

# PINAR ENTEGRE ET VE UN SAN. A.Ş.

Earnings Presentation, H1 2016



# H1 2016 | Highlights

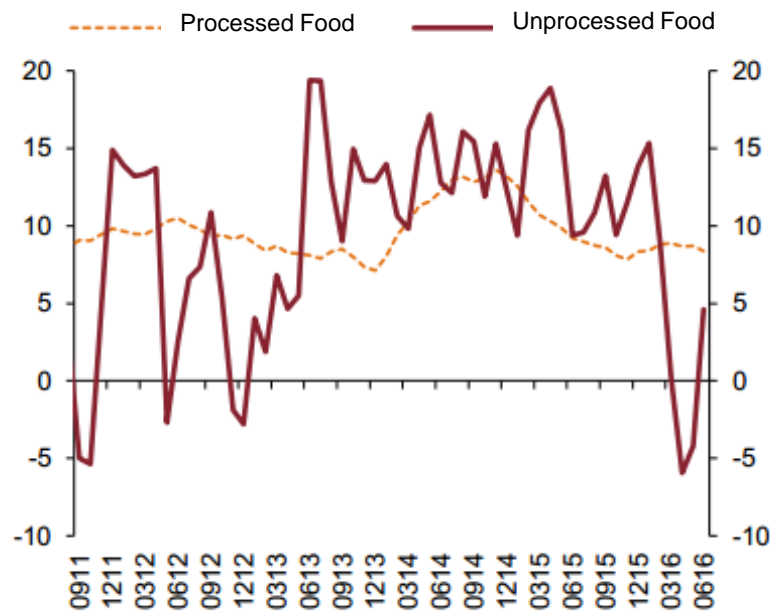
- In the first half of 2016, the processed meat market turnover grew by 0.3%, but its volume decreased by 6.2%, YoY. (Nielsen)
- In the first half of 2016, the processed meat market consisted of 31% salami, 17% sausage and 45% soudjouk in terms of volume. (Nielsen)
- The red meat prices remained relatively stable in the first quarter thanks to Meat and Milk Organization supported the domestic supply, prices increased by 2.48% in the second quarter of the year. (CBRT)
- In the first half of 2016, the company realized 310.8 m TL net sales, and acquired 33.3 m TL EBITDA and 30.5 m TL net profit.

# H1 2016 | Market Dynamics

## Meat Prices

- Red meat prices which showed an increase between 2013 and 2015, remained relatively stable in the first quarter of 2016, then they increased by 2.48% in the second quarter. (CBRT)

## Food Prices (Annual Pct. Change)



Source: TSI, CBRT

- After sharp decrease in the unprocessed food inflation in the first quarter of 2016, it increased while the processed food inflation was decreasing slightly in the second quarter of 2016.

## Meat Production and Number of Animals in Turkey

	Ovine	Bovine	Total	Growth
2013	38.5 m	14.5 m	53.0 m	
2014	41.5 m	14.3 m	55.8 m	+5.3%
2015	41.9 m	14.1 m	56.1 m	+0.4%

