



Pinar Et

Earnings Presentation 2018

First private
integrated meat
processing plant



150 thousand
NUMBER OF SALES
POINTS

Production inline with
Turkish Food Codex
and EU standards

102 thousand bovine
408 thousand ovine
1.8 million turkey
SLAUGHTERING AND
PROCESSING CAPACITY

Backward
integration



209 thousand
m² outdoor
51 thousand m²
indoor
PRODUCTION AREA



PURCHASING
SPREADS OVER
6 REGIONS

AVERAGE
350
PRODUCTS IN
5 CATEGORIES

813
average number of
employees in 2018

**700.7**MILLION TL
NET SALES**56.5**MILLION TL
EBITDA**33,560**

TONS SALES VOLUME

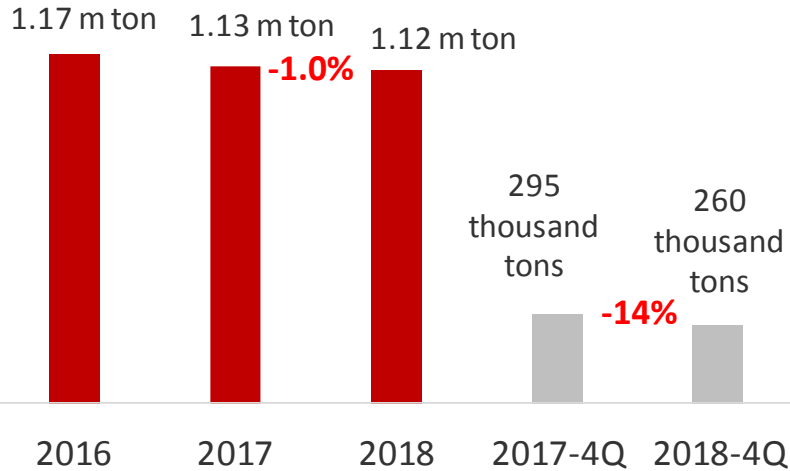
2.1BILLION TL 2018 RETAIL PROCESSED
MEAT MARKET* VALUE*Nielsen,
BiM Excl.

- While the red meat prices had stood in an upward trend in the first half of 2018, the prices have decreased in the third and fourth quarter, as a consequence the average increase at the end of the year realized at 8%. The prices rose by 10% in Q4 compared to the same quarter of the last year. (*fat-free beef prices of National Red Meat Council.)
- Red meat production in Turkey continued decreasingly by 1.0% compared to the last year as 1.12 million tons in 2018. In the last quarter of the year, the production became diminished at the level of 14% compared to 2017-Q4. (TSI)
- Significant increase (+33%) also occurred in turkey meat production in 2018 compared with the last year. (TSI)
- Compared to the last year, total processed meat market achieved a growth of 1.2% in volume and 11.1% in turnover in 2018. (Nielsen)

