



Pinar Et

Earnings Presentation
2020-H1

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-H1

**400.8****MILLION TL
NET SALES****44.8****MILLION TL
NET PROFIT****15,468****TONNES
SALES VOLUME****17.3%****PINAR ET
PROCESSES MEAT
PRODUCTS
MARKET SHARE******1.6 billion TL****PROCESSED MEAT PRODUCTS
MARKET SIZE***

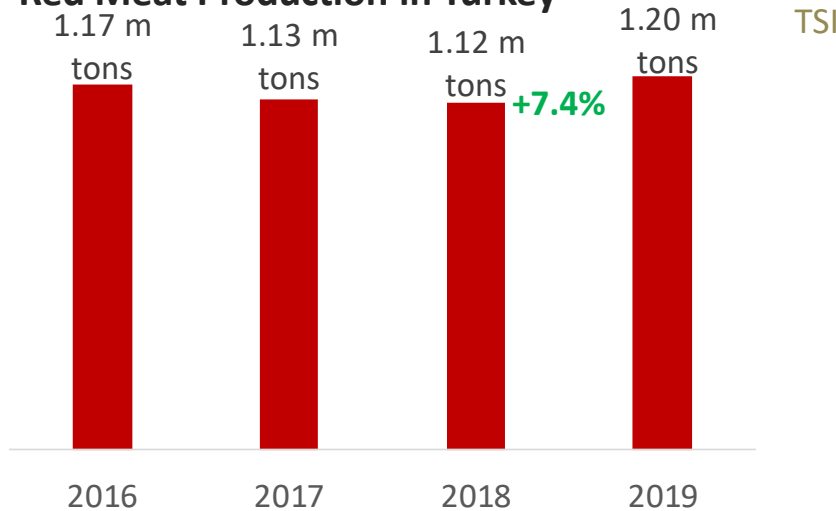
- The average red meat prices increased by 20.2% in 2020-H1 compared to the same period of the last year. (Fat-free beef prices of National Red Meat Council.)
- In the first five months of 2020, "Turkey meat" production increased by 0.9%, YoY. (TSI)
- In 2019, red meat production in Turkey enlarged by 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 33.8% in turnover and 18.0% increase in volume. (Nielsen, BiM excluded value share)
- Pinar Et received TSE "Covid-19 Safe Production Certificate".

*Nielsen, 2020-H1 BiM Excl.

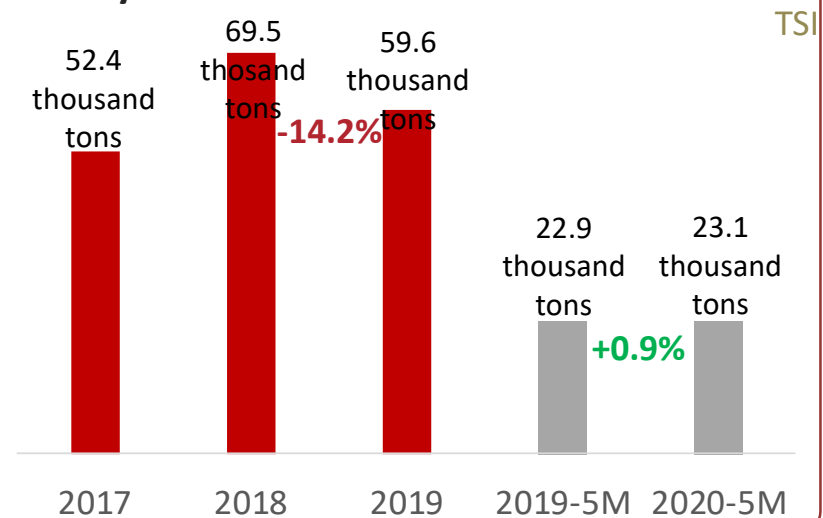
**Nielsen, 2020-H1 BiM Excl., Sales Value²

