

PINAR ET

FINANCIAL PRESENTATION
2022-Q1



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PINAR ET AT A GLANCE



155 THOUSAND SALES POINTS
SUPPLY FROM **6** REGIONS

36 Years
of Industry
Experience



50 thousand m² indoor,
259 thousand m² outdoor production area,

350 PRODUCTS
IN APPROXIMATELY
8 CATEGORIES

The first private
enterprise
integrated meat
facility

Production per
the Turkish Food
Codex and EU
standards

Backward
integration
in turkey
breeding

8.4 thousand tons
2022-Q1 Sales
Volume

476.7
million TRY
Gross Sales

5.8 million TRY
in Investments

TRY **393.6**
Million
Turnover



TRY **54.4**
million
Gross Profit

TRY **1.8**
million Net Profit
for the Period

858.1 million TRY
Processed
Meat Products
Market Size

1.2
million USD
Export

21.3%
in Turkish Processed
Meat Market
(Nielsen, İM Hariç)

910 Average Number of Employees



Income Statement Ratios

| | 01.01.2022-31.03.2022 | 01.01.2021-31.03.2021 |
|-------------------------|-----------------------|-----------------------|
| Gross Profit Margin | 13.8% | 17.6% |
| Operating Profit Margin | 4.5% | 9.2% |
| Net Profit Margin | 0.5% | 7.4% |

Balance Sheet Ratios

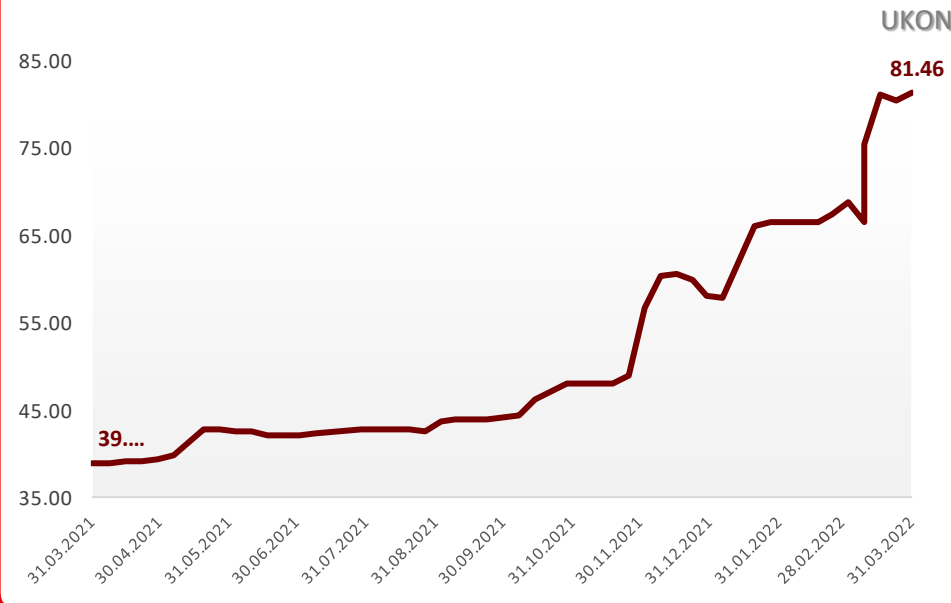
| | 31.03.2022 | 31.12.2021 |
|-----------------|------------|------------|
| Current rate | 1.2 | 1.4 |
| Acid Test Ratio | 0.9 | 1.0 |
| Leverage Ratio | 0.4 | 0.3 |
| Debt/Equity | 0.6 | 0.4 |

MARKET DYNAMICS - PRODUCTION AND COST



- Food inflation continued its upward trend in the first quarter due to the effects of high increases in international agricultural commodity and food prices, increases in input costs, especially in energy, and supply shortages. The reflections of these developments were felt throughout the food group, especially red meat and white meat (CBRT- Inflation Report).
- In March 2021, prices increased by 74% in red meat, 77% in white meat and 67% in meat products on an annual basis (CBRT- Inflation Report).

