



**Pinar Et**

**Earnings  
Presentation**

**20  
17**

First private  
integrated meat  
processing plant



**150** thousand  
NUMBER OF SALES  
POINTS

Production inline with  
Turkish Food Codex  
and EU standards

**102** thousand bovine  
**408** thousand ovine  
**1.8** million turkey  
SLAUGHTERING AND  
PROCESSING CAPACITY

Partial backward  
integration



**260** thousand  
m<sup>2</sup> outdoor  
**47** thousand m<sup>2</sup>  
indoor  
PRODUCTION AREA



PURCHASING  
SPREADS OVER  
**6** REGIONS

AVERAGE  
**350**  
PRODUCTS IN  
**5** CATEGORIES

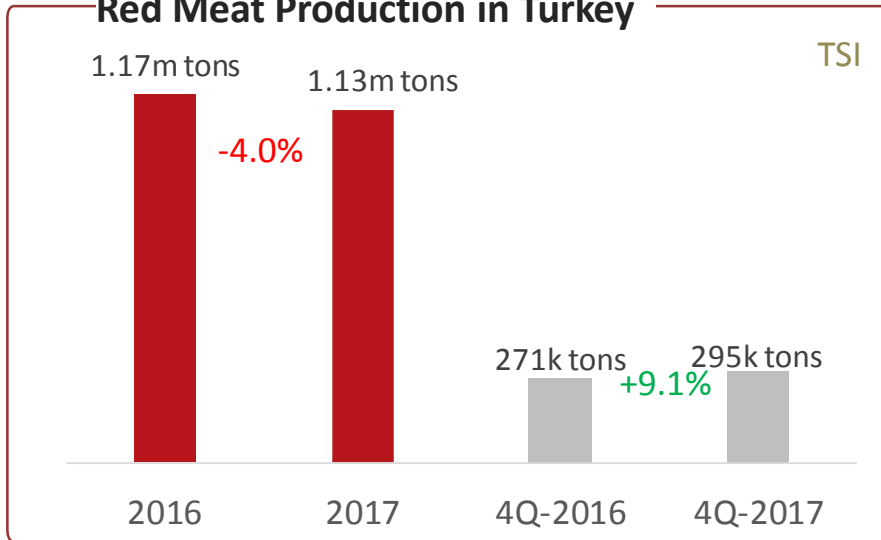
**860**  
average number of  
employees in 2017



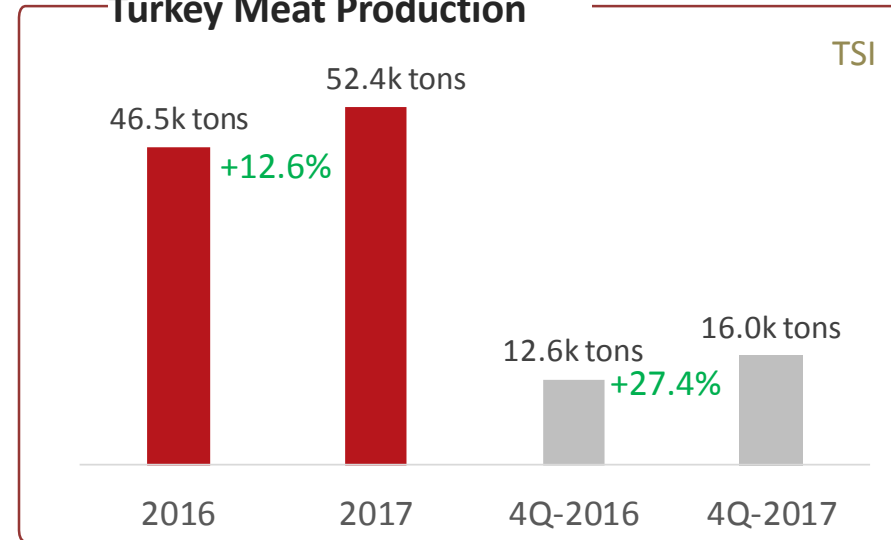
- Raw material prices, which increased in the first half of the year, decreased relatively with import effect in the second half.
- Market achieved volume and turnover growth.
- 40 new products presented to market.
- Pinar Et R&D Center has been established.
- After completed the audits successfully, Pinar Et entitled to receive «Organic Food Certificate».
- 20 new efficiency projects started.
- Pinar brand has been re-elected as one of Turkey's Superbrands in 2017.

