



INVESTOR PRESENTATION 2017

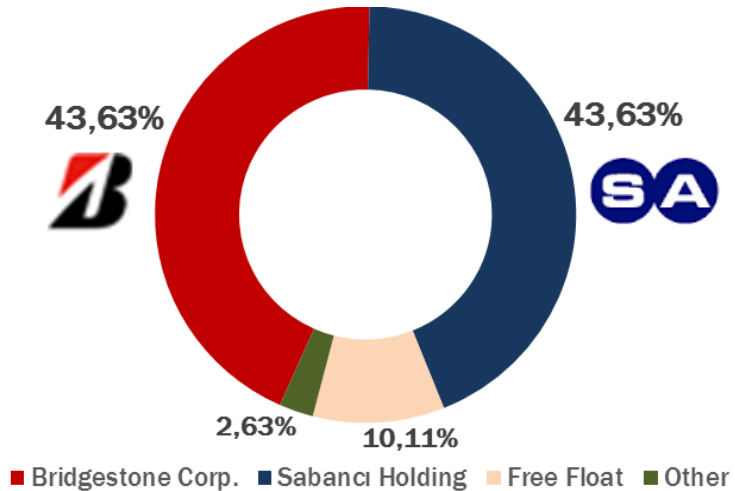
BRIDGESTONE

SABANCI



BRISA – TURKEY'S LEADER TYRE MANUFACTURER

Strong Partnership of 30 Years



Tyre Manufacturing and Sales with 2 Plants & 2.700+ employees



Izmit

Covered area : 361.000 m²
Production capacity: 11mn units



Aksaray

146.000 m²
4.5 mn units*

* capacity planned in 2020

Product groups and Channels served



passenger agriculture
commercial motorcycle
truck&bus off the road

replacement
export
original equipment



AKSARAY INVESTMENT - 1st SMART PLANT in TURKEY TYRE SECTOR



300M \$
investment

146k m²
building area

4.5M Units
capacity in 2020

