



Investor Presentation 4th Quarter 2021

İstanbul, 11 March 2022

AGENDA

01

Ülker Company Overview

02

4Q 2021 Highlights and Consolidated Operational Performance

03

Domestic Operations

04

Export and International Operations

05

Balance Sheet Highlights



ÜLKER



Ülker Company Overview

77

years of
experience
in Turkey

**Largest
capacity**

in the region with
strategically
located plants

Production: 
4 countries,

13 
facilities

Total Capacity:
around
1,4 M tons 



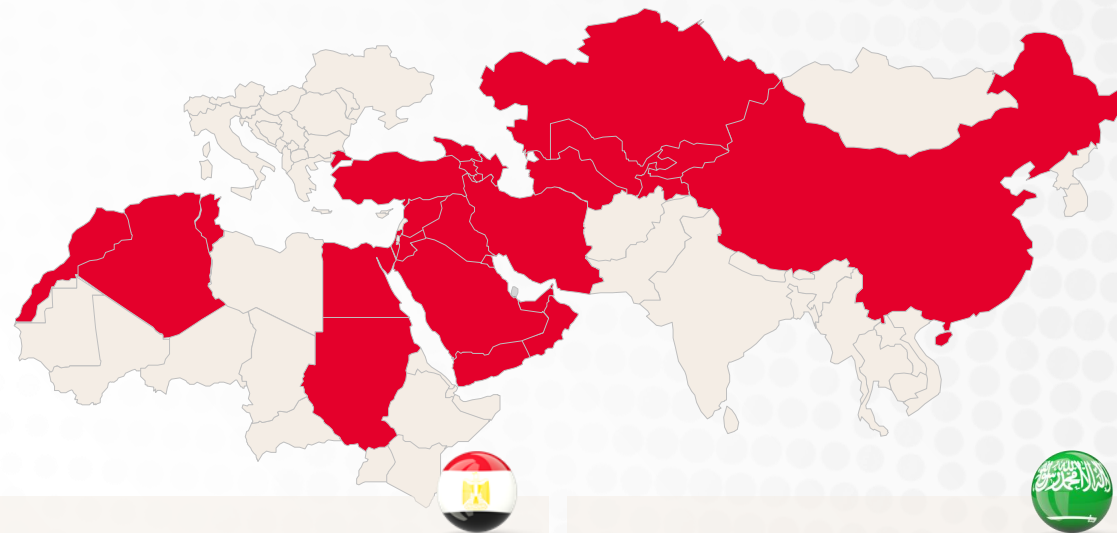
TR

Bisc.& Choc.& Cakes 4 in Istanbul,
2 in Karaman, 2 in Ankara and
1 in Giresun Total 9 Factories
T.Capacity: 1.2 Mtons/year



KAZAKHSTAN

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



EGYPT

Hi-Food, Biscuits
Capacity: 47k tons/year



KSA

FMC&IBC
Bisc.& Choc.& Cakes
Capacity: 76k tons/year



Challenges

**Despite heavy challenges on market condition
we are on track with our targets**



**Increase in the
logistic costs**



**Border closures
in export
markets**



**Consumption
decline due to
lockdowns in H1**



**Decrease in the
commercial trade
due to the
taxation change in
MENA**



**Higher increase in
commodity related
raw and packaging
material prices**



**Changes in the
channel mix**



**Ongoing impact
of Covid 19**



Achieve an extra ordinary success: grow our volume, increase our market share and reach a pivotal EBITDA margins

Hi Food
(EGYPT)



March
2016

FMC
(KSA)



June
2016

Hamle
(KAZAKHSTAN)



March
2017

UI MENA
(UAE)



December
2017

IBC
(KSA)



May
2018

ÖNEM
(TR)



August
2021

- Ability to act as local producer and regional production hubs as well
- Ability to build higher scale in primary markets
- Access higher growth in snacking adjacencies in biscuit category
- Potential to add new business capabilities in core categories
- Aim to create high-level synergy between companies and build a structure that will accelerate Ülker's profitable, sustainable growth
- Enhance capacity usage

Value 22%
CAGR 2016-2021

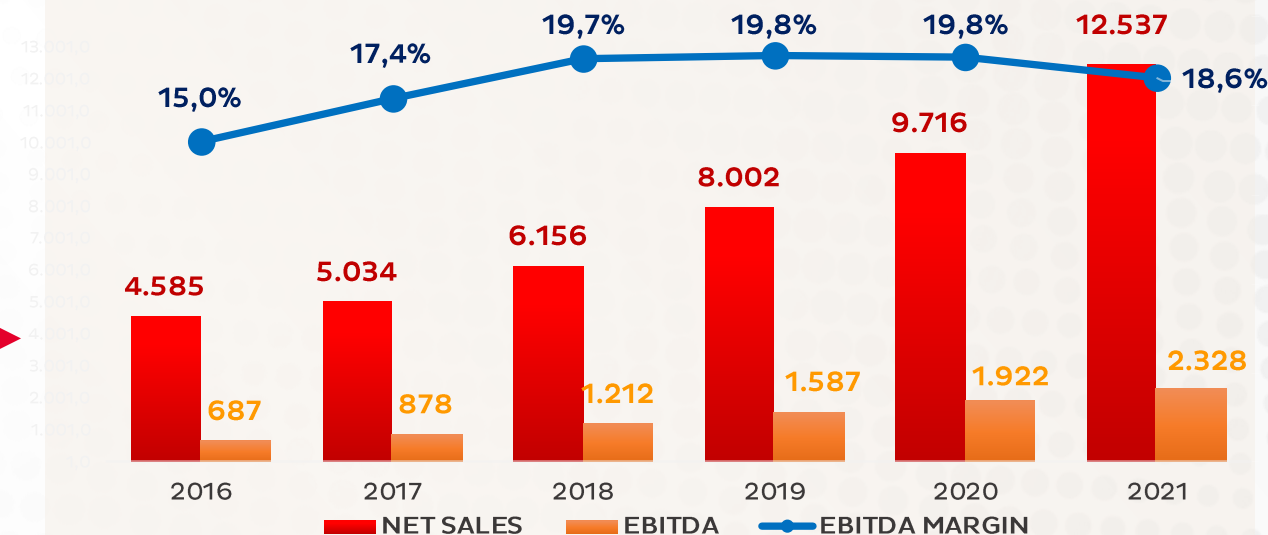
37% in FY 2021*

18,6% in 2021

TOPLINE
GROWTH

MARKET
SHARE

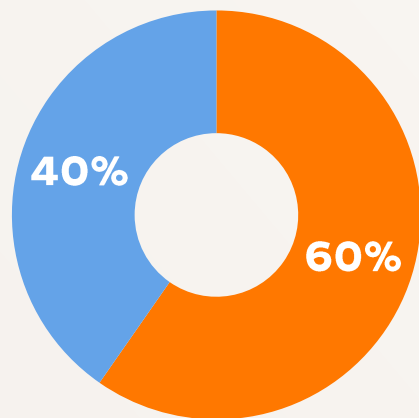
EBITDA





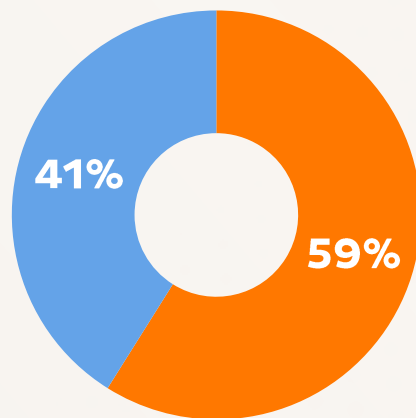
Contribution of exports and international operations

