



# Tat Gıda

## Half-Year Results 2022

---

August 3, 2022



---

# Agenda



1 Key messages and Highlights

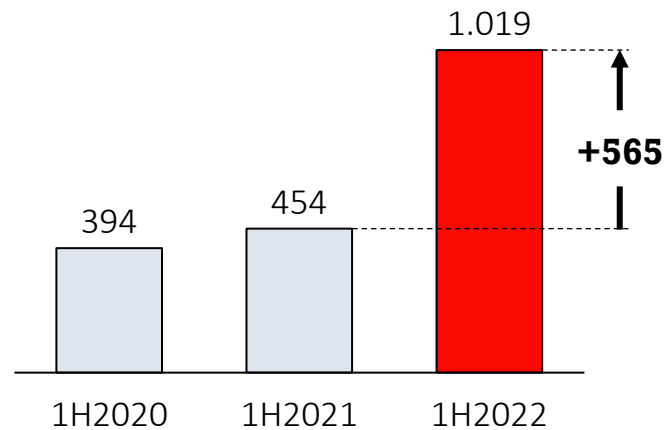
2 1H2022 Financial Results

---

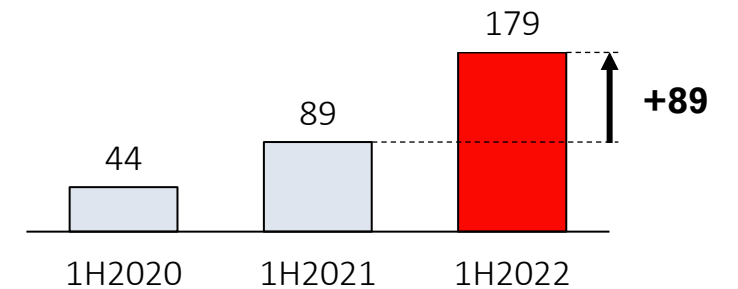
# 1 Key messages and Highlights



Net Sales\*



Net Earnings\*



\* Ongoing operations

## 1H2022 Highlights

### Net Sales\*

TL 1,019 mn  
(124% yoy growth)

### Exports Share\*

38% of total sales  
(vs. 24% in 1H2021)

### EBIT

TL 156 mn (153% yoy growth)

### EBITDA\*

TL 164 mn (146% yoy growth)

### Net Profit\*:

TL179 mn (100% growth)

\*From Continuing operations

## Delivered another quarter of strong results

- Substantial top-line results driven by strong consumer demand and added capacities, together with balanced local and export mix and marketing efforts.
  - Domestic sales increased by 81% yoy
  - Exports reached US\$26 mn, constituted 38% of sales vs. 24% in 1H21
- Investments ongoing for the long-term growth of the business: automation, maintenance, modernization, and debottlenecking projects.
- Growth in EBITDA and Net Earnings continued. Strong sales performance compensate for significant currency headwinds and inflationary cost pressure.
  - EBITDA margin reached 16.5% in 2Q22, highest quarter since 2021.
- Net debt at TL236 mn, vs. net cash of TL93 due to dairy business divestiture in 1Q21.
- Executing strategies to drive sustainable growth and efficiency.

# Executing strategies to drive sustainable growth & efficiency



Advertising campaigns continued in 1H2022 both for domestic and export markets

## TOMATOES



## SAUCES



## READY-TO-EAT PLATES



In domestic market, TV advertising campaigns, sponsorships, celebrity and influencer collaborations on social media continued

Advertising campaigns continued in export markets:

- In Iraq market: TV food program sponsorship, TV and outdoor advertising campaigns



Tat offers new taste and flavor options to its product portfolio in line with consumer needs and expectations.

- “Tat Ready to Eat Plates”, launched in 2Q2022, are fast, practical, nutritious and healthy ready-to-eat meal solutions with traditional flavors with a homemade taste and bowl products suitable for both hot and cold consumption, for the first time in Turkey.
- New tastes and choices with different packaging options will follow.





Tat signed a Cooperation Agreement with Bursa Uludağ University and aims to provide academic support to R&D studies, conduct joint scientific research, and share mutual experiences by conducting university and sector-based studies.

Tat Gıda has been entitled to receive R&D support from the European Union with its PV4Plants and SolarHub projects within the scope of Horizon Europe Program.



TÜBİTAK

## PV4PLANTS

Aims to increase land use efficiency, crop yield and renewable energy production with Agri-PV technologies.



14 partners- Project Fund: 4.94 mio €



TÜBİTAK

## SOLARHUBS

The overall aim of the SolarHub project, funded by the Excellence Hubs call, is to strengthen the links between the innovation ecosystems in the field of Solar Energy in Turkey and Greece, especially within the scope of agricultural practices, and to work on creating a unified ecosystem.