production & sales started in Jan '18

FURTHER INTERNATIONAL EXPANSION OPPORTUNITY

6% average volume growth in last 5 years
2018 target 15%



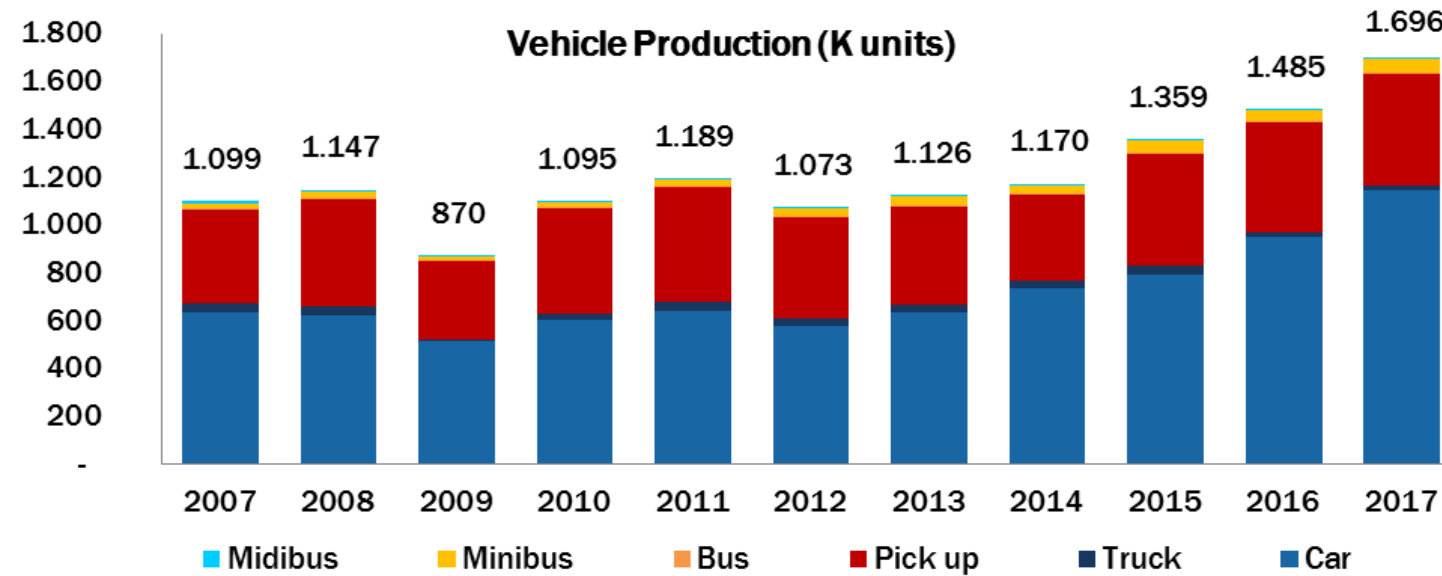
Target markets for 2018

Hungary	Gulf Countries
India	Wales
Switzerland	Mexico
Scotland	Argentina

Major markets entered in last 5 years

China	Panama
South Korea	Malaysia
Peru	Hong Kong
Thailand	Singapore
	Cameroon

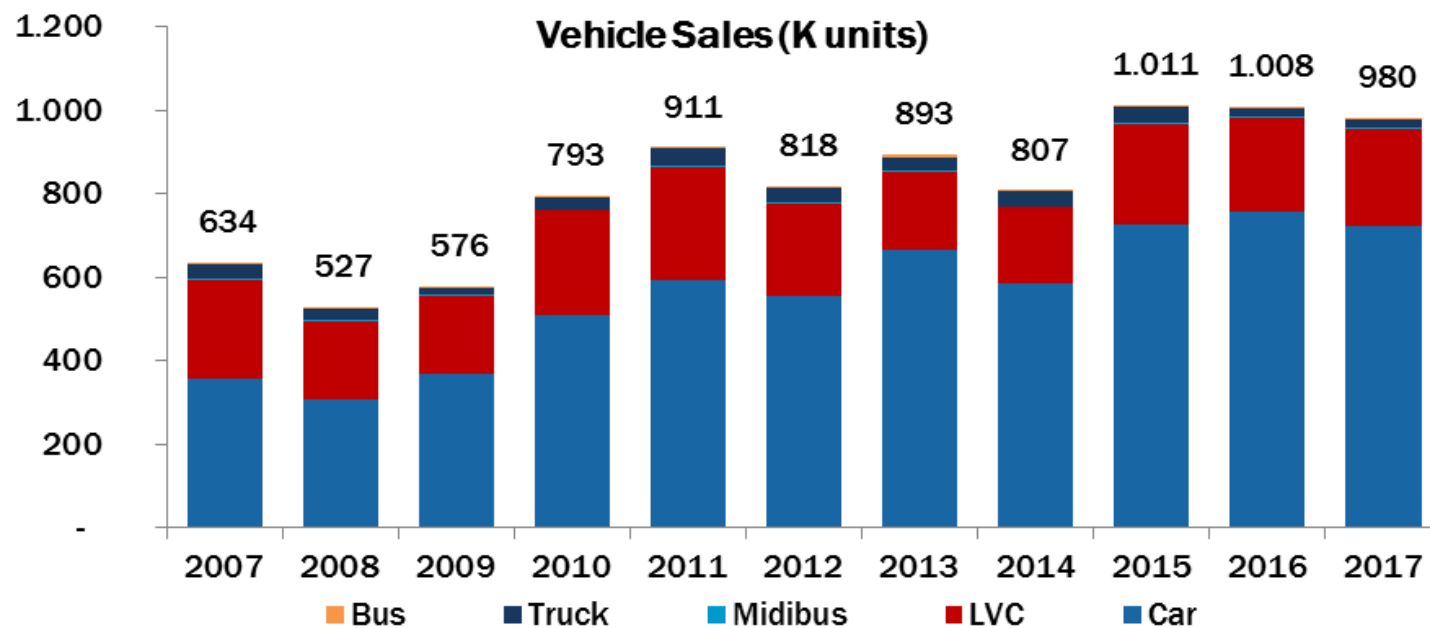
TURKEY VEHICLE PRODUCTION & SALES



9% CAGR

in last 8 years

Vehicle production increase trend continued in 2017.



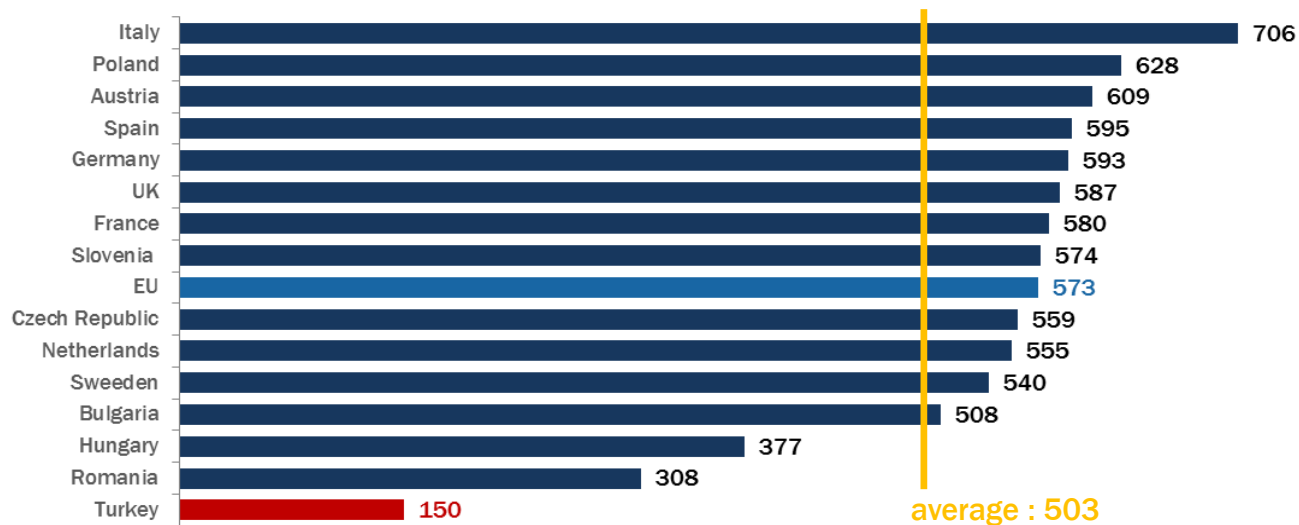
7% CAGR

in last 8 years

Vehicle sales stable for the last 3 years.

