



the art of authentic greek flavor



Kri Kri S.A. Milk Industry

April 2018





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## Basic Figures FY 2017

Turnover	EBITDA
€79m	€13m
Total Assets	No. of Employees
€82m	350
Exports	Revenue generated abroad
€24m	31%

## 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

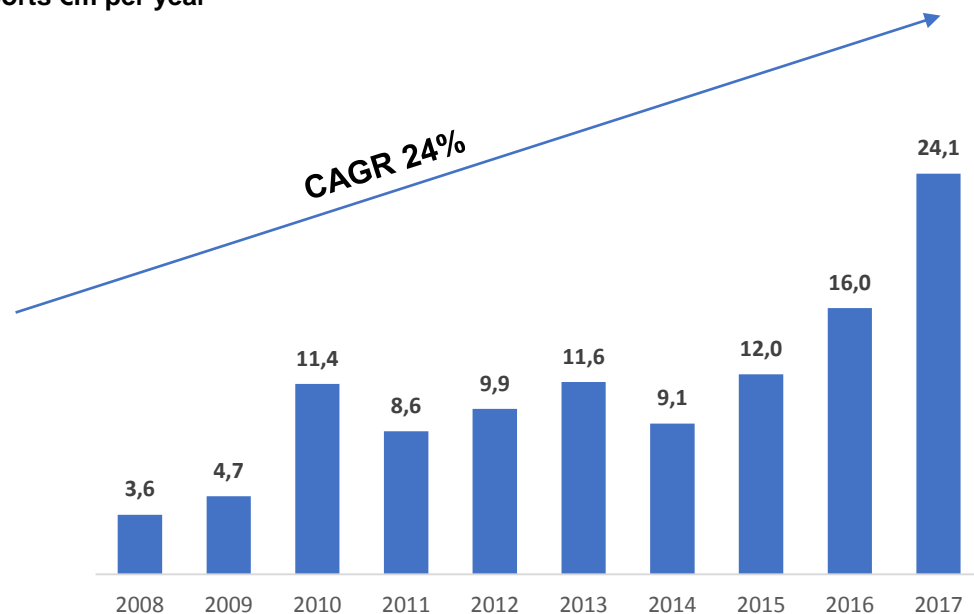
- ✓ **Profitable growth**, even during the Greek crisis and recession, supported by a sound financial position.



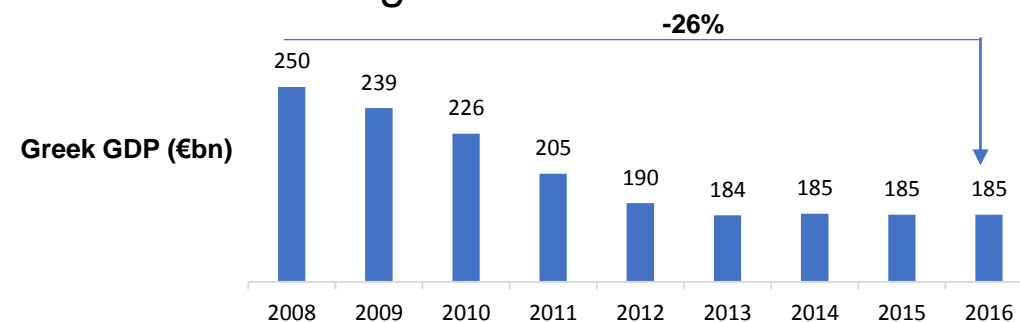
## Achievements

### ✓ Exports Increase

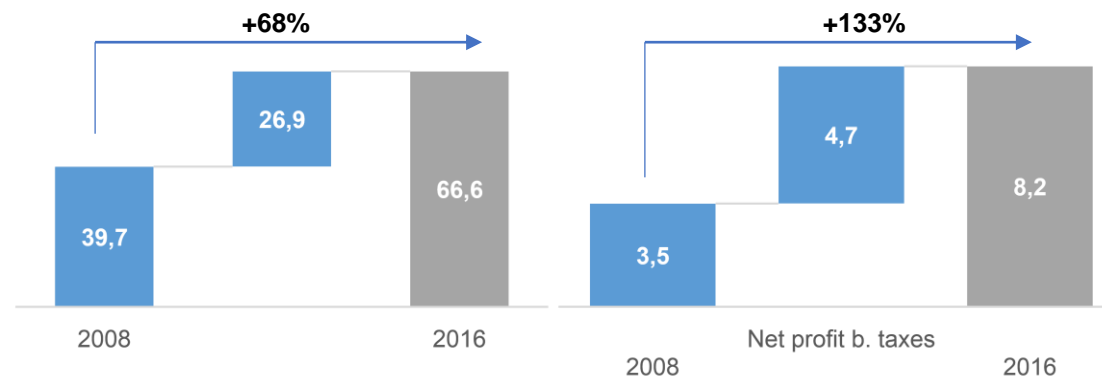
Exports €m per year



### ✓ Performance during Greek crisis



### Kri Kri Sales & Profit before Taxes Performance (€m)



## Awards



Βραβεία  
ΕΛΛΗΝΙΚΗ ΑΕΙΑ  
Βορείου Ελλάδος  
2017

«**Employment Growth**»



