



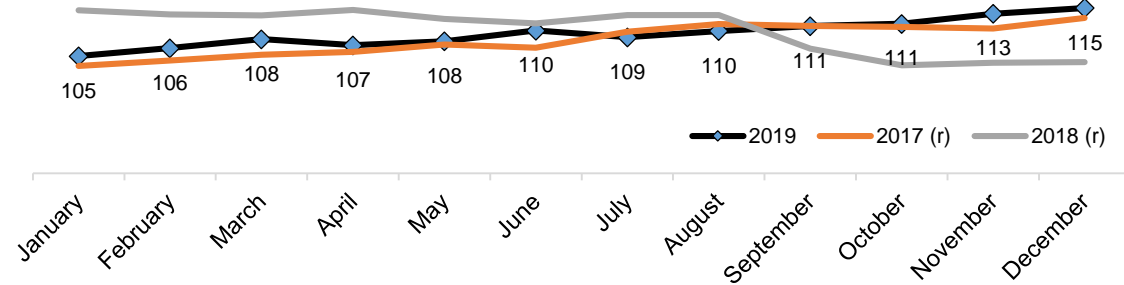
ÜLKER BİSKÜVİ INVESTOR PRESENTATION 4Q & FY 2019

- ***Turkey Macro Economic Overview***
- ***Market Growth***
- ***4Q & FY 2019 Highlights and Consolidated Operational Performance***
- ***Domestic Operations***
- ***Export and International Operations***
- ***Balance Sheet Highlights***
- ***2019 Guidance&Realizations***

Turkey Macro Economic Overview

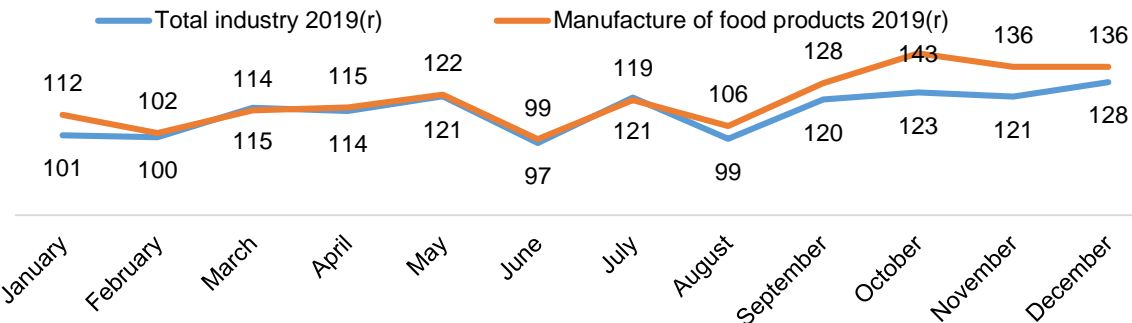


Retail Sales Volume Index



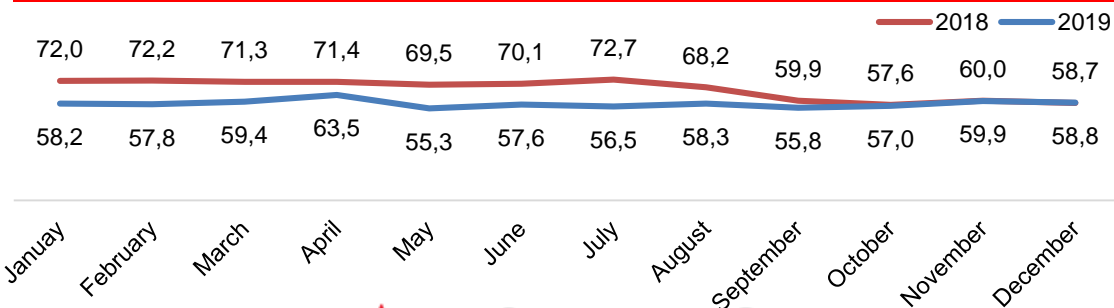
- Seasonal and calendar adjusted retail sales volume with constant prices increased by 1 % in December 2019 compared with the previous month

Industrial Production



- As of December 2019 Industrial Production index realized as 128
- Manufacture of food products increased by 9 % compared with same month previous year

Consumer Confidence Index

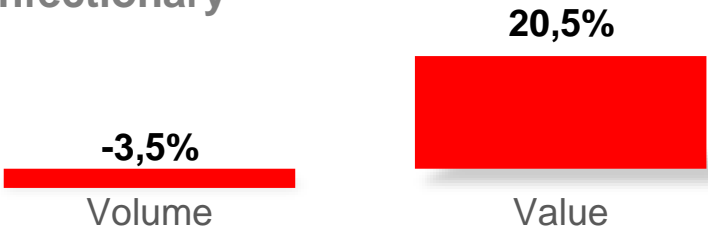


- Consumer confidence index in Turkey realized as 58,8 in December 2019. Compared to previous month contracted by 2%.
- A rise in general index was realized in CPI on the previous month by 0,74% in December 2019
- Food inflation realized as 10,89 % in December

Market Growth

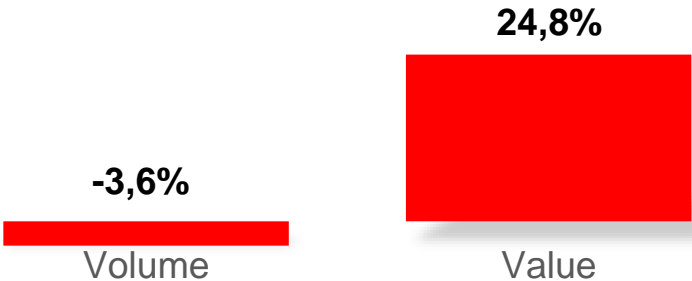


Total Confectionary



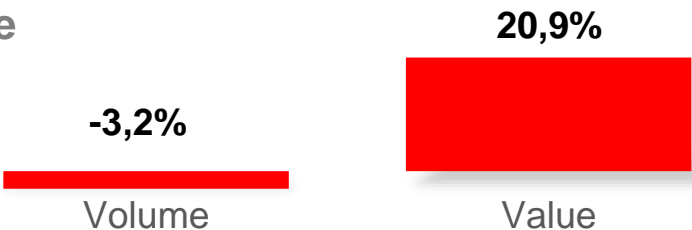
Due to the downsizing activities total confectionary market decreased by 3,5% in volume terms. In value terms, confectionary market increased by 20,5%

Biscuits



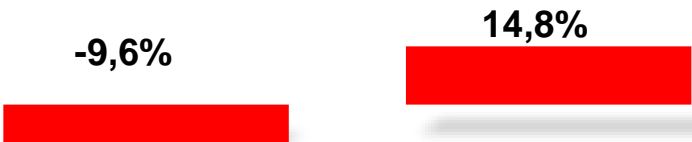
Total Biscuit market was down by 3,6 % in volume and increased by 24,8% in value terms

Chocolate



Total Chocolate market contracted by 3,2 % in volume and increased by 20,9% in value terms

Cake



Total Cake market shrank by 9,6 % in volume and increased by 14,8% in value terms

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4Q & FY 2019 HIGHLIGHTS AND CONSOLIDATED OPERATIONAL PERFORMANCE



TR: Bisc.& Choc.& Cakes
4 in Istanbul, 1 in Karaman, 1
in Ankara total 6 Factories.
Total Capacity: 824k
tons/year

