

PINAR SÜT

FINANCIAL PRESENTATION
2022

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**SHAREHOLDING STRUCTURE & STOCK
PERFORMANCE**

PINAR SÜT AT A GLANCE



✓ Raw Milk Supply
from More than **20**
thousand Farmers

✓ More than **155**
thousand Sales Points

%17,5
the Share of Pınar Süt
in the Export of Milk
and Dairy Products
from Turkey

✓ **35**
Export
Countries

✓ Production facilities at **3** different locations in Turkey



Total
Production Area
357.360 m²

Indoor Area
111.095 m²

✓ **1.277**
Average
Number of
Employees

✓ **21.337**
Total Hours of
Training Given
to Employees

✓ TRY **5,83** billion
Turnover

✓ **%117,4**
Turnover Growth

✓ TRY **78,7** milyon
Investment
Amount

✓ TRY **746,4** million
Gross Profit

Income
Statement
Ratios

Balance
Sheet
Ratios

Financial Performance in 2022

(Million TRY)	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Net Sales	5,830.9	2,681.9
Gross Sales Profit	746.4	348.1
Gross Sales Profit Margin	12.8%	13.0%

(Million TRY)	31.12.2022	31.12.2021
Shareholders' Equity	3,982.1	1,950.9
Assets	7,018.4	3,387.3
Total Liabilities/Equity Ratio	0.76	0.74

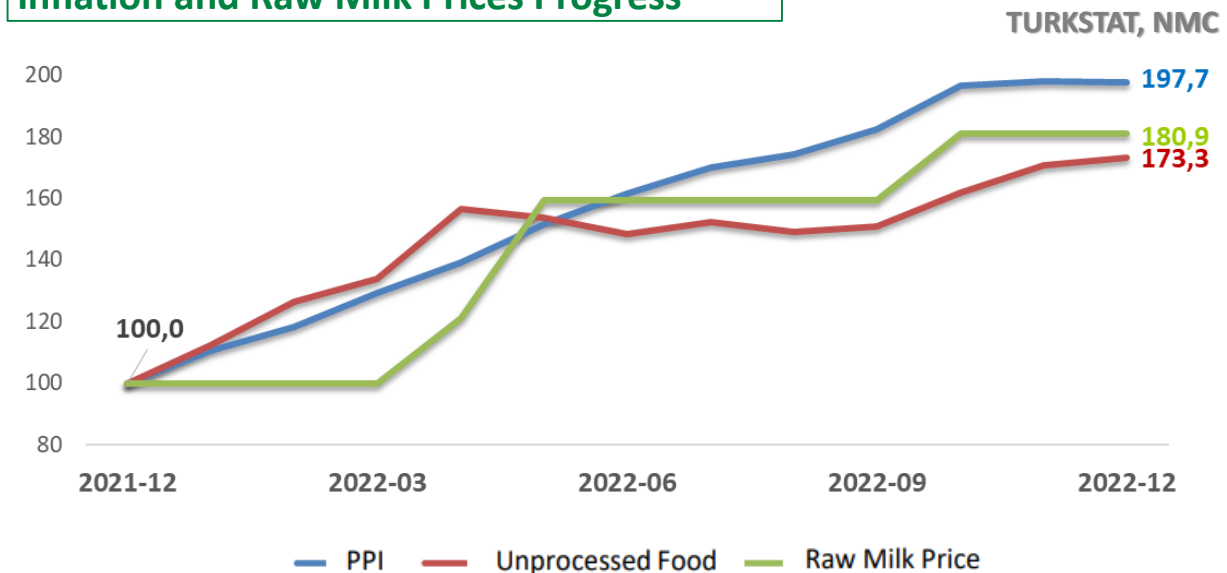
"The Most Admired Companies in the Business World" award,
conducted by Zenna Research and Consultancy under the
leadership of Capital Magazine

