



TAT GIDA

INVESTOR PRESENTATION & FY2021 FINANCIAL RESULTS REVIEW



- TAT Gıda at a Glance
- FY2021 Financial Results Review
- Going into 2022 and onwards
- Appendix

TAT GIDA AT A GLANCE

- In the last two years, Tat has reshaped its portfolio and increased its investments in its core area and “Tat” brand.

Reshaped Portfolio for Growth

- Sale of PASTAVILLA brand (pasta operations) - worth TL8 mn – Oct 2019
- Sale of Pastavilla land (worth TL85.5 mn) –Nov 2020
- Sale of SEK (dairy milk & milk products); transaction value TL240 mn, and net cash inflow of TL182 mn – Mar 2021



- Generated cash inflow for capex
- Better resource allocation
- Plant-based focus
- Higher margins

Revitalized core operation

- With a total investments worth €13 mn in FY21, €10 mn was spent on capex to increase tomato products and pickles capacity (completed in 3Q21)
- Focus on new categories for ready-to eat segment



- Higher volumes
- In house production of pickles
- Entry to new markets

Enhanced capabilities

- Accelerated digital farming
- Growth in export markets
- Focus on sustainability



- Sustainable agriculture
- Efficient production
- Balanced sales

STRONG GROWTH AND SUSTAINABLE MARGINS



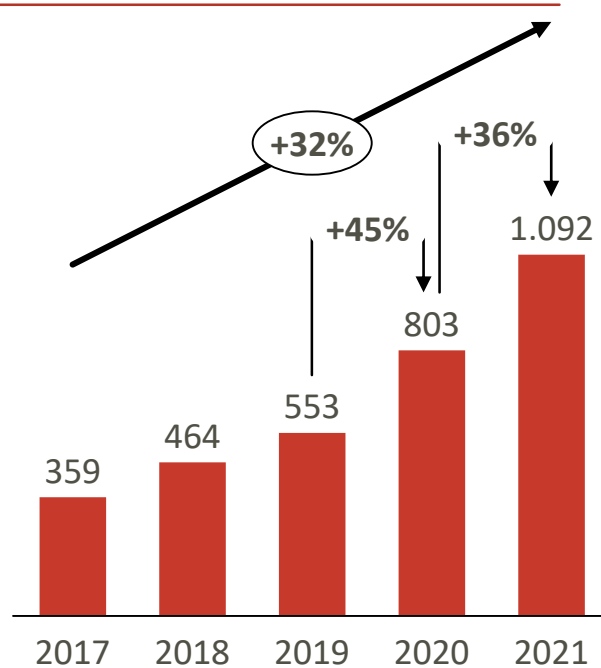
**2017-2021
performance***

**Net Sales
32.1% CAGR**

**Gross Margin
29.8% (avg)**

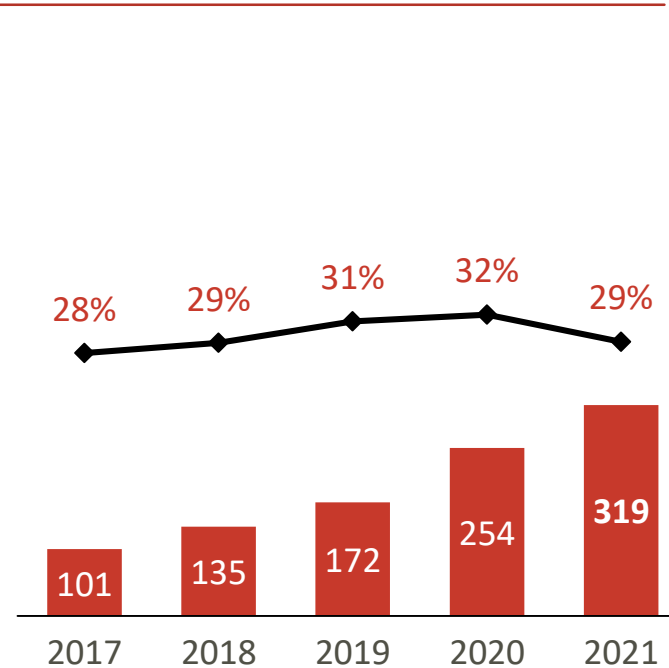
**EBITDA
44.0% CAGR**

Net Sales (TL mn)*

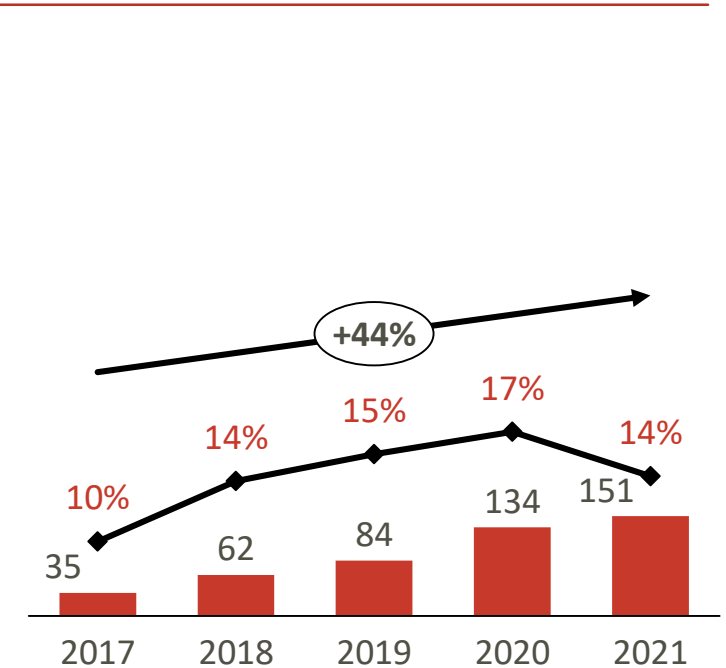


*continued operations

Gross Profit (TL mn) & Gross Margin (%)*

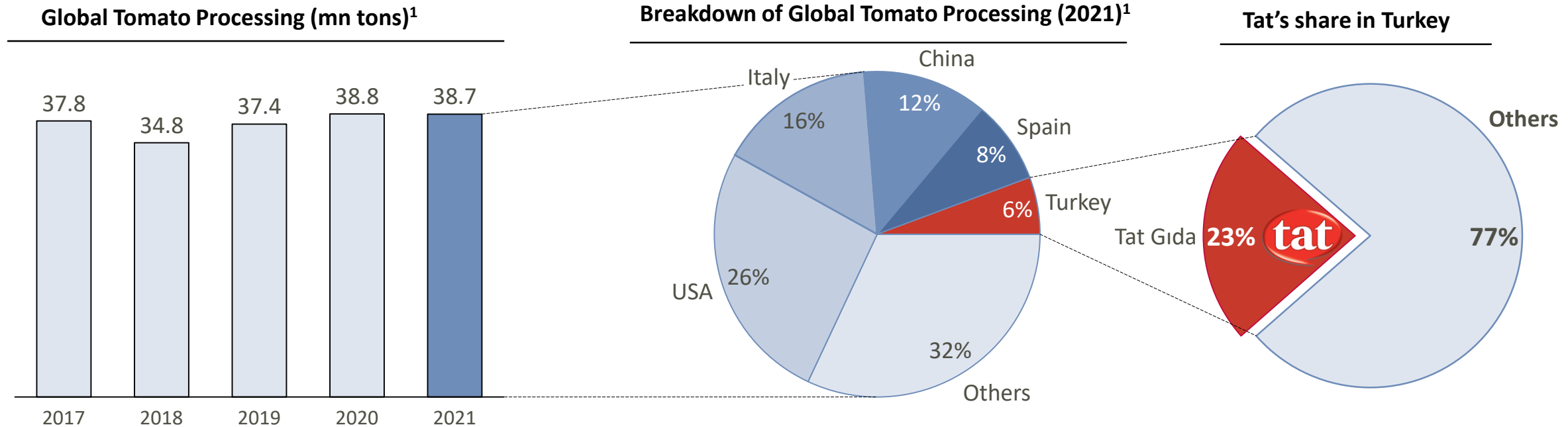


EBITDA (TL mn) & EBITDA Margin (%)*



TAT IN NUMBERS

- Two-thirds of the total global tomato processing amount takes place in top 5 countries, including Turkey.
- Turkey, with 2.2 million tons of tomato processing in 2021¹, ranks 5th after the USA, China, Italy and Spain; and represents 6% of the 39 mn tons of global tomato processing amount.
- **Tat Gıda, with 503K tons of processed tomatoes in 2021, took 23% stake in Turkey's tomato processing industry** (vs. 15% in 2020).

