

December 4<sup>th</sup>, 2020

Europe | Hungary | Industrials

DR. KALLIWODA  
RESEARCH GmbH

## Initiating Coverage

BUY

Target price: HUF 1,999

Industry: Construction Materials  
 Country: Hungary  
 ISIN: HU0000093943  
 Reuters: -  
 Bloomberg: -  
 Website: www.masterplastgroup.com

Last price: 3,40  
 High Low  
 Price 52 W.: - -  
 Market cap. (EUR '000) 49.707,95  
 Number of shares (thousands) 14.601,16

## Shareholders

Dávid Tibor 31,1%  
 Balázs Ács 26,6%  
 OTP Alapkezelő 6,4%  
 LPH Kft. SOH Kft. 5,3%  
 Róbert Nádasi 0,2%  
 Minority shareholders 29,1%

## Performance

4 weeks 0,00%  
 24 weeks 0,00%  
 52 weeks 0,00%  
 3 years 0,00%

## Dividend

	in EUR	in %
2015	0,00	0,00%
2016	0,07	0,00%
2017	0,08	0,00%
2018	0,04	0,00%
2019	0,11	0,00%

## Chart: 1 Year



DR. KALLIWODA RESEARCH on Bloomberg  
 Page: KALL

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## Masterplast Nyrt.

## A Hidden Player for Construction Materials in CEE

- High operating efficiency has driven Masterplast to take a leading position in the building materials construction, focusing on offering a broad range of products divided in 6 categories, thermal insulation systems and roofing foils and accessories being the most significant.
- Despite an expected effect on the construction market to be seen in the mid to long term, its correct timing to explore other markets and product categories will be crucial to improving its performance.
- Given the ownership structure of the company where roughly 58% of the shares belong to board and management, minority shareholders can expect a long-term sustainable strategy and ownership-oriented management.
- As of July 2020, the company has initiated operations at its new plant in Aschersleben, Germany and has started investing in the healthcare sector. This contributes to the increase of EBITDA and EBIT margin in 2020.
- Masterplast has historically proven itself with a constantly strong operating cash flow that is to be further improved with the begin of operations in the healthcare sector.

## Key Figures

	2018	2019	2020E	2021E	2022E	2023E	2024E
in '000 EUR							
Net sales	97,339.85	107,104.24	119,849.65	123,445.14	129,617.39	137,394.44	147,012.05
EBITDA	6,034.68	7,327.17	10,195.92	12,591.95	13,581.80	15,085.06	16,385.67
EBIT	4,119.82	5,242.12	7,439.38	9,752.71	10,600.60	11,924.98	13,004.40
Net income	3,325.86	4,762.92	6,226.88	8,260.00	8,955.49	10,096.17	11,174.87

EPS	0.23	0.32	0.36	0.48	0.52	0.59	0.65
BVPS	2.05	2.23	2.59	2.80	2.92	3.10	3.28

RoE	11.09%	14.61%	16.49%	20.22%	20.98%	22.33%	23.31%
EBIT margin	4.23%	4.89%	6.21%	7.90%	8.18%	8.68%	8.85%
P/E	24.45	17.57	15.51	11.69	10.79	9.57	8.64
P/BVPS	2.74x	2.52x	2.17x	2.01x	1.92x	1.82x	1.71x
EV/EBITDA	19.64x	16.11x	12.76x	10.45x	9.86x	9.07x	8.57x

Source: Dr. Kalliwoda Research GmbH © 2020 &amp; Masterplast Nyrt.

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## 1 Company Profile

Masterplast Nyrt. is a young and leading European company in the industrials sector. Despite being only 23 years old, the company has managed to grow from its only subsidiary in Székesfehérvár, Hungary, to having currently other subsidiaries of the Group in 8 different countries which are: Slovakia, Romania, Croatia, Serbia, Macedonia, Ukraine, Poland, and most recently Germany. In addition to these direct subsidiaries, the Company cooperates with over 6000 partners that make up for the presence of its products in 41 countries.

### Masterplast Nyrt. History

- 2020 Begin of operation of manufacturing site in Aschersleben, Germany
- 2017 Included in the premium category of the Budapest Stock Exchange
- 2012 Begin of fiberglass mesh production, six years later it would become producer
- 2011 IPO at the Budapest Stock Exchange
- 2008 Opening of second manufacturing site in Subotica, Serbia
- 2005 Begin of manufacturing activities in Kál, Hungary
- 1999 First international expansion to Slovakia
- 1997 Foundation by Dávid Tibor and Balázs Ács

Source: Masterplast Nyrt.



Source: Masterplast Nyrt.

### Products

Masterplast produces a great variety of products ranging that are divided in 6 different product categories: façade insulation systems, roof underlayments and accessories, dry construction system elements, heat, sound and water insulation materials, construction accessories, and industrial applications. These 6 product categories can be divided into further 17 product groups, accounting at the end for 2000 products.



Source: Masterplast Nyrt.

### Production

While being present in the countries mentioned above, the production had been, before the acquisition of the German site, focused on three sites, two in Hungary, Kál and Sárszentmihály



Source: Masterplast Nyrt.

as well as a further one in Subotica, Serbia. As would be expected from an efficient production company, each manufacturing site is focused on specific product lines. The company counts with a production staff of ca. 600. The distribution of staff and production lines is as follows:

**Subotica:** this plant counts with 500 workers and the plant produces fiberglass mesh as well as EPS polystyrene and ETICS profiles with a high degree of automation. **Kál:** expanded polyethylene foam and dry construction profiles following quality standards dictated by the TÜV as well as the rules ISO9001 and ISO14001. The purposes of the products manufactured at this site include construction as well as packaging. **Sárszentmihály:** roof underlayment production (lamination) and customization, focused on manufacturing subtasks and meeting customer requirements.

### Sector

Having been several years in existence, Masterplast had a clear vision in terms of the quality of the products that it delivered and this is why in 2005 it became a manufacturer itself; since then, it has belonged to the broad sector of industrials and the subsector of construction materials. Its construction materials offer ranges from fiberglass mesh to accessories and screws. An in-depth discussion about the sector will take place in section 3. Industry Overview.

