



KOÇ HOLDING

2021

EARNINGS PRESENTATION

17 FEBRUARY 2022

Agenda



Koç Holding Key Indicators

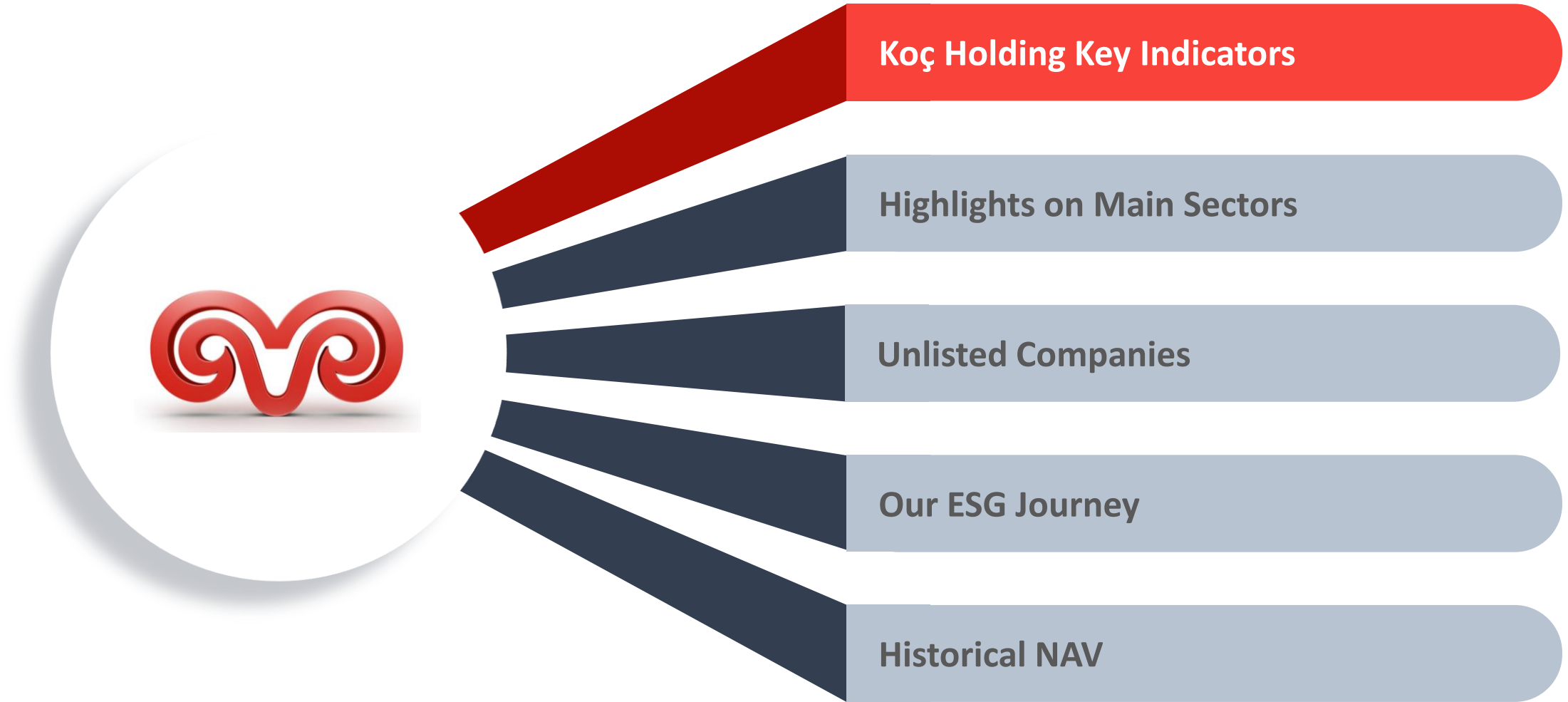
Highlights on Main Sectors

Unlisted Companies

Our ESG Journey

Historical NAV

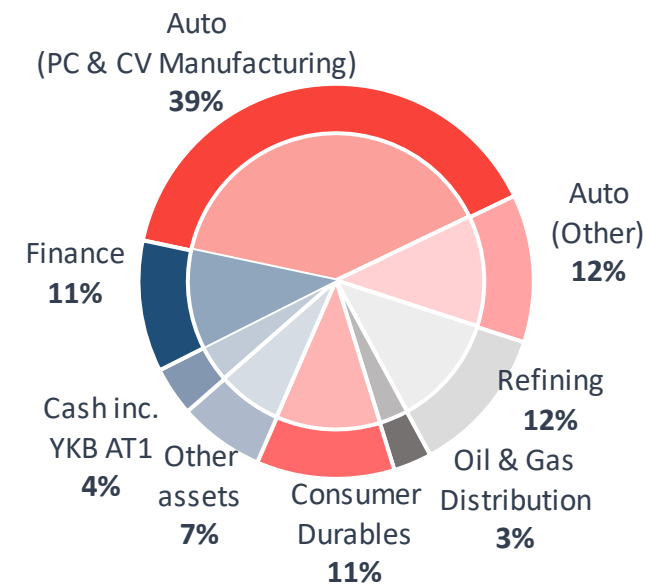
Agenda



Focus on Sustainability and Resilience

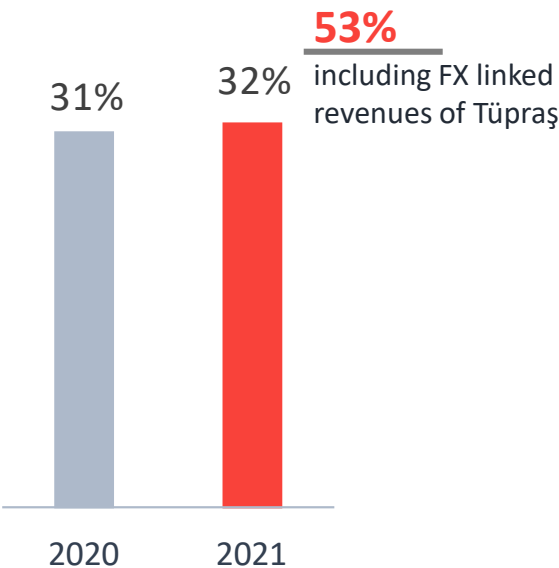
Sectoral & Geographical Diversification

Net Asset Value Breakdown by Sector¹



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

International Revenues / Total Combined Revenues



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

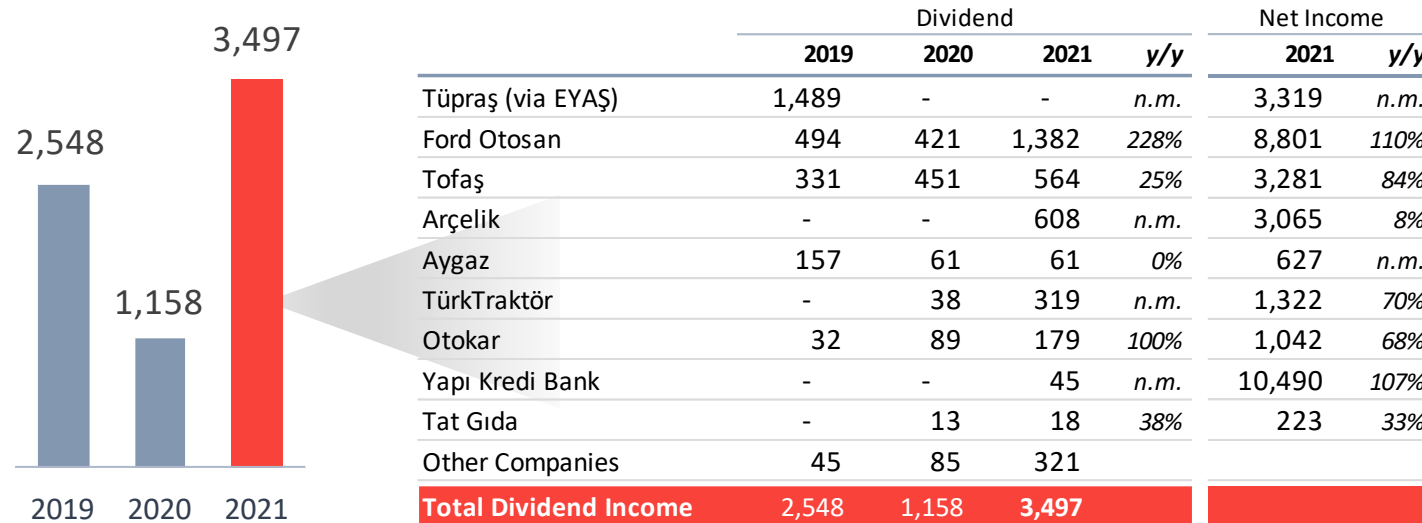
¹ NAV based on company calculation. ~85% of NAV comes from listed assets (31 December 2021 Mcap of each, weighted with effective ownership).

Focus on Sustainability and Resilience

