



# Pinar Et

Earnings Presentation  
3rd Quarter of 2018

# PINAR ET AT A GLANCE

First private  
integrated meat  
processing plant

Production inline with  
Turkish Food Codex  
and EU standards

Partial backward  
integration



**150** thousand  
NUMBER OF SALES  
POINTS

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



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



PURCHASING  
SPREADS OVER  
**6** REGIONS

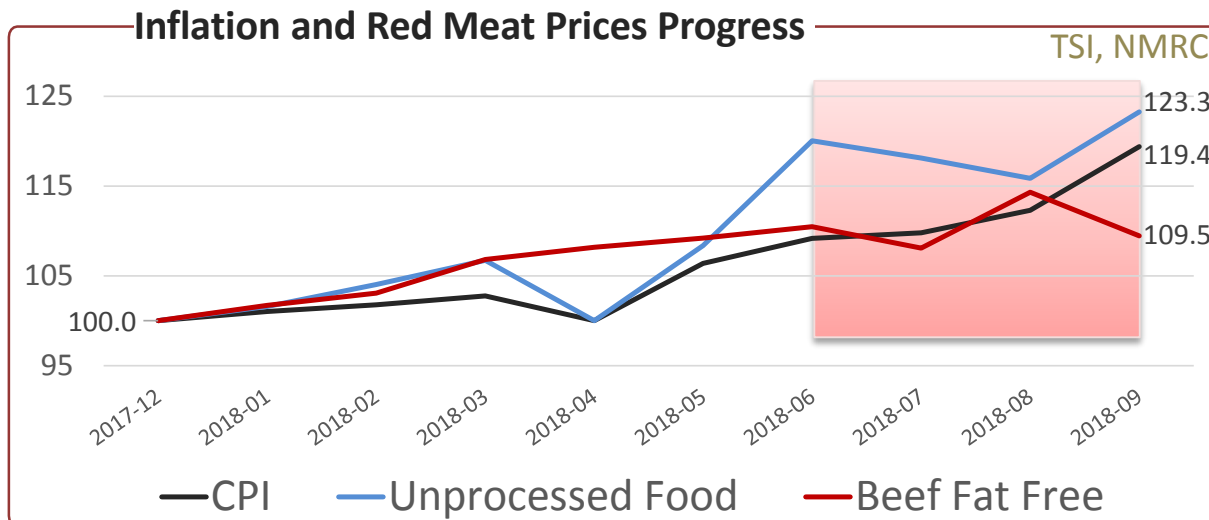
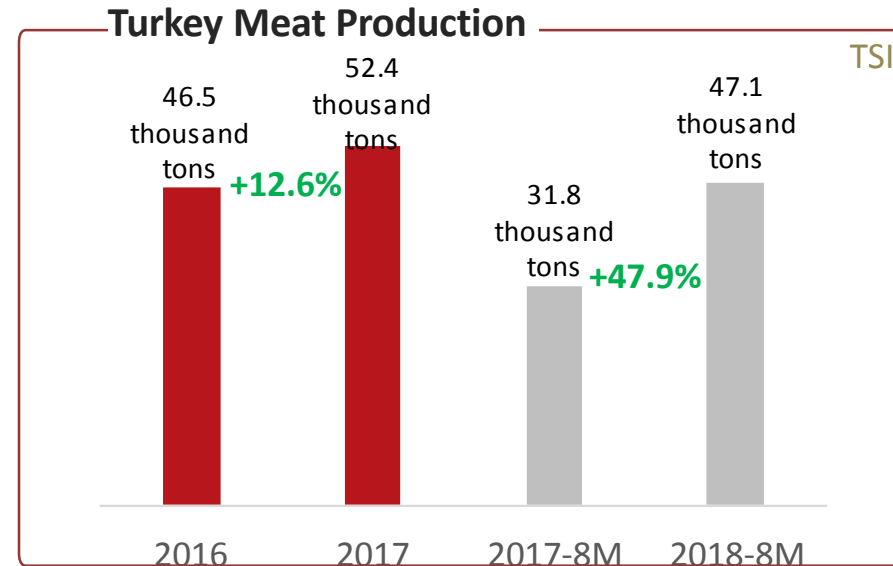
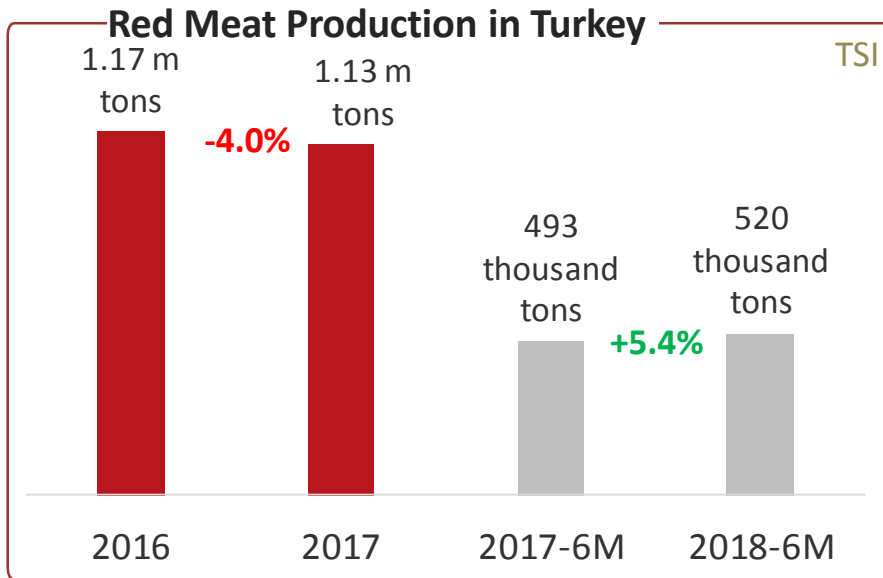
AVERAGE  
**350**  
PRODUCTS IN  
**5** CATEGORIES

