



2023 YE Earnings Presentation

19 March 2024

BRIDGESTONE

SABANCI

DISCLAIMER

With the Capital Markets Board of Türkiye's Bulletin dated 28 December 2023 and numbered 2023/81, the Board announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31 December 2023 or later, in accordance with IAS 29 inflation accounting provisions.

Accordingly, this presentation on 2023 YE financial results contains the audited financial information of Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (the "Company") prepared according to Turkish Accounting/Financial Reporting Standards in accordance with IAS 29 inflation accounting provisions. Given that the 2023 interim financial results as well as previous years' financial results were presented without the implementation of inflation accounting, to enable investors and analysts to conduct their analysis in a coherent manner, supplementary information on 2022 YE and 2023 YE results were provided in and annexed to this presentation, which contains unaudited financial information prepared without the implementation of inflation accounting.

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2023: Brisa At a Glance

Moving Forward on Strategic Road Map with Robust Financial Performance

Enhancing Leadership Position in Tyre Business

Investment for Capacity & New Technology

34 M USD

Sustainability linked funding

100 M USD

Leader in RL Market & Strategic Partner to OEMs

Market Share Gain in **21 Countries** with Lassa

Growing into a Leader Mobility Solutions Provider

Expansion in Otopratik & Propratik as Mobility Centers

117 Otopratik

22 Propratik

Supporting Electrification via

68 e-charge stations

29 HEV-EV maintenance

competent Otopratik

Enhanced Leadership in Digital Fleet Solutions with Arvento

Undisputed Global Leader in Sustainability

CDP Global A List - The Only Company in the Global Tyre Industry for both Climate Change & Water Security

CDP Global A List – Supplier Engagement

Ecovadis Gold Status

Approved Near-Term SBT/Scope3

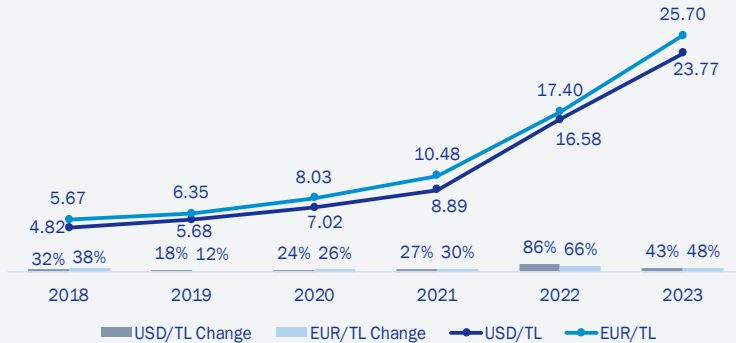
Sustainability Project of the Year by IDC Awards



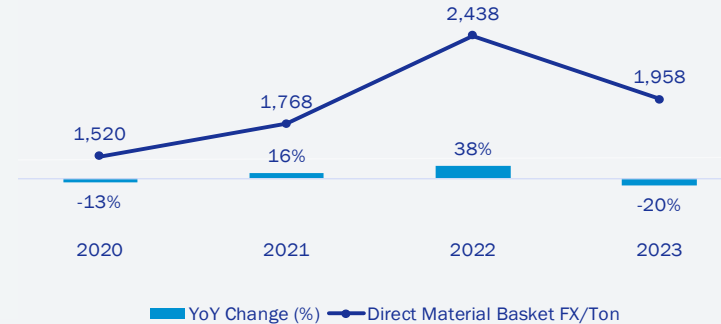
Macroeconomic Environment & Operations

Despite the Challenging Macroeconomic Environment...

Average FX Rates*



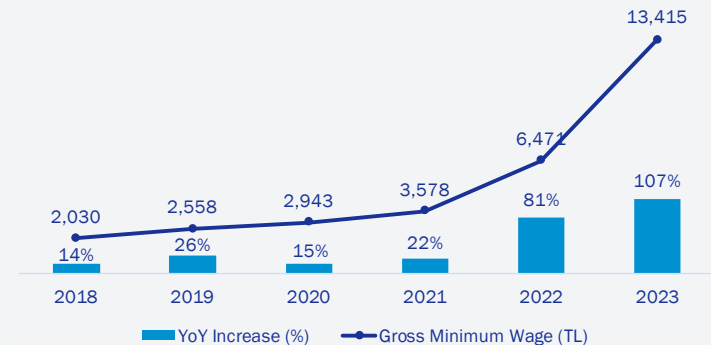
Direct Material Basket FX/Ton



Annual Consumer Price Index (YoY Change, %)

