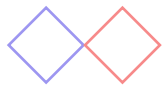


# INVESTOR CONFERENCE



18th January 2022

**MASTERPLAST**

# PROGRAM

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- Retrospect 2021  
*Róbert Nádas*
- Industry analysis  
*Beatrix Fekete (Portfolio)*
- Strategy 2022-2024  
*Margaret Dezse, Dávid Tibor,  
Balázs Ács, Róbert Nádas,  
Dr. Csaba Szokodi*
- Questions and answers

# RETROSPECT 2021

The logo for Masterplast, featuring a stylized blue roofline above the company name in a bold, blue, sans-serif font.

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# BACKGROUND

- In the market for 25 years
- Presence in 9 countries with subsidiaries
- On the stock exchange since 2011
- Focus on insulation systems
- Launch in the healthcare industry
- Number of employees: 1374

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# PRODUCTION SITES

## ASCHERSLEBEN

Germany

- Production of special fleece and multilayer membranes

## CSÓR

Hungary

- Thermobeton (collecting and recycling the residues of EPS and XPS from the Hungarian market)

## ZALAEGERSZEG

Hungary

- EPS insulation boards
- Minority ownership

## KÁL

Hungary

- Extruded PE foam
- Dry construction profiles

## HAJDÚSZOBOSZLÓ

Hungary

- EPS insulation boards
- Minority ownership

## SÁRSZENTMIHÁLY

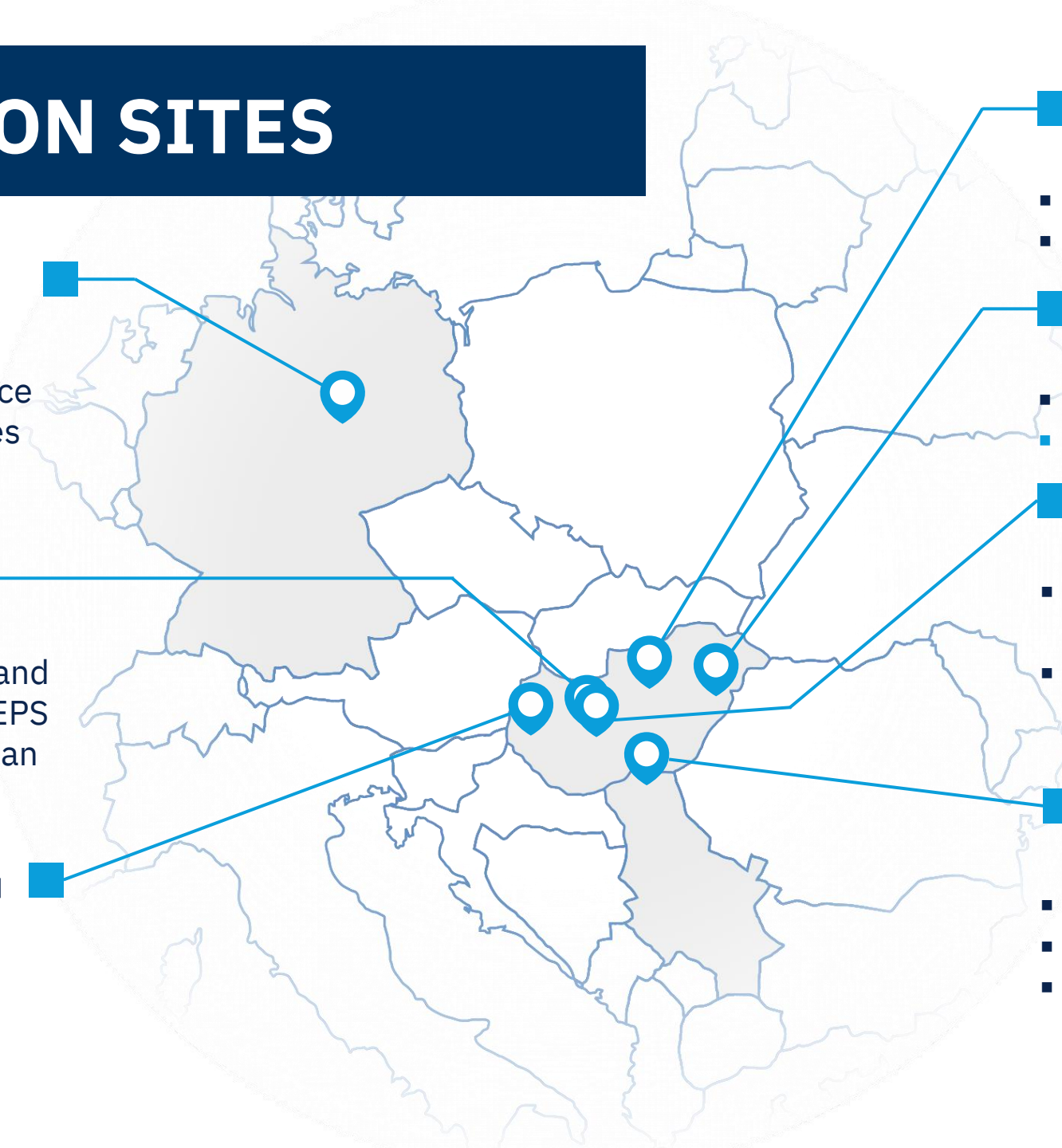
Hungary

- Production and customization of diffusion roofing foils
- Production of hygiene textiles and healthcare finished products

