

PINAR ET

FINANCIAL PRESENTATION
2023-Q1



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PINAR ET AT A GLANCE



37

✓ years of
Sectoral Experience

First private enterprise
Integrated meat facility

✓ **893** 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

✓ **8.2** tons Sales
Tonnage in 2022-Q1

✓ Slaughtering
And
Processing
Capacity

▶ **102**
thousand
cattles

408
thousand
small cattles

1.8
million
small cattles



✓ **1.85**
billion TL
Processed Meat
Products Market Size

✓ Revenue Shares in
Processed Meat Products is
17.2%
in Turkey (Nielsen, except BIM)

✓ **761.1**
million TL
Turnover

✓ **33.3**
million TL
Net Profit

✓ **25.5**
million TL
Investment

FINANCIAL RATIOS IN 2023-Q1

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
Gross Profit Margin	17.1%	13.8%
Operating Profit Margin	8.1%	4.5%
Net Profit Margin	4.3%	0.5%

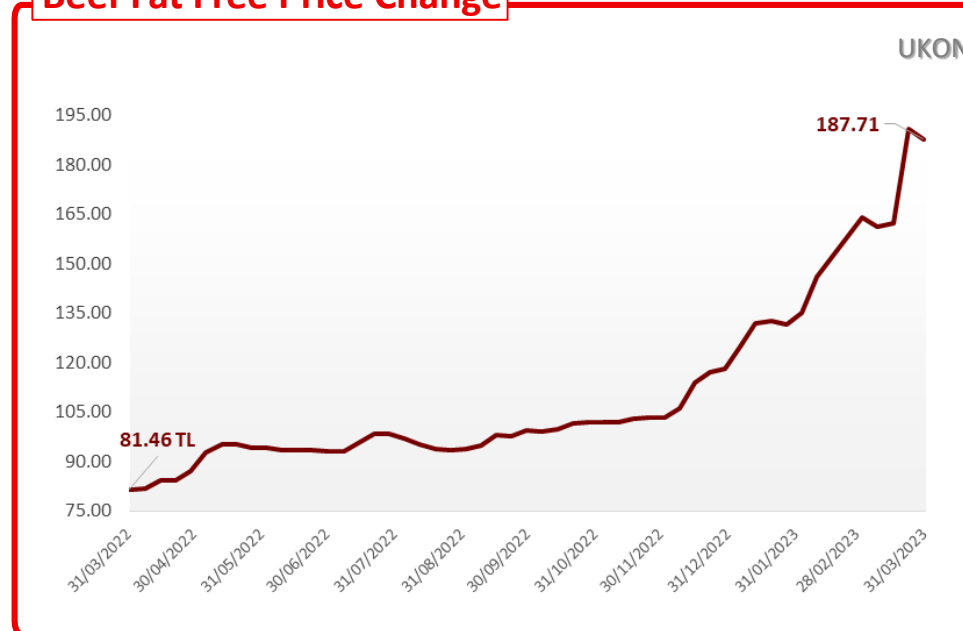
	31.03.2023	31.03.2022
Current Rate	1.1	1.3
Acid Test Ratio	0.8	0.8
Leverage Ratio	0.3	0.3
Debt/Equity	0.5	0.4

MARKET DYNAMICS - PRODUCTION AND COST



- The annual inflation for the food and non-alcoholic beverages group decreased, concluding 2022 at a rate of 77.9%. The decline was influenced by the supply-increasing effect of the grain corridor, along with a decrease in currency exchange rate volatility and a decline in freight prices.
- It is assumed that the decrease in food prices will continue in the upcoming period, and the year 2023 will conclude at a rate of 22%. (CBRT - Inflation Report, 2023-I)

