



Pinar Süt

Earnings Presentation
2019-H1

PINAR SÜT AT A GLANCE



HIGHLIGHTS

779.3million
Net Sales**9.2%**Net Sales
Growth**46.0**million TL
EBITDA**22.0**million USD
export sales**4.4**million TL
capex**1,043**employees in
2019-H1

- In the first 5 months of 2019 cow milk production occurred to 4.2 million tons in Turkey, decreased by 5.7% compared to the same period of previous year. (TSI)
- In the first 5 months of the year, compared to the first 5 months of 2018, yoghurt and ayran production respectively decreased by 1% and 4%. (TSI)
- The base price of the raw milk determined as 2.00 TL per liter from 1 May to 31 December which was 1.70 TL since August 15, 2018. (National Milk Council)
- In the first half of 2019, 15% and 17% growth achieved in total milk and total cheese categories as turnover basis. In the total cheese category, there was a 1% increase in tonnage, while the tonnage decrease of total milk was 0.8%. (Nielsen, BIM Excl.)

PRODUCTION AND COST

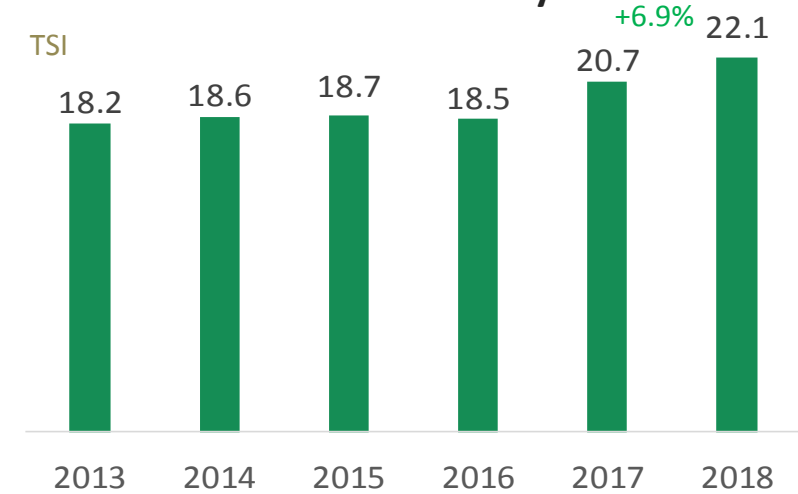
Production of Dairy Products in Turkey

TSI, thousand tons

Products	2018-5M	2019-5M	Change
Drinking Milk	779.645	687.907	-12%
Cow Cheese	311.464	293.856	-6%
Yoghurt	487.377	483.154	-1%
Ayran	294.770	281.550	-4%

