

# PINAR ENTEGRE ET VE UN SAN. A.Ş.

Earnings Presentation, H1 2015



# H1 2015 – Highlights

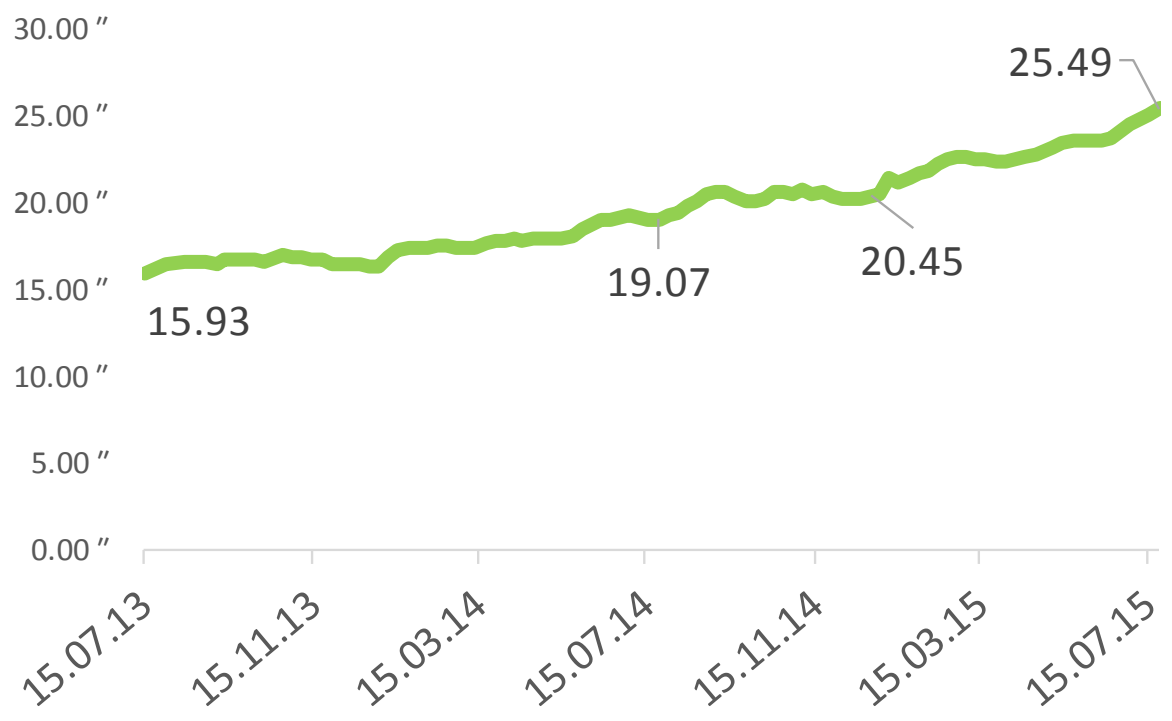
- The total processed meat market grew by 19.6% in H1 2015, YoY. In this period, the market grew by 4.1% in terms of volume.
- Salami and sausages sub segments were the main drivers of growth in the market.
- The penetration and the share of packaged delicatessen continued to increase in H1 2015.
- Pınar Et increased its market share in total delicatessen market in Q2 2015, compared to Q1 2015.
- The year-on-year rise in average beef prices was %27 in H1 2015.

# Market Dynamics

## Meat Prices

### (Beef)

- The year-on-year rise in average beef prices was %27 in H1 2015.
- As of June, the increase was %10 in processed food prices, YoY. (TurkStat)



Source: National Meat Council

## Packaged Delicatessen

	Volume Share		Penetration	
	H1 2014	H1 2015	H1 2014	H1 2015
Packaged Delicatessen	51.4%	57.9%	67.6	74.4
Packaged Delicatessen	48.6%	42.1%	45.7	42.9