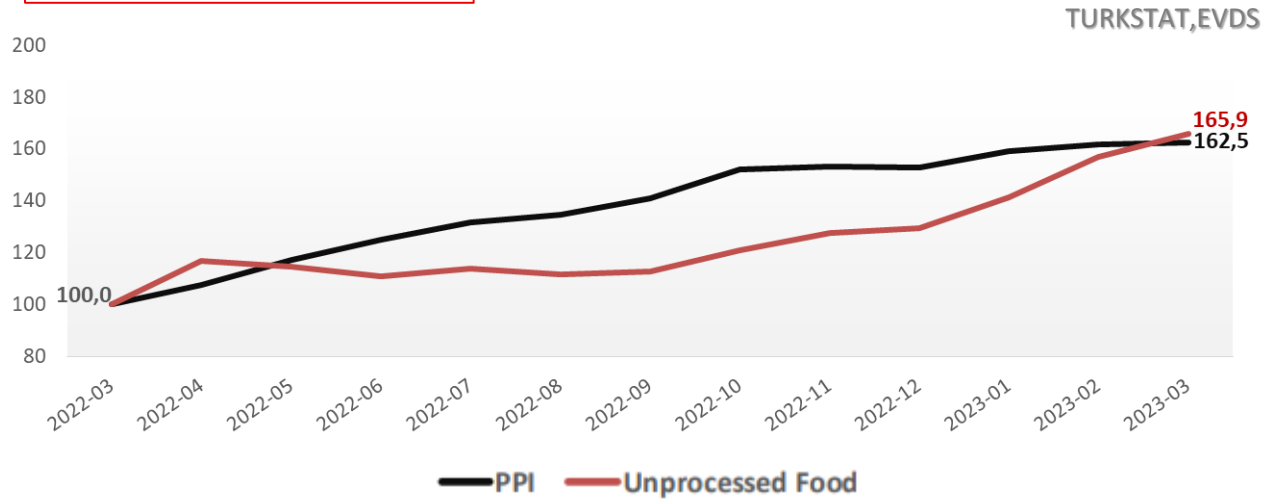
Beef Fat Free Price Change



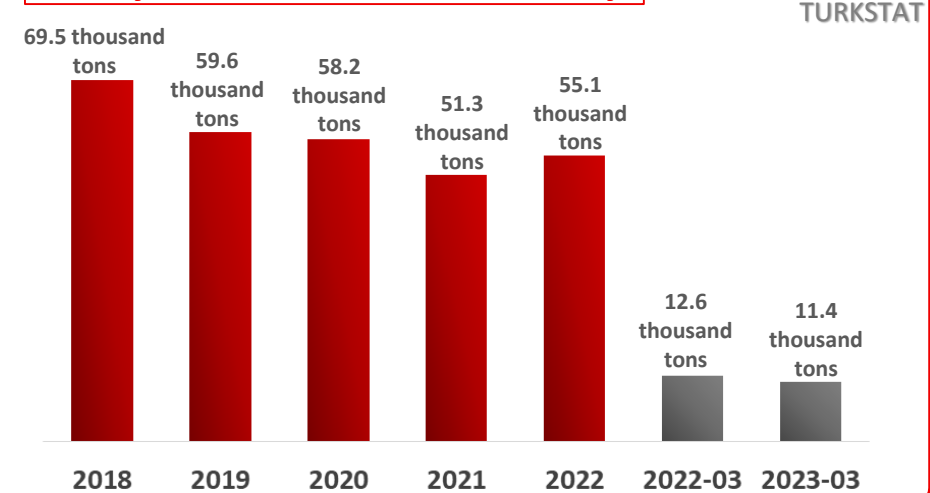
- The average price of red meat was 130.5% higher compared to the same period of the previous year (UKON, Lean Beef Cuts, TL/Kg).