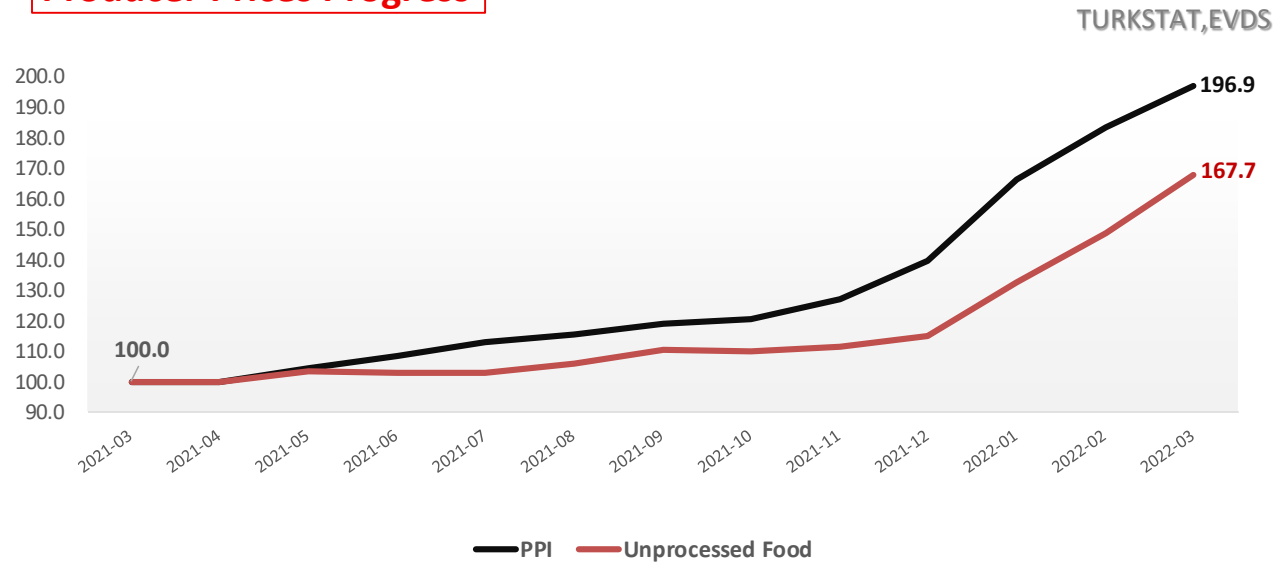
Beef Fat Free Price Change



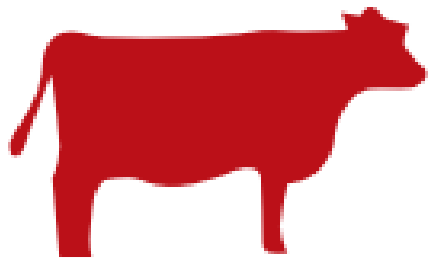
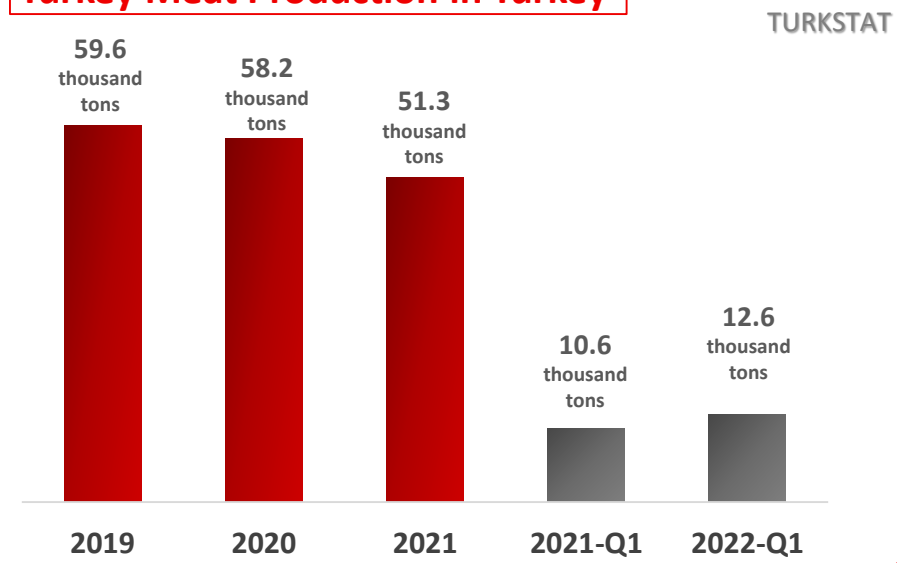
- According to the latest announced data; Red meat production, which was 1 million 785 thousand 952 tons in 2020, increased by 9.3% in 2021 and reached 1 million 952 thousand 38 tons (TURKSTAT- Red Meat Production Statistics, 2020-2021, 6 May 2022).
- The average red meat prices increased by %108,8 in 2021, YoY (UKON, Fat Free Beef Knife TL / KG).

