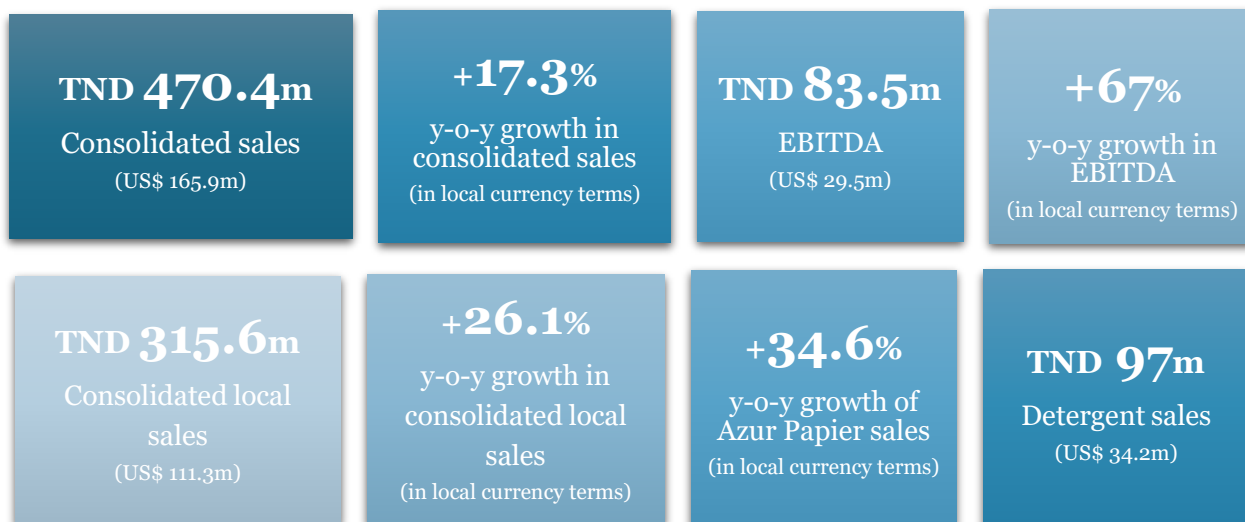




SOCIETE D'ARTICLES HYGIENIQUES « SAH »

SIEGE SOCIAL : 5 Rue 8610 Z.I Chargaia 1 - 2035 Tunis Carthage –

I. SAH GROUP- Q3'20 EARNINGS

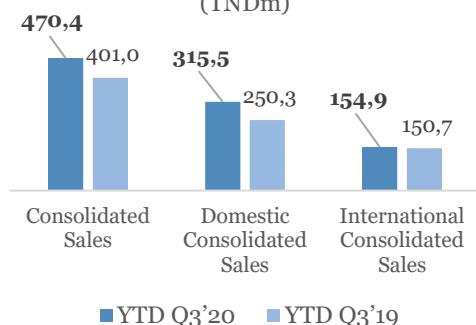


Non audited figures, excluding taxes
FX USD/TND: 2.8

KPIs	Q3'20	Q3'19	Variation	YTD Q3'20	YTD Q3'19	Variation	FY2019
Consolidated sales	137 337	145 712	-5.7%	470 444	401 000	+17.3%	560 257
Domestic sales	92 330	97 721	-5.5%	315 593	250 344	+26.1%	380 974
International sales	45 007	47 991	-6.2%	154 851	150 656	+2.8%	179 282

Non audited figures in TNDm, excluding taxes

**Consolidated sales YTD Q3'20
versus YTD Q3'19
(TNDm)**

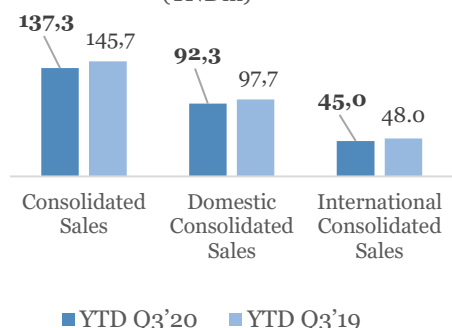


Business Performance

As of September 2020, SAH group reports a cumulative turnover of TND 470.4 million (c.US\$ 166 million), up by 17.3% compared to last year, proving of an outstanding resilience considering the exceptional context related to Covid-19.

Consolidated sales growth was driven by the growth of Azur Détergents, which revenues almost tripled and supported by the good performances of Azur Papier, up by 34.6% and SAH Tunisie, up by 3.3%.

