



PINAR ENTEGRE ET VE UN SAN. A.Ş.

2017-Q3 Earnings Presentation



2017-Q3 | Highlights

Delicatessen Market*

- Compared to the same quarter of the previous year; 8.9% turnover, 5.9% volume growth, YoY
- The highest volume growth is in sausages (15.3%)
- Market consisted of:
 - 33% salami
 - 21% sausage
 - 40% soudjouk
 - 6% others

(*Nielsen,BiM excl.)

Consumer Price Index

- Annual Consumer Price Index (CPI) was 11.2% at the end of September.
- Annual unprocessed food inflation, which was 21.2% at the end of June, occurred above annual food inflation (12.5%) with 15% in September.

(Source: TSI)

Red Meat Prices

- Red meat prices, which increased in the first half of the year, decreased relatively in the third quarter.
- In July, 500k butchery beef and livestock import authorization with 0% custom tax rate until December 31, 2018 was granted to Meat and Milk Organization.

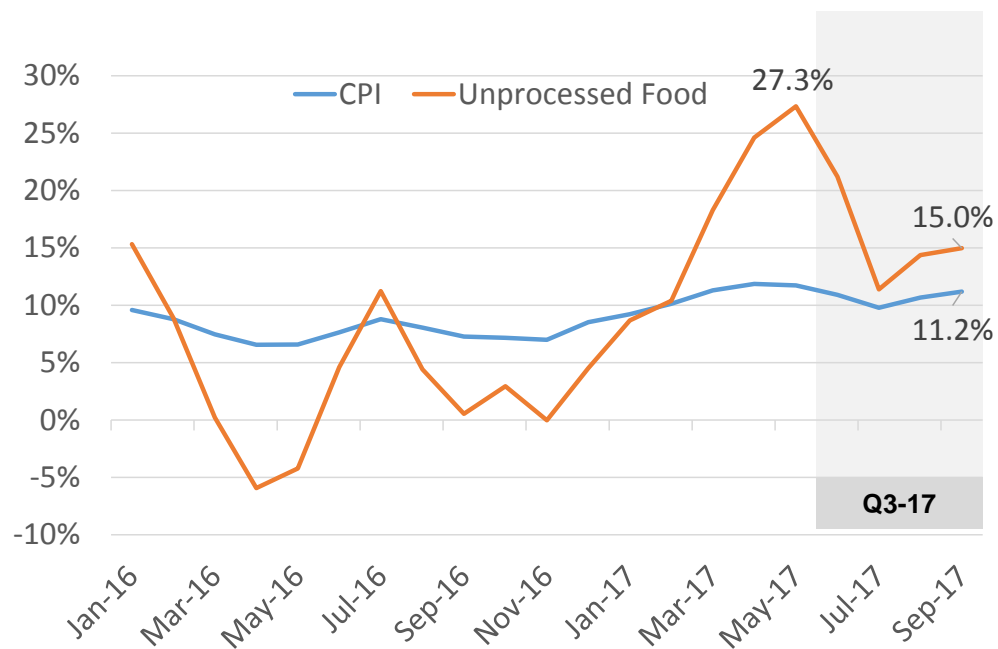
Financial Summary

- Compared to the same quarter of the last year
 - Turnover growth 6.1%
 - Volume growth 5.5%
 - Net Sales; 178.5 million TL
 - EBITDA; 18.4 million TL
 - Net profit; 21.6 million TL

2017-Q3 | Market Dynamics

Unprocessed Food Prices

- Unprocessed food inflation declined to 11.4% from May to July and then ascended and completed September with 15.0%. Over Q3-2017 It ran above the general inflation.
- In this period, annual food inflation realized as 12.50%.



