



# Pinar Et

Earnings Presentation  
2019-9M

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

**209**  thousand  
m<sup>2</sup> outdoor  
**51** thousand m<sup>2</sup>  
indoor  
PRODUCTION AREA



PURCHASING  
SPREADS OVER  
**6** REGIONS

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

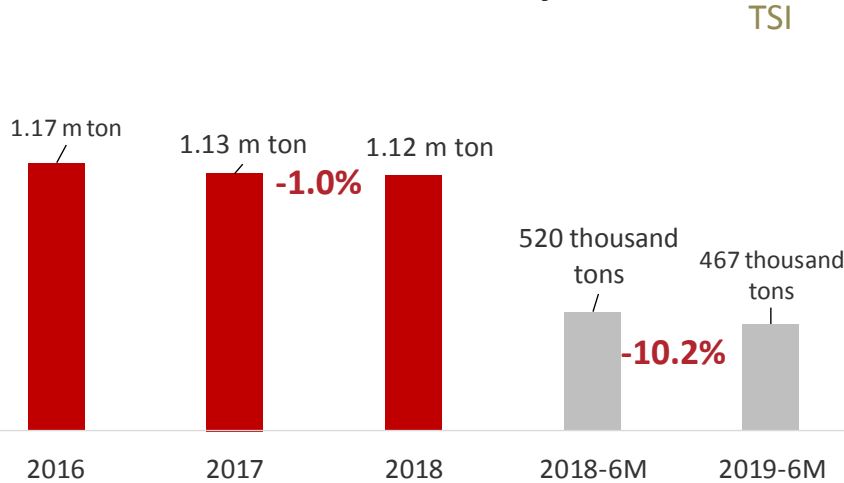
**562.0**Million TL  
Net Sales**5.0%**Turnover  
Growth**53.6**million TL  
EBITDA**4.8**Million Dollar  
Export Turnover**754**2019-9M Number  
of Employees

- The red meat prices rose by 7.4% in 2019-9M compared to the same period of the last year. (\*fat-free beef prices of National Red Meat Council.)
- In the first six months of the year, red meat production in Turkey decreased by 10.2% compared to the same period of previous year as 467 thousand tons. (TSI)
- In first eight months of 2019, a decrease (22%) occurred in turkey meat production compared with the first eight months of the previous year. (TSI)
- Compared to the last year, total processed meat market in 2019-9M in Turkey achieved a growth of 14.3% in turnover and 0.7% increase in volume. (Nielsen, BIM excluded value share)

