the art of authentic greek flavor

Kri Kri S.A. Milk Industry

February 2018

Table of Contents

1 KRI KRI at a glance

2 Segments Strategic Choices

3 Facilities, CapEx, Location

4 Financials

5 Share Information

KRI KRI at a glance

Basic Figures
(estimation FY 2017)

Turnover	EBITDA
€79m	€13m
Total Assets	**No. of Employees**
€83m	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

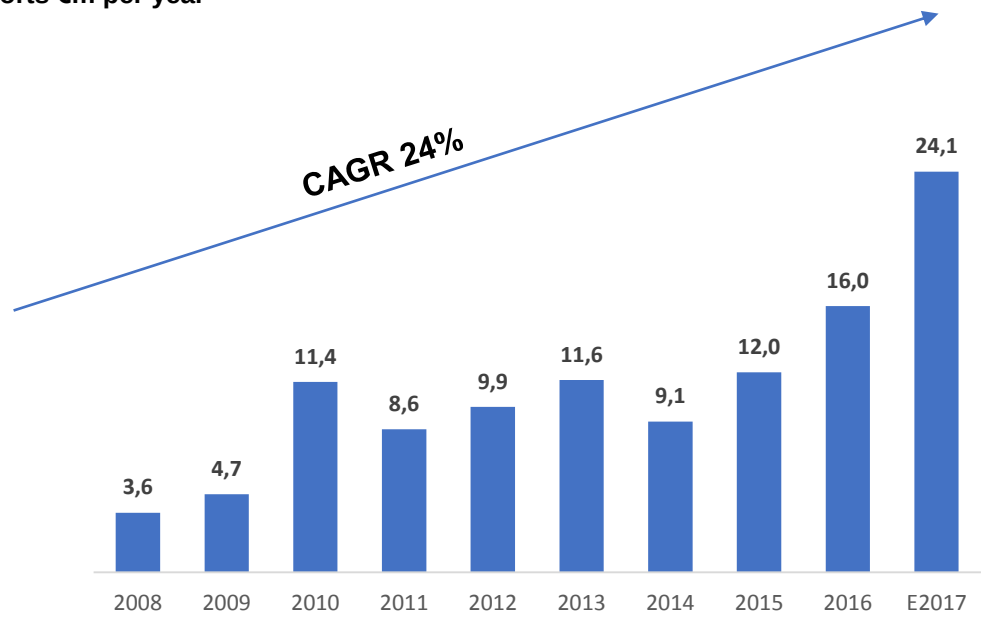
- ✓ **Profitable growth**, even during the Greek crisis and recession, supported by a sound financial position.

