

**Koç Holding**



**TURKEY'S LEADING INVESTMENT HOLDING COMPANY**

# Koç Holding Overview

## TURKEY'S LEADING INVESTMENT HOLDING COMPANY

- Turkey's largest industrial and services group in terms of revenues, exports, employees, taxes paid and market capitalization

## PROFITABLE AND HIGH GROWTH MODEL FOCUSED ON SUSTAINABILITY

- The only Turkish company in Fortune Global 500<sup>1</sup>
- 26% CAGR in consolidated operating profit<sup>2</sup> in the last five years

## PIONEER IN ITS SECTORS

- Leading positions with clear competitive advantages in sectors with long-term growth potential such as energy, automotive, consumer durables and finance

Combined Revenues / GDP



8%

Total Exports / Turkey's Exports



9%

Total MCap on Borsa Istanbul



12%



# Milestones

<b>Today</b>	Turkey's largest industrial and services group
<b>2016</b>	Ömer M. Koç becomes Chairman
<b>2006-08</b>	Major acquisitions ( <i>Tüpraş &amp; Yapı Kredi</i> ) & Proactive disposals
<b>2006</b>	Koç Holding signs the UN Global Compact
<b>2003</b>	Third generation of Koç Family takes the reins
<b>1996</b>	The end of an extraordinary life; Vehbi Koç passes away
<b>1990s</b>	Exports growth accelerates
<b>1984</b>	Second generation of Koç Family takes over
<b>1970</b>	First public offering
<b>1963</b>	Establishment of Koç Holding A.Ş.
<b>1960s</b>	International partnerships; grow in new sectors ( <i>establishment of Ford Otosan, Aygaz, Setur and Tat Gıda</i> )
<b>1950s</b>	Grow in new sectors ( <i>establishment of Arçelik, TürkTraktör, Koçtaş, Divan</i> )
<b>1940s</b>	First industrial ventures
<b>1938</b>	The first joint stock company: Koç Ticaret A.Ş.
<b>1926</b>	Official foundation of Koç Group

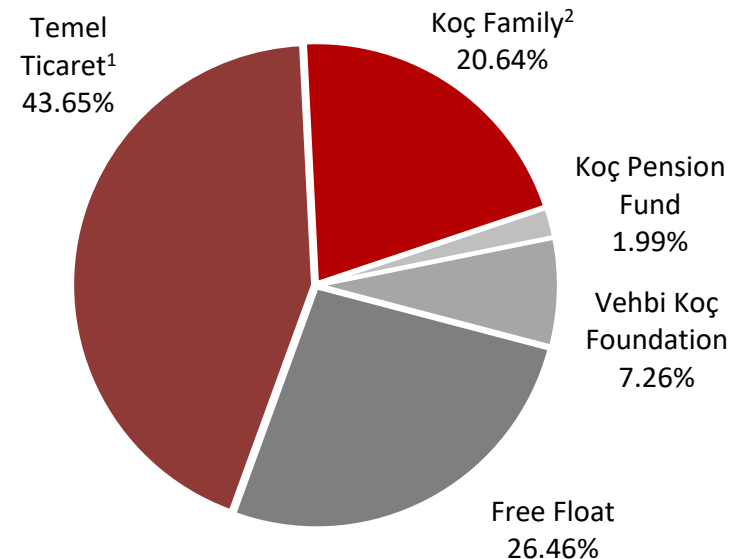
The foremost objective of Koç Holding is to consistently create value for its stakeholders and manage activities according to international standards of corporate governance, customer satisfaction, sustainability and social responsibility  
for more than 90 years



# Strong, Stable and Supportive Shareholding Structure

## WORLD CLASS CORPORATE GOVERNANCE PRACTICES

- Koç Family has its own internal governance and investment vehicle which provides stability in shareholder structure (Temel Ticaret)
- Sustainability is key as the majority of Koç Family's business ventures are via Koç Group
- Koç Family mainly assumes Board level responsibility
- Business run by highly experienced professional management with performance linked compensation
- 1/3 of BoD comprised of highly experienced international names; 1/3 of independent members
- ~85% of the NAV comprised of listed assets bringing high transparency in operations
- 26.5% free float with ~80% held by international investors



(1) As of YE19, total voting rights including A (2 voting rights) and B (1 voting right) shares is 55.55%. A shares do not have any other privileges

(2) Includes personal holdings of 19.24% stake and 1.4% stake of RMK ve Mahdumları

# Positioned to Benefit from Turkey's Growth Potential

## Scale and Strategy Ensuring Strong Positioning

Largest Industrial Group in Turkey	Largest Exporters in Turkey	Largest R&D Investments in Turkey	
4 of the Top 10 Industrial Enterprises <sup>1</sup>	4 of the Top 10 Exporters <sup>2</sup>	Largest Intellectual Property Rights Portfolio <sup>3</sup>	Significant R&D Investments <sup>4</sup>
#1 Tüpraş #2 Ford Otosan #6 Arçelik #7 Tofaş	#1 Ford Otosan #3 Tüpraş #7 Tofaş #9 Arçelik	>8,700 trademarks >3,200 patent families >5,200 patents >900 industrial design registrations >5,800 Internet domain names	Nearly <b>9%</b> of total private sector R&D expenditure in Turkey

## Large Distribution Network and Customer Database Allowing Significant Data Analytics

### Largest distribution network



- ~ **850** bank branches
- ~ **11,000** dealers and after-sales services

### Largest customer database



- CRM company, Tanı, has a **database with >12.5 million customers** with data-sharing permission **enabling efficient up & cross-selling**
- Company specific CRM data also utilized to analyze customer behavior and **capitalize on various trends as well as to track early warning indicators**



# Leading Positions in Strategic and Lucrative Business Lines

Energy	Automotive	Consumer Durables	Finance	Other Sectors
				
<b>Main Companies</b> Tüpraş <sup>1</sup> / Aygaz <sup>1</sup> Opet / Entek	<b>Main Companies</b> Ford Otosan <sup>1</sup> / Tofaş <sup>1</sup> / TürkTraktör <sup>1</sup> / Otokar <sup>1</sup> / Otokoç Otomotiv	<b>Main Companies</b> Arçelik <sup>1</sup>	<b>Main Companies</b> Yapı Kredi Bankası <sup>1</sup> / Koçfinans	<b>Main Companies</b> Food: Tat Gıda <sup>1</sup> / Retailing: Koçtaş, Bilkom / Duty Free, Tourism & Marinas: Setur / IT: KoçSistem / Innovation: Inventram / Procurement: Zer
	<b>International Alliances</b> Ford Motor Company / Fiat Chrysler Automobiles / CNH Industrial	<b>International Alliances</b> LG Electronics (in air conditioners)		<b>International Alliances</b> Kingfisher / Kagome / Sumitomo / Mitsui
<b>Domestic Market Position – Market Share</b> Largest petroleum refiner in Turkey #1 in LPG distribution – 26% #2 in petroleum products distribution - 19%	<b>Domestic Market Position – Market Share</b> #1 in total automotive - 26% #1 in light com. vehicles - 55% #1 in passenger cars - 19% #1 in tractors - 45% #1 in buses #1 in automotive retailing #1 in car rental & leasing	<b>Domestic Market Position – Market Share</b> #1 in white goods - 50%+ #1 in air conditioners	<b>Domestic Market Position – Market Share</b> #3 among private banks in total assets - 16% #1 in credit cards - 19% (outstanding volume) #1 in leasing - 20% #3 in mutual funds -13%	<b>Domestic Market Position – Market Share</b> #1 in tomato products and ketchup #1 in pasteurized milk #1 in DIY retailing #1 in marinas - 22%



Note: All data based on YE19  
(1) Listed companies

# Portfolio Structure (I/III)

## Balanced Between Defensive & Growth Assets

### Defensive Assets

54%



Aygaz  
Ford Otosan  
Otokar  
Tofaş  
Tüpraş  
TürkTraktör

### Growth Assets

46%



Arçelik  
Divan  
Düzey  
Entek  
Koçfinans  
KoçSistem  
Marinas  
Otokoç  
Opet  
Setur  
Tat Gıda  
Yapı Kredi

Higher dividends

Higher growth

Dividend Payout  $\geq 60\%$

Growth  $\geq \sim 1.5x$  GDP

Share in  
NAV

Note: All data based on February 2020. Breakdown as of YE19: Defensive Assets: 58%, Growth Assets: 42%

# Portfolio Structure (II/III)

## Sectorally Diversified -- Resilient vs Cyclical

Share in:

Dividends<sup>1</sup>

Net Income

NAV

Key Risks & Sensitivities

Key Strengths

**Automotive**  
(PC & CV Mfg)

81.3%

30%

**30%**

Turkey and European demand  
(main drivers: GDP & int. rates)

- Domestic growth potential
- Secured export contracts
- Strong positioning in JV universe

**Automotive**  
(Other)

11.8%

9%

**11%**

Agricultural sector trends  
Demand by defense industry

- Leading positions & brand names
- Strong R&D
- Wide distribution networks

**Refining**

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3%

**13%**

Regional crack spreads  
(commodity prices)  
Crude differentials

- Demand insensitive to GDP
- Turkey's diesel deficit
- FX and oil-linked pricing mechanism

**Oil & Gas**  
**Distribution**

5.7%

3%

**3%**

Oil & LPG prices  
Regulation  
Limited growth in cylinder market

- Low sensitivity to GDP
- Growing auto gas market

**Consumer**  
**Durables**

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9%

**12%**

Turkey and global demand  
(main driver: GDP)

- Geographic diversification
- Low-cost manufacturing
- Dynamic investment approach

**Finance**

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31%

**15%**

Domestic credit / int. rate risk  
Regulation

- Growth potential
- Leading position in digital

**Other**

1.2%

15%

**15%<sup>2</sup>**

Macro risks

- Leading positions
- Turnaround potential
- Inorganic growth opportunities

Note: NAV as of September'20, other figures as of YE19; NAV as of YE19: Auto (PC&CV Mfg) 27%, Auto (Other) 10%, Refining 22%, Oil & Gas Distribution 4%, Consumer Durables 10%, Finance 14%, Other 14%.

NAV based on Company calculation

(1) As of November'20, excluding unlisted companies

(2) Includes Koç Holding net cash (5%, including YKB AT1), other companies (8%) and other assets (2%)



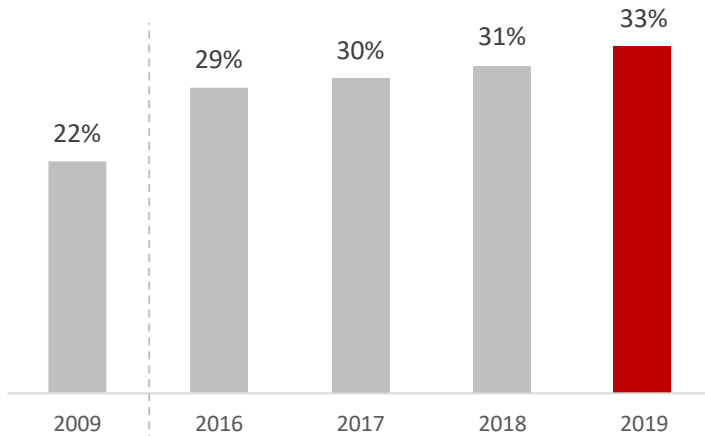
# Portfolio Structure (III/III)

## Geographically Diversified

### International Sales / Total (Combined)

**~55%**

Including Tüpraş, c.55% of combined sales (US\$ 32bn)  
not sensitive to domestic economy



