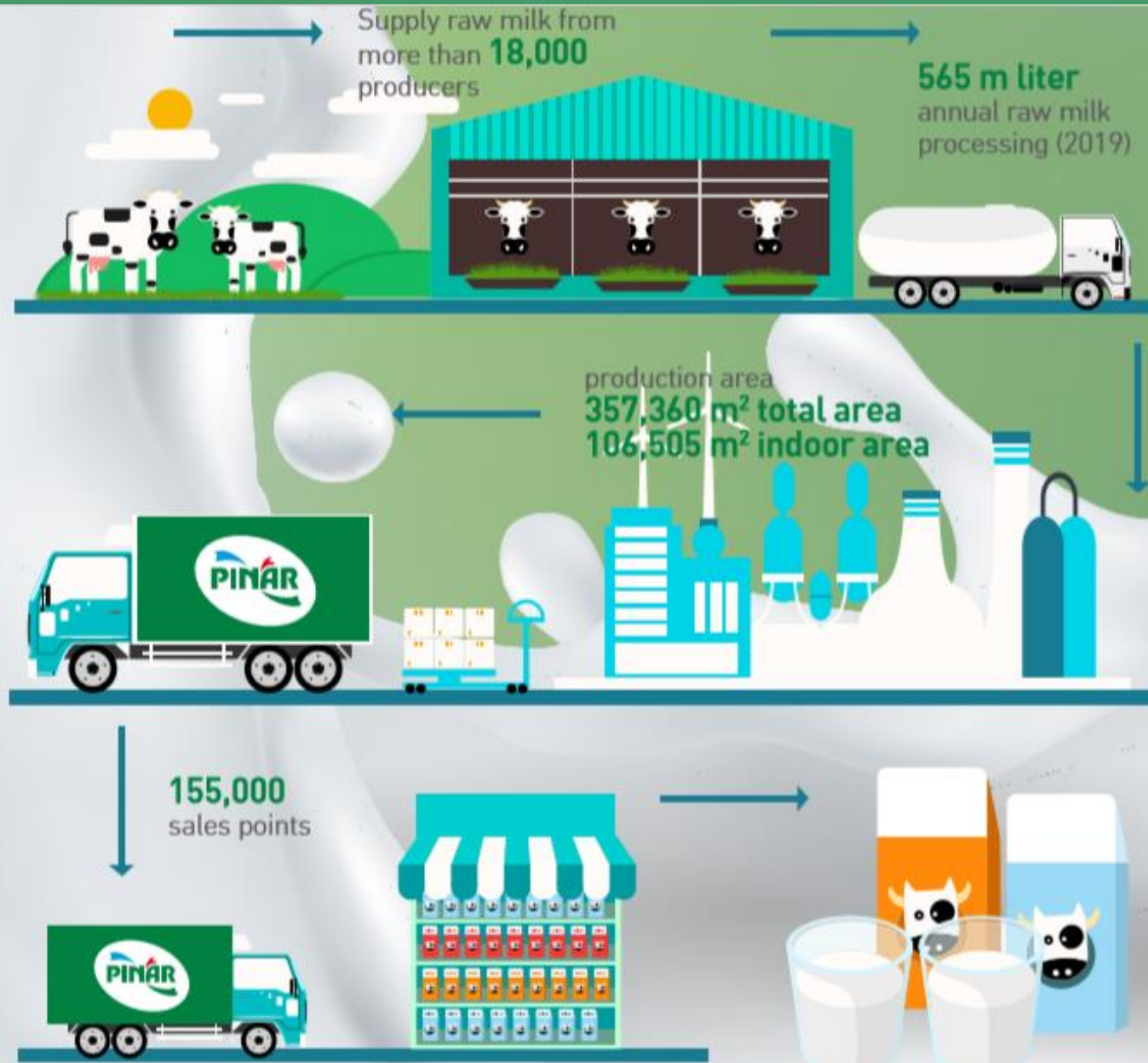




# Pinar Süt

Earnings Presentation  
2020-9M

## PINAR SÜT AT A GLANCE



## HIGHLIGHTS

**1,482**  
million TL  
Net Sales

**22.2%**  
Net Sales  
Growth

**38.7**  
million TL  
Net Profit

**32.9**  
million dollar  
Export Sales

**36.2**  
million TL  
Capex

**1,011**  
Employees in  
2020-9M

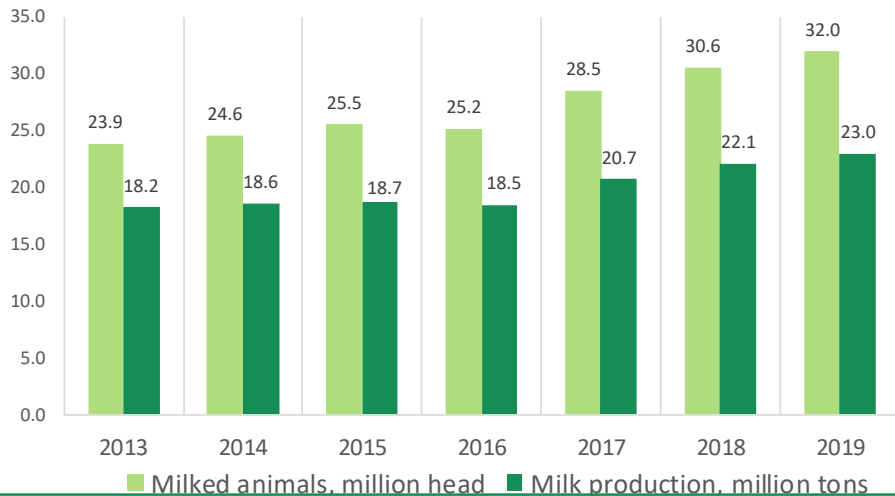
- Annual inflation in food and non-alcoholic beverages went up by 1.44 points to 14.95% in September. This was driven mostly by the unprocessed food group whose annual inflation surged by 2.11 points to 17.47%, while annual processed food inflation rose by 0.93 points to 12.79%. (TCMB-September Price Developments Report)