MARKET DYNAMICS - PRODUCTION AND COST



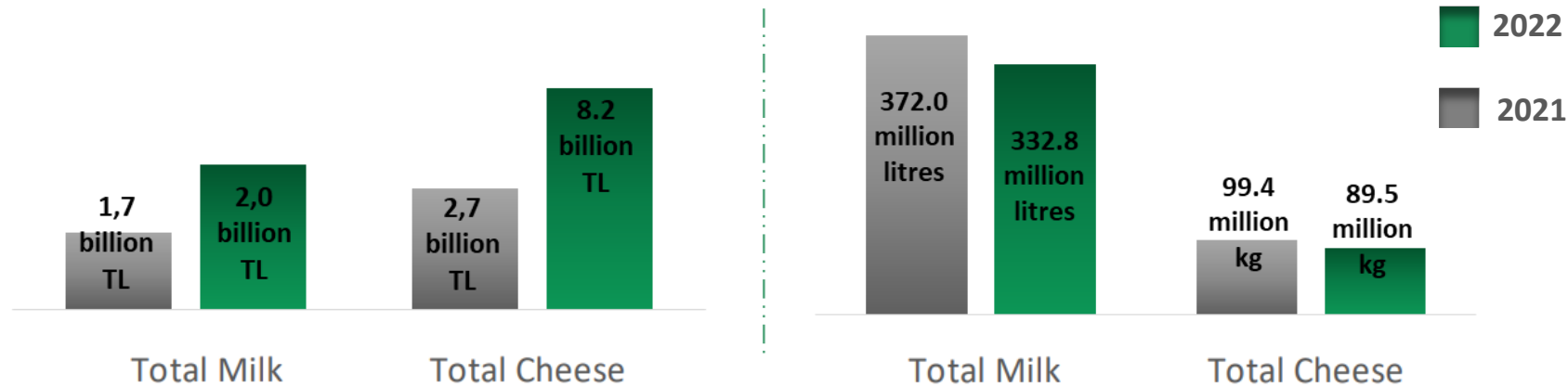
- The annual inflation rate for the food and non-alcoholic beverage group decreased and ended the year 2022 at 77.9%. This decline was influenced by an increase in grain supply, reduced exchange rate volatility, and a decrease in freight prices. It is assumed that the decline in food prices will continue in the coming period and will complete the year 2023 at 22%.
- The annual inflation rate increased by 3.9 points to 73.25% in the unprocessed food group and by 5.33 points to 82.00% in the processed food group (CBRT - Inflation Report, 2022-Q4).
- The National Milk Council increased the price of raw milk containing 3.6% fat and 3.2% protein from 7.50 TL to **8.50 TL** as of October 15, 2022.

