



Konfrut Investor Presentation

2023-H1 Financial Results



Contents

- Highlights
- Konfrut AG at a Glance
- Market Dynamics
- Konfrut AG Business Units
- Operations
- Post-Period Developments
- Consolidated Financial Results
- Stock Performance



Highlights

Sales

- In 2023-H1 consolidated sales grew by 35% YoY on volume basis, driven by growth in the second quarter of the year.
- New orders were received in fresh fruit and vegetable exports with high growth potential.
- Collaborations were effective in increasing sales volume.

Profitability

- The increase in gross profitability was lower than the increase in volume due to some improvement in this period compared to the higher costs in the 2022 season.
- Although operational growth led to an increase in operating expenses, the ratio of operating expenses to sales relatively improved compared to the same period of the previous year with the support of operational efficiency practices.
- Increase in financing expenses due to exchange rate and interest rate hikes caused pressure on net profit. 2023-H1 ended with 71 million TL net profit.

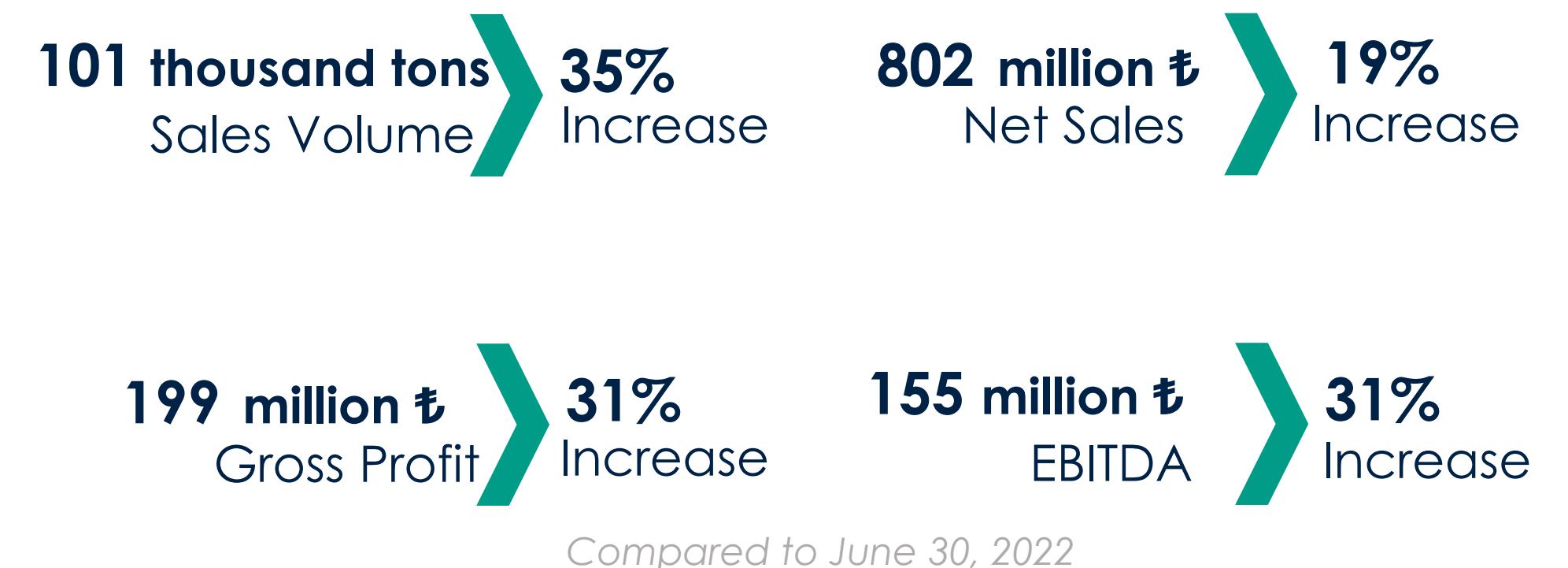
Cash Flow

- Cash flow from operations amounted to 31 million TL.

Investments

- Due to the increasing business volume in agricultural operations, investments continue to focus on Konfrut AG.
- New pelletizing line investments in Rize İyidere reached 11.9 million TL.

Consolidated Financial Summary for 2023-H1



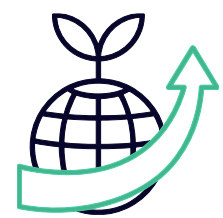
71 million ₺
Net Profit

20 million ₺
Investments

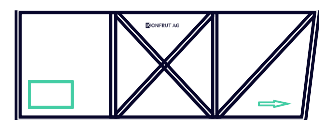
1.4 billion ₺
Total Assets

412 million ₺
Total Equity

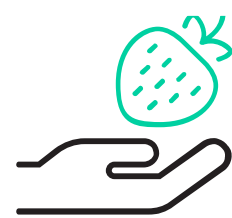
Konfrut AG at a Glance



Leading the Agricultural Transformation



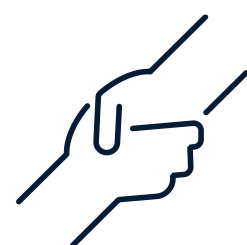
The only one company in Turkey which has more than 200 numbered fiberglass tanks



Turkey's largest scale organic strawberry project



Bringing agriculture together with modern equipment and high technologies



Strong and strategic cooperations



Business Units

Agri Sourcing and Services

In 2023-H1;
74,351 tons
Agri Sourcing Supply

Approximately
40K decares
Contracted Agricultural Areas

Logistics

66,372 tons
Transported Raw
Material and Products

240+ Numbered Vehicle
and Equipment Fleet*
** Including tractor, trailer, fiberglass, forklift,
trailer, tow truck.*

Industry

53,301 Number of
Palet Sales

47 number of
Digital Agricultural Device
Installed In The Fields

As Konfrut AG, we target to be the leading agricultural transformation company where we improve people's lives and help to conserve the planet using technology and sustainable practices.

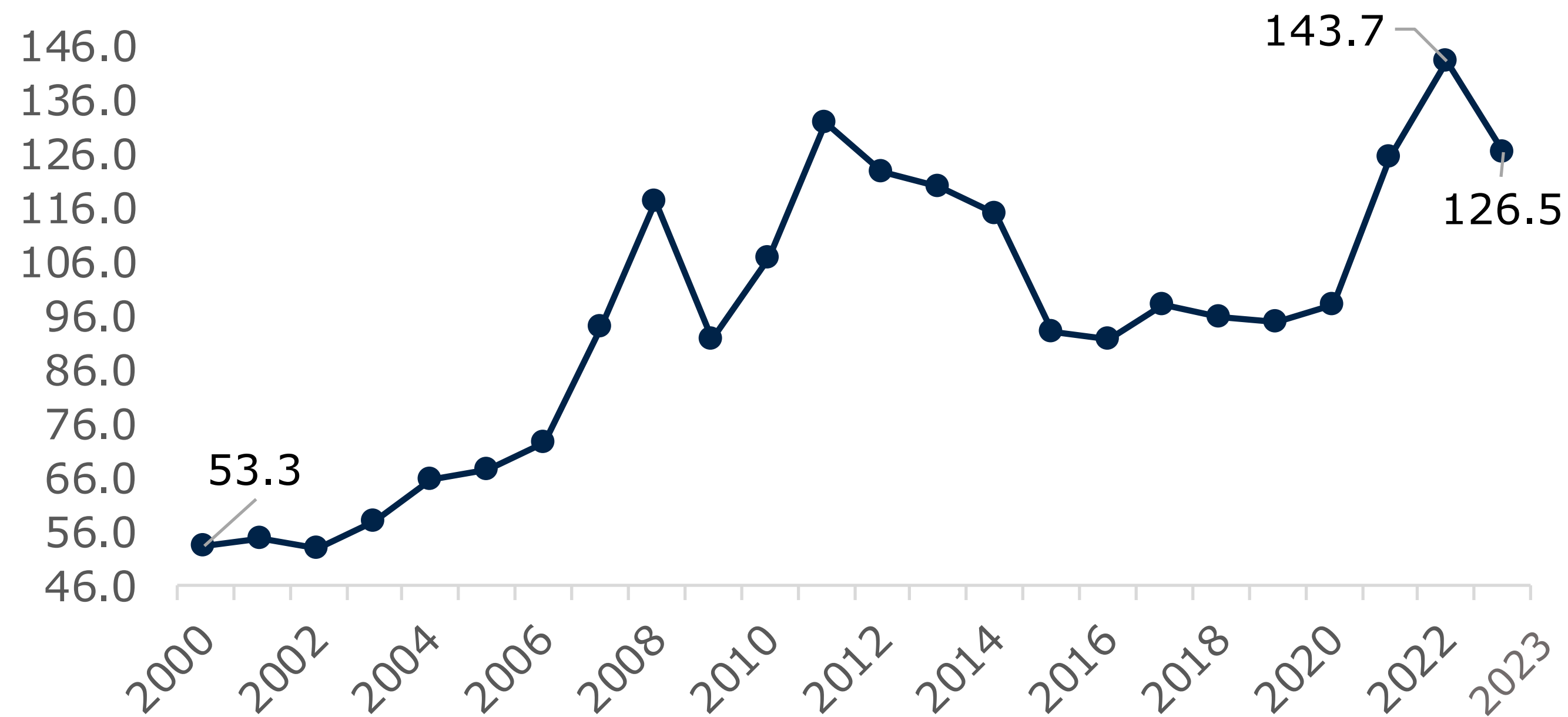
We are aiming to become the first end-to-end, digital agri supply chain company with zero-waste principle in its DNA.

Market Dynamics

Expectations abroad that access to food will become more difficult and domestic supply problems emphasize the importance of the agricultural sector.

Food Price Index, World (Annually)

(2014-2016=100)



(Source: FAO)

- In 2023-H1, there was a decrease in **the World Food Price Index announced by the United Nations Food and Agriculture Organization (FAO)**. On July with Russia's withdrawal from the Black Sea Grain Initiative, the concern that food access would become more difficult caused an increase in global food prices. The Food Price Index increased by **1.3%** in July compared to the previous month, it averaged **126.5** on an annual basis.

- Despite the decline in global food prices in the second quarter of 2023, the upward trend in food prices continued as a result of ongoing domestic supply problems and inadequacies in the market structure.

