



# Pinar Süt

## Financial Presentation 2020

# PINAR SÜT AT A GLANCE



## HIGHLIGHTS

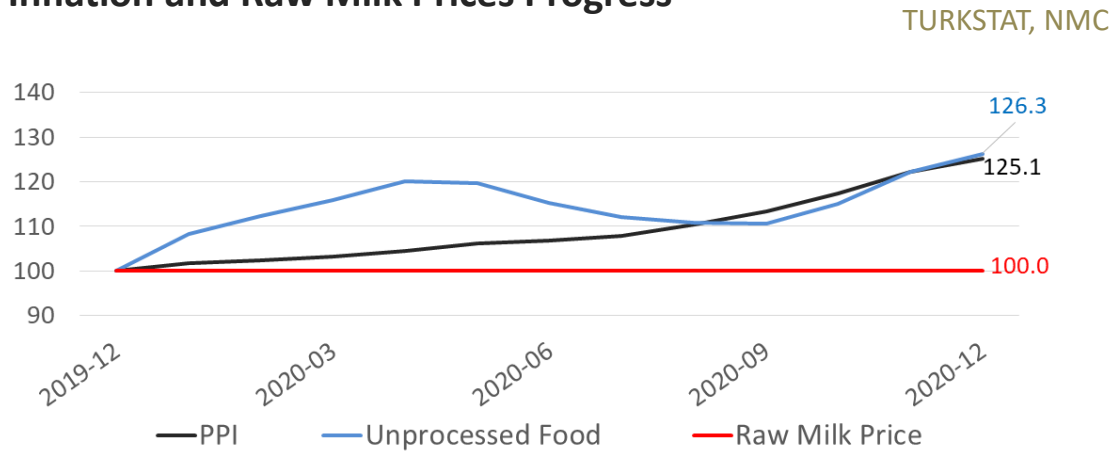
**2.028**million TL  
Net Sales**21.9%**Turnover  
Growth**40.2**million TL  
Net Profit**18%**Share Ratio in Dairy  
Product Exports**47.1**million TL  
Investment**1,013**AVERAGE NUMBER  
OF EMPLOYEES

- Annual inflation in the food and non-alcoholic beverages group increased by 5.67 points to 20.61% in the fourth quarter. Exchange rate developments and international food prices were effective in the high course of food inflation. (CBRT-Inflation Report 2021-I)
- Drinking milk production increased by 10%, cow cheese production by 10%, butter production by 7% , YoY (TURKSTAT).
- Pinar Süt became the "Most Admired Company" in the "Milk and Dairy Products" category in the "Most Admired Companies in the Business World" research conducted by Zenna Research and Consultancy under the leadership of Capital Magazine in 2020.
- Pinar Süt took place in the first 100 in the "R&D 250, Turkey's most R&D expenditure Builds Companies" survey to organized by Turkishtime (Economy and Business Culture Portal).

# MARKET DYNAMICS

## PRODUCTION AND COST

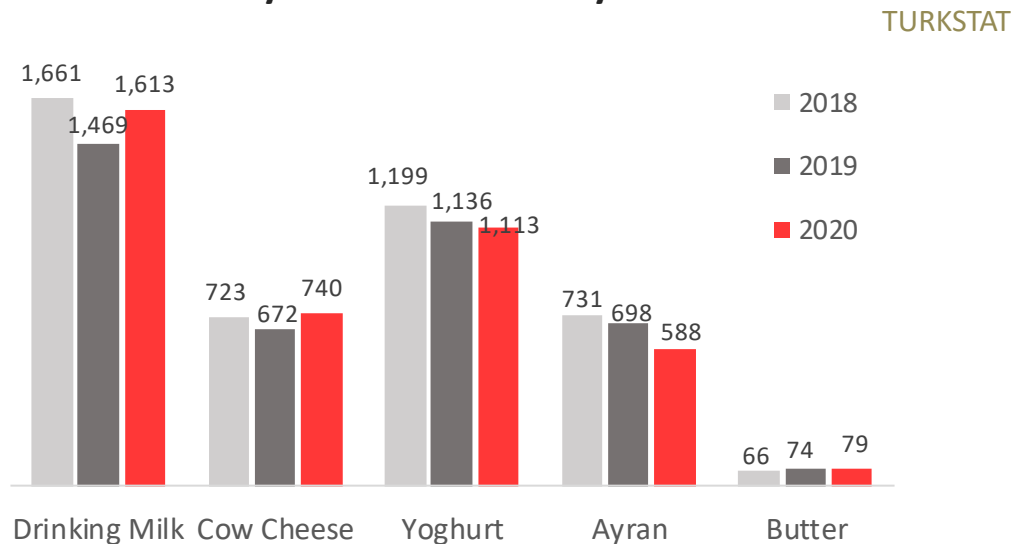
### Inflation and Raw Milk Prices Progress



