



Tat Gıda

9M2022 Financial Results Review

October 31, 2022

Agenda



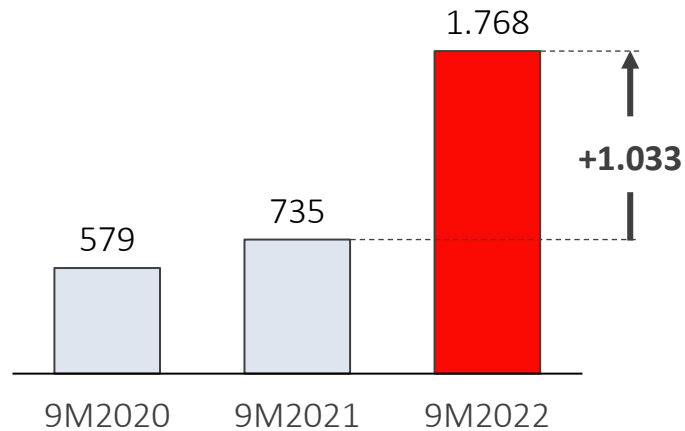
1 Key messages and Highlights

2 9M2022 Financial Results

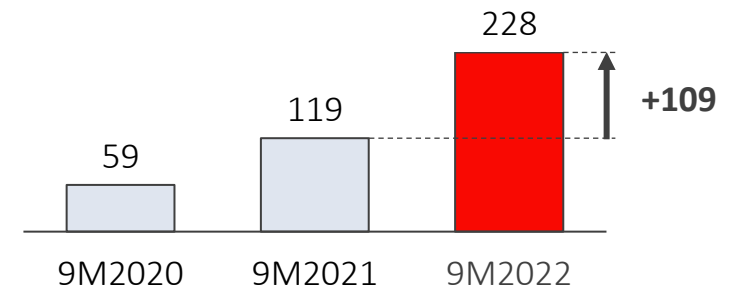
1 Key messages and Highlights



Net Sales*



Net Earnings*



* Ongoing operations

9M2022 Highlights

Net Sales*

TL 1,768 mn

(141% yoy growth)

Exports Share*

33% of total sales

(vs. 26% in 9M2021)

EBIT

TL 254 mn (193% yoy growth)

EBITDA*

TL 281 mn (188% yoy growth)

Net Profit*:

TL228 mn (92% growth)

*From Continuing operations

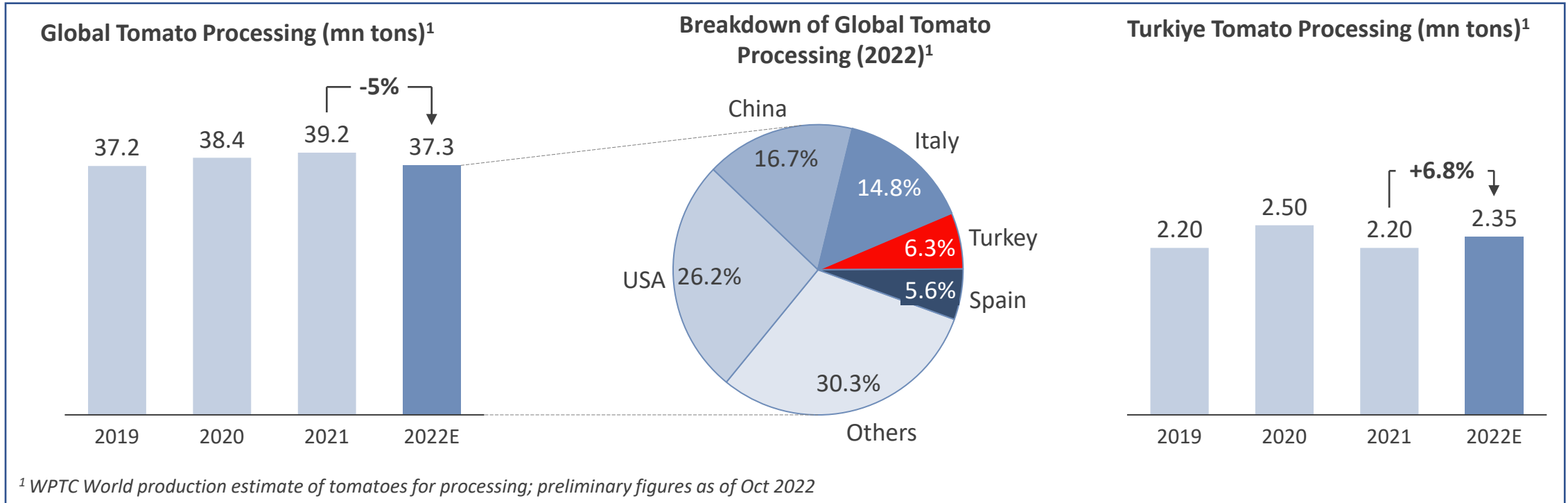
Completed the new season with strong results

- Substantial top-line results driven by strong consumer demand and added capacities from last year, together with balanced local and export mix and marketing efforts.
 - Domestic sales increased by 119% yoy
 - Exports reached US\$37 mn, up by 54% in US\$ terms yoy and constituted 33% of sales vs. 26% in 9M21
- Strong harvesting season with a total tomato processing amount of 543K tons, up by 8% yoy on top of a strong base year; and 498K tons of this amount realized in 9M22 (vs. 479K tons in 9M21).
- Production volumes increased by 11% in 9M2022 and reached 127K tons, higher volumes attained in tomato paste and sauces.
- Growth in EBITDA and Net Earnings continued. Strong sales and operational performance compensate for significant currency headwinds and new season inflationary cost pressure.
 - EBITDA margin was 16% in 9M22, vs. 13% in 9M21.
- Net debt at TL1.4 bn at September-end 2022, vs. TL183 mn in 9M21 -with the contribution of dairy business divestiture in 1Q21.

