



# PINAR ENTEGRE ET VE UN SAN. A.Ş.

## 2016 Earnings Presentation



## Processed Meat Market\*

- In 2016, market turnover grew by 5.8% and its volume increased 1.5%, YoY.
- Market consisted of:
  - 32% salami
  - 20% sausage
  - 43% soudjouk

(\*Nielsen,BiM excl.)

## Consumer Price Index

- Annual consumer price index (CPI) 8.53%
- While food inflation remained moderate until November, it showed an increase in December due to depreciation in TL and adverse weather conditions. However, with the waning tourism demand and the effect of the measures taken, the year ended with 5.65%.

Source: CBRT

## Red Meat Prices

- The red meat prices began the year in steady conditions then followed an upward trend through the year. The prices completed the year in a moderate range thanks to the measures taken in the Q4-2016.
- Meat and Milk Board received an import-permission with zero import tax of 500 thousand animals for livestocking and butchery.
- Import tax of livestocking was decreased from 60% to 10% for private sector.

## 2016 Financial Summary

- 7.9% turnover growth, 2.1% volume growth
- 637.5 million TL Net sales
- 68.0 million TL EBITDA
- 10.7% EBITDA Margin
- 59,7 million TL Net profit

# 2016 | Market Dynamics

## Meat Prices

- The increase in red meat prices were moderate in the last quarter with the help of the measures taken. Source: CBRT

## Meat Production and Number of Animals in Turkey

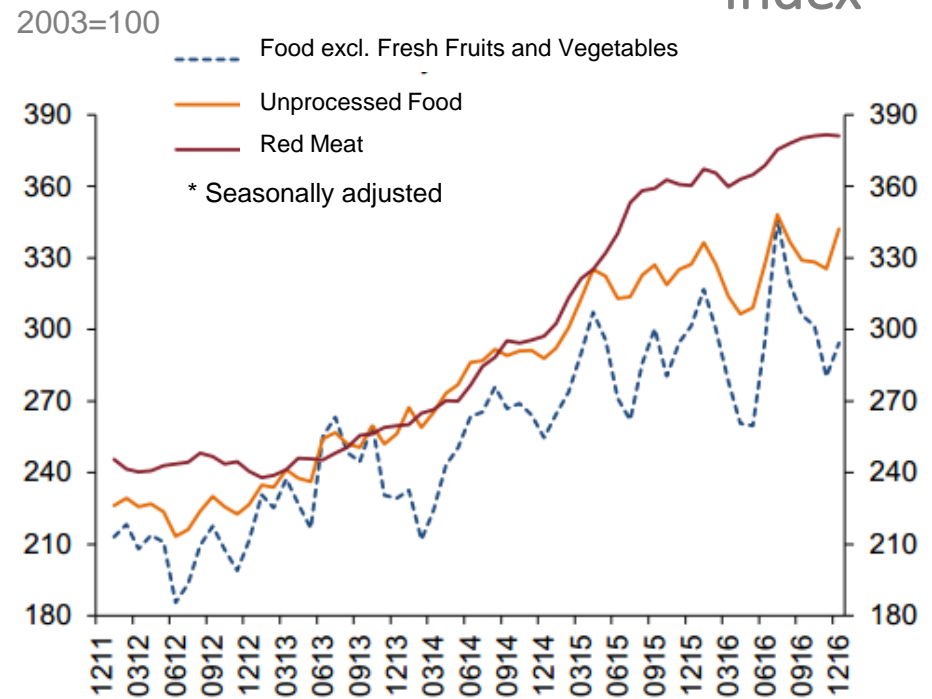
- Total red meat production rose by 2.1% and reached 1.2 million tones in 2016. Total production including white meat is 3.1 million tones.