Source: Company data (IFRS), Company estimation

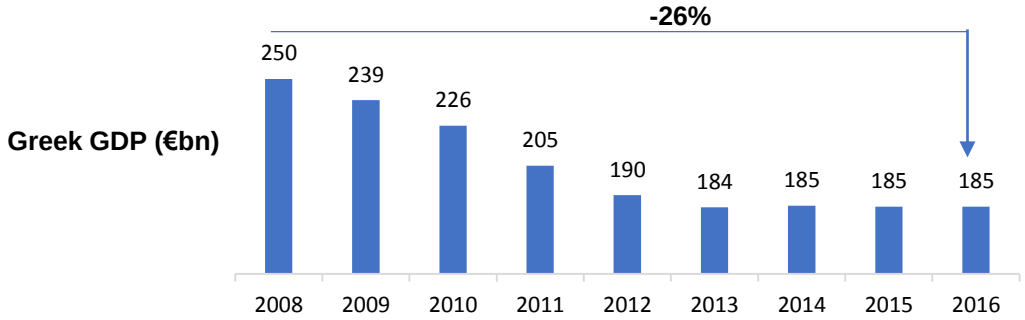
Achievements

✓ Exports Increase

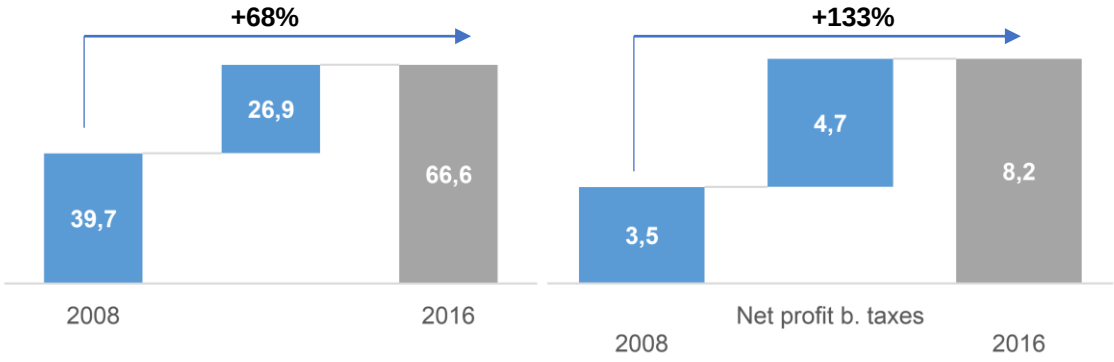
Exports €m per year



✓ Performance during Greek crisis



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



Source: Company data (IFRS), Company estimation, Bank of Greece

Awards

Βραβεία ΕΛΛΗΝΙΚΗ ΑΞΙΑ Βορείου Ελλάδος 2017

«Employment Growth»

ANUGA taste INNOVATION SHOW

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

AWARDS '17 Packaging INNOVATION technology • marketing • user experience

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

ΧΡΗΜΑ Επιχειρηματικά Βραβεία 2017

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»

Kri Kri at a glance

Basic Segments
(in € m)

Yogurt Greece		
2017E:	36,1	*+8,4%*
2016:	33,3	

Ice Cream Greece		
2017E:	18,9	*+8,6%*
2016:	17,4	

Yogurt Exports		
2017E:	21,4	*+60,9%*
2016:	13,3	

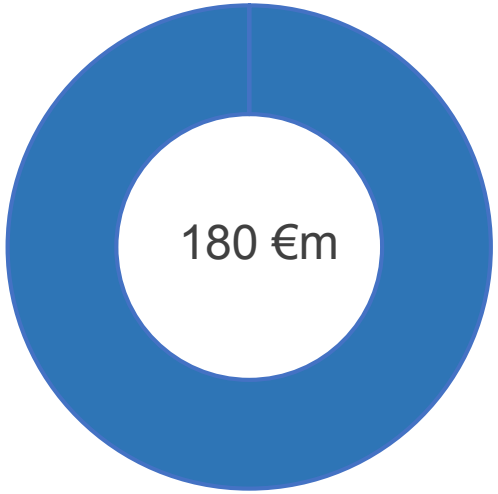
Ice Cream Exports		
2017E:	2,7	*+12,5%*
2016:	2,4	

Source: Company data (IFRS)

