



# Investor Presentation 2019

18.02.2020


**BRIDGESTONE**

**SABANCI**

# TURKEY'S LEADING TIRE MANUFACTURER



**2 Plants**  
**2900**  
**Employees**

|  | izmit                  | Aksaray                |
|--|------------------------|------------------------|
|  Covered Area | 361.000 m <sup>2</sup> | 146.000 m <sup>2</sup> |
| Production Capacity  | 11 M Units             | 2.5 M Units            |

**1,8 billion \$ investment in 30 years**

**1 tyre in  
every 2,5  
seconds**

**Aksaray – State of the art technology in Turkey  
300 M USD investment**

## BRISA AT A GLANCE



## Strong Partnership

Sabancı Holding (44%), Bridgestone (44%)  
Free float (10%)



## Brands, Products, Smart Services

**BRIDGESTONE**

**LASSA**

**profleet**  
flota yönetimi çözümleri

**DAYTON**

**bandag**

**OTO PRATİK**



## Manufacturing

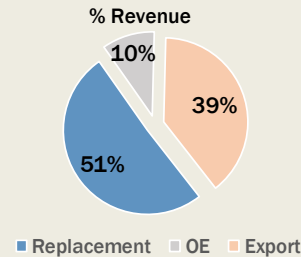
İzmit, Aksaray



## R&D Center



## Sales Channels



## Digital Solutions

Genba Room, BEC (Business Excellence Center)



## Our Talents

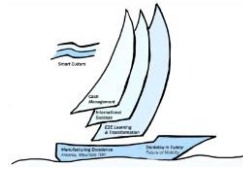
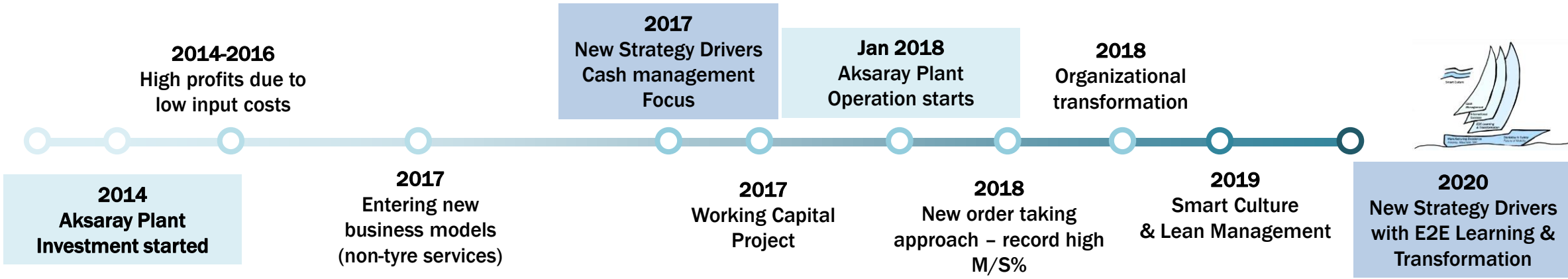
2900 employees



