



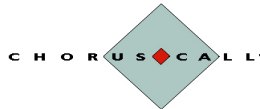
**Sarantis Group's Half Year 2025 Financial Results
Conference Call**

Wednesday, 10th September 2025, 16:00 (GR Time)

Conductors:

Mr. Ioannis Bouras, Group Chief Executive Officer
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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 Vasileios, your Chorus Call operator. Welcome and thank you for joining the Sarantis Group conference call and Live Webcast to present and discuss the Sarantis Group's Half Year 2025 Financial Results.

With us today we have Mr. Ioannis Bouras, Group CEO and Mr. Christos Varsos, Group CFO.

At this time I would like to turn the conference over to Mr. Ioannis Bouras, Group CEO.

Mr. Bouras, you may now proceed.

BOURAS I: Hello, everyone. I would like to thank you for joining the call today. We're very happy to have you all here. We are ready to start. So first of all, I would try to highlight -- we give some highlights at a glance of the first 6 months of 2025. What we would like to confirm is that our strategy remains the same. We are consistent and very precise with our strategy designed over the last 3, 4 years and consistent execution is also critical for our performance.

This year, the First Half of 2025 has been massive in terms of investment and energy behind the Capex investments in our Group, and we are on track on that, where all these Capex are supporting the growth for the future. The Stella Pack integration is in the final stage as we are working right now on combining warehouses in Poland for the local operations plus all the networks in the markets.

And of course, a significant part of our Capex investments directed to Stella Pack factory upgrade, supporting our

regranulation capabilities in Poland. On the digital transformation, we are well on track. It's also a significant amount of energy from the team to deliver our digital agenda.

We are -- of course, we'll have some details later on that. 2025, we continue our investments in our people as the capability enhancement of our people and of course, the leadership development is critical for our future of our business.

And another highlight is the expansion of our footprint in the U.S. market via our Sun Care brand, Carroten, which is well advanced and has been also significant for the First Half of the year. From a commercial excellence point of view, the priorities and strategy remain the same.

The HERO SKU philosophy continues and even we are working towards that. We're applying a lot of rules of revenue growth management in the market, focusing on the mix of the portfolio, the investment strategy, promotional strategy and how we are delivering the growth via the categories that are improving our profitability as a business.

On the innovation side, many new things coming through. And of course -- but as always, we are focusing on fewer and bigger initiatives. And the international expansion, as I mentioned, is driving growth and strengthening, of course, our selected international markets that is one of our key priorities in our strategy.

So in terms of numbers, of course, from a top line point of view, plus 0.5%. It's -- we're keeping -- just to remind you that last year, First Half was very, very strong. So we're keeping our power in the market.

On gross profit, we have also equivalent growth. But when it comes to EBITDA, EBIT and EBT and net profits are double-digit growth is coming through. And this is happening, of course, because of our operational efficiency, cost controlling and of course, all the work happened over the years to make the organization much more efficient, plus the mix of some of the categories are helping towards this direction.

Now when it comes to category, as you can see clearly here, as we always present, Beauty and Skin and Sun category has provided significant growth in the First Half of the year, plus 22.7%. This, of course, includes the international markets growth where U.S. also is critical to this journey.

Personal Care. Personal Care, there are some pressures in this category. Of course, intensive competition is coming to the game. There are things happening in the market that are affecting the top line growth but still is one -- it's a very big category for us. Home Care Solutions, also similar. We have a pressure in the market where it's coming from demand from specific markets. And this is also something that we are working on.

Strategic partnerships, we have a 2.1% growth, and this is coming mainly because of the work that we are doing with

our strategic partners on some of the innovations they are providing for us, plus some new smaller businesses that they are coming to our portfolio. Private label has been minus 16.7%.

We have discussed this in the past that private label is a business that is supporting our supply chain agenda for Home Care solutions category. So key priority for us also is the profitability of this category. It's not -- as you will see later, it's not a massive profitable category for us.

So, we have to balance between the growth and the profits at the same time. So, although the category for us is dropping by 16%, from a profit margin point of view is not significant. On the right-hand side, you can see that the branded business of Sarantis Group for the first 6 months is growing by 2.5%, while in private label, we are dropping by 16.7%.

Now a bit of an update on international expansion. As we said, Skin and Beauty is a significant growth category for Sarantis Group as a whole. And within that category, the international expansion of beauty and skin is a critical part in our agenda. We have set up this priority 2 years ago. The projects that we are running in different parts of the world are doing very, very well with, of course, U.S. been running exceptionally well for the First Half of 2025.

