



CORPORATE PRESENTATION

May 2019

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

TECHNICAL FABRICS



73%

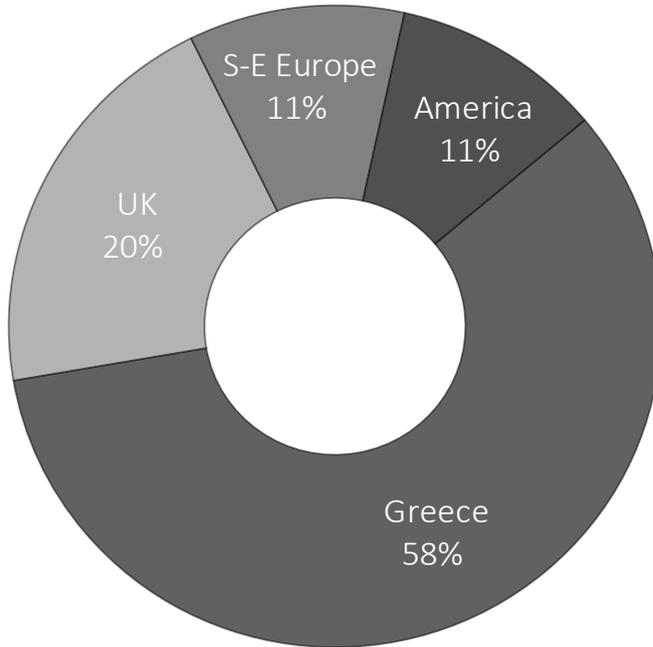
PACKAGING SOLUTIONS



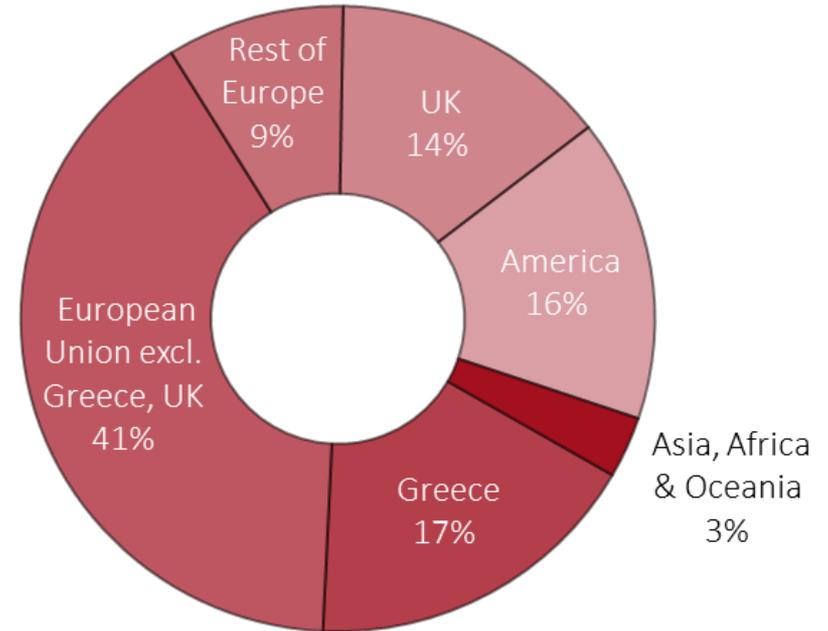
27%

THRACE GROUP | PRODUCTION & REVENUE BREAKDOWN (2018)

Production Geographical Breakdown



Sales Geographical Breakdown



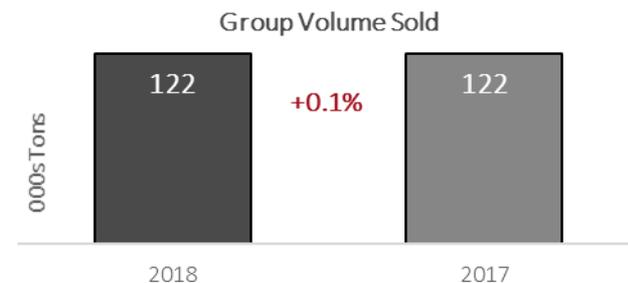
- **58% of group production in Greece** (increased due to the investment plan of 2015 – 2016 which was focused in Greece).
- Strong sales diversification through our global presence. Only **17% of sales in Greece**.

The background features a 3D rendering of financial data. On the left, there is a bar chart with several vertical bars of varying heights. To the right, a large pie chart is shown with one slice separated from the rest. The entire scene is set against a grid pattern with faint line graphs overlaid, creating a professional and analytical atmosphere.

FINANCIAL REVIEW

FY 2018 IFRS FINANCIAL RESULTS | P&L SUMMARY

amounts in 000s €	2018	2017	y-o-y
Turnover	322,733	318,509	1.3%
Cost of Goods Sold	-259,508	-251,619	3.1%
Gross profit	63,225	66,890	-5.5%
<i>Gross profit margin</i>	<i>19.6%</i>	<i>21.0%</i>	
Operating Expenses	-49,528	-49,711	-0.4%
EBIT	13,697	17,179	-20.3%
<i>EBIT margin</i>	<i>4.2%</i>	<i>5.4%</i>	
Financial Income/Expenses	-4,547	-5,439	
Profit/(Losses) from equity consolid.	855	996	
Profit/(Losses) from M&A	0	1,098	
EBT	10,005	13,834	-27.7%
<i>EBT margin</i>	<i>3.1%</i>	<i>4.3%</i>	
<i>Adjusted EBT*</i>	<i>11,491</i>	<i>12,736</i>	<i>-9.8%</i>
<i>Adjusted EBT margin</i>	<i>3.6%</i>	<i>4.0%</i>	
EBITDA	27,500	30,130	-8.7%
<i>EBITDA margin</i>	<i>8.5%</i>	<i>9.5%</i>	
<i>Adjusted EBITDA*</i>	<i>28,986</i>	<i>30,130</i>	<i>-3.8%</i>
<i>Adjusted EBITDA margin</i>	<i>9.0%</i>	<i>9.5%</i>	