PRODUCTION AND COST

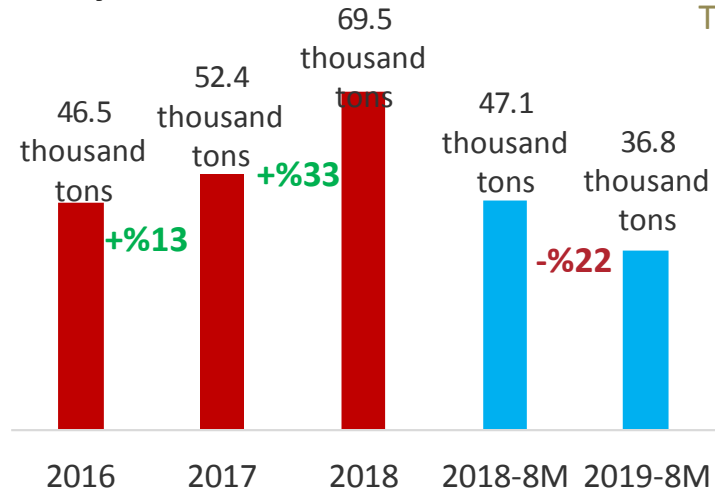
Red Meat Production in Turkey

TSI



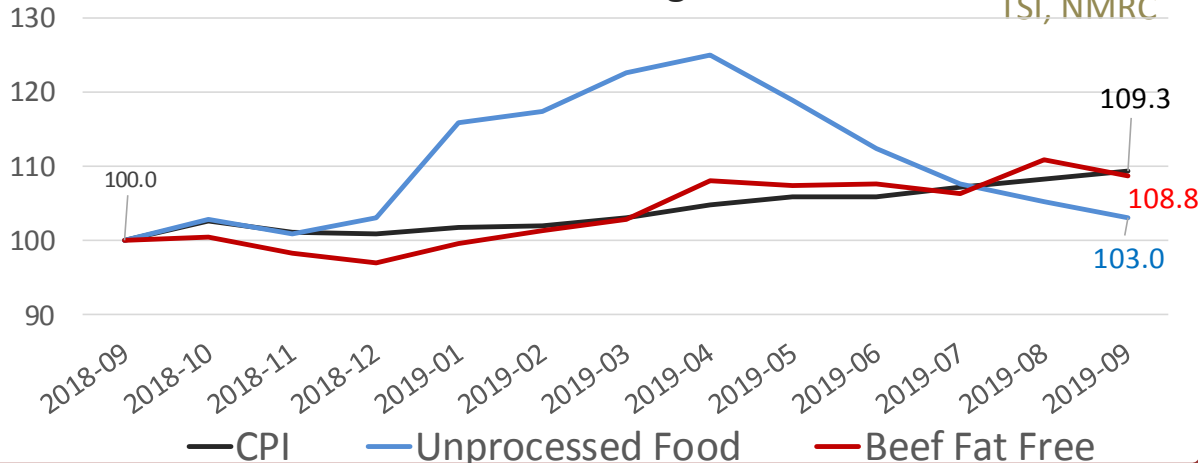
Turkey Meat Production

TSI



Inflation and Red Meat Prices Progress

TSI, NMRC

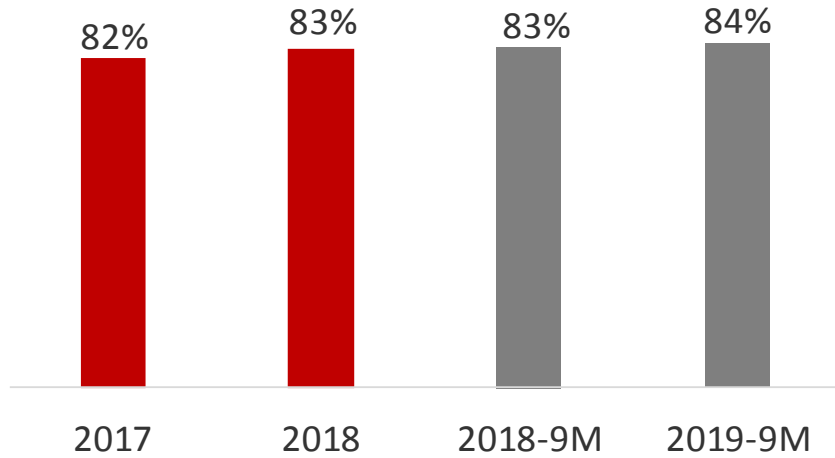


- Custom tax rate has been fixed at 0% for livestock, 26% for butchery animal (0% for Meat and Milk Organization in quota) and 40% for carcass meat until December 31, 2019.
- In 9M 2019, animal import in Turkey reduced by 61% compared to 9M-2018. (TSI)

