SOCIETE D'ARTICLES HYGIENIQUES « SAH »

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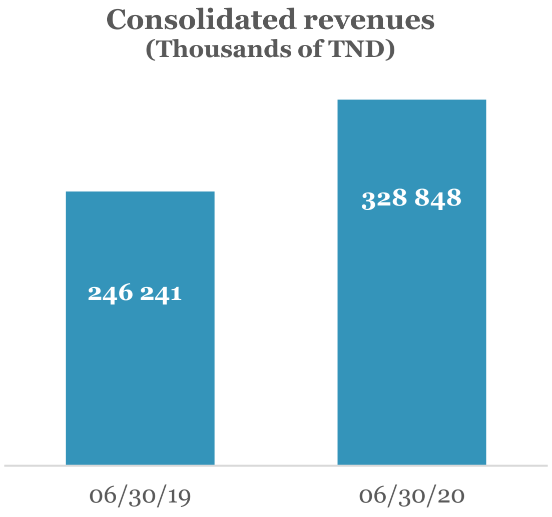
SAH GROUP EARNINGS RELEASE

1- 2020 Half-Year Performance- SAH Group

SAH Group released its audited consolidated financial statements as of 06/30/2020:

TND 328.8m Consolidated revenues* (US$ 120.5m)	+33.5% y-o-y growth in consolidated revenues (in local currency terms)	+62% y-o-y growth in Gross Profit (in local currency terms)	43% Gross Margin ratio
TND 65.5m Consolidated EBITDA (US$ 24 m)	+92% y-o-y growth in EBITDA (in local currency terms)	TND 24.6m Consolidated Net Profit (US$ 9 m)	+130% y-o-y growth in Net Profit (in local currency terms)

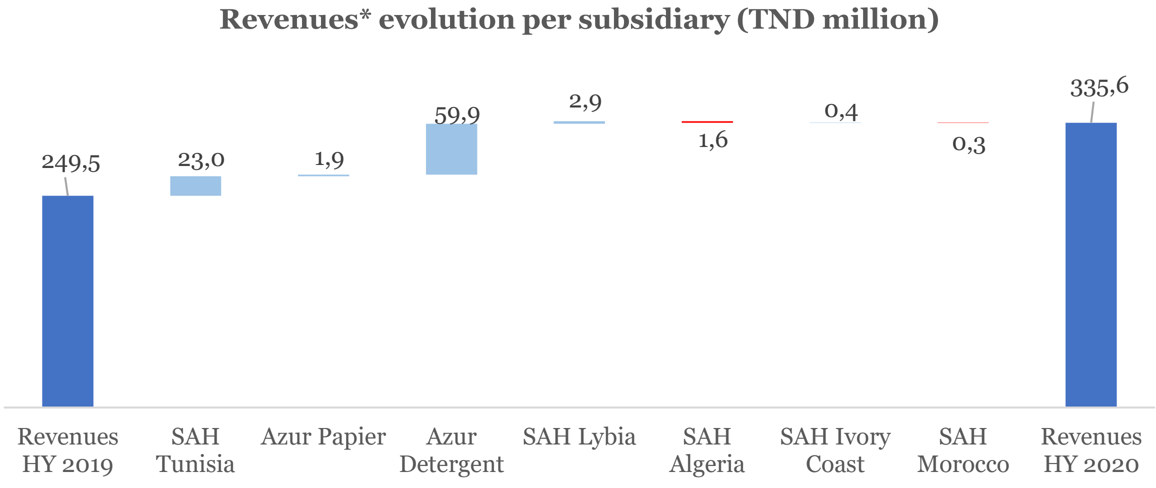
USD/TND@2.73
*: Consolidated revenues after rebates, discounts and reductions



As of June 30, 2020, SAH Group revenues totaled TND 328.8 million (USD 120.5 million) compared to TND 246.2 million (USD 90.2 million) as of June 30, 2019, **up by 33.5%.**
Regarding the local market, there was a positive impact from the increase in sales of baby and adult hygiene products, i.e. 15% on average, combined with a 13% increase in paper sales. However, export growth was disrupted by the lockdown and border closure imposed by the government from late March to early Consolidated local sales (excluding rebates, discounts and reductions) reached TND 223.3 million (USD 81.8 million) as at June 2020, an increase of 46.6%.
Exports increased from TND 103 million (USD 37.7 million) as at June 2019 to TND 110 million (USD 40.2 million) as at June 2020, up by 6.7%.

