

Brisa

Q3 2024 Financial Results

Earnings Release

October 31, 2024

Brisa, leading the mobility transformation, maintained its strong market position in the first three quarters of 2024

Brisa, mobility leader of the Turkish tire industry, responded to changing consumer needs in the domestic market, maintained its strong position in the market with innovative products and services in line with mobility trends, and preserved its solid financial structure in the third quarter of 2024.

Brisa, a subsidiary of Sabancı Holding and Bridgestone Corporation, announced its financial results for the period January 1 - September 30, 2024. Brisa, mobility leader of the Turkish tire industry, maintained its strong financial structure in the third quarter of 2024 and continued to enhance its leading position in the market. Brisa, a pioneer in mobility with its innovative solutions and wide product range, maintained its strong brand image by responding to changing consumer needs in the domestic market.

In the first nine months of the year, Brisa maintained its position in the Replacement market with its Bridgestone, Lassa and Dayton brands, while increasing its market share in the OE tire market. In the January-September 2024 period, compared to the same period of the previous year, Brisa increased its sales in Central Europe, Western Europe and North Africa markets with its Lassa brand and gained market share in 21 countries in total.

Brisa's sales revenue in the first nine months of 2024 was realized as TL 24 billion. Cost of sales declined by 9% y/y as a result of increased efficiency in production as well as favorable outlook in FX denominated raw material costs and energy costs. This resulted in a gross profit of TL 5.5 billion and, with a limited increase in operating expenses, an EBITDA of TL 3.6 billion in the first nine months of the year.

As a result of all these developments and due to higher financing expenses, driven by higher borrowing costs in the market, net profit was realized at TL 508 million.

Commenting on Brisa's performance in the first three quarters of 2024, Brisa CEO Haluk Kürkçü said, "As Brisa, we strongly maintain our leadership in mobility transformation and offer innovative solutions to add value to our customers. Our services such as Otopratik and Arvento, which bring a holistic approach to mobility, respond quickly to the needs of our customers and lead the industry. The total number of devices we serve with Arvento Mobile Systems reached 820 thousand. With our Otopratik,

Otopratik Midi and Propratik stores, which we position as mobility centers, we serve at 146 points in 62 cities (including the TRNC). With these sale points, we cover 75% of Türkiye. With the electrification trend, we are proud to meet the expectations of electric vehicles at the highest level in terms of both products and services. In this period, the share of our tires compatible with electric and hybrid vehicles, which we produce with Bridgestone Enliten and Lassa Nextgen technology, in our total sales increased significantly. We have expanded our electric vehicle charging stations at our Otopratik points, where we also continue our efforts to train personnel specialized in electric vehicle maintenance. In this sense, we are closing a serious gap in the sector and supporting the acceleration of Türkiye's electric vehicle transformation.”

Kürkçü mentioned that they increased their market share in Central Europe, Western Europe and North Africa markets with the Lassa brand in this period and said: “We have achieved great success by increasing our market share in a total of 21 countries in European and non-European markets. We have reinforced our international presence with our growth in regions such as Germany, United Kingdom, Spain, Portugal and Netherlands. We are proud to reach a broader base in global markets with Türkiye's local brand Lassa.”

Haluk Kürkçü emphasized that they are moving forward with determination on the decarbonization roadmap and said, “We are carrying out comprehensive studies to achieve our targets for 100% renewable energy use, especially with our heat pump and solar power plant investments and smart heating systems in our plants. In this period, we commissioned our new solar power plant with a capacity of 1 mWh in addition to our existing solar power plant with a capacity of 3.5 mWh at our Aksaray plant. This important step will make a significant contribution to achieving our sustainable energy targets.”

Summary Financial Results:

Summary Income Statement (MTL)	IAS 29 Unadjusted			IAS 29 Adjusted		
	July 1-Sept. 30, 2024	July 1-Sept. 30, 2023	Change, %	July 1-Sept. 30, 2024	July 1-Sept. 30, 2023	Change, %
Net Sales	7,409	5,475	35%	7,609	8,663	-12%
Gross Profit	1,971	1,875	5%	1,356	2,068	-34%
Operating Profit	905	1,141	-21%	181	831	-78%
EBITDA	1,115	1,275	-13%	789	1,391	-43%
Net Profit	238	1,007	-76%	-307	686	-145%
Profitability Ratios:						
Gross Profit Margin	26.6%	34.2%	-8%	17.8%	23.9%	-6%
Operating Margin	12.2%	20.8%	-9%	2.4%	9.6%	-7%
EBITDA Margin	15.1%	23.3%	-8%	10.4%	16.1%	-6%
Net Profit Margin	3.2%	18.4%	-15%	-4.0%	7.9%	-12%

Summary Income Statement (MTL)	IAS 29 Unadjusted			IAS 29 Adjusted		
	Jan. 1-Sept. 30, 2024	Jan. 1-Sept. 30, 2023	Change, %	Jan. 1-Sept. 30, 2024	Jan. 1-Sept. 30, 2023	Change, %
Net Sales	21,375	14,630	46%	23,986	26,816	-11%
Gross Profit	6,543	4,781	37%	5,542	6,510	-15%
Operating Profit	3,206	2,725	18%	1,543	2,545	-39%
EBITDA	4,032	3,255	24%	3,639	4,507	-19%
Net Profit	1,603	2,154	-26%	508	2,222	-77%
Profitability Ratios:						
Gross Profit Margin	30.6%	32.7%	-2%	23.1%	24.3%	-1%
Operating Margin	15.0%	18.6%	-4%	6.4%	9.5%	-3%
EBITDA Margin	18.9%	22.2%	-3%	15.2%	16.8%	-2%
Net Profit Margin	7.5%	14.7%	-7%	2.1%	8.3%	-6%



DISCLAIMER

The information and opinions contained in this document have been compiled by Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (the "Company") from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. No undue reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. This document may contain forward-looking statements by using such words as "may", "will", "expect", "believe", "plan" and other similar terminology that reflect the Company management's current views, expectations, assumptions and forecasts with respect to certain future events. As the actual performance of the companies may be affected by risks and uncertainties, all opinions, information and estimates contained in this document constitute the Company's current judgment and are subject to change, update, amend, supplement or otherwise alter without notice. Although it is believed that the information and analysis are correct and expectations reflected in this document are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

The Company does not undertake any obligation and disclaims any duty to update or revise any forward-looking statements, whether as a result of new information or future events. Neither this document nor the information contained within can construe any investment advice, invitation or an offer to buy or sell the Company and/or its group companies' shares. The Company cannot guarantee that the securities described in this document constitute a suitable investment for all investors and nothing shall be taken as an inducement to any person to invest in or otherwise deal with any shares of the Company and its group companies. The information contained in this document is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. You must not distribute the information in this document to, or cause it to be used by, any person or entity in a place where its distribution or use would be unlawful. Neither the Company, its board of directors, directors, managers, nor any of its employees shall have any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

Our Company's financial statements dated 30.09.2024, which were disclosed to public on October 31, 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 are not included in our Company's unaudited financial reports dated 30.09.2024. 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.