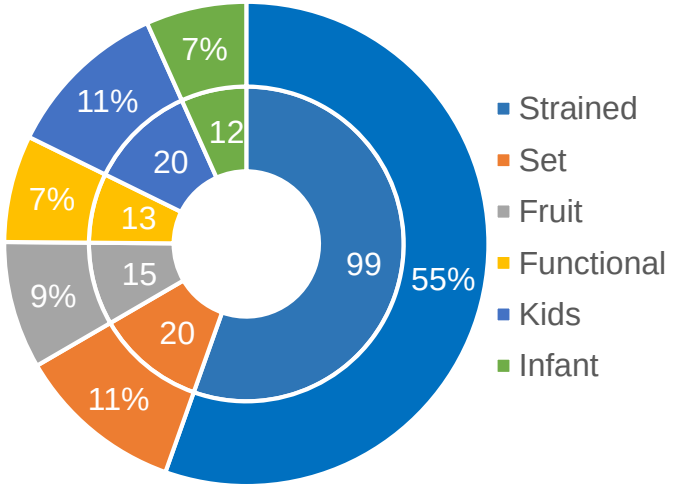
Market Outlook

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

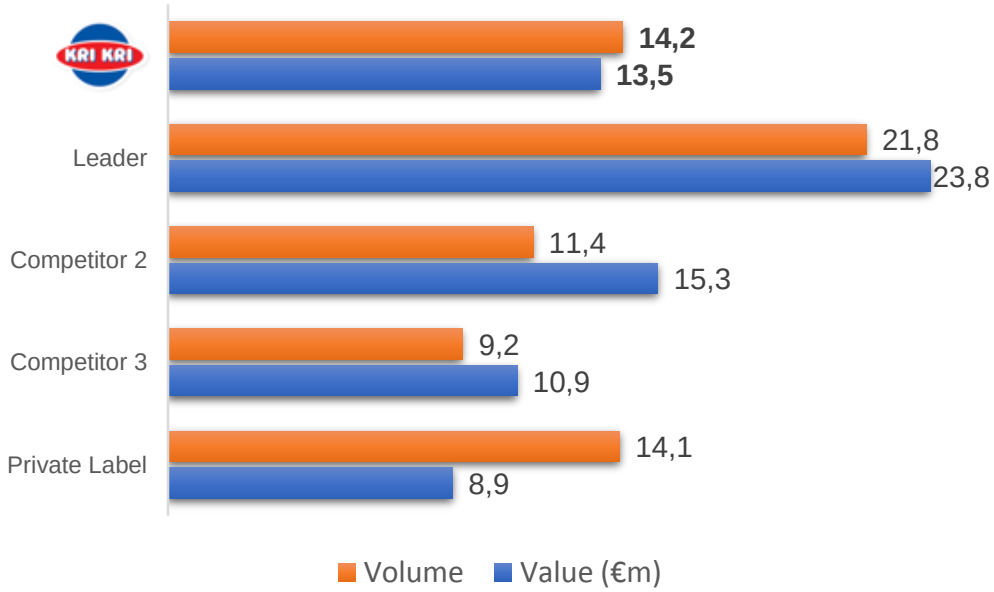
- Market size in retail prices



- Market share per Category (%,€m)



- Market Share per Supplier (Share >10%)

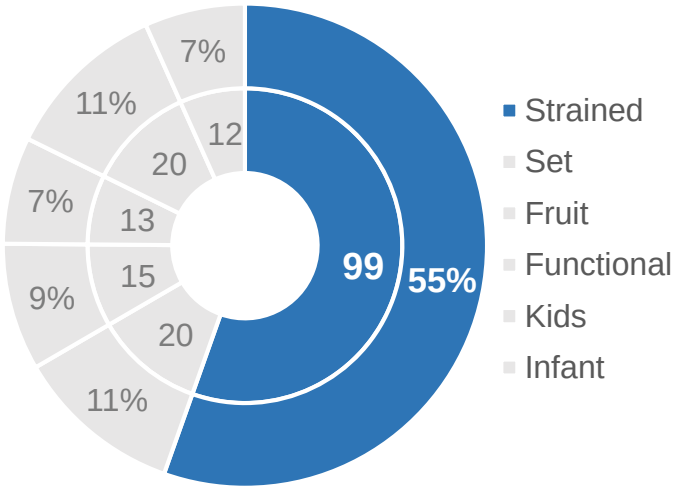


Source: IRI (December 2017)

Strategic choices – Yogurt Greece

Branded products strategy

- 2nd place in the Greek Yogurt market
- Focus on Strained Category



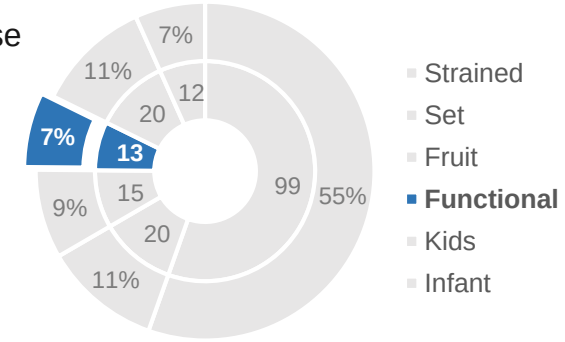
Brand re-launch in strained yogurt category **«my authentic Greek yogurt»**