MARKET DYNAMICS – MEAT INDUSTRY

Producer Prices Progress

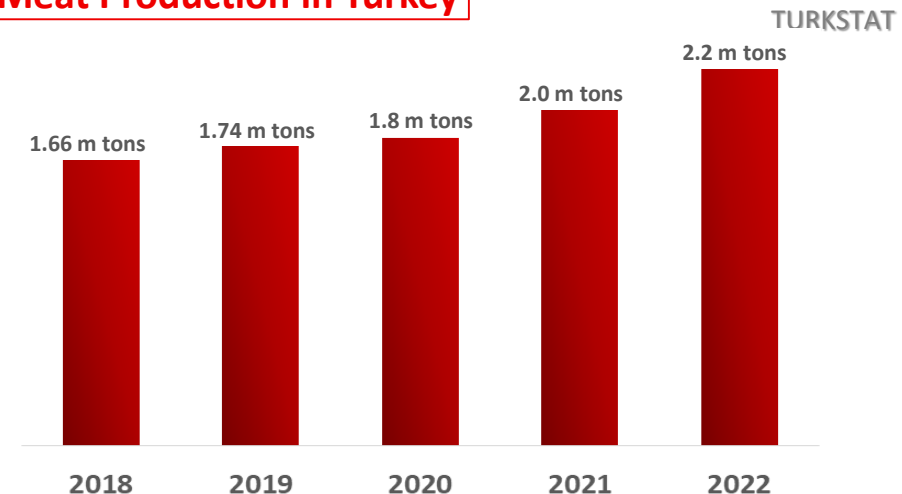


Turkey Meat Production in Turkey



- According to the latest data, in 2022, **red meat production 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 number of cattle was 17,023,000, the number of small ruminants was 56,265,000, totaling 73.3 million heads** (TURKSTAT, Animal Production Statistics, February 2023).
- Until the end of February 2023, a total of **90,450** animals were imported, including **74,662** cattle and **15,788** small ruminants, while the total number in the same period of 2022 was **22,579** animals (SETBIR).
- In the first three months of 2023, **turkey meat production stood at 11.4 thousand tons. Turkey meat production decreased by 9.19%** compared to the same period in 2022 (TURKSTAT, Poultry Production, 2022).

