

PRESS RELEASE**Fourlis Group Consolidated Financial Results for the First Half of 2023****Strong double digit revenue growth****Delivering substantial EBITDA (OPR) and EBIT growth on the back of operating leverage****The Group is well positioned for further future growth and value creation****An additional value creation catalyst, Trade Estates IPO, is approaching**

Athens, Greece – September 5, 2023 –FOURLIS HOLDINGS S.A. (Bloomberg: FOYRK:GA - Reuters: FRLr.AT - ISIN: GRS096003009) announces its H1 2023 financial results.

H1 2023 key Financial Highlights

- ✓ Fourlis Group **revenue increased significantly by 16%** during H1 '23 vs H1 '22 amounting to € 246.7 mil. from €212.6 mil in the same period of last year.
- ✓ On a **like-for-like basis**, i.e. excluding Intersport Turkey and TAF sales, **Group revenue during H1 '23 was up by 20% yoy.**
- ✓ **Solid Gross Profit margin** at 45.6% in H1 '23, at a similar level compared to H1 '22.
- ✓ Remarkable **EBITDA (OPR) growth of 76.1%** reaching €17.1 mil. compared to €9.7 mil. in the respective period of last year.
- ✓ **EBIT** increased significantly by 39.2% during H1 '23 at €10.9 mil. from € 7.8 mil. in H1 '22.
- ✓ **The Net Debt of the Group's retail activities** stood at **€ 110.3 mil.** during H1 '23 reduced compared to € 123.5 mil. in H1 '22, while the **Net Debt related to Trade Estates REIC** amounted to **€ 119.3 mil.** in H1 '23 from € 89 mil. in H1 '22 and € 98.8 mil., driven by new investments.

The Group's H1 2023 financial results underline the resilience of its business model and the successful implementation of its transformative strategic plan. Our strategic initiatives, investments and commitment to quality and exceptional customer service and experience, position us to capitalize on emerging opportunities for sustainable growth and value creation.

Within H1 2023, we continued to modernize and expand the Group's retail network across its geographical territory, while our investments behind enhancing our capabilities in logistics, omnichannel operations and digitalization, strengthened further our presence in the market.

At the same time, we are preparing for the initial public offering (IPO) of Trade Estates REIC, our real estate investment company. This strategic decision is set to unlock additional value for our retail activities, further fuelling our growth trajectory.

The strong performance of our retail business activities has paved the way for the commencement of operating leverage. This operational efficiency, combined with favorable economic prospects, will drive profitability and create substantial value for our stakeholders.

Key Financial Figures

(amounts in € mil.)	H1 '22	%	H1 '23
Revenue	212.6	16.0%	246.7
Gross Profit	96.9	16.0%	112.4
<i>Gross Profit margin</i>	45.6%		45.6%
EBITDA (OPR) *	9.7	76.1%	17.1
<i>EBITDA (OPR) margin</i>	4.6%		6.9%
Inv.Assets (TE) revaluation	5.0		1.3
EBIT	7.8	39.2%	10.9
<i>EBIT margin</i>	3.7%		4.4%
PBT	1.2	66.7%	2.1
<i>PBT margin</i>	0.6%		0.8%
Profit After Tax	2.5	-30.3%	1.8
<i>PAT margin</i>	1.2%		0.7%
Minority interest	0.0		-0.5
Net Profit	2.5	-48.6%	1.3
<i>Net Profit margin</i>	1.2%		0.5%

*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

The **Group's revenue** amounted to € 246.7 mil. in H1 '23 from 212.6 mil. in H1 '22, increased by 16% yoy. The sales growth is supported by both the Retail Home Furnishings activity (RHF) and the Retail Sporting Goods activity (RSG) and is, to a large extent, attributed to volume growth.

In the beginning of 2023, the Group's new retail activity in Health & Wellness was activated, through 3 new **Holland & Barrett** stores in Athens and its e-commerce channel has recently been set up.

It is noted that excluding sales from the disposed businesses "The Athlete's Foot" and "Intersport Turkey", Group revenues during H1 '23 were up by 20%.

On a like-for-like basis, the Group's revenue from Greece during H1 '23, that represented 58.5%, increased by 21.6% yoy, while revenue from the Group's international activities presented a growth of 18.7% yoy.