PRODUCTION AND COST

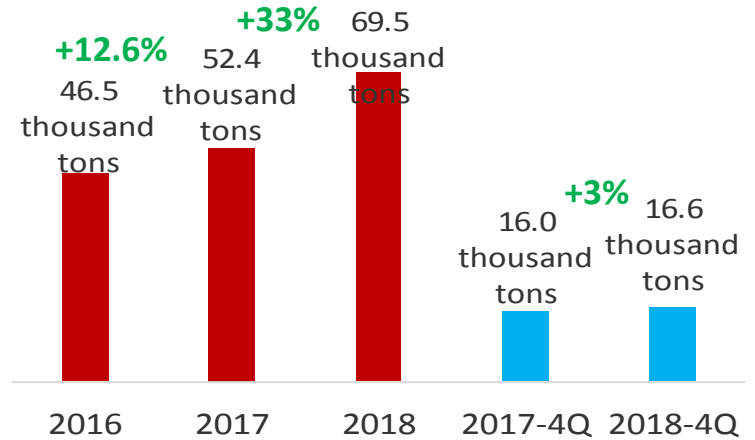
Red Meat Production in Turkey

TSI



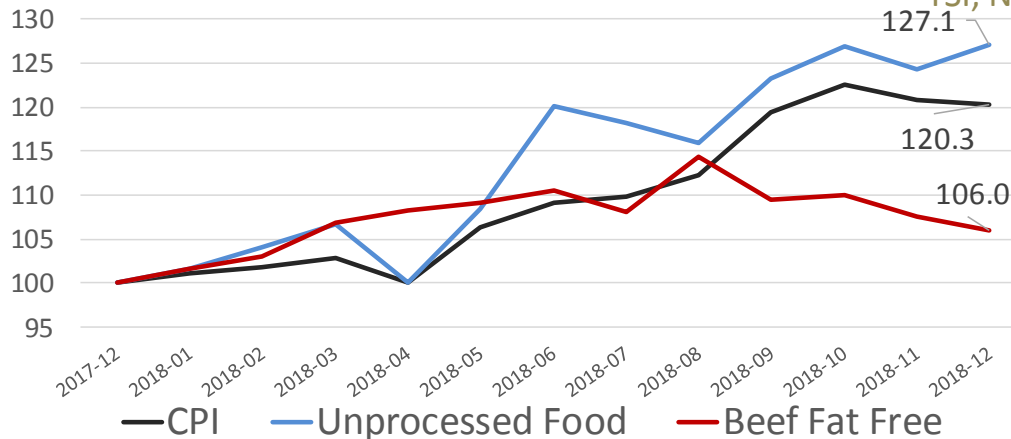
Turkey Meat Production

TSI



Inflation and Red Meat Prices Progress

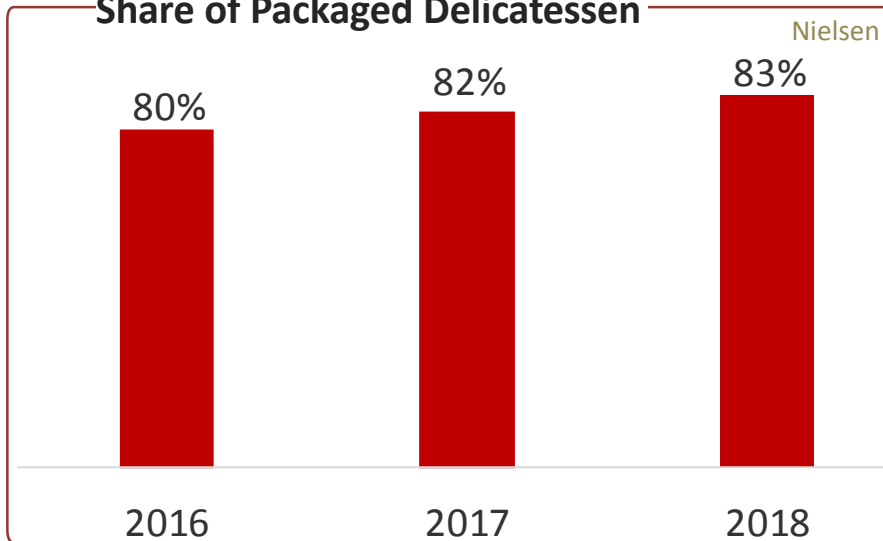
TSI, NMRC



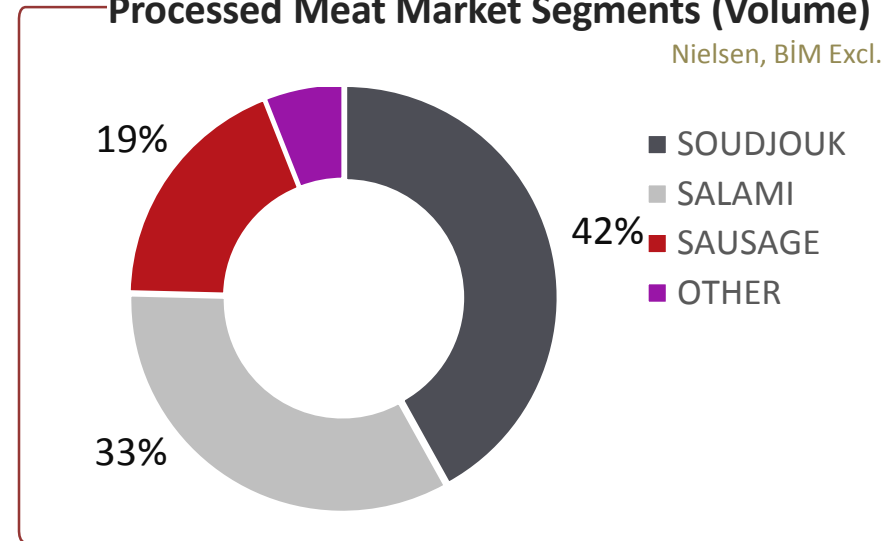
- Custom tax rate has been fixed at 0% for livestock, 26% for butchery animal (0% for Meat and Milk Organization in quota) and 40% for carcass meat since December 2019.
- In 2018, the total sheep and cattle import in Turkey rose from 1.2 million units to 1.9 million units by increased the rate of 60%.

