



**KOÇ HOLDING**

**1Q21**

**EARNINGS PRESENTATION**

**6 MAY 2021**

# Agenda



**Koç Holding Key Indicators**

**Highlights on Main Sectors**

**Historical NAV**

# Agenda



**Koç Holding Key Indicators**

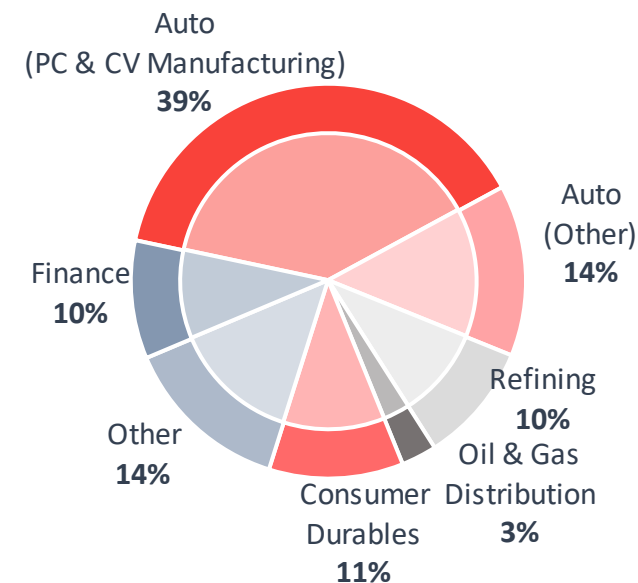
Highlights on Main Sectors

Historical NAV

# Focus on Sustainability and Resilience

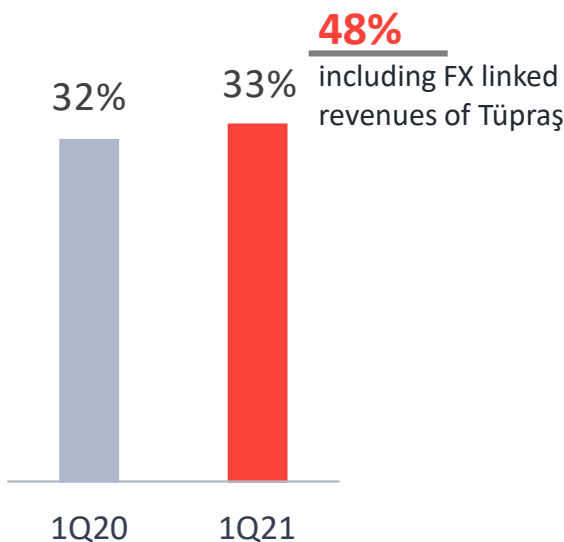
## Sectoral & Geographical Diversification

Net Asset Value Breakdown by Sector<sup>1</sup>



- Well **diversified** portfolio
- Resilience** against sectoral cyclicalities and volatility

International Revenues / Total Combined Revenues



- Largest exporting group** in Turkey:  
7% of Turkey's total exports

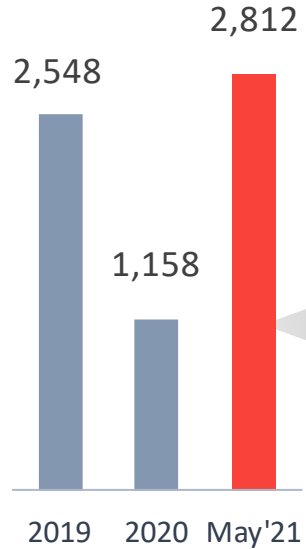
<sup>1</sup> NAV based on company calculation. ~85% of NAV comes from listed assets (31 March 2021 Mcap of each, weighted with effective ownership). Other includes Koç Holding net cash including YKB AT1 (~5% of NAV) and other assets.

# Focus on Sustainability and Resilience

## Business Model Ensures Sustainability of Dividend Income

### Dividend Income

TL Million



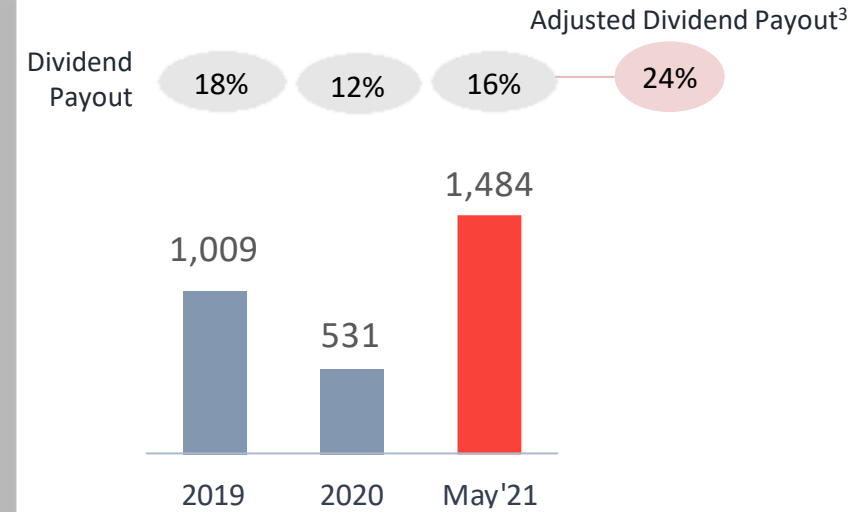
	2019	2020	May'21 <sup>1</sup>	y/y
Tüpraş (via EYAŞ)	1,489	-	-	n.m.
Ford Otosan	494	421	871	107%
Tofaş	331	451	564	25%
Arçelik	-	-	608	n.m.
Aygaz	157	61	61	0%
TürkTraktör	-	38	319	n.m.
Otokar	32	89	179	100%
Yapı Kredi Bank (inc. KFS)	-	-	193	n.m.
Tat Gıda	-	13	18	n.m.
Other Companies	45	85	n.a.	-
<b>Total Dividend Income</b>	<b>2,548</b>	<b>1,158</b>	<b>2,812<sup>1</sup></b>	<b>-</b>

#### ● In 2021:

- Majority of dividend income from portfolio companies **with FX or FX linked revenues**
- Arçelik resumed dividends after 2 years
- YKB resumed dividends, yet capped with BRSA's 10% payout limit

### Dividend Payout<sup>2</sup>

TL Million



#### ● Flexibility in dividend payments

- Dividend payment decision based on
  - dividend income
  - investment opportunities
  - net cash position