Innovative product **Super Spoon**  
(ice cream) - ANUGA 2017



Gold & Silver award 2017 for  
innovative packaging of ice cream  
«**Mamas Deserts**» and «**Super  
Spoon**»



Best Company's award for  
MID – SMALL CAP 2017



2016 **True  
Leaders**  
by ICAP Group

- One of the most profitable companies
- Staff Growth
- Leading Position in the Industry
- High Credit Standing

### Human Resources

- An **experienced** and **effective** management team
- **350** Employees
- **3.000** training hours for the year 2017

### Employee Satisfaction Survey 2017

- **94%** «I feel proud of all we have succeeded»
- **95%** «I feel like I offer to the company»
- **91%** «I would like to continue to work here for a long time»
- **95%** «I feel that the Administration is capable of running the company»

## Basic Segments (in € m)



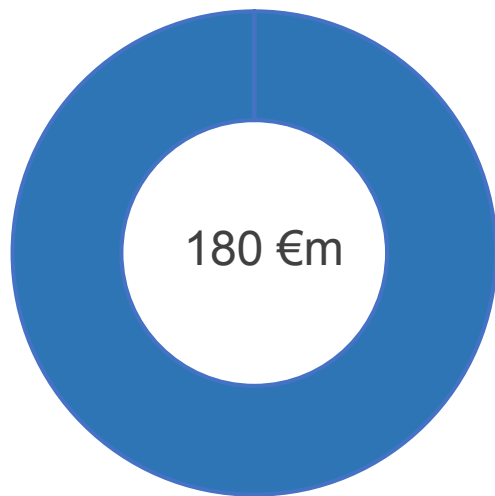
Yogurt Greece			Ice Cream Greece		
2017:	36,1	+8,4%	2017:	18,9	+8,2%
2016:	33,3		2016:	17,4	
Yogurt Exports			Ice Cream Exports		
2017:	21,4	+60,4%	2017:	2,7	+15,3%
2016:	13,3		2016:	2,4	

Source: Company data (IFRS)

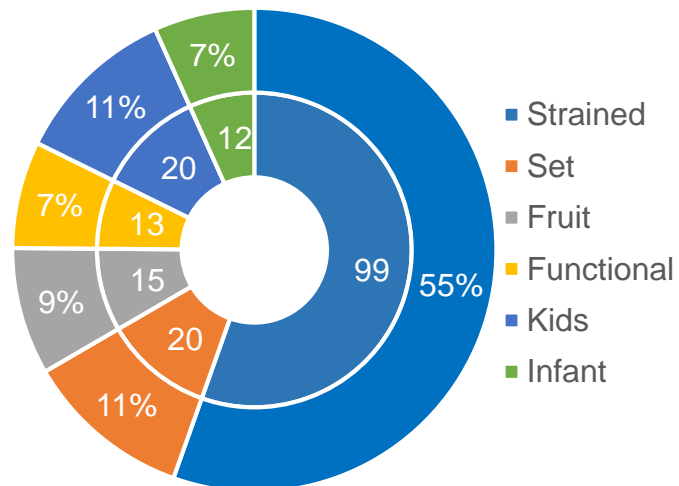
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### Market Outlook

