

# 2023 Q4 Investor Presentation





# Financial & Operational Overview

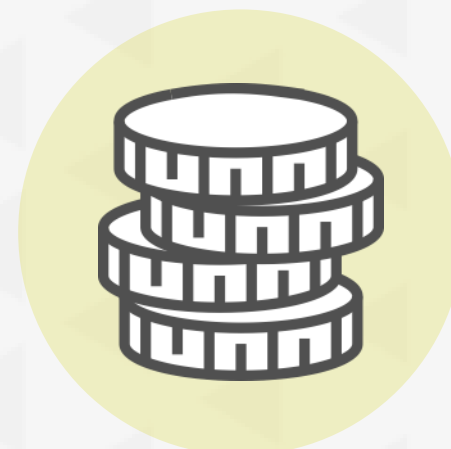
## 2023 Highlights w/ TAS29



Total Subscribers

**52.9 mn**

▲ 0.3% YoY



Revenue

**TL 100.2 bn**

▲ 10% YoY



EBITDA

**TL 33.5 bn**

▼ 8% YoY



EBITDA Margin

**33.5%**

▼ 640bps YoY



Net Income

**TL 16.4 bn**

▲ 138% YoY



Free Cash Flow\*

**TL 7.0 bn**

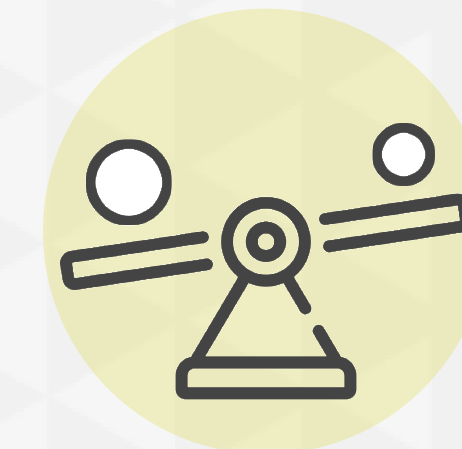
▼ 2022 TL 11.2 bn



CAPEX

**TL 25.8 bn**

▲ 7% YoY



Net Leverage

**1.17x**

2022 1.27x

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

# Financial & Operational Overview

## 2023 Q4 Highlights w/o TAS29



Revenue

**TL 25.7 bn**

▲ 68% YoY



EBITDA

**TL 8.5 bn**

▲ 52% YoY



EBITDA Margin

**33.1%**

▼ 350bps YoY



Net Income

**TL 2.1 bn**

▲ 107% YoY



Free Cash Flow\*

**TL 3.3 bn**

▲ Q4 '22 TL 1.9 bn



CAPEX

**TL 9.0 bn**

▲ 31% YoY

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

# Net Subscriber Additions

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## Fixed Broadband

82K

Q4 '23

365K

1.7% monthly churn rate

2023

52.9mn  
Subscribers

Net  
additions\*

7K

in Q4 '23

146K

in 2023



## Mobile

84K

Q4 '23

724K

1.9% monthly churn rate

2023



## Fixed Voice

-264K

Q4 '23

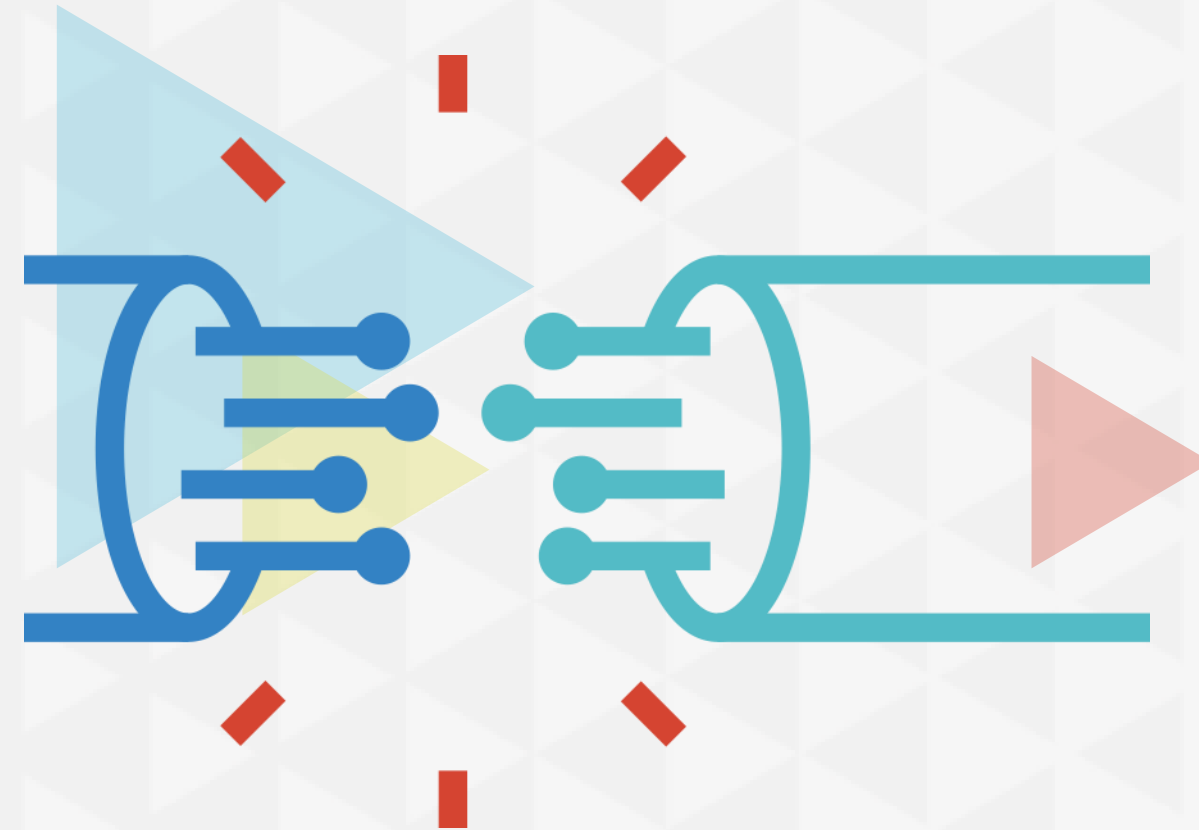
-1.1mn

2023



\* Includes Tivibu

# Fixed Broadband Performance



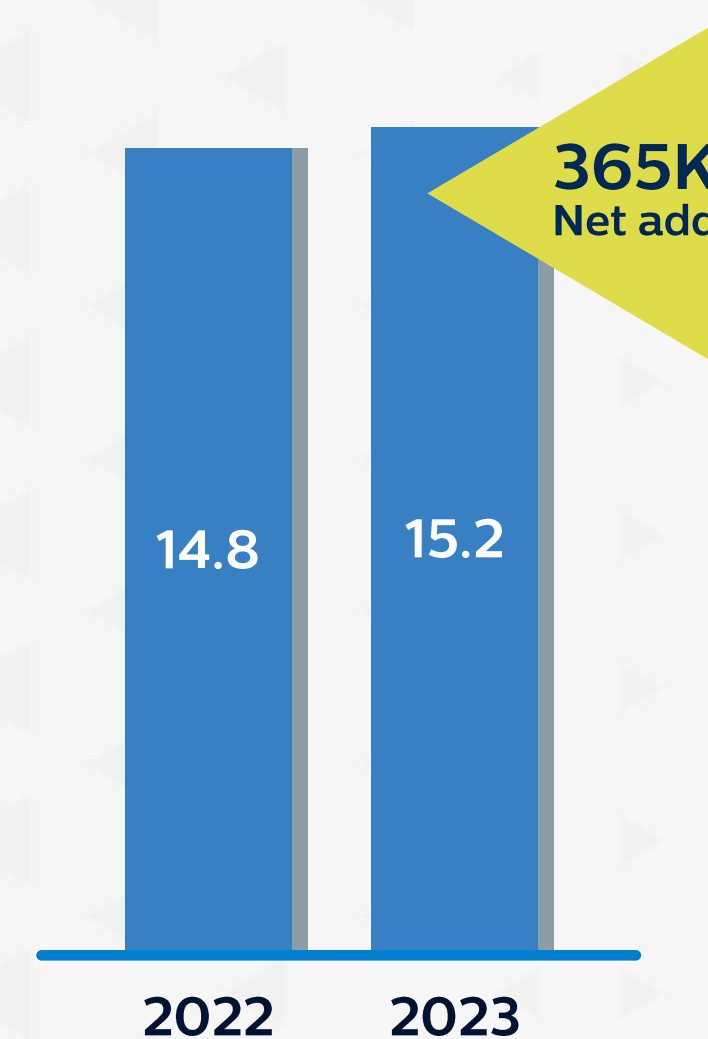
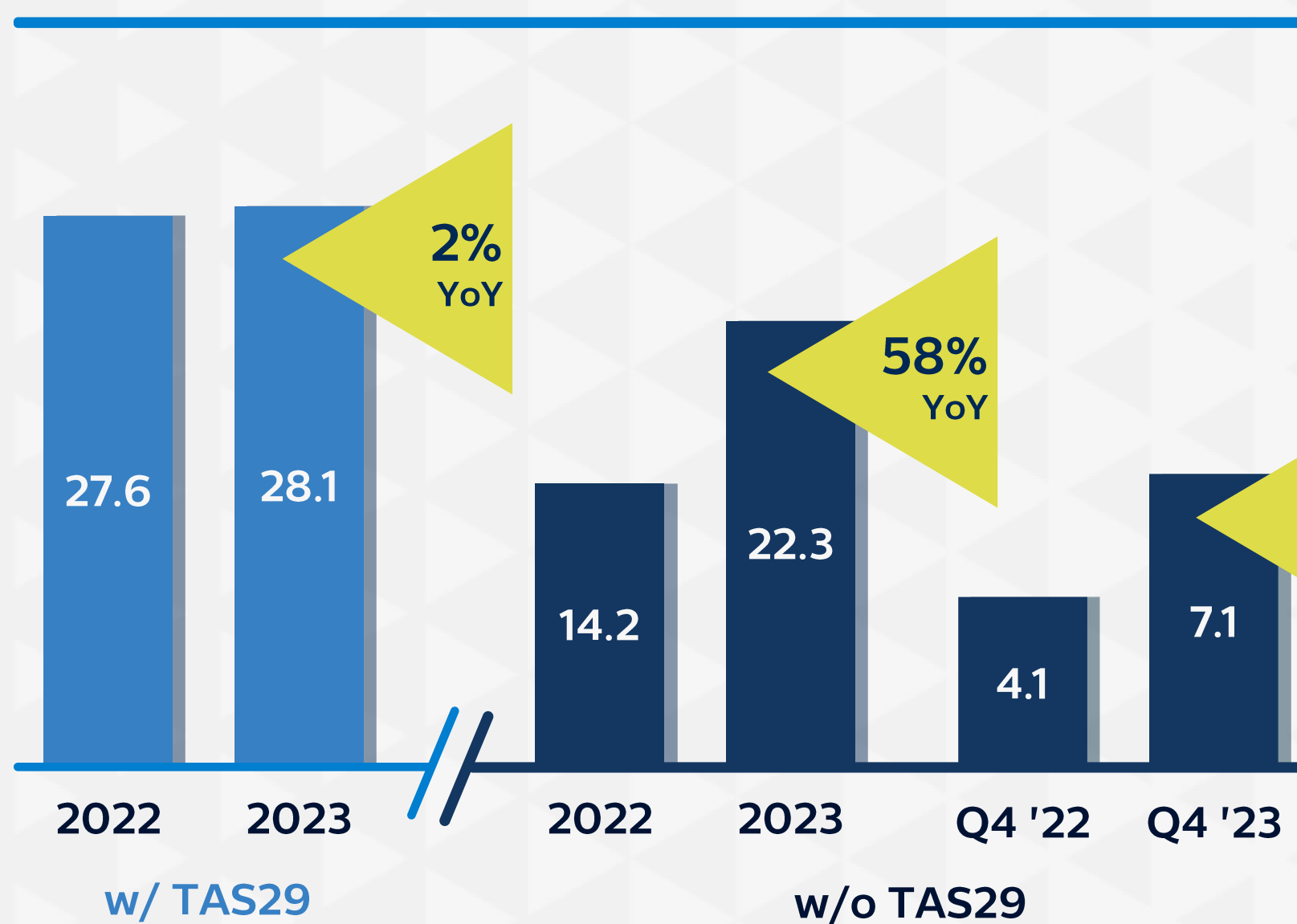
## Subscribers & ARPU

FBB Subscribers (mn)

ARPU Growth (%)

