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# Q3 2024 Earnings Presentation

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November 1, 2024



## DISCLAIMER

With the Capital Markets Board of Türkiye's Bulletin dated December 28, 2023 and numbered 2023/81, the Board announced that issuers and capital market institutions shall prepare their annual financial statements ending on December 31, 2023 or later, in accordance with IAS 29 inflation accounting provisions. Also, with the Bulletin dated August 8, 2024 and numbered 2024/38, the Board announced that issuers are allowed to disclose IAS 29 unadjusted and unaudited selected financial information for all interim periods of 2024 and for annual financial statements ending on December 31, 2024.

Accordingly, unless stated otherwise, this presentation on Q3 2024 financial results contains the 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. To enable investors and analysts to conduct a full-fledged analysis for the Company's financial performance, selected financial figures are also presented without adjusting for inflation accounting. These financial figures that are not subject to inflation adjustment are not included in our Company's unaudited financial reports dated September 30, 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.

The information and opinions contained in this document have been compiled by 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.

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# 9M 2024: Brisa At a Glance

## Enhancing Leadership Position in Tire Business

**Leader in RL Market & Strategic Partner to OEMs**

Introduction to Market:  
**Revola & Ecopia Enliten**

Supplier to Togg Sedan with **Lassa**

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

Capital 500 & R&D 250 Surveys:  
**Leader in Tire Industry**

## Growing into a Leader Mobility Solutions Provider

**Expansion in Otopratik & Propratik as Mobility Centers:**

- ✓ **111** Otopratik
- ✓ **21** Propratik
- ✓ **13** Otopratik Midi

**Supporting Electrification:**

- ✓ **76** e-charge stations
- ✓ **32** HEV-EV maintenance competent Otopratik

**Telematics with Arvento:**

- ✓ **1.4million+** devices
- ✓ **~820k** active devices

## Undisputed Global Leader in Sustainability

**On the CDP Global A List:**

Climate Change & Water Security

- ✓ **Only Global Tire Company** Listed in Two Categories
- ✓ **Among Five Turkish Companies Listed - Only Industrial Company**

**On the CDP Global A List:**

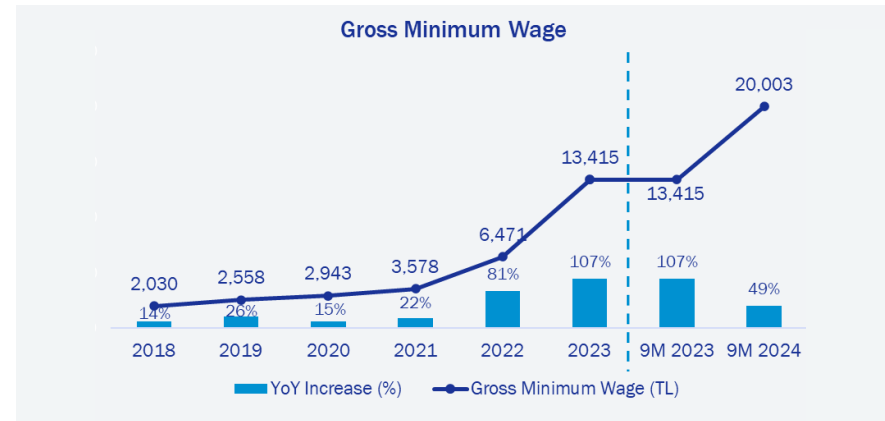
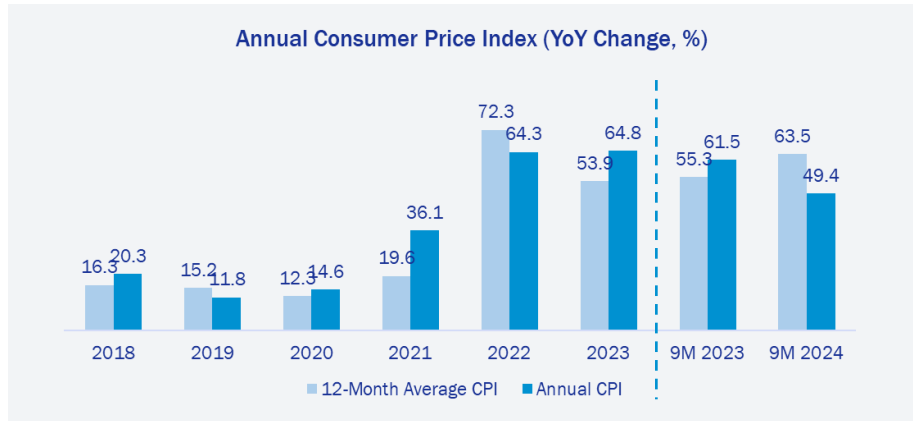
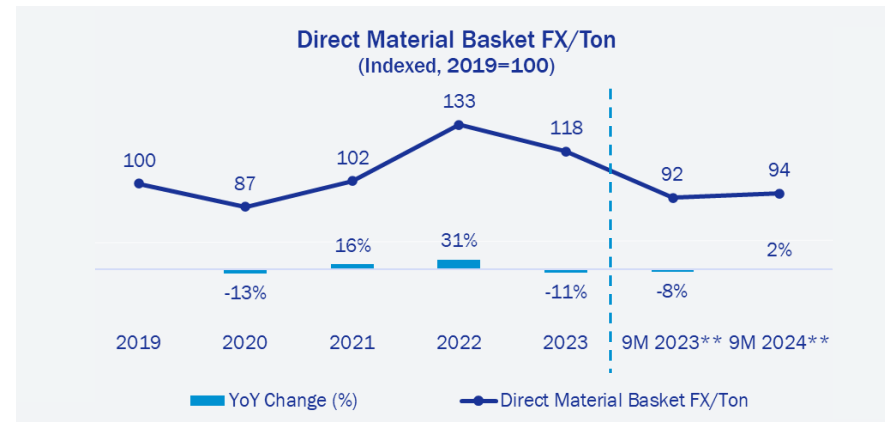
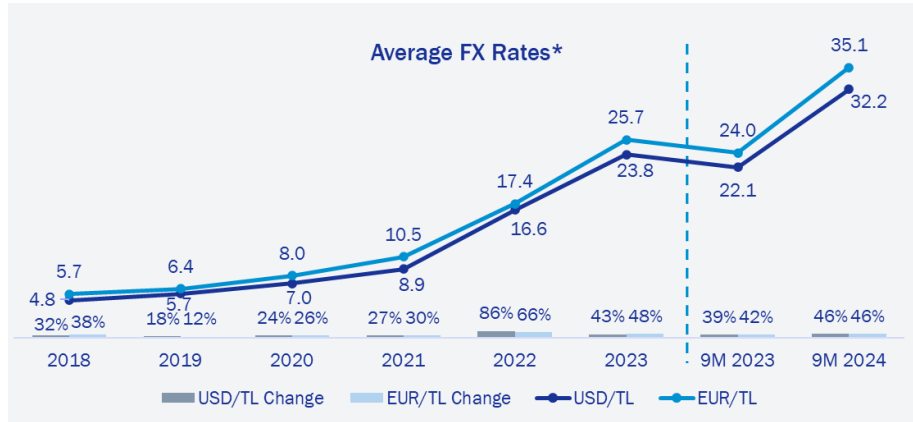
Supplier Engagement