PRODUCTION AND COST

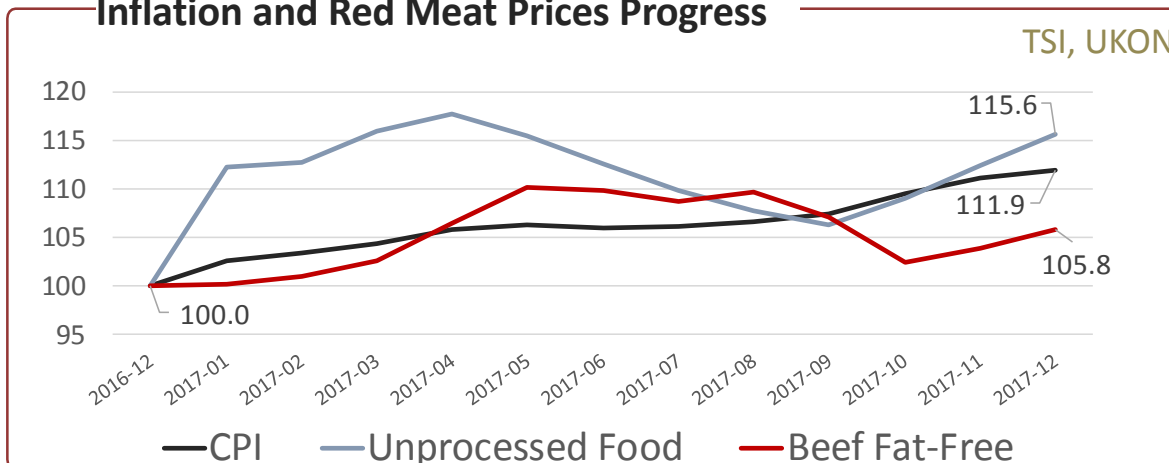
Red Meat Production in Turkey



Turkey Meat Production



Inflation and Red Meat Prices Progress



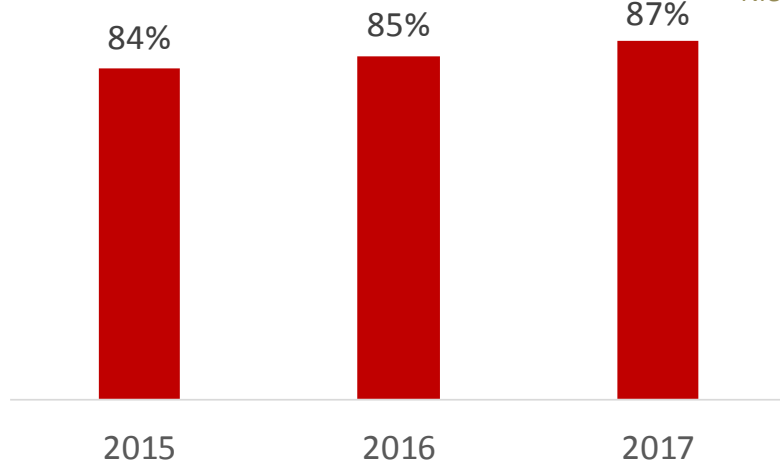
- Red meat prices have been decreased relatively especially in Q4 thanks to rise in livestock and carcass meat import.
- Custom tax rate has been fixed at 0% for livestock, 26% for butchery animal (0% for Meat and Milk Organization in quota) and 40% for carcass meat since January 2018.