Sales growth was driven by:

- The successful launch of the Azur Detergent subsidiary, which achieved a turnover of TND 63.5 million (USD 23.3 million) during the first half of 2020, representing nearly 20% of the group's sales;
- The sustained sales growth of SAH Tunisia, which recorded growth of 10%, confirming its leading position in the hygiene market. Also, the company continues to innovate with the launch of the Lilas Clean Papier range and the perfumed and extra night feminine hygiene ranges;
- The growth of local sales of SAH Libya by 21% thanks to the increase in local demand and the improvement of the political environment (Interruption of the war). Still, the Libyan subsidiary operates under capacity, representing a significant room for growth;
- The gradual increase in selling prices to absorb the increase in raw material prices that occurred in 2018 and 2019.

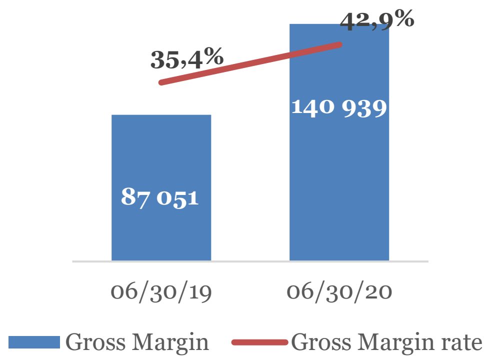


*: Consolidated sales excluding rebates, discounts and reductions

Revenues* growth contribution by product category (TND million)

*: Consolidated sales excluding rebates, discounts and reductions

Gross margin (Thousands of TND) & Gross margin rate

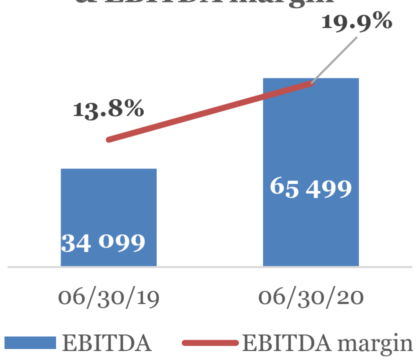


SAH reports exceptional growth in terms of margins. The gross margin of the group reached **TND 141 million (USD 51.6 million)** as of June 30, 2020, representing a **growth of 62%** and a gross margin rate of 43%, compared to a gross margin rate of 35.4% as of June 30, 2019.

Gross margin improvement is explained by:

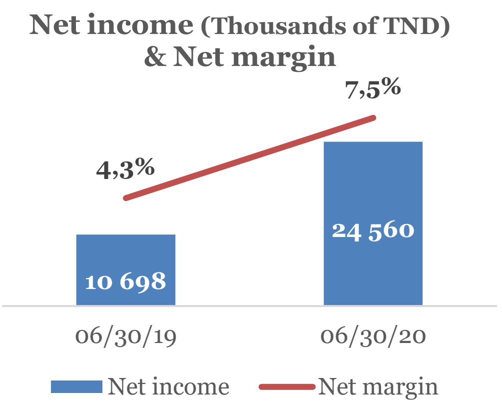
- The negotiation of purchases at the group level and the change in supply sources;
- The reduction in waste rate and second choice rate;
- The downward trend in commodity prices observed since 2019, which continued until 2020;
- The appreciation of the exchange rate of the local currency against the dollar and euro;
- The gradual increase in selling prices operated since 2019, with a full year impact in 2020.

EBITDA (Thousands of TND) & EBITDA margin



EBITDA amounted to **TND 65.5 million (USD 24 million), up by 92%.** EBITDA margin reached 20% as of June 30, 2020, compared to an EBITDA margin of 13.8% as of June 30, 2019.

The EBITDA margin level is back to its historical level of 2017, in line with the group's forecasts. EBITDA growth is generated by the significant improvement in the gross margin.



SAH group reported a consolidated net profit of **TND 24.6 million** (USD 9 million) as of June 30, 2020, i.e. **a growth of 129.6%** compared to the same period last year.

