



ÜLKER BİSKÜVİ

INVESTOR PRESENTATION 1Q 2021

İstanbul, 07 May 2021



AGENDA

- 1 Turkey Macro Economic Overview
- 2 Market Growth
- 3 Communication Highlights
- 4 1Q 2021 Highlights and Consolidated Operational Performance
- 5 Domestic Operations
- 6 Export and International Operations
- 7 Balance Sheet Highlights
- 8 2021 Guidance

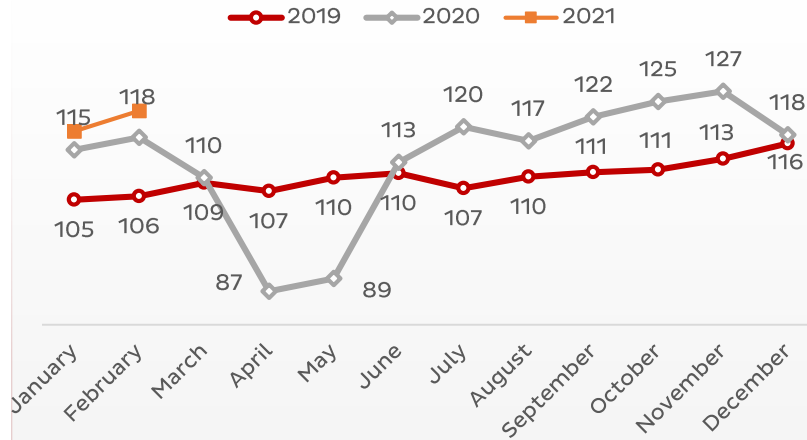


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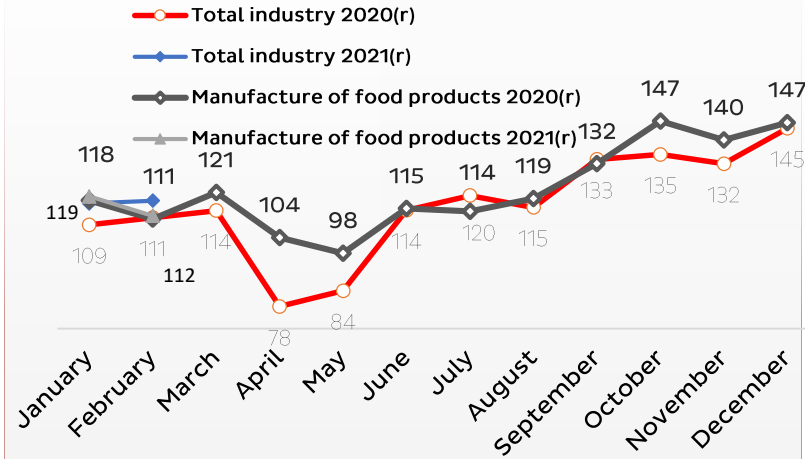
Turkey macro economic overview

RETAIL SALES VOLUME INDEX



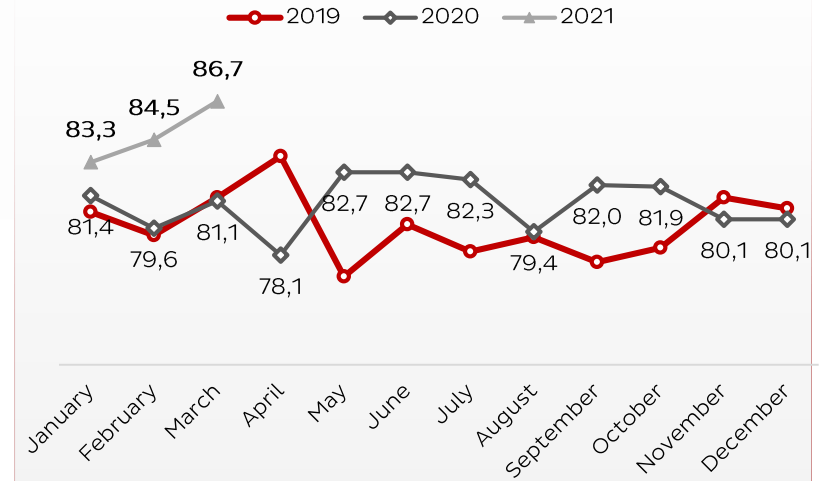
- Seasonal and calendar adjusted retail sales volume with constant prices increased by **3%** in **March 2021** compared with the previous month.

INDUSTRIAL PRODUCTION



- As of **February 2021** Industrial Production index realized as **118**.
- Manufacture of food products increased by **1%** compared with same month previous year.

CONSUMER CONFIDENCE INDEX



- Consumer confidence index in Turkey increased by **3%** compared to previous month and realized as **86,7** in **March 2021**
- A rise in general index was realized in CPI on the previous month by **1,08%** in **March 2021**.
- Food inflation realized as **17,44%** in **March 2021**.

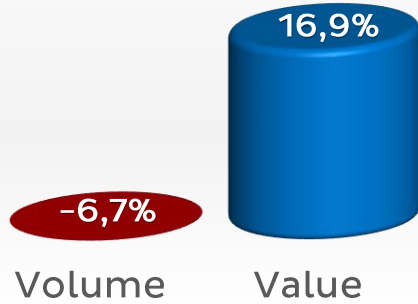


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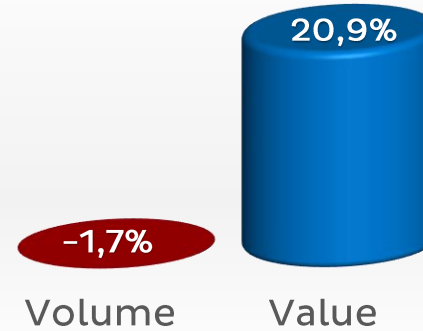
2021 First quarter domestic market growth

TOTAL SNACKING



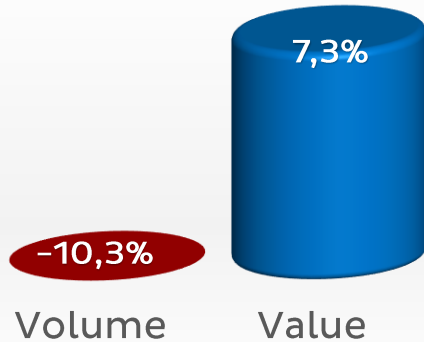
- Total snacking market declined by **6,7%** in volume terms and increased by **16,9%** in value terms