Improving the quality of products with continuous investments

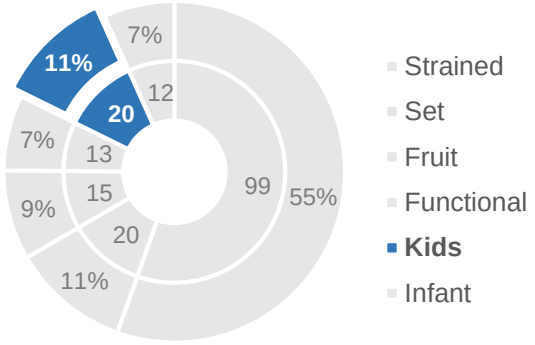
Branded products strategy

- 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%)

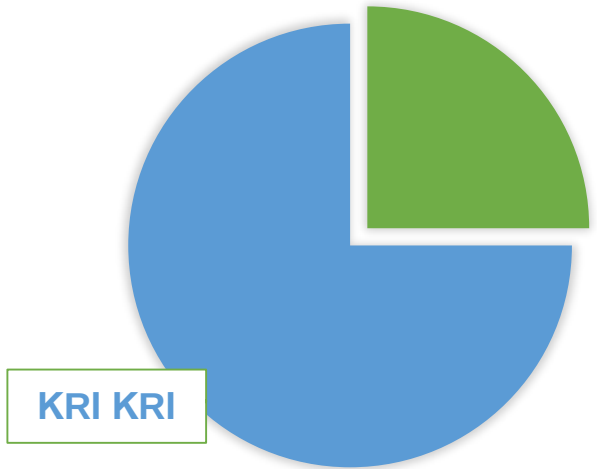


Source: IRI (December 2017)

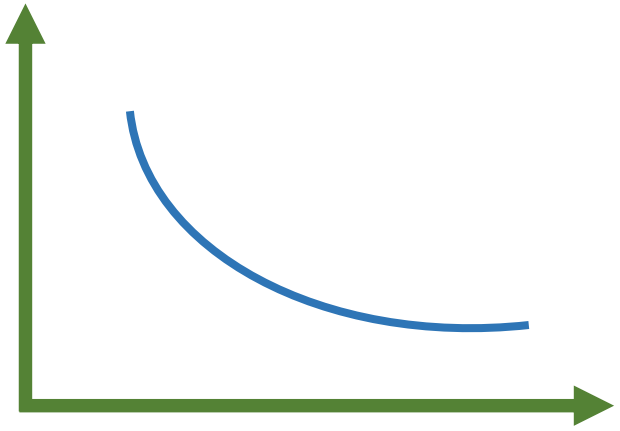
Strategic choices – Yogurt Greece

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:	1.585	+15%
Greek/Greek style	190	- 3%
Authentic Greek:	64	+14%

Italy (€m)

Total Yogurt:	1.623	-1%
Greek/Greek style (strained):	179	+17%

Germany (€m)