#### Main Contributors<sup>1</sup>:

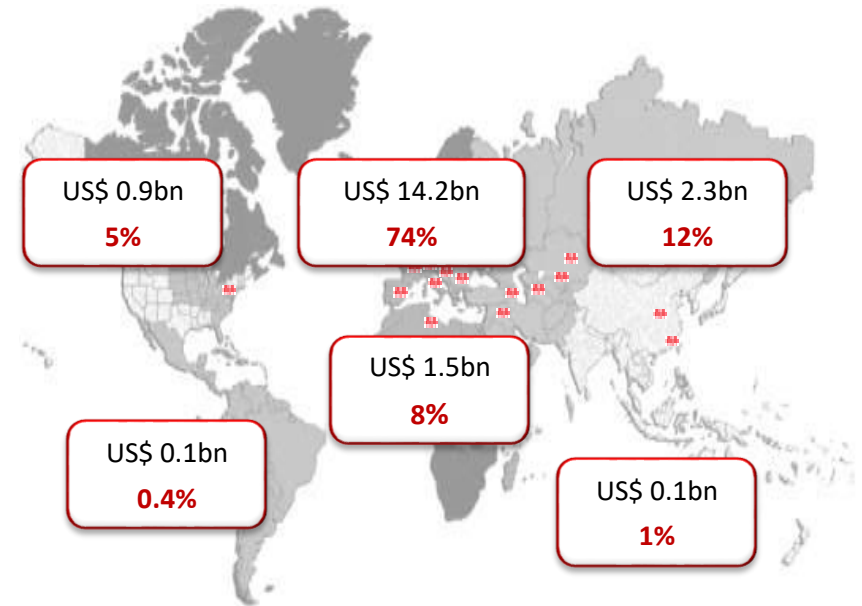
**Ford Otosan: 85%**

**Tofaş: 70%**

**Arçelik: 68%**

### Regional Breakdown of International Sales (Combined-2019)

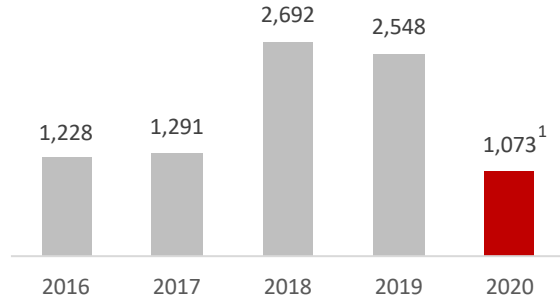
YE19: US\$19 bn combined international revenues



(1) Indicating the percentage of international sales in their own total sales

# Focus on Sustainability and Resilience

## Dividend Income (TL mn)



Decline in 2020 mainly due to lack of dividends from Tüpraş

## Dividend Income Breakdown (TL mn)

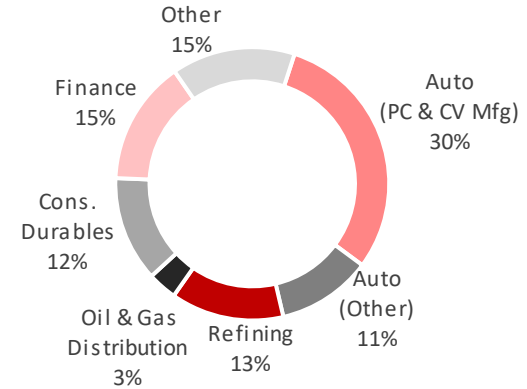
	2016	2017	2018	2019	2020
<b>Dividend Income</b>	<b>1,228</b>	<b>1,291</b>	<b>2,692</b>	<b>2,548</b>	<b>1,073<sup>1</sup></b>
Tüpraş (via EYAŞ)	335	337	1,338	1,489	-
Ford Otosan	255	304	463	494	421
Tofaş	137	132	301	331	451
Arçelik	106	172	176	-	-
Aygaz	128	183	187	157	61
TürkTraktör	113	94	113	-	38
Otokar	32	27	31	32	89
Yapı Kredi Bank	-	-	-	-	-
Tat Gıda	9	13	13	-	13
Other Companies	112	30	70	45	n/a

Loss on 2019 statutory financials

No dividends in 2019, due to acquisition of Singer Bangladesh  
2020 dividends cancelled amid Covid-19 uncertainty

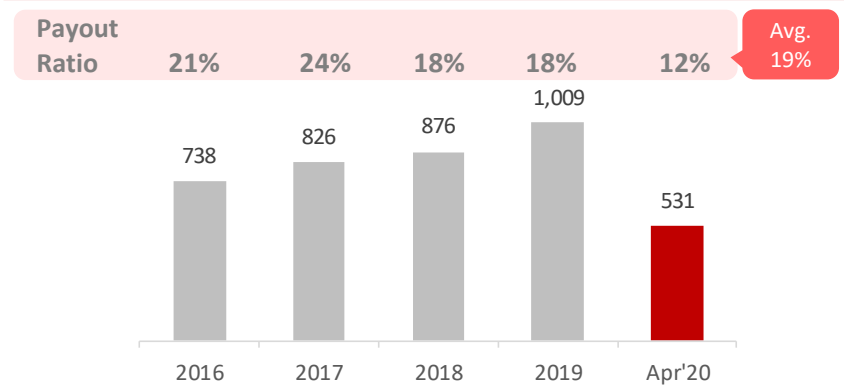
~80% of Koç Holding's dividend income derived from portfolio companies with **FX or FX linked revenues**

## NAV Breakdown by Sector<sup>2</sup>



Resilient against sectoral cyclicality

## Koç Holding Dividend Payment<sup>3</sup> (TL mn)



Sustainable dividend payments; average payout ratio of 19%  
Dividend payment decision based on **dividend income, investment opportunities** and **net cash position**

(1) Excluding unlisted companies

(2) As of 3Q20

(3) Dividend payment excluding usufruct shareholders

# Disciplined Approach

## Strong Cash Position (Solo)

US\$ 1.7 bn gross cash → **84% in hard currency**, 16% in TL

US\$ 1.5 bn total debt

**US\$ +362 mn** net cash including YKB AT1

## Stable Funding (Solo)

2 Eurobonds totaling **US\$ 1.5 bn**

- Mar'19: US\$ 750 mn, 6 yrs, 6.5% coupon
- Mar'16: US\$ 750 mn, 7 yrs, 5.25% coupon

## Solid Liquidity

**1.4x** current ratio on a combined basis

## Sustainable Leverage

**2.2x** net financial debt / EBITDA on a combined basis

## Flat FX Position

**US\$ +89 mn** solo long FX position

**US\$ +265 mn** consolidated long FX position after natural hedge<sup>1</sup>

**US\$ +159 mn** consolidated long FX position after natural hedge weighted by effective ownership

Notes: All data as of September 2020

(1) Net FX position at US\$ +265 mn (excluding US\$ 0.9 bn of loans designating as hedging instruments (mainly Tüpraş) and US\$ 1 bn of natural hedge due to FX linked pricing of Tüpraş and Aygaz inventory)

# Group's Overall Financial Performance

TL mn, 9M20	Energy	Automotive	Consumer Durables	Finance	Other <sup>1</sup>	One-offs	Total
Combined Revenues <sup>2</sup>	81,690	57,974	32,219	32,785	11,943	-	216,612
y/y	-30%	12%	20%	-10%	-2%	-	↓ -11%
Combined Operating Profit <sup>3</sup>	369	5,722	2,799	5,146	202	-	14,238
y/y	n.m.	32%	55%	25%	n.m.	-	→ -1%
Combined Profit Before Tax	-3,599	4,938	2,063	5,168	121	3,507	12,198
y/y	n.m.	71%	132%	23%	n.m.	-	↑ 31%
Combined Net Income	-2,804	4,628	1,619	4,034	79	3,394	10,951
y/y	n.m.	60%	115%	19%	n.m.	-	↑ 32%
Consolidated Net Income <sup>4</sup>	-1,109	2,068	672	1,783	-58	3,380	6,737
y/y	n.m.	72%	112%	46%	n.m.	-	↑ 105%

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

(2) Before revenue eliminations

(3) Excluding FX gains/losses and credit finance income/charges on trade receivables and payables (Combined operating profit reported in 9M20 financial report is TL 13,959 mn)

(4) Koç Holding's consolidated net income after the share of JV partners and non-controlling interests



# Summary Combined Financials by Segment

## Energy Segment

Share	(-)	(+)
Operating Profit <sup>1</sup>		3%
Cons. Net Income	-16%	
<i>TL mn, combined</i>	<b>9M20</b>	<b>y/y</b>
Revenues	81,690	-30%
Operating Profit	369	n.m.
Profit Before Tax	-3,599	n.m.
Cons. Net Income	-1,109	n.m.

- (+) Wider differentials in 9M20
- (+) Recovery in domestic demand in Q3, except for jet fuel
- (-) Lower crack margins
- (-) Inventory loss, despite a recovery in Q3 with the help of improving Brent prices

## Automotive Segment

Share	(-)	(+)
Operating Profit <sup>1</sup>		40%
Cons. Net Income		31%
<i>TL mn, combined</i>	<b>9M20</b>	<b>y/y</b>
Revenues	57,974	12%
Operating Profit	5,722	32%
Profit Before Tax	4,938	71%
Cons. Net Income	2,068	72%

- (+) Strong rebound in domestic market
- (+) Solid export contracts
- (+) Improving EBITDA margins especially via opex control
- (-) Contraction in export market volumes, with some recovery in European CV market since September

## Consumer Durables Segment

Share	(-)	(+)
Operating Profit <sup>1</sup>		20%
Cons. Net Income		10%
<i>TL mn, combined</i>	<b>9M20</b>	<b>y/y</b>
Revenues	32,219	20%
Operating Profit	2,799	55%
Profit Before Tax	2,063	132%
Cons. Net Income	672	112%

- (+) Sustained domestic revenue growth
- (+) Supportive raw material prices
- (+) Continuing improvement in working capital and leverage
- (-/+ ) Lower export volumes in 9M20 yet recovery in international markets since June

## Finance Segment

Share	(-)	(+)
Operating Profit		36%
Cons. Net Income		26%
<i>TL mn, combined</i>	<b>9M20</b>	<b>y/y</b>
Operating Profit	5,146	25%
Profit Before Tax	5,168	23%
Cons. Net Income	1,783	46%

- (+) Sustained growth in PPP
- (+) Solid liquidity
- (+) Comfortable capital buffers of ~400bps
- (-) COVID-19, macro and regulatory impacts weighing at cost growth

(1) Excluding FX gains/losses and credit finance income/charges on trade receivables and payables

# Investments (I/II)

## Disciplined Strategy and Clear Evaluation Process

	 <b>Turkey</b>	 <b>Global</b>
<b>Existing businesses</b>	Consolidate leading positions & improve effectiveness	Expand in existing and/or adjacent sectors
<b>New businesses</b>	Exploit potential opportunities	Opportunistic plays / partnerships

### Strategy

- Standardized evaluation process for investments that require Holding Evaluation
- All investments treated equally based on standard metrics and methods, facilitating informed decisions

### Main Investment Criteria

- IRR: Calculated based on risk adjusted cost of capital
- Size: Invest in assets in new sectors only if they move the needle at portfolio level
- Strategic fit, potential synergies & turnaround opportunities

### Scope

- Portfolio company investments > predetermined thresholds
- Holding level investment decisions
- Divestitures

### Investment Committee

- CEO, CFO, Sponsoring Business Unit President, Audit President, General Counsel

# Investments (II/II)

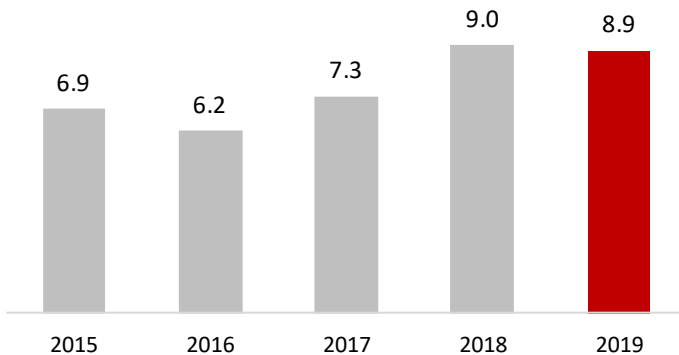
## Focus on Scale and Returns

### Investments (Combined, TL bn)

**~TL 38 bn**

over the last 5 years

with major capex cycle now finalised for main group companies



Group companies financed investments mainly via their own balance sheets

### Growth Opportunities

#### Existing Businesses

##### Energy

Domestic & int'l growth opportunities across different segments such as renewables, LNG and LPG