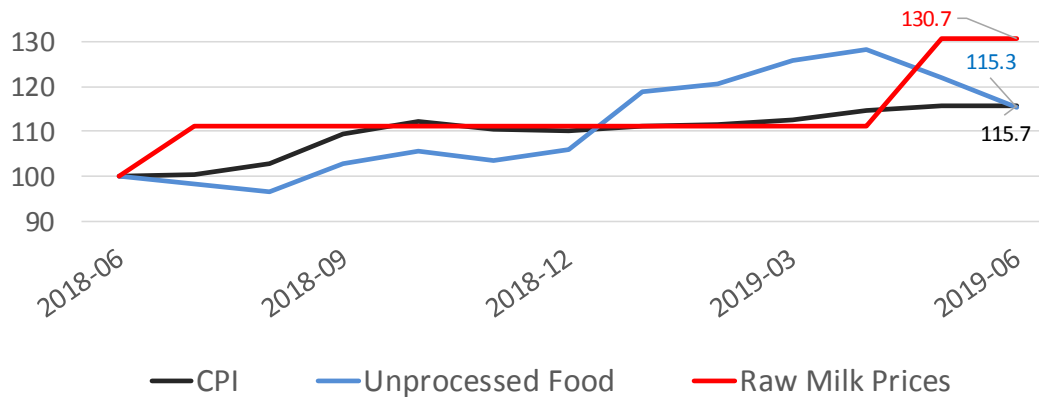
Raw Milk Production in Turkey

TSI



Inflation and Raw Milk Prices Progress

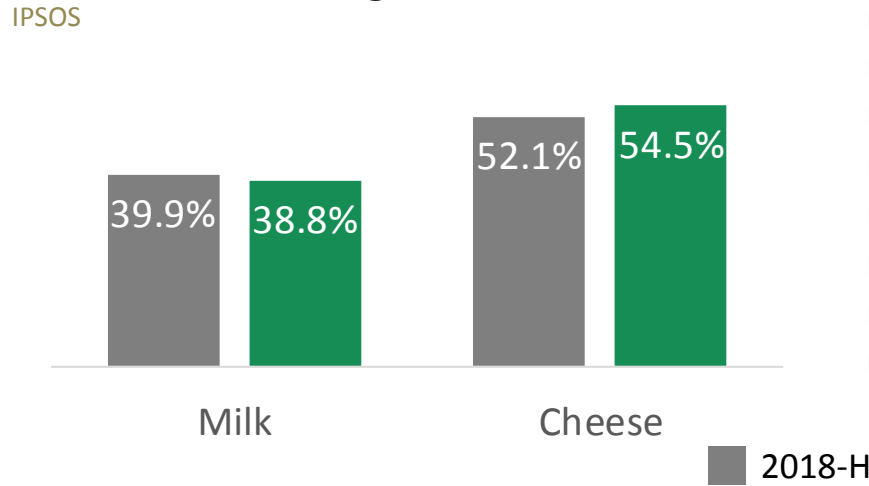
TSI, NMC



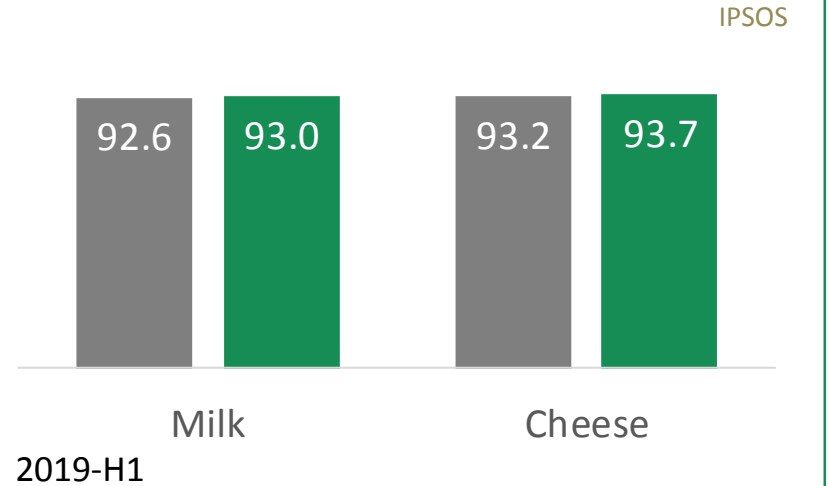
- The raw milk price determined as 2.00 TL per liter from 1 May to 31 December which was 1.70 TL since August 2018. (National Milk Council)
- In the last one-year period, the increase in raw milk prices was higher than the increase in unprocessed food and CPI.

