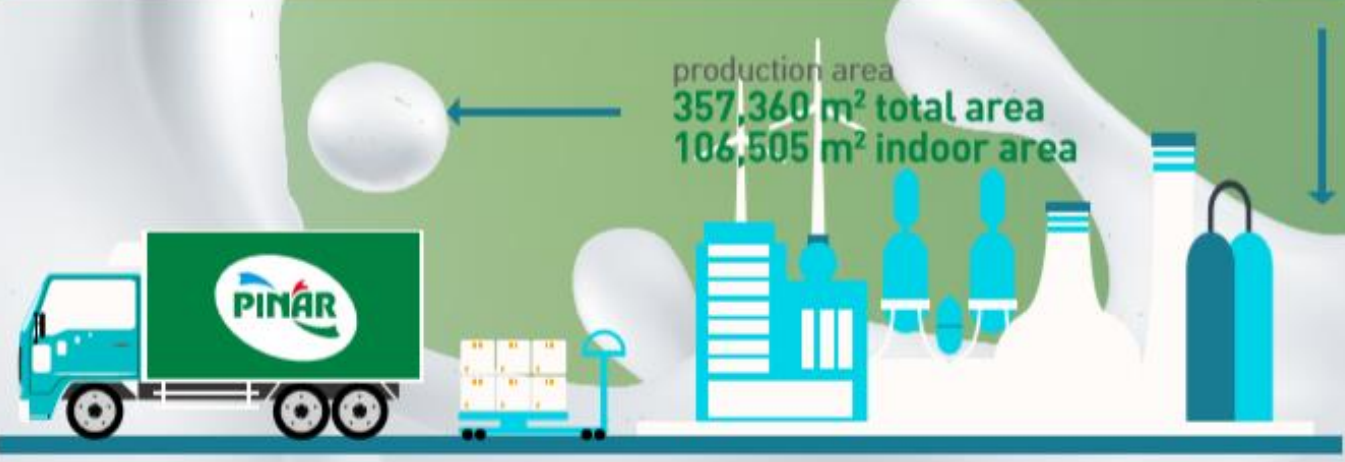
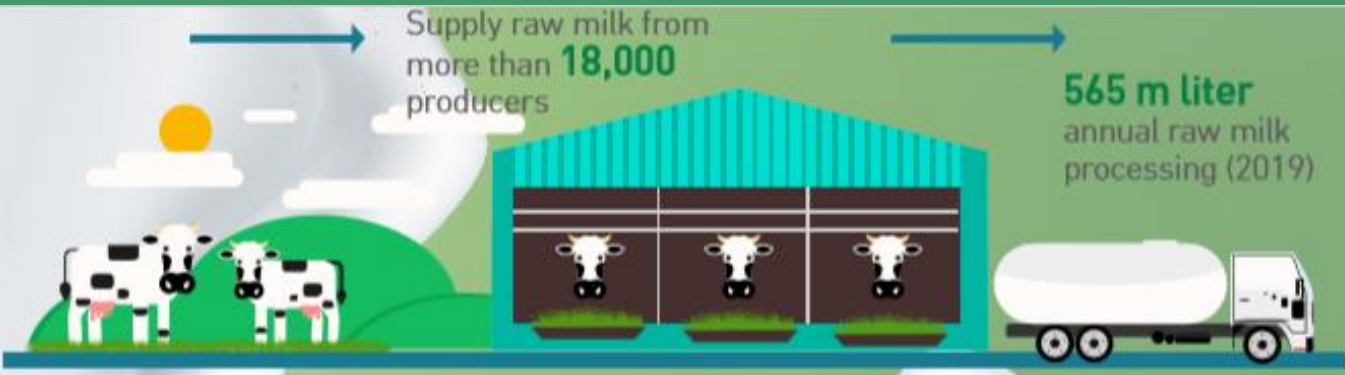