Total Yogurt:	1.907	0%
Greek/Greek style (strained):	127	+26%

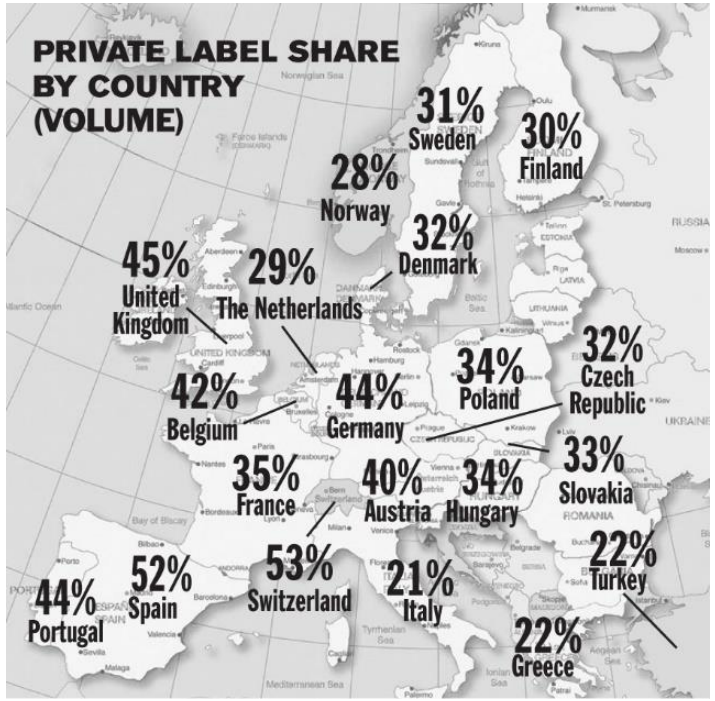
Netherlands (€m)

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

Source: : Nielsen, IRI (December 2016)

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 customers in markets of interest

United Kingdom

Waitrose, TESCO, ALDI, MARKS & SPENCER, ASDA, coop, Sainsbury's

Italy

ESSELUNGA, MD, Carrefour

Belgium

colruyt

Branded products strategy

- Brand re – launch in strained yogurt category
- Expanding portfolio by placing branded products to existing customers

Indicative customers with European Super Market chains:

United Kingdom

Waitrose

ALDI

Netherlands

Albert Heijn

Belgium

Carrefour

Auchan

cora

Germany

REWE

HIT

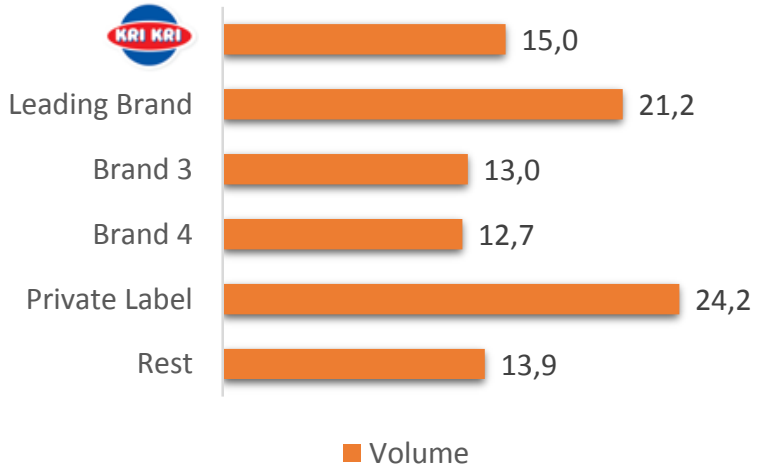
Kaufland

Market Outlook

***2nd brand in the Greek ice cream market**

- Market size in retail prices

- Market Share per Brand



Source: Nielsen (December 2017)