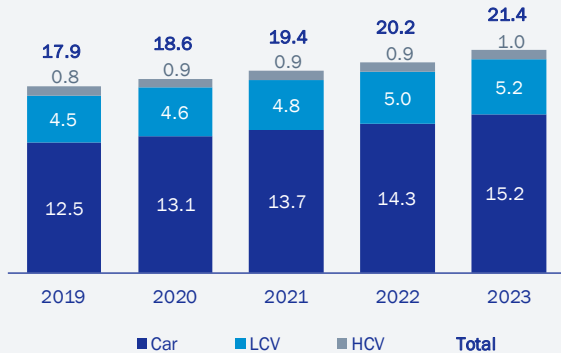


Gross Minimum Wage

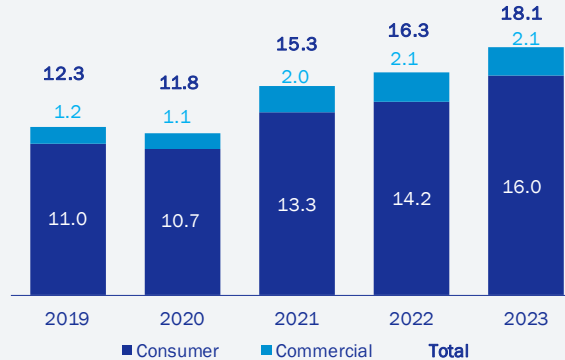


...Brisa Remained Undisputable Leader in Replacement Channel

Vehicle Pool (M Units)

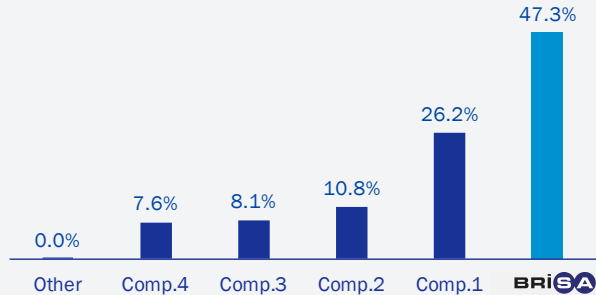


Tire Demand Sell-Out (M Units)

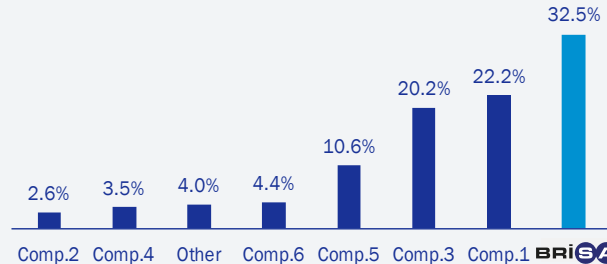


Vehicle pool CAGR
+4.6% between
2019-2023

Consumer Best & Better Market Share



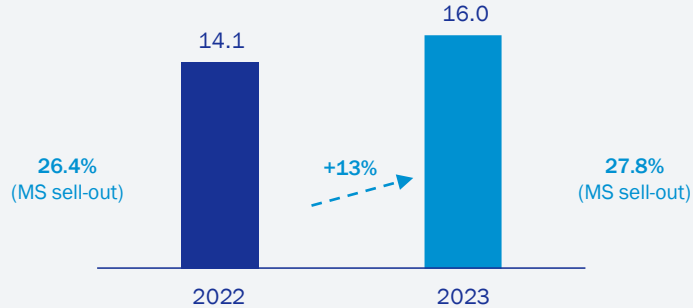
Commercial Market Share



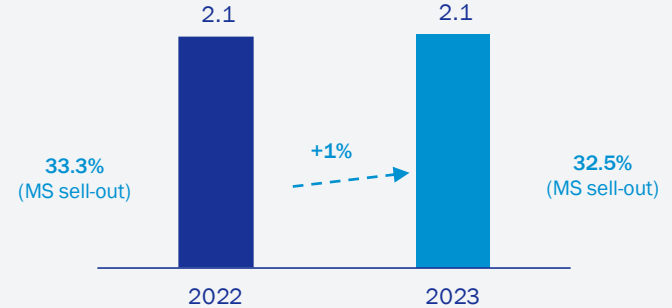
Highest market share
in both consumer
& commercial
segments

RL Channel: Positioned for Continued Growth and Success

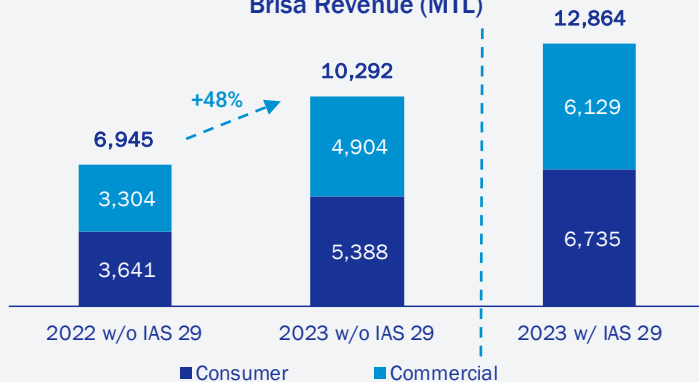
Consumer Market (M Units)