Turkey moved up to 4th place in Global tomato processing



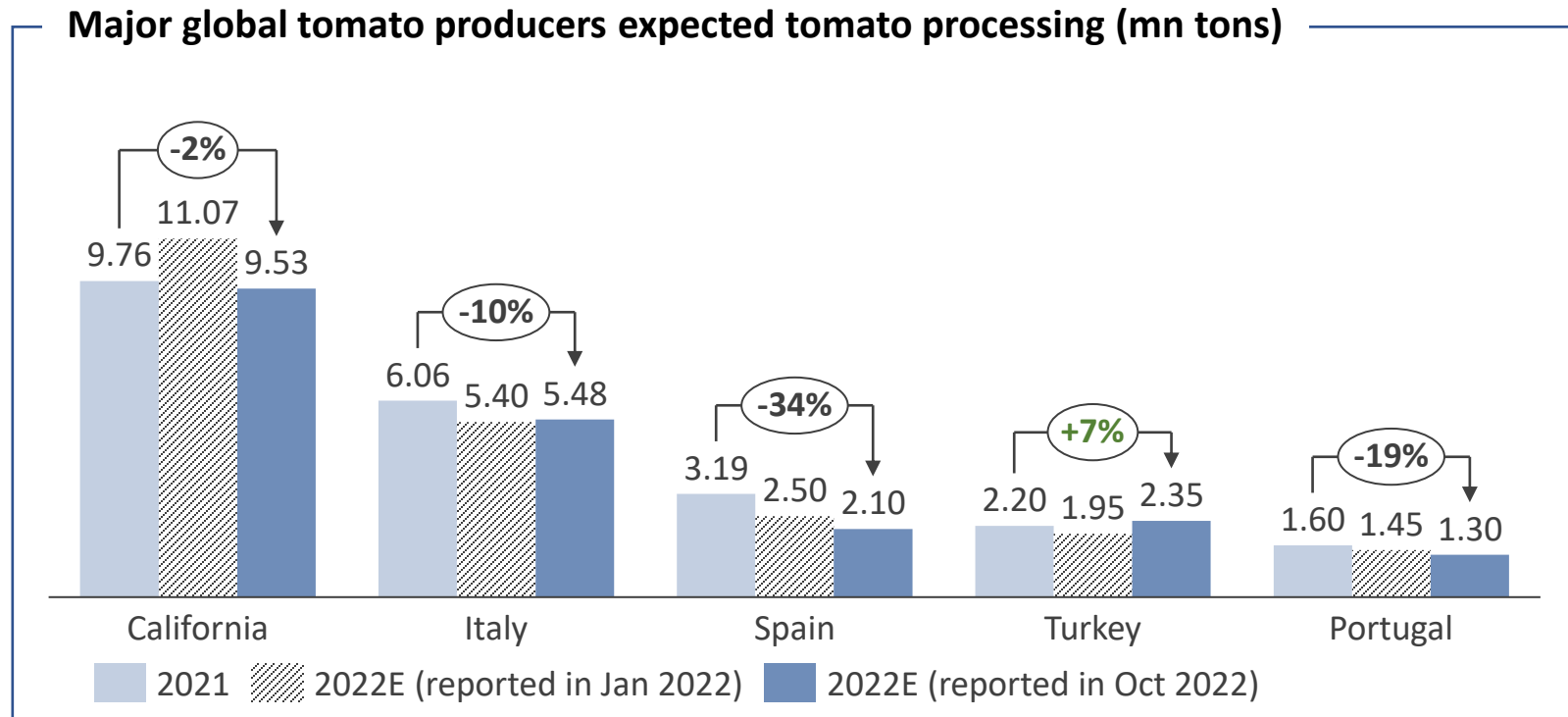
- As the harvest season is reaching its end, the global world tomato production estimate currently stands at 37 million tonnes¹, down by 5% vs. a year ago.
- Turkey, with expected 2.35 mn tons of tomato processing in 2022¹, ranks 4th in the world after USA, China and Italy; and represents 6% of the 37 mn tons of global tomato processing amount.



Global warming and higher costs effects overall tomato production



- Global warming, water scarcity and higher costs of growing tomatoes as farmers are paying more for fuel and fertilizer led to a decline in overall global tomato production to 37 mn tons in 2022.
- California's tomato growers initial target of 11 mn tons of tomatoes in Jan 2022, came down to 9.5 mn tons in October 2022, due to lower-than-average rainfall in three years in a row and reduced water allocations.



- Italy : tomato production was better than the initial forecast, but still lower than 2021 figures due to lower processing yields and high costs.
- Spain is also affected by hot weather in June and July and rains in September.

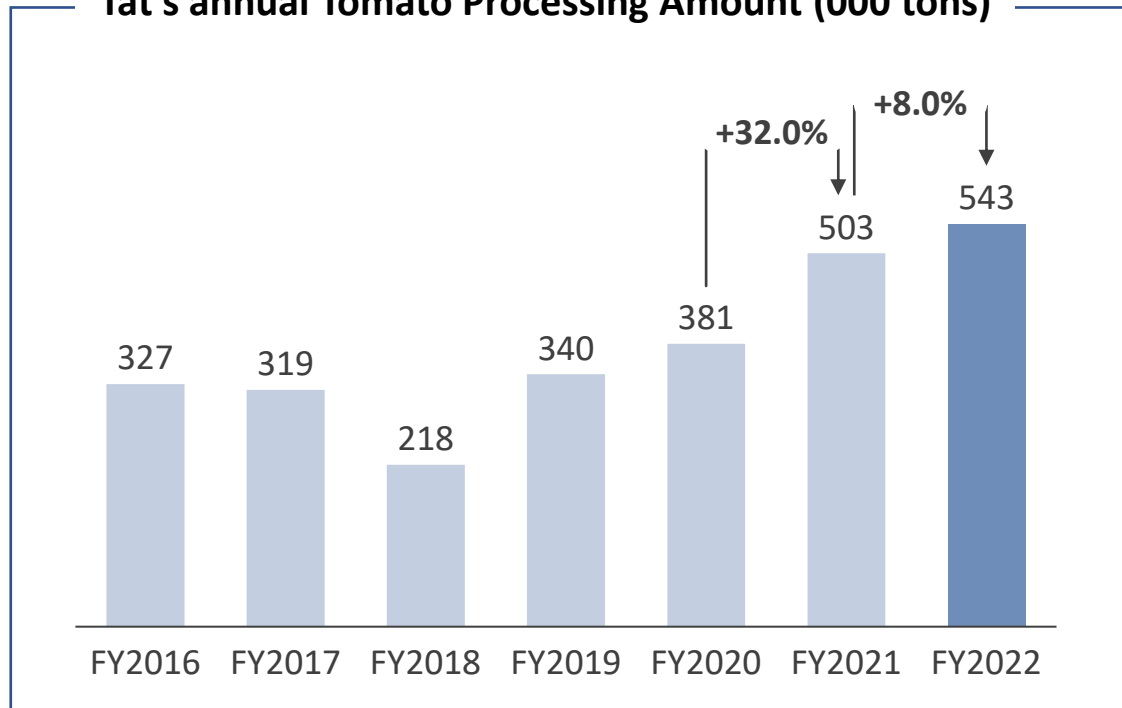
Source: TomatoNews, WPTC World production estimate of tomatoes for processing; preliminary figures as of Oct 2022

Tat had another record year in 2022 harvest season

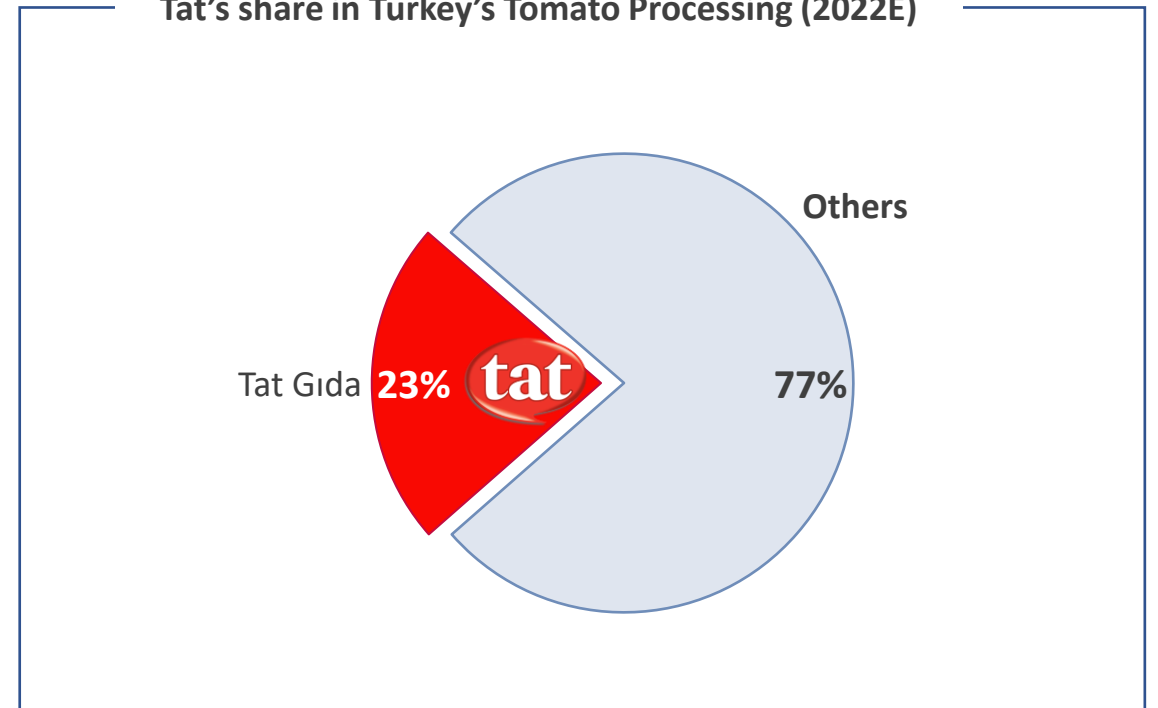


- Tat Gıda, with 543K¹ tons of processed tomatoes in 2022 (+40K tons/+8% yoy), took 23% stake in Turkey's tomato processing industry.