PRODUCTION AND COST

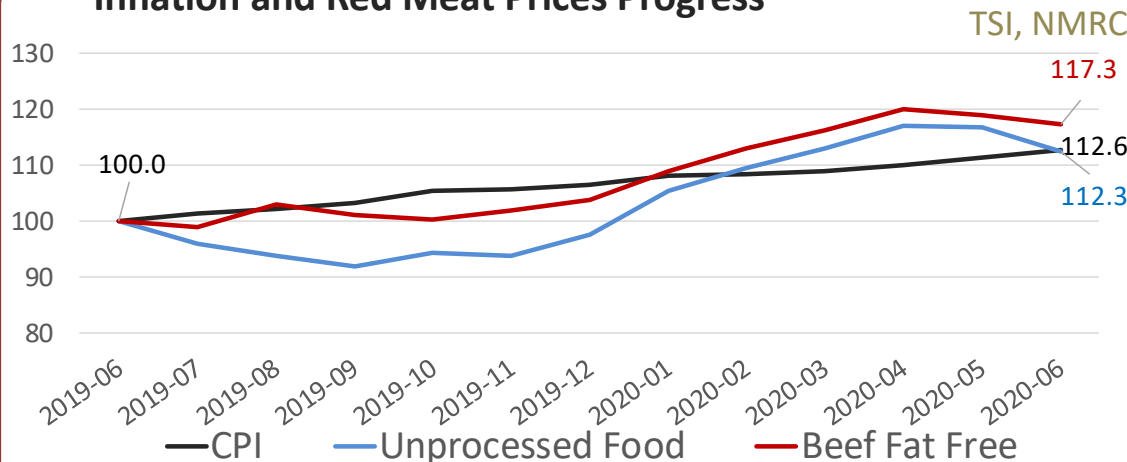
Red Meat Production in Turkey



Turkey Meat Production



Inflation and Red Meat Prices Progress



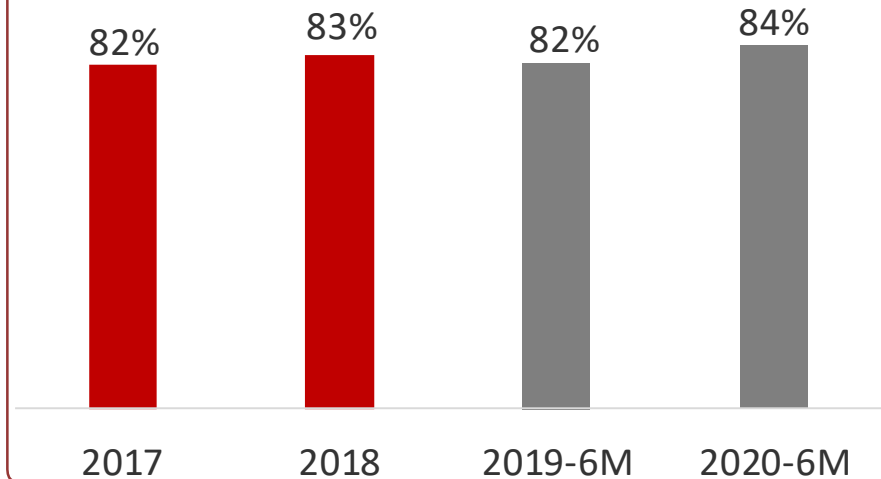
- Custom tax rate has been fixed at 0% for livestock, 26% for butchery animal (0% for Meat and Milk Organization in quota) and 40% for carcass meat. As of the second half of 2020, inspection certificate has started to be issued regarding the import of livestock.
- In 2020-H1, animal import reduced by 41% compared to the same period of 2019. (TSI)