**Heat Pump Project (Aksaray Plant):**  
**1<sup>st</sup> Energy Efficiency Project** of the ICI Green Transformation Awards



# Macroeconomic Environment & Operations

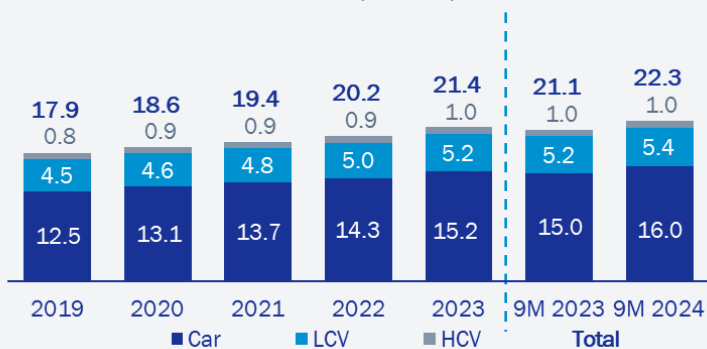
# Macroeconomic Environment: Volatile & Challenging



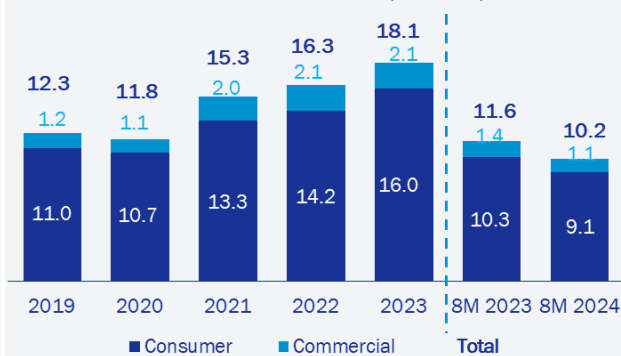
Source: TURKSTAT, Central Bank of the Republic of Türkiye, Ministry of Labor and Social Security in Türkiye  
 \*Average of buying and selling rates \*\*Indexed, 9M 2022=100

# RL Channel: Maintaining Leadership Position

Vehicle Pool (M Units)



Tire Demand Sell-Out (M Units)

