



INVESTOR PRESENTATION

Q3 2018

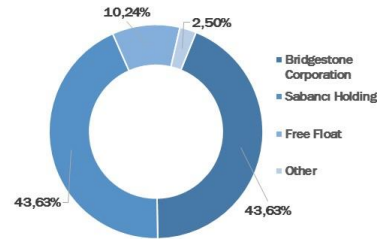
30.10.2018

BRIDGESTONE

SABANCI

BRISA AT A GLANCE

Strong Partnership of 30 Years
Best Governance with SA/BS



Tyre Manufacturing and Sales
with 2 Plants &
2.700+ Employees



izmit

Covered area

361.000 m²

Production Capacity

11 mn units

Aksaray

146.000 m²

4.5 mn units

Product Groups



Passenger

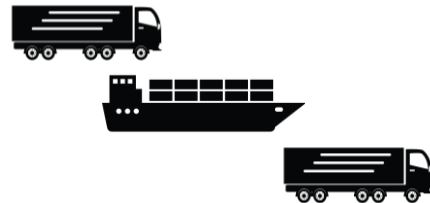
Agriculture

Motorcycle

Off-The-Road

Truck&Bus

Channels Served



Replacement

Export

Original Equipment

Brands

BRIDGESTONE

LASSA

DAYTON

bandag



WHY INVEST IN BRISA...

EXPORT DRIVEN GROWTH

6% CAGR in last 5 years

2018 Export Targets

15% Growth
210 million USD
5,2 million units



PROMISING & GROWING INDUSTRY

Growing automotive industry and vehicle pool

Potential in car ownership



UNDISPUTABLE LEADERSHIP

Leader in Turkish Replacement Market

Highest Brand Value in Turkish Tyre Market

Strong Brands
Strong Dealer Network
Innovation Leader
Technology Leader



HEALTHY FINANCIALS

Record high operational cash flow

No FX and interest risk on bank debt

Opportunity in stock price





EXPORT DRIVEN GROWTH (33% of revenue)

6% average volume growth in last 5 years 2018 Target: Growth by 15%, \$210mn, 5,4 million units



Outperforming market growth rates both in EU and in others

	Q3			SEP YTD		
	2018	2017	%	2018	2017	%
TOTAL	1.525	1.225	● 124%	4.095	3.671	● 112%
EU	1.075	880	● 122%	2.581	2.489	● 104%
Non- EU	450	346	● 130%	1.514	1.183	● 128%

Growth with
- high potential countries
- new countries
- new customers
- new channels

Focused EU Countries:
Spain, UK, Germany, Italy, Balkans

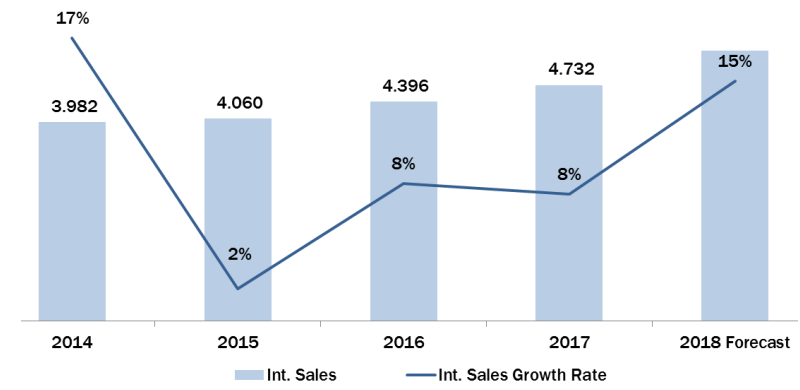
Focused Non-EU Countries:
CIS, North Africa, and Asia Pacific