Source: TSI

	Ovine	Bovine	Total	Growth
2014	41.5 m	14.2 m	55.7 m	
2015	41.9 m	14.0 m	55.9 m	+0.4%
2016	41.3 m	14.1 m	55.4 m	-0.9%

Source: TSI, millions

## Unprocessed Food Prices Index



Source: TSI,CBRT

## New trends in meat products:

- Detailed labels on products
- Reducing of oil and salt
- Increase of small portion products



# 2016 | Market

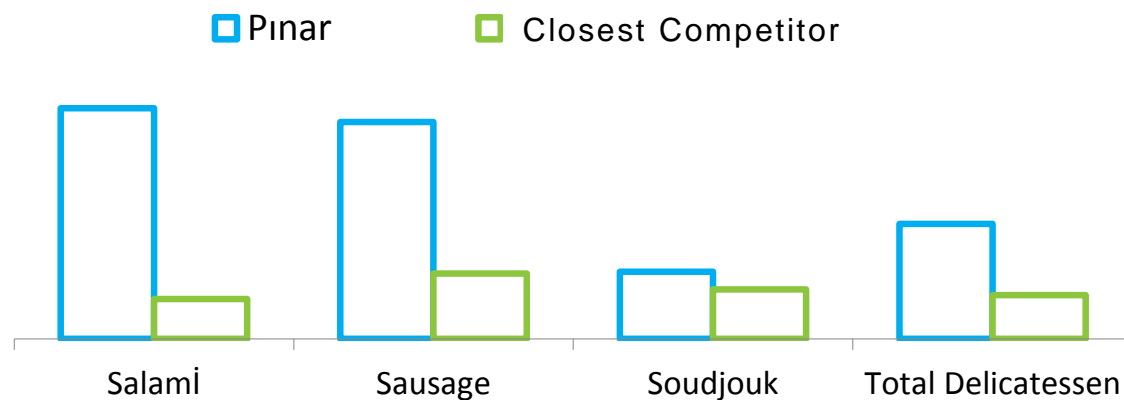
Products	Share	Position
Salami	42.5%	#1
Sausage	40.0%	#1
Soudjouk	12.4%	#1
Total Delicatessen	21.2%	#1

Source: Nielsen, 2016 12M, Value Share (BIM excl.)

- Total processed meat market grew by 5.8% in terms of value and its volume increased by 1.5% in 2016 compared to the same period of the previous year.

Source: Nielsen (2016-12M, BIM excl.)

- The company has a market share of 21.2% in total delicatessen market which is about 2 fold than closest competitor.



Source: Nielsen, 2016 12M, Value Share (BIM excl.)

