



PINAR SÜT FINANCIAL PRESENTATION 2021



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PINAR SÜT AT A GLANCE



Raw milk from more than
20,000 producers

More than
155
thousand
sales points

Export to
32
Countries

2.68
billion TL
Turnover

% 18,9
Pinar Süt's Share in
Milk and Dairy Product
Exports in Turkey

Total area of
357,360
m²

Close area of
111,095
m²

56 million TL
Investment

348.1
million TL
Gross Profit

% 32.2
Turnover
Growth



Production facility
in **3** different
locations in Turkey

1,162 Average Number of Employee

18,783 Total Training Hour Given to Employees

“The Most Admired Companies in the Business World”
award in research conducted by Zenna Research and
Consultancy, led by Capital Magazine.

FINANCIAL PERFORMANCE IN 2021

(Million TL)	01.01. 2021- 31.12.2021	01.01.2020 - 31.12.2020
Net Sales	2,681.9	2,028.5
Gross Profit	348.1	262.1
Gross Profit Margin	13.0%	12.9%

(Million TL)	31.12.2021	31.12.2020
Share Holder's Equity	1,950.9	1,061.6
Total Assets	3,387.3	1,919.2
Total Liabilities / Equity Ratio	0.74	0.81



SECTOR DYNAMICS – PRODUCTION AND COST

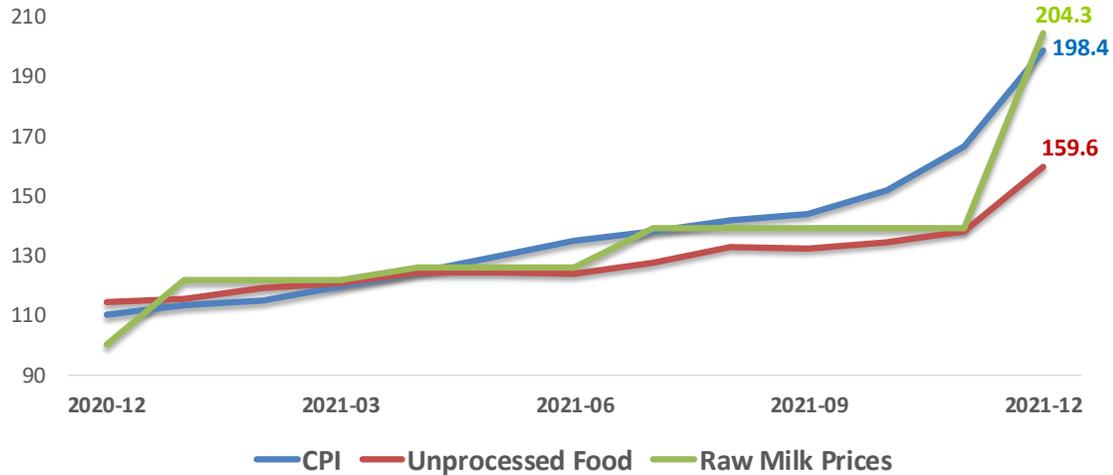


- Prices of food and non-alcoholic beverages increased by 15.99% in December, and the group's annual inflation increased by 16.69 points to 43.80%. Annual inflation increased to 39.83% in unprocessed food, and to 47.57% in processed food (CBRT-Monetary Policy Committee Meeting Summary, January 20, 2022).
- The effect of the 46.9 percent increase in the raw milk reference price (the raw milk reference price was increased from 3.2 to 4.7 TL, effective from 8 December 2021) was observed with a wide spread in food inflation. Price increases were also observed in cheese and other dairy products, where the reflections of the raw milk price increase were observed (CBRT-Monetary Policy Committee Meeting Summary, January 20, 2022).
- According to the latest data, 32.0 million head of animals were milked in Turkey and milk production was 23.0 million tons (TURKSTAT, 2019).

