



**BRISA**

# 2014 Q1 BULLETIN

Istanbul Stock Exchange: BRISA  
[www.brisa.com.tr](http://www.brisa.com.tr)

**LASSA**

**BRIDGESTONE**



**OtoPratik**  
"Tuzi bakım ve lastik merkezim"

**lastigum**

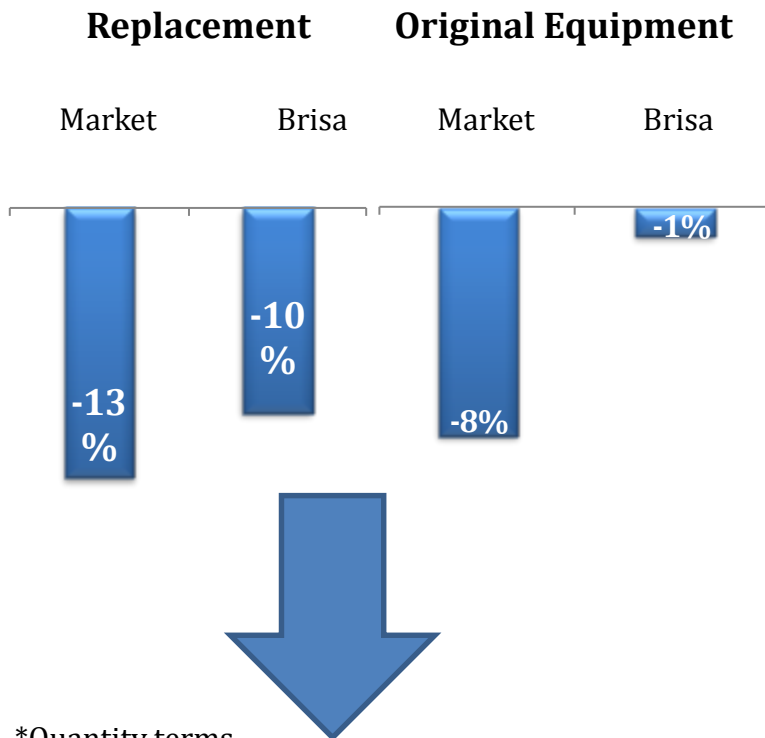
**lastik**  
com.tr

**SA**

# BRISA - 2014 Q1

## DOMESTIC MARKETS

YOY GROWTH (Q1 14' - Q1 13')\*



\*Quantity terms

In Q1 14', **in tonnage terms**, Brisa **increased sales by 3% in replacement and by 16% in OE channel**, thanks to the high growth in commercial tyres market and higher performance of Brisa in this market.

## Market Developments

- Domestic vehicle sales decreased by 24%.
- Consumer tyre market contracted both due to warm weather conditions and winter tyre regulation, with which majority of the tyres sold in Q4 2013.
- Brisa performed better than the market in consumer segment.
- Commercial tyre market grew significantly, Brisa performed better than the market with a sales increase of 14% .
- Passenger car production increased by 17%. Together with light vehicle production shrinkage, OEM production contracted by 8%.
- Vehicle exports remain constant.
- Brisa was nominated to supply Tofaş for new Linea starting in 2015.
- Honda announced that the new Civic will be produced in Turkey starting in 2016.

## EXPORT MARKETS

### Key Market Developments

- Europe started to show signs of recovery with the beginning of 2014.
- As major market of Turkish OEMs, European passenger car sales rose by 8.4%. Likewise, commercial vehicle sales grew by 9.8% in Q1.
- Brisa has increased the sales share of more profitable products in strategic markets
- Brisa is increasing its penetration in the Asia Pacific Region
- New Lassa distributors in Germany, Netherlands and Denmark
- Egyptian market is getting stronger
- Although currently Brisa has no risk in Ukraine, political environment of the country weakens the potential growth
- As a market with huge potential, easing sanctions in Iran will boost export to this country from Turkey, including vehicles and tyres.