##### Automotive

New manufacturing and R&D projects for export markets with JV partners

##### Consumer Durables

Opportunistic buyouts in international markets

##### Finance

Growth opportunities in Turkey

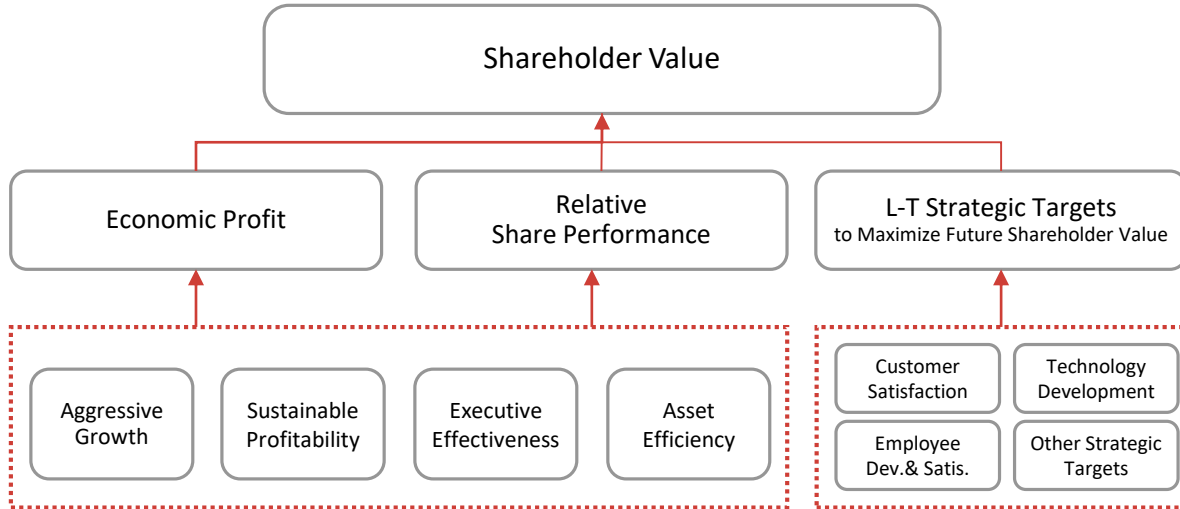
#### New Businesses

Exploit potential opportunities both locally and internationally

# Maximizing Shareholder Value

## Structure Ensuring Robust Performance

### Performance Based Executive Compensation System



- Comprehensive executive compensation system, one of few in Turkey also linked to share performance
- Proactive investor relations management
- Cash dividend pay-out
- Strong risk management focus
- Track record of timely and value accretive investments and portfolio management

### Relative Stock Performance

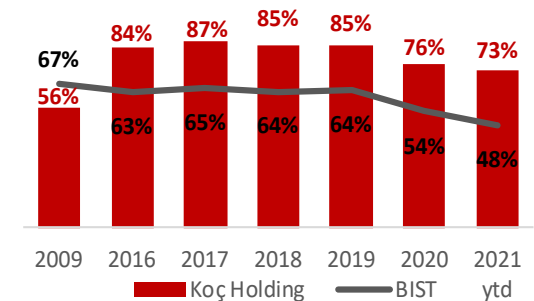
Stock Performance (TL)	Koç Holding	BIST-100
2021 ytd	-4%	-0.2%
2020	+6%	+29%
2019	+47%	+25%
2018	-22%	-21%
2017	+37%	+48%
2016	+29%	+9%

### Consistently Low NAV Discount

NAV Discount	Koç Holding	Peer Group <sup>1</sup>
2021 ytd	-29%	-46%
2020	-15%	-45%
2019	+1%	-39%
2018	-9%	-43%
2017	-6%	-39%
2016	-3%	-36%

### Sustainable Institutional Investor Base

Share of foreign holdings in free float





# Ratings

## S&P Rating Above the Sovereign

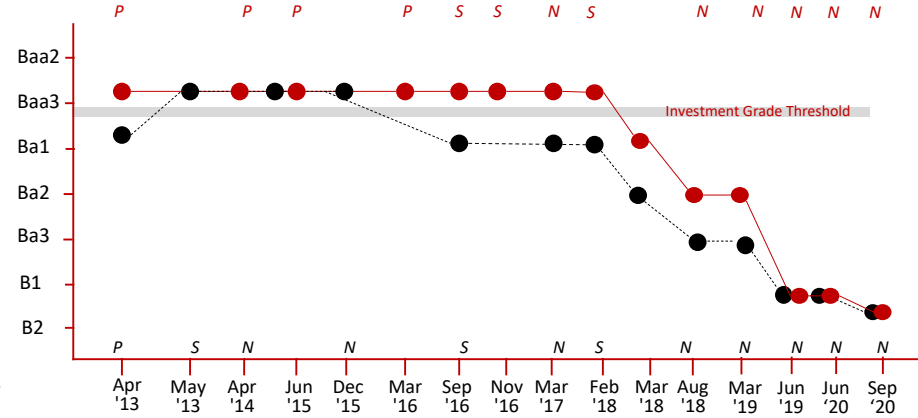
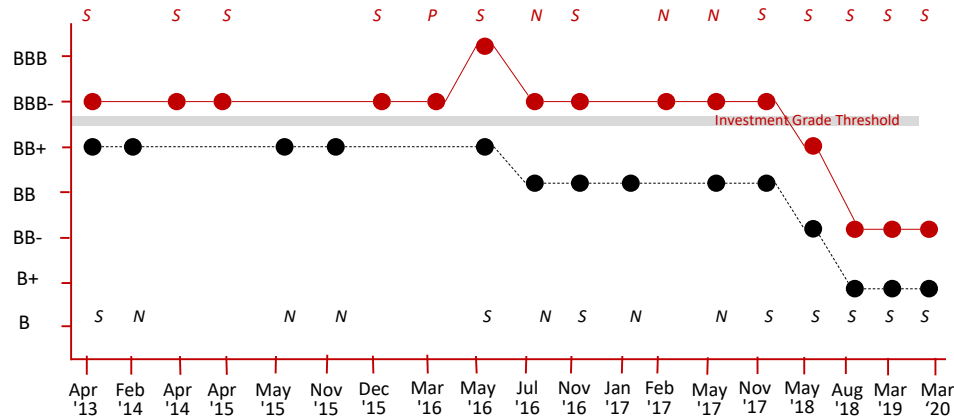
### Standard & Poors (S&P)

**BB-**  
**One notch above** Turkey sovereign

### Moody's

**B2**  
Flat to Turkey sovereign

P: Positive, S: Stable, N: Negative



● Koç Holding ● Turkey



# Sustainability

## Lead. Together: Our approach to sustainable, profitable growth

It sets a framework for making collective progress. And it helps us harness the power of our network to drive positive change.

**Lead. Together** means we will

- innovate and collaborate to find solutions to big, complex issues
- be a positive role model that drives change in society and act bravely to transform our business for the better



## Part of the bigger Picture: Delivering the UN Sustainable Development Goals

Grow the business. Together



Empower people. Together



Act for the planet. Together



Strengthen communities. Together



## Sustainability Indicators

One of the first UN Global Compact and UN WEPS signatories



In support of  
**HeForShe**  
UN Women Solidarity Movement for Gender Equality

Received BBB in the MSCI Sustainability



Inclusion in the FTSE4Good Emerging Markets Index



Included in the BIST Sustainability Index since 2014



# Leading Corporate Citizen

## Vehbi Koç Foundation: Institutionalization for social development

- Established in 1969 as Turkey's first private foundation
  - to make philanthropic endowments for the public good
  - to create sustainable and replicable projects and programs in education, healthcare, culture and arts
- **Assets:** TL 6.4 bn<sup>1</sup>

### Education

- The Koç School (1988)
- Koç University (1993)
- Koç Primary Schools (1998-2008): 17 schools across Turkey

### Healthcare

- Semahat Arsel Nursing Education and Research Center (SANERC, 1992)
- VKV American Hospital (1995)
- Koç University School of Nursing (1999)
- Koç University School of Medicine (2010)
- Koç University Hospital (2014)

### Culture & Arts

- Sadberk Hanım Museum (1980): Turkey's first private museum
- Vehbi Koç Ankara Studies Research Center (1994)
- Suna-İnan Kiraç Research Institute for Mediterranean Civilizations (AKMED, 1996)
- Antalya Kaleiçi Museum (2000)
- Koç University Research Center for Anatolian Civilizations (ANAMED, 2005)
- TANAS Art Gallery, Berlin (2008 - 2013)
- ARTER (2010)
- VKV Ford Otosan Gölçük Culture & Community Center (2011)
- Ankara University Mustafa V. Koç Marine Archaeology Research Center (2015)

(1) Market value as of YE19

# Initiatives for Social Advancement

**Our projects' commonalities are unity, synergy and leadership established through our companies, employees and dealers**

## 'For My Country' project

Since 2006:

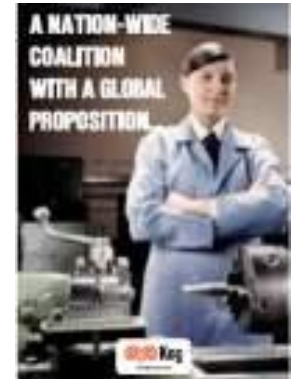
- >1 mn tree saplings planted in 7 'For My Country' forests
- 18k children embraced environmental awareness
- 84k units of blood donated
- 126k individuals participated in the 'Right Approach To Disability' training programs
- 'I Support Gender Equality For My Country' program launched to create gender-sensitive workplaces



## Vocational Education: A Crucial Matter for the Nation

Since 2006:

- 8k students in 81 provinces and 264 schools have been provided with active scholarships
- Coaching support for students was provided by 579 Koç Group employees in 76 provinces



## Istanbul Biennial

- Largest contemporary art platform in Turkey
- One of the four most important biennials in the world
- Sponsorship between 2007-2026
- Organized by the Istanbul Foundation for Culture and Arts (İKSİV)



## Koç Sports Fest

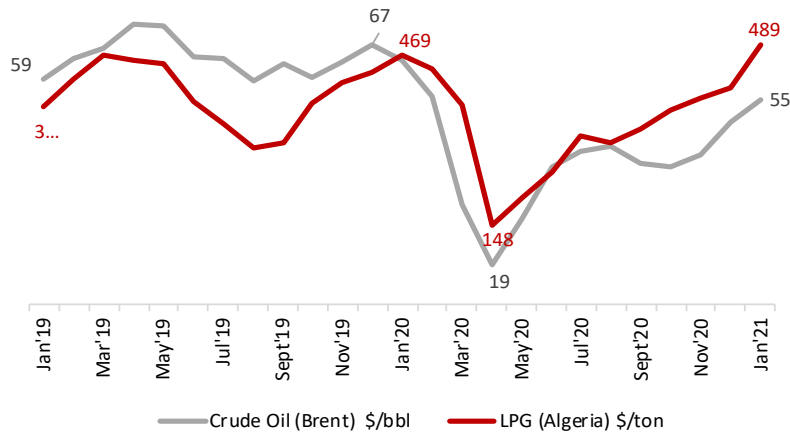
- Since 2006: 38 cities over 14 years and a total of 120 festivals were organized in 41 universities
- Main sponsor for the Turkey University Sports Federation since 2009
- Most prestigious sports event held among universities with the largest participation of any sports organization
- More than 26k athletes in 63 different branches of sport from nearly 200 universities are hosted