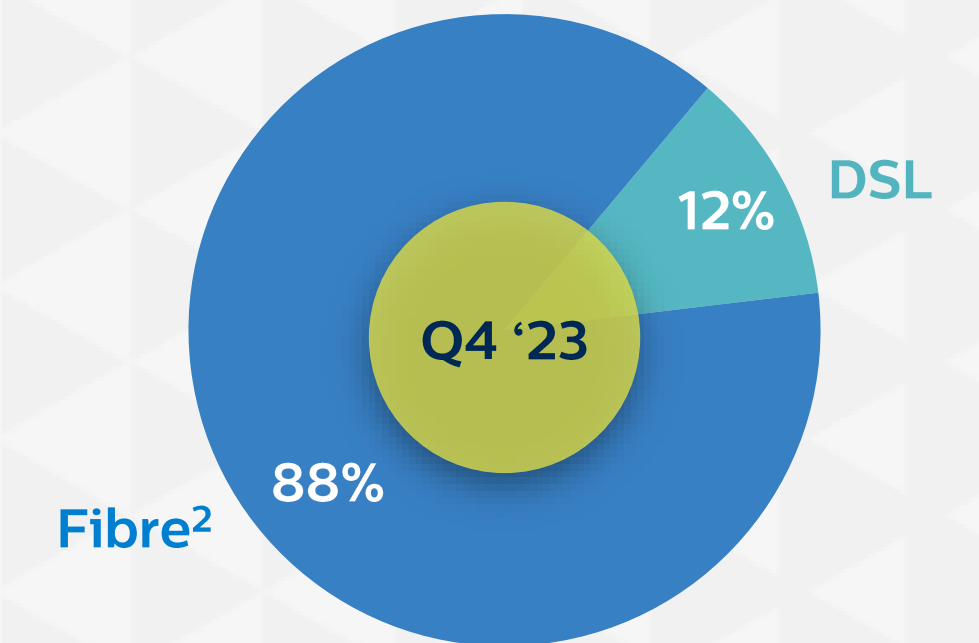
## Fixed Broadband Revenue

(TL bn)



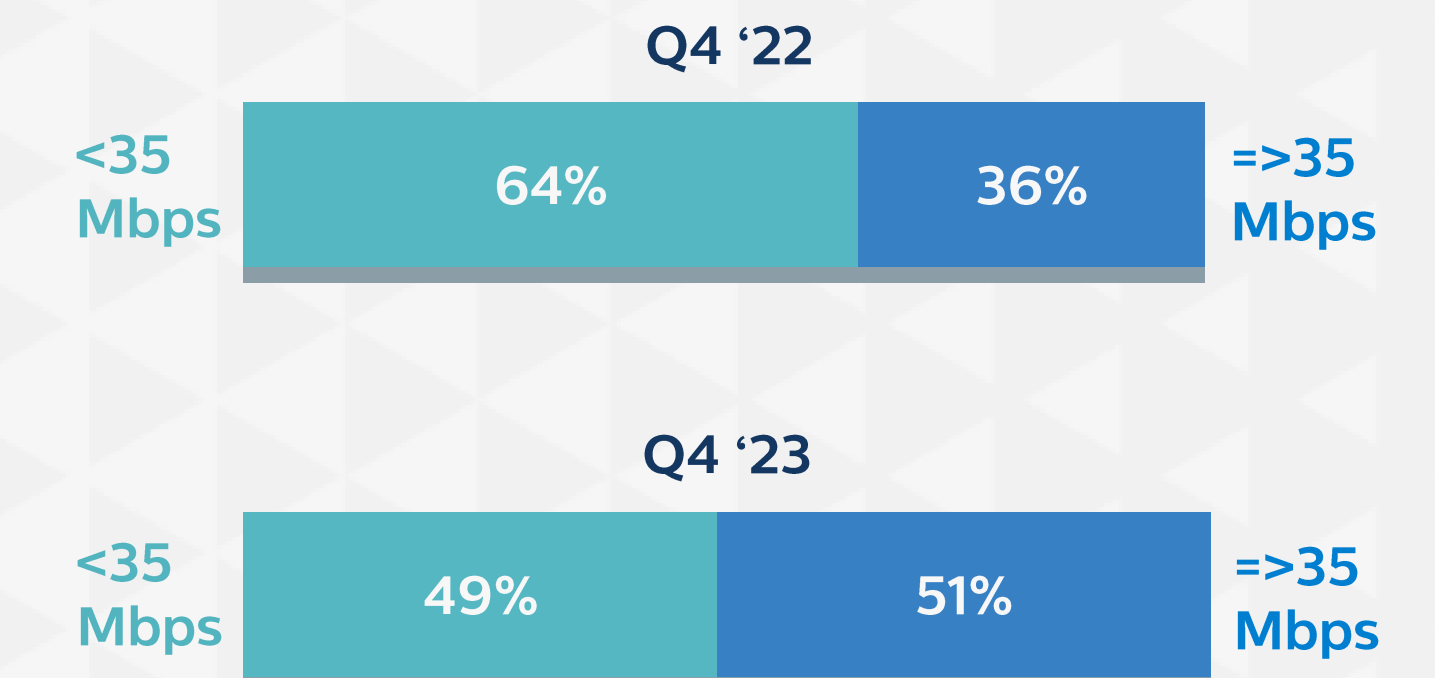
## Subscriber Breakdown<sup>1</sup>

(% of Subscribers)



## Subscriber Package Breakdown<sup>1</sup>

(% of Subscribers)



(1) Retail only

(2) Fibre subscribers include FTTH/B & FTTC subscribers

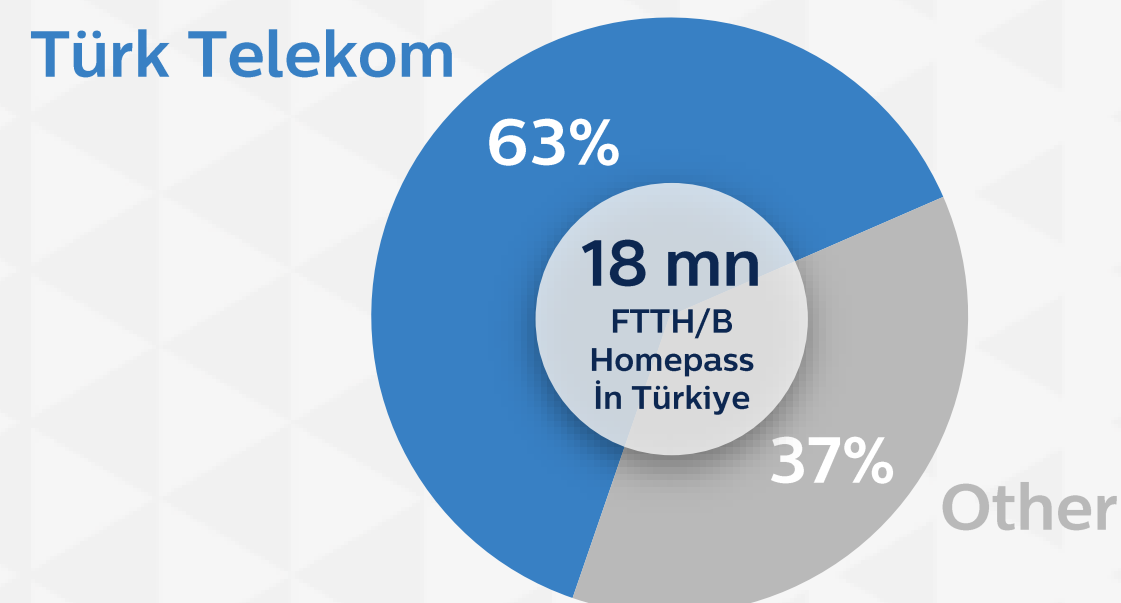
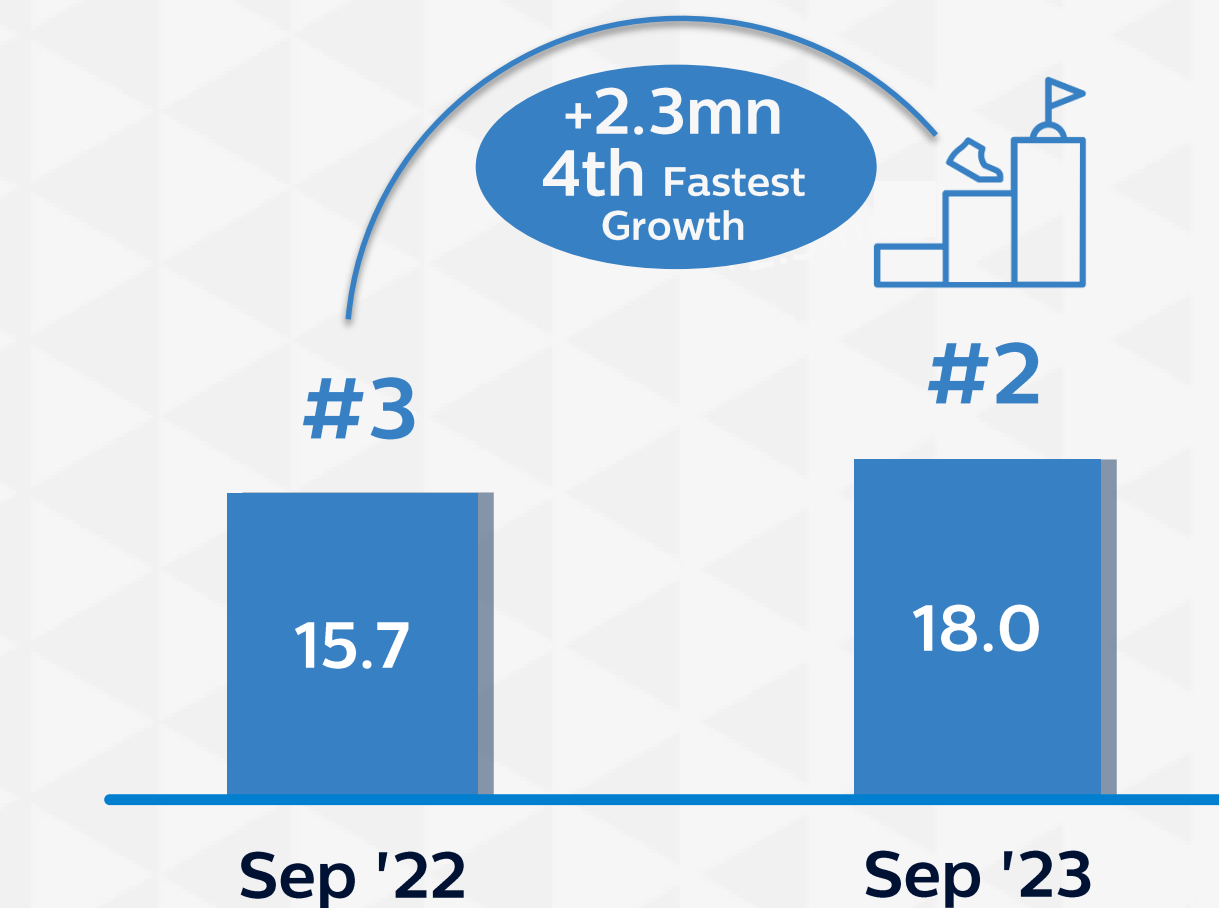


# Türkiye #2 in Europe in FTTH/B Homepass Thanks to Türk Telekom

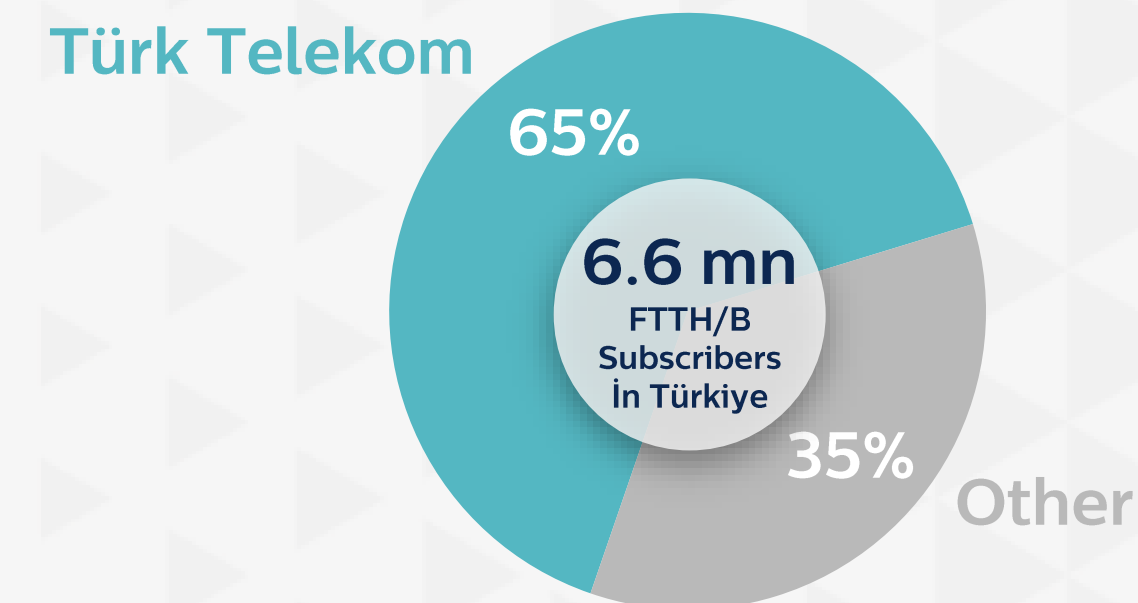
6

According to the **FTTH Council's FTTH/B Market Panorama in Europe September 2023 Report**, covering 39 European countries\*,

Türkiye increased its **FTTH/B homepass** numbers by **2.3 mn** compared to last year, rising from third to second place in Europe. **Türk Telekom +1.5 mn** in the same period.



