

Brisa

1Q 2023 Financial Results

Earnings Release

3 May 2023

Brisa continued its sustainable growth by delivering a strong performance in the first quarter of 2023.

Brisa, the leading mobility provider in the tire industry, showed significant growth as a key supplier in Turkey's rapidly expanding automotive industry, benefiting from the recovery of chip and other material constraints compared to last year.

In the first quarter of 2023, Brisa increased its export revenues to \$90 million, up by 12% YoY.

Brisa achieved a net profit of 793 million TL in 1Q23, excluding one-off income and expenses, surpassing last year's figure by 28%.

In his evaluation of 1Q23 results, Brisa CEO Haluk Kürkçü made the following statement: "Brisa immediately initiated support activities in the region following the earthquake disaster that occurred on February 6, and continues to do so to date. With both our company resources and volunteer employees, we contributed to the region by delivering basic necessities, sending tents and containers, and supporting vehicles that carry supplies through our mobile service operations. We also began the production and shipping of over 20 container stores to ensure the business continuity of our dealer stores affected by the quake. Brisa continues its stable and balanced growth story with the aim of developing our mobility solutions business and taking leadership in this field. We have added new stores to our Otopratik and Propratik quick maintenance service chain, which we have positioned as mobility centers. The number of our charging stations, a key criteria for the widespread adoption of electric vehicles, has reached 36." Haluk Kürkçü also emphasized that they will continue implementing action plans based on tangible targets for sustainability, setting a target to reduce their direct emissions by 56% by 2030 and reach net zero emissions by 2050.

CONSOLIDATED FINANCIAL HIGHLIGHTS, 1Q23

- Despite challenging global and local conditions, revenues increased by 72% YoY and amounted to 4,662 million TL with balanced sales channel portfolio. Domestic revenues increased by 85% YoY and reached 3,070 million TL. Revenues in European and non-European markets grew by 12.2% YoY, in USD terms, and reached 90 million USD.
- EBITDA increased by 24% YoY to 991 million TL, thanks to effective pricing policies, strong hedging policies against currency risk, and increased productivity.
- Net profit was 537 million TL. Net profit excluding one-off income and expenses and including the additional earthquake tax of 181 million TL, was 793 million TL, up by 28% YoY.
- 1st quarter gross profit includes the hedge profit amounting to 222 million TL, consisting of derivative transactions made for hedging cash flow foreign currency risk. Excluding this hedge profit, 1Q23 gross margin is 29.08%, EBITDA margin is 21.12% and Net Profit margin is 14.46%.
- Net Debt/EBITDA is very low at 0,47 and net debt is 1.474 million TL.



STRATEGIC HIGHLIGHTS

- Brisa continued with its strategy to secure more favorable financing than the market conditions with its first corporate bond issuance in 1Q23.
- 1.192 million TL dividend was distributed in March.
- New Otopratik and Propratik stores, positioned as mobility centers for fast maintenance service chain, were opened. The number of charging stations, which is a critical driver in increasing use of electric vehicles, reached 36.
- Tires produced for electric vehicles with Enliten technology were launched.
- Brisa ranked in the “excellent” category in terms of environmental, social, and governance (ESG) performance by Refinitiv, operated by the London Stock Exchange Group (LSEG). Brisa ranked 1st in the world tire industry and 3rd in the automotive industry at Refinitiv.
- Brisa was once again among Turkey's Climate Change Leaders and Water Leaders under the Carbon Transparency Project (CDP).

Consolidated Brisa Financial Results

Sales Tonnage	1 January- 31 March 2023	1 January- 31 March 2022	Change %
Domestic	33.199	30.361	9,3
Export	19.050	20.480	-7,0
Total	52.248	50.841	2,8
Sales Tonnage (Channel Based)			
Replacement	25.877	24.177	7,0
OE	7.321	6.184	18,4
Domestic Total	33.199	30.361	9,3
Lassa Export	13.776	13.230	4,1
Bridgestone Export	5.274	7.249	-27,3
Export Total	19.050	20.480	-7,0
General Total	52.248	50.841	2,8
Net Sales (Million TL)			
Domestic Sales	3.070,5	1.659,0	85,1
Export Sales	1.591,4	1.055,2	50,8
Net Sales	4.661,9	2.714,2	71,8
Million US Dollar			
Export Sales	90,4	80,5	12,2
Summarized Income Statement (Million TL)			
Net Sales	4.661,9	2.714,2	71,8
Gross Profit	1.432,9	1.011,0	41,7
Operating Profit	905,0	730,8	23,8
Net Profit	537,0	614,2	-12,6
Net Profit before one offs	793,1	619,0	28,1
EBITDA	991,2	794,9	24,7