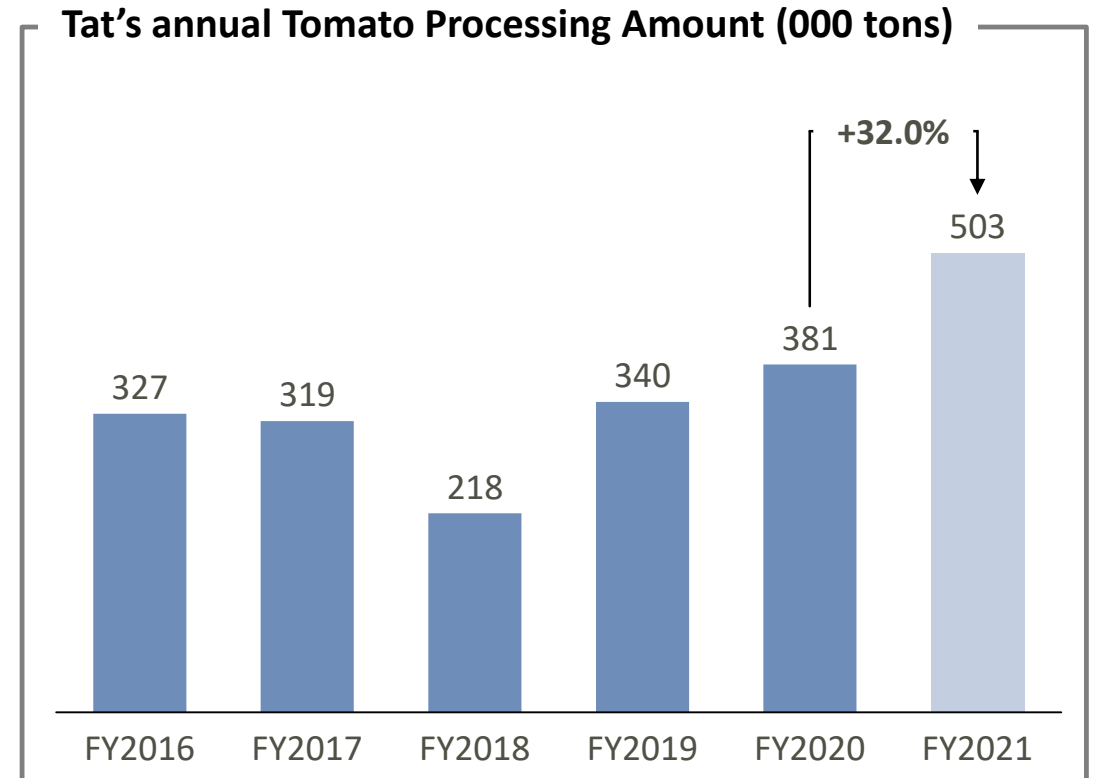
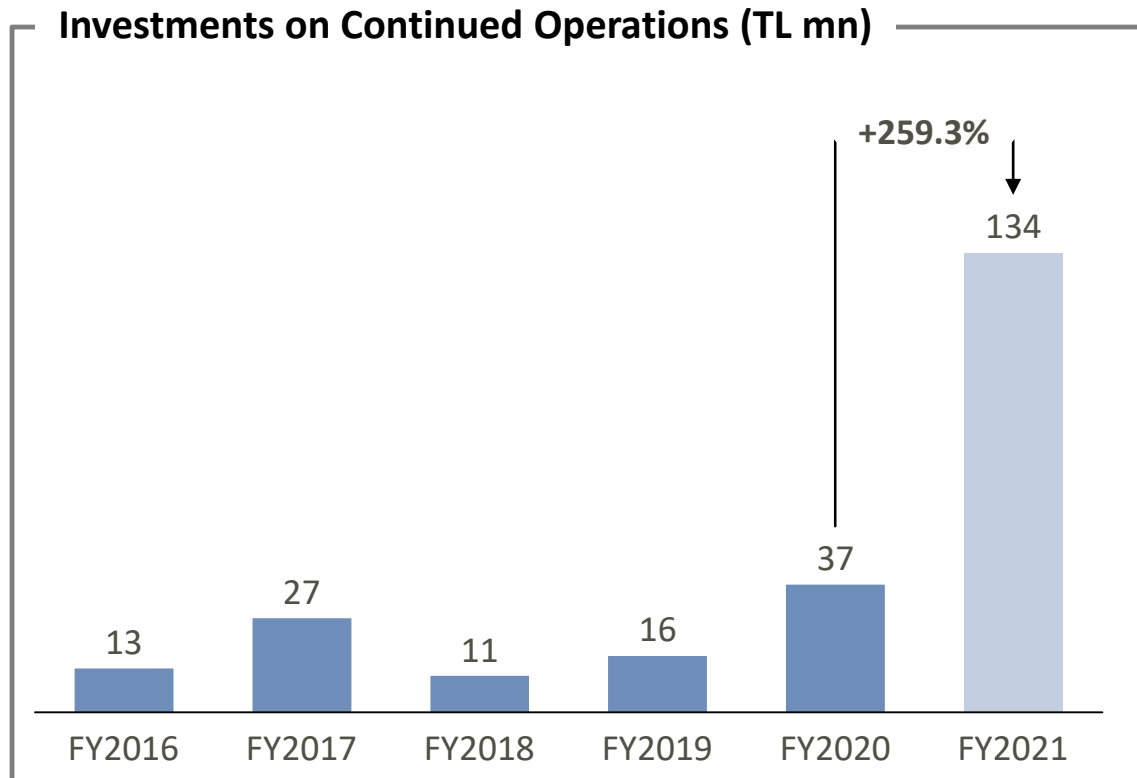


¹ WPTC World production estimate of tomatoes for processing; preliminary figures as of Oct 2021

INVESTMENTS IN 2021: REVITALIZATION OF CORE OPERATIONS



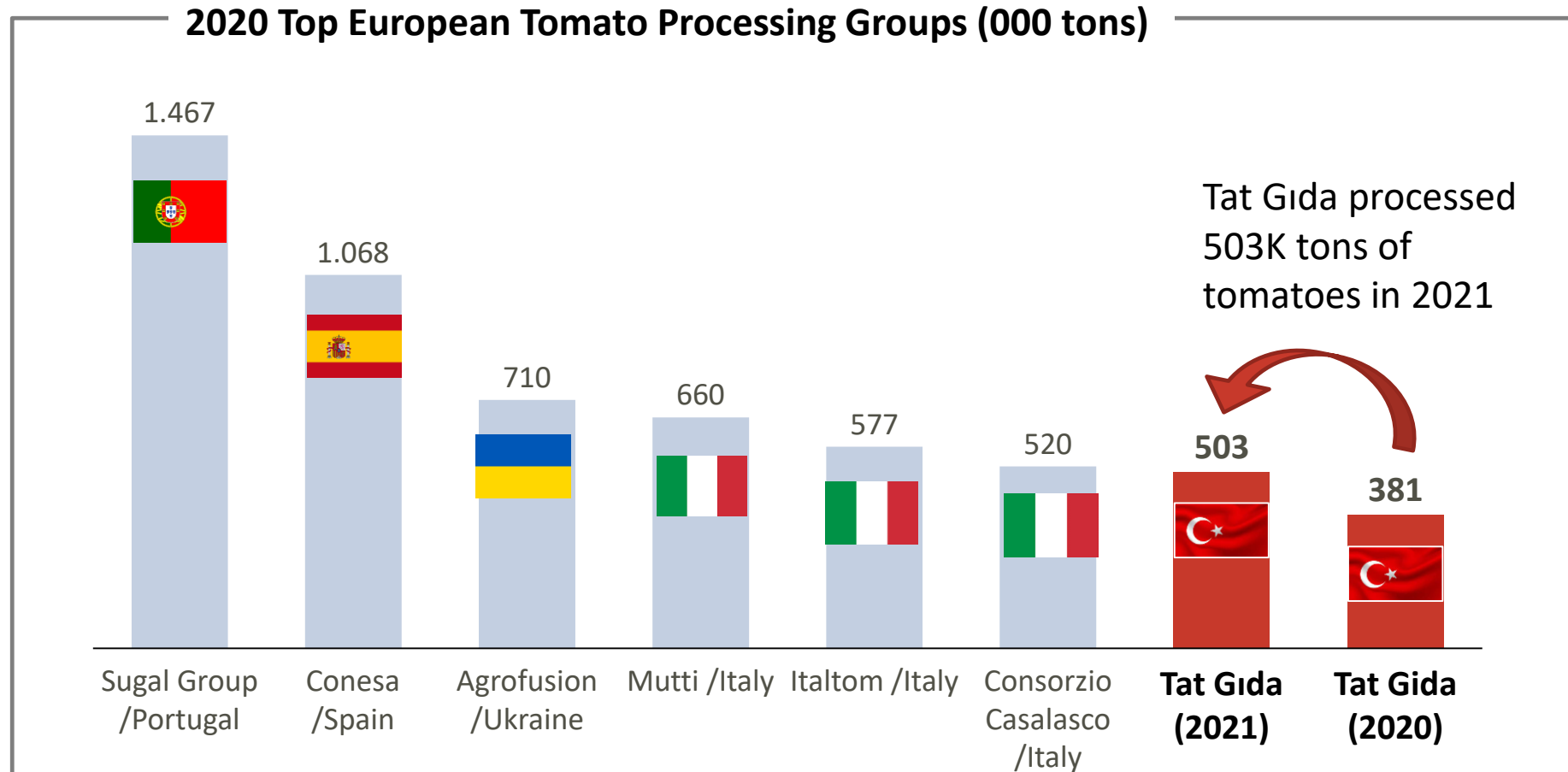
- Investment expenditures reached TL134 mn (€13 mn) as of FY2021 vs. TL37 mn in FY2020.
- Tat has finalized capacity expansion investments in 3Q2021 worth €10 mn.
 - Pickle capacity increased from 5K tons to 22K tons at Mustafakemalpaşa plant.
 - With new tomato paste line at Karacabey plant; total tomato paste capacity of Tat increased from 71K tons to 85 tons.



TAT RANKS #7 AMONG EUROPEAN TOMATO PROCESSING GROUPS



- With added capacity; Tat Gıda processed a record high of 503K tons tomatoes in 2021 harvesting season (July-Oct) bringing Tat close to top European producers.
- With its daily tomato processing capacity, Tat ranks #10 among global producers.



Source: TomatoNews

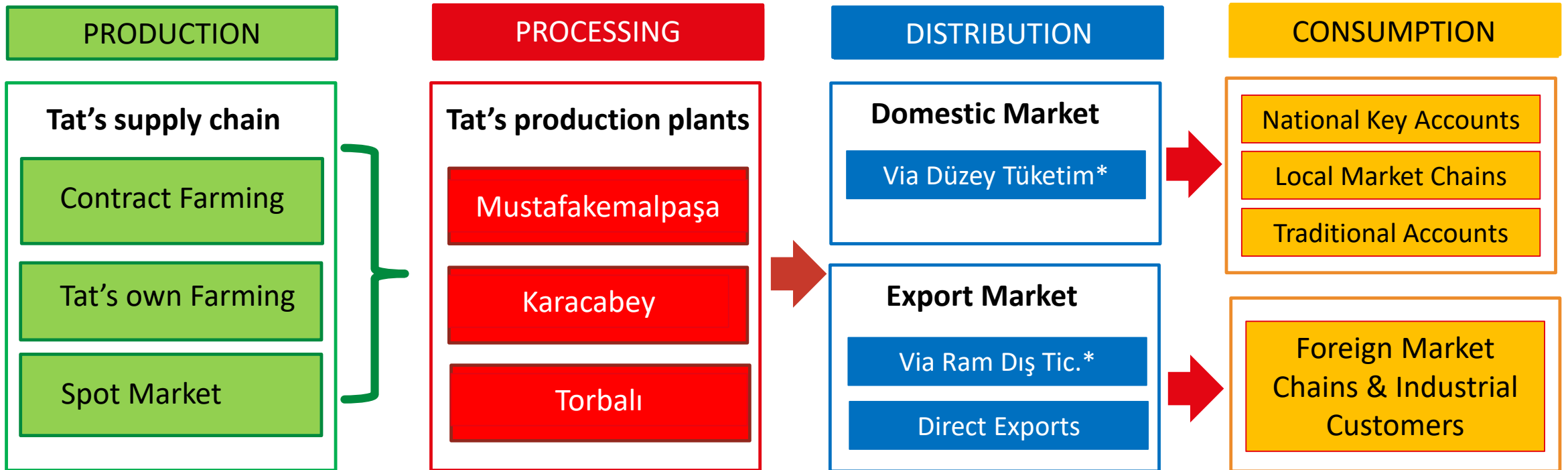
All local sales are distributed via Düzey Tüketim; a Koç Group sales & distribution company, specialized on FMCG in Turkey. Düzey also distributes world brands such as Ferrero and Pringles to over 70K outlets.

Tat is the only company in its sector that does own farming, which is around 5% of its total processed amount in FY21.

