

Pinar Et

Earnings Presentation
2020-9M



PINAR ET AT A GLANCE

First private
integrated meat
processing plant



155 thousand
SALES POINTS

%2

%1

Production according
to Turkish food Codex
and EU standards

102 thousand cattle
408 thousand sheep & goat
1.8 million turkeys

CUTTING AND
PROCESSING CAPACITY

Backward
integration in
turkey



50 thousand m² indoor
259 thousand m² outdoor
FIELD PRODUCTION



PURCHASING SPREADS OVER

6

REGIONS

ABOUT
350
PRODUCTS IN
CATEGORIES **6**

733
AVERAGE
NUMBER OF
EMPLOYEES IN
2020-9M

**617.5****MILLION TL
NET SALES****68.0****MILLION TL
NET PROFIT****23,516****TONNES
SALES VOLUME****18.0****PINAR ET
PROCESSES MEAT
PRODUCTS
MARKET SHARE******2.4 billion TL****PROCESSED MEAT PRODUCTS
MARKET SIZE***

- The average red meat prices increased by 17.0% in 2020-9M compared to the same period of the last year. (Fat-free beef prices of National Red Meat Council.)
- In the first eight months of 2020, "Turkey meat" production increased by 9.3%, YoY. (TSI)
- In 2019, red meat production in Turkey enlarged by 7.4% compared to the same period of previous year as 1.2 million tons. (TSI)
- Compared to the same period of last year, total processed meat market in Turkey achieved a growth of 31.3% in turnover and 16.1% increase in volume. (Nielsen, BIM excluded value share)
- Pinar Et received TSE "Covid-19 Safe Production Certificate".

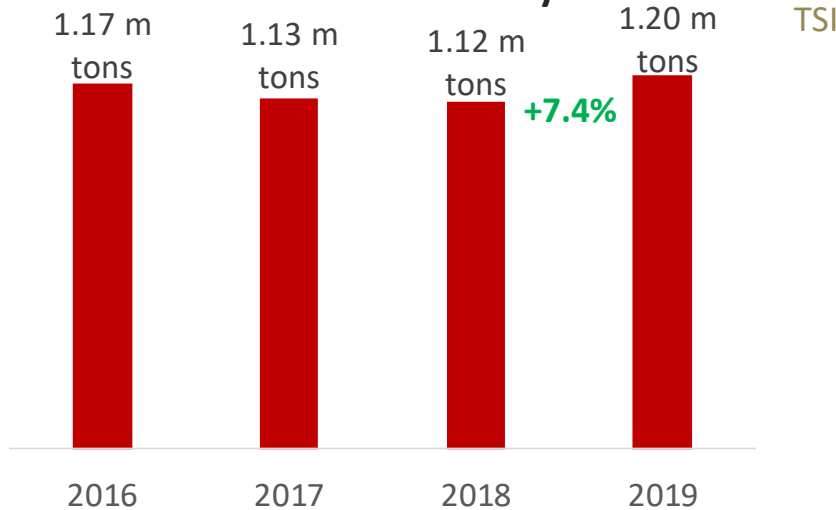
*Nielsen, 2020-9M BIM Excl.