- The base price of raw milk per liter determined by the National Milk Council was 15.0% higher in the first nine months of 2020 compared to the same period of the previous year.
- In the first 8 months of the year; production of drinking milk, cow cheese, butter increased by respectively 12%, 10%, 8%, YoY. (TSI)

# MARKET DYNAMICS

## PRODUCTION AND COST

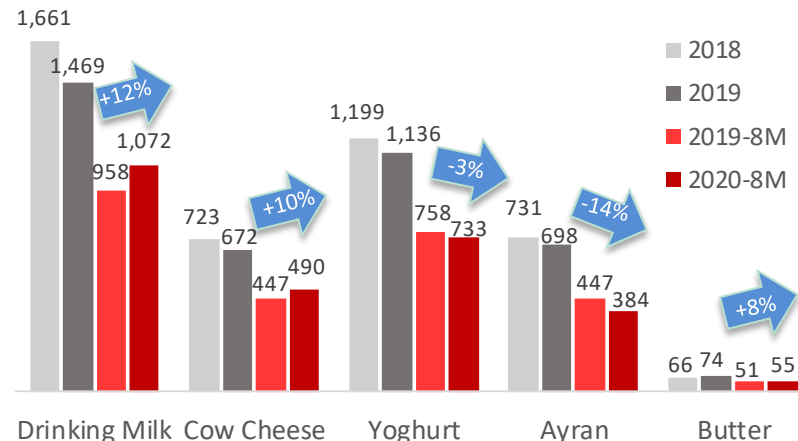
### Number of Milked Animals and Raw Milk Production

TSI



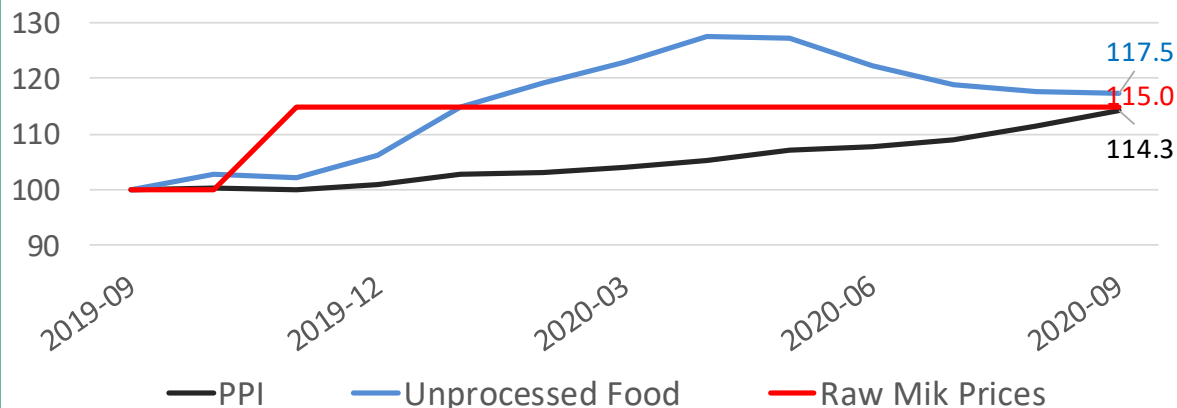
### Production of Dairy Products in Turkey

