

SARANTIS S.A.

October 18, 2017

 [Bloomberg Ticker: SAR:GA] [Reuters Ticker: SRSr.AT]
 Listed on Athens Exchange, Greece

Greek Equities | Consumer Staples
www.vrs.gr
Earnings Estimates Update
STOCK PRICE € 12.20 | MKT CAP € 426.25 MN

Financial Highlights & Investment Considerations

- Gr. Sarantis S.A. (or the Group) has a history of over 50 years as one of the leading consumer product companies offering well recognized brand names in the categories of Fragrances & Cosmetics, Personal Care, Household Products and Health & Care Products.
- The Group is based in Greece and operates through subsidiaries in nine European countries, with Poland, Romania, being the largest contributors from them and accounting for 41% of 12m 2016 total Group's revenues. The Group also maintains a powerful distribution network in more than 35 countries, via direct exports, supplying the regions of Eastern and Central Europe, the Balkans, Middle East and North Africa.
- The parent company GR. SARANTIS S.A. has been listed in the Athens Stock Exchange since 1994. Additionally, the company has established a joint venture with ESTEE LAUDER HELLAS for the exclusive distribution of ESTEE LAUDER products in Greece, Romania and Bulgaria.
- Sarantis Group aims at being a leader in the manufacturing and marketing of consumer products.
- The strategic pillars that support Sarantis' dynamic growth are the following:
 - The continuous enrichment of its brand portfolio, the maintenance of a leading position in its strategic categories and the entrance into new and fast growing segments;
 - The continuous strengthening of its foreign operations and geographical expansion;
 - The generation of solid free-cash flows and the focus on cost leadership.
- The Company's risk mainly relates to its foreign exposure as 64% of its total revenues stems from foreign countries (according to the 12m 2016 results). However its portfolio is well diversified as the Group sources its revenues from ten countries including Greece.

1st Half 2017 Results

- The total Group turnover was up by 5.28% compared to the previous year's first half, driven by both the foreign countries and Greece, which outperformed the market.
- Net Income grew by 57% to €13.37 million from €8.49 million in H1 2016, driven by improvement in gross profit and balanced operational expenses. EBIT reached € 13.57 million Increased by 6.50% versus €12.74 million and EBIT margin rose at 8.07% from 7.98% in H1 2016.
- Net debt settled at € 0.07 million in H1 2017.

Sarantis S.A. – Summary of Consolidated Financials

October 18, 2017

in mn €	SALES	EBITDA	EATAM	EQUITY	BANK DEBT	NET BANK DEBT	DEBT / EQUITY	P/E(x)	P/BV (x)	EV/EBITDA (x)	ROE %
2010	223.34	21.32	11.82	124.22	64.00	16.84	0.52	36.1	3.4	20.8	9.5%
2011	221.29	19.63	9.74	126.53	59.59	21.44	0.47	43.8	3.4	22.8	7.7%
2012	236.00	21.17	11.69	142.60	52.00	11.52	0.36	36.5	3.0	20.7	8.2%
2013	236.59	23.06	8.32	154.44	17.00	-12.19	0.11	51.3	2.8	18.0	5.4%
2014	248.44	25.61	17.14	159.64	17.00	-2.48	0.11	24.9	2.7	16.5	10.7%
2015	278.76	28.52	18.53	167.41	34.16	0.73	0.20	23.0	2.5	15.0	11.1%
2016	329.02	33.52	19.29	184.03	34.68	-0.17	0.19	22.1	2.3	12.7	10.5%
2017	352.70	37.65	27.24	205.77	36.00	1.00	0.17	15.6	2.1	11.3	13.2%
2018	373.06	39.36	28.80	228.87	37.00	2.00	0.16	14.8	1.9	10.9	12.6%

Note: The Company released its H1 2017 results in July 2017. Source: The Company, VRS Estimates

Please see important disclosure and disclaimer statements at the end of this report.

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Notes: Projections are based on IFRS consolidated accounts. Projected years concern the period 2017 – 2018.

Revenues per Operating Segment

Source: Company, VRS Estimates.

