01 Aug 2014 - Press Release - Comments on Financial Statements for the first Half of 2014

PAPOUTSANIS S.A. reported on August the 1st, 2014 its interim Financial Statements for the first half of 2014.

Papoutsanis continues for the 4th consecutive year to improve its financials. During the first half of 2014 turnover increased by 14%, and after tax profits reached 267 thousand euros, thanks to continuing efforts towards achieving new collaborations, expanding existing ones, and controlling production costs and other expenses.

Within this framework the Company is collaborating under contract manufacturing agreements with multinational companies, leaders in their sectors, delivering their products to the international markets as well as entering into supply contracts with pan-European retailers.

Hotel amenities sales, during the first half of 2014, increased by 15% as a result of the higher tourist arrivals in Greece as well as a new co-operation with the sector's largest company, through which the Company's products are sold to international hotel chains.

Olivia cosmetics line, based on the Greek olive tree, is being distributed to new markets abroad and increases market share in Greece as it penetrates further Greek pharmacies.

20% of first half 2014 sales are attributed to PAPOYTSANIS' branded products, 23% to hotel amenities and the remaining 57% to third party manufacturing and private label sales. Exports at 4.1 million Euros, accounted for 45% of total turnover, compared to 38% corresponding period of 2013.

Pre-tax profit at consolidated level amounted to 326.2 thousand Euro, versus a profit of 180.6 thousand Euros in the first half of 2013. For the period, profit after tax was 267.39 thousand Euro compared to profits of 245.4 thousand Euro in the first half of 2013.

At mother Company level, Pre-tax results amounted to 320.4 thousand Euro profits, compared to a profit of 181.8 thousand Euros for the first half of 2013, while the profit after tax amounted to 261.59 thousand Euros, compared to profits of 246.6 thousand Euros in the first half of 2013. Corresponding taxes of 58.8 thousand Euros represent solely deferred taxes not payable in the following year and therefore not affecting Company's cash flow.

Within the 3rd quarter of 2014 (and following an earlier announcement by the Company) a successful over a 10 years period collaboration with a foreign contract manufacturing customer is expected to come to an end. However, management estimates that this will not slow down the growth of the company, as during the second half of the year turnover is expected to be higher than the corresponding 2013 period as well. During the 3rd quarter new collaborations come into effect, while at the same time management initiatives to further optimize costs and expenses continue.