CONSUMPTION AND MARKET

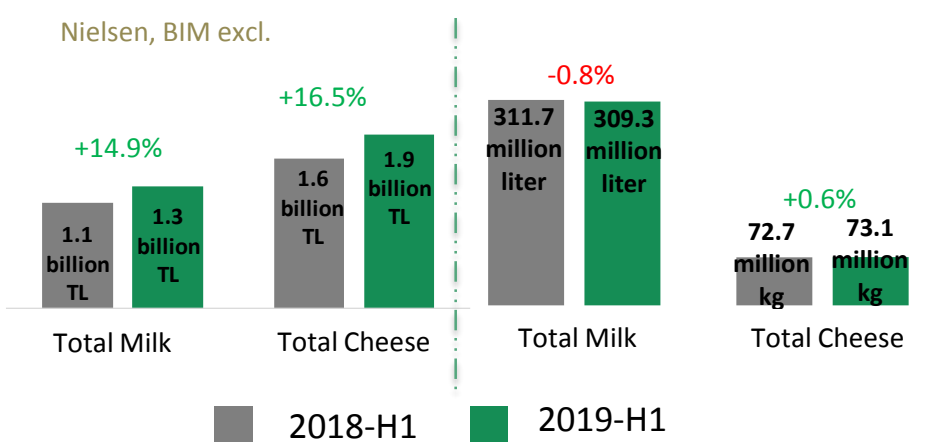
Share of Packaged Products



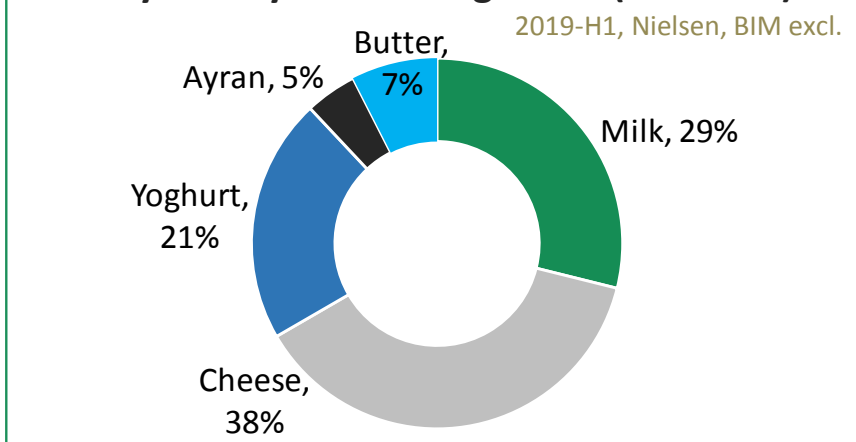
Packaged Products Penetration



Total Milk and Total Cheese Turnover and Volume



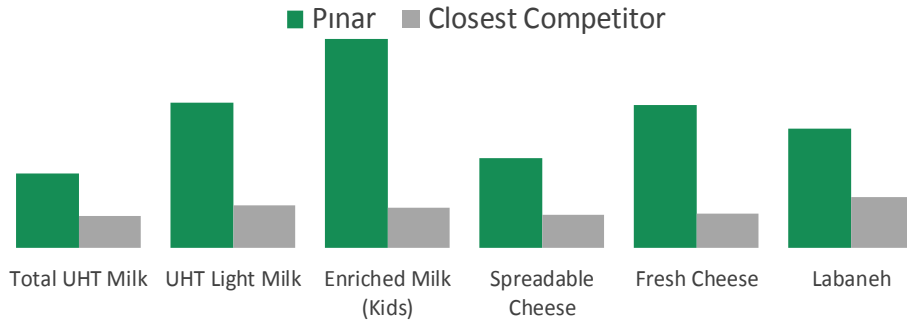
Turkey's Dairy Market Segments (Turnover)



MARKET POSITION

Pinar Süt and Competitors

2019-H1 , Nielsen, BIM Excl.



- In the first half of 2019, a contraction occurred on a tonnage basis (-0.8%) in the total milk category compared to the same period of the previous year, while the total cheese category grew by 0.6% on a tonnage basis.
- Kefir category in which we also launched Pinar Kefir grew by 38% as tonnage basis in 2019-H1 (Nielsen) compared to the same period of the previous year. Pinar Süt increase its share in this category each passing day.

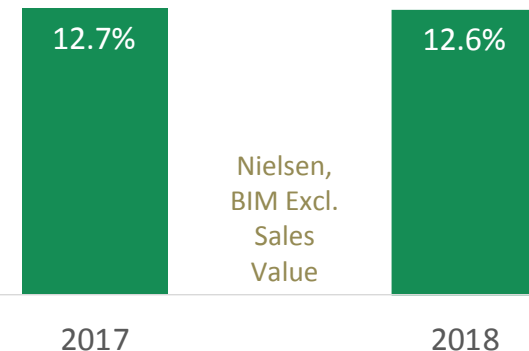
Market Shares Based on Products

Nielsen, 2019-H1 BIM Excl.

