



# Sarantis Group

## Investor & Analyst Conference Call Presentation

FY 2017 – March 27<sup>th</sup> 2018

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# Consolidated Financial Highlights

P&L (€ mil.)	FY '17	%	FY '16
Turnover	343.16	4.30%	329.02
Gross Profit	159.96	4.80%	152.63
Gross Profit Margin	46.61%		46.39%
EBITDA	39.66	10.42%	35.92
EBITDA Margin	11.56%		10.92%
EBIT	34.51	9.47%	31.52
EBIT Margin	10.06%		9.58%
EBT	34.67	20.22%	28.84
EBT Margin	10.10%		8.76%
Tax	5.68	36.38%	4.17
Profit After Tax	28.98	17.49%	24.67
Profit After Tax Margin	8.45%		7.50%
Minorities	0.35		0.15
Net Profit	28.63	16.78%	24.52
Net Profit Margin	8.34%		7.45%
EPS	0.8195	16.25%	0.7049

- Impressive Net Income growth of 17% to 28.63 mil. from 24.52 mil. driven by improvement in Gross Profit and balanced operational expenses.
- Significant improvement in profitability margins during FY 2016.
- FY '17 Group sales up by 4.30% compared to the previous year driven by both the foreign countries and Greece, which outperformed the market.
- The Group's commitment behind continued productivity improvement and cost savings, combined with the sales growth, resulted in significant improvement in all profitability margins versus the same period last year.
- High participation of foreign countries and of own brands at 64% and 72% of total Group sales respectively.
- Healthy balance sheet, significant increase in net cash, and improved working capital management.

