



TAT Gıda

Corporate Presentation

Jan 2024

Agenda



1 Tat Gıda Business Overview

2 9M2023 Financial Results

1

About Tat Gıda



About Tat Gıda



Plant-Based Portfolio



FOCUS AREA

Reshaped portfolio in recent years and focus growth in core plant-based business

Market Leader



#1

Tomato Products, tomato paste, ketchup, pickles and ready-to eat food in domestic market

Sustainable Agriculture



LEADER

Only company in its sector with own digital farming

Strong Position in Core Business



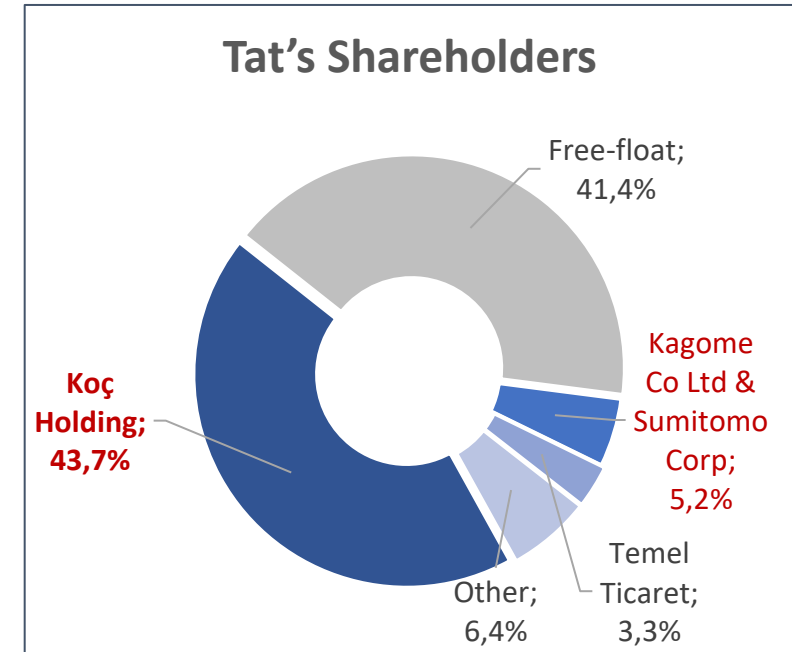
#5

Based on annual processing amount among European producers

Shareholding Structure



- **Koç Holding**, the major shareholder of **Tat Gıda**, has initiated a process to sell its **Tat Gıda** shares in May 2023. Koç Holding disclosed on Jan 8, 2024¹ that;
 - In the context of the sale of shares of our subsidiary **Tat Gıda Sanayi A.Ş.** ("Tat Gıda"), after evaluation of the binding offers received as mentioned in our disclosure dated 06.11.2023, a Share Purchase and Sale Agreement has been signed for the sale of shares corresponding to 49.04% of **Tat Gıda**'s share capital, held by our Company, Koç Group companies including Arçelik and Aygaz, Koç Family Members and foundations associated with Koç Group, and the sale of 15 founder's redeemed share certificates to **Memişoğlu Tarım Ürünleri Ticaret Limited Şirketi** ("Memişoğlu").



- **Ongoing Partnerships with Kagome & Sumitomo**; Kagome has been producing tomatoes and by-products since 1899 and ranks #1 in Japan in its business. Sumitomo Corporation, established in 1919, is a global trading company and is ranked in the Fortune Global 500, for 27 years, as one of the global companies leading the world's development.

¹ (<https://www.kap.org.tr/en/Bildirim/1234782>)

Change and Reshape for Future



- Between 2019-2023, 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
- With new sauce filling line investment in 2023, annual PET bottle sauce production capacity increased from 45 million units to 75 million units



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

Business Development Areas

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

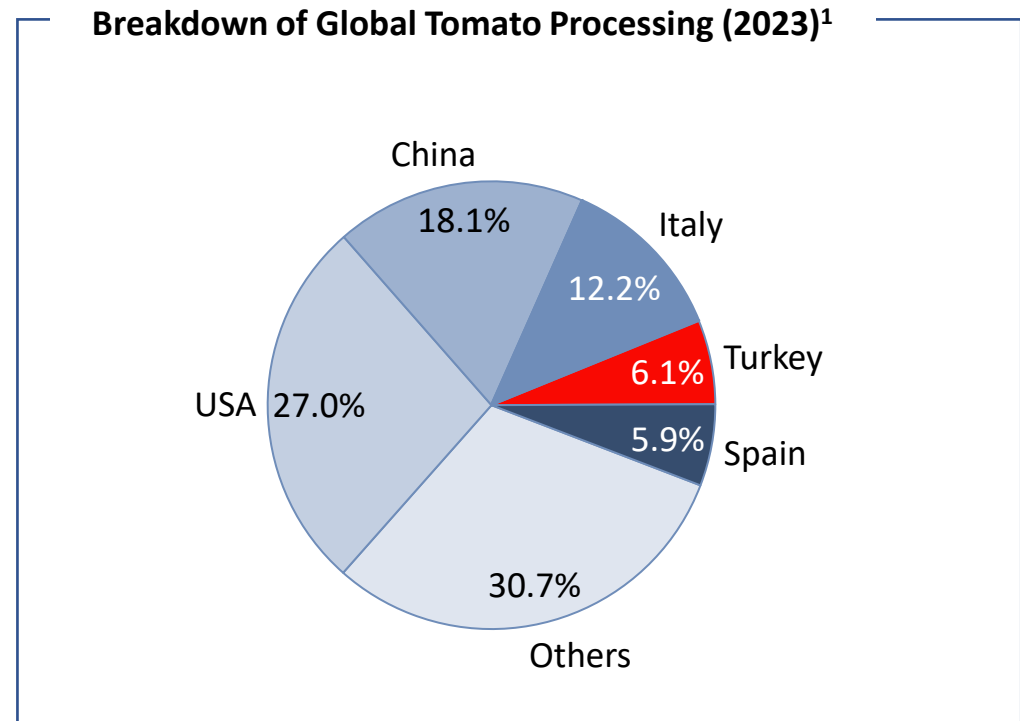
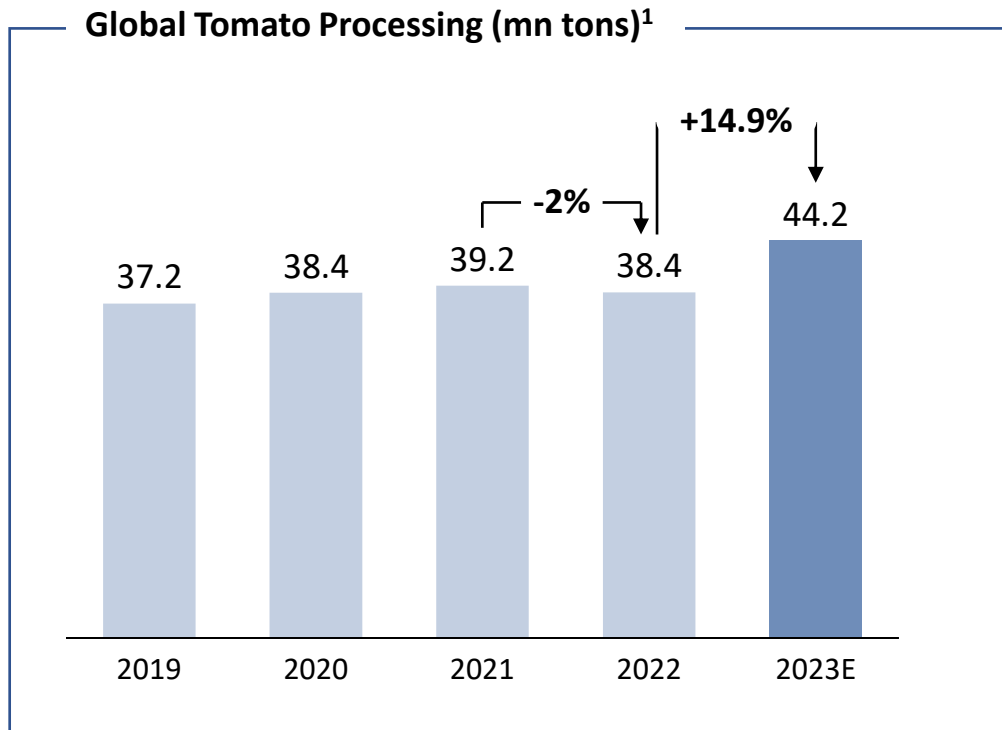


- Sustainable agriculture
- Efficient production
- Balanced sales

Advantageous location for supply



- Based on preliminary figures; Turkey, with 2.7 million tons of tomato processing in 2023¹, ranks 4th after the USA, China, and Italy; and represents 6% of the 44 mn tons of global tomato processing amount.



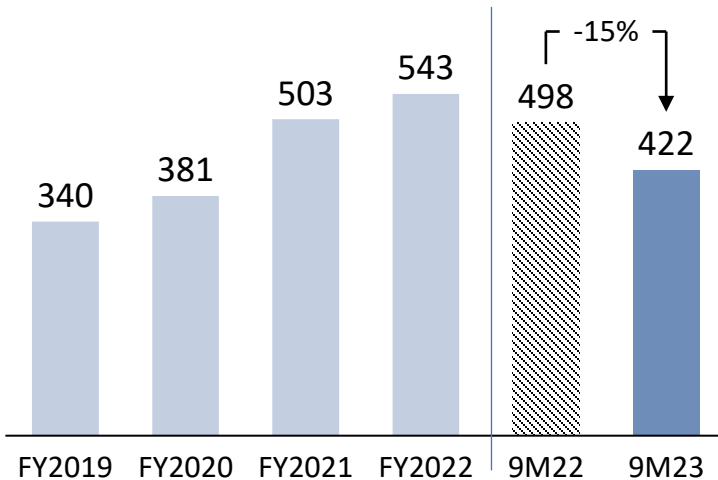
¹ WPTC World production estimate of tomatoes for processing; as of Oct 26, 2023

Tat's Production Performance

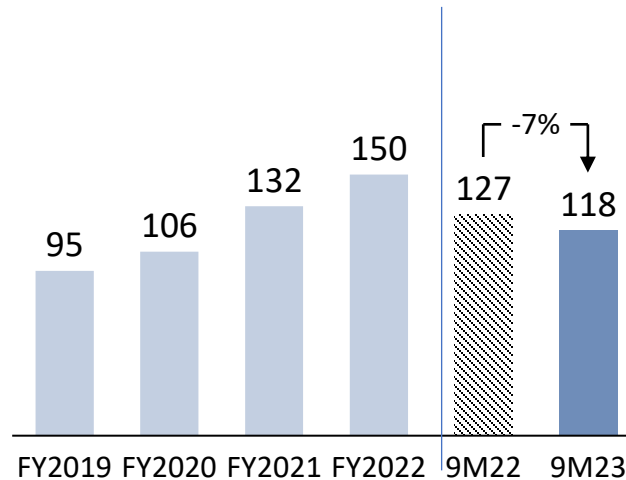


- Tat Gıda achieved a significant milestone by processing 503K tons of tomatoes in FY2021 —an impressive increase from the previous benchmark of 381K tons. This momentum continued into FY2022, with the figure rising to 543K tons; and Tat secured a 23% share in Turkey's tomato processing industry.
- A moderate decline in production based on 9-month results for 2023, settling at 422K tons compared to 498K tons in 9M22, but remain comfortably above the 350K to 380K tons pre-growth range, underscoring Tat's sustained strength in the industry.

