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# Investor Presentation Q4 2021

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Dec 2021



# BRISA

at a Glance



## Strong Partnership

Sabancı Holding (43,64%), Bridgestone (43,64%) Free float (10,2%), Other (2,5%)



## Manufacturing

İzmit - 11M Production Capacity  
Aksaray – 2.5M Production Capacity



## Sales Channels



## Our Talents

3.115 employees



## Brands, Products, Mobility Services



## R&D Center



## Digital Solutions



## Our Local & Global Network

1300 pos locally, 6000 pos globally,  
87 countries

01 Brisa Strengths & Strategy

02 Sustainability

03 Technology

04 Market & Sales Operations

05 Financial Performance

## 01 FINANCIALLY STRONG

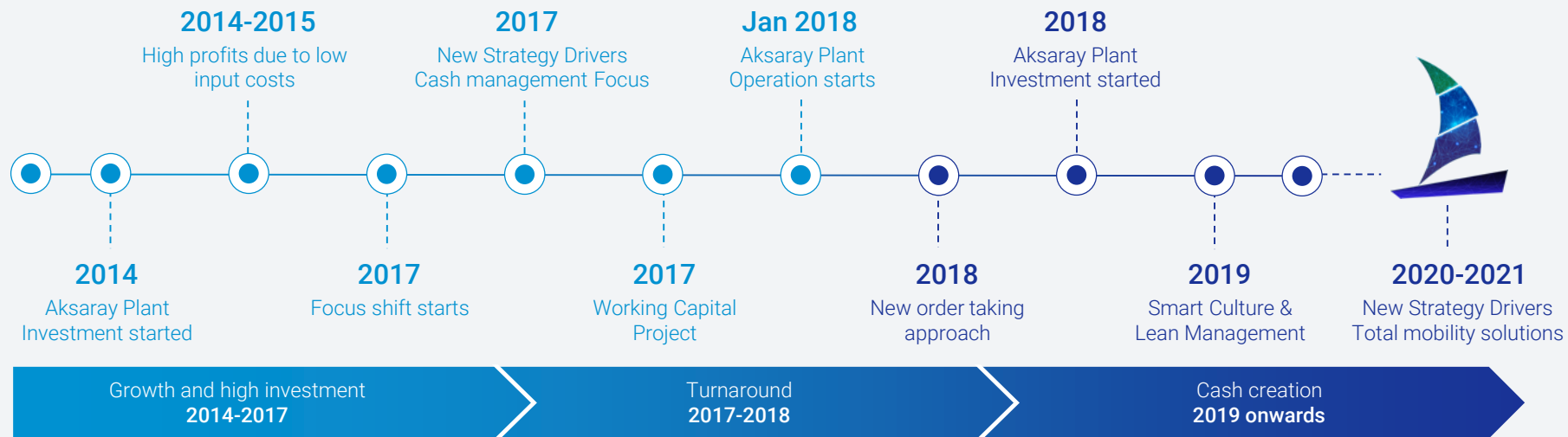
- Market Leader
- Balanced Portfolio (Turkey, International Markets, OE)
- Low level of TWC days and debt position
- Resilience to foreign exchange volatility

## 02 A LEADING COMPANY IN ESG

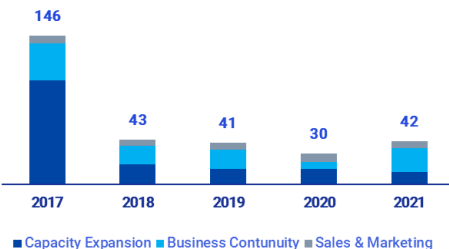
- CDP Turkey Climate Change and Water Leader
- CDP Supplier Engagement Global Leader
- 2050 - Net Zero Target
- Emission Reduction targets approved by Science Based Targets Initiative

## 03 FUTURE-ORIENTED, TECHNOLOGICALLY STRONG

- Strong R&D adaptable to the new automobile technologies
- Smart technologies in production
- Leader in services beyond tyre
- Digital Maturity Level over Turkey average



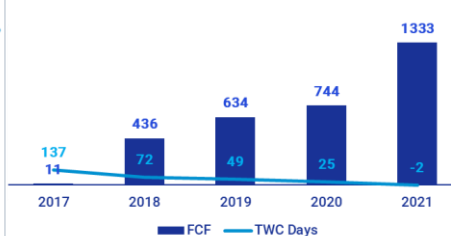
Investment (MUSD)



