



Investor Presentation 2ND Quarter 2022

Istanbul, 18 August 2022

AGENDA

- 01 CEO Overview
- 02 Quarterly Update
- 03 Domestic Operations
- 04 Export and International Operations
- 05 Acquisitions Update
- 06 Balance Sheet Highlights
- 07 2022 Guidance

ÜLKER



Despite heavy challenges we achieved outstanding results in **H1'22**



A regional power with
unique performance

**Market
leader with
35% in
snacking
category**

**#1 in macro
snacking
business**

**20,0%
consolidated
EBITDA
margin**


**118,2%
topline
growth**



H1'22 Consolidated performance highlights





Revenue

11.877 MTL
Growth +  118,2%


Gross Profit

3.547 MTL
Growth +  125,4%


Gross Margin


29,9% 
Growth + 90bps





EBITDA

2.379 MTL
Growth +  139,6%


Net Debt/
EBITDA

2022: 3,05x 
2021: 3,54x


Operating
Free Cash
Flow

2022: 550 MTL 
2021: (11) MTL



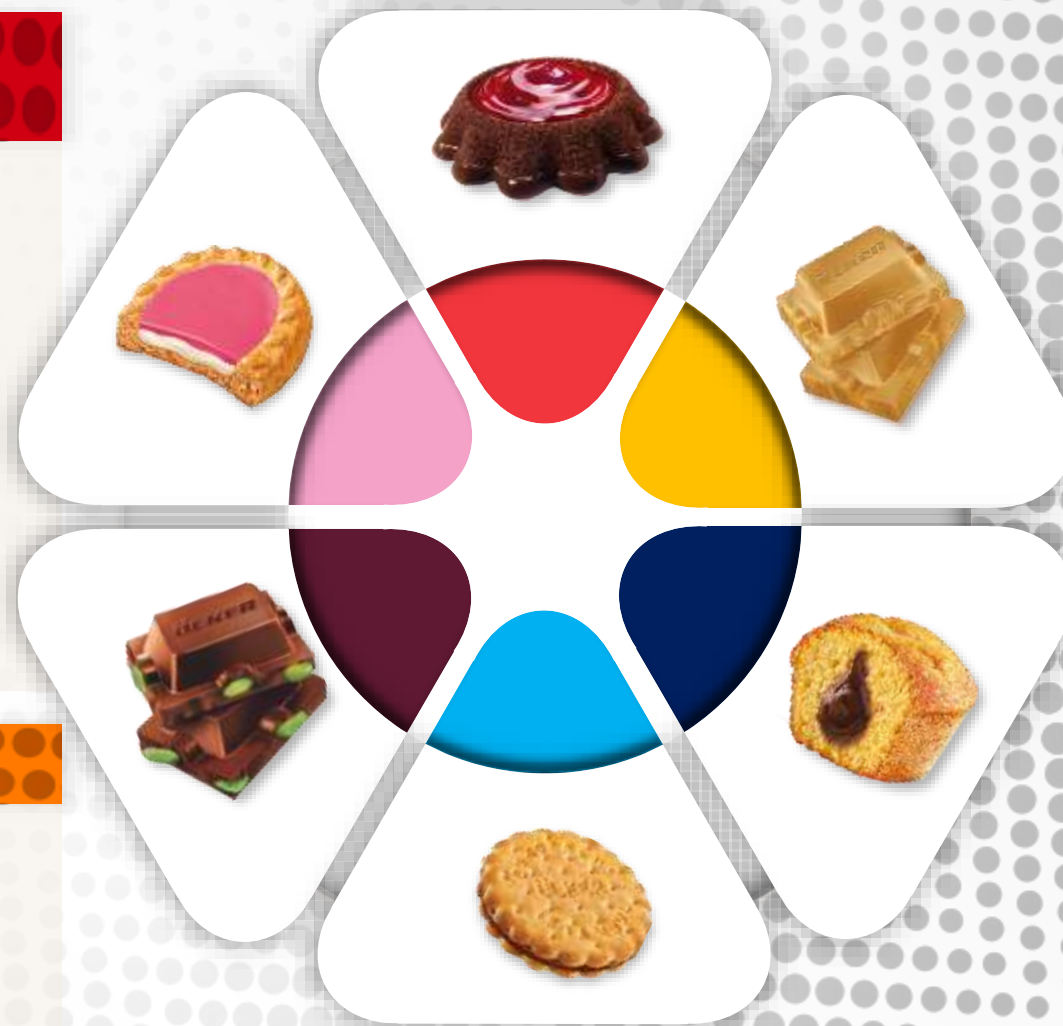
Ülker's Quarterly Update

Strong productivity on supply chain and sales operations

- Continue to invest in our brands
- Strong momentum in innovations under key brands
Ülker McVities & Godiva
- Effective & balanced channel mix management
- High sales performance in modern channel sales
- Successful sizing and pricing activities

Outcomes

- Strong topline growth through volume/mix & pricing
- Solid operational profitability despite high inflationary environment
- **NPD's contribution to net sales increased (13,4% of domestic sales in 1H22)**





Macro View

Q2 Highlights

Downturn ahead, Downside Risks Dominate

- Global supply issues continue mainly due to Russia/Ukraine crises (Energy & Commodity)
- Worldwide battle against inflation
- Global food prices have stabilized in recent months but remained much higher than in 2021
- Turkey & KSA agreed to boost ties in a number of areas, KSA lifted travel ban to Turkey
- Rising inflation and fx rates putting pressure on prices in Turkey (TR food inflation: 94,65 % @ July 22)





Our business momentum continued in the first half, with triple-digit sales and EBITDA growth