Türkiye increased its **FTTH/B subscriber** numbers by **1 mn** compared to last year, becoming the third fastest growing country in Europe. **Türk Telekom +782K** in the same period.



\* EU39: EU27+UK + 4 CIS countries + Iceland, Israel, North Macedonia, Norway, Serbia, Switzerland, Türkiye

# Mobile Performance

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## Mobile Revenue

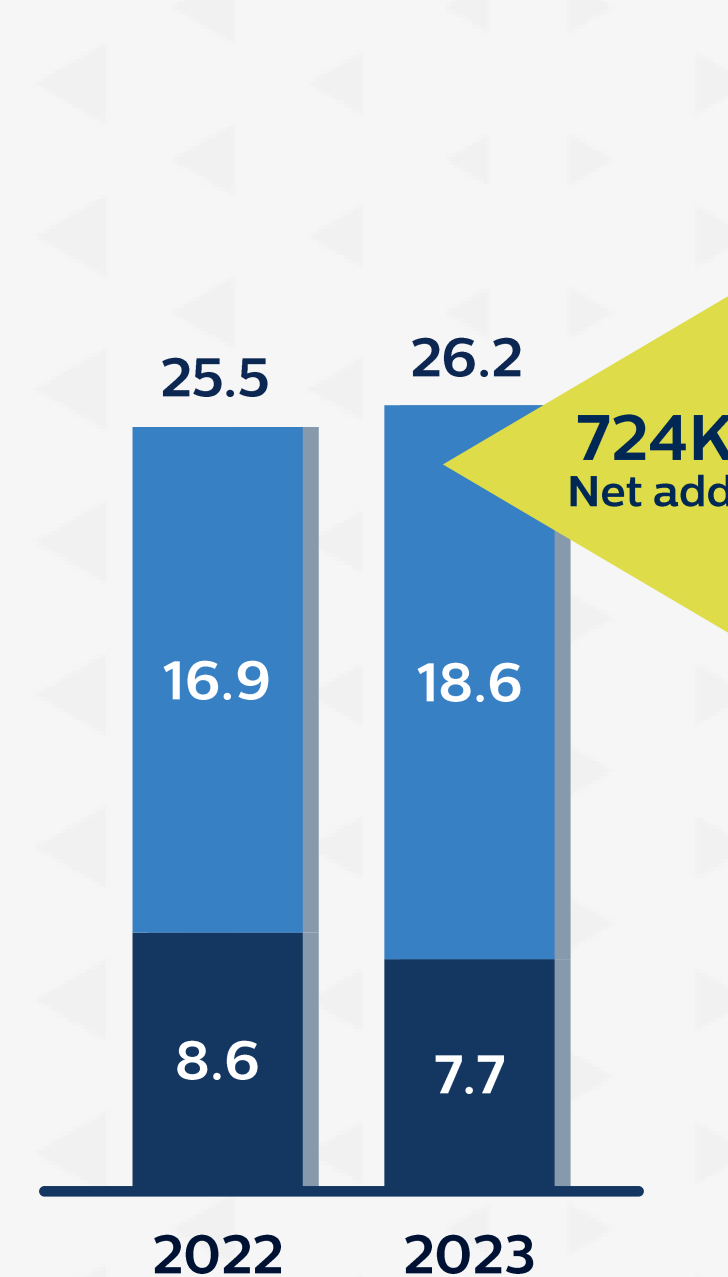
(TL bn)



## Subscribers & ARPU

■ Postpaid Subscribers (mn)  
■ Prepaid Subscribers (mn)

ARPU Growth (%)



w/ TAS29

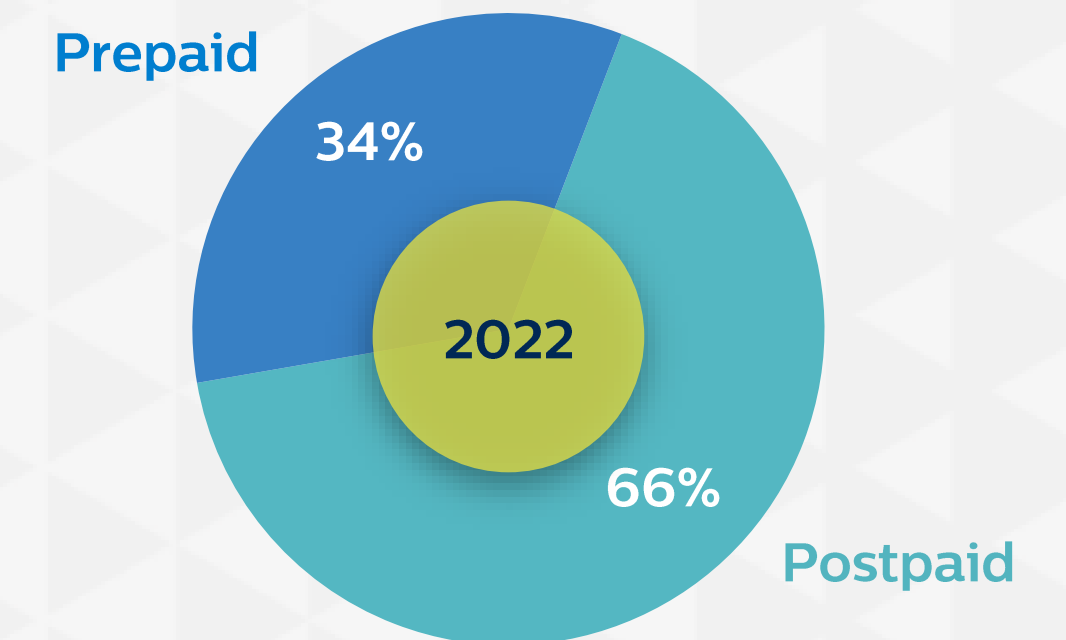
15%  
2023

w/o TAS29

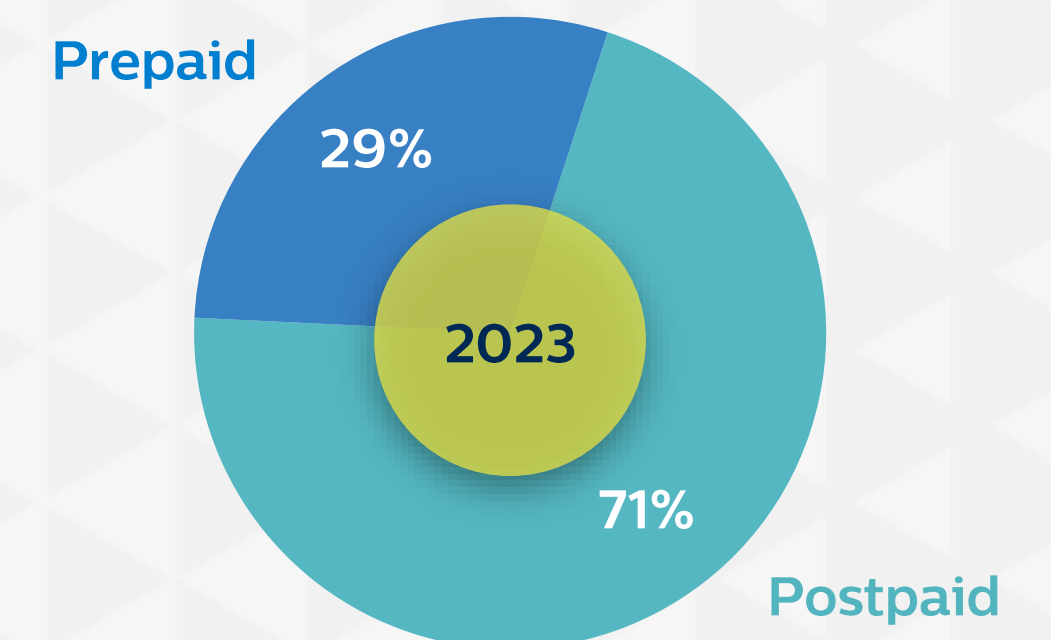
76%  
2023

85%  
Q4 '23

## Mobile Subscribers Ratios



1.6 mn  
Historic-High  
Net Postpaid Addition



# 2023 Performance & Guidance

	2023 Revised Guidance (w/o TAS29)	2023 Actuals (w/o TAS29)
Revenue Growth (exc. IFRIC 12) <sup>1</sup>	67-70%	71.0%
EBITDA	TL 25-27 bn	TL 27.3 bn
CAPEX	TL 19-21 bn	TL 21.6 bn

(1) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure such as the upgrade from copper to fibre based network.



# 2024 Guidance

	2023 Actuals (w/ TAS29)	2024 Guidance <sup>1</sup> (w/ TAS29)
Revenue Growth (exc. IFRIC 12) <sup>2</sup>	10.5%	11-13%
EBITDA Margin	33.5%	36-38%
Adjusted CAPEX Intensity	25.7%	27-28%
We assumed an inflation trajectory leading annual CPI to 42% by the end of 2024.		

(1) 2024 guidance expectations represent approximate values.  
(2) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure such as the upgrade from copper to fibre based network.

# Concrete Progress on Our Sustainability Agenda

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In its first meeting of 2024, our Sustainability Committee agreed upon:

- ▶ Targeting a **45% reduction in Türk Telekom Group's Scope 1 & 2 emissions in total by 2030\***
- ▶ **Net Zero by 2050**



We have also **submitted a commitment letter to the SBTi for our near-term targets.**

- ▶ We are smoothly progressing on our roadmap to get the near term targets approved by the SBTi.



We take important steps together with our stakeholders to control our environmental impact and lower our carbon footprint. Focusing on:

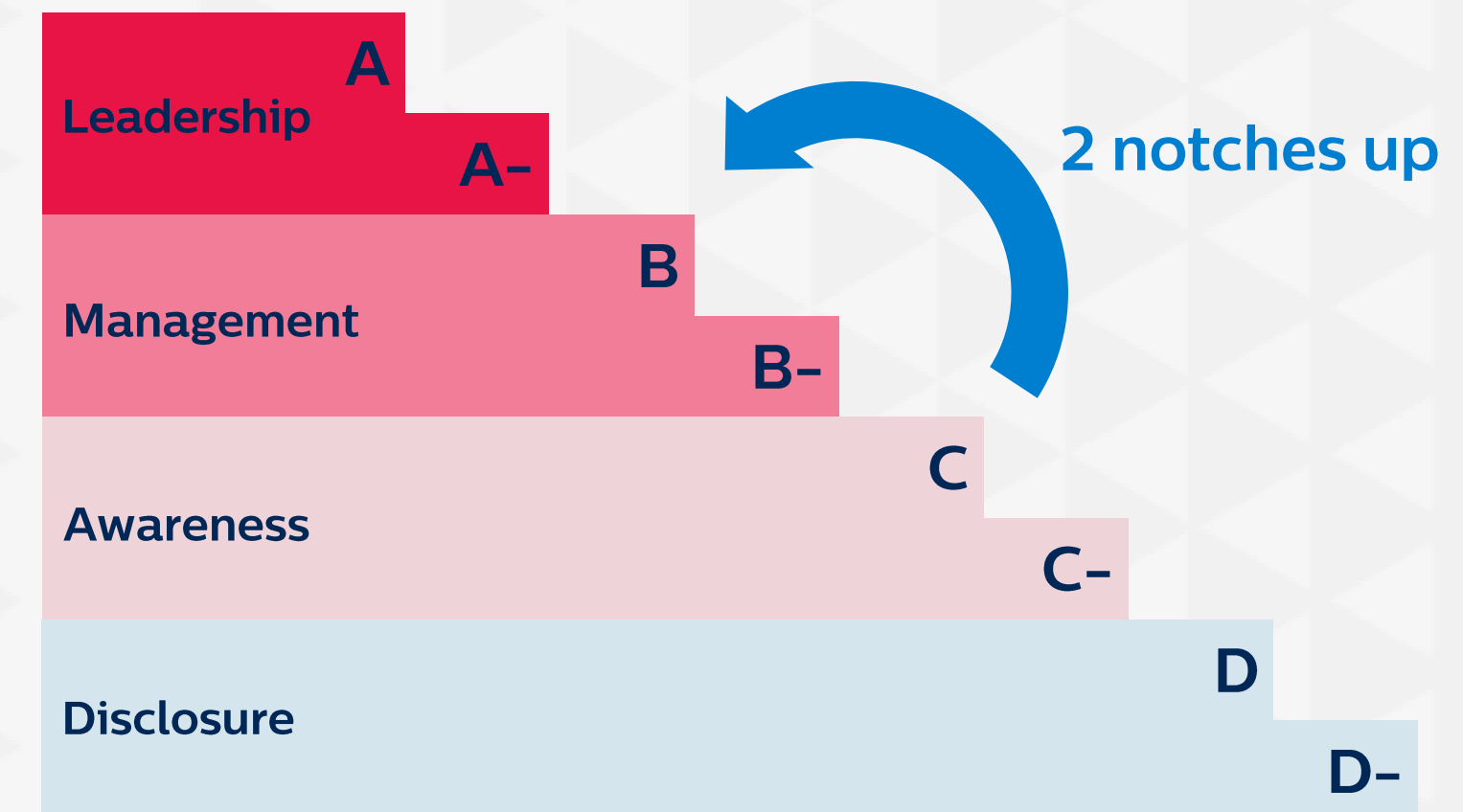
- ▶ **Energy Efficiency**
- ▶ **Diversification of Energy Sources**
- ▶ **Renewable Energy**
- ▶ **Clean Transportation**
- ▶ **Waste Management**

\*Relative to base year 2020



We moved our 2023 CDP score up by two notches to **B (Management)** from the previous year.

