



CRIK CROK

CRIK CROK S.R.L.

« Sapienza »

University of Rome

Sandro SCAGNOLI

Professional experiences

General Manager and VP. International Business in Multinational Companies having subsidiaries in Italy and countries like China, Canada, Mexico, Brazil, Germany, Spain. I have managed activities up to 80 million Euro turnover, being responsible for organization with 250 – 300 employees. I also have been responsible for the start-up of commercial and manufacturing Business Units. I worked in several countries (see above), both being frequent traveler or living for long period in the countries where the subsidiaries were based. During my professional career I have consolidated my experience in Strategic Management, Operations, Sales & Marketing, Finance and Human Resources. I fluently speak and write 2 languages – English and Italian.

ARES SERONO PHARMA GR.	
Supervisor – Production Manager	8
BIODATA SPA	
Plant Manager	7
BIOCHEM IMMUNOSYSTEM SPA	
Operation Manager	5
ADALTIS INC	
Executive Vice President Head of International Business / General Manager and Member of Board of Directors	6
RADIM SPA	
General Manager	3
CRIK CROK SRL	
General Manager	3
STRATEGIC CONSULTANT	
Strategic Consultant	5

Fulvio TINTINAGLIA

F E R R E R O S.p.A.

MARKETING (Fiesta)

1

SALES (GDO Mngt.)

12

KARWENDEL GROUP

COUNTRY MNGR. (Brand Exquisa)

2

Z U E G G

**DIRECTOR MARKETING & SALES
(Brand Zuegg - Skipper)**

5

D O L F I N

**DIRECTOR MARKETING & SALES
(Brand Polaretti)**

4

P A T A

**DIRECTOR MARKETING & SALES
(Brand Patà – Own Brand)**

3

C R I K C R O K

**DIRECTOR MARKETING & SALES
(Brand Crik Crok – Own Brand)**

1

About Us

CRİK CROK s.r.l.

 **1949**

Ica Foods was **founded 70 years ago** and since 1949 it has been one of the historical Italian Food Companies with a well-known brand: **CRİK CROK**

 **2017**

In 2017 Ica Foods **changed property**. The female entrepreneur Francesca Ossani now owns the company.

 **2019**

In 2019 Ica Foods has utterly **changed its Brand-Architecture**: renewing its packages and launching brand new products

 **2020**

The company aligned and **improved** its products in relation to the qualitative standard of the market. Besides, CRİK CROK planned a process of **rebranding** and **restyling** to highlight several significant elements.

Old



New



Company Information

- **170 employees**
- **350 sales force**
- **80 core products**
- **40mln€ annual turnover**

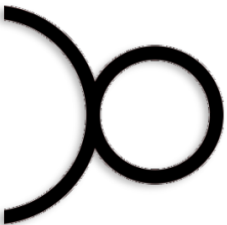


- **National Market**: served with three sales channels:

- **Large scale distribution**: served directly from the plant warehouse
- **Retail distribution**: served directly from Ica's distribution centers
- **Vending**: served directly from the operator warehouse

- **Foreign Markets** : served through **local distributors**. Our main countries : Spain; Portugal; France; Brazil etc.

Company Information



Operating
500
Human
Resources



Classified
150
Suppliers



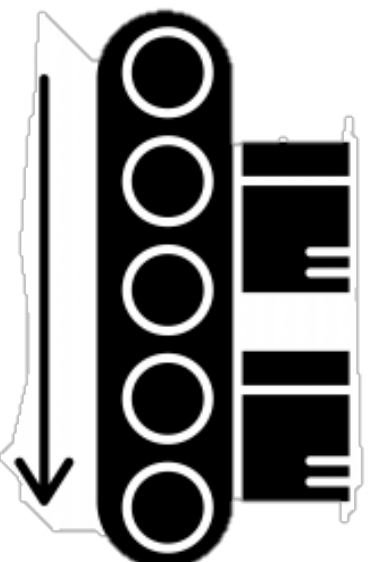
Third Party
Companies
7
(6 ITA + 1 USA)



Plant's Technology



8 PRODUCTION LINES ON 10.000 SMQ



1 LINE for Regular Crisps

3 LINES for Extruded

1 LINE for Pop Corn

1 LINE for Hand-cooked Crisps
and Specialities

1 LINE for Reconstituted

1 LINE for Pellet

Production Plant



in Pomezia, at Via Pontina Km 27,65 Rome – Italy

About Certifications



We **control the quality** during all the steps of the chips production.

We are improving our processes and we have approved several investments to enhance production lines.

We are really committed to carry out innovation projects as: **total gluten free assortment** and the usage of **flavours 100% natural.**



Besides, our quality is **certified by IFS** which guarantees for:

- Raw and packing materials
- Production process
- Product storage
- Distribution network



In addition, we adopt a system of self-checking for food safety and management: **HACCP.**



About Environment

We commit to **respect** the regulation about **environment** and **planet** along all our production processes.



We take care of the **recovery of leftovers** for energy production. For example in 2019, we gave to AgriPower-Biogás **1.212 tons of by-products** from the process of potatoes and maïs.

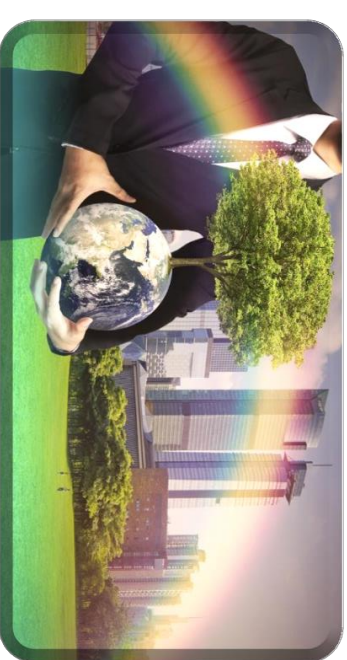
in 2019



- The left-overs enriched the production of **1.948.481 kwh of electric and thermal energy**.
- ...corresponding to **504.107 kg of CO2 saved**
- ...corresponding to the amount of **CO2** on average **absorbed by 360 trees**

About Environment

We commit to **respect** the regulation about **environment** and **planet** along all our production processes.



Reducing the frying waste smokes through high-performance scrubbing tools.



Our production plant **emissions** have been **reduced to the minimum** through the operation of a high-performance scrubber system, periodically controlled by a specialized company. This system permit the reducing of the concentration substances in a gas stream.

About Environment

We commit to **respect** the regulation about **environment** and **planet** along all our production processes.

