



**Company Presentation**  
*3<sup>rd</sup> Athens Smallcap,*  
*November 2020*





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The presentation includes both information based on historical financial data as well as estimates, projections and other forward looking statements.

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We do not intend to amend or update this presentation in case such estimates, projections or forward looking statements do not materialise or change in the future.



# OUR VISION

**Papoutsanis** signature is associated with authentic soap, pure raw materials and the unique ingredients of the Mediterranean.

Our vision is to **contribute to everyday wellness** with **natural sustainable personal care products** that fulfill the needs of our consumers who have been **trusting us for the past 150 years**.





# OUR MISSION

We are a Greek leading soap and liquid cosmetics manufacturing company with strong **global orientation**. Following our expertise, tradition and heritage we believe in a **sustainable future** as determined by **natural products, innovative ideas, and production methods** that aim to minimize the ecological footprint of manufacturing processes





# OUR VALUES

## Ethos

We make sure we remain worthy of the trust we receive from our employees, our partners and the consumers. We invest in human resources by providing the right working conditions and opportunities for progress and reward, thus building a win-win relationship of loyalty & devotion with all our stakeholders.

## Care

We commit each day to our people, consumers, partners, society and the environment with a sense of responsibility towards everyone, taking care of their needs and gaining confidence from breakthrough ideas and innovative production systems that guarantee the value of our products.

## Innovation

We invest in modern technologies that build on the treasures of nature and combine them with sophisticated cosmetology to create innovative products. We pursue an enduring growth through continuous research and the quest for new formulas that will foster the next innovation with our signature. Our products meet the needs of our consumers and partners and lead to new horizons.

## Legacy

We value the legacy of Papoutsanis signature and the company's heritage since 1870 and we aim to reflect it on each and every product we create.





# OUR HISTORY

**1870**

Company is founded in Plomari, Lesvos by the visionary entrepreneur, Dimitrios Papoutsanis

**1967**

Operations are transferred to Kifissia and the company expands into new business units

**2001**

Company moves to new, state of the art production facilities in Ritsona, Evia

**2015**

Papoutsanis S.A. enters the Specialty Soap Noodles market and develops a 4th business segment

Company operations move to Piraeus. A new chapter starts, with the construction of one of the first soap factories in Greece

**1913**

The company enters the Athens Stock Exchange

**1972**

New management buy-out and business turnaround. Focus on expansion and sustainable growth

**2010**

During Covid-19 crisis, the company prioritizes production of biocides & disinfectants to help meet the country's urgent needs

**2020**





## 4 Business Segments - Less risk exposure

Own brands • Hotel Amenities • Contract Manufacturing • Specialty Soap Noodles



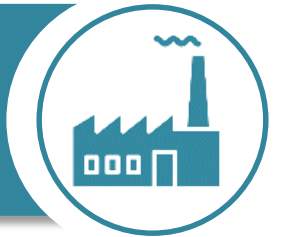
## Large portfolio of products

Consumer and retail • Exclusive • Hotel • 3<sup>rd</sup> Party • Private Label



## Local Production

Great Production Capacity & ability to expand • Technological Excellence • Exports



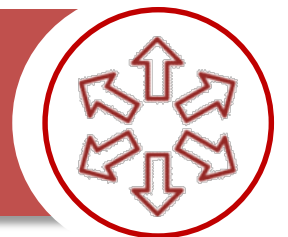
## Domestic Market Recognition

A historic brand with a leading position in B2C and B2B



## Extroversion

Growing International presence. One of the largest European soap producers



## Partnerships

Long-lasting co-operation with leading multinational players in all segments



## Sustainability

Conscious Operation • Natural products • Sustainable Raw Materials





# OUR FACTORY





# THE PLANT IN A PAGE

Sophisticated technologies / Innovative state of art equipment

## ■ EXPORT ORIENTED

with growing international presence in more than 25 countries (~50% of company sales)

## ■ HI-TECH FACILITIES

60.000m<sup>2</sup> CHALKIDA PLANT 70 km north of Athens  
Fully integrated production plant employing cutting edge technology

## ■ ENVIRONMENTAL SUSTAINABILITY:

key value that drives us

## ■ THE NUMBERS

- Over 150.000.000 UNITS/YEAR
- 50% SPARE CAPACITY
- PET, PET R, PE Bottles & PP Closing Cups Production
- 150 Employees
- 2.000 Customers



# THE PLANT IN A PAGE | CAPITAL EXPENDITURE

## PRODUCTION LINES

- Continuous and batch saponification plants
- All types of bar soap
- Liquid Cosmetics
- Filling lines
- PET, PE Bottles & PP Closing Cups

## INVESTMENT

- New plant investment: **50 mil Euros** (2000-2019)
- Capex 2020 – 21: ca. **10 mil Euros** (doubling bar soap capacity)





# PRODUCT SAFETY

- Production and packaging of Papoutsanis products are thoroughly controlled through the official quality assurance system based on the requirements of **ISO 9001**
- GMP's (**Good Manufacturing Practices**) based on the requirements of **ISO 22716**, are implemented at all stages of production process
- Fully equipped and manned **in-house R&D laboratory**.
- Excellent know-how in developing solid and liquid soap formulations (**100-150 own innovative formulas /year**)
- Meets **high standards** of multinational FMCG Companies and Retailers NPD projects jointly developed with key partners.

# ENVIRONMENTAL RESPONSIBILITY

“We treat the environment with care & use existing resources in a sustainable way”

**GREEN**

COMMITMENT

**CLEAN**

FORMULA

**ECO**

FRIENDLY  
PACKAGING

## GREEN OLFACTORY

RSPO certified oils in our products or in third-party products  
// Compliance with applicable legislation  
// Responsible operation // Collaboration with certified contractors  
// Continuous improvement // Integrity // Training



# FORMULATION

- ✓ All soaps and liquids are over 95% bio-degradable
- ✓ No controversial or harmful ingredients, INCI label
- ✓ No silicone oils and no formaldehyde
- ✓ Cruelty-free – never tested on animals
- ✓ Formulated with naturally derived (origin) ingredients
- ✓ Naturality based on ISO 16123 usually over 92%



# PACKAGING MATERIALS

The company has invested in the production of packaging materials which respect the environment.

All packaging materials are 100% recyclable and a large percentage are made from recycled materials.

Our packaging materials are PET (polyethylene terephthalate), PE (polyethylene) and PP (polypropylene) and we do not use PVC (polyvinyl chloride).

Moreover:

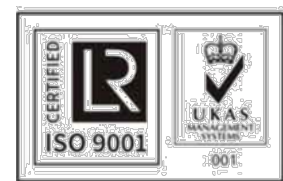
- ✓ our bottles are made from 20%-100% recycled materials (PCR);
- ✓ our tubes are made from 50% recycled materials;
- ✓ our dispensers are made from 50% PCR, further reducing the use of plastic by 50%;
- ✓ FSC certified cardboard.





# CERTIFICATIONS

**In the context of quality policy, Papoutsanis pursues in quality investment throughout all stages of production and ensures its assurance through strong and internationally accredited certifications.**



Quality goals are met by the implementation of ISO 90001 : 2015



“Good Manufacturing Practices” during production stages are ensured by the implementation of ISO 22716 : 2007



“Sedex Members Ethical Trade Audit (SMETA)



“Members of Green Palm trading program, supporting the sustainable palm oil production



RSPO - the Roundtable on Sustainable Palm Oil - is an organization that works to advance the production, procurement, finance, and use of sustainable palm oil in products used all over the world



Sustainability certification based on a life cycle assessment and an overall goal to reduce the environmental impact of products



Certified Organic Cosmetics (COSMOS NATURAL – ECOCERT)



Certified Natural Cosmetics (COSMOS NATURAL – ECOCERT)



Certified Natural Cosmetics (Olive Care) under the authorization of BDIH



All stages of product development are free from animal testing



All products and its derivatives are free from animal ingredients and testing



*In progress (est. April 2021)*

# 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
- Member of the Hellenic Recycling Company since 2003.
- Together with our employees, we promote volunteerism and community service





# CONTRIBUTING TO SOCIETY

## Papoutsanis supports agencies and organizations in the battle against COVID-19

Papoutsanis proceeded to the exclusive production of biocides and disinfectants with the use of 80 per cent ABV, which we offered at exceptionally low prices with a view to catering to people's needs.