Tat processed 503K tons tomatoes (+32% y/y) & produced 132K tons (+25% y/y) of products in FY21.

Tat's exports reached 31% of its sales in FY21, vs. 26% in FY20.

Tat is the market leader almost all its categories in Turkey.

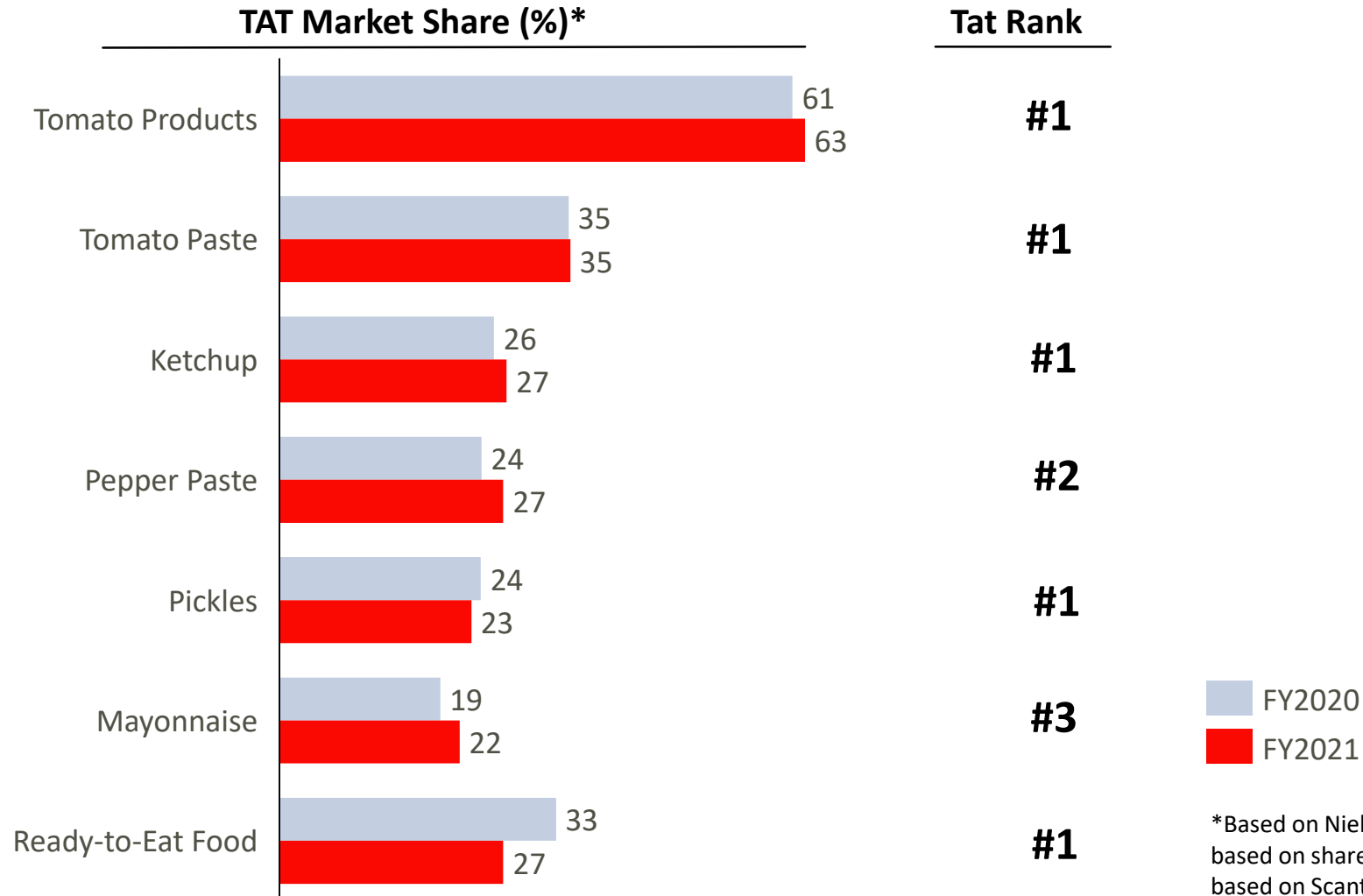


* Koc Group Companies

MARKET LEADER IN TURKEY AND STRONG BRAND IMAGE



- Tat ranks # 1 in Turkish market* in tomato products, tomato paste, ketchup, pickles, and ready-to-eat food while among the top 3 in most of its main production lines.
- Its market share in Tomato Products category at 63% is the highest ever.

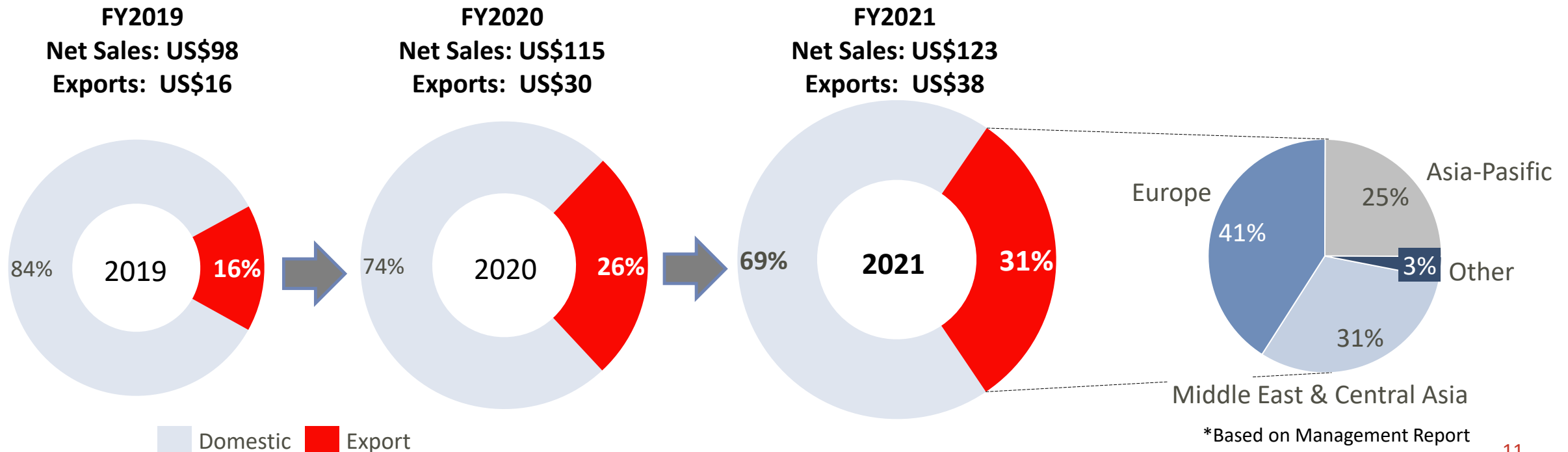
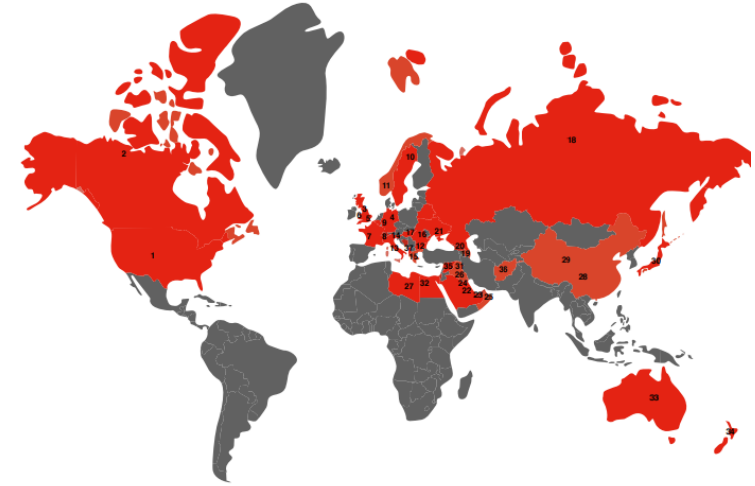


*Based on Nielsen FY2021 Report - excluding Hard Discounters and based on share of sales (TL)- (Pickles & Ready-to-Eat Food category based on Scantrack data)

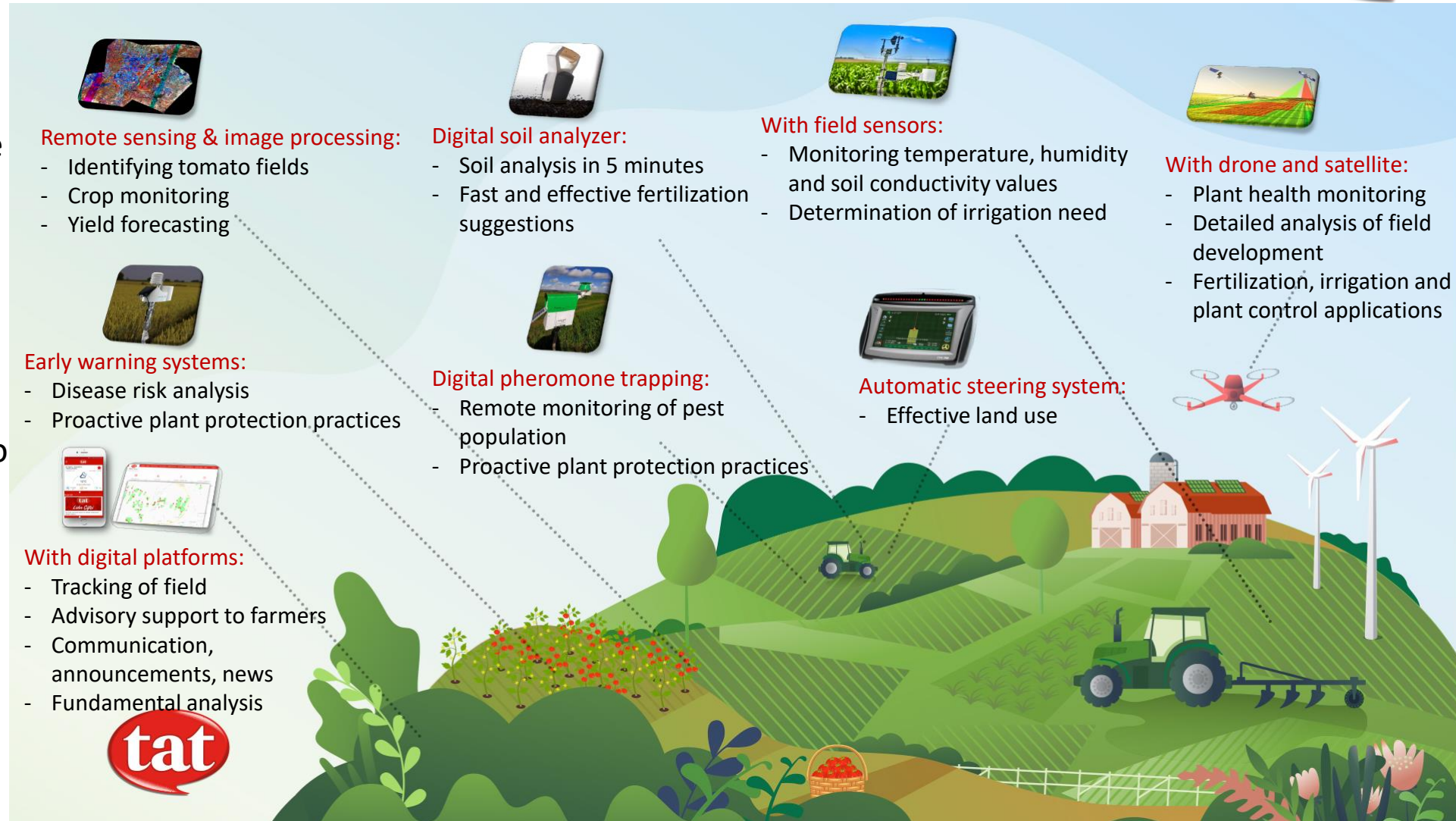
TAT'S EXPORTS ON A GROWING TREND



- Tat Gıda had a lucrative export year 2020 and in 2021, delivering goods to consumers in 35+ countries.
- Tat's share of exports in its total sales expected to increase in 2022, driven by brand investments and added capacity.