Inflation and Raw Milk Prices Progress

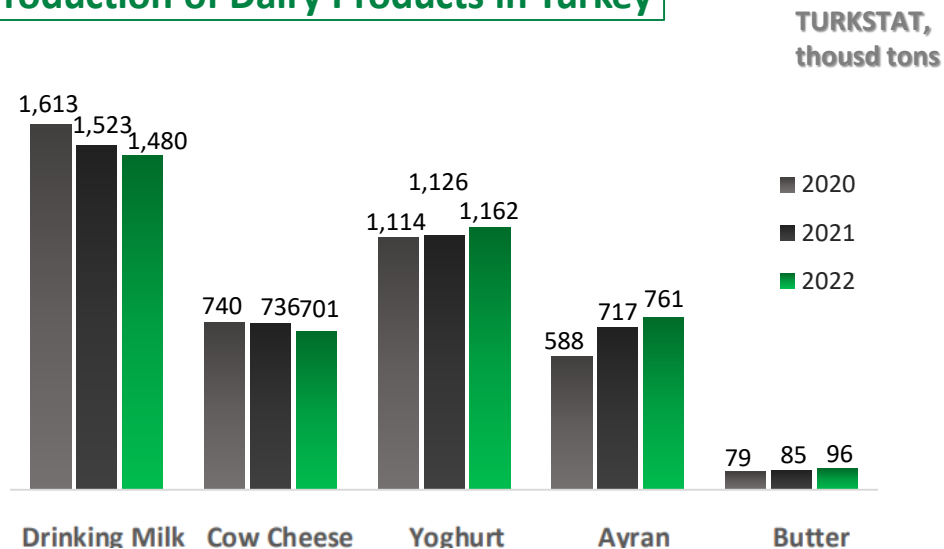


MARKET DYNAMICS - PRODUCTION AND COST

Total Milk and Total Cheese Turnover and Volume



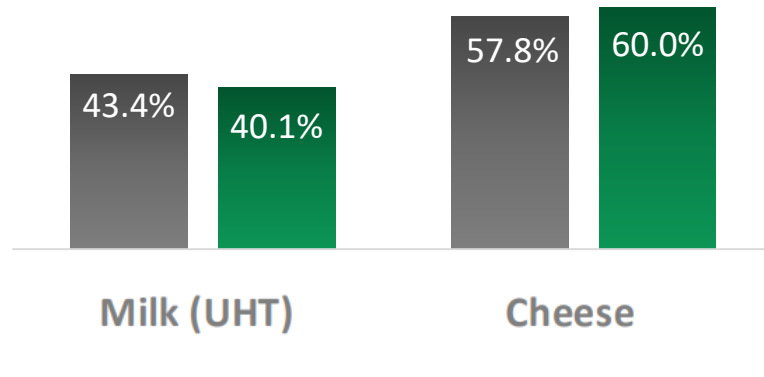
Production of Dairy Products in Turkey



- According to the latest TURKSTAT (Turkish Statistical Institute) data, in 2022, a total of 793,384 tons of cow's milk were collected in commercial dairy enterprises (2022: 789,288 tons).
- In 2022, compared to the same period of the previous year, butter production decreased by 30%, buttermilk production by 5.8%, and yogurt production by 1.6%, while cow's cheese production decreased by 3.6% and drinking milk production decreased by 11.9%. (TURKSTAT, Milk and Dairy Products Production, February 2023)

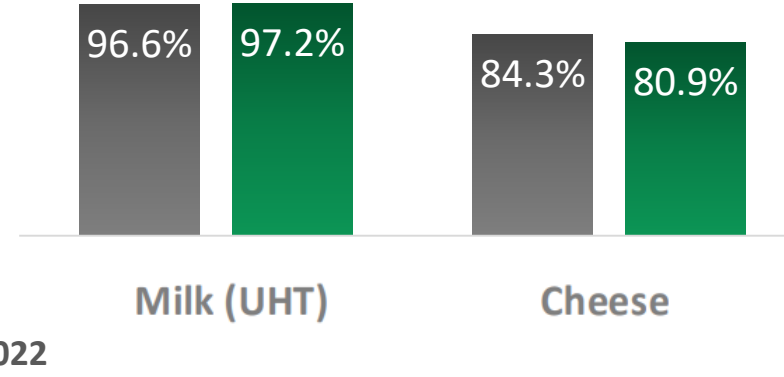
MARKET DYNAMICS - CONSUMPTION AND MARKET

Share of Packaged Products

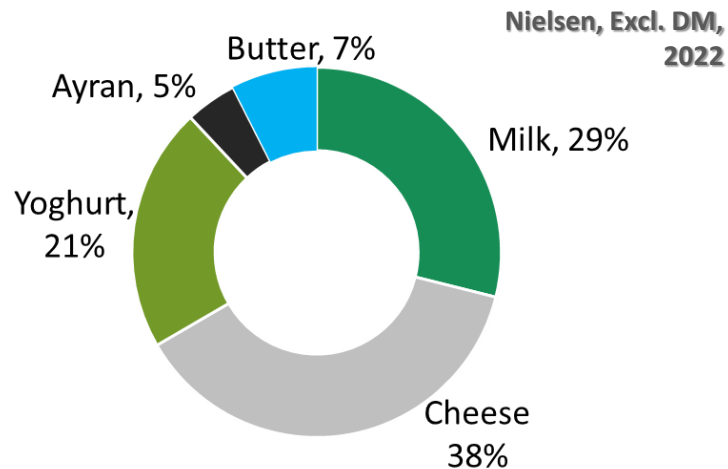


Packaged Products Penetration

IPSOS



Dairy Products Market Turnover Breakdown



- In 2022, the dairy products market (milk, cheese, yogurt, buttermilk, butter) contracted in terms of tonnage compared to the same period of the previous year, but **grew by 87.2% in terms of turnover, reaching 19.8 billion TL.** (Nielsen, Excluding Discount Stores, 2022)