CHOCOLATE



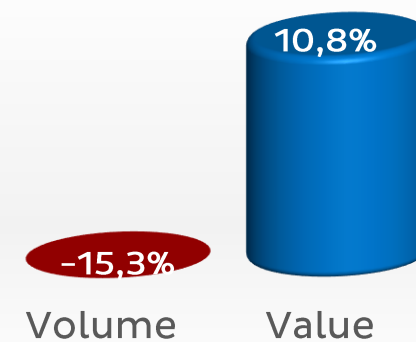
- Total chocolate market down by **1,7%** in volume and increased by **20,9%** in value terms

BISCUITS



- Total biscuit market was contracted by **10,3%** in volume and increased by **7,3%** in value terms

CAKE



- Total cake market decreased by **15,3%** in volume and increased by **10,8%** in value terms

Source : YTD 2021 Nielsen Data – cips excluded



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Q1'2021 Awards & Recognition



Succesfull works in HR and innovation carried out by Ülker have been recognised by different authorities.



Ülker was deemed worthy of 7 awards in the field of human resources at the MENA Stevie Awards.



The "Innovation" award was received at the ceremony held by Fast Company magazine with the Aliğa Wheat project.



Ülker was granted Innovation Award by Marketing Turkey magazine thanks to the "Innovative Products of the Year" research led by Wizzsight Research.

Q1'2021 Communication highlights

Ülker has continued its sustainability awareness activities and employee branding projects.



#GüzelÜlkem
Nature Entrusted to Us
sustainability video series
have been released.



Applications for 'bizz@campus', where ideas compete for the most popular brands of Ülker, started.



Continuing its activities with the vision of sustainable growth, Ülker shared a post on its social media accounts to raise awareness on March 22, World Water Day.



During the Energy Saving Week, Ülker drew attention to energy saving for the sustainable growth of our country with its social media post.



Ülker achieved a place in the Sustainability Yearbook 2021, the news was shared on social media



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Largest confectionary company in the region

77 years of
experience in
Turkey

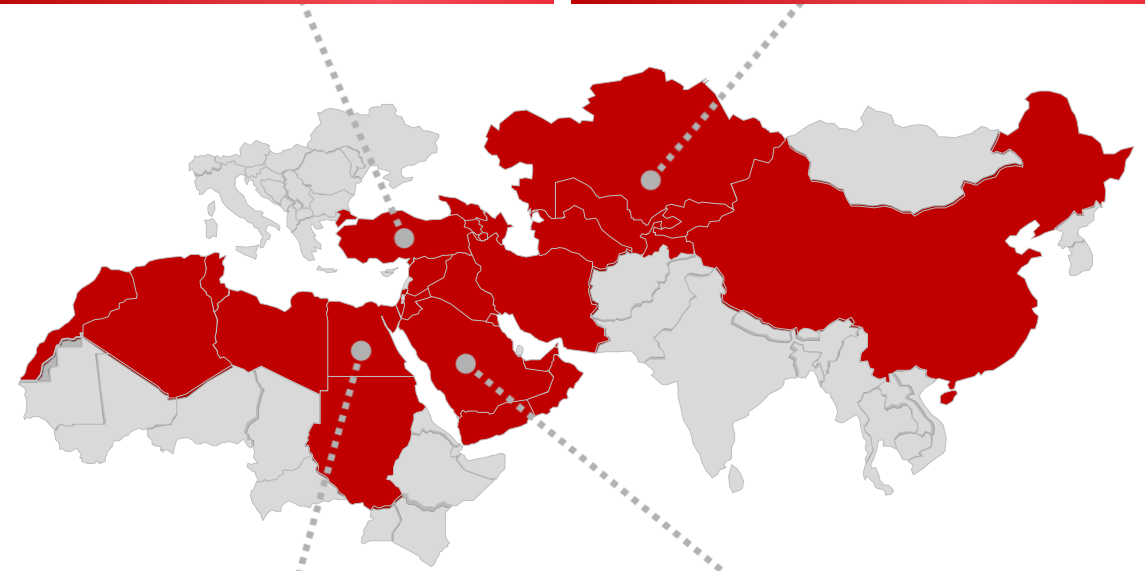
Production:
4 countries,
10 facilities

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 - UI Mena

2021 First quarter consolidated performance highlights



Revenue

2.690 MTL
Growth + 13,2%

Gross Profit

774 MTL
Growth + 8,0%

Gross Margin

28,8%
-140pbs



EBITDA

458 MTL
Growth + 10,2%

Net Debt/EBITDA

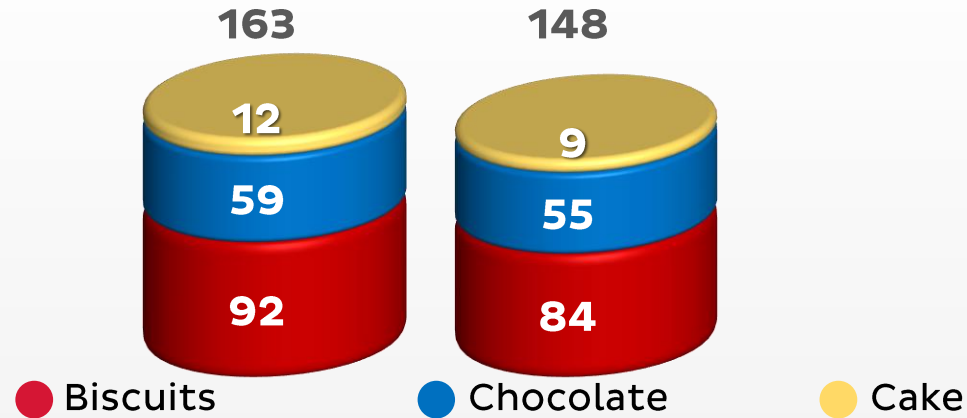
2021 :- 0,18x
2020 : 0,14x

Free Cash Flow

2021 :456MTL
2020 : 57MTL

Ülker's volume and value performance 1Q'21 vs 1Q'20

TOTAL SALES VOLUME (KTONS)