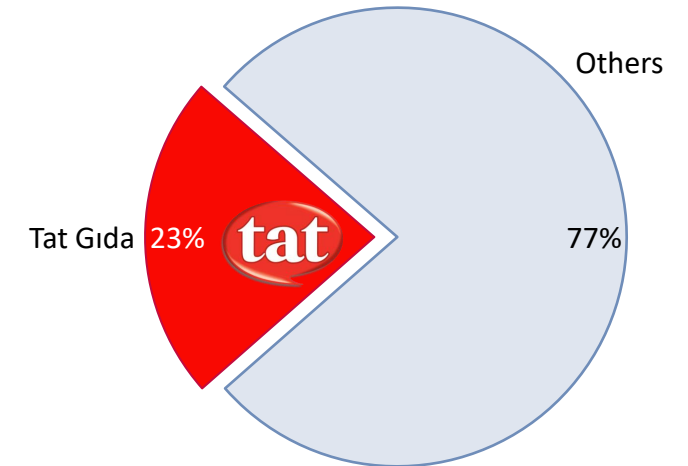
Tat's annual Tomato Processing Amount (000 tons)



Tat's Total Production (tons)



Tat's share in Turkey's Tomato Processing (2022) ¹

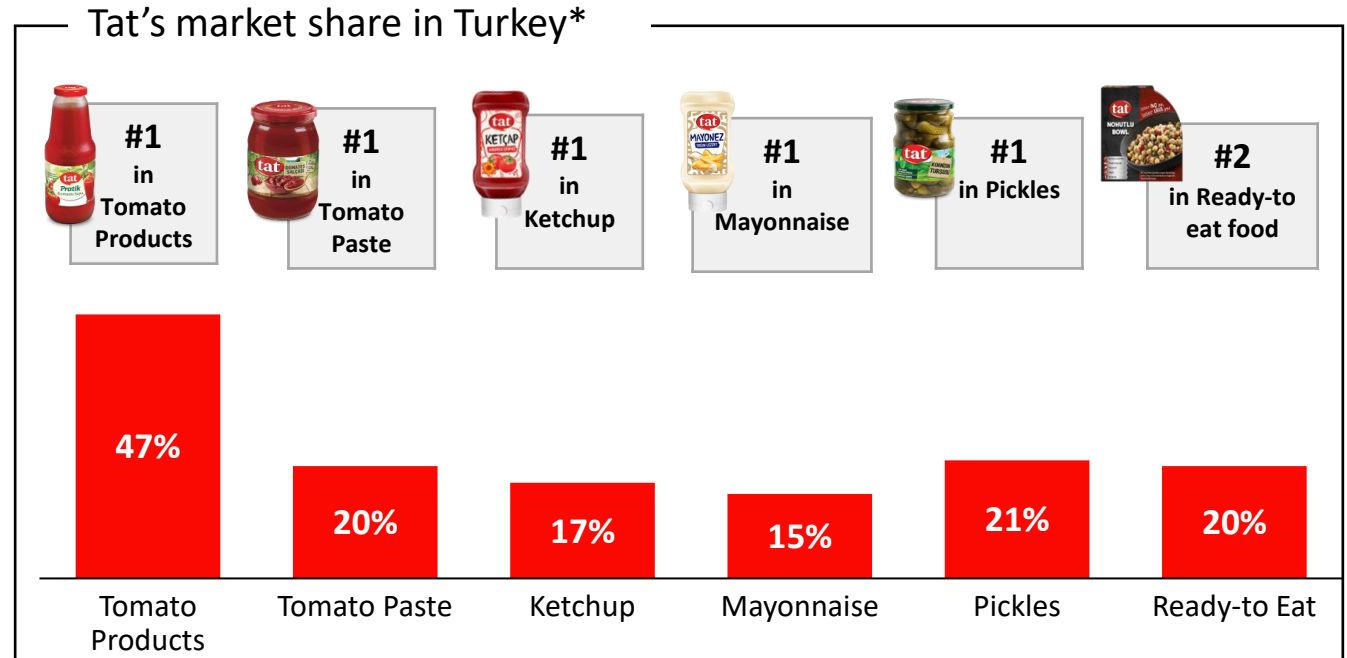
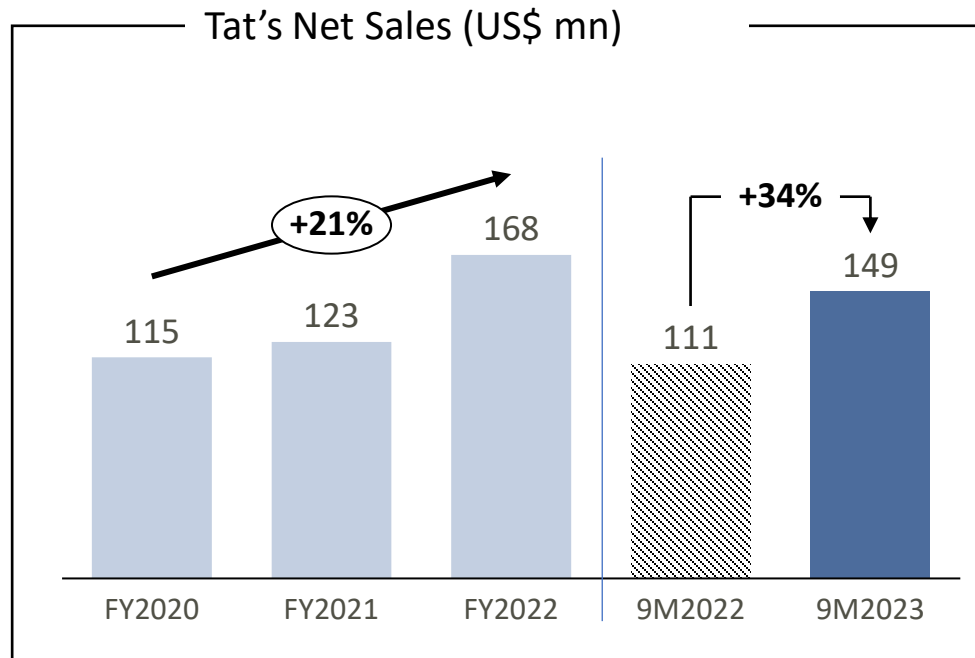


Source: Company Data and TomatoNews

Sales continue to grow



- Net sales continue to grow and reached TL2.8 bn (US\$168 mn) in FY22, up by 155% in TL terms. In 9M2023, net sales was up by 34% in US\$ terms.
- In the domestic market; **Tat ranks #1 in almost all its categories in local market**; and focused on increasing and maintaining its market share in all categories.



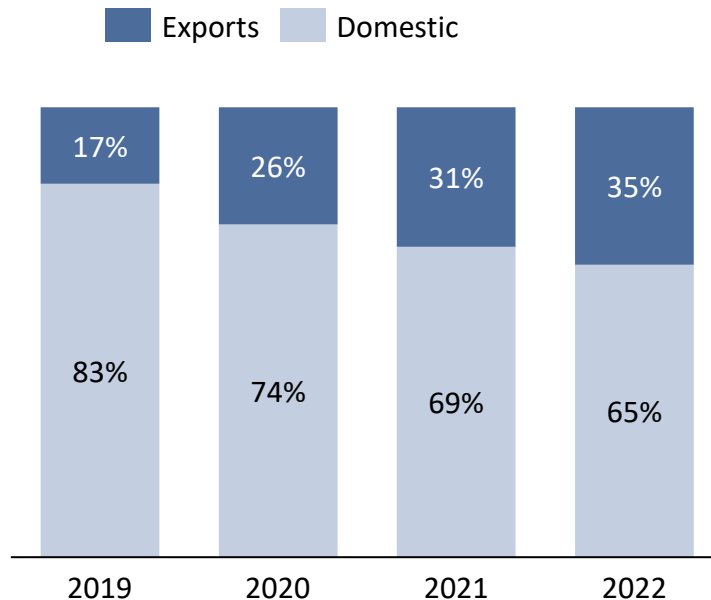
*Based on Nielsen 9M2023 Report including Hard Discounters and based on share of sales (TL) --(Pickles & Ready to Eat Food category based on Scantrack data)

Record level Exports

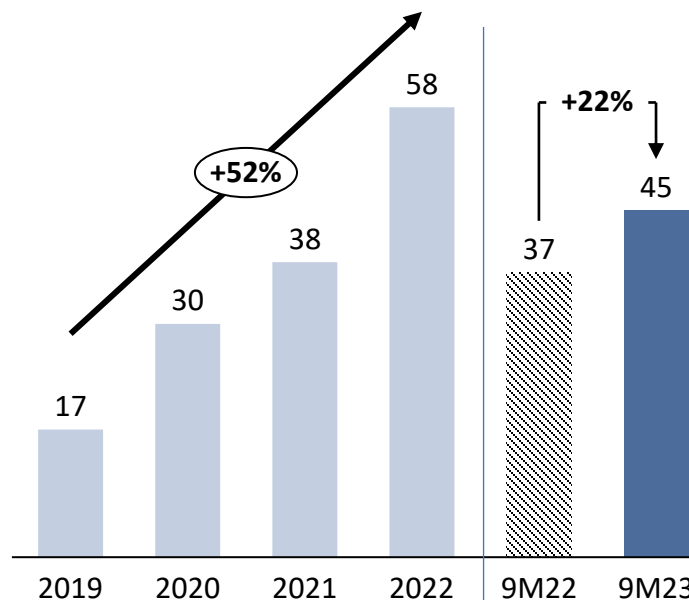


- Aiming to become a global brand, Tat continuously invests in marketing in foreign countries. In line with its marketing strategies, exports increased by 52% to US\$58 mn in FY2022. Exports in 9M23 increased by 22% in US\$ terms and reached US\$45 mn.
- Main export products included Tomato Paste, Pickles and Tomato products; and main export markets were Europe and Asia-Pacific region.