€ mil.	12m 2018 (E)	12m 2017 (E)	6m 2017 (A)	12m 2016 (A)	6m 2016 (A)
Fragrances & Cosmetics	179.02	168.09	82.02	155.64	77.13
y-o-y growth (%)	6.50%	8.00%	6.33%	15.74%	20.56%
% of Total Turnover	47.99%	47.66%	48.80%	47.30%	48.32%
Household	127.48	122.58	58.78	117.87	56.76
y-o-y growth (%)	4.00%	4.00%	3.56%	3.74%	5.08%
% of Total Turnover	34.17%	34.75%	34.97%	35.82%	35.55%
Private Label	18.55	17.18	7.72	15.62	7.55
y-o-y growth (%)	8.00%	10.00%	2.24%	206.83%	n.a.
% of Total Turnover	4.97%	4.87%	4.59%	4.75%	4.73%
Other Sales	48.01	44.85	19.56	39.90	18.20
y-o-y growth (%)	7.04%	12%	7.44%	30.08%	26.18%
% of Total Turnover	12.87%	12.72%	11.64%	12.13%	11.40%
Health & Care Products	11.22	10.79	5.26	10.27	5.43
y-o-y growth (%)	4.00%	5%	-3.30%	10.96%	7.21%
% of SBU	23.37%	24.1%	26.87%	25.75%	29.86%
Selective	36.79	34.07	14.30	29.62	12.77
y-o-y growth (%)	8.00%	15%	12.01%	38.34%	36.46%
% of SBU	76.63%	76%	73.13%	74.25%	70.14%
TOTAL Continuing Activities	373.06	352.70	168.07	329.02	159.64
TOTAL Discontinued Activities	0.00	0.00	0.00	0.00	0.00
Total Sales	373.06	352.70	168.07	329.02	159.64
y-o-y growth (%)	5.77%	7.20%	5.28%	18.03%	20.56%

EBIT per Operating Segment

Source: Company, VRS Estimates.

€ mil.	12m 2018 (E)	12m 2017 (E)	6m 2017 (A)	12m 2016 (A) *	6m 2016 (A) *
				(Note 1)	(Note 1)
Fragrances & Cosmetics	10.74	10.34	4.12	9.48	3.53
y-o-y growth (%)	3.90%	9.02%	16.67%	15.20%	89.04%
Margin	6.0%	6.2%	5.02%	6.1%	4.58%
% of Total EBIT	30.81%	31.09%	30.36%	30.08%	27.71%
Household	11.47	11.09	5.32	11.33	5.74
y-o-y growth (%)	3.43%	-2.12%	-7.20%	22.60%	59.77%
Margin	9.00%	9.05%	9.05%	9.6%	10.11%
% of Total EBIT	32.92%	33.36%	39.23%	35.96%	45.02%
Private Label	0.93	0.86	0.39	0.33	0.18
y-o-y growth (%)	8.00%	158.97%	122.59%	188%	n.a.
Margin	5.0%	5.0%	5.09%	2%	2.34%
% of Total EBIT	2.66%	2.58%	2.90%	1.05%	1.39%
Other Sales	3.25	3.13	1.08	3.07	0.87
y-o-y growth (%)	4.00%	2.06%	24.18%	24.18%	244.08%
Margin	29.0%	29.0%	20.46%	29.83%	15.93%
% of Total EBIT	9.33%	9.41%	7.92%	9.72%	6.80%
Income from associated companies	8.46	7.84	2.66	7.31	2.43
y-o-y growth (%)	8.00%	7.21%	9.33%	19.82%	30.29%
Margin	23.0%	23.0%	18.59%	24.67%	19.05%
% of EBIT	24.00%	23.56%	19.59%	23.19%	19.09%
Total EBIT	34.86	33.25	13.57	31.52	12.74
y-o-y growth (%)	4.82%	5.50%	6.50%	21.03%	68.18%
TOTAL Continuing Activities	34.86	33.25	13.57	31.52	12.74
TOTAL Discontinued Activities	0.00	0.00	0.00	0.00	0.00
Total EBIT	34.86	33.25	13.57	31.52	12.74
y-o-y growth (%)	4.82%	5.50%	6.50%	21.03%	68.18%
Margin	9.75%	9.43%	8.07%	9.58%	7.98%

Note 1: The activity EBIT of 12m and 6m 2016 does not include the provisions made by the company for Marinopoulos' doubtful debt (amount of € 2.4 mn).