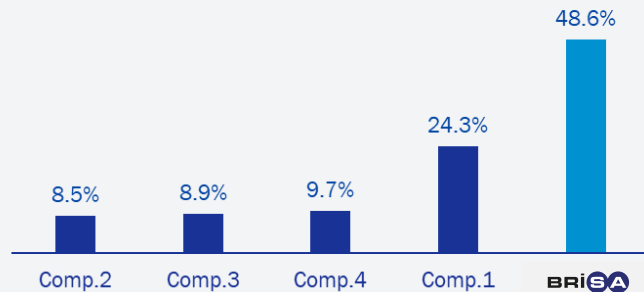


Total vehicle pool  $\Delta$ :  
+6%

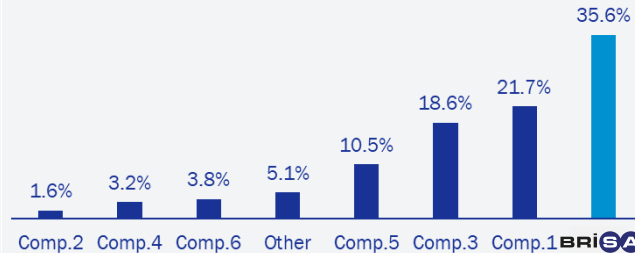
Passenger car pool  $\Delta$ :  
+7%

Tire demand  $\Delta$ :  
-12%

Consumer "Best and Better" Market Share\*



Commercial Market Share\*

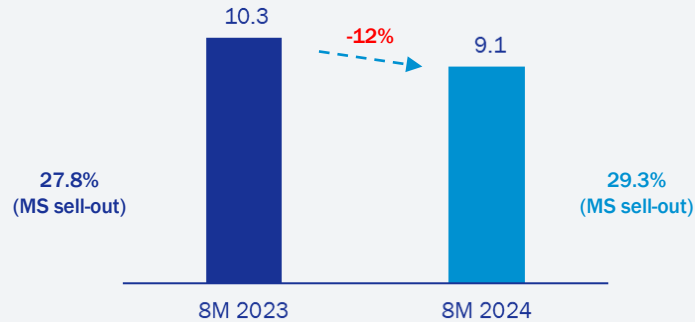


Consumer tire demand  $\Delta$ :  
-12%

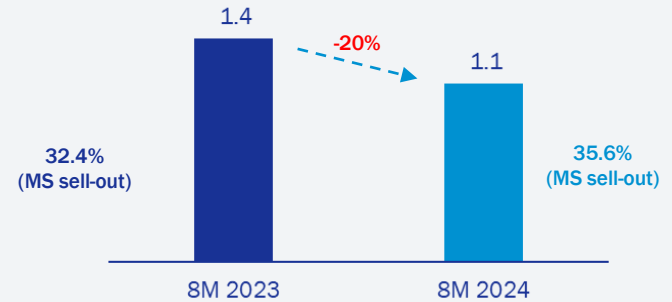
Highest market share  
in both consumer  
"Best and Better" &  
commercial segments

# RL Channel: Consumer Segment Remaining Resilient

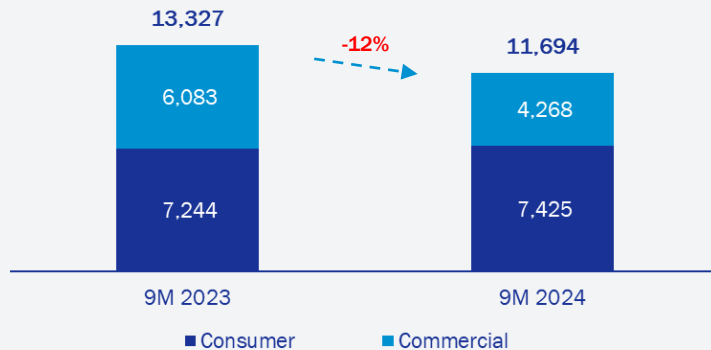
### Consumer Market (M Units)



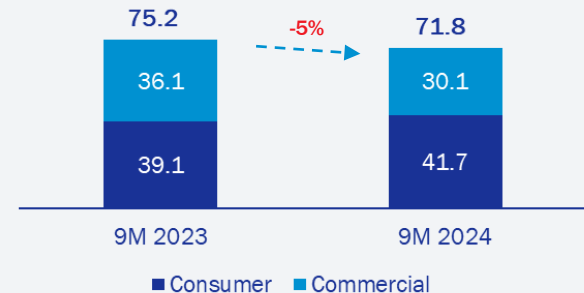
### Commercial Market (M Units)



### Brisa Revenue (MTL)



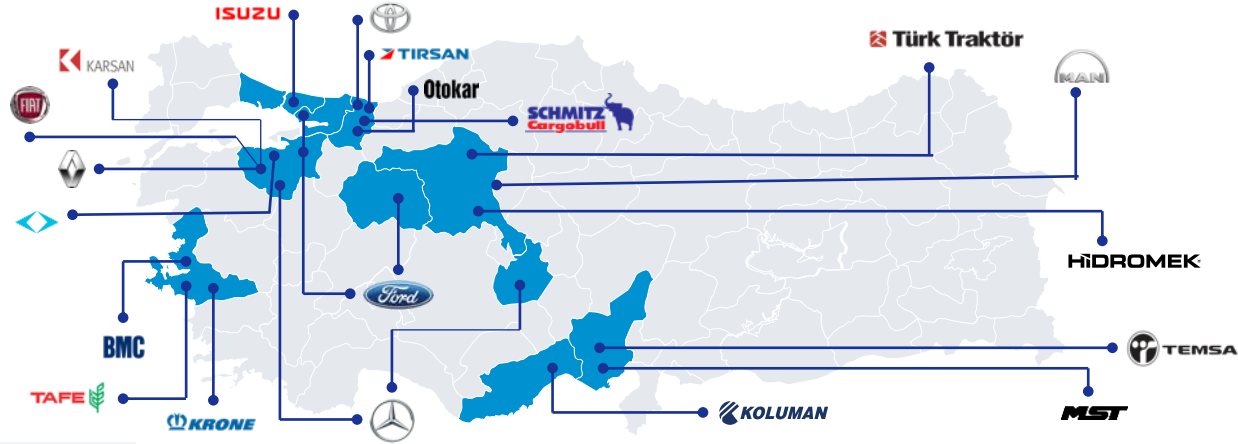
### Brisa Tonnage (K Ton)



