



# Sarantis Group

Investor & Analyst Conference Call  
Presentation

FY 2021 – May 3<sup>rd</sup> 2022



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# Consolidated Financial Highlights

P&L (€ mil.)	FY '21	%	FY '20*
Turnover	<b>408.20</b>	3.77%	<b>393.38</b>
Gross Profit	<b>143.90</b>	-3.08%	<b>148.47</b>
Gross Profit Margin	35.25%		37.74%
EBITDA	<b>59.69</b>	-4.71%	<b>62.64</b>
EBITDA Margin	14.62%		15.92%
EBIT	<b>46.82</b>	-6.36%	<b>50.00</b>
EBIT Margin	11.47%		12.71%
EBT	<b>49.57</b>	4.59%	<b>47.39</b>
EBT Margin	12.14%		12.05%
Tax	<b>8.97</b>	13.45%	<b>7.91</b>
Profit After Tax	<b>40.60</b>	2.82%	<b>39.49</b>
Profit After Tax Margin	9.95%		10.04%
Minorities	<b>0.30</b>	-61.28%	<b>0.79</b>
Net Profit	<b>40.29</b>	4.12%	<b>38.70</b>
Net Profit Margin	9.87%		9.84%

\*The comparative figures for the year 2020 have been revised due to the change of the accounting policy of IAS 19.

- The Group continued to deliver a solid top line growth, despite the high comparative basis of last year and the normalization of the consumption demand and made a robust progress on net income growth amidst a challenging cost and operating environment.
- Sales growth was presented behind the Group's strategic product categories, particularly those related to skin care, sun care, body wash, deodorants, food supplements, and home care products, as well as luxury cosmetics, that were positively influenced by higher demand and the reopening of the selective channel this year.
- The Group's profitability in FY 2021 was largely influenced by increasing cost inflation, mainly driven by higher commodity prices and freight costs. Balanced operating expenses, and controlled advertising and promotion expenses that are focused on strategic categories and allocated behind strategic initiatives, helped to partly offset the impact of the inflationary pressures.
- 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 achieve strong free cash flows, that are systematically invested in the implementation of the Group's strategic plan aiming at the further growth of the business and value generation.

# Balance Sheet & Cash flow



ASSETS	FY '21	%	FY '20
Tangible fixed assets	99.90	36.21%	73.34
Right of use	11.09	-24.17%	14.62
Investments in property	4.63	348.40%	1.03
Intangible Assets	59.29	-1.81%	60.38
Goodwill	7.66	-0.18%	7.68
Investments in subsidiaries, associates	29.61	15.43%	25.65
Other long-term receivables	0.36	-10.85%	0.41
Deffered Tax assets	0.13	-55.82%	0.29
<b>Non-current assets</b>	<b>212.67</b>	<b>15.96%</b>	<b>183.40</b>
Inventories	99.61	-8.27%	108.60
Trade Receivables	91.91	1.05%	90.95
Other Receivables	8.17	17.99%	6.92
Financial assets available at fair value through P&L	4.77	-2.80%	4.91
Cash & cash equivalents	45.81	12.84%	40.60
<b>Current assets</b>	<b>250.27</b>	<b>-0.68%</b>	<b>251.97</b>
<b>Total Assets</b>	<b>462.94</b>	<b>6.33%</b>	<b>435.37</b>
<b>EQUITY &amp; LIABILITIES</b>			
L-T Bank Loans	43.97	-9.53%	48.61
Lease liabilities	7.32	-30.87%	10.60
Deferred Tax Liabilities	6.68	13.77%	5.87
Provisions for post employment employee benefits	1.20	-40.58%	2.01
Provisions - Other Long-term Liabilities	3.90	37.48%	2.84
<b>Long-term Liabilities</b>	<b>63.07</b>	<b>-9.80%</b>	<b>69.92</b>
Suppliers	68.35	5.48%	64.80
Other short-term liabilities	9.28	0.67%	9.22
Income tax - other taxes payable	5.22	-9.21%	5.75
S-T Bank Loans	12.57	60.98%	7.81
Lease liabilities	4.46	-4.10%	4.65
<b>Short-term liabilities</b>	<b>99.87</b>	<b>8.30%</b>	<b>92.22</b>
Share Capital	54.50	0.00%	54.50
Share Premium	40.68	0.00%	40.68
Other Reserves	19.74	13.55%	17.39
Minority Interest	2.07	-21.48%	2.64
Retained Earnings	183.00	15.80%	158.03
Shareholders Equity	<b>299.99</b>	<b>9.79%</b>	<b>273.23</b>
<b>Total Liabilities &amp; Equity</b>	<b>462.94</b>	<b>6.33%</b>	<b>435.37</b>
<b>CASH FLOWS (€ mil.)</b>	<b>FY '21</b>		<b>FY '20</b>
Operating Activities	50.46		32.22
Investment Activities	-25.38		-21.57
Financial Activities	-19.55		-24.60
Cash generated	5.53		-13.95
Cash & Cash equivalents. beginning	40.60		54.85
Effect of foreign exchange differences on Cash	-0.31		-0.30
Cash & Cash equivalents. end	45.81		40.60

