



Greek  
Investment  
Forum  
in NY  
June 19|20, 2018

# CORPORATE PRESENTATION

June 2018

 **THRACE GROUP**  
A WORLD OF MATERIALS & SOLUTIONS



Converting polypropylene into a  
**World of Material & Solutions** for over 38 years

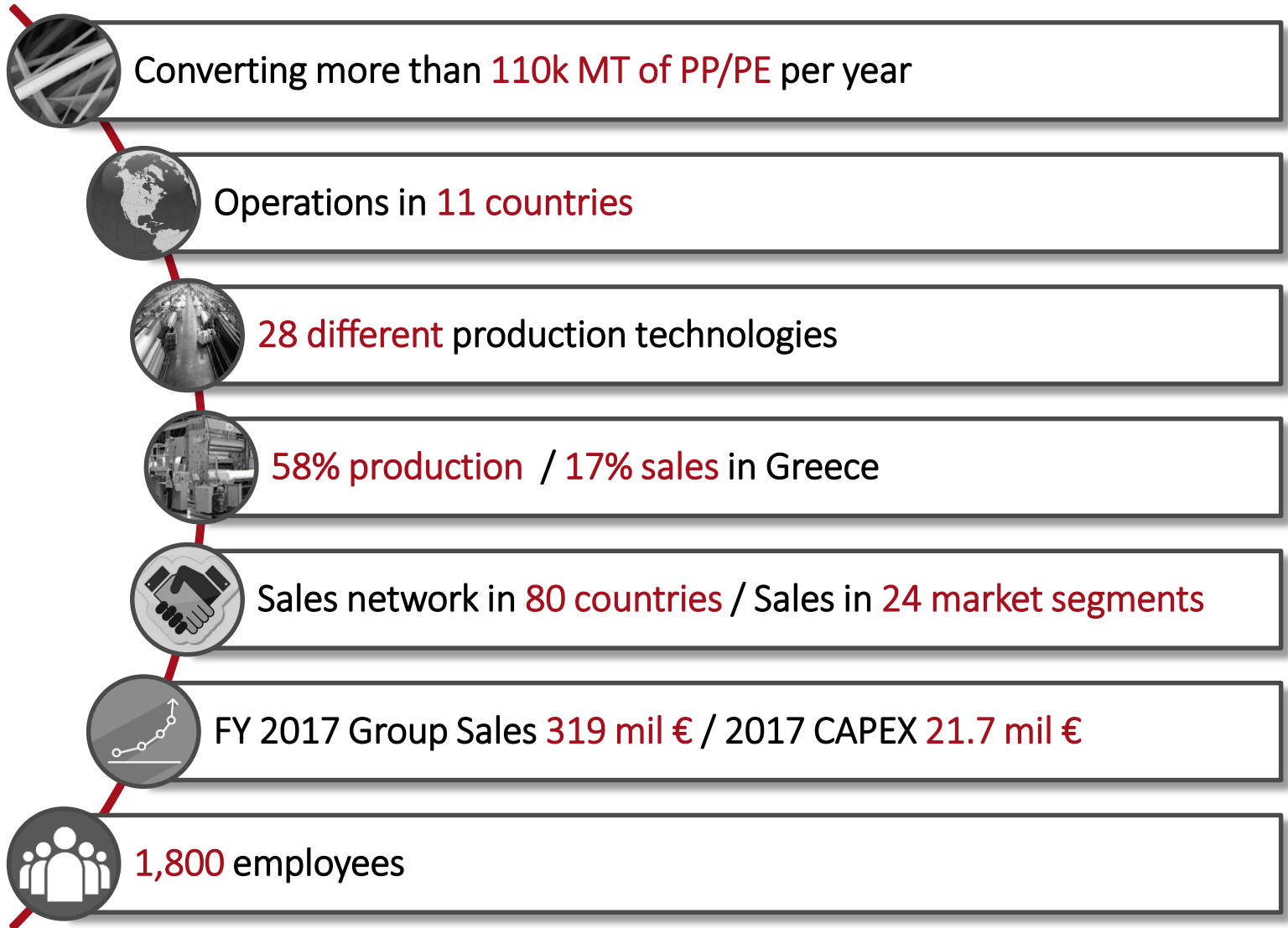


## TECHNICAL FABRICS



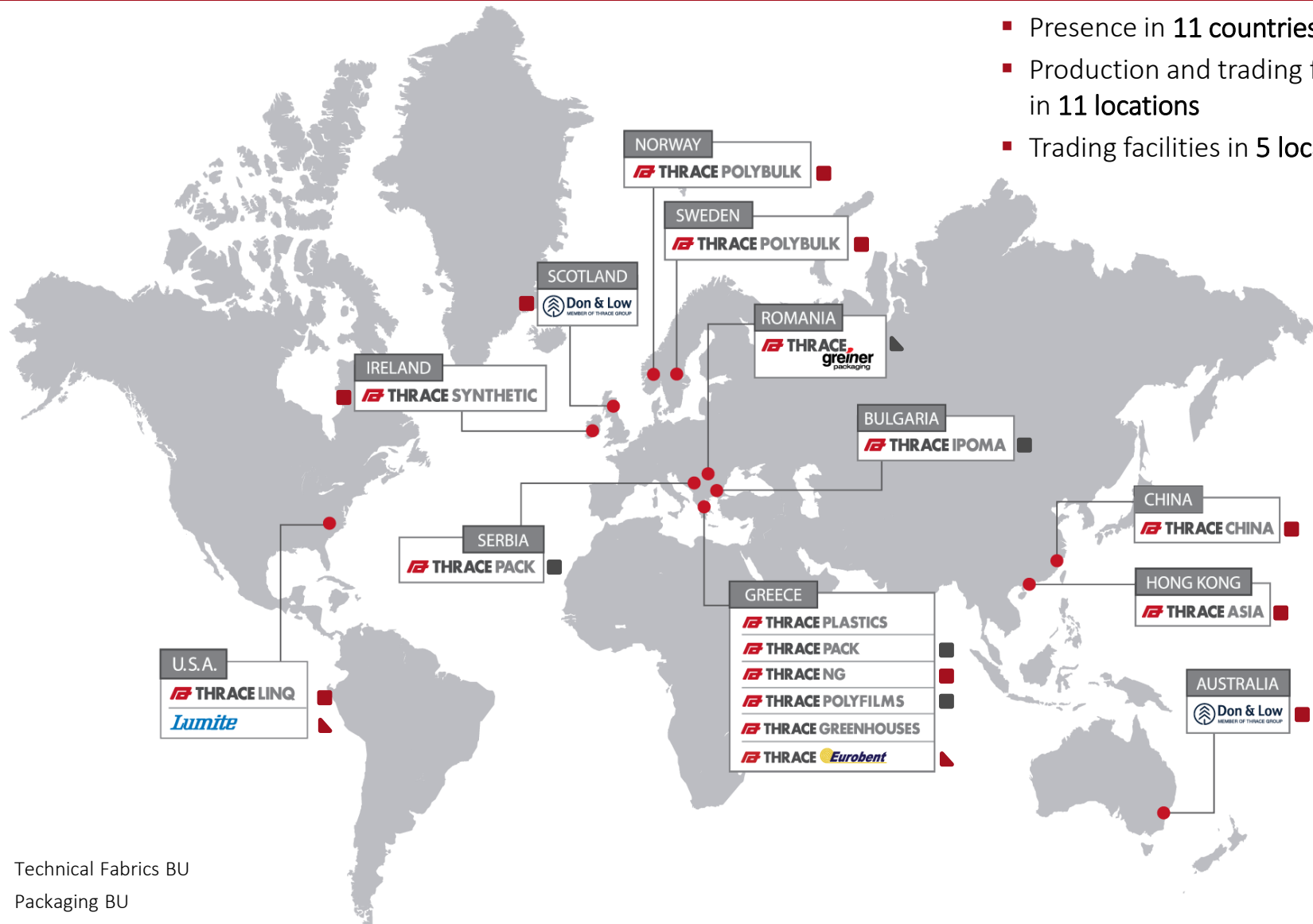
## PACKAGING SOLUTIONS





# THRACE GROUP | GLOBAL PRESENCE

- Presence in **11 countries**
- Production and trading facilities in **11 locations**
- Trading facilities in **5 locations**



