

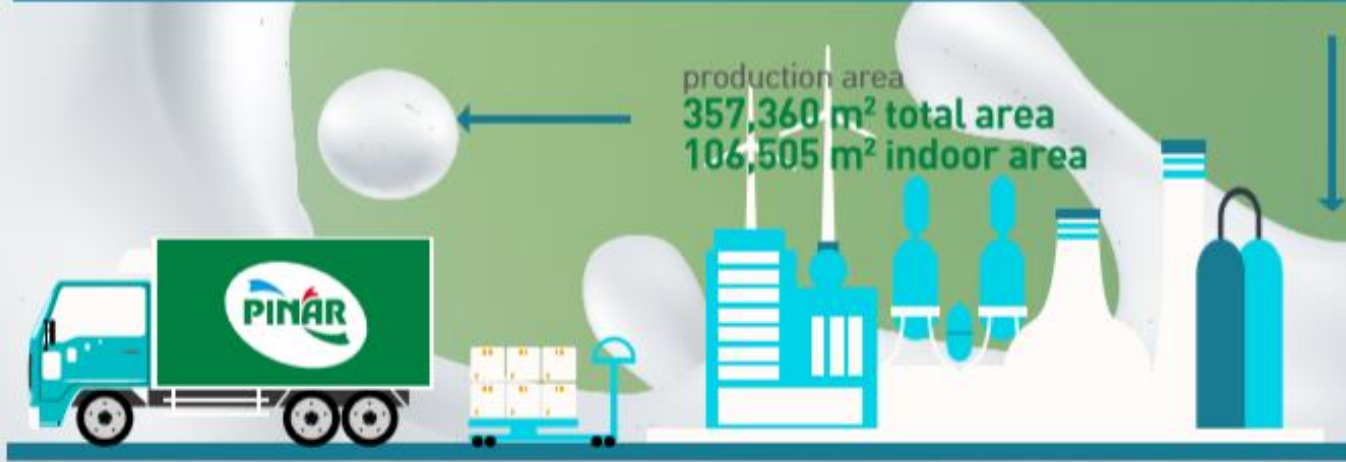
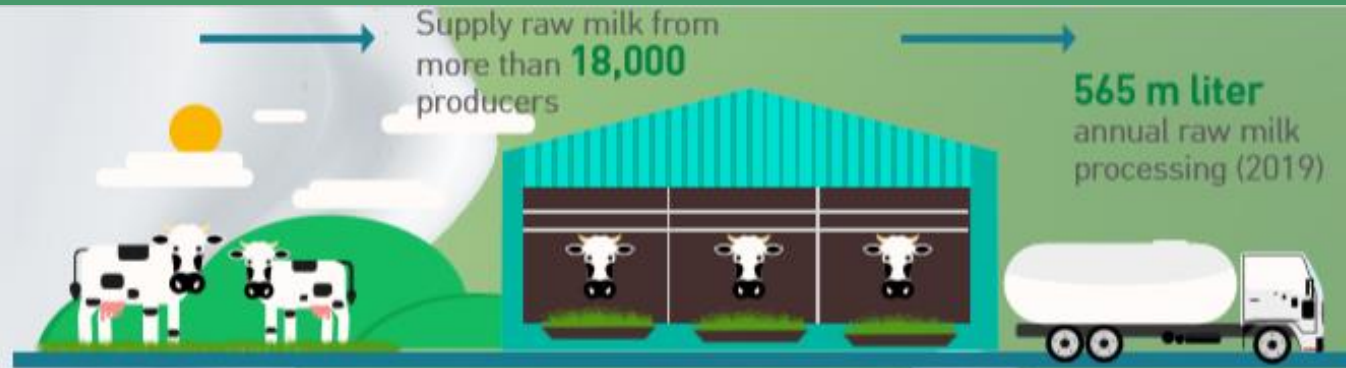


