Masterplast Nyrt.

BUY

One year target price: 3373

Thousand EUR	Q2 2025	Q2 2024	Change y/y
Revenue	32 377	34 515	-6%
EBITDA	1 162	1 153	1,0%
EBIT	-817	-803	-
Net profit	-2 427	-1 749	-

Price (07/30/2025)	HUF 2 870	Net profit (Q2 2025, Thousand EUR)	-2 427
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 2 210-3 090

Source: BÉT, Bloomberg

Masterplast Q2 earnings

- Masterplast has published its second quarter figures. The company's sales revenue fell by 6% compared to the previous year. However, thanks to efficiency improvement measures, Masterplast was also able to achieve growth in EBITDA.

- According to the company, there has been a slight recovery in the construction industry, but this has not yet resulted an increase in demand for Masterplast. The company continued to focus on efficient operations, which ensured sustainable, profitable operations (at EBITDA level) even in subdued market conditions and with lower capacity utilization. Due to unfavourable exchange rate movements, the company closed the second quarter of 2025 with a loss of EUR 2 427 thousand in after-tax profit.

- In recent years, the company has significantly expanded its thermal insulation material production capacities, and the glass wool factory is also about to be launched. Based on the latest quarterly figures, Maspterplast's capacity utilization is currently low, but we still believe that the EU energy targets guarantee significant market potential in both the renovation and new construction segments.

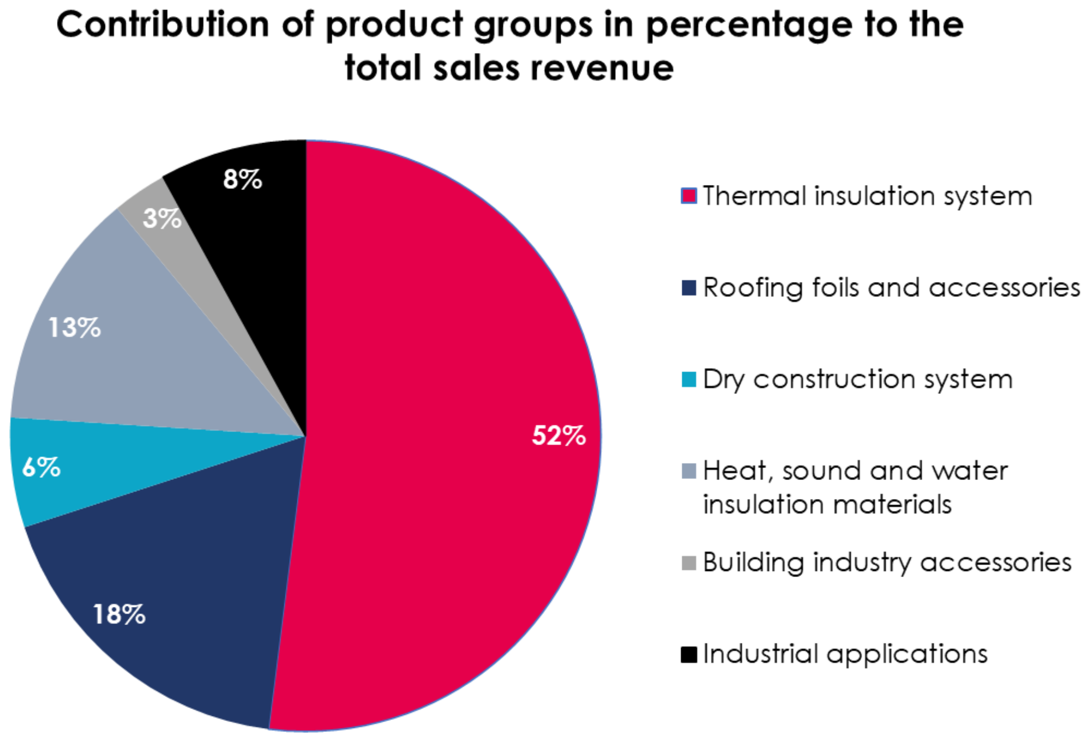
- On July 9th we decreased our 12-month target price to HUF 3373, we reiterate the buy recommendation for Masterplast shares.

Q2 result

- The total revenue of the Company amounted to EUR 32 377 thousand in Q2 2025, which was 6% lower than in Q2 2025.
- The personnel expenses of the Company decreased by 9% compared to last year's base, the closing headcount (1 033) was 261 lower than the closing headcount of the base period.
- The Group's operating EBITDA in Q2 2025 was a profit of EUR 1162 thousand. The depreciation increased mostly as a result of the recently launched XPS production unit. Taking depreciation into account, the operating result (EBIT) still showed a loss.
- The company reported a financial loss of EUR 891 thousand for the quarter, which is EUR 141 thousand higher loss than in the same period of the previous year, primarily due to the adverse change in the net interest result.

