



Lilas[®]

INVESTOR PRESENTATION

March 2021

I. SAH Overview



TND644.9m

Consolidated
revenues
(US\$ 229.4m)

+12.6%

y-o-y growth in
consolidated sales
(in local currency terms)

TND115.4m

EBITDA
(US\$ 41.0m)

TND300m

Of CapEx over
2018 – 2020
(US\$ 107.1m)

Public

Company since 2014

Presence in

20

African countries

9

Production facilities

+4 500

Employees

*: Average USD/TND = 2.811

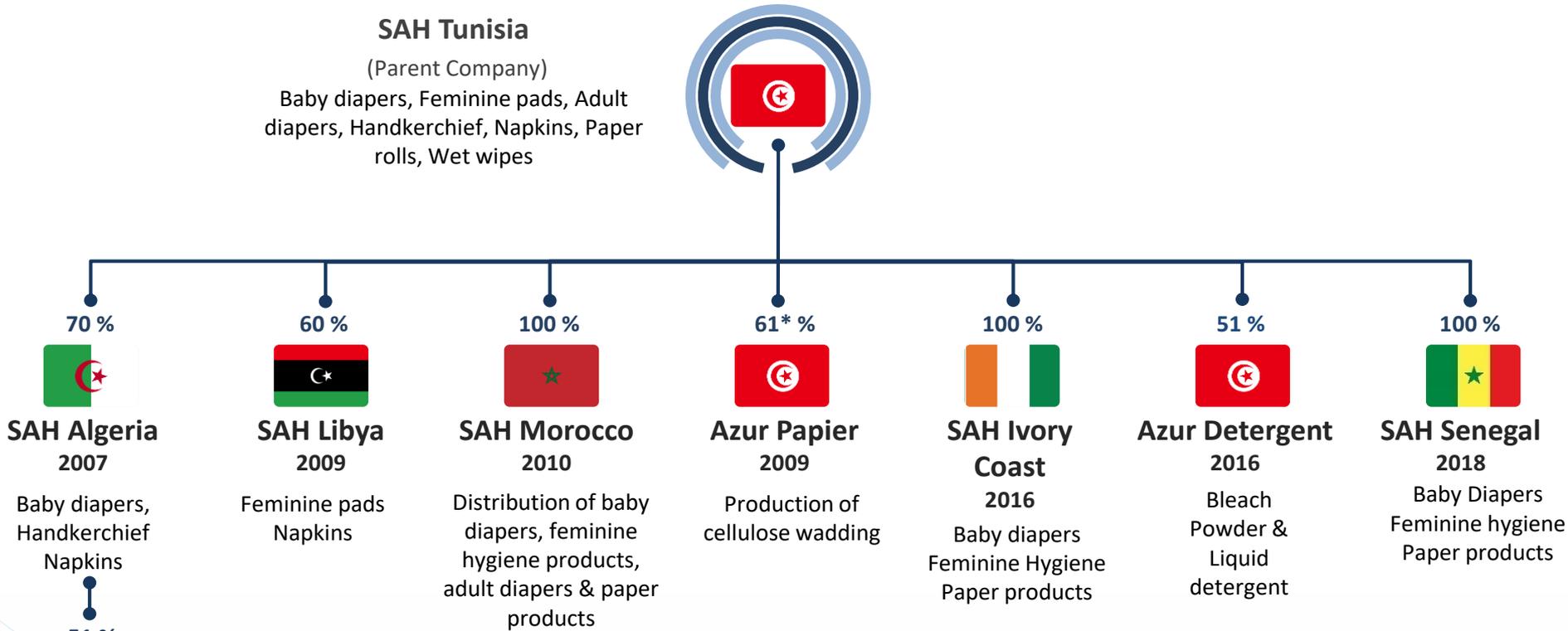
Non audited figures, excluding taxes, labeled in TND million

Sales before rebates

EBITDA: Earnings before interest, tax, depreciation, and amortization

Group Structure & Product Offering by Subsidiary

A compelling rooting scheme in the attractive African market



SAH Distribution 2010



*: SAH Tunisia ownership decreased from 62% to 61%. Stake sold to comply with the financing scheme adopted by the group. SAH Tunisia has a 2 years call option

Above dates refer to incorporation years

Product Offering

A singular offering reaching three promising markets

HYGIENE



Development and production of hygiene products :

- Baby care



- Feminine care



- Incontinence care



- Family care



(Paper, Kitchen towels, Wipes, Toilet paper, etc..)