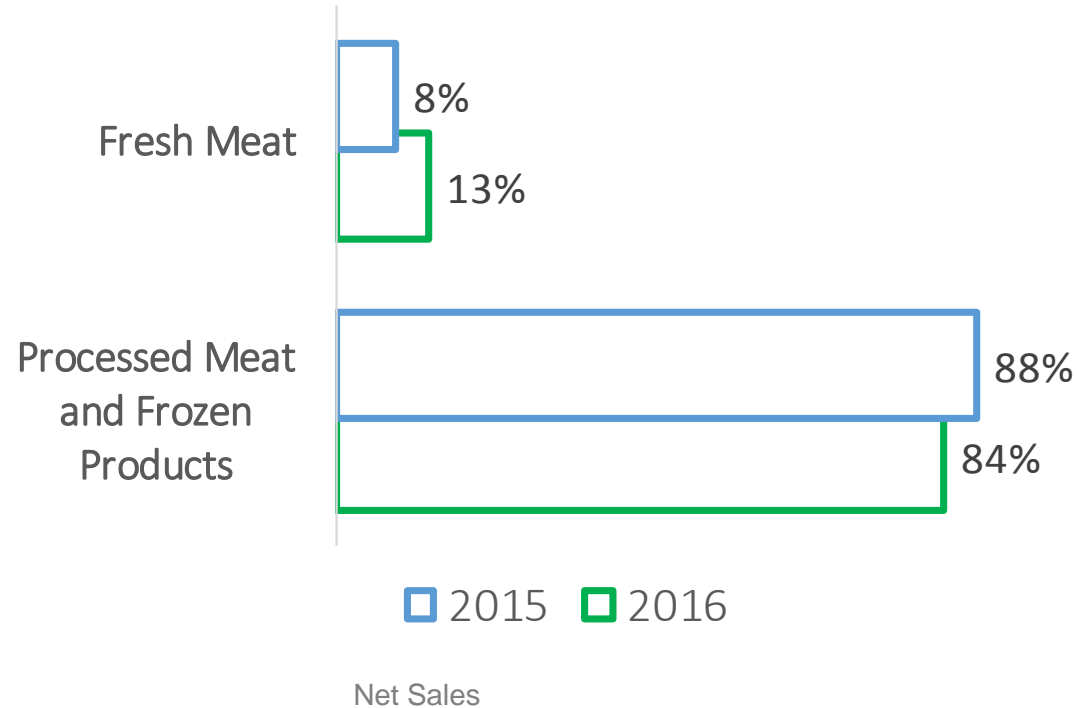
# 2016 | New Products and Packages



- New product launches continued in both delicatessen and frozen categories.

# 2016 | Sales Breakdown

## Product Portfolio

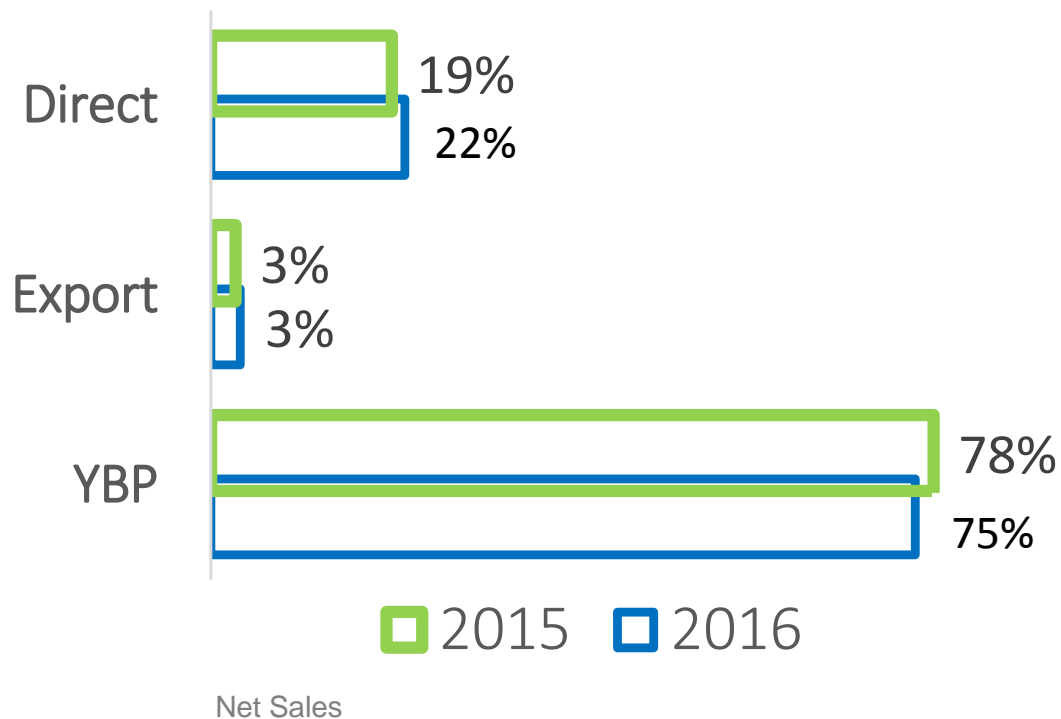


- In 2016, the turnover grew by 7.9%, and the volume increased by 2.1%, YoY.



