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# Investor Presentation Q2 2022

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Jul 2022



# BRISA

## at a Glance



### Strong Partnership

Sabancı Holding (43,64%), Bridgestone (43,64%) Free float (10,2%), Other (2,5%)



### Manufacturing

Izmit - 11M Production Capacity  
Aksaray – 2.5M Production Capacity



### Sales Channels



### Our Talents

3.299 employees



### Brands, Products, Mobility Services



### R&D Center



### Digital Solutions



### Our Local & Global Network

1300 pos locally, 6000 pos globally,  
87 countries

01 Brisa Strengths & Strategy

02 Sustainability

03 Technology

04 Market & Sales Operations

05 Financial Performance

## 01 FINANCIALLY STRONG

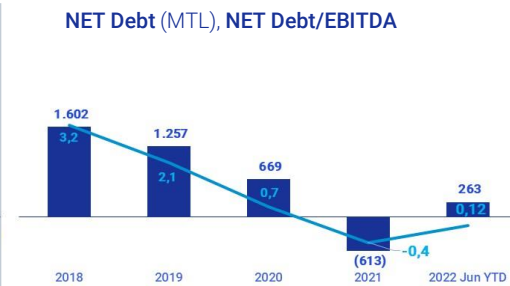
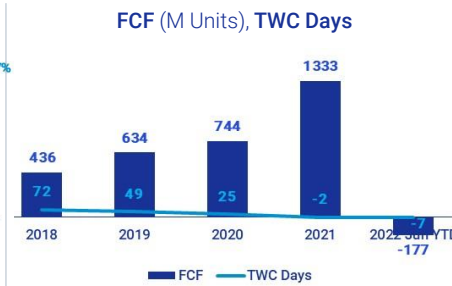
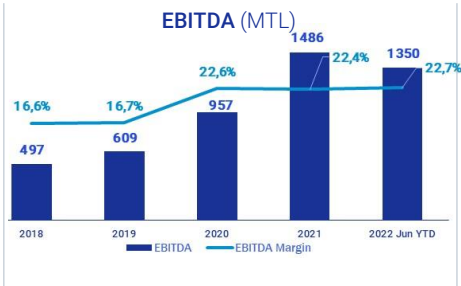
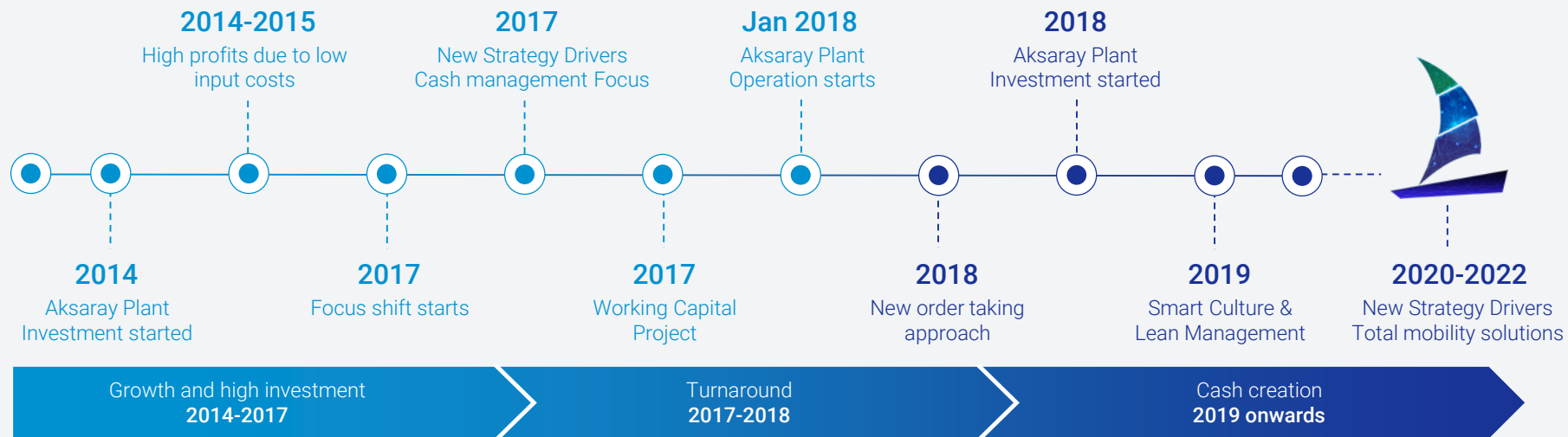
- Market Leader
- Balanced Portfolio (Turkey, International Markets, OE)
- Low level of TWC days
- Resilience to foreign exchange volatility
- Arvento Acquisition