**HEALTHY BALANCE SHEET AND SIGNIFICANT FREE CASHFLOW GENERATION ALLOWS FOR INVESTMENTS BEHIND THE BUSINESS AND 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 2020** amounted to €15 mil., up by 34%. (0.22393 euro per share).

✓ **Proposed dividend for FY 2021** at € 10 mil.

✓ **Maintenance of the low net debt** position at 0.1x EBITDA at € 5.96 mil. in FY 2021.

✓ **Improved WC requirements over sales at 30.2% in FY '21** on the back of improved inventory management and portfolio optimization.

✓ **Investments behind Polipak 's new production facility – finalizing by H1 '22**

✓ **Investments completed behind the production capacity expansion and the machinery equipment upgrade at Oinofyta**

✓ **Actively following the agenda for further acquisitive growth:** due diligence behind STELLA PACK business finalized and agreement signed on Mar 2<sup>nd</sup> 2022.

Further emphasis on:

- ✓ Product Portfolio optimization
- ✓ Targeted A&P investments and innovation plans
- ✓ infrastructure, systems, processes, and models to improve efficiency and effectiveness

# ESG Highlights

The Group’s strong financial performance is giving the management drive to continue playing an active role towards supporting the **local communities, as well as investing behind environmentally responsible practices, in terms of production and product consumption** as the Group’s ultimate aim is to maintain the **optimum balance between its economic performance and its responsible environmental and social operation.**

## Sustainable production and Consumption

- PVs installation in Greece at our production facility
- Enrichment of our product portfolio with eco-friendly products
- Initiatives towards reducing our plastic packaging
- Initiatives toward increasing recycled raw and recyclable packaging materials
- Implementing Environmental ISO 14001 on a Group level
- Suppliers’ assessment based on ESG criteria
- Logistics optimization
- Investments in automated production processes and upgraded machinery in our plants ensure higher energy efficiency
- Energy intensity reduced by 9% & GHG intensity down by 10%



## Thriving Communities

- 720k euros across 7 countries through product and financial donations (Greece, Poland, Bulgaria, Czech Republic, Ukraine, Romania and Philippines)
- Given help to 28 NGOs, 6 hospitals/nursing homes, 10 kindergartens and 4 orphanages
- Emergency aid during the wildfires in Greece and in South Moravia (East-South region of Czech Republic) to those affected by tornado



