



the art of authentic greek flavor

## COMPANY PRESENTATION

9<sup>th</sup> Greek Investment Forum

**NEW YORK**

June 2020



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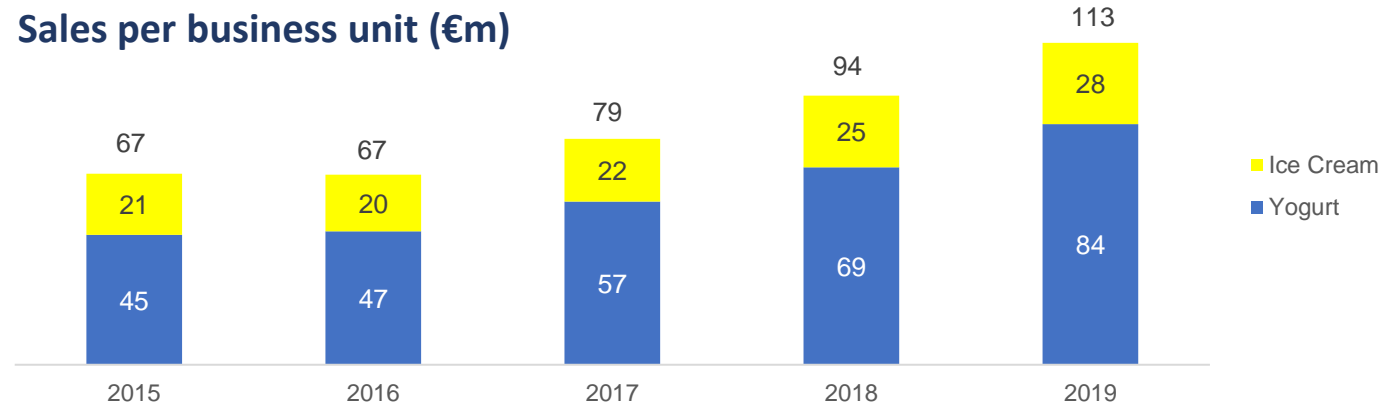


# KRI KRI at a glance

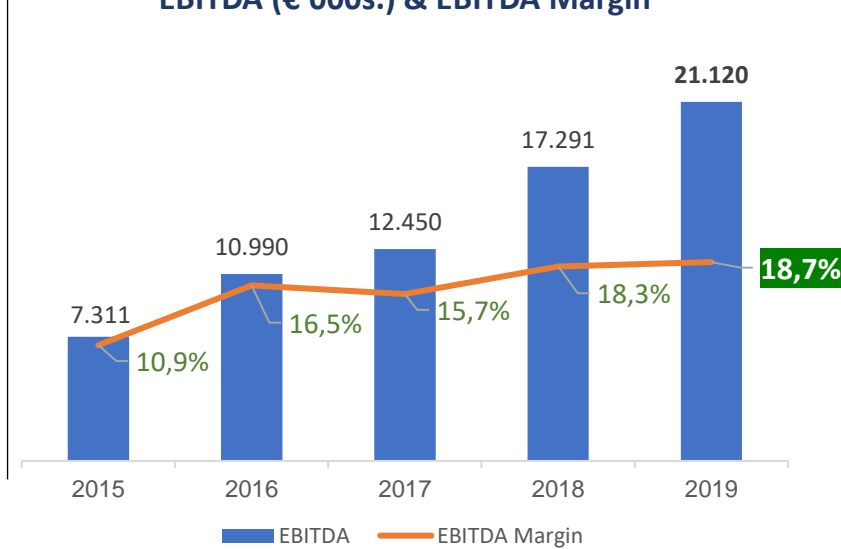
## Basic Figures

€ m.	FY 2019	Δ Q1 2020
Sales	113	+26%
Exports	47	+36%
EBIT	18	+13%
EBITDA	21	+12%
Profit Before Tax	18	+13%
Total Assets	107	
No. of Employees	412	

## Sales per business unit (€m)



## EBITDA (€'000s.) & EBITDA Margin



## Financial Position Indicators

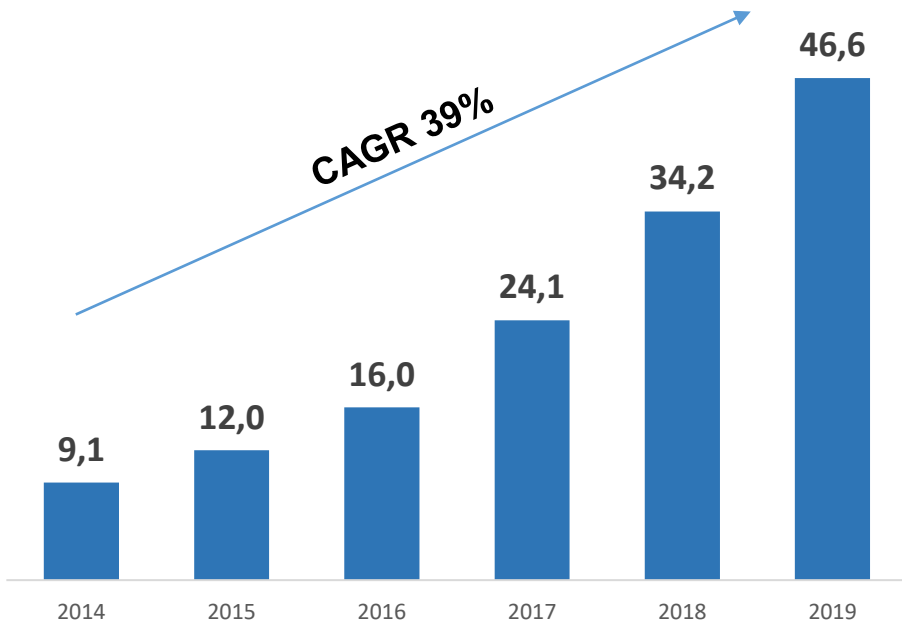
	Operating cash flows (€m)	Liquidity	Gearing	Net Debt (€m)
2019	13,7	2,4	16%	1,3
2018	16,2	2,8	14%	0
2017	8,0	2,3	17%	0,3
2016	8,5	2,8	17%	2,2
2015	7,9	1,8	21%	5,7