MARKET POSITION



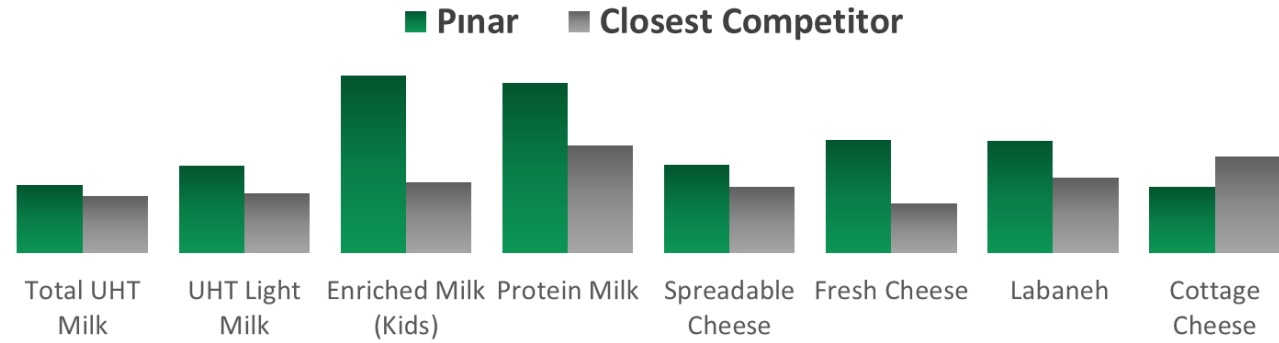
Market Shares of Pinar Süt

Nielsen, Excl. DM,
2022

Product	Share	Position
Total UHT Milk	23.7%	1#
UHT Light Milk	30.5%	1#
Enriched Milk (Kids)	61.9%	1#
Protein Milk	59.3%	1#
Total Milk	11.6%	3#
Spreadable Cheese	30.9%	1#
Fresh Cheese	39.4%	1#
Labaneh	39.3%	1#
Cottage Cheese	23.0%	2#
Kefir	4.3%	5#

Pinar Süt and Competitors

Nielsen, Excl. DM,
2022



300+
ÜRÜN

- Pinar Süt continues to maintain its **leadership** in many categories within product groups.
- Pinar Süt continues to introduce its new products developed through innovative projects to consumers

MARKET POSITION



%17,5

Share in Milk and
Dairy Product
Exports in Turkey

Export to
35
Countries

EXPORT

- In global trade, Iraq, the United Arab Emirates, Kuwait, Azerbaijan, and the Turkish Republic of Northern Cyprus rank at the top, while the United States, China, and Qatar are among the important export markets.
- With the initiation of exports to Albania, Sweden, Sierra Leone, and Thailand, Pinar Süt's **total number of exported countries has reached 35**.
- In **2022**, Pinar Süt made up **17.5% of Turkey's total dairy product exports in terms of turnover**.



