

**ROCA
INDUSTRY**



Holding de Materiale de Construcții

INVESTOR DAY

AUGUST 2022

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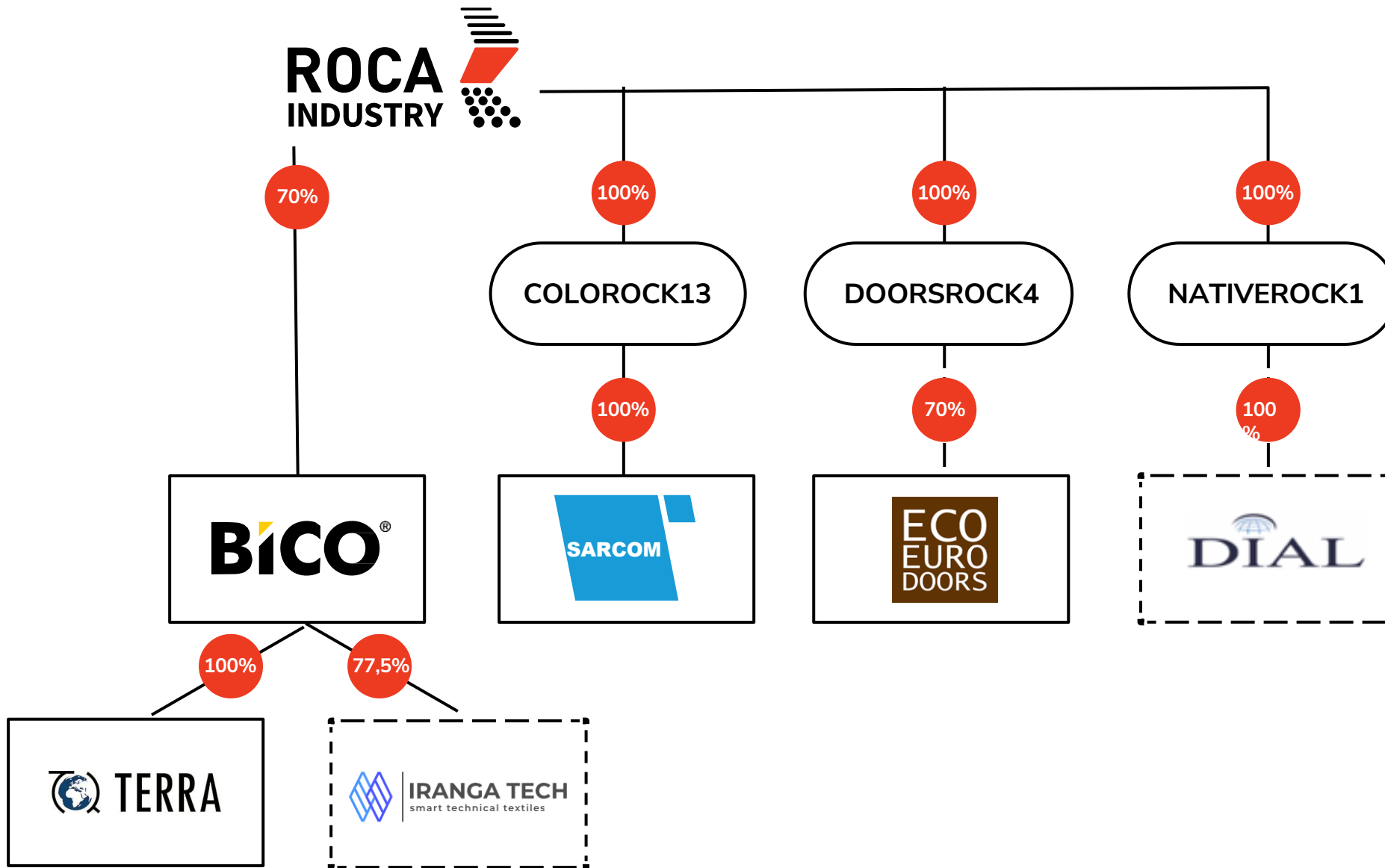
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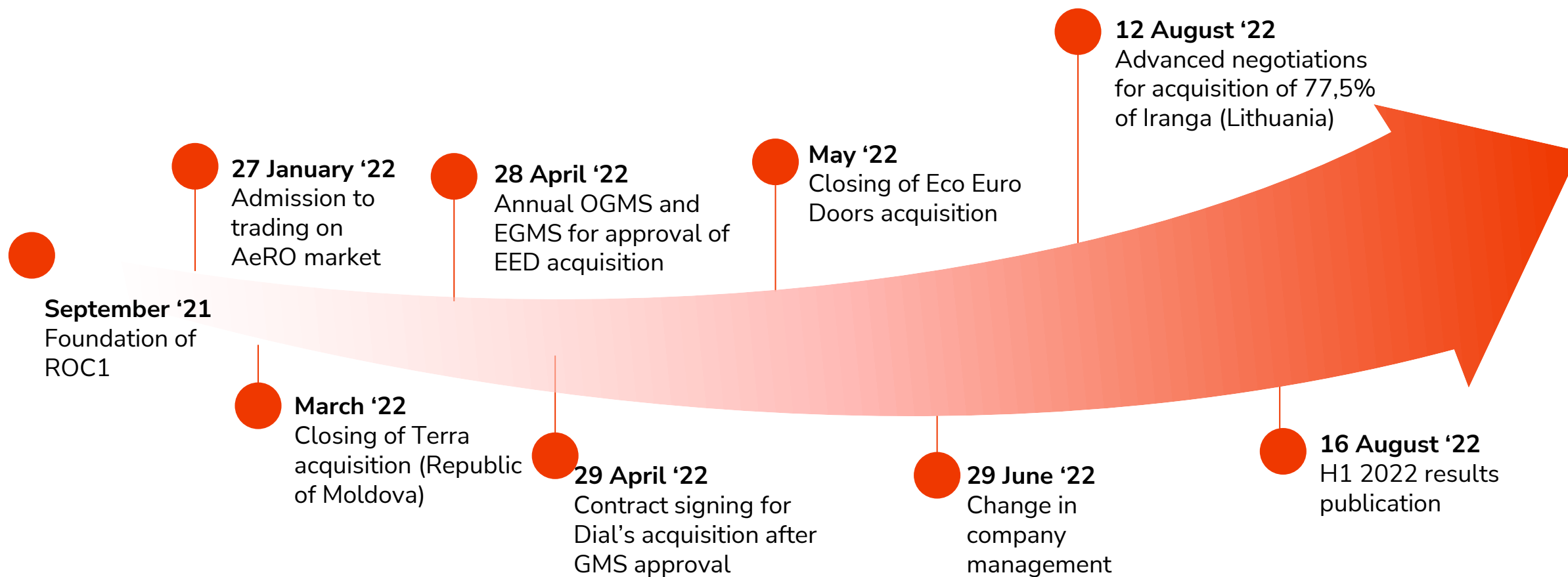
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ROCA INDUSTRY – OVERVIEW