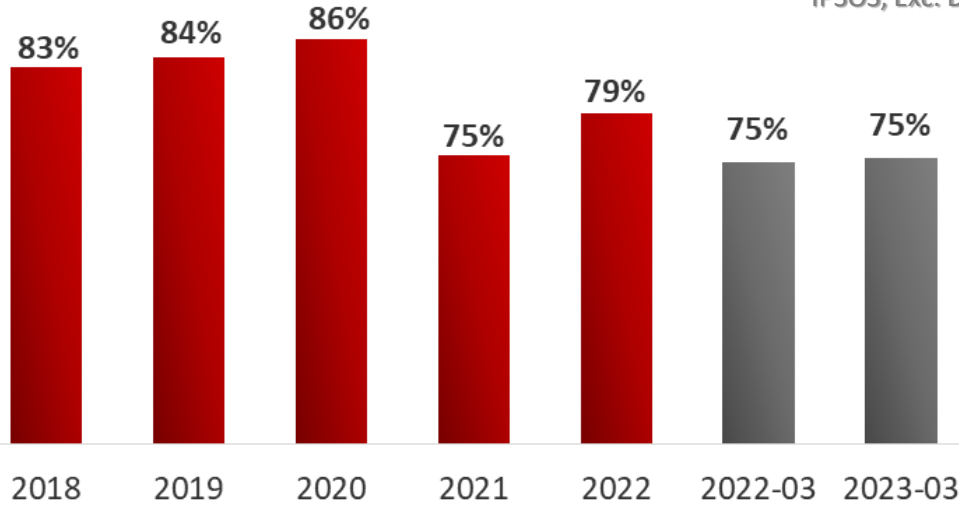
Meat Production in Turkey



MARKET DYNAMICS – CONSUMPTION AND MARKET

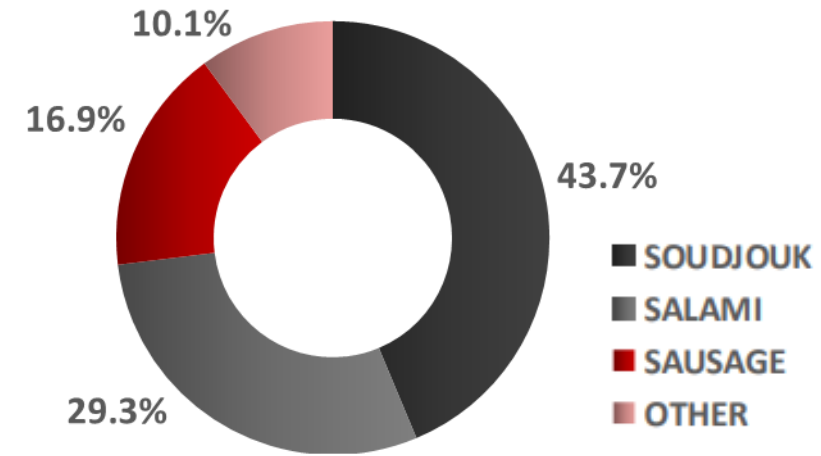
Share of Packaged Delicatessen Products

IPSOS, Exc. DM



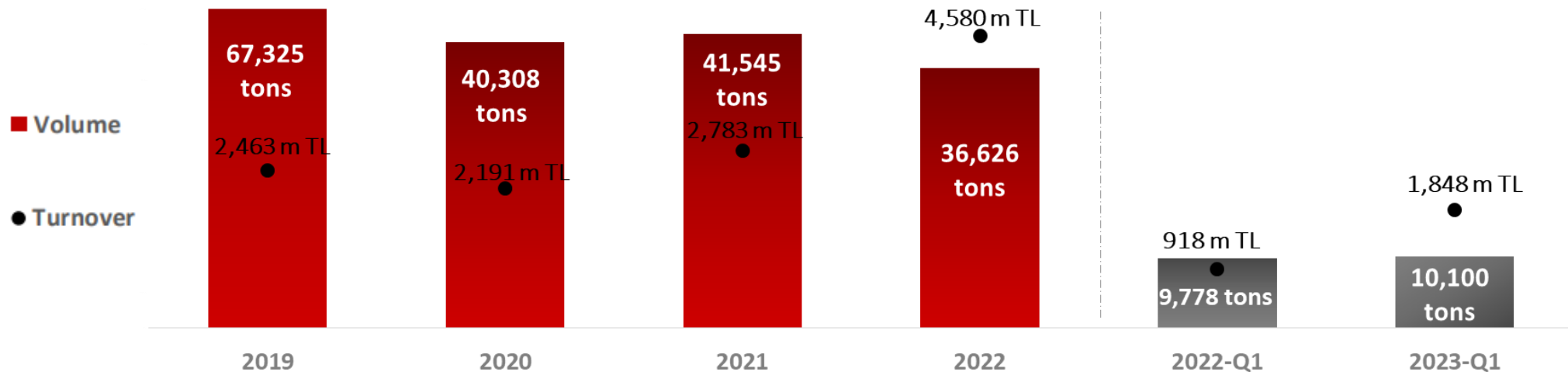
Processed Meat Market Segments (Volume)

Nielsen, 2023-3M, Excl. DM



Processed Meat Products Retail Market

Nielsen, Excl. DM



ACTIVITIES OF PINAR ET



Pinar Et maintained its leadership in the total processed meat market during the first quarter of 2023, increasing its revenue by 94.91%.

- Based on the results for the first three months of 2023, our company's net sales revenue increased by 94.9% compared to the first three months of 2022, reaching 767.1 million TL. Net period profit also increased by 1,738.6%, reaching 33.3 million TL compared to the previous year.
