

PINAR SÜT

FINANCIAL PRESENTATION
2023-H1

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PINAR SÜT AT A GLANCE



Raw milk supplied
from more than
20,000 producers

More than **155**
thousand sales
points

% 18,9

Pınar Süt's Share in
Milk and Dairy Product
Exports in Turkey

Export to
30 Countries

Total production area of
357,360 m²

Indoor area of
111,095 m²



Introduction
facilities at
in **3** locations
in Turkey

TRY **3.9** billion
Turnover

58.8%
Turnover Growth

TRY **23.8** million
in Investment

TRY **414.2** million
Gross Profit

1,279 Average Number of Employees



Income Statement Ratios

	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Gross Profit Margin	10.7%	15.6%
Operating Profit Margin	2.7%	7.5%
Net Profit Margin	3.7%	6.7%

Balance Sheet Ratios

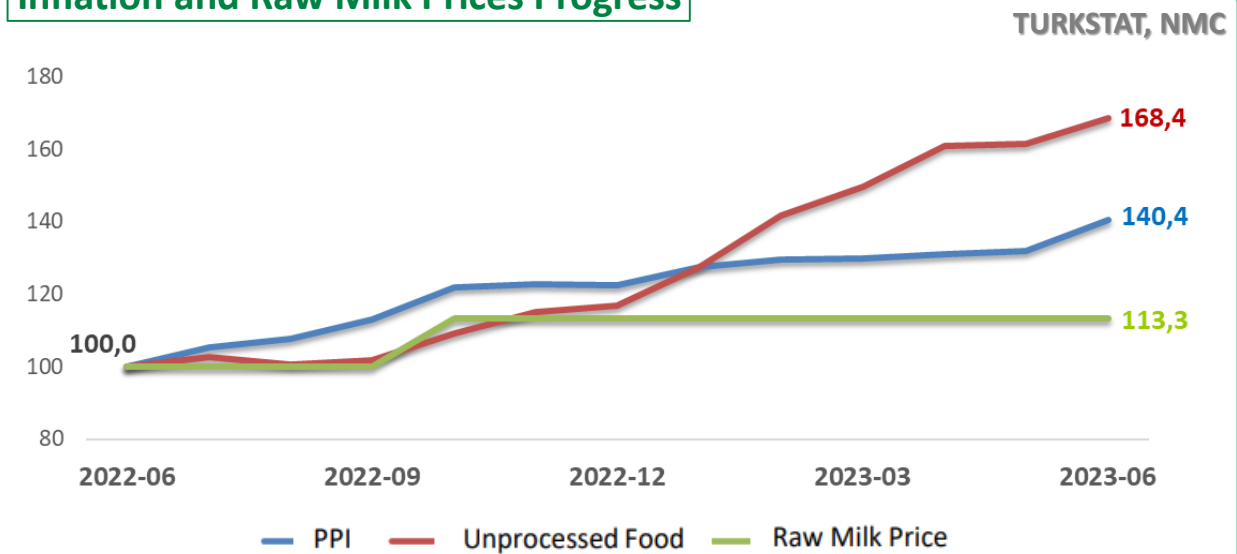
	30/06/2023	31/12/2022
Current Rate	1.1	1.1
Acid Test Ratio	0.8	0.8
Leverage Ratio	0.5	0.5
Debt/Equity	1.1	0.9

MARKET DYNAMICS - PRODUCTION AND COST



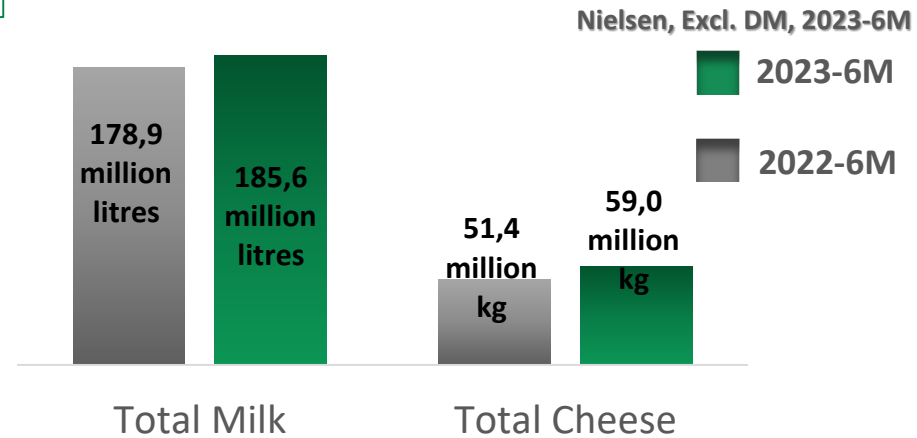
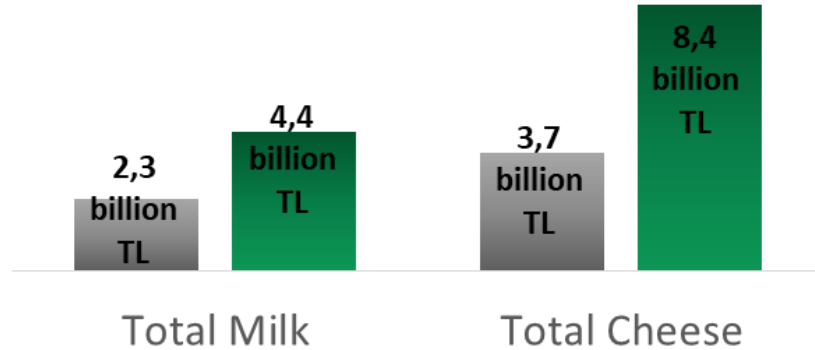
- The prices of the food and non-alcoholic beverages group increased by 7.71% in July, causing the annual inflation to rise by 6.80 points to 60.72%. It was observed that the price increases in food were spread across the group. Processed food prices increased by 6.08% on a monthly basis. In dairy products, which had seen a decrease in recent months, a price increase was observed during this period. (CBRT - Monetary Policy Committee Meeting Summary, August 24, 2023)
- The annual inflation for food and non-alcoholic beverages decreased to 53.92% due to the inflation of food items excluding fresh fruits and vegetables, while in the fruits and vegetables category, the annual inflation increased to 57.49%. (CBRT - Inflation Report 2023-III, July 27, 2023)
- The National Milk Council increased the price of raw milk containing 3.6% fat and 3.2% protein from 8.50 TL to **11.50 TL** as of August 1, 2023.