KEY EVENTS SINCE ADMISSION TO TRADING



ROCA INDUSTRY MANAGEMENT TEAM



Ioan Bindea
Chairman of the Board of
Directors and interim CEO



Rudolf Vizental
Member in the Board of
Directors



Alexandru Savin
Member in the Board of
Directors



Mihai Bîrliba
Member in the Board of
Directors



Valentin Albu
CFO



Ondina Olariu
CMO



Alexandru Fogarași
CCO

ABOUT BUILDING MATERIALS MARKET

The beginning of 2022

- Year 2022 started with a series of prices increases in raw materials, fast moving consumer goods and utilities. Following these successive increases, the building materials prices also suffered substantial increases .
-

Expectations from H2 2022

- Volatile and turbulent period
 - There will be a need for quick and firm decisions
 - This transition period will have profound consequences for the small companies
 - Companies with competitive technological level will be able to benefit from this turbulence
-

How to mitigate the impact

- Motivated and creative teams, efficient technological capacities, a rigorous and efficient automated production management system
 - Sustained efforts in the field of digitalization, technology and robotization of industrial processes
 - Investments in green energy sources
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The impact of the war in Ukraine

- The disappearance from the market of some producers from Ukraine, Russia and Belarus generated a huge potential for building materials producers still present in the market
 - In the scenario of an imminent economic crisis, it is government programs that will be able to compensate for the real depression in the demand side
-

ABOUT BICO

Established in 2006, producer of fiberglass mesh for ETICS systems and for other industrial materials and corner reinforcement mesh fiberglass.
Shareholders: Roca Industry (70%), Mihai Bîrliba (30%)

2 companies (Bico, Terra)
An acquisition in progress (Iranga, Lithuania)
4 factories
3 jurisdictions

Management team:
CEO: Adrian Butuc
CFO: Crina Dedu
CCO: Dan Apreutesei



Key Projects:

- Production efficiency, planning and warehouse management system
- Installation of photovoltaic panels
- Focus on technology
- Increasing production capacity

Directions for distribution development :
DIY retailer targeting, new export clients
Commercial strategy: being redefined to support M&A complexity

BICO (RON mn)	H1 2022	H1 2022 vs H1 2021 (%)
Turnover	60.5	+64%
EBITDA	8.3	+142%
Net Profit	4.9	+77%

TERRA (RON mn)	H1 2022	H1 2022 vs H1 2021 (%)
Turnover	24.7	+39%
EBITDA	3.0	+87%
Net Profit	2.3	+77%

ABOUT SARCOM

Founded in 1993, one of the biggest players in paints and varnishes and varnish production industry
Shareholders: Roca Industry (100%)

1 factory
7 main production sections
2 known brands (STICKY and CORAL)
380 products, distributed in 31 counties

Management Team:
CEO: Bogdan Pîrvu
CFO: Nicoleta Enaru



Key Projects:

- Investments in equipment to streamline the activity
- Installation of photovoltaic panels for cost efficiency

Commercial strategy:

- Opening of new sales channels
- Sales expansion in DIY chains
- Launch of new products

SARCOM (RON mn)	H1 2022	H1 2022 vs H1 2021 (%)
Turnover	36.8	+19%
EBITDA	4.6	-31%
Net Profit	3.7	-22%

