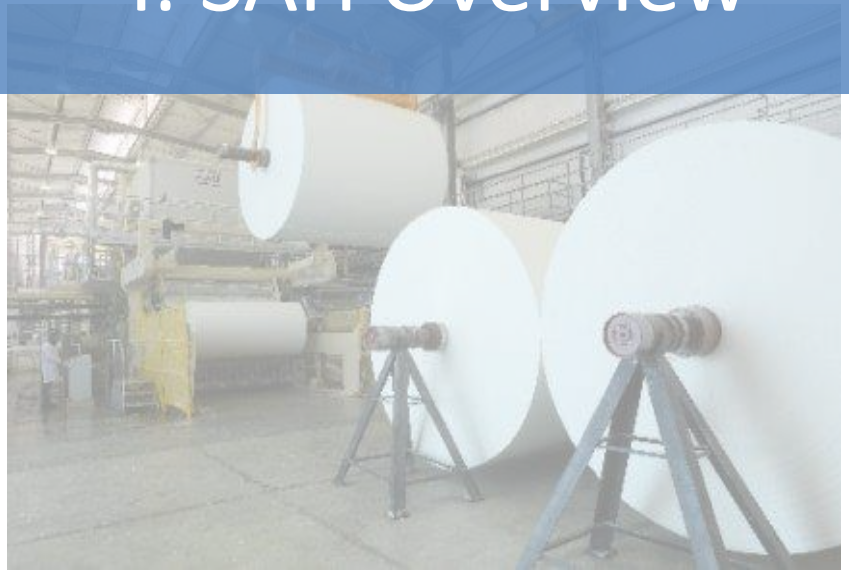
Lilas®

Société d'Articles Hygiéniques « SAH »

Investor Presentation

October 2019

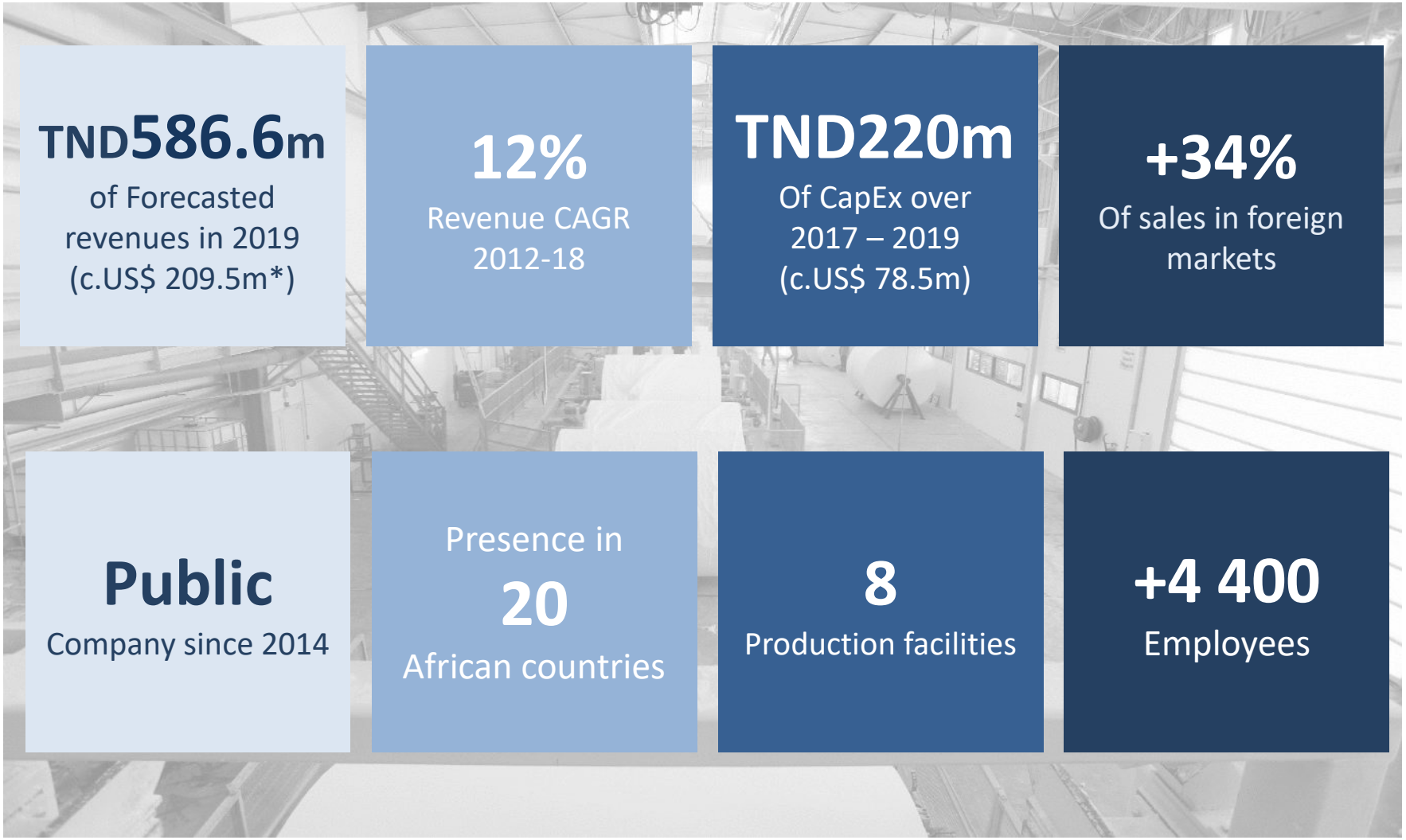
I. SAH Overview



Lilas

We are a
leading
personal care
products
company with
strong footprint
in **Africa**

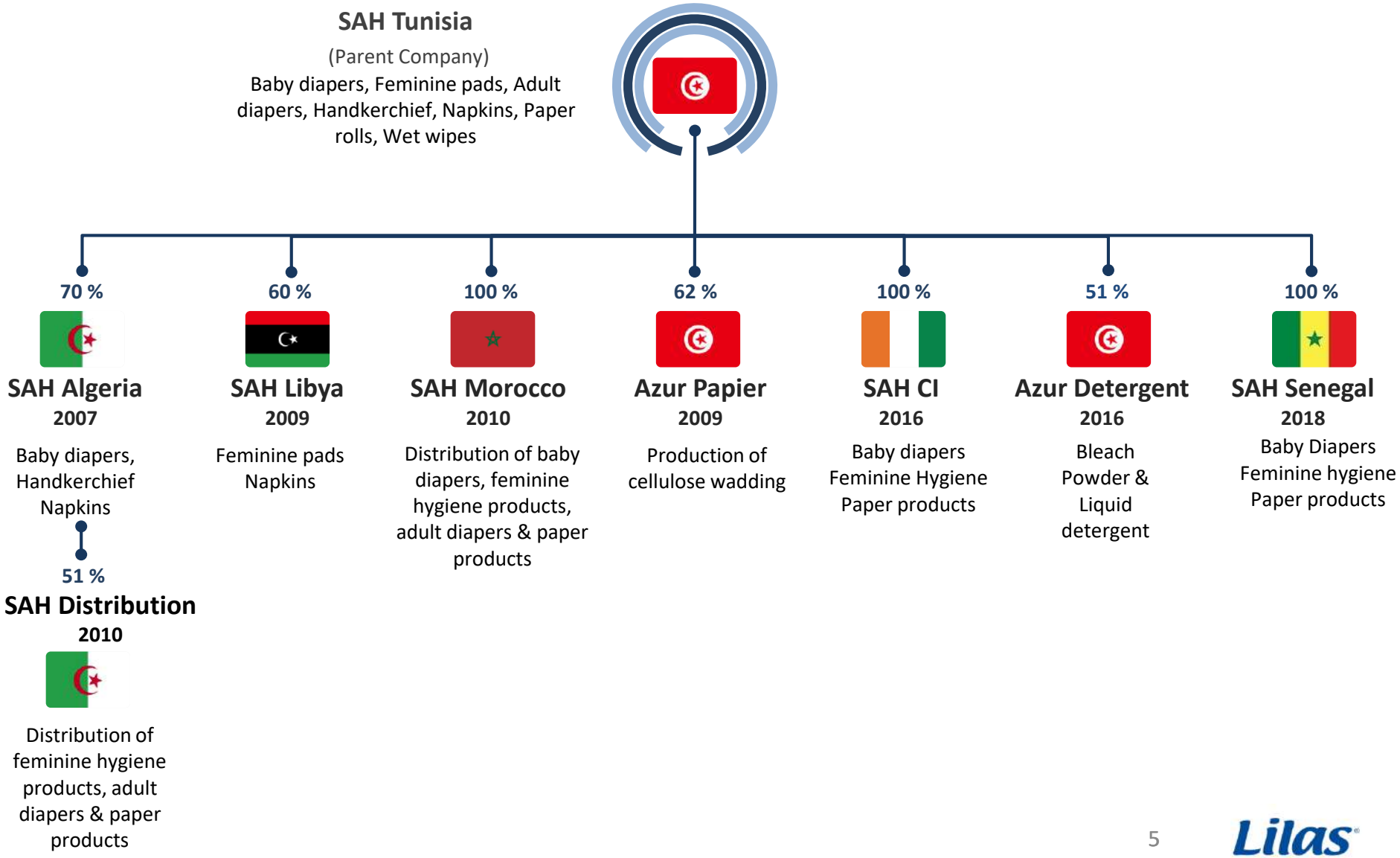
At a Glance



*: Based on an FX USD/TND: 2.8

Group Structure & Product Offering by Subsidiary

A compelling rooting scheme in the attractive African market



Product Offering

A singular offering reaching three promising markets

HYGIENE

Development and production of hygiene products :