P&L Statement

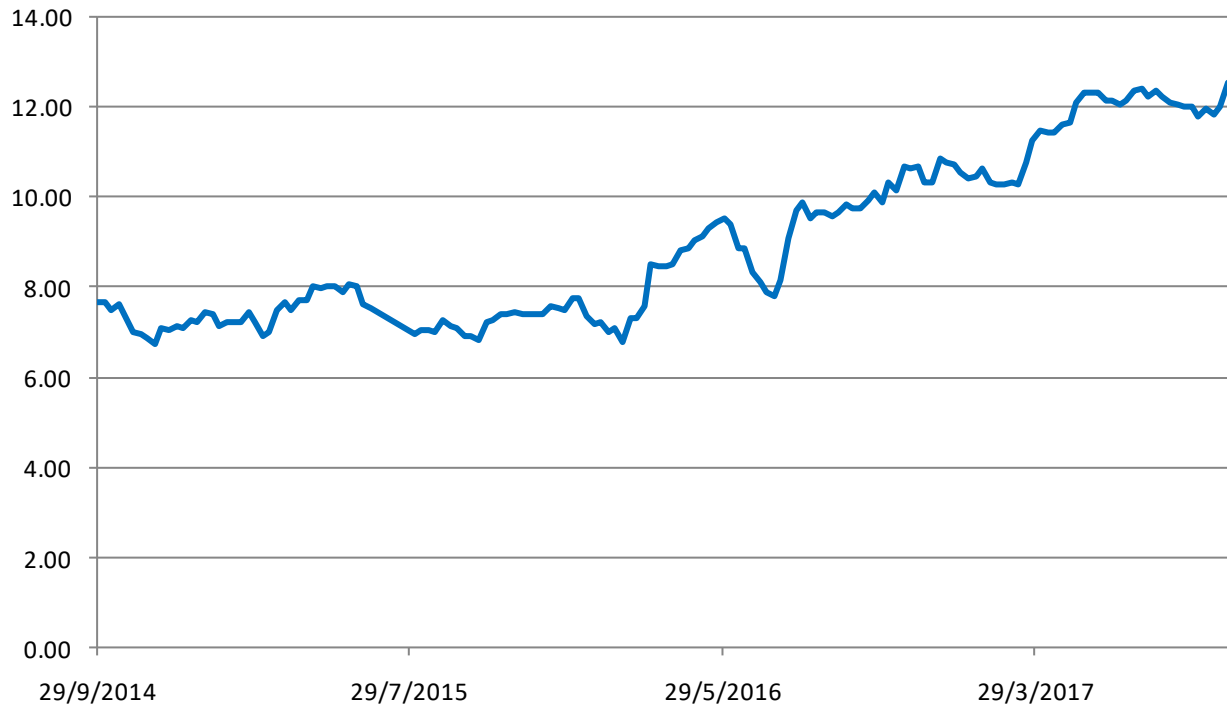
Source: Company, VRS Estimates.

