

COMPANY UPDATE

Kri-Kri

The taste of acceleration; when demand meets dynamo

Export engine accelerates; Buy – Following the 9M'25 and improved visibility on demand and pricing into 2026, our confidence in KRI's growth trajectory has increased. We see international yogurt momentum, mainly in the UK and Italy (sales +63% and +21% in the 9M), reinforcing the export-led strategy, supported by expanding shelf presence and sustained demand for natural, high-protein products. With capacity set to ramp through 2027 (supporting c€500mn in sales by 2029e), KRI is positioned to translate strong demand into higher volumes. Reflecting these dynamics, we have lifted our revenue forecasts 4–9% over 2025–27e, now envisaging 24% growth in 2025e, 18% in 2026e and 11% in 2027e. On the profit front, we expect price increases from H2'25 to facilitate pass-through of elevated input costs, allowing gross margins to recover toward c29–30% from next year onwards after a temporary dip in 2025e. This underpins a rebound in EBIT margins to c15–16% in 2026–27e and a c15% EBIT CAGR over 2025–29e, supported by operating leverage. Despite the strong run in the share price ytd (27%), the growth and pricing setup suggest incremental upside toward €22.4/share with upside risk to our estimates, thus supporting our Buy recommendation.

9M'25: Strong top line growth continuing unfettered, early signs of margin stabilization emerging – The 9M performance confirms that Kri-Kri's 2-digit sales growth trajectory remains intact, with sales up 25% yoy and Q3 run-rates even stronger sequentially, driven primarily by international yogurt volumes. Although elevated input costs and a growing private-label mix continued to weigh on gross margins, Q3 delivered €2.3m higher EBIT yoy (from €3.8m lower in H1), supported by pricing and milder opex inflation, reflecting economies of scale. With further pricing pass-through expected in Q4'25/H1'26, the pathway to margin recovery is becoming more visible, in our view.

Internally funded growth; capacity expansion to unlock further upside; scope for heftier cash returns – Kri-Kri continues to generate strong free cash flow, consistently converting c80% of EBITDA into operating cash, enabling the company to fully self-fund its investment program without leveraging the balance sheet. This financial strength supports the €52m capacity expansion plan for 2025–27 (Greek Yogurt Dynamo), aimed at doubling yogurt and ice-cream output and equipping the business to support c€500m in annual sales. The company's robust cash-generating profile is further evidenced by its sector-leading returns, with ROE expected to stay above 24–25% and a net cash position of c€19m in 2025e on our estimates. Importantly, solid FCF provides strategic flexibility and leaves ample room for continued shareholder distributions ahead (EEe 38% payout).

Valuation: increasing PT to €22.4 – We recalibrate our valuation filtering through c11%/7% EBIT upgrades in 2026–27e, while also lowering our WACC to 8.7% to reflect the stock's improved liquidity. As such, we raise our PT to €22.4, effectively valuing KRI at c10.9x 2026e EV/EBITDA, a small premium vs the current valuation of foreign peers, that we view as justified by the company's superior growth trajectory and clean balance sheet, more than offsetting its smaller scale. Our reverse-engineering exercise also shows that the current valuation is c15% lower than the value implied by current and near-term operating profits, which seems overly conservative as it effectively implies limited value creation in the outer future.

Estimates

| EURm unless otherwise stated | 2023 | 2024 | 2025e | 2026e | 2027e |
|------------------------------|-------|-------|-------|-------|-------|
| Revenues | 216.3 | 256.4 | 317.7 | 374.9 | 415.4 |
| Adj. EBITDA | 45.1 | 42.6 | 49.6 | 65.1 | 71.6 |
| Net Profit reported | 32.3 | 34.5 | 38.4 | 48.4 | 51.9 |
| EPS (EUR) | 0.98 | 1.04 | 1.16 | 1.46 | 1.57 |
| DPS (EUR) | 0.35 | 0.40 | 0.45 | 0.56 | 0.60 |

Valuation

| Year to end December | 2023 | 2024 | 2025e | 2026e | 2027e |
|-----------------------|--------|--------|-------|-------|-------|
| P/E | 7.8x | 11.4x | 16.4x | 13.0x | 12.1x |
| EV/EBITDA | 5.1x | 9.0x | 12.3x | 9.2x | 7.9x |
| EBIT/Interest expense | 100.4x | 139.6x | 190x | 196x | 226x |
| Dividend Yield | 4.6% | 3.4% | 2.3% | 2.9% | 3.2% |
| ROE | 35.2% | 29.8% | 27.4% | 28.6% | 25.5% |

| Recommendation | BUY |
|-----------------------|--------|
| Target Price | €22.40 |
| Prior Target Price | €18.10 |
| Closing Price (28/11) | €19.02 |
| Market Cap (mn) | €628.9 |
| Expected Return | 17.8% |
| Expected Dividend | 2.9% |
| Expected Total Return | 20.7% |

Kri-Kri Share Price

Stock Data

| | |
|--------------------------|---------|
| Reuters RIC | KRIr.AT |
| Bloomberg Code | KRI GA |
| 52 Week High (adj.) | €20.75 |
| 52 Week Low (adj.) | €13.80 |
| Abs. performance (1m) | -3.2% |
| Abs. performance (YTD) | 26.8% |
| Number of shares | 33.1mn |
| Avg Trading Volume (qrt) | €531k |
| Est. 3yr EPS CAGR | 14.5% |
| Free Float | 20% |

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This report was prepared and published in consideration of a fee payable by the European Bank for Reconstruction and Development (EBRD).

See Appendix for Analyst Certification and important disclosures.

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After the rise: market pricing still anchored in near-term profitability

Despite the c27% gains in the share price ytd, we believe that the high near-term earnings visibility – given the structural growth of the authentic Greek yogurt market and KRI's expanding footprint in key markets UK/Italy benefiting from this dynamic – skews the risk-reward balance to the positive side while leaving plenty of upside under our baseline.