ABOUT ECO EURO DOORS

27 years of experience on the market, the largest Romanian producer of doors for residential constructions
Shareholders: Roca Industry (70%), Cășvean Family (30%)

Factory surface - 10.000 m²
Warehouse capacity over 8.000 m²
Additional land - 36.000 m²
Products distributed at national level

Management Team:
CEO: Honorius Croitorescu
CPO: Paul Dan
CFO: Timea Bodizs



Key Projects:

- Investments in equipment to streamline the activity
- Implementation of ERP solution
- Installation of photovoltaic panels for cost efficiency

Commercial Strategy:

- Key accounts channels development
- Expansion of export activity
- In process of FSC accreditation (certification for wood traceability)

EED (RON mn)	H1 2022	H1 2022 vs H1 2021 (%)
Turnover	33.6	+17%
EBITDA	7.3	-2%
Net Profit	5.0	+1%

STRATEGY AND ASSUMPTIONS

Medium and long term investment strategy (3-5-7 years)

- One of the leaders in building materials production market, through organic growth and creation of a group of subsidiaries in this sector of activity
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Short term plans

- Regional expansion
 - Normal and natural consolidation stage for our companies
 - Resuming expansion in a more active manner starting Q1 2023
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H2 2022 assumptions Maximizing performance

- Strengthen agile management teams at subsidiaries level
 - Contribute to the improvement of financial, HR, operational and IT systems
 - Complement commercial competences in subsidiaries
 - Invest in innovation and new products development
 - Create synergies between subsidiaries
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H2 2022 assumptions Reducing costs

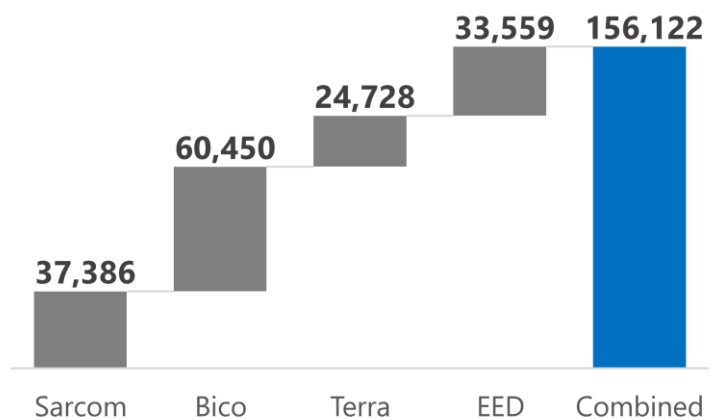
- Streamlining production flows
 - Securing the supply chain in the current volatile market context
 - Investments for energy efficiency in subsidiaries' plants
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FINANCIAL COMBINED RESULTS

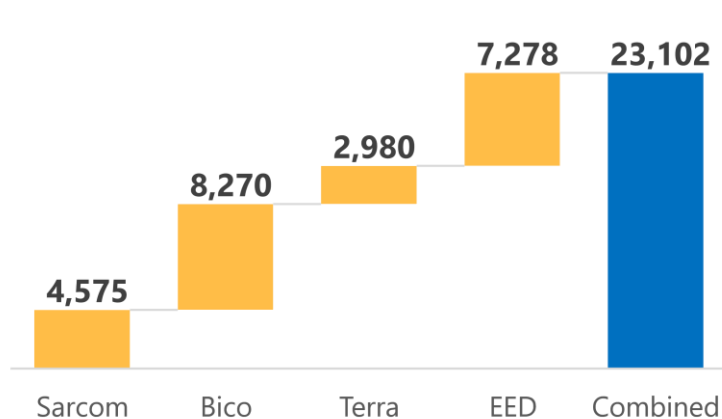
All data in thousands RON

Indicators (RON th.)	Q2 2021	H1 2021	Q2 2022	H1 2022	Variation Q2 2022 vs Q2 2021	Variation H1 2022 vs H2 2021
Turnover	66,299	114,988	83,719	156,122	26%	36%
EBITDA	8,693	19,084	13,973	23,102	61%	21%
Net Profit	7,444	14,572	10,013	15,814	35%	9%