- Baby diapers
- Feminine Hygiene
- Adult Hygiene
- Paper products
- Wipes

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:

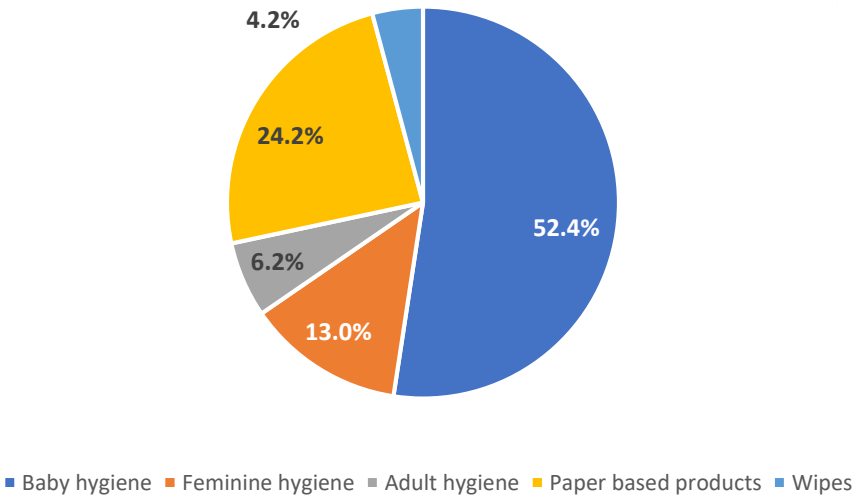
- Bleach
- Powder detergent
- Liquid detergent

Product Offering by Category: Hygiene

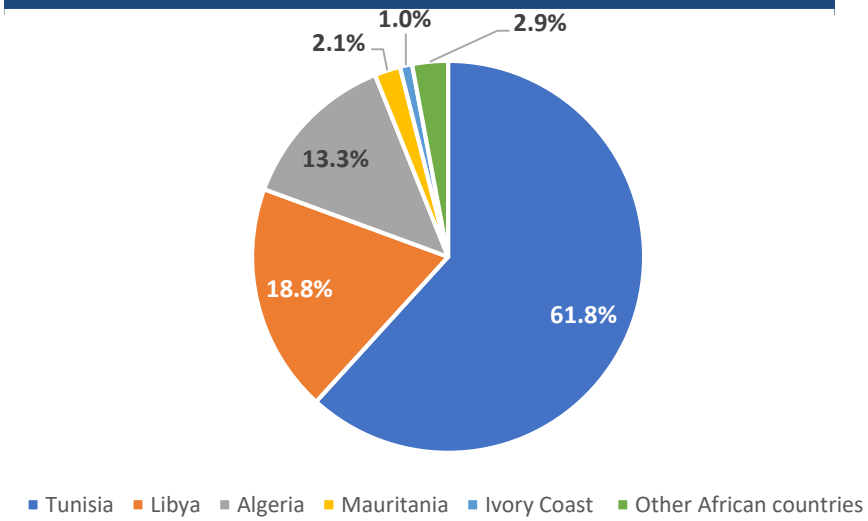
Product Category	Formats (SKUs)	Production Site (s)	Current Production Capacity
Baby Diapers	> 3 Types : Comfort max, Unisex & Pharmacy > 6 sizes (2 to 25 kg)	> Mjez El Beb (Tunisia) > Beja (Tunisia) > Algeria > Ivory Coast	> 9 Production lines > In # of items/year: 1 103 940k (Tunisia only)
Feminine 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	> 2 Types: Protect & Protect comfort > 3 sizes (Small, Medium & Large)	> Mjez El Beb (Tunisia)	> 1 Production line > In # of items/year: 43 022k
Wet wipes	> 5 Types: Fresh (Baby & Feminine), Comfort max, Pharmacy & Protect	> Mjez El Beb (Tunisia)	> 2 Production lines > In # of items/year: 577 638k
Paper based products	> 7 Subcategories: Handkerchief, Tissue, Kitchen napkins, Kitchen roll, Paper rolls (2) & Industrial roll	> El Zriba (Tunisia)	> 11 Production lines > In # of items/year: 377 426k

Sales Mix

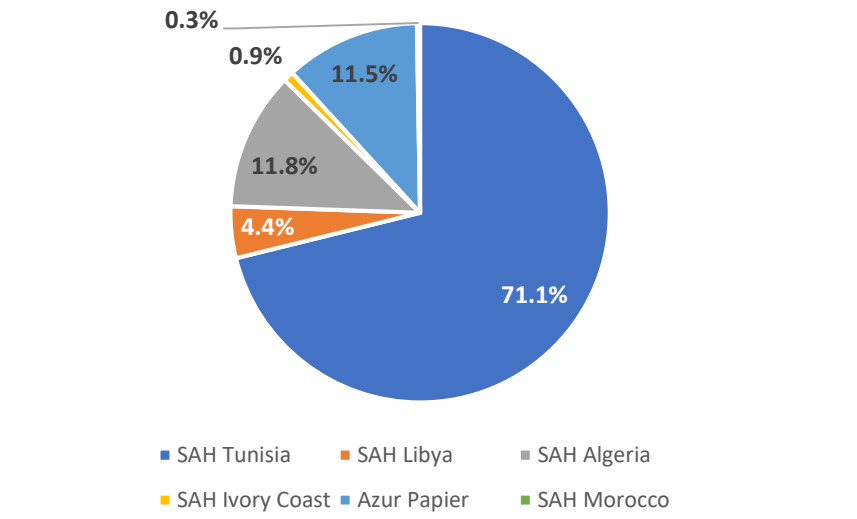
Group sales breakdown by product line



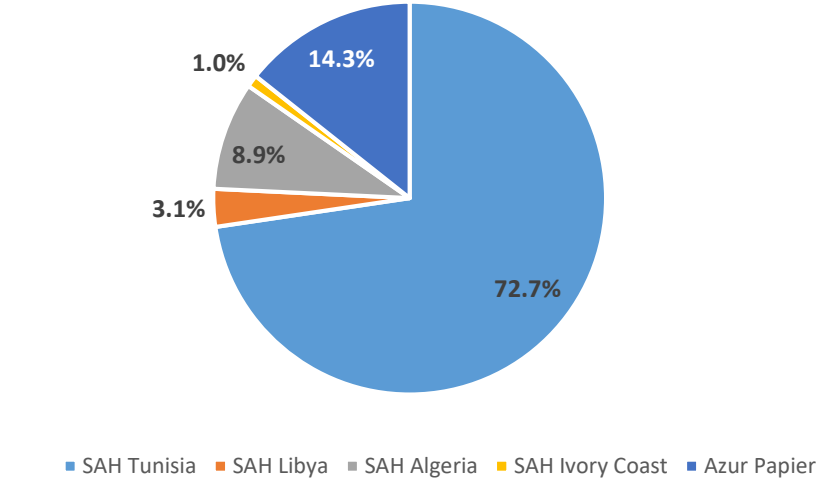
Group sales breakdown by destination



Group sales breakdown by subsidiary



EBITDA contribution by subsidiary



Excluding SAH Morocco EBITDA (negative yet non material)

Breakdown as of June 30, 2019

Product Offering by Category: Detergent

Product Category	Formats (SKUs)	Production Capacity	Competition
BLEACH 	**16 SKUs:** • 4 Sizes: 1L, 1.75L, 3L & 4.75L • 4 Fragrances: Classic, Woods, Lavender & Lemon	> 50k tons/year > 3 Production lines	Judy
POWDER 	**30 SKUs** > **Machine washing powder:** 18 SKUs • 7 Sizes & 3 Fragrances > **Hand washing powder**: 12 SKUs • 4 Sizes & 3 Fragrances	> 50k tons/year > 6 Production lines > Atomization tower with an annual capacity of 45k tons of base powder	Nadhif Dixan OMO ARIEL Pril Persil
LIQUID 	**83 SKUs** ➢ **Machine washing gel**: 6 SKUs ➢ **Semi-automatic machine & Hand washing liquid**: 6 SKUs ➢ **Softeners**: 8 SKUs ➢ **Floor & Surfaces liquid**: 15 SKUs ➢ **Multi-purpose liquid**: 16 SKUs ➢ **Deodorizer**: 20 SKUs ➢ **Dishwashing liquid**: 12 SKUs	> 40k tons/year > 4 Production lines	Soupline Cajoline Judy

Key Dates

A unique success story of a continuously expanding business..