CONSUMPTION AND MARKET

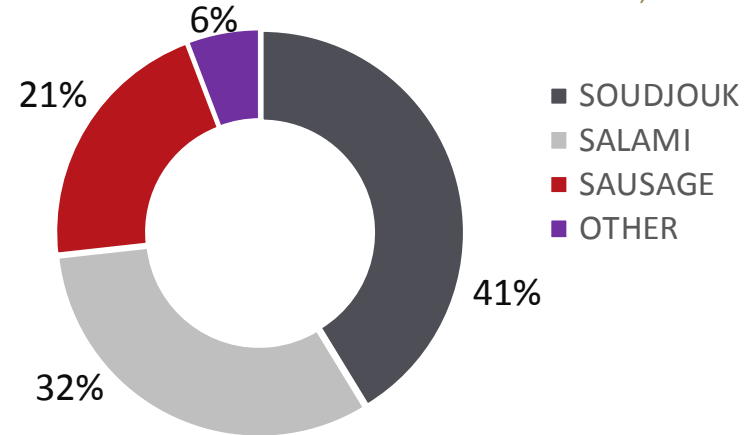
Share of Packaged Delicatessen Products

Nielsen



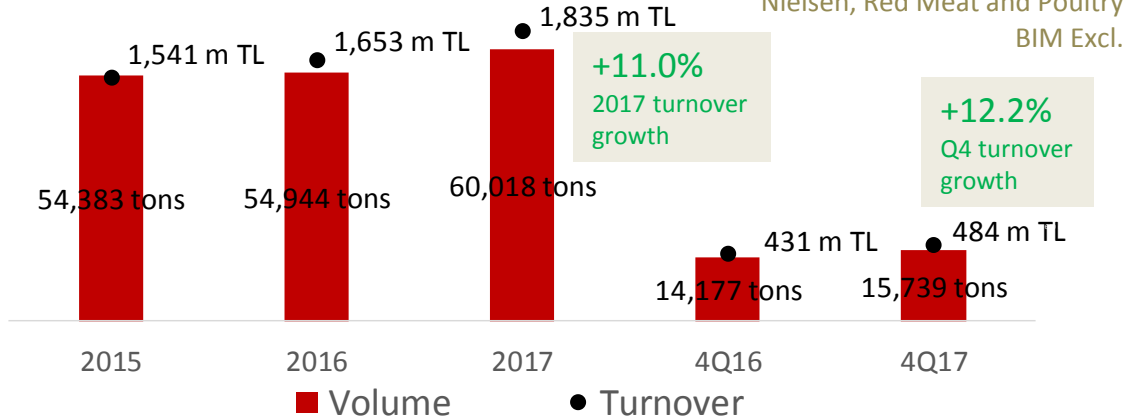
Processed Meat Market Segments (Volume)

Nielsen, BIM Excl.



Processed Meat Market

Nielsen, Red Meat and Poultry  
BIM Excl.



According to IPSOS data, between July 2016 and August 2017 total frozen meat, fish and dough products market grew by 20% in terms of value, YoY. Market size reached 400 million TL.

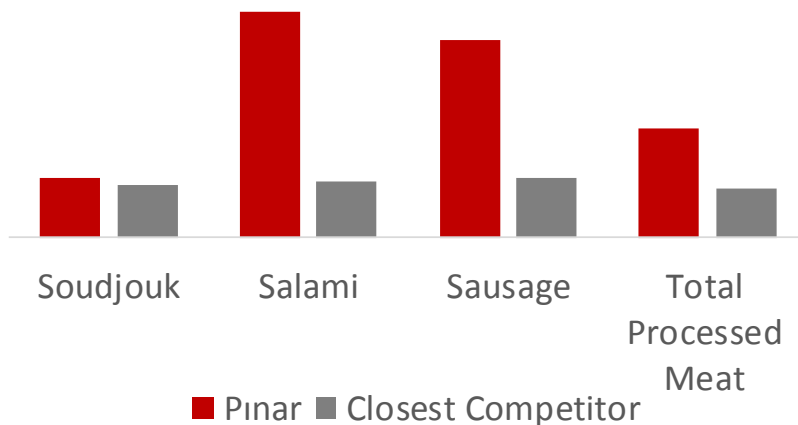
**Market Shares**

Nielsen, Sales value, 2017, BIM Excl.