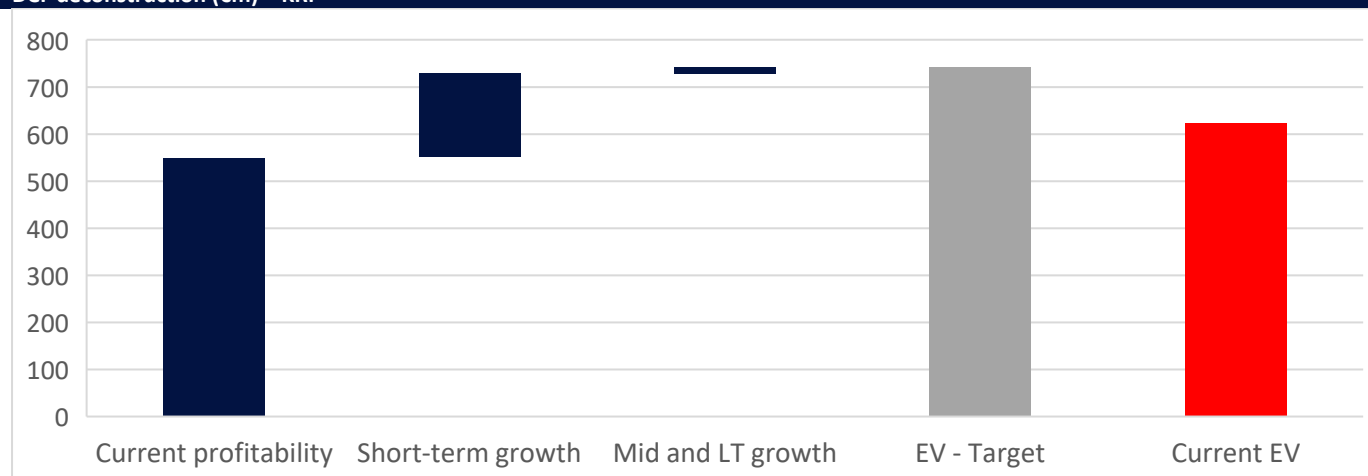
In order to demonstrate this, we have analysed our DCF-generated fair value into its components, namely the value contribution from the current profitability and that from growth in future periods. This is even more important given the elevated margins over 2023-2025 (EBIT margin at 18.6% in 2023, c14% in 2024-25e) and the debate about the extent to which these can be sustained in the long-run.

To that end, we have split our valuation in 4 components, namely:

- **The value from the current level of operating profits**, excluding value-adding growth in future periods. Capitalising the 2026e EBIT of €58m by WACC (8.7%) on an after-tax basis (i.e. NOPAT) helps us gauge the current operating value excluding future growth.
- **The value from short-term growth**, namely growth over the next 4-5 years as implied by our near-term forecasts. On our estimates, this will be the result of low-teens average sales growth and a 1.1pps EBIT margin accretion over 2025e-2029e thanks to the positive pendulum of operating leverage as the business scales.
- **The value arising in the medium-term**, to the extent that incremental returns during this period will exceed WACC.
- **The incremental value arising in the long-run**, which on our numbers will be negative on the premise that the incremental rate of return on investment will be lower than WACC in the long-term, as KRI's competitive advantage fades in a largely commoditized industry.

The aforementioned framework is exemplified in the left chart below, where we show that in our DCF almost all the value attribution stems from the current operating profitability and near-term growth and just a small amount comes from medium/long-term value-adding growth. **Most importantly, despite the share price rally ytd, the current valuation (EV a bit above €600m) seems to be c15% lower than the value implied by current and near-term operating profits.** This seems overly conservative in our view, as it effectively implies limited value creation in the future, i.e. incremental returns that will be close to WACC. This is contrary to the group's solid historic return track record and ignores the high ROIC delivered in recent years and elevated brand affinity in key export markets, as well as its dominance in the local market (especially in private label), all factors underpinning hefty operating margins and insulating KRI from domestic competition.

DCF deconstruction (€m) – KRI



Source: Eurobank Equities Research

Q3/9M'25 overview

Strong top line with ongoing margin pressure; gradual pricing uplift

Kri-Kri delivered a healthy set of Q3'25 results, with revenue rising 27.7% yoy to €97.8m, outperforming our estimate by 5%, as strong volume momentum—led primarily by international yogurt—continued to underpin growth, while Greece also surprised positively (+9.5% yoy), reflecting a solid ice-cream season and sustained pricing benefits in yogurt.

Gross profit increased by 14.1% yoy; however, gross margin remained on a downward trajectory (-3.4pps to 28.3%) as elevated input costs persisted, despite the gradual pass through of pricing in Q3, and the growing private-label mix continued to dilute profitability at the gross level (with branded vs private label margins being broadly similar at the EBIT line). The results suggest that gross margin recovery will be more gradual than initially envisaged and will depend heavily on pricing catch-up in Q4'25/H1'26, although opex inflation proved milder than anticipated, allowing EBIT to reach €15.2m, up 18% yoy and broadly in line with our €15.6m estimate, translating into a 15.5% margin. At the bottom line, results came in below our expectations due to a higher tax rate, with net profit settling at €11.7m (+16% yoy), though we anticipate some tax relief by year-end.

Overall, the 9M period closed with Kri-Kri delivering +25% sales growth, yet EBIT came in c€1.5m lower yoy at €38.3m due to gross margin compression (-5.7pps, largely stemming from H1). The Q3 print reinforces the strength of the top-line engine while underscoring continued margin headwinds. **We highlight that gross margins were exceptionally soft in Q4'24, creating an easy comparable base, which should support EBIT reaching above €43m for the full year, comfortably above last year's €37.2m, given that Q4'24 was loss-making.**

In more detail by segment:

Yogurt sales rose 28.7% in value and 27.2% in volume, with international markets delivering standout momentum, up 42.7% yoy and surpassing €140m, driven by robust demand in the UK (+63%) and Italy (+21%). In Greece, yogurt sales exceeded €63m, increasing by 5.8% in value. The ongoing market shift toward private-label yogurt—where Kri-Kri holds a leading position—continued, with private-label volume share expanding by 2.0pps to 37.9%, exerting growing pressure on branded offerings. In branded yogurt, Kri-Kri lost 1.3pps of market share in value, now holding 13.8%, maintaining its position as the second-largest player.