(Source: The CBRT 2023-III Inflation Report)

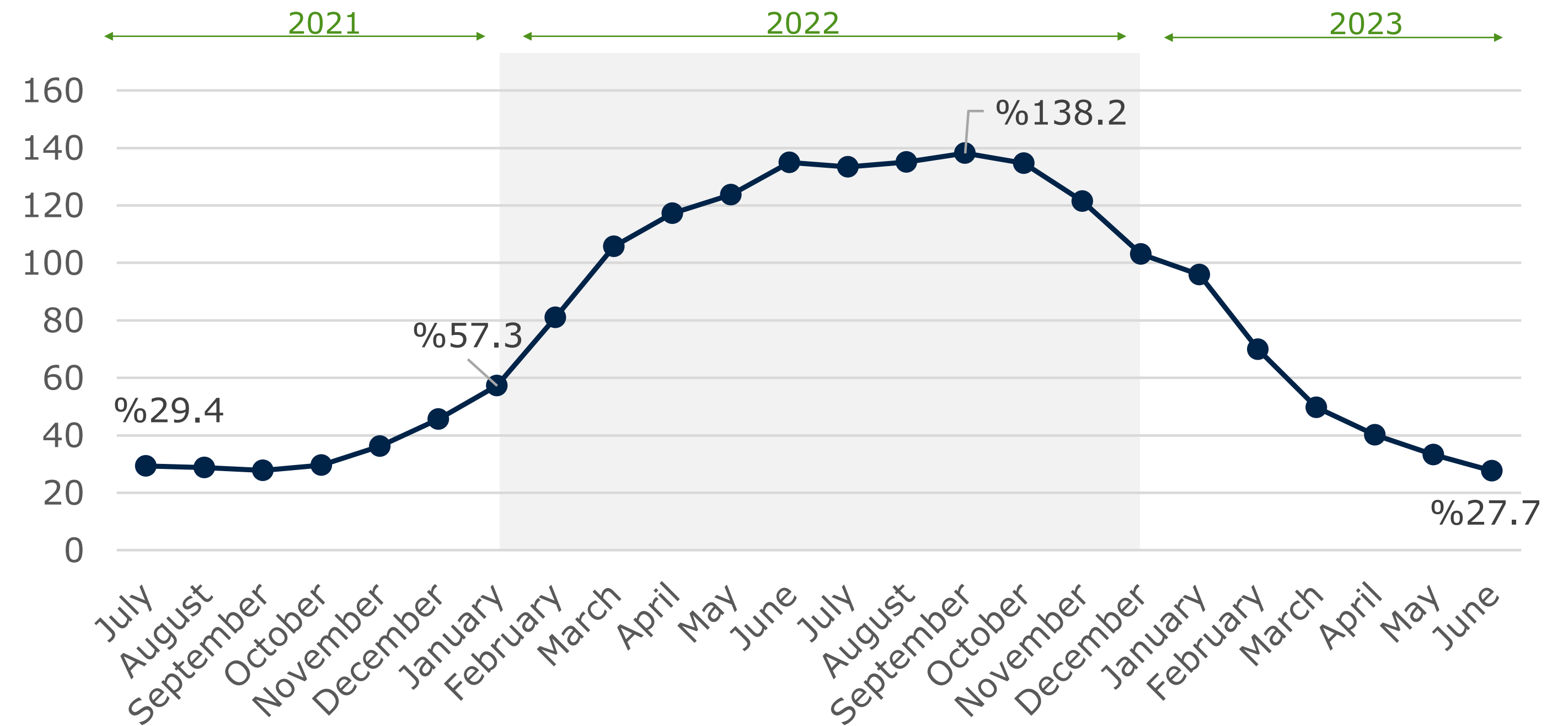
Market Dynamics

Production and Cost in Turkey

Agricultural Input Price Index

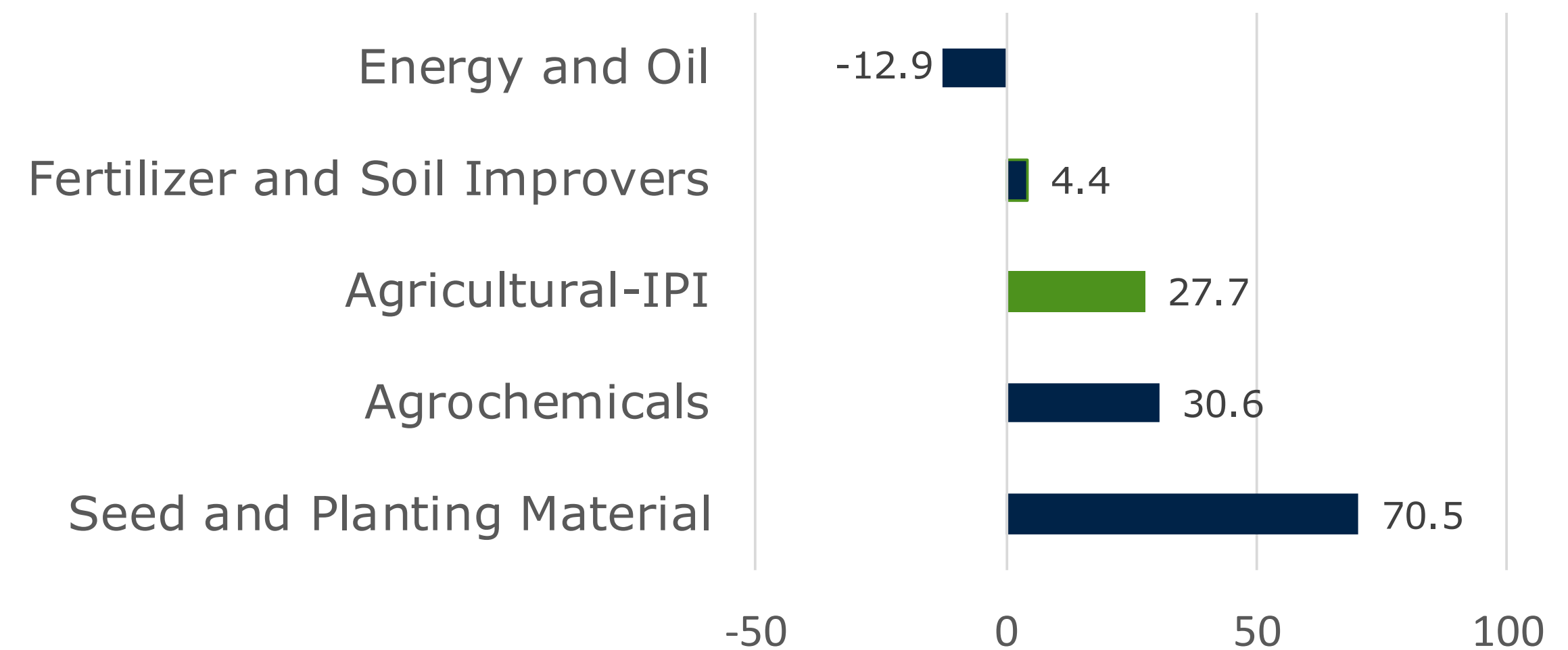
Annual Change Rate (%), June 2023

- **The downtrend in the Agricultural Input Price Index continues** after reaching its peak in September last year.
- According to the latest data, **Agricultural Input Price Index** increased by **+27.7%** in June 2023 compared to the same month of the previous year. According to the average of the last twelve months, it increased by **77.4%**.
- **Seeds and planting material** subgroup was among the subgroups with the highest annual increase by **70.5%**, YoY. The only subgroup with a decrease was energy and fats with **-12.9%**.
- If the exchange rate continues to rise, imported products and agricultural inputs with high exchange rate sensitivity are expected to increase. (Source: TURKSTAT)