# Pinar Süt

Earnings Presentation  
2020-Q1



# PINAR SÜT AT A GLANCE



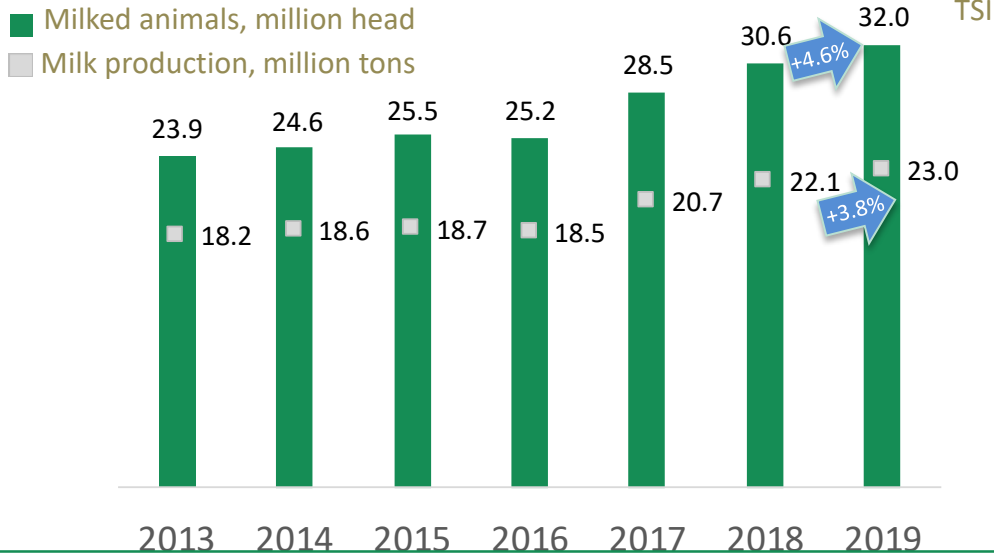
## HIGHLIGHTS

**506.9**million TL  
Net Sales**33.7%**Net Sales  
Growth**27.4**million TL  
Net Profit**11.0**million dollar  
Export Sales**5.8**million TL  
Capex**1,006**Employees in  
2020-Q1

- The liter of raw milk base price determined by the National Milk Council was 35.3% higher in the first quarter of 2020 compared to the same period of the last year.
- In the last one-year period the increase in raw milk prices is greater than the unprocessed food and CPI increases.
- In 2020-Q1 compared to the same period of previous year; production of drinking milk, cow cheese, and butter in Turkey increased by respectively 11%, 7%, 3%, YoY. (TSI)
- 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.

PRODUCTION AND COST

Number of Milked Animals and Raw Milk Production



Production of Dairy Products in Turkey

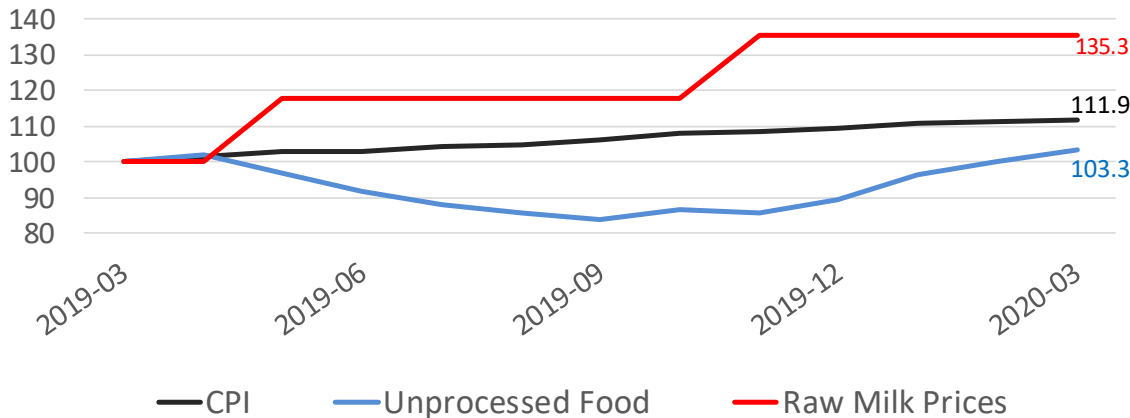
TSI, thousand tons

Products	2018	2019	Change
Drinking Milk	1,661	1,540	-7%
Cow Cheese	723	679	-6%
Yoghurt	1,199	1,181	-2%
Ayran	731	720	-2%
Butter	66	74	12%

- In 2020-Q1 compared to the same period of previous year; production of drinking milk, cow cheese, and butter in Turkey increased by respectively 11%, 7%, 3%, YoY.