MARKET DYNAMICS – MEAT INDUSTRY

Producer Prices Progress



Turkey Meat Production in Turkey

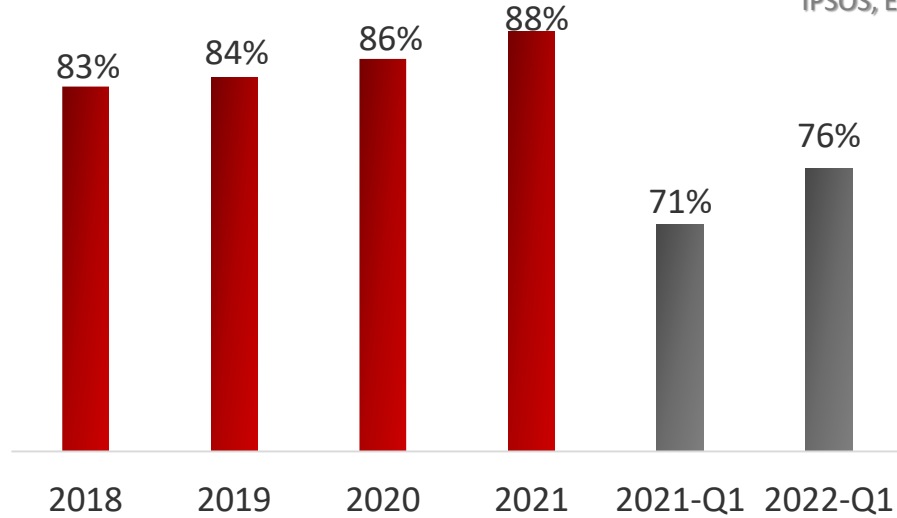


- According to the latest published data; by the end of 2021, the **total number of animals** increased by 4.5% compared to December 2020 and reached **75.5 million heads**. **The number of cattle** is **18 million 36 thousand** and **the number of small cattle** is **57 million 519 thousand** (TURKSTAT, Animal Production Statistics, December 2021).
- In 2021, a total of **297,072** animals, including **261,688 cattle** and **35,384 small cattle**, were imported. In 2020, this figure was **473,062** (SETBIR).
- **The number of turkeys slaughtered** until the end of year was **5,170,017** and **turkey meat production** increased by **18.9%**, YoY (TURKSTAT, Poultry Production, December 2021).