# Pinar Süt

Earnings Presentation  
2020-H1

# PINAR SÜT AT A GLANCE



## HIGHLIGHTS

**967.3**  
million TL  
Net Sales

**24.1%**  
Net Sales  
Growth

**31.5**  
million TL  
Net Profit

**21.1**  
million dollar  
Export Sales

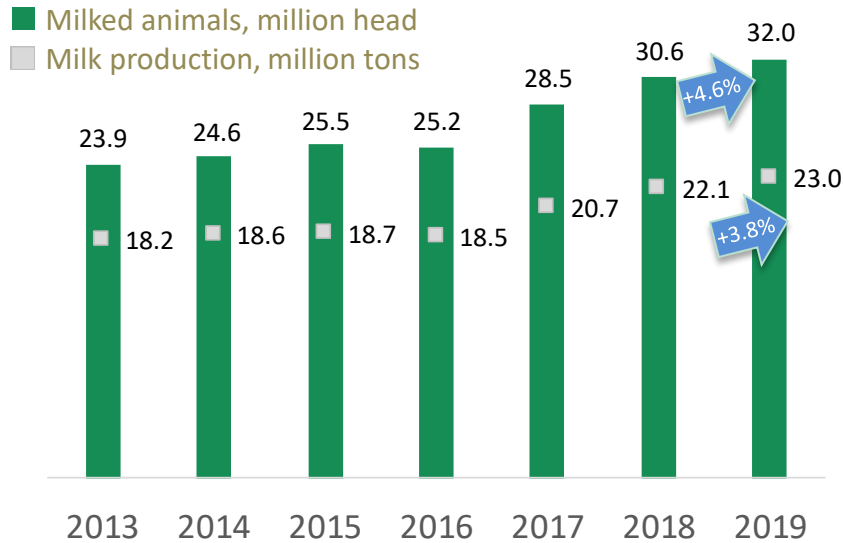
**16.9**  
million TL  
Capex

**1,008**  
Employees in  
2020-H1

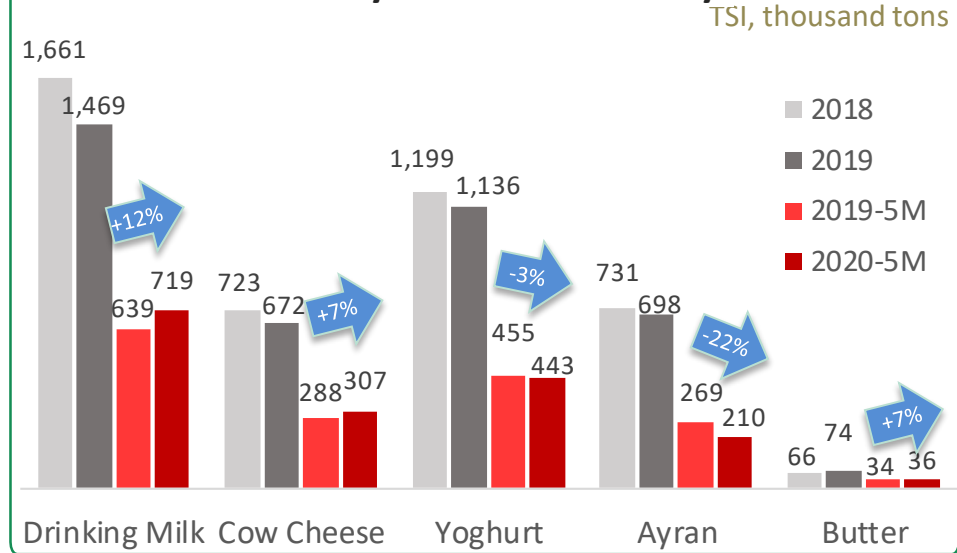
- In the first 5 months of 2020 cow milk production occurred to 4.2 million tons in Turkey, increased by 3.8% compared to the same period of previous year. (TSI)
- In the first 5 months of the year; production of drinking milk, cow cheese, butter increased by respectively 12%, 7%, 7%, YoY. (TSI)
- The base price of raw milk per liter determined by the National Milk Council was 15.0% higher in the first half of 2020 compared to the same period of the previous year.
- Pinar Süt received TSE "Covid-19 Safe Production Certificate".

### PRODUCTION AND COST

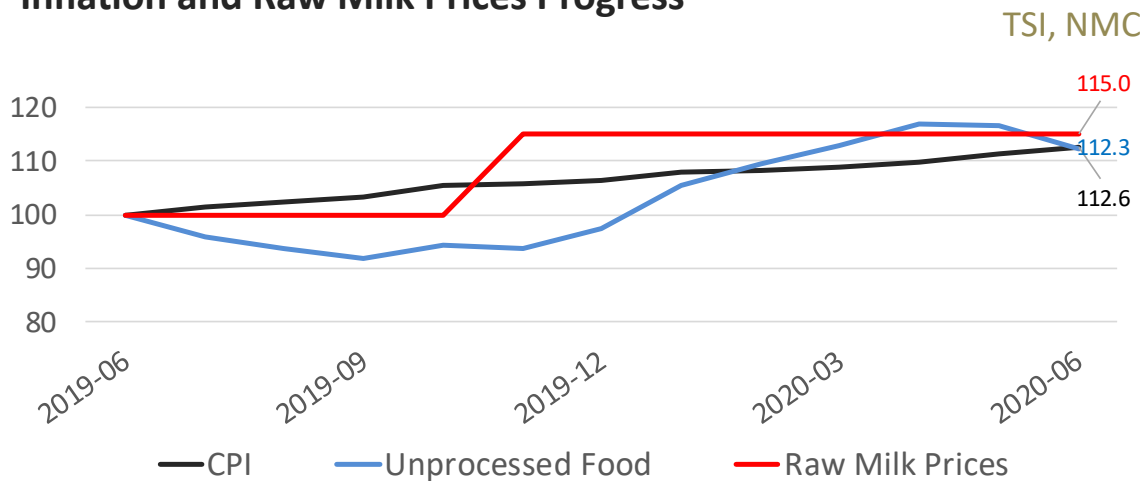
#### Number of Milked Animals and Raw Milk Production



