



Konfrut Investor Presentation

2023-9M Financial Results



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Highlights

Sales

- In 2023-9M, consolidated sales grew by 34% YoY, while volume grew limited.
- Fresh fruit and vegetable exports, which started for the first time at the end of last year and have high growth potential, gained acceleration.

Profitability

- Compared to the high costs in 2022 season, some improvement in this period led to an increase in gross profitability and also contributed to the gross margin. Gross margin in 2023-09 was 16.0% (2022-09: 14.4%).
- Although the continued increase in the general prices level led to an increase in the Company's operating expenses, YoY. The ratio of operating expenses to sales was realized at similar with the support of operational efficiency practices, YoY.

Cash Flow

- Cash flow from operations amounted to ₪127 million.

Investments

- Logistics investments in the third quarter reached to ₪22 million. With these investments, the fiber glass capacity doubled, while the logistics fleet grew with new tow trucks and modern agricultural equipment.

Consolidated Financial Summary for 2023-9M

₪ 2 billion Net Sales **34%** Increase 276 thousand tons Sales Volume **2%** Increase

₪ 320 million Gross Profit **50%** Increase ₪ 239 million EBITDA **48%** Increase

Compared to September 30, 2022

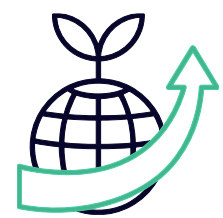
₪ 113 million
Net Profit

₪ 33 million
Investments

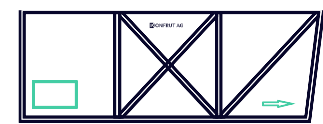
₪ 1.6 billion
Total Assets

₪ 453 million
Total Equity

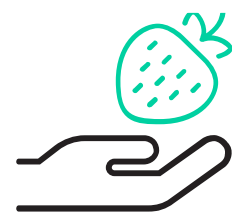
Konfrut AG at a Glance



Leading the Agricultural Transformation



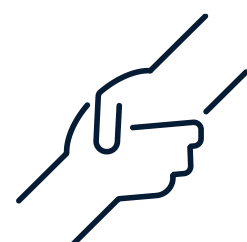
It is the only company in Turkey with 210 fiber pools.



Turkey's largest scale organic strawberry project



Bringing agriculture together with modern equipment and high technologies



Strong and strategical cooperations



Business Units

Agri Sourcing and Services

In 2023-9M;
282.570 tons
Agri Sourcing Supply

Approximately
40K decares
Contracted Agricultural Areas

Logistics

197.390 tons
Transported Raw
Material and Products

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

Industry

92.676 number of
Pallet Sales

52 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.

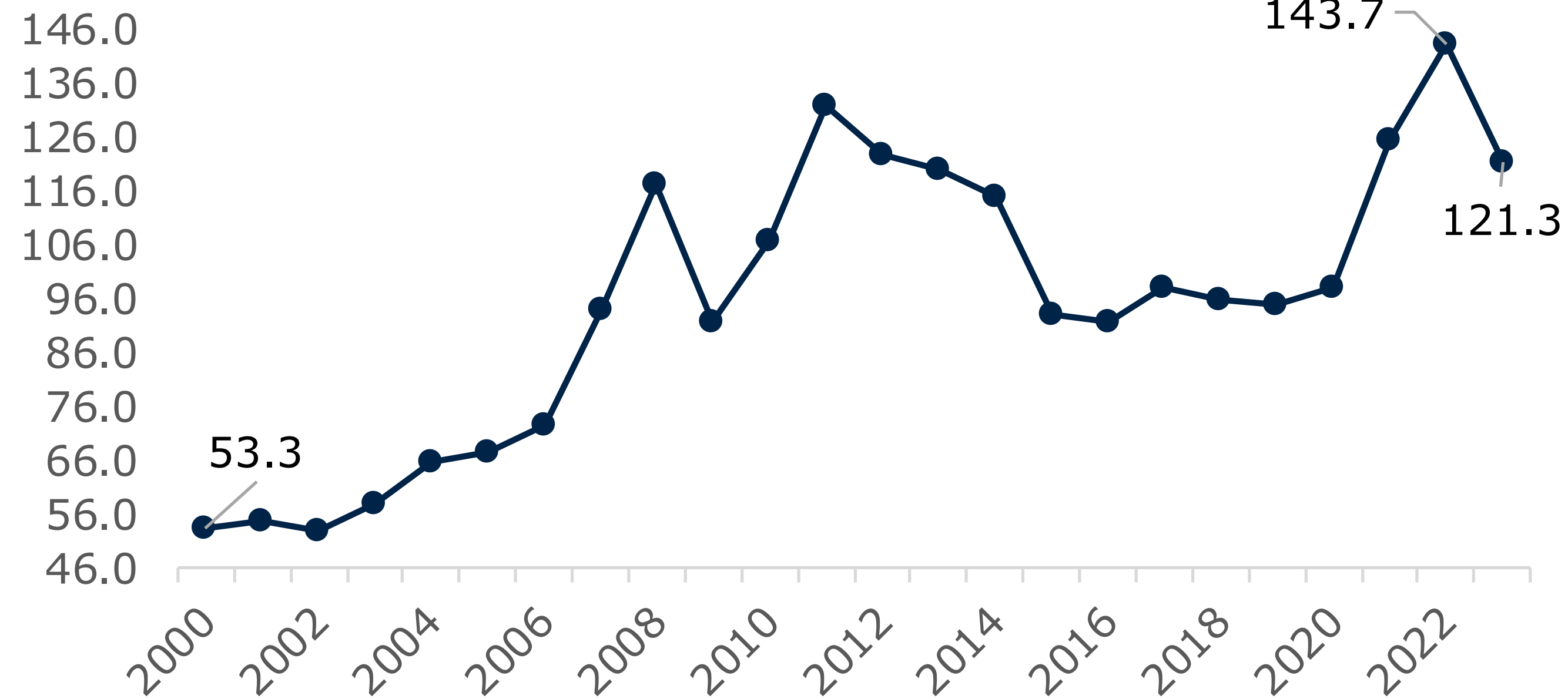
We are aiming to become the first end-to-end, digital agri supply chain company with zero-waste principle in its DNA.

Market Dynamics

Global food prices continue to fall while food prices continue to rise domestically.

Food Price Index, World (Annually)

(2014-2016=100)



- **The World Food Price Index released by the Food and Agriculture Organization of the United Nations (FAO)** remained stable in September, driven by vegetable oils and cereals.
- **Food Price Index decreased by 0.3% p.p.** in September compared to the previous month and averaged **121.3** on an annual basis.

(Source: FAO)

- Despite the decline in global agricultural commodity and food prices, the upward trend in food prices strengthened.
- Fresh fruit and vegetable prices rose in July and August, contrary to seasonal averages, due to unfavorable weather conditions and higher input costs.
- Despite the decline in vegetable prices in September, fresh fruits and vegetables remained strong with a quarterly increase of 15.40%.
- Inflation in other food groups also followed an upward trend in this period.

(Source: The CBRT 2023-IV Inflation Report)

