



TAT GIDA

INVESTOR PRESENTATION & 9M2021 FINANCIAL RESULTS REVIEW



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TAT GIDA AT A GLANCE

Tat, a well-established and pioneering company in Turkey, contributes to healthier lives with plant-based products and sustainable agriculture via digital farming and responsible agriculture operations aiming maximum yields with minimal resources.

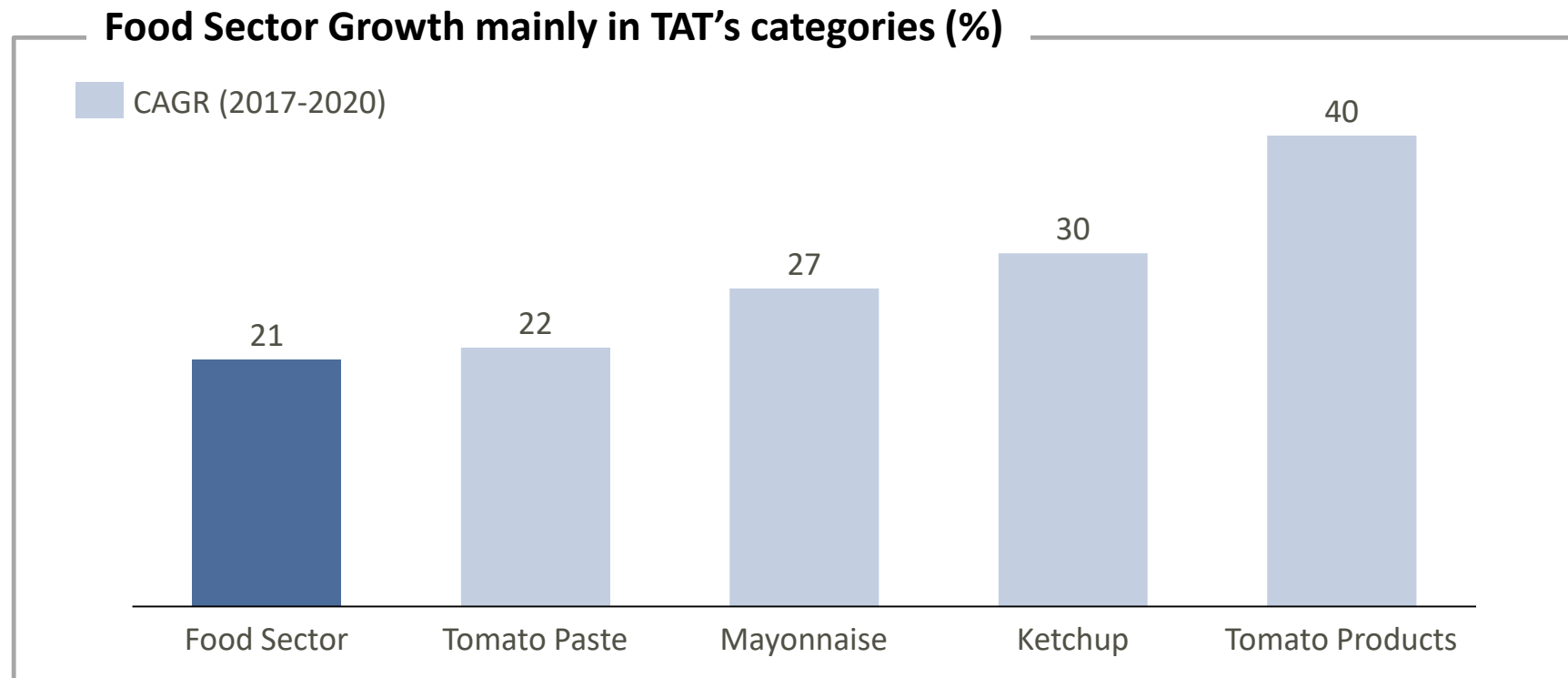


*FAO 2019 statistics, (processing + fresh tomato)

GROWTH IN TURKISH FOOD SECTOR



- Food sector had a CAGR of 21% between 2017 and 2020, whereas Tat's main categories has growth at a higher rate.
- Ready-to-Eat food and Pickles category CAGR between 2018-2020 were 48% and 31%, respectively*.



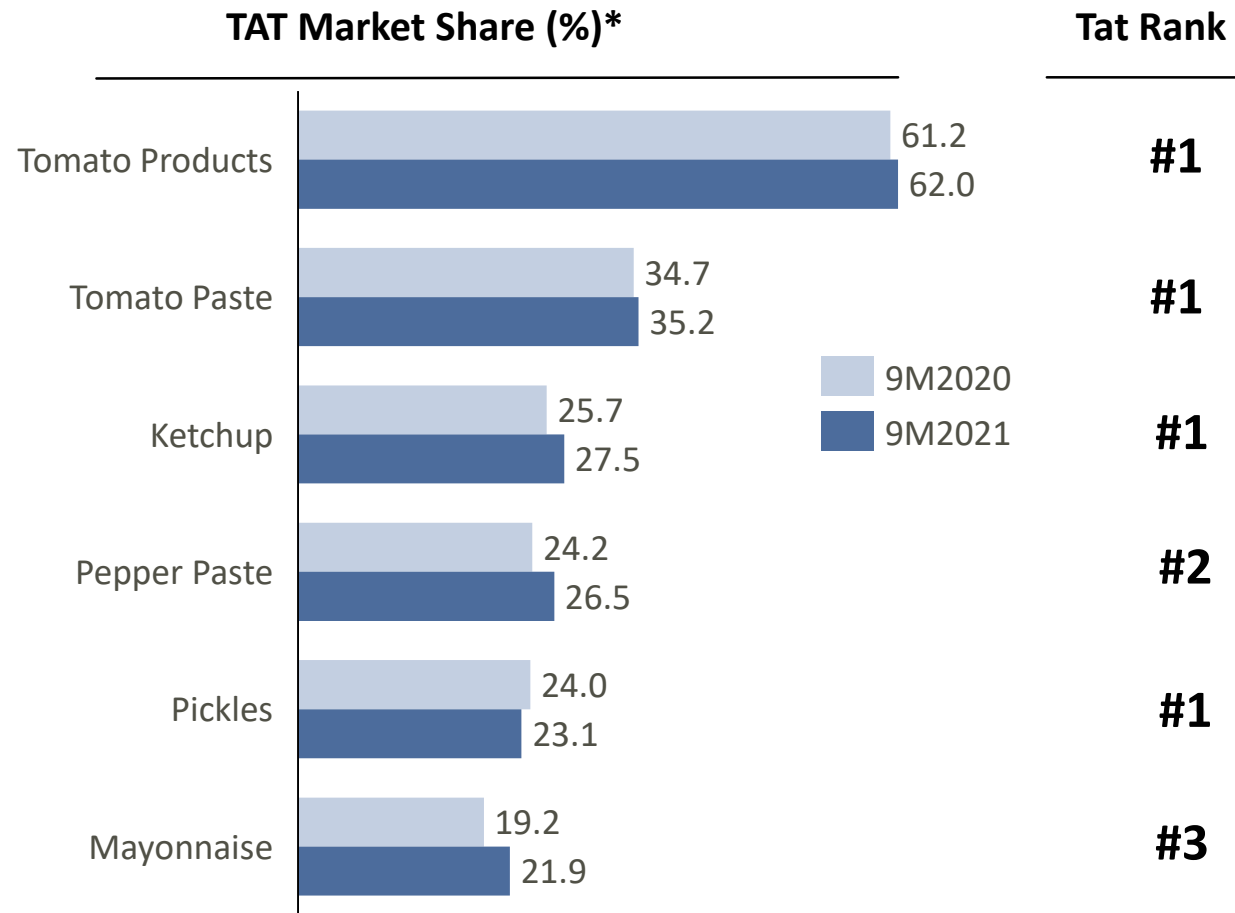
Source: Nielsen

* Based on scantrack data

CONTINUE TO ENHANCE ITS LEADING MARKET POSITIONS IN TURKEY



- 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.