CONSUMPTION AND MARKET

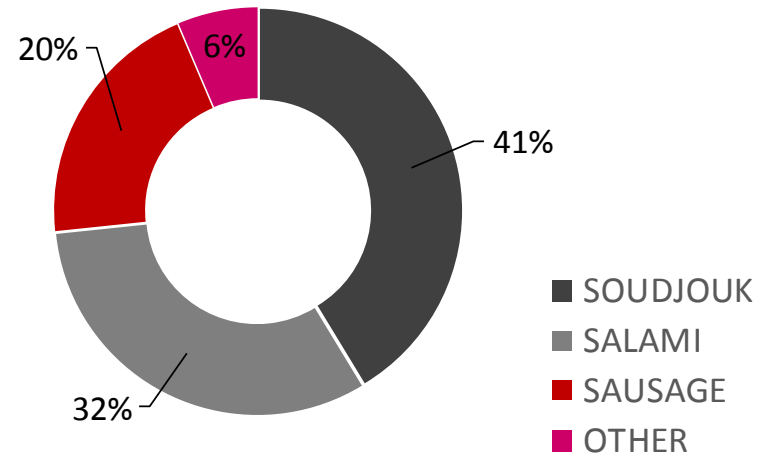
Share of Packaged Delicatessen Products

Nielsen



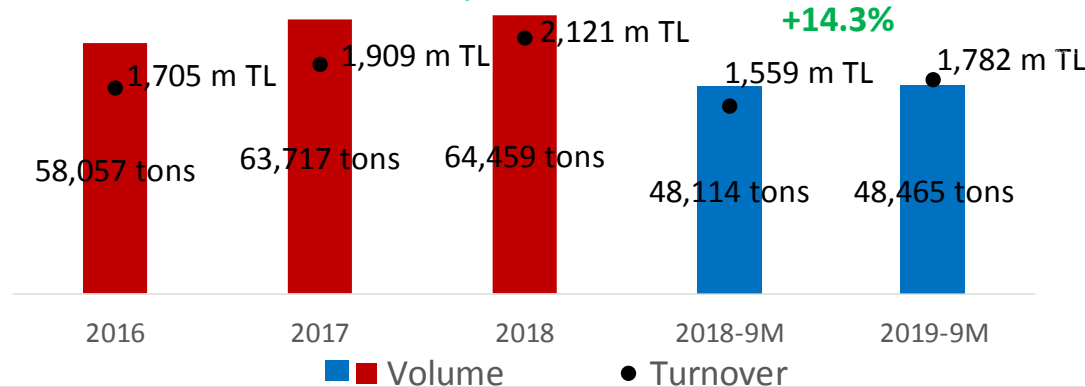
Processed Meat Market Segments (Volume)

2019-9M, Nielsen, BIM Excl.



Processed Meat Retail Market

Nielsen, Red Meat and Poultry  
BIM Excl.



- Compared to the same period of the previous year, processed meat market did not change significantly in terms of volume, while the turnover rose by 14.3% due to price increases.

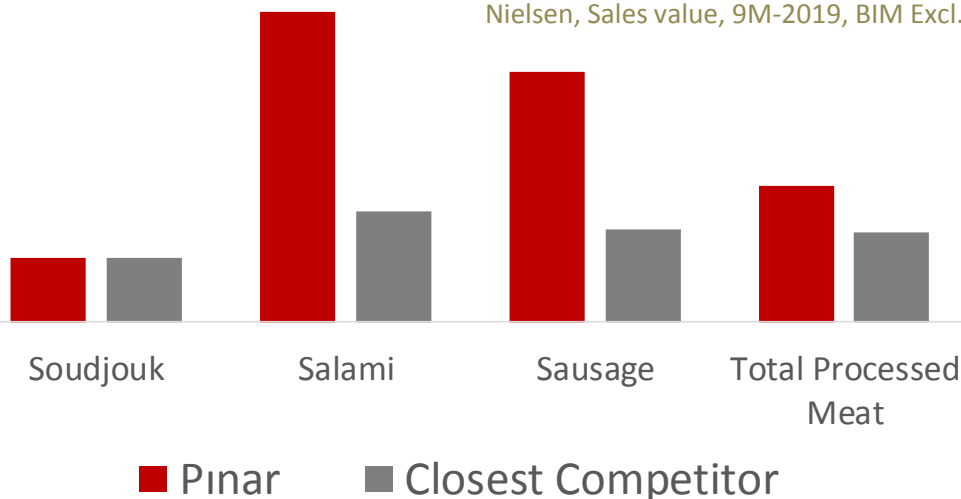
**Market Shares**

Nielsen, Sales value, 9M-2019, BIM Excl.