Product	Share	Position
Total UHT Milk	27.3%	1#
UHT Light Milk	53.0%	1#
Enriched Milk (Kids)	76.0%	1#
Protein Milk	52.0%	1#
Total Cheese	10.7%	2#
Spreadable Cheese	32.8%	1#
Fresh Cheese	52.0%	1#
Labaneh	43.5%	1#
Cream Cheese	10.0%	3#
Cottage Cheese	17.7%	2#

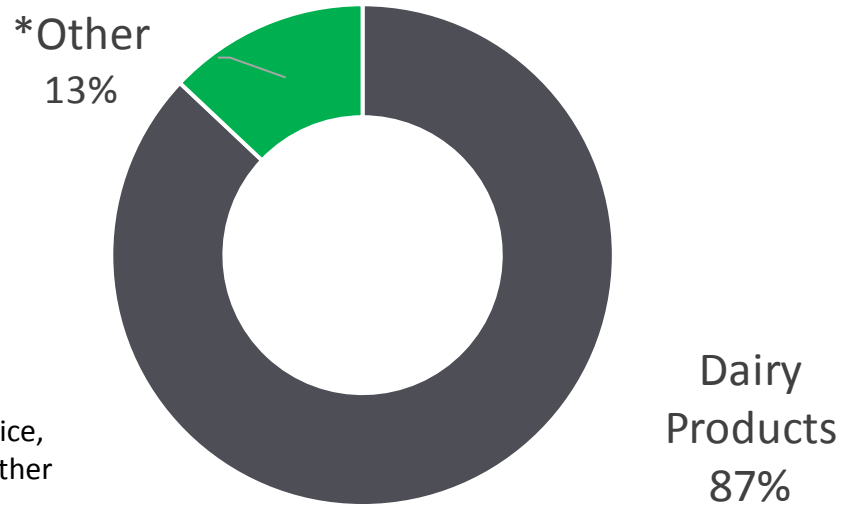
Market Share in Dairy Market

Milk, Cheese, Yoghurt, Ayran, Butter



NET SALES BREAKDOWN

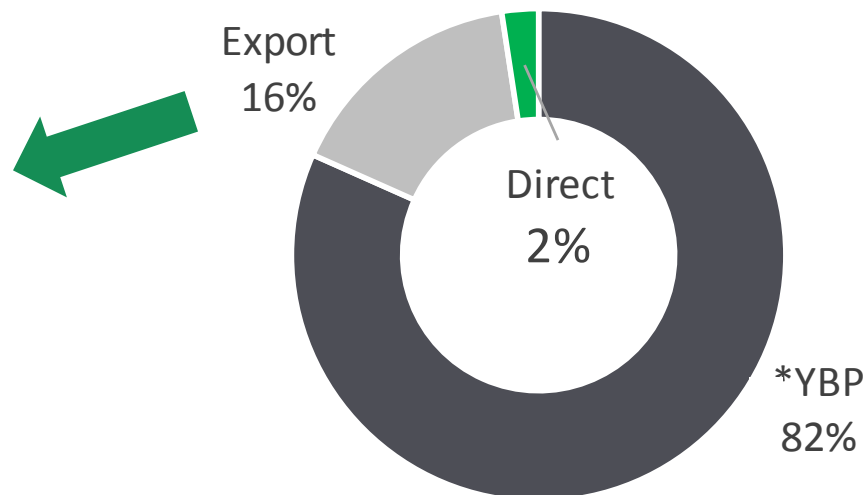