TSI, thousand tons



### Inflation and Raw Milk Prices Progress

TSI, NMC



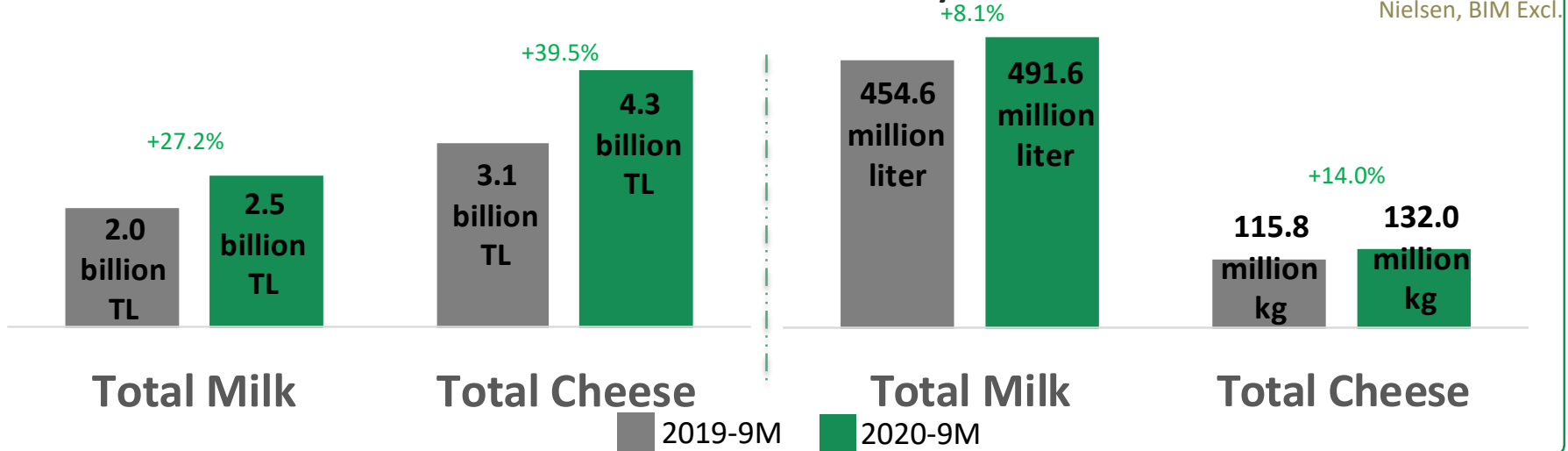
- Unprocessed food prices, which have increased since the beginning of the year, have decreased slightly in 2020-3Q.
- The price per liter of raw milk containing 3.6% fat and 3.2% protein has been increased to **2.30 TL** as of November 15, 2019 by the National Milk Council.

# MARKET DYNAMICS

## CONSUMPTION AND MARKET

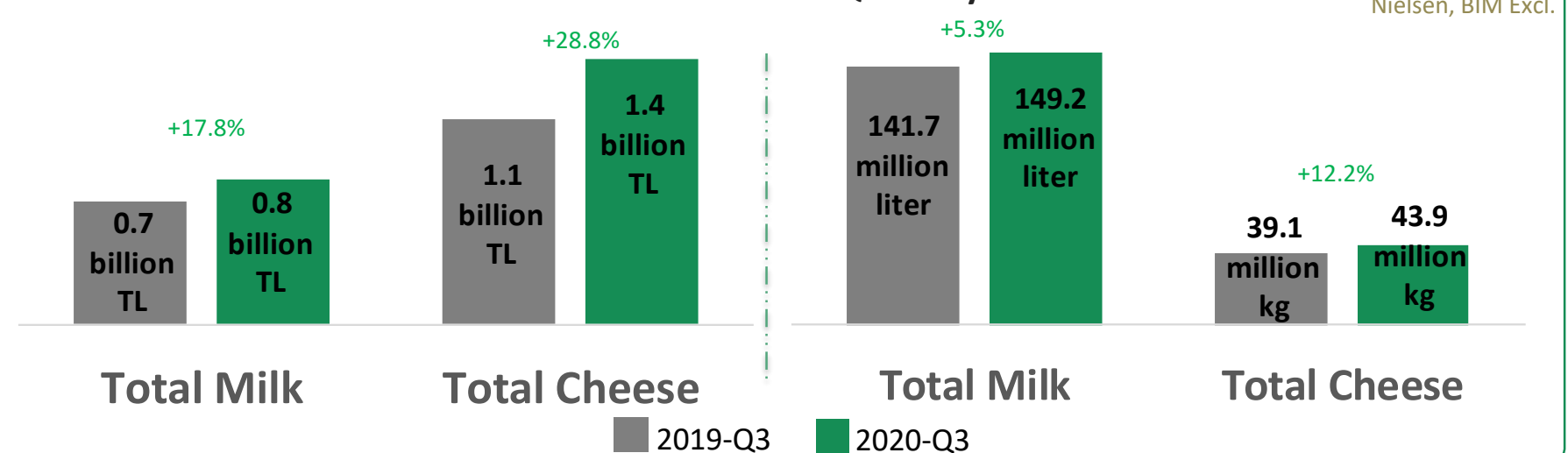
### Total Milk and Total Cheese Turnover and Volume - Annually

Nielsen, BIM Excl.