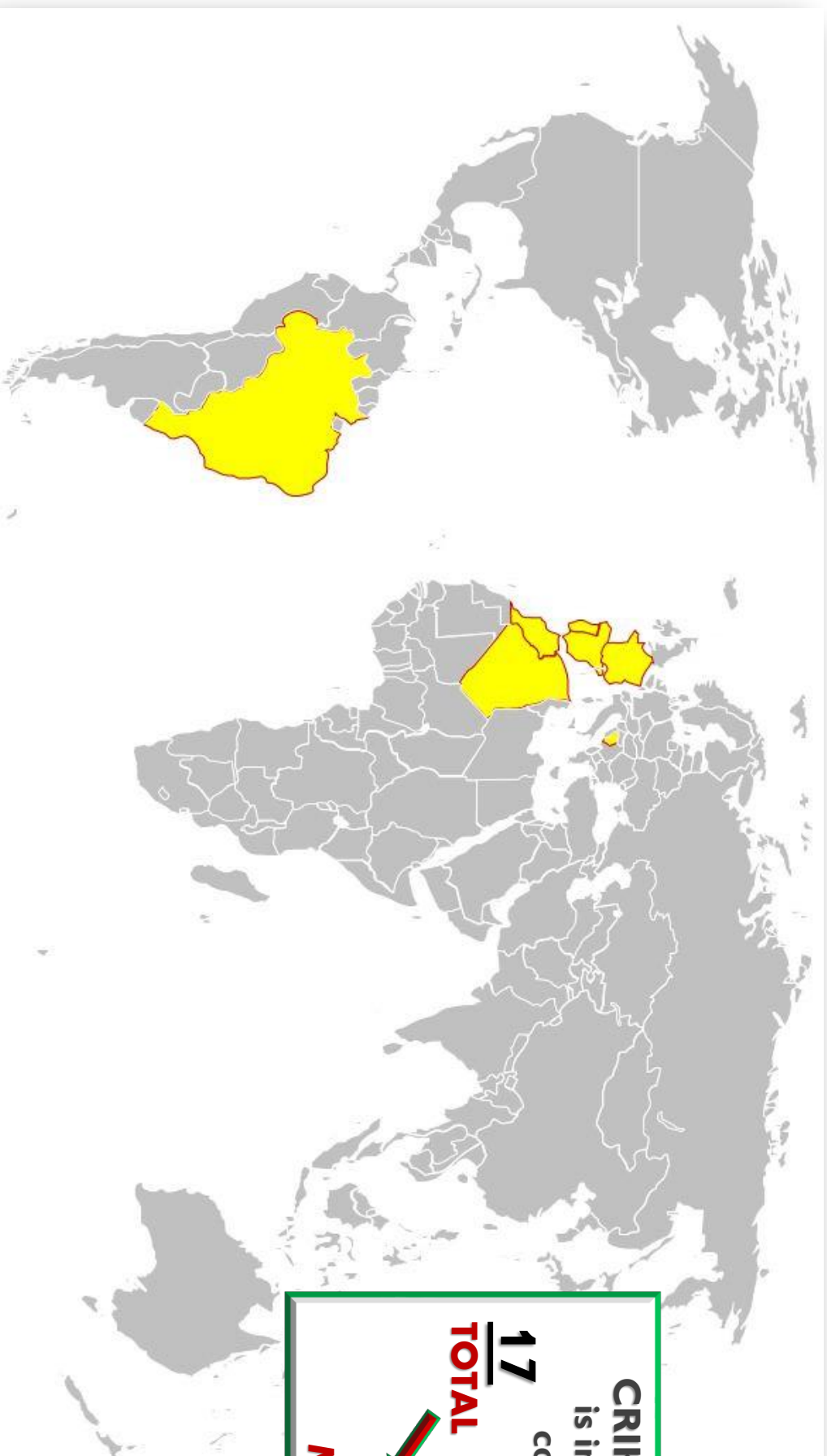


Cleaning the processing waters and the draining of them in natural spaces



The cleaning of the processing waters and their draining in natural environment occurs with the **usage of activated sludge**. This system reproduces the same biological systems that occur in nature with the polluted waters purification by biodegradable organic substances. This artificial process enabled us to accelerate the natural purification reactions in a smaller space.

Export crik Crok



CRİK CROK
is in several
countries:
17
TOTAL
7
MAIN

CRiK CROK – The new challenge

Mission

«Produce and commercialize high quality food products at optimal costs, through a continuous search for product innovation and qualitative development of the organization.»

Vision

«to be one of the leader in Italian chips and snack market, playing a role as preferential Partner for the main commercial players.»

THE COMPANY TURN-AROUND

S.W.O.T. Analysis

<p>STRENGTHS</p> <ul style="list-style-type: none"> ➤ Long-term vision of the Owner ➤ New Management ➤ Crik Crok brand awareness (especially in the center-south of Italy) ➤ A unique product as the «tube» (plus) ➤ Capillary distribution in NT channel in the center-south of Italy ➤ Be attractive for commercial partnership thanks to the distribution model if compared with other Companies 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ➤ Business processes not yet consolidated ➤ Organization not harmonized (too much strategic positions vacant) ➤ Production Areas not adequately structured (to be improved) ➤ No KPI's system implemented to measure performance ➤ Lack of method when launching new products while Competitors open new segments ➤ Service level ➤ Internal data and reports not adequately structured ➤ Lack of advertising investments to make the premium quality perceived
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ➤ Obtain immediate advantages (in terms of costs and performances) thanks to implementation of organizational and procedural changes ➤ Structured entering in the Private Label world ➤ Qualitative improvement of production processes ➤ Take advantage of the potential of Crik Crok brand and of the product in «tube package (PLUS line)» ➤ Recover lost credibility among GDO clients ➤ Development of Vending and Export Channels (even through partnership) 	<p>THREATS</p> <ul style="list-style-type: none"> ➤ The common placing of the product reduces the space for brands to the advantage of PLs ➤ The channel (NT) where we are stronger is the one that suffers the most ➤ Reputation at risk ➤ We cannot afford any mistakes/risks



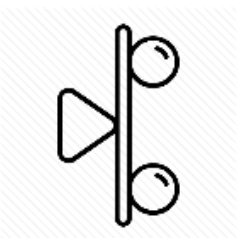
Objectives



1. Raise Brand awareness



2. Reconnect the Company with Trade and Consumer



3. Stably achieve an Economic, Financial, Patrimonial Balance



1. Raise Brand awareness



Strategies



1.a Let Crik Crok become a top Brand in Italian chips and snack market



2. Reconnect the Company with Trade and Consumer



Strategies



2.a Defending the profitability of the NT sales channel



2.b Making CRIK CROK a preferential Partner of the main GDO Players in Italy



3. **Stably achieve an Economic,
Financial, Patrimonial balance**



Strategies



**3.a Careful management of the costs
and quality of the organization**



3.b Quality in the Business activity

**3.c Planning and Economic -
Financial Control**



Economic and Financial Data (short resume)





ASSUMPTIONS

Business Plan

1. Consumption « out-door » in relative growth
2. Private Label growth confirmed
3. Salted Chips & Snacks is a growing segment
4. Growth of CRIK CROK volumes and value in GDO (no discount)
5. Crik Crok Plus confirms its growth more than the segment average
6. Crik Crok Plus rotations growing in the 4 tastes
7. Growth in Area 4 (South of Italy)
8. Supply Agreement with Eurospin for 5 Private label items (value of about € « xxxxx » millions on annual basis)
9. Other Agreements for Private Label supplies with primary GDO operators (fully operative value of about € « xxxxxx » million on annual basis)



Drivers

Business Plan

Economic

1) Revenue increase

2) Operating cost reduction vs revenue increase

3) Reinvestment of operating profit in marketing



Drivers

Business Plan

Patrimonial

1) Investments on equipment

Investments relative to 2023 / 2025 will be defined within 2022 according to the prospective needs that will emerge in that year and following possible renewals and / or extensions of the product range.



Drivers

Business Plan

Financial

1) (DSO) :

- 2020 / 2025 : GDO = 60 days ; NT = 5 days

2) Payments to Suppliers (TMPF)

- 2020 / 2021 : 60 days

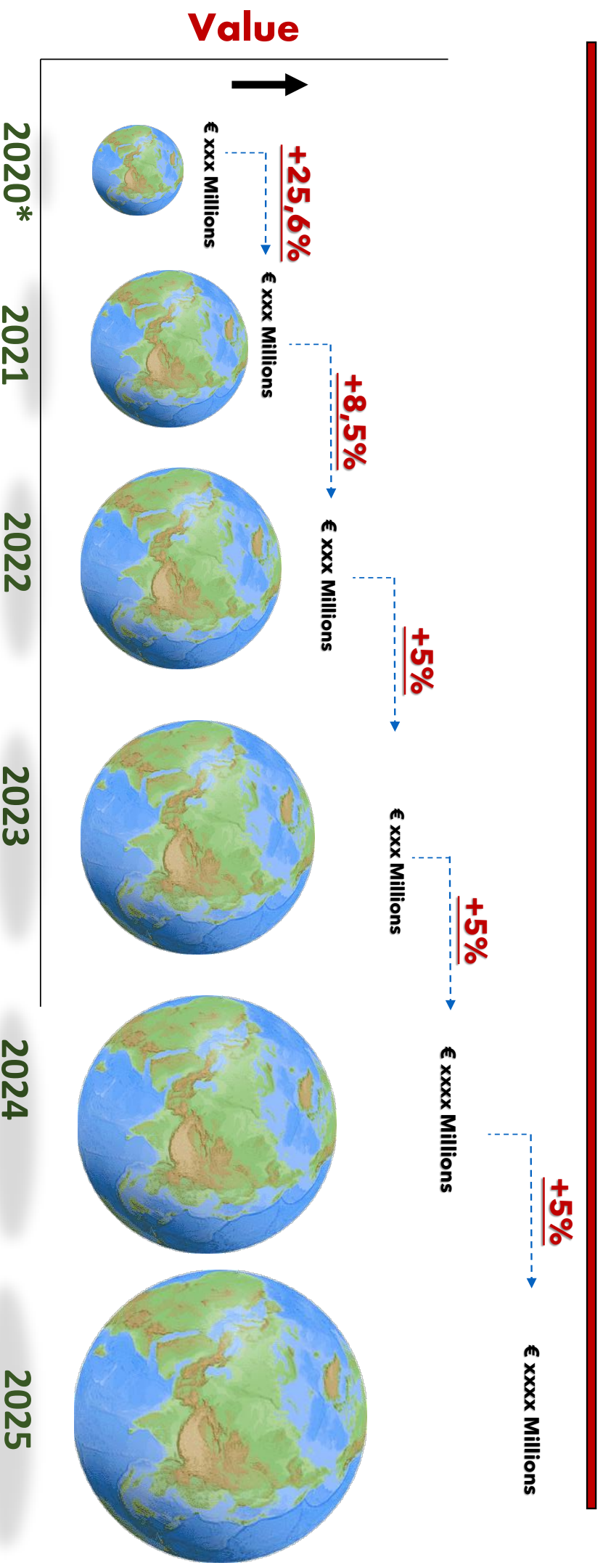
- 2022 / 2025: 90 days

3) Opening of a bank loan for a total of € " xxxxxxxx " aimed at the investment in the purchase of the CRIK CROK Company