# QUARTERLY

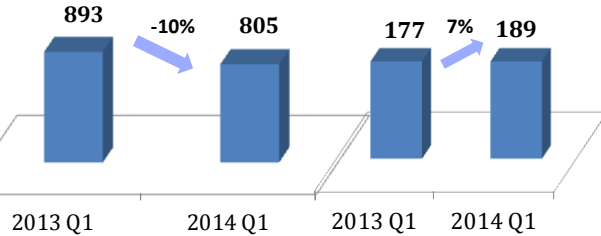
Sales Quantity: K units  
Financial Indicators: M TL

## SALES CHANNEL BREAKDOWN

### Replacement

Quantity

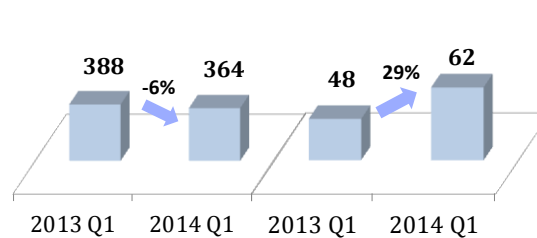
Net sales



### OE

Quantity

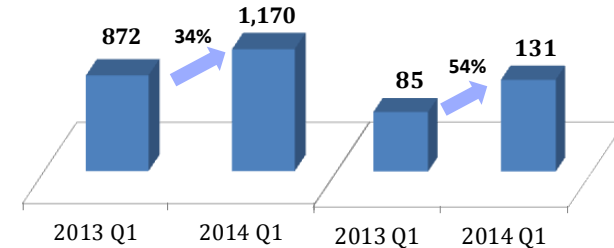
Net sales



### Export

Quantity

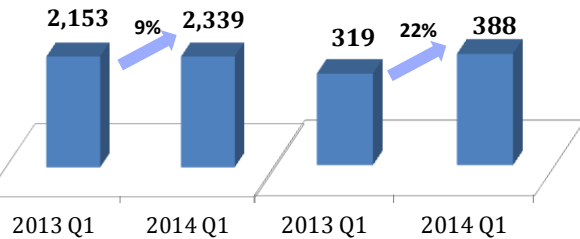
Net sales



## TOTAL SALES & PROFITABILITY

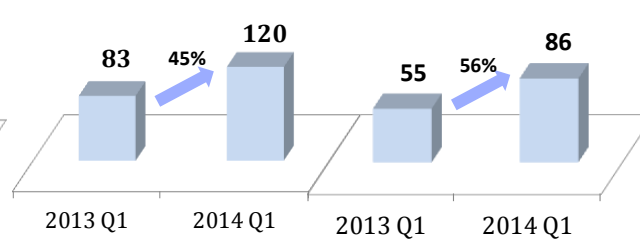
Quantity

Net sales



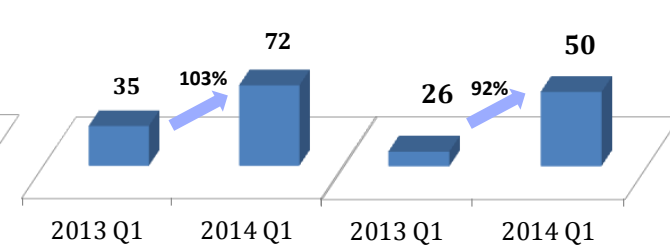
Gross Profit

EBITDA



EBIT

Net Profit



### Key highlights

- Although quantity decreased by 10% and 6% respectively in replacement and OE channels, tonnage increased by 3% and 16% due to growth of commercial tire.
- Export market performance raised by recovering markets and also geographic expansion.
- FX hikes, hedged with forward transactions on the cost side, contributed to margins in all channels, especially to export channels.