Egypt
Hi-Food
Biscuits
Capacity: 43k tons/year

KSA
FMC&IBC
Bisc.& Choc.& Cakes
Capacity: 74k tons/year
UAE - UI Mena

Kazakhstan
Hamle
Bisc.&Choc.&Cakes
Capacity: 40k
tons/year

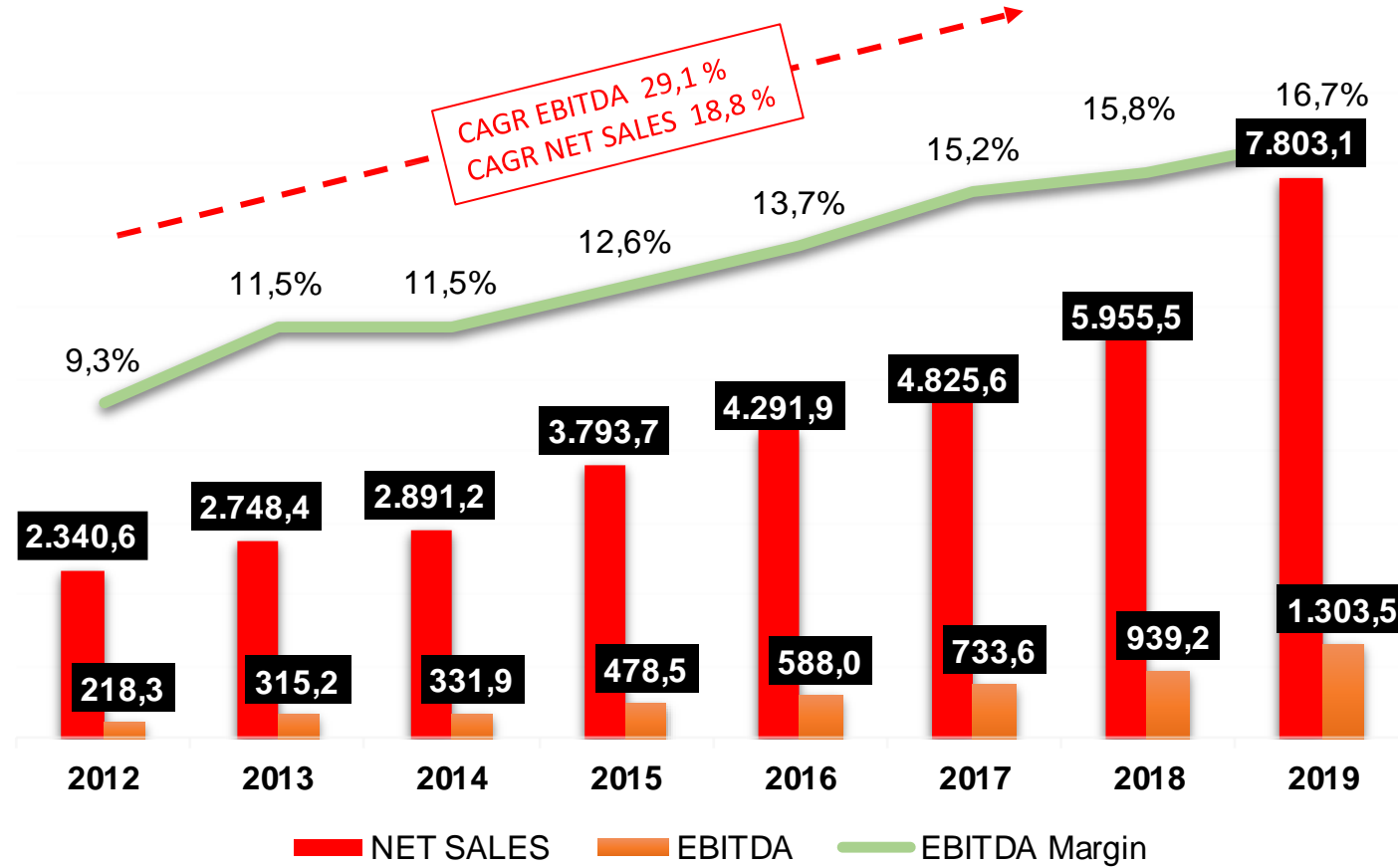


2012-2019 Ülker Bisküvi Performance



Volume
(‘000 ton)

2012	2013	2014	2015	2016	2017	2018	2019	CAGR %
422	478	480	514	529	546	556	582	4,7




IFRS 15 impact was not reflected to 2016 and previous years, amounts represented in million TL.

2019FY Consolidated Performance Highlights **ÜLKER**




Revenue

TL 7.803 M


Growth + 31,0% 

Gross Profit

TL 2.139 M


Growth + 37,1% 

Gross Margin


27,4%
improved
by 120 bps 

EBITDA


TL 1.304 M

Growth +38,8% 


EBITDA Margin

16,7 %
improved
by 90 bps 

Net Debt/EBITDA

0,30x
(2018: 1,64x) 

Free Cash Flow

2019 :665 MTL
(2018:-137 MTL) 

Another year of strong performance in all metrics **ÜLKER**

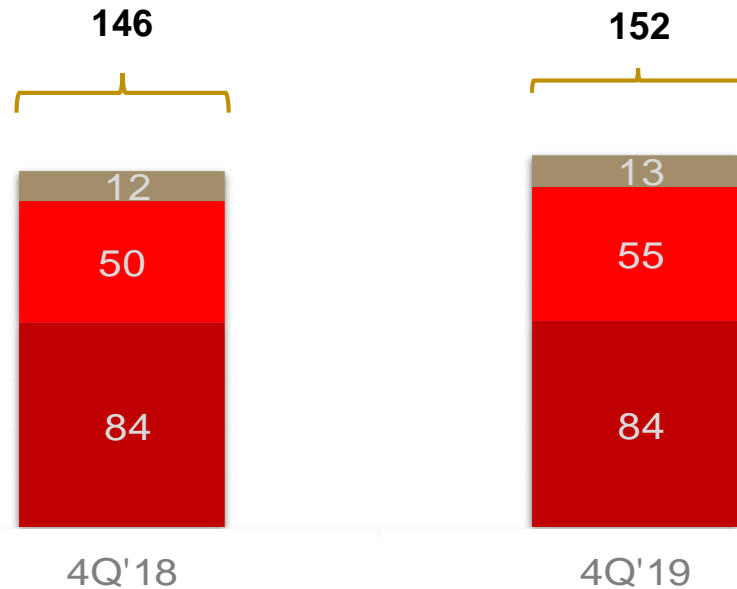
TL ('000)	4Q 2018	4Q 2019	%	FY 2018	FY 2019	%
Confectionary Volume (Ton)	145.624	151.909	4,3%	553.664	576.335	4,1%
Revenue	1.797.875	2.147.153	(19,4%)	5.955.508	7.803.120	31,0%
Gross Profit	466.724	593.691	(27,2%)	1.560.285	2.139.192	(37,1%)
Gross Profit Margin	26,0%	27,7%		26,2%	27,4%	
EBITDA	278.488	340.179	(22,2%)	939.168	1.303.526	(38,8%)
EBITDA Margin	15,5%	15,8%		15,8%	(16,7%)	
Net Income <i>(Equity holders of the parent)</i>	128.717	164.579	27,9%	700.779	905.302	29,2%
Net Income %	7,2%	7,7%		11,8%	11,6%	

- Strong organic growth continued in 4Q'19 in all regions
- Main drivers behind the strong performance
 - Successful and innovative launches in all categories
 - Effective sizing and pricing initiatives
 - Volume, mix and pricing impact
 - Positive impact of exports and international acquisitions
 - Continued cost discipline and opex management

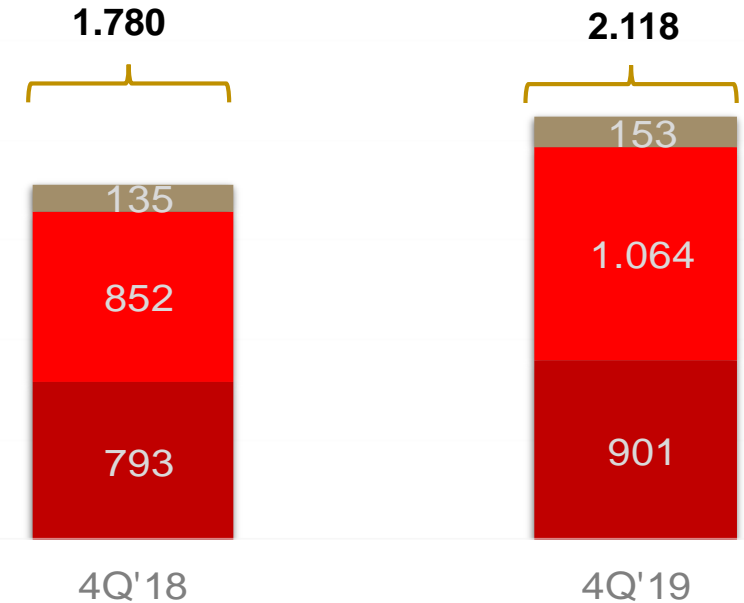
Delivered another strong quarter with volume and value growth