Launch in 1994

1996 — Lilas starts exporting to Libya

1997 — Lilas becomes the leading feminine hygiene producer in Tunisia

1999 — Lilas enters the "Baby diapers" market

2000 — Regional expansion

2004 — Lilas enters the "Paper based products" market

2005 — Lilas enters the "Adult diapers" market and starts exporting to Algeria

2013 — Lilas launches AZUR Papier, the Group's paper supplier

2014 — SAH goes public

2017 — Lilas starts production in Côte d'Ivoire

2018 — Lilas enters the "Detergent" segment

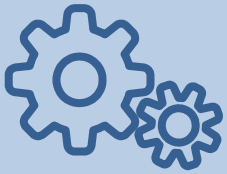
2019

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 by launching the detergent activity

Strategy Pillars

Production innovation is at the core of Lilas' operations

Innovation & Differentiation

Historically, SAH has been able to successfully:

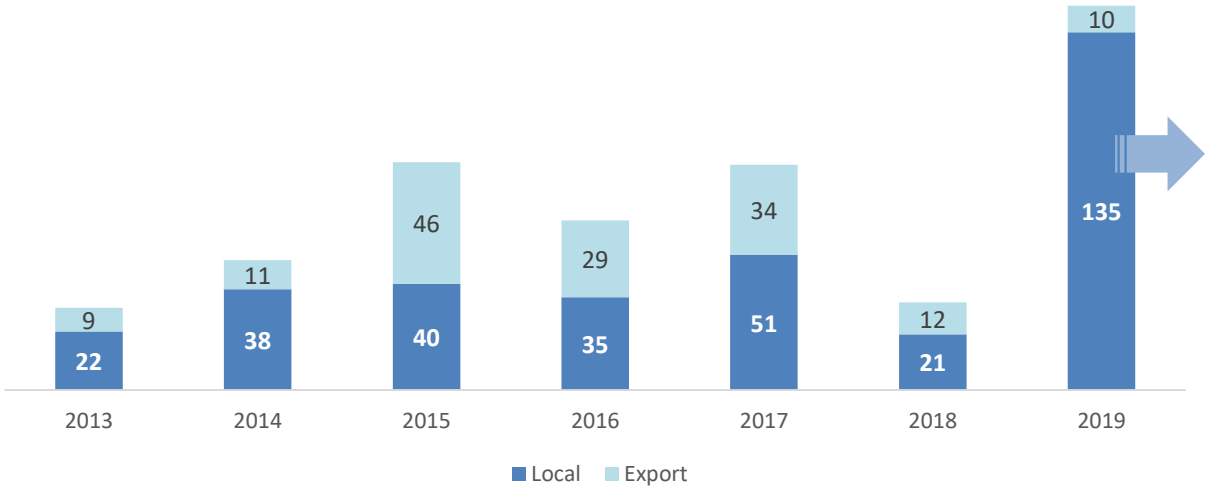
- Launch a wide range of products every year and
- Customize its products for each market (packaging, sizes, etc..), while emphasizing on product quality and affordability

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 product type



- 129 SKUs for detergent
- 6 SKUs for tissue rolls for professional use

*: 20 SKUs not yet released as of the report date

Strategy Pillars

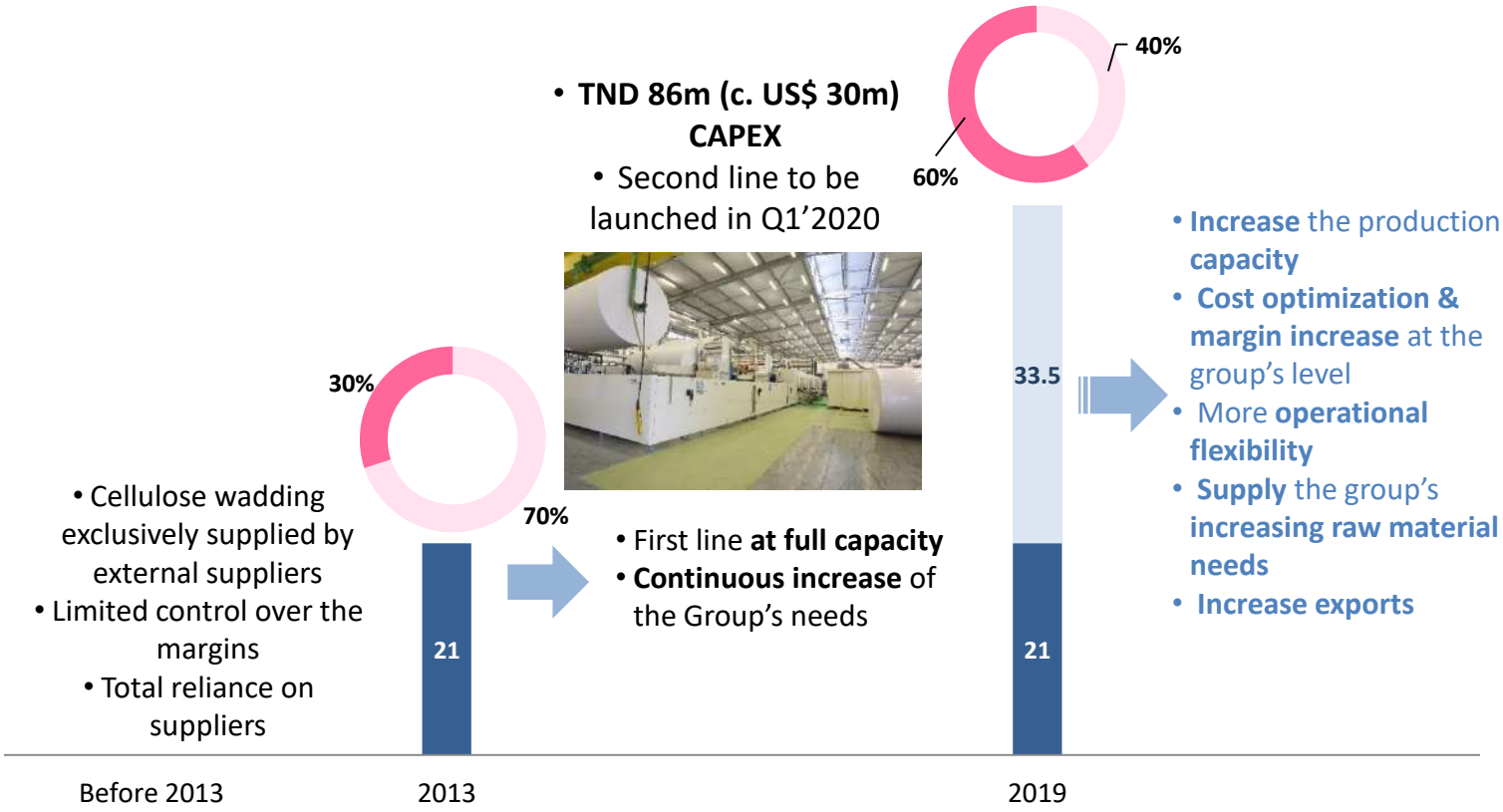
Vertical integration for cost optimization and speed to market

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 2017;**
- First production line reached full capacity, leading to a capacity increase with the acquisition of a second production line. Additional sales (non-group) would represent **7.6%** of total Group's sales by 2022



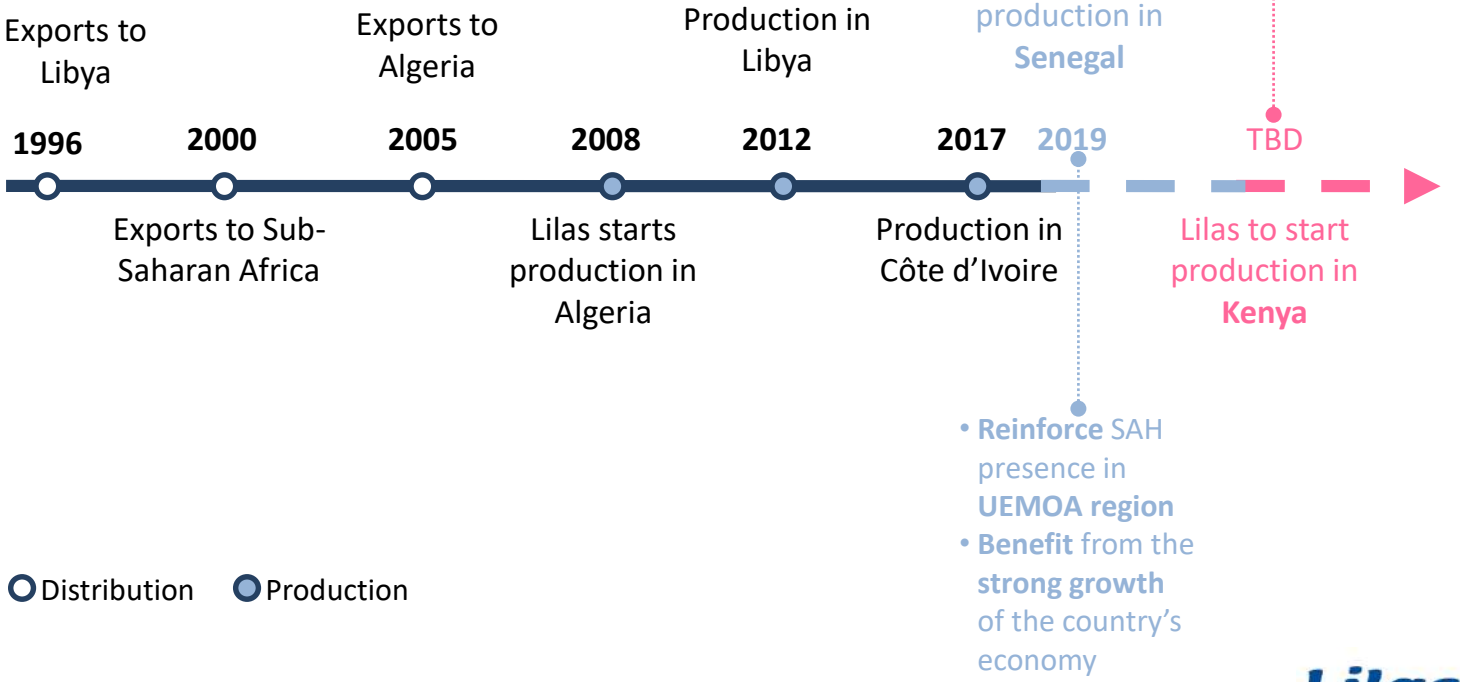
Strategy Pillars

Expanding into Africa through exploring new export markets & developing regional platforms

