



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

## TOFAŞ WEBCAST PRESENTATION

31.12.2020 Results

# AGENDA



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

- Key Highlights
- Production & Shipments
- Domestic Market
- Export
- Financial Performance
- Investments
- Outlook

# KEY HIGHLIGHTS



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

- ✓ Robust set of financial results with **26% y/y PBT** (profit before tax) **growth** and **7.8% PBT margin** in **2020** thanks to **outstanding performance** in **domestic market** supported by our agile organization during challenging operating environment due to Covid-19.
- ✓ **Fiat** brand solidified its **domestic light vehicle market leadership** position with **sustained market share gains (up 1.9pp y/y)**, reaching to **17.8%** in 2020, **notably ahead of competition**.
- ✓ **Successful launch of the facelifted versions of Tipo/Egea family** with a **new cross-over body-type addition** to the product portfolio, which had received strong initial interest.
- ✓ **Existing scrap incentive schemes**, which were introduced late 3Q20, at our main **export markets** provide a **notable recovery potential**, despite the ongoing challenges stemming from Covid-19 in Europe.
- ✓ Smooth **completion of the merger** between FCA-PSA with the formation of **Stellantis**, effective as of Jan'21, which will have a significant scale with a wider global footprint.

- Key Highlights
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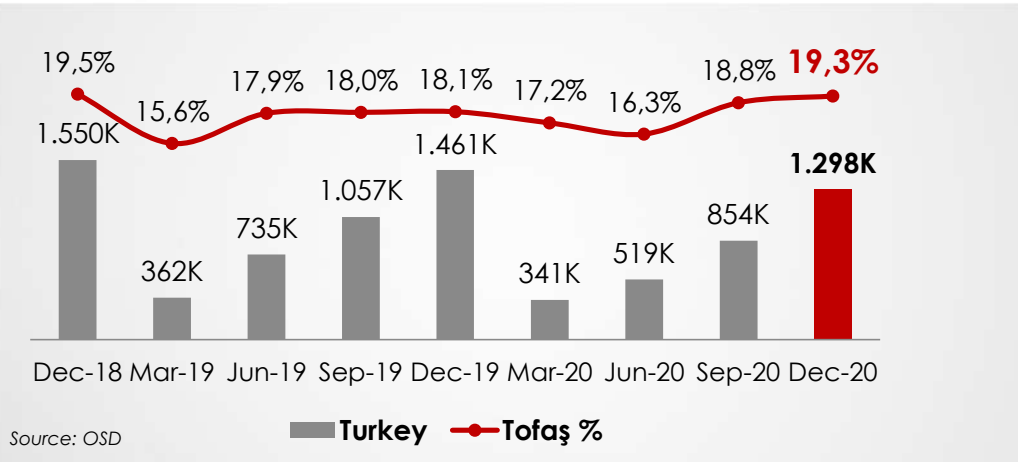
# PRODUCTION

## Turkish Automotive Industry & Tofaş

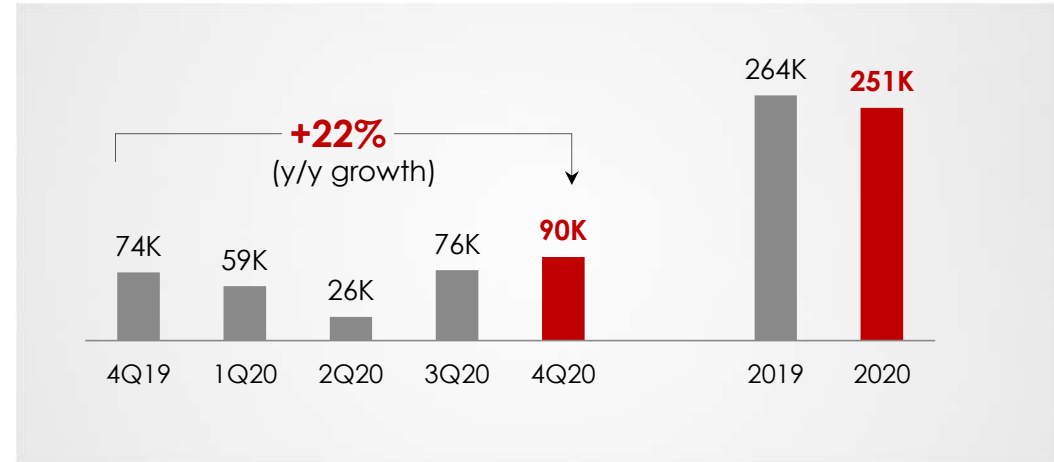


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### Turkish Automotive Production



### Tofaş Production



- ✓ In **2020**, total Turkish motor vehicle **production declined by 11% y/y** to **1.3mn** units.
- ✓ **Tofaş** constituted **19.3%** of the industry with a production of **250.6K** units in **2020** (up 1.2pp y/y).
- ✓ **4Q20 production** volume of Tofaş **expanded by 22% y/y**, reaching to **90.1K units**.
- ✓ Tofaş **2020** production **mix; PC: 61%; LCV: 39%** vs. 55% PC; 45% LCV in 2019.

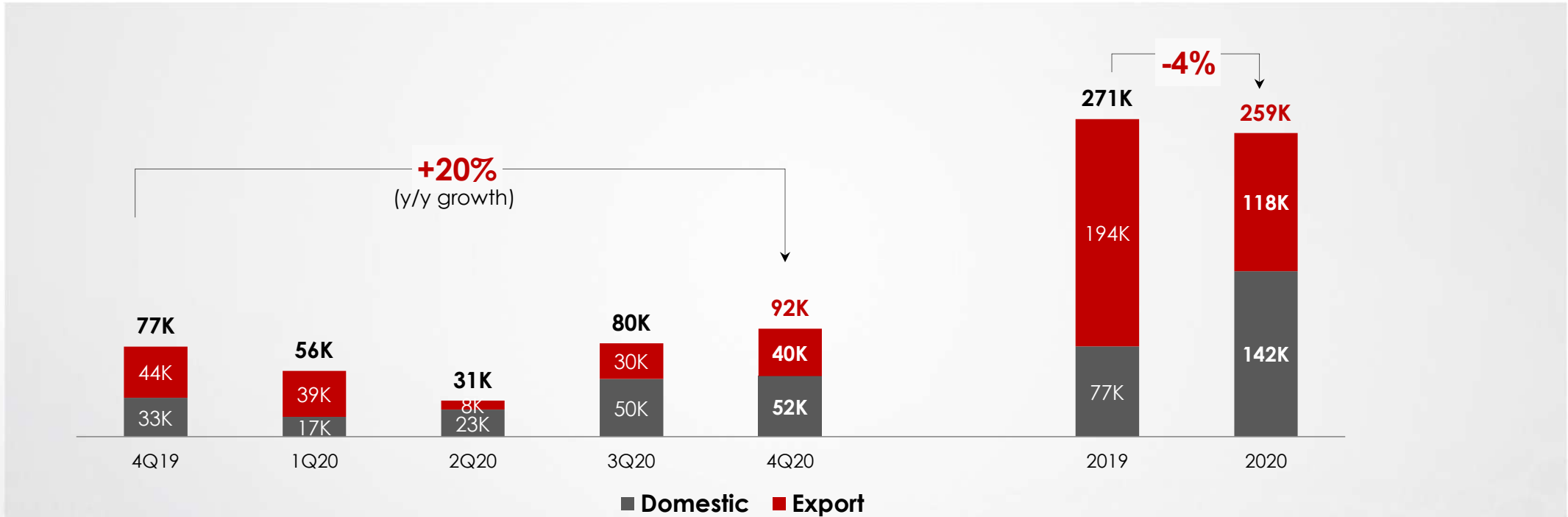


## SHIPMENTS

### Tofaş Total Shipment Units



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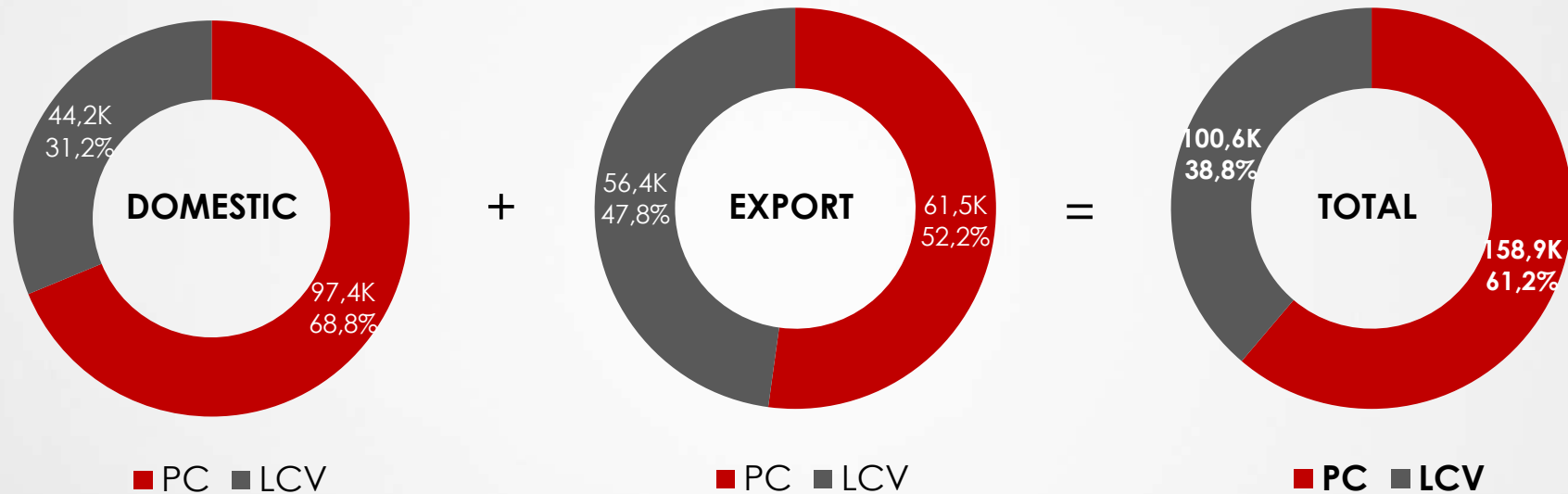
- ✓ **Total unit shipments of Tofaş ascended by 20% y/y in 4Q20**, reaching to **92K** units with a full year shipment of **259K** units (down -4% y/y).
- ✓ **Sustained robust growth in domestic shipments** coupled with **ongoing sequential recovery in export volumes** were the main drivers of this performance.

