



Lilas®

INVESTOR PRESENTATION

September 2021

I. SAH Overview

2



At a Glance

3

TND631.7m

Consolidated net
revenues
(US\$ 224.7m)

+12%

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

TND115.5m

EBITDA
(US\$ 41.1m)

TND300m

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

Public

Company since 2014

Presence in

20

African countries

9

Production facilities

+4 500

Employees

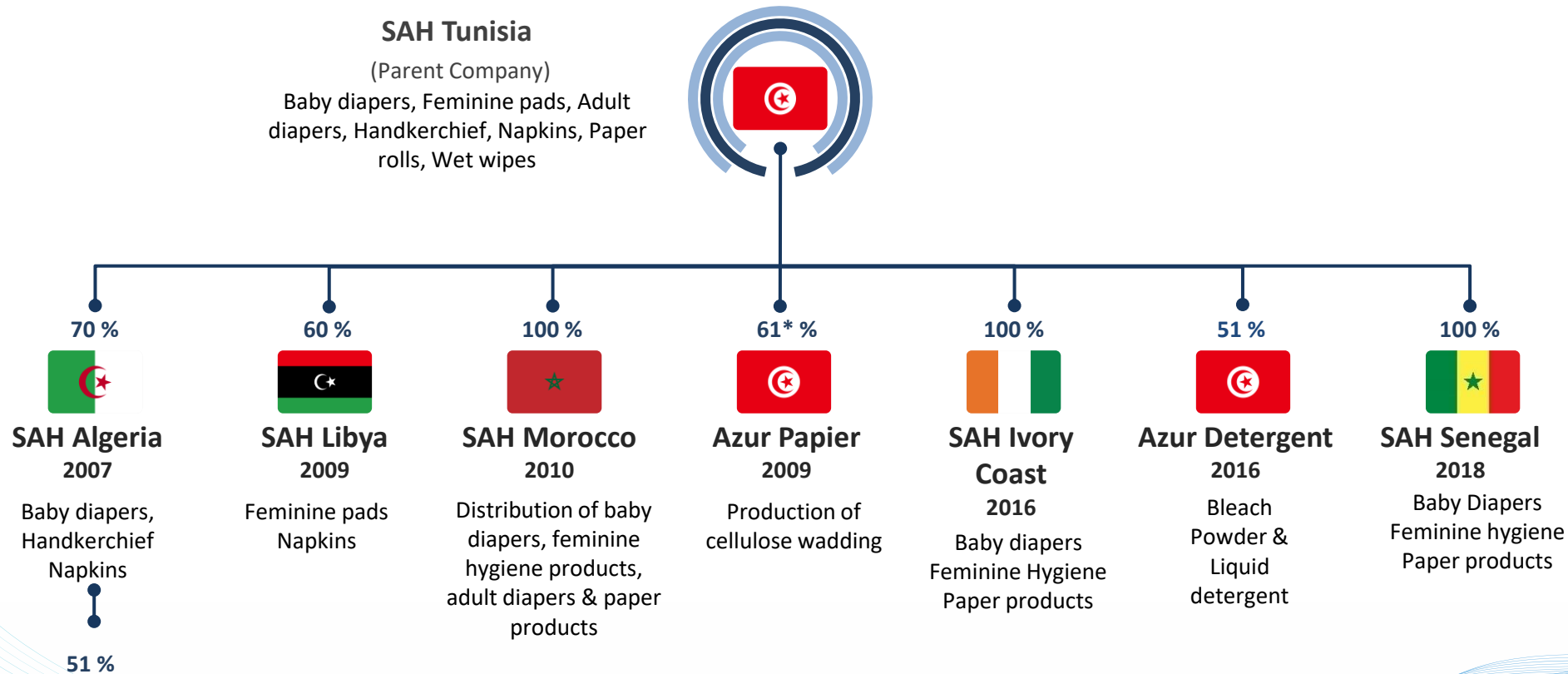
*: Average USD/TND = 2.811

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

Group Structure & Product Offering by Subsidiary

4

A compelling rooting scheme in the attractive African market



*: 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

5

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 line

Product Offering by Category: Hygiene

6

Product Category	Formats (SKUs)	Production Site (s)	Current Production Capacity
Baby Diapers 	> 3 Types : Comfort max, Unisex & Pharmacy > 6 sizes (2 to 25 kg)	> Mjez El Beb (Tunisia) > Beja (Tunisia) > Algeria > Ivory Coast	> 9 Production lines > In # of items/year: 1 103 940k (Tunisia only)
Feminine Hygiene 	> 2 Subcategories : Sanitary pads & Panty liners > 7 Types for Sanitary pads & 3 Types for Panty liners	> Mjez El Beb (Tunisia) > Beja (Tunisia) > Libya	> 6 Production lines > In # of items/year: 556 518k (Tunisia only)
Adult Hygiene 	> 3 Types: Protect, Protect comfort & Pants > 3 sizes (Small, Medium & Large)	> Mjez El Beb (Tunisia)	> 2 Production line > In # of items/year: 43 022k
Wet wipes 	> 5 Types: Fresh (Baby & Feminine), Comfort max, Pharmacy & Protect	> Mjez El Beb (Tunisia) > Algeria	> 3 Production lines > In # of items/year: 577 638k
Paper based products 	> 10 Subcategories: Handkerchief, Tissue, Kitchen napkins, Kitchen roll, Paper rolls, Industrial roll, Paper rolls, Exam sheet & Professional tissue	> El Zriba (Tunisia) > Algeria > Libya > Senegal	> 18 Production lines > Consumption of 30k tons per year