- Unprocessed food prices, which started the year with an increase, eased slightly in the third quarter, but increased at a similar level to PPI in 2020-4Q.

- The price per liter of raw milk determined by the National Milk Council, which was **2.30 TL** during 2020, was increased to **2.80 TL**, effective from the beginning of 2021.

### Production of Dairy Products in Turkey



- According to recent data, 32.0 million animals milked and milk production in Turkey was realized as 23.0 million tons (TURKSTAT, 2019).

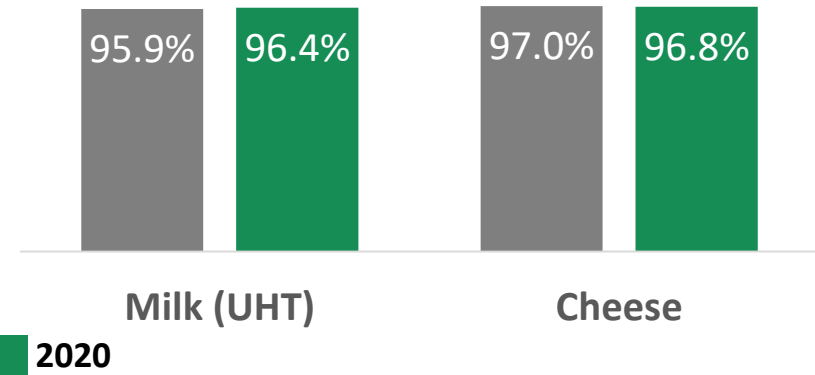
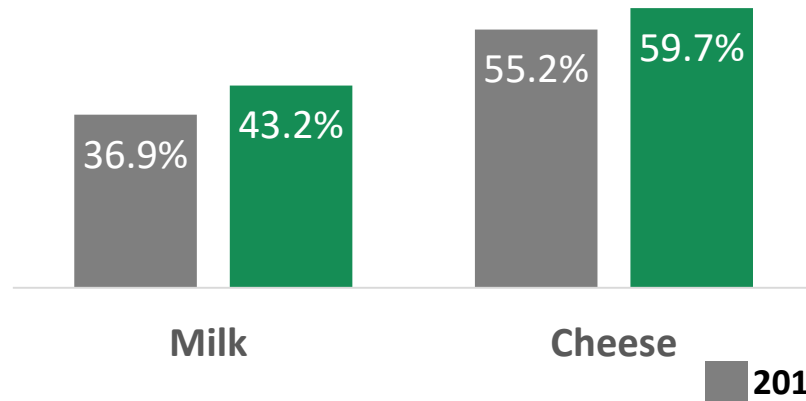
# MARKET DYNAMICS