We are working with some of our portfolio from a planning point of view and becoming very successful in the U.S. market in different retailers, either online retailers or offline retailers, where this year, of course -- and this is also

increasing our appetite for further initiatives in the market for the years to come, right?

So this is something that is helping us a lot. And of course, we'll put a lot of energy and efforts behind. On top of U.S., though, we have on the other side of Earth is Australia, where the news is that we have listed in one of the leading retailers in Australia, one of the 2 biggest retailers in Australia. So it's going to hit the market in the coming summer for summer, meaning Australian summer, November, December this year. With Philippines, we continue with our Bioten very strongly.

Of course, the brand is launched many years ago. So we are now quite mature. But of course, the product is developing nicely there together with Clinea. And recently, we had some openings in the Middle East with Saudi in the number one retailer in Health and Beauty and United Arabic Emirates with the second – number two retailer in Health and Beauty with our Carroten brand in Middle East. So plenty of initiatives here. And of course, as a team, we are working behind all this and some others that they are rising over the last period.

When it comes to geographies, so here is the usual table about the different markets. As you can see, Greece is growing nicely. It is not only the international markets that they are growing by 52%, but also Greece domestic market, which is the biggest, it has a growth of 3.5%, which is very, very positive.

And Poland is -- overall, if you see, there is a minus 4.7%, but this is mainly due to the private label business, which is included in Poland country. While in the branded portfolio, we are growing 1.1%.

Romania, the first 6 months has been challenging for Romania market. There are several issues on the market. We believe that going forward, things will get better. There are some political things happening in the market affecting the overall demand from the consumer. When it comes to Czech and Slovakia, very, very good growth and continuing growing from the previous years.

West Balkans also have been facing some challenges, especially in Serbia over the last months. Ukraine, yes, minus 12%. But just to remind you here, we have disposed some business from Stella business that we bought last year, mainly private label or tactical business that they had in Ukraine.

So if you compare like-for-like, this is minus 1.2%. So actually, Ukraine business for us is flat versus 2024. When it comes to Bulgaria, it's again, a smaller market, flat, and then Hungary is developing by plus 5.2%. So this is a picture from the geographies point of view. And now regarding all the things that I mentioned at the beginning of the highlights, three major pillars here.

One is the digital transformation. So if you remember, we said before that we are implementing new SAP for our business and plus other systems together with that. So where we want to build a unified data platform across our

markets. So the go-live of SAP went first in Greece, Czech Slovakia and Hungary, very successfully in the Q1 of 2025. And now we are preparing the Wave 2 for January 2026, which includes West Balkans, Romania and Bulgaria.

The whole project on this one will be concluded beginning of 2027 with Poland and Ukraine. So we are well advanced now with our plans. Team is very confident, and I think the implementation is successful and without disruptions.

Now the integrated business planning is completed. This is already completed in June this year. So we have a new platform for planning and for the whole organization, critical to manage our complexity to include our commercial planning together with the supply planning and, of course, be more accurate in our forecasting and our planning accuracy.

We have new digital tools coming together with the new systems that are helping to optimizing our operations and workflow and processes. So this is critical.

On the manufacturing upgrade, as I said before, the Stella Pack regulation update is well on track. And of course, the whole project will be completed by Q4 2025.

And I think this is critical as the investment is around EUR15 million, and this investment is critical for making sure that our supply chain of garbage bags is one of the most competitive supply chains in Europe.

And of course, having a fully recycling regranulated materials for producing our garbage bags, which is a

differentiator for us as well. Our Inofita plant because of the expansion of our Skin Care business and our export business of the Sun Care, we have another 10 million investment program that is going to be completed by Q1 2026.

But of course, the majority of that will be happening also this year, increasing our capacity for our Beauty and Skin and Sun Care sales. All of these Capex investments are linking also our sustainability and ESG agenda, where energy efficiency is also critical for the business.

And of course, all the automations around our plants in Greece and Poland are critical also to improve our productivity. On the ESG agenda, we have commitments. We are following through properly our agenda on delivering the commitments that we promised. Now we are in the position to validate with SBTi our near-term climate targets.

Also, we are working on with the digital agenda to have a proper accurate and fast way of measuring our progress. So everybody will be accountable and dedicated to the delivery. We are working with the raters right now, CDP and EcoVadis to get proper rating and this is also part of our agenda of ESG. So that's an introduction from my side with the basic numbers.

