

SARANTIS S.A.

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

September 14, 2018

Greek Equities | Consumer Staples Sector
VRS Research Team | www.vrs.gr

Valuation UPSIDE

Target Price: €8.97
Current Price: €6.90
Upside Potential: 30.0%



Market Data

Market Cap.	€482.15M
Shares Out.	69,877,484
1 Year Return	15.97%
Average Daily Volume	427,481
52 Week Range	€5.90 – €7.95
Beta	0.29

Valuation Results

Our valuation model on Sarantis S.A. implies a target price of €8.97, or a 30.0% upside potential from the current stock price. To calculate the above target price we have equally weighted the target prices reached through a 2-stage Discounted Free Cash Flows to the Firm model (€9.09) and Peer Group Analysis (€8.86).

Solid Business Model

Sarantis is one of the leading companies in the highly competitive non-food FMCG market offering a wide range of products (~80 different brands) through a widespread distribution network in 40 countries. The group has 4 production plants and produces 75% of the products offered. Revenues are geographically diversified and Greek revenues constitute only 35.6% of the total sales. Key element of the group's growth strategy is the expansion through agreements and acquisitions.

Impressive Revenue Growth Potential

We have projected a 5Y 8.4% Sales CAGR (FY2017-FY2022) driven from expansion of the existing business segments and the recent acquisition of Ergopack. Profitability margins are expected to increase due to the achievement of synergies on expansion. Consequently, we have estimated a 5Y 11.1% EPS CAGR for the projected period.

Dividend Policy to be Sustained

We expect the company to continue rewarding the shareholders with a 30% payout ratio on EPS, implying a €0.13 DPS for FY2018 growing to €0.21 for FY2022. This policy will enable the group to direct a significant part of the produced Free Cash Flows to support capital expenditures and acquisitions intended to sales expansion.

Medium Significance Investment Risks

The most important risks for the group come from fluctuations in raw material prices, exchange rate movements, possibility of customers' credit default and the macroeconomic conditions. The group takes action wherever necessary to hedge these risks.

(in € ,000)	TURNOVER	EBITDA	EBT	EATAM	EQUITY	NET DEBT	DEBT / EQUITY (x)	P/E (x)	P/BV (x)	EV/EBITDA (x)	ROE %
2013	205,170	15,855	19,733	8,316	154,444	-12,218	0.11	57.98	3.1	29.6	5%
2014	217,990	25,645	21,487	17,142	159,638	-2,479	0.11	28.13	3.0	18.7	11%
2015	243,270	28,554	22,912	18,532	166,405	722	0.21	26.02	2.9	16.9	11%
2016	287,330	33,516	23,609	19,292	182,965	-173	0.19	24.99	2.6	14.4	11%
2017	299,680	39,658	34,664	28,631	200,004	-13,220	0.16	16.84	2.4	11.8	14%
2018	327,117	44,877	37,373	31,417	221,996	-16,886	0.15	15.35	2.2	10.4	14%
2019	363,388	53,161	44,886	37,803	248,458	-30,200	0.13	12.75	1.9	8.5	15%
2020	389,955	58,692	50,098	42,233	278,021	-53,385	0.12	11.42	1.7	7.3	15%
2021	418,295	63,997	55,207	46,576	310,625	-79,288	0.10	10.35	1.6	6.3	15%
2022	448,532	70,156	61,149	48,569	344,623	-106,227	0.09	9.93	1.4	5.4	14%

*Turnover between FY2013-FY2017 has been adjusted for IFRS15

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

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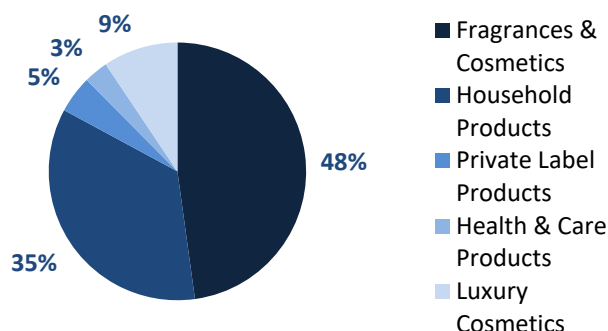
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Business Description

Product Portfolio

Sarantis is a leading manufacturer of consumer goods divided in the following categories:

Wide and diversified product portfolio



These products make a portfolio of (~) 80 brands.

The portfolio of products manufactured by Sarantis Group constitutes the 3/4 of total sales of the group while the rest 1/4 of the sales comes from agreements with leading international companies for the distribution of well-known products.

Production Plants

The group owns four production plants:

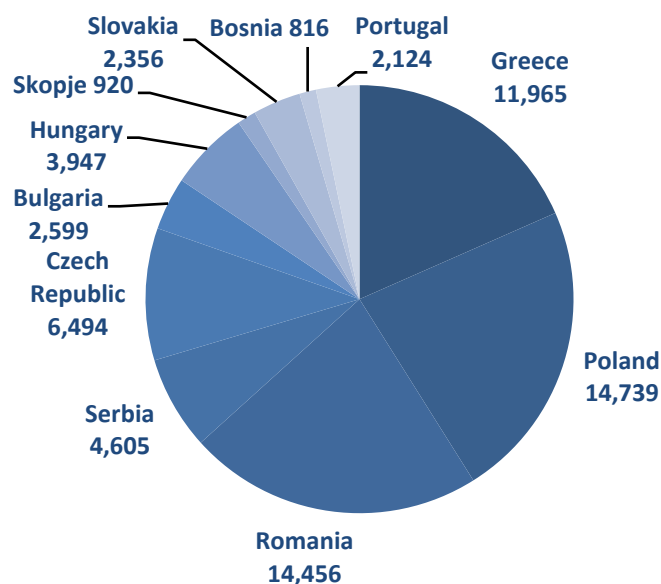
- Central Warehouse and Production Plant, Oinofyta, Greece - Fragrances and Cosmetics;
- Central Warehouse and Production Plant, Pruszkow, Poland - Packaging Products;
- Polipak Production Plant, Sroda, Poland - Garbage Bags;
- Ergopack Production Plant, Kaniv Ukraine –Garbage Bags, Packaging Products and Cleaning items.

Focused on infrastructure investments

Distribution Network

The group distributes its products to Hypermarkets, Supermarkets, Groceries, Pharmacy Shops and Selective Shops in 40 countries through 12 subsidiaries. The distribution network is strong counting 65,021 POS as of FY2017. The following graph illustrates the POS per country in which Sarantis distributes its products:

Strong distribution network in South and Eastern Europe

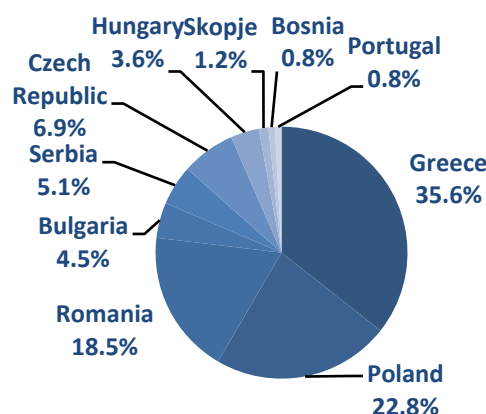


Geographical Breakdown of Sales

Sarantis group has a strong international presence since the 64.4% of its sales (as of FY2017) comes from foreign countries. However, the Greek market is still the biggest source of revenues for the group since it makes the 35.6% of the total sales exceeding any other single country.

Geographical diversification of revenues

Country	Sales €m
Greece	122.18
Poland	78.22
Romania	63.44
Bulgaria	15.59
Serbia	17.59
Czech Republic	23.69
Hungary	12.51
Skopje	4.19
Bosnia	2.87
Portugal	2.87
Total	343.15



Joint Venture with Estee Lauder

Business model supported by strategic partnerships

Sarantis and Estee Lauder established a joint venture in 2002 based in Athens to distribute the products of Estee Lauder in the Greek market. Sarantis participates with a 49% in the Joint Venture and makes use of the equity consolidation method in the preparation of its financial statements. In terms of EBIT the JV brought €7.82 million (FY2017) to Sarantis group and it is the third biggest profit pool after Mass Market Cosmetics and Household products. The JV has a predetermined duration up until 2021.

Strategy

The main strategy of Sarantis group for achieving sales growth and financial robustness is based on three pillars:

- 1. Organic Growth**
 - Development of new products
 - Addition of new brands
 - Expansion of distribution network
 - Increasing market shares
- 2. Strategic Partnerships**
- 3. Acquisitions**

The Acquisitions Strategy

According to the acquisition strategy of the group, a target company should have:

- strong distribution network to Hypermarkets and Supermarkets;
- robust profitability margins;
- great market shares.