CONSUMPTION AND MARKET

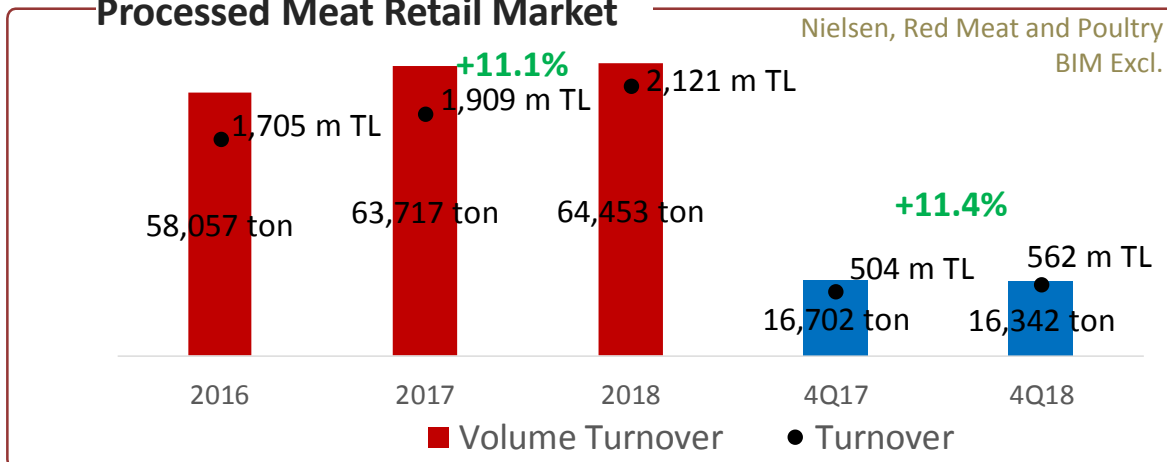
Share of Packaged Delicatessen



Processed Meat Market Segments (Volume)



Processed Meat Retail Market



- Compared with previous year, processed meat market achieved a 1.2% volume growth and a 11.1% turnover growth in 2018.
- The market contracted by 2% in terms of volume and 11.4% in turnover basis in 2018.

Market Shares

Nielsen, Sales value, 2018, BIM Excl.

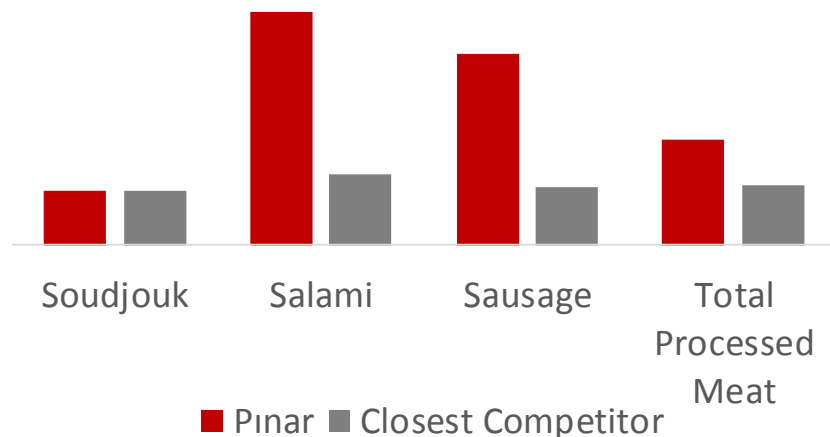
Products	Share	Position
Soudjouk	10.0%	#2
Salami	42.5%	#1
Sausage	34.9%	#1
Total Processed Meat	19.2%	#1

Nielsen, Sales value, 2018, BIM Excl.

