

PRESS RELEASE

01 August 2024

Papoutsanis: Financial Results for the First Half of 2024

- **Strengthening of branded products by 19%.**
- **Exports account for 53% of turnover.**
- **Turnover for the first half of 2024 amounted to €31.7 million, compared to €32.2 million in the first half of 2023, a decrease of 1.4%.**
- **Significant improvement of 18% in gross profit, which reached €12.1 million compared to €10.3 million for the same period in 2023.**
- **EBITDA increased by 17%, amounting to €5.1 million compared to €4.3 million for the same period in 2023.**
- **Profit before taxes amounted to EUR 2.8 million for the first half of 2024 compared to EUR 2.3 million in the corresponding period of 2023.**
- **Profit after tax amounted to EUR 2.3 million compared to EUR 1.7 million in the corresponding period of 2023.**

	First semester 2024	First semester 2023	Variance
Turnover	€ 31.7 million.	€ 32.2 million.	-1,4%
Gross Profit	€ 12.1 million.	€ 10.3 million.	18%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ 5.1 million.	€ 4.3 million.	17%
Profit before tax	€ 2.8 million	€ 2.3 million.	20%
Profit after tax	€ 2.3 million.	€1.7 million.	32%

Overview of results

Turnover amounted to €31.7 million (compared to €32.2 million for the same period in 2023), reflecting a slight decrease of 1.4%, with the value of exports accounting for 53% of total turnover.

For the entire year, an increase in turnover is expected compared to 2023, as the new partnerships that are currently being implemented will be in full swing during the second half of 2024.

Regarding the contribution of the four business sectors to the overall figures, it is noted that 29% of total revenues come from sales of Papoutsanis-branded products in Greece and abroad, 18% from sales in the hospitality market, 36% from the production of products for third parties, and 17% from industrial sales of specialty soap bases.

The completion of the robust investment plan has created the necessary spare capacity (approximately 50% on average), setting the stage for new partnerships. The Company is in negotiations with major multinational and smaller companies for new projects that will further enhance turnover and profitability.

Gross profit amounted to €12.1 million compared to €10.3 million for the same period in 2023, showing an improvement of 18%. The gross profit margin also showed significant improvement, rising to 38% in the first half of 2024 from 32% in the first half of 2023, due to the strengthening of Papoutsanis-branded products and the reduction in production costs through the investment plan.

Operating expenses (sales, administrative, research, and development) amounted to €8.5 million in the first half of 2024 compared to €7.2 million for the same period last year, mainly due to increased expenses for promoting and supporting the sales of branded products, which are showing significant growth.

Net profits amounted to €2.3 million compared to €1.7 million for the first half of 2023, reflecting a 32% improvement. The income tax for the current year is reduced due to the completion of investments under Law 4399/2016, with subsidies being implemented through tax exemptions.

Overview by Business Sector

Branded Products: This category shows strong growth of 19% compared to the first half of 2023, largely due to the ARKADI brand. The entry of ARKADI into new categories, such as clothing care and dishwashing liquids, has resulted in a 73% increase in sales. Excluding ARKADI, sales of Papoutsanis-branded personal care products have increased by 7% in Greece compared to the first half of 2023, steadily gaining market share in a growing market (+3% in value for the January-June 2024 period compared to the same period last year, based on market data for organized retail in the categories where Papoutsanis operates). Finally, exports of Papoutsanis-branded products have shown dynamic growth in the first half of the year, recording a 34% increase compared to the same period in 2023.

Hotel Products: Sales of hotel products decreased by 17% in the first half of 2024. This decrease is attributed to sales of third-party hospitality products abroad, which, while remaining at satisfactory levels, have lagged compared to the same period last year due to exceptional one-time deliveries at the beginning of 2023.

Sales of Papoutsanis-branded hotel products, however, showed positive results with a 4.5% increase, driven by exports. Exports nearly doubled in the first half of 2024 (+87%) compared to the same period last year, establishing strong foundations for dynamic growth and enhancing the presence of Papoutsanis brands internationally.

Third party products (industrial sales, private label): sales of this category were down 10%, a trend driven by foreign markets and expected to reverse by the end of the year.

Industrial sales of soap bases: Sales of the soap bases category increased by 9% compared to the first half of 2023.

For the second half of the year:

- The pillar of Papoutsanis **branded products** is a strategic priority and is expected to continue its dynamic double-digit growth and market share increase, through the enrichment of the product range, significant advertising support and the strengthening of its presence in stores, as well as by entering new categories with ARKADI as the main vehicle. At the same time, exports of branded products are growing at a double-digit rate.
- The branded **hotel products** sector is expected to continue its growth path in the second half of 2024, mainly driven by the significant growth of exports. At the same time, production of hotel products for third parties will move to significantly higher levels than in the second half of 2023, leading the overall hotel products pillar to grow significantly in the second half of 2024 compared to the same period last year.
- **The third-party production** category is expected to strengthen in the second half of the year compared to the first half, thanks to the gradual integration of the cooperation with a large multinational company as well as other smaller ones.



- Sales of the **soap bases** category are estimated to follow the same upward trend in the second half of 2024. The Company's objective remains the continuous expansion of its customer base and the further development of the codec and synthetic soap masses.