

Highlights

Financial Results (mn TL)	2020	YoY Δ	4Q20	YoY Δ
Revenues	49.451	26%	20.961	82%
Export Revenues	34.626	4%	14.550	61%
Domestic Revenues	14.825	154%	6.412	163%
Operating Profit	4.806	98%	2.044	141%
EBITDA	5.722	79%	2.287	116%
EBITDA excluding other income/expense	5.283	58%	2.322	138%
Profit Before Tax	4.108	111%	1.800	173%
Net Income	4.195	114%	1.927	212%

Volumes (units)	2020	YoY Δ	4Q20	YoY Δ
Total Wholesale	354.297	-7%	135.757	27%
Export	254.146	-24%	96.505	12%
Domestic Wholesale	100.151	107%	39.252	92%
Domestic Retail	97.803	98%	39.045	77%
Market Share	12,4%	2.3 pps	13,6%	2.7 pps
Production (units)	327.936	-11%	122.642	28%
Capacity Utilization Rate	72%	-9 pps	108%	+24 pps

Highest ever quarterly volumes recorded in 4Q:
- exports
- wholesale
- production

Summary Income Statement, Million TL	2020	2019	YoY Δ	4Q20	4Q19	YoY Δ
Revenues	49.451	39.209	26%	20.961	11.502	82%
Export	34.626	33.375	4%	14.550	9.063	61%
Domestic	14.825	5.834	154%	6.412	2.439	163%
Gross Profit	6.187	4.015	54%	2.787	1.151	142%
Operating Profit	4.806	2.422	98%	2.044	847	141%
Financial Income/(Expense)	-699	-471	48%	-243	-189	29%
Profit Before Tax	4.108	1.950	111%	1.800	658	173%
Net Income	4.195	1.959	114%	1.927	617	212%
Other Financial Data						
Depreciation and Amortization	917	776	18%	243	214	13%
EBITDA	5.722	3.198	79%	2.287	1.061	116%
EBITDA excluding other income/expense	5.283	3.350	58%	2.322	975	138%
Capital Expenditures	-1.104	-1.053	5%	-520	-263	98%

2020 financial results published in this earnings announcement have been prepared according to the International Financial Reporting Standards (IFRS).

Revenues

Turkish auto industry grew 62% YoY in 2020 to 791,397 supported by the low base year, strong pent-up demand in commercial vehicles, growth in e-commerce/delivery business and low interest rates. Sales grew across all segments YoY: PC 58%, LCV 98%, MCV 54% and Heavy Trucks 122%. PC industry share was 77% (2019: 79%). LCV industry share grew to 12% (2019: 10%). Ford Otosan maintained its CV leadership with a record 39.1% market share in commercial vehicles while ranking #3 in the total industry with 12.4% share (2019: 10.1%).

European van market declined sharply in March-April as Europe became the center of the pandemic and recovered strongly May onwards, finishing the year with 18% YoY contraction, supported by strong e-commerce and home delivery business. This structural tailwind also fostered Ford's success and led to new records. Ford was the #1 CV brand across EU 20 markets for the 6th consecutive year with an all-time high FY market share of 14.6%. Ford Otosan is a key driver of Ford's market share and pillar of profitability for Ford in Europe, manufacturing 73% of all CVs sold in Europe.

Domestic Revenues were TL 14,825 million in 2020, up 154% (163% YoY in 4Q20) as a result of 107% YoY (92% YoY in 4Q20) growth in volumes, positive sales mix and ongoing pricing discipline.

Export Revenues were TL 34,626 million (TL 14,550 million in 4Q20). Despite 24% decline in volumes, YoY revenues were up 4% due to exchange impact, product mix and our cost plus export structure. Export volumes reached historical high levels in 4Q20 and Export Revenues grew 61%.

Total Revenues increased 26% YoY (82% YoY in 4Q20) to TL 49,451 million despite 7% (+27% YoY in 4Q20) volume decline. Share of exports in total revenues was 70% in 2020 (2019: 85%).

Profitability

Profitability was very strong in 2020 due to i) robust domestic volumes, ii) higher contribution of domestic market, iii) pricing discipline, iv) additional cost reduction measures and OpEx control against Covid-19 impact, v) cost-plus export contracts and vi) exchange impact (average EUR/TL +10% in 1Q20, +15% in 2Q20, +34% in 3Q20, +46% in 4Q20 YoY). Please refer to Page 4 Graph 1 for further details.