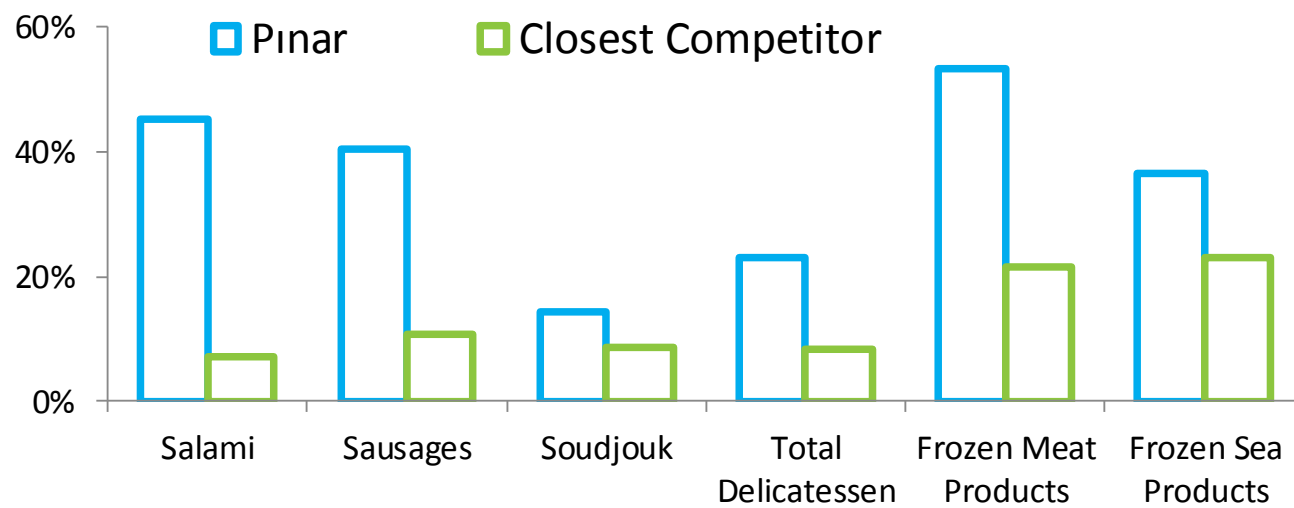
# Ahead of Competitors

Products	Share	Position
<b>Salami</b>	<b>45.2%</b>	<b>#1</b>
<b>Sausages</b>	<b>40.5%</b>	<b>#1</b>
<b>Soudjouk</b>	<b>14.4%</b>	<b>#1</b>
<b>Total Delicatessen</b>	<b>23.0%</b>	<b>#1</b>
<b>Frozen Meat Products</b>	<b>53.2%</b>	<b>#1</b>
<b>Frozen Sea Products</b>	<b>36.6%</b>	<b>#1</b>

- The processed meat market turnover grew by 19.6% in H1 2015, YoY. The volume growth was 4.1%.

Source: Nielsen, H1 2015, Value Share (exc. BIM&A101)

- The Company increased its market share in total delicatessen market in Q2 2015, QoQ.



Source: Nielsen, 2015 1Y, Value Share

# New Products and Packages



- New Products and diversified packaging launches continued in both delicatessen and frozen products categories in H1 2015.

The share of new products\* in net sales is 7%.