Balanced EUR/USD Portfolio

Bridgestone collaboration;
Bridgestone export growth

SEP YTD	R1 (EU)	R2 (NON-EU)
POOL	● 1%	● 9%
LASSA	● 16%	● 42%

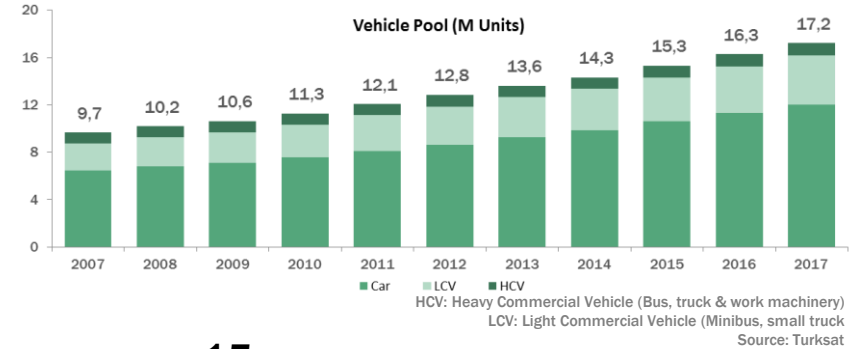
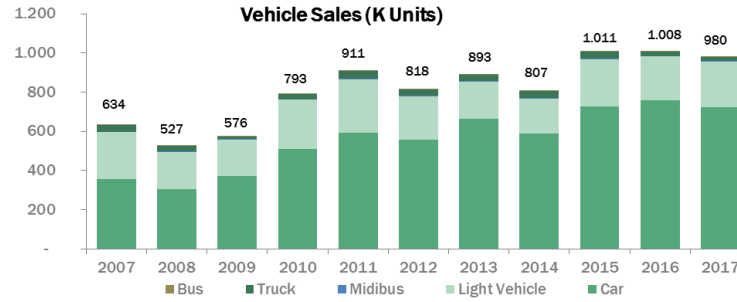
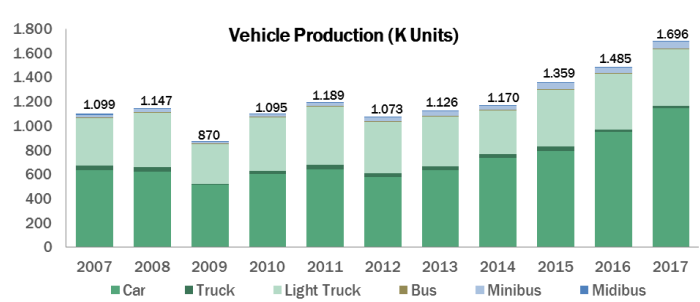
Export Sales (Units & Growth rate)





PROMISING & GROWING INDUSTRY, DOMESTIC CHANNEL

TURKEY VEHICLE PRODUCTION & SALES

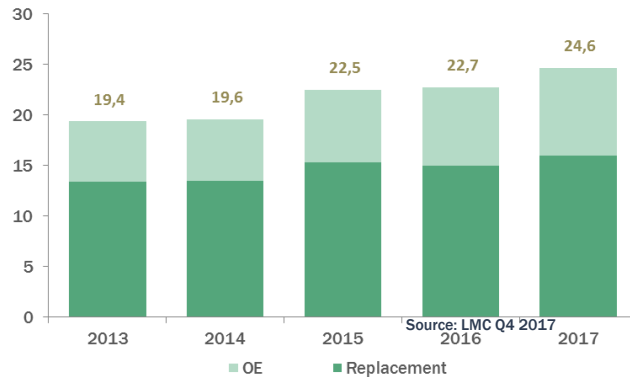


9% CAGR in last 8 years
Vehicle production increase trend continued in 2017.

7% CAGR in last 8 years
Vehicle sales stable for the last 3 years.

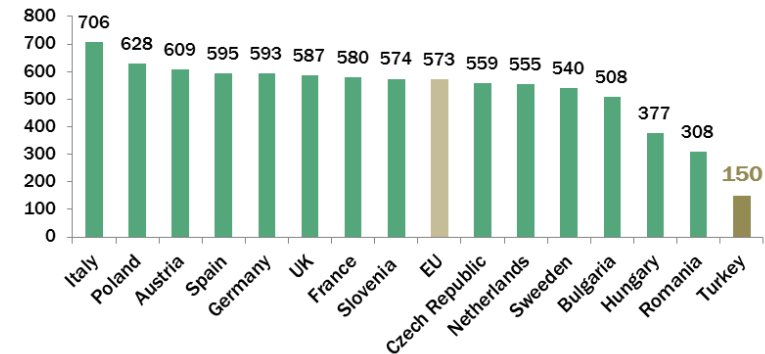
15 years continuous growth in vehicle pool
Vehicle density is the major indicator for growth

Tyre Demand (M Units)



In The last 5 years:
6% average Total Growth
(world avg: 3,3%)
Both OE (9%) and Replacement (5%) are well above world average