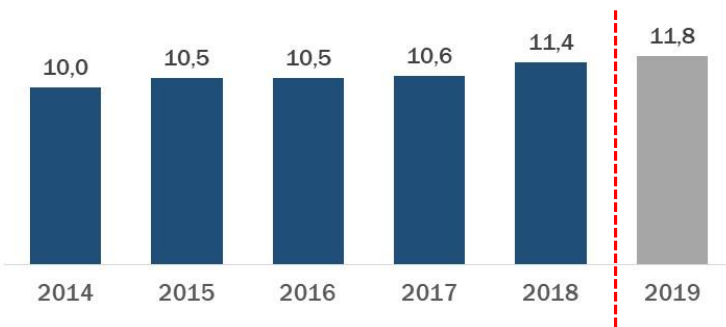
## Our Local & Global Network

1350 pos locally, 6000 pos globally, 83 countries

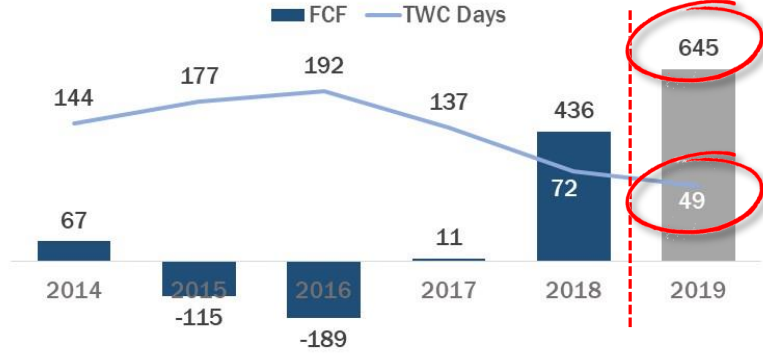
# FOCUS SHIFTS, GREAT IMPACT



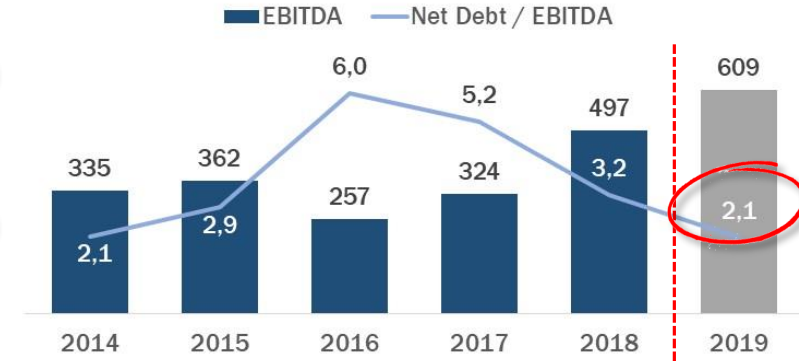
Production (M Units)



