

PRESS RELEASE

Monday, November 15, 2021

FINANCIAL RESULTS OF THE NINE-MONTH PERIOD OF 2021

ATHEX: PLAT
Reuters: THRr.AT
Bloomberg: PLAT GA

The purpose of the current press release is to present the Thrace Group's financial results for the nine-month period of 2021.

The Group's **Turnover** from continuing operations amounted to **€ 341.6 million**, posting an increase of 34.6%, compared to the corresponding period of 2020, while **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** from continuing operations amounted to **€ 96.7 million**, increased by 84.5% compared to the nine-month period of the previous year. Also, **Earnings before Taxes (EBT)** from continuing operations amounted to **€ 81 million**, higher by 110.8% compared to the corresponding period of 2020. It should be noted that according to Management estimates, for the nine-month period of 2021, Earnings before Taxes, at α Group level, generated by products of the existing portfolio used in personal protection and health applications, amounted to € 50.7 million.

Regarding the liquidity level, the Group achieved the further enhancement of its liquidity, recording a **Net Cash of € 22.7 million**, as cash and cash equivalents exceeded its debt liabilities. The total **Equity** on 30.09.2021 amounted to € 247.9 million, compared to € 174.6 million on 31.12.2020.

From a financial point of view, the Group achieved to increase its revenues and profitability, thus successfully offsetting any negative impact or volatility on demand.

More specifically, with regard to the third quarter of the year the following were observed:

- Increased demand for products in the construction industry.
- Continuous demand in the infrastructure and agricultural sectors.
- Continuous demand for products aimed at the packaging sector.
- Significant drop in demand for the products related to personal protection and health.
- Constantly rising prices of raw materials, while in individual cases additional increases were observed, depending on the type of raw materials and the geographical area.
- Significantly increased energy costs, in all countries the Group is operating in.
- Significantly increased transport costs with significant shortages in both ground transport means and containers.
- Significantly increased cost of auxiliary materials and packaging materials.

More specifically, the following table presents the main financial figures of the Group during the nine-month period of 2021 in relation to the corresponding period of the year 2020. It is noted that the discontinued operations concern the termination of production activities of the US subsidiary Thrace Linq Inc.

GROUP CONSOLIDATED FINANCIAL RESULTS (in € thousand)	30/9/2021	30/9/2020	Change (%)
Turnover (Continuing Operations)	341,575	253,729	34.6%
Gross Profit (Continuing Operations)	122,072	77,339	57.8%
EBIT* (Continuing Operations)	80,137	39,385	103.5%
EBITDA* (Continuing Operations)	96,670	52,404	84.5%
Adjusted EBITDA* (Continuing Operations)	97,052	54,596	77.8%
EBT (Continuing Operations)	80,954	38,409	110.8%
Earnings after Taxes (Continuing Operations)	65,138	28,920	125.2%
Earnings/(Losses) after Taxes (Discontinued Operations)	6,531	-3,421	
EAT (Continuing and Discontinued Operations)	71,669	25,499	181.1%
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	64,731	28,368	128.2%
Earnings/(Losses) after Taxes and Non-Controlling Interests (Discontinued Operations)	6,531	-3,421	
EATAM (Continuing and Discontinued Operations)	71,262	24,947	185.7%
Basic Earnings per Share (Continuing Operations) (in Euro)	1.4928	0.6496	129.8%
Basic Earnings / (Losses) per Share (Discontinued Operations) (in Euro)	0.1506	-0.0783	
Basic Earnings per Share (Continuing and Discontinued Operations) (in Euro)	1.6434	0.5712	187.7%

It is noted that **Adjusted EBITDA** does not include gains from the sale of fixed assets of € 760 thousand and impairment losses of fixed assets amounting to € 742 thousand, which relate to the operational reorganization of Don & Low LTD. Moreover, the above figure does not include provisions for expenses amounting to € 400 thousand in relation to personnel compensation and indemnities.

