

Sarantis Group

Investor & Analyst Conference Call Presentation

H1 2022 – September 8th 2022



Disclaimer

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Consolidated Financial Highlights

Consolidated Figures based on Sarantis Group Continuing Activities

P&L (€ mil.)*	H1 '22	%	H1 '21***
Turnover	213.48	9.34%	195.24
Gross Profit	75.02	2.49%	73.20
Gross Profit Margin	35.14%		37.49%
EBITDA **	22.58	-9.60%	24.98
EBITDA Margin	10.58%		12.79%
EBIT	16.04	-13.57%	18.56
EBIT Margin	7.51%		9.51%
EBT	14.77	-19.64%	18.38
EBT Margin	6.92%		9.41%
Tax	3.13	-10.59%	3.50
Profit After Tax	11.64	-21.77%	14.88
Profit After Tax Margin	5.45%		7.62%
Minorities	0.05	-79.71%	0.25
Net Profit	11.59	-20.78%	14.63
Net Profit Margin	5.43%		7.49%

*The financial figures included in the table above present the Continuing activities of the Group excluding ELCA Cosmetics Ltd contribution, since the Group's participation was sold on June 15 2022. Analytical information can be found in the Group's Half-Year 2022 Financial report in paragraph 4.9.2

**Alternative Performance Measure, as defined within paragraph 2.9 of the Group's 2022 Semi-Annual Financial Report.

***The comparative figures for H1 2021 have been revised due to the change of the accounting policy of IAS 19.

- The Group presented a significant sales growth momentum against a backdrop of substantial increases in input costs that were exacerbated due to the war in Ukraine.
- Sales growth was driven by both price and volume increase and was supported by the diversification of the Group's product portfolio and its ability to exploit opportunities in high-potential spaces, across the Group's region, and particularly within the categories of deodorants, face skin care, sun care, body wash, garbage bags, food packaging products and food supplements.
- Persisting cost inflation, that was further increased due to the war in Ukraine, affects the Group's profitability during the first half of 2022, in comparison to last year's first half that was free from inflationary pressures. Operating expenses and advertising and promotion expenses are still kept under close control in an effort to partially offset the pressure in the Group's Gross Profit margin.
- Despite the volatile and demanding business environment that is constantly challenged by the COVID-19 pandemic, supply chain disruptions and inflationary pressures, the Group continued to maintain a strong financial position and is committed behind the implementation of its strategic plan aiming at the further growth of the business and value generation.

ASSETS	H1 '22	%	FY '21
Tangible fixed assets	101.12	1.22%	99.90
Right of use	13.56	22.33%	11.09
Investments in property	0.02	-99.50%	4.63
Intangible Assets	58.33	-1.61%	59.29
Goodwill	7.63	-0.44%	7.66
Investments in subsidiaries, associates	0.00	-100.00%	29.61
Other long-term receivables	38.22	10401.99%	0.36
Deferred Tax assets	1.08	753.00%	0.13
Non-current assets	219.97	3.43%	212.67
Inventories	116.85	17.30%	99.61
Trade Receivables	112.15	22.02%	91.91
Other Receivables	8.76	7.31%	8.17
Financial assets available at fair value through P&L	1.75	-63.22%	4.77
Cash & cash equivalents	50.50	10.23%	45.81
Current assets	290.01	15.88%	250.27
Total Assets	509.98	10.16%	462.94
EQUITY & LIABILITIES			
L-T Bank Loans	47.00	6.88%	43.97
Lease liabilities	9.96	35.97%	7.32
Deferred Tax Liabilities	5.99	-10.34%	6.68
Provisions for post employment employee benefits	1.27	5.97%	1.20
Provisions - Other Long-term Liabilities	6.70	71.72%	3.90
Long-term Liabilities	70.91	12.43%	63.07
Suppliers	67.59	-1.11%	68.35
Other short-term liabilities	11.57	24.69%	9.28
Income tax - other taxes payable	10.38	99.01%	5.22
S-T Bank Loans	23.97	90.79%	12.57
Lease liabilities	4.20	-5.78%	4.46
Short-term liabilities	117.72	17.87%	99.87
Share Capital	54.50	0.00%	54.50
Share Premium	40.68	0.00%	40.68
Other Reserves	20.68	4.74%	19.74
Minority Interest	2.08	0.52%	2.07
Retained Earnings	203.41	11.15%	183.00
Shareholders Equity	321.35	7.12%	299.99
Total Liabilities & Equity	509.98	10.16%	462.94
CASH FLOWS (€ mil.)	H1 '22		FY '21
Operating Activities	-15.53		7.15
Investment Activities	17.37		-15.08
Financial Activities	2.73		-9.40
Cash generated	4.57		-17.32
Cash & Cash equivalents. beginning	45.81		40.60
Effect of foreign exchange differences on Cash	0.11		-0.08
Cash & Cash equivalents. end	50.50		23.19