## SUBOTICA

Serbia

- Fiberglass mesh
- Profiles with mesh
- EPS insulation boards



# RESULT FORECAST 2021



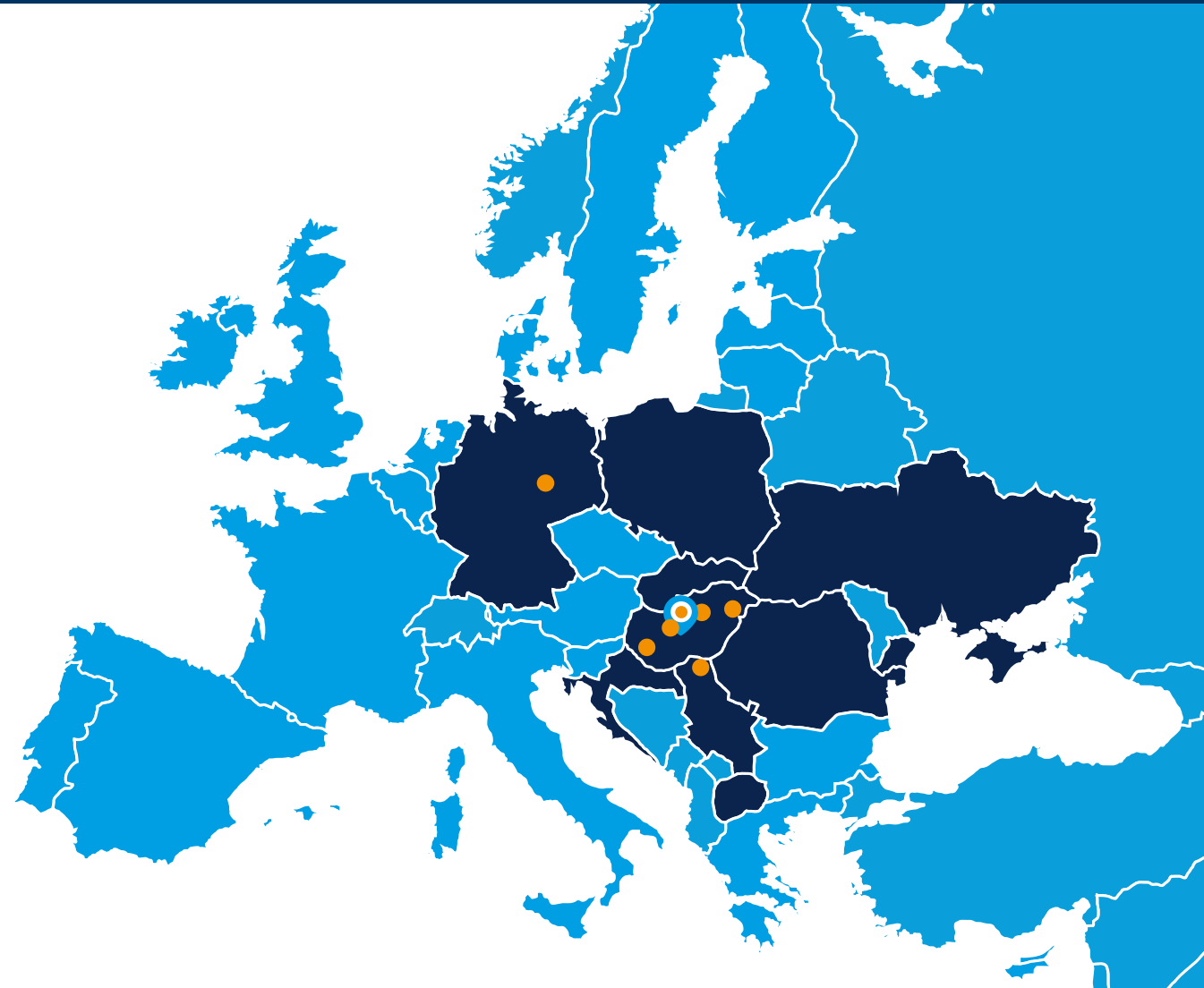
# SUCCESS FACTORS

- Favourable industrial environment
- Strong supply chain (raw material crisis)
- Factory in Aschersleben
- Medical sales, protective clothing
- Expanding, efficient production
- Improving efficiency of subsidiaries
- Strong corporate culture



# SALES REVENUE FORECAST: 190.3 million euros

Markets	2021 FC	2020	Change
	M euros	M euros	%
Hungary	86.9	47.3	84%
Export	26.9	16.2	66%
Germany	15.2	8.9	70%
Poland	11.8	8.3	42%
Romania	14.5	13.7	6%
Serbia	11.9	9.6	24%
Ukraine	10.4	8.4	24%
Slovakia	6.9	5.1	36%
Croatia	3.9	3.6	7%
North-Macedonia	1.9	1.5	28%
<b>NET SALES REVENUE</b>	<b>190.3</b>	<b>122.7</b>	<b>55%</b>





