



Investor Presentation Q3 2023

November 2023

BRIDGESTONE

SABANCI

01 Macroeconomic Environment and Brisa Highlights

02 Market & Sales Operations

03 Financial Performance

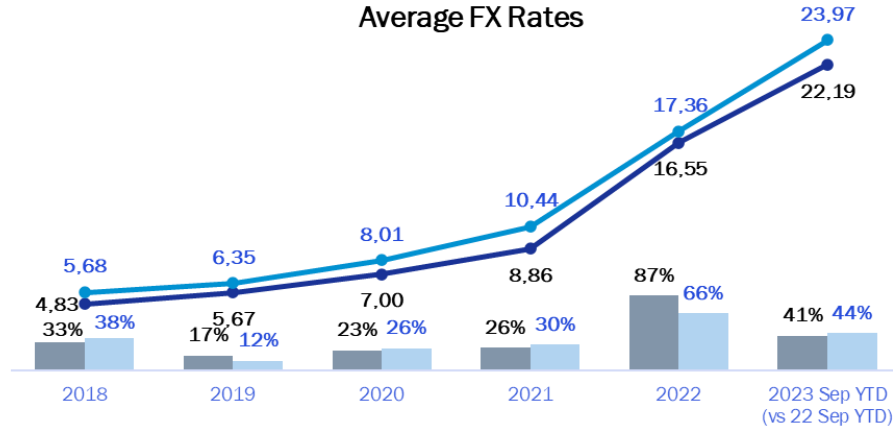
04 Sustainability

01

Macroeconomic Environment and Brisa Highlights

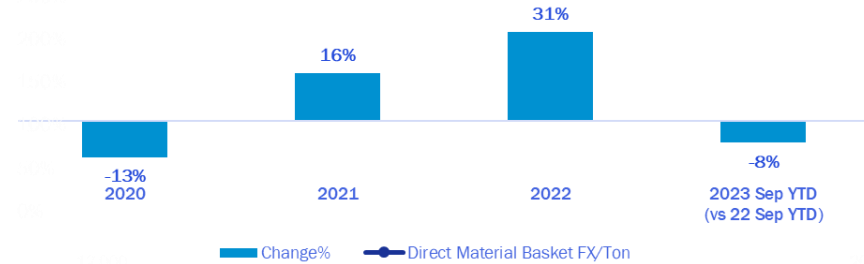
The macroeconomic environment has been challenging with high inflation, increasing FX rates and funding costs

Average FX Rates

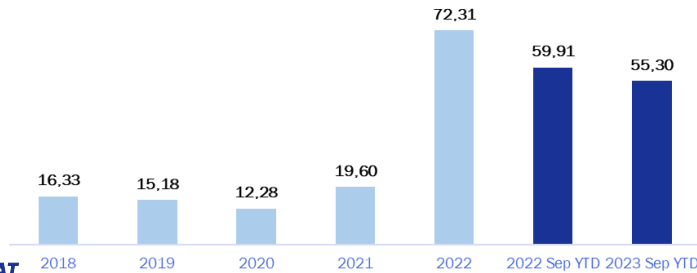


Source: CBT

Direct Material Basket FX/Ton

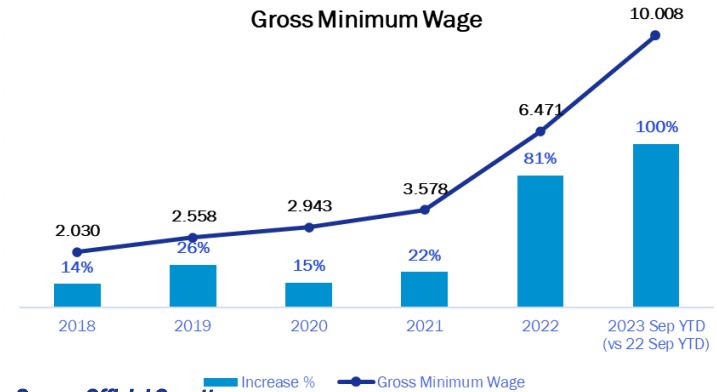


Consumer Price Index 12 months average change%



Source: TURKSTAT

Gross Minimum Wage



Source: Official Gazette

Our strong results for the first 9 months of 2023 reflect our well-positioned, resilient portfolio.

Strong Results

Revenue Growth

53%

EBITDA Growth

56%

Net Income* Growth

70%

Resilient Balance Sheet

Low Leverage

Balanced FX Position

Best-in-class Trade Working
Capital Days

Diversified Financial
Instruments i.e. First Corporate
Bond Issuance

First sustainability linked loan
agreement with the European
Bank for Reconstruction and
Development (EBRD)