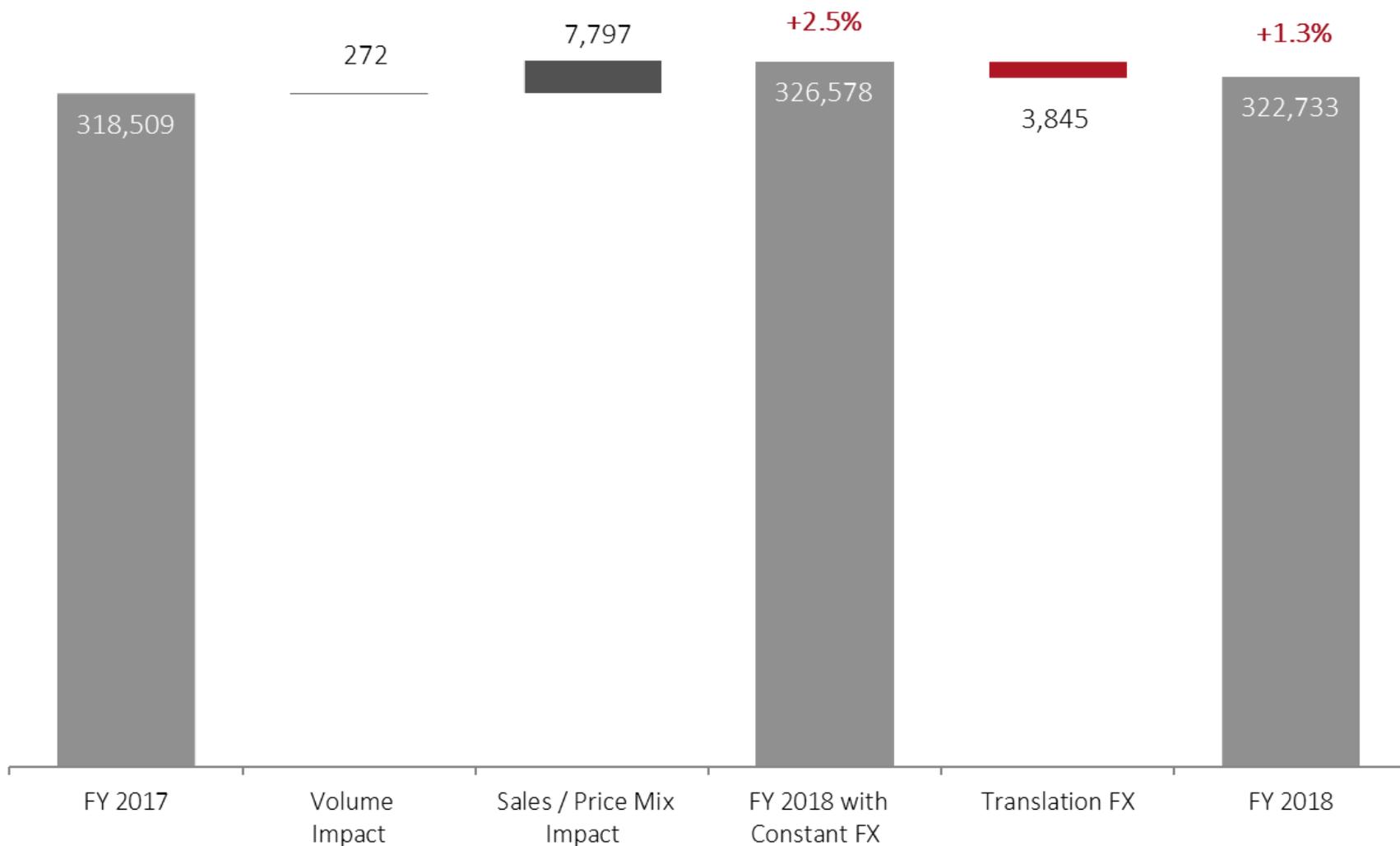


	2018	2017	y-o-y
Reported Group EBT	10,005	13,834	-27.7%
Restructuring Expenses	800		
Don & Low Pension Scheme	686		
Profit from Acquisition		-1,098	
Total Adjustments	1,486	-1,098	
*Adjusted Group EBT	11,491	12,736	-9.8%
Reported Group EBITDA	27,500	30,130	-8.7%
Restructuring Expenses	800		
Don & Low Pension Scheme	686		
Total Adjustments	1,486	0	
*Adjusted Group EBITDA	28,986	30,130	-3.8%

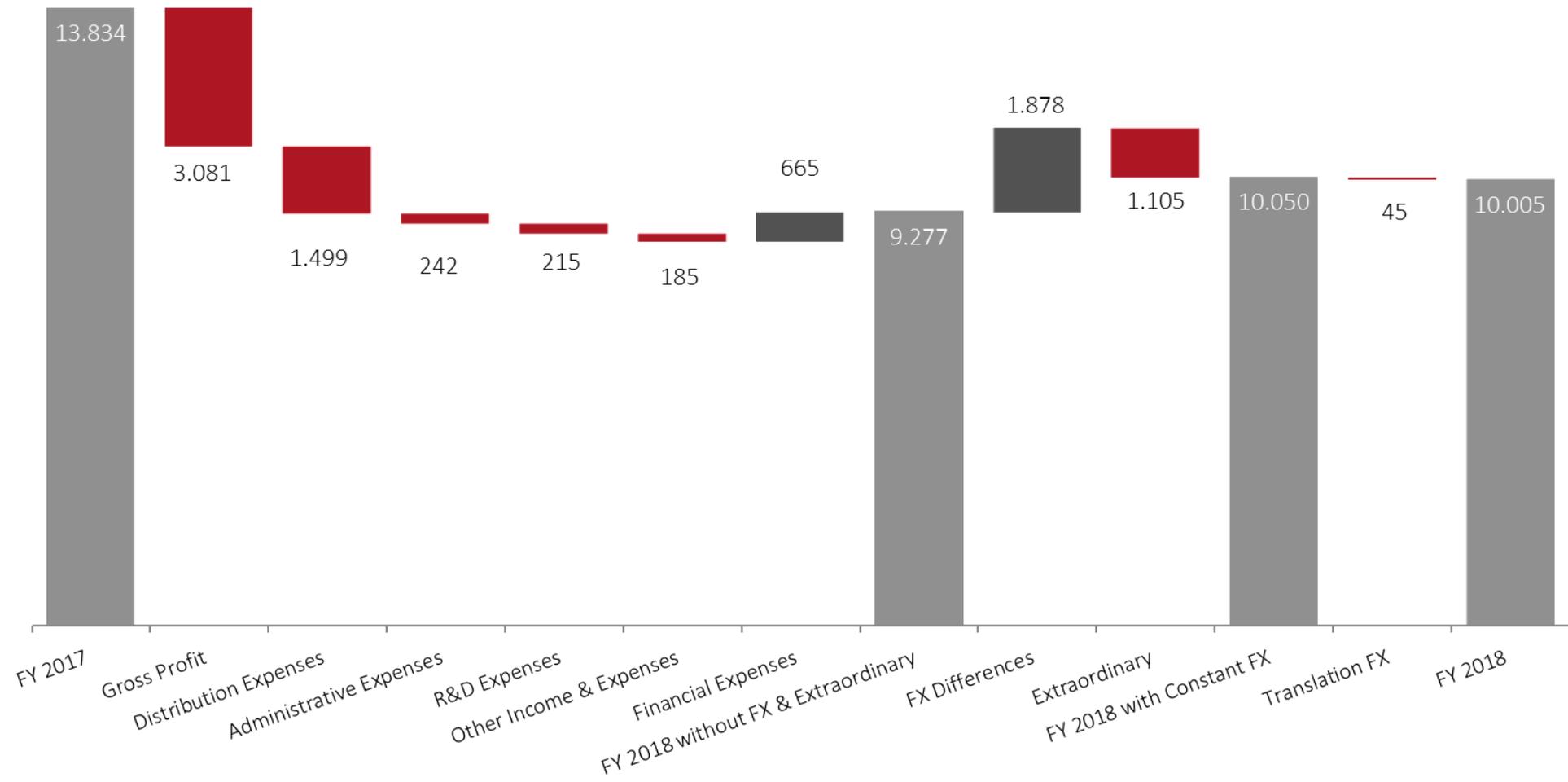
FY18 results were temporarily affected by the process of upgrading manufacturing capability and the lag effect of rising input prices

- The **Group's sales volume** remained in the same levels with the year 2017 at 121.9 thousand tons.
- The **consolidated Gross Profit** declined by 5.5% and settled at € 63.2 mil compared to € 66.9 mil in 2017. The reduction was due to the following factors:
 - Raw material prices continued to increase. Polypropylene prices increased by 9.3% since the start of 2017, and the 12-month average increase was 6.2%. The time lag effect as well as the inability to transfer the entire increase had a negative effect on the Gross Profit.
 - The Scottish subsidiary has been affected by lower end-consumer demand due to BREXIT and stronger competition from low-cost countries in certain high volume products. Also, the EUR/GBP rate has resulted in maintaining RM prices at higher levels than competition.
 - Significant increase in the energy cost mainly in the subsidiaries of Scotland, Bulgaria and Romania.
 - Increased production costs in the subsidiaries of Scotland and USA during 2018 due to the new investments aiming to increased capacity and decrease of production cost.
- The **consolidated EBITDA** were affected by non-recurring expenses of € 1.5 mil in 2018 and were not part of the ordinary business activity of the Group.