Product Offering by Category: Detergent

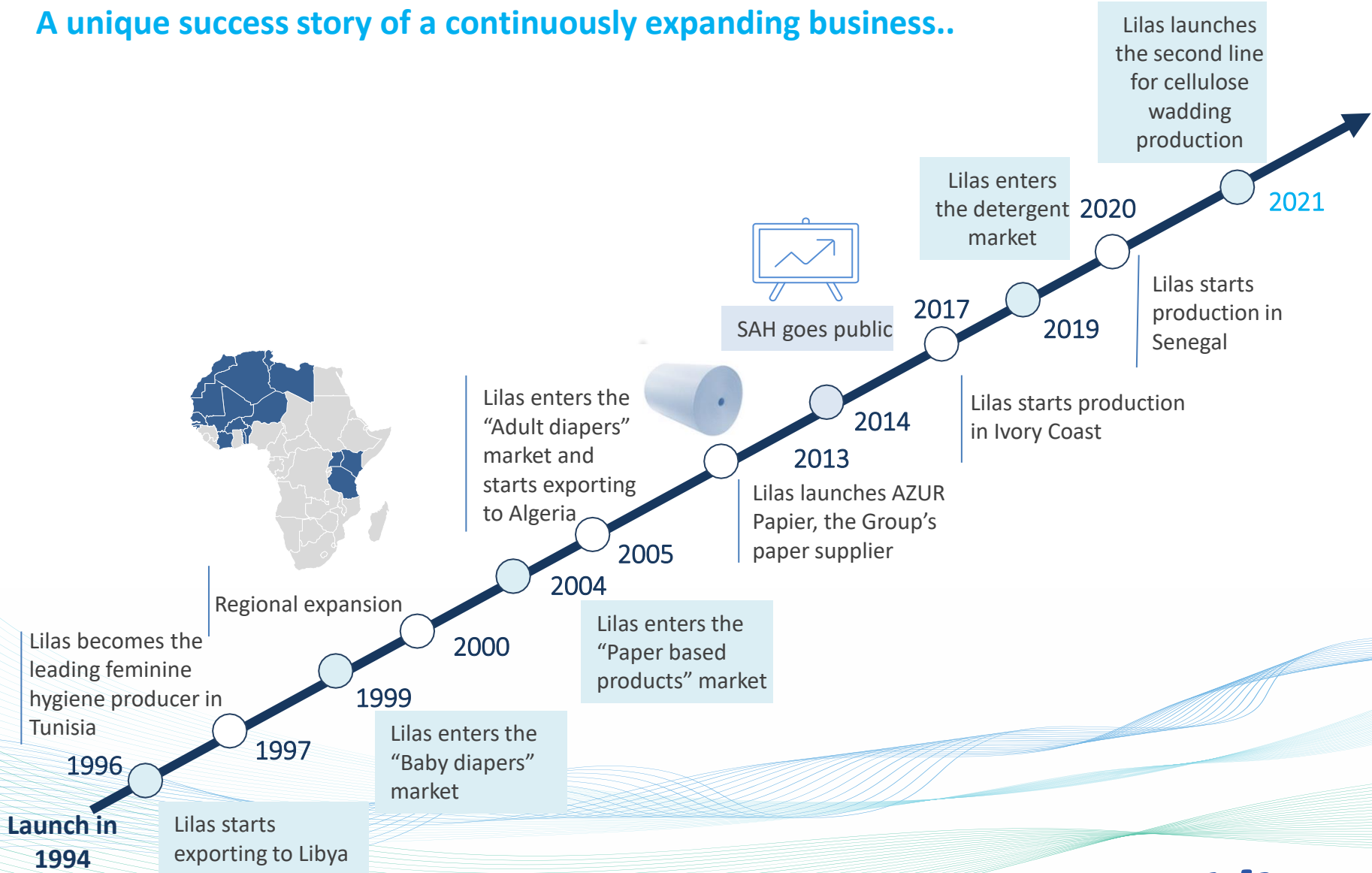
7

Product Category	Formats (SKUs)	Production Capacity	Competition
BLEACH 	20 SKUs: ➤ 6 Sizes: 0.9L, 1L, 1.5L, 3L, 4.75L & 5L ➤ 4 Fragrances: Classic, Lavender, Pine & Lemon	> 50k tons/year > 3 Production lines	
POWDER 	31 SKUs > Machine washing powder: 16 SKUs • 5 Sizes & 3 Fragrances > Hand washing powder: 15 SKUs • 5 Sizes & 6 Fragrances	> 50k tons/year > 6 Production lines > Atomization tower with an annual capacity of 45k tons of base powder	Nadhif 
LIQUID 	98 SKUs ➤ 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	> 40k tons/year > 4 Production lines	     
PROFESSIONAL 	31 SKUs: > 4 Subcategories > 2 Sizes: 5L & 20 & 10 Fragrances		  

Key Dates

8

A unique success story of a continuously expanding business..



Strategy Pillars

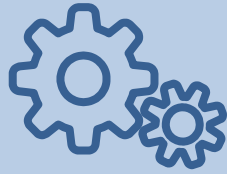
...operating with a clearly defined strategy

9



Innovation and Differentiation

Deploying innovation to continue rolling differentiated products across the price spectrum



Integration and Optimization

