



DÁVID TIBOR

President

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CEO

INVESTOR FORUM 2018

December 6th, 2018

INVESTOR FORUM 2018

AGENDA

Business review 2018

Strategy update 2021

Stock exchange strategy

Questions and Answers



BUSINESS REVIEW 2018

CONTENT

- Markets
- Sales
- Organisation, Operation
- Investments
- Result forecast



EXTERNAL ENVIRONMENT

HUNGARY

- Strong market prosperity
- Supporting policy and tax environment
- Strengthening purchasing associations

EXPORT MARKETS

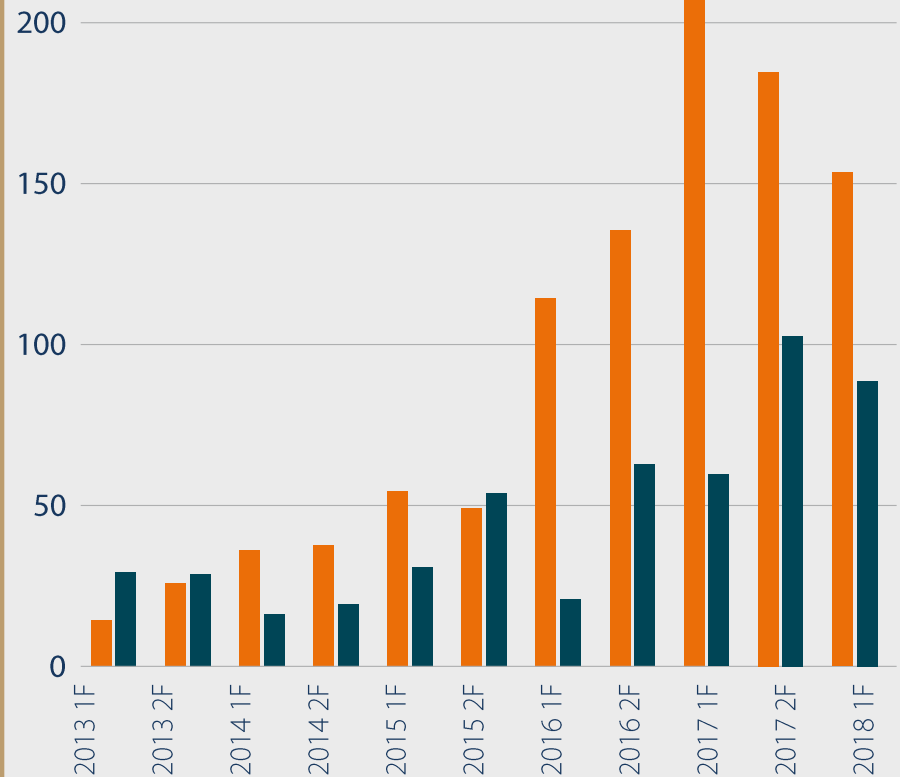
- Europe wide prosperity
- More competitors with increased capacity
- Distributor sales are concentrating

LAUNCHED PROJECTS ■
COPMLETED PROJECTS ■

Source: EBI Építésaktivitási jelentés 2018 2. negyedév

RESIDENTIAL CONSTRUCTION ACTIVITY IN HUNGARY

Billion HUF



EXTERNAL ENVIRONMENT

ROMANIA

- Decreasing market, but growing demand for quality

SERBIA

- Start of a positive trend – European integration and strengthening standards

UKRAINE

- Constant uncertainty in macroeconomics
- Concentration of construction investments in Kiev