# BRISA - 2014 Q1

INCOME STATEMENT (000 TL)	2014 Q1	2013 Q1	%
Net Sales Revenue	388,013	318,930	22%
<b>Gross Profit</b>	<b>120,080</b>	<b>82,966</b>	<b>45%</b>
	30.9%	26.0%	
<b>EBITDA</b>	<b>86,426</b>	<b>55,238</b>	<b>56%</b>
	22.3%	17.3%	
<b>EBIT</b>	<b>71,514</b>	<b>35,259</b>	<b>103%</b>
	18.4%	11.1%	
<b>Net Profit</b>	<b>49,574</b>	<b>25,833</b>	<b>92%</b>
	12.8%	8.1%	

Cash Flow (000 TL)	2014 Q1	2013 Q1
<b>EBITDA</b>	<b>88,005</b>	<b>54,291</b>
<b>Change in Working Capital</b>	<b>(27,403)</b>	<b>(6,713)</b>
<b>Operational Cash Flow</b>	<b>60,602</b>	<b>47,578</b>
Investment	(26,374)	(13,414)
<b>Free Cash Flow</b>	<b>34,228</b>	<b>34,164</b>
Dividend	(126,892)	(70,394)
Credit undertaken (Paid Back)	83,494	25,507
Financial expenses	(11,907)	(11,384)
Tax / Other	24,558	19,787
<b>Beginning Balance</b>	<b>7,968</b>	<b>11,569</b>
<b>Ending Balance</b>	<b>11,449</b>	<b>9,248</b>

BALANCE SHEET (000 TL)	31 March 2014	31 December 2013	%
Cash	11,450	7,968	44%
Trade Receivables	419,704	454,204	-8%
Inventory	326,865	281,134	16%
Other	684,505	662,119	3%
<b>Assets</b>	<b>1,442,524</b>	<b>1,405,425</b>	<b>3%</b>
Bank Borrowings	676,092	581,750	16%
Trade Payables	171,033	190,324	-10%
Other	109,399	64,905	69%
<b>Shareholders Equity</b>	<b>486,000</b>	<b>568,446</b>	<b>17%</b>
<b>Liabilities</b>	<b>1,442,524</b>	<b>1,405,425</b>	<b>-3%</b>

WORKING CAPITAL	575,536	545,014	6%
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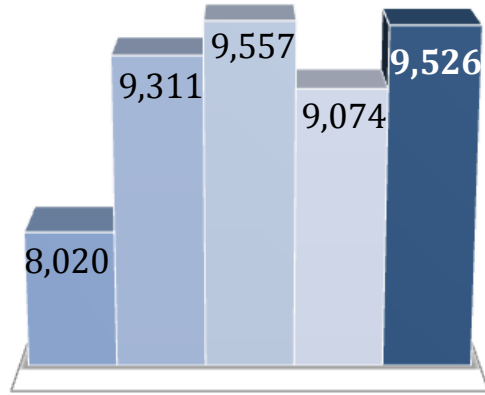
BALANCE SHEET POSITION 2014 (Million in own Currency)		
	USD	EURO
NET POSITION	(4.3)	(2.1)

## Hedging Policy

- Hedging policy is designed to mitigate the volatility of FX rates on future cash flow in different currencies and thereby mitigate FX gain/loss impact in the income statement.
- Normally balance sheet (BS) position is neutrally hedged.

