

SARANTIS GROUP
CONSOLIDATED FINANCIAL RESULTS H1 2020

- **EBIT GROWTH OF 42%**
- **IMPRESSIVE EBITDA GROWTH OF 35.18%**
- **GROUP SALES GROWTH OF 6.7%**
- **HEALTHY BALANCE SHEET AND FREE CASHFLOW GENERATION**
- **SUCCESSFUL EXECUTION OF THE STRATEGIC GROWTH PLAN AND INVESTMENTS THAT FUEL FURTHER EXPANSION**

Sarantis Group H1 2020 financial results demonstrate a robust performance, driven by solid sales growth, significant increase in earnings and strong cashflow generation.

This remarkable performance, powered by the strength and the quality of the Group's brands, reflects the Group's agility and ability to respond to unpredictable consumption trends and deal with unprecedented challenges posed by the COVID-19 crisis.

From the beginning of the COVID-19 pandemic outbreak, the Group's priority has been to ensure the protection and safety of its employees and the society, the uninterrupted business continuity across all functions and particularly the supply of products in high demand. At the same time, the Group manages to maintain a solid financial position that enables navigating through the extraordinary environment, while executing its investment plan creating further value to all stakeholders.

<i>P&L (€ mil.)</i>	<i>H1 '20</i>	<i>%</i>	<i>H1 '19</i>
Turnover	183.69	6.68%	172.19
Gross Profit	68.01	6.34%	63.96
Gross Profit Margin	37.03%		37.14%
EBITDA *	28.44	35.18%	21.04
EBITDA Margin	15.48%		12.22%
EBIT	22.26	42.11%	15.66
EBIT Margin	12.12%		9.10%
EBT	19.63	18.69%	16.54
EBT Margin	10.69%		9.61%
Tax	3.64	41.95%	2.56
Profit After Tax	15.99	14.42%	13.98
Profit After Tax Margin	8.70%		8.12%
Minorities	0.37	15.66%	0.32
Net Profit	15.62	14.39%	13.65
Net Profit Margin	8.50%		7.93%

**Alternative Performance Measures as defined within the relevant paragraph of the Group's 2020 Financial Report.*

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

The financial results of H1 2020 will be presented in a conference call on September 3rd 2020 at 17.00, local time (GMT+2). Telephone number: +30 213 009 6000.

H1 '20 CONSOLIDATED FINANCIAL RESULTS

Turnover

The Group's total turnover during H1 2020 reached € 183.69 million from € 172.19 million in H1 2019, up by 6.7%. H1 2020 revenue growth was driven by continued strong demand, across our region in categories related to personal hygiene, health care and home care, which was partly offset by weaker demand for other categories, as well as consumption disruptions caused by lockdowns and restrictions in specific retail channels.

- Greek sales, presented growth of 13.68%, amounting to €67.64 million in H1 2020 compared to €59.50 mil. in last year's first half.
- The foreign countries, that contributed 63.18% in the Group's turnover, exhibited growth of 2.98% reaching €116.05 million in H1 2020 from €112.69 million in H1 2019.

Profitability during the first half of 2020 was boosted due to the optimization of operating costs and particularly lower advertising and promotion expenses across our geographical region, on the back of precautionary measures taken by the Group, as well as the adaptation of the business to the new consumption patterns and the operation status in the retail market.

Specifically:

- **EBITDA*** was up by 35.18% to € 28.44 mil. in H1 2020 from €21.04 mil. in H1 2019, with an EBITDA margin of 15.48% from 12.22% in H1 2019.
- **EBIT** reached € 22.26 mil. during H1 2020 versus € 15.66 mil. in last year's first half, increased by 42.11%, and EBIT margin stood at 12.12% from 9.10% in H1 2019.
- **EBT** settled at €19.63 mil. in H1 2020 from €16.54 mil. in H1 2019, increased by 18.69%, with the EBT margin reaching 10.69% from 9.61% in last year's first half.
- **Net Profit** reached €15.62 mil. in H1 2020 from €13.65 mil. in the previous year's first half, up by 14.39%, while Net Profit margin settled at 8.50% from 7.93% in H1 2019.

