

Comment on Company Release Full Year 2012 Results

Valuation & Research Specialists (VRS)
VRS Research Team
info@valueinvest.gr

Share Price (16/04/2013)	
Share Price (16/04/2013)	€ 1.76
Number of Shares (,000)	33,065
Market Cap (in € mn)	58.19
A.D. Volume (p)	12,548
Beta (vs. ASE G.I. – 1y)	0.59
Statistical Data	
Max 52 week	2.00 €
Min 52 week	0.51 €
1-M Rtn	0.57%
6-M Rtn	89.25%
12-M Rtn	170.77%

Source: Company, Euro2day, Reuters, VRS.

KRI KRI S.A. [Bloomberg Ticker: KRI:GA, Reuters Ticker: KRIR.AT]

Business Sector: Dairy Products

KRI KRI Reported Full Year 2012 Results

Kri Kri (or the Group), a dairy products manufacturer based in Northern Greece, reported full year 2012 results on March 26, 2013. The major results of the Group are highlighted below:

	In € million	2012	%	2011
Sales		59.30	23.78%	47.91
Ice Cream Products		23.36	6.98%	21.84
Milk Based Products		35.76	38.24%	25.87
Gross Profit (incl. depreciation)		22.01	23.02%	17.89
Net Profit after Taxes & Minorities		5.23	135.66%	2.22
Shareholders' Funds		32.47	11.93%	29.01
Bank Debt		2.95	-31.97%	4.34
Cash		7.35	19.69%	6.14

Source: Consolidated Financial Statements based on IFRS.

- According to the released financial statements of the year 2012, Kri Kri Group operates under a self financed capital structure, which is utilized for both investments and the Group's overall expansion strategy. Kri Kri is in position to further boost profitability as it can increase capacity utilization and sales without proportionally affecting operating costs. Exports which accounted for 19.3% of total sales and the growing segment of private label products were additional factors that boosted the Group's results.
- Despite the tough economic conditions in the domestic market during 2012, Kri Kri achieved an efficient working capital management as despite the significant increase in sales there was no negative effect on the Group's working capital cycle. During the year, inventory and trade receivables turnover ratios were further improved while operating cash flows increased year-on-year. Bank debt was reduced to especially low levels and is favorably compared to consolidated shareholders' funds and sales.

Investment Highlights and Prospects

We underline the following points with regard to the Group's investment characteristics and prospects:

- The expansion of Kri Kri's sales network throughout Greece, the continuous advertising campaign targeting higher product recognition and the strengthening of its sales network in the Balkans are critical factors in the Group's future growth plans.
- In addition, the Group has targeted foreign markets where it plans to penetrate certain product categories. If this plan works out effectively, it will determine Kri Kri's broader growth potential in the international markets.
- Kri Kri stock has not fully reflected the Group's positive financial performance and has an attractive earnings multiple. Low free float, thin marketability and the Company's moderate brand name recognition in Greece are among the factors driving share price performance.

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Share Price Performance (1 year, in €)