Gross Profit rose 54% YoY (142% YoY in 4Q20) to TL 6,187 million due to higher share of domestic sales (up from 13% in 2019 to 28% in 2020), increased focus on cost reduction actions, additional stringent measures and pricing discipline.

TL 95 million Net FX Gain from Operating Activities in 2019 increased 336% in 2020 and reached TL 412 million. As a result, TL 152 million Net Other Expense in 2019 became TL 439 million Net Other Income in 2020. Please refer to Page 4 Table 1 for further details. Operating Profit increased 98% (141% YoY in 4Q20) in 2020 to TL 4,806 million, supported by the currency moves. Operating Profit excluding currency impact grew 70% YoY (173% YoY in 4Q20) to TL 4,367 million. EBITDA grew 79% YoY (116% YoY in 4Q20) to TL 5,722 million. EBITDA excluding the currency impact was up 58% YoY (138% YoY in 4Q20) to TL 5,283 million. EBITDA per vehicle was EUR 1,857 and PBT per vehicle was EUR 1,444 in 2020, both at historical high FY levels.

Net Financial Expenses increased 48% YoY driven by 85% higher Net FX Loss, mainly explained by prior year fx losses from Cash Flow Hedge Reserve and currency moves. Please refer to Page 4 Table 2 for further details. Profit Before Tax increased 111% YoY (173% YoY in 4Q20) to TL 4,108 million. Net Income was TL 4,195 million, up 114% in 2020 (212% YoY in 4Q20).

Margins	2020	2019	YoY Δ, pps	4Q20	4Q19	YoY Δ, pps
Gross	12,5%	10,2%	2,3	13,3%	10,0%	3,3
EBITDA	11,6%	8,2%	3,4	10,9%	9,2%	1,7
EBITDA excluding other income	10,7%	8,5%	2,1	11,1%	8,5%	2,6
Operating	9,7%	6,2%	3,5	9,8%	7,4%	2,4
Net	8,5%	5,0%	3,5	9,2%	5,4%	3,8

EBITDA per Vehicle (EUR)	FY	4Q
2020	1.857	1.822
2019	1.376	1.427
2018	1.266	1.252

PBT per Vehicle (EUR)	FY	4Q
2020	1.444	1.413
2019	801	963
2018	785	507



Sales Performance

Historical High Market Shares in total CV with 39.1% , LCV with 33.2% , MCV with 49.6% , Truck with 31.7%

Sales Volume by Model, units	2020	2019	YoY Δ	4Q20	4Q19	YoY Δ
Domestic Sales	100.151	48.464	107%	39.252	20.425	92%
Passenger Car	25.703	11.460	124%	11.535	4.956	133%
Courier	35.445	16.768	111%	13.817	7.263	90%
Connect	533	208	156%	162	47	245%
Light Commercial Vehicle	35.978	16.976	112%	13.979	7.310	91%
Transit	24.807	12.972	91%	8.088	5.479	48%
Custom	5.820	3.394	71%	1.707	1.134	51%
Ranger	2.528	821	208%	1.771	355	399%
Medium Commercial Vehicle	33.155	17.187	93%	11.566	6.968	66%
Truck	5.315	2.841	87%	2.172	1.191	82%
Export Sales	254.146	334.455	-24%	96.505	86.134	12%
Custom	141.378	175.985	-20%	54.633	48.659	12%
Transit	88.687	116.805	-24%	33.747	27.401	23%
Courier	21.568	38.941	-45%	7.130	8.966	-20%
Truck	2.510	2.671	-6%	995	1.093	-9%
Other	3	53		0	15	
Total Wholesale Volume	354.297	382.919	-7%	135.757	106.559	27%
Total Turkish Automotive Industry Sales	791.397	487.671	62%	286.611	201.251	42%
Ford Otosan Retail Sales	97.803	49.473	98%	39.045	22.013	77%
Ford Otosan Market Share	12,4%	10,1%	2.3 pps	13,6%	10,9%	2.7 pps