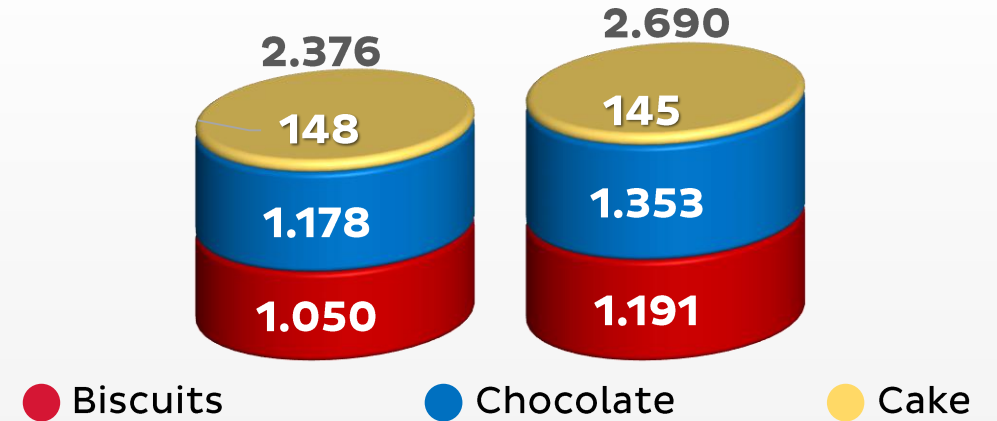


1Q 2020

1Q 2021

- Total volume decreased by **8,8%**.
 - Sales volume in biscuits, chocolates and cakes was down by **8,6%, 6,1% and 23,2%** respectively due to ;
 - High base impact compared to 1Q'20
 - Sizing & Pricing activities
 - Consumption slow-down that lead to volume shrinkage in the market

TOTAL SALES VALUE (MTL)



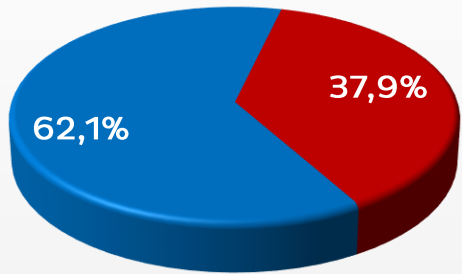
1Q 2020

1Q 2021

- Total revenue increased by **13,2%** with support of biscuit and chocolate revenues
 - Biscuits sales was up by **13,4%** thanks to positive performance of international operations
 - Chocolate sales was up by **14,9%** driven by value added launches in domestic market and mix impact
 - Cake sales was down by **2,1%** due to the slowdown in exports and international operations and home made cooking in Turkey

Contribution of exports and international operations are increasing

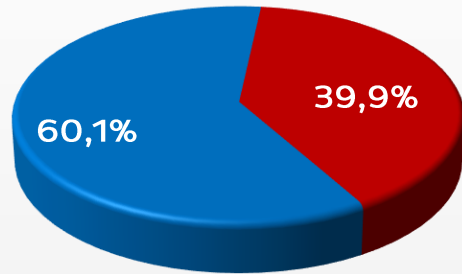
REVENUE BREAKDOWN



● Domestic

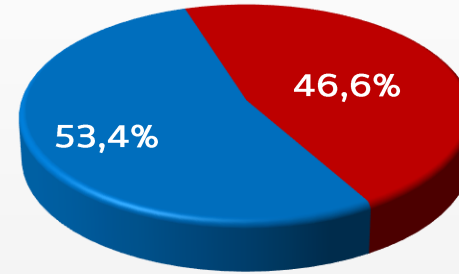
● International

1Q 2020



1Q 2021

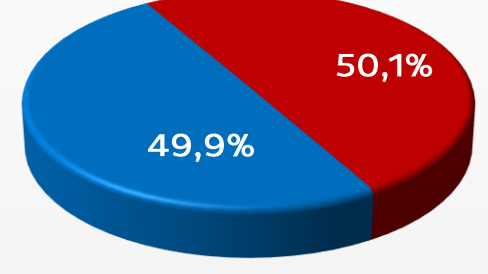
EBITDA BREAKDOWN



● Domestic

● International

1Q 2020



1Q 2021

A Difficult quarter supported with positive top line and bottom line growth

TL ('000)	1Q 2020	1Q 2021	%
Volume (Ton)	162.774	148.476	-8,8%
Revenue	2.376.126	2.689.678	13,2%
Gross Profit	716.281	773.581	8,0%
Gross Profit Margin	30,1%	28,8%	-1,4 ppt
EBITDA	415.167	457.502	10,2%
EBITDA Margin	17,5%	17,0%	-0,5 ppt
Net Income (Equity Sholders of the parent)	(98.292)	479.294	587,6%
Net Income %	-4,1%	17,8%	22,0 ppt

Revenue grew by 13,2% on the back of effective and value-added new product launches (NPD)

Main drivers behind the strong performance

- Effective volume, mix and pricing impact
- New listings in discounter channel in Turkey

Volumes decline due to the change in the channel mix and sizing impact



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Turkey – Strong #1 in total snacking with 36,9% market share in 1Q'21

BISCUITS – 41,3% MARKET SHARE

#1

#1 in Petit Beurre



#1 in Special Biscuits



#1 in Sandwich Bisc.



#1 in Creamy Biscuits



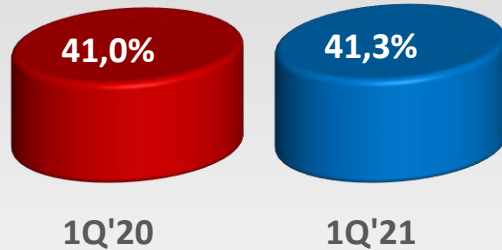
#1 in Cracker



#1 in Chocolate Filled



Market Share Development in Value(*)



CHOCOLATE – 41,1% MARKET SHARE

#1

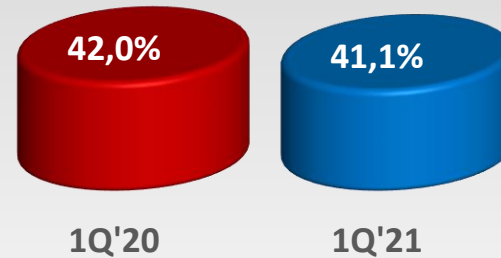
4 out of Top 5 in Chocolate Covered



#1 in Solid Chocolate



Market Share Development in Value(*)