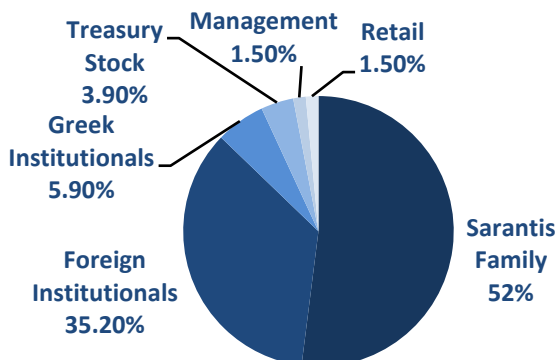
Continuous acquisition activity is key to business expansion

Alternatively, a target company should provide potential for operational and commercial synergies that will enable the group to improve the EBITDA margin. From FY2014 onwards, the group has successfully completed 6 acquisitions (Astrid, Noxzema, Ava, Polipak, Indulona, Ergopack). The recent acquisition of Indulona was fully in line with the acquisition strategy of the group taking into account its established business model and the leading market share of 52% in hand creams. The more recent case of Ergopack was an exemption to the acquisition strategy of the group since it worked as a “vehicle” to enter a new market. The acquisitions are funded through equity – not additional leverage.

Shares and Shareholder's Structure

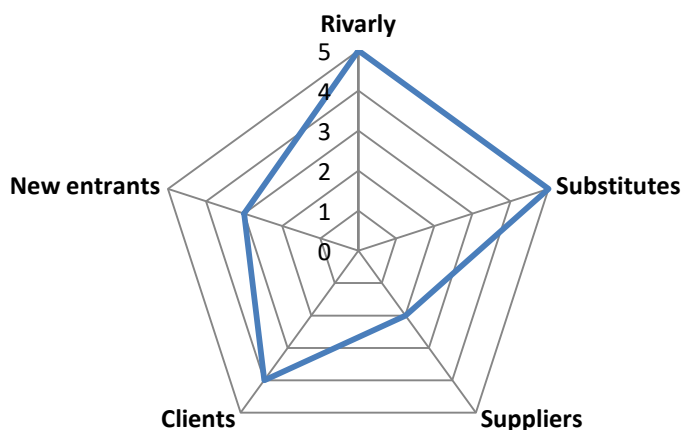
The current number of shares outstanding is 69,877,484 representing a book value of €241.43 million (or €2.88/share). This number of shares is the outcome of a recent 1:1 stock split. Sarantis family owns the 52% of the share capital having significant control over the group. The percentage of the share capital owned by retail investors is only 1.5% but the recent stock split is expected to increase the liquidity of the share.

Family controlled multinational company



Competitive Positioning

Porter's Five Forces



Highly competitive and dynamic market creating several threats and opportunities

According to our estimations, the production part of the FMCG market scores an average of 3.8/5 which means that it is highly competitive. Concerning rivalry, there are several competitors in each product category and most of them are large cap multinational companies. In most of the cases there are perfect substitutes and differentiation can be achieved mostly through pricing and marketing. Suppliers do not hold extensive negotiating power since companies in the FMGC market (production part) do not face significant barriers in changing suppliers whenever necessary. Although the client base is really wide if we take into account the final consumers, the distribution channels constitute the direct clients for companies in the segment. So, some key Hypermarket and Supermarket chains hold significant negotiating power as direct clients. Regarding potential new entrants, there are some barriers to entry such as the already established brand names, the economies of scale and the extended upfront required capex. Overall, Sarantis is doing business in a highly competitive and dynamic market facing several threats that create the need for product differentiation, dynamic marketing campaigns and low pricing.

Financial Analysis

Revenue Projections per Segment

(in € ,000,000)	2016	2017	2018	2019	2020	2021	2022
Fragrances & Cosmetics	155.6	164.1	174.5	185.6	197.4	209.9	223.3
y-o-y growth (%)	15.7%	5.4%	6.3%	6.3%	6.4%	6.4%	6.4%
Household	117.87	120.30	127.47	135.07	143.13	151.67	160.72
y-o-y growth (%)	3.7%	2.1%	6.0%	6.0%	6.0%	6.0%	6.0%
Private Label	15.62	16.06	16.71	17.37	18.07	18.79	19.54
y-o-y growth (%)		2.9%	4.0%	4.0%	4.0%	4.0%	4.0%
Health & Care	10.27	10.45	10.76	11.08	11.41	11.76	12.11
y-o-y growth (%)	11.0%	1.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Selective	29.62	32.25	34.67	37.27	40.06	43.07	46.30
y-o-y growth (%)	38.3%	8.9%	7.5%	7.5%	7.5%	7.5%	7.5%
Ergopack		0.00	15.00	29.00	31.90	35.09	38.60
y-o-y growth (%)				93.3%	10.0%	10.0%	10.0%
Sales Subtotal	329.02	343.16	379.12	415.39	441.95	470.29	500.53
y-o-y growth (%)	18.0%	4.3%	10.5%	9.6%	6.4%	6.4%	6.6%
Trade Expenses	41.69	43.48	52.00	52.00	52.00	52.00	52.00
Total Sales (adj.)	287.33	299.68	327.12	363.39	389.95	418.29	448.53
y-o-y growth (%)	18.1%	4.3%	9.2%	11.1%	7.3%	7.3%	7.2%

Steady and sustainable sales growth of all business segments

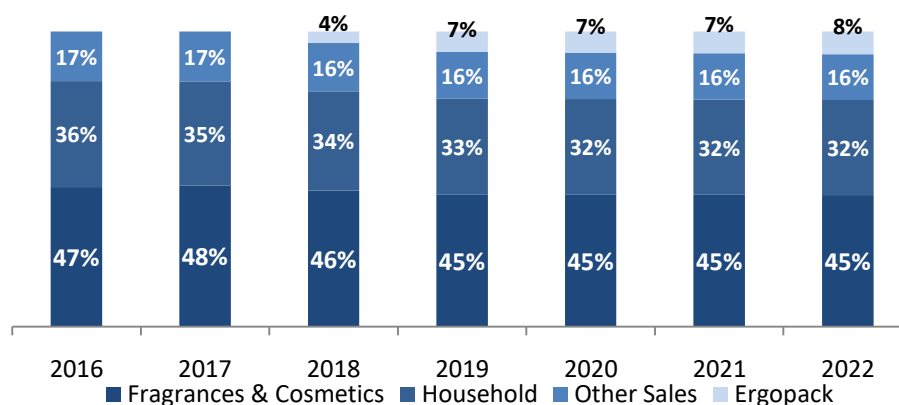
We have assumed a 5Y 8.4% Sales CAGR (FY2017-FY2022) driven by:

- The recent acquisition of Ergopack: in FY2018 only the sales generated during the last 8 months will be consolidated in the group statements. In FY2019, revenues from Ergopack are expected to increase by 93.3% because the whole year will be consolidated (vs 8 months in FY2018) and the capex planned for FY2018 is estimated to bring additional sales.
- The sustainable organic growth of the other segments through the penetration in additional markets and the improvement of market shares. The creation of new products and new brands, the development of the existing products through R&D and the efficient marketing campaigns will be fundamental towards the achievement of these targets.

Further revenue growth to be supported by the recent acquisition of Ergopack

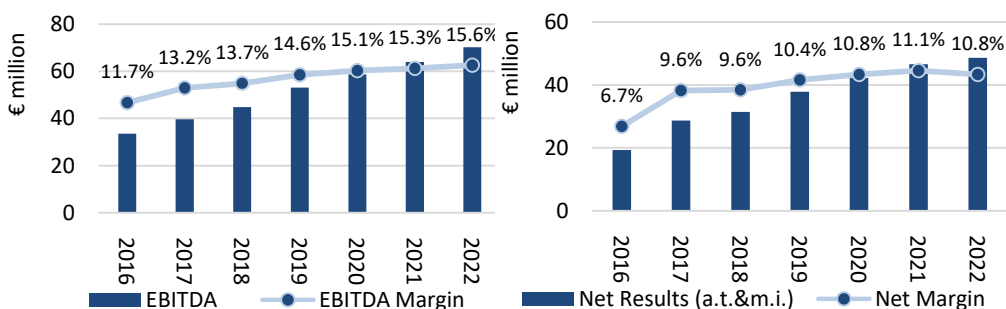
The participation of Ergopack to the total revenues is expected to increase from 4% in FY2018 to 8% in FY2022 as illustrated in the following graph.

Revenues from Ergopack expected to change the current sales structure



Profitability Margin Analysis

Margins to be enhanced through the achievement of synergies



EBITDA is expected to grow at a 5Y 12.1% CAGR (FY2017-FY2022) driven by the estimated sales growth and the improvement in EBITDA margin from 11.7% in FY2017 to 15.6% in FY2022 due to the achievement of synergies and economies of scale. Similarly, Net Profit Margin is expected to increase from 9.6% in FY2017 to 10.8% supporting a 5Y 11.1% EPS CAGR. The assumed decline in Net Profit Margin between FY2021 and FY2022 is attributed to the inflated tax burden in FY2022.

DuPont Analysis

Current level of ROE to be retained

	2017	2018	2019	2020	2021	2022
Net Profit Margin [A]	9.55%	9.60%	10.40%	10.83%	11.13%	10.83%
Asset Turnover [B]	0.98	0.97	0.98	0.97	0.95	0.93
Equity Multiplier [C]	1.52	1.50	1.48	1.45	1.42	1.39
ROE [AxBxC]	14.21%	14.06%	15.13%	15.11%	14.93%	14.04%

ROE is expected to remain relatively stable during the following 5Y period (FY2017-FY2022) without any clear trend. Net Profit Margin has been estimated to climb from 9.55% in FY2017 to 10.83% in FY2022 driven by the synergies and economies of scale achieved through sales expansion. The Equity Multiplier is projected to decline from 1.52x in FY2017 to 1.39x in FY2022 due to the increased retained earnings in shareholders' equity, counterbalancing the impact of the Net Profit margin increase.