Inflation and Raw Milk Prices Progress

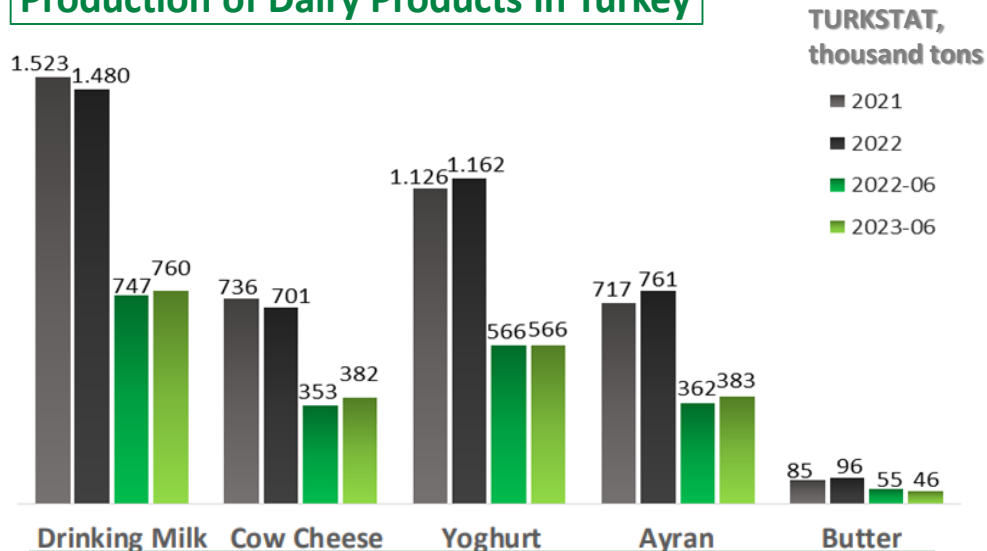


MARKET DYNAMICS - PRODUCTION AND COST

Total Milk and Total Cheese Turnover and Volume



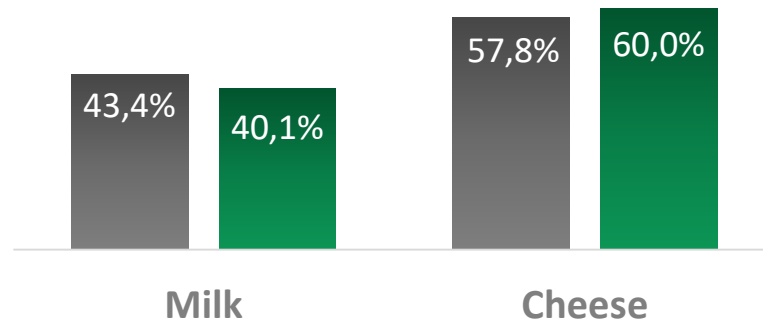
Production of Dairy Products in Turkey



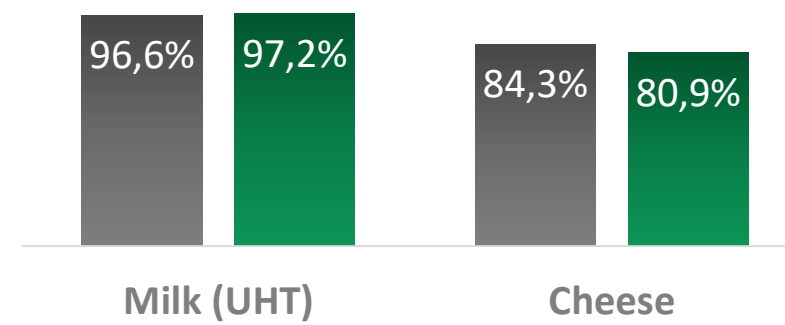
- According to the latest data from the Turkish Statistical Institute (TÜİK) for the first six months of the year 2023, a total of 5.3 million tons of cow's milk were collected in commercial dairy enterprises (compared to 5.08 million tons in June 2022).
- Compared to the same period in the previous year, butter production decreased by 15.9%, cow cheese production increased by 8.4%, buttermilk production increased by 5.9%, drinking milk production increased by 1.8%, and yogurt production increased by 0.07%. (TÜİK, Milk and Dairy Products Production, June 2023)