- With a shift to digital agriculture, Tat raised tomato field yield to around 11 tons/decare with its own digital agricultural practices on an area of 2,500 decares in 2021; compared to an average yield of 7-8 tons in Turkey, and also similar to benchmark values.
- Tat Gıda follows and applies the latest technologies by using smart systems in drip irrigation, which leads to water savings of c.25%.



FINANCIAL RESULTS

FY2021 HIGHLIGHTS

FY2021 Highlights

Net Sales*

TL 1,092 mn
(36% yoy growth)

Exports Share*

31% of total sales
(vs. 26% in FY2020)

EBIT

TL 131 mn (9% yoy growth)

EBITDA*

TL 151 mn (13% yoy growth)

Net Profit: TL223 mn

Net Profit : TL158 mn*

*Net Profit** : TL66 mn*

*From Continuing operations

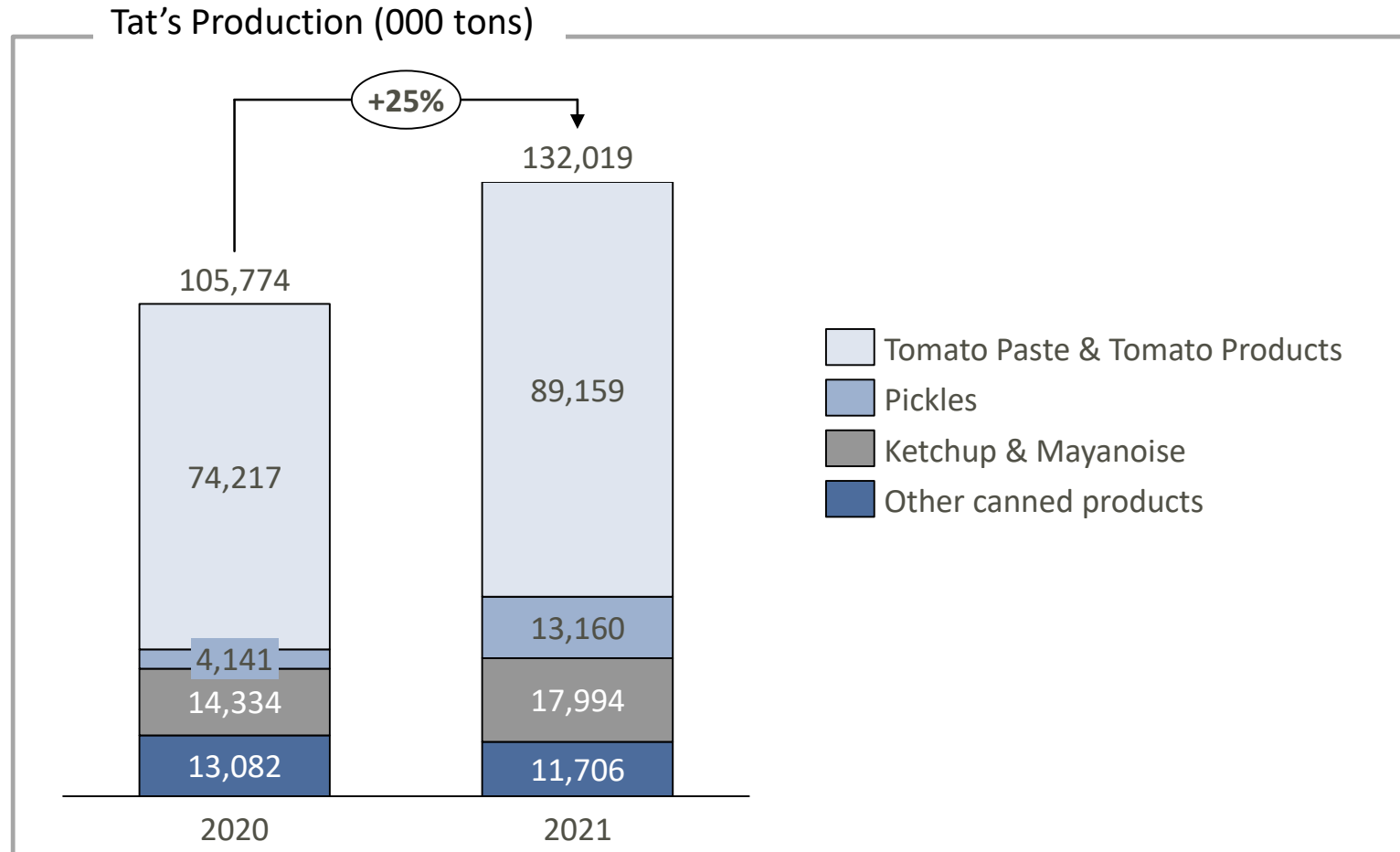
**From Discontinued operations

- Finalized disposal of non-core business (SEK) in 1Q21 and focus further on continuing operations.
- Top-line growth was 36% yoy in FY21 and an impressive 60% yoy in 4Q21.
- Total investments in FY21 reached €13 mn, while €10 mn of this amount was capex investments. This led to a strong harvesting season with a tomato processing amount of 503K tons, up by 32% yoy.
- Production volumes increased by 25% in FY2021 and reached 132K tons, higher volumes attained in tomato products, tomato paste and pickle production.
- Able to offset the negative impact of challenging market environment due to elevated new season costs, increased tomato purchases and TL's depreciation; Gross profit increased by 26% yoy in FY21 and 65% in 4Q21; while gross margin came in at 29.2% in FY21, and 31.5% in 4Q21.
- EBITDA came in at TL151 mn in FY21, up by 13%, yoy. In 4Q21, EBITDA increased by 97% and reached TL53 mn.
- Net Profit from continued operations was TL158 mn vs. TL71 mn in FY2020, owing to higher operational performance, fx gains and lower tax expense.

TAT PROCESSED 503K TONS TOMATOES IN FY2021, vs. 381K TONS IN FY2020



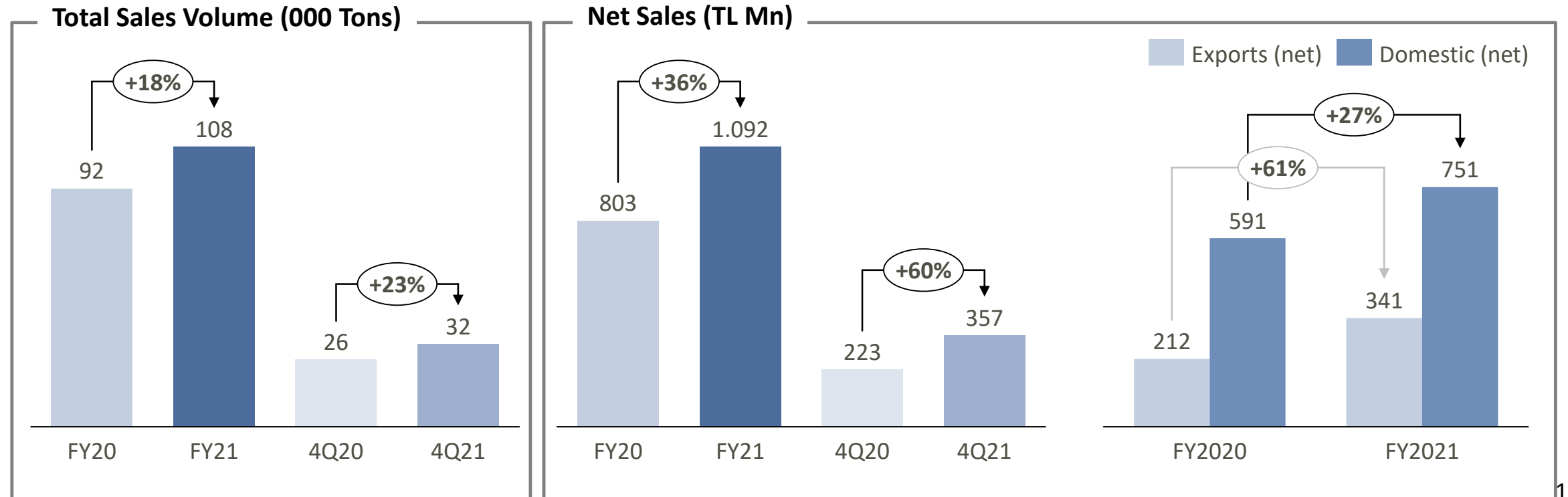
- With higher capacity, Tat Gıda processed 503K tons tomatoes in FY2021, a 32% increase yoy.
- Total production volume reached 132K tons, displaying a yoy growth of 25%. Production growth is coming mainly from newly invested capacities.