Based on
Product
Groups



Based on
Sales
Channel

22.0 million Dollar

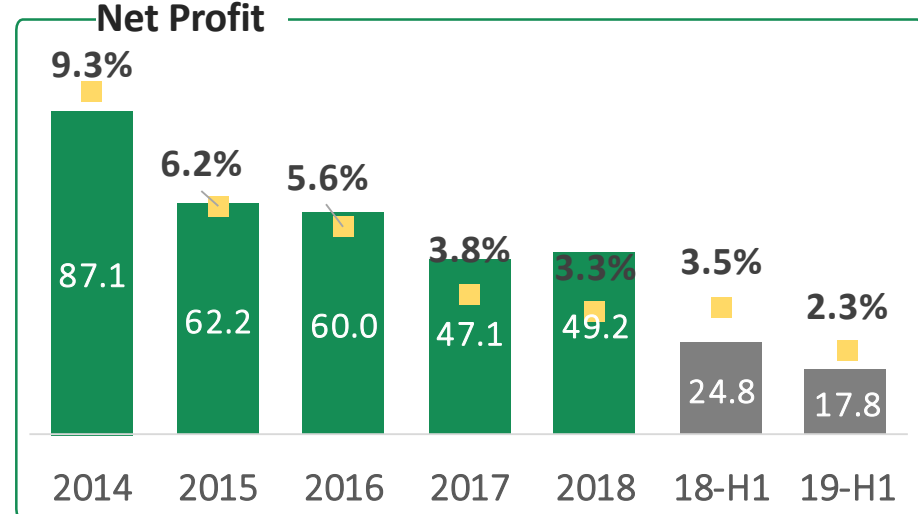
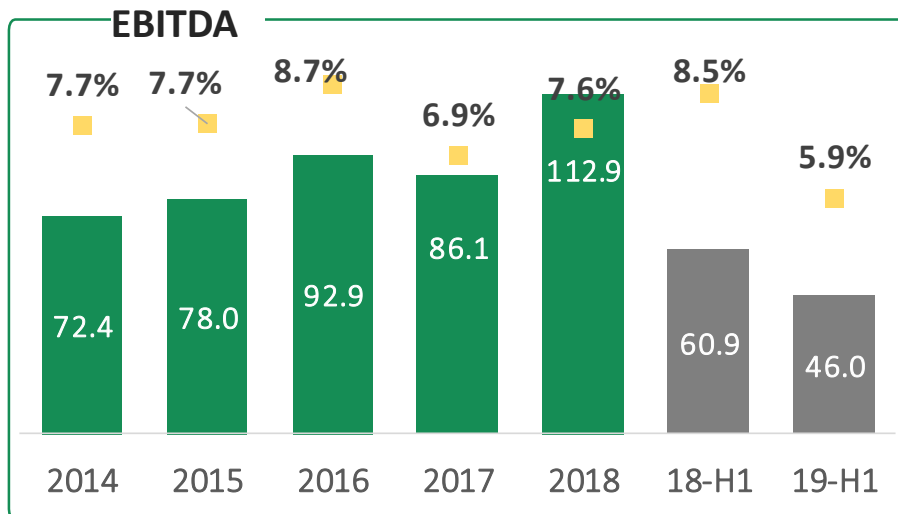
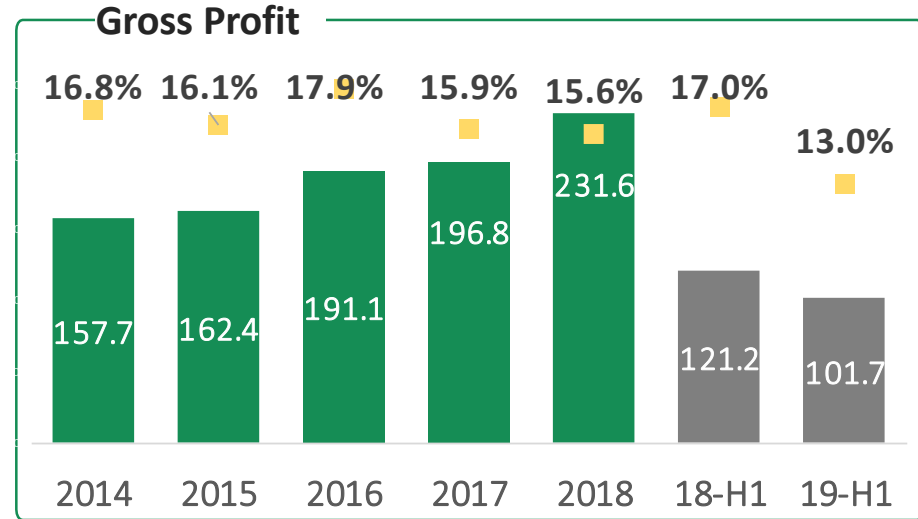
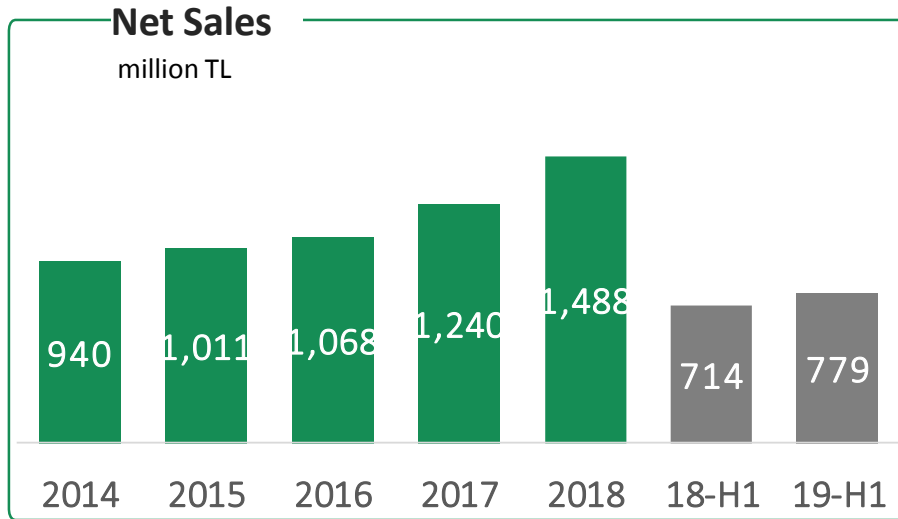
<i>S. Arabia</i>	22.5%
<i>Kuwait</i>	11.4%
<i>Iraq</i>	9.8%
<i>UAE</i>	8.5%
<i>Qatar</i>	7.6%
<i>Cyprus</i>	5.1%
<i>Bahrain</i>	4.6%
<i>Other</i>	30.5%