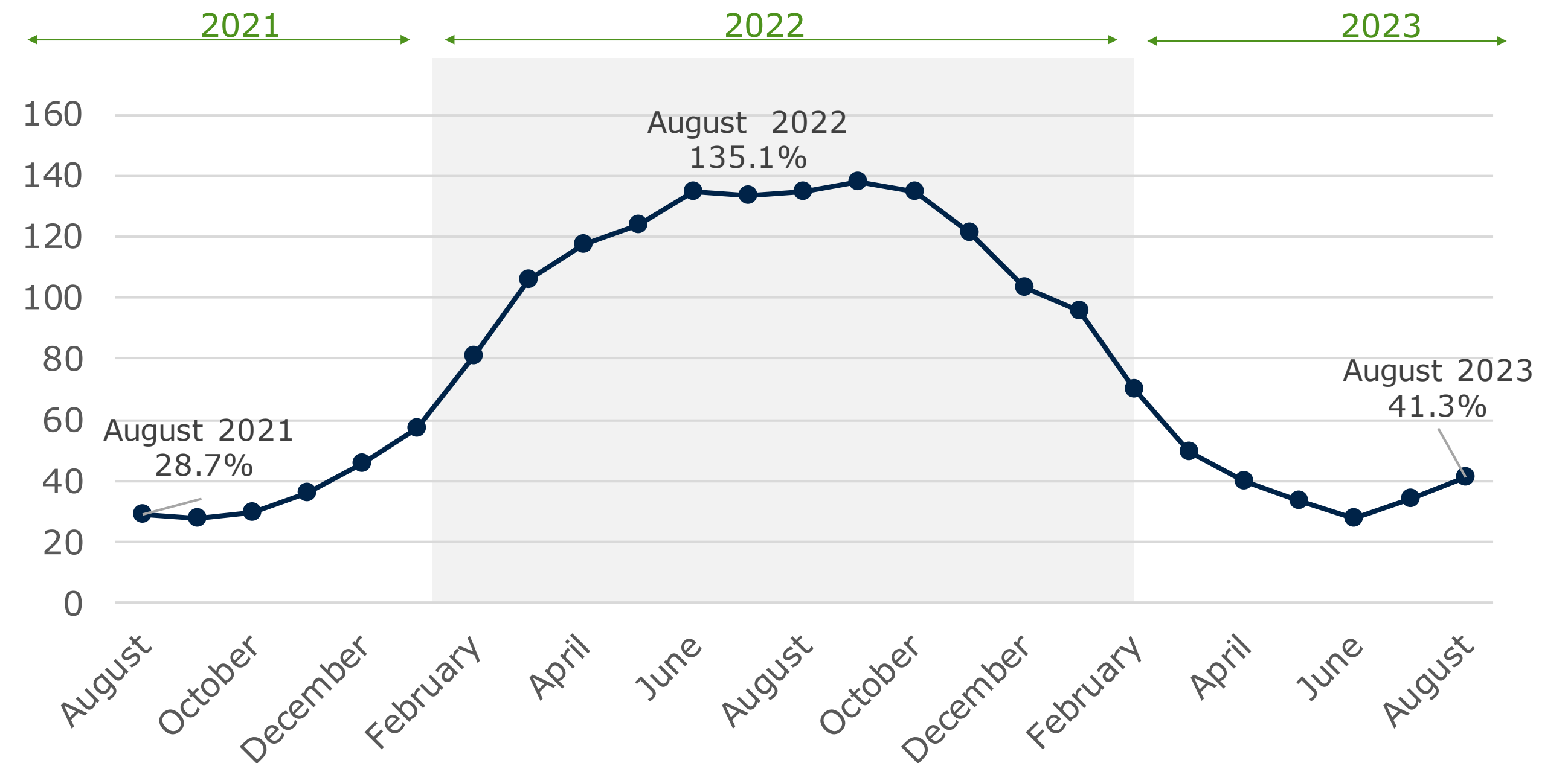
Market Dynamics

Production and Cost in Turkey

Agricultural Input Price Index

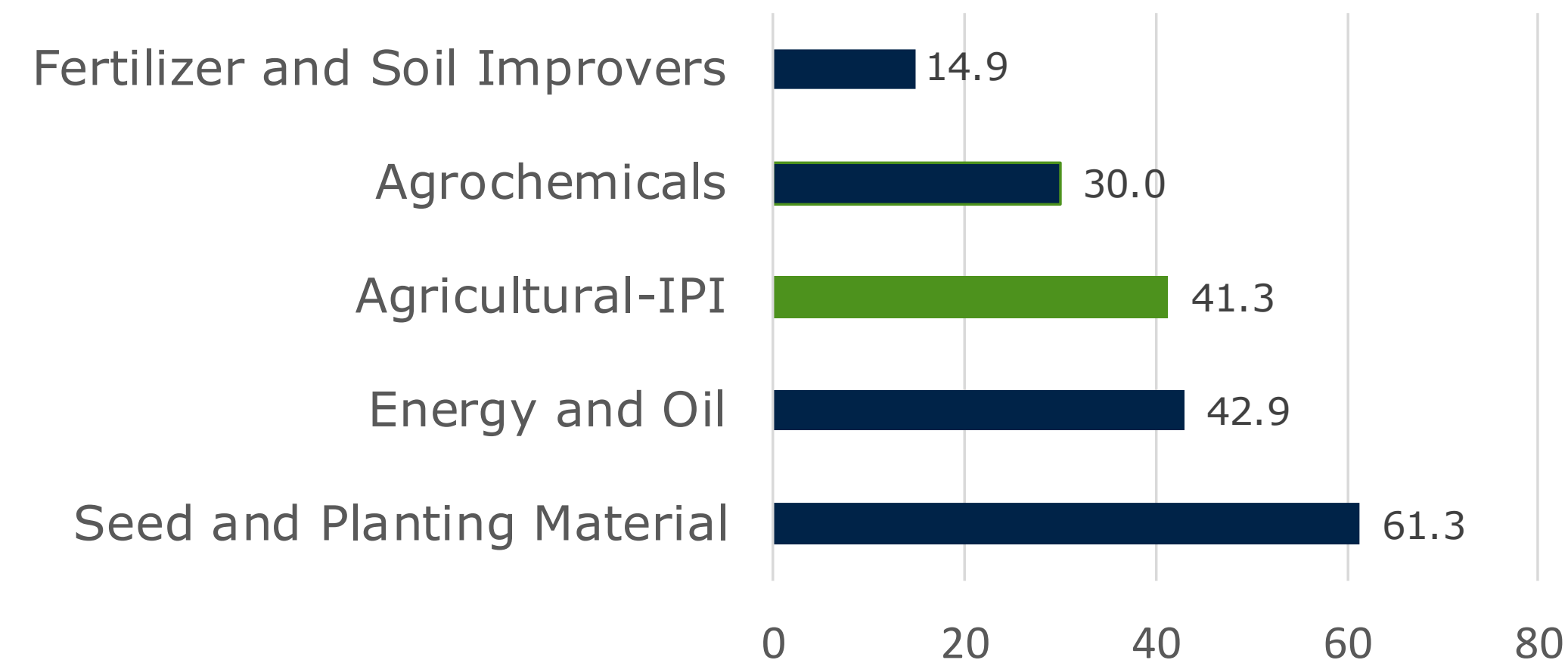
Annual Change Rate (%), August 2023

- **The Agricultural Input Price Index (Agri-IPI)** peaked in September last year, causing raw material costs to rise. The downward trend, which has been continuing since then, **started to increase slightly in July**.
- According to the last published August data, Agriculture-PPI was realized as **41.3%** compared to the same month of the previous year.
- Agriculture-PPI, which increased by **62.8%** compared to the last twelve-month on average, increased by **6.9%** compared to the previous month.
- **The seed and planting material** subgroup was among the subgroups with the highest annual increase with **61.3%**.
- 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 (%), August 2023

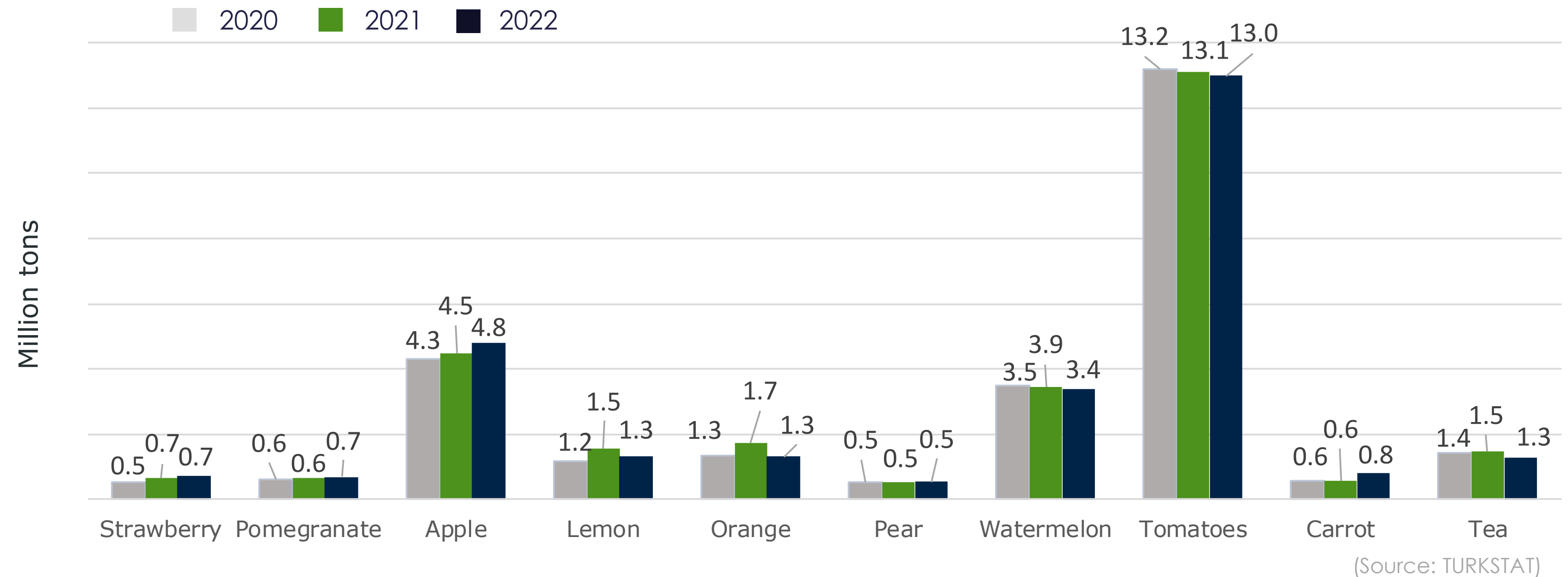


Market Dynamics

Production in Turkey and Fresh Fruits & Vegetables Exportation

Production Data

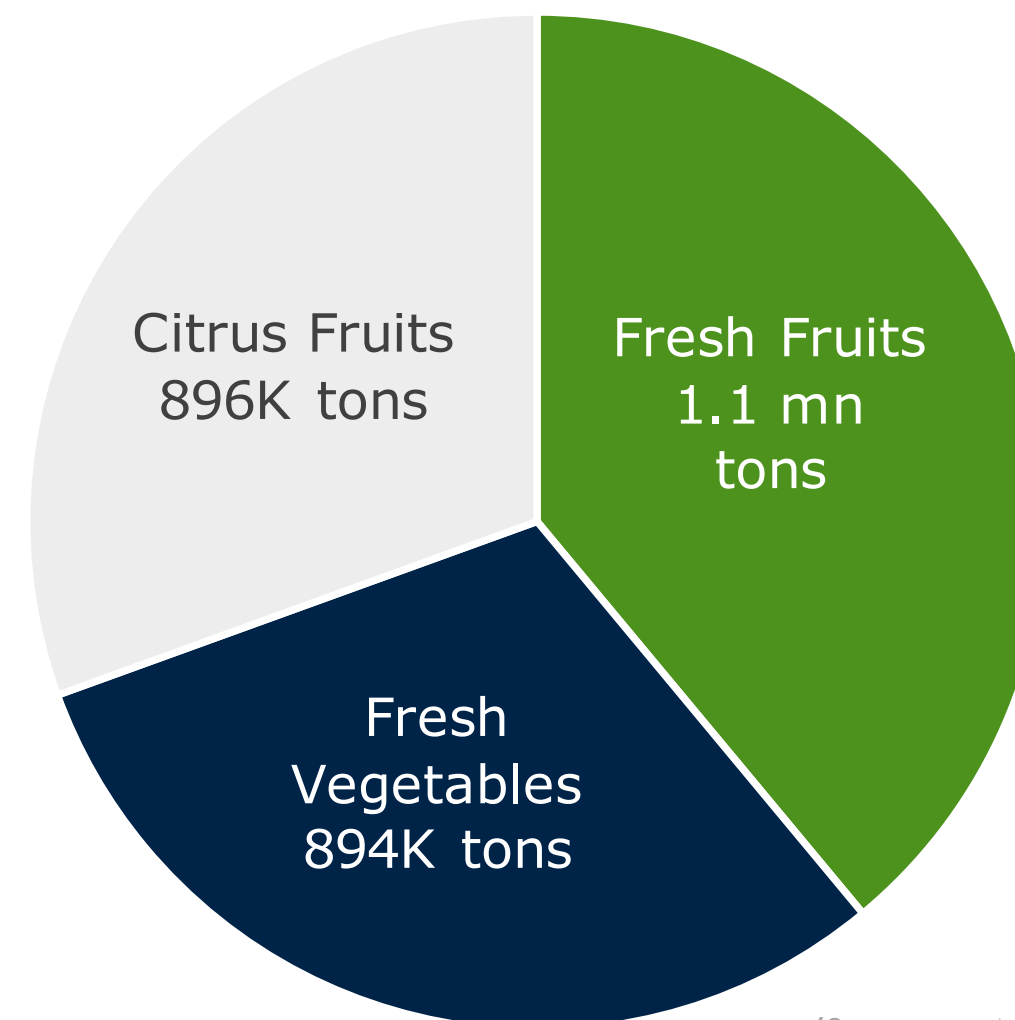
With Selected Fruit and Vegetable Groups