MARKET DYNAMICS - CONSUMPTION AND MARKET

Share of Packaged Products



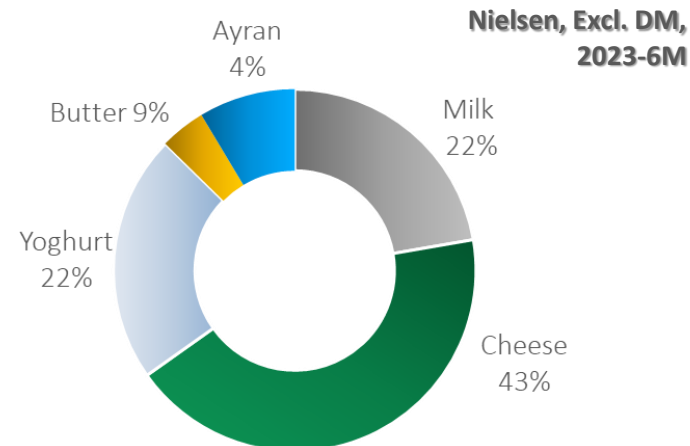
Packaged Products Penetration



IPSOS

■ 2021 ■ 2022

Dairy Products Market Turnover Breakdown



- According to the second quarter 2023 Nielsen data, **the dairy products market** (milk, cheese, yogurt, buttermilk, butter) has seen a 19% increase in tonnage compared to the same period of the previous year and has reached **19.6 billion TL by growing 78% in terms of turnover.** (Nielsen, Excluding Discount Markets, June 2023)



Pinar Süt increased its revenue by 58.9% in the first six months of 2023.

- Based on the results for the first six months of the year 2023, our company's net sales revenue increased by 58.79% compared to the first six months of 2022, reaching 3,889 million TL. The net profit for the period amounted to 145 million TL.
- During the first six months of 2023, our company's total investment for the period reached 23.8 million TL.
- In global trade during this period, our company secured prominent positions in the markets of Iraq, United Arab Emirates, Kuwait, Azerbaijan, and Northern Cyprus. Additionally, significant export activities were carried out in markets such as the United States, China, and Qatar.
- Pinar Süt began exporting to Albania, Sweden, Sierra Leone, and Thailand, bringing the **total number of countries they export to up to 35**.
- In the growing spreadable cheese market, Pinar introduced its products to consumers, including Pinar Cheddar Cream Cheese 270g, Pinar Organic Labneh 180g, Pinar White Extra Soft 180g, Pinar Breakfast Delight Fresh Cheese 180g, and Pinar Breakfast Cream 160g.
- **In June 2023**, Pinar Süt accounted for **17.5% of Turkey's total dairy product exports in terms of revenue**.
- Pinar Süt, exporting to 35 countries, achieved export revenue of 15.2 million USD in the first six months of 2023.



Export to
30 Countries

TRY **23.8** million
in Investment

MARKET POSITION



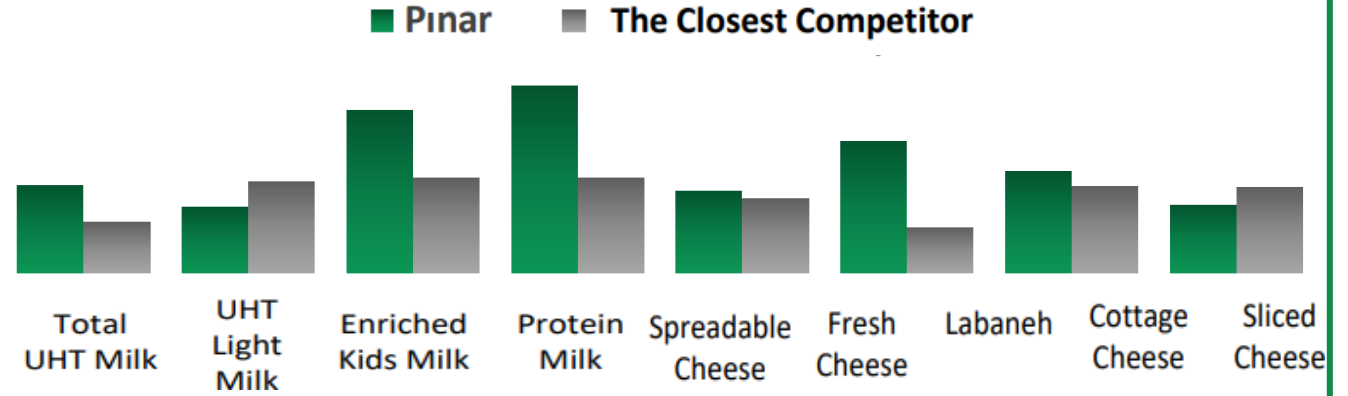
Market Shares of Pinar Süt

Nielsen, İM Hariç,
2023-H1

Product	Share	Position
Total UHT Milk	30.1%	1#
UHT Light Milk	22.9%	2#
Enriched Milk (Kids)	55.9%	1#
Protein Milk	64.1%	1#
Total Cheese	11.8%	3#
Spreadable Cheese	28.3%	1#
Fresh Cheese	45.1%	1#
Labaneh	35.1%	1#
Cottage Cheese	23.4%	2#

Pinar Süt and Competitors

Nielsen, Excl. DM,
2023-H1



300+
ÜRÜN

- Pinar Süt maintains its **leadership** in many categories.
- Pinar Süt continues to introduce its new products developed in the light of innovative projects to its consumers.

