

Highlights

Financial Results (mn TL)	2021	YoY Δ	4Q21	YoY Δ
Revenues	71.101	44%	25.444	21%
Export Revenues	54.515	57%	19.061	31%
Domestic Revenues	16.586	12%	6.383	0%
Operating Profit	9.438	96%	4.848	137%
EBITDA	10.492	83%	5.130	124%
EBITDA excluding other income/expense	9.464	79%	4.358	88%
Profit Before Tax	8.687	111%	3.992	122%
Net Income	8.801	110%	4.090	112%

Volumes (units)	2021	YoY Δ	4Q21	YoY Δ
Total Wholesale	361.601	2%	97.806	-28%
Export	288.511	14%	76.252	-21%
Domestic Wholesale	73.090	-27%	21.554	-45%
Domestic Retail	74.261	-24%	20.149	-48%
Market Share	9,7%	-2.7 pps	10,7%	-2.9 pps
Production (units)				
	348.029	6%	93.113	-24%
Capacity Utilization Rate	76%	+4 pps	82%	-26 pps

Summary Income Statement, Million TL	2021	2020	YoY Δ	4Q21	4Q20	YoY Δ
Revenues	71.101	49.451	44%	25.444	20.961	21%
Export	54.515	34.626	57%	19.061	14.550	31%
Domestic	16.586	14.825	12%	6.383	6.412	0%
Gross Profit	11.154	6.187	80%	5.250	2.787	88%
Operating Profit	9.438	4.806	96%	4.848	2.044	137%
Financial Income/(Expense)	-716	-699	2%	-853	-243	251%
Profit Before Tax	8.687	4.108	111%	3.992	1.800	122%
Net Income	8.801	4.195	110%	4.090	1.927	112%
Other Financial Data						
Depreciation and Amortization	1.054	917	15%	282	243	16%
EBITDA	10.492	5.722	83%	5.130	2.287	124%
EBITDA excluding other income/expense	9.464	5.283	79%	4.358	2.322	88%
Capital Expenditures	-3.457	-1.104	213%	-1.394	-520	168%

2021 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Revenues

Turkish vehicle sales decreased by 3% YoY in 2021 to 766,195 units due to vehicle availability in 2H resulting from semiconductor supply shortage. In 2021 YoY, LCV and Heavy Truck sales grew 14% and 59% whereas PC and MCV sales dropped 8% and 1% respectively. As a result of home delivery trends, the contraction in CV market was relatively lower than PC market. PC industry share was 73.3% (2020: 77.1%). LCV industry share went up to 14.3% (2020: 12.2%). Ford Otosan maintained its CV leadership with 29.8% market share in commercial vehicles while ranking #3 in the total industry with 9.7% share (2020: 12.4%).

European van market grew 11% YoY, supported by strong e-commerce, despite the challenges posed by pandemic and the ongoing semiconductor shortages. In this environment, Ford closed 2021 with a strong performance in commercial vehicles and Ford's CV sales increased 11% YoY. Ford was the #1 CV brand across Europe for the 7th consecutive year with an all-time high FY market share of 14.7%. Transit Custom was the best-selling Ford vehicle in Europe and remained Britain's best-selling vehicle. Ford Otosan is a key driver of Ford's market share and pillar of profitability for Ford of Europe, manufacturing 74% of all CVs sold in Europe in 2021.

Domestic Revenues were TL 16,586 million (TL 6,383 million in 4Q21). Despite the 27% volume contraction, YoY revenues were up 12% due to positive sales mix in favor of MCV and HCV and ongoing pricing discipline. Export Revenues were TL 54,515 million (TL 19,061 million in 4Q21), up 57% YoY due to 14% volume growth, exchange impact (average EUR/TRY up 30% in 2021 YoY), positive sales mix and our cost plus export structure. Total Revenues increased 44% YoY (21% YoY in 4Q21) to TL 71,101 million and volumes were up 2% YoY. Share of exports in total revenues was 77% in 2021 (2020: 70%).

Profitability

Profitability was very strong in 2021 as a result of i) strong export performance despite the weakness in 2Q and 4Q due to the semi-conductor shortage, ii) pricing discipline, iii) ongoing cost reduction measures and OpEx control, iv) cost-plus export contracts and iv) exchange impact on our export business (average EUR/TRY +32% in 1Q21, +34% in 2Q21, +20% in 3Q21, +36% in 4Q21 YoY). Please refer to Page 4 Graph 1 for further details.