Agricultural Input Price Index By Sub-groups

Annual Change Rate (%), June 2023

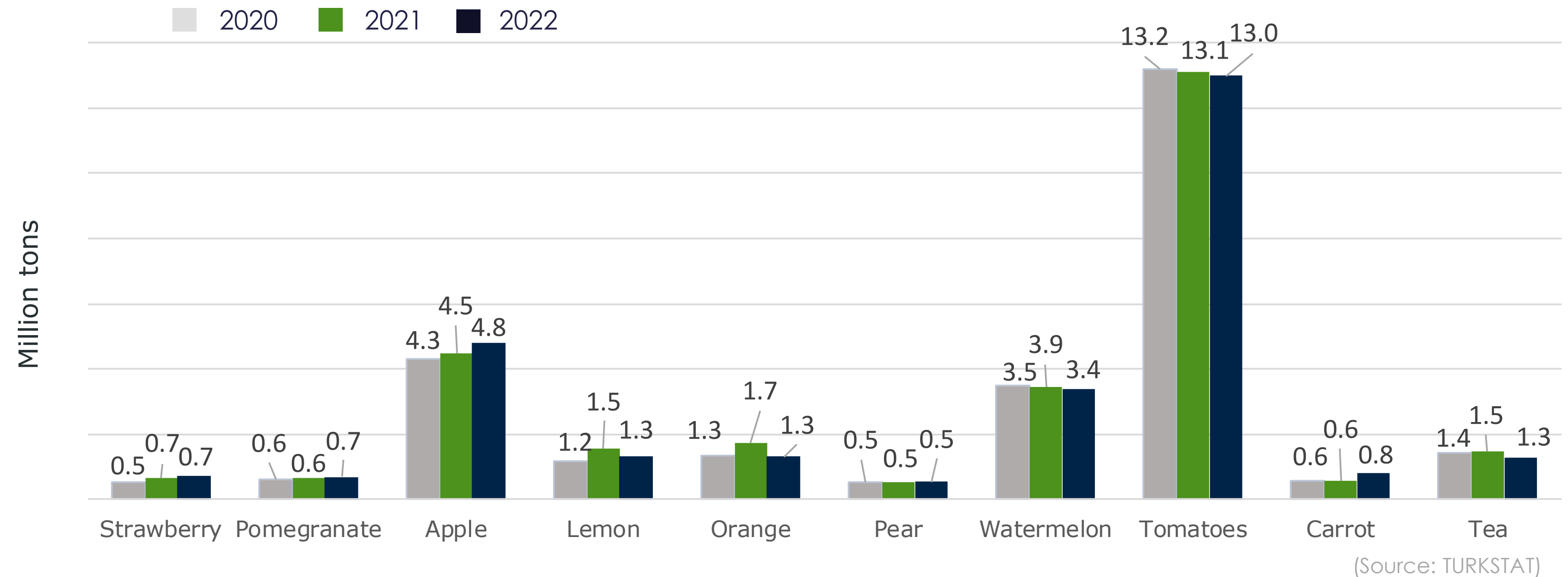


Market Dynamics

Production in Turkey and Fresh Fruits & Vegetables Exportation

Production Data

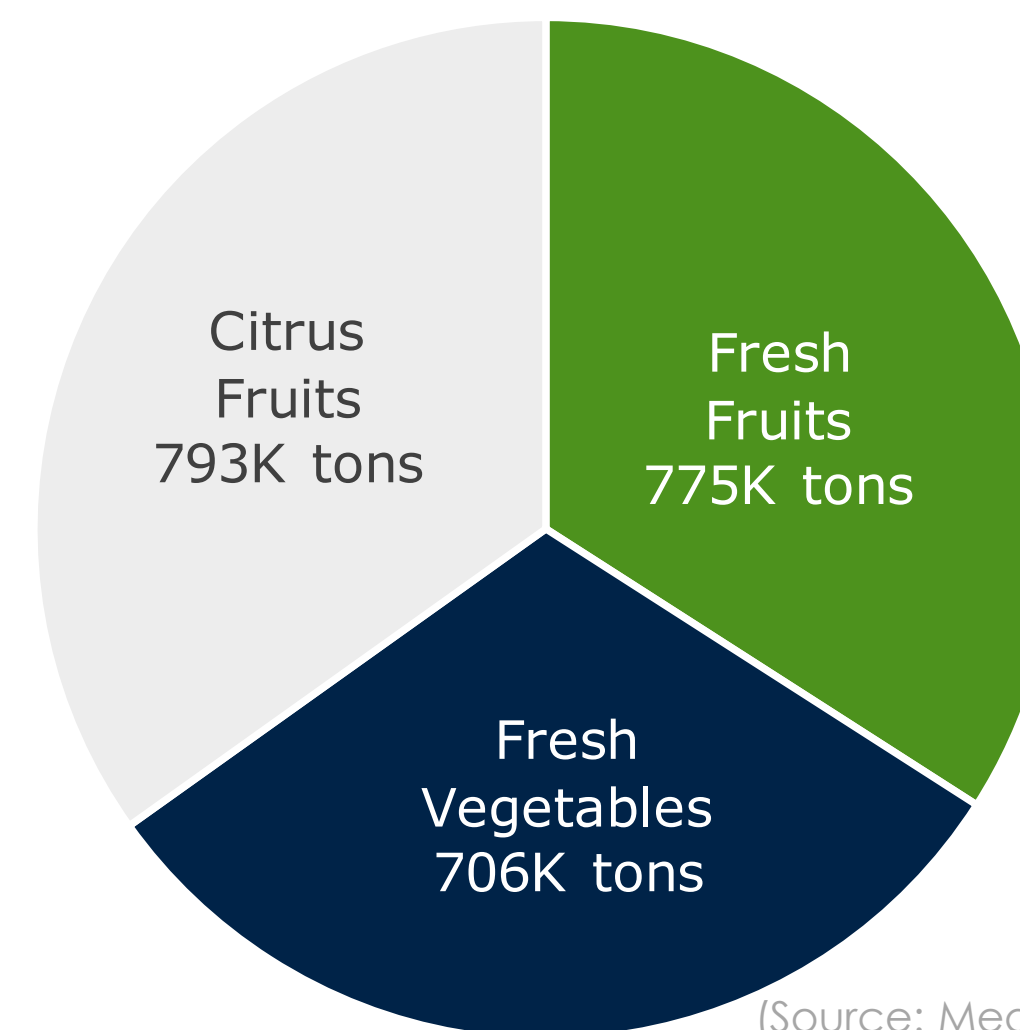
With Selected Fruit and Vegetable Groups



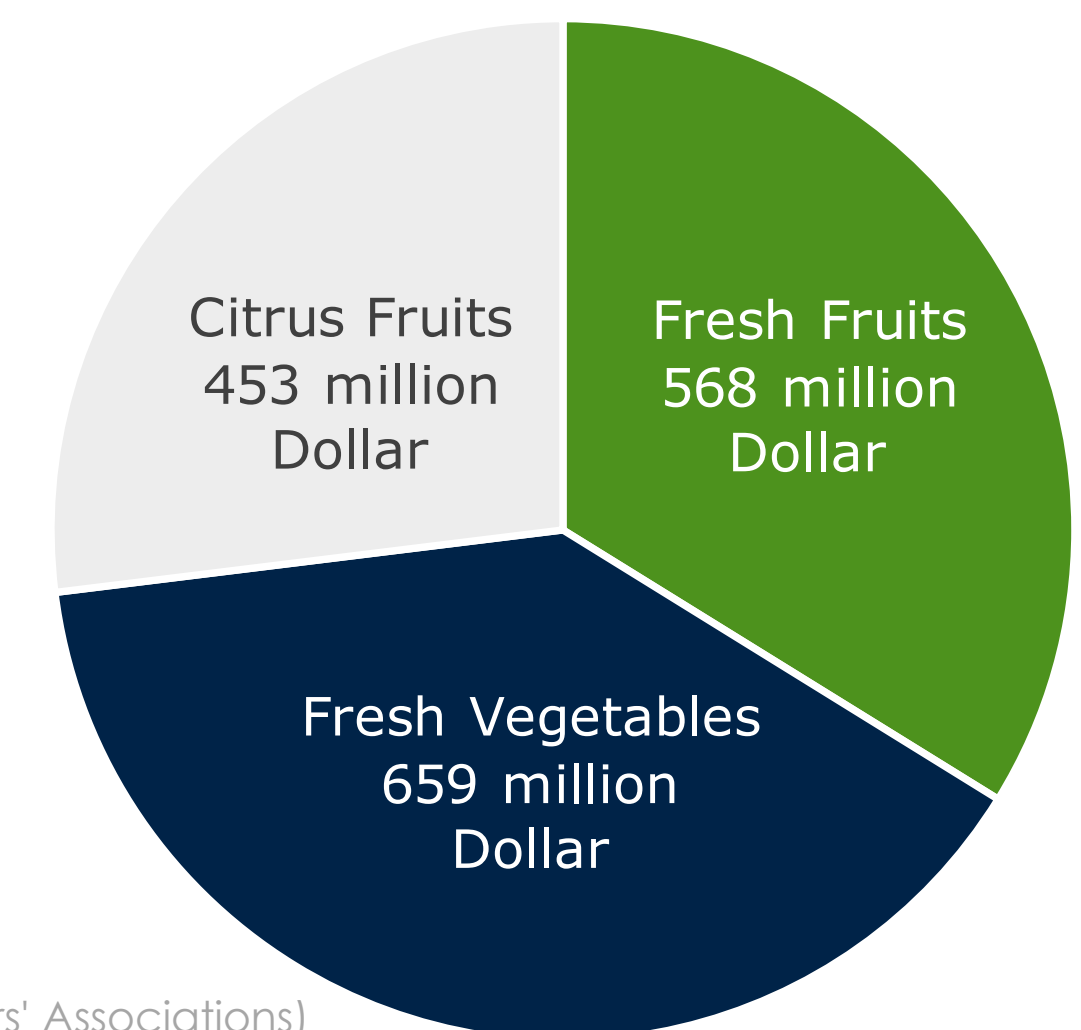
Fresh Fruit and Vegetable Exportation from Turkey

- In January - June 2023, **2.3 million tons of fresh fruits and vegetables were exported from Turkey**. Thus, **an increase of 17%** compared to the same period of the previous year and **a revenue of USD 1.7 billion was achieved**.
- In 2023-1H, the most exported products from Turkey were tomatoes, mandarins and peppers, with nearly half of total fresh fruit and vegetable exports to Russia, Romania and Germany respectively. Revenue from these countries reached **USD 835 million**. (Source: Mediterranean Exporters' Associations)

Volume Basis:



Turnover Basis:



Konfrut AG Business Units

Agri Sourcing Redefined.

KONFRUT AG

AS&S



Agri Sourcing & Services

Agri Sourcing 

Agri Input Products 

Agri Trading 

KONFRUT AG

IL



Intergrated Logistics

Agri Hauling Logistics 

Transportation 

Warehousing 

KONFRUT AG

E&ISS



Energy and Industrial Supplies & Services

Green Energy 

Pomace & Fertilizer 

Packaging 

Operations

Agri Sourcing Business Unit in 2023-H1

Agri Sourcing Supply

- In 2023-H1, **74 thousand tons agri sourcing origination was supplied** by Konfrut AG.
- **Implementing Turkey's largest-scale organic/residue-free strawberry project**, Konfrut AG realized contract farming agreements on **6,243 decares of land** in the 2023 strawberry season.



- **Within the scope of contract farming with farmers**, more than twenty different types of fruit and vegetables were supplied, including black carrots, watermelon, apple, pomegranate.
- **Within the scope of Sustainable Agriculture, 1,518 tons of products** were supplied in the first half of the year in **the Organic / Residue-Free Strawberry Project**.
- Within the scope of Agri Sourcing Supply, **31 thousand tons of black carrots** and **14 thousand tons of apples** were supplied.
- Within the scope of **Fresh Fruit Trade, 773 tons of pomegranate and 844 tons of apple were procured. New connections were made for fresh watermelon exports.**
- **In the Agri Sourcing Input Channel; 1,400 tons of fertilizer** was sold.
- **Tea Fiber** sales were realized as **14.4 million TL**.

Konfrut AG Certificates



- Konfrut AG's product range with **GLOBAL G.A.P. & GRASP certificates**, which set standards in good agricultural practices, has increased to **12**. These certificates aim to make agricultural activities safe and sustainable on a global scale.

