



**PAPOUTSANIS**

SINCE 1870

**HELEX**  
**16 OCTOBER 2018**



*“Creating wellness, producing value”*

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# History

1870

Dimitris Papoutsanis founds the company in Lesvos island, Greece



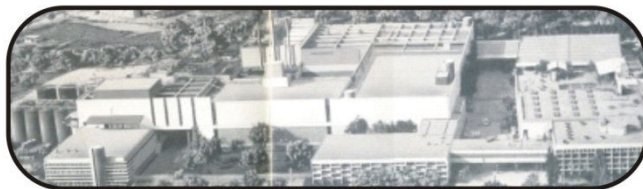
1913

Company's operations relocated to Piraeus



1965

Company's operations relocated to Kifissia



1972

Company listed on the Athens Stock Exchange



2001

Company's operations relocated to new, state-of-the-art production facilities near Halkida



# Company Highlights

- **One of the largest manufacturers of bar soap and hotel amenities in Europe.**
- **Fully integrated production plant | Cutting edge technology**
- **A historical brand in Greece, PAPOUTSANIS, holds a leading position in bar soaps segment (B2C) and in hotel amenities industry (B2B).**
- **Successful long-standing co-operations with multinational leading players in all segments.**
- **Can deliver technical know how “from the idea to the final product”**
- **Export-orientated, with a constantly growing international presence in more than 25 countries (>40% of company sales).**
- **Net Sales growth: +10% 10y CARG, +21% Aug YTD 2018**
- **Listed on the Athens Stock Exchange since 1972.**

# Strive for Quality & Innovation

## R&D and Quality Assurance

- Fully equipped and manned in-house R&D laboratory
- 100-150 own innovative formulas/year
- Excellent know-how in developing solid and liquid soap formulations
- Meets high standards of multinational FMCG Companies and Retailers



Fully certified with respect to quality, sustainability and social responsibility:



# Corporate Social Responsibility

- Support to organizations, institutions and socially vulnerable groups.
- Medical Insurance for employees, continuous training
- Use of natural gas, re-circulation of solid residues, use of up-to-date technology
- Member of the Roundtable on Sustainable Palm Oil Association



# Capital Expenditure | Production Facilities

- Extended over a 60,000m<sup>2</sup> land in Halkida, just 70 km north of Athens
- One of the largest and most modern soap manufacturing facilities in Europe
- Over 100.000.000 units per year | 50% Spare capacity

- Production Lines:

- Production of various bar soap types
- Continuous and batch saponification units
- Liquid Cosmetics production
- Filling lines
- PET, PE Bottles & PP Closing Cups Production



- New plant investment: **30 mil Euros (2000-2016)**
- CAPEX in 2017-18: **ca. 3.5 mil Euros. Reduced CAPEX needs going forward**