	12m 2018 (E)	12m 2017 (E)	6m 2017 (A)	12m 2016 (A) * Note 1	6m 2016 (A) * Note 1		12m 2018 (E)	12m 2017 (E)	6m 2017 (A)	12m 2016 (A) * Note 1	6m 2016 (A) * Note 1
Amounts in mn €						Amounts in mn €					
Total Sales	373.06	352.70	168.07	329.02	159.64	Total Sales	373.06	352.70	168.07	329.02	159.64
<i>y-o-y growth (%)</i>	5.77%	7.20%	5.28%	18.03%	20.56%	<i>y-o-y growth (%)</i>	5.77%	7.20%	5.28%	18.03%	20.56%
Gross Profit	175.34	165.77	79.58	152.63	74.33	Gross Profit	175.34	165.77	79.58	152.63	74.33
<i>y-o-y growth (%)</i>	5.77%	8.61%	7.06%	15.19%	16.71%	<i>y-o-y growth (%)</i>	5.77%	8.61%	7.06%	15.19%	16.71%
<i>Gross profit margin</i>	47.00%	47.00%	47.35%	46.39%	46.56%	<i>Gross profit margin</i>	47.00%	47.00%	47.35%	46.39%	46.56%
S&A expenses	140.48	132.52	66.01	121.11	61.59	S&A expenses	140.48	132.52	66.01	121.11	63.99
% of sales	38%	38%	39%	37%	39%	% of sales	38%	38%	39%	37%	40%
EBIT	34.86	33.25	13.57	31.52	12.74	EBIT	34.86	33.25	13.57	29.12	10.34
<i>y-o-y growth (%)</i>	4.82%	5.50%	6.50%	21.03%	68.18%	<i>y-o-y growth (%)</i>	4.82%	5.50%	31.23%	17.40%	36.48%
<i>EBIT mgn</i>	9.34%	9.43%	8.07%	9.58%	7.98%	<i>EBIT mgn</i>	9.34%	9.43%	8.07%	8.85%	6.48%
Interest expenses	0.91	1.16	-1.80	2.68	2.50	Interest expenses	0.91	1.16	-1.80	2.68	2.50
EBT	33.95	32.10	15.37	28.84	10.24	EBT	33.95	32.10	15.37	23.61	7.84
<i>EBT mgn</i>	9.10%	9.10%	9.15%	8.77%	6.41%	<i>EBT mgn</i>	9.10%	9.10%	9.15%	7.18%	4.91%
Taxes	4.75	4.49	1.82	4.17	1.67	Taxes	4.75	4.49	1.82	4.17	1.67
	14%	14%	14%	14%	14%		14%	14%	14%	14%	14%
EAT	29.20	27.60	13.55	24.67	8.57	EAT	29.20	27.60	13.55	19.44	6.17
<i>y-o-y growth (%)</i>	5.77%	11.89%	58.07%	24.72%	71.10%	<i>y-o-y growth (%)</i>	5.77%	11.89%	119.68%	4.91%	23.11%
<i>EAT mgn</i>	7.8%	7.8%	8.1%	7.5%	5.4%	<i>EAT mgn</i>	7.8%	7.8%	8.1%	5.9%	3.9%
Non-controlling interests	0.40	0.36	0.18	0.15	0.08	Non-controlling interests	0.40	0.36	0.18	0.15	0.08
Earnings attributed to shareholders of the parent	28.80	27.24	13.37	24.52	8.49	Earnings attributed to shareholders of the parent	28.80	27.24	13.37	19.29	6.09
Note 1: "EBIT, EBT, EAT and Earnings attributed to shareholders of the parent" figures do not include the provision of € 2.4 mn that the company formed for Marinopoulos' doubtful debt and an amount of € 2.83 mn which concerns impairment of financial assets available for sale.						Note 1: "EBIT, EBT, EAT and Earnings attributed to shareholders of the parent" figures include the provision of € 2.4 mn that the company formed for Marinopoulos' doubtful debt and an amount of € 2.83 mn which concerns impairment of financial assets available for sale.					

Note: It should be noted that the Hellenic Competition Committee (HCC) imposed a fine of €1.94 mn to Sarantis SA and a fine of €5.39 mn to Estee Lauder J/V in October 2017. As a reminder Sarantis participates in the J/V of Estee Lauder by 49%. The Company's management has already submitted an appeal against the Decision of the HCC to the Administrative Court of Appeal of Athens, Greece, and the Company has the assurance according to its official announcement that it will be vindicated as based on the Company's view the Decision of the HCC violates fundamental clauses of law. Up until today (October 18, 2017) the Company cannot verify whether provisions for the respective amounts will be formed. In case provisions are formed the 2017 EBT of Sarantis will be burdened by €1.94 mn (in case the Company decides to form a provision for the whole amount) and by €2 mn approximately from the share of Estee Lauder's J/V which is consolidated into Sarantis Group P&L. Therefore if the above provisions are included in 2017 P&L the EBT of the Group based on VRS estimates will stand at €28.16mn compared to 32.10mn currently estimated.