Strong Steps towards Mobility Transformation

122 Otopratik, Propratik service
centers

41 e-charge stations

IoT solutions with Arvento

Leading Industry in Sustainability

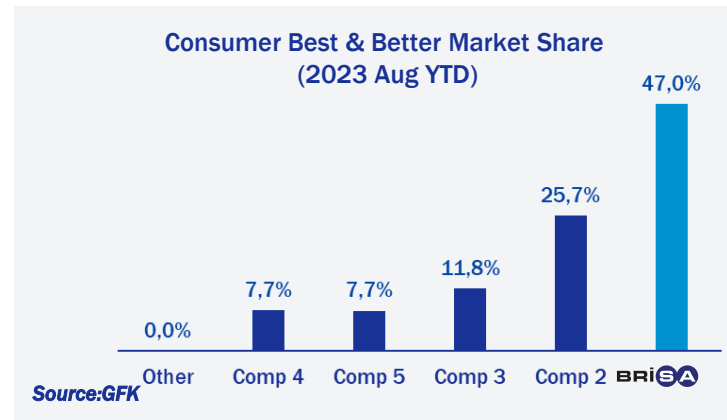
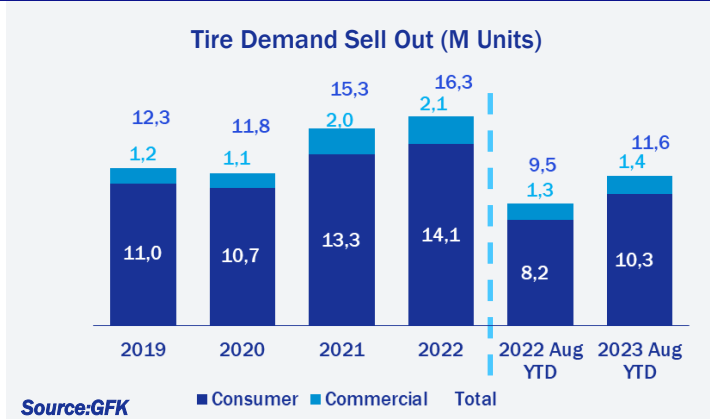
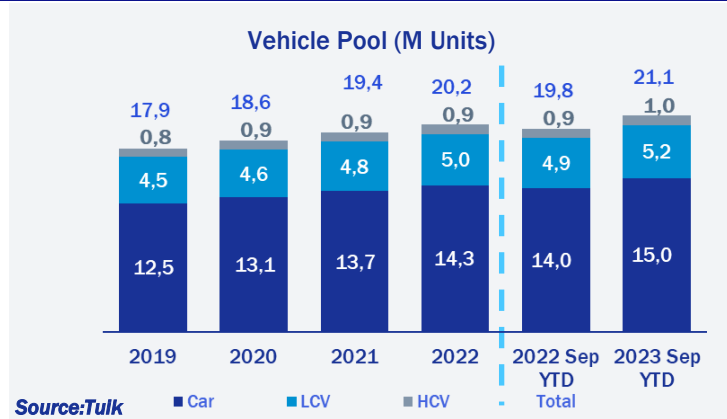
Sustainalytics ESG Risk
Evaluation: Low Risk

IDC Awards: The Project of the
Year: Brisa Factory Smart Heating
System (IoT project)

02

Market & Sales Operations

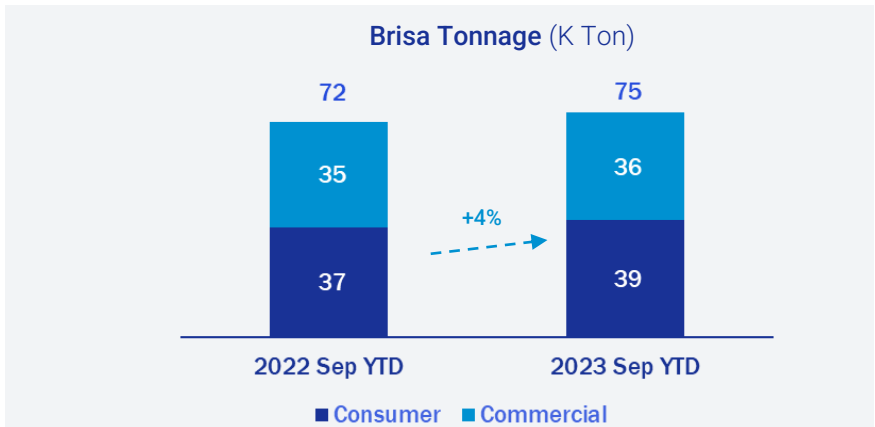
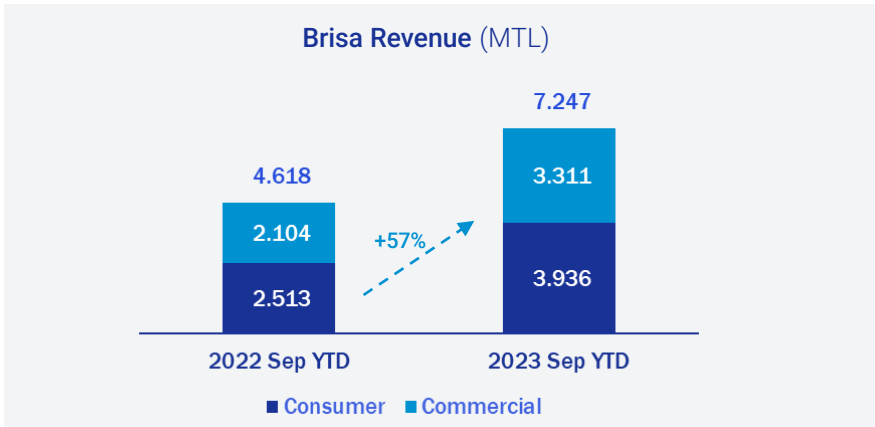
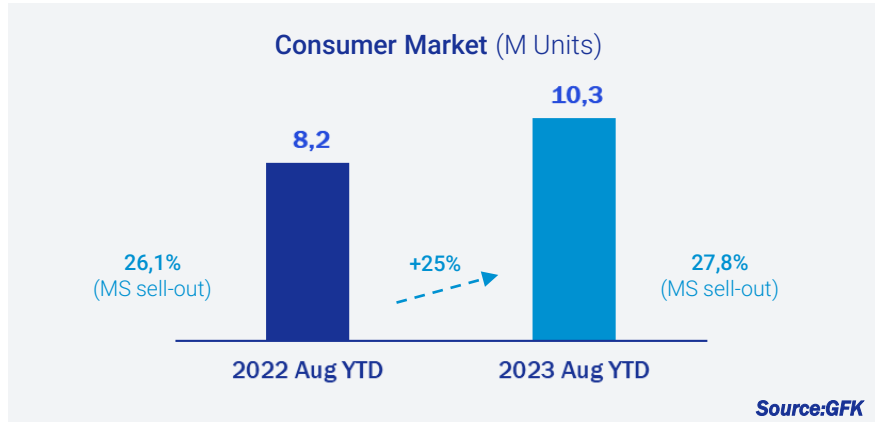
Replacement Channel - Undisputable Leadership maintained in RL channel



