

# ONLINE CONFERENCE


MAY 20 2025, 10:30 A.M.



2025  
Q1 RESULTS



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# AGENDA

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Romcarbon Group & activities

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Key figure of consolidated financial statement

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Evolution of the business by profit center & Contribution of individual profit center

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Business focus - Plastic recycling , PET tray, PS trays, PP bags.

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New investment and business opportunity

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ESG

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Q&A



# ROMCARBON GROUP



Plastic processing : PE / PS / PP / PVC  
Recycled polymers and compounds  
Filter and Active carbon

663  
employees



Plastic processing : PP / PET / PE

477  
employees



Plumbing, heat and air  
conditioning installation

64  
employees



IT services

8  
employees



**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



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



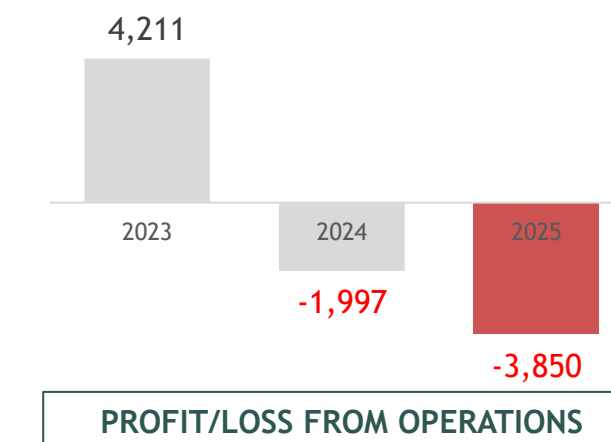
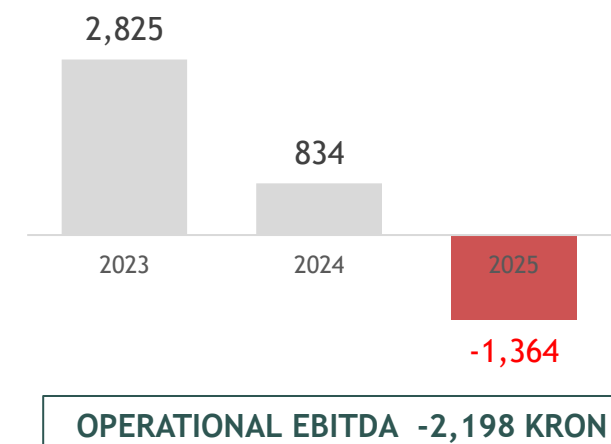
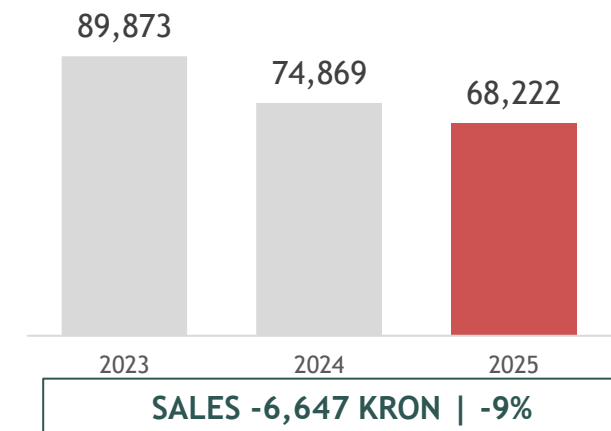
Extruded **PS** tray for food industry, XPS floor underlayment for construction, home improvement  
 Biodegradable catering tray