Operations

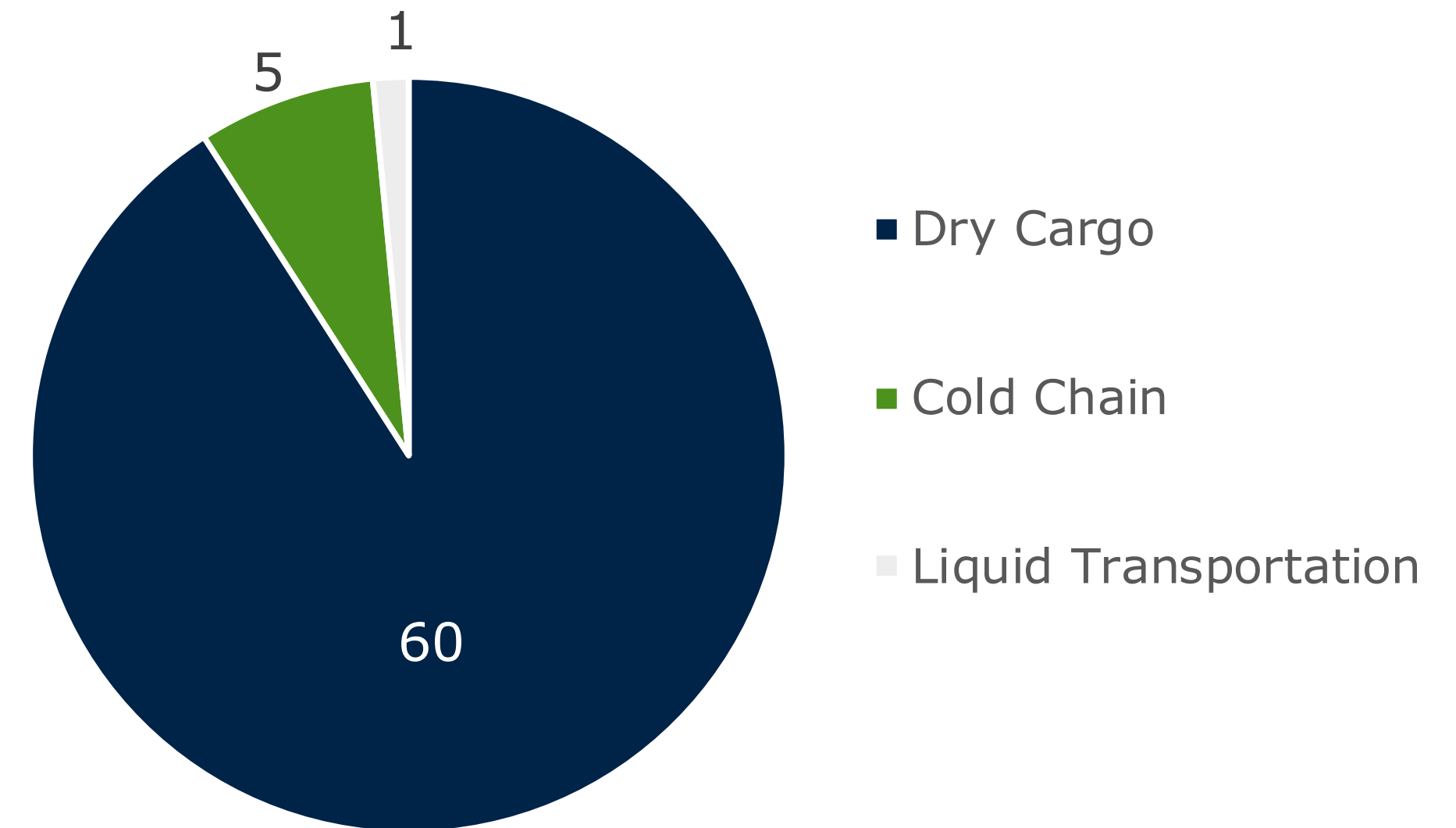
Logistics Business Unit in 2023-H1

Storage and Logistics Operations

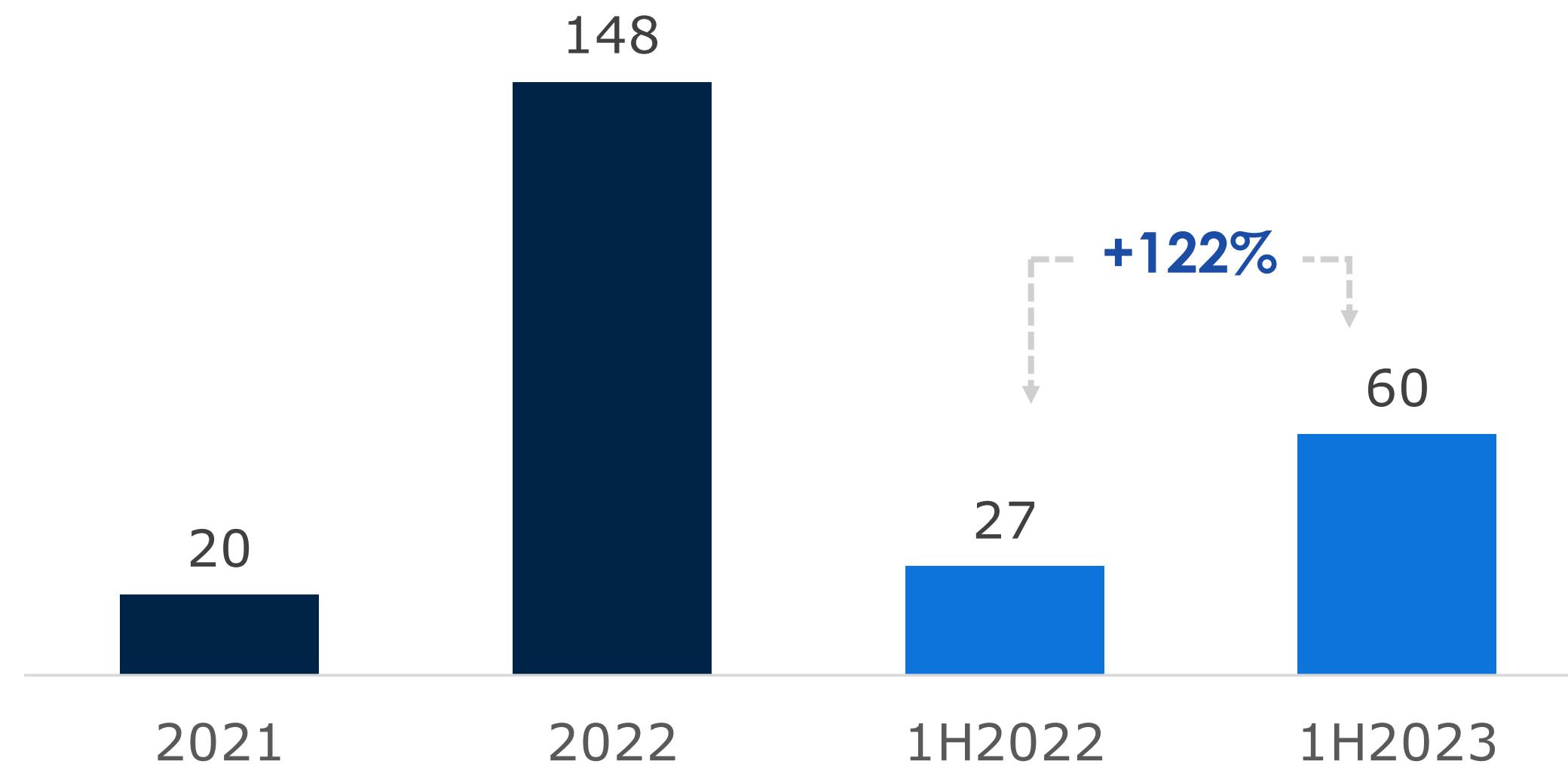
- Within the scope of **Storage and Logistics activities**, **60,329 tons** of agri sourcing materials and industrial product transportation services were provided in the first half.
- In 2023-H1, **14,817 tons** of agri sourcing materials and products were transported with the cost-efficient towing vehicle, specially designed fiberglass and refrigerated trailer.



Distribution of Hauling Service Volume Basis (Thousand Tons)



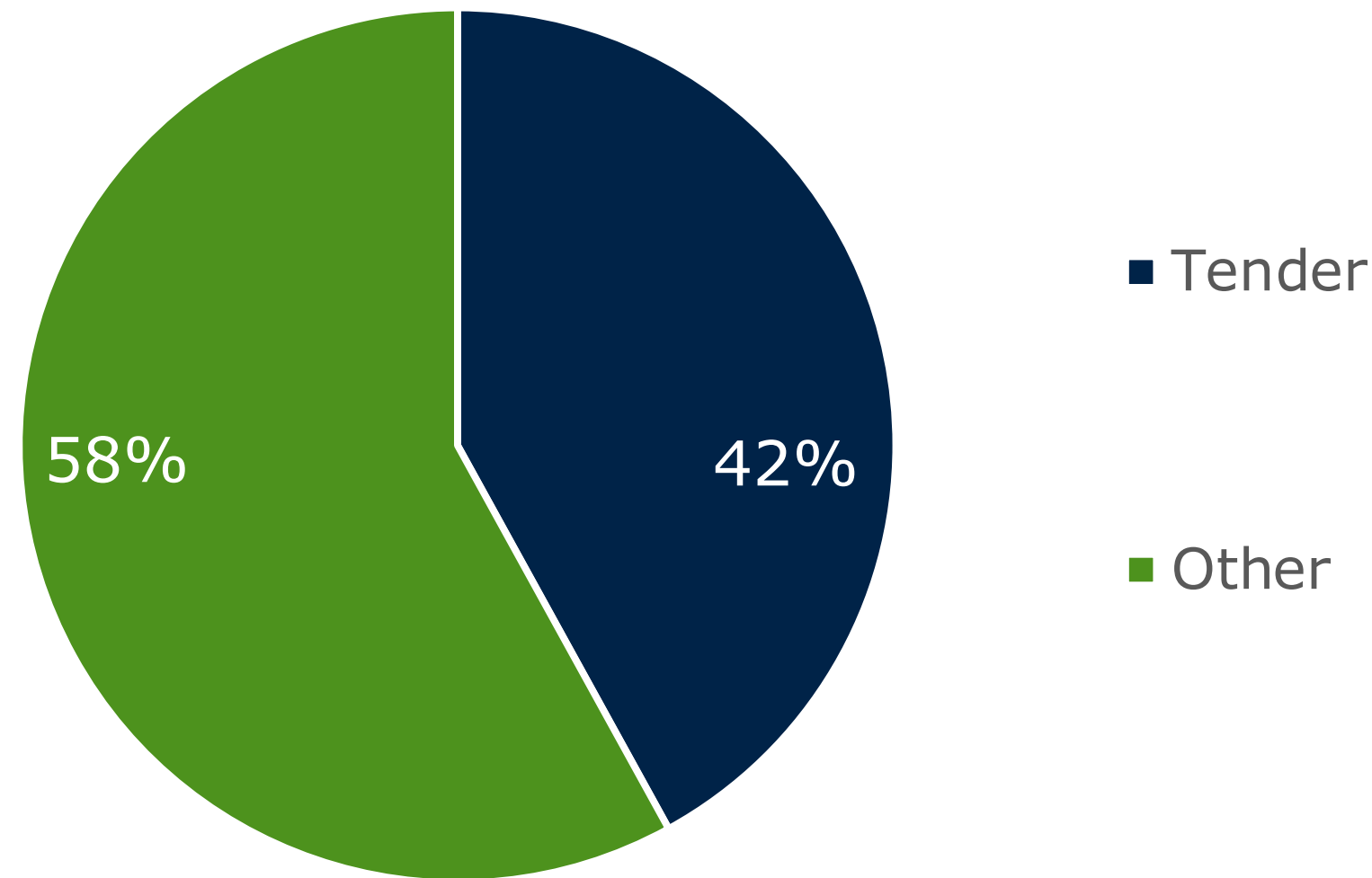
Agri Sourcing Transportation (000 Tons)



Operations

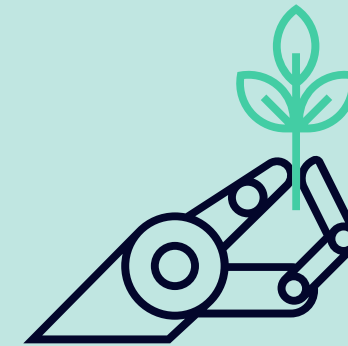
Industry Business Unit in 2023-H1

Source of Manufactured Pallets



Digital Agriculture

- In the first half of the year, digital agriculture devices were used in organic strawberry, black carrot, capia pepper and sugar beet fields, while the number of devices installed in this period reached **47**.



Energy and Industrial Products and Services

- **53,301 numbered pallet sales realized.**
- **22,500 pallet** production of the planned **50,000 pallet** to be completed for 2023 from the remaining parts of the **17,504 m³** forest tender received last year was completed.



Konfrut Gıda

Fruit and Vegetables Process

- Concentrate and puree are produced in Denizli-Akkent Facility.
- **6,144 tons** production in 2023-H1.

Post-Period Developments

Konfrut AG started the second half of the year fast



Fresh Watermelon Export Started

- In June, Konfrut AG started to receive orders for fresh watermelon exports to Europe. In this context, approximately **EUR 1.7 million worth of fresh watermelon was exported by the end of July.**
- Expanding its product portfolio suitable for export in the fresh fruit and vegetable channel, Konfrut AG continues to work to offer its fresh product range to consumers in different countries.



