

2023 Q3 Investor Presentation



Disclaimer

The information contained herein has been prepared by Türk Telekomünikasyon A.Ş. (the “Company”) in connection with the operations of Türk Telekom Group companies. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. This presentation or any information contained herein cannot be used without the written consent of the Company.

This presentation does contain forward-looking statements that reflect the Company management’s current views with respect to certain future events based on the base-case assumptions and estimated figures. The information provided by the Company is collected from sources believed to be reliable, but the accuracy and completeness of this information are not guaranteed. Although it is believed that the expectations reflected in these statements are reasonable, Company can give no assurance that such expectations will prove to be correct.

Neither the Company nor any of its shareholders, directors or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, amortization and impairment expenses, financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Net Subscriber Additions



Fixed Broadband

166K
Q3 '23

347K
LTM



Mobile

537K
Q3 '23

850K
LTM



Fixed Voice

-237K
Q3 '23

-1.1mn
LTM



* Includes Tivibu



Financial & Operational Overview

2023 Q3 Highlights



Total Subscribers

52.9 mn

▲ 0.2% YoY



Revenue

TL 22.4 bn

▲ 78% YoY



EBITDA

TL 8.0 bn

▲ 58% YoY



EBITDA Margin

35.7%

▼ 440bps YoY



Net Income

TL 4.5 bn

▲ 284% YoY



Free Cash Flow

TL 1.9 bn

▼ Q3 '22 TL 2.2 bn



CAPEX

TL 5.6 bn

▲ 80% YoY

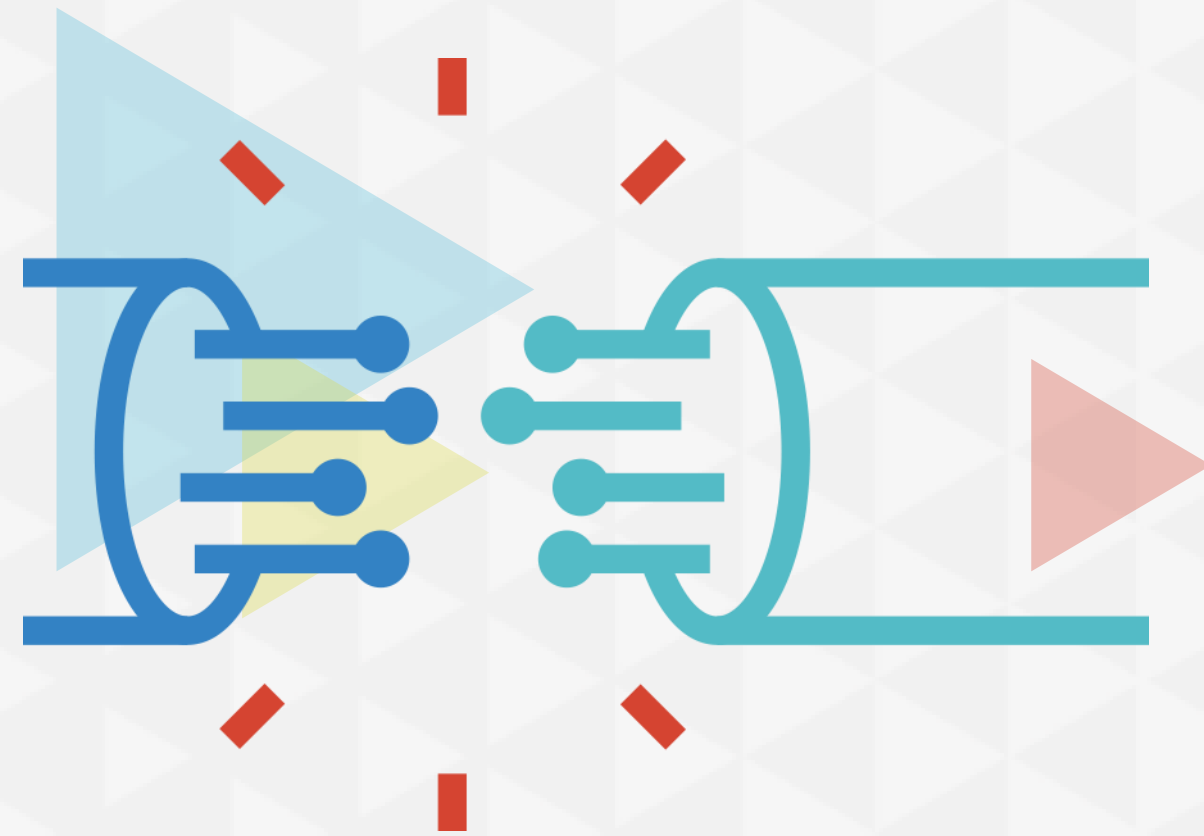


Net Leverage

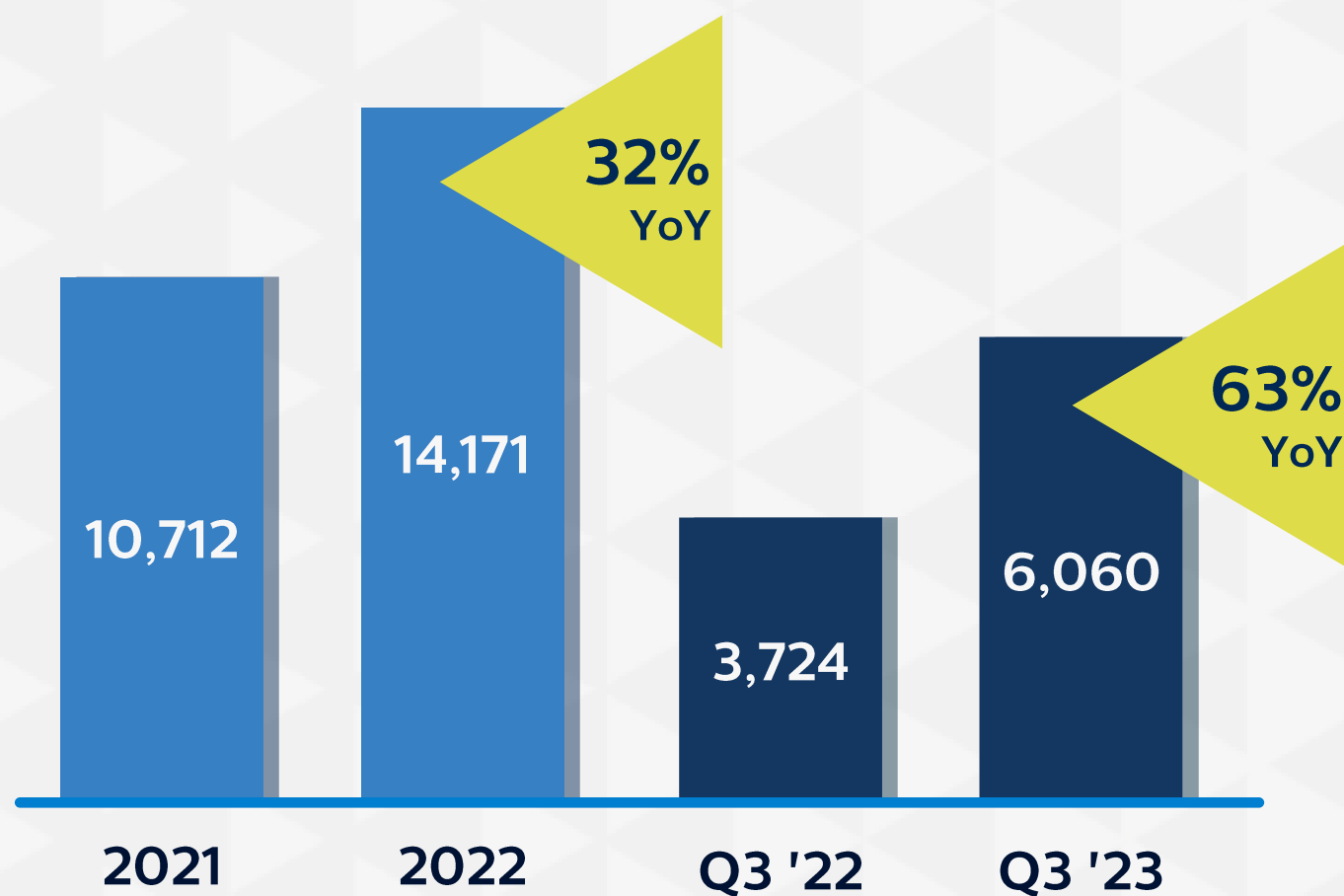
1.56x

Q2 '23 1.65x

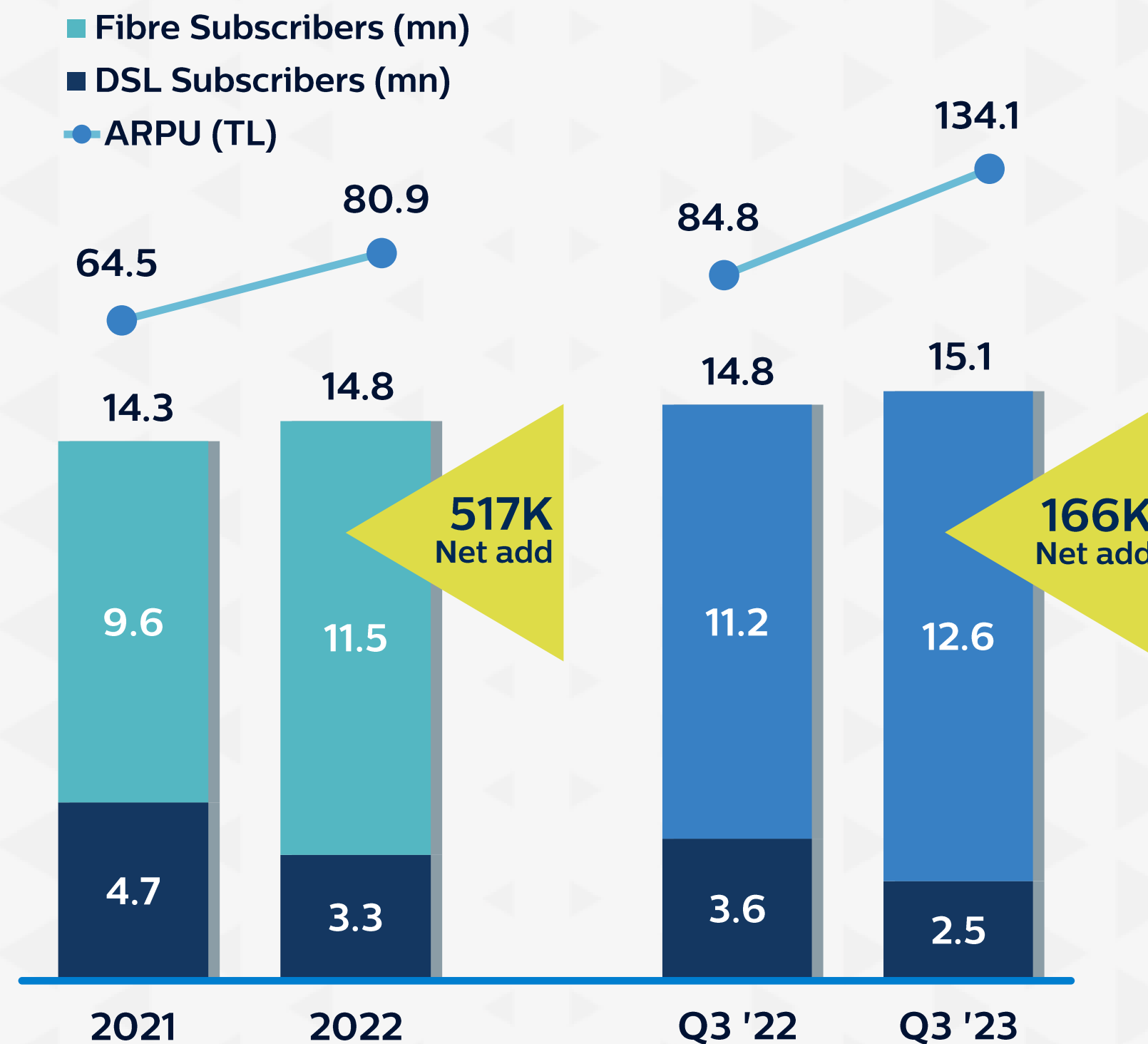
Fixed Broadband Performance



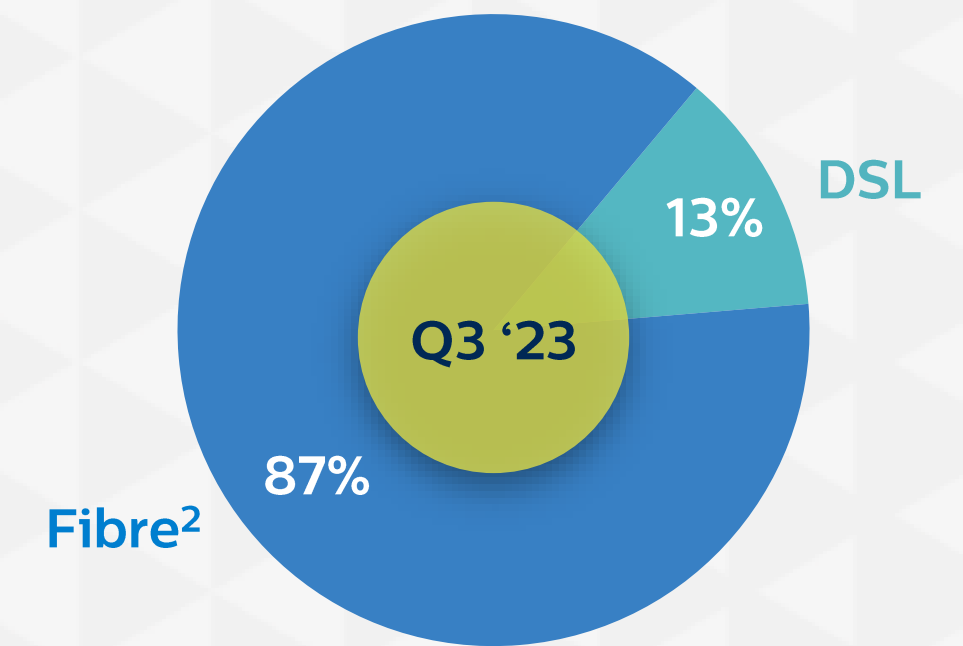
Fixed Broadband Revenue
(TL mn)



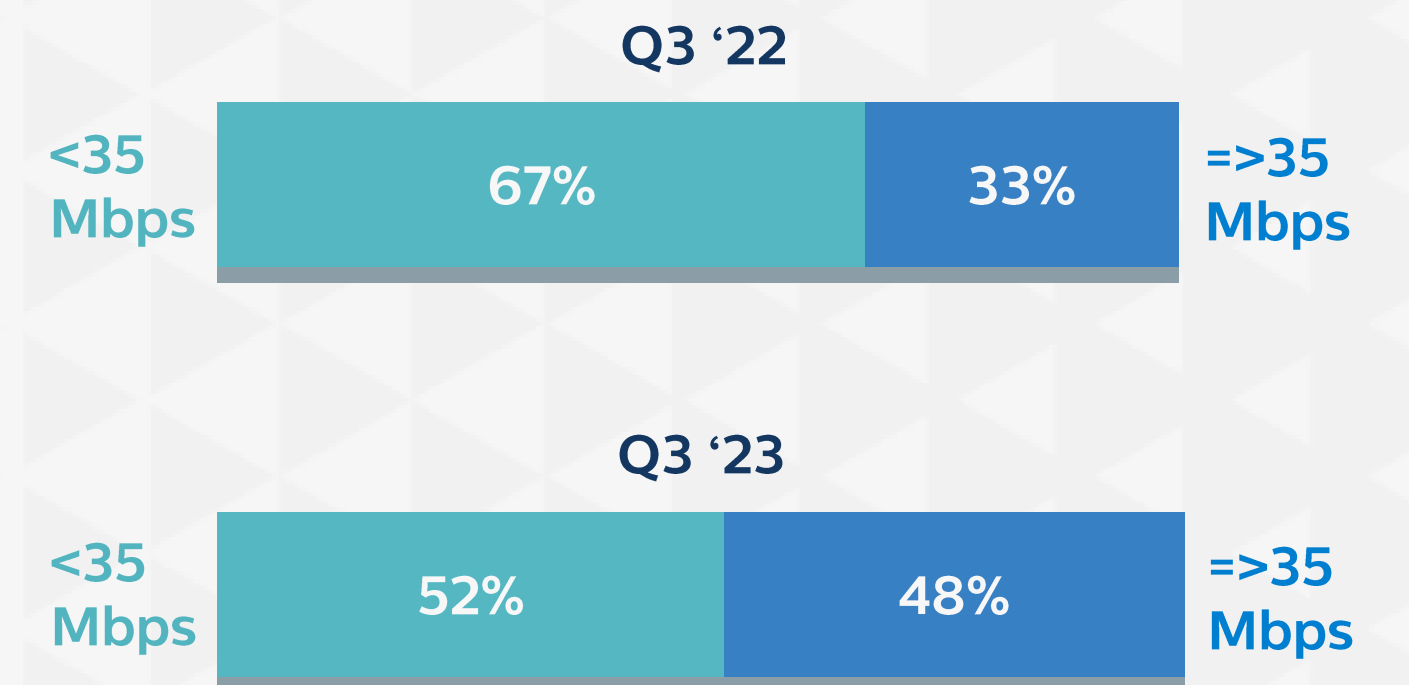
ARPU & Subscribers



Subscriber Breakdown¹
(% of Subscribers)



Subscriber Package Breakdown¹
(% of Subscribers)