In **ice cream**, domestic sales increased 8.3% yoy to €39.8m (vs €36.7m in 9M'24), while overseas ice cream sales expanded by c€4m (+38.3%), supported by the Greek Frozen Yogurt category and new private-label production agreements.

From a cash flow standpoint, Q3 was exceptionally strong, with FCF reaching €16.3m (vs €9.4m in Q3'24), supported by normalizing working capital and only partly offset by elevated capex (€9.5m). Despite paying a €13m dividend, Kri-Kri lifted its net cash position to €7m at the end of Q3 (from €4m in Q2), underscoring the company's robust cash generation even during a gross margin trough.

Guidance for FY'25 revenue >€300m and EBIT margin at c14%

Management guided to FY'25 revenue above €300m, driven by continued export momentum, and an EBIT margin of c14% (vs prior guidance of €300m revenue and a 14–15% EBIT margin range), effectively signaling that top-line strength will partly offset ongoing margin pressure.

| KRI-KRI Results overview | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|----------|
| EURm | 3Q'24 | 3Q'25 | yoy | 9M'24 | 9M'25 | yoy | 3Q'25e | 3Q vs EE |
| Revenues | 76.6 | 97.8 | 27.7% | 207.5 | 259.7 | 25.2% | 93.3 | 5% |
| - of which Greece | 36.6 | 40.1 | 9.5% | 96.3 | 102.8 | 6.7% | 37.2 | 8% |
| - Yogurt | 21.8 | 23.5 | 8.1% | 59.6 | 63.1 | 5.8% | 22.2 | 6% |
| - Ice cream | 14.8 | 16.5 | 11.7% | 36.7 | 39.8 | 8.3% | 15.0 | 10% |
| - of which Int'l | 39.1 | 57.5 | 47.0% | 109.0 | 155.1 | 42.3% | 55.5 | 4% |
| - Yogurt | 34.9 | 51.9 | 48.9% | 98.2 | 140.1 | 42.7% | 50.5 | 3% |
| - Ice cream | 4.2 | 5.6 | 31.3% | 10.9 | 15.0 | 38.3% | 5.0 | 11% |
| - other | 0.9 | 0.2 | | 2.1 | 1.8 | | 0.6 | |
| Gross profit | 24.2 | 27.6 | 14.1% | 69.4 | 72.2 | 3.9% | 29.2 | -5% |
| <i>Gross margin</i> | 31.6% | 28.3% | -3.4 pps | 33.5% | 27.8% | -5.7 pps | 31.3% | -0.1 pps |
| Opex | -11.6 | -13.3 | 14.4% | -30.4 | -34.8 | 14.8% | -14.2 | -6% |
| Other income | 0.3 | 0.8 | | 0.7 | 1.0 | | 0.5 | |
| EBIT | 12.9 | 15.2 | 17.7% | 39.8 | 38.3 | -3.8% | 15.6 | -3% |
| <i>EBIT margin</i> | 16.8% | 15.5% | | 19.2% | 14.7% | | 16.7% | -0.1 pps |
| Net financial expense | 0.1 | -0.1 | -141.6% | 0.3 | -0.2 | -162.5% | 0.0 | |
| PBT | 13.0 | 15.1 | 16.2% | 40.1 | 38.1 | -4.8% | 15.6 | -3% |
| - Tax | -3.0 | -3.4 | | -3.7 | -7.0 | | -2.0 | 68% |
| <i>Tax rate</i> | 22.8% | 22.6% | | 9.2% | 18.3% | | 13.0% | |
| Net profit | 10.0 | 11.7 | 16.4% | 36.4 | 31.1 | -14.4% | 13.6 | -14% |
| D&A | -1.5 | -2.5 | | -4.2 | -4.9 | | -2.2 | |
| EBITDA | 14.4 | 17.7 | 22.9% | 44.0 | 43.2 | -1.8% | 17.8 | -0.7% |
| <i>EBITDA margin</i> | 18.8% | 18.1% | -0.7 pps | 21.2% | 16.6% | -4.6 pps | 19.1% | -0.1 pps |
| EURm | 3Q'24 | 3Q'25 | | 9M'24 | 9M'25 | | | |
| Operating Cash Flow | 17.6 | 25.8 | | 29.0 | 27.2 | | | |
| - Capex | -8.0 | -9.5 | | -18.7 | -18.3 | | | |
| FCF | 9.4 | 16.3 | | 10.0 | 8.8 | | | |
| Net debt incl. leases (cash) | -16.3 | -7.0 | | -16.3 | -7.0 | | | |

Source: Company, Eurobank Equities Research

Estimates and main assumptions overview

Another uplift to our estimates on strong sales momentum

Following the 9M'25 results and management's insight during the conference call, which provided additional clarity on expectations for the remainder of the year, we have recalibrated our estimates to reflect stronger growth driven by sustained demand for Greek yogurt across European markets and resilient profitability, largely offsetting margin pressure from higher input costs. A summary of our estimate revisions is presented below.

| Kri forecast changes | | | | | | | | | |
|----------------------|---------------|--------------|--------------|--------------------|--------------|--------------|--------------|--------------|-------------|
| EURm | New estimates | | | Previous estimates | | | % change | | |
| | 2025e | 2026e | 2027e | 2025e | 2026e | 2027e | 2025e | 2026e | 2027e |
| Sales | 317.7 | 374.9 | 415.4 | 305.7 | 344.4 | 383.7 | 3.9% | 8.9% | 8.3% |
| Gross Profit | 88.8 | 110.9 | 121.7 | 90.9 | 104.3 | 116.6 | -2.3% | 6.3% | 4.3% |
| Gross margin | 28.0% | 29.6% | 29.3% | 29.7% | 30.3% | 30.4% | -1.8 pps | -0.7 pps | -1.1 pps |
| EBIT | 43.4 | 58.0 | 63.8 | 44.6 | 52.2 | 59.6 | -2.8% | 11.0% | 6.9% |
| EBIT margin | 13.6% | 15.5% | 15.3% | 14.6% | 15.2% | 15.5% | -1.0 pps | 0.3 pps | -0.2 pps |
| Net income | 38.4 | 48.4 | 51.9 | 38.3 | 44.0 | 48.8 | 0.4% | 10.0% | 6.3% |

Source: Eurobank Equities Research

In more detail, we have raised our sales forecasts by roughly 4–9% across the projection period, capturing the strong trajectory of the yogurt business and accelerating demand for authentic Greek yogurt across Europe. Growth remains particularly robust in the UK and Italy, where Kri Kri has higher exposure. The continued consumer shift toward healthier, high-protein dairy products supports our stronger growth outlook over the medium term. For 2025e, we also expect a modest increase in selling prices during H2'25, as the company gradually passes through the ongoing input cost pressures that first emerged in H2'24.