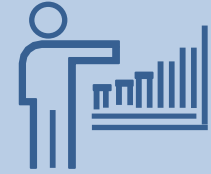
An upstream integration by increasing the production capacity of Azur Papier (Cellulose wadding)

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

Strategy Pillars

10

Production innovation is at the core of Lilas' operations



Innovation & Differentiation

Historically, SAH has been able to successfully:

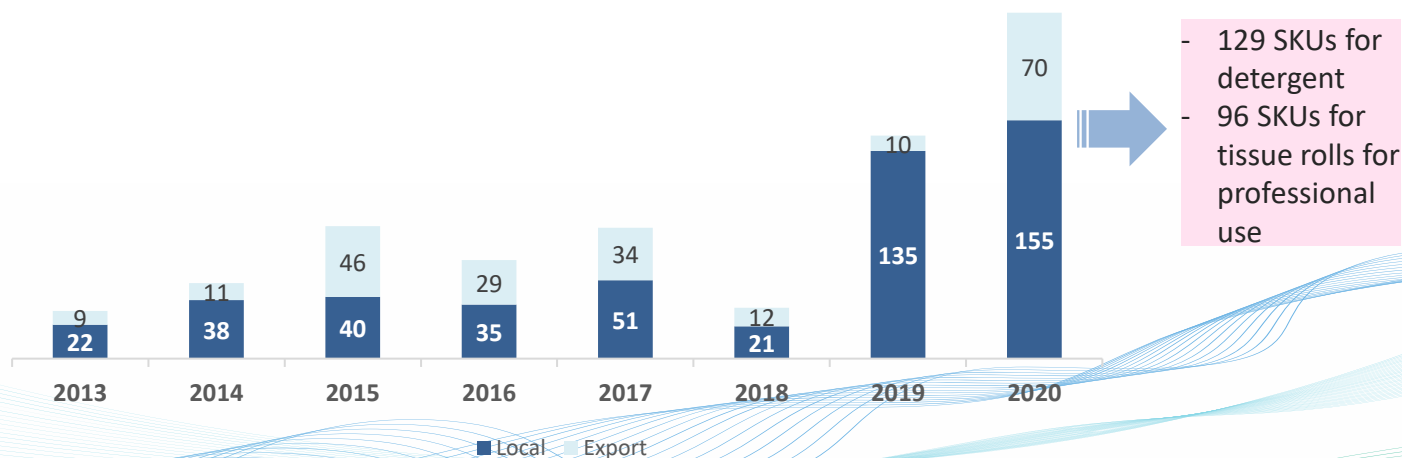
- Launch a wide range of products every year and
- Customize its products for each market (packaging, sizes, etc..), while emphasizing on product quality and affordability

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

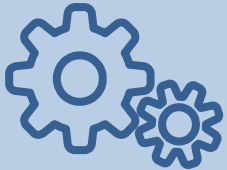
New SKUs by destination



Strategy Pillars

11

Vertical integration for cost optimization and speed to market



Integration & Optimization

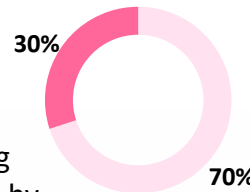
An upstream integration by increasing the production capacity of Azur Papier (Cellulose wadding)

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 to 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 March 2021.

