



# Pinar Süt

Earnings Presentation  
2019-Q1

# PINAR SÜT AT A GLANCE



## HIGHLIGHTS

**379.2**  
million  
Net Sales

**4.1%**  
Net Sales  
Growth

**21.8**  
million TL  
EBITDA

**12.3**  
million USD  
export sales

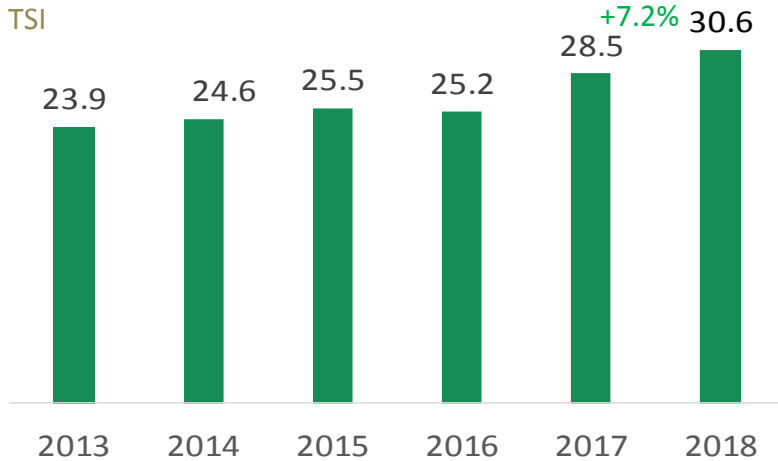
**1.9**  
million TL  
capex

**1,050**  
Average number of  
employees in 2019-  
Q1

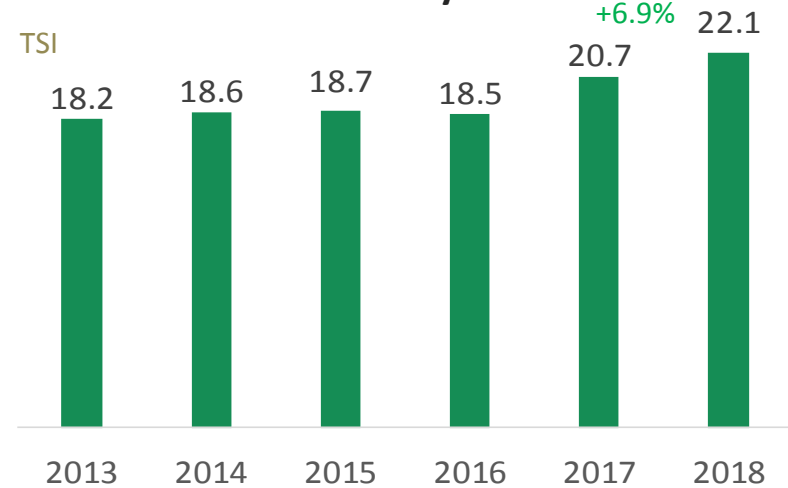
- The raw milk prices in 2018 completed the year by a 6.9% increase compared to the previous year. Number of milked animals in Turkey also increased by 7.2%. (TSI)
- The base price of the raw milk determined as 2.00 TL per liter from 1 May to 31 December which was 1.70 TL since August 2018. (National Milk Council)
- In 2019, first quarter, as well as displaying a growth in the categories of total milk and total cheese by tonnage, the tonnage growth of Pınar Kefir which is the new product of the company was launched to the market in 2018 have gone up by 25% held by Nielsen, BIM excluded value share.