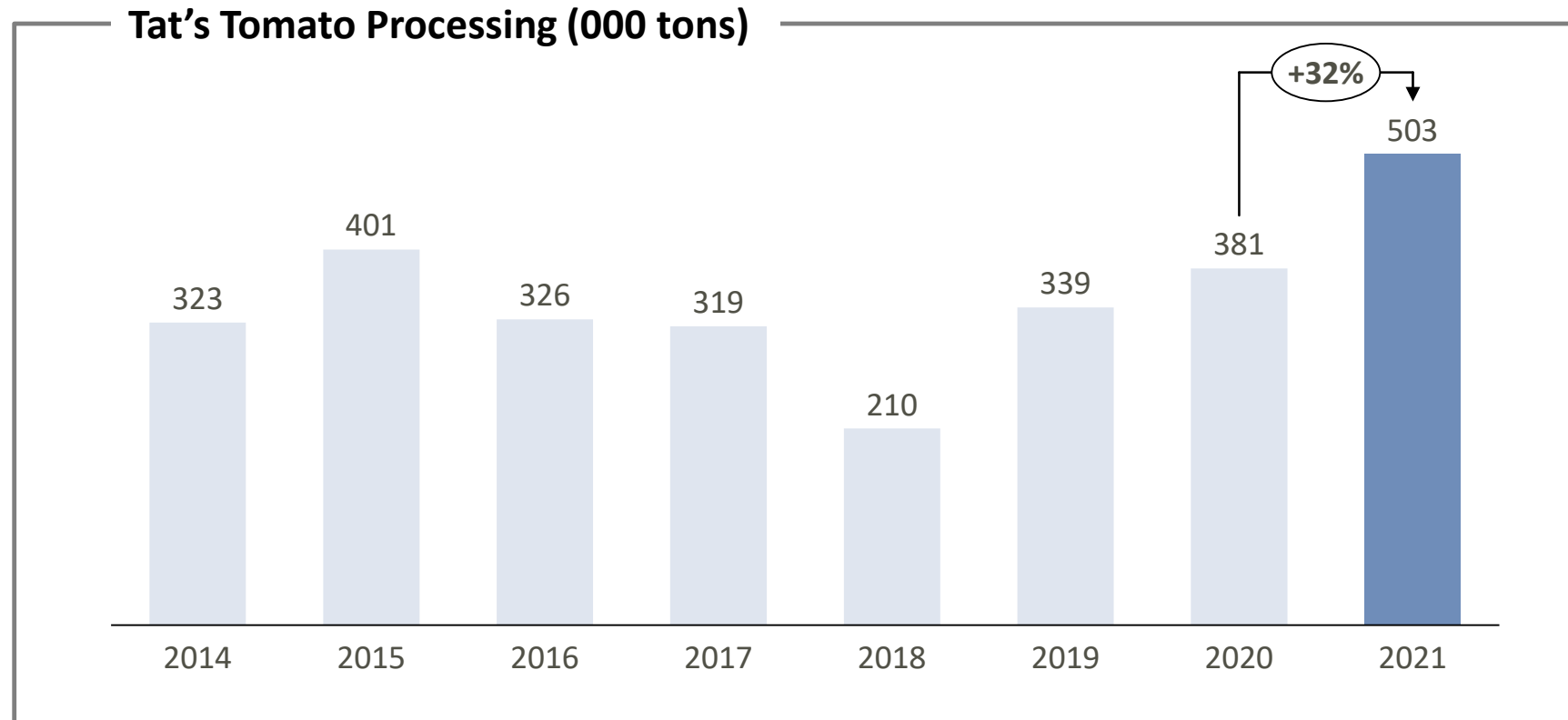


*Based on Nielsen 9M2021 Report - excluding Hard Discounters and based on share of sales (TL)- (Pickles category based on 9M2021 Scantrack data)

TAT PROCESSED 122K TONS MORE TOMATOES IN FY2021 THAN IN FY2020



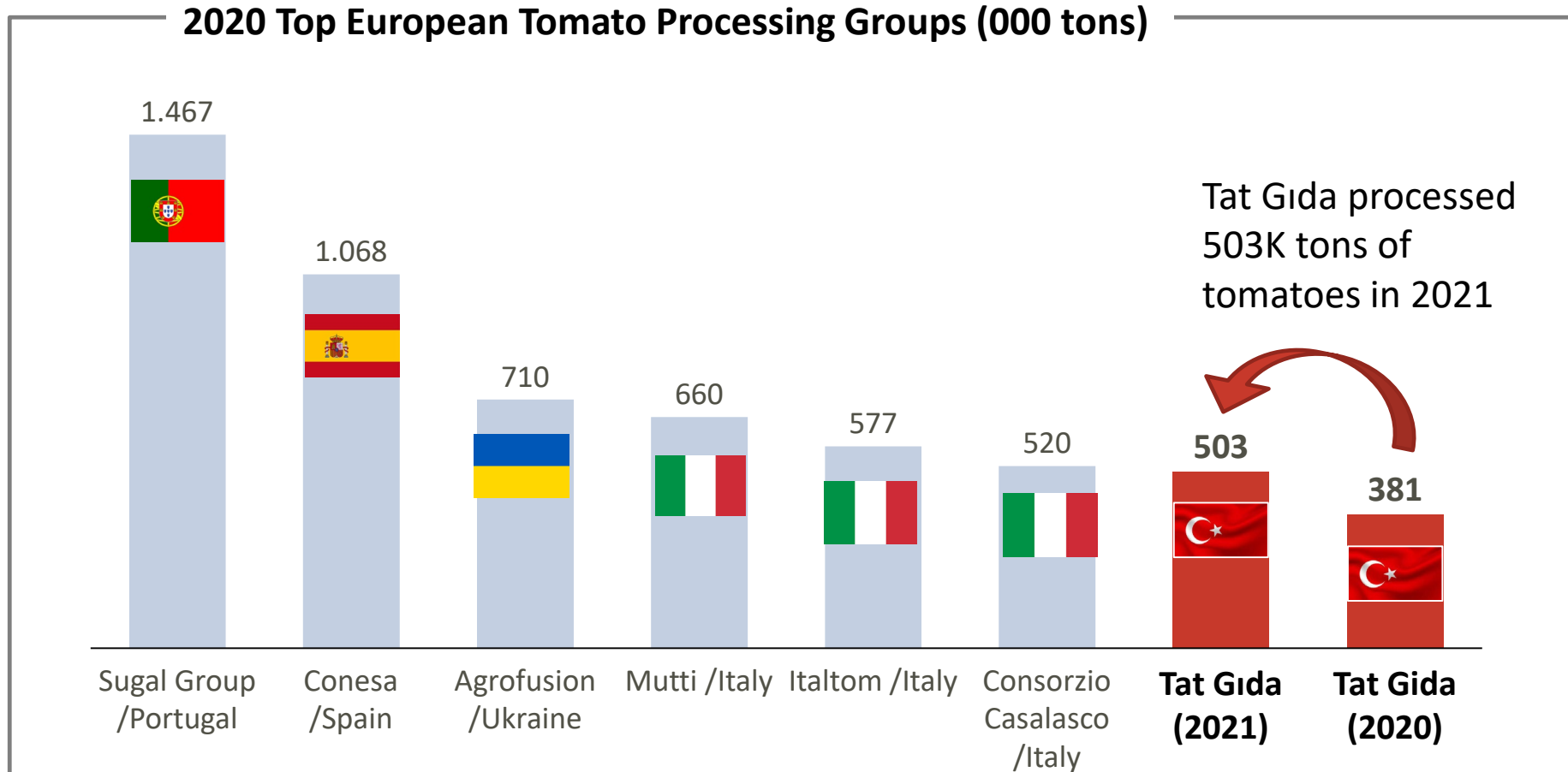
- With the completion of the Capex investments; Tat Gıda processed 503K tons of tomatoes in 2021 harvesting season, a record year with a 32% annual increase vs. 2020 season.



TAT RANKS #7 AMONG EUROPEAN TOMATO PROCESSING GROUPS



- With higher processing capacities; Tat Gıda processed 503K tons of tomatoes in 2021 harvesting season bringing Tat close to top European producers.



Source: TomatoNews

FINANCIAL RESULTS

9M2021 HIGHLIGHTS



9M21 Highlights

Net Sales*

TL 735 mn

(27% yoy growth)

Exports Share*

26% of total sales

(vs. 20% in 9M2020)

EBIT

TL 87 mn (8% yoy decline)

EBITDA*

TL 97 mn (9% yoy decline)