## SHIPMENTS

### Tofaş Shipment Volumes by Business



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- ✓ In 2020, the most notable change in shipment mix was in domestic volumes with **6.4pp y/y increase (i.e. normalization)** in **LCV mix** recovering back to **31%** of **domestic shipments**.

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# DOMESTIC LV MARKET

## Segment Evolution



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### 4Q20 Domestic LV Market

TOTAL: 279.2K (+41% y/y)

PC: 221.4K (+40% y/y)

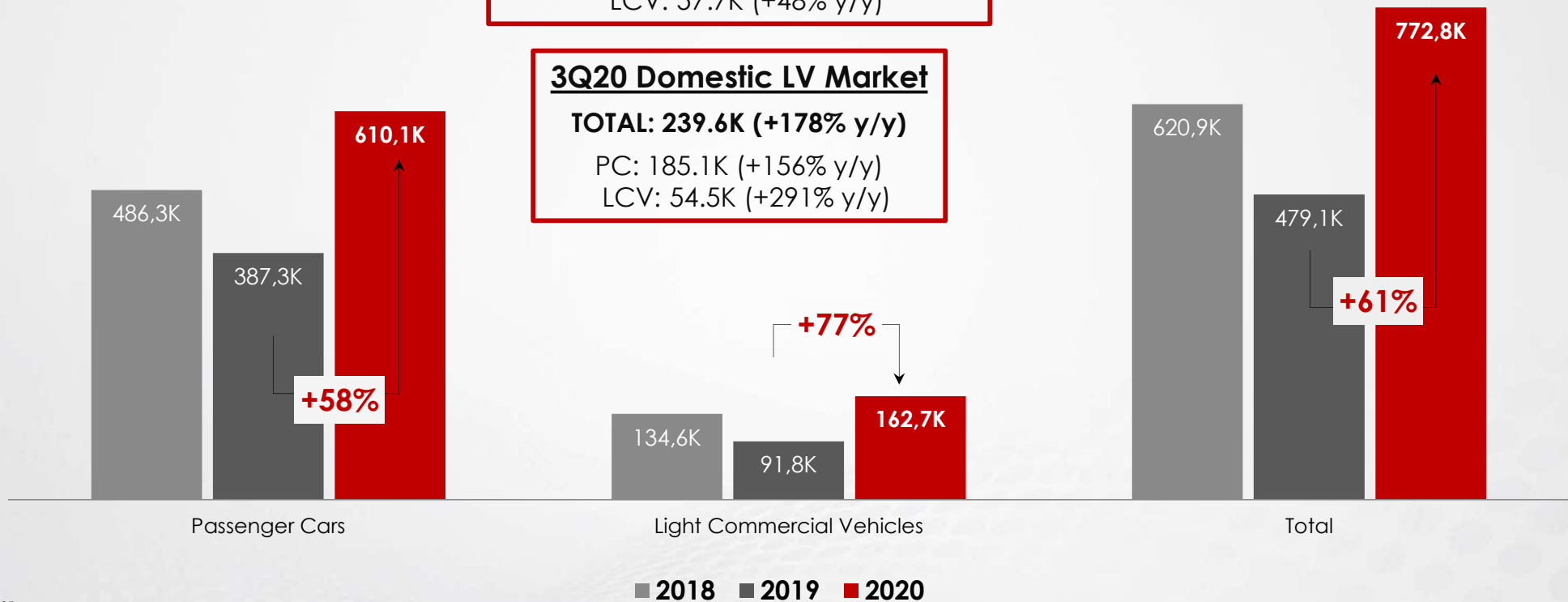
LCV: 57.7K (+48% y/y)

### 3Q20 Domestic LV Market

TOTAL: 239.6K (+178% y/y)

PC: 185.1K (+156% y/y)

LCV: 54.5K (+291% y/y)



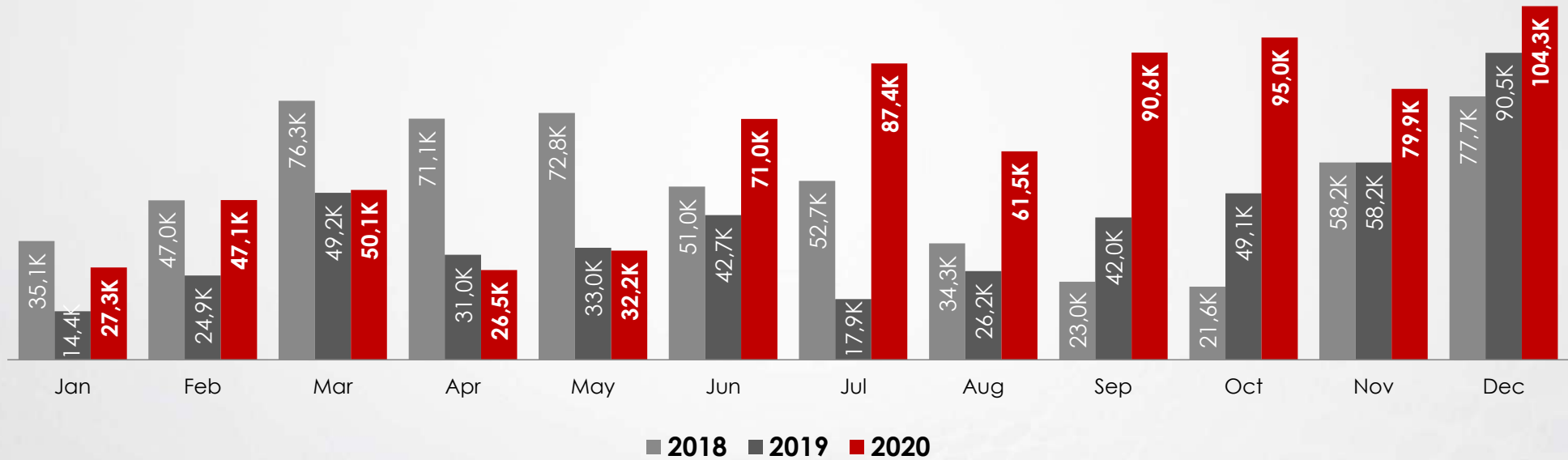
Source: OSD

## DOMESTIC LV MARKET

### PC & LCV Retail Sales - Monthly



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Source: OSD

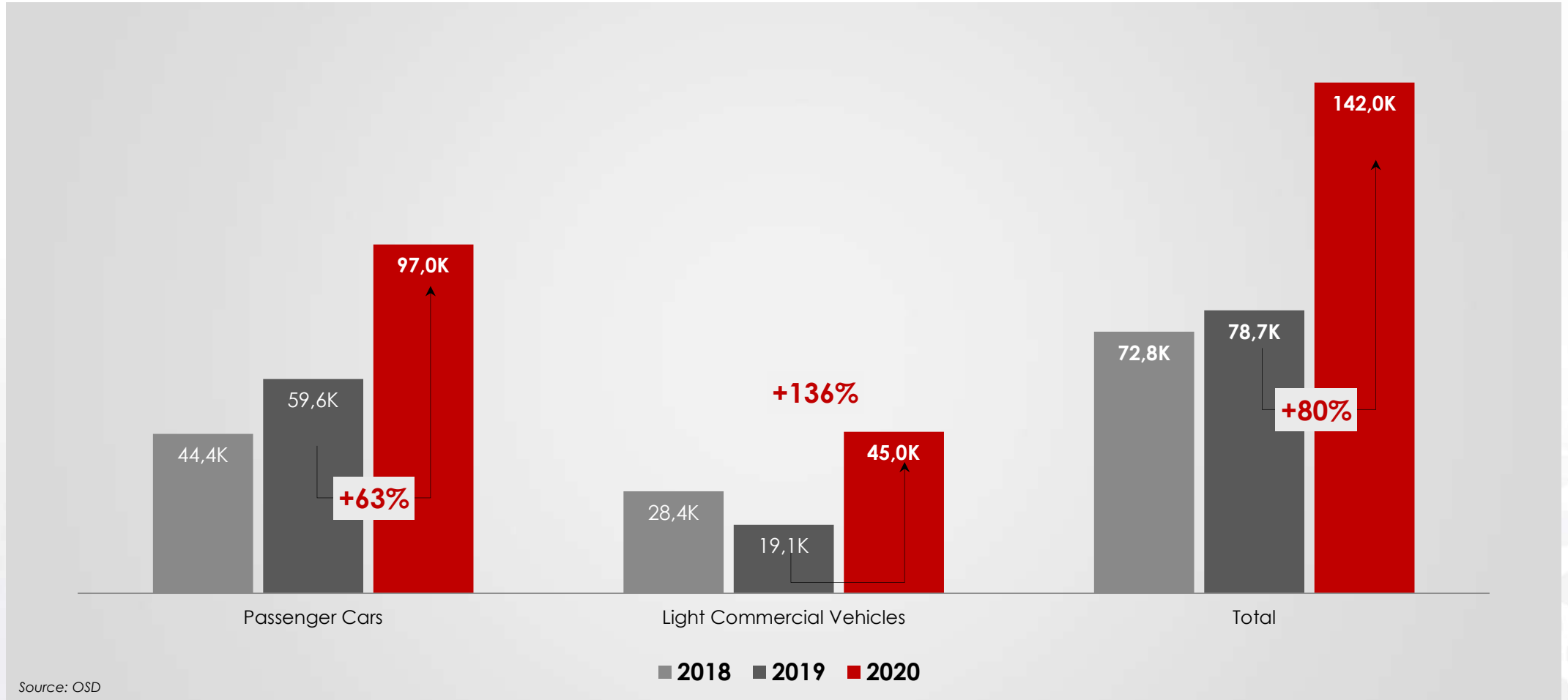
- ✓ **Total domestic market retail sales** surged by **61.3%** y/y, reaching to **772.8K** units in **2020**.
- ✓ Following a temporary hiccup due to Covid-19 domestic LV demand has **begun to recover in June** thanks to **i.** unleash of pent-up on the back of **i.** lower loan rates and, **ii.** growing e-commerce penetration.