# SALES BY PRODUCT GROUPS

Product groups	2021 FC	2020	Change
	M euros	M euros	%
Thermal insulation system	76.6	54.1	42%
Roofing foils and accessories	29.5	20.2	46%
Dry construction system	17.8	12.4	44%
Heat, sound and water insulation materials	16.9	13.4	26%
Building industry accessories	5.8	5.5	5%
Industrial applications	43.7	17.1	155%
<b>NET SALES REVENUE</b>	<b>190.3</b>	<b>122.7</b>	<b>55%</b>



# RESULT FORECAST

	<b>Sales</b> <i>(million euros)</i>	<b>EBITDA</b> <i>(million euros)</i>	<b>EBITDA</b> %	<b>Profit after tax</b> <i>(million euros)</i>	<b>Profit after tax</b> %
<b>2020</b>	<b>122.7</b>	<b>11.1</b>	<b>9.0%</b>	<b>6.4</b>	<b>5.2%</b>
<b>2021 forecast</b>	<b>190.3</b>	<b>22.3</b>	<b>11.7%</b>	<b>15.4</b>	<b>8.1%</b>
<b>Change %</b>	<b>55.1%</b>	<b>100.9%</b>		<b>140.6%</b>	

# SITUATION ASSESSMENT 2021



# INVESTMENTS

- Raw material production for the healthcare industry – HUF 9.5 billion
- Production line for finished healthcare products – HUF 2.6 billion
- Development of fiberglass mesh production – HUF 2.7 billion
- Site and logistics developments – ~ HUF 0.6 billion

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# SUMMARY

- Strengthening market position
- Expanding production capacities (insulation and healthcare industry)
- Organisational development
- Extraordinary efficiency
- Successful bond issues
- Further developments



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# INDUSTRY ANALYSIS BEATRIX FEKETE