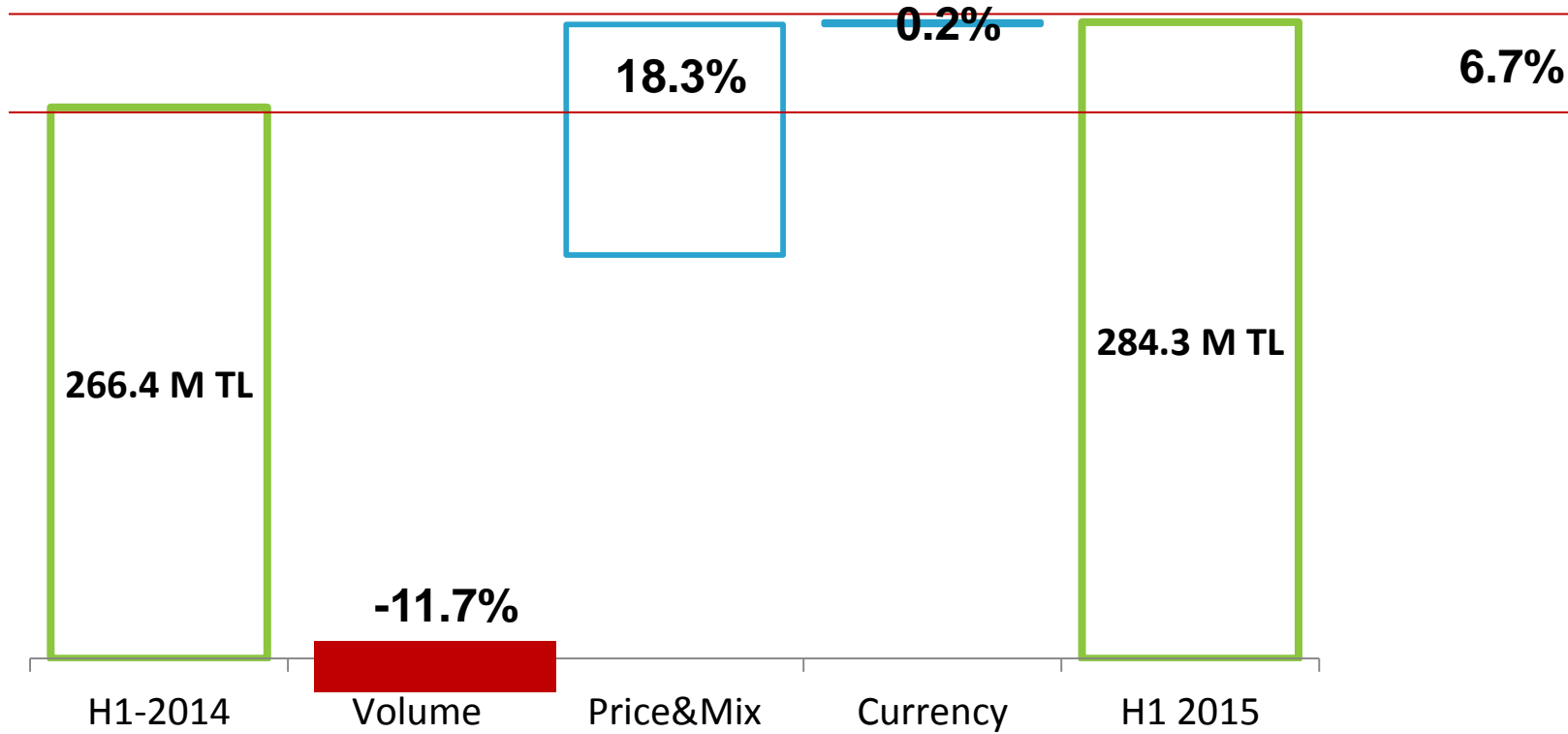


\* The new products and new packages launched since 2012

# Income Statement

(in million TL)	30-Jun-15	30-Jun-14	Difference	% Change
<b>Net Sales</b>	<b>284.3</b>	<b>266.4</b>	<b>18.0</b>	<b>6.7</b>
Cost of goods Sold	(235.2)	(226.5)	(8.7)	3.9
<b>Gross Profit</b>	<b>49.1</b>	<b>39.9</b>	<b>9.2</b>	<b>23.2</b>
R&D Expenses	(0.9)	(0.6)	(0.3)	46.5
Sales, Distribution & Marketing Expenses	(17.4)	(14.1)	(3.3)	23.5
General Administration Expenses	(9.9)	(10.0)	0.0	(0.4)
<b>EBIT</b>	<b>20.9</b>	<b>15.2</b>	<b>5.7</b>	<b>37.3</b>
Share of Results of Investments in Associates	8.9	6.5	2.5	38.4
Other Income	1.3	2.1	(0.8)	(35.9)
Other Expenses	(1.3)	(0.4)	(0.9)	202.1
Financial Income (Net)	1.1	0.9	0.2	25.4
<b>Profit Before tax</b>	<b>31.0</b>	<b>24.3</b>	<b>6.8</b>	<b>27.9</b>
Tax	(3.5)	(3.1)	(0.4)	14.1
<b>Net Profit for the Period</b>	<b>27.5</b>	<b>21.2</b>	<b>6.3</b>	<b>30.0</b>
EBITDA	27.5	21.7	5.9	27.1

