ÜLKER BİSKÜVİ

INVESTOR PRESENTATION 2Q 2021

İstanbul, 12 August 2021

YILDIZ HOLDING

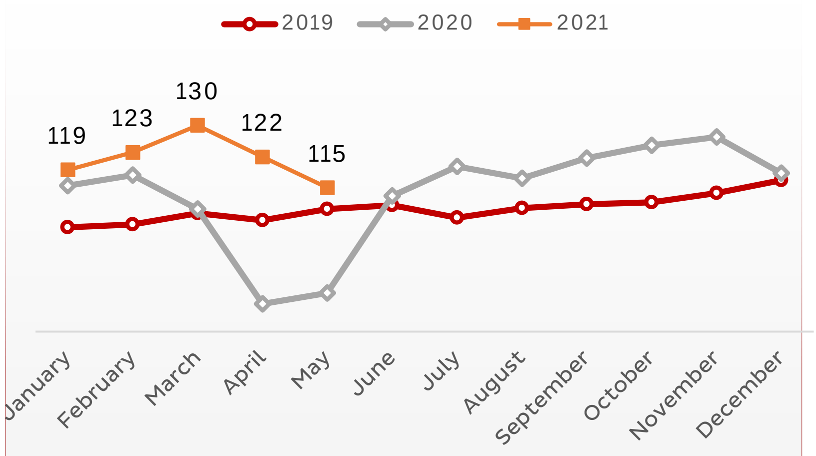
ÜLKER

AGENDA

AGENDA

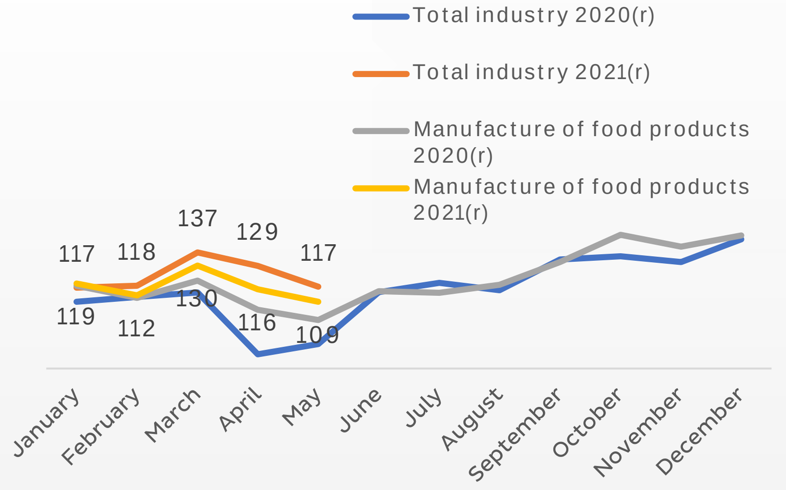
Turkey macro economic overview

RETAIL SALES VOLUME INDEX



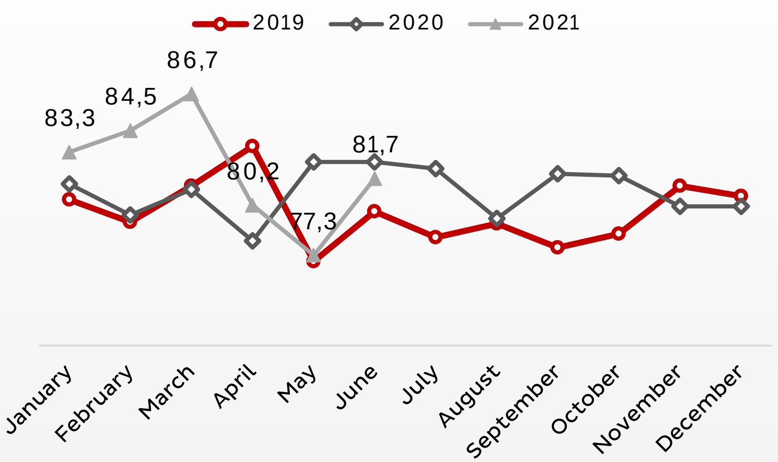
- Seasonal and calendar adjusted retail sales volume with constant prices decreased by 6% in **May 2021** compared with the previous month.

INDUSTRIAL PRODUCTION



- As of **May 2021** Industrial Production index realized as **117.**
- Manufacture of food products increased by 11% compared with same month previous year.

CONSUMER CONFIDENCE INDEX



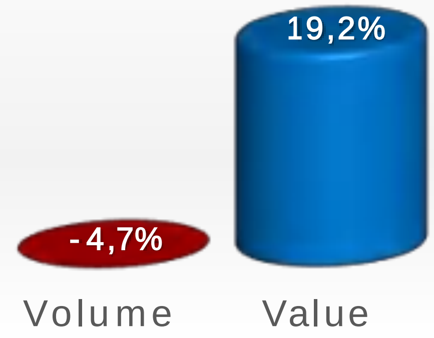
- Consumer confidence index in Turkey increased by 6% compared to previous month and realized as **81,7** in **June 2021**
- A rise in general index was realized in CPI on the previous month by 1,94% in June **2021.**
- Food inflation realized as 19,99% in June **2021.**

Source : TUIK

AGENDA

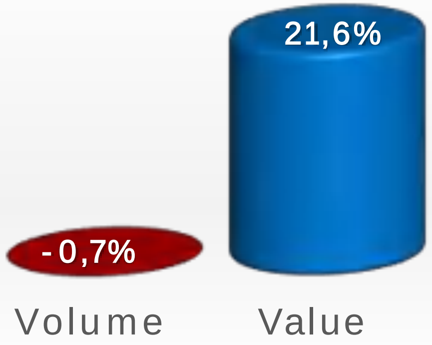
2021 Year to date domestic market growth

TOTAL SNACKING



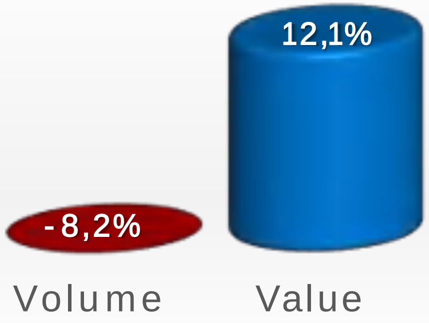
- Total snacking market declined by 4,7% in volume terms and increased by 19,2% in value terms

CHOCOLATE



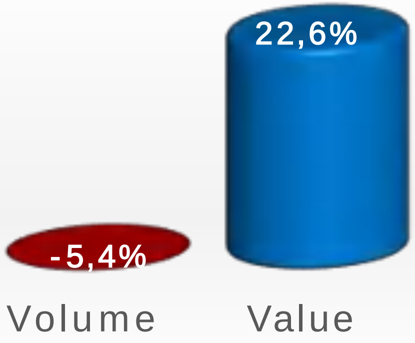
- Total chocolate market down by 0,7% in volume and increased by 21,6% in value terms

BISCUITS



- Total biscuit market was contracted by 8,2% in volume and increased by 12,1% in value terms

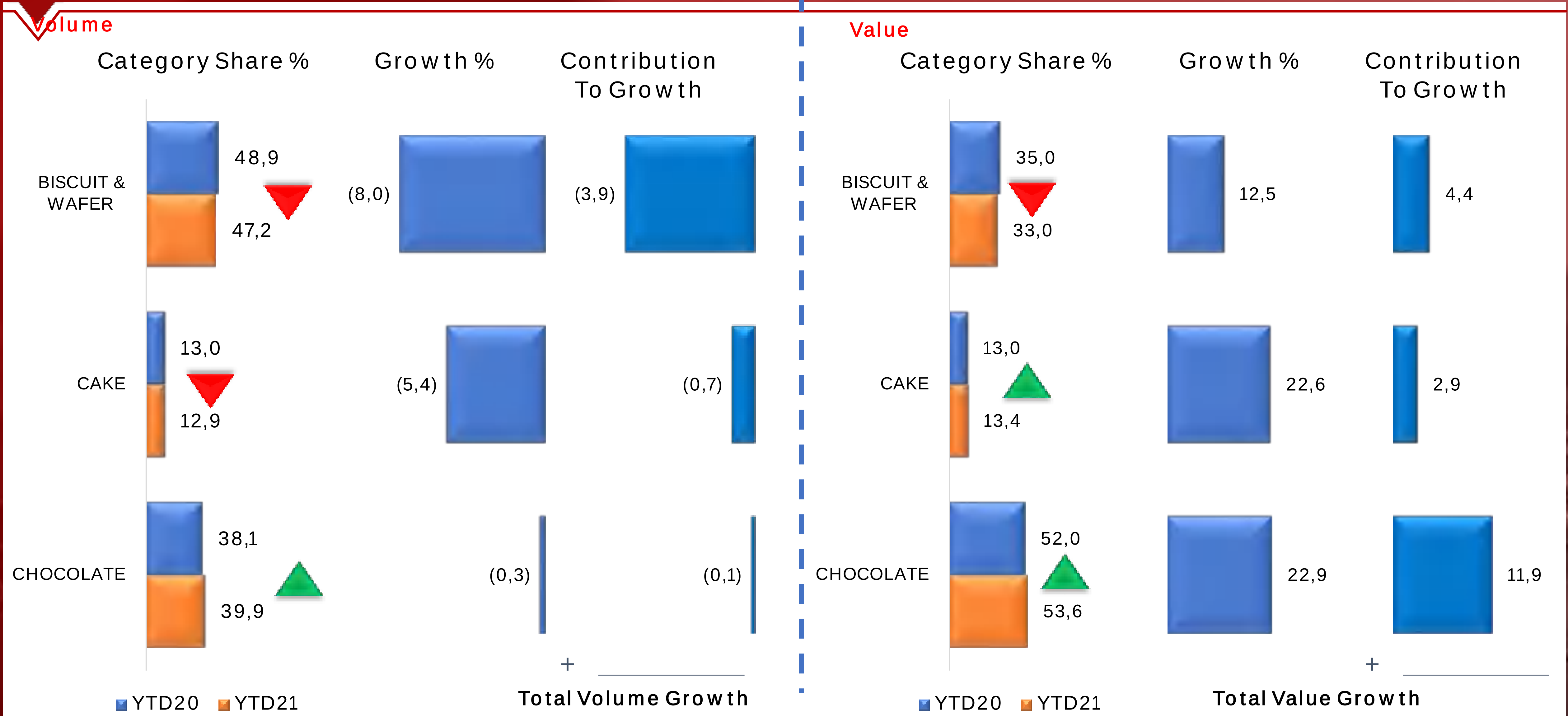
CAKE



- Total cake market decreased by 5,4% in volume and increased by 22,6% in value terms

Source : YTD 2021 Nielsen Data – cips excluded

Turkey snack market growth analysis January-June 2021



Total Volume Growth
-4,7 %

Total Value Growth
19,2 %


ÜLKER
9 KAT TAT
Rulokat
Yeni
Çikolatalı Kremalı
ÜLKER
9 KAT TAT
Rulokat
Yeni
ÜLKER
9 KAT TAT
Rulokat
Yeni
Çilekli Kremalı

AGENDA

Q2'2021 Communication highlights

Sustainability-oriented activities, EVP projects and communication plans for special days were held.

bizz@kampus winners have been announced.