SECTOR DYNAMICS – PRODUCTION AND COST

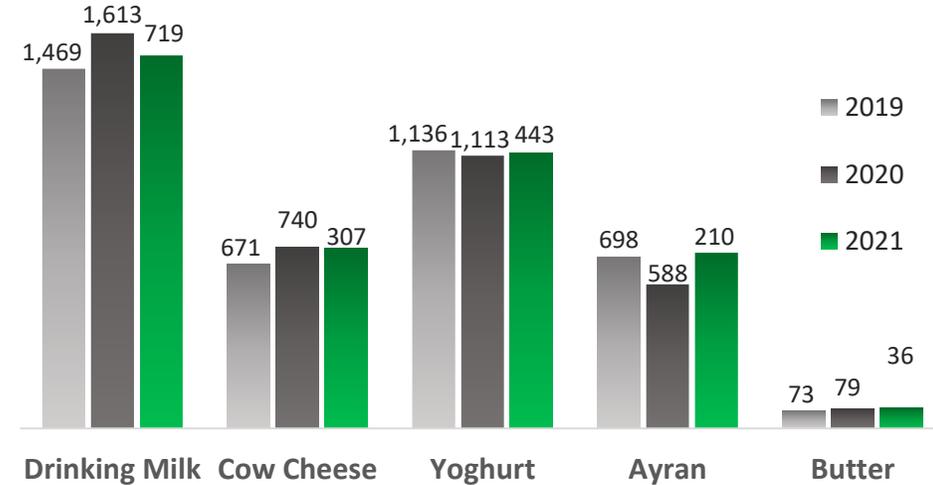
Inflation and Raw Milk Prices Progress

TURKSTAT, NMC



Production of Dairy Products in Turkey

TURKSTAT,
thousand tons



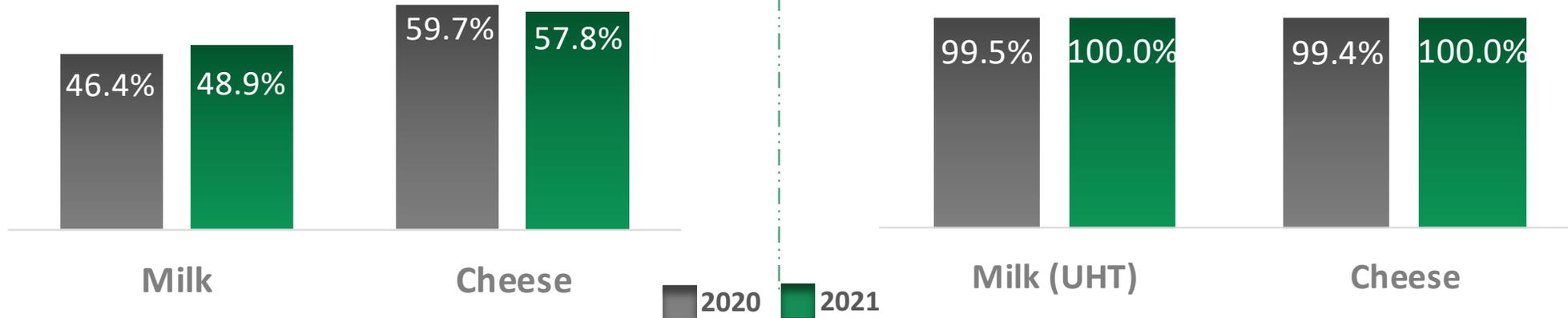
- **Raw milk prices** determined by the National Dairy Council for milk containing 3.6% fat and 3.2% protein for 2021;
 - January 1 – April 30; 2.80 TL/Liter
 - May 1 – June 30; 2.90 TL/Liter
 - July 1 – December 7; 3.20 TL/Liter
 - December 7- December 31 ; 4.70 TL/Liter
- The end of 2021; ayran production increased by 22%, butter production increased by 8% and yogurt production increased by 1%. Cow cheese production remained at similar levels. Drinking milk productions decreased by 6%, YoY (TURKSTAT, Milk and Dairy Products Production, August 2021).