# Balance Sheet & Cash flow

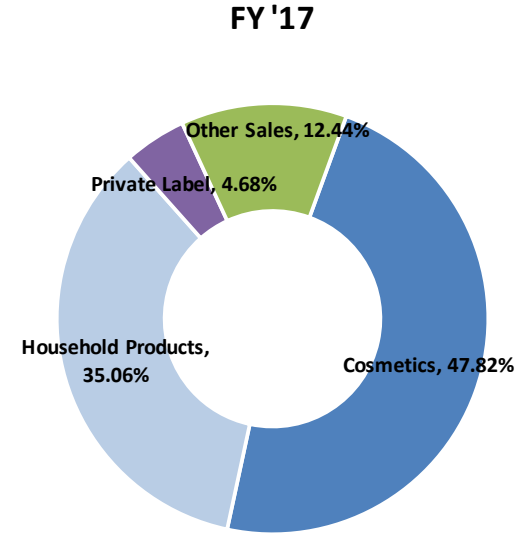
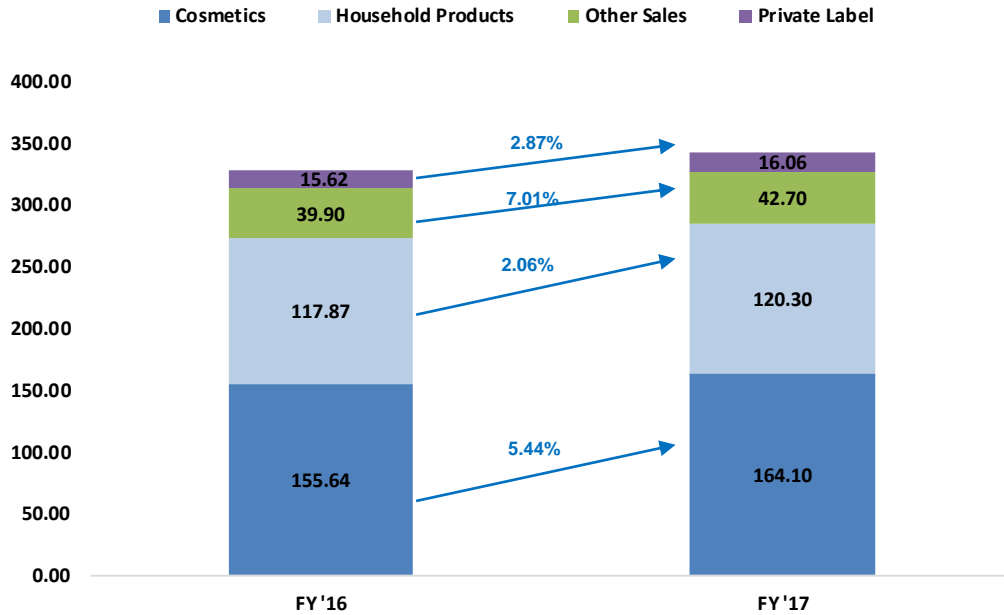
ASSETS	FY '17	%	FY '16
Tangible fixed assets	43.36	13.12%	38.33
Investments in property	0.53	-1.64%	0.54
Intangible Assets	36.24	6.52%	34.02
Goodwill	7.19	-3.37%	7.45
Investments	17.26	65.98%	10.40
Financial assets available for sale	0.00		0.70
Other Long Term Assets	0.72	168.93%	0.27
Deffered Tax	0.17	-79.79%	0.83
<b>Total Non Current Assets</b>	<b>105.46</b>	<b>13.99%</b>	<b>92.52</b>
Inventories	65.60	8.05%	60.71
Trade Receivables	80.94	2.77%	78.76
Other Receivables	5.02	-34.86%	7.70
Financial assets available at fair value through P&L	2.98	-51.76%	6.17
Cash & Banks	44.95	28.96%	34.85
Other Short Term Receivables	1.41	-30.80%	2.04
<b>Total Current Assets</b>	<b>200.89</b>	<b>5.60%</b>	<b>190.23</b>
<b>Total Assets</b>	<b>306.35</b>	<b>8.34%</b>	<b>282.76</b>
<b>SHAREHOLDER'S EQUITY &amp; LIABILITIES</b>			
L-T Bank Loans	26.02	-8.52%	28.44
Deferred Tax Liabilities	3.30	64.45%	2.00
Retirement Benefit Obligations & Other Provisions	1.82	-5.62%	1.93
<b>Total Non Current Liabilities</b>	<b>31.14</b>	<b>-3.83%</b>	<b>32.38</b>
Trade Creditors	56.29	10.97%	50.72
Other Liabilities	7.05	43.52%	4.91
Income Taxes and other Taxes Payable	2.60	-0.96%	2.63
S-T Bank Loans	5.71	-8.54%	6.24
Other Short Term Liabilities	2.14	15.61%	1.85
<b>Total Current Liabilities</b>	<b>73.78</b>	<b>11.20%</b>	<b>66.35</b>
Share Capital	54.16	0.45%	53.91
Share Premium	41.03	4.20%	39.37
Other Reserves	8.60	-50.65%	17.42
Minority Interest	1.43	33.86%	1.07
Retained Earnings	96.22	33.17%	72.26
Shareholders Equity	201.44	9.46%	184.03
<b>Total Liabilities &amp; Equity</b>	<b>306.35</b>	<b>8.34%</b>	<b>282.76</b>
<b>CASH FLOWS (€ mil.)</b>			
	<b>FY '17</b>		<b>FY' 16</b>
Operating Activities	27.80		10.24
Investment Activities	0.48		-3.67
Financial Activities	-18.26		-5.24
Cash generated	10.02		1.33
Cash & Cash equivalents. beginning	34.85		33.43
Effect of foreign exchange differences on Cash	0.07		0.09
Cash & Cash equivalents. end	44.95		34.85

*Healthy financial position able to finance organic growth, acquisitions and dividend payments.*

- ✓ **Dividend payment for FY 2016** of 0.1750 euro per share (6 mil.euro).
- ✓ **Net Cash** position at €16.20 mil. from € 7.05 mil.
- ✓ **Operating Working capital requirements over sales** settled at 26.30% in FY 2017 from 26.97% in FY 2016.
- ✓ **Operating Working capital over sales** reduction driven by improved receivable days, as well as the efficient inventory management despite the Group's growth and the continuous product additions in the Group's portfolio.