Stock Price

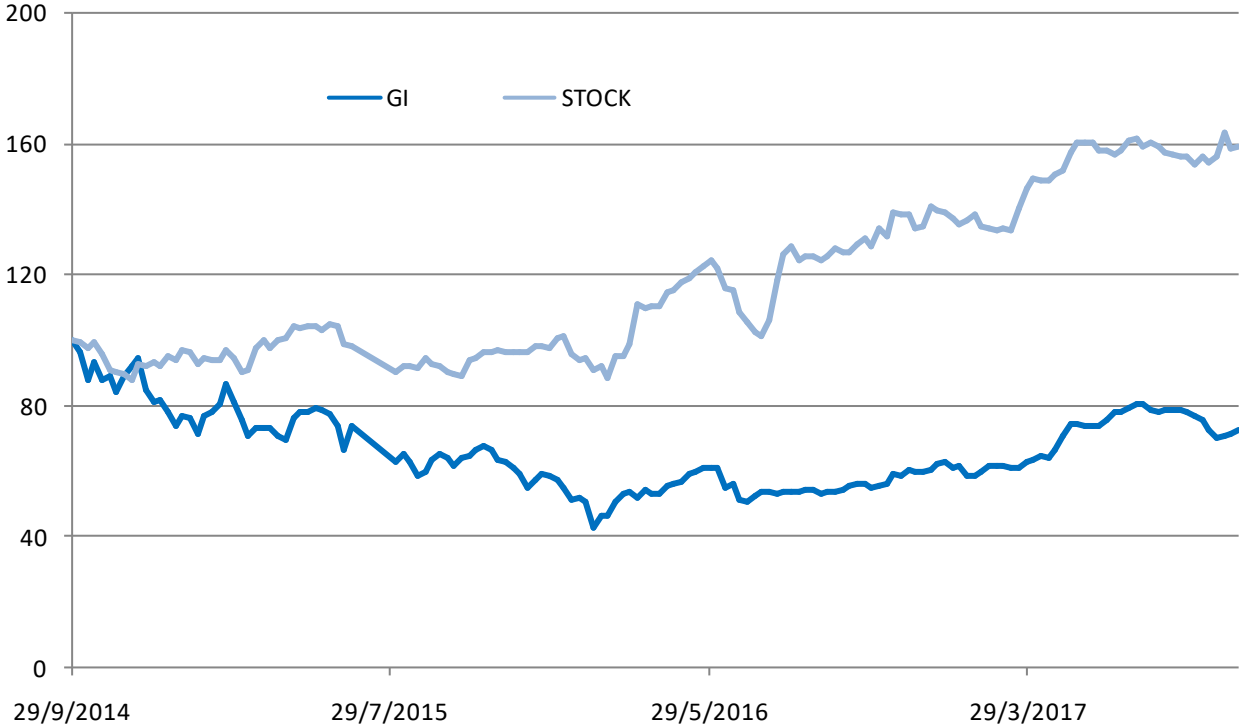
Period September 2014 – October 2017 | € (Euro)



Source: Athens Exchange.

Stock versus Athens Exchange General Index

Period September 2014 – October 2017 | Basis = 100



Source: Athens Exchange.

NOTES

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VRS EQUITY RESEARCH TEAM

Dr. Nicholas Georgiadis, ngeorgiadis@valueinvest.gr
Christophoros Makrias, cmakrias@valueinvest.gr
Zoe Vassiliou, zvasilliou@valueinvest.gr
Georgios A. Savvakis, gsavvakis@valueinvest.gr
Maria Papadopoulou, mpapadopoulou@valueinvest.gr

INVESTMENT RESEARCH & ANALYSIS JOURNAL

Dr. Efstratios Livanis
Assistant Editor