**Nielsen, 2020-9M BIM Excl., Sales Value

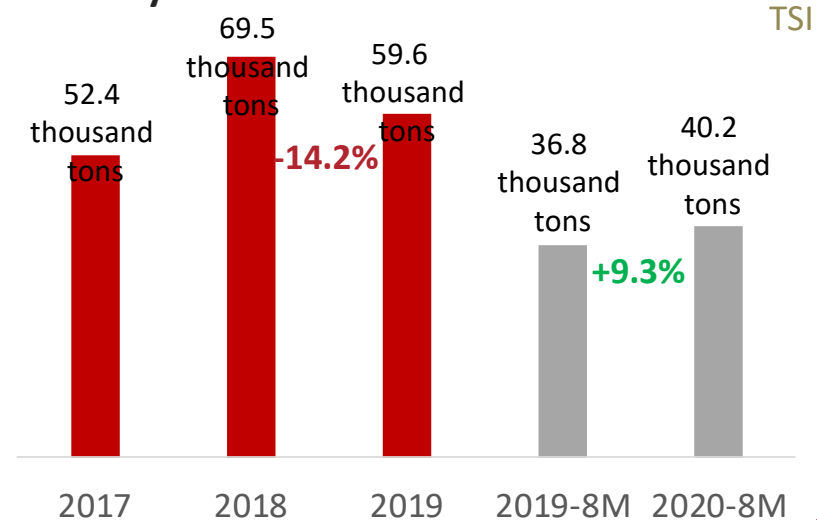
MARKET DYNAMICS

PRODUCTION AND COST

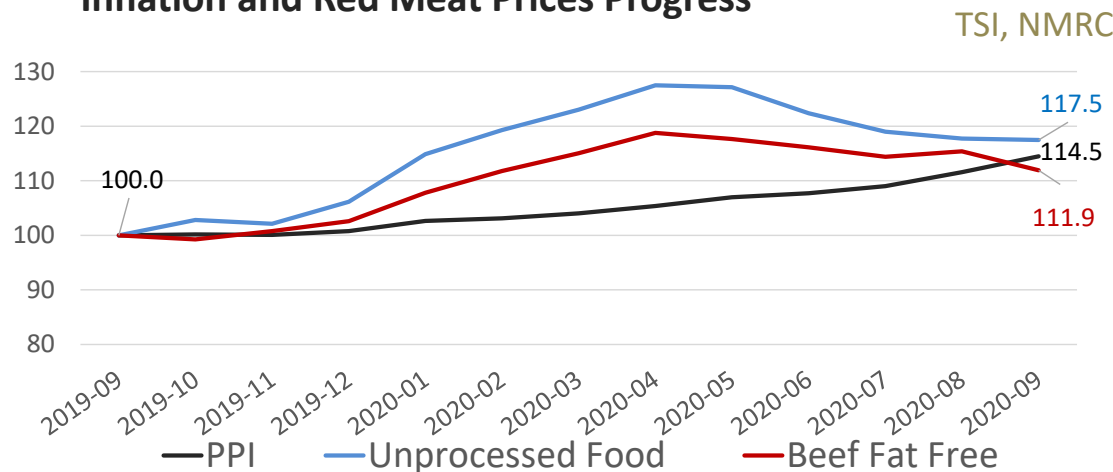
Red Meat Production in Turkey



Turkey Meat Production



Inflation and Red Meat Prices Progress

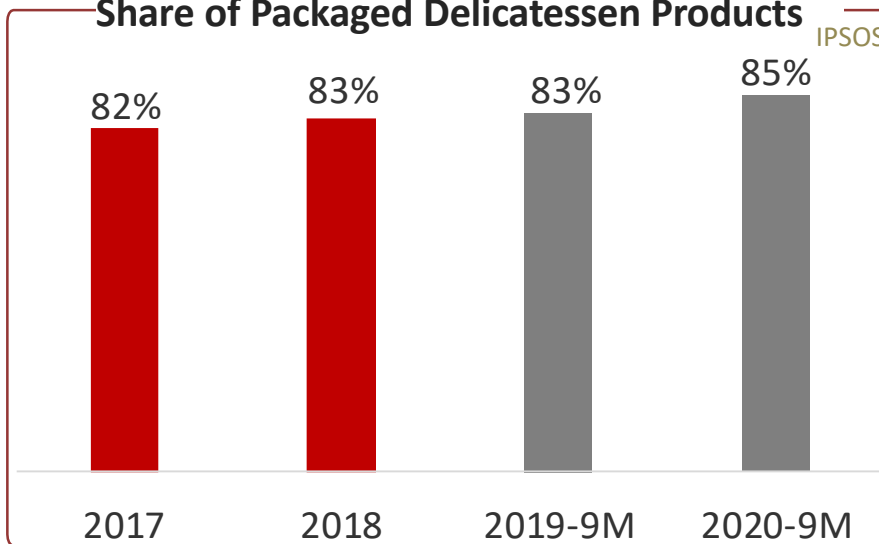


- Custom tax rate has been fixed at 0% for livestock, 26% for butchery animal (0% for Meat and Milk Organization in quota) and 40% for carcass meat. As of the second half of 2020, inspection certificate has started to be issued regarding the import of livestock.
- In 2020-8M, animal import reduced by 45% compared to the same period of previous year. (TSI)