Support actions to address the public health crisis that Greece is facing:

- Donation of hospital equipment to **Elpis Hospital**
- Donation of personal hygiene products and bottles of alcohol-based disinfectants to:
  - ✓ **Schools for children with special needs (countrywise)**
  - ✓ **National Ambulance Service (EKAB)**
  - ✓ **Hellenic Police**
  - ✓ **Municipality of Athens**
  - ✓ **Local government authorities**
  - ✓ **Hospitals**
  - ✓ **Nursing homes**
  - ✓ **NGOs**
  - ✓ **Athens Traders Association**
  - ✓ **SOS Children's Villages etc**

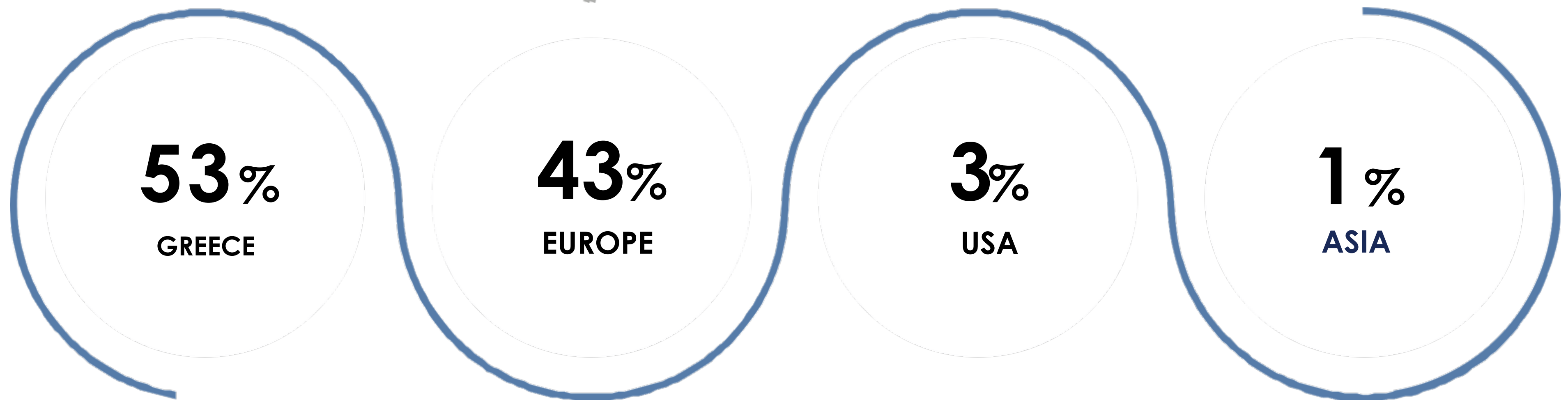
# CARING FOR OUR PEOPLE

**At Papoutsanis we protect and support the health and wellbeing of our people, and adopted several measures in the battle against covid-19, among which the following:**

- ✓ Weekly PCR Covid-19 tests for all company employees and outsourced partners
- ✓ Weekly decontamination of all production and office areas
- ✓ Protection of vulnerable groups
- ✓ Significant nutritional upgrade of daily meals for all employees
- ✓ Meetings only through web tools & platforms
- ✓ Working from home for the majority of management employees
- ✓ Travel ban for all employees unless absolutely necessary

Estimated cost for 2020: over 300.000 euros

# THE PAPOUTSANIS WORLD



As of September 2020

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



# 4 BUSINESS UNITS

Paying respect to its successful past combined with **150 years of high-end technology expertise** and its ongoing market presence, the company plans its future steps through a strategic business plan, based on **4 business units**.

The contemporary and extrovert profile of Papoutsanis company grows its activities beyond borders, with an ever-increasing **presence in more than 25 countries all over the world**.

**Exports** include **Europe, America, Asia and Oceania**, accounting for **50%** of company sales.

**01 Own Brands**  
Such as KARAVAKI, Natura, Aromatics and Selective Distribution Products like OLIVIA.

**Hotel Amenities**  
Leading share in the Greek market & existing collaborations with international hotel chains & biggest multinational hotel-supply industries.

**02**

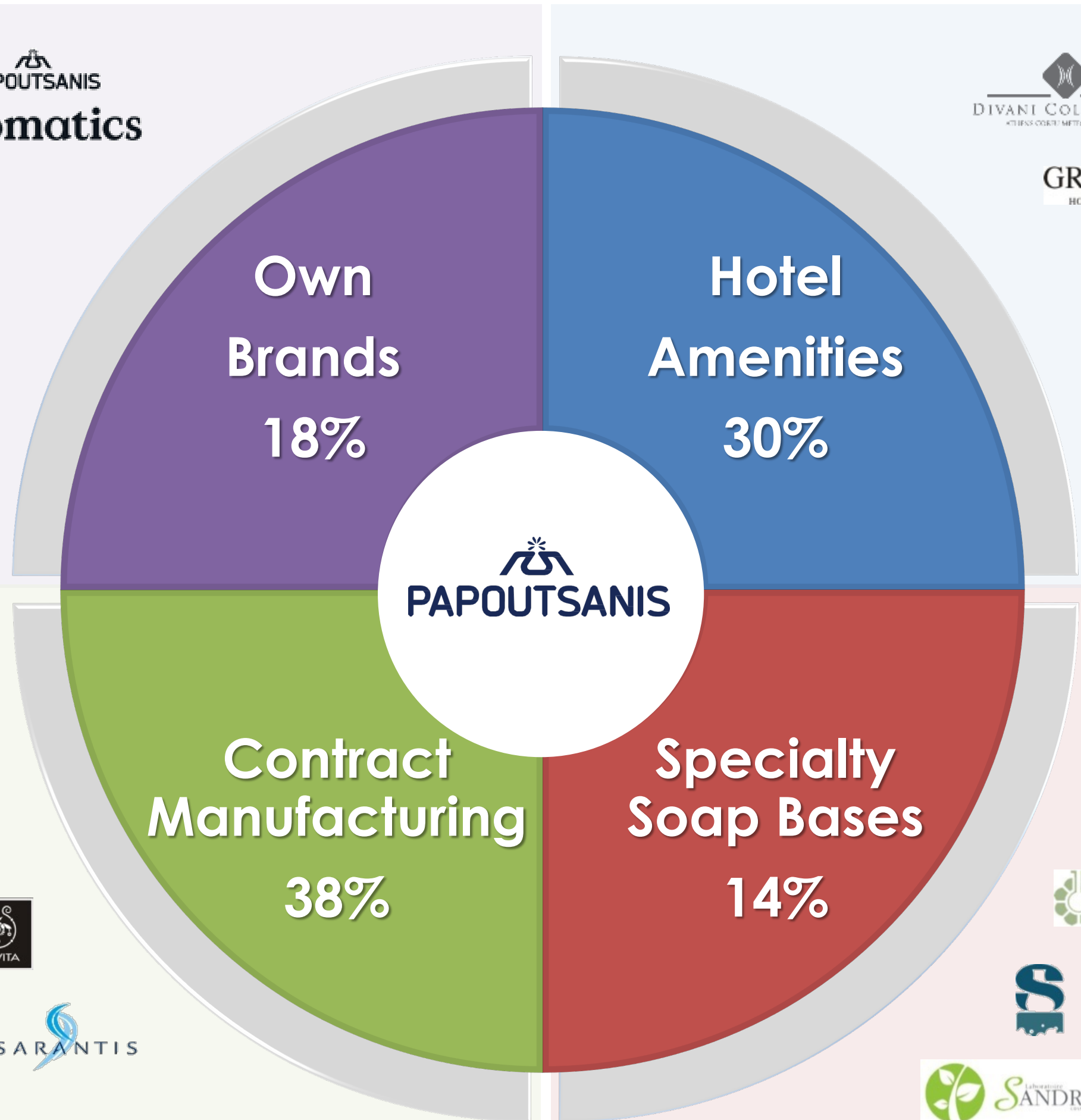
**03 Third-Party**  
and Private Label Manufacturing for international suppliers and retailers.

**Specialty Soap bases**  
For industrial clientele.

**04**



# BUSINESS UNITS (2019)





# OWN BRANDS -RETAIL

- Strong Brand heritage with 150 years of presence in Greece
- 100% presence in organized trade
- 3.500 point of Sales and 50.000 placements in Greece
- 360° Marketing Support and strong BTL activity
- Innovative product launches and robust 3 year NPD pipeline
- #1 in Solid Soap/ Top 3 in Liquid Soap\*