Business Model Ensures Sustainability of Dividend Income

Dividend Income

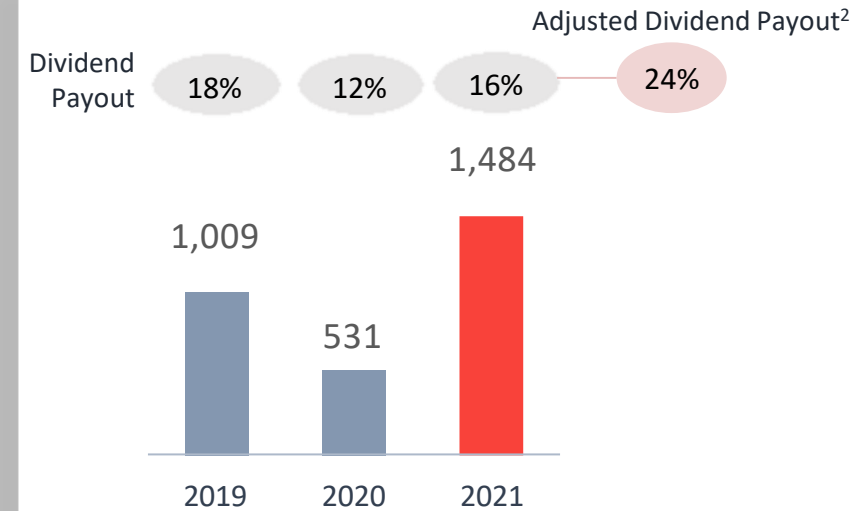
TL Million



- 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 Payout¹

TL Million



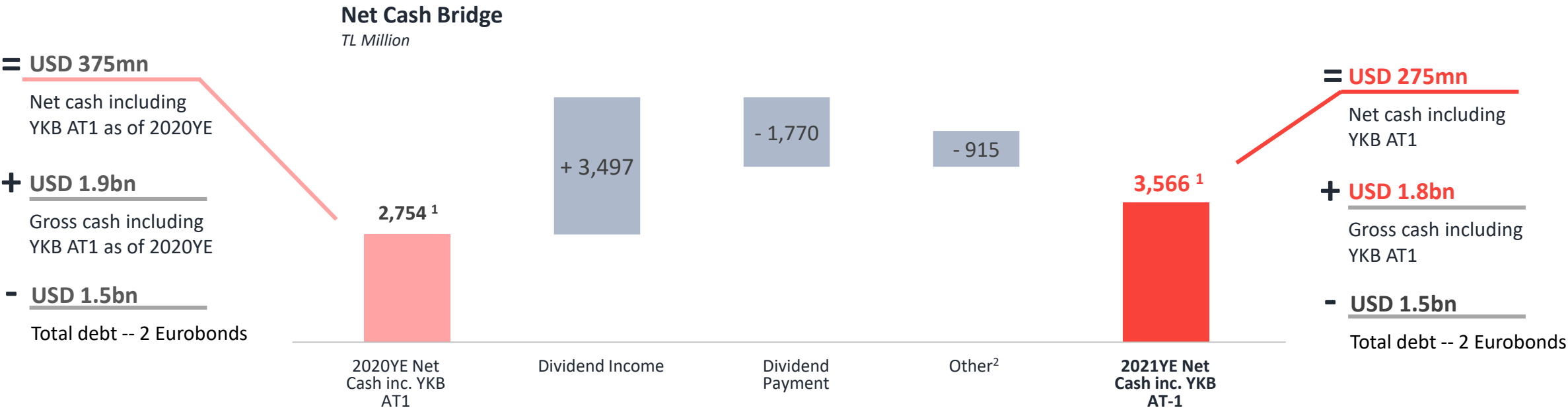
- Flexibility in dividend payments**
- Dividend payment decision based on
 - dividend income
 - investment opportunities
 - net cash position

¹ Dividend payment excluding usufruct shareholders

² Excluding the TL 3bn non-cash one-off income in 2020, linked to the acquisition of additional Yapı Kredi shares

Focus on Sustainability and Resilience

Solid Liquidity Maintained



1 USD net cash amounts are converted to TL in the Net Cash Bridge, using the USDTRY currency rates of 7.3405 for 2020 and 12.9775 for 2021.
2 Other includes management fees, OPEX, currency conversion impacts, net financial income/expense and other.