- ▶ We secured the highest A rank in both of the “**Emissions reductions initiatives and low carbon products**” and “**Scope 1 & 2 emissions (including verification)**” categories.
- ▶ We will remain devoted to raising our overall CDP score to **A (Leadership)** in the coming periods.





# Financials





# Financial Performance

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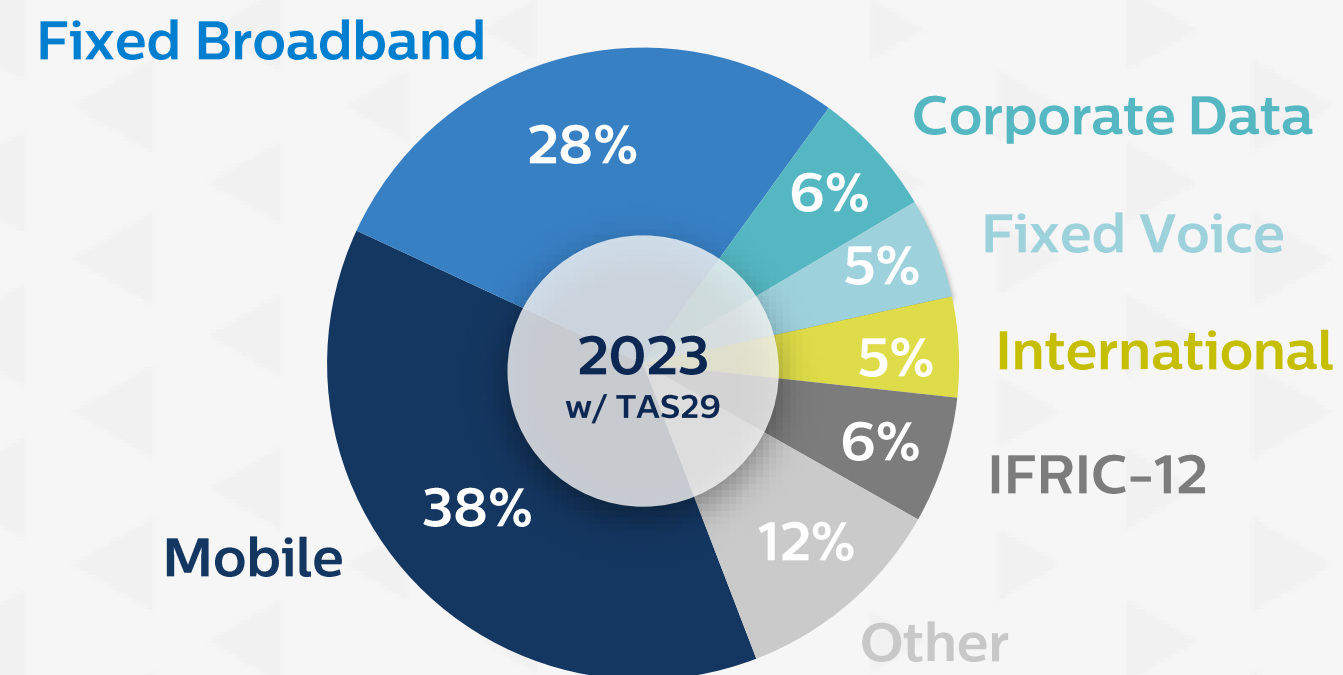
## Revenue

(TL bn)



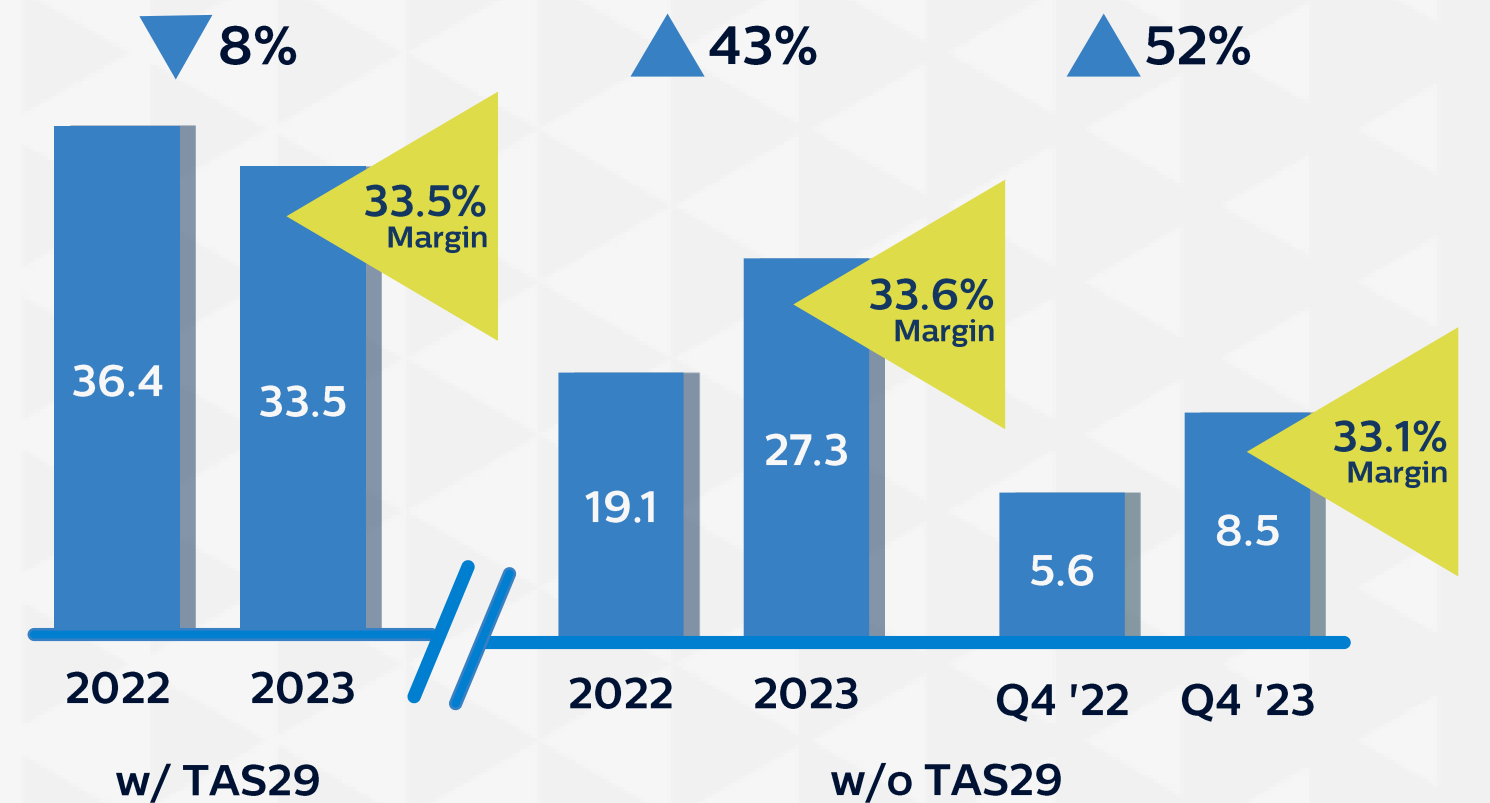
## Revenue Breakdown

(%)



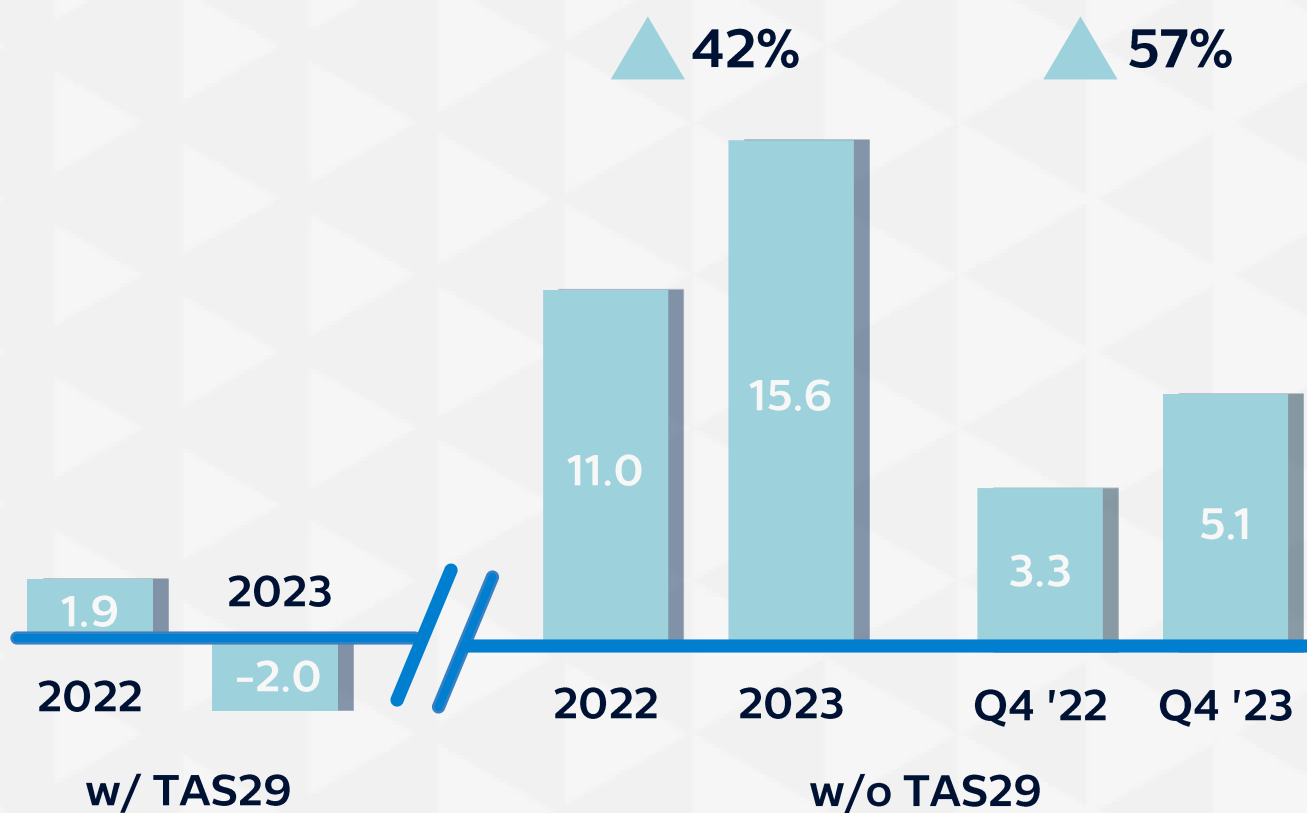
## EBITDA

(TL bn)



