

PINAR ET

FINANCIAL PRESENTATION
2023-H1



CONTENTS



PINAR ET AT A GLANCE

MARKET DYNAMICS

ACTIVITIES OF PINAR ET

MARKET POSITION

2023-H1 FINANCIAL RESULTS

LEGAL NOTICE AND CONTACT INFORMATION

PINAR ET AT A GLANCE



38

✓ years of
Sectoral Experience

✓ First private enterprise
Integrated meat facility

✓ **873** Number of
Employees



✓ **155** Thousand
Sales Point

✓ Production in accordance
with Turkish Food Codex
and EU standards

✓ Approximately **525**
products in **8** categories

✓ **255** thousand m² total
50 thousand m² indoor
Production in the field

✓ **15.5** tons Sales
Tonnage in 2023-H1

✓ Slaughtering
And
Processing
Capacity

▶ **102**
thousand
cattles

408
thousand
small cattles

1.8
million
small cattles



✓ **3.97**
billion TL
Processed Meat
Products Market Size

✓ Revenue Shares in
Processed Meat Products is
17.7%
in Turkey (Nielsen, except BIM)

✓ **1.6**
billion TL
Turnover

✓ **78.2**
million TL
Net Profit

✓ **34.3**
million TL
Investment

Income Statement Ratios

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
Gross Profit Marjin	18.1%	17.3%
Operating Profit Marjin	9.5%	8.8%
Net Profit Marjin	4.8%	8.5%

Balance Sheet Ratios

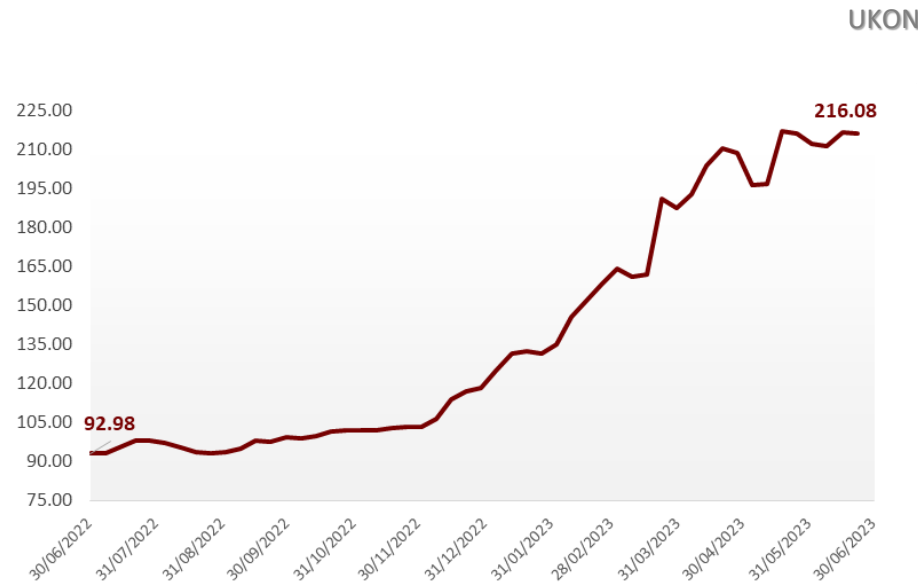
	30.06.2023	31.12.2022
Current Rate	1.1	1.3
Acid Test Ratio	0.7	0.8
Leverage Ratio	0.3	0.3
Debt/Equity	0.5	0.4

MARKET DYNAMICS - PRODUCTION AND COST



- Despite the decrease in global agricultural and food prices, the ongoing upward trend in food prices persisted due to domestic supply-related issues and market structural deficiencies, leading to a decline in annual food inflation.
- Due to supply-related issues, price increases in the first quarter significantly strengthened in red meat (%23.91), which, although somewhat slowed during this period, continued to rise. The increases in meat prices have continued to simultaneously impact the prices of processed meat products.