NET SALES INCREASED BY 60% IN 4Q21



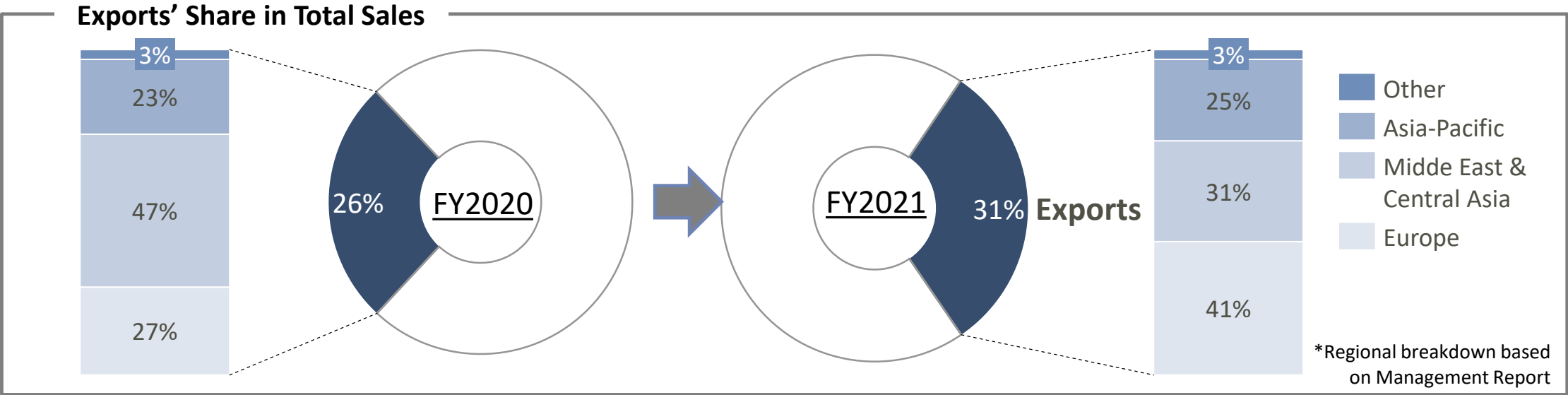
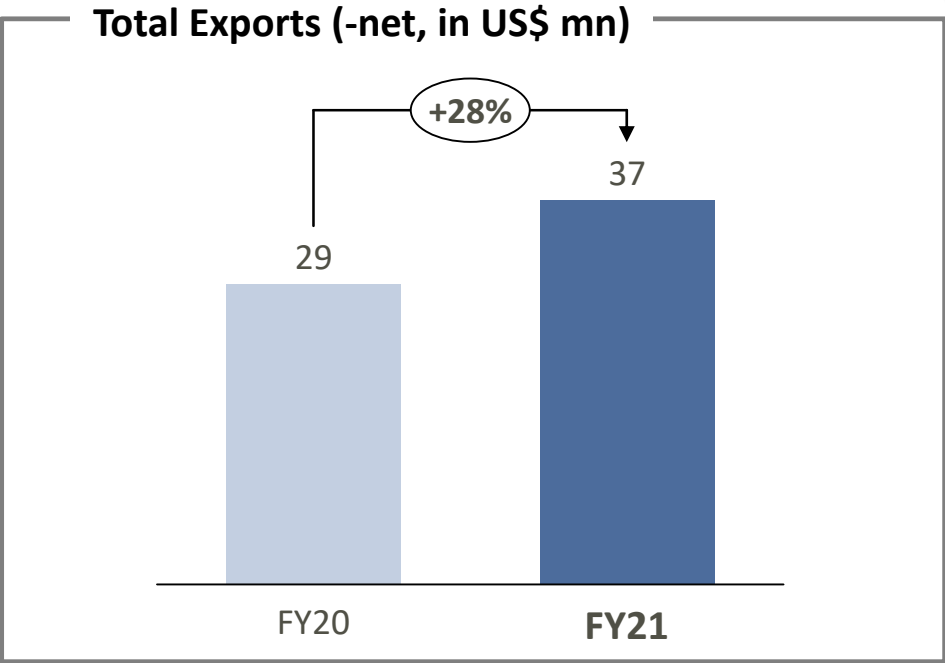
- Capex investments, finalized in 3Q21, and strong export volumes overall in FY21 led to a 18% increase in total sales volume in FY2021; and 23% in 4Q21.
- Net sales reached TL1,092 mn; up by 36% yoy. In 4Q21, net sales surged by 60% yoy, due to higher volumes and price adjustments.
- Domestic sales increased by 27% in FY21, yoy, despite 1% contraction in 1Q21 –due to high base effect linked to COVID quarantine period in FY20.



STRONG EXPORT VOLUMES



- Total exports in FY21 reached TL341 mn (US\$37 mn), displaying 61% growth yoy in TL terms and 28% in US\$ terms. This represents 31% share in total sales vs. 26% in FY2020.
- Tat exported 35+ countries in FY2021 and Europe had the biggest share in total exports with 40% stake.

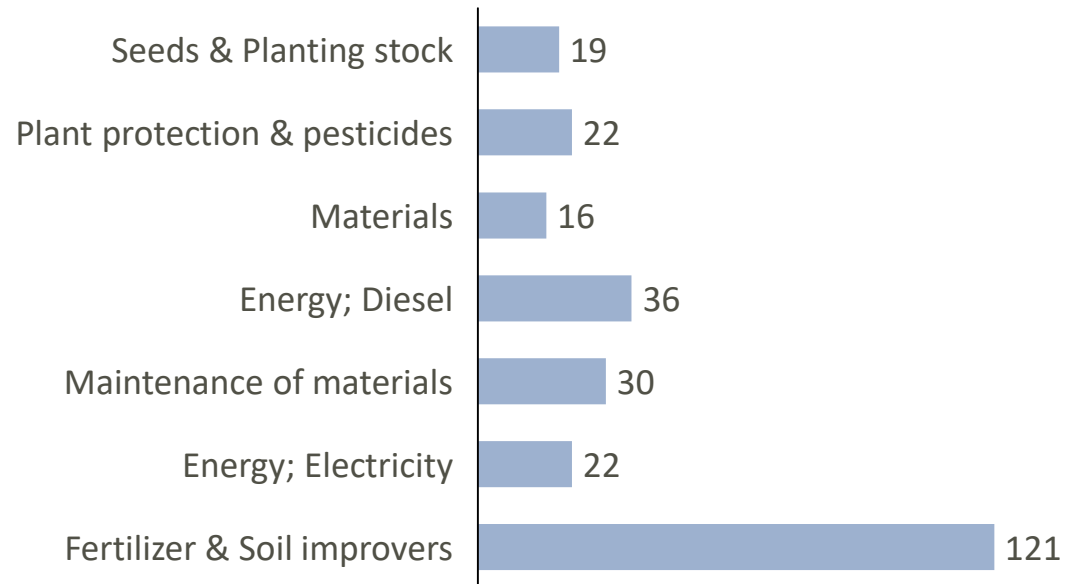


A CHALLENGING OPERATING ENVIRONMENT IN TERMS OF COSTS



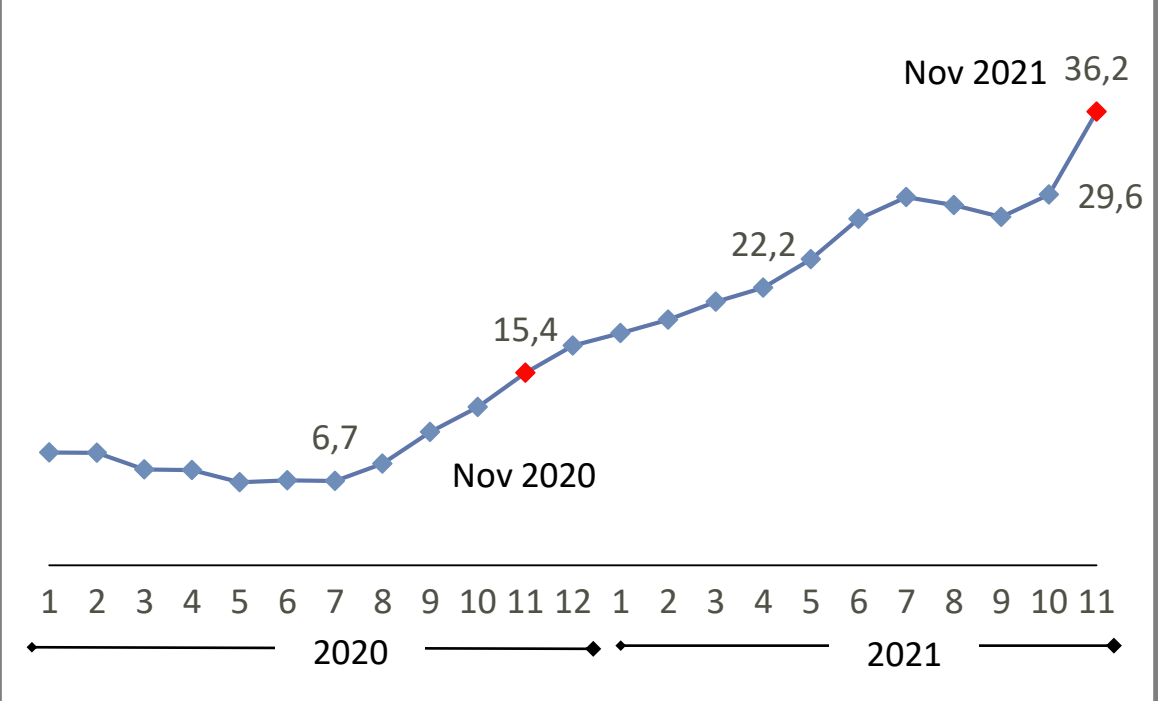
- Agricultural input price index (Agricultural-IPI) increased by 36.2% compared to same month of the previous year and increased by 25.4% compared to twelve months moving averages, in Nov 2021.
- The highest annual increase was 121% in fertilizer and soil improvers subgroup.