Vehicle pool CAGR
+3,4 % between
2019-2023

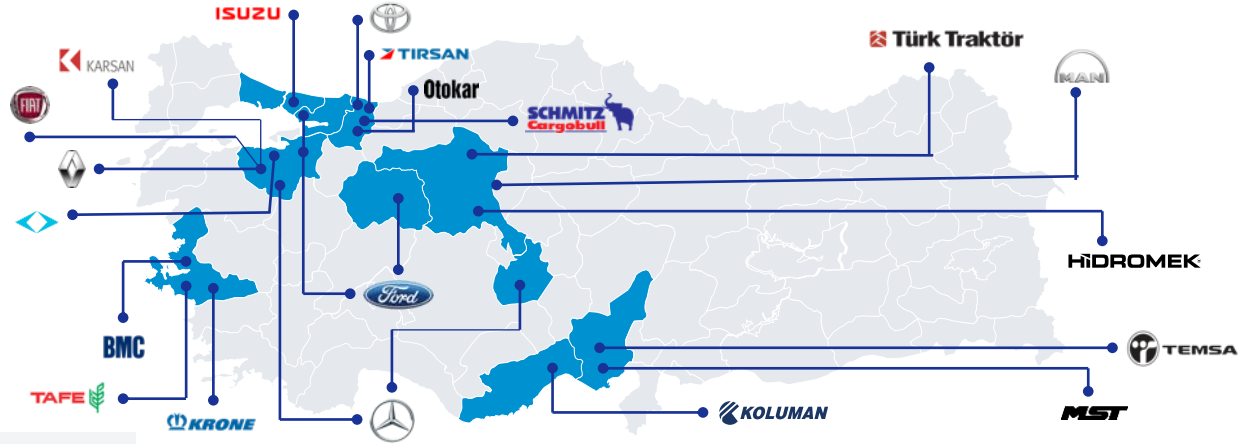
Dan Totsu in Turkish
Replacement Market
keeping risk levels
very low and robust
collection scheme in
the contracting
liquidity environment

Replacement Channel – Sell-out market share gains with active sales network and strong brand



OE Channel – Continuous growth with new capabilities and new projects

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



TOYOTA
High Dia. Rims with Enliten Tech

Togg
T10X Single Supplier

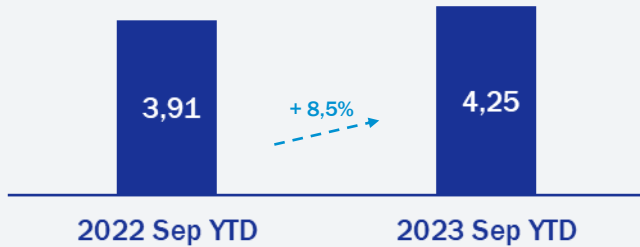
Ford
EV LVR tire supply

The diagram features a central blue circular graphic with dashed arrows pointing to three vehicle images: a yellow Toyota SUV, a red Togg SUV, and a blue Ford van. Each image is accompanied by its respective brand name and a specific product or service description.