Source: TSI

## Packaged Delicatessen

	Volume Share	Penetration
2013	49.0%	78.0
2014	54.2%	79.9
2015	59.4%	83.8

Source: IPSOS

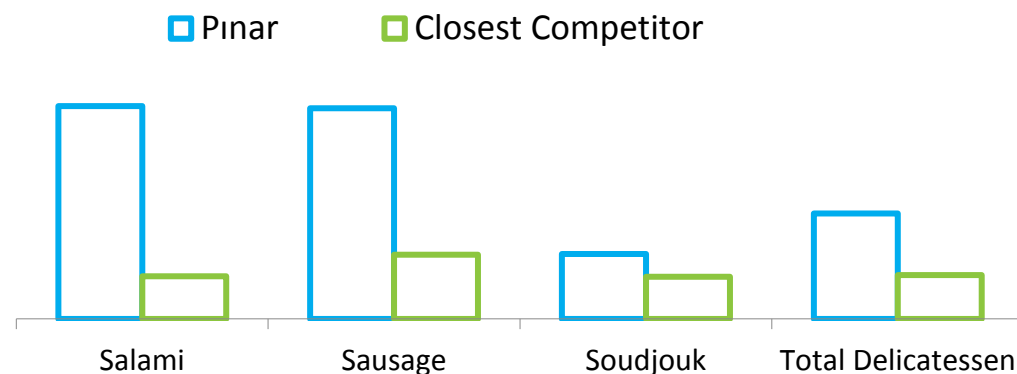
# H1 2016 | Market

Products	Share	Position
<b>Salami</b>	<b>42.6%</b>	<b>#1</b>
<b>Sausage</b>	<b>42.2%</b>	<b>#1</b>
<b>Soudjouk</b>	<b>13.0%</b>	<b>#1</b>
<b>Total Delicatessen</b>	<b>21.1%</b>	<b>#1</b>

Source: Nielsen, 2016 H1, Value Share  
(BIM&A101 excl.)

- The company has a market share of 21.1 % in total delicatessen market which is about 2 fold than nearest competitor.

- In the first half of 2016, total processed meat market showed a growth of 0.3% in terms of value while a 0.1% contraction seen in terms of volume, YoY. (BIM&A101 excl., Nielsen)



Source: Nielsen, 2016 H1, Value Share (BIM&A101 excl.)

# New Products and Packages



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

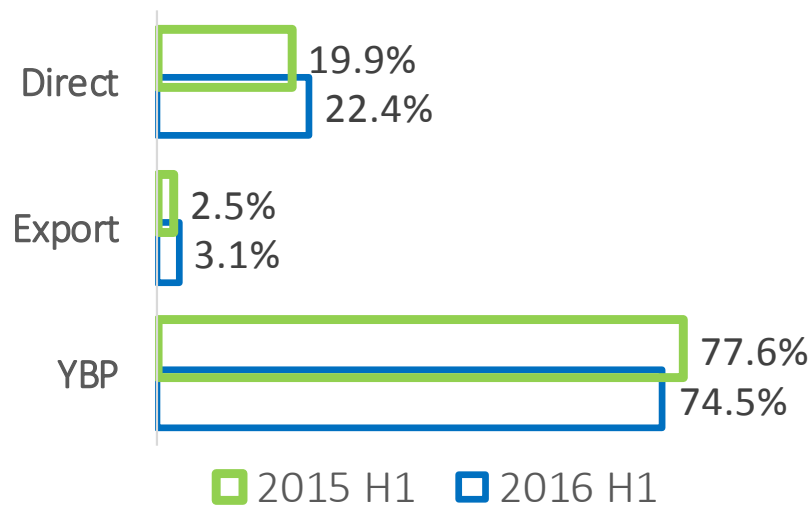
# H1 2016 | Income Statement

(Million TL)	30.06.2016	30.06.2015	Difference	% Change
<b>Net Sales</b>	<b>310.8</b>	<b>284.3</b>	<b>26.4</b>	<b>9.3</b>
Cost of goods sold	(256.0)	(235.2)	(20.8)	8.8
<b>Gross Profit</b>	<b>54.8</b>	<b>49.1</b>	<b>5.7</b>	<b>11.5</b>
R&D Expenses	(0.9)	(0.9)	(0.0)	2.0
Sales, Distribution and Marketing Expenses	(17.7)	(17.4)	(0.3)	1.7
General Administration Expenses	(11.4)	(9.9)	(1.4)	14.5
<b>EBIT</b>	<b>24.8</b>	<b>20.9</b>	<b>3.9</b>	<b>18.7</b>
Share of results of investment in associates	8.8	8.9	(0.1)	(1.1)
Other Expenses (Net)	1.1	0.1	1.0	2,036.5
Financial Income (Net)	0.8	1.1	(0.3)	(24.1)
<b>Profit Before Tax</b>	<b>35.6</b>	<b>31.0</b>	<b>4.6</b>	<b>14.7</b>
Tax	(5.1)	(3.5)	(1.6)	44.6
<b>Net Profit for the Period</b>	<b>30.5</b>	<b>27.5</b>	<b>3.0</b>	<b>10.9</b>
EBITDA	33.3	28.4	4.9	17.4
<b>Total Assets</b>	<b>541.9</b>	<b>476.1</b>	<b>65.8</b>	<b>13.8</b>
Equity	389.7	345.0	44.7	13.0