TL ('000)	H1'22	H1'21	%
Volume (Ton)	337.447	315.485	7,0%
Revenue	11.877.060	5.442.824	118,2%
Gross Profit	3.546.800	1.573.696	125,4%
Gross Profit Margin	29,9%	28,9%	0,9 ppt
EBITDA	2.378.996	993.008	139,6%
EBITDA Margin	20,0%	18,2%	1,8 ppt
Net Income / Loss (Equity Sholders of the parent)	-1.119.340	652.198	-271,6%
Net Income %	-9,4%	12,0%	-21,4 ppt

Strong revenue performance, sound volume growth and robust margin expansion



Our success has been awarded locally and globally



We have been awarded the Top Employers certificate, one of the **World's** leading certification programs. As a result of the assessments, we are in the top 25% of the 1.856 companies considered the best employer brands



Congratulations to Mete Buyurgan, **Ülker CEO and** pladis Turkey, Eastern Europe and Central Asia Managing Director, who has this week been included in Fast Company **Magazine's top 50 sustainability** leaders in Turkey for the second year running.



Among Turkey's Happiest Workplace survey sponsored by Capital Magazine, we have been awarded as Happy Place To Work of snacks industry.

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Q2'22 Consolidated performance highlights





Revenue

5.991 MTL
Growth +  125,3%


Gross Profit

1.698 MTL
Growth +  138,7%


Gross Margin


28,3% 
Growth + 160bps




EBITDA

1.134 MTL
Growth +  154,0%


Net Debt/
EBITDA

2022: 3,05x 
2021: 3,54x

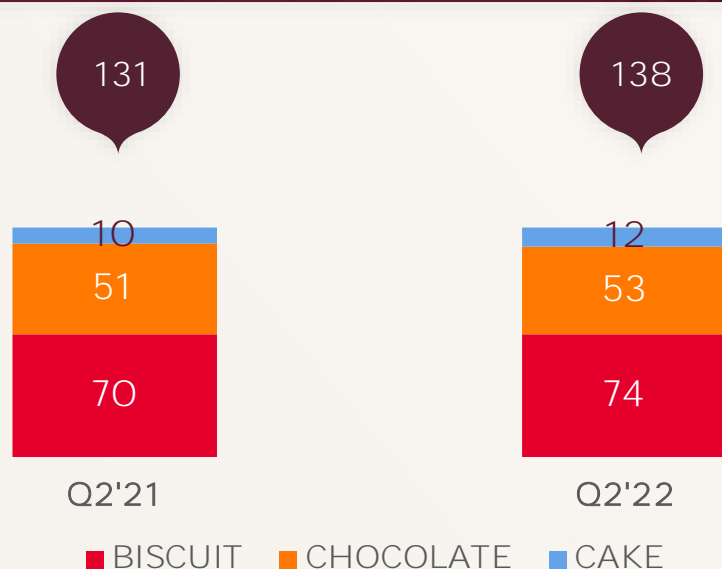

Operating
Free Cash
Flow

2022: 260 MTL 
2021: 206 MTL



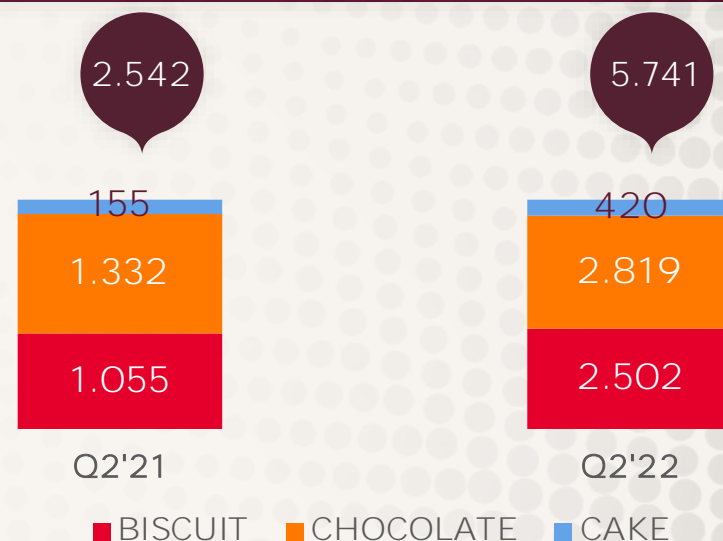
Strong exports, new launches and investing in synergy products were the drivers of this successful quarter

Snacking Sales Volume (Ktons)



- Total snacking sales volume increased by **5,7%** in **Q2'22** due to the effective and on time sizing activities and new launches
- Biscuit volume was up by **5,2%** thanks to the strong contribution of Turkey operations
- Chocolate volume was up by **3,0%** thanks to positive contribution of gifting category due to Eid period.
- Cake volume was increased by and **23,3%** on the back of strong domestic operations and positive return of cake category investments

Snacking Sales Value (Mtl)