Confectionary Sales Volume (KTons)



Confectionary Sales Value (TLm)



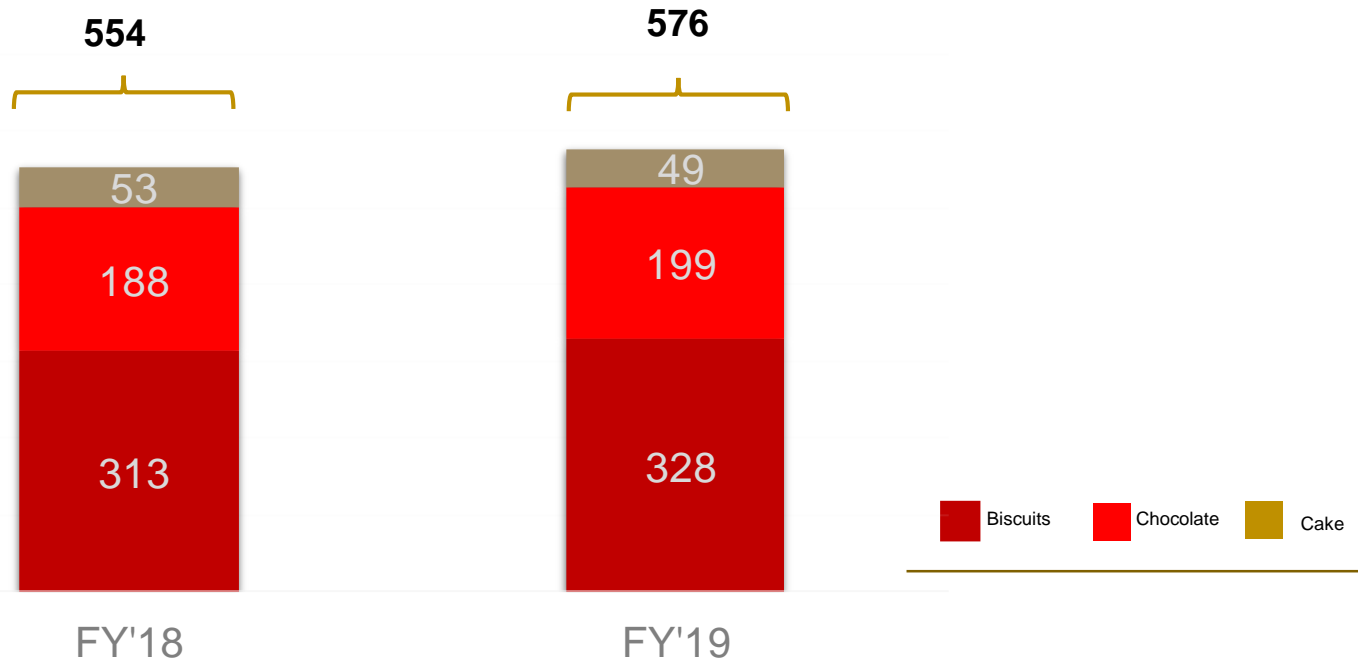
■ Biscuits ■ Chocolate ■ Cake

- Total confectionary volume increased by 4,3% mainly driven by the new launches and change in the product mix
 - Biscuits volume up by 0,4% thanks to the successful launches in Turkey
 - Chocolate volume increased by 11,2% driven by new launches in solid chocolate category and succesfull marketing activities in all chocolate categories
 - Cake volume was up by 3,6% with the help of relaunches in growing segments and product&mix impact
- Total confectionary revenue increased by 19%. Revenues supported by new launches, exports and positive contribution of international operations
 - Biscuits sales was up by 13,7%
 - Chocolate sales up by 24,8%
 - Cake sales was up by 13,2%

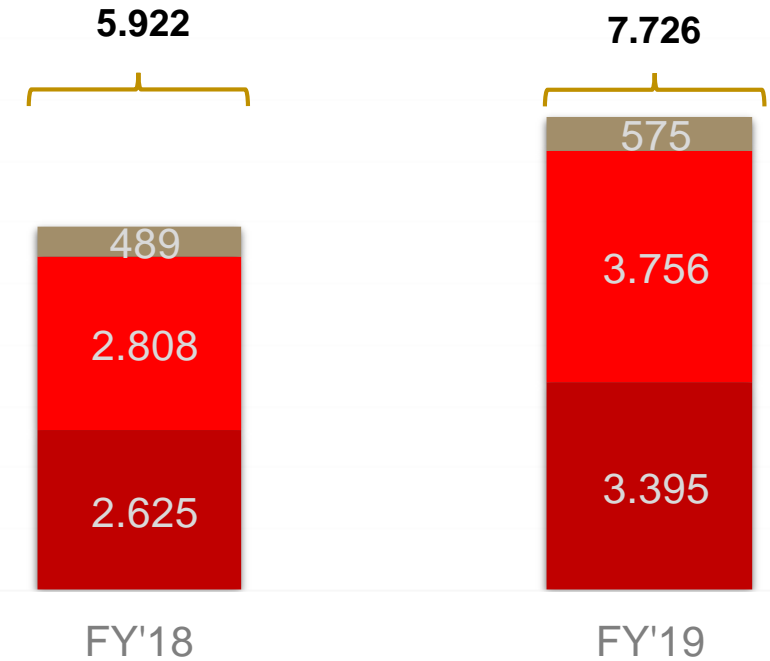
Grew both in volume&value in the year 2019



Confectionary Sales Volume (KTons)



Confectionary Sales Value (TLm)



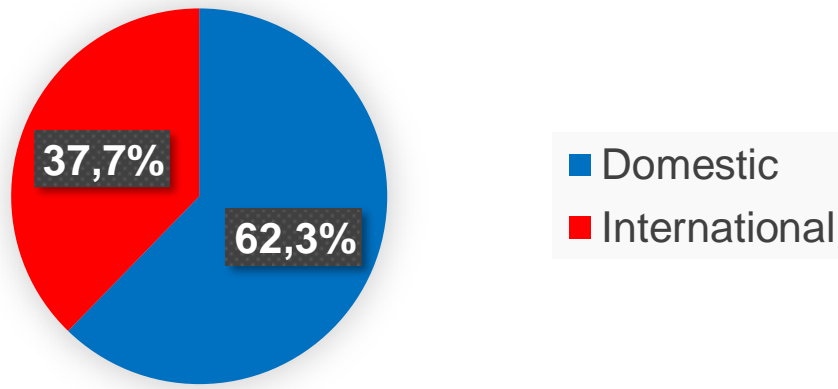
- Total confectionary volume increased by 4,1%. The higher volume resulted from positive contribution of new launches, successful Eid session and back to school period
 - Biscuits volume increased by 4,8%
 - Chocolate volume increased by 6,2%
 - Cake volume was contracted by 7,8% driven by price adjustments

- Total confectionary revenue increased by 30,5% which was primarily driven by strong performance in all categories without any exception
 - Biscuits sales was up by 29,4%
 - Chocolate sales up by 33,7%
 - Cake sales was up by 17,6%

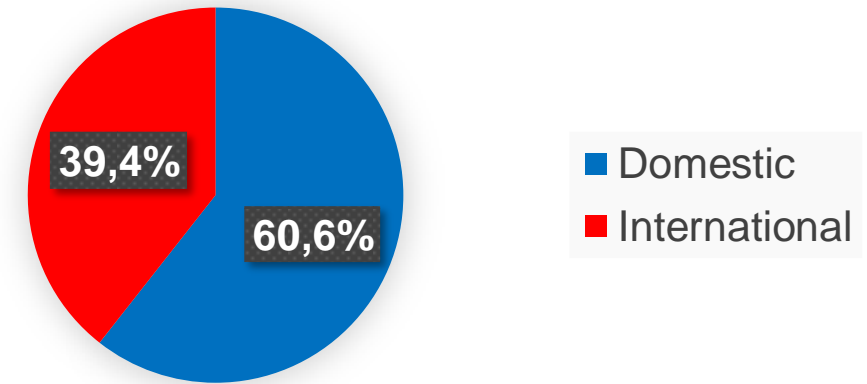
Positive contribution of exports&international operations are increasing