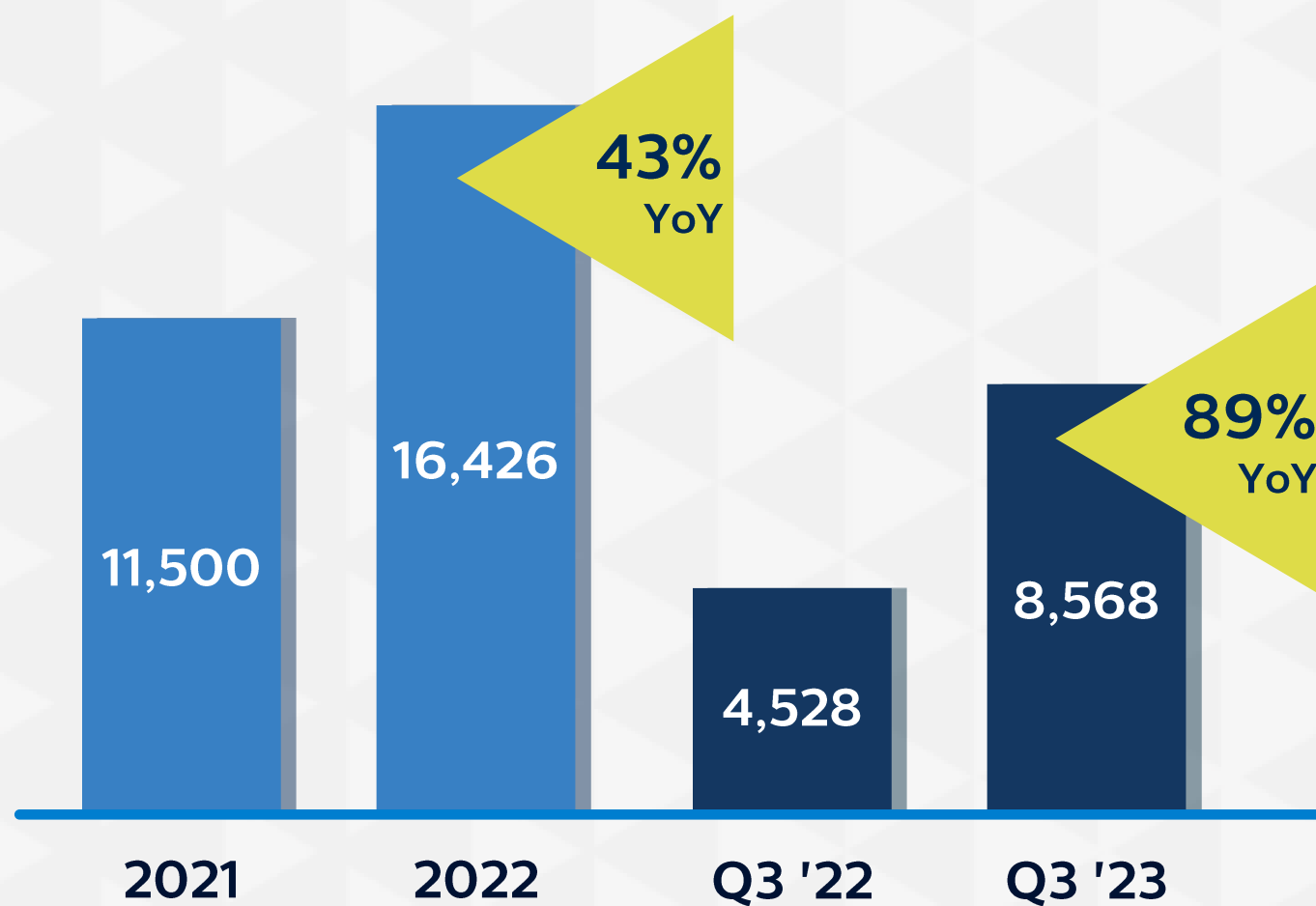


(1) Retail only
(2) Fibre subscribers include FTTH/B & FTTC subscribers

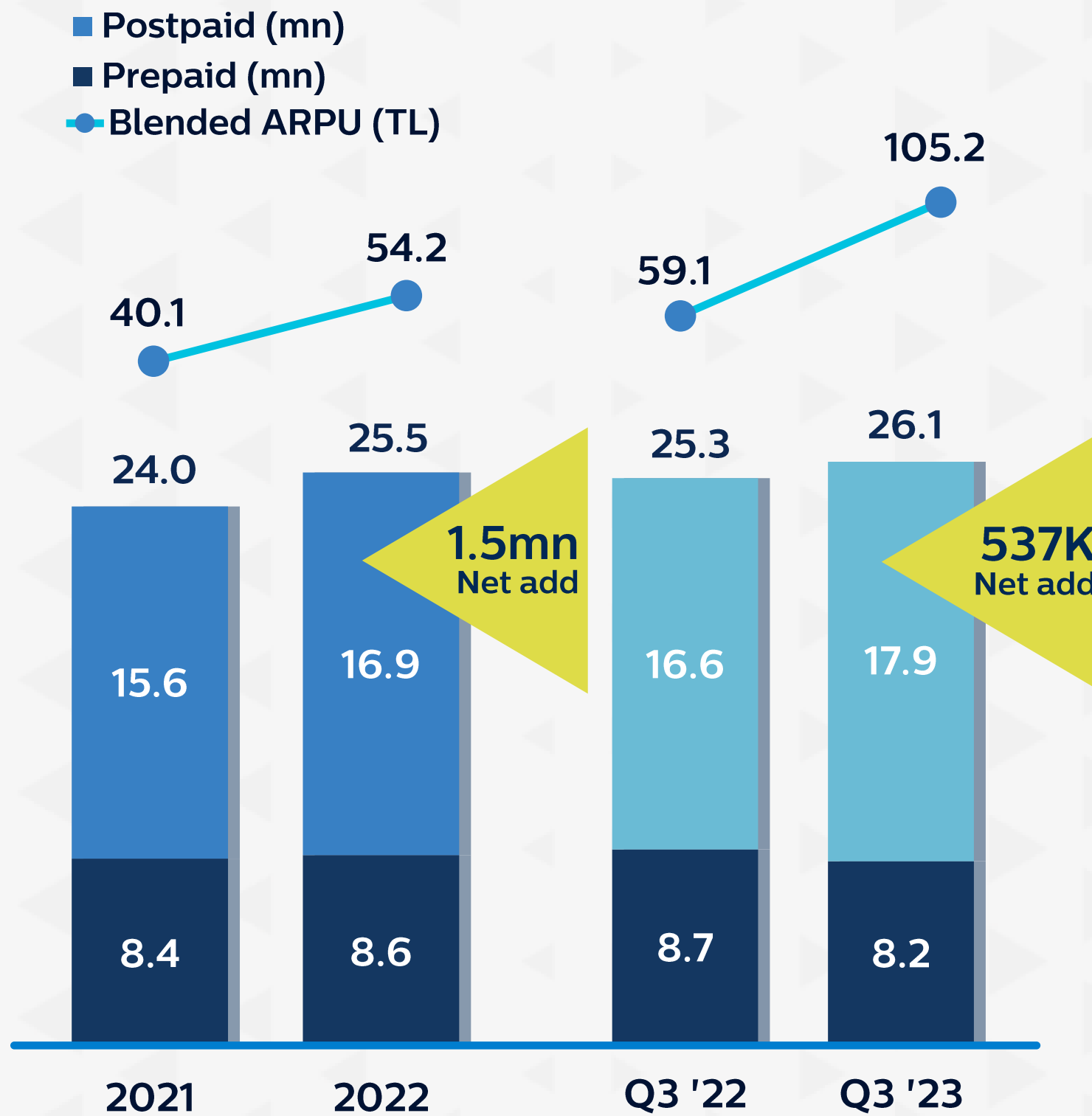
Mobile Performance



Mobile Revenue (TL mn)



ARPU & Subscribers



Net Subscriber Additions (thousand)