Net Profit: TL185 mn

Net Profit : TL119 mn*

*Net Profit** : TL66 mn*

*From Continuing operations

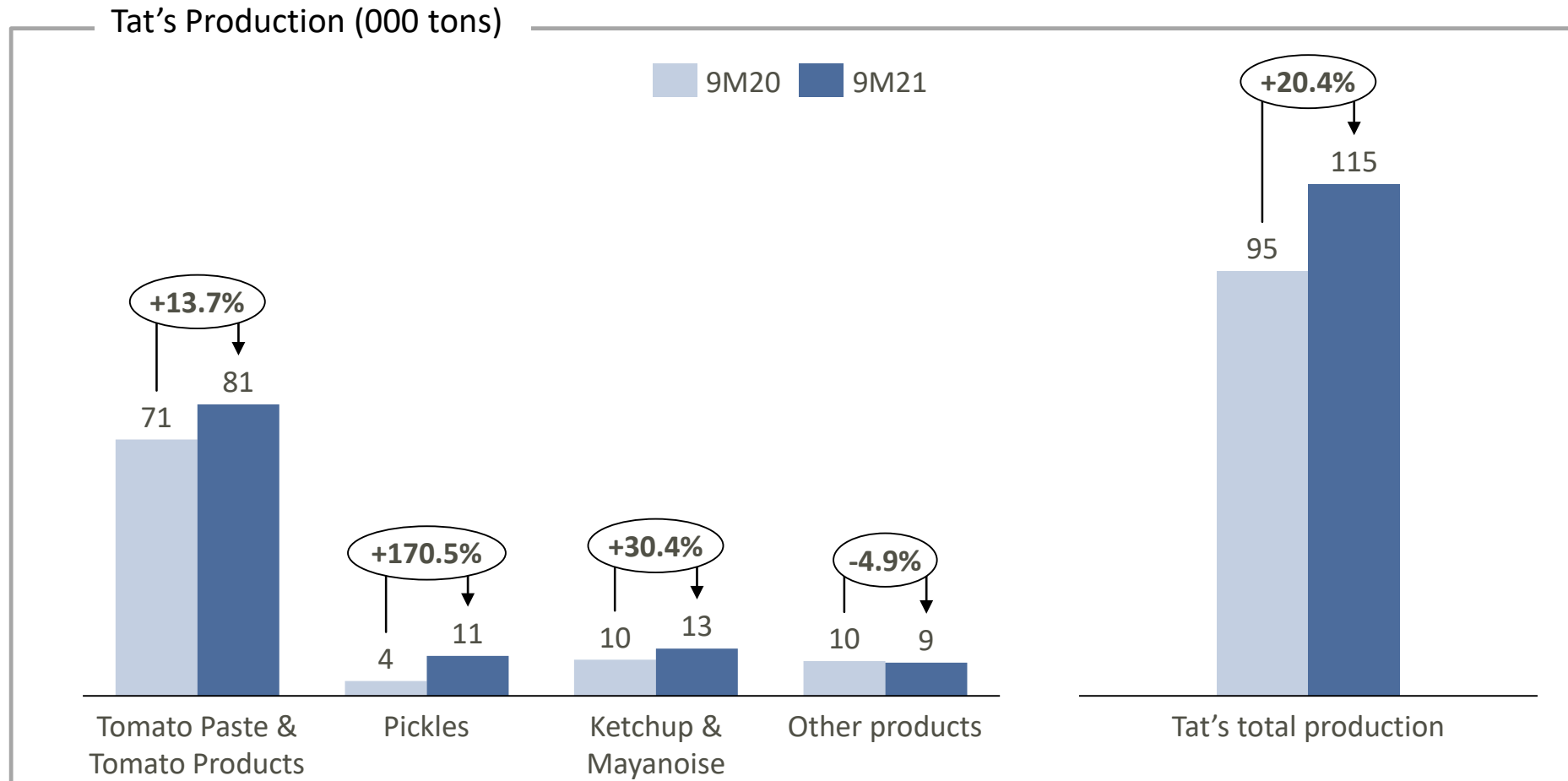
**From Discontinued operations

- Finalized previously announced disposal of non-core business (SEK) in 1Q2021 and focus further on continuing operations.
- Top-line growth was 27% yoy in 9M21 and an impressive 51% yoy in 3Q2021.
- Capacity expansion investments, worth €10 mn, finalized and led to a strong harvesting season with a tomato processing amount of 503K tons, up by 32% yoy; and 481K tons of this amount realized in 9M2021.
- Production volumes increased by 20% in 9M2021 and reached 115K tons, higher volumes attained in tomato products, tomato paste and pickle production.
- Challenging market environment due to elevated new season costs, increased tomato purchases and TL's depreciation led to a pressure on margins. Gross margin came in at 28% vs. 32% in 9M2021.
- EBIT was up slightly by 1% in 3Q2021 vs. 3Q2021, while displayed an annual decline of 8% in 9M2021. EBITDA came in at TL97 mn, down by 9%, yoy.
- Net Profit from continued operations was TL119 mn vs. TL59 mn in 9M2020, owing to higher net financial income and tax income.

TAT PROCESSED 481K TONS TOMATOES IN 9M2021



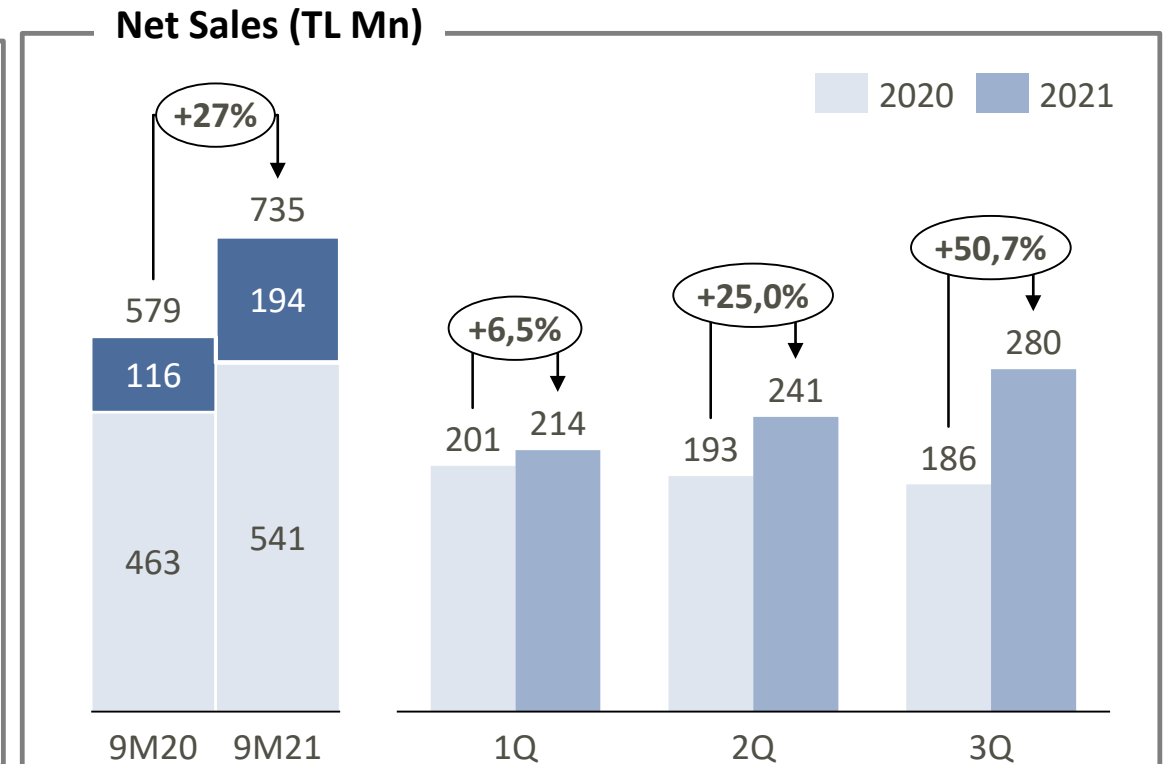
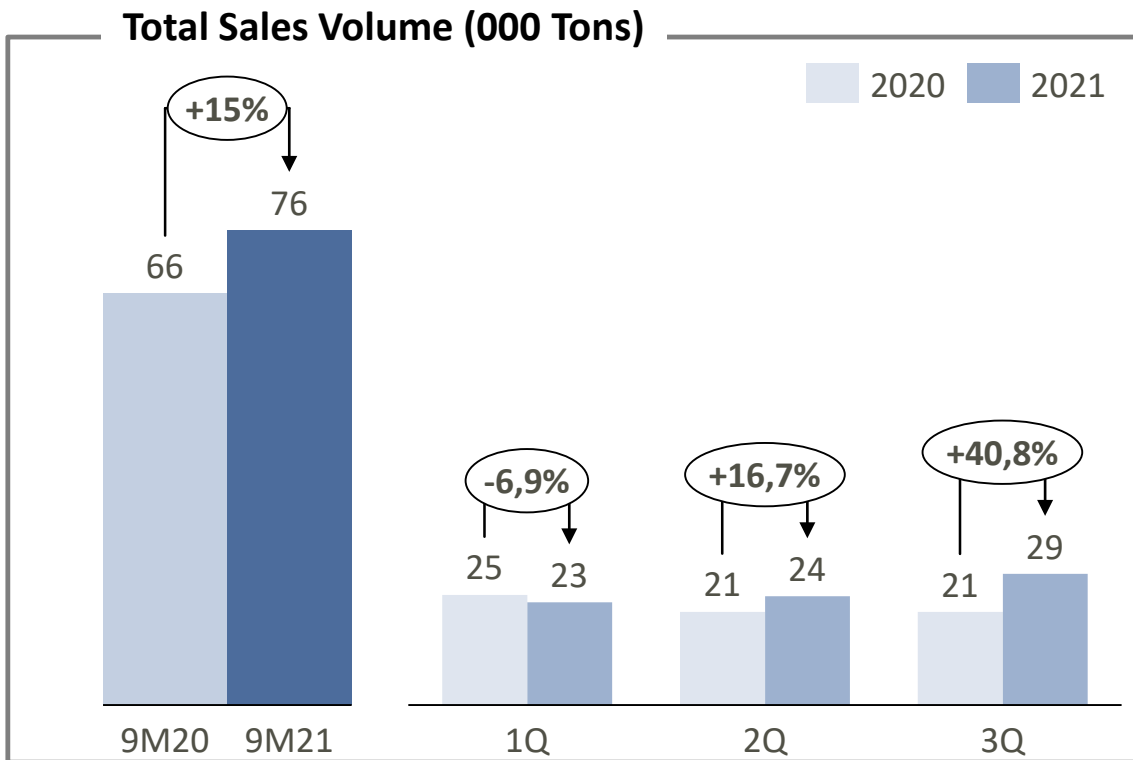
- With higher capacity, Tat Gıda processed 481K tons tomatoes in 9M2021, a 25% increase yoy (2021 harvesting season total 503K tons). Total production volume reached 115K tons in 9M2021, displaying a yoy growth of 20%.



