

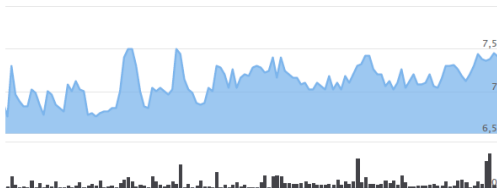
Valuation & Research Specialists (VRS)
Equity Research Team
Arvanitakis Ilias
Karavas Alexandros
info@vrs.gr ; info@valueinvest.gr

Share Price (23/04/2019)	€ 7.41
# of Shares (mn)	69.88
Market Cap (in € mn)	517.79
Daily Volume (p)	41,117
Beta Co-efficient	0.41

Source: VRS Calculations, Reuters.
Period as day/month/year.

Stock Price Performance & Transaction Volume

(6 months, in € and in number of share units)



Note: Share price performance based on share price closes on Stock Exchange.
Period as day/month/year if applicable.

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SARANTIS S.A.

Listed on Athens Exchange - Greece

[Bloomberg Ticker: SAR:GA] [Reuters Ticker: SRSr.AT]

Business Sector | Industry: Personal Products | Consumer Goods

Our notes on Sarantis following the company's presentation to the Hellenic Fund and Asset Management Association (*)

- SARANTIS S.A. is a consumer product company focusing on cosmetics, toiletries, household products and health care products. Below we highlight some of our views combined with selective facts and trends presented by the company's management to the institutional investors.
- Exploiting its key geographical position, Sarantis S.A. has achieved significant growth at almost all its operating activities. The turnover amounted to € 344 million in FY 2018 compared to € 299.68 million in FY 2017 and profit before tax amounted to € 38.78 million compared to € 34.67 million in the year 2017, showing an increase of 11.87%.

Operating activities

- Sarantis S.A. is a regional multinational FMCG company, with strong international presence including subsidiaries in 12 countries (66% of the total turnover was contributed by eastern European countries). Greece generates 33.9% of the total turnover, followed by Poland with 22.3%, Romania with 15.2% and Czech Republic with 6.1% and the remaining 22.5% coming from other eastern European countries.
- During the FY 2018, foreign countries were the main growth drivers of the company. Total turnover from foreign countries during FY 2018 stood at € 227.29 million up from € 187.47 million during FY 2017 resulting in a total y-o-y increase of 21.24%. Total turnover in Greece increased by 4.01% for FY 2018 to € 116.71 million.
- EBIT from foreign countries for the FY 2018 stood at €18.07 million up from €14.07 million during FY 2017 (total increase of 28.44%). EBIT from Associates increased 20.63% to €18.07 during FY 2018. Finally EBIT from Greece was up by 3.6% to €13.07 million during FY 2018.

Growth Drivers

- The company has three main growth drivers: a) Organic Growth: It is achieved through successful brand penetration, brand engagement, increasing geographical penetration and weakening competition, b) Acquisitions: Brands with strong market shares, profitability, good positioning. Such acquisitions were: Ergopack, Indulova, Polipak and Noxzema, c) Strategic Partnerships: Coty, Puig, Conter, La Prairie etc.
- Sarantis S.A. has acquired Indulona, which is a cosmetics brand based in the Czech Republic with subsidiary in Slovakia. It was acquired at a cost of €8.5 million (4.7x EBITDA) and it will help in exploiting synergies from production transfer, as well as opportunities for further expansion in the region.
- Another acquisition was that of Ergopack, which is a leading player in the household market, based in Ukraine. It was acquired at a cost of €16 million (5x EBITDA) and it will help in geographical expansion and give the opportunity in introducing Sarantis cosmetics brands within the new territory.

Stock price and dividend

- The stock price elevated to € 7.41 on April 23rd, 2019. The proposed dividend per share for FY 2018 amounts to € 0.1431 from € 0.14 in FY 2017.

Expectations

- The company's CFO was optimistic about the FY 2019 results and highlighted that they are waiting for growth that will reach 11.6% in terms of net sales and 11.2% in terms of net profits. According to the CFO, total investment will reach €13 million (€10 million will be invested in the expansion of the manufacturing plant in Oinofyta). The collaboration with Estee Lauder is due to end in 2021. The CFO is optimistic that the joint venture agreement will be renewed and the collaboration will go beyond 2021, although more information will be available during the summer.

(*) The event was held on Wednesday, April 17th, 2019, at the premises of Athens Exchange, Greece.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
SARANTIS S.A.	SAR:GA	SRSr.AT	€ 7.41	April 23, 2019	2, 3, 6

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VRS Equity Research Contributors

Dr. Nicholas Georgiadis, ngeorgiadis@valueinvest.gr
Dr. Georgios A. Savvakis, gsavvakis@valueinvest.gr
Zoe Vassiliou, zvassiliou@valueinvest.gr
Maria Papadopoulou, mpapadopoulou@valueinvest.gr

Investment Research & Analysis Journal

Dr. Efstratios Livanis
Assistant Editor

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