## 02 A LEADING COMPANY IN ESG

- 2050 - Net Zero Target
- Emission Reduction targets approved by Science Based Targets Initiative
- Ecovadis Gold Status
- CDP Turkey Climate Change and Water Leader
- CDP Supplier Engagement Global Leader

## 03 FUTURE-ORIENTED, TECHNOLOGICALLY STRONG

- Strong R&D adaptable to the new automobile technologies
- Smart technologies in production
- Mobility Leader in Turkey
- Digital Maturity Level over Turkey average



## SMART CULTURE

- Continuing Digital Transformation
- Future of Work

## ENHANCE EXPORT

## OPERATIONAL EXCELLENCE

## DAN-TOTSU

- Premium Products
- Car Mobility Solutions
- Commercial Fleet Mobility Solutions
- New Generation Retail Services

## TOTAL MOBILITY SOLUTIONS

## PIONEER IN SUSTAINABILITY



## ESG STRATEGY



### Transition to Low Carbon Economy

- Carbon Emission
- Energy Management
- Water Management
- Waste Management
- Responsible consumption & production
- Green Procurement
- Biodiversity



### Transition to Low Touch Economy

- Digital transformation
- Mobility solutions



### Social and Cultural Transformation

- Health&Safety
- Education
- Desired Workplace
- Entrepreneurship
- Equality&Diversity



## TARGETS

### LOW CARBON



# 2050

Net Zero

# 2030

%56 Emission Reduction

# 2023

ZERO DISPOSABLE PLASTIC

# 2023

RENEWABLE ENERGY 23-29%

# 2025

%75 REDUCTION IN GROUND WATER CONSUMPTION IN IZMİT PLANT

# 2030

%70 REDUCTION IN WATER WITHDRAWALS IN AKSARAY PLANT

## AWARDS & RECOGNITION



- SBTi, Targets Set Category, acc.to 1,5°C scenario, 1st international tyre company



- Turkey Water Leader, 3<sup>rd</sup> time
- Turkey Climate Change Leader, 6<sup>th</sup> time
- Supplier Engagement Global Leader, 3<sup>rd</sup> time
- Leed, Gold Certificate, Academy Building



- Inovalig, Innovation Organization and Culture, Grand Prize
- Brandon Hall, Boost-Sales Development Program", Excellence Award



- Digital Maturity Index Score above Turkey average
- Digital Tyre Assistant, TUSIAD Digital Transformation in Industry Program, "Sustainability of Technology" award

- Certified R&D Center
- Bridgestone know-how and co-operation with technical centers
- Focus areas: Innovative products, tyres for electrical cars, mobility solutions, local raw materials, production & design

## #1 in Tire Industry

R&D Investment list in Turkey (2020)

## Among Top 5 Factories

within 48 Bridgestone factories, in quality & cost competitiveness parameters

54

Active  
Projects

32

The number of  
new products in  
2022

20

Million TL

Direct material  
Annual cost  
improvement

163

Million USD

R&D, Technology and  
Business Continuity  
Investments Last six years







### SMART FACTORY

#### Aksaray Factory: First factory equipped with smart technologies in tyre sector in Turkey:

- 30% savings in energy with completely automated tyre transfer system
- Smart quality, smart maintenance, and smart energy with data stream of daily 800 million data