CELLULOSE WADDING



Supply of cellulose wadding internally to the group's companies and to third parties across Africa

DETERGENT



Development and production of detergent products:

- Bleach



- Powder detergent



- Liquid detergent



- Professional



Product Offering by Category: Hygiene

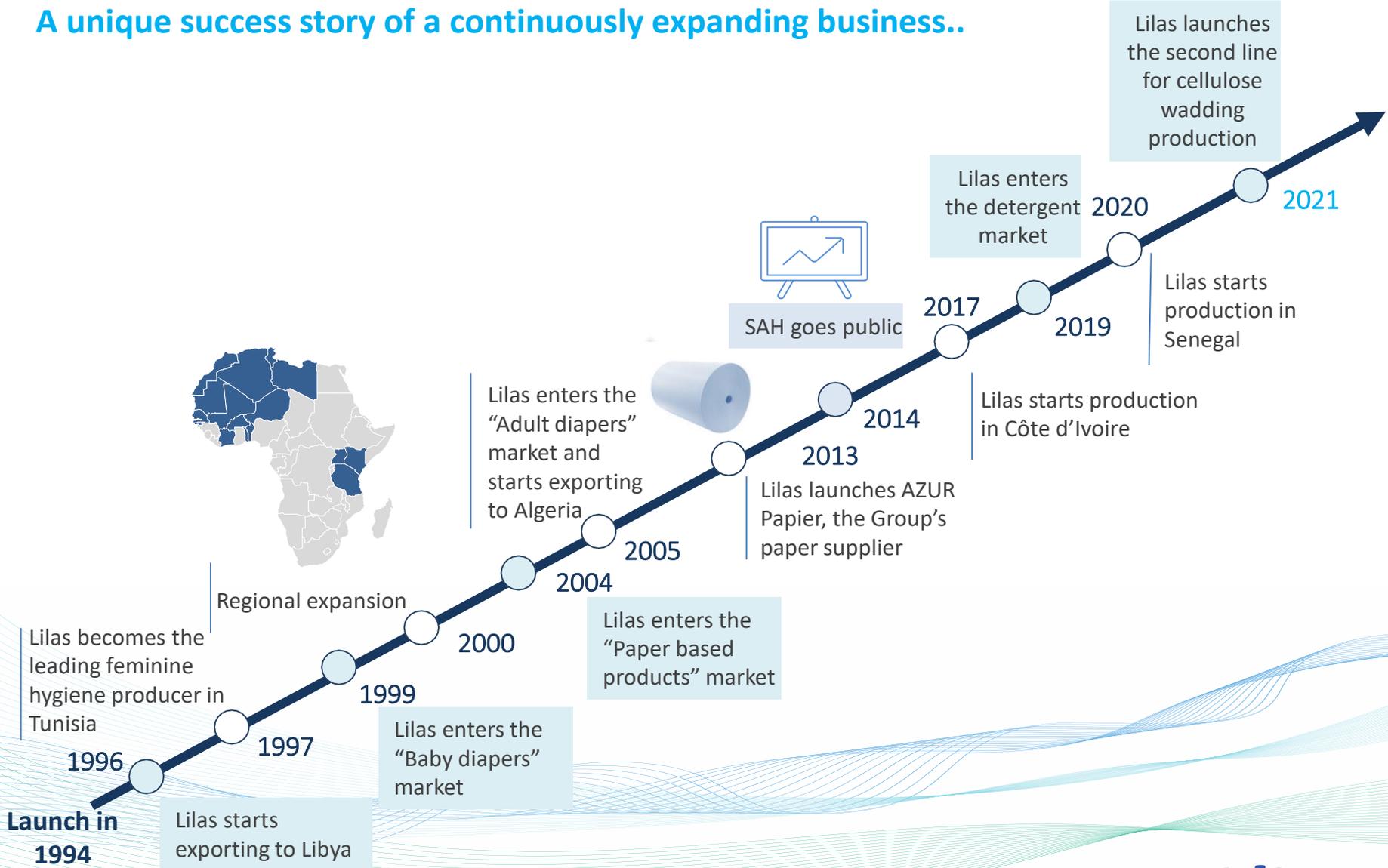
Product Category	Formats (SKUs)	Production Site (s)	Current Production Capacity
Baby Diapers 	<ul style="list-style-type: none"> > 3 Types : Comfort max, Unisex & Pharmacy > 6 sizes (2 to 25 kg) 	<ul style="list-style-type: none"> > Mjez El Beb (Tunisia) > Beja (Tunisia) > Algeria > Ivory Coast 	<ul style="list-style-type: none"> > 9 Production lines > In # of items/year: 1 103 940k (Tunisia only)
Feminine Hygiene 	<ul style="list-style-type: none"> > 2 Subcategories : Sanitary pads & Panty liners > 7 Types for Sanitary pads & 3 Types for Panty liners 	<ul style="list-style-type: none"> > Mjez El Beb (Tunisia) > Beja (Tunisia) > Libya 	<ul style="list-style-type: none"> > 6 Production lines > In # of items/year: 556 518k (Tunisia only)
Adult Hygiene 	<ul style="list-style-type: none"> > 3 Types: Protect, Protect comfort & Pants > 3 sizes (Small, Medium & Large) 	<ul style="list-style-type: none"> > Mjez El Beb (Tunisia) 	<ul style="list-style-type: none"> > 2 Production line > In # of items/year: 43 022k
Wet wipes 	<ul style="list-style-type: none"> > 5 Types: Fresh (Baby & Feminine), Comfort max, Pharmacy & Protect 	<ul style="list-style-type: none"> > Mjez El Beb (Tunisia) > Algeria 	<ul style="list-style-type: none"> > 3 Production lines > In # of items/year: 577 638k
Paper based products 	<ul style="list-style-type: none"> > 10 Subcategories: Handkerchief, Tissue, Kitchen napkins, Kitchen roll, Paper rolls, Industrial roll, Paper rolls, Exam sheet & Professional tissue 	<ul style="list-style-type: none"> > El Zriba (Tunisia) > Algeria > Libya > Senegal 	<ul style="list-style-type: none"> > 18 Production lines > Consumption of 30k tons per year