Tat's annual Tomato Processing Amount (000 tons)



Tat's share in Turkey's Tomato Processing (2022E)



¹ Tat's 2022 total processing amount from July till mid-October 2022

New Season elevated costs pressure margins



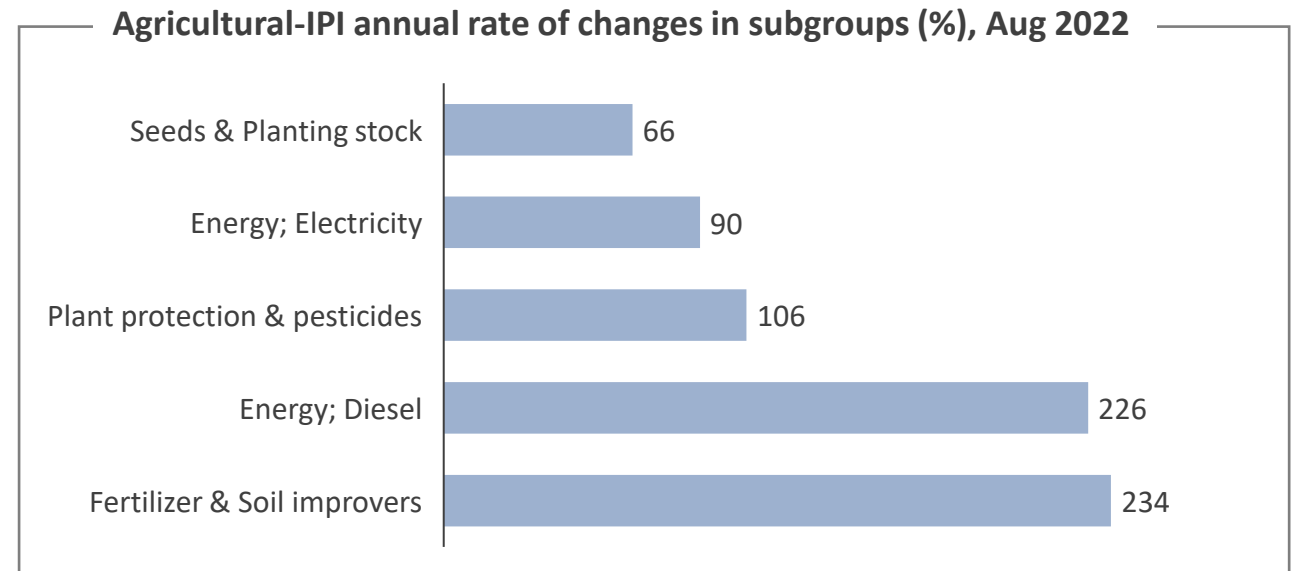
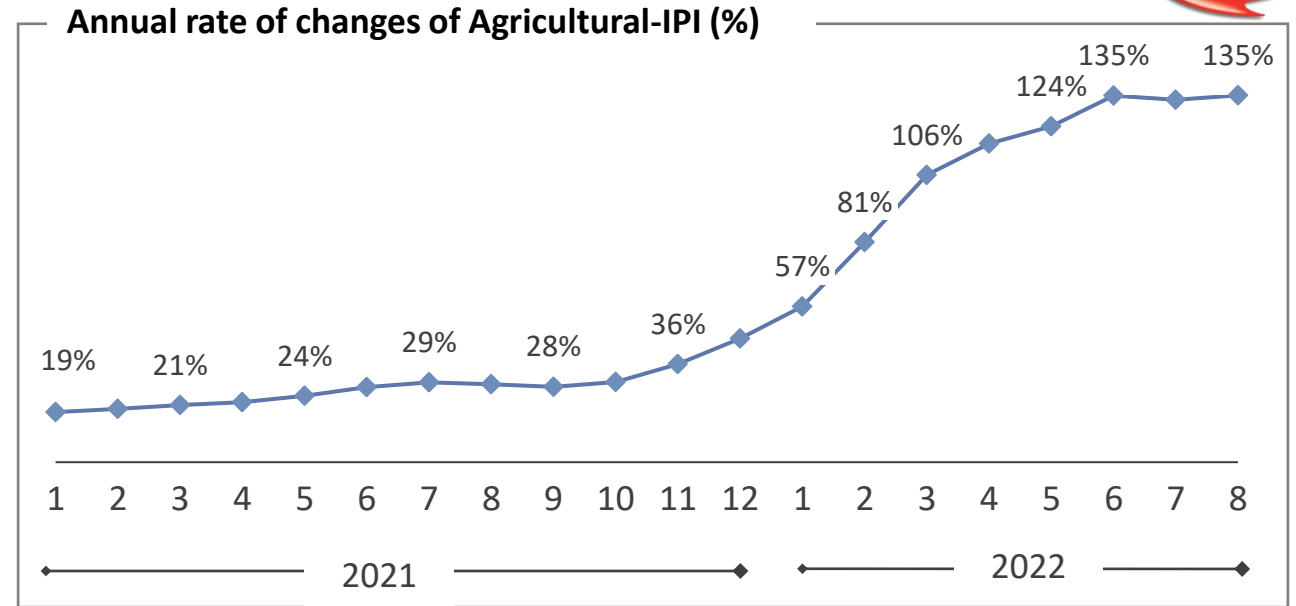
- Turkish Agricultural input price index increased by 135% compared to same month of the previous year and increased by 88% compared to twelve months moving averages, in August 2022. The highest annual increase was 234% in fertilizer and soil improvers subgroup.
- Energy prices soared in 2022: Based on 1H22 avg. vs. 1H21 avg:
 - The average price paid per 1 kWh electricity by industrial consumers increased by 234%; while the average amount paid per 1 m3 natural gas rose by 488%. (July price adjustments are not reflected on this table).

Average Unit Prices for Industrial Consumers*

	1H 2021	2H 2021	1H 2022	Change 1H22 vs. 1H21
Electricity (Kurus/kWh)	65	97	217	234%
Natural Gas (Kurus/m3)	182	338	1071	488%

* Average unit price is the average price paid by industrial consumers including all taxed within the respective six-month period of the year.