Regarding the **investment plan**, the implementation of the planned investments of the Group is progressing smoothly, as well as the additional extraordinary investment plan of € 25.5 million, of which € 21.4 million relate to the investments that will be made in the production facilities of the Group in Xanthi, Greece and € 4.1 million relate to investments in the Group's facilities in Scotland, United Kingdom.

It should be noted that the Board of Directors of the Company decided to **distribute an interim dividend** for the fiscal year 2021, with the total amount settling at € 4,750 thousand (gross amount). The dividend payment will take place on December 8, 2021.

Assessing the impact of the pandemic in the future and prospects of the Group

Regarding the prospects for the current year, Company's Management estimates that the financial performance of the Group will continue to show a satisfactory course in the fourth quarter of 2021, although a slowdown in profitability is expected, compared to the previous quarters of the year. The further decline in demand for personal protection and health products, combined with the maintenance of increased prices of both raw materials as well as energy and transport costs, are expected to affect the latest months of the year and create conditions of uncertainty for the following year as well.

In this macroeconomic environment, the Group acts with the aim of maintaining the profitability that derives from the traditional sales mix by having in the past carried out a series of actions while it continues to implement actions towards the above direction. At the same time, the Group's priority is to develop new products and to penetrate new markets, while important actions are implemented regarding recycling and the circular economy, actions that are an integral part of the Group's strategy and will form new dynamics for the future.

At the same time, the Management of the Group works uninterruptedly for the implementation of the new strategy, as well as the implementation of the annual investment plan, but also of the extraordinary investment actions that have been approved. The Management of the Group is confident that the overall implementation of the respective investment plans creates conditions for the Group to gradually enter into a new era of development, improvement of infrastructure, further expansion of activities and improvement of profit margins, compared to the pre-pandemic levels. At the same time, the strengthening of the Group's financial position is the basis for the implementation of the future investment plans, as they will be unveiled in the coming years, actions that in turn will contribute to the successful implementation of the new strategy, always within the framework of profitable sustainable development.

Despite the fact that the current conditions in the global market place create significant volatility, making any assessment regarding the impact of the pandemic on the commercial activity and the financial results of the Company and the Group uncertain, the Group's Management estimates that neither the Group nor any of its individual activities face any potential threat in terms of cessation of business activity (going concern). At the same time, the Management remains optimistic with regard to the satisfactory performance of the Group's financial results for the entire fiscal year, although it maintains reservations about the consequences of the pandemic on the economies of the respective countries over the next period as well as over the next year and for the evolution and potential increase of the Group's main operating cost items.

For further clarifications or information regarding the present release you may refer to the Department of Investor Relations and Corporate Announcements, tel.: + 30 210-9875081.

*** Note**

Alternative Performance Measures (APM): During the discussion 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 and taxes. 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 also 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 and taxes. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

Adjusted EBITDA (The adjusted indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes): The adjusted EBITDA equals with the EBITDA excluding any extraordinary or non-recurring Expenses/Income.

ANALYSIS OF FINANCIAL RESULTS OF THE NINE-MONTH PERIOD OF 2021 (in € thousand)