# Global Presence

Exports in more than 25 countries

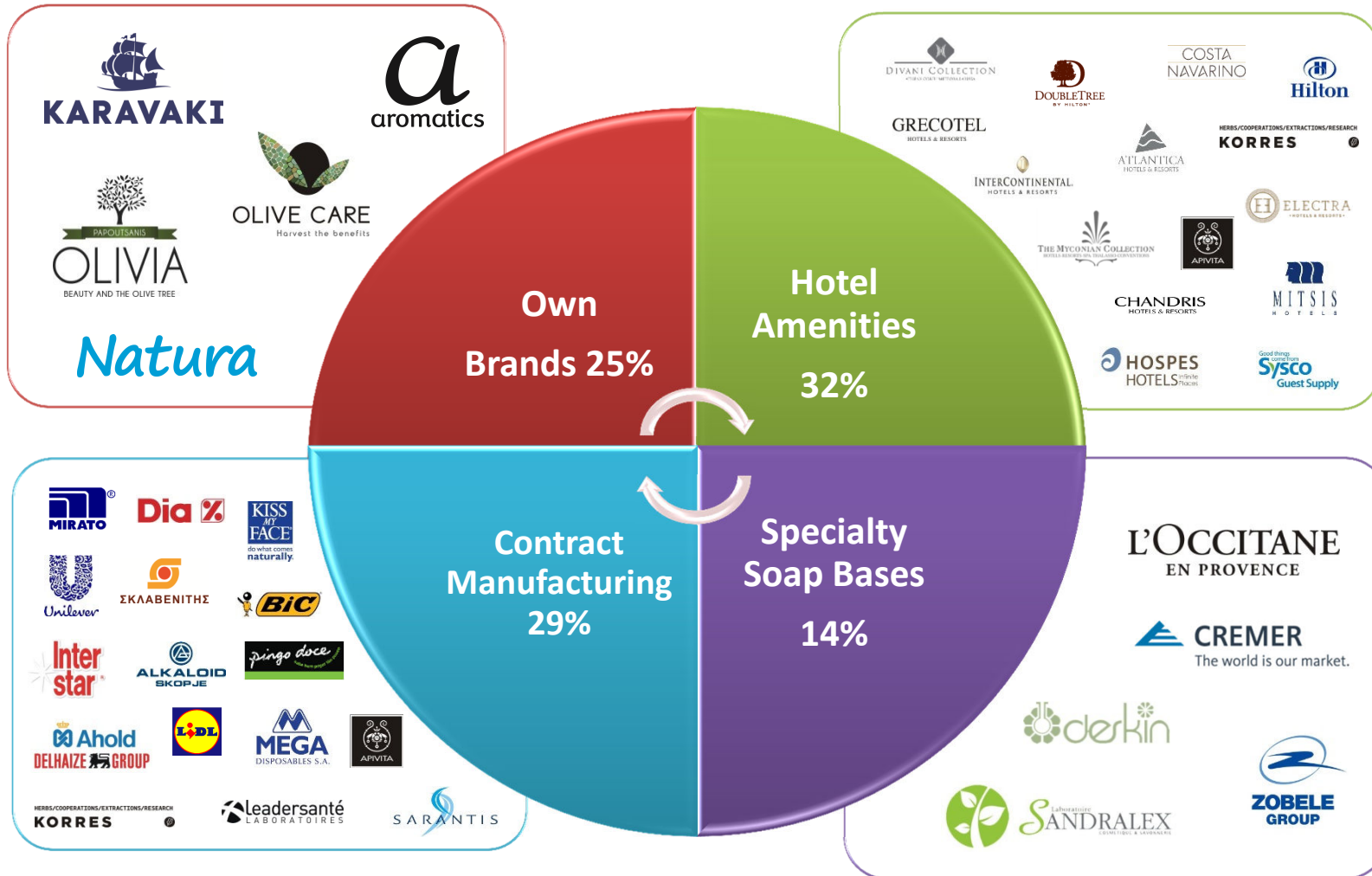


## **Countries:**

UK, Germany, Italy, France, Spain, Portugal, Romania, Fyrom, Serbia, Bulgarian, The Netherlands, New Zeland, Mexico, Lithuania, Slovakia, Albania, Belgium, Cyprus, Austria, Sweden, USA, Canada, Russia, Japan, Hong Kong, Australia etc.

# Business Units (2018 E)

Diversification of channels and product portfolio



## Own Brands - Retail

**a**  
aromatics



- Strong Brand heritage with 148 years of presence in Greece

- Market Shares:

- Bar Soaps 35% (Leader)
- Liquids 11%

  
**KARAVAKI**



- 100% presence in organized trade

- 3.500 point of Sales

- 50.000 placements in Greece

**Natura**  
ΚΡΕΜΟΣΑΠΟΥΝΟ - LIQUID SOAP



- Strong BTL activity

- Innovative product launches every year and strong 3 year NPD pipeline

ΑΓΝΟ ΣΑΠΟΥΝΙ ΕΛΑΙΟΛΑΔΟΥ  
PURE OLIVE OIL SOAP  
  
**PAPOUTSANIS**  
ΕΛΛΗΝΙΚΟ ΠΡΟΪΟΝ  
ΠΟΙΟΤΗΣ ΕΞΑΙΡΕΤΙΚΗ



  
**PAPOUTSANIS**  
SINCE 1870

- 360° Marketing Support

# Own Brands – Selective Market & Pharmacies

## OLIVIA - Beauty & The Olive Tree

When tradition meets modern technology ... the result bears the name Olivia:

A line of natural products for body and hair care blessed with beneficial properties of Organic Olive Oil & Organic Olive Extracts.

