



KRI KRI
Milk Industry



September 2017



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Basic Figures – Investment Summary FY 2016

Turnover

€67 m

EBITDA

€11 m

Total Assets

€76 m

No of Employees

343

Countries of
exporting

24

Revenue
generated abroad*

28%

Investment

- ✓ One of the few listed companies globally with clear **exposure to the Greek Yogurt investment theme**.
- ✓ **High returns and dividend payments to shareholders.**

Management

- ✓ An **experienced and loyal management team** that has led KRI KRI from a local company to a major player in Greece and a reliable business partner in Europe and Emerging Markets.

Strategy

- ✓ **Well positioned** to take advantage of the enormous growth potential in Yogurt and Ice Cream markets.
- ✓ A **brand new, highly effective and automated yogurt production line** that has easy access to considerable supplies of raw milk.

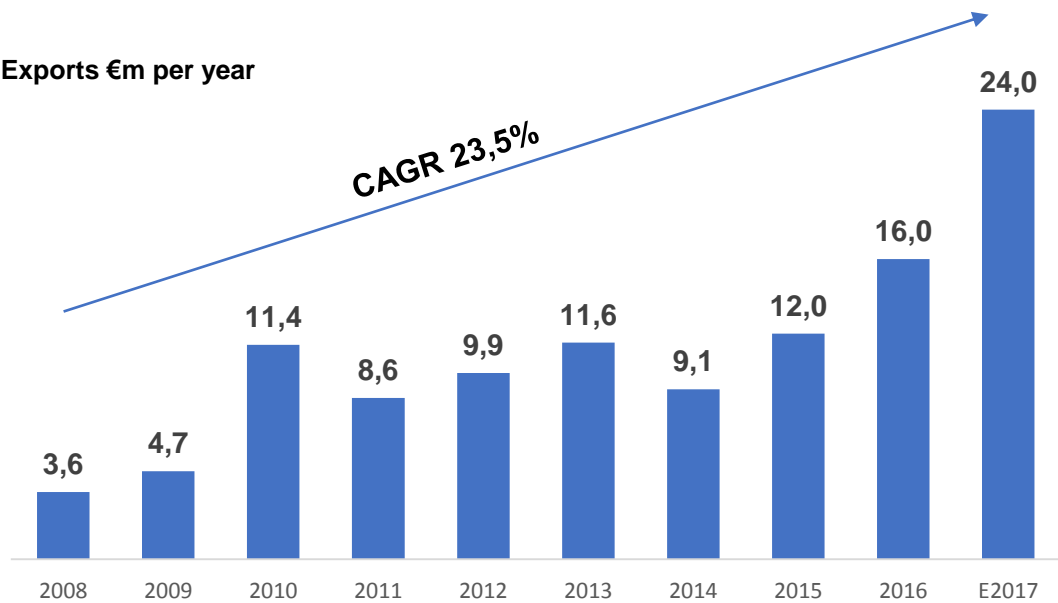
Performance

- ✓ **Profitable growth**, even during the Greek crisis and recession, supported by a sound financial position.