Revenue Breakdown



■ Domestic ■ International

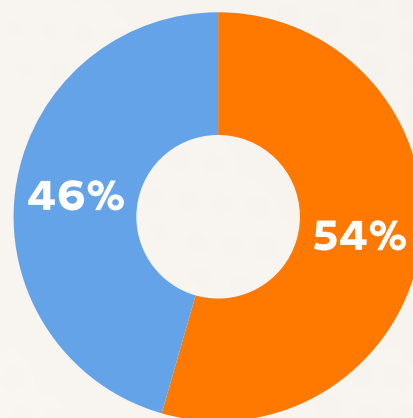
FY 2020



■ Domestic ■ International

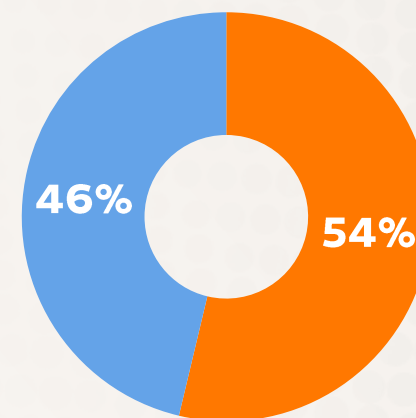
FY 2021

EBITDA Breakdown



■ Domestic ■ International

FY 2020



■ Domestic ■ International

FY 2021

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**4Q 2021 Consolidated Operational
Performance and Communication Highlights**

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ÜLKER



2021 Consolidated performance highlights




Revenue

12.537 MTL
Growth +  **29,0%**


Gross Profit

3.612 MTL
Growth +  **23,0%**


Gross Margin

28,8%
-140pbs 




EBITDA

2.328 MTL
Growth +  **21,1%**


Net Debt/
EBITDA

2021: **3,54x**
2020: **0,42x** 

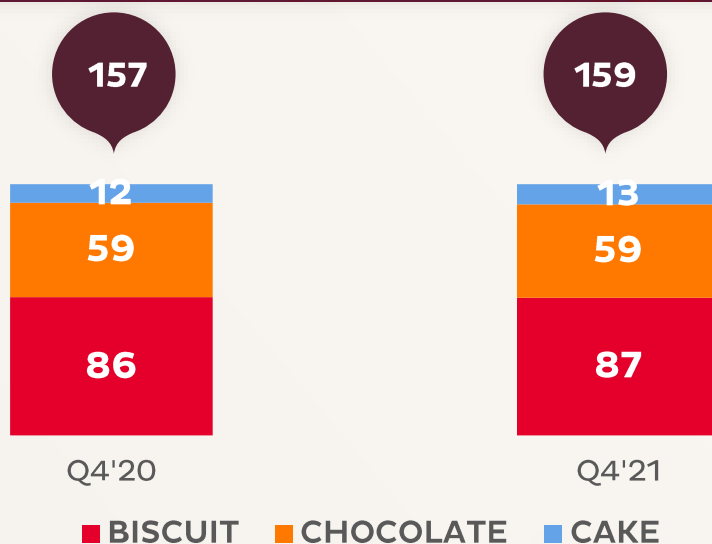

Operational
Cash
Flow

2021: **27 MTL**
2020: **630 MTL** 



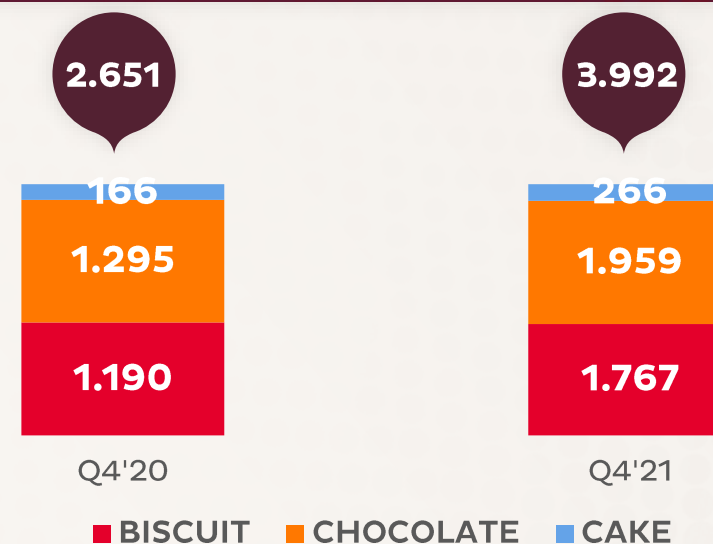
Consolidated volume and value performance Q4'20 vs Q4'21

Snacking Sales Volume (Ktons)



- Total snacking sales volume increased by **1.4%** in Q4 due to the change in the channel mix and successful launches in all categories
 - Biscuit volume was up by **0,7%** thanks to the contribution of international operations
 - Chocolate volume was up by **0,8%** thanks to the new launches
 - Cake volume was up by **9,7%** thanks to the positive contribution of new launches.

Snacking Sales Value (Mtl)

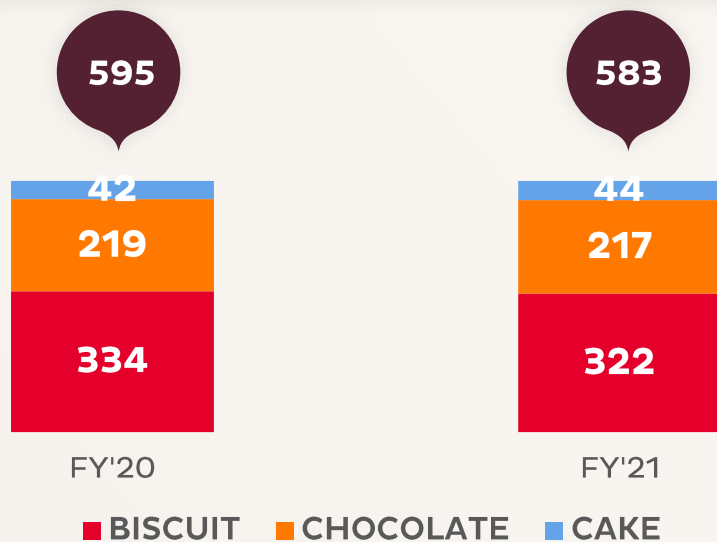


- Total snacking revenue increased by **50,6%** with support of our all our regions and categories.
 - Biscuit sales was up by **48,5%** thanks to sizing/pricing and new launches in Turkey in MENA region.
 - Chocolate sales was up by **51,3%** driven by the significant contribution of international markets, sizing and pricing activities and NPD's.
 - Cake sales was jumped by **60,1%** due to the continuing impact of successful relaunches in Q4'21 of Dankek and Olala brands.



