

Thursday, December 1<sup>st</sup> 2022

## FINANCIAL RESULTS OF THE NINE-MONTH PERIOD OF 2022

Achieving a stable, sustainable, and significantly higher recurring profitability  
Significantly enhanced potential compared to the pre-pandemic levels

**ATHEX:** PLAT  
**Reuters:** THRr.AT  
**Bloomberg:** PLAT GA

### *Nine-month Highlights (continuing operations):*

- **Turnover of €316.1 mil.**
- **EBITDA amounted to €42.6 mil.**
- **Earnings before Taxes (EBT) amounted to € 32.2 mil. out of which, €22.3 mil. relate to the traditional product portfolio.**
- **Net Debt amounted to €25.6 mil.**

Thrace Group presents the financial results for the nine-month period of 2022.

### **Financial Results**

The Group's **Turnover from continuing operations amounted to €316.1 mil.**, versus € 341.6 mil. in the nine-month period of the previous year, posting a drop of 7.5%, while **Earnings before Taxes (EBT) from continuing operations amounted to €32.2 mil.**, while in the nine-month period of 2021, EBT amounted to €81 mil., as a result of the significantly decreased demand in products related to COVID-19. More specific, from the €32.2 mil. of EBT, €22.3 mil. relate to the traditional product portfolio, €5.3 mil. were generated from sales of personal protection products related to COVID-19 and € 4.6 mil. concerned extraordinary profits. **As there is more direct comparison between the 9-month period of 2022 and the pre-pandemic levels, i.e. the 9-month period of 2019, it should be noted that Earnings before Taxes from the traditional product portfolio, recording an increase of 89.4%.** This also demonstrates the significantly higher profitability that was generated amid especially difficult market conditions globally during the period under consideration along with the higher costs in terms of raw materials, energy and transportation.

More specifically, the following table depicts the key financial figures from continuing operations of the Group during the nine-month period in relation to the corresponding period of 2021. It is noted that the discontinued operations concern the termination of production activities of the US subsidiary Thrace Linq Inc.

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<b>CONSOLIDATED FINANCIAL RESULTS (in € thous.)</b>	<b>30/09/2022</b>	<b>30/09/2021</b>	<b>Change (%)</b>
<b>Turnover (Continuing Operations)</b>	<b>316,068</b>	<b>341,575</b>	<b>-7.5%</b>
<b>Gross Profit (Continuing Operations)</b>	<b>70,235</b>	<b>122,072</b>	<b>-42.5%</b>
<b>EBIT* (Continuing Operations)</b>	<b>27,034</b>	<b>80,137</b>	<b>-66.3%</b>
<b>EBITDA* (Continuing Operations)</b>	<b>42,571</b>	<b>96,670</b>	<b>-56.0%</b>
<b>Adjusted EBITDA* (Continuing Operations)</b>	<b>42,571</b>	<b>97,052</b>	<b>-56.1%</b>
<b>EBT (Continuing Operations)</b>	<b>32,180</b>	<b>80,954</b>	<b>-60.2%</b>
Earnings after Taxes (Continuing Operations)	26,814	65,138	-58.8%
Earnings/(Losses) after Taxes (Discontinued Operations)	-49	6,531	
<b>Earnings after Taxes (Total Operations)</b>	<b>26,765</b>	<b>71,669</b>	<b>-62.7%</b>
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	26,414	64,731	-59.2%
Earnings/(Losses) after Taxes and Non-Controlling Interests (Discontinued Operations)	-49	6,531	
<b>EATAM (Total Operations)</b>	<b>26,365</b>	<b>71,262</b>	<b>-63.0%</b>
Basic Earnings per Share (Continuing Operations) (in €)	0.6111	1.4928	-59.1%
Basic Earnings / (Losses) per Share (Discontinued Operations) (in €)	-0.0011	0.1506	
<b>Basic Earnings per Share (Total Operations) (in €)</b>	<b>0.6100</b>	<b>1.6434</b>	<b>-62.9%</b>

The following were observed during the third quarter of 2022:

- Stable demand for products in the construction sector.
- Steady demand for products related to the infrastructure sector and to the large-scale construction projects.
- Lag in demand for most of the products of the agricultural sector.
- Steady demand for products related to the packaging sector.
- Significantly decreased demand for products related to COVID-19.
- Small decline of the cost of raw materials.
- Significantly increased energy cost in all countries which the Group is operating in, with significant volatility from month to month.
- Steadily increased transport costs, with minor de-escalation on specific routes.
- Significantly increased cost of raw materials as well as of packaging materials.

### Prospects of the Group

Regarding **the prospects for the year 2022**, the Management closely monitors the macroeconomic developments, on a global level, which are characterized by the significantly stronger inflationary trends, throughout the economy but also in all cost items that constitute the industrial sector's cost base and the ongoing slowdown of demand, which is substantially aggravating the economic environment.