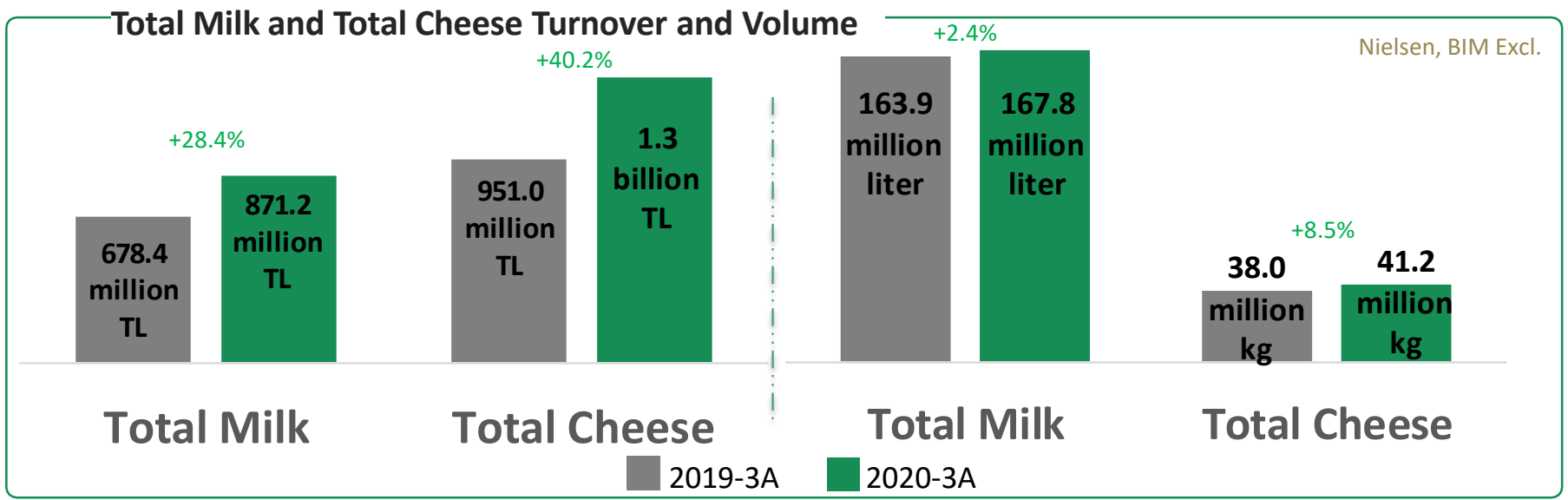
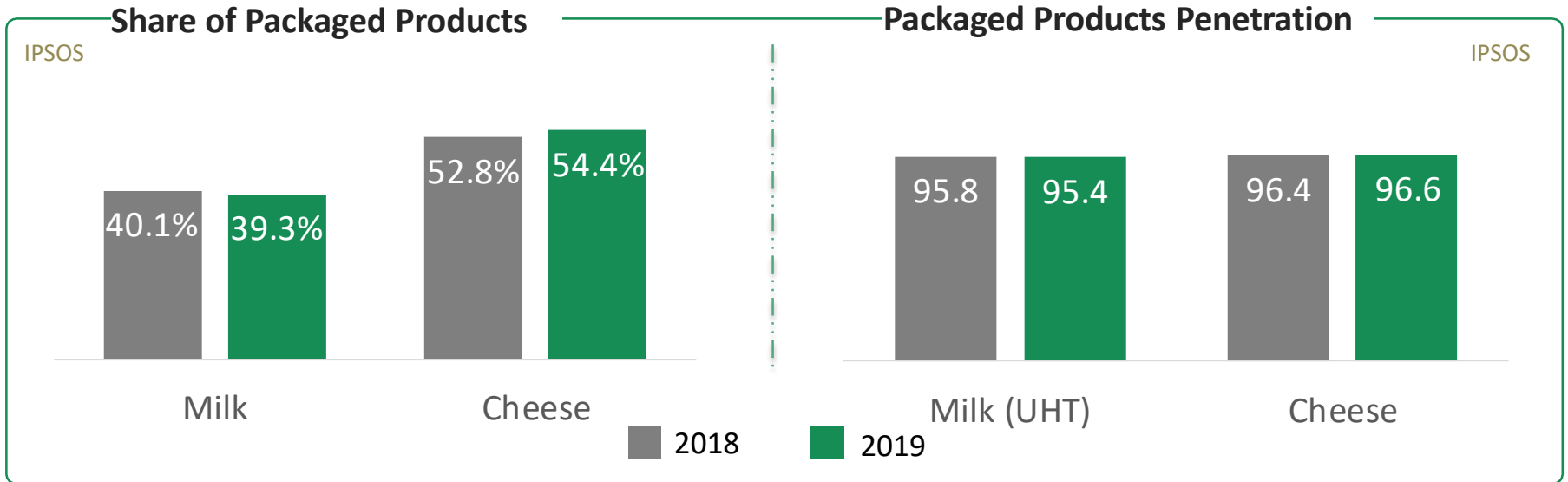
Inflation and Raw Milk Prices Progress

TSI, NMC



- The raw milk base price was increased to **2.30** TL per liter as of November 15, 2019 by the National Milk Council.
- In the last one-year period the increase in raw milk prices is greater than the unprocessed food and CPI increases.