FCF (MTL), TWC Days



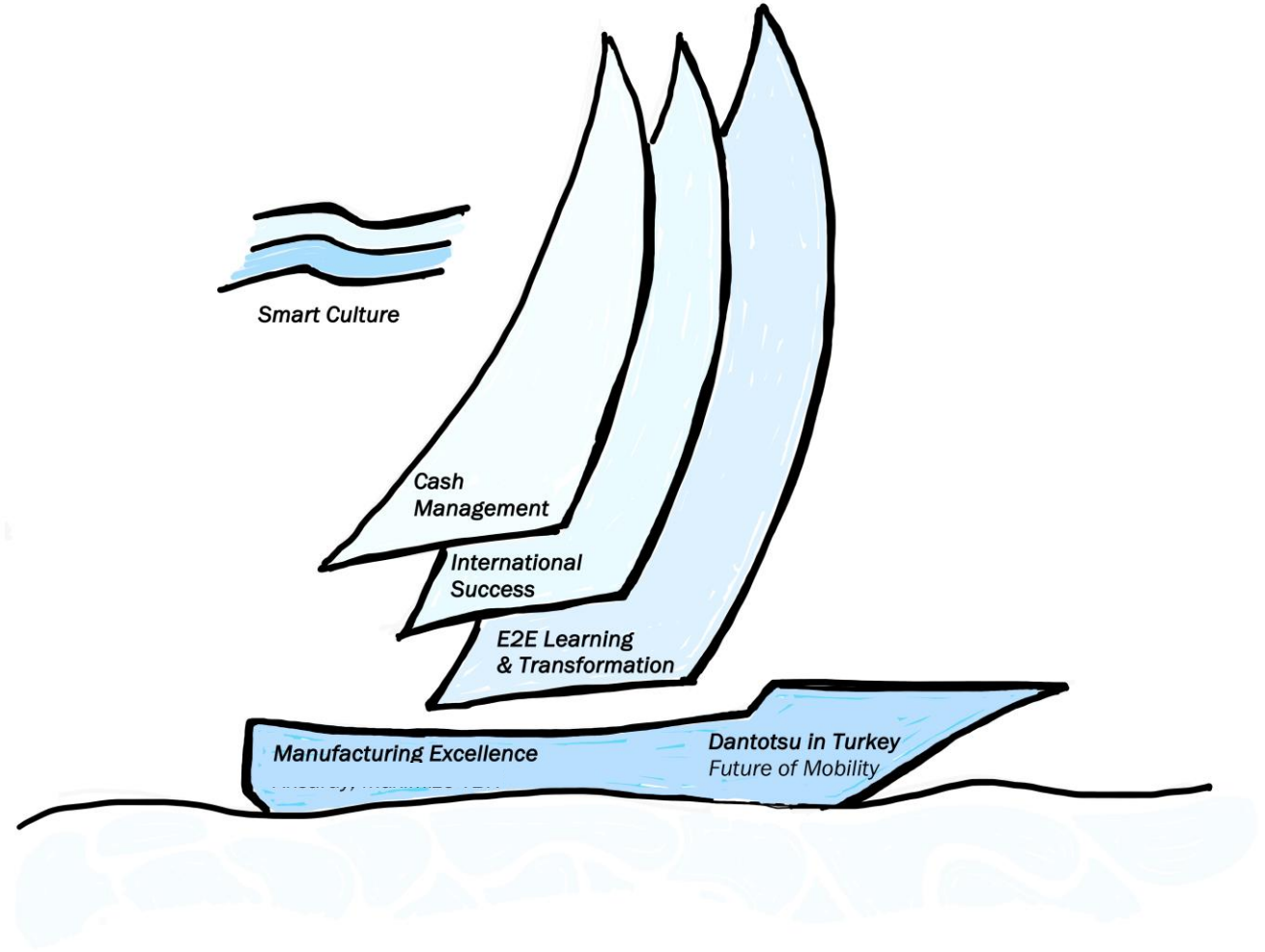
EBITDA (MTL), Net Debt / EBITDA



# OUR ESSENCE & STRATEGY

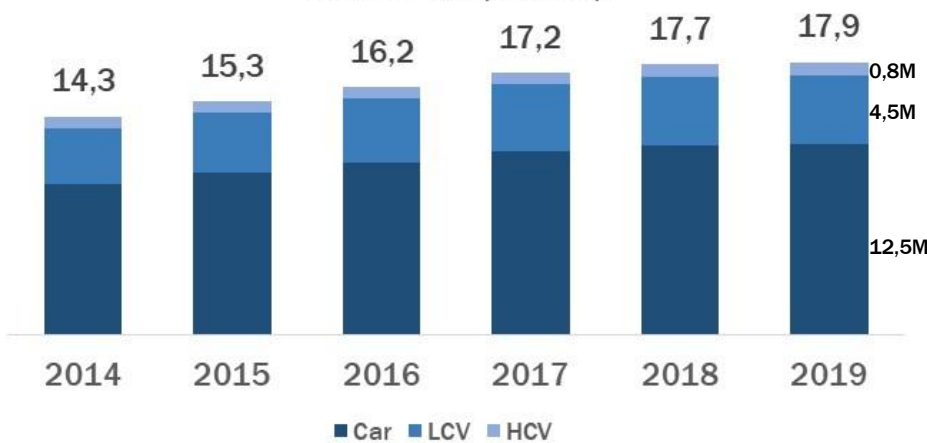


**WE DRIVE ON  
WITH COURAGE**

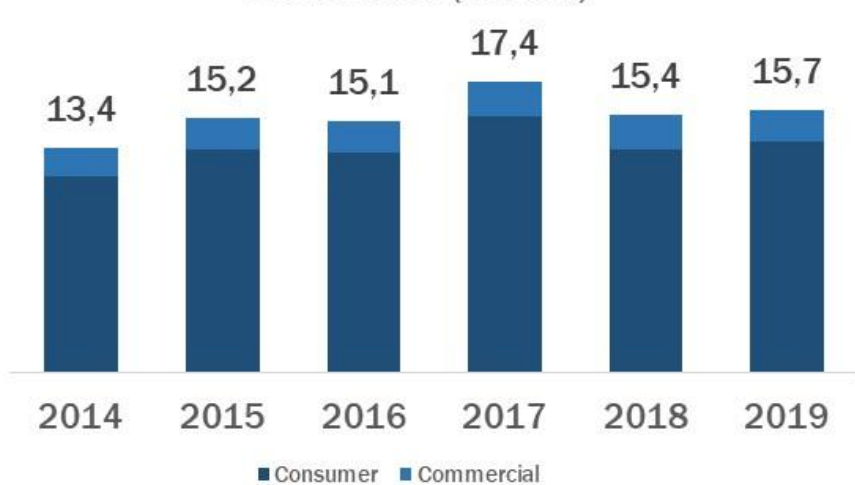


# REPLACEMENT CHANNEL- 51% of BRISA REVENUE

Vehicle Pool (M Units)