## Aromatics



## KARAVAKI



## HAIR CHIC



## Natura



\*Nielsen Scan Data, Market Volume Share, YTD AUG 2020



# OWN BRANDS—HAND SANITISERS

LEADING BRAND IN RETAIL\*

World Health Organization compatible

Greek FDA approved

Kills 99,9% of viruses and bacteria

Contains 80 % v/v ethyl alcohol

No rinse sanitizer – Dries Quickly- Instant disinfectant action

Convenient packaging ready to use, covering all consumer & customer needs

\*Nielsen Scan Data, Market Volume Share, YTD OCT 2020

Natura



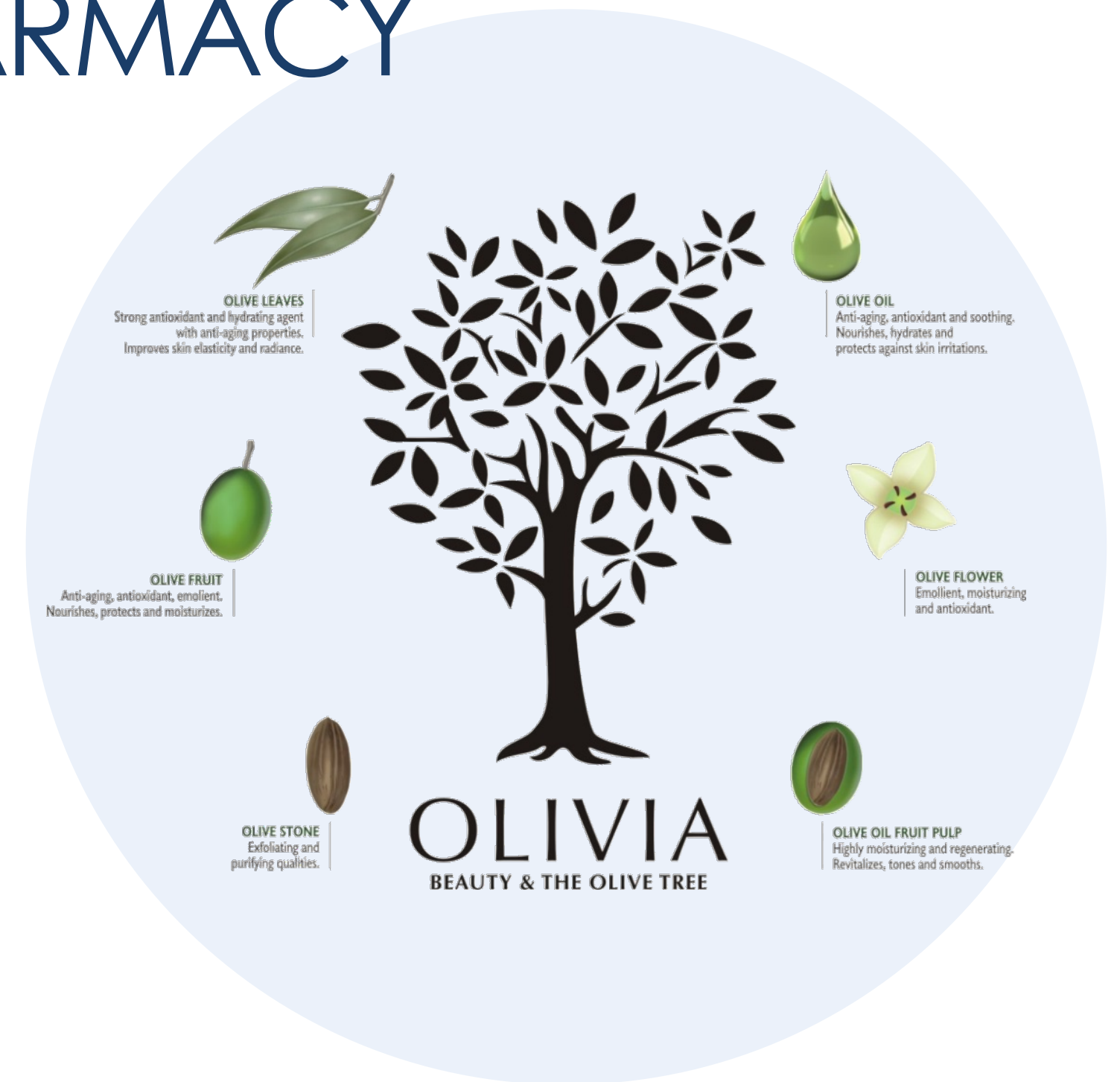


# OWN BRANDS– SELECTIVE & PHARMACY

OLIVIA products concentrate all the best qualities found in the olive tree and utilize them to enhance the beauty and longevity of hair and skin.

**Made with the tree's organic extracts - olives, olive leaves and seeds, olive oil** - that are produced according to strict EU standards in collaboration with the University of Athens, OLIVIA products include more than 34 natural soaps and care products for body, face and hair.

**DO NOT CONTAIN:** Parabens, propylene glycol, synthetic colors and ingredients of animal origin







# HOTEL AMENITIES

## BRANDS

We offer a variety of hotel amenities covering all needs and budgets. Take a look at our brands and find the one that your customers will love!