Leverage

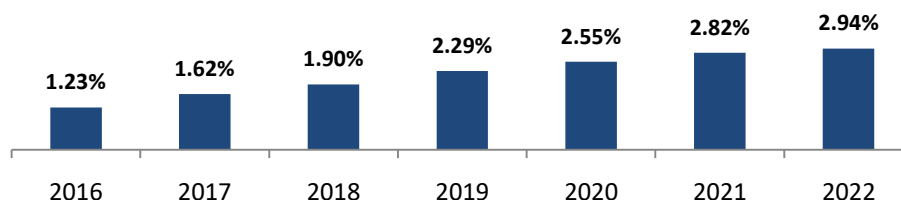
Slightly changing capital structure driven by increasing equity

We do not expect significant changes in current debt levels up until 2022 since capex and acquisitions are funded through equity. However, D/E ratio is expected to decline from 15.9% in FY2017 to 9.4% in FY2022 driven by the increasing accumulated profits in shareholders' equity. Net Debt to Total Equity is expected to move from -6.6% in FY2017 to -30.7% in FY2022 driven by the increasing cash and cash equivalents due to the impressive cash flow generation.

Dividend Policy

Balance between dividends and capital intended for future expansion to be sustained

The dividend policy of the group focuses on distributing dividends to shareholders at a 30% dividend payout ratio. The rest of the generated FCFs are intended to cover the needs for capex and provide the necessary funds for potential future acquisitions. Taking into account the flat 30% payout ratio and the 5Y 11.1% EPS CAGR (FY2017-FY2022), we expect a similar 5Y 12.6% DPS CAGR (FY2017-FY2022). The following table illustrates the estimated increase in dividend yield from 1.62% in FY2017 to 2.94% in FY2022.



Valuation

WACC (Weighted Average Cost of Capital)

	2018	2019	2020	2021	2022
Rating	B3	B2	B2	B1	B1
Risk Free Rate	0.32%	0.32%	0.32%	0.32%	0.32%
Beta	0.29	0.29	0.29	0.29	0.29
Adjusted Risk Premium	5.71%	5.71%	5.71%	5.71%	5.71%
Country Risk Premium	8.07%	6.83%	6.83%	5.59%	5.59%
Cost of Equity	10.05%	8.81%	8.81%	7.57%	7.57%
Cost of Debt	4.25%	4.25%	4.25%	4.25%	4.25%
Tax Rate	15.00%	15.00%	15.00%	15.00%	20.00%
After-Tax Cost of Debt	3.61%	3.61%	3.61%	3.61%	3.40%
Debt/(Debt + Equity)	12.71%	11.83%	10.42%	9.43%	8.58%
WACC	9.23%	8.19%	8.27%	7.19%	7.21%

WACC to be reduced driven by the improvement in the credit rating of Greece

To start with, we have used the redemption yield of 10-year German bonds as Risk Free Rate (0.32%) and Beta (0.29) has been calculated using daily returns of Sarantis and the General Index of ATHEX (2013-2018). The Country Risk Premium (CRP) has been calculated as the credit default spread corresponding to the 2018 sovereign credit rating of Greece (Moody's), adjusted by equity market volatility. CRP declines from 8.07% (FY2018) to 5.59% (FY2022) following our estimations for improved credit rating from B3 (FY2018) to B1 (FY2022). Taking into account that the cost of debt is not estimated to fluctuate, WACC is expected to be improved from 9.25% (FY 2018) to 7.21% (FY2022).

Terminal Growth Rate

Conservative terminal growth rate assumption

At the end of the 5-year period, we have estimated a conservative 1% terminal sales growth rate assuming stable profitability margins. Our assumption is conservative taking into account both the historic 5Y 7.8% Sales CAGR (FY2012-FY2017) and our projected 5Y 8.5% Sales CAGR (FY2017-FY2022).

Capital Expenditure (Capex)

Sustainable capex plan to support future expansion

We have estimated €7.5 million capital expenditure in FY2018 and FY2019. In our estimation we have incorporated maintenance capex, capex towards new warehouse infrastructure and capex towards the upgrade of Ergopack infrastructure. From FY2020 onwards, we have assumed moderate maintenance capex of €4 million.

Discounted Free Cash Flow to the Firm Model (FCFF)

	2018	2019	2020	2021	2022	Long Term
Turnover	327.1	363.4	390.0	418.3	448.5	453.0
Operating Cash Flow	44.3	44.8	49.6	54.1	56.3	56.1
Cash Flow to the Firm (FCFF)	17.1	27.5	38.7	42.7	44.3	43.6
WACC	9.23%	8.19%	8.27%	7.19%	7.21%	7.21%
Discount Factor	0.84	0.79	0.73	0.71	0.71	0.71
Present Value of Cash Flows	14.30	21.71	28.17	30.17	31.30	
Residual Value						700.3
Present Value of Residual Value						496.0

EV	621.67
(-)Net Debt	<u>-13.22</u>
Fair Value (€ million)	634.89
Shares Outstand. (thousands)	69,877
Target Price (€)	9.09

Our Discounted Free Cash Flows to the Firm model produces a target price of €9.09 implying a 31.7% upside potential from the current price of Sarantis. We have opted for a 5-year initial stage FCFF in order to integrate the rapid sales growth rate deriving from recent M&As and investment plans. The terminal value (2nd stage) represents 79.8% of the implied enterprise value.

Peer Group Analysis

Peers:	EV/Sales			EV/EBITDA			EV/EBIT			
	Company	2015	2016	2017	2015	2016	2017	2015	2016	2017
1)P&G										
2)Colgate-Palmolive										
3)Reckitt Benckiser Group										
4)Henkel AG & Co										
Median	3.5	3.8	3.8	17.6	14.2	14.4	21.4	16.7	16.8	
Sarantis	2.0	1.7	1.6	17.4	14.8	12.2	20.0	17.0	14.0	
Discount	-42%	-54%	-57%	-1%	5%	-16%	-6%	2%	-17%	

Company	P/E			P/BV		
	2015	2016	2017	2015	2016	2017
Median	28.2	22.3	15.3	3.2	3.2	3.2
Sarantis	26.8	25.7	17.3	3.0	2.7	2.5
Discount	-5%	15%	13%	-7%	-15%	-22%

Sarantis is undervalued compared to peers with an strong upside potential

According to the peer group analysis we have reached a fair value of Sarantis equal to €8.86/share, implying an upside potential of 28.4%. In our analysis, we have used a group of four peer companies which are mostly large capitalization multinational firms operating in the non-food FMCG sector.

Market has not yet incorporated the entire growth potential

Based on the weighted average of EV/Sales, EV/EBITDA, EV/EBIT, P/E and P/BV ratios for FY2015-FY2017, Sarantis is undervalued compared to peers. In FY2017 alone, Sarantis seems to be valued at an impressive 19.7% average discount to peers, exceeding the average discounts of 9.6% and 12.4% evidenced using the ratios of FY2016 and FY2015 respectively. The main reason for Sarantis to become increasingly undervalued compared to peers is the fact that the market has yet not fully incorporated the outstanding profitability growth rates of the company, as evidenced on the declining ratios illustrated in the above table. Furthermore the sustainability of the existing growth rates combined with the potential of even higher growth rates the following years has not been fully captured by the market, further substantiating our conclusion that Sarantis is undervalued.

Investment Risks

Risk Analysis

We have identified 4 significant risks for the group:

1) Risk from fluctuations in raw material prices

In the production of household products several raw materials with volatile prices are used such as aluminum, PVC and polyethylene. The group hedges this risk using financial instruments to lock the raw material prices for predefined periods and creates surplus stock of raw materials whenever it is necessary. However, steep and long lasting trends in the aforementioned raw material prices can cause variations in profitability margins.

2) Currency risk

The 63.6% of the sales of the group comes from countries that use a currency other than euro (Poland, Romania, Bulgaria, Serbia, Czech Republic, Hungary, Skopje, Bosnia, and Portugal). So, there is significant exposure to exchange rate fluctuations.

3) Customer credit risk

The distribution network of Sarantis is based on several Hypermarket and Supermarket chains. Consequently, a significant proportion of the receivables on the asset side of the balance sheet are concentrated on a limited number of big clients. Although the probability of default of big customers is low, the potential could be significant to the financial position of the group.

4) Macroeconomic environment

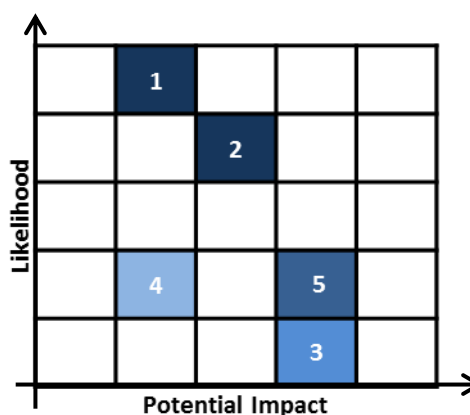
Although Sarantis group operates mostly in business segments of low elasticity to the disposable income of the consumers, it still faces macroeconomic risks. First, the situation of the Greek economy affects both the projected sales growth rate and the WACC for the group. Additionally, there is some exposure to the fluctuations in the macroeconomic conditions of the countries that make a significant percentage of the total group sales.