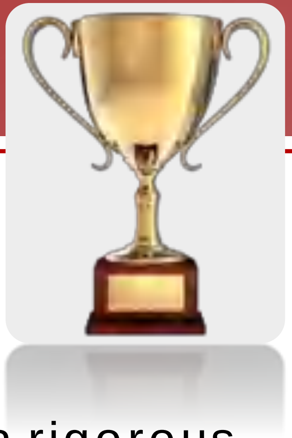
Ülker celebrated the **«May 14, World** Farmers' Day «

2 more videos have been released under **#GüzelÜlkem** [#MyBeautifulCountry) sustainability video series.

Fathers' Day was celebrated.

Ülker supported National Football Teams as a sponsor.

Q2'2021 Awards



After a a rigorous selection process **Ülker Bisküvi** won « Corporate Funding Team of the year « and « Syndication Loan Deal of the year» awards

AGENDA

Largest confectionary company in the region

77 years of experience in Turkey

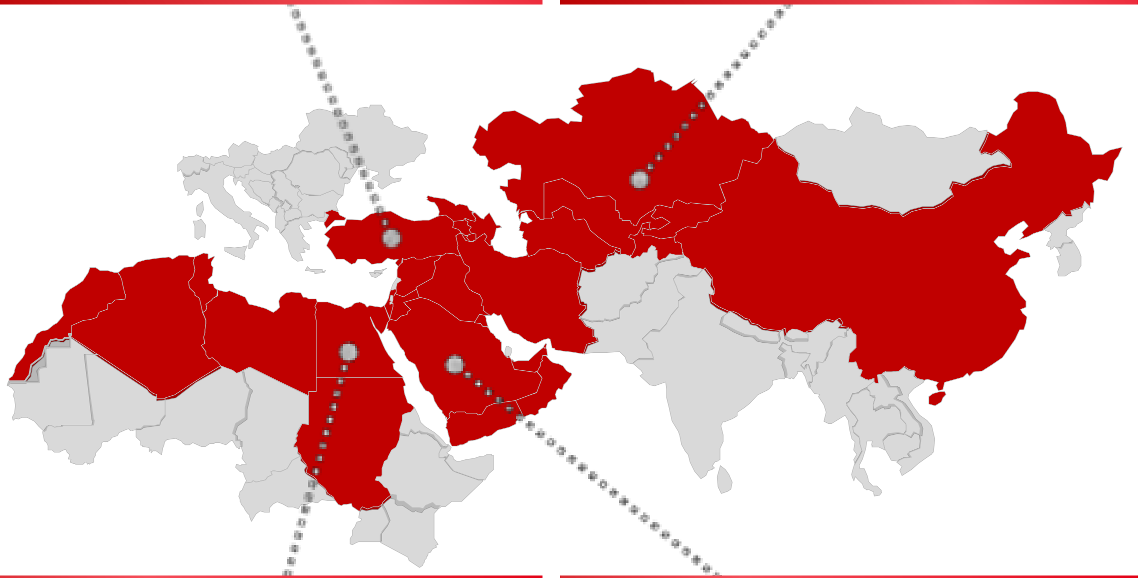
Production:
4 countries,
10 facilities

Total Capacity:
around 1 Mtons

Largest capacity in the region with strategically located plants

TR: Bisc.& Choc.& Cakes
4 in Istanbul, 1 in Karaman,1 in Ankara
Total 6 Factories
T.Capacity:797k tons/year

Kazakhstan
Hamle
Bisc.&Choc.&Cakes
Capacity:36k tons/year



Egypt
Hi-Food
Biscuits
Capacity:51k tons/year

KSA
FMC&IBC
Bisc.& Choc.& Cakes
Capacity:76k tons/year
UAE - Ul Mena

2021 First half consolidated performance highlights

Revenue

5.232 MTL

Growth + 15,7%

Gross Profit

1.391 MTL

Growth + 6,7%

Gross Margin

26,6%

-220pbs

EBITDA

809 MTL

Growth +1,8%

Net Debt/EBITDA

2021 :- 0,03x

2020 : 0,14x

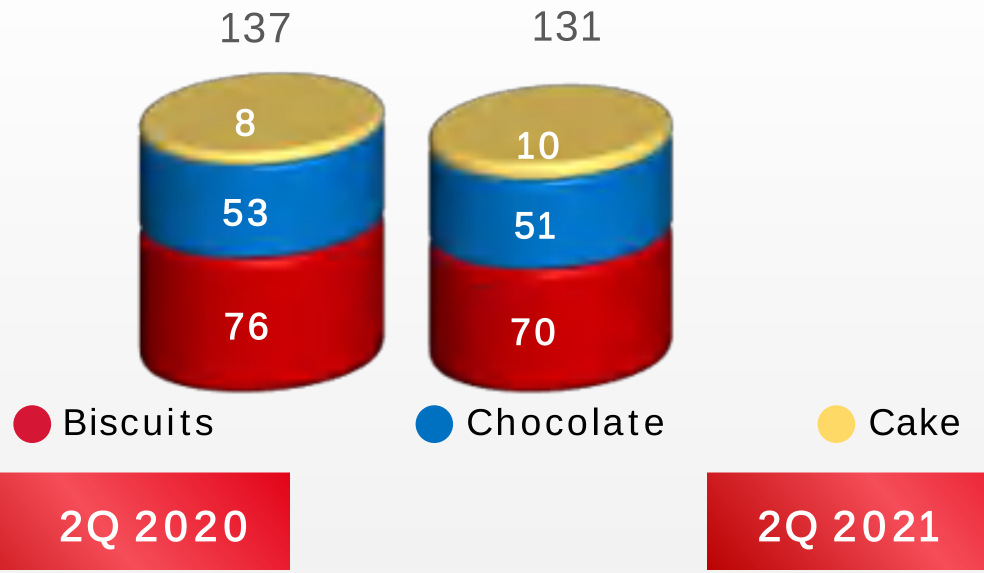
Free Cash Flow

2021 :439MTL

2020 : 64MTL

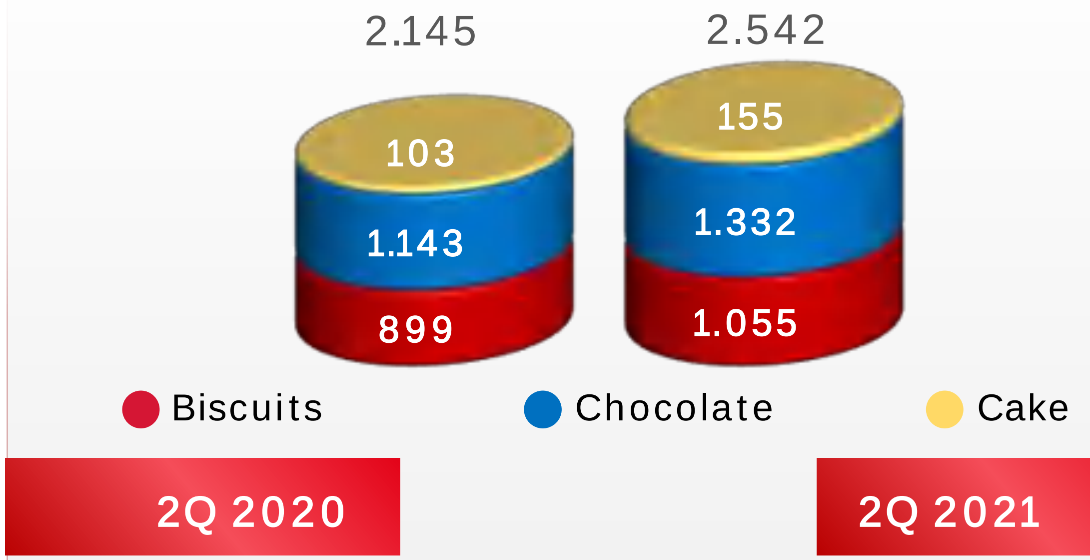
Ülker's volume and value performance 2Q'21 vs 2Q'20

TOTAL SALES VOLUME (KTONS)



- Total volume decline improved by reducing to 4.8% in Q2 from 8.8% in Q1
  - Sales volume in biscuits and chocolates was down by 8,3% and 3,7% respectively due to ;
    - High base impact compared to 2Q'20
    - Sizing & Pricing activities
    - Consumption slow-down that lead to volume shrinkage in the market
  - Cake volume was up by 21,9% thanks to successful relaunch of Dankek and Olala brands, formula improvements of current products and new launches

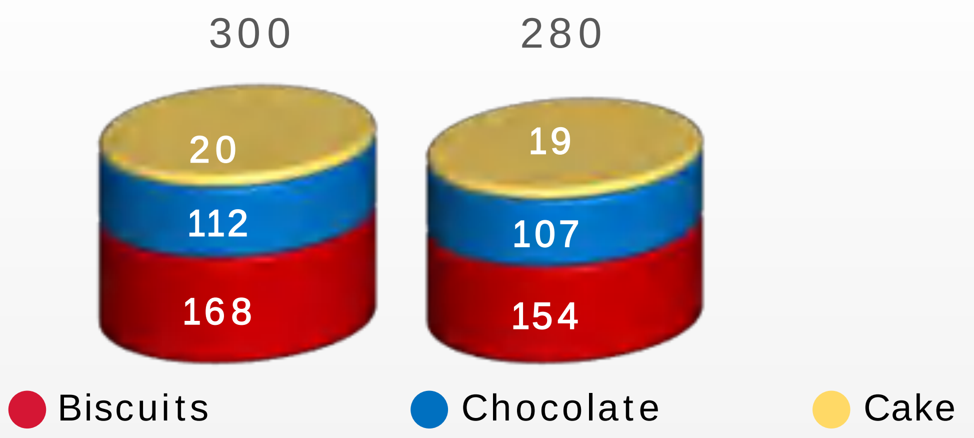
TOTAL SALES VALUE (MTL)