Balance Sheet & Cash flow



HEALTHY BALANCE SHEET

COMMITTED BEHIND THE IMPLEMENTATION OF THE GROUP'S STRATEGIC GROWTH PLAN

Despite a very challenging market environment with COVID-19 pandemic still ongoing, disruptions in the global supply chains and inflationary pressures, the Group, committed to implementing its strategic agenda, invests the cash generated by the business behind initiatives to accelerate growth, either organically or through acquisitions, and to return value to its shareholders.

- ✓ Dividend paid for FY 2021 amounted to €10 mil. (0.143108 euro per share).
- ✓ Net debt position at 0.4x EBITDA (excl. ELCA Cosmetics) at € 18.72 in H1 '22 from €5.96 mil. in FY '21, due to higher debt and temporarily higher working capital needs.
- ✓ Increase in **trade receivables**, largely due to seasonality and will smooth out in H2'22
- ✓ Increase in **inventories**, related to the increased input prices and reflects the Group's effort to safeguard its costs and production capacity.
- ✓ Investments behind Polipak 's new production facility – finalized in H1 '22
- ✓ Actively following the agenda for further acquisitive growth: acquisition of STELLA PACK signed on Mar 2nd 2022 and pending approval from the antimonopoly authorities.
- ✓ Further emphasis on:
 - ✓ Product Portfolio optimization
 - ✓ Targeted A&P investments and innovation plans
 - ✓ infrastructure, systems, processes, and models to improve efficiency and effectiveness

ELCA Cosmetics Ltd sale

On June 15 2022 the Group proceeded to the sale of its 49% participation in the JV with The Estée Lauder Companies, ELCA Cosmetics Ltd. This move was in line with The Estée Lauder Companies go-to-market strategy, as well as Sarantis Group strategy of future growth that is based on its core and strategic activities.

The aggregate purchase price amounted to 55.2 mil euros. More specifically, the amount of EUR 14 million was paid on 16.6.2022, and the balance will be paid in two equal installments of EUR 20,6 million, in January 2025 and in January 2028.

The Group is already in the process of replacing the profitability of the Joint Venture by executing promptly a specific strategy that focuses on the one hand on intensifying the Group's acquisition plan and on the other hand on concluding new distribution agreements.

More specifically, the Company has already announced the acquisition of Stella Pack S.A., a Polish consumer household products company, that is subject to the approval of the antimonopoly authorities in the countries of Stella Pack's activity and is estimated to be finalized by the beginning of Q4 2022.

STELLA PACK is a leading player in the production and distribution of household products, boasting 25 years of successful presence in the categories of Garbage Bags, Food Packaging and Household Cleaning Items, while in 2021 its turnover amounted to c. 65 million euros and its EBITDA reached 8.5 mil. euros.

Due to the Group's homogeneity with the acquired company, synergies will be utilized at all business levels, from sales to administrative services, warehouses and factories. Therefore, this acquisition is expected to add significant value to the Group and it is estimated that in 2023 the total EBITDA, including synergies, will amount to at least 12 million euros per year, exceeding the JV's potentially expected profitability by at least € 150%.

It is reminded that the expected future profitability of the JV would have been in any case, reduced compared to the past, given that the participation of Sarantis Group in the joint company would have been gradually reduced to 40% for the years 2022-2024 and to 15% for the years 2025-2027 with the final divestment taking place following the publication of the financial statements of the FY 2027.