MARKET DYNAMICS - CONSUMPTION AND MARKET

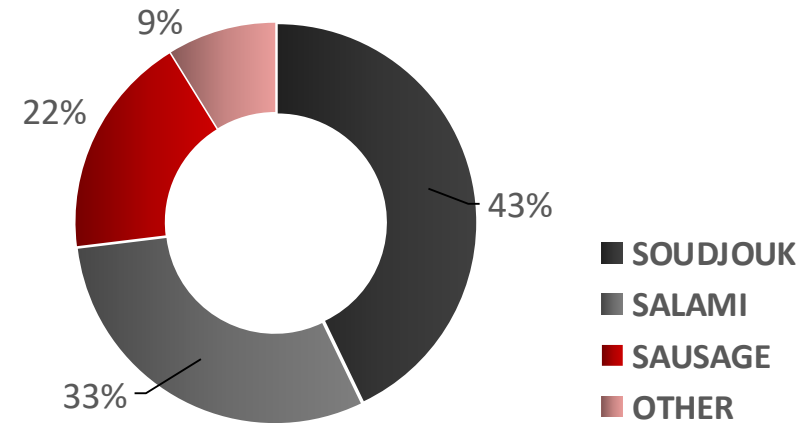
Share of Packaged Delicatessen Products

IPSOS, Exc. DM



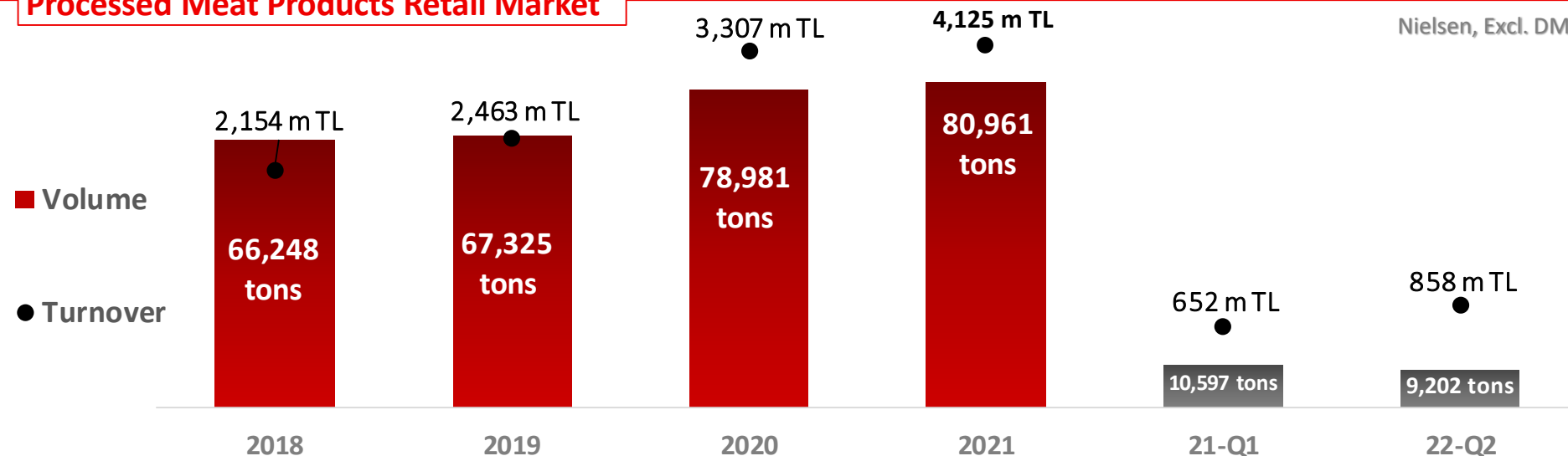
Processed Meat Market Segments (Volume)