I will hand over to Christos right now, Varsos, our CFO, to give us more detail about the numbers and the financial results.

VAROS C: Thank you, Ioannis. Let me now provide some details behind the key numbers Ioannis described. Our net sales grew marginally compared to 2024 with focus on our core categories in Beauty, Skin and Sun Care, which influenced favorably the mix of sales. I remind you that we are cycling a very strong Half Year 1 in 2024 when we had very hot summer across Europe, which was not the case this year for several of our countries.

Our gross profit grew marginally with a gross profit margin remaining at 38.6%. EBITDA grew significantly by almost 16% to 48.3 million, leveraging on the mix of categories of our core portfolio with strong growth, as mentioned, our Beauty, Skin and Sun Care category, supported by our export business, cost benefit from initial phase of commercial integration of Stella that was completed last year, while controlling Opex overall in our business. EBITDA margin grew by 200 bps coming to 15.9%, plus EBIT at 37.5 million, an 18% increase versus 31.8 million last year and EBIT margin of 12.3%, an increase of 181 bps.

Financial expenses in 2025 improved significantly following the early prepayment in the last quarter of 2024 of 18 million of debt, combined with lower interest rates. We will continue prepaying early debt, supporting further improvement in our earnings per share.

Following the improvement of financial expenses, our earnings before tax grew by 21% to 36.5 million from 30.1 million in 2024 and EBT margin grew by 200 bps to 12% from 9.9% last year. Net income at 29.2 million, up by

20% versus 24.3 million in 2024 and EPS at EUR0.46, a 22% increase to prior year of EUR0.37.

Moving now to our product categories, so you can understand more about the dynamics in the first six months of the year. Beauty, Skin and Sun Care. As we have already mentioned in our five years plan, achieving disproportional growth in the Beauty, Skin and Sun Care category is a key pillar where we build our organic growth strategy.

In H1 2025, we grew by 22.7% to 55 million, supported by our Sun Care sales that continued accelerating this year with the help also of our export business that Ioannis described. Category EBIT grew by 72% and EBIT margin by 800 bps to almost 29%, affected by the mix within the category.

Personal Care. In terms of Personal Care, which is a core profit generator for us, we have a decline of 3.5% of net sales, as Ioannis described, compared to prior year, but EBIT grew by 13% to reach 8.5 million EBIT with EBIT margin of 16.7%, an improvement of almost 250 bps compared to prior year.

Home Care Solutions. Home Care Solutions declined by 2.9% to 101.7 million, affected by pressure in some of our markets like Ukraine and West Balkans, which are mostly represented in this category. EBIT declined by 1.5 million to 11.1 million, largely affected by the sales and the integration expenses of Stella supply chain as we are optimizing our supply chain network while continuing investing heavily. However, the real support and the

benefits from these investments and from the optimization will be benefiting mostly 2026 rather than the current year.

Private label sales were mainly impacted by continued rationalization of the private label product portfolio, especially in terms of Stella Pack products. We expect that the completion of our Capex investments in the regranulation lines will support us not only to be more cost efficient, but also will improve our overall competitiveness, both for our private label and branded portfolio. As mentioned in the past, we use private label on a tactical basis to absorb costs from branded business will over time increase branded business and decrease the private label portfolio.

Strategic partnerships. Finally, in our strategic partnerships, we had a healthy performance, increasing our sales by 2%, while improving our EBIT by 9% to 2.8 million, improving slightly also the margin. As mentioned in the past, we use the category for market leverage, and we are focusing in fewer and better relationships. For the total group, we had a solid net sales performance, reaching 304 million of net sales. EBIT grew, as mentioned, by 18% to 13.5 million, and EBIT margin grew by 180 bps to 12.3%.

Now turning to our geographies. As discussed in the past, we wanted to share with the investor community the different dynamics outlining our performance. For Greece, we are splitting the sales between the domestic market and the exports to selected international markets. For Poland,

we're splitting Poland between branded products and private label as this affects mainly the geography of Poland.

Greece grew in total to 97 -- almost 98 million, an increase of almost 10%. In terms of EBIT, this grew by 56% to 19.3 million and EBIT margin grew by 600 bps to 19.8%. If we look at the sub-segments, Greece domestic business net sales showed a healthy growth rate, posting an increase of 3.5% despite citing a very strong H1 2024 due to Sun Care sales with an EBIT of 12.1 million, a 32% increase to prior year and 15.1% margin, an improvement of more than 300 bps, affected by mix of categories and cost control.