Source: TSI, annual changes

Number of Bovine Butchered in Turkey

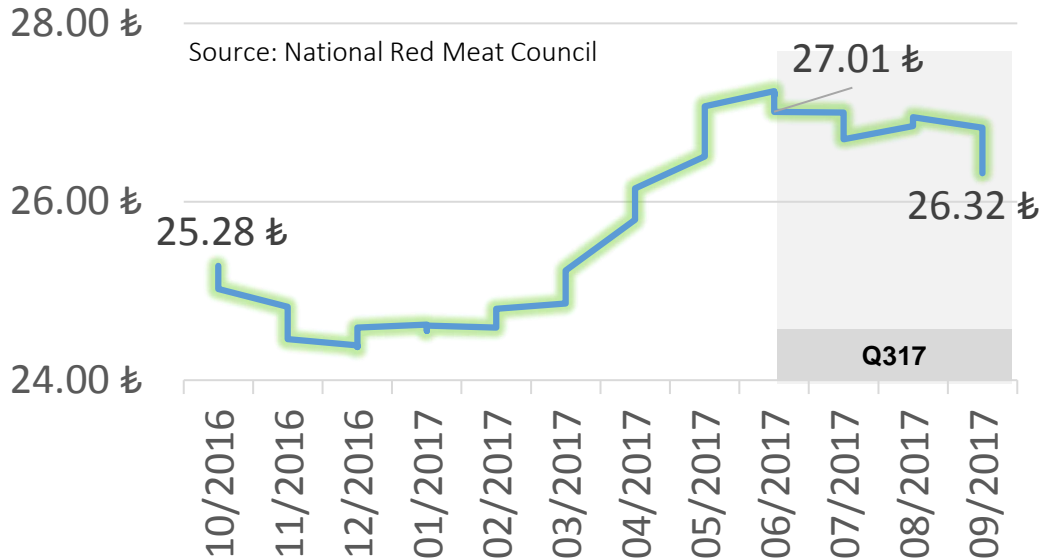
Total Bovine Growth	
2014	3.7 m
2015	3.8 m +1.4%
2016	3.9 m +3.6%

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

Source: TSI

Source: TSI, million-number

2017-Q3 | Market Dynamics



Beef Fat-Free TL/KG

- The prices have gone up by 7% since the beginning of the year. The decrease was %3 at the end of September 2017 compared to the June end.

Customs Tax Rates

2012

2013

2016

2017

- For the private sector the customs tax rate of butchery animal increased from 15% to 30% in July then to 40% in October 2012 and customs tax rate of carcass meat was increased from 75% to 100%.
 - In March, the rate for livestock increased from 0% to 15%.
 - In May, the customs tax rate reduced to 0% for 400k livestock imports of Meat and Milk Organization and increased to 60% for the private sector. In this period. The rate for butchery animal was increased to 135%.
 - In December, tax rate for livestock was decreased to 10%.
 - In June, the customs tax rate was reduced to 26% for butchery animal and to 40% for carcass meat.
- In July, 500k butchery beef and livestock import authorization with 0% custom tax rate until December 31, 2018 was granted to **Meat and Milk Organization**.

2017-Q3 | Market

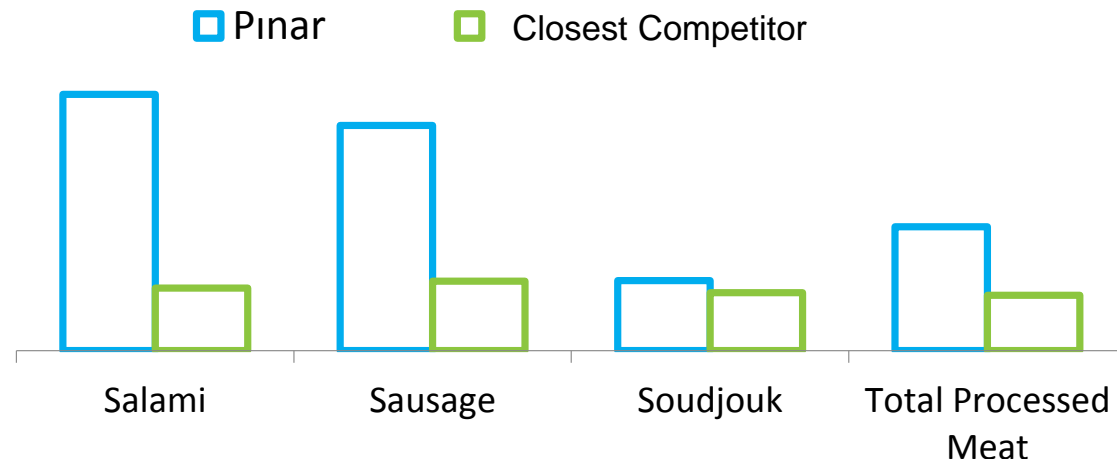
Products	Share	Position
Salami	42.7%	#1
Sausage	37.5%	#1
Soudjouk	11.7%	#1
Total Processed Meat	20.6%	#1

Source: Nielsen – Value Share, 2017-9M (BIM excl.)