- TND 110m (c. US\$ 40m) CAPEX

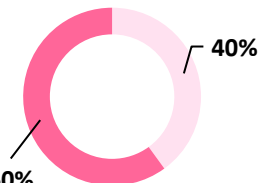
- Second line launched in 60% Q1'21



- 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

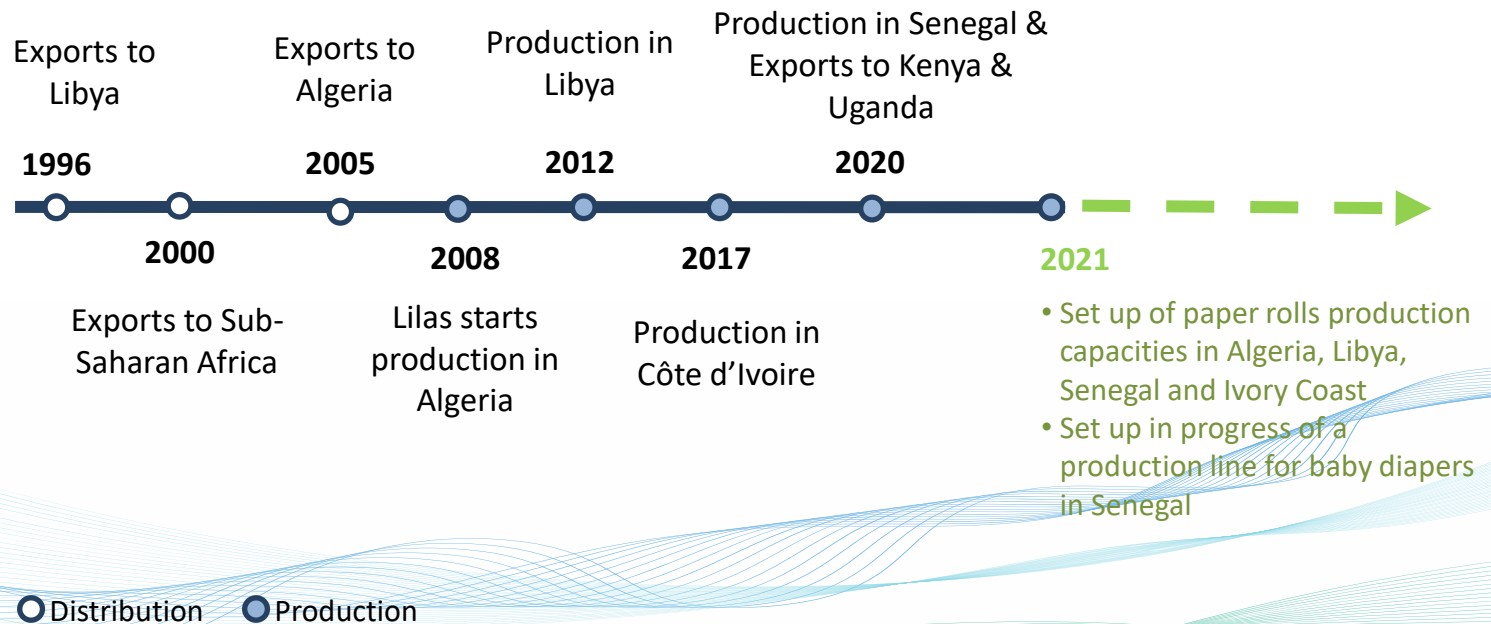
Expanding into Africa through exploring new export markets and developing regional platforms ¹²