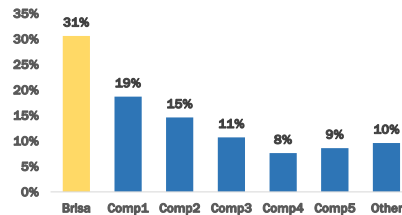
Passenger Car / 1000 People



15% Penetration in car ownership
Growth Potential in Car ownership in Turkey

SALES AND INNOVATION LEADERSHIP

Replacement Market Share



By Far The Market Leader

Source: Europol
Consumer Products: PSR Car, LCV, HCV Product Groups

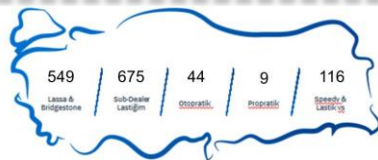
Strength in Brand Portfolio



45% market share in Best/Better segment with BS and LS

Entered to fighting segment with Dayton

Strongest Dealer Network



~1.400 Points of Sales

Increasing geographical coverage priority

Solid Increase in Sales and in Market Share

BRISA Sales	Q3			SEP YTD		
	2018	2017	%	2018	2017	%
Total	1,3	1,5	86%	3,8	3,4	110%
Consumer	1,1	1,33	82%	3,3	2,99	109%
Commercial	0,2	0,14	121%	0,5	0,45	121%

BRISA M/S %	Q3			SEP YTD		
	2018	2017	%	2018	2017	%
Total	31%	30%	1,1%	31%	28%	3,3%
Consumer	31%	30%	0,4%	31%	27%	3,3%
Commercial	34%	28%	5,8%	33%	30%	3,2%

* Replacement Market, Sell-in Data, Europol Market Share

SALES AND INNOVATION LEADERSHIP

Innovation Leader

1 Commercial Solutions

100+ Profleet
Consultants

2M TL saving
fleet/year

1000+
vehicle/year

2 Fast Fit Service Business(Otopratik)

200 Targeted
Points of Sales

Preference : 3 out of
5 customers

Franchise
Model

Battery
business

Digital Transformation In Replacement Business (Data Analytics)

1 Dealer-Distributor Management

Demand
forecasting

Inventory
management

Campaign
management

2 E-commerce and new channels

Spare parts
platform

E-commerce for
export

Lastik.com.tr

3 Customer Experience

Sell out
focus

Innovation for
customer

4 Awards

Digitalization
leader of sector

Pioneers of
digitalization

SALES AND INNOVATION LEADERSHIP

Technology

1 Original Equipment
12% of the channel portfolio

Export oriented growing sector
Commercial tyres golden key and impact on repl. market
Strategic channel for future
Tandem mixer

BRISA Sales (Tonnage)	Q3			SEP YTD		
	2018	2017	%	2018	2017	%
Total	4.391	5.812	76%	19.026	17.578	108%



2 R&D

Local design, Technology raw material
30 new products / year
R&D capability & 17M \$ investment in '17
Product localization

3 Smart Internal Processes (Supply chain, smart factory)

Production efficiency
Robotic systems
Warehouse & logistics solutions
Employee efficiency

WHY INVEST IN BRISA...



