

PANTERA GROUP

*Leading Producer & Exporter of Outdoor Apparel
and Active Sportswear in Europe*

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PANTERA



GROUP

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PANTERA Overview

- Pantera Group (“the Company”) is a producer and exporter of outdoor apparel and active sportswear products for mainly the European markets. Group comprises two separate entities: Pantera İç ve Dış Ticaret A.Ş. (“PANTERA”), the client-facing brand in charge of exports; and Mert İlkem Konfeksiyon Tekstil Sanayi ve Ticaret, A.Ş. (“Mert İlkem”), the manufacturing entity in charge of the production and logistics. Both of these entities are fully owned by the partners of Pantera Group in the same ownership structure. Pantera Group is an export-oriented firm. About 97 percent of the Company’s sales were exports in 2019 and 2020.
- Pantera Group was established in 2002. Since its inception the company has achieved an outstanding growth. As of 2020, Pantera Group is one of the leaders in its market with 600 employees, 10,000 square-meters production area, and 1.2 million pcs of annual production capacity.
- One of the most outstanding assets of the Company is its high-tech production infrastructure. Pantera Group offers value-added services, including:
 - Design merchandising
 - Planning, logistics, and warehouse services
 - Cutting, stitching, and pressing
 - Pattern development
 - Quality control
 - Packing and labelling
- Pantera Group positions itself in the market as a “production services partner” for its customers. Accordingly, the group is structured to deliver a complete single source service solution, from the technical guidance for design and development of the collections to the delivery of final products to their ultimate destinations, and with a comprehensive range of departments pioneering and monitoring innovations in the sector, and applying those innovations.
- Geographically, Pantera Group is strategically positioned to conveniently grow and capitalize on the significant new market opportunities in Europe, the Middle East, North Africa, Russia, and the CIS countries.

Pantera Group Overview – Growth

- After its first year, in 2003, Pantera Group entered into a contract with Asics Europe, and as a result the group invested in *Union Special 32 flat-lock machines* and in a *Bullmer automated cutting system*. These machines are vital for the high quality active wear production.
- In 2004, Pantera Group began to focus strategically on expanding the company's customer base, and moved to a site of 5,000 square-meters, continuing to invest in new technology, including ultrasonic welding machine. In 2007, the Company continued its growth resulting in leasing the adjacent building also, extending its reach to a total of 6,500 square-meters.
- In 2007, The group entered into a project partner agreement with the Italian machine producer Framis Italia Spa to promote the new technology in gluing garment parts in a single step, to potential customers. In 2008, Pantera Group moved to its present address, occupying 7,500 square-meters.
- In 2014, the Company production area expanded up to a total of 10,000 square-meters, with 600 employees.
- As of 2021, Pantera Group's current clientele and revenues reached to impressive levels. See Table 1. Pantera's Exports Summary by Major Customers, 2017-2021 in the next page and Figure 1. Pantera's Exports in Euro, 2010-2021 on page 5.
- Pantera Group has a significant growth potential. The Company has already received several other requests from major European and American active sportswear companies for its services and products.

Table 1. Pantera's Exports Summary by Major Customers, 2017-2021

Customer	Country	Net Export Sales					2021 Estimate
		2017	2018	2019	2020	First Half of 2021	
<i>Sales in EURO; ranked based on 2020 sales</i>							
Sweaty Betty	UK	€ 2,950,648	€ 3,371,520	€ 4,505,014	€ 6,622,448	€ 5,280,083	
Bogner	Germany	2,512,467	3,086,055	3,287,831	3,496,318	1,211,047	
Gore Wear	Germany	1,709,966	1,601,230	1,380,928	1,787,699	1,343,212	
Jack Wolfskin	Germany	2,661,093	2,318,831	2,058,514	908,622	969,346	
Casall	Sweden	358,970	382,444	589,371	583,366	290,073	
Abasic	Spain	3,440	388,329	250,874	160,015	-	
Bergans Fritid AS	Norway	609,251	77,533	117,870	7,169	-	
Oysho (ITX)	Spain	2,747,089	3,274,951	-	-	-	
Other		1,854,700	667,988	842,960	638,212	750,142	
Total		€ 15,407,624	€ 15,168,881	€ 13,033,362	€ 14,203,849	€ 9,843,903	€ 18,430,000