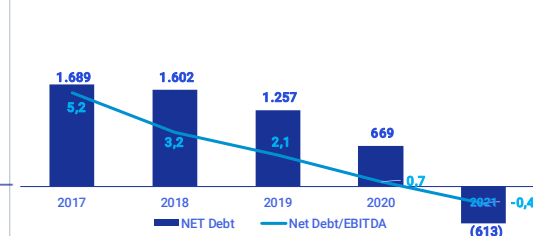
EBITDA (MTL)



FCF (M Units), TWC Days



NET Debt (MTL), NET Debt/EBITDA





## SMART CULTURE

- Continuing Digital Transformation
- Future of Work

## ENHANCE EXPORT

## OPERATIONAL EXCELLENCE

## DAN-TOTSU

- Premium Products
- Car Mobility Solutions
- Commercial Fleet Mobility Solutions
- New Generation Retail Services

## TOTAL MOBILITY SOLUTIONS

## PIONEER IN SUSTAINABILITY



## ESG STRATEGY



### Transition to Low Carbon Economy

- Carbon Emission
- Energy Management
- Water Management
- Waste Management
- Responsible consumption & production
- Green Procurement
- Biodiversity



### Transition to Low Touch Economy

- Digital transformation
- Mobility solutions



### Social and Cultural Transformation

- Health&Safety
- Education
- Desired Workplace
- Entrepreneurship
- Equality&Diversity



## TARGETS

### LOW CARBON



**2050**

0 Emission

**2030**

%56 Emission Reduction

**2023**

ZERO DISPOSABLE PLASTIC

**2023**

RENEWABLE ENERGY 35-37%

**2025**

%75 REDUCTION IN GROUND WATER CONSUMPTION IN IZMİT PLANT

**2030**

%70 REDUCTION IN WATER WITHDRAWALS IN AKSARAY PLANT

## AWARDS & RECOGNITION



- SBTi, Targets Set Category, acc.to 1,5°C scenario, 1st international tyre company



- Turkey Water Leader, 3<sup>rd</sup> time
- Turkey Climate Change Leader, 6<sup>th</sup> time
- Supplier Engagement Global Leader, 3<sup>rd</sup> time
- Leed, Gold Certificate, Academy Building



- Inovalig, Innovation Organization and Culture, Grand Prize
- Brandon Hall, Boost-Sales Development Program", Excellence Award



- Digital Maturity Index Score above Turkey average
- Digital Tyre Assistant, TUSIAD Digital Transformation in Industry Program, "Sustainability of Technology" award

- Certified R&D Center
- Bridgestone know-how and co-operation with technical centers
- Focus areas: Innovative products, tyres for electrical cars, mobility solutions, local raw materials, production & design

## #1 in Tire Industry

R&D Investment list in Turkey (2020)

## Among Top 5 Factories

within 48 Bridgestone factories, in quality & cost competitiveness parameters

48

Active  
Projects

161

The number of  
new products  
planned in 2021

20

Million TL

Direct material  
Annual cost  
improvement

162

Million USD

R&D, Technology and  
Business Continuity  
Investments Last five years







### SMART FACTORY

#### Aksaray Factory: First factory equipped with smart technologies in tyre sector in Turkey:

- 30% savings in energy with completely automated tyre transfer system
- Smart quality, smart maintenance, and smart energy with data stream of daily 800 million data



### DEALER SYSTEM

#### Data Analytics: Dealer Trust Index, 700 tyre sales points

- 92% of B2B customers coming from digital channels
- Virtual POS at dealer points, 80% of collection



### SUPPLY CHAIN & SMART PROCESS

#### Warehouse automation

- Logistics Tower Center

#### Robi: AI Based Team Member

- 11 departments, 35 projects
- Employee efficiency: %50 → %98



### CUSTOMER EXPERIENCE

#### Digital Genba Room at the heart of field

Dealer Complaint Closure Period:  
From 30 hours to 20 mins

#### Carbon Data Lake:

All data gathered in one place, Personalized implementations for customers and dealers



### E-COMMERCE & NEW CHANNELS

#### Lastik.com.tr

- Turkey's first online tyre sales platform,
- Among top 20 global companies in terms of infrastructure
- On-site tyre mounting services across Turkey