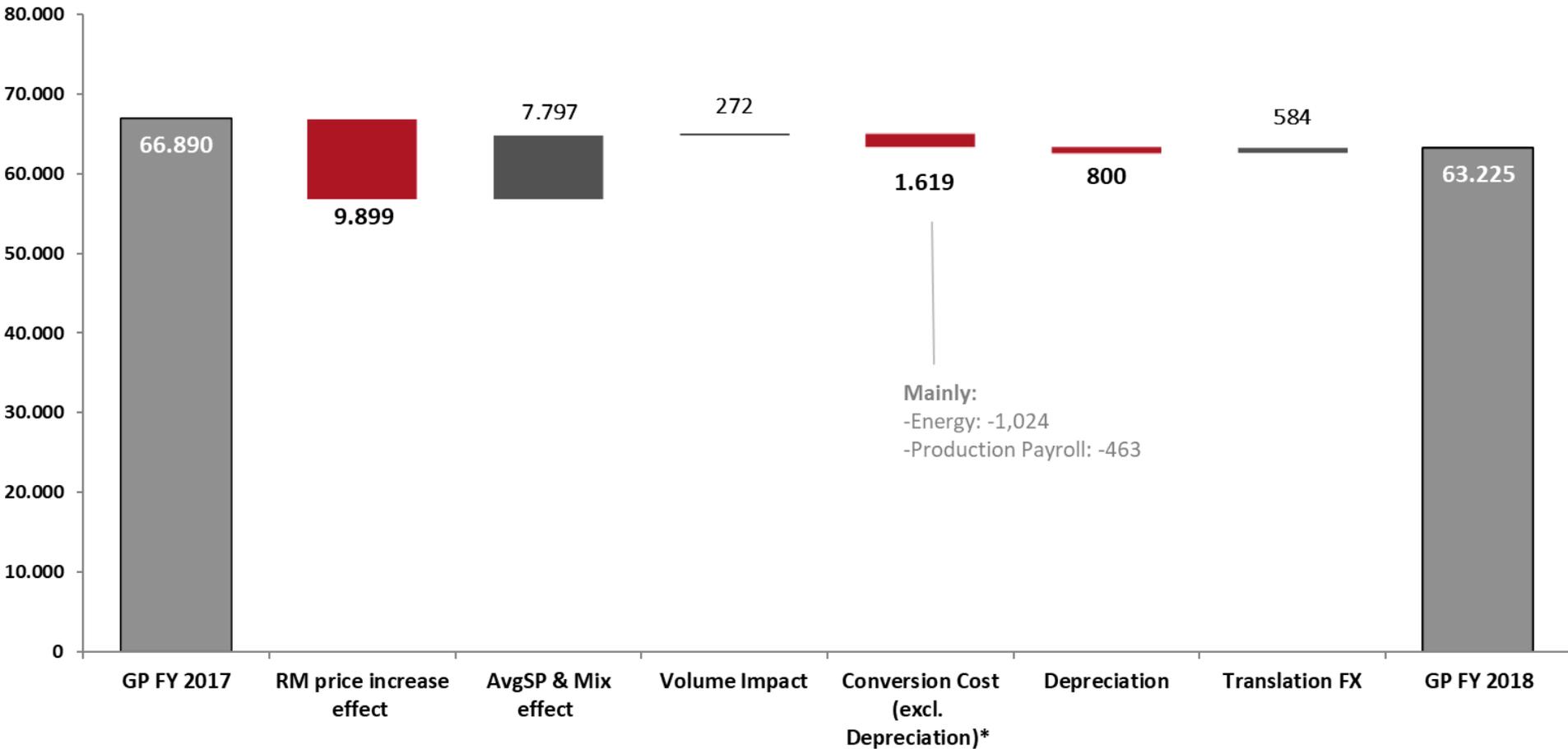
FY 2018 IFRS FINANCIAL RESULTS | GROUP REVENUE BRIDGE (€ '000)



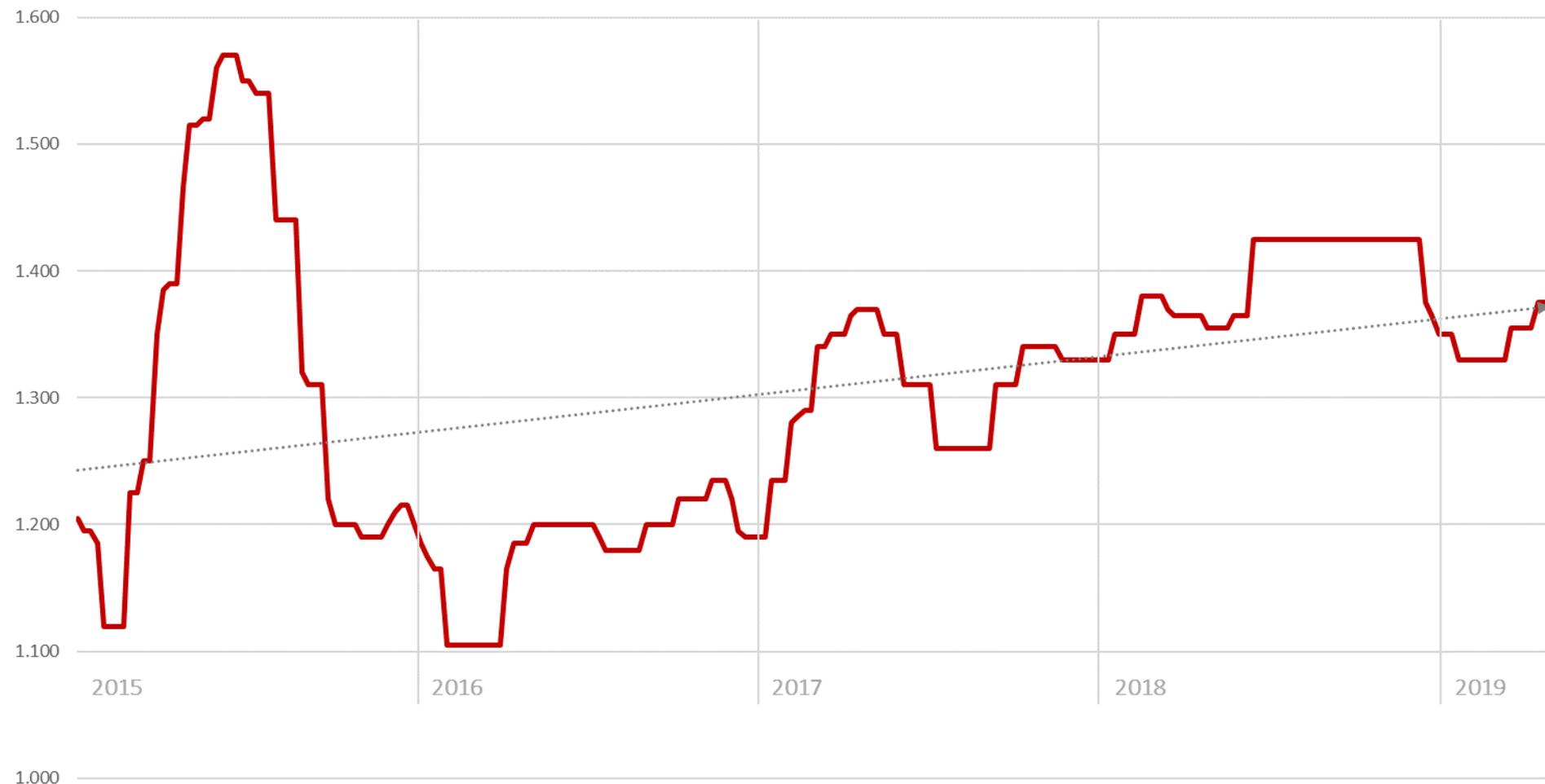
FY 2018 IFRS FINANCIAL RESULTS | GROUP EBT BRIDGE (€ '000)



