



# **Brisa**

## **2Q 2022 Financial Results**

### **Earnings Release**

10 August 2022

#### **Strong Financial Performance and On the Way To Be Pioneer of Mobility in Turkey with Acquisition of Arvento**

Despite the exchange rate fluctuations, raw material and energy price increases, and hyperinflation in the first half of 2022, Brisa maintained its leadership in the domestic market and reached record high sales in strategic mix which are high rim diameter tire sales. With the acquisition of Arvento Mobile Systems, Brisa accelerated its journey towards being leader in mobility solutions business.

Brisa, strengthened its financials with effective working capital management, well-managed financing through profound hedging and the balanced sales channel portfolio and productivity management. In the first half of 2022, Brisa's consolidated net profit reached at TL 923 million, which is 1.8 times the net profit of the same period of the previous year.

JCR Eurasia Rating reviewed our Company's credit rating and our Long-Term National Note has been revised up from AA+ (tr) to "AAA (tr)" the Short-Term National Note at "J1+ (tr)" with a "Stable" outlook. The Long-Term International Foreign and Local Currency ratings and outlooks have been evaluated as "BBB+/Stable".

Brisa CEO, Mr. Haluk Kürkçü's message regarding the company's 2022 1st half performance: "Our success is not only limited to financial performance. We had also great achievements in a wide range from mobility initiatives to R&D. With the acquisition of Arvento Mobile Systems, we accelerated our sustainable mobility solutions business. We reached record high sales in strategic mix, defined as high rim diameter, tire sales in the domestic market. In an effort to reduce our carbon footprint, we started to supply approximately one-fifth of our facility's current energy need by installing solar panels on the roof of the Brisa Aksaray Factory in cooperation with Enerjisa, another Sabancı Group Company. Lassa is now among the top exporters and received the Gold Export Awards by Uludağ Automotive Industry Exporters' Association. In the credit rating by JCR Avrasya Rating, our Company's Long-Term National Rating has been upgraded to AAA. In the Turkey R&D 250 Research conducted by the Economy and Business Portal Turkish Time, we have been ranked the first with the highest R&D expenditure in the Chemicals and Products industry. We are among the Turkish Climate Change Leaders and Water Leaders of the Carbon Disclosure Project (CDP) Turkey. In Supplier Engagement Rating, we are among the Global Leaders with A level for the 3rd time. We are in the Gold category and in the top 5 percent among all companies with our pioneering sustainability practices in Ecovadis. Never compromising our people-oriented mindset, we will continue to work for a more sustainable future as well as keeping on strengthening our financial position.

## **CONSOLIDATED FINANCIAL HIGHLIGHTS**

- Despite the challenging global and local conditions that we have been through, Total sales increased by 116% in the second quarter of 2022 and by 100% for the first half of 2022 compared to the same quarter of the previous year, reaching TL 3,237 million and TL 5,952 million, respectively. Domestic sales revenue increased by 133% in the second quarter of 2022 and by 101% for the first half of 2022 compared to the same quarter of the previous year reaching TL 2,041 million and TL 3,700 million, respectively. In the second quarter of 2022 export sales growth translated into 91% and 98% for the first half of 2022 compared to the same quarter of the previous year, reaching TL 1,196 million and TL 2,251 million, respectively.
- Thanks to the effective pricing on-site hedge policies applied against currency volatility, and increased productivity, EBITDA registered 65% growth for the second quarter of 2022 compared to the same quarter of the previous year, reaching TRY555 million in 2022. Consequently, net profit reached 1.4 times in the second quarter of 2022 and 1.8 times for the first half of 2022 compared to the same quarter of the previous year, reaching TL 309 million and TL 923 million, respectively.
- Net Debt/EBITDA is very low at 0,12 and the net debt is TRY263mn.

## **STRATEGIC HIGHLIGHTS**

- Brisa completed the acquisition of Arvento M2M in order to transform its existing tyre-focused business portfolio into a mobility solutions business on March 1, 2022 for a final consideration of TRY 337. We accelerated our sustainable mobility solutions with our service network that we developed by integrating Arvento's fleet management platform with its strong products and service network.
- In cooperation with Enerjisa -another Sabancı Group Company- more than 10,400 solar panels are installed on the roof of the Brisa Aksaray Factory, which supply approximately one-fifth of our facility's current energy need.
- In the credit rating by JCR Avrasya Rating, our Company's Long-Term National Rating has been upgraded to AAA.

## Consolidated Brisa Financial Results

Sales Tonnage	1 January- 30 June 2022	1 January- 30 June 2021	Change %
Domestic	62.622	61.953	1,1
Export	41.029	41.648	-1,5
<b>Total</b>	<b>103.651</b>	<b>103.601</b>	<b>0,0</b>
<b>Sales Tonnage (Channel Based)</b>			
Replacement	49.798	47.515	4,8
OE	12.825	14.438	-11,2
<b>Domestic Total</b>	<b>62.622</b>	<b>61.953</b>	<b>1,1</b>
Lassa Export	25.918	26.665	-2,8
Bridgestone Export	15.111	14.983	0,9
<b>Export Total</b>	<b>41.029</b>	<b>41.648</b>	<b>-1,5</b>
<b>General Total</b>	<b>103.651</b>	<b>103.601</b>	<b>0,0</b>
<b>Net Sales (Million TL)</b>			
Domestic Sales	3.700,3	1.837,0	101,4
Export Sales	2.251,6	1.135,3	98,3
<b>Net Sales</b>	<b>5.952,0</b>	<b>2.972,2</b>	<b>100,3</b>
<b>Million US Dollar</b>			
Export Sales	162,5	151,1	7,5
<b>Summarized Income Statement (Million TL)</b>			
Net Sales	5.952,0	2.972,2	100,3
Gross Profit	1.875,8	944,1	98,7
Operating Profit	1.212,0	614,9	97,1
Net Profit	923,2	499,7	84,8
Net Profit before one offs	934,8	477,6	95,7
EBITDA	1.350,2	730,1	84,9
EBITDA Margin%	22,7%	24,6%	-1,88%
Net Profit Margin%	15,5%	16,8%	-1,30%

2Q 2022	2Q 2021	Change %
32.261	29.094	10,9
20.549	21.307	-3,6
<b>52.810</b>	<b>50.402</b>	<b>4,8</b>
25.621	22.219	15,3
6.641	6.876	-3,4
<b>32.261</b>	<b>29.094</b>	<b>10,9</b>
12.688	14.096	-10,0
7.862	7.211	9,0
<b>20.549</b>	<b>21.307</b>	<b>-3,6</b>
<b>52.810</b>	<b>50.402</b>	<b>4,8</b>
2.041	875	133,4
1.196,4	625,1	91,4
<b>3.237,8</b>	<b>1.499,7</b>	<b>115,9</b>
82	79	4,3
3.238	1.500	115,9
864,8	448,0	93,0
481	278	72,6
309,0	217,9	41,8
315,8	202,7	55,8
555,3	335,6	65,4
17,1%	22,4%	-5,23%
9,5%	14,5%	-4,98%