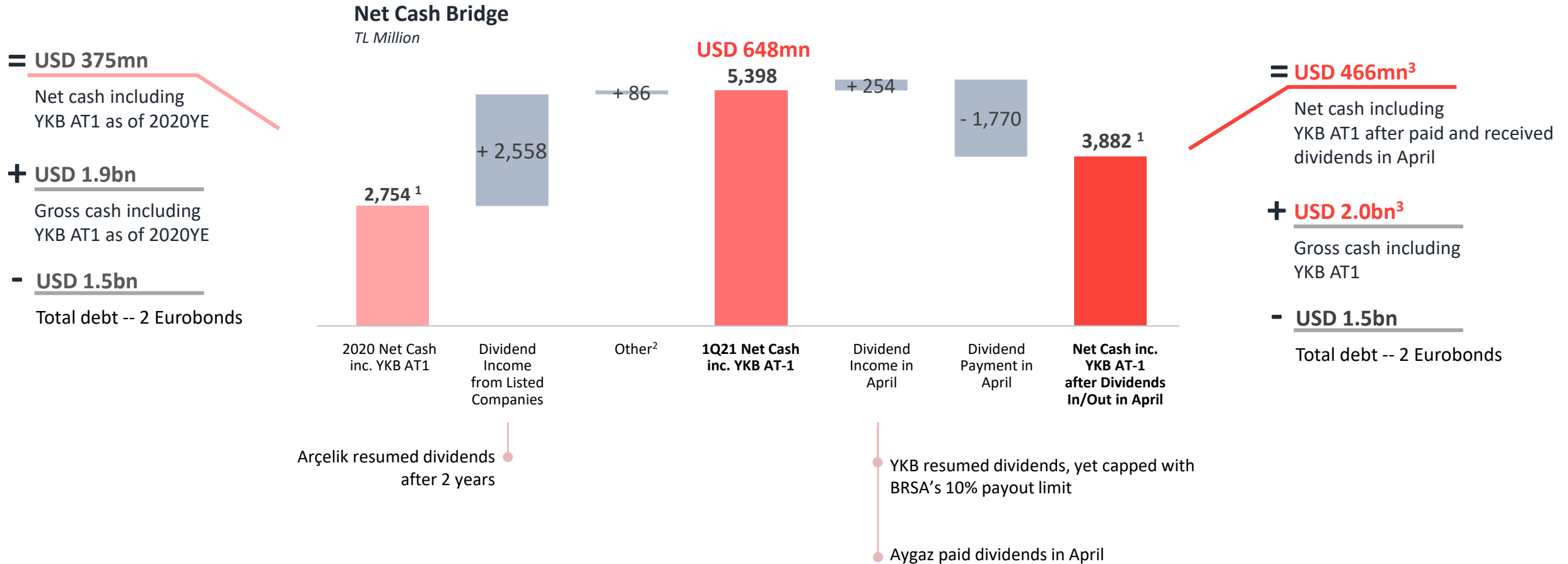
<sup>1</sup> Excluding unlisted companies and potential dividends for the remainder of the year

<sup>2</sup> Dividend payment excluding usufruct shareholders

<sup>3</sup> Excluding the TL3 bn non-cash one-off income in 2020, linked to the acquisition of additional Yapı Kredi shares

# Focus on Sustainability and Resilience

Further Strengthened Liquidity on the Back of Healthy and Swift Recovery in Dividends



<sup>1</sup> USD net cash amounts are converted to TL in the Net Cash Bridge, using the USDTRY currency rates of 7.3405 for 31 December 2020 and 8.3260 for 31 March 2021.

<sup>2</sup> Other includes management fees, OPEX, currency conversion impacts, net financial income/expense and other.

<sup>3</sup> Adjusted for paid and received dividends in April

# Key Metrics

## Fundamentals Remain Intact on the Back of Prudent Management

### Strong Cash Position

**USD 466mn**

Solo Net Cash after  
Paid/Received Dividends  
in April

**+ USD 1.8bn**

Gross cash



**+ USD 206mn**

YKB AT-1  
Investment

**- USD 1.5bn**

Total Debt  
2 Eurobonds, USD 750mn each<sup>1</sup>

### Solid Liquidity

**1.3x**

Current Ratio  
on Combined Basis

### Sustainable Leverage

**1.3x**

Net Financial Debt / EBITDA  
on Combined Basis<sup>3</sup>

### Flat FX Position

**USD 104mn**

Solo  
FX Long Position

**USD 421mn**

Consolidated Long FX position  
after natural hedge<sup>2</sup>

**USD 246mn**

Consolidated Long FX position  
after natural hedge weighted by  
effective ownership

<sup>1</sup> Issued in Mar'19: USD 750 mn, 6 yrs, 6.5% coupon; issued in Mar'16: USD 750 mn, 7 yrs, 5.25% coupon

<sup>2</sup> Net FX position at USD +421 mn (excluding USD 0.75 bn of loans designating as hedging instruments (mainly Tüpraş) and USD 1.5 bn of natural hedge due to FX linked pricing of Tüpraş and Aygaz inventory)

<sup>3</sup> Excluding finance segment

# Agenda



Koç Holding Key Indicators

**Highlights on Main Sectors**

Historical NAV



# Energy

## Inventory Gains Temporarily Wiped Out by FX Losses in 1Q

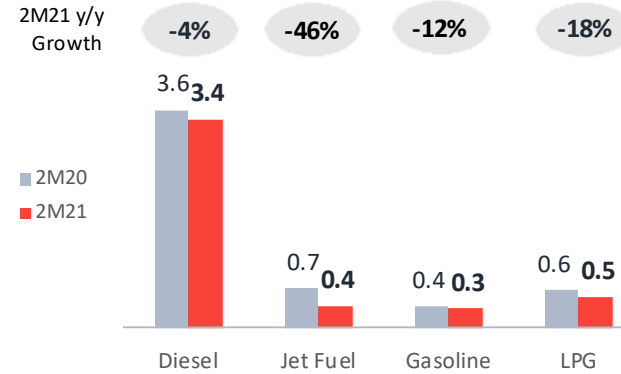
### 1Q21 Highlights

- + Inventory gains with the increase in crude oil prices
- Historically weak crack margins
- FX losses to be recovered via natural hedge mechanism
- Lower production due to maintenance works