MARKET POSITION



AWARDS

- Pınar was selected **the Food Star in the Cheese and Milk categories for the year 2022 at Gıdanın Yıldızları Awards Ceremony**, determined by the votes of approximately 40,000 Yıldız Technical University students from Generation Z (ages 18-26) across 36 different categories, organized by the Yıldız Technical University Food and Healthy Nutrition Club.
- Pınar Süt was awarded the title of **the highest exporting company in the category of Milk and Dairy Products** in the awards presented by **the Aegean Exporters' Associations**.
- Furthermore, Pınar Süt was awarded in the "Sustainable Food Awards" organized for the first time by the Sustainability Academy, **in the Collaboration for Sustainable Food category** for its project titled 'The Future of Our Milk Lies in Conscious Hands', led by Pınar Institute



Pınar Süt participated in SIAL CHINA 2023.

For 50 years, Pınar Süt has been bringing its consumers together with healthy, delicious, innovative, and high-quality products for a healthy and happy generation. With 23 years of extensive experience in the Chinese food and beverage market, Pınar Süt participated in SIAL CHINA 2023, a global food industry event that sets the direction for the sector.

Pınar Süt, showcasing a wide range of products including Superior Taste award-winning Dried Tomato Labne, all Pınar Labne and Flavored Labne varieties, Pınar Beyaz, Protein Milk, Strained Cheese, Fresh Kashar, Long Shelf Life Milks, Protein Milk, and Functional Milk, received great attention from visitors at SIAL CHINA.