## Business Units Analysis

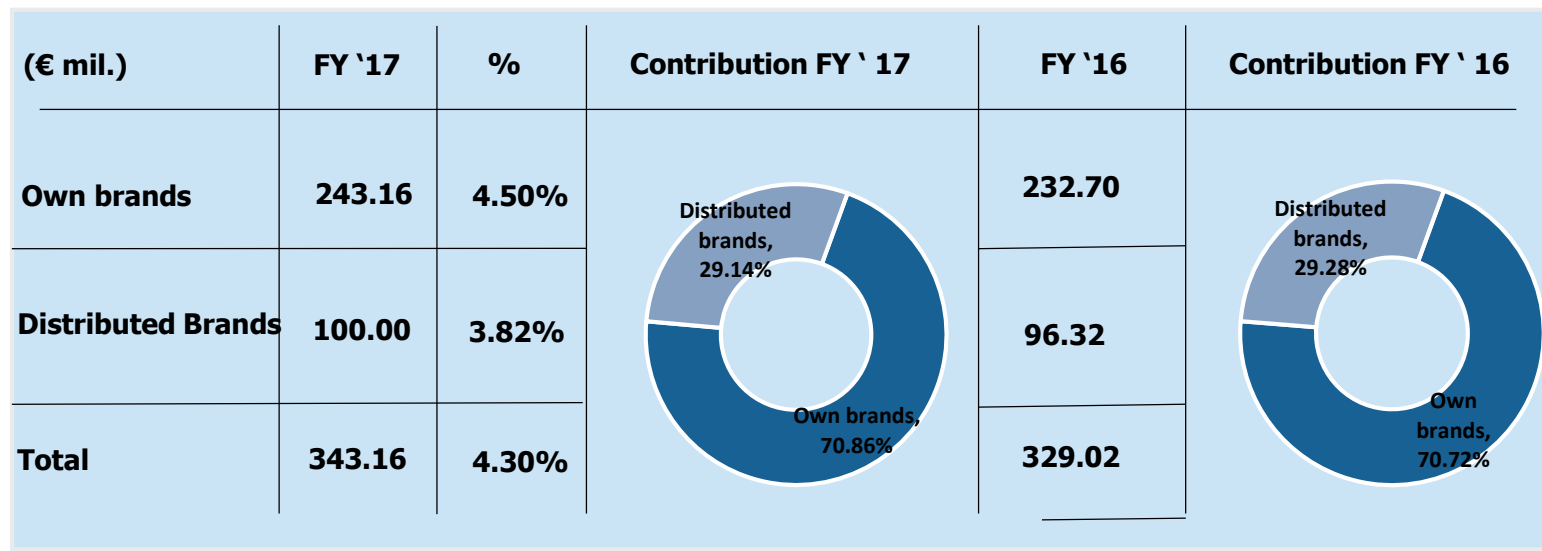
# Turnover - SBU Split



- ✓ During FY 2017 total Group sales were supported by growth in all the Group's strategic business categories.
- ✓ **Cosmetics** sales were up by 5.44% yoy, supported by both the own brand portfolio as well as the distributed brands subcategory.
- ✓ Sales of **Household Products** increased by 2.06%, supported by growth in the own brands subcategory.
- ✓ The increase in the category of **Other Sales** is mainly driven by the Luxury Cosmetics.
- ✓ **Private Label** represents sales of Polipak, the Polish packaging products company that specializes on the production of private label garbage bags.

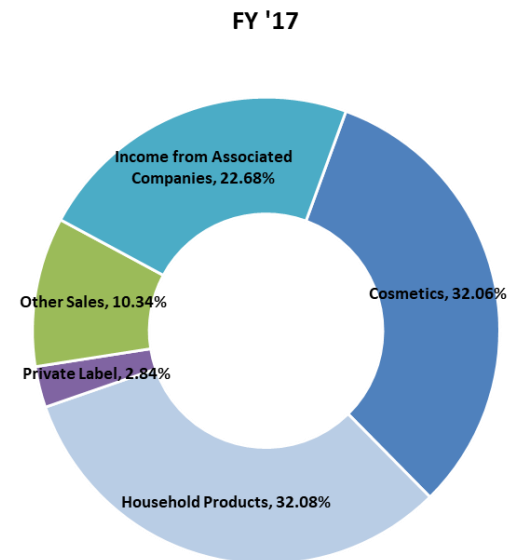
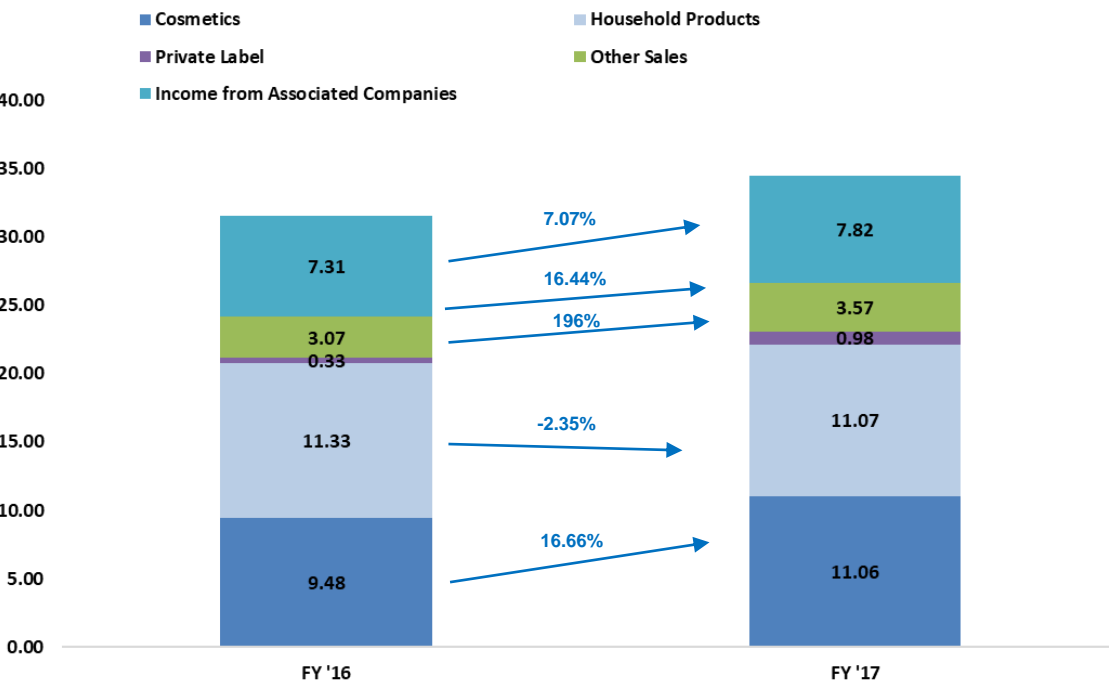
*The category of Other Sales includes the subcategories of Health & Care and Selective Products.*