MARKET DYNAMICS

CONSUMPTION AND MARKET

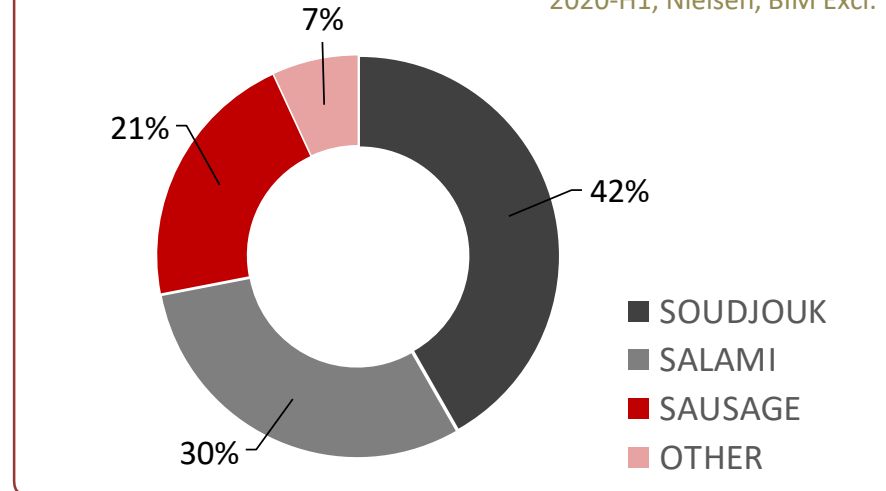
Share of Packaged Delicatessen Products

IPSOS

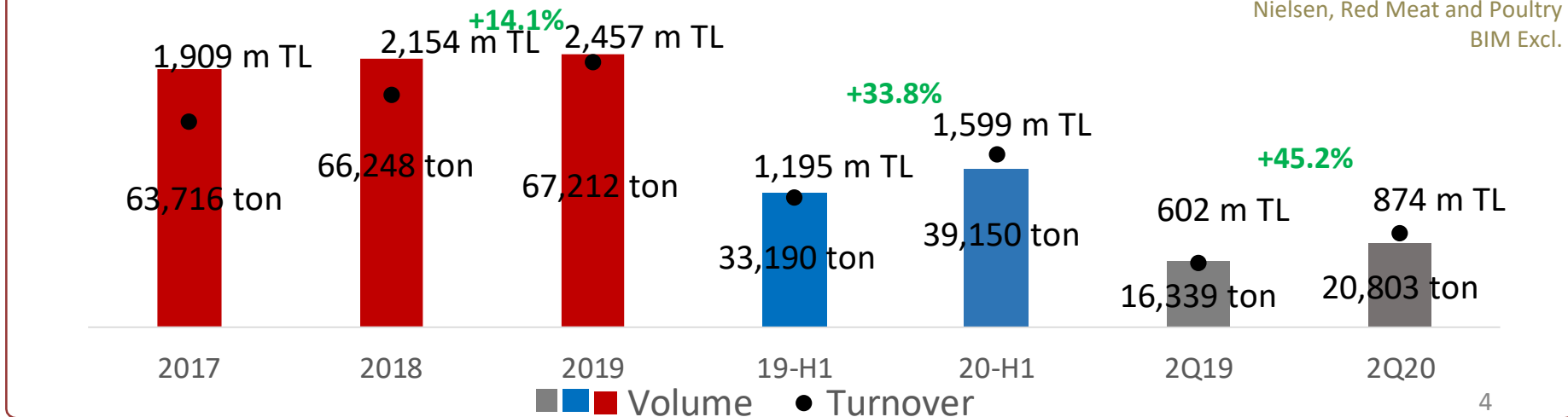


Processed Meat Market Segments (Volume)

2020-H1, Nielsen, BiM Excl.



Processed Meat Retail Market

Nielsen, Red Meat and Poultry
BIM Excl.