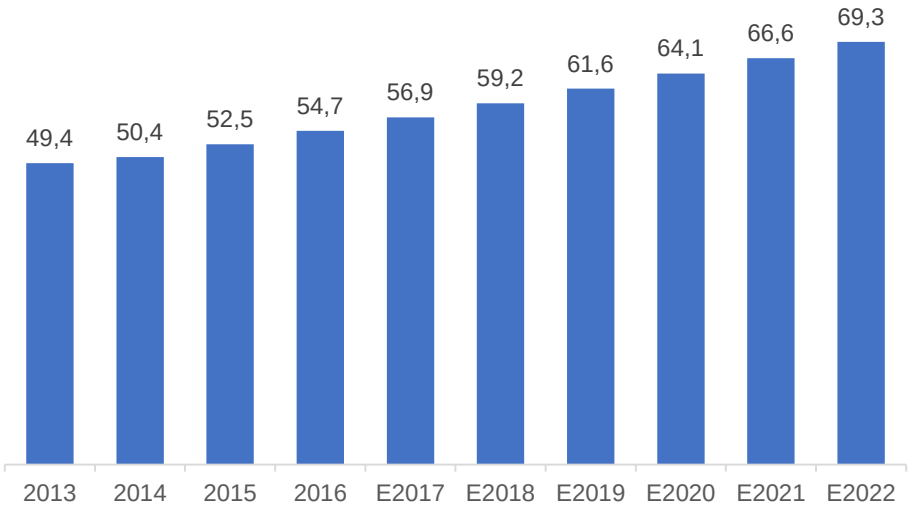
Branded products strategy

- ✓ 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)

INTERNATIONAL ICE CREAM CONSORTIUM IICC

Strategic Choices – Ice cream Exports

- 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%

Source: Statista (2017)

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

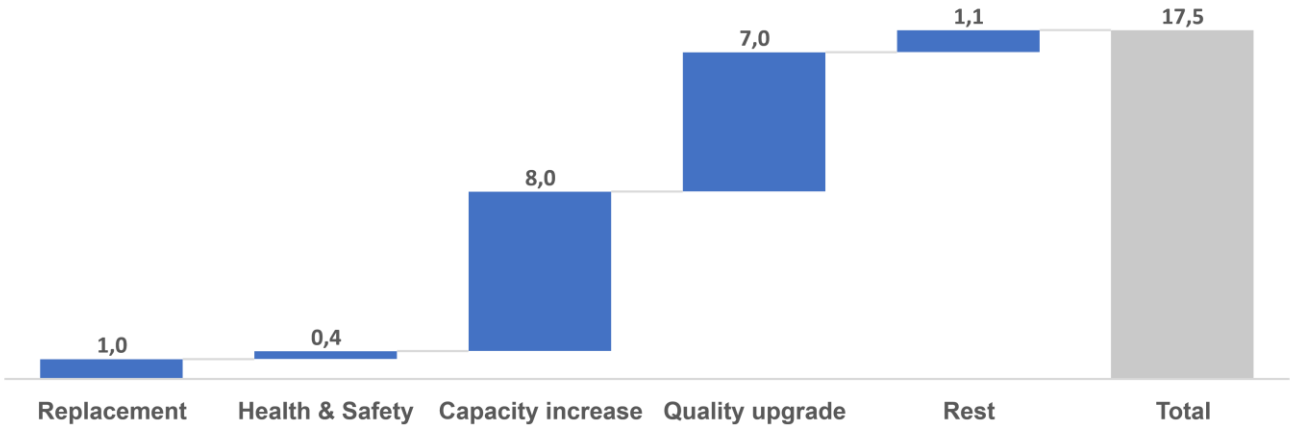
✓ Won a contract with ALDI-UK

Facilities & CapEx

- Modern production facilities in buildings E=25.000m²
- 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 supply

Raw milk production map

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

Central Macedonia

Produces **50%** of raw milk

We absorb

25% of local production (in a 50km radius)

- ✓ **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

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	

FY 2017 – Financial Results (Estimation)

Key Financial figures

IFRS - €m	2017E	2016	YoY%
Sales	**79,2**	66,6	**+19,0%**
Gross Profit	**28,5**	25,7	**+10,9%**
EBITDA	**12,5**	11,0	**+13,6%**
EBIT	**9,8**	8,2	**+19,5%**

Margins	2017E	2016	Change
Gross Profit	**36,0%**	38,6%	**-260bps**
EBITDA	**15,8%**	16,5%	**-70bps**
EBIT	**12,4%**	12,3%	**+10bps**

- Impressive Sales increase , mainly driven from Exporting Yogurt activity
- Reduced Gross profit margin
- Maintain high profitability