Product Offering by Category: Detergent

Product Category	Formats (SKUs)	Production Capacity	Competition
<p>BLEACH</p> 	<p>20 SKUs:</p> <ul style="list-style-type: none"> ➤ 6 Sizes: 0.9L, 1L, 1.5L, 3L, 4.75L & 5L ➤ 4 Fragrances: Classic, Lavender, Pine & Lemon 	<ul style="list-style-type: none"> > 50k tons/year > 3 Production lines 	
<p>POWDER</p> 	<p>31 SKUs</p> <ul style="list-style-type: none"> > Machine washing powder: 16 SKUs <ul style="list-style-type: none"> • 5 Sizes & 3 Fragrances > Hand washing powder: 15 SKUs <ul style="list-style-type: none"> • 5 Sizes & 6 Fragrances 	<ul style="list-style-type: none"> > 50k tons/year > 6 Production lines > Atomization tower with an annual capacity of 45k tons of base powder 	<p>Nadhif</p> <p>Dixan</p> 
<p>LIQUID</p> 	<p>98 SKUs</p> <ul style="list-style-type: none"> ➤ Machine washing gel: 14 SKUs ➤ Semi-automatic machine & Hand washing liquid: 6 SKUs ➤ Softeners: 8 SKUs ➤ Floor & Surfaces liquid: 20 SKUs ➤ Multi-purpose liquid: 12 SKUs ➤ Deodorizer: 21 SKUs ➤ Dishwashing liquid: 14 SKUs ➤ Hydro alcoholic gel: 3 SKUs 	<ul style="list-style-type: none"> > 40k tons/year > 4 Production lines 	     
<p>PROFESSIONAL</p> 	<p>31 SKUs:</p> <ul style="list-style-type: none"> > 4 Subcategories > 2 Sizes: 5L & 20 & 10 Fragrances 		<p>Neodeme Hygiene Solutions</p> <p>PULIRE La Qualité Sensible</p> 

Key Dates

A unique success story of a continuously expanding business..



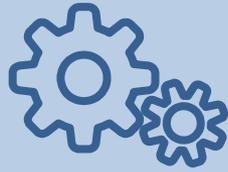
Strategy Pillars

...operating with a clearly defined strategy



Innovation and Differentiation

Deploying innovation to continue rolling differentiated products across the price spectrum



Integration and Optimization

An upstream integration by increasing the production capacity of Azur Papier (Cellulose wadding)

Streamline operations in existing markets



Regional Expansion

Exploring further organic and inorganic opportunities to penetrate new markets



Diversification of Revenue Streams

Diversification of business lines

Production innovation is at the core of Lilas' operations



Innovation & Differentiation

Historically, SAH has been able to successfully:

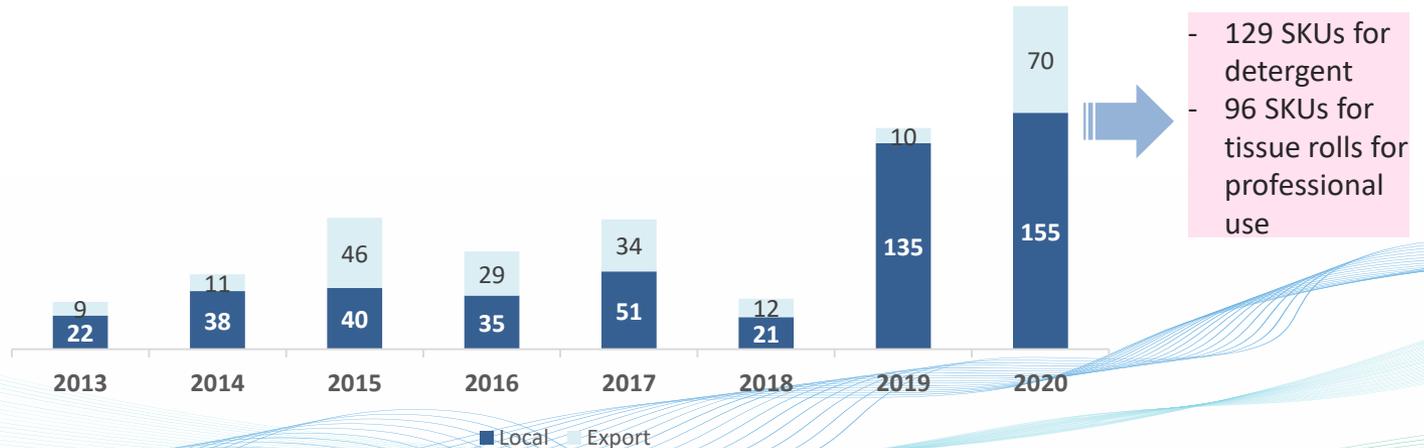
- Launch a wide range of products every year and
- Customize its products for each market (packaging, sizes, etc.), while emphasizing on product quality and affordability