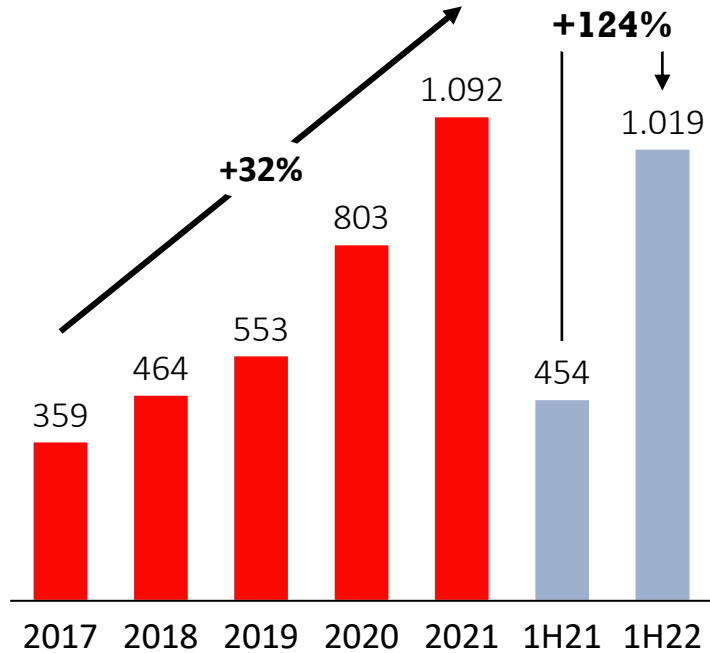


21 partners –Project Fund: 4.87 mio €

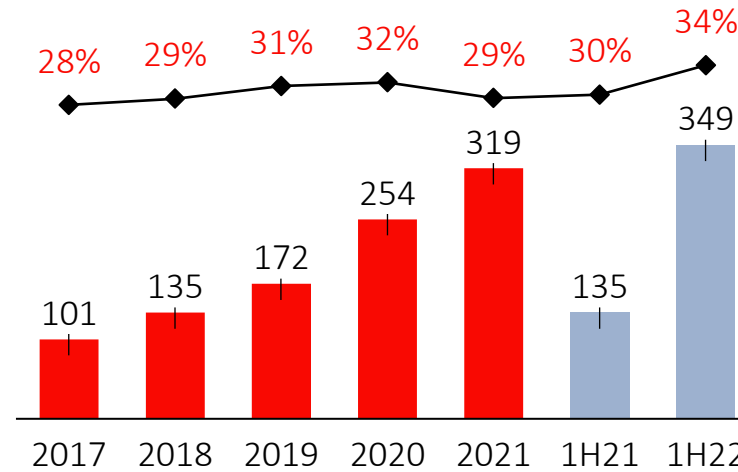
# Financial Highlights



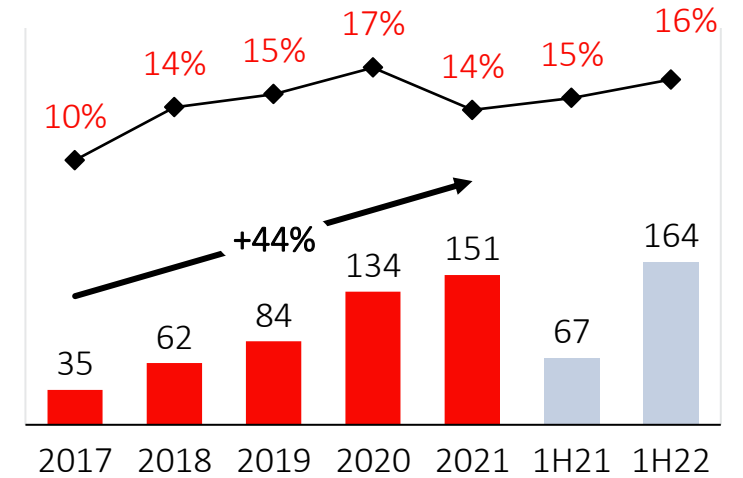
**Net Sales (TL mn)\***



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



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



\*Ongoing Operations

**2017-2021\*  
Performance**

**Net Sales  
32% CAGR**

**Avg. Gross Profit Margin  
30%**

**EBITDA  
44% CAGR**



# 2

## 1H 2022 Financial Results



### Balance Sheet – Summary (TL mn)

	Jun 30, 2022	Dec 31, 2021
Current Assets	1,788	1,350
Non-Current Assets	369	288
<b>Total Assets</b>	<b>2,157</b>	<b>1,638</b>
Current Liabilities	1,067	553
Non-Current Liabilities	86	199
Shareholder's Equity	1,004	885
<b>Total Liabilities &amp; Equity</b>	<b>2,157</b>	<b>1,638</b>

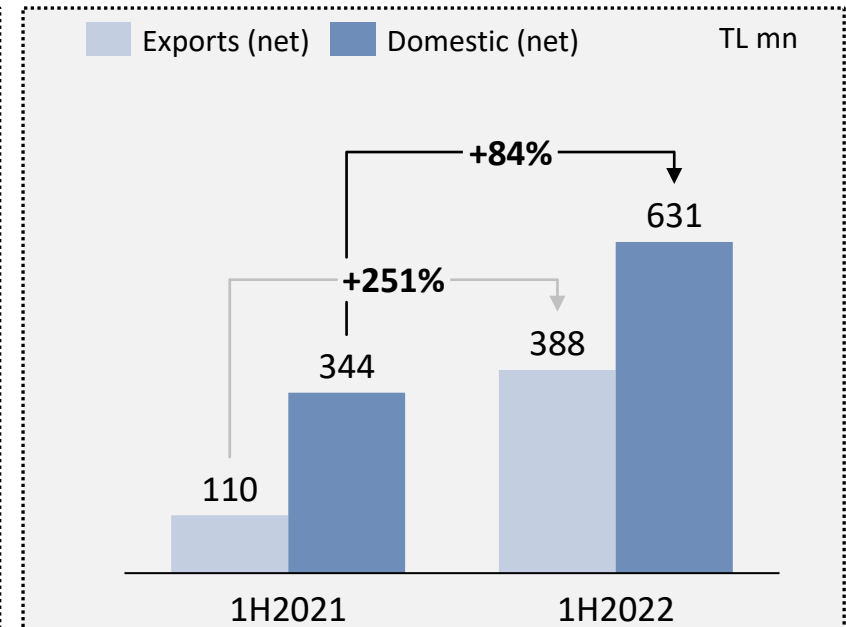
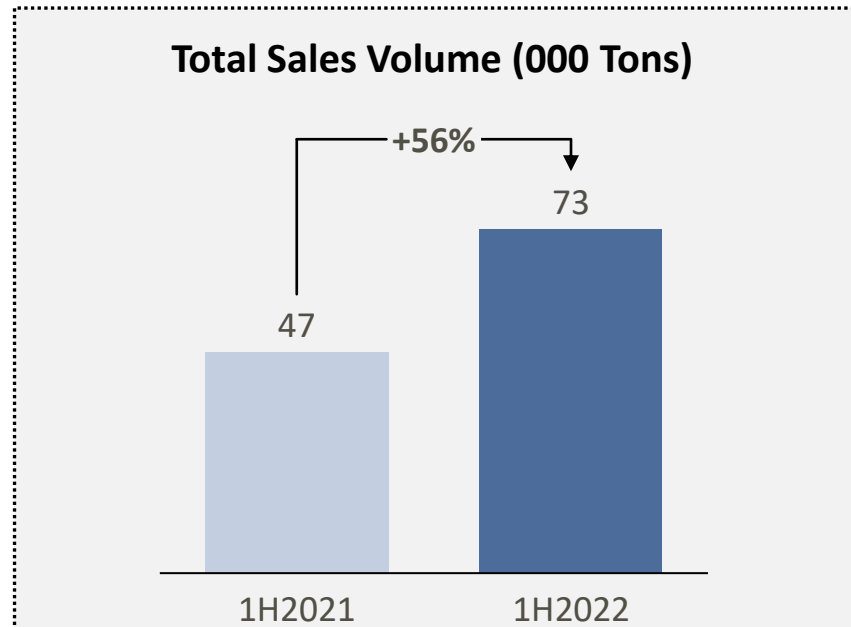
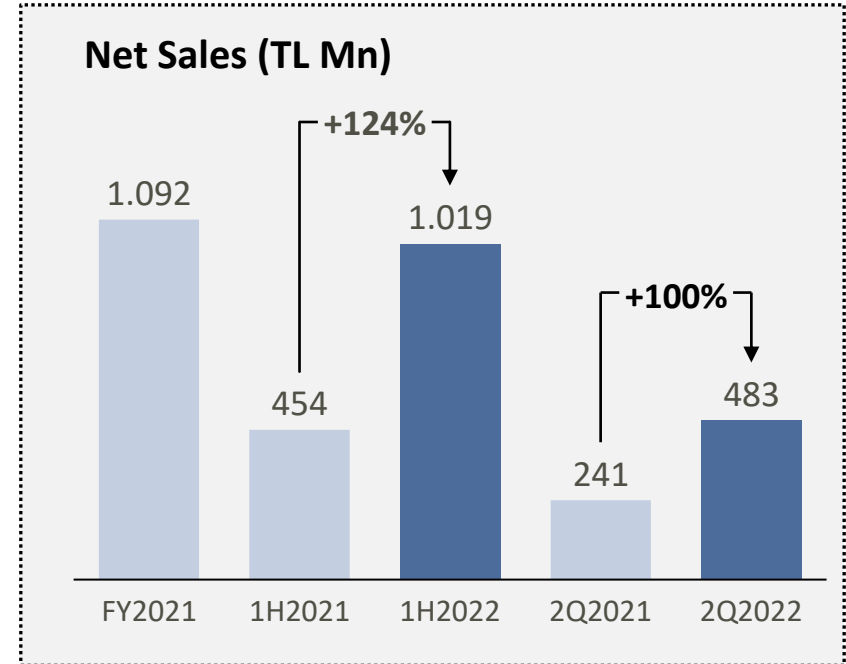
### Income Statement - Summary (TL mn)\*

