



the art of authentic greek flavor



Kri-Kri Milk Industry S.A.

September 2018





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Basic Figures FY 2017

Turnover
€79m

EBITDA
€13m

Total Assets
€82m

No. of Employees
350

Exports
€24m

Revenue generated
abroad
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.

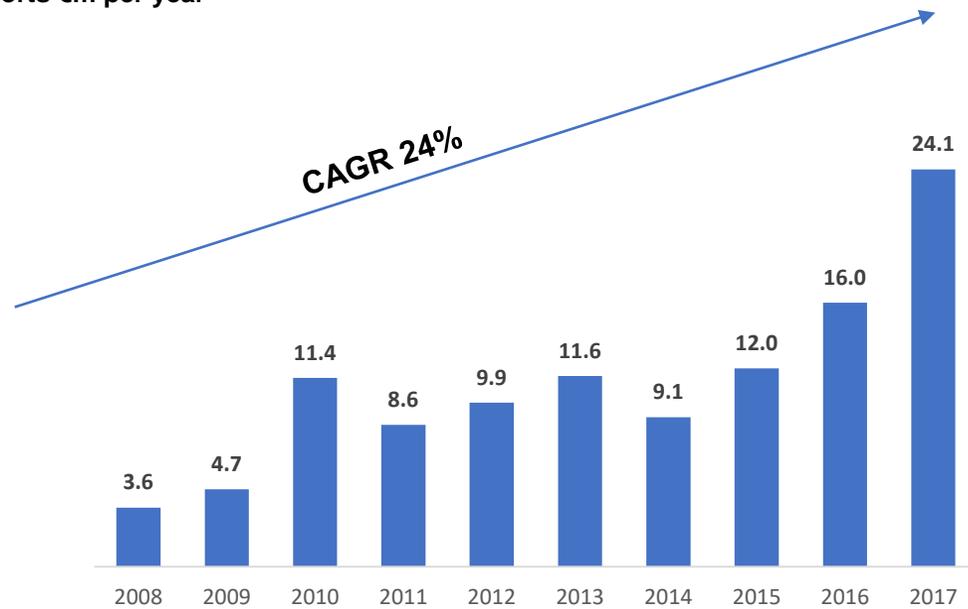
Performance

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

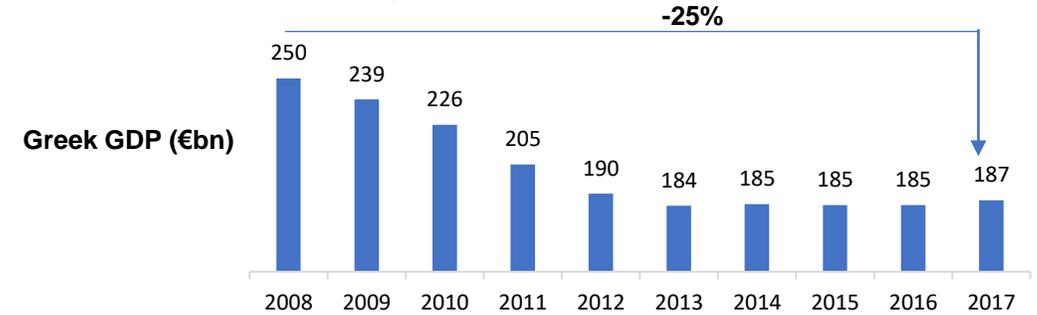
Achievements

✓ Exports Increase

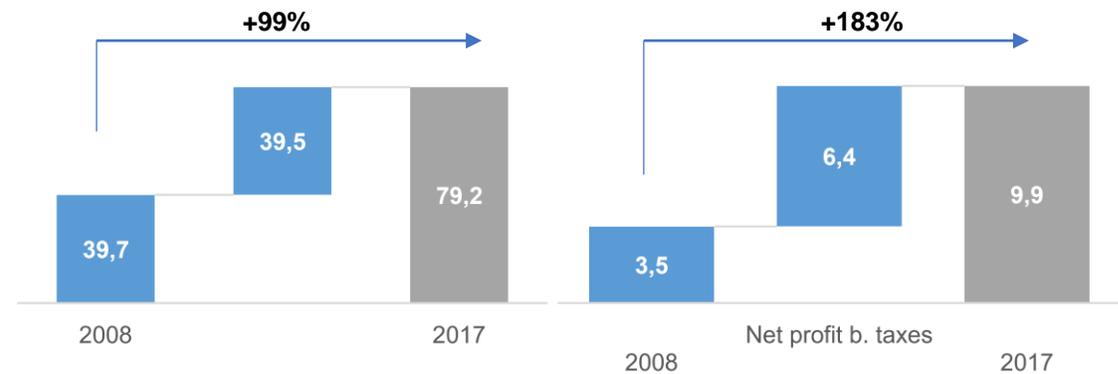
Exports €m per year



✓ 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



- 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»