CAKE – 20,1% MARKET SHARE

#2

#1 in Family Cake



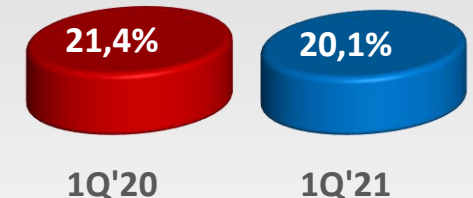
#2 in Portion Muffin Coated Cake



#2 in Wet Cake



Market Share Development in Value(*)



Successful innovations-effective and value-added NPD's launched in 2020&2021

SYNERGY PRODUCTS



2021 NEW PRODUCT LAUNCHES

BISCUITS



CAKE

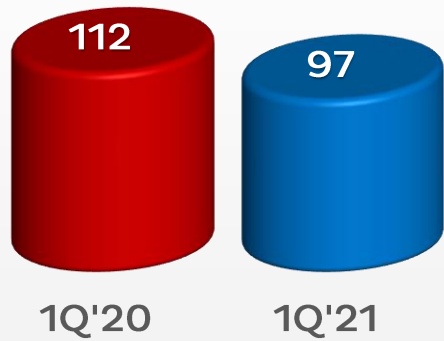


CHOCOLATE



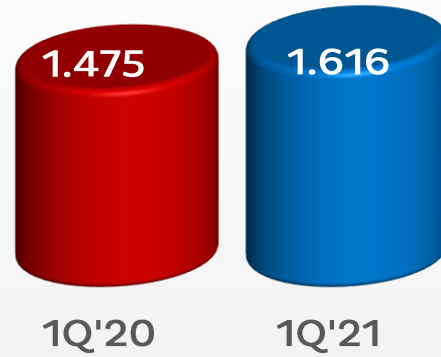
In 1Q'21 Ülker continued to perform well in a challenging environment in the snacking market in Turkey

SALES VOLUME (X000 TONS)



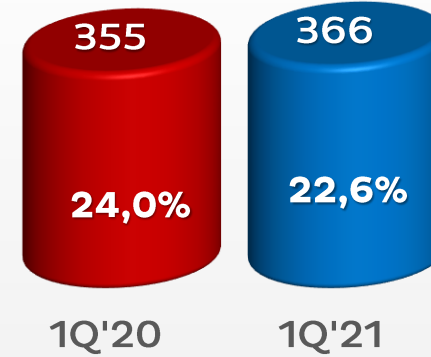
- Sales volume contracted by **13,5%** mainly driven by
 - High base impact compared to 1Q'20 driven by panic buying in March 2020
 - Sizing activities
 - Decline in the market due to Covid-19

NET SALES (MTL)



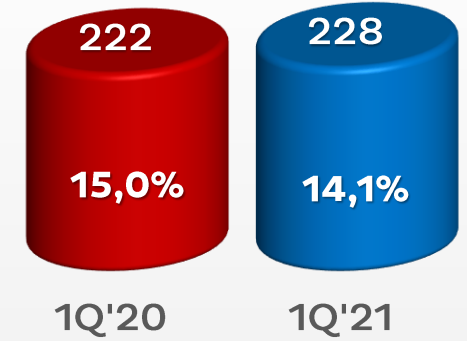
- Revenue was up by **9,6%** in total thanks to;
 - Portfolio optimizations
 - Value added launches in biscuits and chocolate category

GROSS PROFIT (MTL)



- Gross profit increased by **3,1%**
- Gross profit margin for the quarter realized as **22,6%** in 1Q'21
- Gross profit margin stress due to the high base impact, change in the channel mix and increase in commodity prices

EBITDA (MTL)

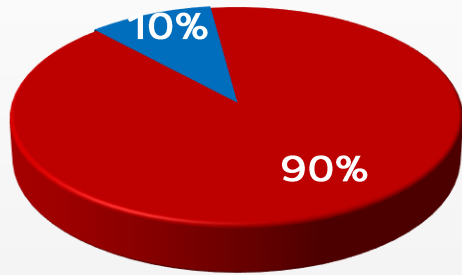


- EBITDA increased by **3,0 %** and margin contracted by 90bps and realised as **14,1 %** on the back of Gross Margin contraction

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

Strategy to focus on branded products

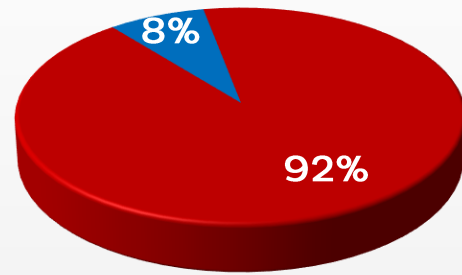
BRANDED & OTHER VOLUME BREAKDOWN



● Branded

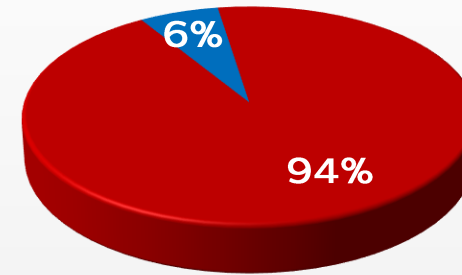
● Other

1Q 2020



1Q 2021

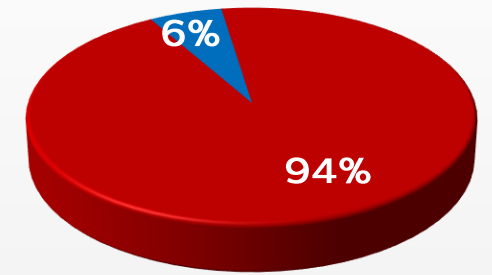
BRANDED & OTHER REVENUE BREAKDOWN



● Branded

● Other

1Q 2020



1Q 2021



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M&A Track record – well positioned for future growth

Hi Food
(EGYPT)



March
2016

FMC
(KSA)



June
2016

Hamle
(KAZAKHSTAN)



March
2017

UI MENA
(UAE)



December
2017

IBC
(KSA)