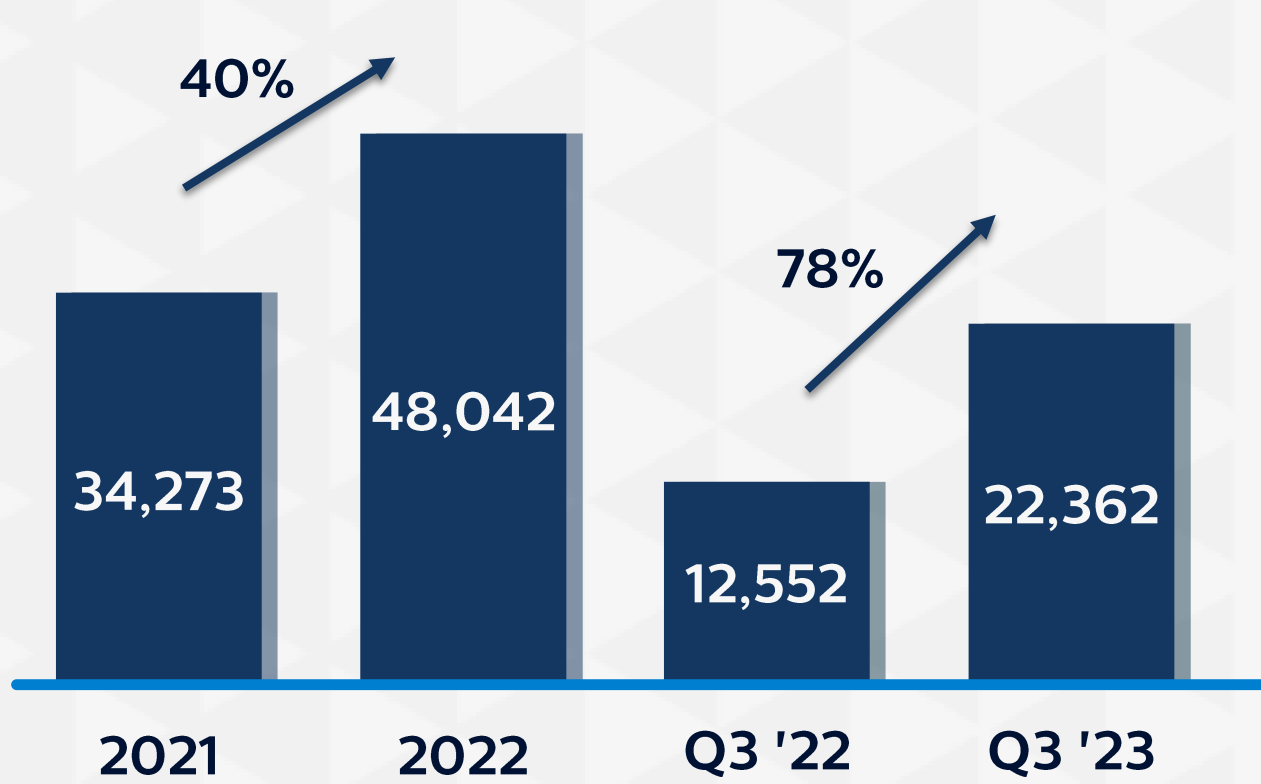
Source: ICTA, Türk Telekom

Financials

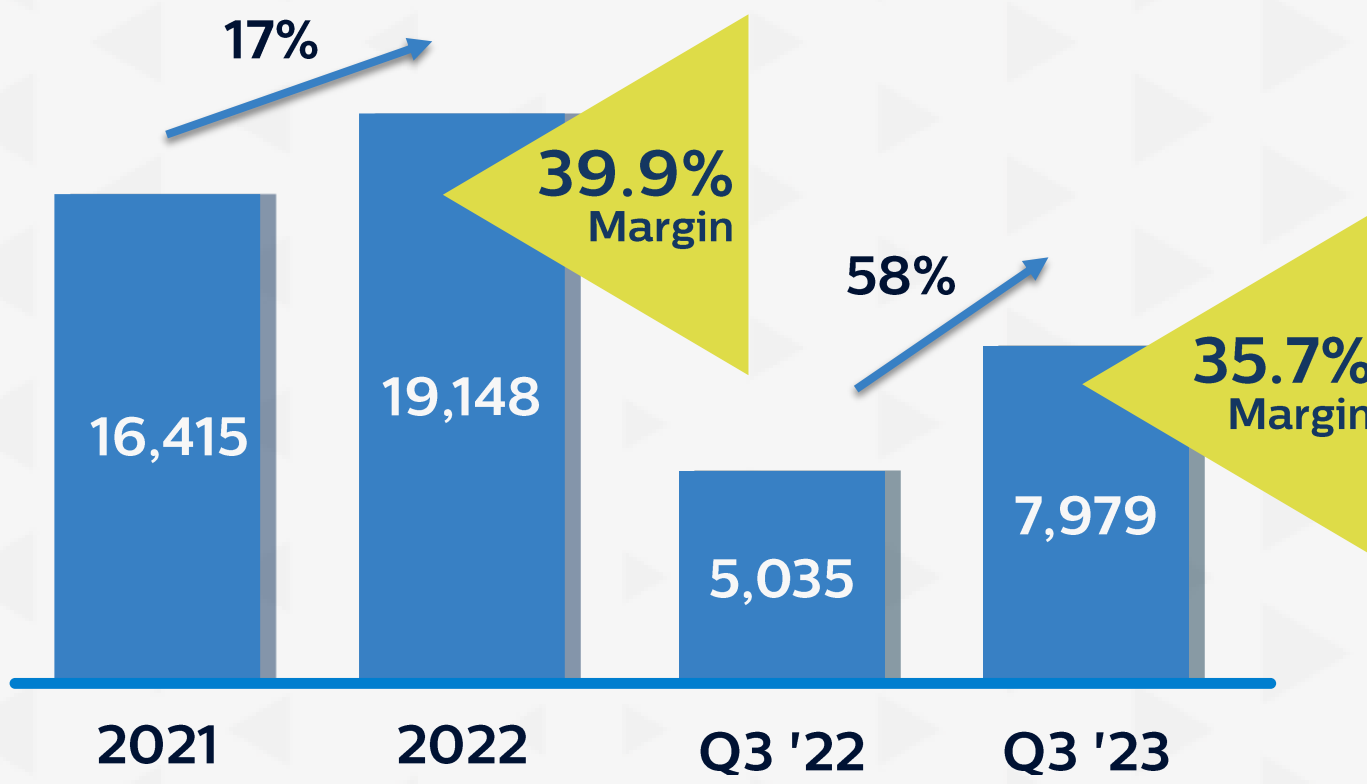


Financial Performance

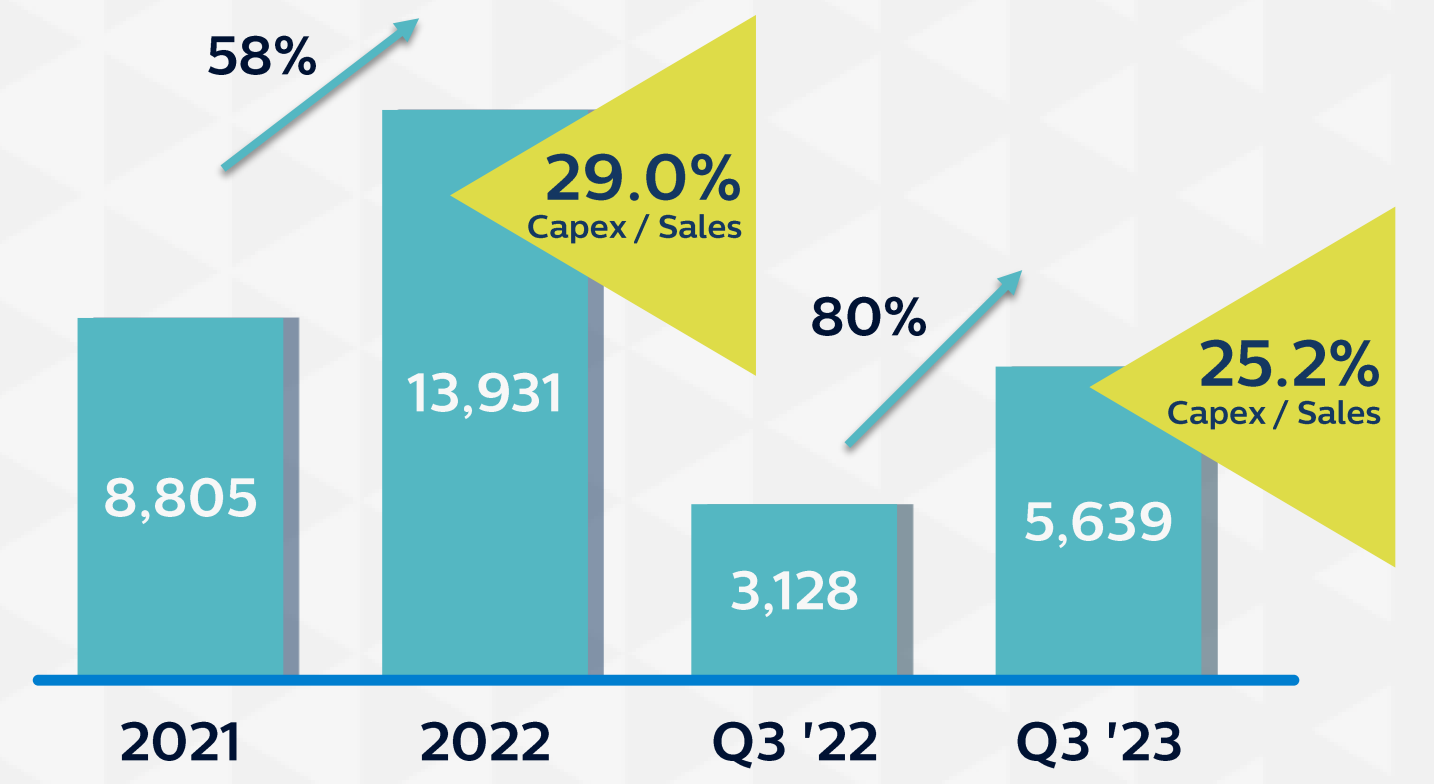
Revenue
(TL mn)



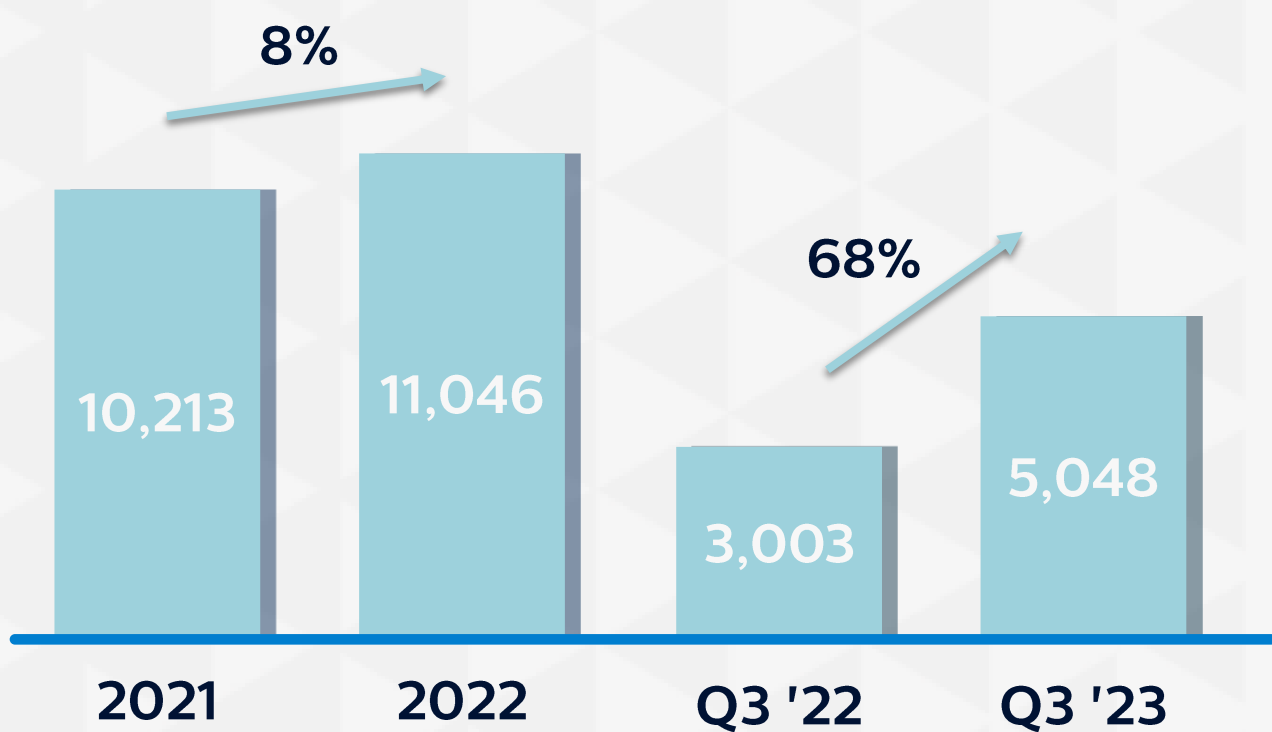
EBITDA
(TL mn)