### Corporate Governance

Beyond financial donations, the Company has engaged with the society that surrounds it. Under its activities for social responsibility, donations are focused on child welfare and Masterplast contributes to the organization of competitions in the areas of sustainable development and architecture, urban development as well as environmental protection. It also works together with the city council of the city where it is based through the initiative KÉPES to work on current challenges that require a solution.

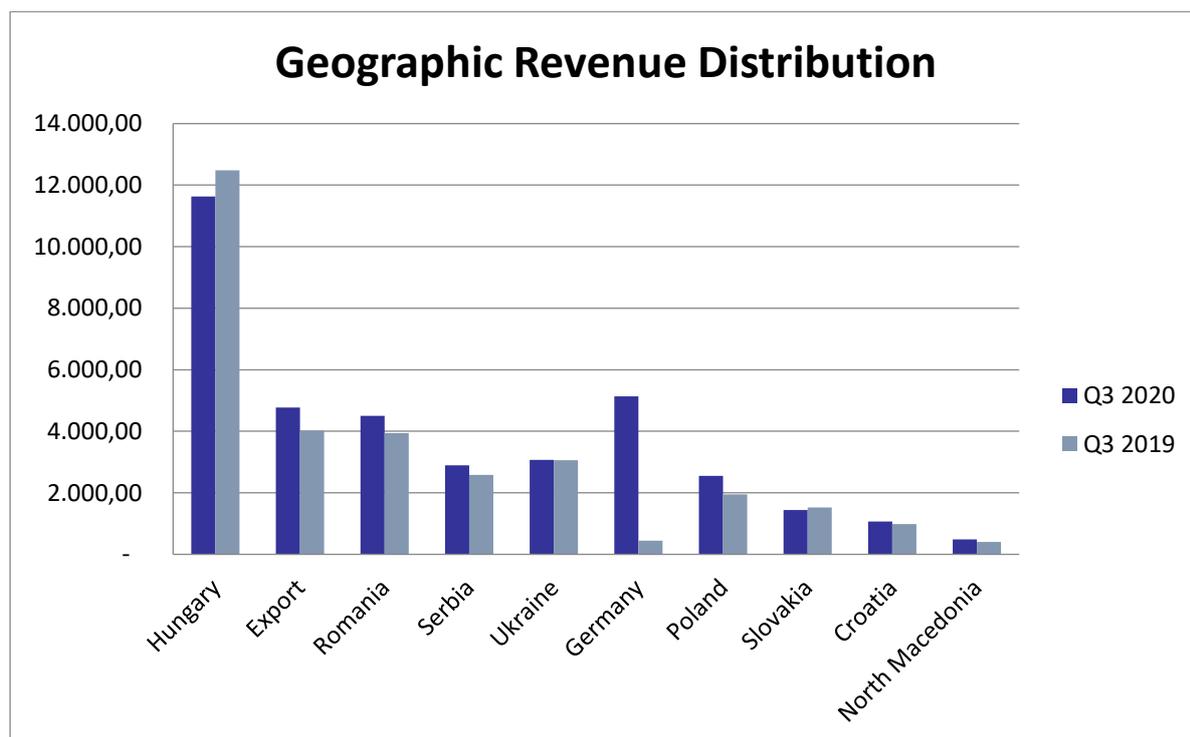
### Financial Overview

Despite being in a highly-cyclical sector, the company stands out for having been able to increase its revenue as well as improve its EBITDA margin in quarter 3 on a year-on-year

basis. This performance was in part possible due to the investment in the German manufacturing site which is focused on healthcare materials, a profitable sector. For 2019 the company was able to achieve a revenue of ca. €82 million, an EBITDA of approximately €6 million or a margin of 7,3% and a net income of €4,1 million. The full financial analysis can be found below under Valuation.

### Recent events

As of July 2020, the company has initiated operations at its new plant in Aschersleben, Germany. This factory “produces special fleeces and multilayer membranes for healthcare and construction industries.” (Third Quarter Results Report 2020). The revenue generated here fall under “Roofing Foils and Accessories” as well as “Industrial Applications”. As seen in figure 1: Geographic Revenue Distribution, Masterplast’s revenue in Germany which was previously reported under Export, was able to grow from 1% to 14% of the Company’s total revenue. While the revenue in Hungary decreased during the 3<sup>rd</sup> quarter in comparison to the same period one year earlier, all other markets were stable and total revenue grew by 15%.



Source: Masterplast Nyrt. Q3 2020 Report

## 2 SWOT Analysis

### Strengths

- **Long-term mentality:** with members of the board and management owning over 50 % of the company, minority shareholders can profit from the alignment of interests which seek sustainable growth and stability.
- **Product diversification:** although having been focused on construction materials while strengthening its position, Masterplast saw the right timing to enter a new market, namely the industrial textiles for the healthcare market.
- **Social competence:** the company has been constantly involved in activities for the benefit of the society. Financial donations and the promotion of voluntary work are part of Masterplast's strategy, also cooperation with the local city council addressing current problems and supporting the organization of events where sustainable development is the focus.
- **Environmental focus:** besides the strong engagement with the society and promoting welfare, Masterplast also focuses on the environmental sustainability by producing insulation products that reduce waste of energy.

### Opportunities

- **Digitalization:** given its early participation in the development of Bauapp, it can profit from the first mover advantage by offering clients better resource management and real time tracking of the products sold.
- **New markets:** through the already successful entrance in the German market within the healthcare sector, Masterplast is now able to not only supply the German market but also begin targeting other markets such as the French or Benelux while serving them from the plant in Germany. This could also serve as gateway for the construction materials.
- **Urbanization:** housing scarcity in some markets such as the Romanian provide for a stable demand backed by government support from which Masterplast can profit.

### Weaknesses

- **Geographical diversification:** despite directly being present in 9 countries through subsidiaries, in the third quarter of 2020 roughly one third of the revenue was earned in Hungary, this represents a considerable exposure to domestic conditions.
- **Leverage:** while bringing down the Net Debt/EBITDA multiple from 7,36 in 2018 to 5,97 in 2019, this represents a relatively high leverage level, this represents might imply difficulties for the future if the company would like to raise funds via credit. One should bear in mind that the EBITDA margin is expected to increase considerably through the healthcare operations.