Kri Kri at a glance

Basic Segments (Sales in € m)



Yogurt Greece				Ice Cream Greece			
FY17:	36.1	1H18:	20.3	FY17:	18.9	1H18:	13.6
Δ:	+8.4%	Δ:	+16.3%	Δ:	+8.2%	Δ:	+15.2%
Yogurt Exports				Ice Cream Exports			
FY17:	21.4	1H18:	14.1	FY17:	2.7	1H18:	2.9
Δ:	+60.4%	Δ:	+37.2%	Δ:	+15.3%	Δ:	+109.8%

Source: Company data (IFRS)

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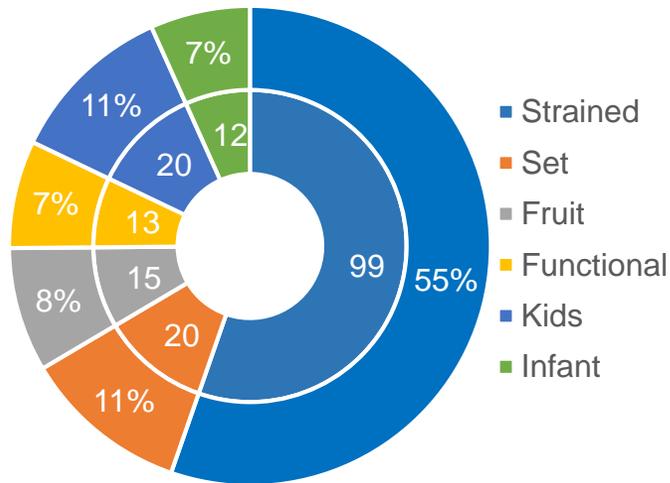
Market Outlook