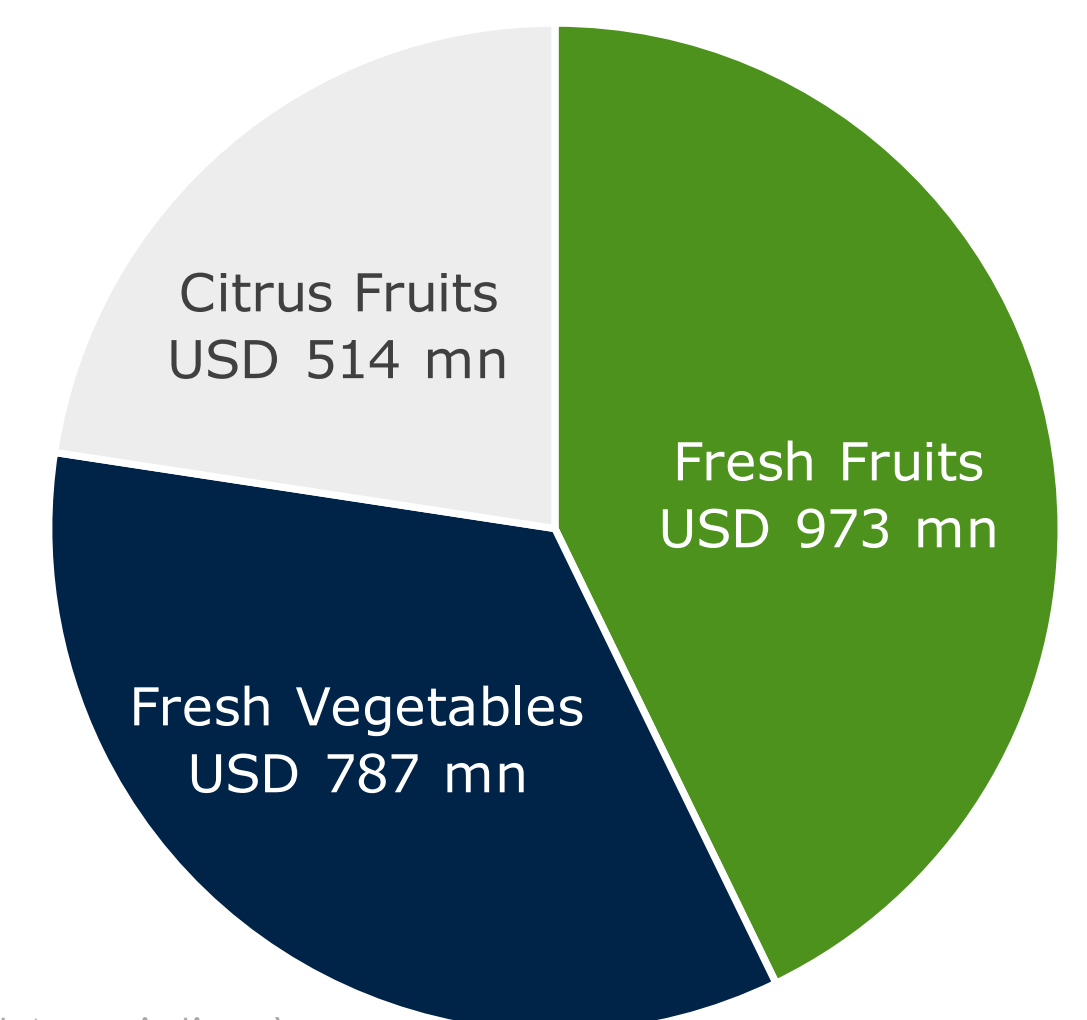
Fresh Fruit and Vegetable Exportation from Turkey

- Between January and September 2023, **nearly 3 billion tons of fresh fruits and vegetables were exported from Turkey, generating USD 2.3 billion in turnover.**
- In the first nine months, tomatoes, tangerines, cherries and sour cherries were the most exported products from Turkey, with nearly half of total fresh fruit and vegetable exports going to Russia, Germany and Romania respectively. Revenue from these countries reached **USD 1.1 billion.**

Volume Basis:



Turnover Basis:



(Source: Mediterranean Exporters' Associations)

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 

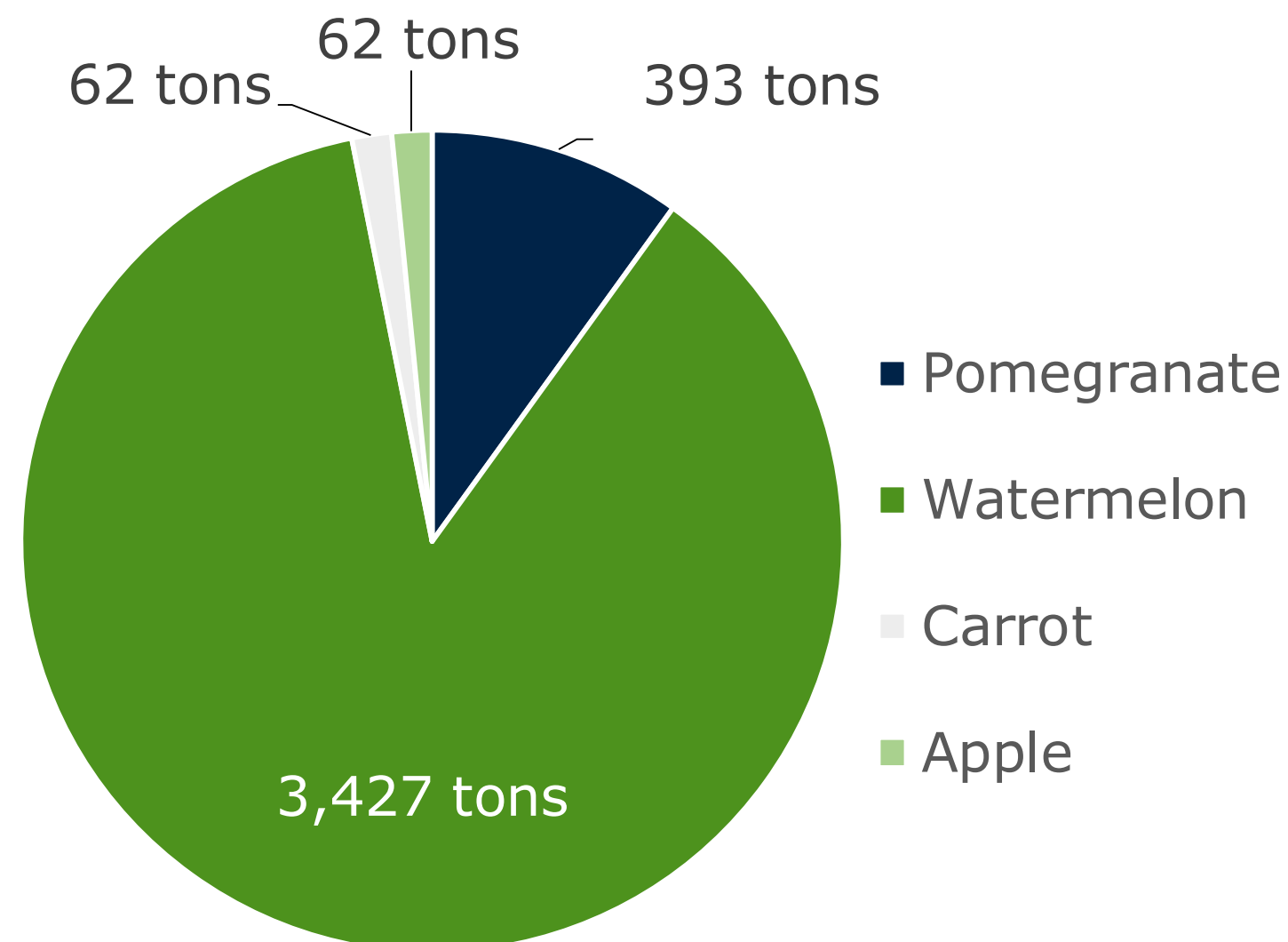
Operations

Agri Sourcing Business Unit in 2023-9M

Growth in Fresh Fruit and Vegetable Operations

- Within the scope of **Fresh Fruit Trade**, a total of **5,500 tons** of products were supplied. **71%** of this figure is composed of **products exported abroad**.

Fresh Fruit and Vegetable Export Breakdown (Volume Basis)



Agri Sourcing Supply

- In 2023-9M, Konfrut AG supplied **283K tons of agricultural raw materials**.
- Within the scope of the **Organic/ Residue Free Strawberry Project**, **4,360 tons of products** were supplied in 2023-9M.
- Within the scope of **Industrial Raw Material Supply**, **129K tons of tomatoes**, **31K tons of black carrots** and **577 tons of barley** were supplied.
- **Tea Fiber** sales amounted to **4,179 tons**.
- In the **Agricultural Raw Material Input Channel**; **3K tons** of fertilizer was sold.