# H1 2016 | Sales Breakdown

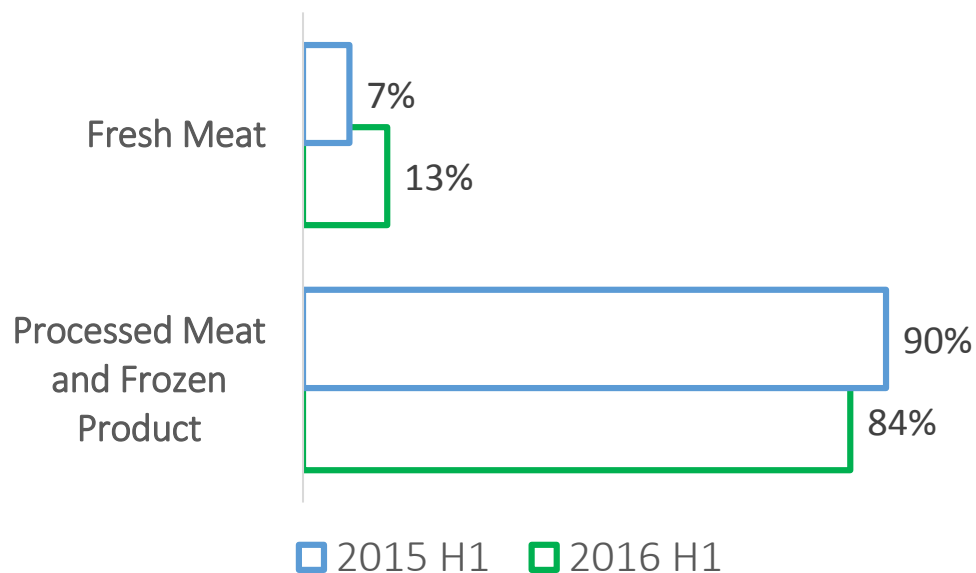
## Sales Channels

Net Sales



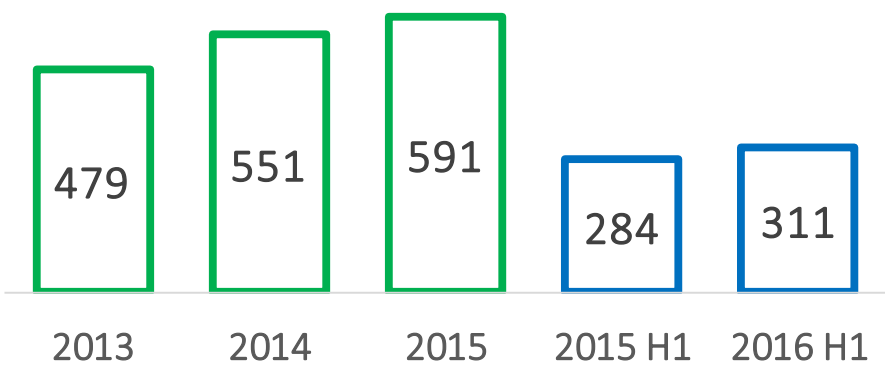
## Product Portfolio

Net Sales