- Market size in retail prices {FY 2017}



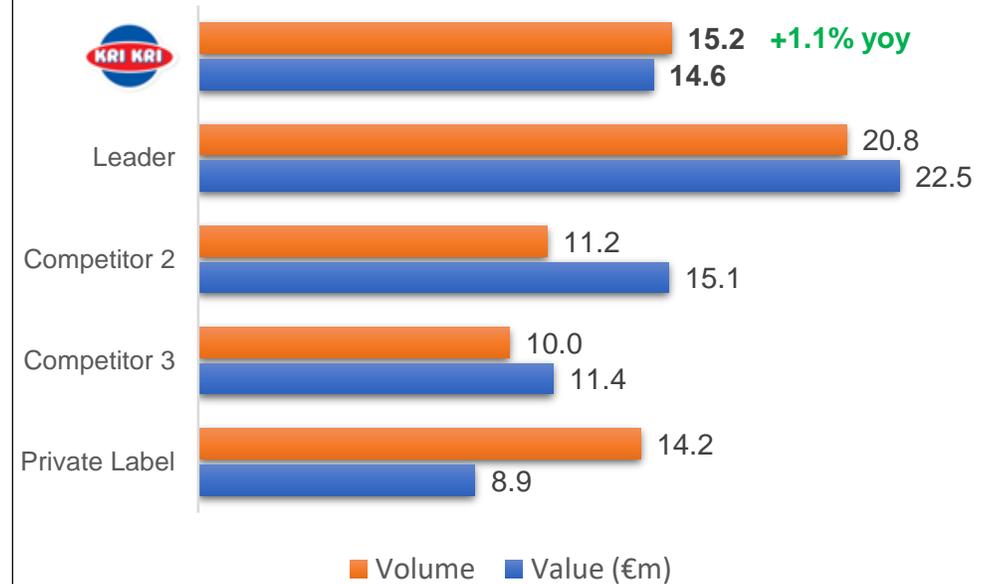
Market trend +3.4% 

- Market share per Category (% ,€m) {FY 2017}



* 1 in 4 Greeks consume yogurt produced by Kri Kri

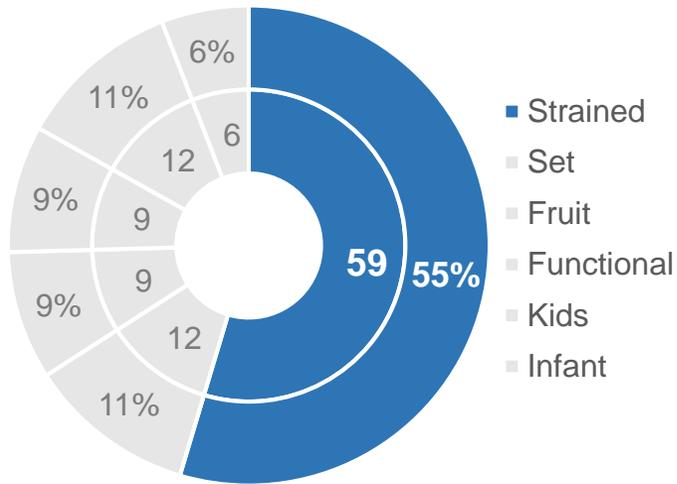
- Market Share per Supplier, (Share >10%) {YTD Jul 2018}



Strategic Choices – Yogurt Greece

Branded products strategy

- 2nd 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”



- Impact of re-launch to the market shares



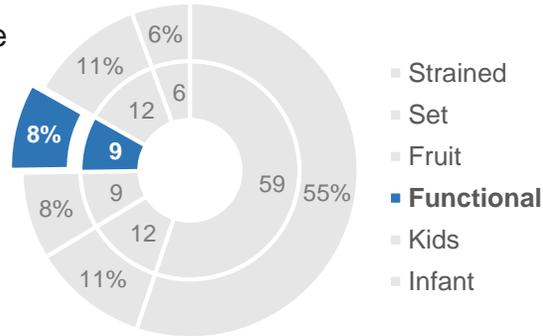
Source: IRI (July 2018)

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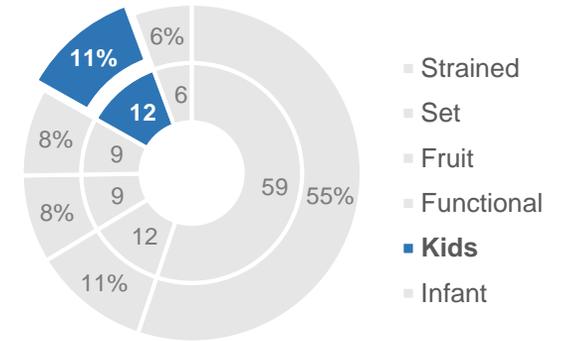
Branded products strategy

- Innovation

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

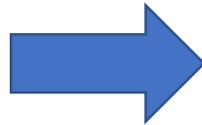


- Leader in kids yogurt (market share 39%)



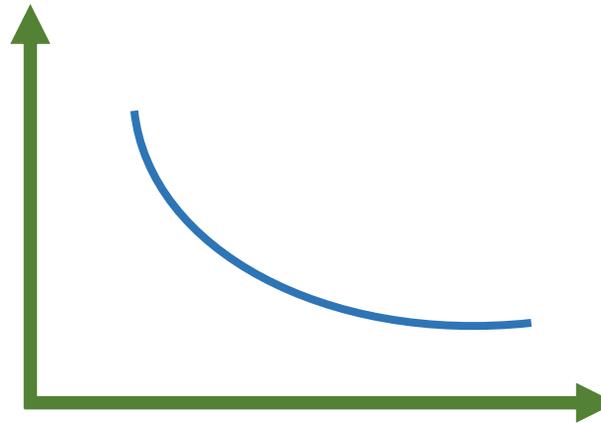
Private label products strategy

- ✓ 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)			Italy (€m)		
Total Yogurt:	1,487	+2%		1,580	-3%	
Greek/Greek style (strained):	324	+7%		173	-4%	
	Germany (€m)			Netherlands (€m) {2016}		
Total Yogurt:	1,989	+4%		411	+4%	
Greek/Greek style (strained):	153	+21%		65	+30%	

Private label products strategy

- Private label for effective and efficient market penetration.
- It offers a strategic way to enter markets of interest with lower entry cost and build relationships