	1H2022	1H2021
Sales	1,019	454
EBITDA	164	67
Net Income from Other operations	40	11
Net Inc. (Exp) from Investment act.	2	2
Net Financial Inc. (Exp)	-16	10
Profit Before Tax	183	85
<b>Net Profit from Ongoing operations</b>	<b>179</b>	<b>89</b>

\* Ongoing operations

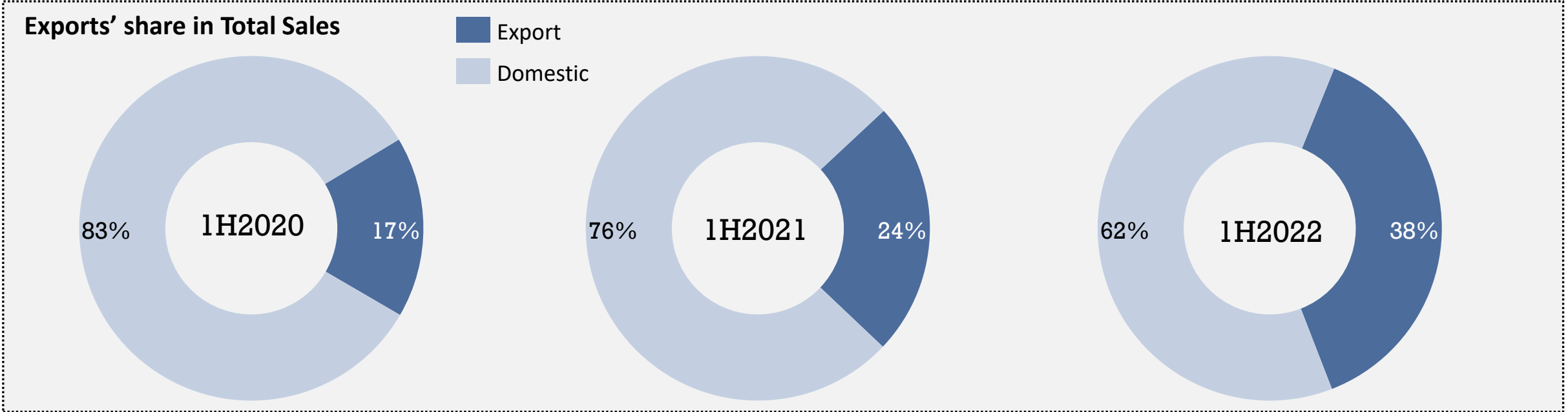
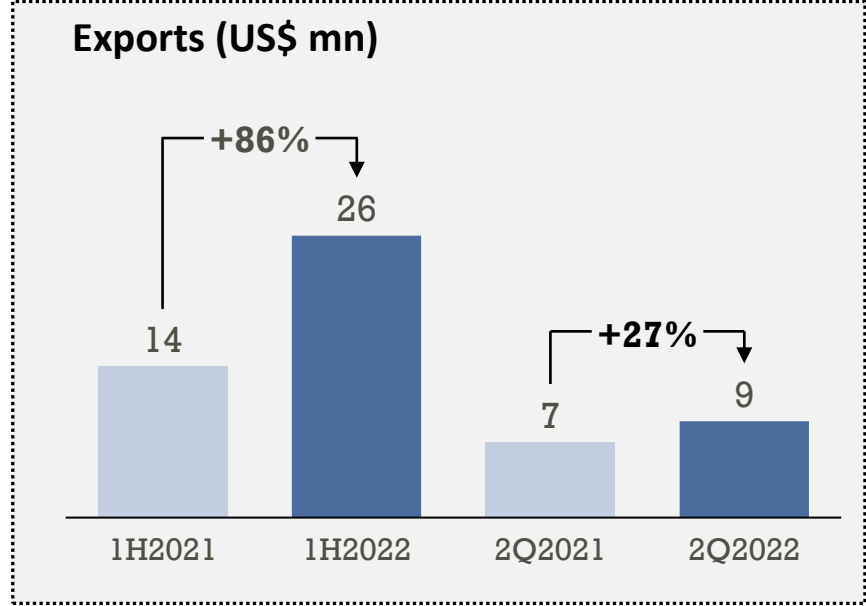
# Revenues: as high as the levels attained in full- year 2021

- Thanks to finalized capex investments in 3Q21, and strong overall sales performance, total sales volume in 1H22 increased by 56% yoy to 73K tons.
- Net sales reached TL1.019 mn; up by 124% yoy, due to higher volumes and price adjustments –as high as FY2021 levels.
- Domestic sales increased by 84% in 1H22, yoy; while exports surged by 251%.