The Group's **e-commerce sales** during H1 '23 represented c. 14% of total Group revenue, while the expansion of ecommerce contribution to total Group's revenue constitutes a strategic pillar of the Group's growth strategy.

The **Group's Gross Profit** reached 112.4 mil in H1 '23 from 96.9 mil. in H1 '22, with the **Group's Gross Profit margin** at 45.6% in H1 '23, stable compared to last year's respective period, having posted a significant improvement within Q2 of 2023 in the RSG activity.

Group EBITDA (OPR) was significantly increased by 76.1% reaching € 17.1 mil. during H1 '23 from €9.7 mil. in H1 '22, mainly driven by operating leverage across the Group as well as stabilizing inflationary pressures. **EBITDA (OPR) margin** increased to 6.9% in H1 '23 from 4.6% in H1 '22.

Group EBIT stood at € 10.9 mil. in H1 '23 from € 7.8 mil. in H1 '22, up by 39.2%, while **EBIT margin** reached 4.4% from 3.7%.

The Group's EBIT within H1 '23 includes € 1.3 mil. of asset revaluation gains relating to the Trade Estates REIC compared to €5 mil. included in the respective period of last year.

Group Profit Before Tax was up by 66.7% reaching € 2.1 mil. compared to € 1.2 mil. in the respective period of last year, despite higher interest expenses on the back of rising interest rates.

Group Profit After Tax reached € 1.8 mil. in H1 '23 compared to € 2.5 mil. in H1 '22, while the Net Profit margin stood at 0.7% in H1 '23 from 1.2% in H1 '22.

Balance Sheet and Cashflow Highlights

The Group is committed towards creating sustainable cashflow generation and returning value to its shareholders. Within H1 2023 the Group paid a dividend of 0.11 euros per share for the fiscal year of 2022, amounting to € 6 mil., which corresponds to a 30% dividend payout ratio.

The Group's Gross debt during H1 '23 reached € 284 mil. from € 262 mil. in FY '22, largely attributed to the Trade Estates REIC new investments. The gross debt relating to Trade Estates REIC amounted to € 133.6 mil. in H1 '23 from € 113.3 mil. in FY '22.

The Net Debt of the Group's retail activities reduced during H1 '23 compared to H1 '22, reaching € 110.3 mil. in H1 '23 from € 123.5 mil. in H1 '22, while the Net Debt related to Trade Estates REIC amounted to € 119.3 mil. in H1 '23 from € 89 mil. in H1 '22 and € 98.8 mil. in FY '22, driven by new investments.

The **Group's Capex** during H1' 23 stood at € 21.7 mil., with €16.1 mil. attributed to the investments of Trade Estates REIC, while the capex of Group's retail activities amounted to € 5.8 mil.

BALANCE SHEET (€ MIL.)	FY '22	%	H1 ' 23
Property, plant & equipment	73.3	-5.8%	69.1
Right of Use Assets	133.9	2.2%	136.8
Other Non Current Assets	53.3	10.3%	58.8
Non-current assets	260.5	1.6%	264.7
Inventories	91.8	3.9%	95.3
Trade Receivables	4.3	-17.3%	3.6
Other receivables	19.2	52.0%	29.2
Cash & Cash Equivalent	58.4	-6.2%	54.8
Assets Held for Sale	317.8	3.8%	330.0
Current assets	491.6	4.3%	512.9
Total Assets	752.1	3.4%	777.5
Loans and Borrowings	103.8	-20.0%	83.2
Long Term Lease Liability	111.6	1.5%	113.1
Other non-current liabilities	9.2	6.4%	9.8
Non-current liabilities	224.6	-8.2%	206.1
Loans and Borrowings	44.6	51.2%	67.6
Short Term Lease Liability	31.7	14.5%	36.3
Account Payables & other current liabilities	104.2	4.5%	108.9
Loans and Borrowings of Assets Held for sale	113.3	17.9%	133.6
Liability of Assets Held for Sale	32.6	-39.3%	19.8
Current liabilities	326.4	12.2%	366.2
Shareholders Equity	201.1	2.1%	205.3
Shareholders Equity & Liabilities	752.1	3.4%	777.5

