

# ÜLKER

## Investor Presentation 3<sup>rd</sup> Quarter 2023

Istanbul, 10 November 2023

# AGENDA

01 Business & Strategy Update

02 Quarterly Update

03 Domestic Operations

04 Export and International Operations

05 Balance Sheet Highlights

06 2023 Guidance



# Solid performance continues in Q3'23

- ✓ **Broad-based top line growth** ; driven by strong «back to school», new launches and timely pricing
- ✓ Outperforming robust momentum in **Gross profit margin 610 bps** above prior year showing very successful implementation of our strategies and tactics
- ✓ **Q3'23 EBITDA** grew significantly by 112.9%, **outpacing revenue growth**, and reached TL 2,669 million with margin expansion of **430 bps in 3Q2023**
- ✓ **Net Debt to EBITDA** ratio continued to improve, reaching 1.9x as of September 30, 2023
- ✓ Revising up full-year revenue growth outlook to **42,5 mnTL** and EBITDA outlook to **19,75%**






# 9M'23 Consolidated performance highlights



  
Revenue

**32.032 MTL**  
Growth +  **67,0%**


  
Gross Profit

**10.654 MTL**  
Growth +  **91,4%**


  
EBITDA

**6.927 MTL**  
Growth +  **90,7%**

  
Net Debt/  
EBITDA

Sep'23 : **1,91x**  
Dec'22 : **2,26x** 

  
Gross Margin

**33,3%**   
Growth + 420bps



# Q3'23 Consolidated performance highlights



  
Revenue

**12.409 MTL**  
Growth +  **69,9%**


  
Gross Profit

**4.186 MTL**  
Growth +  **107,1%**

  
EBITDA

**2.669 MTL**  
Growth +  **112,9%**

  
Net Debt/  
EBITDA

Sep'23 : **1,91x**  
Dec'22 : **2,26x** 

  
Gross Margin

**33,7%**   
Growth + **610bps**



# Consolidated operational and financial performance

TL ('000)	Q3'23	Q3'22	%		9M'23	9M'22	%	
Total Volume (Ton)	177.702	163.406	8,7%	●	502.078	500.853	0,2%	●
Total Revenue	12.408.578	7.301.821	69,9%	●	32.032.188	19.178.880	67,0%	●
Gross Profit	4.186.235	2.020.902	107,1%	●	10.654.164	5.567.702	91,4%	●
Gross Profit Margin	33,7%	27,7%	6,1 ppt	●	33,3%	29,0%	4,2 ppt	●
EBITDA	2.669.171	1.253.751	112,9%	●	6.927.254	3.632.747	90,7%	●
EBITDA Margin	21,5%	17,2%	4,3 ppt	●	21,6%	18,9%	2,7 ppt	●
Net Income / Loss (Equity Sholders of the parent)	1.456.056	-217.078	770,8%	●	659.305	-1.336.418	149,3%	●
Net Income %	11,7%	-3,0%	14,7 ppt	●	2,1%	-7,0%	9,1 ppt	●



**Strong volume performance, ongoing price execution and cost discipline supported the quarterly results**

# AGENDA

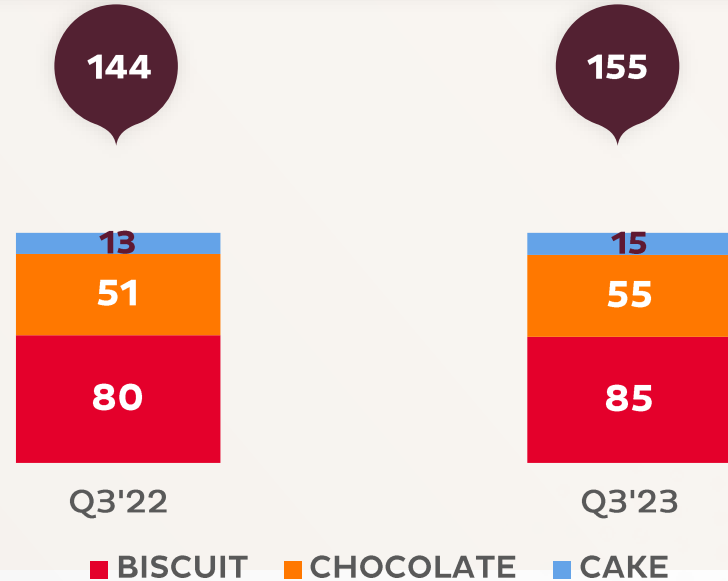
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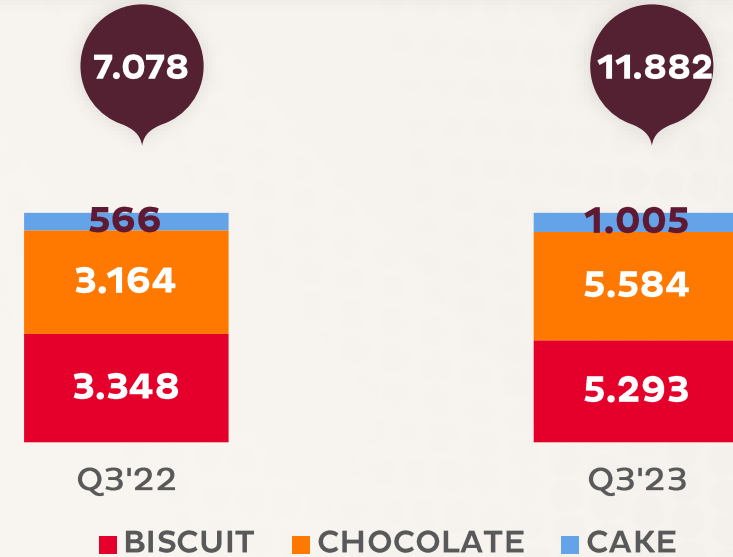
# Volume and value growth in all regions and categories in Q3'23