Note

**Alternative Performance Measures, as defined within the relevant paragraph of the Group's 2020 Half-Year Financial Report.*

H1 '20 CONSOLIDATED BALANCE SHEET / CASHFLOW

Sarantis Group exhibits a healthy financial position supported by the improving profitability of the business, and balanced capital expenditure. Despite the challenges posed by the COVID-19 pandemic, the Group, committed to its strategy, invests the cash generated by the business behind initiatives to accelerate growth, either organically or through acquisitions, and to return value to its shareholders.

As part of its plan to invest behind the active portfolio management and new product development, within the first half of 2020, the Group made its entrance in the antibacterial hand cleansing category, a promising segment that offers further growth opportunities for the Group.

Moreover, at the end of February of 2020 and following the approval from the Antimonopoly Committee, the acquisition of the Polish personal care brand LUKSJA was finalized, strengthening further the Group's presence in the Polish personal care market.

Following the expansion of the Group's production plant at Oinofota, Greece, which involves the expansion of the manufacturing and packaging equipment and the improvement in the production processes, the Group has started the gradual absorption of the production of Indulona personal care products.

Furthermore, a new investment is under development in Polipak, the Group's garbage bags production plant, that will lead to products improved in terms of ecological profile, durability and functionality. The new plant will use automated production processes which will lead to higher capacity and increased efficiency.

Within the first half of 2020, the Group paid a dividend for FY 2019 of approximately €11.2 mil. (0.16701 euros per share). As of the end of the first half of 2020 the Group maintains a low net debt over EBITDA ratio below 0.5x, with a net debt position reaching €29.16 mil.

(€ mil.)	H1 '20	%	FY '19	(€ mil.)	H1 '20	%	FY '19
ASSETS				EQUITY & LIABILITIES			
Tangible fixed assets	68.63	2.10%	67.22	L-T Bank Loans	57.00	62.86%	35.00
Right of use	12.23	2.25%	11.96	Lease liabilities	8.68	-0.98%	8.77
Investments in property	1.03	-0.07%	1.03	Deferred Tax Liabilities	4.96	-17.71%	6.03
Intangible Assets	61.35	18.69%	51.69	Provisions	3.87	32.39%	2.92
Goodwill	7.75	-1.85%	7.90	Long-term Liabilities	74.51	41.34%	52.72
Participations in subsidiaries, associates	20.51	-4.44%	21.46	Suppliers	61.23	-6.84%	65.73
Other long-term assets	0.48	-20.35%	0.60	Other Liabilities	7.90	34.90%	5.85
Deffered Tax	1.01	503.63%	0.17	Income tax - other taxes payable	10.79	121.53%	4.87
Non-current assets	172.98	6.76%	162.02	S-T Bank Loans	10.61	-65.58%	30.81
Inventories	107.94	14.16%	94.55	Lease liabilities	4.20	10.88%	3.78
Trade Receivables	99.98	-2.44%	102.49	Liabilities Transitional Accounts	5.24	26.37%	4.15
Other Receivables	6.75	141.66%	2.79	Short-term liabilities	99.96	-13.22%	115.19
Financial assets available at fair value through P&L	3.96	57.67%	2.51	Share Capital	54.50	0.00%	54.50
Cash & cash equivalents	34.48	-37.13%	54.85	Share Premium	40.68	0.00%	40.68
Prepayments and accrued income	2.01	-13.87%	2.33	Other Reserves	17.67	28.47%	13.75
Current assets	255.14	-1.69%	259.53	Minority Interest	2.50	5.83%	2.36
Total Assets	428.12	1.56%	421.55	Retained Earnings	138.29	-2.84%	142.34
				Shareholders Equity	253.64	0.00%	253.64
				Total Liabilities & Equity	428.12	1.56%	421.55