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

13



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

- Width: **4 lines**
- Length: **13 products**
- Depth: **180 SKUs**



Place mix

- Traditional distribution
- Modern retail
- Healthcare facilities

Price mix

- In line with competition

Competitors

- 4 local producers
- 5 foreign competitors



Lilas

II. FY20 Financial Performance

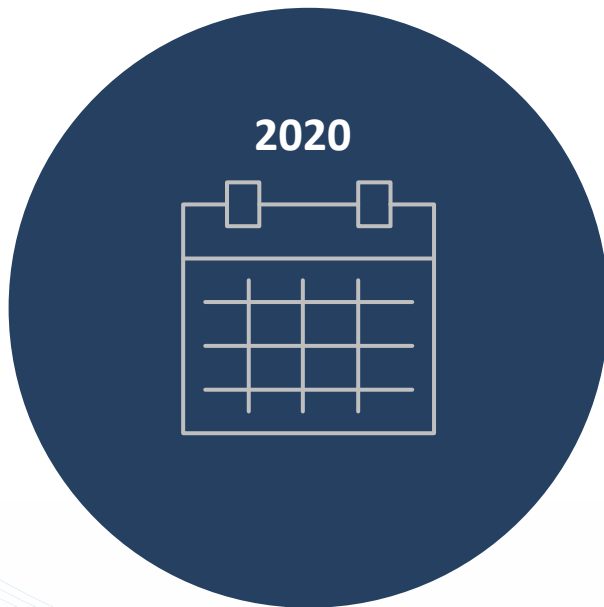
14



FY20 Financial Performance

15

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

FY20 Key Financial Highlights

Resilient commercial performance in the context of Covid-19

16

TND **631.7**_m

Consolidated net
revenues
(US\$ 224.7m)

TND **445.1**_m

Consolidated local gross
sales
(US\$ 158.3m)

TND **115.5**_m

Consolidated EBITDA
(US\$ 41.1 m)

TND **33.5**_m

Consolidated
net income
(US\$ 11.9 m)

+12%

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

+23.8%

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

+42%

y-o-y growth in EBITDA

+51.2%

y-o-y growth in
net income

Average USD/TND = 2.811

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

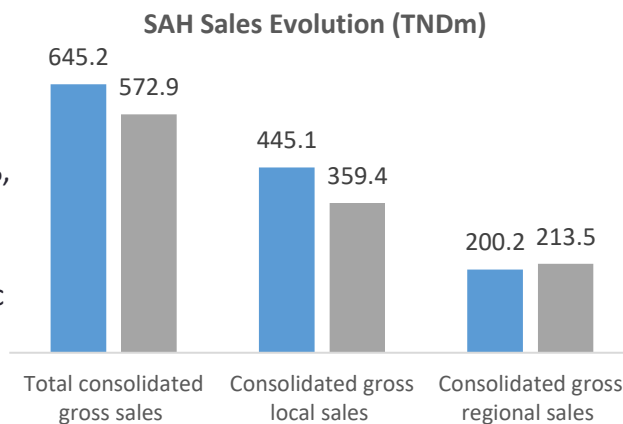
Lilas[®]

FY20 Financial Performance

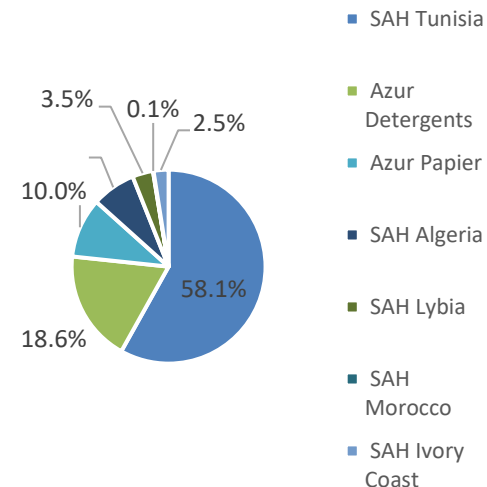
17

Revenue Analysis

- ✓ SAH Consolidated sales reached TND 645.2 million (US\$ 229.5 million) as of December 31, 2020, up by 12.6% compared to FY19. Local consolidated sales increased by 23.8%, whereas regional sales (including exports and sales of SAH non-Tunisian subsidiaries) fell by 6.2%, on the back of Covid-19 logistic hurdles related to maritime transport and closure of borders with Libya and Algeria