- The total amount of investments realized by our company in the first three months of 2023 reached 25,479,775 TL.
- Gross sales for the first three months of 2023 amounted to 900.5 million TL, indicating an 88.9% increase compared to the first three months of 2022.
- Pinar Et, conducting exports to 30 countries, obtained export revenues of 1.3 million USD in the first three 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.

1.3

MILLION
DOLLAR
EXPORT
REVENUE

Export to

30

Countries

8,2

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.

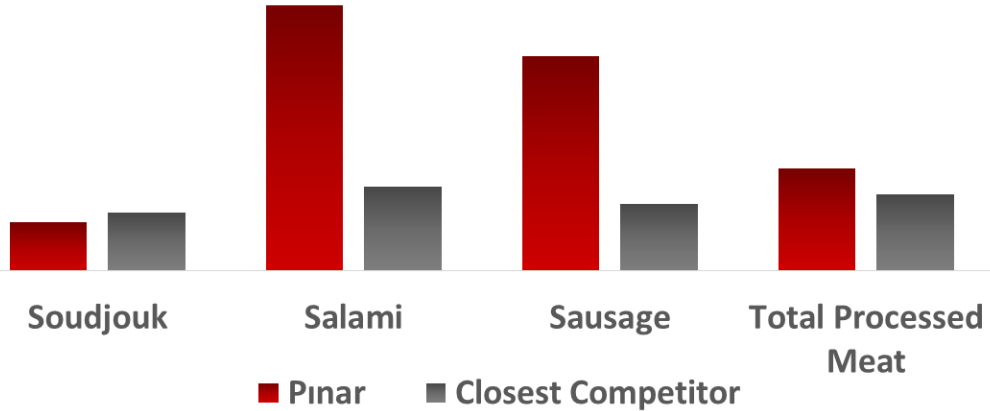


MARKET POSITION



Pinar Et and Competitors

Nielsen, Sales Value, Excl. BiM,
2023-Q1



Market Shares of Pinar Et

Nielsen, Sales Value, Excl. BiM,
2023-Q1

Products	Market Share	Position
Total Processed Meat	17.2%	#1
Salami	44.7%	#1
Sausage	36.1%	#1
Soudjouk	8.2%	#4