SAH creates well-tailored products to match its markets needs through:

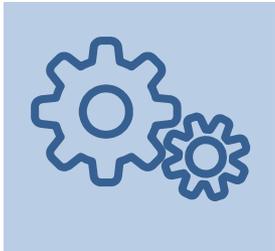
- In-house R&D strategy;
- Technical know-how, and
- Close collaboration with business partners (Suppliers, companies and laboratories)

Deploying innovation to continue rolling differentiated products across the price spectrum

New SKUs by destination



Vertical integration for cost optimization and speed to market



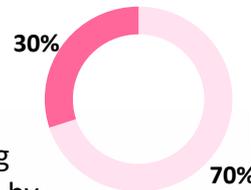
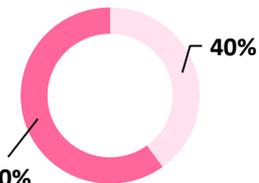
Integration & Optimization

An upstream integration by increasing the production capacity of Azur Papier (Cellulose wadding)

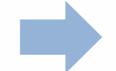
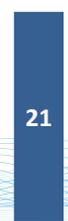
Streamline operations in existing markets

- In 2013, SAH launched Azur Papier a company specialized in the production of cellulose wadding, its main raw material, in order to secure its availability and reliability while increasing margins. Gross margin moved from 34% in 2013 from 41% in 2020;
- First production line reached full capacity, leading to a capacity increase with the acquisition of a second line that entered into production in February 2021.

- TND 110m (c. US\$ 40m) CAPEX
- Second line launched in 60% Q1'21



- Cellulose wadding exclusively supplied by external suppliers
- Limited control over the margins
- Total reliance on suppliers



- First line **at full capacity**
- **Continuous increase** of the Group's needs



- Increase the production capacity
- Cost optimization & margin increase at the group's level
- More operational flexibility
- Supply the group's increasing raw material needs
- Increase exports

Cellulose wadding sold to: ■ Non-Group ■ Group ■ line 1 capacity (kT) ■ line 2 capacity (kT)

Strategy Pillars

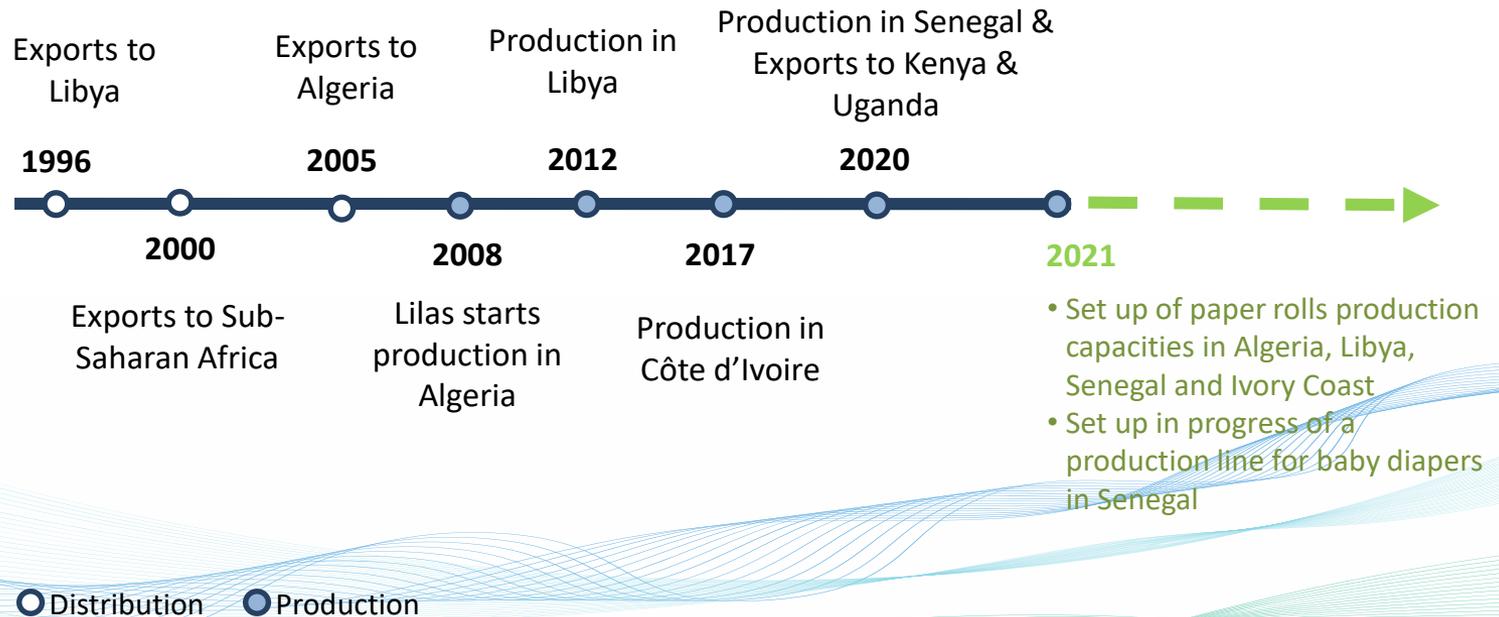
Expanding into Africa through exploring new export markets and developing regional platforms ¹²



Regional
Expansion

- SAH has proven ability to penetrate and establish manufacturing capabilities in new markets with the successful launch of the Algerian, Libyan, Ivorian and Senegal subsidiaries.
- SAH is expanding its outreach to East Africa, namely Kenya and Uganda, by establishing a distribution base of baby diapers and feminine products intended to domestic and neighboring markets.