Net margin recahed 7.5% as at June 2020 compared to a net margin of 4.3% as at June 2019. Group net income amounted to TND 23.4 million (USD 8.6 million), i.e. a net margin of 7.1%. It is woth noting that the net financial expenses recorded a slight decrease of 3%.

Audited consolidated financials

In Thousands of TND	06/30/2020	06/30/2019	Change
Sales	327,867	243,861	34.4%
Other operating income	981	2,380	-58.8%
Total operating revenue	**328,848**	**246,241**	**33.5%**
Consumed purchases	-187,910	-159,190	18.0%
Gross profit	**140,939**	**87,051**	**61.9%**
Payroll costs	-31,383	-21,579	45.4%
Other operating expenses	-44,056	-31,373	40.4%
EBITDA	**65,499**	**34,099**	**92.1%**
Depreciation & Provision	-21,424	-10,189	110.3%
EBIT	**44,076**	**23,910**	**84.3%**
Net financial expenses & Other ordinary gains/losses	-18,688	-12,529	49.2%
Income tax	-828	-683	21.3%
Net profit	**24,560**	**10,698**	**129.6%**
Gross margin	**42.9%**	**35.4%**	
EBITDA margin	**19.9%**	**13.8%**	
EBIT margin	**13.4%**	**9.7%**	
Net margin	**7.5%**	**4.3%**	
Financial debts	401,059	325,030	
Cash & Cash equivalents	48,733	101,698	
Net debts	**352,327**	**223,332**	
Net debt adjusted for non-received grants & non-operating investments	*308,255*		
Net debt adjusted for the inventory of Azur Papier	*274,107*		

The group's net debt, adjusted for non-received grants and non-operational, yet funded investments (SAH Senegal, Azur Papier, etc.), represents 2.6x of 2020 budgeted EBITDA. Such ratio would decrease to 2.3x as net debt is further adjusted for the financing of Azur Papier additional inventory in preparation for the launch of the second line of Azur Papier, scheduled for the last quarter of 2020. These ratios, below the threshold fixed by the Board of Directors, namely 3x, will further improve thanks to the future cash flows to be generated by the entry into production of the new lines of SAH Tunisia and Azur Papier.

2- 2020 Forecasts & 2021 Outlook

During the first half of 2020, the main impact of the Covid-19 on the group's investments was the slowdown in the deployment of ongoing projects during and after the confinement period due to measures and restrictions forced by the health crisis:

- Azur Papier: The entry into production of the second line is scheduled for the end of the second half of 2020 and at the latest during the first quarter of 2021 (forecast of increase in production capacity of 150%);

- **SAH Tunisia:** The two new paper production units went already into production during June and August respectively. Also, the entry into production of adult diaper's unit and industrial paper's unit are expected for the last quarter of 2020;

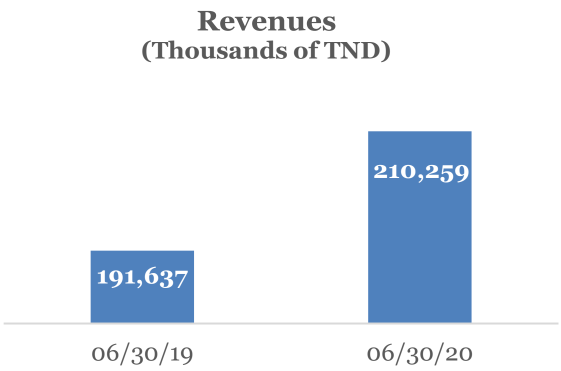
- SAH Senegal: The paper production unit will come into operations at the end of September and the entry into production of the baby diaper unit is imminent.

- Azur Detergent: The expansion of the liquid and powder units as well as the plastic unit are in progress. Finalization date is estimated for the second half of 2021.

SAH group maintains its forecasts for the year 2020, with revenues of TND 688 million (USD 252 million) and EBITDA of TND 118.5 million (USD 43.4 million), in line with its YTD the achievements, its current cash position and its capacity to access external financing. FY2021 is expected to follow the same growth pace.