Indicative private label **Customers** in Europe



Strategic Choices – Yogurt Exports

Strategy per Country

UK

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

H1 results: >35% Growth

Italy

- Differentiation to Branded products
- Further penetration to PL products

H1 results: >100% Rapid Growth from penetrating market with PL products



Central Europe

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

H1 results: >10% Growth mainly by increasing PL sales in Belgium

New Markets

- Strengthen our position in Ireland
- Penetration in Scandinavian countries

H1 results: >60% Growth in Ireland

Market Outlook

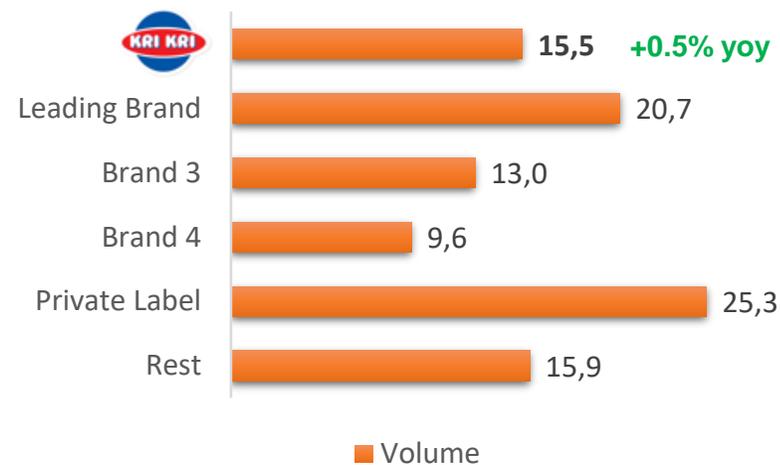
- Market size in retail prices {2017}



Market trend +5.3% ↑

*2nd brand in the Greek ice cream market

- Market Share per Brand



Branded products strategy



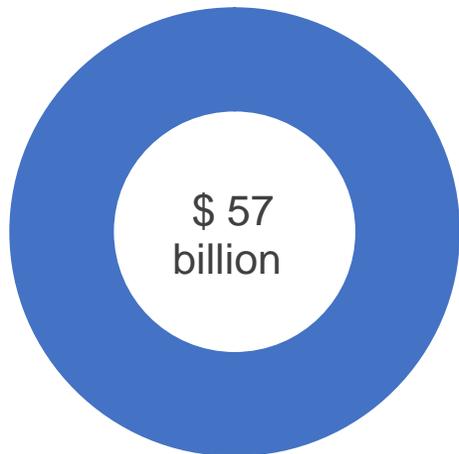
- ✓ Expand distribution network (currently 15,000 points of sale)
- ✓ Increase market share
- ✓ Maintain high profitability
- ✓ Private label products for Greek S/M
- ✓ KRI KRI SA represents Greece in the World Ice Cream Producers Organization IICC (14 members from all over the world)

H1 Results: New points of sale +1.000
Sales growth +15.2%

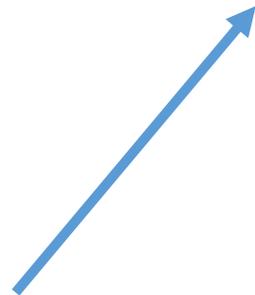


Strategic Choices – Ice cream Exports

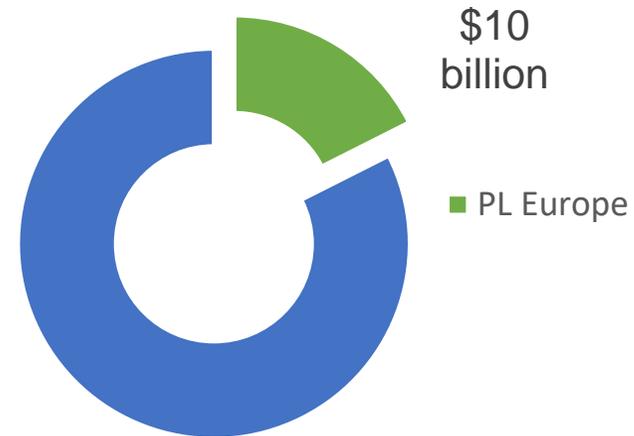
- Global Market size in 2017



Increasing trend reaching \$69b in 2022



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



Target Market



Private label products strategy

- Looking for opportunities for Private Label products in European Market



✓ Won a contract with ALDI-UK



H1 Results: Doubling sales

Branded products strategy

- Distribution Network building in Countries with proximity:

- Cyprus
- Albania
- FYROM
- Iraq

Total point of sales ex.: 5,000



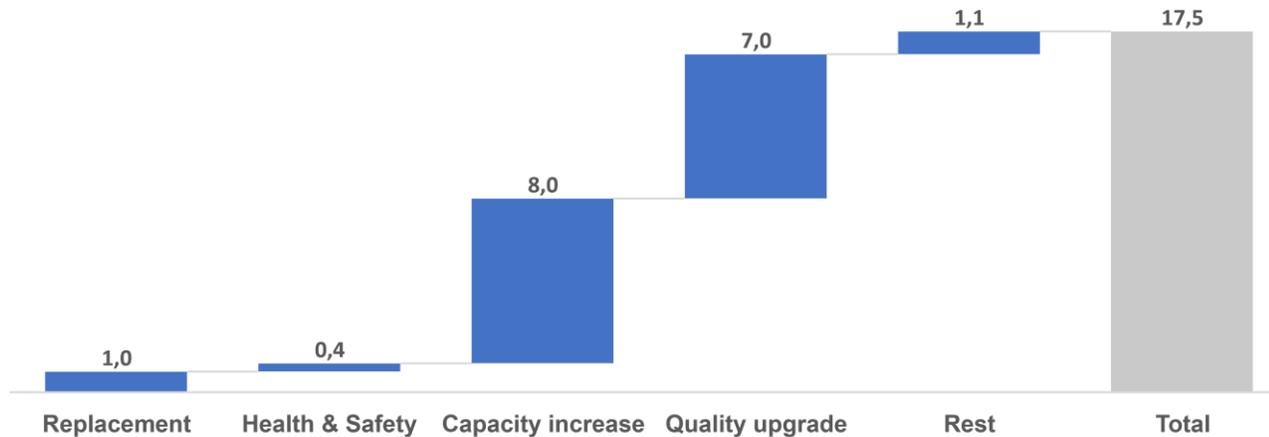
Facilities & CapEx

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



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

Planned CapEx for 2017-2018 (€m)

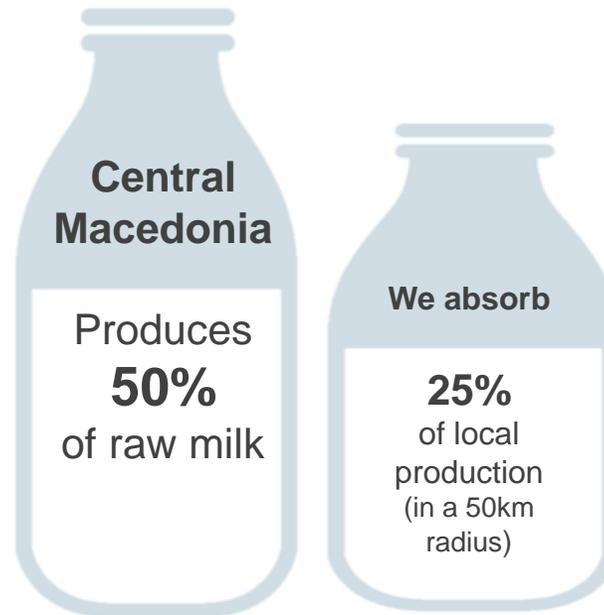


Capacity Utilization

	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	

H1 2018 – Financial Results

Financial Performance

IFRS - €m	H1 2018	H1 2017	YoY%
Sales	51.0	41.2	+24%
Gross Profit	21.4	16.3	+32%
EBITDA*	12.0	8.5	+43%
EBIT	10.3	6.9	+48%
Profit before taxes	10.2	6.8	+49%
Net Profit	7.4	4.9	+50%

Margins	H1 2018	H1 2017	Change
Gross Profit	42.0%	39.5%	+254bps
EBITDA*	23.5%	20.7%	+280bps
EBIT	20.2%	16.9%	+333bps
Profit before taxes	19.9%	16.5%	+341bps
Net Profit	14.4%	11.9%	+250bps

*figure does not include grants amortization

Source: Company data (IFRS)