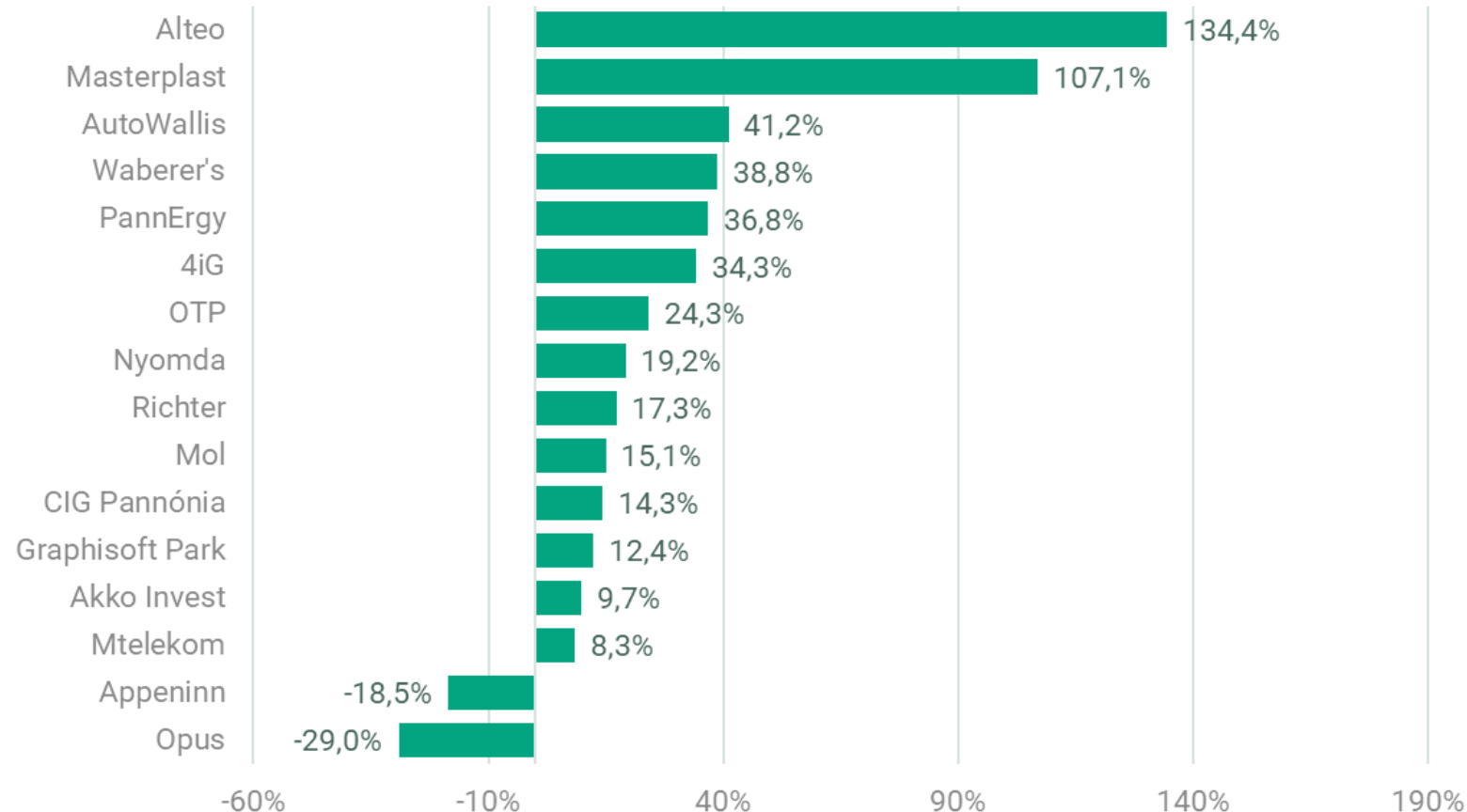
**P**ortfolio



# Masterplast was one of the best performing stock last year at BSE

- Exciting hungarian midcap stories
- Masterplast stock price more than doubled last year
- It was the second largest price increase in BUX index last year, only Alteo „preceded”
- Disclaimer: of course, the performance in the past is no guarantee for future price movements in the stock markets

BUX-components' stock price change in 2021

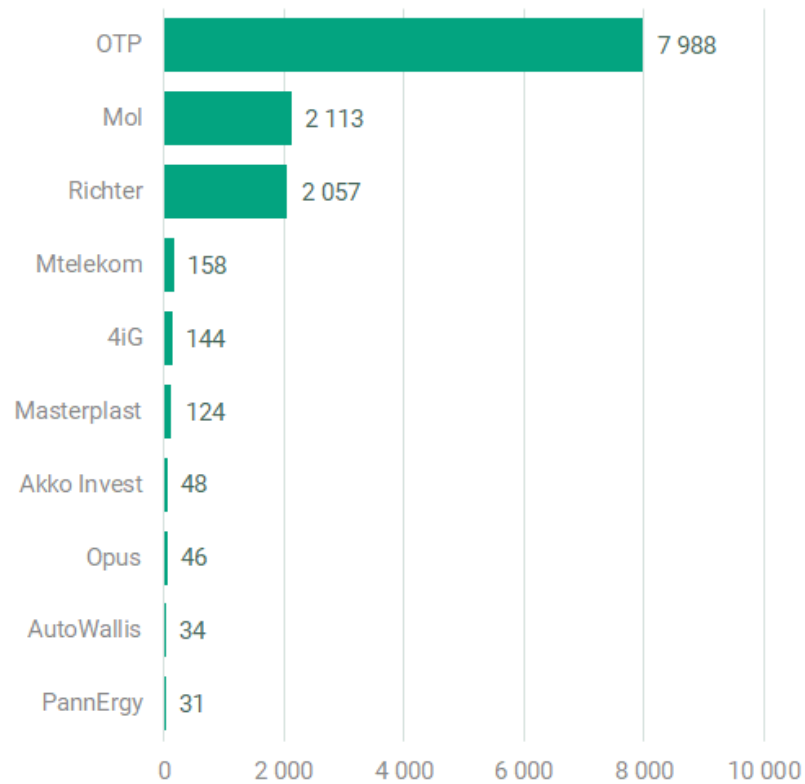


Source: Refinitiv, Portfolio

# The company's position at BSE

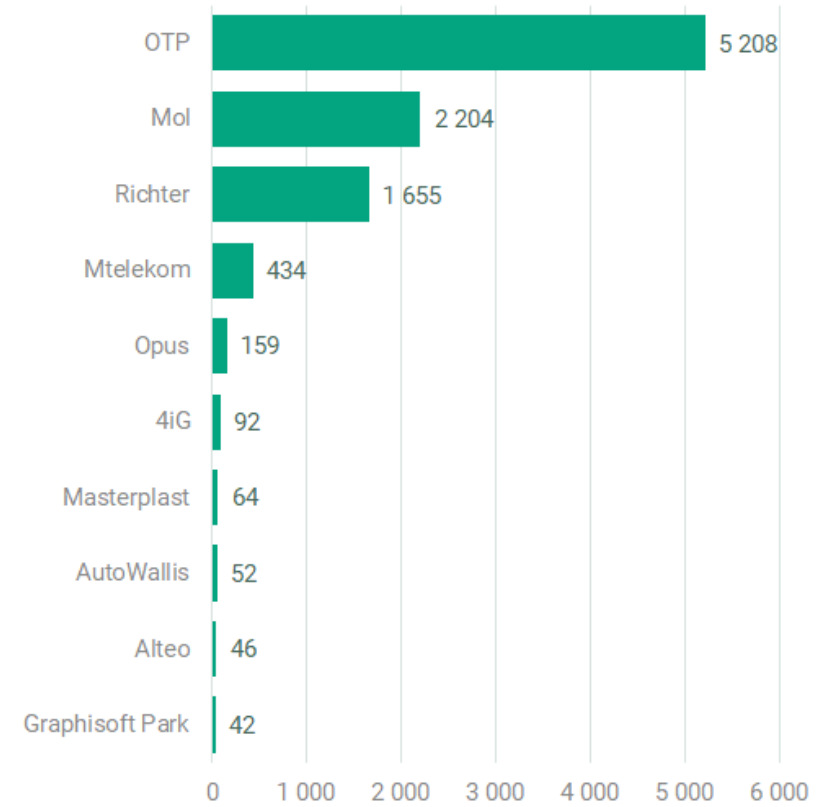
joined the „elite-club”, the BUX index in March, the stock's average daily turnover is approaching to the smallest Hungarian blue chip, Mtelekom