# TOFAS DOMESTIC LV MARKET PERFORMANCE

## Segment Evolution (Retail)



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

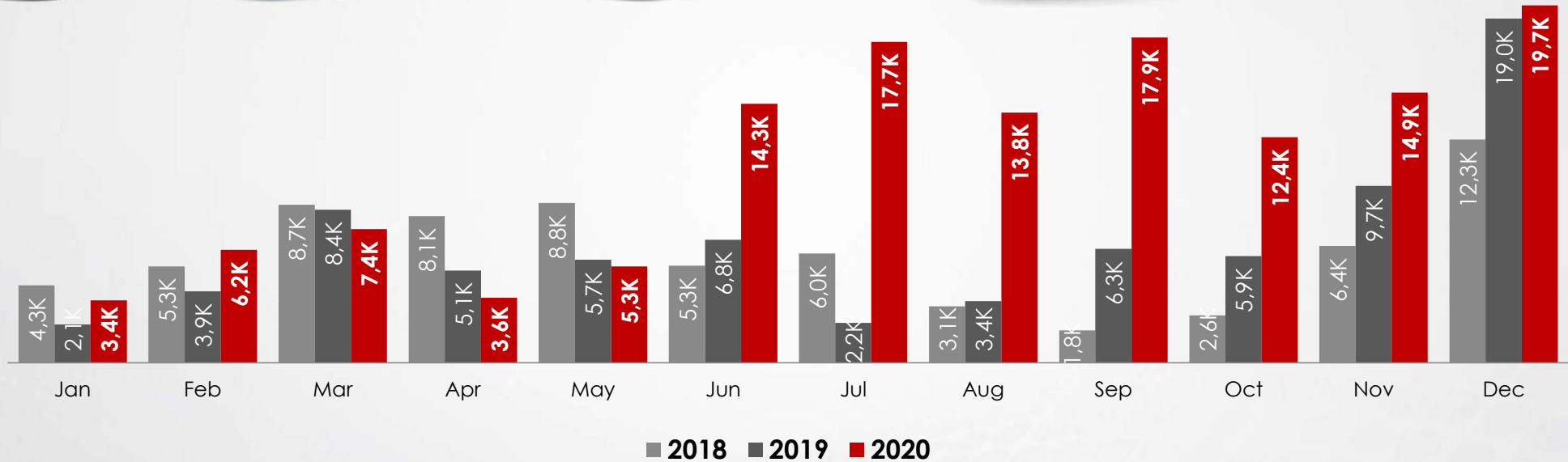


# TOFAŞ DOMESTIC LV MARKET PERFORMANCE

## PC & LCV Retail Sales - Monthly



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.



Source: OSD

✓ Tofaş domestic retail sales had substantially outperformed total domestic LV demand in 2020.

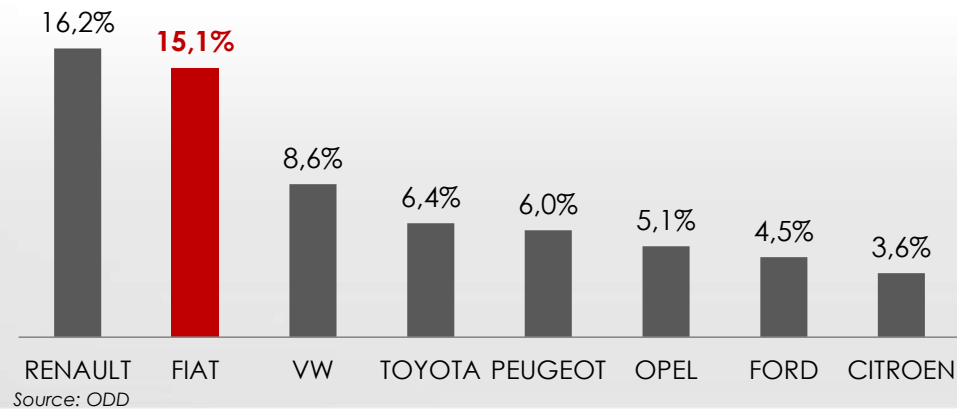
# FIAT BRAND DOMESTIC LV MARKET PERFORMANCE

## Passenger Car Market Share

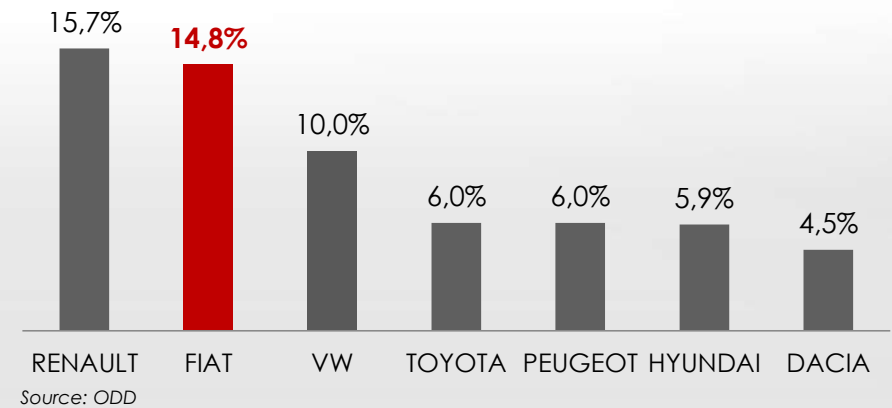


TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

2020



2019



- ✓ **Passenger car market share** of **Fiat** brand further expanded **by 0.3pp y/y on top of 6.2pp y/y improvement** in 2019, reaching to **15,1%** in 2020.
- ✓ **Fiat Egea** maintained its **market leadership** (5 years in a row), supported by its improved value proposition as a local PC and solid track record in the market.



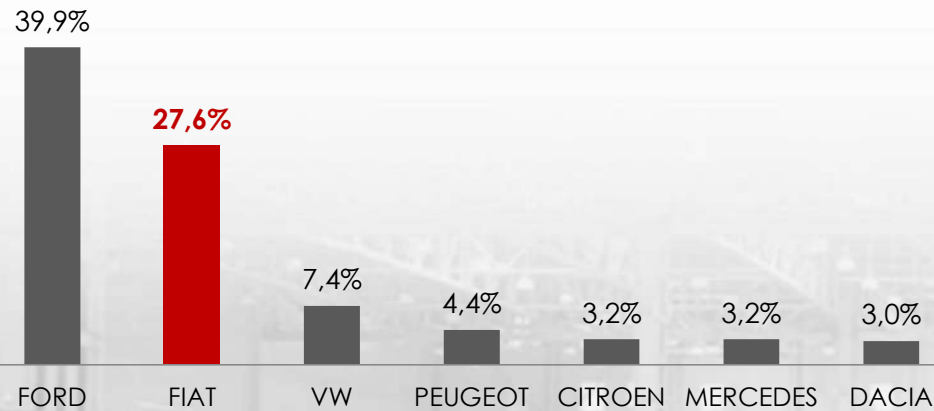
# FIAT BRAND DOMESTIC LV MARKET PERFORMANCE

## Light Commercial Vehicle Market Share



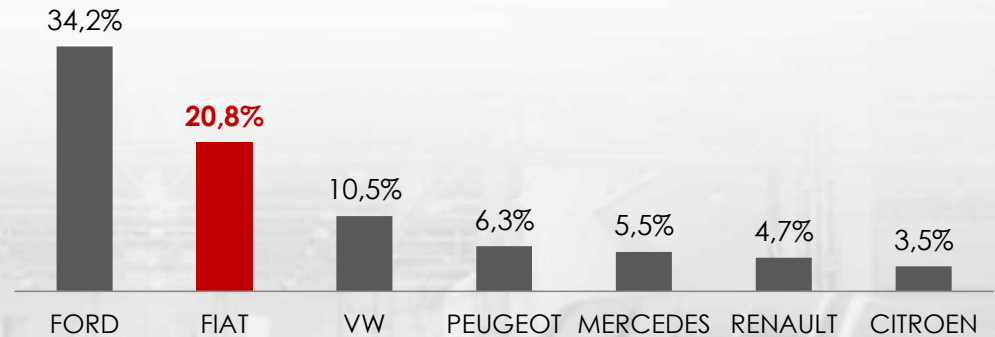
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

2020



Source: ODD

2019



Source: ODD

- ✓ In **2020**, domestic LCV market share of Fiat brand **recovered substantially** by **6.8pp y/y** to **27.6%**.
- ✓ This was mainly due to normalization with the expiry of scrap incentives as well as better competitive position as a local producer.