- In September, Konfrut AG renewed its Rainforest Alliance Certification as a result of audits conducted by the Rainforest Alliance, a supporter of sustainable tea farming.

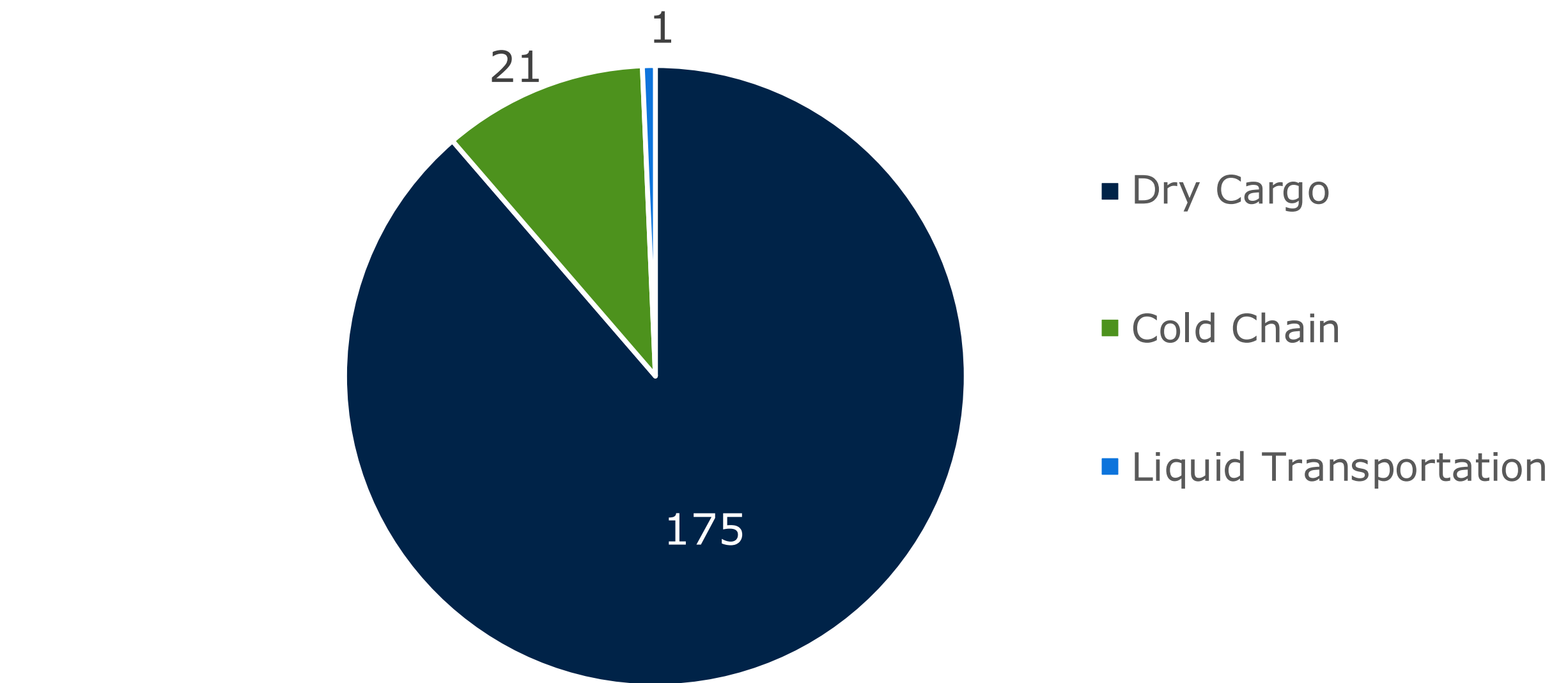
Operations

Logistics Business Unit in 2023-9M

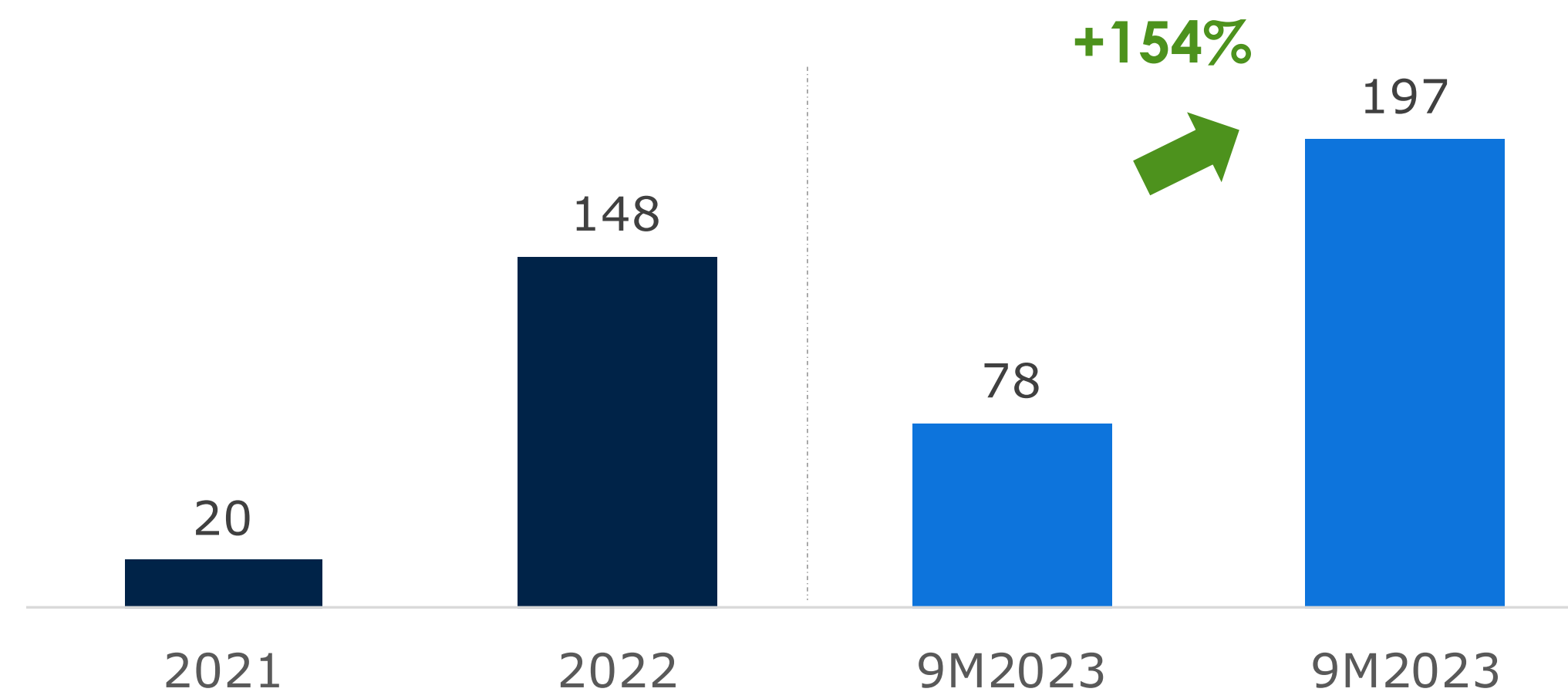
Storage and Logistics Operations

- In 2023-9M, agricultural raw material and industrial product transportation under **the Storage and Logistics** business unit grew by **154%** to **197,390 tons**.
- In 2023-9M, **42,913 tons** of raw materials and products were transported with the tractor vehicle, specially designed fiber glass and refrigerated trailer, whose investments continued due to cost advantages.

Distribution of Hauling Service Volume Basis (Thousand Tons)

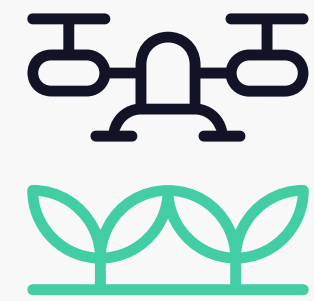


Agri Sourcing Transportation (Thousand Tons)



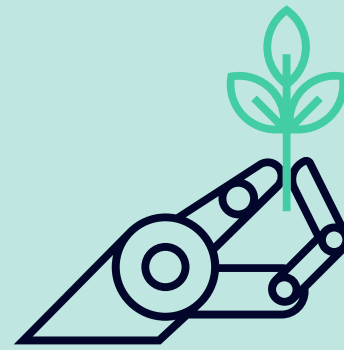
Operations

Industry Business Unit in 2023-9M



Digital Agriculture

- In 2023-9M, digital agriculture devices were used in organic strawberry, black carrot, capia pepper, sugar beet and jerusalem artichoke fields, while the number of devices installed in this period reached **52**.



Energy and Industrial Products and Services

- Compared to the same period of last year, pallet sales **increased by 3%** and reached to **92,676** on a volume basis.
- **44,500 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.
- **11,067 tons** production in 2023-9M.



