

**GR. SARANTIS S.A.**

**Consolidated Financial Results Full Year of 2018**

**STRONG SALES GROWTH AT 15%**

**EBITDA UP BY 18.5%**

**SUCCESSFUL EXECUTION OF THE STRATEGIC GROWTH PLAN**

In 2018 Sarantis Group delivered another remarkable performance with strong revenue and profitability growth.

The outstanding performance is a result of the successful execution of the Group's strategy, which involves strong focus behind sales growth, both organic and acquisitive, emphasis on efficiencies in the cost base, optimization of the production and logistics infrastructure, as well as added value from synergies.

The Group's total turnover during the 2018 reached € 344 million from € 299.68 million in FY 2017\*, up by 14.79%.

Sales growth was observed across the Group's basic business categories and geographies, and is based on the one hand on successful new product launches and new businesses added, which are supported by an efficiently executed and well balanced communication plan, and on the other hand on the Group's successful commercial approach across all distribution channels across the Group's countries.

Greece, exhibited growth of 4.01%, outperforming the market and settled at € 116.71 million from € 112.21 million\*, which corresponds to 33.93% of the total Group's turnover.

The foreign countries, which represent 66.07% of the Group's total turnover, increased by 21.24% to €227.29 million from € 187.47 million\* last year.

Like-for-like, i.e. excluding sales from INDULONA and ERGOPACK which were added in January 2018 and May of 2018 respectively, the Foreign Countries sales amounted to €203.77 million in FY 2018 up by 8.69%. Like-for-like Group sales amounted to €320.48 million in FY 2018, up by 6.94%.

The Group's commitment behind continued productivity improvement, increasing operating leverage and exploiting synergies behind acquisitions resulted in significant profitability growth.

More specifically:

- EBITDA \*\* was up by 18.49% to € 46.99 mil. from €39.66 mil. in FY 2017, with an EBITDA margin of 13.66% from 13.23% in FY 2017.
- Earnings Before Interest and Tax (EBIT) reached € 40.57 mil. increased by 17.59% versus €34.51 mil. and EBIT margin stood at 11.79% from 11.51% in FY 2017.
- Earnings Before Tax (EBT) settled at €38.78 mil. from €34.67 mil., increased by 11.87%, with the EBT margin reaching 11.27% from 11.57% last year.
- Net Profit reached €32.54 mil. from €28.63 mil. in the previous year, up by 13.65%, while Net Profit margin settled at 9.46% from 9.55% in FY 2017.

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Further information at: <http://ir.sarantis.gr/>

The financial results of FY 2018 will be presented in a conference call on April 11<sup>th</sup> 2019 at **17.00**, local time (GMT+2). Telephone number: 211 – 180 2000.

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*\* According to International Financial Reporting Standards (IFRS), and since January 1<sup>st</sup> of 2018, the Group has adopted the new standard IFRS 15 “Revenue from Contracts with Customers”.*

*More specifically, trade expenses related to the Group’s agreements with its clients, starting from January 1<sup>st</sup> 2018, are not included within selling & distribution expenses, but are subtracted from the turnover. This will also impact the gross profit as well as the profitability margins, without affecting however the net profit.*

*For comparability purposes FY 2017 figures have been adjusted accordingly.*

*Please refer to the Group’s IR site (“Analyst Reporting” file) for the comparable figures <https://ir.sarantis.gr/en/analystcorner/financial-results-release>.*

*\*\*Alternative Performance Measures, as defined within the relevant paragraph of the Group’s Financial Report.*  
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On the balance sheet front, the Group exhibits a healthy financial position, supported by disciplined management of working capital, the improving profitability of the business, and balanced capital expenditure. The strong cash generated by the business is invested behind initiatives to accelerate growth, either organically or through acquisitions, and to return value to its shareholders.

Within 2018, the Group paid a dividend for FY 2017 of approximately €9.4 mil. (0.28 euros per share) and the BoD will propose at the 2019 AGM the distribution of a dividend for FY 2018 of 0.14311 eur. (i.e. 10 mil euros).

As of the end of 2018 the Group maintains a net debt position of €11.53 mil. vs a net cash position of €16 mil. at the end of 2017. This is partly due to an increase in the total debt position of the Group by c. €14 mil. and partly due to cash outflow driven by the Group’s investment plan.

Working capital requirements over sales stood at 31.64% during FY 2018 vs 30.12% in FY 2017.

The level of working capital requirements over sales is not comparable to last year as it is influenced by the new companies or businesses added in the Group within the year.

The Group’s FY 2018 financial results underline the Group’s capability in staying ahead of a very competitive operating landscape. Thanks to its consumer oriented, product-centric business model which focuses on product quality, cost and commercial excellence in all its distribution channels, the Group managed to deliver significant profitable growth. At the same time the balanced allocation of resources and management of expenses, the positive operating leverage and synergies from acquisitions support the Group’s profitability and provide the fuel for further investments behind growth.

The Group’s solid business model of organic and acquisitive growth has presented a great momentum so far. At the same time, the Group is preparing operationally to exploit further opportunities that can arise by the Group’s growing presence and the new acquisitions. Particular focus will be given in the new territory where the Group penetrated through the acquisition of ERGOPACK, namely Ukraine and the CIS countries, a very promising region that is expected to present more investment opportunities.

The Group’s strategic priorities for 2019 and the near future are as always focus on new product development, further geographical expansion, increasing scale, improving costs, and identifying brand acquisitions that can provide additional value to the business. In addition, optimizing and modernizing the

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supply chain and production processes, are of strategic importance and therefore key drivers of the Group's future expansion.

This is expected to bring accelerated top line growth and further improvement on profit margins, ultimately increasing further the Group's footprint in the existing region as well as the new territory where the Group gained access.

Consistent with its yearly schedule, Sarantis Group management will publish its FY 2019 guidance on Wednesday, April 17th 2019 during the Group's annual presentation at the Hellenic Fund and Asset Management Association.

### **Information**

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### **Sarantis Group**

SARANTIS GROUP headquarters is based in Athens, Greece. Boasting a history of over 50 years our Group is 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 operates in twelve European countries through subsidiaries, namely Poland, Romania, Bulgaria, Serbia, Czech Republic, Slovakia, Hungary, F.Y.R.O.M., Bosnia, Portugal, Ukraine and Russia, and maintain a powerful distribution network in more than 40 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 COMPANIES for the exclusive distribution of ESTEE LAUDER products in Greece, Romania, Bulgaria and Cyprus.

Sarantis Group aims at being a leader in the manufacturing and distributing of consumer products. Our ambition is to present high-value, high quality everyday products and continue to grow in a socially responsible manner offering added value to our consumers, customers, suppliers, shareholders and employees.

**For more information please visit our corporate website at: [www.sarantisgroup.com](http://www.sarantisgroup.com)**

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