Key Metrics

Fundamentals Remain Intact on the Back of Prudent Management

Strong Cash Position

USD 275mn

Solo
Net Cash

+ USD 1.6bn

Gross cash



+ USD 213mn

YKB AT-1
Investment

- USD 1.5bn

Total Debt
2 Eurobonds, USD 750mn each¹

Solid Liquidity

1.4x

Current Ratio
on Combined Basis²

Sustainable Leverage

1.1x

Net Financial Debt / EBITDA
on Combined Basis²

Flat FX Position

Flat

Solo
FX Position

+ USD 196mn

Consolidated FX position
after natural hedge³

+ USD 96mn

Consolidated FX position
after natural hedge weighted by
effective ownership

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

² Excluding finance segment

³ Net FX position at +USD 196mn (excluding USD 0.7 bn of loans designating as hedging instruments (mainly Tüpraş and Arçelik) and USD 1.9 bn of natural hedge due to FX linked pricing of Tüpraş and Aygaz inventory)

Agenda



Energy

Rebound in Refining Margins and Inventory Gains Delivered a Positive Bottom-Line

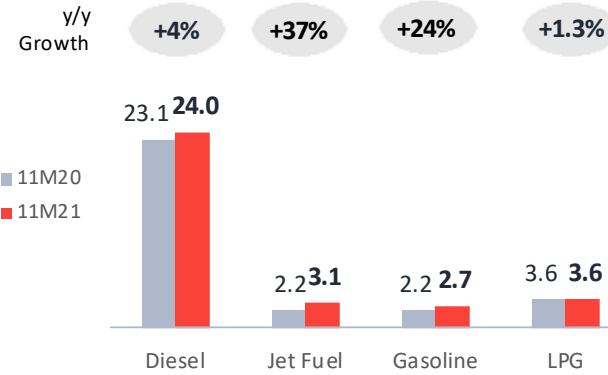
2021 Highlights

- + Growth in domestic demand
- + Inventory gains
- + Higher capacity utilization
- + Rebound in crack margins since August 2021
- Higher natural gas prices

Contribution to Consolidated Net Income: TL 1,675mn, +275% y/y

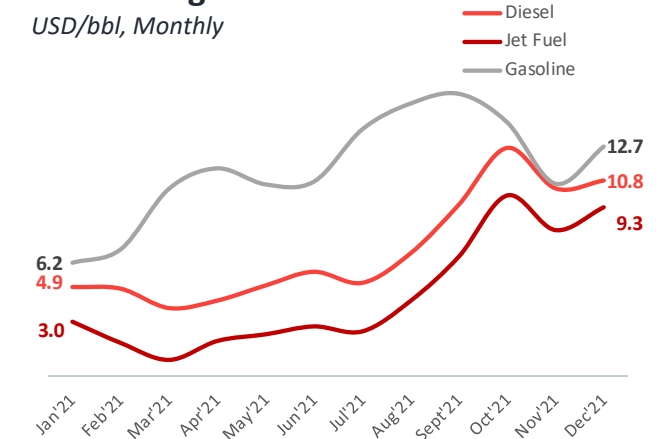
Domestic Market Sales Volume

Million Tonnes



Crack Margins

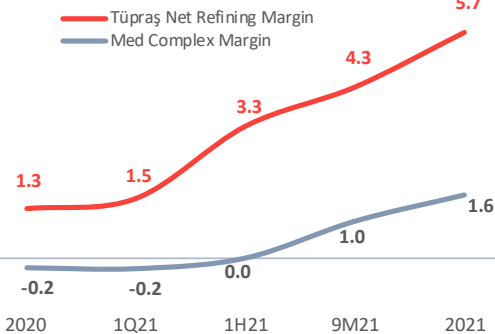
USD/bbl, Monthly



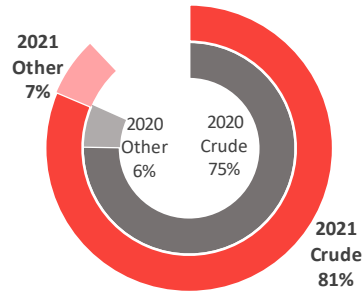
Tüpraş

Refining Margins

USD/Bbl

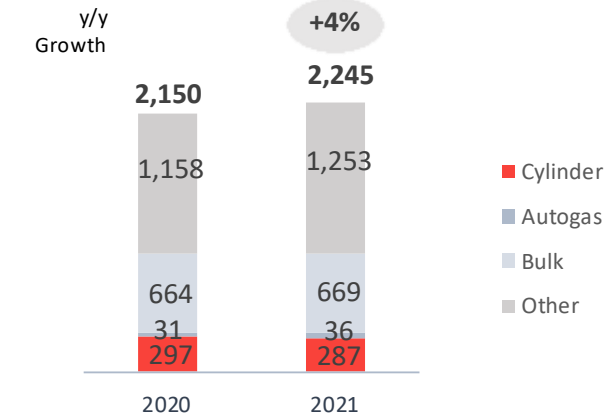


Capacity Utilization



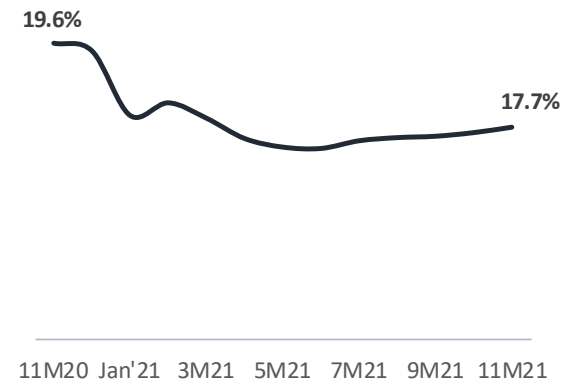
Aygaz Sales Volume

Thousand Tonnes



Opet -- #2 in White Products

Market Share



Automotive

Solid Export Contracts, Favorable Product Mix and Currency Tailwinds

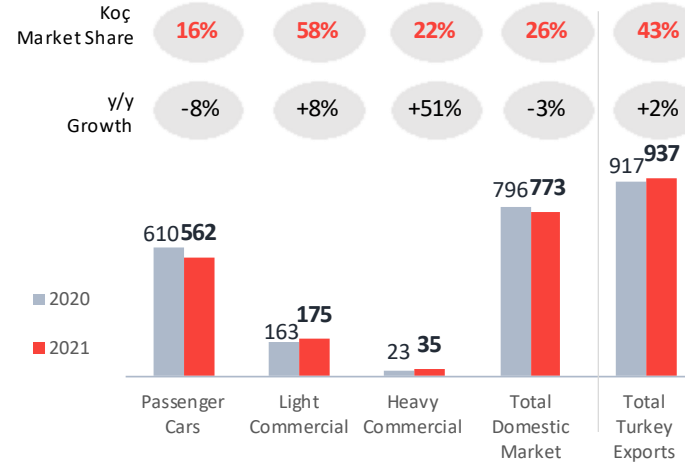
2021 Highlights

- + Domestic commercial vehicle market growth
- + Strong export performance supported by currency tailwinds
- + Solid export contracts
- + Opex control and pricing discipline
- Production interruptions due to semi-conductor availability