# Export strategy support growth

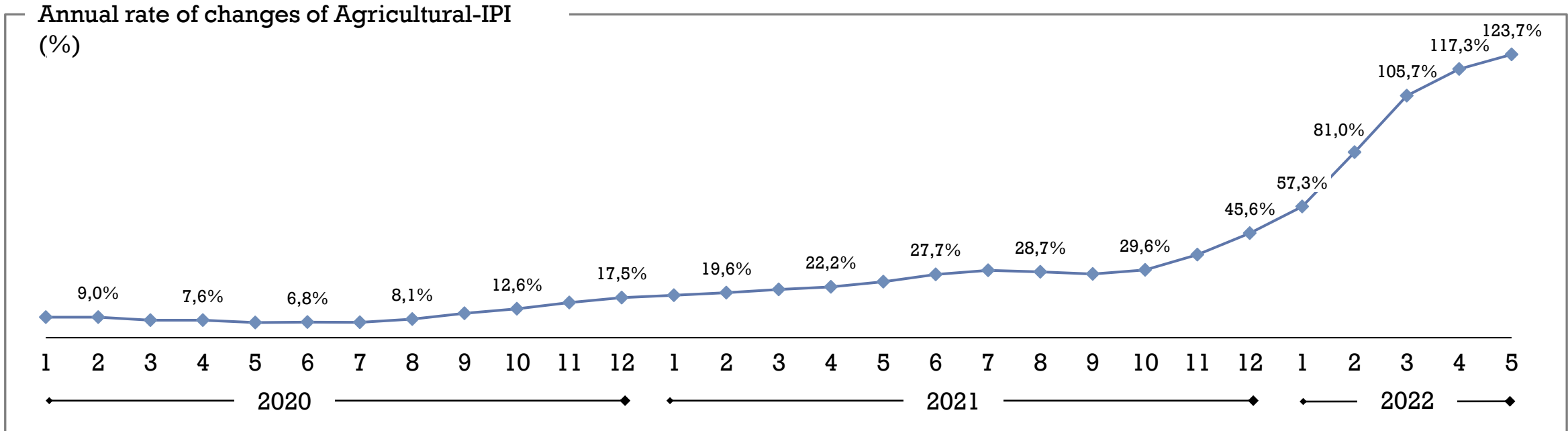
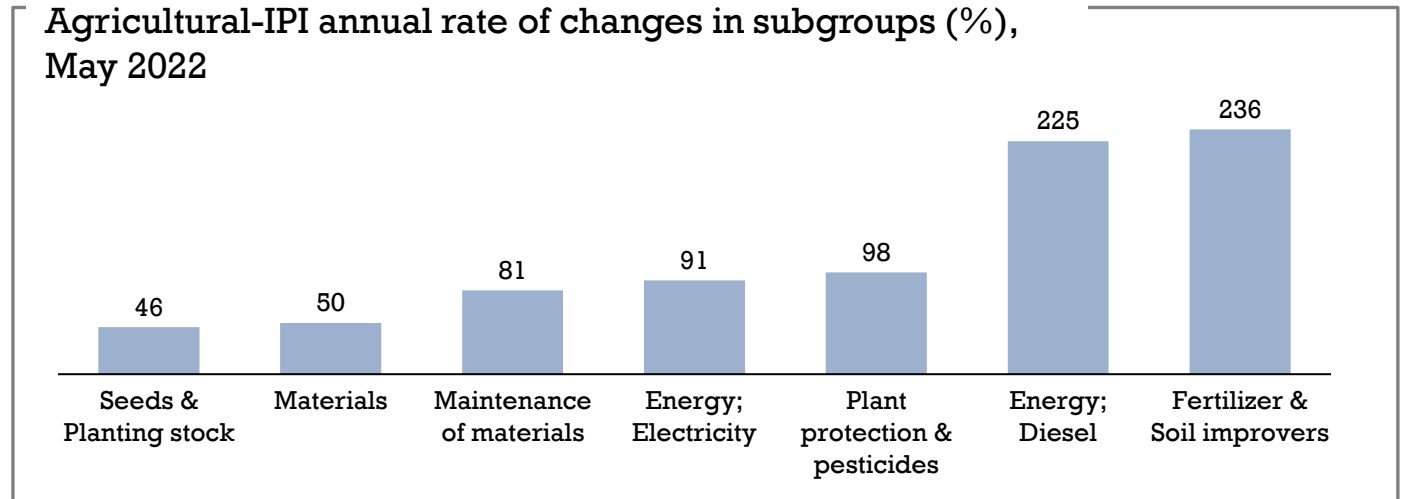
- Total exports in 1H22 reached TL388 mn (US\$26 mn ), displaying 251% growth yoy in TL terms and 86% in US\$ terms.
- Exports share in total sales was 38% in 1H2022 vs. 24% in 1H21.
- More than half of the sales were directed to Europe in 1H22.