Regional Expansion

- SAH has proven ability to penetrate and establish manufacturing capabilities in new markets with the successful launch of the Algerian, Libyan and Ivorian subsidiaries

Exploring further organic and inorganic opportunities to penetrate new markets



- **Introduce** SAH activity to **East Africa**
- Establish a production unit of baby diapers and feminine products intended to domestic and neighboring markets
- Benefit from the market's rapid urbanization

- **Reinforce** SAH presence in **UEMOA region**
- **Benefit** from the **strong growth** of the country's economy

Strategy Pillars

Diversifying product portfolio to use Lilas' product equity & 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
- Width: **3 lines** - Length: **10 products** - Depth: **129 SKUs**	- Traditional distribution - Modern retail - Healthcare facilities	- In line with competition	- 4 **local** producers - 3 **foreign** competitors

Key Investment Highlights

A solid track record and a healthy financial performance

1 Markets dynamics

- High birth rates and increasing female working ratio in targeted countries. Ratios reached 36% and 45% respectively in Sub-Saharan Africa
- Rapid urbanization and increasing levels of disposable income
- Low penetration rate of paper based products
- Increased awareness and access to health and hygiene

2 Unparalleled growth track record & Healthy profit margins

- Solid and sustainable growth: **+12%** Revenue CAGR over the last 7 years
- Gross margin expansion: +**7%** following the integration of the paper mill (Azur Papier)

3 Leading brand

- Well-known brand in Tunisia, Algeria, Libya, Gabon, Congo & Mauritania
- Market leader with 65% and 45% market shares in Tunisia and Libya respectively

4 Vertical integration

- Vertical integration providing SAH Group full control of its supply chain and allowing sustainable margins. Additional capacity of 33.5 thousand tons planned for Q1'2020

5 Strong distribution network

- 40 000 Distribution points in Africa
- 113 Regional warehouses of which 40 owned by Lilas in Africa
- 223 Vehicles of which 157 owned by distributors

6 Strong product development capabilities

- Sustained CapEx investment with **+US$ 75m** over the last 2 years
- Continuous upgrade and maintenance of production lines and equipment

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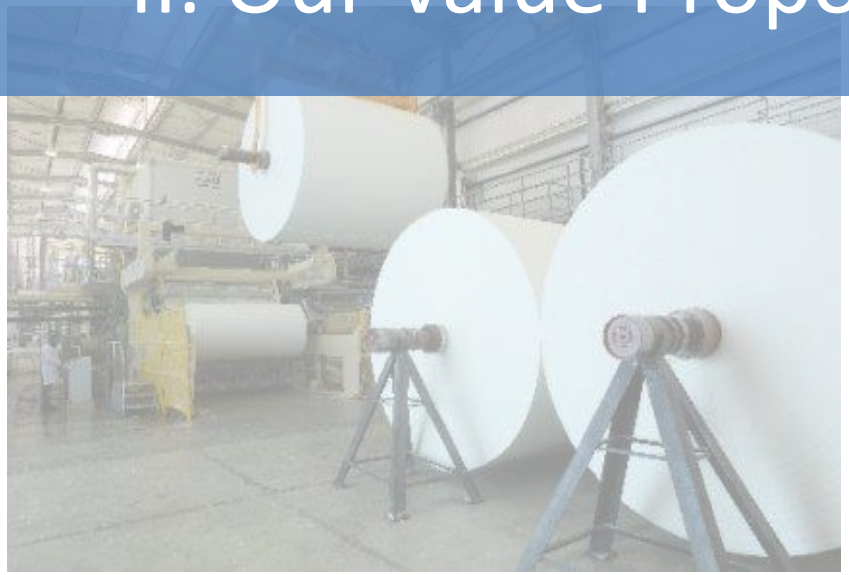
II. Our Value Proposition



We deliver on key business metrics
Sales growth
Sustainability
International expansion
Management excellence

1. Sales Growth

Customer value is in the heart of our **sales growth strategy**

High quality products → Innovative & diversified offer → Unparalleled retail coverage → Exceptional brand messaging

- **Lilas** products are designed to be **gentle** and **effective**
- The components of all hygiene products have been tested by **both internal** and **external experts**
- Clinical tests are carried out with the greatest diligence ahead of **marketing the products**
- **Lilas** operates state of the art plants **(9 in total)**, with up to date technologies and high speed lines supplied by **MD Viola, Diatec and Perrini**

• Lilas has been certified **ISO 9001 since 1999**

• Lilas is certified **ISO 22 716** (Best Manufacturing Practices for cosmetics). The scope of ISO 22716 includes the steps of **production, control, storage** and **transportation of cosmetics.**

1. Sales Growth

Customer value is in the heart of our **sales growth strategy**

High quality products → **Innovative & diversified offer** → Unparalleled retail coverage → Exceptional brand messaging

	1994	1999	2004	2005	2010	2013	2018
Feminine hygiene	Launch						
Baby diapers		Launch					
Paper products			Launch				
Adult diapers				Launch			
Wipes					Launch		
Jumbo rolls						Launch	
Detergents							Launch

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1. Sales Growth

Customer value is in the heart of our **sales growth strategy**

High quality products | Innovative & diversified offer | **Unparalleled retail coverage** | Exceptional brand messaging

Ensuring availability for the customer is our priority

40,000
Point of sale in Africa

223
Vehicles of which **157** owned by distributors (Hygiene& Detergent)

113
Regional warehouses of which **40** owned by Lilas

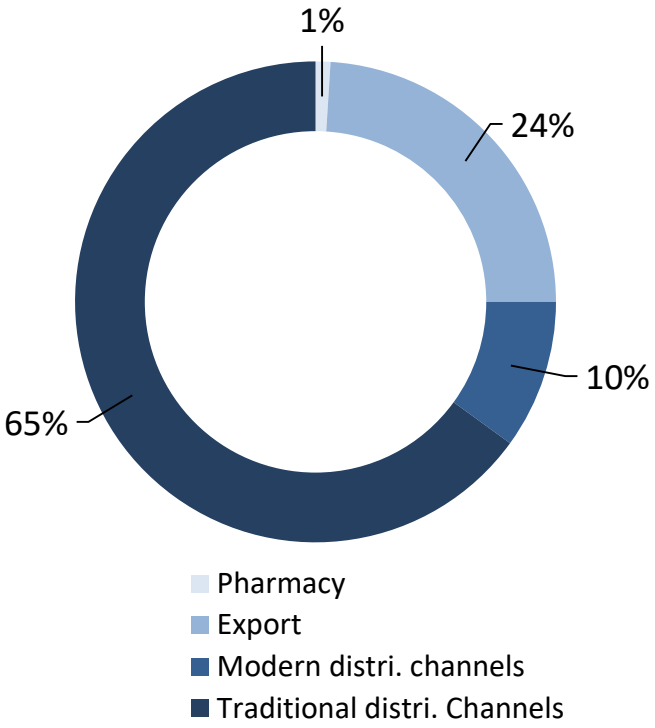
With:

157 Sales men

50 Supervisors

11 Area managers

Our distribution channels*



*: SAH Tunisia only

1. Sales Growth

Customer value is in the heart of our **sales growth strategy**

High quality products → Innovative & diversified offer → Unparalleled retail coverage → Exceptional brand messaging

Sponsoring events

International Kids Theatre Festival

International Festival of Carthage

Partnerships

Partnerships with public and private hospitals

Traditional channels

National TV, radios, bill boards

Social media

Facebook page designed to help new mothers

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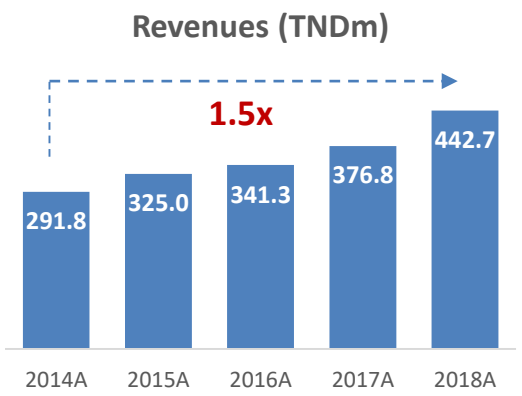
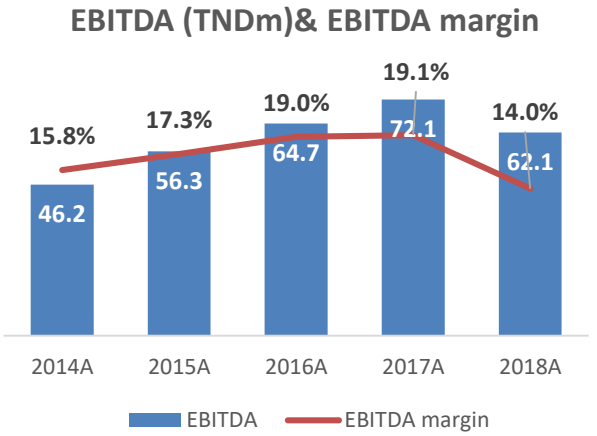
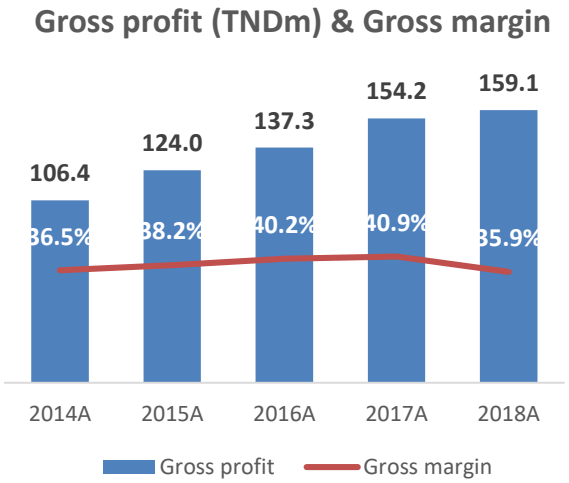
2. Sustainability from a financial perspective (1/2)