Product	Market Share	Position
Total Processed Meat	18.3%	#1
Salami	42.1%	#1
Sausage	33.8%	#1
Soudjouk	8.6%	#3

**Pinar Et ve Rakipler**

Nielsen, Sales value, 9M-2019, BIM Excl.

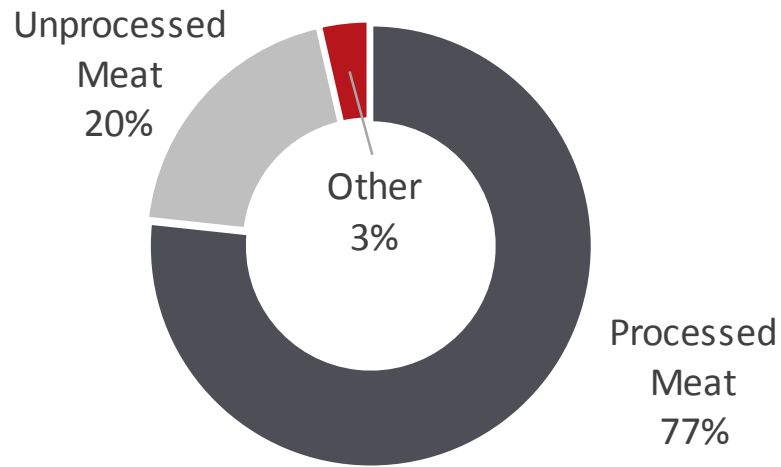


- In the total processed meat market, where our market share increased in the third quarter; Pinar Et maintained the leader position with a 18.3% of market share in the first nine months.

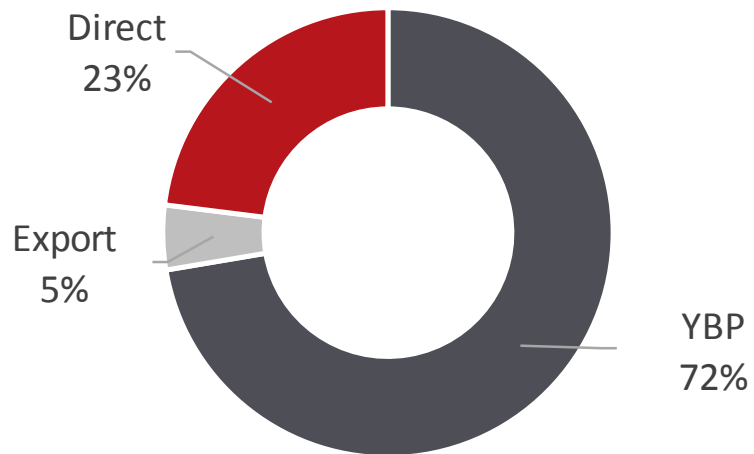
Nielsen, Sales value, BIM Excl.