VEHICLE PENETRATION IN TURKEY

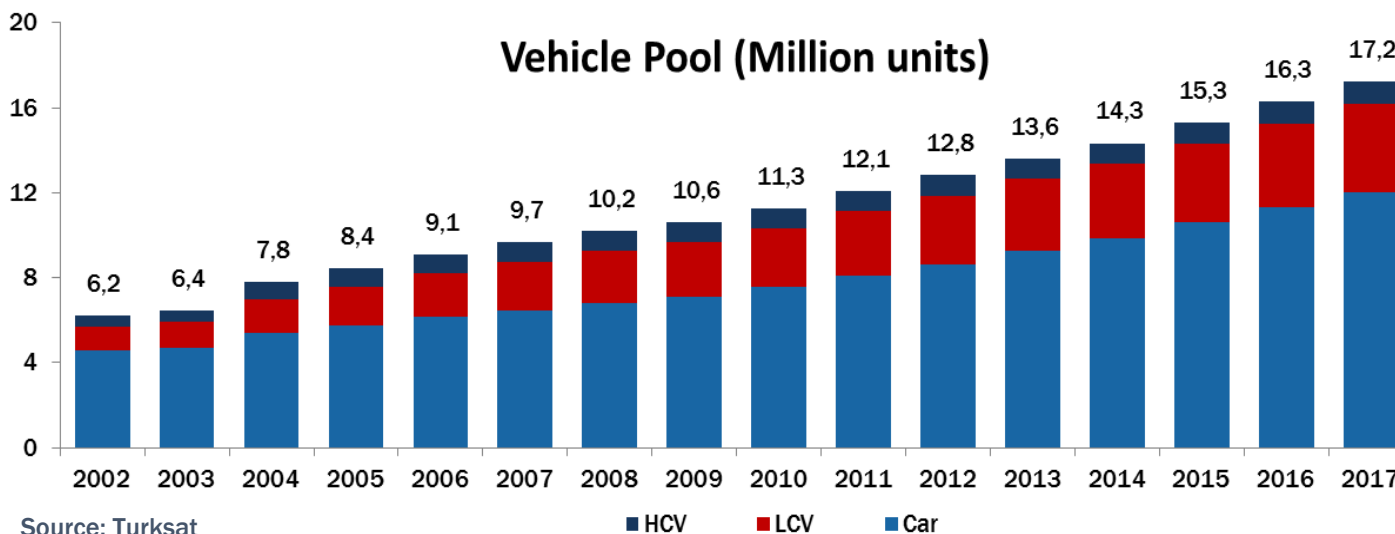
Passenger Car / 1000 People



15% Penetration
in car ownership

Still very low car ownership in Turkey
compared to benchmarks

Vehicle Pool (Million units)



15 years
continuous growth in vehicle pool

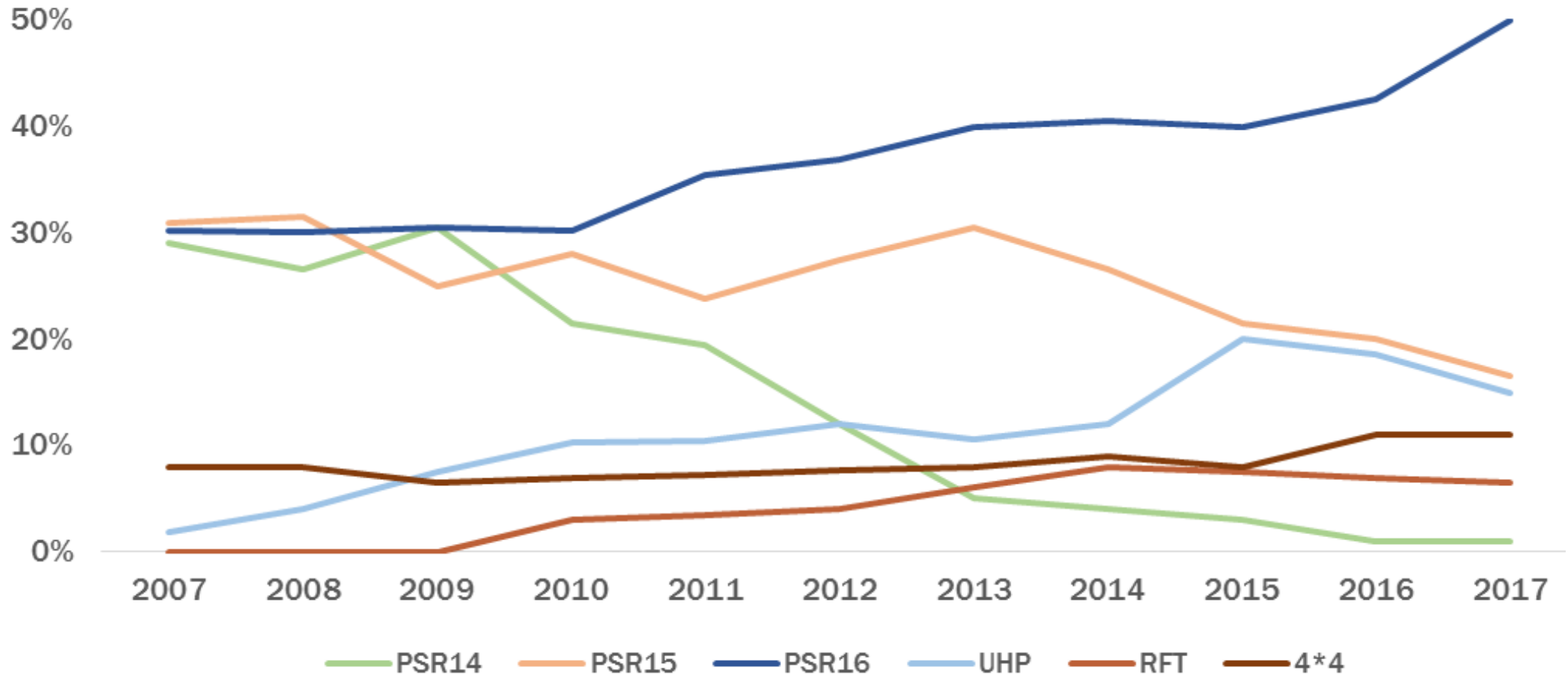
Vehicle density is
the major indicator for growth