- Total revenue increased by 18,5% with support of our international revenues and positive contribution of chocolate & cake segmental revenues in Turkey.
  - Biscuits sales was up by 17,3% thanks to trend setting NPD's, increased promo-activations and new listings in HD
  - Chocolate sales was up by 16,6% driven by value added launches in domestic market and mix impact
  - Cake sales was jumped by 51,2% due to successful relaunch of Dankek and Olala brands, formula improvements of current products and new launches

Ülker's volume and value performance **1H'21** vs **1H'20**

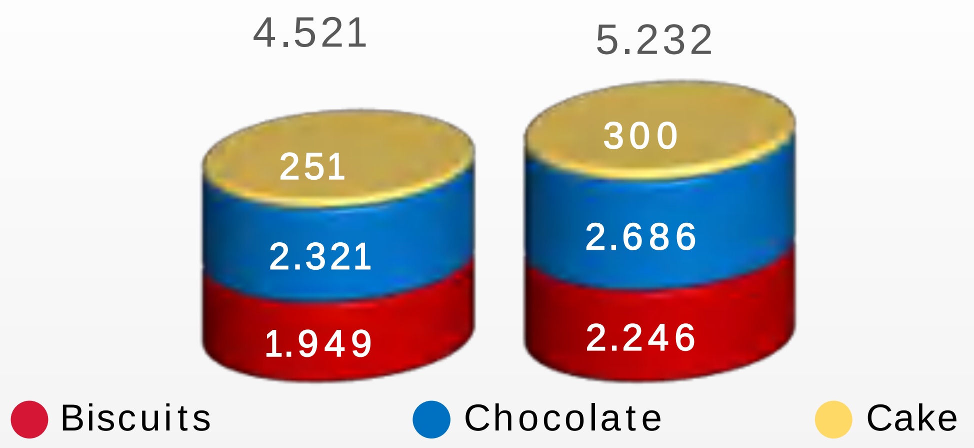
TOTAL SALES VOLUME (KTONS)



1H 2020 | 1H 2021

- Total volume decreased by 7,0%.
  - Sales volume in biscuits, chocolates and cakes was down by 8,4%, 5,0% and 5,6% respectively due to ;
    - Covid 19 impact
    - Sizing&Princing activities
    - Consumption slow-down that lead to volume shrinkage in the market

TOTAL SALES VALUE (MTL)

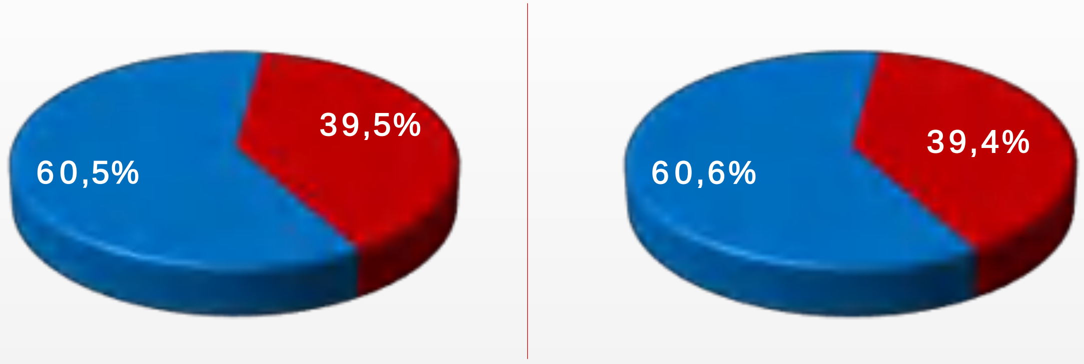


1H 2020 | 1H 2021

- Total revenue increased by 15,7% with the positive contribution in all categories in Turkey and international operations.
  - **Biscuits** sales was up by 15,2% thanks to positive performance of international operations
  - **Chocolate** sales was up by 15,7% driven by value added launches in domestic market and mix impact
  - **Cake** sales was up by 19,7% due to the positive performance in Turkey operations in the second quarter of this year.

Contribution of exports and international operations are increasing

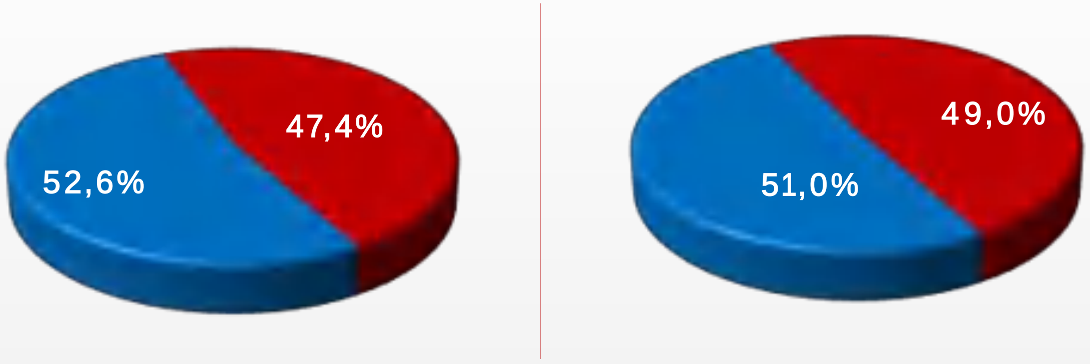
REVENUE BREAKDOWN



Domestic International

1H 2020 1H 2021

EBITDA BREAKDOWN



Domestic International

1H 2020 1H 2021

Operational and financial performance

TL ('000)	2Q 2020	2Q 2021	%	1H 2020	1H 2021	%
Volume (Ton)	137.249	130.645	-4,8%	300.022	279.120	-7,0%
Revenue	2.144.641	2.542.416	18,5%	4.520.767	5.232.094	15,7%
Gross Profit	587.135	617.719	5,2%	1.303.416	1.391.300	6,7%
Gross Profit Margin	27,4%	24,3%	-3,1 ppt	28,8%	26,6%	-2,2 ppt
EBITDA	379.779	351.638	-7,4%	794.946	809.140	1,8%
EBITDA Margin	17,7%	13,8%	-3,9 ppt	17,6%	15,5%	-2,1 ppt
Net Income (Equity Sholders of the parent)	504.443	206.584	-59,0%	406.151	685.878	68,9%
Net Income %	23,5%	8,1%	-15,4 ppt	9,0%	13,1%	4,1 ppt

Revenue grew by 15,7% on the back of effective , value-added new product launches (NPD) and effective pricing.

Main drivers

- Effective volume, mix and pricing impact
- New listings in discounter channel in Turkey
- Volumes decline due to the change in the channel mix, decline in purchasing power and market shrinkage

AGENDA

Turkey – Strong #1 in total snacking with 37,3% market share in MAT'21 vs MAT'20

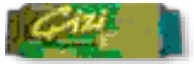
BISCUITS – 41,7% MARKET SHARE #1

#1 in Petit Beurre

#1 in Creamy Biscuits

#1 in Special Biscuits

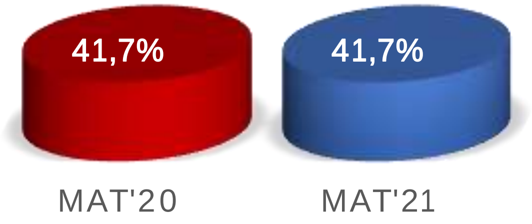
#1 in Cracker

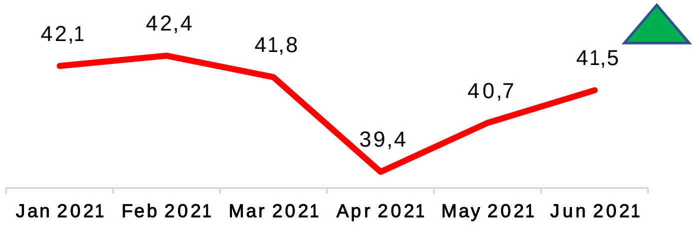


#1 in Sandwich Bisc.

#1 in Chocolate Filled

Market Share Development in Value(*)



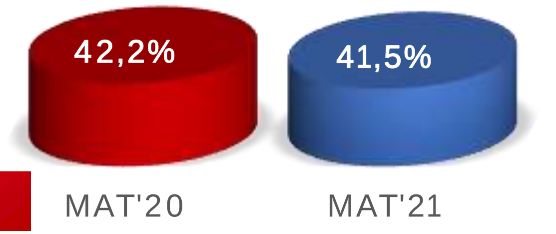


CHOCOLATE – 41,5% MARKET SHARE #1

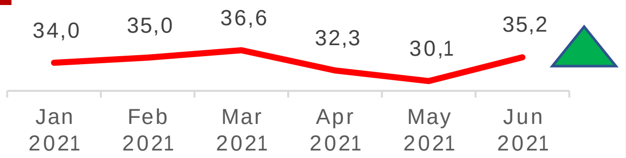
4 out of Top 5 in Chocolate Covered

#1 in Solid Chocolate

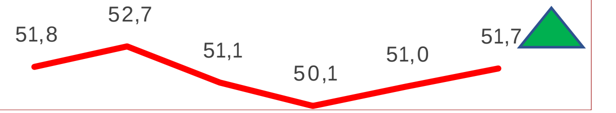
Market Share Development in Value(*)



Solid

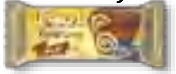


Cream



CAKE – 21,4% MARKET SHARE #2

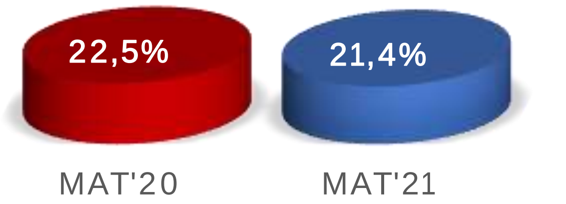
#1 in Family Cake

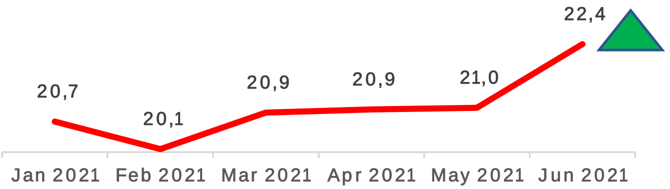


#2 in Portion Muffin Coated Cake

#2 in Wet Cake

Market Share Development in Value(*)