Top 10 BUX-components by average daily turnover (bn HUF, last 1 year)



Source: Refinitiv, Portfolio

Top 10 BUX-components by market cap (bn HUF)



Source: Refinitiv, Portfolio



# Outlook

- Solid market and industry environment
- Construction industry continues to soar, there are large order backlogs
- Green programs in the EU are going to support the growth, the new government in Germany is committed to combat against the climate change
- Energy saving programs and climate change will provide lasting demand in insulation market
- Long cycle in construction industry, the impact of 5% VAT will last until the end of 2026
- The further expansion of healthcare business with higher margins can be strong profit driver in the next years

# Outlook - risks

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Uncertainty about rising raw material and energy prices, shrinking supply chains

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Some good news: supply chain problems are expected to finally ease this year according to market experts

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Inflation leads to higher operational costs, wages

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Changing interest rate environment, Bond Funding for Growth Scheme runs out - Masterplast, is properly funded, no negative effect expected in short term

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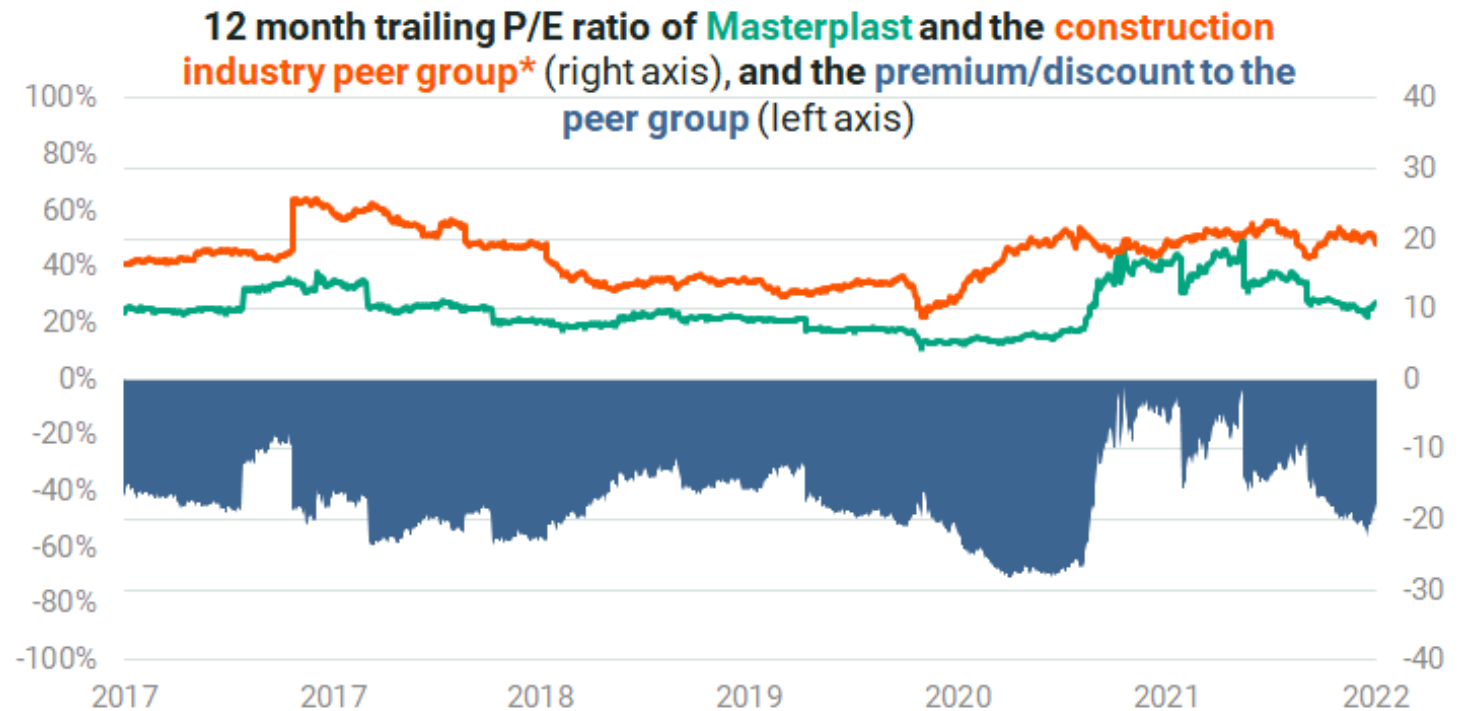
Elections are coming –Direct effect unlikely, regardless of the outcome

# Valuation



- Investors always value the future
- The stock price started to soar in 2020, then the profit has followed
- Trailing PE ratio returned to the average