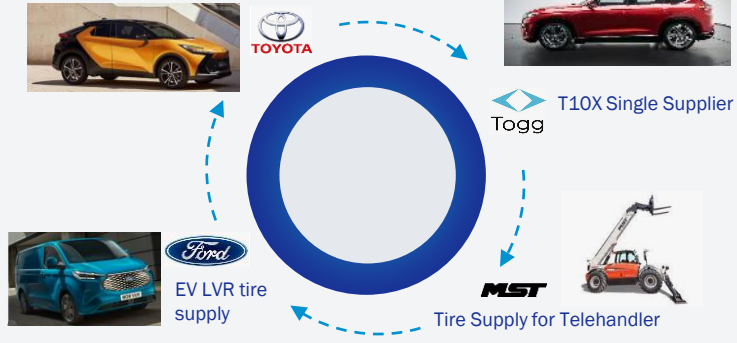


# OE Channel: Continuous Growth with New Capabilities & Projects

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



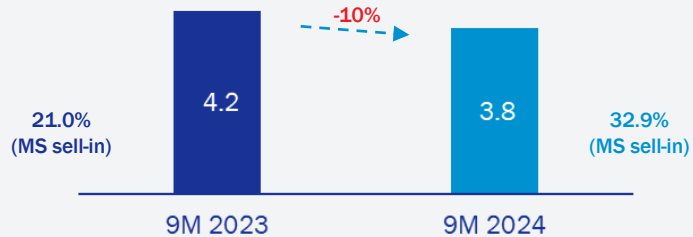
High Dia. Rims with Enliten Tech



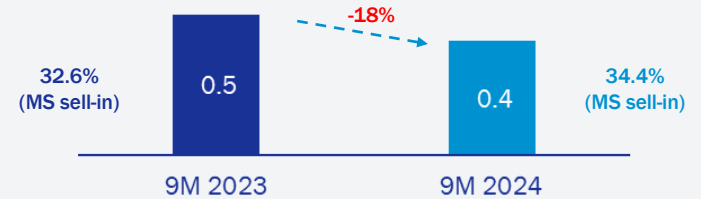
Increased market share  
with premium mix  
in Next Gen. Vehicle Projects

# OE Channel: Outperforming the Market & Gaining Market Share

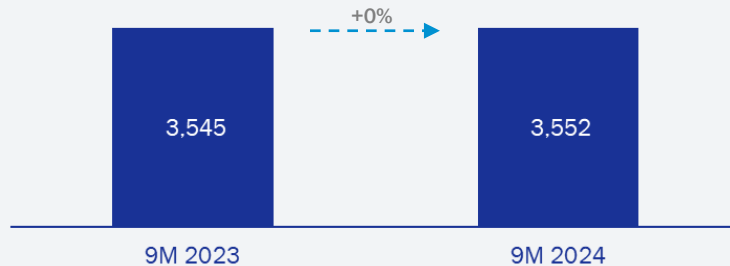
### Consumer Market (M Units)



### Commercial Market (M Units)



### Brisa Revenue (MTL)



### Brisa Tonnage (K Ton)

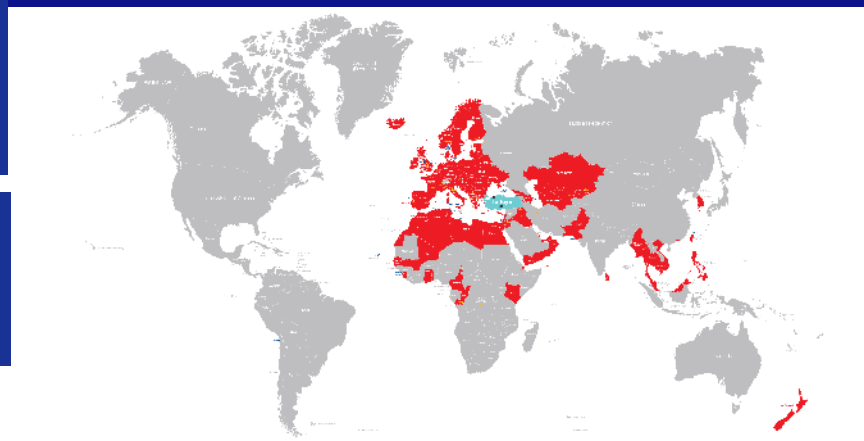


# Lassa Export Channel: Solid Global Footprint & Brand Awareness



**84** Countries

**6,000+** Sales Points



Market share gains in

**21**

Countries

Market leader in

**5**

Countries

Europe:

Albania, Bulgaria, Montenegro, Romania, Germany, United Kingdom, Greece, Portugal, Spain, Netherlands