At the same time, we have incorporated slightly higher and more persistent input costs going forward. Accordingly, we model a 170bps gross margin contraction in 2025e, with the respective margin settling at c28% rising to c29-30% in the coming years. Nonetheless, solid top-line momentum and a favorable price/mix effect are set to largely offset this pressure from 2026 onward. We thus envisage the c90bps EBIT margin contraction in 2025e (to 13.6%) to be temporary, with EBIT margins bouncing to c15-16% in 2026-29e, a level we consider attainable in the medium-term. This will correspond to EBIT growth of c17% CAGR over 2024–28e, albeit on slightly lower margins than we previously projected.

The table below presents a more detailed summary of our estimates by activity:

| Main estimates and assumptions | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EURm unless otherwise stated | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
| Yogurt | 173.6 | 205.1 | 262.3 | 316.5 | 353.0 | 381.9 |
| yoy | 28.6% | 18.2% | 27.9% | 20.7% | 11.5% | 8.2% |
| Greece | 76.0 | 75.9 | 78.1 | 79.0 | 79.7 | 80.5 |
| International | 97.5 | 129.2 | 184.2 | 237.6 | 273.3 | 301.4 |
| Of which Volume | 15.3% | 21.3% | 25.0% | 18.5% | 10.5% | 7.0% |
| Of which Price/mix | 13.3% | -3.1% | 2.9% | 2.2% | 1.0% | 1.2% |
| Ice cream | 40.7 | 48.6 | 52.7 | 55.6 | 59.5 | 64.2 |
| yoy | 13.7% | 19.4% | 8.4% | 5.5% | 7.1% | 7.8% |
| Greece | 32.3 | 36.7 | 38.2 | 39.5 | 40.7 | 42.0 |
| International | 8.4 | 11.9 | 14.4 | 16.1 | 18.8 | 22.2 |
| Of which Volume | 2.3% | 14.7% | 9.5% | 6.0% | 8.0% | 8.0% |
| Of which Price/mix | 11.4% | 4.6% | -1.1% | -0.5% | -0.9% | -0.2% |
| Group Revenues | 216.3 | 256.4 | 317.7 | 374.9 | 415.4 | 449.0 |
| yoy | 25.9% | 18.5% | 23.9% | 18.0% | 10.8% | 8.1% |
| Of which Volume | 13.7% | 20.6% | 23.4% | 17.4% | 10.3% | 7.1% |
| Of which Price/mix | 12.1% | -2.0% | 0.5% | 0.7% | 0.5% | 1.0% |
| Gross Profit | 72.5 | 76.1 | 88.8 | 110.9 | 121.7 | 131.1 |
| margin | 33.5% | 29.7% | 28.0% | 29.6% | 29.3% | 29.2% |
| Opex | -32.2 | -38.9 | -45.5 | -52.9 | -58.0 | -61.6 |
| Opex/sales | -14.9% | -15.2% | -14.3% | -14.1% | -14.0% | -13.7% |
| EBIT | 40.3 | 37.2 | 43.4 | 58.0 | 63.8 | 69.5 |
| margin | 18.6% | 14.5% | 13.6% | 15.5% | 15.3% | 15.5% |
| EBIT growth | 900.1% | -7.5% | 16.4% | 33.8% | 9.9% | 9.0% |

Source: Eurobank Equities Research

As far as revenues across the segments are concerned:

- **Yogurt segment:**

Kri-Kri continues to capitalize on the structural expansion of the authentic Greek yogurt category and the growing penetration of private label in international markets. Export momentum remains strong, with international yogurt sales (mostly PL) now representing c70% of total yogurt revenue. From a geographical standpoint, **Kri-Kri's exposure is largely anchored in the UK and Italy, which together account for c75% of yogurt exports.** Demand in both markets remains robust, with the authentic Greek yogurt segment expanding by c50% in the UK and c20% in Italy yoy (in value) in 2024 (9M'25 sales for Kri Kri include +63% growth from sales in UK and c21% in Italy), a trend we expect to persist through year-end. Our forecasts assume continued strength **in international yogurt sales, projecting a robust 23.6% sales CAGR over 2024–28e.** Growth is set to be front-loaded, benefiting from deeper penetration in existing markets and incremental capacity gains from the phased rollout of new production lines by end-2027, which should further enhance Kri-Kri's export capability and operational flexibility.

As far as Greece is concerned, the domestic yogurt market is broadly stable, mature and highly competitive, with private label continuing to gain ground, now capturing c38% in value terms of the total market, reflecting a sustained consumer shift toward more affordable options. Within this environment, Kri-Kri has maintained its strong position, holding a 13.8% share in branded yogurt—ranking second in the market—while reinforcing its role as the leading PL supplier in Greece. As such, **we model a CAGR of 1.5% for KRI's Greek yogurt sales over 2024–2028e.**

- **Ice cream:**

In the Greek ice cream market, we still see room for growth, with the company aiming to expand its sales network by increasing points of sale in underrepresented areas, primarily through impulse channels such as kiosks and convenience stores. Kri-Kri holds a c15% market share, ranking third overall and standing as the leading local producer, with Unilever and Froneri as its main competitors. Accordingly, we model mid-low single digit growth for 2024–2028e.