Gross Profit rose 80% YoY (88% YoY in 4Q21) to TL 11,154 million supported by strong export sales, the exchange impact on manufacturing cost and sales revenue due to sharp TL devaluation in 4Q, lagging effect of raw material price increases, ongoing focus on cost reduction and pricing discipline. Net Other Income increased 134% YoY in 2021 as a result of 173% YoY increase in Net FX gains related to trade receivables and payables (resulting from strong exports and currency moves). Please refer to Page 4 Table 1 for further details. As a result, Operating Profit increased 96% YoY (137% YoY in 4Q21) in 2021 to TL 9,438 million. EBITDA grew 83% YoY (124% YoY in 4Q21) to TL 10,492 million while EBITDA excluding the currency impact was up 79% YoY (88% YoY in 4Q21) to TL 9,464 million. EBITDA per vehicle was EUR 2,508 and PBT per vehicle was EUR 2,302 in 2021, both at historical high FY levels.

Increase in Net Financial Expenses was limited to 2% YoY, mainly driven by the 272% YoY growth in Net Interest Income (strong cash position). Please refer to Page 4 Table 2 for further details. As a result, Profit Before Tax increased 111% YoY (122% YoY in 4Q21) to TL 8,687 million. Net Income was TL 8,801 million, up 110% YoY (112% YoY in 4Q21) and higher than PBT due to Tax Income Resulting from Deferred Tax Asset.

Margins: Gross 15.7% (+3.2 pps YoY); EBITDA 14.8% (+3.2 pps YoY); EBITDA excluding other income 13.3% (+2.6 pps YoY); Operating 13.3% (+3.6 pps YoY); and Net 12.4% (+3.9 pps YoY).

Margins	2021	2020	YoY Δ, pps	4Q21	4Q20	YoY Δ, pps
Gross Margin	15,7%	12,5%	3,2	20,6%	13,3%	7,3
EBITDA Margin	14,8%	11,6%	3,2	20,2%	10,9%	9,3
EBITDA Margin (excluding other income)	13,3%	10,7%	2,6	17,1%	11,1%	6,0
Operating Margin	13,3%	9,7%	3,6	19,1%	9,8%	9,3
Net Margin	12,4%	8,5%	3,9	16,1%	9,2%	6,9

Per Vehicle (EUR)	2021	2020	2019	4Q21	4Q20	4Q19
EBITDA	2.508	1.857	1.376	3.520	1.822	1.427
PBT	2.302	1.444	801	3.224	1.413	963



Sales Performance

Ranking #3 in the total industry in 2021 with 9.7% share, maintained leadership in total CV with 29.8% share.

Sales Volume by Model, units	2021	2020	YoY Δ	4Q21	4Q20	YoY Δ
Domestic Sales	73.090	100.151	-27%	21.554	39.252	-45%
Passenger Car	10.322	25.703	-60%	2.500	11.535	-78%
Courier	28.541	35.445	-19%	6.022	13.817	-56%
Connect	354	533	-34%	38	162	-77%
Light Commercial Vehicle	28.895	35.978	-20%	6.060	13.979	-57%
Transit	20.773	24.807	-16%	8.638	8.088	7%
Custom	4.372	5.820	-25%	1.403	1.707	-18%
Ranger	1.430	2.528	-43%	287	1.771	-84%
Medium Commercial Vehicle	26.575	33.155	-20%	10.328	11.566	-11%
Truck	7.298	5.315	37%	2.666	2.172	23%
Export Sales	288.511	254.146	14%	76.252	96.505	-21%
Custom	157.967	141.378	12%	40.674	54.633	-26%
Transit	107.345	88.687	21%	30.412	33.747	-10%
Courier	18.004	21.568	-17%	3.403	7.130	-52%
Truck	5.168	2.510	106%	1.754	995	76%
Other	27	3	800%	9	0	0%
Total Wholesale Volume	361.601	354.297	2%	97.806	135.757	-28%
Total Turkish Automotive Industry Sales	766.195	791.397	-3%	188.646	286.611	-34%
Ford Otosan Retail Sales	74.261	97.803	-24%	20.149	39.045	-48%
Ford Otosan Market Share	9,7%	12,4%	-2.7 pps	10,7%	13,6%	-2.9 pps

Balance Sheet and Cash Flow

Summary Balance Sheet, Million TL	31.12.2021	31.12.2020	YoY Δ
Current Assets *	32.814	17.605	86%
Current Liabilities	20.782	12.481	67%
Property, Plant and Equipment - Net	5.149	4.403	17%
Total Assets	42.793	24.349	76%
Total Liabilities	32.644	17.305	89%
Shareholders' Equity *	10.149	7.044	44%

* Due to doubtful receivable provision regarding past periods, the Beginning Balances of Trade Receivables and Shareholders' Equity have been restated as detailed in Footnote 2.5 of the Financial Statements.