**Contribution to Consolidated Net Income: - TL 290mn**

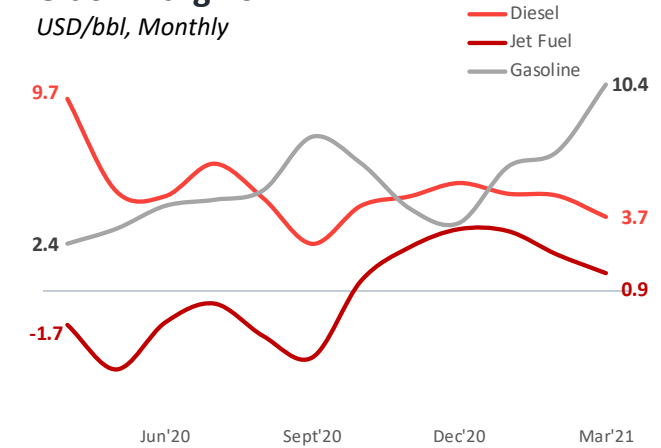
### Domestic Market Sales Volume

Million Tonnes



### Crack Margins

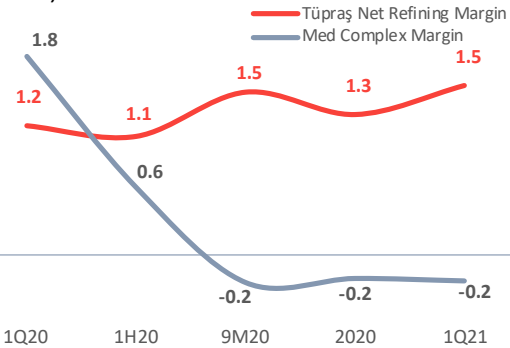
USD/bbl, Monthly



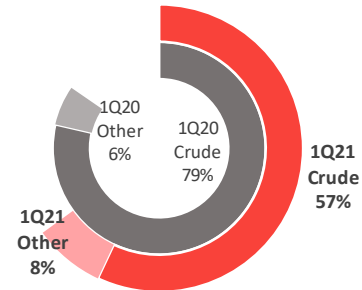
### Tüpraş

#### Refining Margins

USD/Bbl

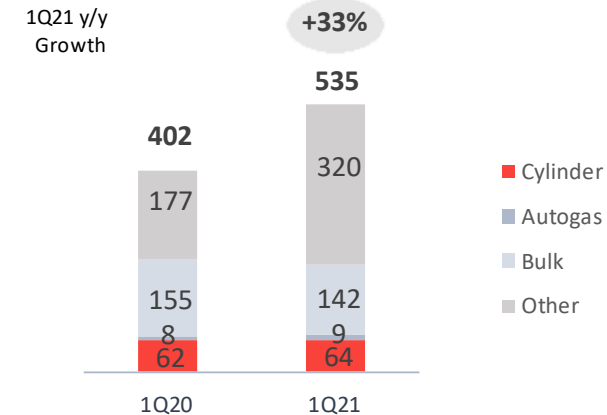


#### Capacity Utilization



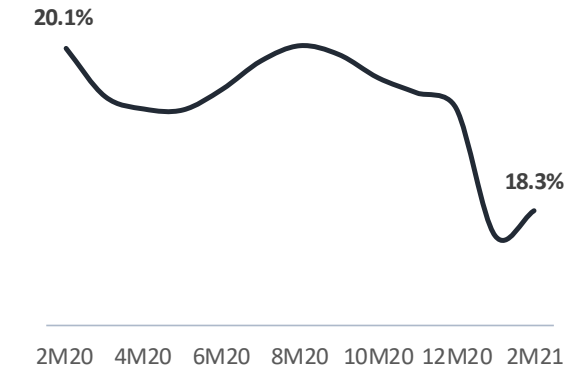
### Aygaz Sales Volume

Thousand Tonnes



### Opet -- #2 in White Products

Market Share



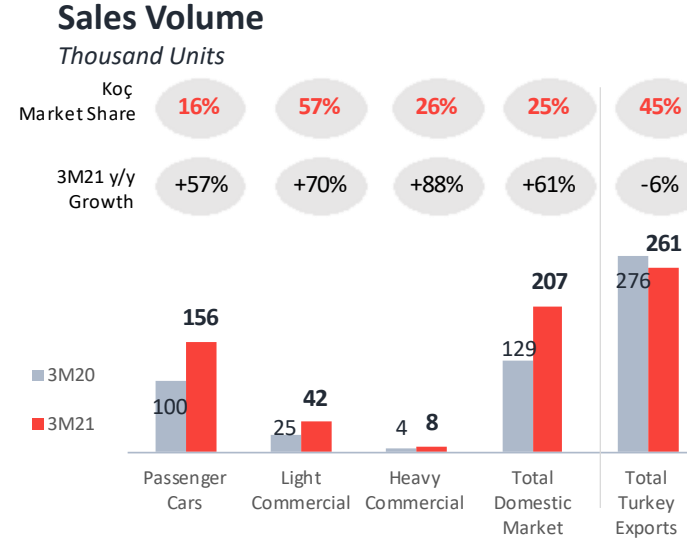
# Automotive

## Ongoing Strength in Demand Supported by Changing Consumer Preferences

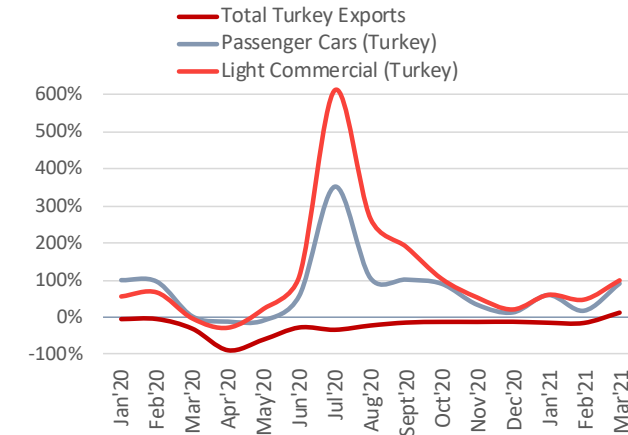
### 1Q21 Highlights

- + Substantial growth in domestic market
- + Favorable product mix
- + Solid export contracts
- + Opex control and pricing discipline
- Production suspensions due to semiconductor availability