Tire Demand (M Units)



\*Sell-in Market; Brisa sales units decreased by 9% in this market in 2019

2018/Q4 → 2019/Q4 Tonnage increased by 7%

Source: Europool

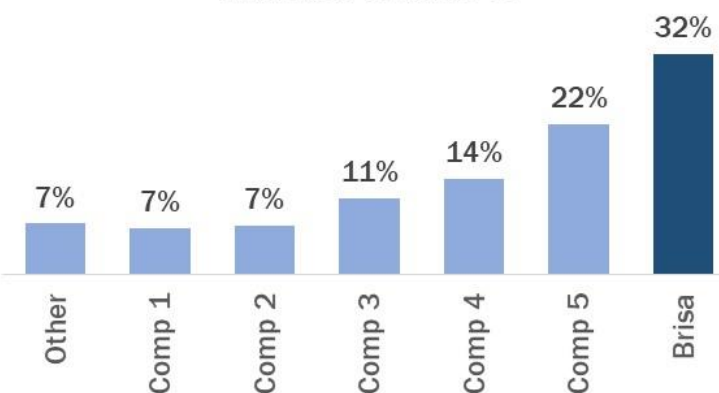
Market (M Units)\*

|            | 2019 | 2018 | %    |
|------------|------|------|------|
| Total      | 15,7 | 15,4 | 102% |
| Consumer   | 13,8 | 13,4 | 103% |
| Commercial | 1,9  | 2,0  | 94%  |

BRISA Sell-Out M/S %

|            | 2019 | 2018 | %    |
|------------|------|------|------|
| Total      | 32%  | 31%  | 0,6% |
| Consumer   | 31%  | 31%  | 0,5% |
| Commercial | 41%  | 38%  | 2,9% |

Market Share %



Dan tosu in Turkish Replacement Market

52% share in Best & Better Category

Proven Price Leadership

# REPLACEMENT CHANNEL- STRONGEST LOCAL NETWORK

## Strongest sales network in Turkey

1350 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

|   |            |
|---|------------|
| <b>BRIDGESTONE</b> <b>LASSA</b>                     | <b>548</b> |
| <b>lastigim</b><br>BRIDGESTONE <b>LASSA</b>         | <b>659</b> |
| <b>OTO PRATİK</b>                                   | <b>52</b>  |
| <b>ProPratik</b>                                    | <b>10</b>  |
| <b>Speedy</b> <b>lastik.com.tr</b> <b>Lastik Vs</b> | <b>~50</b> |



## BRISA – SOLUTION BUSINESS



B2C

E-charge for  
electrical cars

B2B

Passenger Car Fleet  
Service Module



BRISA - Solution Business  
Leader in the industry

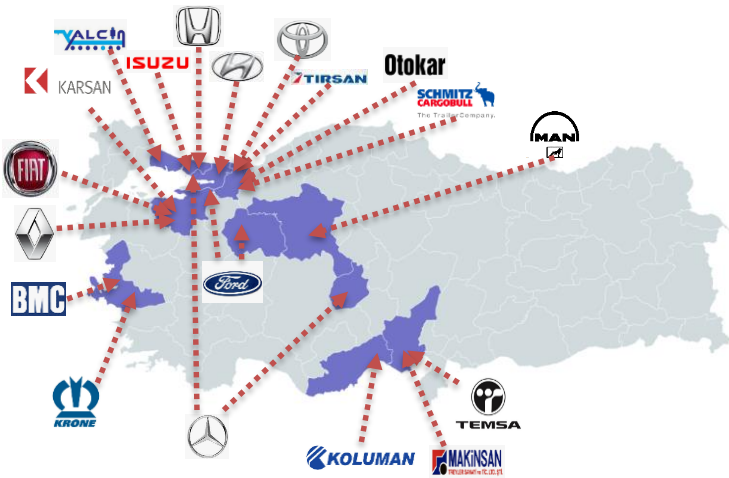
Measured 3.5 Million tires  
until today