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

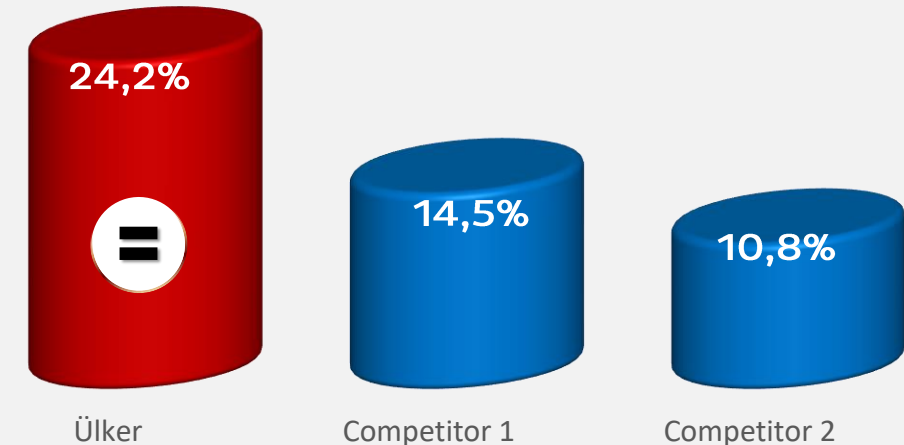
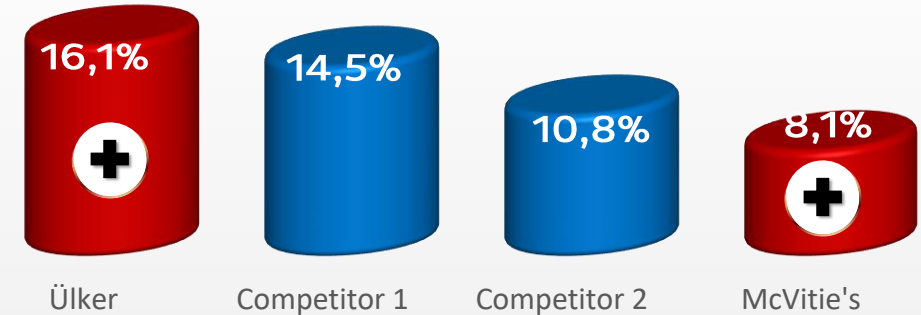
FMC FINANCIAL REVIEW

	1Q'20	1Q'21	Change
Sales Volume (tons)	15.426	15.673	1,6%
Net Sales(SAR x000)	228.500	215.871	-5,5%
EBITDA(SAR x000)	43.006	34.317	-20,2%
EBITDA Margin	18,8%	15,9%	

- Covid-19 driven economic decline, late opening of schools and the increase in VAT from 5% to 15% and market shrinkage were the main drivers behind decline in sales. Continue to strongly increase our volume and market share thanks to our new product launches and balanced organic growth
- By increasing our R&D capabilities, we continue to introduce products specific to the region in a declining market and we strengthen our footprint in the market with new launches like Ülker Tea Biscuit Cocoa, Halley Strawberry, Ülker Coffee Biscuit, McV Hobnobs Gluten-Free

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

	1Q'20	1Q'21	Change
Sales Volume (Tons)	4.124	4.112	-0,3%
Net Sales (SAR x000)	49.597	45.300	-8,7%
EBITDA (SAR x000)	14.260	9.898	-30,6%
EBITDA Margin	28,8%	21,8%	

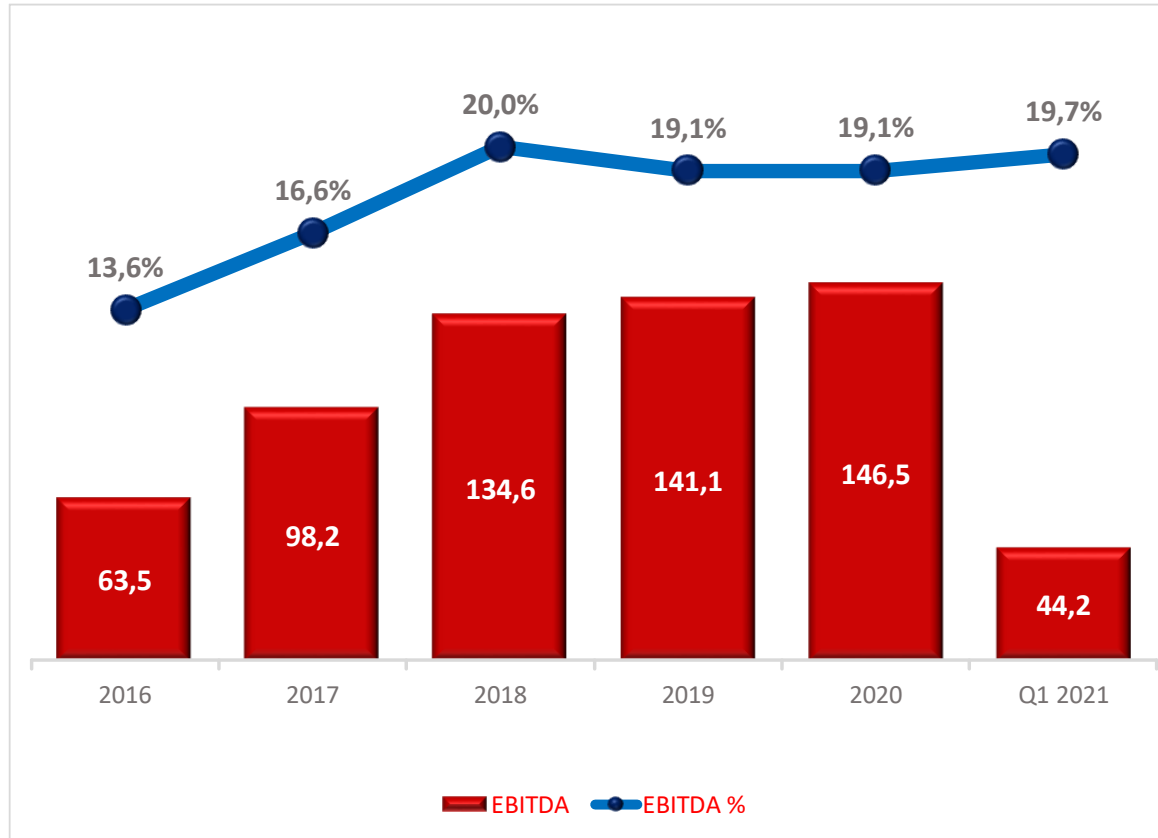
- IBC has multi production capability of Ulker, Mcvities and Rana brands. The company is also the main producer of Rana branded products.
- After the consolidation of FMC and IBC operations, a significant improvement has been achieved in procurement, production and distribution processes.
- Slow-down in KSA market driven by partial restrictions due to the pandemic, extension of online schooling 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 **19,7%** in 1Q 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