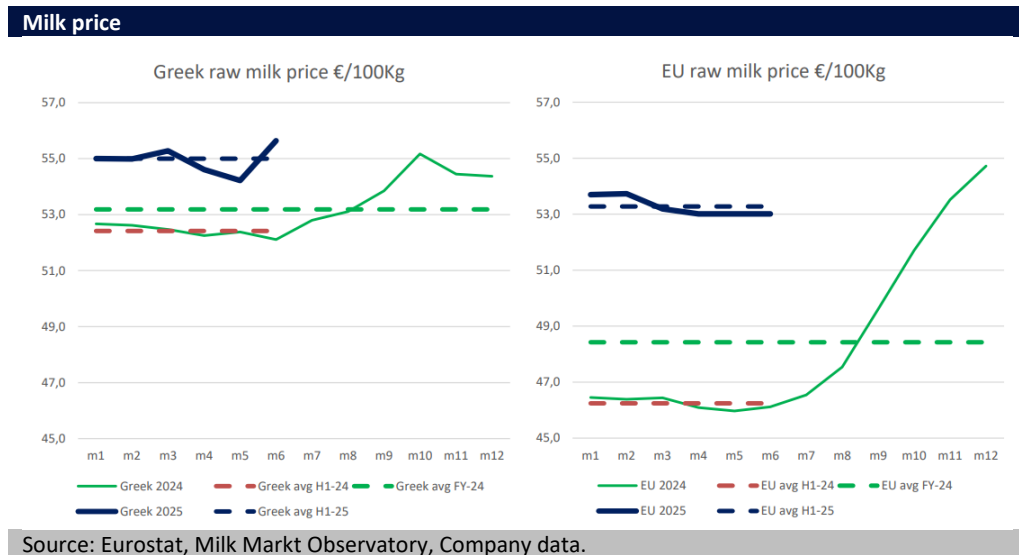
In the international ice cream segment, Kri-Kri continues to expand its footprint in frozen yogurt, targeting health-conscious consumers with products that combine indulgence and the nutritional appeal of Greek yogurt. International sales reached c€12mn in 2024, evenly split between branded sales in nearby markets (e.g. Albania, Cyprus) and private label contracts. The U.S. market, where exports began in 2024, is set to contribute c€1mn in 2025, on our estimates. Given the tariff-related uncertainty, Kri-Kri has adopted a cautious approach this year, yet a pending private label frozen yogurt agreement with another U.S. retailer could become a key growth catalyst once finalized.

Overall, for Kri-Kri's ice cream segment (Greece & international), we project c7% annual revenue growth in the coming years.

These dynamics translate into group revenue growth of 24% in 2025e, 18% in 2026e, and 11% in 2027e, moderating to high single-digit rates from 2028e onwards. Backed by a €52mn investment plan for 2025–2027 to double production capacity versus 2024 in both yogurt and ice cream (Greek Yogurt Dynamo), Kri-Kri is well positioned to capture sustained demand growth in international markets. Under our projections, group revenue will climb to €481mn by 2029e, broadly in line with management's medium-term target of c€500mn.

Input cost & pricing

Input costs have risen sharply in recent months, driven primarily by milk, which accounts for c80% of yogurt raw material costs, as shown in the chart below. Specifically, Greek raw milk prices increased by c5%, while European milk rose by about 15%, impacting butter and other related inputs. Recently, butter and cocoa prices have begun to ease, while Greek milk prices remain elevated (but we would expect some normalization in the coming months). Despite the inflationary backdrop, Kri-Kri has managed to pass through most of the cost increases to customers, with the effects becoming visible in Q3'25 results, albeit with a 6–9 month lag due to the time required to renegotiate private label contracts.

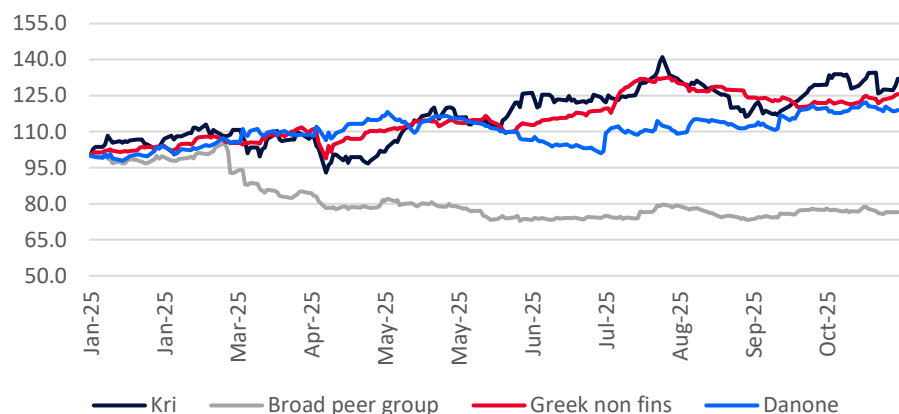


Share price performance and valuation

a) Stock price performance

Kri-Kri's share price is continuing its impressive ytd performance, gaining as much as +27% since Jan and reaching an all-time high of €20.75/share in Q3'25. The stock has materially outperformed both Greek non-financials and international dairy peers, thanks to its solid and sustained growth trajectory, despite some headwinds from higher input costs. Of note is that between Aug and Sep the shares retreated c18% from their peak on concerns over persistent margin pressure, as indicated by the H1 results. Nonetheless, the stock has since recovered above €19/share as expectations build for gradual pricing normalization and an earnings rebound in H2.

YTD performance (rebased to 100)



Source: Eurobank Equities Research, Bloomberg.

As far as the valuation is concerned, we have looked at the track record of companies involved in food manufacturing in general (“broad” peer group) and dairy companies in particular. Food manufacturers have historically traded at an average of c12x EV/EBITDA, ranging from c10x to c13x depending on growth prospects and policy conditions. Dairy peers, which constitute a more focused group, have traded at a similar valuation in the long-run (just slightly lower at c11.8x), but within a wider trading range reflecting subdued volume growth, lower pricing power and inferior margins than other staple companies.