### NET SALES BREAKDOWN

**Based on Product Groups**



**Based on Sales Channel**





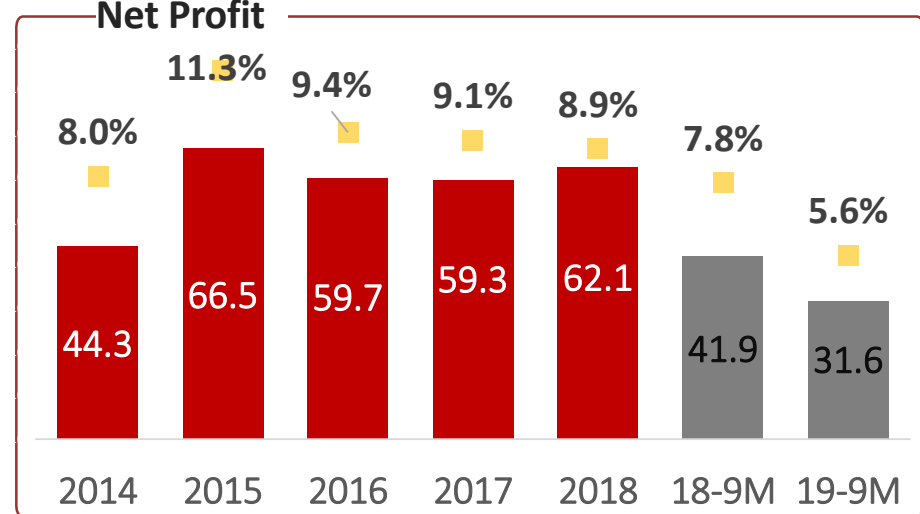
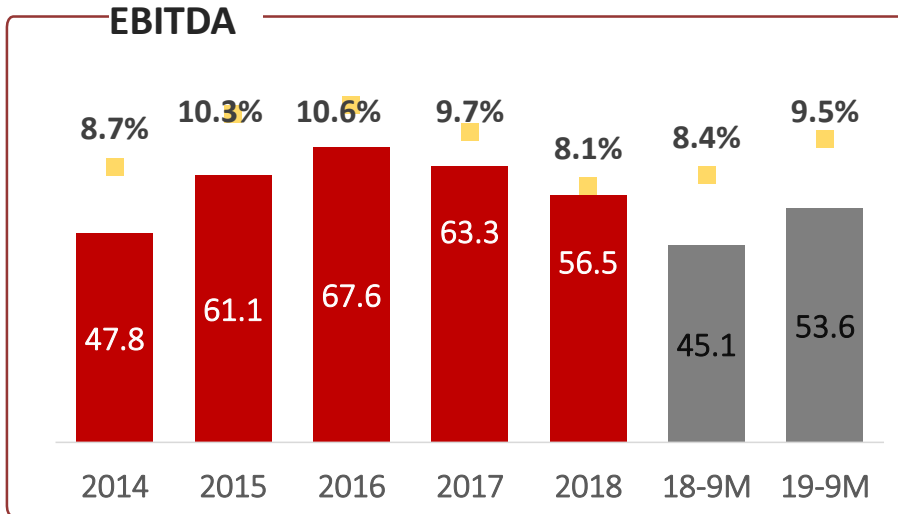
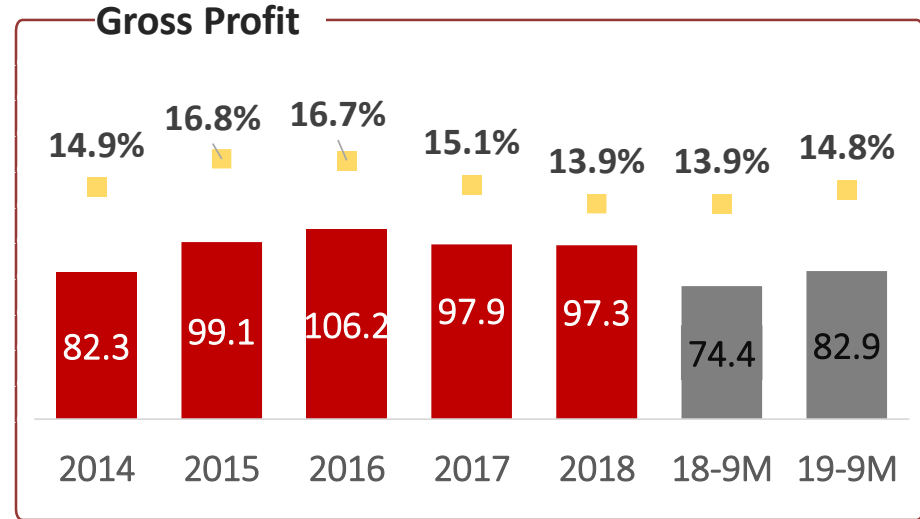
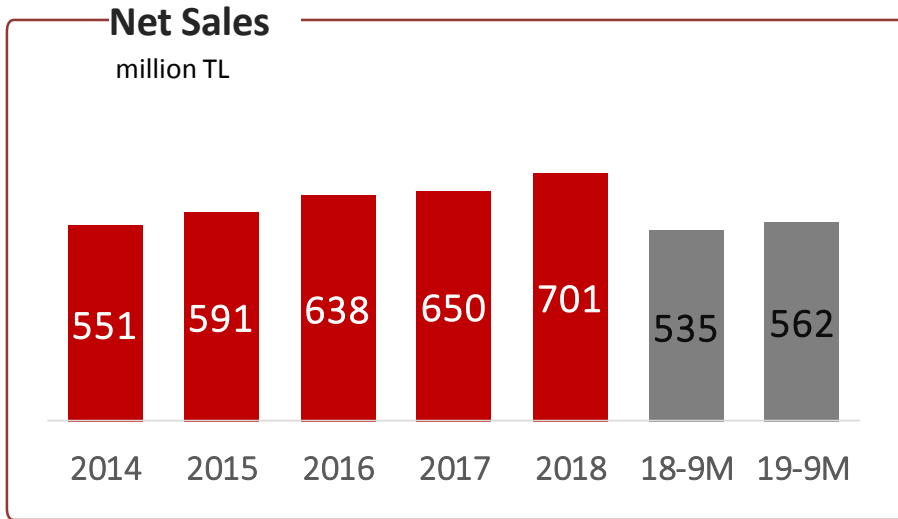
**INCOME STATEMENT**