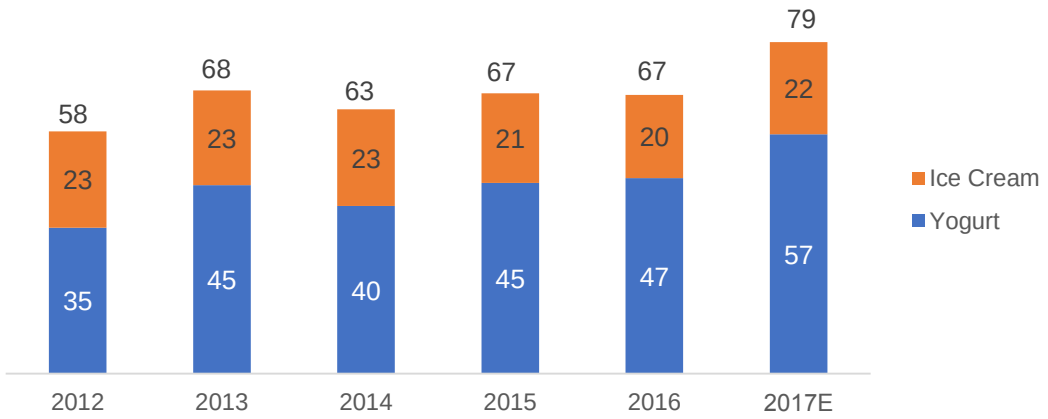
Looking ahead to 2018

- Sales trend to continue
- Prices of basic raw materials to de-escalate
- Profit margins to improve

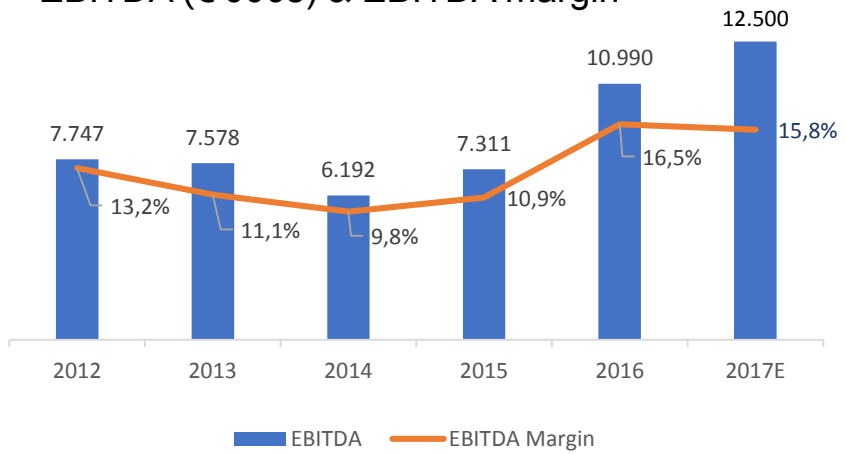
Source: Company data (IFRS)

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)
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