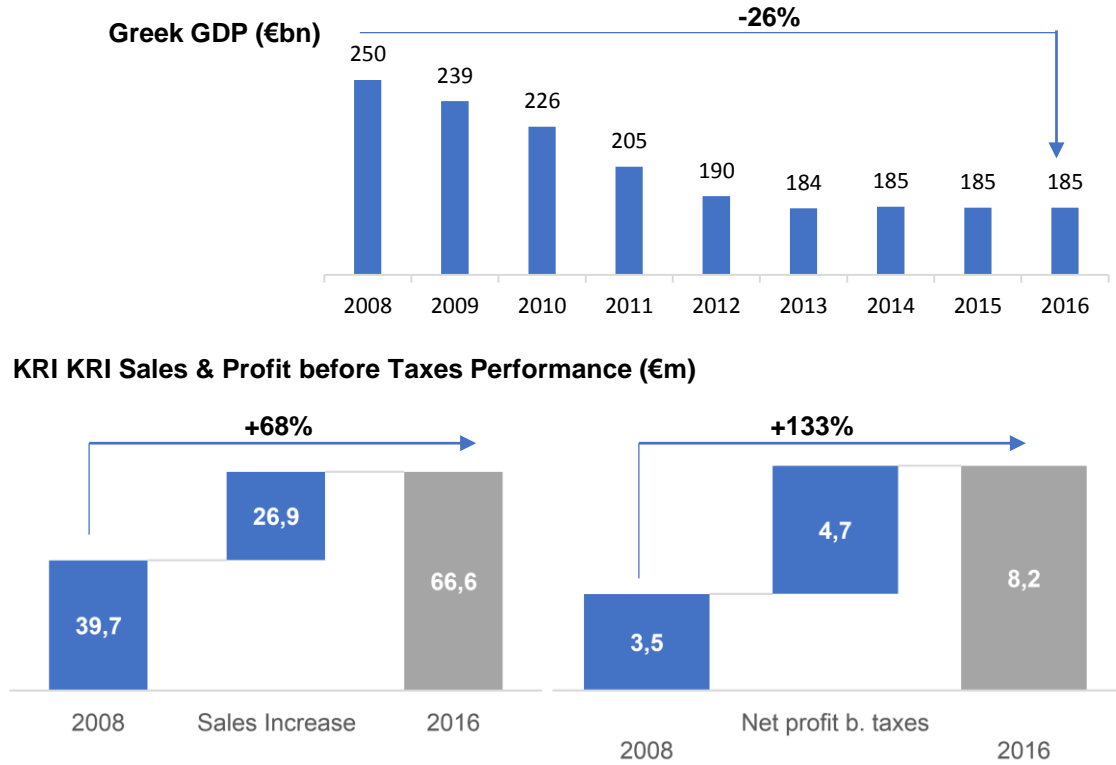


Achievements

✓ Exports increase



✓ Performance during Greek crisis



Basic Segments



Yogurt Greece

FY 2016: €33,3 m
H1 '17 YoY: +6,3%

Ice Cream Greece

FY 2016: €17,4 m
H1 '17 YoY: +8,8%

Yogurt Exports

FY 2016: €13,3 m
H1 '17 YoY: +71,8%

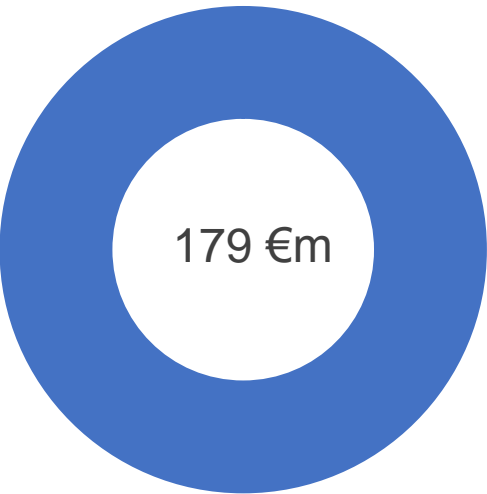
Ice Cream Exports

FY 2016: €2,4 m
H1 '17 YoY: -3,7%

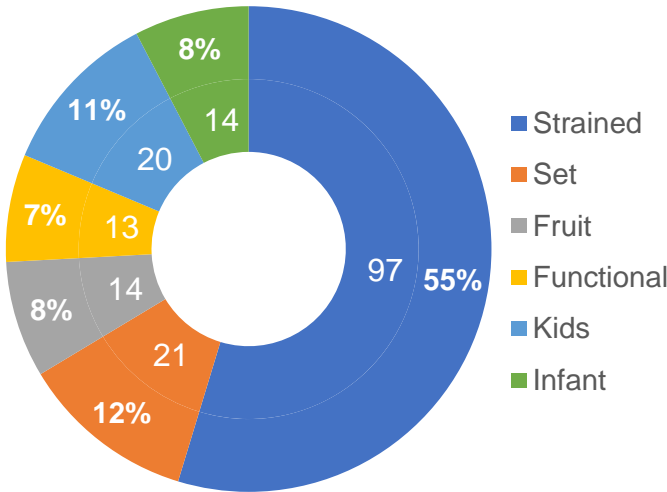


Market Outlook

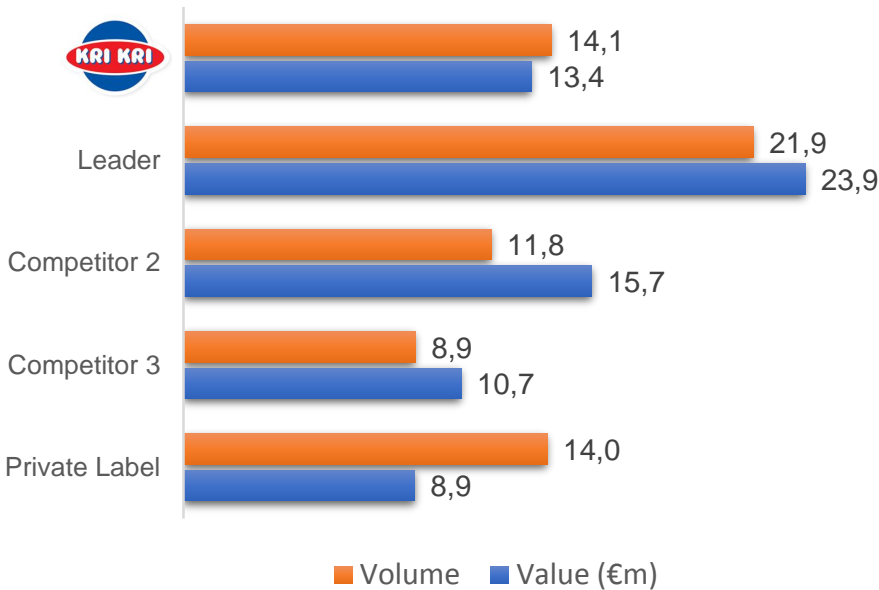
- Market Size in retail prices



- Market Size per Category (€m)

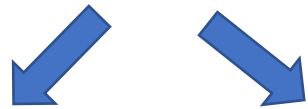


- Market Share per Player (>10%) as per July 2017