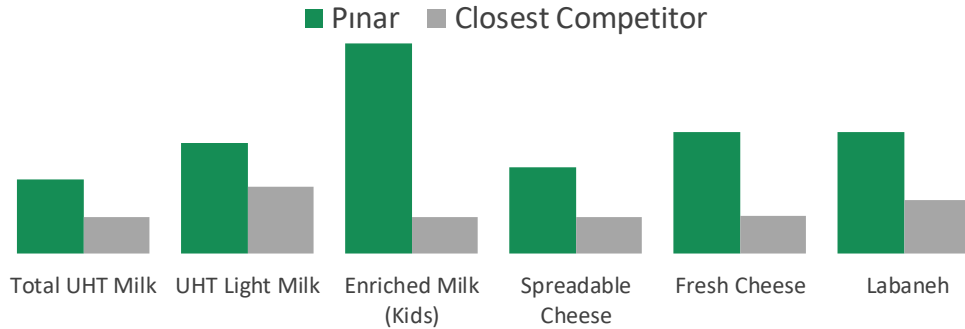
CONSUMPTION AND MARKET



## MARKET POSITION

### Pınar Süt and Competitors

2020-3M, Nielsen, BiM Excl.



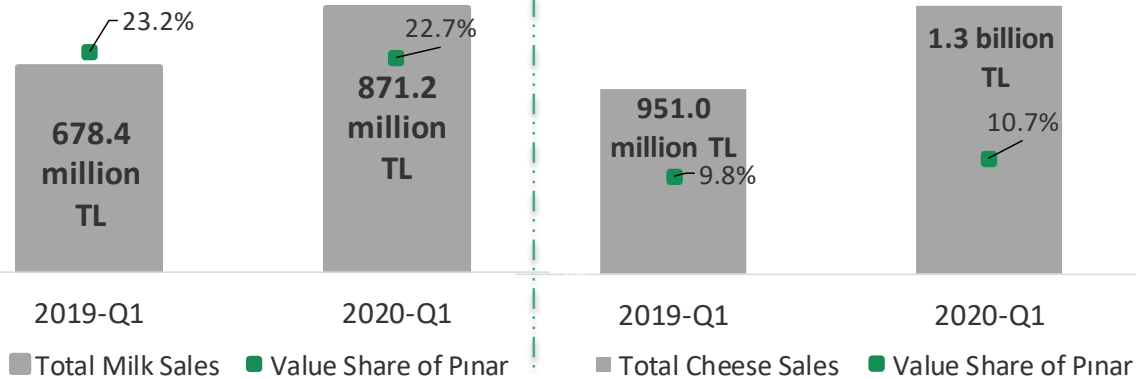
### Market Shares Based on Products

2020-3M, Nielsen, BiM Excl.

Product	Share	Position
Total UHT Milk	26.1%	1#
UHT Light Milk	39.1%	1#
Enriched Milk (Kids)	74.4%	1#
Protein Milk	56.9%	1#
Total Cheese	10.7%	3#
Spreadable Cheese	30.7%	1#
Fresh Cheese	43.0%	1#
Labaneh	42.8%	1#
Cream Cheese	8.6%	4#
Cottage Cheese	24.8%	2#
Kefir	4.9%	4#

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

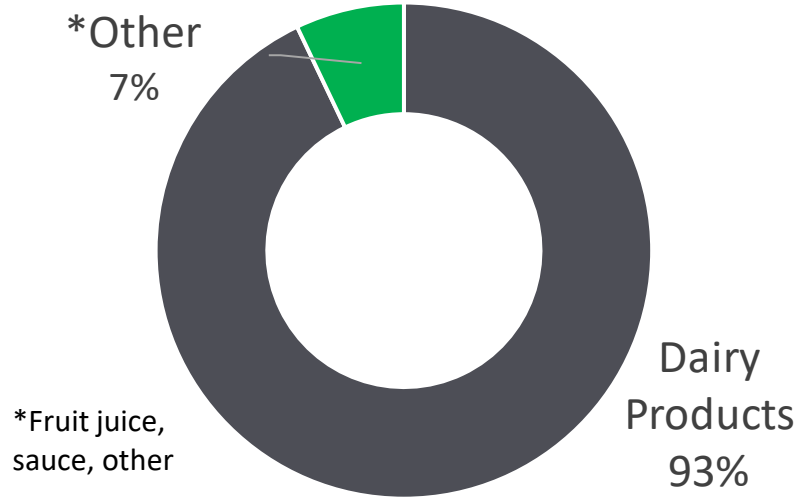
Nielsen, BIM Excl., Sales Value



- In the first quarter of 2020, the total milk category grew by +2.4%, while the total cheese category grew by +8.5% on the volume basis, YoY.
- 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.