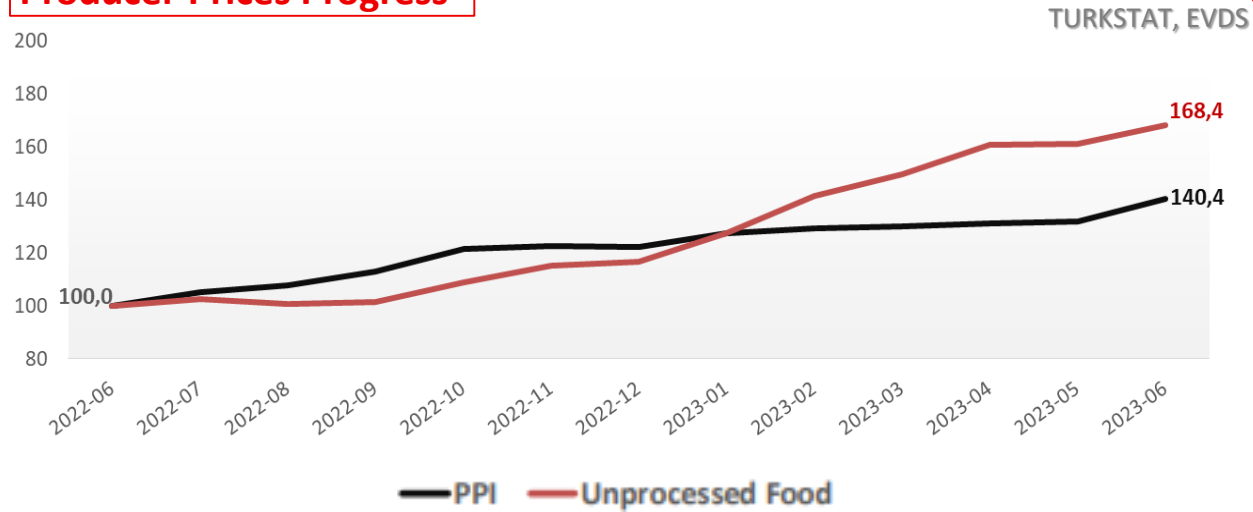
Beef Fat Free Price Change



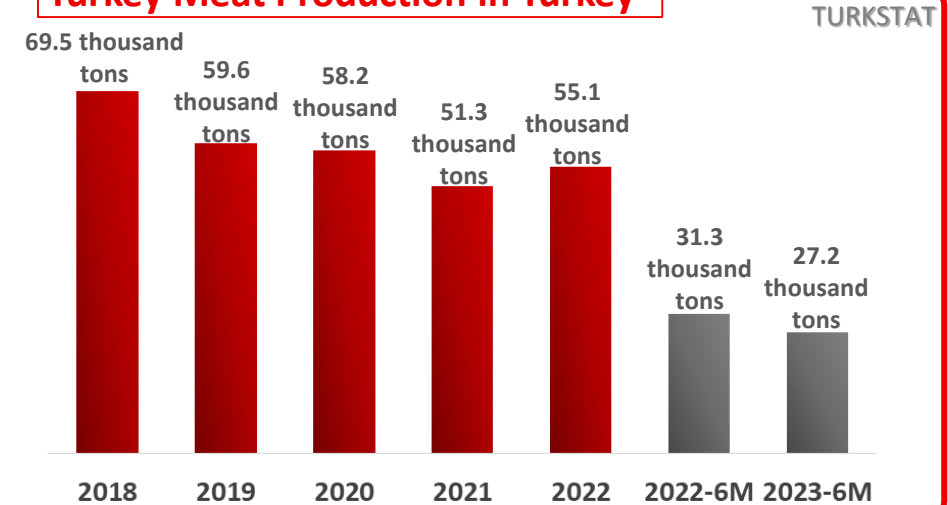
- It is anticipated that due to strong demand and cost pressures, inflation will rise for the remainder of 2023, but with the gradual tightening of the monetary stance until a significant improvement in inflation is achieved, it is expected to start declining in 2024. (CBRT - Inflation Report, 2023-III)
- The average price of red meat was 132.39% higher compared to the same period of the previous year (UKON, Lean Beef Cuts, TL/Kg).