## Snacking Sales Volume (Ktons)



- Total snacking sales volume increased by **7,9%** in Q3'23 partly driven by high base impact and change in the category/product mix
  - Biscuit volume increased by **6,5%** due to strong Consumer demand supported with «back to school » activities
  - Chocolate volume grew by **8,9%** driven by successfully implement ATL activities and back to school period mainly contributed from our international operations
  - Cake volume was up by **12,8%** driven by successful ATL & BTL activities supported with new launches

## Snacking Sales Value (Mtl)



- Total snacking revenue increased by **67,9%** supported with strong volume and revenue growth across all operations in all segments.
  - Biscuit sales was up by **58,1%** with the positive contribution of the volume growth and effective marketing strategies in Türkiye operations
  - Chocolate sales was up by **76,5%** driven by volume growth and a favorable product mix
  - Cake sales was increased by **77,7%** on the back of new launches and ATL&BTL activities and volume growth







# Türkiye – Strong #1 in total snacking

## Biscuits–39% Market Share

#1 in Petit Beurre



#1 in Creamy Biscuits



#1 in Special Biscuits



#2 in Cracker



#1 in Sandwich Bisc.



#1 in Chocolate Filled



## Chocolate–39% Market Share

4 out of Top 5 in Chocolate Covered



#1 in Solid Chocolate



## Cake–21% Market Share

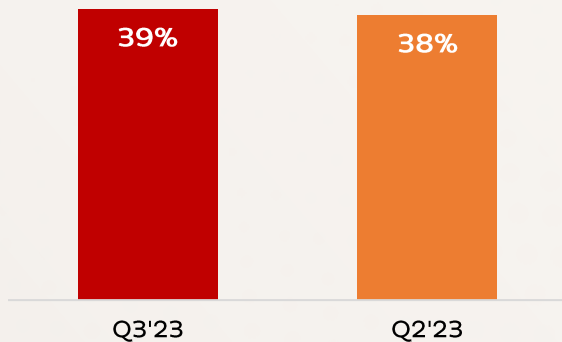
#1 in Family Cake



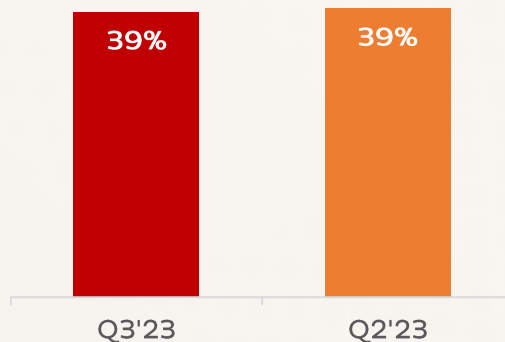
#2 in Portion Muffin Coated Cake



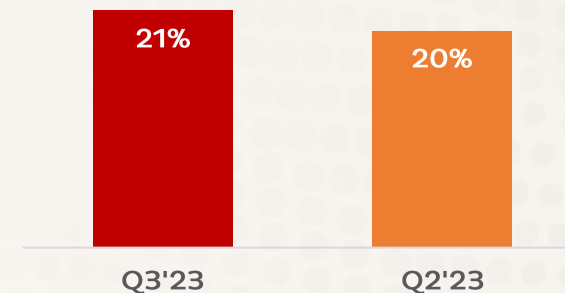
## Market Share Development in Value(\*)



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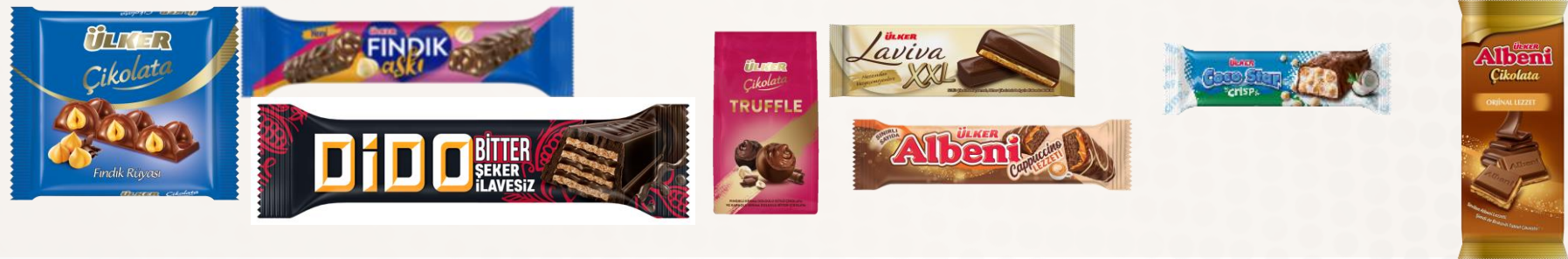