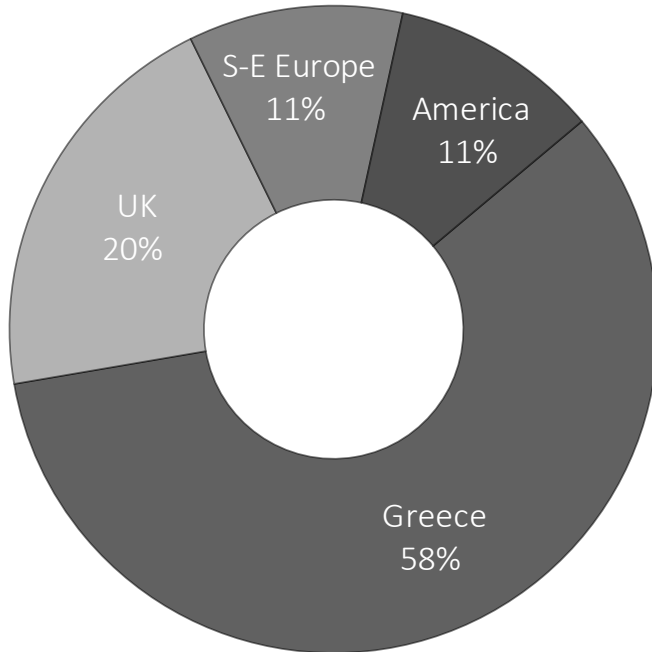
100% JV

- ▲ Technical Fabrics BU
- ▲ Packaging BU

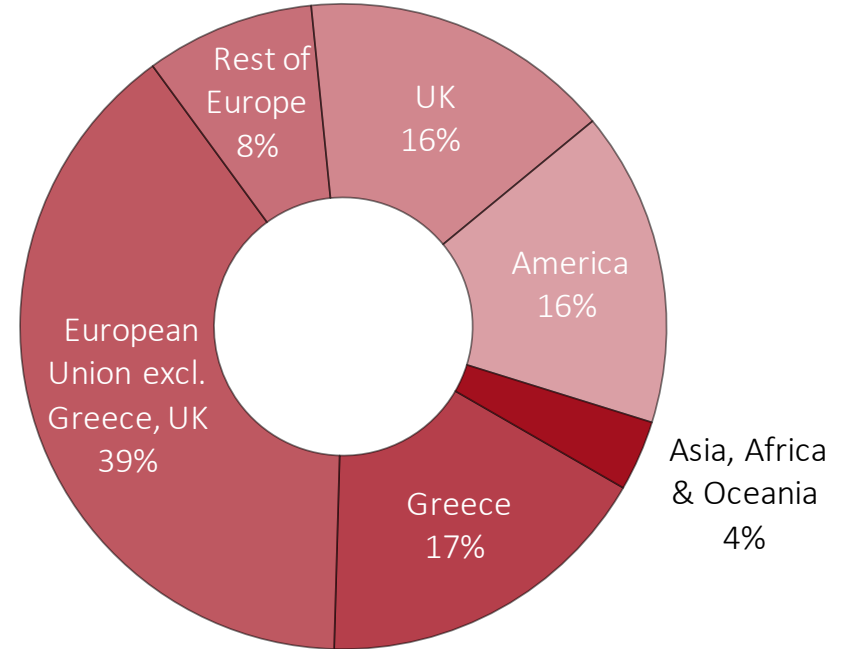
● Production / Distribution Facilities

# THRACE GROUP | PRODUCTION & REVENUE BREAKDOWN

Production Geographical Breakdown



Sales Geographical Breakdown



- **58% of group production in Greece** (increased due to the investment plan of 2015 – 2016 which was focused in Greece. This will be reduced due to the investment plan of 2017 – 2018 that is focused abroad.
- Strong sales diversification through our global presence. Only **17% of sales in Greece**.



# TECHNICAL FABRICS

## BUSINESS UNIT

# TECHNICAL FABRICS BU | PRODUCTS BY APPLICATION



GEOSYNTHETICS



CONSTRUCTION



AGRI/HORTICULTURE  
AQUACULTURE



LANDSCAPE-  
GARDENING



SPORT & LEISURE



MEDICAL & HYGIENE



FILTRATION



FURNITURE &  
BEDDING



AUTOMOTIVE



FIBC / PACKAGING  
FABRICS



ADVANCED FABRICS/  
COMPOSITES



FLOOR COVERING



INDUSTRIAL FABRICS



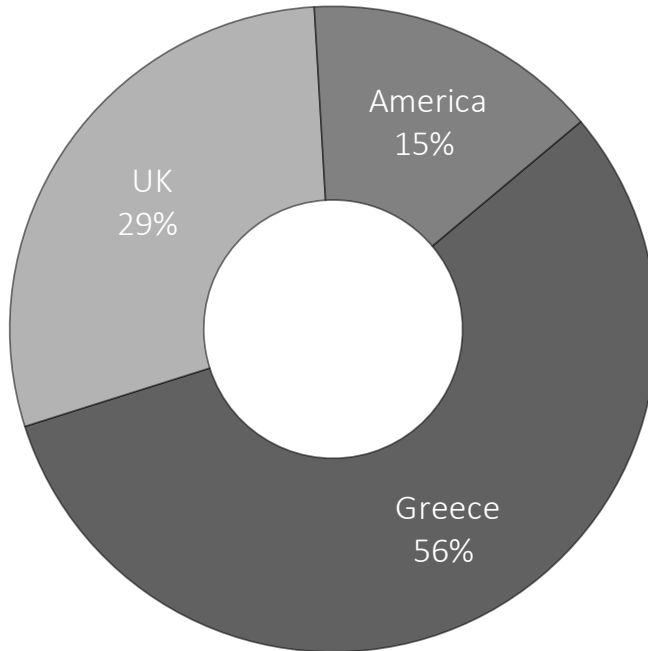
ARNO WEBBINGS/  
STRAPS/ ROPES



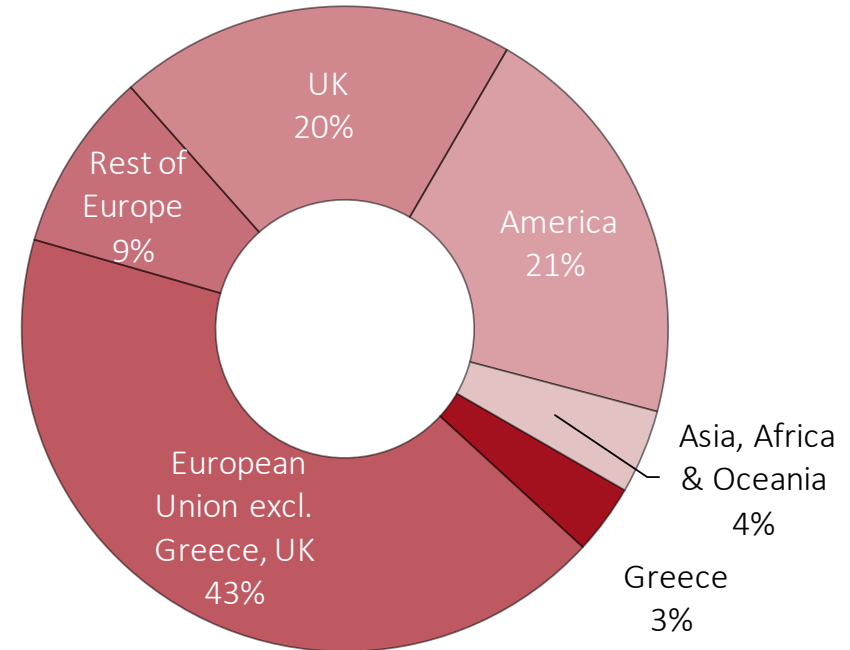
INDUSTRIAL YARNS &  
FIBERS



## Production Geographical Breakdown



## Sales Geographical Breakdown



- 56% of production in Greece (following the investments of 2015-2016) but only 3% of sales in Greece
- Global sales presence but mainly Europe (well diversified within Europe) and America

