

TeraPlast buys 70% of flexible packaging producer Somplast Nasaud

TeraPlast, the parent company of the TeraPlast Group, has acquired the majority shares of Somplast Nasaud company, the acquisition being part of the development strategy of the Group, alongside investments of over 32 million Euro, which are still to be implemented, according to a press release from the company.

"Ever since we sold the Steel Division we announced that, in order to raise the company's value, our objective is to grow both organically, as well as through mergers and acquisitions. We decided on acquiring Somplast because it is already present on the sheet market, which we are about to enter in 2021, along with the investment made by TeraPlast Biodegradable Sheets. Integrating Somplast, after obtaining the approvals from the Competition Council, we will create a series of synergies at the level of supplying raw materials and streamlining the usage of production capacities. Last, but not least, Somplast is a symbol of industry of the Bistrita-Nasaud county. It would be a shame for this industrial base to degrade and disappear. After we announced two selling transactions of some businesses belonging to the Group we are glad to announce our first acquisition", declared Alexandru Stanean, the CEO of TeraPlast.

This acquisition is financed from selling the land under which the TeraPlast Brasov warehouse was functioning. It was recently sold with 1.3 million Euro, and the warehouse activity will be relocated starting January 2021 in a space within the Electroprecizia industrial park in Sacele, same county.

Beyond the business value, Somplast owns in Nasaud 20,000 square meters of warehouses, of which only 25% are being used, currently. Apart from the products it makes, the company is also authorized to recycle polyethylene products.

With a tradition of over 120 years, the TeraPlast Group is currently the largest Romanian manufacturer of construction materials. The Group is composed of TeraPlast, TeraSteel Romania and Serbia, Wetterbest, TeraGlass, TeraPlast Recycling and TeraPlast Hungary.

As of July 2, 2008, the largest company from the Group - TeraPlast - is listed on the Bucharest Stock Exchange under the symbol TRP. The shares of the company are included in the benchmark of the Bucharest Stock Exchange - BET- and as of September 2020, in the TotalCap and MicroCap of FTSE Russell.