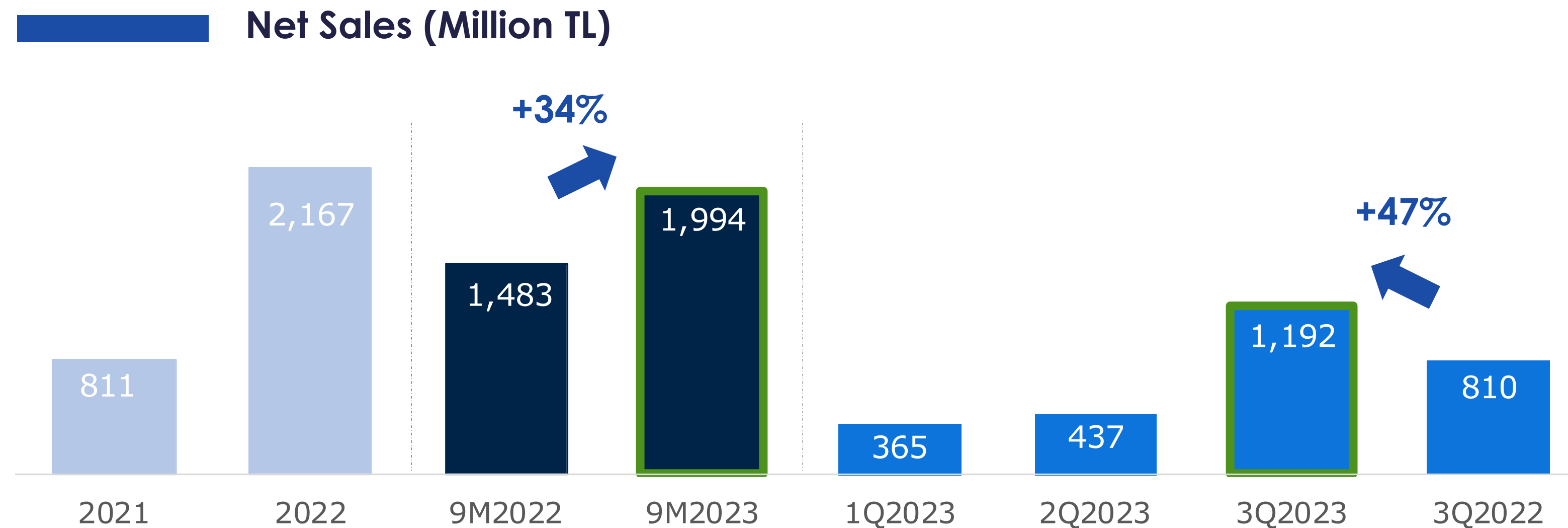
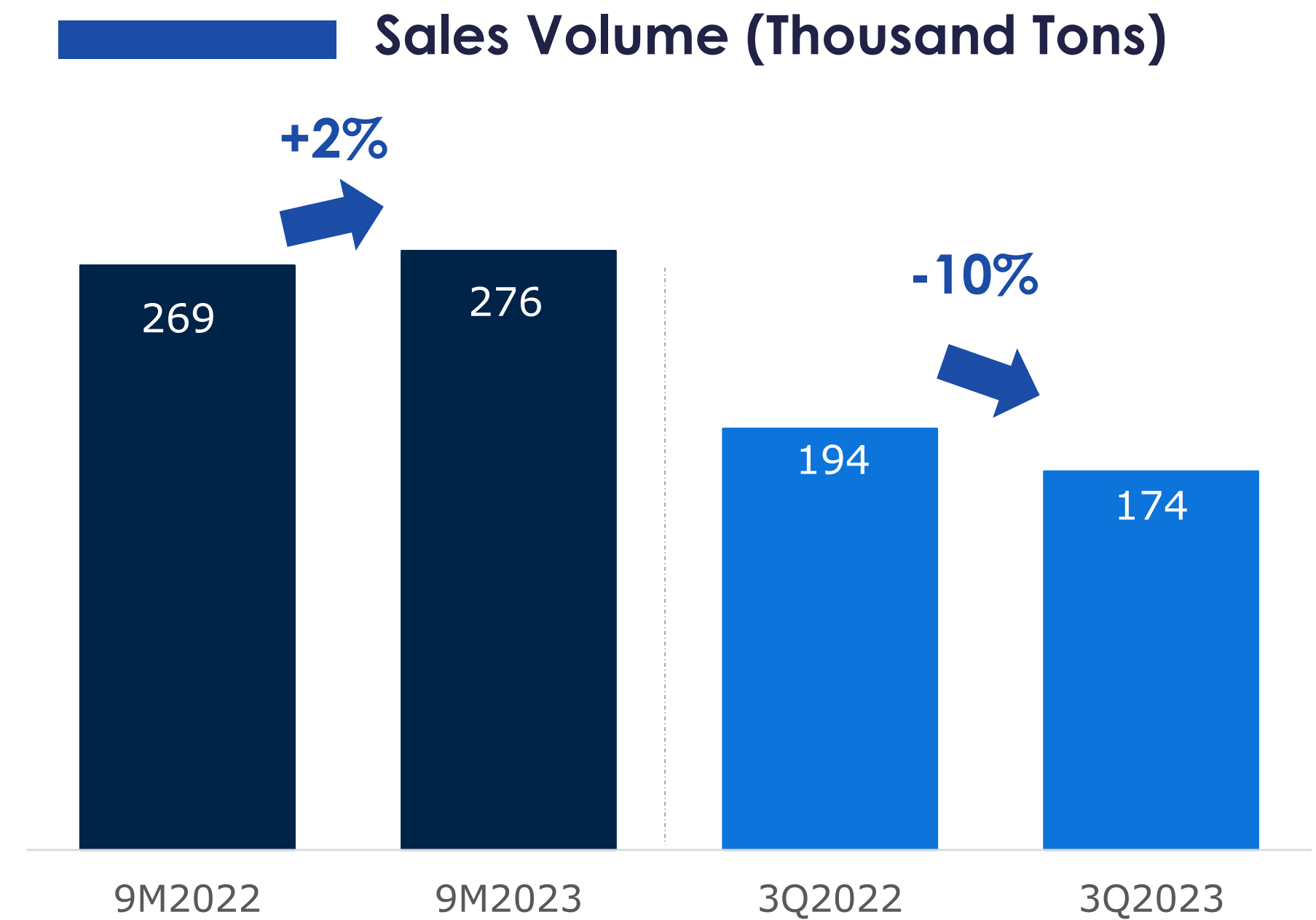
Consolidated Financial Results

2023-9M

Net Sales Improvement

Turnover and Volume Based Growth

- In the first nine months of the year,
 - Net sales increased by **2%** on volume basis,
 - Achieved **34%** growth in terms of turnover, YoY.
- In 2023-Q3, consolidated turnover increased by **47%** to **₺2 billion**, YoY.