# TECHNICAL FABRICS BU | COMPETITION



# PACKAGING SOLUTIONS

## BUSINESS UNIT

# PACKAGING BU | PRODUCTS



BAGS/FFS FILMS



PALLET COVERING/  
PACKAGING FILM



CONTAINER LINERS/  
CARGO PROTECTION



FABRICS



INJECTION/BUCKETS/  
PAIS/CONTAINERS



THERMOFORMING  
CUPS



EPS CONTAINERS &  
TRAYS



CRATES



BAG IN BOX

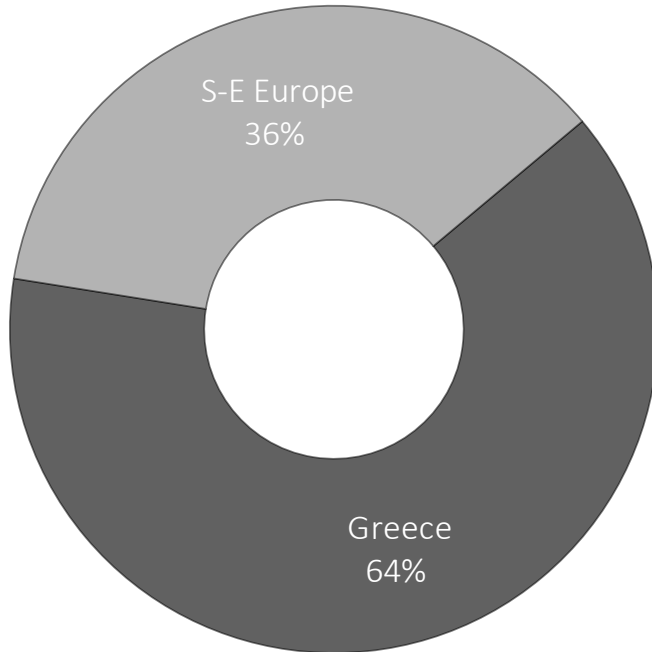


GARBAGE BAGS

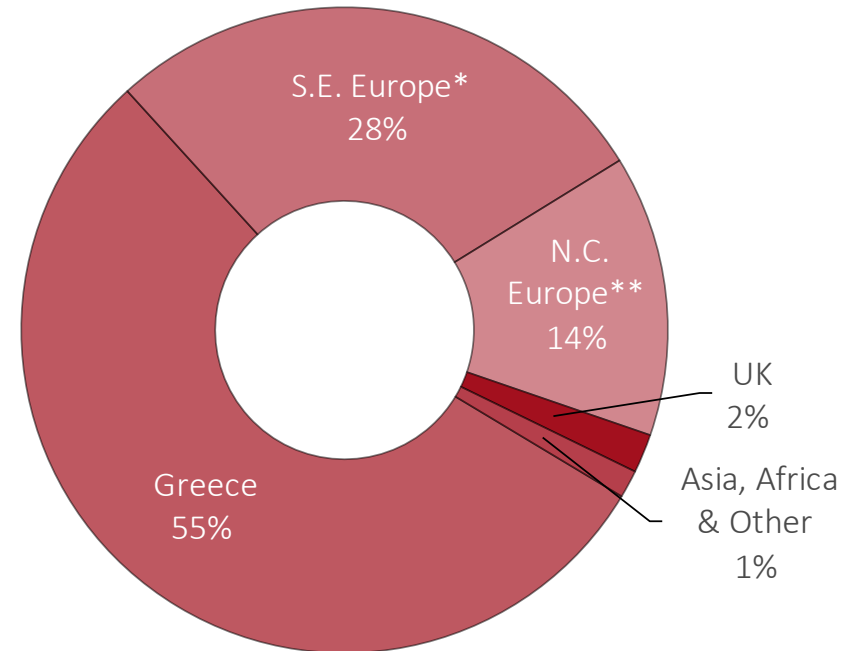


ROPES & TWINES

## Production Geographical Breakdown



## Sales Geographical Breakdown



\* Includes Bulgaria, Albania, Romania, Serbia, Slovenia, Croatia, FYROM, Bosnia-Herzegovina, Montenegro, Kosovo  
\*\* Includes all other European countries plus Russia, Ukraine and Georgia

- **64%** of production and **55%** of sales in Greece
- Main markets are Greece and SE Europe (90%)
- Exports are limited to a specific radius (local production is major advantage)
- From mid 2017 production in Ireland for the UK and Irish markets

# PACKAGING BU | COMPETITION



Huhtamaki



POLARCUP



**WOLF PLASTICS**





# STRATEGY

Pursuing profitable growth  
through investment in capacity &  
innovation

## Profitable Growth

### Market-driven Organic growth

- Increase Capacity
- Geographical expansion

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- Focus on two major growth markets:
  - Nonwovens (spunbond & needlepunch)
  - Expand the Rigid Packaging in SE Europe and UK & Ireland

### Value Capture (increase margins)

- Further reduce production cost
- Improvement of Product Mix (shift of sales to the high margin products)
- Development of new high margin products
- Going downstream to the production chain
- Development of Branded Consumer products



## Market-driven Organic Growth

CAPEX (in mil €)	2015 - 2016	2017 - 2018
Technical Fabrics	40.7	31.6
Packaging	14.4	11.9
Agricultural & Other	1.6	-
<b>Total CAPEX</b>	<b>56.7</b>	<b>43.5</b>
CAPEX in Greek subsidiaries	42.7	13.7
CAPEX in subsidiaries abroad	14.0	29.9
<b>Additional Volumes (in tons)</b>	<b>25.600</b>	<b>15.000</b>

Note: CAPEX for 2017-2018 includes only the CAPEX approved so far (expenditure committed)

## Additional CAPEX

Implementation of SAP ERP system to all Group Companies within the next 3 years (total cost 2.5 mil Euros)

## Value Capture (increase margins)

Further reduce Production Cost	Energy Management: target to reduce kwh/kg by 30%
	Control cost per man-hour: improve competitiveness
	Reduce scrap rates
Improvement of Product Mix	Increase the number of sales people
	Add new channels to markets where needed
	Training for the sales people (Kellogg University)
	Focus on customer insight
	Each of our product families to be offered together with a service
Development of new high margin products	Innovation training for product development (Kellogg University)
	Monitor product development with the Horizons concept
Going downstream to the production chain	Melt-blown line
	Hot-melt line
	MDO line
Branded Consumer products	OKI DOKI (cups and garbage bags) and TERRA HOME (DIY technical fabrics)

The background features a 3D rendering of various financial charts, including a bar chart with several bars of increasing height, a pie chart with several slices, and a line graph with a fluctuating white line. The charts are rendered in a light gray, semi-transparent style, giving a sense of depth and data analysis.