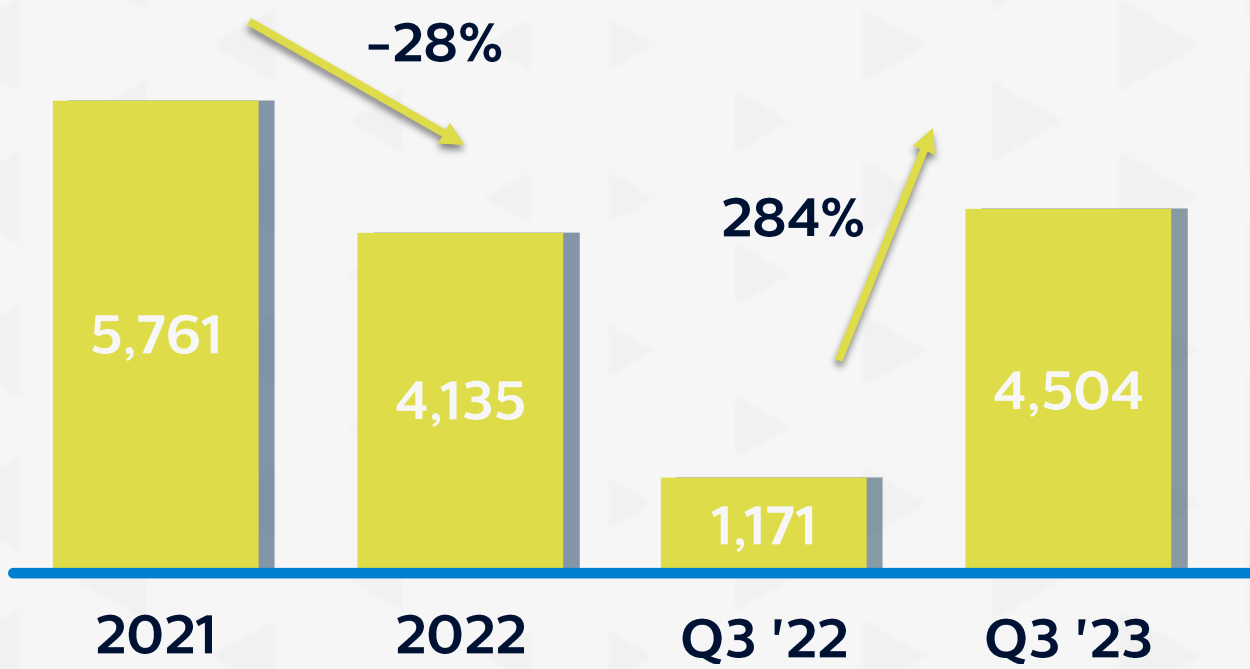
CAPEX
(TL mn)



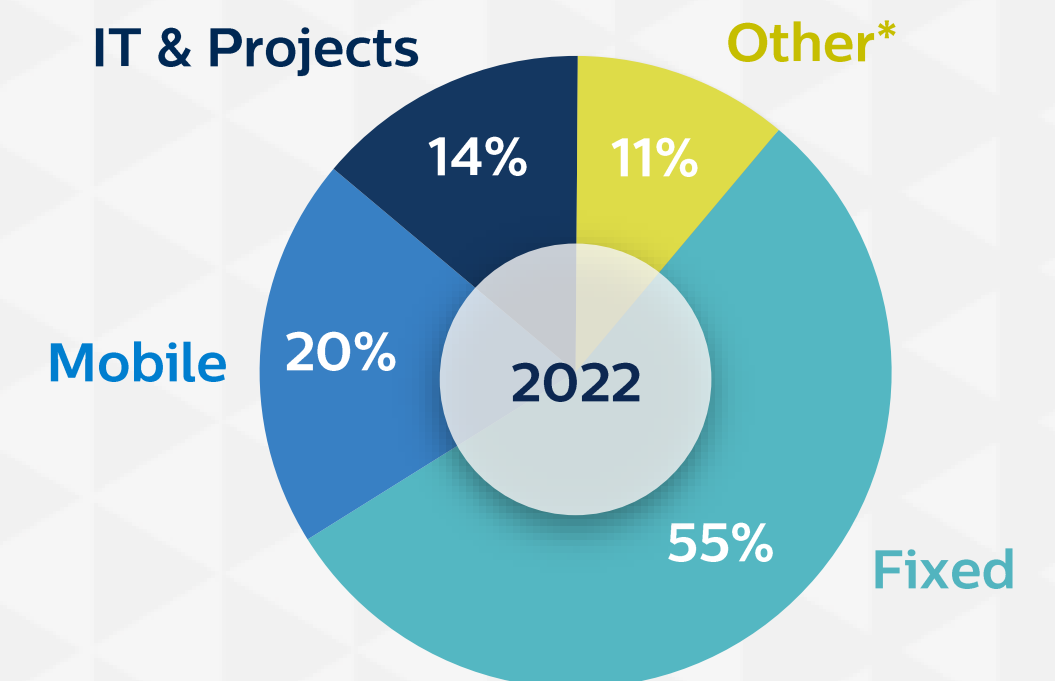
Operating Profit
(TL mn)



Net Income
(TL mn)



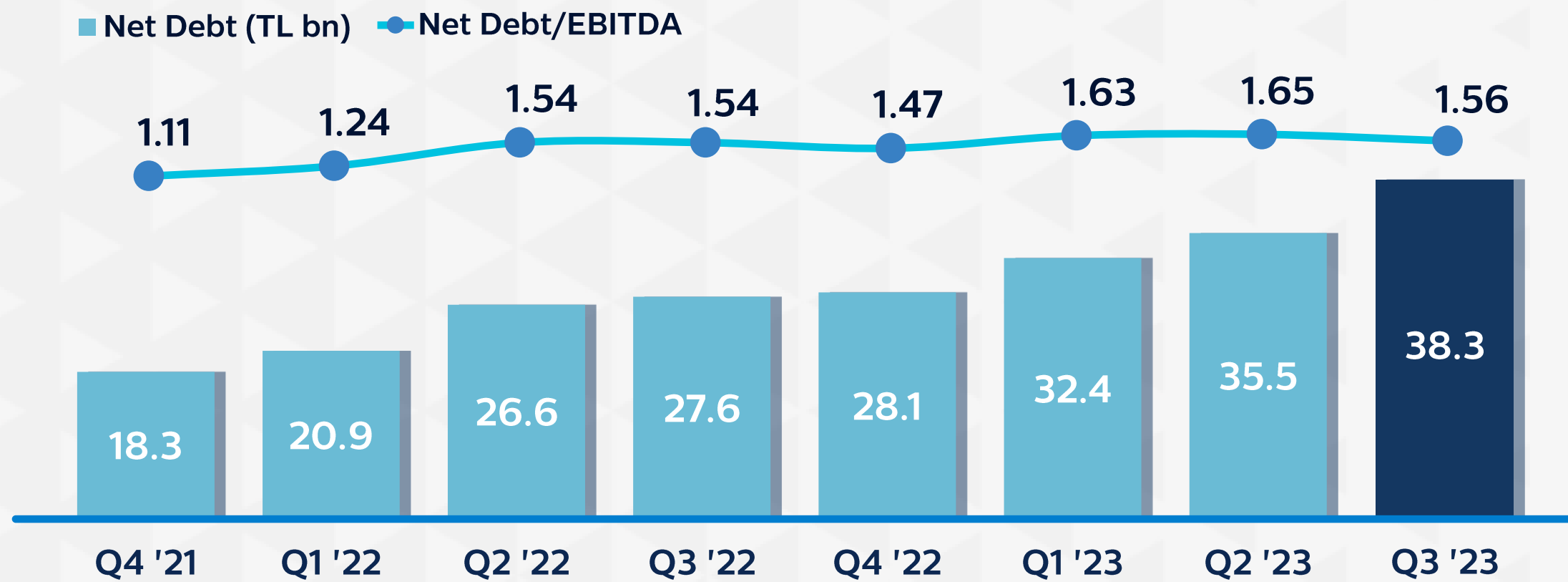
Capex Breakdown
(2022, %)



* Other Capex includes capex for subsidiaries (excl TTI), new revenue streams, IFRS 15 capitalisation, etc.