Nielsen, Excl. DM



Processed Meat Products Retail Market

Nielsen, Excl. DM

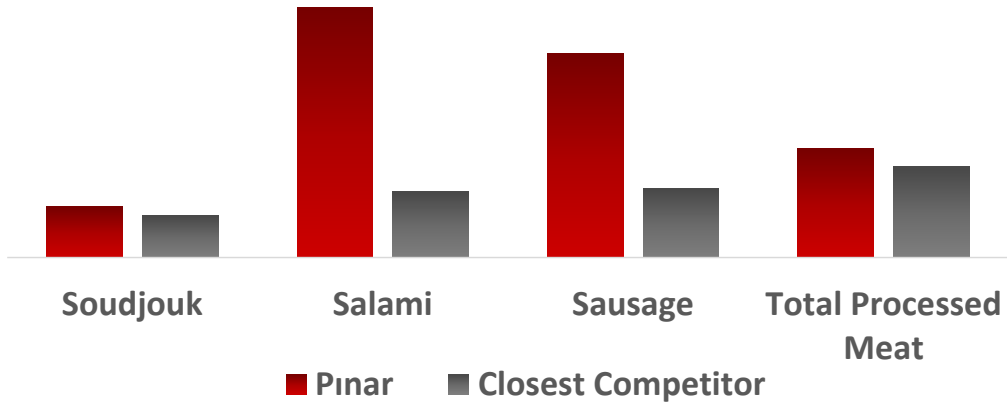


MARKET POSITION



Pinar Et and Competitors

Nielsen, Sales Value, Excl. BiM,
2022-Q1



Market Shares of Pinar Et

Nielsen, Sales Value, Excl. BiM,
2022-Q1

| Products | Market Share |
|----------------------|--------------|
| Total Processed Meat | 21.3% |
| Salami | 48.6% |
| Sausage | 39.7% |
| Soudjouk | 9.9% |

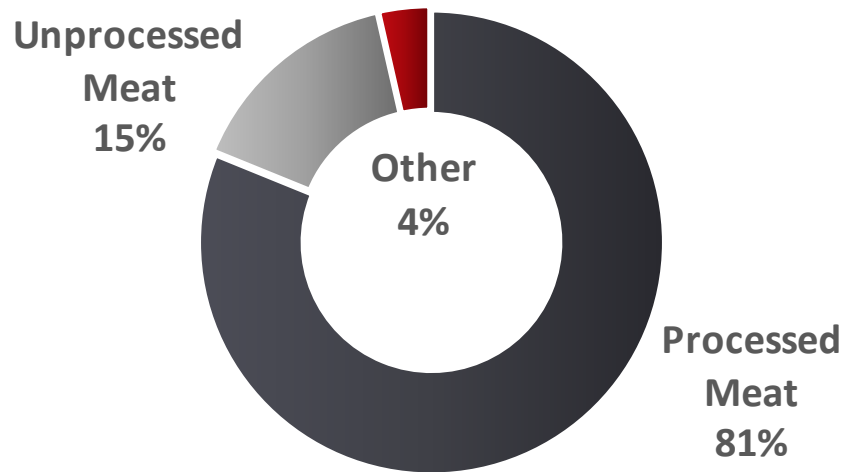


- Pinar Et maintains its **leadership** in many categories.
- Maintaining its leading position in many categories in which it produces at international standards, Pinar Et finished with a 21.3% turnover share in the total processed meat market in 2022-Q1 (Nielsen, Excluded D.M., 2022-Q1).
- **100% Plant-Based Planty Power Burger**, meets with consumers in many countries of the world, especially in America, England, Germany and Gulf countries besides the Turkish market. This new vegan burger stands out because it contains sunflower and coconut oil and has high vegetable protein.

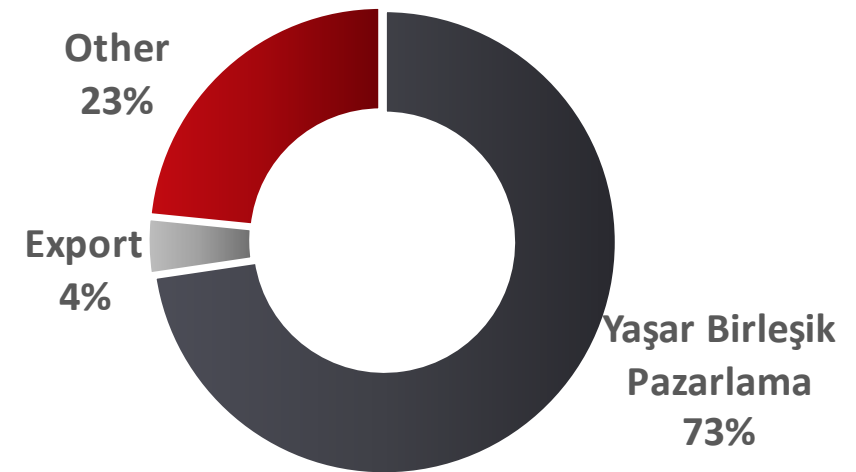
FINANCIAL RESULTS IN 2022-Q1 – NET SALES BREAKDOWN



