



**Sarantis S.A First Half 2024 Financial Results
Conference Call**

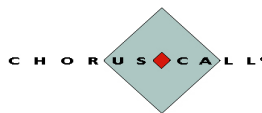
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Conductors:

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Conference Call Conducted by Chorus Call Hellas



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OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Vasilios, your Chorus Call operator. Welcome and thank you for joining Sarantis Group Conference Call and Live Webcast to present and discuss Sarantis Group First Half 2024 Financial Results.

At this time, I would like to turn the conference over to Mr. Giannis Bouras, Group CEO & Mr. Christos Varsos, Group Chief Financial Officer.

Gentlemen, you may now proceed.

BOURAS G: Hello, everyone. Welcome to our Half-Year Results call today. I'm together with Christos Varsos to share a latest update and a little bit more details on the numbers. And of course, we will be able to have all the questions at the end of the presentation.

Before we go into the numbers, as a reminder, I'd like to mention that in terms of our scope of work our competitive advantage and general strategy, things remain unchanged. So, the scope of Sarantis Group in our Central Eastern Europe territory, the categories that we are playing and participate in like the Home Care Solutions, Personal Care, and Beauty. Of course, acquisitions coming on top of these categories and, of course, the strategic partnerships. Sarantis Group remains focused on this direction. And of course, our competitive advantage that we're working even more every day to sharpen them up and, of course, continue

using them in a proper way, so the company continues to progress.

From our strategic priorities, of course, strong growth is a huge priority for us. And of course, we remain focused on the simplification and efficiency of the business, and up scaling and leading up the organization capability is also a key priority in order to move forward. So, regarding the categories just reminding that we are very consistent and, of course, focusing on our key priorities and they're all of the categories. Beauty and skin care, we're working on disproportionate growth. And I think you will see later from the numbers that this is happening, and we are very happy for that. Personal care is a core profit generator, a big category for Sarantis Group, and we are also very happy that this category is progressing exceptionally well.

And the Home Care Solutions is a significant growth driver for Sarantis in this category, of course, in 2024, we have the acquisition of Stella Pack that is boosting the numbers significantly into the First Half of the year. Strategic partnerships is a market leverage that we are, as I said before, fewer and stronger partnerships that we focus on the brands that our partners are producing and the innovation, and we have some great achievements in 2024 in this direction as well.

Coming to a summary of our numbers. The whole presentation is built in 2 dimensions. One is the total numbers, the reported numbers. But of course, we want

to be transparent to all of you, and we are sharing the comparable net sales, excluding Stella Pack. So, we can see the pure organic growth of the company and the organic development into our business. So, regarding the reported numbers, net sales grew by more than 30%, EUR302 million, reported EBITDA growth by 45%. We have good improvement also in the EBITDA margin, which is a key priority for us as we shared with you before. And of course, the reported EBIT plus 47.5% and of course, improvements in margin here as well.

When it comes to comparable numbers and, of course, the organic growth, I think we have a significant strong growth in the First Half of the year, 13.4%, which is I believe is a double-digit significant number for us and makes us very happy, which shows that our strategy, our priorities and our focus to drive things in the business are working well. And of course, respectively, we have EBITDA growth and EBIT growth ahead of top line, which is also a point that we are focusing and showing that the growth is sustainable and to the right direction.

Margins are also evolving, and this is showing also that our growth is healthy and sustainable as well. Great focus on the balance sheet and the net debt position and of course, working capital. We have continued to have improvements by 11 days. And of course, later on, Christos will share a little bit more details on the task and the movements for the First Half of the year. Of course, we have the enhancing of the shareholders'

value, dividend paid in May, EUR15 million, 50% versus the year before. And I think this is also significant for enhancing the shareholders' value.

Moving on to the categories. I think we have a great picture to share with you regarding the growth, both in volume and value, especially in the Beauty Skin and Sun Care that is a core disproportionate growth category for us as an objective. We have almost 37% organic growth because this category is pure organic growth. We don't have any acquisitions on this one. And I think that is proving that our focus from all our teams. And of course, the strategies we are implementing in this category are working well. And of course, increasing the contribution in total sales on this category.