### Threats

- **Currency:** disregarding the export markets, Masterplast is currently exposed to seven different currencies and adverse movements may have an impact of the performance of the company. Using tools such as hedging can reduce the risk.
- **Political:** the current government headed by Viktor Orbán has been controversial and at times finds itself at odds over several topics with the EU. Currently the country faces harsher measures to reduce the impact of the pandemic.
- **Industry trends:** multifamily houses have increased their popularity in recent years, these require less materials per unit.

Source: Company, Dr. Kalliwoda Research GmbH © Copyright 2020

### 3 Industry Overview

Despite being a central European player, Masterplast has become a global company as the combined revenue from all the export countries is higher than any single market, other than the home market.

Prior to the pandemic, the construction industry had been having a remarkably positive development as a whole and it was common to see how as some subsectors such as commercial buildings decreased, others picked up the slack. According to Roland Berger, the construction market in North America, driven by the residential sector, grew 11,6% per annum between 2014 and 2016 (2017). In the report of the European Commission in 2018, the prospects for the construction market in Hungary was positive, with expected growth rate at 12.0% in 2018 and 7.1% in 2019, stimulated by residential construction and transport infrastructure.

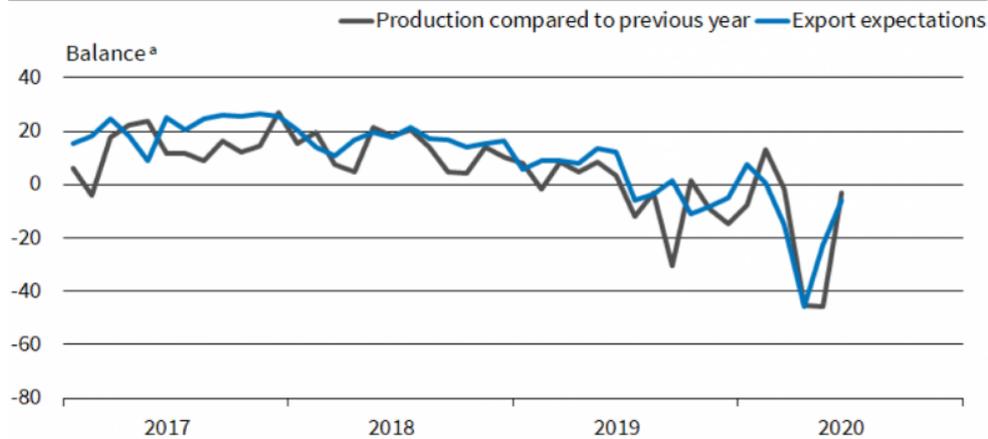
Coming to Europe and in relation to the current pandemic, S&P Global commented on the 16<sup>th</sup> of June, 2020 that it expects revenues in the sector to decrease by 15% to 20% on a year over year basis. The pre-pandemic levels should be attained by the end of 2022. According to S&P, the need for infrastructure investment in the region provides for a faster recovery in this sector while residential and commercial might take longer. The renovation segment, also important to Masterplast, should show signs of recovery in 2021 as collective efforts for green housing start to show their effect. However, S&P also reveals that companies with diversified footprint and activities mainly in central and Northern Europe are expected to report a stronger operating performance compare to companies in West and Southern Europe. In other words, we can anticipate a stable if not positive growth rate of Masterplast during this Coronavirus crisis.



Source: Masterplast Nyrt.

According to the report of ifo Business Survey, there was a decrease in demand of building materials at the beginning of this year until the end of March 2020 due to the impact of Corona pandemic. Nevertheless, since April, the demand has significantly improved and export of building materials are now in an upward trend again.

### Export Expectations and Demand in the Building Materials Industry



<sup>a</sup> Balance of positive and negative company assessments in %.  
Source: Ifo Business Survey, June 2020.

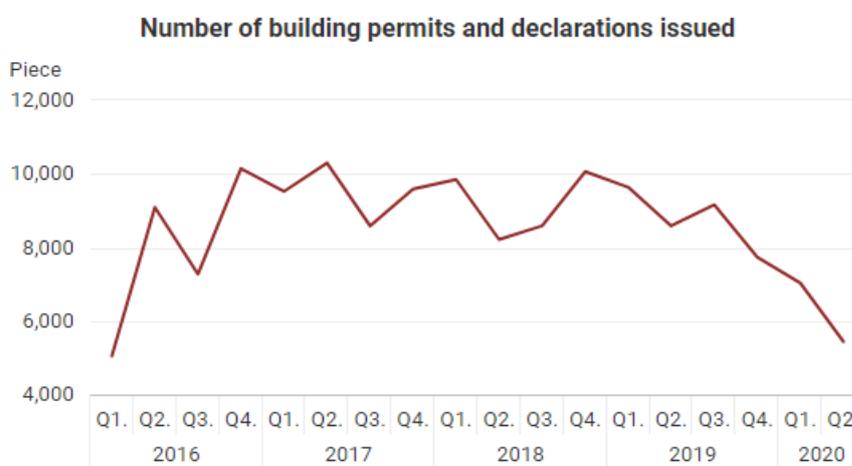
© Ifo Institute

The research of ifo Institute regarding the building material industry also presents that the German government has provided “economic stimulus package” in June 2020, which has positive effects on the industry. In addition, the building material market could be stimulated by the plan to offer financial support for local authorities, the rise in CO2 building renovation program, and the temporary reduction of the EEG levy. Despite the inevitable impacts of the corona crisis, we anticipate the possibility of quick recovery of the building material industry.

Also relevant to the current situation and to Masterplast is the recently released paper by Roland Berger, which discusses the new normal for the construction industry. With better hopes of a slighter decline in revenues of 8%, Roland Berger sees the industry experiencing a reduction in residential investment given the anxiety concerning income security. Furthermore, governments before the pandemic were already looking at the possibility of rent control and it remains to be seen what the effect of the pandemic will be on these policies. As such, the incentive to invest in real estate might diminish and less capital expenditure for commercial buildings is also expected. Specific to the residential new build and renovation, Roland Berger sees a return to growth in Q2 2021 and Q1 2021 respectively.