- Pinar Et keeps up the leader position in many categories with a 19.2% of market share in the total processed meat market.
- The company's market share in total processed meat market is situated about 2 fold than closest brand.
- New product launches and packaged diversifications continued.

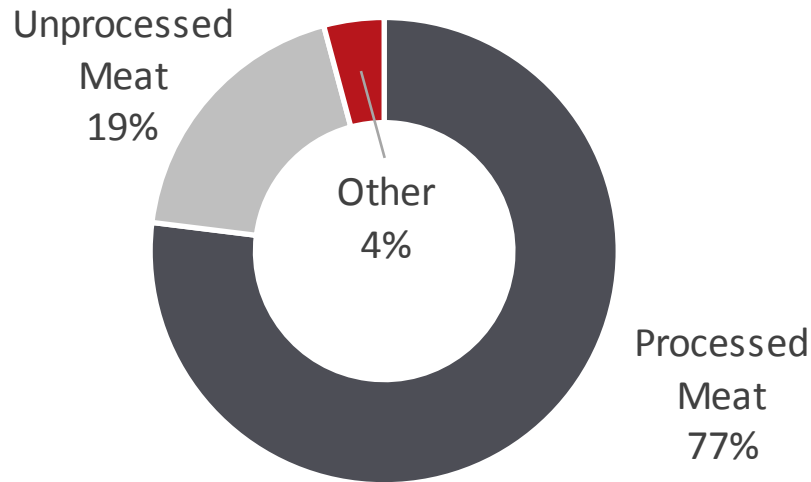
Pinar Et and Competitors

Nielsen, Sales value, 2018, BIM Excl.