MARKET DYNAMICS – MEAT INDUSTRY

Producer Prices Progress

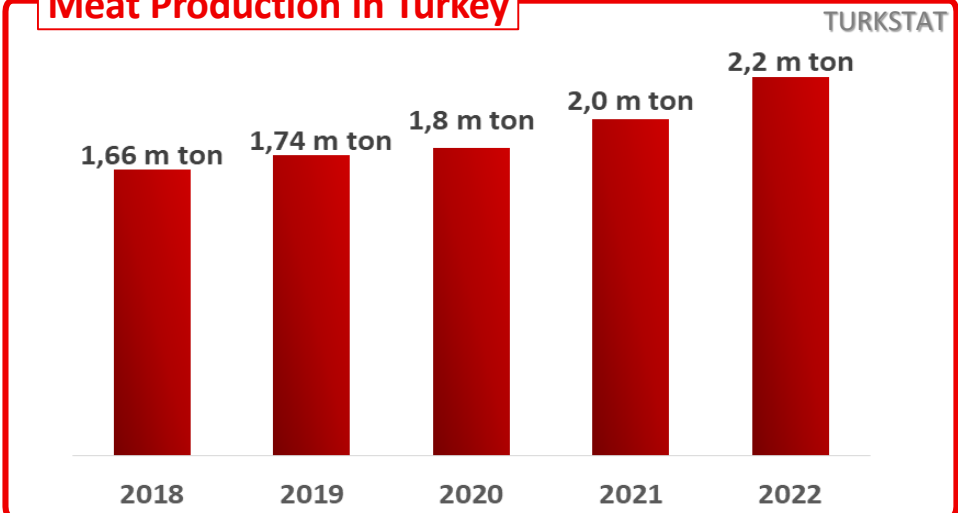


Turkey Meat Production in Turkey



- According to the most recent data; red meat production in 2022 **increased by 12.3% compared to 2021, reaching 2,191,625 tons** (TURKSTAT, Red Meat Production Statistics, 2022, May 2023).
- As of the end of 2022, the **total number of animals comprised 17,023,000 cattle and 56,265,000 small ruminants, totaling 73.3 million heads** (TURKSTAT, Animal Production Statistics, February 2023).
- Until the end of June 2023, a **total of 97,304 animals** were imported, including **54,572 cattle and 42,732 small ruminants**, while the total in the same period of 2022 was **50,544 animals** (SETBIR).
- Turkey's production of turkey meat in the first six months of 2023 stood at **27.2 thousand tons**. **Turkey meat** production decreased by 13.3% compared to the same period in 2022 (TURKSTAT, Poultry Production, 2023).