Regarding **the fourth quarter of 2022**, the Management of the Group closely monitors and adapts, in the most feasible manner, to the changes taking place at the macroeconomic level and to the clearly more difficult conditions compared to the previous months of the year. In this context, the Management is taking measures to maximize the Group's financial performance to the greatest possible extent and given the unfavorable market conditions, with a parallel effort to effectively manage the operational risks that arise each time. However, the

high level of inflation, the significant decline in demand, as a result of uncertainty and of the customers' effort to reduce their inventory levels, as well as the extremely high energy cost, comprise factors that are outside the Group's control therefore creating a very difficult financial environment. In this context and with regard to the fourth quarter, as expected and also due to the seasonality of the operating segments, the Management anticipates a lower profitability compared to the previous quarters of the current year. It should be also noted that the last quarter of each year is traditionally the weakest one in terms of profitability. Therefore, a relatively small deviation from the budget's target (€25 mil.) is estimated in terms of Earnings before Taxes related to the traditional portfolio, however **the annual profitability will remain at significantly higher levels, and more than double than the pre-pandemic levels**, while the overall Earnings before Taxes will by far exceed the expectations, demonstrating Group robustness and potential.

With regard to the financial results of the nine-month period of 2022, **Mr, Dimitris Malamos, CEO of the Group**, commented: **"The Group managed for another quarter to achieve stable, sustainable, but also significantly higher recurring profitability, compared to pre-pandemic levels**, despite the particularly tough conditions prevailing in the global economy. We have laid the foundations for long-term improvement and growth, within conditions of intense uncertainty, inflationary pressures and low demand. **We continue to implement both the planned and the extraordinary investment plan, totalling €42 mil. on a cash basis for 2022.** The Group's investments are financed to a significant extent with own funds, while they are implemented mainly in our facilities in Greece, but also in the other countries of operation and are part of the broader **three-year investment plan of the period 2020-2022 which, as we have already announced, has settled at €102 mil.** We are ensuring our dynamic development course aiming **at an additional increase in production volume, at the continuous improvement of the product mix and profitability, as well as at a higher level of recycling within the framework of a holistic sustainable development for the THRACE PLASTICS Group"**.

For further clarifications or information regarding the present release you may refer to the Department of Investor Relations and Corporate Announcements, tel,: + 30 210-9875081.

**ANALYSIS OF FINANCIAL RESULTS OF THE NINE-MONTH PERIOD 2022 (in € thousand)**

STATEMENT OF COMPREHENSIVE INCOME OF THE NINE-MONTH PERIOD 2022	9M 2022	9M 2021	Change (%)
<b>Turnover (Continuing Operations)</b>	<b>316,068</b>	<b>341,575</b>	<b>-7.5%</b>
<b>Gross Profit (Continuing Operations)</b>	<b>70,235</b>	<b>122,072</b>	<b>-42.5%</b>
<b>Gross Profit Margin</b>	22.2%	35.7%	
Other Operating Income	1,831	1,170	56.5%
Sales & Distribution Expenses	30,916	26,666	15.9%
As % of Turnover	9.8%	7.8%	
Administrative Expenses	12,582	13,444	-6.4%
As % of Turnover	4.0%	3.9%	
Research & Development Expenses	1,614	1,383	16.7%
As % of Turnover	0.5%	0.4%	
Other Operating Expenses	981	2,550	-61.5%
Other Income / (Losses)	1,061	938	13.1%
<b>EBIT* (Continuing Operations)</b>	<b>27,034</b>	<b>80,137</b>	<b>-66.3%</b>
<b>EBIT Margin</b>	<b>8.6%</b>	<b>23.5%</b>	
<b>EBITDA* (Continuing Operations)</b>	<b>42,571</b>	<b>96,670</b>	<b>-56.0%</b>
<b>EBITDA Margin</b>	<b>13.5%</b>	<b>28.3%</b>	
<b>Adjusted EBITDA* (Continuing Operations)</b>	<b>42,571</b>	<b>97,052</b>	<b>-56.1%</b>
<b>Adjusted EBITDA Margin</b>	<b>13.5%</b>	<b>28.4%</b>	
Financial Cost (Net)	2,355	-2,019	
Earnings / (Losses) from Companies consolidated with the Equity Method	2,791	2,836	-1.6%
<b>EBT (Continuing Operations)</b>	<b>32,180</b>	<b>80,954</b>	<b>-60.2%</b>
<b>EBT Margin</b>	<b>10.2%</b>	<b>23.7%</b>	
Income Tax	5,366	15,816	-66.1%
Earnings / (Losses) after Taxes (Continuing Operations)	26,814	65,138	-58.8%
Earnings / (Losses) after Taxes (Discontinued Operations)	-49	6,531	
<b>Earnings / (Losses) after Taxes (Total Operations)</b>	<b>26,765</b>	<b>71,669</b>	<b>-62.7%</b>
<b>EAT Margin</b>	<b>8.5%</b>	<b>21.0%</b>	
EATAM (Continuing Operations)	26,414	64,731	-59.2%
Earnings / (Losses) after taxes & Non Contr, Interests (Discont, Operations)	-49	6,531	
<b>EATAM (Total Operations)</b>	<b>26,365</b>	<b>71,262</b>	<b>-63.0%</b>
<b>EATAM Margin</b>	<b>8.3%</b>	<b>20.9%</b>	
Earnings per Share (from Continuing Operations)	0.6111	1.4928	-59.1%
Earnings / (Losses) per Share (from Discontinued Operations)	-0.0011	0.1506	
<b>Earnings per Share from Total Operations (in Euro)</b>	<b>0.6100</b>	<b>1.6434</b>	<b>-62.9%</b>