Products	Market Share	Position
Soudjouk	11.3%	#1
Salami	42.7%	#1
Sausage	37.3%	#1
Total Processed Meat	20.5%	#1

**Pinar Et and Competitors**

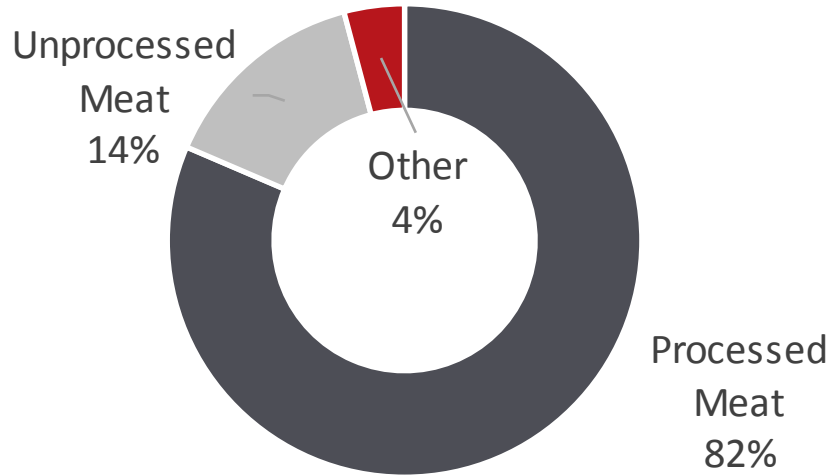
Nielsen, Sales value, 2017, BIM Excl.



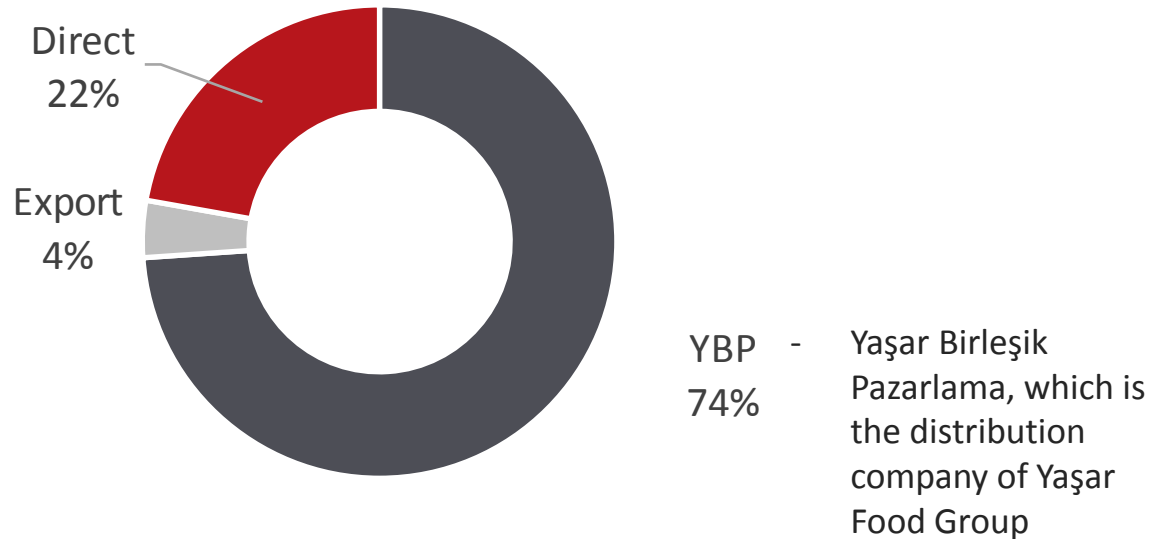
**20.5%**  
 Market share of Pinar Et in total processed meat market which is more than 2 fold its closest competitor.