POLAND

- Building industry performance above the European average

SLOVAKIA

- Sustainable growth, stability

CROATIA

- More investments in tourism sector, low residential demand



BUSINESS REVIEW 2018

SALES

Data in Mio EUR	Q3 YTD 2018	Q3 YTD 2017	Change	
Hungary	25,8	22,0	3,8	17%
Export	12,3	11,8	0,5	4%
Romania	9,1	10,3	-1,2	-12%
Ukraine	6,1	5,3	0,8	15%
Serbia	6,9	6,9	0,0	1%
Poland	6,0	4,1	1,9	45%
Slovakia	3,8	3,2	0,5	16%
Croatia	2,9	3,1	-0,2	-8%
Macedonian	1,3	1,5	-0,2	-15%
Net Sales	74,1	68,3	5,8	8%

- Expectedly good results in Q4



BUSINESS REVIEW 2018

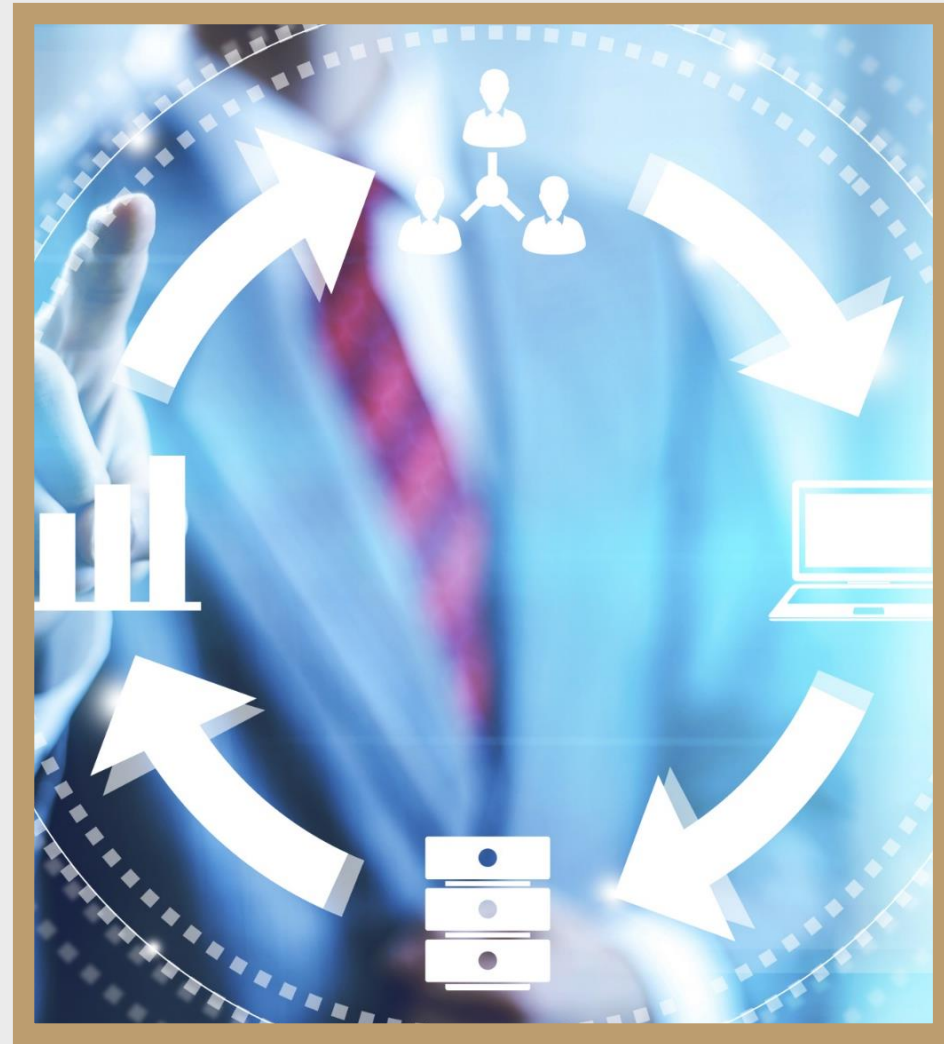
AIM IS THE OPERATIONAL EXCELLENCE

Organization

- Change in CEO position
- Strengthening the decentralized business model
- Subsidiary operation focus on local markets
- Building efficient organizational structure