CASHFLOW (€ mil.)	H1 '20	H1 '19
Operating Activities	6.72	-9.88
Investment Activities	-15.67	-4.42
Financial Activities	-10.73	9.24
Cash generated	-19.69	-5.06
Cash & Cash equivalents, beginning	54.85	32.78
Effect of foreign exchange differences on Cash	-0.68	-0.45
Cash & Cash equivalents, end	34.48	27.28

CONSOLIDATED SBU ANALYSIS

H1 '20 Turnover Breakdown per Business Activity

<i>SBU Turnover (€ mil)</i>	<i>H1 '20</i>	<i>%</i>	<i>H1 '19</i>
Cosmetics	78.77	1.96%	77.26
% of Total	42.88%		44.87%
Own	49.72	-2.22%	50.85
% of SBU	63.12%		65.82%
Distributed	29.05	9.99%	26.41
% of SBU	36.88%		34.18%
Household Products	71.67	8.02%	66.35
% of Total	39.02%		38.53%
Own	71.15	7.90%	65.95
% of SBU	99.28%		99.39%
Distributed	0.52	28.14%	0.40
% of SBU	0.72%		0.61%
Private Label	10.87	13.17%	9.61
% of Total	5.92%		5.58%
Other Sales	22.38	17.93%	18.98
% of Total	12.18%		11.02%
Health Care Products	4.70	8.86%	4.32
% of SBU	21.02%		22.78%
Selective	17.67	20.60%	14.65
% of SBU	78.98%		77.22%
Total Turnover	183.69	6.68%	172.19

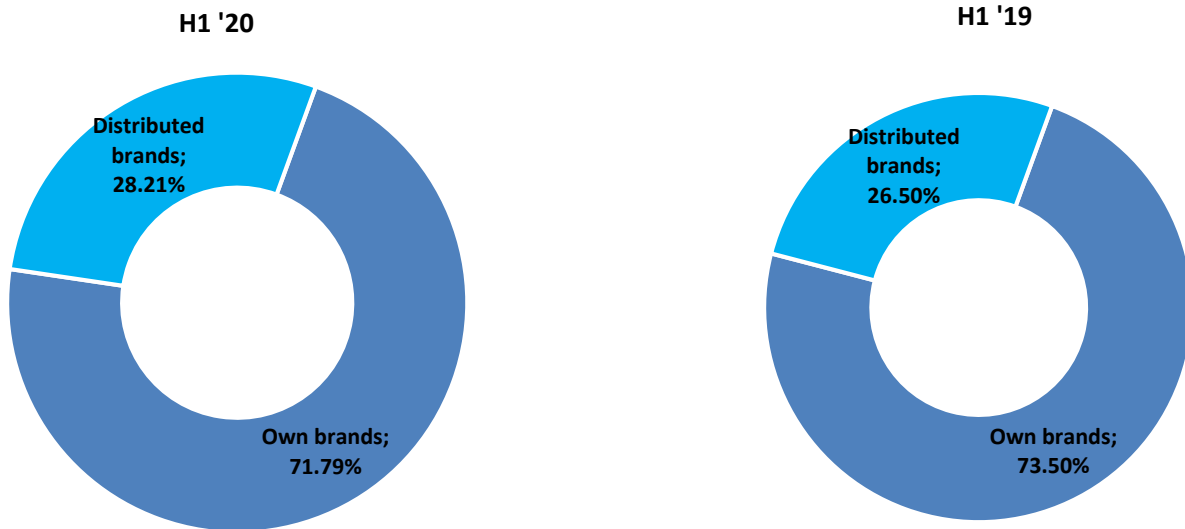
Cosmetics sales were up by 1.96% yoy to €78.77 mil. in H1 2020 from €77.26 mil. in H1 2019, supported by growth in the distributed brands portfolio, that increased by 9.99%. This performance reflects the continued strong demand in categories related to personal hygiene, which was partly offset by weaker demand for other categories, as well as consumption disruptions caused by lockdowns and restrictions in specific retail channels. Cosmetics participation to total Group turnover stood at 42.88%.

Sales of **Household Products** increased by 8.02% amounting to €71.67 million from €66.35 million in the previous year's first half, supported by the own brands subcategory, and in particular driven by products related to home care. The category's participation to total Group turnover amounted to 39.02%.