### PRODUCTION AND COST

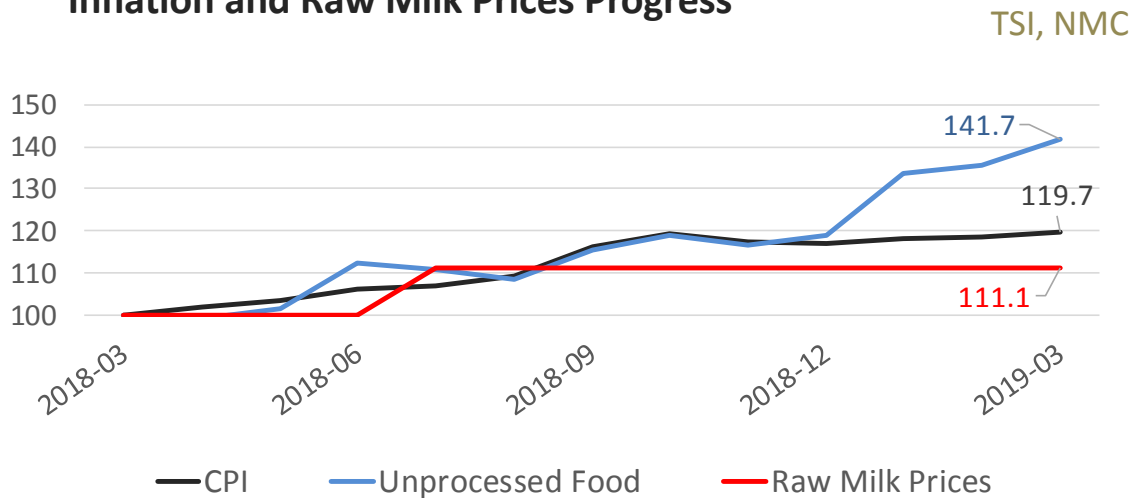
#### Number of Milked Animals in Turkey



#### Milk Production in Turkey



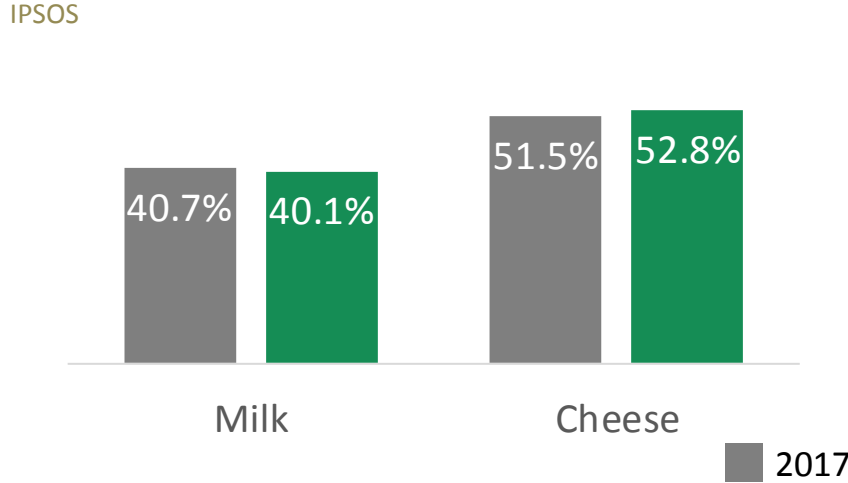
#### Inflation and Raw Milk Prices Progress



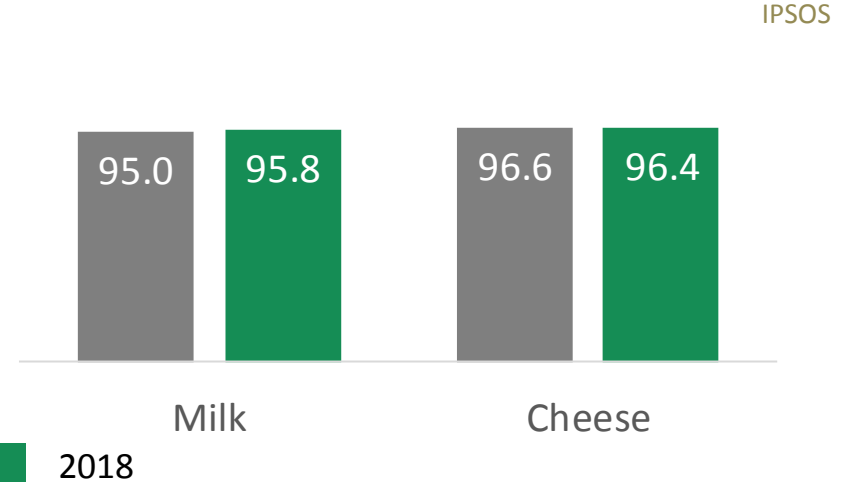
- The raw milk price determined as 2.00 TL per liter from 1 May to 31 December which was 1.70 TL since August 2018. (National Milk Council)
- Compared to the same period of last year, the price of raw milk per liter was 14.3% higher in 2019-Q1.