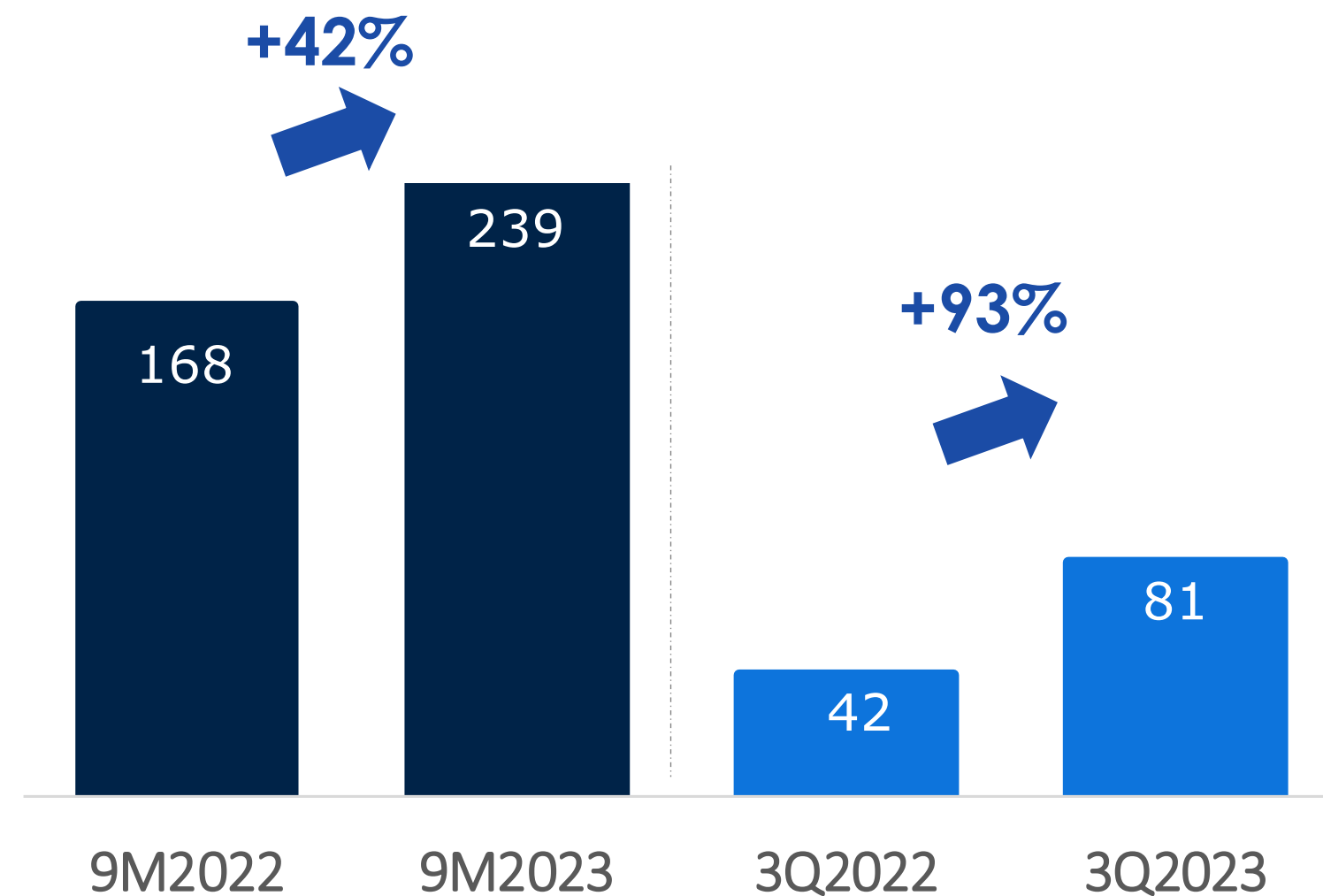


Profitability

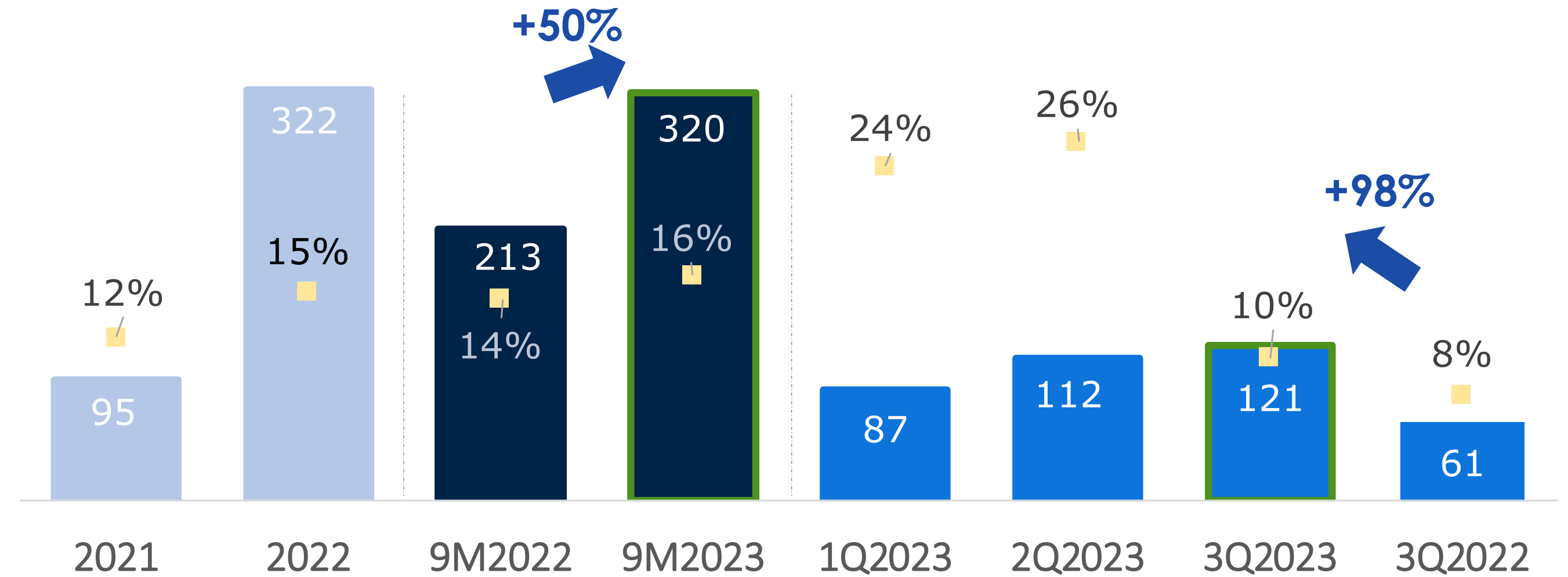
In 2023-9M, Gross Profit Increased by 50% to ₺320 mn.

- In the first nine months of the year, operational expenses increased due to inflation, YoY.
- The ratio of operating expenses to sales was realized at similar levels as **5%** with the support of operational efficiency practices, YoY.

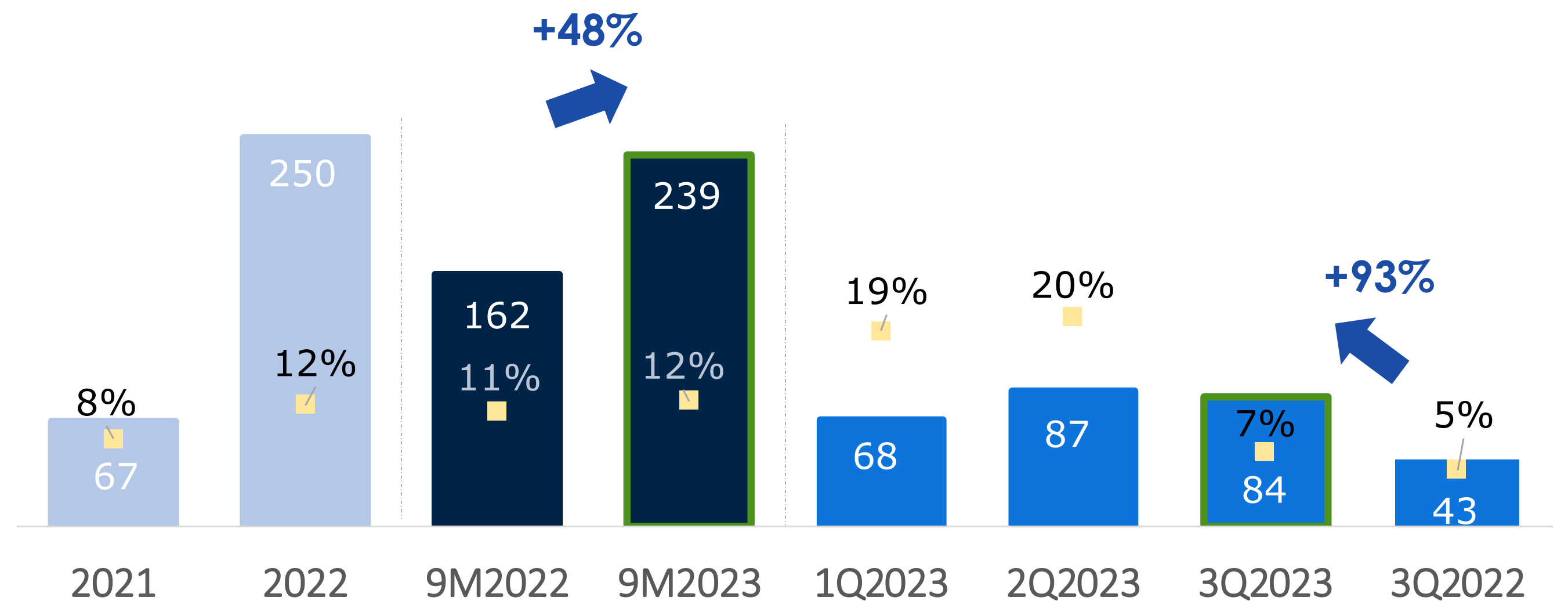
Operating Profit (Million TL)



Gross Profit and Gross Profit Margin (Million TL)



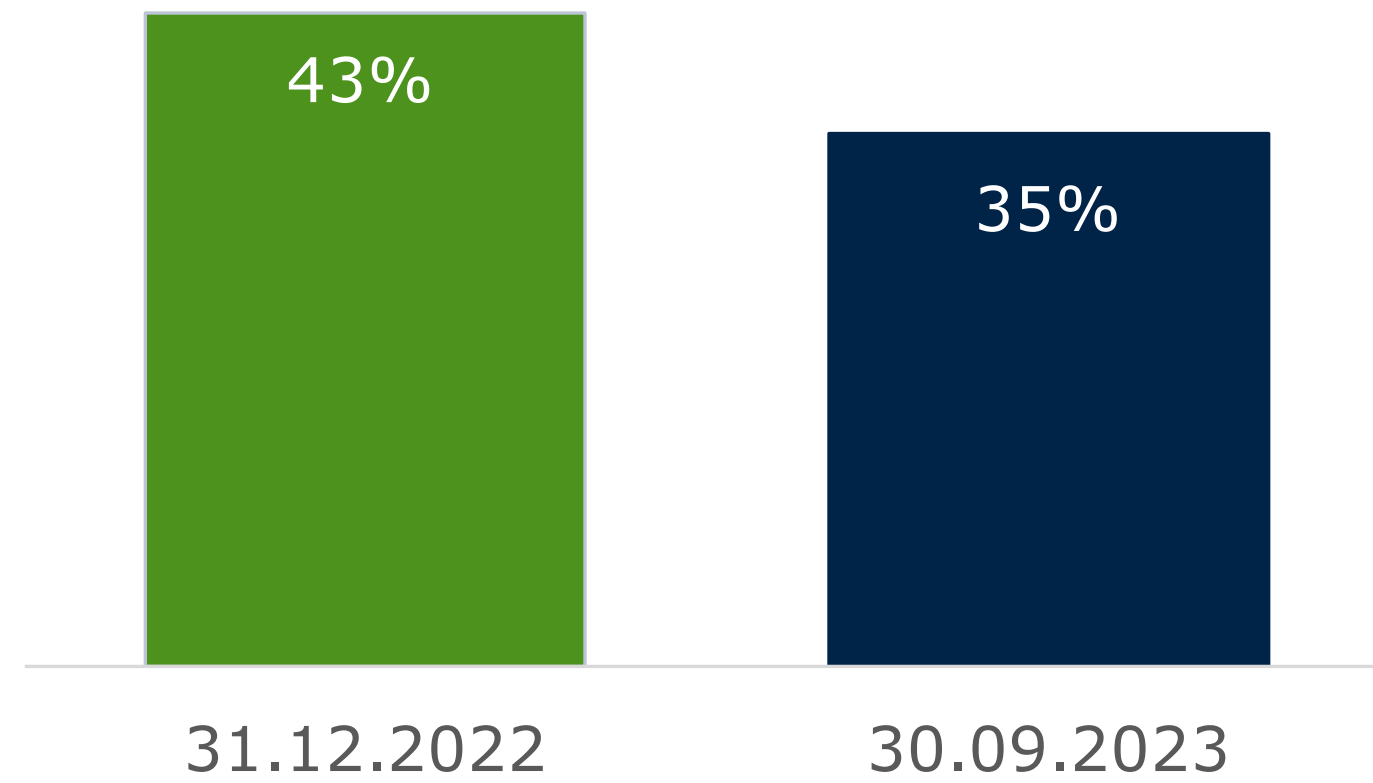
EBITDA and EBITDA Margin (Million TL)