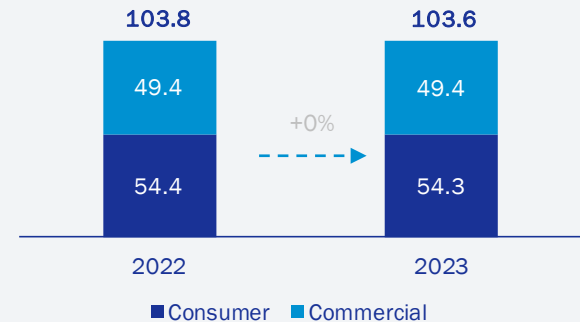
Commercial Market (M Units)



Brisa Revenue (MTL)

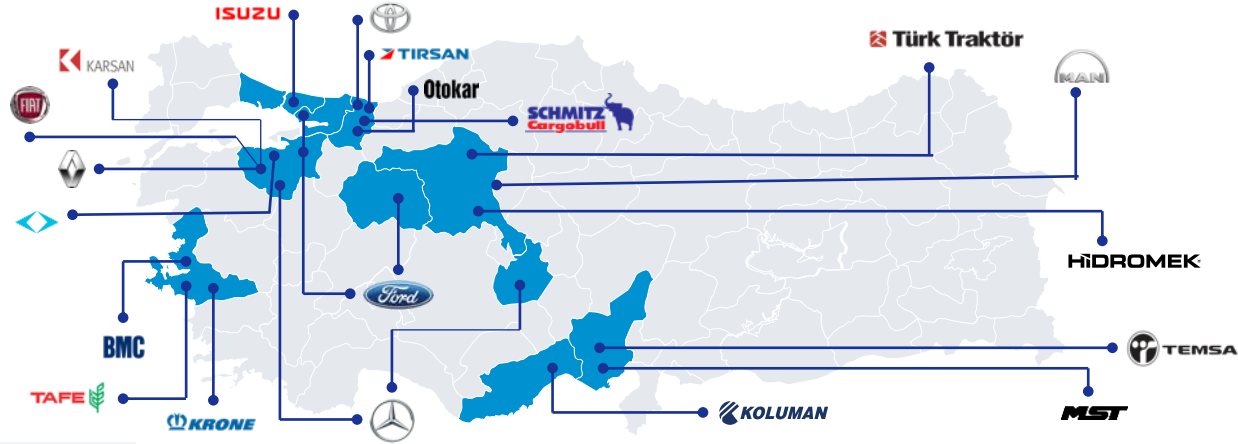


Brisa Tonnage (K Ton)

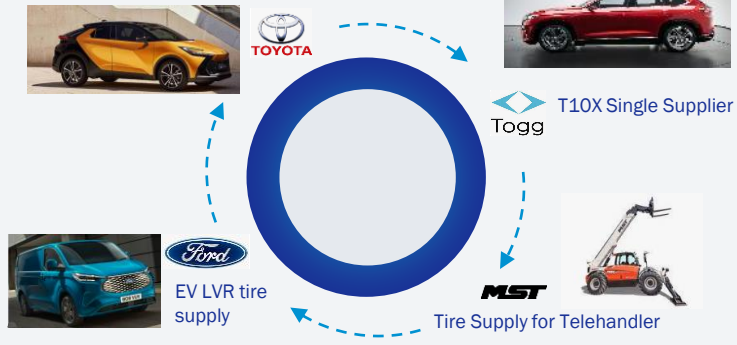


OE Channel: Continuous Growth with New Capabilities & Projects

Strong R&D on OE,
New products
with latest technical
developments, EV Tires, Enliten
Technology, A/S in LVR



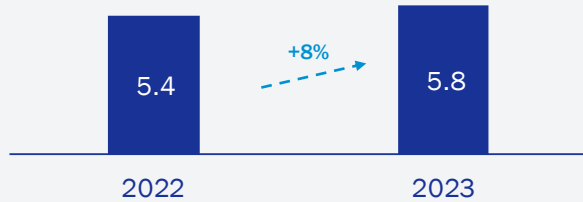
High Dia. Rims with Enliten Tech



Increased market share
with premium mix
in Next Gen. Vehicle Projects

OE Channel: Double Digit Volume & Revenue Growth

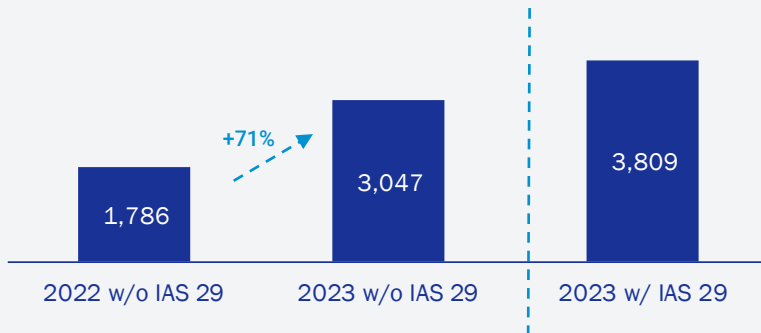
Consumer Market (M Units)