Source: Turksat

HCV: Heavy Commercial Vehicle (Bus, truck & work machinery)
LCV: Light Commercial Vehicle (Minibus, small truck)

RIM SIZES TEND TOWARDS HIGHER INCHES DRIVE PROFITABILITY

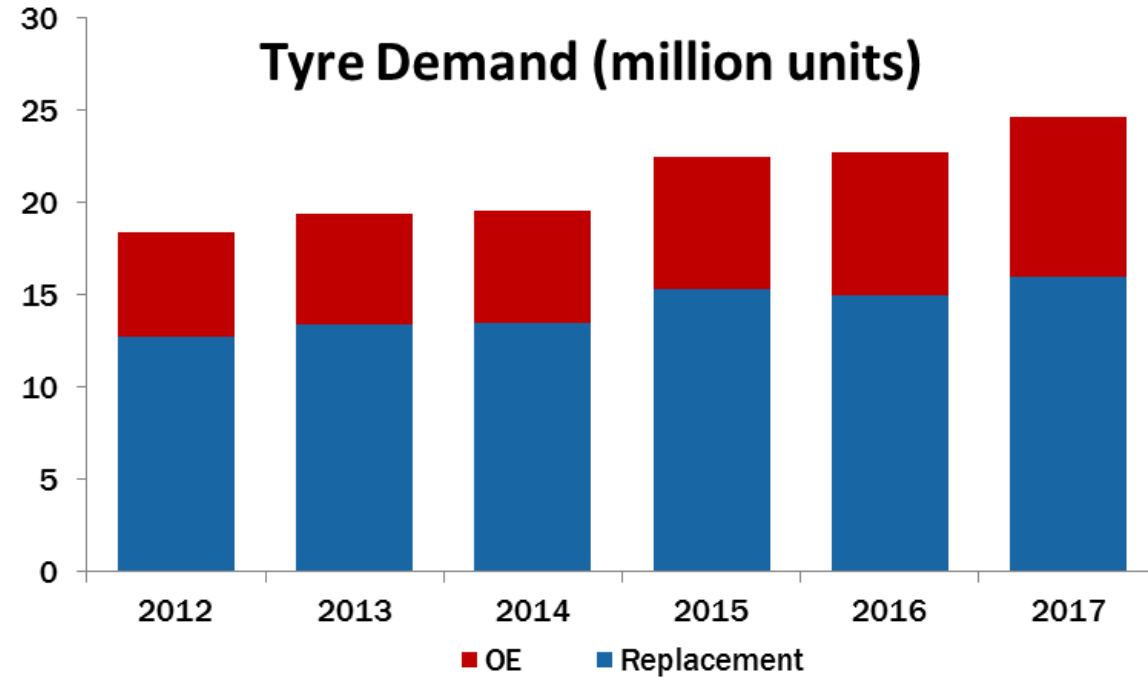
Rim popularity in new registered vehicles between 2007-2017



PSR: Passenger Radial
UHP: Ultra High Performance
RFT: Run Flat Tyre

TYRE INDUSTRY IN TURKEY

Tyre Demand (million units)



41 % Penetration

growth in Turkey in 2017 (world avg : 3.1%)

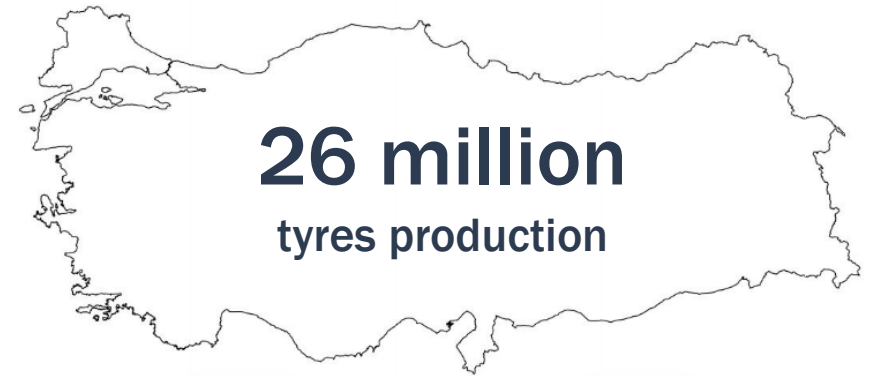
Source: Sell-in 2017

6% average growth in the last 5 years (world avg: 3,3%)

9% growth in OE (world average: 2,9%)