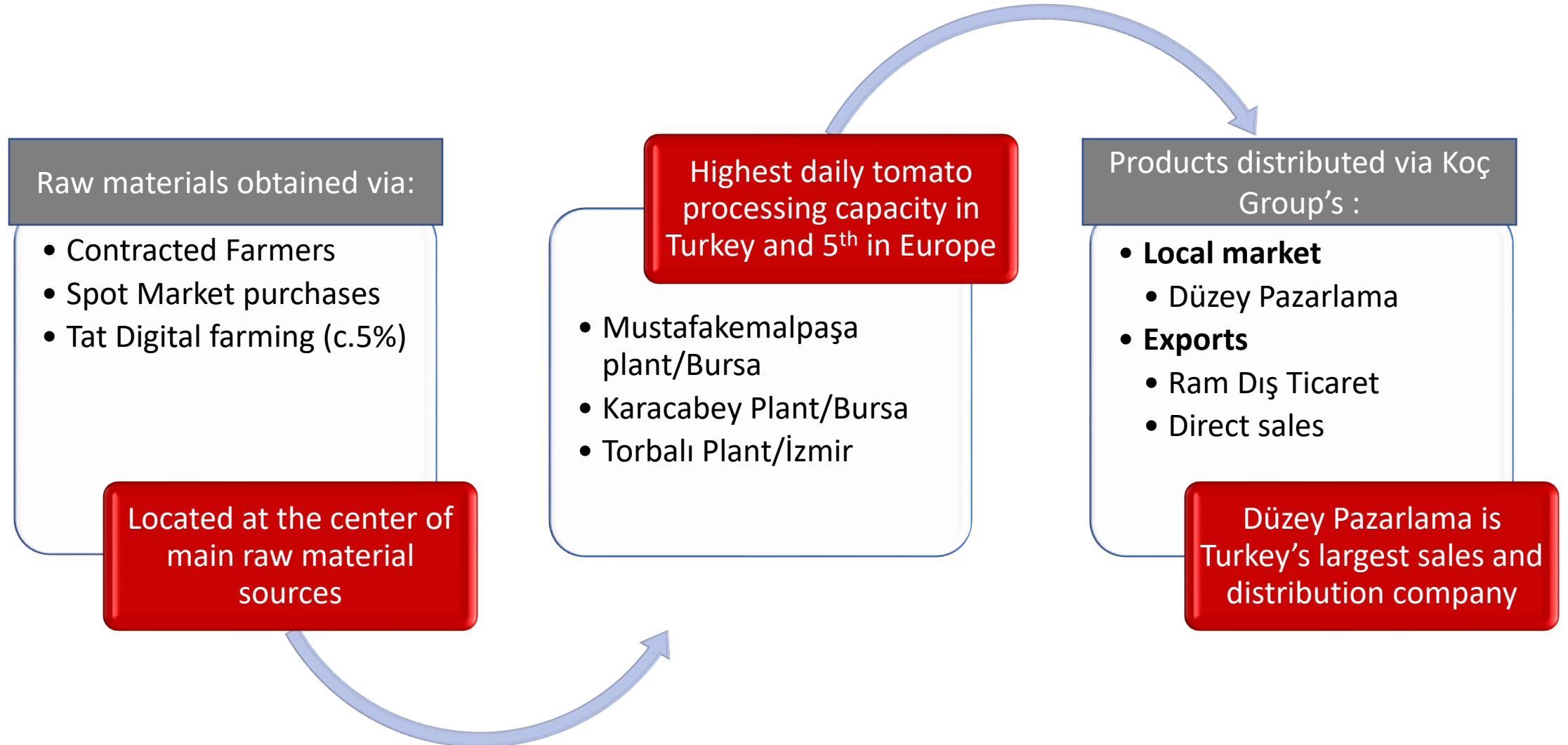
Tat's Sales Breakdown



Tat's Exports (US\$ mn)



Strong supply chain and distribution network

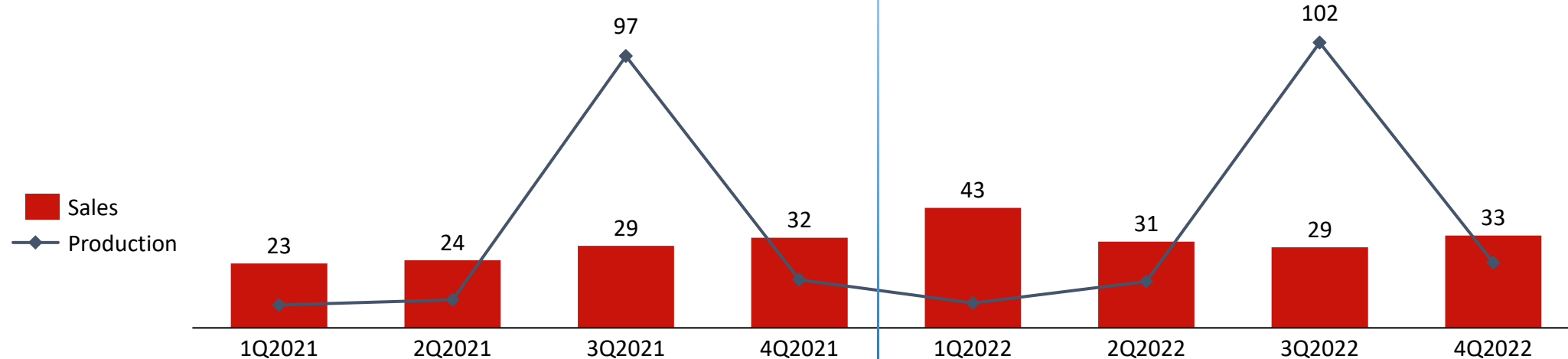


Seasonality in Production



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Vegetable												
Gherkin												
Tomato												
Pepper												

Quarterly Sales and Production figures (000 tons)



# Personnel (quarter-end)	533	845	2.162	653	691	1.213	1.930	773
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TAT Digital Farming



- 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; compared to an average yield of 7-8 tons in Turkey, and also similar to benchmark values.



Remote sensing & image processing:

- Identifying tomato fields
- Crop monitoring
- Yield forecasting



Digital soil analyzer:

- Soil analysis in 5 minutes
- Unlimited analysis
- Fast and effective fertilization suggestions



Digital pheromone trapping:

- Remote monitoring of pest population
- Proactive plant protection practices



Digital platforms:

- Tracking of field
- Advisory support to farmers
- Communication, announcements, news
- Fundamental analysis



Field sensors:

- Monitoring temperature, humidity and soil conductivity values
- Determination of irrigation need



Automatic steering system

- Effective land use



Early warning system

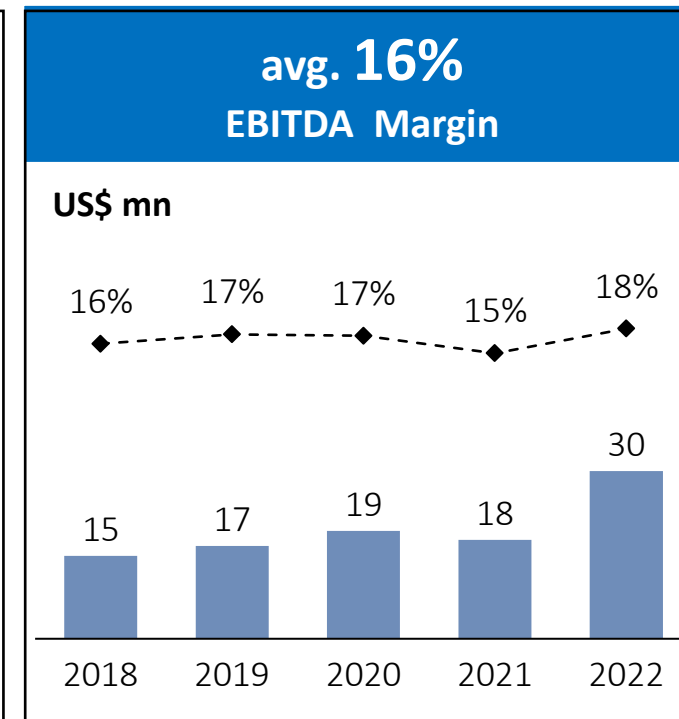
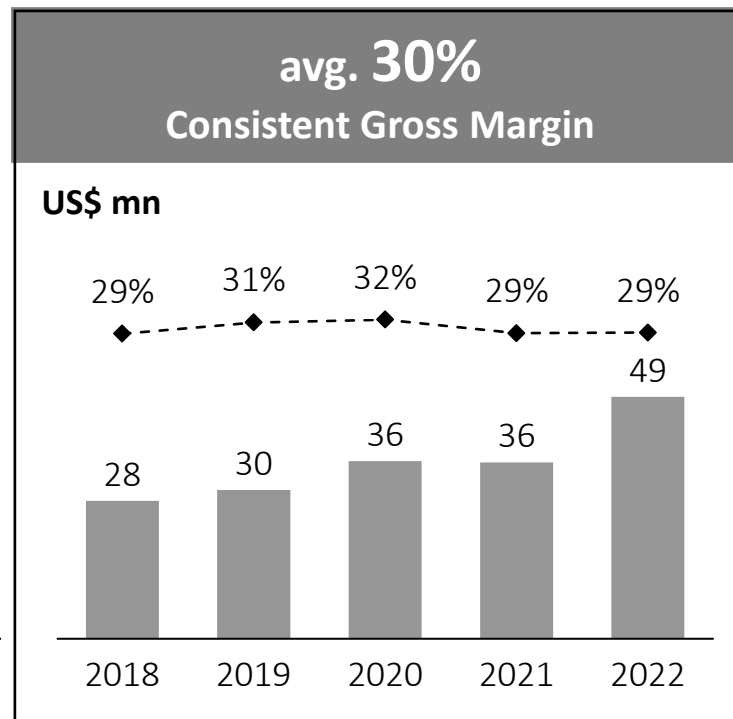
- Disease risk analysis
- Proactive plant protection practices