- Market size in retail prices

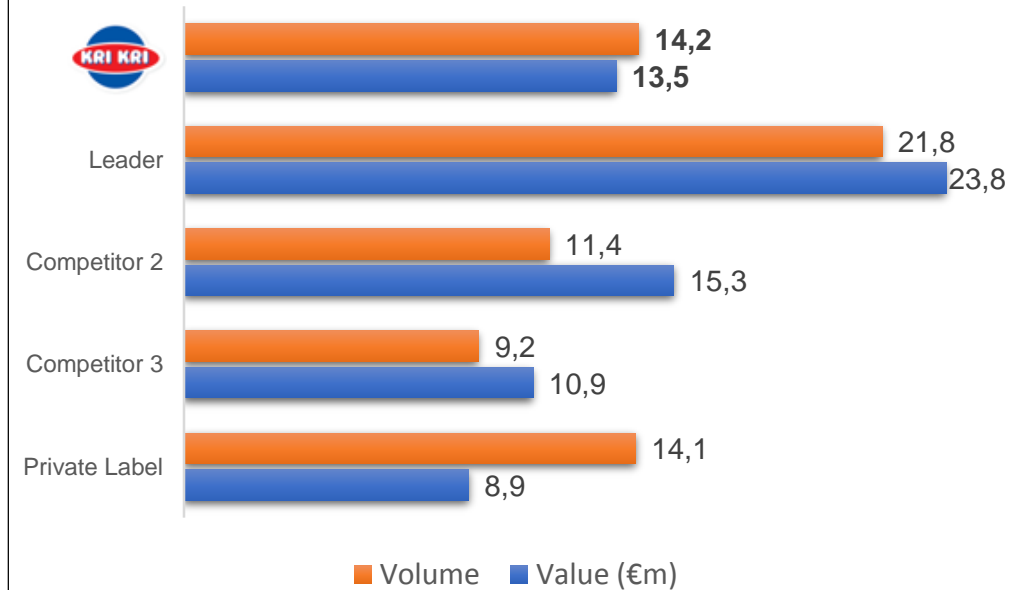


- Market share per Category (% , €m)



\* 1 in 4 Greeks consume yogurt produced by Kri Kri

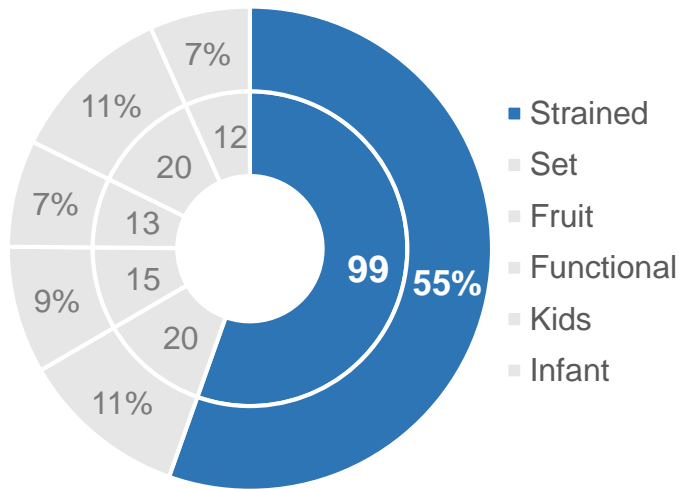
- Market Share per Supplier (Share >10%)





Branded products strategy

- 2<sup>nd</sup> place in the Greek Yogurt market
- Focus on Strained Category



Improving the quality of products with continuous investments



Brand re-launch in strained yogurt category «**my authentic Greek yogurt**»



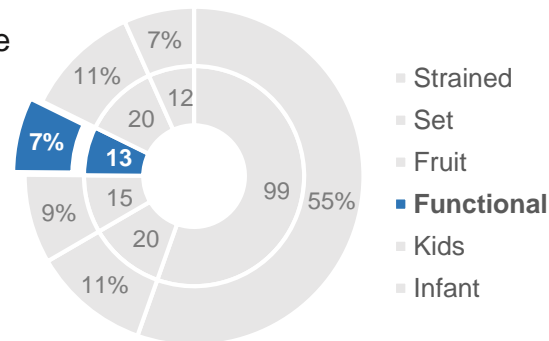
- Market share (Volume) of Kri-Kri on Strained Category

YTD Oct 17	Nov 17	Dec 17	Jan 18	Feb 18
6,5%	11,5%	9,0%	9,7%	8,7%

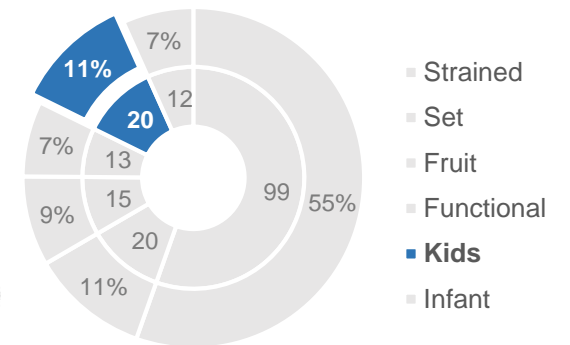
### Branded products strategy

- Innovation

- ✓ Strained Yogurt 0%
- ✓ High Protein
- ✓ Super fruits & cereals
- ✓ Perfect snack for people who exercise
- ✓ Responding to international nutrition trends
- ✓ Distinction in SIAL & ANUGA