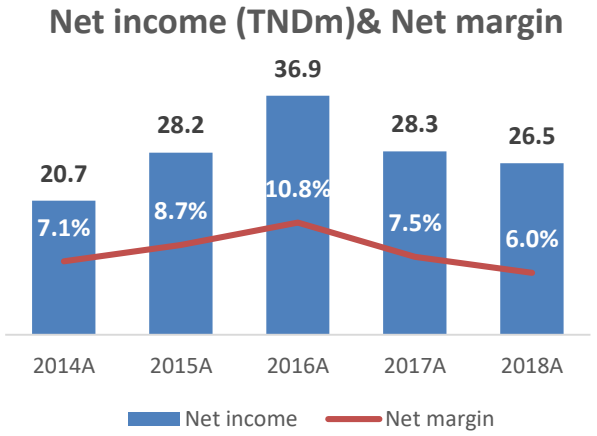
SAH Group financial profile

- ✓ Revenue grew at an average rate of 8.7% over the 2014-2018 period;
- ✓ FY18 profitability was adversely affected by:
- The rise in raw materials' prices **(+30% for cellulose and +15% for super absorbent**);
- The ongoing depreciation of the local currency against the Euro and US dollar (**80% of used raw materials are imported**, of which 65% are denominated in Euros and the remaining 35% in US dollars);
- The capital expenditures as part of the expansion strategy in Sub-Saharan Africa as well as the launch of the detergent business;
- The increase in financing costs as a consequence of higher indebtedness. SAH's investment plan was financed up to 70% through new loans.
- The gearing level improved in 2019 following the:
  - TND 50m (US$ 17.8m) capital increase
  - TND 70m (US$ 24.5m): PE funds investing directly in the subsidiaries, i.e. Azur Papier and Azur Detergent





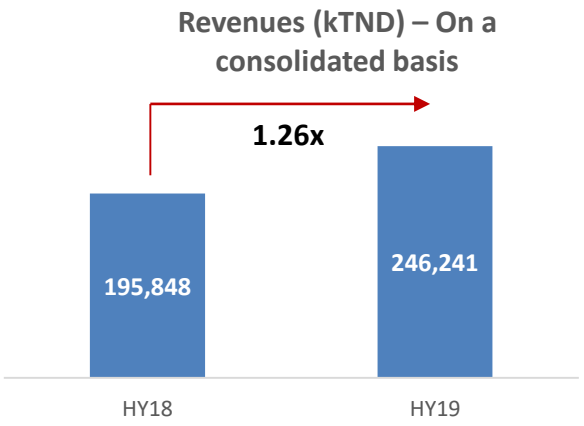


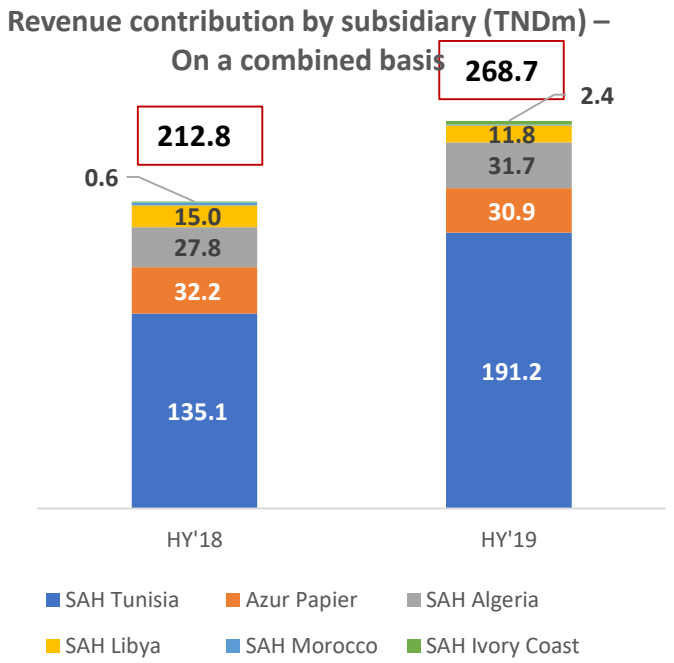


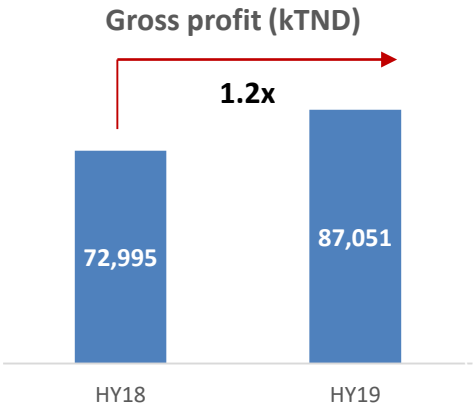
2. Sustainability from a financial perspective (2/2)

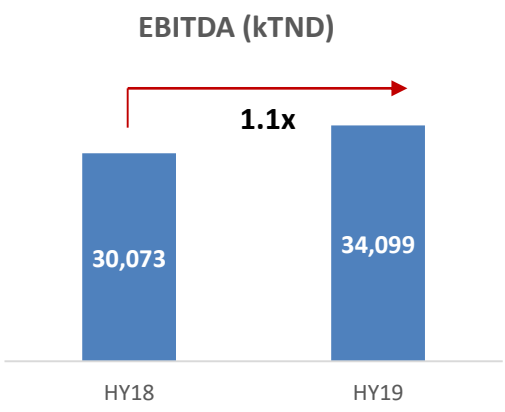
HY'19 Financial highlights - Consolidated

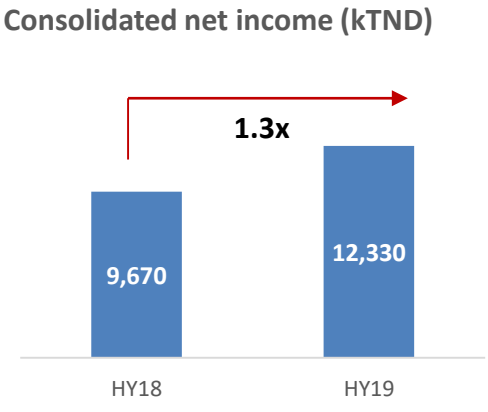
- SAH reported consolidated revenues of TND 246.2m (US$ 81.7m) as of June 2019, up by 25.7% compared to the same period last year;
- Group gross profit amounted to TND 87m (US$ 28.9m), up by 19.3% and representing a gross margin of 35.7%. Reported EBITDA reached TND 34m (US$ 11.3m), up by 13.4% and accounting for 13.8% of the group revenues;
- Consolidated net income reached TND 12.3m (US$ 4m) up by 27.5%;
- Net debt decreased from TND 271m (US$ 90.5m) as of December 2018 to TND 223.3m (US$ 77.7m) as of June 2019