### Total Milk and Total Cheese Turnover and Volume - Quarterly

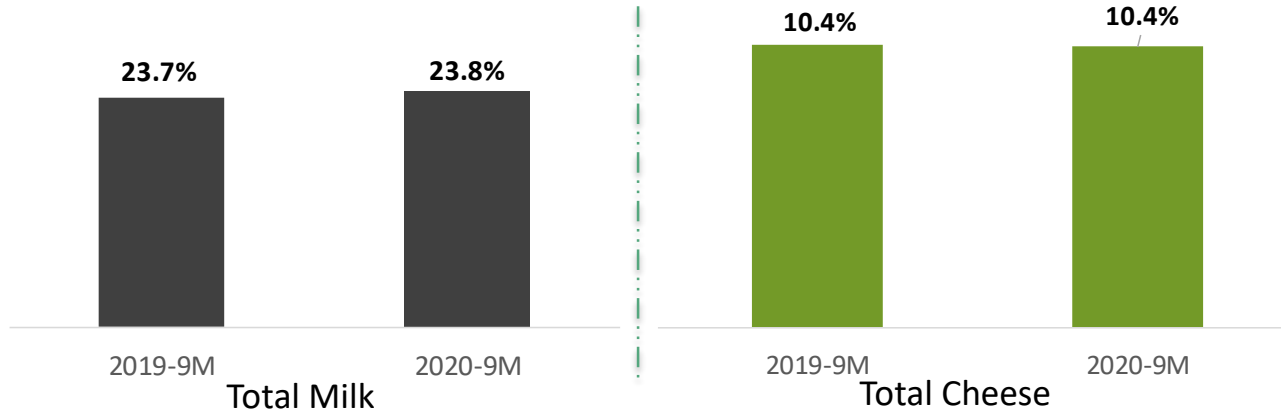
Nielsen, BIM Excl.



# MARKET POSITION

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

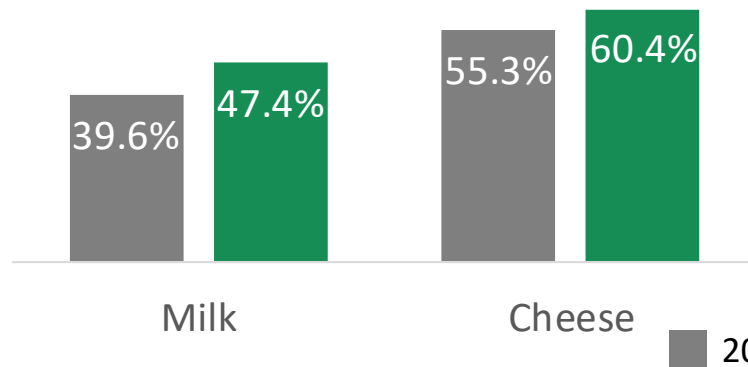
Nielsen, BIM Excl., Sales Value



- Market shares of Pinar Süt increased in the growing total milk and total cheese categories. (Niesen, BIM excl.)