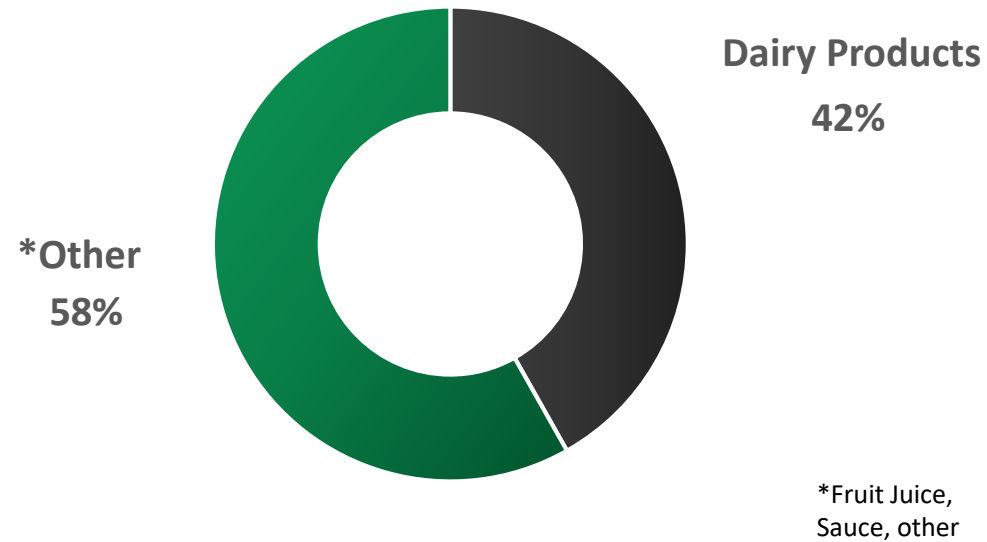
AWARDS

- "Pinar Labne and Pinar Süzme Peynir were awarded by **Deutsche Landwirtschafts – Gesellschaft (German Agricultural Society – DLG)**.
- Pinar Labne was awarded the '**Great Taste Award**' by the 'Guild of Fine Food' in the United Kingdom, an evaluation made among products sold in markets since 1994.
- Labaneh with tomatoes was honored with the '**Superior Taste Award**' by the **International Taste Institute**.
- In the "**Ambalaj Ay Yıldızları 2022**" awards, organized by the Packaging Industrialists Association (ASD) for the tenth time this year, "**Pinar Süt Taze Yeni Peynir Kapak**" was honored with the **Silver Award in the Food category**.

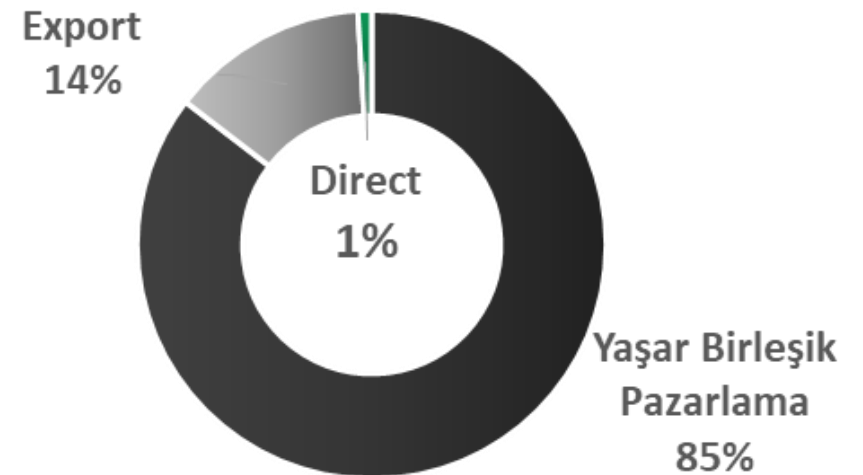


FINANCIAL RESULTS IN 2022 – NET SALES BREAKDOWN

Based on Products Groups



Based on Sales Channel



2022 FINANCIAL RESULTS – INCOME STATEMENT



(Million TL)	01.01.2022 31.12.2022	01.01.2021 31.12.2021	Difference	Change
Net Sales	5,830.9	2,681.9	3,148.9	117.4%
Cost Of Goods Sold	(5,084.4)	(2,333.8)	(2,750.6)	117.9%
Gross Profit	746.4	348.1	398.3	114.4%
R&D Expenses	(32.0)	(17.9)	(14.2)	79.5%
Sales, Distribution, Marketing Expenses	(296.0)	(165.8)	(130.2)	78.6%
General Administration Expenses	(119.5)	(66.1)	(53.4)	80.8%
EBIT	298.8	98.4	200.5	203.8%
EBITDA	403.3	162.4	240.9	148.4%
Shares of Results of Investments in Associates	104.4	32.5	72.0	221.8%
Other Expenses (Net)	140.3	126.7	13.6	10.8%
Financial Expenses (Net)	(205.2)	(137.2)	(68.0)	49.6%
Profit Before Tax	338.4	120.3	218.0	181.2%
Tax	41.9	(3.0)	44.9	-1499.0%
Net Profit for the Period	380.3	117.3	262.9	224.1%

Other expenses (net) is calculated by netting out income/expense from main activities and income/expense from investment activities.