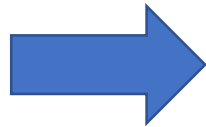


- Leader in kids yogurt (market share 35%)

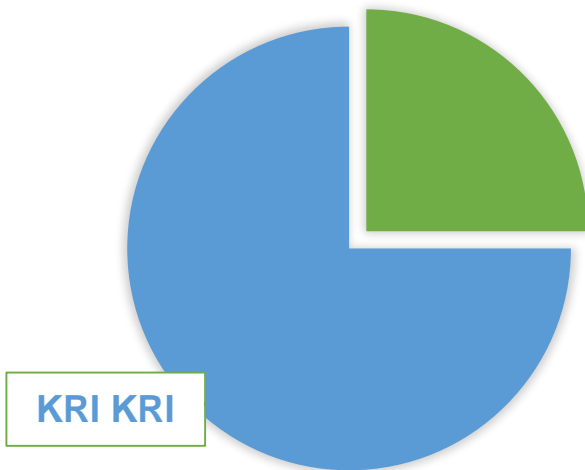


### Private label products strategy

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



Leading to considerable  
**Economies of Scale**



Indicative **Customers** in Greece



## Strategic Choices – Yogurt Exports

### Market Outlook

Basic European markets  
size in retail prices

#### United Kingdom (£m)

Total Yogurt:	1.487	+2%
Greek/Greek style (strained):	324	+7%

#### Italy (€m)

Total Yogurt:	1.580	-3%
Greek/Greek style (strained):	173	-4%

#### Germany (€m)

Total Yogurt:	1.989	+4%
Greek/Greek style (strained):	153	+21%

#### Netherlands (€m) {2016}

Total Yogurt:	411	+4%
Greek/Greek style (strained):	65	+30%



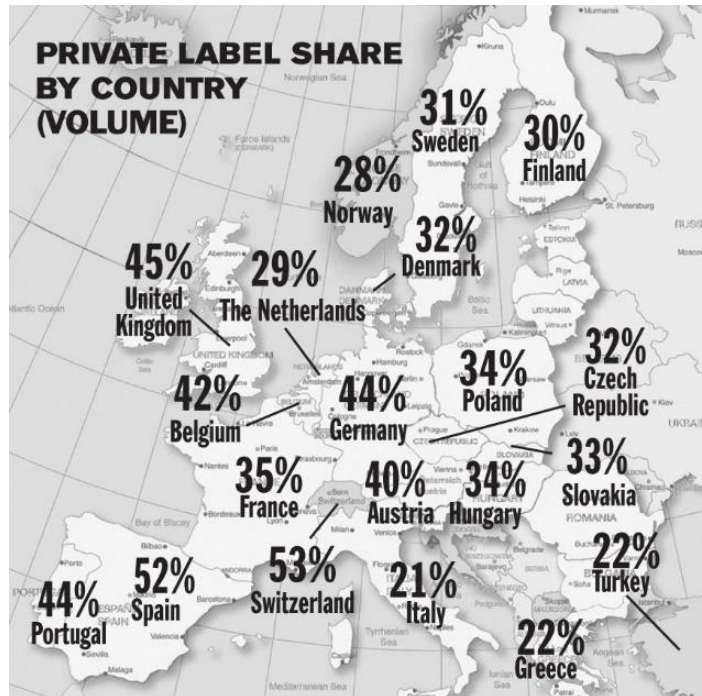
## Strategic Choices – Yogurt Exports

### 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

✓ Strategic Goal is to expand our products portfolio



Indicative private label customers in markets of interest

UK

Waitrose

TESCO



MARKS & SPENCER ASDA

coop Sainsbury's

Italy

ESSELUNGA



Belgium

colruyt

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### Strategy per Country

#### UK

- Placing branded products to existing customers
- Expanding PL products portfolio



#### Central Europe

- Brand re-launch in strained yogurt category
- Maintaining position in Germany
- Increasing PL products sales in Belgium