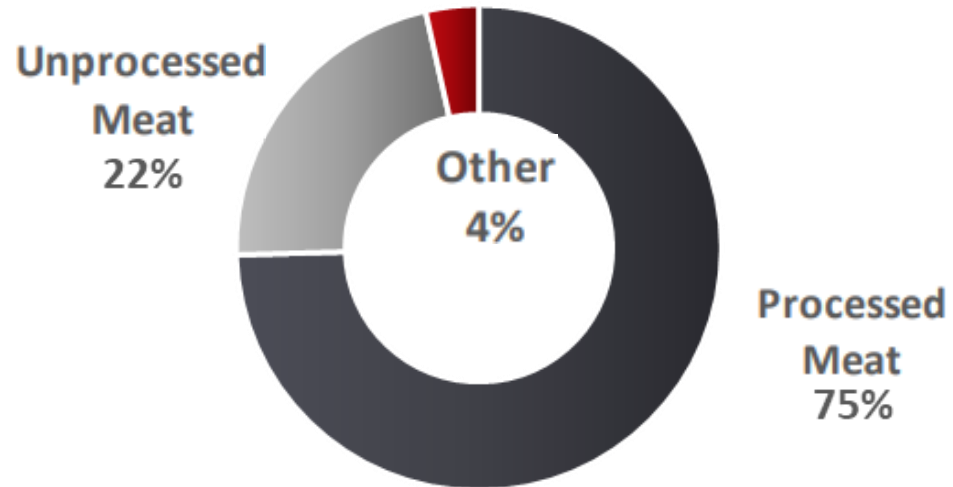


- Pinar Et meets consumer expectations and needs with its **extensive portfolio consisting of 525 products across 8 categories.**
- Maintaining its **leadership** in various categories, Pinar Et concluded the first quarter of 2023 with a **17.2% market share** in the total processed meat market (excluding IM, Nielsen, March 2023).

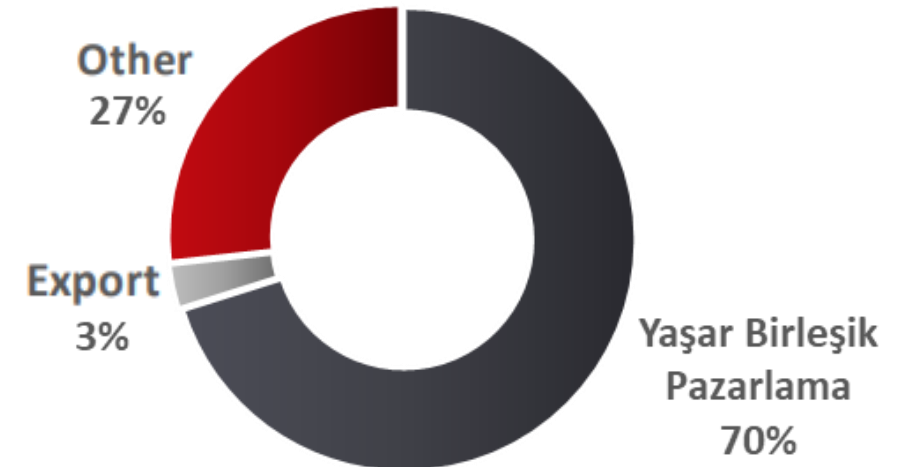
FINANCIAL RESULTS IN 2023-Q1 – NET SALES BREAKDOWN



Based on Product Groups



Based on Sales Channel



FINANCIAL RESULTS IN 2023-Q1 – INCOME STATEMENT



(Million TL)	01.01.2023 03.31.2023	01.01.2022 03.31.2022	Difference	Change
Net Sales	767.1	393.6	373.5	94.9%
Cost Of Goods Sold	(636.1)	(339.1)	(296.9)	87.6%
Gross Profit	131.0	54.4	76.6	140.7%
R&D Expenses	(2.5)	(1.2)	(1.3)	103.9%
Sales, Distribution and Marketing Expenses	(41.2)	(23.6)	(17.6)	74.5%
General Administration Expenses	(24.9)	(12.0)	(12.9)	106.9%
EBIT	62.5	17.6	44.9	255.5%
EBITDA	79.1	27.4	51.7	188.7%
Share of Profits in Investments Valued by the Equity Method	(1.5)	(12.6)	11.2	-88.4%
Other Expenses (Net)	(1.3)	1.8	(3.1)	-168.5%
Financial Expenses (Net)	(14.9)	(6.0)	(8.9)	149.2%
Profit Before Tax	44.8	0.8	44.0	5629.9%
Tax	(11.5)	1.0	(12.6)	-1222.8%
Net Profit for the Period	33.3	1.8	31.5	1738.6%