The category "**Private Label**" represents sales of Polipak, the Polish packaging products company, which specializes on the production of private label garbage bags. Sales of this category exhibited a 13.17% increase in H1 2020 amounting to €10.87 mil. from €9.61 mil. in H1 2019.

The category of **Other Sales** was significantly up in sales by 17.93%, driven by both the Selective category that increased by 20.60% and the Health & Care category that was boosted by strong demand behind health supplements.

Own versus Distributed Activity Turnover Breakdown



During H1 2020, consolidated revenues of **own** brands (cosmetics, household products and private label) amounted to €131.86 million compared to €126.56 million in the previous year's first half, up by 4.19%. Furthermore, their contribution to the total group turnover stood at 71.79% from 73.50% in the previous year's first half.

Consolidated revenues of **distributed** brands during H1 2020 amounted to €51.82 million, from €45.63 million in H1 '19, up by 13.59%. Their participation to the total group sales settled at 28.21% from 26.50%.

H1 '20 EBIT SBU Breakdown per Business Activity

SBU EBIT (€ mil)		H1 '20	%	H1 '19
Cosmetics		5.05	29.01%	3.91
	Margin	6.41%		5.06%
	% of EBIT	22.68%		24.98%
	Own	4.50	46.14%	3.08
	Margin	9.04%		6.05%
	% of EBIT	20.20%		19.64%
	Distributed	0.55	-34.06%	0.84
	Margin	1.90%		3.16%
	% of EBIT	2.48%		5.33%
Household Products		8.52	43.09%	5.96
	Margin	11.89%		8.98%
	% of EBIT	38.30%		38.03%
	Own	8.48	40.97%	6.02
	Margin	11.92%		9.13%
	% of EBIT	38.12%		38.43%
	Distributed	0.04	164.79%	-0.06
	Margin	7.70%		-15.24%
	% of EBIT	0.18%		-0.39%
Private Label		1.54	233.36%	0.46
	Margin	14.16%		4.81%
	% of EBIT	6.92%		2.95%
Other Sales		2.00	90.63%	1.05
	Margin	8.92%		5.52%
	% of EBIT	8.97%		6.69%
	Health Care Products	0.76	42.48%	0.53
	Margin	16.20%		12.37%
	% of EBIT	3.42%		3.41%
	Selective	1.23	140.87%	0.51
	Margin	6.98%		3.50%
	% of EBIT	5.55%		3.27%
Income from Associated Companies		5.15	20.22%	4.28
	% of EBIT	23.14%		27.35%
Total EBIT		22.26	42.11%	15.66
	Margin	12.12%		9.10%

The Group's operating profit settled at 22.26 mil. during H1 2020 from 15.66 mil. in the first half of 2019, up by 42.11%, driven by optimized operating costs and predominantly due to lower advertising and promotion expenses, on the back of precautionary measures taken by the Group, as well as the adaptation of the business to the new consumption patterns and the operation status in the retail market.

Cosmetics EBIT increased by 29.01% in H1 2020 to €5.05 million from €3.91 million in the previous year's first half, driven by the own cosmetics subcategory. The margin of Cosmetics stood at 6.41% in H1 2020 from 5.06% in H1 2019.