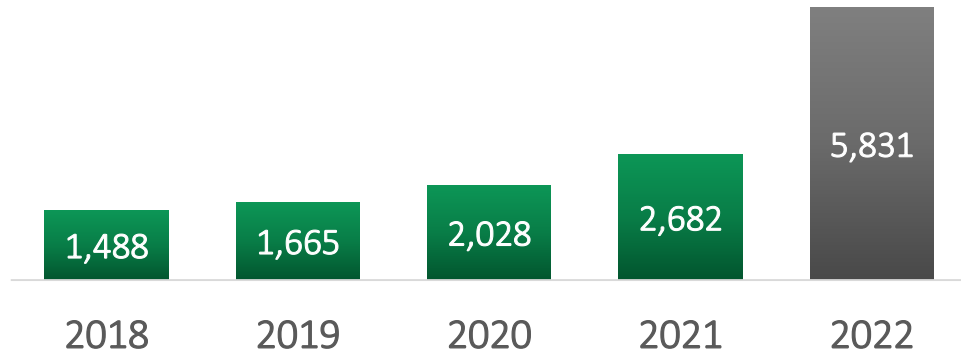
FINANCIAL RESULTS IN 2022

SALES AND PROFITABILITY BY THE ANNUALLY

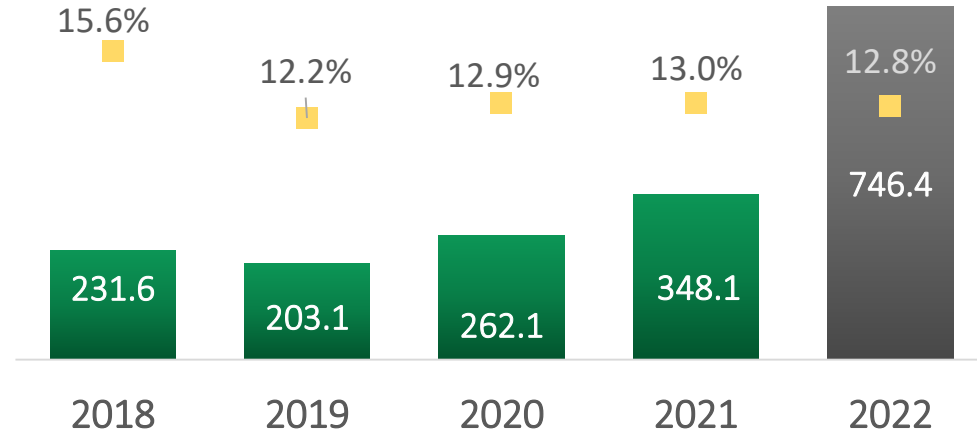


Net Sales

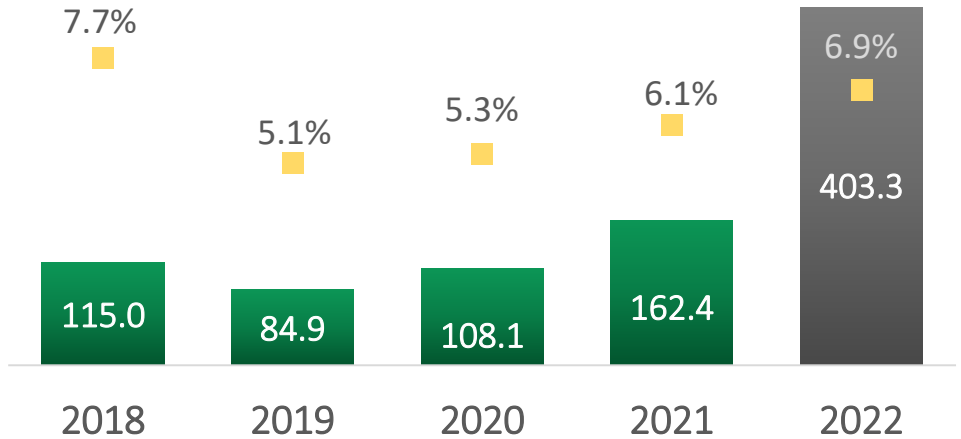
milyon TL



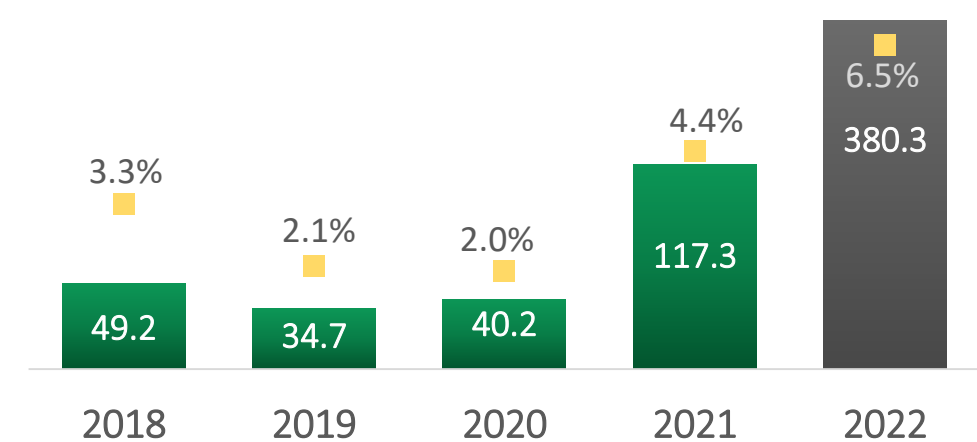
Gross Profit



EBITDA



Net Profit



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

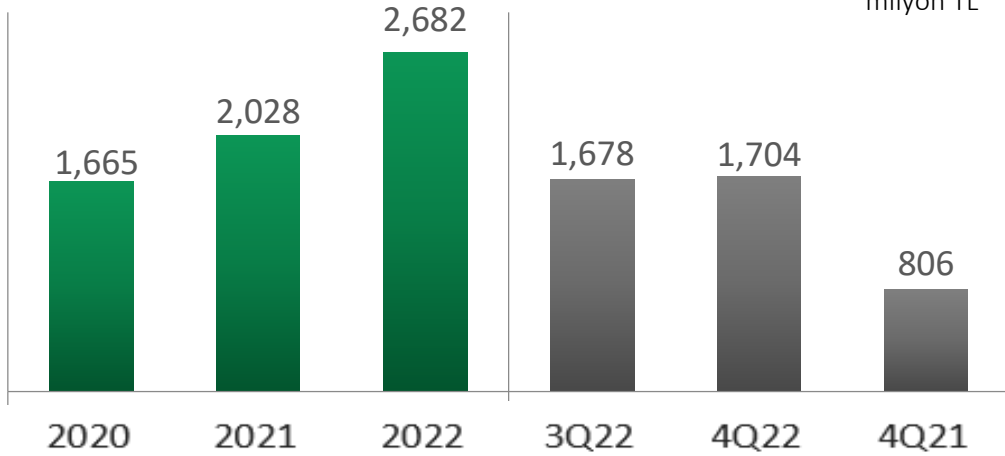
FINANCIAL RESULTS IN 2022

SALES AND PROFITABILITY BY THE QUARTERLY

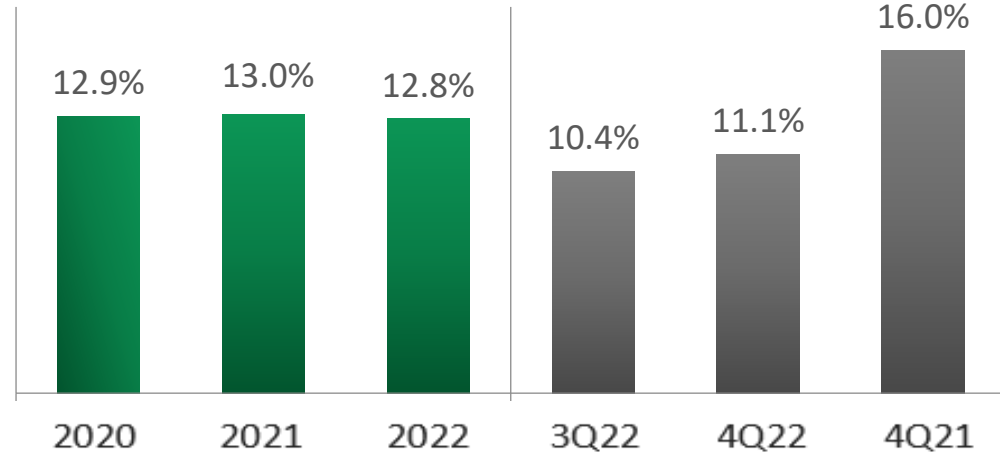


Net Sales

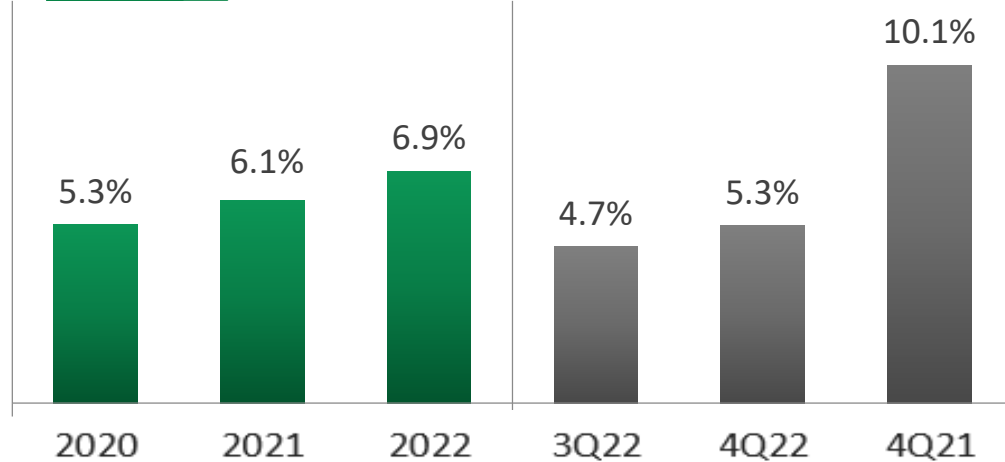