NET DEBT	H1 '22	FY '22	H1 ' 23
Trade Estates Gross Debt	112.0	113.3	133.6
Trade Estates Cash & Cash equivalents	23.0	14.5	14.3
Trade Estates Net debt	89.0	98.8	119.3
Retail Gross debt	175.4	148.5	150.8
Retail cash & cash equivalents	51.9	46.0	40.5
Retail Net debt	123.5	102.5	110.3
Group Net debt	212.5	201.3	229.6

Analysis per Segment

Retail Home Furnishing and Accessories activity (IKEA)

<i>(amounts in € mil.)</i>	H1 '22	%	H1 '23
Revenue	131.6	24.4%	163.8
Gross Profit	58.3	28.8%	75.1
<i>Gross Profit margin</i>	44.3%		45.9%
EBITDA (OPR) *	7.2	114.3%	15.4
<i>EBITDA (OPR) margin</i>	5.5%		9.4%
Inv.Assets (TE) revaluation	5.0		1.3
EBIT	8.6	49.1%	12.8
<i>EBIT margin</i>	6.5%		7.8%

* Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

Retail Home Furnishings (RHF) financial results during H1 '23 highlight IKEAs' leading position in the market across the Group's region of activity.

RHF revenue increased significantly by 24.4% during H1 '23 reaching € 163.8 mil. in H1 '23 compared to € 131.6 mil. in H1 '22. The revenue growth was supported by both volume and value, on the back of IKEA's leading position, improving market trends, normalizing supply chain distortion, as well as a positive economic outlook. Revenue of IKEA in Greece, representing 58% of RHF revenues, increased by 22.6% during H1 '23 vs the same period of last year, while revenue of IKEA from its International markets, increased by 27% yoy in H1 '23.

Increased revenue combined with a solid Gross Profit margin and operating leverage, resulted in significant improvement in RHF profitability.

Therefore:

RHF EBITDA(OPR) in H1 '23 increased by 114.3% at €15.4 mil. compared to €7.2 mil. in H1 '22, with the EBITDA(OPR) margin reaching 9.4% in H1 '23 from 5.5% in the respective previous year period, and **RHF EBIT** in H1 '23 increased by 49.1% at €12.8 mil. From €8.6 mil. in H1 '22, with the EBIT margin reaching 7.8% in H1 '23 from 6.5% in H1 '22.

It is noted that the EBIT of the Retail Home Furnishings activity includes € 1.3 mil. from revaluation of assets, compared to € 5 mil. eur included in H1 '22.

The Group's Retail Home Furnishings activity today operates 20 IKEA stores in total (in Greece, Bulgaria and Cyprus) of different sizes. Furthermore, 3 new IKEA stores in Greece are either under construction or under design process, while the Group aims to start their operation in the next 1-3 years.

Retail Sporting Goods activity (INTERSPORT)

<i>(amounts in € mil.)</i>	H1 '22	%	H1 '23
Revenue	81.2	2.0%	82.8
Gross Profit	38.7	-3.7%	37.3
<i>Gross Profit margin</i>	47.7%		45.0%
EBITDA (OPR)	3.8	0.8%	3.8
<i>EBITDA (OPR) margin</i>	4.7%		4.6%
EBIT	0.6	-35.4%	0.4
<i>EBIT margin</i>	0.8%		0.5%

*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

Retail Sporting Goods (RSG) revenue during H1 '23 amounted to €82.8 mil. from €81.2 mil. in H1 '22, up by 2%. Excluding revenue from “The Athlete’s Foot” and “Intersport Turkey”, activities that were disposed, RSG revenue was up by 13% during H1 '23 compared to the same period of last year.

On a like-for-like basis, RSG revenue in Greece, that represents 60% of RSG revenues, increased by 19.8% during H1 '23 vs the same period of last year, while RSG revenue from its international markets, increased by 4% yoy in H1 '23.

The revenue growth is a result of initiatives and investments undertaken by the management with the aim to further improve customer service and experience and further build its product portfolio. In particular, the Group has by now completed the majority of its store network renovation towards a more modernized and digitalized concept and has also completed its investment behind its logistics capacity that supports its ecommerce and omnichannel approach. Moreover, its product portfolio is supported by the Group’s strong partnerships with leading companies in the sports industry, like Nike and Adidas.