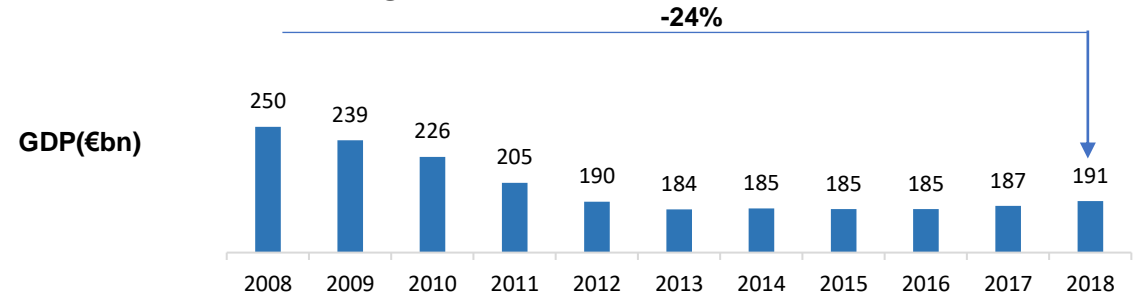
# KRI KRI at a glance

## Achievements

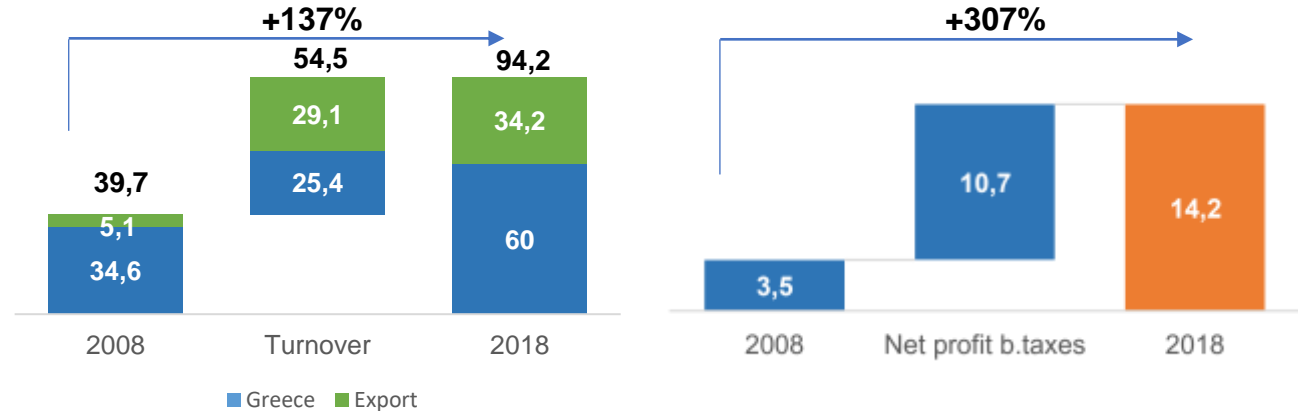
### ✓ Exports Growth



### ✓ Performance during Greek crisis

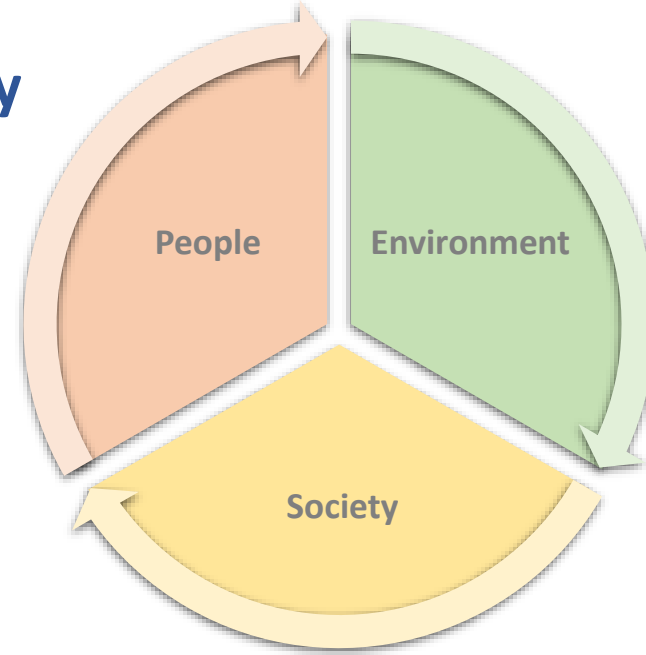


### Kri Kri Turnover & Profit before Taxes Performance (€m)



# — KRI KRI at a glance

## Corporate Social Responsibility



### People



- ✓ High scoring in employees' satisfaction surveys
- ✓ Maintaining blood reserves for our employees
- ✓ Free summer camp to children of our employees
- ✓ Private health insurance

### Environment



- ✓ Biogas plant for sewage treatment (*planned*)
- ✓ Less Plastic in packages
- ✓ Recycling Programs
- ✓ Volunteer tree planting days

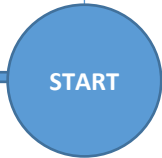
### Society



- ✓ Donation of equipment and materials to hospitals
- ✓ Providing education to farmers
- ✓ Sponsoring sporting events
- ✓ Volunteer Days
- ✓ Ice Cream Museum (*planned*)
- ✓ Weekly visits from schools

# KRI KRI at a glance

## History



**1954**

George Tsinavos established a small pastry shop in Serres with a variety of ice-creams



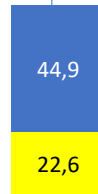
**1987**

A fully new and highly technological plant opened in a new area signifying a new era



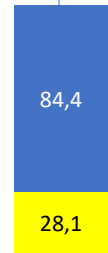
**2013**

An unexpected fire broke out on the dairy production plant in Serres, causing considerable damage.



**2019**

New three-year, € 27 million investment plan to expand the production capacity in yogurt and ice cream.



START

**1961**

During 60s KriKri used the first electric refrigerators and people could eat ice-creams



**2003**

KriKri goes public and it increases the market capital with external investors



**2014**

Construction of new yogurt plant which doubled the productivity, to meet the local and international demand