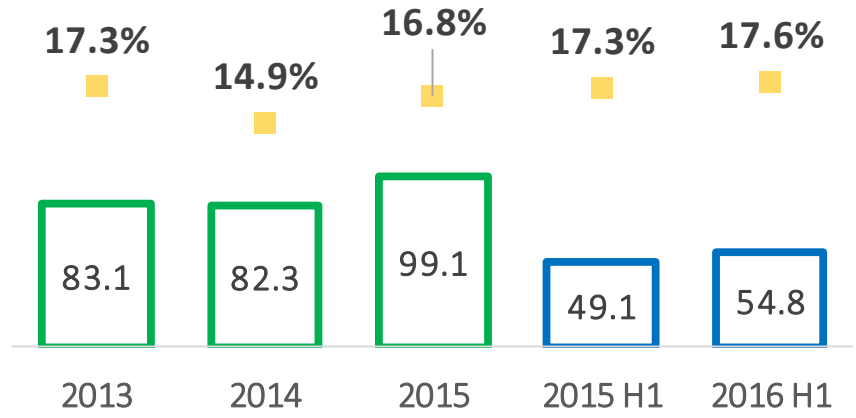


# H1 2016 | Sales and Profitability

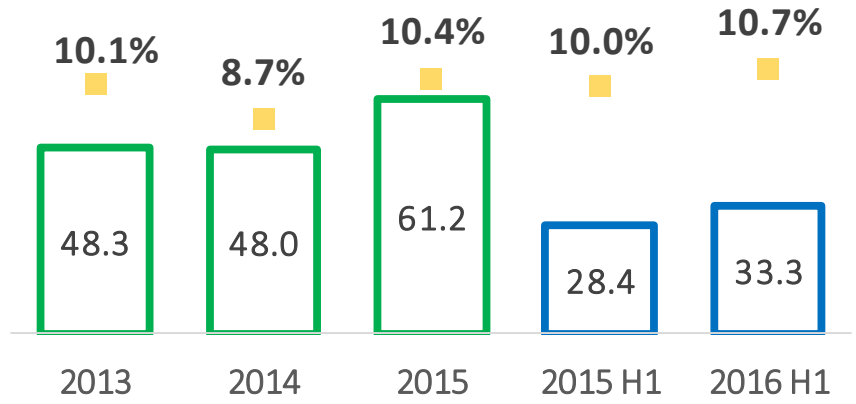
## Net Sales (m TL)



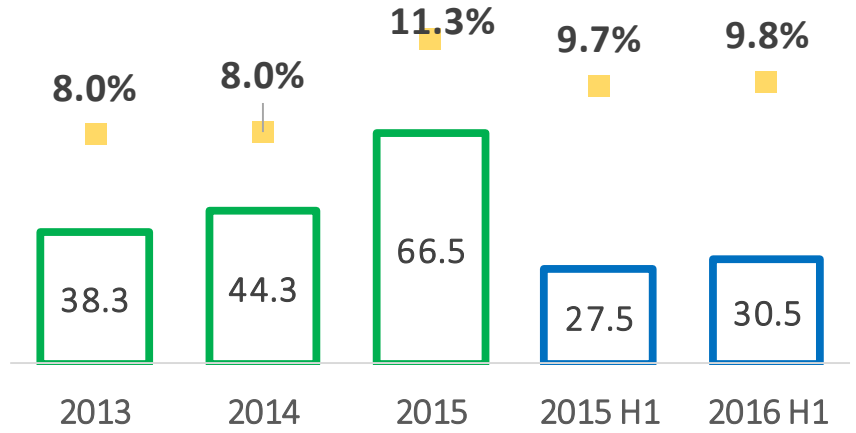
## Gross Profit (m TL)