Contribution to Consolidated Net Income: **TL 7,012mn, +94% y/y**

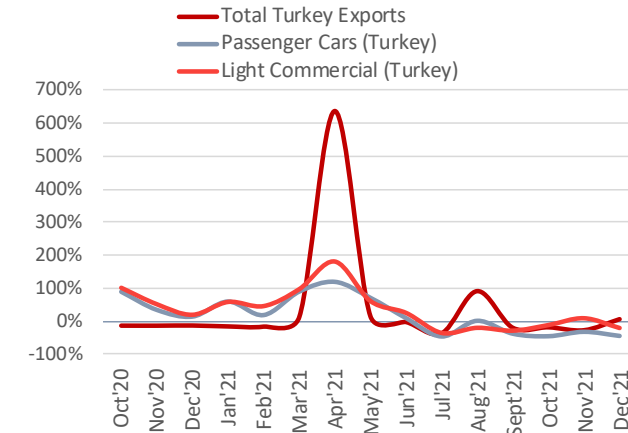
Sales Volume

Thousand Units



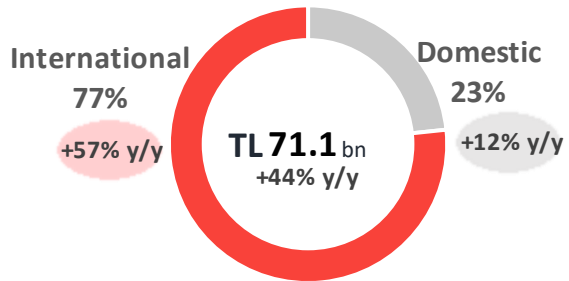
Monthly Growth Trend

y/y



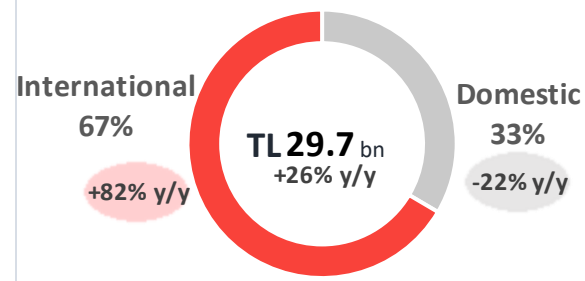
Ford Otosan

Revenues
TL Billion



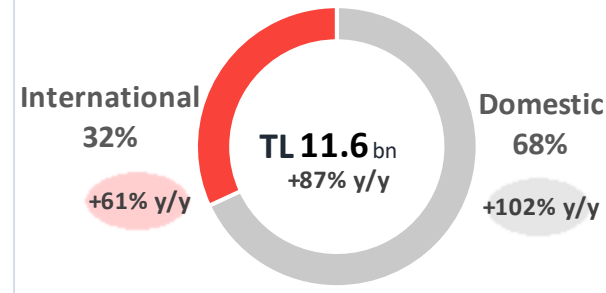
Tofaş

Revenues
TL Billion



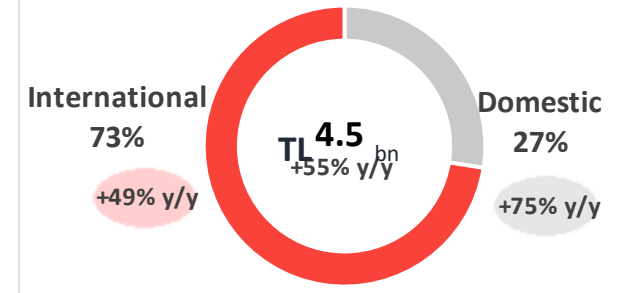
TürkTraktör

Revenues
TL Billion



Otokar

Revenues
TL Billion



Consumer Durables

Newly Acquired Operations and Currency Tailwinds Supported Top Line Growth

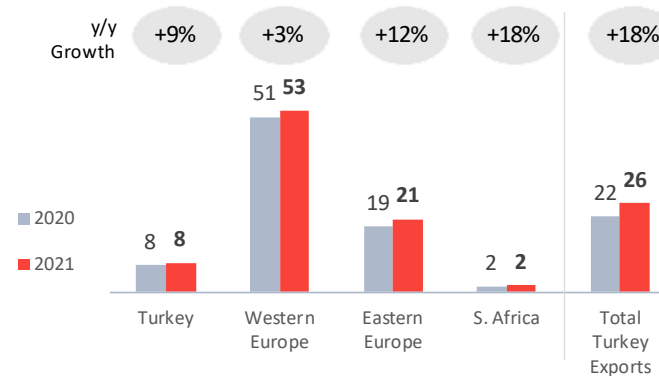
2021 Highlights

- + Strong domestic and international revenues
- + Contribution of newly acquired operations
- + Currency tailwinds
- Higher raw material prices