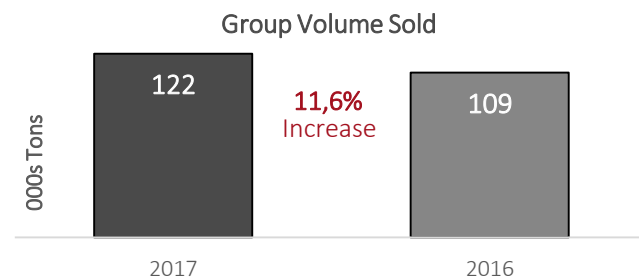
# FINANCIAL REVIEW

# FY 2017 IFRS FINANCIAL RESULTS | P&L SUMMARY

amounts in 000s €	2017	2016	y-o-y
<b>Turnover</b>	<b>318.509</b>	<b>291.900</b>	9,1%
Cost of Goods Sold	(251.619)	(225.497)	11,6%
<b>Gross profit</b>	<b>66.890</b>	<b>66.403</b>	0,7%
<i>Gross profit margin</i>	<i>21,0%</i>	<i>22,7%</i>	
Operating Expenses	(49.711)	(43.498)	14,3%
<b>EBIT</b>	<b>17.179</b>	<b>22.905</b>	-25,0%
<i>EBIT margin</i>	<i>5,4%</i>	<i>7,8%</i>	
Financial Income/Expenses	(5.439)	(5.854)	
Profit/(Losses) from equity consolid.	996	1.276	
Profit/(Losses) from M&A	1.098	0	
<b>EBT</b>	<b>13.834</b>	<b>18.327</b>	-24,5%
<i>EBT margin</i>	<i>4,3%</i>	<i>6,3%</i>	
<i>EBT underlying *</i>	<i>13.679</i>	<i>15.878</i>	<i>-13,8%</i>
<i>EBT underlying * margin</i>	<i>4,3%</i>	<i>5,4%</i>	
<b>EBITDA</b>	<b>30.130</b>	<b>35.160</b>	-14,3%
<i>EBITDA margin</i>	<i>9,5%</i>	<i>12,0%</i>	
<i>EBITDA underlying *</i>	<i>31.244</i>	<i>34.895</i>	<i>-10,5%</i>
<i>EBITDA underlying * margin</i>	<i>9,8%</i>	<i>12,0%</i>	

\* underlying = excluding FX differences and profit/loss from M&A

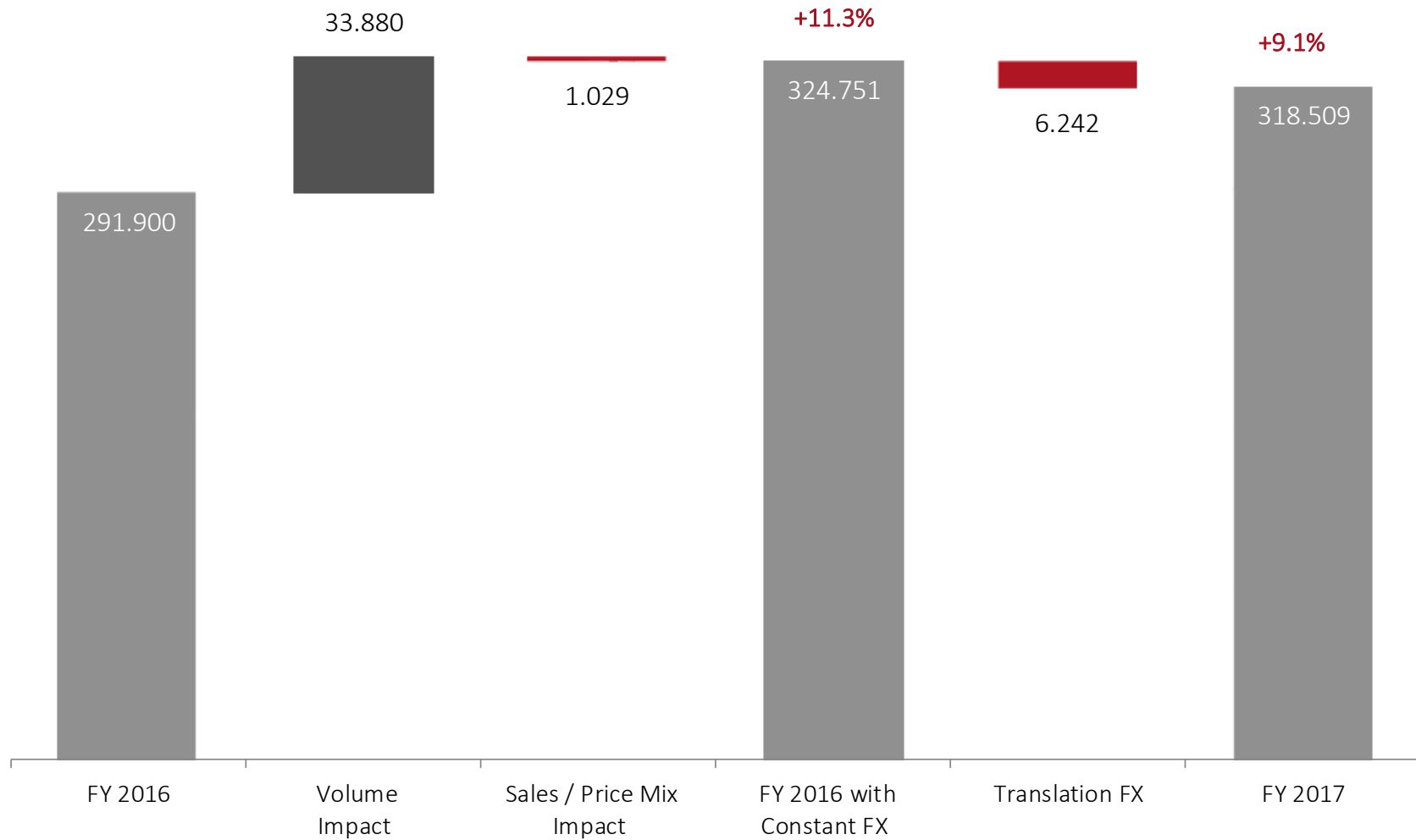
Operating Expenses	2017	2016	y-o-y
Administration Expenses	(16.839)	(16.080)	4,7%
<i>% of Sales</i>	<i>5,3%</i>	<i>5,5%</i>	
Selling Expenses	(30.146)	(26.727)	12,8%
<i>% of Sales</i>	<i>9,5%</i>	<i>9,2%</i>	
R&D Expenses	(1.948)	(1.134)	71,8%
Other Op. Income/Expenses	336	178	88,8%
Other Profit/Losses	(1.114)	265	-520,4%