Source: Pantera

Analysis: Mergen Group

Table 2. Pantera's Exports Summary of Customers by Country Origin (%), 2017-2021

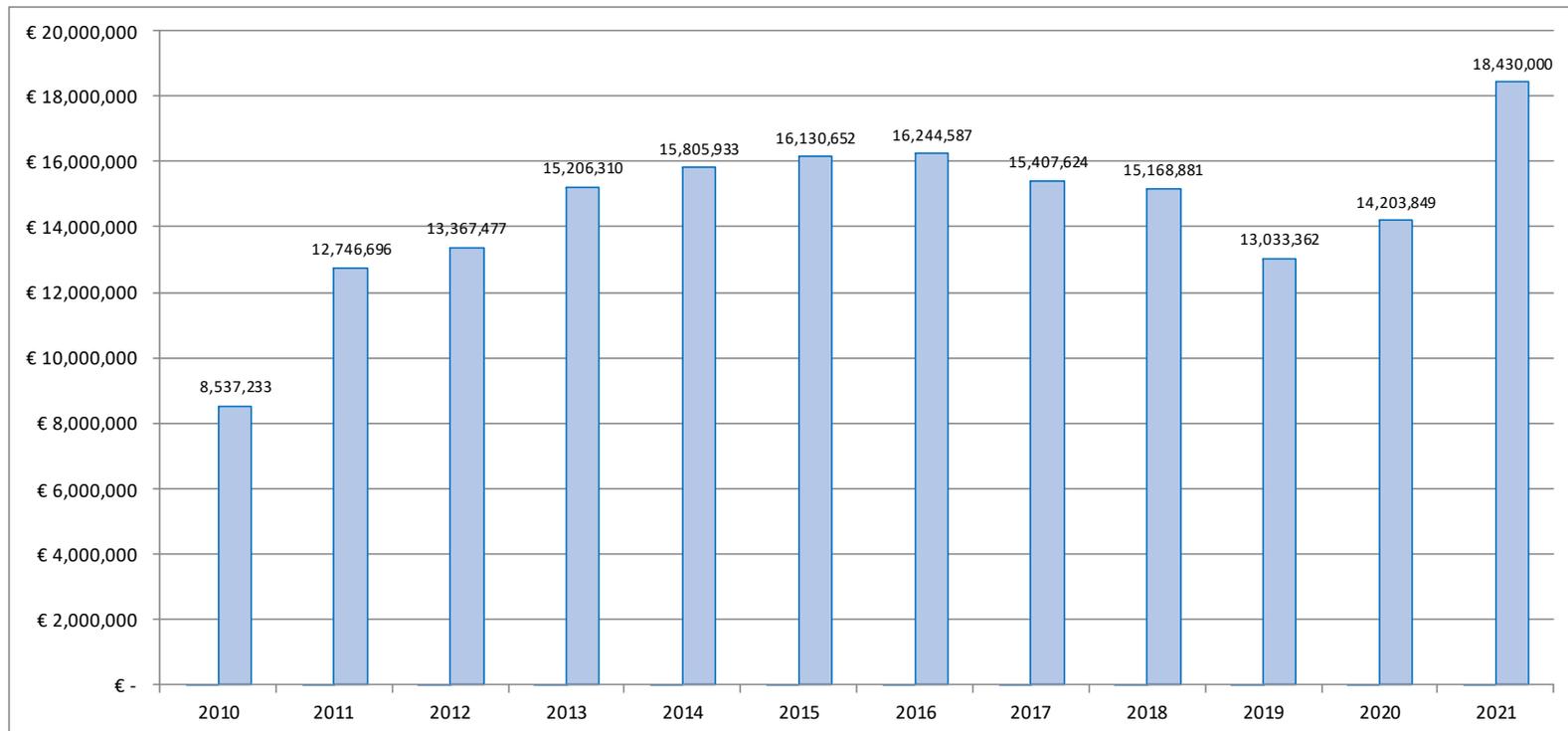
	2017	2018	2019	2020	2021
UK	19.2%	22.2%	34.6%	46.6%	53.6%
Germany	44.7%	46.2%	51.6%	43.6%	35.8%
Sweden	2.3%	2.5%	4.5%	4.1%	2.9%
Spain	17.9%	24.1%	1.9%	1.1%	0.0%
Norway	4.0%	0.5%	0.9%	0.1%	0.0%
Others	12.0%	4.4%	6.5%	4.5%	7.6%