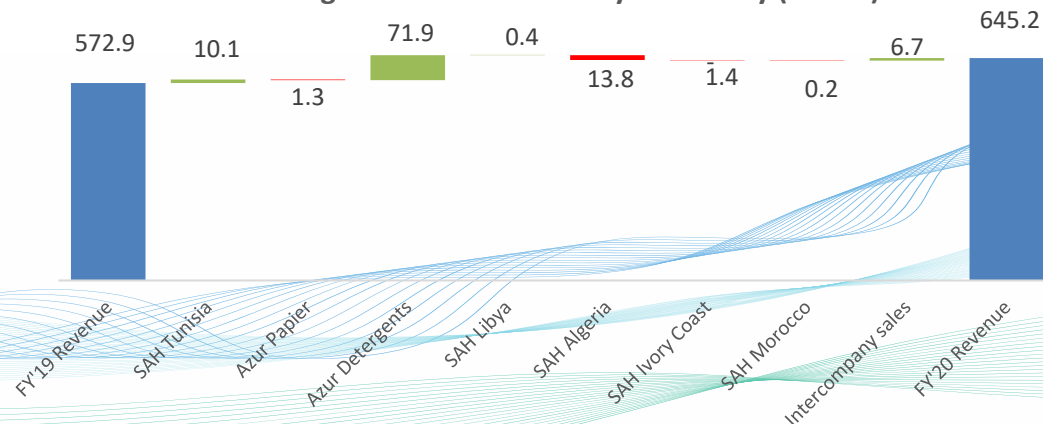


Sales contribution by subsidiary – FY20



- ✓ SAH sales growth has been essentially driven by Azur Detergents ramp-up (+125%) and the sustained performance of SAH Tunisia, despite the decreasing lack of liquidity on the local market and the exports' decrease. Overall performance has been undermined by the negative performance of SAH Algeria, due to the ongoing disruptions in raw materials' imports related to Covid-19 sanitary measures.

Revenue growth contribution by subsidiary (TNDm)



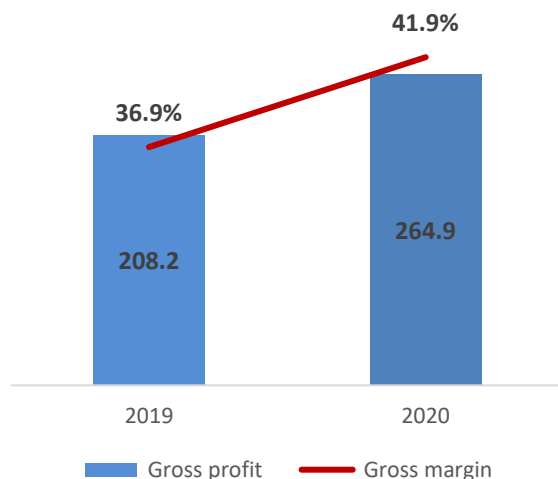
*: Based on commercial reporting

FY20 Financial Performance

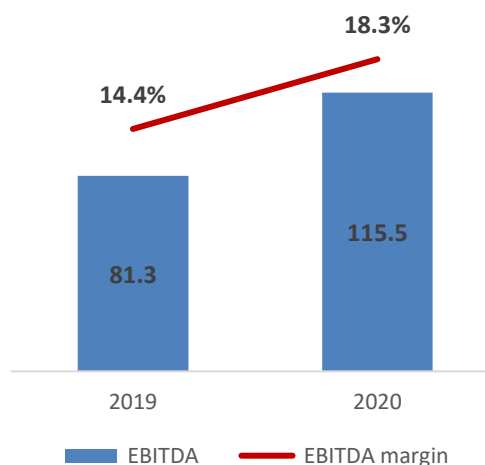
Margin Analysis

18

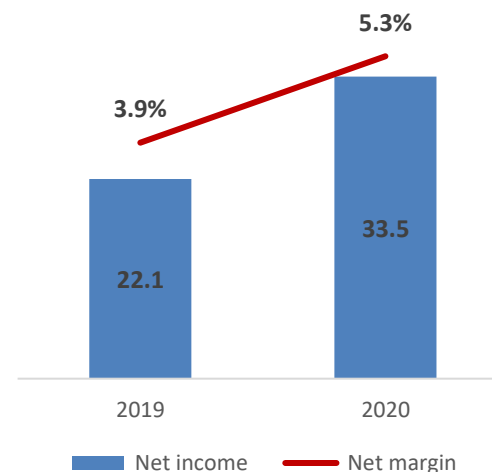
Gross profit (TNDm) & Gross margin (%)



EBITDA (TNDm) & EBITDA margin (%)



Net income (TNDm) & Net margin (%)