NET SALES BREAKDOWN

Based on Product Groups



Based on Sales Channel



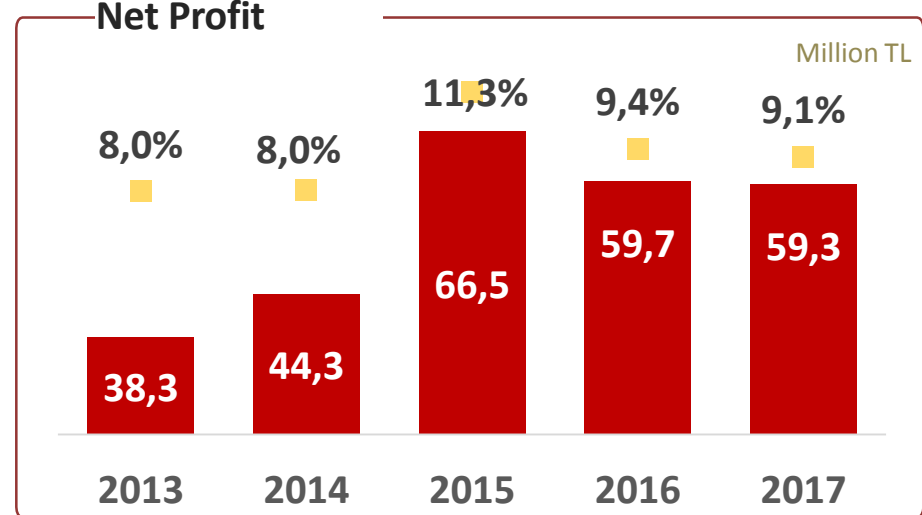
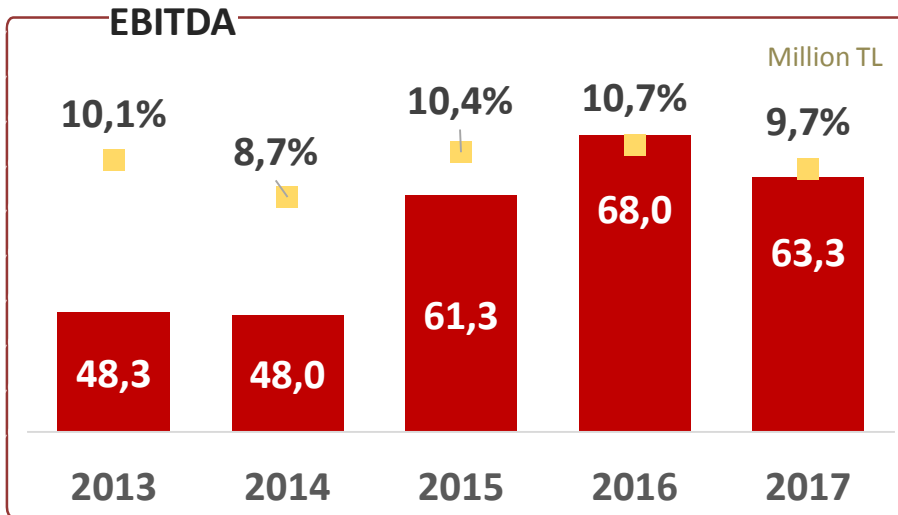
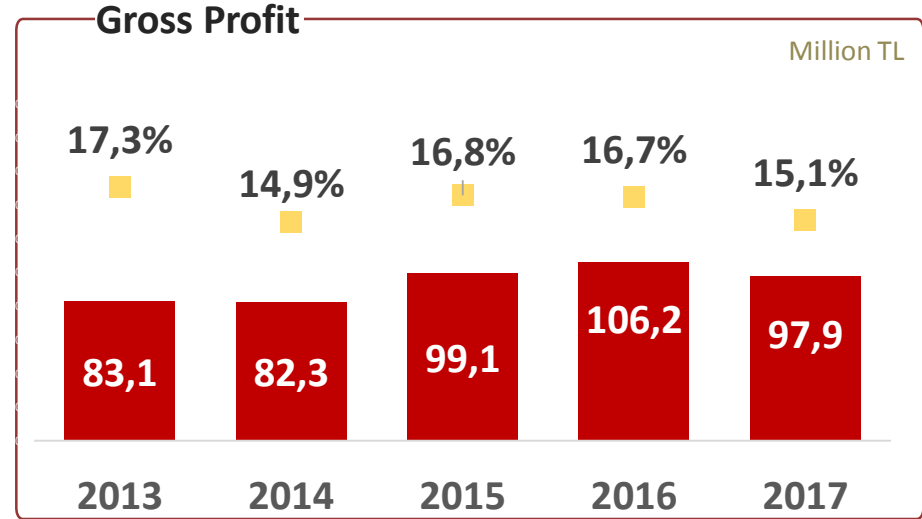
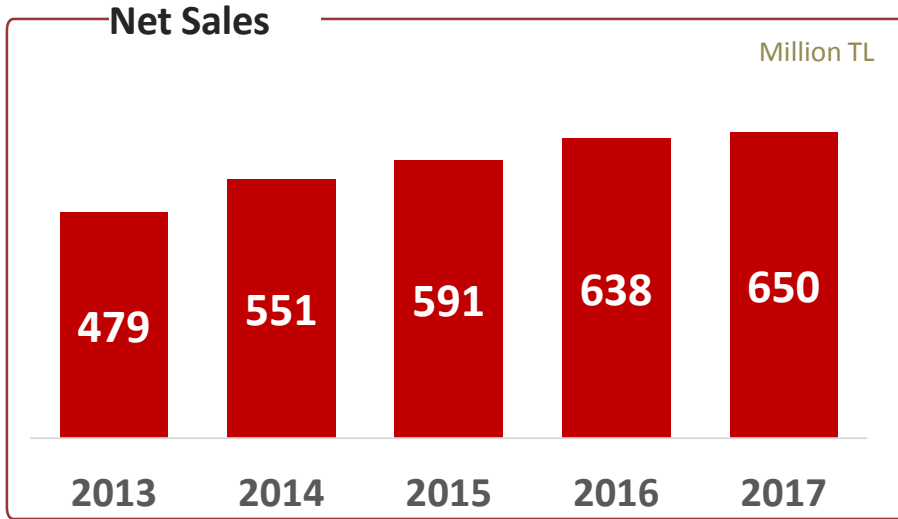