## CONSUMPTION AND MARKET

Amount Share of Packaged Products

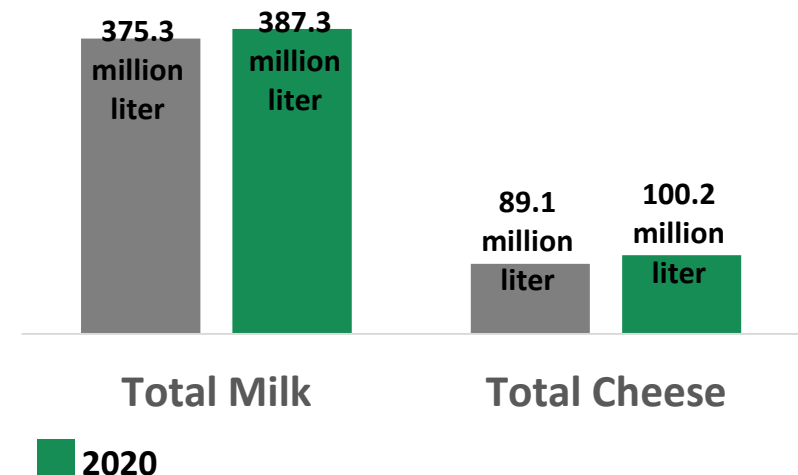
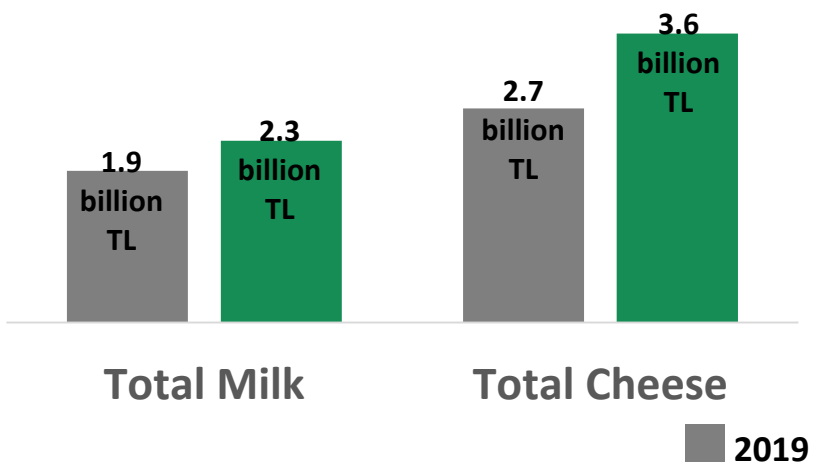
Penetration of Packaged Products

IPSOS



Total Milk and Total Cheese Turnover and Volume

Nielsen, Exc. Discount Markets



# MARKET POSITION

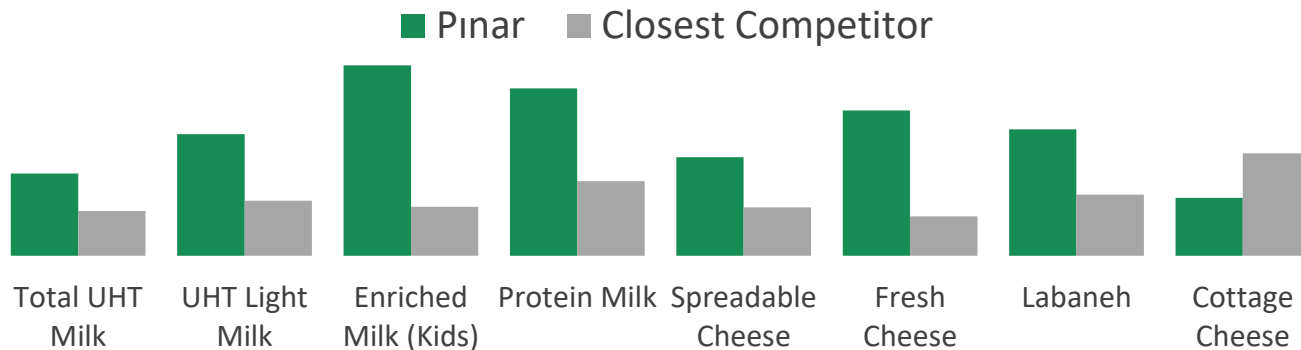
## Market Shares Based on Products

Nielsen, Exc. D.M.