Source: Pantera

Analysis: Mergen Group



Figure 1. Pantera's Exports in Euro, 2010-2021



Source: Pantera
Analysis: Mergen Group

- Please note that, in 2019, Pantera Group unilaterally decided to cease production for one of its major customers listed in Table 1. The decline in exports in 2019 was mainly due to this management decision and temporary business restructuring.

Table 3. Pantera's Key Consolidated Financials, 2017-2021

	2017	2018	2019	2020	2021 Estimate*
Net Sales	€ 15,668,044	€ 15,306,897	€ 13,077,899	€ 14,694,817	€ 19,000,000
Operating Profit	€ 1,440,798	€ 2,811,180	€ 1,673,345	€ 1,751,146	€ 2,479,325
Operating Profit Margin	9.2%	18.4%	12.8%	11.9%	13.0%
Net Income	€ 494,258	€ 1,063,105	€ 1,047,917	€ 907,381	€ 1,584,519
Net Income Margin	3.2%	6.9%	8.0%	6.2%	8.3%

* Based on the first half of 2021 and pre orders.

Source: Pantera

Analysis: Mergen Group



Key Investment Highlights

- Pantera Group's one of the most outstanding assets is its high-tech production infrastructure. Pantera Group offers value-added services to leading *outdoor apparel and active sportswear* companies in Europe.
- The Company has a very successful management team, and outstanding human capital.
- The management team of the company has well established relations, and the team has significant know-how in exporting business and experience for the European markets.
- The Company is very profitable, and has potential to increase its profitability with growth.
- Pantera Group is geographically positioned to conveniently grow and capitalize on the significant new market opportunities in Europe, the Middle East, North Africa, Russia, and the CIS countries.
- The Company has already received solid interest from several major European and American active sportswear companies. Couple of those prospects would lead a very fast growth for the Company, but that would require a capacity increase and financing.
- Due to increasing interest from the major global active sportswear companies in Pantera Group, we expect an annual growth between 20 and 25 percent in sales, on average, during the next five years of our projection period.
- Global healthy lifestyle trends support the growth of *outdoor apparel and active sportswear* sub industry. Europe, the major existing market of the Company, is expected to realize a compounded annual growth rate of 6.3% for the sportswear industry between 2018 and 2022.
- Increasing export activity is a priority for the Turkish government, therefore there are lucrative incentives for exporters in Turkey.
- Turkey is a great textile hub and a shortcut to global textile markets especially in Europe, the Middle East, and the CIS countries.

What we are looking for...

- The owners of the Pantera Group are interested in selling a portion (their preference is at least 50%, up to 80%) of the business to a strategic buyer and/or growth-oriented investor. The Company plans to finance its growth and next phase market expansion by focusing on more marketing and capacity increase.
- The owners of the Company would also consider selling 100% of the business depending on the terms and valuation. Please note that the existing management and key executives are willing to stay at the Company upon the sale of the entire business.

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Appendix: List of Exhibits

Exhibit 1. Consolidated Balance Sheet of Pantera Group, 2017-2020

Exhibit 2. Consolidated Income Statement of Pantera Group, 2017-2020

Exhibit 3. Consolidated Income Statement Projections for Pantera Group, 2021-2025

Exhibit X-1. Consolidated Balance Sheet of Pantera Group in Turkish Lira, 2017-2020

Exhibit X-2. Consolidated Income Statement of Pantera Group in Turkish Lira, 2017-2020

PLEASE NOTE THAT APPENDIX EXHIBITS ARE AVAILABLE AFTER SIGNING OUR NDA AND CONFIDENTIALITY AGREEMENT!

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