



Brisa

2Q 2023 Financial Results

Earnings Release

7 Aug 2023

Brisa continued its sustainable growth with its strong performance and effective financial management in the first half of 2023

Sabancı Holding and Bridgestone Corporation subsidiary Brisa, the mobility leader in the Turkish tire industry, demonstrated a strong performance with balanced sales channels and high brand power and increased its revenue by 54% to 9.1 billion TL in the first half of the year.

Despite the inflationary environment and cost increases due to exchange rates in the first half of the year, the company maintained its operational profitability through risk hedging transactions and effective pricing strategy and showed a 48% increase in operating profit.

In the first half of the year, the company's net profit increased by 48% to 1 billion 380 million TL compared to the same period last year, excluding one-time taxes.

Brisa CEO Haluk Kürkçü, who evaluated Brisa's first half results in 2023, said, "After the earthquake that occurred on February 6, we continue our support activities in the region rapidly as Brisa. Education is the most important issue to be resolved in the region. With the contributions of Sabancı Foundation and our partners Bridgestone, we opened Sabancı Lassa Middle School in Dörtöy, Hatay. During the same period, we produced and sent over 20 mobile container stores specifically for our dealers whose stores were damaged due to the earthquake, for the continuity of their business. We have added new ones to our fast maintenance service chain, Otopratik and Propratik stores, which we position as mobility centers. As part of our growth target in international markets, we have strengthened our brand investments and increased our market share in a total of 18 countries in Europe and non-European markets in the first 6 months of the year with our Lassa brand. Especially in non-European markets, our Lassa brand has outperformed the market." He said we are moving confidently towards the net zero emissions target in 2050 in terms of sustainability. We identify, measure, and plan our actions in all areas of sustainability.

CONSOLIDATED FINANCIAL HIGHLIGHTS

- Although there are effects of the major earthquake and election in our country in the first half of 2023, and the inflationary environment in international markets, Brisa increased its sales revenue with its balanced sales channel portfolio. In the second quarter of 2023, sales revenue increased by 39% compared to the same period of the previous year, reaching 4,494 million TL, and in the first 6 months of 2023, it increased by 54% compared to the same period of the previous year, reaching 9,156 million TL. Domestic revenue increased by 51% in the second quarter of 2023 compared to the same period of the previous year, reaching 3,080 million TL, and in the first 6 months of 2023, it increased by 66% compared to the same period of the previous year, reaching 6,151 million TL. In our European and non-European markets, sales revenue increased by 18% in TL terms in the second quarter of 2023 compared to the same period of the previous year, reaching 1,413 million TL, and in the first 6 months of 2023, it increased by 33% compared to the same period of the previous year, reaching 3,005 million TL.

- With effective pricing policies, strong hedging policies against exchange rate risk, and increased efficiency in production, EBITDA increased by 78% in the second quarter of 2023 compared to the same period of the previous year, reaching 988 million TL, and in the first 6 months of 2023, it increased by 47% compared to the same period of the previous year, reaching 1,979 million TL.
- By managing our risks well in this macro environment, net profit increased by 97% in the second quarter of 2023 and by 24% in the first 6 months of 2023 compared to the same period of the previous year, reaching 610 million TL and 1,147 million TL respectively.
- The one-time earthquake tax imposed this year is a significant one-time expense item, and excluding one-time expenses, Brisa's net profit is 1,380 million TL, showing a 48% increase compared to the previous year.

STRATEGIC HIGHLIGHTS

- We have Otopratik stores in 91 locations and Propratik stores in 21 locations in Turkey. Our aim is to reach a total of 150 stores by 2023.
- Electric vehicle production is expected to account for 50% of the total vehicle market in the next 5 years. As Brisa, we are increasing our investments in charging stations, which is an important criterion for the widespread use of electric vehicles, and our target is to increase the number of stations to nearly double, reaching 70 stations by the end of the year.
- Our efforts in the Sustainalytics ESG Risk Assessment were evaluated at a Low Risk level.
- Our Smart Factory Heating Control System project, based on IoT, which ensures equal heat distribution in every area of our production site in İzmit, was selected as the project of the year in the sustainability category at the IDC Awards.

Sales Tonnage	1 January- 30 June 2023	1 January- 30 June 2022	Change %
Domestic	65.595	62.622	4,7
Export	35.044	41.029	-14,6
Total	100.638	103.651	-2,9
Sales Tonnage (Channel Based)			
Replacement	50.700	49.798	1,8
OE	14.895	12.825	16,1
Domestic Total	65.595	62.622	4,7
Lassa Export	25.403	25.918	-2,0
Bridgestone Export	9.641	15.111	-36,2
Export Total	35.044	41.029	-14,6
General Total	100.638	103.651	-2,9
Net Sales (Million TL)			
Domestic Sales	6.150,6	3.700,3	66,2
Export Sales	3.005,0	2.251,6	33,5
Net Sales	9.155,6	5.952,0	53,8
Million US Dollar			
Export Sales	164,4	162,5	1,2
Summarized Income Statement (Million TL)			
Net Sales	9.155,6	5.952,0	53,8
Gross Profit	2.905,9	1.875,8	54,9
Operating Profit	1.799,0	1.212,0	48,4
Net Profit	1.147,3	923,2	24,3
Net Profit before one offs	1.380,5	934,8	47,7
EBITDA	1.979,3	1.350,2	46,6
EBITDA Margin%	21,6%	22,7%	-1,07%
Net Profit Margin%	12,5%	15,5%	-2,98%

2Q 2023	2Q 2022	Change %
32.396	32.261	0,4
15.994	20.549	-22,2
48.390	52.811	-8,4
Sales Tonnage (Channel Based)		
24.822	25.621	-3,1
7.573	6.641	14,0
32.396	32.261	0,4
11.627	12.688	-8,4
4.367	7.861	-44,4
15.994	20.549	-22,2
48.390	52.811	-8,4
Net Sales (Million TL)		
3.080,2	2.041,3	50,9
1.413,6	1.196,4	18,2
4.493,7	3.237,7	38,8
Million US Dollar		
74	82	-9,6
Summarized Income Statement (Million TL)		
4.494	3.238	38,8
1.473,0	864,8	70,3
894,0	481,2	85,8
610,4	309,1	97,5
587,4	315,8	86,0
988,1	555,3	77,9
22,0%	17,1%	4,84%
13,6%	9,5%	4,04%