NPD Sales contribute 15,4% of total domestic sales in 1H2021

2020&2021 SYNERGY PRODUCTS

2021 NEW PRODUCT LAUNCHES

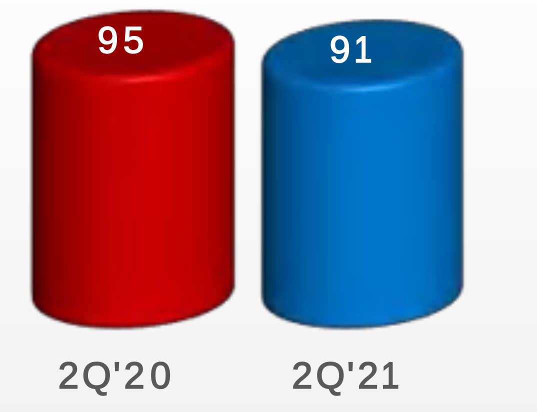
BISCUITS

CAKE

CHOCOLATE

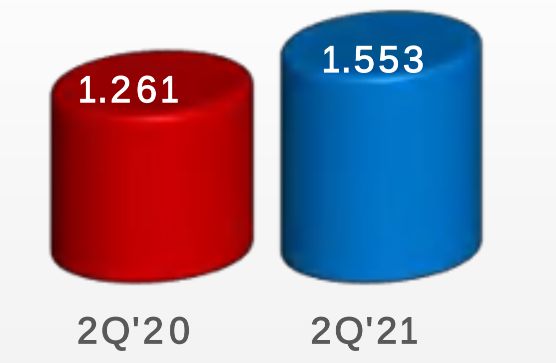
In 2Q'21 Ülker continued to perform well in a challenging environment in the snacking market in Turkey

SALES VOLUME (X000 TONS)



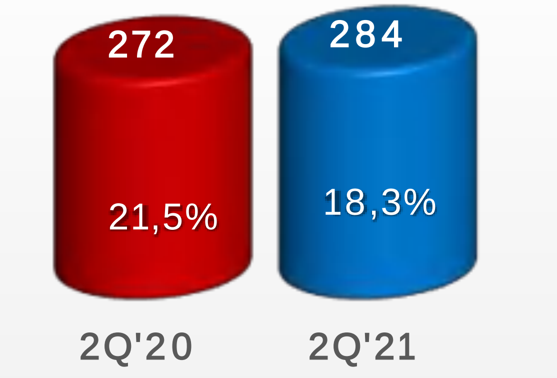
- Sales volume contracted by 3,7% mainly driven by
  - Sizing activities
  - Decline in the market due to Covid-19

NET SALES (MTL)



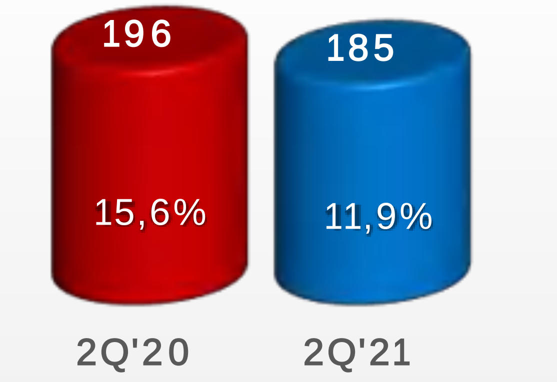
- Revenue was up by **23,2%** in total thanks to;
  - Portfolio optimizations
  - Thanks to the positive contribution of new launches and portfolio innovations in cake category.
  - Effective pricing

GROSS PROFIT (MTL)



- Gross profit increased by **4,6%**
- Gross profit margin for the quarter realized as **18,3%** in **2Q'21**
- Gross profit margin stress due to the increase in commodity prices

EBITDA (MTL)

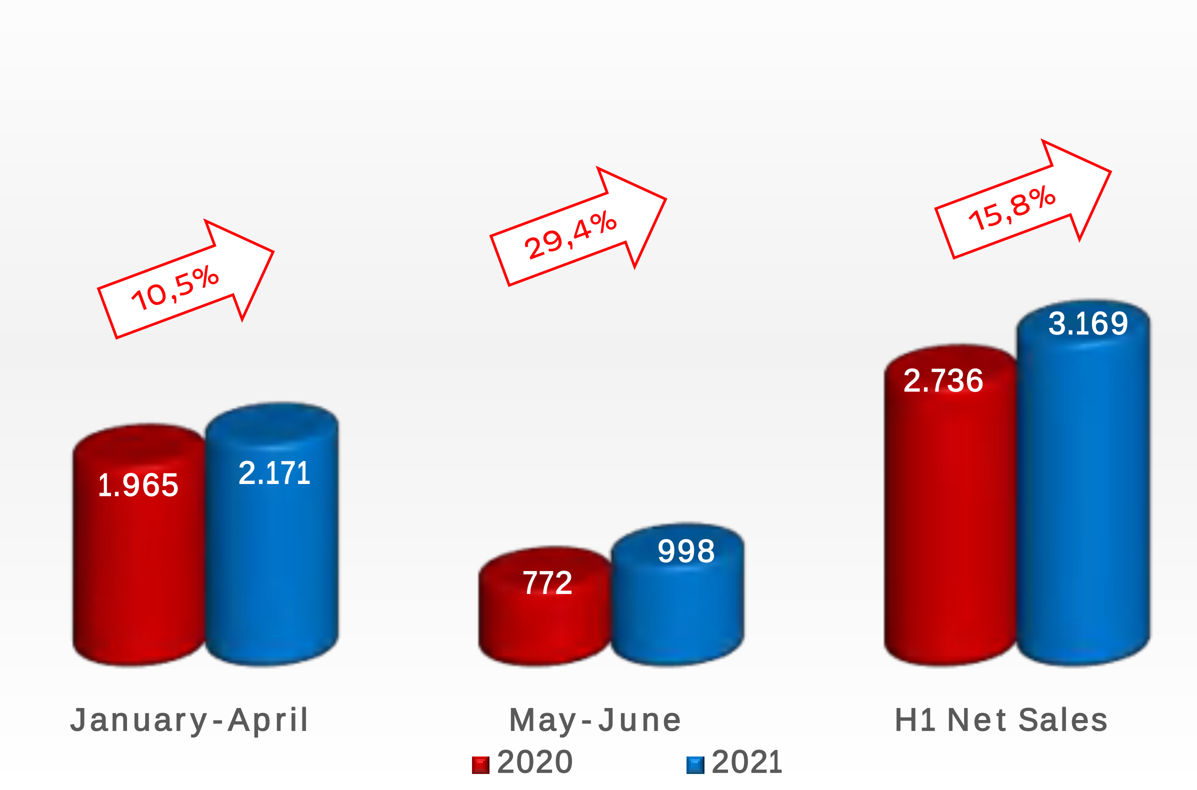


- EBITDA decreased by 5,9 % and margin contracted by 370bps and realised as **11,9 %** on the back of Gross Margin contraction

All figures set out in the table above are related to products sold in Turkey

Sales started to take-off in the last 2 months

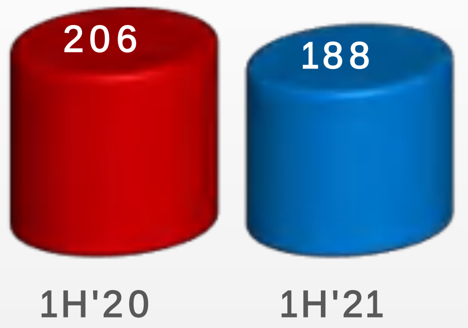
NET SALES GROWTH VS 2020



- Driven by pandemic, the contraction in the tradition channel, nationwide lockdowns limited the net sales growth during January-April 2021 period.
- Thanks to the effective pricing strategy and marketing investments, the negative effects in the market have been tolerated
- While realizations of over-budget sales were achieved in May and June period, 29,4% sales growth has been accomplished compared to the same period in 2020

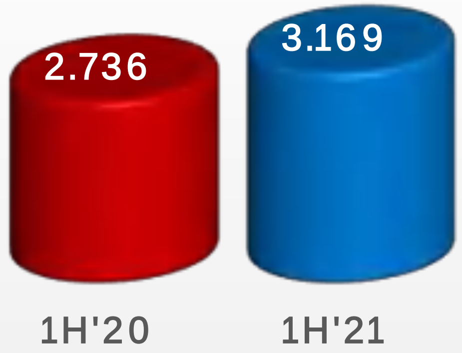
In 1H'21 Ülker continued to perform well in a challenging environment in the snacking market in Turkey

SALES VOLUME (X000 TONS)



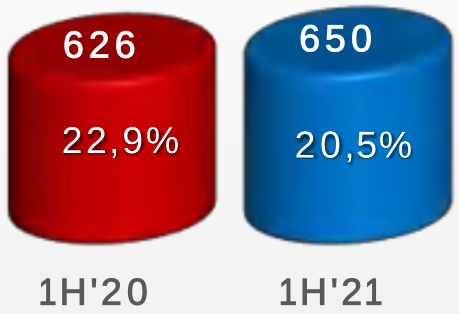
- Sales volume contracted by 9,0% mainly driven by
  - Covid impact
    - Continuous lockdowns in May
    - Shrinkage in the snacking market
    - Decrease in the purchasing power parity

NET SALES (MTL)



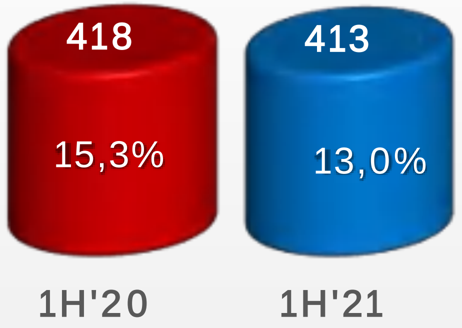
- Revenue was up by **15,8%** in total thanks to;
  - Portfolio optimizations
  - Value added launches in all categories and cake categories positive contribution in the second quarter

GROSS PROFIT (MTL)



- Gross profit increased by **3,8%**
- Gross profit margin realized as **20,5%** in 1H'21
- Gross profit margin stress due to the high base impact, change in the channel mix and increase in commodity prices

EBITDA (MTL)