Source: TURKSTAT



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9M2022 Financial Results



Balance Sheet – Summary (TL mn)

	Sep 30, 2022	Dec 31, 2021
Current Assets	3.669	1.350
Non-Current Assets	458	288
Total Assets	4.127	1.638
Current Liabilities	3.018	553
Non-Current Liabilities	56	199
Shareholder's Equity	1.054	885
Total Liabilities & Equity	4.127	1.638

Income Statement - Summary (TL mn)*

	9M2022	9M2021
Net Sales	1.768	735
EBITDA	281	97
Net Income from Other operations	41	16
Net Inc. (Exp) from Investment act.	3	2
Net Financial Inc. (Exp)	-58	6
Profit Before Tax	240	111
Net Profit from Ongoing operations	228	119

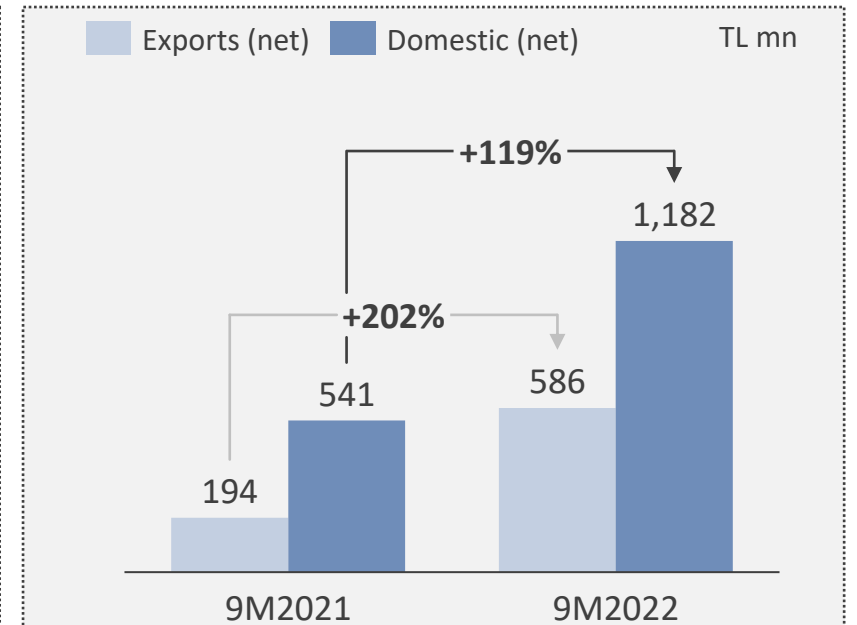
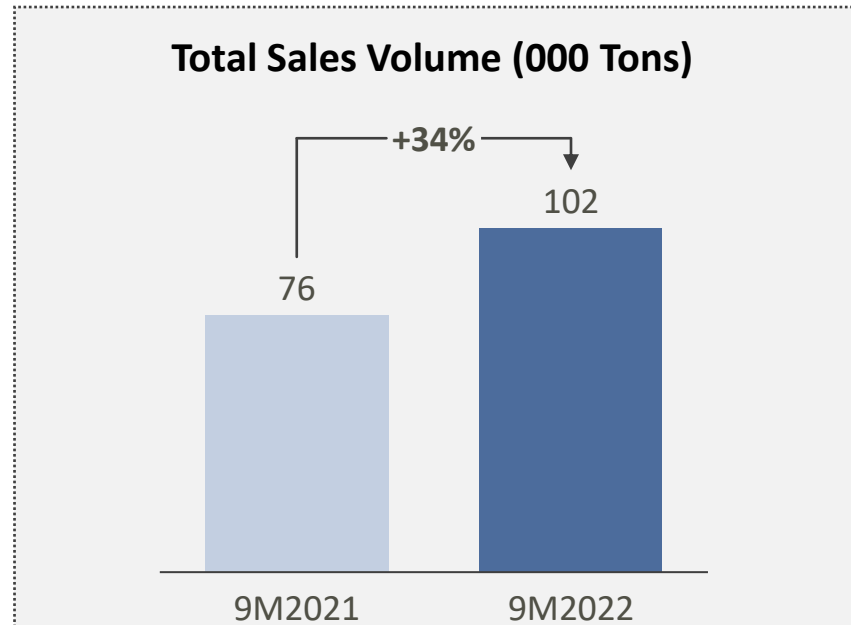
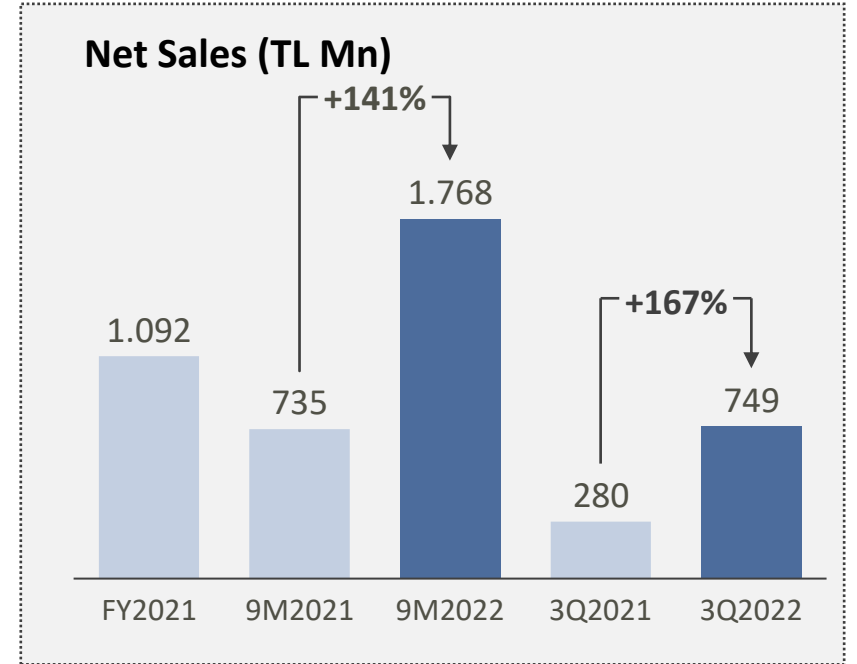
* Ongoing operations