5) Duration of Estee Lauder Joint Venture

The Joint Venture of Sarantis and Estee Lauder has a predefined duration up until 2021. Although our main assumption is that the duration of the JV will be expanded, we have performed a worst case scenario test on our discounted FCF model and we have reached a target price of €7.70/share in case that the duration will not be expanded.

Risk Matrix

After identifying the aforementioned risks for the group, we have classified them according their significance based on the potential impact and the likelihood of happening. The following risk matrix illustrates our estimations of significance for the aforementioned risks:



Main risks for Sarantis come from the external environment

Focus on high probability, low-medium impact risks

Sensitivity Analysis

According to our FCFF model the terminal value represents 79.8% of the estimated Enterprise Value of the group. So it is of fundamental importance to examine the volatility of our implied target price to changes in our fundamental assumptions regarding the 2nd stage of our FCFF model.

Our recommendation relies on our long term assumptions about the terminal value

		WACC				
		5.2%	6.2%	7.2%	8.2%	9.2%
Growth Rate	0.00%	10.36	9.35	8.04	7.17	6.42
	0.50%	11.30	10.04	8.52	7.53	6.69
	1.00%	13.49	10.85	9.09	7.93	6.99
	1.50%	15.11	11.84	9.75	8.40	7.33
	2.00%	17.23	13.07	10.64	8.94	7.73

The improvement of the greek economy is a fundamental assumption for our recommendation

It is important to mention that the WACC of 7.21% for discounting the terminal value on our FCFF model has been estimated by incorporating the expected improvement in the credit rating of Greece (from B3 in FY2018 to B1 in FY2022). So, in the scenario that the credit rating of Greece will not be improved up until FY2022, the WACC will remain at its current level of 9.2% (as of FY2018) thus implying a target price of €6.99 (assuming the same 1% terminal growth rate estimate). Consequently, our valuation showing a significant upside potential is heavily relied upon the improving credit ratings of Greece as a result of the stabilizing macroeconomic environment.

Turnover Projections (1)

(in € ,000,000)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fragrances & Cosmetics	113.4	94.4	98.5	99.0	98.0	99.2	110.5	134.5	155.6	164.1	174.5	185.6	197.4	209.9	223.3
y-o-y growth (%)	7.79%	-16.79%	4.35%	0.50%	-1.03%	1.25%	11.43%	21.66%	15.74%	5.44%	6.35%	6.35%	6.35%	6.35%	6.36%
% of Total Turnover	43.74%	42.78%	44.10%	44.73%	41.51%	41.92%	44.49%	48.24%	47.30%	47.82%	46.03%	44.68%	44.66%	44.64%	44.52%
Own	80.35	63.77	66.18	70.52	70.67	73.77	78.05	94.36	102.86	107.25	113.68	120.50	127.73	135.39	143.52
y-o-y growth (%)	12.36%	-20.63%	3.78%	6.56%	0.21%	4.39%	5.80%	20.90%	9.01%	4.27%	6.00%	6.00%	6.00%	6.00%	6.00%
% of SBU	70.83%	67.56%	67.19%	71.24%	72.14%	74.37%	70.61%	70.17%	66.09%	65.35%	65.14%	64.93%	64.71%	64.50%	64.28%
Distributed	33.09	30.62	32.31	28.47	27.29	25.42	32.48	40.12	52.78	56.85	60.83	65.09	69.65	74.52	79.74
y-o-y growth (%)	-1.89%	-7.47%	5.52%	-11.90%	-4.13%	-6.87%	27.79%	23.51%	31.56%	7.72%	7.00%	7.00%	7.00%	7.00%	7.00%
% of SBU	29.17%	32.44%	32.81%	28.76%	27.86%	25.63%	29.39%	29.83%	33.91%	34.65%	34.86%	35.07%	35.29%	35.50%	35.72%
Household	110.81	96.32	96.54	98.29	107.33	108.86	108.71	113.61	117.87	120.30	127.47	135.07	143.13	151.67	160.72
y-o-y growth (%)	14.17%	-13.08%	0.23%	1.82%	9.19%	1.43%	-0.14%	4.51%	3.74%	2.06%	5.96%	5.96%	5.97%	5.97%	5.97%
% of Total Turnover	42.72%	43.65%	43.22%	44.42%	45.48%	46.01%	43.76%	40.76%	35.82%	35.06%	33.62%	32.52%	32.39%	32.25%	32.05%
Own	106.04	95.63	96.31	97.97	102.99	103.80	102.08	108.31	113.67	119.52	126.69	134.29	142.35	150.89	159.94
y-o-y growth (%)	15.76%	-9.82%	0.71%	1.73%	5.13%	0.78%	-1.66%	6.11%	4.95%	5.15%	6.00%	6.00%	6.00%	6.00%	6.00%
% of SBU	95.70%	99.28%	99.76%	99.67%	95.96%	95.35%	93.89%	95.33%	96.44%	99.35%	99.39%	99.42%	99.46%	99.49%	99.51%
Distributed	4.77	0.69	0.23	0.32	4.33	5.07	6.64	5.30	4.20	0.78	0.78	0.78	0.78	0.78	0.78
y-o-y growth (%)	-12.50%	-85.50%	-66.59%	39.48%	1244.31%	16.92%	31.03%	-20.08%	-20.82%	-81.43%	0.00%	0.00%	0.00%	0.00%	0.00%
% of SBU	4.30%	0.72%	0.24%	0.33%	4.04%	4.65%	6.11%	4.67%	3.56%	0.65%	0.61%	0.58%	0.54%	0.51%	0.49%
Private Label									15.62	16.06	16.71	17.37	18.07	18.79	19.54
y-o-y growth (%)										2.87%	4.00%	4.00%	4.00%	4.00%	4.00%
% of Total Turnover									4.75%	4.68%	4.41%	4.18%	4.09%	4.00%	3.90%

Turnover Projections (2)

(in € ,000,000)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Sales	35.11	25.23	24.98	24.01	30.71	28.53	29.19	30.67	39.90	42.70	45.43	48.35	51.48	54.82	58.41
y-o-y growth (%)	-10.63%	-28.16%	-0.99%	-3.86%	27.88%	-7.08%	2.31%	5.07%	30.08%	7.01%	6.40%	6.43%	6.47%	6.50%	6.54%
% of Total Turnover	13.54%	11.43%	11.18%	10.85%	13.01%	12.06%	11.75%	11.00%	12.13%	12.44%	11.98%	11.64%	11.65%	11.66%	11.65%
Health & Care Products	13.94	11.36	11.41	11.39	8.77	7.73	8.87	9.26	10.27	10.45	10.76	11.08	11.41	11.76	12.11
y-o-y growth (%)	-17.87%	-18.49%	0.40%	-0.17%	-23.04%	-11.76%	14.61%	4.44%	10.96%	1.67%	3.00%	3.00%	3.00%	3.00%	3.00%
% of SBU	39.70%	45.05%	45.68%	47.43%	28.55%	27.11%	30.37%	30.19%	25.75%	24.46%	23.68%	22.92%	22.17%	21.44%	20.73%
Selective	14.82	13.86	13.57	12.62	21.94	20.80	20.33	21.41	29.62	32.25	34.67	37.27	40.06	43.07	46.30
y-o-y growth (%)	-6.67%	-6.44%	-2.13%	-6.96%	73.83%	-5.21%	-2.27%	5.34%	38.34%	8.87%	7.50%	7.50%	7.50%	7.50%	7.50%
% of SBU	42.20%	54.95%	54.32%	52.57%	71.45%	72.89%	69.63%	69.81%	74.25%	75.54%	76.32%	77.08%	77.83%	78.56%	79.27%
Oto Top	6.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
y-o-y growth (%)	-1.35%	-100.0%													
% of SBU	18.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ergopack										0.00	15.00	29.00	31.90	35.09	38.60
y-o-y growth (%)												93.33%	10.00%	10.00%	10.00%
% of Total Turnover											3.96%	6.98%	7.22%	7.46%	7.70%
TOTAL Continuing Activities		215.94	220.01	221.29	236.00	236.59	248.44	278.76	329.02	343.16	379.12	415.39	441.95	470.29	500.53
TOTAL Discontinued Activities		4.71	3.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sales	259.37	220.65	223.34	221.29	236.00	236.59	248.44	278.76	329.02	343.16	379.12	415.39	441.95	470.29	500.53
y-o-y growth (%)	7.36%	-14.93%	1.22%	-0.92%	6.64%	0.25%	5.01%	12.21%	18.03%	4.30%	10.48%	9.57%	6.40%	6.41%	6.64%
Trade Expenses	23.00	22.93	30.13	26.59	28.17	31.42	30.45	35.49	41.69	43.48	52.00	52.00	52.00	52.00	52.00
Total Sales (new IFRS)	236.37	197.72	193.21	194.70	207.83	205.17	217.99	243.27	287.33	299.68	327.12	363.39	389.95	418.29	448.53