EXPORT DRIVEN GROWTH



PROMISING & GROWING INDUSTRY



UNDISPUTABLE LEADERSHIP



HEALTHY FINANCIALS

Record high operational cash flow for the last 10 years

No FX and interest risk on bank debt

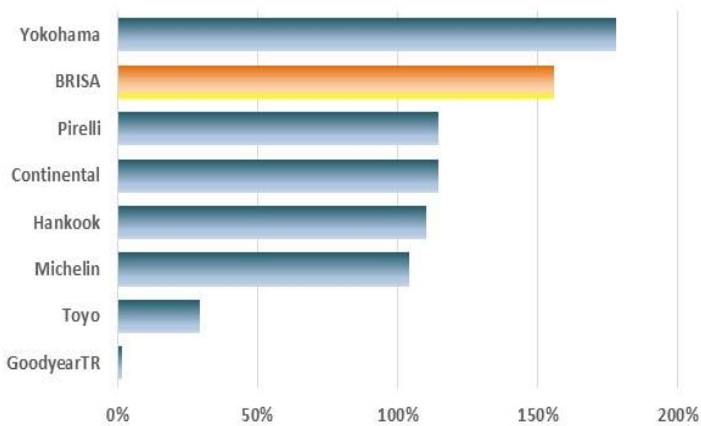
Opportunity in stock price



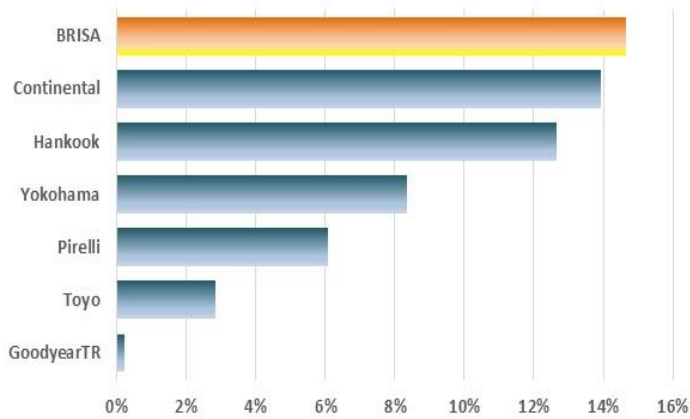
BENCHMARK OF CASH FLOW

BRISA took high place among its competitors in cash conversion from OP & Assets in 2017

OP Cash Flow / Operating Profit (%)

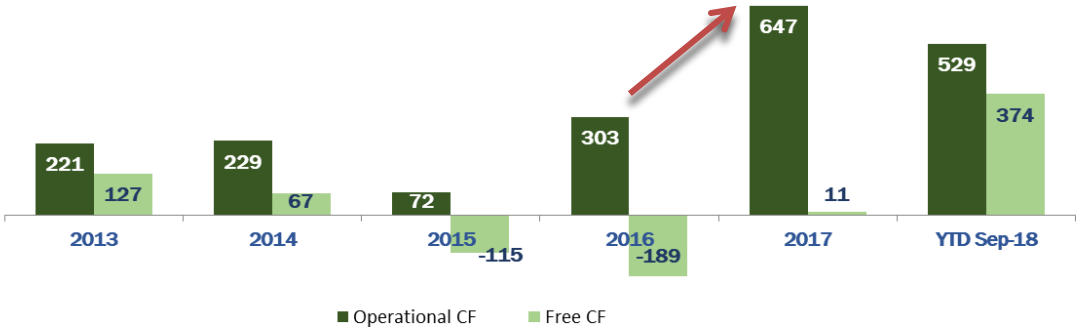


OP Cash Flow / Asset (%)

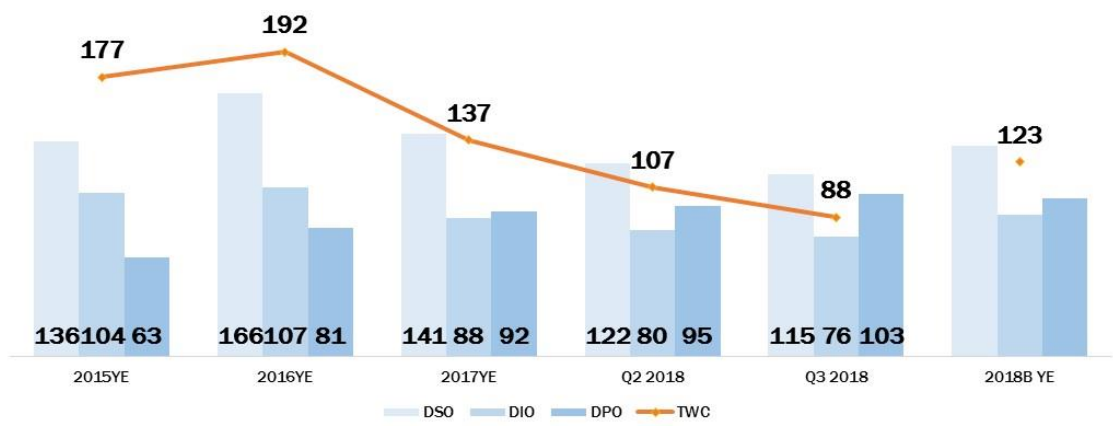


Operating cash flow evolution (TRY'000)