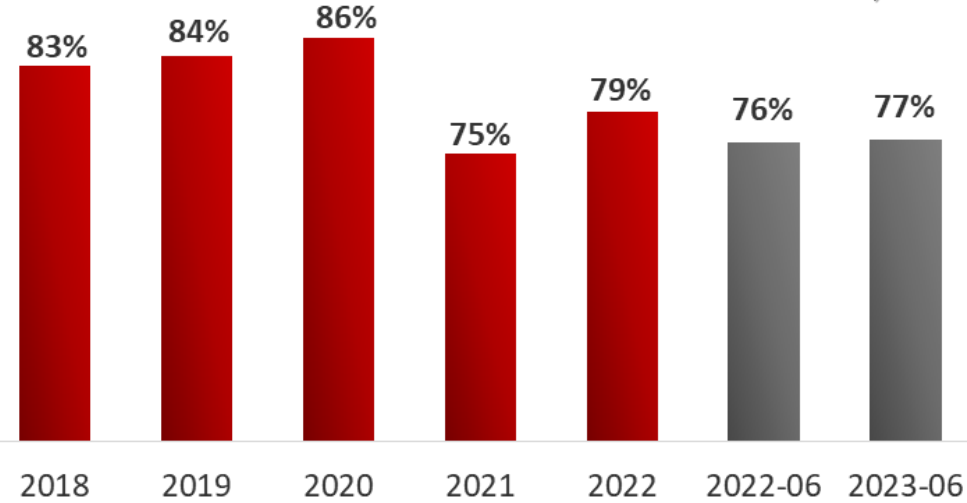
Meat Production in Turkey



MARKET DYNAMICS - CONSUMPTION AND MARKET

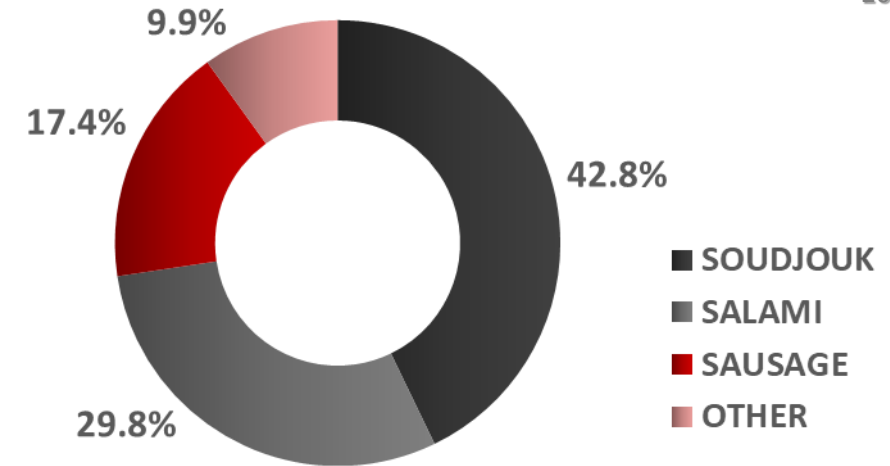
Share of Packaged Delicatessen Products

IPSOS, Exc. DM



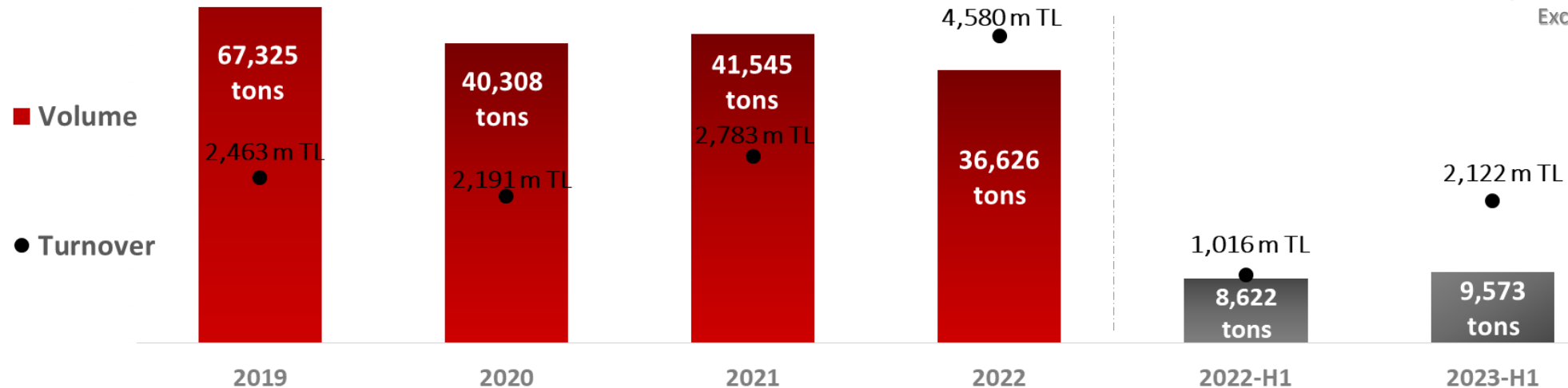
Processed Meat Market Segments (Volume)

Nielsen, Excl. BiM, 2023-H1



Processed Meat Products Retail Market

Nielsen, Red and White Meat, Excl. D.M., 2023-H1



ACTIVITIES OF PINAR ET



Pinar Et increased its revenue by 79.7% in the first six months of 2023, maintaining its leadership in the total processed meat market.

- Based on the results for the first six months of 2023; our company's net sales revenue increased by 79.7% compared to the first six months of 2022, reaching 1.64 billion TL, and the net period profit increased by 1.3%, amounting to 78.2 million TL compared to the previous year.
- The total amount of investments realized by our company in the first six months of 2023 reached 34,359,559 TL.
- Gross sales for the first six months of 2023 amounted to 1.9 billion TL, indicating a 74.6% increase compared to the same period in 2022.
- Pinar Et, exporting to 30 countries, obtained export revenues of 2.3 million USD in the first six months of 2023, parallel to the same period of the previous year. After entering the markets in Europe including Germany, Belgium, France, and Switzerland, Pinar Et made its entry into the UK market in April, continuing its growth to connect with global consumers.

2.3 MILLION DOLLAR
EXPORT REVENUE

Export to **30** Countries

15.5 THOUSAND
TONS
SALES

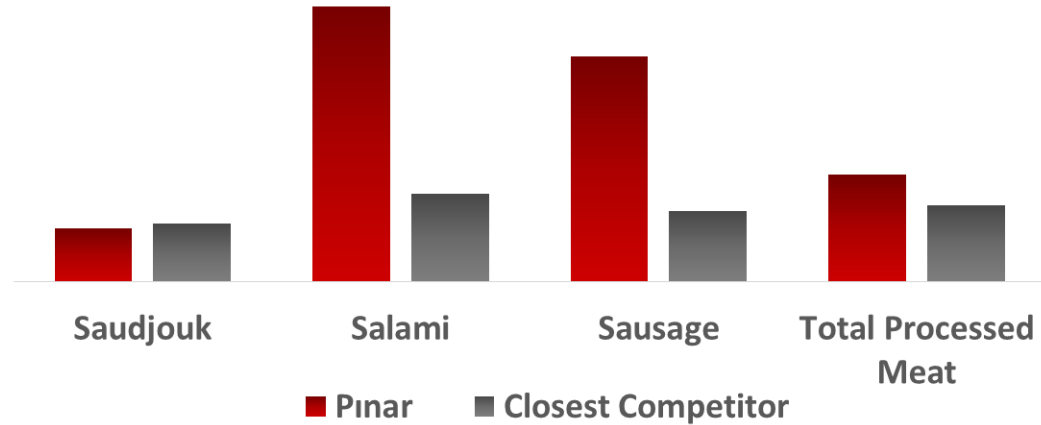
Pinar Et ranked first in the 'Packaged Meat Products' category in the 'Most Admired Companies in the Business World' survey organized by Capital Magazine.

