

PRESS RELEASE

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PAPOUTSANIS: Financial Results 2024

- **Strengthening of branded products by 17%.**
- **Exports account for 55% of turnover.**
- **Turnover amounted to EUR 66,2m compared to EUR 62,3m in 2023, up by 6%.**
- **Significant improvement of 16% which amounted to EUR 24,7m compared to EUR 21,2m in 2023.**
- **EBITDA increased by 15%, amounting to EUR 10,6m compared to EUR 9,2m in 2023.**
- **Profit before tax amounted to EUR 6,1m in 2024 compared to EUR 5m in 2023.**
- **Profit after tax amounted to EUR 5,3m compared to EUR 4,1m in 2023.**

	2023	2024	Change
Sales	62.274.595	66.199.508	6%
Gross profit	21.239.054	24.690.394	16%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	9.216.593	10.587.411	15%
Profit before tax	5.035.351	6.052.380	20%
Profit after tax	4.081.318	5.273.523	29%

Results overview

In the year 2024, the Company's turnover amounted to EUR 66.2 million (compared to EUR 62.3 million in the corresponding period of 2023), an increase of 6.3%, with the value of exports representing 55% of total turnover.

Regarding the contribution of the four business segments to the 2024 turnover, 30% of the total revenue comes from sales of PAPOUTSANIS branded products in Greece and abroad, 17% from sales to the hotel market, 36% from third party manufacturing and 17% from sales of specialty soap bases.

In 2024, there was an improvement in all the Company's profitability indicators. More specifically, gross margin reached EUR 24.7 million compared to EUR 21.2 million, an improvement of 16% thanks to the greater contribution of branded products in the retail and hotel market to total sales, as well as the completion of the strong investment plan of the previous years. As a result, a significant reduction in industrialisation costs has been achieved while boosting turnover growth prospects through new agreements as there is the potential to offer higher quality products at competitive prices. The completion of the strong investment plan of recent years has created the necessary free capacity (approximately 50% on average), setting the right conditions for new partnerships. The Company has already agreed with existing and new customers, new projects which will be implemented within 2025 and will further enhance its turnover and profitability.

Gross profit in FY 2024 amounted to EUR 24.7 million compared to EUR 21.2 million in FY 2023, improved by 16% thanks to the higher contribution of branded products in the retail and hotel market to total turnover, as well as the reduction in production costs resulting from the investment plan of the previous years. Gross profit margin was 37% compared to 34% in 2023.

The Company's distribution, administrative and research and development expenses amounted to EUR 17.3 million in FY 2024 compared to EUR 14.6 million in FY 2023, representing an increase of 19%, mainly due to the enhanced promotion and promotional plan of Papoutsanis' branded retail products to support the strong growth of this strategic pillar and the Company's entry into new, large categories such as home care.

Earnings before interest, taxes, depreciation and amortization amounted to EUR 10.6 million compared to EUR 9.2 million in 2023, up 15%. EBITDA is the sum of earnings before tax, net finance costs, depreciation and amortisation and grant's depreciation.

The Company's profit before tax amounted to EUR 6.1 million, compared to a profit of EUR 5.0 million in 2023, an improvement of 20%. Profit after tax amounted to EUR 5.3 million compared to a profit of EUR 4.1 million in 2023, improved by 29%.

Overview by Activity Sector

Branded Products: This category shows strong growth of 17% compared to 2023, primarily driven by the ARKADI brand (+69% vs. 2023), and exports (+22% vs. 2023). Excluding the aforementioned areas, sales of PAPOUTSANIS branded products show

6% growth compared to 2023, more than offsetting the decline in the antiseptic category (-14% compared to 2023), thanks to the enrichment of the product portfolio with innovative products, entry into important new categories, dynamic promotional support and further strengthening of distribution and product image in stores.

Hotel Products: Sales in this category increased by 3.5% in 2024, with the main contributor being the PΑPOUTSANIS branded hotel products sales. At the same time, third-party hotel product sales abroad maintained 2023 levels, reversing the first half downward trend in 2024, which was due to a high base in the previous year.