Olivia combines: 1. the deep knowledge of Papoutsanis on personal care products and olive tree beauty benefits with  
2. the scientific R&D knowhow on olive extracts of the University of Athens (Dpt. of Pharmacognosy and Chemistry of Natural Products)



# Hotel Amenities

Papoutsanis' care is extended to provide high quality natural toiletry and beauty products to its numerous hotel clients and their customers in Greece and abroad

Own Brands:



Contract Manufacturing & Strategic partnerships with key industry players and multinational producers of hotel amenities:



In the Elite Hotels in Greece & all over the World



# Third Party – Private Label Customers

Drawing from 148 years of accumulated experience in the cosmetics industry, PAPOUTSANIS is the cosmetics manufacturer of choice for some of the largest Consumers Goods companies and retailers in Greece and internationally.

The company boasts, among others, Unilever, KORRES, APIVITA, KISS my FACE, DELHAIZE GROUP, Sklavenitis Supermarkets, Sysco Guest Supply, Lidl, MIRATO, SARANTIS, MEGA, CREMER, L' OCCITANE, SANDRALEX, PINGO DOCE, ZOBELE GROUP and BIC as its Private Label Customers, delivering high quality beauty products and services to their consumers.



# Specialty Soap Bases

- Development of innovative soap bases addressing various market trends
- Probably the most automated saponification production facility in Europe
- Sole producer in Greece