Turnover (Continuing Operations)	€341,575	(+34.6%)
Group sales increased by 34.6%. The increase in the sales of Packaging Unit settled at 11.3%, whereas the growth in sales of the Technical Fabrics Unit reached 44.6%.		
Gross Profit (Continuing Operations)	€122,072	(+57.8 %)
Gross profit margin settled at 35.7% in the nine-month period of 2021 compared to 30.5% in the same period of 2020.		
Other Operating Income	€1,170	(+43.4%)
Other operating income refers mainly to the grants for hiring new graduates, income from Electric Energy management programs and income generated from the provision of other services.		
Selling & Distribution Expenses	€26,666	(+17.1%)
As % of Turnover, Selling & Distribution Expenses stood at 7.8% compared to 9.0% in the nine-month period of 2020.		
Administrative Expenses	€13,444	(+16.1%)
As % of Turnover, Administrative Expenses stood at 3.9% compared to 4.6% in the nine-month period of 2020.		
Research and Development Expenses	€1,383	(+30.7%)
As % of Turnover, R&D Expenses stood at 0.4%, at the same level as 2020.		
Other Operating Expenses	€2,550	(-24.8%)
Other operating expenses dropped by -24.8%, comprising mainly one-off extraordinary non-recurring expenses.		
Other Gain / (Losses)	€938	(3,134.5%)
The large increase is due to the extraordinary gain from the sale of fixed assets of the subsidiary Don & Low LTD.		
EBITDA (Continuing Operations)	€96,670	(+84.5%)
EBITDA margin settled at 28.3% compared to 20.7% in the nine-month period of 2020.		
Adjusted EBITDA	€ 97,052	(+77.8%)
The Adjusted EBITDA margin settled at 28.4% compared to 21.5% in the nine-month period of 2020.		
Finance Cost (Net)	€-2,019	(-27.0%)
The decrease emerged due to the repayment and consequently the reduction of debt in conjunction with the relative drop in interest rates.		
EBT (Continuing Operations)	€80,954	(+110.8%)
EBT Margin settled at 23.7%, compared to 15.1% in the nine-month period of 2020.		
Earnings after Taxes (Total Operations)	€71,669	(+181.1%)
EAT Margin settled at 21.0% compared to 9.8% in the nine-month period 2020 calculated as percentage of the Total Turnover (Continuing and Discontinued Operations). (€341,575 thousand versus €258,891 thousand in previous year)		
EATAM (Total Operations)	€71,262	(+185.7%)
EAT Margin settled at 20.9% compared to 9.6% in the nine-month period of 2020 calculated as percentage of the Total Turnover.		
Earnings per Share (Continuing Operations)	€ 1.4928	(+129.8%)
Earnings per Share (Total Operations)	€1.6434	(+187.7%)
Inventories	€57,290	(+3.5%)
Increase mainly due to the higher raw material prices.		
Trade Receivables	€72,871	(+28.2%)
Increase of trade receivables due to seasonality factors and higher Turnover.		
Suppliers	€52,662	(+77.3%)
Increase of liabilities towards suppliers due to seasonality factors and stronger business activity.		
Net Debt	€-22,679	(-159.4%)
The Group reported a Net Cash of € 22.7 million as cash & cash equivalents exceeded debt liabilities. The ratio Net Debt / Total Equity settled at -0.09x on 30.09.2021 versus 0.22x on 31.12.2020.		

Statement of Income for the Nine-Month Period of 2021			
	9-Month 2021	9-Month 2020	% Ch.
<i>(amounts in thousand euro)</i>			
Turnover (Continuing Operations)	341,575	253,729	34.6%
Gross Profit (Continuing Operations)	122,072	77,339	57.8%
Gross Profit Margin	35.7%	30.5%	
Other Operating Income	1,170	816	43.4%
Selling & Distribution Expenses	26,666	22,776	17.1%
As % of Turnover	7.8%	9.0%	
Administrative Expenses	13,444	11,575	16.1%
As % of Turnover	3.9%	4.6%	
Research & Development Expenses	1,383	1,058	30.7%
As % of Turnover	0.4%	0.4%	
Other Operating Expenses	2,550	3,390	-24.8%
Other Gain / (Losses)	938	29	3134.5%
EBIT* (Continuing Operations)	80,137	39,385	103.5%
EBIT Margin	23.5%	15.5%	
EBITDA* (Continuing Operations)	96,670	52,404	84.5%
EBITDA Margin	28.3%	20.7%	
Adjusted EBITDA* (Continuing Operations)	97,052	54,596	77.8%
Adjusted EBITDA Margin	28.4%	21.5%	
Finance Cost (Net)	-2,019	-2,765	-27.0%
Earnings / (Losses) from Companies consolidated with the Equity Method	2,836	1,789	58.5%
EBT (Continuing Operations)	80,954	38,409	110.8%
EBT Margin	23.7%	15.1%	
Income Tax	15,816	9,489	66.7%
EAT (Continuing Operations)	65,138	28,920	125.2%
Earnings / (Losses) after Taxes (Discontinued Operations)	6,531	-3,421	
EAT (Total Operations)	71,669	25,499	181.1%
EAT Margin*	21.0%	9.8%	
EATAM (Continuing Operations)	64,731	28,368	128.2%
Earnings / (Losses) after taxes and minorities (Discontinued Operations)	6,531	-3,421	
EATAM (Total Operations)	71,262	24,947	185.7%
EATAM Margin*	20.9%	9.6%	
Earnings per Share (from Continuing Operations) (in euros)	1.4928	0.6496	129.8%
Earnings / (Losses) per Share (from Discontinued Operations) (in euros)	0.1506	-0.0783	
Earnings per Share from Total Operations (in euros)	1.6434	0.5712	187.7%