NET SALES INCREASED BY 51% YoY IN 3Q21



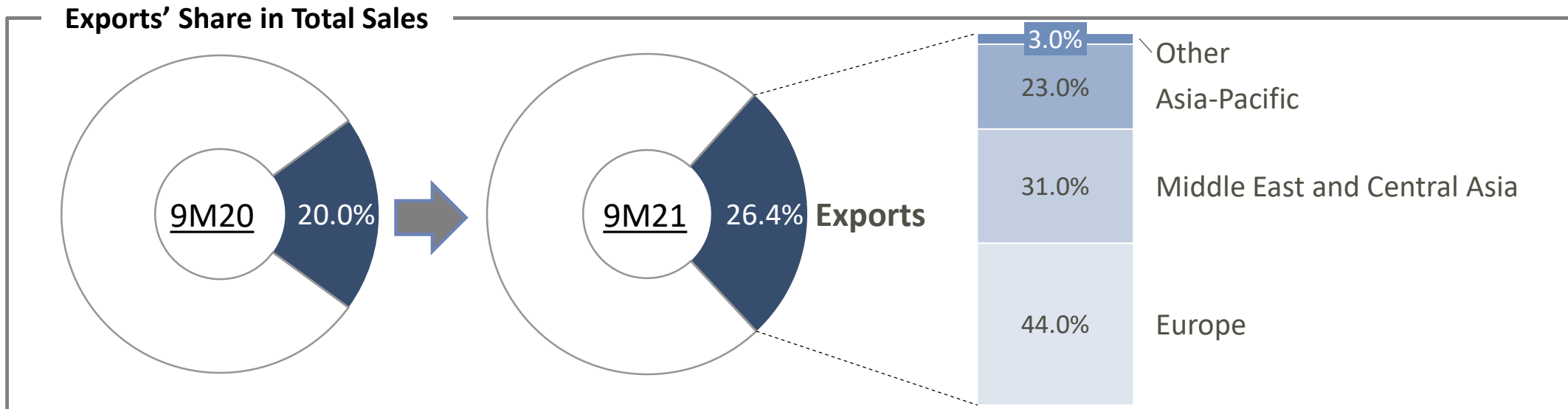
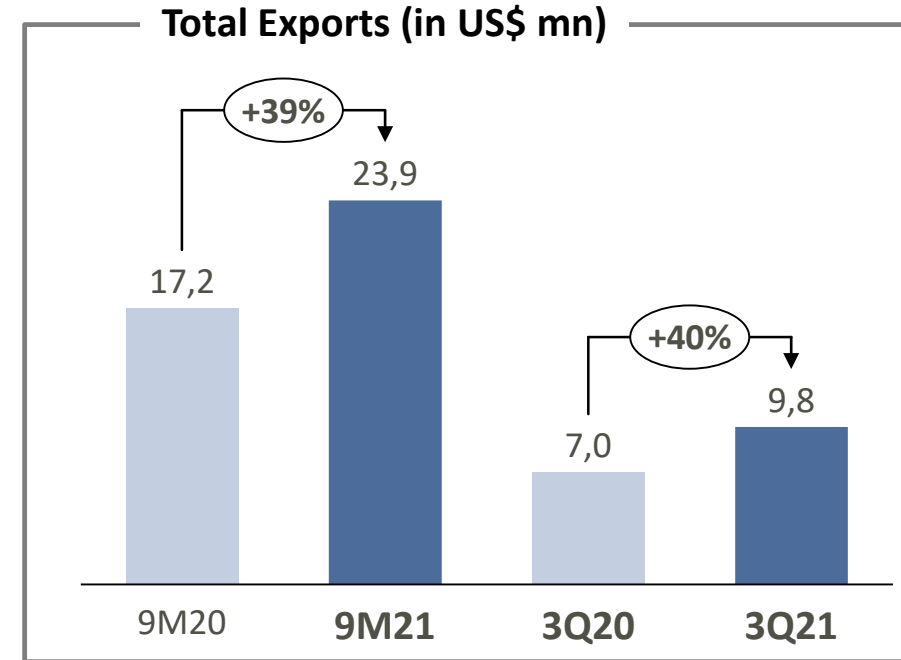
- Total sales volume in 9M21 increased by 15%; and by 41% in 3Q21, yoy; thanks to strong exports in 9M21 and better local sales performance in 2Q21 and 3Q21.
- Net sales reached TL735 mn; up by 27% yoy - despite strong sales performance in March and April 2020 due to the initial outbreak of Covid-19. In 3Q21, net sales surged by 51% yoy.
- Domestic sales increased by 17% in 9M21, yoy, despite 1% contraction in 1Q21 –due to Covid quarantine base effect. In 3Q21, domestic sales increased by 45% yoy.



STRONG EXPORT VOLUMES



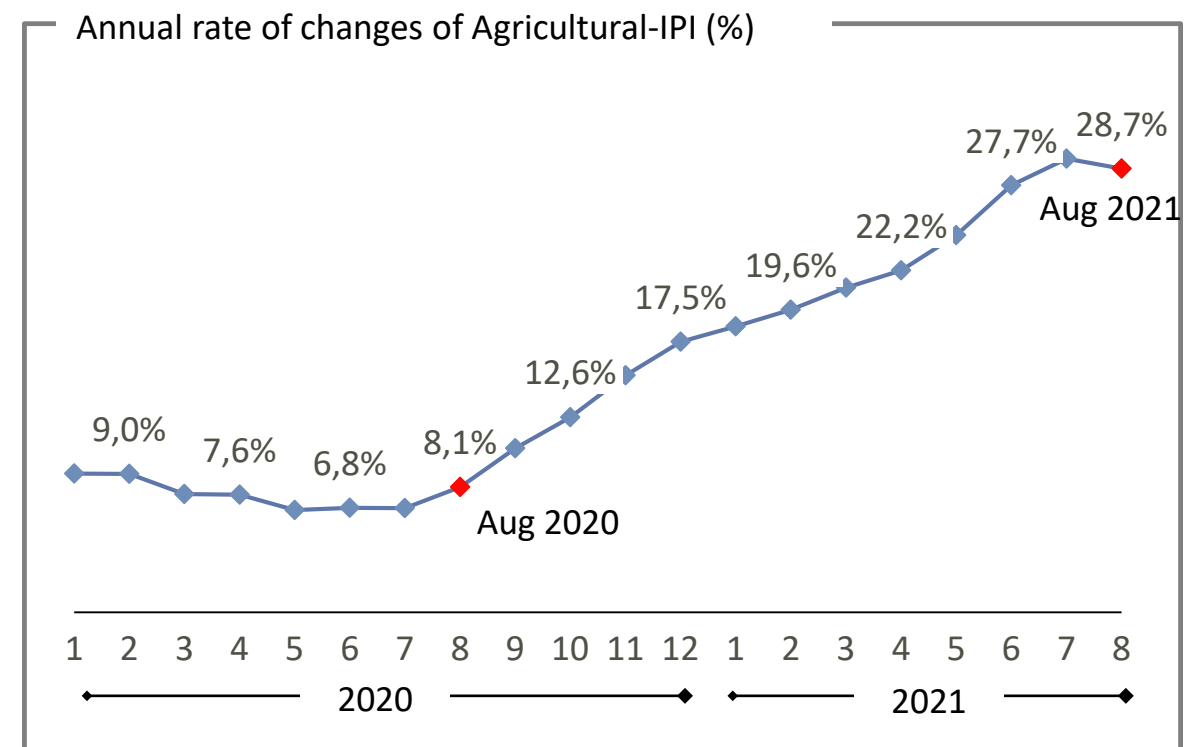
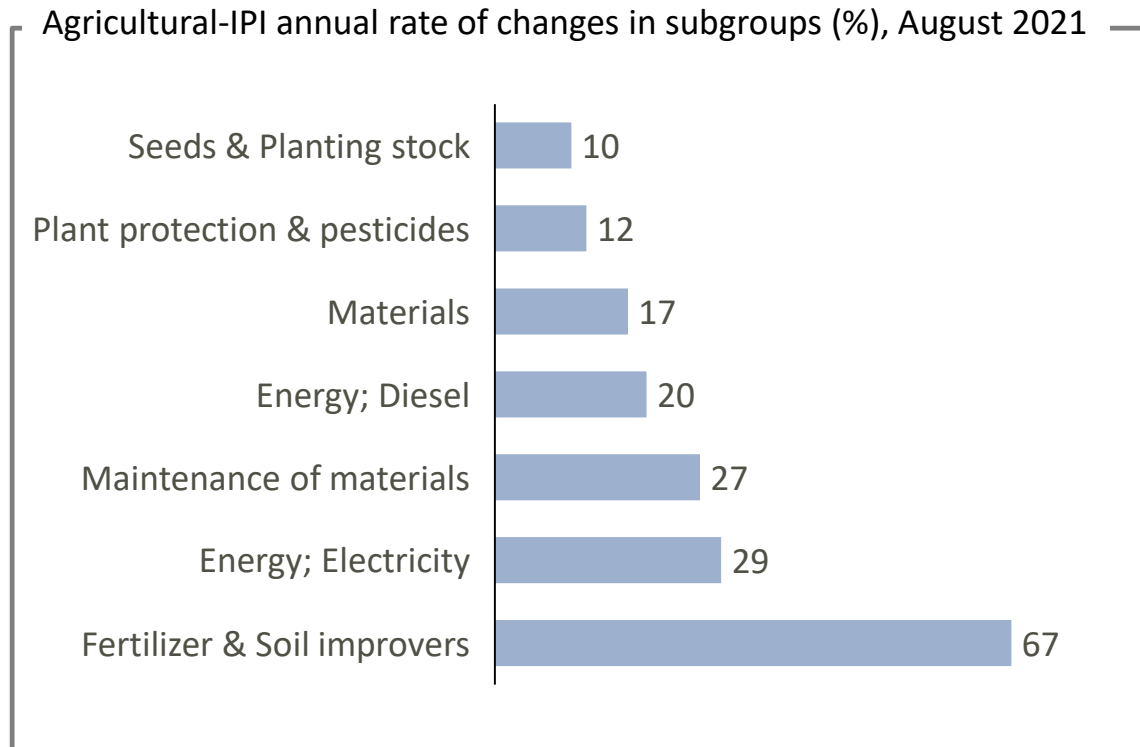
- Total exports in 9M21 reached TL194 mn (US\$24 mn), displaying 67% growth yoy in TL terms and 39% in US\$ terms. This represents 26% share in total sales vs. 20% in 9M2020.
- Tat exported 35+ countries in 9M2021 and Europe had the biggest share in total exports with 44% stake.