MARKET POSITION

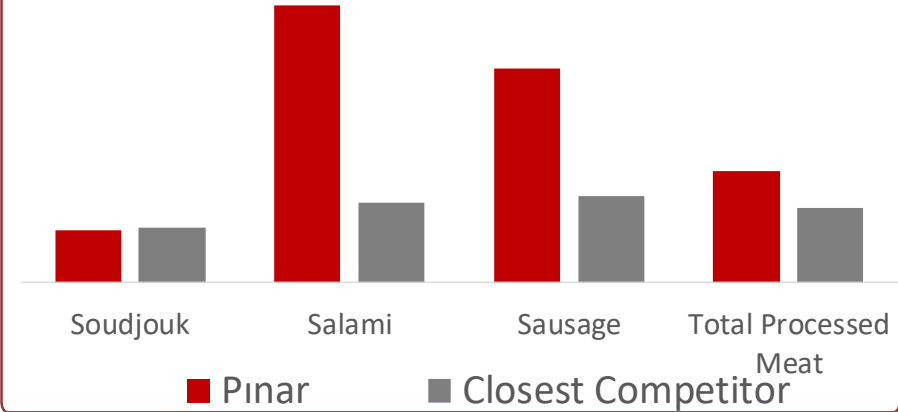
Market Shares of Pinar Et

Nielsen, Sales value, 2020-H1, BIM Excl.

| Products | Market Share |
|----------------------|--------------|
| Total Processed Meat | 17.3% |
| Salami | 42.8% |
| Sausage | 33.1% |
| Soudjouk | 8.1% |

Pinar Et and Competitors

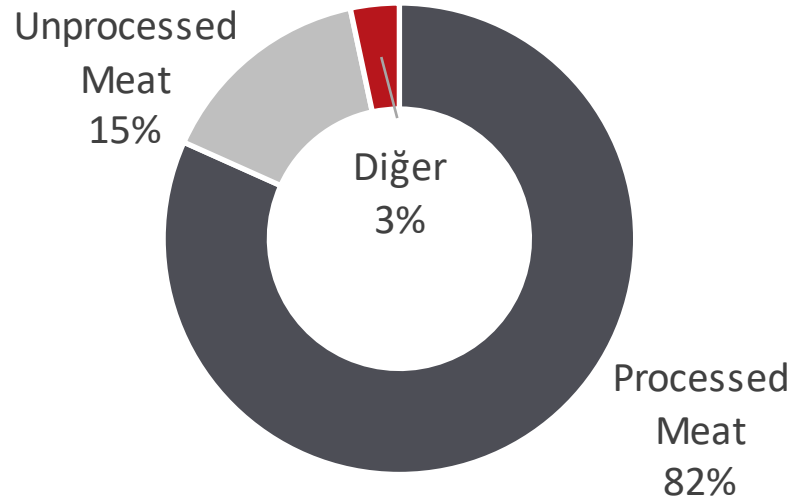
Nielsen, Sales value, 2020-H1, BIM Excl.



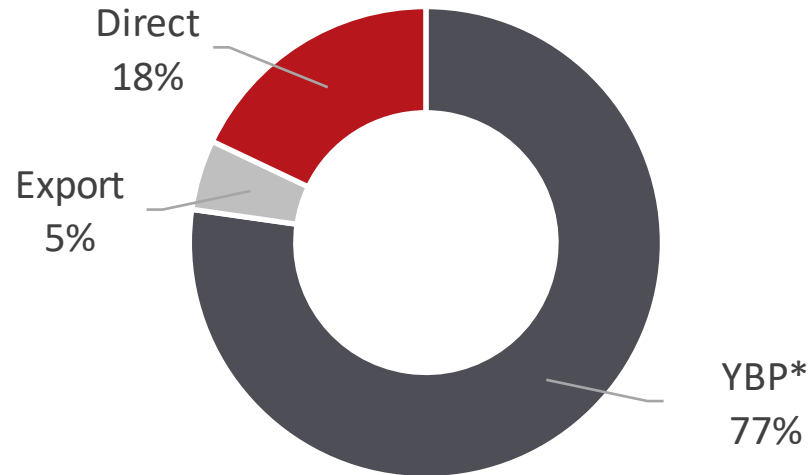
- In the total processed meat market, which our market share increased compared to the first quarter of the year; Pinar Et maintained its leading position in the market with 17.3% market share. (Nielsen, Sales value, BIM Excl.)
- Pinar Et complied the criteria set by TSE and became the first integrated 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.*