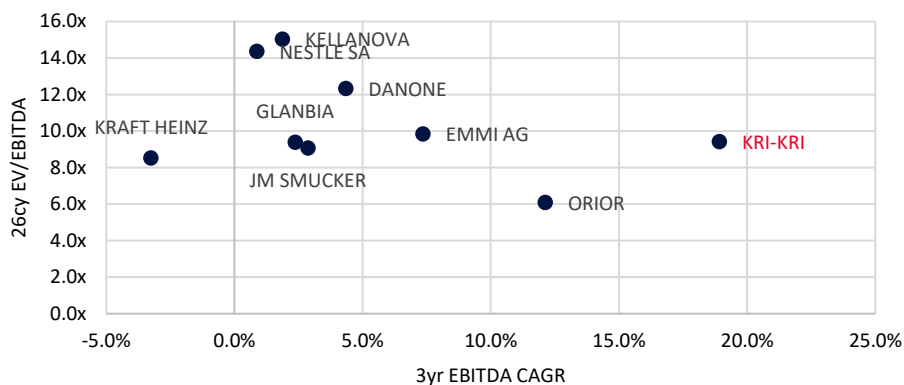
In the table below, we look in more detail at the current valuation of Kri-Kri and several peers, including food companies as well as dairy names (e.g. Danone, Glanbia, and Emmi). As can be seen, Kri-Kri trades at a small discount across traditional metrics such as PE and EV/EBITDA, while enjoying a healthier balance sheet (net cash) and dividend yield similar to that of peers plus the optionality for even heftier returns.

| Peer group valuation | | | | | | | | | |
|--------------------------------------|------------|--------------|--------------|-------------|-------------|----------------|-----------|-----------------|--|
| Stock | Mkt Cap | PE | | EV/EBITDA | | Dividend yield | | Net debt/EBITDA | |
| | | 26e | 27e | 26e | 27e | 26e | 27e | 25e | |
| DANONE | 52,467 | 19.0x | 17.5x | 12.3x | 11.7x | 3% | 3% | 1.7x | |
| GLANBIA PLC | 3,606 | 12.0x | 11.0x | 9.4x | 8.8x | 3% | 3% | 0.9x | |
| EMMI AG-REG | 4,162 | 15.7x | 14.9x | 9.9x | 9.6x | 3% | 3% | 1.8x | |
| Dairy peers | | 15.7x | 14.9x | 9.9x | 9.6x | 3% | 3% | 1.7x | |
| KELLANOVA | 25,081 | 22.0x | 21.0x | 15.0x | 14.5x | 3% | 3% | 2.2x | |
| JM SMUCKER CO | 9,580 | 10.6x | 10.0x | 9.1x | 8.9x | 4% | 4% | 3.6x | |
| KRAFT HEINZ CO/T | 26,023 | 10.1x | 9.8x | 8.5x | 8.4x | 6% | 6% | 3.2x | |
| ORIOR AG | 85 | 10.9x | 8.1x | 6.1x | 5.8x | 0% | 0% | 4.6x | |
| NESTLE SA-REG | 220,729 | 17.7x | 16.6x | 14.4x | 13.6x | 4% | 4% | 3.0x | |
| Foreign food | | 10.9x | 10.0x | 9.1x | 8.9x | 4% | 4% | 3.2x | |
| Median | | 13.8x | 13.0x | 9.6x | 9.2x | 3% | 3% | 2.6x | |
| KRI-KRI MILK | 629 | 13.0x | 12.1x | 9.2x | 7.9x | 3% | 3% | -0.4x | |
| Premium / (Discount) vs peers | | -6% | -6% | -5% | -14% | 0% | 0% | | |

Source: Eurobank Equities Research, Bloomberg.

Given that the range of valuation multiples may also reflect differences in companies' growth profile, we have also examined the valuation of the broad peer group in conjunction with the 3-year profit outlook (2025-27e). **As can be seen, Kri-Kri's valuation looks compelling considering it also enjoys the strongest growth profile amid its international peer group.**

Kri-Kri and peer group – 2026e valuation vs 3-year expected growth

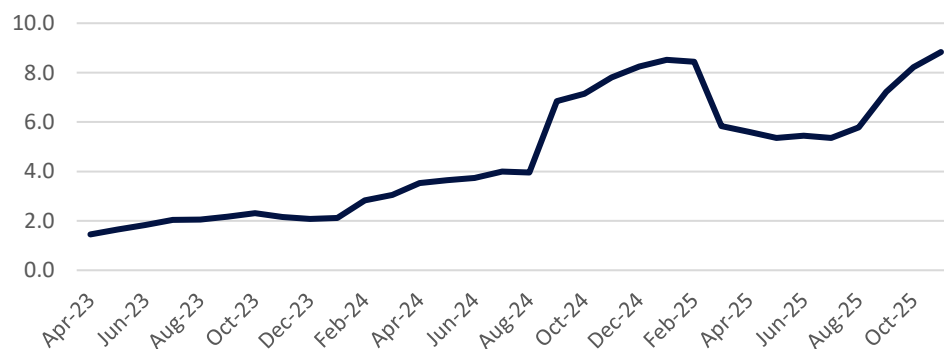


Source: Eurobank Equities Research, Bloomberg.

b) Valuation

We value Kri-Kri using a DCF model rolled forward to December 2026, while also reducing our cost of equity assumption by 1% to reflect the stock's improved liquidity over recent months, as shown in the diagram below. This drives down our utilized WACC to 8.7% (from 9.7% previously).

Kri-Kri turnover - 6m rolling monthly average (mn)



Source: Eurobank Equities Research, Bloomberg.

The downward adjustment to our WACC, the recalibration of our medium-term growth forecasts, and the roll-over of our valuation to Dec 2026 drive an upward revision in our 12-month price target to €22.4/share from €18.10/share previously. Our revised PT is predicated on the following assumptions:

- Sales CAGR of c11% over 2025-2029e driven mainly by increasing exports.
- EBITDA CAGR of c14% over the same period, underpinned by the positive pendulum of operating leverage and cost efficiencies which we expect to offset a mild gross margin erosion.
- We use a long-term growth rate of 1% based on a reinvestment rate of c15% and a perpetual incremental ROIC in the mid to high single digits, assuming that the competitive intensity will increase in the future and Kri-Kri's competitive advantage will fade in the long run.