Update on Ergopack

On 24 February 2022 we temporarily closed Ergopack's plant that is based in Kaniv and suspended our production for safety reasons. Since April, we progressively restarted manufacturing in Ukraine and are currently distributing and selling, under a strict credit control policy, and therefore we manage to cover the majority of our channels in Ukraine as well as Ergopack's export network. Despite the temporary suspension of Ergopack's activity that lasted for a month and a half, Ergopack's sales during the first half of 2022 amounted to € 9.72 million compared to € 12.6 million in the first half of last year, decreased by 22.9%.

Update on the Group's activity in Russia

Sarantis Group has decided to permanently withdraw from the Russian market in the context of the crisis between Ukraine and Russia.

It is noted that the company GR. SARANTIS S.A., operates until today in the Russian market through its 100% subsidiary HOZTORG LLC., a commercial business.

As of H1 2022 sales of Hoztorg LLC amounted to € 0.75 mil., representing 0.34% of the Group's total sales.

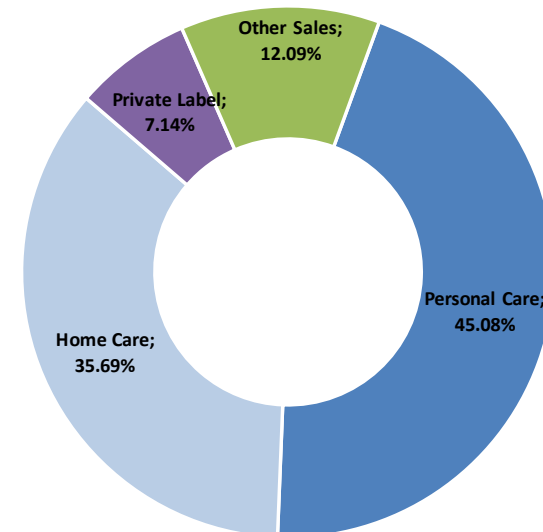
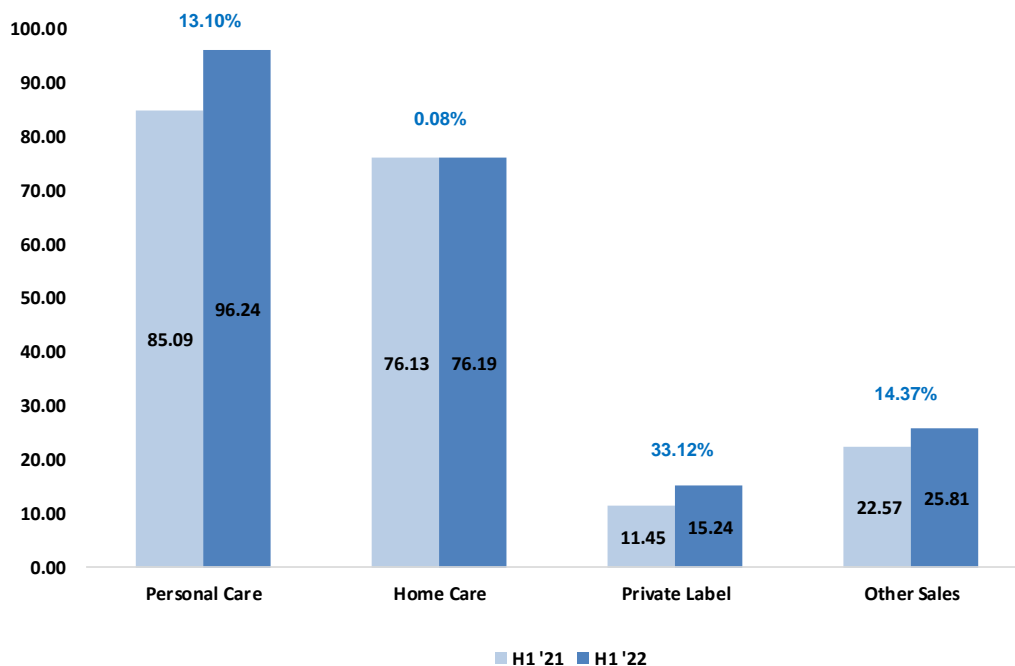
The assets of Hoztorg LLC in H1 2022 constituted 0.26% of the Group's total assets.

The Group estimates that the negative impact from the termination of its activity in Russia is expected to amount to approximately 1.2 million euros, which reflects the total equity of the Russian company.