Drone and satellite

- Plant health monitoring
- Detailed analysis of field development
- Fertilization, irrigation and plant control applications

Ongoing Sustainable Performance



¹ Based on ongoing operations

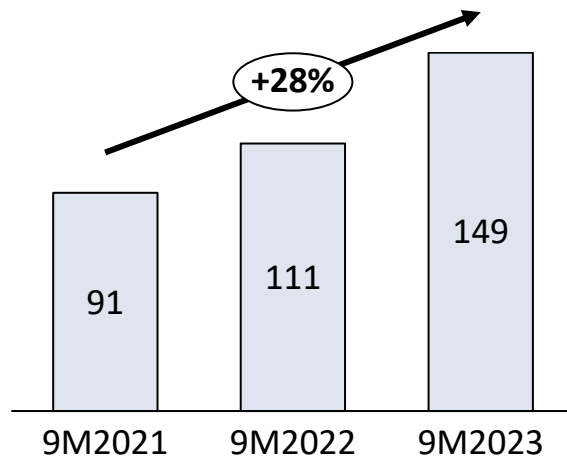
² EBITDA : Operating Profit (including Other income/Expense from operating activities) + Depreciation



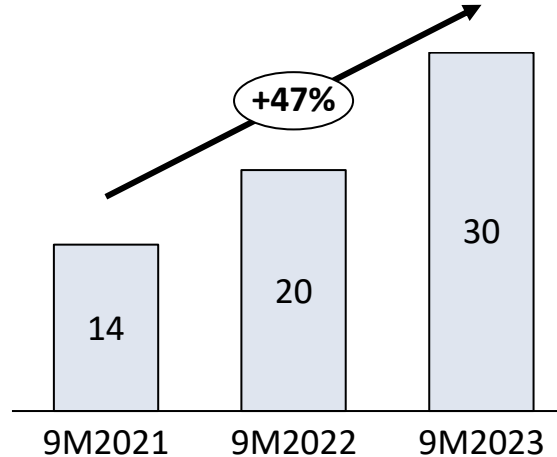
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9M2023 Financial Results

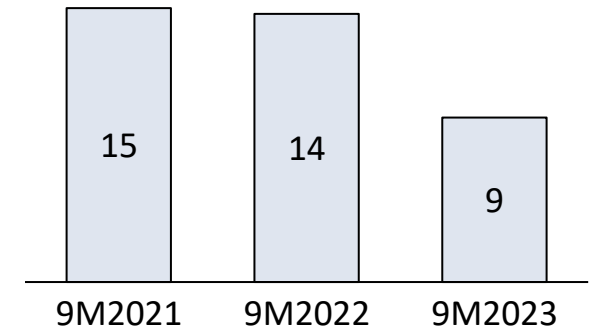
Net Sales (US\$ mn)¹



EBITDA (US\$ mn)^{1, 2}



Net Income (US\$ mn)¹



¹ Ongoing operations

² EBITDA : Operating Profit (including Other income/Expense from operating activities) + Depreciation

Key Messages & Financial Highlights

9M2023 Highlights

Net Sales

TL 3,302 mn
(87% yoy growth)

Exports Share

30% of total sales
(vs. 33% in 9M2022)

Operating Profit*

TL 617 mn (109% yoy growth)

EBITDA*

TL 667 mn (107% yoy growth)

Net Profit:

TL195 mn (-14% decline)

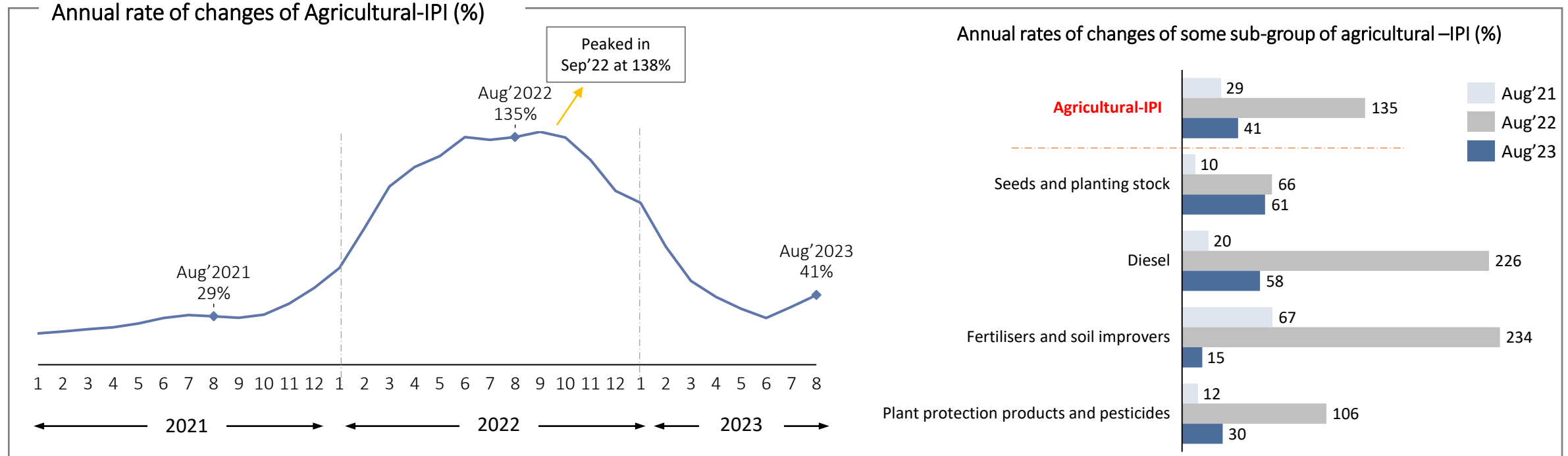
*Operating Profit & EBITDA includes Other Inc/Exp from operating activities

Better operating margins but higher financial expenses

- Production volumes in 9M23 was 118K tons vs. 127K tons in 9M22. 422K tons of tomatoes processed in this first nine months vs. 498K tons in 9M22.
- Net sales for 9M23 increased 87%, to TL 3.3 bn, led by inflation-driven higher prices.
- Stable FX rate vs. last season's high costs, and lackluster demand in local market had pressure on gross margin mainly in 1H2023. However gross profit margin came in at 28% in 3Q23, higher than 25% attained in 1H23, and close to 29% in FY2022 level.
- Despite higher personnel expenses due to inflationary impact, with further focus on operational efficiencies in the OPEX level, OPEX as percentage of net sales was 15% in 9M23 vs. 17% in 9M22.
- EBITDA was up by 107% yoy in 9M2023 with the contribution of higher *Other Income from operating activities*. EBITDA margin came in at 20%, vs. 18% in 9M22.
- Net Profit came in at TL195 mn in 9M23 vs. TL228 mn in 9M22 as a result of elevated net financial expenses (TL391 mn in 9M23, vs. TL58 mn in 9M22) due to higher interest rates and debt position.
- As disclosed previously, Koç Holding has initiated a project regarding its shares in Tat Gıda to explore strategic alternatives including their sale. No additional news so far.

Agricultural input price index on a declining pattern

- Agricultural input price index (Agriculture-IPI) annual growth rate peaked in September 2022, reaching 138.15%: fertilizer and soil improvers with 227% and energy (diesel) with 237% were the subgroups that had the highest annual increase.
- The peak in September 2022 which coincided harvest season led to a jump in raw material costs and increased the financing need.
- In Aug 2023, Agriculture-IPI increased by 41% yoy, much lower than the previous year. Fertilizer and soil improvers with 15% and plant protection & pesticides with 30% were the subgroups that indicated low annual increase.

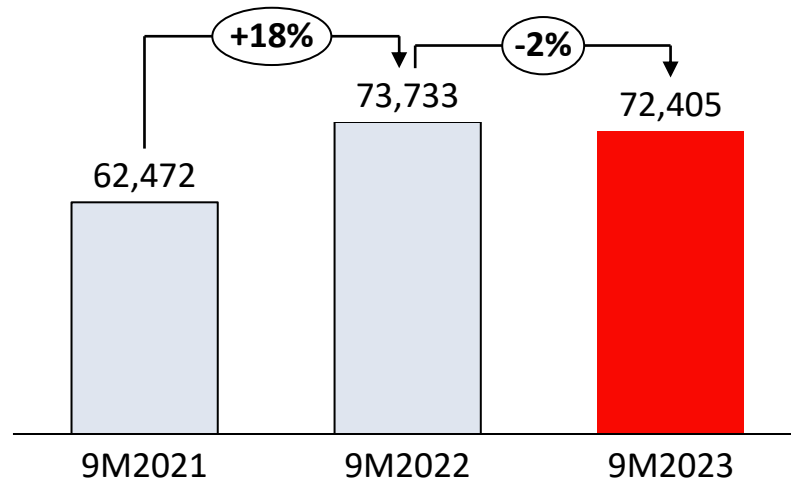


Source: TURKSTAT

Turkish tomato paste market relatively stable in 9M2023

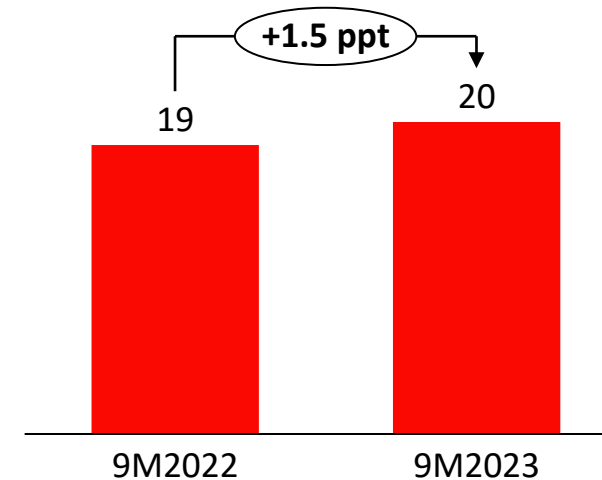
- Based on Nielsen report (total Turkey), Turkish total tomato paste market contracted slightly by 2% yoy in 9M2023; whereas there was a yearly growth of 18% in 9M2022.
- Despite the slight contraction in the market, Tat was able to increase its market share in 9M2023 by volume growth.
- Tat's market share in tomato paste increased by 1.5 ppt in value share.