FY 2018 IFRS FINANCIAL RESULTS | GROUP GROSS PROFIT BRIDGE (€ '000)



FY 2018 IFRS FINANCIAL RESULTS | POLYMER PRICES 2015 – 2019



- Significant increase in Polymer prices during 2017-2018 with unfavourable trend
- Continuing to manage pricing impact

FY 2018 IFRS FINANCIAL RESULTS | BS SUMMARY

<i>amounts in 000s €</i>	2018	2017
Tangible Assets	136,076	114,507
Intangible Assets	11,567	11,424
Other NC Assets	19,377	21,842
Non Current Assets	167,020	147,773
Inventories	66,896	59,634
Trade Receivables	53,603	57,332
Cash & Cash Equivalents	22,824	30,593
Other Currents Assets	9,882	9,374
Current Assets	153,205	156,933
Total Assets	320,225	304,706
Bank Loans	101,186	88,400
Trade Payables	40,163	37,021
Provisions for Pension Plans	15,468	15,847
Other Liabilities	21,793	25,960
Total Liabilities	178,610	167,228
Share Capital	28,869	28,869
Reserves	41,818	41,671
Retained Earnings	68,248	64,573
Minority Interests	2,680	2,365
Equity	141,615	137,478
Equity & Liabilities	320,225	304,706

Key Ratios	2018	2017
Total Bank Debt	101,186	88,400
Cash	22,824	30,593
Net Debt	78,362	57,807
Net Debt/Sales	0.24	0.18
Net Debt/Equity	0.55	0.42
EV/EBITDA	6.1	5.7
ROCE	6.0%	8.1%
ROE	5.7%	7.9%
ROIC	7.1%	7.2%
Operating WC	80,336	79,945
<i>as a % of Sales</i>	<i>24.9%</i>	<i>25.1%</i>

* For the calculation of EV/EBITDA the market cap of April 25th 2019 was used

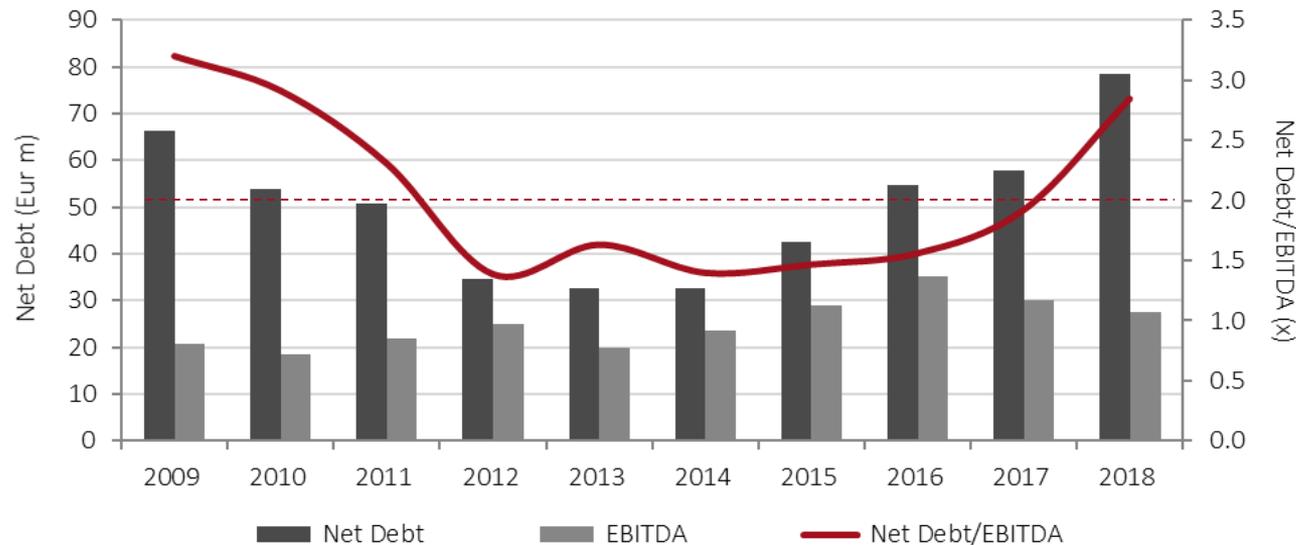
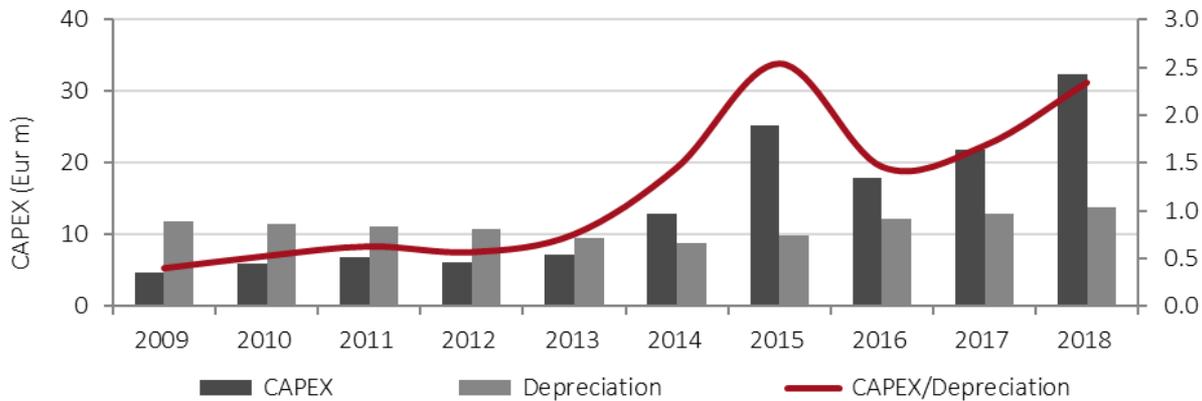
FY 2018 IFRS FINANCIAL RESULTS | CASH FLOW SUMMARY