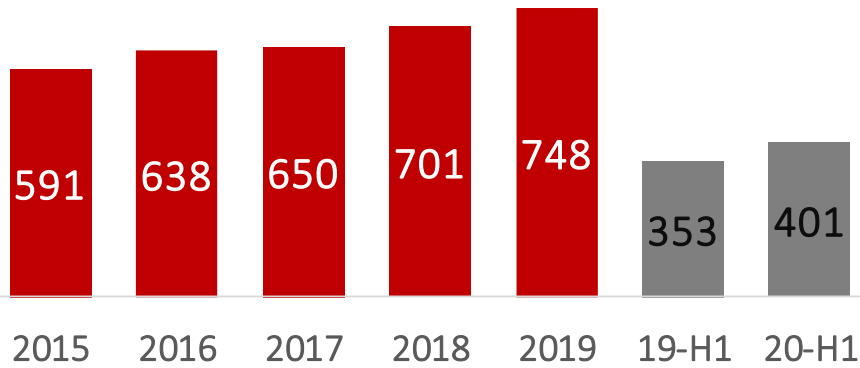
INCOME STATEMENT

| (Million TL) | 01/01/20 6/30/2020 | 01/01/19 6/30/2019 | Difference | Change |
|--|-----------------------|-----------------------|-------------|---------------|
| Net Sales | 400.8 | 353.5 | 47.3 | 13.4% |
| Cost of Goods Sold | (326.3) | (303.6) | (22.7) | 7.5% |
| Gross Profit | 74.6 | 49.9 | 24.7 | 49.5% |
| R&D Expenses | (1.6) | (0.9) | (0.7) | 72.5% |
| Sales, Distribution and Marketing Expenses | (19.1) | (16.5) | (2.5) | 15.4% |
| General Administration Expenses | (13.2) | (12.8) | (0.4) | 3.0% |
| EBIT | 40.8 | 19.7 | 21.1 | 107.0% |
| EBITDA | 50.7 | 29.5 | 21.2 | 71.9% |
| Shares of Results of Investments in | | | | |
| Associates | 3.0 | (3.2) | 6.3 | 194.3% |
| Other Expenses (Net) | 0.8 | 2.4 | (1.6) | -66.4% |
| Financial Expenses (Net) | (0.7) | (1.2) | 0.4 | -37.4% |
| Profit Before Tax | 43.9 | 17.7 | 26.2 | 148.0% |
| Tax | 0.9 | (4.4) | 5.3 | 119.6% |
| Net Profit for the Period | 44.8 | 13.3 | 31.5 | 237.5% |