(\*) Source : Nielsen & Ipsos



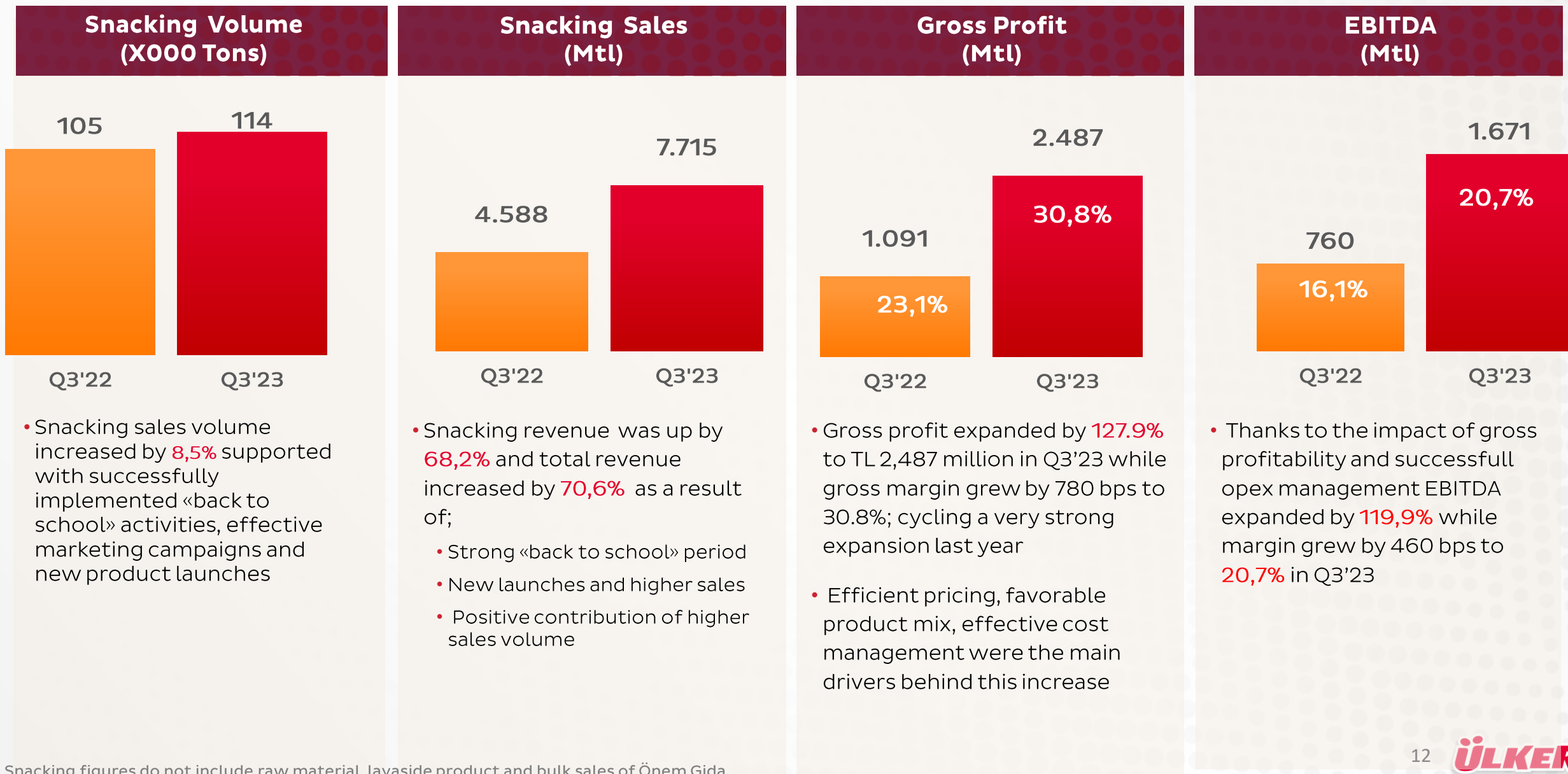
# Türkiye-NPD sales contribute 12% of total domestic sales in Q3'2023