<i>amounts in 000s €</i>	2018	2017
Profit before Taxes & MI	10,005	13,834
Depreciation	13,803	12,952
Interest & related (income)/expense	4,547	5,439
Other	-933	-543
Adjusted EBITDA	27,422	31,682
(Increase)/Decrease in WC	-4,194	-3,510
Interest & Taxes paid	-9,053	-8,926
Capital Expenditure	-32,339	-21,754
Free Cash Flow	-18,164	-2,508
Other investing activities	746	-985
Proceeds from Loans	28,419	12,524
Repayment of Loans	-16,907	-8,662
Other financing activities	-2,032	-14
Net increase/(decrease) in Cash	-7,938	355
Opening Cash	30,593	31,080
FX effect on cash reserves	169	-842
Cash & CEs at end of period	22,824	30,593

→ excluding financial leases for equipment purchased

CAPEX (in mi €)	2017-2018	2015-2016
Technical Fabrics	48.9	40.7
Packaging	13.2	14.4
Agricultural & Other	4.8	1.6
Total CAPEX	57.1	56.7
CAPEX of Greek Subsidiaries	18.0	42.7
CAPEX of Subsidiaries Abroad	39.1	14.0

FY 2018 IFRS FINANCIAL RESULTS | NET DEBT



- The high investment plan that started in 2015 resulted in increased Net Debt.
- Net Debt/EBITDA in 2018 was increased above the Group's max ratio of 2x (2.85) however this is projected to reach the targeted levels by 2020.
- CAPEX for organic investments and maintenance for the next 2-3 years will be significantly lower and is expected to be close to the depreciation levels.

- **Volume growth from diverse international markets** Thrace has built and invested in an international manufacturing footprint and It is well positioned to meet the needs of established markets and sectors in Europe and the US. FY18 end-product polymer tonnage sold was c 125,000 growing towards 150,000 tonnes over the next three years. New capacity, higher value-added materials and product development all contribute to this growth scenario.
- **Expected earnings growth and cash generation** After a dip in profitability in 2017–18, we estimate an increase in profitability driven by operational gearing effects from investment-driven higher volumes on comparatively stable gross margin assumptions. The increasing returns flow through to improving cash generation resulting in an expected three-year reduction in group net debt.
- **Challenges for 2019**
 - Thrace Linq
 - BREXIT
 - Fertilizers Market
 - Global Economy Uncertainty

ALTERNATIVE PERFORMANCE MEASURES | ESMA

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.

- **Adjusted EBITDA (The adjusted figure of operating earnings before the financial and investment activities as well as depreciation, amortization, impairment and taxes)**

The Adjusted EBITDA equals with the EBITDA figure from which the restructuring costs, merger and acquisition costs and other non-recurring expenses have been deducted.

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.

Although the Company believes the expectations reflected in such forward-looking statements are based on assumptions that were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the control of the Company, the latter cannot assure that its expectations, beliefs or projections will be attained, achieved or accomplished.

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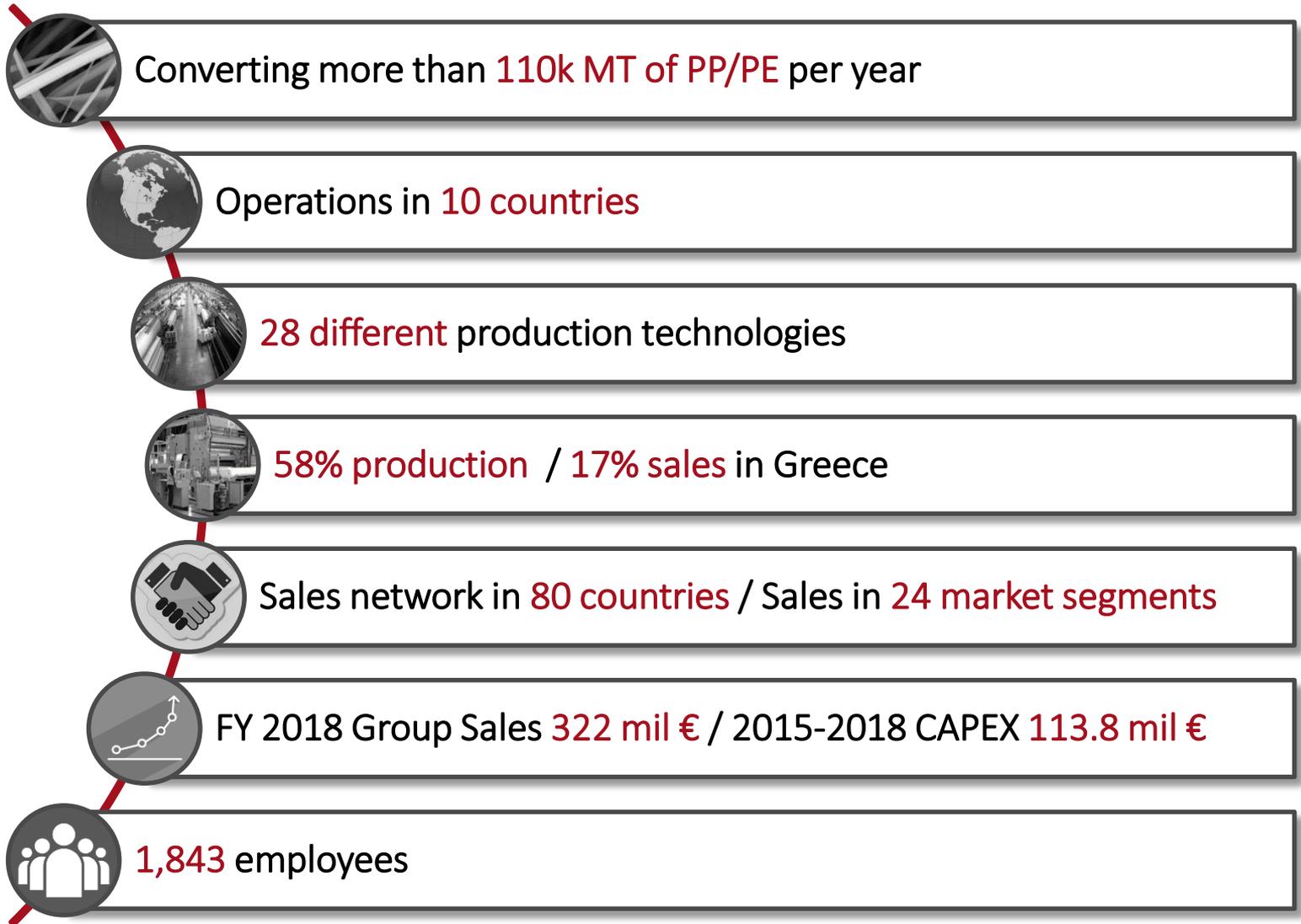
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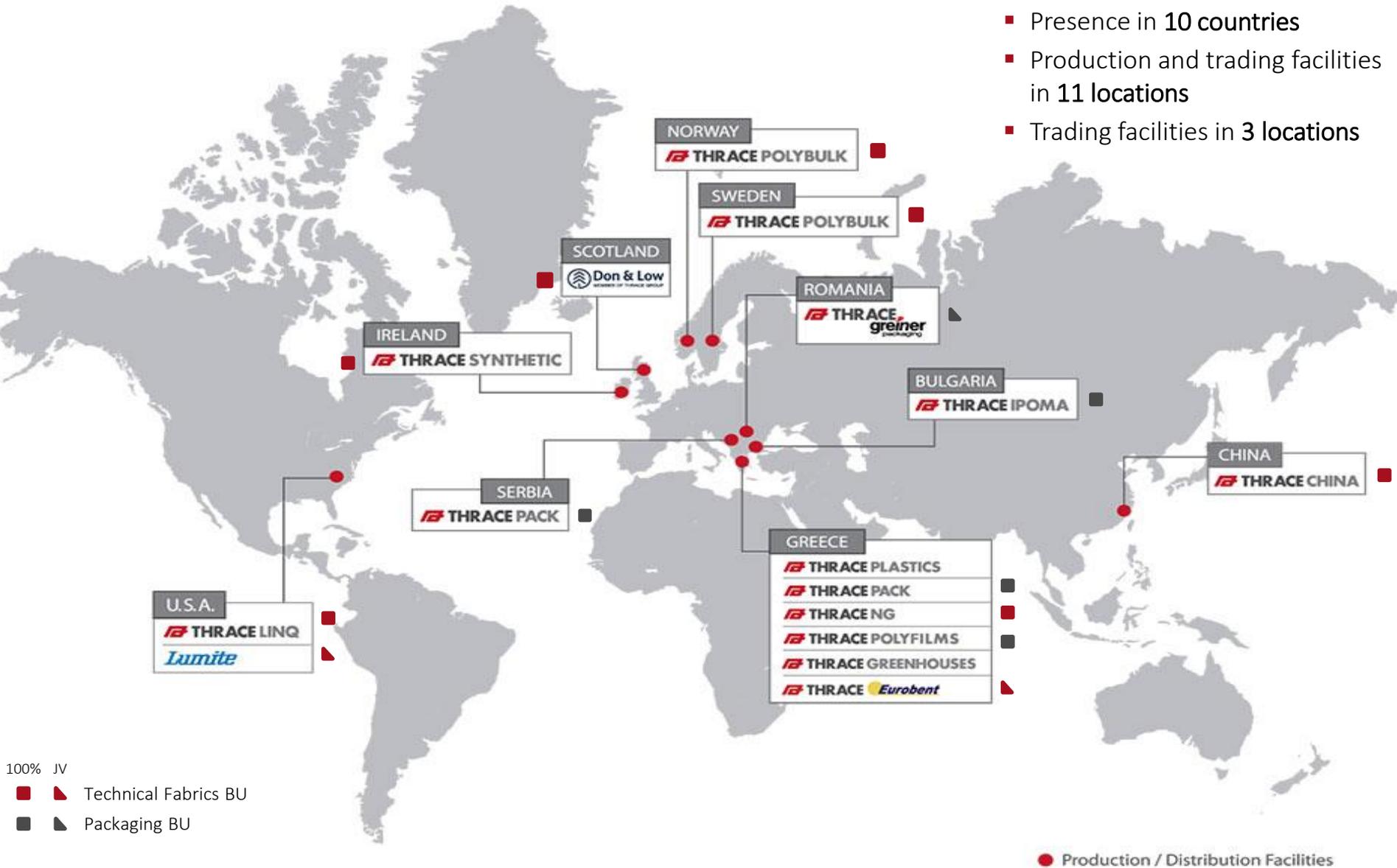
Converting polypropylene into a
World of Material & Solutions for over 38 years