Business Units Analysis

Turnover - SBU Split

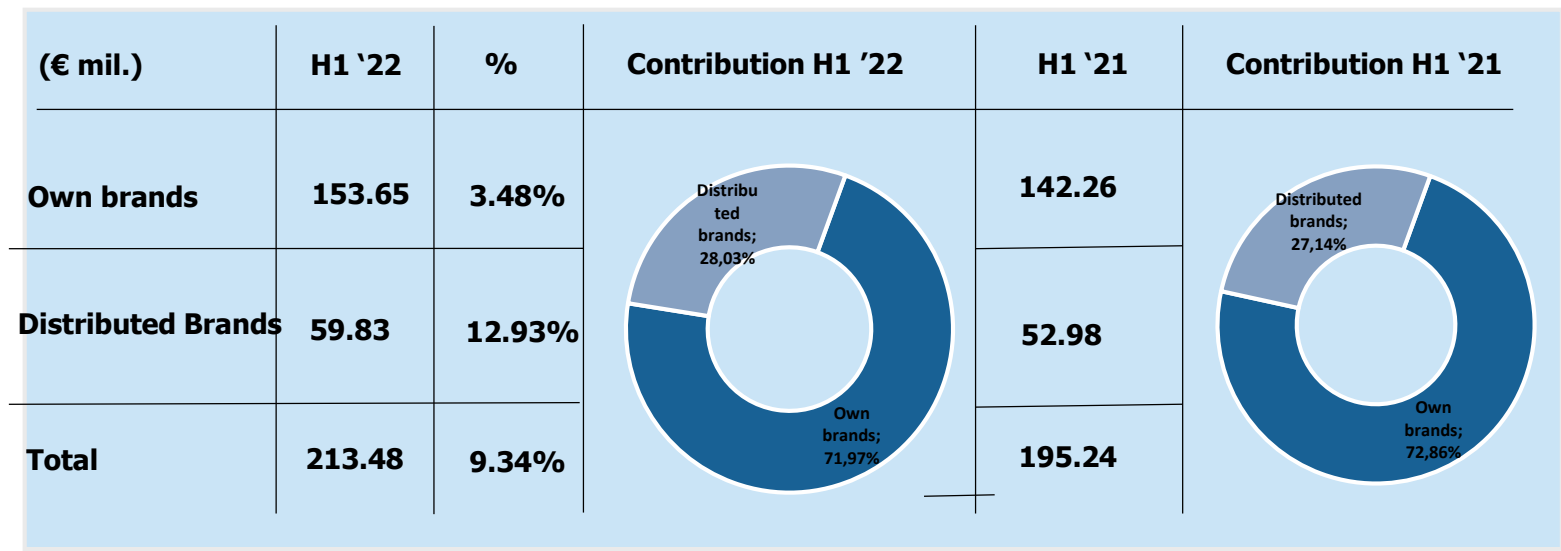
H1 '22



- ✓ **Personal Care** products sales were up by 13.10% yoy, supported by growth in both the own brands and distributed brands portfolio. Overall, the diversification of the product portfolio and taking advantage of opportunities in high-potential areas drove growth for the Group's personal care products with the largest contributors being the categories of face skin care, body wash, deodorants and suncare. The category's participation to total Group turnover amounted to 45.08%.
- ✓ Sales of **Home Care Products** increased marginally, reflecting the normalization of the consumption demand as well as the high comparative basis of last year. The cleaning tools category that outperformed over the past year is the category mainly affected by the high comparative basis of last year, while on the other hand, garbage bags and food packaging present positive sales growth. The category's participation to total Group turnover amounted to 35.69%.
- ✓ The category of **Other Sales** was up in sales by 14.37%, driven by both the Luxury Cosmetics category, that presented a 14.88% sales growth as well as the Health & Care category that exhibited a 12.24% increase, supported by the continued strong demand for food supplements and product launches in sizeable segments.

The category of Other Sales includes the subcategories of Health & Care and Selective Products.