Personal Care, we have a significant growth also here to almost 21%, which is a big category for us. Home Care Solutions, of course, we're enjoying the benefits of the acquisition integration of Stella Pack. Later on, Christos will share with you, numbers both organic as well, and with Stella Pack, so you will have more detail, including the EBIT of the category.

Private label, we have inherited together with Stella Pack private label business. So, we have almost doubled the business here and some spare capacity we had in Polipak factory has been fulfilled.

Of course, I'm just repeating that the strategy remains the same that the business of Sarantis Group is not

going to invest in the future for growing private label business and increasing capacity for private label. But of course, we have to utilize our current capacity to fulfil it with private label business that we are hoping in the future, we'll be able to change this capacity to the branded portfolio.

Strategic partnerships. We have a very good growth in the First Half of the year. That is coming via some very relevant and very good innovations coming from our partners resulting in a good growth for the First Half of the year.

Regarding the countries. Here I think we have a very strong performance from the big countries of the Group, including Greece, Poland and Romania. Of course, Greece 18.5% growth, I think, is exceptional and is ahead of the market massively as we are winning shares in the Greek market. And it's pure organic.

Poland, of course, including Stella acquisition, but later on you see also the organic growth that is quite good as well. Romania has a part of Stella brand as well, but also the organic business growth is significant. And then we have countries like Czech and Slovakia, West Balkans that they are having double-digit growth in tough market environments and Bulgaria, the same.

Now we have Ukraine, this year the situation in Ukraine is a little bit more difficult than last year. Market is getting a lot under pressure. So, we are facing also the

same situation and it's quite tough in the market. Of course, the contribution of the Ukrainian business and total Group results is for total Group sales 4%. But the situation is tough, and we're expecting to remain tough for the rest of the year.

Hungary is a little bit of drop is, of course, a small contributor in the total business. However, there is also some other things that we're working in the market, some changing of strategies in some of the categories and customer mix. So, we are expecting things to improve as we're moving forward.

Then we move next. The next slide is the acquisition of Stella Pack. In these numbers, Stella is contributing EUR39.2 million during the First Half of the year and EUR3.6 million in terms of EBIT. Just to remind to everybody that acquisition completed in January '24. The integration process is on track, and I have to say ahead of plan. There's a lot of work from our teams at the Group level and of course in Poland to integrate properly because it's a significant part of our business now.

And of course, we are moving fast also with our investment plan. And of course, we have agreed and proceeding with regranulation investment in Stella Pack. So we're going to expand our regranulation capabilities for the whole volume of Sarantis Group. So a lot of work in Poland, a very good First Half of the year with good results in line with our expectations.

Regarding the simplification and efficiency agenda, a significant number of projects are in progress. The new SAP implementation, we have completed the design phase and now we're moving toward the implementation in the first group of countries in January 2025. So, everything is on track to go live.

In the greater business planning, we are going live in the last Quarter of 2024. The portfolio optimization that is a big initiative that started three years ago, we are continuing, and its ongoing process now is part of our DNA, it is part of our business processes.

Inventory management and cash release is a big priority, and things are improving as well there. Innovation for fewer and bigger initiatives is still part of our strategy. And of course, the continuing focus on our HERO SKUs and our SKUs are generating the significant part of the growth remains as well.

Next, we can share some of the initiatives. Just to understand that from the innovation point of view and initiatives that are consumer relevant, Sarantis Group is progressing quite well. In our Polipak factory, we have concluded and we are up and running now the new investment that is focused on regranulation of post-consumer waste, which is a big priority for the whole Group. So, we have one in Polipak.

We are very proud that we're first to market to a new packaging format that produced in our factory in Greece

and launched in the Greek market under the Noxzema brand, which is a shower gel in the form of Doypacks promoting better pricing for the consumer, less plastic for the environment and of course, convenience because of the easy-to-use cap. It's something that providing to the market that Sarantis is a leading player to these categories. So it's up and running now. It's started as a very positive start in Greece.