4) Opening of credit lines for investments by mid-2020 for a total of € " xxxxxxxx "

5) Payment of € " xxxxxxxx " by the shareholder to support the 2020 - 2025 business plan

REVENUE GROWTH TARGETS



* 2020 revenue value takes into account the economic impact of COVID19 with respect of budget 2020 pre COVID19. the decrease is of about € « xxxxxx » concentrated in Normal Trade channel

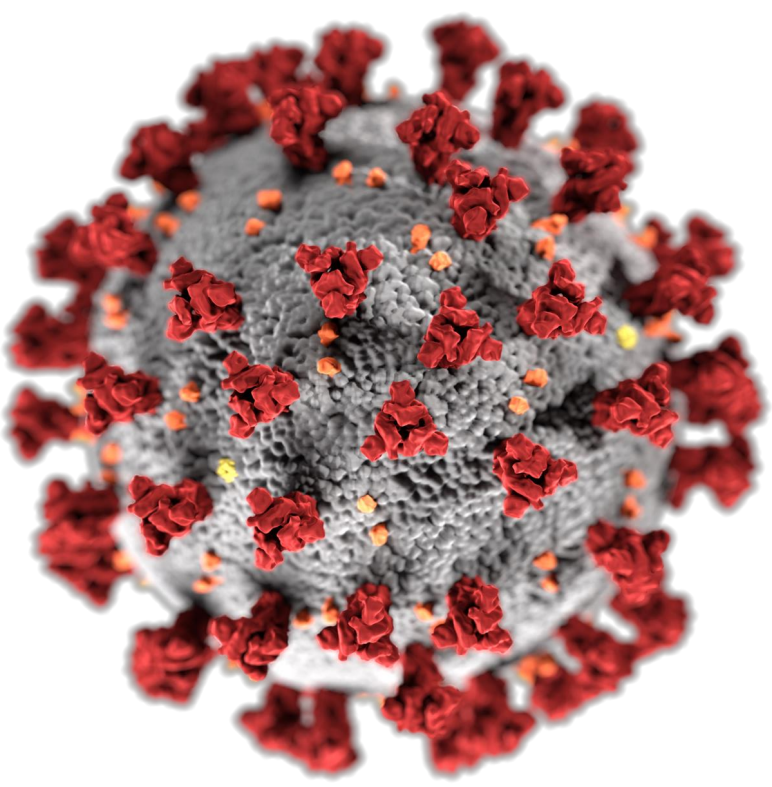
APPROVED INVESTMENTS 2021 - 2022

Projects		INVESTMENTS VALUE
Plants adaptation to product and environment safety / quality regulations		€ xxxxxxxx
Production plants / machinaries		€ xxxxxxxx
Tools to support sales in Normal Trade channels		€ xxxxxxxx
I.T.		€ xxxxxxxx
TOTAL		€ xxxxxxxx

BALANCE SHEET (SHORT RESUME) 2021 - 2022

		2020 (€)	%	2021 (€)	%	2022 (€)	%	2023 (€)	%	2024 (€)	%	2025 (€)	%
REVENUE		xxxxxx		xxxxxxx		xxxxxxx		xxxxxxx		xxxxxxx		xxxxxxx	
GROSS MARGIN		xxxxxxxx	50,7%	xxxxxxxx	48,7%	xxxxxxxx	47,6%	xxxxxxxx	48,6%	xxxxxxxx	50,1%	xxxxxxxx	51,1%
OTHER COSTS		xxxxxxx		xxxxxxx		xxxxxxx		xxxxxxx		xxxxxxx		xxxxxxx	
EBITDA		(xxxxxx)	(5,2%)	xxxxxxx	0,9%	xxxxxxx	2,5%	xxxxxxx	4,8%	xxxxxxx	7,6%	xxxxxxxx	9,9%
NET ASSETS		xxxxxx		xxxxxx		xxxxxxx		xxxxxx		xxxxxxx		xxxxxxx	

Year 2020



Pre-Covid CRİK CROK

Turnover% Starting 2020 Pre-Covid

CANALE	% Fatturato al 31/12/19
Totale	100%
NT DETTAGLIO	56,36%
GDO	25,94%
EXPORT	6,25%
PRIVATE LABEL	3,43%
CONCESSIONARI	2,41%
GROSSISTI	1,97%
TRAFFIC POINT	1,64%
VENDING	1,22%
CATERING	0,76%
ALTRO	0,00%