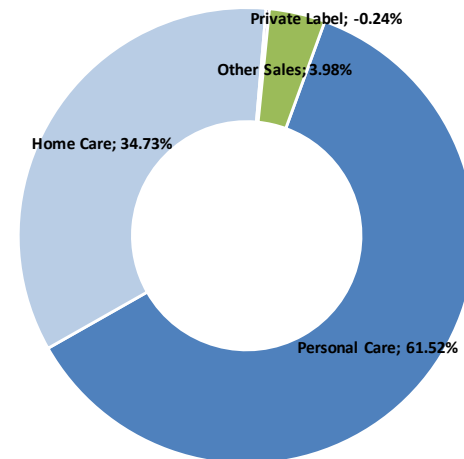
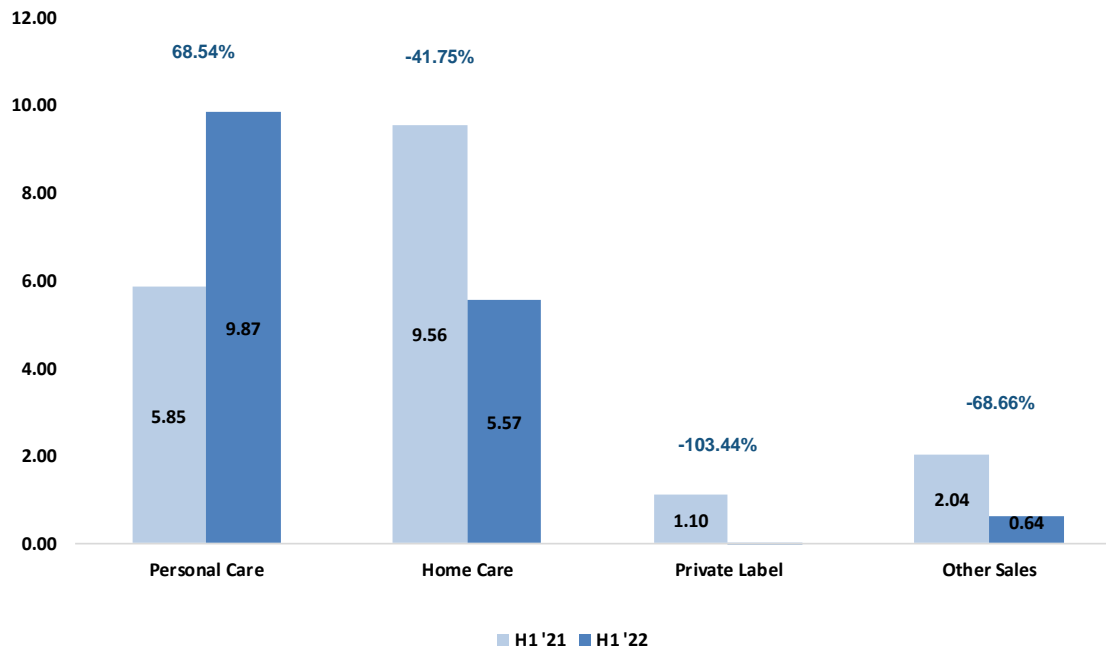
Turnover - Own vs Distributed Brands Overview



- ✓ Revenues from own brands rose by 8.01% compared to the previous year's first half.
- ✓ Own brands portfolio participation to total group turnover settled at 71.97%.

EBIT – SBU Split

H1 '22



The Group's operating profit settled at 16.04 mil. during H1 2022 from 18.56 mil. in H1 2021, down by 13.57%, negatively affected by higher input costs. Operating expenses and advertising and promotion expenses are still kept under close control in an effort to partially offset the pressure in the Group's Gross Profit margin.