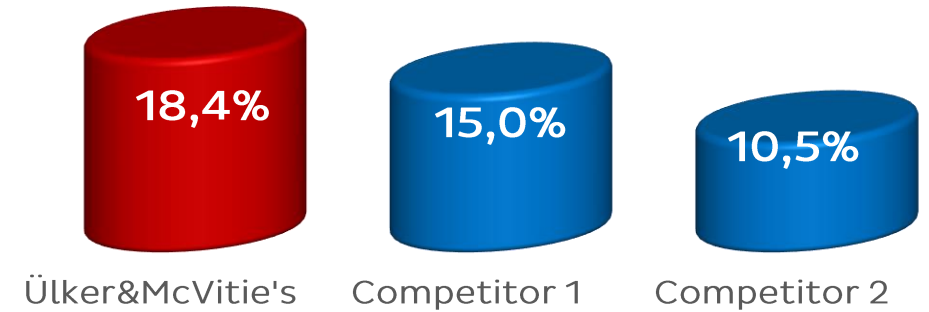
Egypt – Achieved number #1 position in biscuits, target to be #2 in cake & top 5 in chocolate

HI-FOOD & ULKER EGYPT FINANCIAL REVIEW

	1Q'20	1Q'21	Change
Sales Volume (tons)	10.033	10.636	6,0%
Net Sales(EGPx000)	383.864	400.288	4,3%
EBITDA(EGPx000)	58.346	52.628	-9,8%
EBITDA Margin	15,2%	13,1%	

BISCUITS MARKET SHARE

#1

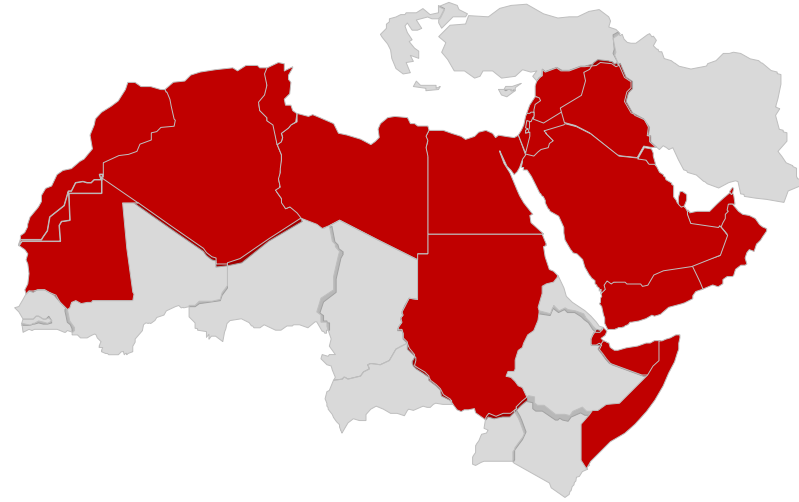


- Successfully increased the volume and sales in a declining market. Due to Covid-19, late opening of schools and continuing of online education, the decrease in income sources, especially tourism, the Egyptian biscuit market decreased by 11% in tonnage and value compared to the same period of the previous year in the first quarter of 2021.
- By increasing our R&D capabilities in the region, we continue to introduce products specific to the region. **Biskrem Cookie**, **Halley Strawberry** are some of them .
- In a declining market, with **18,4%** market share we maintain market leader position in 2021 by widening the gap with competitor 2 and total volume growth realize as **6%**
- **McVitie's** continues to pave the way for gaining market share
- Continuous operational efficiencies and better procurement of raw materials supported the results

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

UI MENA FINANCIAL REVIEW

	1Q'20	1Q'21	Change
Sales Volume (tons)	3.131	3.200	2,2%
Net Sales(AED x000)	42.507	41.995	-1,2%
EBITDA(AED x000)	13.755	15.748	14,5%
EBITDA Margin	32,4%	37,5%	



- 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)
- Sales operations in Egypt (Ülker Egypt- consolidated in Egypt side)
- Some of the main markets: Saudi Arabia, UAE, Lebanon, Qatar, Kuwait, Jordan, Egypt
- Improve market position of Ülker in MENA countries to be number 1 or number 2
- Decrease cost to serve in the region

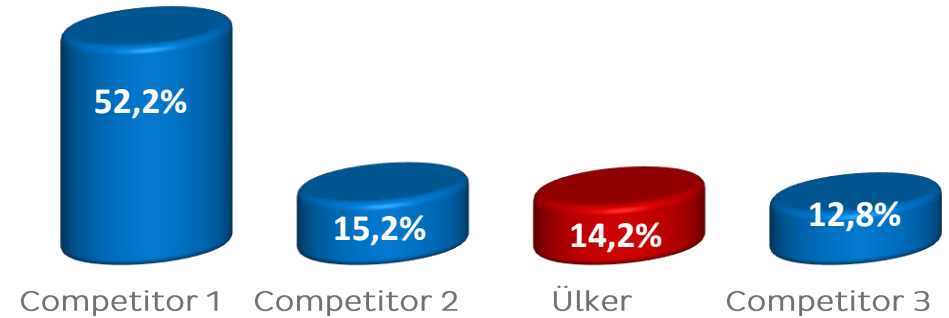
Kazakhstan–a Bridge from east to west and our gate to Asia

HAMLE FINANCIAL REVIEW

	1Q'20	1Q'21	Change
Sales Volume (tons)	4.590	4.344	-5,4%
Net Sales(KZTx000000)	4.917	5.005	1,8%
EBITDA(KZTx000000)	702	384	-45,3%
EBITDA Margin	14,3%	7,7%	

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 making the right choices and gaining market share in all regions despite Covid-19



BISCUITS-24,2% M.SHARE

#1

#1 in Plain



#1 in Filled



#1 Coated



#2 in Wafer



#4 in Wafer



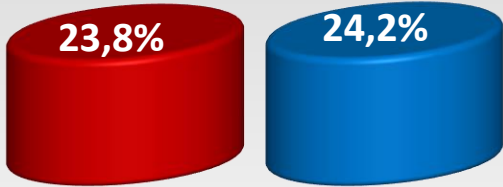
#4 in Sandwich Bisc.