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

OE Channel – Overperformed the market growth with robust business model as the main supplier of leading OEMs

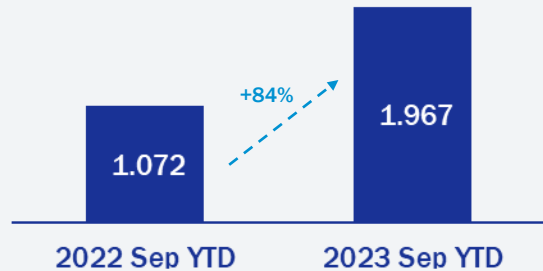
Consumer Market (M Units)



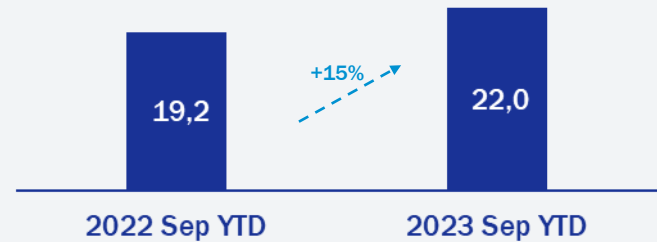
Commercial Market (M Units)



Brisa Revenue (MTL)



Brisa Sales (K Ton)



Lassa Export Channel – Resilient performance in international markets despite slowdowns, price pressures and regulatory challenges



88 Countries



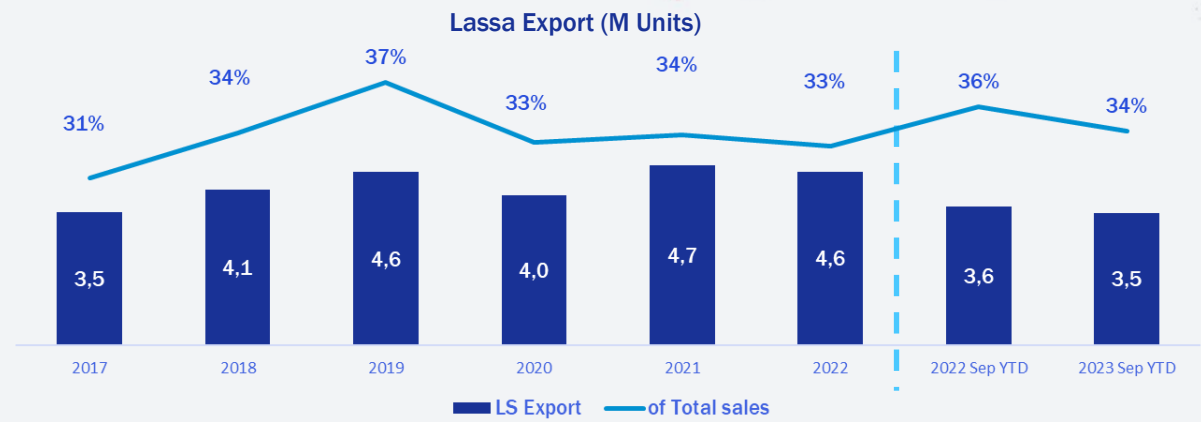
600+ Lassa Branded Stores

Expansion to Brazil

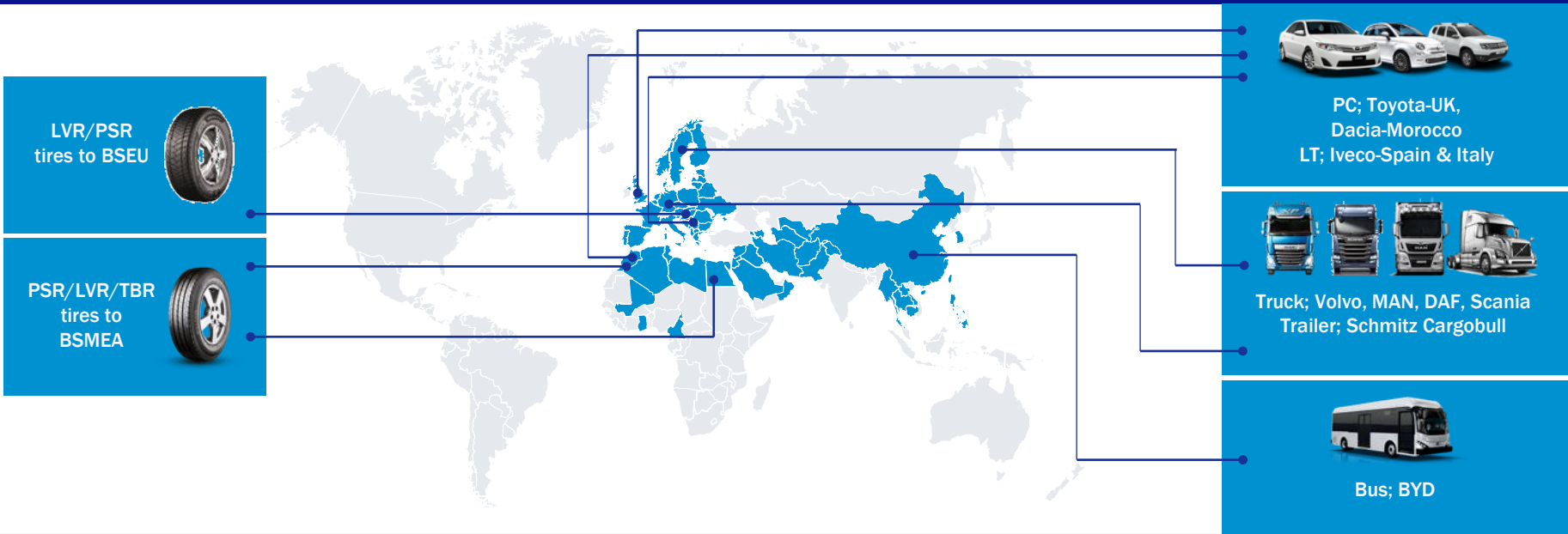
Market share gains in

19
Countries

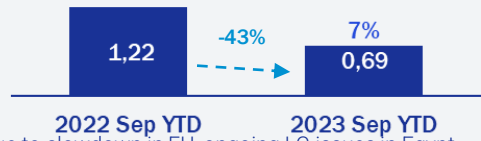
Europe: Bulgaria, Hungary, Romania, Montenegro, United Kingdom, Italy, Sweden .
Non - Europe: Morocco, Tunisia, Algeria, Iraq, the United Arab Emirates, Lebanon, Pakistan, Belarus, Kazakhstan, Moldova, and Ukraine