CONSUMPTION AND MARKET

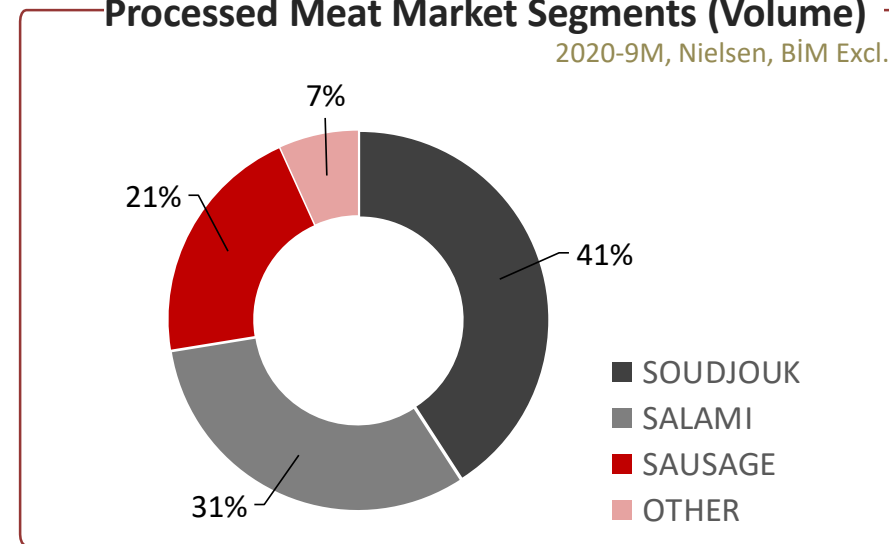
Share of Packaged Delicatessen Products

IPSOS



Processed Meat Market Segments (Volume)

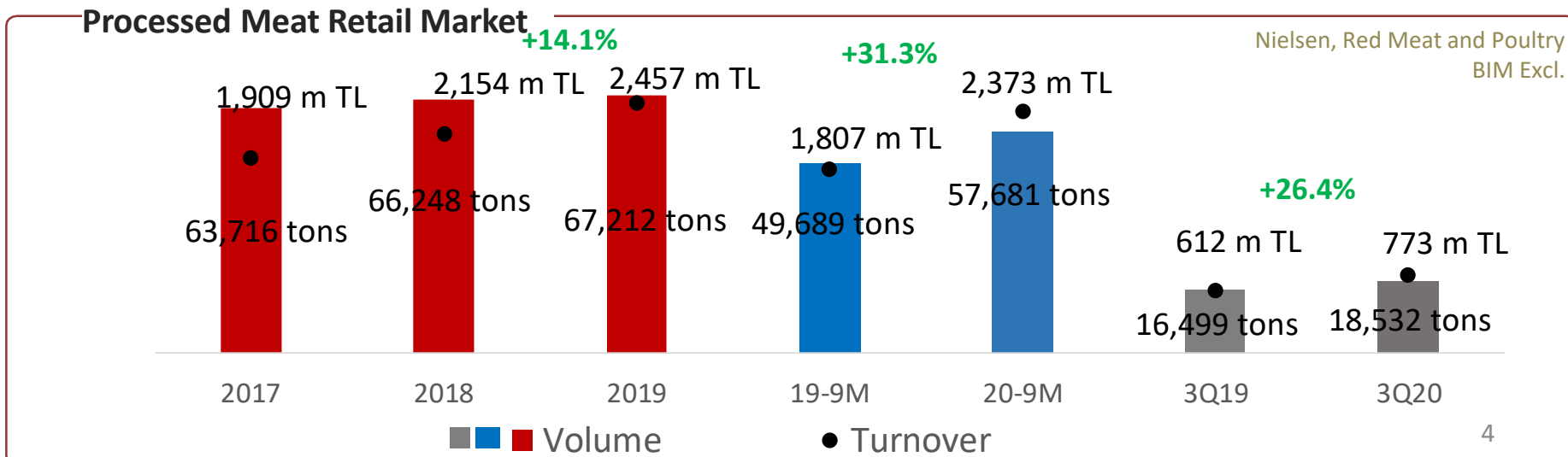
2020-9M, Nielsen, BiM Excl.



Processed Meat Retail Market

+14.1%

+31.3%

Nielsen, Red Meat and Poultry
BIM Excl.