# Tougher market conditions prevail in 2022

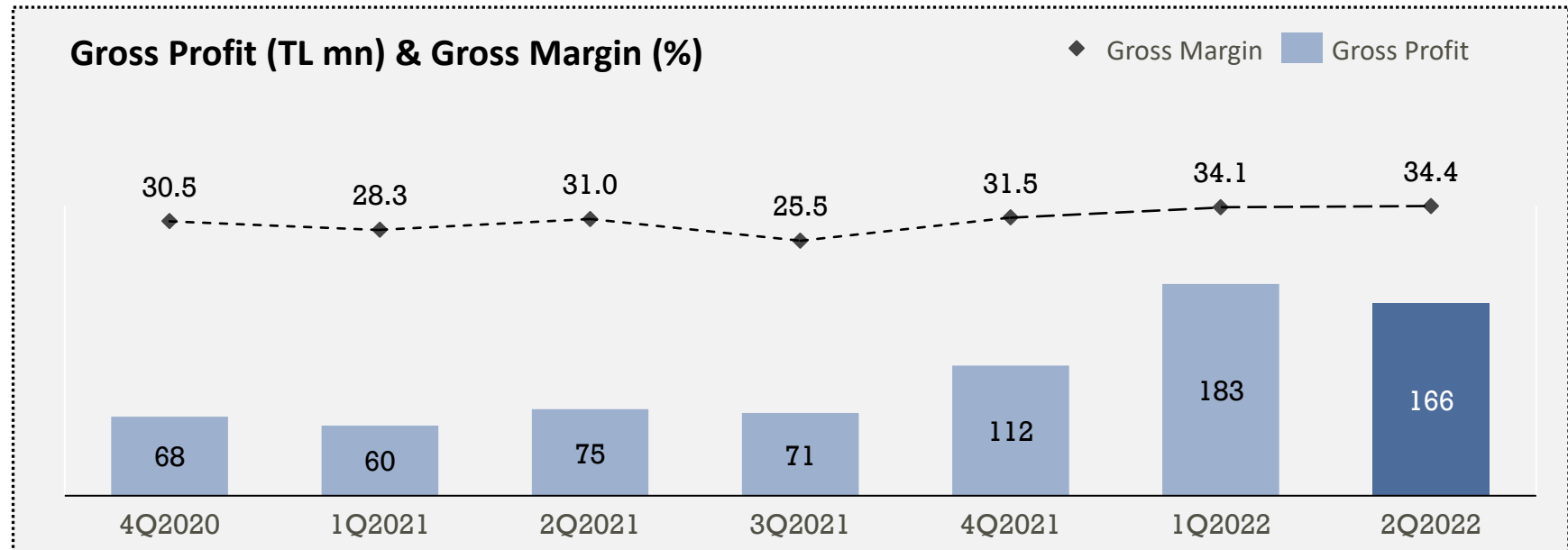
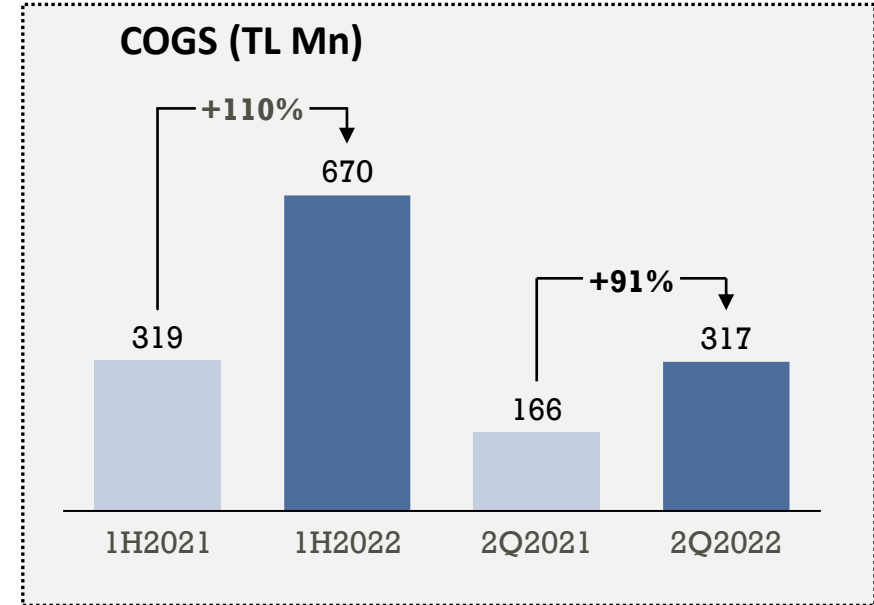


- Agricultural input price index increased by 124% compared to same month of the previous year and increased by 61.5% compared to twelve months moving averages, in May 2022.
- The highest annual increase was 236% in fertilizer and soil improvers subgroup.



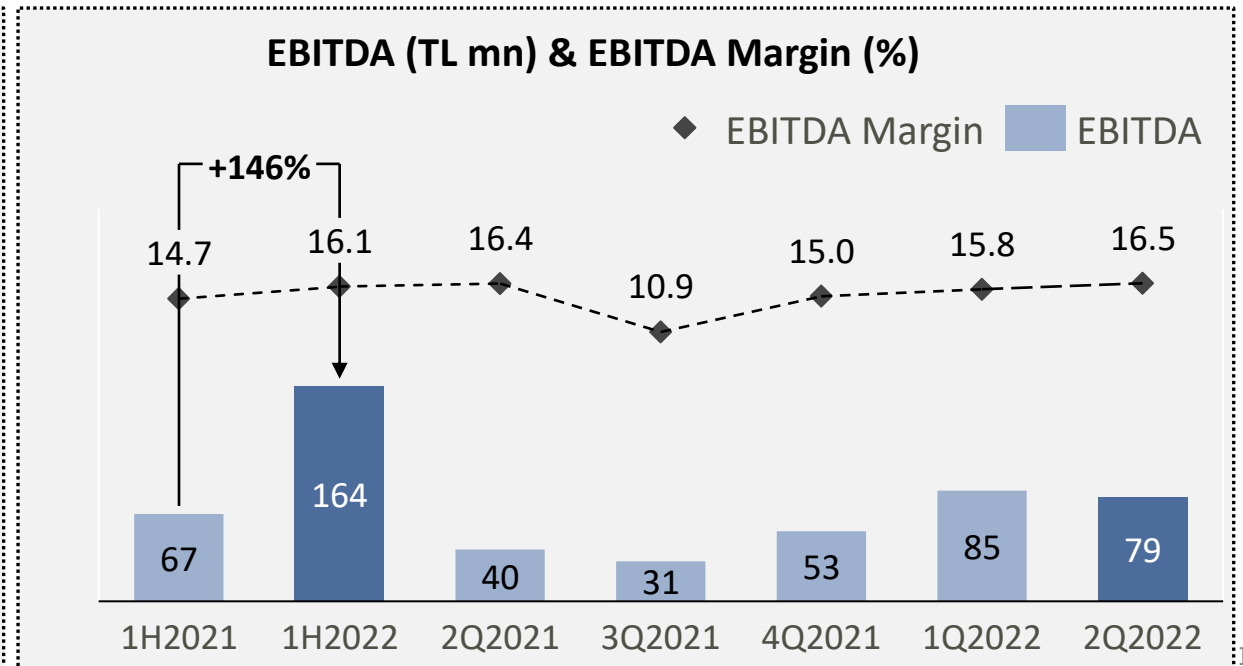
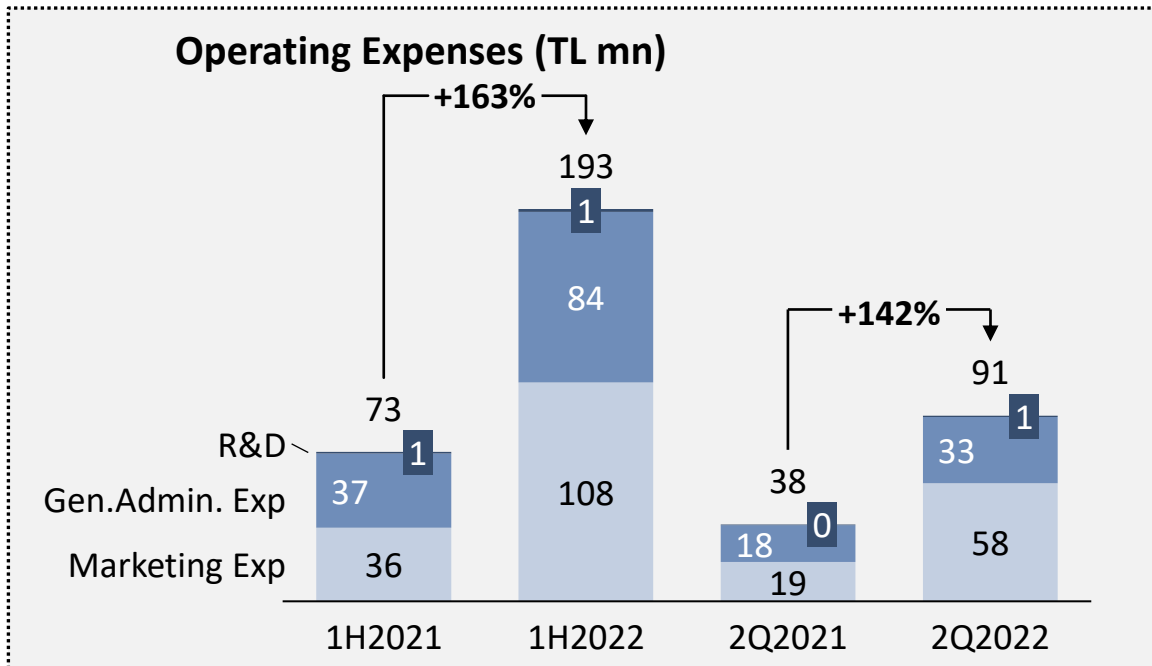
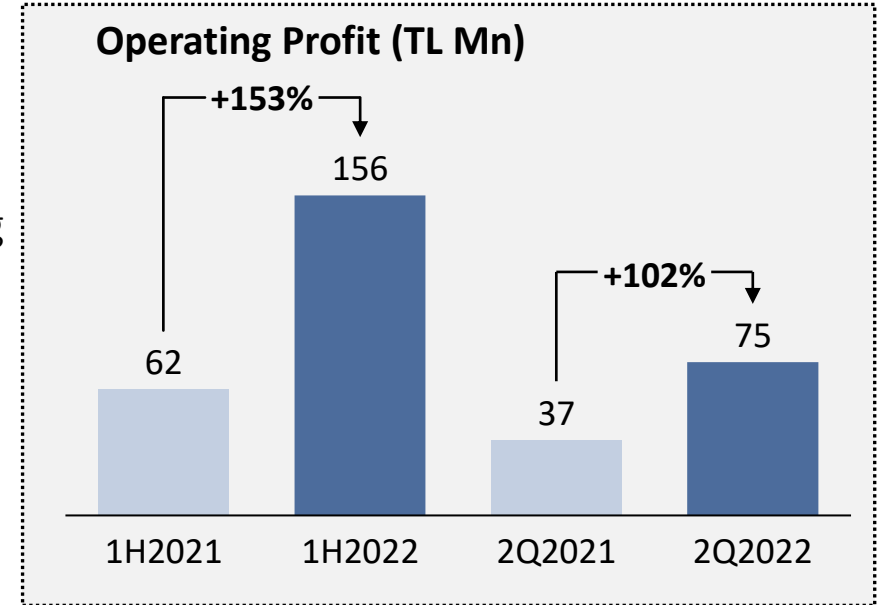
# Improved margins despite tough market conditions