## 2023 New Product Launches





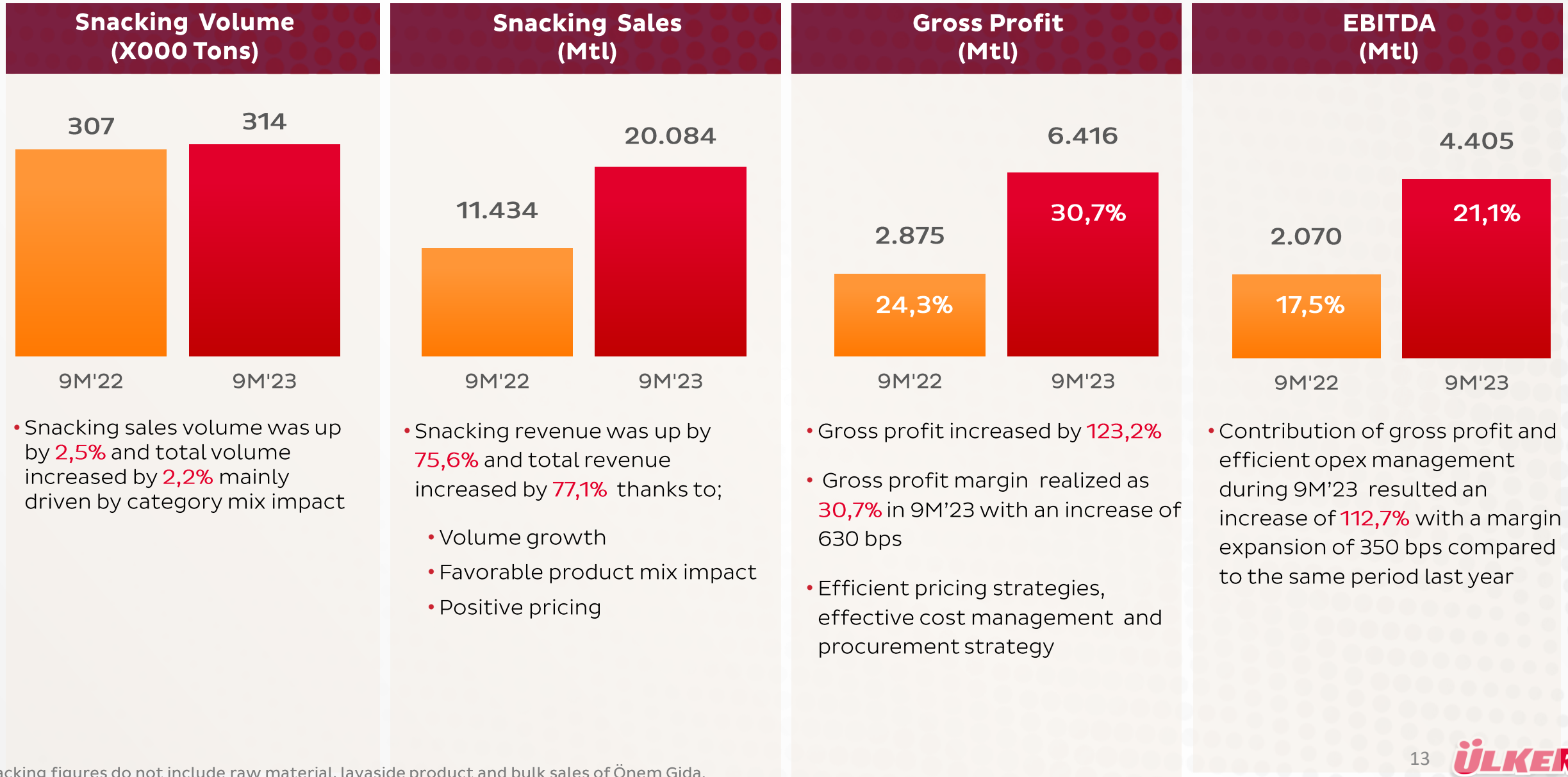
# Outstanding Q3'23 results in Türkiye – Growth in all metrics



Snacking figures do not include raw material, layaside product and bulk sales of Önem Gıda.



# Results beyond expectations in 9M'23



Snacking figures do not include raw material, layaside product and bulk sales of Önem Gıda.



# International : Continue to grow in our main hubs

## Biscuits-23,5% M.Share (\*)



#1 in Plain



#1 in Filled



#1 Coated



#2 in Filled Wafer



#4 in Wafer



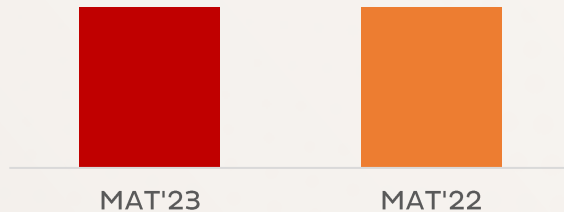
#4 in Sandwich Bisc.



#2 in Digestive



## M.Share\* Development in Value Based



(\*) Source : MAT (Moving Annual Total) Nielsen Data

## Biscuits-18,6% M.Share (\*)



#1 in Filled (Biskrem and Tamr brands)



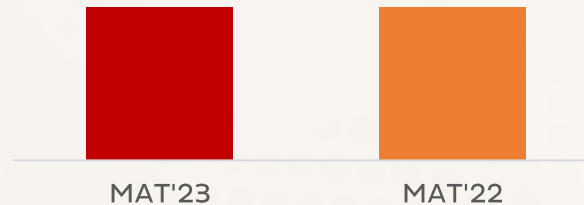
#1 in Digestives



#2 in Plain (Tea biscuits and Finger biscuits)