OLIVIA

OLIVIA THINKS



AHAVA

L'OCCITANE EN PROVENCE

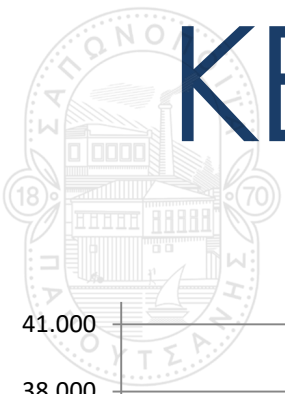
EAU DE GRÈCE

*Skin Essentials*

SKIN ESSENTIALS —Passion

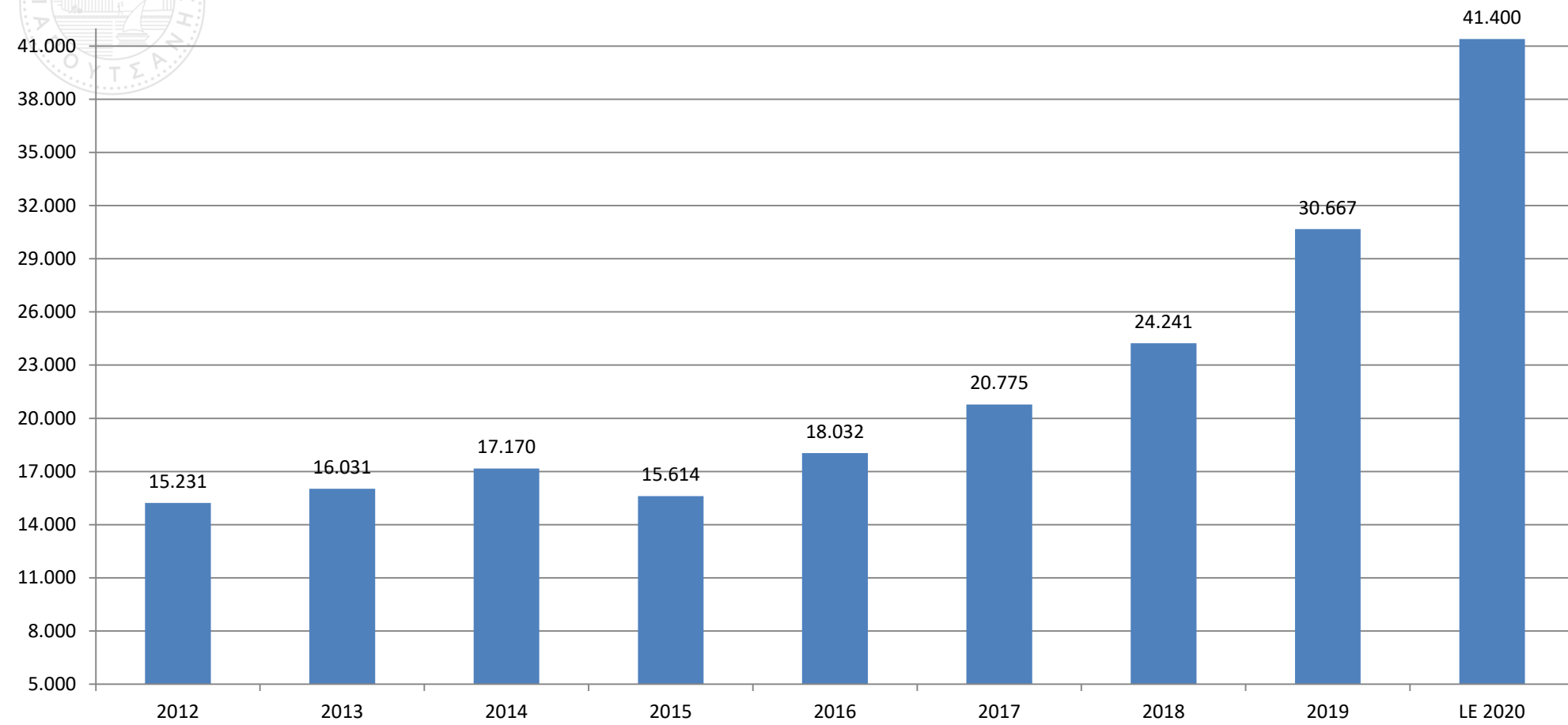
KORRES



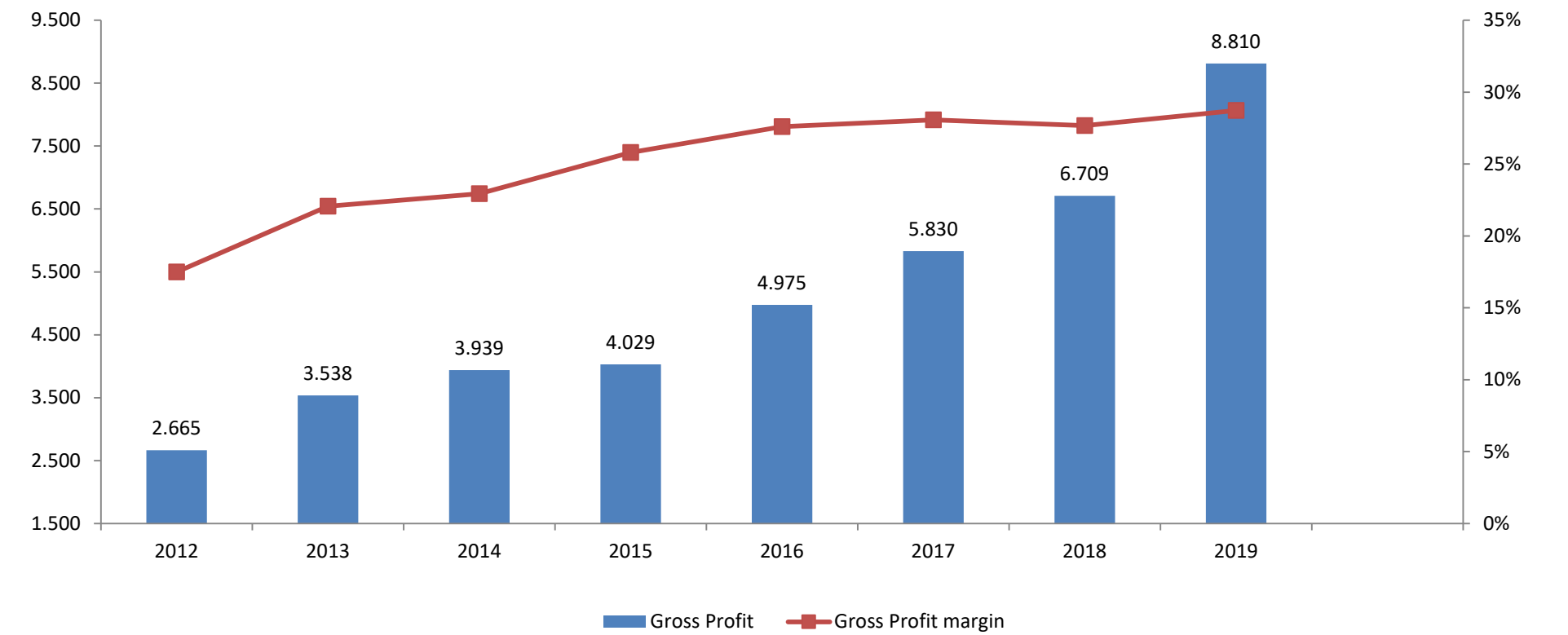


# KEY FIGURES 2012-2019 in '000 Euro

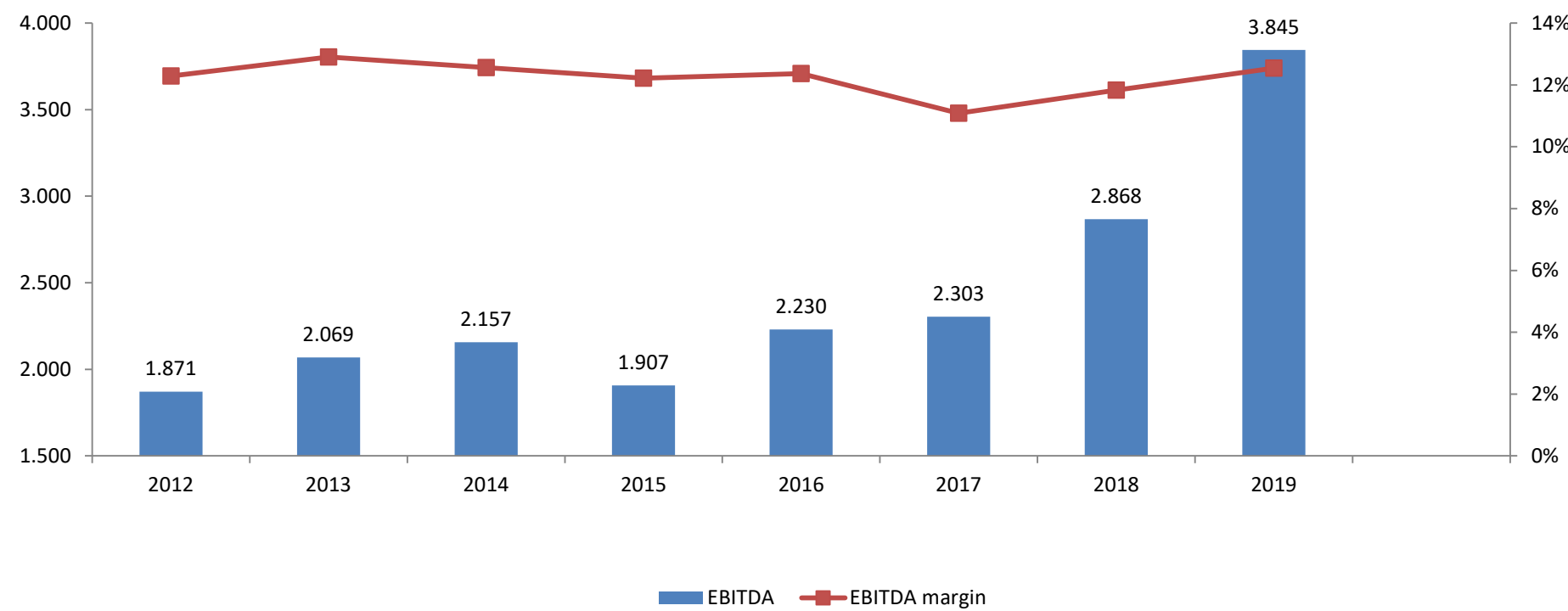
## Sales



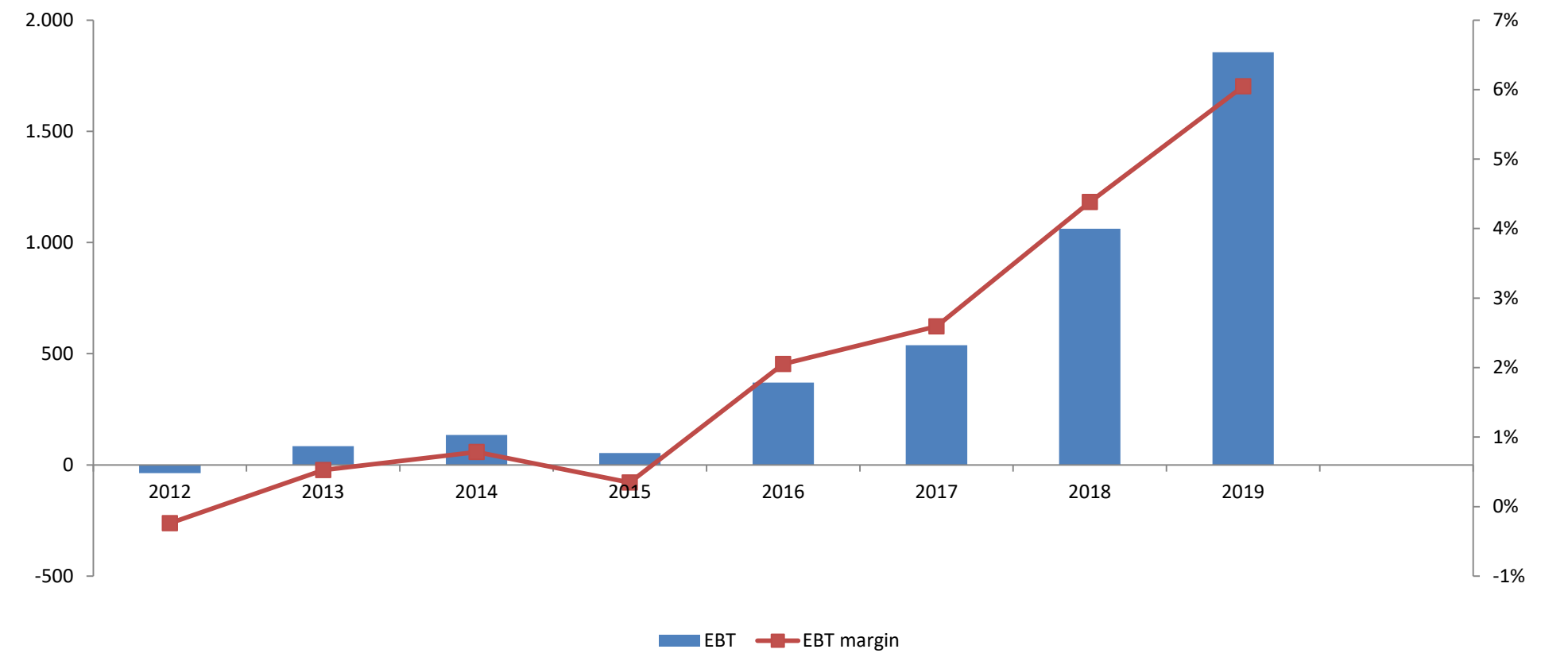
## Gross Profit & Gross Profit margin



## EBITDA(\*) & EBITDA Margin



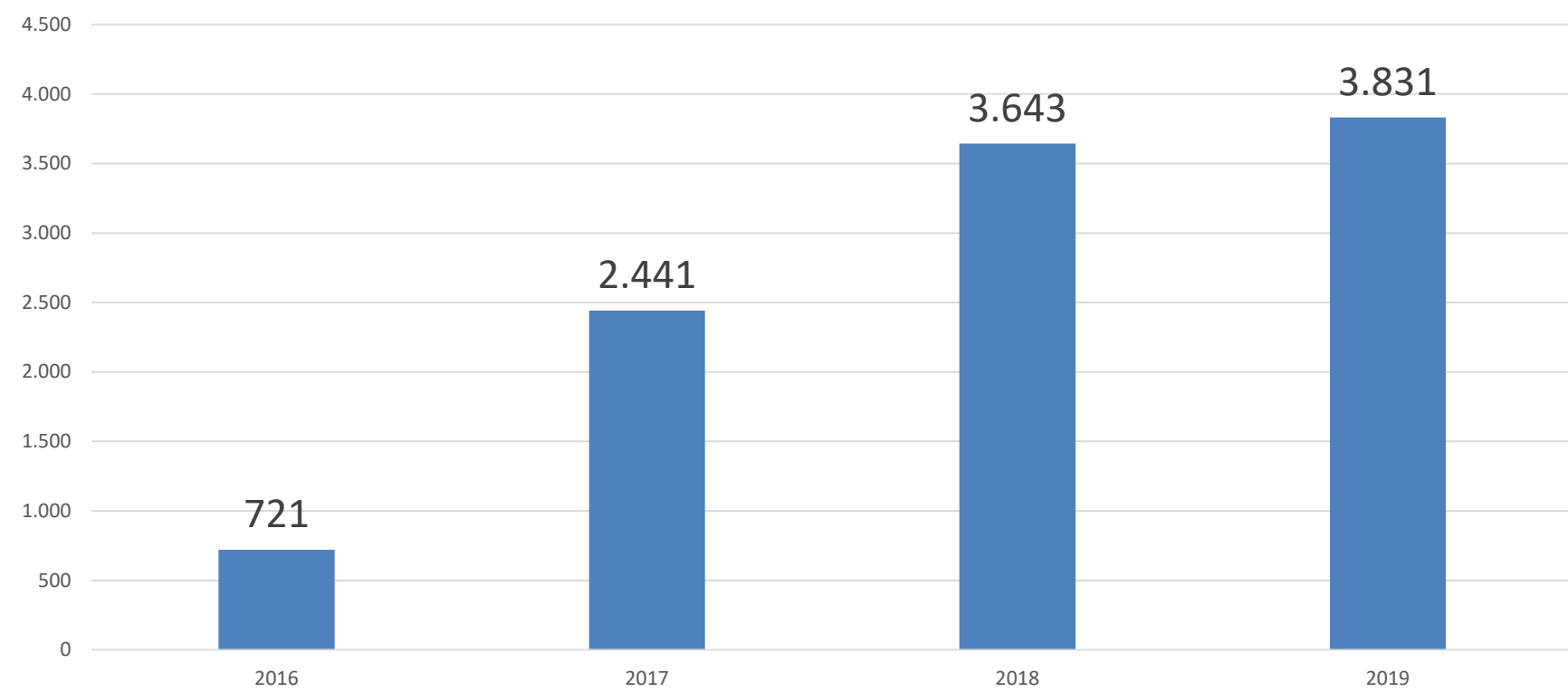
## EBT & EBT Margin



(\*) EBITDA: EBIT plus Depreciation

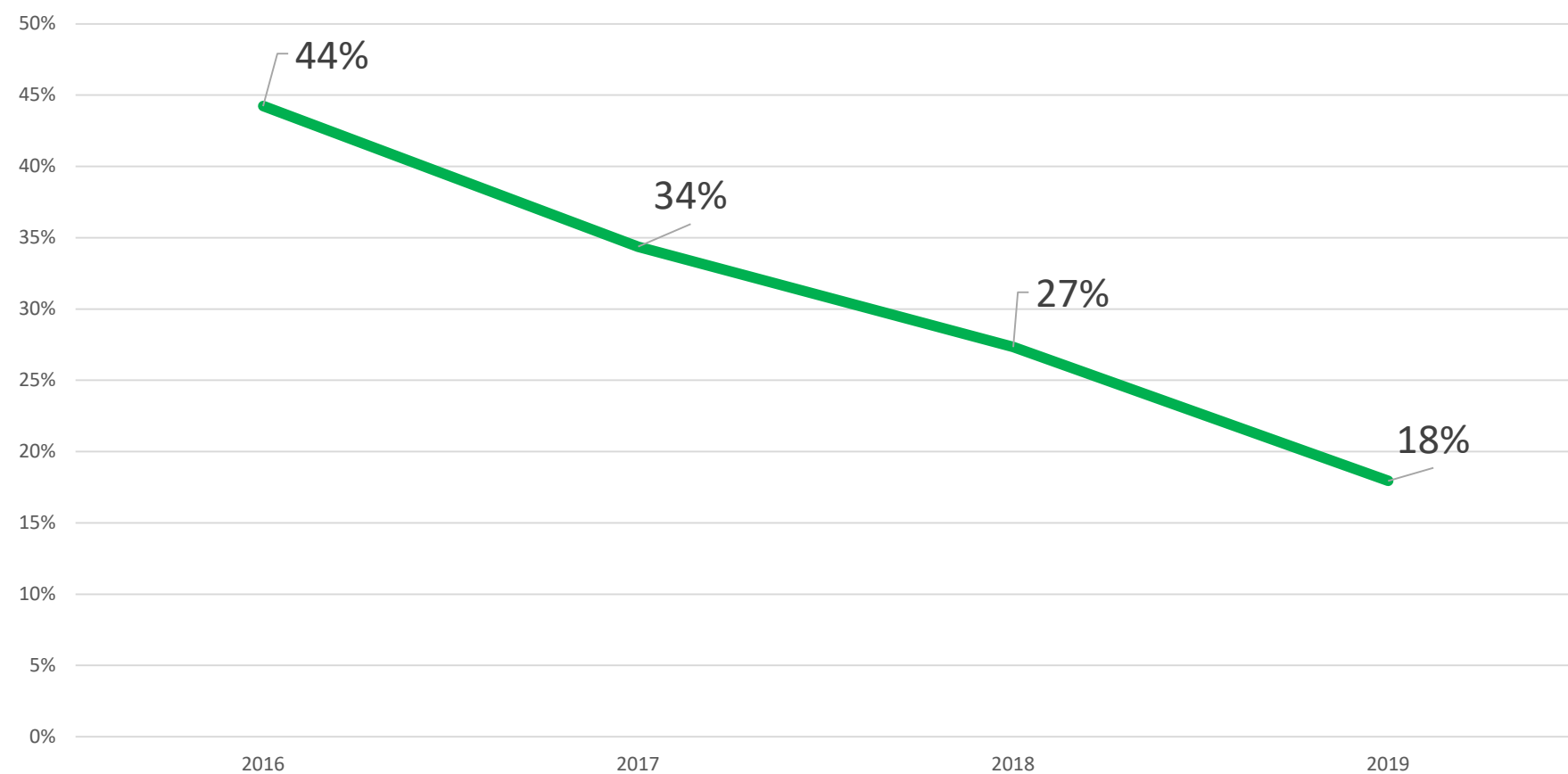
# Cash Flow 2016-2019

Inflows from operational activities

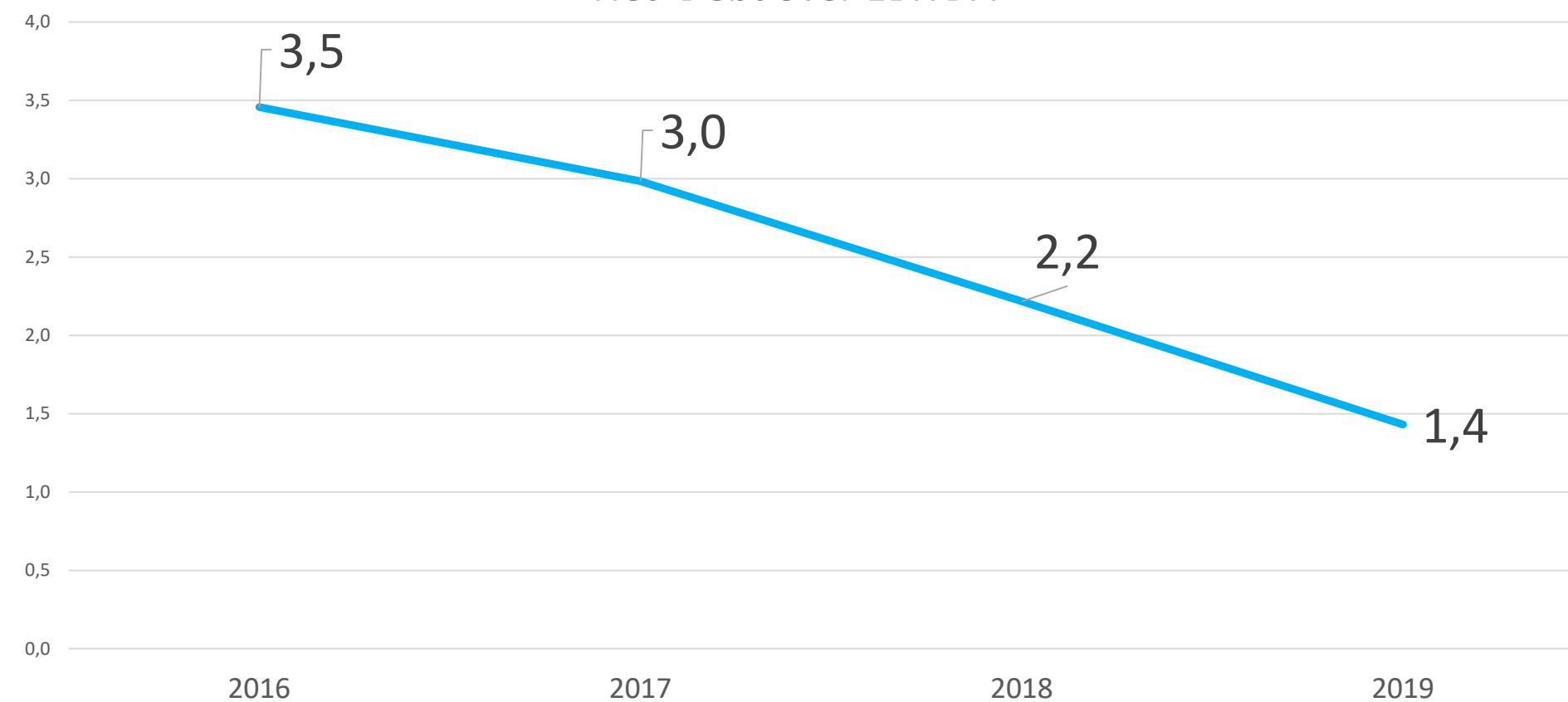


- Continuous Improvement
- Increased operational inflows finance capex

Net Debt over Turnover



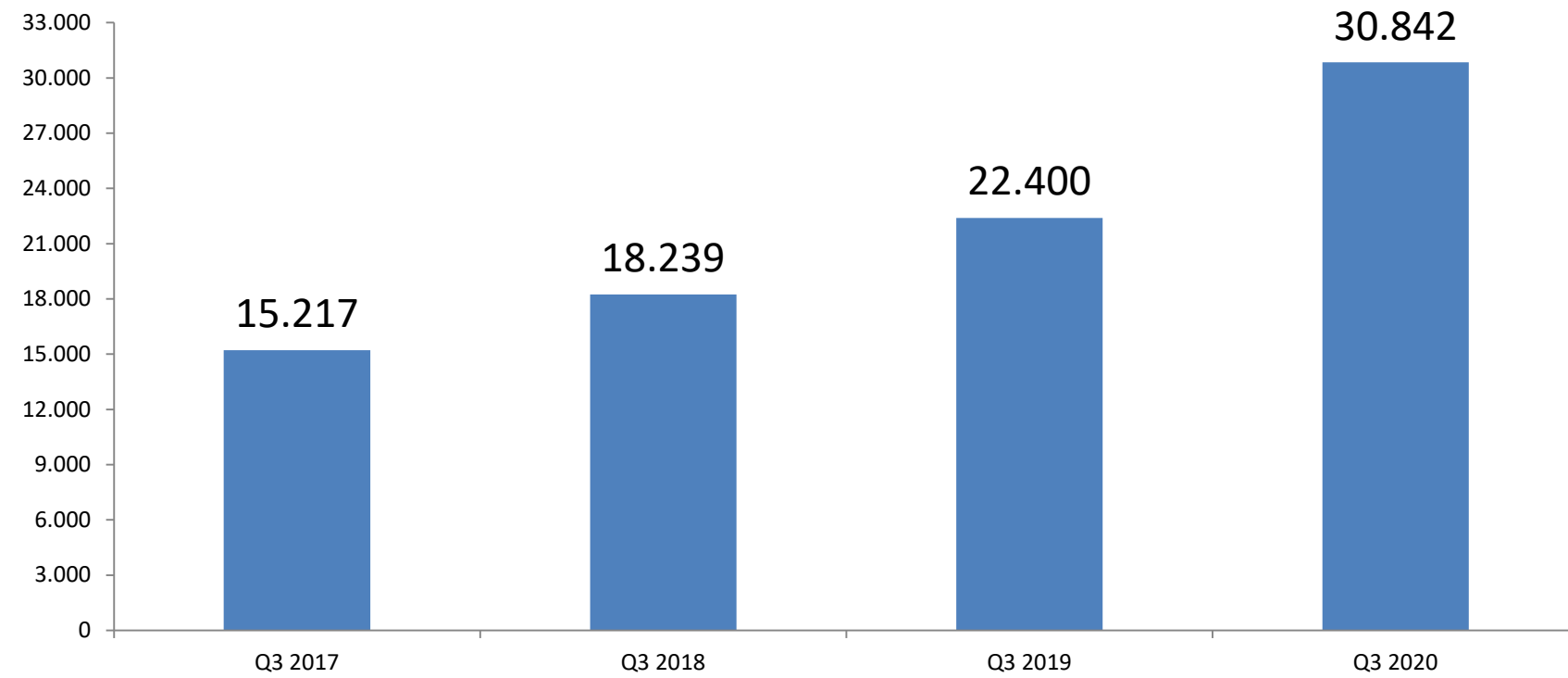
Net Debt over EBITDA