**Contribution to Consolidated Net Income: TL 1,265mn, +153% y/y**

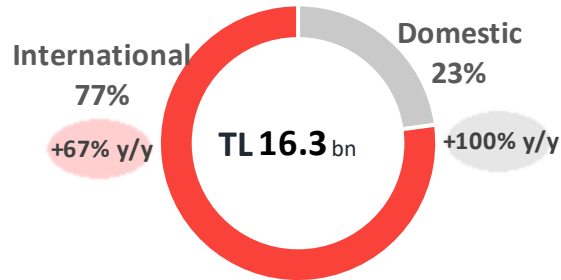


### Monthly Growth Trend y/y



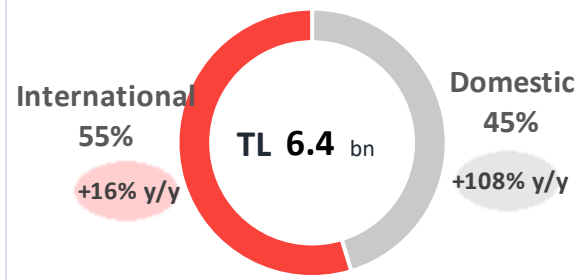
### Ford Otosan

Revenues  
TL Billion



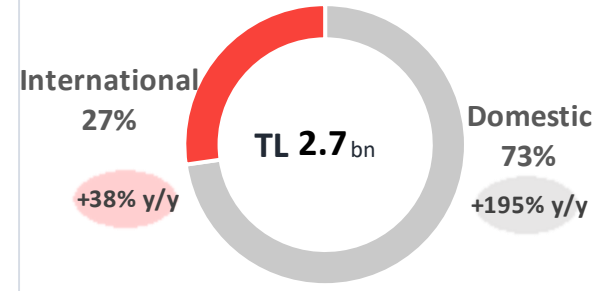
### Tofaş

Revenues  
TL Billion



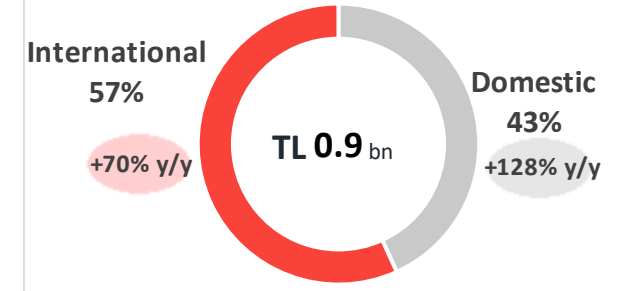
### TürkTraktör

Revenues  
TL Billion



### Otokar

Revenues  
TL Billion



# Consumer Durables

## Stellar Domestic Performance and Improvement in Export Markets

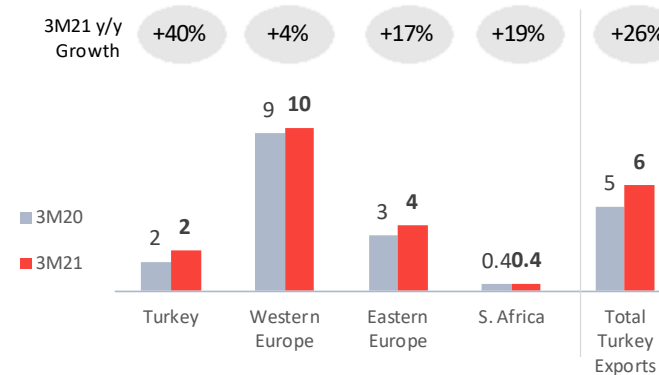
### 1Q21 Highlights

- + Robust domestic and international revenues
- + Currency tailwinds
- + Strict cost management
- Higher raw material prices

**Contribution to Consolidated Net Income: TL 458mn, +310% y/y**

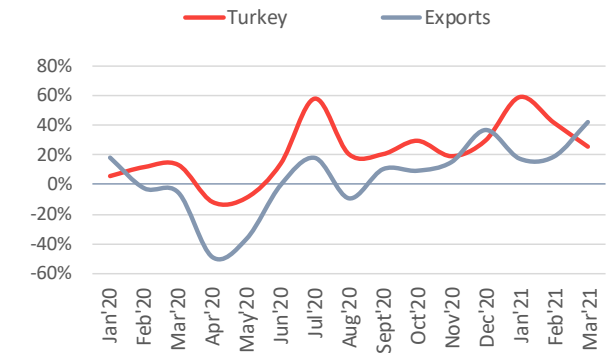
### Sales Volumes Across Markets

Million Units



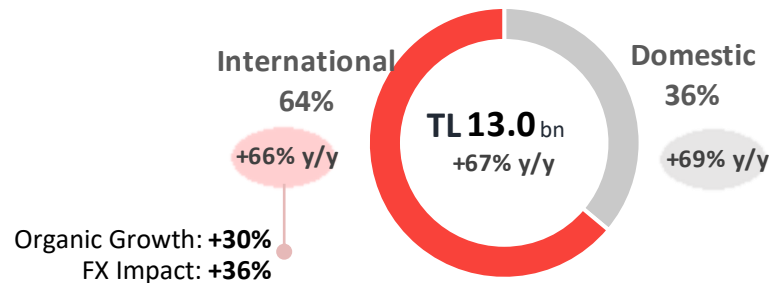
### Monthly Growth Trend

y/y

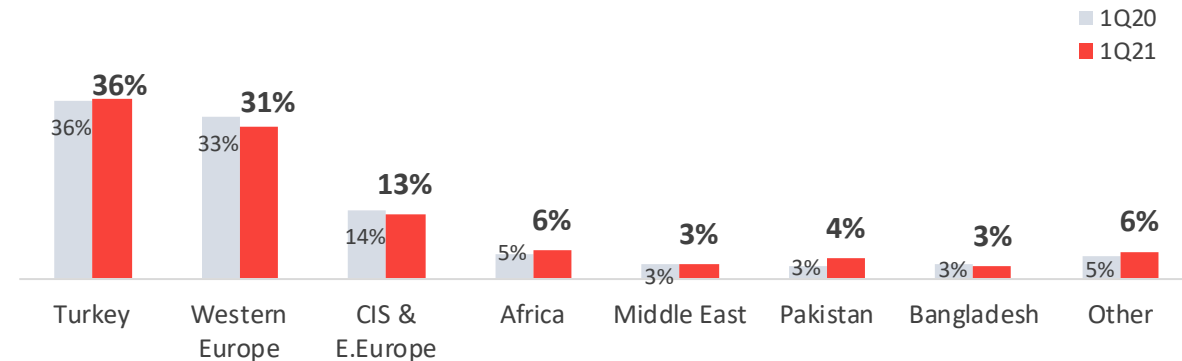


### Arçelik

Total Revenues  
TL Billion



Regional Breakdown of Revenues  
TL Billion



# Finance

## Lower Cost of Risk and Improved Fee Income Offset Decline in Core NII

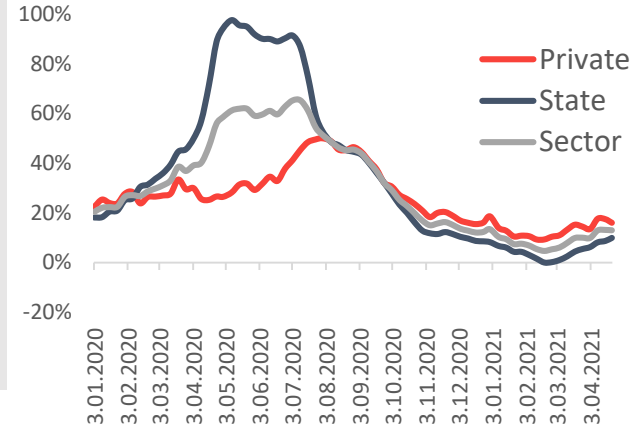
### 1Q21 Highlights

- + 26% y/y increase in Net Income
- + Lower CoR on the back of limited NPL inflows, strong collections, frontloaded provisions in 2020
- + Across the board improvement in fee income
- + Comfortable capital buffers and approval for IRB approach
- Decline in Core NIM due to elevated TL deposit costs

**Contribution to Consolidated Net Income: TL 603mn, +10% y/y**

### TL Lending Growth

13 Weeks Annualized



### Sector's Loans & Deposits

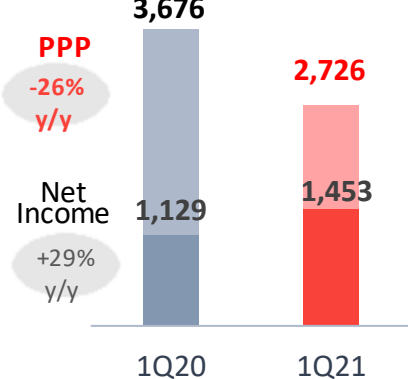
TL, USD Billion

	3M21	q/q	y/y
<b>Loans</b>	<b>3.7</b>	<b>5%</b>	<b>30%</b>
+ TL	2.4	2%	34%
+ FC (USD)	0.2	-1%	-2%
<b>Customer Deposits</b>	<b>3.6</b>	<b>4%</b>	<b>30%</b>
+ TL	1.6	6%	22%
+ FC (USD)	0.2	-6%	9%