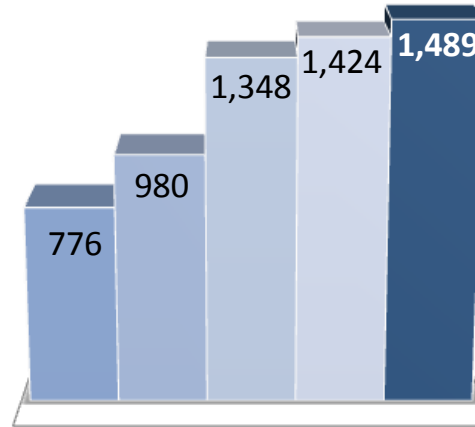
# BRISA – LAST 5 YEARS PERFORMANCE

— : Margin %



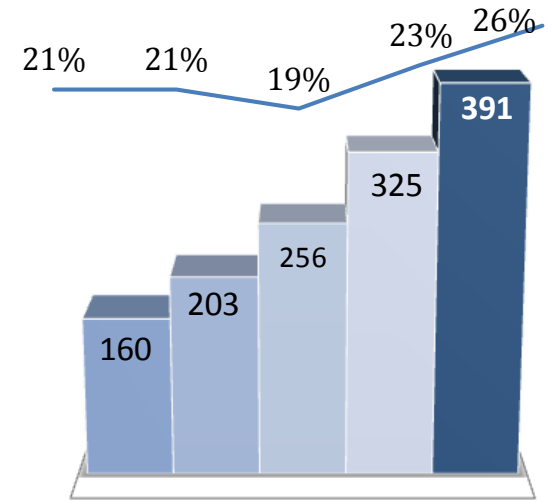
QUANTITY K Units

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



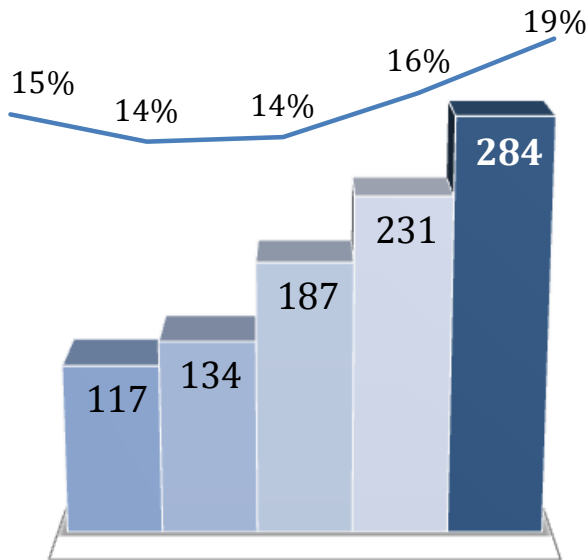
Net Sales M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



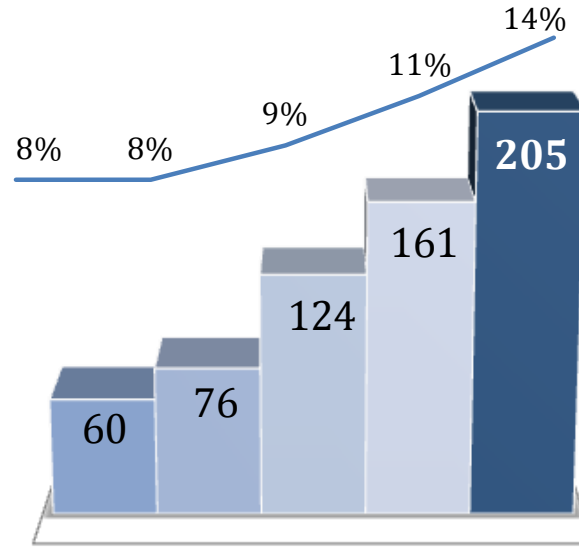
Gross Profit M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



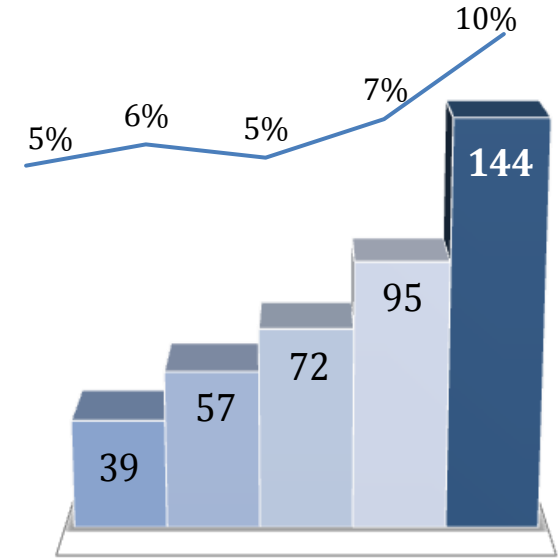
EBITDA M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



EBIT M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013



Net Profit M TL

■ 2009 ■ 2010 ■ 2011 ■ 2012 ■ 2013

# BRISA - SHARE PERFORMANCE (YOY)