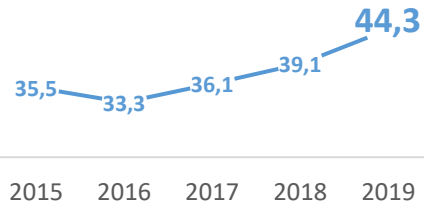


# KRI KRI at a glance

## Basic Segments (€m)



### YOG GR

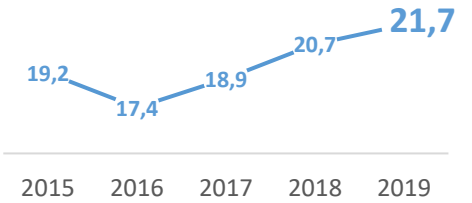


	2019	1Q2020
Sales:	44,3	+24,8%
EBIT:	6,5	+13,8%

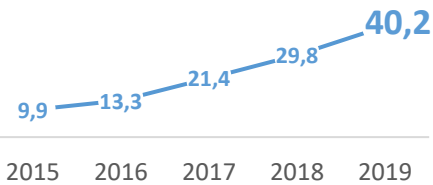
### Ice Cream Greece

	2019	1Q2020*
Sales:	21,7	
EBIT:	4,1	

### ICE GR



### YOG EXPO

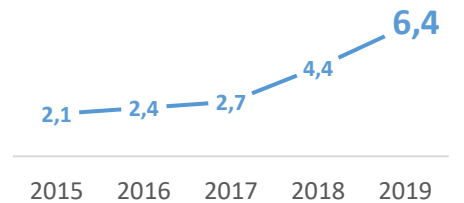


	2019	1Q2020
Sales:	40,2	+36,7%
EBIT:	6,3	+18,5%

### Ice Cream Exports

	2019	1Q2020*
Sales:	6,4	
EBIT:	0,7	

### ICE EXPO

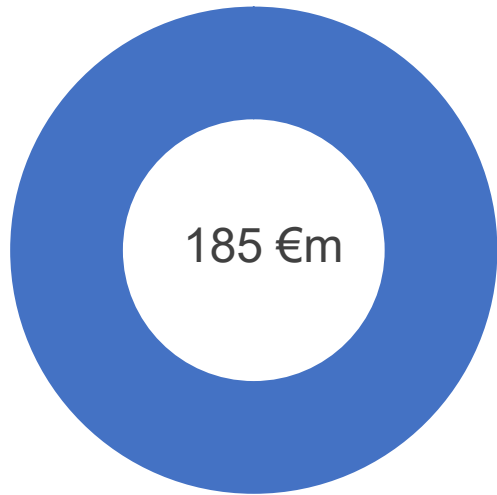




# Strategic Choices/ Yogurt Greece

2019: €44,3m  
 Δ 20Q1: +24,8%

Market size in retail prices



Market trend +0.8%

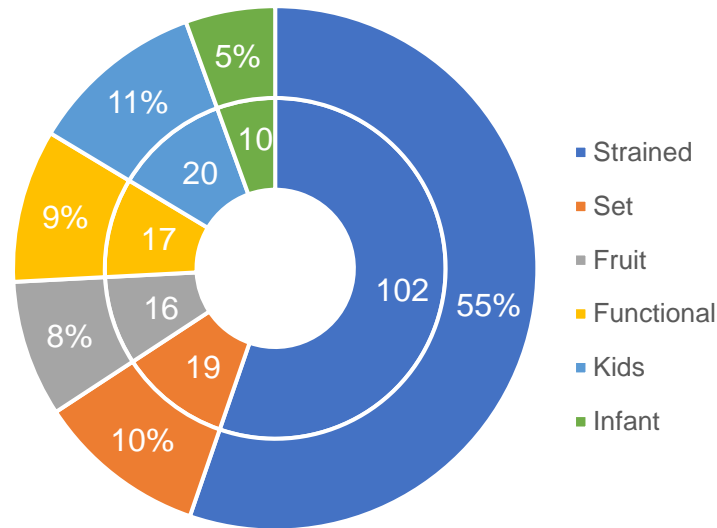


Volume +1,8%



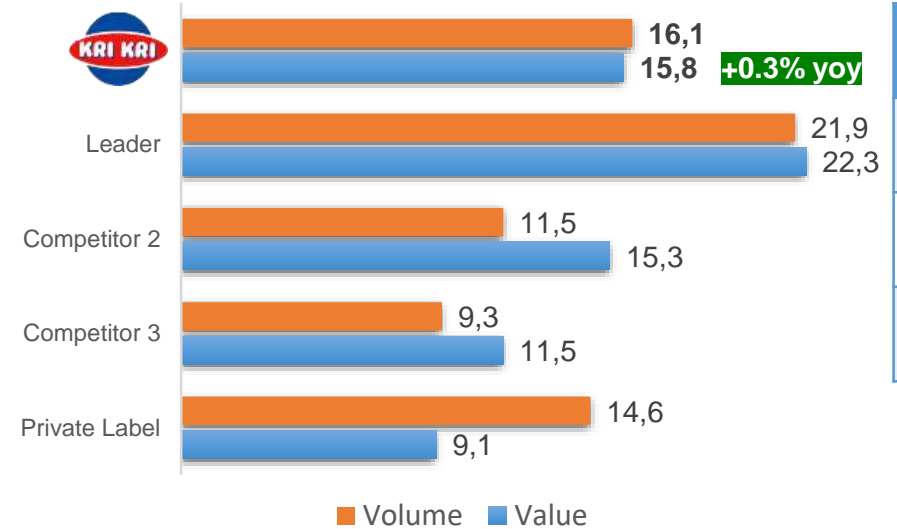
| June 2020 |

Market share per Category (% ,€m)



Source: IRI (Apr 2020)

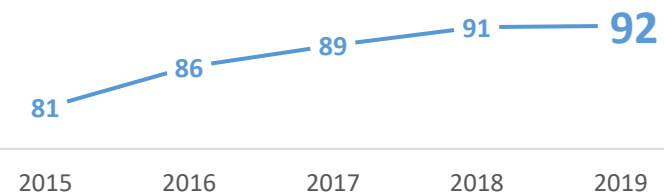
Market Share per Supplier (Share >10%)