In export markets, we grew by 53% to 17.6 million and EBIT to 7.2 million, which is more than double compared to prior year. As you see, exports have much higher EBIT of almost 41%, and that's why we strongly believe in this segment as an accelerator to our growth for our five-year plan.

In Poland, the total business had net sales of almost 90 million, a 4.7% decrease versus prior year, with EBIT also declining affected by the private label portfolio. The branded portfolio grew by 1% to 64.3 million, while EBIT decreased by 7.6%, coming to almost 6 million, including also supply chain integration expenses, as already mentioned.

Private label declined by 6.7% on the back of rationalization of contracts in the product portfolio, especially for Stella, with EBIT being similar to prior year.

In other territories, we had a mixed picture driven by specifics in each country.

Romania, as already mentioned by Ioannis, had a slower start this year with 46 million of net sales, a decline of 5% versus prior year, cycling a strong performance in prior year. In terms of EBIT, Romania achieved almost 7 million, representing a decline of 7% with flattish EBIT margin at 15%.

Czech and Slovakia accelerated growth by adding 8% more net sales, reaching almost 25 million with EBIT of 3.4 million, a 23% increase to last year. In terms of EBIT margin, this improved by 160 bps, reaching 13.8%. West Balkans showed a decline in the net sales of 4% to 19 million, mainly impacted by the Serbian market with some unrest in the year and market pressure. However, in terms of EBIT delivery, West Balkans managed to grow EBIT by 5.6% to 1.6 million and EBIT margin 3.6% with support from cost control.

For Ukraine, it is a year of pressure in the results as identified already from our Full Year results discussion. However, Ukraine specifically was also impacted by the sale of Stella Ukraine completed at year-end. Stella Ukraine for the record had 1.4 million of sales in Half Year 2024, 100,000 EBIT.

Without this impact, the net sales would be almost flat, and the EBIT would be growing by 4.5%. As mentioned, we are working with resilience in Ukraine and expanding our portfolio outside the Home Care category, which is the key

category for Ukraine, which still -- and still it is a leading business in the area.

Moving now to our healthy and strong balance sheet. As we have discussed also in the past, we maintain a strong balance sheet, which can support our organic growth, the next steps on our transformation agenda and M&A activities. As of 30th of June, we had a net debt of 32.8 million compared to 43.9 million net debt as of 30th of June 2024.

I remind you that due to the seasonality, our lowest net debt position -- our worst net debt position is on 30th of June, whereas the best is on 31st of December. Already today, today, I'm talking about today, 10th of September as we speak, our net debt has improved more than 20 million compared to the June numbers, standing today at around 12 million.

Thus, by year-end, we should be again close to net cash position. During H1, we have received the 20.8 million installment from Estee Lauder with the final one expected for January 2028. As discussed also in the Full Year results, in the last quarter of 2024, we have made early debt prepayments of 18 million, reducing our financing expenses.

We have now committed and formed one of our lenders for 5 million early prepayment to be executed next week and further enhancing further our earnings per share. In H1 2025, we have generated free cash flow of 13.4 million with

our working capital improving compared to last year by 2.3 days.

Enhancing our shareholder value is key for us. EPS reached EUR0.46 from EUR0.37 last year, an increase of more than 22%. During the First Half, we paid dividend of 20 million or EUR0.31 per share, representing a 33.3% increase compared to the 15 million paid last year. This represented a 43.5% payout ratio versus 38.2% payout ratio last year.

And as you remember, as per our dividend policy, we said that floor or the minimum we're going to pay will be 38% and more.

I would like now to provide an update on our Capex for this year. We are assuming less Capex this year with respect to the distribution center next to our Inofita factory due to later commencement of the project.

We are now in the competitive process to commission the construction company that will build it for us, so we expect to start within the next month. This will mean that only 1.5 million from the 7 million initially assumed will be spent this year and the remaining amount of 5.5 million will be invested next year.

The rest of Capex remains the same as per our guidance back in March. Thus, our new Capex expectation for 2025 is 34.5 million from 40 million we communicated earlier this year, while 2026 will be 35.5 million from 30 million initially communicated. This will impact obviously favorably the free

cash flow generation delivery for Full Year 2025 by 5.5 million.