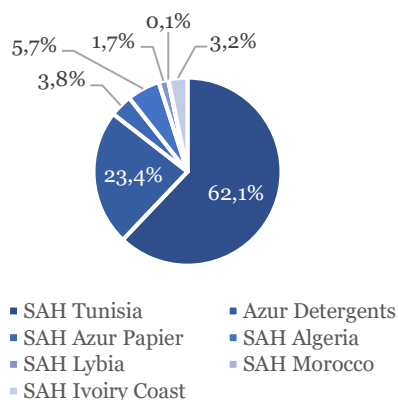
**Consolidated sales Q3'20
versus Q3'19
(TNDm)**



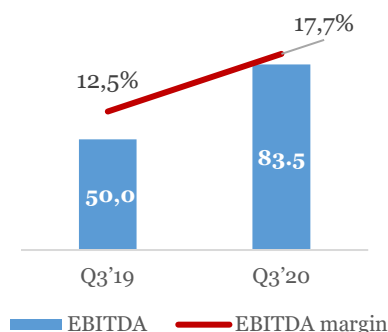
During Q3'20, group sales reported a slight decline of 5.7% as a consequence of the decreasing trend in household consumption and the closure of the Tunisian-Libyan border during the months of August and September.

The breakdown of consolidated sales by subsidiary highlights the growing contribution of Azur Detergents, with a turnover accounting for 23.4% of the group's sales as of Q3'20.

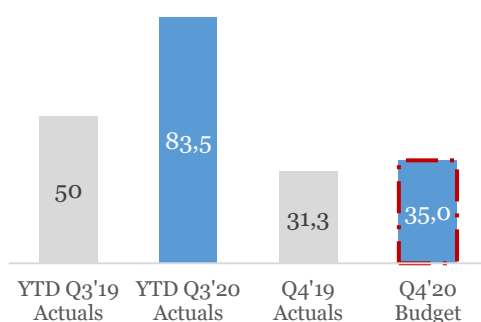
**Subsidiaries' contribution in
consolidated revenues 3Q20**



EBITDA (TNDm) & EBITDA margin



Actual EBITDA versus Estimated EBITDA (TNDm)



Financial performance

As of September 2020, SAH group reported a marked improvement in profitability with YTD Q3'20 EBITDA of TND 83.5 million (US\$ 29.5 million), up by 67% compared to the same period last year. EBITDA margin culminated at 17.7% versus a margin of 12.5% YTD Q3'19.

Such a financial performance has been driven by gross margin improvement, due to economies of scale and optimization of production processes and raw materials' purchases

Also, the group maintains its full year forecasts and expects to reach an EBITDA of TND 118.5 million (c.US\$ 42 million) given:

- the higher growth expected in Q4, representing the pick season in terms of personal hygiene products consumption;
- The recovery of the Algerian market;
- The ongoing expansion in new East African markets, namely Uganda and Kenya.

Consequently, SAH is expected to achieve an EBITDA growth of 42% compared to last year, i.e. TND 118.5 million versus TND 81.3 million.

Expansion Plan Updates:

Despite the delays caused by the outbreak Covid-19, SAH continues to closely monitor the development of its ongoing expansion projects, initiated back in 2018:

- **Azur Papier:** The second line of Azur Papier is expected to enter into production by the end of Q4'20 (January 2021 at the latest), increasing capacity by 150%;
- **SAH Tunisie:** An additional "Paper towel" line and an "Industrial paper" line entered into production during Q3'20. An additional production line of adult diapers is scheduled for December;
- **Azur Détergents:** The expansion of the liquid, powder and plastic units are in progress. Completion date is estimated for the second half of 2021;
- **SAH Sénégal:** Paper production is currently ongoing. The baby diaper unit is expected for December 2020.

2020 Outlook

SAH group maintains its objectives for the year 2020, boosted by:

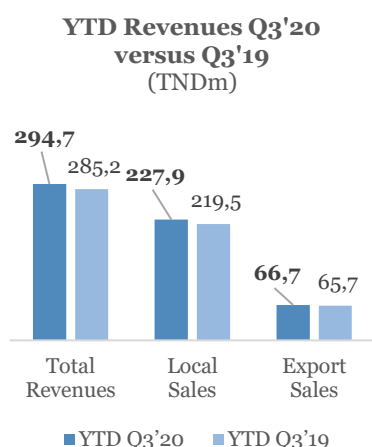
- Q4'20 expected solid performance in hygiene products with the launch of the new "Lilas Clean" paper range and the ramp-up of the paper unit of SAH Sénégal;
- Azur Détergents reaching an annual turnover of TND 135 million (US\$ 47.6 million), including TND 20 million of exports, i.e. an overall increase of 140% compared to last year;
- The growth of international sales will be mainly supported by the performances in Libya, Ivory Coast and Senegal as well as the newly reached African markets, namely Uganda and Kenya