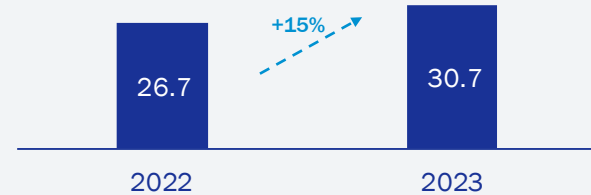
Commercial Market (M Units)



Brisa Revenue (MTL)

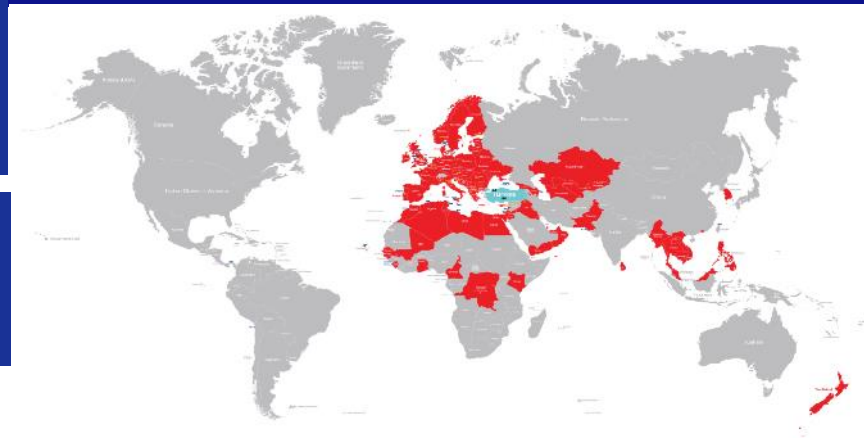


Brisa Tonnage (K Ton)