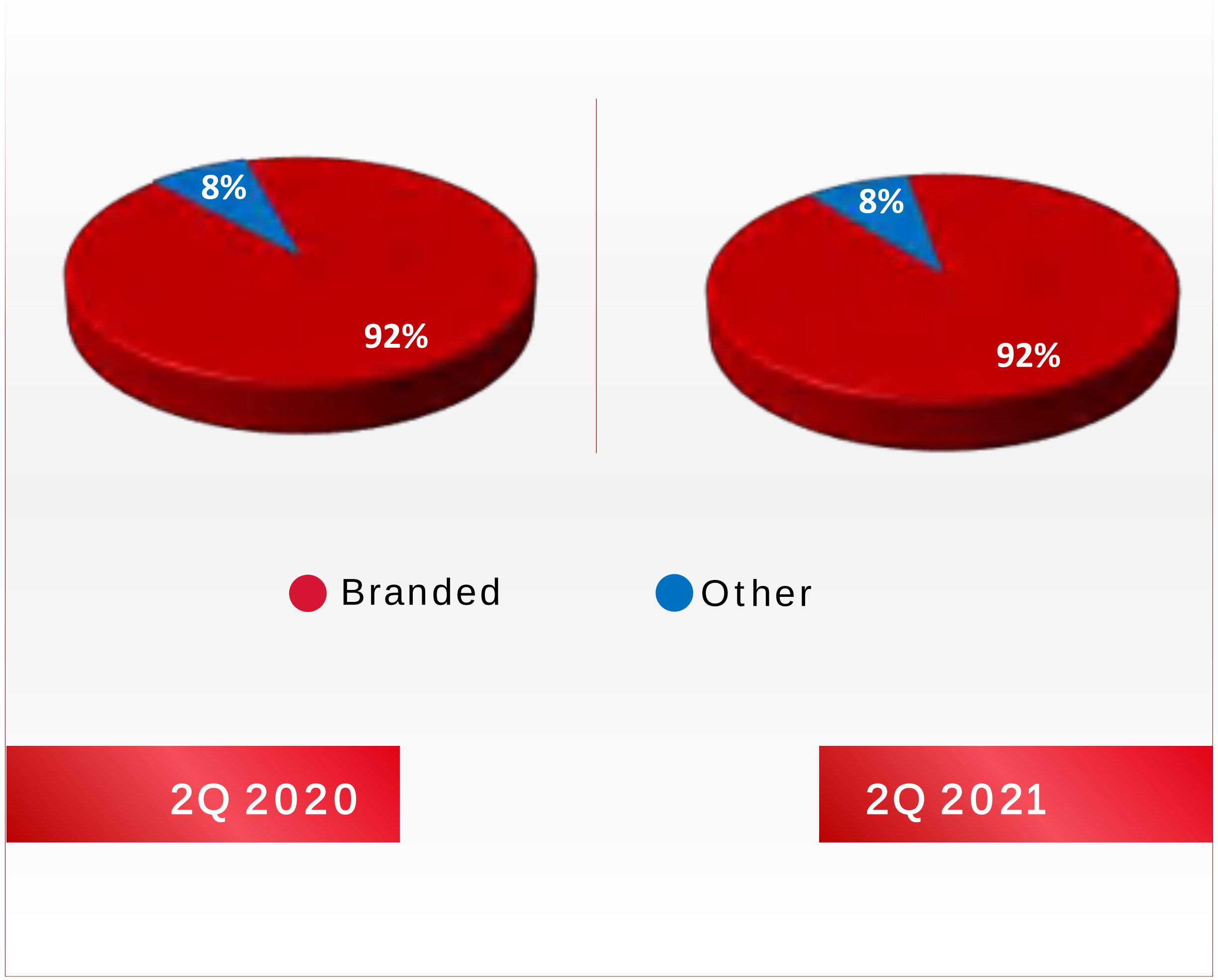


- EBITDA decreased by 1,2 % and margin contracted by 220bps and realised as **13,0 %** on the back of Gross Margin contraction

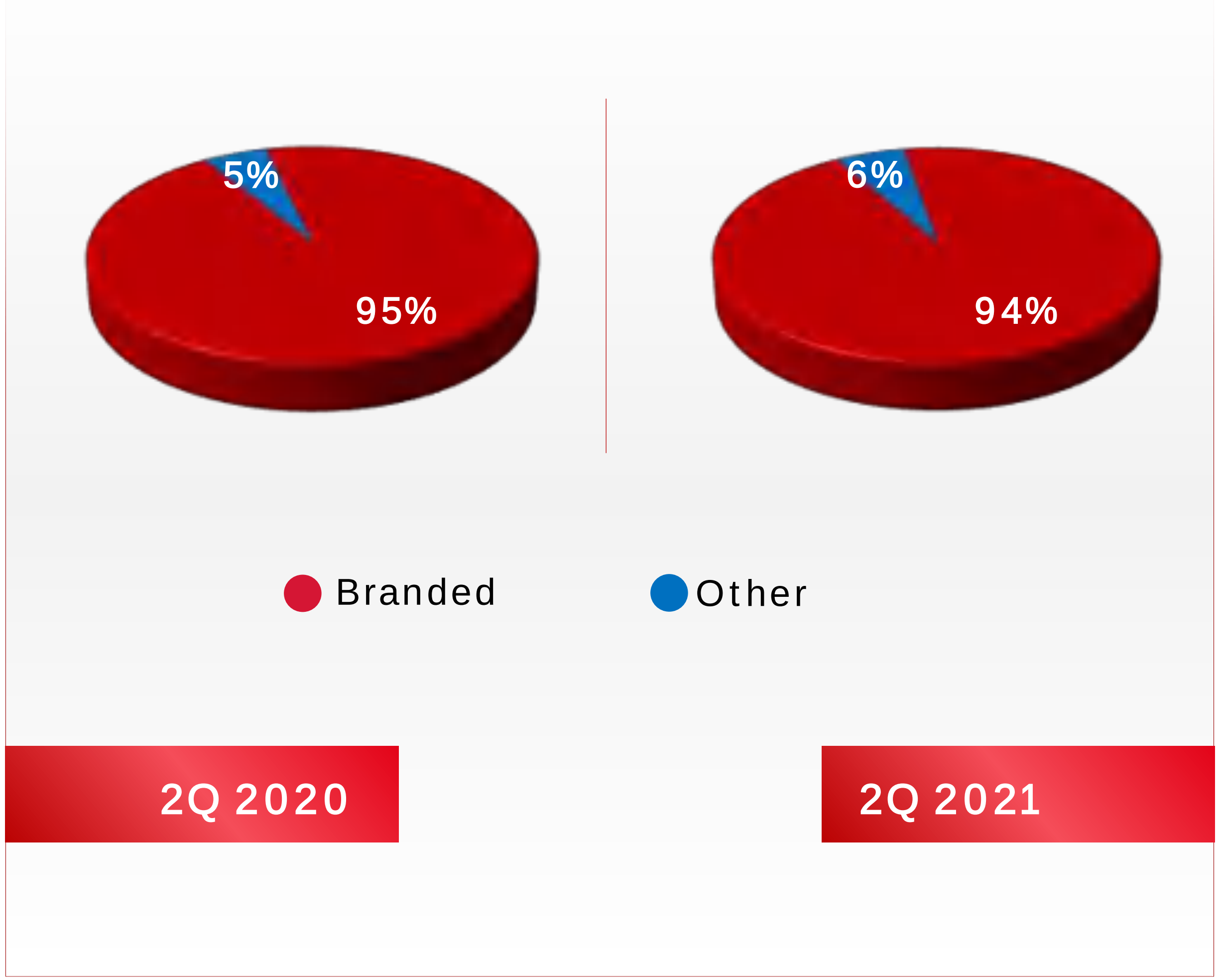
All figures set out in the table above are related to products sold in Turkey

Strategy to focus on branded products

BRANDED & OTHER VOLUME BREAKDOWN

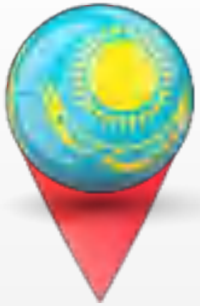


BRANDED & OTHER REVENUE BREAKDOWN



AGENDA

M&A Track record – well positioned for future growth

Hi Food (EGYPT)	FMC (KSA)	Hamle (KAZAKHSTAN)	Ul MENA (UAE)	IBC (KSA)
				
March 2016	June 2016	March 2017	December 2017	May 2018

- Ability to act as local producer and regional production hubs as well
- Ability to build higher scale in primary markets
- Access higher growth in confectionary adjacencies in biscuit category
- Potential to add new business capabilities in core categories
- Enhance capacity usage

Saudi Arabia - Stronger and stronger with higher market share – Position # 1

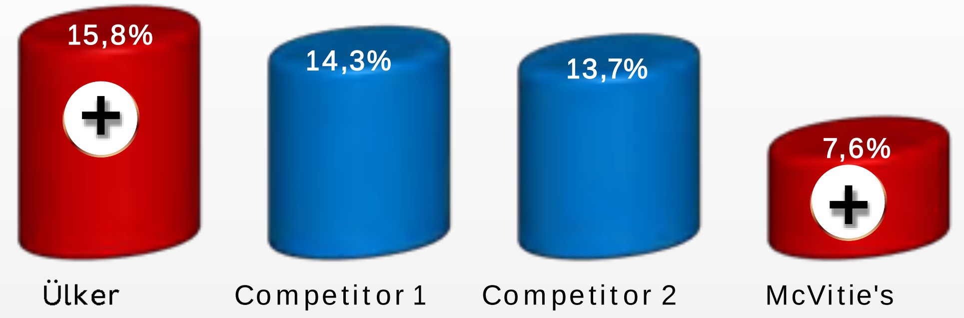
FMC FINANCIAL REVIEW

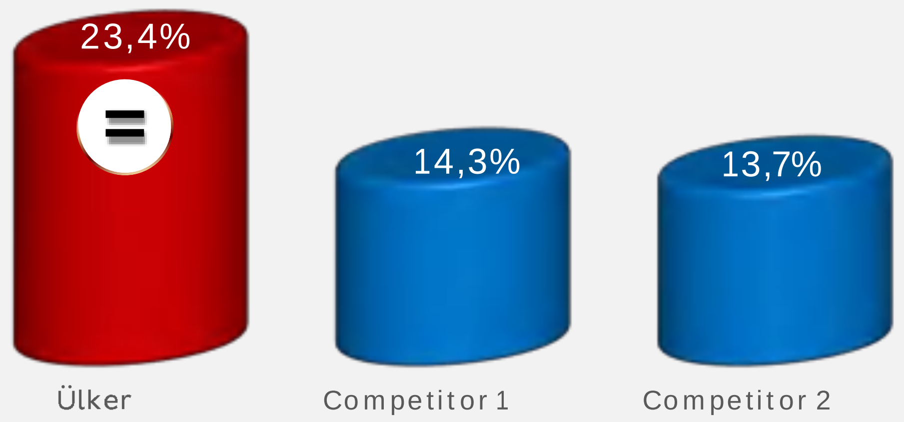
	1H'20	1H'21	Change
Sales Volume (tons)	26.982	24.761	-8,2%
Net Sales(SAR x000)	395.964	349.214	-11,8%
EBITDA(SAR x000)	61.864	42.432	-31,4%
EBITDA Margin	15,6%	12,2%	

- Sales volume decreased by 8,2% due to the significant market shrinkage.
- In a decling market trend in Saudi we manage to sustain our leadership position in biscuit category.
- Significant market shrinkage in key markets and import ban effect in Saudi impacted top line growth.
- Due to the drastic price increase in commodities impacted gross profit and EBITDA margins respectively.

