



# Pinar Süt

Earnings Presentation  
2018

# PINAR SÜT AT A GLANCE



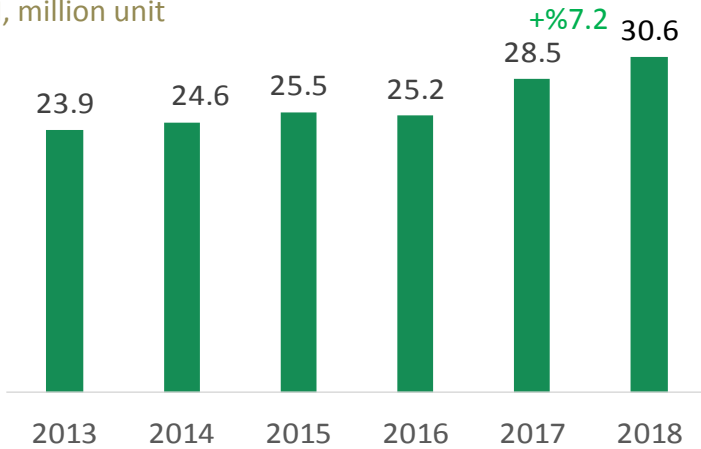
**1,488**million TL  
Net Sales**20.0%**Growth  
in Net Sales**112.9**million TL  
EBITDA**47.4**million USD  
Export Sales**67.6**million TL  
Capex**1,062**Number of  
Employees in 2018

- In 2018, comparing with the last year, production on the raw milk occurred an increase as 6.9% in Turkey.
- Following the National Milk Council decision on the raw milk base prices increased in the rate of 9.3% in 1st February and an increase realized to 1.70 TL/liter starting from August 15 the prices have gone up by 11% at the end of the year.
- In 2018, on the production of milk, although milk and ayran displayed a growth, in the category of the cheese, there was a decrease. In the cottage cheese which comes from the subcategory of the cheese as %7 and the fresh cheese as %6 realized a significant growth held by Nielsen.
- In 2018, Pınar süt made 325.131 tonnes sales.
- Pınar Kefir which is the new product of our company was launched to the market in 2018.
- According to a research, which is conducted by a business magazine Platin with the subject based on the Industry 4.0, classifies the pioneer companies in «Platin Global 100 Index» in the international trading, Pınar Süt was awarded again in the beverage sector in this year.
- Based on the researches performed by Capital ve Zenna Research and Consulting Companies, Pınar Süt was selected the most admired company in the category of milk and dairy products.