#2 in Digestive



Market Share Development, Value Based(*)



MAT 20

MAT21



BISCUITS-18,4% M.SHARE

#1

#1 in Filled (Biskrem and Tamr brands)



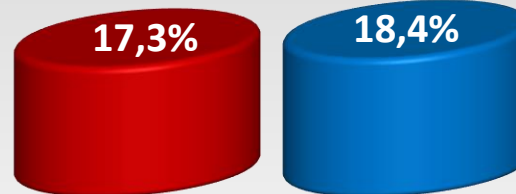
#1 in Digestives



#2 in Plain (Teabiscuits and Finger biscuits)



Market Share Development, Value Based(*)



MAT 20

MAT21



CHOCOLATE-14,2% M.SHARE

#3

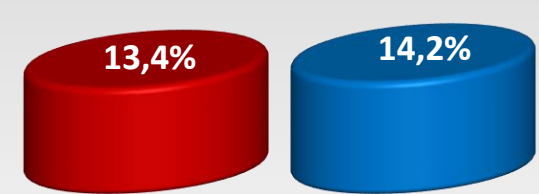
#1 in Biscuits with Filling



#2 in Countline



Market Share Development, Value Based(*)



MAT 20

MAT21

Source : MAT (Moving Annual Total) Nielsen Data

2020&2021 New launches & synergy products

SAUDI ARABIA



EGYPT



KAZAKHSTAN

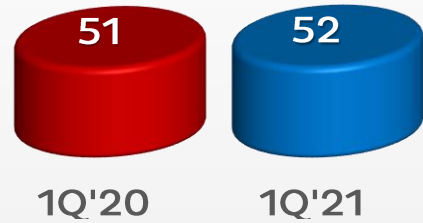


SYNERGY PRODUCTS



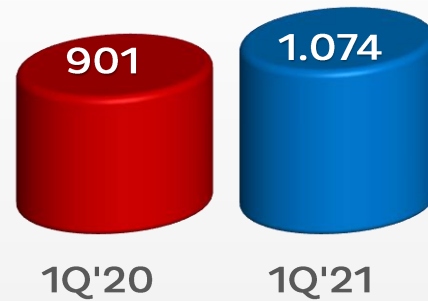
Exports and international operations in 1Q'21

SALES VOLUME (X000 TONS)



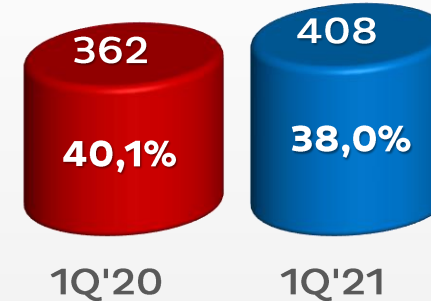
- Total volume increased by **1,5%** driven by the new launches in international operations

NET SALES (MTL)



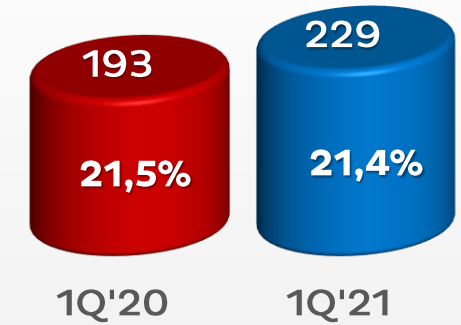
- Total revenue up by **19,1%** thanks to;
 - Price adjustments and currency impact in export operations
 - Favorable category and mix impact
 - New launches

GROSS PROFIT (MTL)



- Gross Profit increased by **12,8%** reflecting the
 - Benefited from the cost discipline
 - Increase in sales & new launches
 - Efforts in productivity
- Gross Margin decreased to **38%** driven by the increase in commodity prices

EBITDA (MTL)

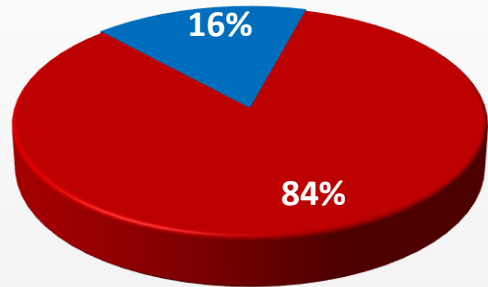


- EBITDA in 1Q'21 realized at 229 mn TL with an increase of **18,5%** versus 1Q'20.
- EBITDA margin remained almost flat and realised as **21,4%**.