**819**  
2018-9M  
NUMBER OF  
EMPLOYEES

**535.4****MILLION TL  
NET SALES****45.0****MILLION TL  
EBITDA****25,937****TONS SALES VOLUME****1.6****BILLION TL 2018-9M RETAIL  
PROCESSED MEAT MARKET VALUE**

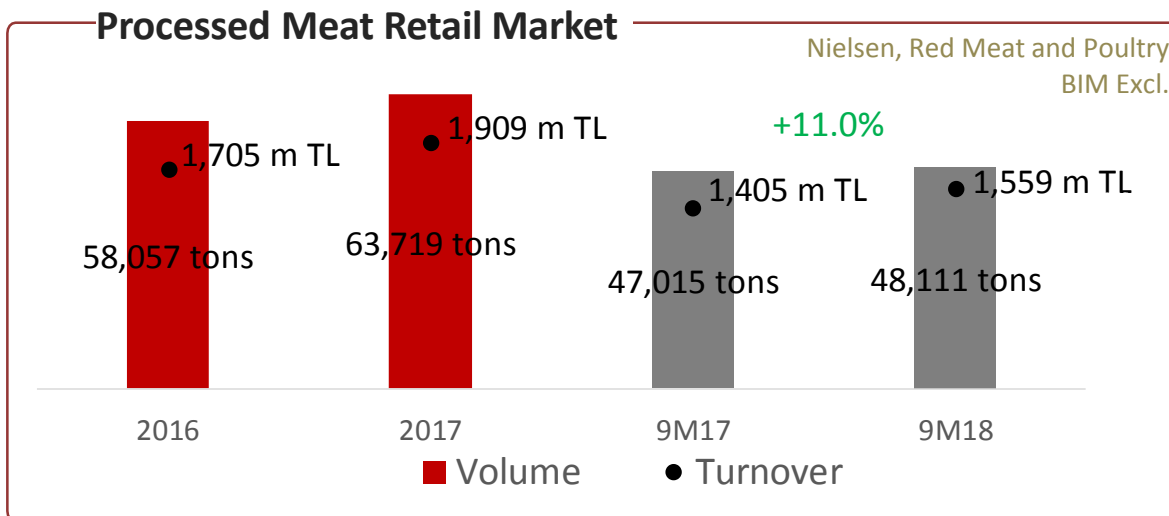
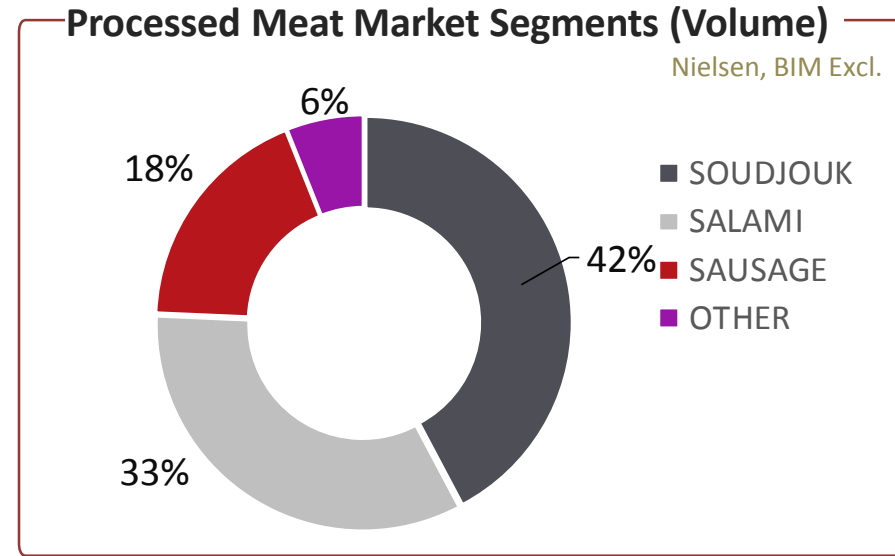
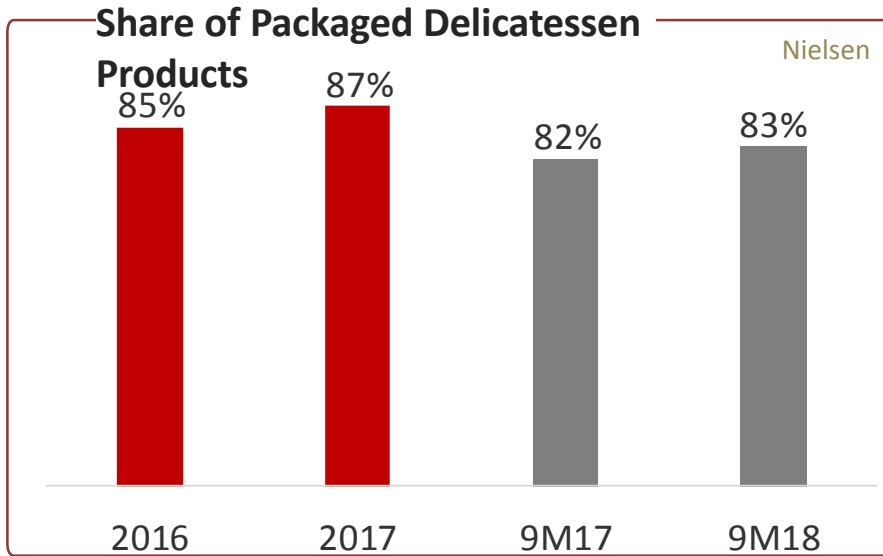
- While the red meat prices had stood in an upward trend in the first half of 2018, the prices have slightly decreased in the third quarter, as a consequence the increase in the first nine months of the year realized at 9.5%. (\*fat-free beef prices of National Red Meat Council.)
- Red meat imports continued increasing in 2018. 29.9 thousand tons of carcass meat and total of 842 thousand unit livestock imported in 2018-8M. In the last year, these figures came about 9.7 thousand tons and 782 thousand heads, respectively. (TSI)
- Significant increase (+48%) also occurred in turkey meat production in the first eight months of 2018. (TSI)
- Compared to the 2017-9M, total processed meat market achieved a growth of 2.3% in volume and 11.0% in turnover. (Nielsen)

PRODUCTION AND COST



- Red meat prices rose by 7.4% in **2018-Q3** and 7.1% in **2018-9M** compared to the same period of last year.
- 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



- According to the same period of previous year, processed meat market achieved by a 2.3% volume growth and a 11.0% turnover growth in 2018-9M.
- The market grew by 2.9% in volume and 12.8% in turnover basis in 2018-Q3, YoY.

# MARKET POSITION

## Market Shares

Nielsen, Sales value, 2018-9M, BIM Excl.

