

## PRESS RELEASE

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### Papoutsanis: Financial Results for the full year 2021

Papoutsanis SA (“Papoutsanis”) announces its financial results for the full year ended December 31st, 2021.

#### Key financial figures

- In 2021 Papoutsanis continued its growth path, showing high performance, a significant increase in results and sales in all operational fields.
- Consolidated revenue demonstrated a double-digit growth for the sixth consecutive year and amounted to EUR 54.8 million (34.1% increase compared to 2020).
- Exports increased by 70% and amounted to EUR 34 million, representing a 62% of total revenue.
- Consolidated profit before tax increased by 14% and amounted to EUR 6.1 million.
- Profit after tax increased by 26% and amounted to EUR 4.9 million.

	Fiscal year 2021	Fiscal year 2020	Change (in %)
<b>Turnover</b>	€54.8 million	€40.8 million	34.1%
<b>Gross profit</b>	€17.8 million	€13.1 million	36%
<b>EBITDA</b>	€8.3 million	€7.6 million	9%
<b>Profits before taxes</b>	€ 6.1 million	€5.3 million	14%
<b>Profits after taxes</b>	€4.9 million	€3.9 million	26%

Mr. **Menelaos Tassopoulos**, CEO of Papoutsanis, commented:

"Papoutsanis maintained its growth path during 2021 despite the ongoing impact of the COVID-19 pandemic.

The strong operating performance reflects the success of our investment plan, the continuous improvement in all four business segments, as well as the high competitiveness of our products in the Greek and International markets.

For 2022, we expect the impact of the pandemic to be mitigated and the tourism to be strengthened globally. However, the consequences of recent geopolitical developments and turbulence in the supply chain, raw materials and energy costs are extremely difficult to be assessed.

Papoutsanis will continue to invest in innovation, sustainability and quality, expand its product portfolio - branded and hotel - and strengthen its international partnerships, with the aim of maintaining a satisfactory growth rate similar to that of the last five years and to plot a strong course in 2022."

## **Results Overview**

Papoutsanis records strong growth for 2021 as well, showing a significant increase in results and sales in all operational fields.

For sixth consecutive year, consolidated revenue shows a significant increase and amounts to EUR 54.8 million compared to EUR 40.8 million in 2020, attributed to the high performance achieved by Papoutsanis in all product categories in which it operates.

In addition, the company continues to show improved profitability. Consolidated profits before tax amounted to EUR 6.1 million, compared to EUR 5.3 million in 2020, while profits after tax amounted to EUR 4.9 million compared to EUR 3.9 million in 2020.

Sales of branded products sold in Greece and abroad contribute 21% of total sales, 13% from hotel market sales, 49% from manufacturing of products for third parties and 17% from industrial sales of soap bases.

It is noted that Papoutsanis from the beginning of 2021 directly serves the major retail chains. This development has brought about a corresponding change in the way of pricing, resulting in an increase in published revenue of EUR 2.1 million compared to 2020 and a respective increase in selling expenses. Had this change not occurred, revenue would have amounted to EUR 52.6 million and selling expenses to EUR 5.2 million.

## **Overview by Business Area**

Compared with the previous financial year, revenue per product category has been evolved as follows:

Branded Products: There was a 12% increase in sales in 2021 compared to 2020, a year in which this category had benefited significantly from increased sales of antiseptics as a consequence of the COVID-19 pandemic. In 2021, the position of branded products (Karavaki, Natura, Aromatics, etc.) in the major retail chains was strengthened, while market share grew significantly. Specifically, Papoutsanis remained the first in consumer preference in the solid soap and antiseptic/disinfectant categories, while also growing dynamically in liquid soap, claiming the second position. Finally, Papoutsanis significantly strengthened its presence in major categories, such as shower gel, by launching new, modern product series.

Hotel Products: There was a 126% increase in sales compared to 2020. This category was boosted by the partial recovery of the hotel market in Greece and abroad in 2021. Especially in the last quarter, exports were significantly higher due to the start of new

agreements with international retail chains, agreements that had already been concluded in 2019 but, due to the pandemic, were delayed.

Third party products (industrial sales, private label): sales increased by 24% compared to 2020. The increase was driven by the significant further strengthening of partnerships with multinational companies for their products, the development of the customer base and the continuous expansion of the products range offered by Papoutsanis.

Industrial soap sales: There was a 62% increase in 2021 in this category, which mainly involves exports. The growth is due to Papoutsanis' consolidation as one of the key suppliers of specialty soap noodles in the international market, the expansion of its customer base as well as the continuous strengthening of the product range offered. At the same time, the launch of synthetic soap bases, which are innovative products with a particularly positive environmental footprint and increased added value, is expected to further strengthen the category.

### **Business outlook**

Over the last five years Papoutsanis has tripled its turnover, having made significant investments in all four product categories in which it operates. In this context, Papoutsanis' plant is now one of the largest vertically integrated soap and hotel cosmetics production units in Europe with a very high level of automation and correspondingly competitive costs.

Until recent geopolitical developments, it was considered that 2022 would be a very good year for tourism, both in Greece and abroad, given the ever-decreasing impact of the pandemic which is coming to an end. On the contrary, as early as mid-2021, the great discontinuity caused by the pandemic in primary and secondary production, in labour availability, in transport and logistics in general, resulted in the level of material prices moving continuously upwards compared to 2020. A trend that unfortunately is even more reinforced after the latest developments in the wider Ukraine region, with the price of energy also soaring to historic highs. At present, it is practically impossible to evaluate the outcome of wider geopolitical developments and therefore the ultimate impact on the economy in general. Papoutsanis management is closely monitoring developments and acting accordingly.

Assuming that the general geopolitical situation will not be further aggravated, it is expected that a satisfactory growth rate comparable to that of recent years will be achieved in 2022 as well.

More specifically:

- The branded products category is expected to be strengthened through enrichment of the product range, entry into new categories, strengthening of the store presence and the dynamic promotion plan scheduled for 2022.
- The hotel products segment is expected to return to at least 2019 levels as the impact of the pandemic has been significantly reduced.

- Production for third parties, mainly multinational companies, is expected to grow further as partnerships are being expanded both in new products and with new customers
- Finally, the specialty soap noodles category is expected to continue to grow through the expansion of existing partnerships and the establishment of new ones. Synthetic soap bases are also contributing to this direction, as well as Papoutsanis' ability to meet the needs of the European market for more commodity soap noodles that cannot be met by Malaysia and Indonesia due to high transport costs, long delays and other restrictions.

At the same time, Papoutsanis has implemented most of its investment plan to increase productivity, produce new innovative products and expand storage facilities, actions that will help reduce operating costs.

For 2022, Papoutsanis' Board of Directors intends to propose to the Annual General Meeting of Shareholders the distribution of a dividend of a gross amount of €0.05 per share. Conditions permitting, an additional dividend may be proposed in 2022.