Logistics Investments

- **The logistics investments planned for 2023 were realized in July.** In this context, cost and time-saving fiber pool investments specially designed for food transportation were made. With these investments, **the number of fiberglass owned by Konfrut AG increased from 105 to 210.** With this figure, Konfrut AG strengthened its title as the company with the most fiber pools in Turkey.
- In addition to the fiber pool investments, the company added tow trucks and modern agricultural equipment to its logistics fleet, investing a total of **22 million TL.**



Consolidated Financial Results

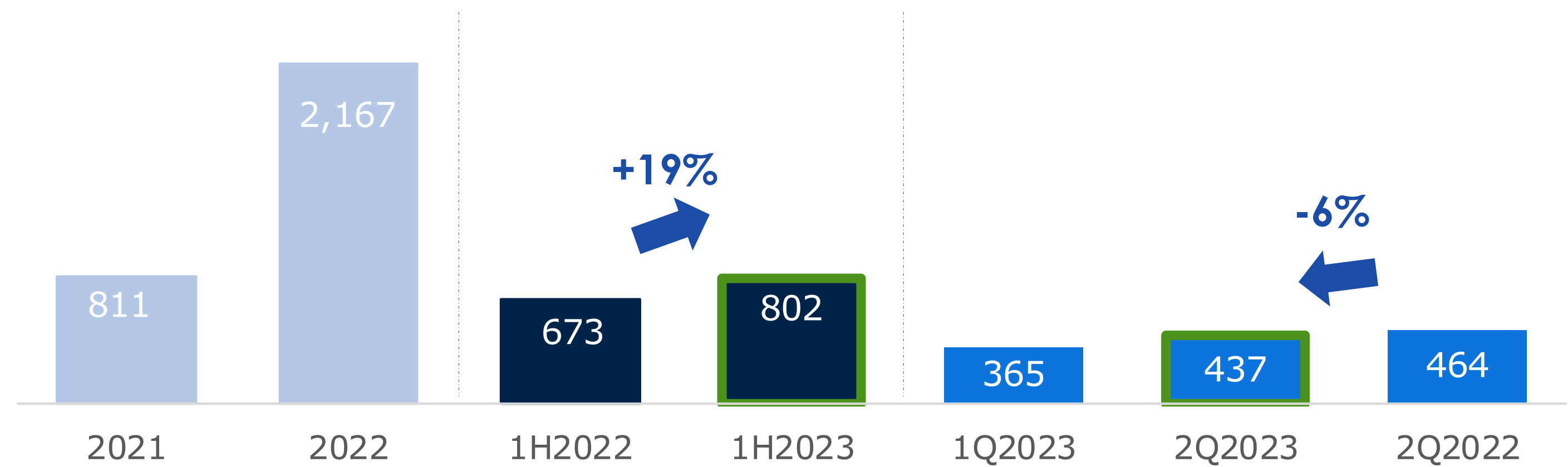
2023-H1

Net Sales Improvement

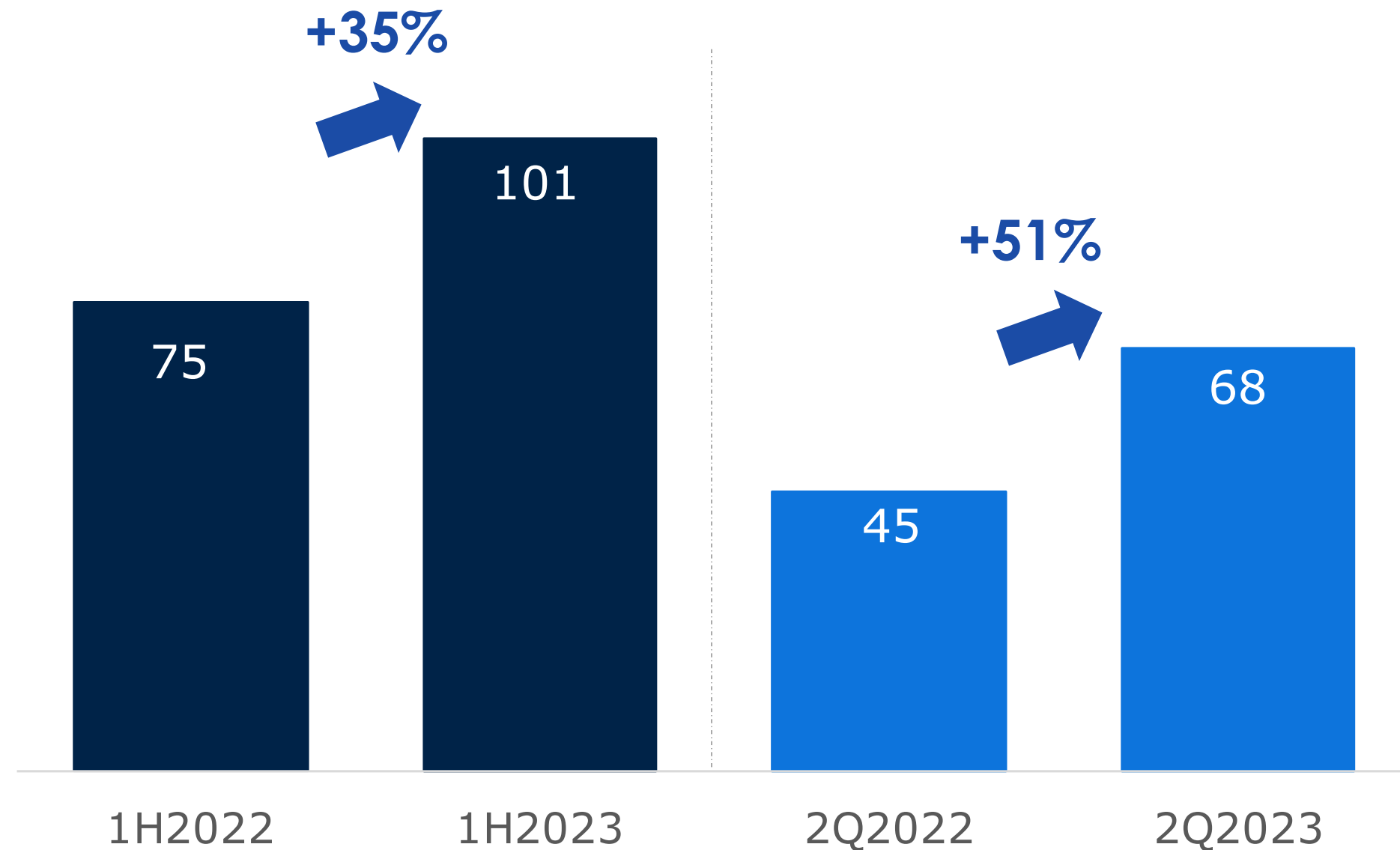
Continued Strong Growth Based on Turnover and Tonnage

- Konfrut realized **437 million TL** net sales on a consolidated basis in 2023-Q2;
 - Increase **35%** in volume,
 - Increase **19%** in turnover, YoY.

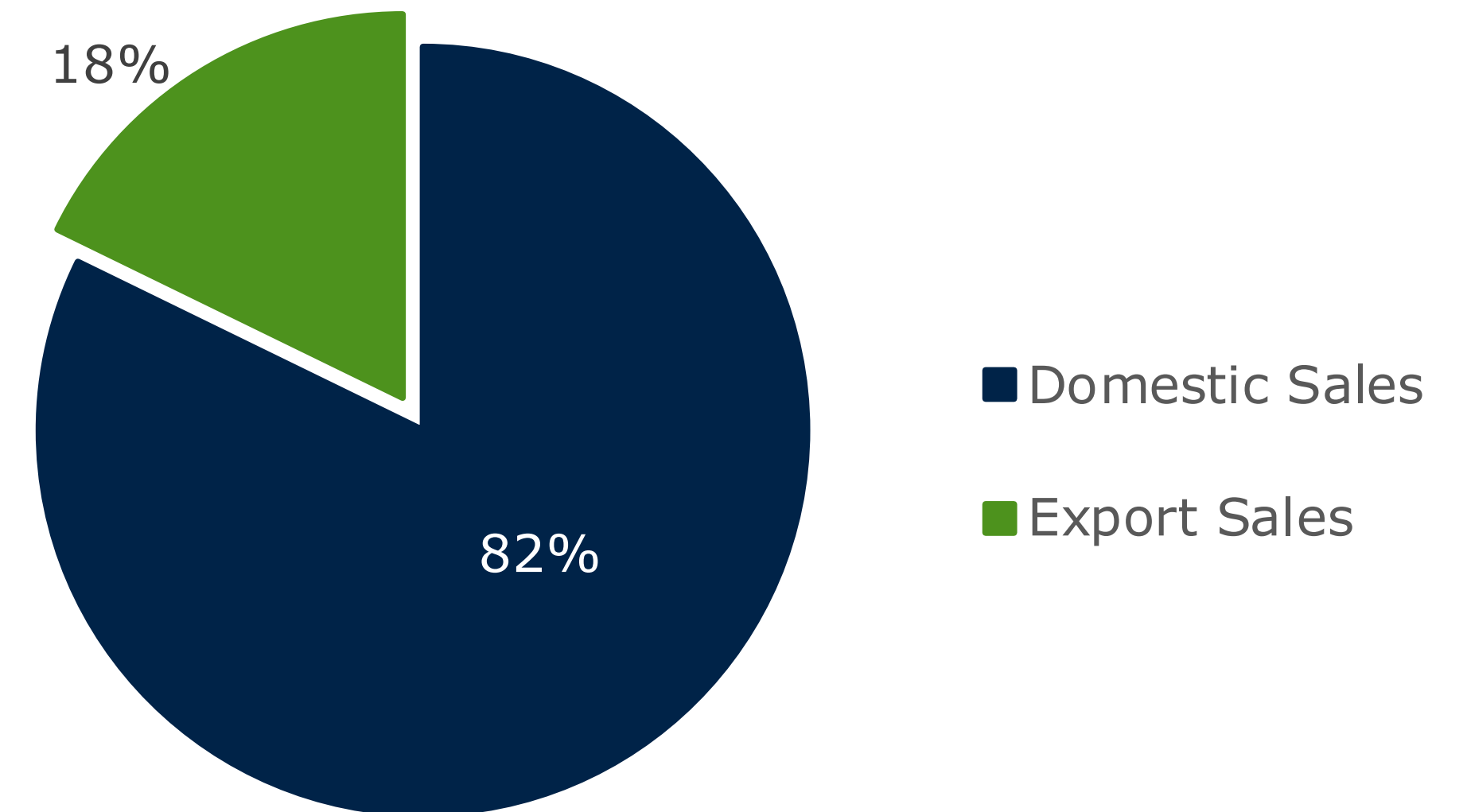
Net Sales (Million TL)



Sales Volume (000 Tons)



Sales Breakdown (Million TL)