Based on Product Groups



Based on Sales Channel



FINANCIAL RESULTS IN 2022-Q1 – INCOME STATEMENT



| (Million TL) | 01.01.22 03.31.2022 | 01.01.21 03.31.2021 | Difference | Change |
|--|------------------------|------------------------|---------------|---------------|
| Net Sales | 393.6 | 219.9 | 173.7 | 79.0% |
| Cost of Goods Sold | (339.1) | (181.2) | (157.9) | 87.2% |
| Gross Profit | 54.4 | 38.7 | 15.7 | 40.7% |
| R&D Expenses | (1.2) | (1.0) | (0.3) | 25.8% |
| Sales, Distribution and Marketing Expenses | (23.6) | (9.9) | (13.7) | 138.1% |
| General Administration Expenses | (12.0) | (7.7) | (4.4) | 57.2% |
| EBIT | 17.6 | 20.1 | (2.6) | -12.8% |
| EBITDA | 27.4 | 26.2 | 1.2 | 4.6% |
| Shares of Results of Investments in Associates | (12.6) | (7.1) | (5.6) | 78.7% |
| Other Expenses (Net) | 7.1 | 6.5 | 0.6 | 8.6% |
| Financial Expenses (Net) | (11.2) | (3.7) | (7.5) | 201.1% |
| Profit Before Tax | 0.8 | 15.9 | (15.1) | -95.1% |
| Tax | 1.0 | 0.4 | 0.6 | 166.1% |
| Net Profit for the Period | 1.8 | 16.2 | (14.4) | -88.9% |

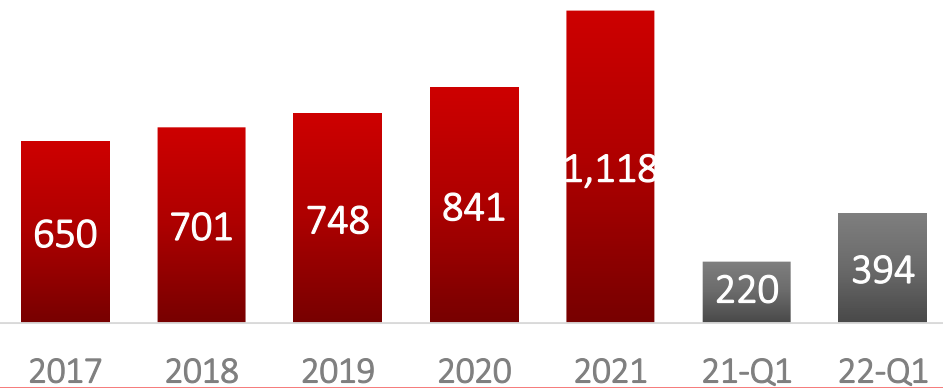
Other expenses (net) is calculated by netting out income/expense from main activities and income/expense from investment activities.