Fonte: Dati interni Qlik⁵⁴

GDO Structure

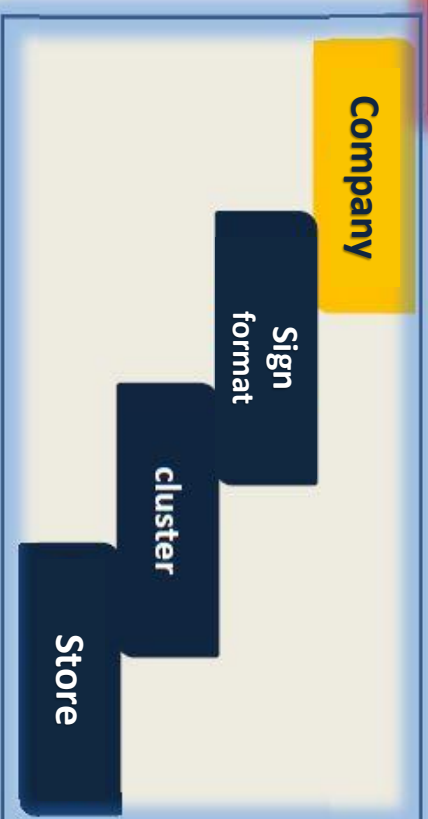
ITALIAN GDO STRUCTURE



Costs Area

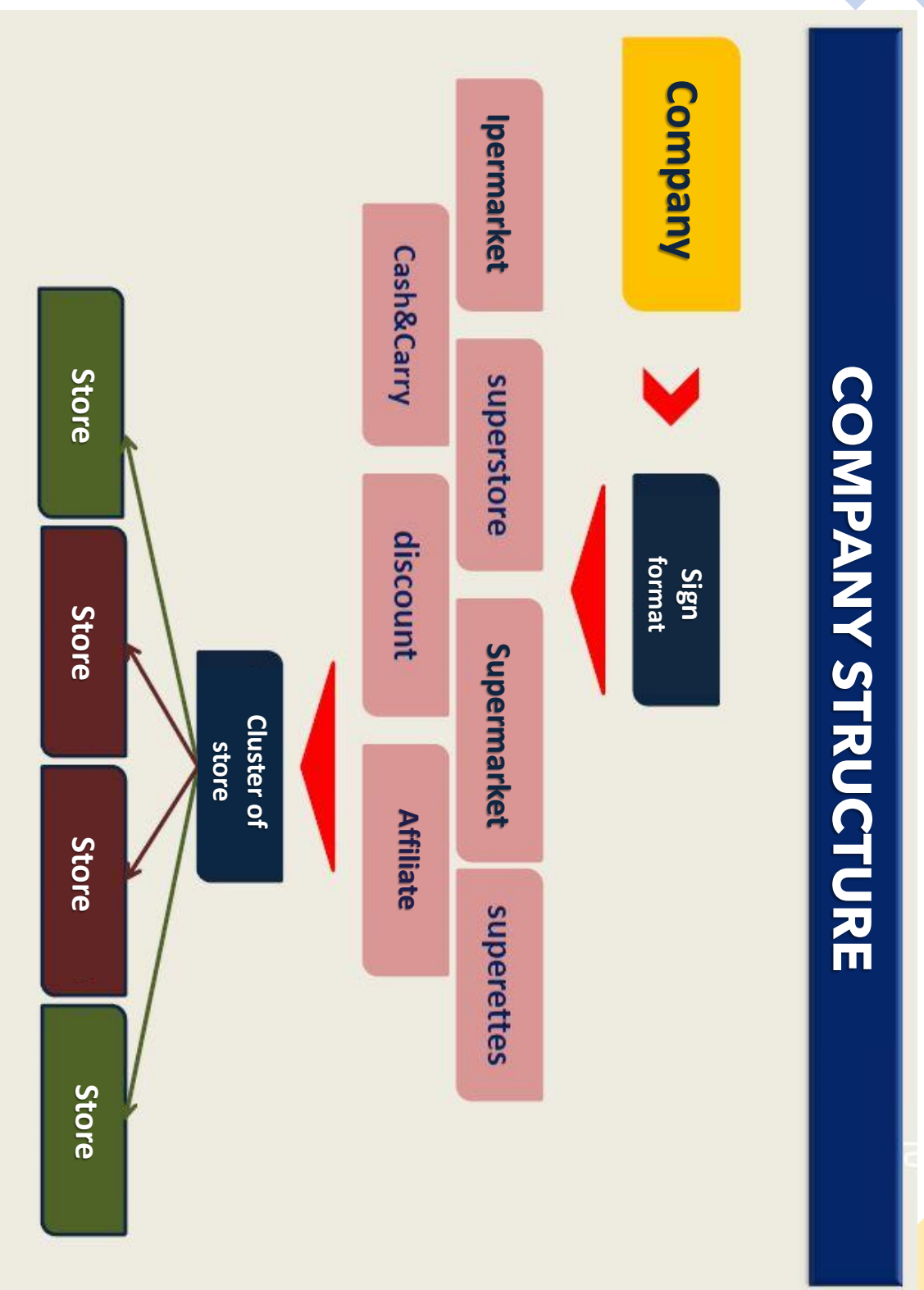
Investments

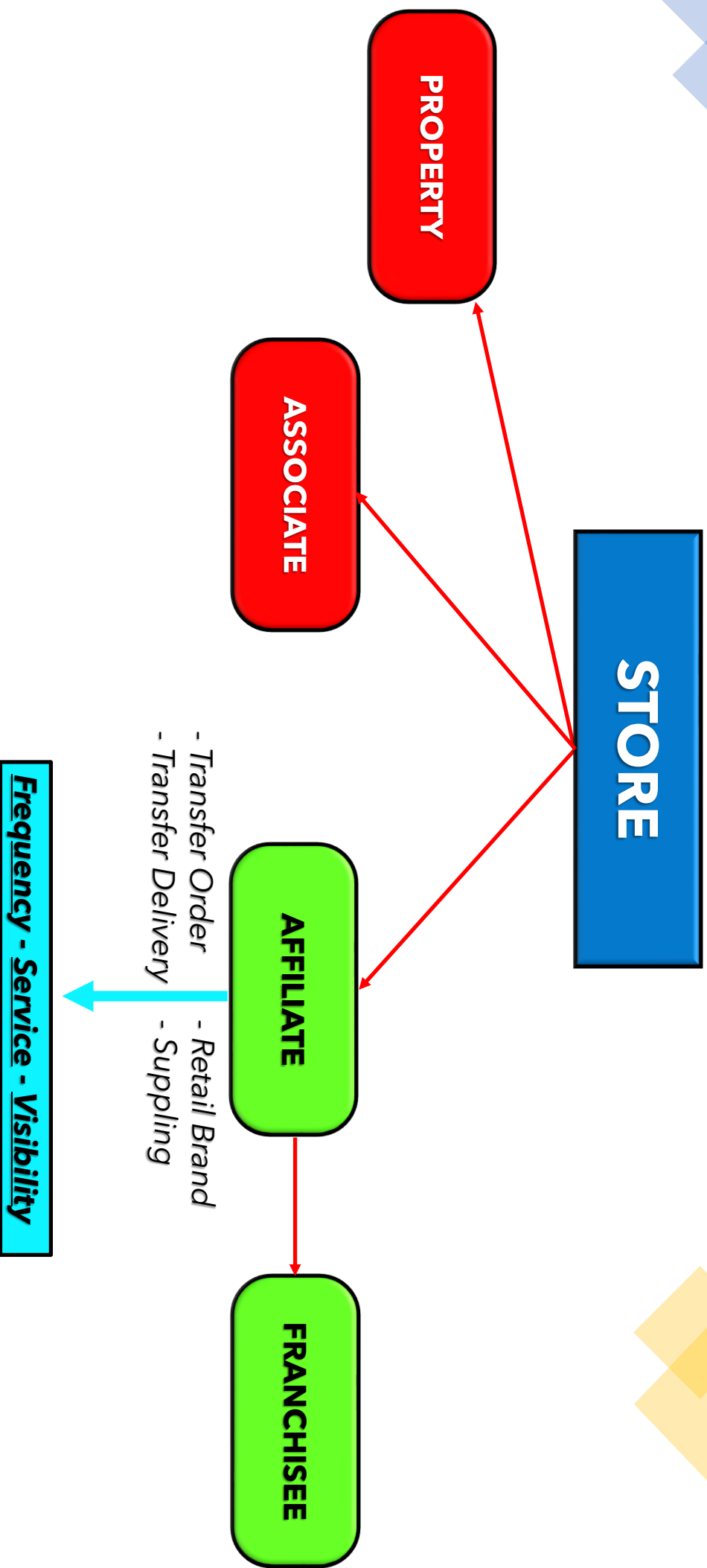
Area



Knowledge of the structure permit a better usage of investments and their productivity

COMPANY STRUCTURE

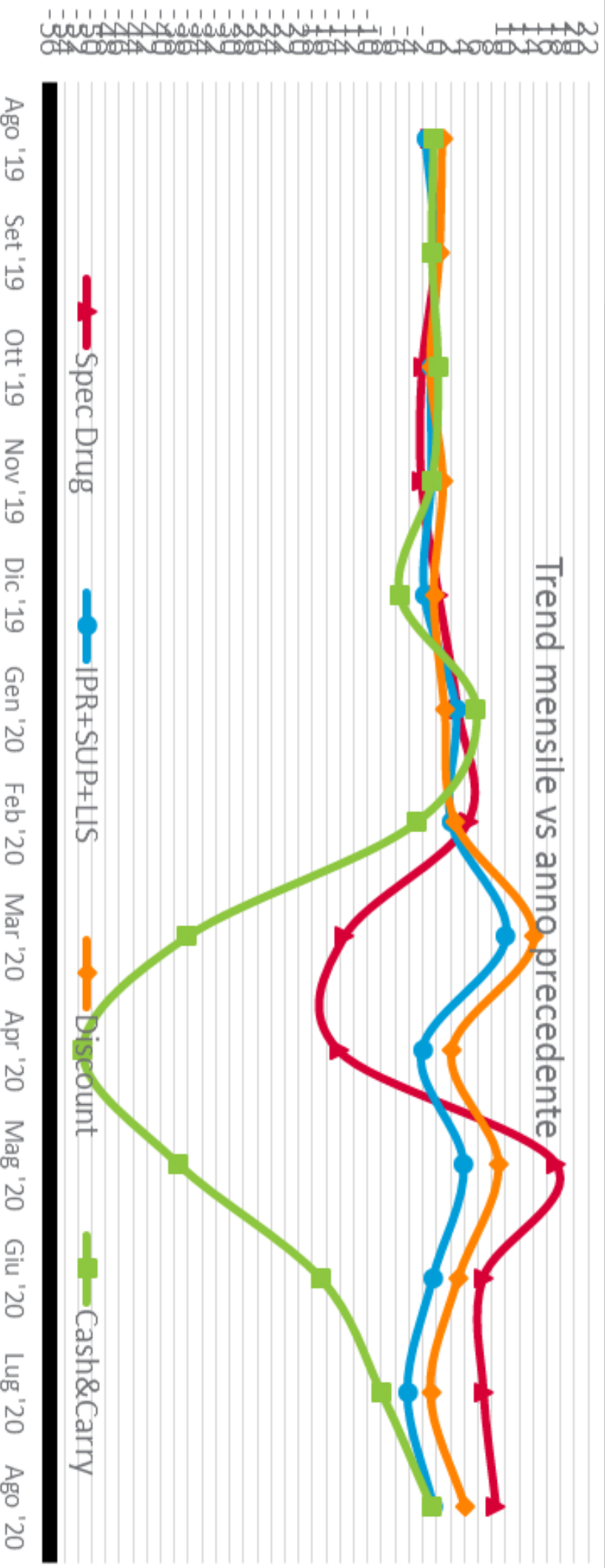




Covid-19 Effect

Covid Effect on Italian Sales Channels

Monthly channels vs previous year



Switch of Channel

Away-From-Home



20/03/20



At Home



Switch of channel

February

Store Number

6.853

November

Store Number

7.589

+10,7%

Focus on Fabricated Chips



VISIBILITY



At Home

FABRICATED - COMPETITION DM

Indicatori chiave di performance - Riepilogo

IT Distr. Moderna - Ultimo YTD - Settimana terminante il 25/10/20 - Rosso: <=0, Verde: >0