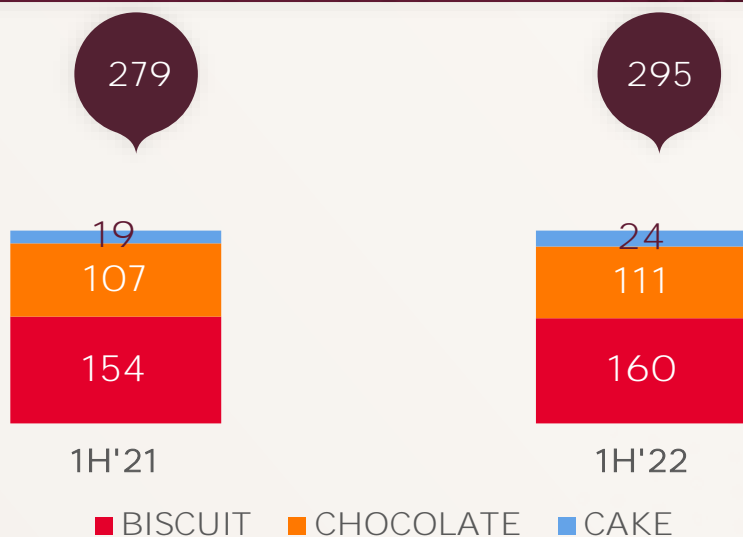


- Total snacking revenue increased by **125,8%** on the back of favorable channel & product mix, new launches and price adjustments in all our regions.
- Biscuit sales was up by **137,1%** thanks to effective and on time pricing activities and better market recovery in MENA region
- Chocolate sales was up by **111,6%** driven by new and value-added launches
- Cake sales was increased by **170,9%** supported with strong volume and market share increase on the back of positive return of cake category investments



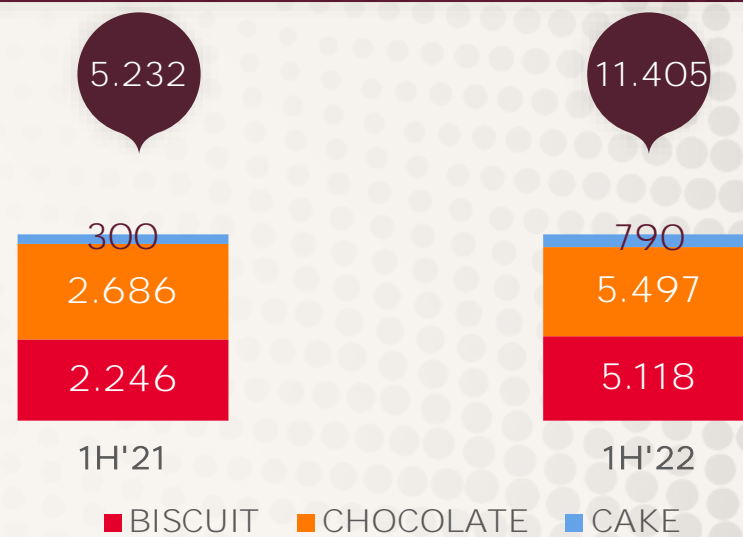
We did not compromise on volume and value growth

Snacking Sales Volume (Ktons)



- Total snacking sales volume increased by **5,6%** in **1H'22** due to driven by the strong first and second quarter contribution , exports and international operations
- Biscuit volume was up by **4,4%** thanks to the contribution to growth with strong product launches in Turkey operations
- Chocolate and Cake volume was up by **4,0%** and **24,5%** respectively on the back of successful SKU and portfolio optimizations, successful and innovative launches in cake category

Snacking Sales Value (Mtl)



- Total snacking revenue increased by **118,0%** with support of our all our regions and categories on the back of improved conditions post Covid 19 movement restrictions and pricing activities
- Biscuit sales was up by **127,9%** thanks to sizing/pricing and increased penetration with the support of market recovery post Covid
- Chocolate sales was up by **104,7%** driven by pricing activities and positive contribution of new launches.
- Cake sales was jumped by **162,7%** driven by successfull performance in Turkey operations, continuing impact of successful relaunches and pricing activities

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Turkey – Strong #1 in total snacking with 35% market share

Biscuits–40% Market Share

#1

#1 in Petit Beurre



#1 in Creamy Biscuits



#1 in Special Biscuits



#2 in Cracker



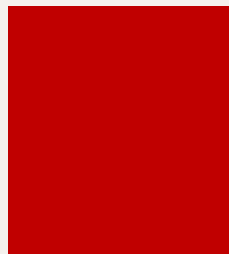
#1 in Sandwich Bisc.



#1 in Chocolate Filled



Market Share Development in Value(*)



MAT'21



MAT'22

Chocolate-40% Market Share

#1

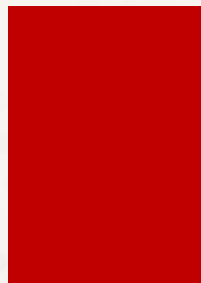
4 out of Top 5 in Chocolate Covered



#1 in Solid Chocolate



Market Share Development in Value(*)



MAT'21



MAT'22

Cake-20% Market Share

#2

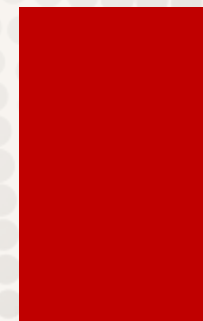
#1 in Family Cake



#2 in Portion Muffin Coated Cake



Market Share Development in Value(*)