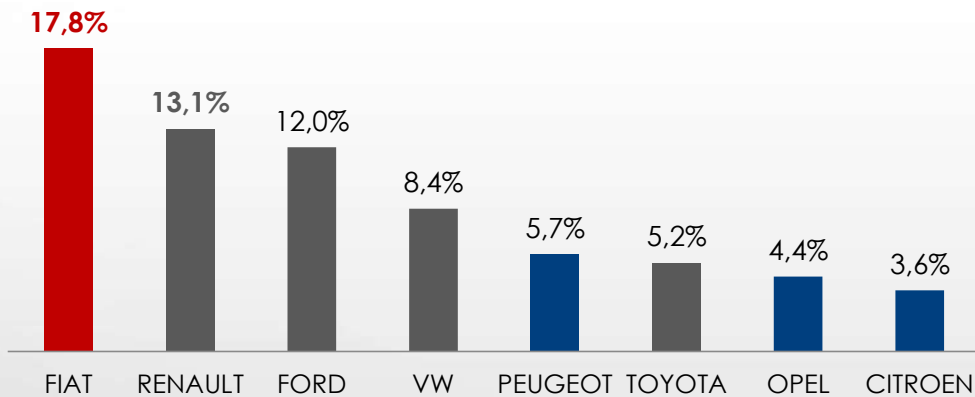
# FIAT BRAND DOMESTIC LV MARKET PERFORMANCE

## PC & LCV Combined Market Share



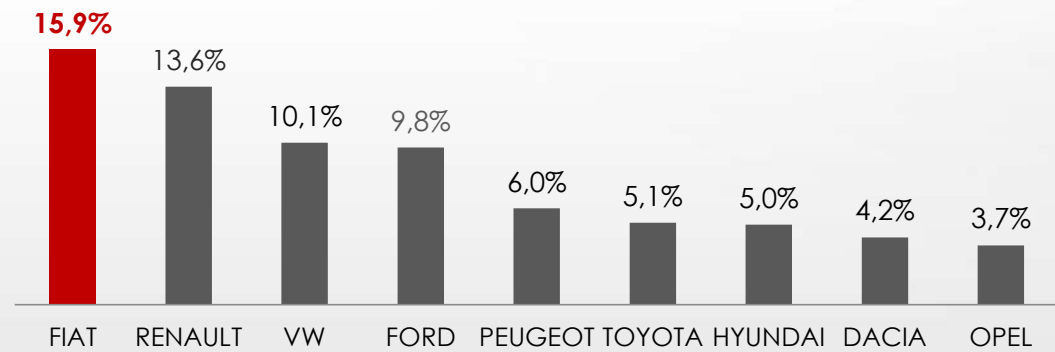
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

2020



Source: ODD

2019



Source: ODD

- ✓ Fiat brand **solidified its market leadership** position with **17.8% market share**, up **1.9pp y/y** in 2020.
- ✓ Tofaş market share including premium brands **expanded** by **2pp y/y** to **18.4%**.
- ✓ Combined market share of Stellantis (FCA + PSA) had reached to **32.1% in 2020** (vs. 29.2% in 2019)



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STELLANTIS

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# EUROPEAN MARKET

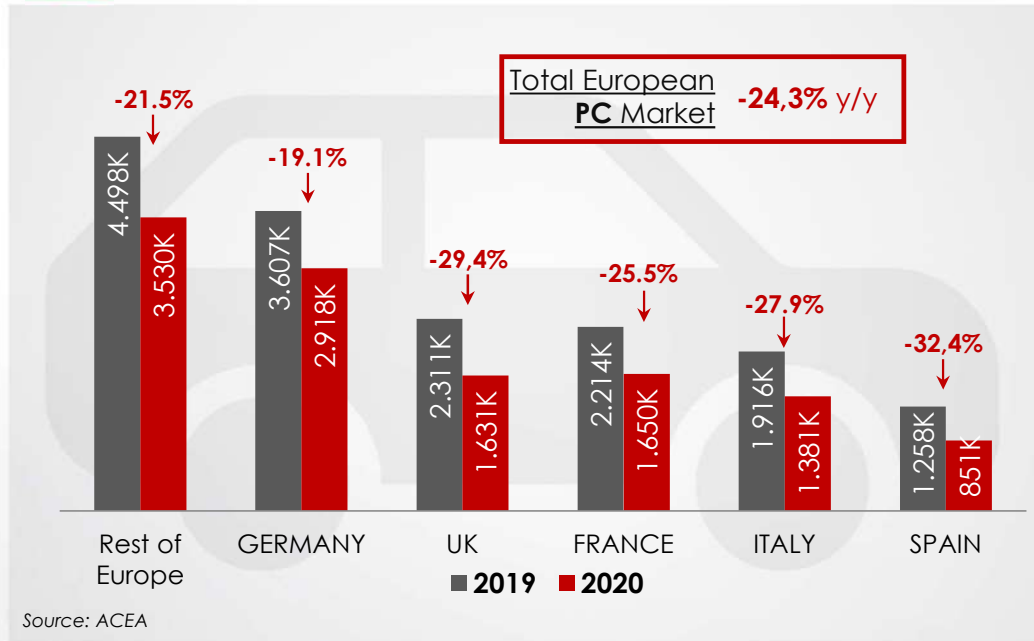
## PC & LCV Registrations



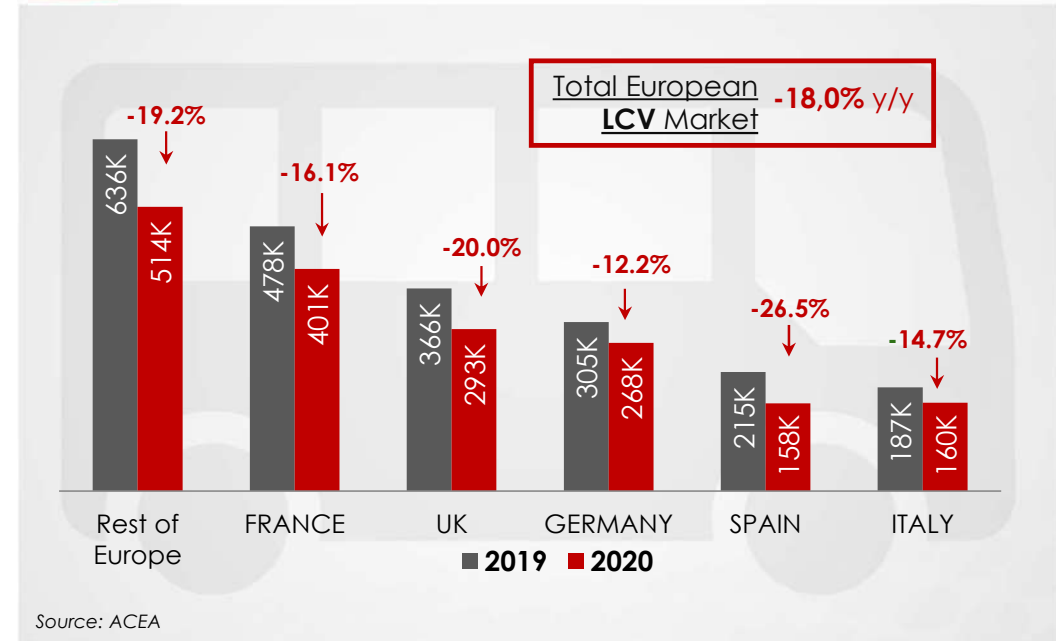
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### PC Market (EU + UK)



### LCV Market (EU + UK)



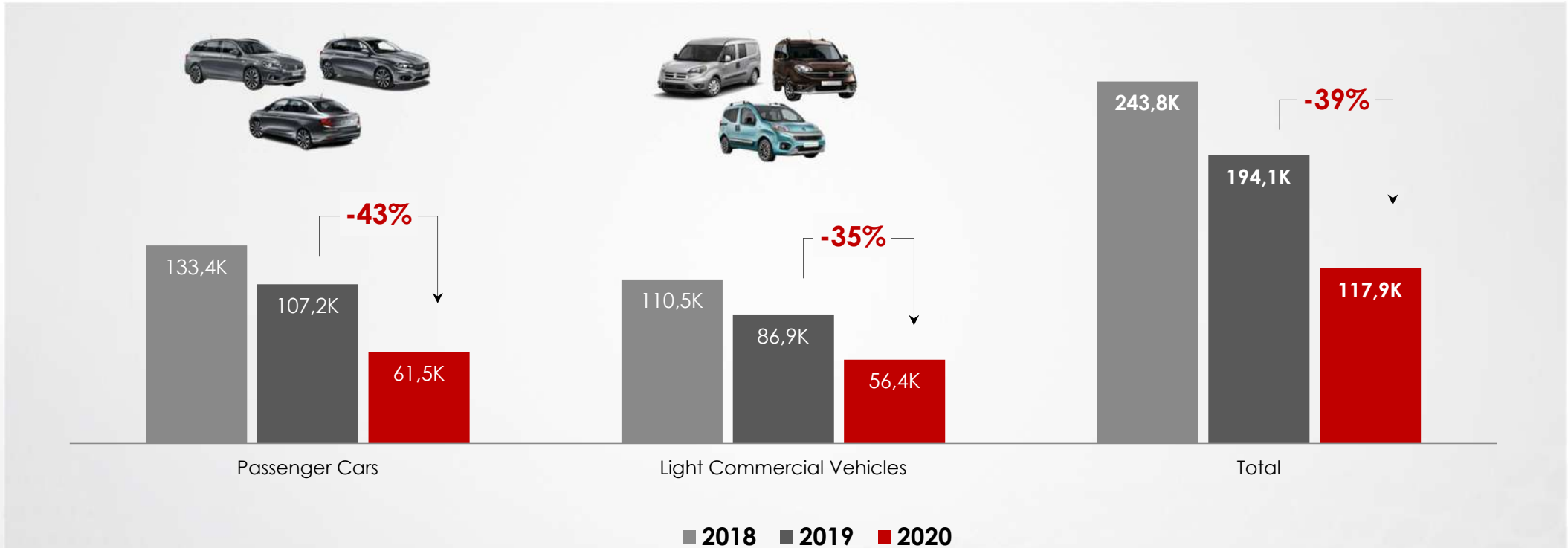
- ✓ **European (EU + UK) PC market plunged by 24% y/y** in 2020, due to lockdowns related with Covid-19. Among major markets, Spain fared the worst while Germany fared relatively better. The introduction of scrap incentives in 3Q20 partially supported demand.
- ✓ **LCV markets were also weak** in EU, down **18% y/y** in 2020, faring slightly better than PC demand partly attributable to higher e-commerce activity. The pace of contraction had slowed down in 2H of the year while all the major markets in EU were in negative territory in 2020.