# Turnover - Own vs Distributed Brands Overview



- ✓ Revenues from own brands rose by 4.50% compared to the previous year.
- ✓ Own brands portfolio participation to total group turnover settled at 70.86%.

# EBIT – SBU Split



- ✓ The Group's EBIT benefited by improved gross profit and balanced operational expenses.
- ✓ **Cosmetics** EBIT increased by 16.66% in FY 2017, driven mostly by the own Cosmetics subcategory. Cosmetics EBIT margin stood at 6.74% from 6.09%.
- ✓ The EBIT of **Household Products** was down by 2.35% during FY 2017, driven by increased marketing and promotion expenses. The Household products margin settled at 9.20% from 9.62% last year.
- ✓ The Income from **Associated Companies** represents income from the Estee Lauder JV and accounts for 22.68% of the total EBIT.

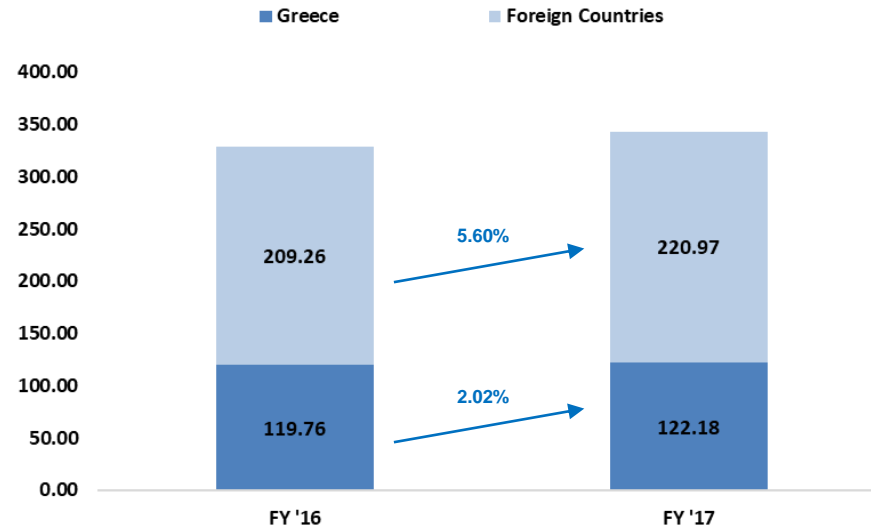
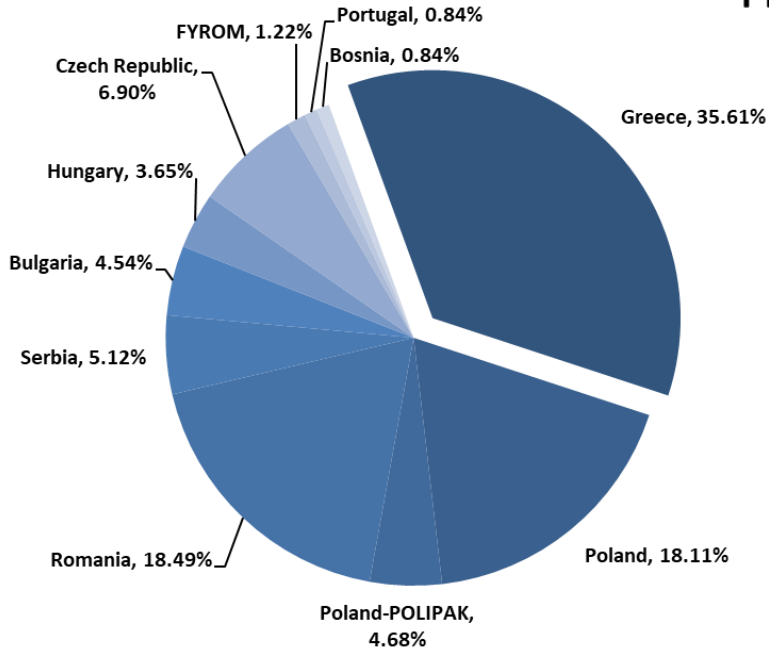
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## Geographical Analysis