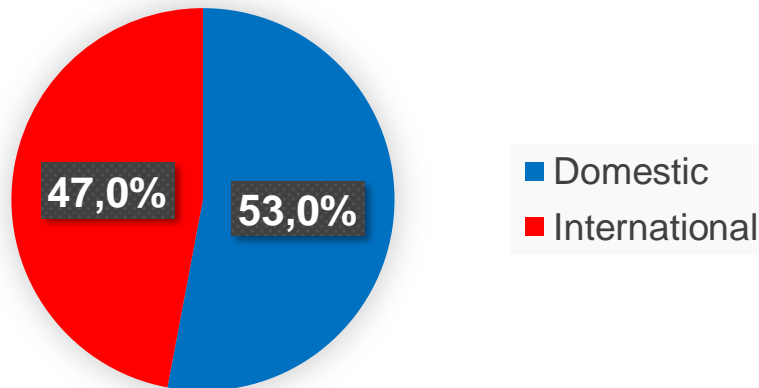
Revenue Breakdown FY 2018



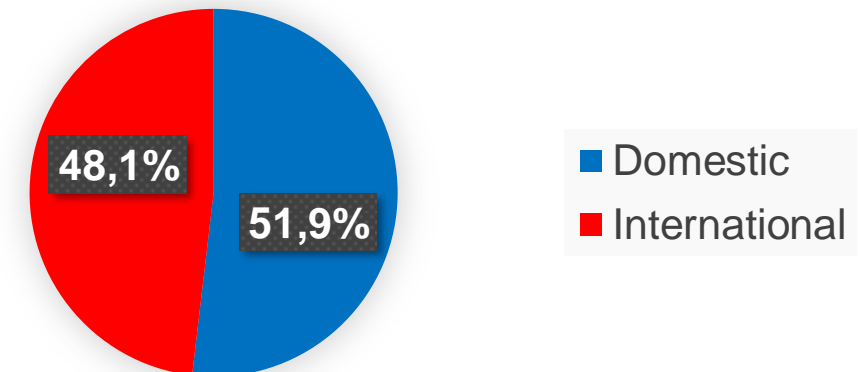
Revenue Breakdown FY 2019



EBITDA Breakdown FY 2018



EBITDA Breakdown FY 2019



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YURDUMUN ÜLKER

**ÇİFTÇİSİYLE
BÜYÜR ÜLKER**

#yurdumunülkerçiftçisiylebüyürülker

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**DOMESTIC
OPERATIONS**

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Turkey – Strong #1 in Total Confectionary with 37% Market Share



Biscuits – 40,4 % Market Share

#1



1 in Petit Beurre



1 in Special Biscuits



1 in Sandwich Biscuits



1 in Creamy Biscuits



1 in Cracker



1 in Chocolate filled biscuit

Chocolate – 40,8 % Market Share

#1



4 out of Top 5 in Chocolate Covered



#1 in Solid Chocolate

Cake – 23,0% Market Share

#2



#1 in Family Cake



#2 in Portion Muffin Coated Cake



#2 in Wet Cake

Market Share Development in Value(*)

40,1%

FY'18

40,4%

FY'19

39,0%

FY'18

40,8%

FY'19

23,0%

FY'18

23,0%

FY'19

Branded Sales Contribution of Synergy Products and New Launches

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Synergy Products



2019 New Product Launches

biscuits



cake



chocolate

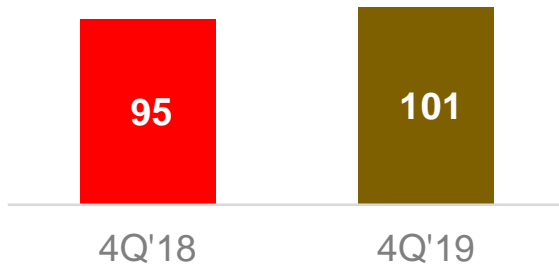


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Best in class in our anchor market

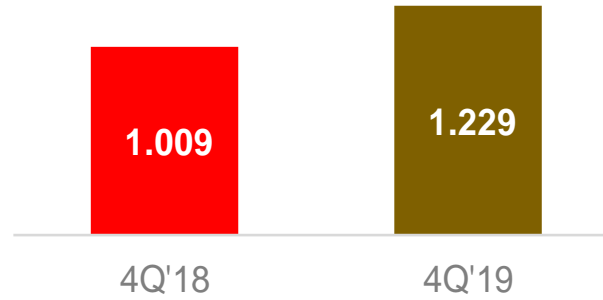


Sales Volume (x000 tons)



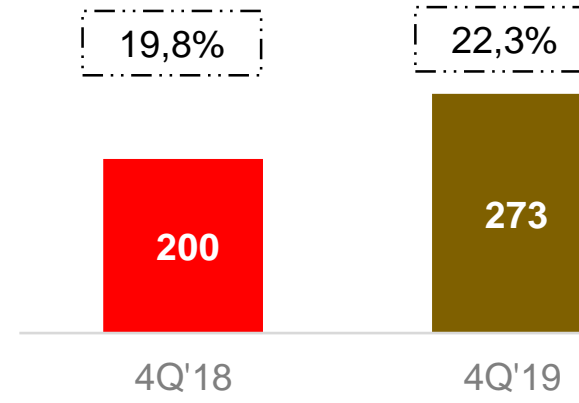
- Consolidated sales volume up by 6,2% in 4Q19 attributable to the strong and successful marketing support and new launches

Net Sales (TLm)



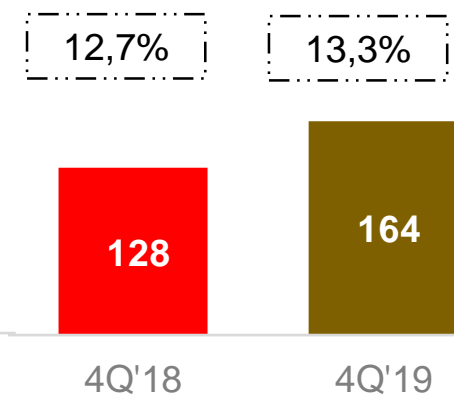
- Revenue up by 21,7% in total thanks to;
 - Effective sizing and pricing initiatives
 - Successful new product launches
 - Successful marketing activities

Gross Profit (TLm)



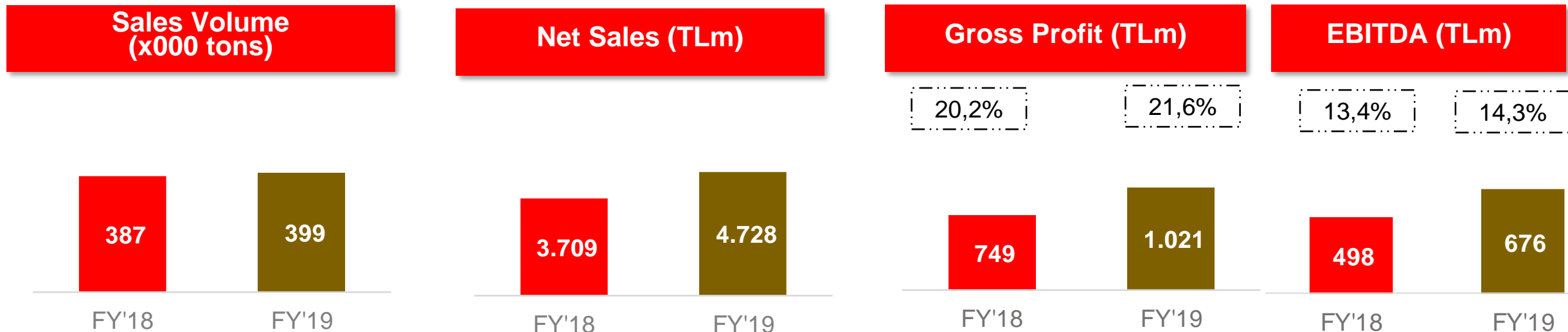
- Gross profit increased by 36,7%
- Gross profit margin for the quarter up by 250 bps to 22,3% in 4Q19
- Main drivers;
 - Effective sizing and pricing initiatives
 - Continuous cost efficiency in supply chain projects