## SECTORAL DEVELOPMENTS

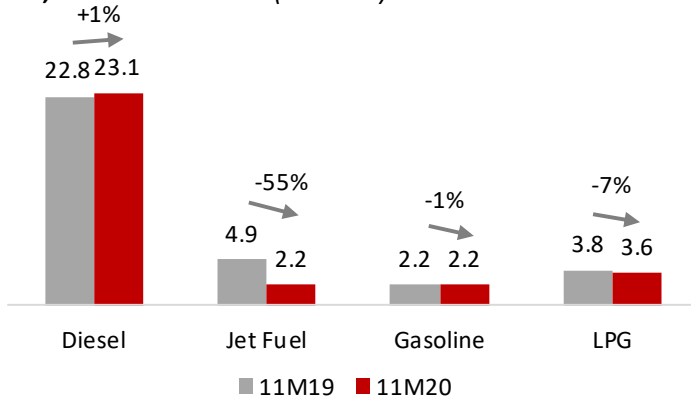
# Energy Sector

## Brent Crude Oil & LPG Prices



## Latest Growth Trends

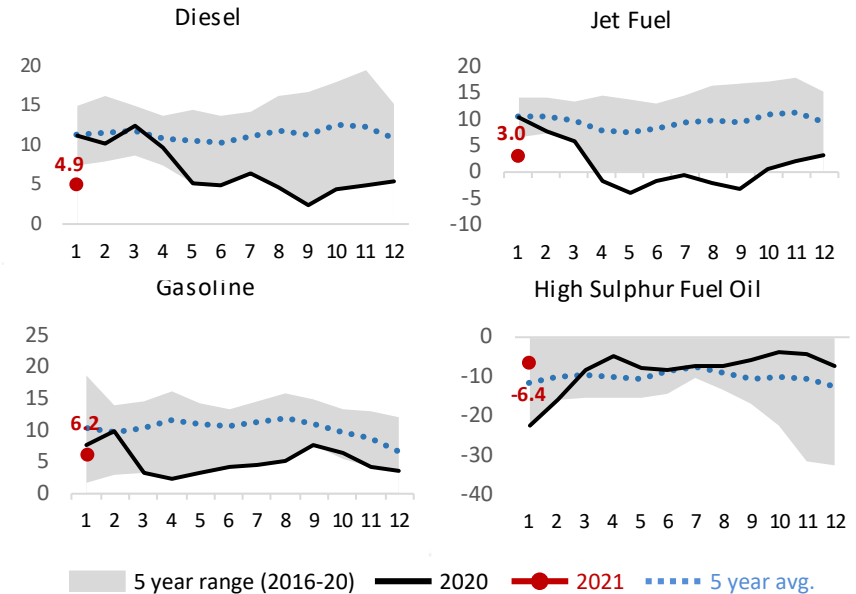
### Sales Units, Domestic Market (mn tons)



Source: Energy Market Regulatory Authority

Note: Crack margins based on Tüpraş data

## Crack Margins



## Competitive Advantages

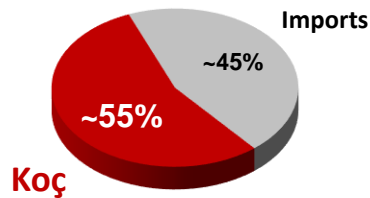
- Underpenetrated market with growing oil demand and diesel deficit; 7% CAGR for diesel demand over the last 5 years (2014-19)
- 2<sup>nd</sup> largest LPG market in Europe, 10<sup>th</sup> globally; biggest autogas market globally
- Strategically located between Asia and Europe; close to Middle East
- Structured legal framework and independent regulator
- Government incentives for renewable energy

# Koç Group in the Energy Sector

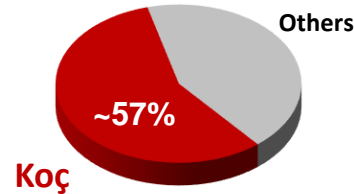
## Diversified and Synergetic Positioning

### Koç Positioning

Coverage of Domestic Fuel Demand



Share of Turkey's Storage Capacity



**Largest refinery  
&  
largest LPG distribution  
company in Turkey**

### Market Position / Share

#### Tüpraş

Turkey's largest refinery  
7<sup>th</sup> largest in EU  
26<sup>th</sup> largest in the world

- Integrated refining company with downstream operations
- Covers ~55% of domestic fuel demand
- One of the most complex refineries globally (Avg. Nelson Complexity 9.5; Izmit 14.5)

#### Aygaz

#1 in LPG distribution - 26%  
#1 in cylinder - 41%  
#1 in autogas - 22%

- Most preferred LPG brand in Turkey since its foundation more than 55 years ago
- Market leader with 3 brands - Aygaz, Mogaz, Lipetgaz
- Largest dealer and fleet network

#### Opet

#2 in white products - 19%

- Retail and wholesale operations in fuel distribution
- Highest customer and station satisfaction

#### Entek

Growing player in power generation

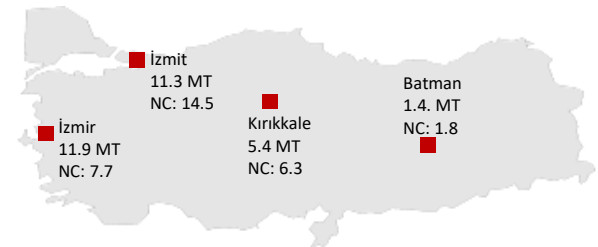
- Electricity generation with 362 MW total installed capacity
- Strong focus on renewable assets with high profitability

# Tüpraş

## Turkey's Largest Refinery

(TL thousands)	9M19	9M20	y/y
<b>Sales Volume</b> (mn, tons)	<b>22.2</b>	<b>18.2</b>	<b>-18%</b>
Domestic	17.1	14.7	-14%
Exports	5.1	3.5	-31%
<b>Total Production</b> (mn, tons)	<b>21.2</b>	<b>17.3</b>	<b>-18%</b>
<b>Capacity Utilisation</b>	<b>98.2%</b>	<b>80.9%</b>	<b>-17.3 pp</b>
<b>Revenues</b>	<b>67,970</b>	<b>43,254</b>	<b>-36%</b>
<b>EBITDA</b>	<b>3,301</b>	<b>163</b>	<b>nm</b>
EBITDA Margin	4.9%	0.4%	-4.5 pp
<b>Net Income</b>	<b>340</b>	<b>-2,870</b>	<b>nm</b>
<b>Net Refining Margin (\$/bbl)</b>	<b>3.7</b>	<b>1.5</b>	<b>-2.2</b>
Med Complex Margin (\$/bbl)	2.9	-0.2	-3.1
Net Debt / EBITDA	1.7	19.7 <sup>2</sup>	18.0
<b>Mcap (TL bn)</b> <sup>1</sup>	<b>31.8</b>	<b>24.9</b>	<b>-22%</b>

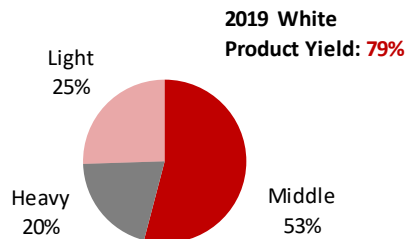
- 7<sup>th</sup> largest refinery in Europe and 26<sup>th</sup> largest globally
- Wide range of crude oil processing capacity (30 MT via 4 well-positioned refineries)
- One of the most complex refineries globally (Nelson Complexity index of avg. 9.5; İzmit 14.5)
- ~57% of Turkey's total storage capacity together with Opet
- Access to cheaper sources of crude oil with ability to use heavier and sour crudes
- Operational flexibility
- Energy efficiency programs
- Large scale capex finalised



### Diversified Supply Base

- 15 different sources
- Main sources constitute Iraq, Turkey, Russia, Nigeria, Kazakhstan, S. Arabia, Libya

### Focus on Higher Margin Products



### Initiatives / Developments

- 1H19:** Residuum Upgrade Project (RUP) maintenance completed in order to better position for IMO 2020
- 2018:** Major maintenance schedule completed
- 2018:** Trading office opened in London
- Jun'15:** RUP ( with ~US\$ 3bn capex) is fully operational (raising complexity, capacity utilization, white product yield and profitability)

Notes: Financials based on CMB publicly announced IFRS data. EBITDA as per company calculation

(1) Mcap increase correspond to 2020 year end performance

(2) Net Debt / EBITDA-CCS : 11.3



# Aygaz

## Market Leader in LPG for more than 55 years

(TL thousands)	9M19	9M20	y/y
<b>Sales Volume</b> (k, tons)	<b>1,548</b>	<b>1,548</b>	<b>0%</b>
Auto	555	501	-10%
Cylinder	232	226	-3%
Wholesale, Bulk & Exports	761	822	8%
<b>Revenues</b>	<b>7,645</b>	<b>7,195</b>	<b>-6%</b>
<b>EBITDA</b>	<b>345</b>	<b>313</b>	<b>-9%</b>
EBITDA margin	4.5%	4.4%	-0.2 pp
<b>Net Income</b>	<b>199</b>	<b>-103</b>	<b>nm</b>
Net Debt / EBITDA	1.5	1.2	-0.3
<b>Mcap</b> (TL bn) <sup>1</sup>	3.6	5.4	49%

- **Generic brand in Turkey for LPG** with 26% market share in LPG market
  - 22% market share in autogas
  - 41% market share in cylinder LPG
- **Fully integrated LPG services**
- Serves 100k homes with cylinder LPG daily
- More than 1mn vehicles use Aygaz autogas daily
- **Synergies with Koç Group energy companies**

### Initiatives / Developments

- **Mar'19:** Aygaz decided to team up with United LPG, subsidiary of United Enterprises from Bangladesh, in order to operate in the LPG market in Bangladesh

### Wide Distribution Network

- ~2,400 cylinder LPG dealers
- 1,700+ autogas stations



### High Logistics Competency

- Largest fleet operator
  - Reduces costs
  - Provides flexibility in sourcing and inventory management
- Over 1 MT filling capacity
- Direct import to 5 different locations

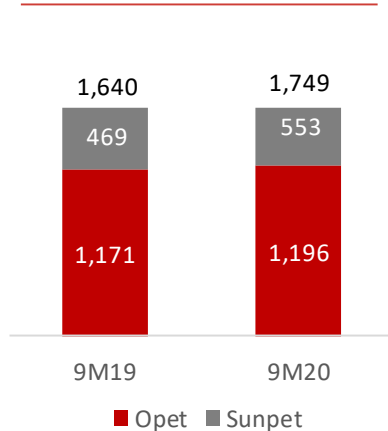
### Sector Dynamics

- **Autogas:** CAGR of ~2% over the last 3 years
  - 37% of 12.5 mn cars in Turkey run on LPG, largest fleet globally
  - ~30%+ price advantage vs. gasoline
  - ~80k conversions from gasoline to LPG per year
- **Cylinder gas:** Slightly declining demand over the last 3 years
  - Continuing natural gas grid conversion and urbanization
  - Rising LPG prices pressuring demand

# Other Energy Companies

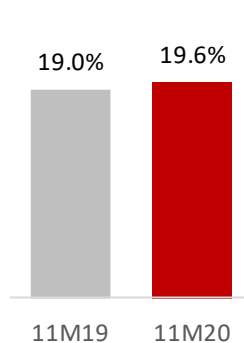
## Opet

Station Numbers



White Product Market Share

Opet Position #2



- **Second biggest distribution company by volume**
- **Unrivalled leader in customer satisfaction** in its sector for 10 years
- 1.1 million m<sup>3</sup> storage capacity via 5 terminals
- **21 stations owned via Aygaz-Opet Gayrimenkul**
- **JV with THY** on jet fuel distribution
- **JV with Fuchs<sup>1</sup>** on production and marketing of mineral oils
- 40% owned by Tüpraş and 10% by other Koç (18% total indirect KH stake)



## Entek

### Energy Sector Dynamics

- **Excess capacity leading to pressure on profitability**  
Turkey's total installed generation capacity: 91,267 MW (State-run 25.2%; Unlicensed 6.9%; Build-Operate and Build-Operate-Transfer model selling to TETAŞ<sup>2</sup> 0.2%; Private sector 68%)
- **Increasing focus on renewable energy**  
Breakdown of installed capacity by fuel type: hydro 31%; natural gas 28%; imported and domestic coal-fired 22%; other renewable and thermal 12%, solar 7%

### Entek

- **362 MW total installed capacity: 8 hydro power plants (265 MW), 1 natural gas (97 MW)**
- Possibility to purchase electricity and sell via wholesale company Eltek allows hedging against drops in system prices
- **Focus on strengthening renewable energy portfolio**
- **Mar'18:** Acquired 2 hydro power plants with 178 MW installed capacity for TL 1.3bn
- **Dec'17:** Acquired 3 hydro plants with 24 MW installed capacity