BISCUITS MARKET SHARE

#1





Saudi Arabia – IBC operations efficiency in all lines proves that the strategy of the acquisition is on right track

IBC FINANCIAL REVIEW

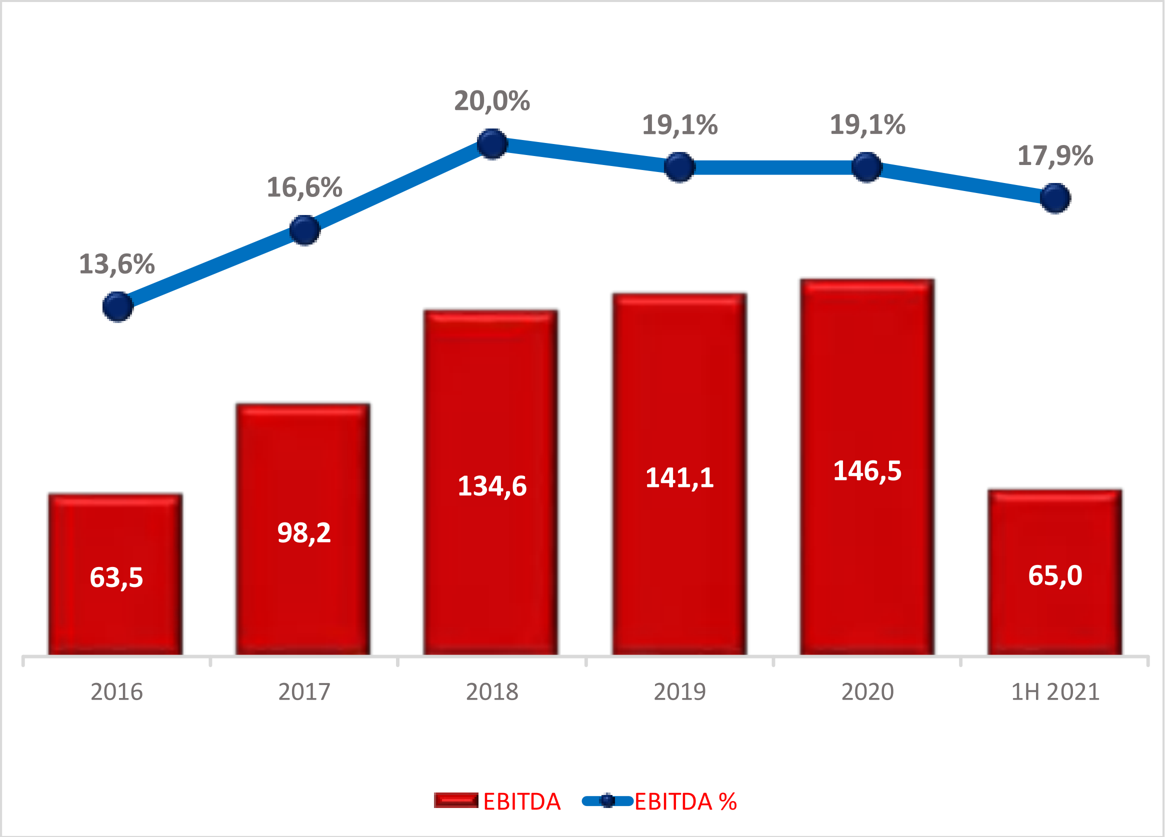
	1H'20	1H'21	Change
Sales Volume (Tons)	7.367	7.536	2,3%
Net Sales (SAR x000)	88.814	87.245	-1,8%
EBITDA (SAR x000)	24.301	22.578	-7,1%
EBITDA Margin	27,4%	25,9%	

- Sales volume increased by 2,3% thanks to our new launches and increased penetration of our existing portfolio.
- Slow-down in KSA market driven by partial restrictions due to the pandemic, extension of online schooling,change in product mix and increase in VAT rate by 10%, shifting production to FMC affected company's revenue performance as compared to previous year.

IBC PRODUCT PORTFOLIO

Leading the market in our second largest market KSA

FMC-IBC CONSOLIDATED FINANCIAL REVIEW(*)



(*)EBITDA (in SAR million)

HIGHLIGHTS

- Ülker became strong number #1 in the region in terms of market share
- Increased our market share each consecutive quarter
- We increased the shelf visibility and we have large presence in modern channel
- By integrating the operations of IBC & FMC, we decrease cost to serve in the region by creating the synergies in procurement, production and distribution
- We act as a production hub with our local, regional and global brands in MENA region
- EBITDA margin realized as 17,9% in 1H 2021, great increase in terms of profitability compared to FY 2016 which was 13,6%
- On the back of promising new product launches and increasing penetration of our brands the momentum will continue
- Proved the success of the strategy

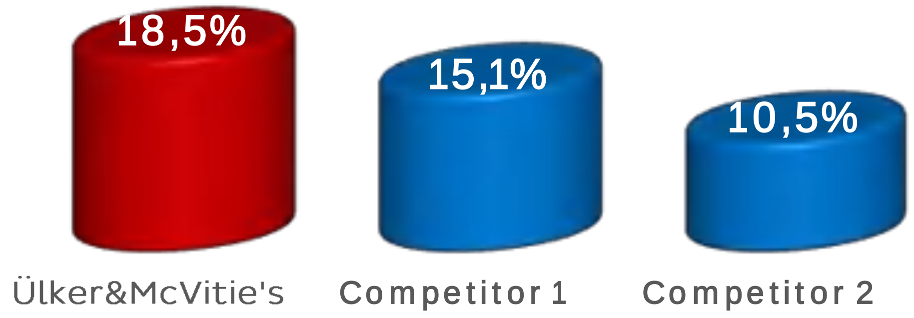
Egypt – Achieved number #1 position in biscuits, target to be #2 in cake & top 5 in chocolate

HI-FOOD & ULKER EGYPT FINANCIAL REVIEW

	1H'20	1H'21	Change
Sales Volume (tons)	16.556	18.414	11,2%
Net Sales(EGPx000)	639.496	688.778	7,7%
EBITDA(EGPx000)	106.675	62.795	-41,1%
EBITDA Margin	16,7%	9,1%	

BISCUITS MARKET SHARE

#1

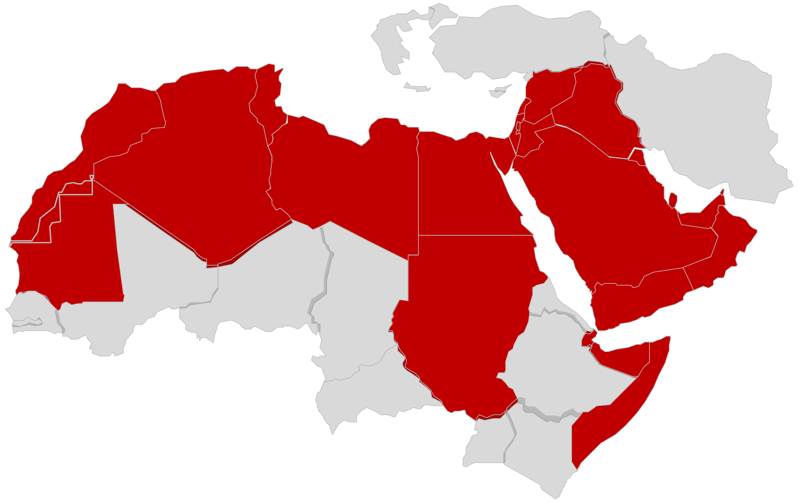


- Ulker brands are the biggest share gainer and maintained multiple segment leadership despite challenges because of COVID-19 and increasing competition
- In a declining market, with 18,5% market share we maintain market leader position in 2021 by widening the gap with competitor 2
- Overall Innovation launches of 2021 made positive contribution to volumes and sales which is mainly driven by higher performance in Biskrem and McVitie's.
- Continuous market de-growth in Egypt domestic market and the dramatic increase in global commodity prices put pressure on profitability affecting raw and packaging material prices.
- McVitie's continues to pave the way for gaining market share

UI MENA Operations to become # 1 or strong # 2 in all MENA

UI MENA FINANCIAL REVIEW

	1H'20	1H'21	Change
Sales Volume (tons)	6.175	6.047	-2,1%
Net Sales(AED x000)	85.274	84.238	-1,2%
EBITDA(AED x000)	28.904	33.497	15,9%
EBITDA Margin	33,9%	39,8%	



- Ülker acquired UI MENA which owns Amir Global (the owner of McVitie's distribution / production rights in MENA and Saudi Arabia along with sales company in Egypt)
- Volume declines mainly driven by the market contraction
- Reshaping the trade strategy' and focusing more on Traditional Trade driving growth in EBITDA vs the same period last year for core brands in the UAE market.
- McVitie's and Godiva Range of SKUs are performing well driven by improved merchandising and quality of visibility, intensive focus on retail channel

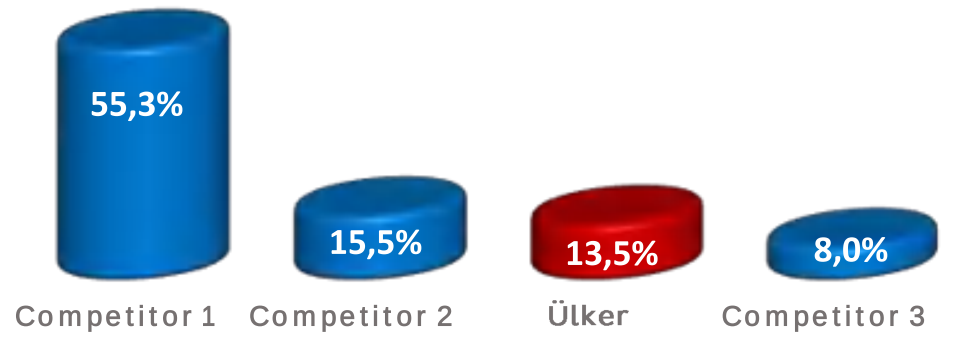
Kazakhstan-a Bridge from east to west and our gate to Asia

HAMLE FINANCIAL REVIEW

	1H'20	1H'21	Change
Sales Volume (tons)	8.871	8.744	-1,4%
Net Sales(KZTx000000)	9.576	9.897	3,3%
EBITDA(KZTx000000)	1.353	991	-26,8%
EBITDA Margin	14,1%	10,0%	

CHOCOLATE MARKET SHARE

#3



- Xinjiang, Kazakhstan domestic and Azerbaijan are drivers of revenue growth
- EBITDA's contraction driven by the decrease in China exports due to Covid-19 and change in the channel mix
- Growth of Kazakhstan domestic sales supported with Albeni's increasing visibility and return on investments of star brands
- Hamle started to source Azerbaijan market. The production has been switched from Turkey to Hamle
- Albeni is #2 after Snickers in volume and value

International operations performance

BISCUITS–23,4% M.SHARE #1

#1 in Plain

#1 in Filled

#1 Coated

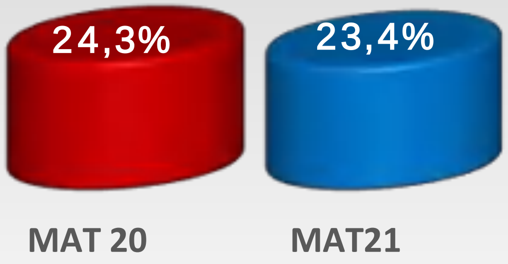
#2 in Wafer

#4 in Wafer

#4 in Sandwich Bisc.