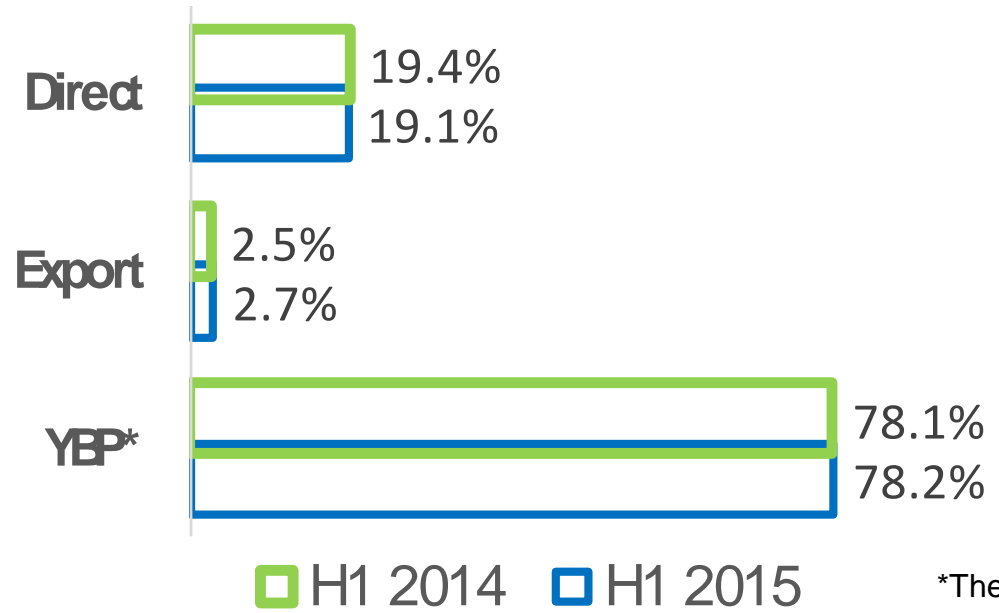
# Growth Analysis



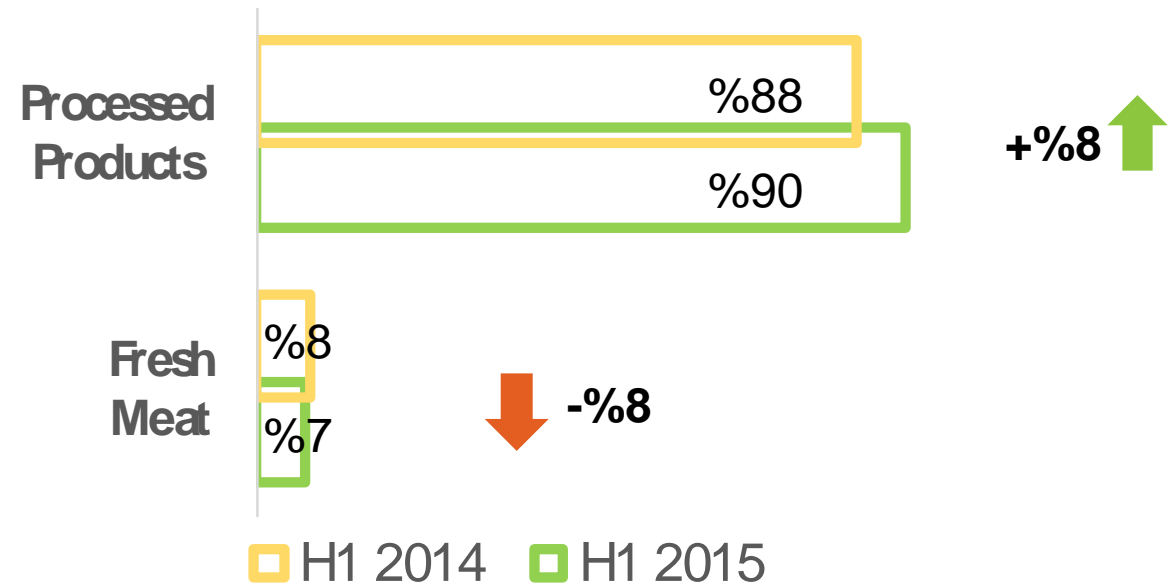
# The Breakdown of the Sales

## Sales Channels

Net Sales