Focus on cash management resulted more cash starting from 2017 and onwards



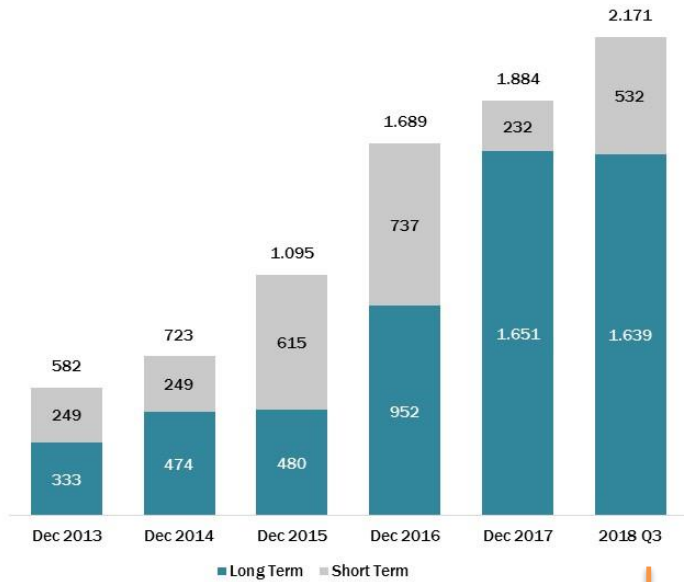
Trade Working Capital (Days)



Drastic Increase in Working Capital Efficiency

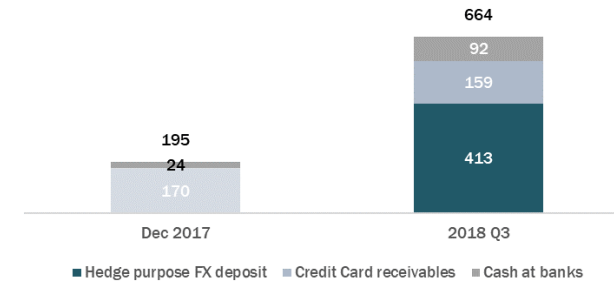
DEBT STRUCTURE

Bank Borrowings (M TL)



- (1) Debt structure changed to long term in 2016 & 2017
- (2) Debt increase stopped by operations
- (3) Increase in short term debt is purely due to change in B/S strategy from fwd to fx deposit keeping

Cash Distribution



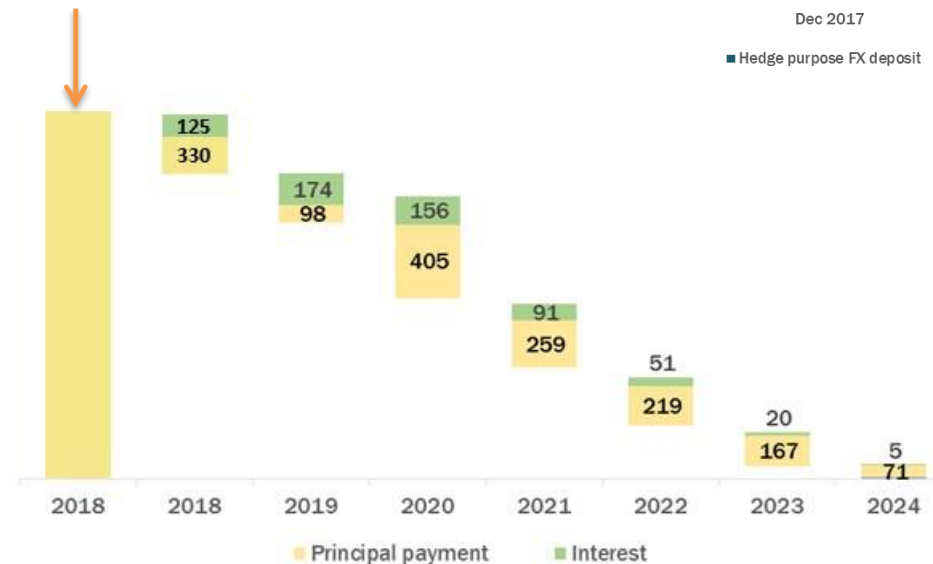
Risks under Control

100% of debt is hedged to TL.

Average cost of long term debt and short term debt are 12,75% and 33,27% respectively

Low interest rates has positive impact on WACC

Main principal debt repayment after 2 years



INCOME STATEMENT Q3

Exceptional growth in revenue and EBITDA.

(M TL)	Q3			SEP YTD		
	2018	2017	%	2018	2017	%
Net Sales	823	613	134%	2.237	1.621	138%
Gross Profit	229	166	138%	575	421	136%
%	28%	27%		26%	26%	
Total Expenses	(110)	(80)	136%	(321)	(260)	124%
EBITDA	164	115	143%	372	240	155%
%	20%	19%		17%	15%	
EBIT	124	92	135%	269	192	140%
%	15%	15%		12%	12%	
Net Profit	52	49	106%	75	76	99%
	6%	8%		3%	5%	

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

Remarkable increase in EBITDA by 55% increase and operating profit by 40% as of Sep-18 (In Q3 43% increase on EBITDA and 35% increase on operating profit).