NET SALES BREAKDOWN

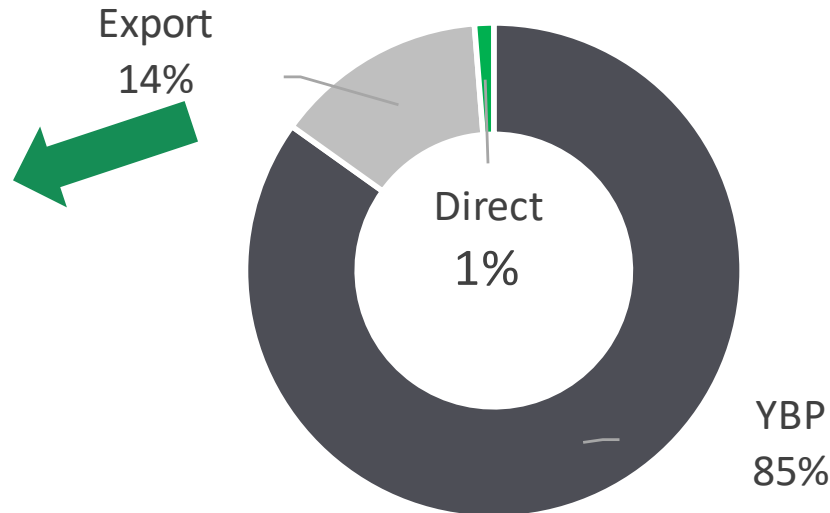
Based on Product Groups



Based on Sales Channel

11.0 million Dollar

S. Arabia	30.5%
Kuwait	14.4%
UAE	11.7%
Iraq	11.2%
Bahrain	4.9%
Azerbaijan	4.2%
Cyprus	3.7%
Qatar	3.3%
Other	16.2%



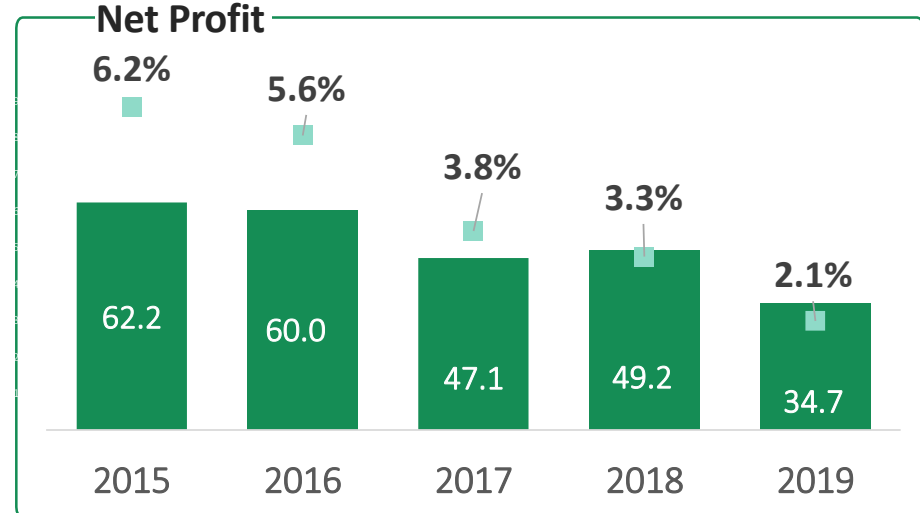
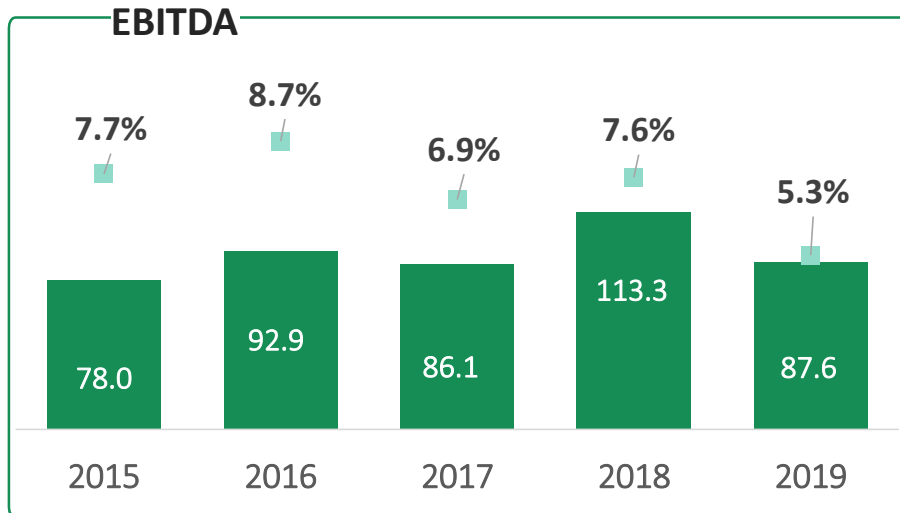
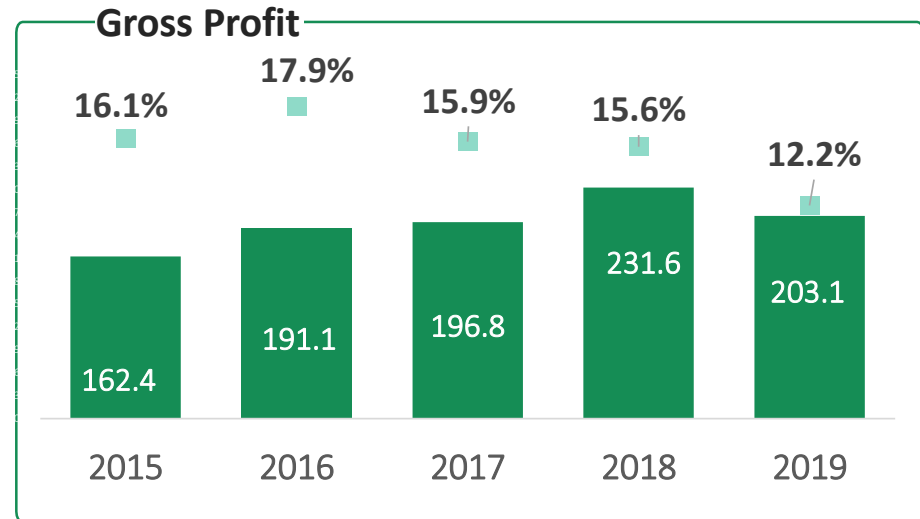
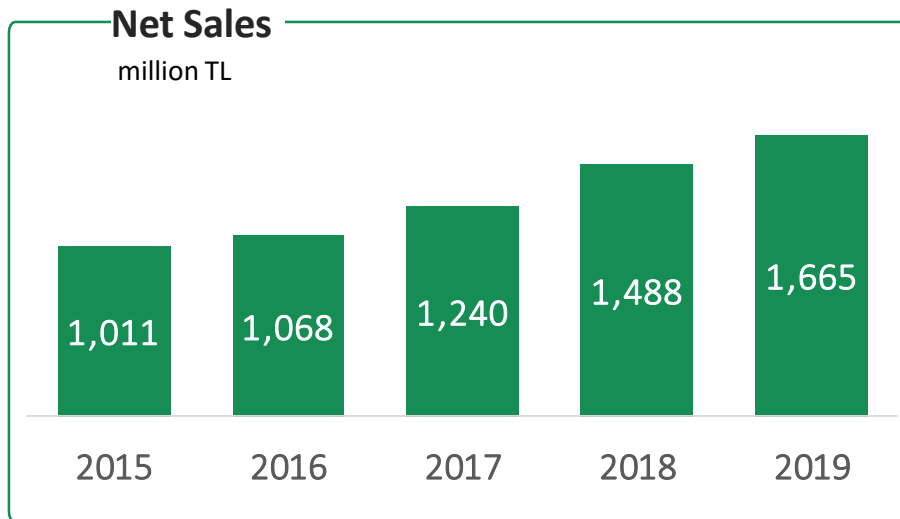
\*Yaşar Birleşik Pazarlama, the distribution company of Yaşar Food Group, ranks 139th in 2018 in the top 500 rankings of Fortune magazine.

**INCOME STATEMENT**

(Million TL)	<b>01.01.20 31.03.20</b>	<b>01.01.19 31.03.19</b>	<b>Difference</b>	<b>Change</b>
<b>Net Sales</b>	<b>506.9</b>	<b>379.2</b>	<b>127.7</b>	<b>33.7%</b>