Total Turkey tomato paste market (tons)*



*Based on Nielsen Report

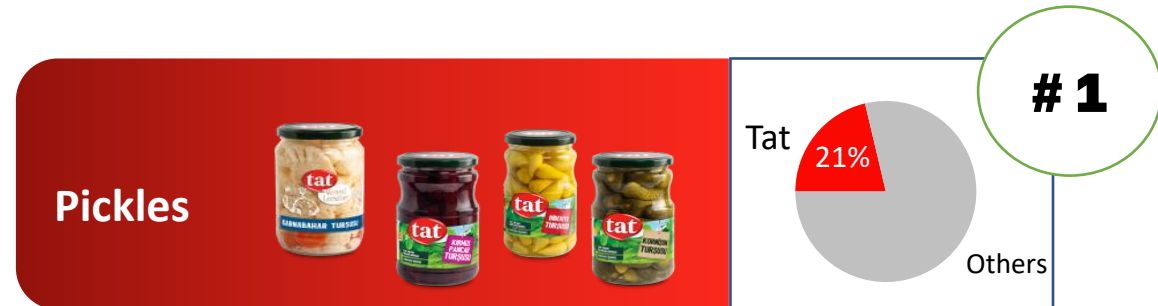
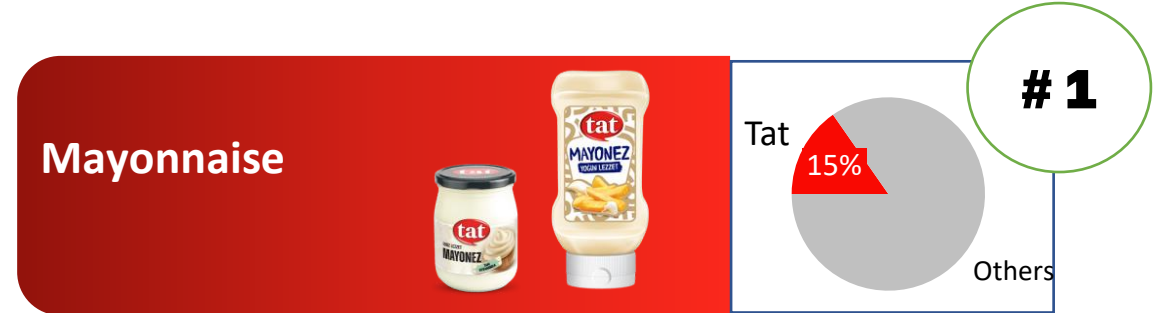
TAT GIDA tomato paste market share (%)**



**Nielsen Report - Based on share of sale, total Turkey

Market Leader: Ranks #1 in almost all its categories in local market

Tat's market share based on Nielsen 9M2023 report – including Hard Discounters and based on share of sales

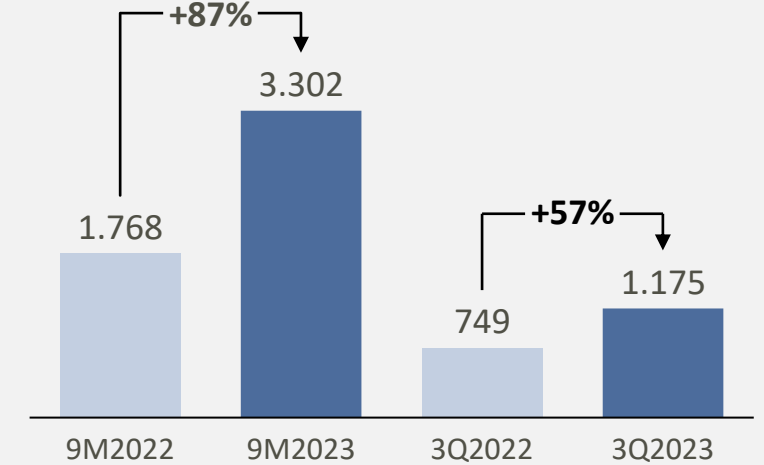


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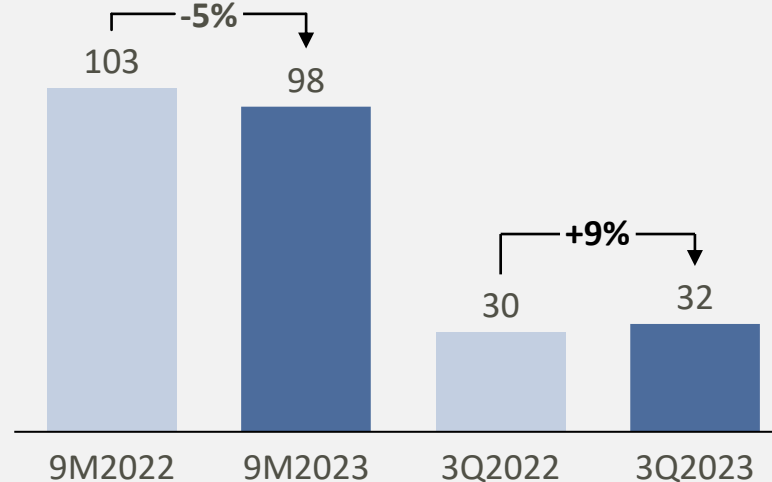
Revenues TL3.3 bn, up by 87% yoy

- Net sales was TL3.3 bn in 9M23; up by 87% yoy.
 - Total sales volume in 9M23 decreased by 5% yoy, mainly due to lower exports, especially in 1Q23. Sales volume in 3Q23 was up by 9% yoy, owing to strong local sales.
 - Domestic sales increased by 96% in 9M23, yoy, thanks to higher volume and higher prices.
 - Exports was up by 69% in TL terms.

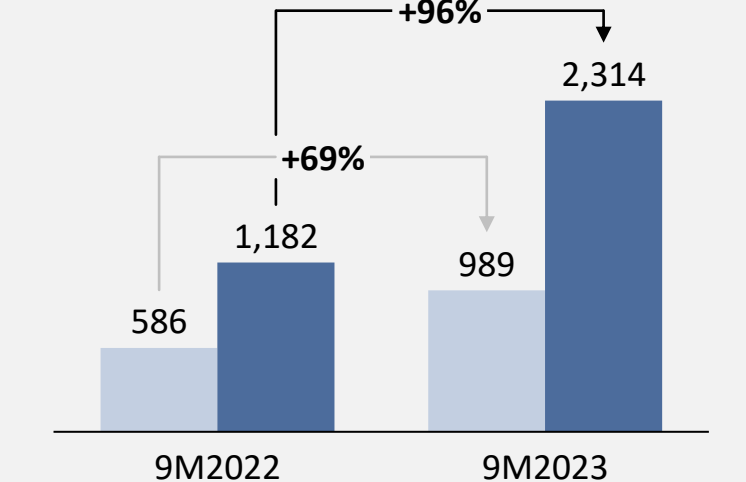
Net Sales (TL Mn)



Total Sales Volume (000 Tons)