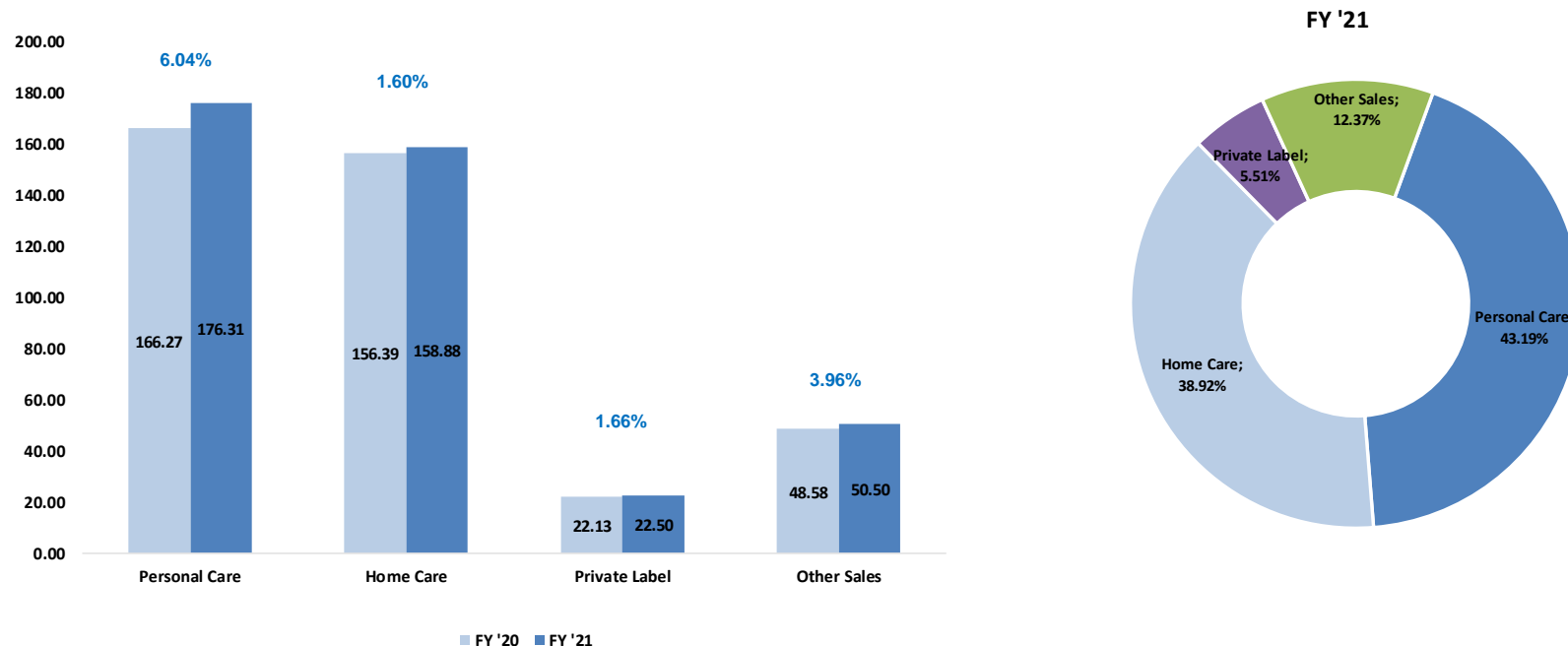
## Empowered Employees

- Upgrading our Performance Management process & partnered with LinkedIn learning platform to enhance our employees’ development
- Increased training per employee (5hrs training per employee in 2021)
- Wellbeing initiatives embracing our employees
- Maintaining a high rate of women employees at 55%
- Obtaining Occupational Health & Safety ISO 45001 on a Group level



# Business Units Analysis

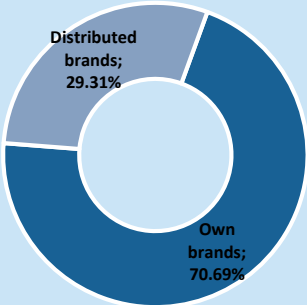
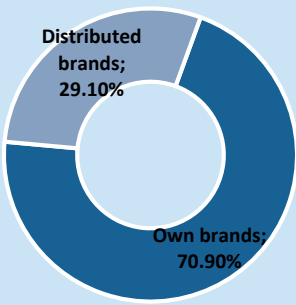
# Turnover - SBU Split



- ✓ **Personal Care** products sales were up by 6.04% yoy, supported by growth in both the own brands portfolio, that increased by 7.38%. This performance reflects the continued strong demand in categories related to personal hygiene, such as face care, body wash and hand wash, while the gradual reopening of the market benefited categories such as fragrances, deodorants and sun care. The category's participation to total Group turnover amounted to 43.19%.
- ✓ Sales of **Home Care Products** increased by 1.60%, despite the high comparative basis of last year and the normalization of the consumption demand during 2021, with the subcategories of garbage bags and food packaging driving the growth. The category's participation to total Group turnover amounted to 38.92%.
- ✓ The category of **Other Sales** was up by 3.96% driven by the Luxury Cosmetics category, that presented a 2.61% sales growth as a result of the reopening of the market and increased consumption within this channel, as well as the Health & Care category that exhibited a 9.61% increase, supported by the strong demand for food supplements.