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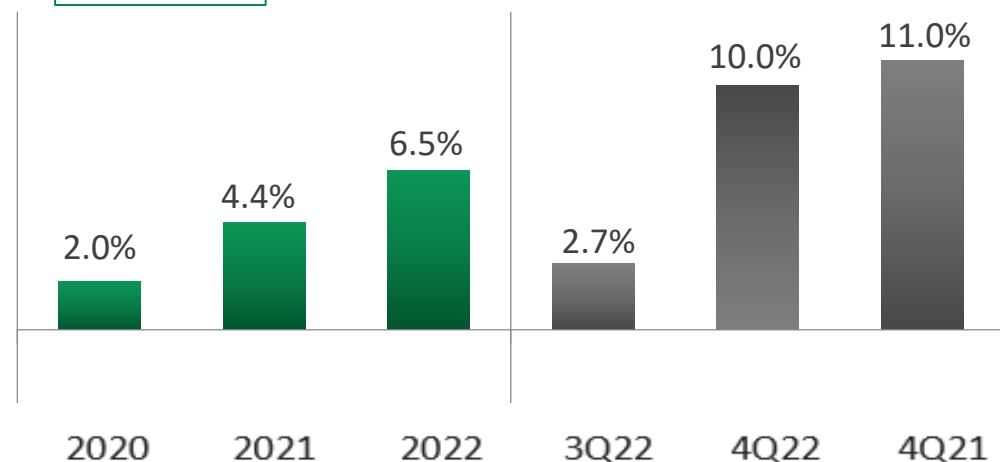
Gross Profit



EBITDA



Net Profit



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

FINANCIAL RESULTS IN 2022



FINANCIAL RATIOS

	2018/12	2019/12	2020/12	2021/12	2022/12
Current Ratio	1.07	1.23	1.10	1.12	1.11
Leverage Ratio	0.44	0.42	0.45	0.42	0.43
Current Borrowings/Total Borrowings	0.81	0.44	0.74	0.86	0.98
Net Fin. Borrowings/EBITDA	1.14	1.62	2.85	2.91	3.40
Net Fin. Borç/Özkaynak	0.17	0.15	0.29	0.24	0.34
Return on Equity (ROE)(%)	6.69	4.13	4.10	7.79	12.82

INVESTMENTS

	2018	2019	2020	2021	2022	2021-09
Capital Expenditures	67.6 m TL	14.5 m TL	47,1 m TL	56.0 m TL	77.1 m TL	29.8 m TL

CREDIT RATING SCORE

Credit rating score was given by JCR Eurasia Rating on January 31, 2023;

- Long Term National Rating: A (Tr) / (Stable)
- Short-Term National Rating: J1 (Tr) / (Stable)

- Long Term International Foreign Currency Rating: BB / (Negative)
- Long Term International Local Currency Rating :: BB / (Negative)



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