A CHALLENGING OPERATING ENVIRONMENT IN TERMS OF COSTS

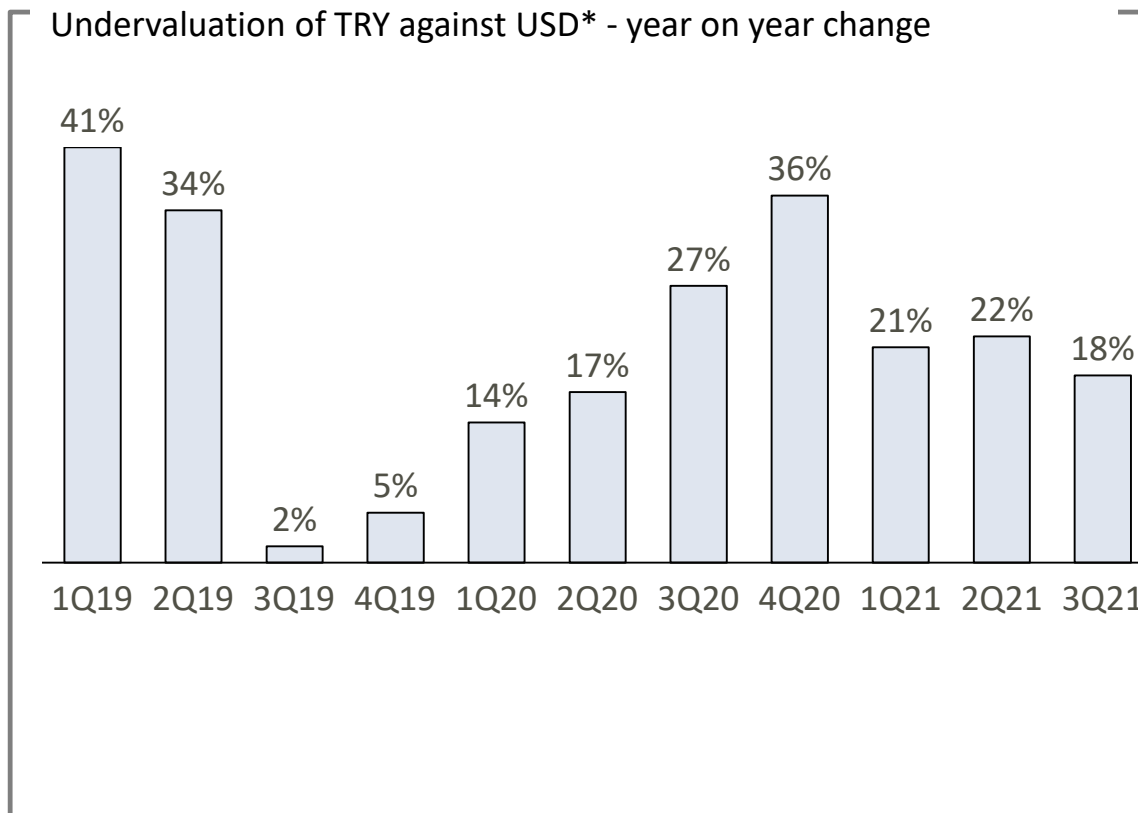


- Agricultural input price index (Agricultural-IPI) increased by 28.7% compared to same month of the previous year and increased by 20.77% compared to twelve months moving averages, in August 2021.
- The highest annual increase was 66.71% in fertilizer and soil improvers subgroup.

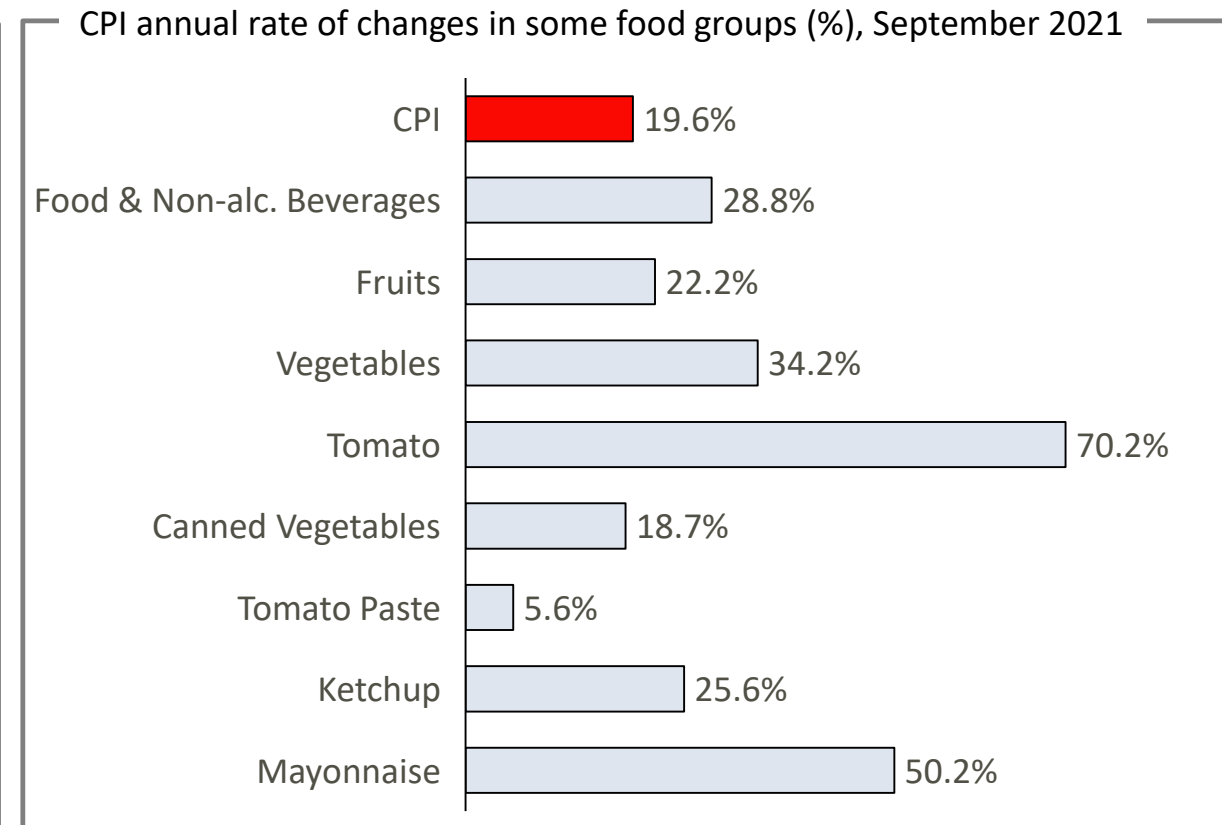


Source: Turkstat (Turkish Statistical Institute)

- The depreciation of Turkish Lira against foreign currencies and impact of inflation lead to a challenging market environment for producers.