Branded products strategy

- Maintain 2nd Place in Market & profitable position



Brand re-launch in Strained Category



Increase product Quality with “barrier-to-entry” Investments



- Innovation



- ✓ New High Protein yogurt 0% combined with super foods
- ✓ Perfect snack for people who exercise
- ✓ Perfect for an ideal day start and a full balanced meal
- ✓ Planning extension of product line – new flavors

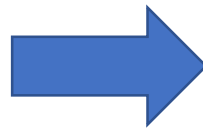


- Maintain leader position in kids yogurt (market share 32%)

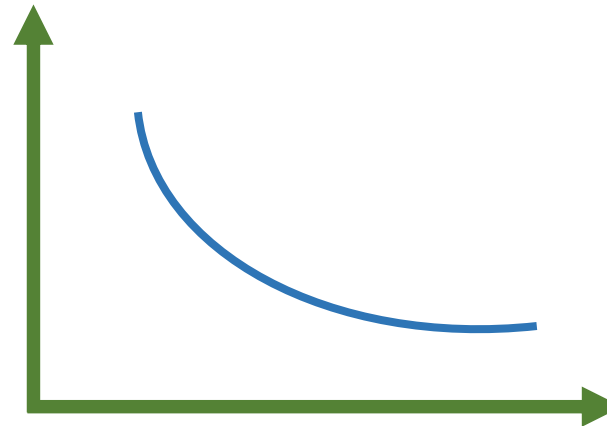
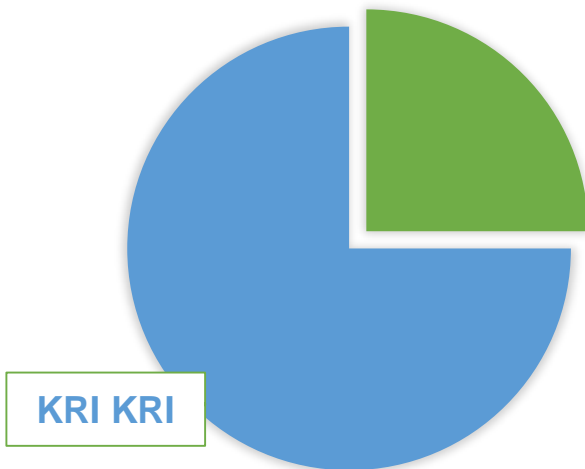