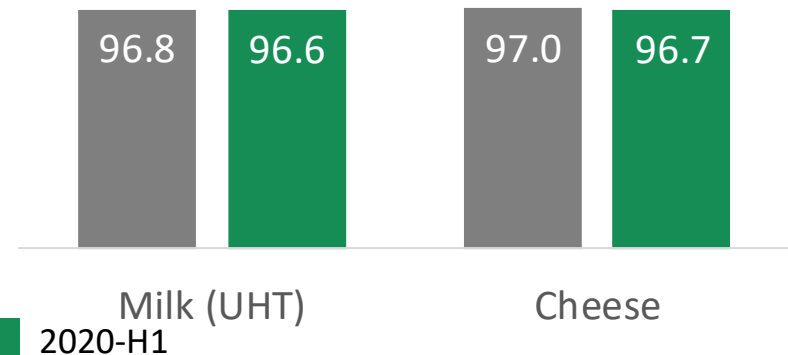
## Share of Packaged Products

IPSOS



## Packaged Products Penetration

IPSOS



# MARKET POSITION

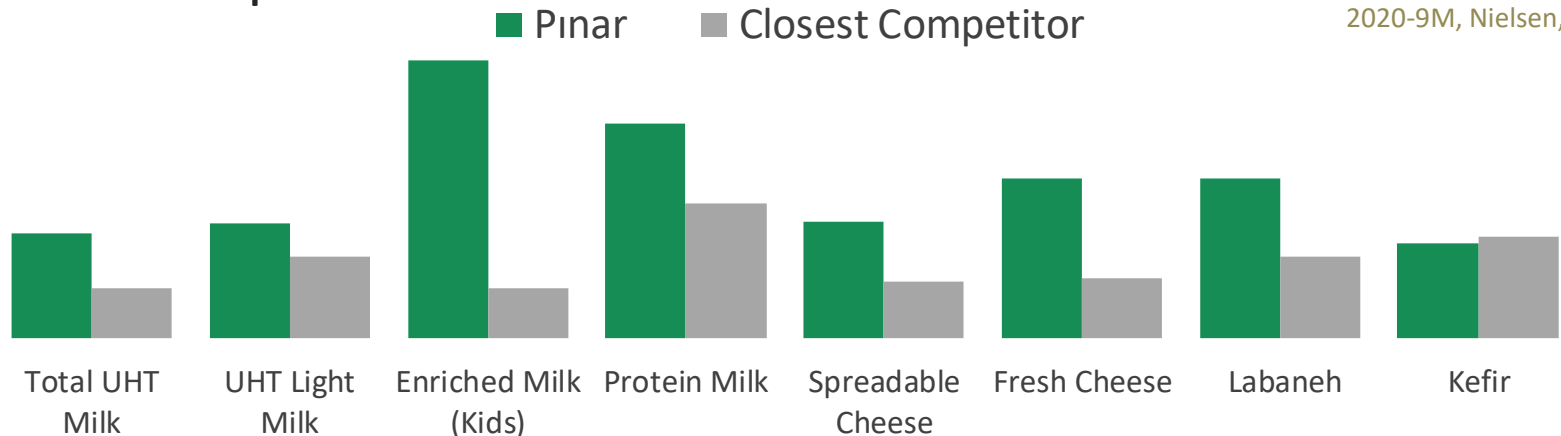
## Market Shares Based on Products

Product	Share	Position
Total UHT Milk	26.9%	1#
UHT Light Milk	29.4%	1#
Enriched Milk (Kids)	71.8%	1#
Protein Milk	55.2%	1#
Total Cheese	10.4%	3#
Spreadable Cheese	30.1%	1#
Fresh Cheese	41.4%	1#
Labaneh	41.4%	1#
Cottage Cheese	24.4%	2#
Kefir	4.8%	4#

- New product and packaging varieties were offered to consumers.
- Pınar Süt received TSE "**Covid-19 Safe Production Certificate**".
- Pınar Süt Eskişehir Plant received the "**Zero Waste Certificate**".



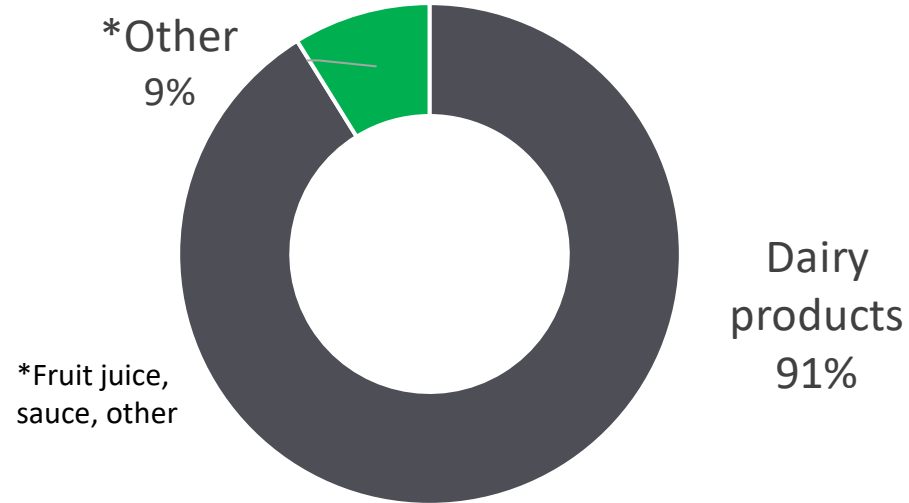
## Pınar Süt and Competitors



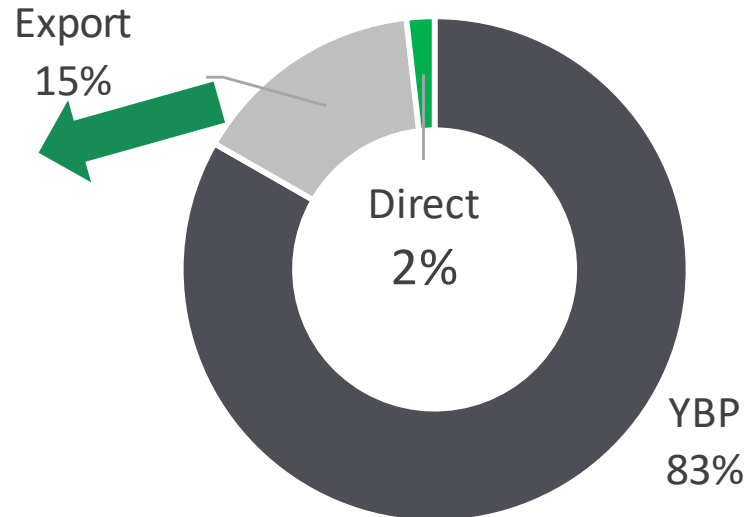
2020-9M, Nielsen, BİM Excl.