The Hungarian market is especially important for Masterplast since in the year 2019 the Company achieved 40% of its revenues in the home market. According to the Hungarian Central Statistical Office (hereafter referred to as the “statistical office”), in October 2020 inflation was at 3% and GDP had decreased by 13,6% in the second quarter of the year on a

year over year (YoY) basis. The unemployment rate was also at this time at 4,6% and industrial production was up in September 2,2% YoY. The number of dwellings built in Q2 2020 was 3922, 331 higher than in the same period for the previous year, meanwhile the aggregated housing price index has been plateauing since last year at around 160%. As seen in the below figure, the building permits and declarations issued has entered since the third quarter of 2019 a negative trend. This may indicate a slow improvement of the industry. However, we believe that Masterplast in particular and the construction and building material market in general can overcome the situation quickly thanks to the following reasons. Firstly, the Hungarian government provides support for subsidizing house refurbishment in Hungary. According to Daily News Hungary, “half of the renovation costs up to a maximum of 3 million forints (EUR 8,400) per renovation will be covered by the state”. Secondly, EU funding program of renovation may also be considered as a cushion overall in the region. Last but not least, the home office trend caused by the corona pandemic can be seen as a positive sign for the industry because people should invest more in their workspace at home such as modernizing their office.



Source: Hungarian Central Statistical Office

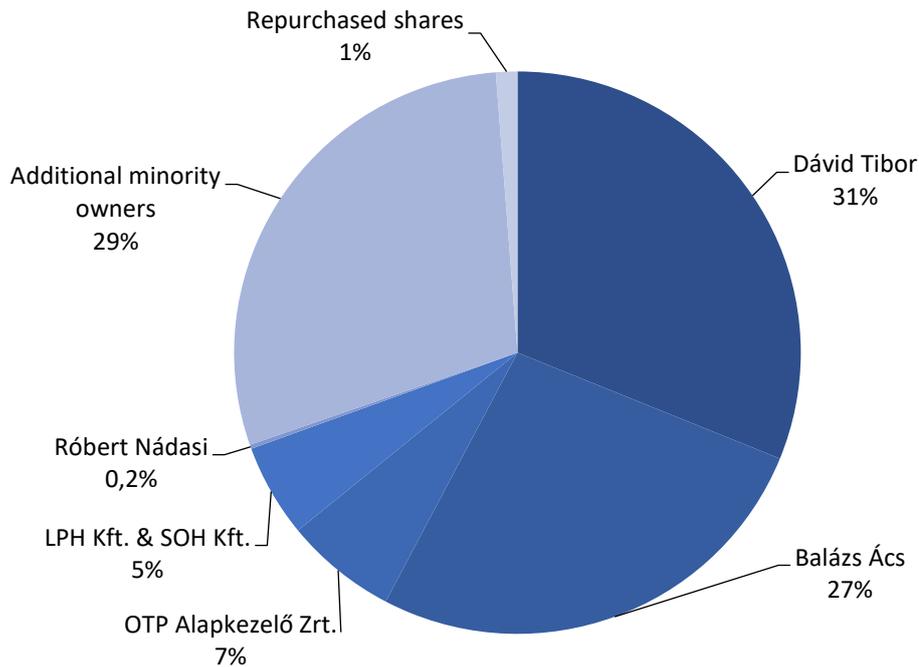
As we known, the Corona pandemic has severely affected the whole economy. This crisis especially presses both pressure and opportunities on the healthcare industry. On the one hand, companies in healthcare sector are under pressure to catch up with the drastically extreme high demand of medical equipment, hospital facilities, etc. On the other hand, this is also a great chance for those firms to increase revenues and develop. According to Mordor Intelligence report, the healthcare market in Europe is expected to exhibit a compound annual growth rate

of 15% during the forecast period 2020-2025. Therefore, the entry of Masterplast in the healthcare sector opens up a new dimension, contributes to the increase in revenues and strengthens the company reputation.



Source: Masterplast Nvrt.

## 4 Shareholder Structure



Source: Masterplast Nyrt.

## 5 Valuation

To value Masterplast Nyrt., we used a traditional DCF model, which derives a 12-months target price for the stock of **HUF 1,999**. Compared to the current market level, this corresponds to an upside of approximately 65%.

### Rationale

Given the relevance of the financial forecasting in this method, there are some key points worth mentioning regarding our expectations of the industry as well as the performance of the company.

- For this year, we expect revenue to increase an approximate 12% given the positive performance exposed in Q3 not only in the construction sector but also due to the start of operations of the German site Masterplast Nonwoven, which caters to the healthcare market, bringing in more revenue and improving the margins. For the following year we expect a slower growth since it is then when the effects of the pandemic are expected to hit the industry, according to different sources previously discussed as well as our own

estimates. The healthcare segment will contribute to a great extent to the growth in total revenue.

- In connection to the new segment as well, we expect the Company to gradually improve its margins as well as its inventory turnover as the healthcare segment expands and gains more relevance for Masterplast.
- The balance sheet expansion in 2020 is primarily attributable to the investment in the German plant.
- The Company plans to issue a second bond of EUR 18 million for capital investments and potential acquisitions.
- Due to the lack of information, it was not possible to calculate the exact beta for the company. As a solution, we looked at comparable companies to find an average unlevered beta that could then be applied to Masterplast in our model.

#### WACC assumptions

##### Growth assumptions

Long-term growth rate	2.1%
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##### Equity

Risk-free rate	2.11%
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Market risk premium	16.8%
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Beta	1.38
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<b>Equity costs</b>	<b>25.31%</b>
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##### Debt costs

Debt costs (before tax)	1.90%
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Tax rate on interest	15.09%
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<b>Debt costs (after tax)</b>	<b>1.61%</b>
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Equity	40%
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Debt	60%
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<b>WACC</b>	<b>11.17%</b>
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Source: Dr. Kalliwoda Research GmbH © 2020