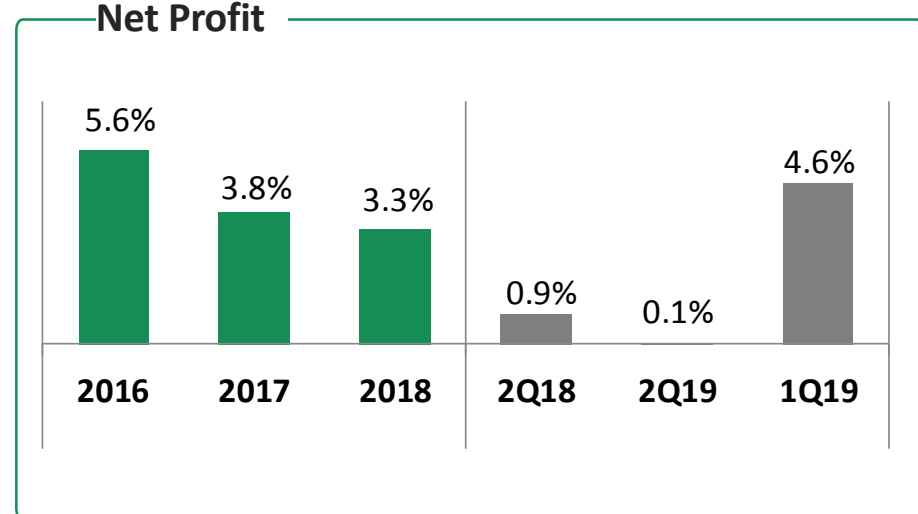
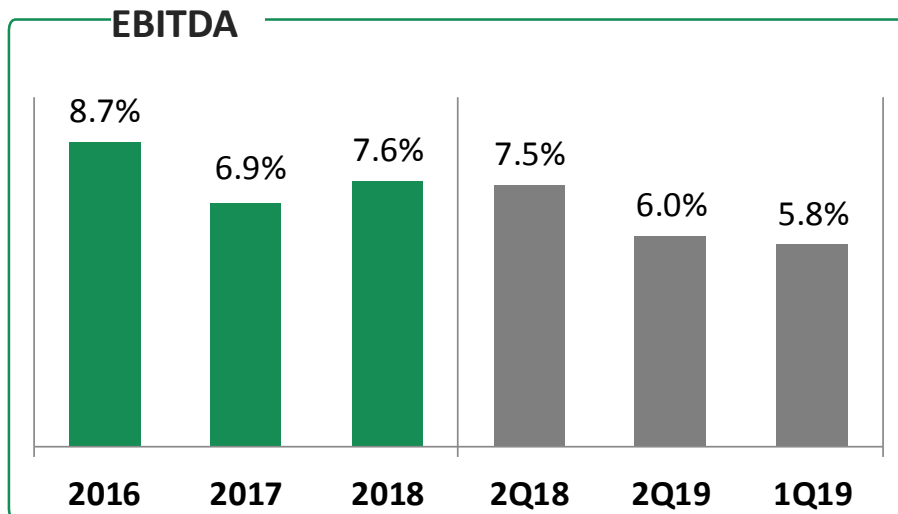