## EBITDA\* (m TL)



## Net Profit (m TL)



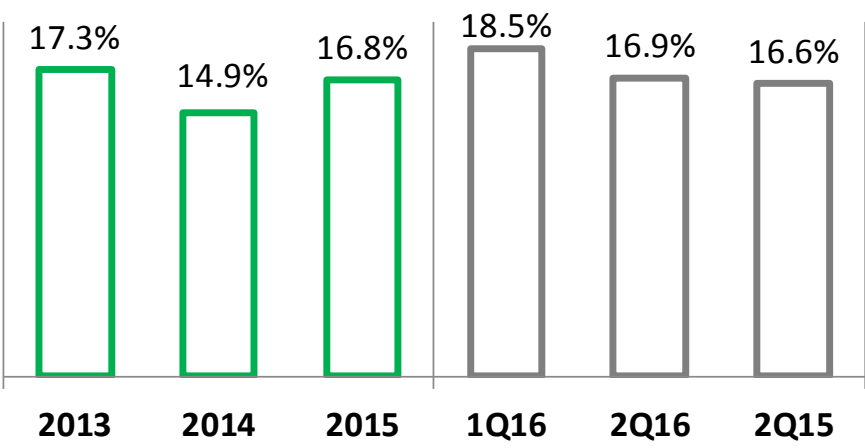
■ Profit Margin

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

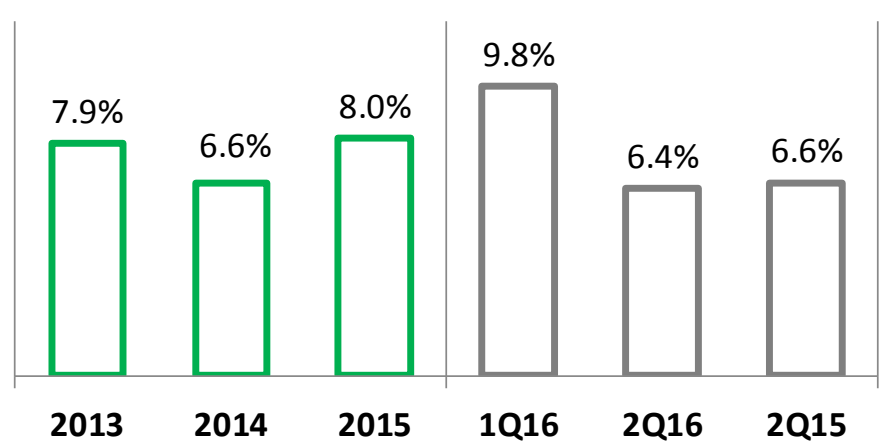


# H1 2016 | Profit Margins

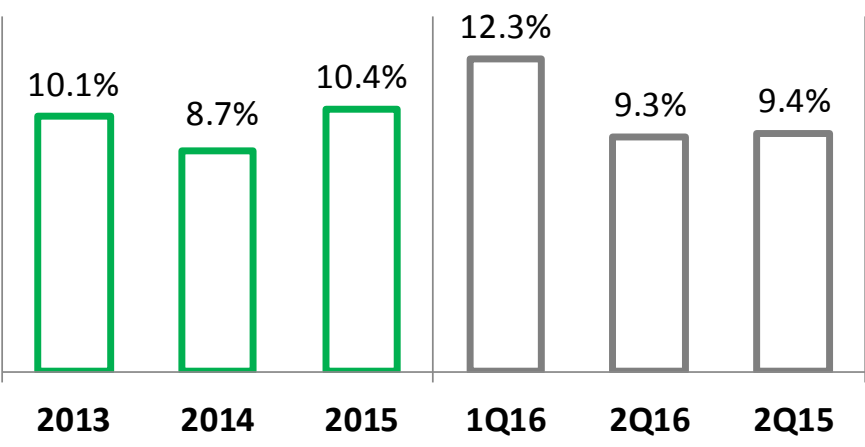
## Gross Profit



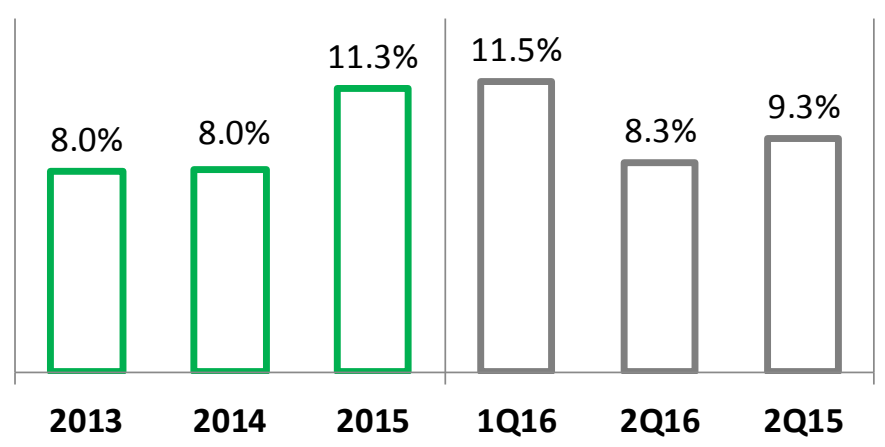
## EBIT



## EBITDA\*



## Net Profit



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

## Balance Sheet Ratios

	2012/12	2013/12	2014/12	2015/12	2016/06
Current Ratio	1.86	1.70	1.47	1.65	1.36
Leverage Ratio	0.23	0.25	0.23	0.22	0.28
Current Borrowings/Total	1.00	1.00	1.00	1.00	1.00
Net Borrowings/EBITDA	0.29 -	0.28 -	0.02	0.02	0.08
Net Borrowings/Equity	0.04 -	0.04 -	0.00	0.00	0.01
Return on Equity	10.43%	11.79%	13.07%	17.72%	18.92%

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