	Market Share (%)			Turnover (mln€)			Weighted Distribution (s)			Average n. product per store (s)			Turnover per store weighted (s)			Promo Int.Idx Val. (in %)			Average Price (€/kg)		
	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.
FABRIC	100.0	100.0	0.0	50.6	52.8	4.3	100	99	0	4.2	4.7	0.5	53.2	56.6	6.4	38.0	34.6	-3.3	11.10	11.62	4.7
FABRIC KELLOGG'S	89.1	86.4	-2.7	45.1	45.6	1.1	99	99	0	3.5	3.8	0.3	47.6	49.1	3.3	38.5	35.1	-3.3	11.14	11.81	6.0
FABRIC ICA	8.7	9.6	0.9	4.4	5.1	14.8	40	41	1	2.0	2.1	0.1	11.7	13.2	12.8	40.2	39.4	-0.8	11.47	11.66	1.7
FOODS																					

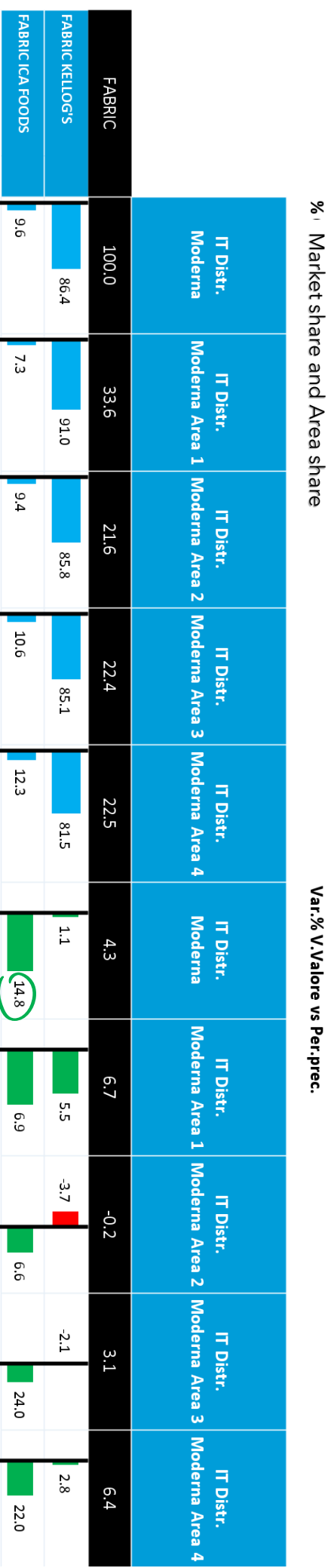
Fonte: Nielsen. Distribuzione Moderna IT - YTD, settimana terminante 25/10/20

44

PLUS' PRESENCE DM (italian areas)

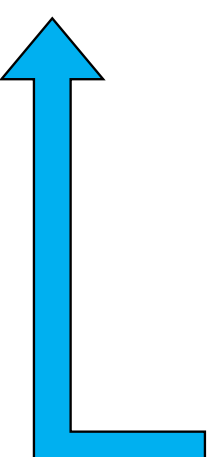
Quota di mercato ed evoluzione nei canali

V. Valore (In EUR) - Ultimo YTD - Settimana terminante il 25/10/20



Interesting presence in store.

Growth higher than KELLOG'S in every area.



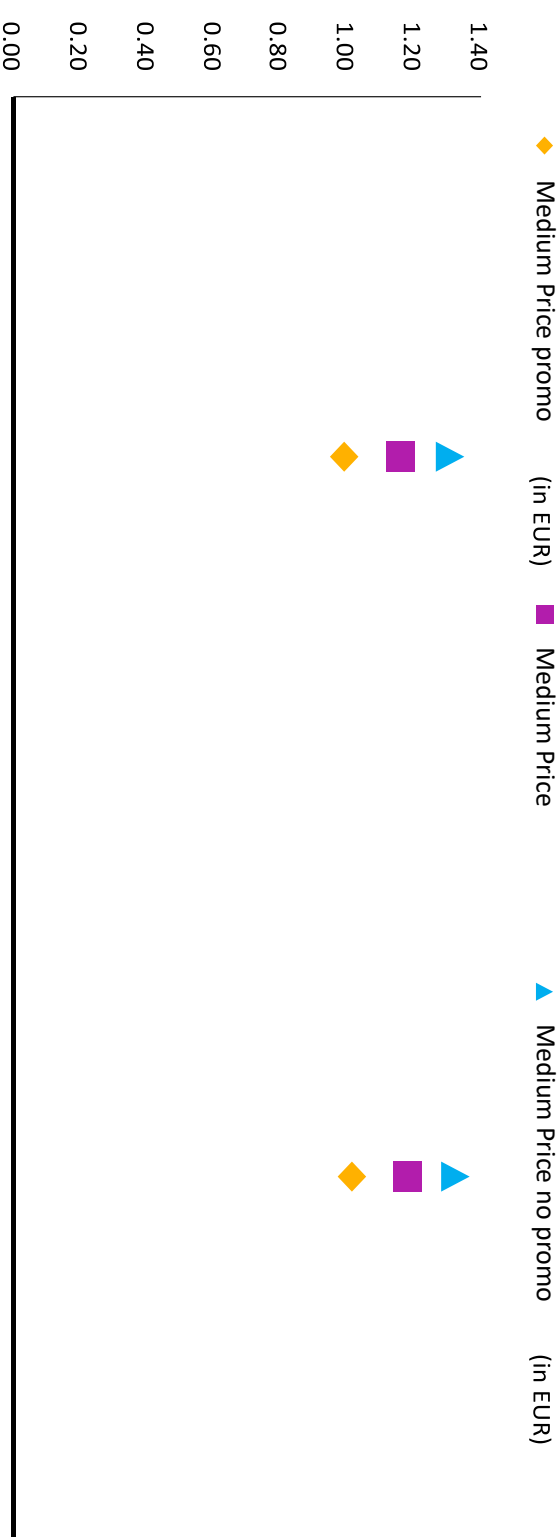
Fonte: Nielsen. Distribuzione Moderna IT - YTD, settimana terminante 25/10/20

45

PLUS' PRICING DM

Come cambiano i prezzi promo e no promo dei prodotti?