Private label products strategy

- ✓ Maintaining around **70-80%** of total yogurt private label **Production**



Leading to considerable
Economies of Scale



- Also improving relationships with large retailers in Greece

Indicative co-operations



Strategic choices – Yogurt Exports



Basic European Markets
of interest Outlook in
retail prices
(FY2016 in € & YoY)

United Kingdom



Total Yogurt: 1.721m **+15%**
Greek/Greek Style: 205m **-3%**

Italy



Total Yogurt: 1.623m **-1%**
Greek/Greek Style: 179m **+17%**

Germany



Total Yogurt: 1.907m **0%**
Greek/Greek Style: 127m **+26%**

Netherlands



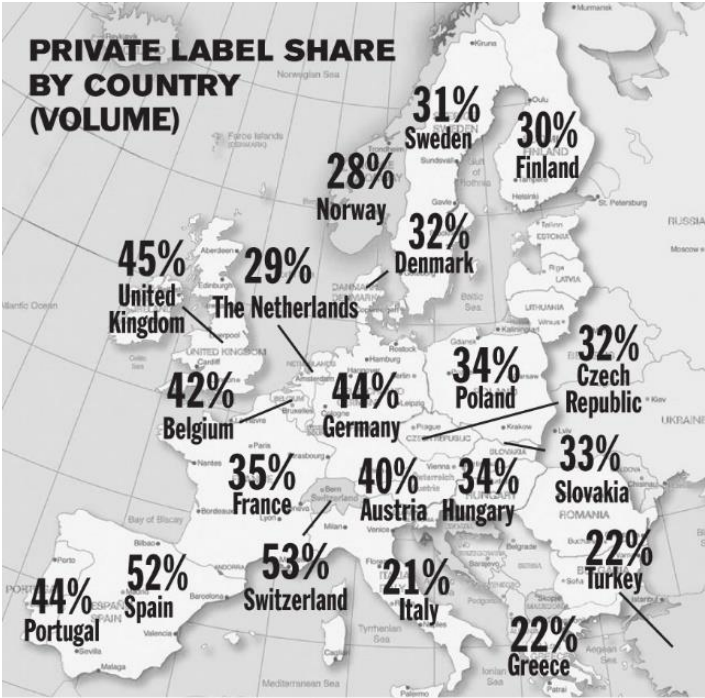
Total Yogurt: 411m **+4%**
Greek/Greek Style: 65m **+30%**



Private Label products
Strategy

Private label products capture a big share of consumers wallet in Europe

It offers a strategic way to enter markets of interest with lower entry cost and build relationships



Indicative private label co-operations in markets of interest:

United Kingdom

Waitrose
TESCO
ALDI
MARKS & SPENCER
ASDA
coop
Sainsbury's

Italy

ESSELUNGA
MD
Carrefour

Belgium

colruyt

Branded products Strategy

Careful examination of opportunities
in basic markets of Interest



Italy



- Specialization -
Differentiation

United Kingdom



- Detail plan for marketing
spending

Germany



- Maintain Position

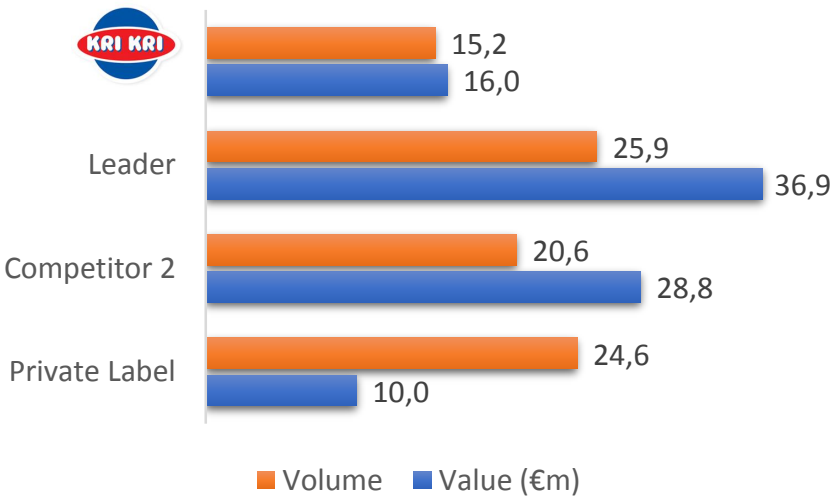


Market Outlook

- Market Size in retail prices



- Market Share per Player (>10%, excluding bulk) as per July 2017





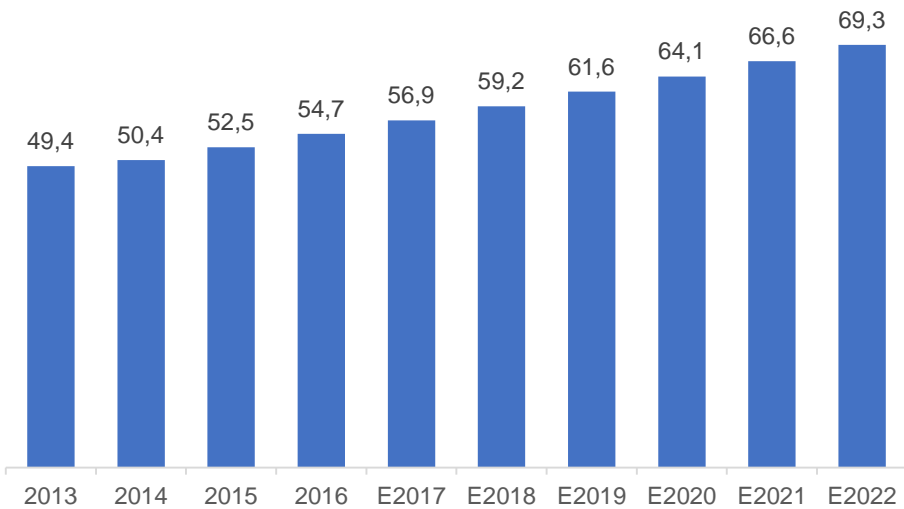
Ice Cream Strategy

- ✓ Maintain high profitability
- ✓ Strengthen market position
- ✓ Private Label products for Greek SM



Market Outlook

- Global Market Size and Trends
(in billion US \$)



- Private Label products market Share in basic European countries

	Volume	Value
Belgium	54,3%	33,1%
Germany (multipacks)	67,0%	56,6%
Hungary	53,4%	40,0%
Portugal	62,9%	47,1%
Spain (blocks)	88,4%	79,8%
Switzerland	68,6%	50,6%
The Netherlands	27,7%	24,6%
United Kingdom (< 1lt)	32,9%	27,3%

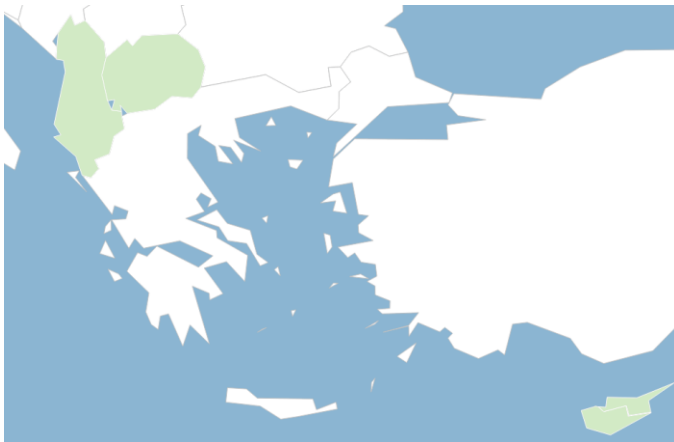
Exporting Ice Cream strategy

- Distribution Network building in Countries with proximity:
 - Cyprus
 - Albania
 - FYROM

- Looking for opportunities in Private Label products in European Market



- ✓ Won a contract in a large SM retailer in United Kingdom, starting co-operation from September 2017



Facilities & CapEx



- Modern production facilities in buildings E=25.000m²
- Capability of further development in land E= 68.000 m²

