Masterplast Nyrt.

BUY
One year target price: 3373

Thousand EUR	Q3 2025	Q3 2024	Változás év/év
Revenue	44 478	35 721	24,5%
EBITDA	3 429	1 500	128,6%
EBIT	1 491	-410	-
Net profit	-529	-1 291	-

Price (04/11/2025)	HUF 2 800	Net profit (Q3 2025, Thousand EUR)	-529
Shares outstanding (thousand)	19 250	Bloomberg ticker	MASTERPLAST HB Equity
Free float	40%	BÉT ticker	MASTERPLAST
Maket capitalization (million)	52 554	52 week min./max.	HUF 2 210-2 980

Source: BÉT, Bloomberg

Masterplast Q3 earnings

- Masterplast has published its third quarter figures. The company's sales revenue increased by 25% compared to the previous year. Along with the growth, the utilization of production capacities has also improved significantly. The recovery of the Central and Eastern European construction industry, the increase in domestic residential demand, the ramp-up of the EKR-HEM program and the sales of HEMs laid the foundation for growth in the third quarter.

- The company closed the previous quarter with sales of EUR 44.5 million, a level not seen in the third quarter of 2022.

- In the third quarter, EBITDA reached EUR 3 429 thousand, compared to EUR 1 500 thousand in the previous year, which shows a significant improvement in the profit-generating ability. However, exchange rate movements had an unfavourable impact on the financial result, so the after-tax result closed with a loss of EUR -529 thousand, which is more favourable than the EUR -1 291 thousand level a year earlier. Expenses related to the start-up phase of the Szerencs glass wool factory also contributed to the loss.

- By the end of the third quarter, Masterplast's cash position increased to EUR 13.3 million, which ensures the financing of the company's operations and also provides coverage for the bond repayment due in the fourth quarter.

- In September, Masterplast signed a long-term contract with MVM Next Energiakereskedelmi Zrt. for the delivery of certified energy savings (HEM) with a budget of approximately HUF 18 billion. The agreement directly provides significant additional income and predictable results, and also has a positive impact on the profitability of the core business through higher utilization of production capacities.

- We already mentioned in the previous quarter that there is a recovery in the construction industry, and according to the company, based on the order book, the favorable trend experienced in September will continue in the following periods, so the last quarter is expected to be the quarter with the highest sales and profit of the year.

- **We believe that the last quarter could be strong for Masterplast, so the results we expect for 2025 could be achieved. On July 9th we decreased our 12-month target price to HUF 3373, we reiterate the buy recommendation for Masterplast shares.**

Q3 result

- The total revenue of the Company amounted to EUR 44 478 thousand in Q3 2025, which was 25% higher than in Q3 2025.

- The personnel expenses of the Company decreased by 5% compared to last year's base, the closing headcount (1086) was 195 lower than the closing headcount of the base period, while personnel related expenses showed a 6% reduction year on year.

- The Group's operating EBITDA in Q3 2025 was a profit of EUR 3429 thousand. The Company achieved an EBIT profit of EUR 1 491 thousand in the third quarter of 2025, representing an improvement of EUR 1 901 thousand compared to the base period.

- The company reported a financial loss of EUR 529 thousand for the quarter, which is EUR 762 thousand lower loss than in the same period of the previous year,

Sales by product group

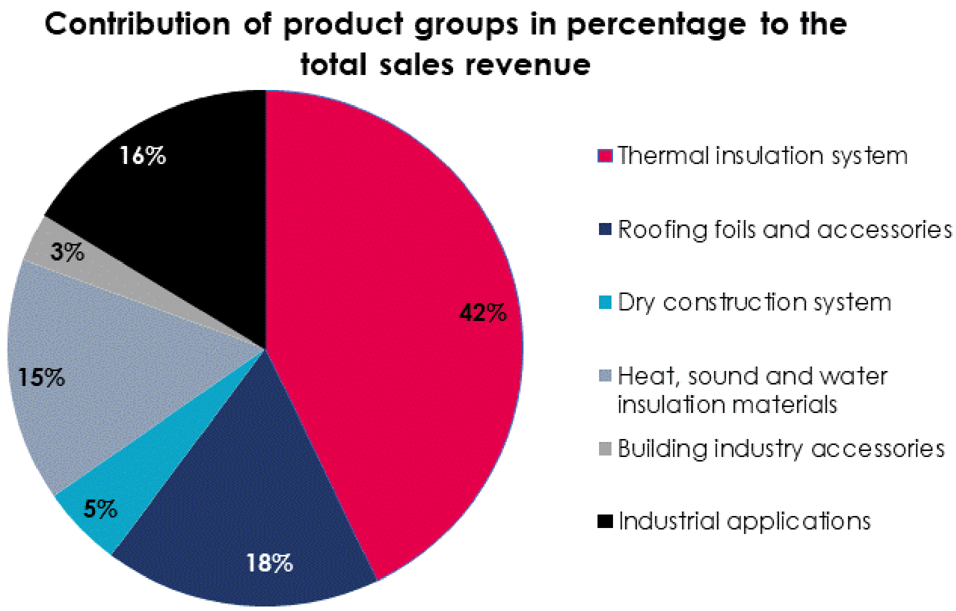
- In terms of the revenue slate, **thermal insulation systems** provided the biggest share: its sales increased by 1% in the third quarter compared to the base period. The fiberglass mesh products experienced a decline in revenue, while the EPS sales performed well.