PRODUCTION AND COST

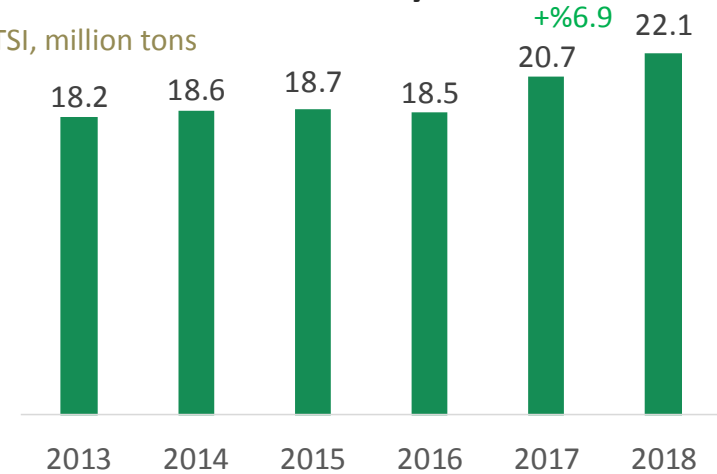
Number of Milked Animals in Turkey

TSI, million unit



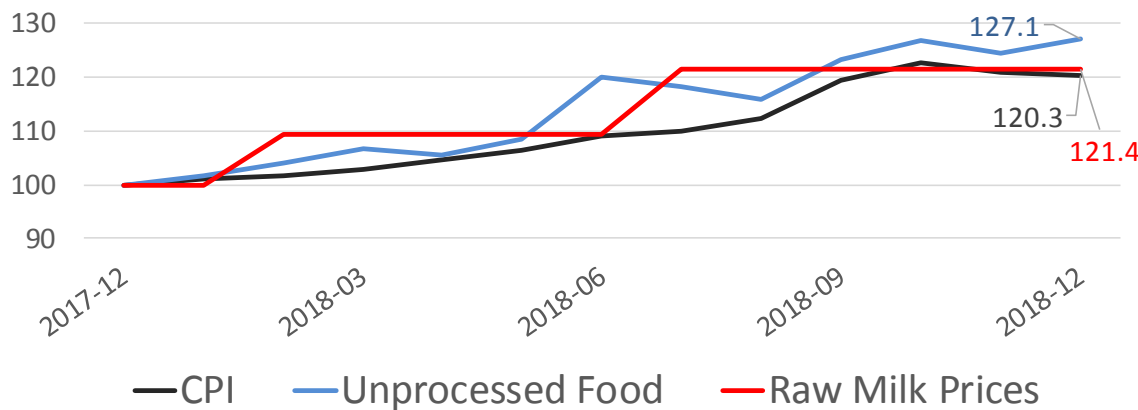
Milk Production in Turkey

TSI, million tons



Inflation and Raw Milk Prices Progress

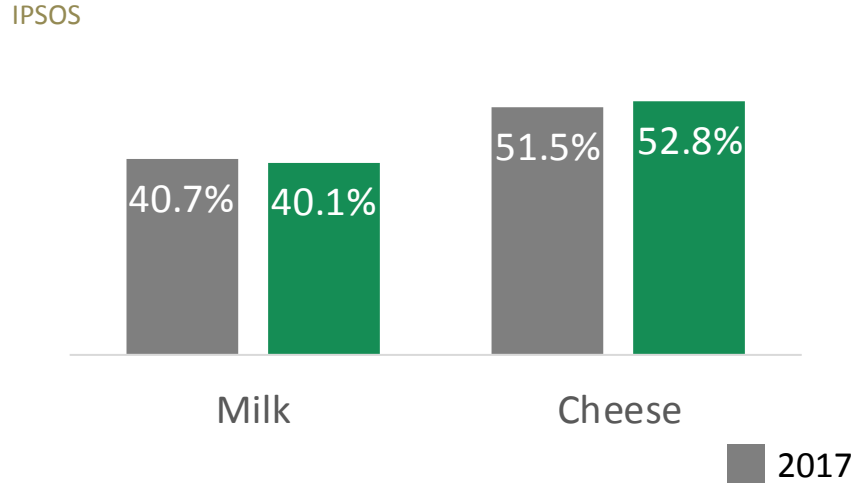
TSI, NMC



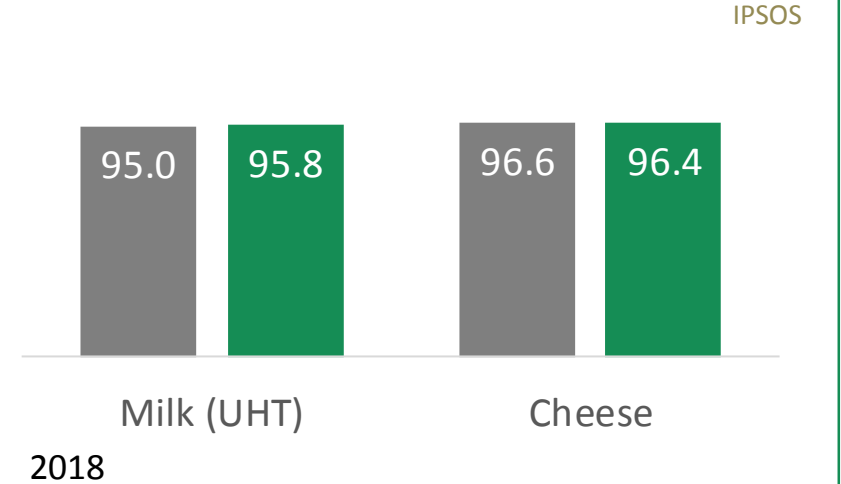
- The National Milk Council raised the raw milk base price per liter from 1.40 TL to 1.53 TL as of February 1th and raised the raw milk base price per liter to TL 1.70 as of August 15 and the same price continued during the final quarter.
- After the price increases in raw milk the average raw milk base price realized 25.3% above in **2018** compared to the same period of previous year.