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

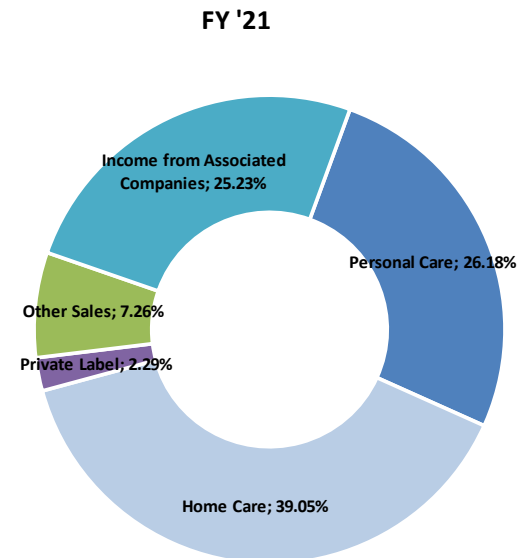
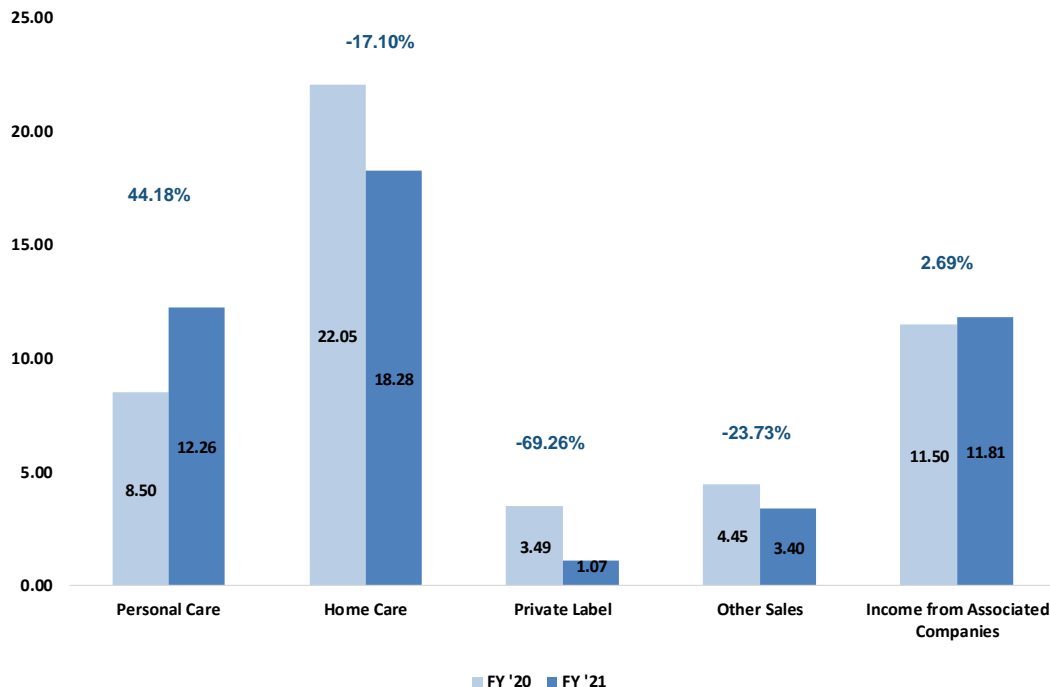
# Turnover - Own vs Distributed Brands Overview

(€ mil.)	FY '21	%	Contribution FY '21	FY '20	Contribution FY '20
Own brands	288.58	3.48%		278.88	
Distributed Brands	119.62	4.48%		114.49	
Total	408.20	3.77%		393.38	

- ✓ Revenues from own brands rose by 3.48% compared to the previous year.
- ✓ Own brands portfolio participation to total group turnover settled at 70.69%.