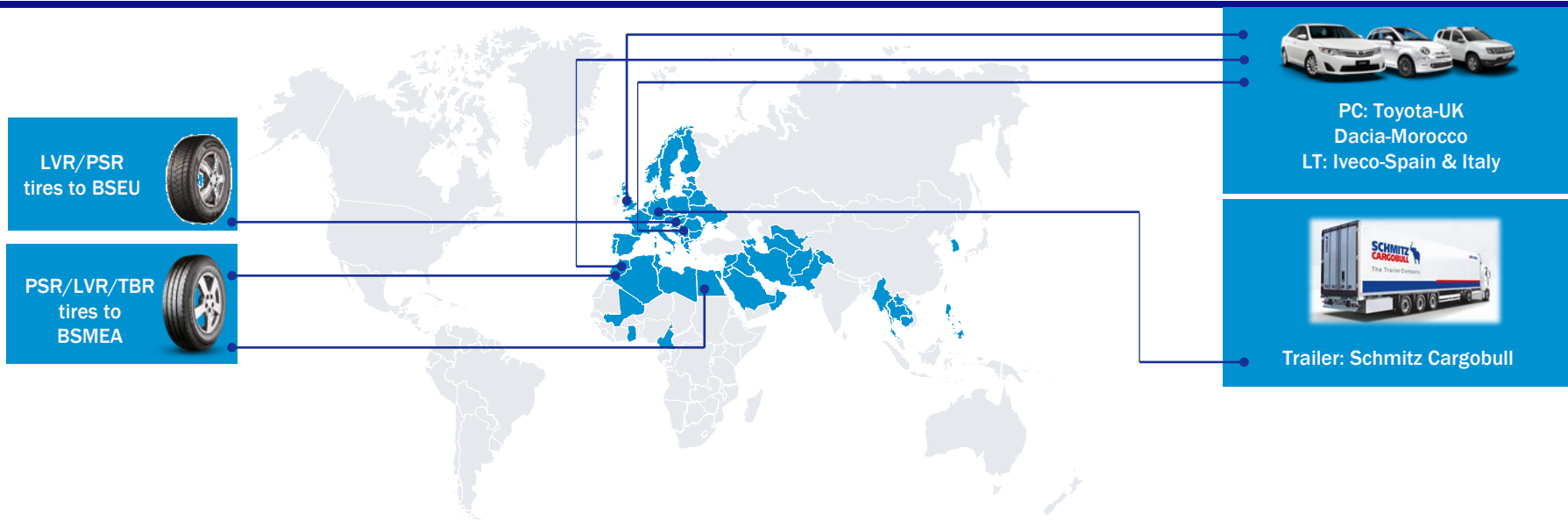
Non-Europe:

Egypt, Morocco, Algeria, Tunisia, United Arab Emirates, Lebanon, Azerbaijan, Belarus, Moldavia, Georgia, Kazakhstan

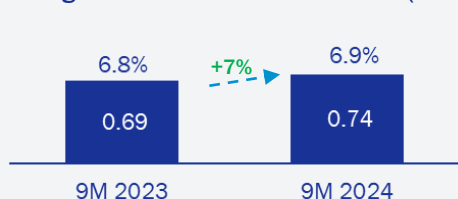
Lassa Export (M Units)



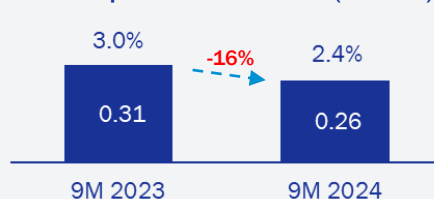
# Bridgestone Export Channel: Flat Sales Volume



**Bridgestone Direct Sales Network (M Units)**



**OEM Export Sales Network (M Units)**

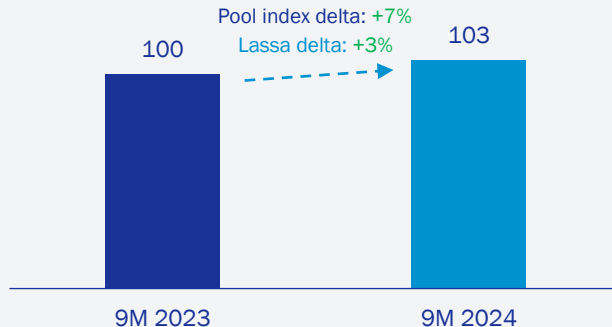


**Bridgestone Export Sales Network (M Units)**



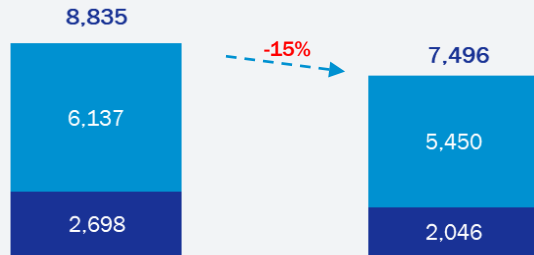
# International Sales: Inflation Accounting Distorted Revenue

## International Markets (Index)\*



Lassa sales underperformed in R1\*\* & R2\*\* region...

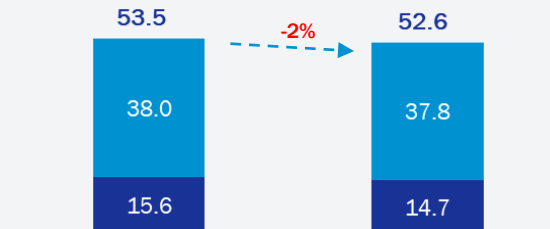
## International Tire Sales Revenue (MTL)



■ Bridgestone

■ Lassa

## International Sales Tonnage (K Ton)



■ Bridgestone

■ Lassa

...while outperforming in Africa

\*\*R1 region: Central & Western Europe  
\*\*R2 region: Eastern Europe & Middle East & Africa