Revenues reached
TL1.8bn, up by
141% yoy

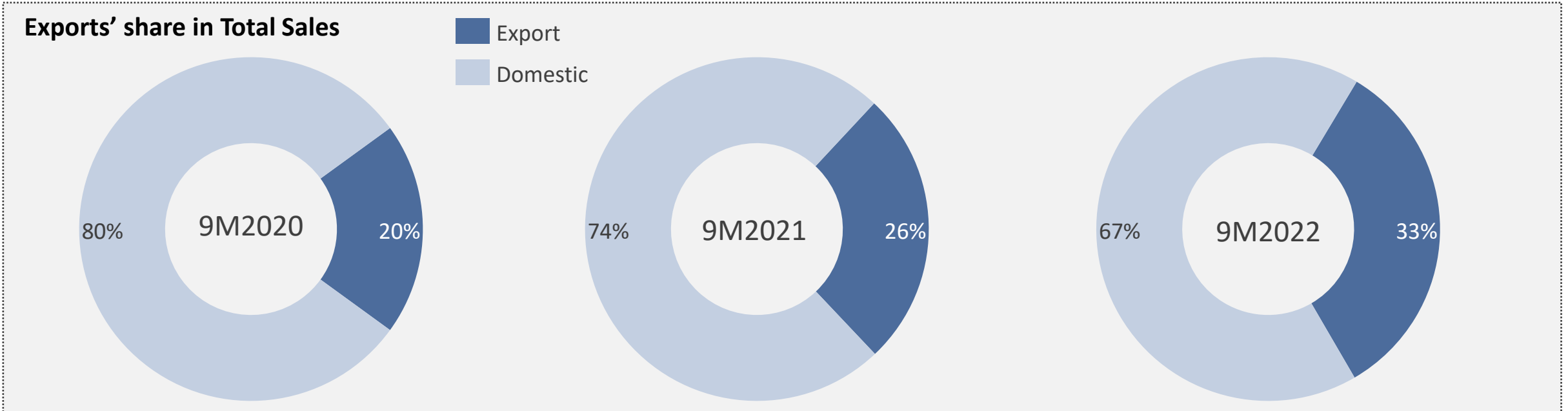
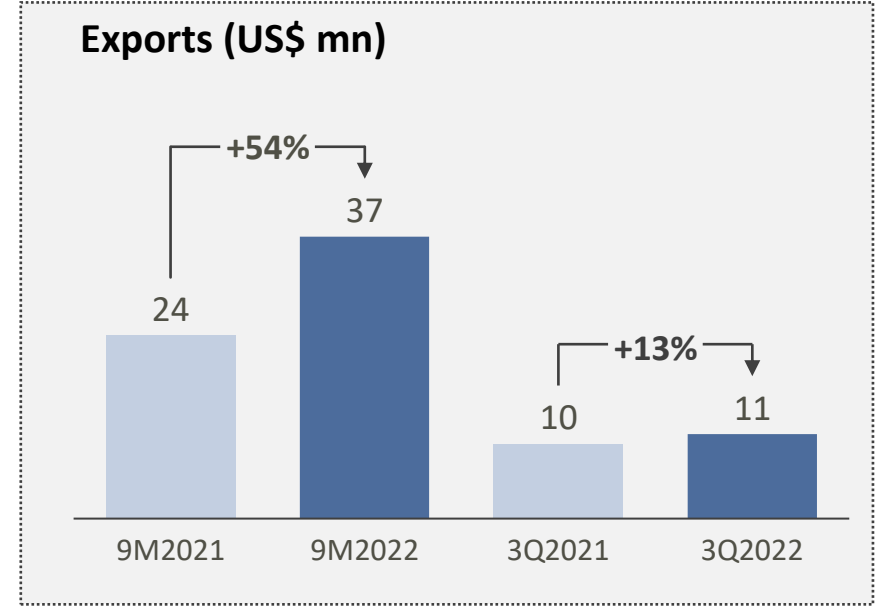
vs. TL735 mn in 9M2021 &
TL1.1 bn in FY2021

- Thanks to finalized capex investments in 3Q21, and strong overall sales performance, total sales volume in 9M22 increased by 34% yoy to 102K tons.
- Net sales reached TL1.768 mn; up by 141% yoy, due to higher volumes and price adjustments.
- Domestic sales increased by 119% in 9M22, yoy; while exports surged by 202%.



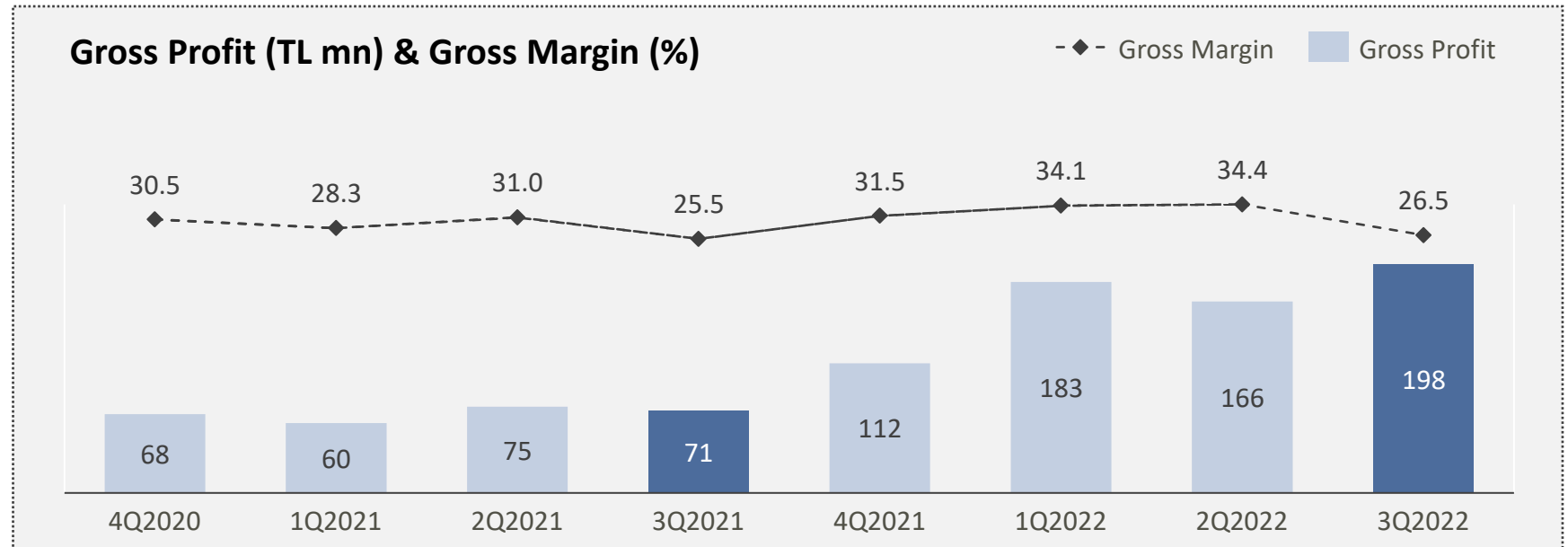
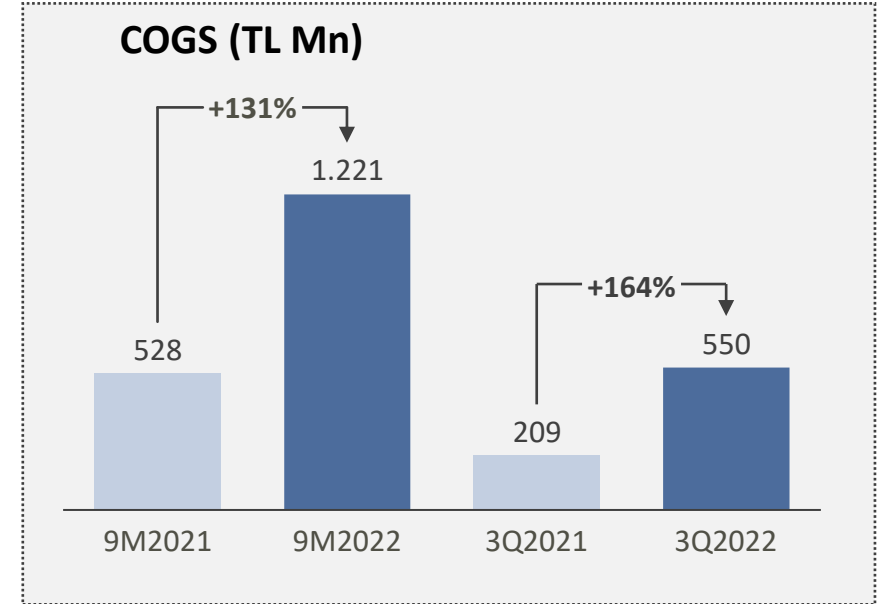
Export strategy support growth

- Total exports in 9M22 reached TL586 mn (US\$37 mn), displaying 202% growth yoy in TL terms and 54% in US\$ terms.
- Exports share in total sales was 33% in 9M2022 vs. 26% in 9M21.