Bridgestone Export Channel – Adapting to EU Slowdown and Addressing LC Issues



Bridgestone Direct Sales Network (M Units)
12%

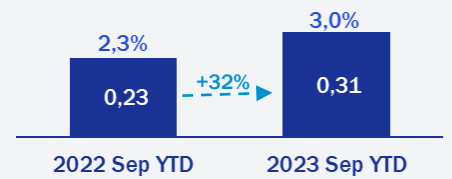


* Due to slowdown in EU, ongoing LC issues in Egypt.

Dayton LVR tires export to Morocco for fighting segment

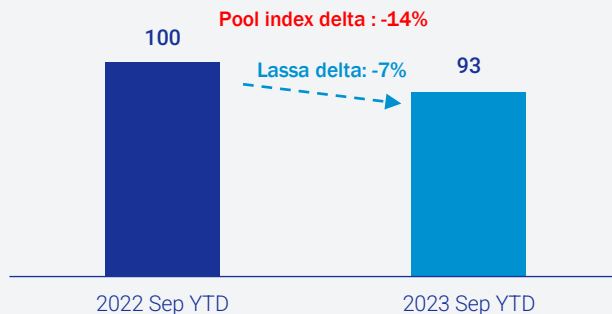
Release new Duravis All Season for light trucks

OEM Export Sales Network (M Units)



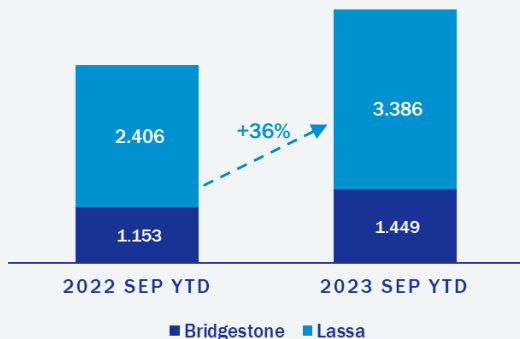
International Sales in Total – Outperformed the markets we are in

International Markets (Index)



Despite tough environment, Lassa sales outperformed compared to R1&R2 market.

International Sales Revenue (MTL)



International Sales Tonnage (K Ton)



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

FLEET SERVICES

- Leader in digital fleet solutions with 10 different services
- Operational productivity and cost minimization with Profleet Fleet Management
- 40% reduction in fleet tyre cost with retread services, Bandag

15K+ fleet customers
107 field team
2339 customer visits

ELECTRIFICATION

- Services for all consumer and commercial tyre types with our 41 esarj stations at Otopratik, Propratik and BS performance center points in cooperation with Esarj, a subsidiary of Enerjisa.
- Tyres for electric vehicles (Low rolling resistance, low noise level, lightness)
- HEV-EV maintenance in 40 Fast Fit Services: Completion of trainings, new design for workshop, totem and outside sign, purchasing special tools and safety materials.

2023 Target:
70 E-charge stations,
EV maintenance in 50 Otopratik
service points

END TO END SERVICES

- Mobile and onsite mounting services
- E-commerce: Lastik.com.tr
- New generation vehicle maintenance experience with Otopratik with online price quoting & instant booking
- First in customer experience: Digital Tyre Assistant

2023 Target: Reach 150
Otopratik and Propratik service
points

03

Financial Performance

3rd Quarter 2023 Performance



51%
Revenue
Growth



23,3%
EBITDA
Margin



44%
Net Sales
Revenue
per ton



4,67%
Tonnage
Change



1.183
FCF**
Million TL



vs.PY
114%
1.040
Net Income*
Million TL



18
TWC Days***



0,02
Net DEBT/
EBITDA***

* Excludes one-off deferred tax revenue impact arising from tax incentive. Net income including one off is 1.007 MTL.

** FX indexed deposit reclassification is not included as its nature is also a cash equivalent with 3 months maturity & excluding early payments due to fx holding limitations.

***Excluding early payments due to fx holding limitations.

Revenue Channel Breakdown

RL 2.588MTL

TR OE 708MTL

LS Exp 1.291MTL

BS Exp 662MTL

Other 226MTL

(*includes revenues of Arvento,Bandag,Nontyre.)