## Product Portfoli

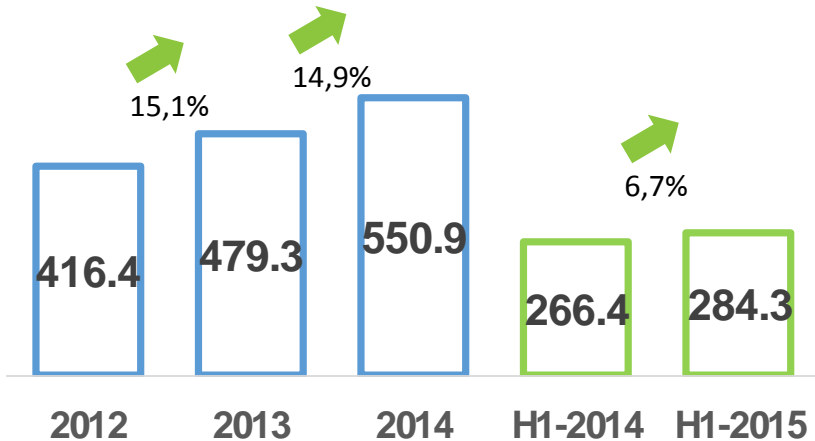


Net Satışlar

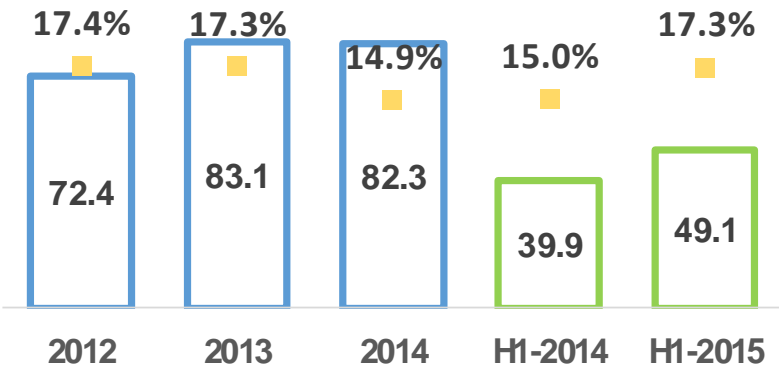


# Sales and Profitability

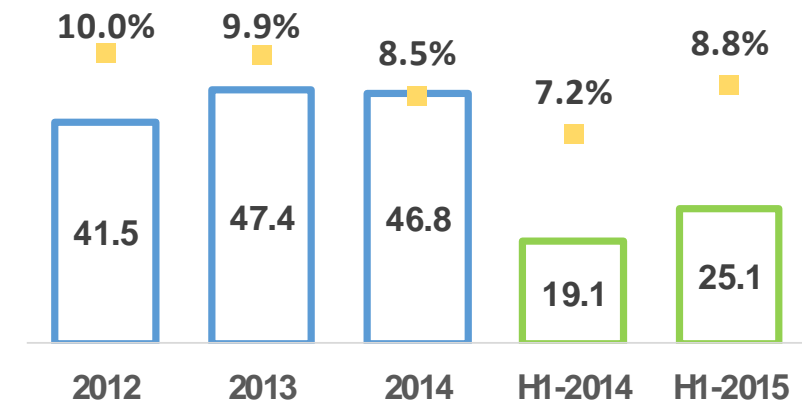
## Net Sales (m TL)