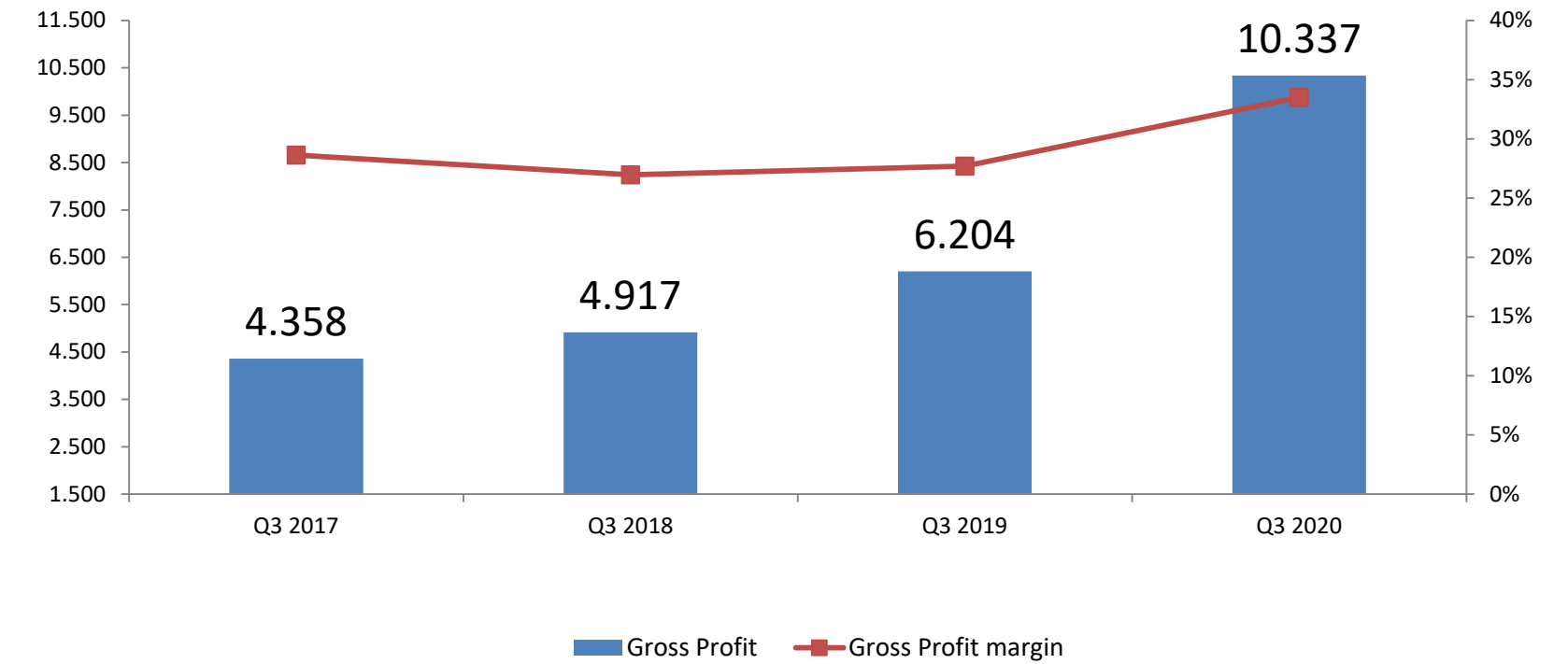


# KEY FIGURES Q3 2020 in '000 Euro

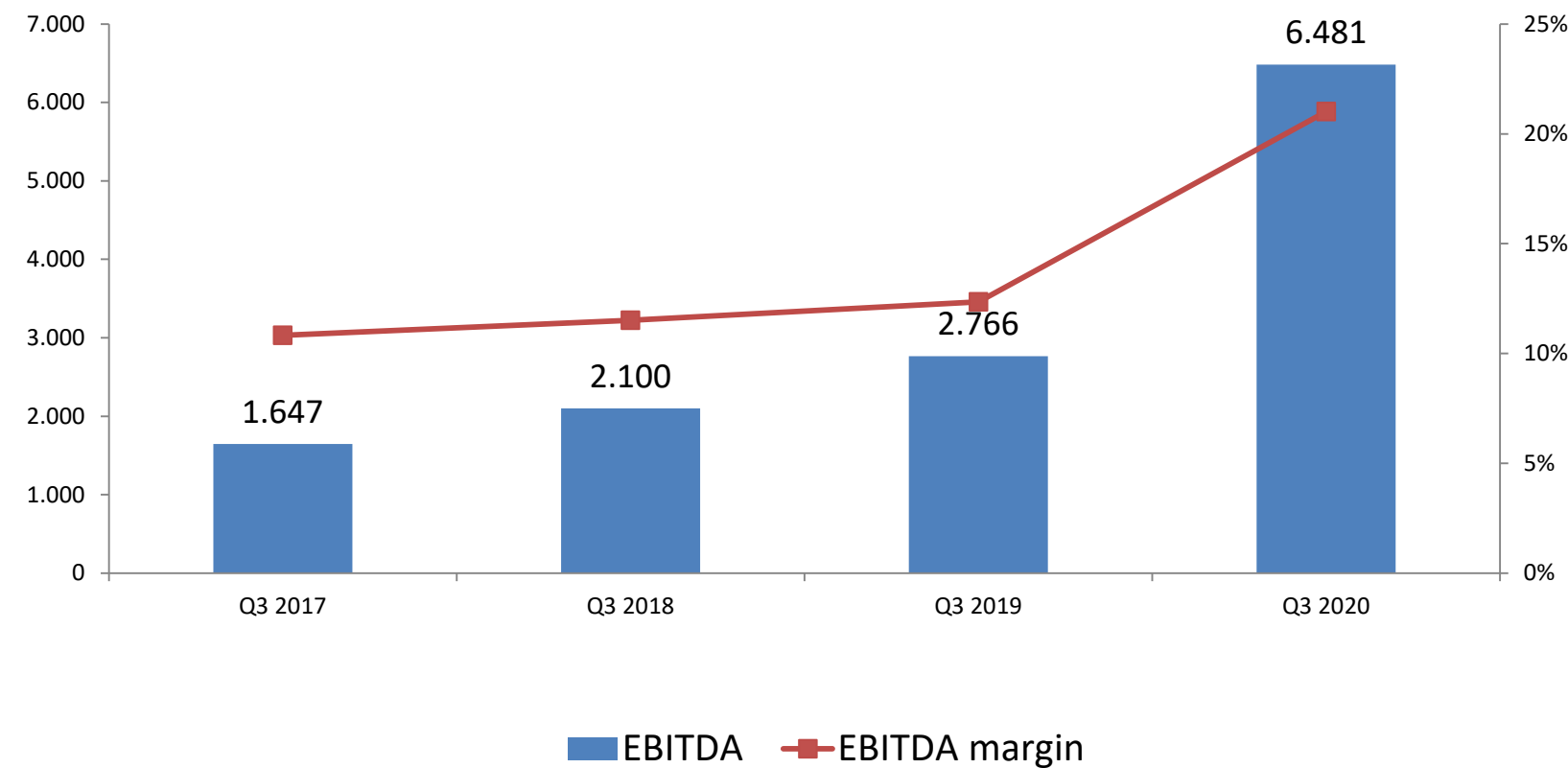
## Sales



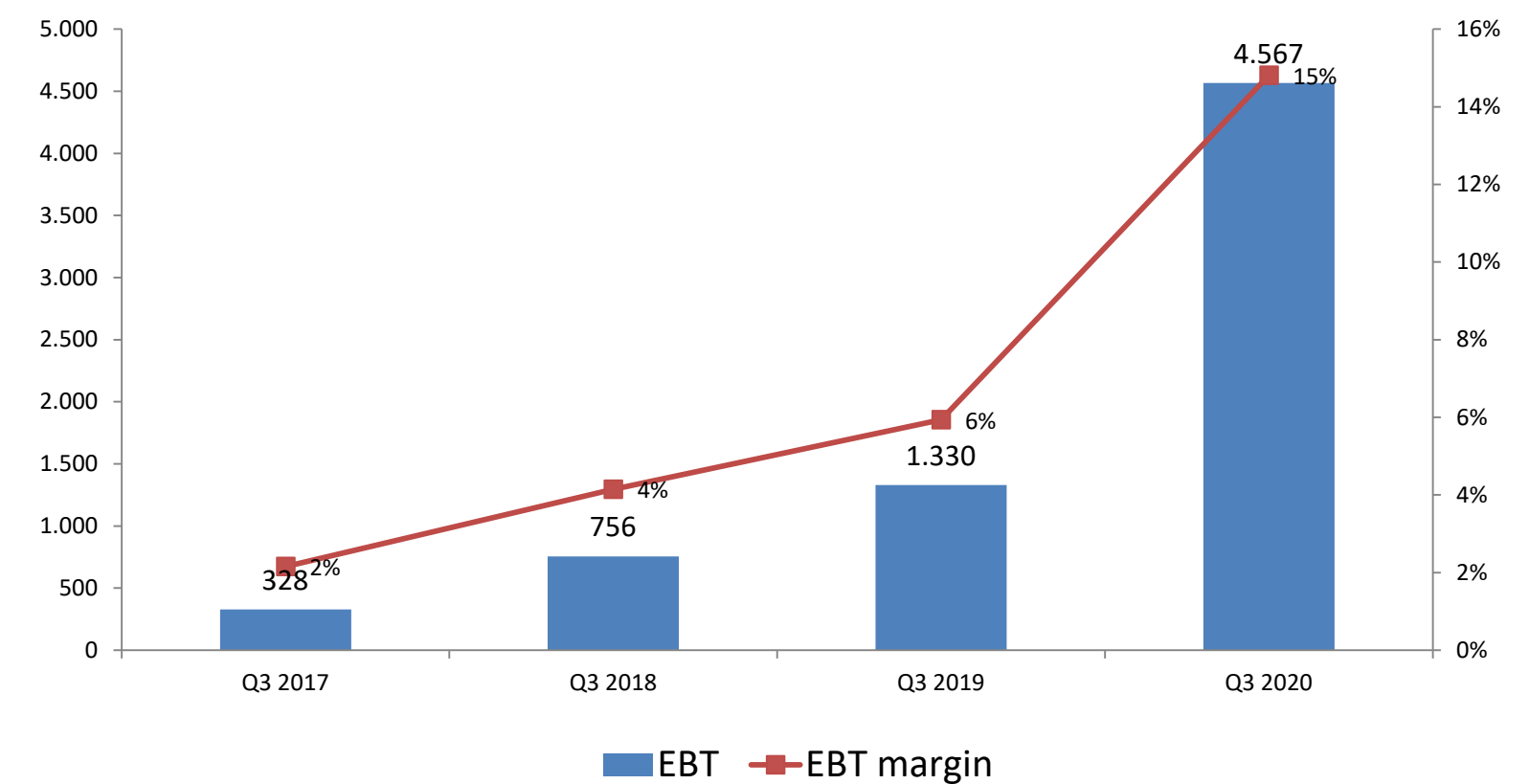
## Gross Profit & Gross Profit margin



## EBITDA (\*) & EBITDA Margin



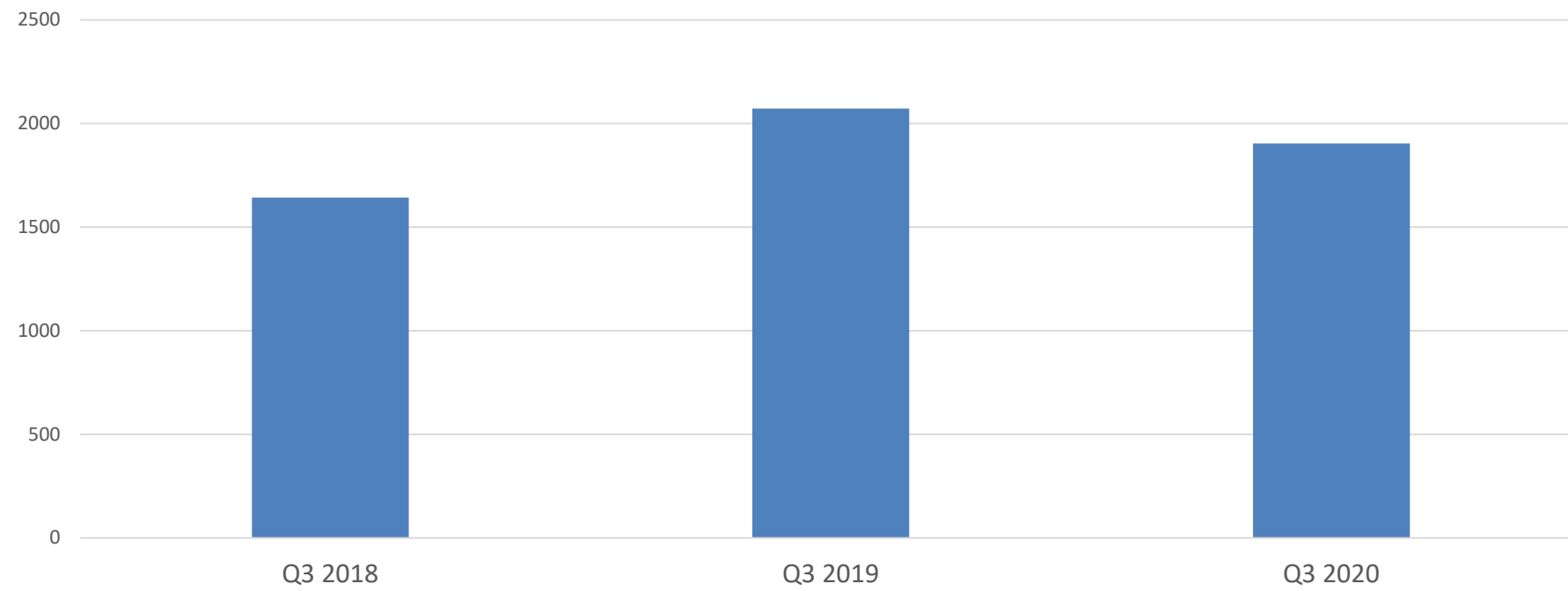
## EBT & EBT Margin



(\*) EBITDA: EBIT plus Depreciation

# Cash Flow YTD September 2018-2020

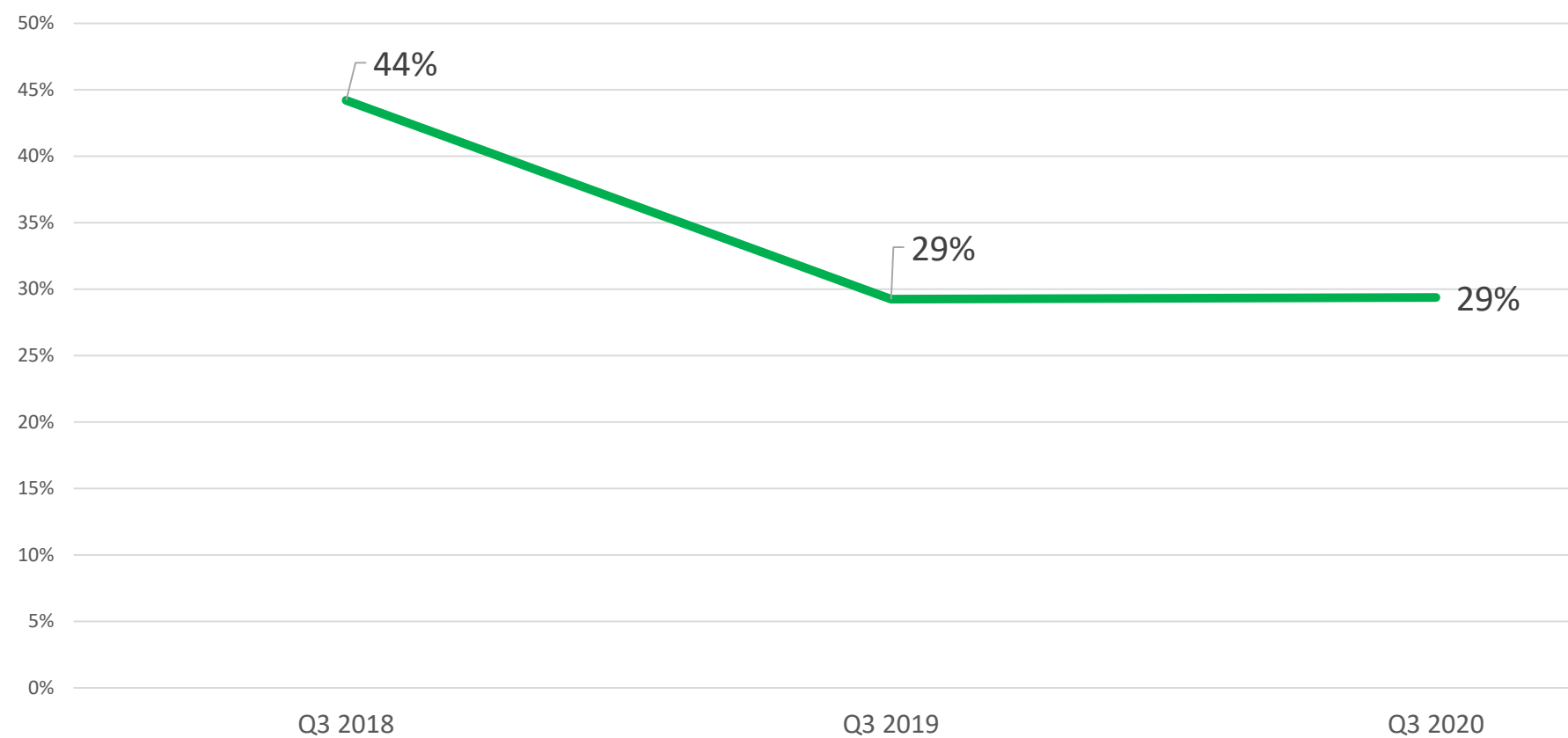
Inflows from operational activities



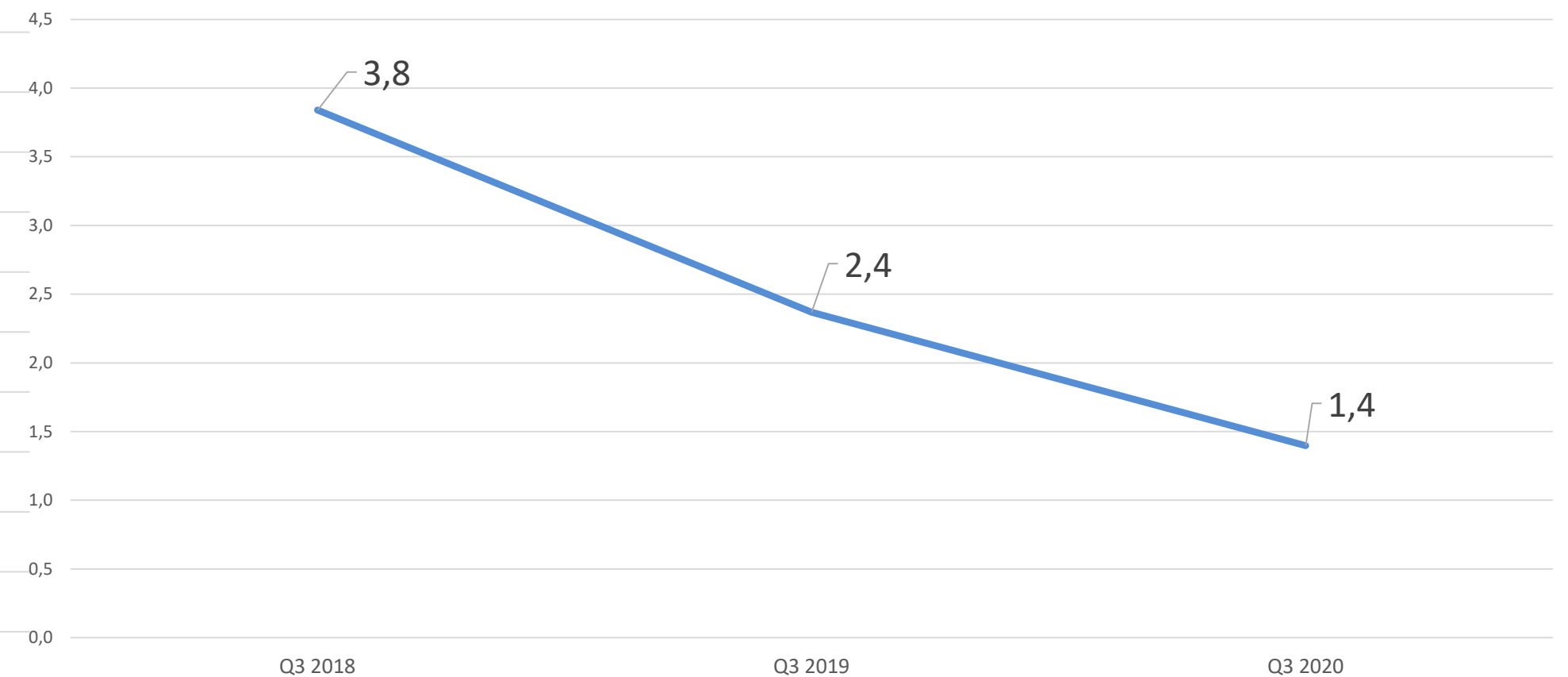
Net Debt over EBITDA dropped to 1,4 (vs 2,4 Q3 2019) despite the increased needs for:

- Capex: 4,2 mil aiming to significantly increased production capabilities
- Receivables: 1,5 mil VAT due to reduction to 6%
- Inventory: 3,6 mil increase vs Q3 2019, to successfully address:
  - Multiple new projects
  - Potential shortage of materials due to Covid-19