Contribution to Consolidated Net Income: **TL 1,311mn, +17% y/y**

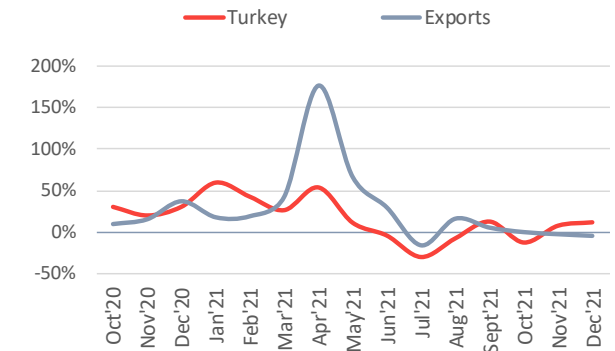
Sales Volumes Across Markets¹

Million Units



Monthly Growth Trend

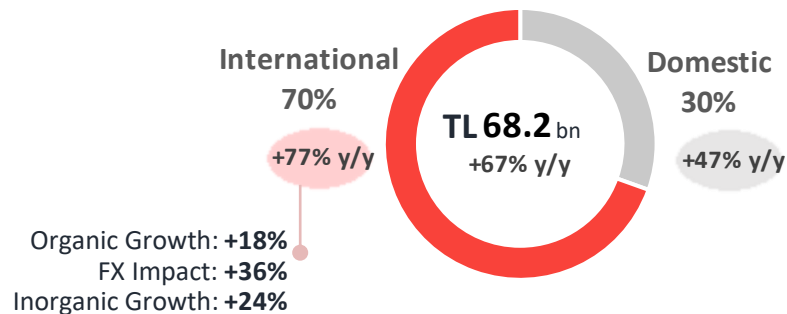
y/y



Arçelik

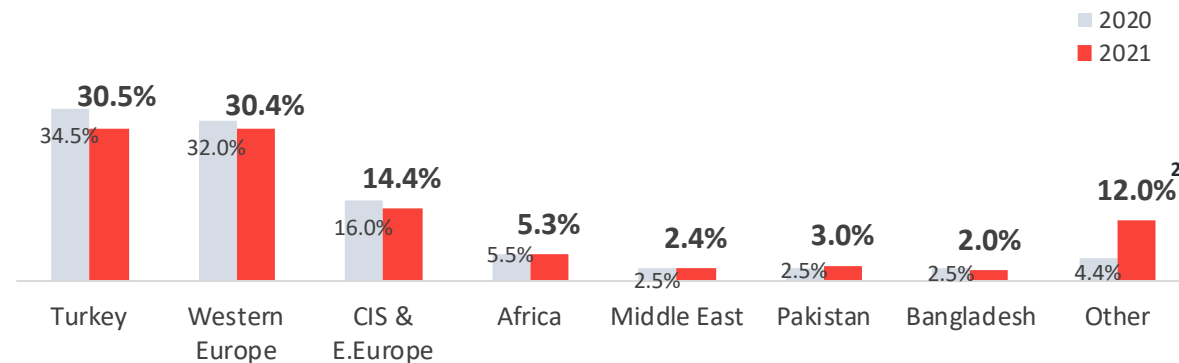
Total Revenues

TL Billion



Regional Breakdown of Revenues

TL Billion



White Goods Manufacturing Association data used for Turkish market; retail panel data used for international markets

¹ Western Europe data as of 11M, other market data as of 10M

² Revenue from Arçelik-Hitachi Home Appliances is shown in Other

Finance

Strong ROTE Performance Driven by Lower Net Cost of Risk and Stellar Fee Income

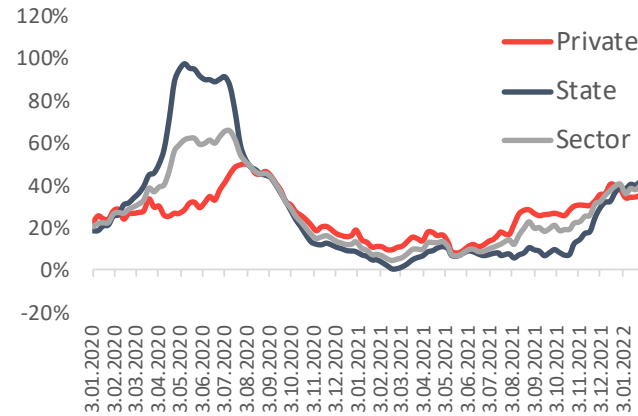
2021 Highlights

- + Small ticket loan growth and increased share of demand deposits
- + Lower CoR on the back of strong collections
- + Across the board improvement in fee income
- + Comfortable capital buffers and transition to the IRB approach
- Decline in cumulative Core NIM due to elevated funding costs

Contribution to Consolidated Net Income: TL 4,593mn, +123% y/y

TL Lending Growth

13 Weeks Annualized



Sector's Loans & Deposits

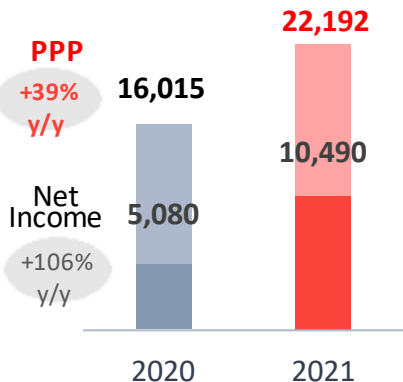
TL, USD Billion

	2021	q/q	ytd
Loans	4.9	26%	37%
+ TL	2.8	15%	20%
+ FC (USD)	0.2	-6%	-5%
Customer Deposits	5.3	36%	54%
+ TL	1.9	9%	22%
+ FC (USD)	0.3	4%	0%

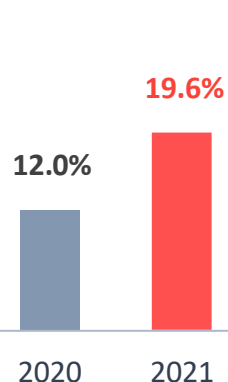
Yapı Kredi

Pre-Provision Profit¹ (PPP)

TL Million

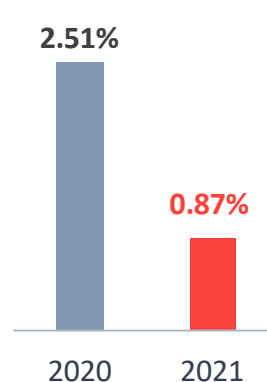


ROTE

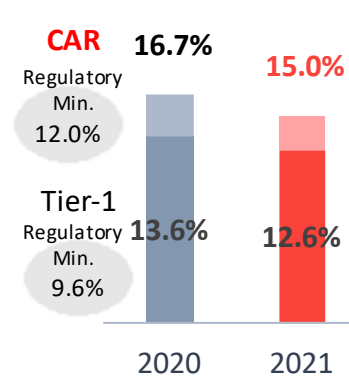


Net Cost of Risk⁴

exc. Currency Hedge, Cumulative



Solvency Ratios¹



Selected Balance Sheet Figures

TL Billion

	2021	q/q	ytd
Loans²	403.1	20%	43%
+ TL	223.8	6%	34%
+ FC (USD)	13.8	-3%	-12%
Customer Deposits	412.8	30%	59%
+ TL	140.1	6%	35%
+ FC (USD)	21.0	0%	-1%
Demand/Total Deposits	43%	5pp	7pp
Loans/(Total Deposits+TL Bonds)	94%	-7pp	-11pp
NPL Ratio³	4.7%	-0.7pp	-2.1pp
Provisions / Gross Loans	6.9%	0.0pp	-0.9pp

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.