CONSUMPTION AND MARKET

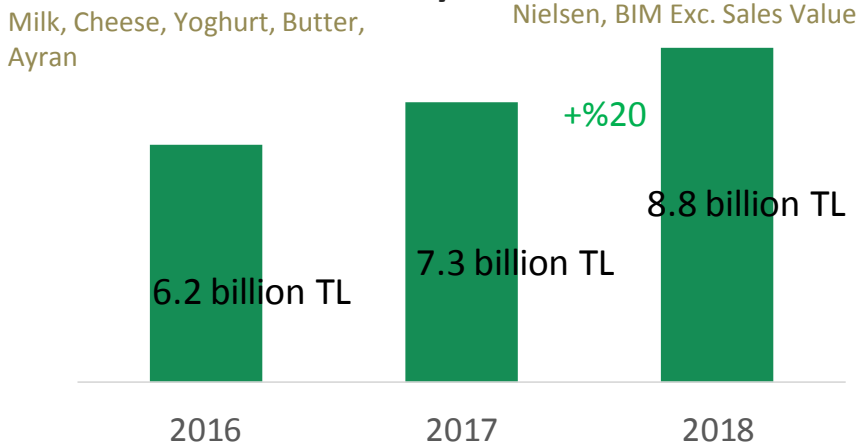
Share of Packaged Products



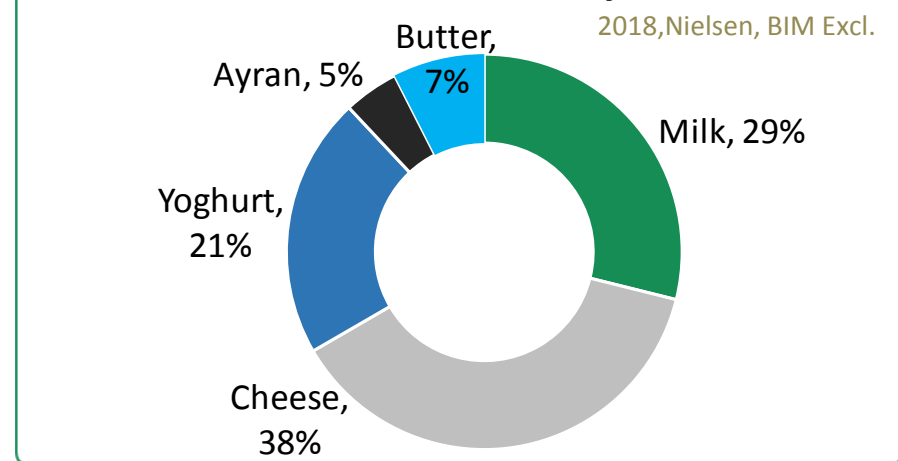
Packaged Products Penetration



Sales Value of Dairy Market



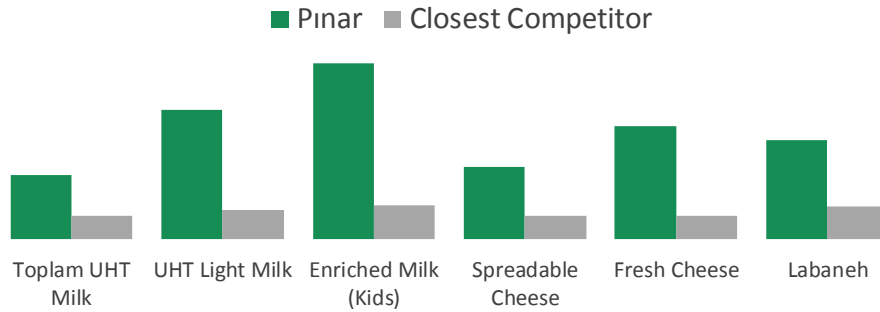
Sales Value Breakdown of Daily Market



# MARKET POSITION

## Pinar Süt and the Competitors

2018 , Nielsen, BiM Excl.



- A growth realized for milk and ayran in the tonnage base in the dairy products and the subcategory of dairy products in 2018.
- Pinar Süt preserves its leading position in many product categories.
- Pinar Sut launched Pinar Kefir which is the new product of our company to the market in 2018.