L'OCCITANE  
EN PROVENCE



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# Recent Awards

● European  
○ Business  
○ Awards™



**ΠΡΩΤΑΓΩΝΙΣΤΕΣ**  
ΤΗΣ ΕΛΛΗΝΙΚΗΣ ΟΙΚΟΝΟΜΙΑΣ 2016



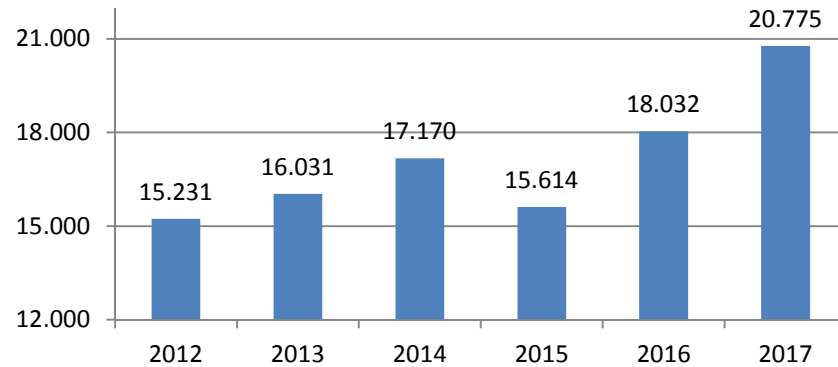
- 2018 -



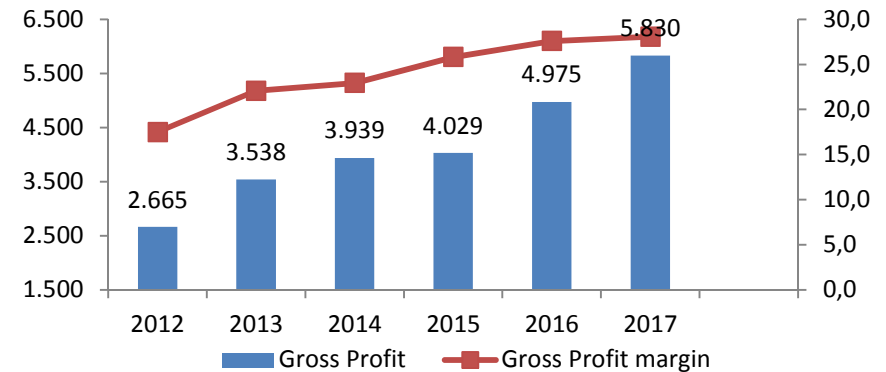
# Key figures 2012 – 2017

in '000 Euro

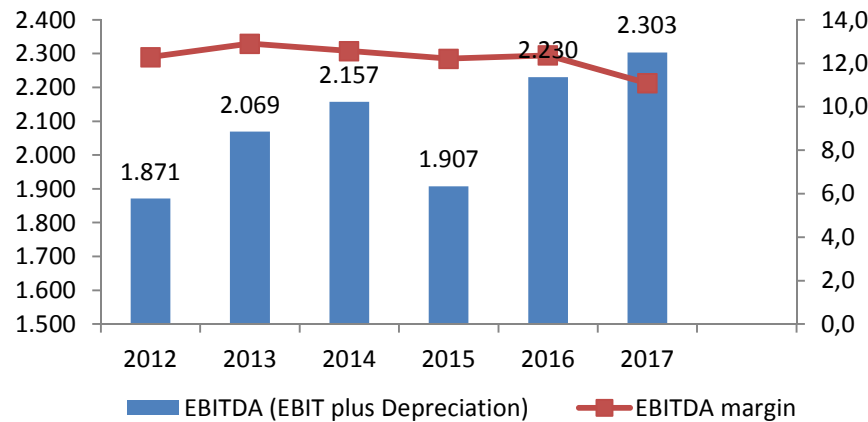
## Sales



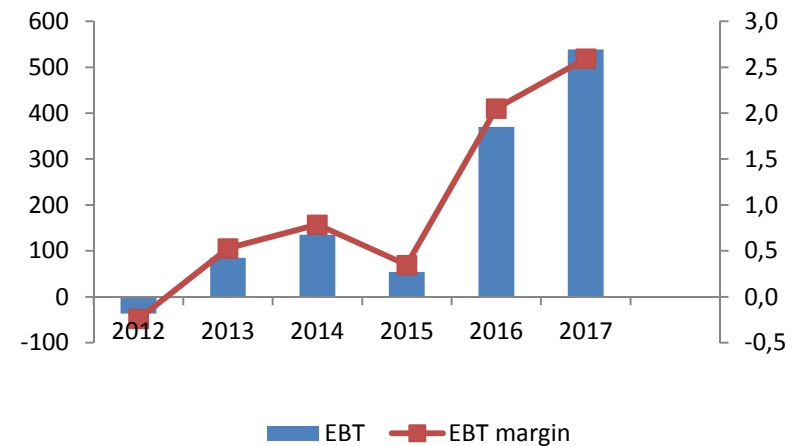
## Gross Profit & Gross Profit margin



## EBITDA & EBITDA Margin



## EBT & EBT Margin



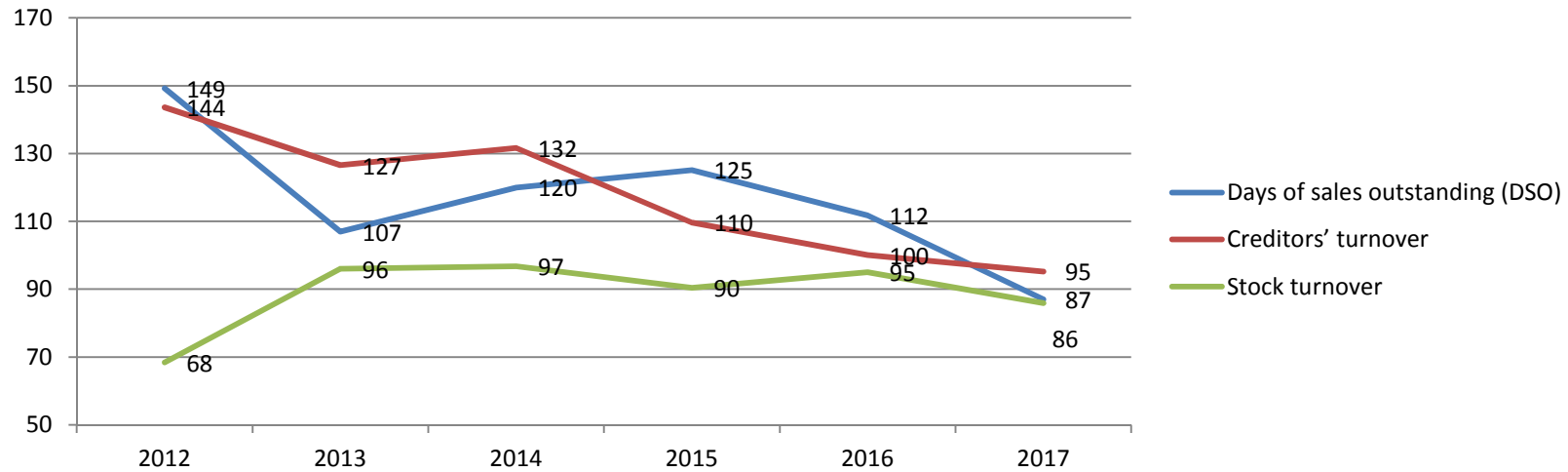
## Cash Flow 2016-2017

	2017	2016
Inflows from operational activities	2.441	721
Inflows from investment activities	-1.615	-1.940
Inflows from financing activities	315	232
Total increase of cash and cash equivalents	1.141	-987