MAT'21



MAT'22

(*) Source : Nielsen & Ipsos



Turkey-NPD sales contribute 15% of total domestic sales in **Q2'22**

2022 New Product Launches

BISCUITS



CAKE



CHOCOLATE

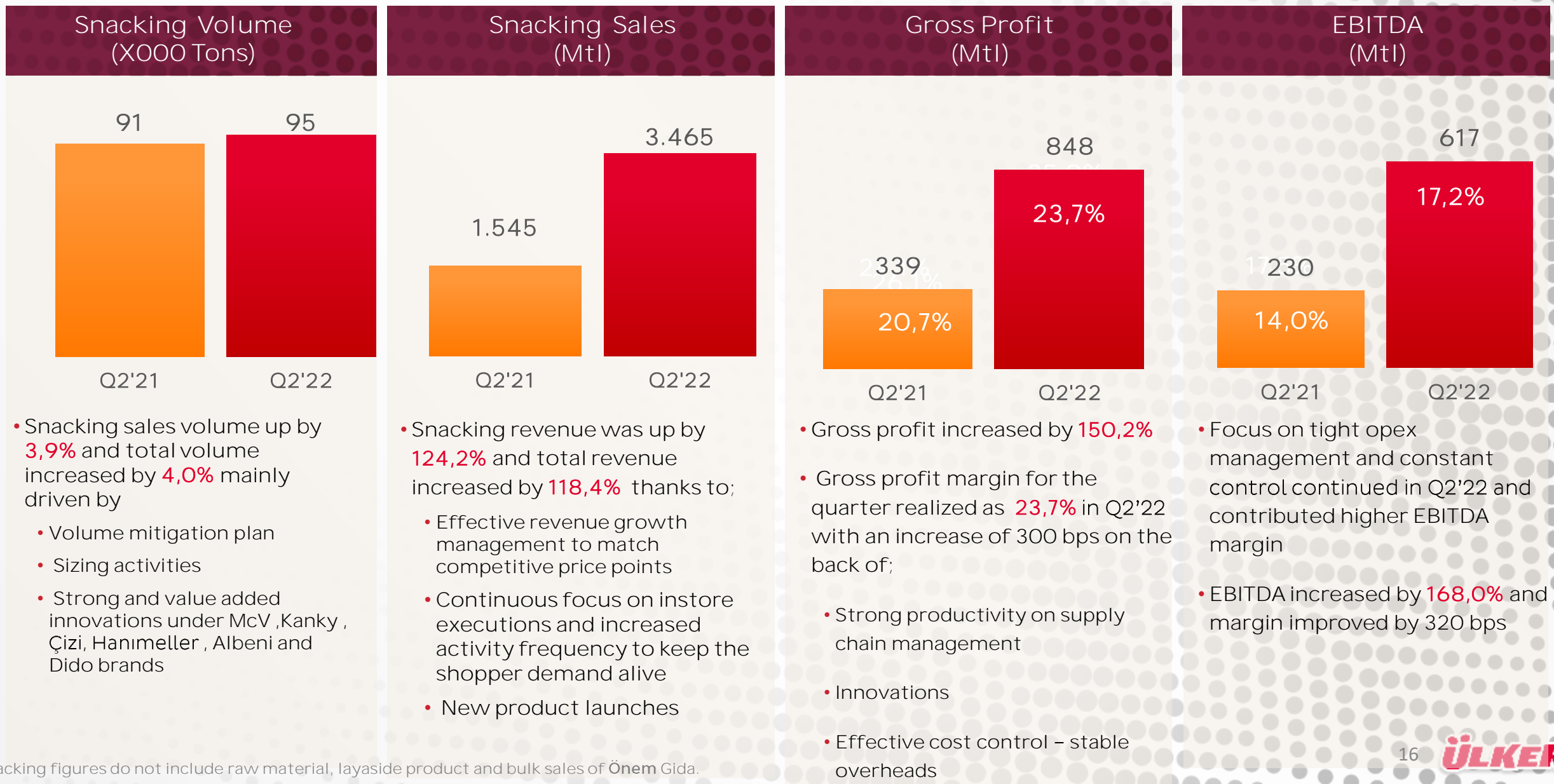


KIDS



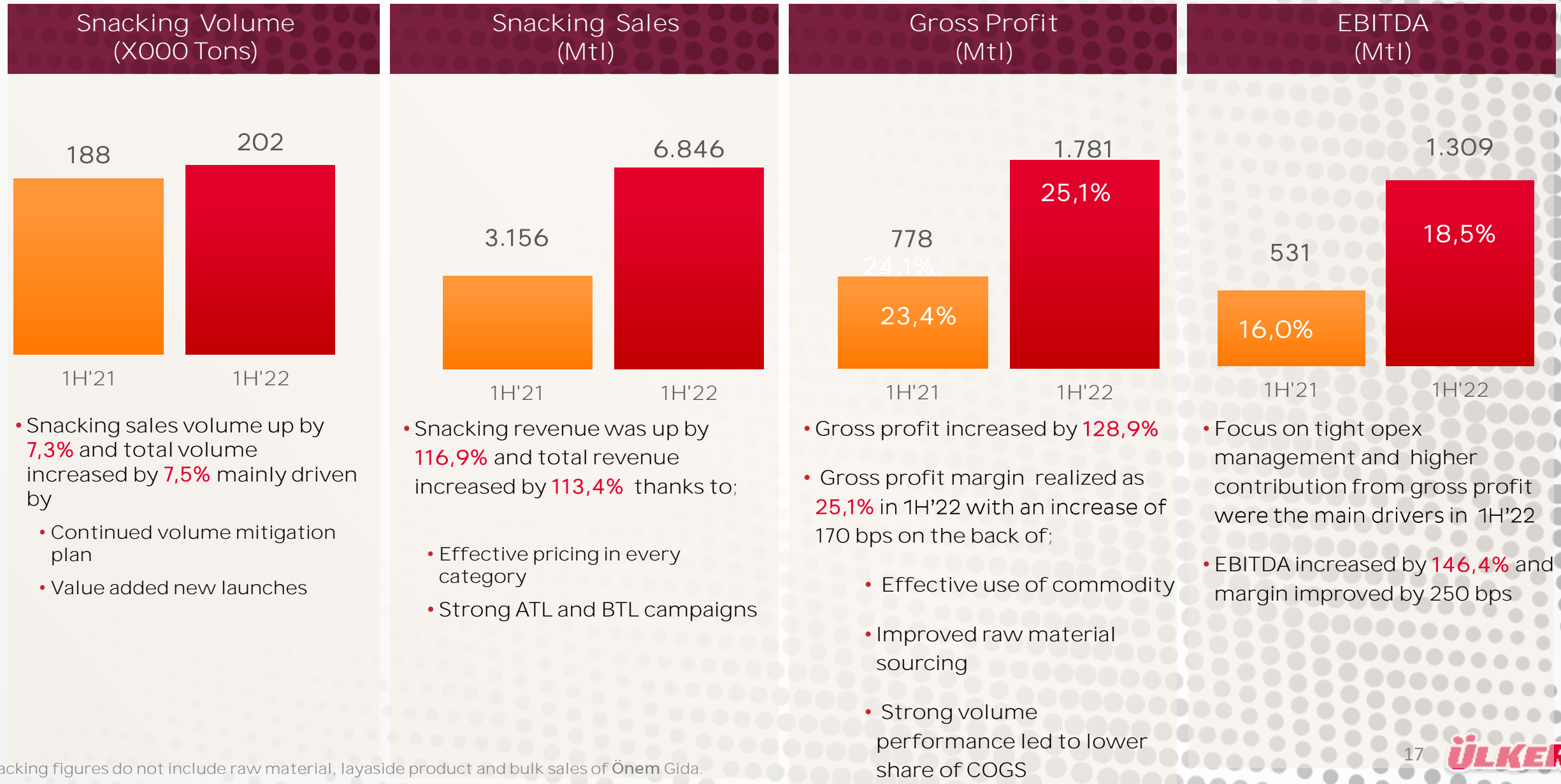


Turkey : **Successful Q2'22 via strong channel & mix optimisation and supply chain management**





Strong Q1'22 & Q2'22 drive exceptional H1'22 results



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International : Maintained the strong position in the market

Biscuits-25,5% M.Share (*) #1



#1 in Plain



#1 in Filled



#1 Coated



#2 in Filled Wafer



#4 in Wafer



#4 in Sandwich Bisc.



#2 in Digestive



M.Share Development in Value Based



MAT'21

MAT'22

Biscuits-18,0% M.Share (*) #1



#1 in Filled (Biskrem and Tamr brands)



#1 in Digestives



#2 in Plain (Tea biscuits and Finger biscuits)