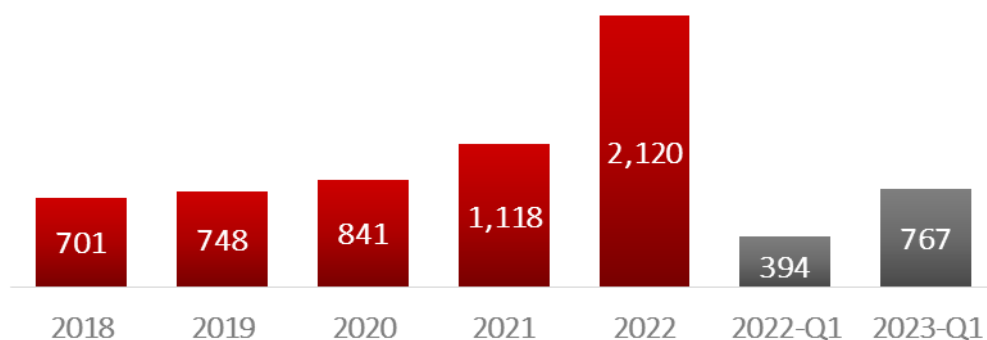
Other expenses (net) is calculated by netting out income/expense from main activities and income/expense from investment activities.

FINANCIAL RESULTS IN 2023-Q1 – SALES AND PROFITABILITY



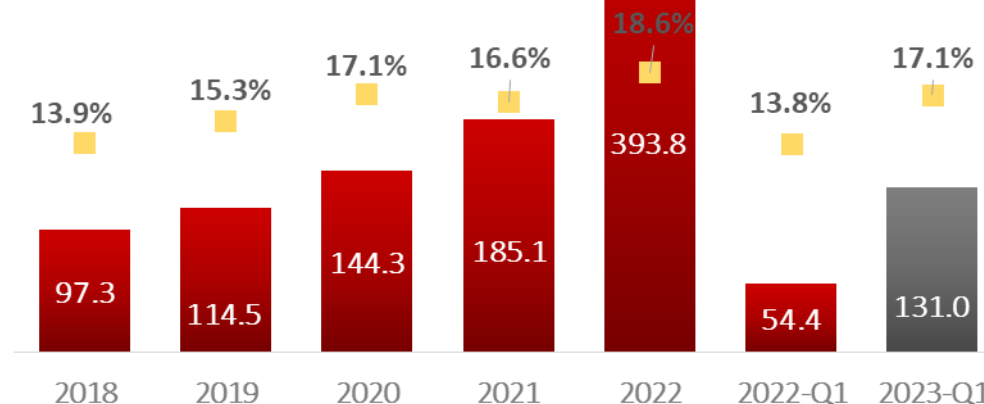
Net Sales

million TL



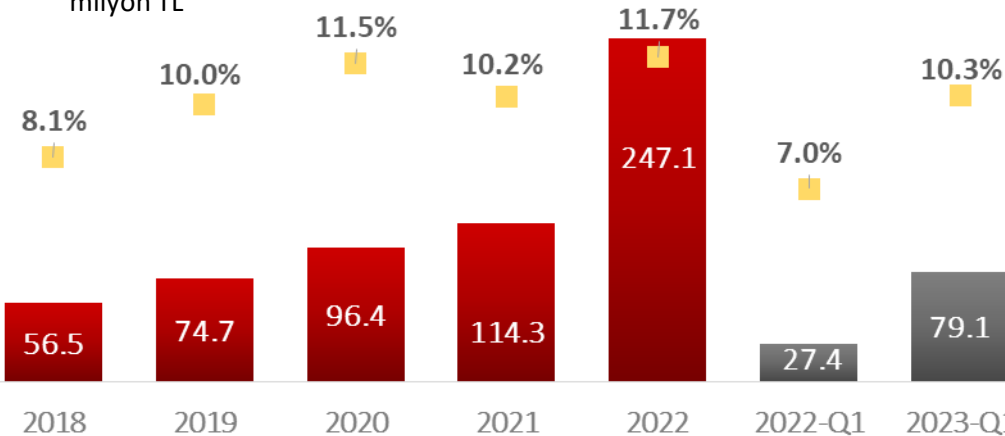
Gross Profit

million TL



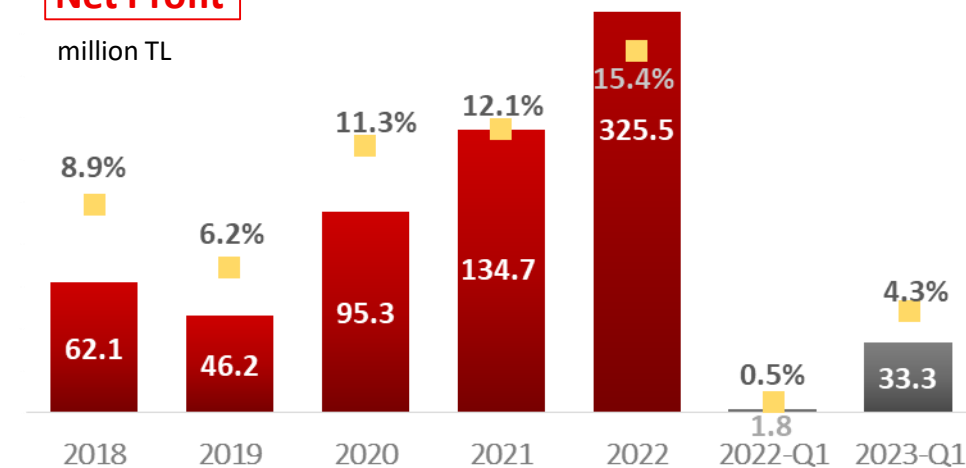
EBITDA

milyon TL



Net Profit

million TL



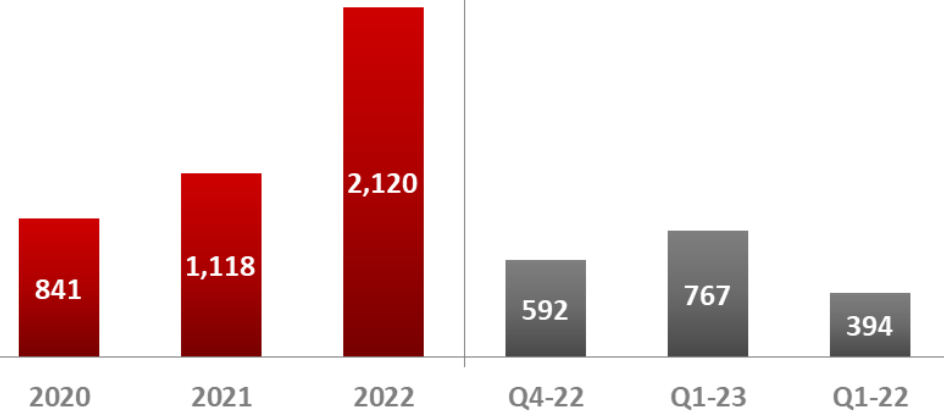
EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income /expenses.