Clinéa brand, that we launched last year, is a clean beauty brand. We are continuing the investments and we're expanding now cautiously the distribution in other markets of the Group. We started in the Philippines. And of course, we are scoping markets in Sarantis geography. STR8 fragrance brand, we're very happy because the latest romps of STR8 Game aiming, younger generation consumers is doing very well and is becoming a big success for the Group, which is giving us also confidence for the future of the development of the brand.

And last but not least, we are capitalizing on the strong position of Sarantis on the Sun Care market. The trends are positive in the Sun Care market because consumers are becoming more aware about the skin protection. But also at the same time, the weather conditions are helping the category to develop. And Sarantis Group had an excellent Six Months with the Sun Care market, focused on expanding our footprint in our current markets but also in some markets outside of our territory, including U.S. through Amazon. So great

reviews, great result that also helped the Six Months results of the Group.

Just to remind you here, because 2024, started end of 2023, but continued 2024, we have a new, from a corporate governance point of view, which is a big priority also for Sarantis Group, we have a new Board in place, we have some changes in the Executive Directors. Mr. Kyriakos Sarantis, the Chairman of the Board now, myself as the CEO, Mr. Christos Varsos, as the CFO, we have Mr. Evangelos Siarlis as a Group HR, the Executives, but also we have four Independent Directors, Non-Executive Directors that are also chairing all the committees that we're having as a Group, whether it's Audit Remuneration, Nomination Committee, of course, ESG committee, lately. So we are also progressing on that. And I think we are very happy that on the progress we have made in 2023 and, of course, First Half of 2024.

And this is from my side. So, I will hand over to Christos now to continue with the detailed numbers. Christos?

VAROSOS C:

Thank you, Giannis. As you already show in Giannis' part, our focus execution drives strong performance across the Group and allows us to be confident for achieving our 2024 guidance as this was shared in our Investor's Day in March.

Looking now to our full P&L for the First Six Months of 2024. On the left side, you can see the reported figures,

including Stella, whereas on the right side, you can see our organic growth without Stella. Reported net sales grew by more than 30% with the inclusion of Stella, building on strong organic growth of 13% due to volume and mix with some inflationary pricing in some markets.

Gross profit on a reported basis grew more than 35% and almost 23% on a comparable basis, reflecting the strong net sales growth and marginal improvement in cost of goods. Organically, we grew gross profit margin by 300 basis points to more than 40%. With Stella contributing due to product portfolio gross profit margin grew by 150 basis points to 39%. In terms of EBITDA on a reported basis, we grew by 45%, whereas on an organic basis by 26%, both growing faster our net sales, reflecting the strength of our core business, reaffirming the creation of a sustainable growth engine.

In terms of EBITDA margin in both reported and comparable, we grew about 140 bps. Similarly, EBIT grew on a reported basis by 48% faster than net sales, whereas in comparable terms grew by 31% with EBIT margin at 10.5% and 10.7%, respectively. Financial expenses of 1.7 million were reported in the First Six months. I remind you that in 2023, we had favourable impact by cash in Poland, producing high interest income while waiting for the conclusion of the Stella acquisition. This year, we have Stella contributing to our operational profitability. Net income grew by 27% and EPS by 31% to EUR0.37.

Next slide. On this slide, you can see on the right-hand side, what were the numbers that we actually discussed with you on our Investor Day back in March regarding the Full Year performance of Stella. So as already mentioned, Stella integration is on track with the first synergies already booked. On a stand-alone basis, Stella numbers are on track versus the expectation as these were shared back in March.

Stella had net sales of 39 million in the first Six Months of the year from full year estimate as communicated of 81 million, gross profit of 11 million from a full year estimate of 21 million and EBITDA of 5.6 million compared to 10.5 million for the full year, including 1.5 million of synergies for 2024, as already indicated.

I would like to note here that in 2024, you see Stella standalone numbers. But as we move towards the year-end and with the operational integration of the business, we will not be showing from next year individual numbers, but it will be part of the Poland operations.