CONSUMPTION AND MARKET

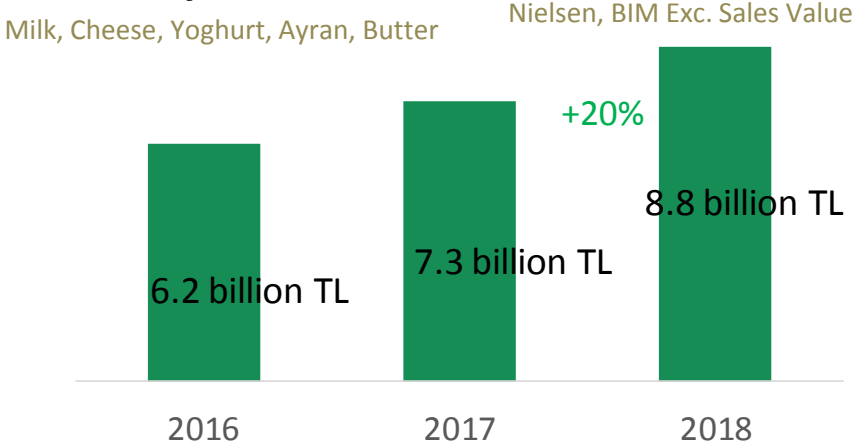
Share of Packaged Products



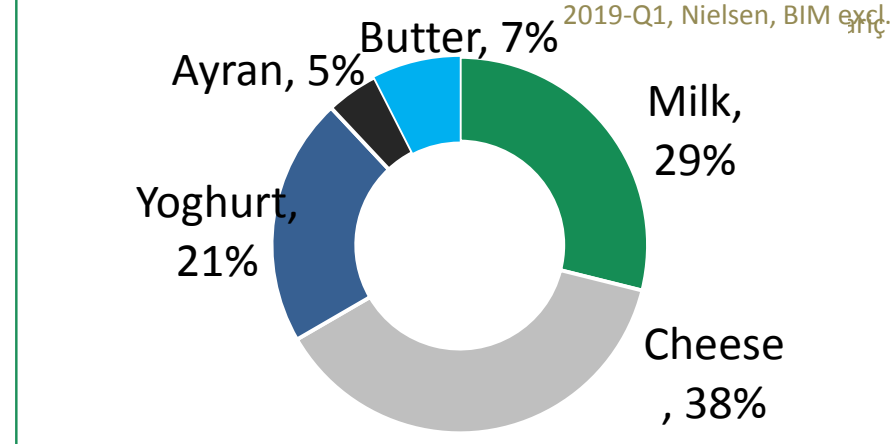
Packaged Products Penetration



Dairy Market



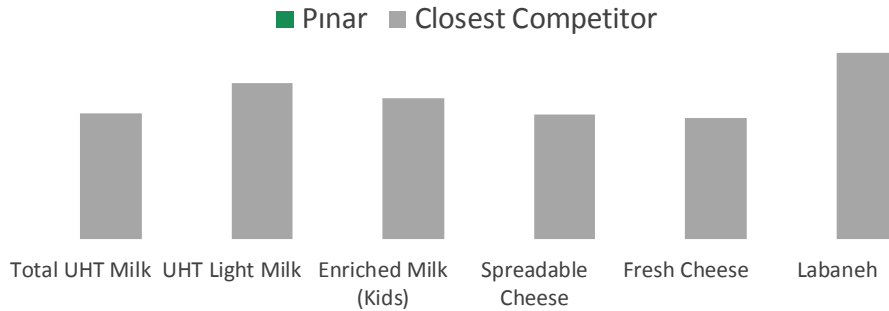
Turkey's Dairy Market Segments (Turnover)



## MARKET POSITION

### Pinar Süt and Competitors

2019-Q1, Nielsen, BIM Excl.