#### Production of Dairy Products in Turkey

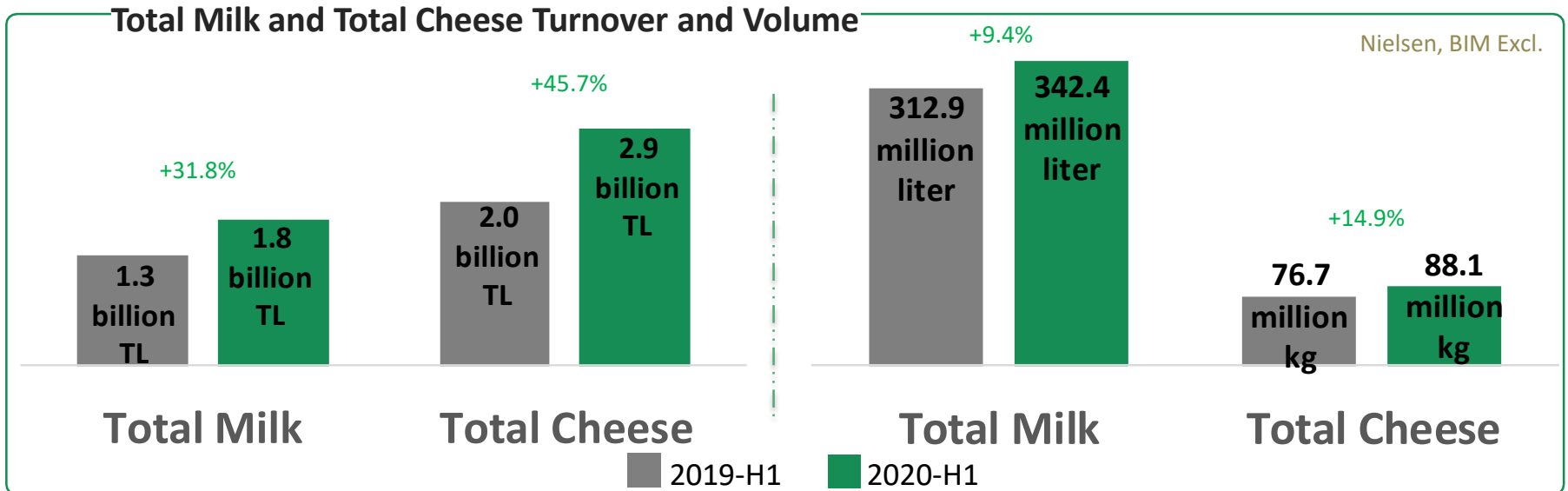
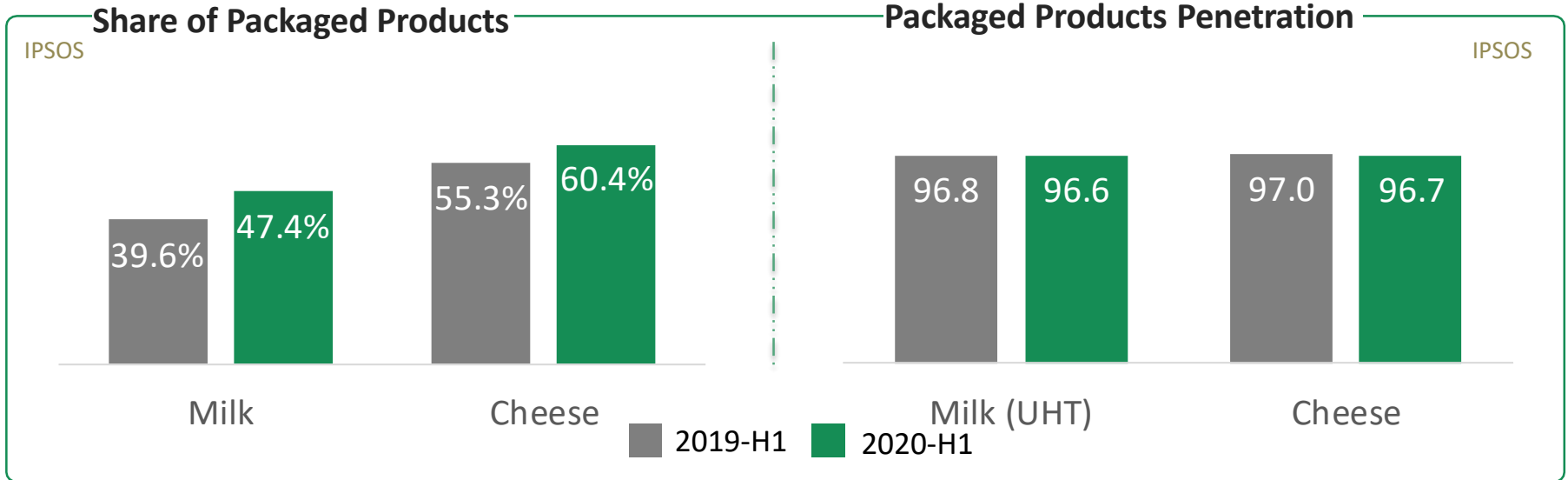


#### Inflation and Raw Milk Prices Progress



- The price per liter of raw milk containing 3.6% fat and 3.2% protein has been increased to **2.30 TL** as of November 15, 2019 by the National Milk Council.
- In the last one-year period, the raw milk prices, unprocessed food prices and CPI have similar increases.