MARKET POSITION

Market Shares of Pinar Et

Nielsen, Sales value, 2020-9M, BIM Excl.

Products	Market Share
Total Processed Meat	18.0%
Salami	43.1%
Sausage	33.6%
Soudjouk	8.4%

Pinar Et and Competitors

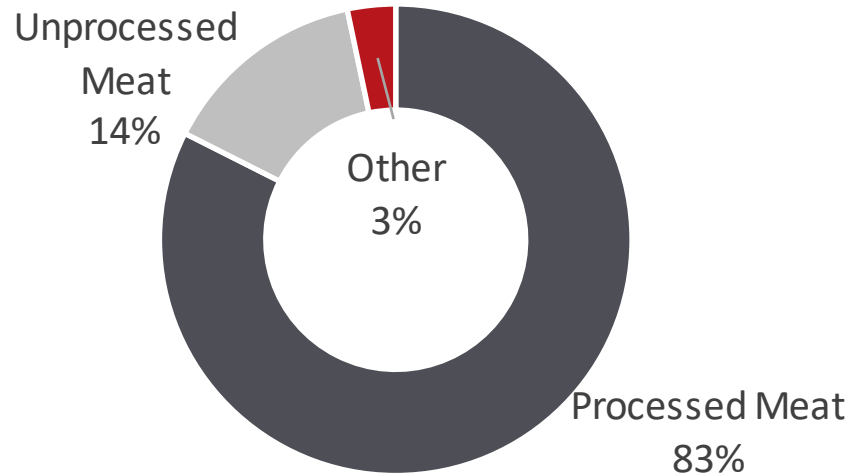
Nielsen, Sales value, 2020-9M, BIM Excl.



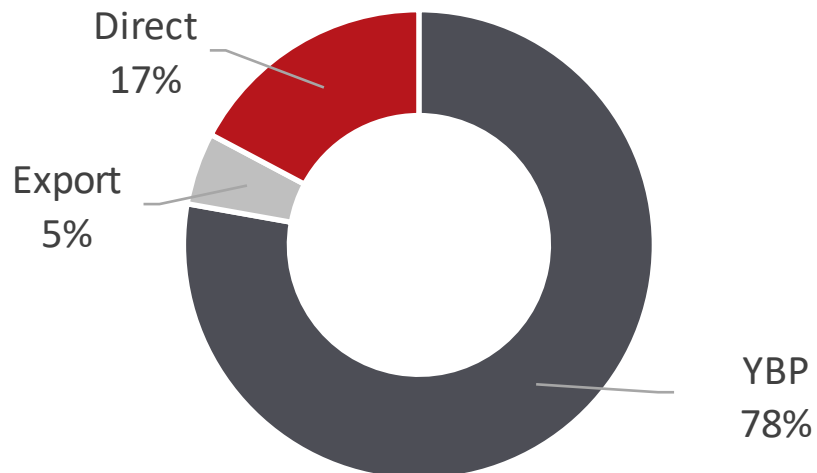
- In the total processed meat market, which our market share increased compared to the first half of the year; Pinar Et maintained its leading position in the market with 18.0% market share. (Nielsen, Sales value, BIM Excl.)
- Pinar Et complied the criteria set by TSE and became the first integrated meat products company to achieve the "Covid-19 Safe Production Certificate".
- Pinar Et released 350 products in 6 categories and continued new product launches and package diversifications.

NET SALES BREAKDOWN

Based on Product Groups



Based on Sales Channel



**Yaşar Birleşik Pazarlama, the distribution company of Yaşar Food Group, ranks 152th in 2019 in the top 500 rankings of Fortune magazine.*