## M.Share\* Development in Value Based



## Chocolate-16,6% M.Share (\*)



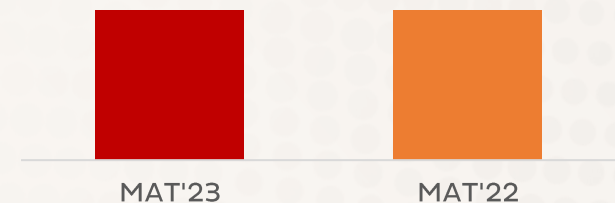
#1 in Biscuits with Filling



#2 in Countline



## M.Share\* Development in Value Based





# NPD Sales contribute 5% of total international sales in 3Q'23

## Saudi Arabia



## Egypt



## Kazakhstan

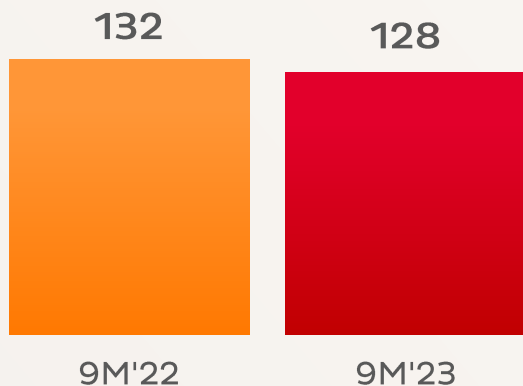






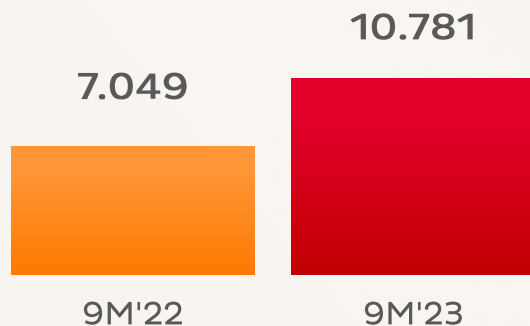
# Strong 9M'23 performance

## Snacking Volume (X000 Tons)



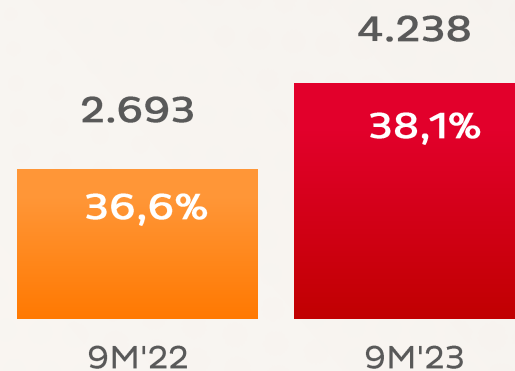
- Snacking volume decreased by **2,8%** on the back of pricing and sizing activities in biscuits category

## Snacking Sales (Mtl)



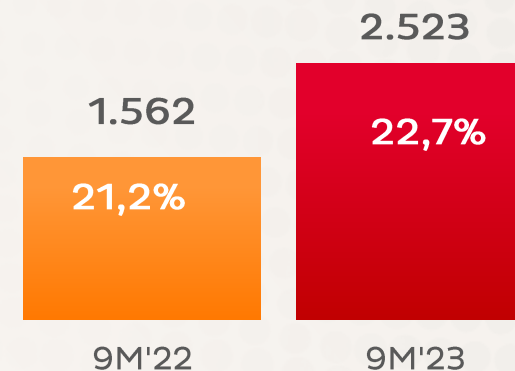
- On the back of effective pricing strategy and supported with currency impact, snacking revenue up by **53,0%**

## Gross Profit (Mtl)



- Gross Profit increased by **57,4%** and gross margin increased by 160 bps and realized as **38,1%** thanks to the strong sales performance in all regions and disciplined cost and procurement management

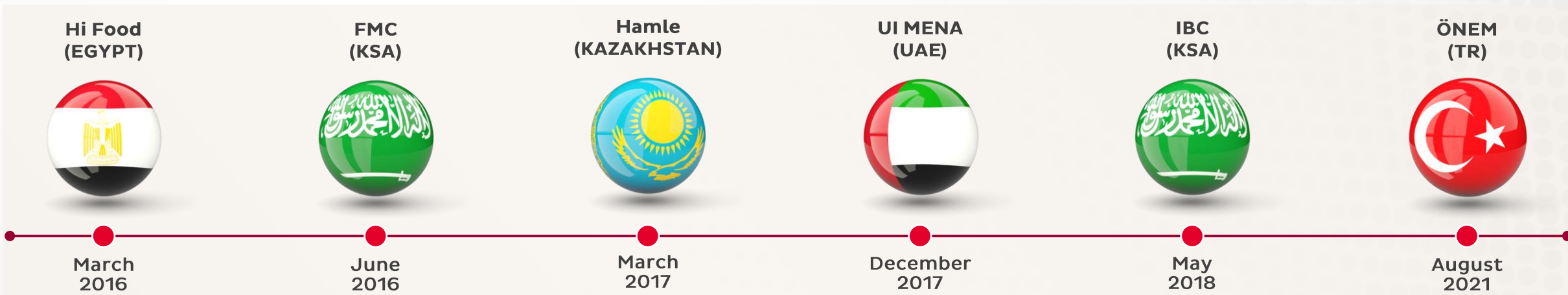
## EBITDA (Mtl)