5% growth in Replacement (world average: 3,4%)

Source: LMC Q4 2017



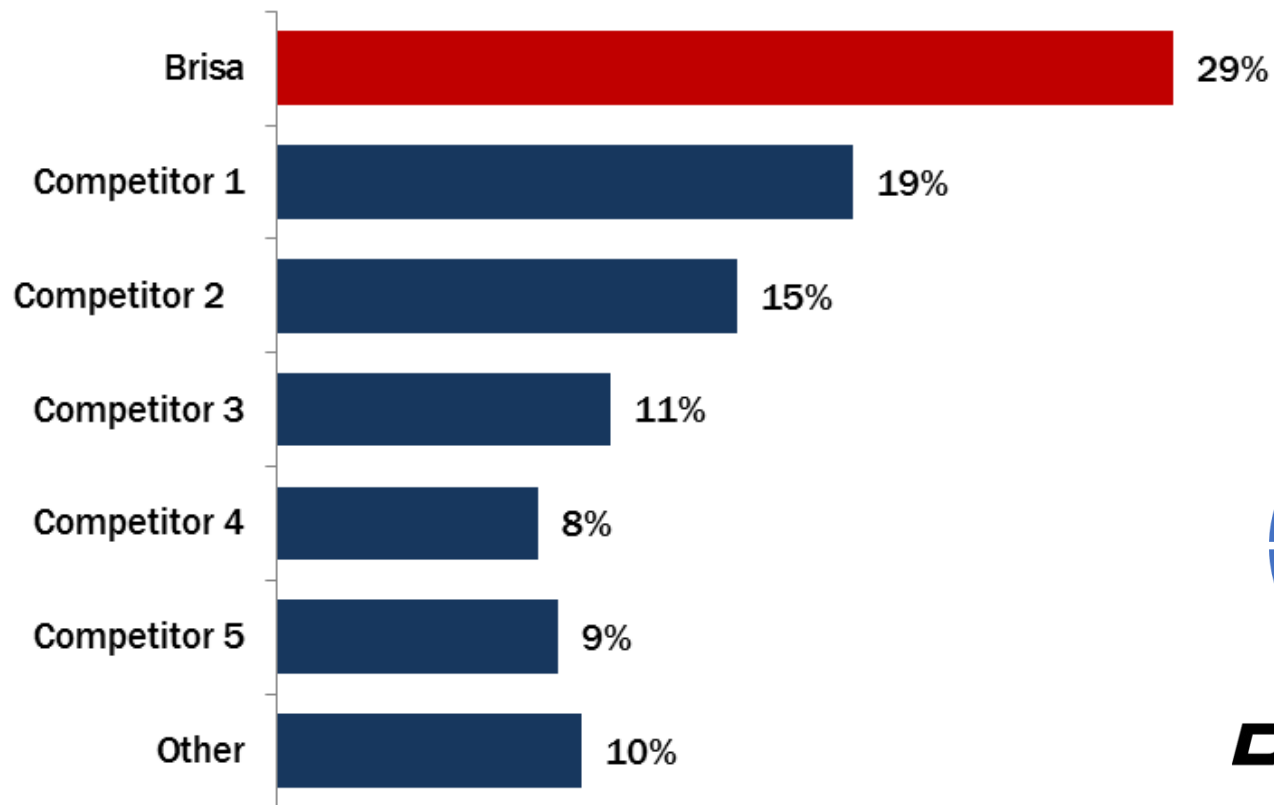
68%
capacity utilization in Turkey

Export
17 million

Import
15 million

TYRE MARKET IN TURKEY

Replacement Market Share *



50% +

higher market share than the 2nd



Higher growth performance than the market in winter segment

DAYTON

Remarkable Dayton sales performance in Budget Segment

Source: Europool, GFK Panel, Brisa Estimation

* PSR Car, LCV, HCV Product Groups

BRISA HAS THE STRONGEST DEALER NETWORK IN TURKEY

1.367 POINTS OF SALES

increasing geographic coverage is a priority



TYRE MARKET IN TURKEY – ORIGINAL EQUIPMENT

Record sales in Light Vehicle & Tractor segments

Turkey possesses an important vehicle production capacity



New Investment Enable Growth in OEM Tyre Market

Significant growth seen in both heavy commercial (21%), medium commercial vehicles (30%) and trailer OE segment (20%)

LOCAL

design, technology
raw material

30

new projects / year

17M \$

investment in special
compound technology



TÜRK MÜHENDİSLERİ DÜNYAYA ARAÇ LASTİĞİ GELİŞTİRİYOR

AR-GE İLE İHRACATTA VİTES BÜYÜTTÜ

BİRİNCİ YILI 2 YILDA AR-GE'YE 500 MİLYON LİHALIK YATIRIM

Bridgestone ve Lassa markaları ile dünya çapında bir yandan Akaryazıcı ilmi fabrika yatırımına devam ederken izmit fabrikasında geliştirdikleri Ar-Ge Merkezi'ni de hayata geçiriyor. Küresel pazara son 5 yıl da 15 milyar TL değerinde ürün ihraç eden Brisa, bir yandan ihracat hedefini 180 milyon dolar olarak açıkladı.