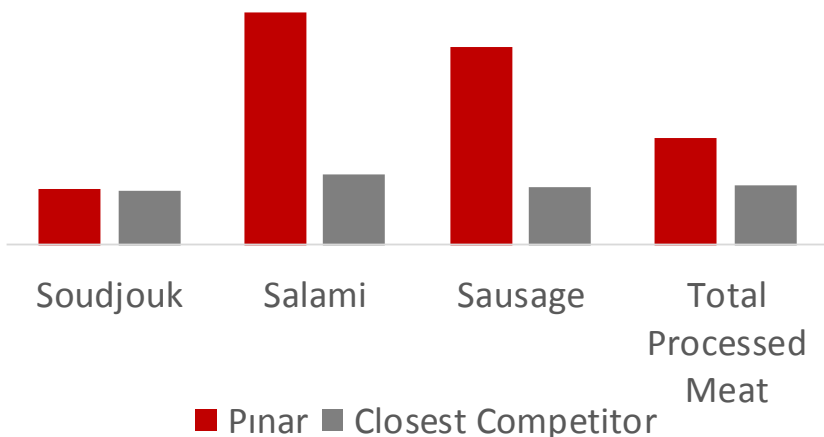
Products	Market Share	Position
Soudjouk	10.3%	#1
Salami	42.6%	#1
Sausage	36.3%	#1
Total Processed Meat	19.5%	#1

Nielsen, Sales value, 2018-9M, BIM Excl.

- Pinar Et keeps up the leader position in all categories with a 19.5% of market share in the total processed meat market.
- The company's market share in total processed meat market is situated about 2 fold than closest competitor.
- New product launches and packaged diversifications continued.

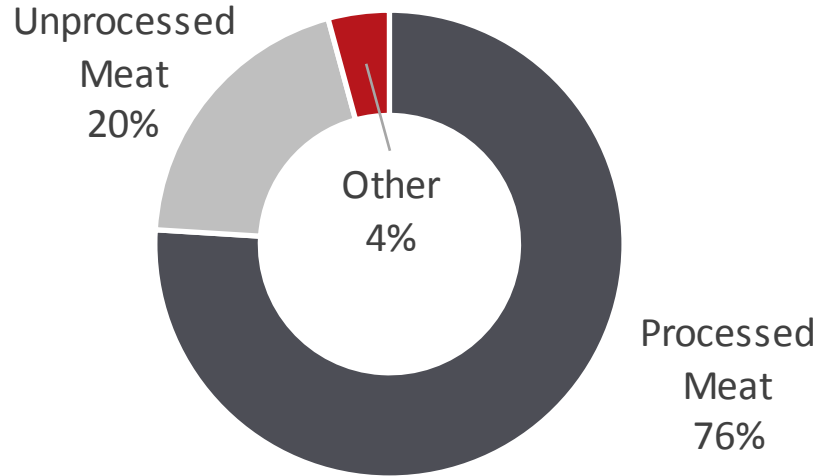
## Pinar Et and Competitors

Nielsen, Sales value, 2018-9M, BIM Excl.

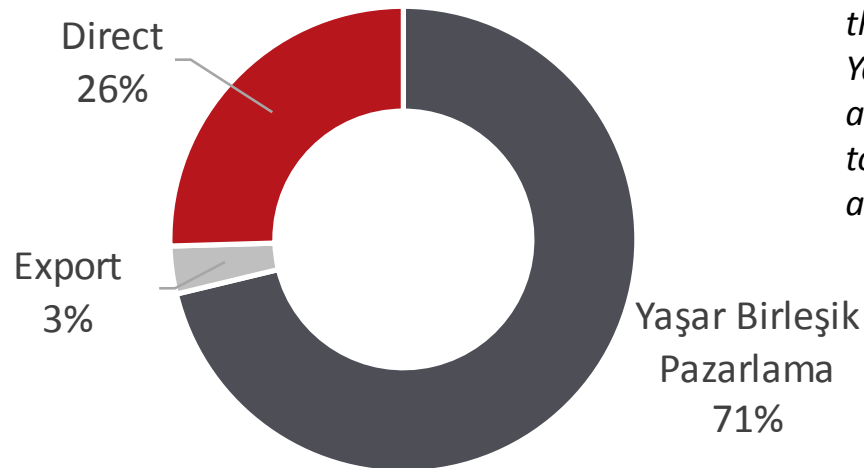


NET SALES BREAKDOWN

Based on Product Groups



Based on Sales Channel



*\*Yaşar Birleşik Pazarlama is the distribution company of Yaşar Group which ranked as 126 in Fortune Magazine top 500 ranking in Turkey according to 2017 data.*