September YTD 2023 Performance



53%
Revenue
Growth



22,2%
EBITDA
Margin



54%
Net Sales
Revenue
per ton



-0,4%
Tonnage
Change



1.297
FCF**
Million TL



2.421
Net Income*
Million TL

vs.PY
70%



18
TWC Days***



0,02
Net DEBT/
EBITDA***

* Excludes one-off tax expense due to additional earthquake tax and also deferred tax revenue impact arising from tax incentive. Net income including one off is 2.154 MTL.
 ** FX indexed deposit reclassification is not included as its nature is also a cash equivalent with 3 months maturity & excluding early payments due to fx holding limitations.
 ***Excluding early payment due to fx holding limitations.

Revenue Channel Breakdown

RL 7.247MTL

TR OE 1.927MTL

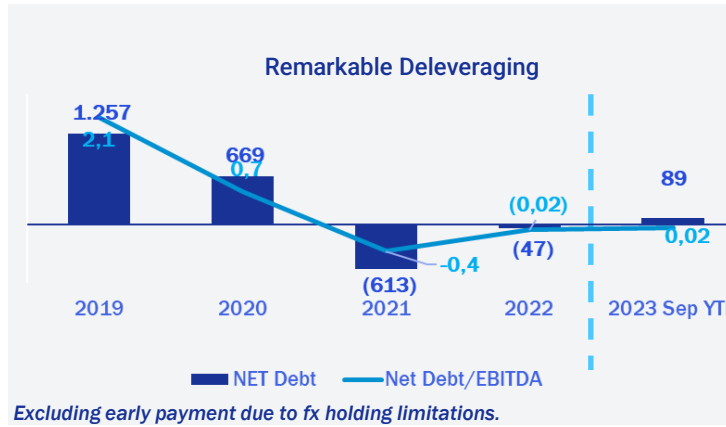
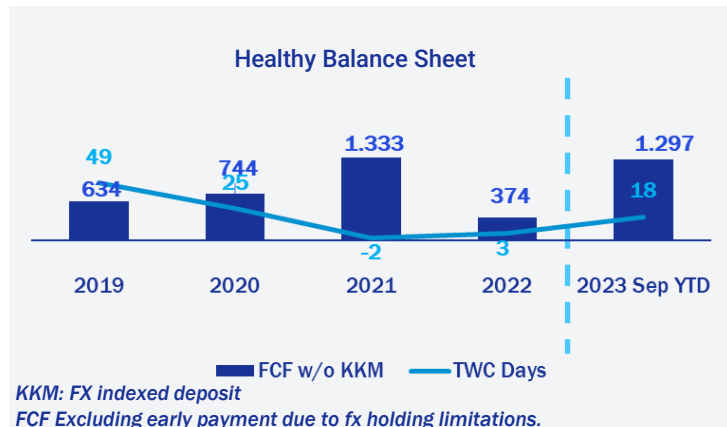
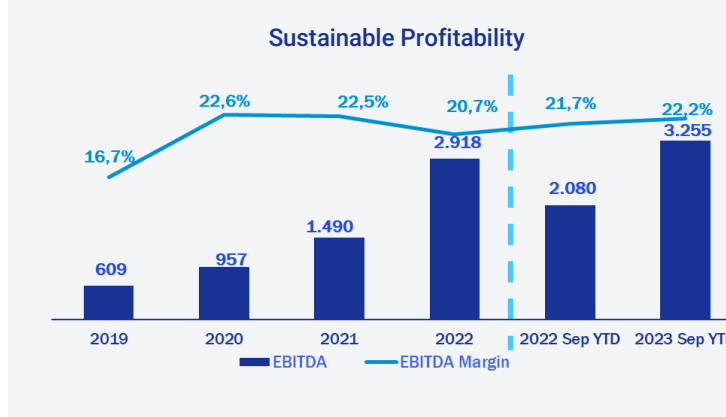
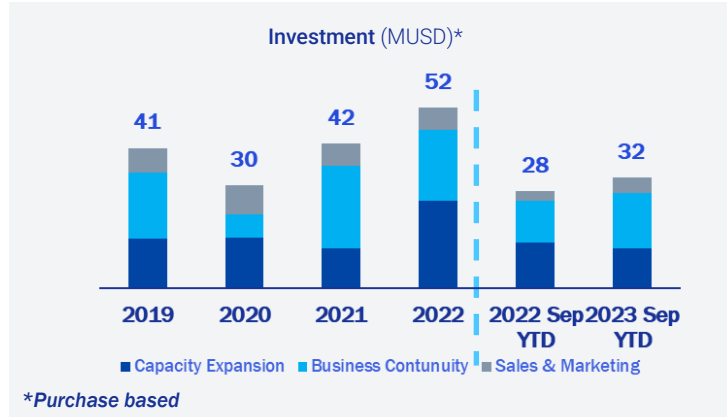
LS Exp 3.386MTL

BS Exp 1.490MTL

Other 580MTL

(*includes revenues of Arvento,Bandag,Nontyre.)