Balance Sheet and Cash Flow

Summary Balance Sheet, Million TL	31.12.2020	31.12.2019	YoY Δ
Current Assets	17.605	10.157	73%
Current Liabilities	12.481	8.645	44%
Property, Plant and Equipment - Net	4.403	4.437	-1%
Total Assets	24.349	16.406	48%
Total Liabilities	17.305	11.741	47%
Shareholders' Equity	7.044	4.665	51%

Financial Ratios	31.12.2020	31.12.2019
Current Ratio	1,41	1,17
Liquidity Ratio	1,13	0,87
Net Debt / Tangible Equity	-0,01	0,78
Net Debt / EBITDA	-0,01	0,94
Current Assets / Total Assets	0,72	0,62
Current Liabilities / Total Liabilities	0,72	0,74
Total Liabilities/Total Liabilities & Equity	0,71	0,72
Return on Equity	59,6%	42,0%

Summary Cash Flow Statement, Million TL	31.12.2020	31.12.2019	YoY Δ
Beginning Balance of Cash & Equivalents	3.200	1.391	130%
Net Cash from Operating Activities	7.391	3.008	146%
Net Cash Used in Investing Activities	-1.066	-1.049	2%
Net Cash Used in Financing Activities	-1.451	-150	870%
End of Period Balance of Cash&Equivalents	8.074	3.200	152%

2021 Guidance

Total Industry Volume 750 K - 800 K

Ford Otosan:

Retail Sales Volume	90 K - 100 K
Export Volume	325 K - 335 K
Wholesale Volume	415 K - 435 K
Production Volume	390 K - 410 K
Capex (fixed assets)	€450 -500 million

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Exhibit

Graph 1: EUR/TL moves in 2020 vs 2019

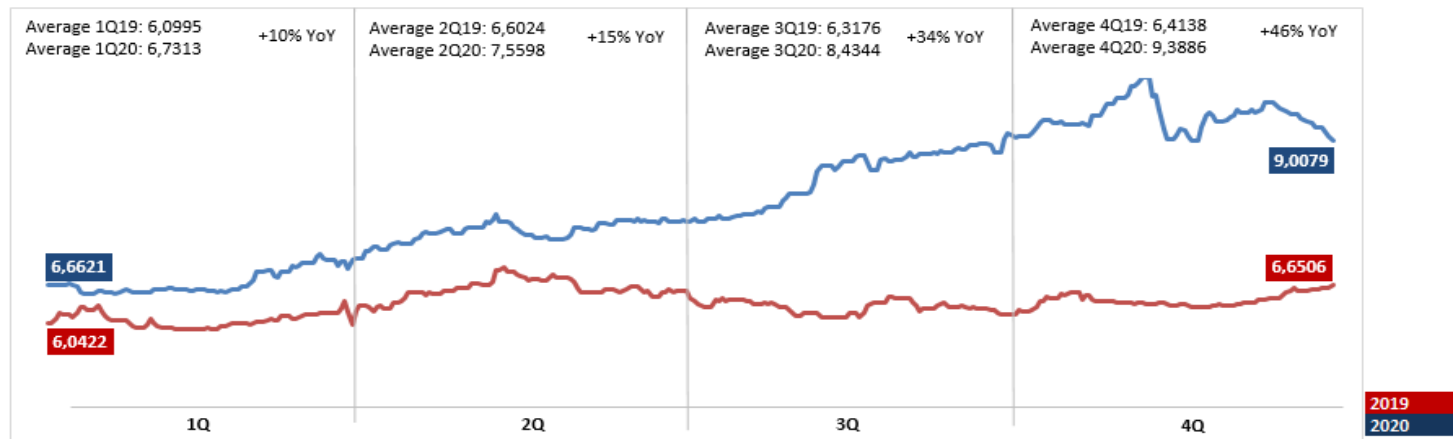


Table 1: FX Impact on Operating Profit due to significant depreciation in TL in 3Q20 and 4Q20

Million TL	2020	2019	4Q20	4Q19
Net fx gains/losses related to trade receivables and payables	412	95	-52	115
Net financial expenses from operating activities	-83	-321	-33	-63
Net other	109	75	49	34
Net other income	439	-152	-35	86

Table 2: FX Impact on Profit Before Tax

Million TL	2020	2019	4Q20	4Q19
Net interest income/expense	224	46	160	24
Net other financial income/expense	-25	-32	-8	-7
Net fx gains/losses	-897	-485	-395	-205
Net financial gains/losses	-699	-471	-243	-189