Price index

KRI KRI	92
Leader	96
Competitor 2	125
Competitor 3	116

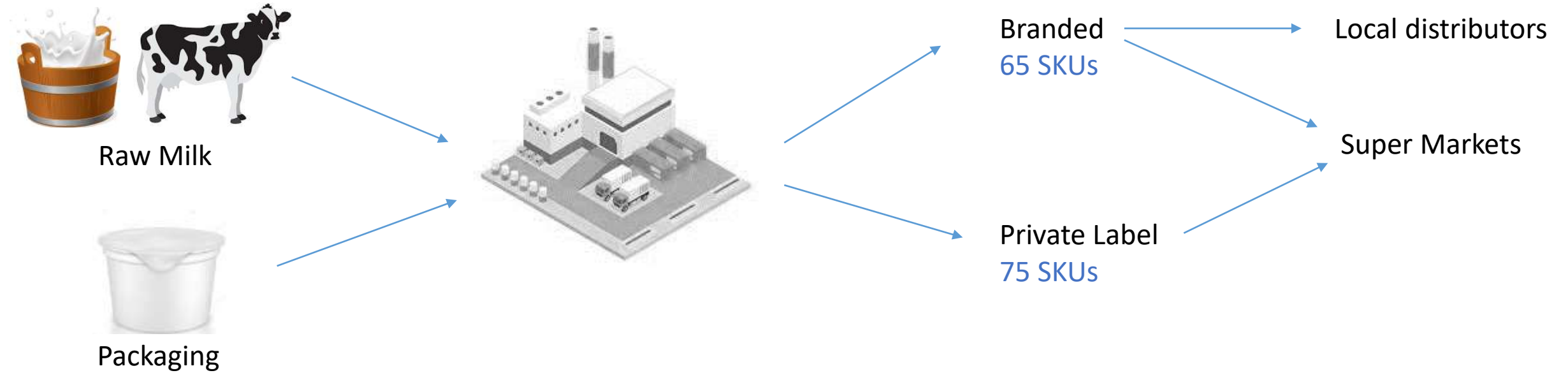
KRI KRI PRICE INDEX





# — Strategic Choices/ Yogurt Greece

## Business Model



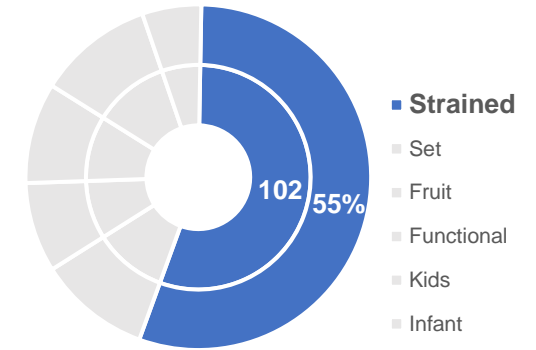
# Strategic Choices/ Yogurt Greece

2019: €44,3m  
 Δ 20Q1: +24,8%

## Branded products strategy

- Aiming for the **top positions**

- Focus on **Strained Category**



## Evolution of Kri Kri Market Share (vol.)

Year	Market Share
2015	13,0
2016	14,2
2017	14,2
2018	15,2
2019	15,7
4M2020	16,1

+3,1

Improving quality by constantly investing in new technology



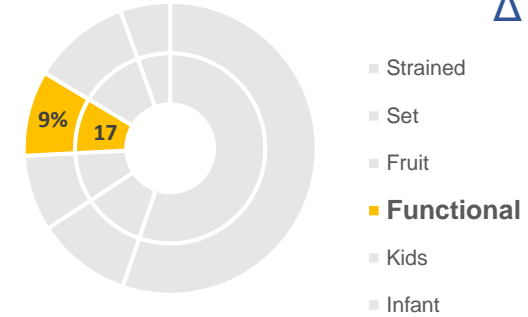
Marketing-Promotion



# Strategic Choices/ Yogurt Greece

2019: €44,3m  
 Δ 20Q1: +24,8%

## Branded products strategy



### ✓ High Protein and super foods

Products addressing the healthy food trend.

### ✓ Forever Young

Products with special formula, focused on silver age consumers, that address the demographic trend.

### ✓ Lactose free

Products without Lactose, that reduces the unpleasant symptoms without losing taste.



# Strategic Choices/ Yogurt Greece

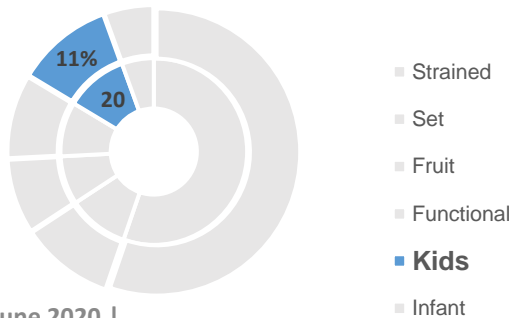
2019: €44,3m  
 Δ 20Q1: +24,8%

## Branded products strategy

### Leader in kids yogurt category

(Market Share 38,0% in Volume)

Launched new products, featuring the PJ Mask brand.



| June 2020 |

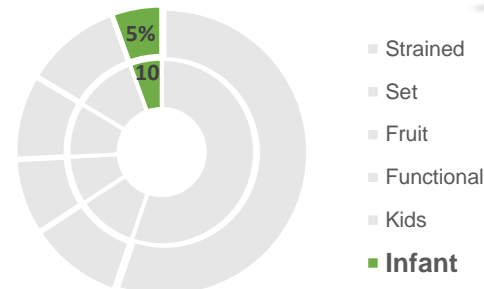
### Entering the Infant Yogurt Category

#### New Product: Kri Kri Babies-My first Yogurt

- ✓ Specially designed for infants from 6 months of age
- ✓ According to the instructions of the Ministry of Health and with the scientific guidance of the Hellenic College of Pediatrics

#### Recently launched new fruit flavors

(Market Share 9,6% in Volume)



Source: IRI (Apr 2020)





# — Strategic Choices/ Yogurt Greece

2019: €44,3m  
Δ 20Q1: +24,8%

## Private label products strategy

- Perhaps the first supplier for private label yogurts in Greece.
- We have not discredited this business
- New product development, in collaboration with customers



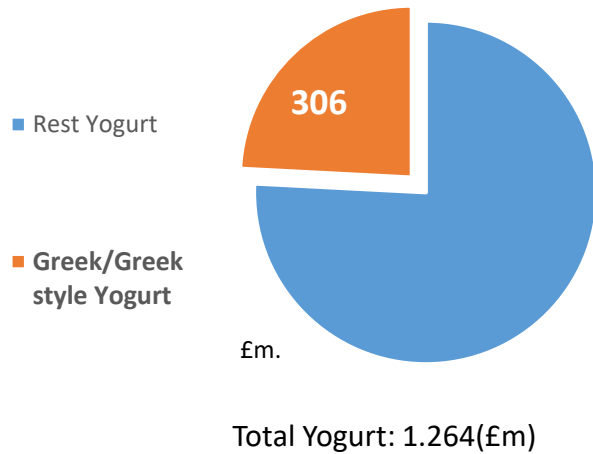
- Offers a strategic edge:
  - Building strong relationships with retailers
  - Economies of scale