Product	Share	Position
Total UHT Milk	31.1%	1#
UHT Light Milk	45.9%	1#
Enriched Milk (Kids)	71.9%	1#
Protein Milk	63.1%	1#
Total Cheese	12.4%	3#
Spreadable Cheese	37.2%	1#
Fresh Cheese	54.8%	1#
Labaneh	47.7%	1#
Cottage Cheese	21.9%	2#
Kefir	7.7%	4#

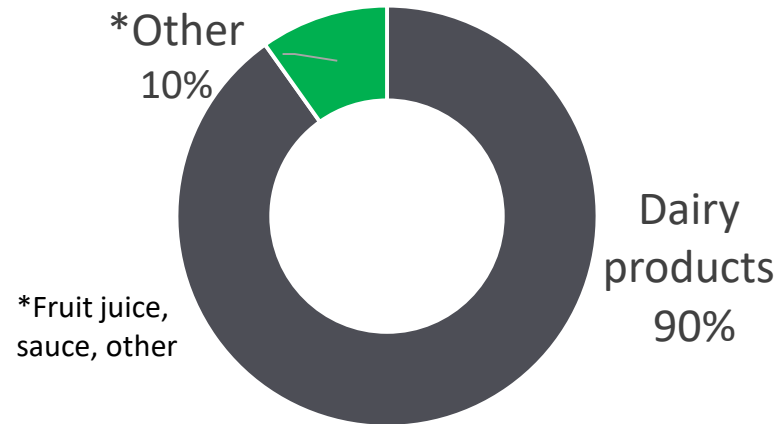
- Pınar Süt, Turkey realized 18% of the total exports of dairy products. (Excluding industrial milk powder and whey powder)
- In 2020, Pınar Süt exports of dairy products to the Chinese market in Turkey was the only company with permission.
- Pınar Süt received the 2020 Gulfood Innovation Award in the "Most Innovative Dairy Products" category with "Pınar Choco Labaneh" at the Gulfood Fair.
- Pınar Süt received TSE "Covid-19 Safe Production Certificate".

## Pınar Süt and Competitors

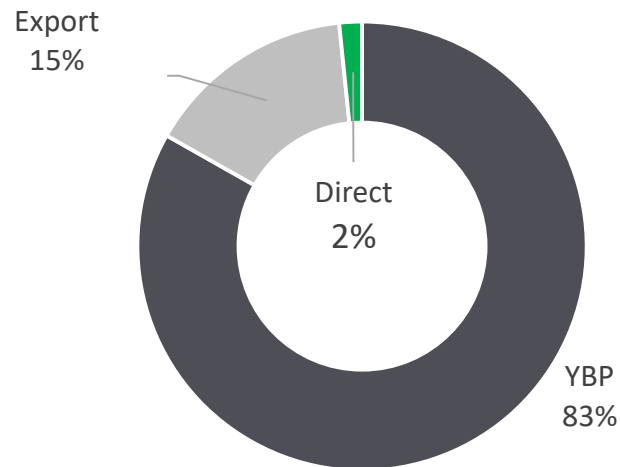


## NET SALES BREAKDOWN

### Based on Product Groups



### Based on Sales Channel



## INCOME STATEMENT

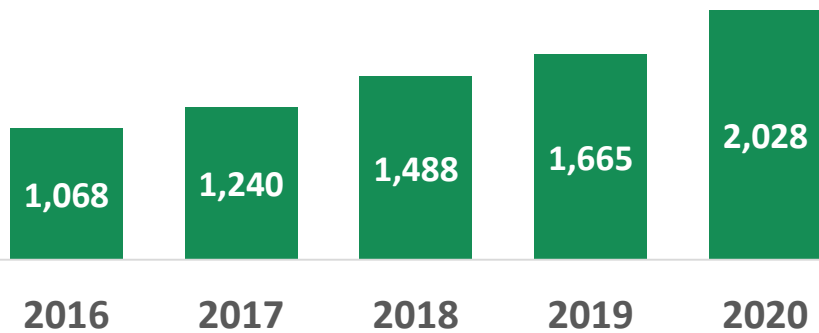
(Million TL)	01/01/2020 12/31/2020	01/01/2019 12/31/2019	Difference	Change
<b>Net Sales</b>	<b>2,028.5</b>	<b>1,664.6</b>	<b>363.9</b>	<b>21.9%</b>
Cost of Goods Sold	(1,766.4)	(1,461.5)	(304.9)	20.9%
<b>Gross Profit</b>	<b>262.1</b>	<b>203.1</b>	<b>59.0</b>	<b>29.1%</b>
R&D Expenses	(16.1)	(14.3)	(1.8)	12.7%
Sales, Distribution and Marketing Expenses	(137.0)	(105.7)	(31.3)	29.6%
General Administration Expenses	(55.1)	(50.1)	(5.0)	10.1%
<b>EBIT</b>	<b>53.9</b>	<b>33.0</b>	<b>20.9</b>	<b>63.3%</b>
<b>EBITDA</b>	<b>108.1</b>	<b>84.9</b>	<b>23.2</b>	<b>27.3%</b>
Shares of Results of Investments in Associates	15.7	4.4	11.4	260.5%
Other Expenses (Net)	15.5	25.6	(10.1)	-39.4%
Financial Expenses (Net)	(55.6)	(37.6)	(18.0)	47.8%
<b>Profit Before Tax</b>	<b>29.6</b>	<b>25.4</b>	<b>4.2</b>	<b>16.6%</b>
Tax	10.5	9.3	1.3	13.9%
<b>Net Profit for the Period</b>	<b>40.2</b>	<b>34.7</b>	<b>5.5</b>	<b>15.9%</b>