Moving now to our categories. The Category performance works in our accordance to our strategic priorities. We said we want disproportional growth of our Beauty Skin and Sun Care category, and this is exactly what happened. We are growing this category by 37% faster than any other categories on an organic basis and the EBIT by 130%, improving our margin significantly to 21%. Personal Care maintains its position as a core profit generator for us with growth of net sales of 21%

and improvement of 29% in EBIT and improvement in EBIT margin.

Home Care Solutions continues being a significant growth driver for us given our leading position in our markets. Obviously, here, we have the most support from the Stella acquisition, given that this is Stella's main market. This category grew by 33% and EBIT by 39% compared to prior year. Private label of Polipak on an organic basis grew by 19%, cycling contracts entered into in the last quarter of 2023. Given that Stella has also presence in these categories on a reported basis, we can see a strong growth in net sales.

We are now putting under one roof both teams as part of the integration with focus in improving the profitability of this segment. As discussed in the past and as discussed by Giannis, private label role is to support our factory's capacity, and we focus on enlarging and broaden business, such reducing PL in the mix. Finally, strategic partnerships grew in terms of net sales, but in EBIT they were flattish, mainly due to mix and phasing of investments in specific subcategories of the mass market. We expect this effect to smoothen in the second part of the year. Overall, on a Group basis, pretty strong performance.

Looking at our geographies now, we can see a strong performance across our geographies. Poland, with the inclusion of Stella, is our largest market in terms of net sales, reaching the First Six Months of 2024, EUR94

million from EUR63 million, excluding resale of sales, a 70% increase in 2023. On EBIT terms, Poland also double-digit Stella, but also on an organic basis, EBIT increased by more than 60% with strong margin improvements as well. The strongest market in terms of profitability being present across all categories and including exports remains in Greece, which in the First Six Months of 2024, grew net sales by 18.5%, reaching EUR90 million with EBIT increase of 76%.

Romania continues being the third largest market, maintaining organically double-digit growth of net sales and EBIT. And with the addition of Stella business in the area, it is growing more than 30%. Czech and Slovakia, West Balkans and Bulgaria complement the picture of double-digit growth with only Hungary being flattish, as Giannis mentioned. All markets are performing strongly, but Ukraine, which is under pressure in the First Six Months, losing in EBIT terms despite that with the addition of Stella Ukraine in this coming flat in net sales. We believe that pressure will continue the second part of the year in Ukraine. But as mentioned in the past, we continue positioning ourselves in categories that were not present before, like Personal Care, investing for the long run.

Our balance sheet remains strong, providing firepower and flexibility for us to invest behind our business to support the transformation of the Group and to fuel M&A activity. As of 30th of June, we were on net debt position of EUR43.9 million compared to a net cash position as

of 31st of December. During the Six Months in 2024, our net debt was impacted by the acquisition of Stella, the full repayment of Stella's external debt of EUR8.5 million, the payment of increased dividend of EUR15 million and a buyback of EUR8.5 million. I remind you that traditionally, we have seasonality of cash flow generation with the lowest position of cash being 30th of June and the highest cash position being 31st of December.

In 2023, the additional cash generation of the second part of the year was EUR40 million. This year, we anticipate this to be even higher due to increased Sun Care sales and continued focus on Working capital as we expect to be neutral to net cash position by the end of the year. We maintain our focus on working capital, which will improve by 11 days on the First Six Months of 2024. In addition to the cash generation, we have secured and committed facilities of EUR54 million as a "war chest" for acquisitions.

We continue enhancing shareholders value. More specifically, our EPS grew by 31% to EUR0.3745. We paid dividend of EUR15 million, a 38.2% payout ratio on 2023 profit increased by 60% versus last year. We communicated that we'll continue in the future having same dividend payout ratio on increased profits as well. We continue having a buyback program in place, which was also renewed from our Annual General Meeting in April.