MARKET POSITION



Pinar Et and Competitors

Nielsen, Sales Value, Excl. BİM,
2023-H1



Market Shares of Pinar Et

Nielsen, Sales Value, Excl. BİM,
2023-H1

Products	Market Share	Position
Total Processed Meat	17.7%	#1
Salami	45.2%	#1
Sausage	37.0%	#1
Saudjouk	8.8%	#3

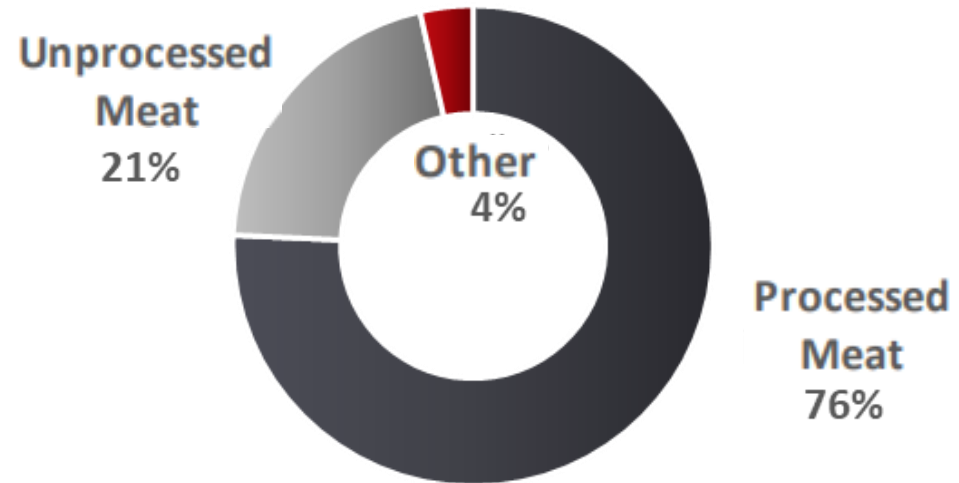


- Pinar Et meets consumers' expectations and needs with its extensive portfolio consisting of **525 products across 8 categories**.
- Maintaining its leadership in various categories, Pinar Et completed the second quarter of 2023 with a **17.7% market share** in the total processed meat market (excluding IM, Nielsen, June 2023).

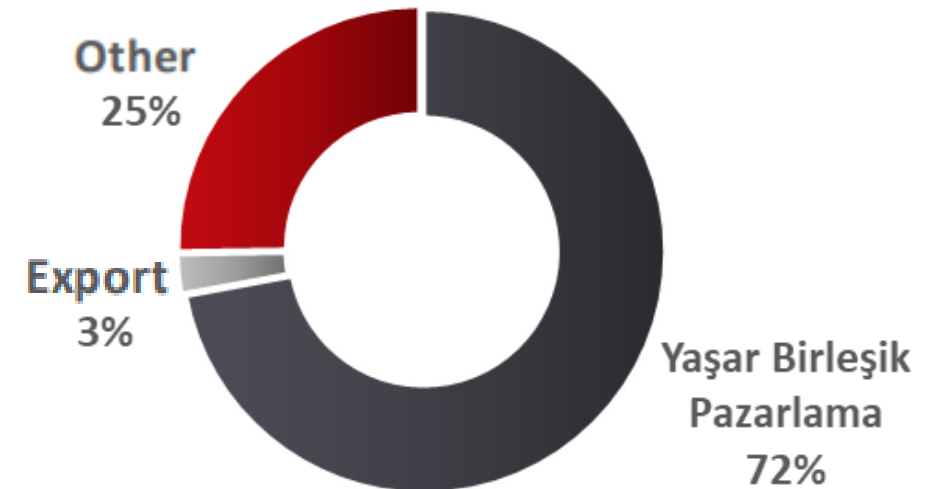
FINANCIAL RESULTS IN 2023-H1 – NET SALES BREAKDOWN