### DEALER SYSTEM

#### Data Analytics: Dealer Trust Index, 700 tyre sales points

- 92% of B2B customers coming from digital channels
- Virtual POS at dealer points, 80% of collection



### SUPPLY CHAIN & SMART PROCESS

#### Warehouse automation

- Logistics Tower Center

#### Robi: AI Based Team Member

- 11 departments, 51 projects
- Employee efficiency: %50 %98



### CUSTOMER EXPERIENCE

#### Digital Genba Room at the heart of field

Dealer Complaint Closure Period:  
From 30 hours to 20 mins

#### Self Service BI :

All data gathered in one place (Carbon Data Lake) and data is used for descriptive and diagnostic analytics via Power BI self service BI tool

**~ 350 Reports & Dashboards created , +300 User trained**



### E-COMMERCE & NEW CHANNELS

#### Lastik.com.tr

- Turkey's first online tyre sales platform,
- Among top 20 global companies in terms of infrastructure
- On-site tyre mounting services across Turkey

## Evolve to "Solutions Business", leveraging the strengths and expertise of Tire & Rubber Business

### 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 rethread services, Bandag

**15.000+ fleet customers**  
**115 field team**  
**2837 customer visits**

### ELECTRIFICATION

- 19 E-charge stations in sales points
- 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

**2022 target:**  
**30 E-charge 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

**2 times increase in number of Lastik.com.tr customers**  
**1 new Otopratik points in 2022**



# 2022 2nd Quarter Performance



**116%**  
Revenue  
Growth



**17,1%**  
EBITDA  
Margin



**106%**  
Net Sales  
Revenue  
per ton



**5%**  
Tonnage  
Change



**-38**  
FCF  
Million TL



**309** vs.PY  
42%  
Net Income\*  
Million TL



**-7**  
TWC Days



**0,12**  
Net DEBT  
EBITDA

\*Includes one-off deferred tax revenue impact arising from tax incentive

Net income excluding one off is **316MTL**

## Revenue Channel Breakdown 2nd Quarter

**49%**  
RL **1.580MTL**

**11%**  
TR OE **350MTL**

**24%**  
LS Exp **778MTL**

**12%**  
BS Exp **401MTL**

**4%**  
Other **130MTL**  
(\*includes of revenues  
Arvento,Bandag,Nontyre.)

# 2022 Jun YTD Performance



**100%**  
Revenue  
Growth



**22,7%**  
EBITDA  
Margin



**100%**  
Net Sales  
Revenue  
per ton



**0%**  
Tonnage  
Change



**-177**  
FCF  
Million TL



**923** <sup>vs.PY</sup>  
85%  
Net Income\*  
Million TL



**-7**  
TWC Days



**0,12**  
Net DEBT  
EBITDA

\*Includes one-off deferred tax revenue impact arising from tax incentive

Net income excluding one off is **935MTL**

## Revenue Channel Breakdown Jun YTD

**49%**  
RL **2.912MTL**

**11%**  
TR OE **628MTL**

**25%**  
LS Exp **1.481MTL**

**12%**  
BS Exp **737MTL**

**3%**  
Other **194MTL**  
(\*includes of revenues  
Arvento,Bandag,Nontyre.)

## Brisa acquired 88.89% of Arvento Mobile Systems (Arvento) for 337 MTL.

- Arvento, established in 2005, is the largest telematics service provider in Turkey with more than 147 employees.
- The company serves +54k customers in TR & 653k total subscribers with the authorized resellers & partnerships with major telecom operators. Local market share is 50.7% with holding the position #1 dominantly.



