

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (9/5/2014) Athens Exchange, Greece	
	€ 1.92
# of Shares (,000)	7,500.00
Market Cap (in € mn)	14.40
A.D. Volume (p)	1,904
Beta Co-efficient	0.20
Statistical Data	
Max 52 week	1.94 €
Min 52 week	1.20 €
1-M Rtn	3.23%
6-M Rtn	4.35%
12-M Rtn	46.56%

Source: VRS Calculations, Athens Exchange.

STELIOS KANAKIS S.A.

Listed on Athens Exchange, Greece [Bloomberg Ticker: KANAK:GA] [Reuters Ticker: KANr.AT]

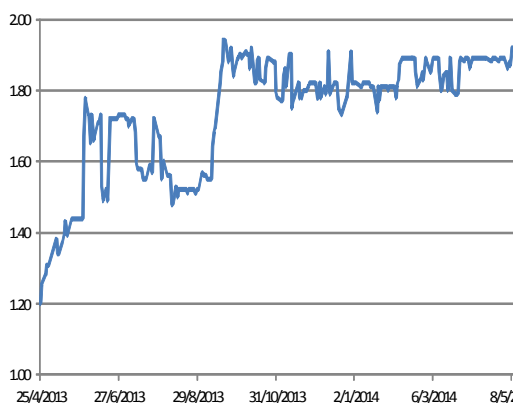
Business Sector: Trade of Confectionery, Bakery & Ice-Cream Ingredients

Corporate & Investment Highlights

- Stelios Kanakis SA (or the Company) is trader of confectionery, bakery and ice cream ingredients in Greece. The Company represents a significant number of international houses active in the production of confectionery, bakery and ice cream ingredients in the markets of Greece, Cyprus and the Balkans.
- The Company's long-term growth strategy consists of the following objectives: (1) Emphasis on high quality products which are imported and traded by the Company in the above mentioned geographic markets; (2) Constant market research and selection of the most suitable products targeting the constantly changing customer and consumer needs, in conjunction with the offering of specialized services to customers; (3) Constant development and expansion of the Company's distribution / trading network in all targeted geographic markets; (4) Enrichment of the Company's portfolio of international partnerships; (5) Emphasis on healthy capital structure, satisfactory profit margins and positive operating cash flows.
- As regards to the Company's fundamental financial performance during the period 2009 – 2013, Kanakis was characterized by an efficient and healthy capital structure, quite satisfactory net profit margins and by a steadily improving working capital cycle. During the financial year 2013, the Company proceeded with a capital return to its shareholders.
- With regard to the financial year 2014, the Company's Management has given guidance about the sector's continuous economic difficulties in terms of product demand, and as result they have revealed their intention to target larger exports to the markets of Balkans. Finally, the Management anticipates stabilization of profit margins despite the tough market conditions.

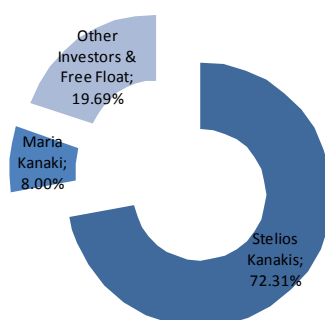
[As of the date of this report, the latest available financial statements of the Company/Group were of the full year 2013.]

Stock Price Performance (1 year, in €)



Note: Share price performance based on share price closes on Athens Exchange.

Shareholders' Structure (as of March 31, 2014)



Source: The Company.

Important Note:

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BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2009	18.6	2.9	2.6	1.9	7.6	0.87	4.8	0.0	11%
2010	18.3	2.4	2.1	1.4	10.3	0.94	5.9	0.0	9%
2011	17.9	1.7	1.4	0.9	15.9	0.92	8.6	0.0	6%
2012	17.1	1.6	1.4	1.1	13.6	0.86	7.4	0.0	6%
2013	17.0	2.3	2.1	1.5	9.9	0.86	4.5	0.0	9%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations. n/c stands for non calculable.

Working Capital Ratios

in EUR million		2009	2010	2011	2012	2013
Revenues	€ mn	18.59	18.26	17.93	17.10	17.01
Cost (net of depreciation)	€ mn	11.85	11.96	12.07	11.49	11.18
Gross Profit Margin	%	36.25%	34.47%	32.68%	32.80%	34.30%
Net Income / Profit	€ mn	1.89	1.40	0.91	1.05	1.46
Net Profit Margin	%	10.1%	7.7%	5.1%	6.2%	8.6%
Cash & Cash Equivalents	€ mn	0.65	0.51	0.21	2.64	4.23

Stock Days

Days	75	81	83	73	82	
Stock Inventory	€ mn	2.45	2.65	2.76	2.28	2.50

Debtors Days

Days	196	215	216	185	169	
Debtors - Receivables	€ mn	9.99	10.77	10.62	8.66	7.88

Creditors Days

Days	91	156	124	105	112	
Creditors - Suppliers	€ mn	2.95	5.13	4.10	3.30	3.44

Operating Cycle (Days)

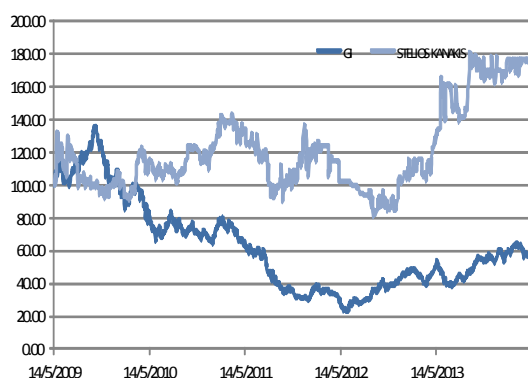
Days	272	296	300	257	251	
Cash Cycle (Days)	Days	181	140	176	153	139

Source: Official Consolidated Financial Statements, VRS Calculations. Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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Stock Versus General Index
(Last 5 Years, Base = 100)



Note: Data based on price closes on Athens Exchange.

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DISCLOSURE CHECKLIST

Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
STELIOS KANAKIS S.A.	KANAK:GA	KANr.AT	€ 1.92	May 9, 2014	----

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
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