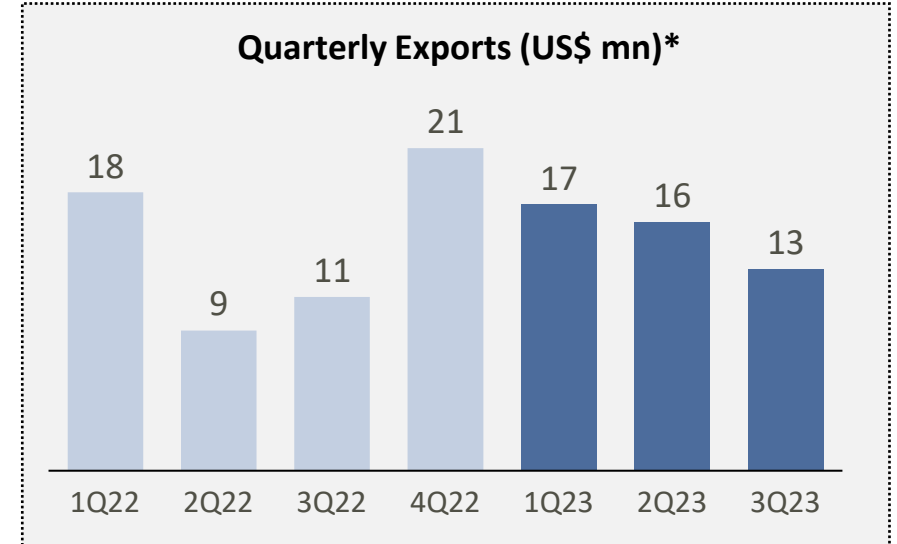


Exports (net) Domestic (net) TL mn

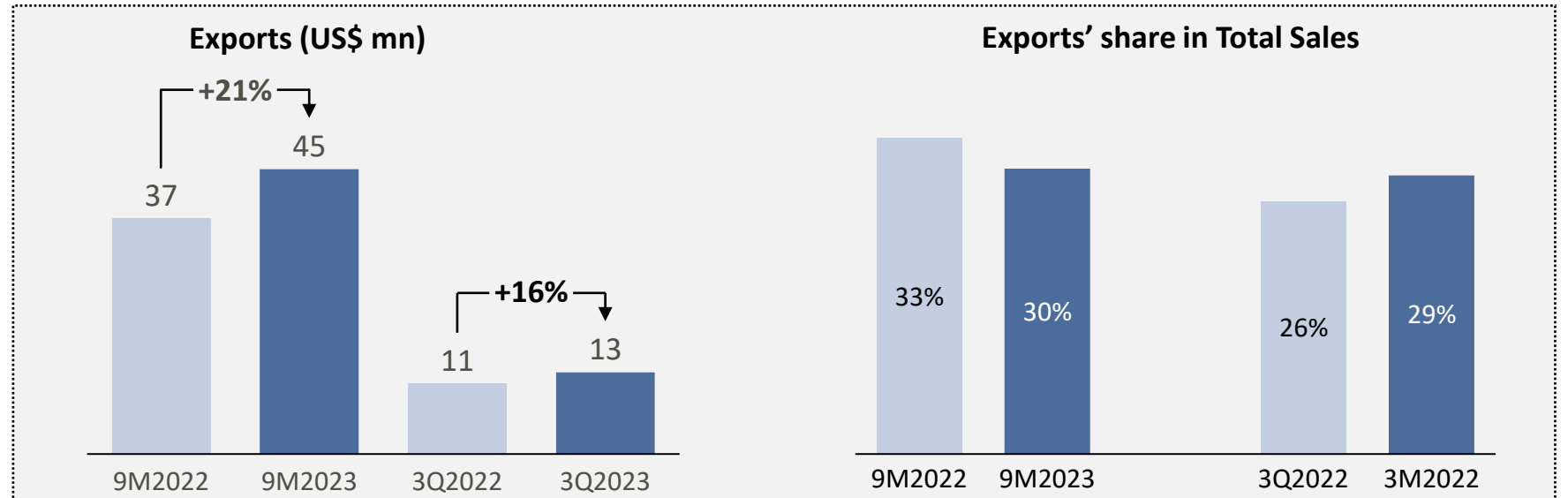


Growth in Exports was 21% yoy in US\$ terms

- Exports in 9M23 were at US\$45 mn, displaying 21% growth yoy in US\$ terms, while growth in 3Q23 was 16% yoy.
- In 9M23, exports share in total sales was 30% vs. 33% in 9M22, whereas in 3Q23 exports share in total sales was 29% vs. 26% in 3Q22.

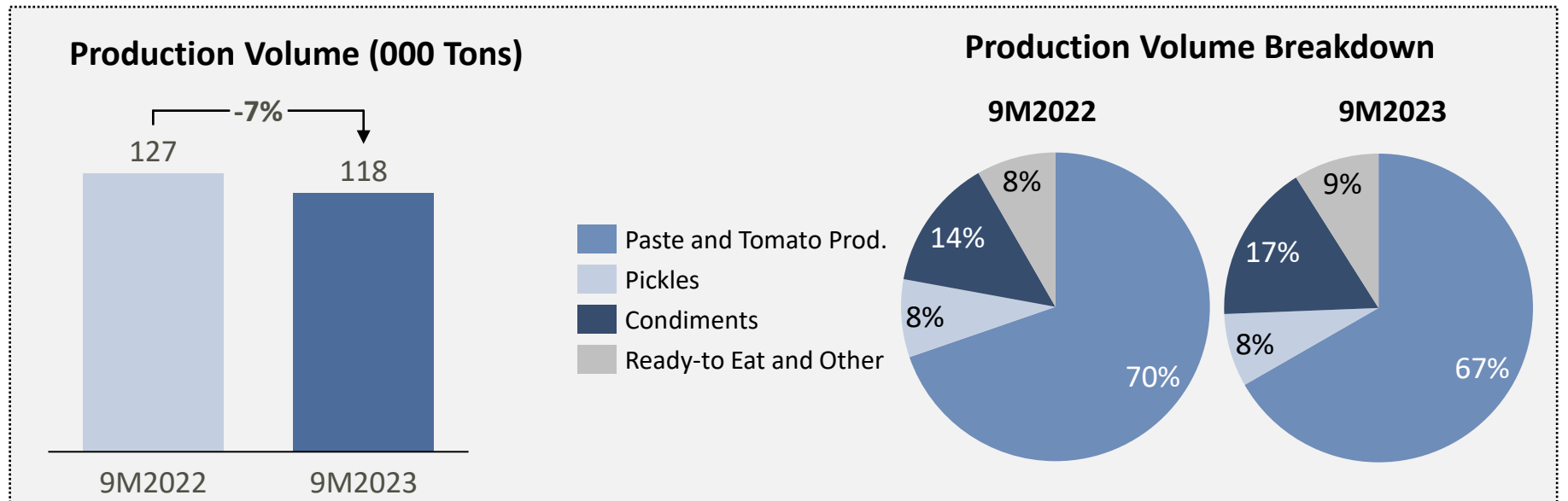
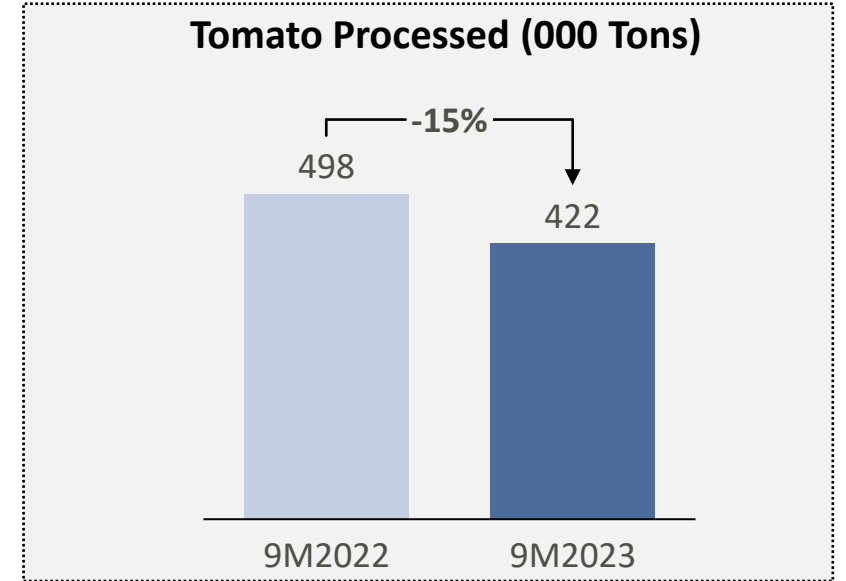


*converted from TL to US\$, based on monthly average of Central Bank's US\$/TL rate



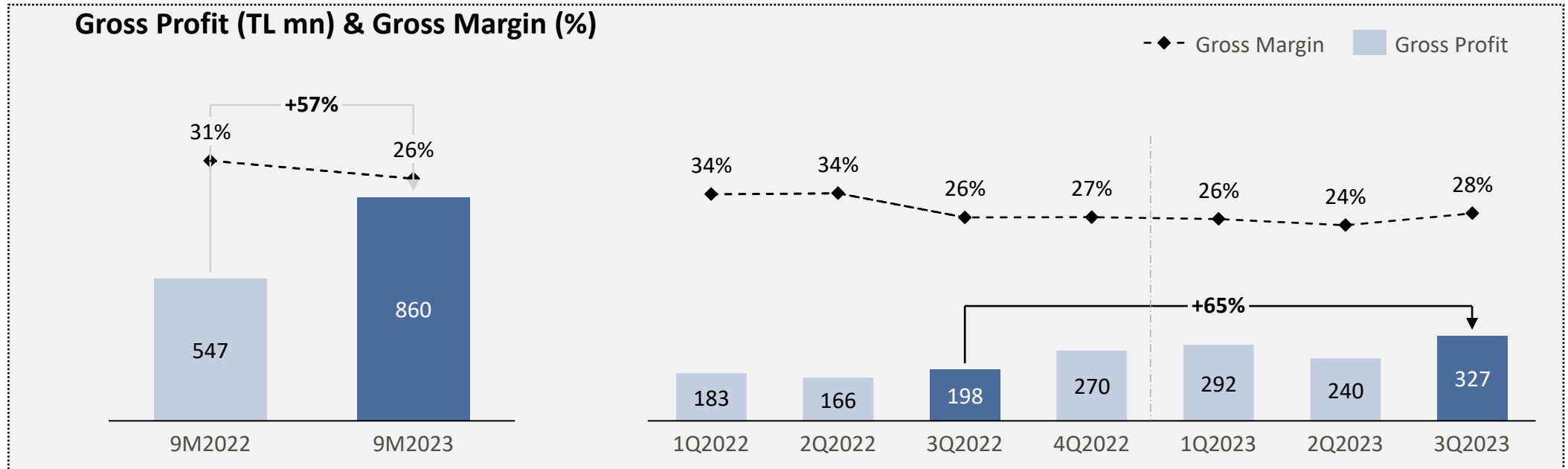
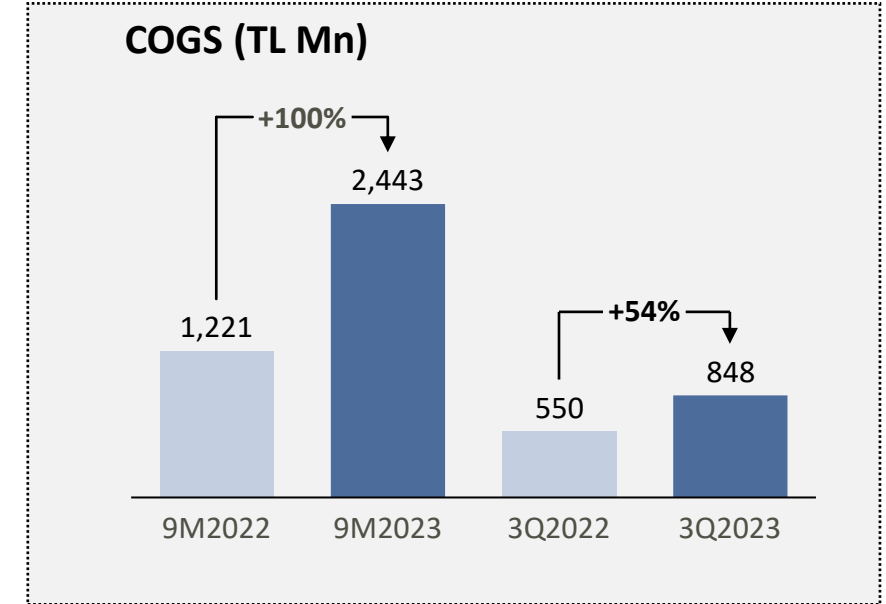
Focused growth in condiments

- Tat processed 422K tons of tomatoes in 9M2023, vs. 498K tons in 9M2022.
- Total production volume reached 118K tons in 9M2023, down by 7%, due to lower tomato paste production this season.
- With new sauce filling line investment in 2023, annual PET bottle sauce production capacity increased from 45 million units to 75 million units.