(Million TL)	1/1/2019 9/30/2019	1/1/2018 9/30/2018	Difference	Change
<b>Net Sales</b>	<b>562.0</b>	<b>535.4</b>	<b>26.7</b>	<b>5.0%</b>
Cost of Goods Sold	(479.1)	(460.9)	(18.2)	3.9%
<b>Gross Profit</b>	<b>82.9</b>	<b>74.4</b>	<b>8.5</b>	<b>11.4%</b>
R&D Expenses	(1.4)	(1.9)	0.4	-23.2%
Sales, Distribution and Marketing Expenses	(23.0)	(23.0)	0.0	-0.2%
General Administration Expenses	(20.0)	(16.3)	(3.7)	22.9%
<b>EBIT</b>	<b>38.4</b>	<b>33.2</b>	<b>5.2</b>	<b>15.8%</b>
<b>EBITDA</b>	<b>53.6</b>	<b>45.1</b>	<b>(4.7)</b>	<b>18.9%</b>
Shares of Results of Investments in Associates	0.2	11.2	(11.0)	-98.4%
Other Expenses (Net)	3.4	2.2	1.3	58.8%
Financial Expenses (Net)	(1.9)	0.6	(2.5)	-403.3%
<b>Profit Before Tax</b>	<b>40.2</b>	<b>47.1</b>	<b>(7.0)</b>	<b>-14.8%</b>
Tax	(8.5)	(5.3)	(3.3)	61.9%
<b>Net Profit for the Period</b>	<b>31.6</b>	<b>41.9</b>	<b>(10.3)</b>	<b>-24.5%</b>