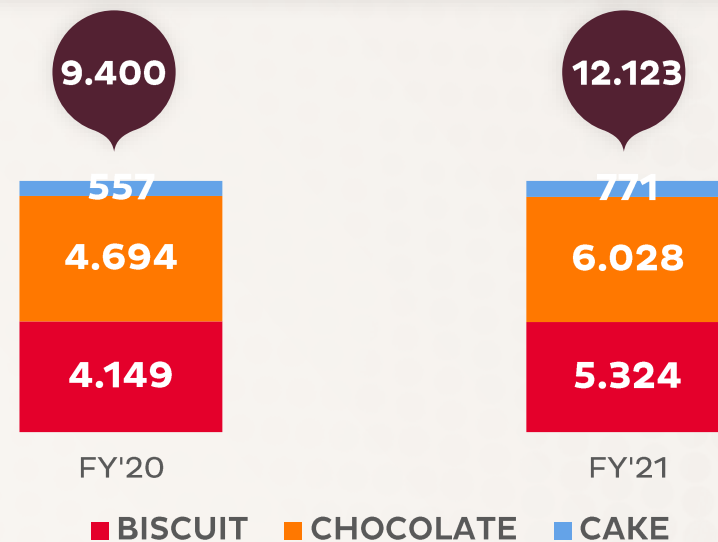
Ülker's consolidated volume and value performance FY'20 vs FY'21

Snacking Sales Volume (Ktons)



- Total snacking sales volume decreased by **2,0%**.
- Sales volume in biscuits and chocolates was down by **3,4%**, and **0,6%** respectively due to ;
 - Covid 19 impact
 - Pricing activities
 - Consumption slow-down that lead to volume shrinkage in the market
- Cake volume was up **2,2%** thanks to the new launches and ongoing investment into the category throughout the year.

Snacking Sales Value (Mtl)



- Total revenue increased by **29,0%** with the positive contribution in all categories in Turkey and international operations.
- Biscuit's sales was up by **28,3%** thanks to the in both domestic and international operations and pricing activities
- Chocolate sales was up by **28,4%** driven by value added launches in domestic market and mix impact
- Cake sales was up by **38,3%** due to the continuous positive performance in Turkey operations in the second and third quarter of this year.



Consolidated operational and financial performance

TL ('000)	4Q 2020	4Q 2021	%	FY 2020	FY 2021	%
Volume (Ton)	180.505	179.832	-0,4%	680.580	660.337	-3,0%
<i>Snacking Volume</i>	157.107	159.332	1,4%	594.795	583.060	-2,0%
<i>Other</i>	23.398	20.500	-12,4%	85.785	77.277	-9,9%
Revenue	2.739.018	4.118.123	50,4%	9.715.630	12.537.080	29,0%
<i>Snacking Revenue</i>	2.651.141	3.991.933	50,6%	9.400.292	12.122.965	29,0%
<i>Other</i>	87.877	126.190	43,6%	315.338	414.115	31,3%
Gross Profit	824.926	1.234.535	49,7%	2.937.258	3.612.415	23,0%
Gross Profit Margin	30,1%	30,0%	-0,1%	30,2%	28,8%	-1,4%
EBITDA	547.549	832.608	52,1%	1.922.060	2.328.359	21,1%
EBITDA Margin	20,0%	20,2%	0,2%	19,8%	18,6%	-1,2%
Net Income / Loss (Equity Sholders of the parent)	399.861	-1.118.986	-379,8%	1.081.394	-464.332	-142,9%
Net Income %	14,6%	-27,2%	-41,8%	11,1%	-3,7%	-14,8%



Revenue grew by 50,4% in Q4'21 on the back of effective volume, mix and pricing impact



4Q'2021 Highlights in Communication

Sustainability activities, employer brand projects, special day communications and new product announcements continued.



3 awards at Stevie International Business Awards post - October



Ülker's being chosen as lovemark post - November



November 11 National Afforestation Day post



Sustainable Business Awards Post - November



Make Happy Be Happy Day posts - November



First and only Turkish company listed in Sustainability Yearbook 2021 in food industry



«ESG» At the heart of what we do



LEADERSHIP

We are the first and only Turkish company listed in **Sustainability Yearbook 2021** in food Industry based on the S&P Corporate Sustainability Assessment



“We make people happy and be happy while doing our job.”



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4Q 202 Consolidated Operational Performance and
Communication highlights

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Balance Sheet Highlights

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ÜLKER



2021 Domestic market growth in our key market -Turkey



Total Snacking

-0,4%

VOLUME

26,5%

VALUE

Total snacking market down by **0,4%** in volume terms and increased by **26,5%** in value terms



Biscuits

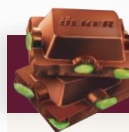
-3,5%

VOLUME

21,7%

VALUE

Total biscuit market was contracted by **3,5%** in volume and increased by **21,7%** in value terms



Chocolate

2,4%

VOLUME

27,4%

VALUE

Total chocolate market up by **2,4%** in volume and increased by **27,4%** in value terms



Cake

5,1%

VOLUME

36,7%

VALUE

Total cake market increased by **5,1%** in volume and increased by **36,7%** in value terms



Turkey – Strong #1 in total snacking with 37% market share

Biscuits–41% Market Share

#1

#1 in Petit Beurre



#1 in Creamy Biscuits



#1 in Special Biscuits



#2 in Cracker



#1 in Sandwich Bisc.