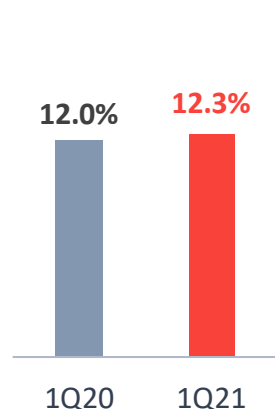
### Yapı Kredi

#### Pre-Provision Profit<sup>1</sup> (PPP)

TL million

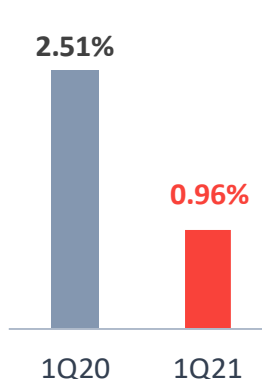


#### ROTE

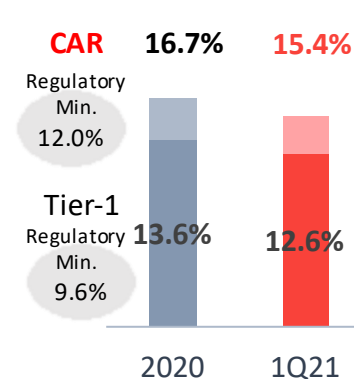


#### Cost of Risk

Cumulative



#### Solvency Ratios<sup>1</sup>



#### Selected Balance Sheet Figures

TL Billion

	3M21	q/q	y/y
<b>Loans<sup>2</sup></b>	<b>281.8</b>	<b>8%</b>	<b>26%</b>
+ TL	166.9	9%	33%
+ FC (USD)	15.7	-5%	-9%
<b>Customer Deposits</b>	<b>291.1</b>	<b>12%</b>	<b>18%</b>
+ TL	115.8	12%	4%
+ FC (USD)	21.1	0%	1%
<b>Demand/Total Deposits</b>	<b>35%</b>	<b>-0.9pp</b>	<b>10.6pp</b>
<b>Loans/(Total Deposits+TL Bonds)</b>	<b>102%</b>	<b>-3.0pp</b>	<b>8.0pp</b>
<b>NPL Ratio<sup>3</sup></b>	<b>5.8%</b>	<b>-1.0pp</b>	<b>-1.1pp</b>
<b>Provisions / Gross Loans</b>	<b>7.4%</b>	<b>-0.4pp</b>	<b>0.4pp</b>

Sector figures are based on BRSA weekly data. YKB figures are based on consolidated BRSA financials, unless otherwise is noted.

PPP excludes expected credit loss (ECL) collection income and trading income to hedge FC ECL. ROTE indicates Return on Average Tangible Equity. CoR= (Total Expected Credit Loss- Collections-FC ECL hedge)/Total Gross Loans

1 Ratios exclude regulatory forbearances. 2 TL and FC Loans are adjusted for the FX indexed loans.

3 BRSA Bank-only. Excludes temporary regulatory changes and is comparable with previous periods, 90-180 days past due loans are classified as NPL and 30-90 days past due loans are as Stage 2.

# Group's 1Q21 Financial Performance

## Strong y/y Performance at all Segments

### Financial Performance

TL Million

	Energy	Automotive	Consumer Durables	Finance	Other	TOTAL	
<b>Combined Revenues<sup>1</sup></b>	<b>33,281</b>	<b>30,611</b>	<b>15,106</b>	<b>14,095</b>	<b>4,584</b>	<b>97,676</b>	
<i>Change (y/y)</i>	15%	71%	67%	29%	20%	38%	
<b>Segment Share in Total</b>	34%	31%	15%	14%	5%		
<b>Combined Operating Profit<sup>2</sup></b>	<b>1,461</b>	<b>2,907</b>	<b>1,567</b>	<b>1,650</b>	<b>-47</b>	<b>7,538</b>	
<i>Change (y/y)</i>	198%	88%	162%	-1%	n.m.	216%	
<b>Segment Share in Total</b>	19%	39%	21%	22%	-1%		
<b>Combined Profit Before Tax</b>	<b>-797</b>	<b>2,974</b>	<b>1,310</b>	<b>1,650</b>	<b>191</b>	<b>5,327</b>	<b>Normalized y/y<sup>4</sup></b>
<i>Change (y/y)</i>	n.m.	150%	327%	-2%	n.m.	48%	60x
<b>Combined Net Income</b>	<b>-619</b>	<b>2,898</b>	<b>1,106</b>	<b>1,312</b>	<b>147</b>	<b>4,844</b>	
<i>Change (y/y)</i>	n.m.	145%	340%	-1%	n.m.	34%	23x
<b>Consolidated Net Income<sup>3</sup></b>	<b>-290</b>	<b>1,265</b>	<b>458</b>	<b>603</b>	<b>78</b>	<b>2,113</b>	
<i>Change (y/y)</i>	n.m.	153%	310%	10%	-98%	-39%	24x

<sup>1</sup> Before revenue eliminations

<sup>2</sup> Excluding FX gains/losses and credit finance income/charges on trade receivables and payables (Combined operating profit reported in 1Q21 financial report is TL 6,049 mn)

<sup>3</sup> Koç Holding's consolidated net income after the share of JV partners and non-controlling interests

<sup>4</sup> Excluding one-offs in 1Q20: (i) TL3 bn net gain, resulting from the bargain purchase and change of control at YKB, (ii) TL0.4 bn termination fee income