In particular, sales of Papoutsanis branded hotel products increased by 9%, driven by exports, which achieved a strong double-digit rate in 2024 (+53%) compared to 2023, creating the base for further strengthening Papoutsanis hotel amenities abroad. Domestic sales of PΑPOUTSANIS branded hotel products maintained 2023 levels, increasing by 1%.

Third party products (industrial sales, private label)

Third party contract manufacturing sales were at satisfactory levels and closed 2024 down 2.8% compared to 2023 having covered most of the first half of the year (-10% year-on-year), as significant new partnerships started to pay off. In particular, the category strengthened in the second half of 2024, following the launch of a partnership with a major multinational, with a new product portfolio gradually developed during the year, while building a strong base for 2025 as the partnership is in full swing.

Industrial soap sales: In the soap bases category, sales increased by 14% compared to 2023, driven by the expansion of partnerships and product ranges. The Company's goal remains to continuously expand its customer base and further develop its synthetic soap bases.

Objectives and prospects – Projected course

Outside factors affecting the environment in which Papoutsanis operates remain volatile. In this context, the Company has developed strategies and tactics to further improve both profitability and turnover, such as:

- **Increased competitiveness and flexibility of our Ritsona plant**, as a result of the completion of our three-year investment plan, which ensures:
 - significant overcapacity (50% on average), allowing for new partnerships and limited investment for the next 2-3 years,
 - reduction of production costs thanks to technologically modern equipment that allows competitive prices to our customers and improved profitability,
- priority to sustainability-driven development through the installation of photovoltaic panels, which will be operational from December 2024, contributing to the reduction of the environmental footprint, while at the same time contributing to further improving production costs.
- **Expansion of the participation of Papoutsanis branded products - consumer and hotel products - in the Company's total turnover** with:
 - dynamic growth in major new markets (home care) in order to increase the penetration and market share of our branded consumer products,
 - focus on innovation and sustainability with new proposals and solutions that give a competitive advantage to our branded ranges in Greece and abroad.
- **Inclusion of new important customers in the third party production category while expanding our customer base.**
- **Strengthening and empowering the Company's people**
 - Continuous training and development of human resources skills.
 - A flat and efficient organisational structure, allowing for speed and flexibility.
 - Attracting and retaining talent in strategic positions of the Company.
- **Ensuring economic vitality and sustainable growth on strong foundations and creating value for all stakeholders:**
 - restructuring and rationalisation of expenditure,
 - limiting borrowing by optimising the parameters affecting it (stocks, trade receivables, liabilities and investment control).

Business outlook

For the year 2025, the Company aims to develop the activity and improve profitability. In particular, the Company expects double-digit growth in turnover, as a result of the expansion of existing ones and the launch of significant new partnerships in the pillars of third-party producers and industrial soap noodles. In addition, a significant further strengthening of the branded products category is expected, as already from 2024

Papoutsanis has expanded into the home care category in addition to personal care products, in which it has traditionally been active for decades.

More specifically per category:

- The pillar of Papoutsanis branded products is a strategic priority and is expected to maintain its dynamic growth in 2025, through the enrichment of the product range and greater establishment in the home care category with new products. In addition, exports of our branded products are expected to be significantly strengthened in 2025.
- The hotel products sector is expected to be the main growth axis for Papoutsanis, as the forecasts for tourism are positive, both in Greece, after a record year in 2024, and abroad. At the same time, we continue to dynamically build on our long-term existing partnerships with strategic customers, while strong foundations have been laid for the development of exports of our branded hotel products to a number of new markets.
- Finally, the third party and specialty soapmaking categories are expected to continue their growth mainly through the expansion of the customer portfolio and further development of the range of products we produce for these customers, as well as the development of synthetic soapmaking.

The Management intends to propose to the Annual General Meeting of Shareholders the distribution of a dividend of a gross amount of €0,03 per share.