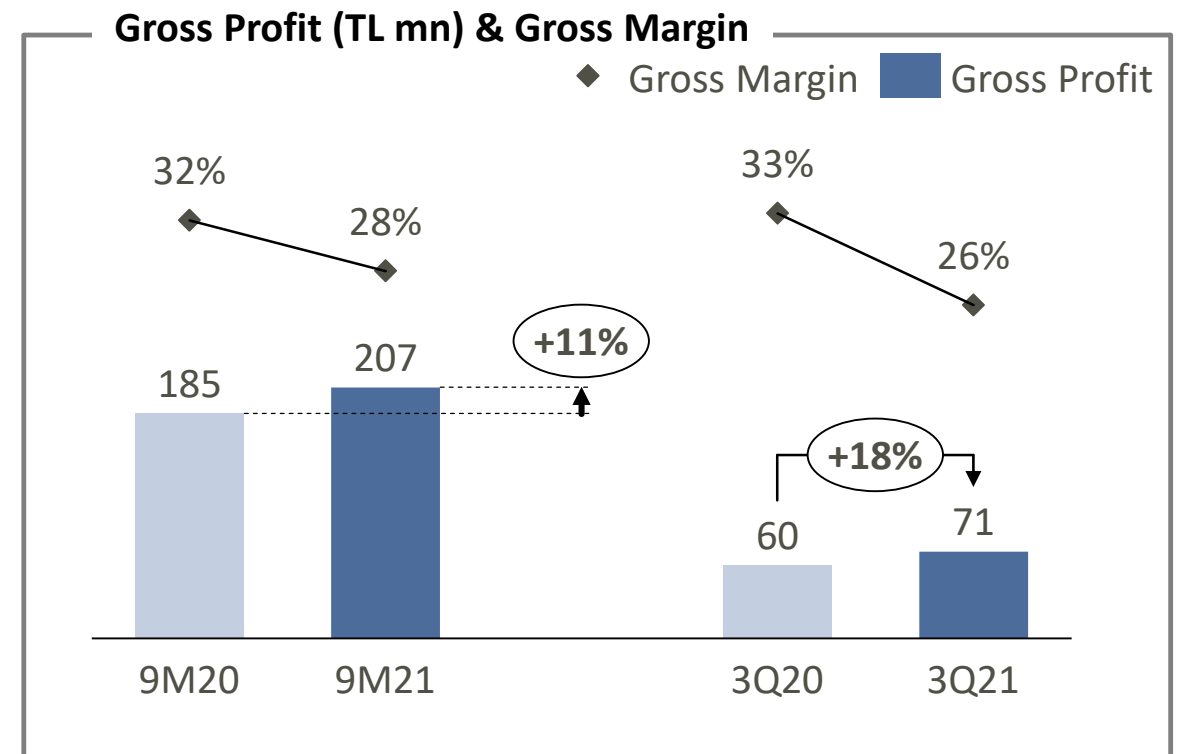
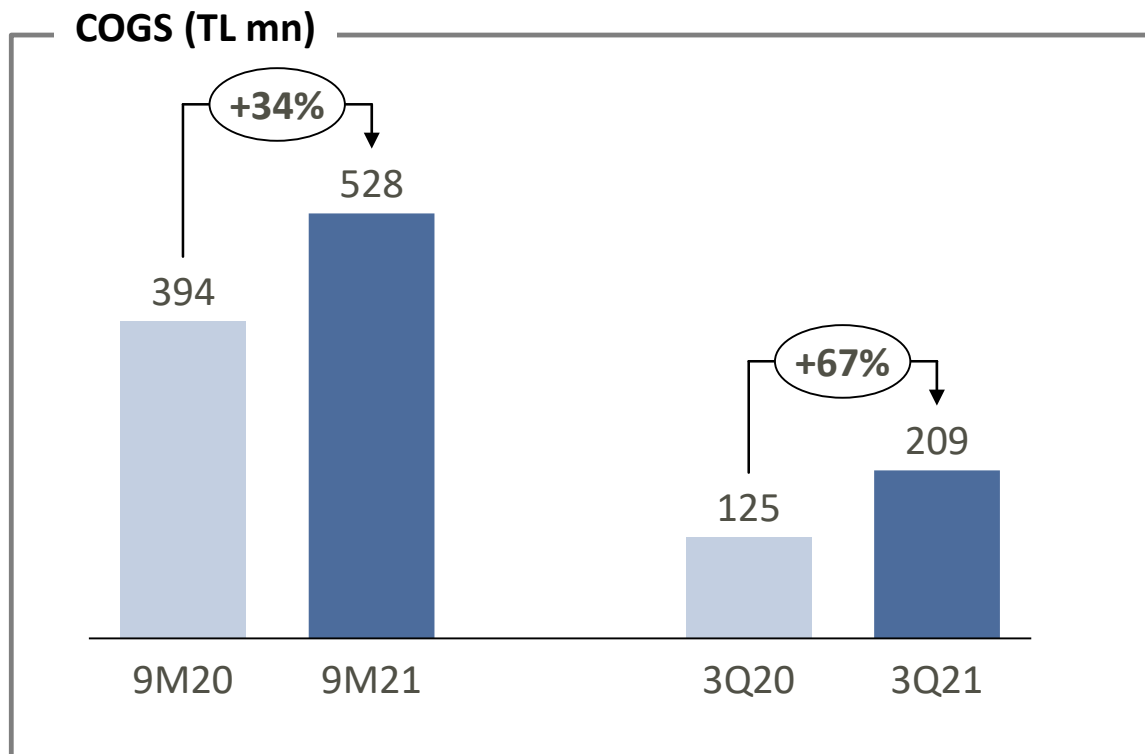


Source: TCMB– Quarterly avg & y/y change



Source: Turkstat (Turkish Statistical Institute)

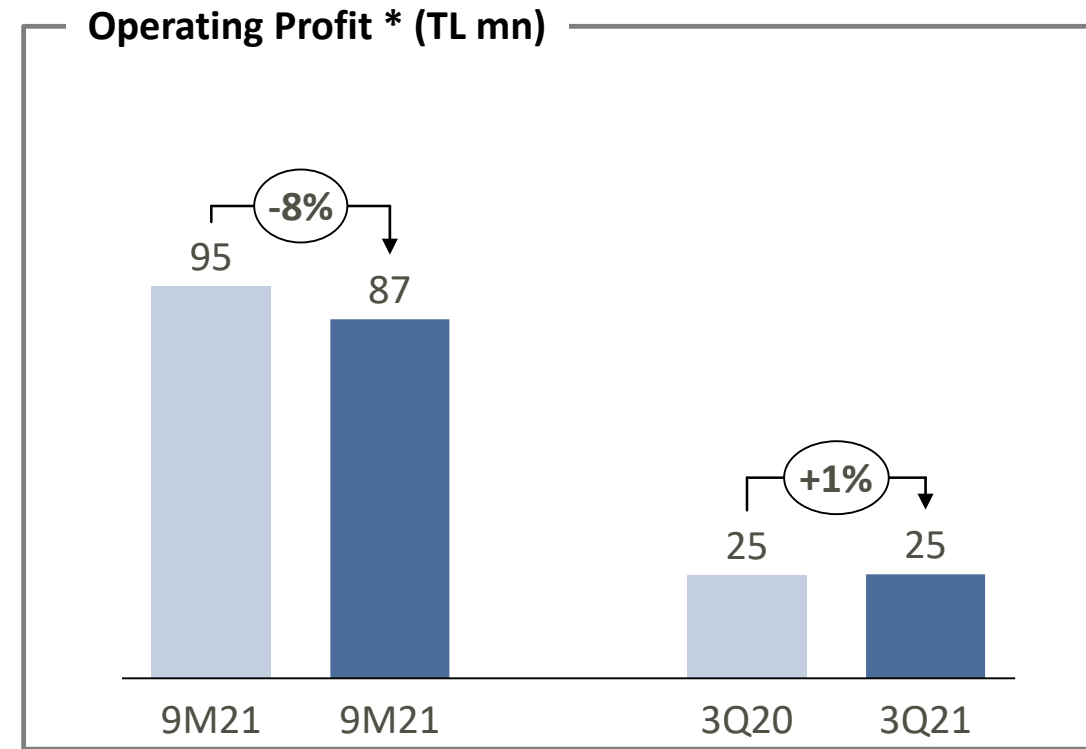
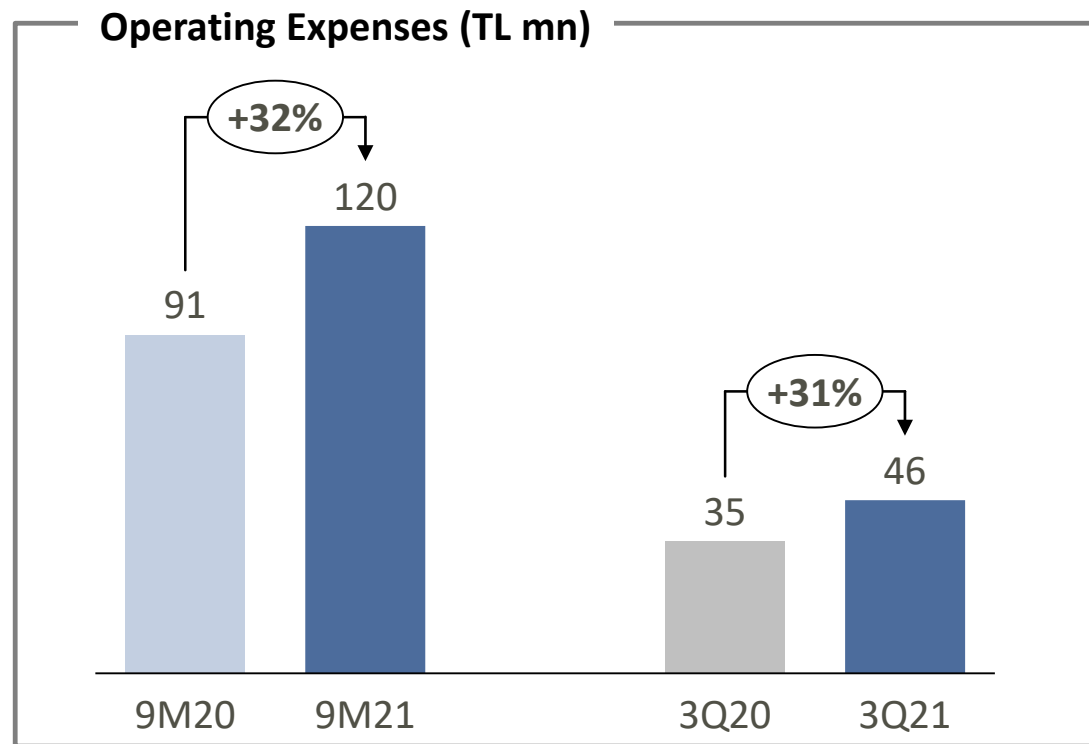
- Higher COGS due to new harvesting season's elevated prices, increased volume of tomato purchase, combined with weak TL led to a pressure on margins.
- Tat increased tomato paste prices by 34% on September 20, 2021. The impact of product price adjustments will be seen in 4Q21 and FY2022.