Based on Product Groups



Based on Sales Channel



FINANCIAL RESULTS IN 2023-H1 – INCOME STATEMENT



(Million TL)	01.01.2023 30.06.2023	01.01.2022 30.06.2022	Difference	Change
Net Sales	1,640.8	912.9	727.9	79.7%
Cost of Goods Sold	(1,343.2)	(755.3)	(587.9)	77.8%
Gross Profit	297.6	157.6	140.0	88.8%
R&D Expenses	(5.6)	(2.8)	(2.8)	100.0%
Sales, Distribution and Marketing Expenses	(80.4)	(49.5)	(30.9)	62.4%
General Administration Expenses	(55.9)	(25.0)	(30.9)	123.8%
EBIT	155.7	80.3	75.4	93.9%
EBITDA	188.3	100.6	87.7	87.1%
Shares of Results of Investments in Associates	(19.0)	17.2	(36.2)	-210.1%
Other Expenses (Net)	7.4	4.2	3.2	76.8%
Financial Expenses (Net)	(44.6)	(17.3)	(27.3)	158.0%
Profit Before Tax	99.5	84.4	15.1	17.8%
Tax	(21.2)	(7.2)	(14.1)	196.4%
Net Profit for the Period	78.2	77.3	1.0	1.3%

Other expenses (net) is calculated by netting out income/expense from main activities and income/expense from investment activities.