# Agenda



Koç Holding Key Indicators

Highlights on Main Sectors

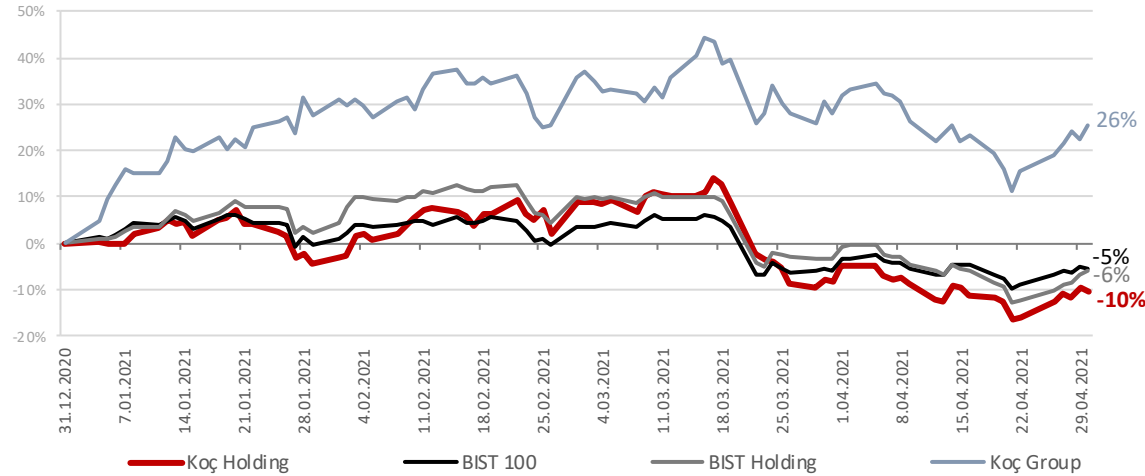
**Historical NAV**

# Historical NAV Discount

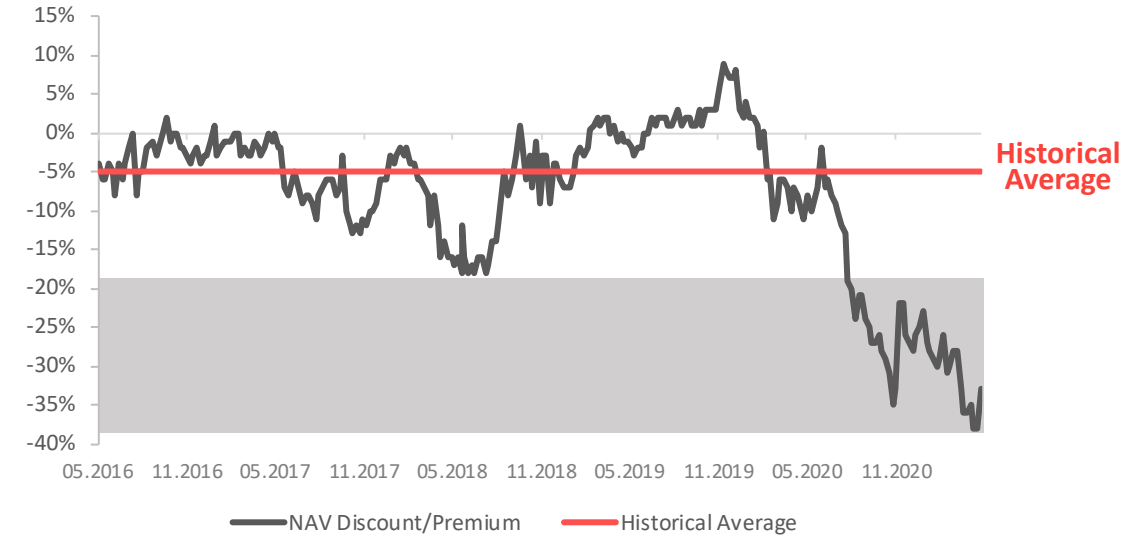
## Unwarranted NAV Discount Given Strong Fundamentals

### Relative Share Performance of Koç Holding vs. Koç Group<sup>1</sup>

Rebased at 2020YE

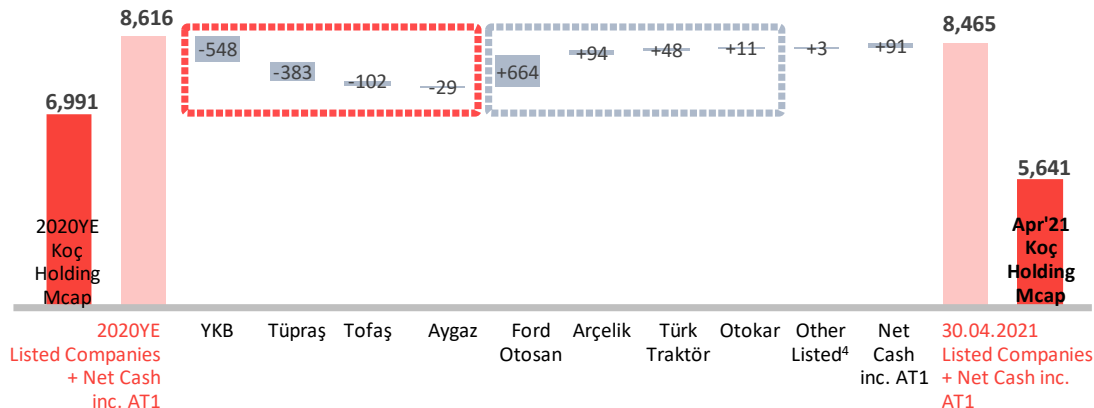


### NAV Discount/Premium<sup>2</sup>



### Effective Ownership Adjusted Mcap Changes of the Listed Portfolio Companies

USD Million



### NAV Discount widened to historical levels due to:

- Turkey sell-off, proxy status
- Significant outperformance of some portfolio companies in BIST

<sup>1</sup> Koç Group's data is excluding Koç Holding.

<sup>2</sup> Data based on Yapı Kredi Invest calculations. Calculation based on listed companies' Mcap as of the calculation date + Net Cash including AT-1 announced in quarterly Koç Holding Earnings Presentations + unlisted companies internal valuation by Yapı Kredi Invest.

<sup>3</sup> YKB ownership increased by 9% in February 2020. <sup>4</sup> Other Listed includes Tat Gıda and Marmaris Altinyunus.



Q&A



# Appendix - Consolidated Key Financial Figures

## Consolidated Main Financial Indicators

TL Million

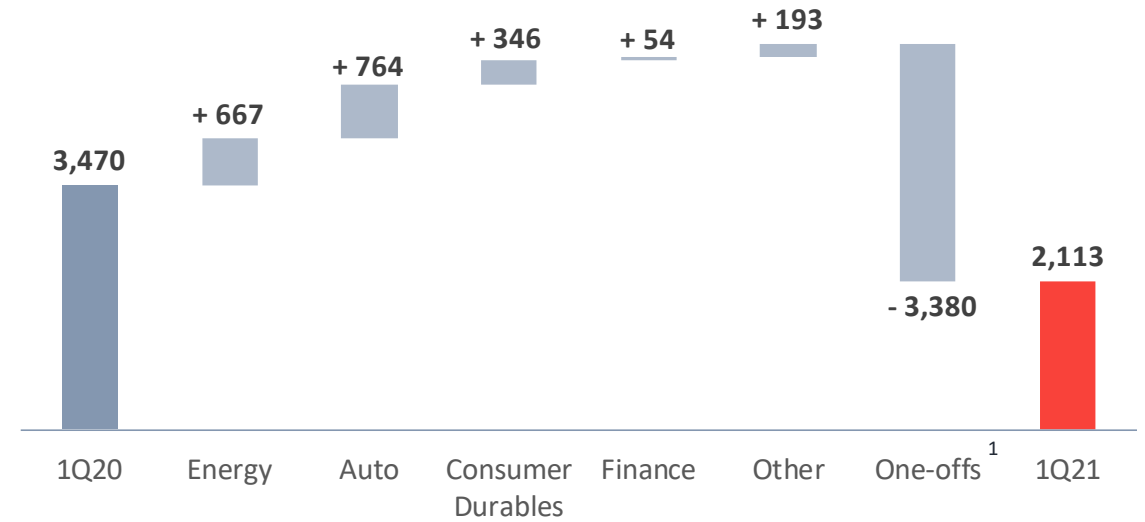
	1Q20	1Q21	y/y
Revenues	39,436	57,305	45%
Gross Profit	7,083	13,784	95%
Operating Profit	1,061	5,174	388%
Profit Before Tax	2,743	3,747	37%
Net Income Before Non-controlling Interest	2,873	3,279	14%
Non-controlling Interest	-597	1,165	295%
Net Income After Non-controlling Interest	3,470	2,113	-39%