- In 2017-9M, total processed meat market (red meat and poultry) grew by **10.6% in turnover** and **8.6% in volume, YoY.**

Source: Nielsen, 2017-9M (BIM excl.)

- The company has a market share of **20.6%** in total processed meat market which is more than 2 fold its closest competitor.



Source: Nielsen – Value Share, 2017-9M (BIM excl.)

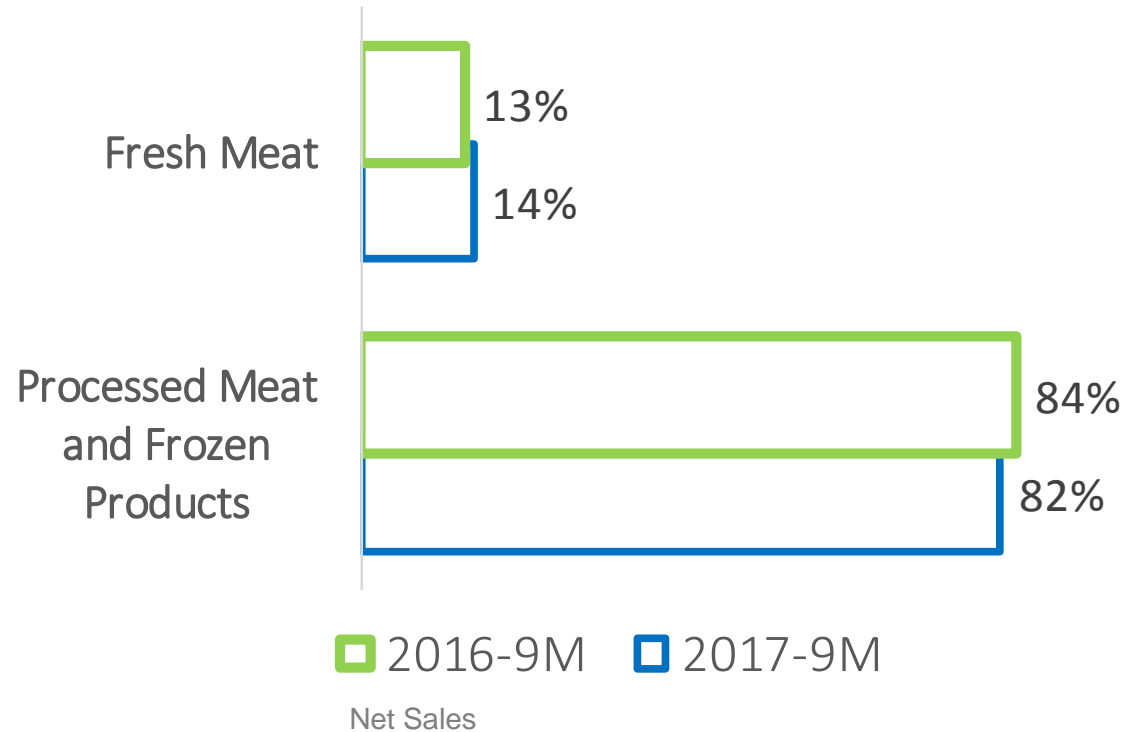
2017 | New Products



New product launches and diversification in packages continued in both delicatessen and frozen categories.