EBITDA (TLm)



- EBITDA was up by 27,9% and margin widened by 60 bps to 13,3% thanks to;
 - Successful new product launches
 - Efficiencies gained from investments

Robust growth in Turkey continued



- Consolidated sales volume was up by 3,0% in FY19 attributable to:
 - New innovative product launches in all categories
 - Effective price campaigns in all portfolio

- Revenue up by 27,5% in total thanks to;
 - Impact of the successful launches
 - Portfolio optimizations,
 - Favorable category and mix impact
 - Successful Eid Season and back to school period in 2019

- Gross profit margin improved by 140 bps and realized as 21,8%
- Gross Profit was up by 36,4 % reflecting the
 - Strong price positioning in the market
 - Excellent cost management

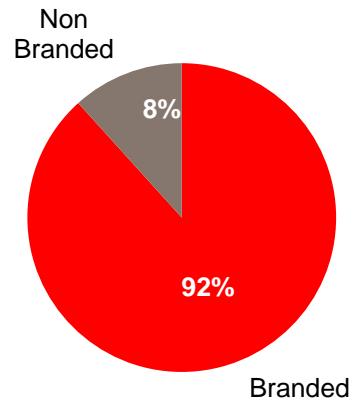
- EBITDA was up by 35,9%
- EBITDA margin widened by 90 bps and reached to 14,3% thanks to;
 - Effective pricing policy
 - Higher topline contribution

Strategy to Focus on Branded Confectionary Products

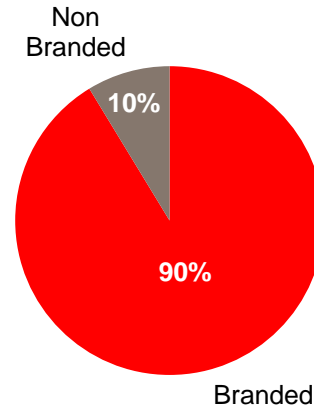


Branded & Non-Branded Volume Breakdown

FY'18

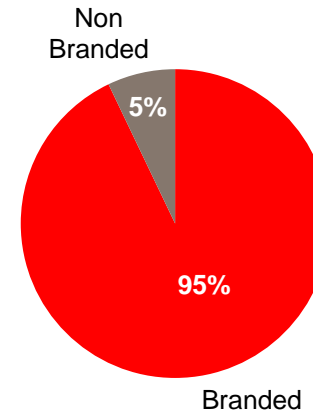


FY'19

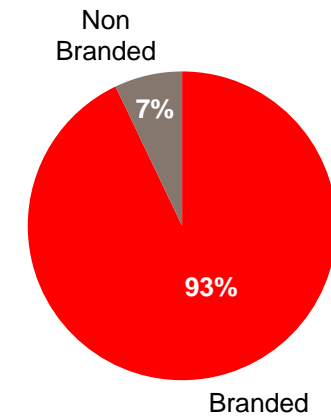


Branded & Non-Branded Revenue Breakdown

FY'18



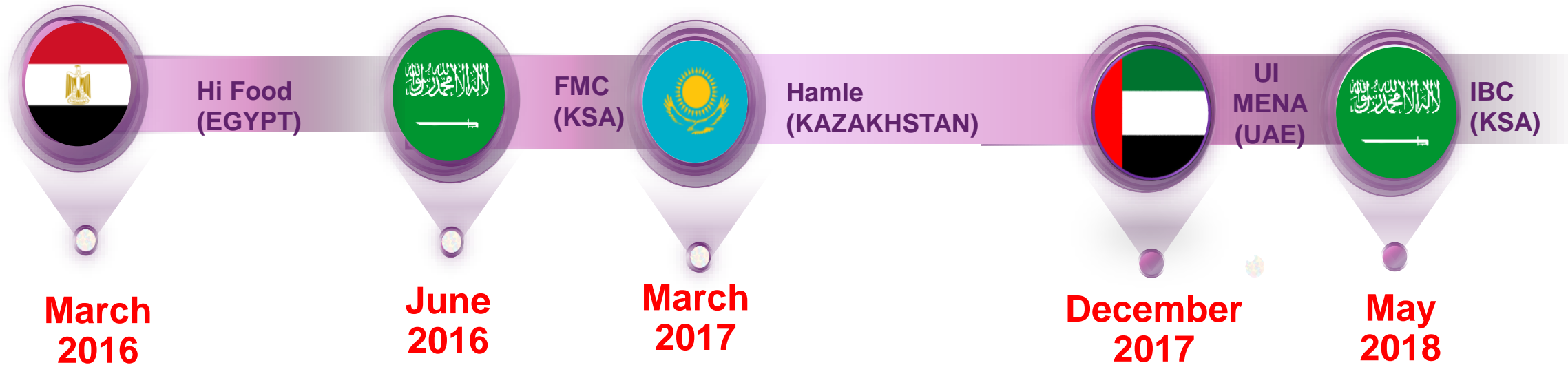
FY'19





**EXPORT AND
INTERNATIONAL
OPERATIONS**

Well Positioned for Future Growth...



- ✓ Ability to act as local producer and regional production hubs as well
- ✓ Ability to build higher scale in primary markets
- ✓ Access higher growth in confectionary adjacencies in biscuit category
- ✓ Potential to add new business capabilities in core categories
- ✓ Enhance capacity usage

Saudi Arabia – stronger and stronger with higher market share – position # 1



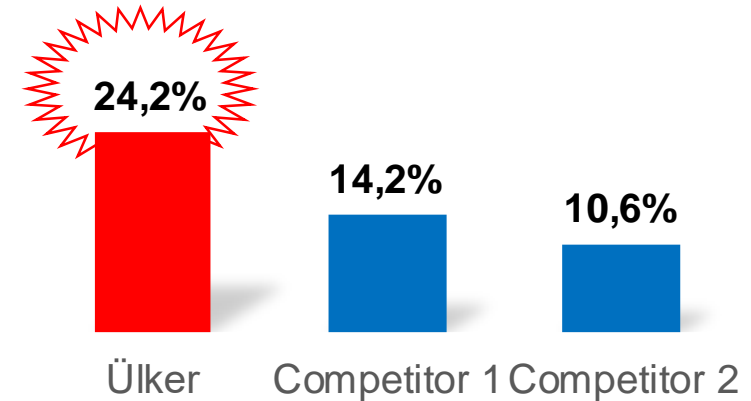
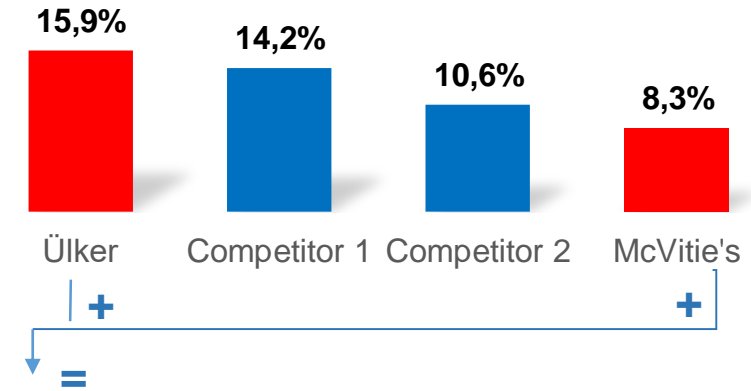
FMC Financial Review

	FY'18	FY'19	Change
Sales Volume (tons)	44.038	45.700	3,8%
Net Sales(SAR x000)	611.959	688.624	12,5%
EBITDA(SAR x000)	88.755	97.324	9,7%
EBITDA Margin	14,5%	14,1%	

- Market started to recover and Ülker managed to be ahead of the competition with increasing its profitability
- Continue to strongly increase our market share thanks to our new product launches and balanced organic growth
- High awareness levels with Ülker and McVitie's brands
- Increase in profitability mainly driven by effective management of commercial operations and positive contribution of McVitie's impact
- Flexibility of sourcing; Ülker manufacturing ability (2 factories in KSA)
- Positive contribution of McVitie's and Rana continued

#1

Biscuits Market Share



Saudi Arabia – IBC Operations

Efficiency in all lines proves that the strategy of the acquisition is on right track