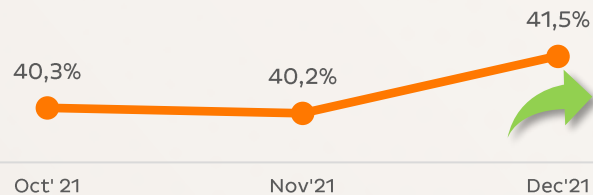
#1 in Chocolate Filled



Market Share Development in Value(*)

	Q4'21	Change vs Q4'20	Change vs Q3'21
Biscuit	40,7%	-0,5%	-0,7%

Value Share %



Chocolate–41% Market Share

#1

4 out of Top 5 in Chocolate Covered



#1 in Solid Chocolate



Market Share Development in Value(*)

	Q4'21	Change vs Q4'20	Change vs Q3'21
Chocolate	40,6%	-1,7%	-0,9%

Value Share %



Cake–19% Market Share

#2

#1 in Family Cake



#2 in Portion Muffin Coated Cake



#2 in Wet Cake



Market Share Development in Value(*)

	Q4'21	Change vs Q4'20	Change vs Q3'21
Cake	19,3%	-1,8%	-1,2%

Value Share %





Turkey-2020&2021 Synergy products





Turkey-NPD Sales contribute 14% of total domestic sales in 2021

2021 New Product Launches

BISCUITS



CAKE



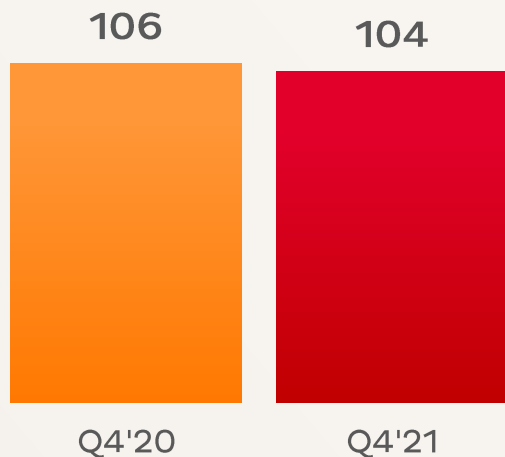
CHOCOLATE





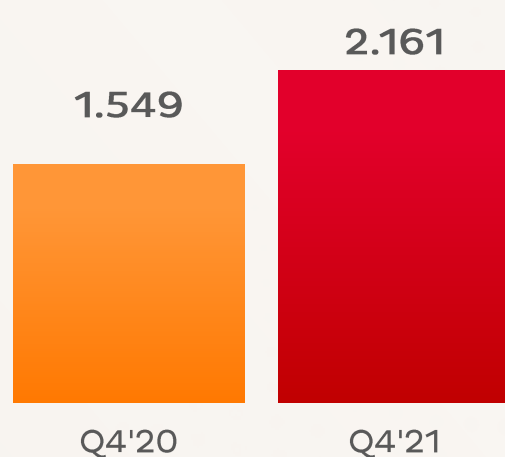
Achieved to deliver 38% higher net sales and 39% higher EBITDA in Q4'21 in Turkey compared to Q4'20

Snacking Volume (X000 Tons)



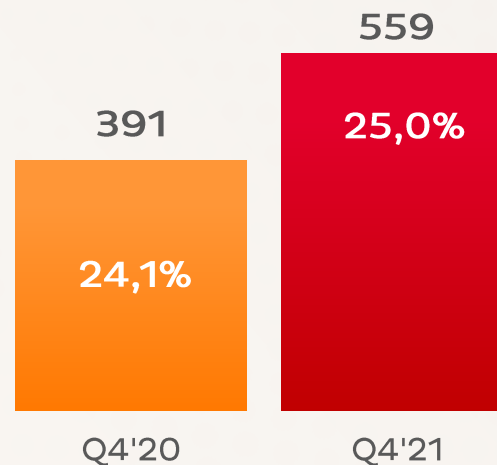
- Snacking sales volume down by **2,4%** and total volume decreased by **4,3%** mainly driven by
 - Sizing and pricing activities
 - Change in the channel and product mix

Snacking Sales (Mtl)



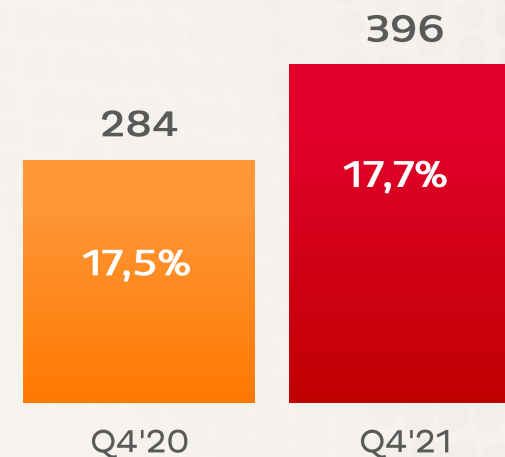
- Snacking revenue was up by **39,5%** and total revenue increased by **38,2%** thanks to;
 - Effective pricing after significant increase in procurement prices

Gross Profit (Mtl)



- Gross profit increased by **43,0%**
- Gross profit margin for the quarter realized as **25,0%** in 4Q'21 with an increase of 90 bps thanks to the significant top-line achievement and successful and timely pricing to control increased input prices

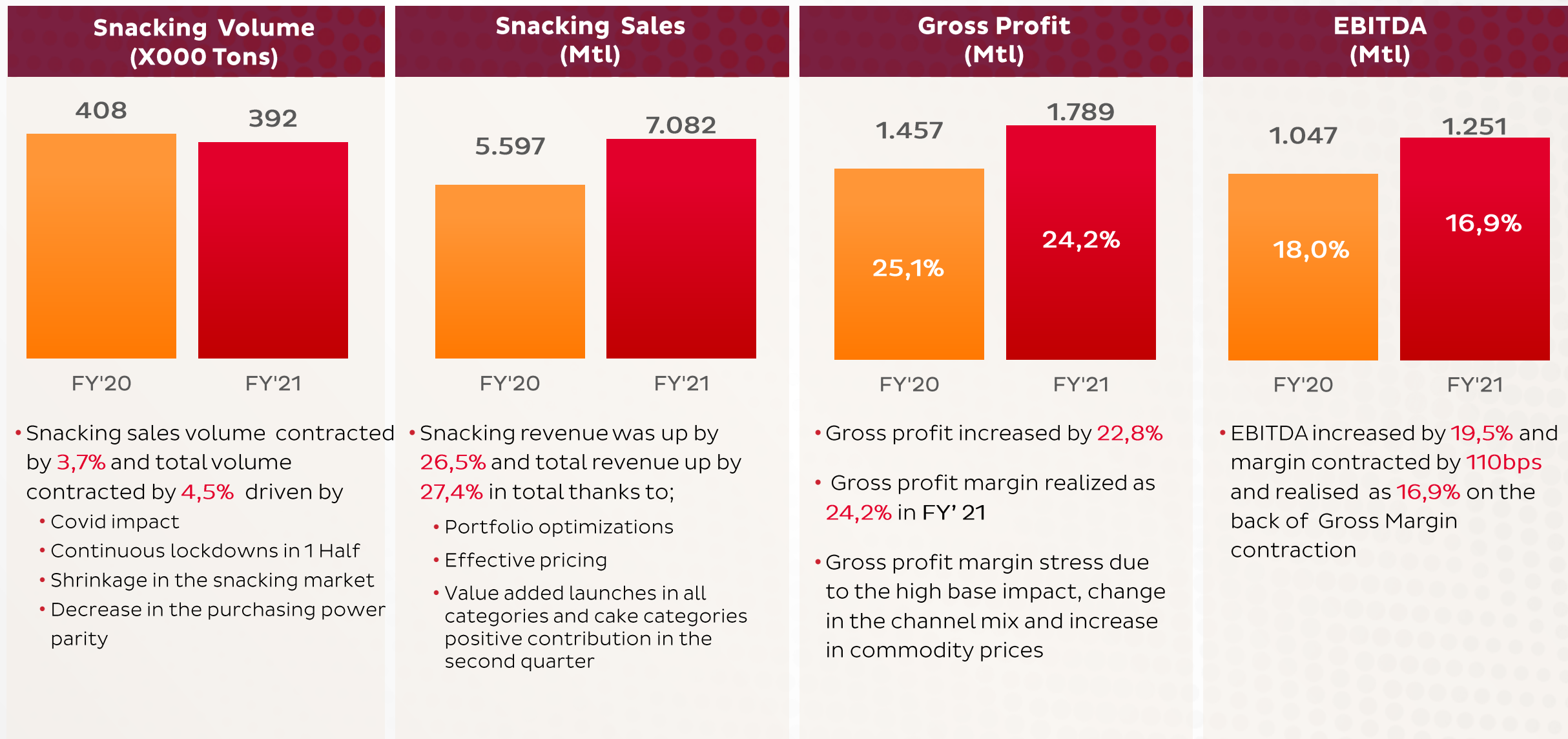
EBITDA (Mtl)