## Discounted Cash Flow Model (2020), calculated on the 17th of November 2020

in EUR '000	2020E	2021E	2022E	2023E	2024E
<b>Net sales</b>	<b>119,849.65</b>	<b>123,445.14</b>	<b>129,617.39</b>	<b>137,394.44</b>	<b>147,012.05</b>
(y-o-y change)	11.9%	3.0%	5.0%	6.0%	7.0%
<b>EBIT</b>	<b>7,439.38</b>	<b>9,752.71</b>	<b>10,600.60</b>	<b>11,924.98</b>	<b>13,004.40</b>
EBIT margin	6.2%	7.9%	8.2%	8.7%	8.8%
<b>NOPLAT</b>	<b>6,316.44</b>	<b>8,280.58</b>	<b>9,000.49</b>	<b>10,124.96</b>	<b>11,041.44</b>
+ Depreciation	2,756.54	2,839.24	2,981.20	3,160.07	3,381.28
= Net operating cash flow	9,072.98	11,119.82	11,981.69	13,285.03	14,422.72
- Total investments (Capex and WC)	4,860.41	3,129.10	1,940.23	2,733.96	3,063.56
Capital expenditure	12,273.82	3,462.71	2,646.50	2,778.82	2,917.76
Working capital	- 7,413.41	- 333.61	- 706.27	- 44.86	145.80
= Free Cash Flow (FCF)	4,212.57	7,990.72	10,041.46	10,551.08	11,359.16
<b>PV of FCFs</b>	<b>4,212.57</b>	<b>7,187.96</b>	<b>8,125.24</b>	<b>7,679.90</b>	<b>7,437.46</b>
<b>Terminal Value</b>					<b>127,895.09</b>

Source: Dr. Kalliwoda Research GmbH © 2020

PV of FCFs in explicit period	34,643.13
PV of terminal period	83,739.93
<b>Implied Enterprise value (EV)</b>	<b>118,383.06</b>
- Net debt	44,401.22
+ Investments / - Minorities	-121.40
<b>Shareholder value</b>	<b>73,860.44</b>

Number of shares outstanding (thousands)	<b>14,601.16</b>
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<b>WACC</b>	<b>11.17%</b>	
Equity costs	25.3%	
Debt costs before tax	1.9%	
Tax rate	15.1%	
Debt costs after tax	1.6%	
Equity ratio	40.3%	
Debt ratio	59.7%	
<b>Fair value per share in EUR/HUF today</b>	<b>5.06</b>	<b>1,797.92</b>
<b>Fair value per share in EUR/HUF in 12 months</b>	<b>5.62</b>	<b>1,998.72</b>

Source: Dr. Kalliwoda Research GmbH © 2020

## 6 Profit and Loss Statement

Profit and Loss Statement - Masterplast Nyrt.							
<i>all figures in '000 EUR unless otherwise indicated</i>	Fiscal Year						
	2018	2019	2020E	2021E	2022E	2023E	2024E
Revenue	97,339.85	107,104.24	119,849.65	123,445.14	129,617.39	137,394.44	147,012.05
Materials and Services Used	- 79,202.91	- 87,807.54	- 95,879.72	- 96,287.21	- 100,453.48	- 105,793.72	- 113,199.28
<b>Gross Profit</b>	<b>18,136.93</b>	<b>19,296.70</b>	<b>23,969.93</b>	<b>27,157.93</b>	<b>29,163.91</b>	<b>31,600.72</b>	<b>33,812.77</b>
Payments to personnel	- 11,547.78	- 14,026.92	- 14,868.54	- 15,165.91	- 15,924.21	- 16,720.42	- 17,556.44
Movements in self produced inventories	24.29	1,837.97	918.98	459.49	229.75	114.87	57.44
Other operating income (expense)	- 578.76	219.43	175.55	140.44	112.35	89.88	71.90
<b>EBITDA</b>	<b>6,034.68</b>	<b>7,327.17</b>	<b>10,195.92</b>	<b>12,591.95</b>	<b>13,581.80</b>	<b>15,085.06</b>	<b>16,385.67</b>
Depreciation, Amortization and Impairment	- 1,914.86	- 2,085.06	- 2,756.54	- 2,839.24	- 2,981.20	- 3,160.07	- 3,381.28
<b>EBIT</b>	<b>4,119.82</b>	<b>5,242.12</b>	<b>7,439.38</b>	<b>9,752.71</b>	<b>10,600.60</b>	<b>11,924.98</b>	<b>13,004.40</b>
Interest Received	73.74	77.43	61.35	61.61	61.95	62.57	63.48
Interest Paid	- 554.56	- 553.57	- 503.72	- 505.82	- 508.60	- 513.75	- 521.19
Other Financial income (expense)	- 14.28	571.66	341.12	425.25	397.45	421.29	620.53
Profit and Loss Attributable to Associates	0.19	- 11.77	- 4.23	- 5.27	- 3.80	- 4.02	- 5.68
<b>EBT</b>	<b>3,624.92</b>	<b>5,325.87</b>	<b>7,333.90</b>	<b>9,728.47</b>	<b>10,547.60</b>	<b>11,891.08</b>	<b>13,161.54</b>
Income Tax	- 299.05	- 562.95	- 1,107.02	- 1,468.47	- 1,592.11	- 1,794.90	- 1,986.67
<b>Net Income</b>	<b>3,325.86</b>	<b>4,762.92</b>	<b>6,226.88</b>	<b>8,260.00</b>	<b>8,955.49</b>	<b>10,096.17</b>	<b>11,174.87</b>
<i>Profit Attr. to Parent Company Shareholders</i>	3,283.38	4,572.94	5,292.85	7,021.00	7,612.16	8,581.75	9,498.64
<i>Profit Attr. to Non-Controlling Interests</i>	42.48	189.98	934.03	1,239.00	1,343.32	1,514.43	1,676.23
<i>Earnings per Share</i>	0.23	0.32	0.36	0.48	0.52	0.59	0.65
<i>Diluted Earnings per Share</i>	0.23	0.32	0.36	0.48	0.52	0.59	0.65
<i>Price/Earnings (X)</i>	24.45	17.57	15.51	11.69	10.79	9.57	8.64
<i>Net interest coverage</i>	8.57	11.01	16.82	21.96	23.73	26.43	28.41
<b>YoY Change</b>							
<i>Revenue</i>	9%	10%	11.9%	3.0%	5.0%	6.0%	7.0%
<i>Materials and Services Used</i>	6%	11%	9%	0%	4%	5%	7%
<b><i>Gross Profit</i></b>	22%	6%	24%	13%	7%	8%	7%
<i>Payments to personnel</i>	14%	21%	6.0%	2.0%	5.0%	5.0%	5.0%
<i>Movements in self produced inventories</i>	-92%	7468%	-50.0%	-50.0%	-50.0%	-50.0%	-50.0%
<i>Other operating income (expense)</i>	-401%	-138%	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%
<b><i>EBITDA</i></b>	15%	21%	39%	23%	8%	11%	9%
<i>Depreciation, Amortization and Impairment</i>	18%	9%	32%	3%	5%	6%	7%
<b><i>EBIT</i></b>	14%	27%	42%	31%	9%	12%	9%
<i>Interest Received</i>	-37%	5%	-21%	0%	1%	1%	1%
<i>Interest Paid</i>	-4%	0%	-9%	0%	1%	1%	1%
<i>Other Financial income (expense)</i>	-94%	-4104%	-40%	25%	-7%	6%	47%
<i>Profit and Loss Attributable to Associates</i>	-117%	-6166%	-64%	25%	-28%	6%	41%
<b><i>EBT</i></b>	25%	47%	38%	33%	8%	13%	11%
<i>Income Tax</i>	36%	88%	97%	33%	8%	13%	11%
<b><i>Net Income</i></b>	24%	43%	31%	33%	8%	13%	11%
<b>Share in revenue</b>							
<i>Revenue</i>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Materials and Services Used</i>	-81.4%	-82.0%	-80.0%	-78.0%	-77.5%	-77.0%	-77.0%
<b><i>Gross Profit</i></b>	18.6%	18.0%	20.0%	22.0%	22.5%	23.0%	23.0%
<i>Payments to personnel</i>	-11.9%	-13.1%	-12.4%	-12.3%	-12.3%	-12.2%	-11.9%
<i>Movements in self produced inventories</i>	0.0%	1.7%	0.8%	0.4%	0.2%	0.1%	0.0%
<i>Other operating income (expense)</i>	-0.6%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%
<b><i>EBITDA</i></b>	6.2%	6.8%	8.5%	10.2%	10.5%	11.0%	11.1%
<i>Depreciation, Amortization and Impairment</i>	-2.0%	-1.9%	-2.3%	-2.3%	-2.3%	-2.3%	-2.3%
<b><i>EBIT</i></b>	4.2%	4.9%	6.2%	7.9%	8.2%	8.7%	8.8%
<i>Interest Received</i>	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
<i>Interest Paid</i>	-0.6%	-0.5%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
<i>Other Financial income (expense)</i>	0.0%	0.5%	0.3%	0.3%	0.3%	0.3%	0.4%
<i>Profit and Loss Attributable to Associates</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><i>EBT</i></b>	3.7%	5.0%	6.1%	7.9%	8.1%	8.7%	9.0%
<i>Income Tax</i>	-0.3%	-0.5%	-0.9%	-1.2%	-1.2%	-1.3%	-1.4%
<b><i>Net Income</i></b>	3.4%	4.4%	5.2%	6.7%	6.9%	7.3%	7.6%