Resilient balance sheet with strong profitability



- Continued investments
- Sustainable profitability
 - Pricing agility and Strong order book
 - Cost management
 - Operational Efficiency
- Well-managed financing through profound hedging and very low leverage

70% net income* growth thanks to robust operating performance accompanied with strong financial management

| | 2023 Q3 | | | | 2023 | | | |
|-------------------------|---------|--------|---------|-------|--------|--------|-------|-------|
| | MTL | | MUSD | | MTL | | MUSD | |
| | 2023 Q3 | vs PY | 2023 Q3 | vs PY | 2023 | vs PY | 2023 | vs PY |
| Revenue | 5.475 | 151% | 205 | 101% | 14.630 | 153% | 659 | 109% |
| EBITDA | 1.275 | 175% | 48 | 117% | 3.255 | 156% | 147 | 111% |
| EBITDA Margin | 23,3% | 3,2 pp | 23,3% | 3% | 22,2% | 0,5 pp | 22,2% | 1% |
| Operating Profit | 1.177 | 179% | 44 | 120% | 2.976 | 159% | 134 | 113% |
| OP Margin | 21,5% | 3,4% | 21,5% | 3% | 20,3% | 0,8% | 20% | 1% |
| KKM Inc/Exp | 125 | 208% | 5 | 139% | 359 | 500% | 16 | 355% |
| Net income | 1.007 | 181% | 38 | 121% | 2.154 | 146% | 97 | 103% |
| Net income w/o one-off* | 1.040 | 214% | 39 | 143% | 2.421 | 170% | 109 | 121% |

EBITDA margin realized at 22,2%

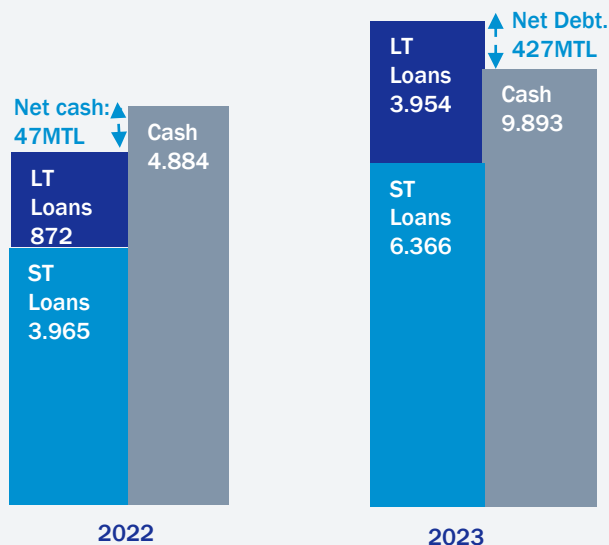
Successful financial management

* One-offs: Deferred tax revenue impact arising from tax incentives, earthquake additional 10% tax, and early retirement related payments.

Strong liquidity with balanced FX position and very low leverage



*w/o early payment:



| (M TL) | 31.12.2022 | 30.09.2023 |
|-------------------------------|---------------|---------------|
| Cash | 4.884 | 9.893 |
| Receivables | 2.401 | 3.552 |
| Inventory | 2.364 | 3.086 |
| Other | 5.922 | 6.914 |
| Total Asset | 15.572 | 23.445 |
| Payables | 4.376 | 4.571 |
| Total Financial Debt | 6.793 | 12.250 |
| Financial Debt | 4.837 | 10.320 |
| CCS | 1.956 | 1.930 |
| Other Liabilities | 1.107 | 2.304 |
| Equity | 3.296 | 4.320 |
| Liability & Equity | 15.572 | 23.445 |

Brisa signed a loan agreement with the EBRD on September 18, 2023 for a 6-year maturity with 2 years grace period loan amounting to USD 100 million or its EUR or TRY equivalent.

Normalization in TWC days, still far below global and local competitors

Still significantly low level of ND/EBITDA of 0,10 despite one-time early payments

Strong cash flow generation except for one-time early payments which will contribute to the next quarter's cash flow generation

| | 2023 Q3 | | | | 2023 | | | |
|----------------------------------|---------|-------|---------|------|--------|-------|------|------|
| | MTL | | MUSD | | MTL | | MUSD | |
| | 2023 Q3 | Δ PY | 2023 Q3 | Δ PY | 2023 | Δ PY | 2023 | Δ PY |
| EBITDA | 1.275 | 546 | 48 | 7 | 3.255 | 1.175 | 147 | 15 |
| Oper. Cash Flow | 1.853 | 1.936 | 69 | 74 | 1.893 | 1.742 | 85 | 76 |
| Oper. Cash Flow* | 1.576 | 1.659 | 59 | 64 | 2.230 | 2.079 | 100 | 91 |
| Investment (-) | -393 | -146 | -15 | -1 | -933 | -411 | -42 | -9 |
| Subsidiary acquired, net of cash | | | | | 0 | 136 | 0 | 9 |
| Free Cash Flow w/o KKM | 1.460 | 1.791 | 55 | 73 | 959 | 1.466 | 43 | 75 |
| Free Cash Flow w/o KKM* | 1.183 | 1.514 | 44 | 63 | 1.297 | 1.804 | 58 | 91 |
| KKM | -369 | 883 | -14 | 56 | 136 | 1.387 | 6 | 86 |
| Free Cash Flow After KKM | 1.091 | 2.673 | 41 | 130 | 1.095 | 2.854 | 49 | 161 |
| Change in Fin. Debt | 3.171 | 2.080 | 119 | 58 | 4.966 | 3.022 | 224 | 100 |
| Financial Expense | -149 | -5 | -6 | 3 | -476 | -167 | -21 | -2 |
| Dividend Paid | 0 | 0 | 0 | 0 | -1.192 | -529 | -54 | -12 |
| Other | 38 | -54 | 1 | -4 | 328 | 18 | 15 | -5 |
| Change in Cash | 4.151 | 4.695 | 156 | 186 | 4.721 | 5.198 | 213 | 243 |