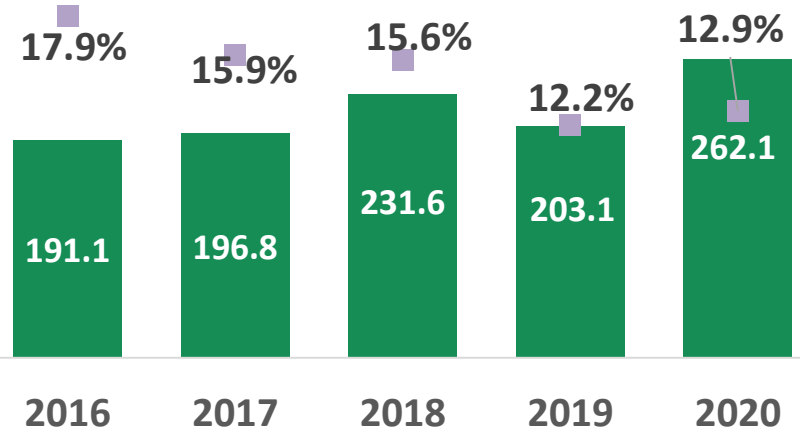
## SALES AND PROFITABILITY – ANNUALLY

### Net Sales

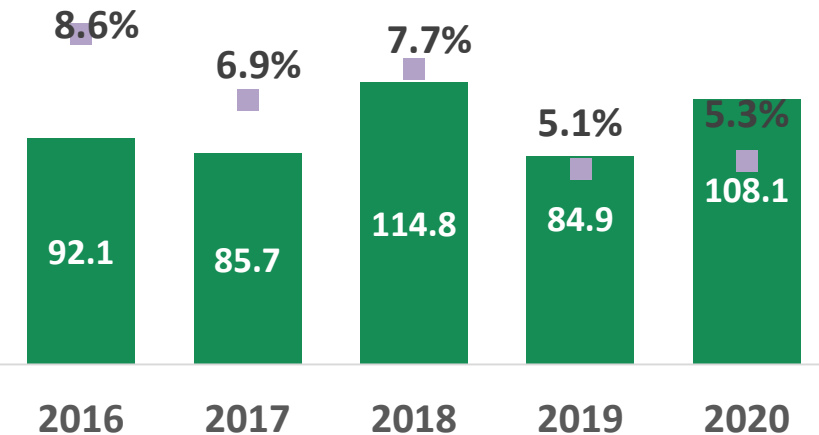
million TL



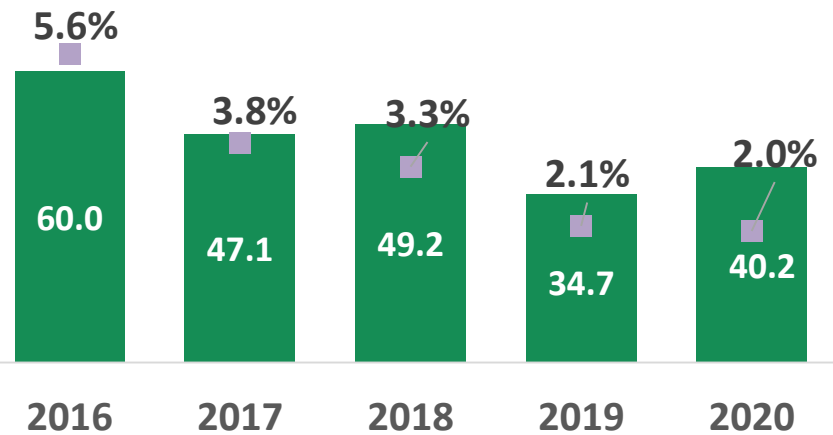
### Gross Profit



### EBITDA



### Net Profit

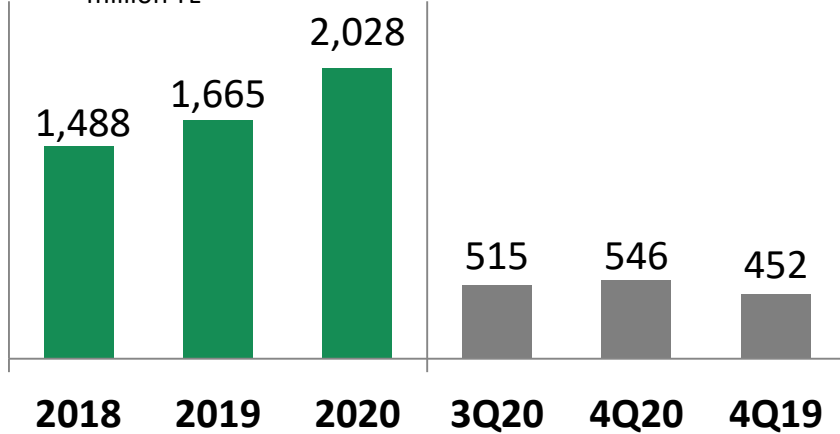


EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income /expenses.