## NET SALES BREAKDOWN

### Based on Product Groups



### Based on Sales Channel



*\*Yaşar Birleşik Pazarlama, the distribution company of Yaşar Food Group, ranks 152th in 2019 in the top 500 rankings of Fortune magazine.*



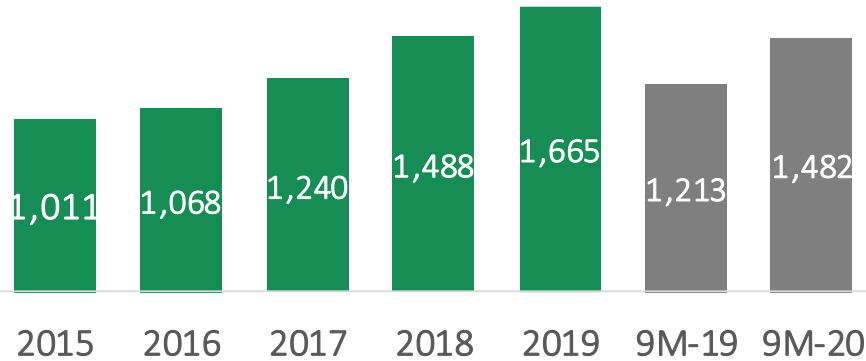
## INCOME STATEMENT

(Million TL)	01/01/2020 9/30/2020	01/01/2019 9/30/2019	Difference	Change
<b>Net Sales</b>	<b>1,482.1</b>	<b>1,212.6</b>	<b>269.6</b>	<b>22.2%</b>
Cost of Goods Sold	(1,291.6)	(1,069.5)	(222.1)	20.8%
<b>Gross Profit</b>	<b>190.5</b>	<b>143.0</b>	<b>47.5</b>	<b>33.2%</b>
R&D Expenses	(11.3)	(10.8)	(0.5)	4.6%
Sales, Distribution and Marketing Expenses	(98.1)	(73.7)	(24.4)	33.1%
General Administration Expenses	(40.4)	(37.1)	(3.3)	8.8%
<b>EBIT</b>	<b>40.7</b>	<b>21.4</b>	<b>19.3</b>	<b>90.2%</b>
<b>EBITDA</b>	<b>81.9</b>	<b>60.4</b>	<b>21.4</b>	<b>35.5%</b>
Shares of Results of Investments				
in Associates	11.3	3.4	7.9	230.1%
Other Expenses (Net)	27.3	22.5	4.8	21.5%
Financial Expenses (Net)	(45.6)	(26.4)	(19.2)	72.6%
<b>Profit Before Tax</b>	<b>33.8</b>	<b>20.9</b>	<b>12.9</b>	<b>61.6%</b>
Tax	4.9	(2.2)	7.1	323.3%
<b>Net Profit for the Period</b>	<b>38.7</b>	<b>18.7</b>	<b>19.9</b>	<b>106.5%</b>