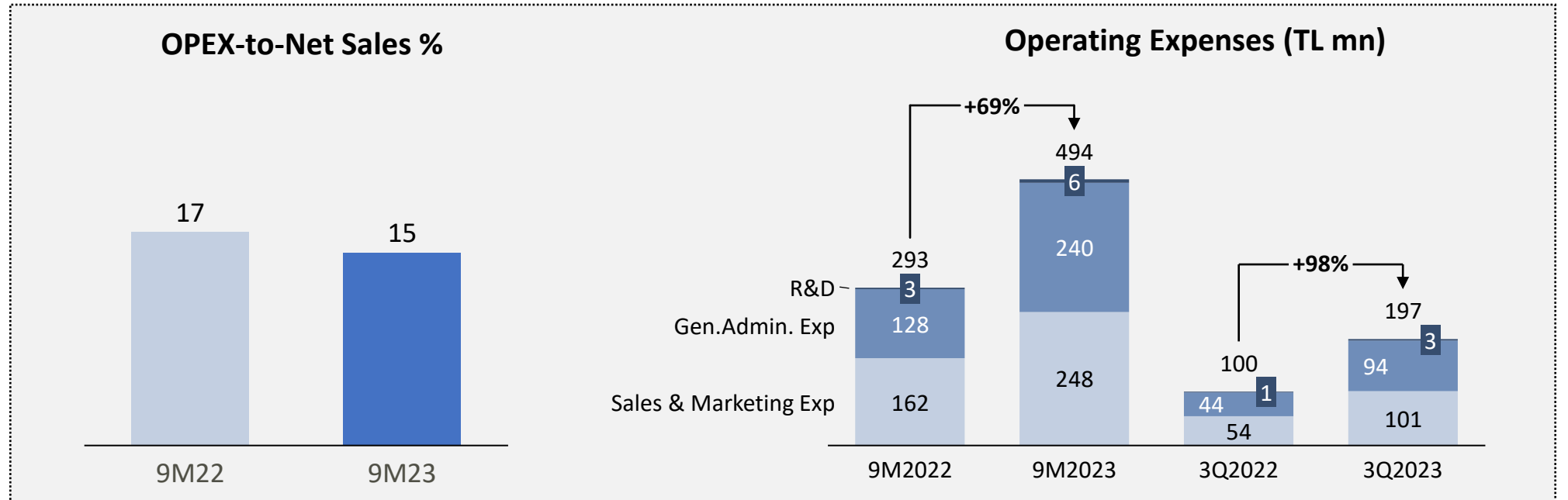
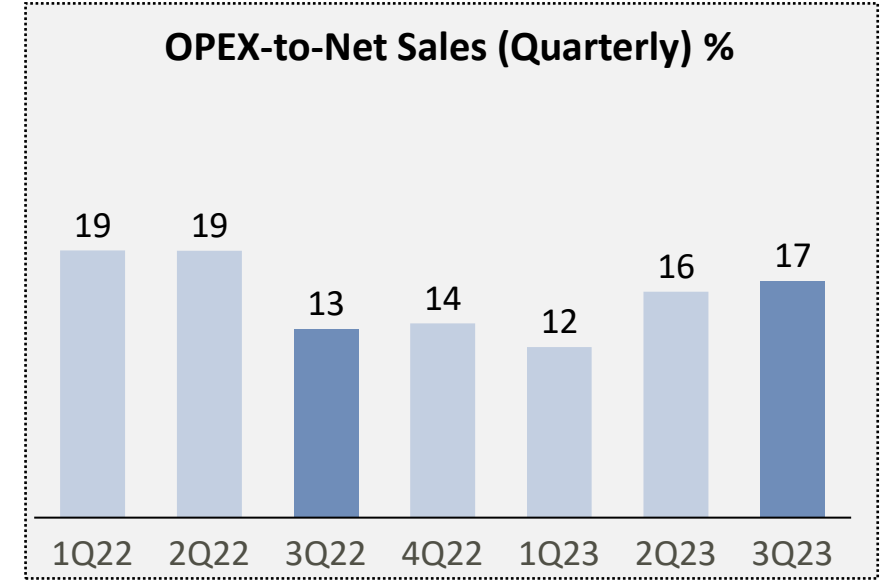
New season
cost increases
much lower vs.
a year ago

- Elevated harvesting season costs in 2022 led to a pressure on margins in 2H22 and 1H23 results.
- COGS in 3Q23 was up by 54% yoy, vs. 100% in 9M23. Gross profit increased by 57% yoy to TL860 mn in 9M23.
- Gross margin was 26% in 9M23, vs. 31% in 9M22; whereas it was 28% in 3Q23, vs. 26% in 3Q22.



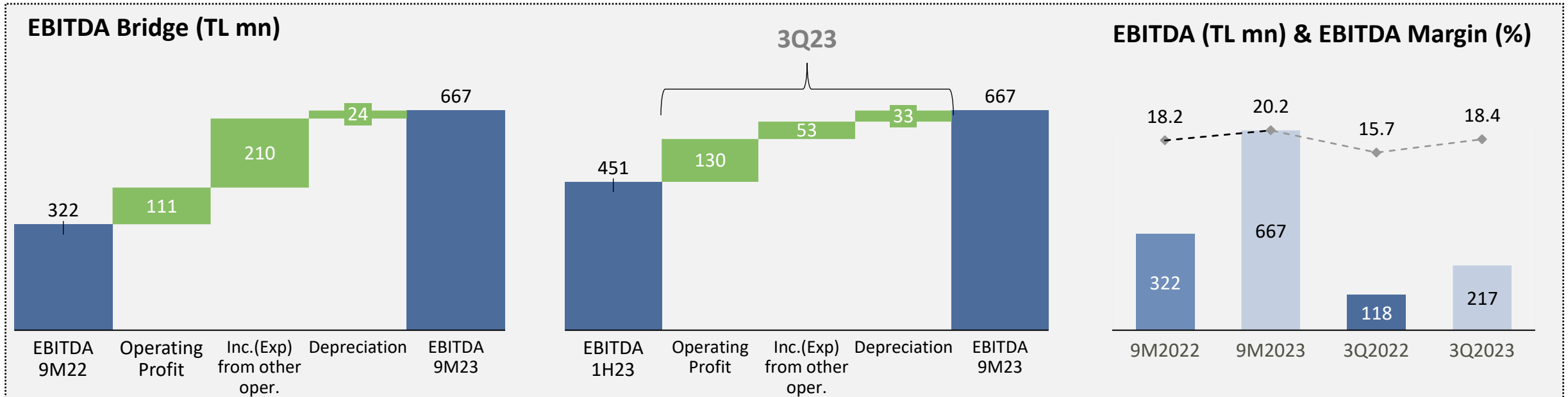
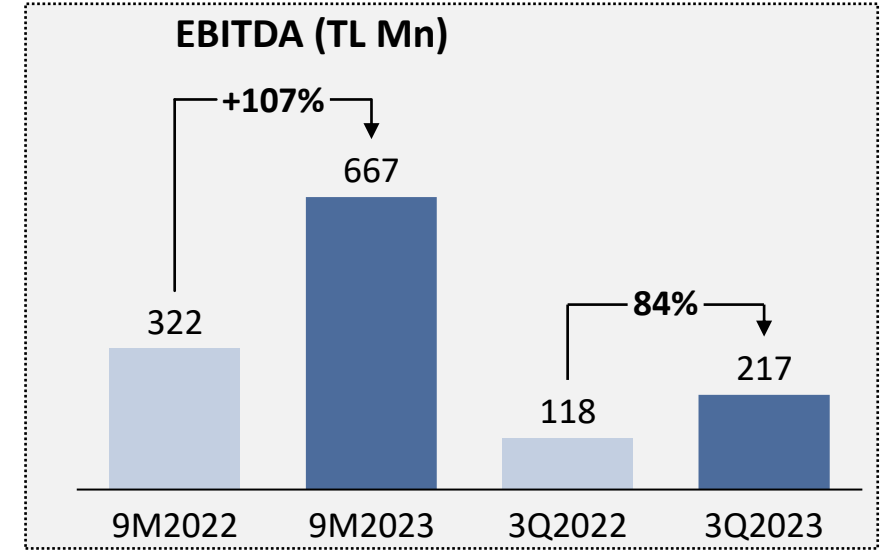
OPEX/Net Sales:
15% in 9M23,
vs.17% in 9M22

- Operating expenses in 9M23 increased by 69% yoy, mainly due to higher personnel expenses. Inflationary trend had a negative impact on all expenses.
- As the effect of elevated personnel expenses were partially off-set with operational efficiencies, Opex-to-Net Sales ratio was 15% in 9M2023 vs. 17% in 9M2022.



EBITDA¹ at TL667 mn, up by 107%

- EBITDA at TL667 mn in 9M23, displayed a yoy increase of 107%; while EBITDA margin was 20% in 9M23 vs. 18% in 9M22.
- Income/Exp from operating activities was higher in 9M23 due to income from maturity and fx differences.
- Comparing 3Q23 vs 3Q22: EBITDA margin was 18% in 3Q23 vs. 16% in the same term last year.