Operation

- Improving production efficiency
- Optimizing inventories
- Increasing process efficiency
- Managing labour market challenges

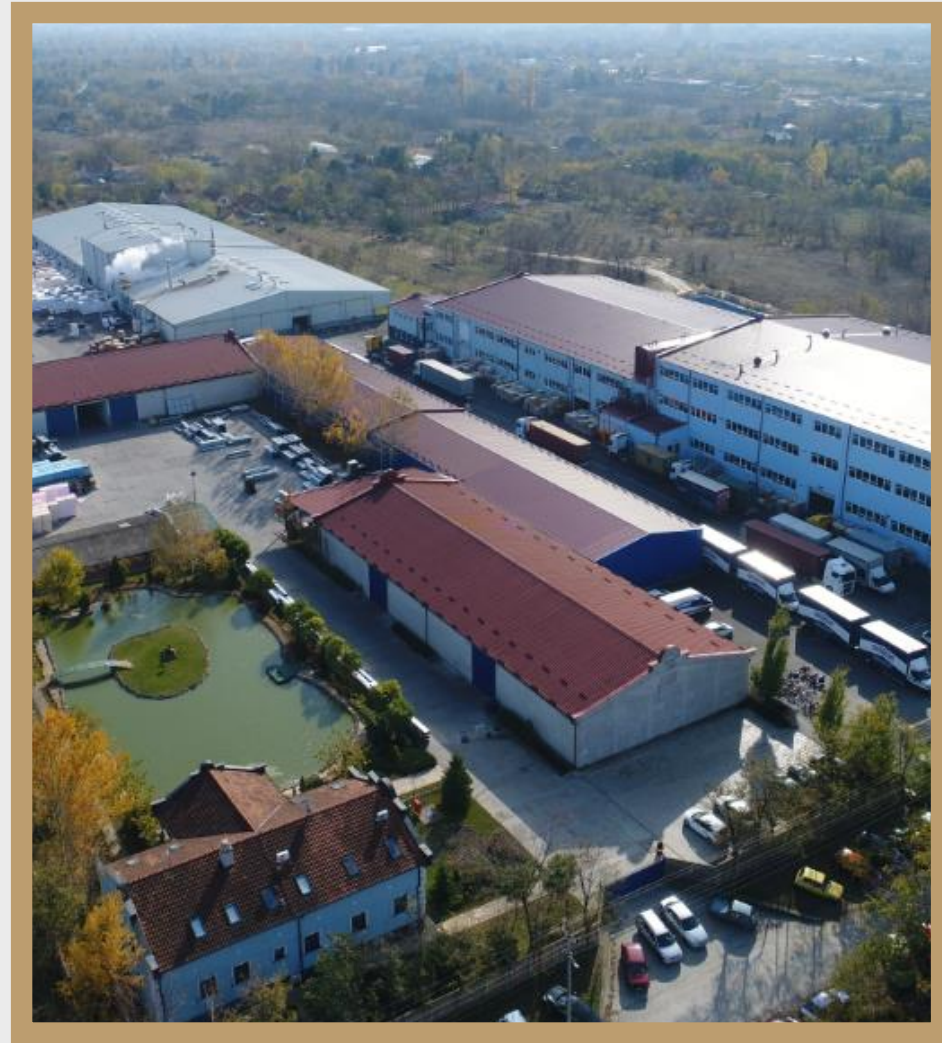


BUSINESS REVIEW 2018

INVESTMENTS

Subotica: The 2nd phase of fiberglass production investment is finished / 6,7 M EUR

- Enlarged capacity – 100 million m²
- New technology- Hi-Tech production line deployed
- Quality improvement
- Enhancing efficiency
- Extended portfolio and services
- Increased output by ~25%
- 35% in subsidy



BUSINESS REVIEW 2018

INVESTMENTS

Kál: PE foil production investment / 502 M HUF

- Doubled production capacity
- Wider product portfolio
- Improved quality
- Increased efficiency in production
- Industry 4.0 based technology
- 50% in subsidy