## Strongest sales network in Turkey

1300 pos, a Brisa pos makes 2,5 times of competitors' pos

## Fast fit services

Otopratik and Propratik

## First and leading online tyre sales platform

Lastik.com.tr



480

667

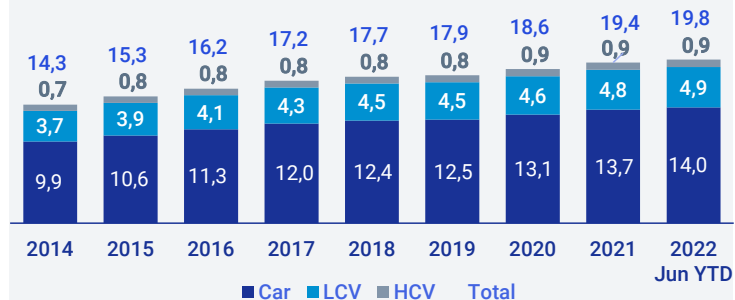
83

16

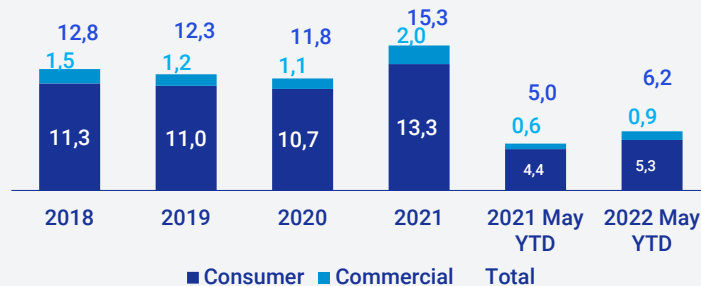
~85

# Replacement Channel / 49% of Brisa Revenue - 2022

### Vehicle Pool (M Units)

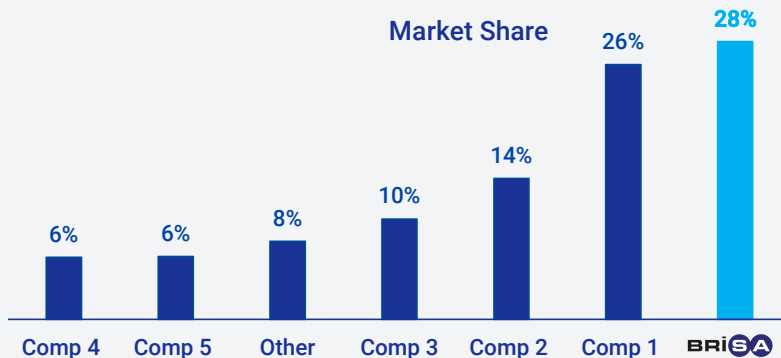


### Tire Demand Sell Out (M Units)



Vehicle pool CAGR +3,7% between 2014-2022

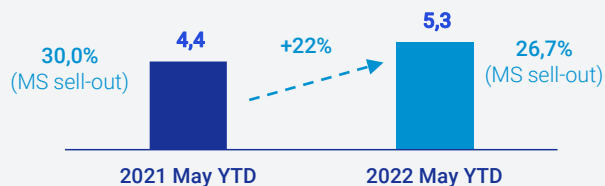
### Market Share



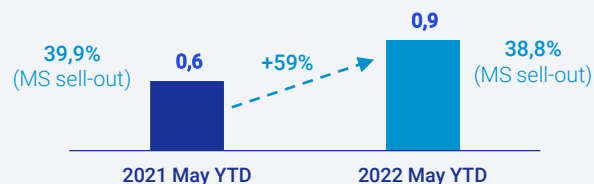
Dan tostu in Turkish Replacement Market

# Replacement Channel / 49% of Brisa Revenue - 2022

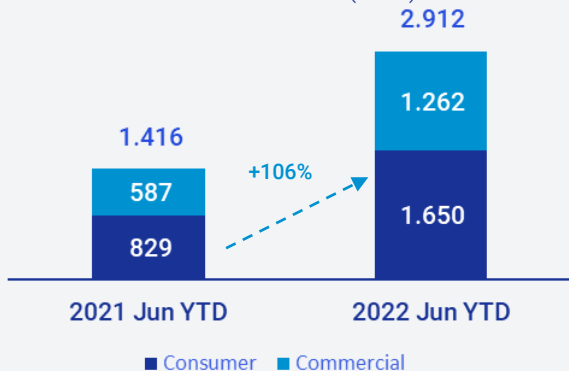
### Consumer Market\* (M Units)