2017-Q3 | Sales Breakdown

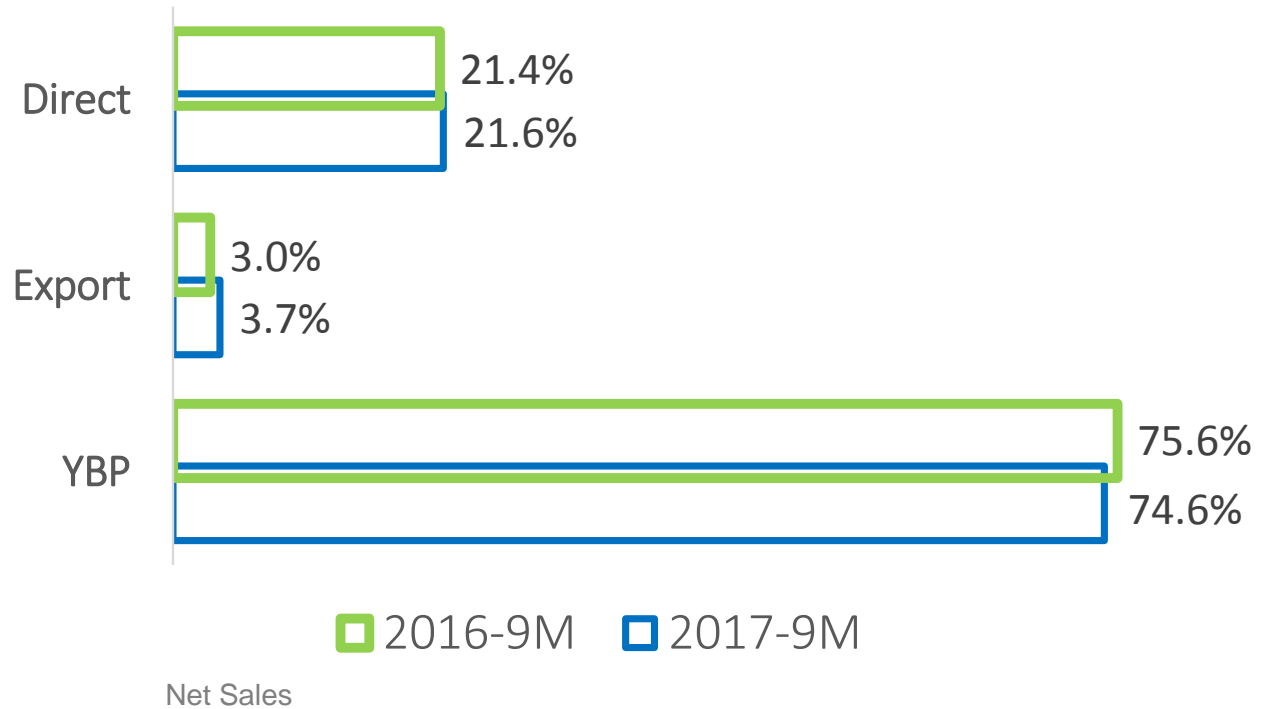
Product Portfolio



- In 2017-9M company's turnover grew by 2.4% and its volume increased by 1.5%, YoY.

2017-Q3 | Sales Breakdown

Sales Channels



- Yaşar Birleşik Pazarlama, which is the distribution company of Yaşar Food Group, ranks 116th in 2016 in the top 500 rankings of Fortune magazine.

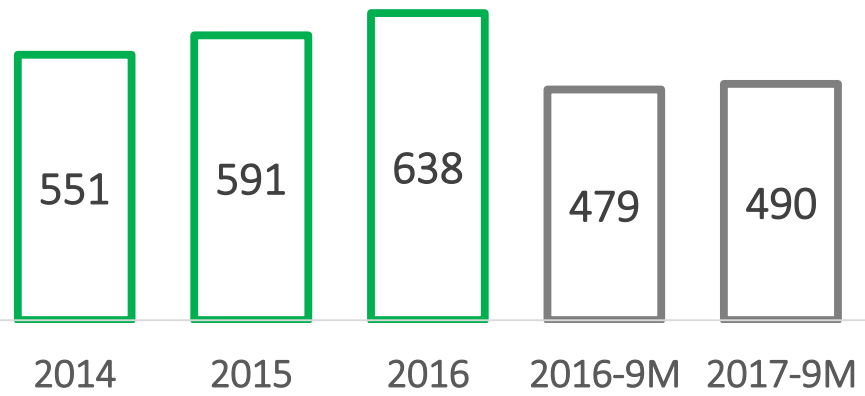
2017-Q3 | Income Statement

(Million TL)	9M-2017	9M-2016	Difference	% Change
Net Sales	490.4	479.0	11.4	2.4
Cost of Goods Sold	(417.6)	(399.6)	(18.0)	4.5
Gross Profit	72.0	79.0	(7.1)	(8.9)
R&D Expenses	(1.4)	(1.3)	(0.1)	6.9
Sales, Distribution and Marketing Expenses	(19.4)	(23.0)	3.6	(15.7)
General Administration Expenses	(15.7)	(16.3)	0.7	(4.0)
EBIT	35.5	38.4	(2.9)	(7.6)
Shares of Results of Investments				
In Associates	13.8	13.0	0.8	6.3
Other Expenses (Net)	1.5	1.3	0.2	15.3
Financial Expenses (Net)	2.3	1.3	1.0	81.0
Profit Before Tax	53.1	54.0	(0.9)	(1.6)
Tax	(6.0)	(7.5)	1.5	(19.5)
Net Profit for the Period	47.1	46.5	0.6	1.3
EBITDA	49.4	51.1	(1.7)	(3.3)
Total Assets	573.6	549.7	24.0	4.4
Equity	419.2	405.6	13.6	3.3