In the First Six Months of 2024, we bought treasury shares amounting to EUR8.5 million. Concluding, the strength of our P&L, the focus on execution, the integration of Stella being on track, the digital transformation on plan and a strong balance sheet, reinforce our confidence in achieving our 2024 targets as these were communicated in our Investor Day in March and continue enhancing shareholders' value. Thank you. Operator, we can go to the questions now.

OPERATOR: The first question comes from the line of Giannoulis Dimitris with ResearchGreece. Please go ahead.

GIANNOULIS D: Yes. Good afternoon and thank you for taking my questions. I have several, if I may. The first one, I see Home Care sales category excluding Stella Pack grew by 2.6%, but EBIT grew by double digit with a double-digit growth rate. So could you please explain why this big growth in EBIT despite the lower sales growth in that segment?

Number two, Hungary sales were down. And although it is, the contribution is small for the Group. Still, I'm curious what exactly is the reason for that because even Ukraine, when they have still, they are still at the war and sales were flat. So just curious to see what the problem in Hungary.

Number three, if you could also explain why the private label EBIT was at a loss, even though it grew significantly with or without Stella Pack sales, improved

significantly. And the last one, if you have a number about Greek only sales in Half 1 without Portugal and the other countries, just to see what the growth rate for Greek only sales there was? Thank you very much.

BOURAS G:

So let me answer one by one the questions. Regarding Home Care, yes, you're right. Margin is ahead of top line. This is the reason that it's coming, it's multiple reasons for that, it is not only one. First of all is a lot of -- because we're talking about EBIT is about the efficiency that we are working together in our Home Care category solutions, including factories and of course, margin improvement programs that are helping the business from a margin point of view.

Regarding just to pre-empt you a little bit regarding pricing for 2024, we don't have pricing in Home Care Solutions category. There are some cost improvements. But, so, as I said, pricing, we don't have in the market. And of course, it has to do with the mix of the portfolio as well and how we are improving our efficiencies in the promotional activities and how we activate our brands in the market. So that, these are the explanations for the Home Care Solutions.

Regarding Hungary, there is no problem, first of all, because you mentioned about problem. There is no problem in Hungary. If we see the profitability as we are moving on towards the end of the year, profitability in Hungary will be much better in Hungary from a market

point of view. First of all, market in Hungary is quite tough, I have to say from an outside point of view.

Second, in some strategical decisions that we took as a business to focus more on modern trade on core categories and, or our modern trade customers. So if you go to modern trade, because in Hungary, there were a lot of wholesalers that were handling business in the past, that was more tactical and more trading sales, if I can put it that way. So if you come to modern trade portfolio, our growth rate in Hungary for the First Half of the year is 6%.

So, the strategy is working there. On top of that, in Hungary, it's more related to household portfolio. And now we are working on expanding our portfolio in the rest of the categories, including Skin Care that this year we have launched Carroten in Hungary with good positive signs of the First Half. So, this is what is going on in Hungary. So we are aware, and we are working on it.

On the private label business, it is true that private label business is a small margin category. That's why as part of our strategy is to not invest from that and is fulfilling capacities in our factories. Just because of the way we are reporting, yes, the EBIT is like a breakeven category right now for us but is supporting the margins and the cost for the Home Care solutions category on the branded part of the business. This is for sure happening.

And as Christos mentioned, together with Stella, because the category grew significantly together with Stella, but we are in the process right now working on the integration of both teams and improving the margins as we are going forward together with the investments we said that we are starting regarding the post-consumer waste and the regranulation process that we want to implement in both factories.

Now regarding Greece, we'll come back to this one. We don't have the numbers in front of us. But what I would like to say that Greece itself is having a strong growth as well with or without. I don't have the number currently, but we can come back in a while.

- VAROS C: Dimitris we'll go back, and we'll share the number.
- GIANNOULIS D: Sure. Thank you very much.
- OPERATOR: The next question comes from the line of Iakovos Kourtesis.
- VAROS C: Sorry, the actual growth for Greece, it comes to 18%, Greece standalone.
- BOURAS G: So, it's the same number, more or less.
- VAROS C: It is smaller, however, compared to 88.9, but it is 18% growth, more or less.
- GIANNOULIS D: Impressive. Thank you.