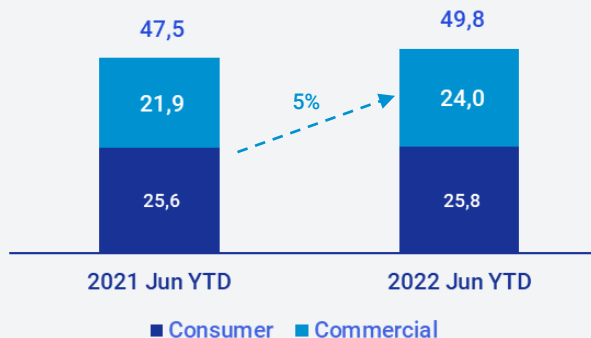
### Commercial Market\* (M Units)



### Brisa Revenue (MTL)



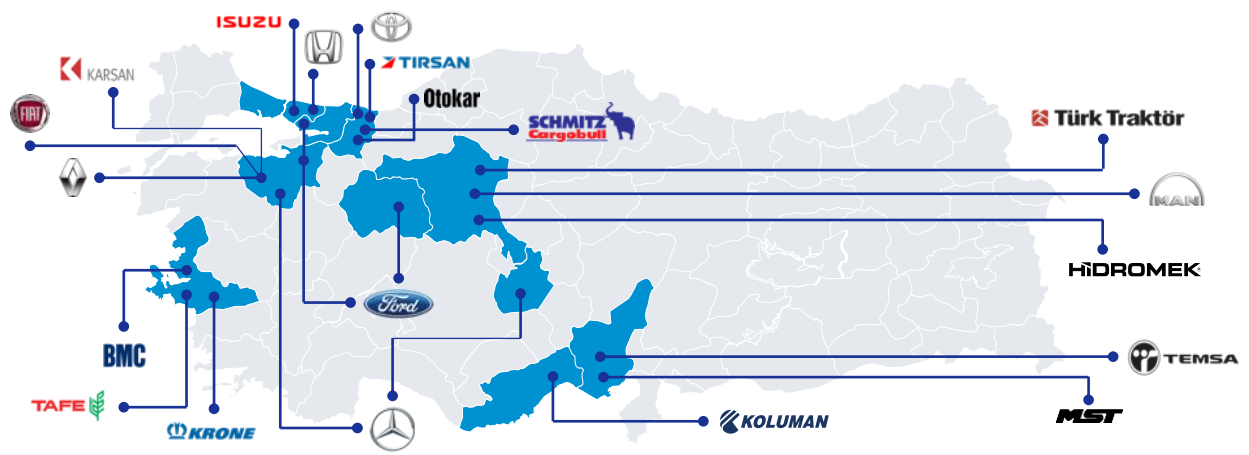
### Brisa Tonnage (K Ton)