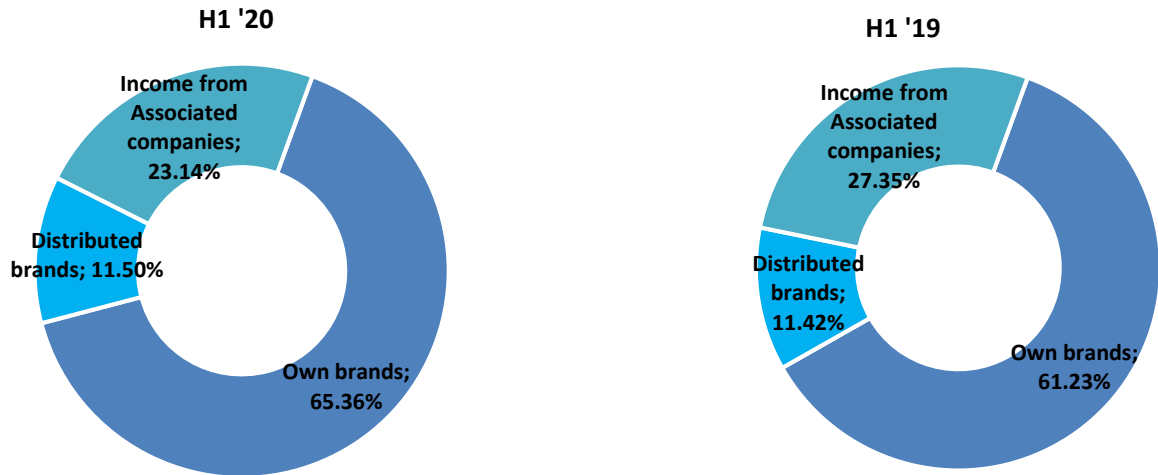
The EBIT of **Household Products** posted an increase of 43.09% during H1 2020 to €8.52 million from €5.96 million in H1 2019, driven by the own brands subcategory that was up by 40.97%. The EBIT margin of the household products stood

at 11.89% during H1 2020 from 8.98% in H1 2019 and their participation to total Group EBIT settled at 38.30% in H1 2020.

The EBIT of the **Other Sales** category was up to € 2.00 mil. from € 1.05 mil., up by 90.63%, driven by the Selective products subcategory that increased by 140.87%, as well as the Health & Care subcategory.

The income from **Associated Companies** represents the income from the Estee Lauder JV that stood at €5.15 mil. up by 20.22% vs last year's first half.

Own vs Distributed EBIT Breakdown



The Own brands portfolio, generated income of €14.55 million in H1 2020 versus €9.59 million in H1 2019, up by 51.71%, mainly driven by the Own Cosmetics portfolio. The contribution of **own brands** (cosmetics, household products and private label) to the total EBIT during H1 2020 stood at 65.36%.

The EBIT of **distributed brands** during H1 2020 amounted to €2.56 million from €1.79 million in H1 2019, up by 43.04%, contributing 11.50% to the total Group's EBIT.

In addition, income from Associated Companies presented income of €5.15 million, up by 20.22%, corresponding to 23.14% of the Group's EBIT.

CONSOLIDATED REGIONAL ANALYSIS

H1 '20 Turnover Breakdown per Geographic Market

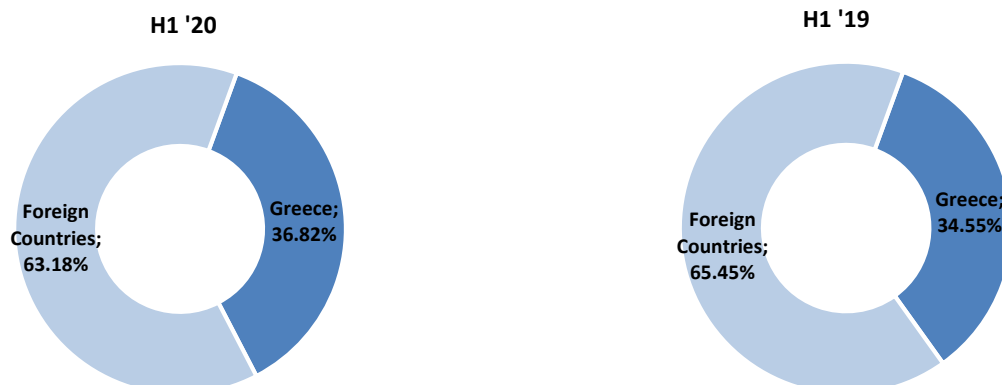
<i>Country Turnover (€ mil)</i>	<i>H1 '20</i>	<i>%</i>	<i>H1 '19</i>
Greece	67.64	13.68%	59.50
% of Total Turnover	36.82%		34.55%
Poland	31.58	15.40%	27.37
Poland - Polipak	10.87	13.17%	9.61
Romania	24.22	-2.34%	24.80
Bulgaria	5.16	-16.75%	6.20
Serbia	8.89	-0.37%	8.92
Czech Republic	9.56	-9.27%	10.54
Slovakia	2.94	5.44%	2.79
Hungary	4.50	-9.36%	4.96
North Macedonia	1.93	-2.74%	1.98
Bosnia	1.32	-1.15%	1.33
Portugal	0.62	-26.82%	0.84
Ukraine	13.34	10.73%	12.05
Russia	1.14	-13.30%	1.31
Foreign Countries Subtotal	116.05	2.98%	112.69
% of Total Turnover	63.18%		65.45%
Total Turnover	183.69	6.68%	172.19