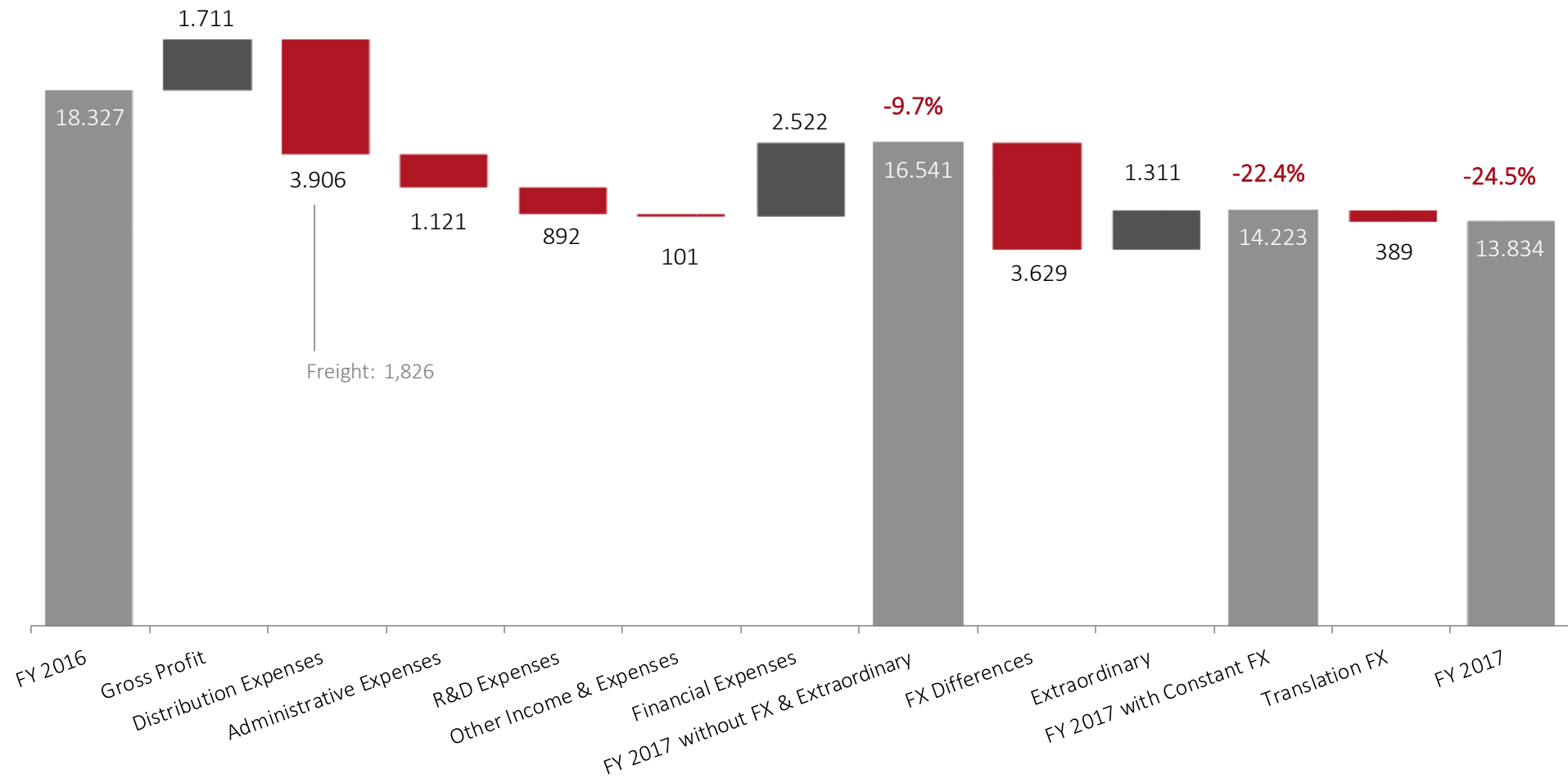
## Year under review highlights:

- Growth in the consolidated sales volume (+11.6%) as a result of the investments in new production lines during the 2-year period 2015-2016. The Sales volume increase refers to both business units of the Group (Technical Fabrics +12.1% and Packaging +9.1%).
- Increase of consolidated Turnover - the sales volume growth was not fully reflected into the value of the consolidated sales due to a more elastic pricing policy followed by the Group in order to sell the additional production volumes. Also, a negative effect on consolidated turnover emerged from foreign exchange translation due to the depreciation of the dollar and the English pound against the Euro.
- Lower demand for the products of Technical Fabrics Unit in the American market
- Gross profit margin contraction mainly due to the following factors:
  - Following the efforts to achieve the main objective which was the exploitation of the production capacity and the sale of the increased product volumes, a more elastic pricing policy was followed which resulted to lower profit margins.
- The fact that the raw material prices increased gradually during the first four months of 2017 did not enable the transfer of the higher cost into the sale prices. The particular factor was more evident in the Group's subsidiary in Scotland where the raw material prices were further increased due to the exchange rate GBP/EUR.
- Higher Distribution Expenses due to the reinforcement of the sales divisions with new personnel, necessary in order to support the higher sales volumes.
- Effect on the operating results from the negative foreign exchange differences due to the depreciation of the dollar and the English pound against the Euro.