INCOME STATEMENT

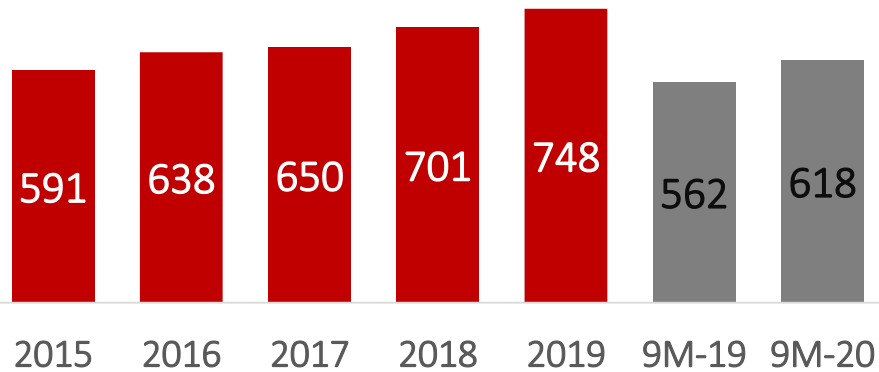
(Million TL)	01/01/20 09/30/2020	01/01/19 09/30/2019	Difference	Change
Net Sales	617.5	562.0	55.5	9.9%
Cost of Goods Sold	(512.3)	(478.8)	(33.5)	7.0%
Gross Profit	105.1	82.9	22.1	26.7%
R&D Expenses	(2.5)	(1.4)	(1.0)	72.8%
Sales, Distribution and Marketing Expenses	(29.0)	(23.0)	(6.0)	26.1%
General Administration Expenses	(20.3)	(20.0)	(0.3)	1.3%
EBIT	53.2	38.4	14.8	38.5%
EBITDA	68.8	53.6	15.2	28.4%
Shares of Results of Investments in Associates	14.2	0.2	14.1	7910.8%
Other Expenses (Net)	2.4	3.4	(1.0)	-28.6%
Financial Expenses (Net)	0.1	(1.9)	1.9	103.4%
Profit Before Tax	70.0	40.2	29.8	74.3%
Tax	(2.0)	(8.5)	6.5	-76.3%
Net Profit for the Period	68.0	31.6	36.3	114.9%