Logistics investment

- Fleet improvement in Hungary and Ukraine



BUSINESS REVIEW 2018

	Sales Mio EUR	EBITDA Mio EUR	EBITDA %	PAT Mio EUR	PAT %
2017*	89,3	4,9	5,5%	2,7	3,0%
2018 Plan	91,5	5,5	6,0%	2,9	3,2%
2018 Forecast	~98	~6,1	~6,2%	~3,2	~3,2%

** According to the IFRS 15 effective 01/01/2018 the Company recognise the given cash discount (sconto) among the revenues, while the purchase related received cash discounts (sconto received) are booked on the materials, goods and services line. Restatement has been done for FY 2017.*

STRATEGY UPDATE 2021



GROWTH IN SALES, INCREASED PRODUCTION OUTPUT,
IMPROVING PROFITABILITY

EXTARNAL ENVIRONMENT

EXPECTATIONS

- Tightening energy standards
- Increasing awareness of environmental protection
- Growing number of building renovations
- European Union and government incentives, subsidies in some countries
- Strong positive trend at the first stage of the strategic cycle - maximizing opportunities
- Danger of world economic turmoil



SALES FOCUS

SUBSIDIARIES

- Well managed product portfolio
- Customized services based on customer demands
- Enhanced support for web sales partners, tailor-made services

EXPORT

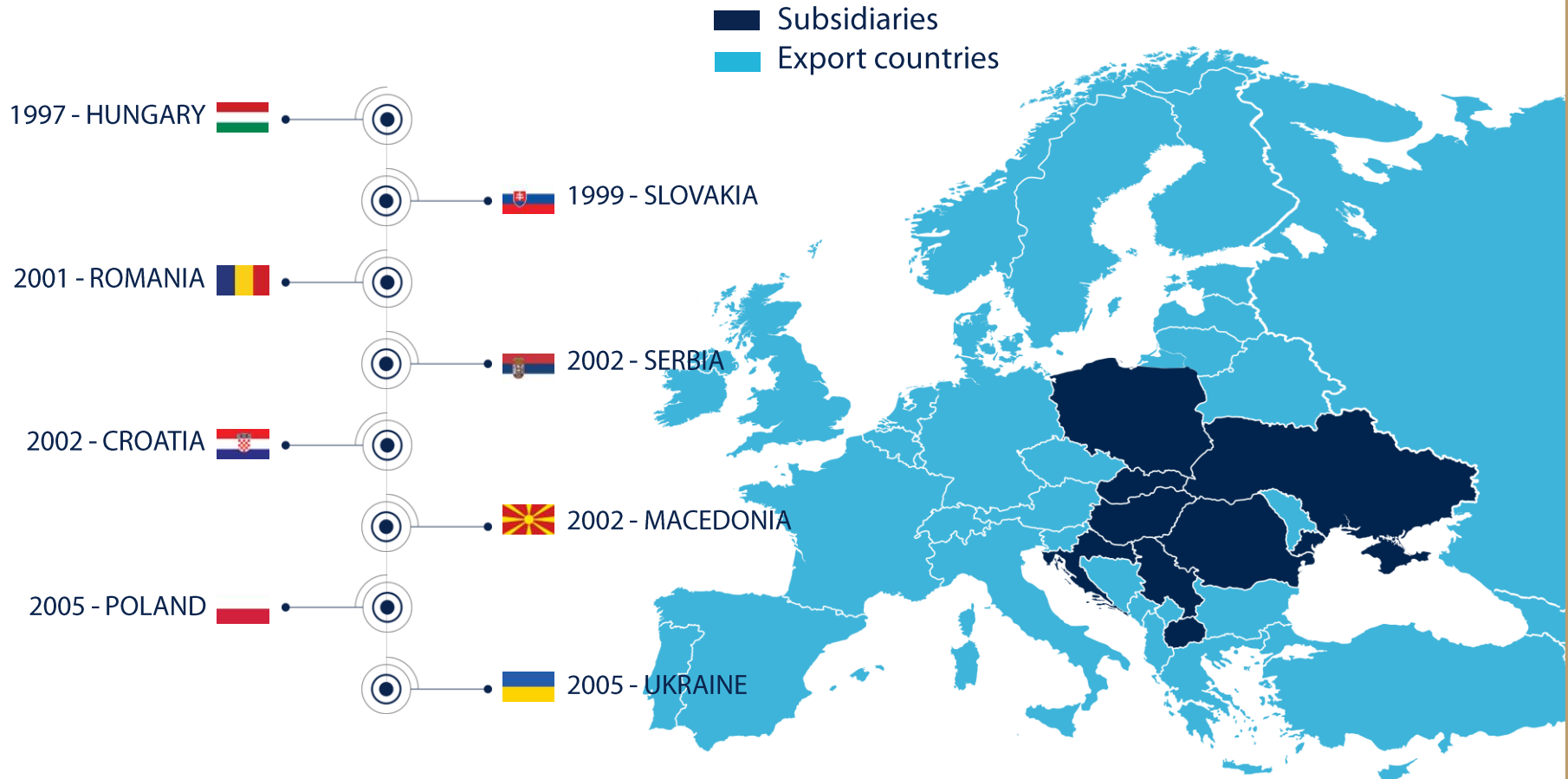
- Increasing manufacturing capacity
- Stable quality, wide sortiment
- Serving specific market demands
- Improving competitiveness