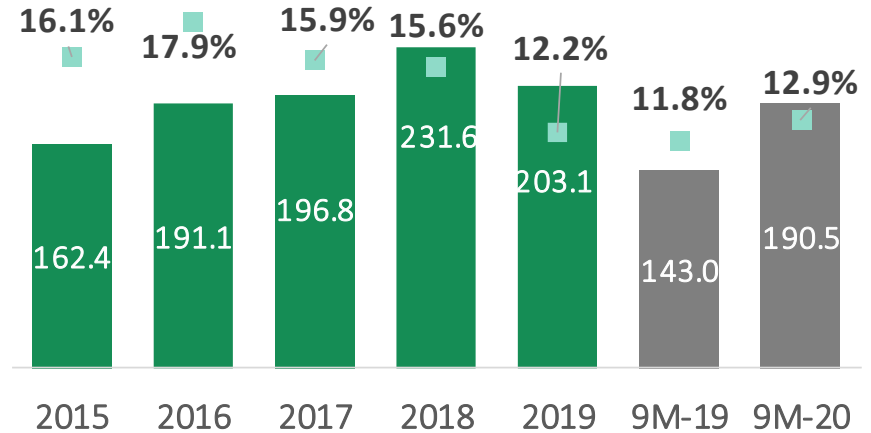
## SALES AND PROFITABILITY – ANNUALLY

### Net Sales

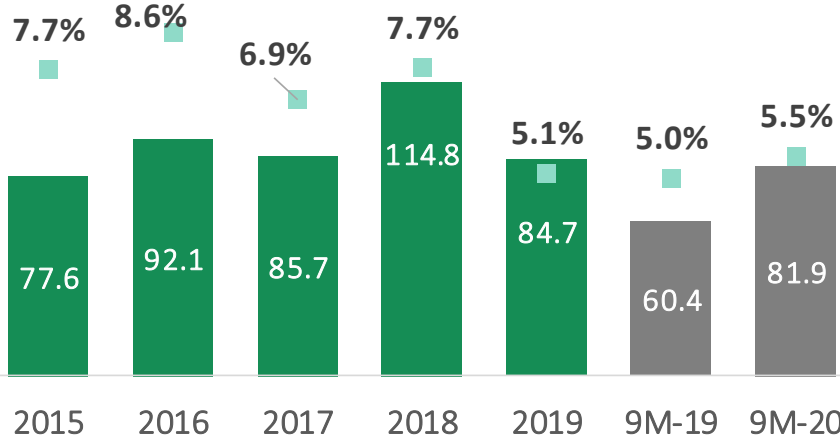
million TL



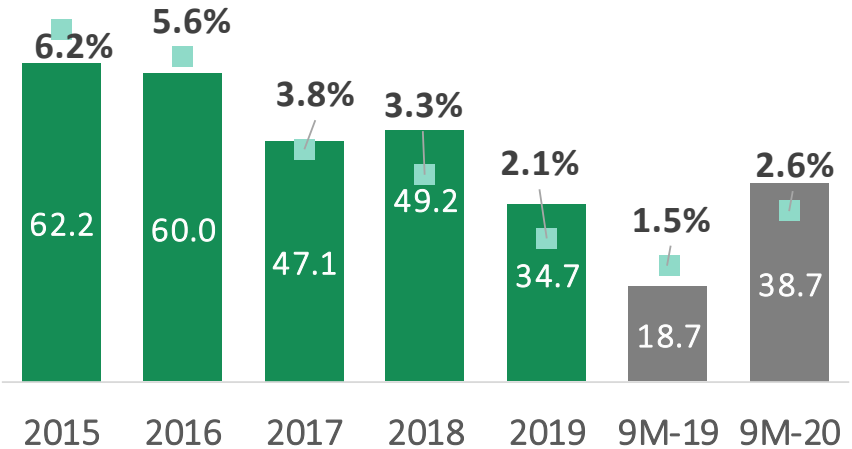
### Gross Profit



### EBITDA



### Net Profit

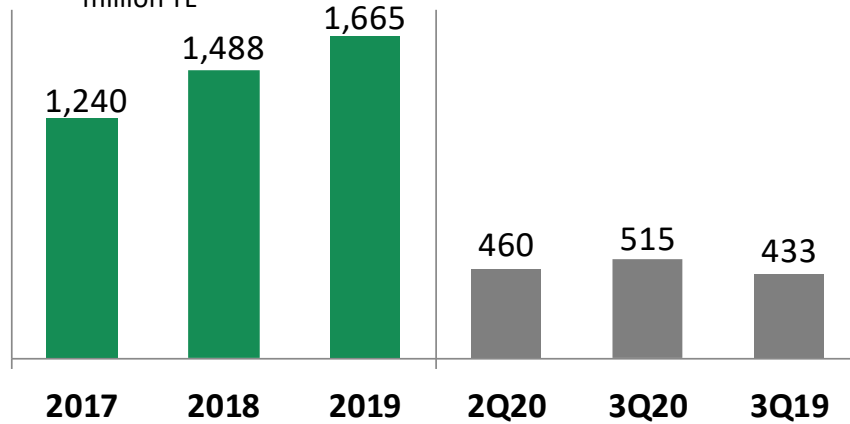


EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income /expenses.