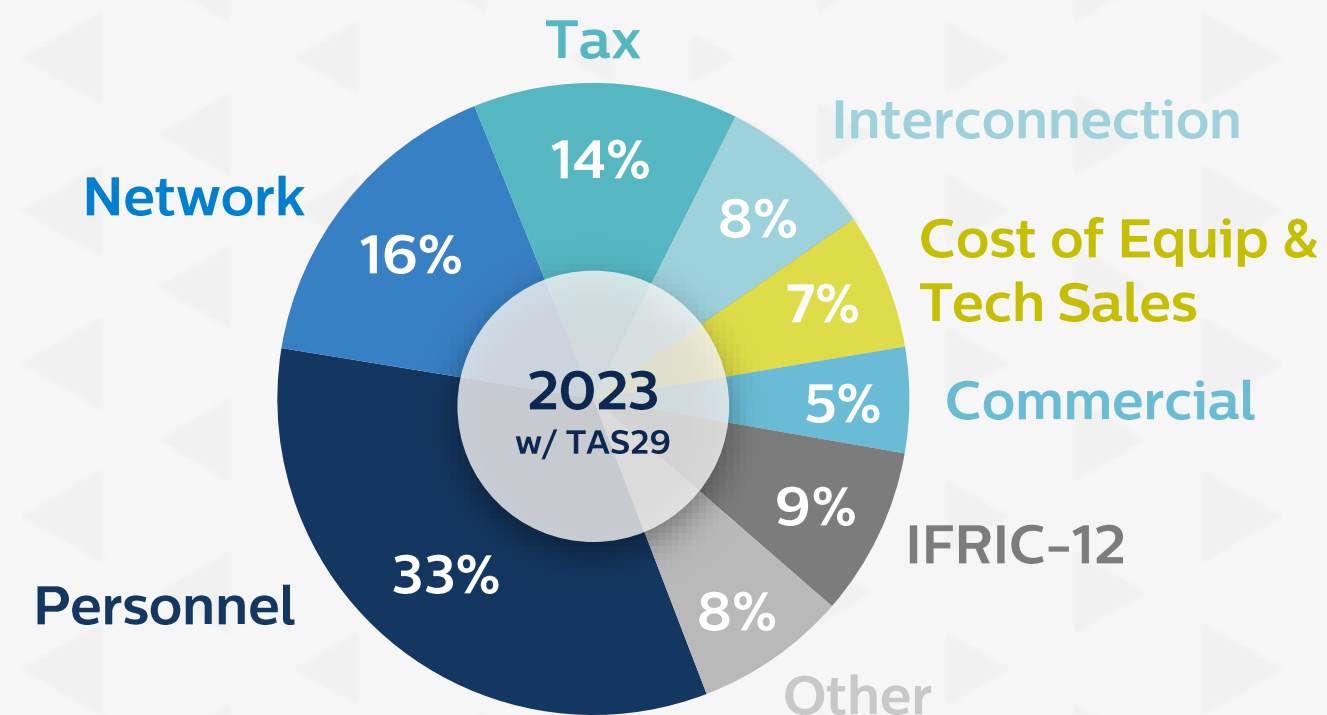
## Operating Profit

(TL bn)



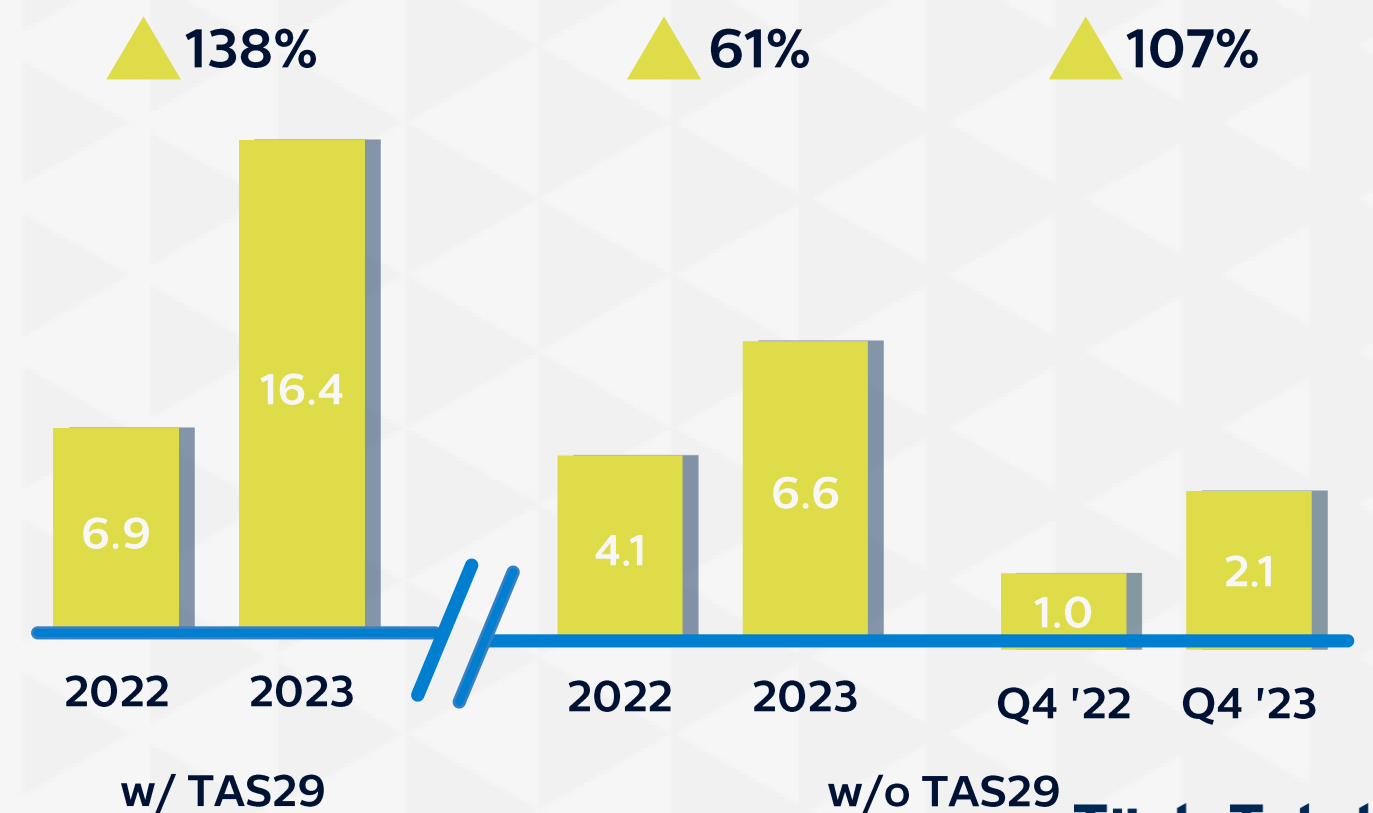
## Opex Breakdown

(%)



## Net Income

(TL bn)