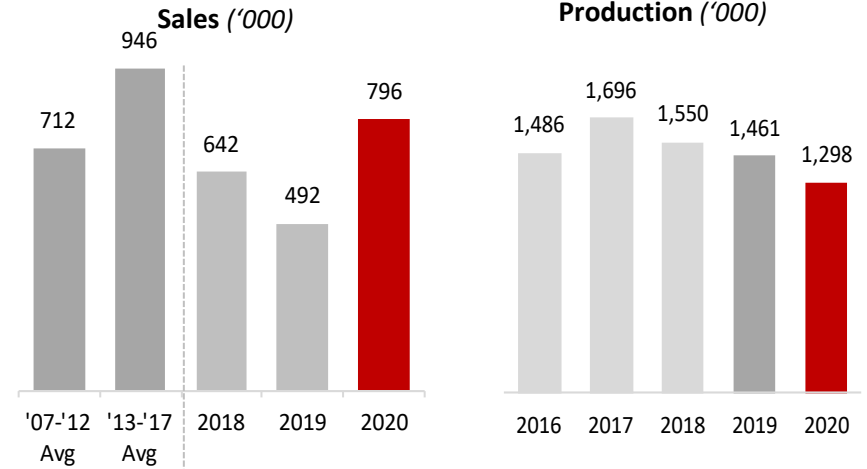
Note: White products market share is based on EMRA (Energy Market Regulatory Authority of Turkey) data  
 (1) German lubricant producer; World's largest independent manufacturer of lubricants, operates in more than 40 countries  
 (2) State-owned electricity wholesale company

# Automotive Sector

## Competitive Advantages

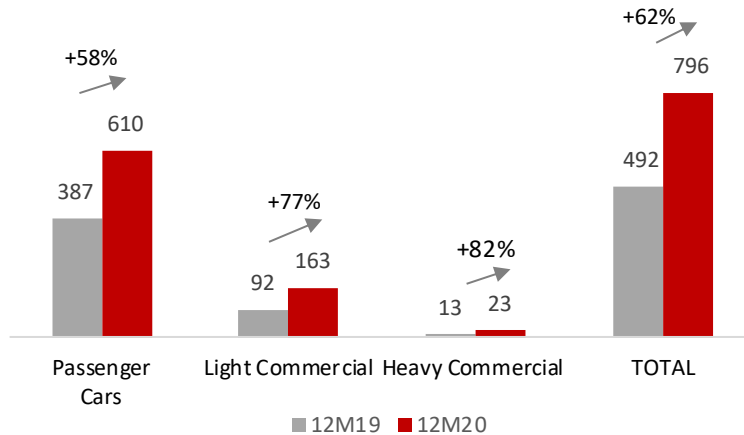
- **5<sup>th</sup> largest auto manufacturing hub in Europe**; 15<sup>th</sup> largest globally with a production capacity of c. 1.6 million units
- **Underpenetrated domestic market with strong growth potential**
- **Strong local supply** with low cost production capabilities
- **High export volume** ensuring resilience vs domestic demand volatility
- **5<sup>th</sup> largest tractor market globally** with 46% of 1.9mn tractor park >24 years indicating high replacement potential

## Domestic Market Dynamics

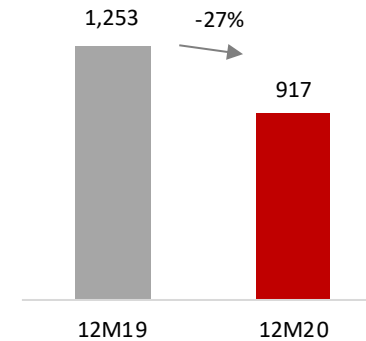


## Latest Growth Trends

### Sales Units, Domestic Market ('000 - Cumulative)



### Export Units, Turkey ('000 - Cumulative)

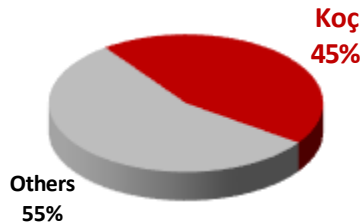


# Koç Group in the Automotive Sector

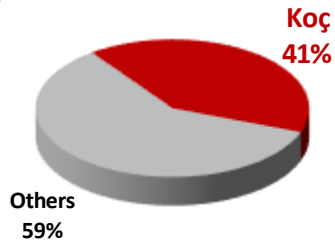
## Undisputed Leader in Turkey

### Koç Positioning

#### Production



#### Exports



#### Sales



- Widest sales and after-sales network
- Highly skilled and experienced workforce
- Highest number of R&D employees in Turkish automotive
- Long-standing JV partnerships
- Large scale procurement contracts via JV partners
- Focus on efficiency and product diversification

Strong  
R&D focus

Leading positions and  
ongoing growth

### Market Position / Share

<b>Ford Otosan</b>	#1 in CV - 34% #2 in Trucks - 31% #10 in PC - 4%	<ul style="list-style-type: none"> <li>• 50-50% JV with Ford - Ford's biggest CV manufacturing hub in Europe</li> <li>• Turkey's largest commercial vehicle manufacturer and export champion</li> <li>• Best manufacturing plant by Ford Production System Standards</li> </ul>
<b>Tofaş</b>	#2 in LCV - 21% #2 in PC - 15%	<ul style="list-style-type: none"> <li>• 50-50% JV with Fiat Chrysler Automobiles (FCA)</li> <li>• Sole domestic manufacturer and exporter of both PCs &amp; LCVs</li> <li>• 2<sup>nd</sup> largest R&amp;D capability of FCA in Europe</li> </ul>
<b>Türk Traktör</b>	#1 in tractors - 45%	<ul style="list-style-type: none"> <li>• 50-50% JV with CNH Industrial</li> <li>• Turkey's largest tractor manufacturer and exporter</li> <li>• "Flexible Manufacturing System" providing high degree of flexibility</li> </ul>
<b>Otokar</b>	#1 in Buses Leading supplier and exporter of land platforms	<ul style="list-style-type: none"> <li>• Among largest private sector defense companies in Turkey</li> <li>• 1 out of every 3 buses sold in Turkey carry Otokar brand</li> <li>• 96% of turnover from Otokar designed vehicle sales</li> </ul>
<b>Otokoç</b>	Turkey's leading automotive retailing and car leasing company	<ul style="list-style-type: none"> <li>• Main brands: Otokoç, Birmot, Avis, Budget</li> <li>• 9% market share in new vehicle sales; #1 in second-hand sales</li> <li>• International operations in 8 countries</li> </ul>



# Ford Otosan

## Turkey's Leader in Commercial Vehicles with Strong R&D Power

(TL thousands)	9M19	9M20	y/y
<b>Total Unit Sales</b> (000 k) <sup>1</sup>	<b>276.4</b>	<b>218.5</b>	<b>-21%</b>
Domestic	28.0	60.9	117%
PC	6.5	14.2	118%
LCV	9.7	22.0	128%
MCV	10.2	21.6	111%
Trucks	1.7	3.1	90%
Exports	248.3	157.6	-37%
<b>Total Production</b> (000 k)	<b>273.6</b>	<b>205.3</b>	<b>-25%</b>
<b>Revenues</b>	<b>27,707</b>	<b>28,490</b>	<b>3%</b>
Domestic	3,394	8,414	148%
Exports	24,312	20,077	-17%
% of Exports	87.7%	70.5%	-17.3 pp
<b>EBITDA</b>	<b>2,137</b>	<b>3,436</b>	<b>61%</b>
EBITDA margin	7.7%	12.1%	4.3 pp
<b>Net Income</b>	<b>1,343</b>	<b>2,268</b>	<b>69%</b>
Net Debt / EBITDA	1.2	0.8	-0.4
<b>Mcap</b> (TL bn) <sup>2</sup>	<b>23.2</b>	<b>50.5</b>	<b>118%</b>

Gölcük Plant included in  
Global Lighthouse  
Network

- Europe's largest commercial vehicle manufacturer; 83% share in Ford Europe's Transit family sales
- Ford's CV focus is positive for Ford Otosan:** Ford intends to grow its leadership as the top CV brand in Europe supported by its strategic alliance with VW, its Ford Otosan JV in Turkey and a restructured Ford Sollers JV in Russia<sup>3</sup>
- Ford and VW signed agreements to collaborate on CVs** – city van created and built by VW CVs and later 1-ton cargo van engineered by Ford, plus VW medium pickup built on Ford Ranger platform from 2022<sup>4</sup>
- Strong positioning in Ford universe:**
  - Lead manufacturing plant of Ford Transit globally
  - Single source of Custom & Courier
  - Center of excellence for Ford Cargo heavy trucks
- EUR denominated '**cost-plus**' **export agreements** with volume guarantees
- Technology licensing & engineering agreements delivering royalty fees
- Major markets: UK & Germany (~50% of export sales)

### Initiatives / Developments

- 4Q20:** TL20.5bn incentive to be used in product diversification & expansion investments for the new generation commercial vehicle and battery assembly
- 4Q19:** Launch of Custom plug-in hybrid (PHEV) – a first in its segment
- 2Q19:** Completion of Ford Transit facelift
- 4Q18:** F-Max heavy truck with IP rights owned 100% by Ford Otosan is launched in Oct'18 in Turkey and in 2019 globally
- 3Q18:** Capacity increase of 15k to 455k is completed
- 1H18:** Completion of facelift of Ford Custom and Ford Courier
- 2017:** Capacity increase from 415K up to 440k completed
- 2016:** Start of in-house developed Euro 6 Ecotorq engine production - the first & only truck engine designed and manufactured in Turkey
- 2011-2014:** US\$1.4bn investment to increase capacity and renew entire product portfolio

Notes: Financials based on CMB public IFRS data. EBITDA as per company calculation

(1) Ford Otosan Analyst Presentation wholesale figures (2) Mcap increase correspond to 2020 year end performance

(3) Source: 27 June 2019 dated release announcement by Ford Motor Company (4) Source: 10 June 2020 dated release announcement by Ford Motor Company

# Tofaş

## Defensive Portfolio with Take-or-Pay Contracts

(TL thousands)	9M19	9M20	y/y
<b>Total Unit Sales (000 k)</b>	<b>194</b>	<b>168</b>	<b>-14%</b>
Domestic	44.1	90.5	105%
PC	34.5	60.7	76%
LCV	8.3	26.3	215%
MCV	1.2	3.5	187%
Exports	150.3	77.6	-48%
<b>Total Production (000 k)</b>	<b>190.5</b>	<b>160.5</b>	<b>-16%</b>
<b>Revenues</b>	<b>13,429</b>	<b>14,359</b>	<b>7%</b>
Domestic	3,205	7,638	138%
Exports	10,225	6,721	-34%
% of Exports	76%	47%	-29.3 pp
<b>EBITDA</b>	<b>1,815</b>	<b>1,915</b>	<b>6%</b>
EBITDA margin	13.5%	13.3%	-0.2 pp
<b>Net Income</b>	<b>1,031</b>	<b>1,145</b>	<b>11%</b>
Net Debt / EBITDA	0.2	0.4	0.2
<b>Mcap (TL bn) <sup>1</sup></b>	<b>11.7</b>	<b>18.1</b>	<b>55%</b>

- **Only company producing both passenger & commercial vehicles**
- **Intellectual and industrial property rights** for MiniCargo, New Doblo as well as its PC models (Egea/Tipo)
- **Export contracts with “cost-plus” and “take-or-pay” clauses** ensure sustainable profitability
- **Consumer financing activities via its fully owned subsidiary**, Koç Fiat Kredi
- Major markets: Italy, France & Spain (~50% of export units)

2<sup>nd</sup> largest R&D capability of FCA in Europe

“Gold” level in World Class Manufacturing since 2013<sup>2</sup>

### Initiatives / Developments

- **4Q20:** Extension of Doblo contract for one year until end of 2022
- **4Q19:** Extension of MCV contract for three years until the end of 2024
- **2Q19:** Facelift investment decision for the Egea / Tipo passenger car family for US\$ 225mn by YE20 (the projects size has been expanded from 2023 till YE24 with additional 150k units)
- **YE17:** Capacity expansion by 50k units for Egea/Tipo branded PCs is completed; production capacity reached 450k units
- **2016-19:** Fiat Egea is the best selling passenger car in the domestic market
- **2011-2016:** US\$ 1bn investment to produce 1.3 mn passenger cars by 2023. Start of serial production for different models as of YE15 and 1H16