SECTOR DYNAMICS – CONSUMPTION AND MARKET

Share of Packaged Products

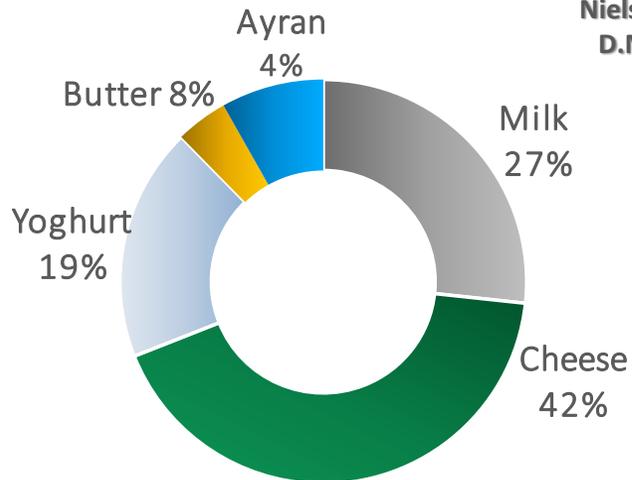
Packaged Products Penetration

IPSOS



Dairy Products Market Turnover Breakdown

Nielsen, Exc. D.M., 2021



- According to Nielsen data for 2021, **the dairy products market** (milk, cheese, yoghurt, buttermilk, butter) decreased by 1% on tonnage basis and **grew by 25% on turnover basis and reached 10,6 billion TL, YoY** (Nielsen, Exc. Discount Markets, 2021).

MARKET POSITION



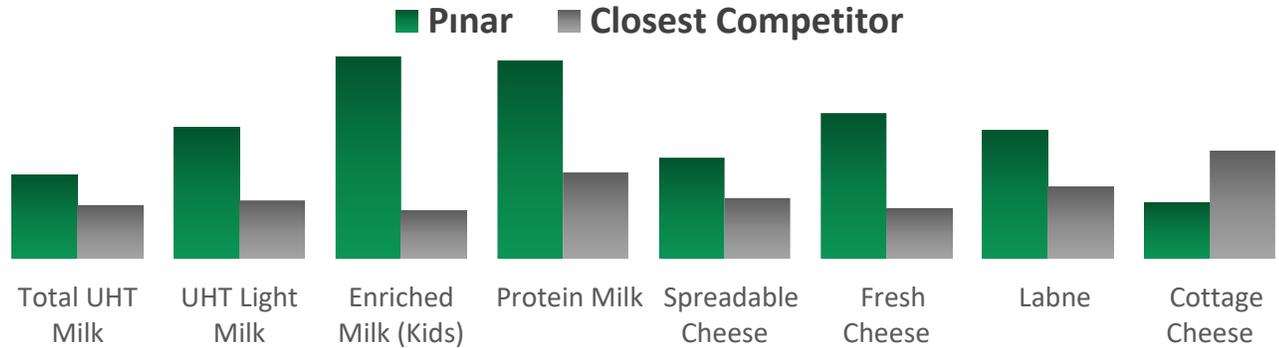
Market Shares Based on Products

Nielsen, Exc. DM,
2021

Product	Share	Position
Total UHT Milk	28.6%	1#
UHT Light Milk	44.5%	1#
Enriched Milk (Kids)	68.7%	1#
Protein Milk	67.3%	1#
Total Cheese	11.6%	3#
Spreadable Cheese	34.3%	1#
Fresh Cheese	49.5%	1#
Labaneh	43.7%	1#
Crem Cheese	13.4%	3#
Cottage Cheese	18.9%	2#

Pınar Süt and Competitors

Nielsen, Exc. D.M., 2021



- Pınar Süt maintains its leadership in many categories on the basis of product groups.
- In the dairy products market, Pınar Süt maintained its **13.2%** market share as sales value (Nielsen, Excluding Discount Markets, 2021).