Lassa Channel: Solid Global Footprint & Brand Awareness

83 Countries



600+ Lassa Branded Stores

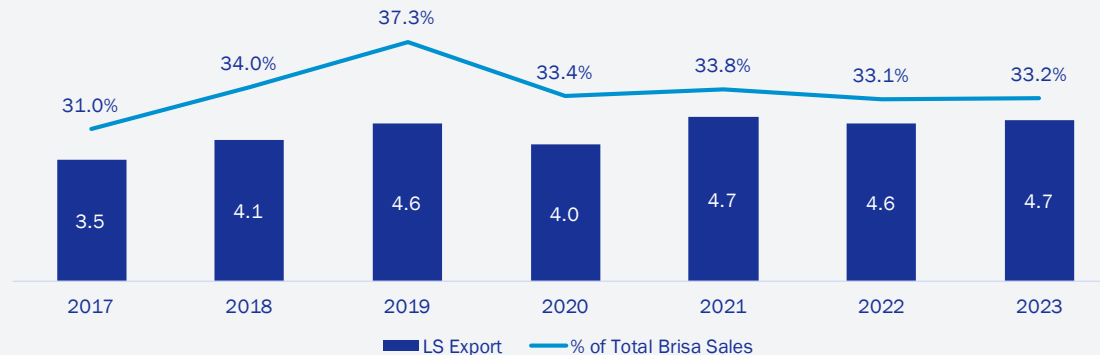
Market share gains in

21

Countries

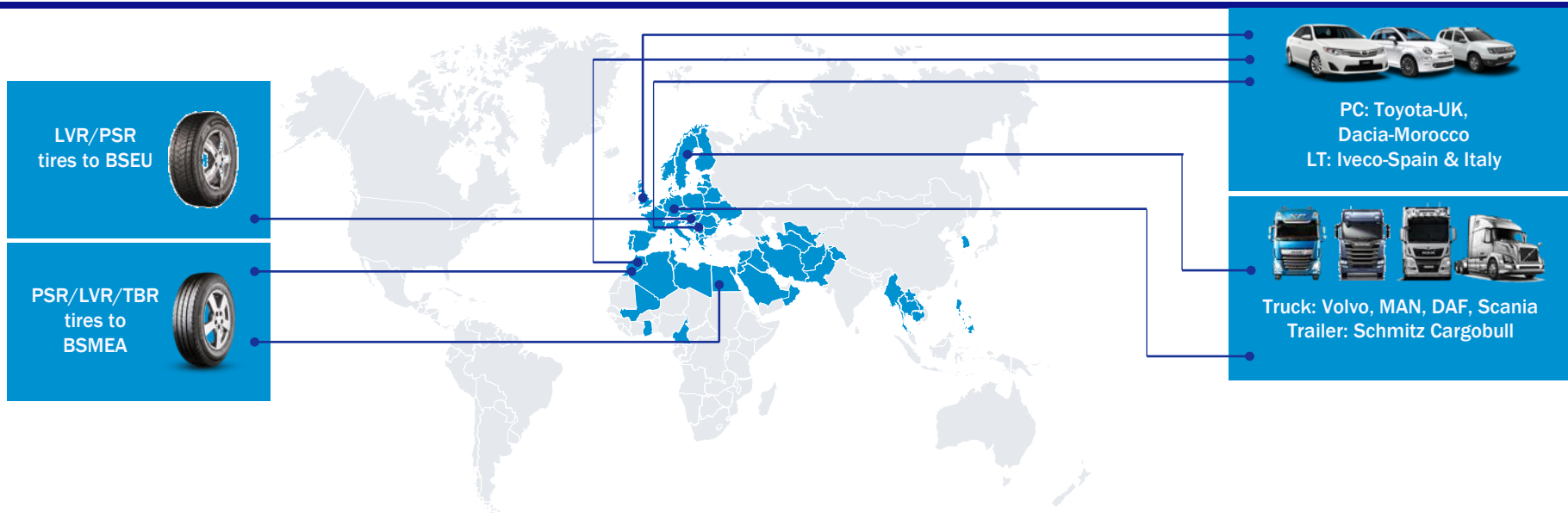
Europe: Bulgaria, Croatia, Hungary, Romania, Serbia, Germany, Italy, Sweden

Lassa Export (M Units)



Non - Europe: Algeria, Libya, Morocco, Tunisia, Iraq, Lebanon, Pakistan, United Arab Emirates, Azerbaijan, Kazakhstan, Belarus, Ukraine, Georgia

Bridgestone Export Channel: Contribution of OE Channel



Bridgestone Direct Sales Network (M Units)

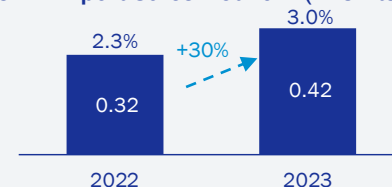


*Due to slowdown in EU, LC issues in Egypt

Dayton LVR tires export to Morocco for fighting segment

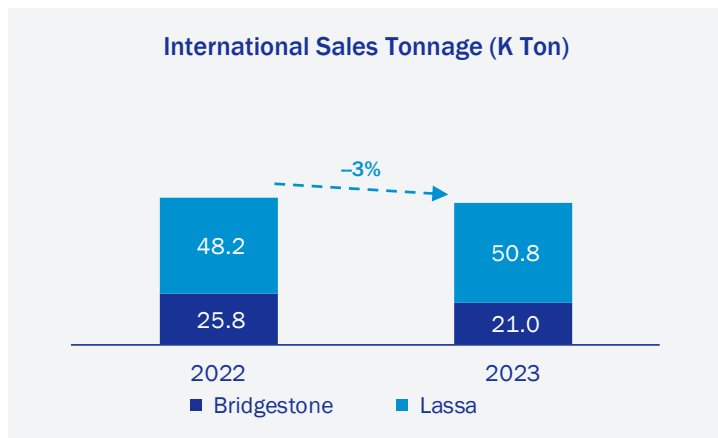
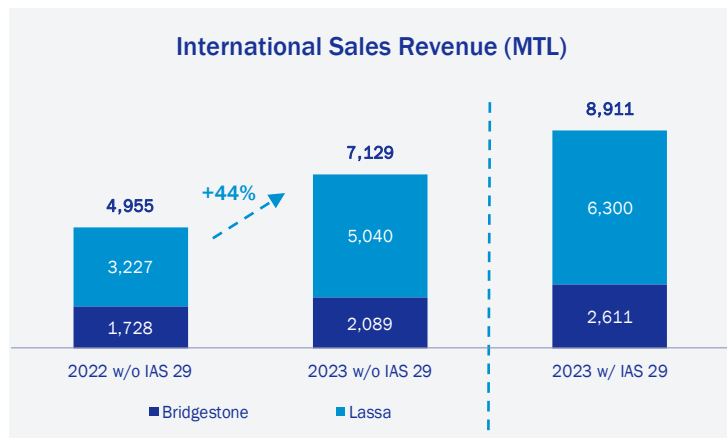
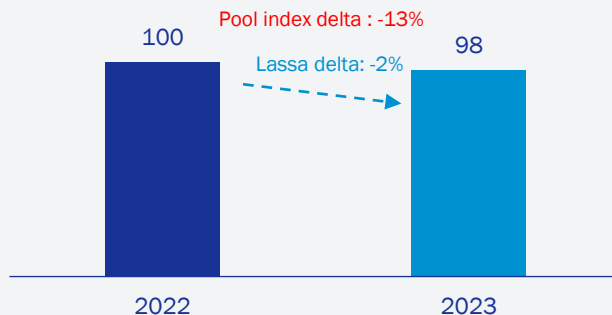
Release new Duravis All Season for light trucks