**PET** tray rigid film and tray for food packaging application



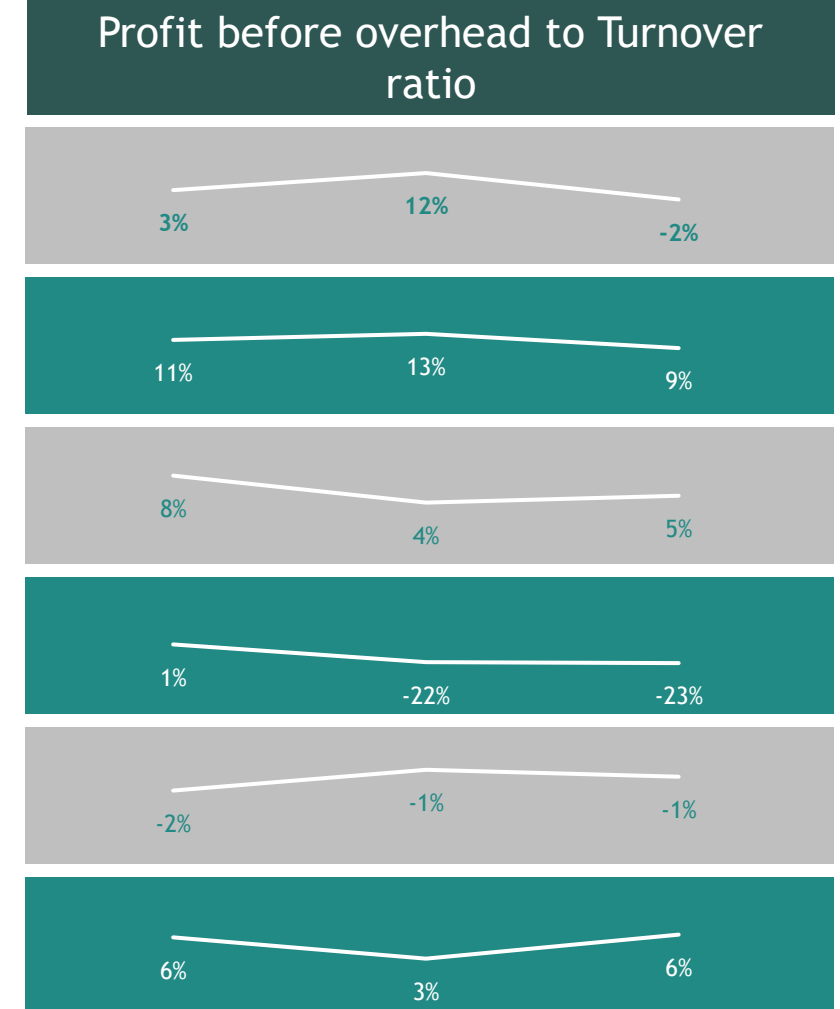
Filter for different application  
 Protection mask, active carbon  
 PVC base for road sign; PP packaging strap

Consolidated Financial statements Key figures '000 LEI		Q1 2023	Q1 2024	Q1 2025	2025 vs 2024	
Income statement	Revenue	89,873	74,869	68,222	-6,647	-9%
	Other income	1,032	1,036	856	-179	-17%
	EBITDA	6,880	1,741	-1,488	-3,230	-185%
	EBITDA operational	2,825	834	-1,364	-2,198	-264%
	Profit from operations	4,211	-1,997	-3,850	-1,853	93%
	Net profit	2,837	-2,191	-4,934	-2,744	125%
Balance sheet	Non-current assets	132,568	134,431	137,403	2,972	2%
	Current assets	170,485	144,758	127,126	-17,632	-12%
	Total assets	303,053	279,189	264,529	-14,660	-5%
	Total Equity	172,676	149,908	134,368	-15,540	-10%
	Total liabilities	130,377	129,282	130,161	879	1%
	Debt ratio	43%	46%	49%	6%	
	Current liquidity ratio	162%	138%	116%	-17%	
Bank credit	Overdraft and short term loan	46,768	53,691	54,180	489	1%
	Investment loan	9,497	9,690	7,926	-1,764	-18%
	Total bank credit	56,265	63,380	62,106	-1,275	-2%
	Bank debt service	2,026	1,789	1,799	10	1%



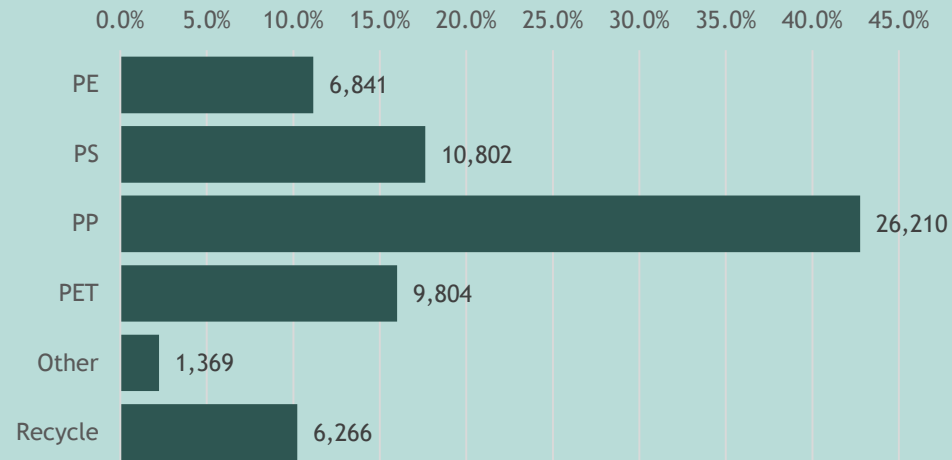
# EVOLUTION OF THE BUSINESS BY ACTIVITIES