## Market Shares Based on Products

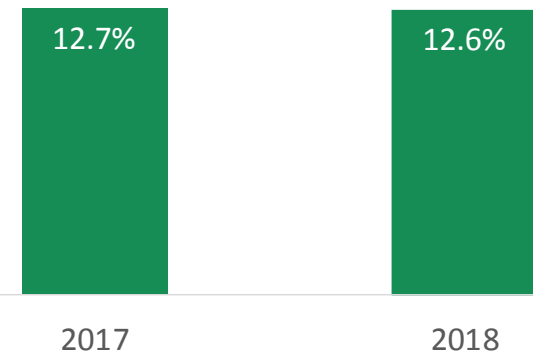
Nielsen, 2018, BiM Excl.

Product	Market Share	Position
Total UHT Milk	29.4%	#1
UHT Light Milk	59.3%	#1
Enriched Milk (Kids)	80.9%	#1
Protein Milk	65.7%	#1
Total Cheese	10.8%	#2
Spreadable Cheese	33.4%	#1
Fresh Cheese	51.7%	#1
Labaneh	45.8%	#1
Cream Cheese	11.6%	#3
Strained White Cheese	15.5%	#2

## Market Share in Dairy Market

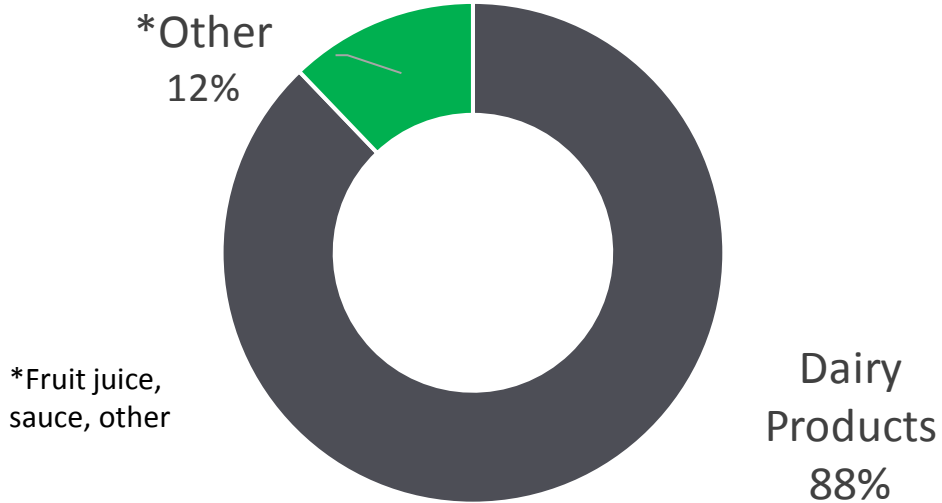
Nielsen, BiM Excl. Sales Value

Milk, Cheese, Yoghurt, Ayran, Butter



NET SALES BREAKDOWN

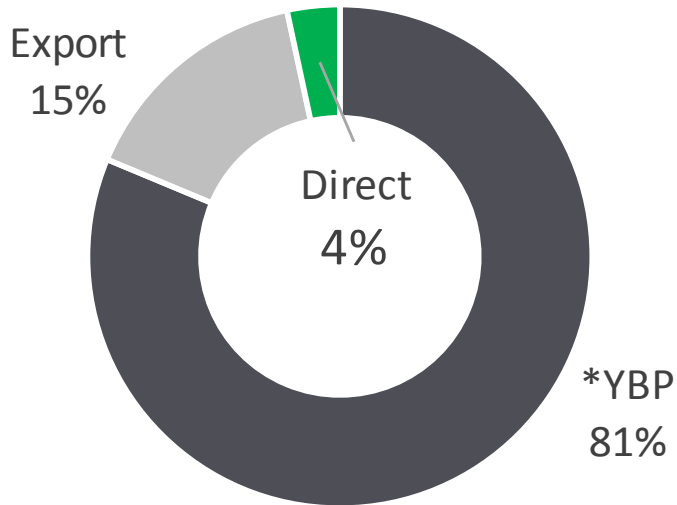
Based on Product Groups



Based on Sales Channel

47.4 million Dollar

S. Arabia	24%
Kuwait	11%
Iraq	11%
UAE	11%
Qatar	10%
Cyprus	5%
Bahrain	4%
Other	24%



\*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

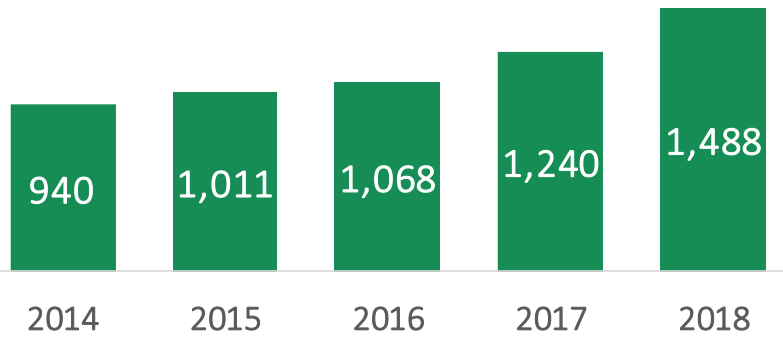