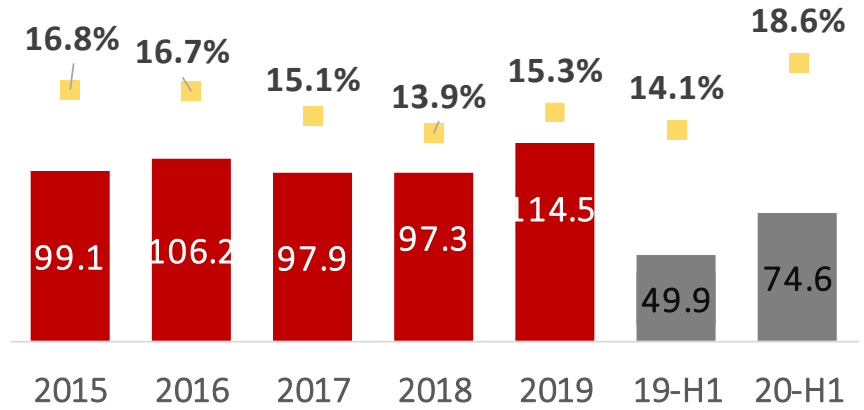
SALES AND PROFITABILITY - ANNUALLY

Net Sales

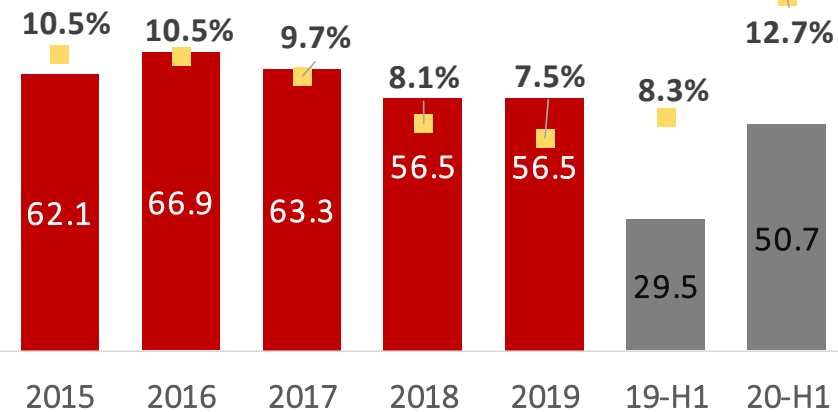
million TL



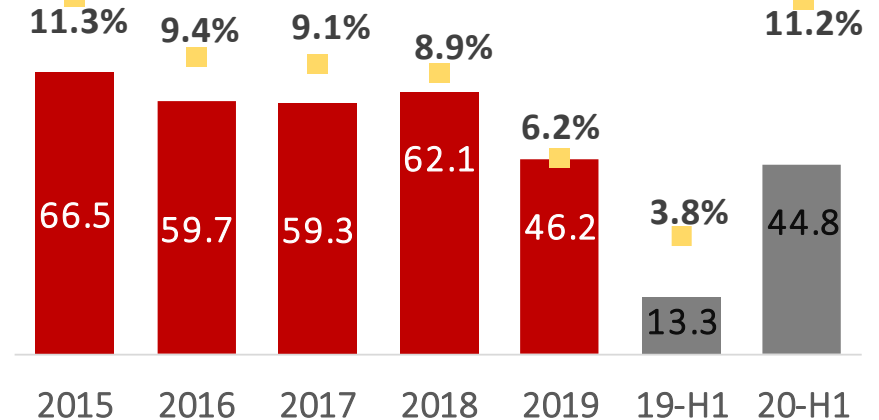