# Financial Performance

# 9M 2024 Highlights - Inflation Accounting Adjusted

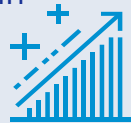
## P&L

Sales Volume (Tonnage)  
**-1%** y/y

Operating Profit (OP)\* & OP Margin  
**-34%** y/y & **8.3%**

EBITDA & EBITDA Margin  
**-19%** y/y & **15.2%**

Net Profit (NP) & NP Margin  
**-77%** y/y & **2.1%**



## Balance Sheet

Leverage  
**0.62x** Net Debt/EBITDA

Cash & Cash Equivalents  
**7.7** billion TL

Shareholders' Equity  
**17.6** billion TL

Best-in-class Trade Working  
Capital  
**18** days\*\*



## Cash Flow

Operational Cash Flow  
**1.9** billion TL

Investment Spending  
**-2.3** billion TL\*\*\*

Free Cash Flow  
**-425** million TL\*\*\*

Free Cash Flow  
**159** million TL



# Q3 2024 - 2023 Selected Financial Highlights

MTL	IAS 29 Unadjusted			IAS 29 Adjusted		
	Q3 2024	Q3 2023	2024-2023 Change, %	Q3 2024	Q3 2023	2024-2023 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*	948	1,177	-19%	225	889	-75%
EBITDA**	1,115	1,275	-13%	789	1,391	-43%
Net Profit	238	1,007	-76%	-307	686	-145%

\*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



# 9M 2024 - 2023 Selected Financial Highlights

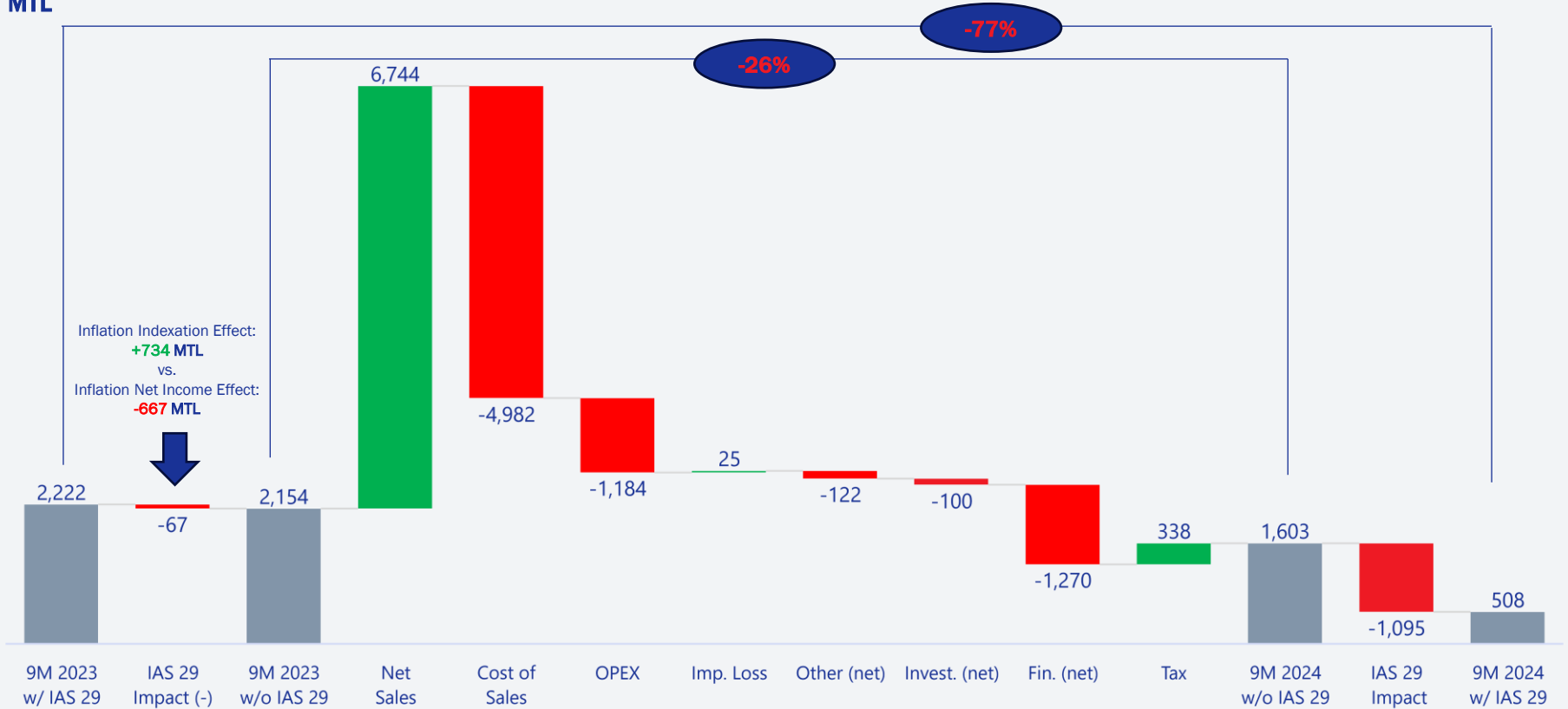
MTL	IAS 29 Unadjusted			IAS 29 Adjusted		
	9M 2024	9M 2023	2024-2023 Change, %	9M 2024	9M 2023	2024-2023 Change, %
Net Sales	21,375	14,630	46%	23,986	26,816	-11%
Gross Profit	6,543	4,781	37%	5,542	6,510	-15%
Operating Profit*	3,573	2,976	20%	1,980	3,017	-34%
EBITDA**	4,032	3,255	24%	3,639	4,507	-19%
Net Profit	1,603	2,154	-26%	508	2,222	-77%