Sector	Indicatori cheie - 000 LEI	Q1 2023	Q1 2024	Q1 2025	2025 vs 2024
PE bag, film and bio degradable bag	Turnover	7,309	9,805	6,841	-2,964
	EBITDA before overhead	372	1,330	44	-1,286
	Profit before overhead	186	1,138	-160	-1,298
PS food package and underlayment	Turnover	11,208	10,922	10,802	-120
	EBITDA before overhead	1,584	1,827	1,326	-501
	Profit before overhead	1,276	1,419	997	-422
PP small woven bag and big bag	Turnover	25,988	24,734	26,210	1,476
	EBITDA before overhead	2,237	1,239	1,654	415
	Profit before overhead	1,973	999	1,292	293
Plastic recycle and plastic compound	Turnover	12,102	11,004	6,266	-4,737
	EBITDA before overhead	1,076	-1,523	-687	836
	Profit before overhead	160	-2,449	-1,463	985
PET food package and flexible film	Turnover	14,440	12,266	9,804	-2,461
	EBITDA before overhead	361	565	672	107
	Profit before overhead	-314	-99	-124	-25
Filter, gas mask and others	Turnover	1,805	1,786	1,369	-417
	EBITDA before overhead	193	150	167	17
	Profit before overhead	110	59	88	30

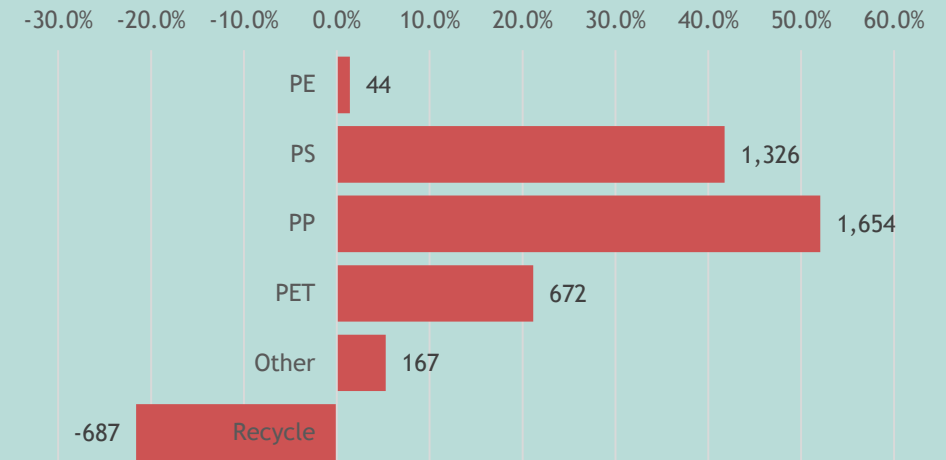


# EVOLUTION OF THE BUSINESS BY ACTIVITIES

## CONTRIBUTION IN TURNOVER



## CONTRIBUTION IN EBITDA



# Business Focus - plastic recycling

## Difficulties and challenges



- Market context - Lower demand in European market. Low price of virgin raw materials which is reducing the demand for recycled materials.
- We have old technology with lower efficiency compared with the new technology in the market, in terms of energy and manpower.

## Future outlook



- In February 2025 was finally voted the European Regulation for Plastic Packaging and Packaging Waste. The Regulation is a game changer in the packaging and recycling business, one provision of this regulation with high and positive impact to our business is that packaging shall contain minimum 35 % recycled materials by 2030.
- Romcarbon signed, recently, the financing contract with AFM for an investment in a new and modern technology. Is the project applied to PNRR - C3 - Financing of the recycling plants.
- We are expecting an increase of demand from the market since the EU Regulation is already in force, maybe slower in this year but we shall see better demand in one year term.