- In the first quarter of 2019, tonnage growth observed in total milk and total cheese categories.
- Kefir category in which we also launched Pinar Kefir grew by 25% as tonnage basis in 2019-Q1 (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

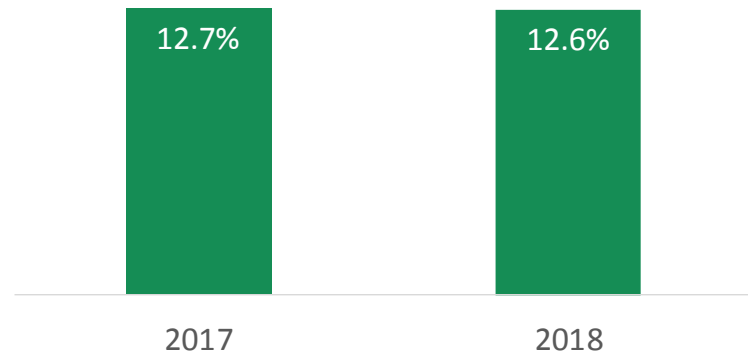
Nielsen, 2019-Q1, BIM Excl.

Product	Share	Position
Total UHT Milk	26.9%	1#
UHT Light Milk	53.8%	1#
Enriched Milk (Kids)	79.0%	1#
Protein Milk	55.0%	1#
Total Cheese	10.2%	2#
Spreadable Cheese	33.1%	1#
Fresh Cheese	53.7%	1#
Labaneh	43.8%	1#
Cream Cheese	10.3%	3#
Cottage Cheese	17.1%	2#