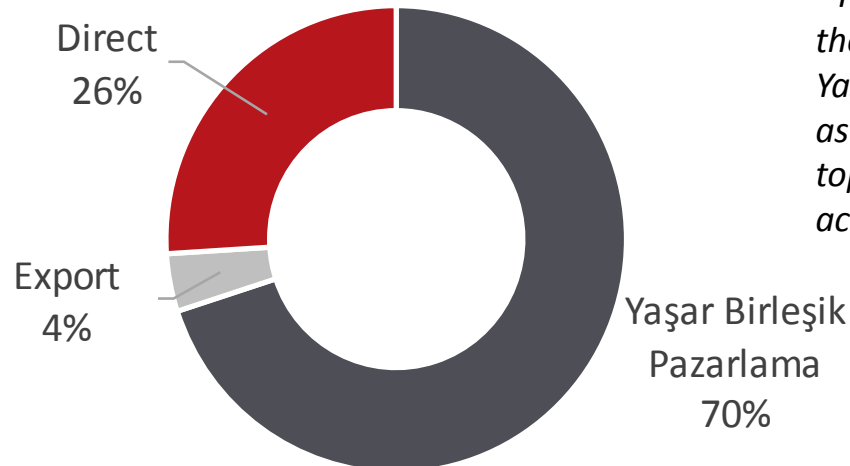


NET SALES BREAKDOWN

Based on Product Groups



Based on Sales Channel



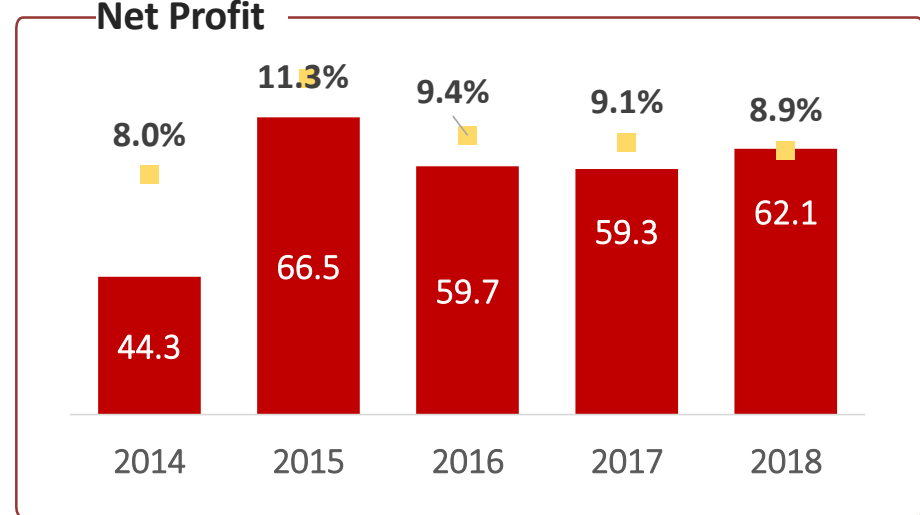
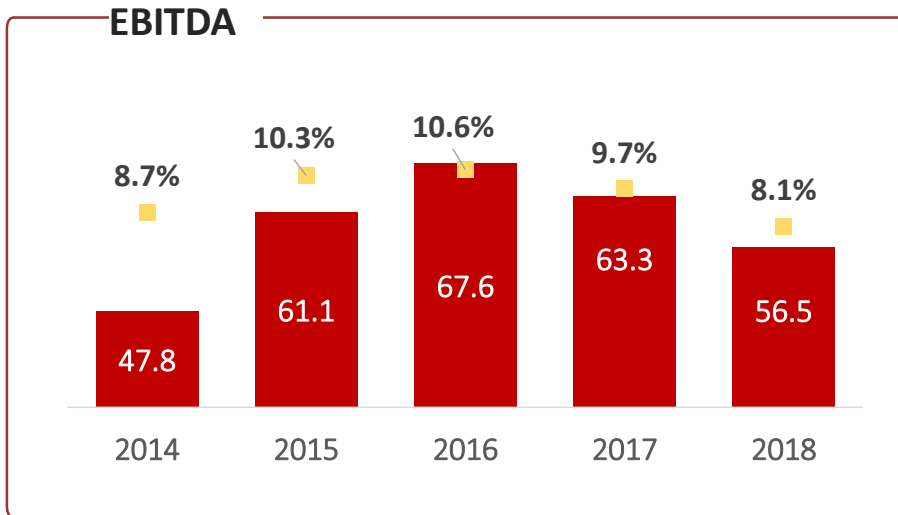
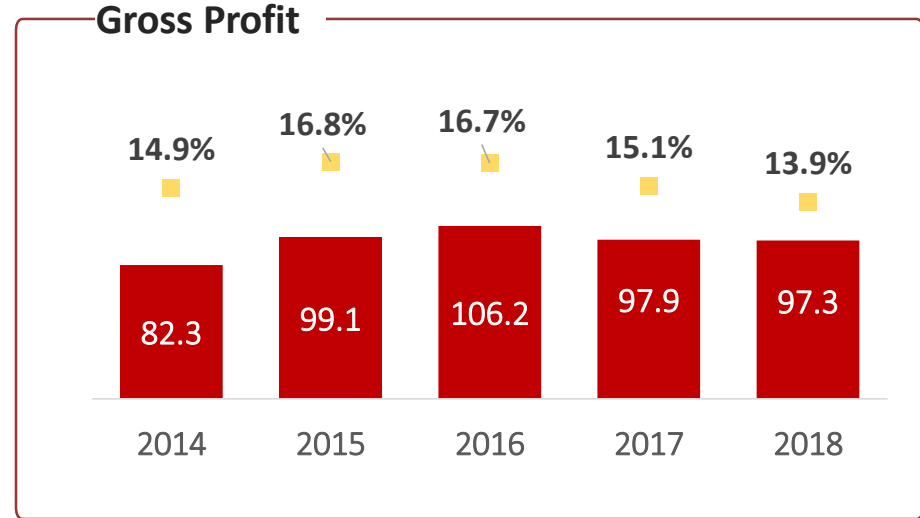