THRACE GROUP | GLOBAL PRESENCE

- Presence in 10 countries
- Production and trading facilities in 11 locations
- Trading facilities in 3 locations





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

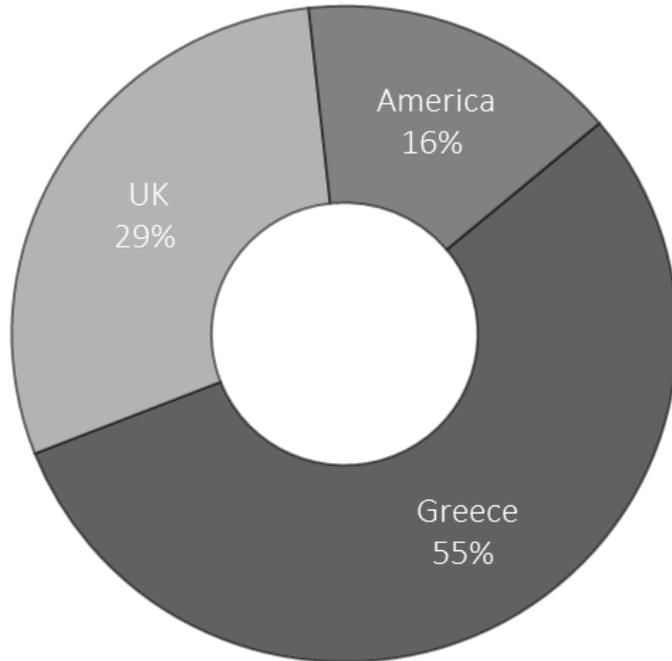


ARNO WEBBINGS/
STRAPS/ ROPES

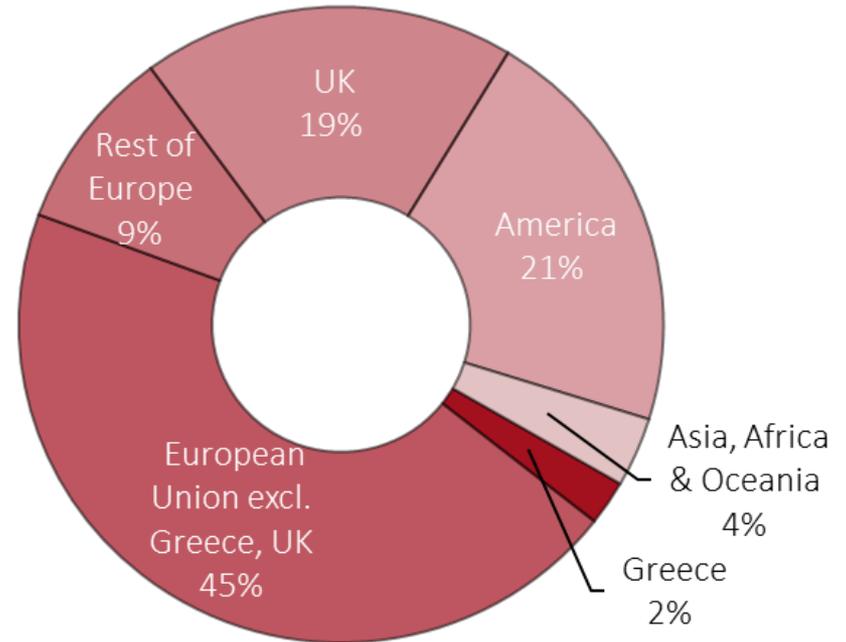


INDUSTRIAL YARNS &
FIBERS

Production Geographical Breakdown



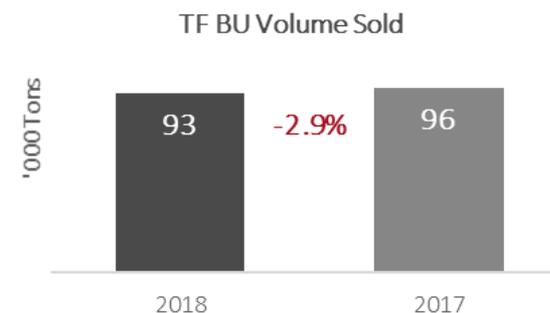
Sales Geographical Breakdown



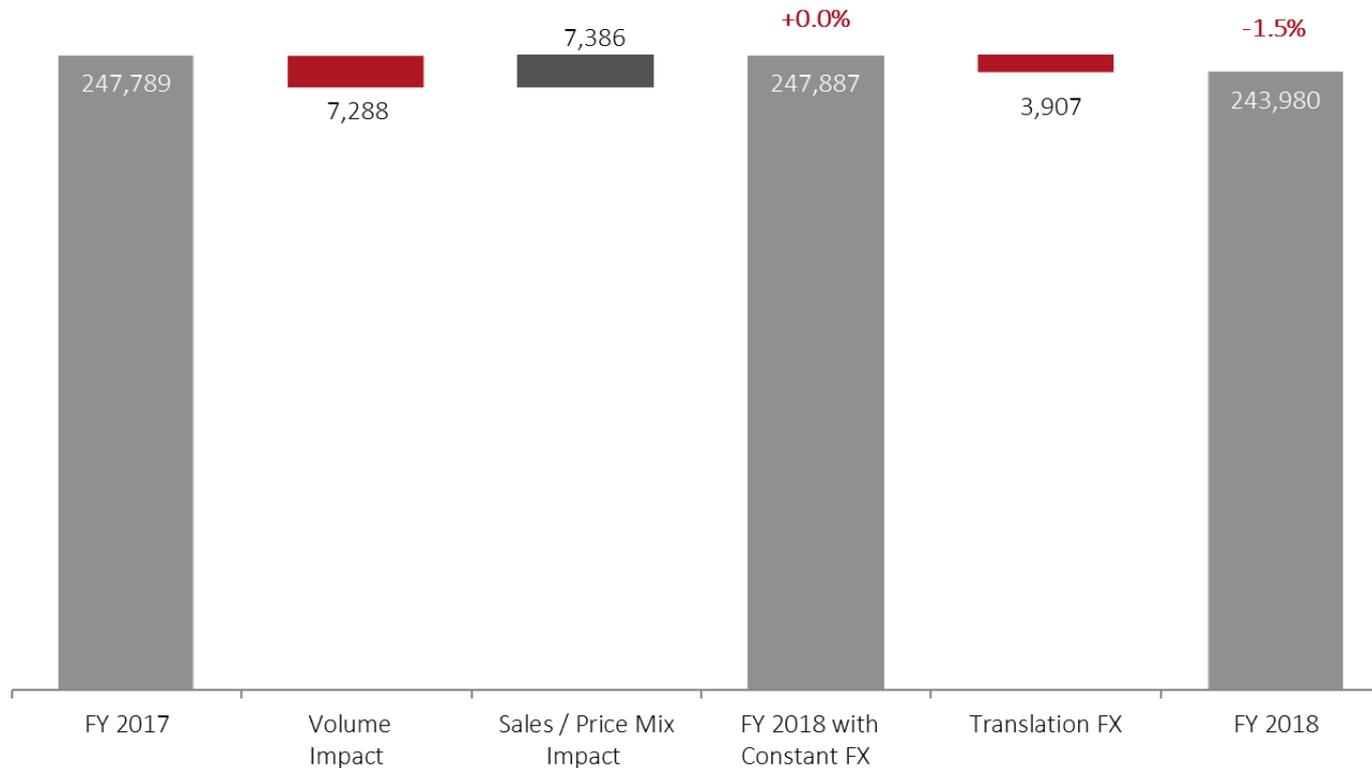
- 55% of production in Greece (following the investments of 2015-2016) but only 2% of sales in Greece
