



Share Price:		7,5
Closing Price as 16/03/16		
Price High 52week		8.2
Price Low 52week		6.56
Market capitalisation		260.782.365
Current num. of shares		34.770.982
Long Term Debt		32.137.122

Key Financials	12/15	12/16E	12/17E
Sales	278.760.000	310.173.400	318.510.116
EBITDA	28.522.915	36.231.877	37.859.237
EBITDA margin	10%	12%	12%
Total Debt/Equity	0.21	0.21	0.21
P/E	13,66	11,00	11,00
EPS	0.54	0.62	0.66
Dividend/Share	0.16	0.18	0.20

Enterprise Value	203.116.108
Shareholders value	170.978.986

SARANTIS

SECTOR: Personal & Household goods-Personal products

ACTIVITY: Formulation and supply of cosmetics products.

Outlook:

Sarantis Group FY15 Revenues exceeded our expectations (+13% vs +8%). The growth of Group's Revenues reflects both the gain in market share in the countries which the group operates and the positive contribution of the latest acquisitions of Noxzema and Ava brands.

In terms of operating and gross profit margins, the group expects a slight improvement due to the positive contribution of own products to the overall sales mix.

For FY16, we perceive higher total sales growth (+10%) in line with company's guidance due to the evidenced organic increase in domestic and foreign retail sales and the contribution of the latest acquisition (Polipack) to total revenues.

We factor in our model increased group revenues for the 2016-2019 period in order to reflect Polipack's contribution in total sales (c.15mn years per annum) and an increased growth rate in revenues for the main Geographical areas which the group operates. Additionally, we keep the operating margins stable and adjust our expectations for CAPEX as the guidance indicates for the same period respectively.

These adjustments lead us to re-estimate Group's cumulative revenues and Free cash flows for the 2016-2019 period to c.1.3bn Euros vs c.1.1bn Euros and c.50mn Euros vs c.45 mn Euros respectively.

We reconfirm Sarantis's Fair Estimated Price at 5.5 Euros/Share, due to management's ability and expertise, solid balance sheet and satisfactory track record regarding annual guidance which are key factors in our valuation model.

We still believe that Sarantis is an interesting long term business case, Fair Price could amount to 6,00 Euros/Share, yet a bit pricey one at current levels.

Strengths:

We expect an increase of c.10% in total sales for the full year of 2016 due to the contribution from the foreign countries in line with the management's guidance.

Opportunities:

The rapid growth of the Balkan economies which Sarantis group operates is possible to increase profitability and operating margins.

Threats:

Unstable domestic economic environment.

While we believe that the current share price is higher than our estimated fair value we should not ignore the fact that the group successfully operates in sales and production of cosmetics. Sarantis's management capital structure and operations have already proved resilient to the consequences of the recession. Moreover a possible recovery and stability in the economies which the group operates could spectacularly improve its operating and profitability margins.

Date 17/03/16

FAIR ESTIMATED PRICE	5,5
Δ% from Current Price	-27%
Investment Thesis	0V

SARANTIS Summary tables

Income Statement	2015	2016E	2017E	2018E	2019E
Sales	278.760.000,00	310.173.400,00	318.510.116,00	324.880.318,32	331.377.924,69
Cost of goods	146.262.092,82	161.290.168,00	165.625.260,32	167.313.363,93	170.659.631,21
Gross Profit	132.497.907,18	148.883.232,00	152.884.855,68	157.566.954,39	160.718.293,47
Other Income	7.743.734,96	4.761.798,90	4.761.798,90	4.761.798,90	4.761.798,90
Administrative Costs	14.115.376,57	14.821.145,40	15.117.568,31	15.419.919,67	15.728.318,07
Sales Costs	101.325.722,75	106.392.008,89	108.519.849,07	113.945.841,52	119.643.133,59
EBIT	24.800.542,82	32.431.876,61	34.009.237,21	32.962.992,09	30.108.640,71
Impairment Loss					
Interest Income/Expens	1.889.528,66	1.900.000,00	1.900.000,00	1.900.000,00	1.900.000,00
EBT	22.911.014,16	30.531.876,61	32.109.237,21	31.062.992,09	28.208.640,71
Tax	4.124.528,19	8.854.244,22	9.311.678,79	9.008.267,71	8.180.505,81
Deferred Tax					
Net Income	18.786.485,97	21.677.632,40	22.797.558,42	22.054.724,39	20.028.134,91
EBITDA	28.522.914,95	36.231.876,61	37.859.237,21	36.862.992,09	34.108.640,71
D&A	3.722.372,13	3.800.000,00	3.850.000,00	3.900.000,00	4.000.000,00

Cash flow estimations (E)	2016E	2017E	2018E
EBIT	32.431.876,61	34.009.237,21	32.962.992,09
Taxation	29%	29%	29%
NOPAT	23.026.632,40	24.146.558,42	23.403.724,39
Depreciation	3.800.000,00	3.850.000,00	3.900.000,00
IWC	5.764.775,80	2.417.647,64	1.847.358,67
Capital Exp.	3.500.000,00	3.500.000,00	3.500.000,00
NCF	17.561.856,60	22.078.910,78	21.956.365,71

Growth/Margins/Metrics(E)	12/15	12/16E	12/17E
Sales Growth	15%	4%	4,00%
EBITDA growth Y-Y	11%	27%	4%
Net Profit/Loss growth	9,53%	15,39%	5,17%
RATIOS	12/15	12/16E	12/17E
Debt/Equity	0,21	0,21	0,21
Capex/EBITDA	40%	10%	9%
ROE	11%	13%	15%
WACC	12,00%	12,00%	12,00%
VALUATION	12/15	12/16E	12/17E
Book Value	4,78	4,78	4,78
P/BV	1,61	1,15	1,15
P/E	13,68	11,00	11,00

Σημειώσεις/Notes

P: Τρέχουσα Τιμή
 MCAP: Κεφαλαιοποίηση
 EPS: Καθαρά Κέρδη Ανά Μετοχή

P/E: Λόγος Τιμής προς Κέρδη
 P/S: Λόγος Τιμής προς Πωλήσεις
 D/A: Συνολικός Δανεισμός προς Παθητικό

DY: Απόδοση Μερισμάτων
 ROE: Απόδοση Ιδίων Κεφαλαίων
 FV: Τιμή Σωστής Αποτίμησης

Market Price
 Capitalization
 Earnings per Share

Price/Earnings Ratio
 Price/Sales Ratio

Total Debt/Assets Ratio
 Dividend Yield
 Return on Equity
 Fair Value Price

Οδηγός Συστάσεων/Ratings

UV Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος

UV1 Χαμηλή Αποτίμηση/ Κίνδυνος

FV Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος

OV1 Σωστή Αποτίμηση/ Κίνδυνος

OV Υπερτιμημένη Μετοχή

Underpriced/ Small Risk
 Stock Price < 20% of Fair
 Underpriced/ Risk
 Stock Price < 10% of Fair
 Fairly Priced/ Small Risk
 10% < Stock Price < 10%
 Fairly Priced/ Risk
 Stock Price > 10% of Fair
 Overvalued
 Stock Price > 20% of Fair

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