#### Italy

- Differentiation to Branded products
- Further penetration to PL products

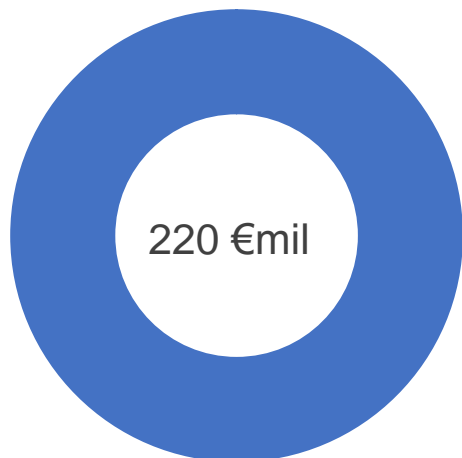


#### New Markets

- Strengthen our position in Ireland
- Penetration in Scandinavian countries

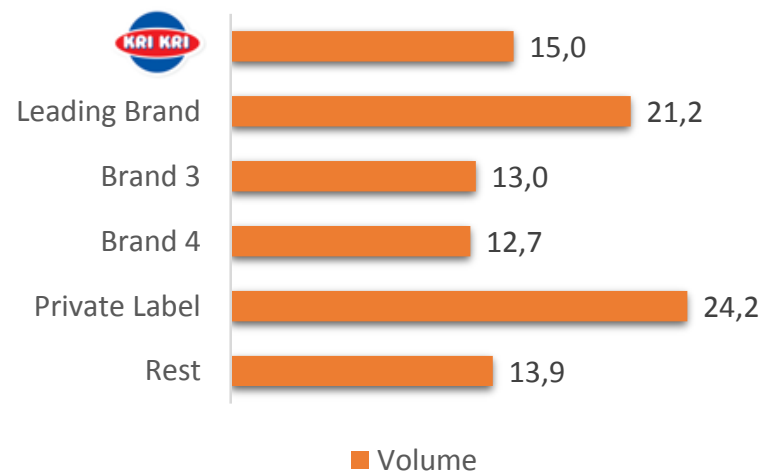
### Market Outlook

- Market size in retail prices



### \*2<sup>nd</sup> brand in the Greek ice cream market

- Market Share per Brand





### Branded products strategy



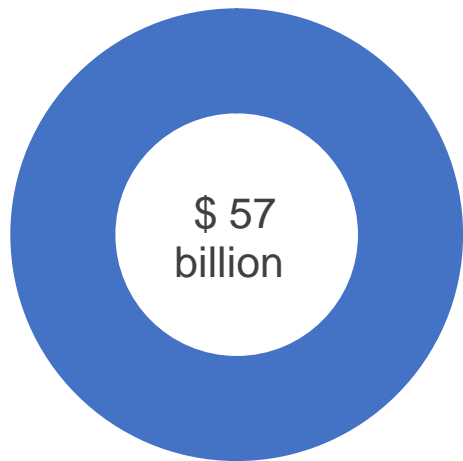
- ✓ Expand distribution network (currently 15.000 points of sale)
- ✓ Increase market share
- ✓ Maintain high profitability
- ✓ Private label products for Greek S/M
- ✓ KRI KRI SA represents Greece in the World Ice Cream Producers Organization IICC (14 members from all over the world)



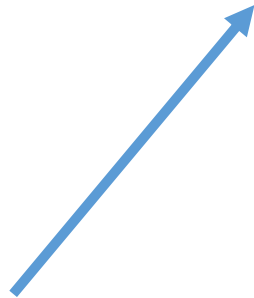


## Strategic Choices – Ice cream Exports

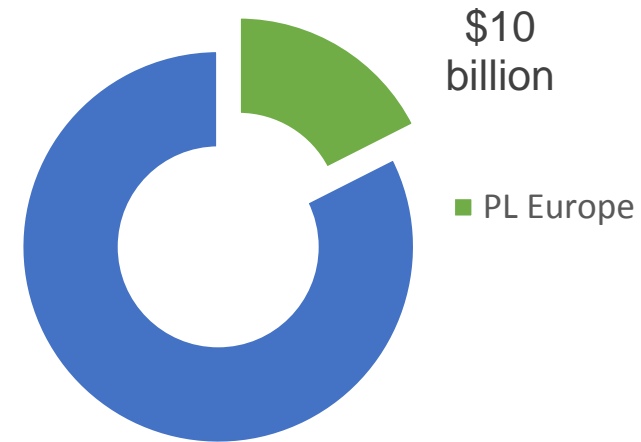
- Global Market size in 2017



Increasing trend reaching \$69b in 2022



- Europe is around 35% of Global market and PL products are around 50% of European market



Target Market



## Strategic Choices – Ice cream Exports

### Branded products strategy

- Distribution Network building in Countries with proximity:

- Cyprus
- Albania
- FYROM
- Iraq

**Total point of sales ex.: 5.000**

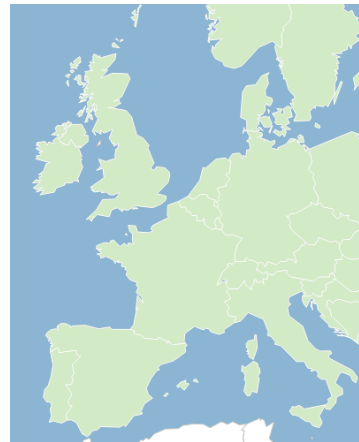


### Private label products strategy

- Looking for opportunities for Private Label products in European Market



✓ Won a contract with ALDI-UK



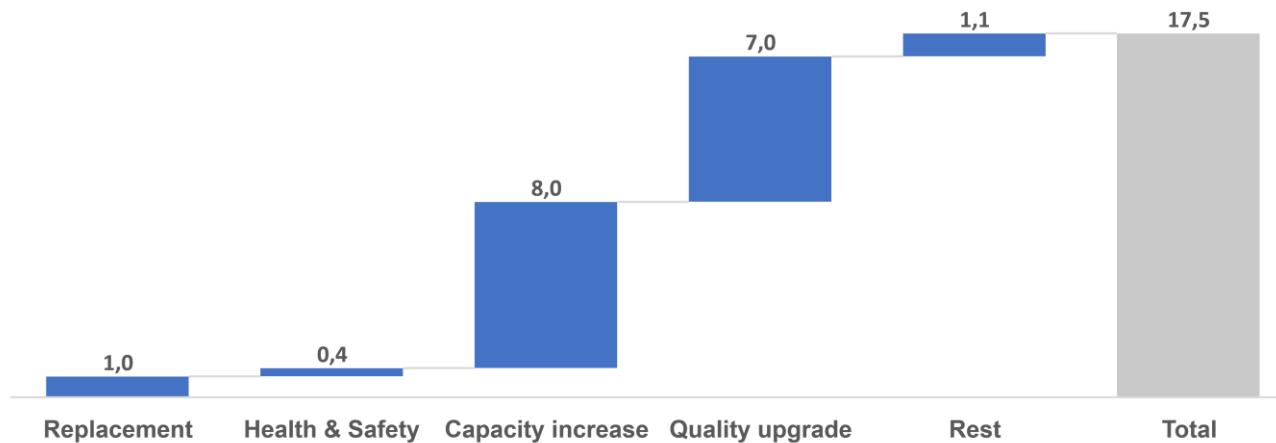
## Facilities & CapEx

- Modern production facilities in buildings E=25.000m<sup>2</sup>
- Capability of further development in land E= 68.000 m<sup>2</sup>



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

### Planned CapEx for 2017-2018 (€m)

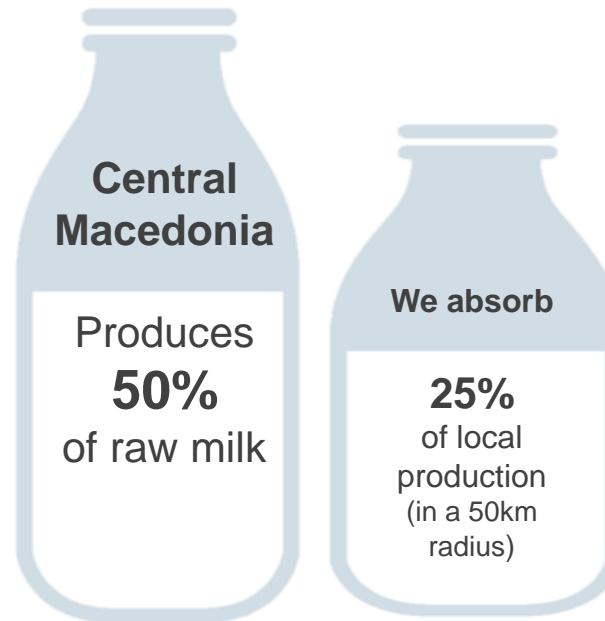


### Capacity Utilization

	Before Investment	After Investment
Yogurt	70%	50%
Ice Cream	50%	50%

## 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**



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

### Key Financial figures

IFRS - €m	2017	2016	YoY%
Sales	79,2	66,6	+19,0%
Gross Profit	28,4	25,7	+10,4%
EBITDA	12,4	11,0	+13,3%
EBIT	9,9	8,9	+11,9%
Profit before taxes	9,9	8,2	+21,2%
Net Profit	7,3	6,2	+17,6%

Margins	2017	2016	Change
Gross Profit	35,9%	38,7%	-282bps
EBITDA	15,7%	16,5%	-80bps
EBIT	12,5%	13,3%	-80bps
Profit before taxes	12,5%	12,3%	+22bps
Net Profit	9,3%	9,4%	-11bps