Finally, we would like also to update you on our 2025 outlook. We reiterate our 2025 profitability guidance. I remind you that our estimations for 2025 are EBITDA of 92 million, improved by 12.7% versus 2024. EBIT to 70 million improved by almost 3% versus 2024. For net sales, we now expect a growth of 2% versus 2024, which will bring our net sales for 2025 to 612 million. Thank you.

OPERATOR: Thank you. The first question comes from the line of Svyriadi Natalia with Eurobank Equities. Please go ahead.

SVYRIADI N: Good afternoon. Thank you for the very extensive and informative call. I was wondering if you have any indication on how exports are running into Q3 as we entered because we are talking about products that are summer care products. Should we assume that these are continuing also in Q3 and running rates are holding in this period also?

And as I understand, with the expansion into Australia, we're trying to get the seasonality there. So maybe you could give us also an indication about the exports you are expecting in the other markets. And based on the experience you've already seen, what are you thinking? What numbers are you thinking there? That's one question.

I also have a question again regarding exports. If you could remind us -- this is just a reminder, these are higher-margin products, higher margin actually and the products we are talking about. Could you remind us a range there?

How much this boosts our EBIT line? Okay. Thank you. These are the questions I have for now.

BOURAS I: Yes. Okay. On the export side, because, yes, Sun Care products is the majority of the growth coming for the export business. So the seasonality is critical. So until the First Half of June of 2025, the majority of the sales are in -- so the second half of the year will not be the same, not the same momentum.

Definitely, though, Australian business like Australia will help. But what we know is that it's not going to be near to the ones have in U.S. in the First Half of the year. So you cannot put the same second six months for the exports. It's a slower pace, of course. And this is also helping, of course, the First Half of the year from this category point of view.

So just to remind you that last year, total year exports were 19 million for the Full Year. And this First Half is 17.5 million, if I'm not mistaken, right? You said...

VAROS C: 16.5 million.

BOURAS I: 16.5 million. So our expectation -- and also just to remind you, in the five-year plan, we said that by 2028, we'll get to EUR30 million. So it looks that this one is coming much faster. So the expectation of the year will be something a bit below -- in the area of EUR24 million, EUR25 million, right, just to give you the perspective.

VAROS C: So practically, we'll bring this from 2028, most likely will be at this range in '26...

BOURAS I: But of course, you cannot expect the same rate of sales for the second half of the year because the majority still is in Northern Hemisphere is not in the South, is only in Australia in the South. So it's not enough to do the same. Now regarding the margin, I think Christos presented that the EBIT margin for export is around...

VAROS C: 41%.

BOURAS I: 41%. So this is the accelerator from a profitability point of view, is presented in the presentation, right? So it is a margin that it is really accretive to the margin due to the structure that we have discussed in the past. So this brings much more.

SVYRIADI N: Okay. Great. Yes, I remember the margin around 30%. That's why I wanted to get this clear. Okay. Thank you. Well, that's a good business coming in.

Also, I wanted to ask something -- a follow-up. I just thought about that. Poland has been running, if I recall correctly, 1%, 1.5% on sales, the local market. But should we expect this to continue at this rate or should we see there -- not the private label products, the rest of the -- should we expect an acceleration there? It's one of your big markets. So I'm wondering how this should evolve?

BOURAS I: We're expecting to be higher. We don't have exactly the number to share with you right now. But of course, if you remember also because this is a general comment, this is not taking the opportunity because in the five year plan, we

talk about 4.5% to 5% -- 4% to 5% growth, organic growth every year.

So this year, what we said right now, we are guiding for 2% at the end of the year, including private label, including all the roles of the different categories. We are not changing the thinking and the mindset for the organic growth for the coming years.

We believe that 2025 has been a little bit challenging in the sequence of some markets. And -- but we are not changing our strategy or say... We are keeping our five year mindset and thinking behind the growth and organic growth.

So we believe that -- and all the action plans we are taking in every country, in every category is to deliver these numbers. Right? So what we are expecting coming to your question specifically is not only in Poland, but also in other markets that today show a drop for the First Half of the year to go back to growth and go closer to the numbers that we have in our five year plan.

SVYRIADI N: Okay, great. That's clear. Thank you very much.

BOURAS I: Thank you, Natalia.

VAROS C: We can look at the questions that we have already received also in writing, so we can start answering that. And as if people want in the meantime, they can also continue asking questions.