- EBITDA increased by **39,4%** and margin improved by 20 bps



In 2021 Ülker continued to perform well in a challenging environment in the snacking market in Turkey



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



Saudi Arabia – Remarkable market performance in a challenging environment– Position # 1

FMC Financial Review

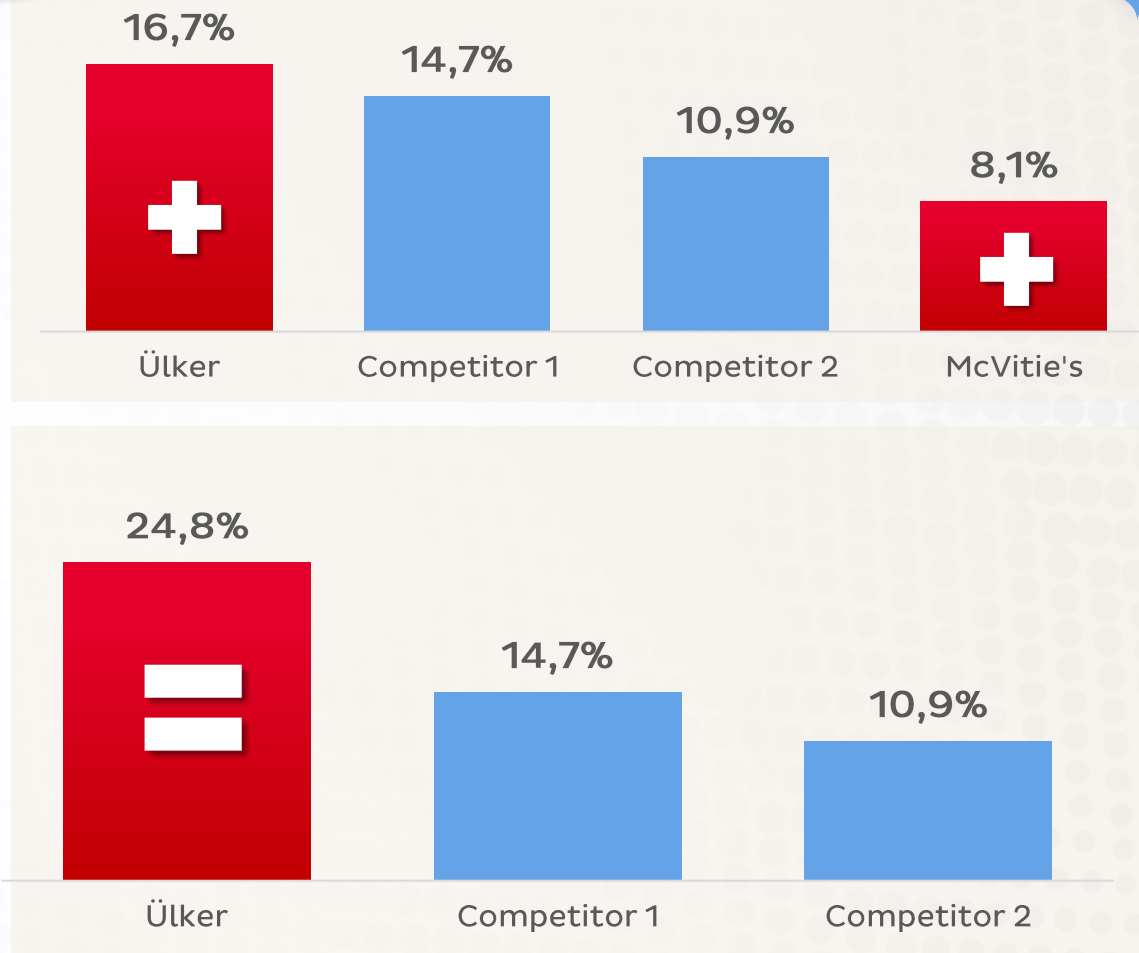
	FY'20	FY'21	Change
Sales Volume (tons)	49.509	46.920	-5,2%
Net Sales(SAR x000)	743.159	698.994	-5,9%
EBITDA(SAR x000)	102.093	85.761	-16,0%
EBITDA Margin	13,7%	12,3%	

- Covid-19 showed its greatest impact on the decrease in the trade and population of the MENA region in Saudi Arabia and the Gulf Countries. For the last two years, schools in Saudi Arabia have not been fully and physically opened. In the first half of 2021, the Saudi biscuit market decreased by 11.4% in tonnage compared to the same period of the previous year, due to the VAT increase in Saudi Arabia from 5% to 15%, the additional financial burdens on businesses and the cutting of additional aid paid to Saudi citizens. The situation is similar in the Gulf countries.
- In a declining market trend in Saudi, we manage to sustain our leadership position in biscuit category.
- Normalization expected with the easing precautions due to Covid-19 related



Biscuits Market Share

#1





Saudi Arabia – IBC operations %24 EBITDA in a contracting market

IBC Financial Review



IBC Product Portfolio

	FY'20	FY'21	Change
Sales Volume (tons)	13.859	13.184	-4,9%
Net Sales(SAR x000)	168.700	162.630	-3,6%
EBITDA(SAR x000)	44.408	38.451	-13,4%
EBITDA Margin	26,3%	23,6%	