15.000 fleet customers in  
the database

100 Profleet Consultants in  
the field



# OE CHANNEL- 10% of BRISA REVENUE



## Partnerships with Global OEMs



|                         | 2019  | 2018  | %     |
|-------------------------|-------|-------|-------|
| <b>MARKET (K Units)</b> | 7.459 | 8.041 | 93%   |
| <b>BRISA M/S %</b>      | 17%   | 18%   | -0,4% |

2018/Q4 → 2019/Q4 Brisa sales tonnage increased by 36%

## ACCELERATED NEW PRODUCT DEVELOPMENT

Tires for electric cars, first in Turkey

Started export for OE manufacturers

8 new products with latest technical developments

# INTERNATIONAL SALES CHANNEL – 39% of BRISA REVENUE

83

Countries

600

Lassa Branded Stores

6000

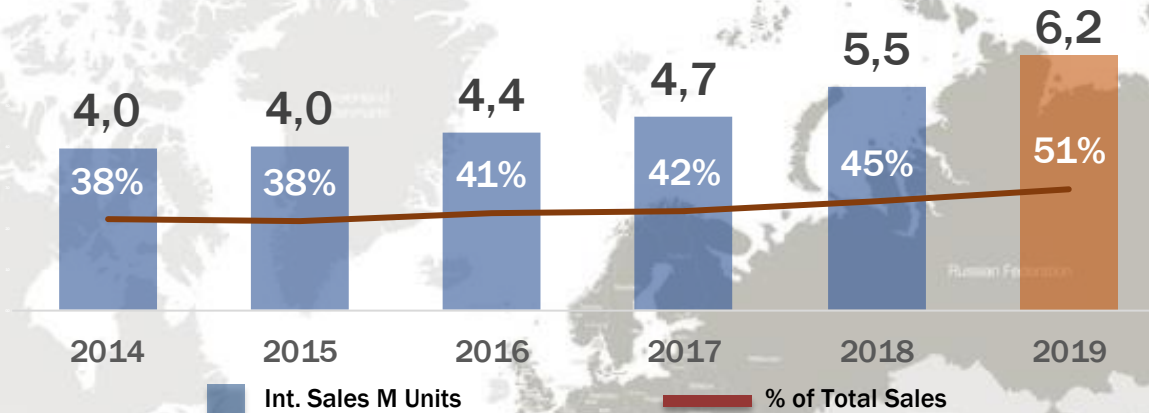
POS



# INTERNATIONAL SALES CHANNEL – 39% of BRISA REVENUE

**\$270 M Revenue**

..was \$231 M in 2018



**Growth**

more than the market in Europe, CIS and North Africa

## OE Exports

increased from 0,5K Ton in 2018 to 7,8K Ton in 2019

### Market

Regions Growth

### R1 (EU)

-3%

### R2 (NON-EU)

2%

### BRISA SALES (M Units)

TOTAL

2019

6,2

2018

5,5

%

114%

R1 (EU)

3,7

3,3

113%

R2 (Non- EU)

2,5

2,2

115%

Better performance in tonnage thanks to positive mix improvement, 23% growth in 2019 (10% growth in Q4)

# LONG TERM, SUSTAINABLE TECHNOLOGY

R&D Center Certified in April 2017  
for OE, Replacement and Export  
with Bridgestone Technical Centers

**271**

New products for  
2019

**50**

Projects/year

**73 Million TL**

R&D Investment in  
last 3 years



# INCOME STATEMENT

| (M TL)                        | 2019   | 2018   | %      |
|-------------------------------|--------|--------|--------|
| Sales (K Units)               | 12.220 | 12.067 | ● 101% |
| Net Sales                     | 3.558  | 2.999  | ● 119% |
| Gross Profit                  | 840    | 767    | ● 109% |
| %                             | 23,6%  | 25,6%  |        |
| OPEX                          | (422)  | (428)  | ● 99%  |
| %                             | 11,9%  | 14,3%  |        |
| EBITDA                        | 609    | 497    | ● 122% |
| %                             | 17,1%  | 16,6%  |        |
| Operating Profit <sup>1</sup> | 417    | 339    | ● 123% |
| %                             | 11,7%  | 11,3%  |        |
| Net Profit                    | 114    | 96     | ● 119% |
| %                             | 3,2%   | 3,2%   |        |