- Global sales presence but mainly Europe (well diversified within Europe) and America

FY 2018 TECHNICAL FABRICS BUSINESS UNIT | OVERVIEW

Key P & L Items (amounts in €'000)	FY 2018	FY 2017
Sales	243.980	247.789
<i>y-o-y Change %</i>	-1.5%	
EBITDA	15.528	18.910
<i>EBITDA margin</i>	6.4%	7.6%



TF BU 2018 Sales Bridge



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

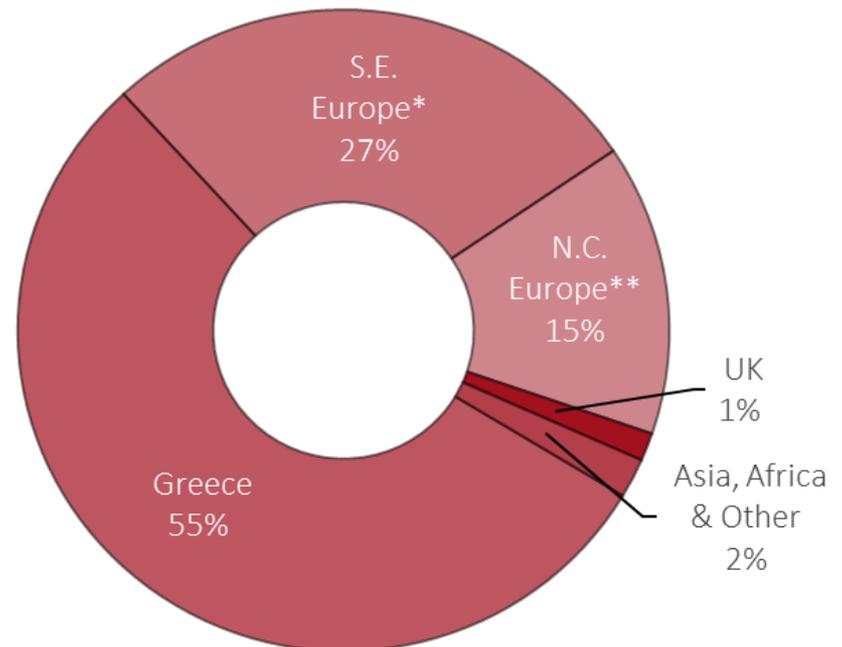


ROPES & TWINES

Production Geographical Breakdown



Sales Geographical Breakdown



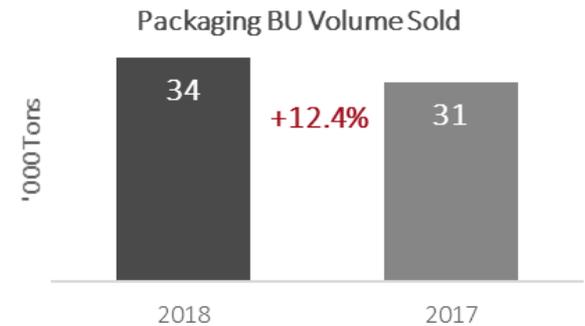
* Includes Bulgaria, Albania, Romania, Serbia, Slovenia, Croatia, FYROM, Bosnia-Herzegovina, Montenegro, Kosovo