	2020	1Q21	y/y
Total Assets	151,344	692,864	358%
Total Equity	49,652	92,747	87%
Shareholders' Equity	36,282	49,762	37%

## Consolidated Net Income

TL Million



Note: Consolidated net income indicates Koç Holding share after the share of JV partners and non-controlling interests

<sup>1</sup> One-offs: (i) TL 3bn net gain, resulting from the bargain purchase and change of control at YKB, (ii) TL 0.4bn termination fee income

# Appendix - Unlisted Companies

## Unlisted Summary Financials

TL Million

	Koç Holding Direct Share	Revenues		Operating Profit <sup>1</sup>		EBITDA		Book Value (SHE)	
		2019	2020	2019	2020	2019	2020	2019	2020
Arçelik LG Klima	5.00%	849	1,385	62	117	81	136	331	438
Bilkom	69.94%	3,297	4,436	148	147	150	151	206	273
Düzey	31.23%	1,946	2,528	37	42	53	56	12	30
Entek	49.62%	1,196	1,257	377	330	422	380	1,092	1,221
Koç Finansman	44.50%	584	450	113	120	118	128	380	486
KoçSistem	41.11%	1,758	2,037	52	67	111	142	82	121
Koçtaş	37.13%	1,778	1,937	91	125	182	227	119	185
Marina / Ayvalık	7.72%	7	8	2	3	3	3	16	19
Marina / Tek-Art Kalamış	37.33%	76	80	11	7	16	13	278	288
Opet <sup>2</sup>	--	46,381	38,623	989	514	1,365	907	2,834	2,801
Otokoç Otomotiv	96.32%	8,663	14,260	1,027	1,572	1,574	2,262	1,330	2,299
Ram Dış Ticaret	39.74%	3,233	3,746	11	25	12	26	26	50
RMK Marine	40.53%	413	72	61	10	65	15	71	82
Setur	24.11%	2,362	1,340	220	168	252	198	215	292
Token <sup>3</sup>	54.44%	-	247	-	138	-	142	-	166
Zer	39.54%	3,207	3,942	114	151	121	158	296	333

Financials for unlisted companies disclosed semi-annually

<sup>1</sup> Excluding FX gains/losses and credit finance income/charges on trade receivables and payables

<sup>2</sup> Opet's 2020 book value includes TL 325mn penalty from Competition Authority

<sup>3</sup> Token transaction was completed on 8 May 2020

# Appendix - Production Suspensions at Listed Koç Group Companies

## 2020

Company	Duration	Reason
<b>Ford Otosan</b>	Eskişehir plant: between 23 March to 27 April Kocaeli plants: between 23 March to 4 May	Disruptions in trade and problems in the supply chain
<b>TürkTraktör</b>	between 23 March to 20 April	Disruptions in trade and problems in the supply chain
<b>Otokar</b>	between 25 March to 20 April	Disruptions in trade and problems in the supply chain
<b>Arçelik</b>	Pakistan South Africa Bangladesh Russia	Mainly due to curfew in those countries
<b>Tofaş</b>	between 3 April to 11 May	Disruptions in trade and problems in the supply chain
<b>Tüpraş</b>	İzmir Refinery: between 5 May to 30 June	Disruptions in trade and lower fuel demand

## 2021

Company	Duration	Reason
<b>Ford Otosan</b>	Kocaeli plants: between 3 to 8 April Gölcük plant: 19 April to 13 June	Global disruption in semiconductor supply
<b>Tofaş</b>	between 19 March to 5 April	Global disruption in semiconductor supply
<b>Tüpraş</b>	İzmir refinery: between 1 January to 28 February	Maintenance Works

# Appendix - 2021 Expectations of the Listed Group Companies

<b>TÜPRAŞ</b>	<b>2020A</b>	<b>2021E</b>
<b>Sector</b>		
Med Complex (\$/bbl)	-0.1	0.0-0.5
<b>Tüpraş</b>		
Net Margin (\$/bbl)	1.3	2.5-3.5
CUR	82%	90-95%
Production (mn tons)	23.4	~26-27
Sales (mn tons)	24.5	~26-27
Capex (\$ mn)	153	~200

<b>AYGAZ</b>	<b>2020A</b>	<b>2021E</b>
<b>Aygaz Volume ('000)</b>		
Cylinder	297	285-295
Autogas	664	700-730
<b>Market Share</b>		
Cylinder	42%	41%-43%
Autogas	22%	21.5%-22.5%

<b>FORD OTOSAN</b>	<b>2020A</b>	<b>2021E</b>	<b>Latest 2021E</b>
<b>Sector ('000)</b>			
Total TR Sales	791	750-800	900-950
<b>Ford Otosan ('000)</b>			
Retail Sales	98	90-100	95-105
Exports	254	325-335	315-325
Production	328	390-410	390-410
Capex (€ mn)	130	450-500	450-500

<b>TOFAŞ</b>	<b>2020A</b>	<b>2021E</b>
<b>Sector ('000)</b>		
Total TR LV Sales	773	700-750
<b>Tofaş ('000)</b>		
Retail Sales	142	120-135
Exports	118	150-165
Production	251	265-290
Capex (€ mn)	108	100

<b>TÜRKTRAKTÖR</b>	<b>2020A</b>	<b>2021E</b>	<b>Latest 2021E</b>
<b>Sector ('000)</b>			
Total TR Tractor Sales	48	53-59	58-64
<b>TürkTraktör ('000)</b>			
Domestic sales	22.4	26.0-29.5	29.0-32.5
Exports	12.6	13.5-15.0	14.25-15.75
Capex (TL mn)	135	250-320	250-320

<b>ARCELİK</b>	<b>2020A</b>	<b>2021E</b>	<b>Latest 2021E</b>
<b>Revenue</b>	28%	~20%	>30%
Turkey (in TL)	37%	15-20%	~25%
International (in FX)	-2%	>5%	>10%
EBITDA Margin	12.4%	~11%	~12%
Capex (€ mn)	215	~220	~220
Working Capital / Sales	20.5%	~25%	~25%