### Market Share in Dairy Market

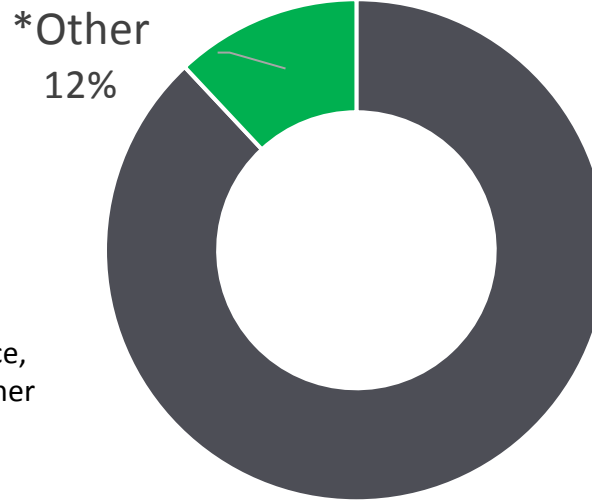
Nielsen, BIM Excl. Sales Value

Milk, Cheese, Yoghurt, Ayran, Butter



NET SALES BREAKDOWN

Based on Product Groups



\*Fruit juice, sauce, other

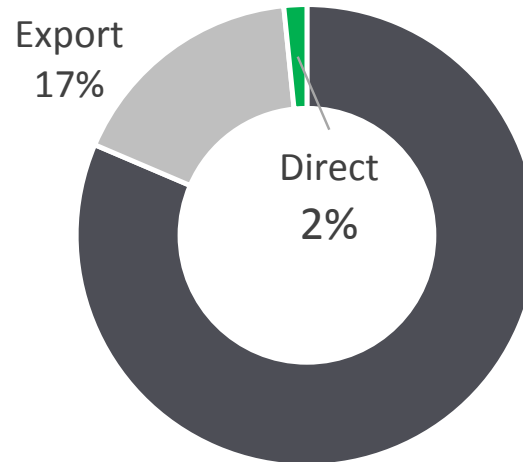
Dairy Products  
88%

Based on Sales Channel

12.3 million Dollar



S. Arabia	19.2%
Qatar	11.4%
Kuwait	10.5%
UAE	9.5%
Iraq	7%
Cyprus	5.1%
Bahrain	4.6%
Other	32.9%



\*YBP  
81%

\*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**

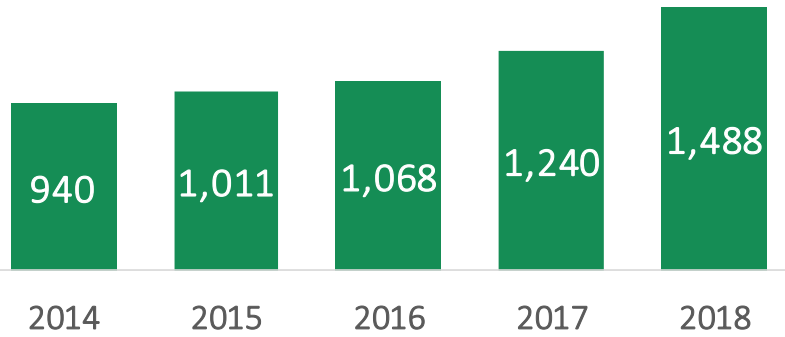
(Million TL)	1/1/2019 3/31/2019	1/1/2018 3/31/2018	Difference	Change
<b>Net Sales</b>	<b>379.2</b>	<b>364.1</b>	<b>15.0</b>	<b>4.1%</b>
Cost of Goods Sold	(325.9)	(297.7)	(28.1)	9.4%
<b>Gross Profit</b>	<b>53.3</b>	<b>66.4</b>	<b>(13.1)</b>	<b>-19.7%</b>
R&D Expenses	(3.3)	(2.8)	(0.5)	17.6%
Sales, Distribution and Marketing Expenses	(28.0)	(27.2)	(0.8)	3.1%
General Administration Expenses	(12.0)	(11.0)	(1.0)	8.9%
<b>EBIT</b>	<b>10.0</b>	<b>25.3</b>	<b>(15.4)</b>	<b>-60.6%</b>
<b>EBITDA</b>	<b>21.8</b>	<b>34.1</b>	<b>(12.2)</b>	<b>-35.9%</b>
Shares of Results of Investments in Associates	0.3	4.7	(4.4)	-94.4%
Other Expenses (Net)	30.0	6.9	23.1	337.0%
Financial Expenses (Net)	(19.3)	(13.3)	(6.1)	45.6%
<b>Profit Before Tax</b>	<b>20.9</b>	<b>23.6</b>	<b>(2.7)</b>	<b>-11.6%</b>
Tax	(3.3)	(1.8)	(1.5)	82.6%
<b>Net Profit for the Period</b>	<b>17.5</b>	<b>21.8</b>	<b>(4.2)</b>	<b>-19.5%</b>