OPERATOR: Okay. Great. There are no further audio questions. We will now accommodate any written questions from the webcast

participants. The first written question comes from Iakovos Kourtesis with Piraeus Securities. And I quote, "What is your Capex estimate for Full Year 2025?"

VARROS C: We have actually, we included in the presentation. So as I said, we had EUR40 million, now we have almost EUR35 million, EUR34.5 million. And we're only switching EUR5 million to next year because of the later start of the distribution center in Inofita. So for this year, instead of EUR40 million will be EUR35 million, EUR34.5 million. Next year instead of EUR30 million it will be EUR35.5 million.

OPERATOR: Thank you. The next written question comes from Georgios Andreopoulos with Piraeus Asset Management. And I quote, "Given the slowdown in sales within the Personal Care segment, do you anticipate this trend continuing into the second half of the year and into 2026?"

Additionally, what strategies are you implementing to remain competitive in that market? Finally, should we expect any changes to the sales guidance provided in the Q1 report for this year or subsequent years, 2026, 2027 and 2028 sales growth of 5.5%. And what should we expect in terms of EBITDA margin in the medium term?"

BOURAS I: Now starting from the end, I think I said something before, but now I can reinforce, as we speak right now, we are keeping the five-year plan and the guidance of the top line, and the EBIT margins the same. Of course, this year is one year as we are moving on following the closure of the year in March and of course, the guidance for 2026, things can

be a little bit -- but this is what we keep right now, haven't worked another plan. So that's the plan that we have.

Of course, as you remember, it was doubling the EBITDA when we presented. So it's a strong and challenging plan. But this is what we keep and the mindset of the growth as a company, organic growth is still here with our strategy that we are implementing.

Regarding the Personal Care specifically, I think I also -- Christos mentioned about the top line in the First Half, but also the profitability growth. These categories are quite competitive, and we have strong plans behind to bring back to growth and of course, to even further grow in our coming years.

So this is a continuous battle in the stores. And of course, with everybody participating in this category. So competitiveness in this category is coming from new product, innovation, coming from promotional strategies, from advertising strategies, all this mix that is critical for all FMCG companies. So we are working on all these plans behind with our big brands and our hero brands in different markets or the whole region.

OPERATOR:

Thank you. The next question comes from Iakovos Kourtesis with Piraeus Securities. And I quote, "Do you expect the recent VAT rate increases in Romania as of 1st August 2025 to further affect demand in the country? Do you have a specific strategy to cope with this?"

BOURAS I: Definitely, any measurements that are affecting the consumer income, they are not positive for the market, right? But this is something..it is not only in Romania, but other markets have other measures. So the number one priority for us is to be competitive and, of course, adaptable to the new reality and this is what we do.

Competitiveness meaning that you have to be aware about the consumer disposable income. And, of course, what is your promotional strategy and how you're promoting your brands and taking every little opportunity from the market. This is the way we work.

This is the way we worked before and this is the way we keep working right now. So there is no magic recipe. There is no one thing. We have to do multiple things right in order to compete. But definitely, things like that are affecting the consumer demand. This is for sure a reality.

OPERATOR: Thank you. The next written question comes again from Iakovos Kourtesis with Piraeus Securities, and I quote, "Could you provide us with an update on the Third Quarter 2025 trading for specific international markets, Poland, Romania and Serbia. Do you see improved trends in these markets?"

BOURAS I: In the Third Quarter, of course, not ending. So September is a significant month for all these markets because it's true that July and August are months that are not heavy in terms of sales and, of course, of activities. So we have to wait to see the closure of September, but again the things are not like they are on flying. There are, of course,

continue there have been challenges in these markets. But of course, we still need to wait the closure of September.

VAROS C: We're going to announce the Third Quarter in 24th of October or something like that. So we will have a full view on the September. And by then, we'll have also a portion of October.

OPERATOR: Thank you. The next question comes from Emmanuel de Figueiredo with LBV Asset Management. And I quote, "Could you give more color on the seasonality of the business as skin and beauty grow more, does this mean the company becomes more half-two weighted?"

VAROS C: Thank you for the question. So if you remember the season in terms of seasonality, Q2 is a very strong period every year because of the sale of sun care. I remind you that we sell the sun, we start selling the sun. We produce it late in the year.

Then in First Quarter, we actually send it to the stores and especially in the Second Quarter, then the stores sell it on the Third Quarter. So practically in every year, the first 6 months is the growth due to the sun care, which is seasonal is much stronger.