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IBC Financial Review

	FY'18	FY'19	Change
Sales Volume (tons)	13.462	13.480	0,1%
Net Sales(SAR x000)	166.927	167.401	0,3%
EBITDA(SAR x000)	45.850	43.768	-4,5%
EBITDA Margin	27,5%	26,1%	

Purpose of Acquisition & Operations in a nut shell

- Ülker acquired 100% of IBC (1 Factory in Riyad)
- Purpose was to consolidate FMC and IBC's operations,
 - Decrease cost to serve,
 - Create synergies from procurement, production and distribution,
 - Enlarge the presence in modern channel and increase the visibility in shelf space
- Benefit from IBC's strong sales in domestic market
- Multi-production : Ülker & McVitie's & Rana

IBC Product Portfolio



Egypt – Achieved number #1 position in Biscuits, Target to be #2 in Cake & Top 5 in Chocolate

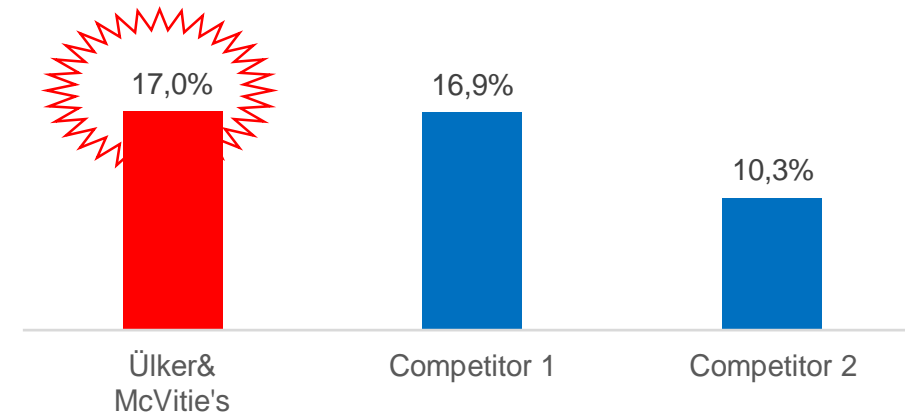


HI-FOOD & ULKER EGYPT Financial Review

	<u>FY'18</u>	<u>FY'19</u>	<u>Change</u>
Sales Volume (tons)	33.030	35.765	8,3%
Net Sales(EGPx000)	1.203.691	1.388.499	15,4%
EBITDA(EGPx000)	178.218	214.299	20,2%
EBITDA Margin	14,8%	15,4%	



Biscuits Market Share



- Reached market leadership in 2019
- McVitie's continues to pave the way for gaining market share
- Price increases in Egypt domestic market and volume growth are the rationales behind Egypt net sales growth
- While excellent sales performance in domestic sales supporting the topline, higher efficiency and better procurement supported the EBITDA
- Successful revival of McVitie's in Egypt via portion packs launch and 360 activation and successful price positioning of Ülker and McVitie's supported EBITDA
- Continuous operational efficiencies and better procurement of raw materials supported the results

UI MENA Operations

To become # 1 or strong # 2 in all MENA



UI MENA Financial Review

	<u>FY'18</u>	<u>FY'19</u>	<u>Change</u>
Sales Volume (tons)	10.914	11.027	1,0%
Net Sales(AED x000)	151.914	153.959	1,3%
EBITDA(AED x000)	49.988	46.619	-6,7%
EBITDA Margin	32,9%	30,3%	



- Ülker acquired UI MENA which owns **Amir Global** (the owner of McVitie's distribution / production rights in MENA and Saudi Arabia along with sales company in Egypt)
- Sales operations in Egypt (Ülker Egypt- consolidated in Egypt side)
- Some of the main markets: Saudi Arabia, UAE, Lebanon, Qatar, Kuwait, Jordan, Egypt
- Improve market position of Ülker in MENA countries to be number 1 or number 2
- Decrease cost to serve in the region

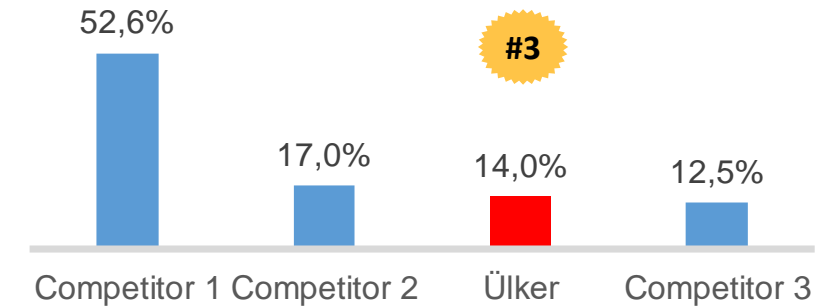
Kazakhstan-A bridge from East to West and our gate to Asia



HAMLE Financial Review

	<u>FY'18</u>	<u>FY'19</u>	<u>Change</u>
Sales Volume (tons)	12.658	14.963	18,2%
Net Sales(KZTx000000)	11.511	15.508	34,7%
EBITDA(KZTx000000)	1.070	2.407	124,9%
EBITDA Margin	9,3%	15,5%	

Chocolate Market Share



- Positive contribution of the locally produced Star brands Biskrem, Halley & McVities continued and Halley and Biskrem reached the highest market share with growth of distribution and marketing support
- Strong EBITDA driven by efficiently increasing Halley, McVities and Biskrem production
- Strong growth of Kazakhstan domestic sales supported with Albeni's increasing visibility and return on investments of star brands
- Hamle started to source Azerbaijan market. The production has been switched from Turkey to Hamle
- Increasing export sales from Kazakhstan to Azerbaijan, Xinjiang and Mongolia supported topline growth
- Local production of McVities, increasing visibility and penetration of the star brands continued to make a positive contribution to tradition channel sales.

International Operations

Making the right choices and gaining market share in all regions

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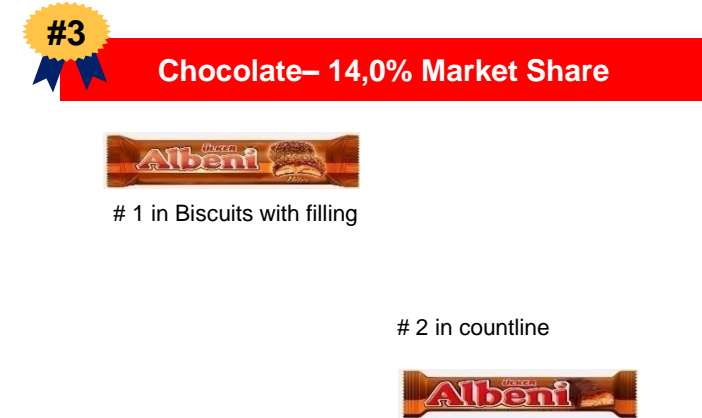
Saudi Arabia



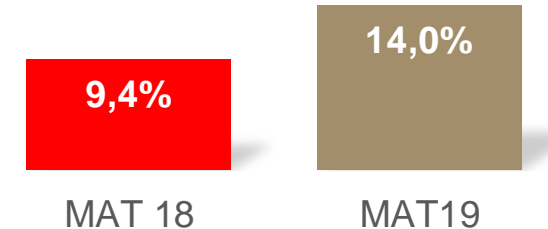
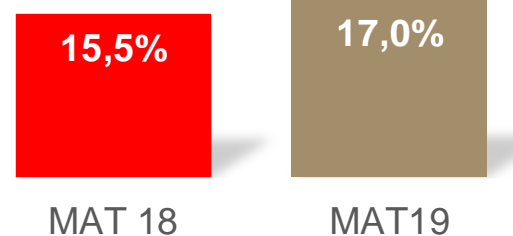
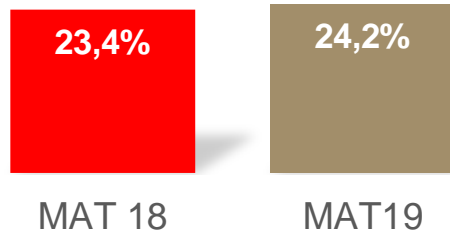
Egypt