** Includes all other European countries plus Russia, Ukraine and Georgia

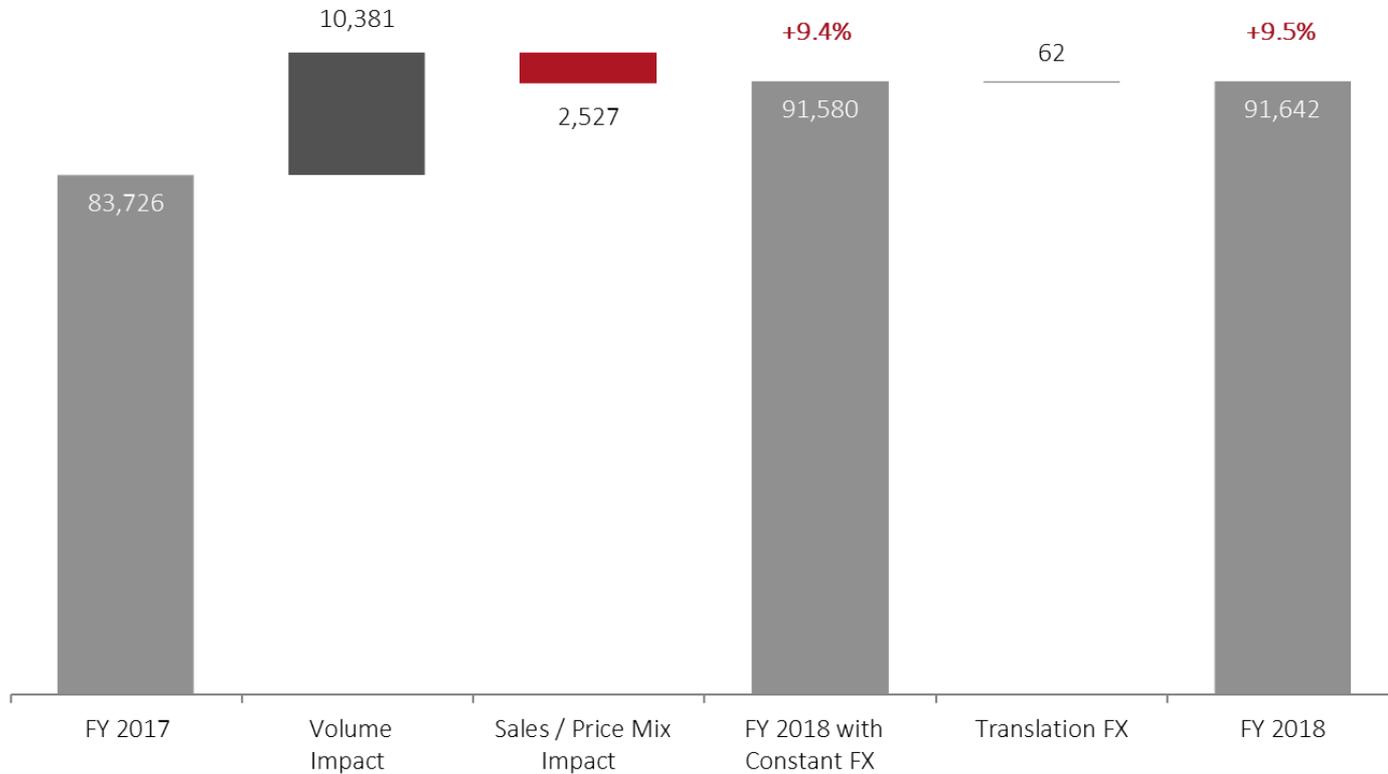
- 65% of production and 55% of sales in Greece
- Main markets are Greece and SE Europe (82%)
- Exports are limited to a specific radius (local production is major advantage)
- From mid 2017 production in Ireland for the UK and Irish markets

FY 2018 PACKAGING BUSINESS UNIT | OVERVIEW

Key P & L Items (amounts in €'000)	FY 2018	FY 2017
Sales	91.642	83.726
<i>y-o-y Change %</i>	+9.5%	
EBITDA	11.978	11.519
<i>EBITDA margin</i>	13.1%	13.8%



Pack BU 2018 Sales Bridge





Huhtamaki



POLARCUP



WOLF PLASTICS





STRATEGY

Pursuing profitable growth through
investment in capacity & innovation

Profitable Growth

Market-driven Organic growth

- Increase Capacity
- Geographical expansion

- 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

Market-driven Organic Growth		
CAPEX (in mil €)	2015 - 2016	2017 - 2018
Technical Fabrics	40.7	48.9
Packaging	14.4	13.2
Agricultural & Other	1.6	4.8
Total CAPEX	56.7	57.1
CAPEX in Greek subsidiaries	42.7	18.0
CAPEX in subsidiaries abroad	14.0	39.1
Additional Volumes (in tons)	25.600	20.500

Additional CAPEX

Implementation of SAP ERP system to all Group Companies within the next 3 years

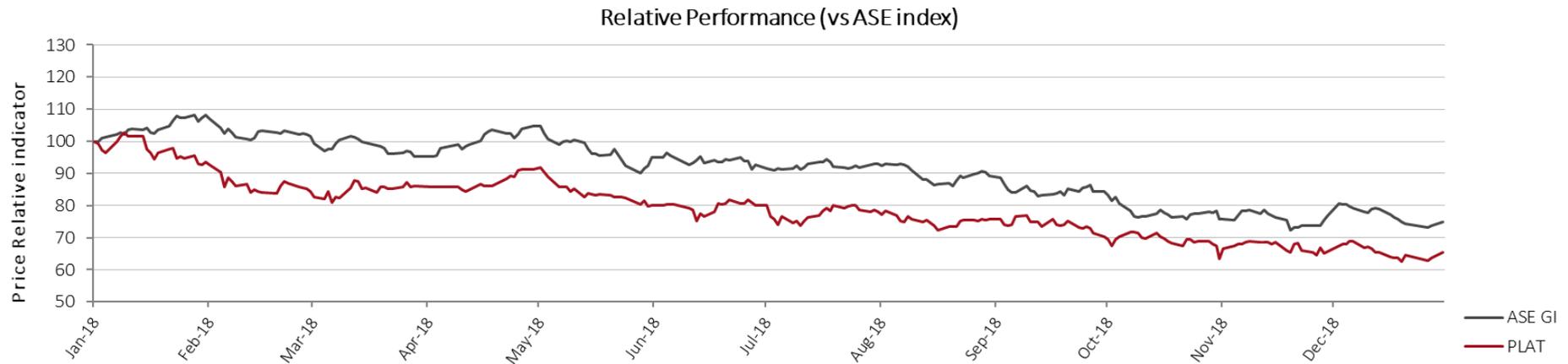
Value Capture (increase margins)

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

FY 2018 IFRS FINANCIAL RESULTS | EARNINGS PER SHARE

	2018	2017
Earnings Before Taxes	10.005	13.834
Income Tax	1.976	3.025
Minority Interest	308	258
Profit Attributable to Shareholders	7.721	10.551
Adjusted # of Shares	43.737	43.741
EPS (in euro)	0,1765	0,2412

GROUP FINANCIAL PERFORMANCE | STOCK DATA



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

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

George Samothrakis:	Chairman, Non Board Member
Costantinos Gianniris:	Member, Independent Non-Executive Board Member
Ioannis Apostolakos:	Member, Independent Non-Executive Board Member

REMUNERATION COMMITTEE

Theodoros Kitsos:	Chairman, Independent Non-Executive Board Member
Costantinos Gianniris:	Member, Independent Non-Executive Board Member
Ioannis Apostolakos	Member, 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.