Even though during the first quarter of 2023 RSG profitability was influenced by higher promotional initiatives on the back of irregular weather conditions, thus leading to a pressure on the Gross Profit margin during the first quarter, there was a significant improvement during the second quarter of 2023, from 41.9% in Q1 '23 to 47.9% in Q2 '23, leading to 45% GPM in H1 '23.

Therefore:

RSG EBITDA(OPR) in H1 '23 reached € 3.8 mil., close to last year’s first half level, with the EBITDA(OPR) margin at 4.6% in H1 '23 from 4.7% in the respective previous year period, and **RSG EBIT** in H1 '23 stood at €0.4 mil. from €0.6 mil. in H1 '22, with the EBIT margin reaching 0.5% in H1 '23 from 0.8% in H1 '22.

The Group’s Retail Sporting Goods activity today operates a network of 107 Intersport stores, namely 59 stores in Greece, 32 in Romania, 10 in Bulgaria and 6 in Cyprus. The upgrading program of Intersport’s store network is almost complete and is expected to conclude within 2023.

Retail Health & Wellness activity (HOLLAND & BARRETT)

Fourlis Group investment in the health and wellness products sector, through the **franchise of HOLLAND & BARRETT**, began with the operation of the first 3 HOLLAND & BARRETT retail stores in Greece within the beginning of 2023, while its e-commerce operation is also by now established. The Group is moving forward for the commencement of its exciting marketing campaign, which will be a catalyst for creating further awareness and driving the message of healthier living.

Holland & Barrett is the UK's leader in health & wellness and one of the largest wellness retailers in Europe. With a history of more than 150 years, Holland & Barrett has a retail presence of more than 1600 stores across 19 countries worldwide. Holland & Barrett's mission is to make health and wellness a way of life for everyone, adding quality years to life through market leading range of innovative vitamins, supplements, specialist food, sports nutrition and beauty brands.

The Group is confident about the growing prospects of the health & wellness sector and is strategically positioning to benefit from this evolution. Therefore, the management stays committed behind its plan to operate approximately 100 physical stores in Greece, Romania and Bulgaria in the next five years.

Real Estate Investment activity (TRADE ESTATES REIC)

The **Trade Estates REIC**, Fourlis Group subsidiary, that was established in July 2021 with a Gross Asset Value (GAV) of € 185 mil. (Net Asset Value - NAV of € 173 mil.), currently owns properties with a gross asset value **GAV of € 330 million** and a **NAV of € 225.2 million**. The company continues the implementation of its investment plan through a pipeline of acquisitions and development of commercial parks and logistics.

The Prospectus of the Initial Public Offering will soon be submitted, while trading of Trade Estates' shares is expected by the end of October 2023.

Conference Call

The financial results of H1 2023 will be presented in a conference call on September 7th 2023 at 17.00, local time (GMT+2) through both audio conference and live webcast. Please [click to access details for the conference call](#)

About Fourlis Group

Headquartered in Athens and boasting a successful history of over 70 years, Fourlis Group is a dynamic force in the retail sector in Southeast Europe. Our Group comprises leading omnichannel retail companies, dedicated to serving customers across Greece, Romania, Bulgaria and Cyprus with high quality consumer goods. We specialize in Retail Home Furnishings, through our franchise of IKEA stores, Retail Sporting Goods, through our franchise of INTERSPORT stores, and most recently Retail Health & Wellness, through our franchise of HOLLAND & BARRETT stores. Committed to sustainable growth and value creation, Fourlis Group has invested into the real estate sector with the establishment of TRADE ESTATES REIC, a company specializing in retail parks and omnichannel logistics, set to be listed in the Athens Stock Exchange by the end of 2023. Our success is rooted in our unwavering dedication to fostering strong relationships with our employees and suppliers, investing in cutting-edge infrastructure, and prioritizing customer satisfaction to deliver exceptional quality and experiences. As proud members of the United Nations Global Compact since 2008, we remain steadfast in our commitment to responsible business practices.

Information

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