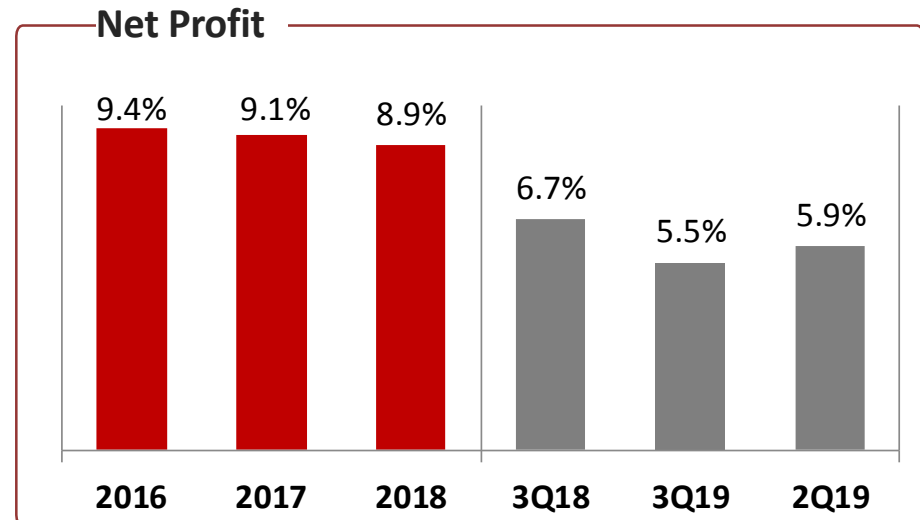
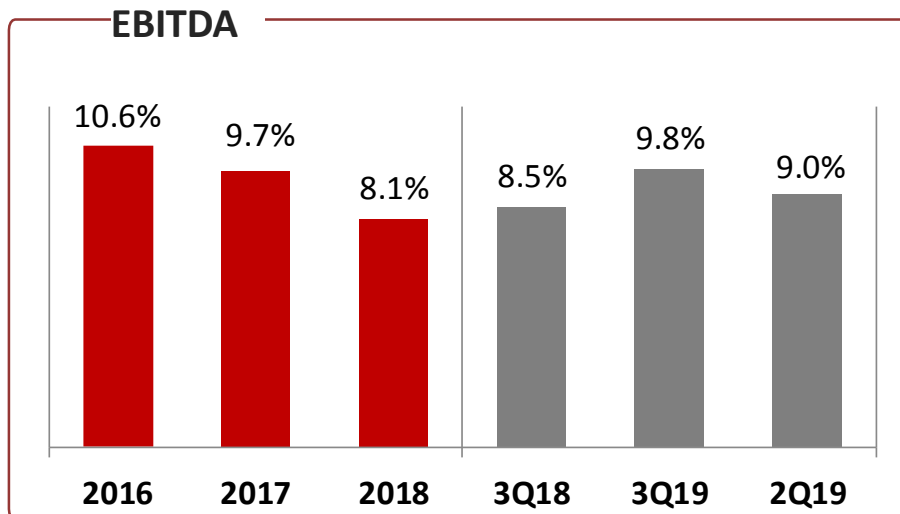
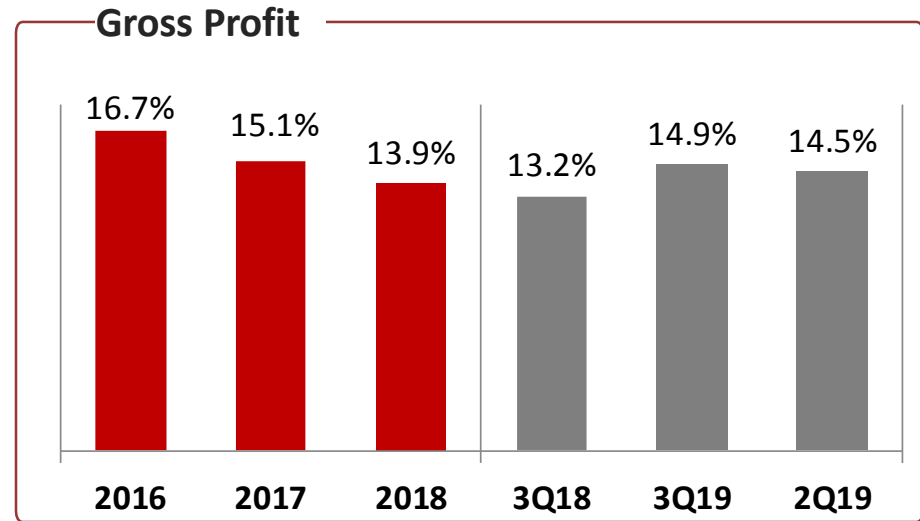
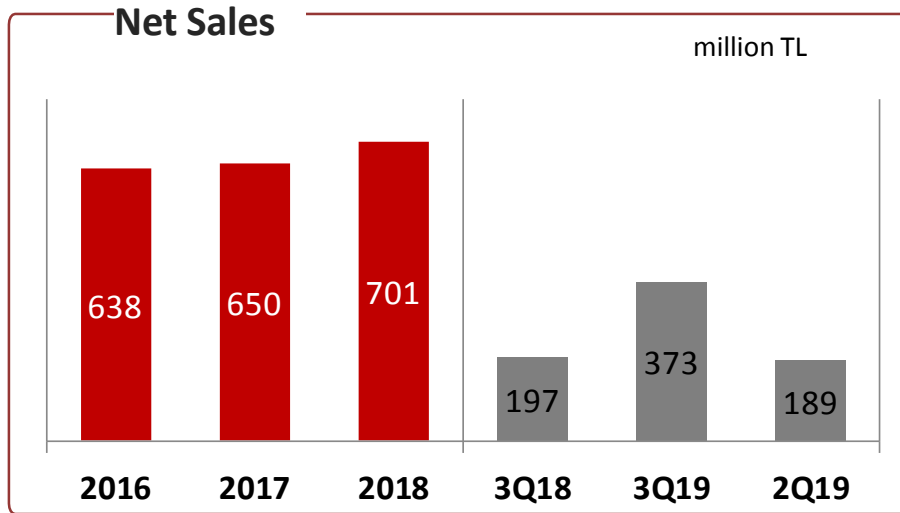
### SALES AND PROFITABILITY - ANNUALLY



EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income / expenses.



### SALES AND PROFITABILITY - QUARTERLY



EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income / expenses.

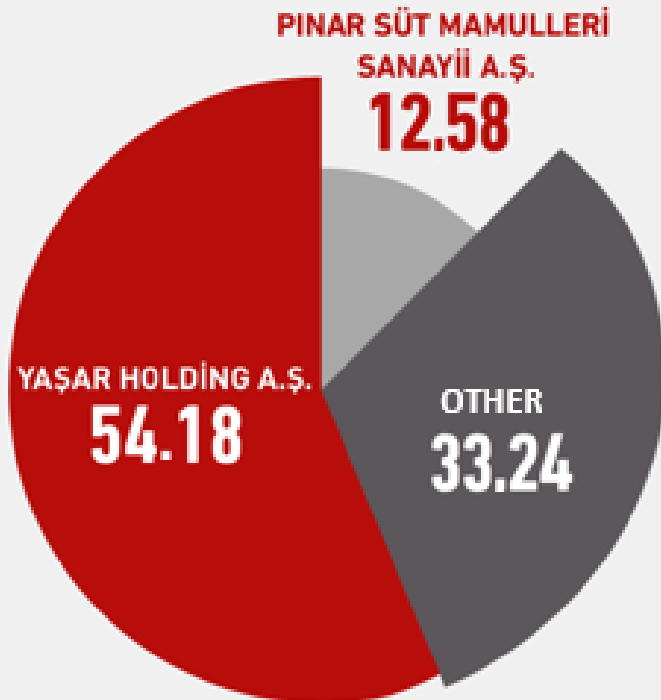
**FINANCIAL RATIOS**

	2015/12	2016/12	2017/12	2018/12	2019/09
Current Ratio	1.65	1.67	1.61	1.65	1.58
Leverage Ratio	0.22	0.23	0.23	0.24	0.27
Current Borrowings/Total Borrowings (Fir	1.00	1.00	1.00	1.00	0.94
Net Fin. Borrowings/EBITDA	0.02	0.04	0.05	0.07 -	0.05
Net Fin. Borrowings/Equity	0.00	0.01	0.01	0.01 -	0.01
Return on Equity (ROE)	17.7%	14.5%	12.9%	11.8%	9.6%

**CAPITAL EXPENDITURES**

	2015	2016	2017	2018	2018/09	2019/09
Capital Expenditures	14.7 m TL	16.0 m TL	17.9 m TL	28.9 m TL	15.4 m TL	2.4 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 «Main Market» under the ticker symbol of PETUN.

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