- Sales volume and revenue decreased by 4,9% and 3,6% respectively.
- 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.
- EBITDA decreased by 13,4% due to the incremental increase in commodity prices





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

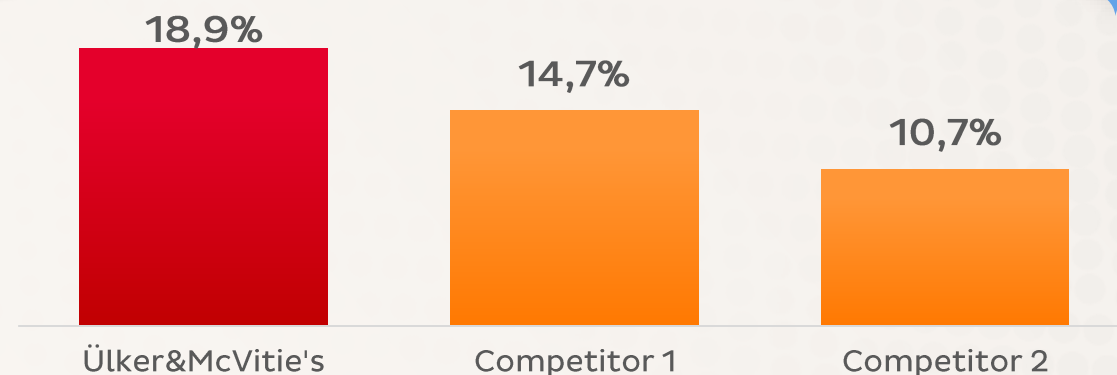
Hi-food & Ulker Egypt Financial Review



	FY'20	FY'21	Change
Sales Volume (tons)	34.743	37.834	8,9%
Net Sales(EGPx000)	1.288.001	1.506.094	16,9%
EBITDA(EGPx000)	214.558	148.164	-30,9%
EBITDA Margin	16,7%	9,8%	

Biscuits Market Share

#1



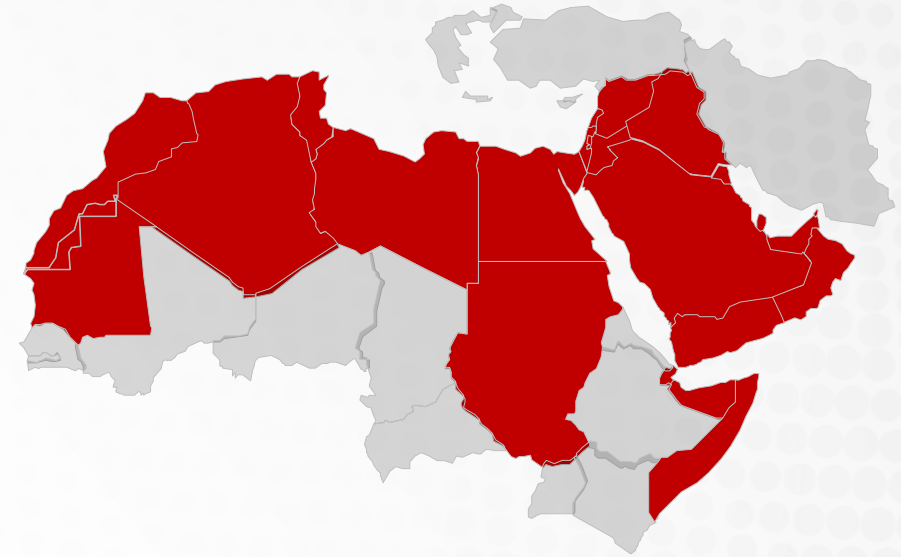
- Ülker brands are the biggest share gainer and maintained multiple segment leadership despite challenges because of COVID-19 and increasing competition
- In a declining market, with 18,9% market share we maintain market leader position in 2021 by widening the gap with competitor 2
- Topline volume and value performance witnessed a solid growth vs. 2020 with an increase of 8,9% and 16,9% despite the late opening of back-to-school season and continuous tough market and inflation challenges.
- 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.

UI MENA Operations

UI MENA Financial Review



	FY'20	FY'21	Change
Sales Volume (tons)	11.778	11.071	-6,0%
Net Sales(AED x000)	159.633	156.719	-1,8%
EBITDA(AED x000)	55.663	58.741	5,5%
EBITDA Margin	34,9%	37,5%	



- Volume declines mainly driven by the market contraction due to Covid 19
- Reshaping the trade strategy and focusing more on traditional trade driving growth in EBITDA vs last year for core brands in the UAE market.
- EBITDA margin improved by 260bps
- McVitie's 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 Cental Asia

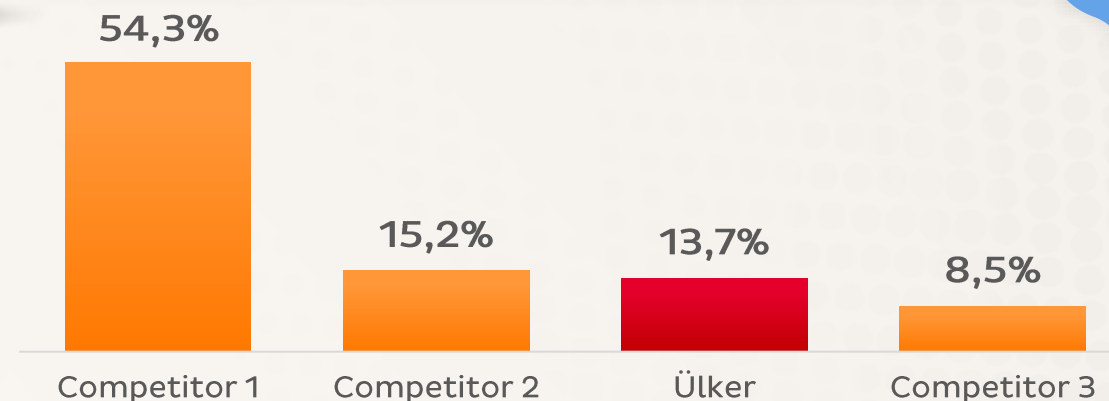
Hamle Financial Review



	FY'20	FY'21	Change
Sales Volume (tons)	16.798	17.952	6,9%
Net Sales(KZTx000000)	19.357	21.956	13,4%
EBITDA(KZTx000000)	2.812	3.090	9,9%
EBITDA Margin	14,5%	14,1%	

Chocolate Market Share

#3



- Though in general most categories fell down in 2021 due to covid 19 pandemic and Kazakhstan's economic vulnerabilities after post pandemic level, we achieved great growth in all categories in 2021.
- Russia, Kazakhstan domestic and Azerbaijan are drivers of revenue and the volume growth .
- EBITDA increased by 9,9% supported by higher net sales performance in addition to the lower A&M spending
- Growth of Kazakhstan domestic sales supported with Albeni's increasing visibility and return on investments of star brands
- Hamle started to manufacture for Azerbaijan market. The production has been switched from Turkey to Hamle



International operations performance

Biscuits–25% M.Share

#1



#1 in Plain



#1 in Filled



#1 Coated



#2 in Wafer



#4 in Wafer



#4 in Sandwich Bisc.