- Sales revenues in the **Roofing foils and accessories** product group increased by 19% in the third quarter, and within this, the turnover of own-produced diffusion roofing performed well.

- In the **Industrial applications product group**, sales increased significantly (grew by 185%). The sale of the limited marketable property rights (so-called HEM) is also recorded here, which generated significant revenue for the product group.

- **Dry construction system group** performed roughly in line with the base period and **building industry accessories** grew by 7%.

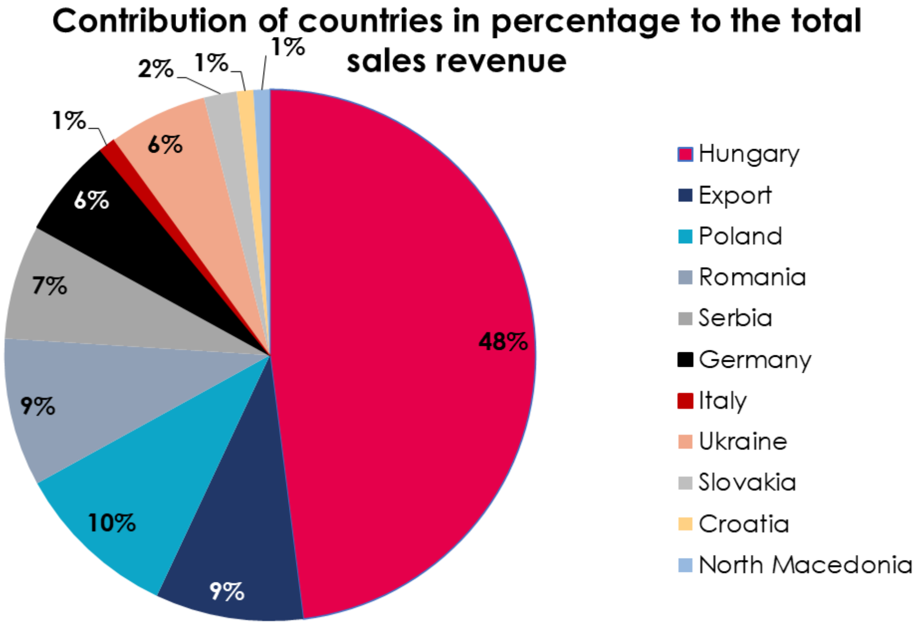
- In the **Heat, sound and water insulation** materials product group the sales increased by 40% in Q3 2025 compared to the same period in 2024. Masterplast's recently introduced self-produced XPS and mineral wool product achieved outstanding sales growth.



Source: Masterplast, MBH

Sales by countries

- The Group has increased its total sales by 25% in Q3 2025 compared to the Q3 2024 base period.
- The breakdown of the sales by countries shows the revenue realized in countries where the Company has its own subsidiary, regardless of which subsidiary has registered the sales in the country. For countries where there is no Group subsidiary, sales are reported on the Export line.
- In the first half of 2022, the Company revised and changed the breakdown of its sales by country. With foundation of Masterplast Italia Srl. the Group reclassified the Italian market from the Export category to a separate category, as from H1 2022 the Company has its own subsidiary in the country.
- On the most relevant **Hungarian** market the turnover increased by 67% in Q3 2025 compared to the base period. The self manufactured XPS and roofing foil products performed particularly well. The significant growth was due to the HEM (Certified Energy Saving) program.
- In the **Export** market in Q3 2025, the turnover increased by 20% compared to the same period of the previous year. Sales in the **German** market decreased by 5% in the third compared to the corresponding period last year.
- In **Italy**, sales decreased by 42% compared to the third quarter of last year. On the key **Romanian** market, sales increased by 6% in Q3 2025 compared to the base period. In **Serbia**, sales decreased by 3% in 2025 Q3.
- On the **Croatian** market the Group sales increased by 26% in Q3 2025 compared to the base term. On the **Polish** market the sales increased by 5% in Q3 2025 compared to the base where fiberglass sales increased the most. In the **Slovak** market, sales decreased by 20% in Q3 2025. In **Ukraine**, third-quarter sales increased by 7% compared to the base in 2024.