## Strategy



- We are focusing in setting up the production to manufacture the materials suitable for packaging industry in order to satisfy the market demand in view of the European Regulation, above mentioned.
- We are adjusting the portfolio of products in two main categories: Polyethylene and Polypropylene. Polypropylene for our internal use and the compounds for automotive industry.

# Business Focus - PE



## Difficulties and challenges

- Market demand - Decrease significantly in Romania and whole Europe in the last one and half year.
- Deposit system - By implementing the deposit system in Romania for PET bottles, Aluminum cans and Glass, the quantity of the wastage going to the yellow bag is reduced by one third (according to the waste management companies) and by this way the demand for these kind of collection bags is reduced.

## Future outlook



- The new targets imposed by the new legislation in EU is requiring a big effort in the waste collection system of Romania. Our country is far behind the targets and in order to align with the other EU countries, collection should significantly increase. Separate waste collection is at a small scale and should definitely grow, probably not very fast but it shall grow.
- As above mentioned, Romcarbon signed the financing contract with AFM for an investment in a new and modern technology. Polyethylene plant is one of the beneficiary of this project, the new technology will help to increase the efficiency in terms of energy and manpower, besides this, the new machine will enable us to make products with higher characteristics and, by this way, reducing the raw material consumption.



## Strategy

- Our strategy is to promote more the products with a higher recycling content since we are going to have new technology for recycling activity to produce higher quality of re-granulate in order to achieve PPWR targets.

# Business Focus - PET



## Difficulties and challenges

- Market demand is still low, especially on the foreign market where each producer is trying to cover its excess production capacities by benefiting from logistical advantages or the price of raw materials in relation to the volumes purchased.
- The process of reconfiguring the production structure after eliminating multilayer flexible films.
- Cutting fixed costs.



## Future outlook

- New market approach in 2025 after eliminating flexible films from the product range and reorienting towards more profitable PET products that fit into the long-term European legislative conditions.
- Trend of improvement in financial results compared to the previous period.



## Strategy

- Campaign to promote mono PET products on the domestic market through constant visits to customers and presenting the advantages of the new product over alternatives on the market.
- Development of the marketing activity of auxiliary products for PET trays - top sealing films.
- A new labor cost optimization campaign after implementing new products.

# Business Focus - PS



## Challenges :

- Maximizing new production capacity after installing the new extruder.
- Low market demand for XPS boards.
- Approaching the market with new products - laminated XPS boards.
- Optimization of the personnel scheme.



## Business update :

- Even though it remains one of the most profitable sectors, XPS does not rise to the level previously recorded in 2024.
- Low demand for XPS boards vs. high demand for trays.



## New development :

- XPS board promotion campaign.
- Improvements in production through reorganization of the personnel scheme.
- Elimination of unprofitable products from the range.

## Difficulties and challenges



- For polypropylene small bags, sales volumes in the first quarter increased by 5% compared to the same period last year, confirming that the initiatives to promote customized bags for the feed industry, as well as the production of bags for customers with automated packaging systems, were well-founded.
- For polypropylene big bags (big bags/jumbo bags), market demand remains weak, falling below the levels recorded in the same period last year, particularly in the chemical fertilizer sector. Both domestic and international markets are facing similar challenges.
- Imports of bags from India and Turkey continue to have a strong presence in the domestic market due to highly aggressive pricing strategies employed by importers, as customers prioritize securing the lowest possible costs.
- Given the current economic climate, clients are adopting a cautious approach, avoiding stockpiling and refraining from providing purchase forecasts, which complicates production planning and hinders optimization efforts.

## Future outlook



- Big bags - There are no signs of a recovery in demand within the agricultural fertilizer and grain markets.
- Small bags - Market demand is likely to remain at the same level as in 2024.

Bags for animal feed and salt packaging will continue to be our priority

## Strategy

Since the market and business environment remain uncertain, we will focus on cost reduction strategies:

- We continue to optimize the production team.
- We are reviewing our order portfolio to reduce low-margin orders.
- We are importing polypropylene fabric at more competitive prices to lower costs for certain types of big bags. As we gradually reduce in-house fabric production, this will enable us to cut overtime expenses and adjust production staff accordingly.
- For small bags, an automated machine for manufacturing, doubling, and hemming has been ordered. This will significantly reduce manual labor costs and is expected to be delivered and operational in the last quarter of 2025.