## Investments

	2013	2014	2015	2015/06	2016/06
Capex Expenditures	23.4 m TL	20.5 m TL	14.7 m TL	6.6 m TL	3.9 m TL

- In the first half of 2016, 3.9 million TL capital expenditures were realized.

# Strategy and Targets

- An effective inventory management,
- A product portfolio targeting needs of various segments
- Developments in “Away from Home” market
- Growing beyond the market in strategic segments

# 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

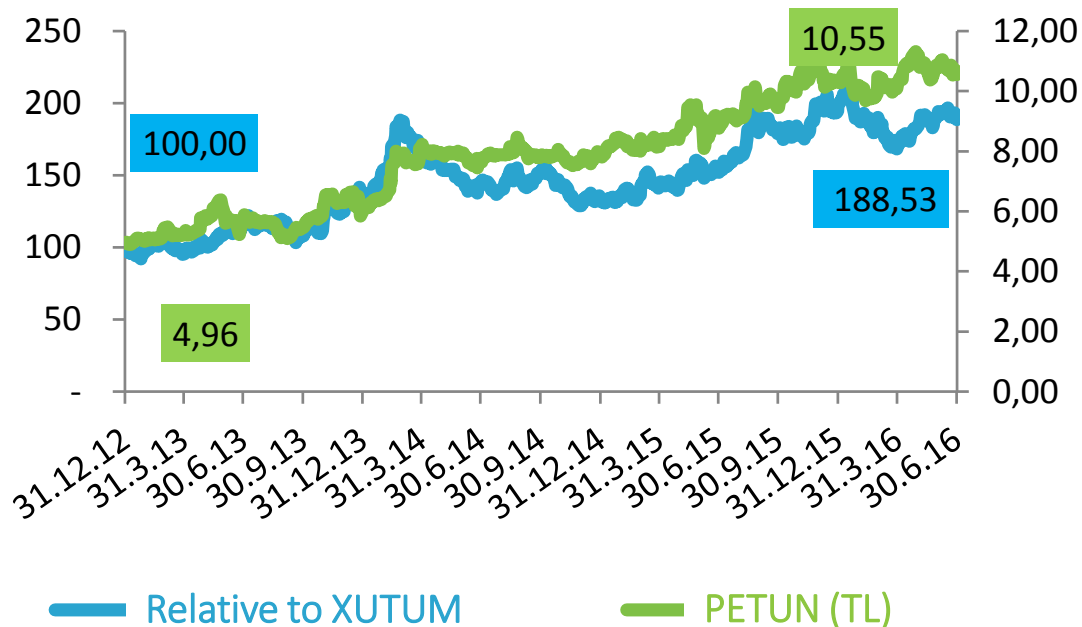
### Production

TSE  
SAI Global  
Intertek  
Tübitak  
Kalite Sistem Group

### Corporate Governance

Saha Rating

# Stock Performance



(TL)

Corporate Governance Rating : 9.20

Borsa İstanbul Ticker Symbol: PETUN

Date of Listing : 03.02.1986

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# Thank you!