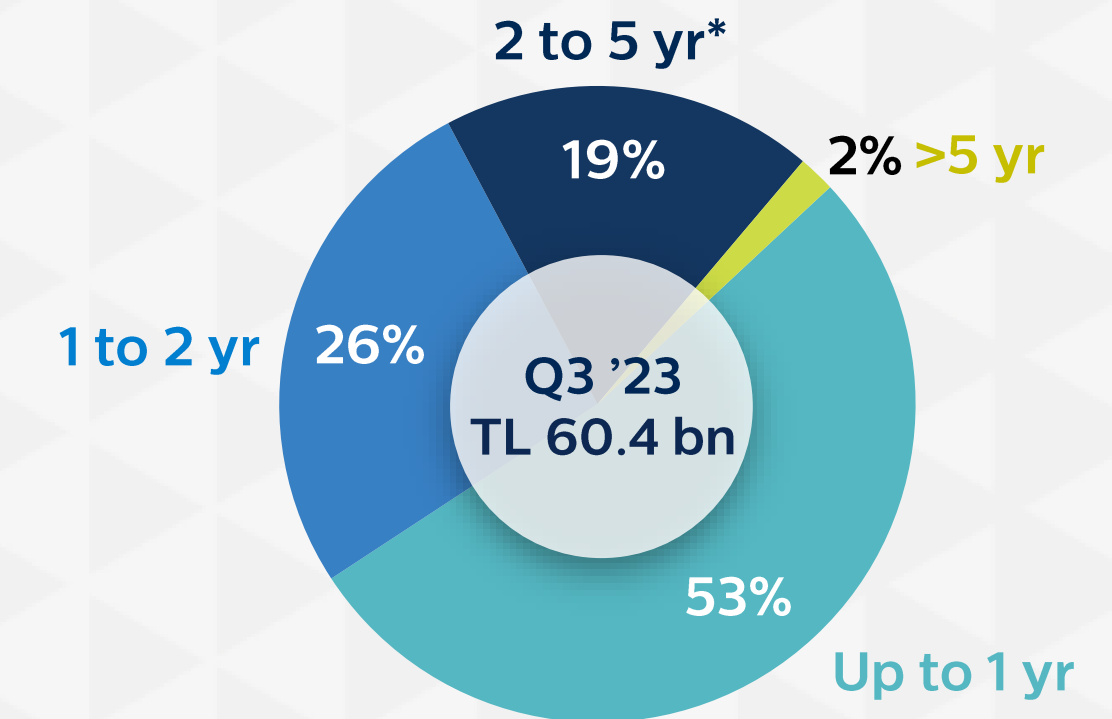
Debt Profile

Net Debt



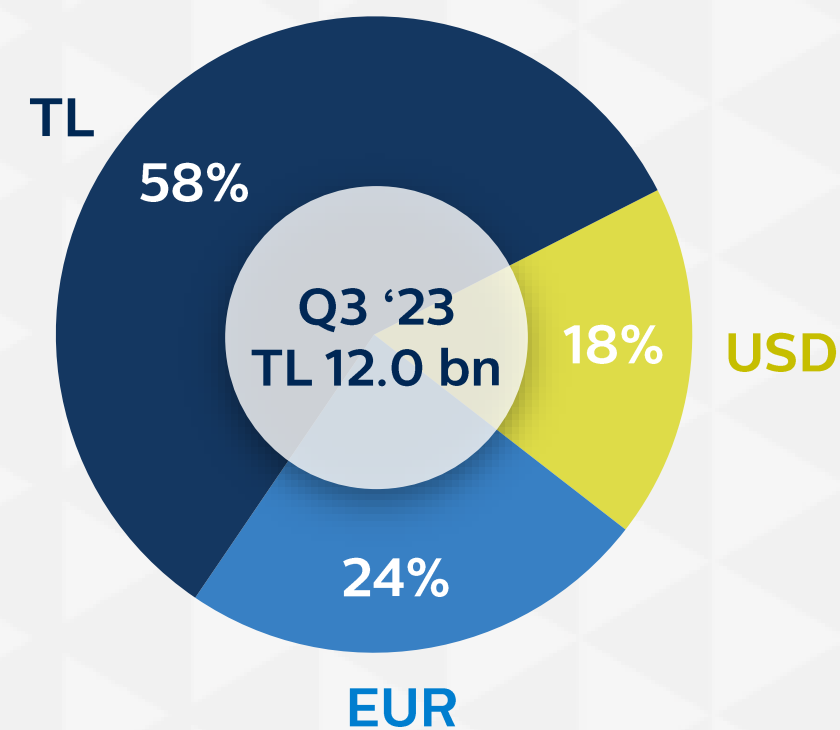
Note: Net Debt calculation includes market valuation (MTM) of Foreign Currency TL money swap transactions.
 Net Debt/EBITDA calculation does not include extraordinary provisions in EBITDA calculation
 Net Debt/EBITDA calculation includes fair value of Currency Protected Time Deposit included in Financial Investments.

Maturity Profile



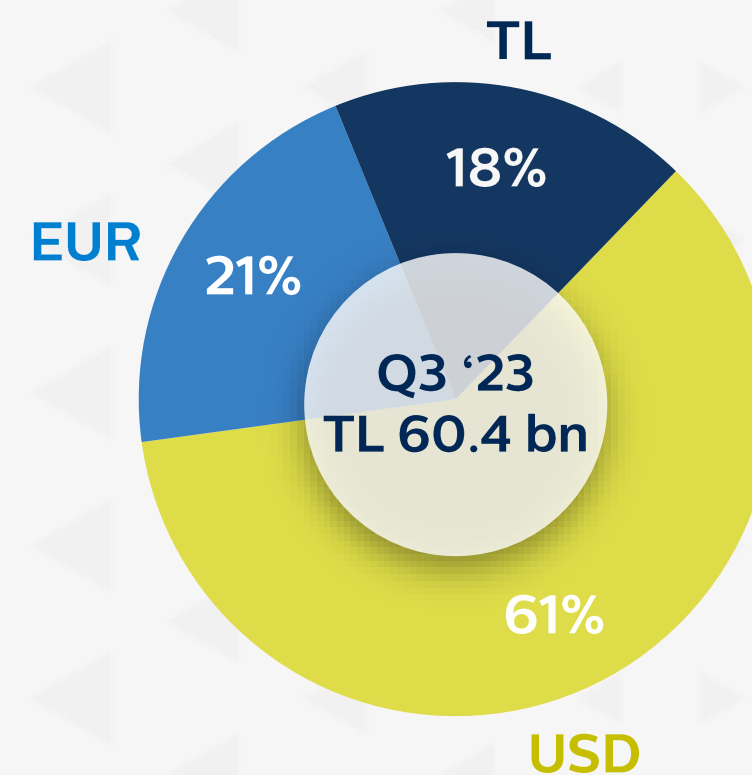
All loans are senior unsecured.
 * including 2024 & 2025 maturity bonds (USD 500 mn each)

Cash – Currency Breakdown*

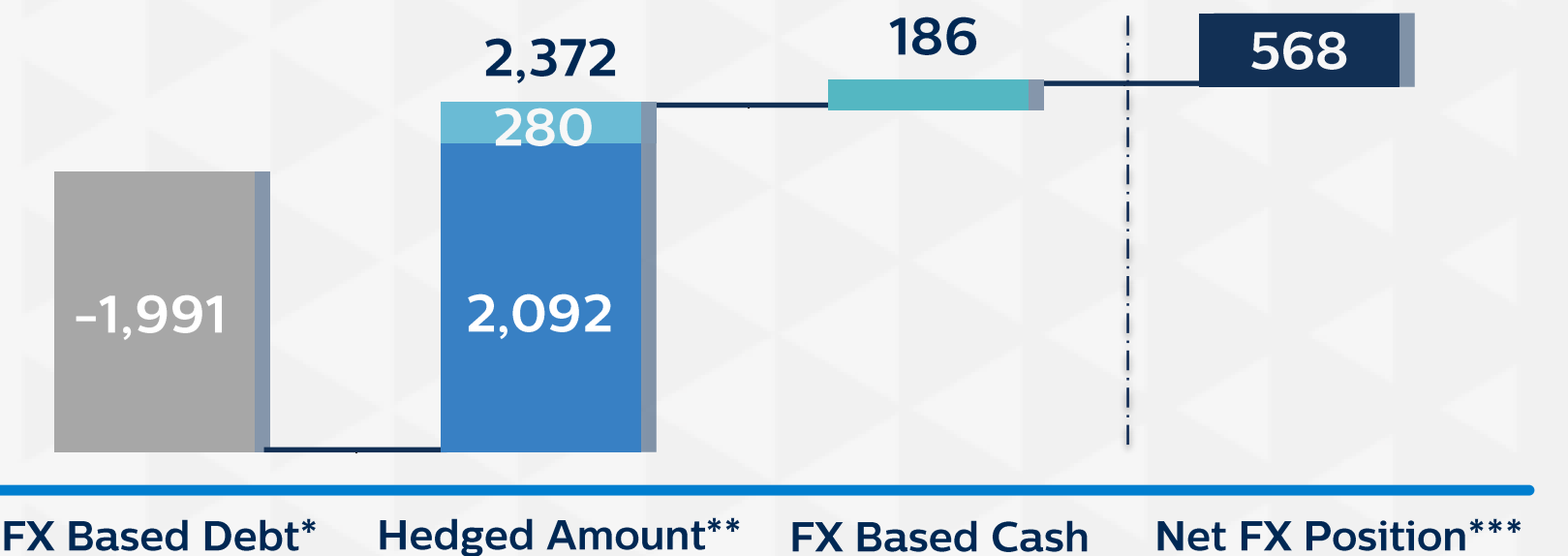


* TL 7.9 bn worth currency protected time deposit is not included in cash.