- Higher COGS due to elevated prices, combined with weak TL led to a pressure on margins mainly in 3Q21.
- Thanks to favorable sales mix and prices; gross profit increased by 158% yoy to TL349 mn; while gross margin came in at 34.4% in 2Q22, vs. 31% in 2Q21.



# Strong operational performance

- Higher marketing & sales expenses to accelerate growth and enhance long-term market position.
- Despite elevated operating expenses, operating profit was up by 153% in 1H22, yoy to TL156 mn.
- EBITDA at TL164 mn in 1H22, displayed a yoy increase of 146%; while EBITDA margin reached 16.5% in this quarter, vs. 16.4% in 1Q21.



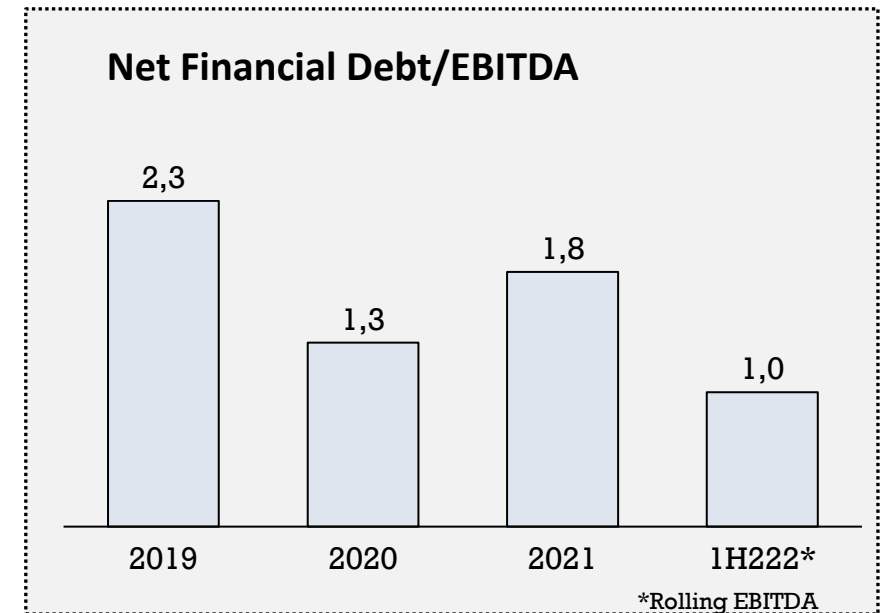
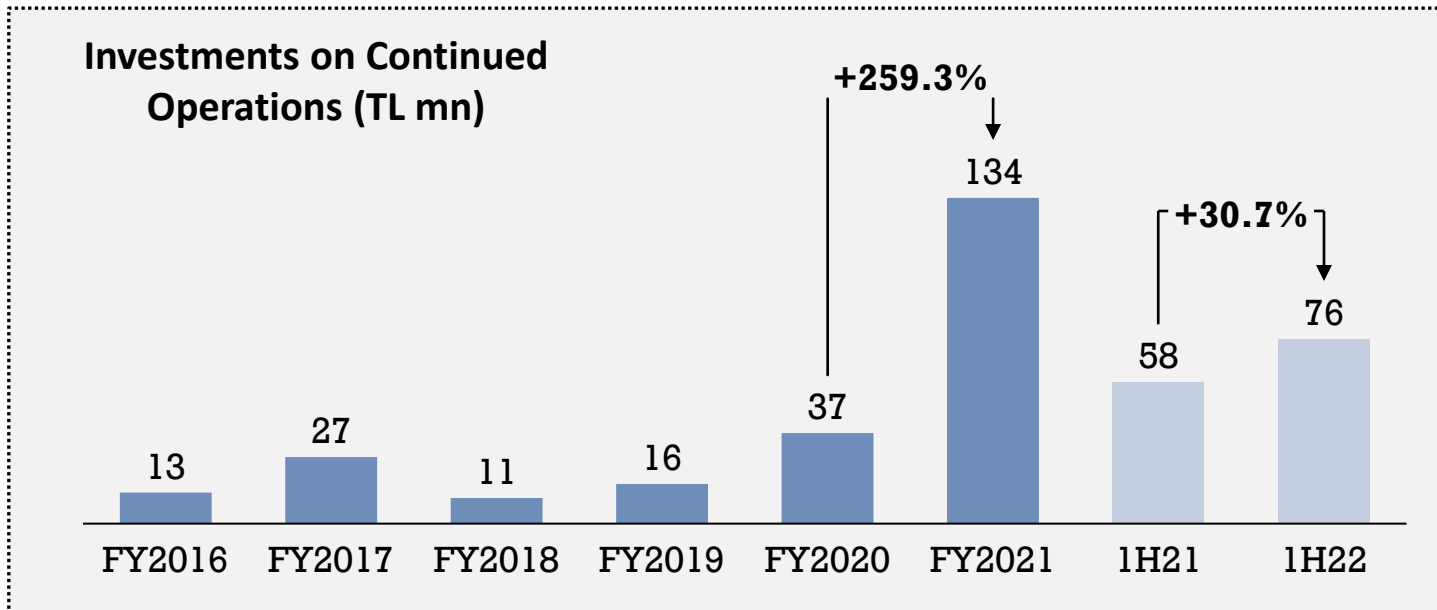
# Net Financial debt at TL236 mn