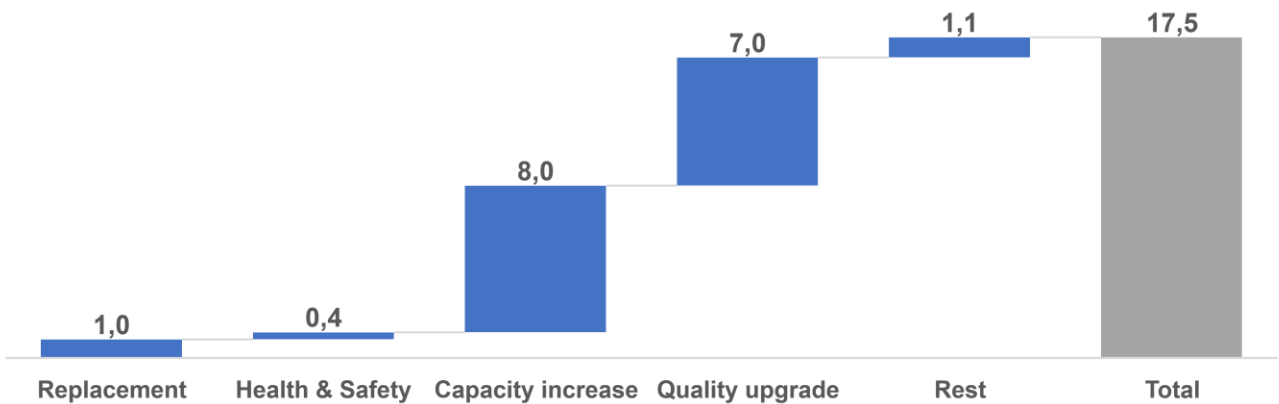


Current Capacity Utilization

Yogurt 70%

Ice Cream 50%

Planned CapEx for 2017-2018 (€m)



The amount of planned CapEx is eligible for 35% state subsidy as income tax deduction.

Capacity Utilization after investment:

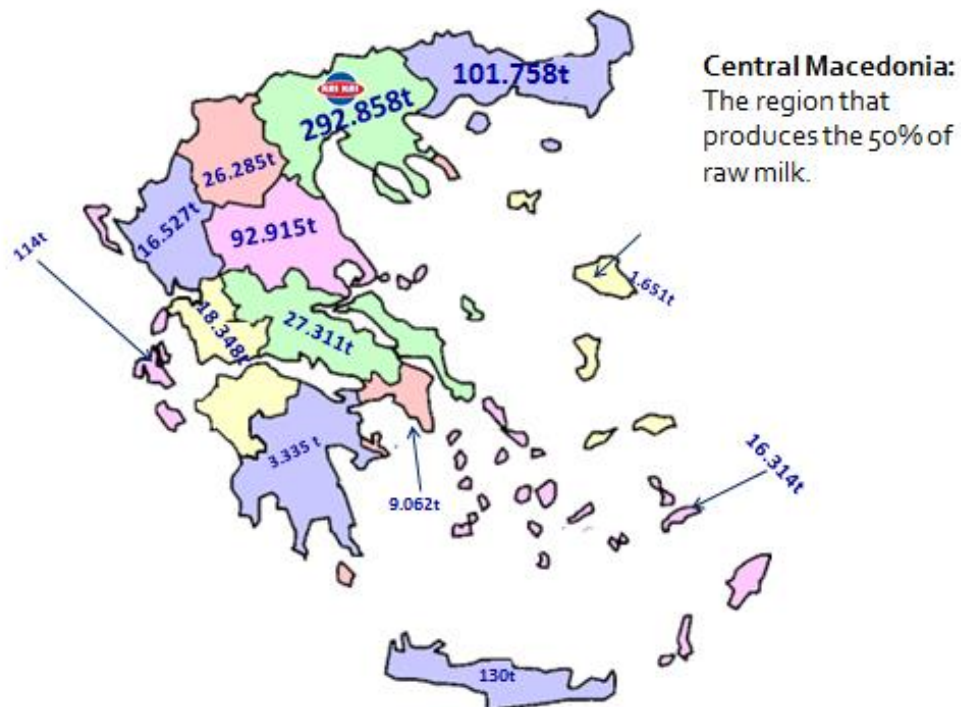
Yogurt 50%

Ice Cream 50%

Raw milk supply



Raw milk production map



- ✓ Sufficiency in Milk supply
- ✓ Proximity to farms allows us to deliver products with daily fresh milk increasing their quality



- ✓ **2-year program** in collaboration with the Aristotle University of Thessaloniki
- ✓ Participation of more than **50 farmers**
- ✓ Includes **theoretical and practical education** of the farmers
- ✓ Includes **site inspection** for each farm
- ✓ Main objective → **Improve Milk Quality & Lowering production cost**