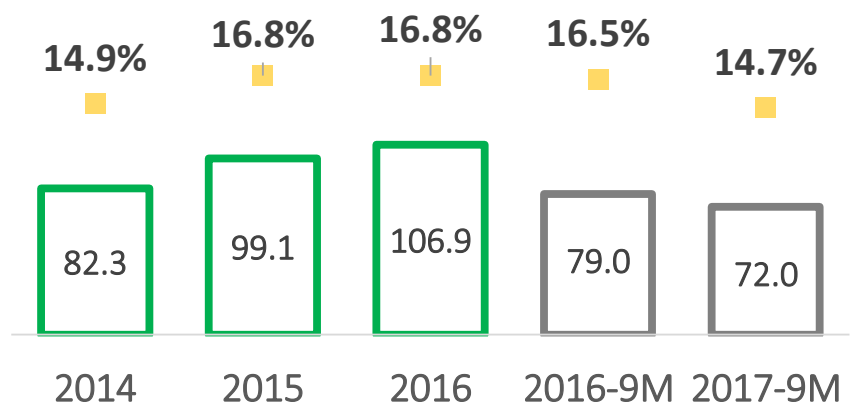
2017-Q3 | Sales and Profitability

Profit margin

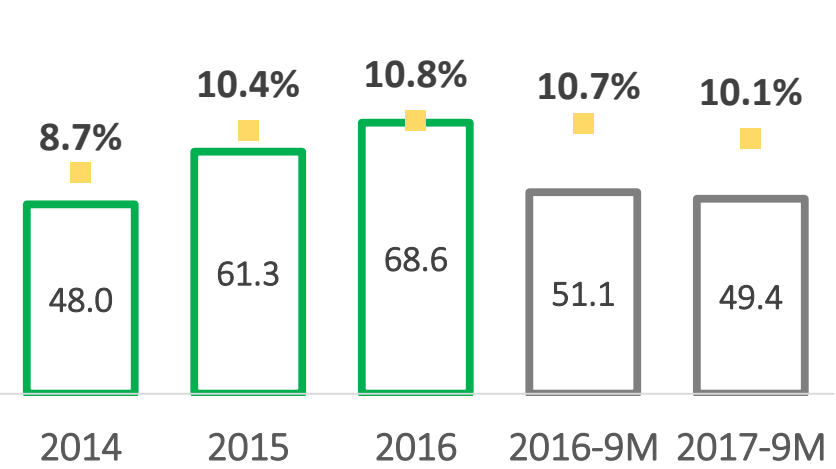
Net Sales (m TL)



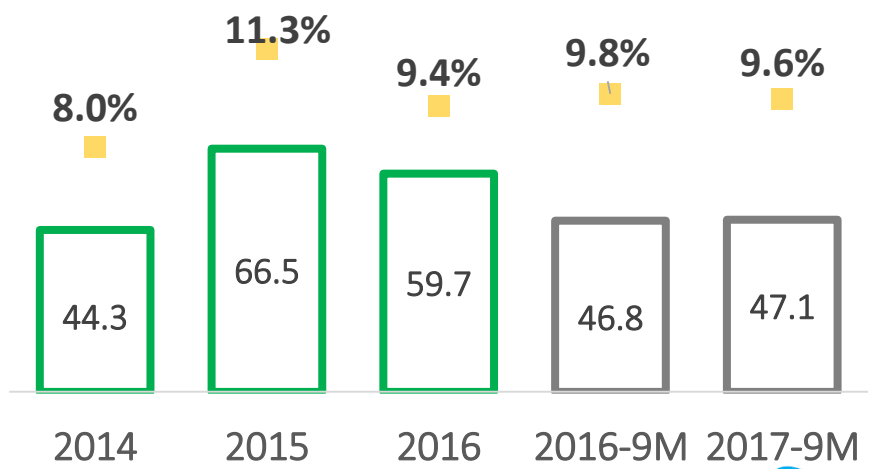
Gross Profit (m TL)