INDUSTRIAL DIVISION

- Significant increase of PE foil sales, widening portfolio
- Reach new customer base
- Polystyrene and fiberglass mesh based products



MASTERPLAST MARKET PRESENCE



EXTERNAL ENVIRONMENT

PREVAILING TRENDS

- Continuous growth of EU markets
- Regional prosperity in Central Europe
- Consolidation of ex-Yugoslavian markets
- Serbia EU convergence
- Challenging labour market
- Industrial concentration
- Growing demand for quality



PRODUCTION

EFFICIENCY

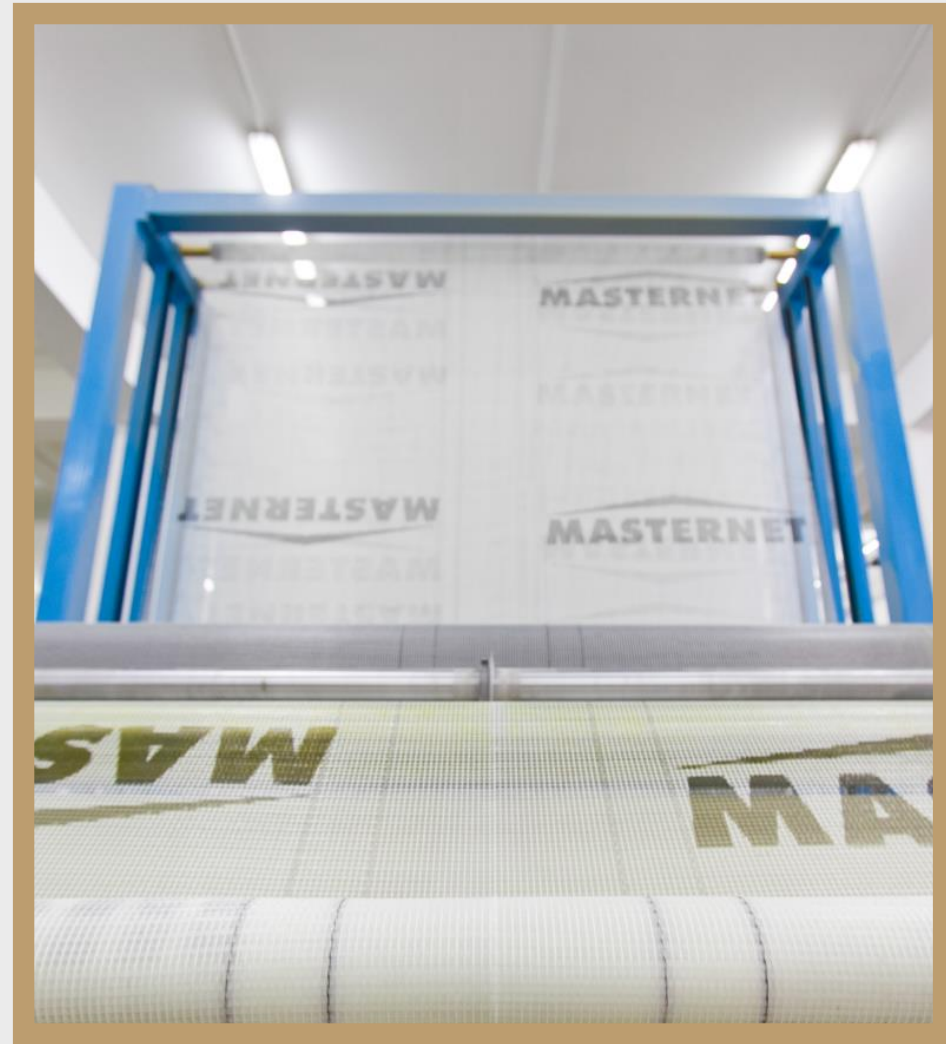
- Growing output
- Further improving quality
- Enhancing profitability