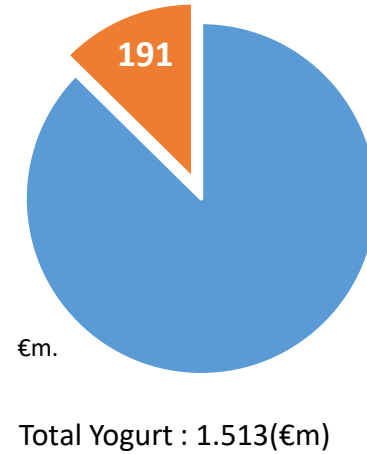
# Strategic Choices/ Yogurt Exports

2019: €40,2m  
Δ 20Q1: +36,7%

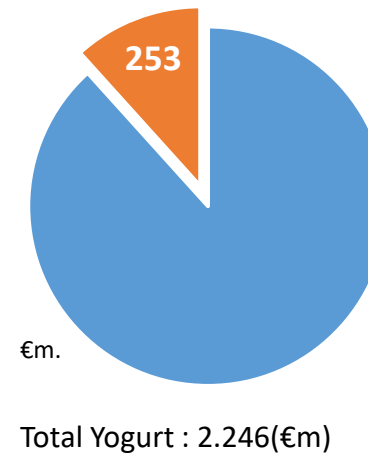
## United Kingdom



## Italy

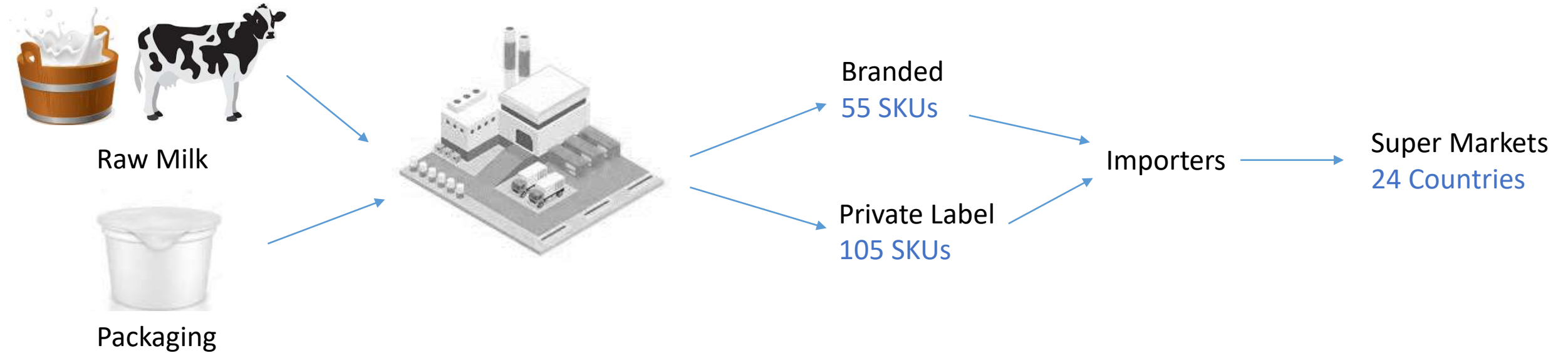


## Germany



# Strategic Choices/ Yogurt Exports

## Business Model



# — Strategic Choices/ Yogurt Exports

2019: €40,2m  
Δ 20Q1: +36,7%

## Private label products strategy

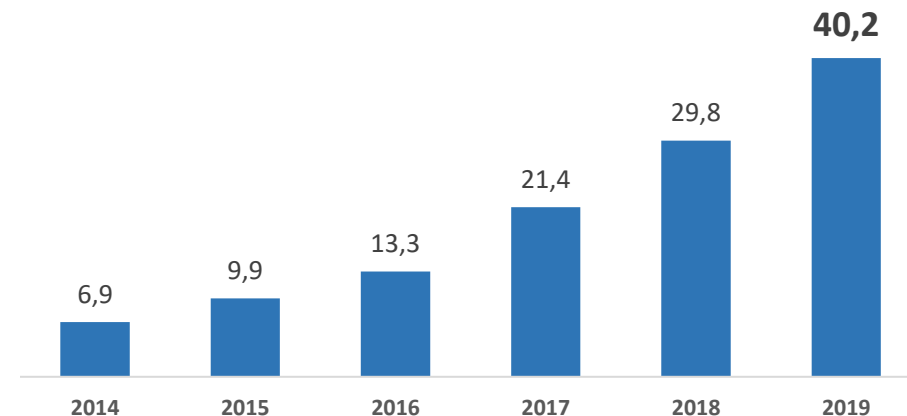
- Private label products capture a big share of consumers wallet in Europe.
- It offers a strategic way to enter markets of interest with lower entry cost and build relationships.



## Opportunities

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

Sales of Yogurt Exports  
2014-2019(€m.)





## Strategy per Country

### UK

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

Q1 results: >20% Growth



### Italy

- Further penetration to PL products
- Differentiation to Branded products

Q1 results: >80% Rapid Growth from penetrating market with PL products



### Central Europe

- Maintaining position in Germany
- Increasing PL products sales in France and Denmark
- Increasing BR product sales in Belgium

Q1 results: +17% Growth

### Opportunities

- Geographical expansion
  - in countries where we already have presence
  - in countries with great potential (eg Scandinavian countries, France, Spain, Russia et al.)
- Placing branded products to existing PL customers
- Expanding PL products portfolio
- Other distribution channels (eg food service)

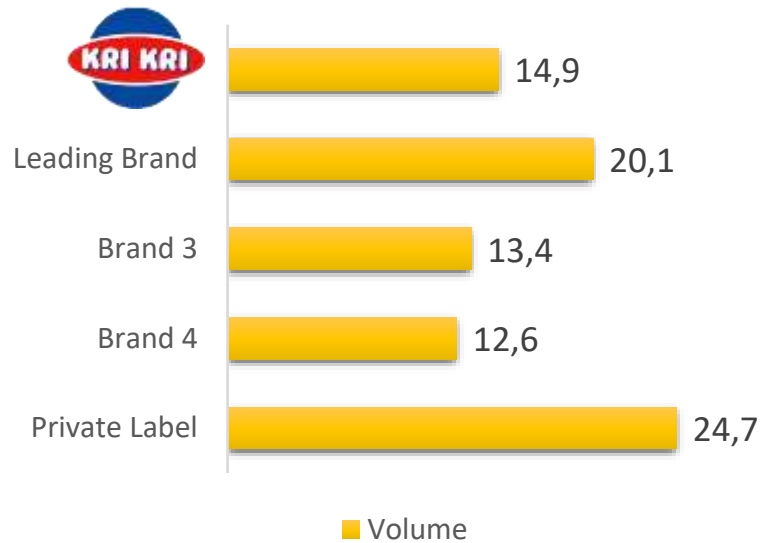
Market size in retail prices



Market trend +1.5%



Market Share per Brand

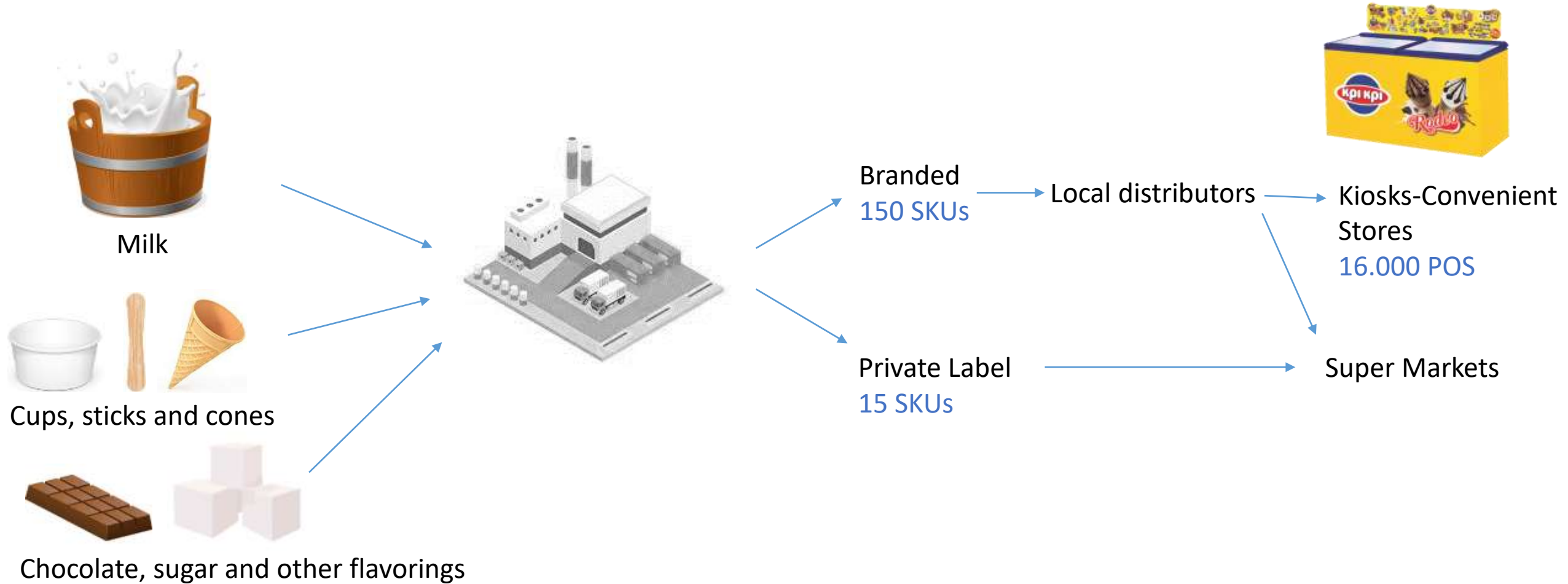


Source: Nielsen (2019)