#2 in Digestive

Market Share Development, Value Based(*)



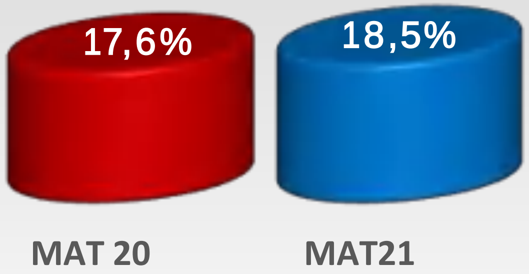
BISCUITS–18,5% M.SHARE #1

#1 in Filled (Biskrem and Tamr brands)

#1 in Digestives

#2 in Plain (Teabiscuits and Finger biscuits)

Market Share Development, Value Based(*)

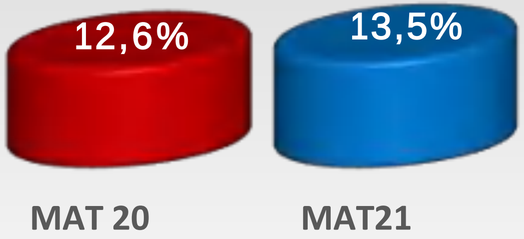


CHOCOLATE–13,5% M.SHARE #3

#1 in Biscuits with Filling

#2 in Countline

Market Share Development, Value Based(*)



Source : MAT (Moving Annual Total) Nielsen Data

NPD Sales contributes 5,7% of total international sales in 1H2021

SAUDI ARABIA

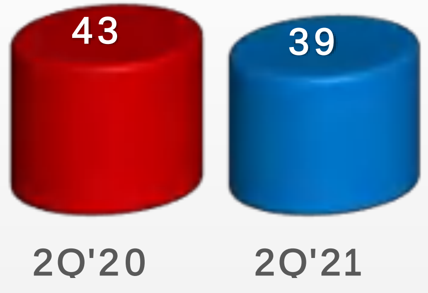
KAZAKHSTAN

EGYPT

SYNERGY PRODUCTS

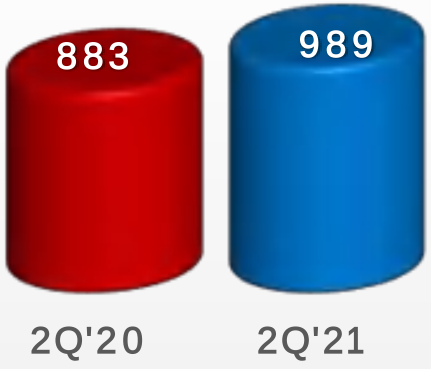
Exports and international operations in 2Q'21

SALES VOLUME (X000 TONS)



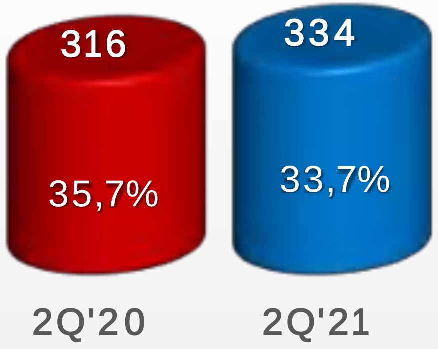
- Total volume decreased by 7,4% driven by the decreasing consumption due to economic slowdown and Covid-19 pandemic and sizing impacts

NET SALES (MTL)



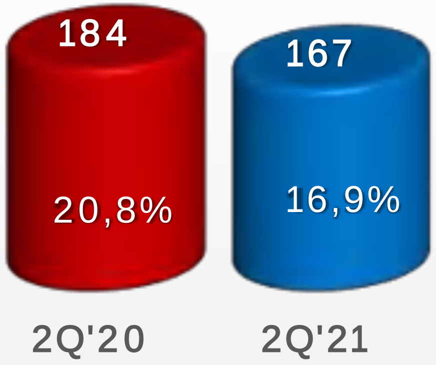
- Total revenue up by 12,0% thanks to;
  - Price adjustments and currency impact in export operations
  - Favorable category and mix impact
  - New launches

GROSS PROFIT (MTL)



- Gross Profit increased by 5,7% reflecting the
  - Increase in sales & new launches
  - Increase in commodity prices
- Gross Margin decreased to 33,7% driven by the increase in commodity prices

EBITDA (MTL)

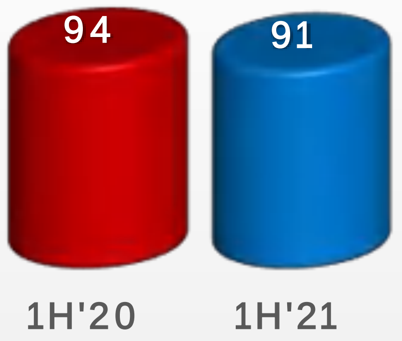


- EBITDA in 2Q'21 realized at **167mn TL** with an decrease of 9,0% versus 2Q'20 driven by lower gross profit.
- EBITDA margin realised as 16,9%.

All figures set out in the table above are related to products sold in overseas operations

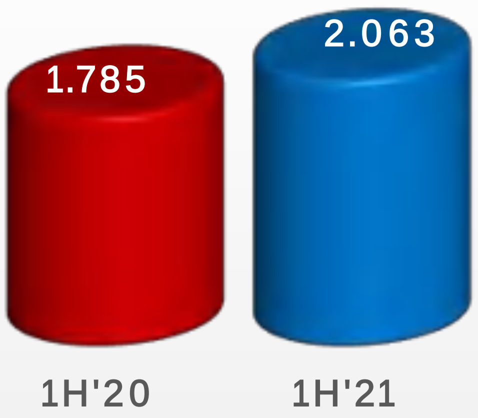
Exports and international operations in 1H’21

SALES VOLUME (X000 TONS)



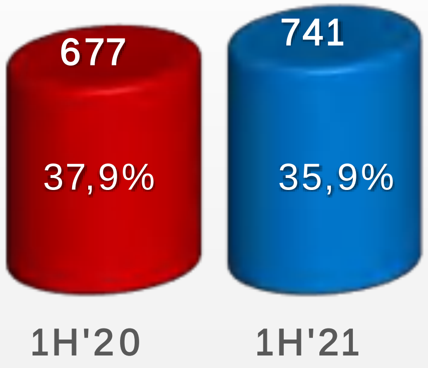
- Total volume decreased by **2,5%** driven by the continues impact of Covid 19

NET SALES (MTL)



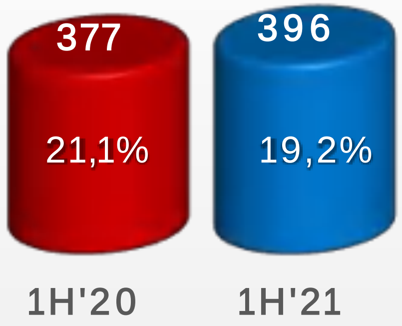
- Total revenue up by **15,6%** thanks to;
  - Price adjustments and currency impact in export operations
  - Favorable category and mix impact
  - New launches

GROSS PROFIT (MTL)



- Gross Profit increased by **9,5%** reflecting the
  - Increase in sales & new launches
  - Efforts in productivity
- Gross Margin decreased to **35,9%** driven by the increase in commodity prices

EBITDA (MTL)

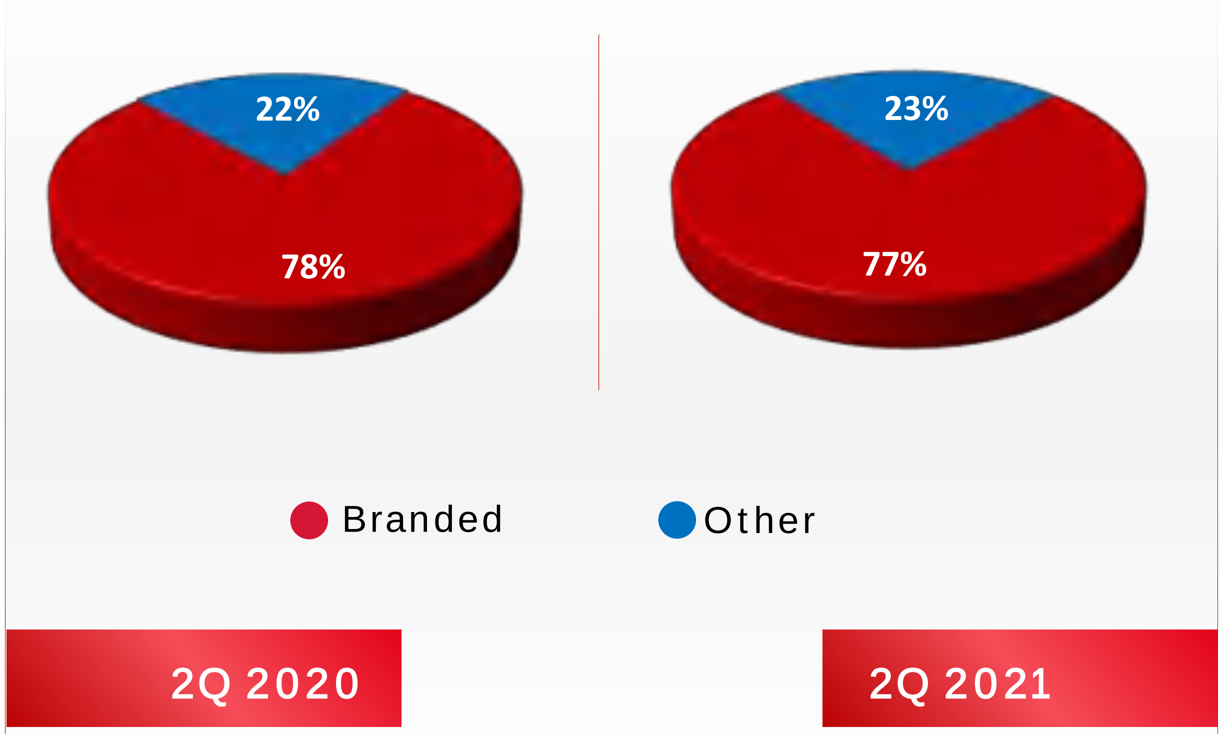


- EBITDA in **1H’21** realized at **396 mn TL** with an increase of **5,1%** versus **1H’20**.
- EBITDA margin realised as **19,2%.**