# New Investment and Business opportunity



A major investment of 12.2 million EUR, co-financed by NRRP, has been approved. This project includes the recycling of plastic and the reuse of the obtained material in Polypropylene and Polyethylene sectors. This investment is in line with the EU Strategy on the Circular Economy of Plastic.



The main investment is for plastic recycling line, which includes the washing line, the pellet making extruder. The new investment will replace most of the old equipment that are having constant technical problems. Those defects not only reduce the capacity but also lead to high consumption of the spare parts and maintaining costs. As well, new technology will shorten the production flow and reduce the processing cost.



Along with this investment, it's also the new production line for PP woven bag. The latest technology will be able to introduce more recycled material in the final product to meet the target of EU regulation regarding packaging and packaging waste. Also, the new production line is equipped with new technology of automation and aims to reduce the labor cost (-17,000 EUR/month) and electricity consumption cost (-5,000 EUR/month).



Modernization for PE bag making is also included in this project, aiming to reduce the production cost as well.



Last but not the least, the whole project includes also the investment of the green energy - around 400KW of PV panel installation, which will bring the saving of the energy cost immediately.

Although the whole project will be completed in the 2nd half of 2026, some investments will be implemented in 2025. This includes automation upgrades in the PP sector, reducing labor costs by 13,000 EUR per month, and solar panel installation (400KW capacity) generating annual savings of 60,000 EUR.

Environment



Community

People



**SUSTAINABILITY REPORT CONSOLIDATED OF ROMCARBON GROUP FOR 2024, prepared in accordance with the European Sustainability Reporting Standards (ESRS) was published on April 28, 2025.**

Material topics: Climate change, Pollution, Water resources, Resource use and circular economy, Own workforce, Governance. The report presents in a special chapter the eligible and aligned activities based on compliance with taxonomy criteria.

Group CO<sub>2</sub>e emissions calculated for year 2024: 72,067 tons = 1,718 to scope 1 + 4,750 to scope 2 (market-based method) + 65,599 to scope 3 ; Total emissions reduction by 2.7% compared to 2023.

The report was audited, BDO Audit SRL confirmed the alignment with the reporting requirements, by issuing a limited assurance opinion.

### **ROMCARBON GROUP SUSTAINABILITY STRATEGY 2025-2050**

\* Establishes the STRATEGIC OBJECTIVES applied to the Impact, Risks and Opportunities identified in the double materiality analysis: Strengthening the Romcarbon Group’s capabilities to contribute to climate change mitigation and to adapt to climate changes / Improving environmental performance and resources use / Ensuring a qualified, motivated and sufficient workforce / Ensuring a healthy and safe working environment / Ensuring equal treatment and opportunities, non-discrimination of all personnel / Establishing corporate culture and policies regarding professional conduct;

\* Establishes tactical objectives, time horizon, targets, actions, indicators, responsible parties, associated policies

**THE TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION** is in progress, planned to be completed and adopted by the end of the 2025.

## Environment



## Community

## People



### CIRCULAR ECONOMY AND REDUCING RESOURCES CONSUMPTION -Q1 2025

- 1673 tons of plastic waste purchased from the market for recycling;
- 43.1% proportion of recycled material in total raw material consumption in the plastic processing sectors: 61.58% in Polyethylene sector; 28.85% in Polystyrene sector and 0.95% in Polypropylene sector;
- 75% degree of rehabilitation of the water distribution network; we are working on the last section, with completion deadline in Q2/2025. The new network will eliminate water losses, estimated savings = approx. 750,000 lei/year

### GREEN ENERGY

Installed power of photovoltaic panels = 1,361.7 kW (reduction of approx. 276 tons of CO2 emissions/year, considering specific CO2 emissions at national level in 2024).

409.63 MWh of own photovoltaic energy production in the first 4 months of 2025, meaning reduction of 73 tons CO2 emissions and saving of 47,860 EUR from the reduction of energy consumed from national network (in 2024 the total production was 693 MWh).

### SOCIAL

- 1,212 employees in Romcarbon Group at the end of Q1 2025; 5.7% reduction compared to the beginning of the year;
- 7 scholarships maintained for high school students in the dual education system (mechanic and electrician specializations)





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**THANK YOU**