P&L Statement

(in € ,000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Turnover	197,720	193,210	194,700	207,830	205,170	217,990	243,270	287,330	299,680	327,117	363,388	389,955	418,295	448,532
y-o-y Change %		-2.3%	0.8%	6.7%	-1.3%	6.2%	11.6%	18.1%	4.3%	9.2%	11.1%	7.3%	7.3%	7.2%
Cost of Sales	110,068	113,662	115,744	123,869	119,823	127,821	146,262	176,384	183,201	206,083	228,935	245,671	263,526	282,575
% of Turnover	55.7%	58.8%	59.4%	59.6%	58.4%	58.6%	60.1%	61.4%	61.1%	63.0%	63.0%	63.0%	63.0%	63.0%
y-o-y Change %		3.3%	1.8%	7.0%	-3.3%	6.7%	14.4%	20.6%	3.9%	12.5%	11.1%	7.3%	7.3%	7.2%
Gross Operating Results	87,652	79,548	78,956	83,961	85,347	90,169	97,008	110,946	116,479	121,033	134,454	144,283	154,769	165,957
Gross Operating Margin	44.3%	41.2%	40.6%	40.4%	41.6%	41.4%	39.9%	38.6%	38.9%	37.0%	37.0%	37.0%	37.0%	37.0%
y-o-y Change %		-9.2%	-0.7%	6.3%	1.7%	5.6%	7.6%	14.4%	5.0%	3.9%	11.1%	7.3%	7.3%	7.2%
Operating Expenses	64,208	62,066	63,187	66,600	65,965	68,121	72,207	81,824	81,975	82,299	88,172	92,790	98,188	103,434
% of Turnover	32.5%	32.1%	32.5%	32.0%	32.2%	31.2%	29.7%	28.5%	27.4%	25.2%	24.3%	23.8%	23.5%	23.1%
y-o-y Change %		-3.3%	1.8%	5.4%	-1.0%	3.3%	6.0%	13.3%	0.2%	0.4%	7.1%	5.2%	5.8%	5.3%
EBITDA	27,083	21,370	19,628	21,167	15,855	25,645	28,554	33,516	39,658	44,877	53,161	58,692	63,997	70,156
EBITDA Margin	13.7%	11.1%	10.1%	10.2%	7.7%	11.8%	11.7%	11.7%	13.2%	13.7%	14.6%	15.1%	15.3%	15.6%
y-o-y Change %		-21.1%	-8.2%	7.8%	-25.1%	61.7%	11.3%	17.4%	18.3%	13.2%	18.5%	10.4%	9.0%	9.6%
Depreciation	3,638	3,888	3,859	3,807	3,684	3,597	3,753	4,394	5,154	6,143	6,879	7,199	7,416	7,634
% of Turnover	1.8%	2.0%	2.0%	1.8%	1.8%	1.6%	1.5%	1.5%	1.7%	1.9%	1.9%	1.8%	1.8%	1.7%
EBIT	23,445	17,482	15,769	17,360	19,382	22,048	24,801	29,122	34,504	38,734	46,281	51,493	56,581	62,522
% of Turnover	11.9%	9.0%	8.1%	8.4%	9.4%	10.1%	10.2%	10.1%	11.5%	11.8%	12.7%	13.2%	13.5%	13.9%
y-o-y Change %		-25.4%	-9.8%	10.1%	11.6%	13.8%	12.5%	17.4%	18.5%	12.3%	19.5%	11.3%	9.9%	10.5%
Net Financial Results	-1,971	-2,127	-3,116	-2,070	351	-561	-1,890	-5,513	160	-1,361	-1,395	-1,395	-1,374	-1,374
Net Results Before Taxes	21,473	15,356	12,653	15,290	19,733	21,487	22,912	23,609	34,664	37,373	44,886	50,098	55,207	61,149
EBT Margin	10.9%	7.9%	6.5%	7.4%	9.6%	9.9%	9.4%	8.2%	11.6%	11.4%	12.4%	12.8%	13.2%	13.6%
y-o-y Change %		-28.5%	-17.6%	20.8%	29.1%	8.9%	6.6%	3.0%	46.8%	7.8%	20.1%	11.6%	10.2%	10.8%
Income Tax	3,821	3,673	1,760	2,518	3,449	1,211	3,869	4,535	2,320	5,606	6,733	7,515	8,281	12,230
Effective Tax Rate	17.8%	23.9%	13.9%	16.5%	17.5%	5.6%	16.9%	19.2%	6.7%	15.0%	15.0%	15.0%	15.0%	20.0%
Net Results After Taxes	16,400	11,820	9,739	12,154	8,316	17,142	18,532	19,443	28,984	31,767	38,153	42,583	46,926	48,919
EAT Margin	8.3%	6.1%	5.0%	5.8%	4.1%	7.9%	7.6%	6.8%	9.7%	9.7%	10.5%	10.9%	11.2%	10.9%
y-o-y Change %		-27.9%	-17.6%	24.8%	-31.6%	106.1%	8.1%	4.9%	49.1%	9.6%	20.1%	11.6%	10.2%	4.2%
Net Results (a.t.&m.i.)	16,395	11,816	9,736	12,154	8,316	17,142	18,532	19,292	28,631	31,417	37,803	42,233	46,576	48,569
Net Margin	8.3%	6.1%	5.0%	5.8%	4.1%	7.9%	7.6%	6.7%	9.6%	9.6%	10.4%	10.8%	11.1%	10.8%
y-o-y Change %		-27.9%	-17.6%	24.8%	-31.6%	106.1%	8.1%	4.1%	48.4%	9.7%	20.3%	11.7%	10.3%	4.3%

* Turnover and Operating Expenses for FY2009-FY2017 have been adjusted for IFRS 15

Balance Sheet – Assets

(in € ,000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assets														
Intangible Assets	13,088	17,932	25,147	25,669	25,088	41,500	47,325	48,261	51,795	54,295	55,395	56,495	57,595	58,695
Accumulated Depreciation	1,015	1,621	2,181	2,983	3,658	4,459	5,667	6,798	8,362	10,742	12,296	13,894	15,538	17,227
Net Intangible Assets	12,073	16,311	22,966	22,686	21,430	37,041	41,658	41,463	43,433	43,553	43,100	42,601	42,057	41,468
Tangible Assets	65,943	65,385	65,646	65,856	61,990	59,238	67,116	74,303	82,720	100,720	107,020	109,820	112,620	115,420
Accumulated Depreciation	24,754	25,951	27,782	28,995	28,931	29,058	33,150	35,972	39,363	48,126	51,852	55,852	60,024	64,369
Net Tangible Assets	41,189	39,434	37,864	36,861	33,059	30,180	33,966	38,331	43,357	52,594	55,168	53,968	52,596	51,051
Other L-term assets	20,588	25,074	25,129	30,922	16,015	15,622	10,610	12,192	18,146	17,900	17,900	17,900	17,900	17,900
Total Non-Current Assets	73,850	80,820	85,959	90,469	71,006	83,385	86,771	92,523	105,463	114,589	116,710	115,011	113,095	110,961
% Total Assets	33.04%	33.45%	35.71%	36.68%	29.95%	36.14%	32.63%	32.72%	34.43%	34.12%	31.51%	28.46%	25.58%	23.02%
Inventories	34,684	33,681	37,426	35,737	38,913	48,765	53,603	60,711	65,600	73,964	82,166	88,173	94,580	101,417
Trade Receivables	70,900	71,872	71,684	73,637	69,536	65,912	76,143	78,756	80,936	88,725	98,563	105,769	113,455	121,657
Other Items	13,309	8,089	7,491	6,351	28,422	13,177	16,012	15,913	9,405	9,400	9,400	9,400	9,400	9,400
Cash in Bank and at Hand	30,758	47,160	38,146	40,477	29,218	19,479	33,434	34,854	44,947	49,212	63,526	85,711	111,614	138,554
Total Current Assets	149,650	160,802	154,747	156,202	166,088	147,332	179,192	190,235	200,888	221,301	253,654	289,052	329,050	371,028
% Total Assets	66.96%	66.55%	64.29%	63.32%	70.05%	63.86%	67.37%	67.28%	65.57%	65.88%	68.49%	71.54%	74.42%	76.98%
TOTAL ASSETS	223,500	241,621	240,705	246,671	237,095	230,718	265,964	282,759	306,351	335,890	370,364	404,063	442,145	481,988