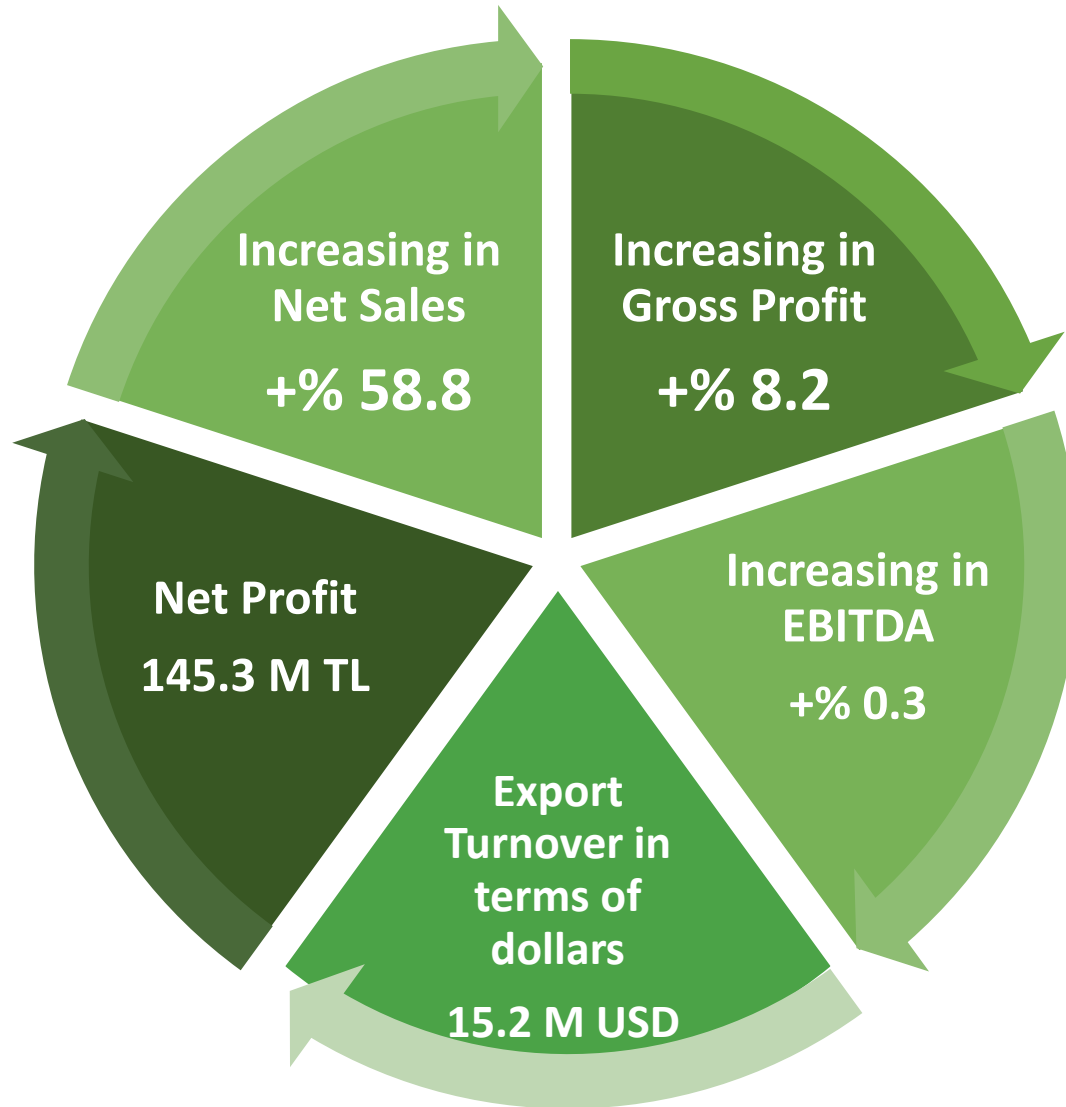




FINANCIAL RESULTS 2023 – H1



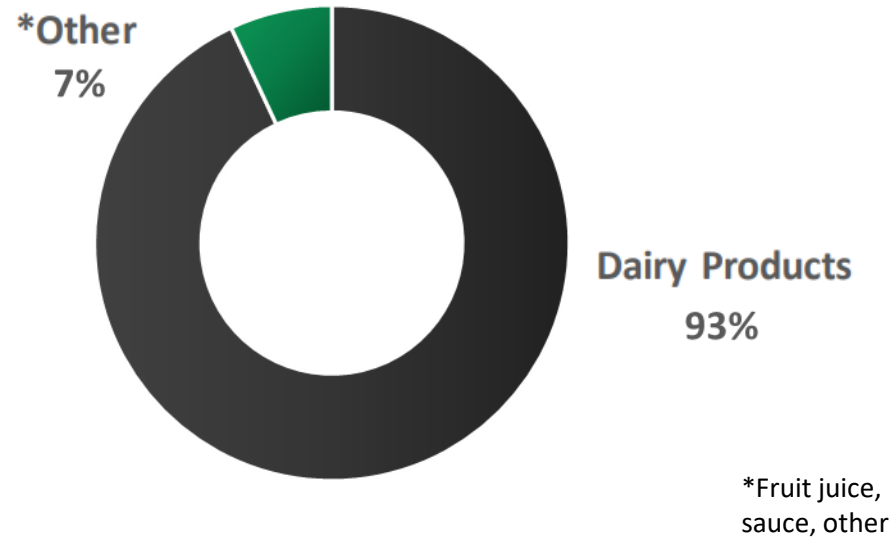
FINANCIAL RESULTS IN 2023-H1



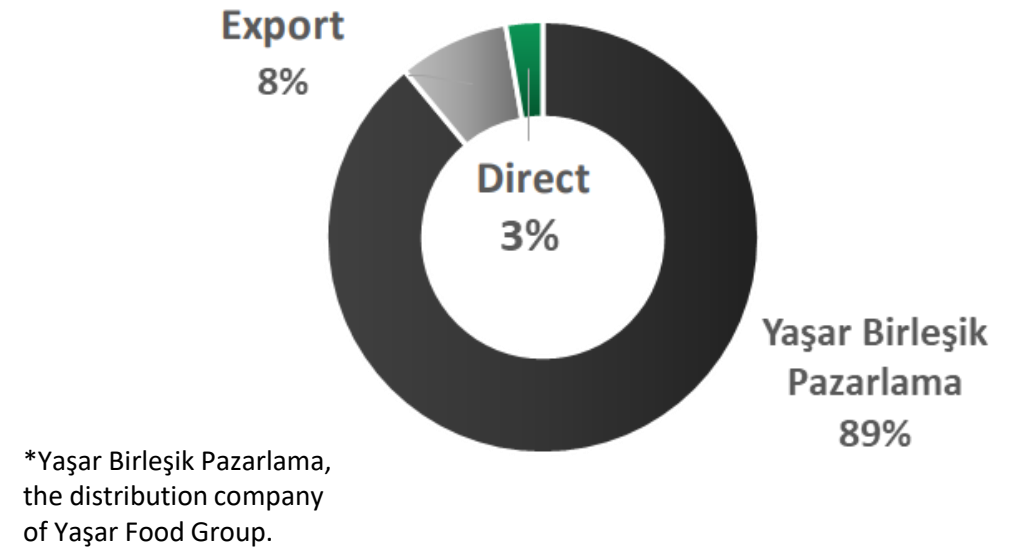
- As of June 30, 2023, the Net Sales increased by 58.8% compared to the same period in 2022, reaching 3,888.5 Million TL.
- As of June 30, 2023, the Gross Profit showed an increase of 8.2% compared to the same period in 2022, amounting to 414.2 Million TL.
- As of June 30, 2023, the Export Revenue was 15.2 Million USD.

FINANCIAL RESULTS IN 2023-H1 – NET SALES BREAKDOWN

Based on Products Groups



Based on Sales Channel



FINANCIAL RESULTS IN 2023-H1 – INCOME STATEMENT



(Million TL)	01.01.2023 30.06.2023	01.01.2022 30.06.2022	Difference	Change
Net Sales	3,888.5	2,448.9	1,439.7	58.8%
Cost of Goods Sold	(3,474.3)	(2,066.0)	(1,408.3)	68.2%
Gross Profit	414.2	382.8	31.4	8.2%
R&D Expenses	(25.3)	(13.5)	(11.7)	86.6%
Sales, Distribution and Marketing Expenses	(184.9)	(135.2)	(49.7)	36.8%
General Administration Expenses	(98.0)	(49.8)	(48.2)	97.0%
EBIT	106.0	184.4	(78.3)	-42.5%
EBITDA	169.9	233.9	(64.0)	-27.4%
Shares of Results of Investments in Associates	(1.4)	18.3	(19.7)	-107.8%
Other Expenses (Net)	164.4	65.7	98.8	150.4%
Financial Expenses (Net)	(118.2)	(67.9)	(50.3)	74.0%
Profit Before Tax	150.9	200.4	(49.6)	-24.7%
Tax	(5.6)	(35.8)	30.2	-84.4%
Net Profit for the Period	145.3	164.6	(19.3)	-11.7%