Cash and Cash Equivalents Beginning of Period	778	1.765
Cash and Cash Equivalents End of Period	1.919	778
Net Bank Debt	6.873	7.708
Net Bank Debt over EBITDA	3	3,5

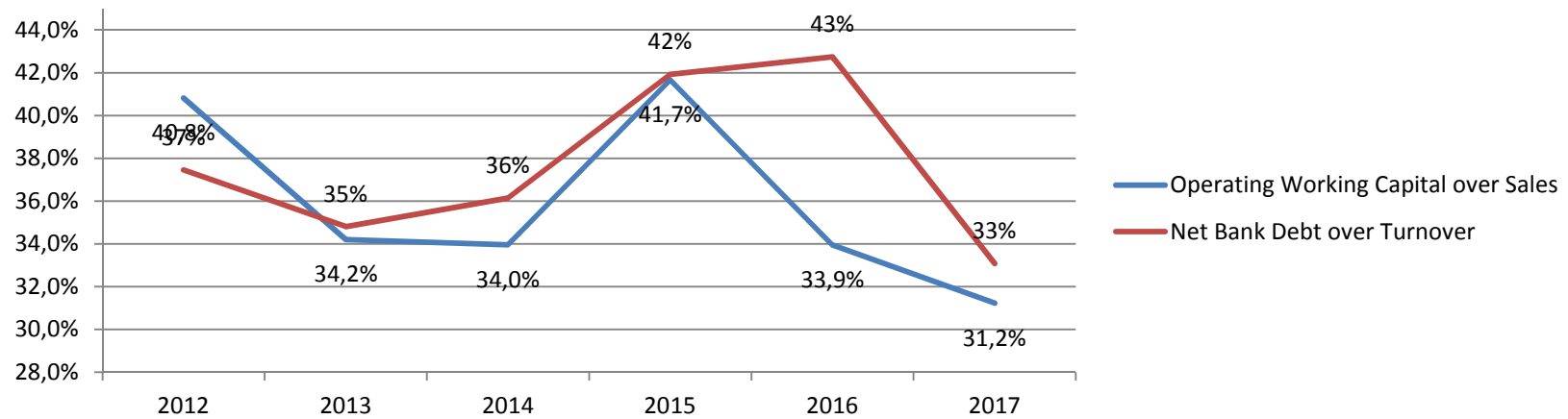
## Balance Sheet 2016-2017

	2017	2016
<b>ASSETS</b>		
Non current Assets	25.727	25.411
Inventories	3.516	3.399
Trade & other receivables	4.951	5.523
Other current assets	1.919	778
<b>Total Assets</b>	<b>36.113</b>	<b>35.111</b>
<b>CAPITAL AND LIABILITIES</b>		
Long term loans	6.700	4.390
Other long term liabilities	5.245	5.170
Short term loans	2.360	4.364
Other short term liabilities	3.899	3.579
Total Liabilities	18.204	17.503
Total Shareholders equity	17.909	17.608
<b>Total Capital and Liabilities</b>	<b>36.113</b>	<b>35.111</b>