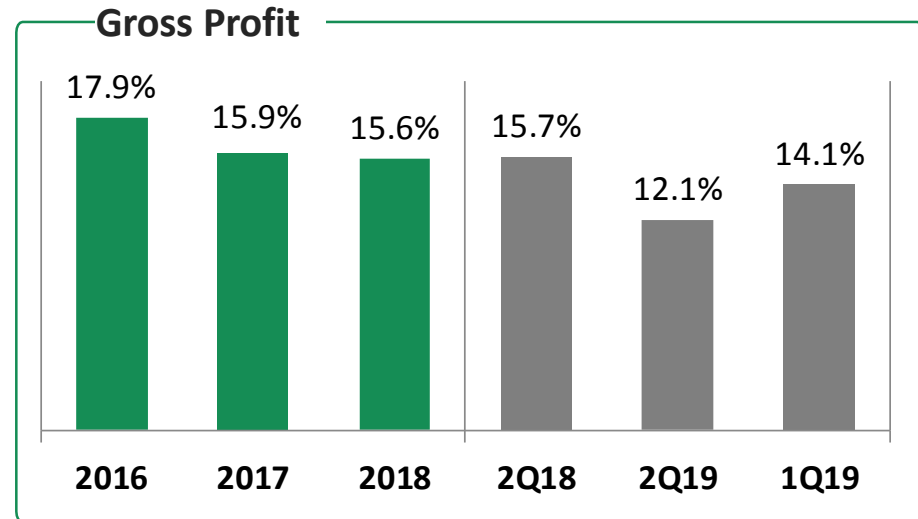
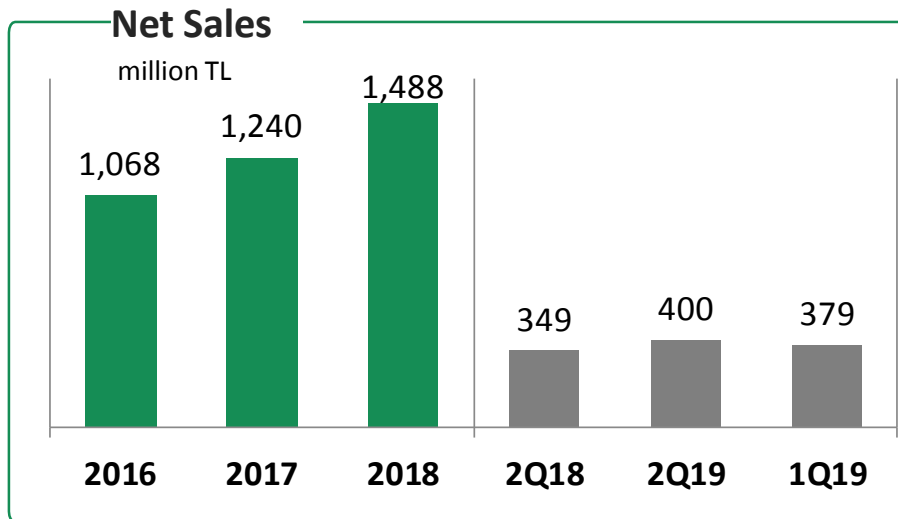
INCOME STATEMENT