# 2016 | Sales Breakdown

## Sales Channels



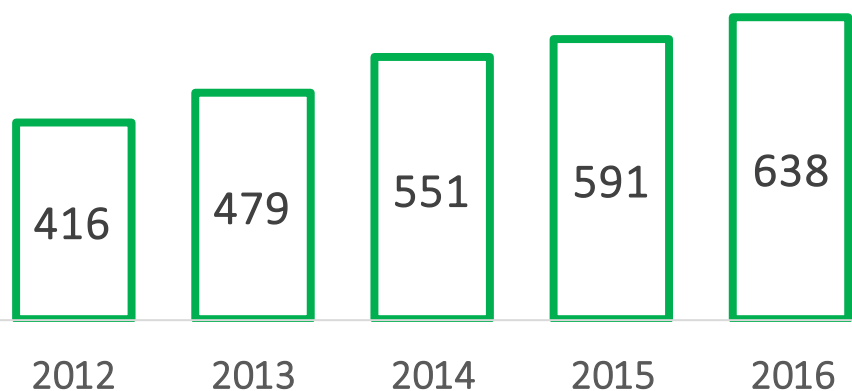
# 2016 | Income Statement

(Million TL)	12/31/2016	31.12.2015	Difference	% Change
<b>Net Sales</b>	<b>637.5</b>	<b>591.1</b>	<b>46.5</b>	<b>7.9</b>
Cost of Goods Sold	(531.3)	(492.0)	(39.3)	8.0
<b>Gross Profit</b>	<b>106.2</b>	<b>99.1</b>	<b>7.1</b>	<b>7.2</b>
R&D Expenses	(1.7)	(1.9)	0.2	(12.7)
Sales Distribution and Marketing Expenses	(30.6)	(30.1)	(0.5)	1.7
General Administration Expenses	(21.9)	(19.5)	(2.4)	12.0
<b>EBIT</b>	<b>52.0</b>	<b>47.5</b>	<b>4.5</b>	<b>9.4</b>
Share of results of investment in associates	14.3	25.3	(11.0)	(43.4)
Other Expenses (Net)	0.7	0.4	0.3	68.2
Financial Income (Net)	1.9	2.1	(0.2)	(9.3)
<b>Profit Before Tax</b>	<b>68.9</b>	<b>75.4</b>	<b>(6.4)</b>	<b>(8.5)</b>
Tax	(9.3)	(8.9)	(0.4)	4.5
<b>Net Profit for the Period</b>	<b>59.7</b>	<b>66.5</b>	<b>(6.8)</b>	<b>(10.2)</b>
EBITDA	68.0	61.3	6.6	10.8
<b>Total Assets</b>	<b>547.0</b>	<b>521.3</b>	<b>25.6</b>	<b>4.9</b>
Equity	418.9	406.2	12.7	3.1