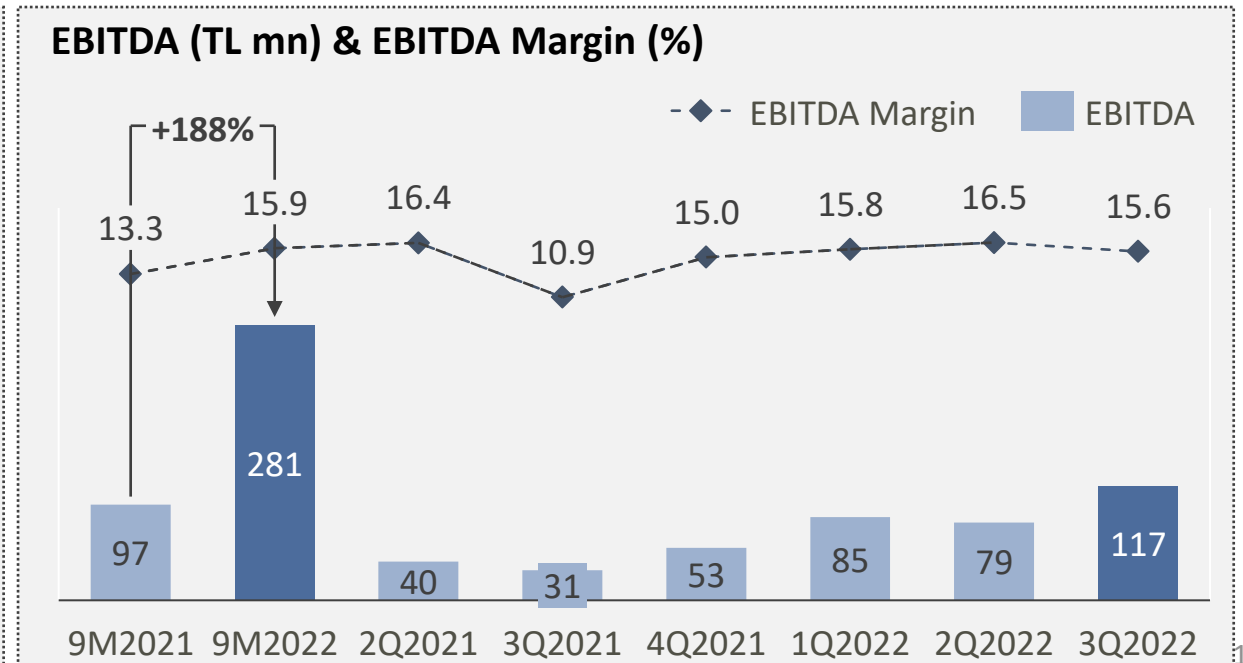
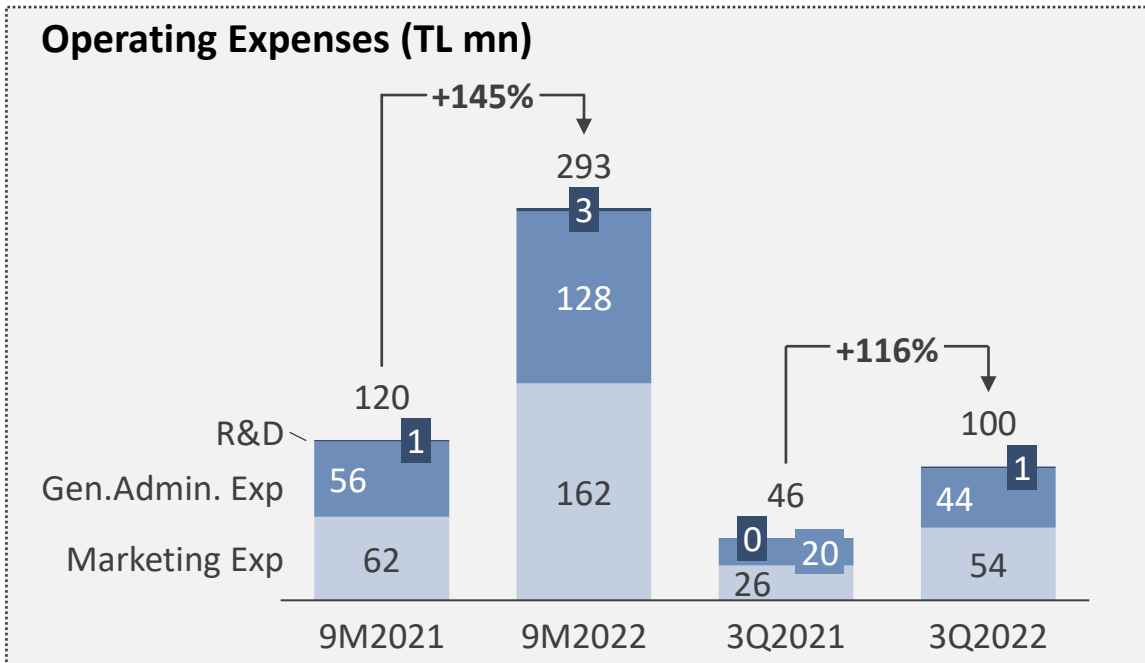
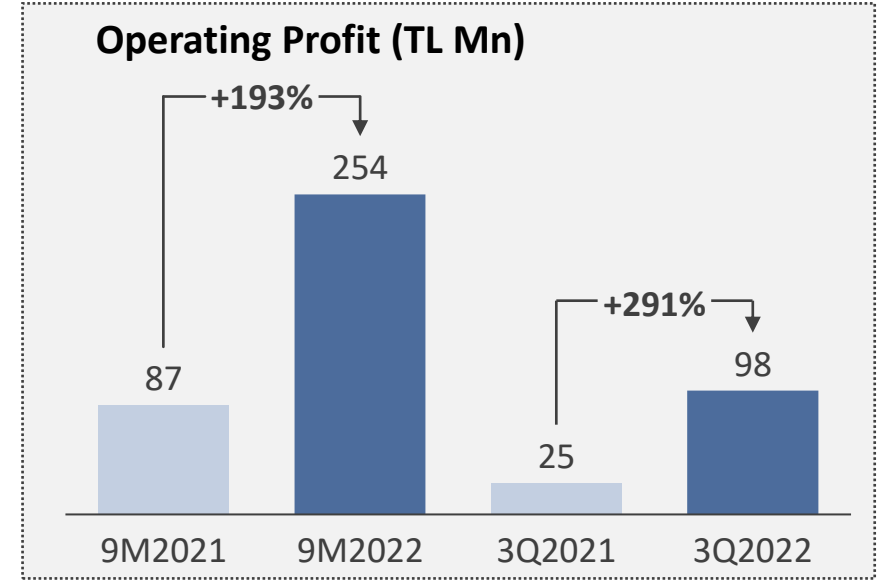
Gross profit up by 177% in 3Q22 yoy

- Due to seasonality, higher COGS due to elevated new season prices, combined with weak TL led to a pressure on margins in third quarter results.
- Thanks to favorable sales mix and prices; gross profit increased by 177% yoy to TL198 mn in 3Q22 and by 165% to TL547 mn in 9M22; while gross margin came in at 26.5% in 3Q22, vs. 25,5% in 3Q21.



EBITDA reached TL281 mn, up by 188%

- Despite elevated operating expenses, operating profit was up by 193% in 9M22, yoy to TL254 mn.
- EBITDA at TL281 mn in 9M22, displayed a yoy increase of 188%; while EBITDA margin was 15.6% in 3Q22, and 15.9% 9M22.