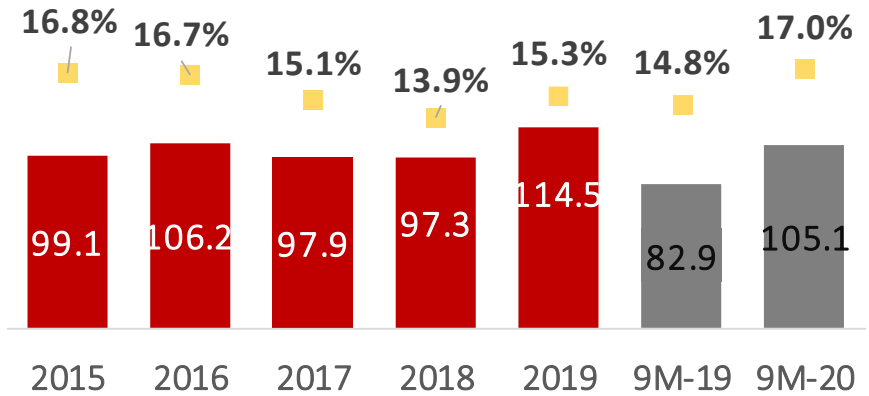
SALES AND PROFITABILITY - ANNUALLY

Net Sales

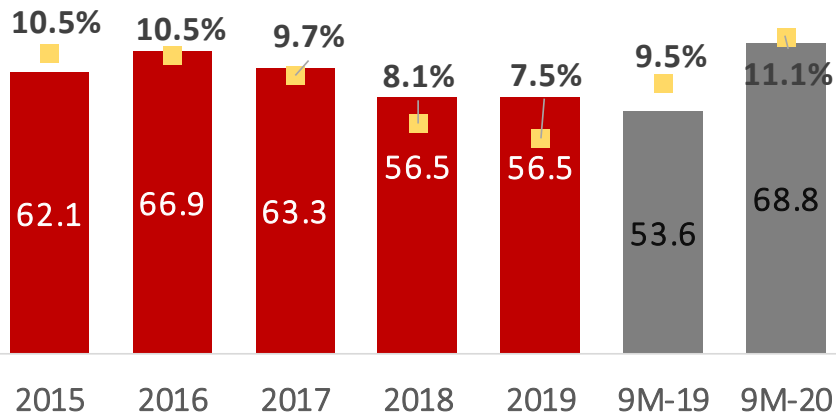
million TL



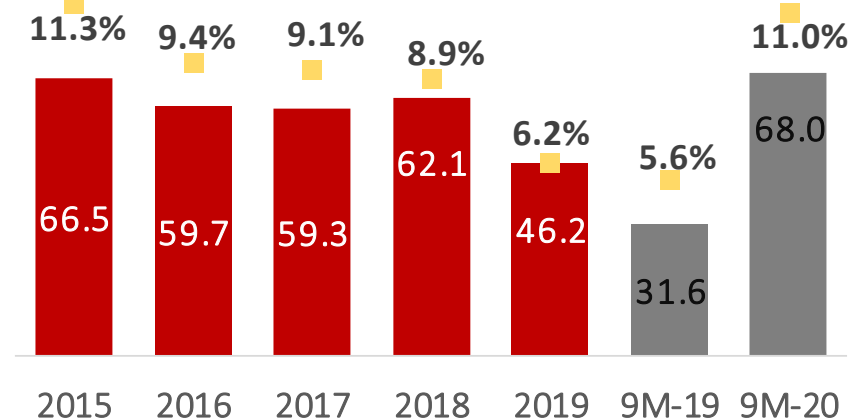
Gross Profit



EBITDA



Net Profit



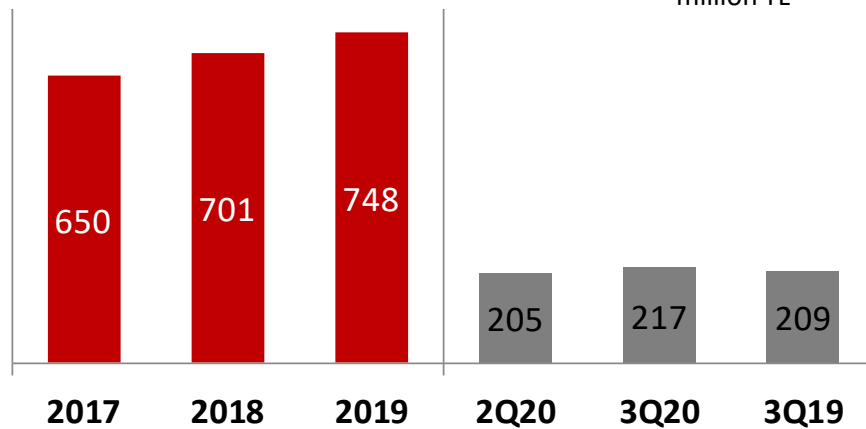
EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income / expenses.