<b>YKB</b>	<b>2020A</b>	<b>2021E</b>
<b>Volumes</b>		
Loans (TL)	+26%	High-teens
<b>NIM</b>	3.8%	~30bps
<b>Fee growth</b>	+4%	Mid-teens
<b>Costs</b>	+17%	Mid-teens
<b>NPL Ratio</b>	6.5%	<7%
<b>CoR</b>	251bps	<200bps
<b>CAR</b>	16.7%	>16%
<b>LDR</b>	105%	<110%
<b>RoTE</b>	12.0%	Mid-teens

# Appendix - Shareholding Structures

## Koç Holding

Koç Family: 64.3%<sup>1</sup>  
Free Float: 26.5%  
Vehbi Koç Foundation: 7.3%  
Koç Pension Fund: 2%

## Energy

### Tüpraş

EYAŞ: 51%  
Free float: 49%

KH: 43.7%<sup>3</sup>

### EYAŞ

KH : 77%  
Aygaz: 20%  
Opet: 3%

### Aygaz

KH: 41%  
Other Koç: 10.5%  
Liquid Pet. Co.: 24.5%  
Free float: 24%

### Opet

Tüpraş: 40%  
Other Koç: 10%  
Öztürk Group: 50%

KH: 18%<sup>3</sup>

## Automotive

### Ford Otosan

KH: 39%  
Ford Motor Co.<sup>2</sup>: 41%  
Other Koç: 2%  
Free float: 18%

### Tofaş

KH: 38%  
FCA: 38%  
Free float: 24%

### TürkTraktör

KH: 37.5%  
CNH : 37.5%  
Free float: 25%

### Otokar

KH: 45%  
Ünver Hold.: 25%  
Other Koç: 3%  
Free float: 27%

### Otokoç

KH: 96.3%  
Other Koç: 3.7%

## Consumer Durables

### Arçelik

KH: 41%  
Other Koç: 17%  
Burla Group: 18%  
Free float: 25%

## Finance

### Yapı Kredi Bank

KH: 9.02%  
UniCredit: 20%  
KFS: 40.95%  
Free float: 30%

KH: 43.6%<sup>3</sup>

### Koç Financial Services (KFS)

KH: 84.53%  
Other Koç: 15.47%

### Koç Finansman

KH: 44.5%  
Other Koç: 55.5%

## Other

### Tat Gıda

KH: 44%  
Other Koç: 10%  
Sumitomo & Kagome: 5%  
Free float: 41%

### Koçtaş

KH: 37%  
Kingfisher: 50%  
Other Koç: 13%

### Setur

KH: 24%  
Other Koç: 76%

### Zer

KH: 40%  
Other Koç: 60%  
Other: 0.3%

Updated as of March'21

<sup>1</sup> Temel Ticaret (family-owned investment vehicle) 43.65%, Koç Family Members 20.64%

<sup>2</sup> Ford Deutschland GmbH: 100% owned by Ford Motor Company

<sup>3</sup> Effective stake indirectly through subsidiaries

# Contact Koç Holding Investor Relations

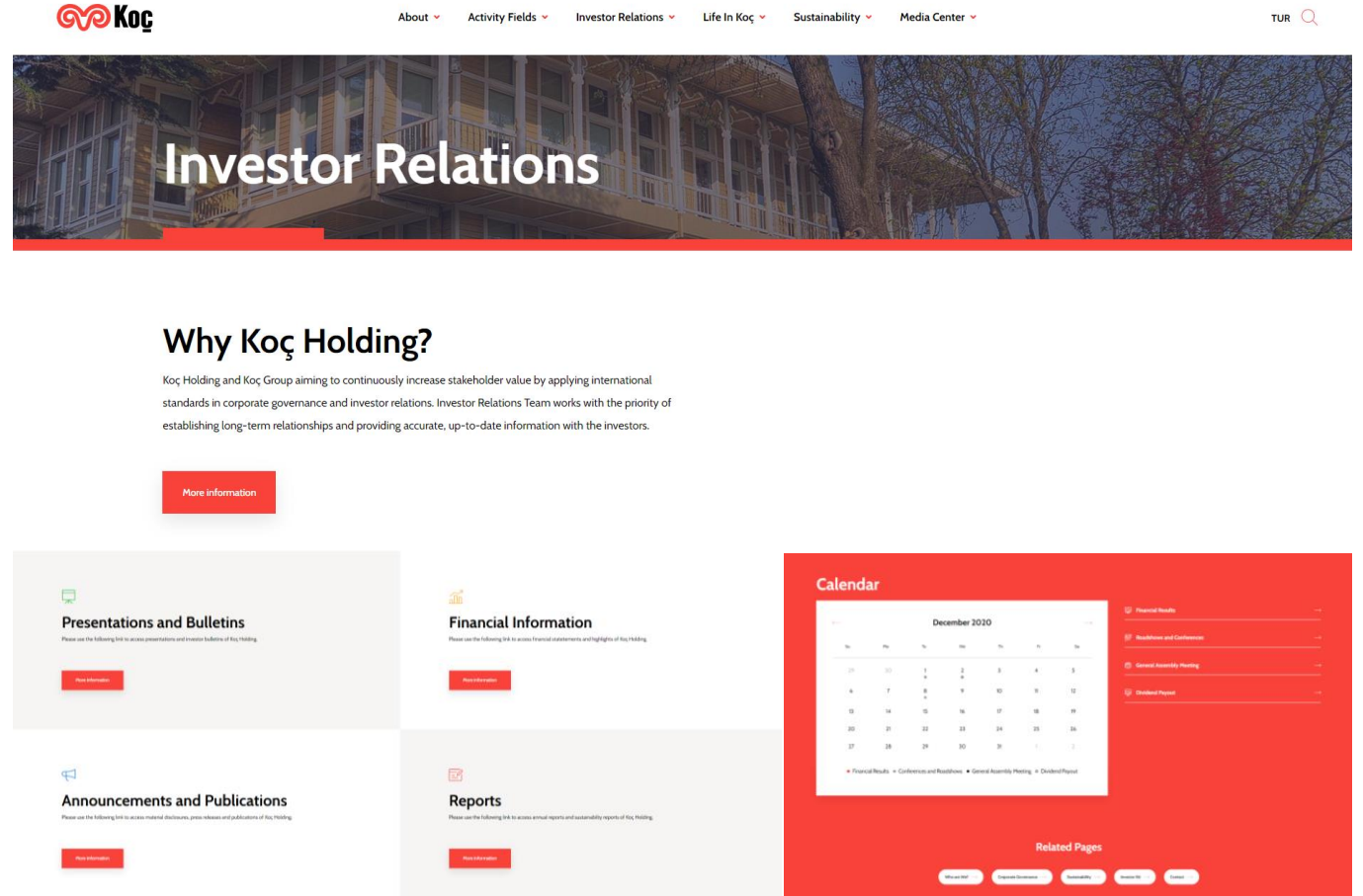
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