# FY 2017 IFRS FINANCIAL RESULTS | GROUP REVENUE BRIDGE (€ '000)

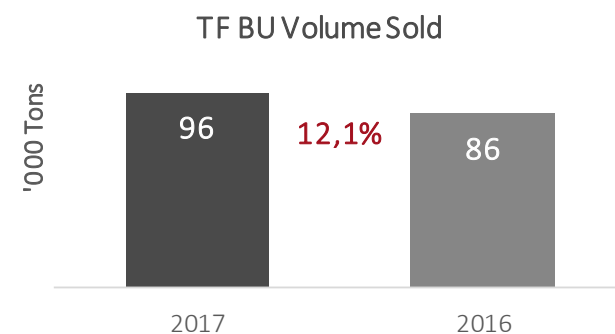


# FY 2017 IFRS FINANCIAL RESULTS | GROUP EBT BRIDGE (€ '000)

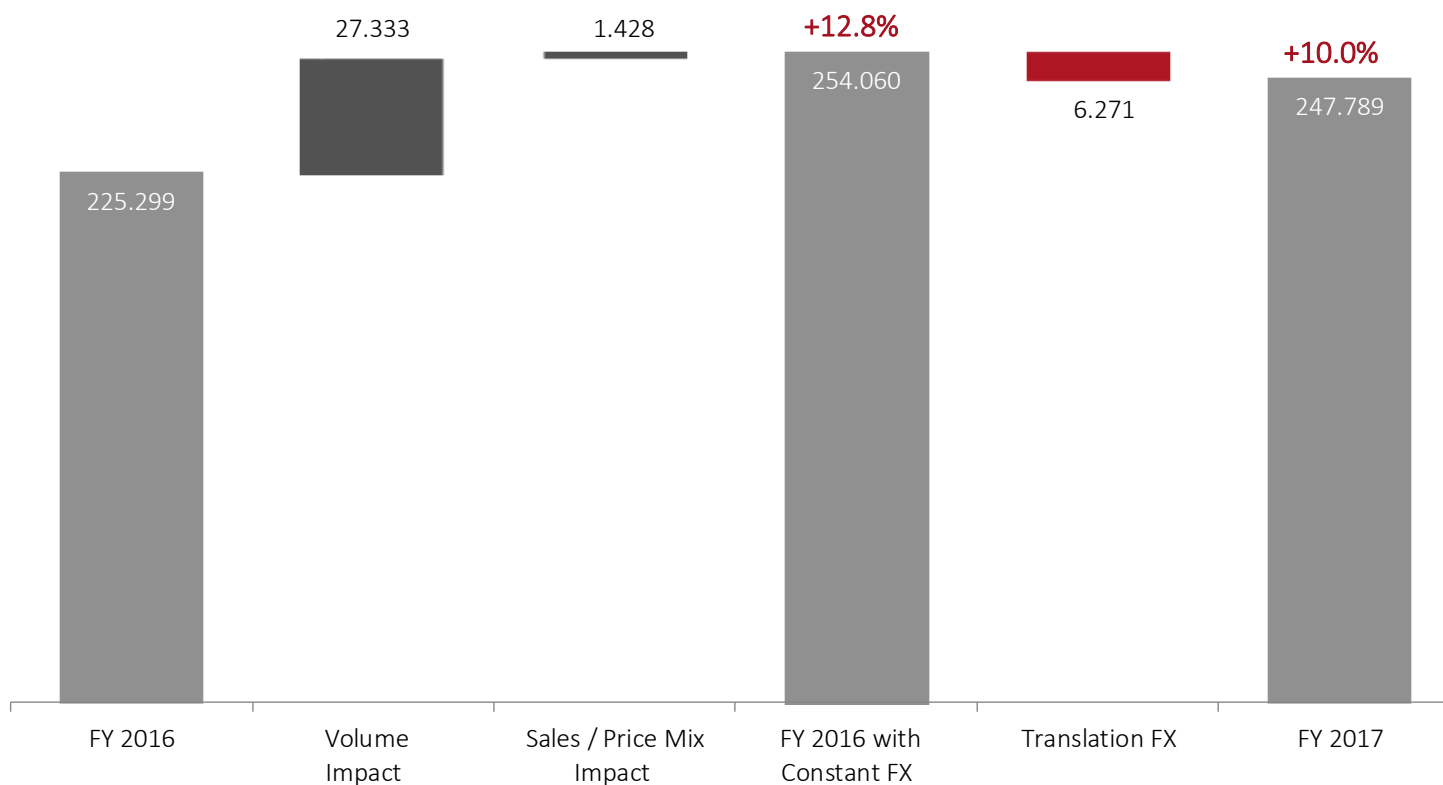


# FY 2017 TECHNICAL FABRICS BUSINESS UNIT | OVERVIEW

Key P & L Items (amounts in €'000)	FY 2017	FY 2016
Sales	247.789	225.299
<i>y-o-y Change %</i>	<i>+10.0%</i>	
EBITDA	18.907	22.560
<i>EBITDA margin</i>	<i>7.6%</i>	<i>10.0%</i>



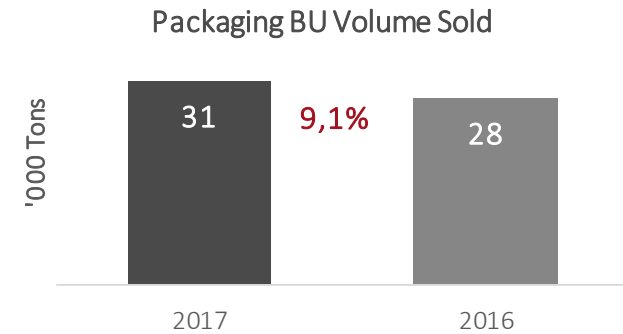
TF BU 2017 Sales Bridge



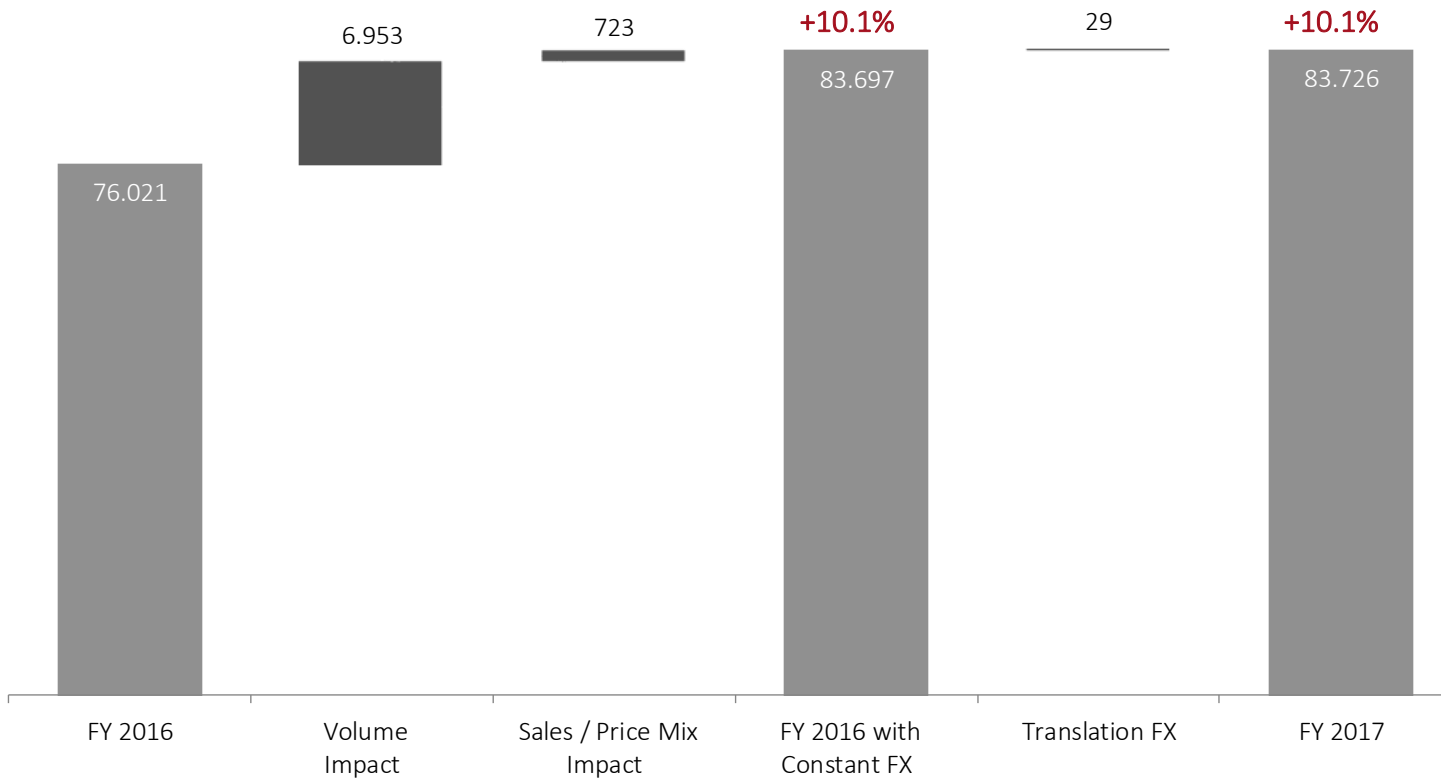


# FY 2017 PACKAGING BUSINESS UNIT | OVERVIEW

Key P & L Items (amounts in €'000)	FY 2017	FY 2016
Sales	83.726	76.021
<i>y-o-y Change %</i>	<i>+10.1%</i>	
EBITDA	11.519	10.825
<i>EBITDA margin</i>	<i>13.8%</i>	<i>14.2%</i>



Pack BU 2017 Sales Bridge



# FY 2017 IFRS FINANCIAL RESULTS | BS SUMMARY

<i>amounts in 000s €</i>	2017	2016
Tangible Assets	114.507	107.550
Intangible Assets	11.424	11.605
Other NC Assets	21.842	21.367
<b>Non Current Assets</b>	<b>147.773</b>	<b>140.522</b>
Inventories	59.634	57.695
Receivables	57.332	50.640
Cash & Cash Equivalents	30.593	31.080
Other Currents Assets	9.374	9.554
<b>Current Assets</b>	<b>156.933</b>	<b>148.969</b>
<b>Total Assets</b>	<b>304.706</b>	<b>289.491</b>
Bank Loans	88.400	85.802
Payables	37.021	31.799
Provisions for Pension Plans	15.847	24.369
Other Liabilities	25.960	24.733
<b>Total Liabilities</b>	<b>167.228</b>	<b>166.703</b>
Share Capital	28.869	29.762
Reserves	41.671	44.065
Retained Earnings	64.573	46.845
Minority Interests	2.365	2.116
<b>Equity</b>	<b>137.478</b>	<b>122.788</b>
<b>Equity &amp; Liabilities</b>	<b>304.706</b>	<b>289.491</b>