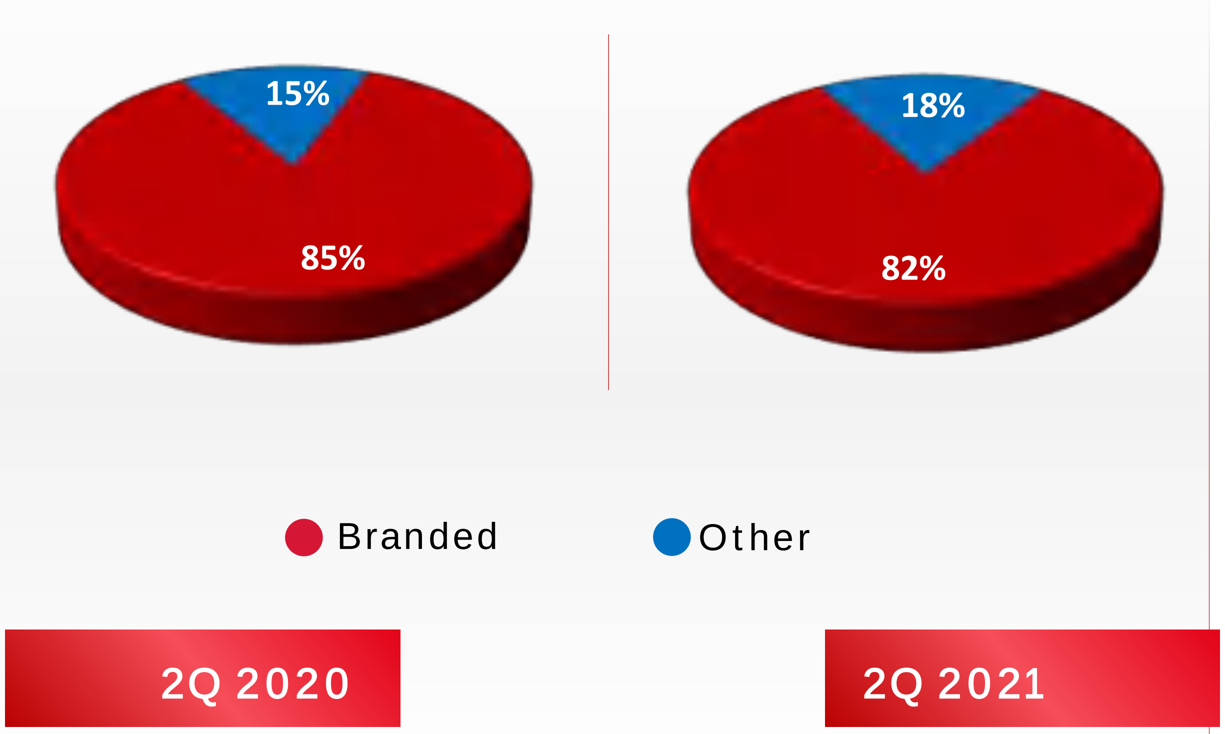
All figures set out in the table above are related to products sold in overseas operations

Strategy to focus on branded products

BRANDED & OTHER VOLUME BREAKDOWN



BRANDED & OTHER REVENUE BREAKDOWN

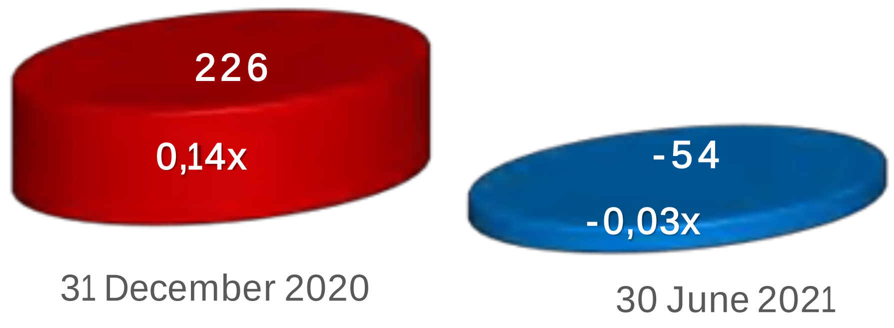


We focused on branded product sales and continue to enjoy significant contribution improvement at the operational front in line with our strategy.

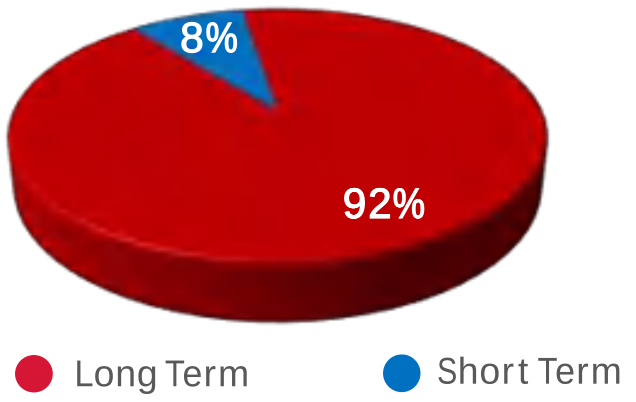
AGENDA

Net Working Capital & Net Debt Position

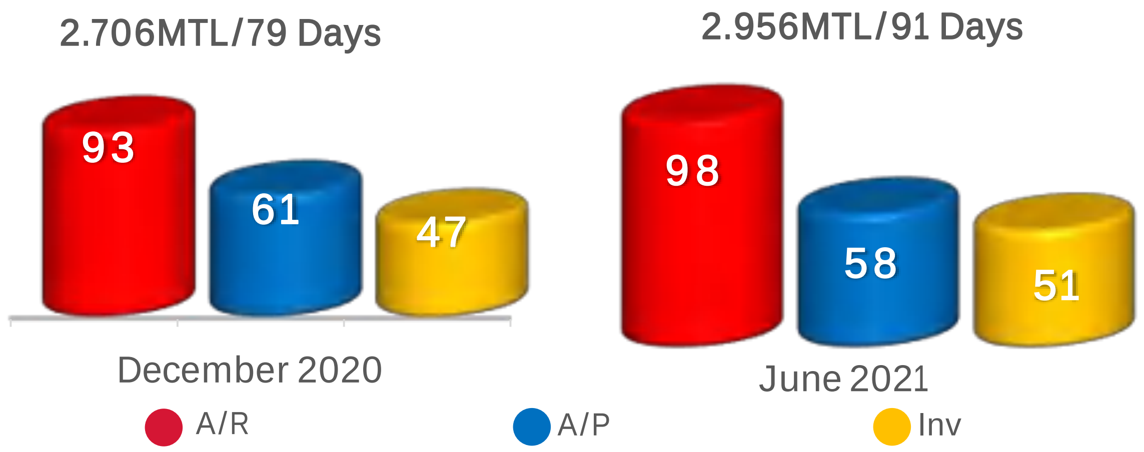
NET DEBT /(CASH) (MTL) – NET DEBT(CASH)/EBITDA (X)



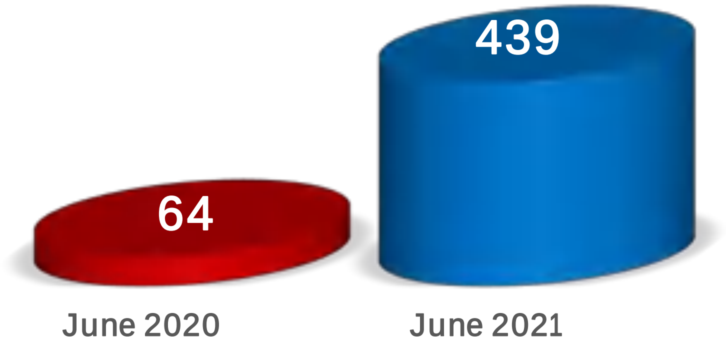
MATURITY BREAKDOWN AS OF JUNE 2021



AVERAGE WORKING CAPITAL DAYS & NET WORKING CAPITAL



FREE CASH FLOW (MTL)



Outstanding FX position

(Million TL/$/€)	TL Equivalent	USD	EURO
Cash Equivalents & Monetary Assets	10.926	1.192	56
Trade Receivables	715	76	4
Total Assets	**11.641**	**1.268**	**59**
Financial Liabilities	771	47	35
Trade Payables	187	12	7
Other Current Liabilities	1	0	0
Current Liabilities	**959**	**59**	**42**
Financial Liabilities	9.637	718	330
Non Current Liabilities	**9.637**	**718**	**330**
Total Liabilities	**10.597**	**777**	**372**
Net Position	**1.044**	**491**	**(313)**

Ülker has no short position in terms of hard currencies

The table was prepared based on the combination of fx position of Group entities.

AGENDA

2021 Guidance

	March 2021 Guidance	June 2021 Guidance-Revised
Net Sales	15 % Growth	16 % Growth
EBITDA Margin	16,6 %	16,0 %

AGENDA

Önem Gıda Acquisition

- Önem Gıda was established in 2003 and %100 owned by Yıldız Holding
- Core business activities are production chocolate dough processing at Topkapı facility and hazelnut production at Giresun Keşap facility, biscuit flour at Ankara in 2012
- Procurement company of confectionary business
- Total # of employees 537
- Annual Production Capacities (tonnes)
  - Wheat Processing : 285.000
  - Liquid chocolate : 135.000
  - Cocoa Grinding : 50.000
  - Hazelnut+Puree : 22.500

Strategic Importance of Önem Gıda acquisition

- Aim is to create high-level synergies in our largest category chocolate business and add value to our company's strategic and profitable growth.
- Önem Gıda acquisition will mean vertical integration for Ülker. Material part of purchase will be under Ülker umbrella
- The acquisition will have positive contribution to Ulker profitability, EBITDA margin will improve approximately by 250 bps when Önem is consolidated into Ulker P&L.

The table was prepared based on the combination of fx position of Group entities.

Investor relations contact

For further information please e-mail

ir@ulker.com.tr

or call

Ülker Investor Relations

+90 (216) 524 25 56

Beste Tasar

Investor Relations Director

+90 (216) 524 25 56

beste.tasar@ulker.com.tr

http://ulkerbiskuviyatirimciiliskileri.com

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