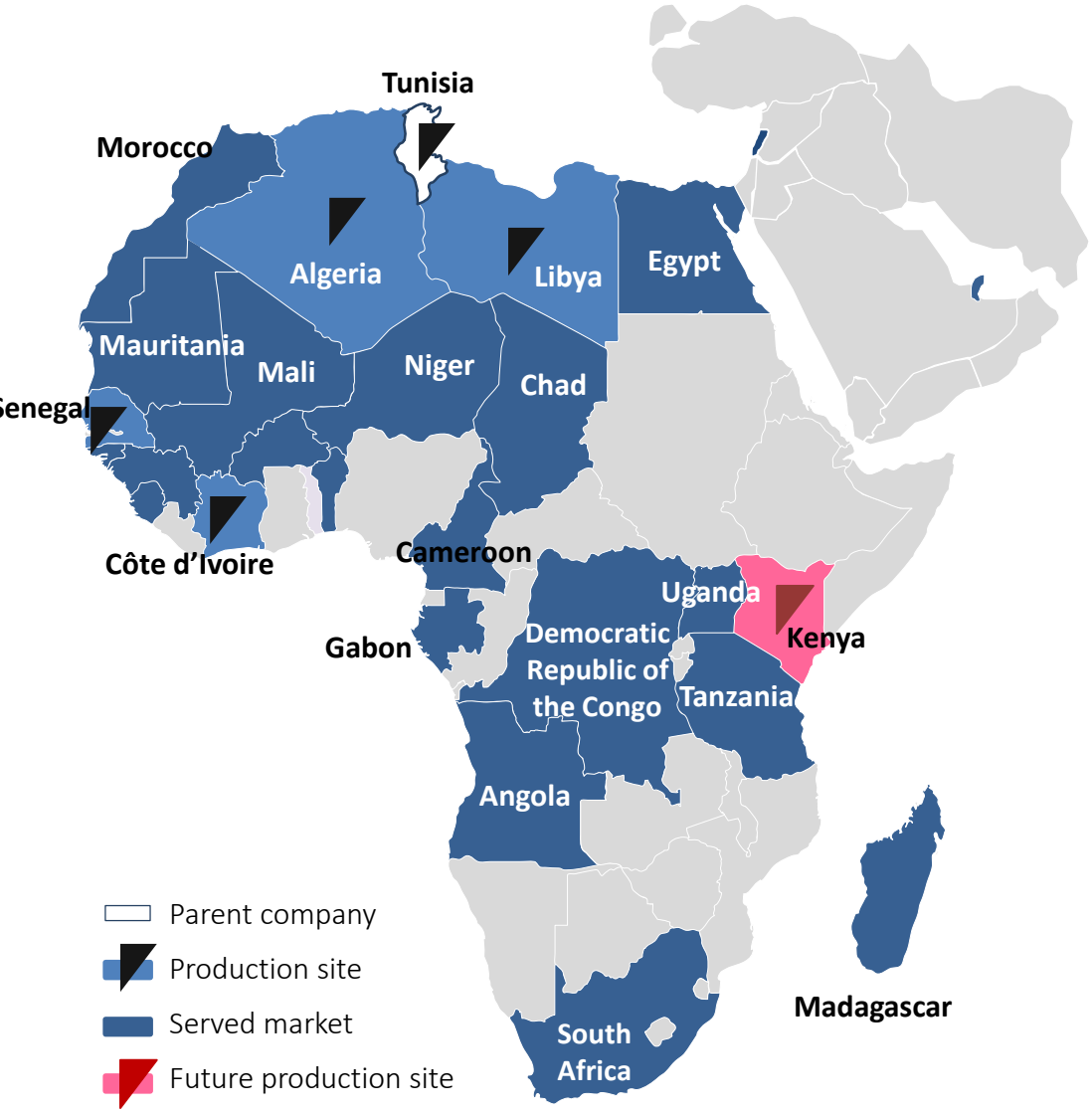








3. International expansion from a strategic perspective



In North Africa :

- Leveraging the region's demand potential as countries like Algeria and Morocco are still lagging in terms of tissue paper consumption per capita
- Reinforcing presence in Mauritania where Lilas is leader with an estimated 70% market share, competing with various imported brands

In the UEMOA and CEMAC regions:

Establishing footprint **gradually:**

- November 2017: Launch of production in Côte d'Ivoire. Currently, SAH produces baby diapers
- 2018: Set up of a subsidiary in Senegal;
- December 2019: Launch of production in Senegal with the set up of baby diapers line

In the EAC region:

- **Selected distributors** for the region
- A Kenyan **production site** is being explored

In the Middle East :

- **Selected distributors** for the region: Distribution already started in Lebanon and Qatar

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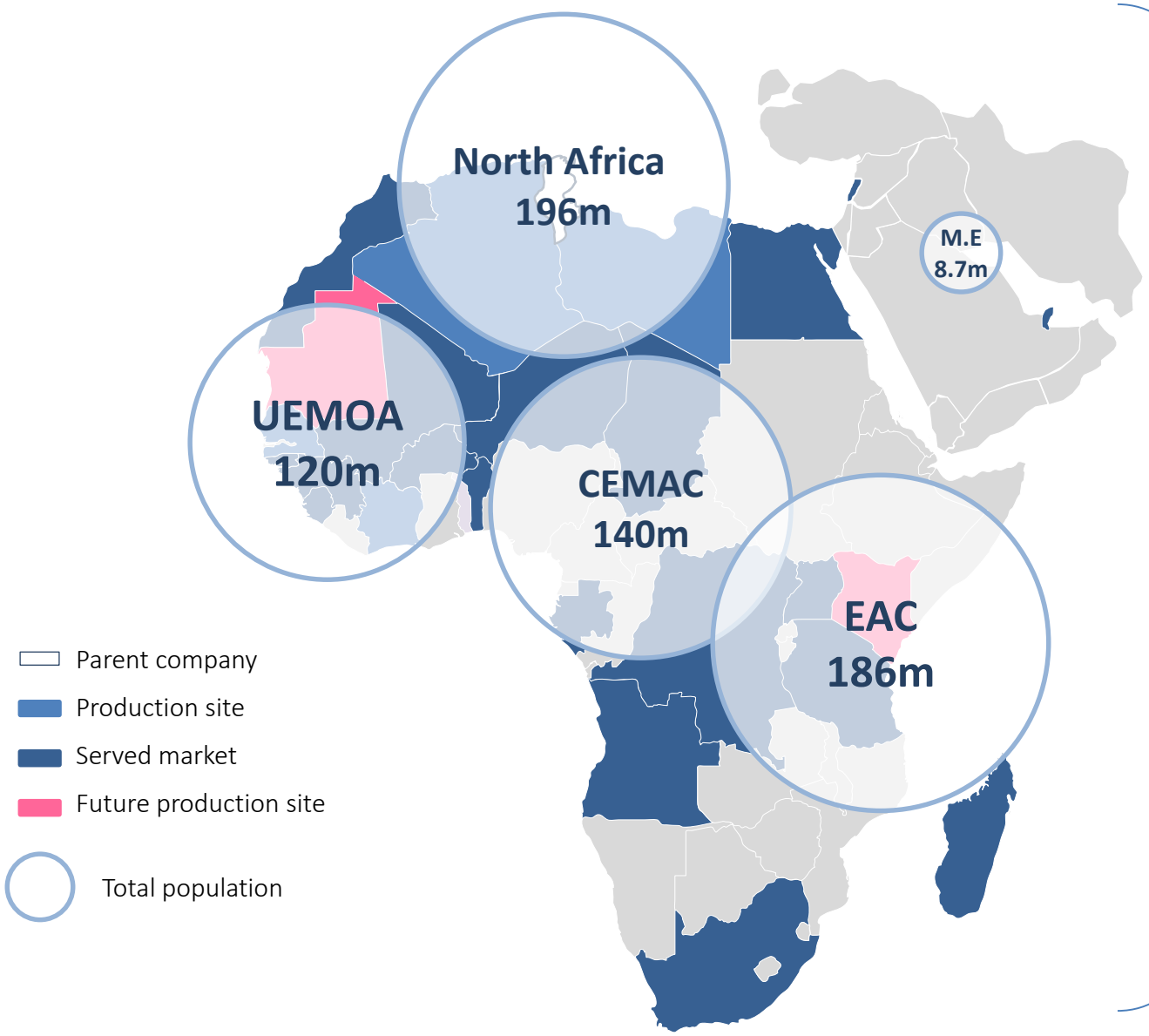
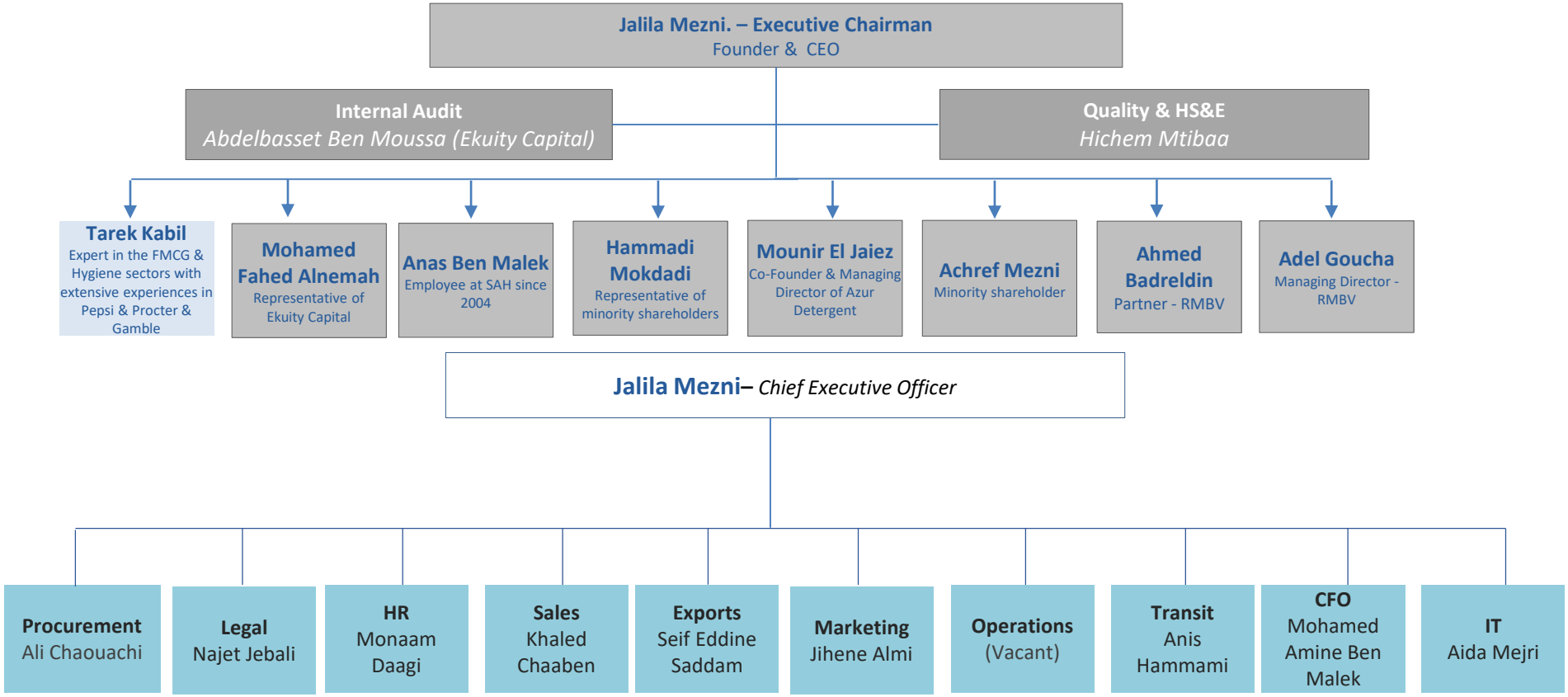
3. International expansion from a strategic perspective