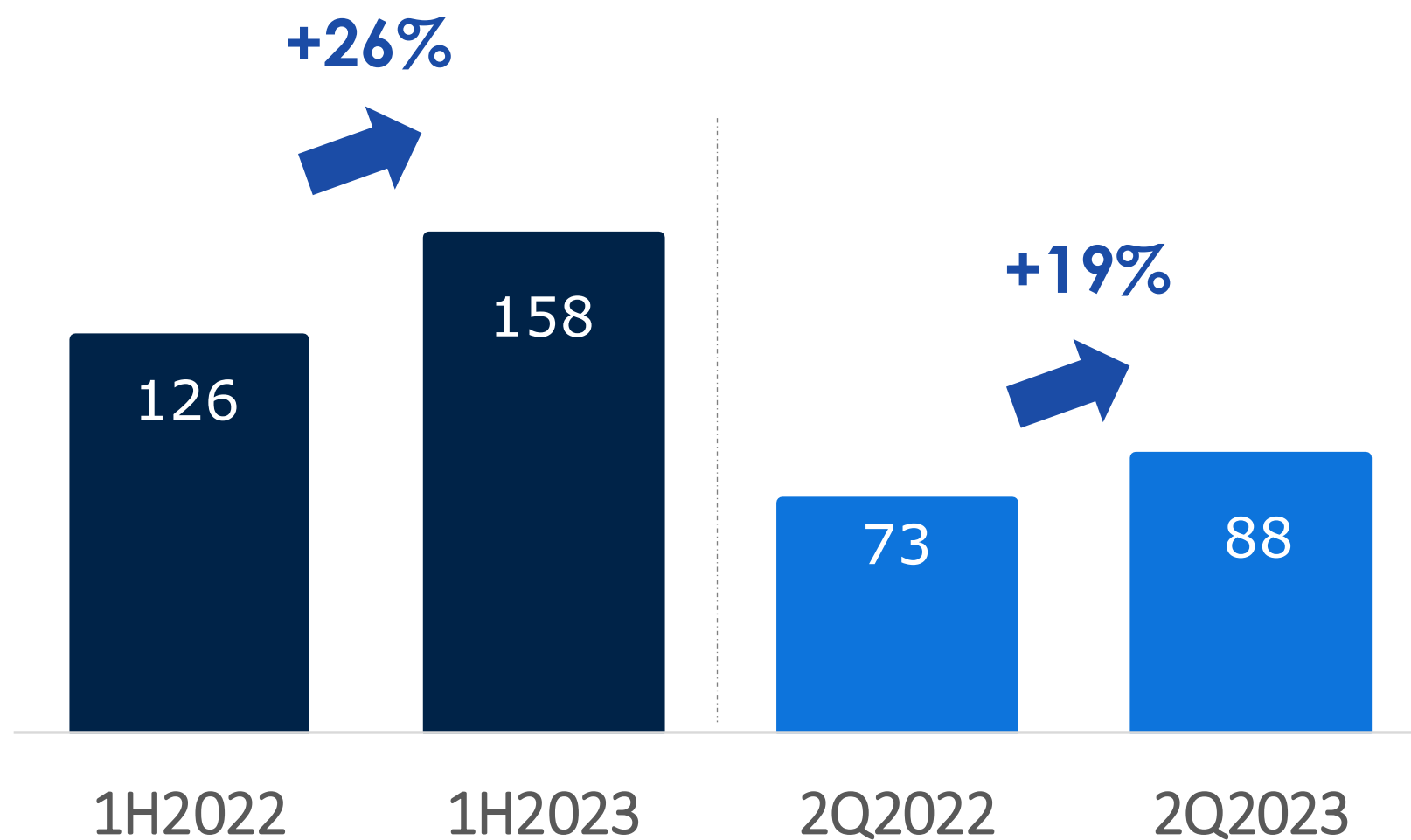


Profitability

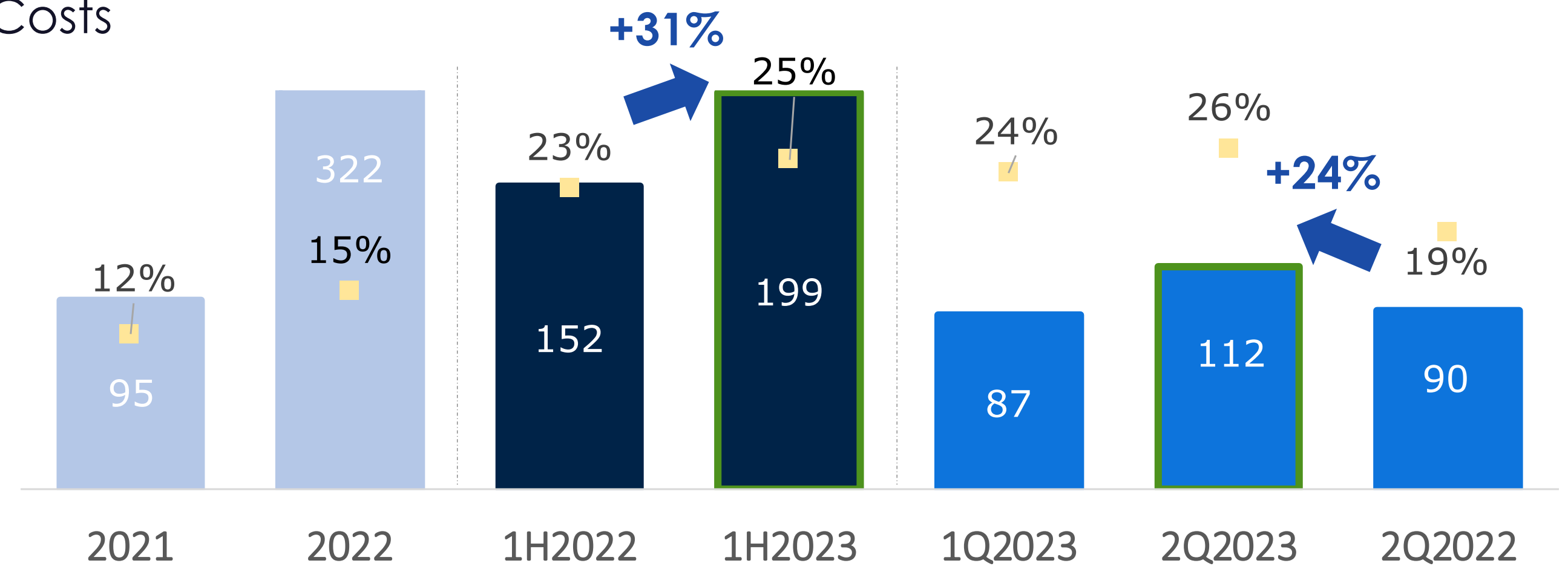
Improvement in Operating Expenses Despite Increasing Costs

- The ratio of operating expenses to sales improved slightly, with the support of operational efficiency practices, YoY.

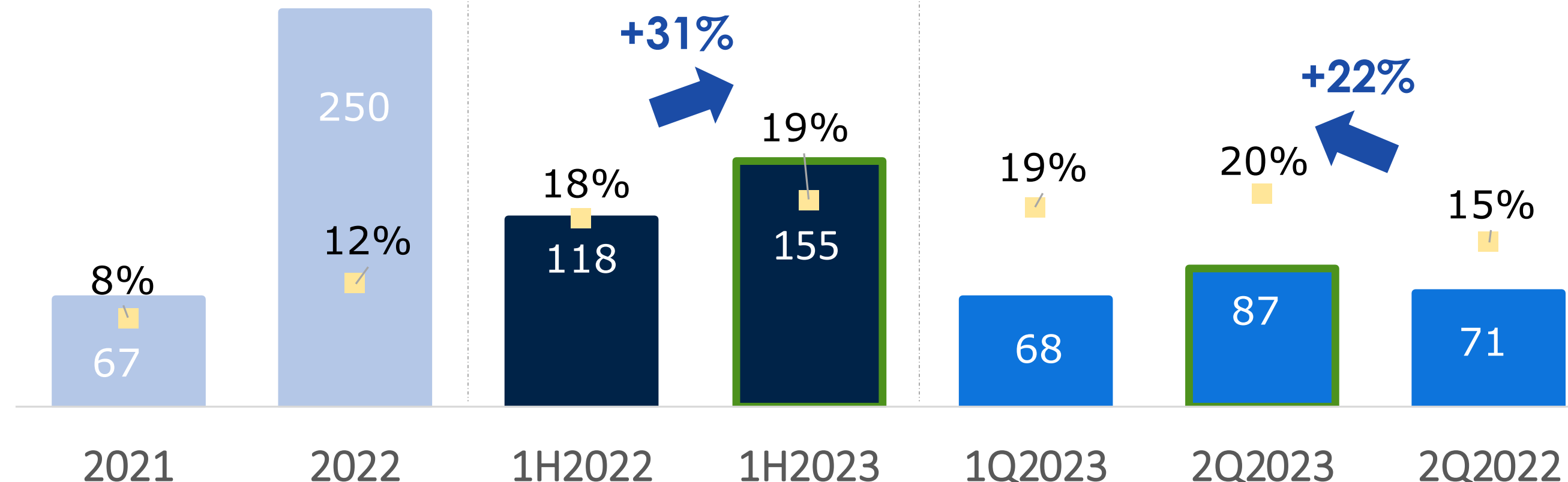
Operating Profit (Million TL)



Gross Profit and Gross Profit Margin (Million TL)



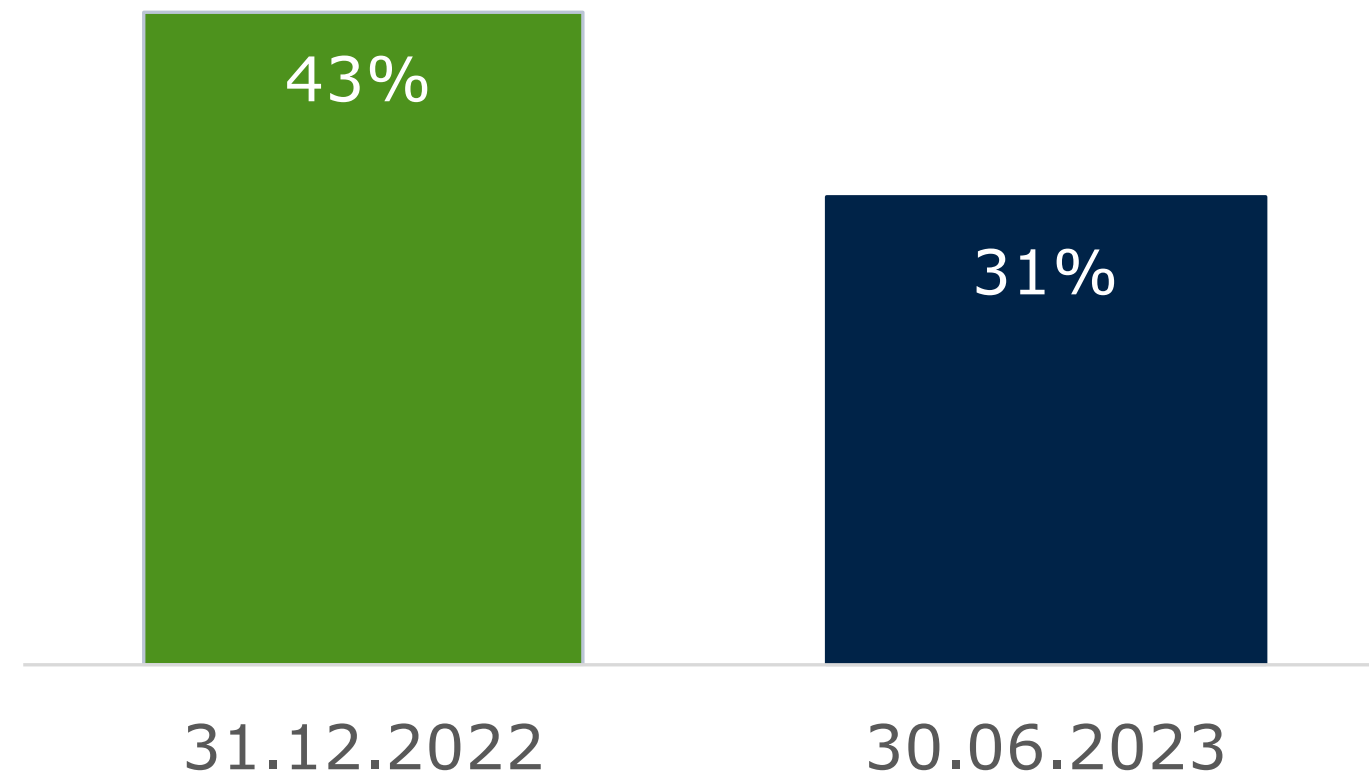
EBITDA and EBITDA Margin (Million TL)