Notes: Financials based on CMB publicly announced IFRS data. EBITDA as per company calculation

(1) Mcap increase correspond to 2020 year end performance

(2) In 2019, Tofaş Bursa plant achieved the highest score with 81 points in World Class Manufacturing (WCM) among 400 plants within FCA universe

# TürkTraktör

## Largest Tractor Manufacturer in Turkey

(TL thousands)	9M19	9M20	y/y
<b>SECTOR</b>			
<b>Tractor Unit Sales</b> (000 k)	<b>29.6</b>	<b>41.3</b>	<b>40%</b>
Domestic	16.3	31.0	90%
Exports	13.3	10.3	-22%
<b>Total Production</b> (000 k)	<b>20.7</b>	<b>31.5</b>	<b>52%</b>
<b>TÜRKTRAKTÖR</b>			
<b>Tractor Unit Sales</b> (000 k)	<b>18.8</b>	<b>22.2</b>	<b>18%</b>
Domestic	6.9	13.2	92%
Exports	11.9	9.0	-24%
<b>Total Production</b> (000 k)	<b>15.7</b>	<b>21.6</b>	<b>38%</b>
<b>Revenues</b>	<b>2,723</b>	<b>3,803</b>	<b>40%</b>
Domestic	1,059	2,223	110%
Exports	1,664	1,580	-5%
% of Exports	61%	42%	-19.6 pp
<b>EBITDA</b>	<b>245</b>	<b>589</b>	<b>140%</b>
EBITDA margin	9.0%	15.5%	6.5 pp
<b>Net Income</b>	<b>44</b>	<b>360</b>	<b>nm</b>
Net Debt / EBITDA	2.5	N/M*	
<b>Mcap</b> (TL bn) <sup>1</sup>	<b>2.8</b>	<b>9.4</b>	<b>233%</b>

Diversified product range

The first R&D center in its sector

- **Market leader for the last 13 consecutive years.** Covers 77% of total Turkish tractor production, 90% of total exports
- **Largest tractor producer** with 50k capacity
- **JV structure with CNH Industrial:** The only design and production center for certain products globally
- **Widest sales and after sales network**
- **First in Turkey in utilizing flexible manufacturing lines** with automatic manufacturing units and complex control systems
- **State of the art manufacturing processes** with the first robotized paint shop in the Turkish tractor sector
- Exports to more than 130 countries with US & Europe being major ones

### Initiatives / Developments

- **2020:** Production of New Holland and Case branded Tractor Loader Backhoe (TLB) started in Ankara plant
- **2019:** Erenler Factory obtained the **Silver award** in World Class Manufacturing standards in its fifth year  
Ministry of Industry accredited R&D, Design and Innovation Office opened in İstanbul as an R&D Center
- **3Q17:** Introduction of TürkTraktör Finance, a first in the Turkish agriculture to enable farmers a practical and easy loan experience at the dealers, with the motto “all financial transactions under one roof”
- **2Q15:** Movement of the paint shop and assembly line of all product groups to Erenler was completed (currently component manufacturing in Ankara, assembly in Erenler)
- **2014:** Erenler plant was opened, capacity increased by 15K to 50k units
- **2013:** Entered a new business line, the construction equipment market, as being Turkey distributor of Case and New Holland brands

# Other Automotive Companies

## Otokar - Largest private sector defense company in Turkey

(TL thousands)	9M19	9M20	y/y
Revenues	1,877	1,749	-7%
EBITDA	374	451	21%
EBITDA margin	19.9%	25.8%	5.9 pp
Net Income	297	320	8%
Net Debt / EBITDA	1.5	2.5	1.0
Mcap (TL bn) <sup>1</sup>	3.5	9.4	167%

- **Leading supplier and exporter of land platforms**
- **Products with Otokar IP rights** used on 5 continents and >60 countries
- **Market leader in passenger bus** segments it operates with ~33% market share

### Initiatives / Developments

- **4Q20:** A total of US\$ 135mn export contract signed covering armored vehicle deliveries until end of 2022
- **2Q20:** Signed EUR 18.7mn export contract with Municipal Development Fund of Georgia covering 175 busses to be delivered in batches until March 2021.
- **2Q20:** Won İzmir Municipality bus tender for 364 units for ~TL 570mn, delivery to be completed within 2021
- **1Q20:** Collaboration and supply contract was signed with IVECO
- **4Q19:** Founded its 4<sup>th</sup> company outside of Turkey in Kazakhstan
- **3Q19:** Introduced Turkey's first domestically developed electric powered armored combat vehicle Akrep IIe
- **1Q17:** Signed the largest single export contract (US\$ 661mn) in Turkish defense sector with Tawazun for production of 8x8 armored vehicles for UAE to be delivered in 4Q18-23

## Otokoç - Turkey's leading automotive retailing and car rental company

(TL thousands)	1H19	1H20	y/y
Revenues	3,547	4,423	25%
EBITDA	634	896	41%
EBITDA margin	17.9%	20.3%	2.4 pp
Net Income	21	195	843%

- **Sales and post-sales activities** with a total of 341 points in 9 countries: Turkey, Kazakhstan, Azerbaijan, N. Iraq, Hungary, Georgia, N. Cyprus, Ukraine and Greece
- >30% share in Ford & Fiat CV sales; 9% share in total auto market
- **Rent-a-car & operational leasing via > 42k vehicles** (Avis, Budget)
- Leading position in car rental in Greece, Azerbaijan, Kazakhstan and N. Iraq

### Initiatives / Developments

- **Dec'17:** Acquired the licensee Company of Avis, Budget and Payless brands in Greece together with Avis Budget Group for EUR 81mn which has a car park over >30k vehicles

Notes: All figures as of 2019 unless otherwise stated. Financials based on CMB publicly announced IFRS data. EBITDA as per company calculation

(1) Mcap increase correspond to 2020 year end performance

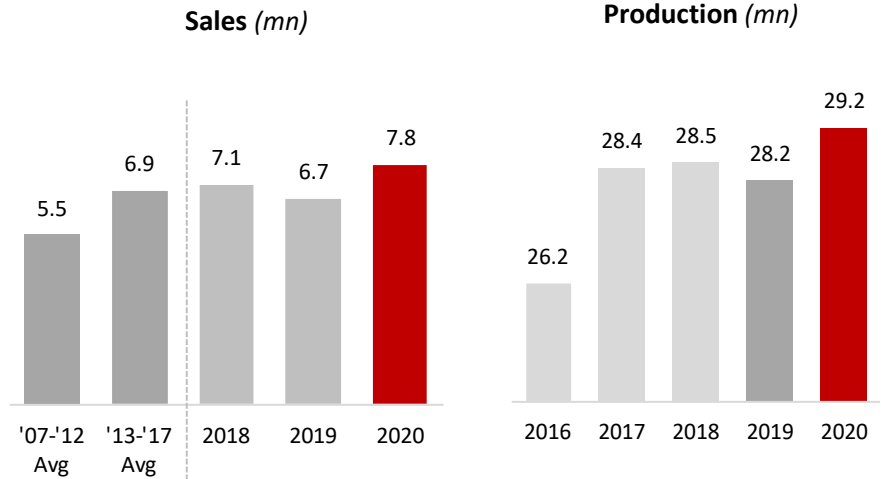


# Consumer Durables Sector

## Competitive Advantages

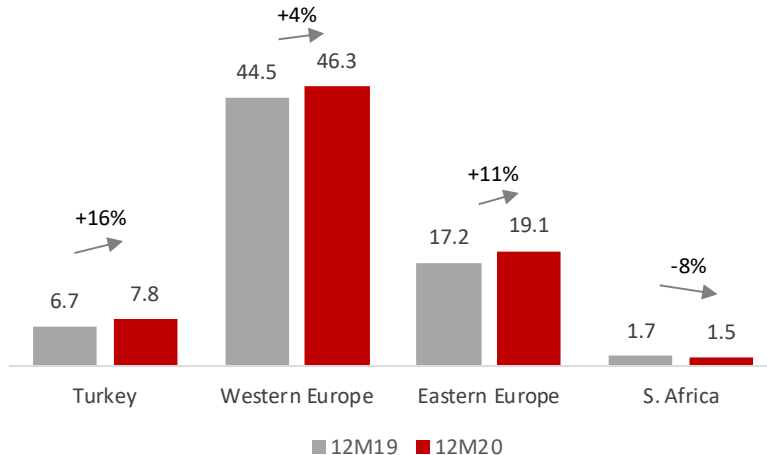
- **Efficient and cost-effective production hub** for multiple markets
- **Solid domestic market growth potential** driven by favourable demographics, lower penetration compared to EU, renewals, rapid household formation and urbanization
- **Competitive labour costs and strong local supply**
- **Channels:** 85% dealers; 15% chain retailers for durables

## Domestic Market Dynamics

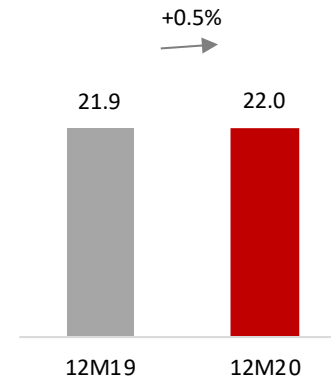


## Latest Growth Trends

Sales Units ('000 - Cumulative)



Export Units, Turkey ('000 - Cumulative)



# Arçelik (I/II)

## Truly Global with Sales to Over 100 Countries Worldwide

(TL thousands)	9M19	9M20	y/y
<b>Revenues</b>	<b>23,576</b>	<b>27,538</b>	<b>17%</b>
Domestic	7,887	10,118	28%
Exports	15,689	17,420	11%
% of Exports	67%	63%	-3.3 pp
White Goods	18,016	20,540	14%
Electronics	2,284	3,061	34%
Other (mainly A/C)	996	1,110	12%
<b>EBITDA</b>	<b>2,479</b>	<b>3,453</b>	<b>39%</b>
EBITDA margin	10.5%	12.5%	2.0 pp
<b>Net Income</b>	<b>685</b>	<b>1,684</b>	<b>146%</b>
Net Debt / EBITDA	2.4	1.2	-1.2
Working Capital / Sales	28%	24%	-4.3 pp
<b>Mcap (TL bn) <sup>1</sup></b>	<b>14.1</b>	<b>22.3</b>	<b>58%</b>

~70% of revenues from international markets

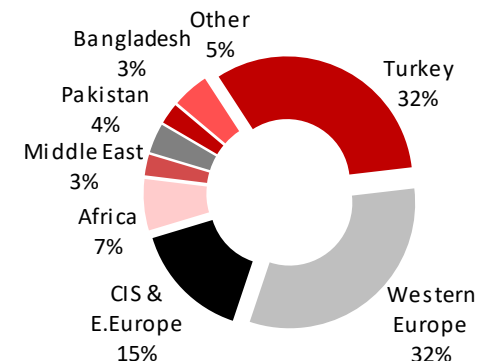
The first and only Turkish company in the Top 200 List of World Intellectual Property Organization

- **Domestic leader** (>50% m. share in white goods, ~50% in Acs, ~27% in TVs)
- **Leading positions in key international markets.** Beko as the flagship brand
- **Extensive & exclusive dealer network** (~3,000 dealers, 600+ after-sales points)
- **Production in low-cost regions, proximity to key markets and economies of scale**
- **Production centers in 8 countries<sup>2</sup>:** Turkey, S. Africa, Romania, Russia, Pakistan, Thailand, Bangladesh, India

### Sector Positioning

- Turkey : #1
- EU : #2
- E. Europe : #1
- UK : #1
- Romania : #1
- Poland : #1
- Pakistan : #1
- Bangladesh: #2
- S. Africa : #1

### Regional Breakdown of Revenues



Notes: All figures as of 2019 unless otherwise stated. Financials based on CMB publicly announced IFRS data. EBITDA as per company calculation