- We end up with an implied FCF EBITDA cash conversion (FCF/EBITDA) of c60% on average over the forecast period, a level we consider feasible given the track record.

| DCF | | | | | | | | | |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| EURmn unless otherwise stated | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e |
| NOPAT | 47.9 | 51.2 | 61.9 | 66.1 | 69.0 | 62.9 | 64.8 | 66.2 | 67.2 |
| Reinvestment | (19.6) | (2.2) | (0.4) | (0.3) | (5.6) | (6.3) | (6.9) | (7.4) | (7.8) |
| Unlevered Free Cash Flow | 28.3 | 49.0 | 61.4 | 65.7 | 63.4 | 56.7 | 58.0 | 58.9 | 59.4 |
| Sum of PV of FCF | 357.8 | | | | | | | | |
| PV of terminal value | 384.7 | | | | | | | | |
| Enterprise Value | 742.5 | | | | | | | | |
| Net cash (debt) | 19.3 | | | | | | | | |
| Other claims (net) | (0.5) | | | | | | | | |
| Equity value | 761.3 | | | | | | | | |
| no. of shares | 33.1 | | | | | | | | |
| Per share (year end) | 23.0 € | | | | | | | | |
| 12-month fair value per share ex div | 22.4 € | | | | | | | | |

Source: Eurobank Equities Research

Our PT effectively places Kri-Kri on c10.9x 2026e EV/EBITDA, at a small premium vs dairy peers justified in our view by the superior growth and balance sheet. This would still represent >10% discount vs the largest direct peer Danone.

A basic sensitivity on a combination of WACC and terminal growth rates is presented in the table below. As can be seen, flexing our WACC and perpetuity growth inputs by 0.5% each yields a fair value range between c€20.5 and c€24.9 per share, effectively pointing to a very compelling risk-reward skew.

| DCF Sensitivity of our calculated group fair value per share to the WACC and LT growth assumptions | | | | | | |
|--|------|------|------|------|------|------|
| | | WACC | | | | |
| | | 9.7% | 9.2% | 8.7% | 7.2% | 7.7% |
| Terminal growth | 2.0% | 21.3 | 22.7 | 24.3 | 26.1 | 28.2 |
| | 1.5% | 20.6 | 21.8 | 23.3 | 24.9 | 26.8 |
| | 1.0% | 20.0 | 21.1 | 22.4 | 23.9 | 25.5 |
| | 0.5% | 19.4 | 20.5 | 21.6 | 23.0 | 24.5 |
| | 0.0% | 18.9 | 19.9 | 21.0 | 22.2 | 23.6 |

Source: Eurobank Equities Research.

Group Financial Statements

| EURmn | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|--------------|--------------|--------------|--------------|--------------|
| Group P&L | | | | | |
| Sales | 216.3 | 256.4 | 317.7 | 374.9 | 415.4 |
| Opex | -171.2 | -213.8 | -268.2 | -309.9 | -343.8 |
| Adj. EBITDA | 45.1 | 42.6 | 49.6 | 65.1 | 71.6 |
| % change | 409.1% | -5.6% | 16.4% | 31.2% | 10.1% |
| EBITDA margin | 20.9% | 16.6% | 15.6% | 17.4% | 17.2% |
| EBIT | 40.3 | 37.2 | 43.4 | 58.0 | 63.8 |
| Financial income (expense) | 0.0 | 0.3 | -0.1 | -0.1 | 0.1 |
| Exceptionals/other income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PBT - reported | 40.3 | 37.6 | 43.3 | 57.9 | 63.8 |
| Income tax | -8.0 | -3.0 | -4.8 | -9.5 | -12.0 |
| Non-controlling interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Profit - reported | 32.3 | 34.5 | 38.4 | 48.4 | 51.9 |
| EPS - adjusted (EUR) | 0.98 | 1.04 | 1.16 | 1.46 | 1.57 |
| DPS (EUR) | 0.35 | 0.40 | 0.45 | 0.56 | 0.60 |
| Group Cash Flow Statement | | | | | |
| Adj. EBITDA | 45.1 | 42.6 | 49.6 | 65.1 | 71.6 |
| Change in Working Capital | 2.0 | -5.0 | -1.0 | -3.9 | -2.3 |
| Net Interest | 0.2 | 0.3 | -0.1 | 0.0 | 0.1 |
| Tax | 1.8 | -8.1 | -4.8 | -9.5 | -12.0 |
| Other | 0.4 | 0.5 | 0.4 | 0.3 | 0.3 |
| Operating Cash Flow | 49.5 | 30.4 | 44.1 | 52.0 | 57.8 |
| Capex | -13.7 | -26.7 | -23.1 | -23.1 | -8.1 |
| Other investing | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Net Investing Cash Flow | -13.7 | -26.5 | -23.1 | -23.1 | -8.1 |
| Dividends | -6.6 | -11.6 | -13.2 | -14.7 | -18.5 |
| Other (incl. capital repayment of leases) | -0.4 | -0.8 | -1.3 | -1.3 | -1.3 |
| Net Debt (cash) | -20.8 | -12.4 | -18.8 | -31.7 | -61.6 |
| Free Cash Flow (adj.) | 35.6 | 3.6 | 20.7 | 28.6 | 49.4 |
| Group Balance Sheet | | | | | |
| Tangible Assets | 82.0 | 102.4 | 119.8 | 136.5 | 137.3 |
| Intangible Assets | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other Long-term assets | 0.8 | 0.6 | 0.6 | 0.6 | 0.6 |
| Non-current Assets | 83.0 | 103.3 | 120.8 | 137.4 | 138.2 |
| Inventories | 17.3 | 24.8 | 29.2 | 34.7 | 38.8 |
| Trade Receivables | 26.9 | 32.8 | 43.3 | 52.0 | 58.4 |
| Other current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash & Equivalents | 33.3 | 17.1 | 27.9 | 40.4 | 69.8 |
| Current assets | 77.5 | 74.7 | 100.4 | 127.1 | 167.1 |
| Total Assets | 160.5 | 178.0 | 221.2 | 264.5 | 305.3 |
| Shareholder funds | 104.7 | 127.5 | 152.7 | 186.4 | 219.7 |
| Non-controlling interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Equity | 104.7 | 127.5 | 152.7 | 186.4 | 219.7 |
| Long-term debt | 10.2 | 4.3 | 8.6 | 8.2 | 7.8 |
| Other long-term liabilities | 11.3 | 11.7 | 11.4 | 11.0 | 10.7 |
| Long Term Liabilities | 21.5 | 16.0 | 20.0 | 19.2 | 18.4 |
| Short-term debt | 1.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade Payables | 25.7 | 33.7 | 37.4 | 44.0 | 48.5 |
| Other current liabilities | 6.9 | 0.9 | 11.1 | 15.0 | 18.7 |
| Current liabilities | 34.3 | 34.6 | 48.6 | 58.9 | 67.1 |
| Equity & Liabilities | 160.5 | 178.0 | 221.2 | 264.5 | 305.3 |
| Key Financial Ratios | | | | | |
| P/E | 7.8x | 11.4x | 16.4x | 13.0x | 12.1x |
| P/BV | 2.4x | 3.1x | 4.1x | 3.4x | 2.9x |
| EV/EBITDA | 5.1x | 9.0x | 12.3x | 9.2x | 7.9x |
| EBIT/Interest expense | 100.4x | 139.6x | 190x | 196x | 226x |
| Net Debt (cash)/EBITDA | -0.5x | -0.3x | -0.4x | -0.5x | -0.9x |
| Dividend Yield | 4.6% | 3.4% | 2.3% | 2.9% | 3.2% |
| ROE | 35.2% | 29.8% | 27.4% | 28.6% | 25.5% |
| Free Cash Flow yield | 14.1% | 0.9% | 3.3% | 4.5% | 7.9% |
| Payout Ratio | 35.9% | 38.3% | 38.3% | 38.3% | 38.3% |