Obviously, we have seasonality at the year-end with gifting and with our selected business as well. But in terms of H1, it is always the stronger pace in terms of growth of our revenue. In this respect, the duty scheme is growing, obviously, not only the Sun Care.

So the Sun Care is what we're talking about. But as Ioannis already mentioned, we have the exports will be a slower growth on the second part of the year. So to your question, we're not becoming much more heavy H2 weighted. We are still largely H1 weighting. But again, this supports also the difference in the profitability.

OPERATOR: Thank you. The next question is again from Emmanuel de Figueiredo with LBV Asset Management, and I quote, "For 2025, should we expect a stronger second half than First Half?"

VAROS C: I think you have seen the First Half, and you have seen the guidance for profitability for the Full Year and for revenue. So in these terms, it is -- it's almost 50-50 in terms of net sales, if you think about it, 304 versus 612. In terms of profitability, we maintain at the same pace. So I don't think that we're talking about stronger or less strong H1. We mentioned about the exports and everything that continue growing, which improves also the EBIT margin.

OPERATOR: Thank you. The next question comes from George Athanasakis with Pantelakis Securities. And I quote, "Can you please elaborate on the reduction in your Opex? Can you please discuss the impact of the changing product mix on your EBIT margin? Can you discuss your strategy on private label?"

BOURAS I: I think on the Opex side, elaborate. I mean, all the investments that we started a few years ago and of course, we are accelerating in 2025 with more digital investments and everything, including our way we do business. This is

helping, of course, the cost of doing business and that's one of the major objectives and this is what we are doing.

It's not a magic recipe, plus making an efficient organization. Of course, we can grow without increasing our costs. This is also critical from this side. This is meaning also we are challenging the way we do things. With new systems in place, we can challenge the way we did things in the past that were not that efficient. So efficiency in our business, meaning lower cost definitely.

VAROS C: It is a sequence of events as well. Don't forget that last year, we started integrating Stella and we started getting the commercial integration, which has finished last year. So we're reaping the benefits now. Now we're doing the supply chain optimization and we're actually controlling this, which you'll see much benefits coming in 2026.

So the Opex is not a drastic type of thing. It is -- we built on it, and we built the culture as well to be able to have this saving moving forward.

BOURAS I: Now product mix.

VAROS C: Product mix. As you remember and we have discussed even in the 5-year plan, in our plan for organic growth over 5 years in order to double our EBITDA to 120 million, we said that we want to disproportionately grow Beauty, Skin and Sun Care because this has the highest margin.

And I think these 6 months is pretty obvious of this because we are improving largely in a product category that we're gaining large EBIT margins, whereas at the same

time, we're rationalizing a category like the private label, which in terms it didn't have a strong EBIT.

So practically, we removed, if you think about it, we removed the balance that you see removed in private label really affected the bottom line. So this, you can see it going forward and we believe that the acceleration also of the Beauty, Skin and Sun Care categories and the export, obviously, as discussed will support very much the mix towards the direction that we've already communicated in the 5-year plan.

BOURAS I: On the private label because I think we said during the call, we said before private label in garbage bags is complementary to our supply chain as an activity. It is a big size. It's important for us for two things. One is fulfilling capacities and, of course, keeping our competitiveness.

On the other side, we are not going to build more capacity to serve private label. This is that we made it clear. And our objective is to build and grow our branded business over the years and gradually removing capacity from private label.

OPERATOR: Thank you. The next question comes from Dimitris Giannoulis with ResearchGreece, and I quote, "Good afternoon. What level of EBIT do you expect for the private label segment post rationalization? Which countries contributed in international sales in First Half besides the U.S.? Thank you."

BOURAS I: In the EBIT of the private label, we don't expect to be -- it's going to be a single-digit EBIT, right? So this is positive. So this is going to happen. It's not going to change significantly our profitability because of the rationalization.

Regarding the countries contributed to the international sales, we have countries like Middle East, Philippines, we have Australia, and of course, we have some Middle East, as I said. And we have countries, the U.S. is a big part of the H1.

OPERATOR: Thank you. The next question comes from John Kalogeropoulos with Beta Securities, and I quote, "Hi. What about further expansion abroad, examining any further opportunities? Thank you."