## INCOME STATEMENT

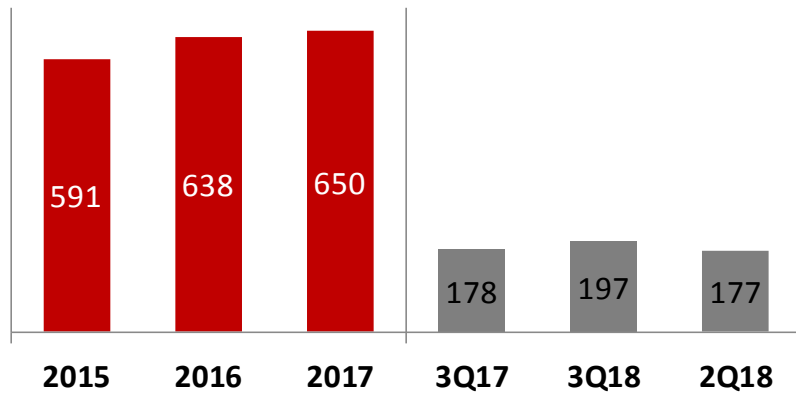
(Million TL)	9M-2018	9M-2017	Difference	Change
<b>Net Sales</b>	<b>535.4</b>	<b>490.4</b>	<b>44.9</b>	<b>9.2%</b>
Cost of Goods Sold	(461.0)	(418.4)	(42.5)	10.2%
<b>Gross Profit</b>	<b>74.4</b>	<b>72.0</b>	<b>2.4</b>	<b>3.4%</b>
R&D Expenses	(1.9)	(1.4)	(0.5)	32.1%
Sales, Distribution and Marketing Expenses	(23.0)	(19.4)	(3.7)	19.0%
General Administration Expenses	(16.3)	(15.7)	(0.7)	4.2%
<b>EBIT</b>	<b>33.2</b>	<b>35.5</b>	<b>(2.4)</b>	<b>-6.7%</b>
<b>EBITDA</b>	<b>45.0</b>	<b>48.3</b>	<b>(4.7)</b>	<b>-6.7%</b>
Shares of Results of Investments in Associates	11.2	13.8	(2.6)	-18.9%
Other Expenses (Net)	2.2	1.5	0.7	46.3%
Financial Expenses (Net)	0.6	2.3	(1.7)	-72.8%
<b>Profit Before Tax</b>	<b>47.1</b>	<b>53.1</b>	<b>(6.0)</b>	<b>-11.2%</b>
Tax	(5.3)	(6.0)	0.7	-12.4%
<b>Net Profit for the Period</b>	<b>41.9</b>	<b>47.1</b>	<b>(5.2)</b>	<b>-11.1%</b>