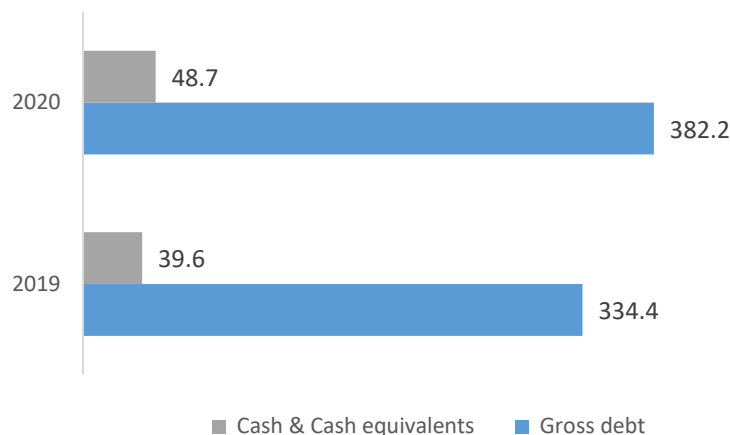
- In 2020, SAH reported a gross profit of TND 264.9 million, up by **27.3%** compared to 2019. Implied gross margin reached **42%** compared to a gross margin of 37%, i.e., an improvement of 5%.
- Such growth is mainly due to the reduction in the price of raw materials, in particular cellulose, super 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.
- SAH Group EBITDA reached TND 115.5 million by the end of 2020, implying a growth of **42%** compared to last year. EBITDA margin reached **18.3%** versus an EBITDA margin of 14.4% in 2019. 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.
- In 2020, SAH reported a net income of TND 33.5 million, up by **51.2%** compared to 2019, representing a net margin of 5.3% versus a net margin of 3.9%.
- 2019 Adjusted net income, for change in consolidation perimeter, i.e., TND 6.5 million, is of TND 15.6 million, implying an adjusted net income growth of c.115% in 2020.

FY20 Financial Performance

Financial Leverage

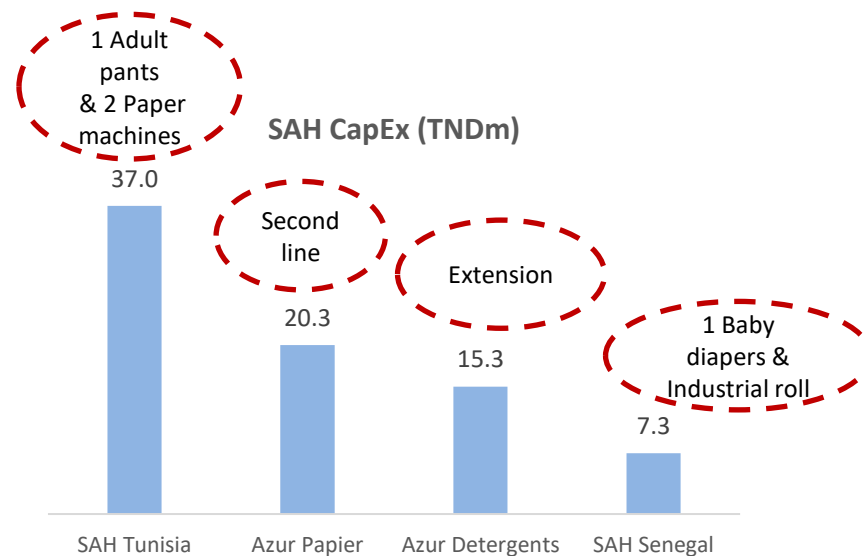
19

SAH Financial Indebtedness (TNDm)



- SAH's overall debt rose from TND 334.4 million as of December 31, 2019, to TND 382.2 million as of December 31, 2020. The increase in debt is mainly due to the increase in short-term financing in as part of the financing of the stock dedicated to the second line of Azur Papier.
- Net debt reached TND 333.5 million dinars at the end of December 2020 against a net debt of TND 294.9 million at the end of December 2019. The adjusted net debt at the end of 2020 is estimated at 255.3 million dinars, i.e., ratio Net debt / EBITDA at 2.5x. The main adjustments is related to grants not yet received and financial investments not yet operational.

SAH CapEx (TNDm)



- SAH capital expenditures reached c.TND 80 million (US\$ 28.5 million) in 2020, 61% of which financed through debt and the remaining by cash

III. H1'21 Performance

20



H1'21 Key Financial Highlights

21

TND346.5_m
Consolidated sales
(US\$ 126.0m)

+4%
y-o-y growth in
Consolidated sales
(in local currency terms)

+23.8%
y-o-y growth in the
Ivorian subsidiary sales

33.5%
Of International sales

TND230.4_m
Consolidated local sales
(US\$ 83.8m)

+5.7%
y-o-y growth in
consolidated local sales
(in local currency terms)

+52.1%
y-o-y growth in Azur
Papier sales

TND69.6_m
Of detergent sales
(US\$ 25.3m)