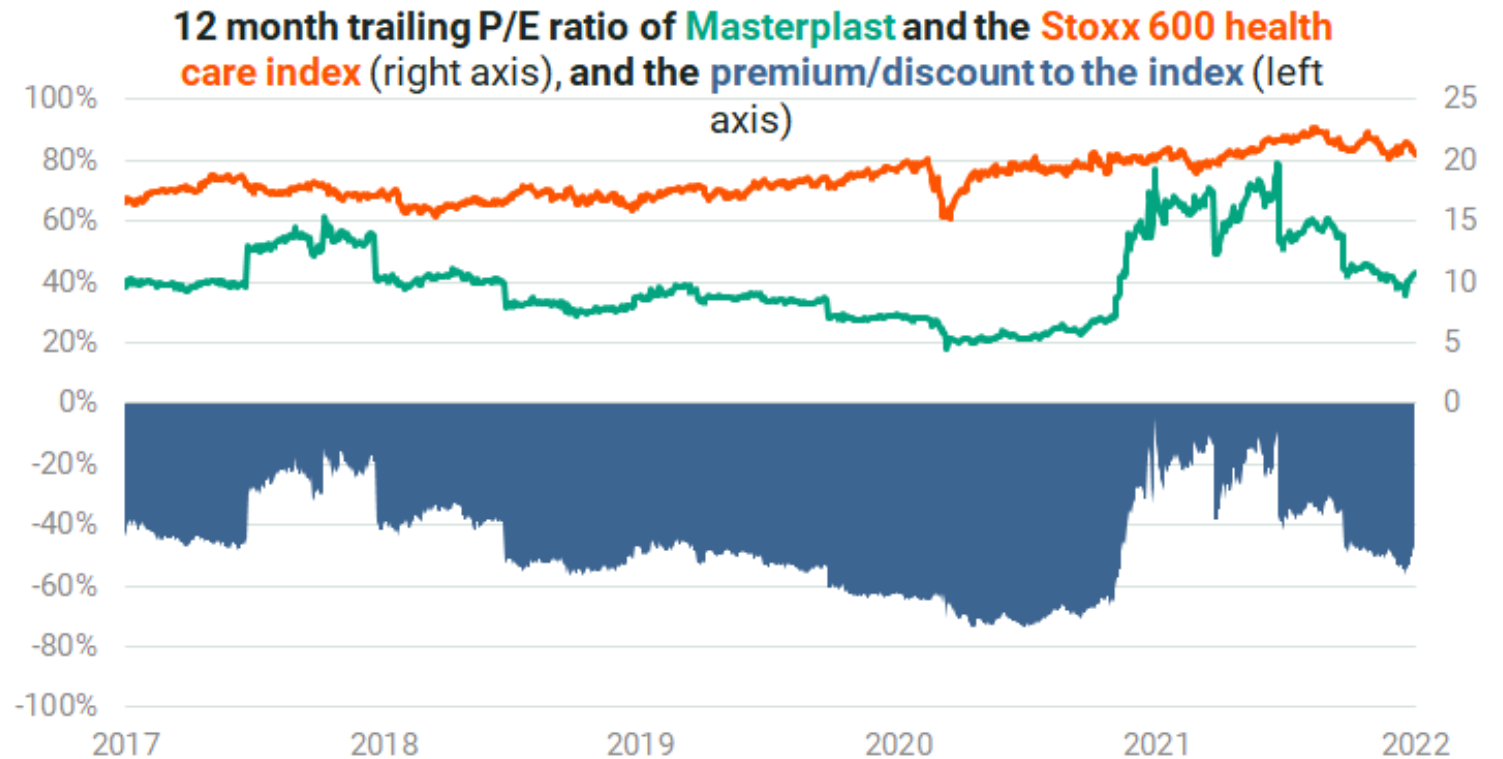
# Valuation



\*average ratio of Rockwool, Kingspan, Lindab, Saint Gobain, Selena, Rawlplug (Koelner)  
Source: Refinitiv, Portfolio

- The valuation discount is significant at the moment compared to the closest peers in construction materials industry
- Masterplast shares used to be traded at a huge discount in the past, but this started to disappear at the of 2020/ beginning of 2021
- It's undervalued again, the PE ratio is at around 10 at the moment, the peer group's average is 20