Cost of Goods Sold	(430.9)	(325.9)	(105.1)	32.2%
<b>Gross Profit</b>	<b>76.0</b>	<b>53.3</b>	<b>22.6</b>	<b>42.5%</b>
R&D Expenses	(3.3)	(3.3)	0.0	-0.9%
Sales, Distribution and Marketing Expenses	(32.4)	(28.0)	(4.4)	15.5%
General Administration Expenses	(13.0)	(12.0)	(0.9)	7.9%
<b>EBIT</b>	<b>27.3</b>	<b>10.0</b>	<b>17.4</b>	<b>174.2%</b>
<b>EBITDA</b>	<b>40.7</b>	<b>21.8</b>	<b>18.9</b>	<b>86.5%</b>
Shares of Results of Investments in Associates	4.2	0.3	3.9	1472.9%
Other Expenses (Net)	11.9	30.0	(18.0)	-60.2%
Financial Expenses (Net)	(12.5)	(19.3)	6.8	-35.3%
<b>Profit Before Tax</b>	<b>30.9</b>	<b>20.9</b>	<b>10.1</b>	<b>48.2%</b>
Tax	(3.5)	(3.3)	(0.2)	4.9%
<b>Net Profit for the Period</b>	<b>27.4</b>	<b>17.5</b>	<b>9.9</b>	<b>56.4%</b>