NEW PRODUCTS

- Pınar Süt continued to introduce new products developed as a result of innovative projects for consumers. New products which were presented to the taste of consumers are;

- ✓ Pınar Choco Labneh, which was created by combining the labaneh flavor, were invented with chocolate and hazelnut,
- ✓ Pınar Protein Cottage Cheese, is combining cottage cheese flavor with high protein,
- ✓ Pınar Kefir in Cup, a first in the kefir market and
- ✓ Pınar Denge Probiotic Yogurt, containing at least 1 million beneficial bacteria in 1 gram.



MARKET POSITION



Export to
32
Countries

% 18,9

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

EXPORT

- As a result of the marketing efforts that continued throughout the year, Pinar Süt increased the number of countries it exports to 32 and Pinar Süt realized 18.9% of Turkey's total dairy product exports throughout 2021. (Except industrial milk powder and whey powder)
- Gulf countries take the first place in Pinar Süt's international sales with a share of 35%. The main export countries of the company include the United Arab Emirates (UAE), Kuwait, Iraq, TRNC and Azerbaijan, while Bahrain, Qatar and the USA are among the important export countries.
- In 2021, the UK, France, Romania and Somalia markets were accessed.



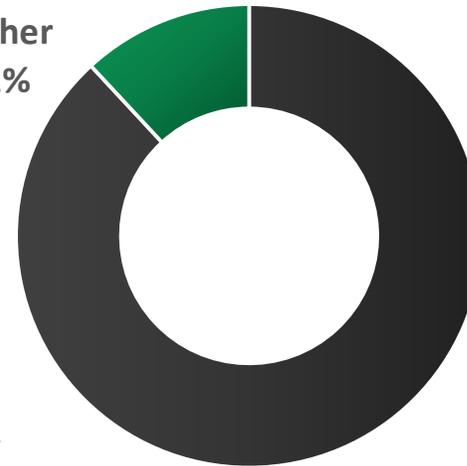
- Pinar Süt participated in the **Anuga Fair** that was the world's largest food and beverage fair, held in Cologne, Germany, between 9-13 October 2021, with plant-based frozen products produced in special packages for the EU and other new products.
- Pinar Süt was deemed worthy of the **Awareness Award at the Women-Friendly Brands Platform** with the trainings held for women producers within the scope of the **"The Future of Our Milk is in Conscious Hands"** project carried out by the Pinar Institute since 2014.
- Pinar Süt, within the scope of its sustainability targets, implements the **"Milk Specialist"** application that will support the development of all stakeholders, especially the producers in order to ensure the sustainability of the agriculture and livestock sector.