Agricultural-IPI annual rate of changes in subgroups (%), Nov 2021

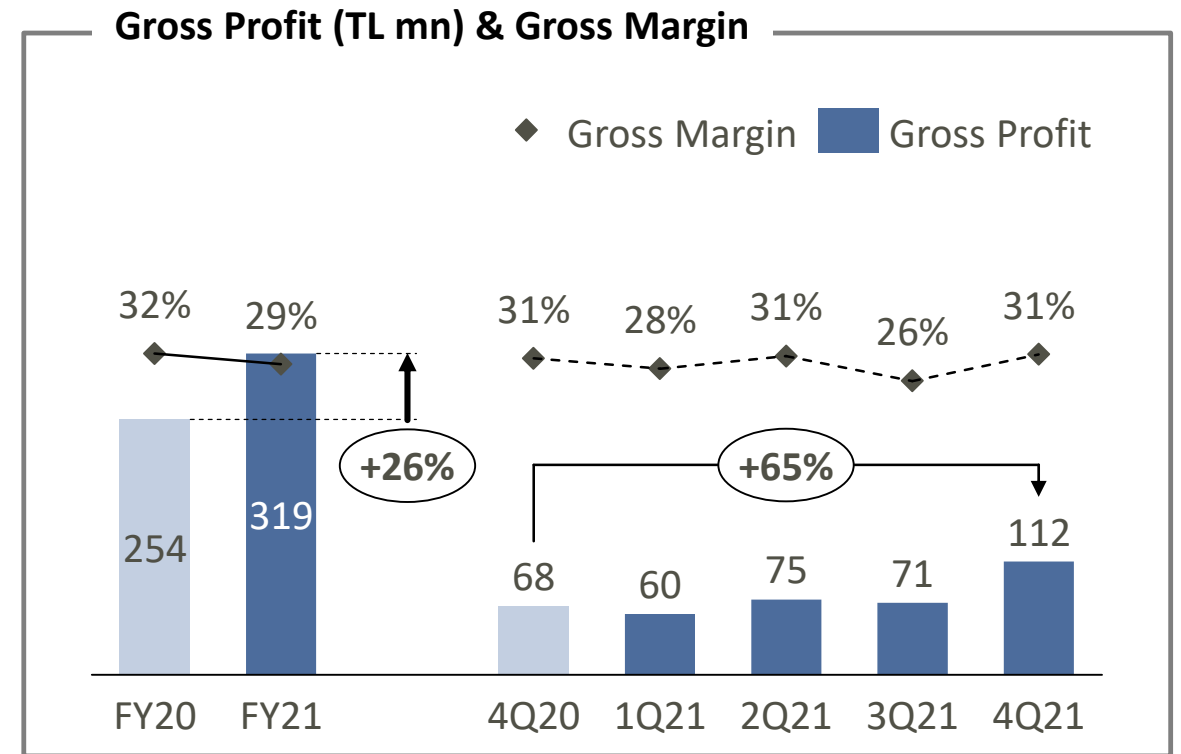
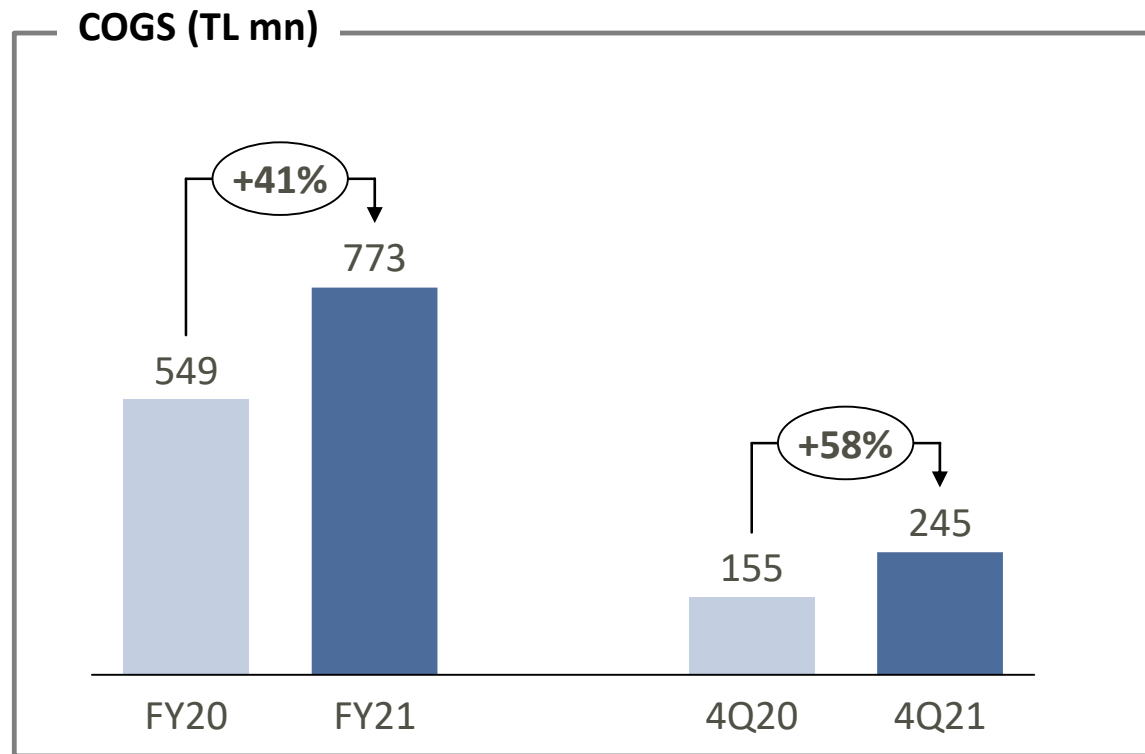


Source: Turkstat (Turkish Statistical Institute)

Annual rate of changes of Agricultural-IPI (%)



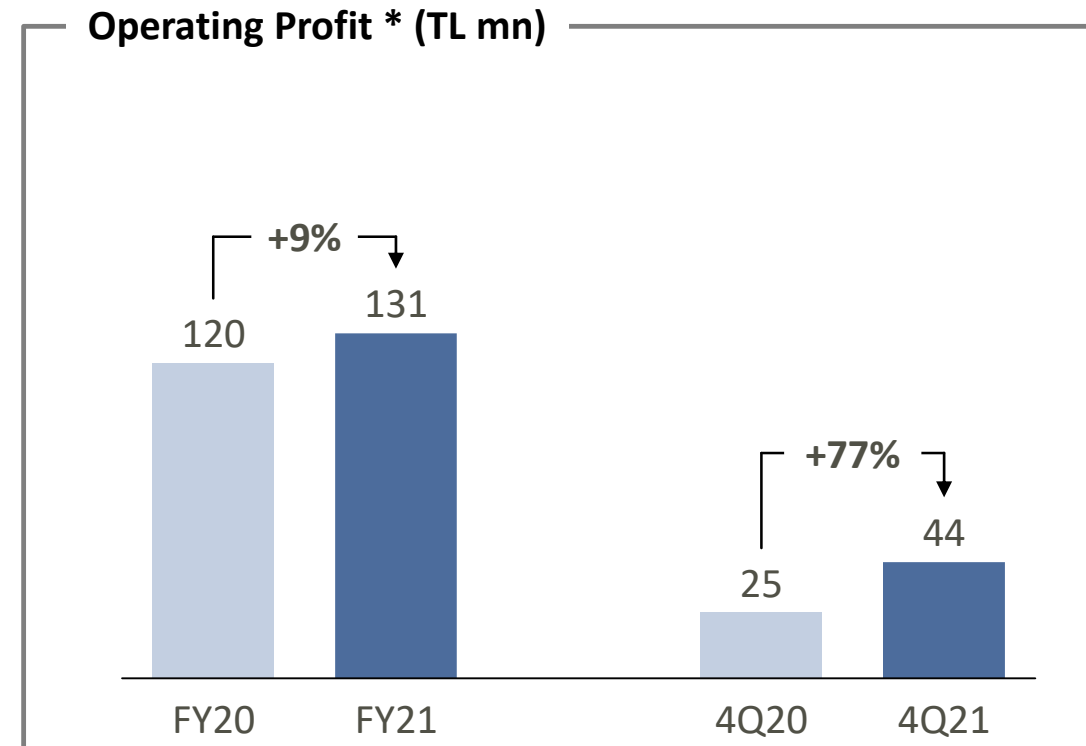
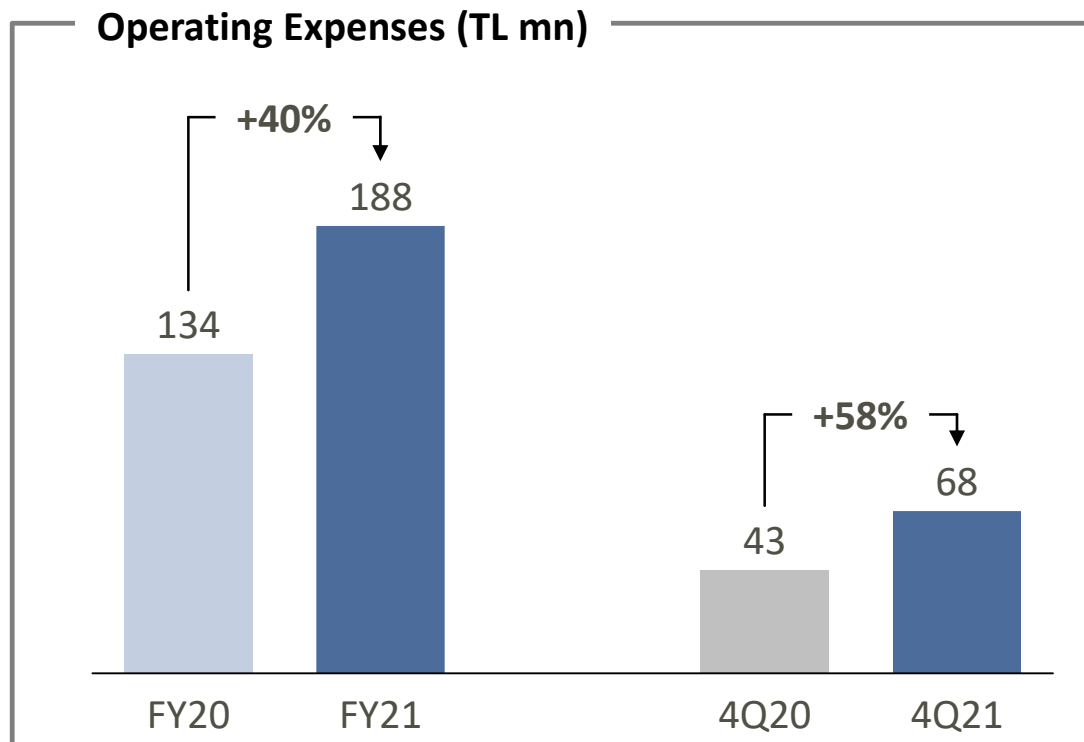
- Higher COGS due to new harvesting season's elevated prices, increased volume of tomato purchase, combined with weak TL led to a pressure on margins in 9M21.
- But, thanks to managing production costs and sales prices; gross profit increased by 65% yoy in 4Q21 and gross margin came in at 31% in 4Q21 vs. 26% in 3Q21 and 31% in 4Q20.