Source: Eurobank Equities Research

Company description

KRI is one of Greece's largest yoghurt and ice cream producers, with core operations in making ice cream, yogurt, and fresh milk. The company has been expanding its geographical footprint in recent years and currently exports its products to >40 countries generating c60% of its sales from abroad (from <20% in 2015). Approximately 80% of its sales come from dairy products, with the rest from ice-cream.

Risks and Sensitivities

•**Macro:** KRI's top line is dependent, to an extent, on the consumer environment, and, on that basis, a potential deterioration in consumer dynamics in key markets (Greece, UK, Italy) could weigh on volume growth.

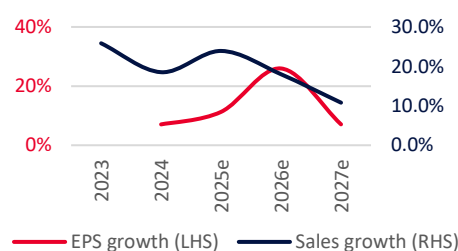
•**Industry structure:** Intense competition from both local and global competitors could result in the group losing market share or could weigh on pricing, thus curtailing top line growth. It could also result in the need for increased promotional activity.

•**Input costs:** With >70% of costs stemming from raw materials, a key risk has to do with an abrupt spike in commodity prices, as was evident in 2021 and 2022. This is especially true as there is usually a lag between cost inflation and pricing actions.

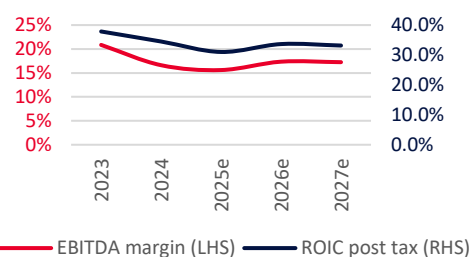
•**Capital allocation:** Given the low volume growth prospects of the whole industry, market share gains could start waning thus posing challenges for volume growth, which KRI might decide to tackle through M&A. Although there is ample scope from a balance sheet perspective, there is uncertainty as to the extent to which there will be value creation from such M&A moves.

•**Sensitivity:** We estimate that a 1% change in volumes drives a c2-3% change in group EBIT, while a 1% move in price/mix results in a 3-4% variation in EBIT.

Sales and EPS growth



Profitability and returns



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12-month Rating History of Kri-Kri

| Date | Rating | Stock price | Target price |
|------------|--------|-------------|--------------|
| 01/12/2025 | Buy | € 19.02 | € 22.40 |
| 28/04/2025 | Buy | € 14.66 | € 18.10 |
| 17/01/2025 | Buy | € 15.85 | € 17.60 |

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| Stock Ratings | Coverage Universe | | Investment Banking Clients | | Other Material Investment Services Clients (MISC) - as of 15th Oct 2025 | |
|---------------|-------------------|-------------|----------------------------|-------|---|-------|
| | Count | Total | Count | Total | Count | Total |
| Buy | 25 | 63% | 0 | 0% | 14 | 52% |
| Hold | 9 | 23% | 1 | 11% | 4 | 80% |
| Sell | 0 | 0% | 0 | 0% | 0 | 0% |
| Restricted | 1 | 3% | 0 | 0% | 1 | 100% |
| Under Review | 1 | 3% | 0 | 0% | 1 | 50% |
| Not Rated | 4 | 10% | 0 | 0% | 3 | 75% |
| Total | 40 | 100% | | | | |

Coverage Universe: A summary of historic ratings for our coverage universe in the last 12 months is available [here](#).

Analyst Stock Ratings:

| | |
|---------------|---|
| Buy: | Based on a current 12-month view of total shareholder return (percentage change in share price to projected target price plus projected dividend yield), we recommend that investors buy the stock. |
| Hold: | We adopt a neutral view on the stock 12-months out and, on this time horizon, do not recommend either Buy or Sell. |
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