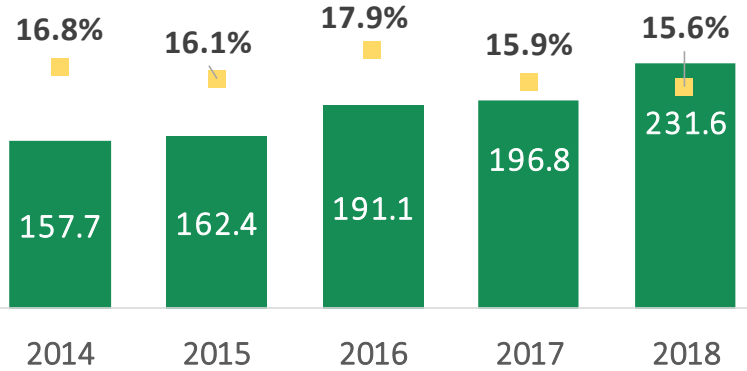
SALES AND PROFITABILITY – ANNUALLY

Net Sales

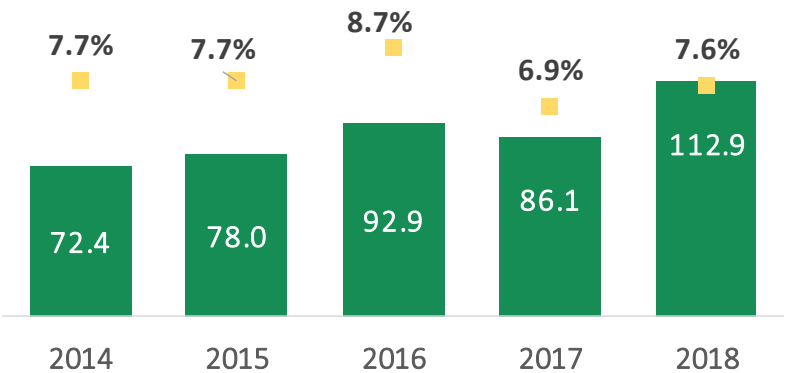
million TL



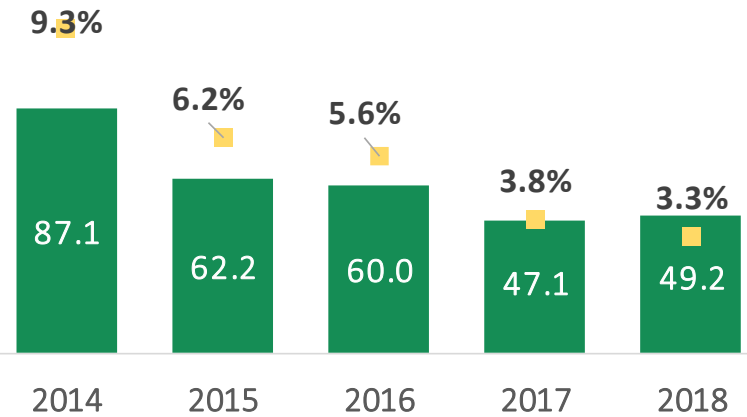
Gross Profit



EBITDA\*

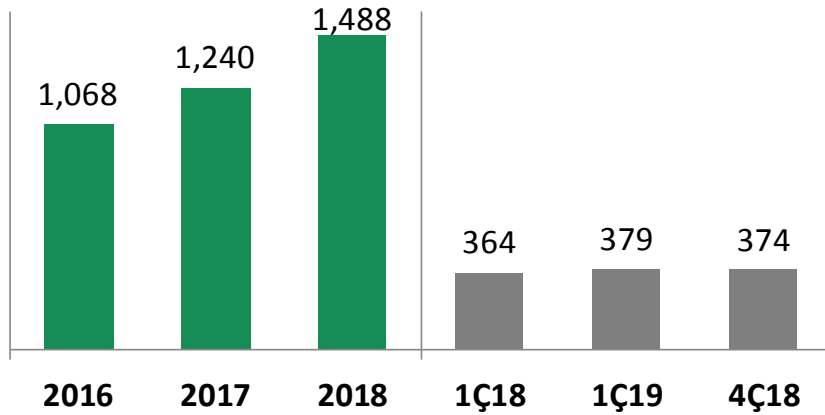


Net Profit

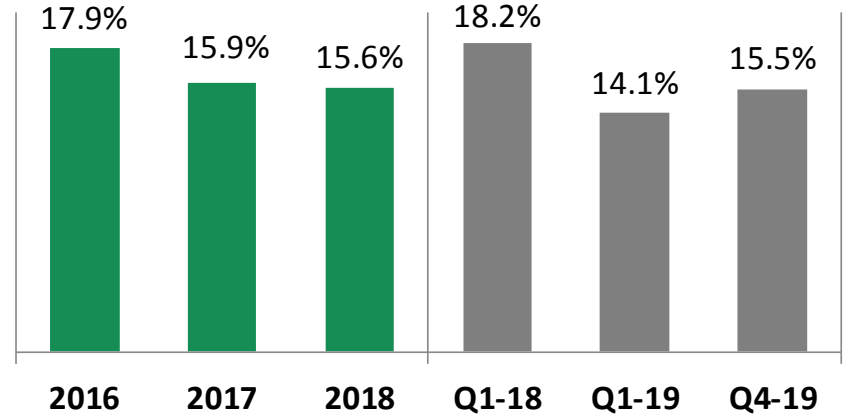


SALES AND PROFITABILITY – QUARTERLY

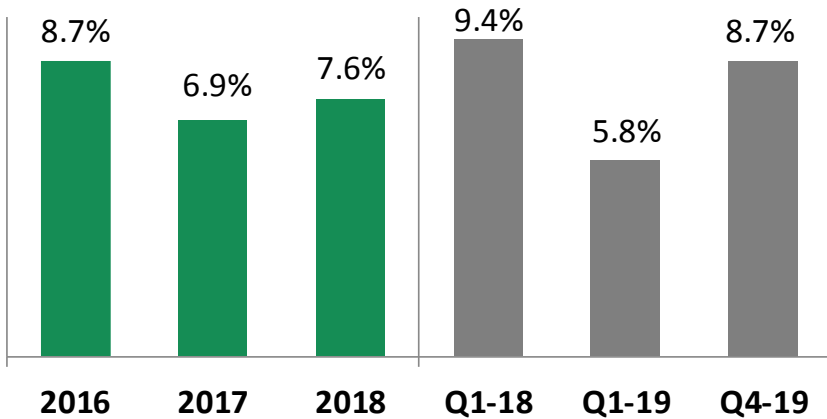
Net Sales



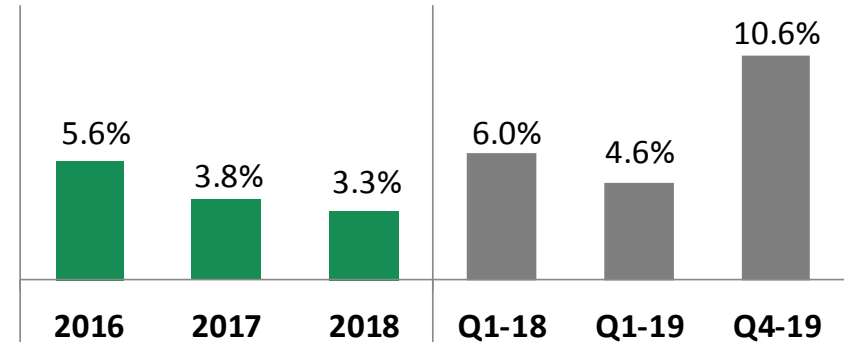
Gross Profit



EBITDA



Net Profit



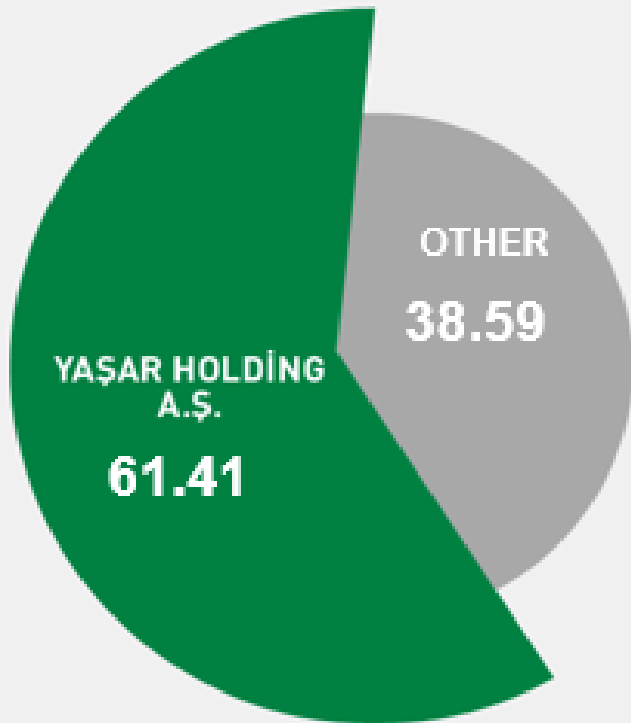
**FINANCIAL RATIOS**

	2015/12	2016/12	2017/12	2018/12	2019/03
Current Ratio	1.16	1.23	1.21	1.07	1.06
Leverage Ratio	0.34	0.36	0.43	0.44	0.45
Current Borrowing/Total Borrowings (Fin.)	0.93	0.56	0.64	0.81	0.92
Net Fin. Borrowing/EBITDA	0.34	0.76	1.69	1.16	1.49
Net Fin. Borrowings/Equity	0.05	0.12	0.21	0.17	0.19
Return on Equity (ROE)	11.1%	10.2%	7.3%	6.7%	6.1%

**CAPITAL EXPENDITURES**

	2015	2016	2017	2018	2018/03	2019/03
Capital Expenditures	19 m TL	65 m TL	55 m TL	68 m TL	6.2 m TL	1.9 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 Star Market under the ticker symbol PNSUT.

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