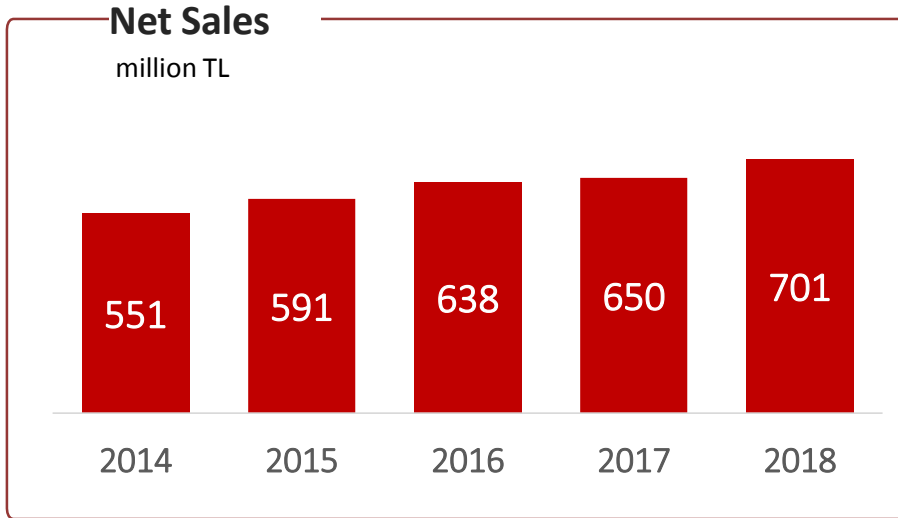
**Yaşar Birleşik Pazarlama is the distribution company of Yaşar Group which ranked as 126 in Fortune Magazine top 500 ranking in Turkey according to 2017 data.*



