SARANTIS GROUP – The Scent of Success

As managing director of the Athens-based Sarantis Group, Kyriakos Sarantis heads one of the most important suppliers of household products, cosmetics, toiletries and over-the-counter health care products to supermarkets and pharmacies in Southeast and Central Europe.

Kyriakos Sarantis
Managing Director Sarantis Group

Evolving from a local distributor into a regional multinational supplier, today almost 65% of the company's $423 million in annual sales are generated from its network of subsidiaries that focuses on Southeastern, Central Eastern and Eastern Europe. What also makes Sarantis stand out is the number of branded products the company owns and manufactures at its several production plants in Greece, Poland, and Ukraine, which make up the majority of sales.

Originally established in Constantinople in 1930, Sarantis made Athens its headquarters in 1956. It first began to manufacture its own Prosar and Clochard ranges of cosmetics 10 years later. During the 1970s and 1980s the company made a name for itself by securing exclusive distribution agreements with leading cosmetics companies, including Estée Lauder, a partnership that, thanks to its long-lasting and successful course, later evolved into a joint venture between the two. Currently, Sarantis boasts partnerships with Coty, La Prairie and Puig, to name a few.

The company also manufactures a broad range of branded cosmetics and toiletries, including the STR8 male fragrance line, Bioten skincare line, Noxzema deodorant and shower gel line, Carroten suncare line, and household products like Sanitas, Fino and Jan Niezbedny range of garbage bags, food packaging and cleaning items. All of them well recognized and ranking among consumers' top preferences.

Many of the brands under the Sarantis Group umbrella are there as a result of the self-financing acquisition strategy that Kyriakos and his brother, Grigoris, initiated nearly 20 years ago. "When the Soviet bloc began to disintegrate, we realized that we were suddenly going to have access to several previously closed economies, which were also virgin markets where the customer had little or no choice of product," says Kyriakos.

The Sarantis brothers decided to build for the long term. "We started by establishing our network of affiliates and communicating our brand values," says Kyriakos. "When we began buying companies later on, some of the acquisitions we made were designed to help us achieve critical mass and some to gain entry into new market segments. Our aim has always been to use any network we acquire to sell our other brands." That network is now a force to be reckoned with, as it reaches more than 100,000 points of sales in supermarkets, beauty shops, and pharmacies across Eastern Europe.

Given the depth of the economic crisis that ravaged Greece for a decade, and the ferocity of the competition from multinational manufacturing conglomerates, the company's consistent double-digit growth is nothing short of phenomenal. It is a result of the company's efficient strategy, which is based on investment in product development and geographical expansion, as well as a commitment to quality and an unwavering focus on the efficiency of its distribution channels. The equity markets recognize the company's recipe for success and project a continuation of the impressive growth that has seen the share price of Sarantis increase eightfold since 2012.

"Over the past two decades, we have made more than 20 acquisitions, and we have a good eye for an opportunity and a flair for making things work," says Kyriakos. "Successful acquisitions aren't just about the sale, they are about exploiting synergies as well."

Every company acquired by Sarantis has reaped the rewards of its Midas touch, and Ergopack, one of the recent acquisitions, is a case in point. Already one of Ukraine's fastest-growing suppliers of household products when Sarantis bought it from the Horizon Capital private equity firm in May 2018, Sarantis moved quickly to clear Ergopack's debts and now intends to use its distribution network to introduce several of the Group's other branded products into the Ukrainian market. Sarantis also plans to use Ergopack's connections in Belarus, Central Asia and to a lesser extent in Russia to grow the company's geographical footprint even further.

The expansion program keeps going. Earlier this year, the Group further strengthened its presence in the Polish market by acquiring the Luksja cosmetics brand from the UK-based Pz Cussons. As part of the agreement, Sarantis will distribute some of the seller's most popular brands in Poland and elsewhere in Central and Eastern Europe. On the domestic front, Sarantis recently signed an agreement with the U.S. international beauty company Coty, enabling it to distribute the color and styling brands Wella Koleston and Wellaflex to the Greek mass market, as well as Coty's luxury cosmetics brands in the Greek selective market.

As the toiletries and cosmetics markets continue to grow at an annual compound rate of 5% and the company succeeds in securing such mutually beneficial deals, Kyriakos has every reason to be optimistic about the future. "Growth is our strong point," he says. He is now looking for partners to help further expand his company's presence in Central and Eastern Europe, the Balkans and Ukraine. "We always play to our strengths, and those lie in virgin markets, just as they ever did."

SARANTIS
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