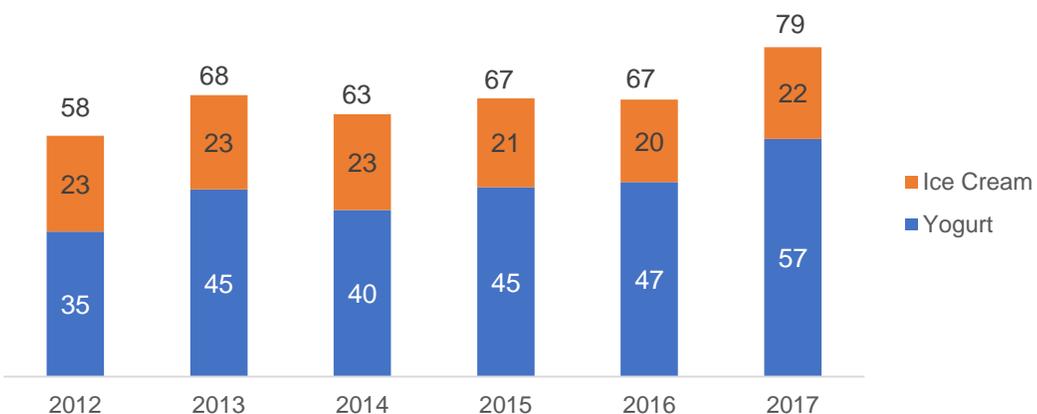
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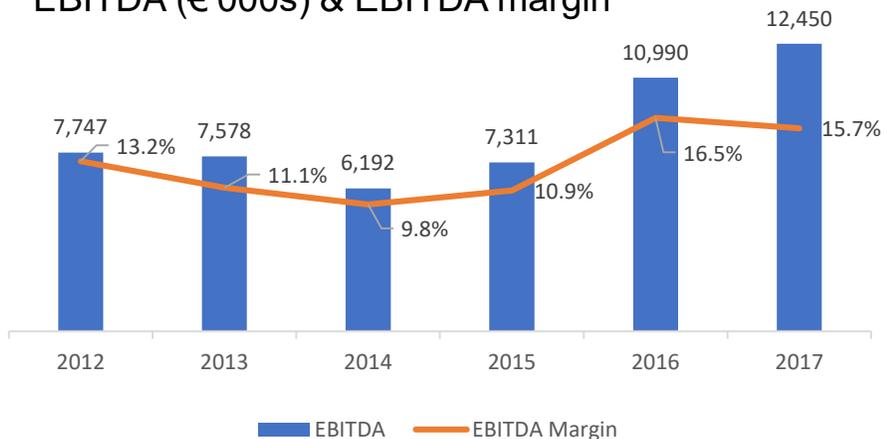


Key Financials per year

✓ Sales per business unit (€m)