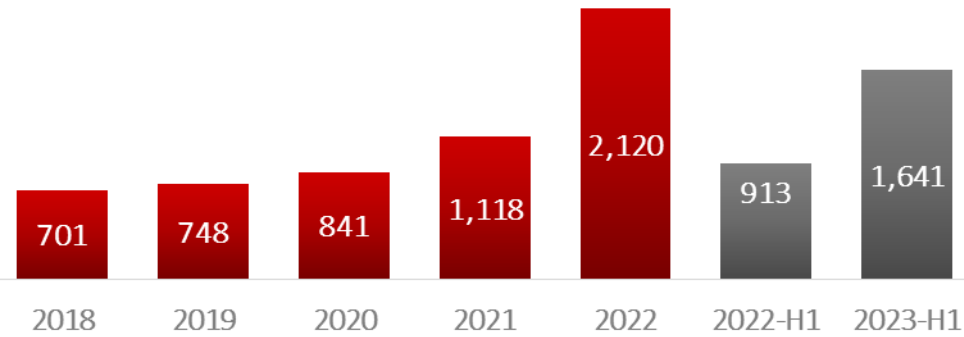
FINANCIAL RESULTS IN 2023-H1

SALES AND PROFITABILITY BY ANNUALLY



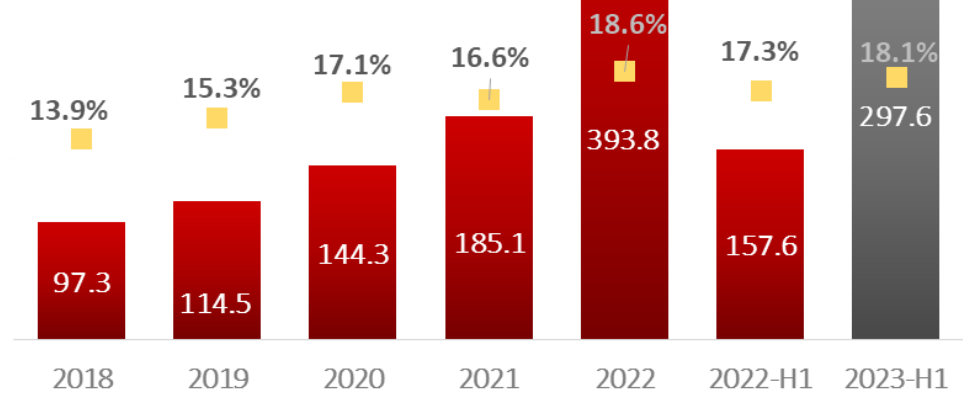
Net Sales

million TL



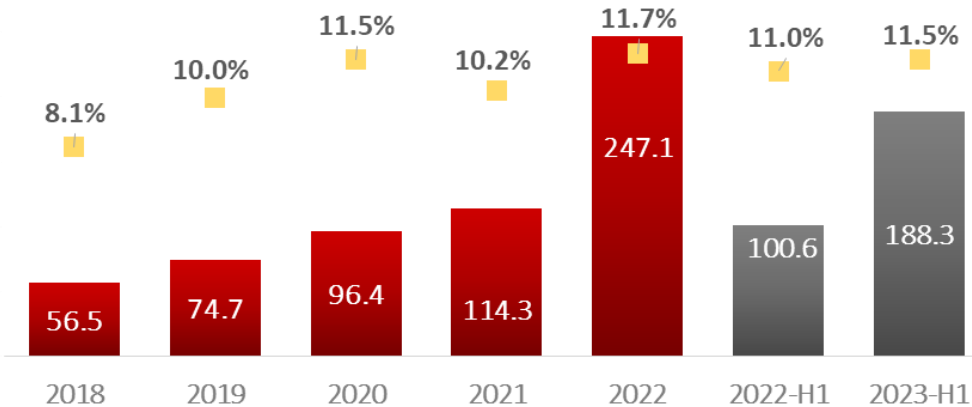
Gross Profit

million TL



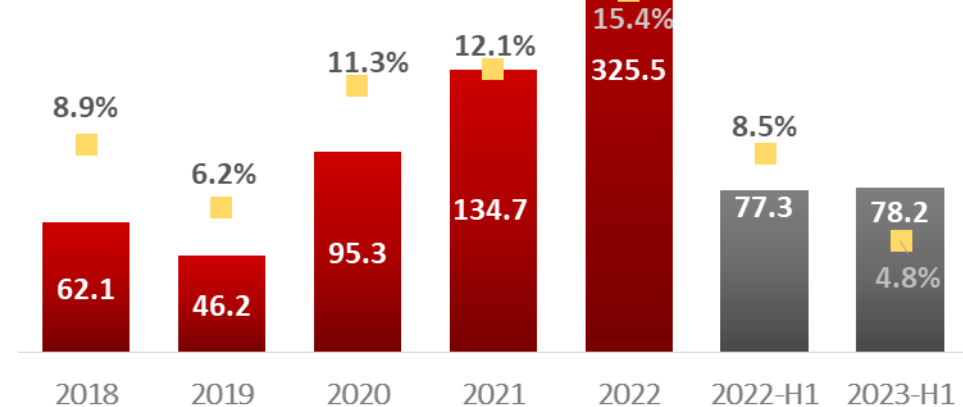
EBITDA

million TL



Net Profit

million TL



EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income /expenses.