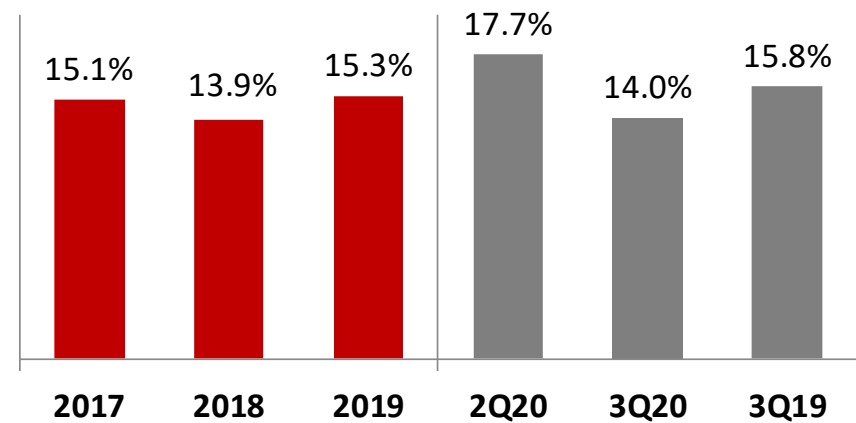
SALES AND PROFITABILITY - QUARTERLY

Net Sales

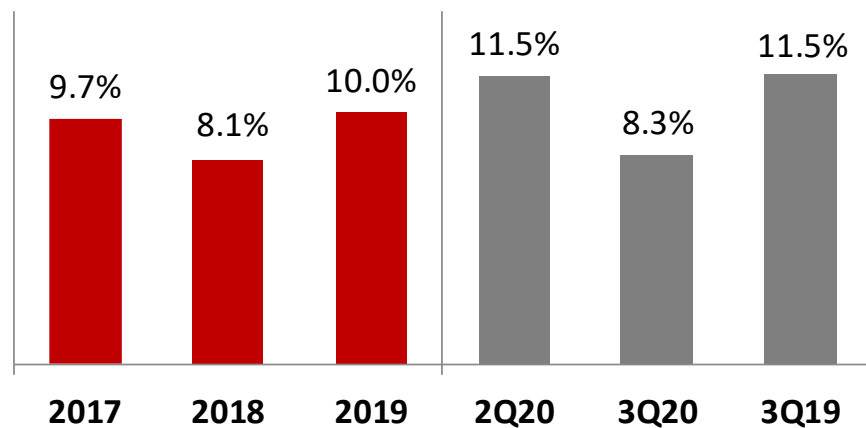
million TL



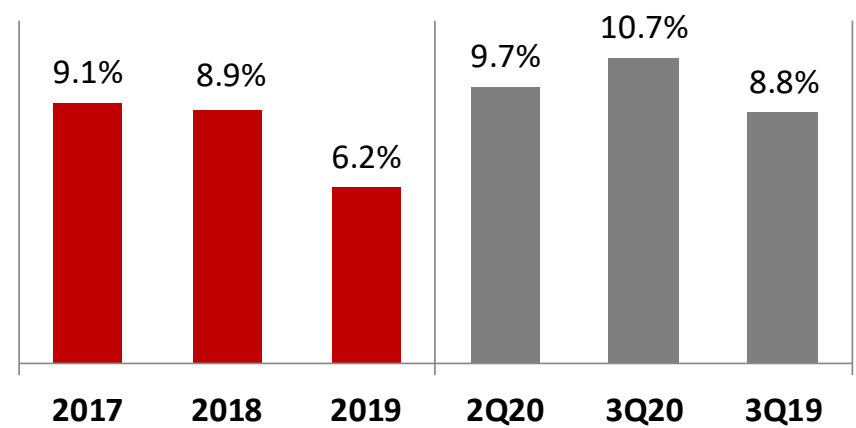
Gross Profit



EBITDA



Net Profit



FINANCIAL RATIOS

	2016/12	2017/12	2018/12	2019/12	2020/09
Current Ratio	1.67	1.61	1.65	1.73	1.52
Leverage Ratio	0.23	0.23	0.24	0.23	0.33
Current Borrowings/Total Borrowings (Fin.)	1.00	1.00	1.00	0.95	0.14
Net Fin. Borrowings/EBITDA	0.04	0.05	0.07	-	0.28
Net Fin. Borrowings/Equity	0.01	0.01	0.01	-	0.03
Return on Equity (ROE)	14.5%	12.9%	11.8%	7.6%	9.5%

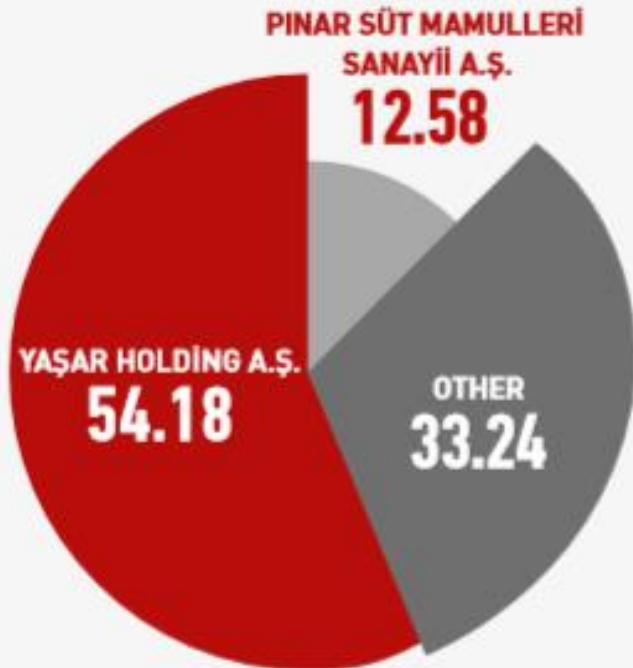
CAPITAL EXPENDITURES

	2016	2017	2018	2019	2019/09	2020/09
Capital Expenditures	16.0 m TL	17.9 m TL	28.9 m TL	10.4 m TL	2.4 m TL	10.6 m TL



OWNERSHIP STRUCTURE

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
TOTAL	100.00	43,335,000.00

Pinar Et shares are traded at Borsa İstanbul Star Market under the ticker symbol "PETUN".

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