Experienced and loyal management team



Panagiotis Tsinavos
(CEO & Chairman)

- MBA



George Kotsampasis
(COO)

- BSc in Chemical Engineering



Kostas Sarmadakis
(CFO)

- MSc in Finance



Andreas Mylonas
(Exports Director)

- MSc in International Food Marketing



Ioannis Kartsanis
(Commercial Director)

- BSc in Chemical Engineering



Gelina Koukoumeli
(Marketing Director)

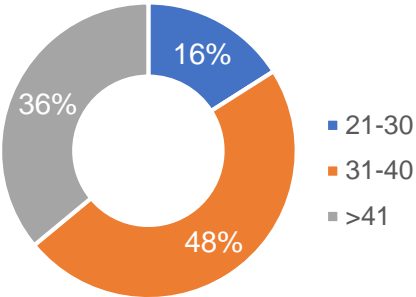
- BSc in Business Adm. & Marketing



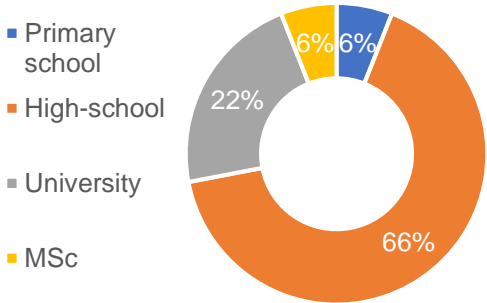
SAP ERP installation

Human Resources

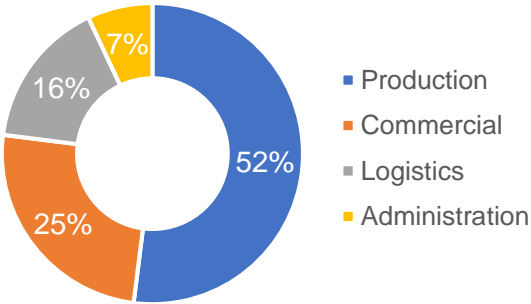
By age Group



By educational background



By division



Risks	Strategies
Sudden changes in raw material prices	➞ Examining ways of hedging
Competition threats	➞ 'Barriers to entry' investments
Lowering growth of Greek/Greek style yogurt in European markets	➞ Exploring Diversification opportunities
Consolidation of retail sector in Greece	

Key Financial figures

IFRS - €m	H1 2017	H1 2016	YoY%
Sales	41,2	34,8	+18,4%
Gross Profit	16,3	14,2	+14,4%
Operating Profit	8,0	5,9	+34,5%
EBITDA	8,2	6,2	+33,2%
EBIT	6,9	4,7	+46,2%

Margins	H1 2017	H1 2016	change
Gross Profit	39,5%	40,9%	-140bps
Operating Profit	19,4%	17,1%	+230bps
EBITDA	19,9%	17,7%	+220bps
EBIT	16,9%	13,7%	+320bps

- Impressive Sales increase , mainly driven from Exporting Yogurt activity
- Reduced Gross profit margin , caused by increase in material prices compared to previous year
- Rapid Operating Profit / EBIT increase, partly caused from last year's bad debt provision of €1.5m (Marinopoulos case)

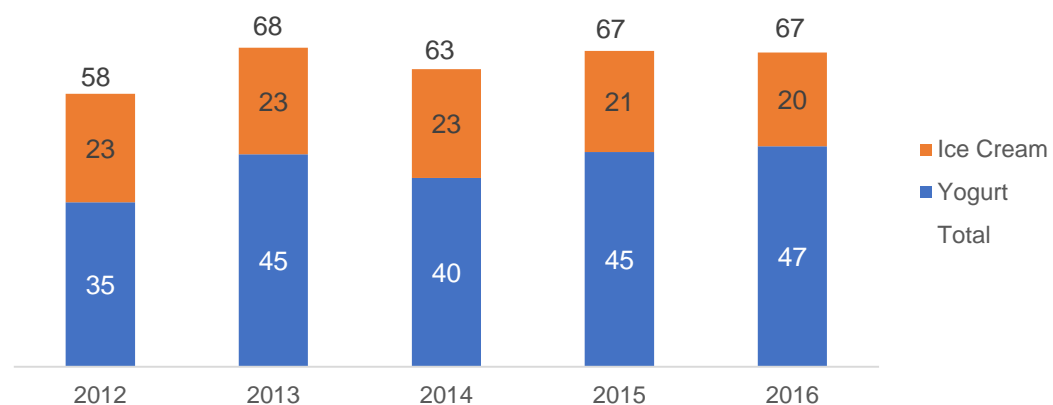
Looking ahead to H2 2017

- ➡ Sales trend to continue
- ➡ Materials cost to increase in a larger scale
- ➡ No material changes to doubtful receivables