FINANCIAL RESULTS IN 2022-Q1 – SALES AND PROFITABILITY



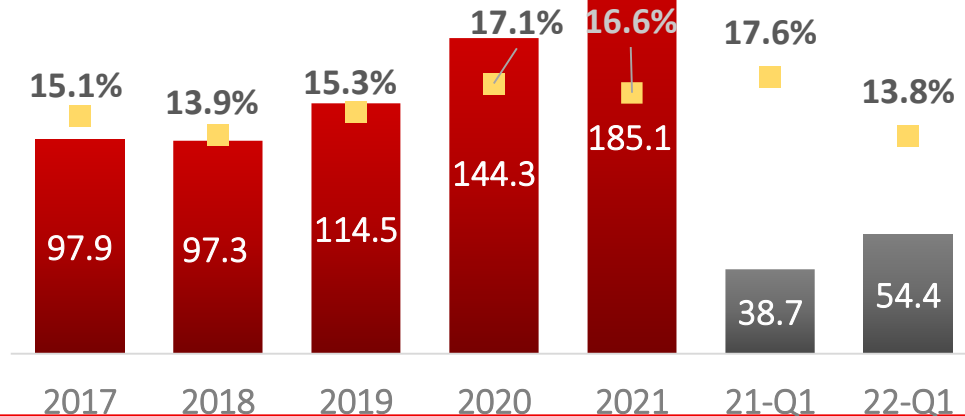
Net Sales

million TL



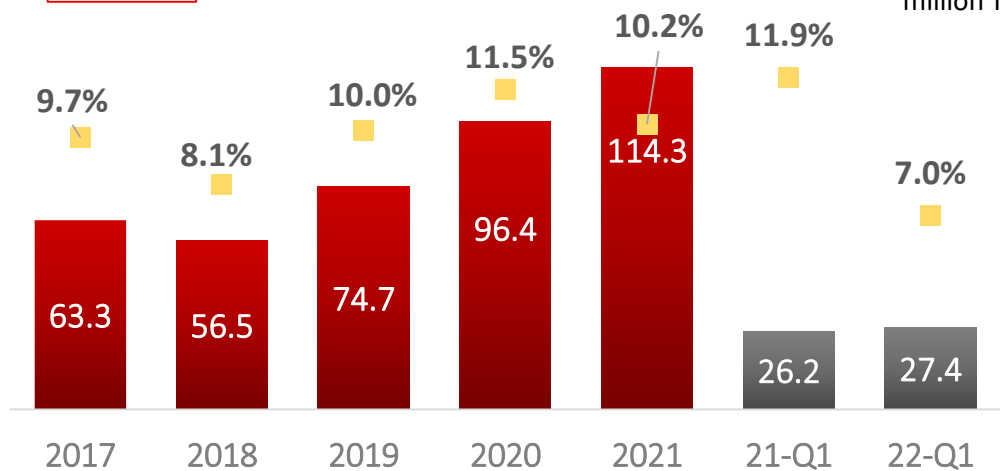
Gross Profit

million TL



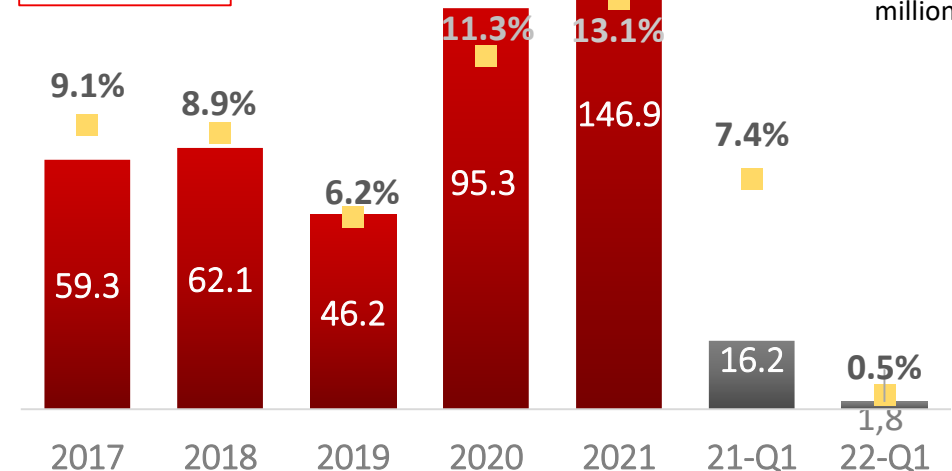
EBITDA

million TL



Net Profit

million TL



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

FINANCIAL RESULTS IN 2022-Q1



FINANCIAL RATIOS

| | 2018/12 | 2019/12 | 2020/12 | 2021/12 | 2022/03 |
|---|---------|---------|---------|---------|---------|
| Current Ratio | 1.65 | 1.73 | 1.65 | 1.36 | 1.21 |
| Leverage Ratio | 0.24 | 0.23 | 0.29 | 0.29 | 0.36 |
| Current Borrowings/Total Borrowings (Fin. | 1.00 | 0.95 | 0.16 | 0.78 | 0.81 |
| Net Fin. Borrowings/EBITDA | 0.07 | - | 0.28 | 1.09 | 1.39 |
| Net Fin. Borrowings/Equity | 0.01 | - | 0.03 | 0.10 | 0.13 |
| Return on Equity (ROE)(%) | 11.77 | 7.65 | 13.28 | 12.20 | 0.15 |