FINANCIAL RESULTS PER BUSINESS SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	9M 2022	9M 2021	% Change	9M 2022	9M 2021	% Change	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
Turnover	222,514	257,670	-13.6%	103,854	91,692	13.3%	4,300	3,982	-	-	316,068	341,575
Gross Profit	49,021	101,133	-51.5%	20,840	20,774	0.3%	363	-163	14,600	11,769	70,235	122,072
Gross Profit Margin	<b>22.0%</b>	<b>39.2%</b>		<b>20.1%</b>	<b>22.7%</b>		<b>8.4%</b>	<b>-4.1%</b>	-	-	<b>22.2%</b>	<b>35.7%</b>
Total EBITDA	27,970	82,600	-66.1%	14,520	14,732	-1.4%	28	-620	53	-42	42,571	96,670
EBITDA Margin	<b>12.6%</b>	<b>32.1%</b>		<b>14.0%</b>	<b>16.1%</b>		<b>0.7%</b>	<b>-15.6%</b>	-	-	<b>13.5%</b>	<b>28.3%</b>

Statement of Financial Position	30/09/2022	31/12/2021	Change (%)
Property, Plant & Equipment	164,917	153,848	7.2%
Right-of-use Assets	2,533	3,051	-17.0%
Investment Property	113	113	0.0%
Intangible Assets	10,444	10,539	-0.9%
Investments in Joint Ventures	21,215	18,012	17.8%
Other Long-term Receivables	1,594	5,001	-68.1%
Deferred Tax Assets	408	380	7.4%
<b>Total Fixed Assets</b>	<b>201,224</b>	<b>190,944</b>	<b>5.38%</b>
Inventories	80,517	71,835	12.1%
Income Tax Prepaid	1,859	274	578.5%
Trade Receivables	79,859	64,547	23.7%
Other Receivables	12,485	14,359	-13.1%
Cash & Cash Equivalents	36,471	63,240	-42.3%
<b>Total Current Assets</b>	<b>211,191</b>	<b>214,255</b>	<b>-1.43%</b>
<b>TOTAL ASSETS</b>	<b>412,415</b>	<b>405,199</b>	<b>1.8%</b>
<b>TOTAL EQUITY</b>	<b>264,313</b>	<b>252,250</b>	<b>4.8%</b>
Long-term Debt	38,564	33,610	14.7%
Liabilities from Leases	1,595	2,061	-22.6%
Provisions for Employee Benefits	1,619	3,499	-53.7%
Other Long-term Liabilities	7,180	6,979	2.9%
<b>Total Long-term Liabilities</b>	<b>48,958</b>	<b>46,149</b>	<b>6.1%</b>
Short-term Debt	21,067	17,393	21.1%
Liabilities from Leases	875	914	-4.3%
Suppliers	51,546	55,441	-7.0%
Other Short-term Liabilities	25,656	33,052	-22.4%
<b>Total Short-term Liabilities</b>	<b>99,144</b>	<b>106,800</b>	<b>-7.2%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>412,415</b>	<b>405,199</b>	<b>1.8%</b>

Statement of CashFlows	01/01/2022- 30/09/2022	01/01/2021- 30/09/2021
Cash flows from operating activities	(2,611)	85,227
Cash flows from investing activities	(26,674)	(18,557)
Cash flows from financing activities	3,460	(32,020)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(25,825)</b>	<b>34,650</b>
Cash and cash equivalents at beginning of period	63,240	40,824
Effect from changes in foreign exchange rates on cash reserves	(944)	769
<b>Cash and Cash Equivalents at end of period</b>	<b>36,471</b>	<b>76,243</b>

**\* Note**

**Alternative Performance Measures (APM):** During the description of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized,

**EBIT (The indicator of earnings before the financial and investment activities as well as the taxes):** The EBIT serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses, before the financial and investment activities and taxes, The EBIT margin (%) is calculated by dividing the EBIT by the turnover,

**EBITDA (The indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes):** The EBITDA also serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities, and before taxes, The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover,

**Adjusted EBITDA (The adjusted indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes):** The adjusted EBITDA equals with the EBITDA excluding any extraordinary Expenses/Income,