FINANCIAL RESULTS IN 2023-Q1 – SALES AND PROFITABILITY

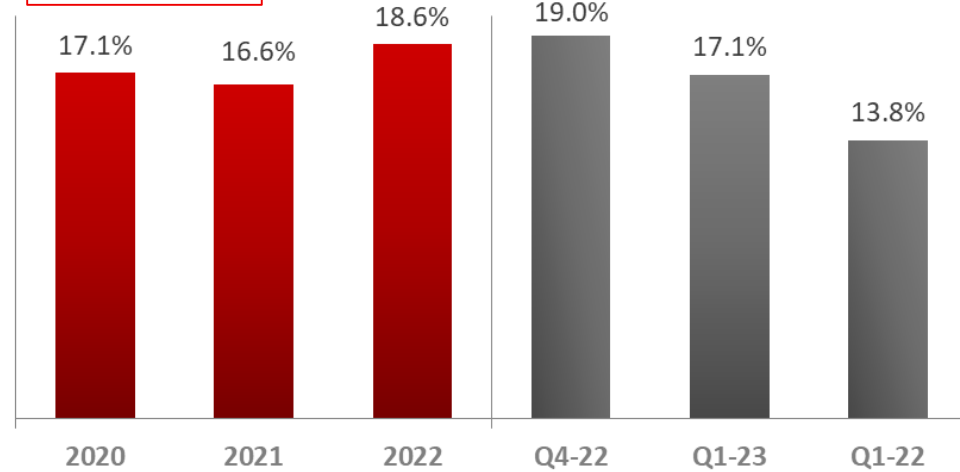


Net Sales

million TL

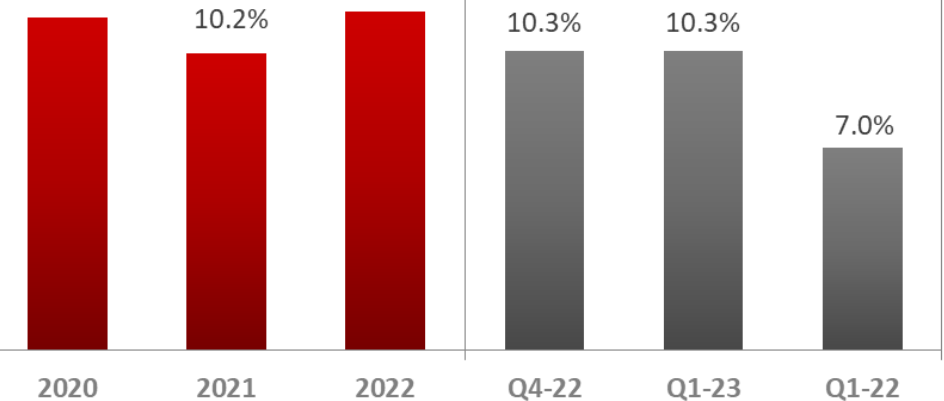


Gross Profit

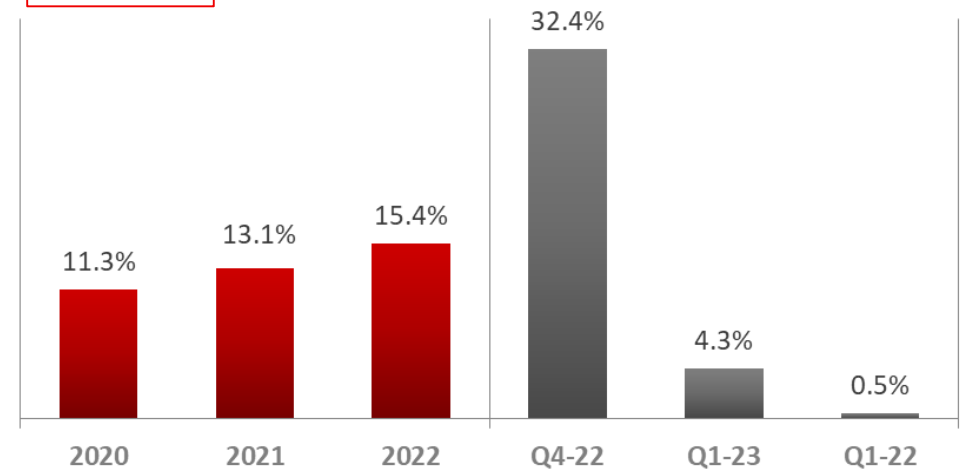


EBITDA

million TL
11.5%



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-Q1



FINANCIAL RATIOS

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/03
Current Ratio	1.65	1.73	1.65	1.36	1.25	1.10
Leverage Ratio	0.24	0.23	0.29	0.29	0.28	0.35
Current Borrowings/Total Borrowings (Fin.)	1.00	0.95	0.16	0.78	0.95	0.95
Net Fin. Borrowings/EBITDA	0.07	- 0.28	0.66	1.09	1.48	1.18
Net Fin. Borrowings/Equity	0.01	- 0.03	0.08	0.10	0.12	0.12
Return on Equity (ROE)(%)	11.77	7.65	13.28	12.20	15.24	17.53

INVESTMENTS

	2018	2019	2020	2021	2022	2023-03
Capital Expenditures	28,9 m TL	10,4 m TL	30,3 m TL	74,0 m TL	44,4 m TL	25,5 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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Investor Relations Department

Phone: +90 232 877 09 00 and +90 232 495 00 00

Fax: +90 232 484 17 89

investorrelations@pinaret.com.tr