4 Reported CoR- 2021:2.14% , 2020: 2.90%

Group's 2021 Financial Performance

Robust y/y Performance at all Segments

Financial Performance

TL Million

	Energy	Automotive	Consumer Durables	Finance	Other	TOTAL	
Combined Revenues¹	229,549	139,015	76,889	73,514	25,365	544,332	
<i>Change (y/y)</i>	98%	41%	63%	63%	38%	68%	
Segment Share in Total	42%	26%	14%	14%	5%		
Combined Operating Profit²	16,125	18,214	5,110	13,488	878	53,814	
<i>Change (y/y)</i>	n.m.	82%	17%	115%	61%	143%	
Segment Share in Total	30%	34%	9%	25%	2%		
Combined Profit Before Tax	3,970	16,395	3,646	13,488	1,467	38,966	Normalized y/y⁴
<i>Change (y/y)</i>	215%	92%	8%	114%	n.m.	108%	2.6x
Combined Net Income	4,891	15,961	3,203	10,125	1,212	35,392	
<i>Change (y/y)</i>	323%	93%	17%	117%	n.m.	105%	2.6x
Consolidated Net Income³	1,675	7,012	1,311	4,593	602	15,193	
<i>Change (y/y)</i>	275%	94%	17%	123%	n.m.	64%	2.6x

¹ Before revenue eliminations

² Excluding FX gains/losses and credit finance income/charges on trade receivables and payables (Combined operating profit reported in 2021 financial report is TL 43,336 mn)

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

⁴ Excluding one-offs in 1Q20: (i) TL 3 bn net gain, resulting from the bargain purchase and change of control at YKB, (ii) TL 0.4 bn termination fee income

Agenda



Value within Unlisted Companies

Eye-catching Performance of Unlisted Companies

Unlisted Financials

TL Million

	Revenues		EBITDA ¹		Book Value (SHE)	
	2021	y/y	2021	y/y	2021	y/y
Arçelik LG Klima	2,105	52%	146	8%	528	20%
Bilkom	5,442	23%	183	21%	283	4%
Düzey	2,679	6%	83	47%	51	72%
Entek	1,760	40%	365	-4%	1,200	-2%
Koç Finansman	800	78%	183	43%	616	27%
KoçSistem	3,112	53%	203	42%	176	46%
Koçtaş	2,839	47%	328	44%	302	64%
Marina / Ayvalık	10	36%	4	30%	22	21%
Marina / Tek-Art Kalamış	113	42%	30	129%	336	17%
Opet ³	56,007	45%	3,018	n.m.	4,978	78%
Otokoç Otomotiv	19,262	35%	3,724	65%	4,426	93%
Ram Dış Ticaret	5,044	35%	57	117%	61	21%
RMK Marine	276	285%	39	170%	125	52%
Setur	1,460	n.m.	101	n.m.	336	n.m.
Token	331	34%	156	10%	317	91%
Wat	837	n.m.	83	n.m.	324	n.m.
Zer	6,537	66%	299	89%	410	23%

✓ **Sendeo:** cargo distribution businesses. Targets a total of \$ 60mn investments until 2025.

✓ **Inventram:** invests in early-stage start-ups on technology and innovation. Inventram invested in 9 high-tech companies, 5 of which are in the US.

- An integrated player in the electricity market
 - Total installed capacity **436 MW²**
 - Acquired first wind power plant in 2021 – **60 MW²**
- Operational performance was impacted by lower hydrology
- Second biggest distribution company by volume
- Strong EBITDA in 2021 supported by growth in domestic demand and inventory gains
- Leading automotive retailing & car leasing company
- Currency tailwinds on international operations, EBITDA margin improved to 19.3%
- Significant jump in its book value to TL 4.4bn
- Fintech company with leadership in cash register POS segment
- Launched the new generation digital meal card, “TokenFlex”
- Token Payment Services and Electronic Money (PSEM) aims to provide end-to-end solutions in e-commerce to enterprises and marketplaces.
- Applied to the CBRT for the e-money license
- Production & sale of engines, engine components, power transmission equipment and servo systems

Financials for unlisted companies disclosed semi-annually

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

² As of August 2021. Entek closed the deal with STEAG regarding the acquisition of a 60MW wind power plant.

³ Opet's 2020 EBITDA and book value includes TL 325 mn penalty from Competition Authority

Agenda



Our ESG Journey

We are committed to be carbon neutral by 2050

- ✓ Koç Group has committed to be **carbon neutral by 2050**
- ✓ We have launched **the Carbon Transition Program** across the Koç Group
 - Analyze climate-related risks & opportunities, and devise action plans
 - Set the Group's roadmap & goals towards the target of being carbon neutral by 2050
 - Follow-up global & national policies and practices focused on climate, in particular, the European Green Deal

International Commitments of Koç Holding

- The first company from Turkey to be a signatory of the International Business Council's **Stakeholder Capitalism Metrics**

- Became supporter of **Task Force on Climate-Related Financial Disclosures (TCFD)**



- One of the first signatories of **UN Global Compact & UN WEPS**



Agenda

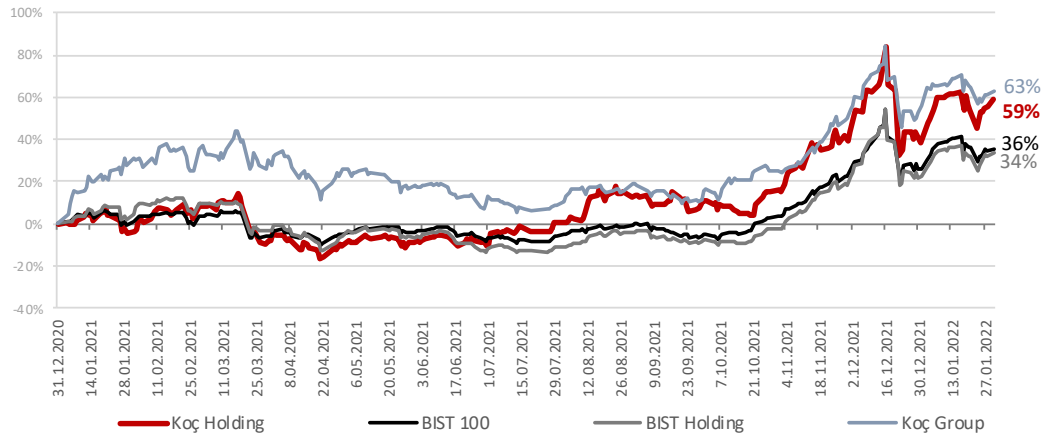


Historical NAV Discount

Unwarranted NAV Discount Given Strong Fundamentals, Initiation of Buyback Program