# EBIT – SBU Split



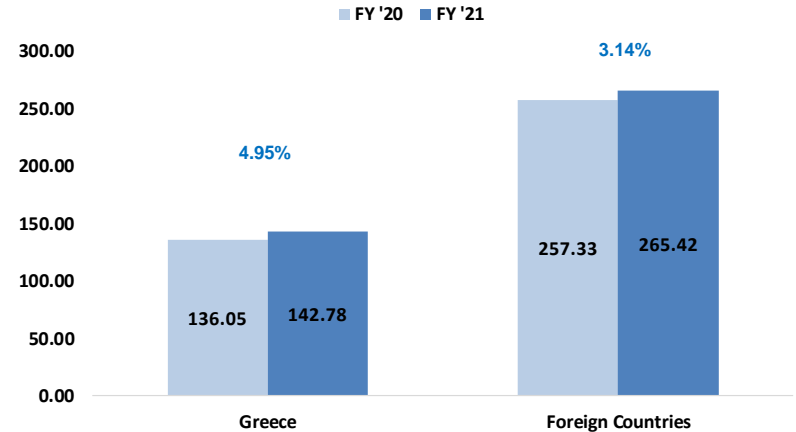
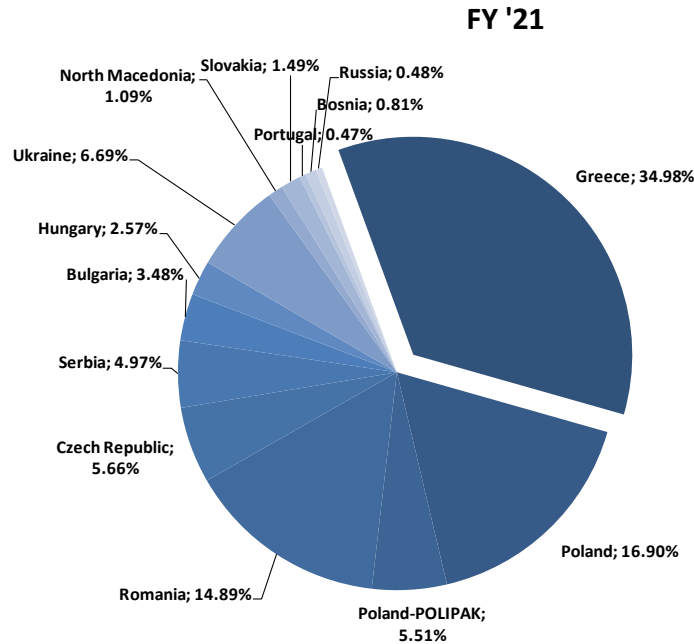
The Group's operating profit settled at 46.82 mil. during FY 2021 from 50.00 mil. in FY 2020, driven significantly by rising inflationary pressures, mainly due to higher commodity prices and freight costs. Balanced operating costs, controlled advertising and promotion expenses focused on specific strategic categories and initiatives contributed to partly offset the effects of inflationary pressures.

- ✓ **Personal Care** products EBIT settled at at €12.26 million from €8.50 million in FY2020, up by 44.17%, driven by the own products, due to the balanced management of advertising and promotion expenses.
- ✓ The EBIT of **Home Care** products negatively affected by inflationary pressures on raw material prices declined to €18.28 million from €22.05 million.
- ✓ The EBIT of the **Other Sales** category settled at €3.40 mil from € 4.45 mil. last year. The Luxury Cosmetics subcategory presented an EBIT decrease by 53%, while Health Care products presented an increase of EBIT by 21.87%.
- ✓ The income from **Associated Companies** represents the income from the Estee Lauder JV that stood at at €11.81 mil. up by 2.69% vs last year.