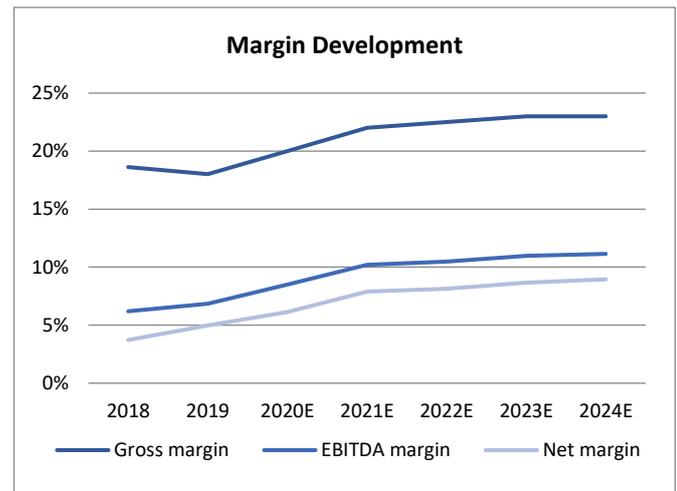
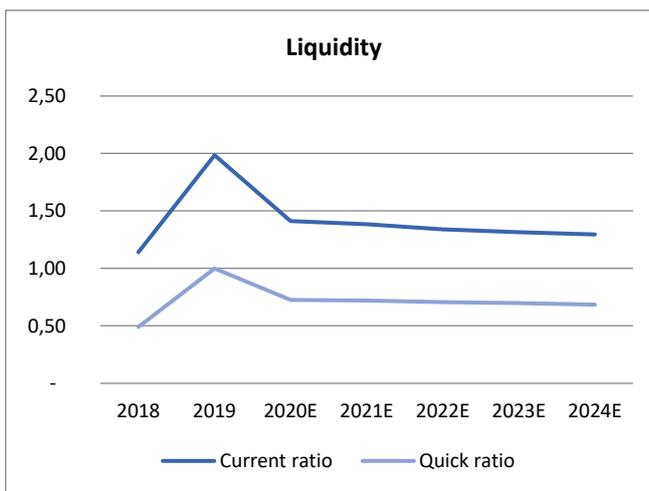
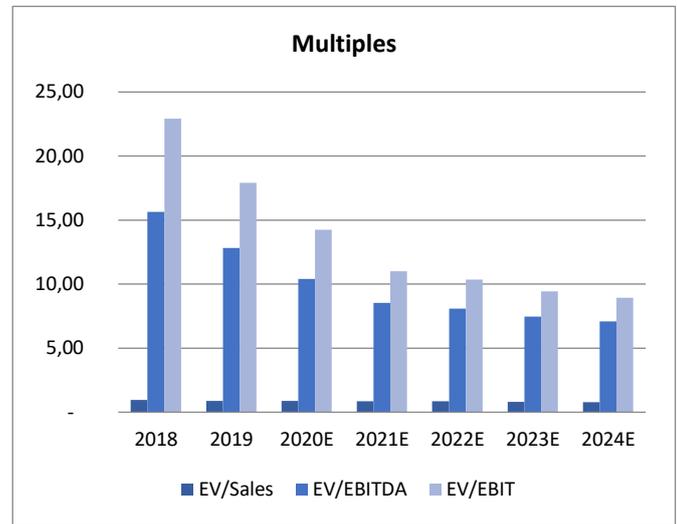
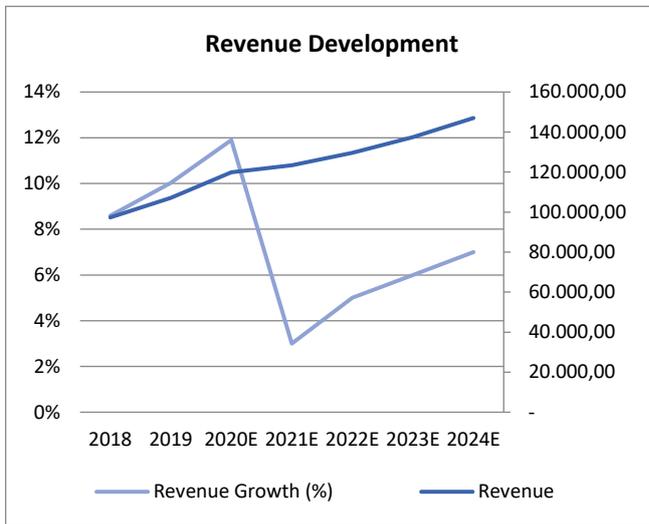
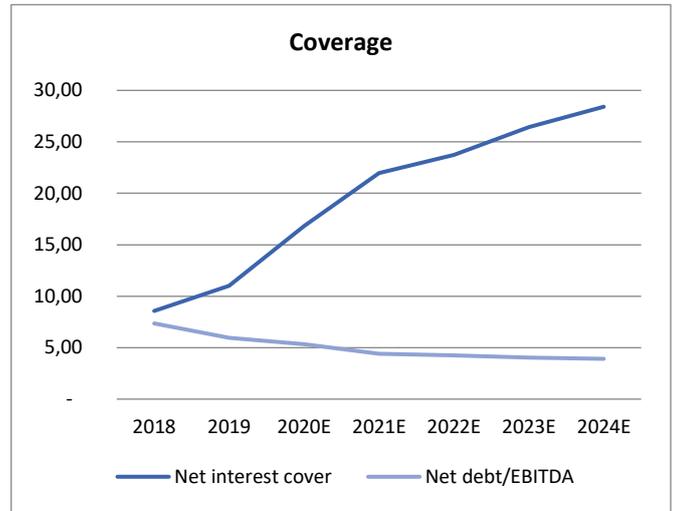
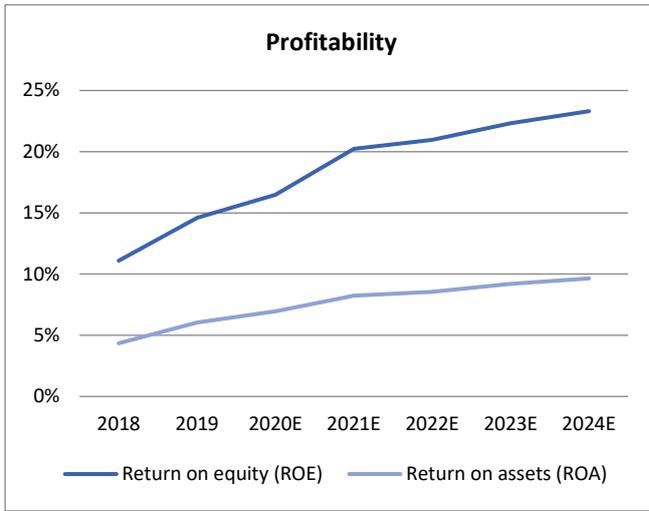
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## 7 Balance Sheet