(Million TL)	1/1/2018 12/31/2018	1/1/2017 12/31/2017	Difference	Change
<b>Net Sales</b>	<b>1,487.8</b>	<b>1,240.1</b>	<b>247.8</b>	<b>20.0%</b>
Cost of Goods Sold	(1,256.3)	(1,043.3)	(213.0)	20.4%
<b>Gross Profit</b>	<b>231.6</b>	<b>196.8</b>	<b>34.8</b>	<b>17.7%</b>
R&D Expenses	(13.5)	(12.0)	(1.5)	12.4%
Sales, Distribution and Marketing Expenses	(98.9)	(89.4)	(9.4)	10.5%
General Administration Expenses	(42.4)	(39.3)	(3.1)	7.8%
<b>EBIT</b>	<b>76.8</b>	<b>56.0</b>	<b>20.8</b>	<b>37.2%</b>
<b>EBITDA</b>	<b>112.9</b>	<b>86.1</b>	<b>26.8</b>	<b>31.1%</b>
Shares of Results of Investments in Associates	13.6	4.9	8.7	177.3%
Other Expenses (Net)	8.8	6.9	1.9	27.8%
Financial Expenses (Net)	(62.8)	(26.9)	(35.9)	133.4%
<b>Profit Before Tax</b>	<b>36.5</b>	<b>40.9</b>	<b>(4.4)</b>	<b>-10.8%</b>
Tax	12.7	6.1	6.5	106.7%
<b>Net Profit for the Period</b>	<b>49.2</b>	<b>47.1</b>	<b>2.1</b>	<b>4.5%</b>