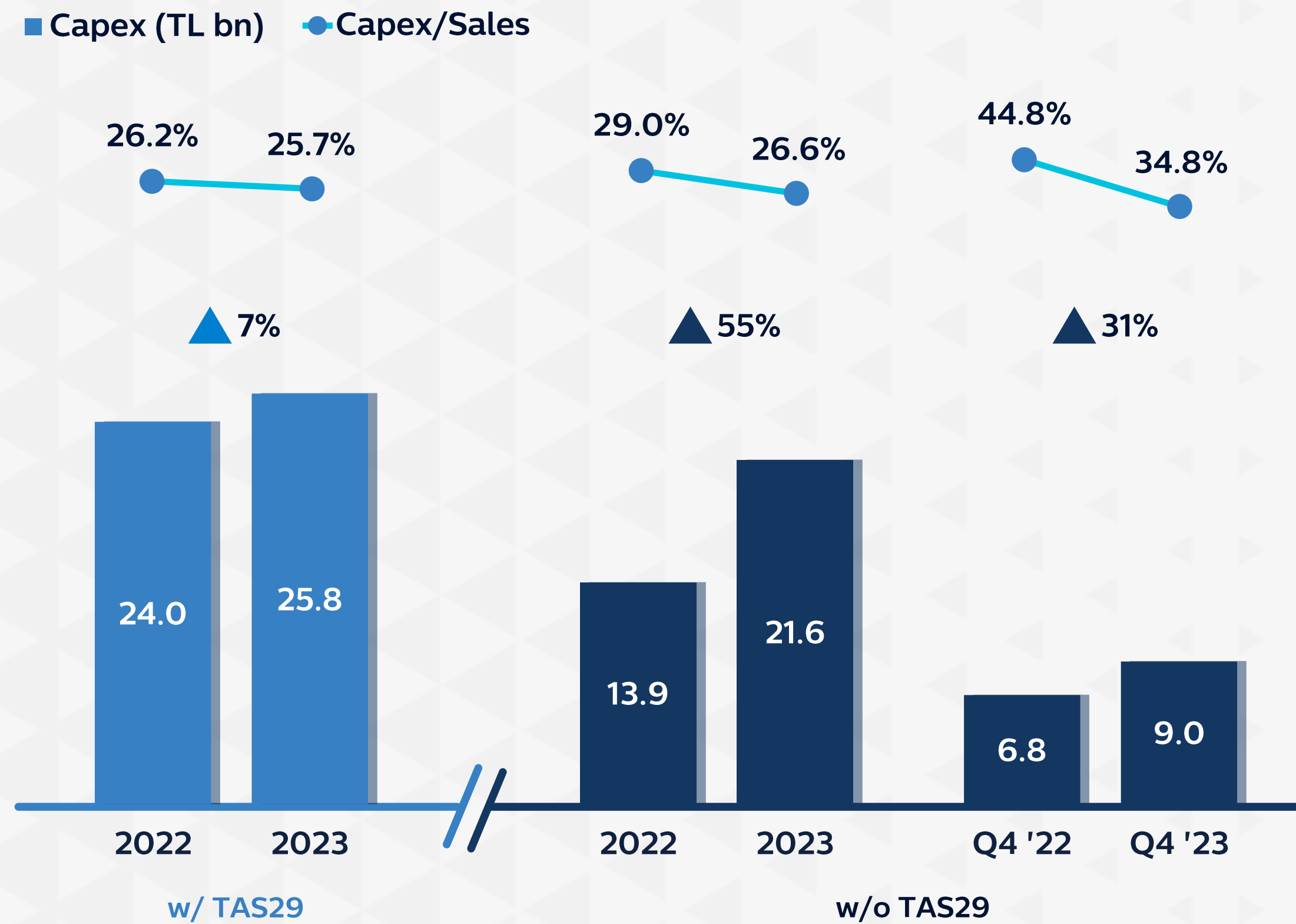




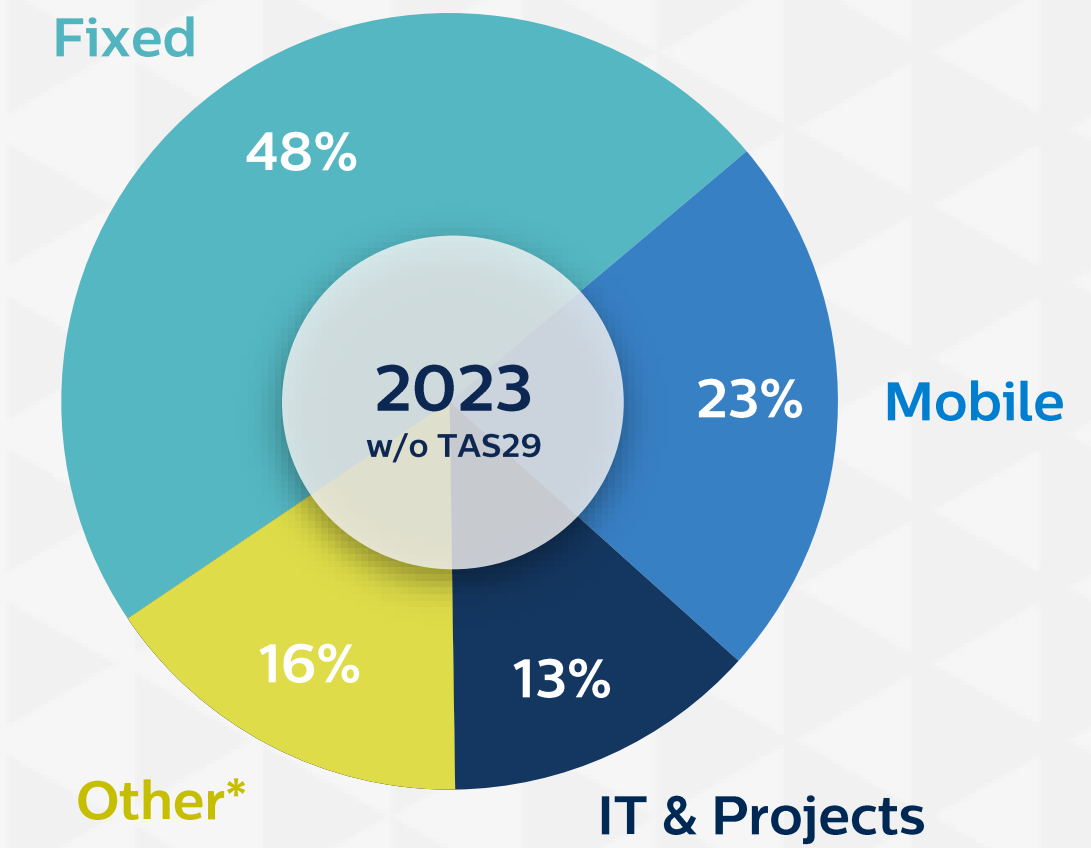
# CAPEX

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## Capex & Capex / Sales



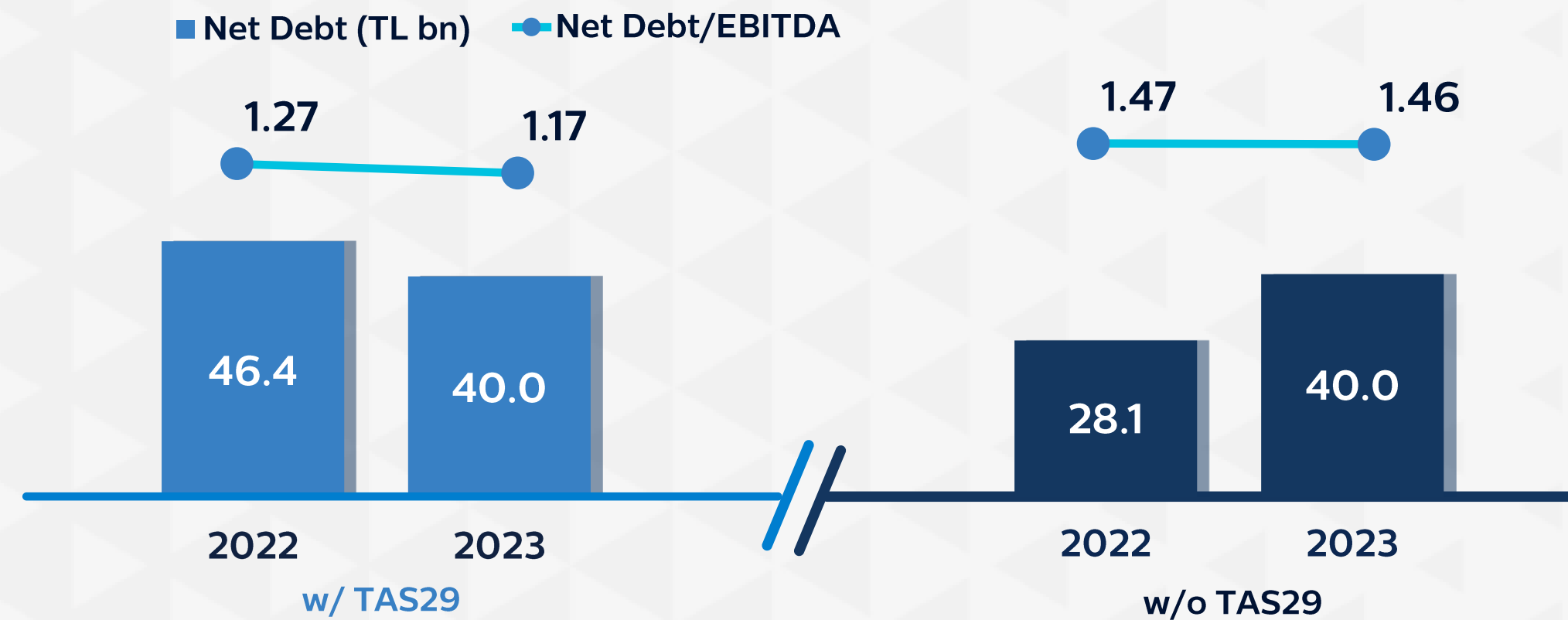
## Capex Breakdown



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

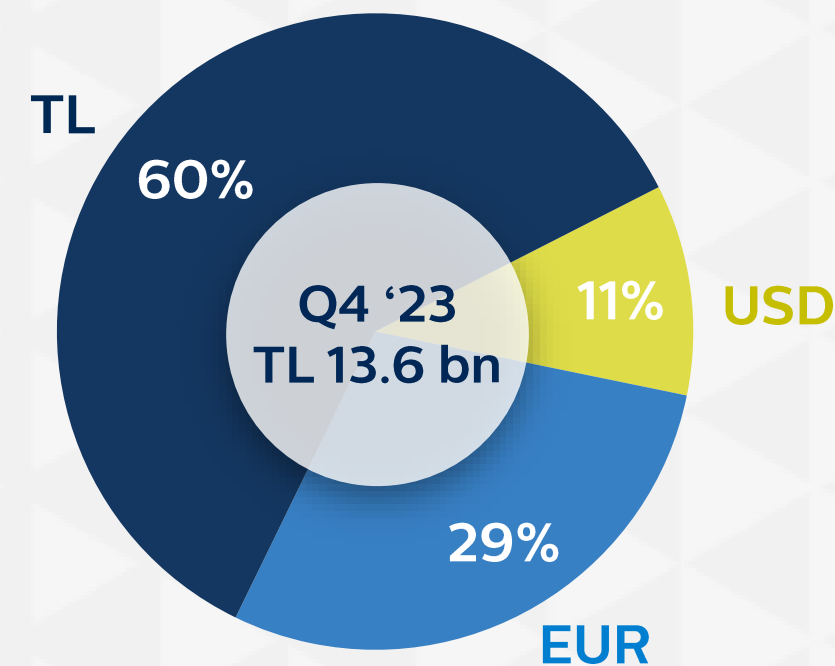
# Debt Profile

## Net Debt



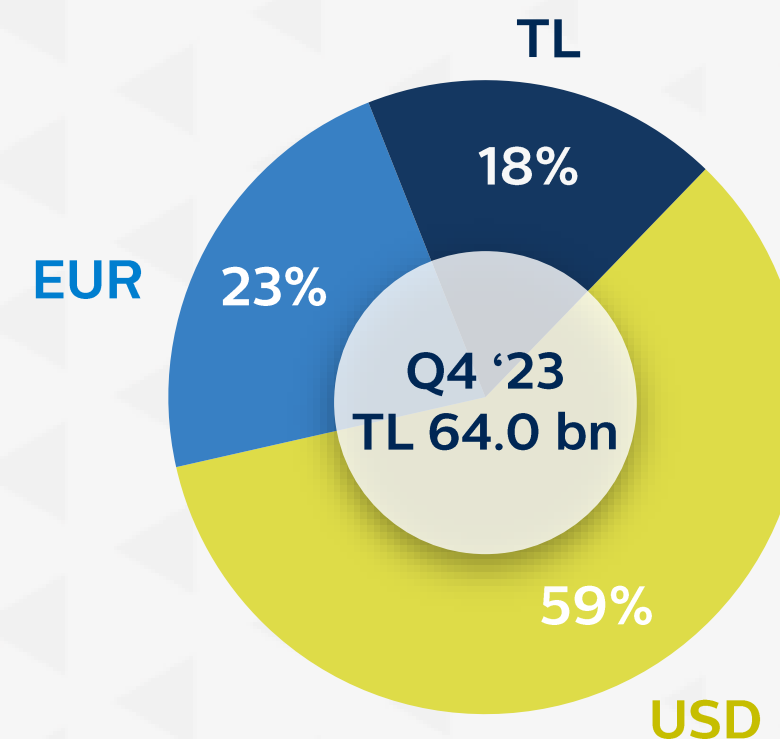
Note: Net Debt calculation includes market valuation (MTM) of Foreign Currency TL money swap transactions.  
 Net Debt/EBITDA calculation does not include extraordinary provisions in EBITDA calculation  
 Net Debt/EBITDA calculation includes fair value of Currency Protected Time Deposit included in Financial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

## Cash – Currency Breakdown\*

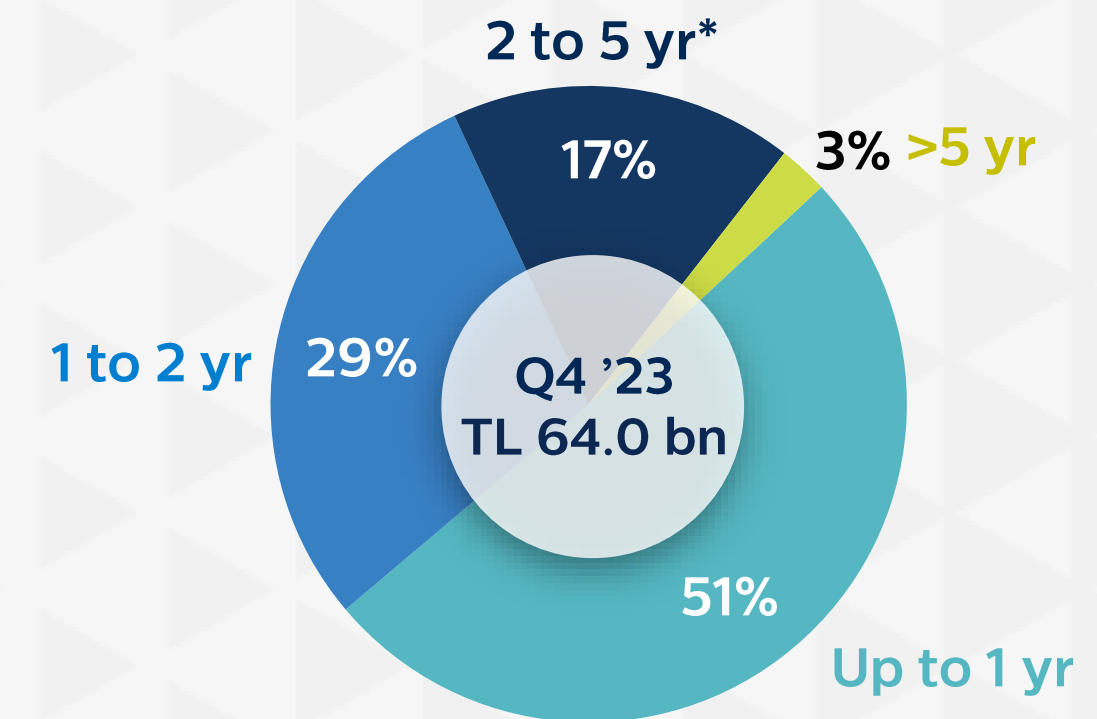


\* TL 7.8 bn worth currency protected time deposit is not included in cash.

## Gross Debt – Currency Breakdown

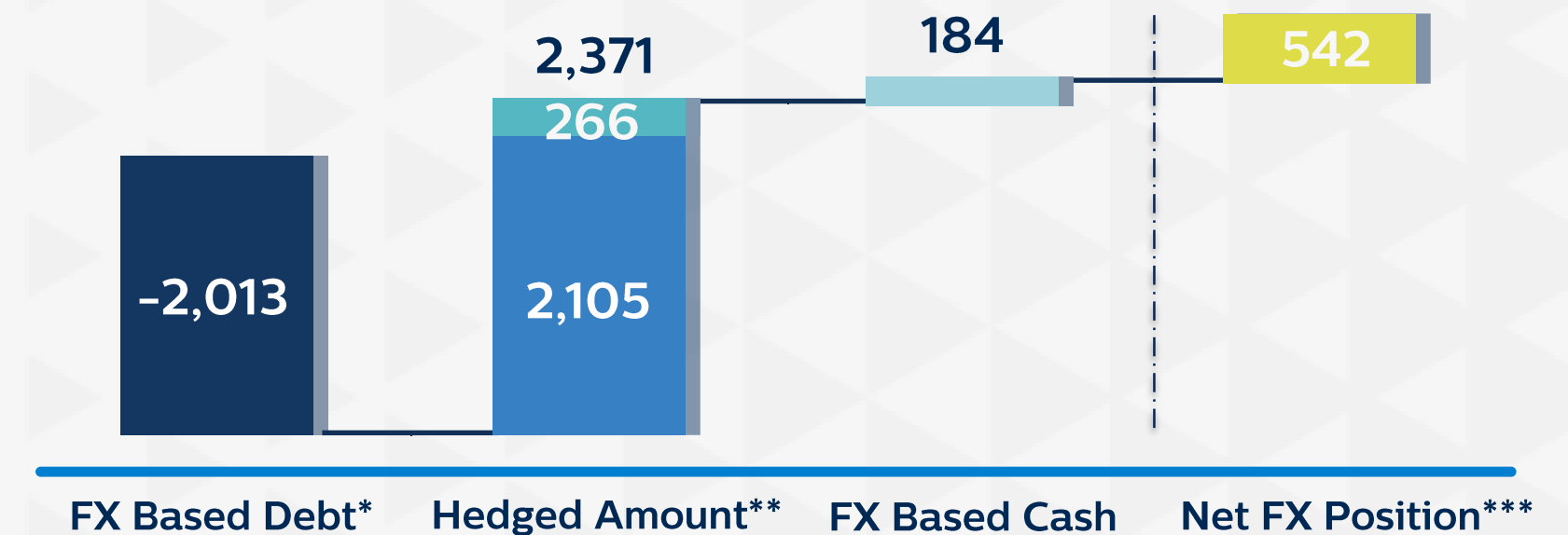


## Maturity Profile



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

## 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 266 mn.  
 \*\*\* Excluding the ineffective portion of the hedge portfolio, mainly the existing PCCS contracts, net FX exposure would be USD 245 mn short position.