INVESTMENTS

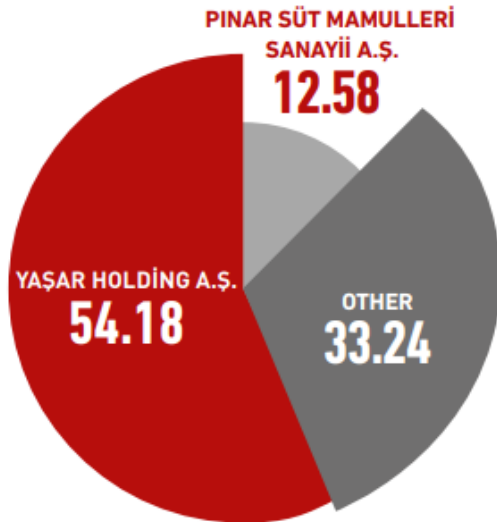
| | 2018 | 2019 | 2020 | 2021 | 2022/03 |
|----------------------|-----------|-----------|-----------|-----------|----------|
| Capital Expenditures | 28.9 m TL | 10.4 m TL | 30.3 m TL | 74.0 m TL | 5.8 m TL |



SHAREHOLDING STRUCTURE & STOCK PERFORMANCE

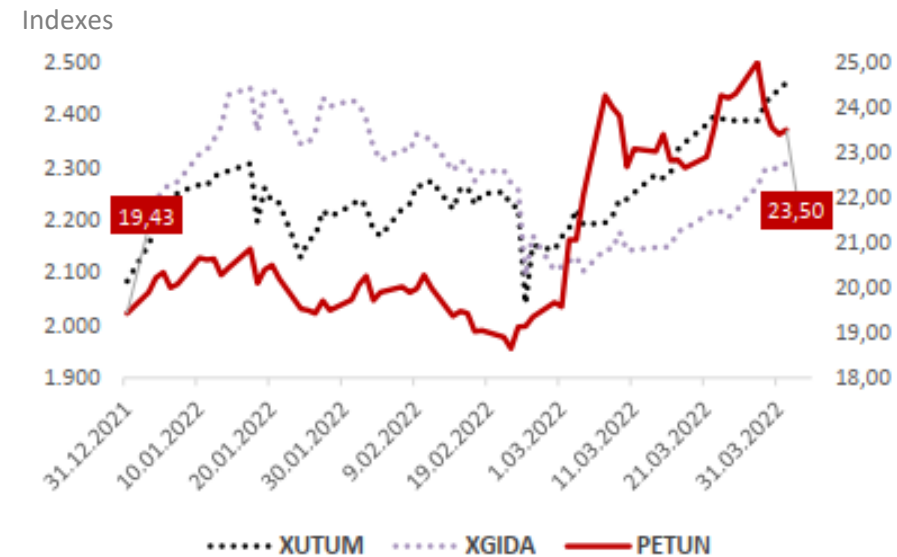


SHAREHOLDING STRUCTURE



| Shareholders | Share Ratio (%) | Share Amount (TRY) |
|----------------------------------|-----------------|----------------------|
| YAŞAR HOLDİNG A.Ş. | 54.18 | 23,476,894.91 |
| PINAR SÜT MAMULLERİ SANAYİİ A.Ş. | 12.58 | 5,451,752.25 |
| OTHER | 33.24 | 14,406,352.84 |
| Total | 100.00 | 43,335,000.00 |

PERFORMANCE OF PINAR ET STOCK, BIST-ALL INDEX AND BIST-FOOD, BEVERAGE INDEX



- Shares of Pinar Et are traded on the Borsa Istanbul Main Market with the symbol “PETUN”.
- Date of First Transaction: February 3, 1986
- Corporate Governance Rating: 9.36

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