OEM Export Sales Network (M Units)



International Sales: Effective Pricing & Improved Sales Mix

International Markets (Index)



Despite tough environment, Lassa sales outperformed R2* markets & Central Europe region

*R2 markets: Eastern Europe & Middle East & Africa

Growing into a Leading Mobility Solutions Provider

Evolve to "Solutions Business", leveraging the strengths and expertise of Tire & Rubber Business as the only Company investing in E2E mobility in Türkiye

FLEET SERVICES

- Leader in digital fleet solutions with 10 different services
- Operational productivity & cost minimization with Profleet Fleet Management
- 40% reduction in fleet tire cost with retread services, Bandag & new released product Veloxia
- Optimize fleet operations via Arvento vehicle telematics data

15k+ fleet customers
120 field team
2,660 customer visits

ELECTRIFICATION

- 68 e-charge stations in sales points
- HEV-EV maintenance competency in 29 Otopratik service points
- Tires for electric vehicles (Low rolling resistance, low noise level, optimized tire weight)

2024 Target:
100+ e-charge stations
HEV-EV maintenance in
115 Otopratik service points

END-TO-END SERVICES

- All brand vehicle maintenance & service: Otopratik, Propratik
- Mobile & on-site mounting services
- E-commerce: Lastik.com.tr
- First in customer experience: Digital Tire Assistant
- Telematics with Arvento Mobile Systems

2024 Target:
170+ Pratik service points
TR's 1st maintenance
e-commerce portal: otopratik.com.tr



Financial Performance

Operational Excellence Reflected on Financial Results

(all figures are presented w/o IAS 29 impact)

Strong Results

Net Sales Revenue/Ton

+49%

Net Sales Growth

+50%

Operating Profit*

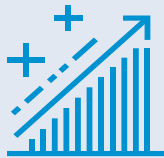
+59%

EBITDA Margin

21.7%

Net Income**

+68%



Resilient Balance Sheet

Leverage

-0.11 Net Debt/EBITDA

Cash

13.1 billion TL

Best-in-class Trade Working
Capital

11 days***



Ample Liquidity

Operational Cash Flow

3.5 billion TL

Free Cash Flow

2.1 billion TL****

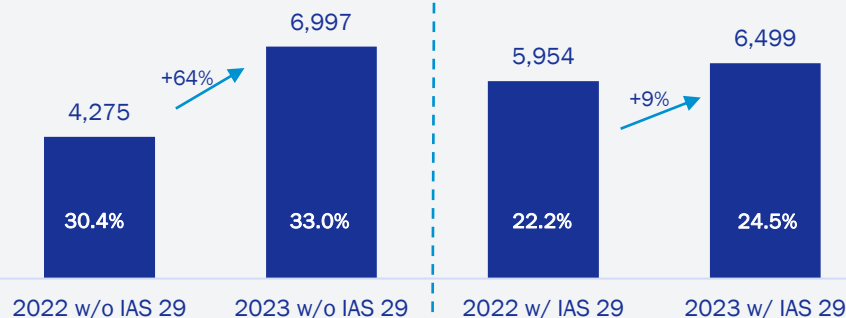
Dividend Paid

1.2 billion TL

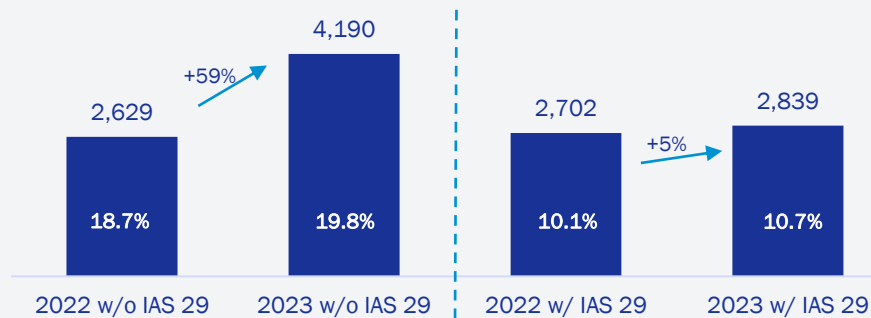


Robust Operational Performance Accompanied with Agile Financial Management Enhancing Net Profit Margin Growth