## INCOME STATEMENT

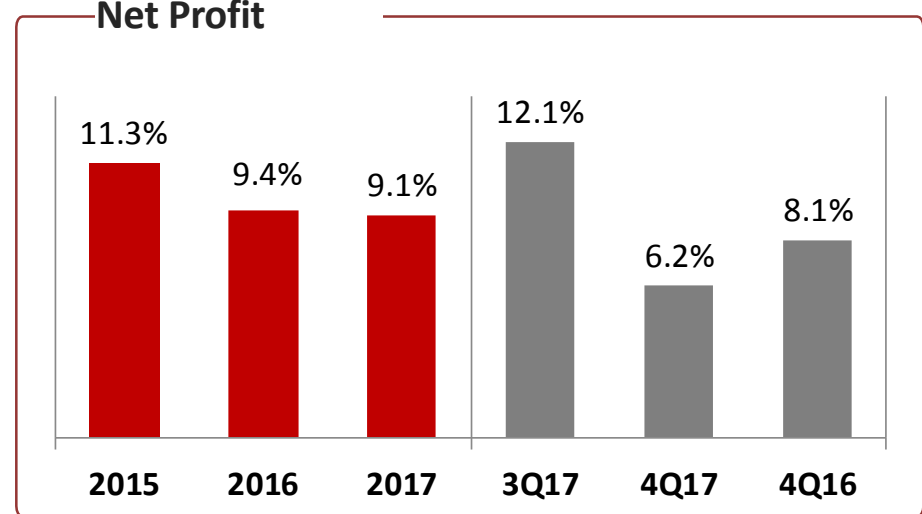
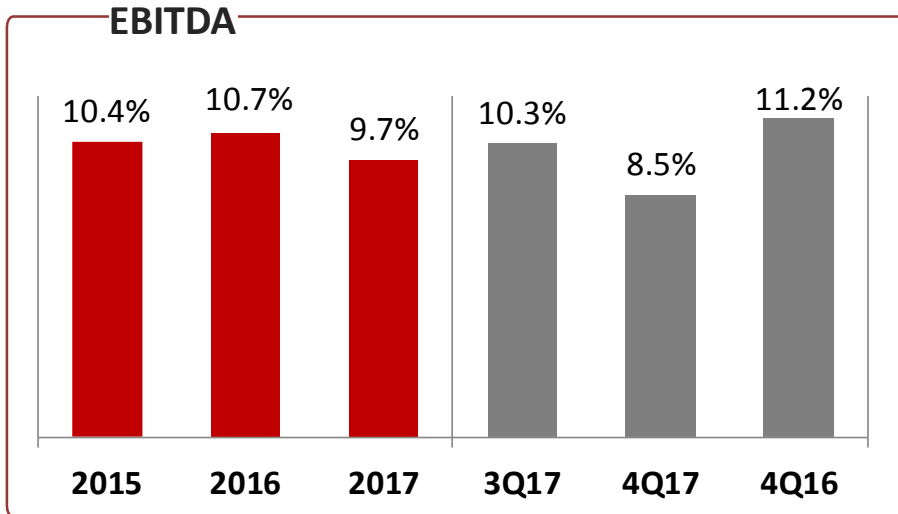
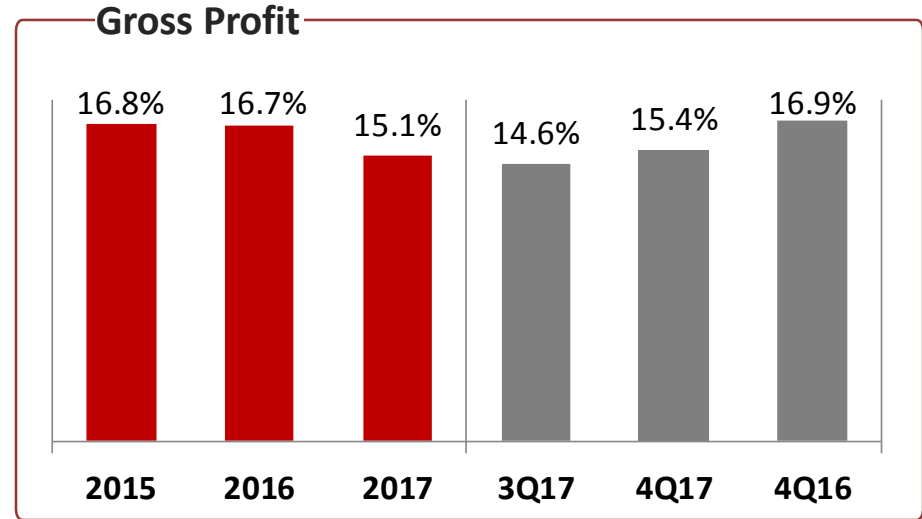
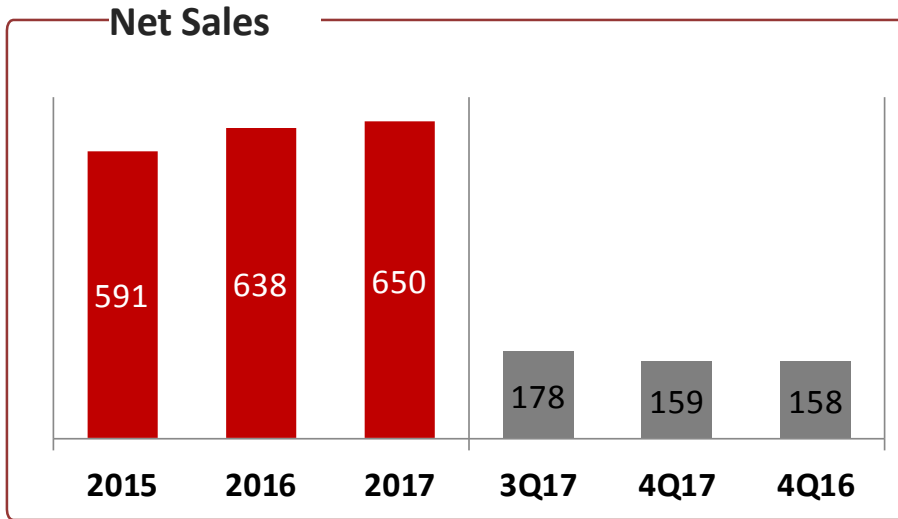
(Million TL)	1/1/2017 12/31/2017	1/1/2016 12/31/2016	Difference	Change
<b>Net Sales</b>	<b>649.6</b>	<b>637.5</b>	<b>12.0</b>	<b>1.9%</b>
Cost of Goods Sold	(551.5)	(532.0)	(19.5)	3.7%
<b>Gross Profit</b>	<b>97.9</b>	<b>106.2</b>	<b>(8.3)</b>	<b>-7.9%</b>
R&D Expenses	(2.2)	(1.7)	(0.5)	32.0%
Sales, Distribution and Marketing Expenses	(28.3)	(30.6)	2.3	-7.5%
General Administration Expenses	(21.0)	(21.9)	0.9	-4.2%
<b>EBIT</b>	<b>46.4</b>	<b>52.0</b>	<b>(5.6)</b>	<b>-10.9%</b>
<b>EBITDA</b>	<b>63.3</b>	<b>68.0</b>	<b>(4.7)</b>	<b>-6.9%</b>
Shares of Results of Investments in Associates	12.6	14.3	(1.8)	-12.3%
Other Expenses (Net)	1.4	0.7	0.8	108.5%
Financial Expenses (Net)	2.9	1.9	1.0	54.7%
<b>Profit Before Tax</b>	<b>63.3</b>	<b>68.9</b>	<b>(5.6)</b>	<b>-8.2%</b>
Tax	(4.0)	(9.3)	5.2	-56.7%
<b>Net Profit for the Period</b>	<b>59.3</b>	<b>59.7</b>	<b>(0.4)</b>	<b>-0.6%</b>