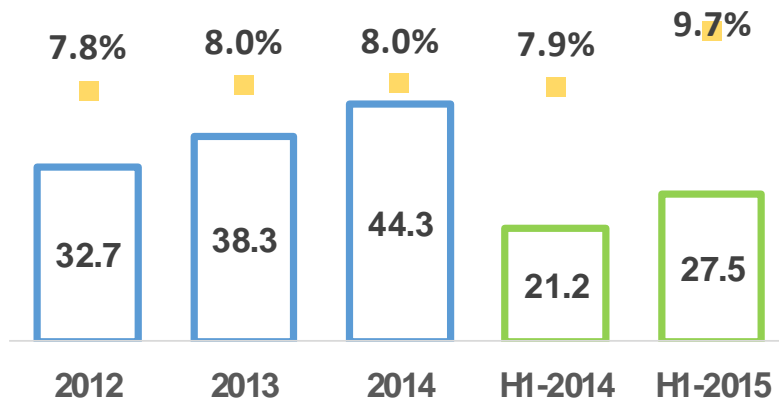
## Gross Profit (m TL)



## EBITDA\* (m TL)



## Net Profit (m TL)

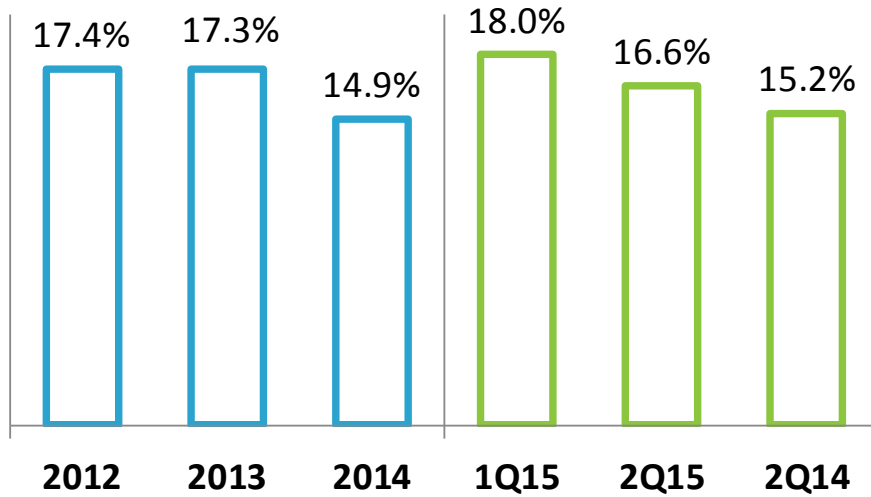


■ Margins

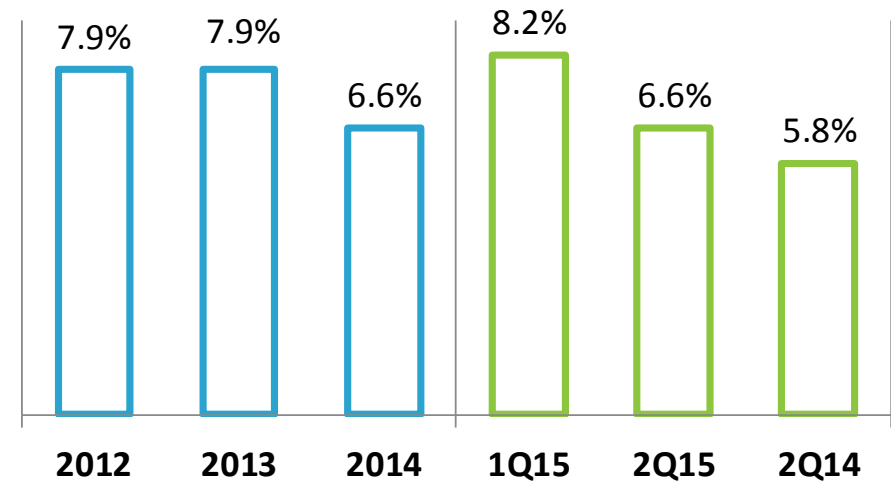
\*Excluding other income and expenditures \*\*Earnings before interest, tax, depreciation and amortization