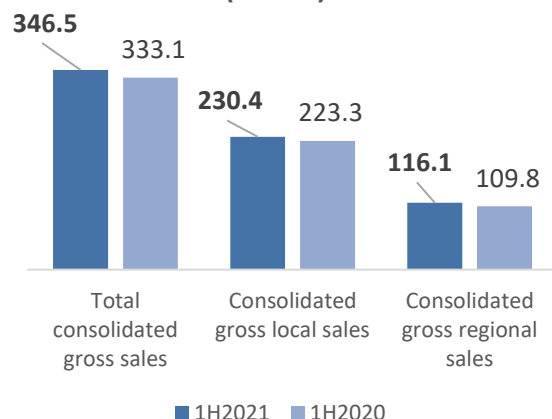
Average USD/TND = 2.75

Non audited figures, before rebates, labeled in TND million

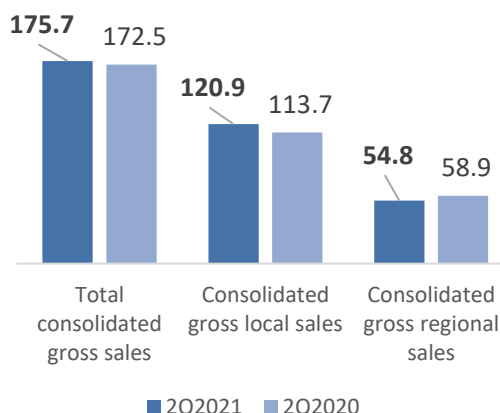
EBITDA: Earnings before interest, tax, depreciation, and amortization

SALES

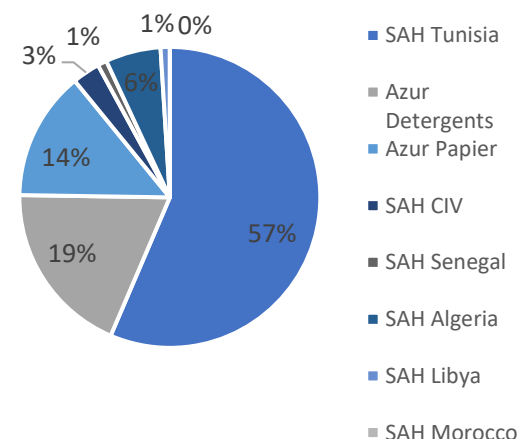
Sales evolution H1'21 vs H1'20
(TNDm)



Sales evolution Q2'21 vs Q2'20
(TNDm)



Sales contribution by subsidiary - H1'21



- In the first half of 2021, cumulative consolidated sales reached TND 346.5m, up by 4% compared to the first half of 2020.
- Growth is mainly driven by the outstanding performance of Azur Papier (+ 52.1%) following the entry into production of its second machine in March 2021, SAH Ivory Coast (+ 23.8%), Azur Detergents (+7.4%), and the gradual ramp-up of the Senegalese subsidiary.
- SAH Tunisia revenues reached TND 210.7m, up by 1% y-o-y and essentially driven by price increase on diapers, whereas demand has been slightly hit by the lack of liquidity on the local market. SAH Tunisia's exports increased by 2.3% y-o-y, essentially driven by the growth of exports to Mauritania and Senegal.
- Q2'21 sales are up by 1.8% compared to Q2'20. Group performance has been undermined by SAH Libya and SAH Algeria. In addition to the impact of the spread of the COVID-19 pandemic, the Libyan subsidiary has greatly suffered from the negative effect of FX variation and the depreciation of the local currency against the Tunisian dinar whereas the Algerian subsidiary's imports of raw materials remain disrupted by the country's lockdown and the borders' closure.
- The breakdown of consolidated sales by subsidiary shows that SAH Tunisia contributes up to 57% to total group sales, followed by Azur Detergents with 19% and Azur papier with 14%.

III. FY21 Outlook & Perspectives

23



FY21 Outlook & Perspectives

24

FY21 Guidance



- 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 the production of paper products with the addition of 4 lines for kitchen roll and table napkins

02



- The increase in its production of adult hygiene (Launched in December 2020 at SAH Tunisia)
- The addition of baby diapers machines in Libya and Algeria

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
- The launch of new products lines

04



- The ramp-up of the Senegalese subsidiary with increasing capacity for baby diapers and paper products

05



- The development of new export markets;
 - The expected growth for subsidiaries in Ivory Coast and Algeria

06

IV. HS&E & Community Impact

25



HS&E and Community Impact

26

HS&E Key indicators

100%

Of SAH Employees are direct hires

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

27

ECO-FRIENDLY IN OUR OPERATIONS

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

35%
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

Up to 35% of SAH production is based on recycled 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

28



COVID-19 Update

Risk Assessment – Demand and revenues

29

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. Governance

31



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.



Lilas®

Société d'Articles Hygiéniques « SAH »

Stock Information

TUNINDEX : SAH

ISIN Code : TN 0007610017

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