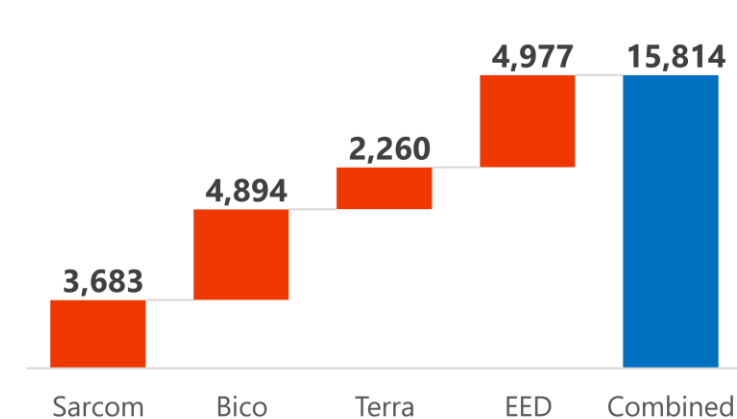
H1 2022 Turnover structure



H1 2022 EBITDA structure



H1 2022 Net result structure



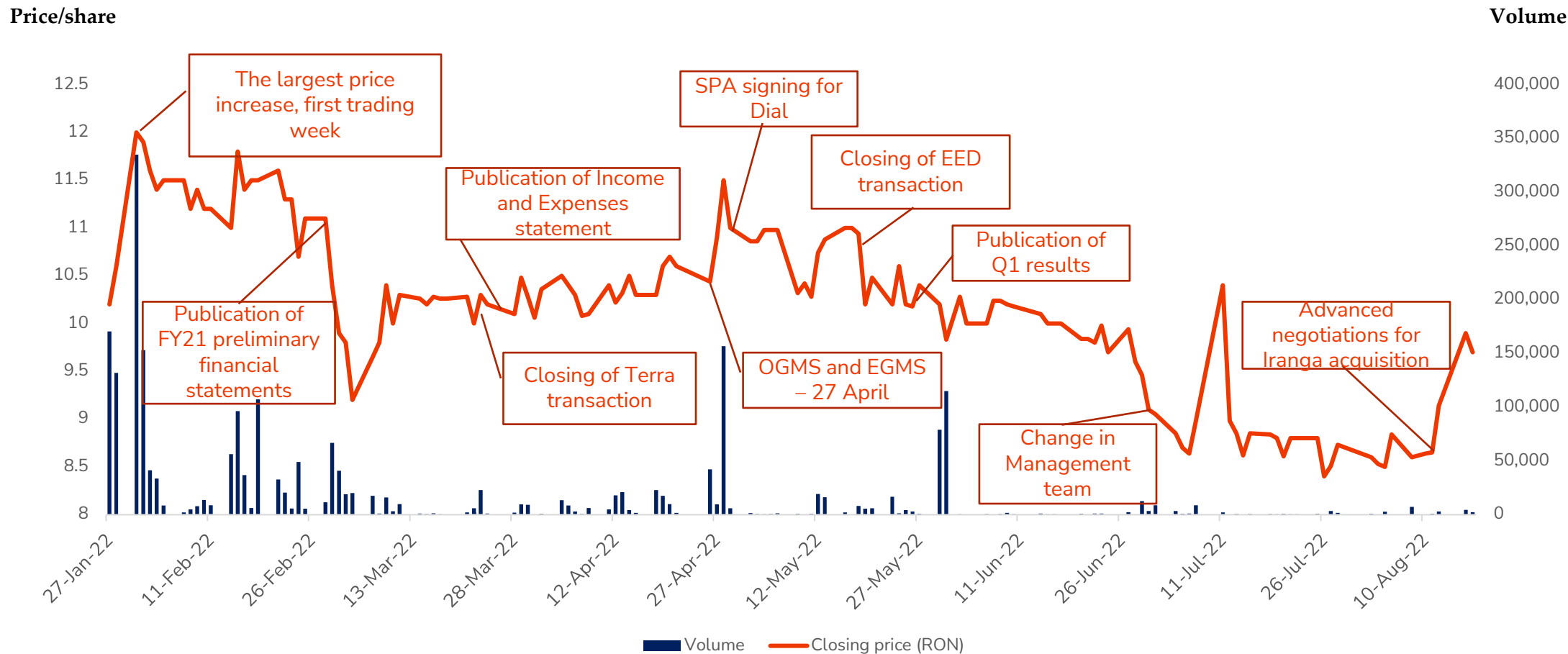
INFORMATION ABOUT ROCA ON STOCK MARKET

Ticker	ROC1
Market	The BSE Multilateral Trading System (AeRO)
IPO date	27 January 2022
Capitalization⁽¹⁾	RON 171,637,358.10
Share Capital	RON 176,945,730
Nominal Value	RON 10 per share
Number of total shares	17,694,573
Liquidity since listing⁽¹⁾	RON 24,315,196
Last price	RON 9.7
Lowest Price	RON 7.8 (7 March)
Highest Price	RON 13.0 (31 January)

1 – As of the end of 17 August 2022.