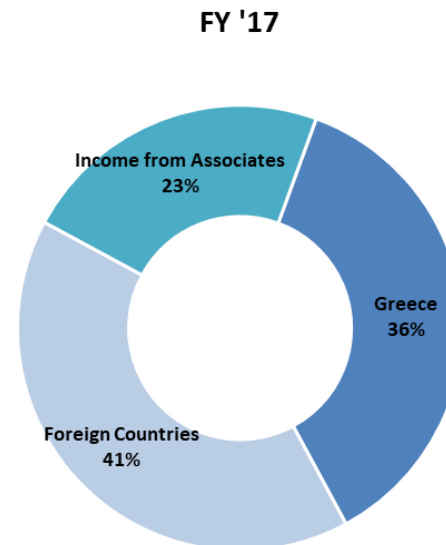
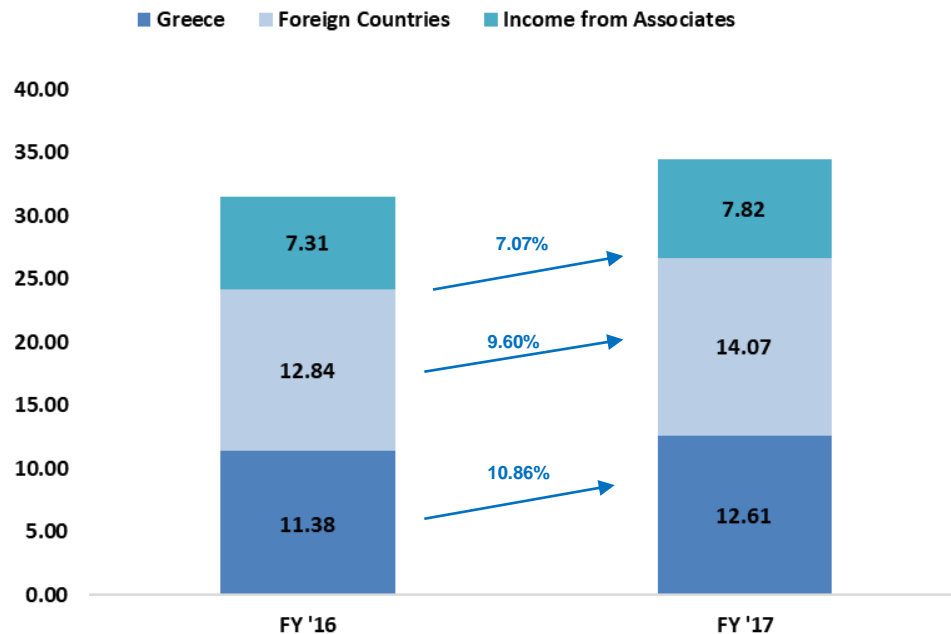
# Turnover - Country Split

FY '17



- ✓ During FY 2017 the foreign countries' contribution into the Group's sales stood at 64.39%.
- ✓ Despite the turbulent macroeconomic environment, Greece, exhibited a sales increase of 2.02% performing better than the total retail market.
- ✓ The foreign markets of the Group showed a turnover increase of 5.60% yoy to €220.97 million from €209.26 mil in FY 2016. The foreign countries presented an average sales growth in local currencies of 4.8%.