# Profit Margins

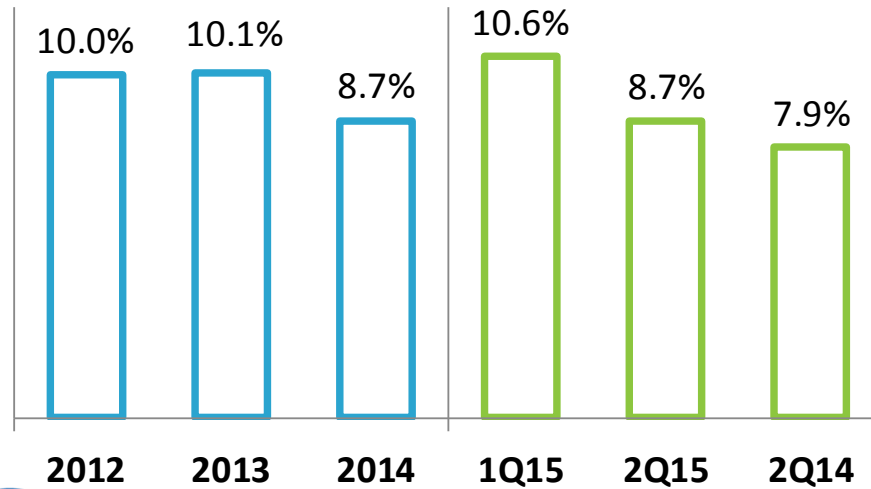
## Gross Profit



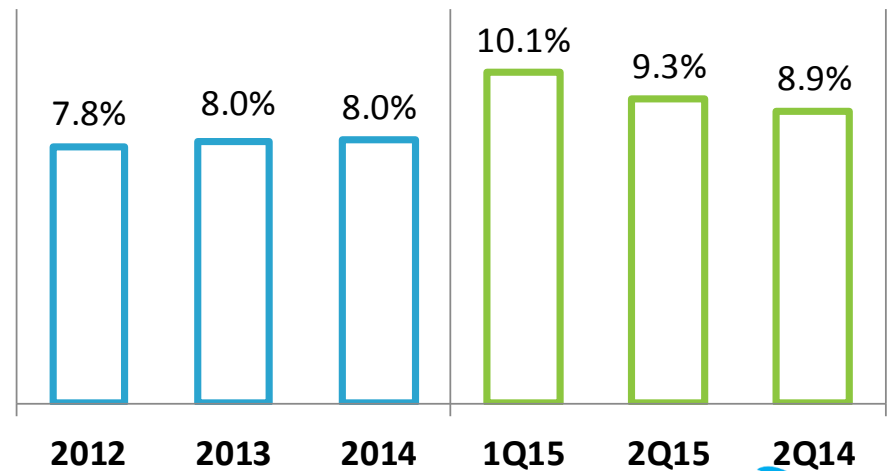
## EBIT\*



## EBITDA\*\*



## Net Profit



# Financial Ratios

## Balance Sheet Ratios

- Focus on risk management
- Effective working capital management
- Strong balance sheet and liquidity management

	2012/12	2013/12	2014/12	2015/03	2015/06
Current Ratio	1.86	1.70	1.47	1.23	1.33
Leverage Ratio	0.23	0.25	0.23	0.30	0.28
Current Borrowings/Total Borrowings	1.00	1.00	1.00	1.00	0.10
Net Borrowings/ EBITDA	0.28	- 0.27	- 0.02	- 0.15	0.12
Total Borrowings/ Equity	0.04	0.002	0.002	0.004	0.047
Return on Equity	10.43%	11.79%	13.07%	15.37%	15.18%

	H1 2014	H1 2015	
Cash from Operations	9.2 m TL	28.5 m TL	<b>+ 209%</b>

## Working Capital

	2013/12	2014/12	2015/03	2015/06
Working Capital /Net Sales	7.2%	6.1%	6.2%	5.2%

## Capital expenditures

	2012	2013	2014	H1 2015
Capital Expenditures	10.7 m TL	23.4 m TL	20.5 m TL	6.6 m TL

