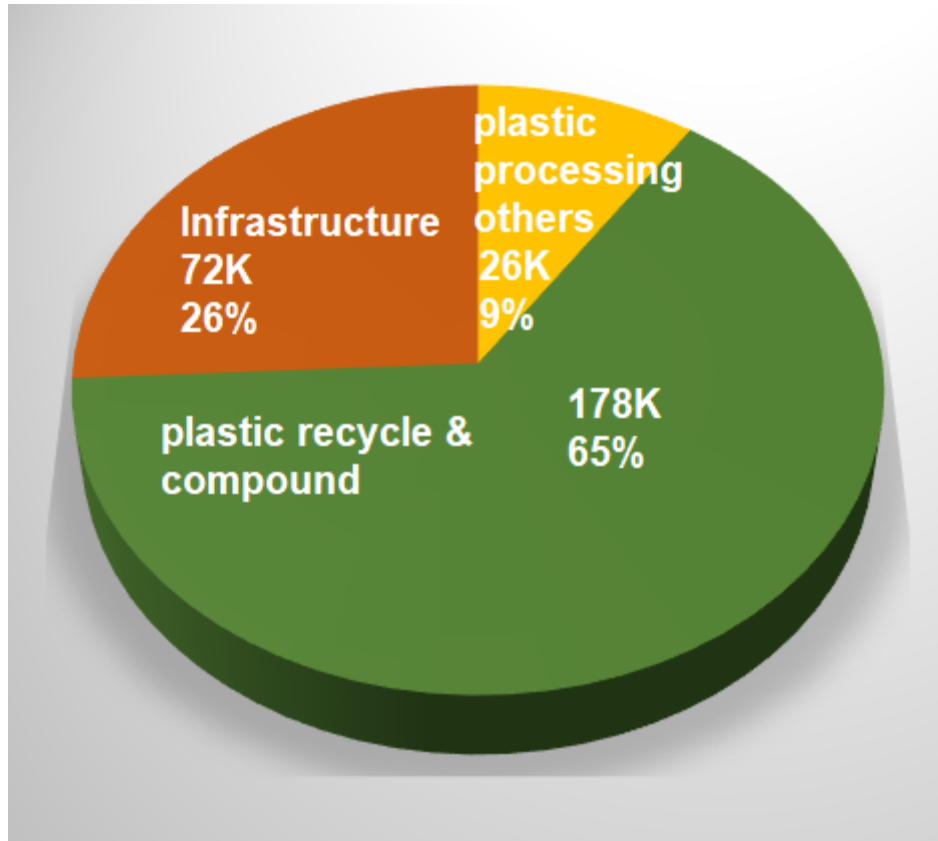
Fiber business also gradually recover from 2020 downturn

However, the PET business is very much affected by the pandemic. The shortage of post consumed PET bottle is very critical due to the low consumption and collection.

Investment

For 2021- 9 months

Total around 276K EUR



Future investments will be focused on

Increase the capacity for the production

Plastic recycle for sorting and pelletizing

PE processing for Biodegradable bag making

Adjusting / completion the portfolio of the product

PET processing - the new molds for food package

Improving the efficient for the existing machine

Extension of storage spaces

in order to provide more flexibility to tackle the challenge of logistic issue for trading goods and raw material acquisition

Address the sustainability and environmental issue

Smart meter to monitor the energy consumption

Photovoltaic panel for green energy

Infrastructure related to LIDL project



Q : What opportunities can PNRR brings to Romcarbon Group ?

A : We are focusing on the program for plastic recycling and green energy.

Q : Livingjumbo has very poor result in 9M 2021, how can these be improved? When do you think the break even can be reached ?

A : The poor results are mainly due to the evolution of PET sector, and we have explained earlier what were the reasons for this and the actions we took in order to improve the results in the next period.

Q : Did you considered to sell Livingjumbo business due to the big losses ?

A : The food packages are an essential product for our daily life and we believe, from the business point of view, the food package market still has a big potential. We improved the result significantly in 2020 for this activity. And we believe we will turn the business around in 2022 after we implement the new strategy, as we explained earlier.

Q : What's the management team's vision for the next 5-10 years ?

A : We would like to focus more on increasing the plastic recycle business, and, in the meanwhile, to introduce more recycled material in our plastic processing products. As a first step we intend to increase the recycling production capacity with 20% after the new investments we intend to make next year and in the following years we will continue on this path.

Q : What actions are you taking for the opportunity related to biodegradable bag ?

A: We launched this business in 2019, and we will continue to increase the production capacity in 2022.



Q : What's the plan for the dividend distribution and share buy back programme?

A : This year due to the crisis for the raw material in term of price and

availability, we reserve most of the cash-flow to tackle this issue. Depending on the final financial results of 2021, we will analysis the possibility and the amount of the dividend that we would be able to distribute in 2022. For share buy back programme, we are open to this option as we mentioned in the last meeting, but it must be subjected to our financial capability.

Q : What's the estimation for the result till end of 2021 ?

A: We expect to have better performance for PE and PET sectors compare with 9 months result. But on the other hand we are cautious with the impact from government's measurement in regard of COVID green certificate. Some of our products are mainly addressed to the home depot stores, which have significantly reduced their order because the consumer who doesn't have green certificate can no longer visit the stores.

Q : ROCE share value doesn't reflect the actual value of it's investment in Green Group ?

A: Yes, at this moment it is difficult and expensive to register in Romcarbon accounting this investment at market value. However, we do mention that in the Consolidated financial statements of Romcarbon, we register each reporting period a part of the Green-Group profit / loss according to the holding we have in its capital. The management team will use all the opportunities it has to inform the market about the real value of these investments.



Follow us on **LinkedIn** 

THANK YOU

LEGAL DISCLAIMER

This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of shares issued by Romcarbon, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy shares in Romcarbon.

Neither this presentation nor anything in it shall form the basis of any contract or commitment.

This presentation is not intended to be relied upon as advice or recommendation to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally.

Romcarbon has prepared this presentation based on publically held information, available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

This presentation should not be considered a comprehensive representation of Romcarbon's business, financial performance or results. No representation or warranty, express or implied, is given as to the accuracy, fairness or correctness of the information or the opinions contained in this document or on its completeness and no liability is accepted for any such information, for any loss howsoever arising, directly or indirectly, from any use of this presentation or any of its content or otherwise arising in connection therewith.

This presentation may contain forward-looking statements, subject to a number of risks and uncertainties beyond the Company's control and should not be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared or the information and statements contained herein are accurate or complete. These statements reflect Romcarbon's current knowledge and its expectations and projections about future events, built on current circumstances and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology.

Romcarbon undertakes no obligation to update or revise this presentation nor these forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, all/some assumptions may not materialize, and un-anticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks. Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.

This presentation and its contents are proprietary to the Company and neither this document nor any part of it may be reproduced or redistributed to any other person.