## Highlights of Q4

2018/Q4 → 2019/Q4

Revenue growth +19%  
 EBITDA growth +22%  
 Net Profit growth +92%

<sup>1</sup> Operating profit does not include other financial income and expense

# CASH FLOW AND BALANCE SHEET

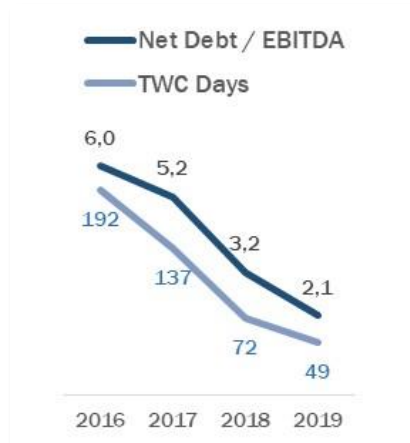
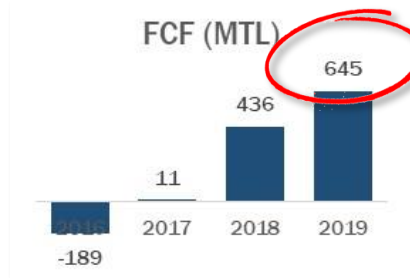
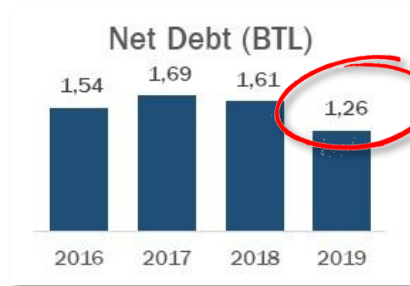
| (M TL)                | 31.12.2019 | 31.12.2018 |
|-----------------------|------------|------------|
| Total Financial Debt  | 3.160      | 2.674      |
| Derivative Assets (-) | 1.009      | 777        |
| Cash <sup>1</sup> (-) | 894        | 284        |
| Net Financial Debt    | 1.257      | 1.613      |

| Cash Flow (M TL)    | 31.12.2019 | 31.12.2018 |
|---------------------|------------|------------|
| Oper. Cash Flow     | 911        | 664        |
| Investment (-)      | (266)      | (228)      |
| Free Cash Flow      | 645        | 436        |
| Change in Fin. Debt | 246        | 1          |
| Financial Expense   | (313)      | (280)      |
| Other               | (69)       | (68)       |
| Change in Cash      | 508        | 90         |

|                    |       |      |
|--------------------|-------|------|
| Change in Net Debt | (262) | (88) |
|--------------------|-------|------|

| Ratios            | 31.12.2019 | 31.12.2018 |
|-------------------|------------|------------|
| TWC (MTL)         | 281        | 576        |
| TWC (Days)        | 49         | 72         |
| Net Debt / EBITDA | 2,1        | 3,2        |

## Last 4 Years



## Balance Sheet

| (M TL)               | 31.12.2019 | 31.12.2018 |
|----------------------|------------|------------|
| Cash <sup>1</sup>    | 894        | 284        |
| Receivables          | 669        | 759        |
| Inventory            | 635        | 572        |
| Other                | 3.082      | 2.942      |
| Total Asset          | 5.280      | 4.558      |
| Payables             | 1.023      | 755        |
| Total Financial Debt | 3.160      | 2.674      |
| Financial Debt       | 2.151      | 1.897      |
| CCS                  | 1.009      | 777        |
| Other Liabilities    | 199        | 208        |
| Equity               | 897        | 921        |
| Liability & Equity   | 5.280      | 4.558      |

## Highlights of Q4

2018/Q4 → 2019/Q4

OPCF growth +221% → 405MTL

FCF growth + 533% → 336MTL

FCF of first 9 months in last 3 months

<sup>1</sup> Cash includes time deposits having more than three months maturity