# Valuation

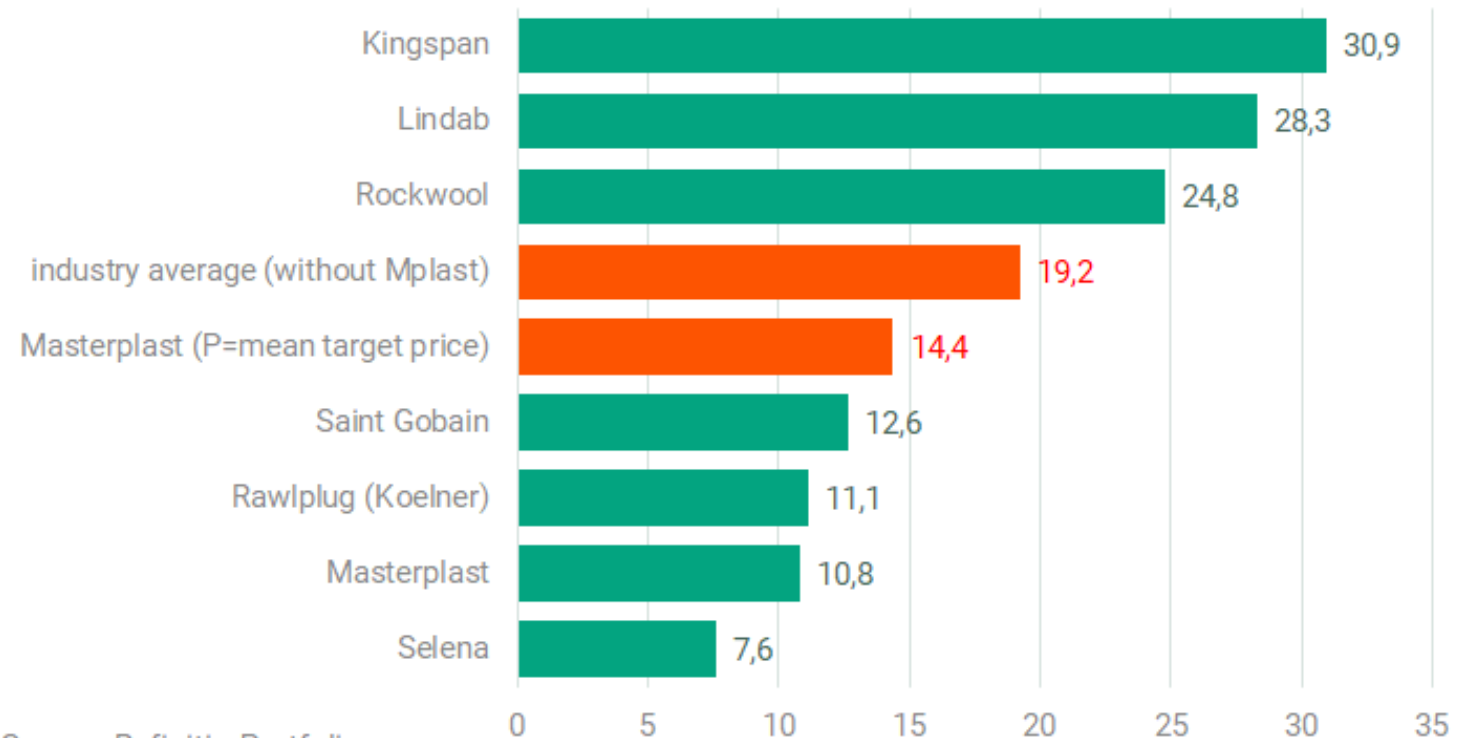


Source: Refinitiv, Portfolio

- The core business is still the construction, but the health care segment is becoming more and more robust
- Compared to the Stoxx 600 health care index, Masterplast stock is also significantly undervalued based on 12 month trailing PE ratio

# Valuation

The 12 month trailing P/E ratio of Masterplast and its closest peers



Source: Refinitiv, Portfolio

- We can hardly find „cheaper” stock now than Masterplast among the closest peers
- There are two target prices available at the moment (Kalliwoda 6152 HUF, MKB 5167 HUF), the PE ratio counted with the average target price is 14,4

## Valuation/growth of Masterplast and its closest peers (expected EPS-growth 2022/2021, x-axis and forward P/E ratio 2022, y-axis)



Source: Refinitiv, Portfolio

# Conclusion

- Masterplast is not the same company as used to be 2 years ago
- There are emerging midcap stories at the Hungarian stock exchange, Masterplast is one of them, with relatively high stock market volume and market capitalisation
- The outlook is positive, the growth can go on at the company, according to the management's fresh forecast
- The market environment is favorable, but there are risks
- The Masterplast stock is materially undervalued compared to the closest peers in the construction materials industry



# STRATEGY 2022-2024

  
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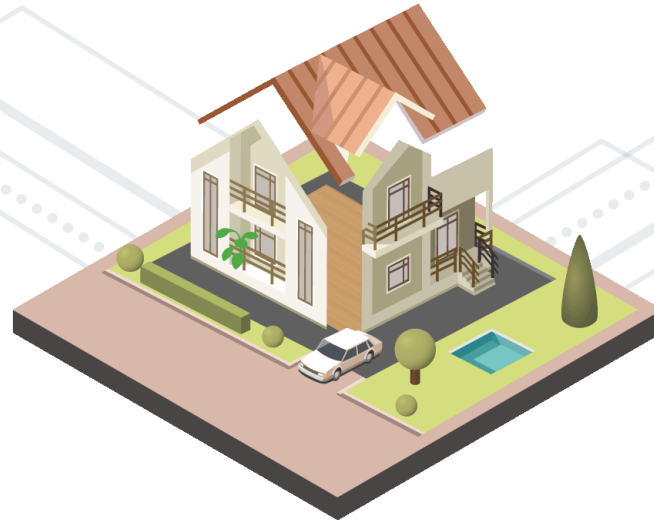


# DIVISIONS



**CONSTRUCTION  
INDUSTRY**

■



**MODULAR  
PRODUCTION**

■



**HEALTHCARE  
INDUSTRY**

■

# CONSTRUCTION INDUSTRY



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# TRENDS AND EFFECTS

- Housing quality expectations are increasing
- Importance of climate protection
- Rising energy prices
- Tightening energy regulations
- Vibrant insulation market, supported building renovation programs
- The importance of recycling has increased