\*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

# 9M 2023 - 2024 Net Profit Bridge

MTL



# 9M 2024 - 2023 Selected P&L Highlights

### Gross Profit (MTL) & Margin (%)



### Operating Profit\* (MTL) & Margin (%)



### EBITDA\*\* (MTL) & Margin (%)



### Net Profit (MTL) & Margin (%)

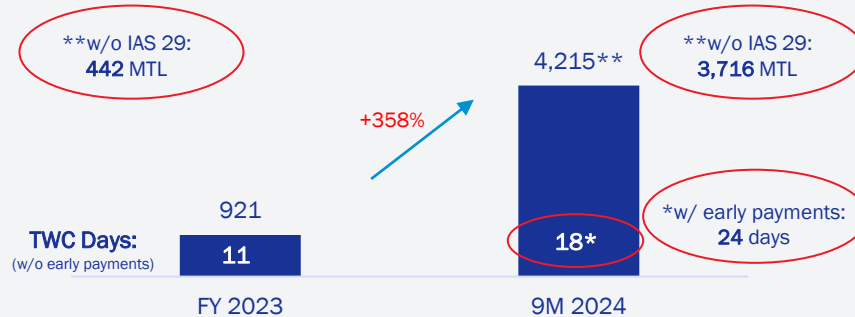


\*Operating Profit calculated by subtracting operational expenses from gross profit

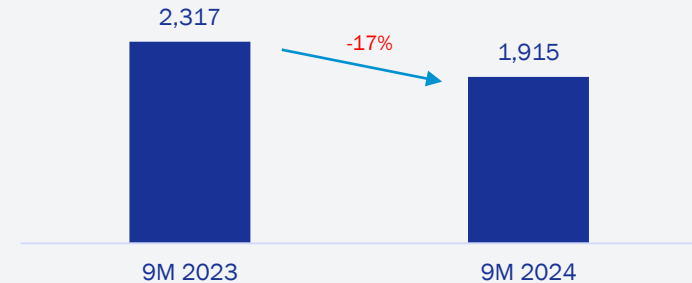
\*\*EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses

# Efficient Working Capital Management & Low Leverage

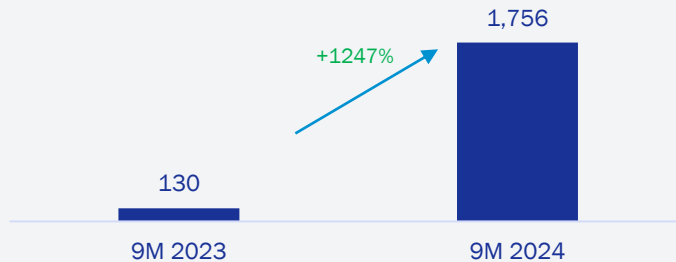
### Trade Working Capital (MTL)



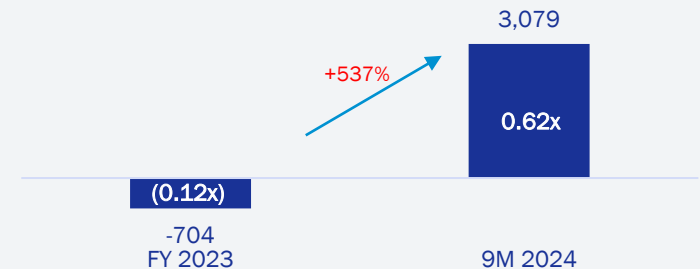
### Operational Cash Flow (MTL)



### Investment Spending (MTL)



### Net Debt (MTL) & Net Debt/EBITDA



The background 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 forward movement and speed. The lines of the road and the surrounding space are blurred, emphasizing the transition and progress.

# Mobility Transformation

# Three Key Investment Areas for Driving Mobility Transformation

## Mobility Solutions

### Creating New Business Models



- ✓ Pratik - Mobility Centers: Grow & transform
- ✓ EV services and e-charge network expansion
- ✓ Integration of Arvento platform: Become the premier choice for Fleet management

## Tire-Centric Solutions

### Maximizing ROI for Fleets Through Digitalization & E2E Garage Management



- ✓ Digital connectivity in the form of advanced telematics and predictive analytics technology

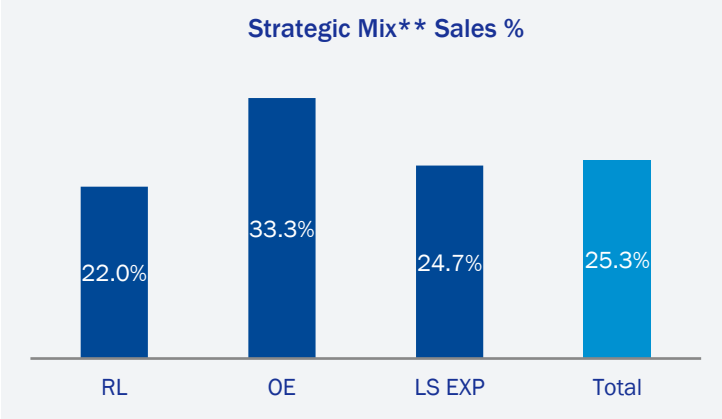
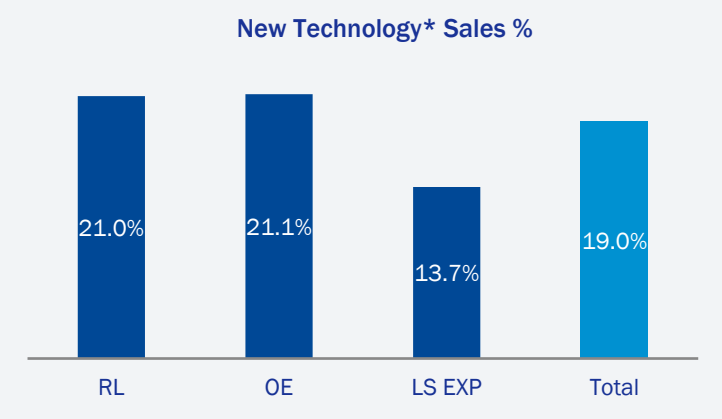
## Tires