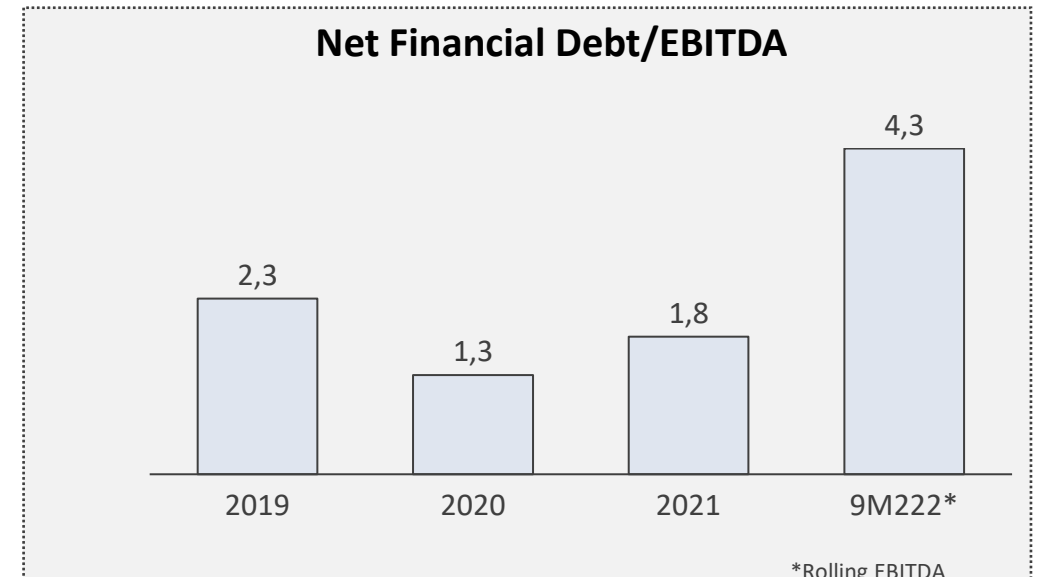
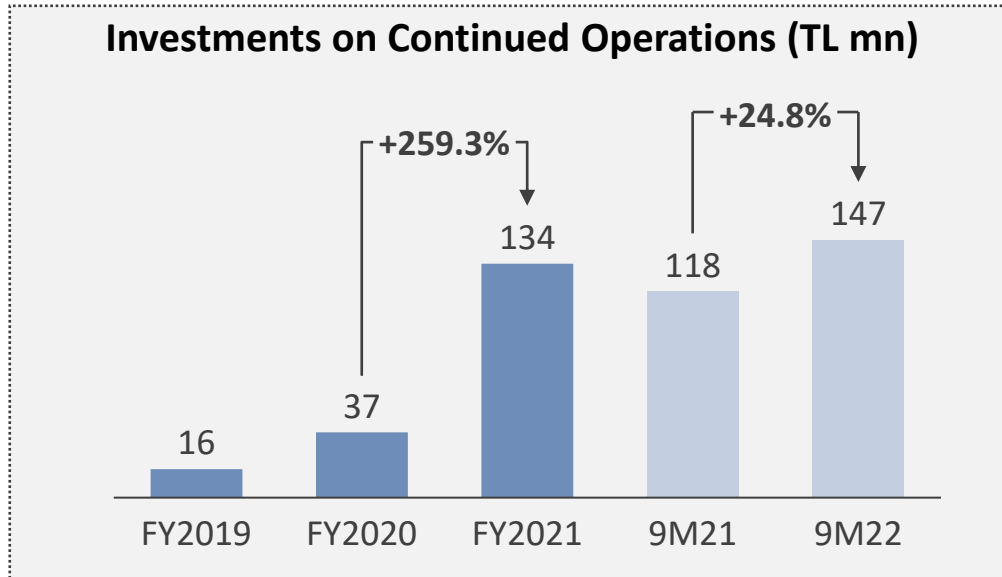
Net Financial debt at TL1.4 bn

- Due to seasonality, Net Financial Debt increases in 3Q mainly as a result of elevated harvesting season costs. Net Financial Debt reached TL1.4 bn at Sept 2022-end.
- Cash outflow of TL56* mn via total dividend distribution in March 2022; and investments of TL147 mn in 9M22.

TL mn	1H2021	FY2021	9M2022
Cash and cash equivalents	275	106	85
ST Financial Debt	182	240	1,510
LT Financial Debt	0	160	0
Net Financial Debt (Cash)	-93	293	1,425