Balance Sheet - Masterplast Nyrt.							
<i>all figures in '000 EUR unless otherwise indicated</i>							
	2018	2019	2020E	2021E	2022E	2023E	2024E
<b>Non Current Assets</b>							
PPE	35,454.63	37,193.40	49,467.22	52,929.92	55,576.42	58,355.24	61,273.00
Intangible assets	207.03	190.68	227.51	243.44	255.61	268.39	281.81
Investments in associates	33.78	320.84	303.90	325.17	341.43	358.50	376.43
Deferred tax assets	303.57	362.25	434.66	465.09	488.35	512.76	538.40
<b>Total Non-Current Assets</b>	<b>35,999.00</b>	<b>38,067.16</b>	<b>50,433.30</b>	<b>53,963.63</b>	<b>56,661.81</b>	<b>59,494.90</b>	<b>62,469.64</b>
<b>Current Assets</b>							
Inventories	23,059.92	21,256.79	23,048.01	23,291.53	23,783.01	24,980.81	26,729.46
Trade Receivables	12,453.32	14,471.41	15,214.63	15,671.07	16,454.62	17,441.90	18,662.83
Taxes Receivable	1,075.57	784.09	1,404.19	1,446.32	1,518.63	1,609.75	1,722.44
Other current financial assets	23.28	2.33	36.64	37.74	39.63	42.01	44.95
Other current assets	1,773.01	1,767.43	2,004.78	2,064.92	2,168.17	2,298.25	2,459.13
Cash and Cash Equivalents	2,089.82	4,530.34	5,717.37	6,117.59	6,423.47	6,744.64	7,081.87
<b>Total Current Assets</b>	<b>40,474.93</b>	<b>42,812.39</b>	<b>47,425.62</b>	<b>48,629.17</b>	<b>50,387.53</b>	<b>53,117.36</b>	<b>56,700.69</b>
<b>Total Assets</b>	<b>76,473.94</b>	<b>80,879.55</b>	<b>97,858.92</b>	<b>102,592.80</b>	<b>107,049.34</b>	<b>112,612.26</b>	<b>119,170.33</b>
<b>Equity</b>							
Share Capital	5,503.94	5,503.94	5,504.00	5,504.00	5,504.00	5,504.00	5,504.00
Reserves	20,928.54	22,437.94	25,509.56	26,743.58	27,905.29	29,355.42	31,064.96
Redeemed Treasury Shares	20.84	381.45	454.36	463.44	472.71	482.17	491.81
Parent Company's Share of the Profit or Loss	3,283.38	4,572.94	5,292.85	7,021.00	7,612.16	8,581.75	9,498.64
<b>Equity Attributable to Parent Company's Shareholders</b>	<b>29,695.02</b>	<b>32,133.38</b>	<b>35,852.06</b>	<b>38,805.14</b>	<b>40,548.75</b>	<b>42,959.00</b>	<b>45,575.79</b>
Non-Controlling Interests	287.87	472.96	1,903.98	2,037.26	2,139.12	2,246.08	2,358.38
<b>Total Equity</b>	<b>29,982.888</b>	<b>32,606.339</b>	<b>37,756.036</b>	<b>40,842.394</b>	<b>42,687.865</b>	<b>45,205.077</b>	<b>47,934.164</b>
<b>Long-Term Liabilities</b>							
Long-Term Loans	6,050.70	3,863.60	3,294.70	3,454.08	3,604.12	3,791.41	4,012.21
Liabilities from Issued Bonds	-	18,136.17	16,503.91	16,173.84	15,850.36	15,533.35	15,222.69
Deferred Tax Assets	181.51	265.72	277.36	290.78	303.41	319.18	337.76
Deferred Income	4,067.92	3,748.35	2,376.94	2,448.25	2,570.66	2,724.90	2,915.65
Other Long-Term Liabilities	721.35	694.77	4,058.73	4,255.07	4,439.90	4,670.63	4,942.62
<b>Total Non-Current Liabilities</b>	<b>11,021.48</b>	<b>26,708.61</b>	<b>26,511.64</b>	<b>26,622.01</b>	<b>26,768.45</b>	<b>27,039.47</b>	<b>27,430.92</b>
<b>Current Liabilities</b>							
Short-Term Loans	18,375.55	5,852.62	14,384.04	14,755.52	16,349.97	17,846.87	19,394.67
Trade Payables	12,773.84	10,727.78	11,295.42	11,475.32	11,834.25	12,376.42	13,490.87
Short Term Financial Leasing Liabilities	289.28	289.98	364.48	382.12	398.71	419.43	443.86
Other Current Financial Liabilities	0.26	92.09	967.23	1,014.02	1,058.07	1,113.05	1,177.87
Taxes Payable	641.01	1,047.45	2,216.30	2,939.94	3,187.48	3,593.48	3,977.42
Current Part of Deferred Income	933.72	625.66	728.65	750.51	788.03	835.31	893.78
Provisions	186.94	218.82	282.43	296.09	308.96	325.01	343.94
Other Current Liabilities	2,268.96	2,710.21	3,352.69	3,514.87	3,667.55	3,858.14	4,082.82
<b>Total Current Liabilities</b>	<b>35,469.57</b>	<b>21,564.60</b>	<b>33,591.24</b>	<b>35,128.40</b>	<b>37,593.02</b>	<b>40,367.72</b>	<b>43,805.24</b>
<b>Total Liabilities</b>	<b>46,491.05</b>	<b>48,273.21</b>	<b>60,102.88</b>	<b>61,750.41</b>	<b>64,361.47</b>	<b>67,407.18</b>	<b>71,236.16</b>
<b>Equity and Liabilities</b>	<b>76,473.94</b>	<b>80,879.55</b>	<b>97,858.92</b>	<b>102,592.80</b>	<b>107,049.34</b>	<b>112,612.26</b>	<b>119,170.33</b>