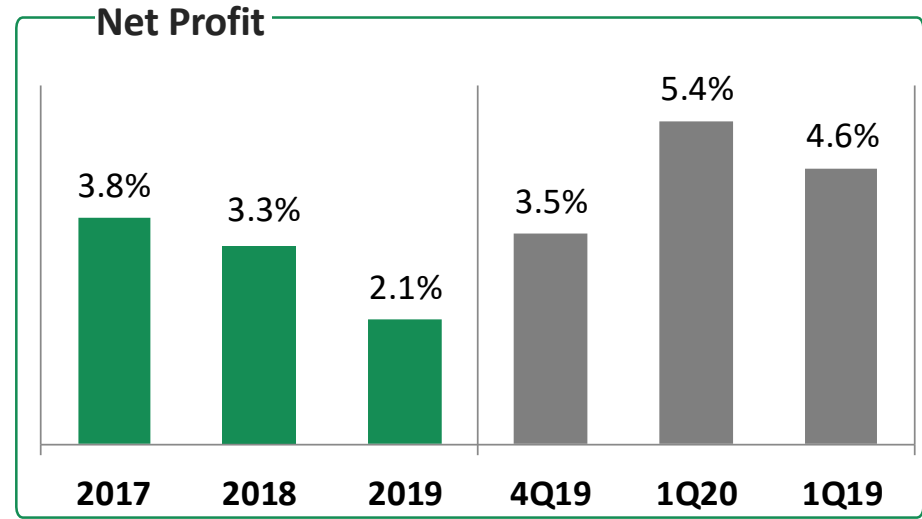
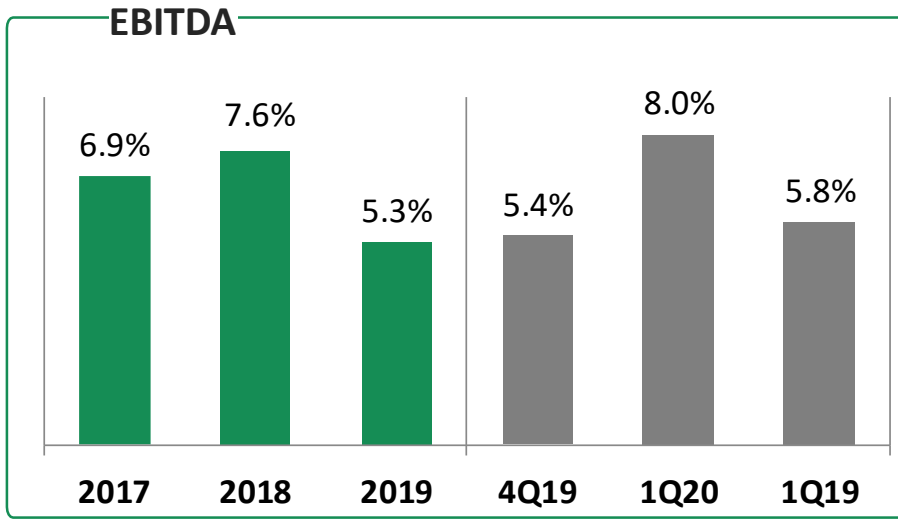
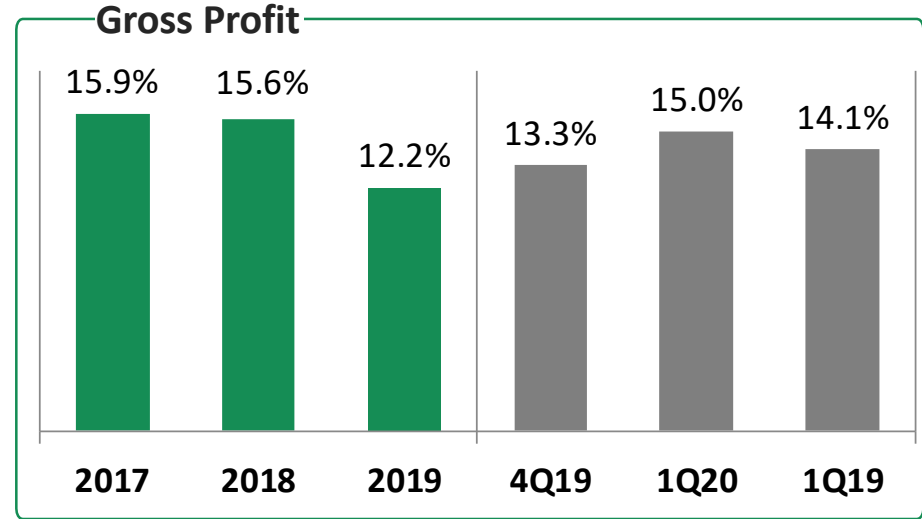
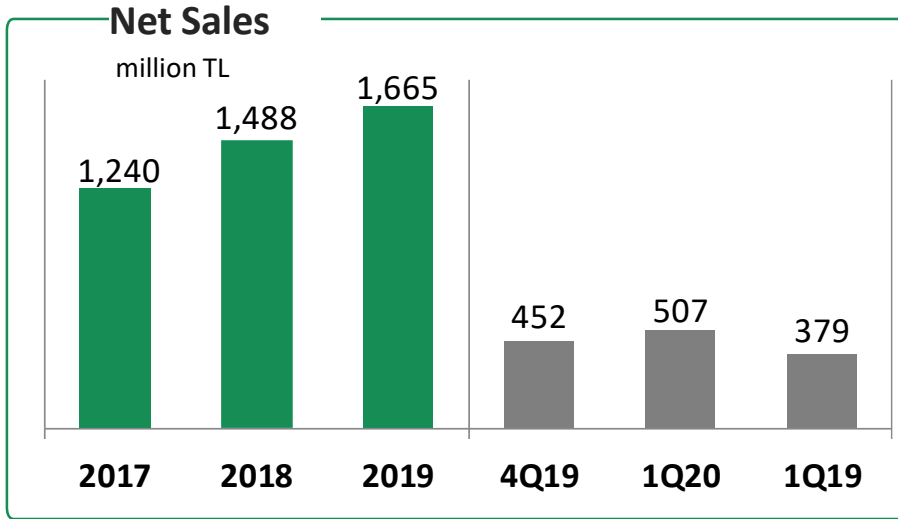