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

Strategy to focus on branded products

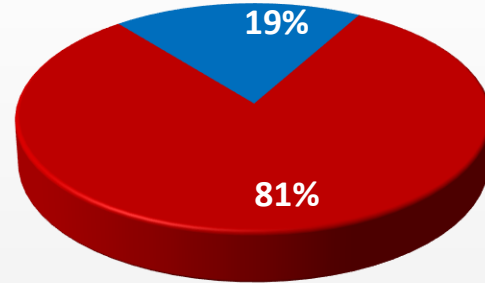
BRANDED & OTHER VOLUME BREAKDOWN



● Branded

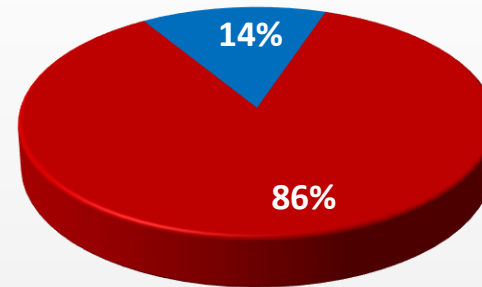
● Other

1Q 2020



1Q 2021

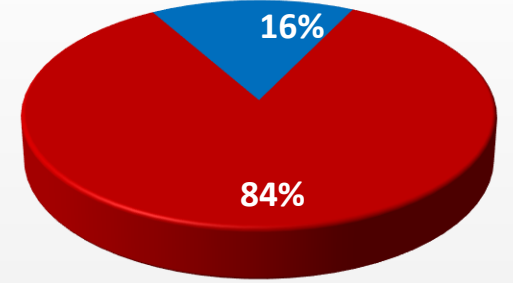
BRANDED & OTHER VOLUME BREAKDOWN



● Branded

● Other

1Q 2020



1Q 2021

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

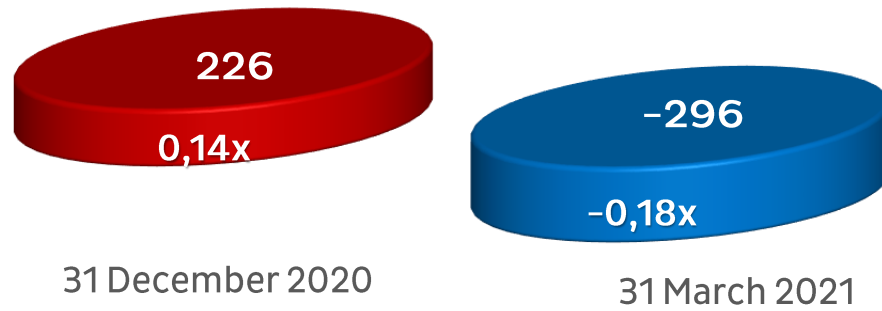


AGENDA

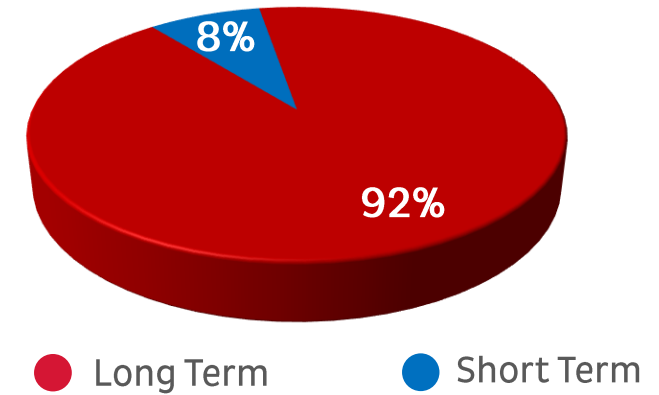
- 1 Turkey Macro Economic Overview
- 2 Market Growth
- 3 Actions Taken During Covid-19 Pandemic
- 4 1Q 2021 Highlights and Consolidated Operational Performance
- 5 Domestic Operations
- 6 Export and International Operations
- 7 Balance Sheet Highlights**
- 8 2021 Guidance

Net Working Capital & Net Debt Position

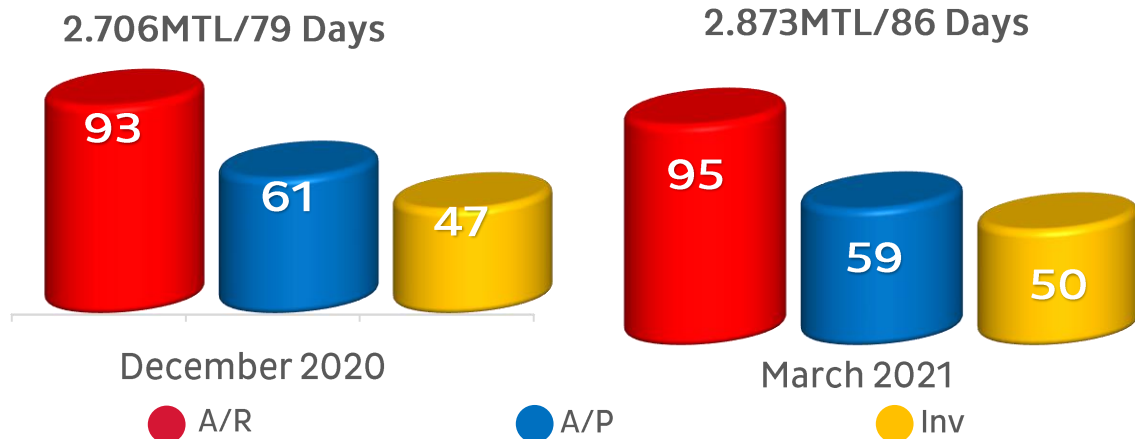
NET DEBT /(CASH) (MTL) – NET DEBT(CASH)/EBITDA (X)



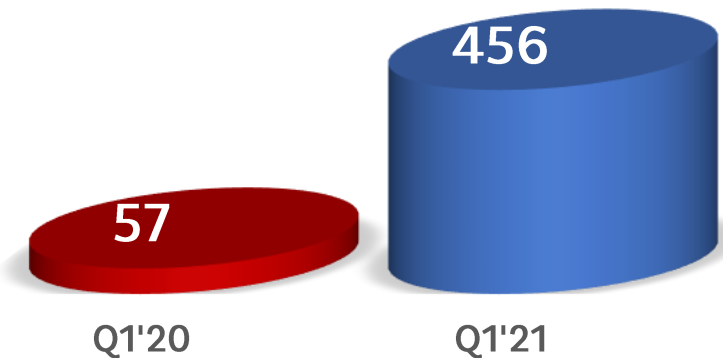
MATURITY BREAKDOWN AS OF MARCH 2021



AVERAGE WORKING CAPITAL DAYS & NET WORKING CAPITAL



FREE CASH FLOW (MTL)



Outstanding FX position

(Million TL/\$/€)	TL Equivalent	USD	EURO
Cash Equivalents & Monetary Assets	10.482	1.176	71
Trade Receivables	649	66	8
Total Assets	11.131	1.242	79
Financial Liabilities	749	48	36
Trade Payables	184	12	6
Other Current Liabilities	2	0	0
Current Liabilities	934	60	42
Financial Liabilities	9.436	729	345
Non Current Liabilities	9.436	729	345
Total Liabilities	10.370	789	387
Net Position	761	453	(308)

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

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2021 Guidance

2021

Guidance

Net Sales

15% growth

EBITDA Margin

16,6 %

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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