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## 8 Financial Ratios



Source: Dr. Kalliwoda Research GmbH © 2020

Fiscal year	2018	2019	2020E	2021E	2022E	2023E	2024E
Gross margin	19%	18%	20%	22%	23%	23%	23%
EBITDA margin	6%	7%	9%	10%	10%	11%	11%
EBIT margin	4%	5%	6%	8%	8%	9%	9%
Net margin	4%	5%	6%	8%	8%	9%	9%
Return on equity (ROE)	11%	15%	16%	20%	21%	22%	23%
Return on assets (ROA)	4%	6%	7%	8%	9%	9%	10%
Return on capital employed (ROCE)	10.05%	8.84%	11.58%	14.46%	15.26%	16.51%	17.26%
Net debt (€ '000)	44,401.22	43,742.87	54,385.51	55,632.82	57,938.00	60,662.54	64,154.29
Net gearing	148%	134%	144%	136%	136%	134%	134%
Equity ratio	39%	40%	39%	40%	40%	40%	40%
Current ratio	1.14	1.99	1.41	1.38	1.34	1.32	1.29
Quick ratio	0.49	1.00	0.73	0.72	0.71	0.70	0.68
Net interest cover	8.57	11.01	16.82	21.96	23.73	26.43	28.41
Net debt/EBITDA	7.36	5.97	5.33	4.42	4.27	4.02	3.92
Tangible BVPS	2.04	2.22	2.57	2.78	2.91	3.08	3.26
Capex/Sales	8%	3%	12%	5%	4%	4%	4%
Working capital/Sales	5%	20%	12%	11%	10%	9%	9%
EV/Sales	0.97	0.88	0.88	0.87	0.85	0.82	0.79
EV/EBITDA	15.64	12.82	10.40	8.53	8.08	7.47	7.09
EV/EBIT	22.91	17.92	14.25	11.01	10.36	9.44	8.94
Price/Tangible BVPS	1.67	1.53	1.32	1.22	1.17	1.11	1.04
P/E	0.23	0.32	0.36	0.48	0.52	0.59	0.65

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<b>-1</b>	The company negatively contributes to the goal.
<b>0</b>	The company does not contribute to the goal at all.
<b>1</b>	The company positively contributes to the goal.
<b>2</b>	The company profoundly contributes to the goal.
<b>3</b>	The company significantly contributes to the goal.

From adding up the given numbers, it is being set in a ratio to the maximum points (e.g. 51). The following model shows the note procurement:

<b>A</b>	<b>100% - 70%</b>	The company exceptionally contributes to the goal.
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<b>B</b>	<b>70% - 50%</b>	The company promotes the transition to sustainability.
<b>C</b>	<b>50% - 30%</b>	The company is on the way to sustainability.
<b>D</b>	<b>30% - 10%</b>	The company minimizes its negative impact.
<b>E</b>	<b>10% - 0%</b>	The company is not sustainable.

### 3. Date of first publication of this document: 4th of December 2020

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