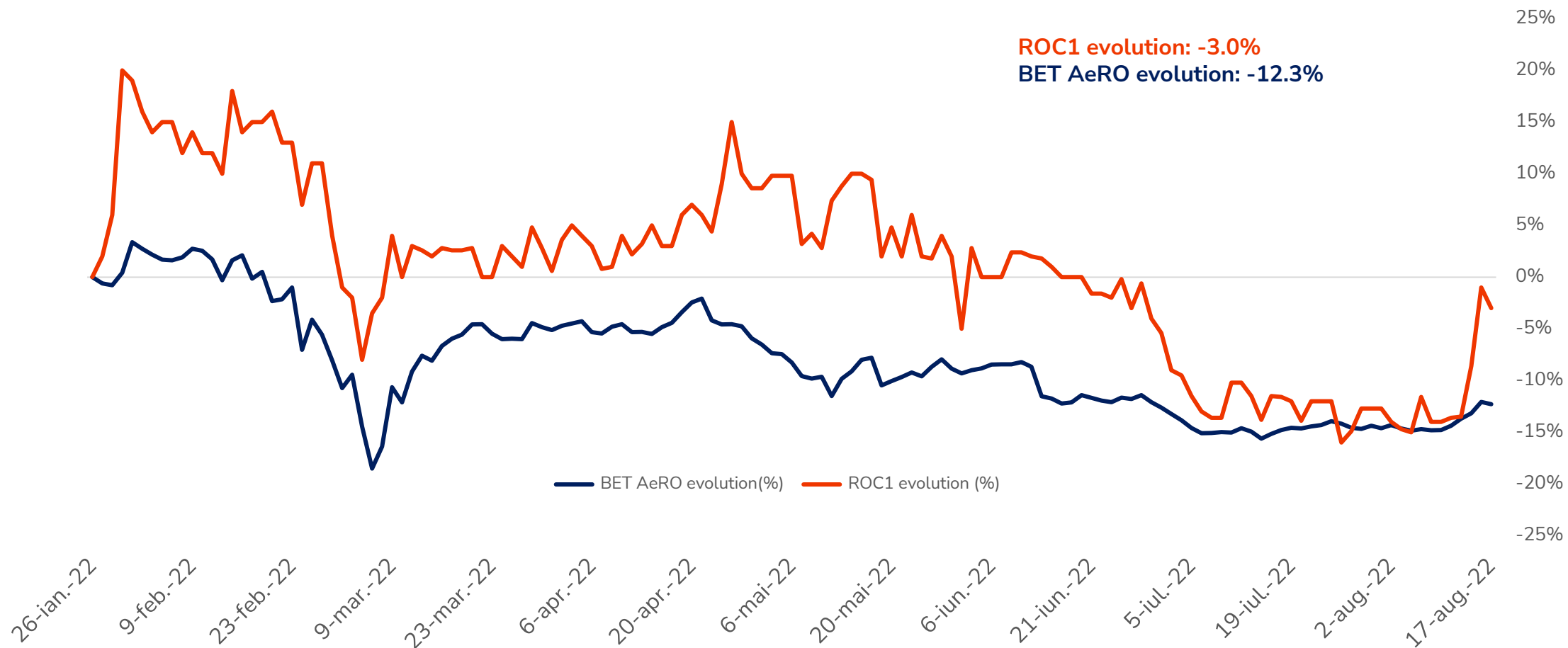
THE EVOLUTION OF ROC1 SHARES (1/2)

Daily volume and closing prices for ROC1 shares



ROC1 SHARES EVOLUTION (2/2)

The evolution of closing price - ROC1 vs BET AeRO



In the following pages you can find detailed information on the consolidated and individual financial results of ROCA Industry and portfolio companies

CONSOLIDATED FINANCIAL PERFORMANCE

CONSOLIDATED PROFIT AND LOSS ACCOUNT INDICATORS (LEI)

Indicator	Q1 2022	Q2 2022	H1 2022	Variație Q2 vs Q1 (%)
Operating income	44,555,612	77,988,110	122,543,722	75.0%
Operating expenses, other than amortize., depreciation and value adjust.	(40,564,366)	(66,929,373)	(107,493,739)	65.0%
EBITDA	3,991,246	11,058,737	15,049,983	177.1%
Amortization of goodwill, customer relations and contracts	(1,782,757)	(2,169,761)	(3,952,518)	21.7%
Deprec. of fixed assets other than goodwill, customer relationships& contracts	(613,443)	(1,322,078)	(1,935,521)	115.5%
Operating result	1,595,046	7,566,898	9,161,944	374.4%
Financial income	151,329	316,989	468,318	109.5%
Financial expenses	(867,722)	(1,803,116)	(2,670,838)	107.8%
Financial result	(716,393)	(1,486,127)	(2,202,520)	107.4%
Gross result	878,653	6,080,771	6,959,424	592.1%
Tax expense	(628,017)	(891,823)	(1,519,840)	42.0%
Net result, of which:	250,636	5,188,948	5,439,584	1,970.3%
related to the associates of the parent company	(551,079)	3,753,197	3,202,118	N/A
related to non controlling interests	801,715	1,435,751	2,237,466	79.1%

Consolidated EBITDA of RON 15 mn in H1 2022, due to positive evolution of the portfolio companies' activity.

EBITDA evolution Q2 2022 vs Q1 2022:

- SARCOM positive evolution;
- Consolidation of Terra and EED results in Q2;
- The positive impact of the reclassification in Q1 2022 as goodwill of the advisory costs for the acquisition of the participation in EED of RON 0.46 mn

INDIVIDUAL FINANCIAL PERFORMANCE - ROC1

PROFIT AND LOSS ACCOUNT INDICATORS (RON)

Indicator	T1 2022	T2 2022	S1 2022	Variație T2 vs T1 (%)
Operating income	-	228	228	N/A
Operating expenses	(456,228)	(642,490)	(1,098,718)	41%
Operating loss	(456,228)	(642,262)	(1,098,490)	41%
Financial income	455,819	586,712	1,042,531	29%
Financial expenses	(8,660)	(24,887)	(33,547)	187%
Financial result	447,159	561,825	1,008,984	26%
Gross result	(9,069)	(80,437)	(89,506)	787%
Tax expense	(4,540)	(5,700)	(10,240)	26%
Net Loss	(13,609)	(86,137)	(99,746)	533%