EBITDA* (m TL)



Net Profit (m TL)

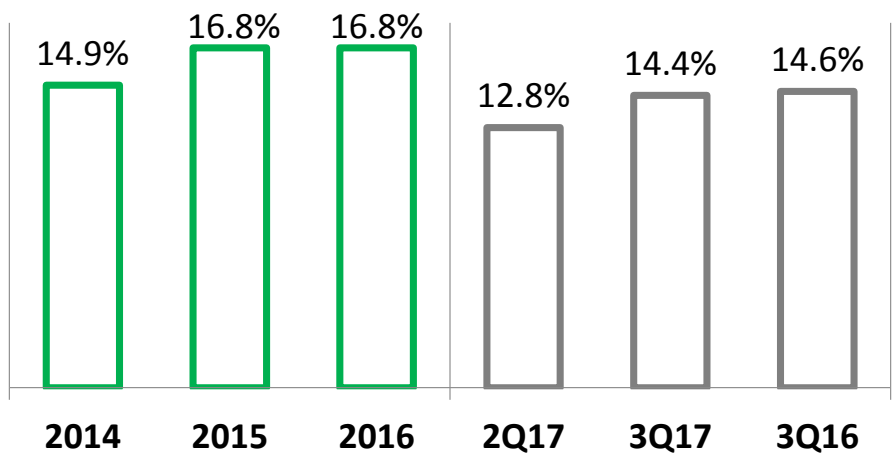


* Earnings before interest, tax, depreciation and amortization (Excl. other income and expenditures)