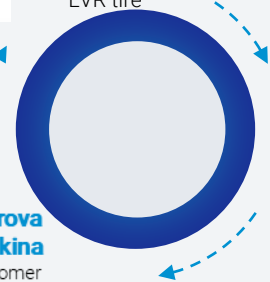
**+106% topline growth**



# OE Turkey - 11% of Brisa Revenue / 2022

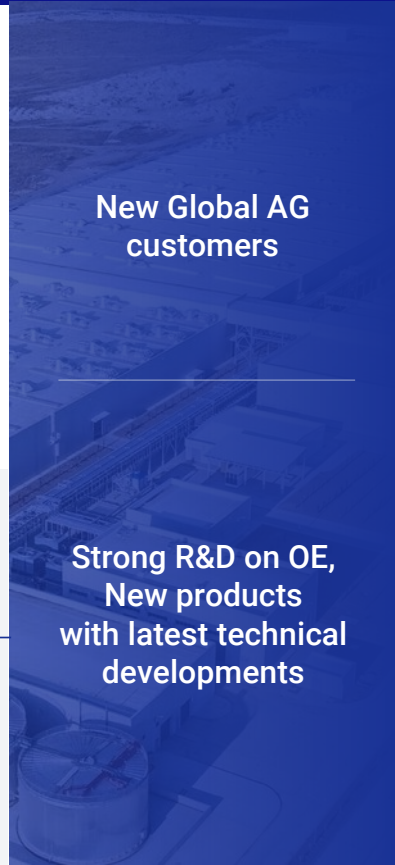
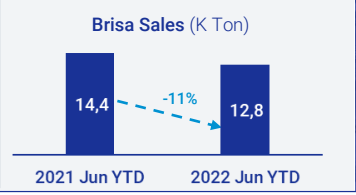
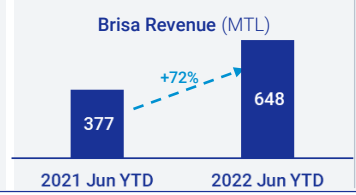
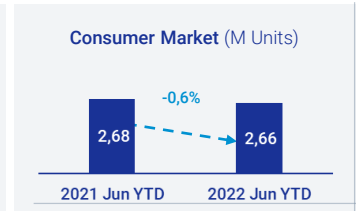


**Iveco**  
1st All Season  
LVR tire



**Tirsan**  
Low Bed Trailer

**ÇUKUROVA** Çukurova Makina  
Makina İnşaat ve Ticaret A.Ş.  
New OTR Customer



New Global AG customers

Strong R&D on OE,  
New products  
with latest technical  
developments

# International Sales Channel / 25% of Brisa Revenue - Lassa Export

87 Countries

6000+ Sales Points

600+ Lassa Branded Stores



Expansion to 2 new countries

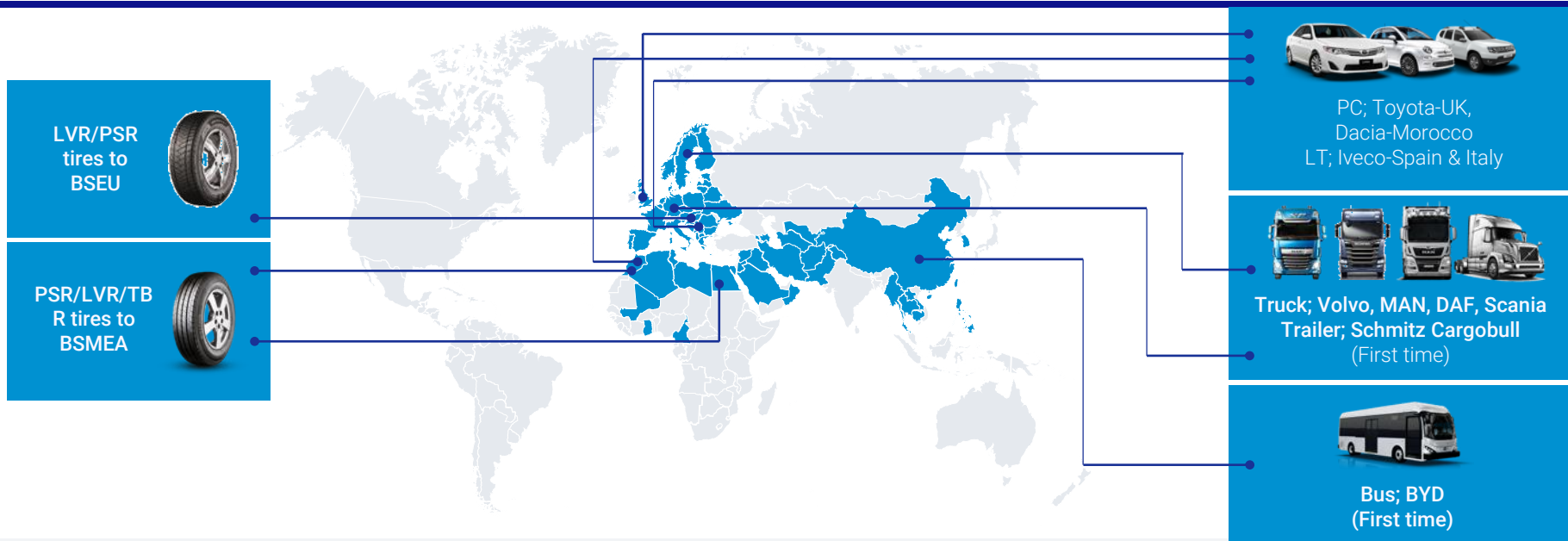
(Kazakhstan and Hungarian)