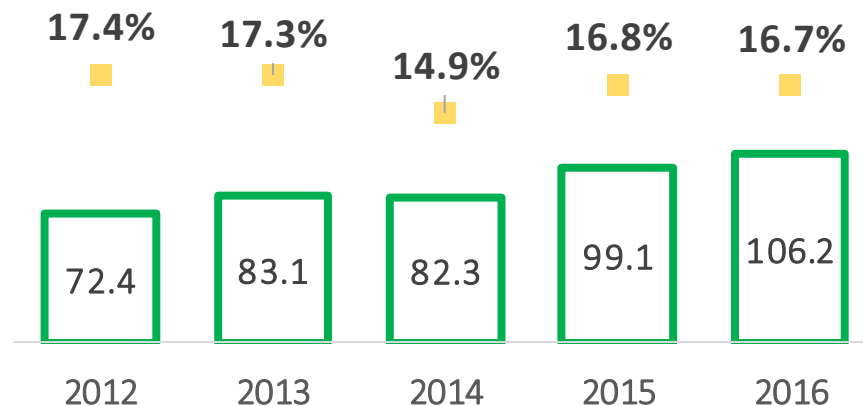


# 2016 | Sales and Profitability

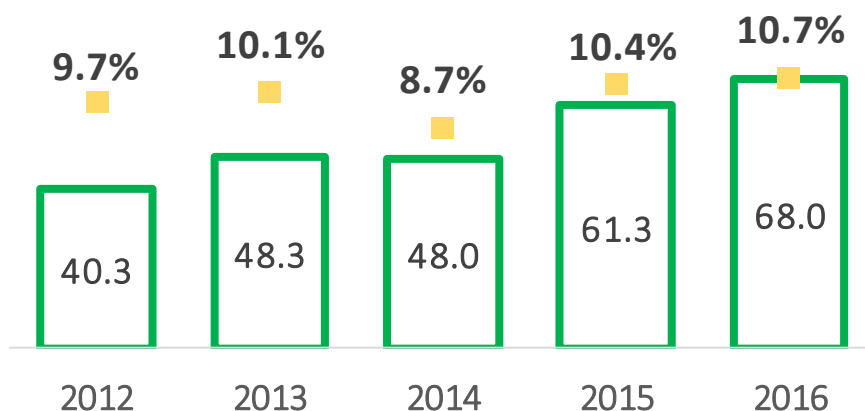
## Net Sales (m TL)



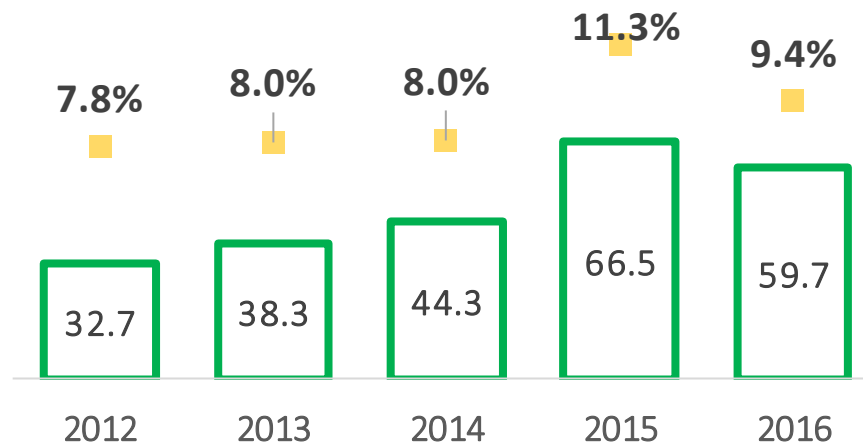
## Gross Profit (m TL)