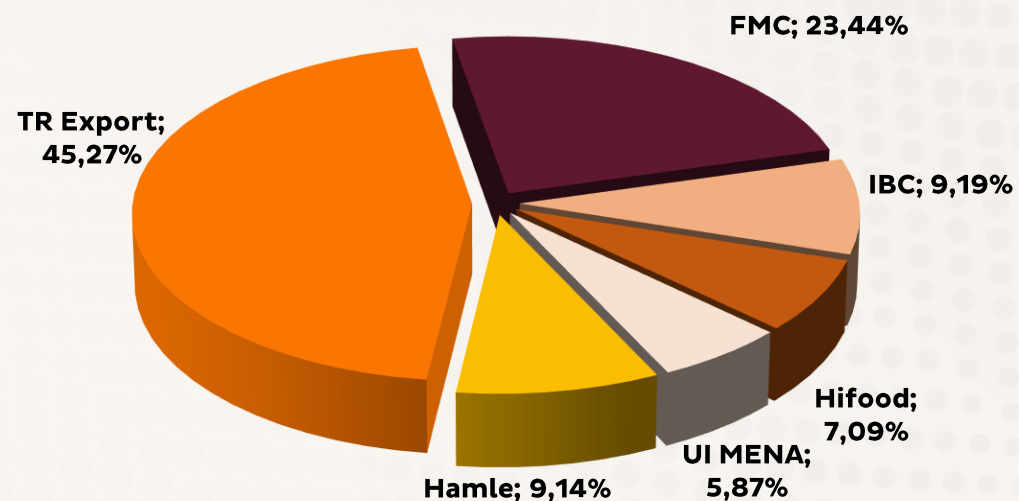
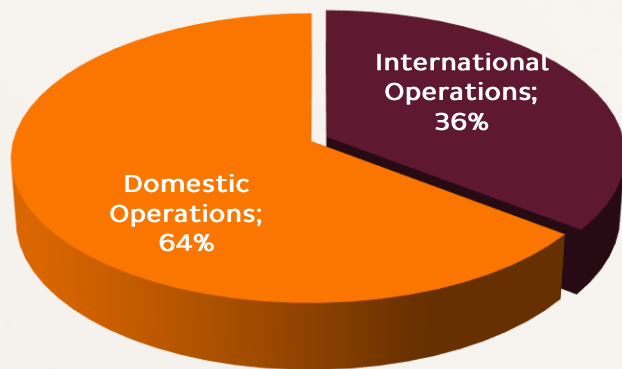
- EBITDA in 9M'23 realized at 2.523mn TL with an increase of **61,5%** thanks to the effective pricing actions and cost management



# International Operations



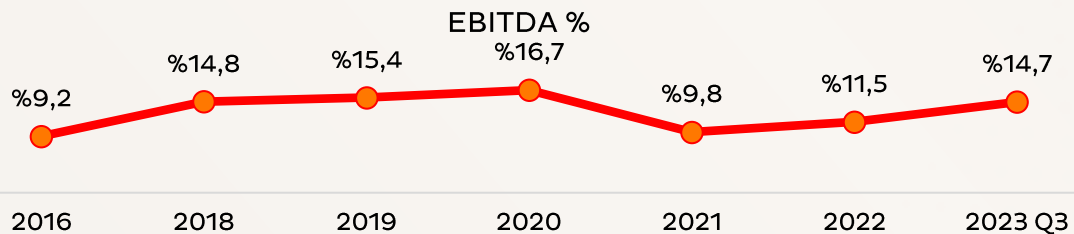
## EBITDA Contribution of International Business-9M '23





# International operations EBITDA % development in years

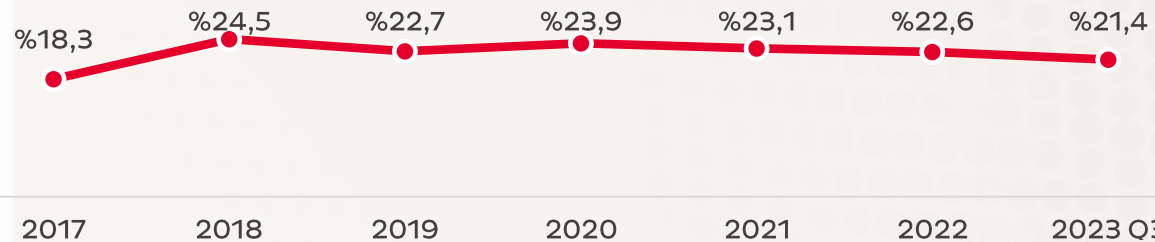
## NORTH AFRICA (HIFOOD)



**Current EBITDA %**  
14,7%

**Total EBITDA Contribution**  
2,6%

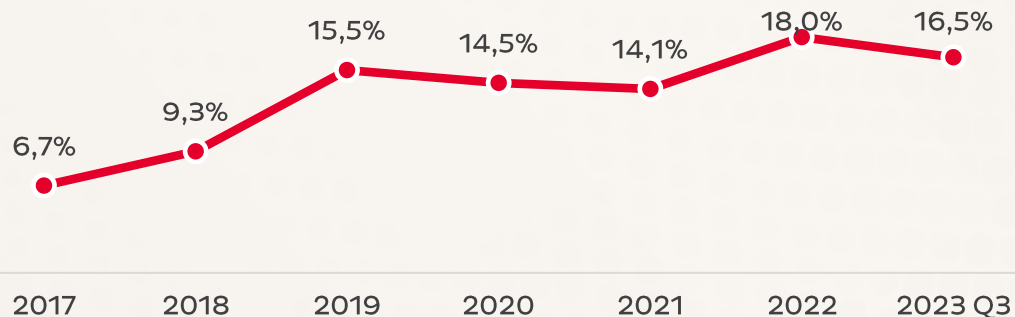
## MIDDLE EAST (FMC-IBC-UI MENA)