# EBIT – Country Overview

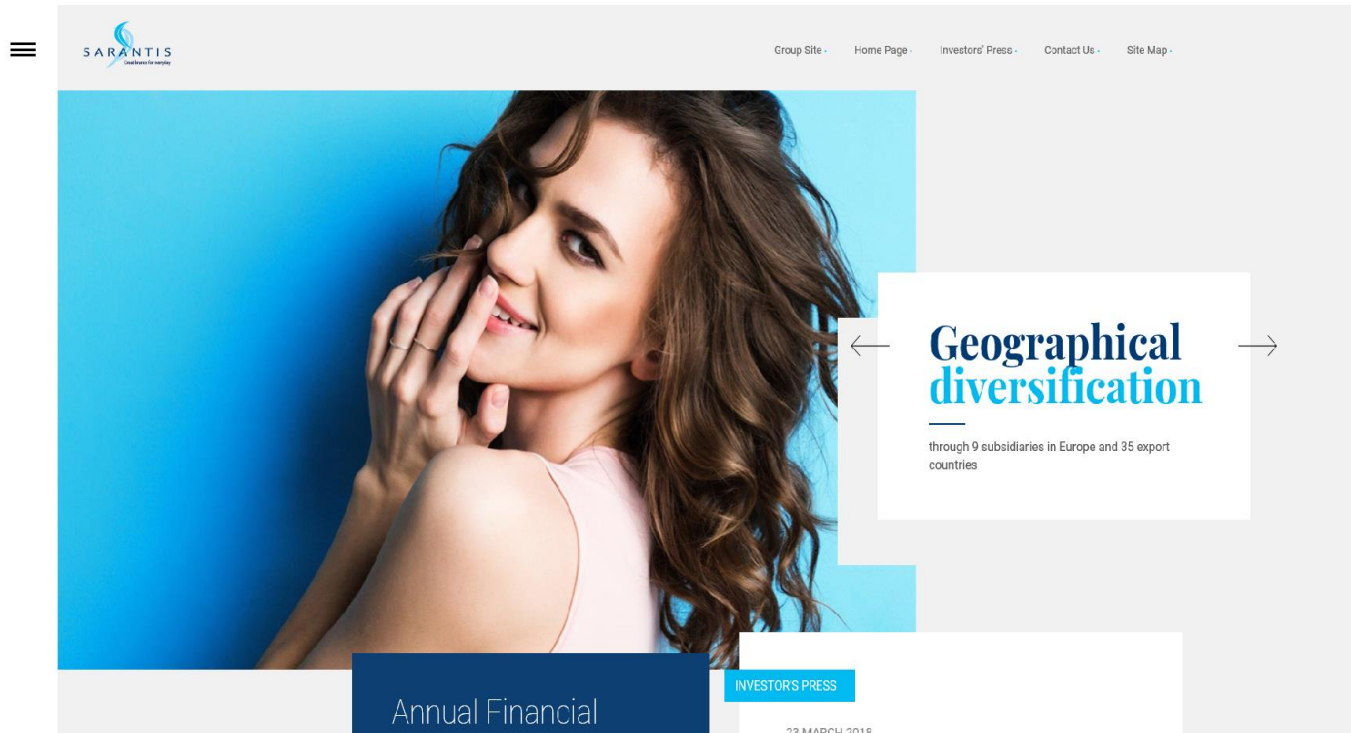


- ✓ The Greek EBIT during FY 2017 increased by 9.37% to €20.44 mil., from €18.68 mil. in FY 2016.
- ✓ Excluding the income from Associated companies, Greek EBIT during FY 2017 amounted to €12.61 mil. increased by 10.86% compared to €11.38 mil. last year.
- ✓ Greek EBIT margin, excluding income from Associated Companies, stood at 10.32% during FY 2017 from 9.50% in FY 2016.
- ✓ The foreign countries EBIT was up by 9.60% during FY 2017, amounting to €14.07 mil., from 12.84 mil. last year. The foreign countries EBIT margin settled at 6.37% from 6.13% in the previous year.

# Our Investor Relation Web Page



For more information please visit our  
Investor Relation Web Site



<http://ir.sarantis.gr>