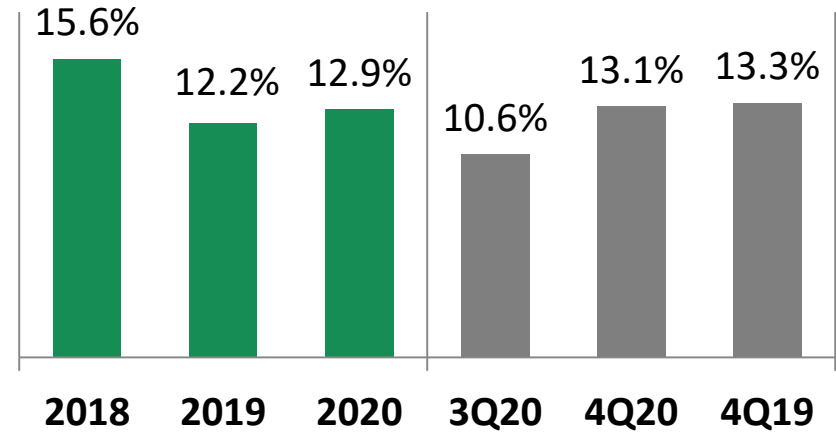
## SALES AND PROFITABILITY – QUARTERLY

### Net Sales

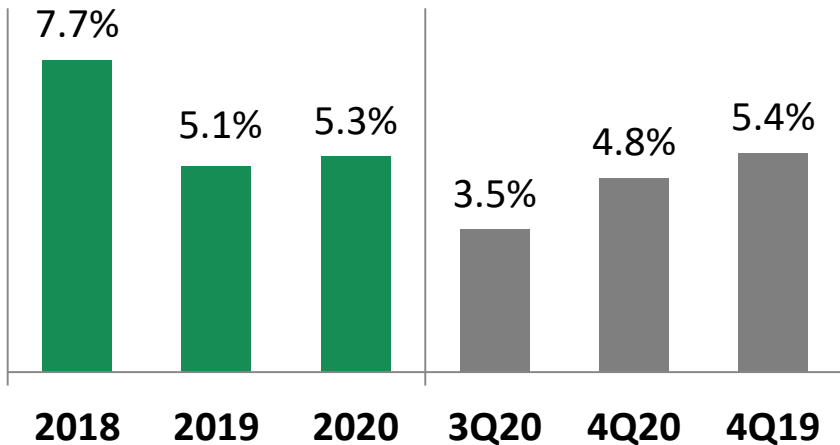
million TL



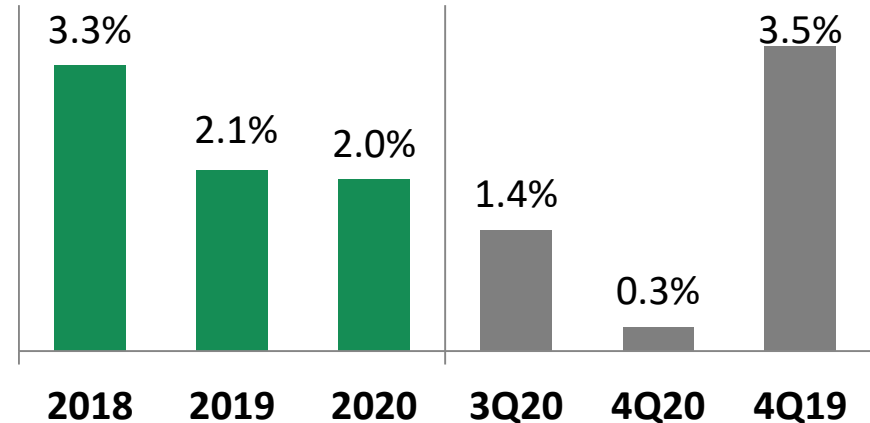
### Gross Profit



### 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 RATIOS

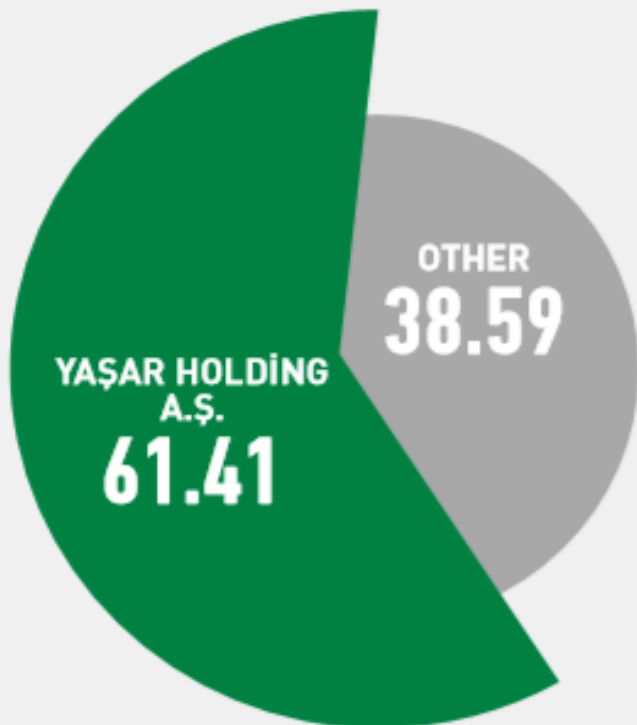
	2016/12	2017/12	2018/12	2019/12	2020/12
Current Ratio	1.23	1.21	1.07	1.23	1.10
Leverage Ratio	0.36	0.43	0.44	0.42	0.45
Current Borrowings/Total Borrowings (Fin.)	0.56	0.64	0.81	0.44	0.74
Net Fin. Borrowings/EBITDA	0.82	1.27	1.54	1.27	2.85
Net Fin. Borrowings/Equity	0.12	0.21	0.17	0.15	0.29
Return on Equity (ROE)	10.2%	7.3%	6.7%	4.1%	3.8%

## CAPITAL EXPENDITURES

	2016	2017	2018	2019	2020
Capital Expenditures	65.3 m TL	55,0 m TL	67.6 m TL	14.5 m TL	47.1 m TL

## OWNERSHIP STRUCTURE

### 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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