650m
consumers
market reach

4. Management from an internal perspective

Lilas success is built on its experienced, owner-led management team with strong governance practices



Independent members

4. Management from an ESG perspective

Committed to the protection of the environment and engaged with the immediate local community

65%
Of production is based on recycled paper

1
Water treatment facility on site (the second is under study)

23.9 kwh/ton
Of Electricity consumption in 2018 vs 23.5kwh/ton in 2017 (following LED implementation*)

Salaries significantly higher than minimum wage and gender parity in compensation

100%
Of SAH employees are direct hires – No contracted workers

+480
Of trained workers in 2018 (Reported for SAH Tunisia & Azur Papier only)

c.30%
Of female workers

Committed to employee safety & security

100%
Of SAH workers are equipped with the required PPE

US$43k
Of expenditures in 2018 dedicated to H&S

Ongoing audits
For fire & life safety verification

*: El Zriba production site

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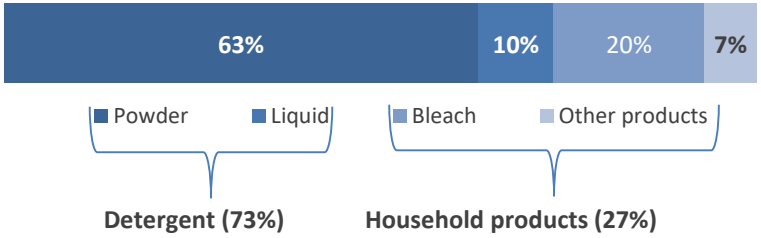
IV. The Development Strategy

We Plan to deliver **balanced** and **sustainable growth** and create **shareholders value** in attractive **African markets**

Focus on the Detergent Business: Market Dynamics

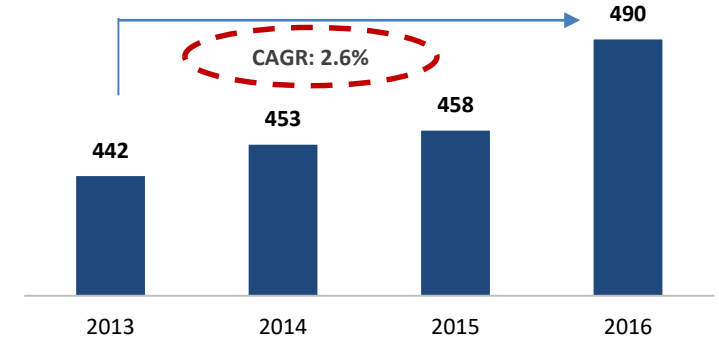
The Tunisian market is characterized by a significant stake of imports while local production is centralized by four main players: Henkel, Unilever, Judy & Sodet

Market segmentation



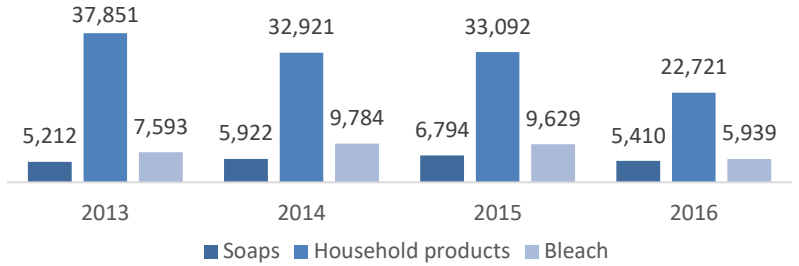
- The local detergent market is dominated by the powder detergent in terms of production, sales and consumption
- The bleach represents 90% of the household products' sub-market

Evolution of production (In kTND)



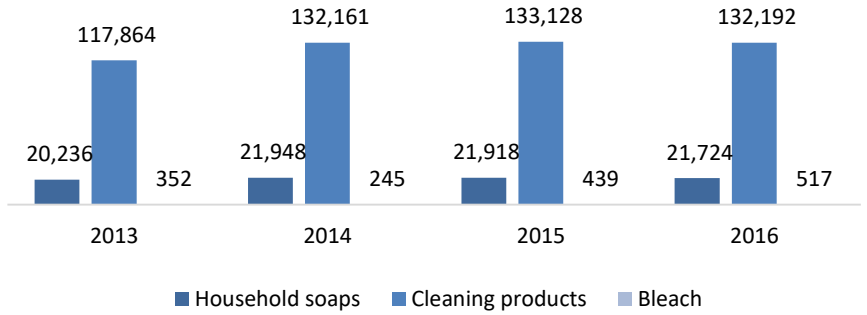
- Production of soaps, detergent and household products reported an annual growth of 2.6% in average over the 2013-16 period;
- Up to 75% of the local production is dominated by four main players

Evolution of exports (in kTND)



- Exports in value of household products and bleach reported CAGRs of (12%) and (6%), respectively over the 2013-16 period. Exports in quantities reported higher decreases, i.e. (10.4%) and (14.5%);
- Main export country is Libya followed by Algeria and France

Evolution of imports (In kTND)



- Imports of detergent products reported a 3% CAGR;
- The production opportunity in Tunisia is driven by lower production costs (water, gas, fuel and workforce) compared to Europe and limited local competition

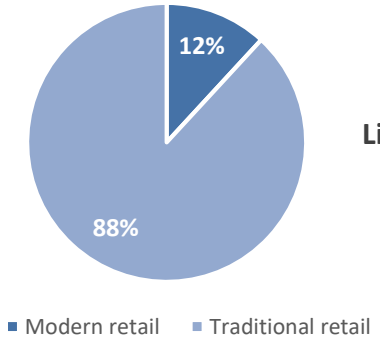
Source: Agence de Promotion de l'industrie et de l'Innovation

Focus on the Detergent Business: Achievements & Prospects

Lilas' entering the detergent market is a stepping stone to becoming a local and regional monopoly in the household sector

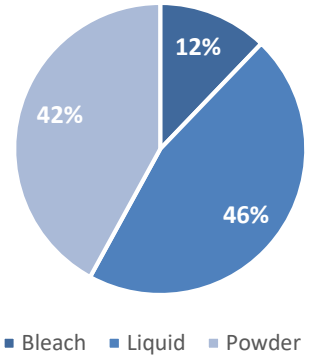
In June 2019, Lilas enters the market as the first local manufacturer offering a complete range of detergent products

Revenue breakdown by distribution channel



Lilas reports YTD revenues of TND 30.5m (c. US$ 11m) as of September, representing an estimated market share of 6.2%

Revenue breakdown by category



Lilas forecasts TND 57m (c. US$ 20.3) of revenues by the end of December 2019, representing an estimated market share of 11.6%

Focus on the Detergent Business: Achievements & Prospects

Lilas' commercial team meeting its prospective customers

Focus on the Detergent Business: A State of the Art Facility (1/2)

Focus on the Detergent Business: A State of the Art Facility (2/2)

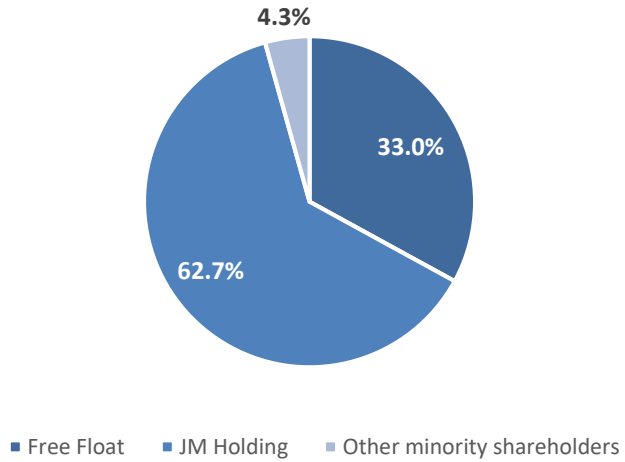
Focus on the Detergent Business: Presence in the Modern Retail

Focus on the Detergent Business: Presence in the Traditional Retail

Appendices

Shareholding & Market Performance

Shareholding structure as of September 2019

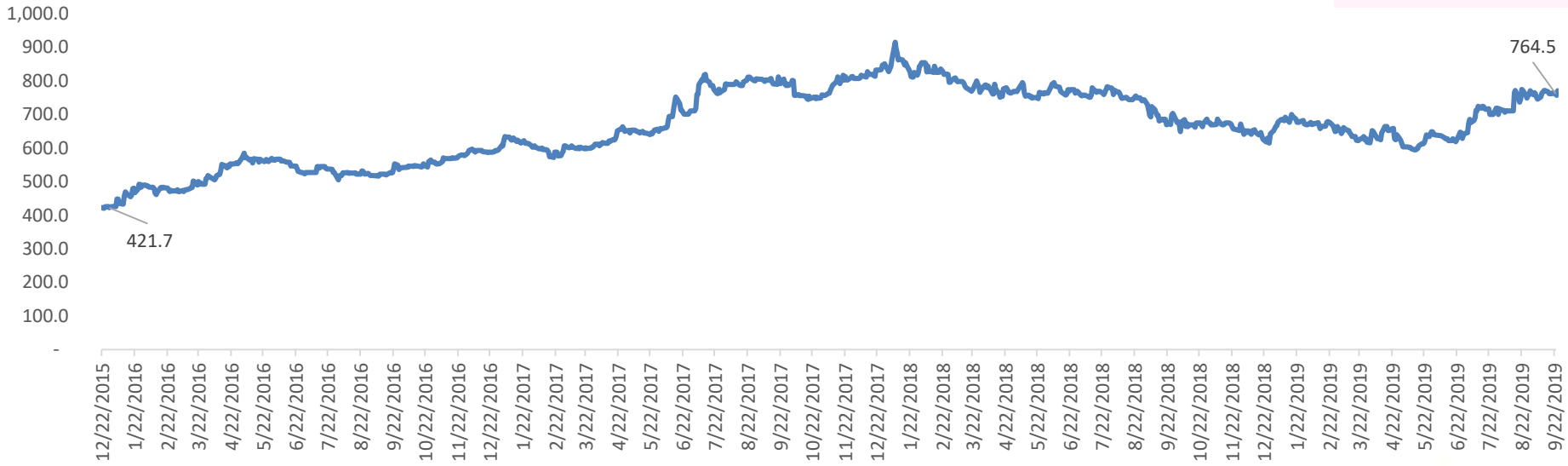


Top 5 shareholders (+1% ownership), excluding JM Holding

Shareholder	Ownership
BLAKENEY	9.8%
CTKD/EKUITY CAPITAL	4.2%
ARISAIG AFRICA CONSUMER FUND LTD .	3.9%
NEWLANDS AFRICA MASTER FUND	3.0%
CITIBANK NEW YORK P/C NORGES BANK.	2.0%