OPERATOR: The next question comes from the line of Kourtesis Iakovos with Piraeus Securities. Please go ahead.

KOURTESIS I: Yes. Good afternoon, Gentlemen. Congratulations on a good strong set of results. My current question is about current trading in Third Quarter, where do you see top line growth and EBITDA growth line including the figures you have at hand at least until now for the Third Quarter, is it still a head well ahead of the guidance you provided for the year in terms of top line and operating profitability?

And second question, would have to do with your Full Year guidance, taking into account that in terms of EBITDA you achieved more than 50% of your EBITDA target for the Full Year period and the fact that obviously, the Fourth Quarter is a seasonally important quarter for the Group. Should we consider as quite conservative the fact that you retain current guidance in terms of EBITDA for the Full Year period? That will be my questions.

BOURAS G: Just one by one. The Third Quarter of the year because we have 2 months, we are maintaining in a way, the growth that we have in the First Half of the year. There is a little bit of pressure in August. But in general, we are maintaining, we believe that we'll maintain. However, for the Full Year and the guidance, I think we mentioned in the presentation that the First Half of the year has been benefited by the significant growth in Sun

Care category, that is, we don't have it in the second part of the year.

On top of that, Ukraine is an unknown factor for us that we have to be quite careful. And the other thing is that because in the market, we are not alone, we have also competition. We're expecting that significant pressure will come to the market from all the competitors. So that's why we said that we are confident about the delivery of our promise and our guidance for 2024.

VAROSOS C: For the EUR80 million EBITDA that we have said back in March. So we are confident of maintaining this. And we'll get there.

KOURTESIS I: Okay. And in terms of competitors, in which markets do you see more pressure? Is it in Greece and Portugal? Is it for international network, where exactly?

BOURAS G: I'm talking about the region. And of course, Greece, Poland, all markets. I mean, this is always the case. And we know that the last part of the year is quite competitive. So, this is what we see right now, right?

KOURTESIS I: Okay. Thank you very much.

OPERATOR: The next question comes from the line of Kalogeropoulos Giannis with Beta Securities. Please go ahead.

KALOGEROPOULOS I: HELLO. Good afternoon from me. Three questions, if I may. Regarding the working capital, how much more improvement would you anticipate regarding the days,

the 11 days improvement that you mentioned that you registered in the Half Semester results. I mean, would that be fair to adopt the same number as a full year days improvement? Then the second question would be on the like-for-like growth.

I recall that Christos mentioned that most of it is volume driven and in some markets price driven. Could you please quantify out of the 13.4%, how much is volume and how much is price driven? And regarding your future growth, if it was to bet for a new acquisition, that's a bit personal question. Would it be fair enough to bet that the acquisition took place in the same geographical areas that you operate?

Or would you target something different like Central Europe or Western Europe? Thanks.

VAROSOS C: A bit on the working capital, I'll take that. Remember, if you remember, we are consistent and we're consistently focusing on working capital, not only in days, but also in improving the percentage of operating working capital expectation of net sales, and we're doing great progress on this. So you can assume that we'll continue as we have. If you remember, last year, we had also 11 days improvement in the Half Year. So you can assume that this trend will continue because we are placing much focus on the working capital improvement.

BOURAS G: Okay. Regarding pricing and volumes, just to say here that in 2024, in some categories, we didn't have any

price increase like the Home Care Solutions category. And in other categories, we have inflationary price increases depending on different markets. So that inflationary price increase can be between 2% to 4%. So, but on top of that, especially in Beauty and Skin category, it's also the mix of the products that we are selling that they are more expensive.

So the volume picture with the value picture has been, and I think it's one another question, is improving the value contribution. So, this is the case and that's why you see a difference between the different categories. And then do you have another one?

KALOGEROPOULOS I: Yes. And regarding the expansion, if it was to take a bet, would I bet for the South-eastern Europe geographical area? Or you are also examining and targeting other geographical areas as well?