OPERATING PROFIT REMAINED INTACT AT TL25 MN IN 3Q2021

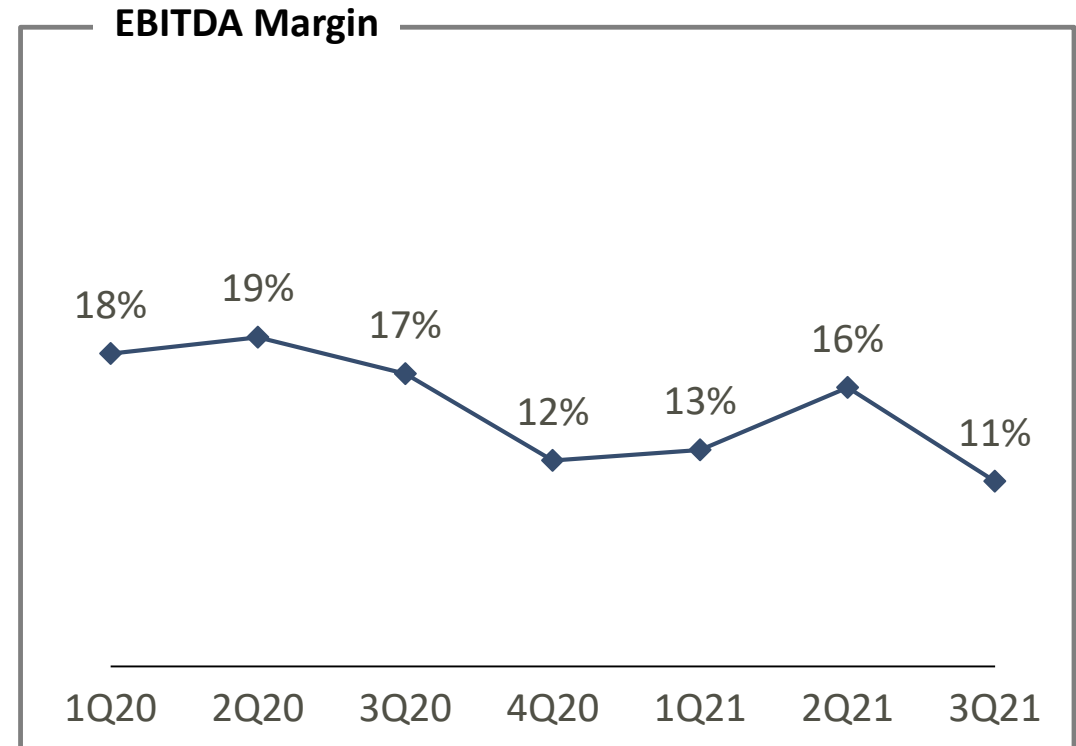
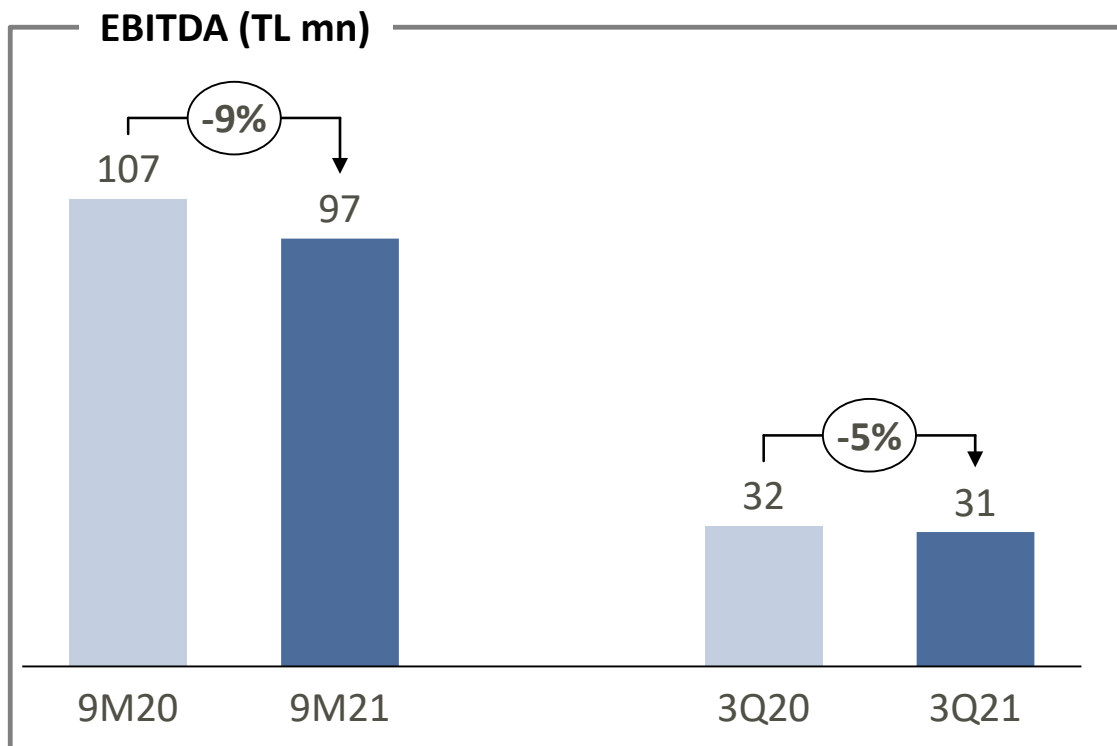


- Operating expenses were kept lower in FY2020, due to uncertainties related to COVID.
- In 9M2021, in line with Tat's domestic and export strategies, marketing expenses were higher vs. 9M2020.
- Operating profit was down by 8% in 9M21, yoy; but remained intact in 3Q2021 vs. 3Q2020.



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

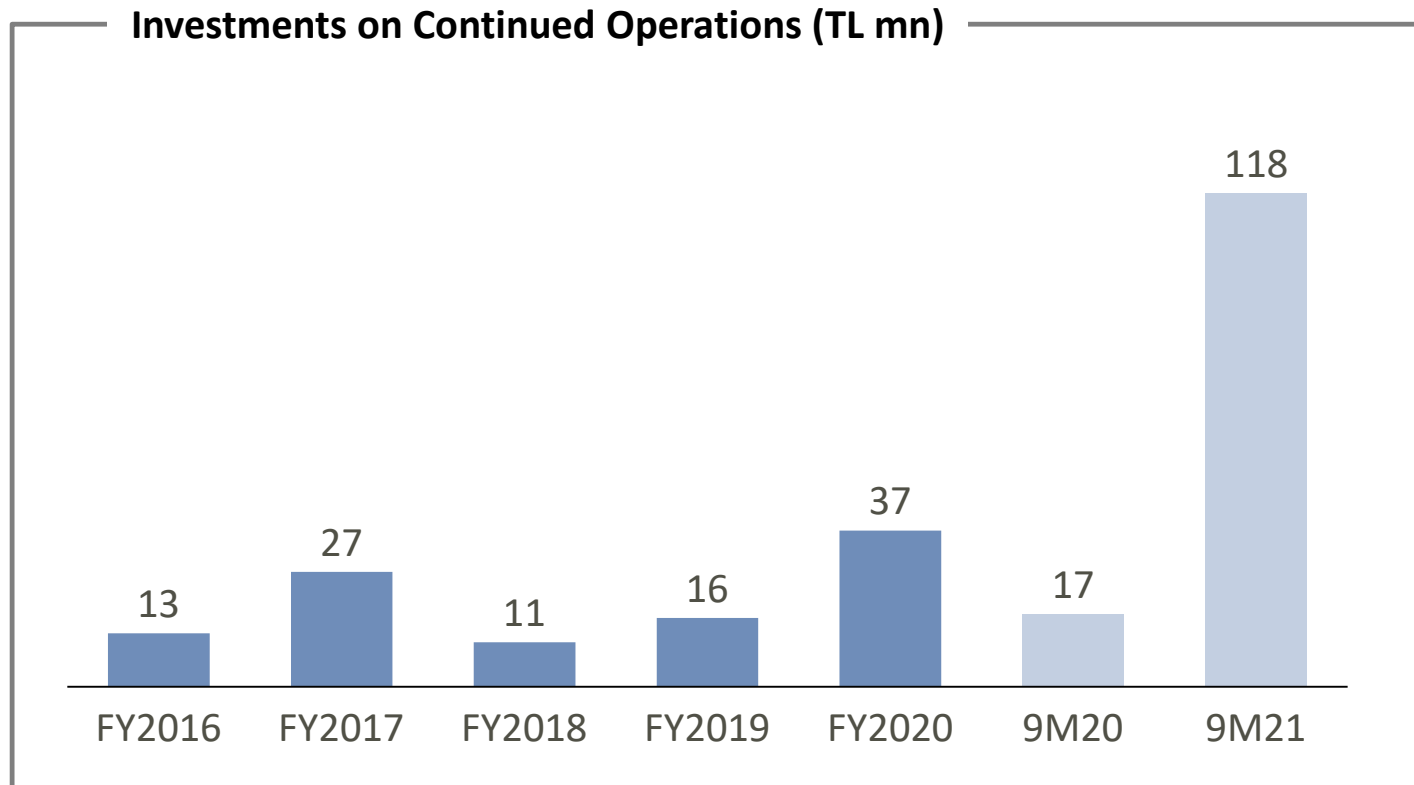
- As a result of higher COGS and OPEX; EBITDA at TL97 mn in 9M21, displayed a year-on-year decline of 9%.
- The impact of higher sales prices expected to have a positive impact on profitability in 4Q2021 and FY2022.



CAPEX INVESTMENTS FINALIZED IN 3Q2021



- Investment expenditures reached TL118 mn as of 9M2021 vs. TL17 mn in 9M2020. Only in 3Q21, investment expenditures were TL60 mn.