Exploring further organic and inorganic opportunities to penetrate new markets



Strategy Pillars

Diversifying product portfolio to use Lilas' brand notoriety and distribution network



Diversification of Revenue

Diversification of business lines by launching the detergent activity

Project rationale

- Limited growth of the hygiene market
- Fast growing, yet fragmented and imports' driven market (detergent)
- Limited local competition
- Leverage the existing distribution network
- Leverage Lilas' strong brand notoriety
- Enlarge consumer reach by entering new markets



Creation of Azur Detergent



TND 86m
(US\$ c.30m)
CAPEX

Total capacity of 140k tons/year & A large range of Laundry & Home care products:

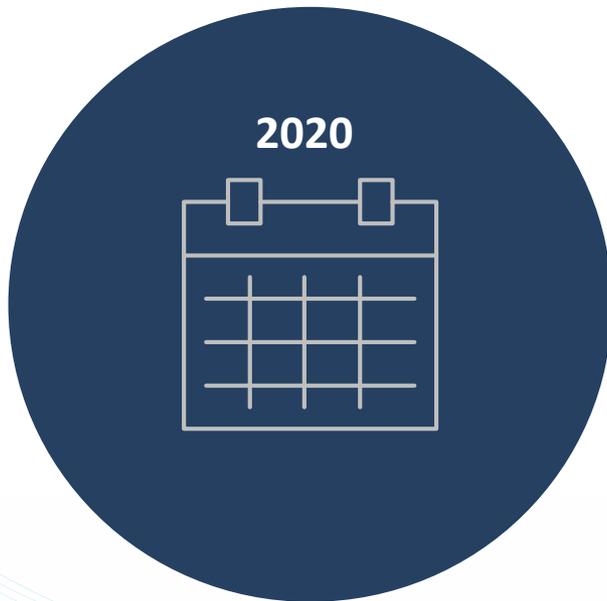
- Powder: **50k tons/year**
- Liquid: **40k tons/year**
- Bleach: **50k tons/year**

Product mix	Place mix	Price mix	Competitors
<ul style="list-style-type: none"> - Width: 4 lines - Length: 13 products - Depth: 180 SKUs 	<ul style="list-style-type: none"> - Traditional distribution - Modern retail - Healthcare facilities 	<ul style="list-style-type: none"> - In line with competition 	<ul style="list-style-type: none"> - 4 local producers - 3 foreign competitors 

II. 2020 Financial Performance



Key Messages



- 01.** Sustained revenue growth, supported by local sales growth, despite the Covid-19 context

- 02.** Detergent sales ramp-up

- 03.** Development of new export markets

- 04.** Launch of the Senegalese subsidiary

- 05.** Profitability improvement

2020 Financial Performance

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Key Financial Highlights

TND644.9m

of consolidated
revenues
(US\$ 229.4m)

TND444.7m

of consolidated local
sales
(US\$ 158.2m)

TND115.4m

of EBITDA
(US\$ 41.0m)

18.3%

EBITDA Margin

+12.6%

y-o-y growth in
consolidated sales
(in local currency terms)

+23.7%

y-o-y growth in
consolidated local
sales
(in local currency terms)

+42%

y-o-y growth in
EBITDA
(in local currency terms)

TND129.6m

Detergent sales
(US\$ 46.1m)

*: Average USD/TND = 2.811

Non audited figures, excluding taxes, labeled in TND million

Sales before rebates

EBITDA: Earnings before interest, tax, depreciation, and amortization

Lilas[®]

2020 Financial Performance

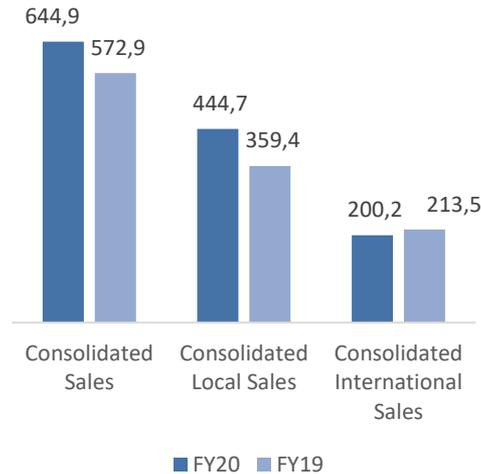
Revenue Analysis

✓ As of December 31, 2020, SAH group reports revenues of TND 644.9 million, i.e., a growth of 12.6%, despite the exceptional circumstances related to Covid-19. In fact, export sales fell by 6.2% against an increase in local sales of 23.7%.