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

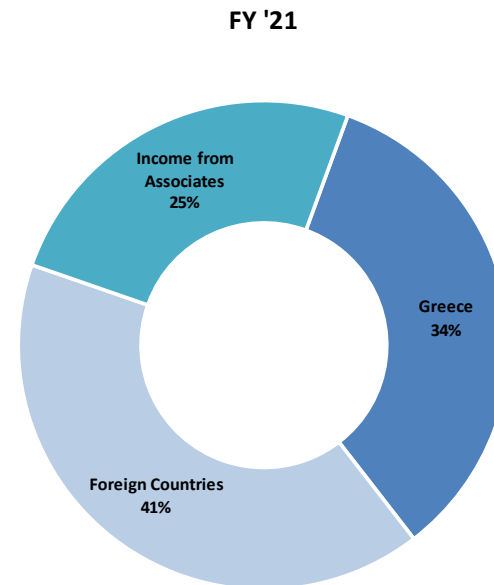
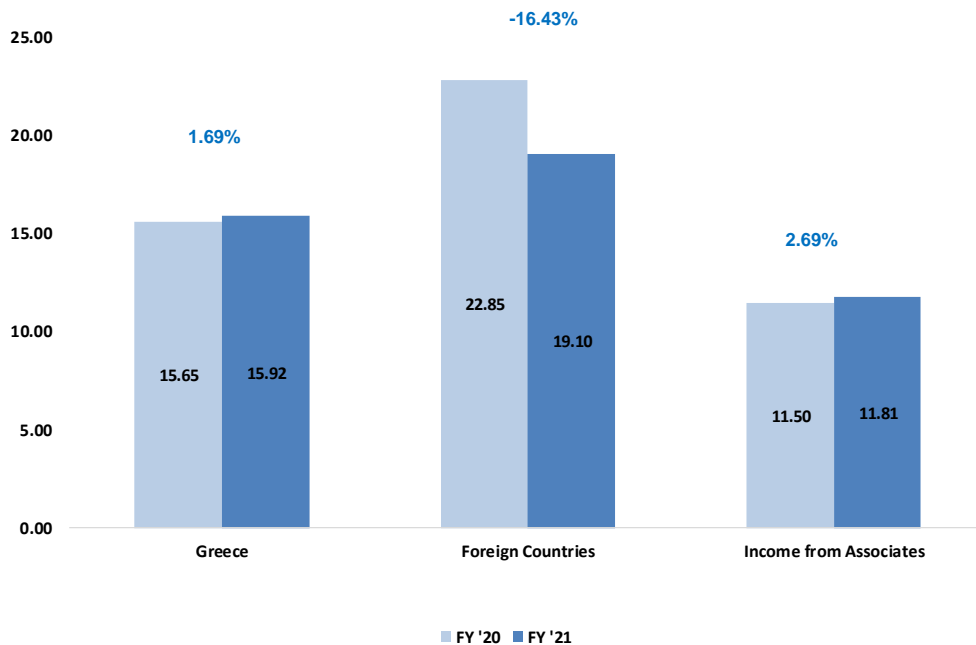
## Geographical Analysis

# Turnover - Country Split



- ✓ The Group's consolidated turnover presented an increase of 3.77% during FY 2021 versus last year, despite the high comparable base last year and the normalization in consumer demand, supported by the product categories of skin care, body wash, deodorants, suncare, home care and food supplements, as well as the luxury cosmetics category.
- ✓ Greece, presented sales of €142.78 million in FY 2021 compared to €136.05 mil. in FY 2020, up by 4.95%, with the mass market channel driving the growth, despite the downward trend of the market in the Group's strategic categories, and the Luxury Cosmetics gaining momentum following the reopening of the market and the increased consumption in the respective channel.
- ✓ The foreign countries representing 65.02% of the Group's total sales, exhibited growth of 3.14% reaching €265.42 million in FY 2021 from €257.33 million in FY 2020.
- ✓ On an fx neutral basis Foreign Countries sales were foreign countries presented a sales growth of 4.9%.

# EBIT – Country Overview



- ✓ Excluding the income from Associated companies, Greek EBIT during 2021 amounted to €15.92 mil. up by 1.69% compared to €15.65 mil. last year.
- ✓ Greek EBIT margin, excluding income from Associated Companies, stood at 11.15% during FY 2021 from 11.50% in FY 2020.
- ✓ The foreign countries EBIT was down by 16.43% during FY 2021, amounting to €19.10 mil. from 22.85 mil last year.
- ✓ The foreign countries EBIT margin settled at 7.19% from 8.88% in FY 2020.

- 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.

→ [More](#)



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