H1 operating expenses – RON 1,1 mn, mainly staff expenses and expenses related to investors relations and PR activities

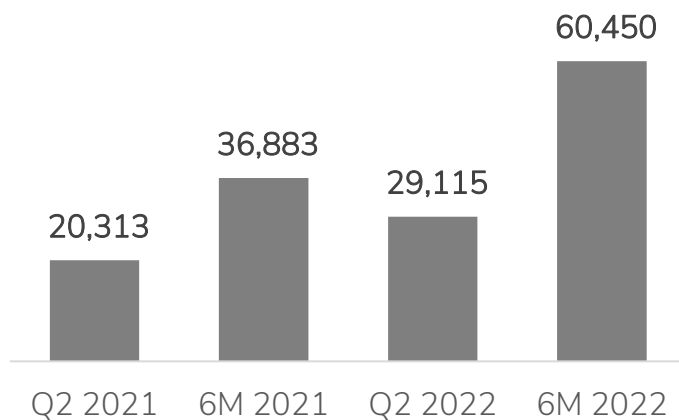
Financial income- +29% in Q2 vs Q1 2022 as a result of RON 6.4 mn granted to Doorsrock4 in May this year in connection with the EED transaction

Financial expenses – RON 33.5 th from unfavorable exchange differences in relation to intra-group loans.

FINANCIAL RESULTS: BICO

All data in thousands RON

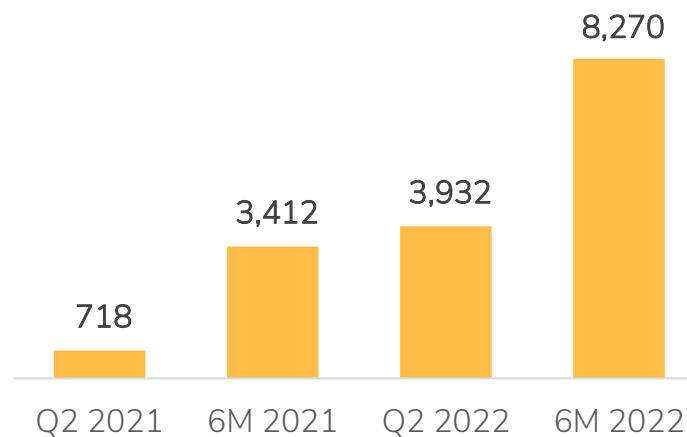
Turnover



Turnover +64% in H1 2022 vs H1 2021 mainly due to:

- investments made in 2021 for the increase and streamline the production capacity
- market demand for the products manufactured and sold by the company
- share of sales on foreign markets (55% of total in June)

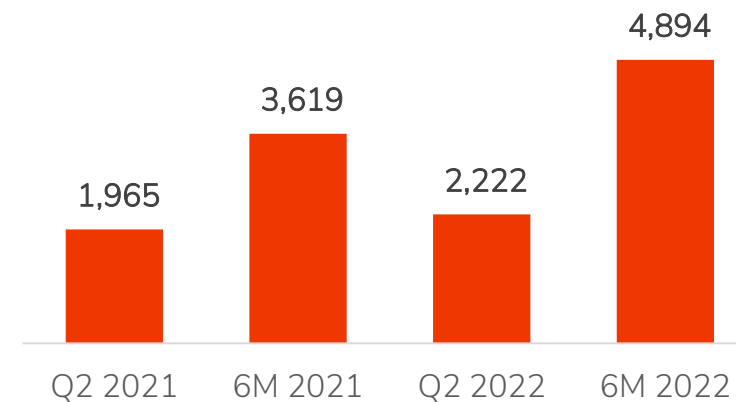
EBITDA



EBITDA +142% YoY considering:

- Variation of stored production
- 89% increase in operating expenses as a result of higher prices for raw materials and consumables