Key Ratios	2017	2016
Total Bank Debt	88.400	85.802
Cash	30.593	31.080
<b>Net Debt</b>	<b>57.807</b>	<b>54.722</b>
Net Debt/Sales	0,18	0,19
Net Debt/Equity	0,42	0,45
EV/EBITDA	5,7	4,8
ROCE	8,1%	10,6%
ROE	7,9%	11,1%
ROIC	7,2%	10,3%
Operating WC	79.945	76.536
<i>as a % of Sales</i>	<i>25,1%</i>	<i>26,2%</i>

\* For the calculation of EV/EBITDA the market capitalization of April 25<sup>th</sup> 2018 was used

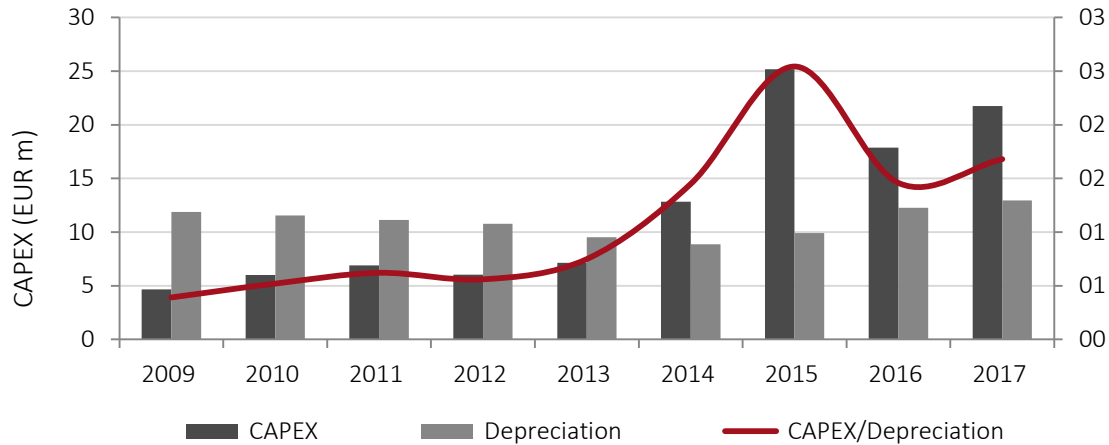
# FY 2017 IFRS FINANCIAL RESULTS | CASH FLOW SUMMARY

<i>amounts in 000s €</i>	2017	2016
Profit before Taxes & MI	13.834	18.327
Depreciation	12.952	12.255
Interest & related (income)/expense	5.439	5.833
Other	(543)	(698)
<b>Adjusted EBITDA</b>	<b>31.682</b>	<b>35.717</b>
(Increase)/Decrease in WC	(3.510)	(6.499)
Interest & Taxes paid	(8.926)	(10.047)
Capital Expenditure	(21.754)	(17.870)
<b>Free Cash Flow</b>	<b>(2.508)</b>	<b>1.301</b>
Other investing activities	(985)	404
Proceeds from Loans	12.524	7.928
Repayment of Loans	(8.662)	(3.145)
Other financing activities	(14)	(757)
<b>Net increase/(decrease) in Cash</b>	<b>355</b>	<b>5.731</b>
Opening Cash	31.080	26.411
FX effect on cash reserves	(842)	(1.062)
<b>Cash &amp; CEs at end of period</b>	<b>30.593</b>	<b>31.080</b>

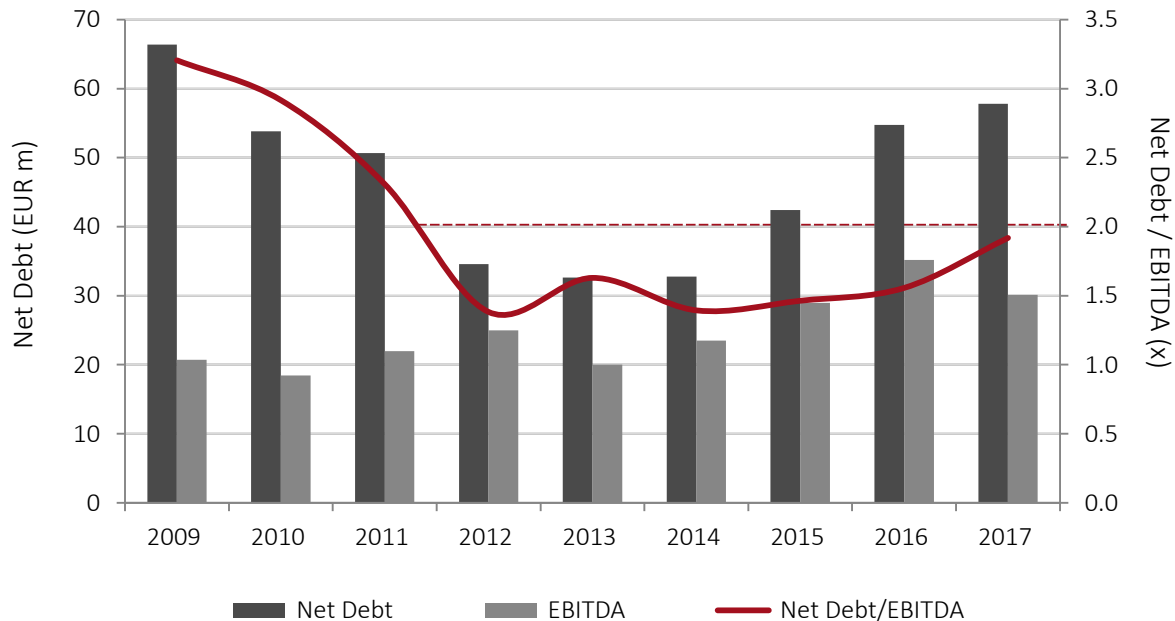
→ excluding financial leases for equipment purchased

CAPEX (in mi €)	2017-2018	2015-2016
Technical Fabrics	31,6	40,7
Packaging	11,9	14,4
Agricultural & Other	0,0	1,6
<b>Total CAPEX</b>	<b>43,5</b>	<b>56,7</b>
CAPEX of Greek Subsidiaries	13,7	42,7
CAPEX of subsidiaries abroad	29,9	14,0

# FY 2017 IFRS FINANCIAL RESULTS | NET DEBT



- The high investment plan that started in 2015 resulted in increased Net Debt in 2016 and 2017.
- Net Debt/EBITDA remains below 2x which is the max set by the Group.