SALES AND PROFITABILITY – ANNUALLY



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.

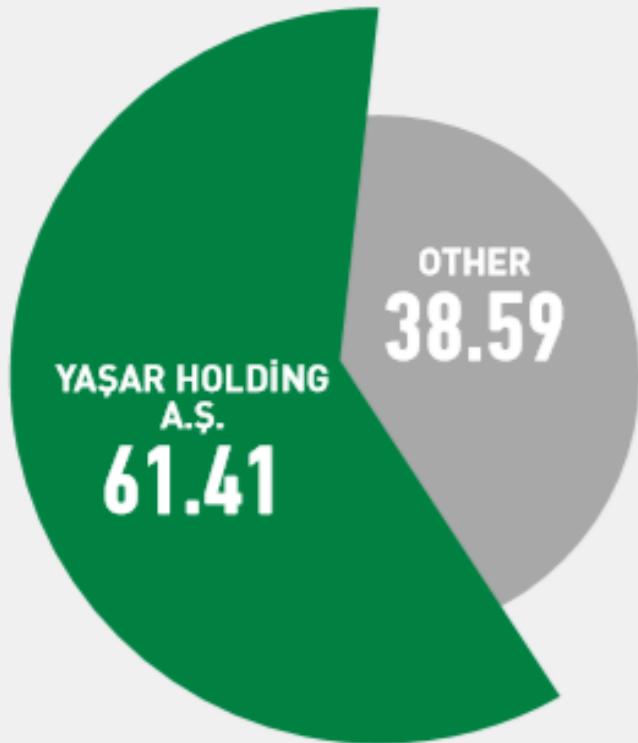
**FINANCIAL RATIOS**

	2016/12	2017/12	2018/12	2019/12	2020/03
Current Ratio	1.23	1.21	1.07	1.23	1.21
Leverage Ratio	0.36	0.43	0.44	0.42	0.46
Current Borrowings/Total Borrowings (Fin.)	0.56	0.64	0.81	0.44	0.49
Net Fin. Borrowings/EBITDA	0.82	1.29	1.49	1.57	5.07
Net Fin. Borrowings/Equity	0.12	0.21	0.17	0.15	0.23
Return on Equity (ROE)	10.2%	7.3%	6.7%	4.1%	3.0%

**CAPITAL EXPENDITURES**

	2016	2017	2018	2019	2020/03
Capital Expenditures	65.3 m TL	55,0 m TL	67.6 m TL	14.5 m TL	5.8 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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### Investor Relations Department

Phone: 90 232 495 00 00

Fax: 90 232 484 17 89

[investorrelations@pinarsut.com.tr](mailto:investorrelations@pinarsut.com.tr)