## Evolve to "Solutions Business", leveraging the strengths and expertise of Tire & Rubber Business

### FLEET SERVICES

- Leader in Digital Fleet Solutions with 10 different services
- Operational productivity and cost minimization with Profleet Fleet Management
- 40% reduction in Fleet Tyre Cost with rethread services, Bandag

**15.000+ fleet customers**  
**103 field team**  
**263.000 customer visits**

### ELECTRIFICATION

- 14 E-charge stations in sales points
- Tyres for electric vehicles (Low rolling resistance, low noise level, lightness )

**2021 target:**  
**17 E-charge service points**

### END TO END SERVICES

- Mobile and onsite mounting services
- E-commerce: Lastik.com.tr
- New generation vehicle maintenance experience with Otopratik with online price quoting & instant booking
- First in customer experience: Digital Tyre Assistant

**8 times increase in number of Lastik.com.tr customers**  
**9 new Otopratik points in 2021**



## Strongest sales network in Turkey

1300 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



487

647

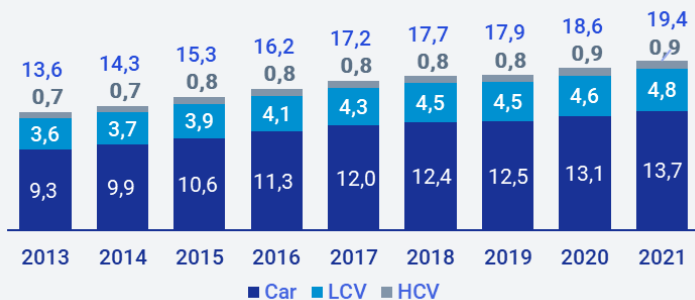
79

16

~85

# Replacement Channel / 51% of Brisa Revenue - 2021

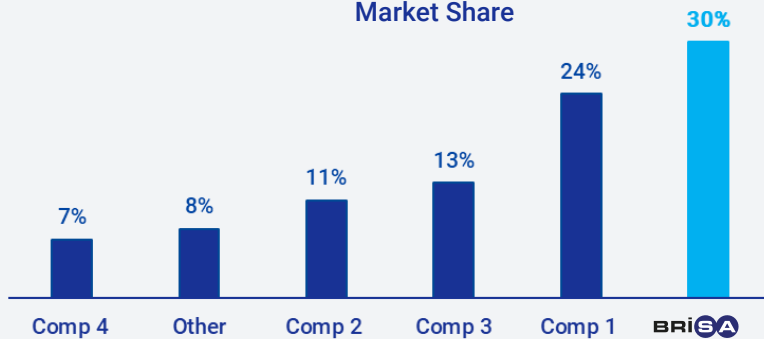
### Vehicle Pool (M Units)



### Tire Demand Sell Out (M Units)



### Market Share

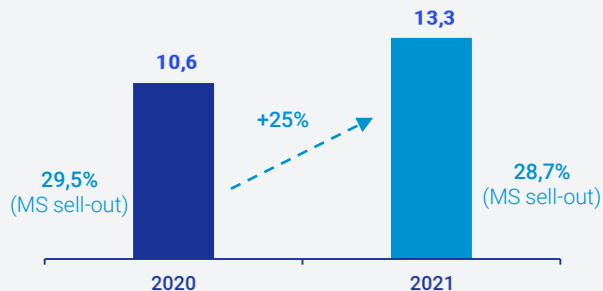


Vehicle pool CAGR  
+5,2% between  
2013-2021

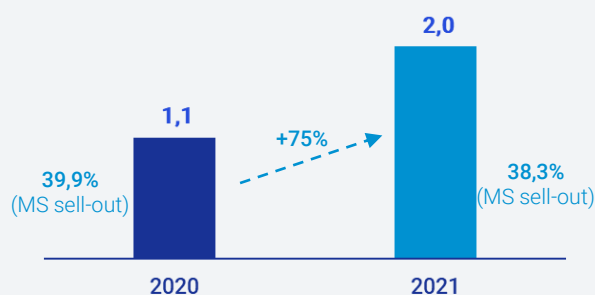
Dan tostu in Turkish  
Replacement Market