**Current EBITDA %**  
21,4%

**Total EBITDA Contribution**  
14,0%

## CENTRAL ASIA (HAMLE)



**Current EBITDA %**  
16,5%

**Total EBITDA Contribution**  
3,3%

# AGENDA

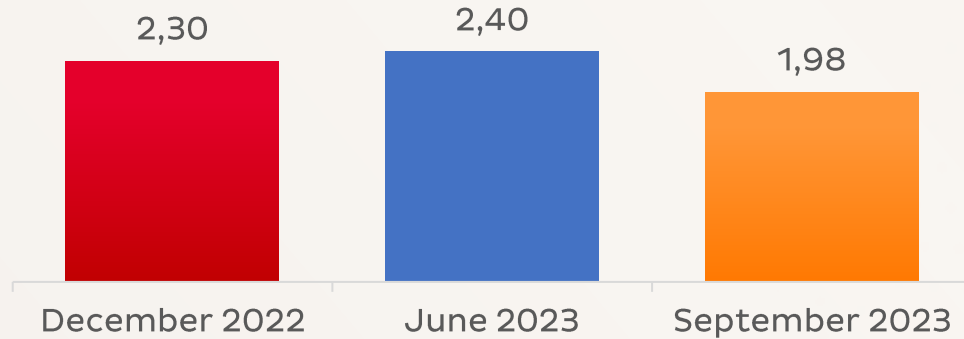
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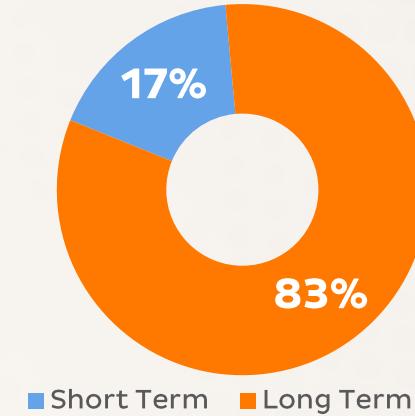


# Disciplined financial management lead to a stronger balance sheet with improved ratios

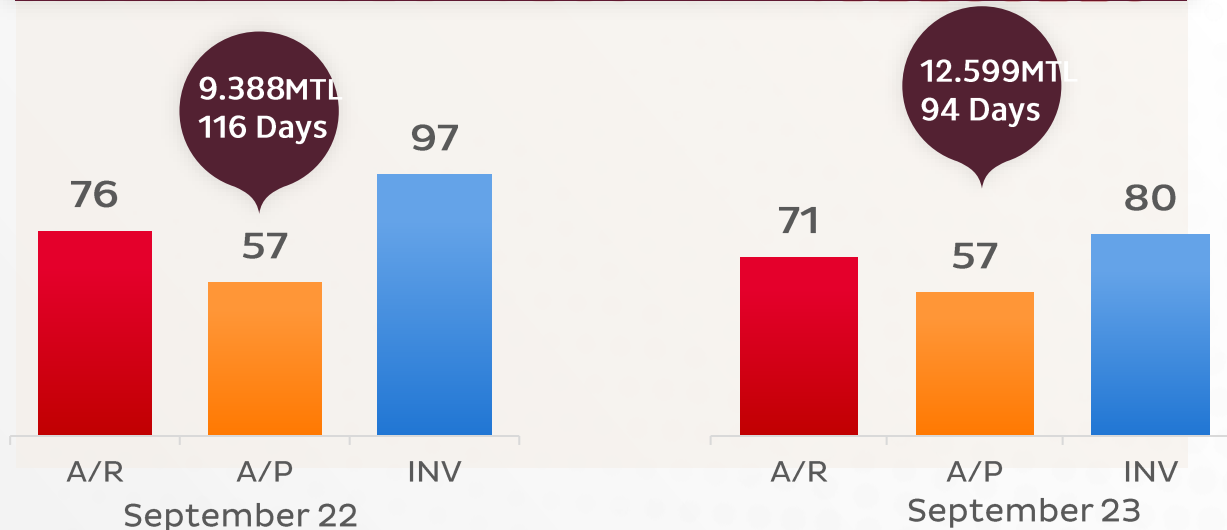
## (\*Covenant Based Net Debt/Ebitda (X)



## Maturity Breakdown of Financial Liabilities as of September '23



## Average Working Capital Days & Net Working Capital



## FX Hedge strategy

- ~71% of the net position is closed. Further hedges are subject to the approval of **Hedge Committee** per market conditions.
- As of September 2023, **M\$362** of the open position is hedged
- Instruments** : Cross Currency Swaps & Forwards