The Group's consolidated turnover presented an increase of 6.68% during H1 2010 versus last year's first half, supported by Greece's strong sales growth and the positive performance of the Foreign Countries.

Greek sales, amounted to €67.64 mil. in H1 2020 compared to €59.50 mil. in last year's first half, posting an increase of 13.68%.

The foreign countries, that contributed 63.18% in the Group's turnover, exhibited growth of 2.98% reaching €116.05 mil. in H1 2020 from €112.69 million in H1 2019. On a currency neutral basis, that is without the FX devaluation effect, Foreign Countries sales were up by 4.21% in H1 2020.

The sales growth across the Group's region is driven by continued strong demand, albeit more normalized throughout the second quarter compared to the first quarter, in categories related to personal hygiene, health care and home care. This growth was offset, at a level corresponding to each country's sales distribution, by weaker demand for other categories, as well as consumption disruptions caused by lockdowns and restrictions in specific retail channels.



The foreign countries' contribution into the Group's sales stood at 63.18% during H1 2020, from 65.45% in the previous year's first half.

H1 '20 EBIT Breakdown per Geographic Market

Country EBIT (€ mil)	H1 '20	%	H1 '19
Greece	12.99	21.82%	10.66
% of Total Ebit	58.34%		68.05%
Poland	3.43	261.68%	0.95
Poland-Polipak	1.54	233.36%	0.46
Romania	2.22	56.38%	1.42
Bulgaria	0.35	-22.93%	0.46
Serbia	0.55	43.61%	0.38
Czech Republic	0.64	-20.17%	0.80
Slovakia	0.00	-97.04%	0.11
Hungary	0.01	86.25%	0.05
North Macedonia	0.23	-3.42%	0.24
Bosnia	-0.05	62.33%	-0.14
Portugal	-0.13	34.70%	-0.20
Ukraine	0.46	-12.34%	0.52
Russia	0.02	134.79%	-0.06
Foreign Countries Subtotal	9.27	85.31%	5.00
% of Total Ebit	41.66%		31.95%
Total EBIT	22.26	42.11%	15.66

The **Greek** EBIT during H1 2020 increased by 21.82% to €12.99 mil., from €10.66 mil. in H1 2019.

Excluding the income from Associated companies, Greek EBIT during H1 2020 amounted to €7.83 mil. up by 22.90% compared to €6.37 mil. in last year's first half.

Greek EBIT margin, excluding income from Associated Companies, stood at 11.58% during H1 2020 from 10.71% in H1 2019.

The **foreign countries** EBIT was significantly up by 85.31% during H1 2020, amounting to €9.27 mil. from 5.00 mil. In last year's first half. The foreign countries EBIT margin settled at 8% from 4.44% in the first half of last year.