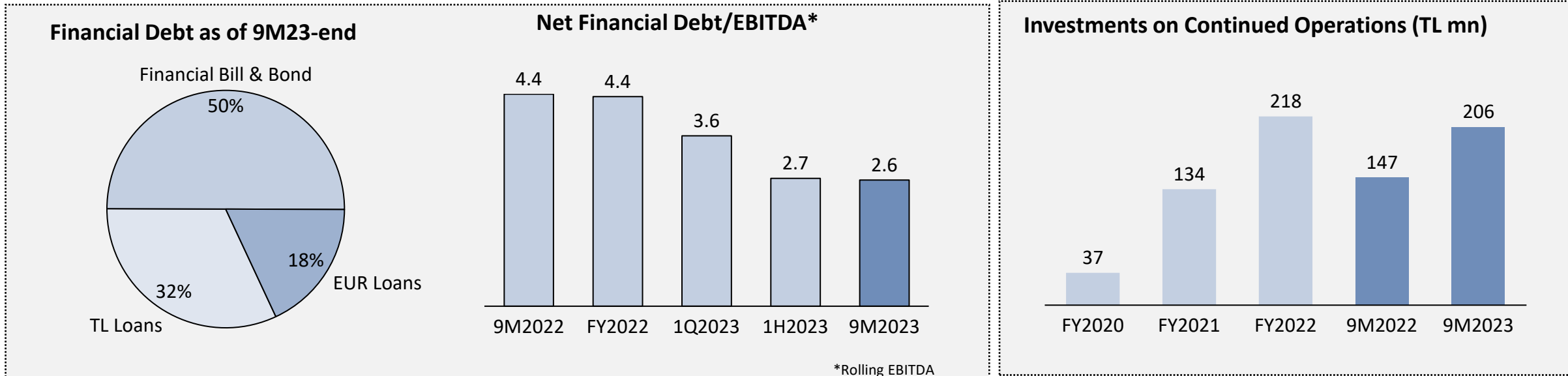
Net Financial debt at TL2.2 bn

- Net Financial Debt was TL2.2 bn at 9M23-end, close to the levels attained at FY2022-end.
- Diversified funding sources, via EBRD loan and issue of bond offerings
- As of Sept-end 2023, 18% of TL2.5 bn financial debt is in FX.

TL mn	9M2022	FY2022	9M2023
Cash and cash equivalents	85	288	256
ST Financial Debt	1,510	2,322	1,424
LT Financial Debt	0	150	1,056
Net Financial Debt (Cash)	1,425	2,184	2,225

**Leasing liabilities not included*

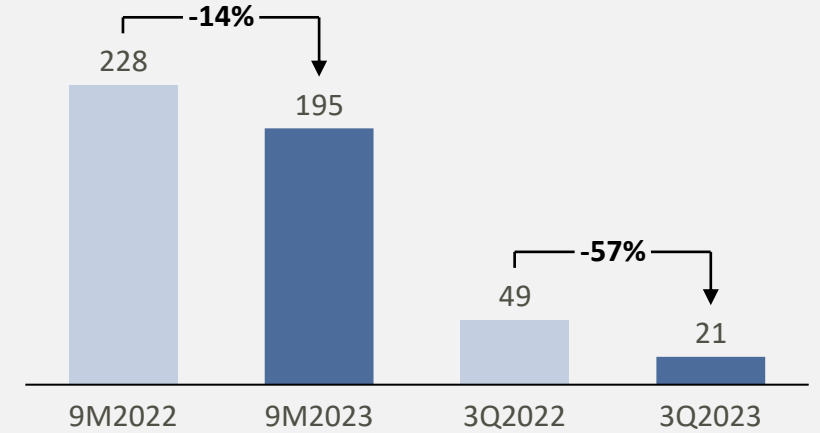
- Investments reached TL206 mn in 9M23, vs. TL147 mn in 9M22.



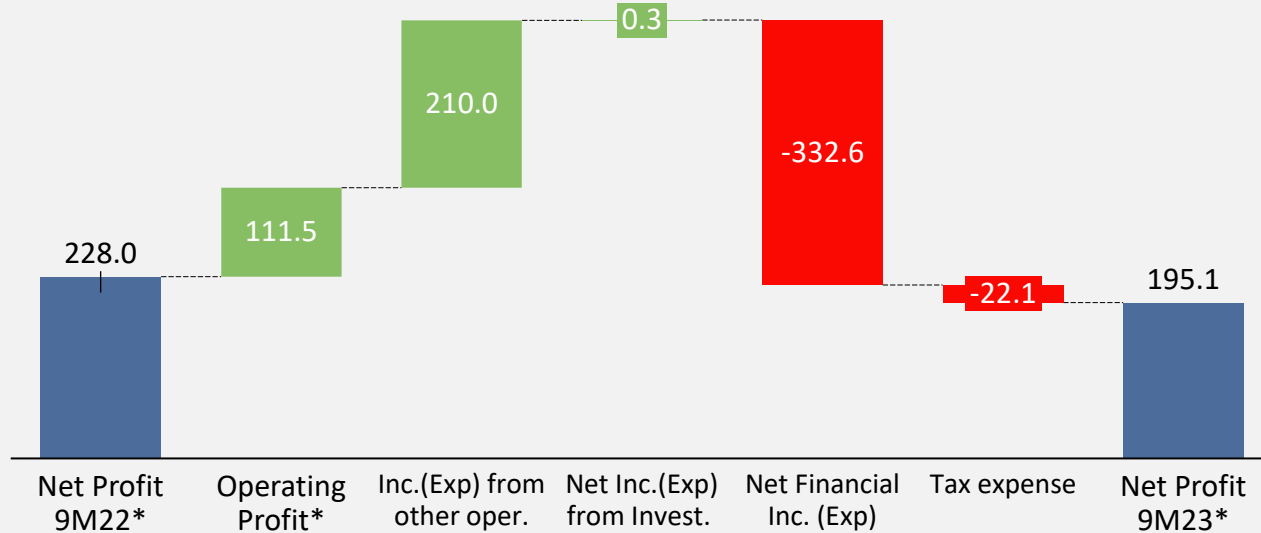
Net Profit came in at TL195 mn

- Net Profit at TL195 mn in 9M23, vs. TL228 mn in 9M22 due to higher financial expenses.

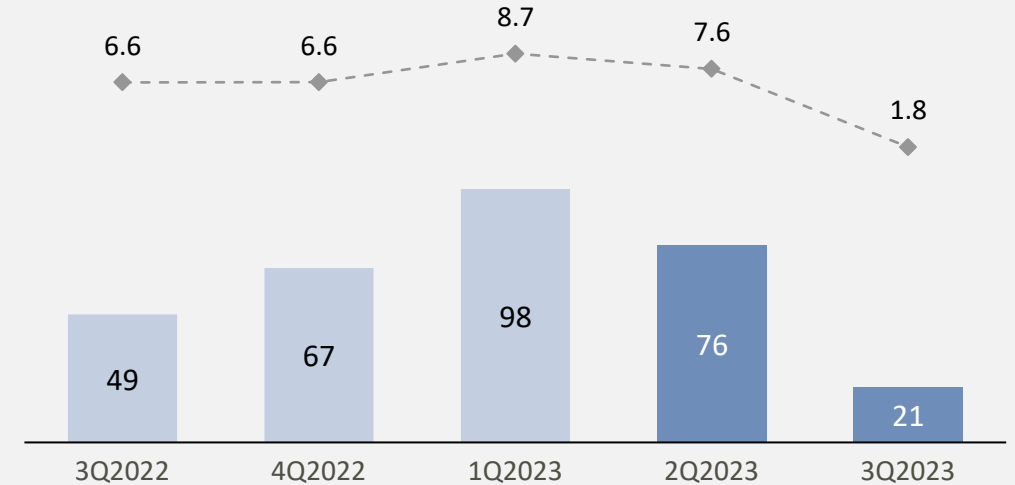
Net Profit (TL mn)



Net Profit Bridge (TL mn)



Net Profit (TL mn) & Net Profit Margin (%)



Income Statement - Summary (TL mn)	9M2022	9M2023	Δ YoY	3Q2022	3Q2023	Δ YoY
Net Sales	1.768	3.302	87%	749	1.175	57%
Cost of Sales (-)	1221	2443	100%	550	848	54%
Gross Profit	547	860	57%	198	327	65%
Operating Expenses (-)	293	494	69%	100	197	98%
Operating Profit	254	366	44%	98	130	32%
Net Income(Exp) from Other Operating Act.	41	251	510%	1	53	3825%
EBITDA *	322	667	107%	118	217	84%
Net Income(Exp) from Investing Act.	3	3	12%	0	-2	n.m.
Net Financial Income (Exp)	-58	-391	573%	-43	-150	253%
Profit before Tax from continuing operations	240	229	-4%	57	31	-45%
Tax expense	-12	-34	184%	-8	-10	25%
Profit for the period	228	195	-14%	49	21	-57%
Gross Margin	31%	26%		26%	28%	
Operating Margin	14%	11%		13%	11%	
EBITDA Margin	18%	20%		16%	18%	
Net Profit Margin	13%	6%		7%	2%	

* EBITDA : Operating Profit + Other income/Expense from operating activities + Depreciation

Balance Sheet -Summary (TL mn)	9M2022	FY2022	1Q2023	1H203	9M23
Current Assets	3.669	3.915	3.978	3.278	4.819
Cash	85	288	565	91	256
Trade receivables	748	844	1.079	1.319	1.237
Inventories	2.456	2.392	1.876	1.453	2.964
Non-current Assets	458	522	612	695	831
Total Assets	4.127	4.437	4.590	3.973	5.651
Current Liabilities	3.018	3.107	2.540	1.658	3.260
Short-term financial borrowings	1.141	1.913	1.641	778	1.232
Short-term portion of long-term borrowings	369	409	361	261	192
Trade payables	1.393	637	367	465	1.467
Non-current Liabilities	56	226	854	1.130	1.185
Long-term financial borrowings	0	150	777	1.043	1.056
Shareholder's Equity	1.054	1.104	1.197	1.185	1.206
Total Liabilities	4.127	4.437	4.590	3.973	5.651
Net Financial Debt (TL mn)*	1425	2184	2213	1991	2225

Ratios	9M2022	FY2022	1Q2023	1H203	9M23
Current Ratio	1,2	1,3	1,6	2,0	1,5
Liquidity Ratio	0,4	0,5	0,8	1,1	0,6
Net Financial Debt/Equity	1,4	2,0	1,8	1,7	1,8
Working Capital (TL Mn)	1.811	2.599	2.589	2.308	2.734

**Leasing liabilities not included*

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.

Neither Tat Gıda nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.



Thank you

For further questions please contact:

yatirimciiliskileri@tat.com.tr

Tat Gıda A.Ş.

Taşdelen Mahallesi

Sırrı Çelik Bulvarı No: 7

Çekmeköy - İstanbul

Tel: +90 216 430 00 00