Dividend of 1.192 MTL distributed

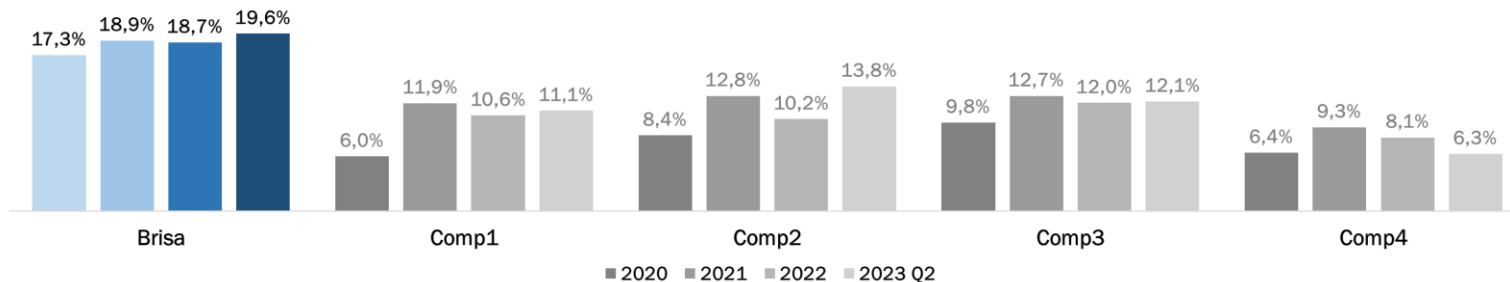
*Other: Foreign Exchange difference gain from financial policy

*Excluding early payment due to fx holding limitations.

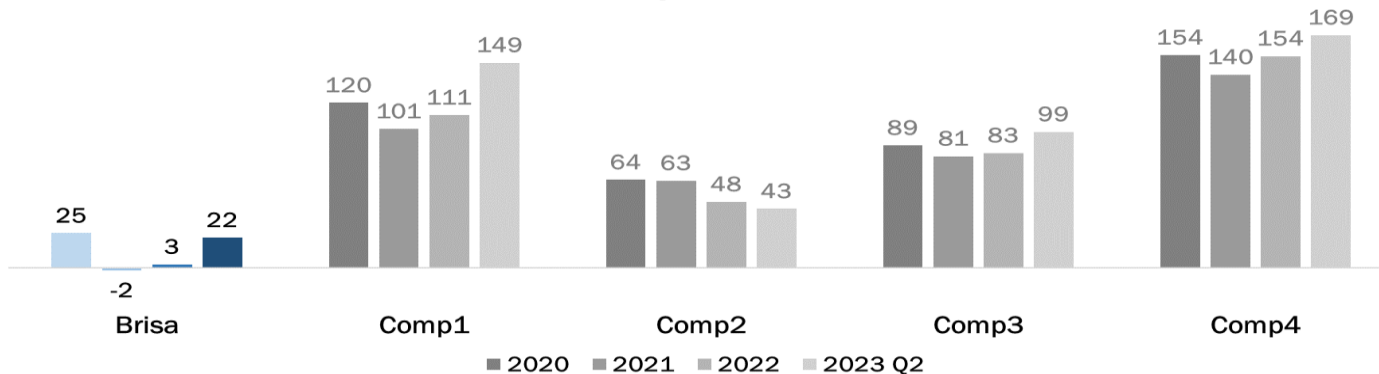
Best-in-class operating margins and Trade Working Capital Days

Operating Income Margin

(Operating Income = Gross Profit - S&A R&D Expense)



Trade Working Capital Turnover Days



04

Sustainability



- SBTI, Targets Set Category, acc.to 1.5°C scenario, 1st international tyre company
- Turkey Water Security Leader, 4th time
- Climate Change Global Leader, 6 time in Turkey, 1st time Globally
- Supplier Engagement Global Leader, 4th time
- Ecovadis Gold Status
- Leed, Gold Certificate, Academy Building



- Refinitiv, Excellent A Grade
- SROI:

| | | |
|--------------------------|------------|-----------|
| 1:7 | 1:6 | 1:3 |
| Students | Women | Women |
| High School & University | At Dealers | Engineers |
- Digital Maturity Index Score above Turkey average
- Digital Tyre Assistant, TUSIAD Digital Transformation in Industry Program, “Sustainability of Technology” award
- Bloomberg GEI, 72 Above Universe & Industry average
- “Best Sustainability Project of The Year ” by IDC Awards, “Sustainability Special Award” by Sabancı DNA



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INVESTOR RELATIONS CONTACTS

NESLİHAN DÖNGEL ÖZLEM
CFO
n.dongel@brisa.com.tr

ÖZCAN AKYAZI
Manager, Budget and Reporting
o.akyazi@brisa.com.tr

NORA SABAH
Specialist, Budget and Reporting
n.sabah@brisa.com.tr