(Million TL)	1/1/2019 6/30/2019	1/1/2018 6/30/2018	Difference	Change
Net Sales	779.3	713.6	65.7	9.2%
Cost of Goods Sold	(677.7)	(592.4)	(85.3)	14.4%
Gross Profit	101.7	121.2	(19.5)	-16.1%
R&D Expenses	(6.6)	(5.9)	(0.7)	12.7%
Sales, Distribution and Marketing Expenses	(50.4)	(50.9)	0.5	-1.0%
General Administration Expenses	(24.7)	(21.4)	(3.2)	15.1%
EBIT	20.0	43.0	(23.0)	-53.6%
EBITDA	46.0	60.9	(14.9)	-24.5%
Shares of Results of Investments in Associates	0.8	5.2	(4.4)	-84.5%
Other Expenses (Net)	23.2	10.0	13.3	133.1%
Financial Expenses (Net)	(23.3)	(32.5)	9.2	-28.3%
Profit Before Tax	20.7	25.7	(5.0)	-19.4%
Tax	(3.0)	(0.9)	(2.0)	216.4%
Net Profit for the Period	17.8	24.8	(7.0)	-28.3%

SALES AND PROFITABILITY – ANNUALLY



SALES AND PROFITABILITY - QUARTERLY



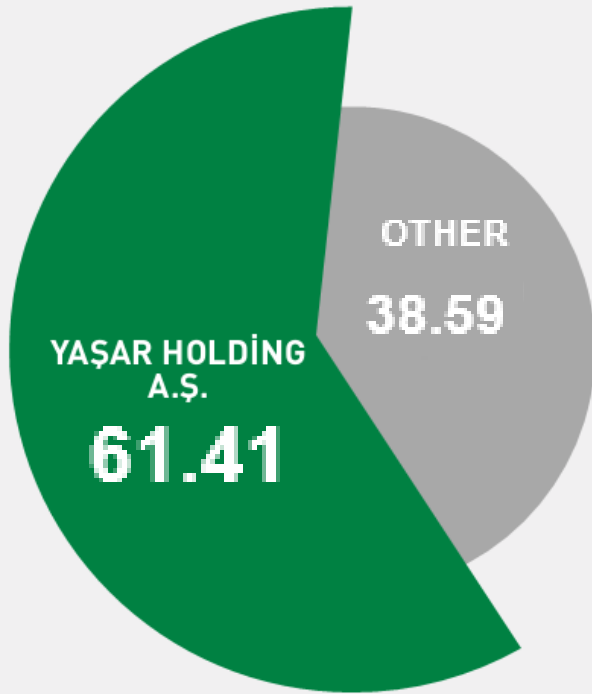
FINANCIAL RATIOS

	2015/12	2016/12	2017/12	2018/12	2019/06
Current Ratio	1.16	1.23	1.21	1.07	1.07
Leverage Ratio	0.34	0.36	0.43	0.44	0.45
Current Borrowings/Total Borrowings (Fin.)	0.93	0.56	0.64	0.81	0.91
Net Fin. Borrowings/EBITDA	0.34	0.76	1.69	1.16	1.63
Net Fin. Borrowings/Equity	0.05	0.12	0.21	0.17	0.21
Return on Equity (ROE)	11.1%	10.2%	7.3%	6.7%	5.4%

CAPITAL EXPENDITURES

	2015	2016	2017	2018	2018/06	2019/06
Capital Expenditures	19 m TL	65 m TL	55 m TL	68 m TL	13.1 m TL	4.4 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
Total	100.00	44,951,051.25

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

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Company's financial statements are available on www.kap.gov.tr and www.pinar.com.tr websites.

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