NET SALES BREAKDOWN



Based on Product Groups

*Other
12%

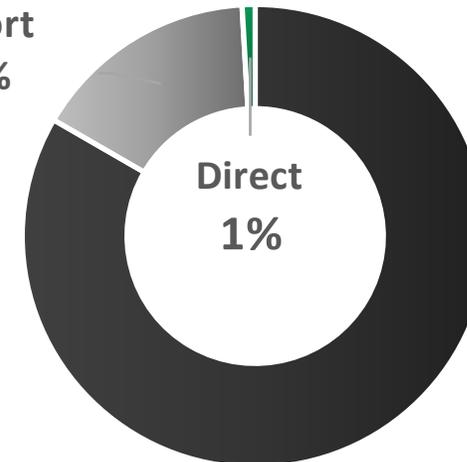


Dairy Products
88%

*Fruit juice,
sauce, other

Based on Sales Channel

Export
16%



Direct
1%

YBP
83%

**Yaşar Birleşik Pazarlama, the
distribution company of Yaşar
Food Group.*

INCOME STATEMENT

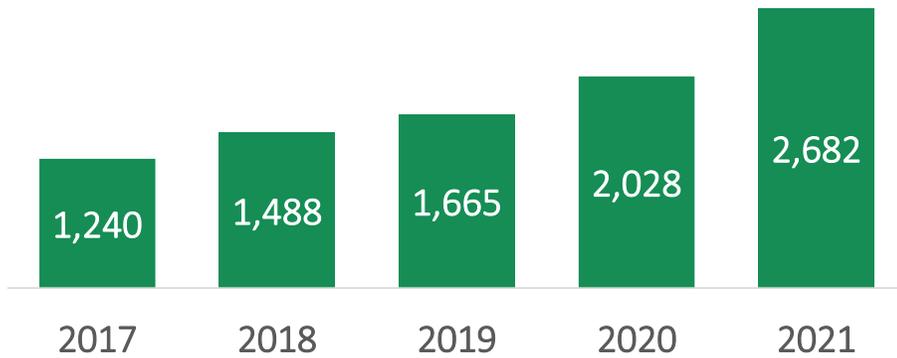
(Million TL)	01.01.21 12.31.2021	01.01.20 12.31.2020	Difference	Change
Net Sales	2,681.9	2,028.5	653.5	32.2%
Cost of Goods Sold	(2,333.8)	(1,766.4)	(567.5)	32.1%
Gross Profit	348.1	262.1	86.0	32.8%
R&D Expenses	(17.9)	(16.1)	(1.7)	10.8%
Sales, Distribution and Marketing Expenses	(165.8)	(137.0)	(28.8)	21.0%
General Administration Expenses	(66.1)	(55.1)	(11.0)	20.0%
EBIT	98.4	53.9	44.4	82.4%
EBITDA	162.4	108.1	54.3	50.3%
Shares of Results of Investments in Associates	32.5	15.7	16.7	106.1%
Other Expenses (Net)	126.7	15.5	111.2	715.6%
Financial Expenses (Net)	(137.2)	(55.6)	(81.6)	146.9%
Profit Before Tax	120.3	29.6	90.7	306.0%
Tax	(3.0)	10.5	(13.5)	-128.4%
Net Profit for the Period	117.3	40.2	77.2	192.0%