INNOVATION

- Upgrading existing product portfolio
- Tailor-made products on specified demand

DEVELOPMENT

- Launch new manufacturing processes
- Strengthening existing products
- Comprehensive automation



OPERATIONAL EXCELLENCE

GOOD TO GREAT

- Masterplast team is the most valuable assets
- Improving agility and efficiency of the operation
- Focus on teamwork
- Strengthening corporate culture
- Enhancing employee engagement



RESULT FORECAST

	Sales mio EUR	EBITDA mio EUR	EBITDA %	PAT mio EUR	PAT %
2017*	89,3	4,9	5,5%	2,7	3,0%
2018 Forecast	~98	~6,1	~6,2%	~3,2	~3,2%
2019 Forecast	~107	~7,3	~6,8%	~4,0	~3,7%
2020 Forecast	~115	~8,4	~7,3%	~5,0	~4,3%
2021 Forecast	~124	~9,5	~7,7%	~6,0	~4,8%

* According to the IFRS 15 effective 01/01/2018 the Company recognise the given cash discount (sconto) among the revenues, while the purchase related received cash discounts (sconto received) are booked on the materials, goods and services line. Restatement has been done for FY 2017.

STOCK EXCHANGE STRATEGY

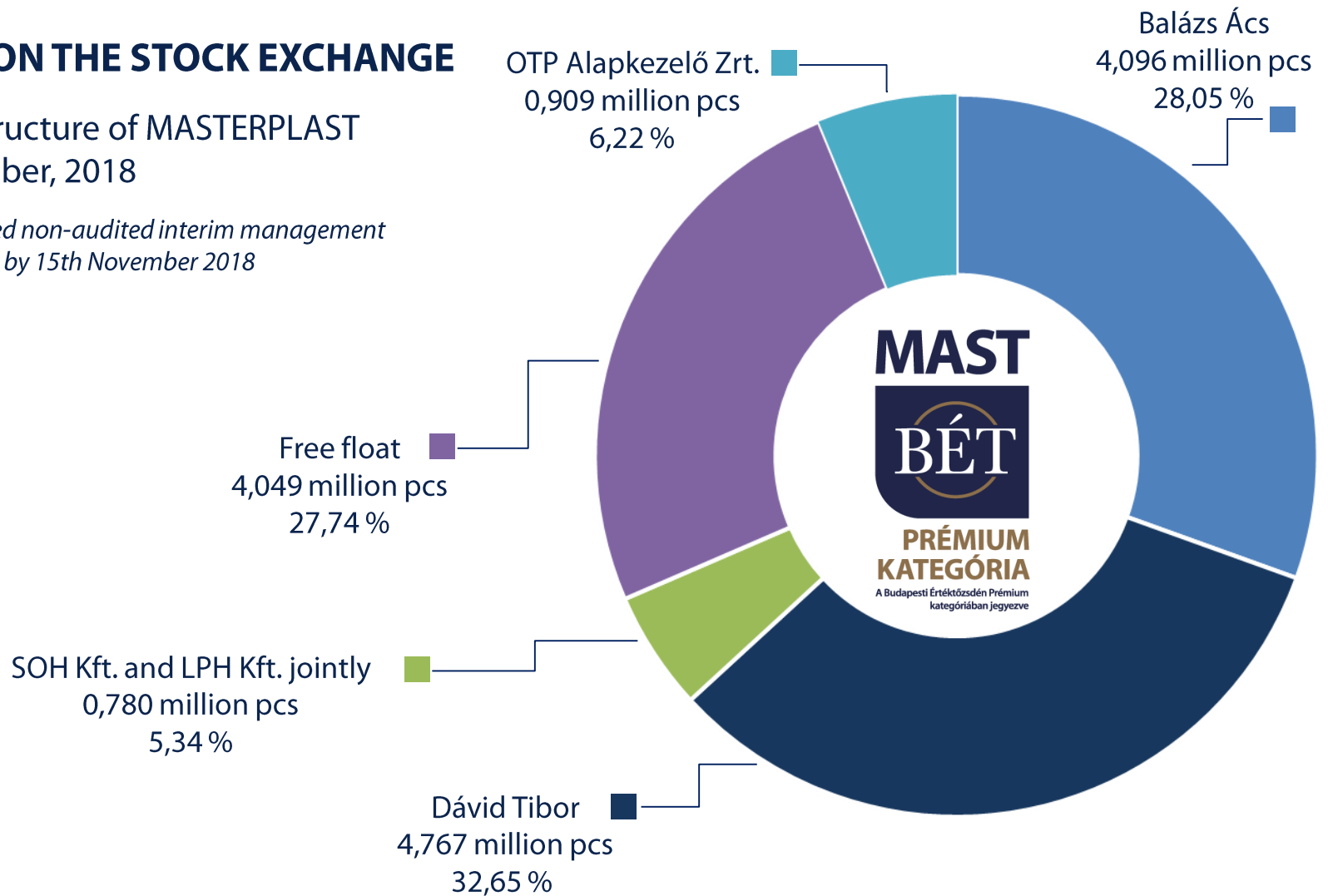


STOCK EXCHANGE STRATEGY

PRESENCE ON THE STOCK EXCHANGE

Ownership structure of MASTERPLAST PLC in November, 2018

Source: consolidated non-audited interim management report of the Group by 15th November 2018



STOCK EXCHANGE STRATEGY

DYNAMIC MASTERPLAST STORY

- Further increase of free float
- Strengthen communication
- Increasing price, higher trade volume
- Dividend policy

conditions: dividend payment max. up to 50% of PAT, depending on the change of industrial environment, future investments and running cash demands



DIVIDEND FORECAST

	PAT Forecast Mio EUR	Maximum dividend %	Dividend calculation Share/HUF
2018	~3,2	50%	34
2019	~4,0	50%	44
2020	~5,0	50%	55
2021	~6,0	50%	66

14,6 Mio share; exchange rate 322 HUF/EUR; assuming the dividend policy fulfilled

SUMMARY

- Positive market environment
- Growing sales
- Increasing production output
- Improving efficiency
- Enhancing profitability
- Increasing dividend



QUESTIONS AND ANSWERS





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President

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THANK YOU FOR YOUR
ATTENTION!