OPERATING PROFIT INCREASED BY 77% YOY IN 4Q21

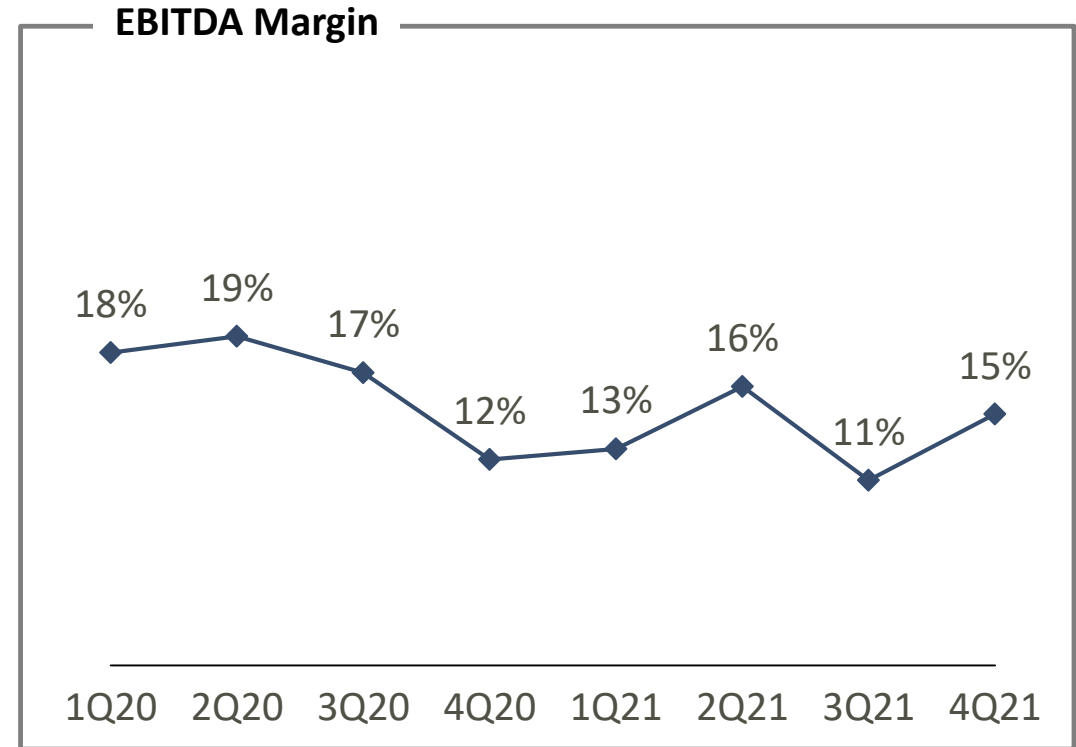
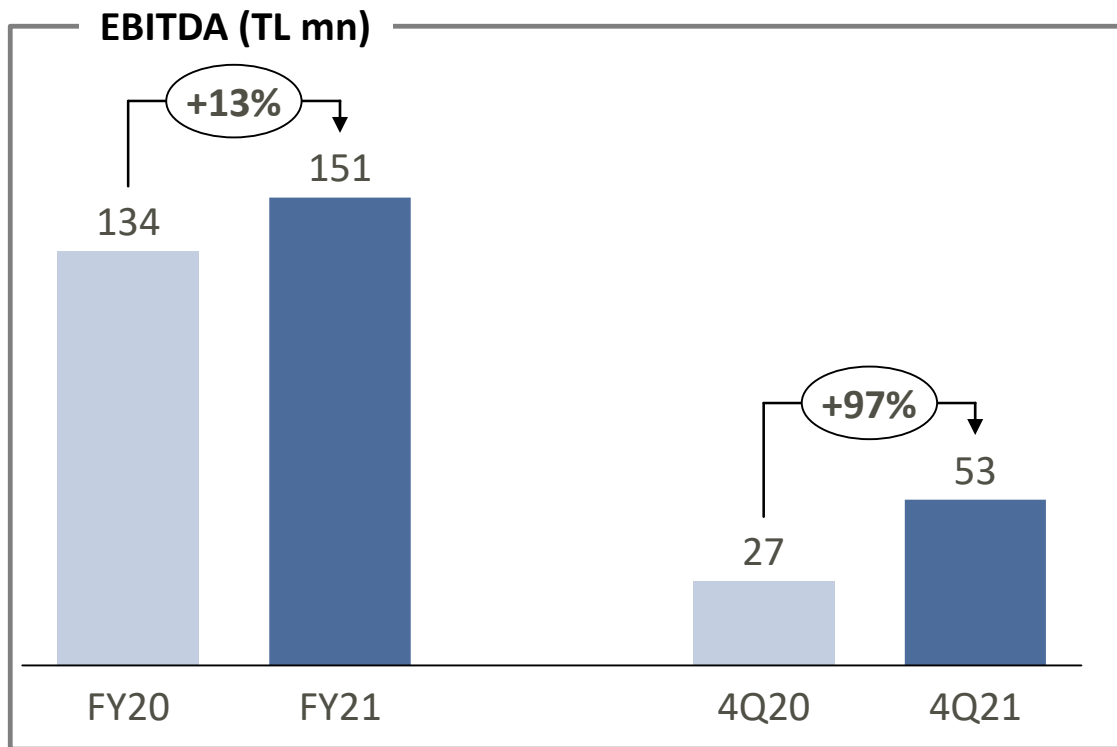


- Operating expenses were kept lower in FY20, due to uncertainties related to COVID; and all the marketing expenses initially planned in FY20 taken into effect in FY21.
- In line with Tat's expansion plans, there was an increase in domestic & export marketing investments.
- Despite elevated marketing expenses related to new season in 4Q21, operating profit was up by 77% in 4Q21, yoy.



**Operating Profit is calculated as Gross Profit – OPEX; Net Income(Exp) from Other Operating Activities excluded*

- EBITDA at TL151 mn in FY21, displayed a year-on-year increase of 13%.
- Thanks to managing production costs and sales prices effectively, EBITDA increased by 97% yoy to TL53 mn in 4Q21.

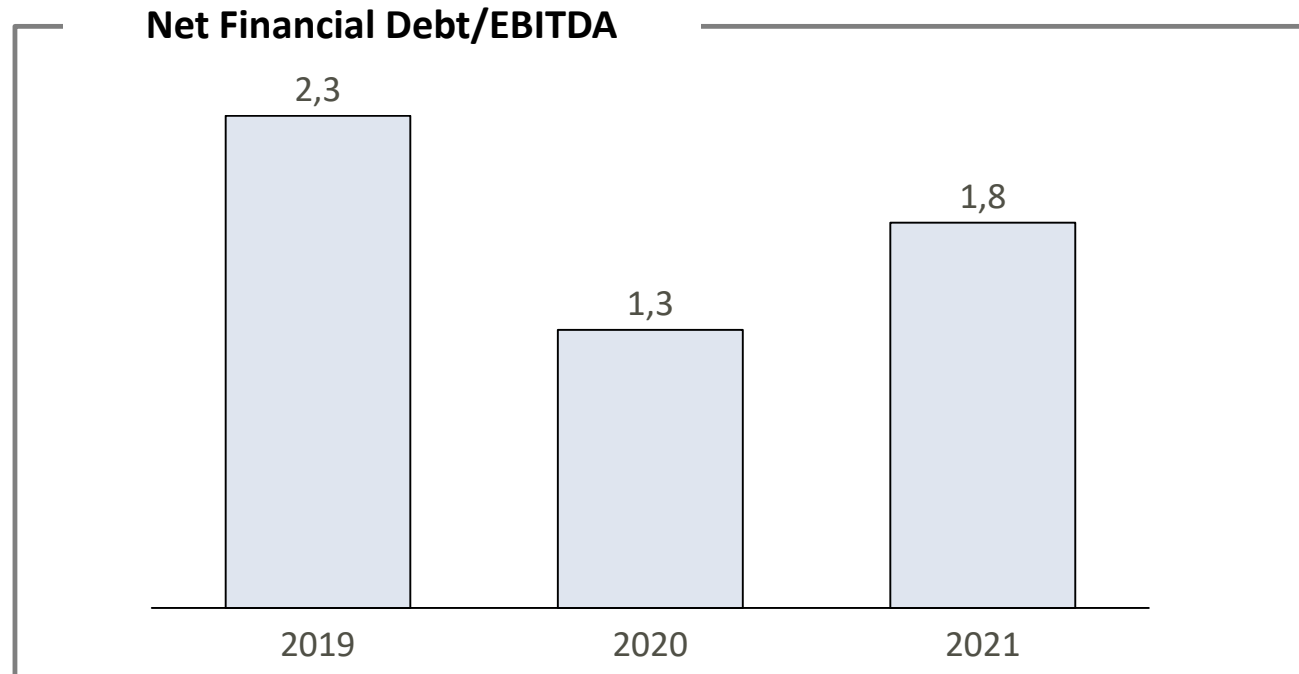


NET FINANCIAL DEBT INCREASED DUE TO ELEVATED PURCHASES & INVESTMENTS



- Net Financial Debt position increased from TL170 mn as of 2020-end to TL293 mn at FY2021-end. This is mainly due to;
 - High investment expenditures (TL76 mn only in 2H21, and TL134 mn in FY21)
 - New season's elevated costs and higher sales volume (+122 K tons of additional tomato purchase in 2H21 following capex investments).

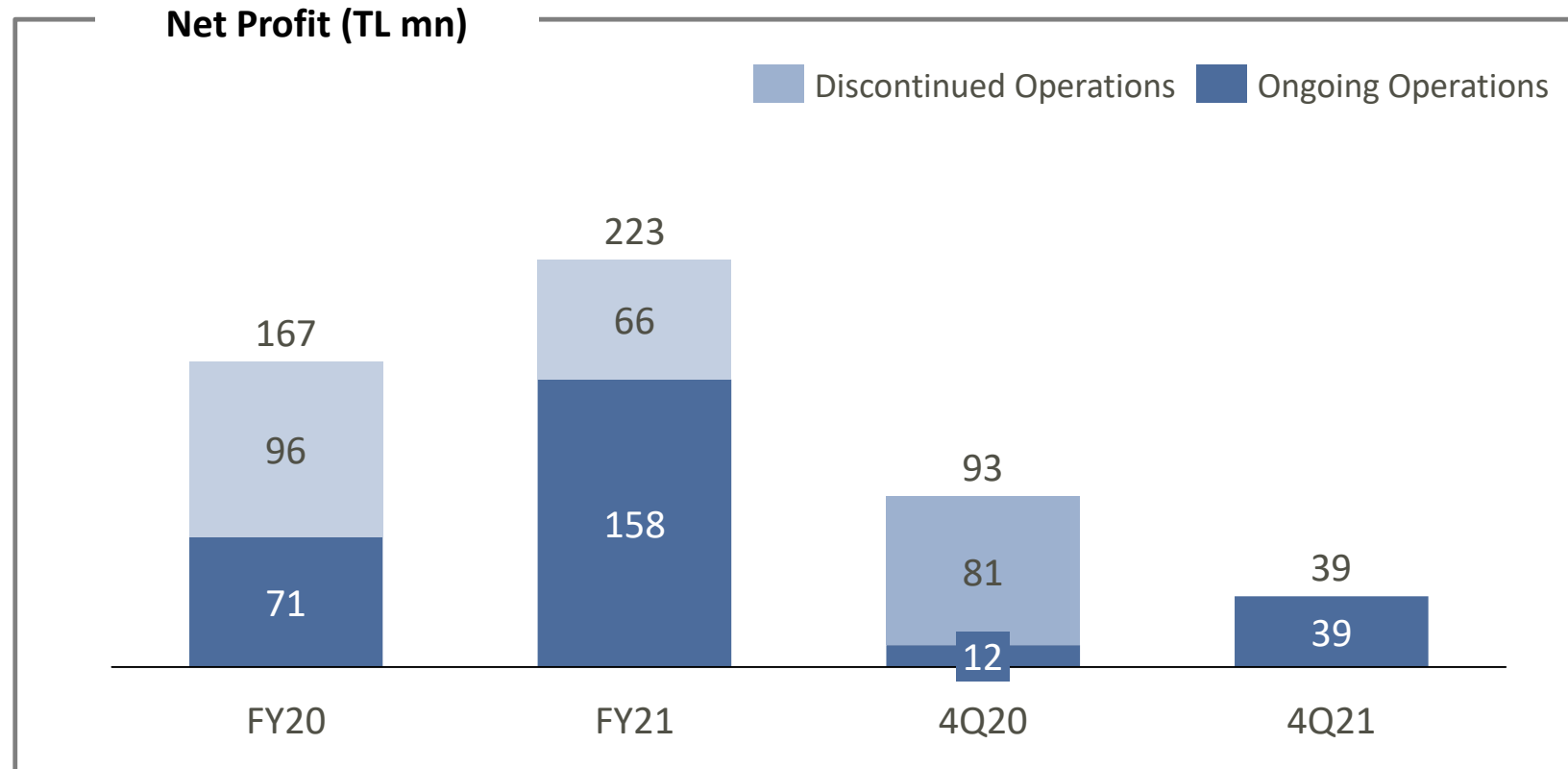
TL mn	Dec 20	Dec 21
Cash & equivalents	121	106
ST Financial Debt	116	240
LT Financial Debt	175	160
Net Financial Debt (Cash)	170	293