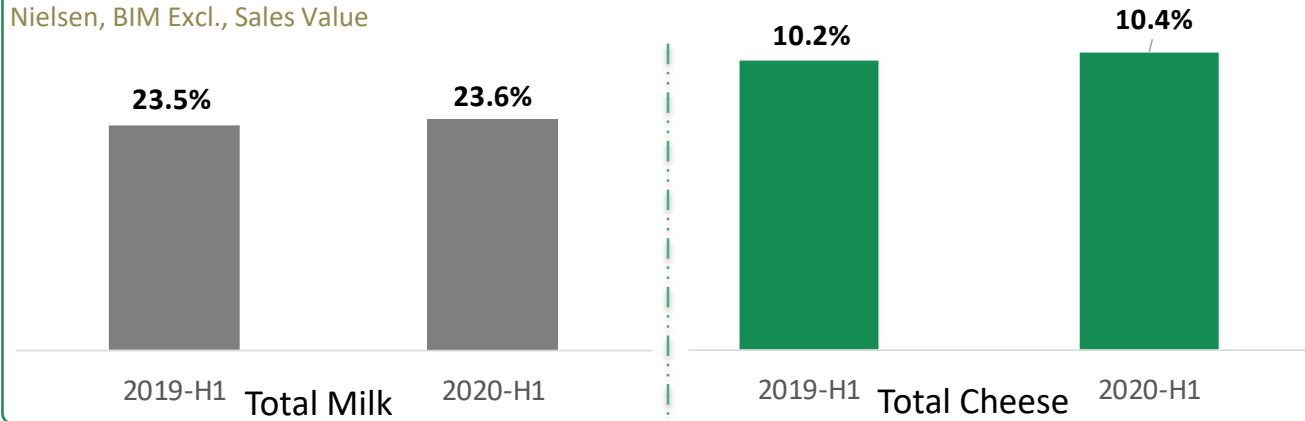
CONSUMPTION AND MARKET



## MARKET POSITION

### Market Share of Pinar in Total Milk and Total Cheese Categories

Nielsen, BIM Excl., Sales Value



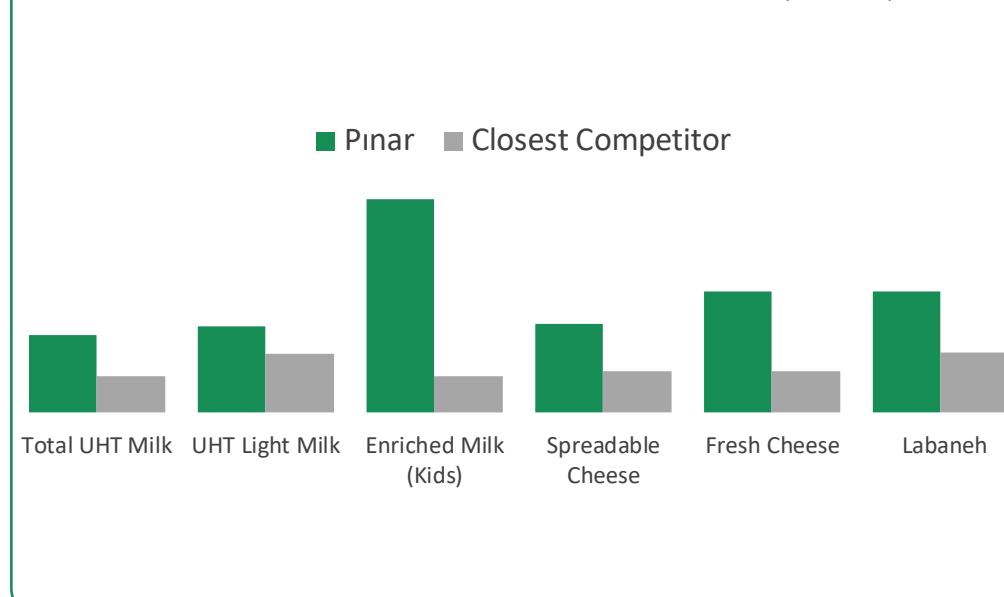
- In the first half of the year, total milk and total cheese categories have grown and market shares of Pinar Süt increased in both total milk and total cheese categories, YoY. (Niesen, BIM excl.)

### Market Shares Based on Products

Product	Share	Position
Total UHT Milk	26.7%	1#
UHT Light Milk	29.7%	1#
Enriched Milk (Kids)	73.3%	1#
Protein Milk	58.2%	1#
Total Cheese	10.4%	3#
Spreadable Cheese	30.3%	1#
Fresh Cheese	41.5%	1#
Labaneh	41.5%	1#
Cottage Cheese	24.4%	2#
Kefir	4.8%	4#

### Pinar Süt and Competitors

2020-6M, Nielsen, BIM Excl.



## MARKET POSITION

- All production facilities of Pınar Süt, which fulfilled the criteria in the guide prepared by the Turkish Standards Institute (TSE), were entitled to receive the “**Covid-19 Safe Production Certificate**”.
- For the first time in its sector, the “**Accessible Communication Line**” service for sight-disabled people is provided through Pınar Communication Center.