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

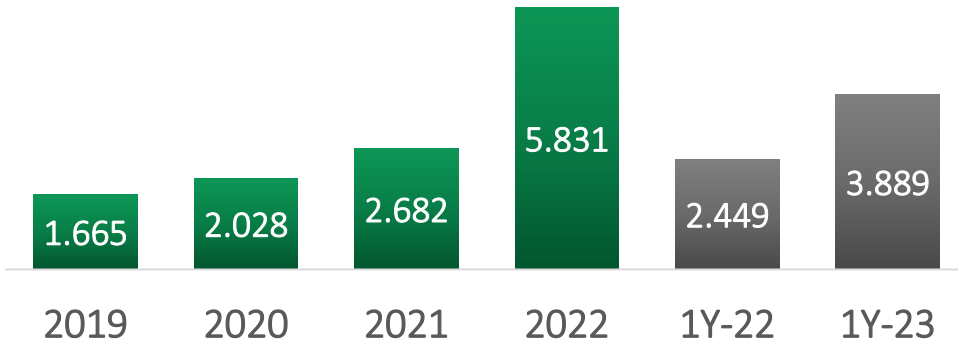
FINANCIAL RESULTS IN 2023-H1

SALES AND PROFITABILITY BY THE ANNUALLY

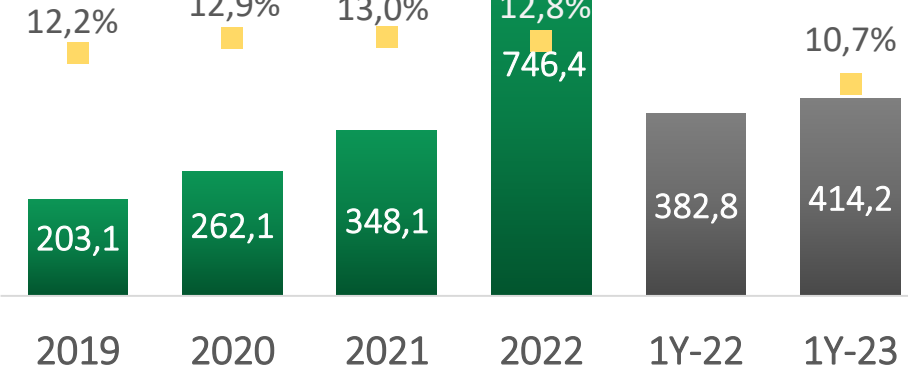


Net Sales

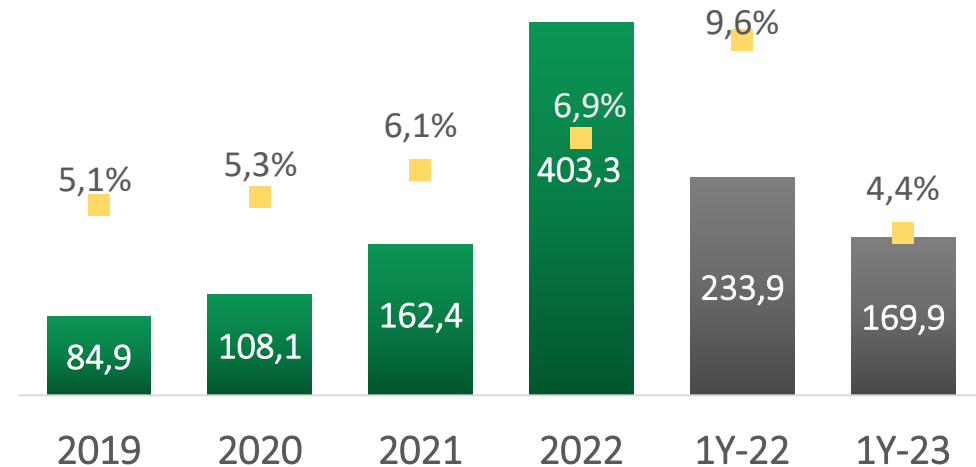
million TL



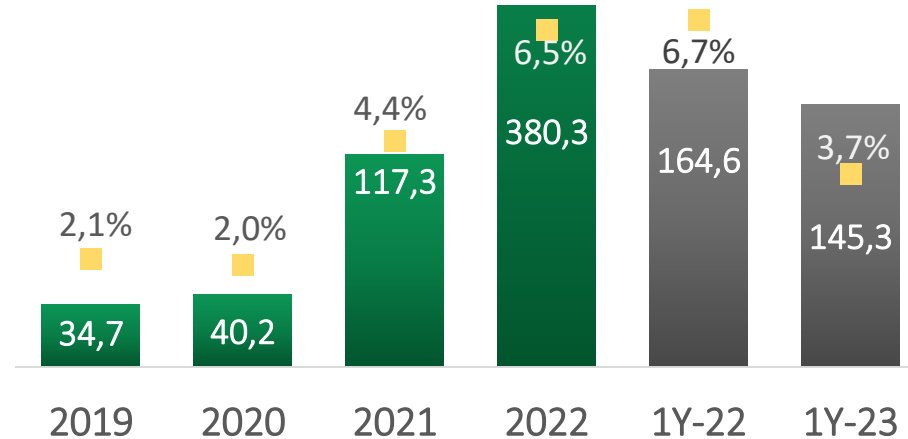
Gross Profit



EBITDA



Net Profit



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

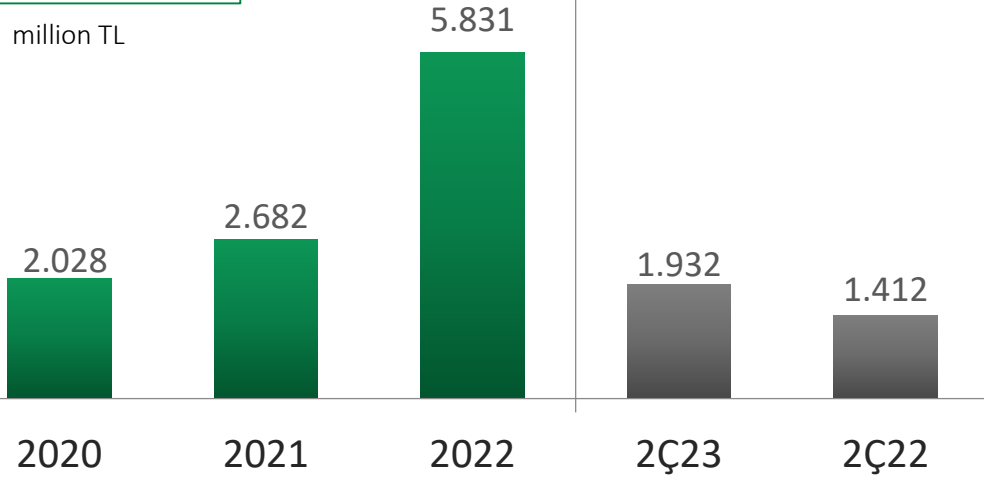
FINANCIAL RESULTS 2023-H1

SALES AND PROFITABILITY BY THE QUARTERLY

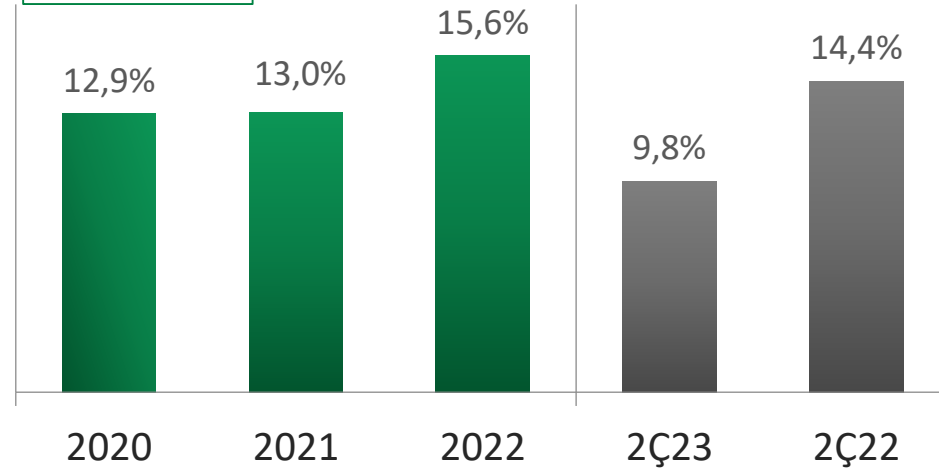


Net Sales

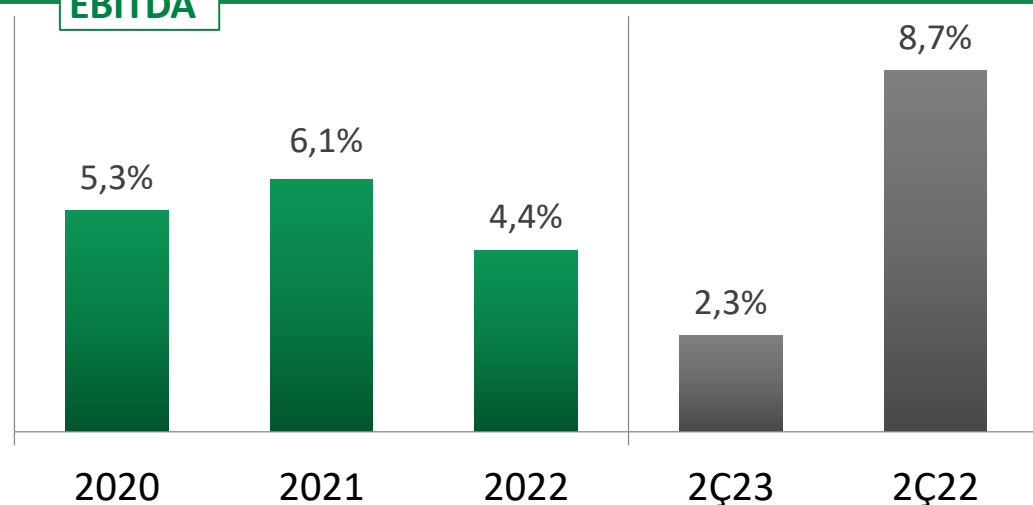
million TL



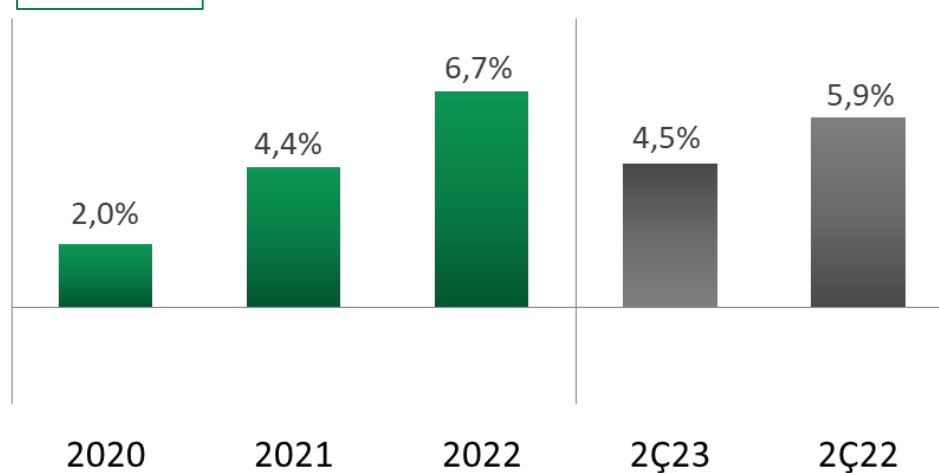
Gross Profit



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 2023-H1



