



TMK-ARTROM S.A.

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EUID: ROONRC.J28/9/1991; J28/9/31.01.1991
VAT No. RO 1510210/1992
Subscribed and Paid Share Capital: 291.587.538,34 lei

PRESENTATION NOTE

ON THE INCOME AND EXPENSES BUDGET TMK ARTROM SA FOR THE YEAR 2018

The planning of the economic and financial activity for 2018 is based on the production capacity as well as on the current market conditions for the products that will be sold in the next period.

For the year 2018 it is expected to achieve a turnover of 1.291.794.257 lei based on the revenues that will be obtained from the sale of the basic production, namely 200.000 tons of seamless steel pipes in the amount of 1.040.185.496 lei.

In the year 2018 the production program is 200.000 tons in full execution, of which: workshop no. 1 ASSEL - 107.000 tons, workshop no. 2 CPE - 66.000 tons, workshop no.3 Cold - 9.000 tons and workshop no.5 ACH - 18.000 tons.

The gross profit to be achieved in 2018 is 264.536.269 lei, and the profit before tax is 72.593.000 lei. For the year 2018 the net profit was at the level of 72.593.000 lei.

For the year 2018 it is planned to make investments in value of 6.930.000 euro with VAT.

CHIEF EXECUTIVE OFFICER
Ing.POPESCU ADRIAN

CHIEF ECONOMICAL AND ACCOUNTANCY OFFICER
Ec.VADUVA CRISTIANA



API:
5CT-0440
5L-0352

LRQA:
ISO 9001
ISO 14001
OHSAS 18001

TUV:
PED/AD-2000 W0/W4/
TRD 100/102
Vd TUV

TMK EUROPEAN DIVISION Cod: FCU-01, Ed. 2 Rev. 3/2017

TUV CPR:
EN 10210-1,2
EN 10255

LR
DNV-GL Rules
RINA

LRQA:
ISO/TS 16949

Profit and Loss Budget TMK ARTROM for 2018

(lei)

№ n/n	Activities	Plan 2018
1	2	3
1.0	Goods, products, work and services sales proceeds	1.291.794.257
1.1	Sales of main self-produced products	1.040.185.496
1.1.1	For domestic market	113.919.620
1.1.2	For export	926.265.876
1.2	Proceeds from other sales	30.768.075
1.3	Proceeds from sales of services	142.000
1.4	Proceeds from the goods / services for resale	220.698.687
1.4.1	Proceeds from resales of the finished products of the Group	220.098.687
1.4.2	Proceeds from resales of raw material for the enterprises of the Group	
1.4.3	Proceeds from resale of goods of third parties	600.000
1.4.4	Transport services	
2.0	Cost of goods, products, work and services sold	1.027.257.988
2.1	Direct expenses for main manufacturing	679.881.822
2.1.1	Main raw and materials	575.613.869
2.1.2	Utilities	48.788.036
2.1.3	Payroll expenses	39.930.610
2.1.4	Manufacturing services of outside companies	15.549.306
2.1.5	Other direct expenses for main manufacturing	
2.2	Production overheads	144.090.226
2.2.1	Repair and maintenance services	2.861.468
2.2.2	Supplies	11.331.547
	other supplies	9.398.397
2.2.3	Utilities	6.827.448
2.2.4	Repair & maintenance supplies, special instruments	29.593.135
2.2.5	Rent, leasing	892.610
2.2.6	Insurance	1.278.811
2.2.7	Transportation	183.193
2.2.8	Payroll expenses	41.781.200
2.2.9	Other overheads	3.199.842
2.2.10	Depreciation	46.140.973
2.3	Cost of goods / services for resale	204.634.114
2.3.1	Cost of products of the Group for resale	204.134.114
2.3.2	cost of raw materials for resale to the companies of the Group	
2.3.3	cost of goods for resale to third parties	500.000
2.3.4	transport services	
2.4	Inventory adjustments	-1.348.174
	For reference: depreciation and amortization	47.952.444
3.0	Gross profit	264.536.269
4.0	Selling expenses	133.360.522
5.0	Advertising and product promotion expenses	
6.0	General and administration costs / management costs	40.181.193
7.0	Research and development expenses	431.618
8.0	Sales profit (loss)	90.562.935
9.0	Operating / non-operating profit and expense balance	-6.962.274
9.1	Other non-operating income	3.541.792
9.2	Other non-operating expenses	10.504.066
	Operating profit (loss) / EBIT	83.600.662
10	Foreign exchange gain/ (loss)	
11	Financial income	
12	Finance costs	11.007.662
13	Income (loss) before tax	72.593.000
14	Income tax expenses	
15	Net income (loss)	72.593.000

CASH FLOW BUDGET of TMK-ARTROM

2018

(lei)

Index		Plan 2018
Cash balance at the beginning of the period		11.233.884
Total cash received		1.385.736.298
A1	Cash receipt from day-to-day operation	1.362.164.656
1.0	Cash receipts from main product sales	1.031.951.145
2.0	Compensated railroad rate	0
3.0	Cash receipts from resale of main product	179.577.461
4.0	Cash receipts from resale of raw material, materials, spare parts and equipment	0
5.0	Cash receipts from other product and services sales	31.415.465
6.0	Other cash receipts from day-to-day operation	119.220.585
B1	Cash receipts from investment activities	0
C1	Cash receipt from financial activities	23.571.642
Total cash retirement		1.375.711.631
A2	Cash retirement from day-to-day operation	1.310.353.632
1.0	Raw material and materials	702.021.422
2.0	Auxiliary materials	28.176.816
3.0	Services of outside companies for production	19.704.510
4.0	Energy costs	67.506.617
5.0	Services of outside companies for maintenance and repair of fixed assets	1.974.562
6.0	Commercial costs	116.561.591
	1 Cost of sales	116.287.891
	2 Advertising and product promotion expenses	273.700
7.0	Management costs	20.353.681
	1 Communication services	1.158.600
	2 Information, consulting, auditing services	6.182.177
	3 Leasing and rent	3.968.251
	4 Insurance	3.688.727
	5 Settlements of accounts with the stuff	2.895.608
	6 Research and development costs	0
	7 Other management costs	2.460.318
8.0	Staff expenses (salary + assessments)	116.707.400
9.0	Borrowed funds formation expenses	10.741.862
10.0	Taxes and tax collections	3.382.836
11.0	Main products for resale	222.622.335
12.0	Raw material, materials, spare parts and equipment for resale	600.000
13.0	Returns	0
14.0	Penalties	0
15.0	Other payments on day-to-day operation	0
B2	Cash retirement through investment activity	31.878.000
C2	Cash retirement through financial activity	33.480.000
Cash balance at the end of the period		21.258.550

Selling Program TMK-Artrom for 2018

Sales team	TMK-Artrom				
	ASSEL	CPE	COLD	ACH	GRAND TOTAL
TOTAL GENERAL	107000	66000	9000	18000	200000

Investment program TMK-ARTROM SA
2018

EUR inclusiv TVA

№	Project	Plan 2018
1	Heat Treatment Plant and others investments	6.930.000