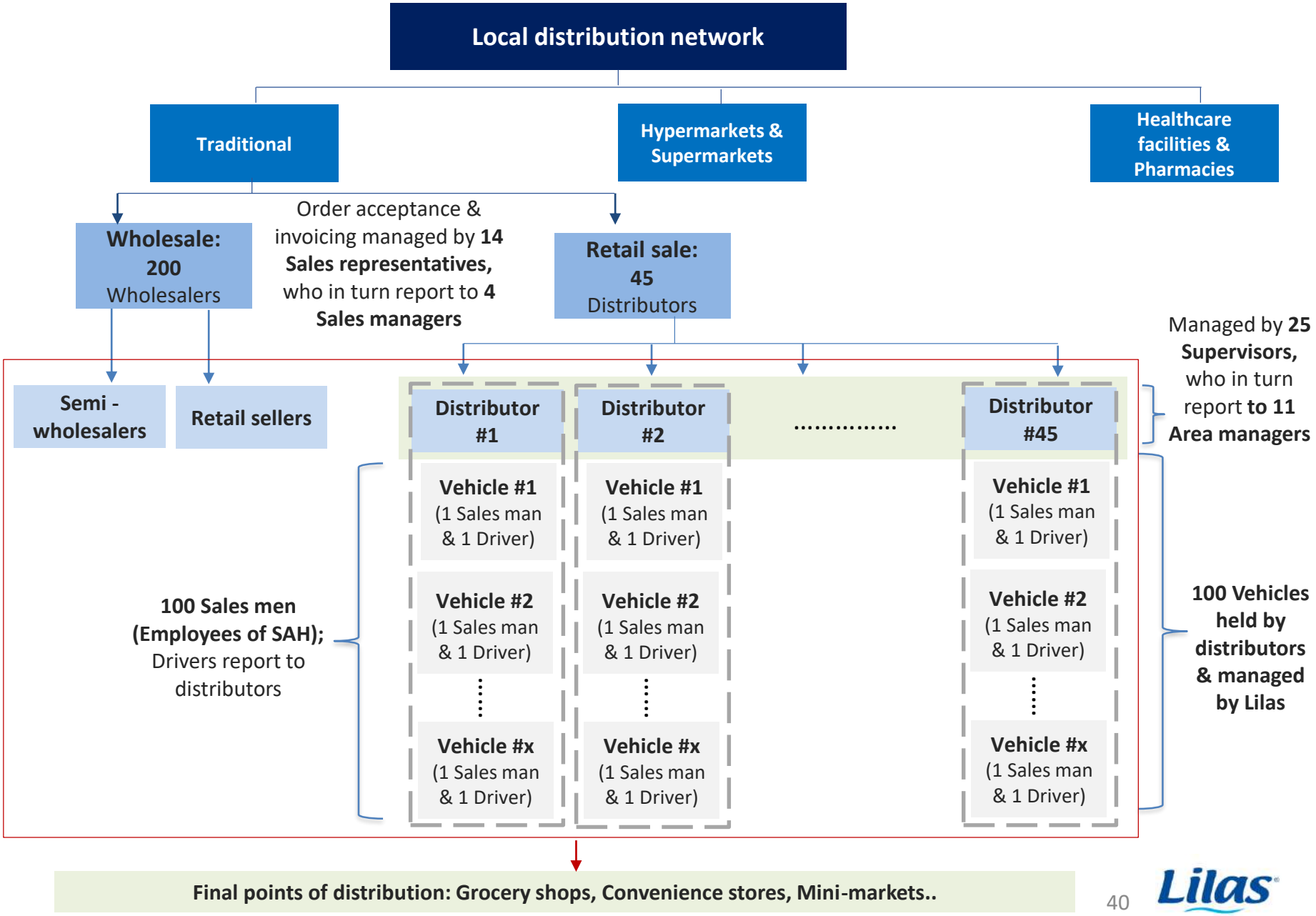
Market Capitalization (TNDm)

P/E 2020*: 15.2x



*: Based on a market cap of TND 764.5m as of October 4, 2019

Distribution Network (Hygiene)



Facilities' Pictures

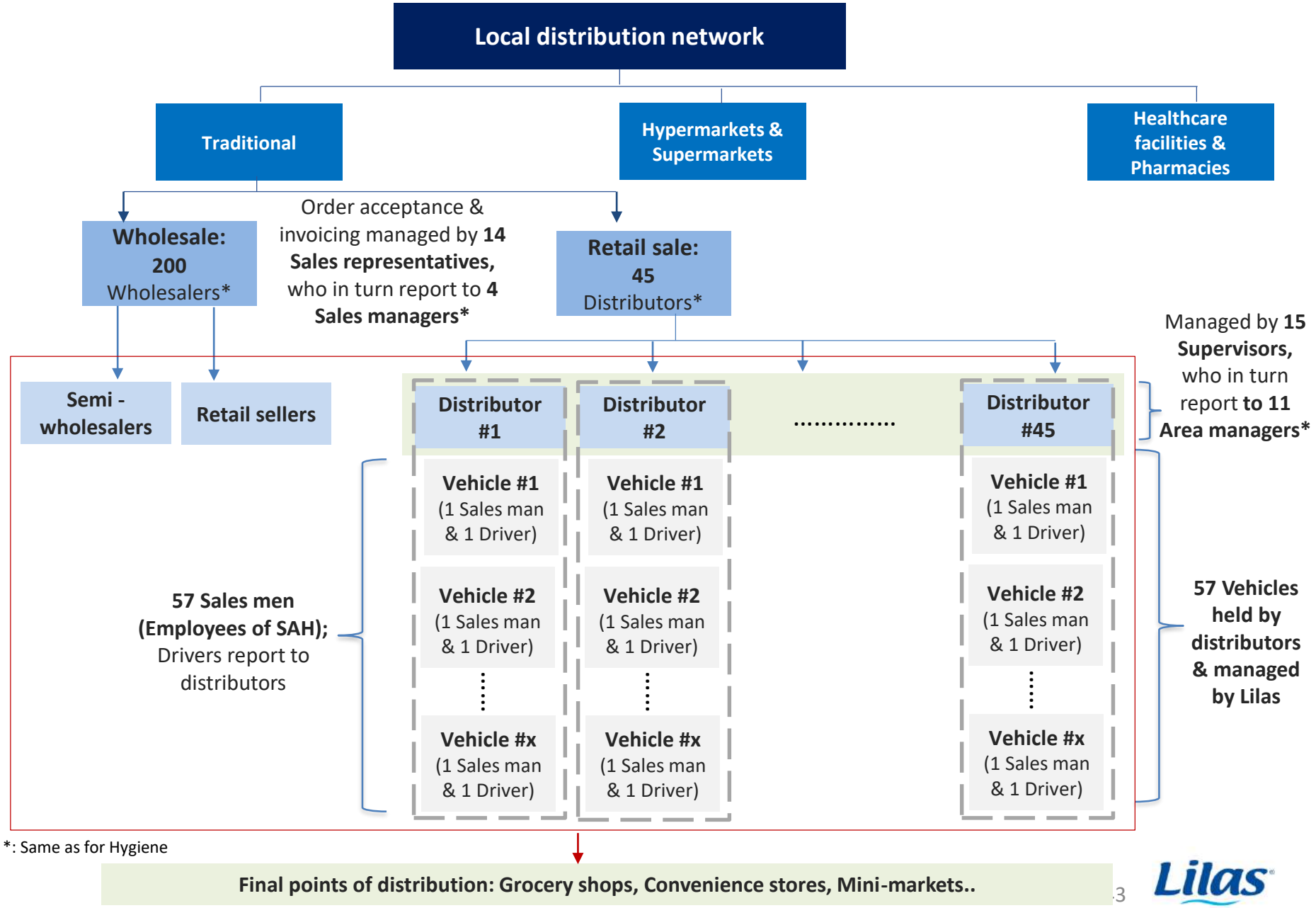
SAH BEJA & MJEZ EL BEB

Facilities' Pictures

SAH ZRIBA

AZUR PAPIER

Distribution Network (Detergent)



Detergent products' display in the modern retail

Lilas

Detergent products' display in the traditional retail