M.Share Development in Value Based



MAT'21

MAT'22

Chocolate-13,6% M.Share #3



#1 in Biscuits with Filling



#2 in Countline



M.Share Development in Value Based



MAT'21

MAT'22

(*) Source : MAT (Moving Annual Total) Nielsen Data



NPD Sales contributes **4% of total international sales in Q2'22**

Saudi Arabia



Egypt

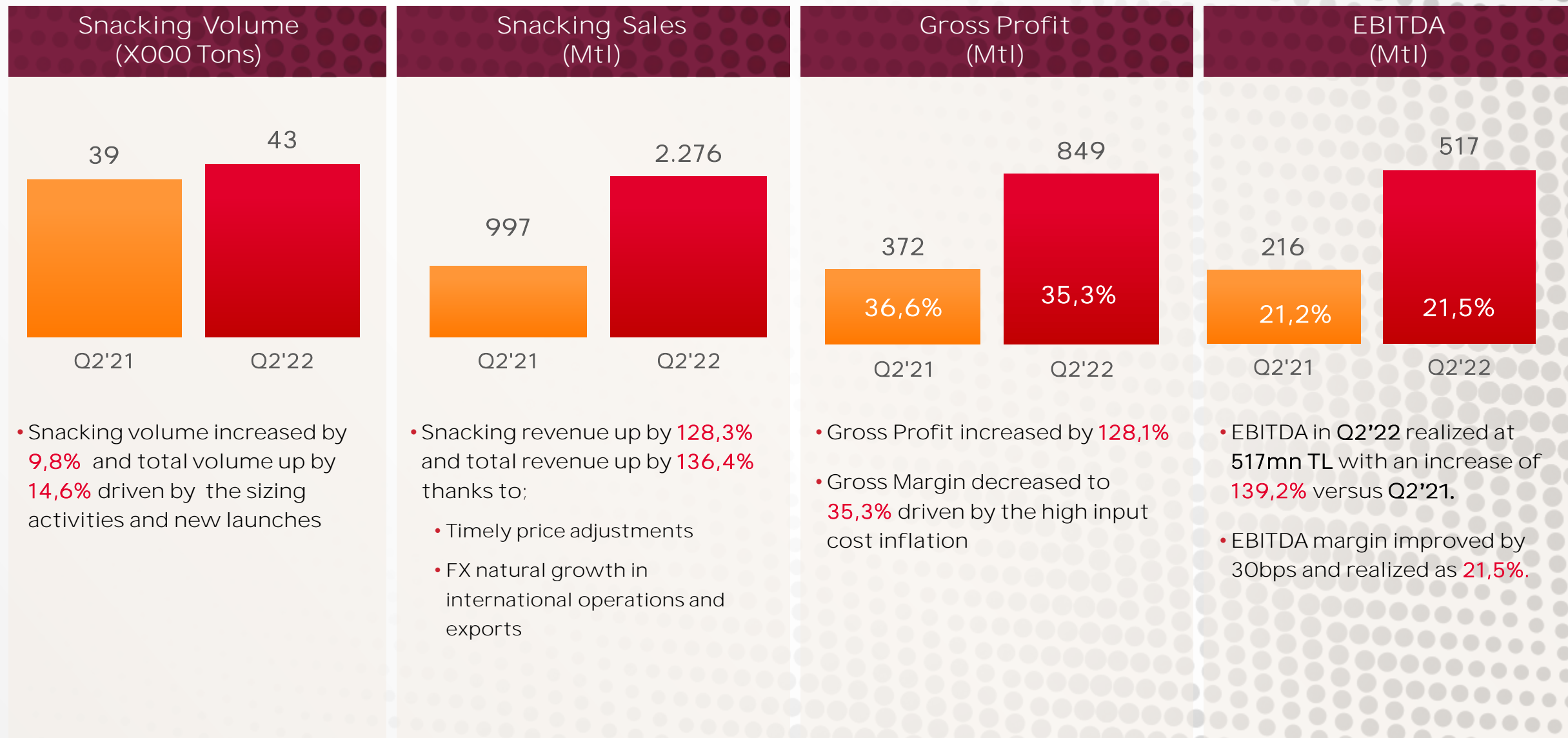


Kazakhstan



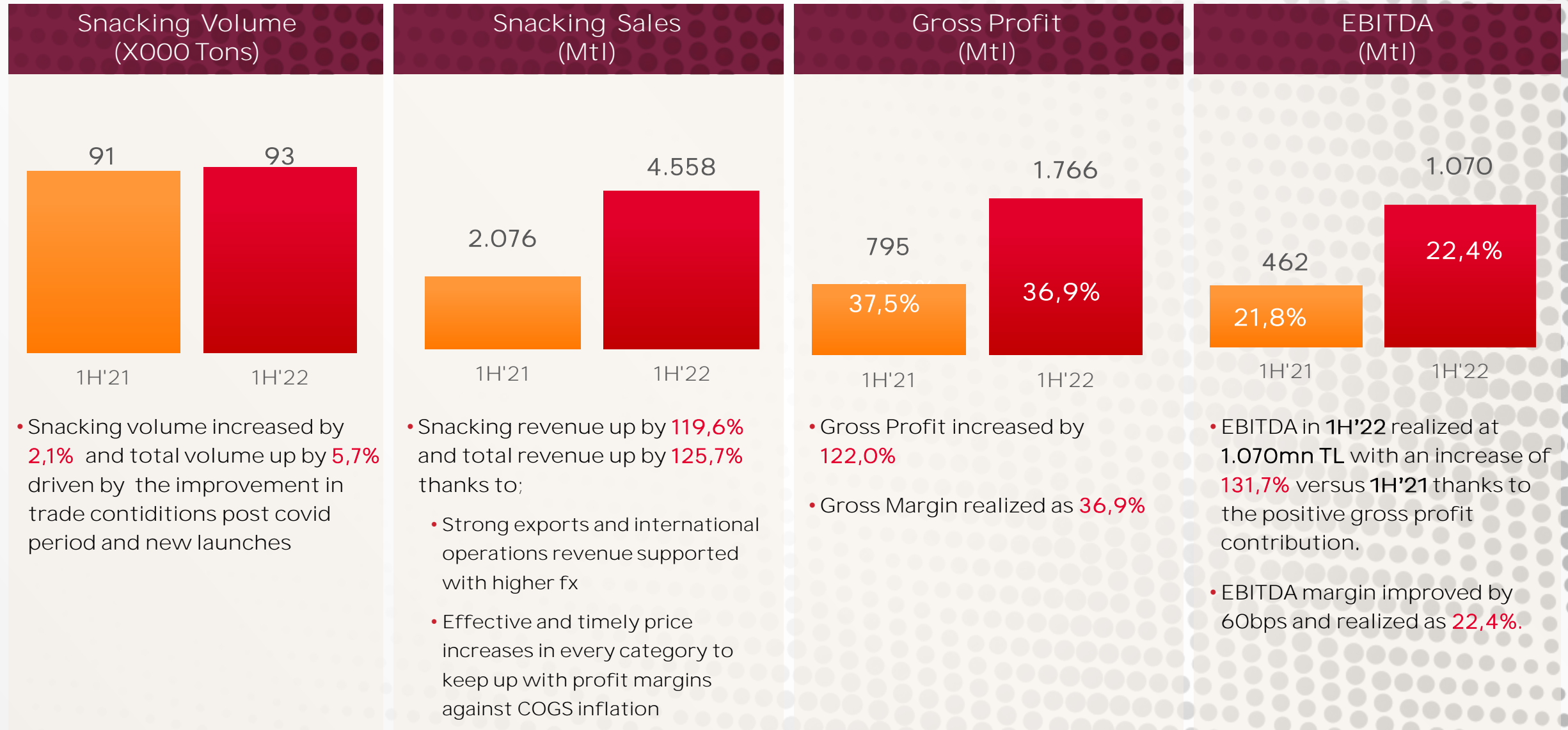


Strong business momentum and sound financial results





Balanced growth for sustainable, long-term value creation achieved





Leadership on a winning strategy

Saudi Arabia



FMC & IBC

YoY Volume Growth
(-3,8%)



YoY Revenue Growth
17,5%



YoY EBITDA Growth
36,6%



EBITDA Margin
20,8%



Egypt



HI-FOOD YTD

YoY Volume Growth
(21,9%)