### Operation performance



### Working Capital and Net Bank Debt



# H1 2018 vs H1 2017

	<i>H1 2018</i>	<i>H1 2017</i>	<i>Delta</i>
<b>Turnover</b>	<b>11.981</b>	<b>10.004</b>	<b>20%</b>
Cost of Goods	-8.640	-7.186	20%
Gross Profit	3.341	2.818	19%
Other Income	225	193	17%
Sales and Distribution expenses	-1.352	-1.219	11%
Administrative expenses	-1.127	-961	17%
Research and Development expenses	-74	-80	-8%
Other expenses	-201	-240	-16%
Financial Cost	-291	-258	13%
<b>Earning before taxes</b>	<b>521</b>	<b>253</b>	<b>106%</b>
Deffered taxes	-139	-132	5%
<b>Earning after taxes</b>	<b>382</b>	<b>121</b>	<b>215%</b>
<b>EBITDA (EBIT plus Depreciation)</b>	<b>1.388</b>	<b>1.102</b>	<b>25%</b>

# Strategy Overview

# Opportunities – Initiatives – Strategy (1/4)

- **Current total company EBIDTA margin between 12 % and 13%**

- **Branded**

**Greece:**

Primarily Mass Market

Single digit growth vs. 2017

Continue Investment - Strategic

**Exports:**

Primarily Olivia

Significant growth vs. 2017

Continue growth – Control Sales Networks

Considering JV in Poland for local and Russian market

# Opportunities – Initiatives – Strategy (2/4)

- **Hotel**

**Greece:**

- Single digit growth vs. 2017
- Introducing new own lines to expand our brands
- New collaborations to better address the needs of the 6 – 7 star and exclusive boutique hotels

**Exports:**

- Significant growth vs. 2017

**-Continue growth via:**

- Collaboration with Sysco – Guest Supply
- Establishing collaborations with other non conflicting strategic partners
- Expansion of own sales network



# Opportunities – Initiatives – Strategy (3/4)

- **Contract – PL**

**Greece:**

- Significant growth vs. 2017
- Potential for further growth

**Exports:**

- Contraction vs. 2017 due to financial difficulties of one large customer
- Expect to recover in 2019 both with respect to sales level and EBIDTA margin as new contracts already in place. R&D work of recent years on natural, organic, etc. products pays off.
- File for bankruptcy of No 1 bar soap producer in Europe, a German company, opens many opportunities both for bar soap contract manufacturing and soap noodle sales

# Opportunities – Initiatives – Strategy (4/4)

- **Specialty Soap Bases**

## **Greece:**

- Mature market
- PAPOUTSANIS sole large noodle producer

## **Exports:**

- 2018 was second year of explosive growth
- Continuously consolidating our position in the global market both with respect to new grades and direct customers – sales network
- File for bankruptcy of No 1 bar soap producer in Europe opens many new opportunities

# Going Forward - 2019

- In terms of sales expect similar growth like 2018
- Room for significant further cost reduction across all fronts plus effect of 3.5 mil CAPEX done over last 2 years to translate into higher productivities and lower costs
- Reduced need for additional CAPEX unless some project specific equipment needed
- Large part of the oils used for bar soap production already booked for next year at very competitive prices
- Expect improved EBIDTA margin vs. 2018

A high-speed photograph of water splashing, with multiple droplets and streams of water captured in mid-air, creating a sense of movement and freshness. The background is a soft, light blue gradient.

*Thank you!*

**PAPOUTSANIS SA**

*71<sup>st</sup> Km of National Road Athens – Lamias*

*34 100 Chalkida, Greece*

*T.: +30 22620 86430*

*email: [info@papoutsanis.gr](mailto:info@papoutsanis.gr) - [www.papoutsanis.gr](http://www.papoutsanis.gr)*