SALES AND PROFITABILITY - ANNUALLY



SALES AND PROFITABILITY - QUARTERLY



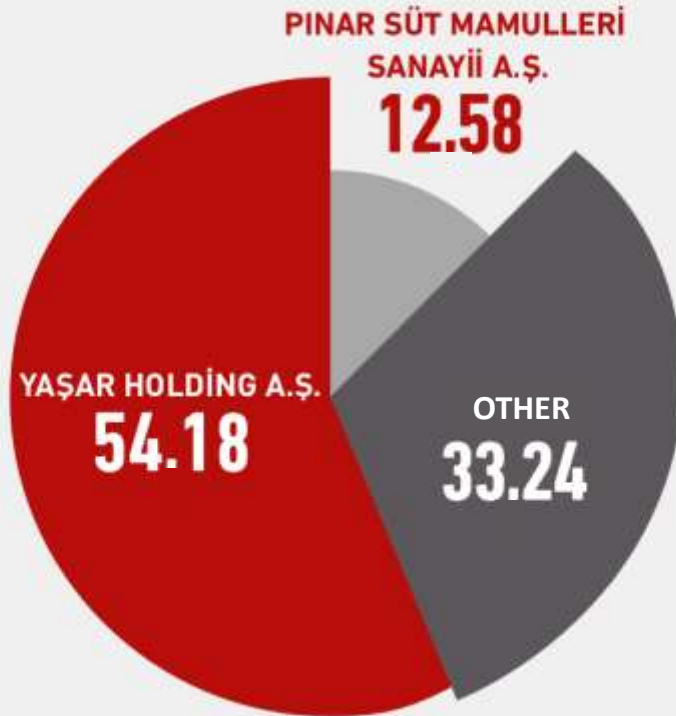
**FINANCIAL RATIOS**

	2013/12	2014/12	2015/12	2016/12	2017/12
Current Ratio	1.70	1.47	1.65	1.67	1.61
Leverage Ratio	0.25	0.23	0.22	0.23	0.23
Current Borrowings/Total Borrowings	1.00	1.00	1.00	1.00	1.00
Net Fin. Borrowings/EBITDA	- 0.28	- 0.02	0.02	0.04	0.05
Net Fin. Borrowings/Equity	- 0.04	- 0.00	0.00	0.01	0.01
Return on Equity (ROE)	11.8%	13.1%	17.7%	14.5%	13.0%

**CAPITAL EXPENDITURES**

	2014	2015	2016	2017
Capital Expenditures	20,5 m TL	14,7 m TL	16,0 m TL	17,9 m TL

## SHAREHOLDING STRUCTURE OF PINAR ET (%)



Shareholder	Share Rate (%)	Share Amount (TL)
YAŞAR HOLDİNG A.Ş.	54.18	23,476,894.71
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	12.58	5,451,752.25
OTHER	33.24	14,406,353.04
<b>Total</b>	<b>100.00</b>	<b>43,335,000.00</b>

The company's shares are traded at Borsa Istanbul Star Market under the ticker symbol PETUN.

Information on privileges related to the Company's shares can be found in the Corporate Governance Principles Compliance Report.

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Company's financial statements are available on [www.kap.gov.tr](http://www.kap.gov.tr) and [www.pinar.com.tr](http://www.pinar.com.tr) websites.

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