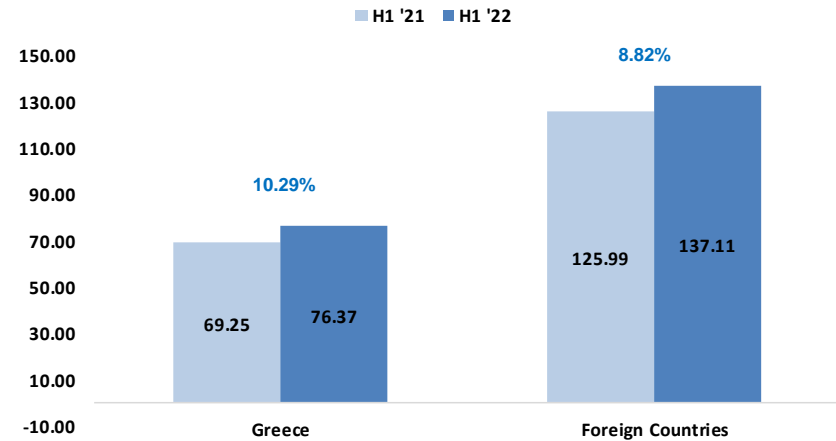
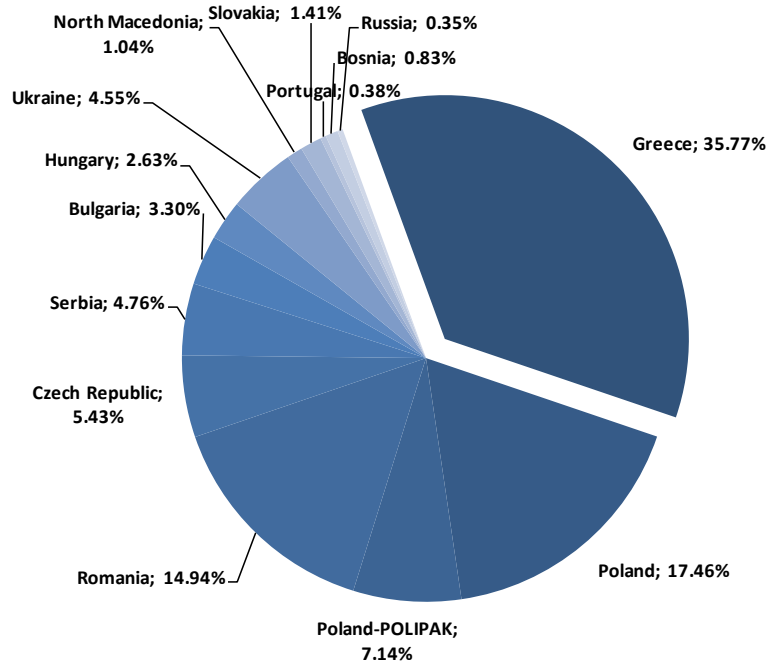
- ✓ **Personal Care** products EBIT settled at €9.87 million from €5.85 million in H1 2021, up by 68.54%, positively influenced by a marginal change in gross profit margin as well as controlled advertising and promotion expenses. The EBIT margin of Personal Care products stood at 10.25% in H1 2022 from 6.88% in H1 2021.
- ✓ The EBIT of **Home Care** products negatively affected by inflationary pressures on raw material prices declined to €5.57 million from €9.56 million.
- ✓ The EBIT of the **Other Sales** category settled at €0.64 mil from € 2.04 mil. in last year's first half, reduced by 68.66%, driven by the Luxury Cosmetics subcategory that was negatively influenced by pressures in gross profit margin.
- ✓ Similarly the **Private Label** category, the Group's garbage bags business, is negatively influenced by higher raw materials prices.

The category of Other Sales includes the subcategories of Health & Care and Selective Products.