## EBITDA\* (m TL)



## Net Profit (m TL)

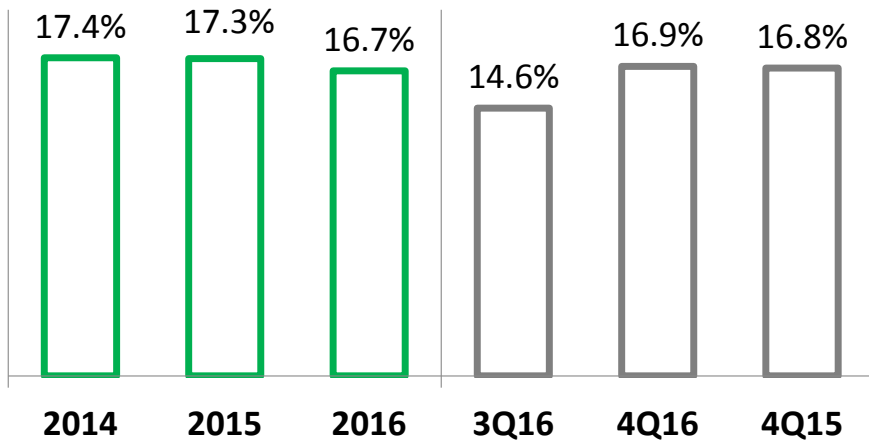


■ Profit margin

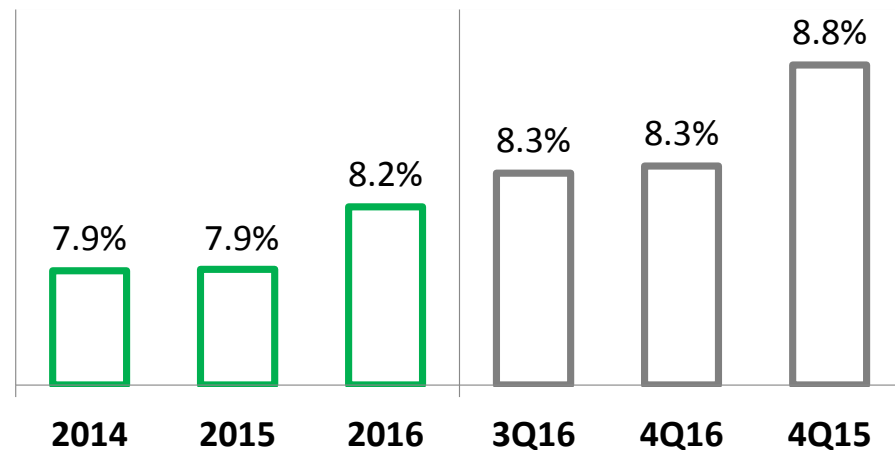
\* Earnings before interest, tax, depreciation and amortization (Excl. other income and expenditures)

# 2016 | Profit Margins

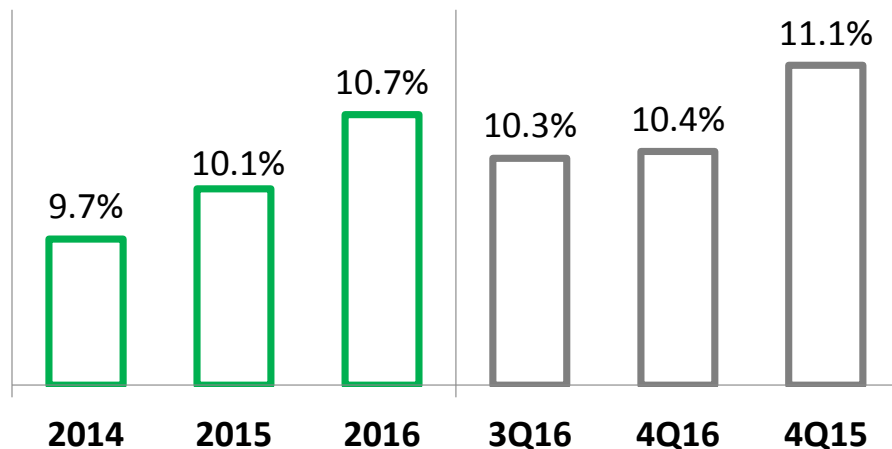
## Gross Profit



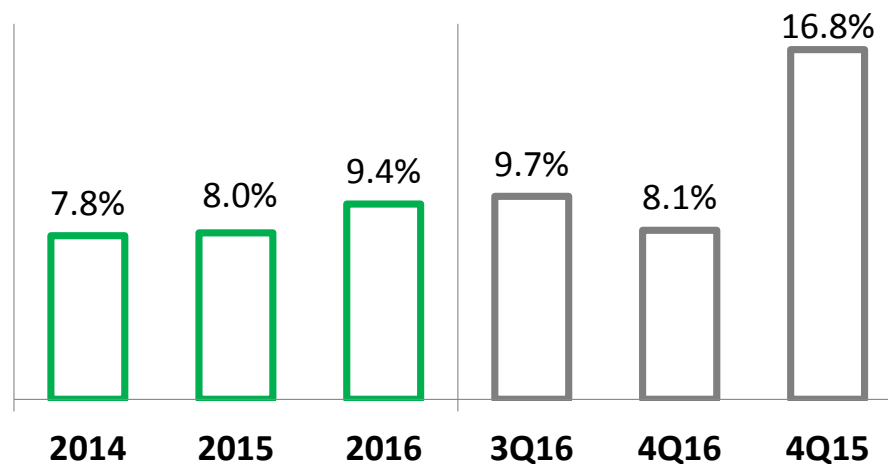
## EBIT



## EBITDA\*



## Net Profit



\* Earnings before interest, tax, depreciation and amortization (Excl. other income and expenditures)