# Replacement Channel / 51% of Brisa Revenue - 2021

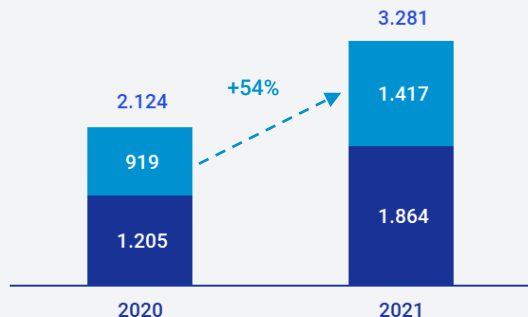
### Consumer Market\* (M Units)



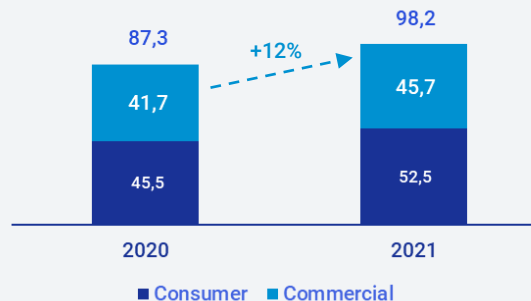
### Commercial Market\* (M Units)



### Brisa Revenue (MTL)



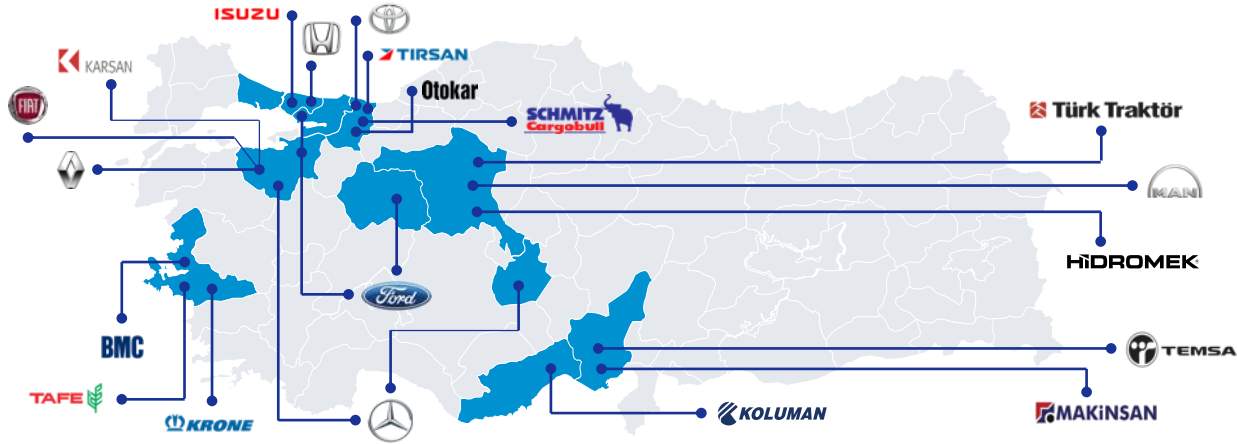
### Brisa Tonnage (K Ton)



Continuation of high market share both in consumer and commercial markets.

Top line growth became +54% in revenue and +12% in tonnage.

# OE Turkey - 12% of Brisa Revenue / 2021



Tires for electric cars, first in Turkey

Export for OE manufacturers

## Ford Transit 5.0-Tonne

The Most Capable LCV



## Fiat Egea Cross

First SUV of Tofas

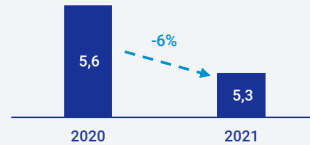


## BMC Tuğra

New Generation Truck



Consumer Market (M Units)



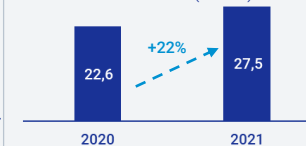
Commercial Market (M Units)



Brisa Revenue (MTL)



Brisa Sales (K Ton)



Strong R&D on OE, New products with latest technical developments



**87** Countries

**6000+**  
Sales Points

**600+** Lassa Branded Stores



**Expansion to 2 new countries**

(Kazakhstan and Hungarian)