(1) Mcap increase correspond to 2020 year end performance

(2) Refrigerator plant in India became operational in YE19; increasing the number of countries of production to 9

# Arçelik (II/II)

## Strong Growth Trends Utilizing Organic and Inorganic Opportunities

### Initiatives / Developments

- **Dec'20: Signing of SPA to establish a JV with Hitachi GLS** (Arçelik 60%) to operate in the global home appliances market outside the Japanese market (transaction value calculated ~US\$ 300mn on a cash-free and debt-free basis).
- **Mar'19: Acquisition of Singer in Bangladesh** for US\$ 75mn (2<sup>nd</sup> largest WG player in Bangladesh with a wide distribution network; #2 in refrigerator, #1 in washing machine & AC)
- **May'17: JV agreement with Voltas** (part of the Tata Group) **in India** with equity of US\$ 100mn. Refrigerator production facility opened in YE19. Other domestic appliances started to be imported to India with ~TL 110mn of revenues in 2019
- **May'17: Greenfield investment for a new washing machine plant in Romania** (EUR 105mn capex) commenced production in 1Q19 in addition to the existing refrigerator plant  
**Jun'16: Acquisition of Dawlance in Pakistan** for US\$ 258mn. Dawlance is the white goods market leader in Pakistan (#1 in cooling & MW; #2 in AC & laundry)
- **1Q16: New refrigerator plant in Thailand becomes operational** (US\$ 100mn capex). Creation of sales network for neighboring countries
- **Jul'11: Acquisition of Defy in South Africa** for US\$ 230mn. Defy is the market leader in South Africa with ~40% market share

### Growth Strategy Overview

#### Organic

**Turkey:** Grow in lower penetrated premium segments, built-in products and small domestic appliances (SDA); further strengthen dealership network

**International:** Improve market share of more profitable built-in; strengthen SDA position; grow Grundig in the more premium segment

- ASEAN: Leverage Beko brand
- Europe & North America: Exploit organic growth opportunities

#### Inorganic

##### Higher-end brands in developed markets

**Emerging market growth** via acquisitions, partnerships and greenfield investments in MENA and ASEAN

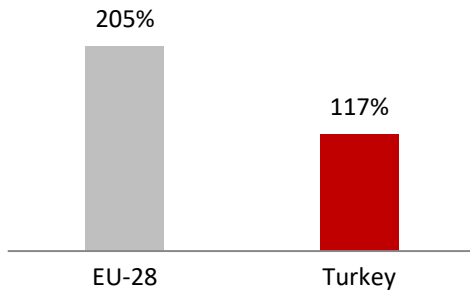
Romania plant included  
in Global Lighthouse  
Network



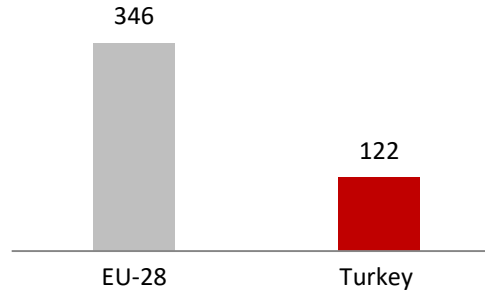
# Finance Sector

## Low Penetration Levels Providing an Opportunity for Rapid Growth

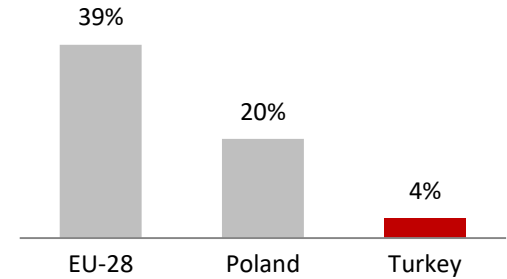
Loans + Deposits / GDP



Branches per million inhabitants



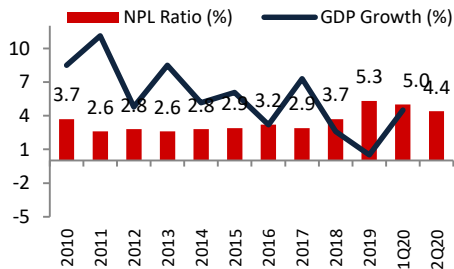
Mortgages / GDP



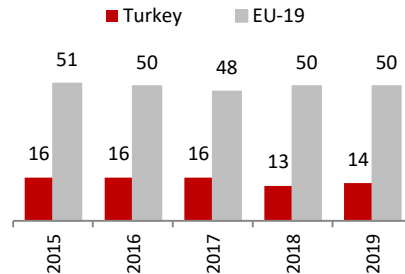
Source: European Central Bank, BRSA, CBRT  
Figures as of 2019YE, Branches per mn inhabitants as of 2018YE

## Growing, Healthy and Profitable Banking Sector

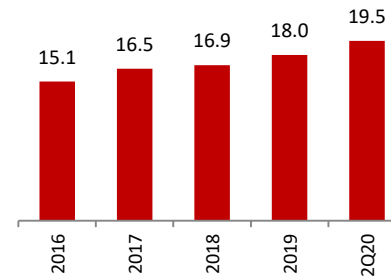
Asset Quality



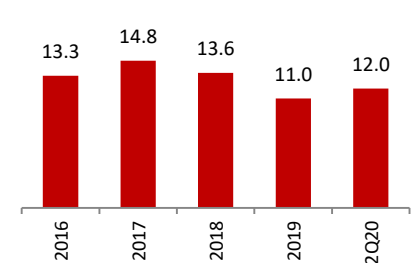
Household Liabilities to GDP (%)



Capital Adequacy Ratio (%)



Bank Return on Equity (%)

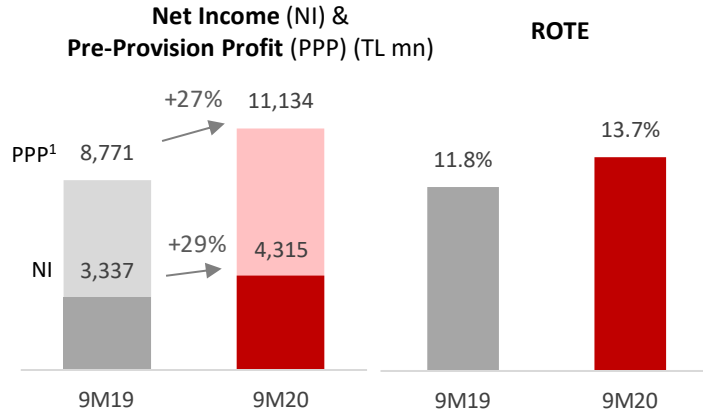


Source : ECB, BRSA, BAT

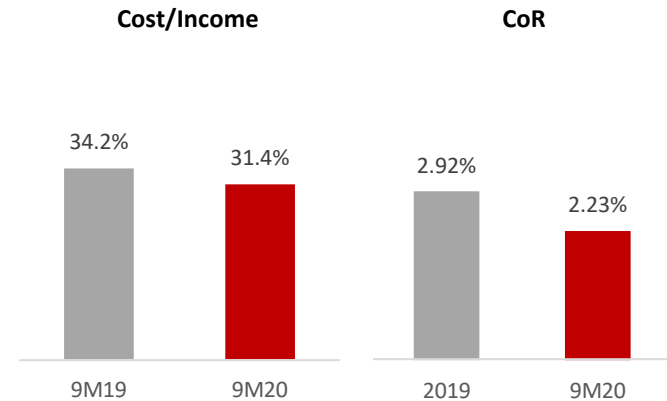
# Yapı Kredi Bank

## Strong Pre-Provision Profit Generation

### Strong Pre-Provision Profit Generation



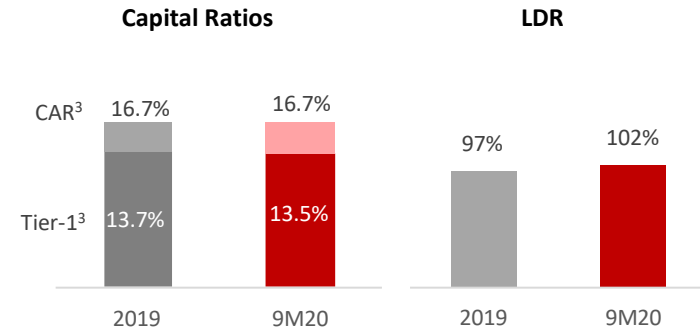
### Cautious Provisioning for Stronger B/S



### TL Driven Growth with Focus on Small Tickets

TL bn, consolidated	9M20	q/q	Ytd
<b>Loans<sup>2</sup></b>	<b>283.0</b>	<b>11%</b>	<b>23%</b>
TL	161.1	11%	21%
FC (\$)	15.6	-2%	-5%
<b>Customer Deposits</b>	<b>263.5</b>	<b>8%</b>	<b>17%</b>
TL	104.1	-10%	5%
FC (\$)	20.4	8%	-4%
<b>NPL Ratio</b>	<b>6.0%</b>	<b>-0.6pp</b>	<b>-1.4pp</b>
<b>Provisions / Gross Loans</b>	<b>7.2%</b>	<b>-0.1pp</b>	<b>0.3pp</b>

### Solid Fundamentals



Notes: YKB figures are based on BRSA financials

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

LDR= Performing Loans / (Deposits + TL Bonds)

(1) 9M19 PPP with normalised CPI linker income for homogenous comparison (reported : 9,193 TL mn)

(2) TL and FC Loans are adjusted for the FX indexed loans

(3) 9M20 excluding regulatory forbearances

(4) Higher effective ownership rate following additional share purchase in February 2020

## Other Main Companies

### Sector

<b>Tat</b>	Food	<ul style="list-style-type: none"> <li>• Production of tomato products and dairy products. #1 in tomato products, tomato paste and pasteurized milk</li> <li>• KH distribution company Düzey performs logistics for Tat Gıda products as well as some external leading brands</li> <li>• Strong focus on end-to-end efficiency and innovative product launch especially in dairy</li> </ul>
<b>Koçtaş</b>	DIY Retailing	<ul style="list-style-type: none"> <li>• Leader in Do-it-Yourself market in Turkey with total sales area of c.230k m<sup>2</sup> (39 Koçtaş &amp; 53 Koçtaş Fix stores)</li> <li>• JV structure with Kingfisher, a leading European DIY company with over 1,300 stores in 9 countries</li> <li>• Focus on ensuring omni-channel shopping experience with continuous developments in digital channels and capabilities</li> </ul>
<b>Zer</b>	Central Procurement	<ul style="list-style-type: none"> <li>• Strategic and operational procurement via access to a large pool of suppliers</li> <li>• Start of expansion to clients outside of the Koç Group since 2016</li> <li>• Initiatives to enhance digital channels and e-trade platform for SMEs</li> </ul>
<b>Setur</b>	Duty Free, Tourism, Marinas	<ul style="list-style-type: none"> <li>• A range of tourism related services (incl. ticket sales, tours, events) via 42 authorized and 348 online agencies</li> <li>• Duty-free sales operations at 52 shops in airports, land border gates and seaports</li> <li>• Setur Marinas is the leader in Turkey with 22% market share and 10 marinas</li> <li>• Special emphasis on corporate tourism. Focus on process automation and CRM integration</li> </ul>
<b>Koç Sistem</b>	IT	<ul style="list-style-type: none"> <li>• Leading player in the IT sector with large-scale projects and data centres</li> <li>• Provider of innovative services such as IoT platforms and business solutions</li> <li>• Preferred partner of Koç Group companies, also with c.50% of revenues from external companies</li> <li>• Owns KoçDigital which leverages advanced analytics and internet of thing solutions</li> </ul>
<b>Inventram</b>	Innovation	<ul style="list-style-type: none"> <li>• Evaluation and investment into start-ups, innovative products and ideas</li> <li>• 35% owned by Koç Holding, 35% by Koç University and 30% acquired by Mitsui as of 2016</li> <li>• Facilitation of suitable project integration into Koç Group companies</li> </ul>