# Strategies

- An effective inventory management,
- A product portfolio targeting needs of various segments
- A wide spread distribution
- An efficient utilization of social media
- Developments in “Away from Home” market
- Continuing marketing investment
- Growing beyond the market in strategic segments

# Ownership & Participation Structure & Auditors

## Ownership Structure

Yaşar Holding	54%
Pınar Süt	13%
Others	33%

## Participations

Participation	Share in Capital
Yaşar Birleşik Pazarlama	42.8%
Bintur	1.3%
Desa Enerji	26.4%
Çamlı Yem	23.4%
Yaşar Dış Ticaret	1.8%
Pınar Foods	44.9%

## Auditors

### Financial Affairs

Nexia

Ernst&Young

### Production

SAI Global

TSE

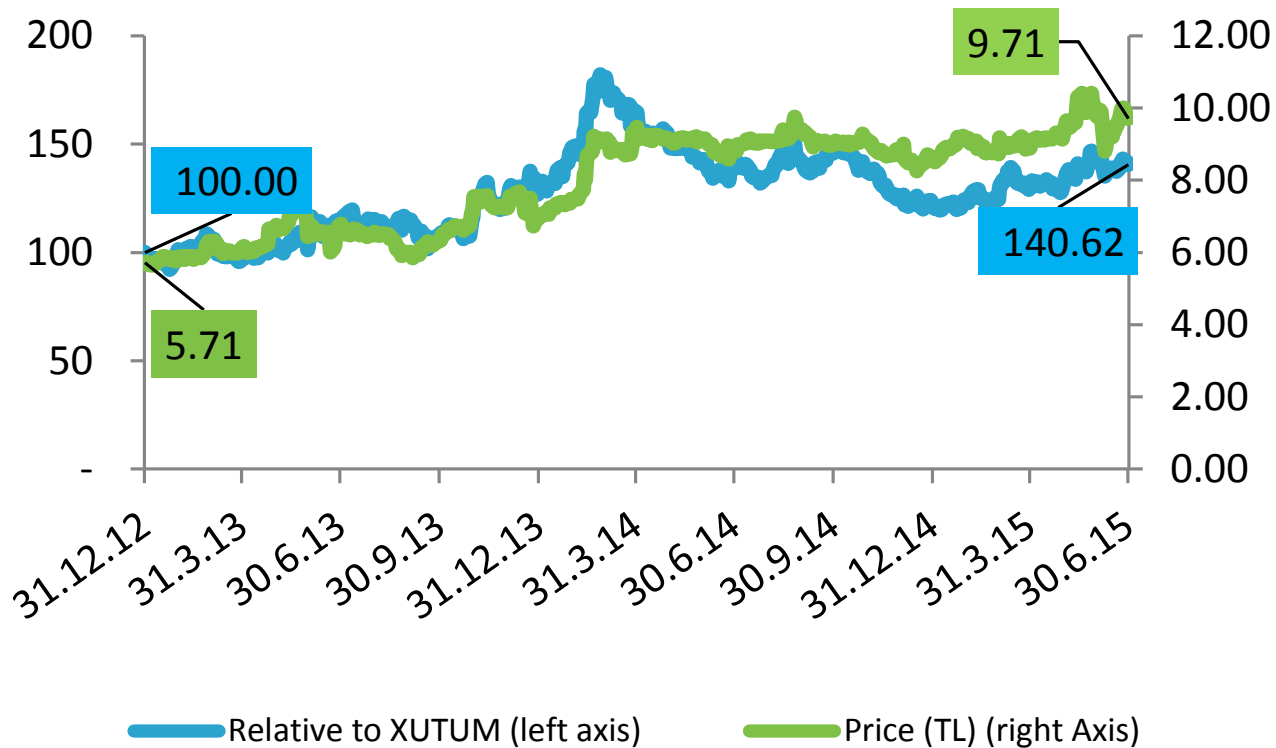
Alberk QA

Intertek

### Corporate Governance

Saha Rating

# Stock Performance



Corporate Governance Rating :

**9,11**

Borsa İstanbul Ticker Symbol:

**PETUN**

Date of Listing :

**03.02.1986**

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# Thank you