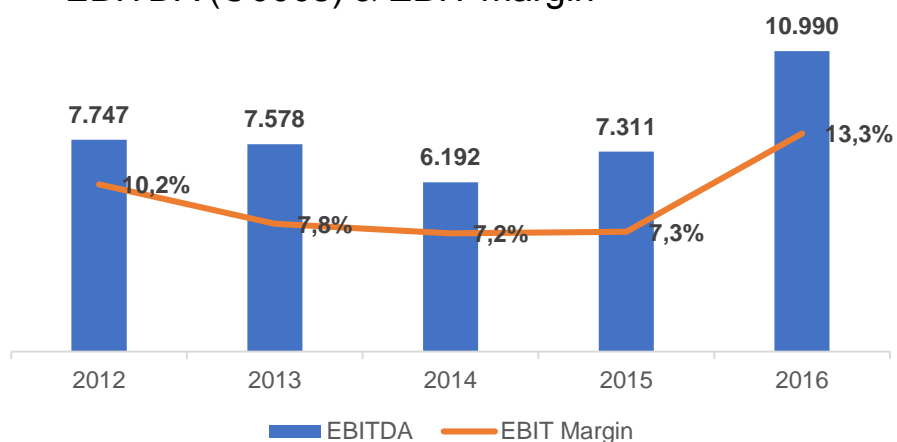
Key Financials per year



✓ Sales by BU (€m)



✓ EBITDA (€'000s) & EBIT margin



Financial Position Indicators

	Operating cash flows (€m)	Liquidity	Gearing	Net Debt (€m)
2016	8,5	2,8	17%	2,2
2015	7,9	1,8	21%	5,7
2014	1,6	1,5	16%	6,1
2013	5,6	3,0	16%	-4,3
2012	5,2	3,6	8%	-4,4

Investments Summary

	Total Investments (€'000s)
2017-2018	17.500
2016	3.700
2015	2.740
2014	24.952
2013	7.885
2012	1.713



Share performance



Stock price 5y
Performance as
per 15/9/2017
+250%

	2012	2013	2014*	2015	2016
Total stockholder return	3,9%	34,4%	-8,0%	5,9%	6,2%
Dividend yield	3,9%	3,0%	0,0%	3,2%	4,7%
Share price increase (decrease)	0%	31,4%	-8,0%	2,7%	1,6%
P/E on net profit	9	13	17	16	10

*In 2014 normal operations were disrupted by the fire of 24/12/2013

As of 15.9.2017
P/E : 16
P/BV: 2,15



Share information

KRI KRI share is listed on the **Athens Stock Exchange**.

Market: Main market
Sector: Food & Beverage

Ticker symbols:
Athens Stock Exchange: KPI
Reuters: KRIr.AT
Bloomberg: KRI GA
ISIN code: GRS469003024

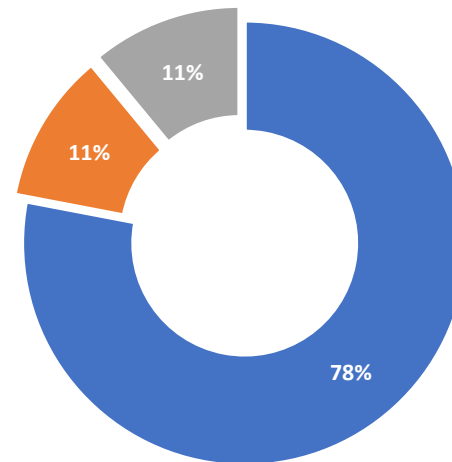
Num of shares: 33.065.136

Shareholders' structure

Tsinavos Family: 78%

Legal Entities: 11%

Individuals: 11%



Contact information

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