# Strategic Choices/ Ice cream Greece

## Business Model





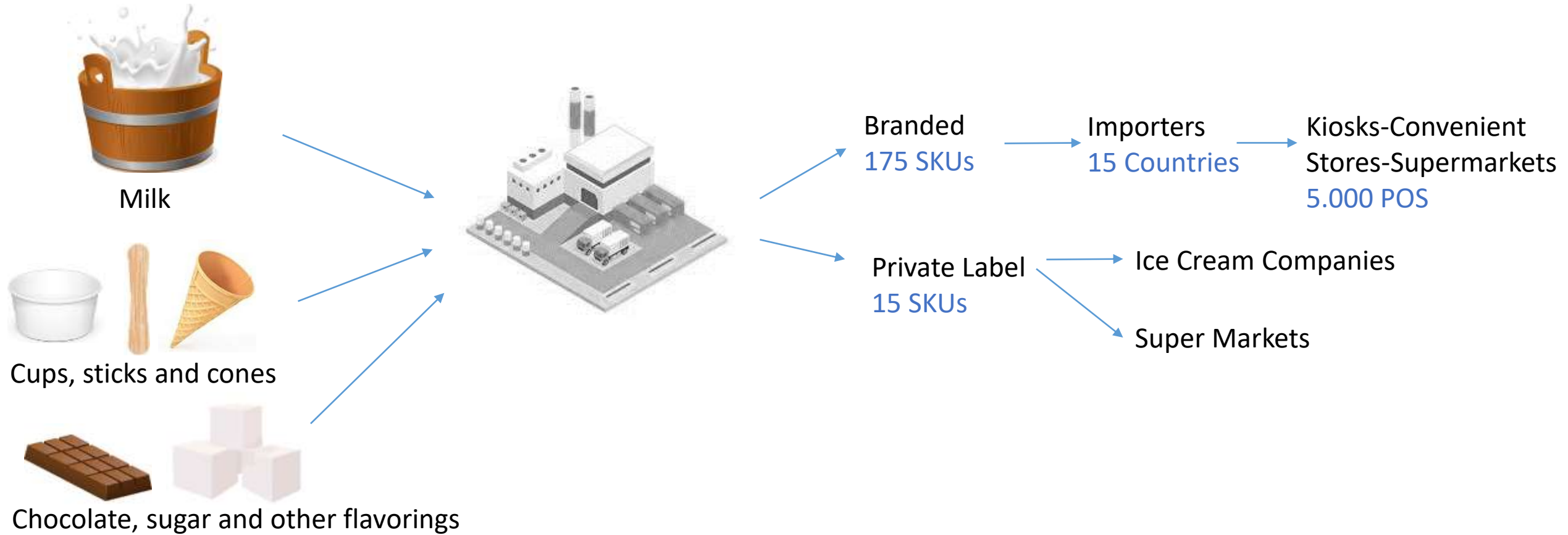
## Branded products strategy

- ✓ The only Greek ice cream company with nationwide sales network
  - ✓ Expand distribution network with 1000(+7%) extra points of sale
  - ✓ Maintain high profitability
  - ✓ Collaboration with well-known Greek Companies
- 
- ✓ Private label products for Greek S/M



# Strategic Choices/ Ice cream Exports

## Business Model



## Private label products strategy

Global Market size	\$ 58 bn
European Market Size	\$ 18 bn
European market Size Private label	\$ 10 bn

Source: Statista (2018), Company estimates

Target market

Looking for opportunities for Private Label products in European Market

## Branded products strategy

Aiming to expand our BR sales abroad, using as main driving force our Frozen Yogurt products that already achieved high sales in the countries that we launched them.



# Covid-19

## Measures taken

- Additional provisions for staff performing critical functions for production and business continuity
  - Business trips have been kept to a minimum
  - Systems for remote work (teleworking) are applied where possible
  - Emergency arrangements have been put in place for employees belonging to vulnerable groups and policies requiring staff to report any suspicious symptoms.
- Increased level of monitoring
  - Sound financial position, with very low net gearing [1.94%], and an adequate level of liquidity
  - CAPEX plan under review

Operating




Financial

## Estimated impact

### Yogurt Greece

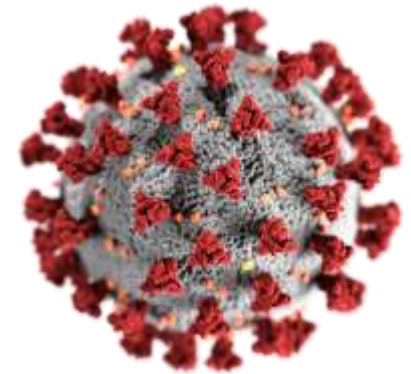
- Sales seem resilient
- Consumers disposable income
- Competition pressure

### Ice cream Greece

- Tourism 
- Consumption via SM channel and take away canteens 
- Consumption in urban areas 

### Yogurt Export

- Sales seem resilient
- Consumers disposable income
- Brexit



# Facilities & CapEx

- Modern production facilities in buildings E=30.000m<sup>2</sup>
- Capability of further development in land E= 80.000 m<sup>2</sup>

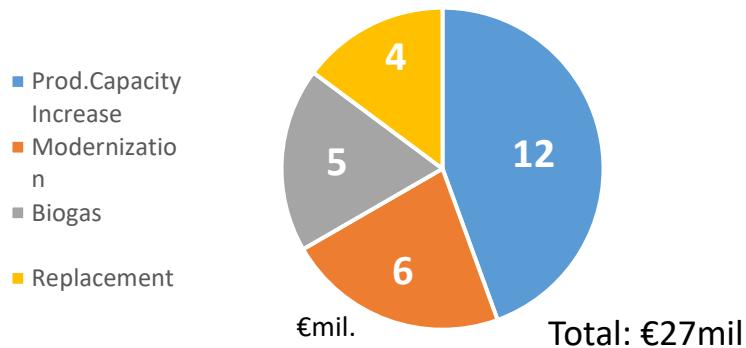


Investments totaling €28m. have been included in the investment law to subsidize 35% of the amount as a tax exemption. (28m\*35%=9,8m)

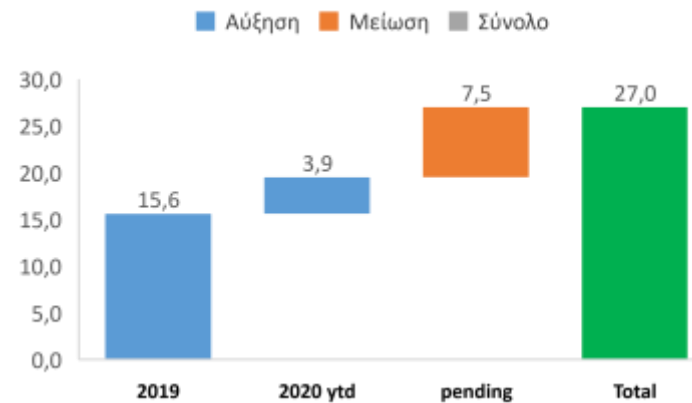
## Tax exemption projection

€ (m)	2019	2020	2021	2022	Total
Tax exemption	1.2	3.1	3.4	2.1	9.8

## Three-year Investment Plan (2019-2021)



## CapEx Progress



## CapEx Requirements

	New Capex €m.	Sales Growth Potential
Yogurt	7	30%
Ice Cream	8	40%



# 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**

# Hints for 2019 Financial Results

## Yogurt Greece

	2019	2018	YoY	Margin	Δ Margin
<b>Sales</b>	€44.285k	€39.053k	+13,4%		
<b>Gross Profit</b>	€14.538k	€14.845k	-2,1%	32,8%	-518bps
<b>EBIT</b>	€6.468k	€4.984k	+29,8%	14,6%	+184bps