Relative Share Performance of Koç Holding vs. Koç Group¹

Rebased at 2020YE



NAV Discount/Premium²



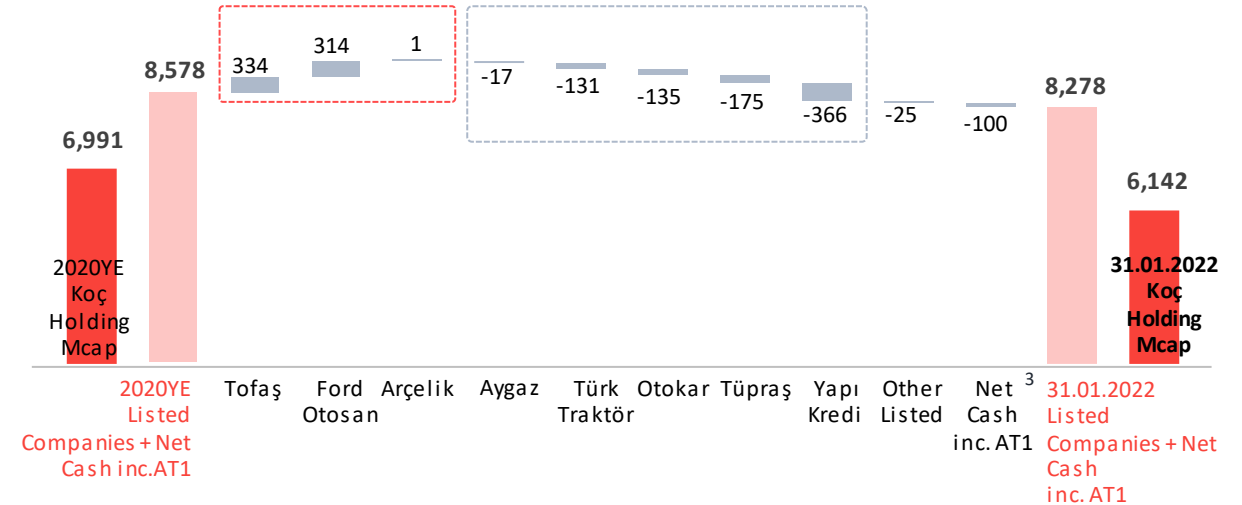
¹ Koç Group's data is excluding Koç Holding.

² 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

³ Change in Net Cash inc. AT1 represents the change between 2020YE (USD 375 mn) and 2021YE (USD 275 mn).

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

Koç Holding initiated its first Share Buyback Program in July 2021:

- Total size of the Program: ~5% of free float, 1.4% of capital
- Total buyback as of 31 January 2022:
 - ~890K shares (0.035% of capital)



Q&A

Appendix - Consolidated Key Financial Figures

Consolidated Main Financial Indicators

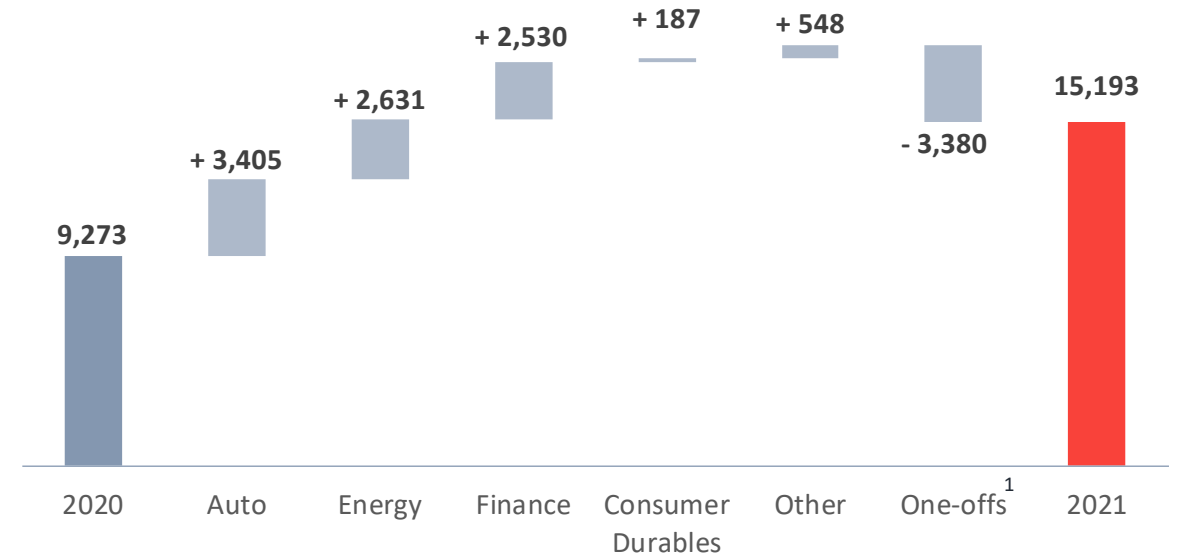
TL Million

	2020	2021	y/y
Revenues	183,777	346,689	89%
Gross Profit	44,331	80,064	81%
Operating Profit	16,832	34,675	106%
Profit Before Tax	13,840	29,129	110%
Net Income Before Non-controlling Interest	12,633	26,185	107%
Non-controlling Interest	3,361	10,992	227%
Net Income After Non-controlling Interest	9,273	15,193	64%

	2020	2021	y/y
Total Assets	630,101	1,020,553	62%
Total Equity	88,071	121,105	38%
Shareholders' Equity	46,342	63,641	37%

Consolidated Net Income

TL Million



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

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

Appendix - Unlisted Companies

Unlisted Summary Financials

TL Million

	Koç Holding Direct Share	Revenues		Operating Profit ¹		EBITDA		Book Value (SHE)	
		2020	2021	2020	2021	2020	2021	2020	2021
Arçelik LG Klima	5.00%	1,385	2,105	117	126	136	146	438	528
Bilkom	69.94%	4,436	5,442	147	180	151	183	273	283
Düzey	31.23%	2,528	2,679	42	65	56	83	30	51
Entek	49.62%	1,257	1,760	330	299	380	365	1,221	1,200
Koç Finansman	44.50%	450	800	120	176	128	183	486	616
KoçSistem	41.11%	2,037	3,112	67	113	142	203	121	176
Koçtaş	37.13%	1,937	2,839	125	190	227	328	185	302
Marina / Ayvalık	7.72%	8	10	3	3	3	4	19	22
Marina / Tek-Art Kalamış	33.82%	80	113	7	23	13	30	288	336
Opet ²	--	38,623	56,007	514	2,586	907	3,018	2,801	4,978
Otokoç Otomotiv	96.32%	14,260	19,262	1,567	2,691	2,256	3,724	2,299	4,426
Ram Dış Ticaret	39.74%	3,746	5,044	25	56	26	57	50	61
RMK Marine	40.53%	72	276	10	35	15	39	82	125
Setur	24.11%	1,340	1,460	168	68	198	101	292	336
Token ³	54.44%	247	331	138	143	142	156	166	317
Wat	--	--	837	--	70	--	83	--	324
Zer	39.54%	3,942	6,537	151	292	158	299	333	410

Sendeo: cargo distribution businesses, targets a total of \$ 60mn investments until 2025.

Inventram: invests in early-stage start-ups on technology and innovation. Inventram invested in 9 high-tech companies, 5 of which are in the US.

Financials for unlisted companies disclosed semi-annually

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

² Opet's 2020 operating profit, EBITDA and book value includes TL 325 mn penalty from Competition Authority. Opet's objection to the decision and claim for refund has been accepted by the Court, and this penalty together with its accrued interest has been paid back to Opet in 3Q21.