Balance Sheet – Equity and Liabilities

(in € ,000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equity & Liabilities														
Share Capital	59,060	59,060	59,060	53,547	53,547	53,895	53,895	53,911	54,155	54,155	54,155	54,155	54,155	54,155
Share Premium Account	39,252	39,252	39,252	39,369	39,369	39,369	39,369	39,374	41,026	41,026	41,026	41,026	41,026	41,026
Reserves & Profit Car. Forw.	17,266	25,895	28,213	49,686	61,527	66,373	73,141	89,680	104,823	126,815	153,277	182,841	215,444	249,442
Minority Rights	7	12	0	0	0	0	1,005	1,069	1,431	1,431	1,431	1,431	1,431	1,431
Total Equity	115,586	124,219	126,526	142,603	154,444	159,638	167,411	184,034	201,435	223,427	249,889	279,452	312,056	346,054
% Total Equity & Liabilities	51.72%	51.41%	52.56%	57.81%	65.14%	69.19%	62.94%	65.09%	65.75%	66.52%	67.47%	69.16%	70.58%	71.80%
L-Term Bank Loans	50,250	39,500	17,000	21,000	0	0	32,137	28,440	26,018	3,018	28,018	28,018	28,018	28,018
Provisions	1,723	1,529	1,317	858	917	914	974	1,160	1,420	1,400	1,400	1,400	1,400	1,400
Deferred Tax Liabilities	11	36	136	234	599	1,663	1,866	2,004	3,295	3,200	3,200	3,200	3,200	3,200
Total L-Term Liabilities	53,606	43,919	21,121	24,496	3,822	3,569	36,756	32,375	31,136	8,118	33,118	33,118	33,118	33,118
Suppliers	38,144	38,831	41,941	38,386	40,256	43,927	50,532	50,721	56,285	63,237	70,248	75,384	80,863	86,708
Banks	6,728	24,504	42,587	31,000	17,000	17,000	2,019	6,241	5,708	29,308	5,308	4,308	4,308	4,308
Taxes-Duties	2,409	2,144	1,553	1,596	2,759	2,093	2,451	2,629	2,604	2,600	2,600	2,600	2,600	2,600
Other Payables/Prepaym.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	54,308	73,483	93,058	79,572	78,829	67,512	61,797	66,350	73,779	104,345	87,356	91,492	96,971	102,816
Total Liabilities	107,914	117,402	114,179	104,068	82,651	71,080	98,553	98,725	104,916	112,463	120,475	124,611	130,089	135,934
% Total Equity & Liabilities	48.28%	48.59%	47.44%	42.19%	34.86%	30.81%	37.06%	34.91%	34.25%	33.48%	32.53%	30.84%	29.42%	28.20%
TOTAL EQUITY & LIABILITIES	223,500	241,621	240,705	246,671	237,095	230,718	265,964	282,759	306,351	335,890	370,364	404,063	442,145	481,988

Cash Flow Statement

(in € ,000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Profit after Tax	16,400	11,820	9,739	12,154	8,316	17,142	18,532	19,443	28,984	31,767	38,153	42,583	46,926	48,919
Plus: Change of Depreciation	2,360	1,803	2,391	2,015	625	928	5,300	3,953	4,955	11,129	5,279	5,599	5,816	6,034
Gross Cash Flow	18,760	13,623	12,130	14,169	8,941	18,070	23,832	23,396	33,939	42,896	43,433	48,182	52,742	54,953
Change in:														
(-) Trade Debtors	-2,413	972	-188	1,953	-4,102	-3,624	10,231	2,614	2,180	7,789	9,838	7,206	7,687	8,201
(-) Other Receivables	537	-5,220	-598	-1,140	22,072	-15,245	2,835	-98	-6,508	-5	0	0	0	0
(+) Trade Creditors	-6,243	688	3,109	-3,555	1,870	3,671	6,605	189	5,564	6,951	7,012	5,136	5,479	5,845
(+) Liabilities for Taxes	-1,730	-265	-591	43	1,163	-666	357	178	-25	-4	0	0	0	0
(+) Other Short – Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Working Capital	4,174	5,673	-441	-2,637	-18,113	12,023	-10,942	-9,257	4,979	-9,200	-11,028	-8,077	-8,616	-9,193
Operating Cash Flow	22,934	19,296	11,689	11,533	-9,172	30,093	12,890	14,140	38,918	33,696	32,405	40,105	44,126	45,760
Change in:														
(-) Intangible Assets	4,357	4,844	7,215	522	-581	16,412	5,825	936	3,533	2,500	1,100	1,100	1,100	1,100
(-) Tangible Assets	-348	-558	261	210	-3,350	-2,712	7,874	7,186	8,408	18,000	6,300	2,800	2,800	2,800
(-) Other Long – Term Receivables	-2,639	4,486	54	5,793	-14,907	-393	-5,012	1,582	5,953	-246	0	0	0	0
(+) Other Long – Term Liabilities	-1,459	1,063	-298	-625	326	-254	1,050	-684	1,183	-18	0	0	0	0
(+) Cons. Diff. / Minority Interests	5	5	-12	0	0	0	1,005	64	362	0	0	0	0	0
Cash Flow from Investment	-2,825	-7,705	-7,840	-7,150	19,164	-13,561	-6,631	-10,325	-16,350	-20,273	-7,400	-3,900	-3,900	-3,900
Net Cash Flow before Financing Activities	20,109	11,591	3,850	4,383	9,993	16,533	6,259	3,815	22,568	13,423	25,005	36,205	40,226	41,860
Net Change in Reserves	-5,209	-3,187	-7,418	9,319	13,956	-7,080	-6,201	3,334	-5,452	0	0	0	0	0
Change in Long - Term Debt	32,000	-10,750	-22,500	4,000	-21,000	0	32,137	-3,697	-2,422	-23,000	25,000	0	0	0
Change in Short - Term Debt	-39,943	17,776	18,082	-11,587	-14,000	0	-14,981	4,222	-533	23,600	-24,000	-1,000	0	0
Other Items and Dividends	-646	-976	1,025	-1,612	207	19,539	3,259	6,123	5,612	9,408	11,341	12,670	13,973	14,571
Minority Interests on Profit	5	5	3	0	0	0	0	151	353	350	350	350	350	350
Net Cash Flow from Financing	-12,511	4,810	-12,864	-2,052	-21,251	-26,271	7,696	-2,395	-12,476	-9,158	-10,691	-14,020	-14,323	-14,921
Cash at Beginning	23,160	30,758	47,160	38,146	40,477	29,218	19,479	33,434	34,854	44,947	49,212	63,526	85,711	111,614
Change in Cash and Marketable Securities	7,598	16,401	-9,014	2,331	-11,258	-9,739	13,955	1,420	10,092	4,265	14,314	22,185	25,903	26,939
Cash at End	30,758	47,160	38,146	40,477	29,219	19,479	33,434	34,855	44,946	49,212	63,526	85,711	111,614	138,554

Financial Ratios (1)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Profit Margins														
Gross Margin	44.33%	41.17%	40.55%	40.40%	41.60%	41.36%	39.88%	38.61%	38.87%	37.00%	37.00%	37.00%	37.00%	37.00%
EBITDA Margin	13.70%	11.06%	10.08%	10.18%	7.73%	11.76%	11.74%	11.66%	13.23%	13.72%	14.63%	15.05%	15.30%	15.64%
EBIT Margin	11.86%	9.05%	8.10%	8.35%	9.45%	10.11%	10.19%	10.14%	11.51%	11.84%	12.74%	13.20%	13.53%	13.94%
NOPAT Margin	14.96%	10.88%	9.08%	10.62%	7.32%	14.71%	13.86%	12.23%	18.11%	17.86%	19.33%	20.11%	20.67%	19.55%
Pre-tax profit margin	10.86%	7.95%	6.50%	7.36%	9.62%	9.86%	9.42%	8.22%	11.57%	11.42%	12.35%	12.85%	13.20%	13.63%
Net Profit margin	8.29%	6.12%	5.00%	5.85%	4.05%	7.86%	7.62%	6.71%	9.55%	9.60%	10.40%	10.83%	11.13%	10.83%
Cost Absorption & Sources														
Cost of sales on Sales	55.67%	58.83%	59.45%	59.60%	58.40%	58.64%	60.12%	61.39%	61.13%	63.00%	63.00%	63.00%	63.00%	63.00%
Operating Expenses on Sales	32.47%	32.12%	32.45%	32.05%	32.15%	31.25%	29.68%	28.48%	27.35%	25.16%	24.26%	23.80%	23.47%	23.06%
Profitability														
ROIC	11.37%	8.35%	6.74%	8.05%	5.61%	11.45%	11.43%	11.03%	15.49%	16.03%	17.86%	19.07%	20.43%	20.68%
ROA	7.25%	5.08%	4.04%	4.99%	3.44%	7.33%	7.46%	7.03%	9.72%	9.78%	10.71%	10.91%	11.01%	10.51%
ROE	14.88%	9.86%	7.77%	9.03%	5.60%	10.92%	11.37%	11.04%	14.95%	14.89%	16.07%	16.04%	15.82%	14.82%
RNOA	11.95%	9.44%	7.94%	9.73%	6.74%	11.25%	11.68%	11.84%	18.01%	15.85%	18.28%	19.48%	20.82%	21.02%
Activity														
Total Asset Turnover	0.88	0.80	0.81	0.84	0.87	0.94	0.91	1.02	0.98	0.97	0.98	0.97	0.95	0.93
Inventory Turnover	3.17	3.37	3.09	3.47	3.08	2.62	2.73	2.91	2.79	2.79	2.79	2.79	2.79	2.79
Trade Receivables Turnover	2.79	2.69	2.72	2.82	2.95	3.31	3.19	3.65	3.70	3.69	3.69	3.69	3.69	3.69
Trade Payables Turnover	2.89	2.93	2.76	3.23	2.98	2.91	2.89	3.48	3.25	3.26	3.26	3.26	3.26	3.26
Stock Days	115	108	118	105	119	139	134	126	131	131	131	131	131	131
Debtors Days	131	136	134	129	124	110	114	100	99	99	99	99	99	99
Creditors Days	126	125	132	113	123	125	126	105	112	112	112	112	112	112
Operating Cycle	246	244	252	235	242	250	248	226	229	230	230	230	230	230
Cash Cycle	119	119	120	122	120	124	122	121	117	118	118	118	118	118