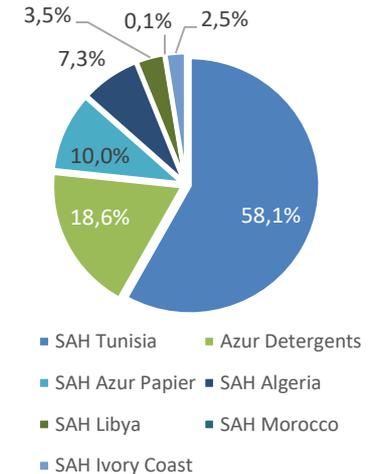
✓ The growth in consolidated revenues was driven by the growth of Azur Détergents, supported by the good performances of Azur Papier and SAH Tunisie.

✓ As of December 31, 2020, revenues of the parent company SAH Tunisie represent 58% of the group's revenues, followed by the subsidiary Azur Détergents that contributes up to 18.6% in consolidated sales.

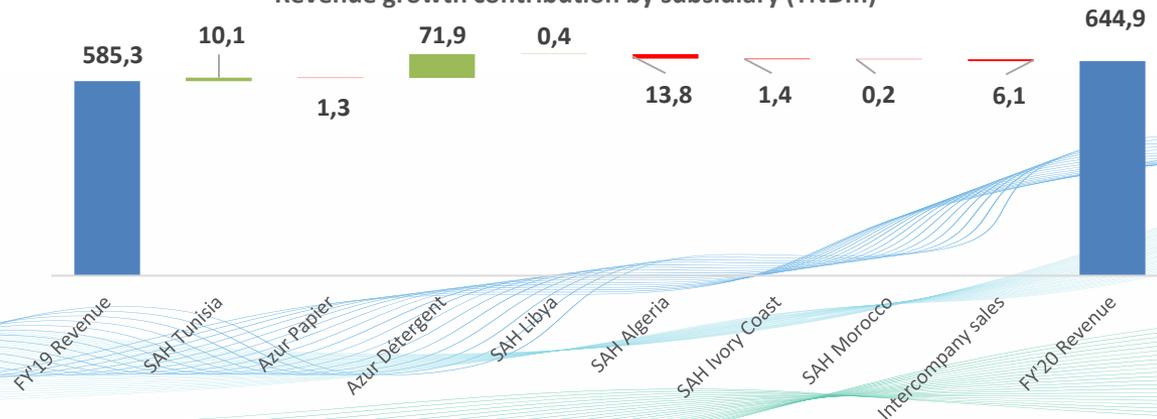
Evolution of consolidated sales as of December 31, 2020 (TND million)



Subsidiaries' contribution in consolidated revenues 2020



Revenue growth contribution by subsidiary (TNDm)



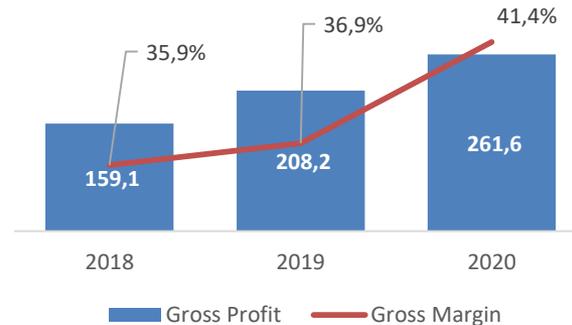
*: Based on non-audited financials

2020 Financial Performance

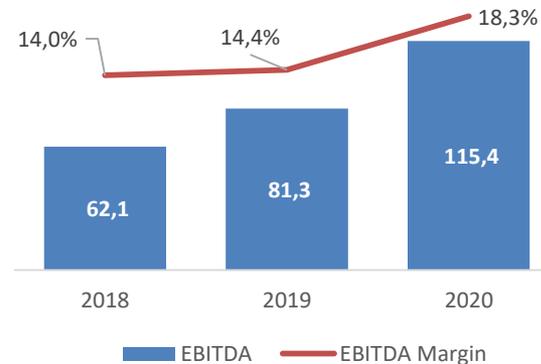
Margin Analysis

- ✓ SAH group reports a net improvement in terms of profitability at the end of 2020, compared to the last two years. In fact, the gross profit increased from TND 208.2 million to TND 261.6 million, recording a growth of 26%. The gross margin reached 41.4% as of December 31, 2020, compared to a gross margin of 36.9%, at the end of December 2019, i.e., an improvement of 4.5%. This growth is mainly due to the reduction in the price of raw materials, in particular cellulose, super absorbent, and pulp, which occurred in 2019 and positively impacted the costs of production in 2020. The group also benefited from the impact of optimization of its production processes, that resulted in lower waste rates for both premium and lower-class products.
- ✓ As of December 31, 2020, EBITDA would reach TND 115.4 million, up by 42% compared to 2019 and representing a margin of 18.3%. EBITDA margin increased from 14.4% to 18.3%, i.e., an improvement of 4%. Such a performance is the result of the improvement in gross margin combined with the gains in economies of scale achieved on group purchases and consumptions.