#2 in Digestive



M.Share Development in Value Based(*)

25%



MAT'20

25%



MAT'21

Biscuits–19% M.Share

#1



#1 in Filled (Biskrem and Tamr brands)



#1 in Digestives



#2 in Plain (Teabiscuits and Finger biscuits)



M.Share Development in Value Based(*)

18%



MAT'20

19%



MAT'21

Chocolate–14% M.Share

#3



#1 in Biscuits with Filling



#2 in Countline



M.Share Development in Value Based(*)

13%



MAT'20

14%



MAT'21

Source : MAT (Moving Annual Total) Nielsen Data



NPD Sales contributes 5% of total international sales in FY2021

Saudi Arabia



Egypt

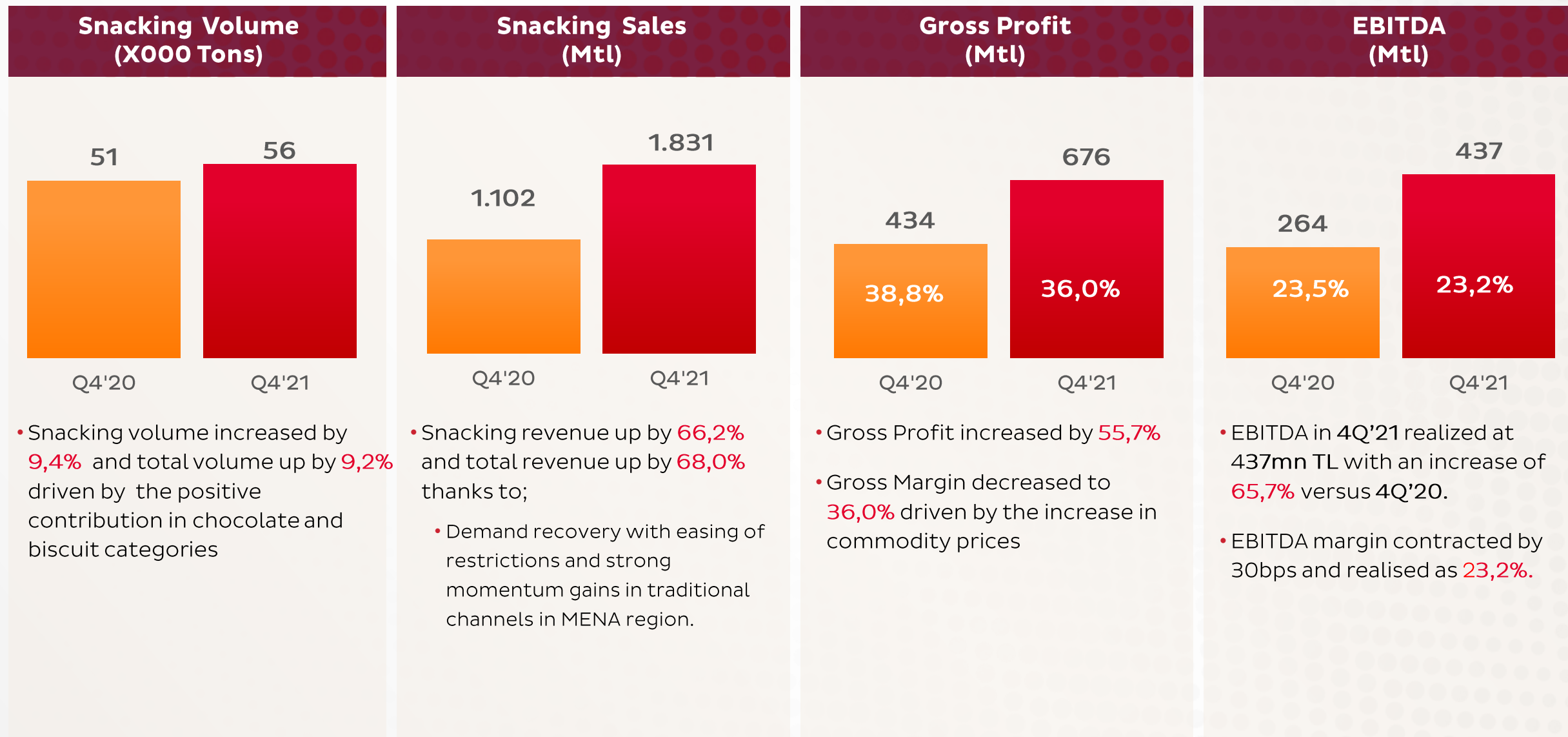


Kazakhstan





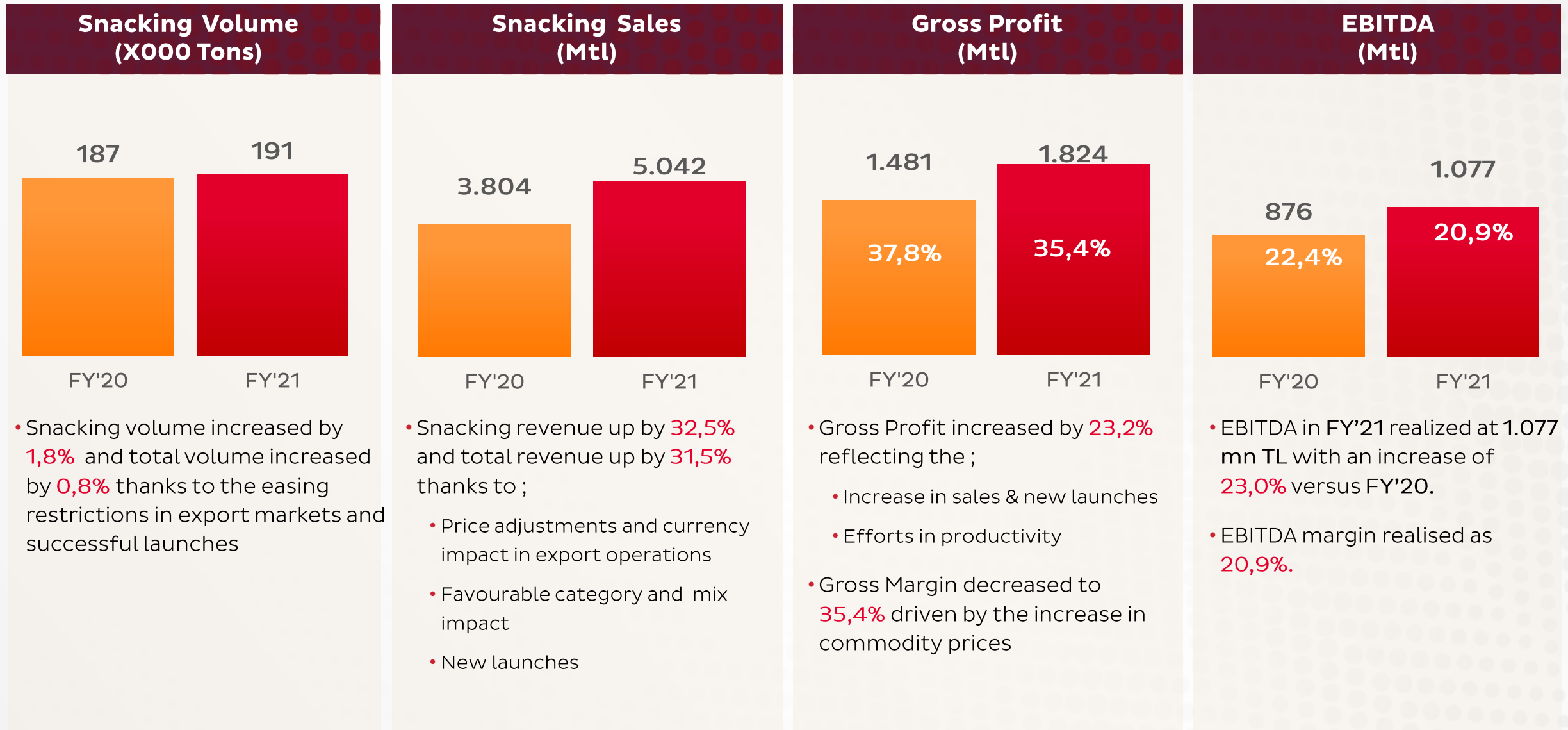
Strong results achieved in exports and international operations in 4Q'21



Prior periods of ÜLKER are restated due to Önem Gıda acquisition. All numbers presented in webcast include Önem Gıda numbers unless otherwise stated.



Exports and international operations in FY'21



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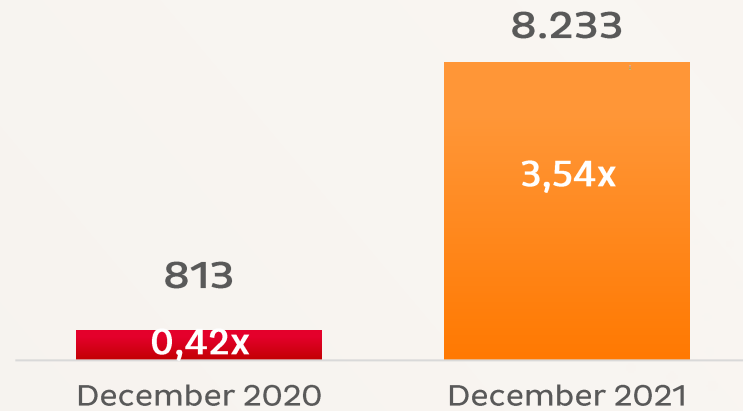