✓ EBITDA (€'000s) & EBITDA margin



Financial Position Indicators

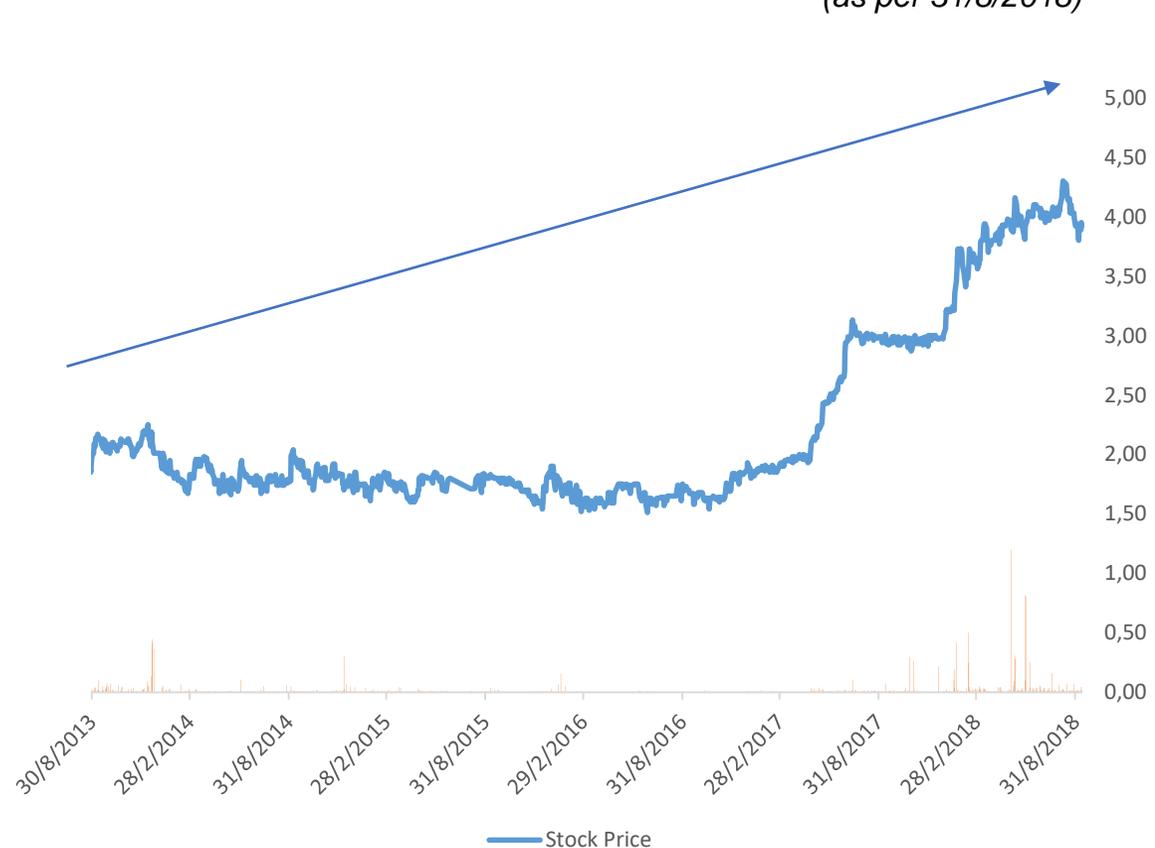
	Operating cash flows (€m)	Liquidity	Gearing	Net Debt (€m)
2017	8.0	2.3	17%	0.3
2016	8.5	2.8	17%	2.2
2015	7.9	1.8	21%	5.7
2014	1.6	1.5	16%	6.1
2013	5.6	3.0	16%	-4.3

Investments Summary

	Total Investments (€'000s)
2017-2018	17,500
2016	3,700
2015	2,740
2014	24,952
2013	7,885

Share Performance

Stock price 5y Performance +95%
(as per 31/8/2018)



	2012	2013	2014*	2015	2016	2017	08.2018
Total stockholder return	3.9%	34.4%	-8.0%	5.9%	6.2%	59.0%	33.2%
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%
P/E on net profit	9	13	17	16	10	14	

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

**Stock added to Athens Stock Exchange FTSE/Mid Cap Index on 18.6.2018*

Share information

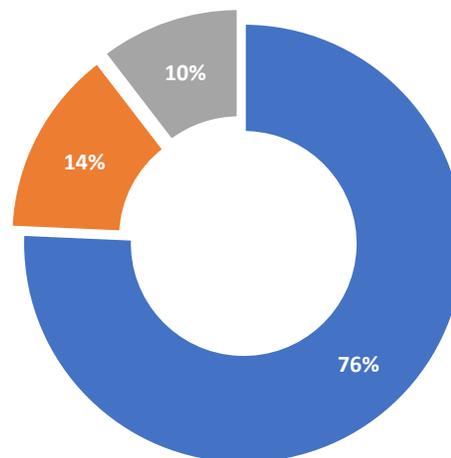
Market: Main market
Sector: Food & Beverage

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

No of shares: 33,065,136

Shareholders' structure

Tsinavos Family : 75%
Legal Entities : 15%
Individuals : 10%



Contact information

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FY 2017 – Financial Results

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

KRI KRI Appendix 2

FY 2017 – Financial Results Operating result per Segment

IFRS - €m	Sales	Operating Result	Margins	Change (bps)
Yogurt Total	57.4	9.8	17.0%	+60
Greece	36.1	6.1	17.0%	+273
Exports	21.4	3.6	17.0%	-474
Ice-Cream Total	21.6	2.7	12.3%	-191
Greece	18.9	2.6	14.0%	-38
Exports	2.7	0.1	1.0%	-1240
Rest	0.1	-0.4		
Company Total	79.2	12.0	15.1%	-41

Calculations – Reconciliation with P&L

IFRS - €m	2017
Operating Result	12.0
<i>Plus / (Minus)</i>	
Administration - R&D expenses	(2.8)
Other income and gains	0.8
EBIT	9.9

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