Kazakhstan



Market Share Development, Value Based (*)



2019 New Launches & Synergy Products

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SAUDI ARABIA



KAZAKHISTAN



EGYPT

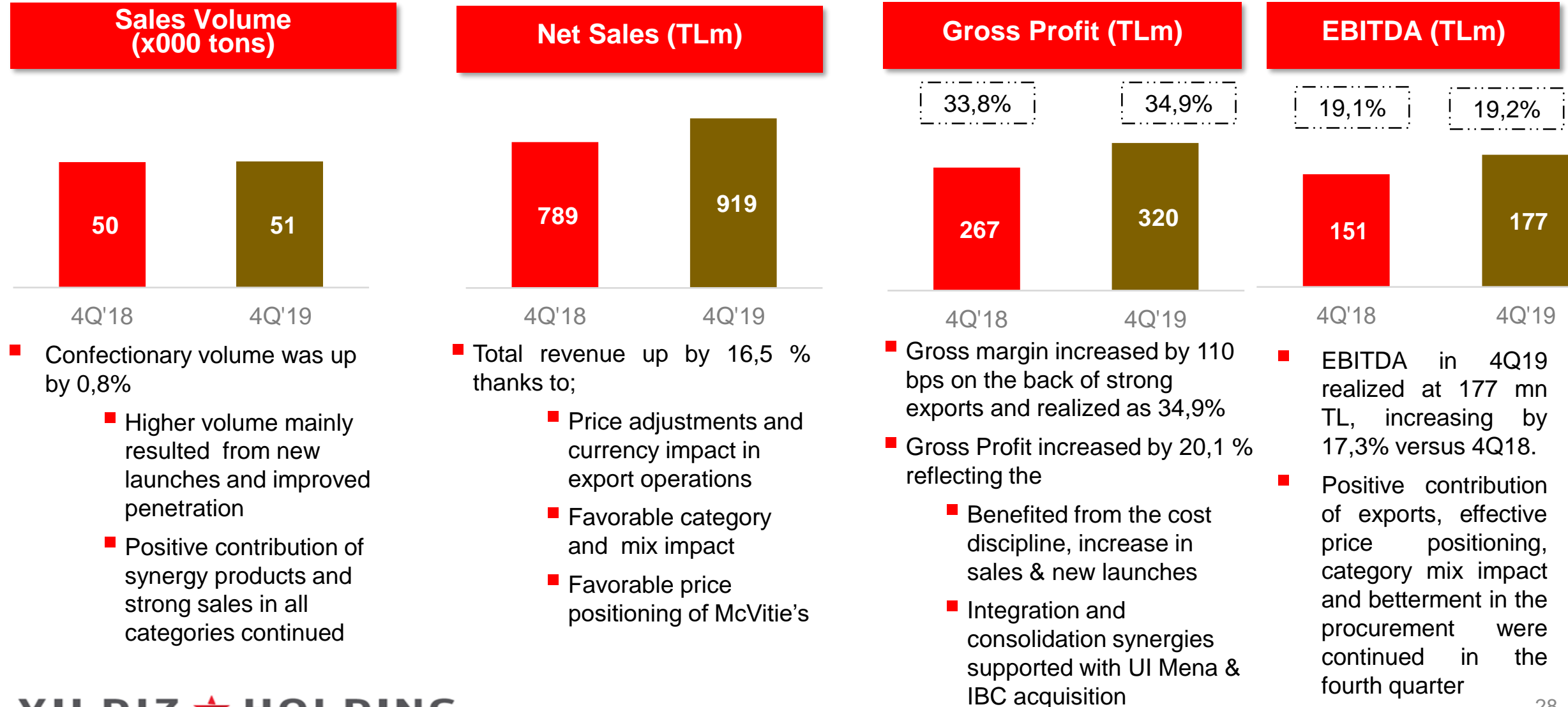


SYNERGY PRODUCTS

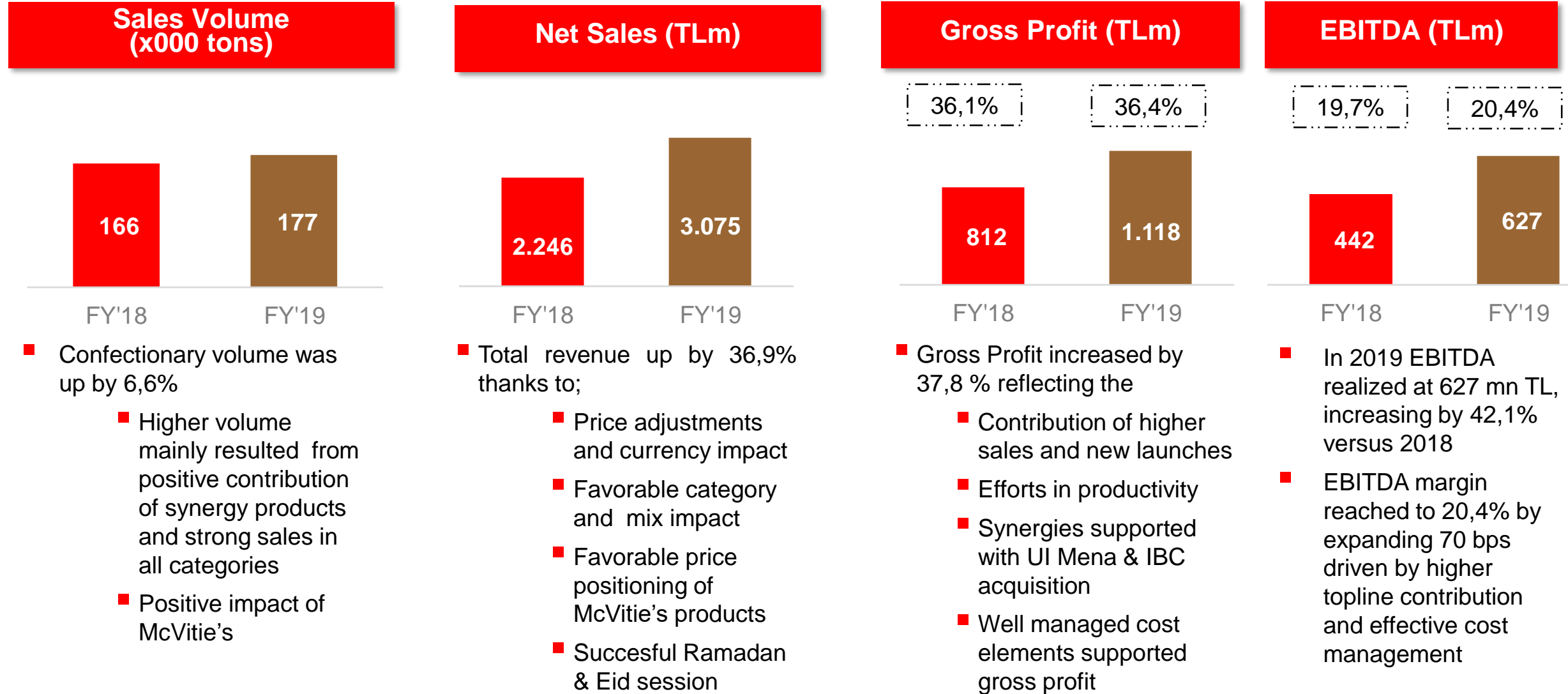


YILDIZ ★ HOLDING

Successful quarter on the back of strong exports and international operations in 4Q'19



Strong performance with profitability focus



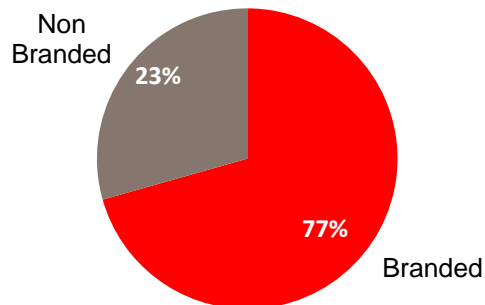
Strategy to Focus on Branded Confectionary Products



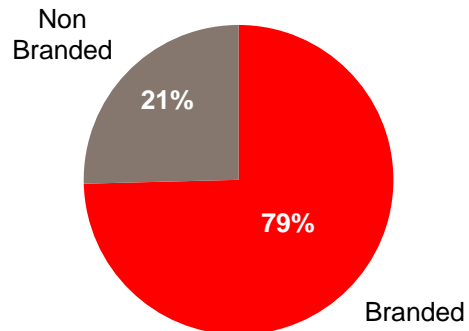
- ✓ We focused on branded product sales and continue to enjoy significant contribution improvement at the operational front in line with our strategy.