Son 5 yıllık stratejisi kapsamında 1,5 milyar TL değerinde ürün ihraç eden Brisa, kalite, dayanıklılık, güven ve müşteri memnuniyeti odaklı olarak geliştirdiği Ar-Ge Merkezi'ni hayata geçirdi. Brisa, geliştirdiği Ar-Ge Merkezi ile Türkiye'de ilk kez bir otomobil lastiği için özel olarak kurulan bir Ar-Ge merkezini hayata geçirdi. Bu merkez, bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor. Bu merkez, bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor.

5 MİLYON ADET LASTİK SATILACAK

Brisa'nın, bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor. Bu merkez, bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor.

AR-GE'YE 500 MİLYON LİHALIK YATIRIM

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BRISA 2 MİLYAR DOLARA KOSUYOR

izmit Ar-Ge'siyle dünyaya ihracat

Lastik üreticisi, bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor.

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Lassa körfeze yöneli

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ELEKTRİKLI ARAÇLARIN LASTİĞİNİ ÜRETECEK

Brisa, İzmit'te kuracağı Ar-Ge merkezinde elektrik ve hidrojenle çalışan araçlar için lastik geliştirecek.

YÜKSEKTEKİ ENDEJELERİNİN bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor. Bu merkez, bir yandan dünya çapında üretilen lastiklerin kalitesini kontrol ediyor, diğer yandan yeni lastik teknolojilerini geliştiriyor.

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DIŞA BAĞIMLILIK AZALACAK

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İNNOVASYON SİRKETİNE DÖNÜŞTÜK

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BRISA AR-GE'YLE İNOVASYONA GEÇİYOR

TÜRK POLİMERİNE KATKI SAĞLAR'

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BRISA IS THE INNOVATION LEADER OF THE TYRE MARKET

Commercial Solutions

100+

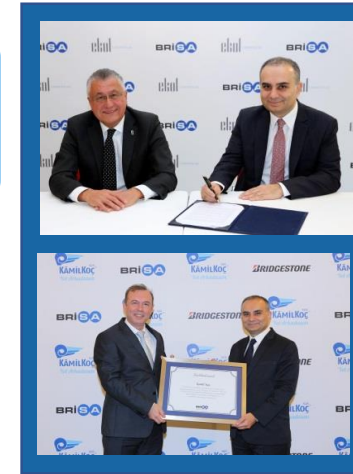
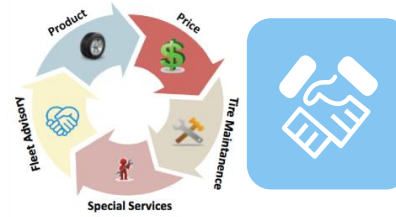
Profleet
Consultants

2 MTL

Saving/fleet
annually

1000+

Vehicles/year



Retail Services

200

Targeted
Sales Points

98%

Customer
Satisfaction



Franchise
Model



Lastik.com.tr

1,5 million annual click
Milestone on digital transformation

Awards

Digitalization leader of sector
Pioneers of digitization



* accenture digitization index

WHY INVEST IN BRISA...

High market potential

- Unsaturated replacement market
- Access to new export markets
- Increasing capacity with 2nd plant

Differentiation

- Strong market positioning
- Strong brands
- Strongest dealer network
- Balanced portfolio