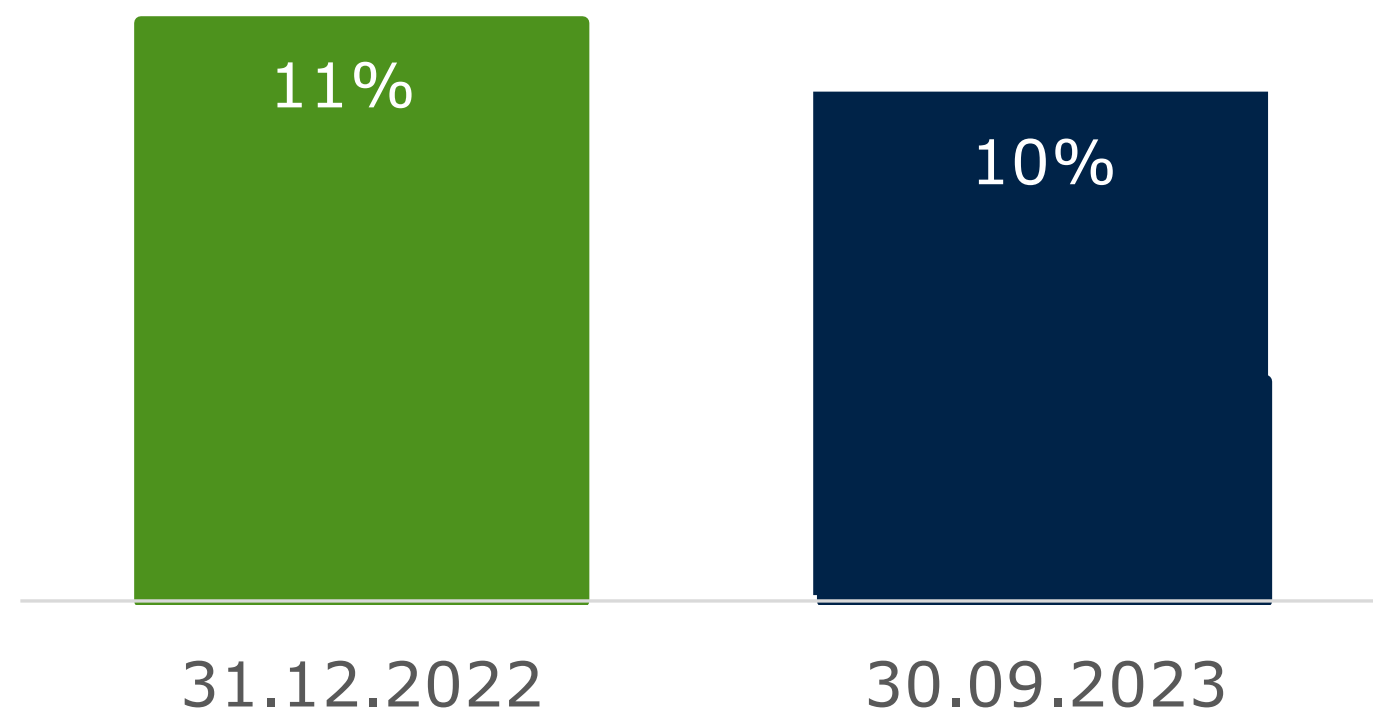
Profitability

In 2023-9M, ₺ 113 mn Net Profit.

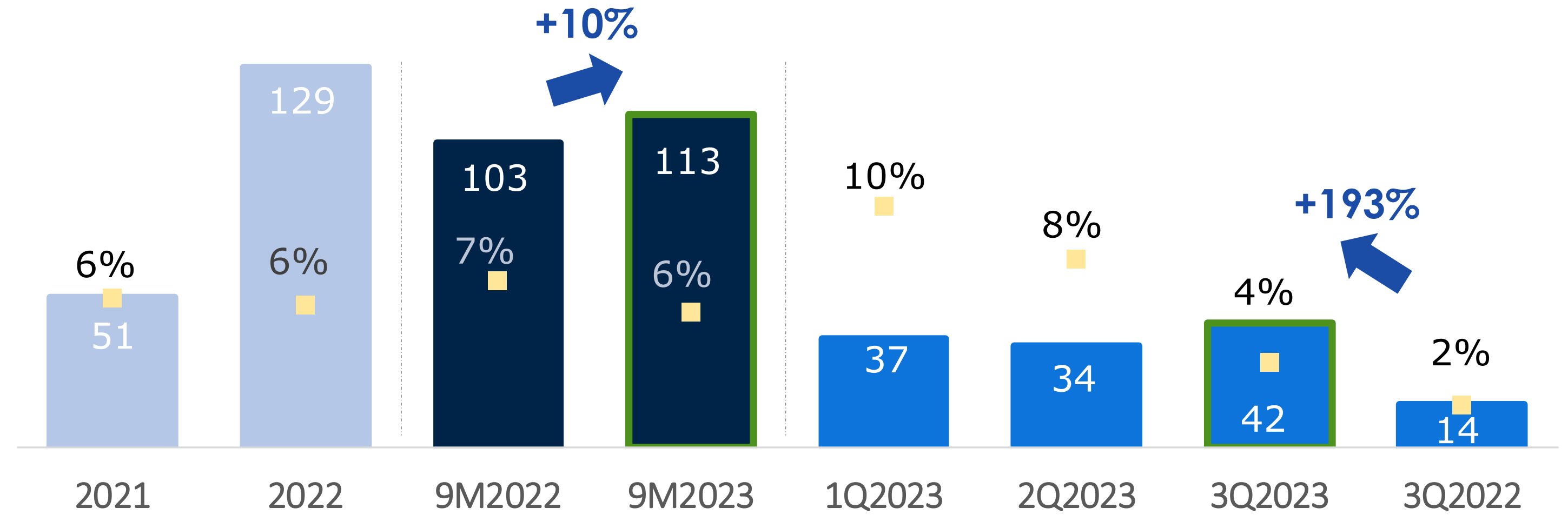
Return on Equity



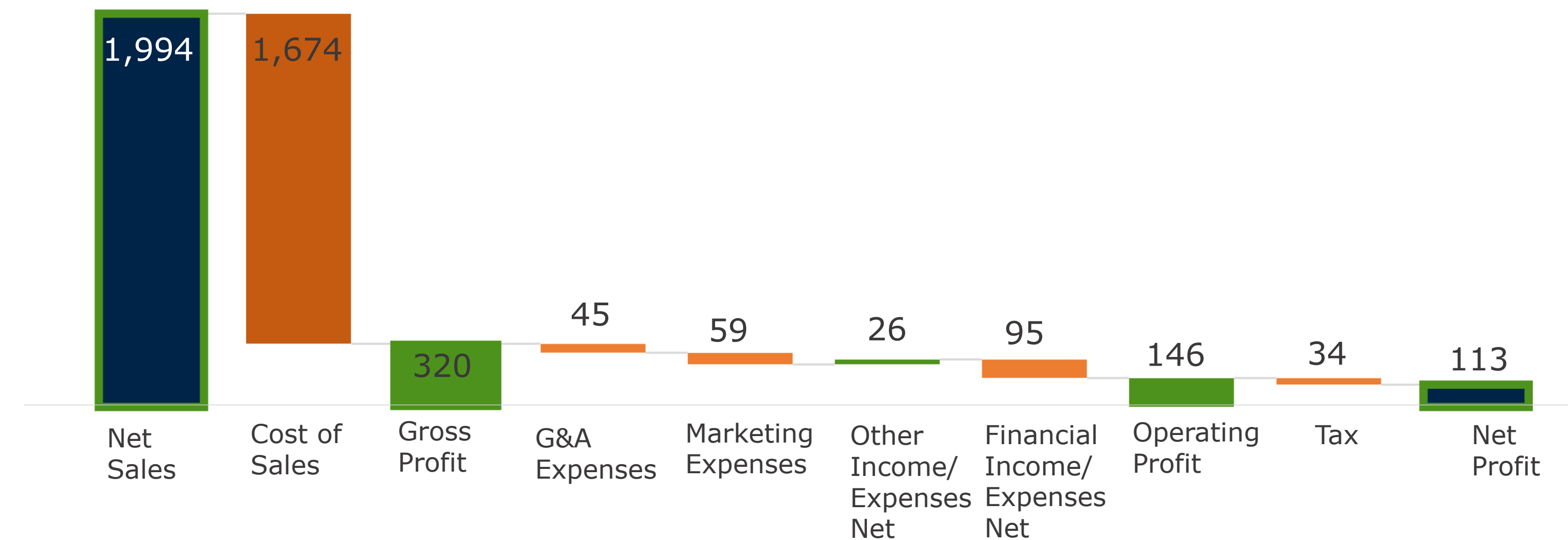
Return on Assets



Net Profit and Net Profit Margin (Million TL)



Net Profit (Million TL)

