

**KRI-KRI ΒΙΟΜΗΧΑΝΙΑ ΓΑΛΑΚΤΟΣ ΑΒΕΕ**3<sup>ο</sup> χλμ. Σερρών – Δράμας, 62125, Σέρρες

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**Press release**

KRI-KRI Milk Industry has released its interim financial statements for the first semester 2022. Turnover amounted €83.39m against €70.23m of H1 2021 (an increase of +18.7%). Basic profitability measures were as follows:

- EBITDA amounted €7.50m against €14.65m of H1 2021,
- Profit before tax amounted €5.07m against €12.58m of H1 2021,
- Net profit after tax amounted €4.06m against €10.05m of H1 2021.

In the yogurt segment, in Greece, our sales increased by +17.3% in value and +14.0% in volume. Export yogurt sales, show a strong double-digit growth of +21.0%, reaching €33 million. There is a significant growth from our sales in Italy (increase +26%), in the United Kingdom (increase +11%), and in other countries such as Sweden, Germany and Austria. For the 8-month period, yogurt export sales continue their strong growth at a similar pace, that exceeds +25% y-o-y. In the domestic yogurt market, sales show a double-digit increase of +13.3%, reaching €28 million. The current situation with high inflation conditions has driven the overall market down, -9.1% in volume and -2.9% in value (IRI data, January - June 2022). However, some sub-categories of the market such as kid yogurts, infants yogurts and functional yogurts, in which KRI-KRI has a strong presence, exhibit high inelasticity resulting to limited decline or even strengthening. Thus, the market share of KRI-KRI yogurts is now 17.1%, increased by 1 p.p. [IRI data in value, Jan.-Jun. 2022]. Besides, under the current situation, the market share of private label yogurts is strengthening, because of the shift of consumers to value for money products. This is expected to benefit KRI-KRI, as it is the largest producer of private label yogurts in the domestic market. For the 8-month period, the growth of domestic yogurt sales exceeds 15% y-o-y.

In the domestic ice-cream market, our sales show a strong double-digit growth of +16.6%. This is mainly due to the expansion of the sales network and the launch of the new premium range of Master Rich ice creams, combined with the strengthening of tourist flows from abroad. For the rest of the summer season, ice cream sales continue at a relatively similar pace.

High input costs of materials and energy have led to a reduction in profit margins. The Company has passed through part of the inputs cost inflation to the products' selling prices. The selling price increases were carried out gradually, in 3 cycles. The 3rd cycle of price increases was effective from August or September. In the last few months, raw materials prices seem to be stabilizing.

Due to the current economic situation, our primary goal is to manage inflationary pressures by passing higher inputs cost through to products prices, without compromising the cooperation with our customers or our consumers. In the current turbulent economic environment, several opportunities are expected to emerge for expansion and strengthening of our presence. We can take advantage of these opportunities, as we possess all those necessary characteristics to operate efficiently, while at the same time we have a strong financial position. The successful passing of higher input costs to selling prices will allow our profit margins to recover, leading to higher levels of profitability.