# Annex



# 2020 Expectations of Listed Koç Group Companies (I/II)

<b>TÜPRAŞ</b>	<b>2019A</b>	<b>2020E as of Feb</b>	<b>2020E as of Apr-May</b>	<b>2020E as of Jun-Sep</b>	<b>Latest 2020E <sup>1</sup></b>
<b>Sector</b>					
Med Complex (\$/bbl)	1.7	1.5-2.5	1.0-2.0	1.0-2.0	~0.5
<b>Tüpraş</b>					
Net Margin (\$/bbl)	3.7	4.5-5.5	3.0-4.0	3.0-4.0	~1.0
CUR	98%	95-100%	80-85%	80-85%	75-80%
Production (mn tons)	28.1	28.0	~24.0	~24.0	~22.0
Sales (mn tons)	29.2	29.0	~25.0	~25.0	~23.0
Capex (\$ mn)	157	200	~125	~125	~115
<b>AYGAZ</b>	<b>2019A</b>	<b>2020E as of Feb</b>	<b>2020E as of Apr-May</b>	<b>2020E as of Jun-Sep</b>	<b>Latest 2020E <sup>1</sup></b>
<b>Aygaz Volume ('000)</b>					
Cylinder	302	290-305	285-300	285-300	285-300
Autogas	734	740-780	590-630	660-700	660-700
<b>Market Share</b>					
Cylinder	41%	41.5%-43.5%	41.5%-43.5%	41.5%-43.5%	41.5%-43.5%
Autogas	22%	21.4%-22.6%	21.4%-22.6%	21.4%-22.6%	21.4%-22.6%
<b>FORD OTOSAN</b>	<b>2019A</b>	<b>2020E as of Feb</b>	<b>2020E as of Apr-May</b>	<b>2020E as of Jun-Sep</b>	<b>Latest 2020E <sup>1</sup></b>
<b>Sector ('000)</b>					
Total TR Sales	488	580-630	520-570	670-720	750-800
<b>Ford Otosan ('000)</b>					
Retail Sales	49	60-70	55-65	80-90	95-105
Exports	334	330-340	225-235	230-240	250-260
Production	369	370-380	270-280	295-305	320-330
Capex (€ mn)	142	180-200	130-150	130-150	100-120
<b>TOFAŞ</b>	<b>2019A</b>	<b>2020E as of Feb</b>	<b>2020E as of Apr-May</b>	<b>2020E as of Jun-Sep</b>	<b>Latest 2020E <sup>1</sup></b>
<b>Sector ('000)</b>					
Total TR LV Sales	479	560-600	480-520	600-640	730-770
<b>Tofaş ('000)</b>					
Retail Sales	77	78-84	72-78	96-102	130-140
Exports	194	170-190	110-140	110-140	120-140
Production	264	240-265	175-210	195-230	220-250
Capex (€ mn)	107	250	200	150	150



# 2020 Expectations of Listed Koç Group Companies (II/II)

ARÇELİK	2019A	2020E as of Feb	2020E as of Apr-May	2020E as of Jun-Sep	Latest 2020E <sup>1</sup>
Revenue	19%	10-15%	n.a.	10-15%	20-25%
EBITDA Margin	10.5%	~10.5%	n.a.	10.5-11.0%	>11.5%
LT EBITDA Margin	--	>11.5%	n.a.	>11.5%	>11.5%
Capex (€ mn)	211	200-250	n.a.	~150-160	~180
Working Capital / Sales	27%	<30%	n.a.	<30%	<27%

TÜRKTRAKTÖR	2019A	2020E as of Feb	2020E as of Apr-May	2020E as of Jun-Sep	Latest 2020E <sup>1</sup>
Sector ('000)					
Total TR Tractor Sales	26	28-33	28-33	41-46	46-49
TürkTraktör ('000)					
Domestic sales	10.9	12.5-15.5	12.5-15.5	19.0-21.5	22.0-23.5
Exports	15.2	14.0-15.5	10.0-12.5	11.0-12.5	11.0-12.5
Capex (TL mn)	143	175-225	150-200	150-200	200-240

YKB	2019A	2020E as of Feb	2020E as of Apr-May	2020E as of Jun-Sep	Latest 2020E <sup>1</sup>
Volumes					
Loans (TL)	+14%	High-teens	↓ Downside risk	High-teens	High-teens - upside potential
NIM	3.4%	≥ 3.7%	↓ Slight downside risk	~+30 bps	~+30 bps
Fee growth	+29%	High-single digit	↓ Downside risk	Single-digit contraction	Single-digit contraction
Costs	+15%	Mid-teens	→ No risk	Mid-teens	Mid-teens
NPL Ratio	7.6%	~7%	↑ Upside risk	~7%	~7%
CoR	312bps	~225bps	↑ Upside risk	< 300 bps	< 300 bps
CAR	16.7%	≥ 16%	↓ Slight downside risk	~ 16%	~ 16%
LDR	98%	≤ 105%	→ No risk	≤ 105%	≤ 105%
RoTE	9.8%	Mid/Low-teens	↓ Downside risk	Low-teens	Low-teens

# Unlisted Companies

1H20 TL mn	Koç Holding Direct Share	Revenues		Operating Profit <sup>1</sup>		EBITDA		Book Value (SHE)	
		1H19	1H20	1H19	1H20	1H19	1H20	1H19	1H20
Arçelik LG Klima	5.00%	568	749	54	71	64	81	318	398
Token <sup>2</sup>	54.44%	-	113	-	74	-	75	-	107
Bilkom	69.94%	1,620	1,688	77	61	78	63	158	211
Düzey	31.21%	908	1,226	9	23	17	31	0	24
Entek	49.62%	583	671	216	202	239	226	1,002	1,192
Koç Finansman	44.50%	309	216	72	44	75	47	359	416
KoçSistem	41.11%	826	882	-19	-20	13	18	44	57
Koçtaş	37.13%	808	708	34	-23	83	22	98	65
Marina / Ayvalık	7.72%	3	3	1	1	2	1	14	17
Marina / Tek-Art Kalamış	37.33%	37	36	7	4	10	7	275	276
Opet	--	21,324	16,069	481	-210	668	-28	2,699	2,025
Otokoç Otomotiv	96.32%	3,547	4,423	385	587	634	896	1,134	1,611
Ram Dış Ticaret	39.74%	1,684	1,598	4	19	5	19	21	42
RMK Marine	40.53%	228	58	23	19	25	21	32	91
Setur	24.11%	943	567	88	90	103	105	146	269
Zer	39.54%	1,502	1,492	58	64	61	67	237	243

Notes: Financials for unlisted companies disclosed semi-annually

(1) Excluding FX gains/losses and credit finance income/charges on trade receivables and payables

(2) Token transaction was completed on the end of April 2020

# 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%

Notes: Updated as of September'20

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

(2) Ford Deutschland GmbH: 100% owned by Ford Motor Company

(3) Effective stake indirectly through subsidiaries

# Disclaimer

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This presentation does contain forward-looking statements that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Koç Holding nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

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# Koç Holding Contacts

[investorrelations@koc.com.tr](mailto:investorrelations@koc.com.tr)

Nursel Ilgen, CFA, Coordinator  
Investor Relations

[nurseli@koc.com.tr](mailto:nurseli@koc.com.tr)

+90 216 531 0414

Neslihan Aycıl, Manager

Investor Relations

[neslihana@koc.com.tr](mailto:neslihana@koc.com.tr)

+90 216 531 0516

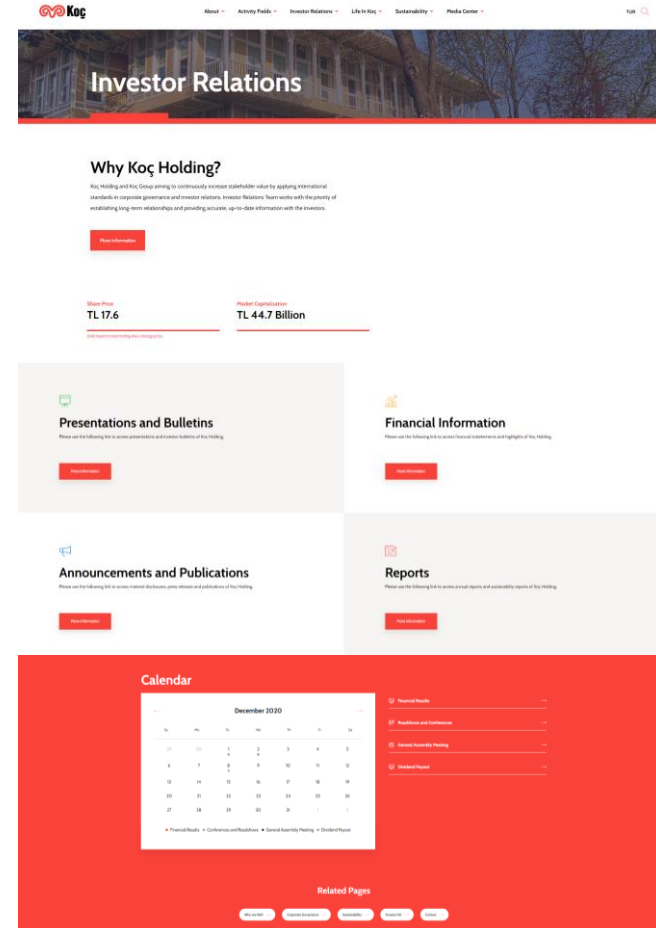
Sinem Baykalöz, Manager

Investor Relations

[sinemb@koc.com.tr](mailto:sinemb@koc.com.tr)

+90 216 531 0533

[www.koc.com.tr](http://www.koc.com.tr)



# Main Group Companies' Contacts

## ► Arçelik

Orkun İnanbil, IR Manager  
[orkun.inanbil@arcelik.com](mailto:orkun.inanbil@arcelik.com)  
+90 212 314 3114

## ► Otokar

Doğın Seçkinler, Finance Manager  
[dseckinler@otokar.com.tr](mailto:dseckinler@otokar.com.tr)  
+90 264 229 2244 Ext. 6300

Gülşah Mutlu, IR Manager  
[gmutlu@otokar.com.tr](mailto:gmutlu@otokar.com.tr)  
+90 264 229 2244 Ext. 6271

## ► Tüpraş

Levent Bayar, IR Manager  
[Levent.Bayar@tupras.com.tr](mailto:Levent.Bayar@tupras.com.tr)  
+90 262 316 3270

## ► Aygaz

Şebnem Yücel, Finance Director  
[sebnem.yucel@aygaz.com.tr](mailto:sebnem.yucel@aygaz.com.tr)  
+90 212 354 1510

Selin Sanver, IR Manager  
[selin.sanver@aygaz.com.tr](mailto:selin.sanver@aygaz.com.tr)  
+90 (212) 354 1659

## ► Tat

Başak Tekin Özden, CFO  
[basak.tekin@tat.com.tr](mailto:basak.tekin@tat.com.tr)  
+90 216 430 0192

## ► TürkTraktör

Ahmet Dinç, IR Manager  
[Ahmet.Dinc@turktraktor.com.tr](mailto:Ahmet.Dinc@turktraktor.com.tr)  
+90 312 233 2502

## ► Ford Otosan

Oğuz Toprakoğlu, CFO  
[otoprako@ford.com.tr](mailto:otoprako@ford.com.tr)  
+90 262 315 6900

Aslı Selçuk, IR Manager  
[aselcuk@ford.com.tr](mailto:aselcuk@ford.com.tr)  
+90 216 564 7499

## ► Tofaş

Fabrizio Renzi, CFO  
[Fabrizio.Renzi@tofas.com.tr](mailto:Fabrizio.Renzi@tofas.com.tr)  
+90 212 275 3390

Mehmet Ağyüz, CFA, IR & Risk Management  
Manager  
[Mehmet.Agyuz@tofas.com.tr](mailto:Mehmet.Agyuz@tofas.com.tr)  
+90 212 337 0917

## ► Yapı Kredi Bank

Kürşad Keteci, Strategic Planning &  
Investor Relations, EVP  
[kursad.keteci@yapikredi.com.tr](mailto:kursad.keteci@yapikredi.com.tr)  
+90 212 339 7323

Hilal Varol, Head of IR  
[hilal.varol@yapikredi.com.tr](mailto:hilal.varol@yapikredi.com.tr)  
+90 212 339 6770