Financial Ratios (2)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Capital Structure														
Liabilities / Equity	93.37%	94.52%	90.24%	72.98%	53.52%	44.53%	59.22%	53.96%	52.46%	50.66%	48.49%	44.82%	41.88%	39.44%
Bank Loans / Equity	49.30%	51.53%	47.09%	36.46%	11.01%	10.65%	20.53%	18.96%	15.86%	14.56%	13.41%	11.63%	10.41%	9.38%
ST Debt / Equity	5.82%	19.73%	33.66%	21.74%	11.01%	10.65%	1.21%	3.41%	2.85%	13.20%	2.14%	1.55%	1.39%	1.25%
LT Debt / Equity	43.48%	31.80%	13.44%	14.73%	0.00%	0.00%	19.31%	15.54%	13.01%	1.36%	11.28%	10.08%	9.02%	8.13%
Net Debt / Equity	22.68%	13.56%	16.95%	8.08%	-7.91%	-1.55%	0.43%	-0.09%	-6.56%	-7.56%	-12.09%	-19.10%	-25.41%	-30.70%
Net Fixed Assets on Total Assets	33.04%	33.45%	35.71%	36.68%	29.95%	36.14%	32.63%	32.72%	34.43%	34.12%	31.51%	28.46%	25.58%	23.02%
Equity/Net Fixed Assets	1.57	1.54	1.47	1.58	2.18	1.91	1.93	1.99	1.91	1.95	2.14	2.43	2.76	3.12
Capital Gearing														
Equity on Assets	0.52	0.51	0.53	0.58	0.65	0.69	0.63	0.65	0.66	0.67	0.67	0.69	0.71	0.72
Interest Coverage with Profits	11.89	8.22	5.06	8.39	-55.15	39.30	13.13	5.28	-215.65	28.46	33.17	36.91	41.18	45.51
Interest Coverage with CF	11.63	9.07	3.75	5.57	26.10	53.64	6.82	2.56	-243.24	24.76	23.23	28.75	32.12	33.31
Liquidity														
Current Ratio	2.76	2.19	1.66	1.96	2.11	2.18	2.90	2.87	2.72	2.12	2.11	2.32	2.53	2.73
Quick Ratio – Acid Ratio	2.12	1.73	1.26	1.51	1.61	1.46	2.03	1.95	1.83	1.41	1.42	1.61	1.80	1.98
Cash Ratio	0.57	0.64	0.41	0.51	0.37	0.29	0.54	0.53	0.61	0.47	0.73	0.94	1.15	1.35
Stock Ratio														
Price Earnings Ratio	29.41	40.81	49.52	39.67	57.98	28.13	26.02	24.99	16.84	15.35	12.75	11.42	10.35	9.93
Price Book Value Ratio	4.17	3.88	3.81	3.38	3.12	3.02	2.90	2.64	2.41	2.17	1.94	1.73	1.55	1.40
EV / EBITDA	18.77	23.35	25.66	23.32	29.64	18.70	16.91	14.38	11.82	10.37	8.50	7.31	6.30	5.36
Price Sales Ratio	2.44	2.50	2.48	2.32	2.35	2.21	1.98	1.68	1.61	1.47	1.33	1.24	1.15	1.07
EV/Sales	2.57	2.58	2.59	2.38	2.29	2.20	1.98	1.68	1.56	1.42	1.24	1.10	0.96	0.84
EV/EBIT	21.68	28.54	31.94	28.44	24.25	21.76	19.47	16.55	13.59	12.01	9.77	8.33	7.12	6.01

* All ratios based on turnover have been calculated using the adjusted sales from IFRS 15

DuPont Analysis

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Standard DuPont Model														
Net Profit Margin [A]	8.29%	6.12%	5.00%	5.85%	4.05%	7.86%	7.62%	6.71%	9.55%	9.60%	10.40%	10.83%	11.13%	10.83%
Asset Turnover [B]	0.88	0.80	0.81	0.84	0.87	0.94	0.91	1.02	0.98	0.97	0.98	0.97	0.95	0.93
Equity Multiplier [C]	1.93	1.95	1.90	1.73	1.54	1.45	1.59	1.54	1.52	1.50	1.48	1.45	1.42	1.39
ROE [AxBxC]	14.18%	9.51%	7.69%	8.52%	5.38%	10.74%	11.07%	10.48%	14.21%	14.06%	15.13%	15.11%	14.93%	14.04%
Advanced DuPont Model														
RNOA [D]	12.68%	9.55%	8.30%	8.98%	5.65%	11.22%	11.94%	12.94%	15.14%	15.77%	17.75%	19.21%	20.51%	20.71%
Net Borrowing Cost After Tax [E]	6.05%	9.84%	11.85%	14.64%	2.32%	-19.70%	214.64%	-2600.54%	1.07%	-6.85%	-3.93%	-2.22%	-1.47%	-1.03%
Net Financial Leverage [F]	0.23	0.14	0.17	0.08	-0.08	-0.02	0.00	0.00	-0.07	-0.08	-0.12	-0.19	-0.25	-0.31
ROE [D+(D-E)xF]	14.18%	9.51%	7.69%	8.52%	5.38%	10.74%	11.07%	10.48%	14.21%	14.06%	15.13%	15.11%	14.93%	14.04%

WACC Estimation

	2018	2019	2020	2021	2022	
Rating	B3	B2	B2	B1	B1	
Risk Free Rate	0.32%	0.32%	0.32%	0.32%	0.32%	Market Risk Premium
Beta	0.29	0.29	0.29	0.29	0.29	Equity Market Volatility
Adjusted Risk Premium	5.71%	5.71%	5.71%	5.71%	5.71%	Adjusted Risk Premium
Country Risk Premium	8.07%	6.83%	6.83%	5.59%	5.59%	5.71%
Cost of Equity	10.05%	8.81%	8.81%	7.57%	7.57%	
Cost of Debt	4.25%	4.25%	4.25%	4.25%	4.25%	
Tax Rate	15.00%	15.00%	15.00%	15.00%	20.00%	
After-Tax Cost of Debt	3.61%	3.61%	3.61%	3.61%	3.40%	
Debt/(Debt+Equity)	12.71%	11.83%	10.42%	9.43%	8.58%	
WACC	9.23%	8.19%	8.27%	7.19%	7.21%	

Discounted FCFF Model

	2018	2019	2020	2021	2022	L-Term Assumptions
ASSUMPTIONS						
Growth Rate (Sales)	9.2%	11.1%	7.3%	7.3%	7.2%	1.0%
EBIT Margin	11.8%	12.7%	13.2%	13.5%	13.9%	13.8%
Tax Rate	15.0%	15.0%	15.0%	15.0%	20.0%	20.0%
Working Capital (% of Sales)	2.8%	3.0%	2.1%	2.1%	2.0%	2.1%
Capex (% of Sales)	5.5%	1.7%	0.7%	0.7%	0.6%	0.7%
Cost of Capital	9.2%	8.2%	8.3%	7.2%	7.2%	7.2%
Depreciation (% of Sales)	3.4%	1.5%	1.4%	1.4%	1.3%	1.4%
CASH FLOW STATEMENT						
Turnover	327.1	363.4	390.0	418.3	448.5	453.0
EBIT	38.7	46.3	51.5	56.6	62.5	62.5
Less: Adjusted Tax	5.6	6.7	7.5	8.3	12.2	12.5
Adjusted Operating Profit	33.1	39.5	44.0	48.3	50.3	50.0
Plus: Depreciation	11.1	5.3	5.6	5.8	6.0	6.1
Operating Cash Flow	44.3	44.8	49.6	54.1	56.3	56.1
Less: Change in Working Capital	9.2	11.0	8.1	8.6	9.2	9.6
Less: Capex	18.0	6.3	2.8	2.8	2.8	2.9
Cash Flow to the Firm (FCFF)	17.1	27.5	38.7	42.7	44.3	43.6
WACC	9.23%	8.19%	8.27%	7.19%	7.21%	7.21%
Discount Factor	0.84	0.79	0.73	0.71	0.71	
Present Value of Cash Flows	14.30	21.71	28.17	30.17	31.30	
Accumulated Present Value	14.30	36.01	64.17	94.34	125.64	
Residual Value						702.5
Present Value of Residual Value						496.0
VALUATION						
Enterprise Value	621.67					
% Residual Value of Total	79.8%					
Less: Net Debt	-13.22					
Value of Firm (EUR mn)	634.89					
Outstanding # of Shares (000)	69,877					
Value of Share (EUR)	9.09					
Current Price	6.90					
Upside Potential	31.7%					

Sensitivity Analysis on the FCFF model

		WACC				
		5.2%	6.2%	7.2%	8.2%	9.2%
Growth Rate	0.00%	10.36	9.35	8.04	7.17	6.42
	0.50%	11.30	10.04	8.52	7.53	6.69
	1.00%	13.49	10.85	9.09	7.93	6.99
	1.50%	15.11	11.84	9.75	8.40	7.33
	2.00%	17.23	13.07	10.64	8.94	7.73