** Note: EAT margin and EATAM margin have been calculated as percentage of the Total Turnover (from continuing and discontinued activities). Specifically for the 9-month period of 2020, the Total Turnover amounted to € 258,891 thousand whereas for the same period of 2021 the Total Turnover had settled at € 341,575 thousand.

Results per Business Unit of Nine-Month Period 2021(Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Eliminations		Group	
(Amounts in € thous.)	9M 2021	9M 2020	% Ch.	9M 2021	9M 2020	% Ch.	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020
Turnover	257,670	178,164	44.6%	91,692	82,412	11.3%	3,982	3,723	-11,769	-10,571	341,575	253,728
Gross Profit	101,133	51,774	95.3%	20,774	25,378	-18.1%	-163	346	328	-160	122,072	77,338
Gross Profit Margin	39.2%	29.1%		22.7%	30.8%		-4.1%	9.3%	-	-	35.7%	30.5%
Total EBITDA	82,600	33,144	149.2%	14,732	19,686	-25.2%	-620	-357	-42	-69	96,670	52,404
EBITDA Margin	32.1%	18.6%		16.1%	23.9%		-15.6%	-9.6%	-	-	28.3%	20.7%

Basic Balance Sheet Accounts as of 30.09.2020

<i>(amounts in thousand euro)</i>	30/9/2021	31/12/2020	% Change
Tangible Fixed Assets	149,649	131,512	13.8%
Right-of-use Assets	3,231	13,197	-75.5%
Investment Property	113	113	0.0%
Intangible Assets	10,564	10,655	-0.9%
Interests in Joint Ventures	17,881	15,068	18.7%
Other Long-term Receivables	4,993	5,034	-0.8%
Deferred Tax Assets	1,020	588	73.5%
Total Fixed Assets	187,451	176,167	6.41%
Inventories	57,290	55,338	3.5%
Income Tax Prepaid	527	278	89.6%
Trade Receivables	72,871	56,863	28.2%
Other Receivables	7,629	7,211	5.8%
Fixed Assets Available for Sale	0	5,478	-100.0%
Cash & Cash Equivalents	76,243	40,824	86.8%
Total Current Assets	214,560	165,992	29.26%
TOTAL ASSETS	402,011	342,159	17.5%
TOTAL EQUITY	247,886	174,583	42.0%
Long-term Loans	29,724	46,691	-36.3%
Liabilities from Leases	2,223	3,210	-30.7%
Provisions for Employee Benefits	7,064	16,012	-55.9%
Other Long-term Liabilities	5,510	2,358	133.7%
Total Long-term Liabilities	44,521	68,271	-34.8%
Short-term Bank Debt	20,821	26,311	-20.9%
Liabilities from Leases	796	2,822	-71.8%
Suppliers	52,662	29,697	77.3%
Other Short-term Liabilities	35,325	40,475	-12.7%
Total Short-term Liabilities	109,604	99,305	10.4%
Total Liabilities	154,125	167,576	-8.0%
TOTAL EQUITY & LIABILITIES	402,011	342,159	17.5%