# 2016 | Ratios

## Balance Sheet Ratios

	2012/12	2013/12	2014/12	2015/12	2016/09
Current Ratio	1.86	1.70	1.47	1.65	1.49
Leverage Ratio	0.23	0.25	0.23	0.22	0.26
Current Borrowings/Total I	1.00	1.00	1.00	1.00	1.00
Net Borrowings/EBITDA	0.29 -	0.28 -	0.02	0.02 -	0.05
Net Borrowings/Equity	0.04 -	0.04 -	0.00	0.00 -	0.01
Return on Equity (ROE)	10.43%	11.79%	13.07%	17.72%	18.60%

## Investments

	2013	2014	2015	2016
Capex Expenditures	23.4 m TL	20.5 m TL	14.7 m TL	16.0 m TL

# Ownership | Participations | Auditors

## Ownership Structure

Yaşar Holding A.Ş.	54%
Pınar Süt	13%
Free Float	33%

## Participations

	Share in Capital %
Yaşar Birleşik Pazarlama A.Ş.	42.8
Bintur Catering A.Ş.	1.3
Desa Enerji A.Ş.	26.4
Çamlı Yem A.Ş.	23.4
Yaşar Dış Ticaret A.Ş.	1.8
Pınar Foods GmbH	44.9

## Auditors

### Financial Affairs

Price Waterhouse Coopers  
Ernst&Young

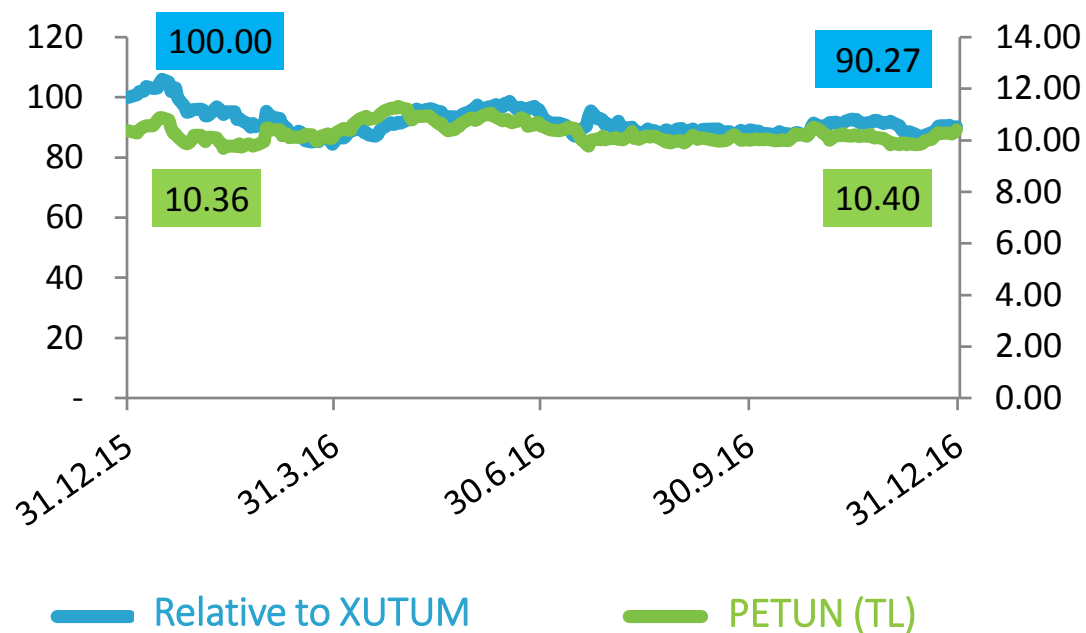
### Production

TSE  
SAI Global  
Intertek  
Tübitak  
Kalite Sistem Group

### Corporate Governance

Saha Rating

# Stock Performance



(TL)

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Corporate Governance Rating:	9.26
Borsa İstanbul Ticker Symbol:	PETUN
Date of Listing:	1986-02-03

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# Thank You.