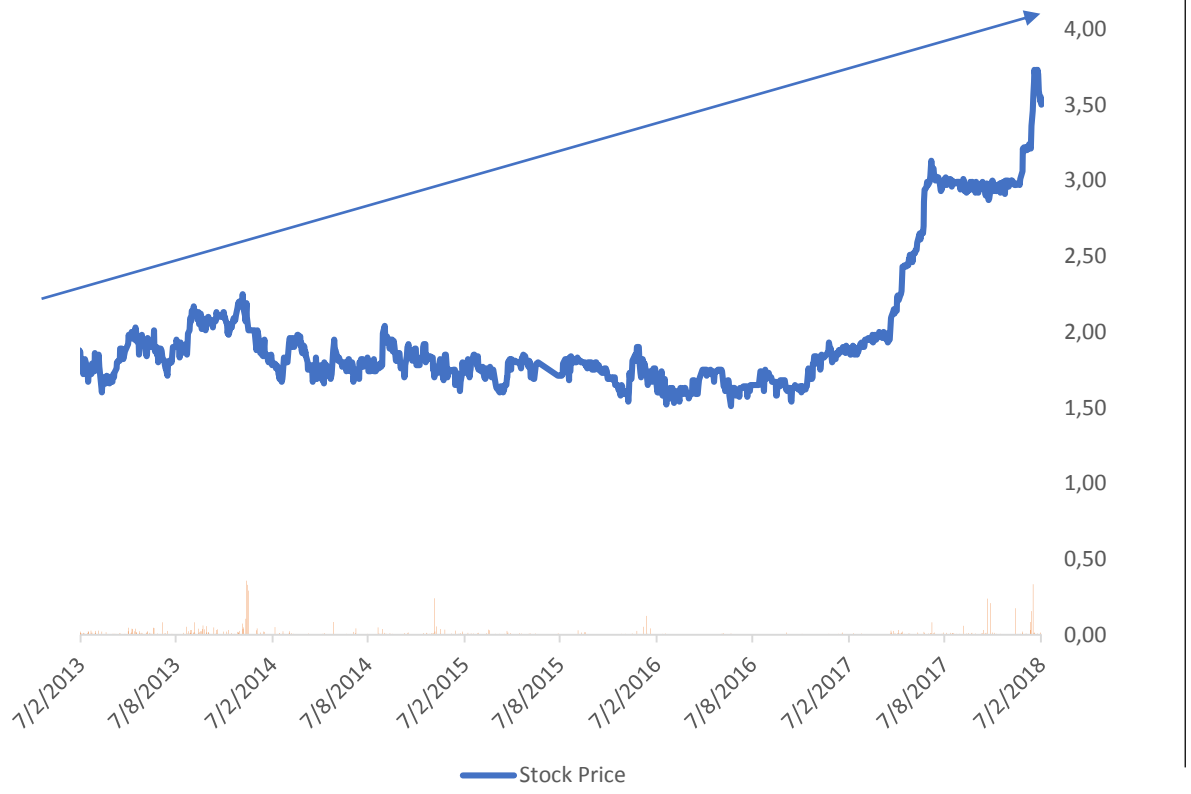
	Total Investments (€'000s)
2017-2018	17.500
2016	3.700
2015	2.740
2014	24.952
2013	7.885
2012	1.713

Source: Company data (IFRS)

KRI KRI Share Information

Share Performance

Stock price 5y Performance +92%
(as per 7/2/2018)



	2012	2013	2014*	2015	2016	2017	02.2018
Total stockholder return	**3,9%**	**34,4%**	**-8,0%**	**5,9%**	**6,2%**	**59,0%**	
Dividend yield	3,9%	3,0%	0,0%	3,2%	4,7%	3,0%	
Share price increase (decrease)	0%	31,4%	-8,0%	2,7%	1,6%	56,0%	16%
P/E on net profit	**9**	**13**	**17**	**16**	**10**		

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

Source: Company data (IFRS), Athens Stock Exchange

KRI KRI Share Information

Share information

Market: Main market
Sector: Food & Beverage

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

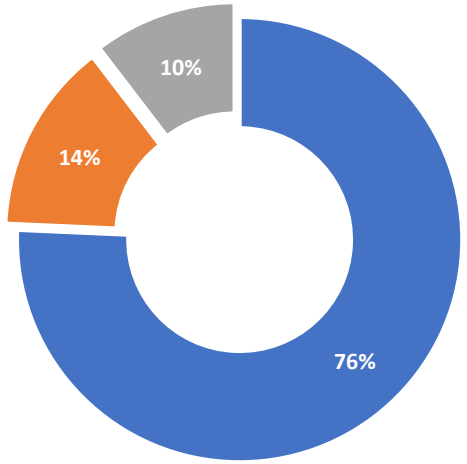
Αρ. μετοχών: 33.065.136

Shareholders' structure

Tsinavos Family : 76%

Legal Entities : 14%

Individuals : 10%



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