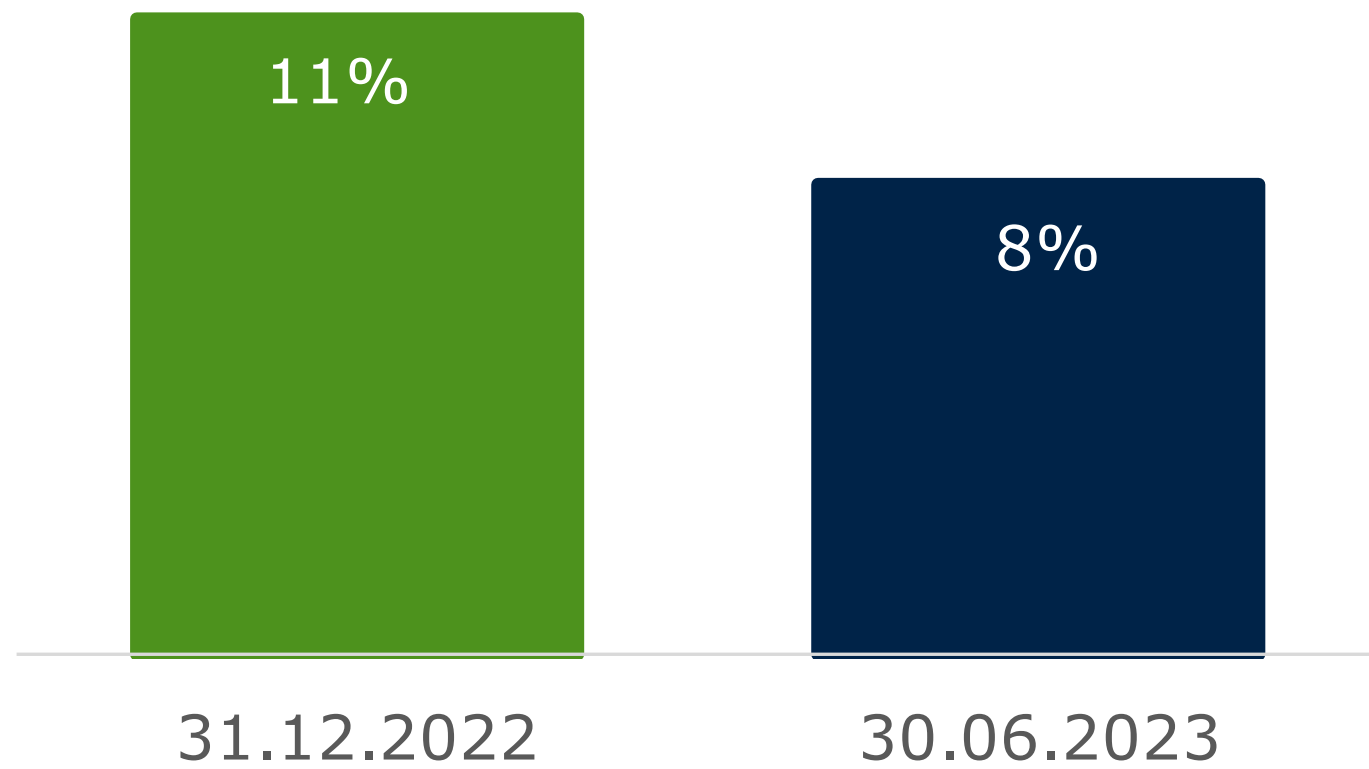
Profitability

71 mn TL Net Profit for the Period

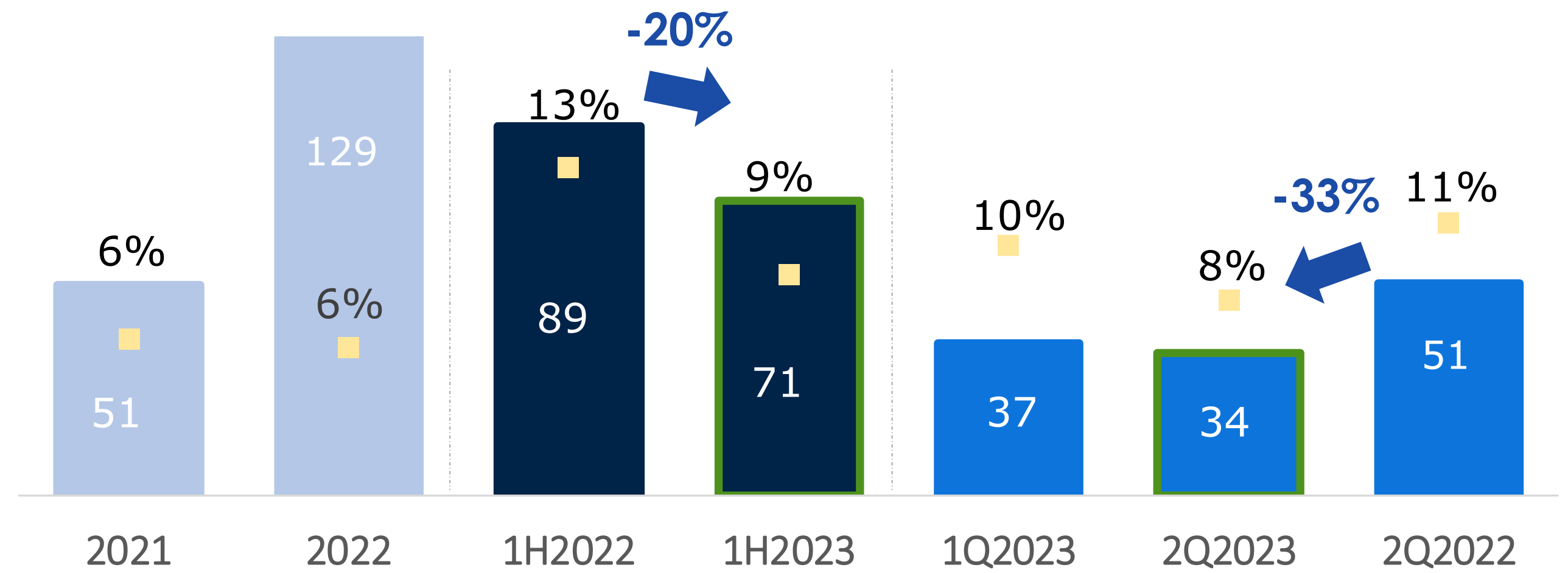
Return on Equity



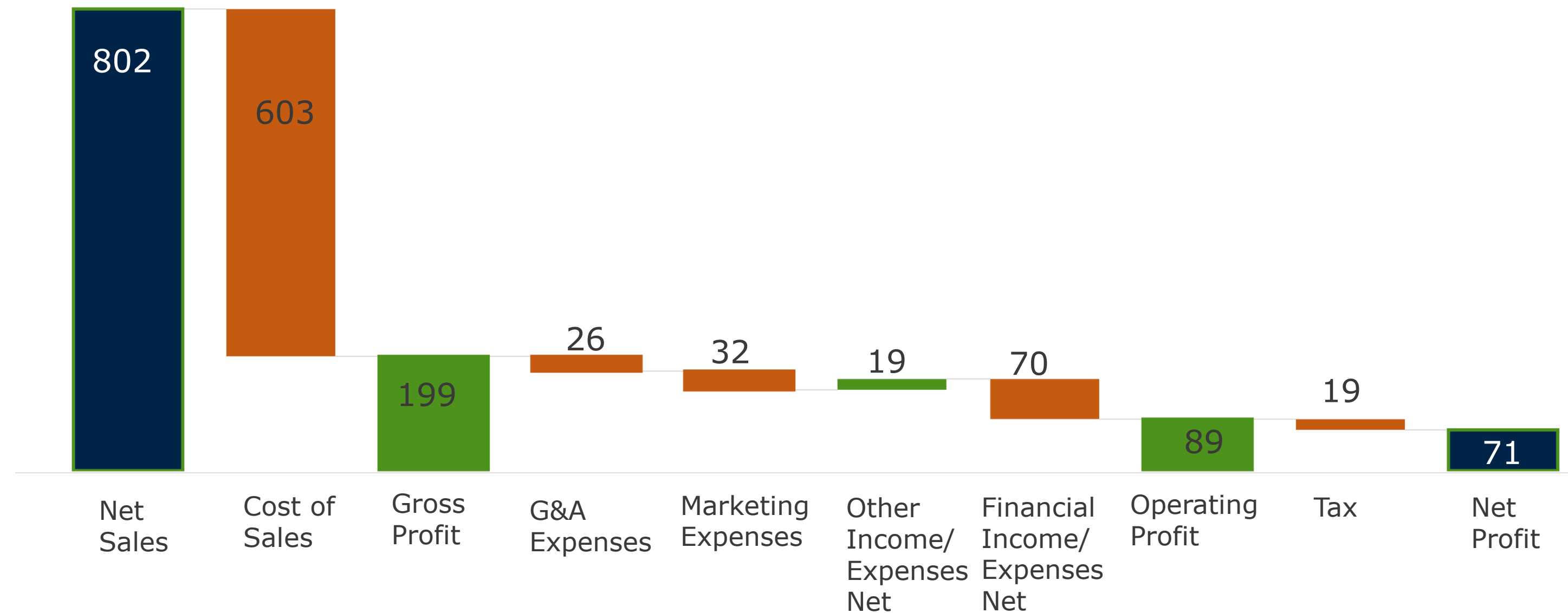
Return on Assets



Net Profit and Net Profit Margin (Million TL)



Net Profit (Million TL)