Confectionary Branded & Non-Branded Volume Breakdown

FY'18

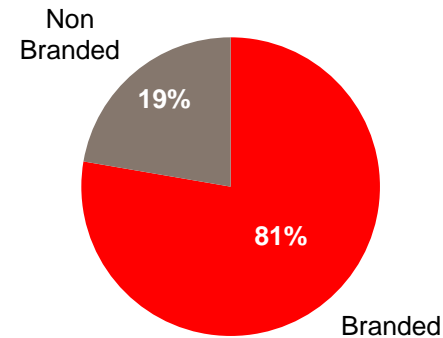


FY'19

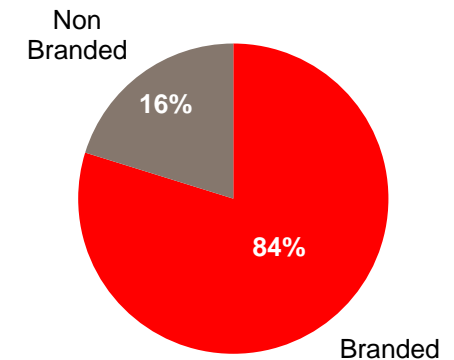


Confectionary Branded & Non-Branded Revenue Breakdown

FY'18



FY'19



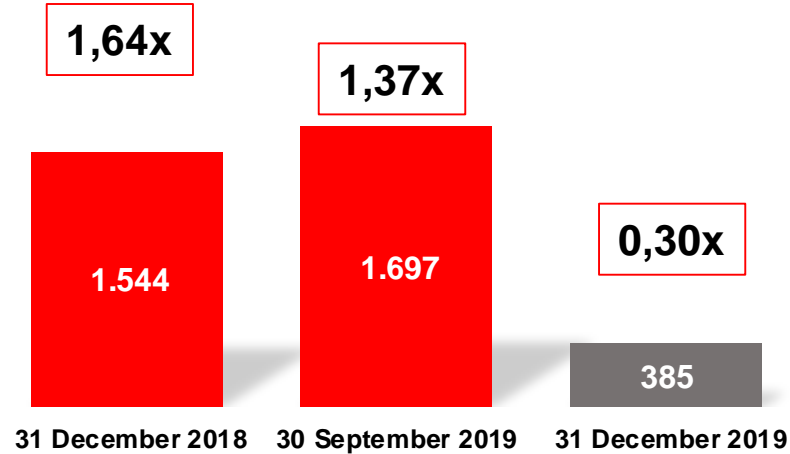


BALANCE SHEET HIGHLIGHTS

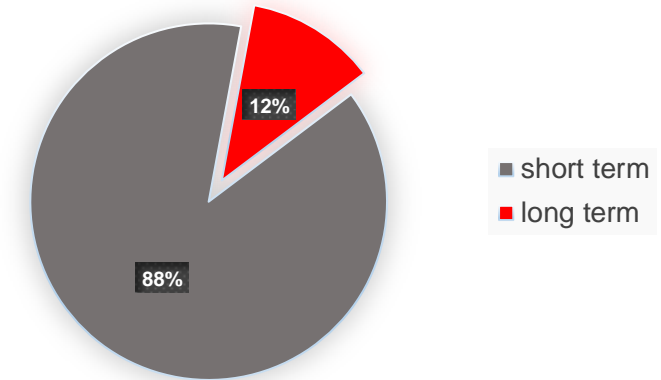
Net Working Capital & Net Debt Position



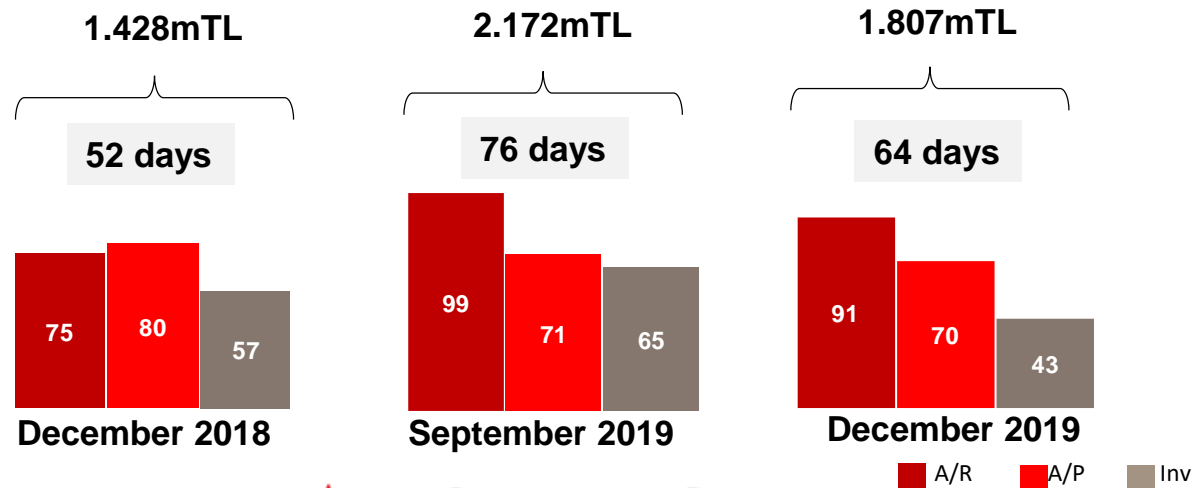
Net Debt (TLm) – Net Debt/EBITDA (x)



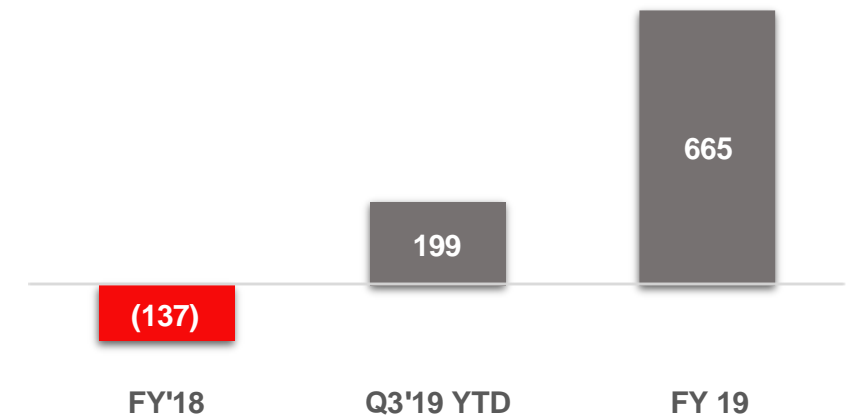
Maturity Breakdown as of December 2019



Average Working Capital Days & Net Working Capital



Free Cash Flow (MTL)



Outstanding FX Position with support of Godiva dividend distribution



Strong balance sheet FX position even excluding derivative instrument

(Million TL/\$/€/£)	TL	USD	EURO
Cash Equivalents & Monetary Assets	5.388	902	4
Trade Receivables	383	51	9
Total Assets	5.771	953	13
Financial Liabilities	5.132	260	539
Trade Payables	101	10	4
Other Current Liabilities	1	-	0
Current Liabilities	5.233	271	544
Financial Liabilities	379	-	57
Non Current Liabilities	379	-	57
Total Liabilities	5.613	271	601
Net Position	159	682	(588)
Derivative Transactions	889	116	30
Net Position after derivative	1.047	798	(558)

The table was prepared based on the combination of fx position of Group entities.

2019 Guidance&Realization

Delivering our 2019 guidance



	2019	
	Guidance	Realization
Net Sales	~ 7.700 TL mn	7.803 TL mn ✓
EBITDA Margin	~ 16,5 %	16,7% ✓

The business Outlook of the Company is subject to risks which are stated in the annual report and financial reports

Investor Relations Contact



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