IT Distr. Moderna - Ultimo YTD - Settimana terminante il 25/10/20

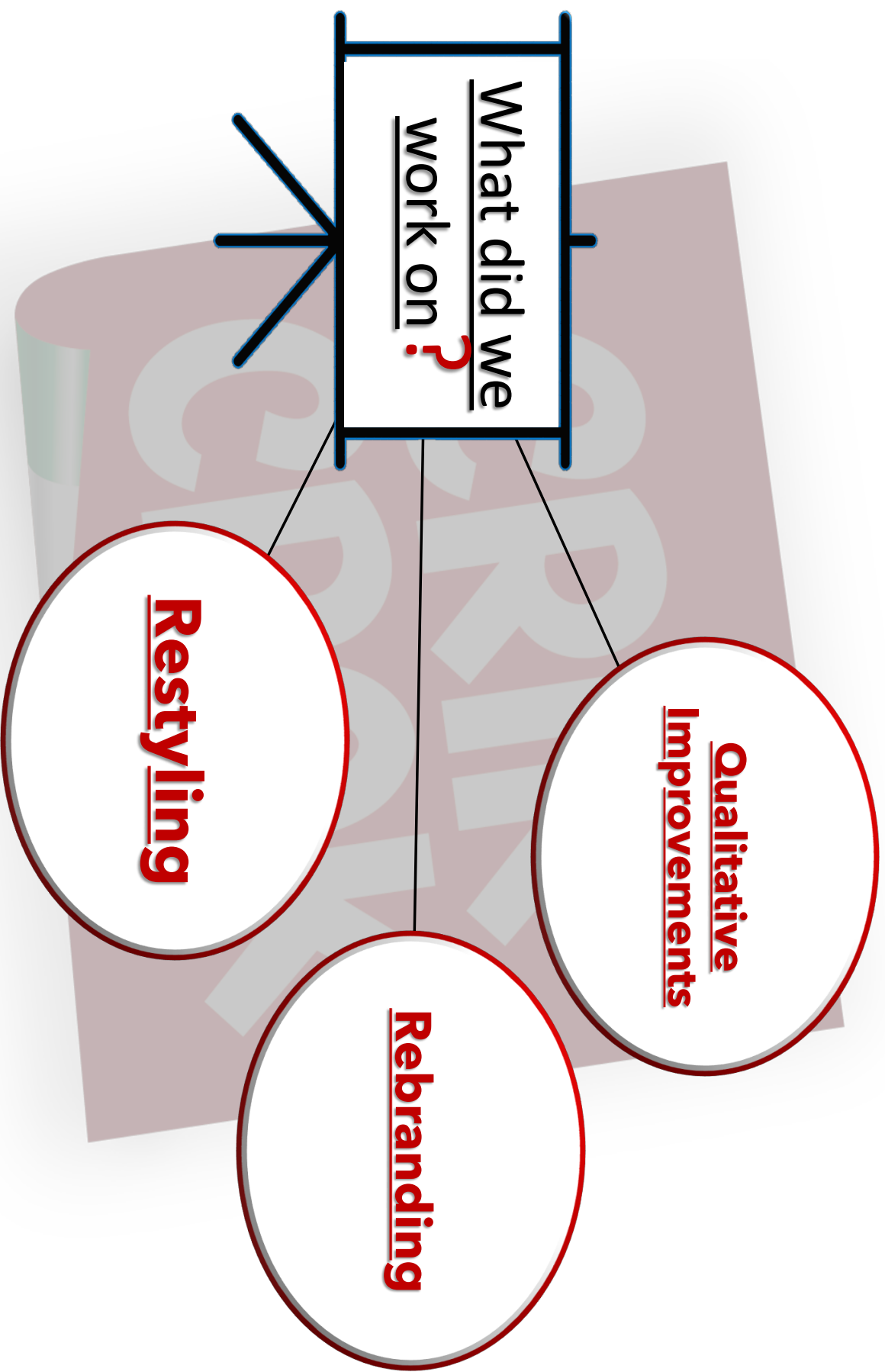


Anno precedente		YTD	
FABRIC ICA FOODS			
Medium Price - Promo	(in EUR)		
	0.99		1.01
Medium Price	(in EUR)		
	1.16		1.18
Medium Price - No Promo	(in EUR)		
	1.31		1.32

Fonte: Nielsen. Distribuzione Moderna IT - YTD, settimana terminante 25/10/20



What did we work on?



Qualitative Improvements

Qualitative Improvements - ORIGINAL



What do we improve?

+ CRUNCHINESS



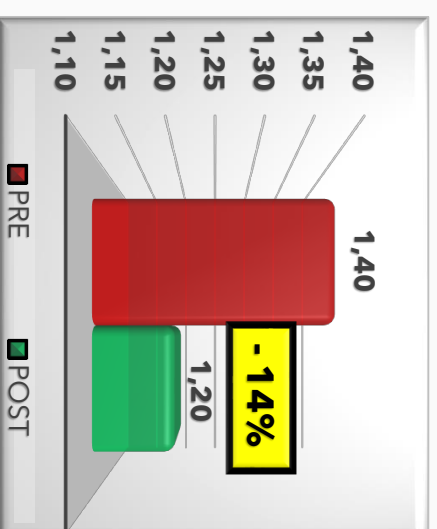
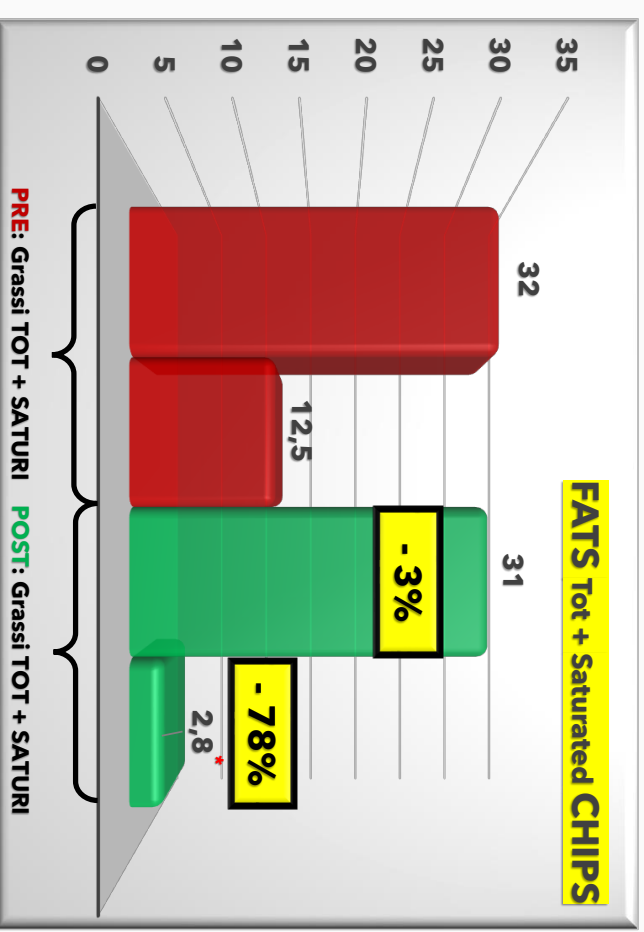
- % CRUMBLING



- GREASINESS



- % FATS & SALT



What do we improve?

+ CRUNCHINESS



- GREASINESS



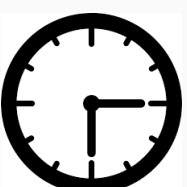
- % CRUMBLING



- % FATS & SALT



+ PAY-PER-USE



+ 66% of opening crunchiness time

OLD

120m = 2h

NEW

200m = 3,3h



TREND of CLASSIC CHIPS - DM (Pre Qualitative Improvements)

Indicatori chiave di performance - Riepilogo

IT Distr. Moderna - AT - Rosso: <=0, Verde: >0

	Market Share (%)			Turnover (mln€)			Weighted Distribution (s)			Average n. product per store (s)			Turnover per store weighted(s)			Promo Int.idx Val. (in %)			Average Price (€/kg)		
	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.
PATATINE_SEGME NITO	100.0	100.0	0.0	253.5	256.1	1.1	100	100	0	19.0	19.4	0.3	216.2	222.1	2.8	21.3	21.0	-0.3	7.33	7.43	1.3
CLASSICHE	46.7	45.8	-0.9	118.5	117.3	-1.0	100	100	0	8.5	8.4	-0.1	101.1	101.8	0.7	20.5	19.5	-1.0	6.22	6.28	1.0
CLASSICHE ZPRIVATE	10.9	11.2	0.3	27.7	28.6	3.4	94	95	0	2.5	2.6	0.1	25.0	26.2	4.9	16.1	14.4	-1.8	4.94	5.02	1.6
CLASSICHE SAN CARLO	14.2	14.0	-0.2	36.0	35.8	-0.7	97	96	0	3.1	3.1	-0.1	31.8	32.3	1.4	12.8	13.2	0.4	9.96	9.93	-0.3
CLASSICHE AMICA CHIPS	9.8	9.6	-0.2	25.0	24.6	-1.5	84	82	-1	2.0	2.1	0.0	25.4	25.9	1.7	21.4	19.8	-1.6	4.63	4.77	3.1
CLASSICHE PAI	3.9	3.8	-0.1	9.8	9.6	-2.2	51	51	0	1.6	1.6	0.0	16.4	16.4	0.4	34.7	33.1	-1.6	5.61	5.56	-0.9
CLASSICHE FERRERO	2.5	2.6	0.2	6.2	6.7	8.1	64	72	8	1.5	1.4	-0.1	8.2	8.1	-2.0	44.7	44.2	-0.6	8.53	8.40	-1.5
CLASSICHE SALATI PREZIOSI	2.0	1.6	-0.4	5.2	4.2	-18.6	52	48	-4	1.6	1.5	-0.1	8.6	7.6	-10.6	18.7	15.3	-3.3	10.84	11.15	2.8
CLASSICHE ICA FOODS	1.5	1.4	-0.1	3.7	3.6	-4.8	23	21	-2	1.8	1.7	-0.1	13.7	14.6	7.0	32.1	34.8	2.7	6.24	5.81	-6.9
CLASSICHE PATA	1.0	0.8	-0.2	2.6	2.1	-16.7	28	27	-1	1.3	1.3	0.0	7.8	6.8	-13.1	41.8	30.9	-10.9	4.45	4.71	5.9