Financial Ratios	31.12.2021	31.12.2020
Current Ratio	1,58	1,41
Liquidity Ratio	1,25	1,13
Net Debt / Tangible Equity	0,56	-0,01
Net Debt / EBITDA	0,47	-0,01
Current Assets / Total Assets	0,77	0,72
Current Liabilities / Total Liabilities	0,64	0,72
Total Liabilities/Total Liabilities & Equity	0,76	0,71
Return on Equity	86,7%	59,6%

Summary Cash Flow Statement, Million TL	31.12.2021	31.12.2020	YoY Δ
Beginning Balance of Cash & Equivalents	8.074	3.200	152%
Net Cash from Operating Activities	8.702	7.391	18%
Net Cash Used in Investing Activities	-3.441	-1.066	223%
Net Cash Used in Financing Activities	772	-1.451	-153%
End of Period Balance of Cash&Equivalents	14.106	8.074	75%



2022 Guidance

Total Industry Volume 800 K - 850 K

Ford Otosan:

Retail Sales Volume	90 K - 100 K
Export Volume	350 K - 360 K
Wholesale Volume	440 K - 460 K
Production Volume	430 K - 440 K
Capex (fixed assets)	€ 620 -670 million

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Exhibit

Graph 1: EUR/TL moves in 2021 vs 2020

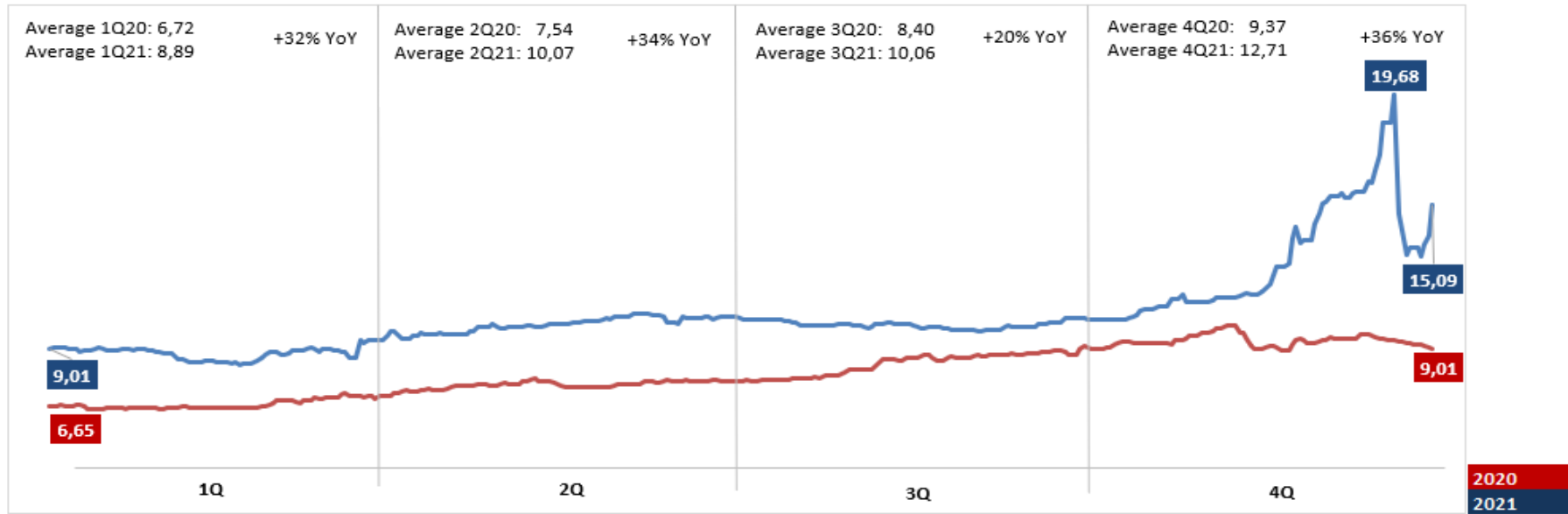


Table 1: FX Impact on Operating Profit due to significant depreciation in TL in 4Q21

Million TL	2021	2020	4Q21	4Q20
Net fx gains/losses related to trade receivables and payables	1.128	412	821	-52
Net financial expenses from operating activities	-317	-83	-97	-33
Net other	217	109	49	49
Net other income	1.028	439	772	-35

Table 2: FX Impact on Profit Before Tax

Million TL	2021	2020	4Q21	4Q20
Net interest income/expense	834	224	178	160
Net other financial income/expense	-105	-25	-86	-8
Net fx gains/losses	-1.517	-897	-1.018	-395
Net financial gains/losses	-716	-699	-853	-243