YoY Revenue Growth
10,0%



YoY EBITDA Growth
30,6%



EBITDA Margin
10,8%



Kazakhstan



HAMLE

YoY Volume Growth
5,8%



YoY Revenue Growth
37,1%



YoY EBITDA Growth
100,2%



EBITDA Margin
14,6%

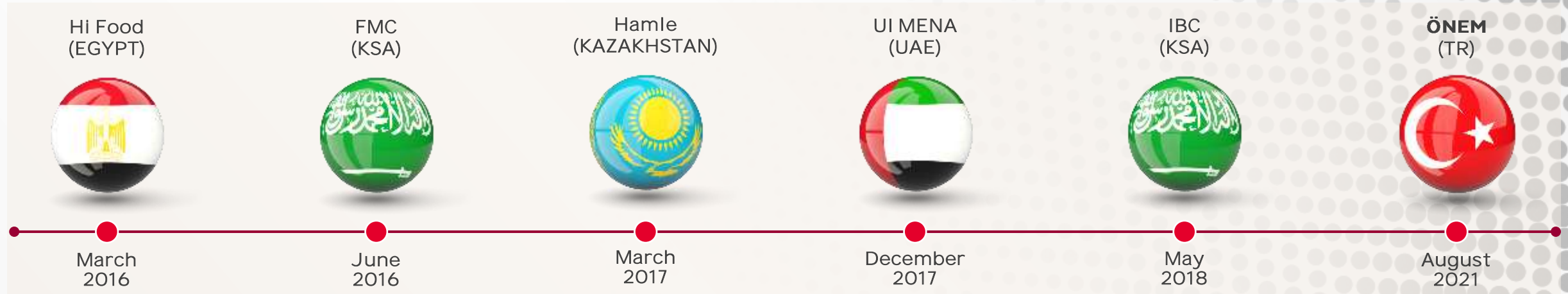


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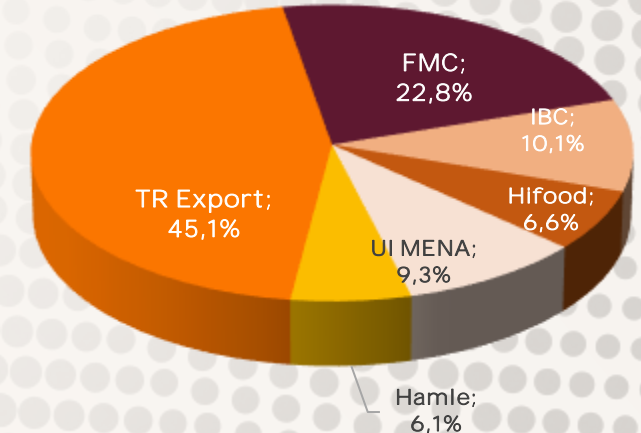
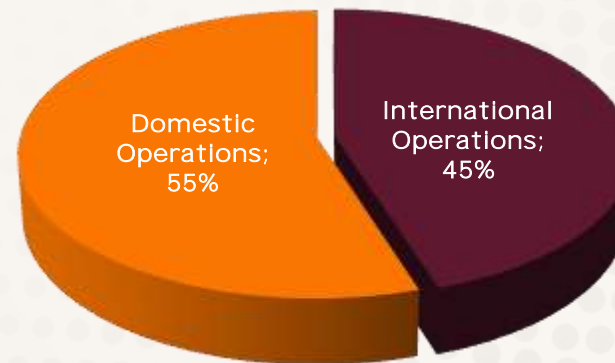


Acquisition Highlights : reach a pivotal EBITDA margins



- Ability to act as local producer and regional production hubs as well
- Ability to build higher scale in primary markets
- Access higher growth in snacking adjacencies in biscuit category
- Potential to add new business capabilities in core categories
- Aim to create high-level synergy between companies and build a structure that will accelerate **Ülker's** profitable, sustainable growth
- Vertical integration achieved with **Önem Gıda** acquisition contributes (**Önem** contribution : 1H22: 300bps)

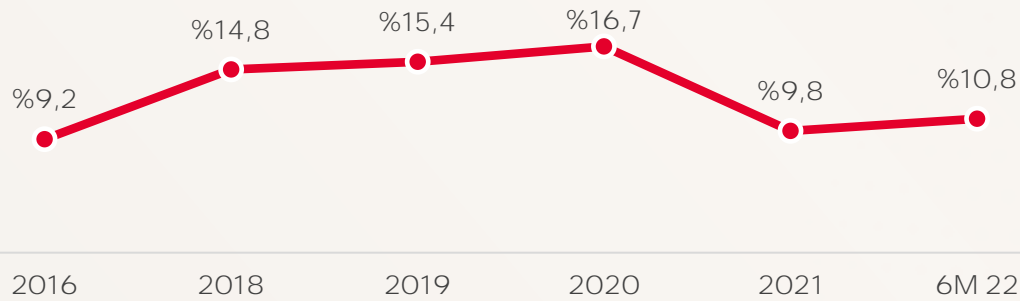
EBITDA Contribution of Acquisitions-1H' 2022





Acquisition Highlights : EBITDA % development in years

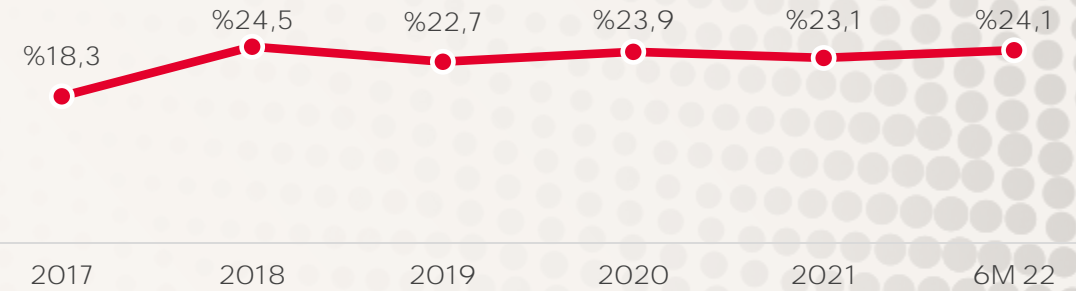
NORTH AFRICA (HIFOOD)