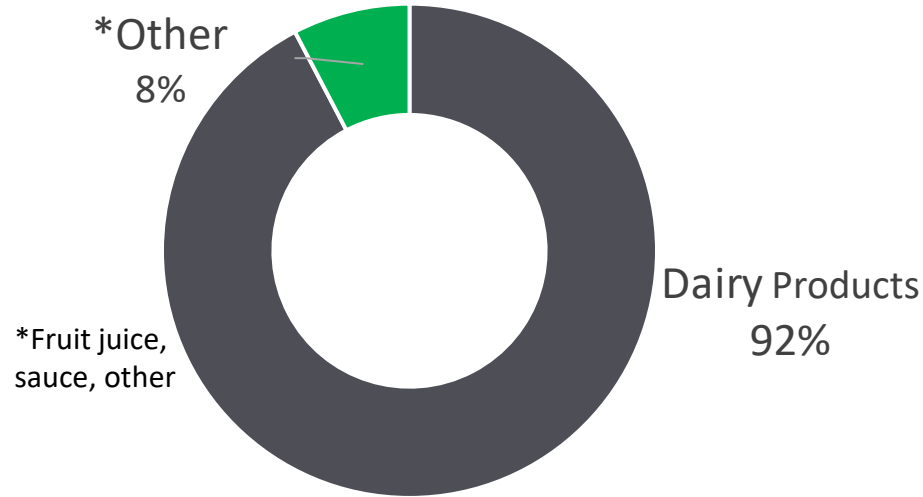
- Pınar Süt was made “Bardakta İzi Kalan Pınar’la Büyüttüm” (I raised with Pınar, which left traces on the glass) advertisement campaign in March 2020.

- Pınar Süt launched its new series Pınar Cafe Art with two new products to coffee lovers and consumers who want to try new flavors.