  - Increased production complexity due to increased demand
- Inventory levels are expected to decrease by EOY

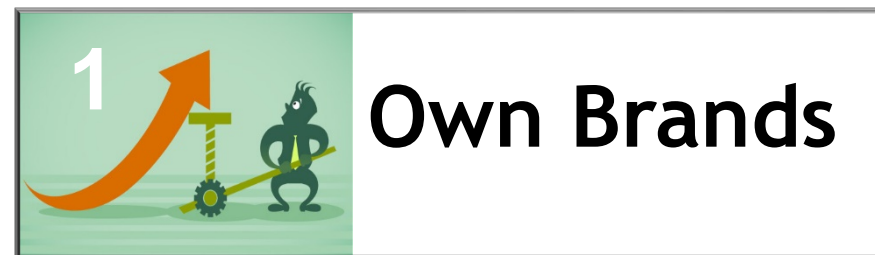
Net Debt over Turnover



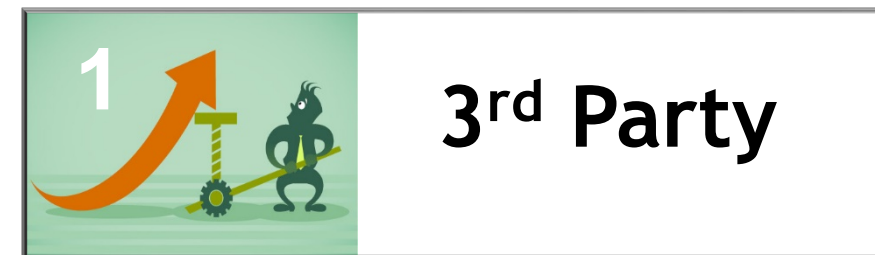
Net Debt over EBITDA



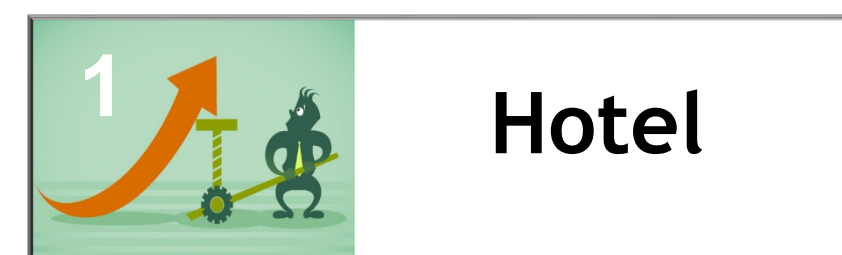
# 2020 at glance: Further significant improvement of Profitable Growth in Greece and abroad, with sustainable building for tomorrow initiatives



- Significant revenue growth in Greece
- Swift and successful entry into biocides & disinfectants, achieving strong leadership in retail



- New large scale cooperation with a German multinational company
- Further expansion of collaboration with pre-existing large customer



- Segment suffers significant losses in Greece and abroad due to external environment



- Further increase in revenue
- Expansion of customer base