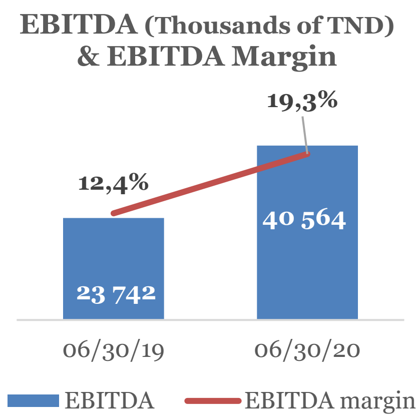
3- 2020 Half Year Performance- SAH Tunisia

SAH Tunisia publishes its standalone audited financial statements as of 06/30/2020.:



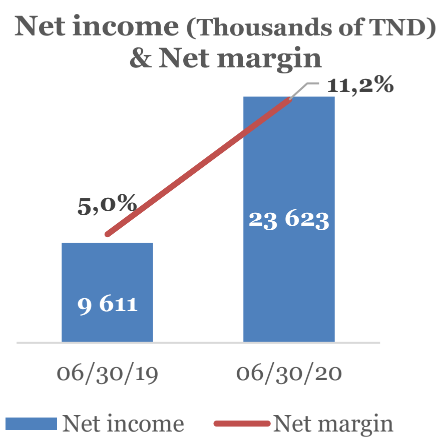
As of June 30, 2020, revenues (excluding discounts, discounts and reductions) amounted to TND 210.2 million (USD 77 million) compared to TND 191.6 million (USD 70.2 million) in the first half of 2019, up 9.7%. **Also, local sales grew by 12.7% whereas exports increased by 2.7%.**

This performance was driven by good momentum in all sales of hygiene products, boosted by the continuous innovation efforts with the launch of new products range: Lilas Clean for Papier line and perfumed and extra night feminine for hygiene line.



EBITDA reached **TND 40.6 million** (USD 11.5 million), **up by 70.9%.** EBITDA growth is essentially driven by the gross margin improvement as a result of (1) the increase in selling prices since 2019 and (2) the downward trend in prices of raw materials combined with better negotiation of purchases.

EBITDA margin improved to **19.3%** as of June 30, 2020, compared to an EBITDA margin of 12.4% as of June 30, 2019



Net income increased from TND 9.6 million (USD3.5 million) in the first semester of 2019 to **TND 23.6 million** (USD 8.6 million) in the first semester of 2020, i.e. a **growth of 145.8%**.

The 7% reduction in finance costs had a positive impact on the net margin, which stood at 11.2%, compared to a net margin of 5% as of June 30, 2019.

4- Covid-2019 Update

In March 2020, shortly after the World Health Organization called Covid-19 a pandemic, the group introduced a set of measures to support global and national efforts to tackle the spread of Covid- 19.

In accordance with government directives, SAH has implemented a business continuity plan as an essential activity by ensuring the supply of its local and export markets, while preserving the health and safety of its employees. The group has implemented preventive measures by using teleworking for its employees whenever the activity can be carried out remotely. Early on, SAH promoted barrier gestures and made available individual protective equipment and suitable hygiene devices. Specific solidarity actions have been put in place with regards to the health sector and public authorities with the strengthening of internal and external communication.

As for the pandemic implication on the financial statements, SAH Group:

- Confirms that no change in methodology was made when valuing the amounts presented in the interim financial statements as of June 30, 2020, compared to the amounts in the previous interim (as of June 30, 2019) and annual (as of December 31, 2020) financial statements;
- Confirms that no support from the government was received. The company was able to honor its commitments without any bank debt rescheduling;
- Considers that the following events affected its activity during the first half of 2020:
    - Interruption of the setup of the second line of Azur Papier due to borders closure (Set up is led by Italian engineers);
    - Delay in delivery of local orders, following traffic restrictions, and in exports, following the closure of borders. These delays were reported during April and May, following which SAH obtained of all necessary authorizations for national transportation and secured maritime delivery, in particular to Libya;
- Confirms that no significant event subsequent to the end of the interim period, has had an impact on the performance and financial situation of the group. Also, the group believes that there is no risk to the continuity of its operations.

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About SAH Group
SAH Group is the leading Tunisian producer of disposable, paper-based personal care products for babies, women and adults. Founded in 1994 by by Jalila Mezni and Mounir El Jaiez, Lilas started its operations with the production of sanitary protection. It lately moved into the production of cellulose wadding and in 2019 launched the detergent production, The Group operates state of the art plants with up to date technologies and high-speed lines, located in Tunisia, Libya, Algeria, Côte d'Ivoire and Senegal.

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