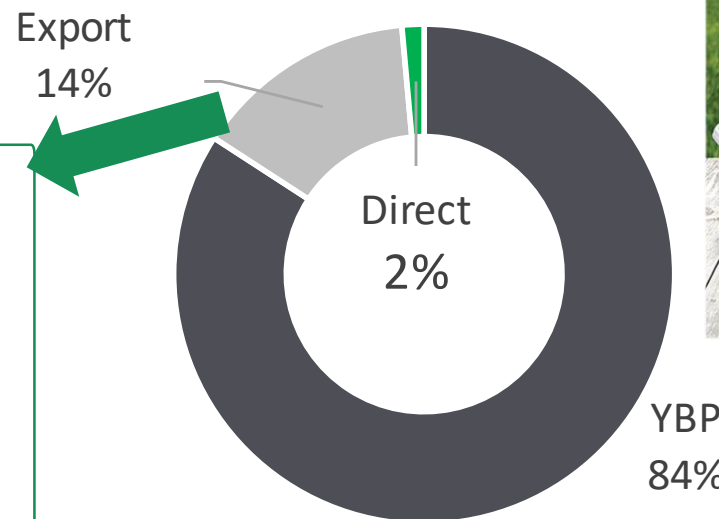
NET SALES BREAKDOWN

Based on Product Groups



Based on Sales Channel

21.1 million Dollar



S. Arabia	28.8%
Kuwait	14.5%
Iraq	13.2%
UAE	9.6%
Azerbaijan	4.9%
Bahrain	4.6%
Cyprus	4.6%
Qatar	3.0%
Other	16.8%



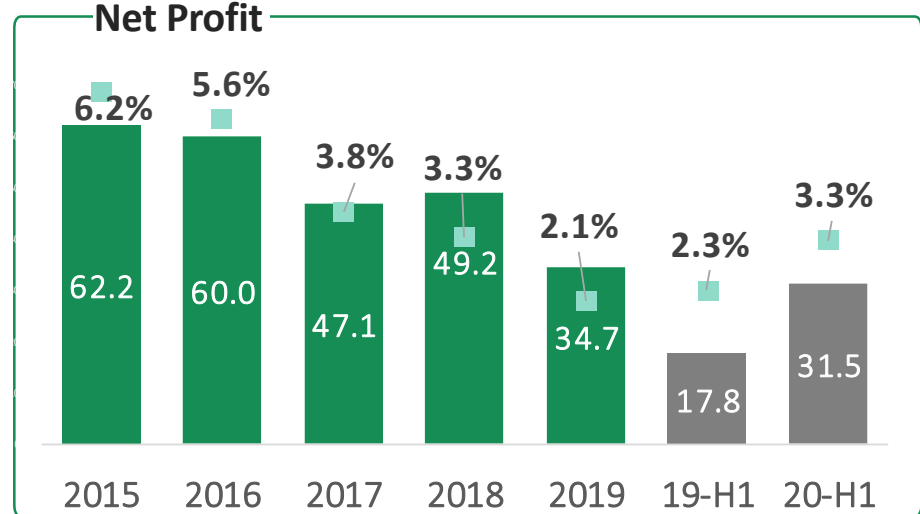
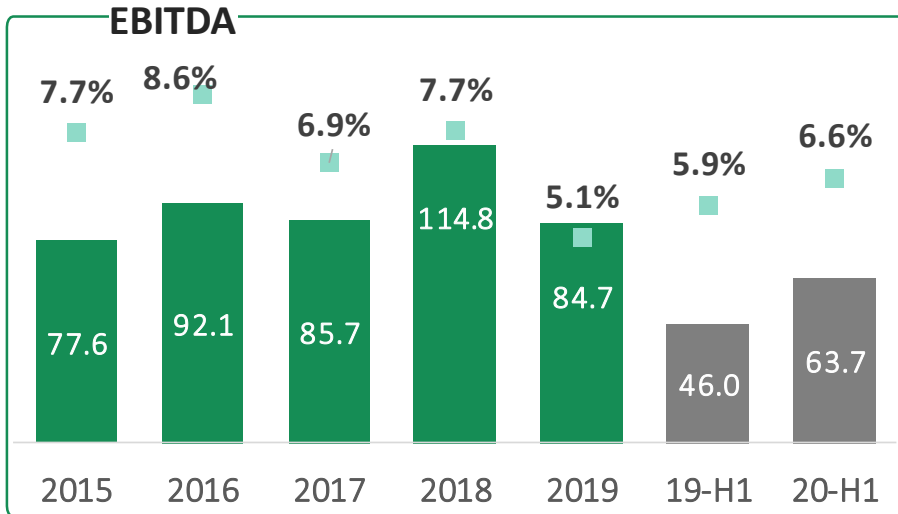
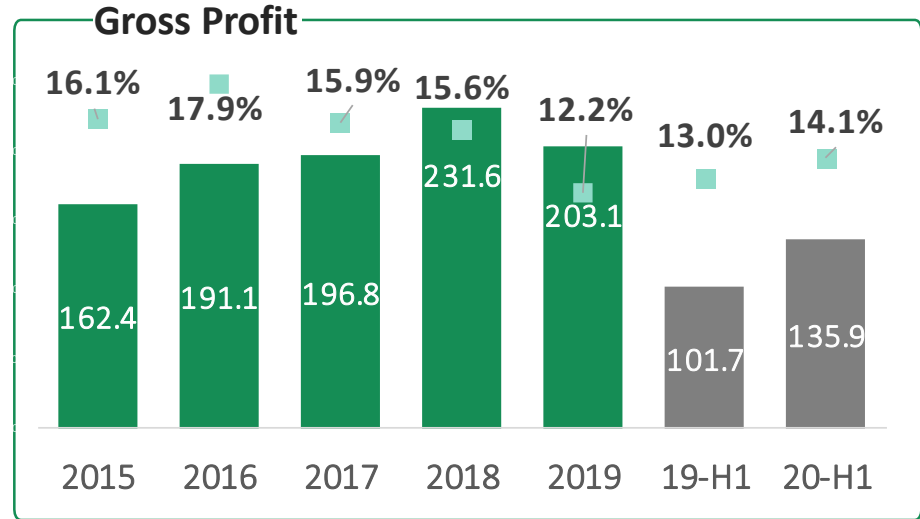
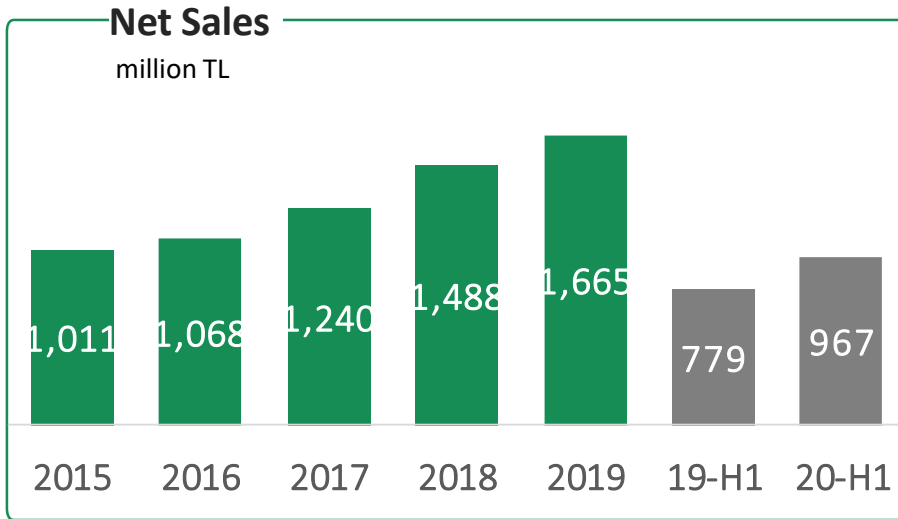
\*Yaşar Birleşik Pazarlama, the distribution company of Yaşar Food Group, ranks 152th in 2019 in the top 500 rankings of Fortune magazine.