- Improved Value Market Share(2019:15,3% vs 2018:14,7%)
- Expand to new yogurt categories(launched Baby Yogurt)
- Decline in Gross Profit Margin
- Expansion of private label contracts

## Yogurt Export

	2019	2018	YoY	Margin	Δ Margin
<b>Sales</b>	€40.154k	€29.777k	+34,8%		
<b>Gross Profit</b>	€11.278k	€9.807k	+15,0%	28,1%	-485bps
<b>EBIT</b>	€6.324k	€5.852k	+8,1%	15,8%	-390bps

- Growth of sales particularly in UK and Italy
- New Markets
- Decline in Gross Margin

## Ice cream Greece

	2019	2018	YoY	Margin	Δ Margin
<b>Sales</b>	€21.702k	€20.717k	+4,8%		
<b>Gross Profit</b>	€11.650k	€11.101k	+4,9%	53,7%	+10bps
<b>EBIT</b>	€4.092k	€3.033k	+34,9%	18,9%	+422bps

- Expand distribution network with 1.000 extra points (16.000 points of sale from 15.000 at 2018)
- Adverse weather condition March-May

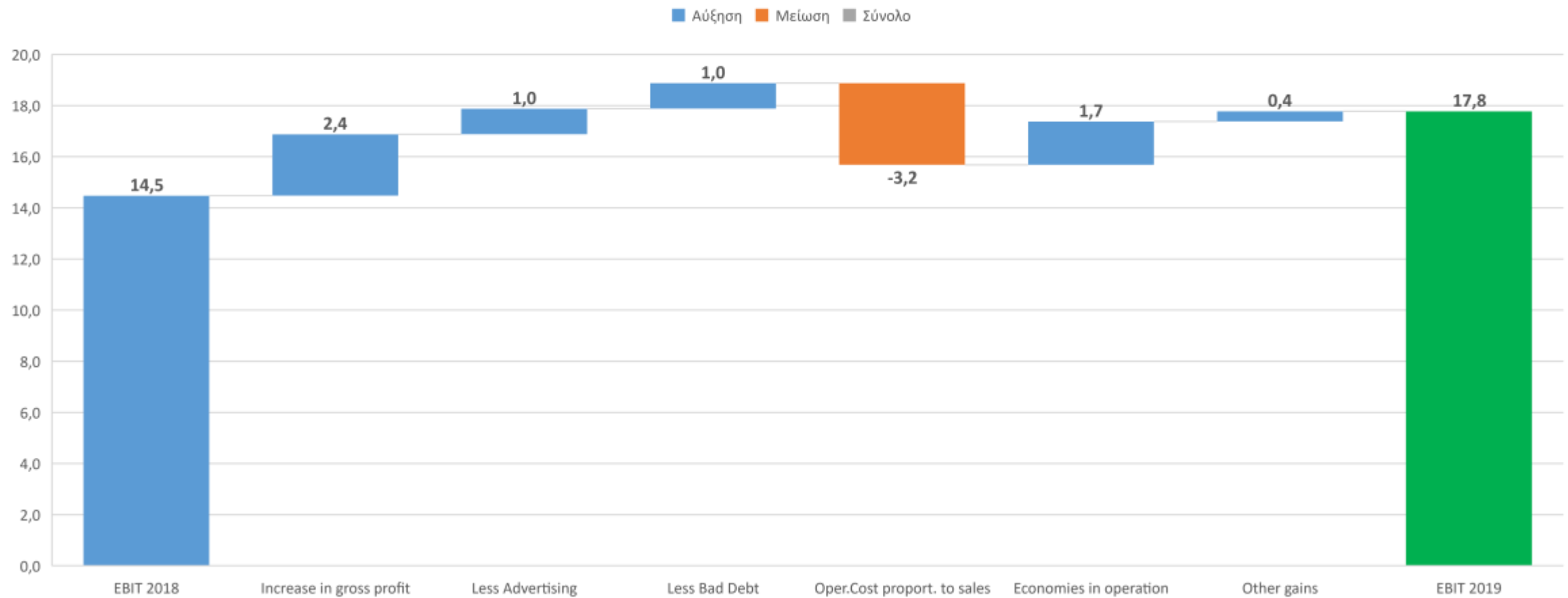
## Ice cream Export

	2019	2018	YoY	Margin	Δ Margin
<b>Sales</b>	€6.405k	€4.403k	+45,5%		
<b>Gross Profit</b>	€1.859k	€1.100k	+69,0%	29,0%	+405bps
<b>EBIT</b>	€691k	€203k	+240,9%	10,8%	+619bps

- Renew and expand our PL contracts
- Strengthening our presence in neighbors' countries