Source: Masterplast, MBH

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- **Overweight:** A rating of overweight means the stock's return is expected to be above the average return of the overall industry, or the index benchmark over the next 12 months.
- **Underweight:** A rating of underweight means the stock's return is expected to be below the average return of the overall industry, or the index benchmark over the next 12 months.
- **Equal-weight:** A rating of equal-weight means the stock's return is expected to be in line with the average return of the overall industry, or the index benchmark over the next 12 months.
- **Buy:** total return is expected to exceed 10% in the next 12 months.
- **Neutral:** Total return is expected to be in the range of -10 - +10% In the next 12 months.
- **Sell:** Total return is expected to be below -10% in the next 12 months.
- **Under review:** If new information comes to light, which is expected to change the valuation significantly.

7. **Change from the prior research**
Our target price is determined on a 12-month basis, without dividends, unless otherwise stated.

Our first research was published on 15. December 2017. In that Initial Coverage our price target was HUF 775. The changes in fundamental factors and the operation in the Company required regular updates of our model and the target price. On July 9th we decreased our 12-month target price to HUF 3373, we reiterate the buy recommendation for Masterplast shares.

Prior researches

MBH Bank wrote an initiation report on 15. December 2017. The research is available on the web page of the BSE (Budapest Stock Exchange):

https://www.bet.hu/pfile/file?path=/site/Magyar/Dokumentumok/Tozsdetagoknak/Tozsdetagok-elemzesei/MKB-Bank-Masterplast-initation-report-20171215.pdf

The flash notes are available on the web page of the BSE (Budapest Stock Exchange):

https://bet.hu/Kibocsatok/BET-elemzesek/elemzesek/masterplast-elemzesek

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12.

13. This publication is valid at the time of its publication.
The date of preparation of the publication: 11/04/2025

14. The valuation procedures used:

Discounted cash flow valuation

The discounted cash flow valuation is a method of valuing a company (or project, assets, business, etc.) with the time value of the money. The model forecasts the company's free cash flow (free cash flow to firm) and discounts it with the average cost of capital (WACC). The cash flow is simply the cash that is generated by a business and which can be distributed to investors. The free cash flow represents economic value, while accounting metric like net earning doesn't. The WACC represents the required rate of return by the investors. If a business is risky the required rate of return, the WACC will be higher.

Discounted cash flow model (DCF): We analyze the companies using five year forecast period and set a terminal value based on the entity's long term growth or on different exit multiples like EV/EBITDA or EV/EBIT. In certain cases the forecast period may differ from five years. In this case the analysts must define the reason for difference. The cash flows are discounted by the company's WACC unless otherwise specified.

In the first step we have to forecast the company's cash flow. The free cash flow to firm (FCFF) is based on the earnings before interest and taxes (EBIT), the tax rate, depreciation and amortization (D&A), net change in working capital (which is based on the current assets and current liabilities) and the capital expenditures (CAPEX). The model requires a terminal value which can be based on the long term growth or on an exit multiple like EV/EBITDA, or EV/EBIT. Forecasting the terminal value is a crucial point because in most cases it makes up more than 50% of the net present value.

The discount rate (WACC): The average cost of capital of the company is dependent on the industry, the risk free rate, tax, the cost of debt and the equity risk premium. The cost of equity is calculated by the CAPM model, where the independent variables are the risk free rate, the industry specific levered beta, and the equity risk premium. The WACC is dependent on the capital structure, so the forecast of the equity/debt mix is crucial.

At the end we get the enterprise value (EV). The EV is the market capitalization plus the total debt and preferred equity and minority interest, minus the company's cash. In the last step we have to reduce the EV with the net debt. This figures divided by the shares outstanding we arrive at the target share price.

The discounted cash flow model includes sensitivity analysis which takes the effects of the change in the WACC, the long term growth or the used exit multiples on which the terminal value is based.

Our target price is based on a 12 month basis, ex-dividend unless stated otherwise.

Peer group valuation: For comparison we use peer group valuation. The analysis based on important indicators and multiples like P/E, EV/EBITDA, EV/EBIT, market capitalization, P/S, EBITDA margin, net debt to EBITDA, EBITDA growth, dividend yield and ROIC. If the industry justifies we may use other multiples. The peer group is compiled according to the companies' main business, with respect to the region (DM or EM market).