BOURAS G: So at this moment in time, as it's clear on our strategy, we are very consistent on that. Our focus territory is Central Eastern Europe, and it remains like this.

VAROSOS C: Our footprint, yes. So we're not looking for a country acquisition at this moment.

KALOGEROPOULOS I: Okay. And the follow-up, if I may, on your dividend payout, you stick with your guidance of around 40% payout on annual profits regarding shareholder remuneration.

VAROSOS C: Correct, as we said in the past, the last two years, we have paid 38.2%, so that's the floor. From that and above, that's all.

KALOGEROPOULOS I: Thanks a lot.

VAROSOS C: Thank you Giannis.

OPERATOR: The next question comes from the line of Zouzoulas Constantinos with AXIA Ventures. Please go ahead.

ZOUZOULAS C: Congratulations for the results from my part as well. A question about Personal Care. In H1, there was a significant growth. Is there some specific reason that this growth was registered? What we should expect for the remaining of the year? And the other question has to do with competition.

I understand that you said that in the second part, do you expect more competition in the market. What did competition do in the First Half of the year? Did they raise prices? And I'm saying this because I understand you also gained market share in many markets. So how do you expect competition will evolve in the coming quarters? Thank you.

BOURAS G: Yes. Regarding the first one, the Personal Care. I think this is something that we are very proud of, regarding our execution in our markets, our strategies, our philosophy of focusing on HERO portfolio, driving the growth in this critical category. Just to make a

clarification here because you see also in Personal Care organic growth and some total growth.

Together with Stella Pack there was a small part of the business that was some Personal Care portfolio that we are incorporating to our overall portfolio of personal care. That's why we have this difference. And the Personal Care is a core of Sarantis Group. It's a lot of knowledge, a lot of good brands, local brands, and the local jewels, as we call them.

And we continue to focus on them. And I think the recipe of success is there, and we'll continue to focus on that working every day. Regarding the competition, it is true that in the majority of the categories, we are growing shares in the First Half of the year. In some cases, our shares growth is quite significant, and this is also a proof that our strategy is working well.

Of course, in every market, every category, reaction from competitors is expected, right? And usually, the reaction can be happening either on the support of the brand, on the pricing, on all these elements of the product mix. This is what we're saying we're expecting to be a tougher second half of the year.

But in general, yes, we are winning shares in the Personal Care and Skin Care categories and Sun Care.

ZOUZOULAS C: Understood. Thank you.

BOURAS G: Thank you.

OPERATOR: Ladies and gentlemen, there are no further audio questions. We will now accommodate any written questions from the webcast participants. The first written question comes from Jure Borovac with InterCapital Asset Management, and they quote, "Can you explain a significant margin jump from Beauty and Skin Care segment. Most of it came from pricing, as I understand. How are you able to achieve such growth?" Thank you.

BOURAS G: The assumption is not entirely true. It is not coming from pricing. Mix is helping on this direction. But I would like to remind you that last year First Half, we had the launch of a new Skin Care, Clean Beauty brand Clinéa that has been hitting the EBIT margin of the total category because we have invested upfront a lot of money.

So, this is the main reason for that. And of course, the development of our categories and the Sun Care as well, is helping the margin growth of the category. But it's not like it's coming from pricing because pricing, as I said before, it was mainly inflationary pricing growth between 2% to 3% to 4%.

VAROS C: The Sun Care is the one that really drove this as well, given also the good conditions and starting earlier the period this year. So practically, we have a larger volume and drive of Sun Care that helped a lot in this affecting largely the mix. As what Giannis described last year, we just remind, we launched Clinéa in May last year, and

we actually contributed expenses in order to launch it, which was between EUR2.5 million and EUR3 million at a time, which affected the margin largely in the First Six Months.

OPERATOR: Thank you. The next written question comes from Natalia Svyriadi with Eurobank Equities, who has updated a series of questions, and I quote, "Thank you for taking my questions. I wanted to ask if Q3 trends are continuing as strong, namely double-digit organic growth rates. And if this is true, would it be reasonable to expect a bit on Full Year '24 guidance as First Half results imply flattish organic growth in H2 sales and EBIT, assuming EUR78 million sales, EUR7 million EBIT from Stella Pack in Full Year '24. How are the Capex plans evolving versus initial guidance for EUR20 million in 2024?"