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.

BALANCE SHEET Q3

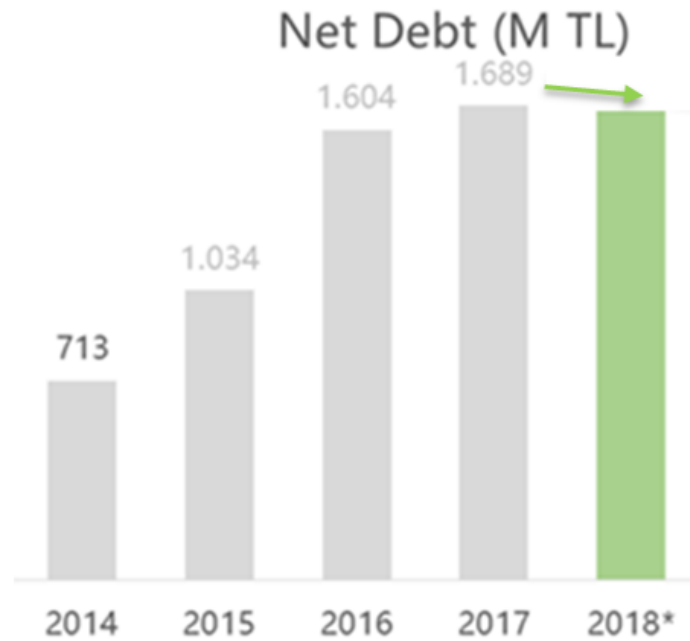
Financial ratios and working capital continues to improve : Reduction in Net debt by 176 mn TL

(M TL)	31.09.2018	31.12.2017	
TWC	595	639	Improvement in debt leverage of Brisa is continuing. 1.9 improvement in Net Debt/Ebitda as of September 2018
Short Term Financial Debt	531	232	
Long Term Financial Debt	1.640	1.651	
Net Financial Debt	1.513	1.689	
Ratios	31.09.2018	31.12.2017	Improvement in working capital days of Brisa is continuing. 49 Days improvement in working capital as of September 2018
Net Debt / Ebitda	3,3	5,2	
TWC days	88	137	
Cash Flow (M TL)	Sep YTD 2018	Sep YTD 2017	Better operating cash flow and lower capex resulted a decrease in net debt of Brisa.
Operational Cash Flow	529	261	
Investment (-)	(155)	(374)	
Dividend (-)	-	-	
Change in Financial Debt	295	194	

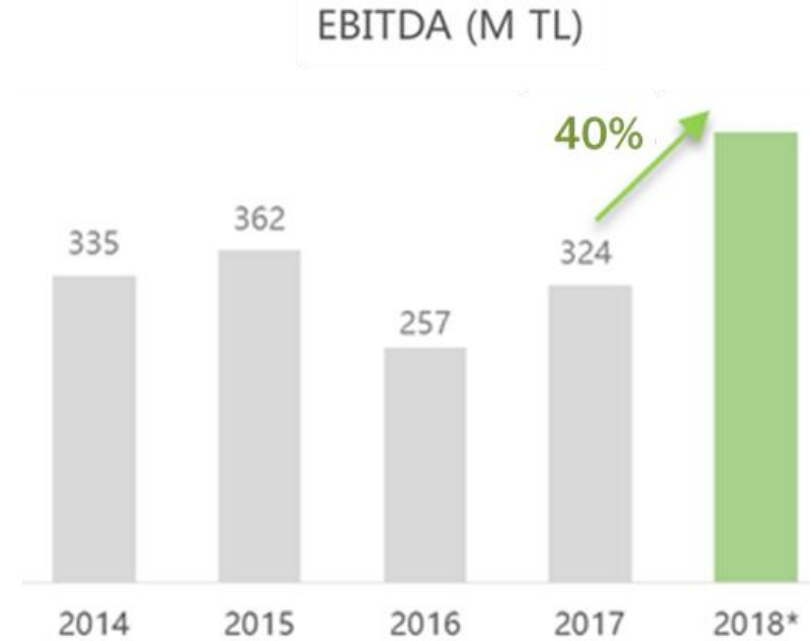
* As foreign currency denominated borrowings are hedged by cross currency swap transactions, they are presented as fixed with the cross currency swap contracts

RIGHT TIME TO INVEST...

Improving Net Debt



Strong EBITDA Growth Expectation



*Based on guidance disclosed to the public