## TOFAŞ EXPORTS

### Segment Evolution - 2020



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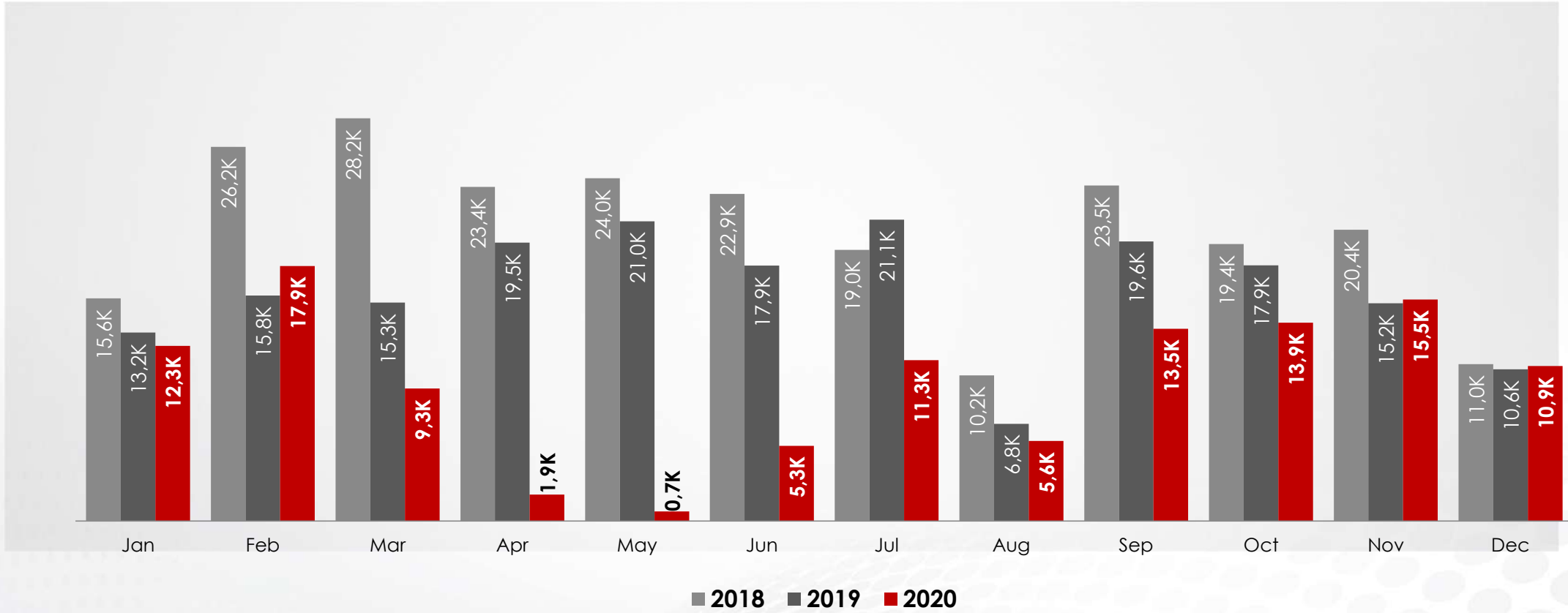
- ✓ In **2020**, Tofaş export volumes contracted by **39% y/y** mainly stemming from lock-downs related with Covid-19.
- ✓ However; **the contraction has eased notably in 4Q20 with export volumes resuming y/y growth in November**, on the back of introduction of scrap incentives coupled with easing of lock-downs in Europe.

# TOFAŞ EXPORTS

## Export Volumes - Monthly



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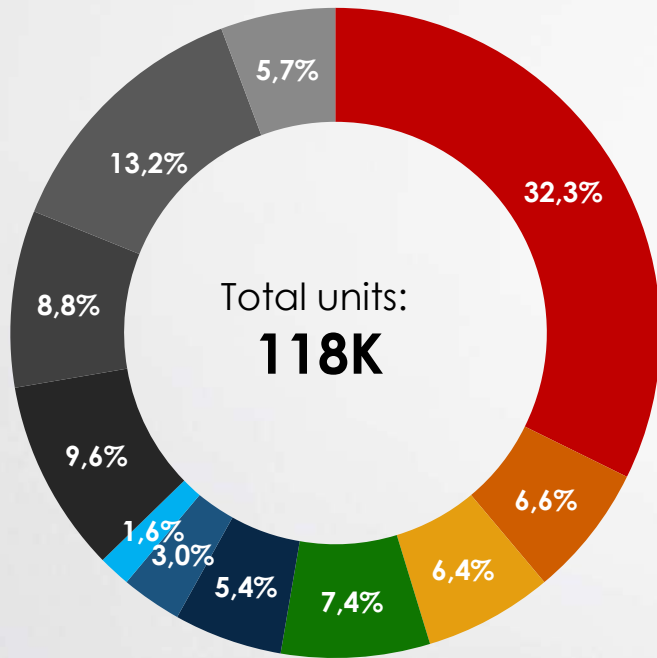
# TOFAŞ EXPORTS

## Volume Breakdown



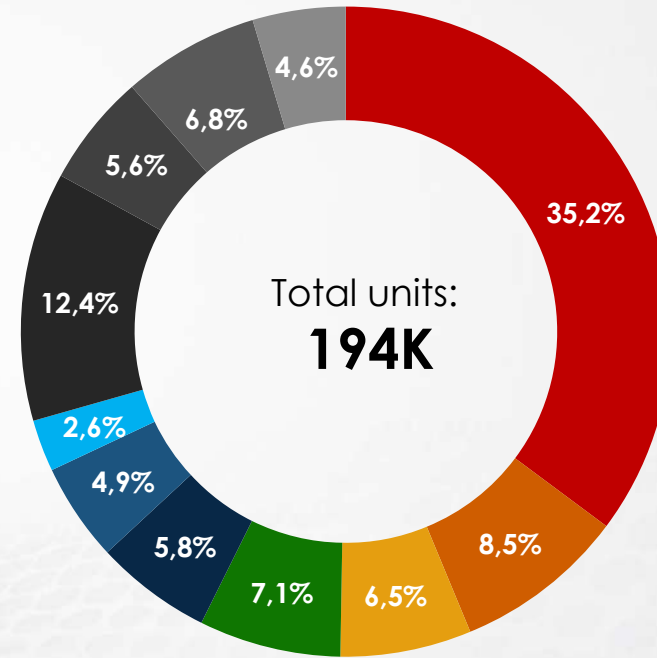
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2020



- Italy
- France
- Spain
- Poland
- Germany
- Portugal
- UK
- Rest of Europe
- N. America
- MENA
- Other

2019



- Italy
- France
- Spain
- Poland
- Germany
- Portugal
- UK
- Rest of Europe
- N. America
- MENA
- Other








# SHIPMENTS

## Tofaş Shipment Volumes by Model



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Exports	2020	2019	Δ		Domestic Market	2020	2019	Δ
Tipo	60.840	93.201	-32.361		Egea	90.494	54.638	35.856
Sedan	19.153	23.160	-4.007		Sedan	79.371	51.567	27.804
Hatchback	25.982	42.822	-16.840		Hatchback	10.012	2.742	7.270
Station wagon	15.705	27.219	-11.514		Station wagon	1.111	329	782
Doblo	33.387	56.058	-22.671		Doblo	23.952	9.519	14.433
RAM Promaster City	10.324	11.340	-1.016					
MCV	13.335	33.505	-20.170		Fiorino	16.867	8.239	8.628
Others	17	42	-25		Imported Vehicles	10.263	4.783	5.480
<b>Exports Total</b>	<b>117.903</b>	<b>194.145</b>	<b>-76.242</b>		<b>Domestic Total</b>	<b>141.576</b>	<b>77.179</b>	<b>64.397</b>
					<b>TOTAL SHIPMENTS</b>	<b>259.479</b>	<b>271.324</b>	<b>-11.845</b>

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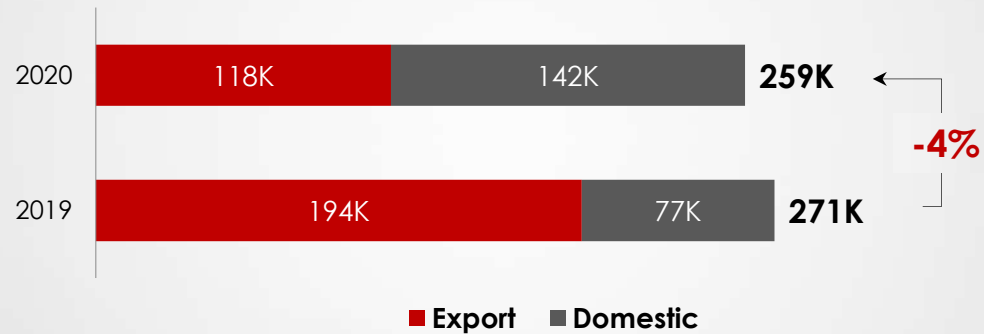
# FINANCIAL PERFORMANCE