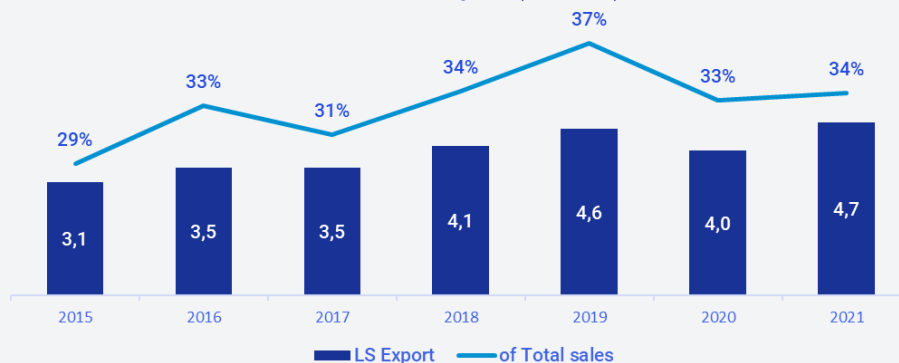
**New Lassa Shop in Ukraine**

**Dealer Catch Website to «expand sub dealer Network» in UK**

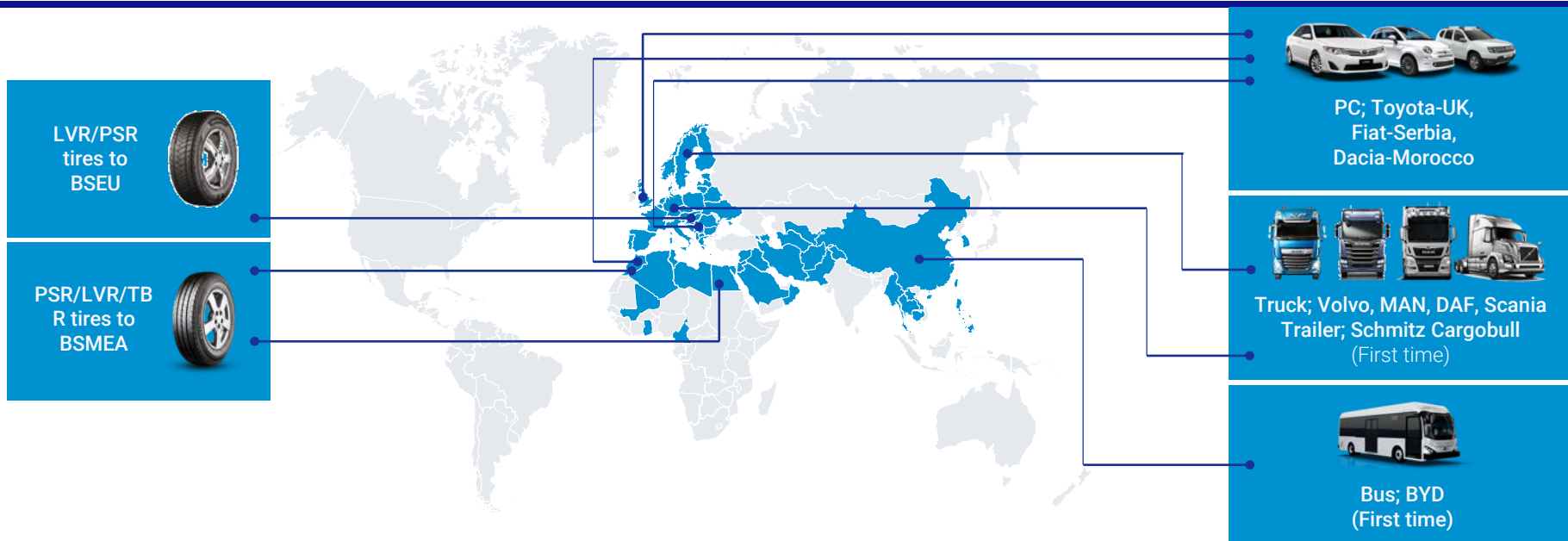
**19 Countries Lassa gained market share**

Europe: Bulgaria, Austria, UK, Greece, Portugal, Croatia, Latvia, Poland, Spain, The Netherlands and Sweden, Non-Europe: Iraq, Israil, Ukraine, Moldova, Belarus, Libya, Russia and Azerbaijan

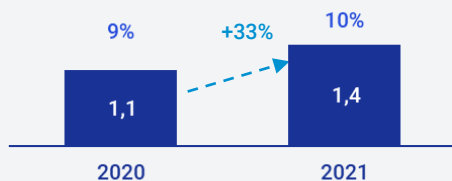
Lassa Export (M Units)