Gross profit (TND million) & Gross margin



EBITDA (TND million) & EBITDA margin



*: Based on non-audited financials

III. 2021 Outlook & Perspectives



2021 Outlook & Perspectives

2021 Guidance

SAH is on track to continue its significant growth in 2021 thanks to its development strategy



The increase in cellulose wadding production by 150%, thanks to the launch of the second line at Azur Papier. Such an increase will allow SAH to increase its production as well as its raw material exports;

01



The increase in its paper production with the addition of two lines for kitchen towels and industrial paper set-up in Q3'20;

02



The increase in its production in adult hygiene with the entry into operations of an additional line for adult pants in December 2020;

03



The expansion of the liquid and powder units as well as the plastic unit at Azur Detergents. The completion date is maintained for the second half of 2021;

04



The start of production of the baby diapers' line at the Senegalese subsidiary, expected by the end of Q1'21;

05



The development of new export markets namely Uganda and Kenya;

- The expected growth for subsidiaries in Ivory Coast, Senegal and Libya. Noting that the Senegalese subsidiary was launched in December 2020

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IV. HS&E & Community Impact



HS&E and Community Impact

HS&E Key indicators

100%

Of SAH Employees are direct hires – No contracted workers

31%

Of Women Employees

c.44%

Of Youth Employees (Below 30 years old)



c.500

Employees received training in 2020

US\$51k

Of training expenditures in 2020

50 procedures

In place, related to health, safety and environment

100%

Of SAH workers are equipped with the required PPE

**ISO 9001_{v2015}
& ISO 22761**

Certifications*

Ongoing audits

For fire & life safety verification

*: At the production sites of Beja, El Mjez and El Zriba (Tunisia)

HS&E and Community Impact

ECO-FRIENDLY IN OUR OPERATIONS

SAH group is committed to reduce the environmental footprint of its operations as business expands

40%
Of group's production is based on recycled paper

15%
Of recycled plastic

35%
Of energy savings

2
Water treatment stations

4
Rainwater collection basins

100%
Of the toxic waste is processed



WASTE MANAGEMENT – Recycled plastic

SAH group committed to reduce its plastic footprint by collecting and transforming plastic packages. 15% of recycled plastic is incorporated in its packaging through the processing of wasted raw materials and the re-use of recycled plastics.



Recycled Paper

About 40% of SAH production is based on recycled paper and up to 65% for Azur Paper, in line with the group commitment to halt deforestation



WATER TREATMENT

In line with its commitment to preserve the natural environment and avoid pollution of ecosystems, SAH group has two treatment stations at two different production sites. The set up of a third station is being validated in addition to the construction of four rainwater collection basins to avoid potential pollution.



ENERGY SAVING

SAH group put in place a cogeneration system to recover the waste heat from existing electricity production by saving up to 35% of energy losses and helping to reduce CO2 emissions in the atmosphere. Projects are under study to reduce energy by 50% over the next 5 years



WASTE MANAGEMENT – Toxic waste

SAH group has signed agreements with certified organizations for the collection, treatment and destruction of all toxic waste

V. COVID-19 Update



Risk Assessment – Demand and revenues

Demand in household and personal care products is historically resilient

- Household and personal products demand is resilient to economic cycles and historically proven to be stable during economic shocks. The sector is estimated as vital in the current circumstances of COVID-19 pandemic;
- Sales of detergents and paper-based products (Kitchen towel, sanitary paper, etc..) might report higher growth compared to other hygiene products such as baby diapers, feminine hygiene and incontinence care products;

Travel restrictions and local curfew enforced by the government

- No interruption of production at the Tunisian sites, yet with limited presence of workers to prevent the risk of contamination;
- Temporary interruption in the set up of the second production line of Azur Papier, as Italian engineers flew back to their country. Some delays is experienced in the launch of the second line. Operations starting date postponed to Q1'21 versus H2'20 initially;
- Slowdown of production at the production sites of Algeria, Libya and Ivory Coast, given commuting difficulties;
- Logistical issues at the local level: Temporary permissions are required for the commercial trucks to circulate freely inside the country. Minor slowdown in final products' delivery given the cumbersome administrative procedures;
- Logistical issues at the regional level: Closure of land borders, especially with Libya, might have a negative impact on export sales

SAH Response and Revised Outlook

- Enforcement of strict hygiene and distancing measures at the production sites to maintain the continuity of operations;
- Development of new range of detergent products for professionals;
- Development of partnerships with local retailers to produce private label detergents;
- Deliveries to the local market secured through obtaining of required permissions. Non-delivered orders in March were successfully delivered in April;
- Exports' delivery to Libya secured via a maritime solution.