# Hints for 2019 Financial Results

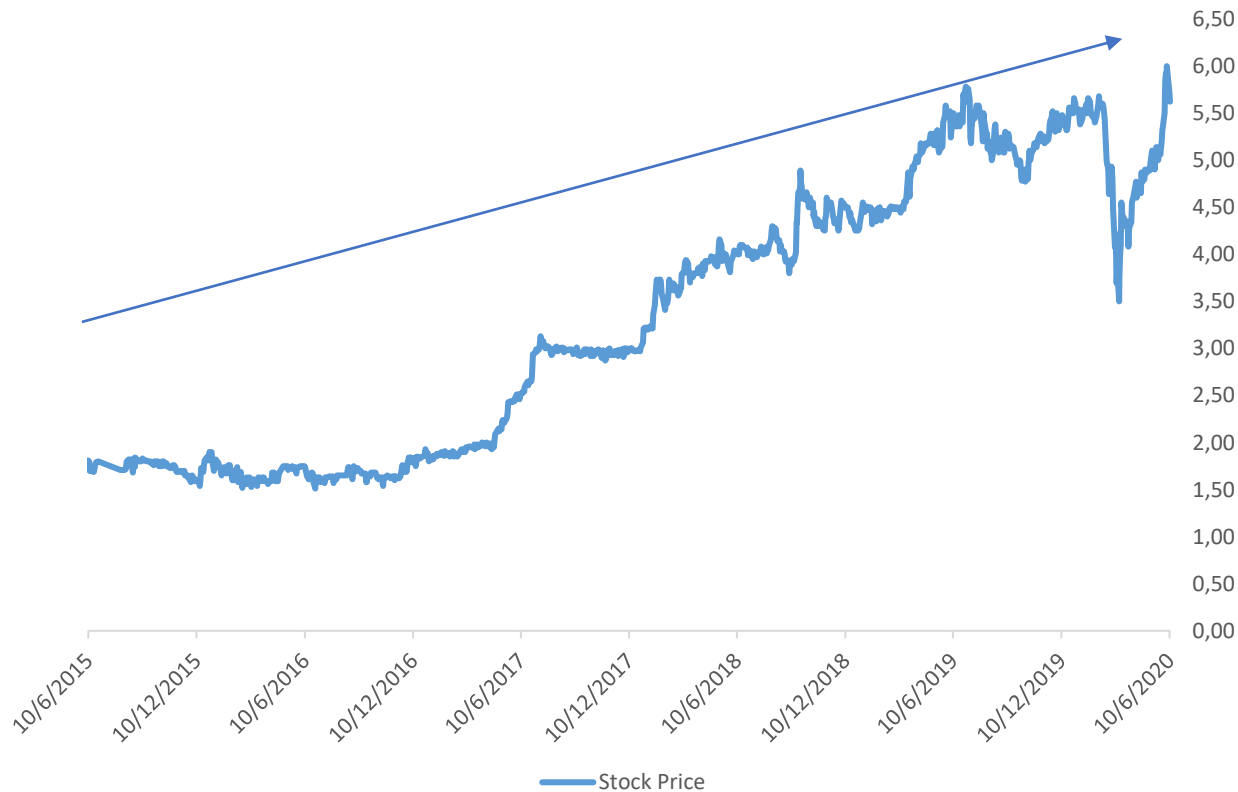
## Ebit Reconciliation €m



# KRI KRI Share Information

## Share Performance

Stock price 5y Performance +212%  
(as per 10/6/2020)



	2013	2014*	2015	2016	2017	2018	2019
<b>Total stockholder return</b>	<b>34,4%</b>	<b>-8,0%</b>	<b>5,9%</b>	<b>6,2%</b>	<b>59,0%</b>	<b>44,7%</b>	<b>44,7%</b>
<b>Dividend yield</b>	<b>3,0%</b>	<b>0,0%</b>	<b>3,2%</b>	<b>4,7%</b>	<b>3,0%</b>	<b>3,5%</b>	<b>3,2%</b>
<b>Share price increase (decrease)</b>	<b>31,4%</b>	<b>-8,0%</b>	<b>2,7%</b>	<b>1,6%</b>	<b>56,0%</b>	<b>41,2%</b>	<b>32,2%</b>
<b>P/E on net profit</b>	<b>13</b>	<b>17</b>	<b>16</b>	<b>10</b>	<b>14</b>	<b>14</b>	<b>12,5</b>

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

### Additions on Athex Indices:

- FTSE/Mid Cap Index on 18.6.2018
- FTSE/ATHEX High Dividend Yield Index on 23.3.2020



# KRI KRI Share Information

## Share information

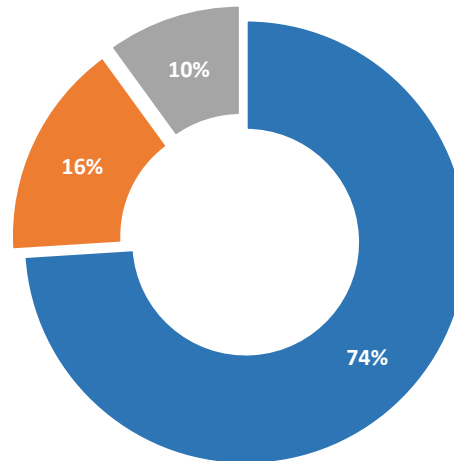
Market: Main market  
Sector: Food & Beverage

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

No of shares: 33,065,136

## Shareholders' structure

Tsinavos Family : 74%  
Legal Entities : 16%  
Individuals : 10%



## Contact information

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# — Investment Proposal Summary

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## 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.

# KRI KRI / Appendix 1

## Annual Key Financial figures

IFRS - €m	2019	2018	2017
<b>Sales</b>	<b>112.9</b>	94.2	79,2
<b>Gross Profit</b>	<b>39.1</b>	36.7	28,4
<b>EBITDA</b>	<b>21.1</b>	17.3	12,4
<b>EBIT</b>	<b>17.8</b>	14.5	9,9
<b>Profit before taxes</b>	<b>17.6</b>	14.2	9,9
<b>Net Profit</b>	<b>15.2</b>	10.1	7,3

Margins	2019	2018	2017
<b>Gross Profit</b>	<b>34.6%</b>	38.9%	35,9%
<b>EBITDA</b>	<b>18.7%</b>	18.3%	15,7%
<b>EBIT</b>	<b>15.8%</b>	15.4%	12,5%
<b>Profit before taxes</b>	<b>15.6%</b>	15.1%	12,5%
<b>Net Profit</b>	<b>13.5%</b>	10.7%	9,3%

# KRI KRI / Appendix 2

## Q1 2020 Financial Results

IFRS - €m	Q1 2020	Q1 2019	Q1 2018
Sales	27.5	21.9	18.6
Gross Profit	8.7	8.3	7.1
EBITDA	4.5	4.0	2.9
EBIT	3.6	3.2	2.2
Profit before taxes	3.6	3.1	2.2
Net Profit	2.7	2.2	1.6

Margins	Q1 2020	Q1 2019	Q1 2018
Gross Profit	31.6%	37.8%	38.1%
EBITDA	16.3%	18.4%	15.5%
EBIT	13.2%	14.7%	12.0%
Profit before taxes	12.9%	14.4%	11.7%
Net Profit	9.7%	10.2%	8.3%



## KRI KRI / Appendix 3

### Q1 2020 - Operating results per Segment

IFRS - €m	Sales	YoY%	Gross Profit	Gross Margin	Δ Gross Margin (bps)	EBIT	EBIT Margin	Δ EBIT Margin (bps)
<b>Yogurt Total</b>	<b>24,5</b>	<b>30,4%</b>	<b>7.5</b>	<b>30.7%</b>	<b>-514</b>	<b>4.1</b>	<b>16.8%</b>	<b>-207</b>
Greece	12,3	24,8%	4.2	33.8%	-574	2.0	16.5%	-160
Exports	12,2	36,7%	3.4	27.6%	-419	2.1	17.0%	-260
<b>Ice-Cream Total</b>	<b>2,4</b>	<b>-19,3%</b>	<b>1.1</b>	<b>47.4%</b>	<b>-351</b>	<b>-0.6</b>	<b>-24.7%</b>	<b>-948</b>
Greece	1,7	-29,2%	1.0	55.9%	-27	-0.7	-38.4%	-1815
Exports	0,7	23,2%	0.2	26.3%	-211	0.1	9.3%	+294
Rest	0,5	654,9%	-0.0	-2.6%		0.1	19.4%	
<b>Company Total</b>	<b>27,5</b>	<b>25,6%</b>	<b>8.7</b>	<b>31.5%</b>	<b>-624</b>	<b>3.6</b>	<b>13.2%</b>	<b>-148</b>

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