# Prudent Balance Sheet Management

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## Cash Flow\*

(TL bn)



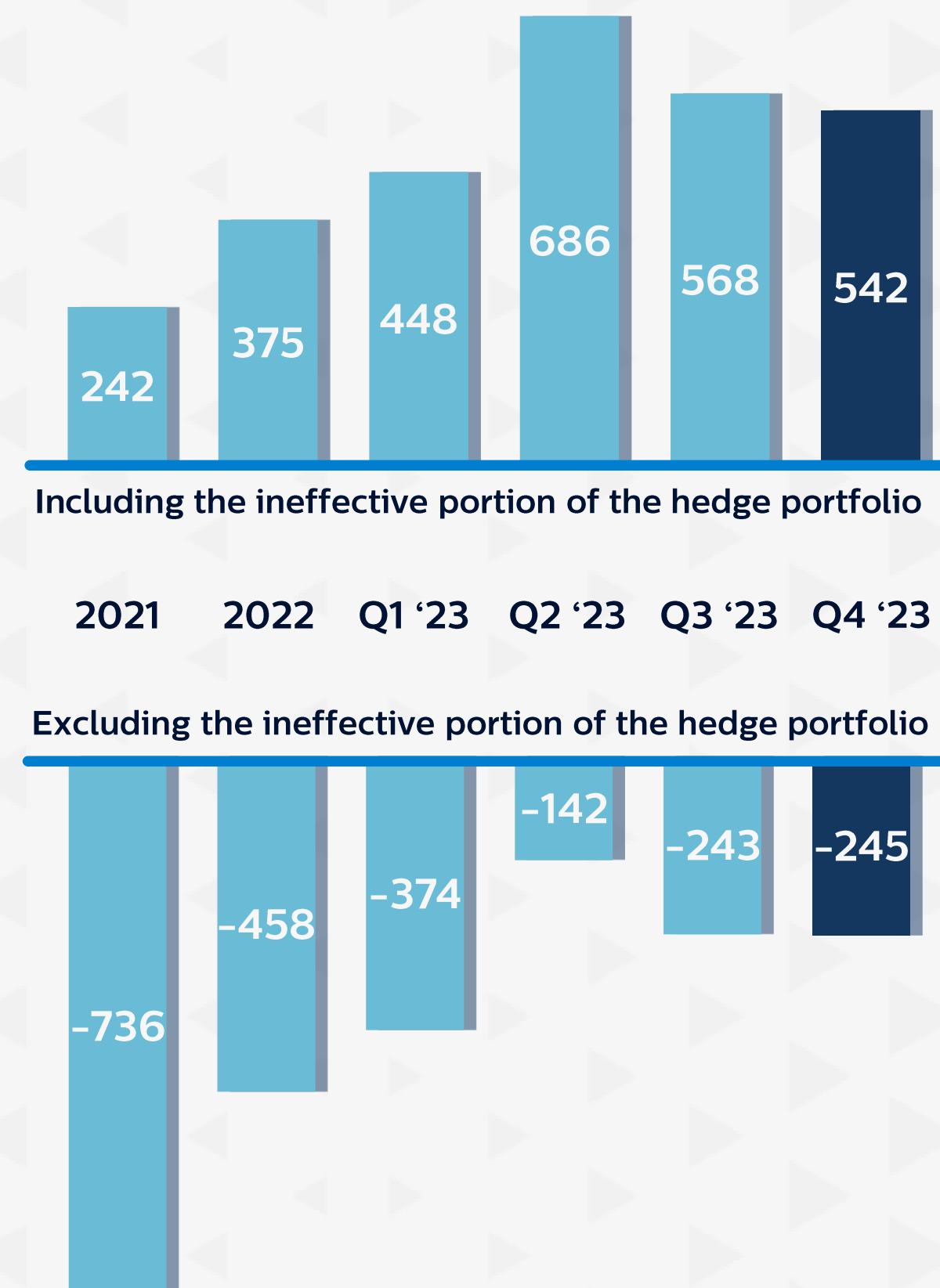
## The Effect of CPTD\*\* on Cash Flow

(TL bn)



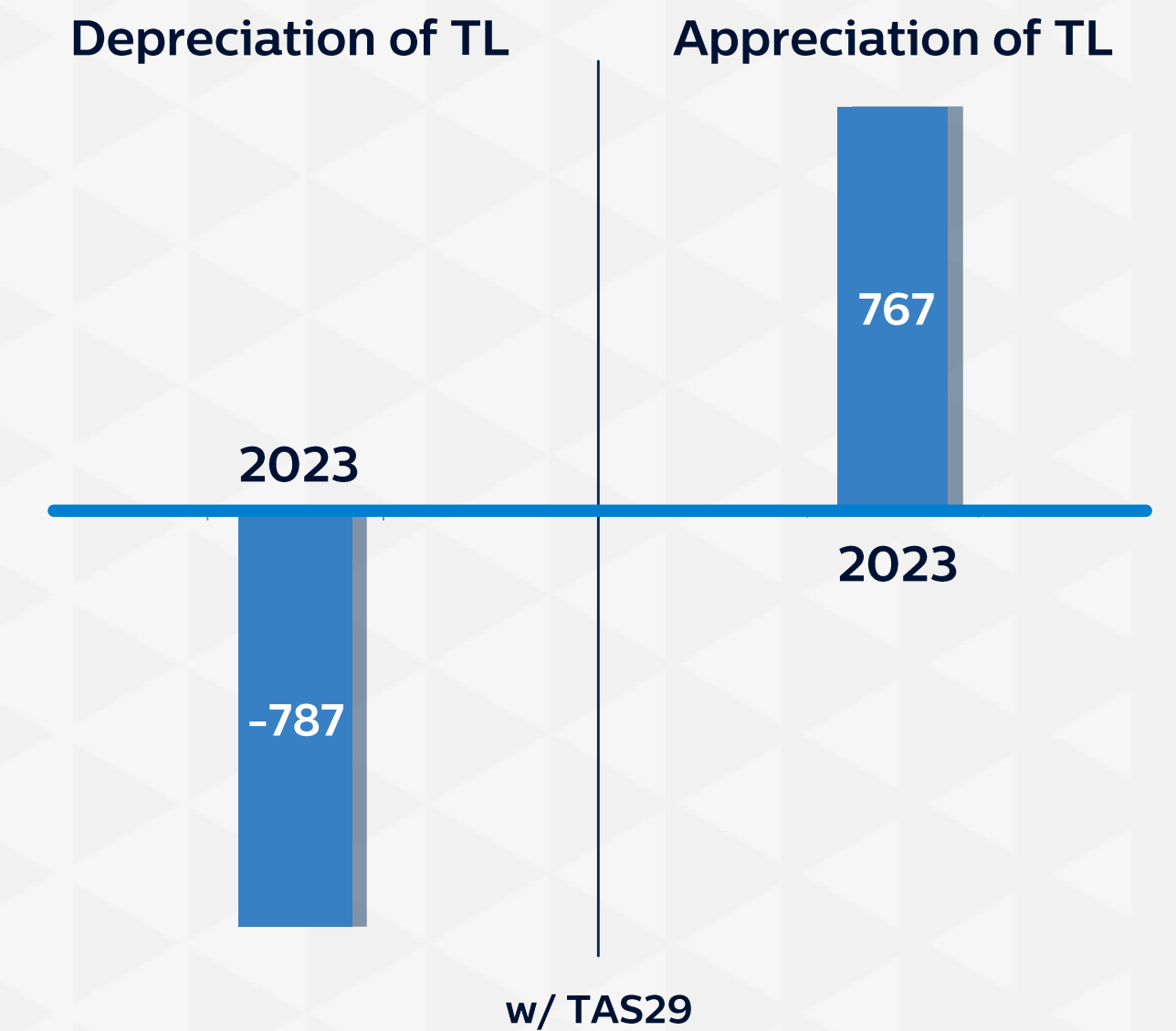
## Net FX Exposure\*

(USD mn equivalent)



## 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.

# Impact of Inflation Accounting on 2023 Ratios

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	w/o TAS29	w/ TAS29
Capex intensity	26.6%	25.7%
Net Debt/EBITDA	1.46	1.17
Net Debt/Assets	0.31	0.21
Debt/Equity	1.90	0.67

	w/o TAS29	w/ TAS29
Total Liabilities/Equity	2.76	0.98
Current Ratio	0.84	0.85
EV/EBITDA*	6.1x	5.0x
PE*	19.1x	7.7x

\* Based on closing share price on 16.04.2024



# Appendix





# Financial & Operational Overview

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## 2023 Highlights w/o TAS29



Total Subscribers

**52.9 mn**

▲ 0.3% YoY



Revenue

**TL 81.3 bn**

▲ 69% YoY



EBITDA

**TL 27.3 bn**

▲ 43% YoY



EBITDA Margin

**33.6%**

▼ 630bps YoY



Net Income

**TL 6.6 bn**

▲ 61% YoY



Free Cash Flow\*

**TL 5.4 bn**

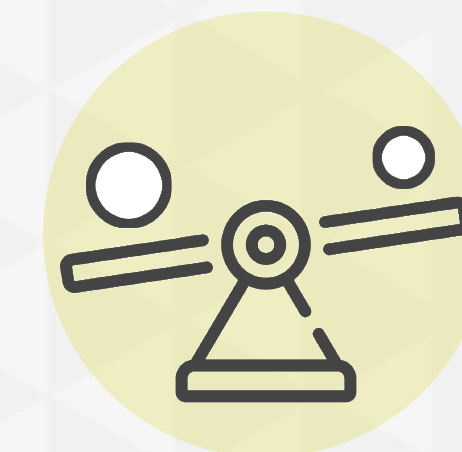
▲ 2022 TL 5.1 bn



CAPEX

**TL 21.6 bn**

▲ 55% YoY



Net Leverage

**1.46x**

Q3 '23 1.56x

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

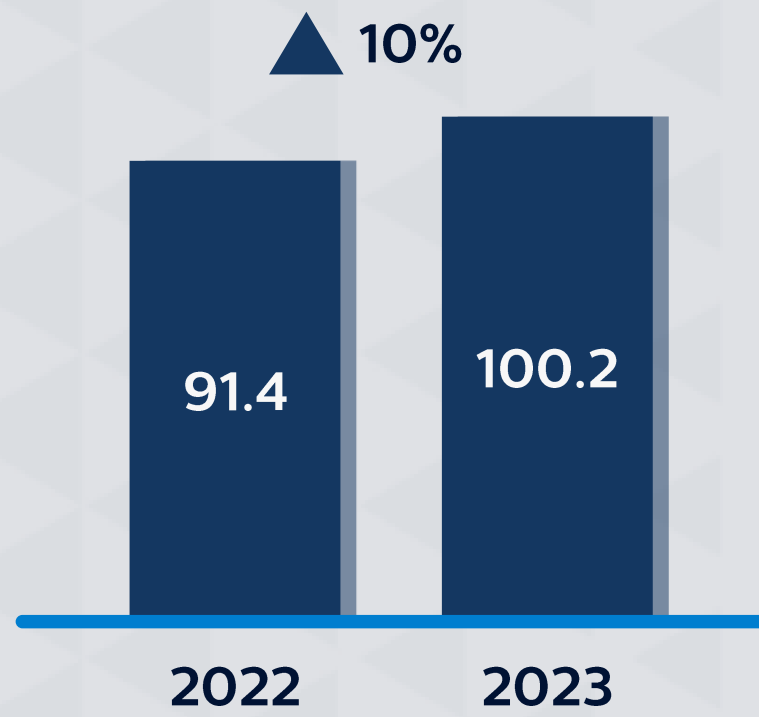


# Impact of Inflation Accounting on Financial Performance

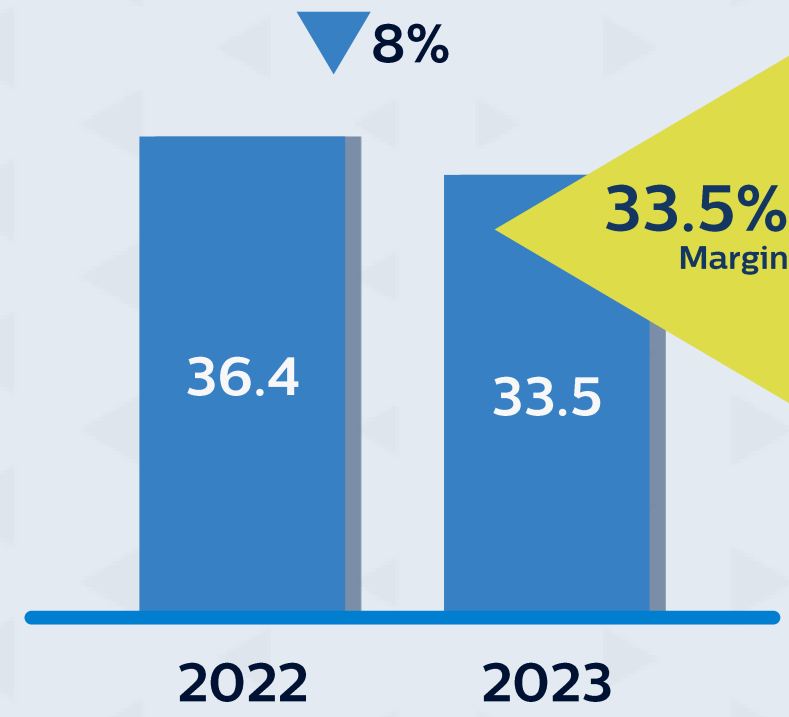
19

w/ TAS29

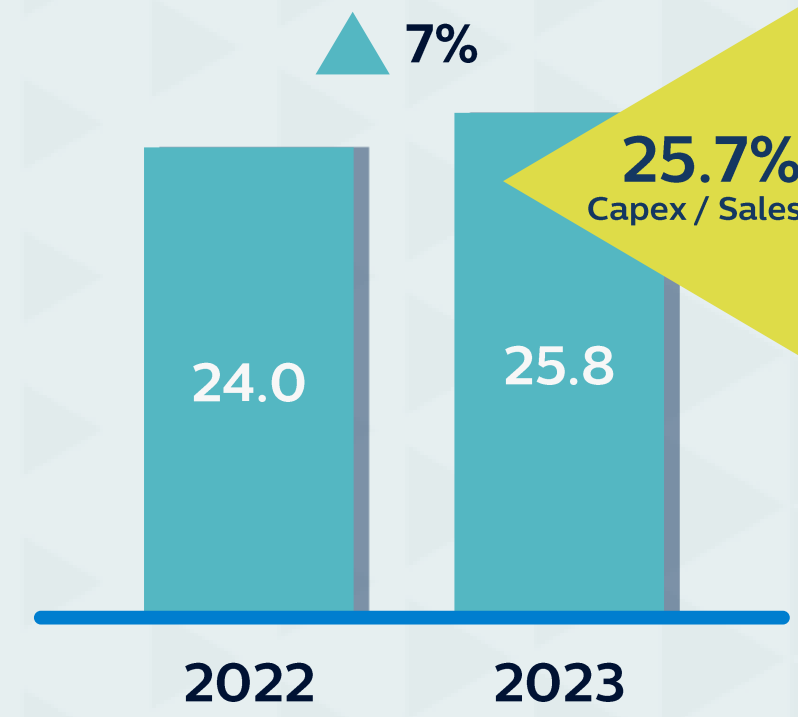
**Revenue**  
(TL bn)