**Leasing liabilities not included*

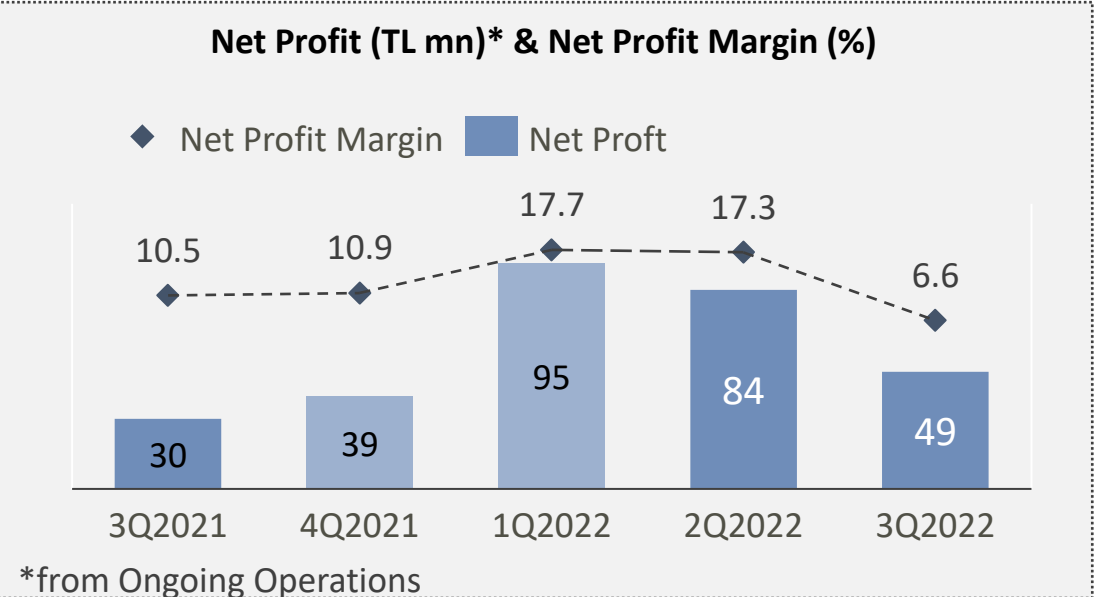
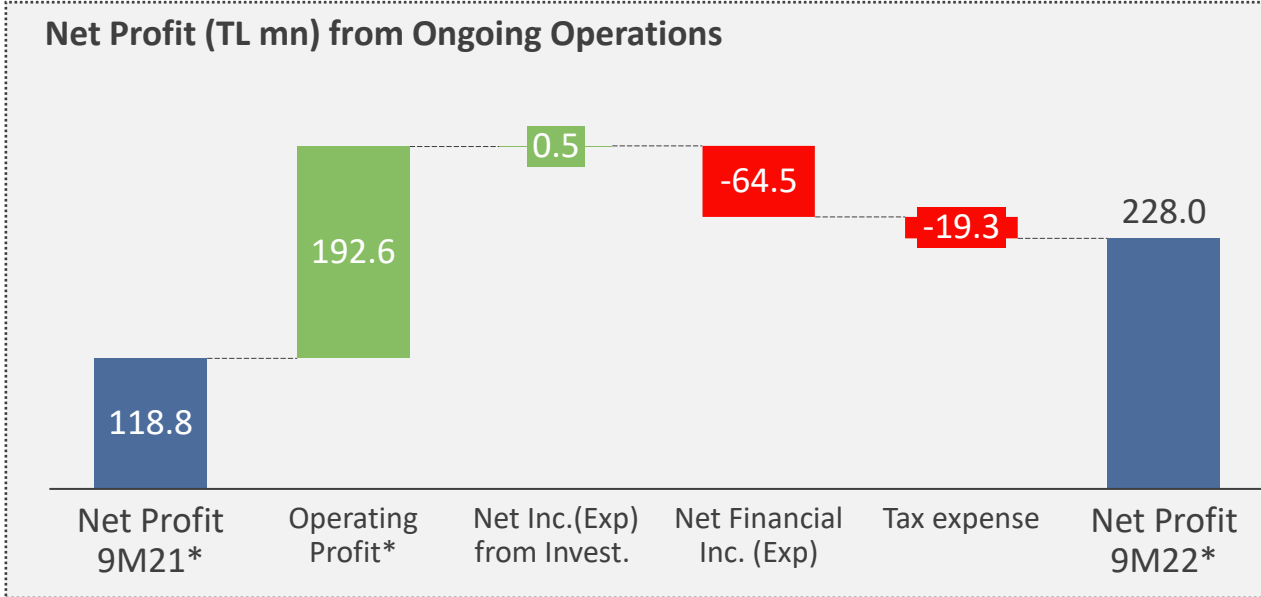
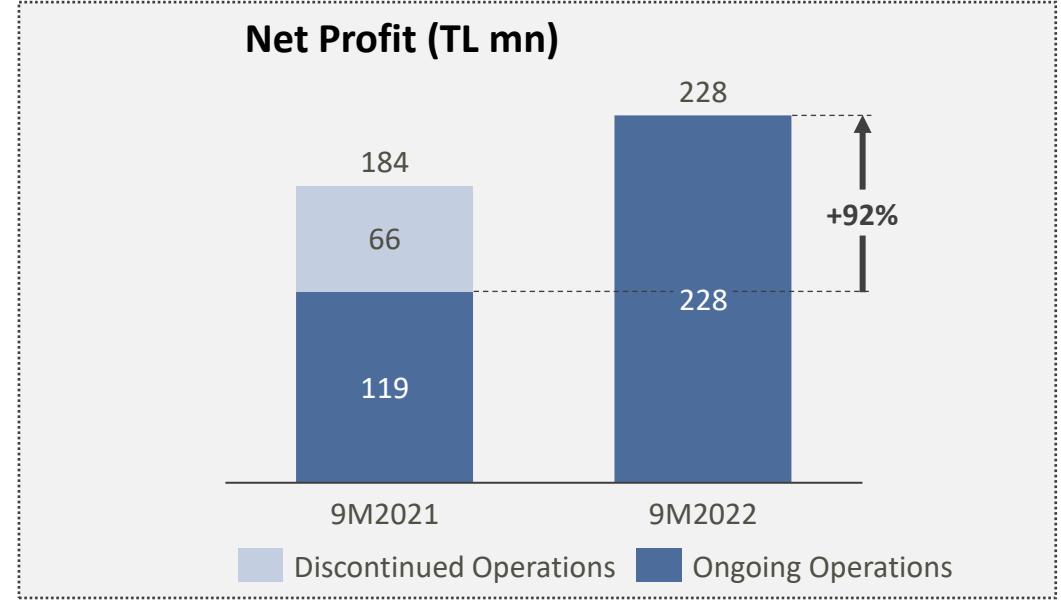
** TL 45.6 mn cash dividend to shareholders and rest as Dividend to Owners of Redeemed Shares*



**Rolling EBITDA*

Net Profit from ongoing operations almost doubled

- Net Profit from ongoing operations reached TL228 mn in 9M22, almost doubled the 9M21 level of TL119 mn, thanks to strong operational performance.



- **Finalized the new harvesting season with higher production figures** –produced 11% more volume. This new season production will be sold until the next harvesting season.
- **Expect to overcome challenging production costs in coming quarters** with price adjustments that will have positive impact thanks to strong market position in almost all categories.
- **Net debt to come down manageable levels in 1H2023.** Net debt increases in third quarter as a result of seasonality as production takes place mainly in this quarter and coupled with higher new season costs. Growing sales and cash inflow in the coming quarters will have a positive impact on debt levels.
- **Continue to focus on Sustainable profit growth** via efficient product mix and sales channels, operational efficiencies, strengthen leadership in domestic market, and sustainable agriculture.

Income Statement - Summary (TL mn)	FY2021	Δ YoY	9M2021	9M2022	Δ YoY	3Q2021	3Q2022	Δ YoY
Net Sales	1.092	36%	735	1.768	141%	280	749	167%
Cost of Sales (-)	773	41%	528	1221	131%	209	550	164%
Gross Profit	319	26%	207	547	165%	71	198	177%
Operating Expenses (-)	188	40%	120	293	145%	46	100	116%
Operating Profit	131	9%	87	254	193%	25	98	291%
EBITDA	151	13%	97	281	188%	31	117	281%
Net Income(Exp) from Other Operating Act.	7	250%	16	41	160%	5	1	-70%
Net Income(Exp) from Investing Act.	2	54%	2	3	20%	0,3	0,4	9%
Net Financial Income (Exp)	14	n.m.	6	-58	n.m.	-4	-43	1065%
Profit before Tax from continuing operations	154	60%	111	240	115%	26	57	118%
Tax expense	3	n.m.	7	-12	n.m.	3	-8	n.m.
Profit for the period from continuing operations	158	121%	119	228	92%	30	49	67%
Profit / (loss) for the period from discontinued op	66	-32%	66	0	n.m.	0	0	n.m.
Profit for the period	223	33%	184	228	24%	30	49	67%
Gross Margin	29%		28%	31%		26%	26%	
Operating Margin	12%		12%	14%		9%	13%	
EBITDA Margin	14%		13%	16%		11%	16%	
Net Profit Margin (Continuing Operations)	14%		16%	13%		11%	7%	

Balance Sheet -Summary (TL mn)	FY2020	FY2021	1Q2022	1H2022	9M2022
Current Assets	1.173	1.350	1.388	1.788	3.669
Cash	121	106	252	301	85
Trade receivables	446	474	467	597	748
Inventories	361	628	474	596	2.456
Non-current Assets	136	288	297	369	458
Total Assets	1.309	1.638	1.685	2.157	4.127
Current Liabilities	411	553	630	1.067	3.018
Short-term financial borrowings	42	92	181	195	1.141
Short-term portion of long-term borrowings	73	147	113	301	369
Trade payables	213	258	249	505	1.393
Non-current Liabilities	193	199	131	86	56
Long-term financial borrowings	175	160	90	40	0
Shareholder's Equity	705	885	924	1.004	1.054
Total Liabilities	1.309	1.638	1.685	2.157	4.127
Net Financial Debt (TL mn)	170	293	132	236	1425

Ratios	FY2020	FY2021	1Q2022	1H2022	9M2022
Current Ratio	2,9	2,4	2,2	1,7	1,2
Liquidity Ratio	2,0	1,3	1,5	1,1	0,4
Net Financial Debt/Equity	0,2	0,3	0,1	0,2	1,4
Working Capital (TL Mn)	594	844	693	689	1.811

This presentation does contain information and analysis on financial statements that reflect the Company management's current views. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

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Thank you

For further questions please contact:

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