## Financial Highlights (2020)

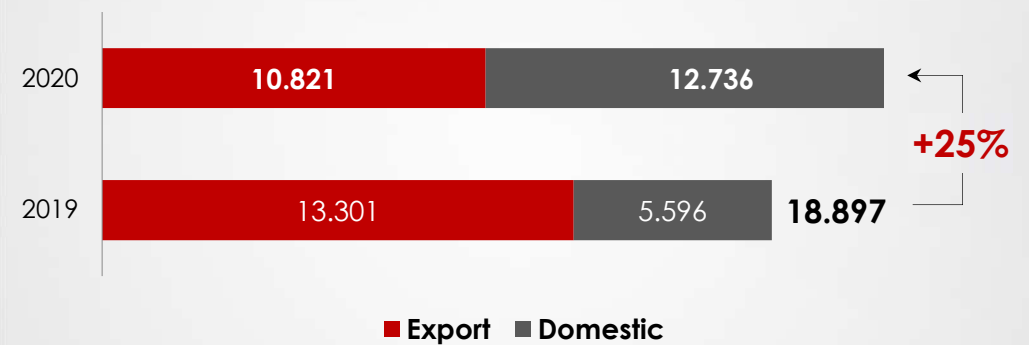


TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

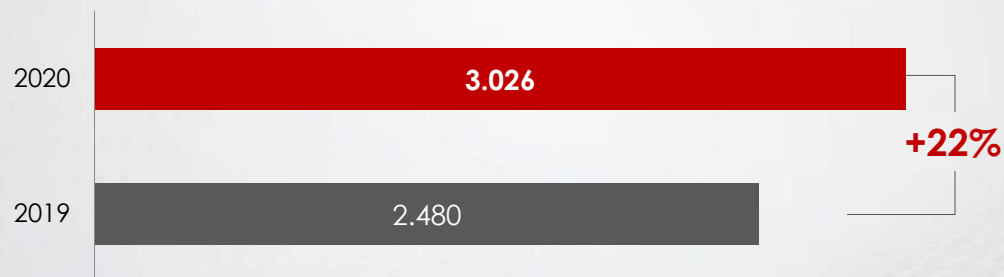
### Shipments - Units



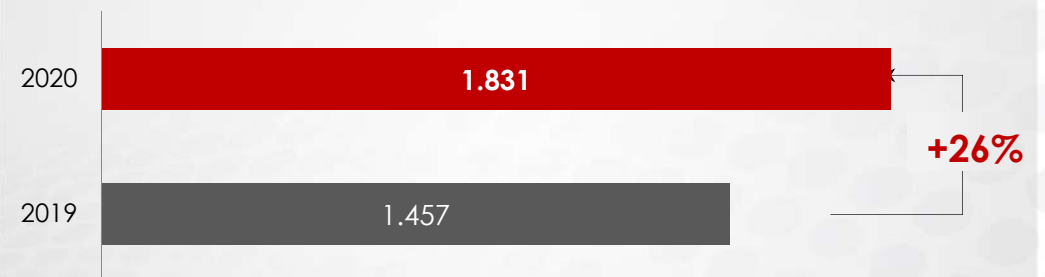
### Revenue - mn TL



### EBITDA - mn TL



### Profit Before Tax - mn TL

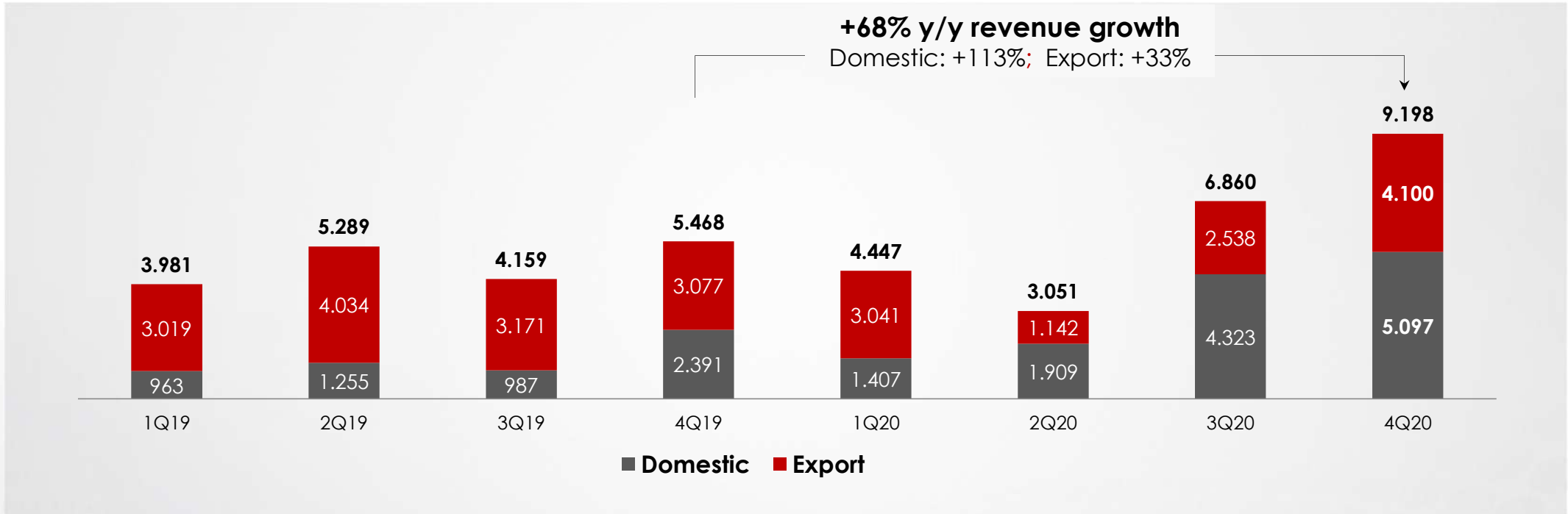


## FINANCIAL PERFORMANCE

Revenue (mn TL)



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- ✓ In 4Q20, consolidated revenue of Tofas further **accelerated** to **68% YoY** to a **quarterly all-time high** level of 9.2bn TL driven by resumption of export revenue growth and sustained robust domestic market performance.
- ✓ **Export revenue** growth was driven by stabilization of volumes coupled with stronger EUR/TRY while domestic revenue maintained its strong momentum.
- ✓ Overall, **2020 consolidated revenue growth** stood at **25%** mainly owing to **outstanding performance in domestic LV market** with **disciplined pricing**.

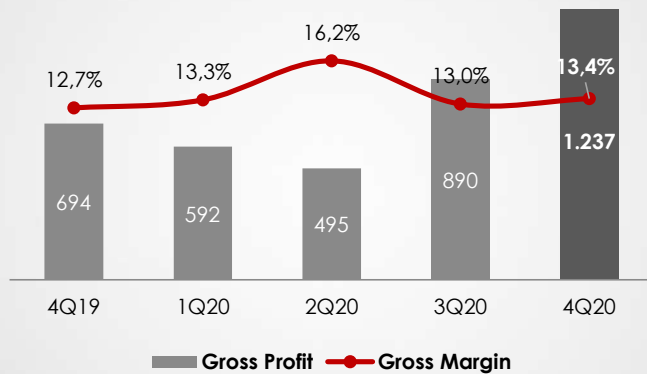
# FINANCIAL PERFORMANCE

Profitability (mn TL)

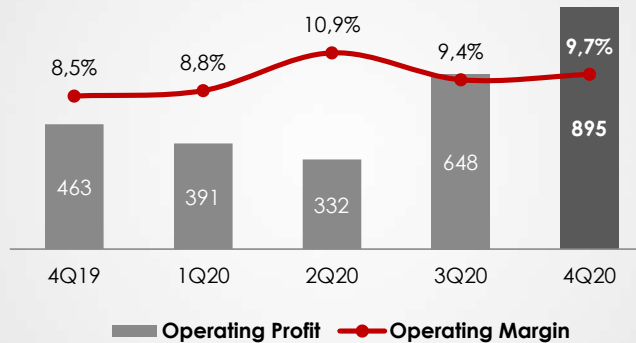


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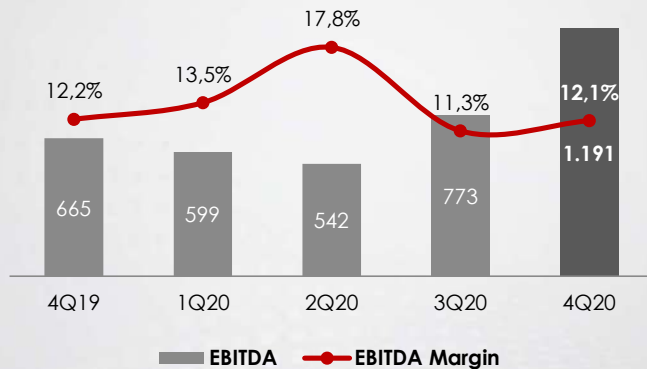
## Gross Profit



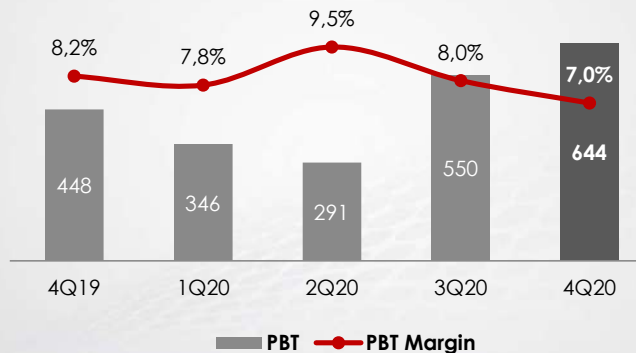
## Operating Profit



## EBITDA



## Profit Before Tax



✓ In 2020, **gross margin expanded 0.4pp y/y at 13.6%**. Higher domestic mix and pricing discipline were the main drivers for the improvement despite the operational challenges due to Covid-19.

✓ **Operating profit margin enhanced by 0.5pp y/y reaching to 9.6%** in 2020, in parallel to gross margin improvement

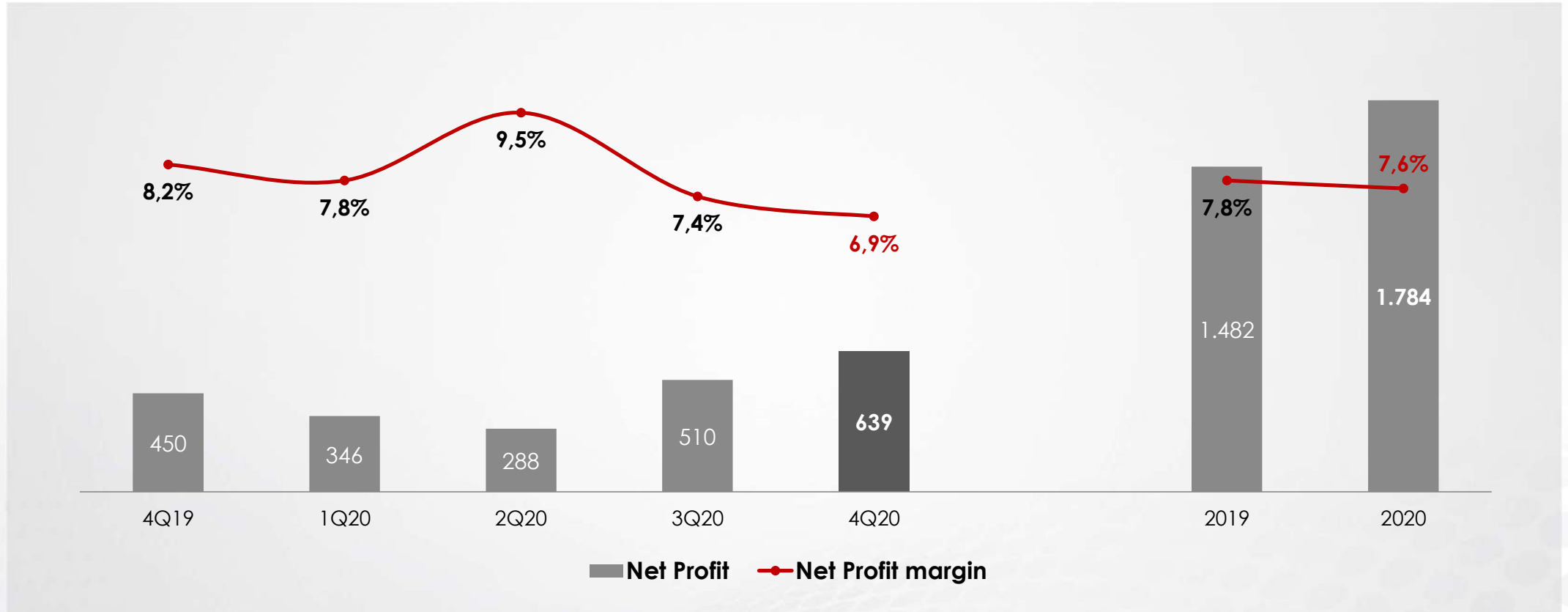
✓ In 2020, **PBT margin was slightly better (up 0.1pp y/y) at 7.8%**.