## With:

- Major CAPEX program that will lead to doubling of Soap Noodles and Bar Soap capacity by Q1-2021
- EBRD long term loan of 5 mil Euro
- Effectively managed Covid-19 challenge with urgency and responsibility
- Return to shareholders 1,25 m vs 0,5 m in 2019

# In 2021 we will further accelerate profitable growth, through targeted plans and initiatives

## Own Brands

- Own brands repositioning and expansion to drive penetration and market share growth
- Route to market change by serving Modern Trade Directly to gain full ownership
- New Collaboration with external sales team to drive excellence in execution at the point of sale
- Expansion of Antiseptic / Sanitizing range

## 3<sup>rd</sup> Party

- Further expansion of collaboration with leading multinational players
- Initiation of collaboration with new customers

## Hotel

- Market segment is expected to partially recover reaching 50% of 2019 & +50% vs 2020
- Start serving additional international chains in Europe with dispensers
- Focus on cutting-edge, environmental friendly propositions to lead the industry's sustainability agenda

## Specialty Soap Noodles

- Start in-house production of Syndet bases in new plant
- Further expand product range and customer base

## Some Comments Regarding 2021:

- In terms of sales expect again double-digit growth vs 2020
- Further consolidation of position as main soap producer in Europe
- Combined sales of hotel amenities and sanitizers at least at the same level as in 2020
- Further profitability and operational cash flow improvement
- Reduced need for additional CAPEX (new projects not considered)
- Distribution/return to shareholders at least at 2020 levels
- Further focus on Environmental, Social and Governance aspects



**Thank you**  
for your trust &  
confidence