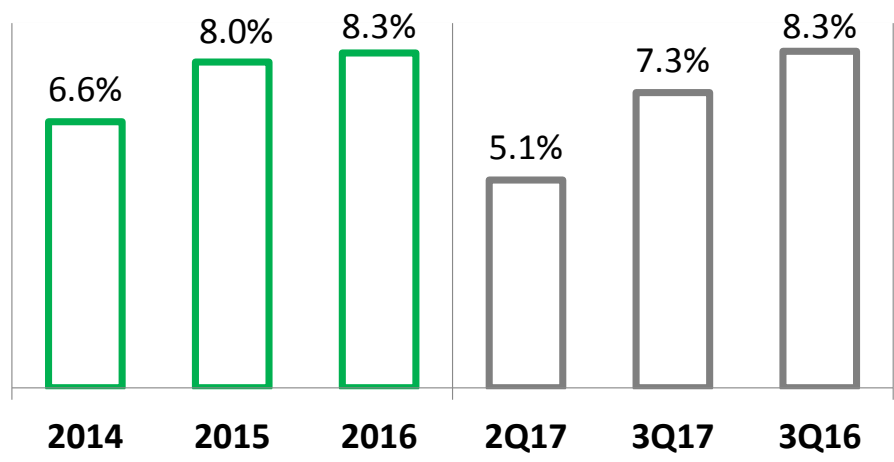


2017-Q3 | Quarterly Profit Margins

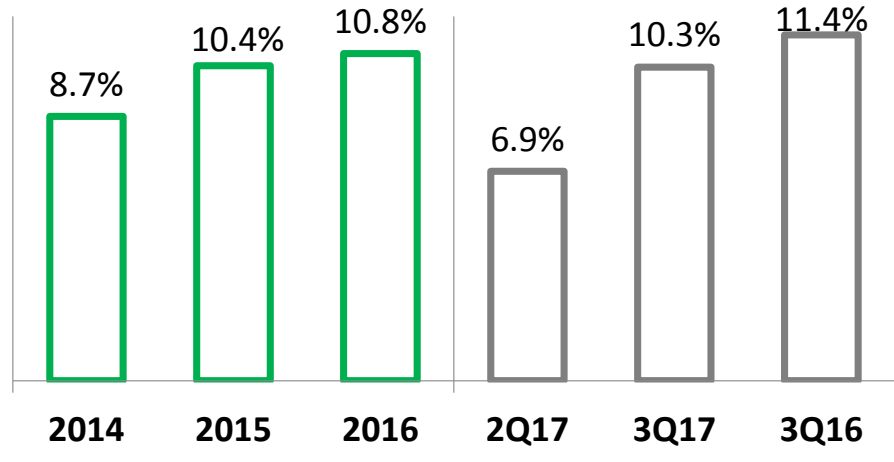
Gross Profit



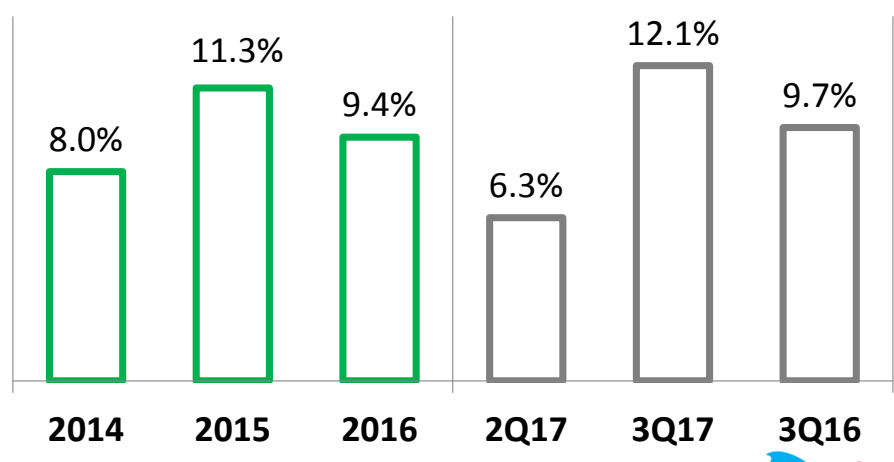
EBIT



EBITDA*



Net Profit



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



2017-Q3 | Financial Ratios

Balance Sheet Ratios

	2013/12	2014/12	2015/12	2016/12	2017/09
Current Ratio	1.70	1.47	1.65	1.67	1.48
Leverage Ratio	0.25	0.23	0.22	0.23	0.27
Current Borrowings/Total Borrowings (Fin.)	1.00	1.00	1.00	1.00	1.00
Net Fin. Borrowings/EBITDA	- 0.28	- 0.02	0.02	0.04	0.08
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%	14.5%

Investments

	2014	2015	2016	2016-09	2017-09
Capex	20.5 m TL	14.7 m TL	16.0 m TL	8.9 m TL	9.0 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

PricewaterhouseCoopers

Ernst&Young

Production

TSE

SAI Global

Intertek

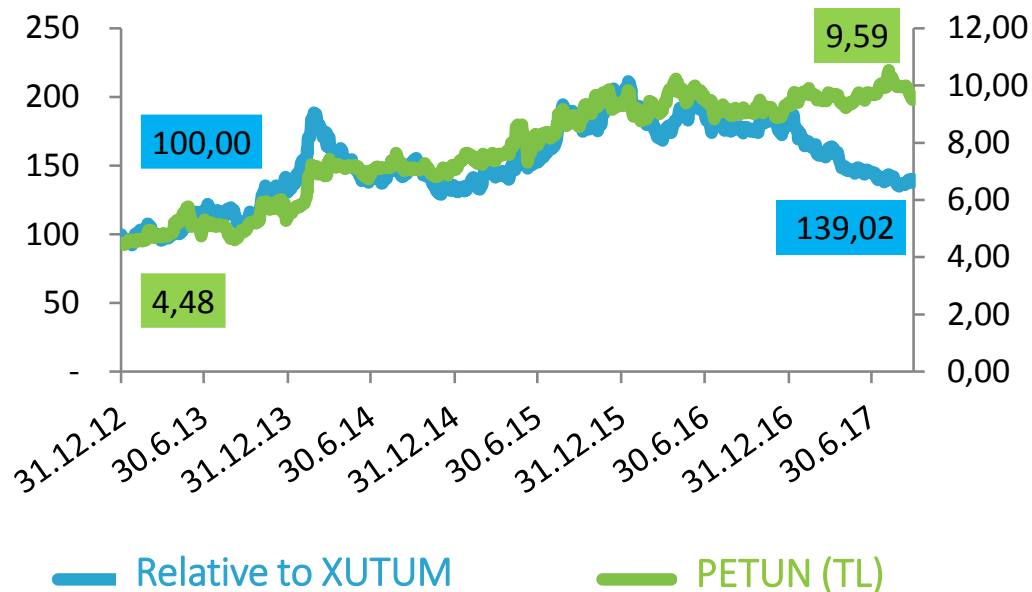
Tübitak

Kalite Sistem Group

Corporate Governance

Saha Rating

Stock Performance



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

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Thank You.