FINANCIAL RATIOS

	2018/12	2019/12	2020/12	2021/12	2022/12	2023/06
Current Ratio	1.07	1.23	1.10	1.12	1.11	1.07
Leverage Ratio	0.44	0.42	0.45	0.42	0.43	0.51
Current Borrowings/Total Borrowings	0.81	0.44	0.74	0.86	0.98	0.98
Net Fin. Borrowings/EBITDA	1.14	1.62	2.85	2.91	3.40	11.36
Net Fin. Borrowings/Equity	0.17	0.15	0.29	0.24	0.34	0.51
Return on Equity (ROE)(%)	6.69	4.13	4.10	7.79	12.82	12.34

INVESTMENTS

	2018	2019	2020	2021	2022	2023-06
Capital Expenditures	67.6 m TL	14.5 m TL	47,1 m TL	56.0 m TL	77.1 m TL	23.8 m TL

CREDIT RATING SCORE

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

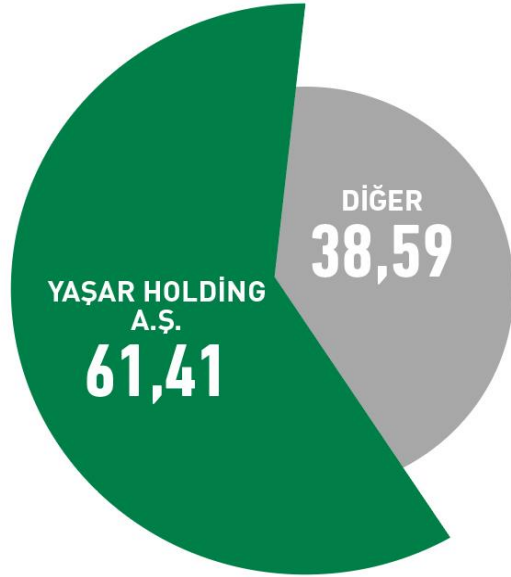
- Long Term National Rating: A (Tr) / (Stable)
