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According to Nielsen, processed meat shrank by 1% in terms of volume. The market is comprised of salami (32%), sausages (22%) and soudjouk (42%). In 2015, the main drivers of growth were sausages and salami. **[Slide 1]**

One of the main factors affecting our market is raw material prices, which has continued to rise in 2015. This surge has also led to a higher than expected inflation. And the authority, has permitted livestock imports in order to cease the upward trend in raw meat prices and to lead them to a more reasonable point. As the leader of packaged delicatessen market, we think that the trend towards packaged delicatessen products creates a huge growth potential. The share of packaged delicatessen rose yoy in parallel with the rise of packaged charcuterie to 90.8%. **[Slide 2]**

As a result of our observations of the market, we have continued to dominate the market by diversifying our product range with small packaged products. When you look at the market shares, you see that total processed meat market has grown by 13% in terms of value yoy, in 2015. Our company, has a share of 23.7% in this market. **[Slide 3]**

Also in 2015, we have continued to launch new products and diversified packages, in both delicatessen and frozen products categories. The share of new products is 10% in 2015. **[Slide 4]**

When we analyze our income statement, we see that our net sales rose by 7.3% yoy. We have attained a profitability higher than that of 2014 by heading towards value added products, even though raw meat prices increased. Our gross profit figure grew by 20.5%, and our operating profit reached 47.5 mn TL. **[Slide 5]**

The growth analysis demonstrates that, this year the growth in terms of volume was negative and the growth was derived from price and product mix. The decline in terms of volume, stemmed from the products with lower added value. **[Slide 6]**

20% of our sales is performed directly, 77.4% via our group company YBP and the remaining 2.7% is export sales. Share of processed and frozen meat products within our product range has augmented by 1%. **[Slide 7]**

The compound annual growth of our company, during 2011-2015 is 9% and our sales reached 591 mn TL, with an increase of 7.3%. Net profit grew to 66 mn TL, with an increase of 22 mn TL. You can see that all profitability parameters are higher than those of 2014. The correct product portfolio and operational improvements made towards the end of the year 2014, have reflected their benefits on 2015 financials. **[Slide 8]**

The reason behind the increase in our profitability from 3Q to 4Q, is the appreciation of the investment property of YBP. **[Slide 9]**

Our company has a solid balance sheet structure. We used almost 10% of our revenue as working capital. **[Slide 10]**

In 2016, we predict that, the authority will bring the raw meat prices to a more reasonable level and this will positively affect the shrinking market and lead it to growth. And we will continue to grow parallel with the market.

Q&A

Meat import

The authorized regulatory body for meat import is Meat and Milk Board. Ministry, together with this Board are trying to take measures to decrease the prices. One of these measures is diminishing import tax rates for livestock animals. As a company our basic concern is the development of domestic husbandry. We are expecting certain changes in some practices.

Sales to IKEA

IKEA sales comprises a very small portion of our sales , like 1%. Our main target is branded product market.

Profit margins

Each sector in Turkey is sensitive in terms of preserving margins. Maintaining our profit margins is our priority and core subject. However in Turkey, for the last 2 years, both milk and meat markets have ceased to grow and this was a bigger threat than keeping margins. Growth of the markets has a higher importance for us. The consumption of packaged milk and meat should continue. Even though the market stayed flat, we kept our market shares and our profitability.

Investment Plans

Debottlenecking investments in all our group companies are continuing. Economic stagnation, political and strategic conditions, force us to make more careful decisions and we will behave similarly. We will realize most of the required investments.

The reason behind increase in stocks

Pinar Et has commenced stock farming in Ören. It is projected to supply 3-5% of our total requirement. Since livestock fattening is a long-term business, it has led to an increase of 5.5 mn TL in our stocks. 6.7 mn of the stocks in 2015 financials comes from livestock. Besides, the increase in raw material prices by 20% also affected stocks. If raw meat prices continue to rise, are stocks will be affected similarly.

Çamlı Yem

Çamlı Yem operates in a couple of segments. One of them is dairy cattle feed and the other is fish feed production. It uses its fish feed in its own fish farms. This is also a growing segment, together with diminishing fishes in seas. Its export and domestic consumption are both increasing. So Çamlı Yem is positively affected from these dynamics. Besides, feed sector continues to grow with the growth of husbandry and dairy sectors. Çamlı Yem, on the other hand provides turkeys for Pınar Et and its production increases as Pınar Et's market shares are growing. Hence Çamlı Yem's financials are getting better and it's an affirmative progress for Çamlı Yem's shareholders, like Pınar Et.