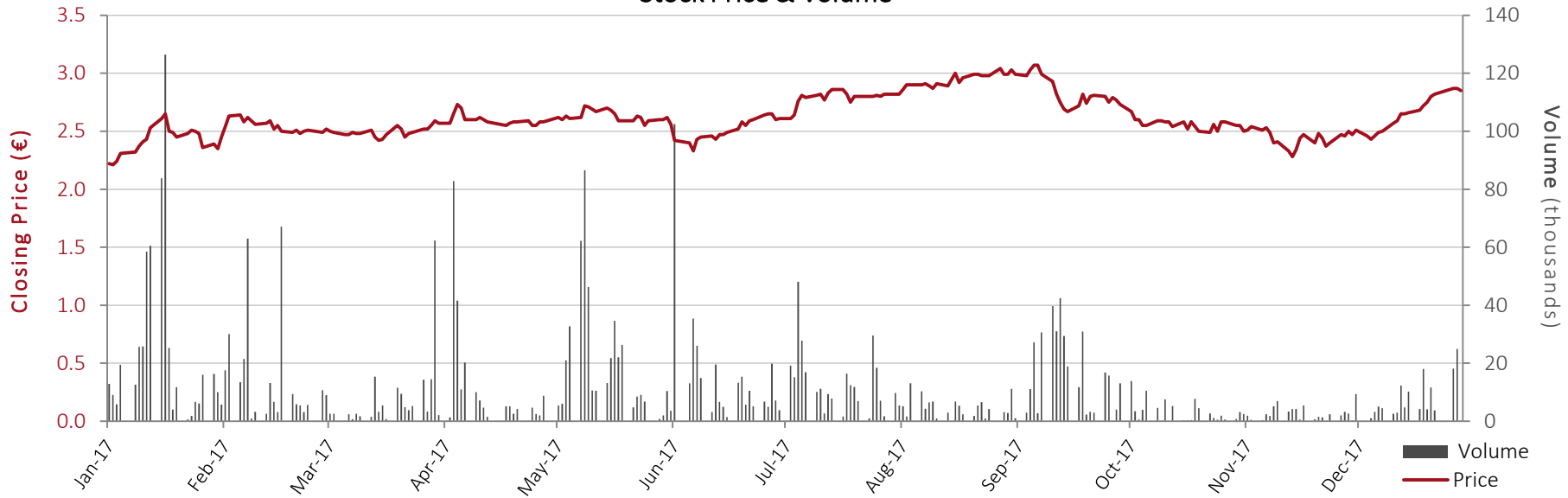


## FY 2017 IFRS FINANCIAL RESULTS | EARNINGS PER SHARE

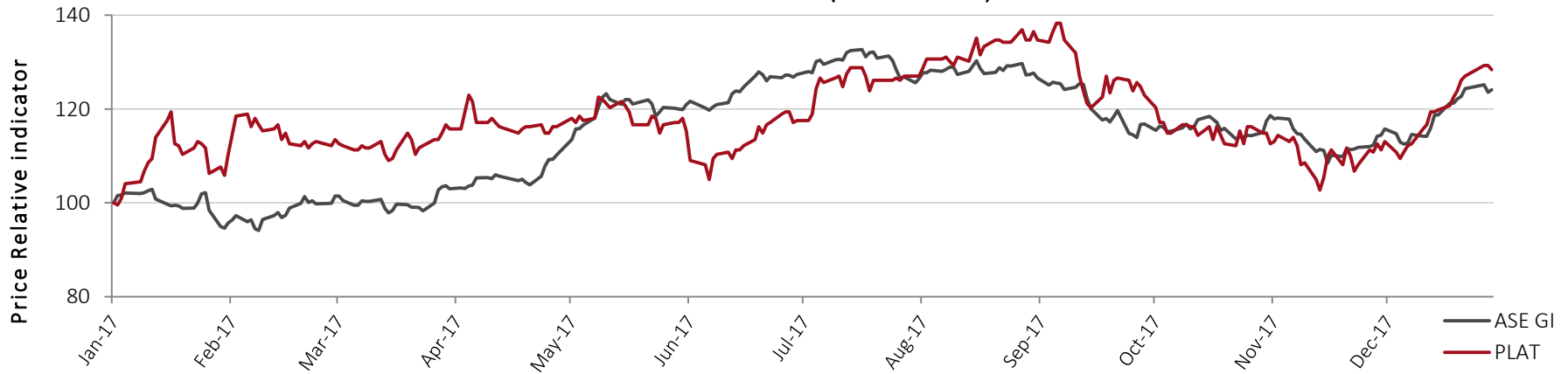
	2017	2016
Earnings Before Taxes	13.834	18.327
Income Tax	3.025	4.668
Minority Interest	258	275
Profit Attributable to Shareholders	10.551	13.384
Adjusted # of Shares	43.741	44.022
EPS (in euro)	0,2412	0,3040

# GROUP FINANCIAL PERFORMANCE | STOCK DATA

## Stock Price & Volume



## Relative Performance (vs ASE index)



**Market Making:** On March 26, 2018, the Company started Market Making with Alpha Finance and Eurobank Equities

## Q1 2018 FINANCIAL RESULTS | KEY FIGURES

	Q1 2018	Q1 2017	Δ %
VOLUMES (tons)	30.357	30.049	+1.0%
TURNOVER	78.517	76.645	+2.6%
GROSS PROFIT	16.972	16.765	+1.2%
EBITDA	7.816	7.794	+0.3%
EAT & MI	2.249	2.147	+4.8%

## BOARD OF DIRECTORS

<b>Constantinos Chalioris:</b>	Chairman & Group CEO
<b>Theodosios Kolyvas:</b>	Executive Vice-Chairman
<b>George Braimis:</b>	Executive Member & Group COO
<b>Dimitris Malamos:</b>	Executive Member & Group CFO
<b>Vassilis Zairopoulos:</b>	Non-Executive Member
<b>Christos Chiatis:</b>	Independent Non-Executive Member
<b>Petros Fronistas:</b>	Independent Non-Executive Member
<b>Constantinos Gianniris:</b>	Independent Non-Executive Member
<b>Ioannis Apostolakos:</b>	Independent Non-Executive Member
<b>Nikitas Glykas:</b>	Independent Non-Executive Member
<b>Theodoros Kitsos:</b>	Independent Non-Executive Member

## AUDIT COMMITTEE

<b>Christos Chiatis:</b>	Independent Non-Executive Member, Chairman of the Committee
<b>Constantinos Gianniris:</b>	Independent Non-Executive Board Member
<b>Ioannis Apostolakos:</b>	Independent Non-Executive Board Member

The Company, in compliance with the provisions and regulations of Law, compiled and applies its own Corporate Governance Code, the text and the content of which are generally available to the website of the Company [www.thracegroup.com](http://www.thracegroup.com).



## Alternative Performance Measures (APM)

During the description of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized.

- **EBIT (The indicator of earnings before the financial and investment activities as well as the taxes)**
  - The EBIT serves the better analysis of the Group’s operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses, before the financial and investment activities. The EBIT margin (%) is calculated by dividing the EBIT by the turnover.
- **EBITDA (The indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes)**
  - The EBITDA serves the better analysis of the Group’s operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

Ratios	Explanation
Net Bank Debt / Sales	Relation between Bank Debt and Sales
Net Bank Debt / Equity	Relation between Bank Debt and Equity
EV/EBITDA: Value of the Company / Operating Earnings before Financial and Investment Activities, Depreciation, Amortization, Impairments and Taxes	Current Market Capitalization, plus the Company’s Debt, minus its Cash, divided by the Operating Earnings before Financial and Investment Activities, Depreciation, Amortization, Impairments and Taxes
ROCE: Return on Capital Employed	Operating Earnings before Financial and Investment Activities and Taxes minus the Taxes divided by the Total Assets minus the Current Liabilities
ROE: Return on Equity	Earnings after Taxes and Minority Rights / Equity attributable to shareholders of the Company
ROIC: Return on Invested Capital	Operating Earnings before Financial and Investment Activities and Taxes minus the Taxes divided by the Invested Capital (Bank Debt + Equity – Cash)

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The forward-looking statements in the Presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties.

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## Contacts

### Investors Relations

Ioanna Karathanassi  
ikarathanasi@thraceplastics.gr  
+30 210 9875081

### Group CFO

Dimitris Malamos  
dmalamos@thraceplastics.gr  
+30 210 9875016

[www.thracegroup.com](http://www.thracegroup.com)

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