Net Result

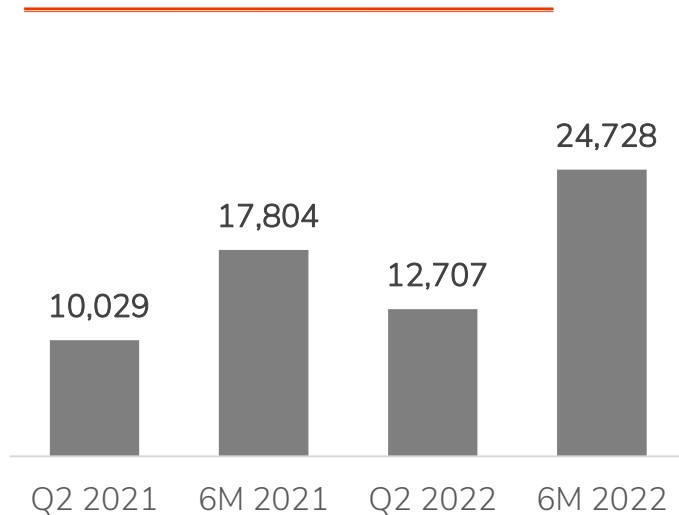


Individual net profit +35% for H1 2022 vs H1 2021

FINANCIAL RESULTS: TERRA

All data in thousands RON

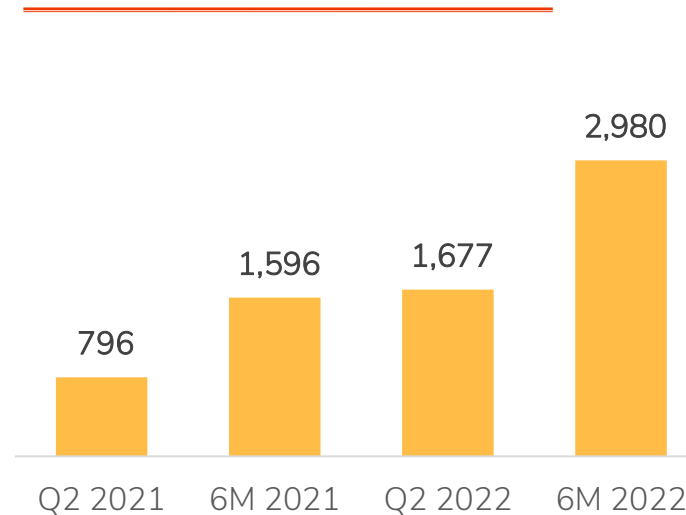
Turnover



+39% in turnover in H1 2022 vs H1 2021, mainly generated by:

- positive evolution of selling price
- +11% volumes sold in Q1 2022 vs Q1 2021
- -16% volumes sold in Q2 2022 vs Q2 2021, while turnover continued to be above the one from the same period of the year 2021 (+27%)

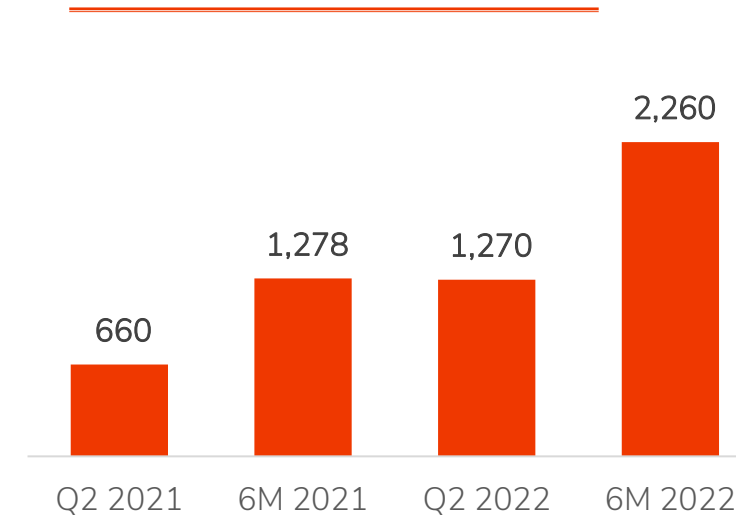
EBITDA



EBITDA increase of 87% in H1 2022 vs H1 2021 as a result of:

- lower growth (+35%) in operating expenses (mainly raw materials and materials) compared to sales

Net Result

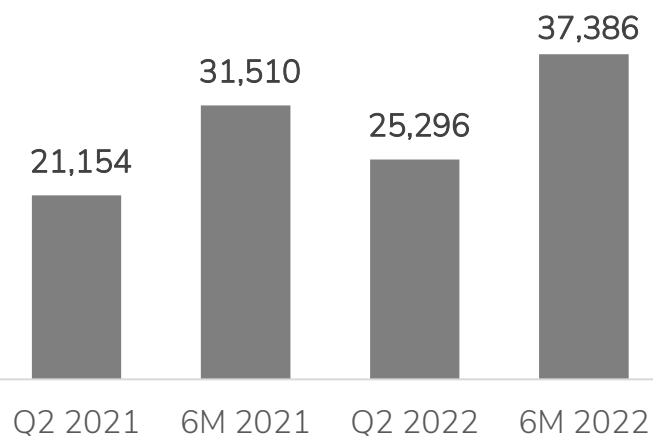


Individual net profit +77% in H1 2022 vs H1 2021

FINANCIAL RESULTS: SARCOM

All data in thousands RON

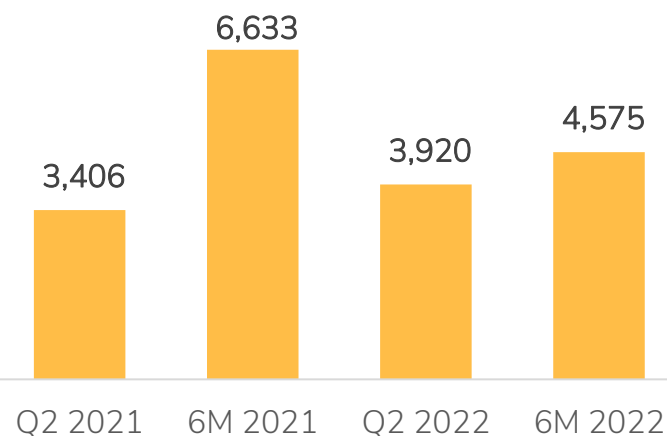
Turnover



+19% in turnover in H1 2022 vs H1 2021 mainly generated by:

- commercial strategy and portfolio adaptation to the evolution of the market,
- the company's ability to integrate into the price of products sold the increase in purchase prices of raw materials, utilities and other production costs

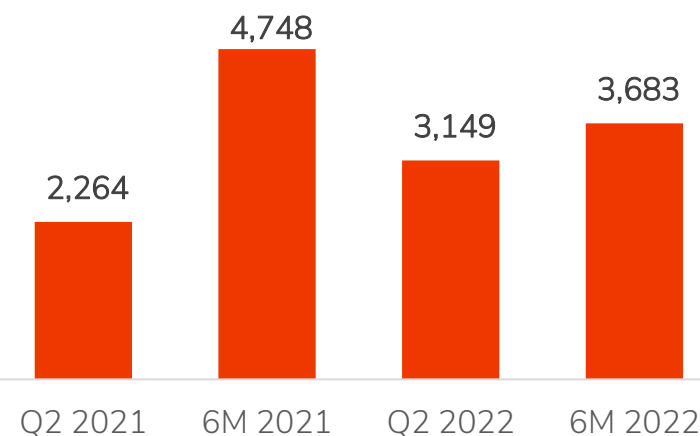
EBITDA



Other elements with impact on EBITDA (-31%):

- new product line launched – water-based enamels;
- price renegotiation implemented starting March;
- renegotiation of payment terms with main customers and expansion of distribution channels in Q2

Net Result

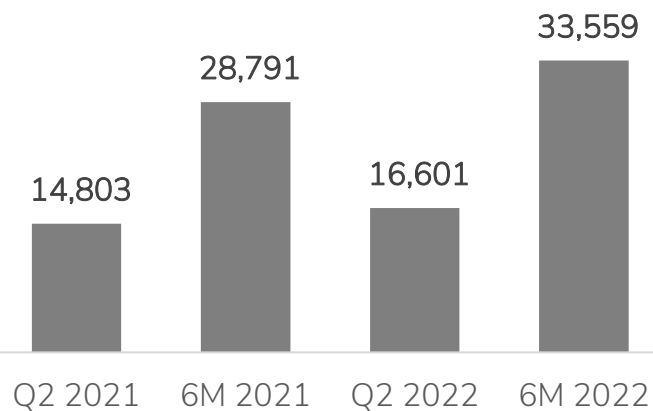


-22% net profit in H1 2022 compared to the same period of Y2021, but with significant improvement in Q2 2022 vs Q1 2022 (RON 0.5 mn), demonstrating the company's ability to adjust to market conditions

FINANCIAL RESULTS: EED

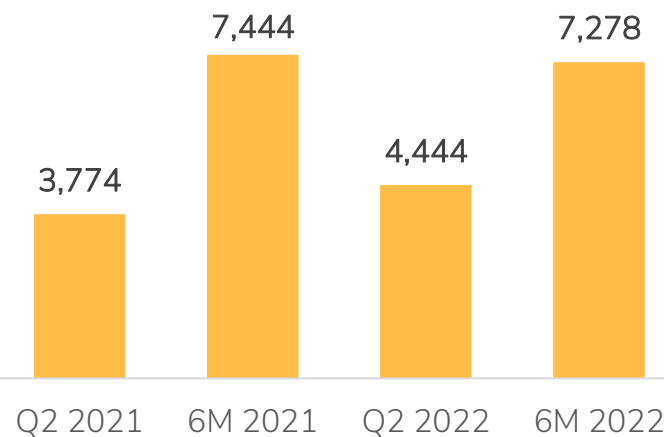
All data in thousands RON

Turnover



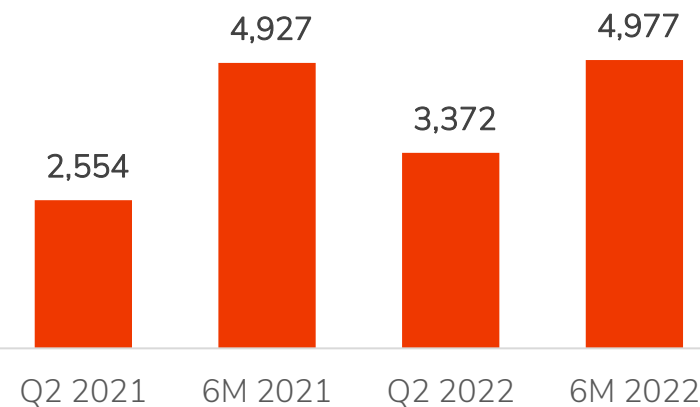
- Turnover +17% vs S1 2021
- Increase generated by updating sales prices starting March by incorporating the uptrend in raw materials prices, utilities and other production costs

EBITDA



- Raw materials and consumables costs - 28% increase vs H1 2021 due to inflation incorporated in the price of products sold with some delay
- EBITDA -2% in H1 2022 vs H1 2021

Net Result



- Net profit +1% compared to the same period of Y2021
- The process of integrating the company into the Holding in the progress, this process also includes increasing operational efficiency, obtaining new accreditations, updating the commercial and marketing strategy



Q&A

We invite you to a Q&A session!

THANK YOU!

ROCA Industry

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