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

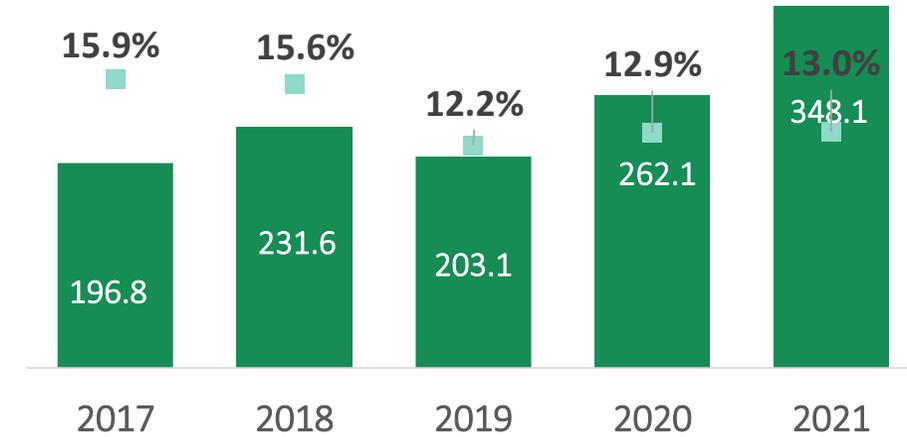
SALES AND PROFITABILITY - ANNUALLY

Net Sales

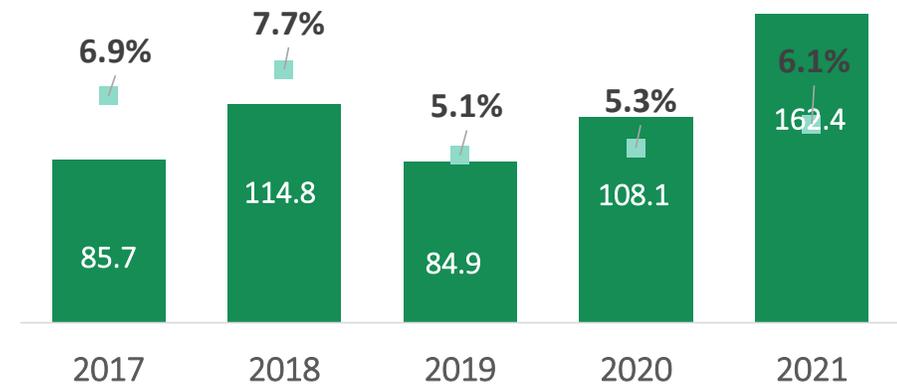
million TL



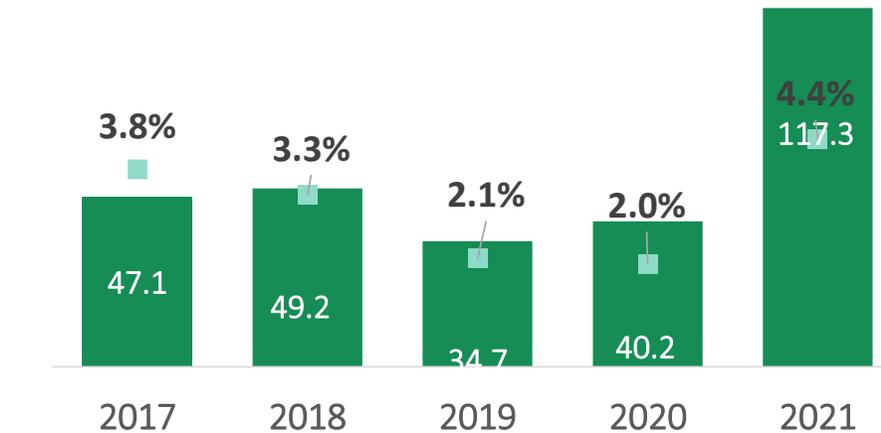
Gross Profit



EBITDA



Net Profit

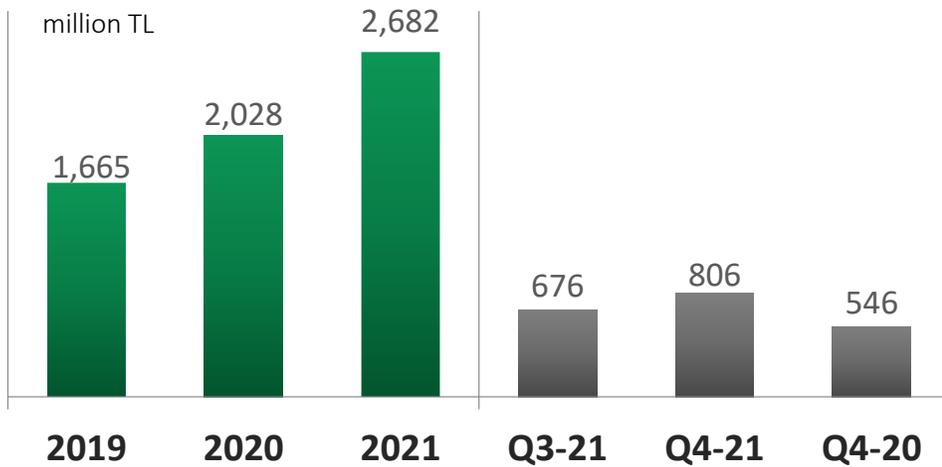


EBITDA is calculated by adding depreciation and provisions for severance pay (in operating expenses) to operating income, excluding other income /expenses.