BOURAS I: Yes. I mean what we say internally, I mean, this is one of our growth pillars for the future, in line with our skin and beauty strategy that we have as a strategic pillar. And of course, some of the initiatives that we are doing in the markets are giving us the signal that our brands, whether it's skin care brands, Bioten, Clinea or our Sun Care brand, Carroten, they are well accepted by consumers in different markets because of the quality, because of the claims that we have, the seriousness behind the production and of course, the competitiveness in general.

So as we speak right now, of course, we are scoping other markets around the world. Just to remind you, international business, meaning markets outside our territory, right? So, whether markets in Western Europe can be an activation place for us, for our brands. And of course, accelerating

markets like Australia and U.S., because U.S. we just started a year ago, less than a year ago.

So we are having plans to expanding our distribution in the U.S. or bringing more products into the market, and we are well advanced with these plans for 2026. More news on that, we will have on -- either on October this year in the 9-month results or in the results of the year-end in March 2026.

OPERATOR: Thank you. The next question comes from Bruno Raguet with Immobiliere de Crouzas and I quote, "The Romanian economy is currently slowing fast. What level of sales are you expecting for the full sales are you now estimating?"

BOURAS I: What we're estimating for the Full Year is to have a flat year for Romania or minus one. This is the number that we are looking right now.

OPERATOR: Thank you. The next question comes from Emmanuel de Figueiredo with LBV Asset Management, and I quote, "How likely are you to perform any M&A? Do you have any open due diligence ongoing for bolt-on acquisitions? Thank you."

BOURAS I: Starting from the end, we have no due diligence at this moment in time. From the M&A point of view, as you already know, Sarantis is always open and active on this field. As long as there are any targets that are in line with our strategy, where the strategy is in our categories that we operate in our markets that we operate here in the Eastern Europe and in our channels.

So at this moment in time, we have no active due diligence process. But of course, there are opportunities out there, which may arise anytime soon or not. I don't know right now. I can't give you any information on that.

OPERATOR: Thank you. The next question comes from Thibaut Maissin with Gay-Lussac Gestion, and I quote, "Good afternoon, gentlemen. Anything in the M&A pipeline, considering the potential return to net cash by year-end? Thank you."

VAROS C: Starting from a net cash position, as you know, we are a cash flow generative business. Obviously, we have also committed debt and we have committed lines, if we want to buy something.

So in this sense, we have the framework, and we're actually in the market, as Ioannis described to have -- and we have things that we would like to buy. Obviously, they need to be -- wanted to be sold as well at a reasonable price.

So, in our strategy, we maintain and want to do bolt-on acquisitions. Obviously, it's a matter of timing. But we have all the capability internal and the funding to actually do larger things as well.

OPERATOR: Thank you. The next question comes from John Kalogeropoulos with Beta Securities and I quote, "You mentioned lower Capex and potential shareholders reward uptick. To what extent? Thank you."

VAROS C: I mentioned lower Capex, and I mentioned that we have higher free cash flow by 5 million. What I mentioned as well

was that we have a policy, a dividend policy that we're paying at least 38% of our net income as dividend.

This year, when we saw also the profitability this year, we actually gave 43%, and that was the 20 million. So, it is not that it will be anything outside of our policy, and we'll continue making sure that we provide a good return to our shareholders and the good value for our shareholders.

OPERATOR: Thank you. The next question comes from Bruno Raguet with Immobiliere de Crouzas and I quote, "Please explain what caused the large drop of sales in the private label segment? What is the outlook for sales in the private label market in second half? Thank you."

BOURAS I: I'll take the first part. I think we mentioned also while presenting that it has to do with rationalization of our contracts, especially of contracts, and we wanted to make sure that they actually are much more profitable. That's why you saw that despite the difference in the net sales line, practically in EBIT nothing changed. So actually, we're doing -- we're removing the correct contracts out of the case. So...

VAROS C: And also just to add here that some of the big customers that we have in private label, they have a bit of slowdown in sales as well. So we are not -- we are depending on also their activities in the private label. So this is also affecting.

From the H2 on the private label, we don't expect any significant change versus H1. Maybe we expect things to improve. So we'll bring the level of sales minus 10% versus

2024. This is what we see right now. But of course, these things are changing right now. And of course, new discussions are happening with different types of customers for the year to go.

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 I: I would like to thank you for participating in the call. I hope we explained and present our case properly. Thank you very much for the participation and the questions, and talk to you soon in our future interactions, right?

VAROS C: Looking forward to our next announcement in late quarter and obviously, to the continuous discussions with you, understanding more of our case and the execution of our 5-year plan. Thank you.