Gross Debt – Currency Breakdown



Hedge – Composition of FX Position



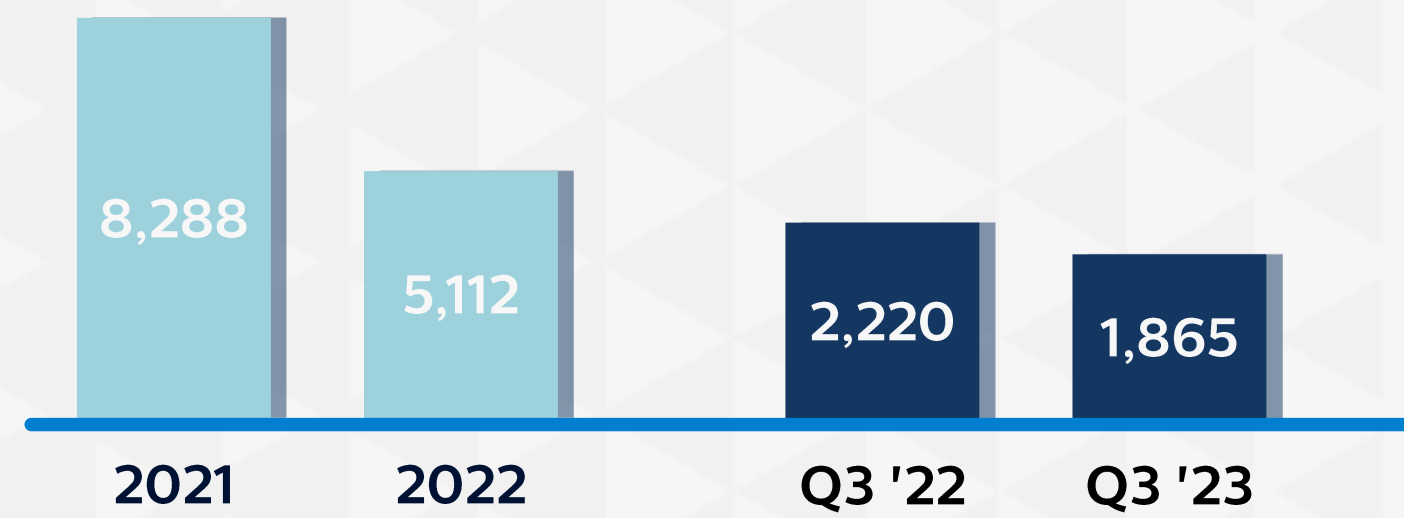
* FX Debt calculation includes FX financial debt (including FX lease obligations) and FX net trade payables. Hedged amount includes hedging of FX financial debt, currency protected time deposit, hedging of FX net trade payables and net investment hedge.

** Currency protected time deposit included in hedged amount is worth USD 280 mn.

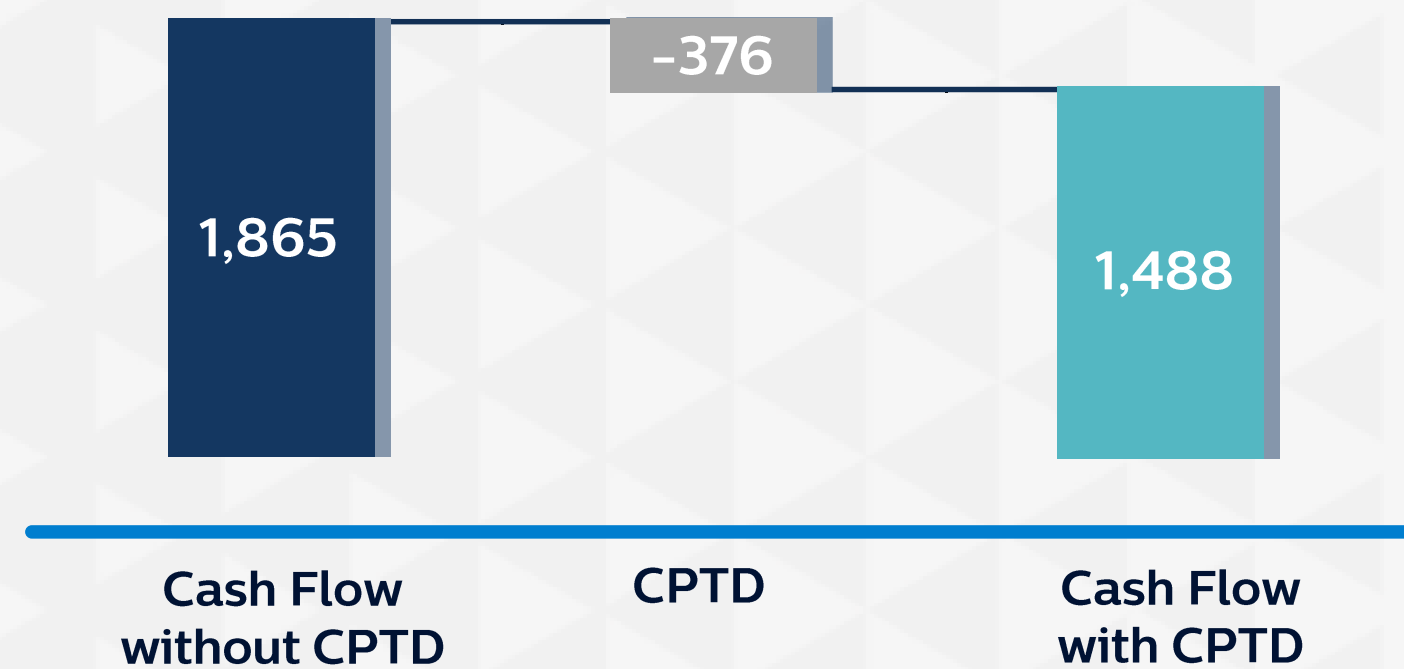
*** Excluding the ineffective portion of the hedge portfolio, mainly the existing PCCS contracts, net FX exposure would be USD 243 mn short position.

Prudent Balance Sheet Management

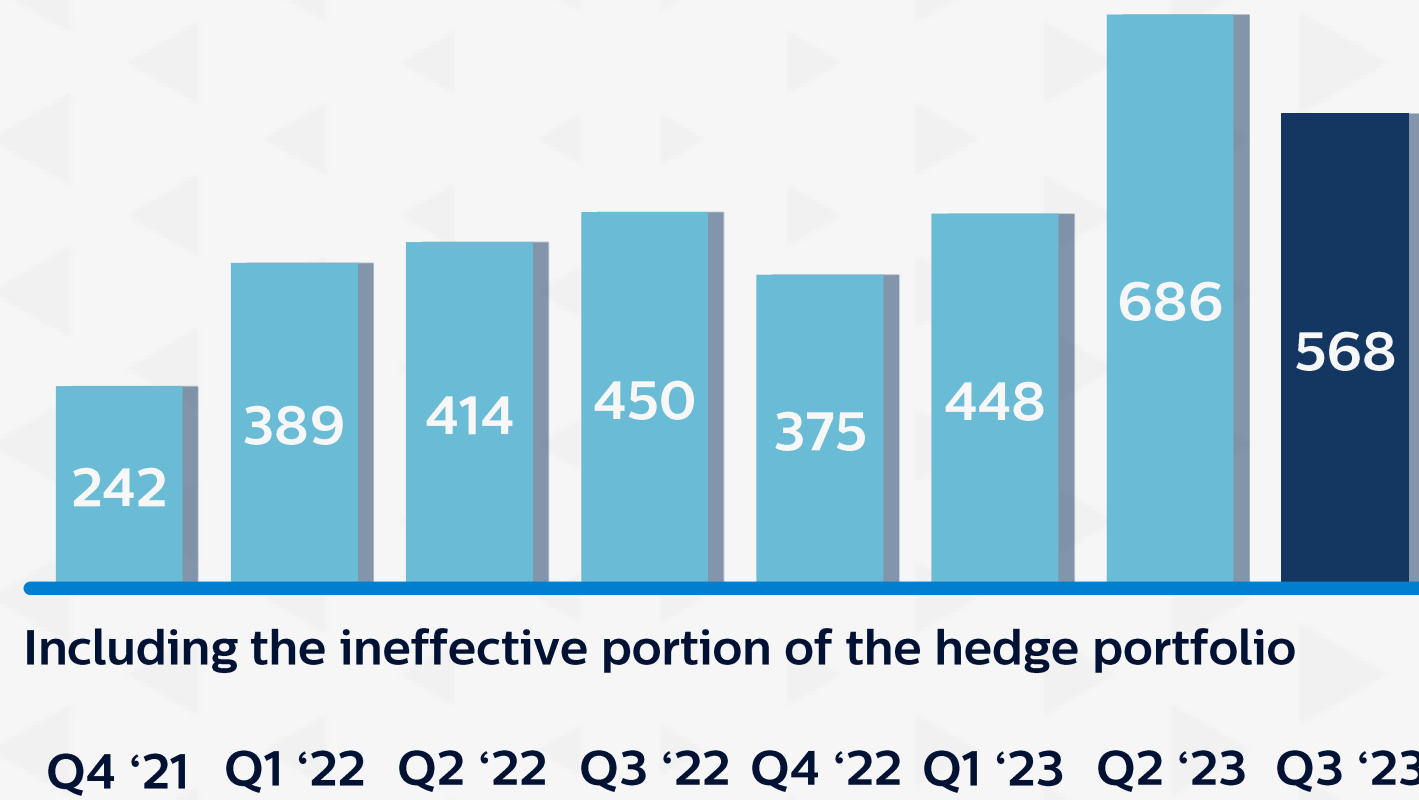
Cash Flow* (TL mn)