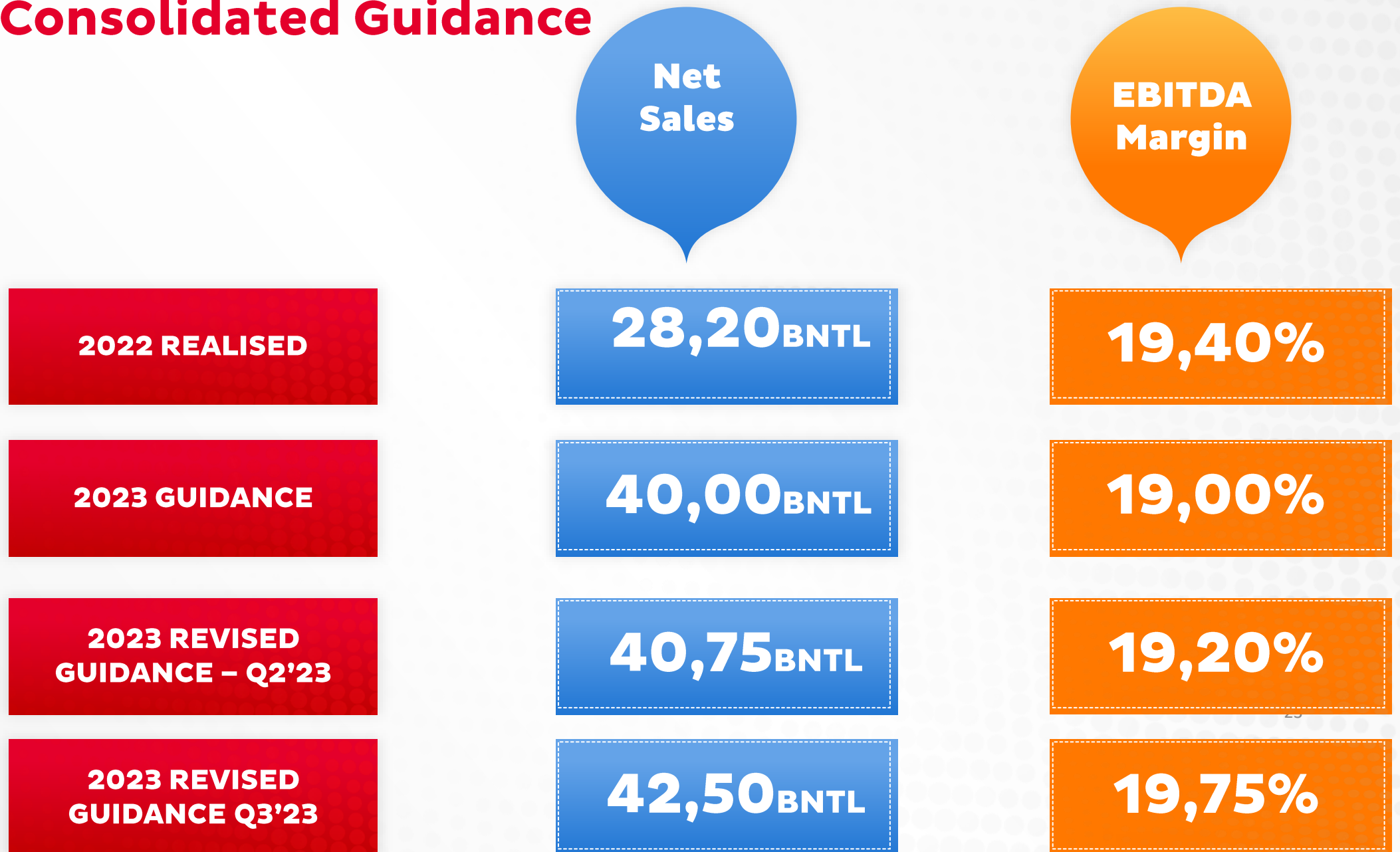
(\* ) covenant based net debt/EBITDA ratio is calculated through definition stated in syndication facility agreement

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# 2023 Consolidated Guidance



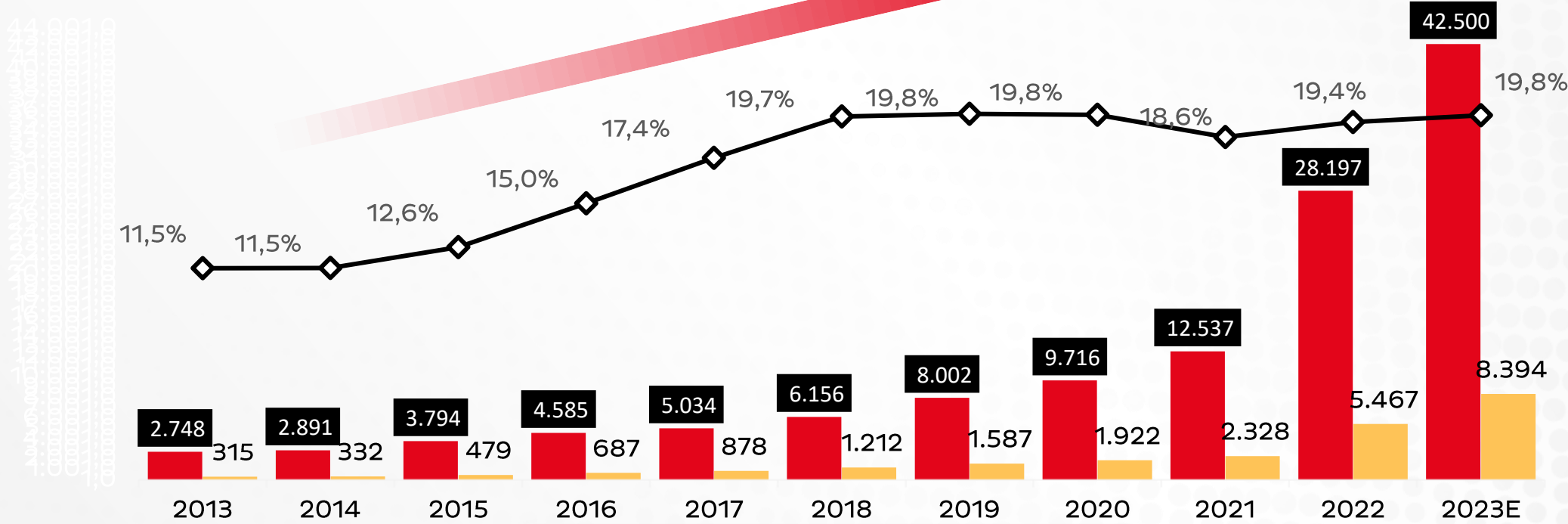


# Strong growth and profitability continues

**VOLUME**  
(‘000 ton)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 E	CAGR %
478	480	514	646	670	644	674	681	660	681	683	3,6%

CAGR EBITDA **38,8 %**  
CAGR NET SALES **31,5 %**



(\*) Figures are in million TL

■ NET SALES ■ EBITDA ◆ EBITDA %





# Questions & Answers



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