### New Products for Future Requirements



- ✓ Tires for EVs and high performing products: Transform into premium tire retail network

## New Products for Future Requirements



### Transform into Premium Tire Retail Network:

- Tires for EVs
- High-Performing Products

\*New Technology: EV-ready product sales  
\*\*STR Mix: UHP + RFT + 4x4 \*\*\*9M 2024 data

## Fleet Services

Leader in digital fleet solutions:

- ✓ 10 different services
- ✓ 15k customers
- ✓ 102 field team

Operational productivity & cost minimization with **Profleet Fleet Management**

40% reduction in fleet tire cost with **Bandag & Veloxia**

Optimized fleet operations via Arvento vehicle telematics data

## Electrification

76 e-charge stations:

- ✓ 44% Türkiye coverage
- ✓ 5,832 Kw installed capacity  
(up by 1.6x)
- ✓ 5,355 unique customer  
(up by 2.0x)
- ✓ 692,363 kg carbon emission reduction  
(up by 2.4x)

## End-To-End Services

All brand vehicle - EV services:  
**Otopratik & Propratik**

Mobile & on-site mounting services

E-commerce portal: **Lastik.com.tr**

Maintenance e-commerce portal:  
**Otopratik.com.tr**

First in customer experience:  
**Digital Tire Assistant**

Telematics with **Arvento Mobile Systems**





Q & A

# Appendix

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

# Income Statement - IAS 29 Adjusted

MTL	Not Audited			Not Audited		
	Q3 2024	Q3 2023	2024-2023 Change, %	9M 2024	9M 2023	2024-2023 Change, %
Net Sales	7,609	8,663	-12%	23,986	26,816	-11%
Cost of Sales	-6,253	-6,595	-5%	-18,444	-20,305	-9%
<b>Gross Profit</b>	<b>1,356</b>	<b>2,068</b>	<b>-34%</b>	<b>5,542</b>	<b>6,510</b>	<b>-15%</b>
Operating Expenses*	-1,131	-1,179	-4%	-3,562	-3,493	2%
<b>Operating Profit*</b>	<b>225</b>	<b>889</b>	<b>-75%</b>	<b>1,980</b>	<b>3,017</b>	<b>-34%</b>
Amortization	564	501	12%	1,659	1,490	11%
<b>EBITDA**</b>	<b>789</b>	<b>1,391</b>	<b>-43%</b>	<b>3,639</b>	<b>4,507</b>	<b>-19%</b>
Income/Expense from Investment Activities (Net)	66	199	-67%	295	657	-55%
Financing Income/Expense (Net)	-951	-387	146%	-2,200	-1,239	78%
Monetary Gain/Loss (Net)	538	1,050	-49%	1,351	2,007	-33%
<b>Profit Before Tax</b>	<b>-166</b>	<b>1,693</b>	<b>-110%</b>	<b>989</b>	<b>3,971</b>	<b>-75%</b>
Tax	-142	-1,007	-86%	-481	-1,749	-72%
<b>Net Profit</b>	<b>-307</b>	<b>686</b>	<b>-145%</b>	<b>508</b>	<b>2,222</b>	<b>-77%</b>

\*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 - IAS 29 Adjusted

MTL	Not Audited	Audited	2024-2023 Change, %
	9M 2024	FY 2023	
Cash & Cash Equivalents	7,742	17,829	-57%
Financial Investments	1,520	1,810	-16%
Trade Receivables	6,121	5,188	18%
Inventories	5,051	4,467	13%
Property & Plant & Equipment	17,304	16,588	4%
Other Assets	3,433	4,468	-23%
<b>Total Assets</b>	<b>41,171</b>	<b>50,350</b>	<b>-18%</b>
Borrowings	13,723	21,211	-35%
Trade Payables	6,957	8,734	-20%
Other Liabilities	2,899	2,137	36%
Equity	17,591	18,268	-4%
<b>Total Liabilities &amp; Equity</b>	<b>41,171</b>	<b>50,350</b>	<b>-18%</b>
Net Debt/(Cash)	3,079	-704	537%
Trade Working Capital	4,215	921	358%

# Cash Flow Statement - IAS 29 Adjusted

MTL	Not Audited	
	9M 2024	9M 2023
Operational Cash Flow	1,915	2,317
Cash Flows From Investing Activities	-1,756	-130
<b>Free Cash Flow (w/o FX Protected Deposits (KKM))</b>	<b>-425</b>	<b>923</b>
FX Protected Deposits (KKM)	584	1,264
<b>Free Cash Flow</b>	<b>159</b>	<b>2,187</b>
Cash Flows From Financing Activities	-5,398	4,866
Inflation Effect on Cash and Cash Equivalents	-4,614	-2,707
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>-9,853</b>	<b>4,346</b>

**THANK YOU**

## **INVESTOR RELATIONS CONTACTS**

**NESLİHAN DÖNGEL ÖZLEM**  
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Investor Relations Manager  
[e.kucukcobanoglu@brisa.com.tr](mailto:e.kucukcobanoglu@brisa.com.tr)