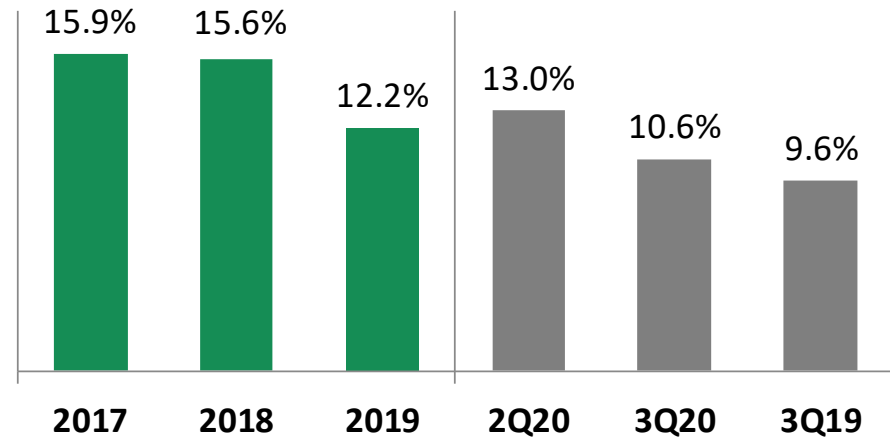
## SALES AND PROFITABILITY – QUARTERLY

### Net Sales

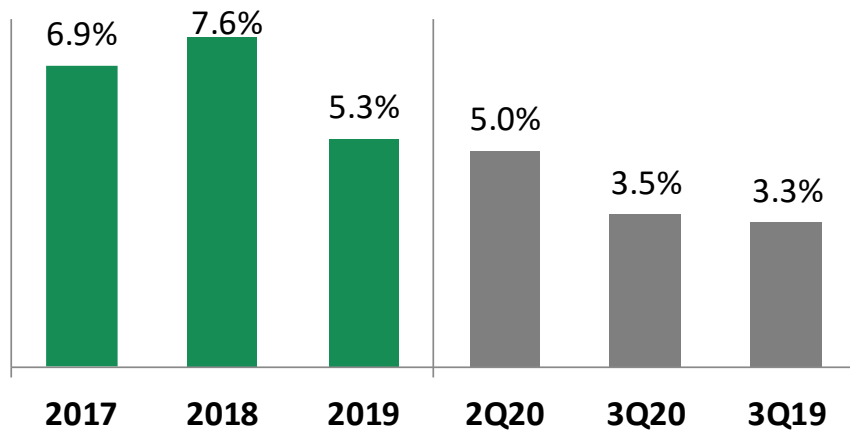
million TL



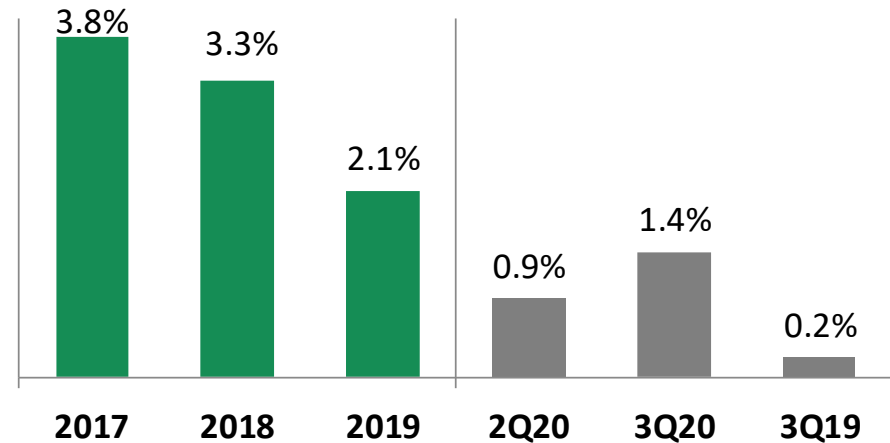
### Gross Profit



### 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

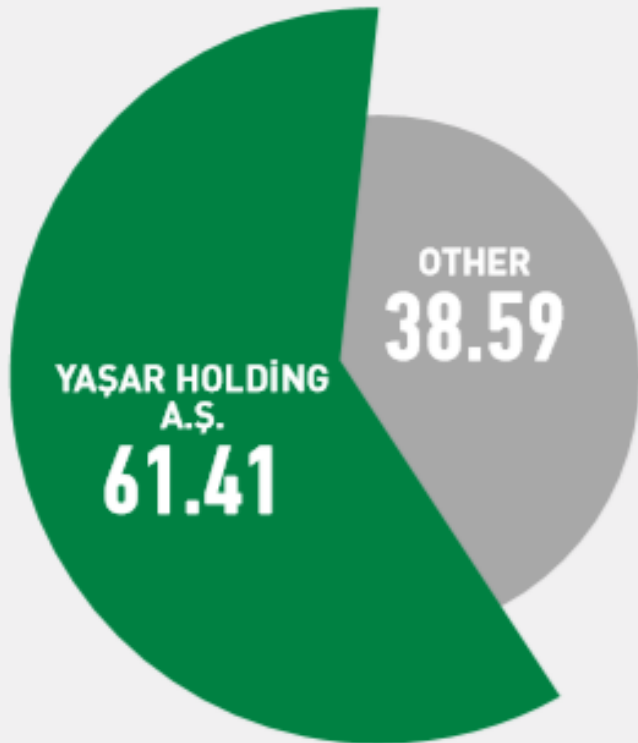
	2016/12	2017/12	2018/12	2019/12	2020/09
Current Ratio	1.23	1.21	1.07	1.23	1.13
Leverage Ratio	0.36	0.43	0.44	0.42	0.45
Current Borrowings/Total Borrowings (Fin.)	0.56	0.64	0.81	0.44	0.67
Net Fin. Borrowings/EBITDA	0.76	1.69	1.15	1.57	2.48
Net Fin. Borrowings/Equity	0.12	0.21	0.17	0.15	0.26
Return on Equity (ROE)	10.2%	7.3%	6.7%	4.1%	3.7%

## CAPITAL EXPENDITURES

	2016	2017	2018	2019	2019/09	2020/09
Capital Expenditures	65.3 m TL	55,0 m TL	67.6 m TL	14.5 m TL	6.3 m TL	36.2 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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