NET PROFIT FROM ONGOING OPERATIONS REACHED TL161 MN IN FY2021



- Due to tax incentives, tax expense of 25 mn in FY20 turned in to tax income at TL3 mn in FY21.
- Strong operational performance together with higher fx gains and tax income, Net Profit from ongoing operations reached TL 158 mn in FY21 vs. TL 71 mn in FY20.



GOING INTO 2022 & ONWARDS

A stronger portfolio

with market leading positions in focused core business and expanding into new high growth categories

Sustaining strong top-line momentum

driven by added capacities and sales expansion with a balanced local and export mix

Accelerated consumption growth in plant-based products

including in most of Tat's categories such as ready-to eat food & sauces

Economic Sustainability and Supply Guarantee

with Tat Farming, Contracted Farming & Digital Farming Practices

Managing through a challenging economic environment

with strong financial structure and competitive advantages

- *Be the healthy eating partner of our consumers by supporting sustainable agriculture while growing our sales multinationally.*

Culture

- Transformation to “Digital Company”
- Building an agile organization and winning company culture

Focus Areas

- Customer centric
- Value leadership
- Sustainable Agriculture
- Pioneering R&D

Sustainable profit growth via

- Growth in export markets
- Strengthen leadership in domestic market
- Expanding sales on Horeca channel
- Focus on Digital Farming

APPENDIX

Key Data

Close (Feb 11, 2022)
12.1 TL/share

Mcap
US\$122 mn
TL1.65 bn

Shares Outsanding
136 mn

Free-Float
41%

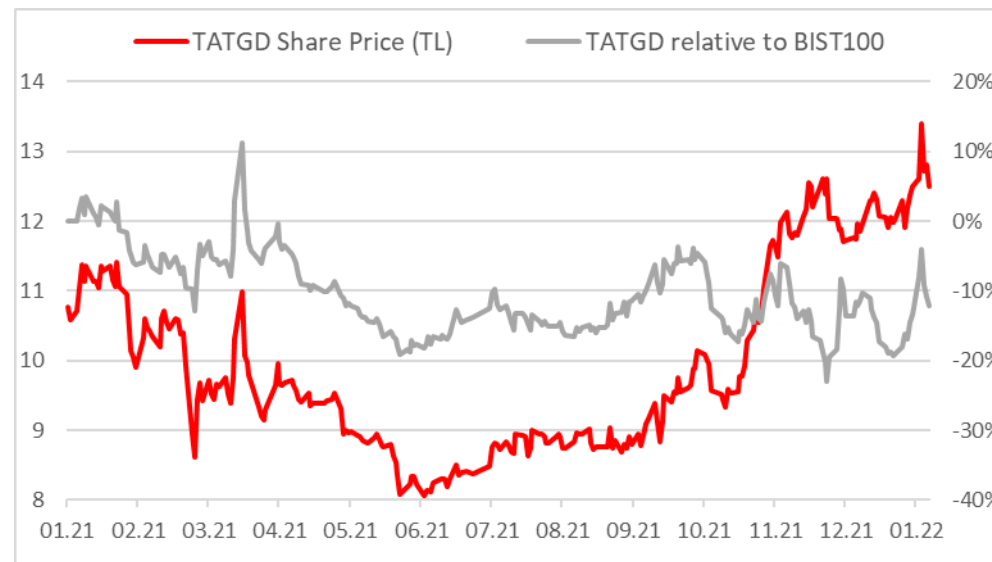
Volume (1 mth avg)
TL18 mn

52 wk range
11.4 – 14.0 TL/share

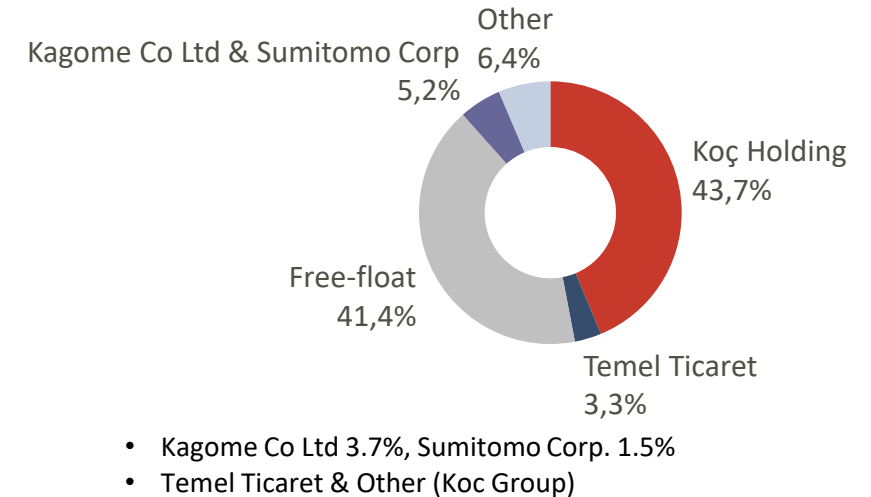
Latest Dividend (date)
TL34 mn (Mar 2021)

- TAT GIDA <TATGD> has been trading on Borsa Istanbul since 1993. The company is also included in BIST Sustainability Indices.
- TAT Gida's Dividend Payout Ratio was 20% in 2021 –excluding income from discontinued operations, the dividend payout ratio would be 48%.

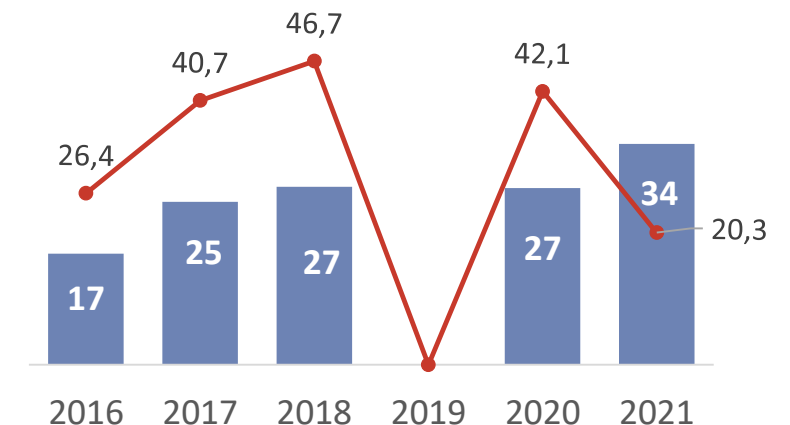
Tat Gida <TATGD> Share Performance (12 mths)



Tat's Shareholder Structure



Dividend (TL mn)* & Dividend Payout Ratio (%)



*Cash dividend to shareholders

Income Statement - Summary (TL mn)	FY2020	FY2021	Δ YoY	4Q20	4Q21	Δ YoY
Sales	803	1.092	36%	223	357	60%
Cost of Sales (-)	549	773	41%	155	245	58%
Gross Profit	254	319	26%	68	112	65%
Operating Expenses (-)	134	188	40%	43	68	58%
Operating Profit	120	131	9%	25	44	77%
EBITDA	134	151	13%	27	53	97%
Net Income(Exp) from Other Operating Act.	2	7	250%	-2	-9	327%
Net Other Income(Exp)	1	2	54%	0,3	-0,3	n.m.
Net Financial Income (Exp)	-26	14	n.m.	-6	8	n.m.
Profit before Tax from continuing operations	97	154	60%	18	43	143%
Tax expense	-25	3	-113%	-6	-4	-30%
Profit for the period from continuing operations	71	158	121%	12	39	224%
Profit / (loss) for the period from discontinued operations	96	66	-32%	81	0	n.m.
Profit for the period	167	223	33%	93	39	-58%
Gross Margin	32%	29%		31%	31%	
Operating Margin	15%	12%		11%	12%	
EBITDA Margin	17%	14%		12%	15%	
Net Profit Margin (Continuing Operations)	9%	14%		5%	11%	

Balance Sheet -Summary (TL mn)	FY2017	FY2018	FY2019	FY2020	FY2021
Current Assets	563	641	780	1.173	1.350
Cash	13	28	10	121	106
Trade receivables	281	323	384	446	474
Inventories	232	238	338	361	628
Non-current Assets	223	223	247	136	288
Total Assets	786	864	1.026	1.309	1.638
Current Liabilities	271	247	275	411	553
Short-term financial borrowings	45	48	-	42	92
Short-term portion of long-term borrowings	57	6	54	73	147
Trade payables	141	167	181	213	258
Non-current Liabilities	22	117	191	193	199
Long-term financial borrowings	8	102	150	175	160
Shareholder's Equity	493	501	561	705	885
Total Liabilities	786	864	1.026	1.309	1.638
Net Financial Debt (TL mn)	97	128	194	170	293

Ratios	FY2017	FY2018	FY2019	FY2020	FY2021
Current Ratio	2,1	2,6	2,8	2,9	2,4
Liquidity Ratio	1,2	1,6	1,6	2,0	1,3
Net Financial Debt/Equity	0,2	0,3	0,3	0,2	0,3
Working Capital (TL Mn)	372	394	541	594	844

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:

BANU ÇAMLITEPE - HEAD OF IR

BANU.CAMLITEPE@TAT.COM.TR

P: +90 216 430 00 00 EXT: 2015

TAT GIDA A.Ş.

INVESTORRELATIONS@TAT.COM.TR

TAŞDELEN MAHALLESİ

SIRRI ÇELİK BULVARI NO: 7

ÇEKMEKÖY - İSTANBUL