Geographical Analysis

Turnover - Country Split

H1 '22

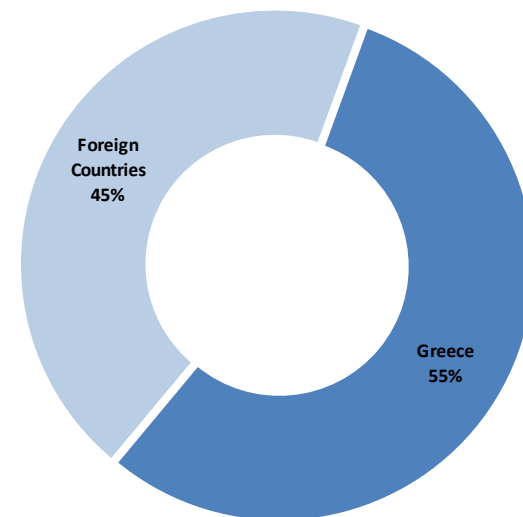
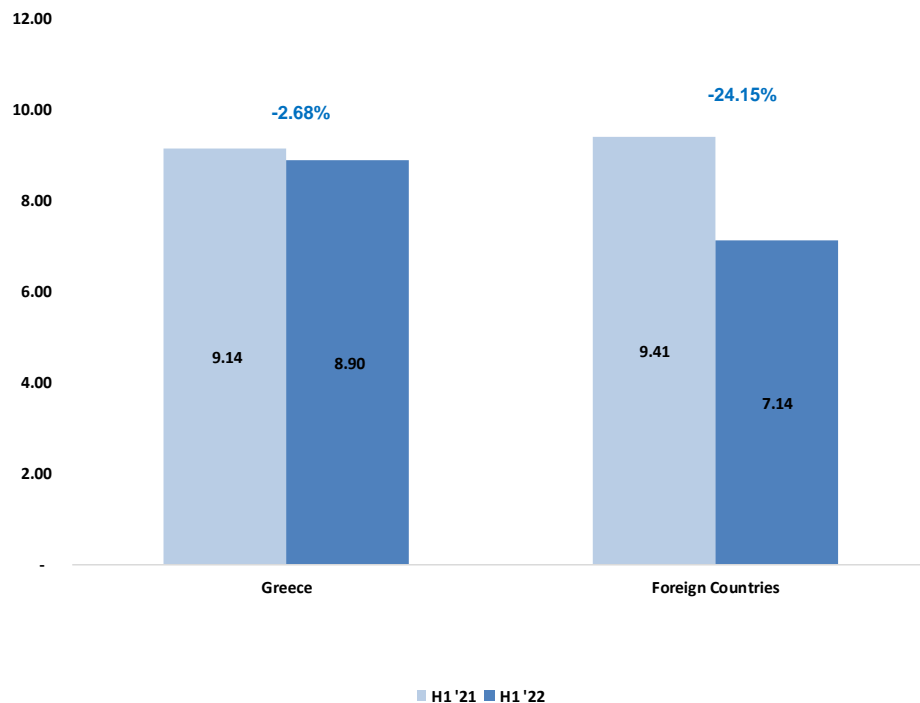


*The Group has decided to withdraw permanently from the Russian market

- ✓ The Group's consolidated turnover presented an increase of 9.34% during H1 2022 versus last year, against a backdrop of substantial increases in input costs that were exacerbated due to the war in Ukraine. With the exception of Ergopack's territory, all the countries benefited from the diversification of Group's personal care products' portfolio and exploited opportunities in high-potential spaces, therefore leading to strong growth particularly in the categories of deodorants, face skin care, sun care and body wash. Moreover, even though comparatives are still tough for the cleaning tools category, evident mainly in Greece and Poland, significant growth was exhibited by garbage bags and food packaging products across the Group's countries.
- ✓ Greek sales presented a significant growth of 10.29%, outperforming the market. Greek sales amounted to €76.37 million in the first half of 2022 compared to €69.25 mil. in the respective period last year, benefiting from growth opportunities across the mass market, the healthcare and exports channels.
- ✓ The foreign countries, representing 64.23% of the Group's total sales, exhibited significant sales growth of 8.82% reaching €137.11 million in the first half of 2022 from €125.99 million in last year's first half.
- ✓ On an fx neutral basis foreign countries sales presented a growth of 9.3%.
- ✓ Excluding Ergopack, Foreign Countries sales were up by 12.6%.

EBIT – Country Overview

H1 '22



- ✓ The Greek EBIT during H1 2022 reduced by 2.68% to €8.90 mil., from €9.14 mil. in H1 2021, mainly influenced by pressures in the gross profit margin particularly within the Home Care category.
- ✓ Greek EBIT margin stood at 11.65% during H1 2022 from 13.20% in H1 2021.
- ✓ The foreign countries EBIT was down by 24.15% during H1 2022, amounting to €7.14 mil. from 9.41 mil in last year's first half, mainly driven by the Group's Polish entities due to rising inflationary pressures.
- ✓ The foreign countries EBIT margin settled at 5.21% from 7.47% in H1 2021.

- Personal Care
- Home Care
- Health Care
- Luxury Cosmetics
- Professional Products

Personal Care

Through our Personal Care business unit we offer cosmetics, toiletries and personal care products that consumers love and trust in their everyday life.

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