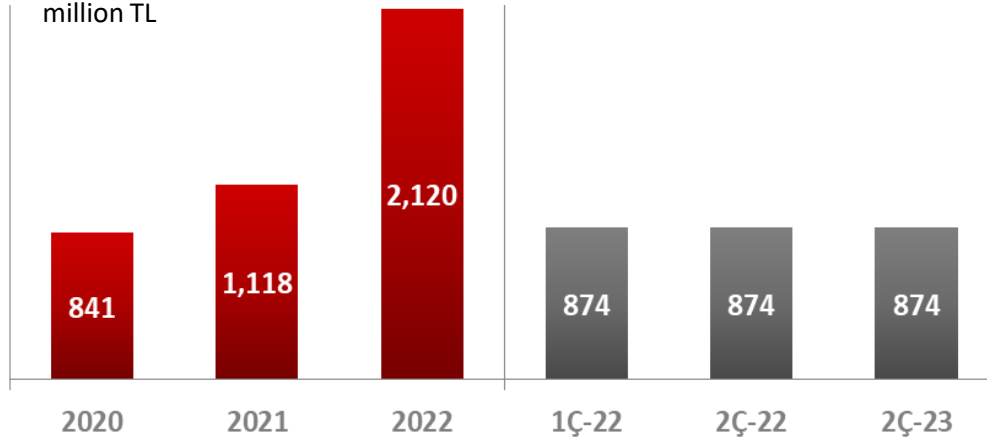
FINANCIAL RESULTS IN 2023-H1

SALES AND PROFITABILITY BY QUARTERLY

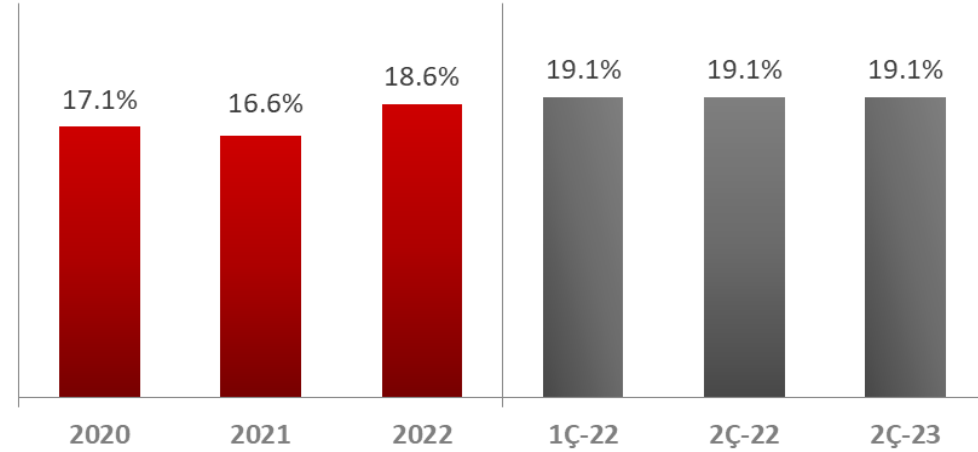


Net Sales

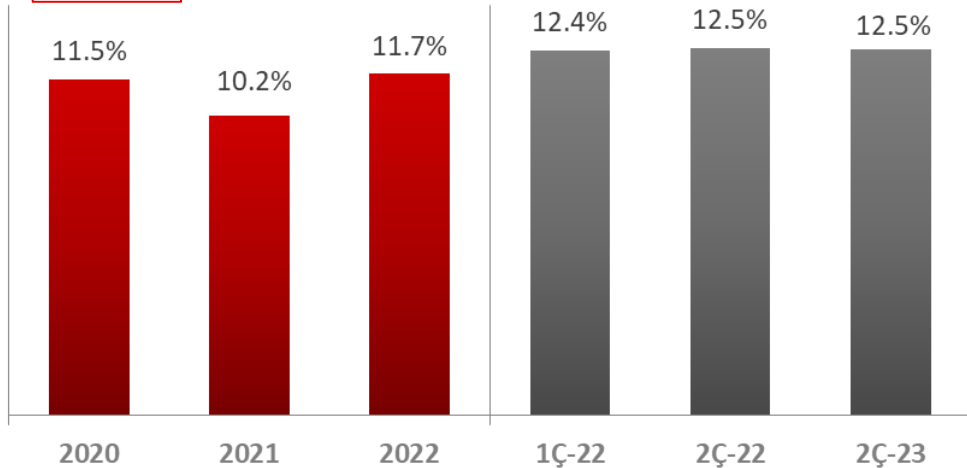
million TL



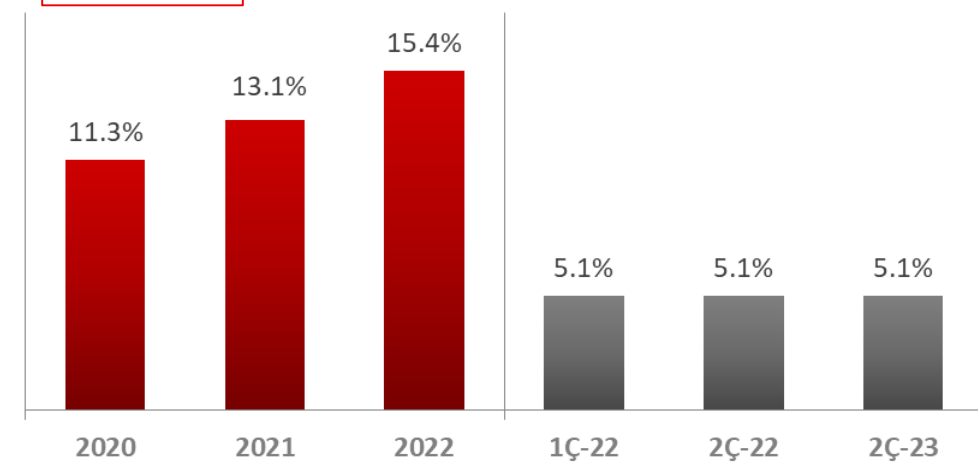
Gross Profit



EBITDA



Net Profit



EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income /expenses.

FINANCIAL RESULTS IN 2023-H1



FINANCIAL RATIOS

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/06
Current Ratio	1.65	1.73	1.65	1.36	1.25	1.14
Leverage Ratio	0.24	0.23	0.29	0.29	0.28	0.34
Current Borrowings/Total Borrowings (Fin.)	1.00	0.95	0.16	0.78	0.95	0.97
Net Fin. Borrowings/EBITDA	0.07	-	0.28	1.09	1.48	1.38
Net Fin. Borrowings/Equity	0.01	-	0.03	0.10	0.12	0.16
Return on Equity (ROE)(%)	11.77	7.65	13.28	12.20	15.24	15.67

INVESTMENTS

	2018	2019	2020	2021	2022	2023-6M
Capital Expenditures	28,9 m TL	10,4 m TL	30,3 m TL	74,0 m TL	44,4 m TL	34,3 m TL

CREDIT RATING GRADE

The credit rating given by JCR Eurasia Rating on January 31, 2023, is as follows:

- Long-Term National Institutional Credit Rating: AA- (tr) / (Stable Outlook)
- Short-Term National Institutional Credit Rating: J1+ (tr) / (Stable Outlook)

- Long-Term International Foreign Currency Institutional Credit Rating: BB / (Negative Outlook)
- Long-Term International Local Currency Institutional Credit Rating: BB / (Negative Outlook)

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