**INCOME STATEMENT**

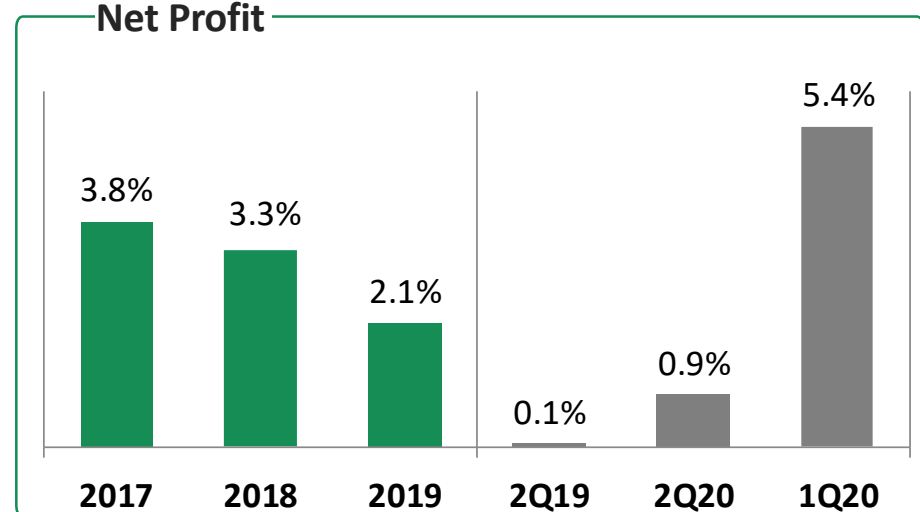
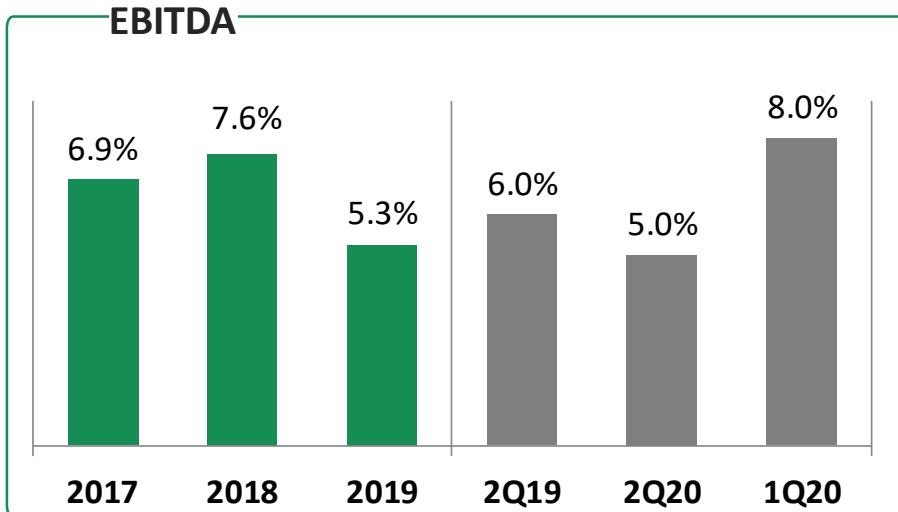
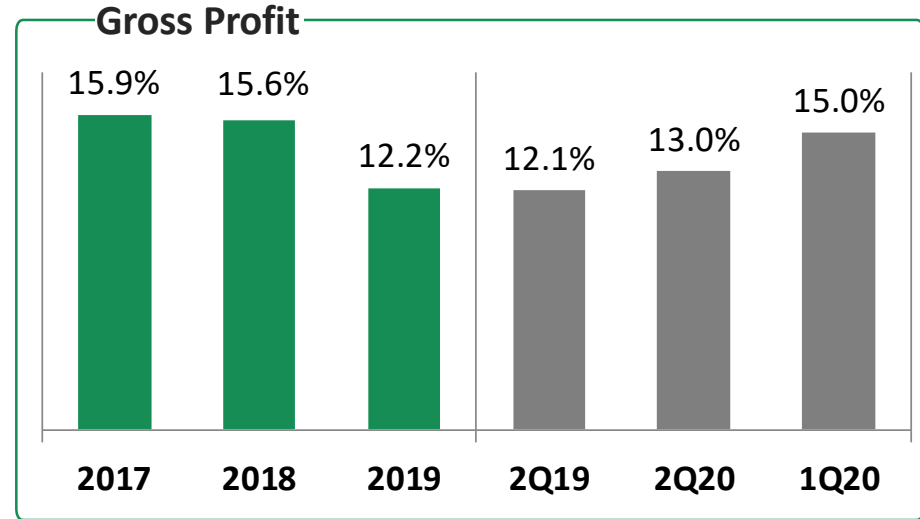
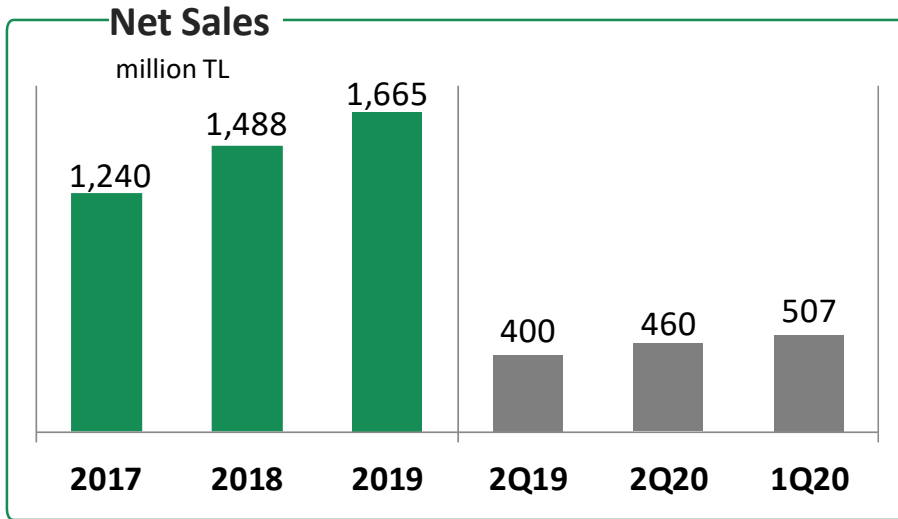
(Million TL)	01/01/20 6/30/2020	01/01/19 6/30/2019	Difference	Change
<b>Net Sales</b>	<b>967.3</b>	<b>779.3</b>	<b>188.0</b>	<b>24.1%</b>
Cost of Goods Sold	(831.4)	(677.7)	(153.7)	22.7%
<b>Gross Profit</b>	<b>135.9</b>	<b>101.7</b>	<b>34.3</b>	<b>33.7%</b>
R&D Expenses	(6.9)	(6.6)	(0.3)	4.9%
Sales, Distribution and Marketing Expenses	(65.3)	(50.4)	(14.8)	29.5%
General Administration Expenses	(26.9)	(24.7)	(2.3)	9.2%
<b>EBIT</b>	<b>36.8</b>	<b>20.0</b>	<b>16.8</b>	<b>84.3%</b>
<b>EBITDA</b>	<b>63.7</b>	<b>46.0</b>	<b>17.8</b>	<b>38.6%</b>
Shares of Results of Investments in Associates	7.4	0.8	6.6	815.2%
Other Expenses (Net)	15.6	23.2	(7.7)	-33.1%
Financial Expenses (Net)	(24.6)	(23.3)	(1.3)	5.8%
<b>Profit Before Tax</b>	<b>35.1</b>	<b>20.7</b>	<b>14.4</b>	<b>69.5%</b>
Tax	(3.6)	(3.0)	(0.7)	23.1%
<b>Net Profit for the Period</b>	<b>31.5</b>	<b>17.8</b>	<b>13.7</b>	<b>77.2%</b>