Fonte: Nielsen. Distribuzione Moderna IT - AT - 52 sett. con sett. Terminante 26/01/20 vs 52 sett. Precedenti con sett. Terminante 27/01/19

TREND of CLASSIC CHIPS - DM (Pre - Post Qualitative Improvements)

Indicatori chiave di performance - Riepilogo

IT Distr. Moderna - Latest 39 Weeks - Settimana terminante il 25/10/20 - Rosso: <=0, Verde: >0

	Market Share (%)			Turnover (mln€)			Weighted Distribution (s)			Average n. product per store (s)			Turnover per store weighted(s)			Promo Int.Idx Val. (in %)			Average Price (€/kg)		
	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.	Prec.	Ult.	Punti ev.	Prec.	Ult.	% Ev.
PATATINE_SEGMENTO NTO	100.0	100.0	0.0	193.9	211.4	9.0	100	100	0	19.4	20.1	0.7	224.7	248.6	10.6	20.7	17.6	-3.1	7.46	7.61	2.0
CLASSICHE	45.6	44.8	-0.7	88.3	94.8	7.3	100	100	0	8.4	8.6	0.2	102.4	111.5	8.9	19.1	17.3	-1.8	6.30	6.42	1.8
CLASSICHE ICA FOODS	1.3	1.4	0.1	2.6	3.0	15.2	21	21	0	1.7	1.9	0.2	14.5	16.7	15.2	32.2	29.1	-3.1	5.85	5.98	2.2

Quota vs. PATATINE_SEGMENTS

Paese: Italy Categoria: X0850ICI - PATATINE+SNACKS

Confrontato con : Latest 39 Weeks - Settimana terminante il 26/01/20



Switch Post Covid CRİK CROK

Turnover% November 2020 Post-Covid

CANALE	% Fatturato al 29/11/20
Totale	100%
NT DETTAGLIO	47,31%
GDO	30,08%
PRIVATE LABEL	10,82%
EXPORT	5,93%
CONCESSIONARI	1,99%
GROSSISTI	1,72%
TRAFFIC POINT	1,14%
VENDING	0,65%
CATERING	0,33%
ALTRO	0,02%

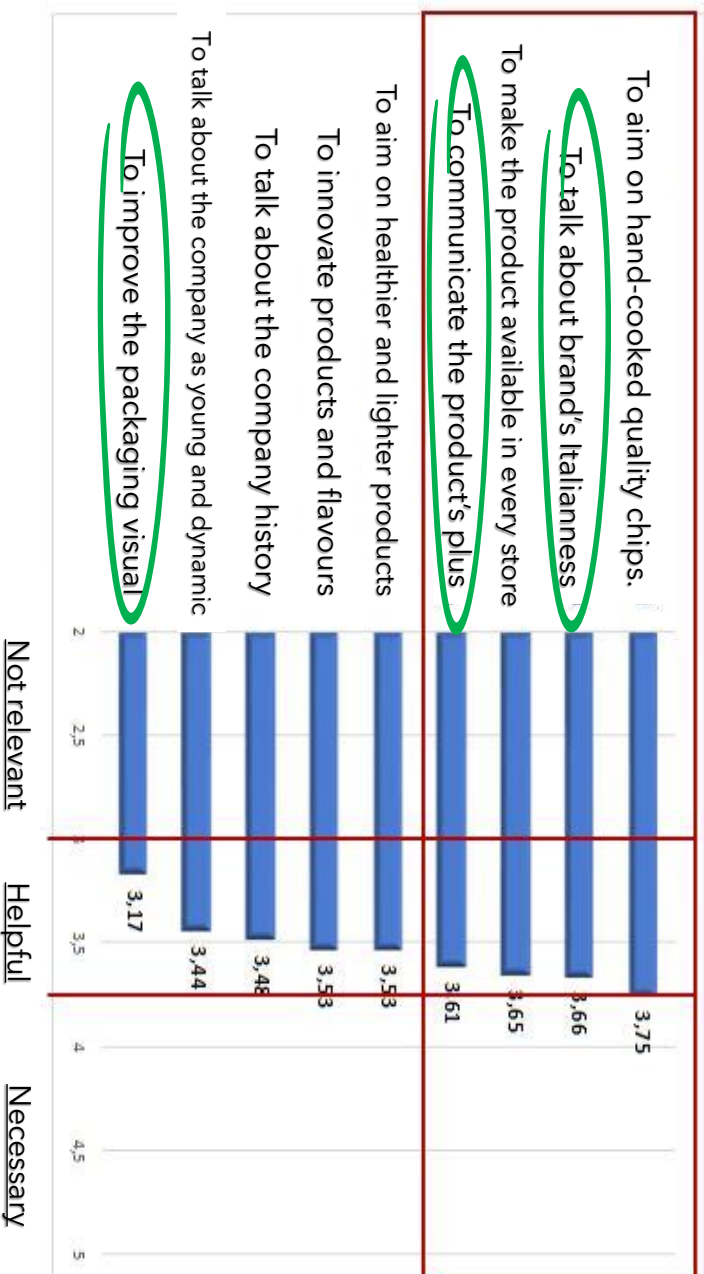
Fonte: Dati interni Qlik₅₅

Rebranding

Rebranding

TESEO
MARKETING RESEARCH

Can you tell us if you agree with these sentences?