Peer Group Analysis

Company	P/E			EV/EBITDA			EV/Sales			P/BV			EV/EBIT		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
P&G	28.75	19.25	13.20	15.92	13.67	13.61	3.19	3.46	3.51	3.21	3.49	3.63	20.43	16.80	16.36
Colgate-Palmolive	41.16	23.34	28.15	19.32	14.53	15.26	3.90	4.09	4.01	-190.53	-234.43	-949.45	22.43	16.21	17.28
Reckitt Benckiser Group	27.74	26.39	7.83	20.74	19.23	19.96	5.64	5.04	5.13	7.00	5.74	3.57	22.32	20.69	21.59
Henkel AG & Co	22.78	21.31	17.37	14.00	13.78	12.66	2.40	2.46	2.36	3.20	2.91	2.81	16.43	16.61	15.44
Median	28.24	22.33	15.28	17.62	14.15	14.43	3.55	3.77	3.76	3.21	3.20	3.19	21.38	16.70	16.82
Average	30.11	22.57	16.64	17.49	15.30	15.37	3.78	3.76	3.75	-44.28	-55.57	-234.86	20.41	17.57	17.67
Sarantis	26.77	25.72	17.33	17.40	14.80	12.18	2.04	1.73	1.61	2.98	2.71	2.48	20.03	17.03	14.00
Sarantis vs. Median	-5.21%	15.19%	13.38%	-1.25%	4.55%	-15.64%	-42.42%	-54.28%	-57.15%	-6.99%	-15.21%	-22.26%	-6.29%	1.96%	-16.78%
Sarantis vs. Average	-11.1%	13.93%	4.16%	-0.54%	-3.29%	-20.78%	-46.02%	-54.13%	-57.06%	-106.7%	-104.9%	-101.1%	-1.82%	-3.10%	-20.78%

* Adjusted sales according to IFRS 15 have been used

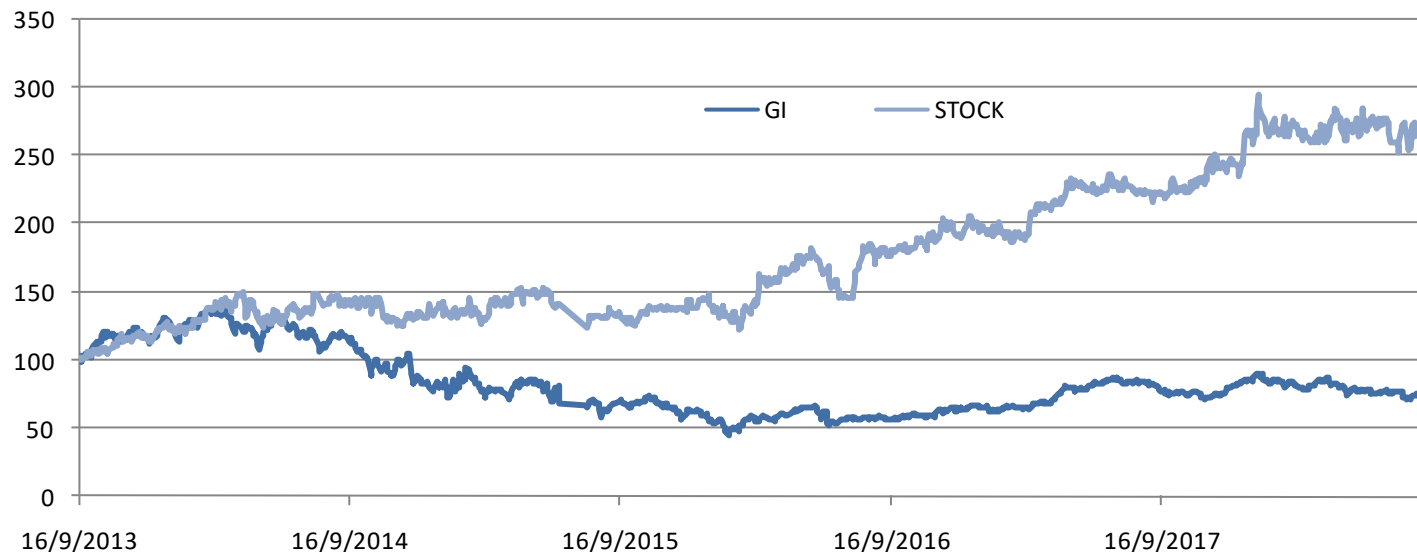
Peer Multiples Valuation

	Year	Median	Financial Metric	Implied Enterprise Value	Debt	Cash	Equity	Shares Outstanding	Implied Share Price	Weights	Target Price
EBITDA	2015	17.62	28,554	503,156	34,156	33,434	502,434	69,877	7.19	0.20	1.44
	2016	14.15	33,516	474,390	79,161	34,854	430,083	69,877	6.15	0.20	1.23
	2017	14.43	39,658	572,415	31,726	44,947	585,636	69,877	8.38	0.20	1.68
Sales	2015	3.55	243,270	862,818	34,156	33,434	862,096	69,877	12.34	0.20	2.47
	2016	3.77	287,330	1,084,667	79,161	34,854	1,040,360	69,877	14.89	0.20	2.98
	2017	3.76	299,680	1,127,043	31,726	44,947	1,140,264	69,877	16.32	0.20	3.26
EBIT	2015	21.38	24,801	530,213	34,156	33,434	529,491	69,877	7.58	0.20	1.52
	2016	16.70	29,122	486,431	79,161	34,854	442,124	69,877	6.33	0.20	1.27
	2017	16.82	34,504	580,308	31,726	44,947	593,529	69,877	8.49	0.20	1.70
EPS	2015	28.24	0.27						7.49	0.20	1.50
	2016	22.33	0.28						6.16	0.20	1.23
	2017	15.28	0.41						6.26	0.20	1.25
BVPS	2015	3.21	2.40						7.68	0.20	1.54
	2016	3.20	2.63						8.42	0.20	1.68
	2017	3.19	2.88						9.20	0.20	1.84
	2015						Weighted Average				8.45
	2016						Weighted Average				8.39
	2017						Weighted Average				9.73

Target Price	8.86
Current Price	6.90
Upside	28.4%

Stock vs General Index

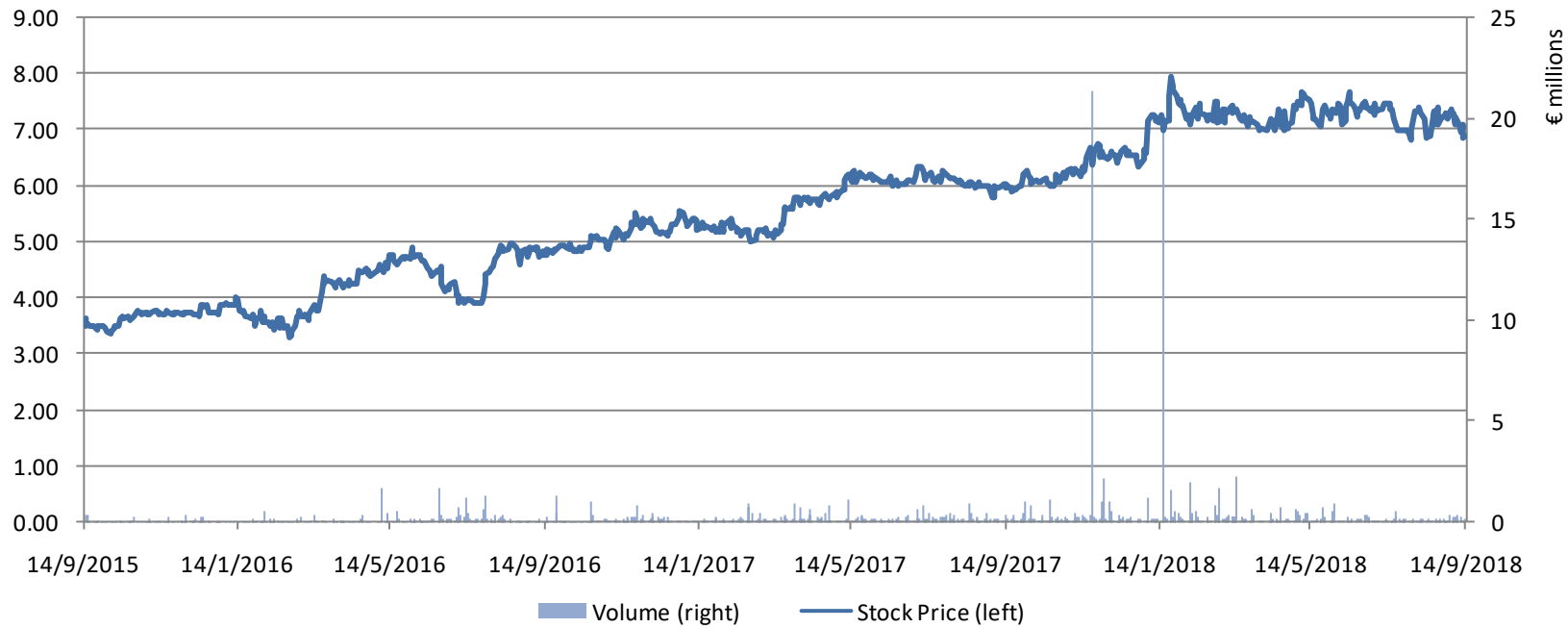
Period September 2013 – September 2018 | Basis = 100 | Period as day/month/year



Source: Athens Exchange, Greece.

Stock Price / Volume

Period September 2015 – September 2018 | Stock Price in € (Euro) | Period as day/month/year



Source: Athens Exchange, Greece.

Notes

DISCLOSURE STATEMENT (1)

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DISCLOSURE CHECKLIST

Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
SARANTIS S.A.	SAR:GA	SRSr.AT	€ 6.9	September 14, 2018	2, 3, 6

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: only factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
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