# International Sales Channel / 13% of Brisa Revenue - Bridgestone Sales



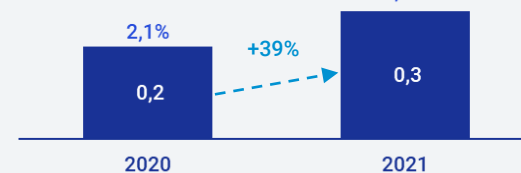
Bridgestone Direct Sales Network (M Units)



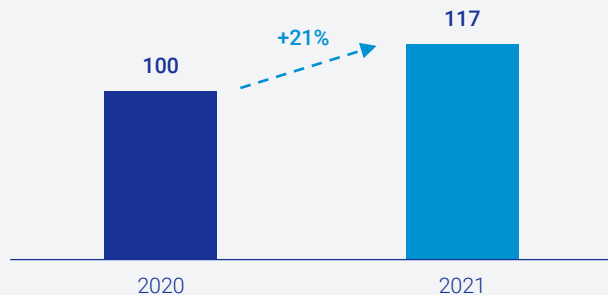
Dayton LVR tires export to Morocco for fighting segment

Release new Duravis All Season for light trucks

OEM Export Sales Network (M Units)

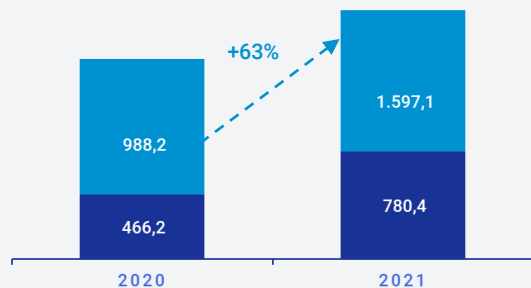


## Lassa International Markets (Index)

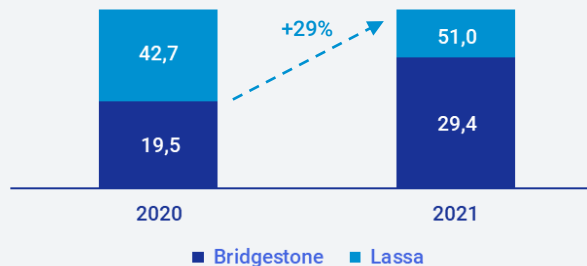


Lassa sales performs in line with international market.