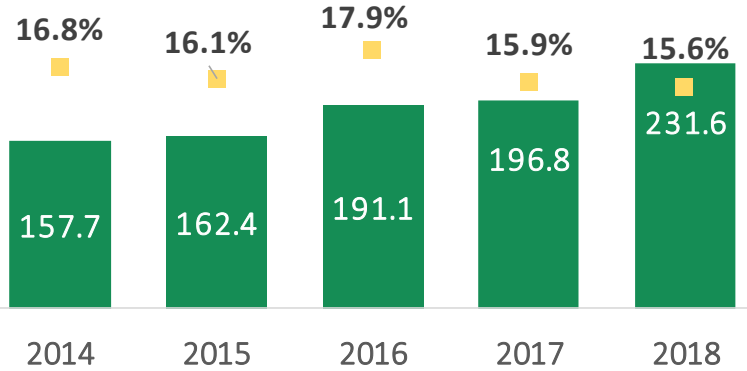
SALES AND PROFITABILITY – ANNUALLY

Net Sales

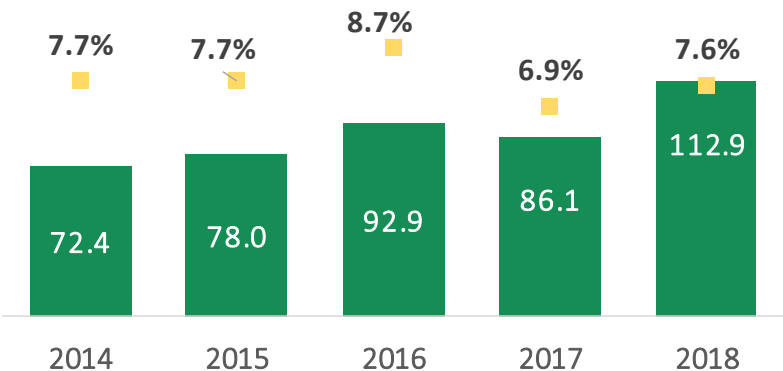
million TL



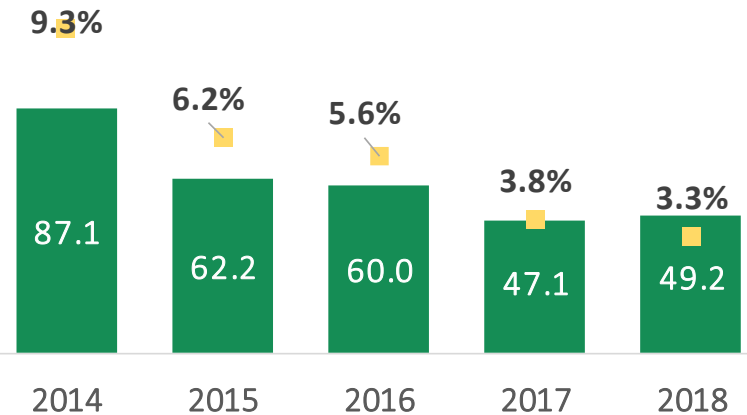
Gross Profit



EBITDA\*

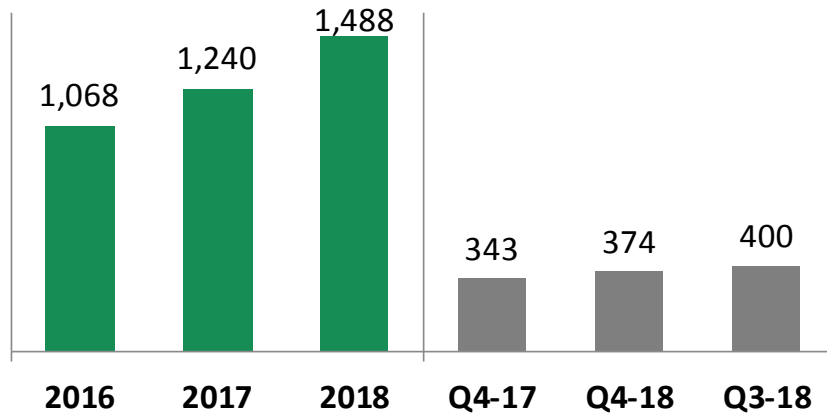


Net Profit

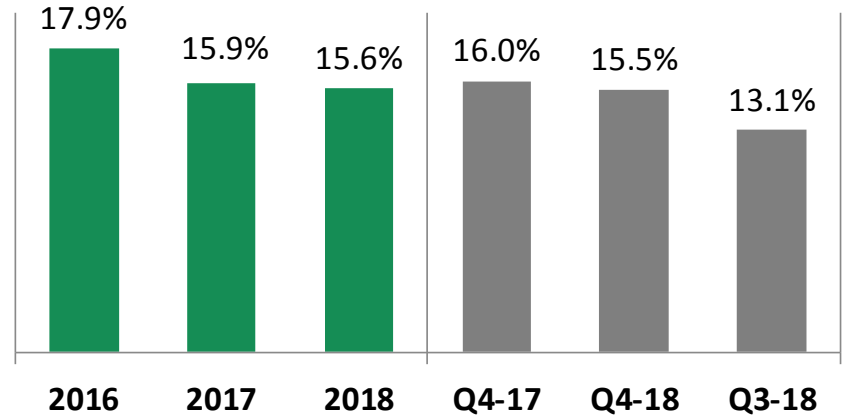


SALES AND PROFITABILITY – QUARTERLY

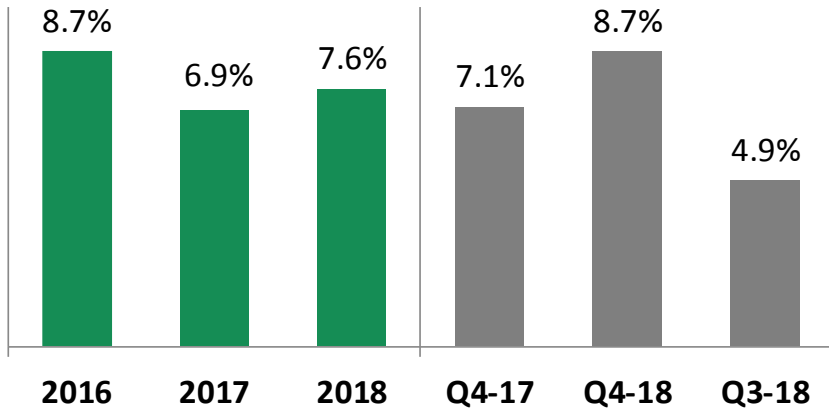
Net Sales



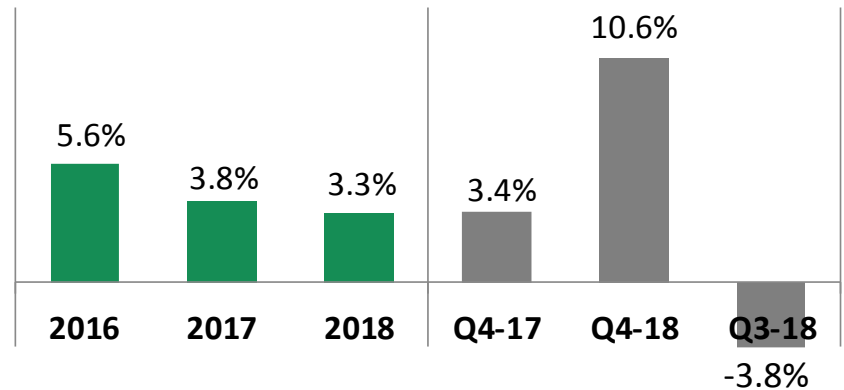
Gross Profit



EBITDA



Net Profit



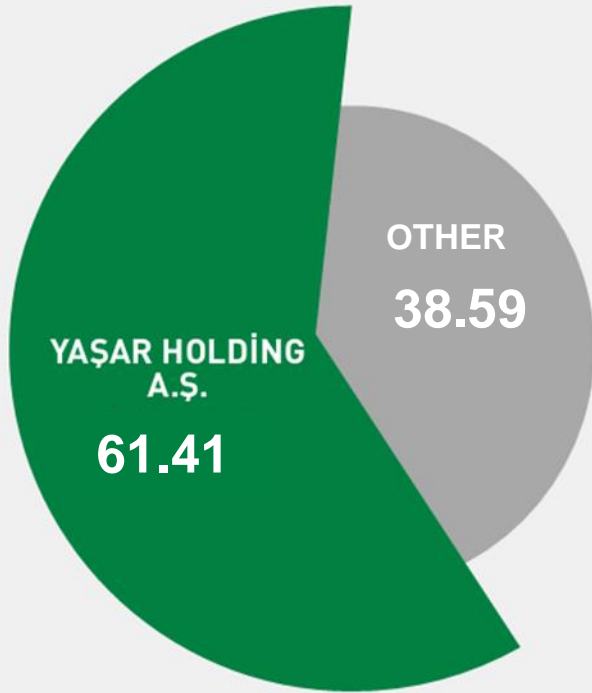
**FINANCIAL RATIOS**

	2014/12	2015/12	2016/12	2017/12	2018/12
Current Ratio	1.42	1.16	1.23	1.21	1.07
Leverage Ratio	0.32	0.34	0.36	0.43	0.44
Current Borrowings/Total Borrowings(Fin.)	0.55	0.93	0.56	0.64	0.81
Net Fin. Borrowings/EBITDA	0.15	0.34	0.76	1.69	1.16
Net Fin. Borrowings/Equity	0.02	0.05	0.12	0.21	0.17
Return on Equity (ROE)	17.3%	11.1%	10.2%	7.3%	6.7%

**CAPITAL EXPENDITURES**

	2015	2016	2017	2018
Capital Expenditures	19 m TL	65 m TL	55 m TL	67.6 m TL

## SHAREHOLDING STRUCTURE OF PINAR SÜT (%)



Shareholder	Share Rate (%)	Share Amount(TL)
YAŞAR HOLDİNG A.Ş.	61.41	27,603,901.57
OTHER	38.59	17,347,149.68
<b>Total</b>	<b>100.00</b>	<b>44,951,051.25</b>

The company's shares are traded at Borsa İstanbul Star Market under the ticker symbol PNSUT.

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