SALES AND PROFITABILITY – ANNUALLY



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



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

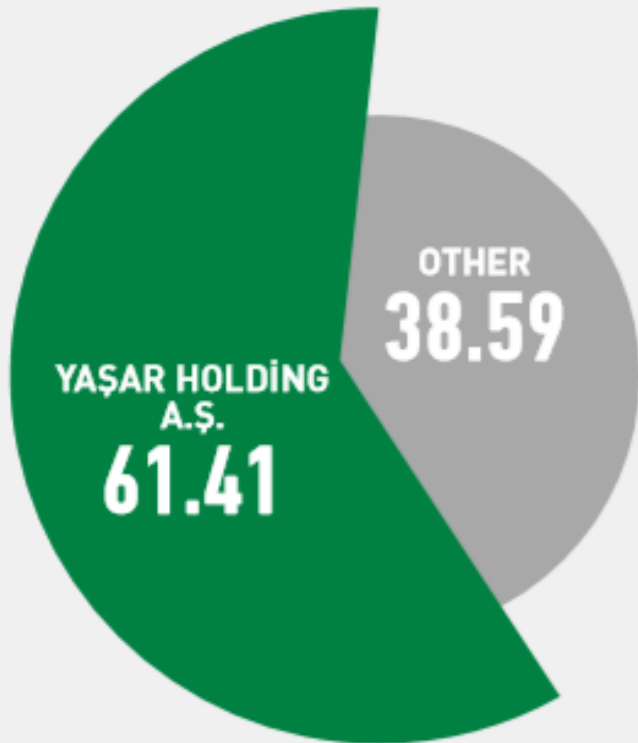
**FINANCIAL RATIOS**

	2016/12	2017/12	2018/12	2019/12	2020/06
Current Ratio	1.23	1.21	1.07	1.23	1.17
Leverage Ratio	0.36	0.43	0.44	0.42	0.45
Current Borrowings/Total Borrowings (Fin.)	0.56	0.64	0.81	0.44	0.62
Net Fin. Borrowings/EBITDA	0.76	1.69	1.15	1.57	2.30
Net Fin. Borrowings/Equity	0.12	0.21	0.17	0.15	0.26
Return on Equity (ROE)	10.2%	7.3%	6.7%	4.1%	3.3%

**CAPITAL EXPENDITURES**

	2016	2017	2018	2019	2019/06	2020/06
Capital Expenditures	65.3 m TL	55,0 m TL	67.6 m TL	14.5 m TL	4,4 m TL	16,9 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 Main Market-Group 1 under the ticker symbol PNSUT.

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Company's financial statements are available on [www.kap.gov.tr](http://www.kap.gov.tr) and [www.pinar.com.tr](http://www.pinar.com.tr) websites.

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