# SUPPLY CHAIN

- Commercial value chains are being shortened
- Regional supply chain is becoming more significant – security of supply
- Reducing ecological footprint
- Online sales are expanding

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# STRATEGY

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- Further production of thermal insulation materials– capacity expansion, greenfield innovation, acquisition
- Launch of XPS production
- Supporting web-based sales, launch of a B2B web portal
- Development of recyclable insulation systems
- Automation and robotics



# MODULAR PRODUCTION



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# TRENDS AND EFFECTS

- Immediate and expanding demand for new buildings
- Limited availability of workers with construction expertise
- Spread of technological solutions that replace live labour
- New, fast-growing market segment
- Widespread building functions
- Effective production

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# STRATEGY

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- Starting the industrial production of building units
- Competitive advantage: wide supply system relationships, own production background, current expertise, capitalisation
- Year of development: 2022, start of mass production: 2023
- 2023: 500 module units, ~10 million euros

The logo for Masterplast features a dark blue silhouette of a house roof above the company name "MASTERPLAST" in a bold, dark blue, sans-serif font.

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# HEALTHCARE INDUSTRY



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# TRENDS AND EFFECTS

- The importance of health has increased, aging society, health expenditure growth
- The constantly expanding use of disposable hygienic textiles
- Increasing role of circular economy

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# STRATEGY

- Increasing the output of hygienic raw materials
- Creation, production and sales of finished product portfolio
- Masterplast Medical brand
- Supplier partnership
- Collection and recycling of healthcare products



# OPERATIONAL EXCELLENCE

EXCELLENCE



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# ORGANIZATION AND HUMAN STRATEGY

- Reinforcement of the ability to integrate and acquire
- Value-based operation, development of corporate culture
- Increasing talent density
- More efficient business processes, digitalization



# ESG COMPLIANCE

- Reduction of waste and pollutant emissions, specific energy consumption
- Use of renewable energy resources
- Focus on circular economy
- CSR programs
- Transparent, ethical operation
- First ESG report in 2022



# FINANCIAL STRATEGY



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# FINANCING

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- Reinvestment the profit
- Bond-based financing
- Capital raising for high-value projects
- Maintenance of a healthy financing structure



# MEDIUM-TERM RESULT FORECAST

	<b>Sales</b> <i>(million euros)</i>	<b>EBITDA</b> <i>(million euros)</i>	<b>EBITDA</b> <i>%</i>	<b>Profit after tax</b> <i>(million euros)</i>	<b>Profit after tax</b> <i>%</i>
<b>2019</b>	<b>107</b>	<b>7.3</b>	<b>6.8%</b>	<b>4.8</b>	<b>4.5%</b>
<b>2020</b>	<b>122.7</b>	<b>11.1</b>	<b>9.0%</b>	<b>6.4</b>	<b>5.2%</b>
<b>2021 forecast</b>	<b>190.3</b>	<b>22.3</b>	<b>11.7%</b>	<b>15.4</b>	<b>8.1%</b>
<b>2022 forecast</b>	<b>215</b>	<b>26.6</b>	<b>12.4%</b>	<b>16.5</b>	<b>7.7%</b>
<b>2023 forecast</b>	<b>255</b>	<b>33.4</b>	<b>13.1%</b>	<b>21.0</b>	<b>8.2%</b>
<b>2024 forecast</b>	<b>305</b>	<b>40.9</b>	<b>13.4%</b>	<b>26.5</b>	<b>8.7%</b>

# GROWTH FACTORS

- Strong growth in the insulation sector
- Scaling up the production of medical raw materials and finished products
- Expanding manufacturing capacity of fiberglass mesh
- Launch of XPS production
- Launch of modular business



# GROWTH FACTORS

- Further investment plans
- Efficiency and economies of scale
- Operational efficiency
- Difference in the quarterly profitability in 2022

# EARNINGS PER SHARE

	<b>Profit after tax</b> <i>(million euros)</i>	<b>EPS</b> <i>(euros/share)</i>
<b>2020</b>	<b>6.4</b>	<b>0.44</b>
<b>2021 forecast</b>	<b>15.4</b>	<b>1.05</b>
<b>2022 forecast</b>	<b>16.5</b>	<b>1.13</b>
<b>2023 forecast</b>	<b>21.0</b>	<b>1.44</b>
<b>2024 forecast</b>	<b>26.5</b>	<b>1.81</b>

# DIVIDEND POLICY

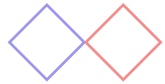
	<b>Profit after tax</b> <i>(million euros)</i>	<b>Dividend payment</b> <i>(forint/share)</i>
<b>2020</b>	<b>6,4</b>	<b>44</b>
<b>2021 forecast</b>	<b>15,4</b>	<b>55</b>
<b>2022 forecast</b>	<b>16,5</b>	<b>66</b>
<b>2023 forecast</b>	<b>21,0</b>	<b>77</b>
<b>2024 forecast</b>	<b>26,5</b>	<b>88</b>

DIVIDEND DIRECTIVE: Dividend payments are up to 50 percent of profit after tax, which is affected by the industry environment, future investments and working capital requirements.

# QUESTIONS AND ANSWERS

**Q & A**

Thank you for your  
attention



  
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