21 Countries Lassa gained market share

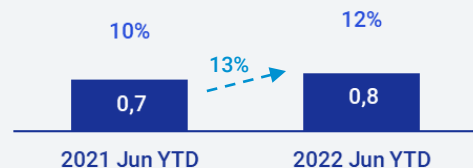
Europe: Bosnia-Herzegovina, Hungary, Macedonia, Serbia, Italy, Austria, Denmark, Greece, Portugal, Latvia, Poland  
Non - Europe: Morocco, Tunisia, Azerbaijan, Georgia, Iraq, Israel, Moldova, Belarus, Kazakhstan and Pakistan



# International Sales Channel / 12% of Brisa Revenue - Bridgestone Sales



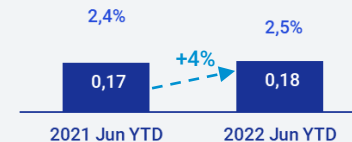
Bridgestone Direct Sales Network (M Units)



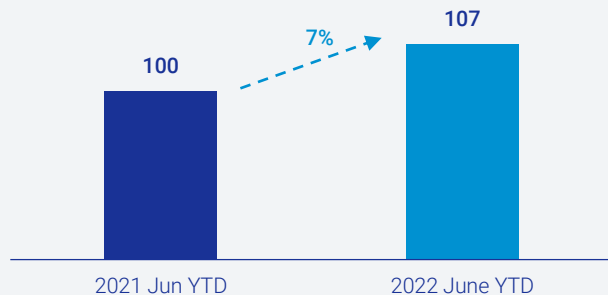
Dayton LVR tires export to Morocco for fighting segment

Release new Duravis All Season for light trucks

OEM Export Sales Network (M Units)