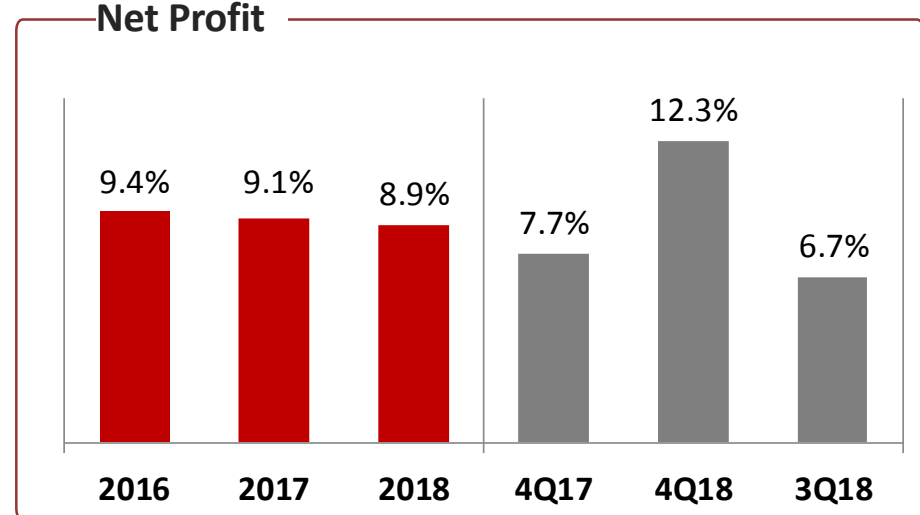
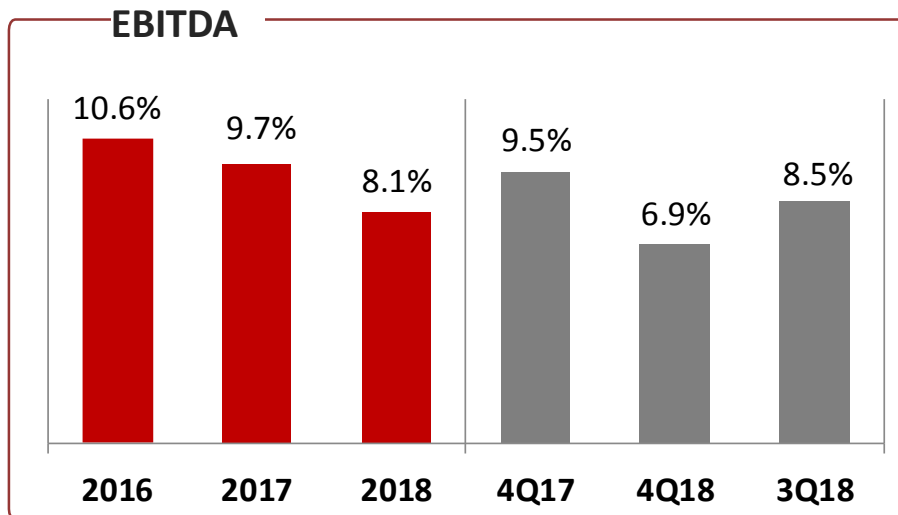
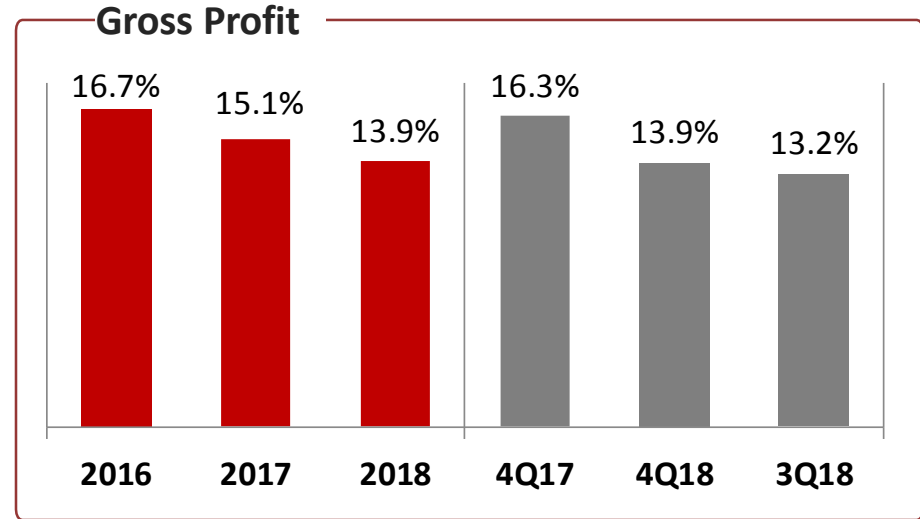
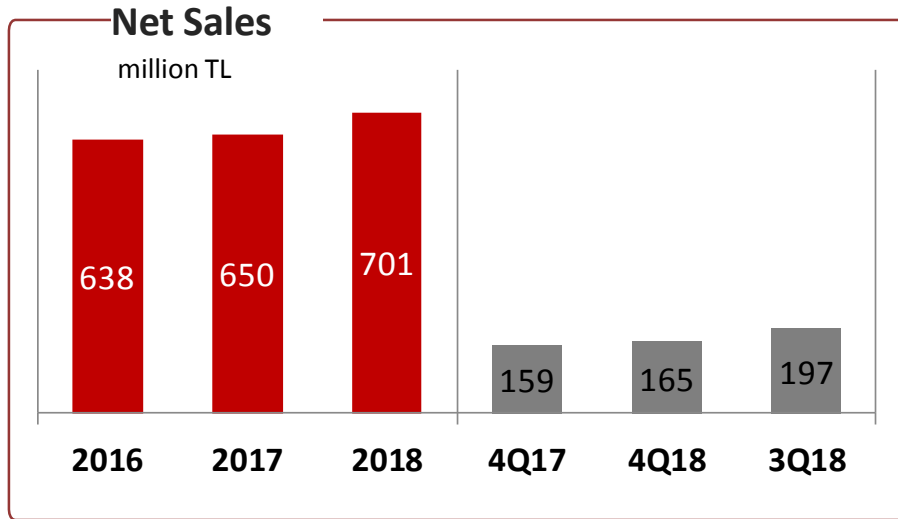
INCOME STATEMENT

