

Brisa

Q2 2024 Financial Results

Earnings Release

August 21, 2024

Maintaining its strong financial structure, Brisa continues to lead the mobility transformation

Brisa, the mobility leader of the Turkish tire industry, maintained its stable financial structure in the second quarter of 2024.

According to inflation accounting adjusted financial statements, despite flat sales volume in the first half of the year, gross profit margin increased compared to the same period of the previous year thanks to the efficiency gains in operations.

Furthermore, EBITDA margin increased compared to the first six months of the previous year due to the limited increase in operating expenses.

Brisa, a subsidiary of Sabancı Holding and Bridgestone Corporation, announced its financial results for the period January 1 - June 30, 2024. The mobility leader of the Turkish tire industry maintained its stable financial structure in the first half of 2024. As a result of the strong domestic demand in the consumer segment, total sales tonnage remained flat in the first half of 2024 compared to the same period of the previous year.

Gross profitability increased y/y due to improved efficiency in production and favorable outlook in FX denominated raw material costs and energy margin. EBITDA was realized at TL 2.6 billion on the back of limited increase in operating expenses while EBITDA margin improved on y/y basis in the first half of the year.

Brisa CEO Haluk Kürkçü: “Our mobility leadership journey continues unabated. While strengthening our efforts in mobility, we transfer our experience and competencies to the future by taking part in global projects.”

Commenting on Brisa's performance in the second quarter of 2024, Brisa CEO Haluk Kürkçü said, “Our work in line with our mobility leadership vision continues unabated. In the first half of the year, we took important steps in this direction. We diversified our products and services for electrification and continued our strong collaborations. We increased our Otopratik and Propratik points, which we positioned as Mobility Centers, and together with the Otopratik Midi points, which we launched to offer our services in smaller areas, we have become able to serve 75% of Türkiye. We expanded our electric vehicle charging stations in Otopratiks, reaching 76 charging points. We expanded the integration of our services with Arvento Mobile Systems, which we acquired in 2022, and increased the total number of



devices we serve to over 810 thousand.”

Kürkçü mentioned that Brisa also strengthened its global presence and said: “As a result of our innovative products and services, widespread network and effective promotional activities, we increased our market share in a total of 19 countries in European and non-European markets with our Lassa brand. In addition, we succeeded in obtaining a status that will enable prioritized access to government benefits for exports - foreign trade capital company status - in our first application.”

Speaking about Brisa's decisive stance on sustainability, Kürkçü said, “Sustainability is a sine qua non while realizing Brisa's mobility transformation. We are also motivated by the fact that our efforts in this direction are appreciated by reputable and reliable authorities. We won the first prize in the Energy Efficiency Project category of ISO Green Transformation Awards with the Heat Pump project we realized at our Aksaray Plant with a focus on energy saving.”

Underlining the role of smart technology and digitalization investments in both sustainability and mobility leadership, Kürkçü stated that they also attach great importance to transferring experience to the future. Kürkçü said, “The beginning of our digitalization journey at Brisa dates back to many years. We are a Company that has implemented pioneering practices in Industry 4.0 in Türkiye and in our industry with our smart technology and digitalization investments also including production. We also attach great importance to transferring our knowledge and experience in this field to the future. With this understanding, we have become one of the business partners in Türkiye of the Cyber Security project for Industry 4.0 and Operational Technology (OT) funded by the Digital Europe program and run by the European Union under the coordination of Sabancı University. In this way, we will contribute to the training of young people in both Türkiye and Europe with the appropriate capabilities for smart factories of the future and to increase the cyber security capacity of Europe and Türkiye. While strengthening our work in the field of mobility, we are excited to take part in global projects and transfer our experience and competencies to the future.”

Summary Financial Results:

Summary Income Statement (MTL)	IAS 29 Unadjusted (Not Independently Reviewed)			IAS 29 Adjusted (Not Independently Reviewed)		
	April 1- June 30, 2024	April 1- June 30, 2023	Change, %	April 1- June 30, 2024	April 1- June 30, 2023	Change, %
Net Sales	6,790	4,494	51%	6,939	7,925	-12%
Gross Profit	2,061	1,473	40%	1,567	2,089	-25%
Operating Profit	1,032	728	42%	437	744	-41%
EBITDA	1,222	988	24%	993	1,464	-32%
Net Profit	450	610	-26%	114	851	-87%
Profitability Ratios:						
Gross Profit Margin	30.4%	32.8%	-2.4%	22.6%	26.4%	-3.8%
Operating Margin	15.2%	16.2%	-1.0%	6.3%	9.4%	-3.1%
EBITDA Margin	18.0%	22.0%	-4.0%	14.3%	18.5%	-4.2%
Net Profit Margin	6.6%	13.6%	-7.0%	1.6%	10.7%	-9.1%

Summary Income Statement (MTL)	IAS 29 Unadjusted (Not Independently Reviewed)			IAS 29 Adjusted (Independently Reviewed)		
	Jan. 1- June 30, 2024	Jan. 1- June 30, 2023	Change, %	Jan. 1- June 30, 2024	Jan. 1- June 30, 2023	Change, %
Net Sales	13,966	9,156	53%	15,035	16,666	-10%
Gross Profit	4,572	2,906	57%	3,843	4,079	-6%
Operating Profit	2,301	1,583	45%	1,250	1,574	-21%
EBITDA	2,917	1,979	47%	2,617	2,861	-9%
Net Profit	1,365	1,147	19%	749	1,409	-47%
Profitability Ratios:						
Gross Profit Margin	32.7%	31.7%	1.0%	25.6%	24.5%	1.1%
Operating Margin	16.5%	17.3%	-0.8%	8.3%	9.4%	-1.1%
EBITDA Margin	20.9%	21.6%	-0.7%	17.4%	17.2%	0.2%
Net Profit Margin	9.8%	12.5%	-2.8%	5.0%	8.5%	-3.5%

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Our Company's financial statements dated 30.06.2024, which were disclosed to public on August 21, 2024, have been subject to inflation accounting within the framework of the "Financial Reporting in Hyperinflationary Economies Standard" (IAS 29). Financial figures given in this financial report is not comparable with the financial figures that were not subject to inflation adjustment which were disclosed to public by our Company in its financial statements and various investor information materials prepared for the same period in the previous year.

For this reason, selected financial figures are also presented without adjusting for inflation accounting and disclosed through investor presentations and earnings releases on our Company's corporate website as well as via the Public Disclosure Platform, in order for investors and analysts to conduct a full-fledged analysis for our Company's financial performance.

The financial figures that are not subject to inflation adjustment have not been independently reviewed and are not included in our Company's independently reviewed financial reports dated 30.06.2024. Such financial figures have been prepared and disclosed to public for providing the investors and market participants consistent and comparable assessment of our financial performance, under the responsibility of our Company's Board of Directors and executives who are responsible for financial reporting.