Current EBITDA %
10,8%

Total EBITDA Contribution
3,0%

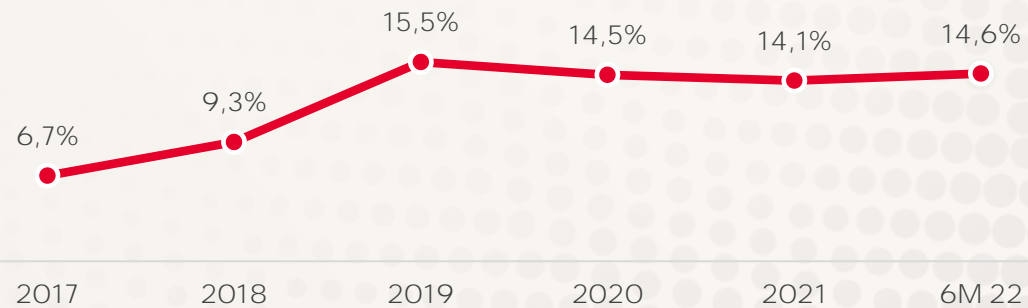
MIDDLE EAST (FMC-IBC-UI MENA)



Current EBITDA %
24,1%

Total EBITDA Contribution
19,0%

CENTRAL ASIA (HAMLE)



Current EBITDA %
14,6%

Total EBITDA Contribution
2,8%

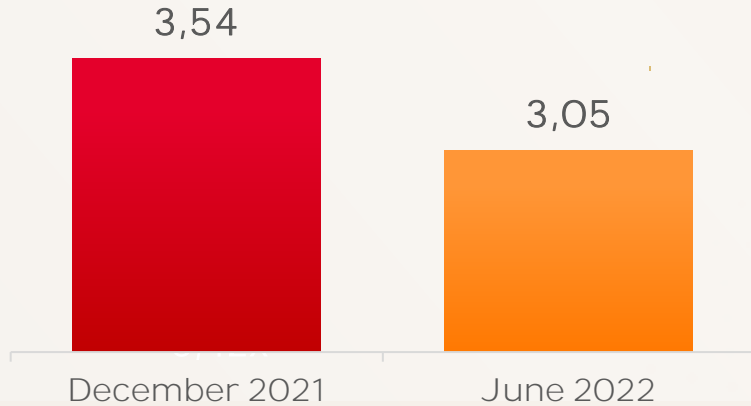
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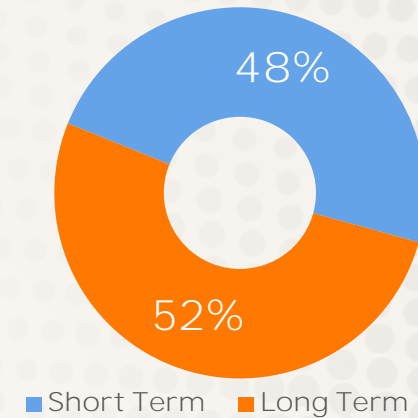


Stronger balance sheet with improved ratios

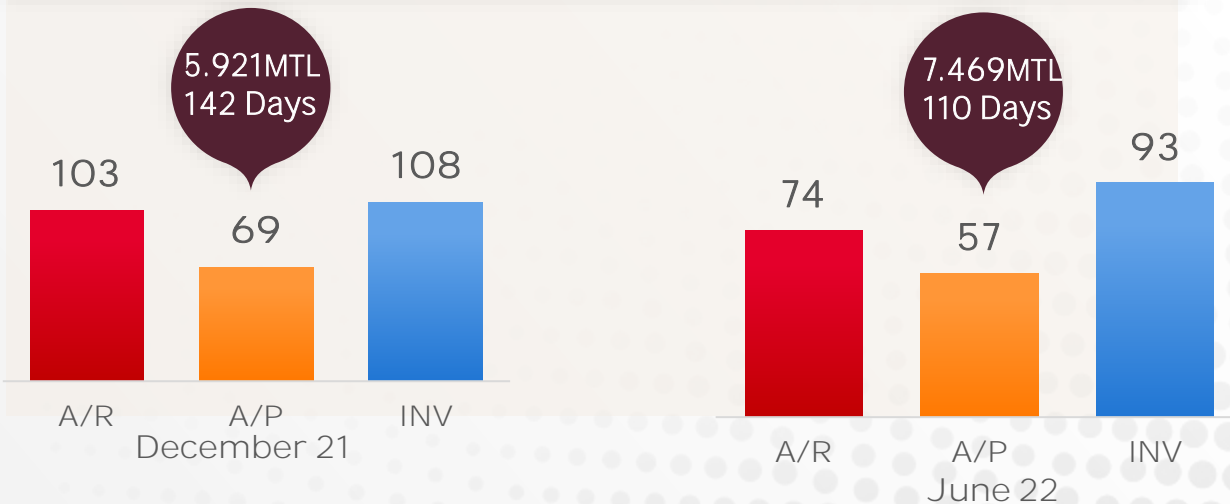
Net Debt/Ebitda (X)



Maturity Breakdown as of June 2022



Average Working Capital Days & Net Working Capital



FX Hedge strategy

- ~45% of the net position is closed. Further hedges are subjected to the approval of **Hedge Committee** per market conditions.
- As of August 2022, **ME200** of the open position is hedged
- 42ME** **Önem Gıda** & **22,5M\$** **Ülker Bisküvi** forwards executed
- Instruments** : Cross Currency Swaps & Forwards

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2022 Consolidated Guidance

Net
Sales

EBITDA
Margin

2021 REALISED

12,5BNTL

18,6%

2022 GUIDANCE

22,0BNTL

18,6%

2022 GUIDANCE
revised

23,5BNTL

18,6%



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