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ÜLKER

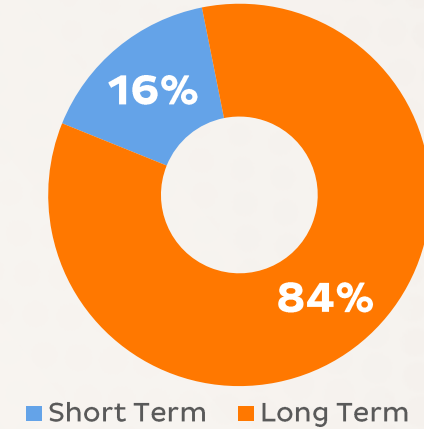


Consolidated Net Working Capital & Net Debt Position

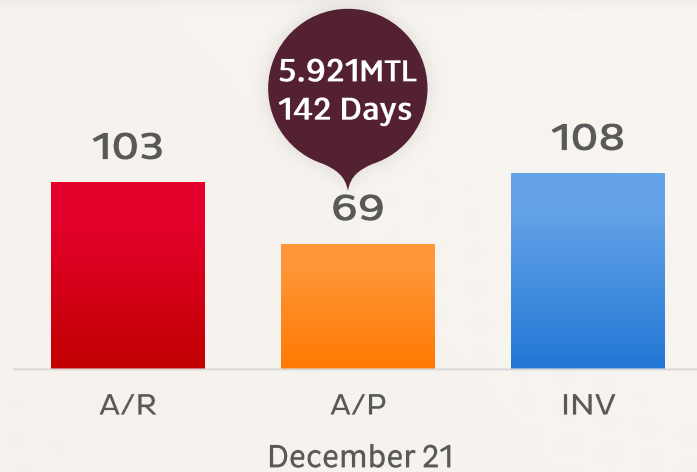
Net Debt / (Mtl) – Net Debt/Ebitda (X)



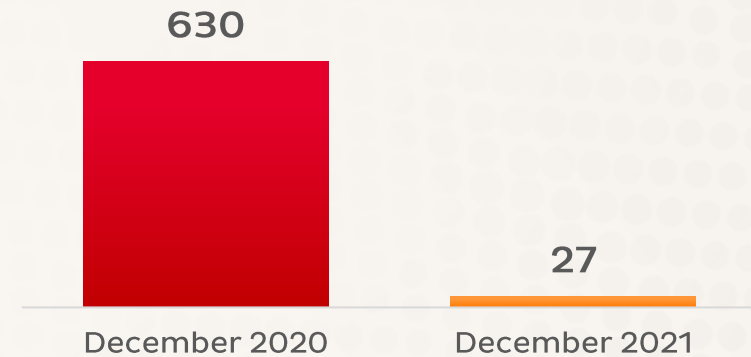
Maturity Breakdown As Of December 2021



Average Working Capital Days & Net Working Capital



Operating Cash Flow (Mtl)





Ülker Bisküvi – Largest snacking company in the region



1,4 MN Ton	77	960 KTon	35,4%	69	65%
2021 Total Production Capacity(1)	Years of Experience	2021 Production(1)	Reduction in Water Use	Innovation Project	Reduce Rejected Packaging Ratio

(1) Total production capacity and production also includes Önem Gıda's chocolate dough and flour products on a combined bases
Prior periods of ÜLKER are restated due to Önem Gıda acquisition. All numbers presented in webcast include Önem Gıda numbers unless otherwise stated.



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