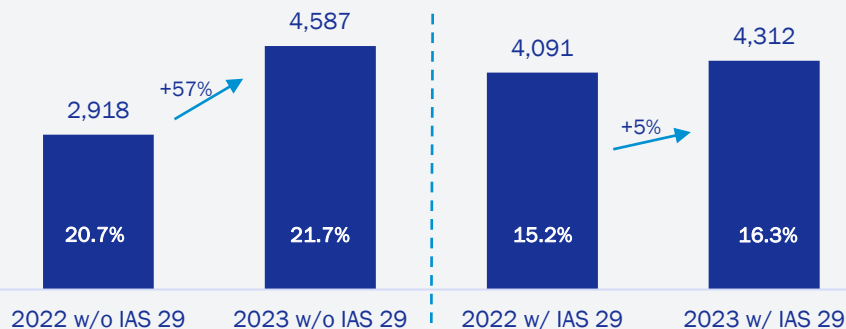
Gross Profit (MTL) & Margin (%)



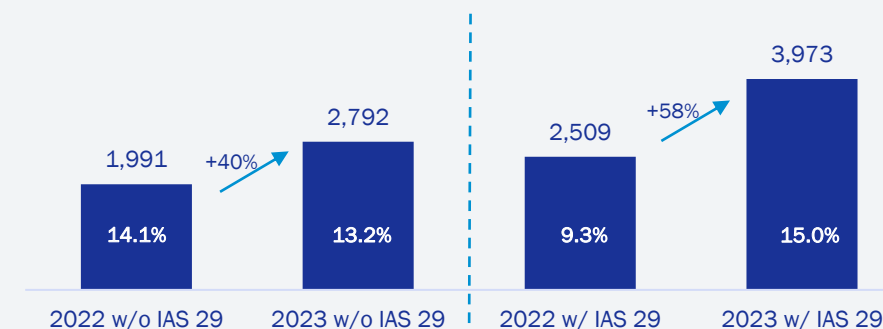
Operating Profit* (MTL) & Margin (%)



EBITDA** (MTL) & Margin (%)



Net Profit (MTL) & Margin (%)



*Operating Profit calculated by subtracting operational expenses from gross profit

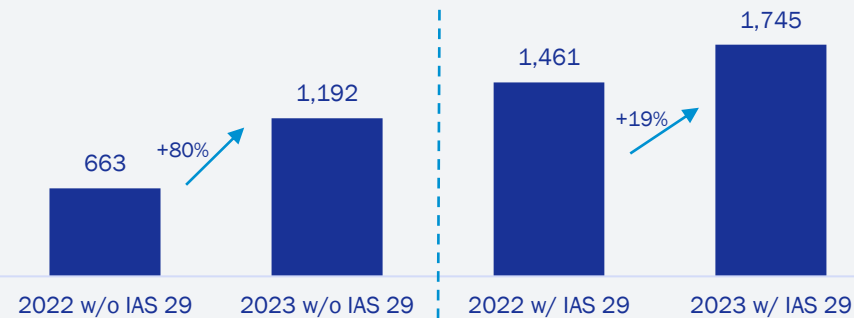
**EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses

Globally Best-in-Class Working Capital Management Supporting Healthy Balance Sheet with Low Leverage

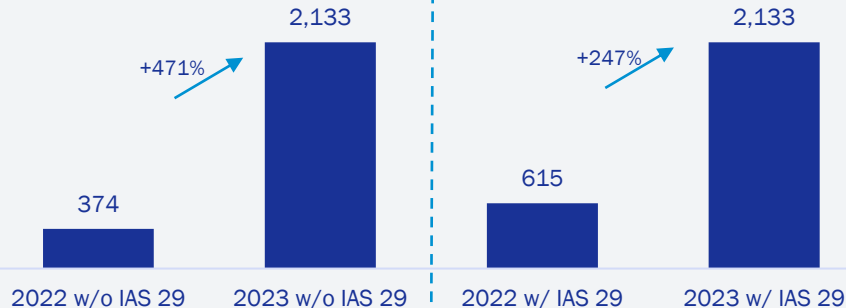
Trade Working Capital (MTL)



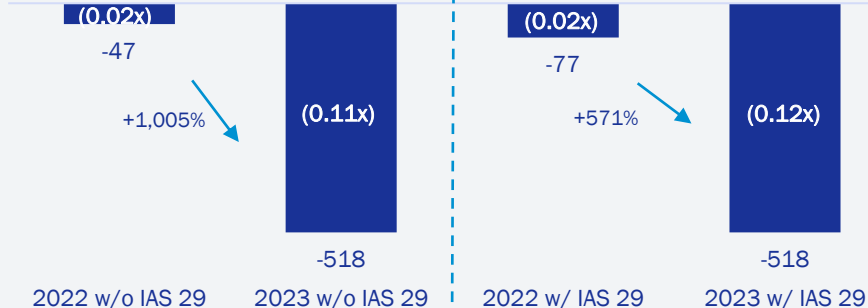
Dividend Paid (MTL)



Free Cash Flow* (MTL)



Net Debt (MTL) & Net Debt/EBITDA



Significant Net Income Growth thanks to Operational Excellence and Agile Financial Management