Gross Profit



EBITDA

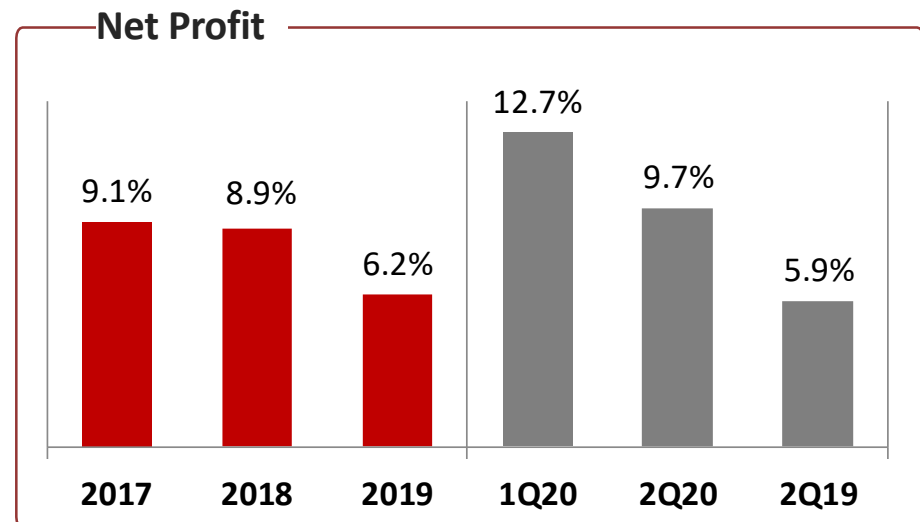
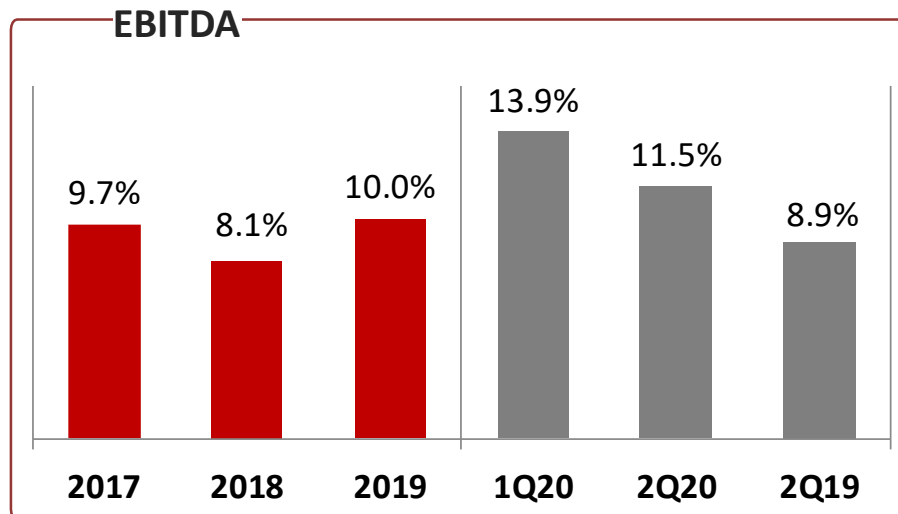
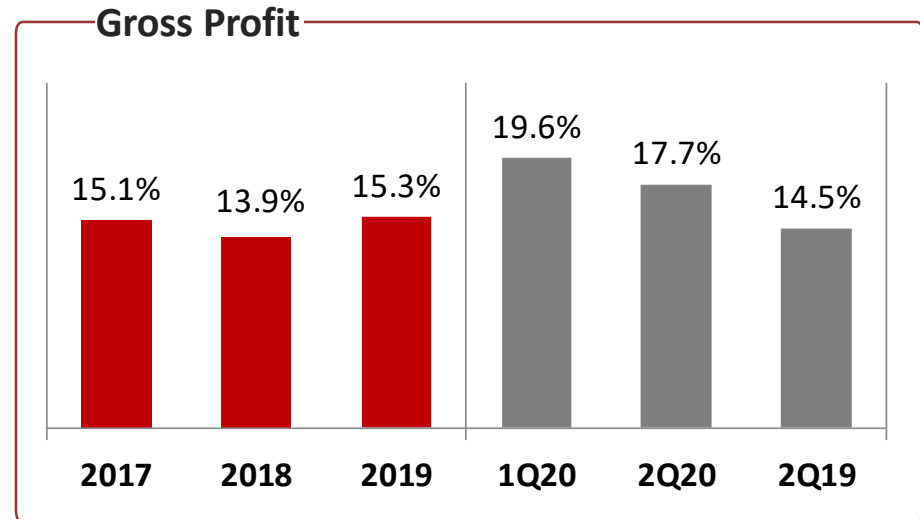
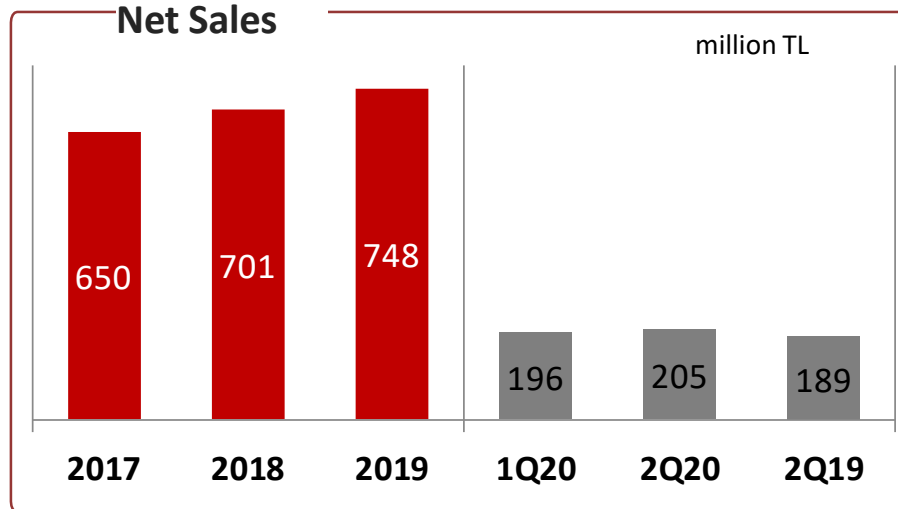


