



BRISA

INVESTOR BULLETIN

2017 Q4

BRIDGESTONE

SABANCI

EXPORT MARKET - 27% of BRISA'S REVENUE

Export volume increased in 2017

	Q4			Full Year		
	2017	2016	%	2017	2016	%
TOTAL	806	810	● 100%	3.495	3.454	● 101%
EU	404	419	● 96%	1.774	1.811	● 98%
Non- EU	402	391	● 103%	1.721	1.643	● 105%

For the whole year and in Q4, non-EU market was the trigger for the growth in export sales.

Big markets such as Egypt, continued recovering in 2017, increased total volume.



AUTOMOTIVE MARKET - OE MARKET - 13% of BRISA'S REVENUE

Total production increased by 14% to 1.7 million in 2017

	VEHICLE PRODUCTION						VEHICLE SALES					
	Q4			Full Year			Q4			Full Year		
	2017	2016	%	2017	2016	%	2017	2016	%	2017	2016	%
TOTAL	444	464	96%	1.693	1.487	114%	372	371	100%	1.074	1.017	106%
PSR	289	302	96%	1.140	951	120%	246	268	92%	723	701	103%
LCV	143	155	92%	517	506	102%	83	80	104%	233	227	103%
HCV	12	7	171%	36	30	120%	43	24	180%	118	90	131%

OE MARKETS	Q4			Full Year		
	2017	2016	%	2017	2016	%
	TOTAL	2.180	2.175	100%	7.823	7.185
Consumer	2.080	2.118	98%	7.510	6.933	108%
Commercial	100	57	175%	313	252	124%

BRISA SALES (TONNAGE)	Q4			Full Year		
	2017	2016	%	2017	2016	%
	TOTAL	7.760	5.766	135%	25.337	22.425



OE market increased by 9%, thanks to increase in vehicle production by 24%.

With the elimination of Euro-6 impact in 2016, Commercial OE market increased significantly.

REPLACEMENT MARKET - 60% of BRISA'S REVENUE

Market has reached a double-digit growth% both in all segments in 2017

RL MARKETS *	Q4			Full Year		
	2017	2016	%	2017	2016	%
TOTAL	4.929	4.468	● 110%	17.403	15.051	● 116%
Consumer	4.323	3.893	● 111%	15.291	13.140	● 116%
Commercial	607	575	● 105%	2.112	1.911	● 111%

BRISA SALES * (TONNAGE)	Q4			Full Year		
	2017	2016	%	2017	2016	%
TOTAL	28.539	26.511	● 108%	92.719	87.027	● 107%

BRISA MARKET SHARE SELL - OUT **	DEC YTD		
	2017	2016	%
TOTAL	27,7%	28,2%	● 98%

* Sell-in to the dealer

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

Market share increased in Q4, thanks to over performance of winter sell-in than market in 2017.

Remarkable growth continued in winter sell-out (Market growth 49%, Brisa increase 55%).

TOTAL SALES AND REVENUES BREAKDOWN

All channels showed a strong revenue growth in 2017

TONNAGE	Q4			Full Year		
	2017	2016	%	2017	2016	%
TOTAL	47.578	43.827	● 109%	169.157	157.994	● 107%
Replacement	28.539	26.511	● 108%	92.719	87.027	● 107%
OE	7.760	5.766	● 135%	25.337	22.425	● 113%
Export	11.279	11.549	● 98%	51.101	48.542	● 105%

REVENUE (M TL)	Q4			Full Year		
	2017	2016	%	2017	2016	%
TOTAL	673	494	● 136%	2.294	1.767	● 130%
Replacement	432	323	● 134%	1.378	1.087	● 127%
OE	95	54	● 177%	290	209	● 139%
Export	146	118	● 124%	627	471	● 133%

Sales tonnage performance in Replacement and OE channels are very strong in Q4.

36% revenue growth in Q4, best in 2017

INCOME STATEMENT

Exceptional growth in revenue and EBITDA

(M TL)	Q4			Full Year		
	2017	2016	%	2017	2016	%
Net Sales	673	494	● 136%	2.294	1.767	● 130%
Gross Profit	190	141	● 135%	611	519	● 118%
%	28%	28%		27%	29%	
Total Expenses	(134)	(91)	● 146%	(393)	(352)	● 112%
EBITDA	84	67	● 126%	324	242	● 134%
%	12%	13%		14%	14%	
EBIT	65	27	● 241%	257	219	● 118%
%	10%	5%		11%	12%	
Net Profit	20	27	● 72%	95	80	● 119%
%	3%	5%		4%	5%	

Significant growth in revenues and better GP% in Q4, thanks to decreasing raw material prices as expected

Despite decreasing GP margin in '17, nominal GP TL is 18% higher than prior year.

BALANCE SHEET

Financial ratios and working capital continues to improve

<u>(M TL)</u>	<u>31.12.2017</u>	<u>31.12.2016</u>
TWC	865	741
Short Term Financial Debt*	229	737
Long Term Financial Debt*	1.651	1.046
Net Financial Debt*	1.686	1.608
	<u>31.12.2017</u>	<u>31.12.2016</u>
Net Debt* / Ebitda	5,2	6,0
TWC days	137	192
Net Financial Debt* / Equity	2,5	2,8
Total Debt* / Equity	2,8	3,1
	<u>31.12.2017</u>	<u>31.12.2016</u>
<u>Cash Flow (M TL)</u>		
Operational Cash Flow	647	305
Investment (-)	(636)	(494)
Dividend (-)	-	(167)
Change in Financial Debt	187	592

0.8 improvement in Net Debt / Ebitda in 2017

55 Days improvement in working capital

Leverage of Brisa is improving, 2017 average cost of loans is 12,4%

814 m USD investment in the last 10 years. Increase in debt is mainly due to Aksaray plant investment.

Short term borrowings shifted to long term with low cost to create sustainable and affordable interest costs. 2017 average cost of long term loans is 12,7%.

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