## International Sales Revenue (MTL)



## International Sales Tonnage (K Ton)



11,7K Ton – OE Export sales

# 2021 4th Quarter Performance



**59%**  
Revenue  
Growth



**20,1%**  
EBITDA  
Margin



**40%**  
Net Sales  
Revenue  
per ton



**13%**  
Tonnage  
Growth



**725**  
FCF  
Million TL



**335** <sup>vs.PY</sup>  
47%  
Net Income\*  
Million TL



**-2**  
TWC Days



**-0,41**  
Net DEBT  
EBITDA

\*Include one-off deferred tax revenue impact arising from tax incentive

Net income without one off is **280.2MTL**

## Revenue Channel Breakdown 4th Quarter

**51%**  
RL **1.081MTL**

**12%**  
TR OE **250MTL**

**24%**  
LS Exp **500MTL**

**12%**  
BS Exp **247MTL**

**2%**  
Other **49MTL**

# 2021 Performance



**57%**  
Revenue  
Growth



**22,4%** vs.PY  
-0,2%  
EBITDA  
Margin



**31%**  
Net Sales  
Revenue  
per ton



**19%**  
Tonnage  
Growth



**1.333**  
FCF  
Million TL



**1.005** vs.PY  
86%  
Net Income\*  
Million TL



**-2**  
TWC Days



**-0,41**  
Net DEBT  
EBITDA

\*Include one-off deferred tax revenue impact arising from tax incentive

Net income without one off is **922.6MTL**

## Revenue Channel Breakdown 2021

**49%**

RL **3.281MTL**

**12%**

TR OE **817MTL**

**24%**

LS Exp **1.597MTL**

**13%**

BS Exp **780MTL**

**2%**

Other **157MTL**

	Q4 2021				2021			
	MTL		MUSD		MTL		MUSD	
	2021	vs PY	2021	vs PY	2021	vs PY	2021	vs PY
Revenue	2.130	159%	182	106%	6.634	157%	740	122%
EBITDA	427	135%	37	90%	1.486	155%	166	121%
EBITDA Margin	20,1%	-3%	20%	-3%	22,4%	0%	22,4%	0%
Operating Profit	364	140%	31	94%	1.248	171%	139	133%
OP Margin	17%	-2%	17%	-2%	19%	2%	19%	2%
Net Income bf Tax	242	135%	21	90%	885	186%	99	145%
Net income	335	147%	29	98%	1.005	186%	112	145%
Net Income w/o one-off*	280	171%	24	114%	923	202%	103	158%

\*One-off: Deferred tax revenue impact arising from tax incentives

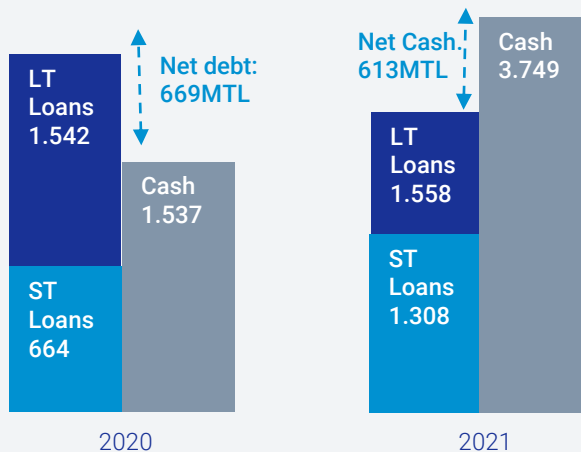
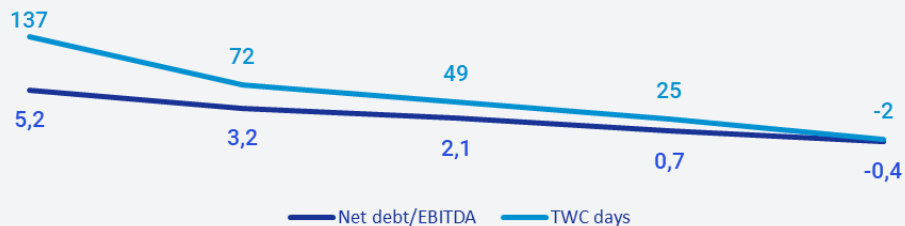
Operational excellence in supply chain & efficiency increase in production led to high profitability

EBITDA margin realized 22,4%

Success in financial management

Net income doubled y/y in TL terms





(M TL)	12/31/2020	12/31/2021
Cash	1.537	3.479
Receivables	763	1.061
Inventory	618	1.109
Other	3.143	4.641
<b>Total Asset</b>	<b>6.060</b>	<b>10.289</b>
Payables	1.200	2.807
<b>Total Financial Debt</b>	<b>3.147</b>	<b>4.778</b>
Financial Debt	2.206	2.865
CCS	941	1.912
Other Liabilities	275	395
Equity	1.438	2.309
<b>Liability &amp; Equity</b>	<b>6.060</b>	<b>10.289</b>

Outstanding performance in leverage levels

Continuation of WC days improvement

Thanks to high EBITDA and lower net debt, ND/EBITDA ratio below «0»

# Cash Flow Statement

	Q4 2021				2021			
	MTL		MUSD		MTL		MUSD	
	2021	vs PY	2021	vs PY	2021	vs PY	2021	vs PY
EBITDA	427	135%	37	90%	1486	155%	166	121%
Oper. Cash Flow	917	324%	78	216%	1771	180%	198	140%
Investment (-)	-192	155%	-16	104%	-438	182%	-49	141%
Free Cash Flow	725	455%	62	303%	1333	179%	149	140%
Change in Fin. Debt	-33	-28%	-3	-19%	399	546%	44	425%
Financial Expense	-71	139%	-6	93%	-267	99%	-30	77%
Dividend Paid	0	100%	0	100%	-270	790%	-30	615%
Other	468	115%	40	123%	817	-3006%	91	-2341%
Change in Cash	1090	714%	93	477%	2011	372%	224	290%

**Dividend of 270MTL  
was distributed**

\*Other: Foreign Exchange  
difference gain from financial  
policy



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