## Operating result per Segment

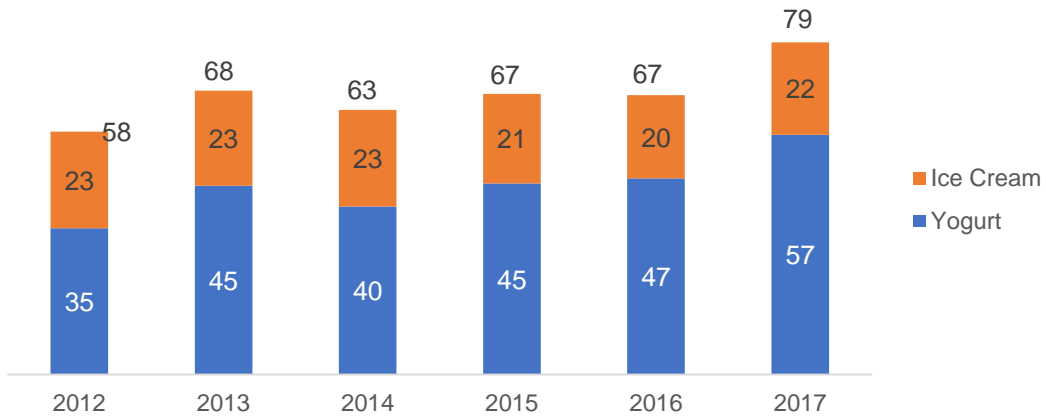
IFRS - €m	Sales	Operating Result	Margins	Change (bps)
<b>Yogurt Total</b>	<b>57,4</b>	<b>9,8</b>	<b>17,0%</b>	<b>+60</b>
Greece	36,1	6,1	17,0%	+273
Exports	21,4	3,6	17,0%	-474
<b>Ice-Cream Total</b>	<b>21,6</b>	<b>2,7</b>	<b>12,3%</b>	<b>-191</b>
Greece	18,9	2,6	14,0%	-38
Exports	2,7	0,1	1,0%	-1240
Rest	0,1	-0,4		
<b>Company Total</b>	<b>79,2</b>	<b>12,0</b>	<b>15,1%</b>	<b>-41</b>

## Calculations – Reconciliation with P&L

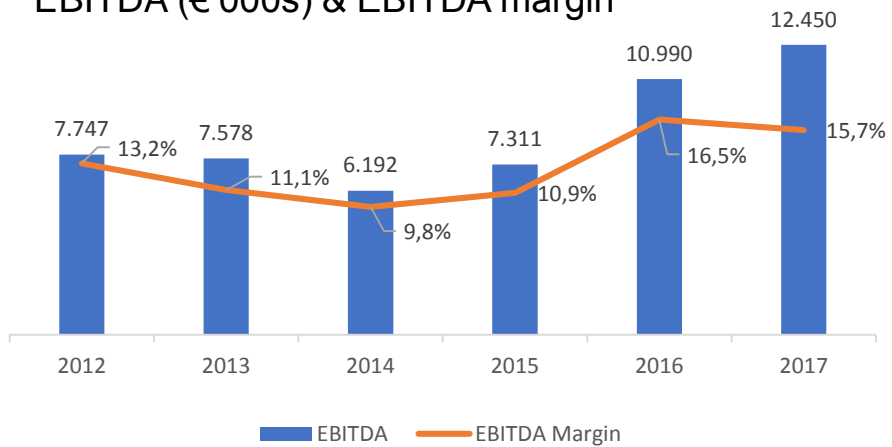
IFRS - €m	2017
<b>Operating Result</b>	<b>12,0</b>
<i>Plus / (Minus)</i>	
Administration - R&D expenses	(2,8)
Other income and gains	0,8
<b>EBIT</b>	<b>9,9</b>

## Key Financials per year

### ✓ Sales per business unit (€m)



### ✓ EBITDA (€'000s) & EBITDA margin



### Financial Position Indicators

	Operating cash flows (€m)	Liquidity	Gearing	Net Debt (€m)
2017	8,0	2,3	17%	0,3
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

### Investments Summary

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

Source: Company data (IFRS)