³ Token transaction was completed on 8 May 2020

Appendix - 2022 Expectations of the Listed Group Companies

TÜPRAŞ	2021A	2022E
Sector		
Med Complex (\$/bbl)	1.6	2.0-3.0
Tüpraş		
Net Margin (\$/bbl)	5.7	4.0-5.0
CUR	88%	90-95%
Production (mn tons)	26.3	~26-27
Sales (mn tons)	27.6	~28-29
Capex (\$ mn)	152	~300

AYGAZ	2021A	2022E
Aygaz Volume ('000)		
Cylinder	287	280-290
Autogas	669	690-720
Market Share		
Cylinder	41.2%	41%-43%
Autogas	21.5%	21.5%-22.5%

TOFAŞ	2021A	2022E
Sector ('000)		
Total TR LV Sales	737	700-750
Tofaş ('000)		
Retail Sales	125	125-140
Exports	113	125-140
Production	229	240-270
Capex (€ mn)	100	100

FORD OTOSAN	2021A	2022E
Sector ('000)		
Total TR Sales	766	800-850
Ford Otosan ('000)		
Retail Sales	74	90-100
Exports	289	350-360
Production	348	430-440
Capex (€ mn)	313	620-670

TÜRKTRAKTÖR	2021A	2022E
Sector ('000)		
Total TR Tractor Sales	64	53-59
TürkTraktör ('000)		
Domestic sales	32.6	26.5-30.0
Exports	16.2	16.5-18.5
Capex (TL mn)	323	450-600

ARÇELİK	2021A	2022E
Revenue	67%	>60%
Turkey (in TL)	47%	~35%
International (in FX)	36%	~20%
EBITDA Margin	10.6%	~10.5%
Capex (€ mn)	228	~220
Working Capital / Sales	26%	~25%

YKB	2021A	2022E
Volumes		
TL Loans	34%	High-Twenties
FX Loans (usd)	-12%	Shrinkage
NIM	-59bps	~+100bps
Fee growth	40%	High-Twenties
Costs	26%	<Average CPI
CoR	87bps	<150bps
RoTE	19.6%	Improvement

Appendix - Shareholding Structures

Koç Holding

Koç Family: 64.3%¹
Free Float: 26.4%
Vehbi Koç Foundation: 7.3%
Koç Pension Fund: 2%
Share Buyback: 0.04%

Energy

Tüpraş

EYAŞ: 51%
Free float: 49%

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%⁴

Automotive

Ford Otosan

KH: 39%
Ford Motor Co.²: 41%
Other Koç: 2%
Free float: 18%

Tofaş

KH: 38%
FCA³: 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: 20%
Share Buyback: 5.4%

Finance

Yapı Kredi Bank

KH: 9.02%
UniCredit: 18%
KFS: 40.95%
Free float: 32%

KH: 43.6%⁵

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%

Contact Koç Holding Investor Relations

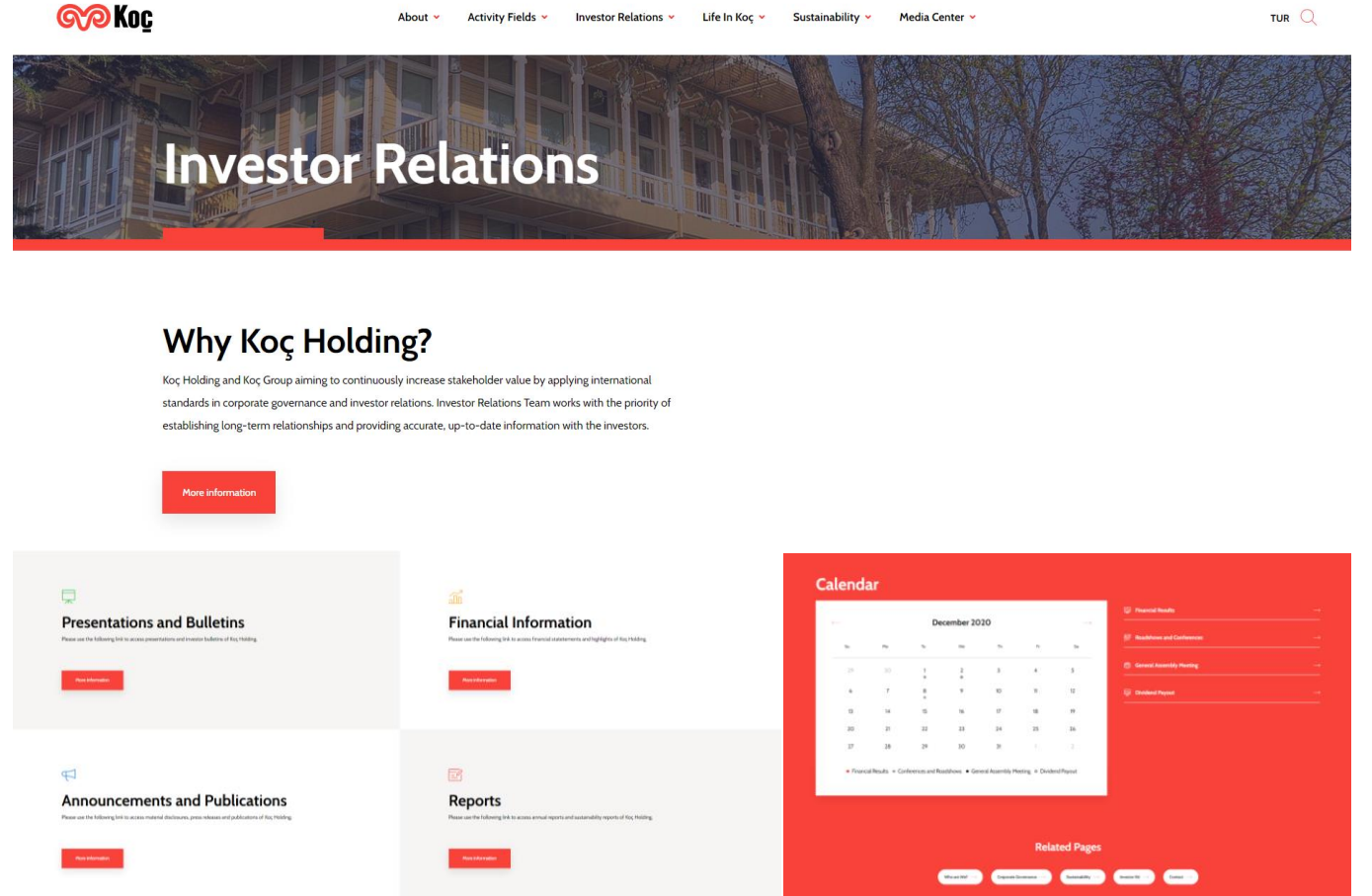
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Disclaimer

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