- Tat has initiated new capacity expansion investments as disclosed in March 2021 and finalized in 3Q2021.
 - Pickle capacity increased from 5K tons to 22K tons at Mustafakemalpaşa plant (€3.8 mn)
 - With new tomato paste line at Karacabey plant; total tomato paste capacity of Tat increased from 64K tons to 76K tons (€6 mn)

NET FINANCIAL DEBT AT TL183 MN



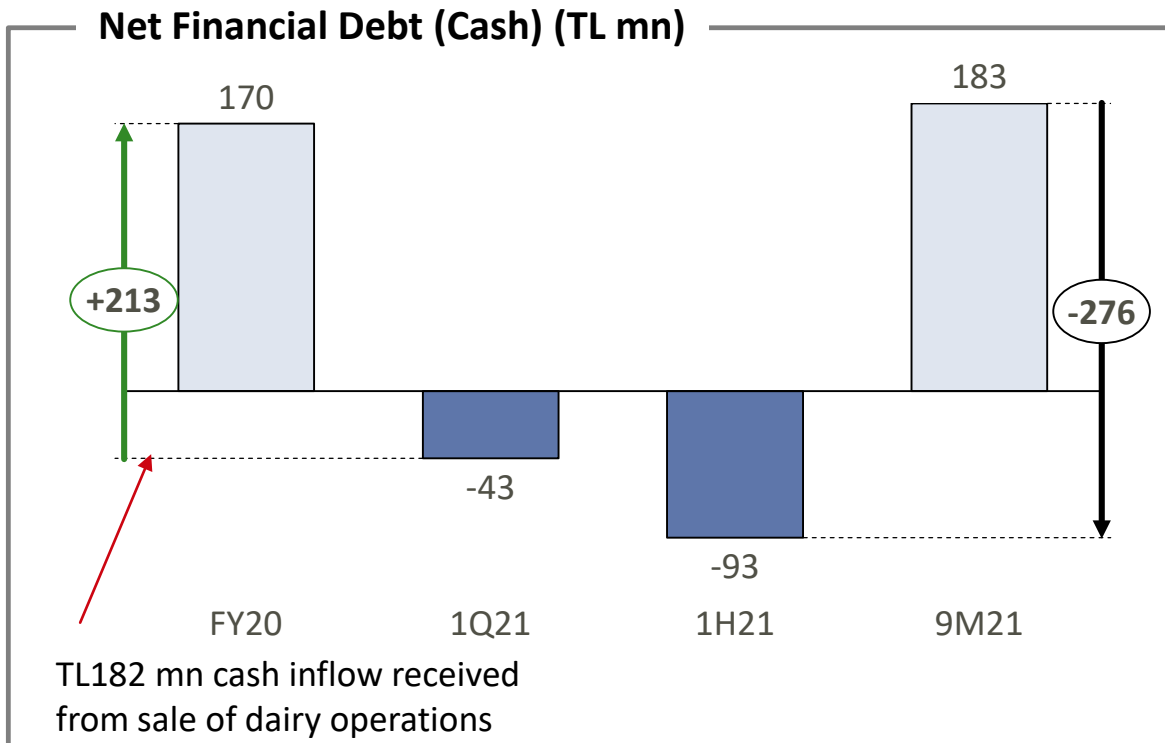
- Net Cash position of TL93 mn as of 1H2021 turned into a Net Financial Debt of TL183 mn at 9M2021-end. This is mainly due to;
 - High investment expenditures (TL60 mn in 3Q21)
 - New season's elevated costs and higher sales volume (+122 K tons of additional tomato purchase in 3Q21 after capex investments).

TL mn	FY2020	1Q2021	1H2021	9M2021
Cash and cash equivalents	121	337	275	148
ST Financial Debt	116	270	182	221
LT Financial Debt	175	25	0	110
Net Financial Debt (Cash)	170	-42	-93	183

	Financial Debt	Cash	Net Financial Debt	EBITDA	Net Financial Debt/EBITDA
FY2020	291	121	170	134	1,27
9M2021*	331	148	183	125	1,47

*EBITDA rolling

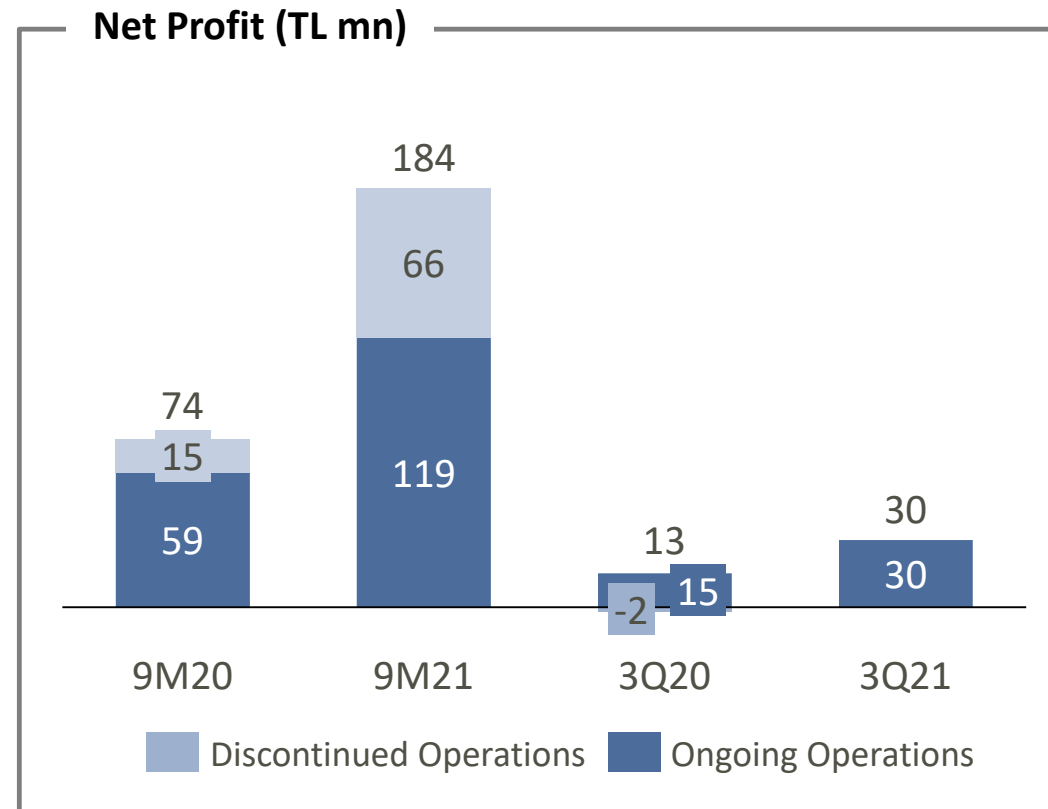
- Tat Gıda paid a total dividend of TL 42 mn in March 2021; TL 34 mn cash dividend to shareholders and rest as Dividend to Owners of Redeemed Shares



NET PROFIT FROM ONGOING OPERATIONS REACHED TL119 MN IN 9M2021



- Due to tax incentives and deferred tax income of TL7.3 mn (generated revaluation made for plant, machinery and equipment with in the scope of Law No. 7326), there was a tax income of TL7.3 mn in 9M2021, vs. tax expense of 19.7 mn in 9M2020.
- With the contribution of higher net financial income, and tax income, Net Profit from ongoing operations reached TL 119 mn in 9M2021 vs. TL 59 mn.





APPENDIX



Income Statement - Summary (TL mn)	9M20	9M21	Δ YoY	3Q20	3Q21	Δ YoY
Sales	579	735	27%	186	280	51%
Cost of Sales (-)	394	528	34%	125	209	67%
Gross Profit	185	207	11%	60	71	18%
Operating Expenses (-)	91	120	32%	35	46	31%
Operating Profit	95	87	-8%	25	25	1%
EBITDA	107	97	-9%	32	31	-5%
Net Income(Exp) from Other Operating Act.	4	16	288%	-5	5	-189%
Net Other Income(Exp)	1,0	2	120%	0,6	0,3	-39%
Net Financial Income (Exp)	-21	6	n.m.	-5	-4	n.m.
Profit before Tax from continuing operations	79	111	41%	15	26	72%
Tax expense	-20	7	n.m.	0	3	n.m.
Profit for the period from continuing operations	59	119	100%	15	30	98%
Profit / (loss) for the period from discontinued operations	15	66	350%	-2	0	n.m.
Profit for the period	74	184	149%	13	30	127%
Gross Margin	32%	28%		33%	26%	
Operating Margin	16%	12%		13%	9%	
EBITDA Margin	18%	13%		17%	11%	
Net Profit Margin (Continuing Operations)	10%	16%		8%	11%	

Balance Sheet -Summary (TL mn)	FY2019	FY2020	Sep 30,21
Current Assets	780	1,173	1,430
Cash	10	121	148
Trade receivables	384	446	461
Inventories	338	361	730
Non-current Assets	247	136	271
Total Assets	1,026	1,309	1,701
Current Liabilities	275	411	708
Short-term financial borrowings	-	42	56
Short-term portion of long-term borrowings	54	73	166
Trade payables	181	213	396
Non-current Liabilities	191	193	145
Long-term financial borrowings	150	175	110
Shareholder's Equity	561	705	848
Total Liabilities	1,026	1,309	1,701
Net Financial Debt (TL mn)	194	170	183

Ratios	FY2019	FY2020	Sep 30, 2020	Sep 30, 2021
Current Ratio	2.84	2.85	2.15	2.02
Liquidity Ratio	1.61	1.97	1.18	0.99
Current Assets /Total Assets	0.76	0.90	0.83	0.84
Net Financial Debt/Equity	0.35	0.24	0.30	0.22
ST Liabilities/Total Liabilities	0.59	0.68	0.71	0.83
Working Capital (TL Mn)	541.5	592.9	618.3	794.6

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