## FINANCIAL PERFORMANCE

Net Profit (mn TL)



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.



✓ **4Q20 net profit** surged by **42% y/y** at **639mn TL**, **all-time high quarterly level** while full year growth was realized at 20% y/y, with a bottom-line of 1.8bnTL.



# FINANCIAL PERFORMANCE

## Income Statement



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

mn TL	2019	2020	Δ
Net Sales	18.897	23.557	+24.7%
Gross Profit	2.499	3.214	+28.6%
Operating Profit	1,720	2,267	+31,8%
EBITDA	2,480	3,026	+22.0%
<b>Profit Before Tax</b>	<b>1,457</b>	<b>1,831</b>	<b>25.7%</b>
Net Profit	1,482	1,784	20.4%
Gross Margin %	13,2%	13,6%	+0,4pp
Operating Margin %	9.1%	9.6%	+0.5pp
EBITDA %	13,1%	12,8%	-0.3pp
<b>Profit Before Tax Margin %</b>	<b>7.7%</b>	<b>7.8%</b>	<b>+0.1pp</b>
Net Margin %	7,8%	7,6%	-0.2pp

# FINANCIAL PERFORMANCE

## Balance Sheet - Assets & Liabilities (mn TL)



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

Current Assets	31.12.2020	31.12.2019	Δ
Cash and Cash Equivalents	4.251	2.826	1.425
Inventory	1.524	749	775
Trade Receivables	5.493	2.145	3.348
S.T. Consumer Financing Loans	1.400	1.088	312
Other Current Assets	173	162	11
Non-Current Assets	31.12.2020	31.12.2019	Δ
Fixed Assets	2.037	2.122	-85
Intangible Assets	1.880	1.659	221
L.T. Consumer Financing Loans	1.460	929	531
Other Non-current Assets	1.257	1.140	117
<b>Total Assets</b>	<b>19.476</b>	<b>12.809</b>	<b>6.667</b>

Current Liabilities	31.12.2020	31.12.2019	Δ
Short-term Financial Liabilities	50	25	25
S.T. Portion of L.T. Financial Liabilities	2.777	1.822	955
Trade Payables	7.484	3.885	3.599
Other Current Liabilities	570	395	175
Non-Current Liabilities	31.12.2020	31.12.2019	Δ
Long-term Financial Liabilities	3.863	2.104	1.759
Other Long-term Liabilities	264	249	15
Sh. Equity	4.469	4.329	140
<b>Total Equity &amp; Liabilities</b>	<b>19.476</b>	<b>12.809</b>	<b>6.667</b>

## FINANCIAL PERFORMANCE

### Financial Position & Working Capital (mn EUR)



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

Financial Position	Dec'20	Sep'20	Jun'20	Dec'19	Sep'19	Jun'19	Dec'18
Financial Assets	472	440	270	425	367	472	396
KFK - Consumer Loans Granted	317	262	254	303	280	304	380
KFK – Financial Liabilities	310	260	238	271	279	312	377
Tofaş Financial Liabilities	430	526	501	320	427	449	525
<b>Net Financial Position</b>	<b>49</b>	<b>-83</b>	<b>-215</b>	<b>137</b>	<b>-59</b>	<b>15</b>	<b>-125</b>
of which: Factoring	-	-	-	20	64	54	84

✓ Financial position remains robust following temporary hiccup from Covid-19 during the year.

Working Capital	Dec'20	Sep'20	Jun'20	Dec'19	Sep'19	Jun'19	Dec'18
Trade Receivables	604	484	484	321	348	341	348
Inventory	168	148	152	112	159	165	179
Other Receivables	19	12	9	24	35	22	42
Trade Payables	822	639	499	582	513	659	546
Other Liabilities	32	18	37	30	29	29	32
<b>Net Working Capital</b>	<b>-63</b>	<b>-13</b>	<b>109</b>	<b>-155</b>	<b>-</b>	<b>-160</b>	<b>-10</b>
of which: Factoring	-	-	-	20	64	54	84

✓ Solid net working capital management in 2020 despite the challenging environment due to Covid-19.





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## INVESTMENTS

(mn €)



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

		2020	2019	2018	2017
	Structural	7	18	29	31
	Minicargo	6	12	7	13
	Doblo & RAM ProMaster City	11	25	22	24
	Egea/Tipo Sedan, HB & SW	85	52	37	89
<b>TOTAL</b>		<b>108</b>	<b>107</b>	<b>95</b>	<b>157</b>

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# OUTLOOK

## 2021



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

### 2021E

**Domestic Light Vehicle Market (PC+LCV)**

**700K-750K units**

**Tofaş Domestic Retail Sales**

**120K-135K units**

**Export Shipments**

**150K-165K units**

**Production Volume**

**265K-290K units**

**Investments**

**€100 M**

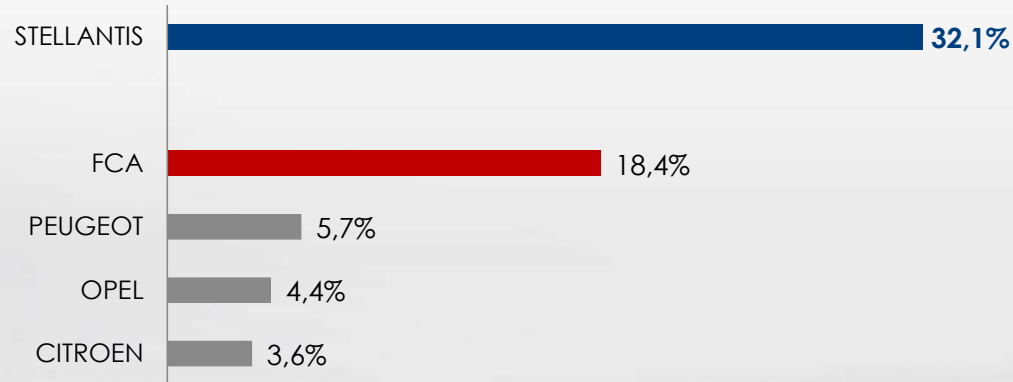
# APPENDICES

# STELLANTIS DOMESTIC LV (PC & LCV) MARKET SHARE (2020)



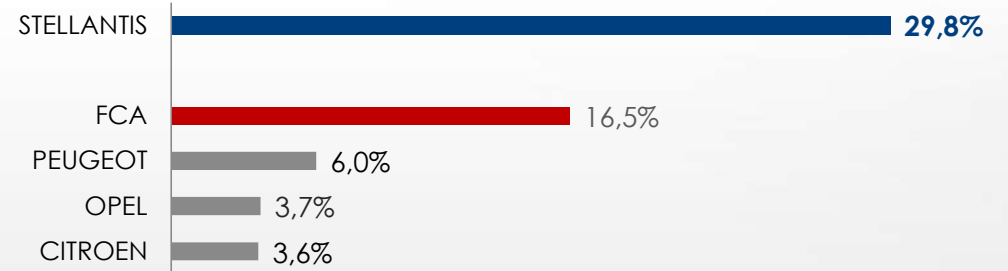
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