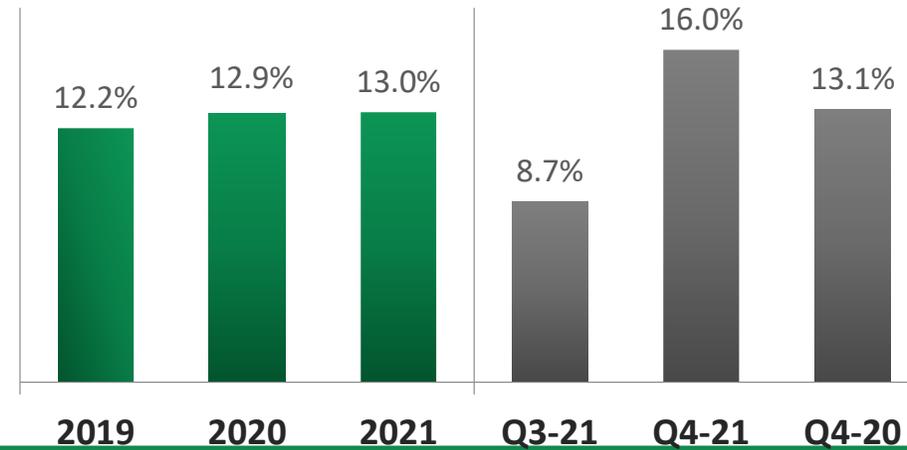
SALES AND PROFITABILITY - QUARTERLY

Net Sales

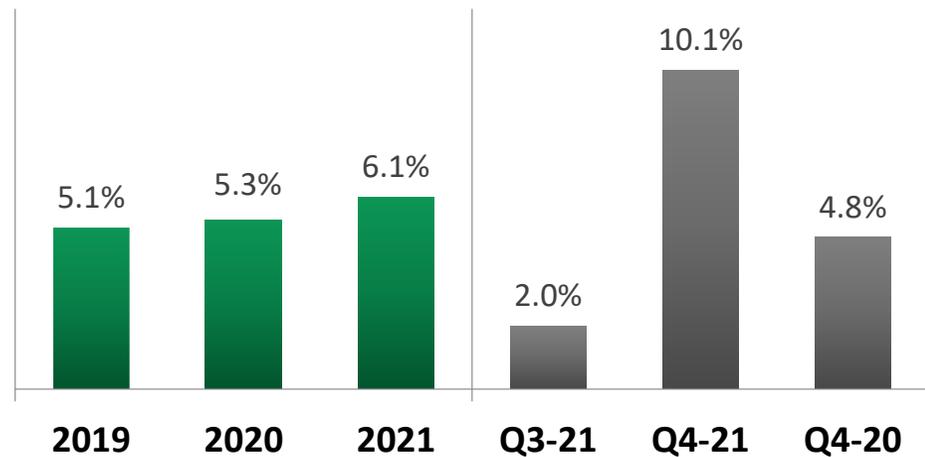
million TL



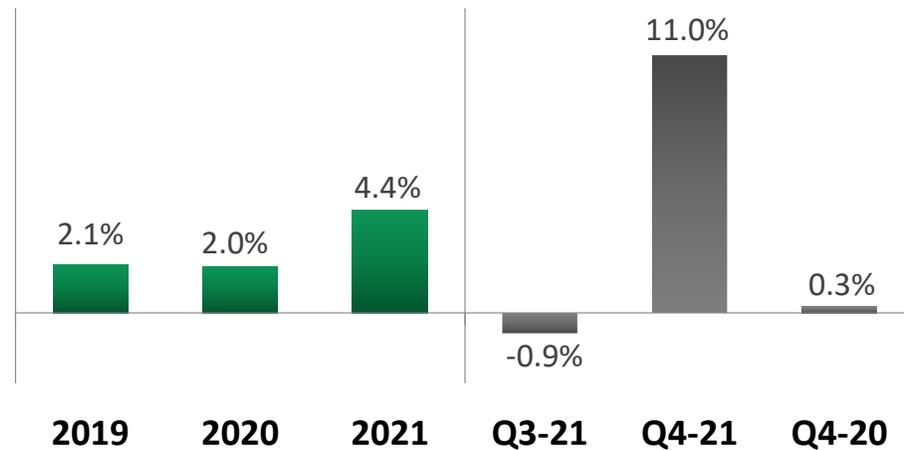
Gross Profit



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

	2017/12	2018/12	2019/12	2020/12	2021/12
Current Ratio	1.21	1.07	1.23	1.10	1.12
Leverage Ratio	0.43	0.44	0.42	0.45	0.42
Current Borrowings/Total Borrowings	0.64	0.81	0.44	0.74	0.86
Net Fin. Borrowings/EBITDA	1.70	1.14	1.62	2.85	2.91
Net Fin. Borrowings/Equity	0.21	0.17	0.15	0.29	0.24
Return on Equity (ROE)(%)	7.34	6.69	4.13	4.10	6.01

INVESTMENTS

	2017	2018	2019	2020	2021
Capital Expenditures	55,0 m TL	67,6 m TL	14,5 m TL	47,1 m TL	56,0 m TL

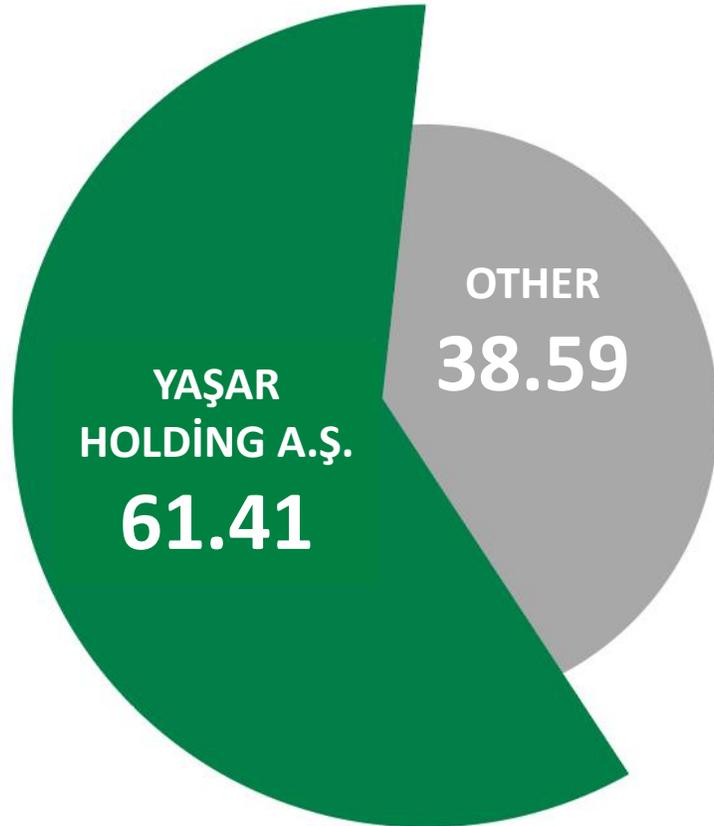
CORPORATE CREDIT RATING

Credit rating given by JCR Eurasia Rating on February 4, 2022;

- Long Term International Foreign Currency Rating : BB/(Stable)
- Long Term International Local Currency Rating : BB/(Stable)
- Long Term National Rating: A (Trk)/(Stable)
- Long Term Issue Rating : -

- Short-Term International Foreign Currency Rating: B/(Stable)
- Short-Term International Local Currency Rating : B/(Stable)
- Short-Term National Rating: A-1 (Trk)/(Stable)
- Short Term Issue Rating : -
- Sponsor Support: 2
- Stand Alone: AB

SHAREHOLDING STRUCTURE OF PINAR SÜT (%)



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

Borsa Istanbul Symbol:	PNSUT
Market in Borsa Istanbul:	Main Market
First Transaction Date:	February 3, 1986
Corporate Governance Rating:	9.33

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