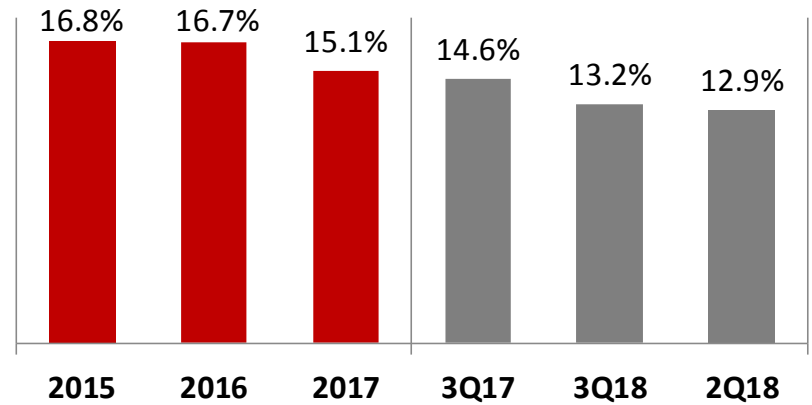


### SALES AND PROFITABILITY - QUARTERLY

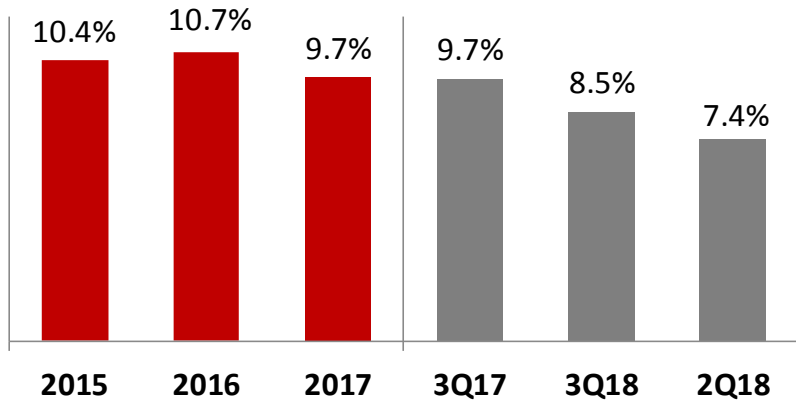
Net Sales



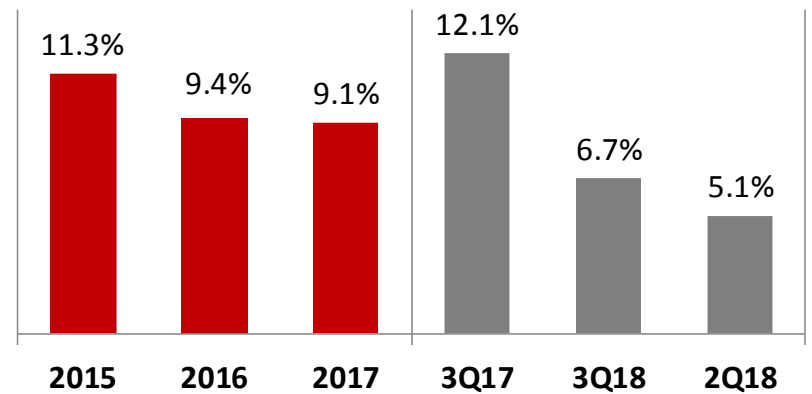
Gross Profit



EBITDA



Net Profit



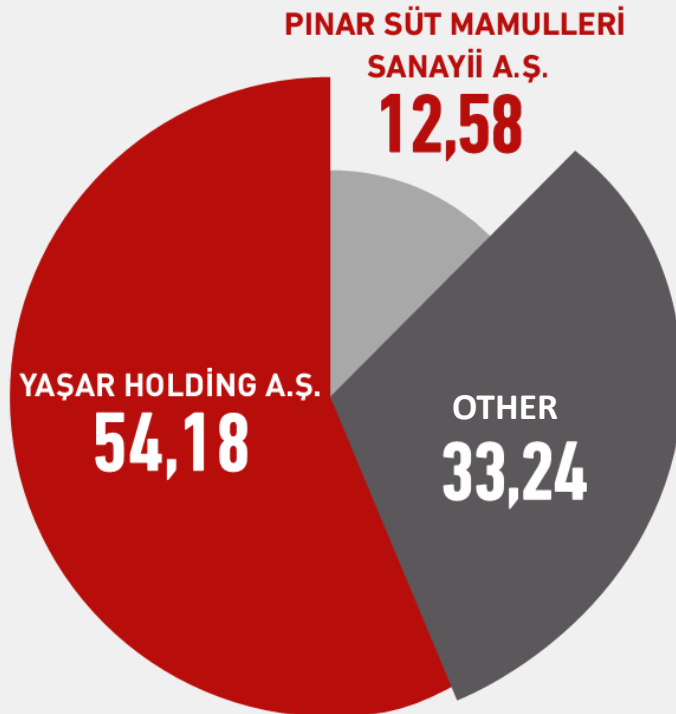
**FINANCIAL RATIOS**

	2015/12	2016/12	2017/12	2018/06	2018/09
Current Ratio	1.65	1.67	1.61	1.52	1.56
Leverage Ratio	0.22	0.23	0.23	0.27	0.26
Current Borrowings/Total Borrowings (Fin.)	1.00	1.00	1.00	1.00	1.00
Net Fin. Borrowings/EBITDA	0.02	0.04	0.05	0.03	- 0.05
Net Fin. Borrowings/Equity	0.00	0.01	0.01	0.00	- 0.01
Return on Equity (ROE)	17.7%	14.5%	12.9%	13.8%	11.0%

**CAPITAL EXPENDITURES**

	2014	2015	2016	2017	2017/09	2018/09
Capital Expenditures	20,5 m TL	14,7 m TL	16,0 m TL	17,9 m TL	9.0 m TL	15.9 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 İstanbul «Star Market» under the ticker symbol of PETUN.

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