NEWS FLOW UP TO THE RELEASE DATE OF THE H1 2020 CONSOLIDATED FINANCIAL RESULTS

- Following the approval from the Antimonopoly Committee on February 28th 2020, Sarantis Group finalized the acquisition of LUKSJA, a Polish cosmetics brand specializing in the personal care products category.
It is reminded that LUKSJA is an award winning cosmetics brand boasting a 30-year history of successful presence in the Polish bath and shower market. LUKSJA holds the leading position in the branded bar soap, liquid soap, hand wash and bath foam categories.
LUKSJA products are highly recognized in the market for their high quality, unique fragrances and the constant new product development pipeline that addresses consumer needs and trends.
As part of the deal, Sarantis Group acts as a distributor for other brands of PZ Cussons currently sold in CEE, including Morning Fresh, Carex, Original Source, etc.
- Following the election of the new third person of the Audit Committee, Mr. Ioannis Arkoulis of Michael, who was elected by the General Extraordinary Meeting dated February 27th 2020, after having confirmed that the requirements set out by the provisions of article 44 of the L.4449/2017 are met, and the authorization of the Board of Directors by the same General Meeting to appoint the two independent non-executive members of the Board of Directors who will occupy the remaining positions of the members of the Company's Audit Committee, the Board of Directors, at its meeting on March 3rd 2020, appointed as members of the Company's Audit Committee, the independent non-executive members, Mr. Dimitrios Efstathiou of Konstantinos and Mr. Christos Economou of Ioannis. The aforementioned members of the Audit Committee were appointed in accordance with article 44 of Law 4449/2017.
Furthermore, during the meeting of the Audit Committee on March 3rd 2020, the members of the Audit Committee decided to appoint, Mr. Ioannis Arkoulis of Michael as its Chairman.
In view of the above, the Audit Committee of the Company consists of the following:
 - Dimitrios Efstathiou of Konstantinos, independent non-executive member of the Board of Directors, member of the Audit Committee,
 - Christos Economou of Ioannis, Independent non-executive Board Member, member of the Audit Committee, and
 - Ioannis Arkoulis of Michael, third person, Chairman of the Audit Committee.
- Following the General Shareholders Meeting resolution dated May 7th 2020, the company GR. SARANTIS S.A. announced the distribution of dividend payment for the fiscal year 2019 amounting to 0.1604814 euro per share. According to the legislation in force, the dividend corresponding to the company's 2,731,600 treasury shares was applied to the dividend paid out to the other shareholders and hence the dividend was increased to 0.16701 euro per share.
The aforementioned dividend amount was subject to a 5% withholding tax and therefore shareholders received a net amount of 0.158660 euro per share.
May 11th 2020 was set as the ex-dividend date, while the entitled shareholders were those registered in the Dematerialized Securities System on May 12th 2020 (Record date).
The dividend payment took place on May 18th 2020.

OBJECTIVES AND PROSPECTS

Within the first half of 2020 the Group delivered remarkable profitable growth resulting from the Group's ability to grow the business and continue to implement its investment plan, while responding effectively to an exceptionally challenging operating landscape and changing consumption patterns.

Throughout this period, the management's actions have been guided by clear priorities concerning the health and safety of the Group's employees and the society, the uninterrupted business continuity and continuous supply of high-demand products to the market, and the maintenance of a strong financial position.

The Group's focus for the rest of 2020 will be on preserving a positive sales growth momentum, which will be supported by activation plans, new product development and business expansion across the region, as well as on maintaining profitable growth.

At the same time, the management will continue to pursue its long-term goals in order to bring further top line growth, further improvement on profit margins and cashflow generation, supporting this way the business and returning value to its shareholders. The Group's strategy remains unchanged with the focus being, as always, on organic and acquisitive growth, new strategic partnerships, geographical expansion, cost efficiencies, economies of scale, benefits from synergies and operating leverage.

Given the continued uncertainty regarding the impact of the COVID-19, including macroeconomic and consumption impacts, as well as the uncertain evolution of the pandemic going forward across our geographical region, financial results cannot be accurately predicted at the time.

However, the management is confident that the Group's agility and resilient business model, together with our people's capabilities, will help us navigate through this unprecedented period and allow us to continue following the Group's strategic expansion plan, stimulating further profitable growth.

The Group's strong capital base, low net debt and strong cash flows, provide safety and the support necessary to mitigate any potential negative impact.

Sarantis Group management will hold a conference call to comment on the H1 2020 results on Thursday September 3rd 2020.

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

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