Impact of Inflation Accounting (IAS 29) on 2023 Financials – P&L

MTL	2023 w/o IAS 29	2023 w/ IAS 29	Difference
Net Sales	21,175	26,498	5,324
Cost of Sales	-14,178	-19,999	-5,821
Gross Profit	6,997	6,499	-498
OPEX	-2,831	-3,700	-869
Operating Profit*	4,190	2,839	-1,352
Amortization	397	1,474	1,077
EBITDA**	4,587	4,312	-275
Monetary Gain/Loss	0	1,765	1,765
Profit Before Tax	3,088	3,289	201
Tax	-296	684	980
Net Profit	2,792	3,973	1,181

*Operating Profit calculated by subtracting operational expenses from gross profit

**EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses

Impact of Inflation Accounting (IAS 29) on 2023 Financials – Balance Sheet

MTL	2023 w/o IAS 29	2023 w/ IAS 29	Difference
Inventories	3,052	3,288	236
Property & Plant & Equipment	4,014	12,210	8,196
Deferred Tax Assets	496	319	-176
Other Assets	2,297	2,969	672
Total Assets	28,133	37,060	8,927
Other Liabilities	1,548	1,573	25
Equity	4,544	13,446	8,902
Total Liabilities	28,133	37,060	8,927
Net Debt	-518	-518	0
Trade Working Capital	442	678	236



Q & A

Appendix

The background of the slide is a solid blue color with a dynamic motion blur effect. It depicts a road or path that starts wide on the left and narrows as it recedes into the distance on the right, creating a strong sense of perspective and forward movement. The lines of the road and the surrounding environment are blurred, suggesting speed and a journey.

Income Statement

MTL	2022 w/o IAS 29	2022 IAS 29 Effect	2022 w/ IAS 29	2023 w/o IAS 29	2023 IAS 29 Effect	2023 w/ IAS 29	2023-2022 w/o IAS 29, %	2023-2022 w/ IAS 29, %
Net Sales	14,081	12,783	26,863	21,175	5,324	26,498	50%	-1%
Cost of Sales	-9,806	-11,103	-20,909	-14,178	-5,821	-19,999	45%	-4%
Gross Profit	4,275	1,679	5,954	6,997	-498	6,499	64%	9%
Operating Expenses	-1,626	-1,614	-3,241	-2,831	-869	-3,700	74%	14%
Operating Profit*	2,629	72	2,702	4,190	-1,352	2,839	59%	5%
Amortization	289	1,101	1,390	397	1,077	1,474	38%	6%
EBITDA**	2,918	1,173	4,091	4,587	-275	4,312	57%	5%
Financing Inc./Exp.	-226	-153	-379	-823	-236	-1,059	263%	179%
Monetary Gain/Loss	0	1,551	1,551	0	1,765	1,765	0%	14%
Profit Before Tax	1,866	952	2,818	3,088	201	3,289	65%	17%
Tax	125	-433	-308	-296	980	684	-336%	322%
Net Profit	1,991	518	2,509	2,792	1,181	3,973	40%	58%
One-Off Inc./Exp.	125	0	125	-334	0	-334	-367%	-367%
Net Profit Before One-Off Inc./Exp.	1,866	518	2,384	3,126	1,181	4,307	68%	81%

*Operating Profit calculated by subtracting operational expenses from gross profit

**EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses

Balance Sheet

MTL	2022 w/o IAS 29	2022 IAS 29 Effect	2022 w/ IAS 29	2023 w/o IAS 29	2023 IAS 29 Effect	2023 w/ IAS 29	2023-2022 w/o IAS 29, %	2023-2022 w/ IAS 29, %
Cash	3,643	2,359	6,002	13,123	0	13,123	260%	119%
Financial Invest.	1,242	804	2,046	1,332	0	1,332	7%	-35%
Trade Receivables	2,401	1,555	3,957	3,819	0	3,819	59%	-3%
Inventories	2,364	1,681	4,045	3,052	236	3,288	29%	-19%
Property & Plant & Equipment	2,750	8,881	11,632	4,014	8,196	12,210	46%	5%
Deferred Tax Asset	390	-390	0	496	-176	319	27%	100%
Other Assets	2,782	2,293	5,075	2,297	672	2,969	-17%	-41%
Total Assets	15,572	17,185	32,757	28,133	8,927	37,060	81%	13%
Borrowings	6,830	4,424	11,254	15,612	0	15,612	129%	39%
Trade Payables	4,376	2,834	7,210	6,429	0	6,429	47%	-11%
Other Liabilities	1,070	1,606	2,676	1,548	25	1,573	45%	-41%
Equity	3,296	8,321	11,617	4,544	8,902	13,446	38%	16%
Total Liabilities & Equity	15,572	17,185	32,757	28,133	8,927	37,060	81%	13%
Net Debt	-47	-30	-77	-518	0	-518	1005%	571%
TWC*	390	402	792	442	236	678	14%	-14%

*Trade Working Capital

THANK YOU

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