CRIK
CROK

N=996
Valori medi, scala 1:5

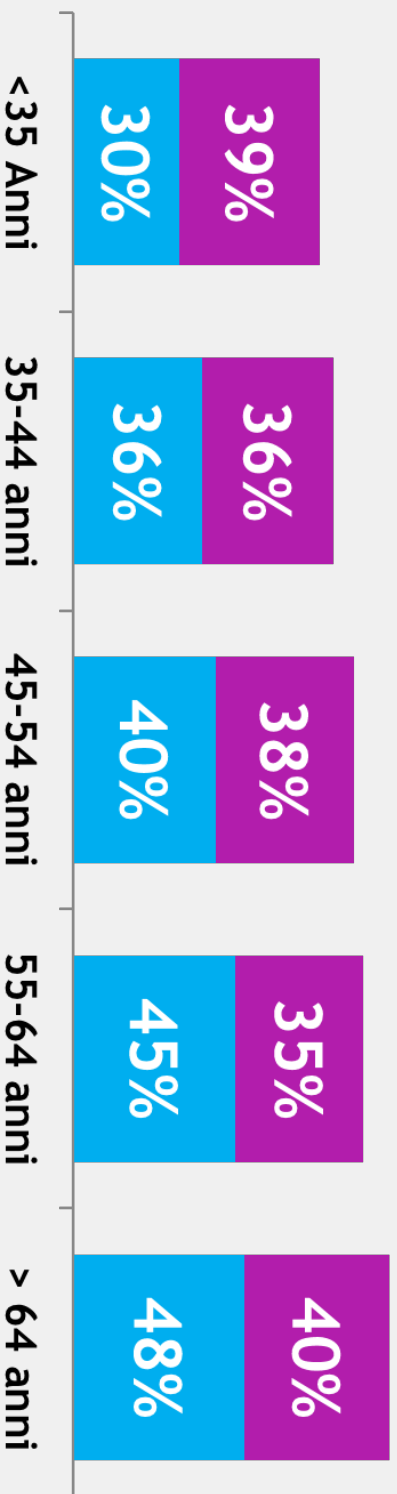
101

57

CRIK
CROK

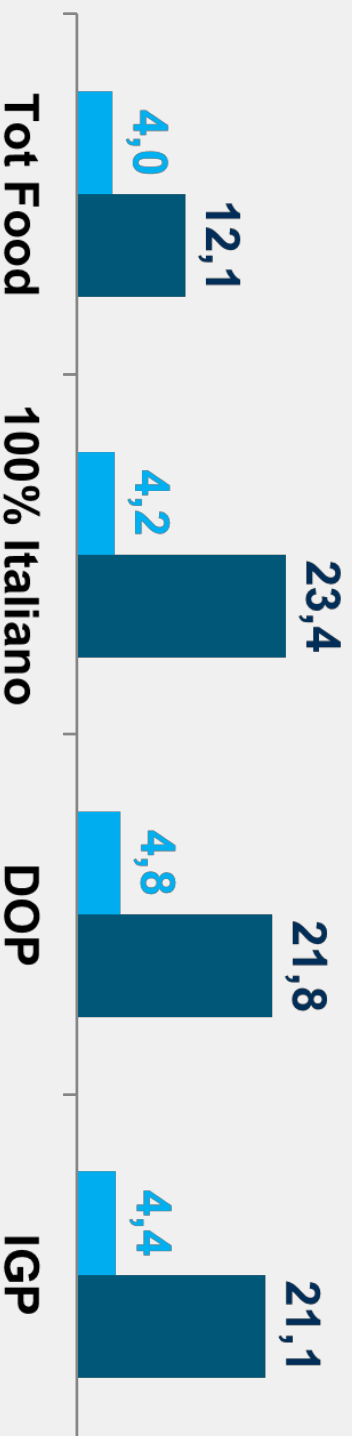
Rebranding

"After this pandemic crisis, I am going to buy more often Italian products."



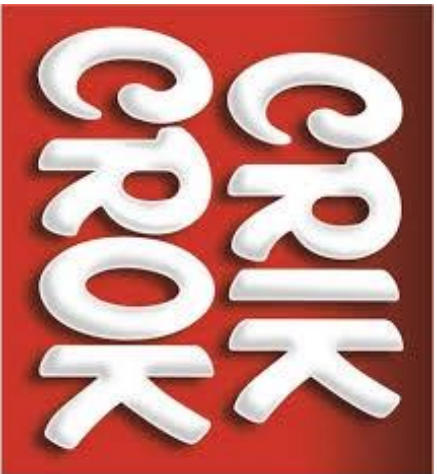
■ Abbastanza
■ Molto

Trend turnover



■ Pre Covid19
■ Post Covid19 (18feb-03mag)

Rebranding



Pre 2019



2019



2020

Restyling

Restyling



New



Old

Restyling



New

Old

Restyling



New



Old

FABRICATED

SNACK POTATOES



40g
100g
165g



40g
100g
165g



100g

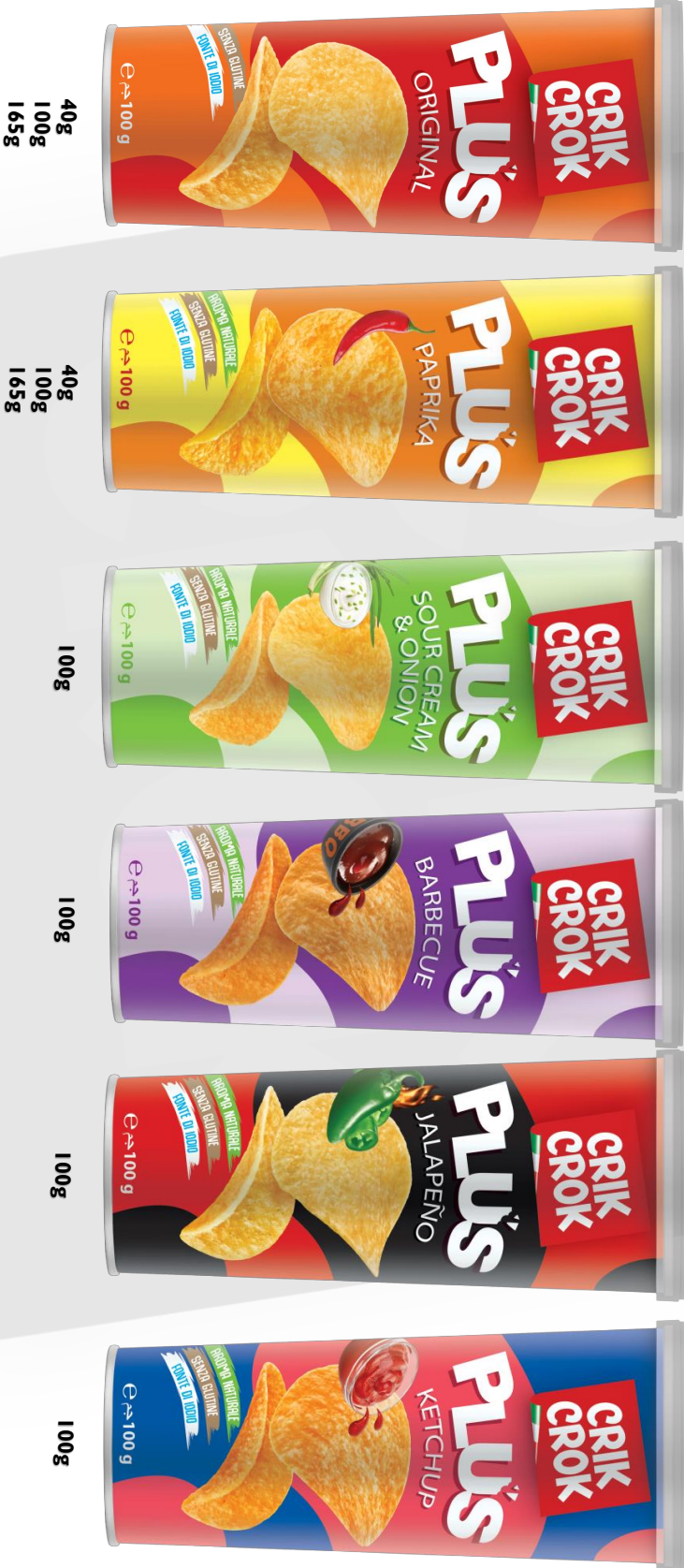


100g

FABRICATED

Natural Flavours

SNACK
POTATOES



new

new

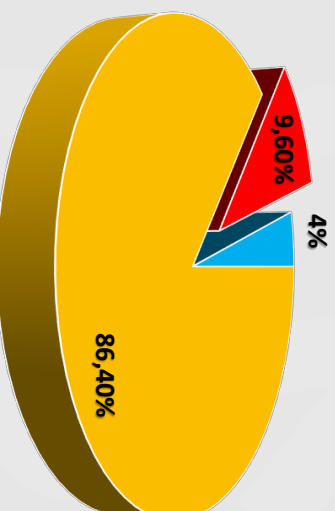


PLUS' GOAL 2021

MARKET SHARE

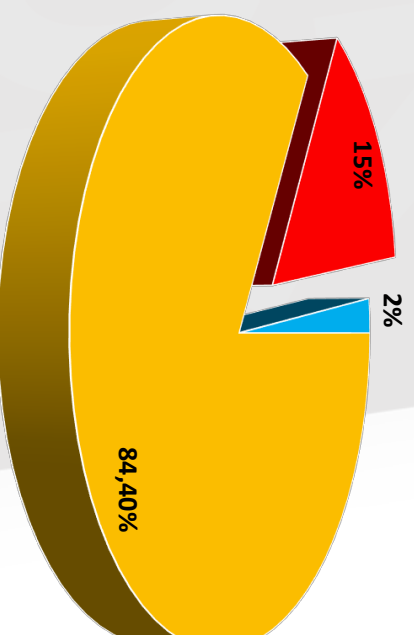


2020



Source: Nielsen. DM IT - YTD,
settimana terminante
25/10/20

2021



Source:
Esteem for 2021

■ PRINGLES
■ CRİK CROK
■ ALTRO

Classic CHIPS' GOAL 2021

Weighted
Distribution

Average n.
product per store

Source: Nielsen.
DM IT - YTD,
settimana
terminante
25/10/20

21%

1,9

Source: Nielsen.
Esteem for 2021

30%

2,5

+42%

+31%





CRILK

Thanks
for your attention.