## PC & LCV market share



Source: ODD

## PC market share



## LCV market share



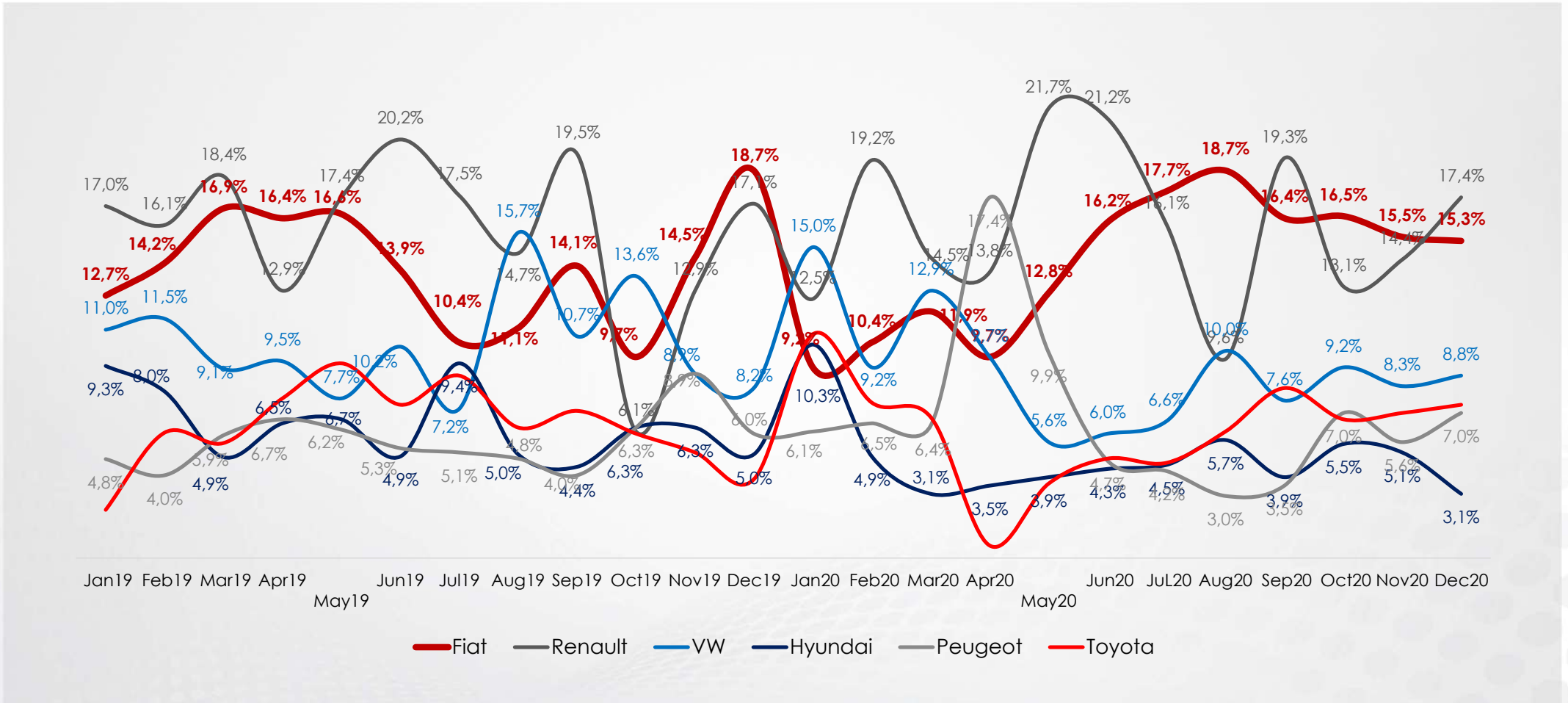
Source: ODD

# DOMESTIC MARKET SHARE

## PC Market Shares (Monthly)



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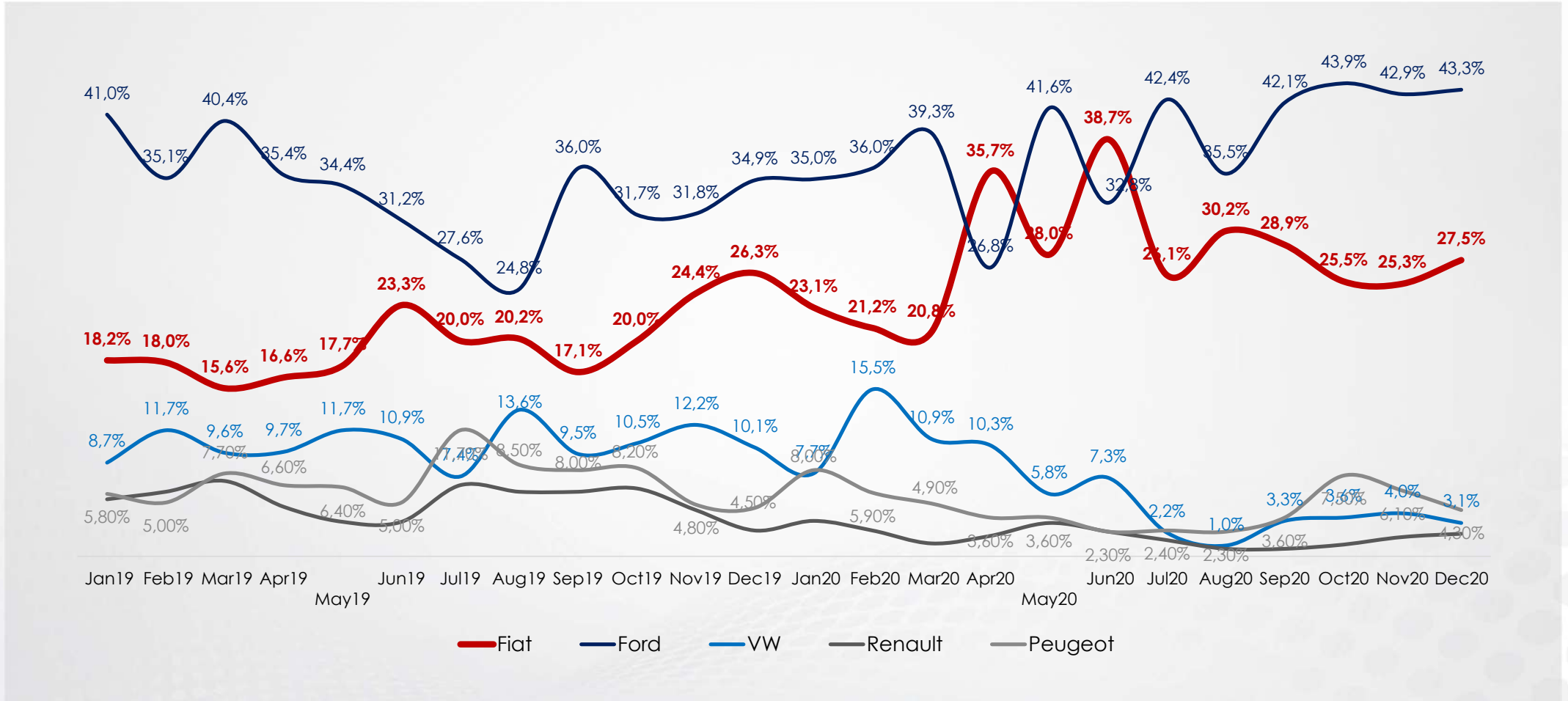


# DOMESTIC MARKET SHARE

## LCV Market Shares (Monthly)



TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

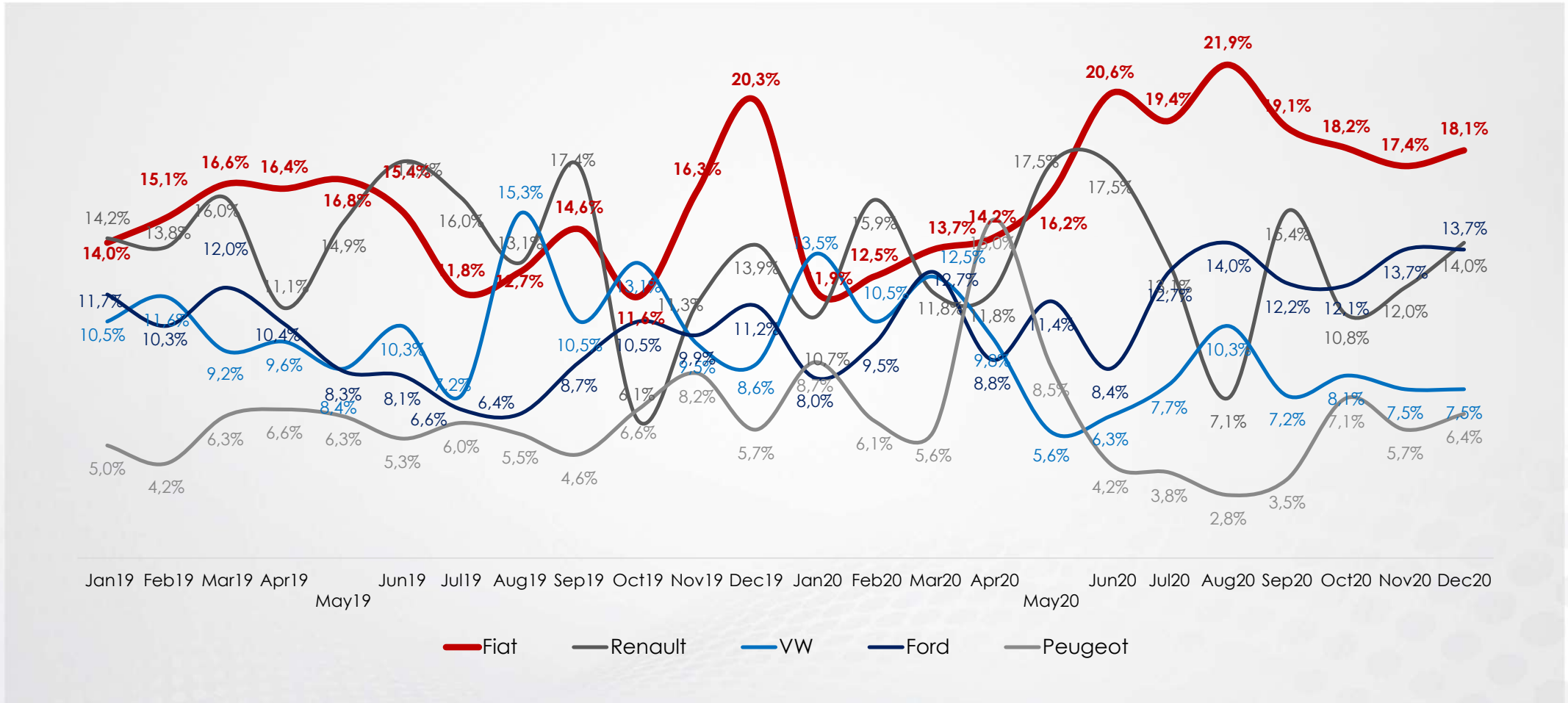


# DOMESTIC MARKET SHARE

## PC & LCV Market Shares (Monthly)



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# First in Turkey: **Smart Insurance from Fiat**

- ✓ Tofaş & Aksigorta collaborate to create **Connect Insurance**, which makes a major difference at automotive sector as the first ever application in Turkey



**AKSigorta**

- ✓ Connect insurance will be sold with car sales



- ✓ Value Proposition: Drive safe pay less/ pay as you drive; creates additional value for the customer with the obtained information from connect device.

# CONTACT



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