BOURAS G: I think for the first one, we have already answered about the Q3. Of course, the growth, we said we will sustain, but it's going to be softened a little bit in the Q3, but we remain strong. The second question, I'm not 100% sure that we see the flattish organic growth in the H2. Flattish organic growth in H2, which is not true based on, it's not the same like the H1, right, but it's not flattish. And of course, with Stella Pack, I think Christos has mentioned, all these details during the discussion. I don't understand what is the question?

VAROSOS C: Well, the question is whether we expect to beat the Full Year guidance.

BOURAS G: This is what we said. We have said that we are confident that we are going to deliver the guidance we have set back in March, and this is what we are strongly aligned to. Now regarding the Capex plan, Christos do you have any...

VAROSOS C: Regarding the Capex plan, we have already in the First Six Months, we invested already have additions of 6.5 million in terms of Capex. The initial plan was 20 million. So the projects are on track in terms, it will be a small delay in our project about the regranulation with Stella. We said that we're going to invest 5 million. We expect this to start on the Q3 sorry, on the Q4. So that will start. It might not be full 5 million, but for sure, the project starts.

It will be in total 15 million over the next 3 years, with the initial additions coming on the last part of the year. So instead of 5 million, it could be 2.5 million to 3 million as we're now starting investing on this. In terms of the distribution centre in our Oinofyta plant, this will also start on the Last Quarter, potentially, of this year. So from these 2, we expect that we have the planned 7 million for 2024. We expect a smaller amount of this to be invested and will start from Q4.

So if you like, you could assume that the plans we have will be executed, but potentially 3 million to 5 million from this year, will be moved to next year. But all the digital transformation, what we described, the

regranulation project in Stella and everything else will be executed as planned.

OPERATOR: Thank you. The next written question comes from Jonathan Senant with Gay-Lussac Gestion, and I quote, "Could you please discuss the business plan of Clinéa in details, investments current profitability, path to profitability?" Thank you.

BOURAS G: I don't think we are ready to have this discussion right now. We were not prepared to have a proper Clinéa review. What I would like to say is that Clinéa is a big priority as part of Skin Care and Sun Care strategy for growth. As I said, Clinéa in Greece, this year is establishing its presence. We are growing shares, and we are growing presence, and we're having new launches in plan. As I said also, we are launching in Philippines in Watsons as part of our Southeast Asia strategy with our crucial agreement with Watsons Philippines.

And as we speak now, we are working on the plans in Poland and Romania. So this is the high-level things that we do in Clinéa, and we remain focused on investment behind the brand. So, we're not stopping the investments for Clinéa at all. So we continue the investment. But detailed plan right now, we're not able to have this discussion. It's very specific. We're not ready for that, right? But we can have another discussion on this on another call, maybe, and arrange that, we are open to that as well.

OPERATOR: Thank you. Ladies and Gentlemen, there are no further questions at this time. I will now turn the conference over to management for any closing comments. Thank you.

BOURAS G: I think, I would like to thank you all for participating in the call. It's really also important for us to have this information shared with you. What is important for us is that whatever we have in mind all the strategies, what we have started sharing with you a year ago. And of course, in more detail in the Investor Day back in March, we are committed to it. Things are going to the right direction. Of course, there is a significant room for improvement, and the whole team of Sarantis is dedicated and focused on the improvement needed to continue delivering good results for the Group.

And of course, this is important for us to thank all the people of Sarantis Group, more than 3,000 people are working behind all these things. And I would like to give a big thank for all the efforts, the contribution and the support they're providing to all of us, to be able to present these good results to you. So nothing more than that. Thank you very much. And yes, we talk to you soon in the next call, right.

VAROSOS C: Thank you very much. We'll catch up again on our Q3 results, will be released in late October, on the trading update at that point. Thank you.