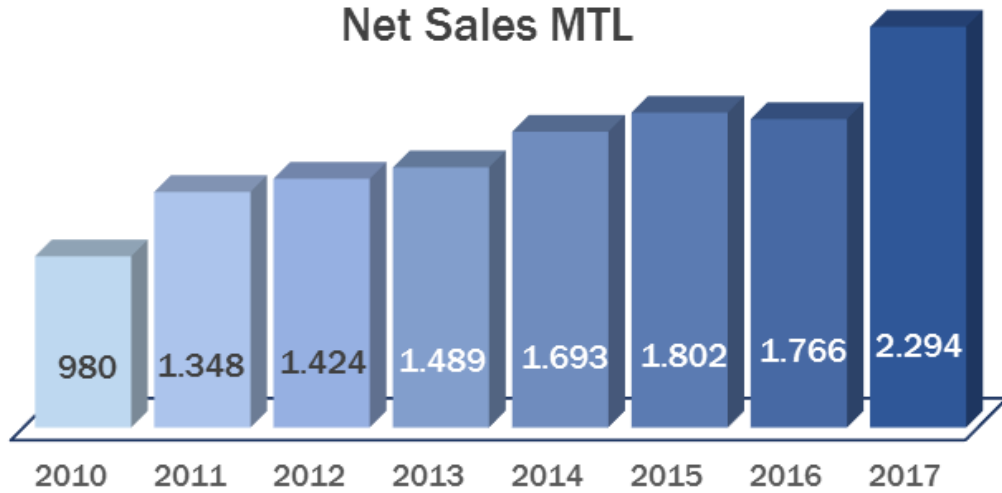
Financial Structure

- Improving leverage
- Improving working capital
- Strong shareholders

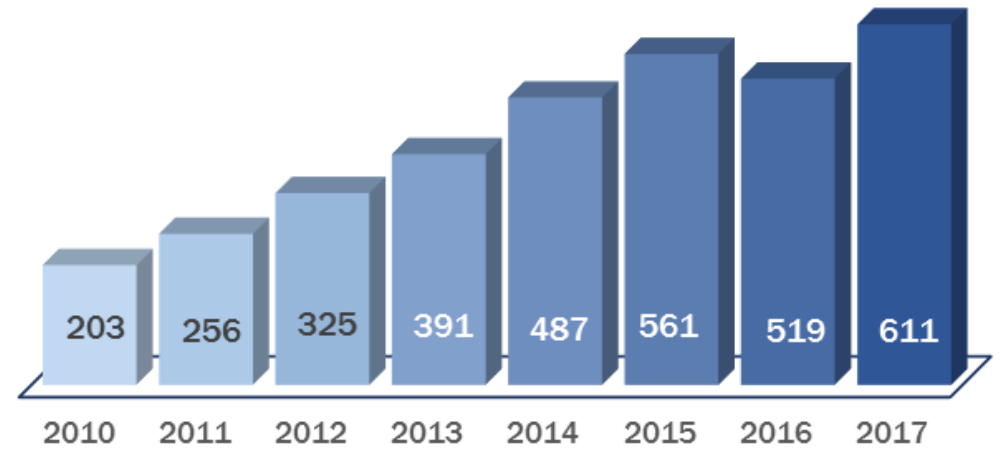


FINANCIAL SUMMARY

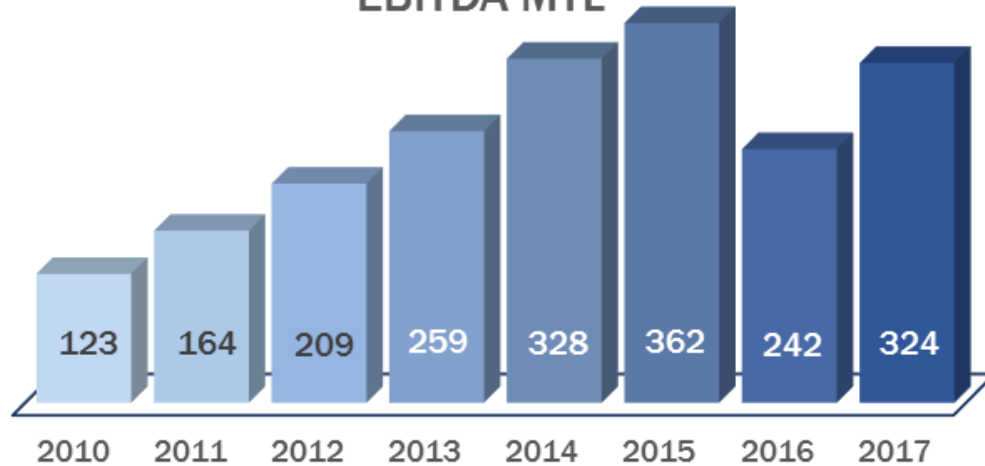
Net Sales MTL



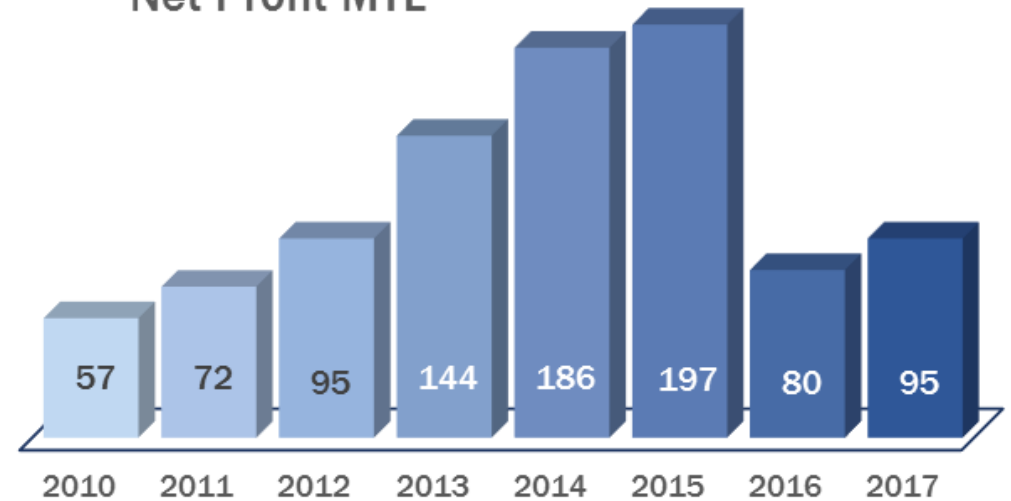
Gross Profit MTL



EBITDA MTL



Net Profit MTL



Communication of 2018 Expectations with Public

In accordance with our Company Board of Directors resolution dated 21.02.2018 and with serial number 2018/09:

It was decided to disclose to the Public Disclosure Platform, that our Company's net revenue growth target is approximately 15%-20% and EBITDA growth target is approximately 30%-40% for the fiscal year 2018. In addition, as Aksaray plant started operation at the beginning of the year 2018, for the first time, financing cost and depreciation of Aksaray plant will be charged to the P&L in 2018. Majorly with this impact, in 2018, compared with the fiscal year of 2017, finance cost of Brisa will increase by approximately 120-130 mn TL and depreciation charge will increase by approximately 65-75 mn TL.

In the public disclosure, it was also decided to disclose the information that, as one of the three main initiatives of the Company, Brisa targets approximately 5,2-5,4 million tyres to be exported with an approximate revenue of \$200-\$210 million.