Sales by product group

- In terms of the revenue slate, **thermal insulation systems** provided the biggest share: its sales decreased by 11% in the second quarter compared to the base period. All product categories experienced a decline in revenue, including sales of own manufactured fiberglass mesh and EPS products.
- Sales revenues in the **Roofing foils and accessories** product group declined by 4% in the second quarter, and within this, the turnover of own-produced diffusion roofing foils decreased only marginally.
- In the **Industrial applications product group**, sales declined by 11% in Q2 2025. 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** and **building industry accessories** performed roughly in line with the base period.
- In the **Heat, sound and water insulation** materials product group the sales increased by 16% in Q 2025 compared to the same period in 2024. Masterplast's recently introduced self-produced XPS product achieved outstanding sales growth.

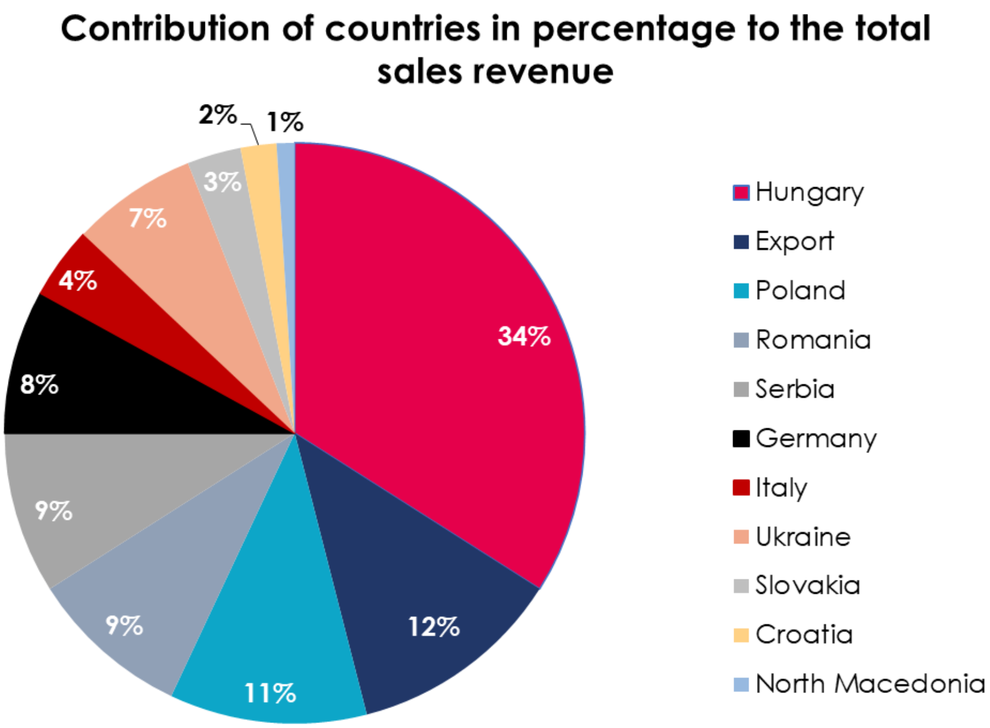


Source: Masterplast, MBH

Sales by countries

- The Group has decreased its total sales by 6% in Q2 2025 compared to the Q2 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 decreased by 1% in Q2 2025 compared to the base period. ter. The thermal insulation system product group recorded a decline, while the other product groups performed well during the quarter.
- In the **Export** market in Q2 2025, the turnover declined by 12% compared to the same period of the previous year. Sales in the **German** market decreased by 9% in the second compared to the corresponding period last year.
- In **Italy**, sales decreased by 37% compared to the second quarter of last year. On the key **Romanian** market, sales decreased by 11% in Q2 2025 compared to the base period. In **Serbia**, sales decreased by 2% in 2025 Q2.
- On the **Croatian** market the Group sales decreased by 14% in Q2 2025 compared to the base term. On the **Polish** market the sales increased by 12% in Q2 2025 compared to the base where fiberglass sales increased

the most. In the **Slovak** market, sales decreased by 24% in Q2 2025. In **Ukraine**, fsecond-quarter sales increased by 10% 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: 07/29/2025

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).