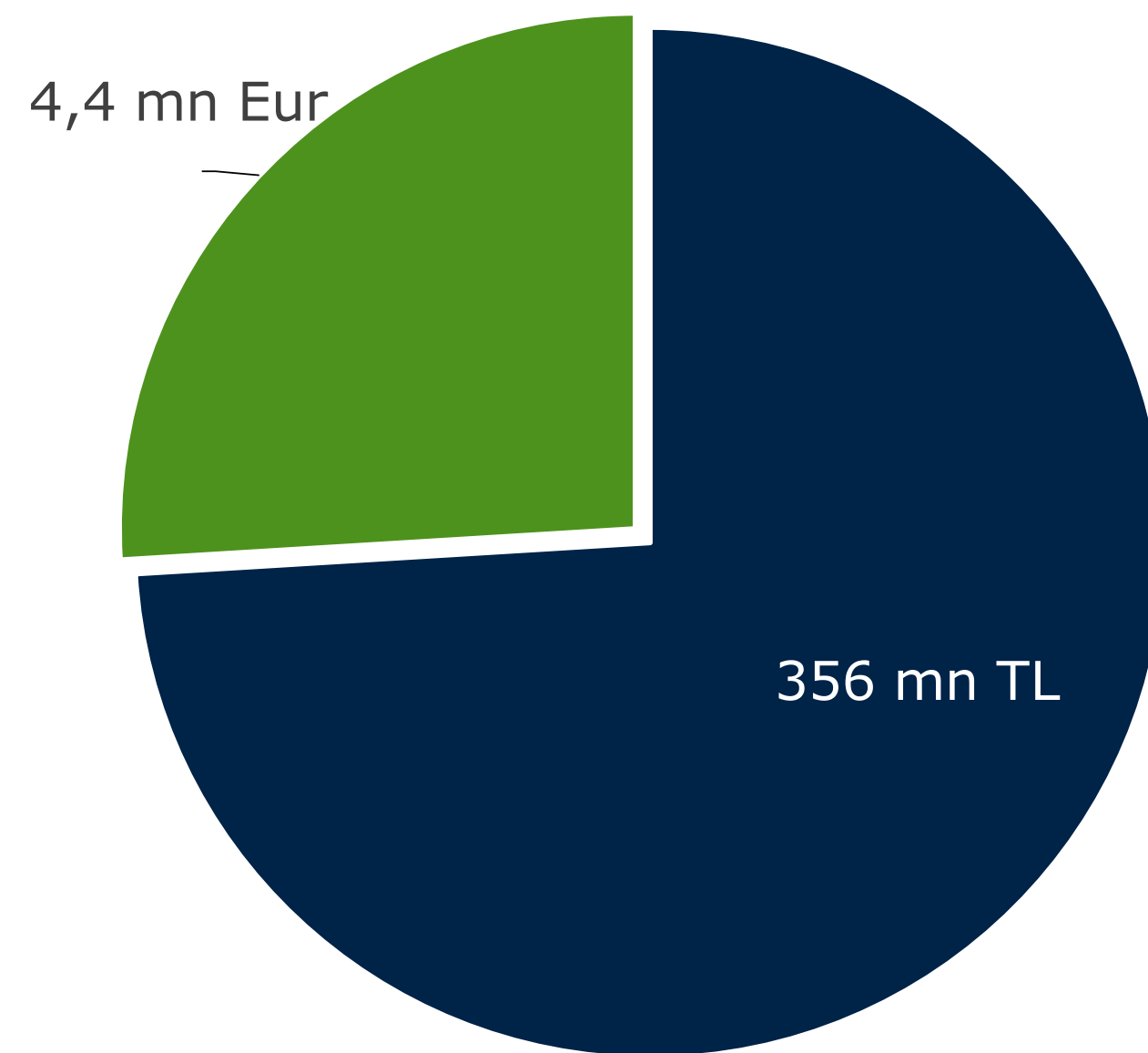


Investments and Liabilities

Konfrut AG's investments continue due to its high growth and profitability potential.

- Konfrut made an investment of **19.6 million TL** on a consolidated basis in 2023-H1. Then, the Company started the second half of the year with planned for 2023 logistics investments.

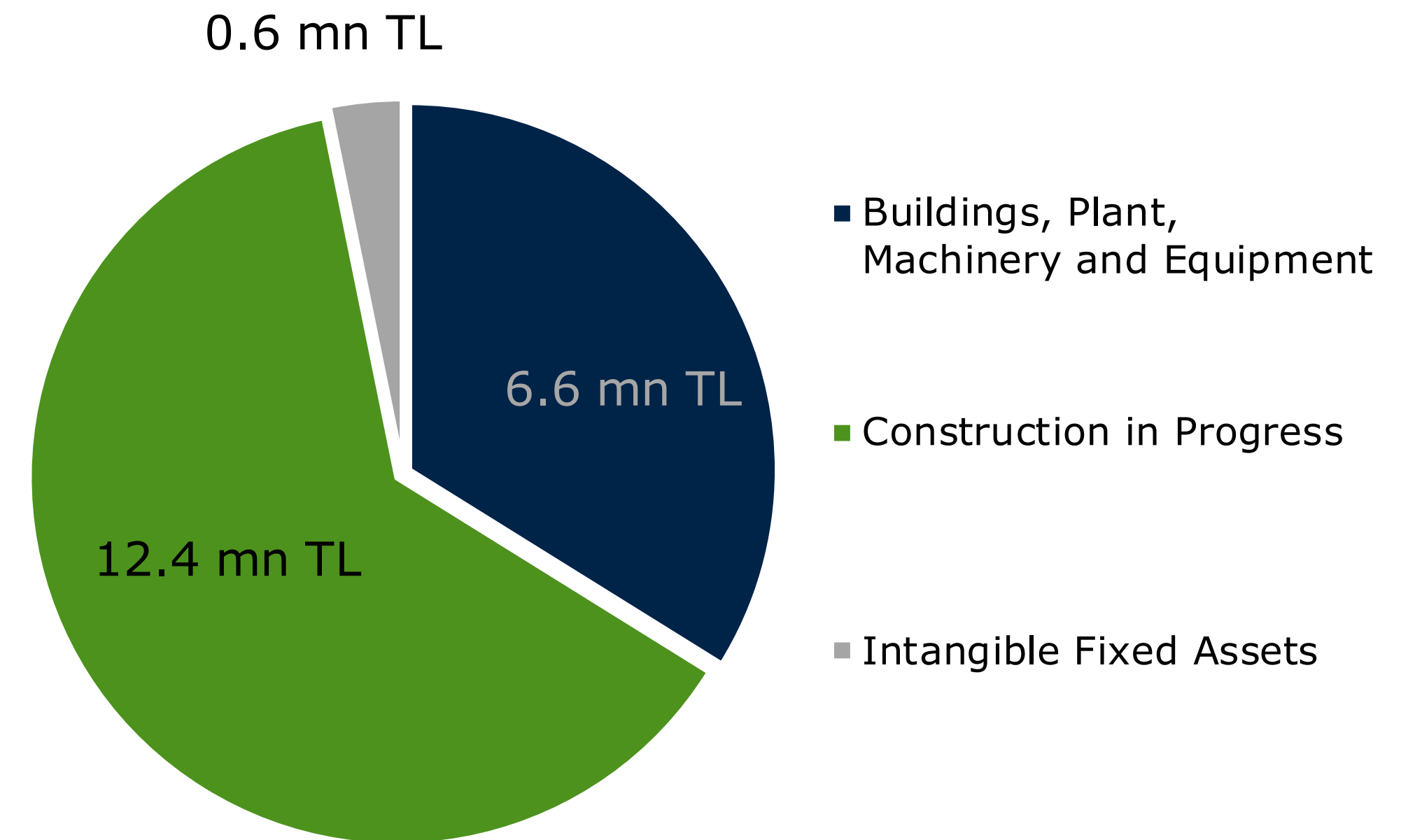
Financial Debts Distribution



- 74%** of financial debts are in Turkish Lira.

Financial liabilities consist of financial loans and financial leasing liabilities.

Investment Expenditures Distribution (Million TL)



- The new pelleting line investment, which increased the capacity of **Konfrut AG's Tea Fiber Pelletizing Facility** located in Iyidere, Rize, was completed and put into operation in the first quarter of the year. **The total investments made in the facility reached 11.9 million TL in 2023-H1.** (Million TL)

	2021	2022	1Y2022	1Y2023
Investment Expenditures	31.5	107.9	28.2	19.6

Income Statement - Summary

(Million TL)

	1Y2022	1Y2023	Change	Change (%)	2Q2022	2Q2023	Change	Change (%)
Net Sales	672.8	802.0	129.2	19.2%	464.2	436.6	(27.6)	-6.0%
Cost of Sales	(520.9)	(603.3)	(82.4)	15.8%	(374.5)	(325.0)	49.6	-13.2%
Gross Profit	152.0	198.7	46.7	30.8%	89.7	111.6	21.9	24.5%
General Administrative Expenses	(14.5)	(25.7)	(11.2)	77.4%	(7.8)	(13.8)	(6.0)	77.3%
Marketing Expenses	(25.4)	(32.3)	(6.9)	27.4%	(14.1)	(17.9)	(3.8)	26.9%
Operating Profit	112.1	140.6	28.6	25.5%	67.8	79.9	12.1	17.9%
EBITDA	118.4	155.2	36.8	31.1%	71.4	87.1	15.7	22.0%
Other Income/Expenses (Net)	14.0	18.8	4.8	34.4%	5.7	7.7	2.0	35.3%
Financial Income/Expenses (Net)	(17.6)	(70.0)	(52.4)	298.2%	(11.9)	(44.8)	(32.9)	276.9%
Profit Before Tax	108.5	89.5	(19.0)	-17.5%	61.6	42.8	(18.8)	-30.5%
Tax	(19.9)	(18.6)	1.3	-6.4%	(10.8)	(8.6)	2.1	-19.8%
Net Profit for the Period	88.6	70.9	(17.8)	-20.0%	50.8	34.2	(16.7)	-32.8%

Balance Sheet - Summary

(Million TL)

	30.06.22	30.06.23	31.12.22	31.12.21
Current Liabilities	879.7	1,142.4	1,233.5	589.5
Cash and Cash Equivalents	7.9	4.0	3.5	3.5
Trade Receivables	316.4	202.5	326.7	167.0
Inventories	275.5	472.2	568.6	276.7
Non-Current Assets	118.7	219.3	199.7	97.3
Total Assets	998.4	1,361.7	1,433.2	686.8
Current Liabilities	690.2	839.5	1,006.0	467.5
Short Term Financial Borrowings	211.3	380.8	387.6	55.1
Trade Payables	206.2	188.8	425.7	304.1
Long Term Liabilities	10.7	110.4	79.6	9.6
Equity	297.6	411.7	347.6	209.7
Total Equity	998.4	1,361.7	1,433.2	686.8
Net Financial Borrowings	206.2	476.6	452.3	54.5

Financial Ratios

	1Y2022	1Y2023	2022	2021
Gross Profit Margin	23%	25%	15%	12%
EBITDA Margin	18%	19%	12%	8%
Net Profit Margin	13%	9%	6%	6%
Current Ratio	1.27	1.36	1.23	1.26
Acid Test Ratio	0.88	0.80	0.66	0.67
Short-Term Financial Borrowings/Total Financial	0.99	0.79	0.85	0.95
Net Financial Borrowings/Equity	0.69	1.16	1.30	0.26
Return on Assets (ROA)	17%	8%	11%	10%
Return on Equity (ROE)	53%	31%	43%	28%

Stock Performance

Konfrut Stock Price Developments



Public Offering Date	June 10, 1996
Issued Capital	TL 132,000,000
Ticker Symbol	KNFRT
Free Float Rate	22.38%
Stock Price TL (June 30, 2022 - June 30, 2023)	7.20 - 15.39
Market Value	TL 2,031,480,000
Stock Price Change in Last 12 Months	+114%
Market in Borsa Istanbul	Star Market
BIST Market where Company's Capital Market Instruments are Traded	BIST-INDUSTRIALS BIST-DENIZLI BIST-PARTICIPATION BIST-FOOD AND BEVERAGE

*The graph and table demonstrate the year end closing share price in comparison with BIST-ALL and BIST-FOOD Index.

Legal Disclaimer

Information about Konfrut Gıda Sanayi ve Ticaret A.Ş. (Konfrut Gıda) and its 100% subsidiary Konfrut AG Tarım A.Ş. (Konfrut AG), the financial statements' analysis and current views on possible future events are included in this presentation. Although, it is considered that the information and analyzes included in the presentation are correct and the data regarding the predictions are reasonable, these can be affected by various variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Konfrut Gıda and Konfrut AG, nor their managers, employees or other related persons of these companies can be held responsible for any damages that may occur due to the use of the information contained in the Presentation for investment purposes.



INVESTOR RELATIONS DEPARTMENT

Sinan Yiğit Yakut – Investor Relations Manager

Cemre Ekici Bayram – Investor Relations Team Leader

Phone: +90 216 545 68 68

E-mail: yatirimci@konfrutag.com.tr

Investor Relations Web Sites