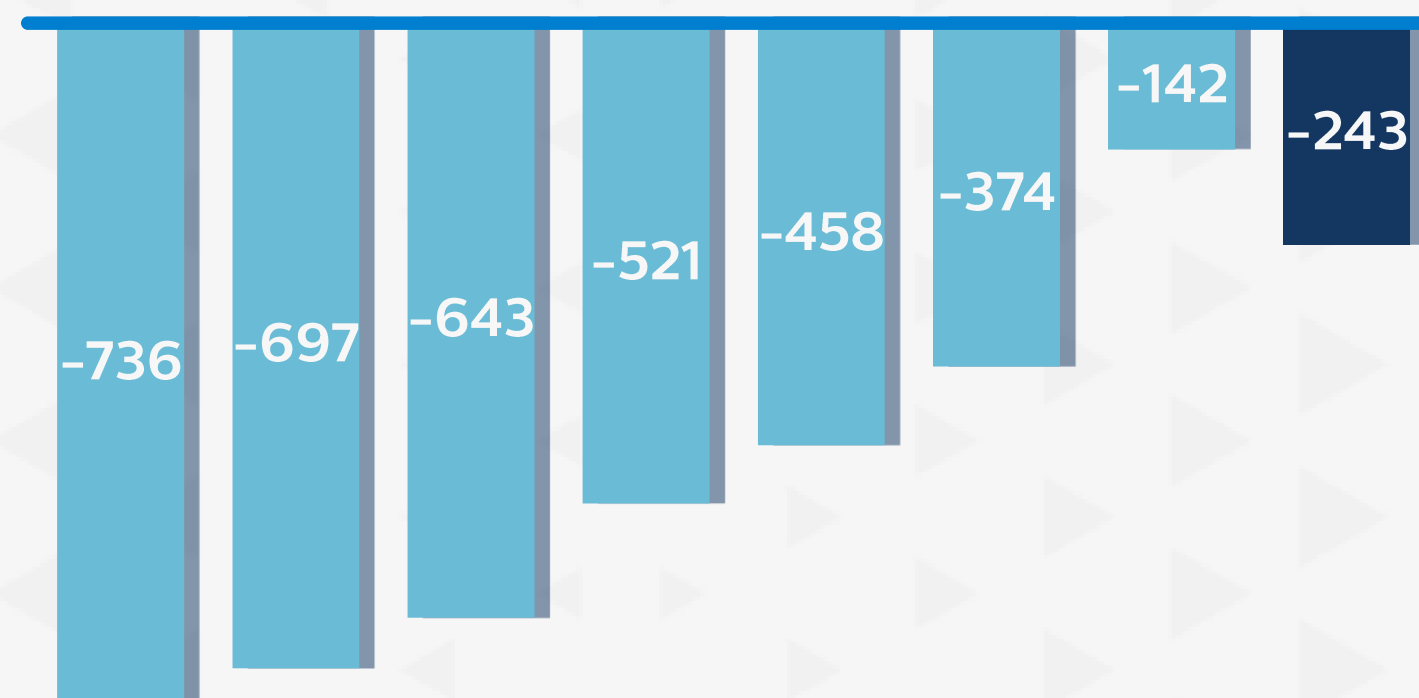
The Effect of CPTD** on Cash Flow (TL mn)



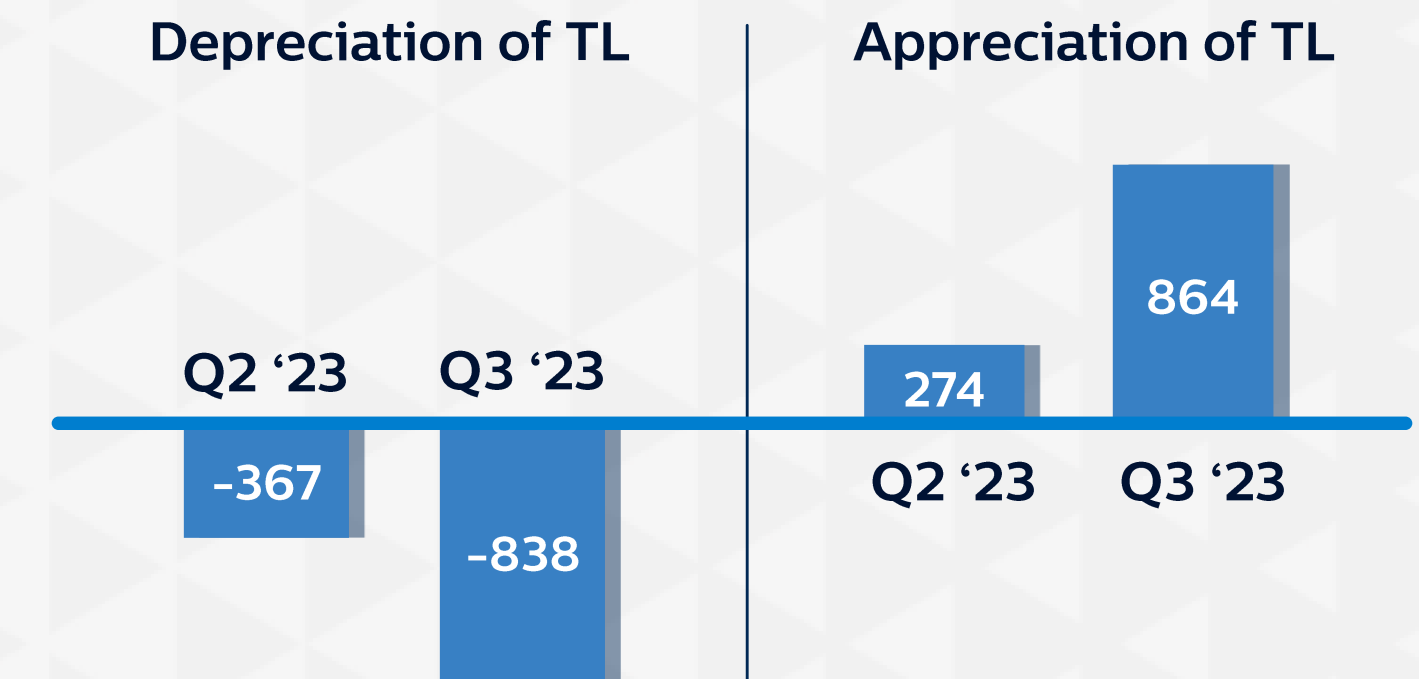
Net FX Exposure* (USD mn equivalent)



Excluding the ineffective portion of the hedge portfolio



Profit Before Tax Sensitivity (TL mn, 10% change in FX rates)



* Unlevered cash flow is defined as net cash provided by operating and investing activities, from operations.

** Currency Protected Time Deposit

* Net FX exposure is calculated as Total FX based Debt, less total Hedged Amount, less Total FX based Cash.



Appendix



Income Statement

(TL mn)	Q3 '22	Q2 '23	Q3 '23	QoQ Change	YoY Change
Revenues	12,552	17,947	22,362	24.6%	78.2%
EBITDA	5,035	6,036	7,979	32.2%	58.5%
Margin	40.1%	33.6%	35.7%		
Operating Profit	3,003	3,369	5,048	49.9%	68.1%
Margin	23.9%	18.8%	22.6%		
Financial Inc. / (Exp.)	(2,606)	(5,190)	(2,998)	(42.2)%	15.1%
FX & Hedging Gain / (Loss)	(1,895)	(4,184)	(1,756)	(58.0)%	(7.3)%
Interest Inc./ (Exp.)	(700)	(963)	(761)	(20.9)%	8.8%
Other Financial Inc./ (Exp.)	(11)	(43)	(480)	1007.8%	4189.2%
Tax Inc./ (Exp.)	774	1,221	2,453	100.9%	217.1%
Net Income	1,171	(601)	4,504	n.m.	284.5%
Margin	9.3%	(3.3)%	20.1%		

Balance Sheet

(TL mn)	31.12.2022	30.09.2023
Total Assets	80,732	119,706
Cash and Cash Equivalents	5,125	11,969
Tangible Assets ¹	29,964	44,752
Intangible Assets	17,774	21,501
Right of Use Assets	1,801	2,155
Other Assets ²	26,069	39,329
Total Equities and Liabilities	80,732	119,706
Share Capital	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	16,710	29,193
Interest Bearing Liabilities ³	41,920	62,296
<i>Bank Borrowings and Bonds</i>	<i>40,401</i>	<i>60,354</i>
<i>Lease Liabilities</i>	<i>1,520</i>	<i>1,942</i>
Other Liabilities ⁴	18,841	24,957

(1) Tangible assets include property, building or plant and equipment and investment property

(2) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset, tax assets and other current assets.

(3) Includes short-term and long-term borrowings and lease obligations

(4) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities and provisions for employee termination benefits

Türk Telekom Investor Relations



ttinvestorrelations.com



investorrelations@turktelekom.com.tr



twitter.com/ttkomir



+90 212 309 96 30

Türk Telekom
Değerli Hissettirir