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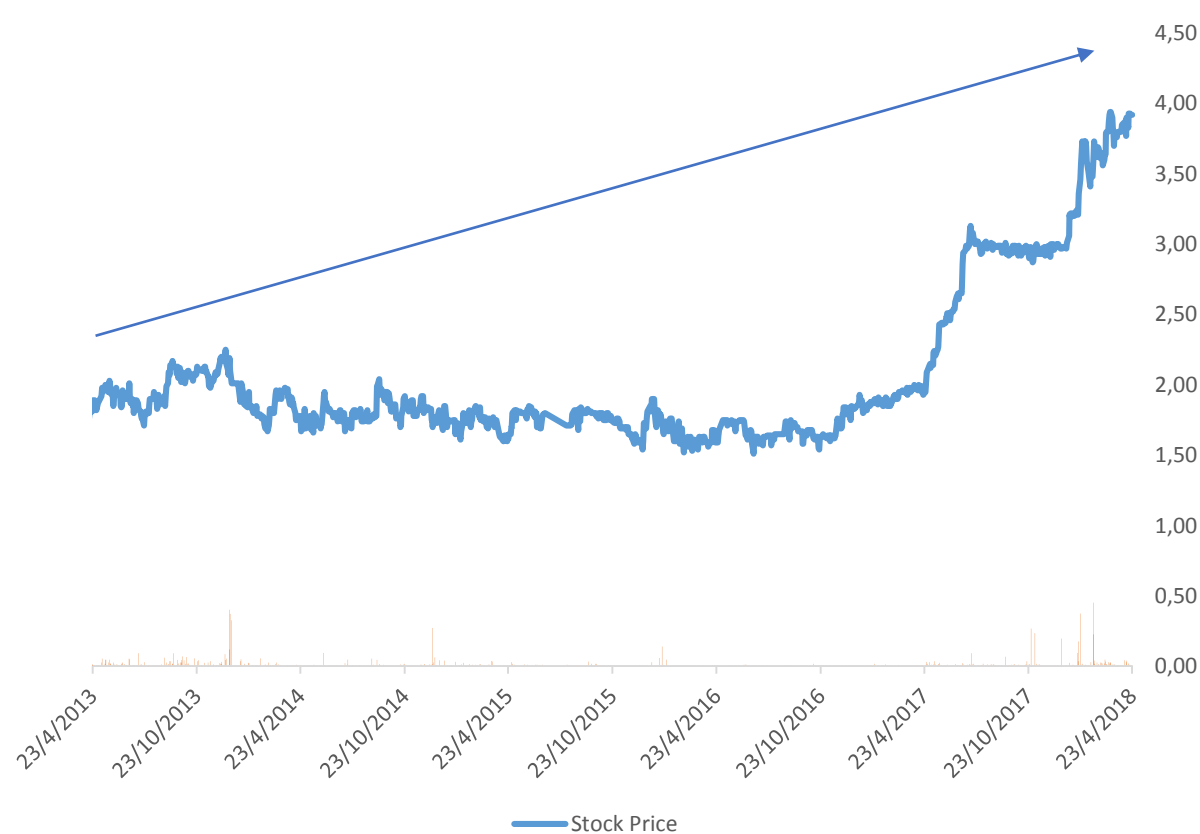
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## Share Performance

Stock price 5y Performance +107%  
(as per 23/4/2018)



	2012	2013	2014*	2015	2016	2017	04.2018
<b>Total stockholder return</b>	3,9%	34,4%	-8,0%	5,9%	6,2%	59,0%	33,1%
Dividend yield	3,9%	3,0%	0,0%	3,2%	4,7%	3,0%	2,9%
Share price increase (decrease)	0%	31,4%	-8,0%	2,7%	1,6%	56,0%	30,2%
<b>P/E on net profit</b>	<b>9</b>	<b>13</b>	<b>17</b>	<b>16</b>	<b>10</b>	<b>14</b>	

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

Source: Company data (IFRS), Athens Stock Exchange

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### Share information

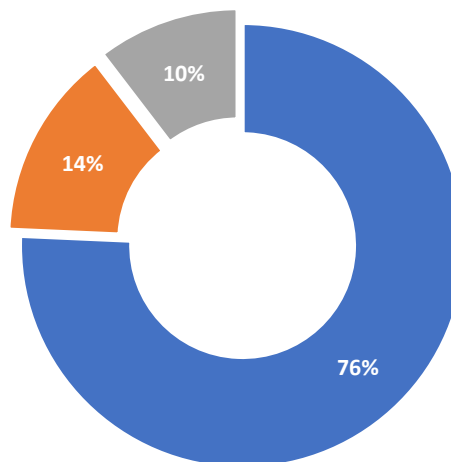
Market: Main market  
Sector: Food & Beverage

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

Αρ. μετοχών: 33.065.136

### Shareholders' structure

Tsinavos Family : 76%  
Legal Entities : 14%  
Individuals : 10%



### Contact information

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