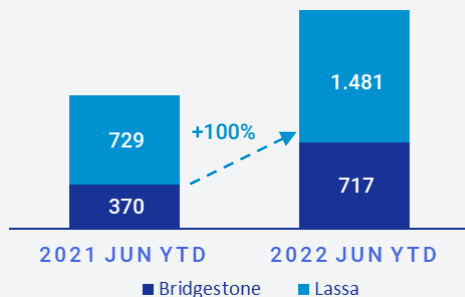


## International Markets (Index)

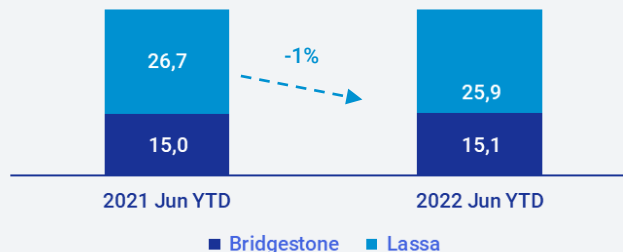


Slight contraction compared to market due to geopolitical risks

## International Sales Revenue (MTL)



## International Sales Tonnage (K Ton)



3,5K Ton – OE Export sales

# Income Statement

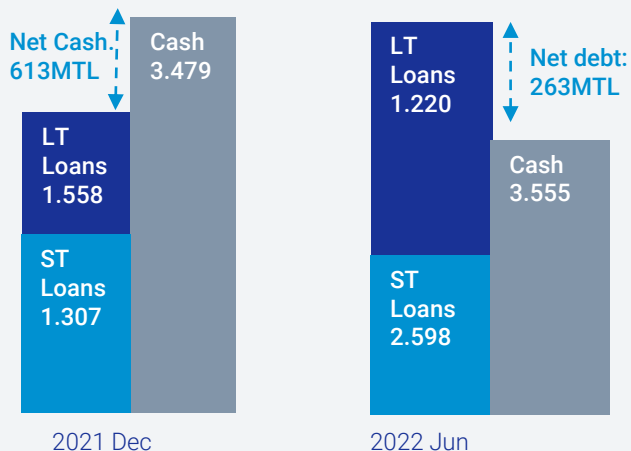
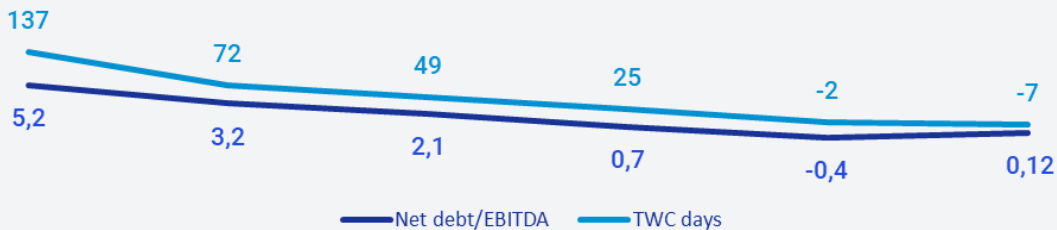
	Q2				Jun YTD			
	MTL		MUSD		MTL		MUSD	
	2022	vs PY	2022	vs PY	2022	vs PY	2022	vs PY
Revenue	3.238	216%	207	117%	5.952	200%	404	108%
EBITDA	555	165%	36	89%	1.350	185%	92	100%
EBITDA Margin	17,1%	-5 pp	17,1%	-5%	22,7%	-2 pp	22,7%	-2%
Operating Profit	481	174%	31	94%	1.212	197%	82	107%
OP Margin	14,8%	-4 pp	14,8%	-4%	20%	0 pp	20%	0%
Net Income bf Tax	307	156%	20	84%	939	197%	64	107%
Net income	309	142%	20	77%	923	185%	63	100%
Net Income w/o one-off*	316	156%	20	84%	935	196%	63	106%

\*One-off: Deferred tax revenue impact arising from tax incentives

H1 EBITDA margin realized 22,7%

Successful financial management

Net income increase 85% in TL terms



(M TL)	12/31/2021	6/30/2022
Cash	3.479	3.555
Receivables	1.061	2.233
Inventory	1.109	1.877
Other	4.641	5.328
<b>Total Asset</b>	<b>10.289</b>	<b>12.993</b>
Payables	2.807	3.403
<b>Total Financial Debt</b>	<b>4.778</b>	<b>6.003</b>
Financial Debt	2.865	3.818
CCS	1.912	2.185
Other Liabilities	395	1.056
Equity	2.309	2.532
<b>Liability &amp; Equity</b>	<b>10.289</b>	<b>12.993</b>

Outstanding performance in leverage levels

Continuation of WC days improvement

Thanks to high EBITDA and lower net debt, ND/EBITDA slightly higher than «0»

# Cash Flow Statement

	Q2				Jun YTD			
	MTL		MUSD		MTL		MUSD	
	2022	vs PY	2022	vs PY	2022	vs PY	2022	vs PY
EBITDA	555	165%	36	89%	1350	185%	92	100%
Oper. Cash Flow	161	47%	10	26%	234	45%	16	24%
Investment (-)	-196	227%	-13	123%	-274	186%	-19	101%
Subsidiary acquired, net of cash	-3		0		-136		-9	
Free Cash Flow	-38	-15%	-2	-8%	-177	-48%	-12	-26%
Change in Fin. Debt	501	244%	32	132%	853	273%	58	148%
Financial Expense	-114	191%	-7	103%	-202	165%	-14	89%
Dividend Paid	0	0%	0	0%	-663	246%	-45	133%
Other	-15	197%	-1	279%	257	-76%	17	-41%
Change in Cash	334	86%	21	46%	68	11%	5	11%

**Dividend of 663MTL distributed**

\*Other: Foreign Exchange difference gain from financial policy



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THANK YOU

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