- Net Financial Debt position was TL236 mn, following a rise in 4Q21 due to elevated investments and harvesting season costs TL293 mn at FY2021-end.
- Cash outflow of TL56\* mn via total dividend distribution in March 2022; and investments of TL76 mn in 1H22.
- Applied to the CMB on Aug 2, 2022 for the approval of the bond issue up to 1 bn TL.

TL mn	1H2021	FY2021	1H2022
Cash and cash equivalents	275	106	301
ST Financial Debt	182	240	497
LT Financial Debt	0	160	40
<b>Net Financial Debt (Cash)</b>	<b>-93</b>	<b>293</b>	<b>236</b>

*\*Leasing liabilities not included*

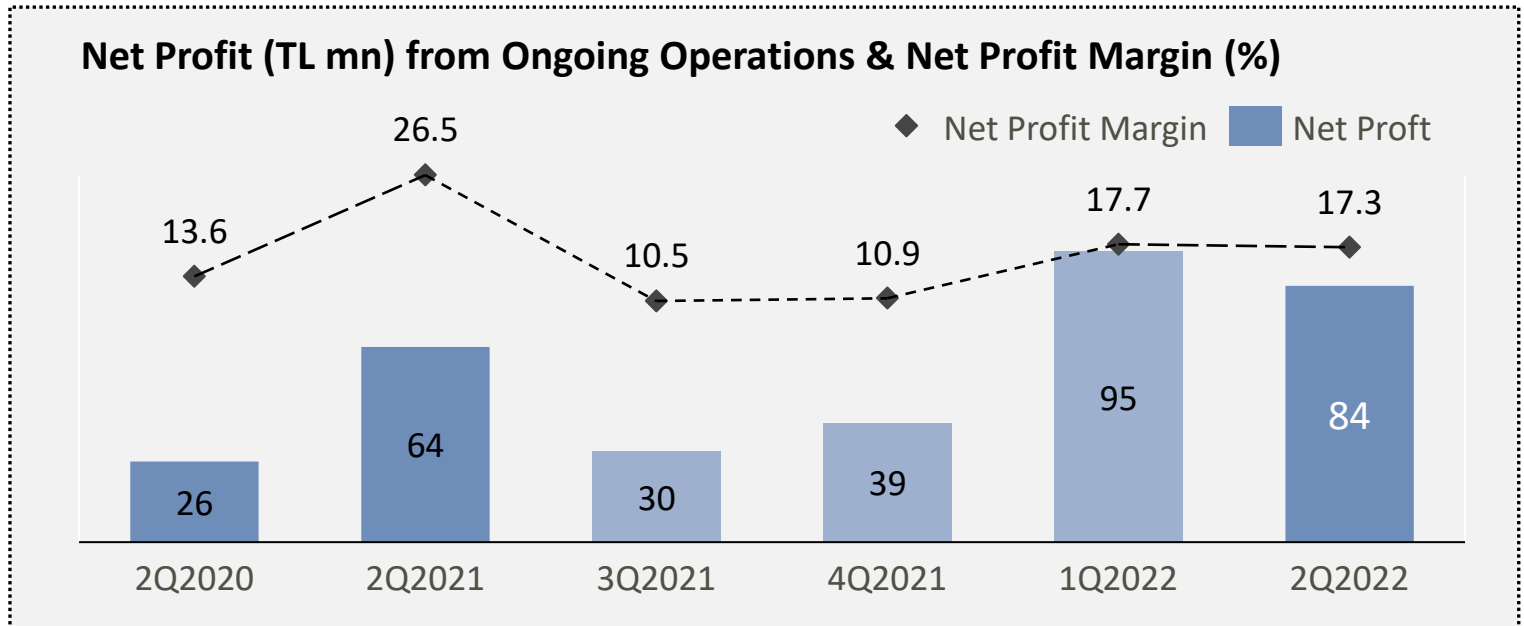
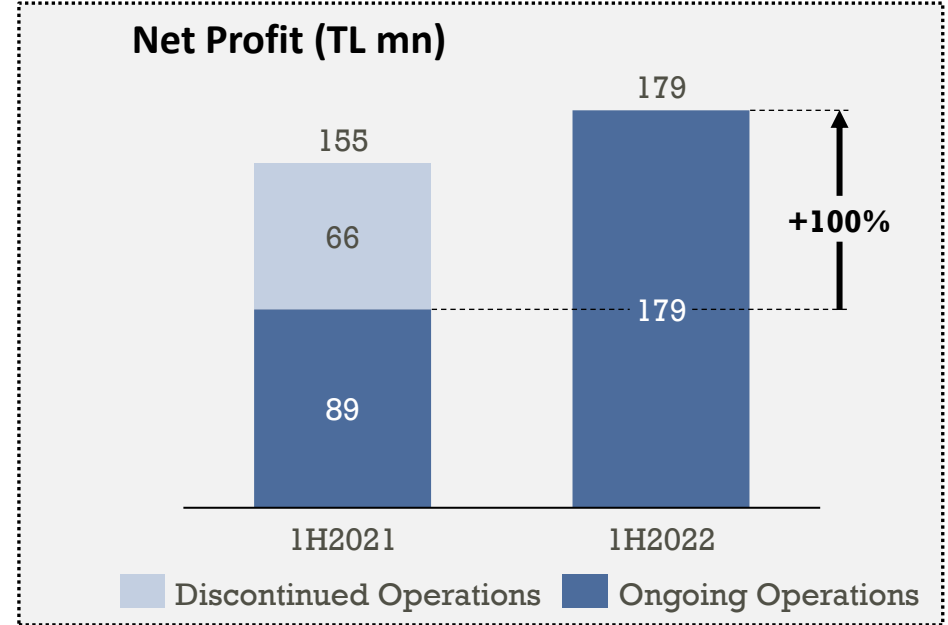
*\* TL 45.6 mn cash dividend to shareholders and rest as Dividend to Owners of Redeemed Shares*