Net Profit



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



FINANCIAL RATIOS

| | 2016/12 | 2017/12 | 2018/12 | 2019/12 | 2020/06 |
|-----------------------------|---------|---------|---------|---------|---------|
| Current Ratio | 1.67 | 1.61 | 1.65 | 1.73 | 1.42 |
| Leverage Ratio | 0.23 | 0.23 | 0.24 | 0.23 | 0.30 |
| Current Borrowings/Total Bo | 1.00 | 1.00 | 1.00 | 0.95 | 0.92 |
| Net Fin. Borrowings/EBITDA | 0.04 | 0.05 | 0.07 - | 0.28 - | 0.17 |
| Net Fin. Borrowings/Equity | 0.01 | 0.01 | 0.01 - | 0.03 - | 0.02 |
| Return on Equity (ROE) | 14.5% | 12.9% | 11.8% | 7.6% | 6.5% |

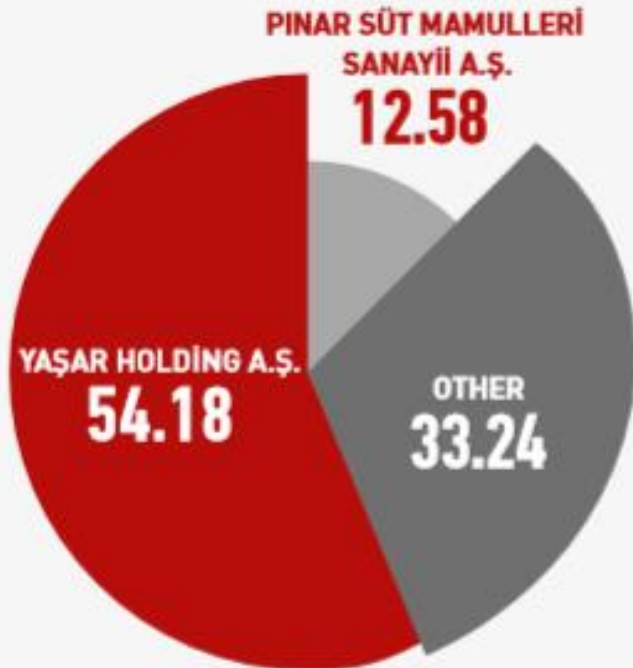
CAPITAL EXPENDITURES

| | 2016 | 2017 | 2018 | 2019 | 2019/06 | 2020/06 |
|----------------------|-----------|-----------|-----------|-----------|----------|----------|
| Capital Expenditures | 16,0 m TL | 17,9 m TL | 28,9 m TL | 10,4 m TL | 1,9 m TL | 7,5 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 |

Pınar Et's shares are traded at Borsa İstanbul Main Market - Group 1 under the ticker symbol "PETUN".

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