- Short-Term National Rating: J1 (Tr) / (Stable)

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

SHAREHOLDING STRUCTURE & STOCK PERFORMANCE



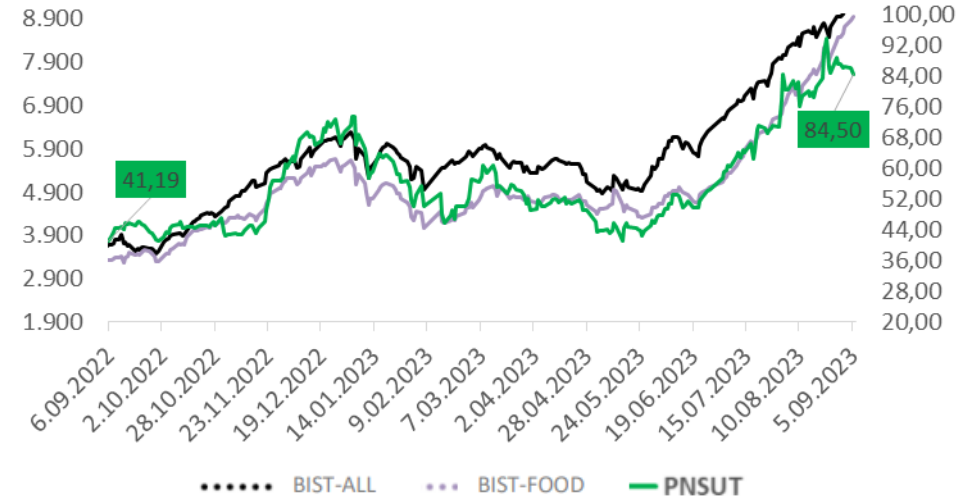
PINAR SÜT SHAREHOLDING STRUCTURE



Shareholder	Share Ratio (%)	Share Amount (TRY)
YAŞAR HOLDİNG A.Ş.	61.41	27,603,901.57
OTHER	38.59	17,347,149.68
Total	100.00	44,951,051.25

PERFORMANCE OF PINAR SÜT STOCK, BIST-ALL INDEX AND BIST-FOOD, BEVERAGE INDEX

Sol Eksen Endeksler



- Shares of Pinar Süt are traded on the Borsa Istanbul
- Main Market with the symbol “PNSUT”.
- Date of First Transaction: February 3, 1986
- Corporate Governance Rating: 9.33

DISCLAIMER AND CONTACT INFORMATION



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