*\*Rolling EBITDA*

# Net Profit from ongoing operations almost doubled

- Net Profit from ongoing operations reached TL179 mn in 1H22, almost doubled the 1H21 level of TL89 mn, thanks to strong operational performance.





Income Statement - Summary (TL mn)	FY2020	FY2021	Δ YoY	1H2021	1H2022	Δ YoY	2Q2021	2Q2022	Δ YoY
<b>Net Sales</b>	<b>803</b>	<b>1.092</b>	<b>36%</b>	<b>454</b>	<b>1.019</b>	<b>124%</b>	<b>241</b>	<b>483</b>	<b>100%</b>
Cost of Sales (-)	549	773	41%	319	670	110%	166	317	91%
<b>Gross Profit</b>	<b>254</b>	<b>319</b>	<b>26%</b>	<b>135</b>	<b>349</b>	<b>158%</b>	<b>75</b>	<b>166</b>	<b>122%</b>
Operating Expenses (-)	134	188	40%	73	193	163%	38	91	142%
<b>Operating Profit</b>	<b>120</b>	<b>131</b>	<b>9%</b>	<b>62</b>	<b>156</b>	<b>153%</b>	<b>37</b>	<b>75</b>	<b>102%</b>
<b>EBITDA</b>	<b>134</b>	<b>151</b>	<b>13%</b>	<b>67</b>	<b>164</b>	<b>146%</b>	<b>40</b>	<b>79</b>	<b>101%</b>
Net Income(Exp) from Other Operating Act.	2	7	250%	11	40	253%	6	21	255%
Net Income(Exp) from Investing Act.	1	2	54%	2	2	22%	0,3	0,3	7%
Net Financial Income (Exp)	-26	14	n.m.	10	-16	n.m.	6	-5	n.m.
<b>Profit before Tax from continuing operations</b>	<b>97</b>	<b>154</b>	<b>60%</b>	<b>85</b>	<b>183</b>	<b>115%</b>	<b>49</b>	<b>91</b>	<b>85%</b>
Tax expense	-25	3	n.m.	4	-4	n.m.	14	-8	n.m.
<b>Profit for the period from continuing operations</b>	<b>71</b>	<b>158</b>	<b>121%</b>	<b>89</b>	<b>179</b>	<b>100%</b>	<b>64</b>	<b>84</b>	<b>31%</b>
Profit / (loss) for the period from discontinued op	96	66	-32%	66	0	n.m.	0	0	-100%
<b>Profit for the period</b>	<b>167</b>	<b>223</b>	<b>33%</b>	<b>155</b>	<b>179</b>	<b>15%</b>	<b>64</b>	<b>84</b>	<b>32%</b>
Gross Margin	32%	29%		30%	34%		31%	34%	
Operating Margin	15%	12%		14%	15%		15%	15%	
EBITDA Margin	17%	14%		15%	16%		16%	16%	
<b>Net Profit Margin (Continuing Operations)</b>	<b>9%</b>	<b>14%</b>		<b>20%</b>	<b>18%</b>		<b>26%</b>	<b>17%</b>	

Balance Sheet -Summary (TL mn)	FY2018	FY2019	FY2020	FY2021	1Q2022	1H2022
<b>Current Assets</b>	<b>641</b>	<b>780</b>	<b>1.173</b>	<b>1.350</b>	<b>1.388</b>	<b>1.788</b>
Cash	28	10	121	106	252	301
Trade receivables	323	384	446	474	467	597
Inventories	238	338	361	628	474	596
<b>Non-current Assets</b>	<b>223</b>	<b>247</b>	<b>136</b>	<b>288</b>	<b>297</b>	<b>369</b>
<b>Total Assets</b>	<b>864</b>	<b>1.026</b>	<b>1.309</b>	<b>1.638</b>	<b>1.685</b>	<b>2.157</b>
<b>Current Liabilities</b>	<b>247</b>	<b>275</b>	<b>411</b>	<b>553</b>	<b>630</b>	<b>1.067</b>
Short-term financial borrowings	48	-	42	92	181	195
Short-term portion of long-term borrowings	6	54	73	147	113	301
Trade payables	167	181	213	258	249	505
<b>Non-current Liabilities</b>	<b>117</b>	<b>191</b>	<b>193</b>	<b>199</b>	<b>131</b>	<b>86</b>
Long-term financial borrowings	102	150	175	160	90	40
<b>Shareholder's Equity</b>	<b>501</b>	<b>561</b>	<b>705</b>	<b>885</b>	<b>924</b>	<b>1.004</b>
<b>Total Liabilities</b>	<b>864</b>	<b>1.026</b>	<b>1.309</b>	<b>1.638</b>	<b>1.685</b>	<b>2.157</b>
<b>Net Financial Debt (TL mn)</b>	128	194	170	293	132	236

Ratios	FY2018	FY2019	FY2020	FY2021	1Q2022	1H2022
Current Ratio	2,6	2,8	2,9	2,4	2,2	1,7
Liquidity Ratio	1,6	1,6	2,0	1,3	1,5	1,1
Net Financial Debt/Equity	0,3	0,3	0,2	0,3	0,1	0,2
Working Capital (TL Mn)	394	541	594	844	693	689

---

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 Gida 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:

Banu amlitepe - head of IR

[banu.camlitepe@tat.com.tr](mailto:banu.camlitepe@tat.com.tr)

P: +90 216 430 00 00 ext: 2015

**Tat Gıda A.Ş.**

**[investorrelations@tat.com.tr](mailto:investorrelations@tat.com.tr)**

Taşdelen Mahallesi

Sırrı elik Bulvarı No: 7

ekmeköy - İstanbul