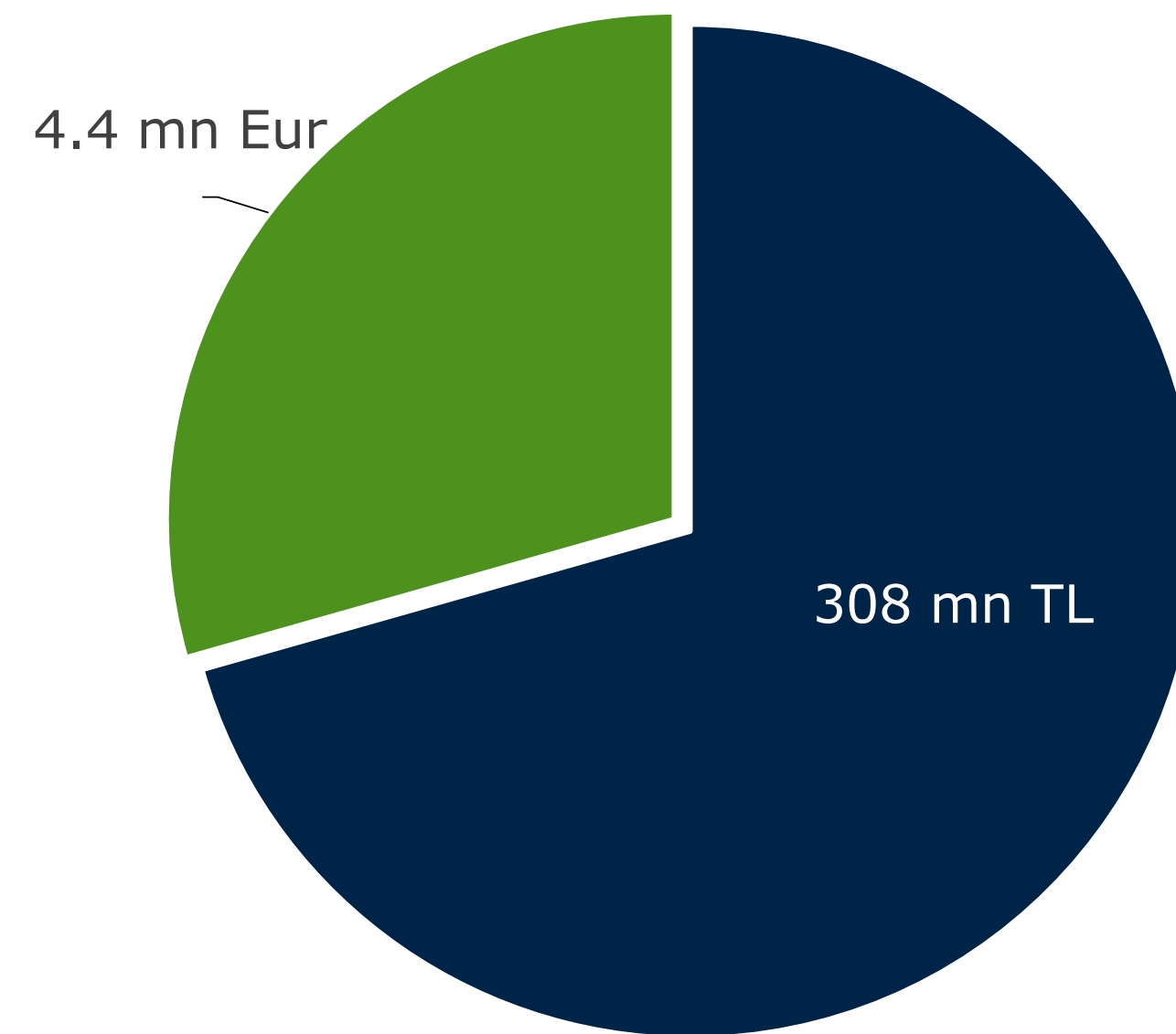


Investments and Liabilities

Konfrut AG's Investments Continued due to Its High Growth and Profitability Potential.

- Having invested **₺33.2 million** on a consolidated basis in the first nine months of the year, Konfrut realized the logistics investments planned for 2023 as of the third quarter of the year.

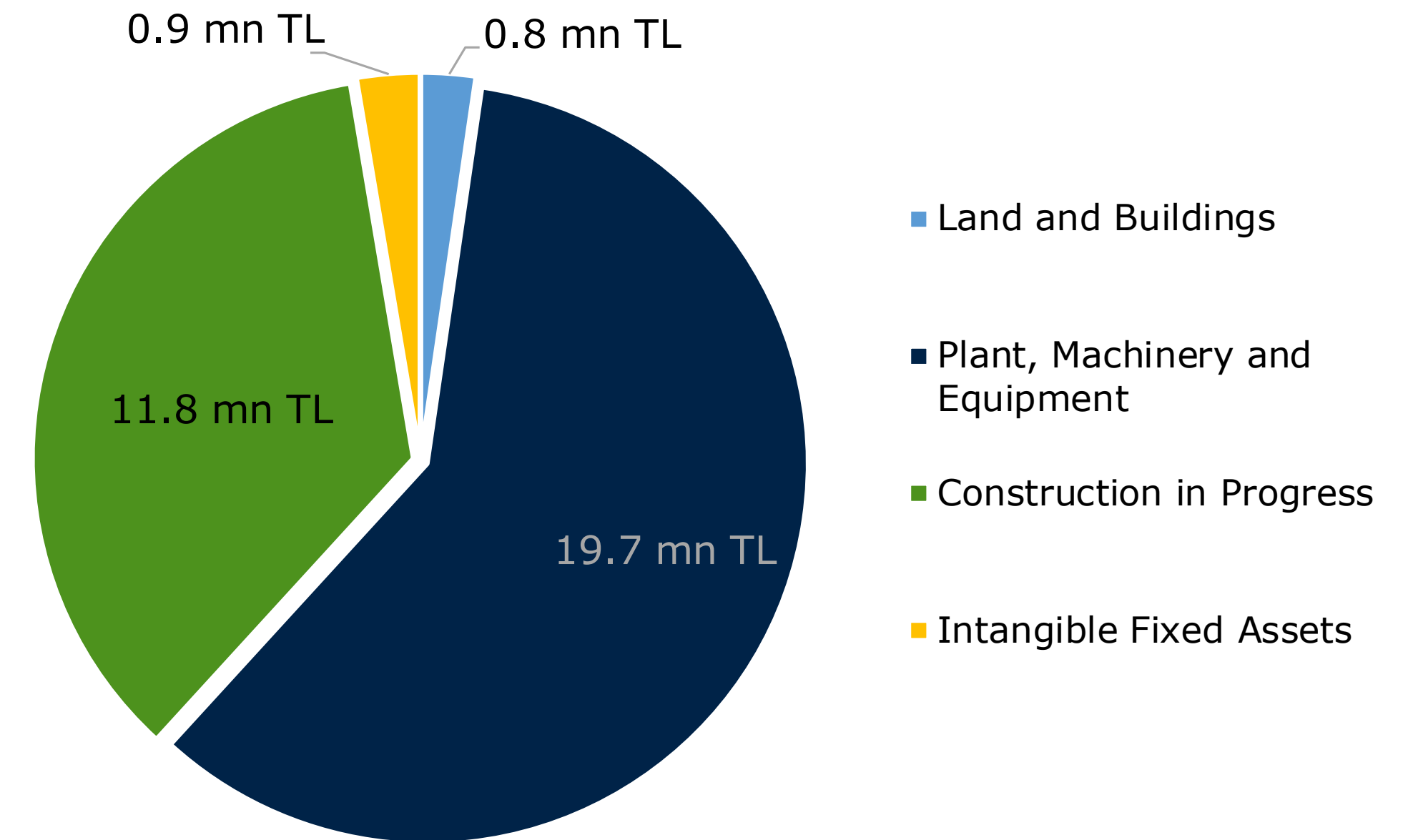
Financial Debts Distribution



- **71%** of financial debts are in Turkish Lira.

Financial liabilities consist of financial loans and financial leasing liabilities.

Investment Expenditures Distribution (Milyon TL)



- In 2023-9M Konfrut AG;
 - ₺11.9 million TL investment in a new pelleting line at Konfrut AG's tea fiber pelletizing plant in İyidere, Rize, which increases capacity,
 - The logistics business unit invested ₺ 22 million in tow trucks and fiber glass.

(Million TL)

	2021	2022	9M2022	9M2023
Investment Expenditures	31.5	107.9	88.9	33.2

Income Statement - Summary

(Million TL)

	9M2022	9M2023	Change	Change (%)	3Q2022	3Q2023	Change	Change (%)
Net Sales	1,483.1	1,993.8	510.7	34.4%	810.3	1,191.8	381.5	47.1%
Cost of Sales	(1,269.9)	(1,674.0)	(404.1)	31.8%	(749.0)	(1,070.6)	(321.7)	42.9%
Gross Profit	213.3	319.8	106.6	50.0%	61.3	121.2	59.8	97.6%
General Administrative Expenses	(22.7)	(45.5)	(22.8)	100.5%	(8.2)	(19.8)	(11.6)	141.5%
Marketing Expenses	(40.8)	(58.7)	(17.9)	44.0%	(15.4)	(26.4)	(11.0)	71.5%
Operating Profit	149.8	215.7	65.8	43.9%	37.8	75.0	37.3	98.7%
EBITDA	161.7	238.9	77.1	47.7%	43.4	83.7	40.3	93.0%
Other Income/Expenses (Net)	20.6	25.9	5.3	25.9%	4.9	7.1	2.3	46.8%
Financial Income/Expenses (Net)	(43.6)	(95.2)	(51.6)	118.2%	(26.1)	(25.2)	0.8	-3.1%
Profit Before Tax	125.1	146.4	21.3	17.1%	16.6	56.9	40.4	243.6%
Tax	(22.2)	(33.7)	(22.2)	52.1%	(2.3)	(15.1)	(12.8)	564.3%
Net Profit for the Period	102.9	112.7	9.8	9.5%	14.3	41.8	27.5	192.6%

Balance Sheet - Summary

(Million TL)

	30.09.22	30.09.23	31.12.22	31.12.21
Current Liabilities	1,210.7	1,428.9	1,233.5	589.5
Cash and Cash Equivalents	21.3	32.5	3.5	3.5
Trade Receivables	408.6	278.2	326.7	167.0
Inventories	448.6	639.5	568.6	276.7
Non-Current Assets	172.9	220.5	199.7	97.3
Total Assets	1,383.6	1,649.4	1,433.2	686.8
Current Liabilities	1,056.3	1,078.9	1,006.0	467.5
Short Term Financial Borrowings	217.0	339.2	387.6	55.1
Trade Payables	458.5	569.9	425.7	304.1
Long Term Liabilities	16.8	117.8	79.6	9.6
Equity	310.5	452.7	347.6	209.7
Total Equity	1,383.6	1,649.4	1,433.2	686.8
Net Financial Borrowings	202.2	404.0	452.3	54.5

Financial Ratios

	9M2022	9M2023	2022	2021
Gross Profit Margin	14%	16%	15%	12%
EBITDA Margin	11%	12%	12%	8%
Net Profit Margin	7%	6%	6%	6%
Current Ratio	1.15	1.32	1.23	1.26
Acid Test Ratio	0.72	0.73	0.66	0.67
Short-Term Financial Borrowings/Total Financial Borrowings	0.97	0.78	0.85	0.95
Net Financial Borrowings/Equity	0.65	0.89	1.30	0.26
Return on Assets (ROA)	14%	10%	11%	10%
Return on Equity (ROE)	53%	35%	43%	28%

Stock Performance

Konfrut Stock Price Developments



Public Offering Date	10.06.1996
Issued Capital	TL 132,000,000
Ticker Symbol	KNFRT
Free Float Rate	22.38%
Stock Price TL (Sept, 2022 - Sept, 2023)	13.10 - 20.58
Market Value	TL 2,716,560,000
Market Value Change in the last 12 months (TL)	+57%
Market Value Change in the last 12 months (USD)	+6%
Market in Borsa Istanbul	Main 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 calculated the end of closing share prices.
- BIST-ALL and BIST-FOOD Indices are shown in comparison.

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.

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