Board of Directors authorizes individually Mr. Cenk ALPER, Chairman, Mr. Makoto HASHIMOTO, Vice Chairman and Mr. Ahmed Cevdet ALEMDAR, General Manager and Mr. Reşat ORUÇ, Assistant to General Manager-Finance to make disclosure to the public and the investors as per the sub article 10/a. "Public Disclosure of Future Assessments" of the "Communiqué Regarding the Public Disclosure of Material Events" with Serial No. II-15.1 of Capital Markets Board.



INVESTOR BULLETIN 2018 Q1

BRIDGESTONE

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EXPORT MARKET - 29% of BRISA'S REVENUE

Export volume increased in the first quarter of 2018

	Q1			
	2018	2017		%
TOTAL	1.338	1.186	●	113%
EU	777	739	●	105%
Non- EU	561	447	●	125%

In Q1 of 2018, both markets increased its sales volume. Non-EU market was the main trigger for the growth in export sales with 25% increase compared to last year.

Big markets such as Egypt, Morocco, BAE continued recovering in Q1, increased total volume.



AUTOMOTIVE MARKET - OE MARKET - 14% of BRISA'S REVENUE

Commercial segment triggered high volume increase

	VEHICLE PRODUCTION			VEHICLE SALES		
	Q1			Q1		
	2018	2017	%	2018	2017	%
TOTAL	426	424	100%	162.208	160.361	101%
PSR	285	300	95%	122.310	114.923	106%
LCV	130	116	112%	36.120	40.521	89%
HCV	11	8	134%	3.778	4.917	77%

OE MARKETS	OE MARKETS		
	Q1		
	2018	2017	%
TOTAL	1.971	1.934	102%
Consumer	1.882	1.870	101%
Commercial	88	64	139%

BRISA SALES (TONNAGE)	Q1		
	2018	2017	%
	TOTAL	7.179	5.282



Brisa significantly increased its sales volume by 36% compared with last year mainly triggered by increase in commercial sales. Commercial sales performance doubled last year's performance.

REPLACEMENT MARKET - 57% of BRISA'S REVENUE

Market has reached a double-digit growth% in all segments in 2018

RL MARKETS *	Q1		
	2018	2017	%
TOTAL	4.197	3.703	● 113%
Consumer	3.629	3.194	● 114%
Commercial	569	509	● 112%

BRISA SALES * (TONNAGE)	Q1		
	2018	2017	%
TOTAL	25.495	19.443	● 131%

BRISA SELL - OUT **	FEB YTD		
	2018	2017	%
TOTAL	28,1%	28,1%	● 100%

* Sell-in to the dealer

** Sell-out from dealer to the consumer only retail channel

Replacement market increased by 13% compared to last year, Brisa grew faster and gained sell-in market share

TOTAL SALES AND REVENUES BREAKDOWN

All channels showed a strong revenue growth in Q1

<u>TONNAGE</u>	Q1		
	2018	2017	%
TOTAL	46.875	37.703	● 124%
Replacement	25.495	19.443	● 131%
OE	7.179	5.282	● 136%
Export	14.202	12.978	● 109%

<u>TYRE REVENUE (M TL)</u>	Q1		
	2018	2017	%
TOTAL	670	467	● 143%
Replacement	384	256	● 150%
OE	92	55	● 169%
Export	194	157	● 124%

Sales tonnage performance on all channels is very strong in the first quarter of 2018.

Thanks to increase in both volume and unit prices, tyre revenues increased by 43%.

Exceptional growth in revenue and EBITDA

(M TL)	Q1		
	2018	2017	%
Net Sales	694	473	● 147%
Gross Profit	161	128	● 126%
%	23%	27%	
Total Expenses	(94)	(81)	● 116%
EBITDA	106	70	● 152%
%	15%	15%	
EBIT	78	58	● 134%
%	11%	12%	
Net Profit	11	25	● 46%
%	2%	5%	

Significant growth in revenues and nominal gross profit, thanks to higher volume.

Remarkable increase in EBITDA by 52% increase and operating profit by 34%.

Due to operational start of Aksaray plant, financing expenses related with Aksaray investment has started to be shown in profit/loss statement. Besides, depreciation of Aksaray plant has started since the beginning of 2018. Hence, net profit decreased.

Financial ratios and working capital continues to improve

<u>(M TL)</u>	<u>31.03.2018</u>	<u>31.12.2017</u>
TWC	726	638
Short Term Financial Debt	406	229
Long Term Financial Debt	1.448	1.651
Net Financial Debt	1.692	1.686

Improvement in debt leverage of Brisa is continuing. **0.5** improvement in Net Debt/Ebitda in the 1st quarter of 2018

<u>Ratios</u>	<u>31.03.2018</u>	<u>31.12.2017</u>
Net Debt / Ebitda	4,7	5,2
TWC days	124	137
Net Financial Debt / Equity	2,5	2,5
Total Debt / Equity	2,7	2,8

Improvement in working capital days of Brisa is continuing. **13 Days** improvement in working capital only in one quarter

<u>Cash Flow (M TL)</u>	<u>Q1 2018</u>	<u>Q1 2017</u>
Operational Cash Flow	97	90
Investment (-)	(44)	(128)
Dividend (-)	-	-
Change in Financial Debt	(26)	62

Better operating cash flow and lower capex resulted a decrease in total debt of Brisa.

* FX gains/losses from cross-currency swapped loans are netted-off