II. SAH TUNISIA- Q3'20 Earnings (ON STANDALONE BASIS)

KPIs		3Q20	3Q19	Variation	YTD Q3'20	YTD Q3'19	Variation	FY2019
Revenues	(1)	85 266	93 287	-8.6%	294 687	285 188	+3.3%	396 211
Local Sales		63 529	72 982	-13.0%	227 938	219 506	+3.8%	309 536
Exports		21 737	20 305	+7.1%	66 748	65 682	+1.6%	86 675
Production	(2)	84 448	91 792	-8%	284 922	272 653	+4.5%	295 618
CapEx	(3)	5 370	10 607	-49.4%	14 186	16 188	-12.4%	20 414
Indebtedness	(4)				144 743	135 478	6.8%	139 815
Long Term					101 280	99 531	1.7%	107 200
Short Term					43 463	35 947	20.9%	32 615

Non audited figures, excluding taxes

Revenues



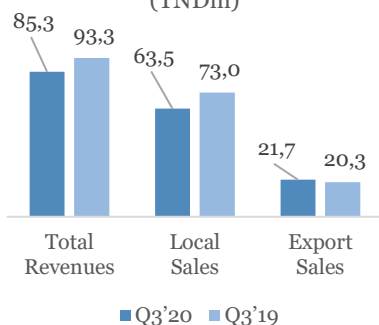
As of September 2020, SAH Tunisie YTD revenues amounted to TND 294.7 million (c.US\$ 104 million), i.e. growth of 3.3% compared to the same period last year driven up to 3.8% by local sales and 1.6% by exports.

Q3'20 revenues reported a decrease of 8.6% compared to Q3'19 detailed as follows:

Local market: Local revenue reached TND 63.5 million (US\$ 23 million), down by 13% compared to the same period last year, as demand has been negatively impacted by the Covid-19 sanitary restrictions and lower purchasing power of households.

Export market: Export sales increased by 7.1% during Q3'20 despite the slowdown in the export markets, and mainly following the closure of the Libyan market, the first export destination for SAH Tunisie during the months of August and September.

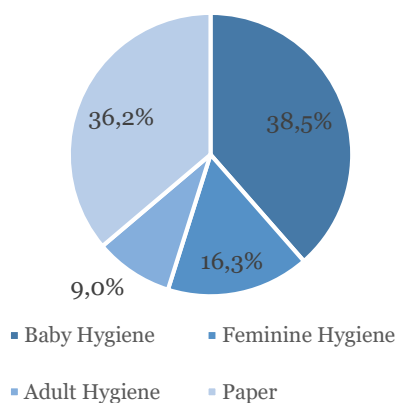
**Quarterly revenues Q3'20
versus Q3'19
(TNDm)**



In Q3'20, baby hygiene sales contributed up to 38.5% of total sales followed by paper sales (36.2%), feminine hygiene sales (16.3%) and hygiene sales adult (9%).

Q3'20 sales increase was driven by the increase in sales of feminine hygiene (+ 20.5%), sales of paper products (+ 20.4%) and adult hygiene sales (+ 19.8%).

**Revenues' breakdown by
range of
product- Q3'20**



CapEx

SAH Tunisie investments reached TND 14.1 million with the new "Adult Hygiene" investment postponed to December 2020.

Indebtedness

The overall debt level rose from 139.8 million dinars as of December 31, 2019 to 144.7 million dinars as of September 30, 2020, thus recording an increase of TND 9.3 million. The level of debt remains under control despite ongoing investments and the effects of the health crisis on operations.

RENEWAL OF ISO 9001-2015 CERTIFICATION

SAH reiterates its commitment to the quality-based approach further to its ISO 9001 certification renewal according to the 2015 version in September 2020 by SGS.

SAH has been ISO 9001 certified for over 20 years. The renewal of ISO 9001 certification proves SAH's ability to adapt to the changes in its market and represents a promise of value and confidence for its customers.

Changes in the market and competition, the expectations of customers, investors and shareholders, are currently aspects taken into account in all processes and at all levels of the organization.

—End—



Tunis, 20 October 2020

About SAH Group

SAH Group is the leading Tunisian producer of disposable, paper-based personal care products for babies, women and adults. Founded in 1994 by Jalila Mezni and Mounir El Jaiez, Lilas started its operations with the production of sanitary protection. It lately moved into the production of cellulose wadding and in 2019 launched the detergent production. The Group operates state of the art plants with up to date technologies and high-speed lines, located in Tunisia, Libya, Algeria, Côte d'Ivoire and Senegal.

Contact

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