(Million TL)	1/1/2018 12/31/2018	1/1/2017 12/31/2017	Difference	Change
Net Sales	700.7	649.6	51.2	7.9%
Cost of Goods Sold	(603.4)	(551.7)	(51.7)	9.4%
Gross Profit	97.3	97.9	(0.6)	-0.6%
R&D Expenses	(2.2)	(2.2)	0.0	-2.0%
Sales, Distribution and Marketing Expenses	(31.7)	(28.3)	(3.4)	11.9%
General Administration Expenses	(22.9)	(18.7)	(4.2)	22.5%
EBIT	40.6	48.7	(8.1)	-16.6%
EBITDA	56.5	63.3	(6.8)	-10.8%
Shares of Results of Investments in Associates	18.8	12.6	6.2	49.6%
Other Expenses (Net)	6.9	1.4	5.4	375.5%
Financial Expenses (Net)	(1.5)	0.6	(2.2)	-348.7%
Profit Before Tax	64.8	63.3	1.4	2.3%
Tax	(2.6)	(4.0)	1.4	-34.2%
Net Profit for the Period	62.1	59.3	2.8	4.7%

SALES AND PROFITABILITY – ANNUALLY



SALES AND PROFITABILITY - QUARTERLY





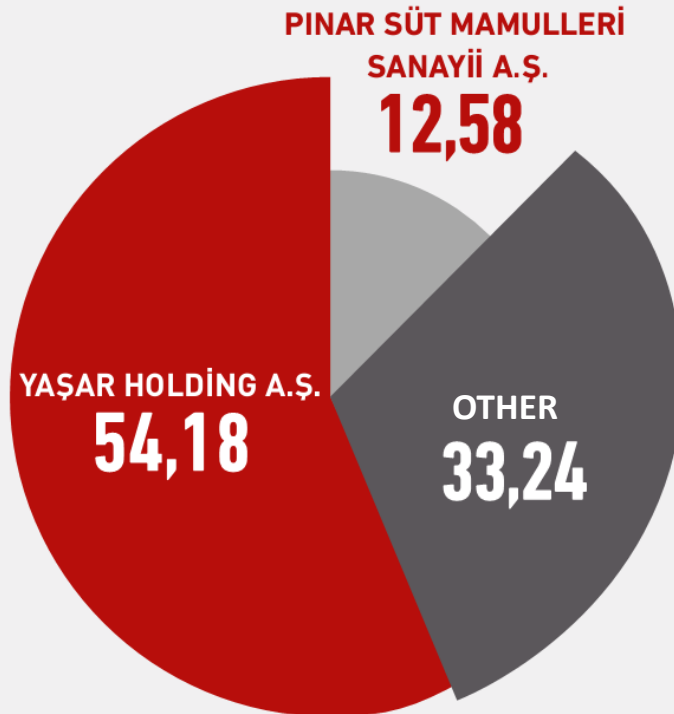
FINANCIAL RATIOS

	2014/12	2015/12	2016/12	2017/12	2018/12
Current Ratio	1.47	1.65	1.67	1.61	1.65
Leverage Ratio	0.23	0.22	0.23	0.23	0.24
Current Borrowings/Total Borrowings (Fin.)	1.00	1.00	1.00	1.00	1.00
Net Fin. Borrowings/EBITDA	- 0.02	0.02	0.04	0.05	0.07
Net Fin. Borrowings/Equity	- 0.00	0.00	0.01	0.01	0.01
Return on Equity (ROE)	13.1%	17.7%	14.5%	12.9%	11.8%

CAPITAL EXPENDITURES

	2015	2016	2017	2018
Yatırım Harcamaları	14.7 m TL	16.0 m TL	17.9 m TL	28.9 m TL

SHAREHOLDING STRUCTURE OF PINAR ET (%)



Shareholder	Share Rate (%)	Share Amount (TL)
YAŞAR HOLDİNG A.Ş.	54.18	23,476,894.71
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	12.58	5,451,752.25
OTHER	33.24	14,406,353.04
Total	100.00	43,335,000.00

The company's shares are traded at Borsa İstanbul «Star Market» under the ticker symbol of PETUN.

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