Risk Assessment – Continuity of operations

Pandemic risk, sanitary lockdown and curfew

- Production interruption due to workers' absenteeism out of fear of contamination;
- Production interruption due to workers' absenteeism as a consequence of restricted circulation;
- Delay in day-to-day operations due to unavailability of support staff as a consequence of restricted circulation;
- Risk of contamination in both the headquarters and production facilities

SAH Response

- The group has implemented internal measures to preserve the safety and well-being of its partners and employees as well as their families. These measures were developed in conjunction with governmental services and public health authorities:
 - Intensive awareness sessions for the benefit of all employees through informative management memorandum and frequent visits of the occupational health doctor on sites;
 - Placement of alcohol hand sanitizers in all common areas;
 - Provision of antibacterial soaps for hand washing;
 - Disinfection of all premises including floors, surfaces, furniture and equipment using a certified bactericide;
 - Encouraging conference calls and limiting physical meetings, and if crucial, enforcing a safety distance of at least 1 meter between employees;
 - Enforcement of 14-day self-isolation for employees or partners who have traveled abroad and a general ban on travel in line with government recommendations;
 - Strict caution and spontaneous reporting against each employee showing symptoms of flu;
 - Encouraging carpooling among colleagues to limit the use of public transportation
- Additional measures were applied on production sites:
 - Reduced teams to minimize the risk of contamination;
 - Daily monitoring of health and safety measures by team leaders with managers;
 - Monitoring of body temperature and health condition of employees by a nurse at arrival and several times a day;
 - Disinfection of buses transporting employees of the three production sites of Azur Papier, Azur Detergents and SAH El Zriba

VI. Shareholding & Governance

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Governance

Mounir El Jaiez
Chairman



Jalila Mezni	Executive Director	CEO of SAH Group
Tarek Kabil	Non-Executive Director	Independent
Abdelbasset Ben Moussa	Non-Executive Director	Representative of Ekuity Capital
Amine Ben Malek	Executive Director	Employee
Hammadi Mokdadi	Non-Executive Director	Representative of Minority shareholders
Achref Mezni	Non-Executive Director	Minority shareholder
Chokri Mezni	Non-Executive Director	Minority shareholder
Ahmed Badreldin	Non-Executive Director	Representative of JM Holding
Adel Goucha	Non-Executive Director	Representative of JM Holding
Adel Gar	Non-Executive Director	Independent

Our Board of Directors has one tier structure and is composed of executive and non-executive directors, working together for long-term sustainable value of the Company. Our Board of Directors is composed of eleven directors, one of whom is representative minority shareholders and two independent directors. The Board of Directors delegates day-to-day operations to the CEO, who makes decisions with respect to the management of the Company.



Board Independence

Two independent directors: Tarek Kabil with an extensive experience in the FMCG and hygiene sectors & Adel Graar with an extensive experience in the financial sector.



Transparency & Related Parties

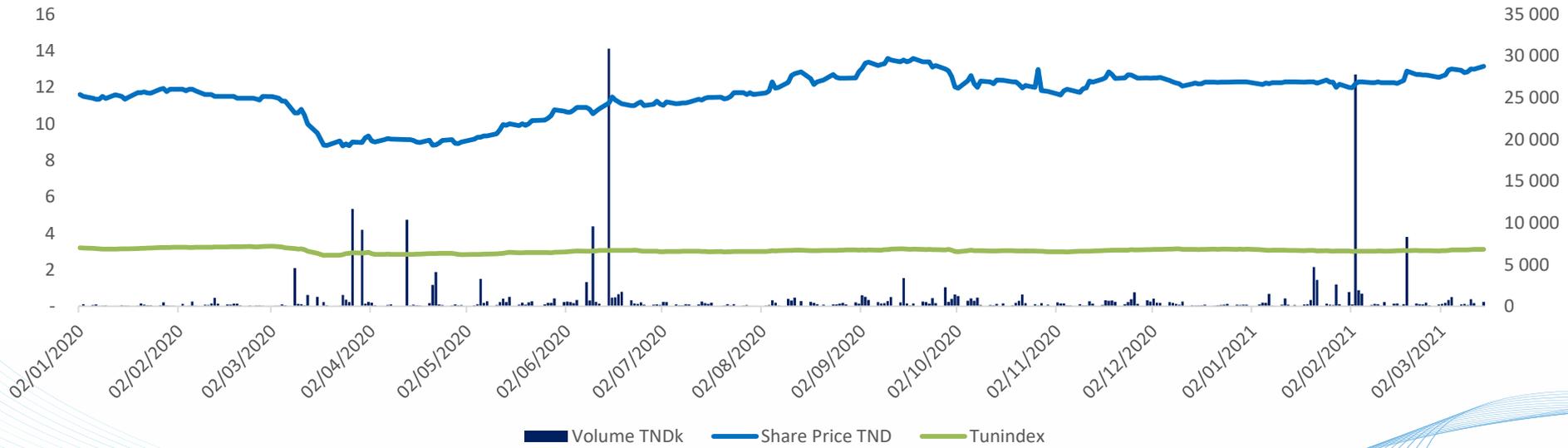
As part of the consolidation of good governance standards and principles and the strengthening of the fight against corruption, SAH group has adopted a code of conduct in line with its values setting out the line of conduct, international norms and standards that will apply as well as the commitments arising therefrom vis-à-vis its stakeholders wherever it operates.

Governance & Shareholding

Share performance

Last Close
15 March 2021
13.15

Market Cap
15 March 2021
TND 859.3m





Stock Information

TUNINDEX : SAH

ISIN Code : TN 0007610017

Contact :

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Investor Relations Director

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Lilas®

Société d'Articles Hygiéniques « SAH »

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