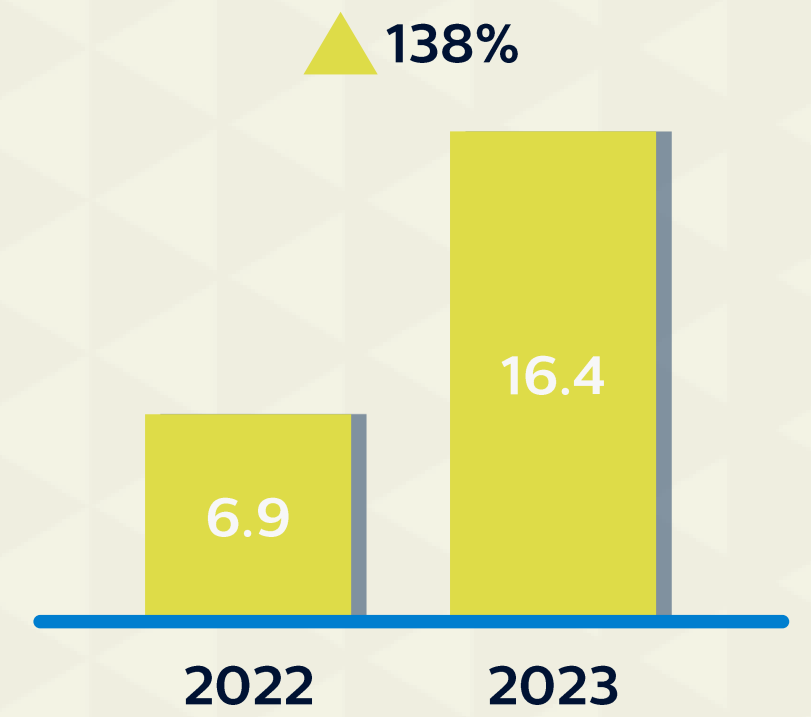
**EBITDA**  
(TL bn)



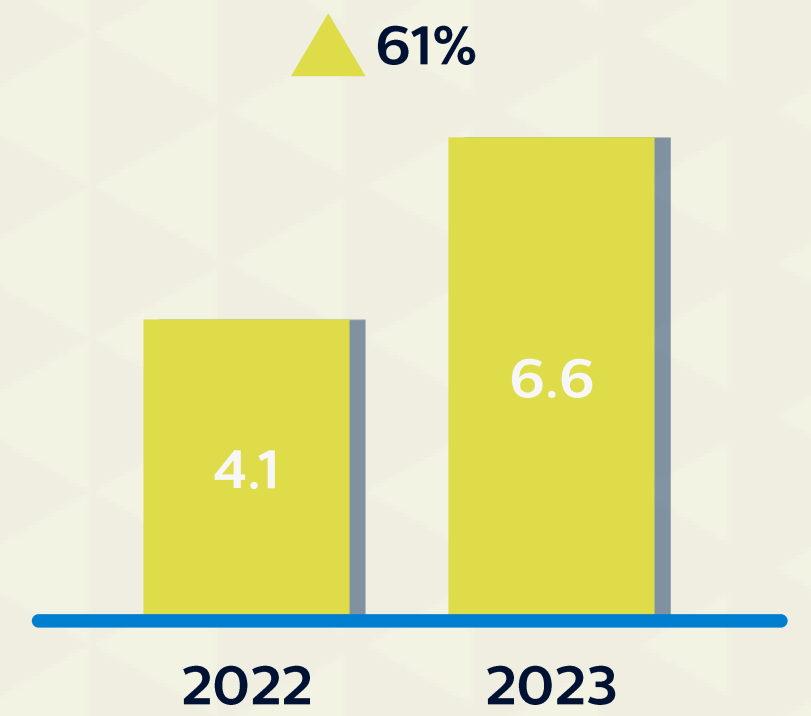
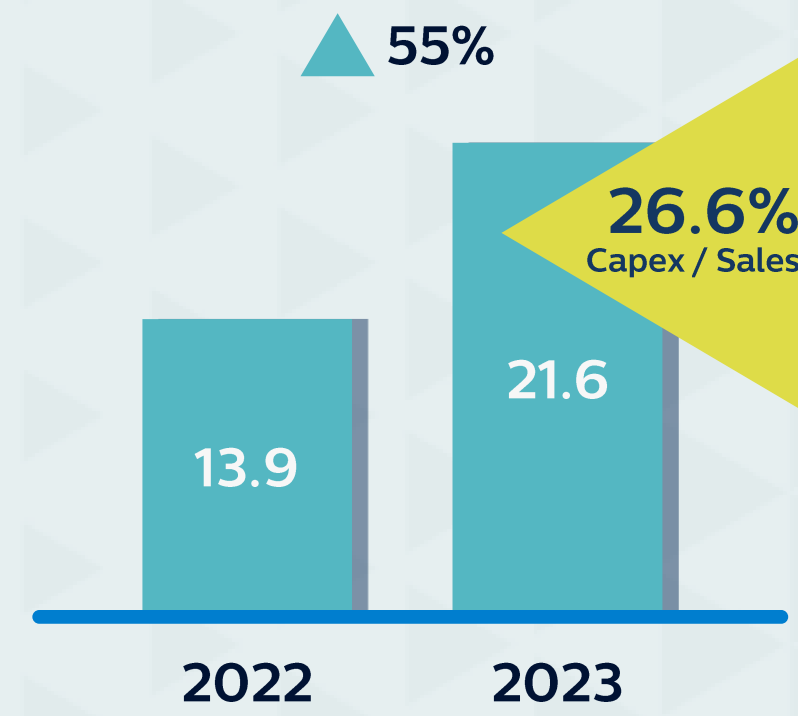
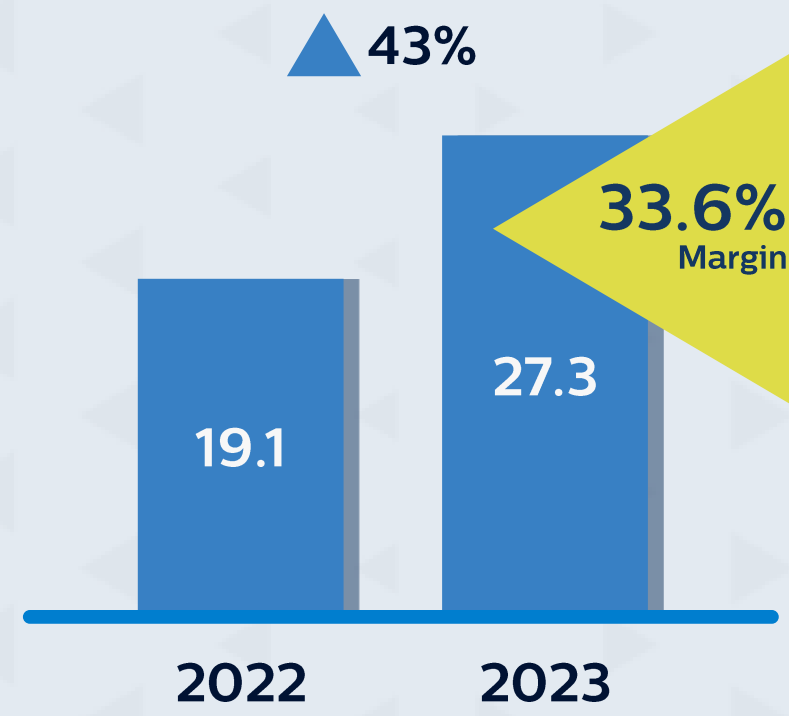
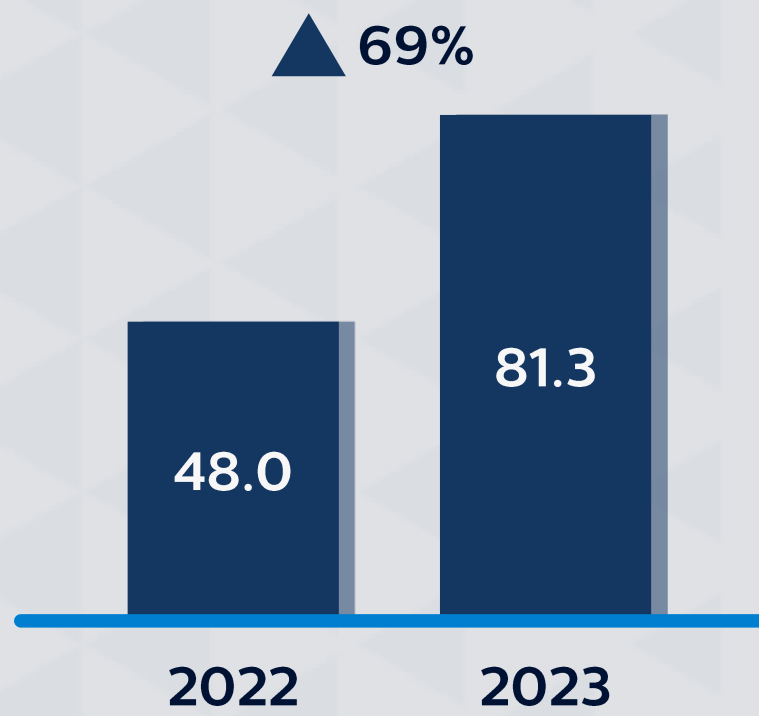
**CAPEX**  
(TL bn)



**Net Income**  
(TL bn)



w/o TAS29



# Impact of Inflation Accounting on ARPUs

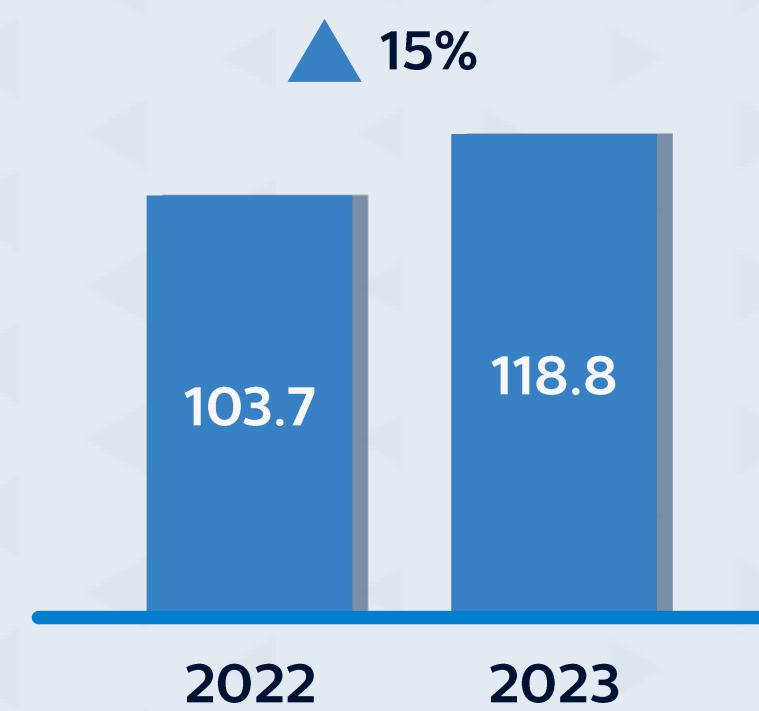
20

w/ TAS29

**FBB Blended ARPU**  
(TL)



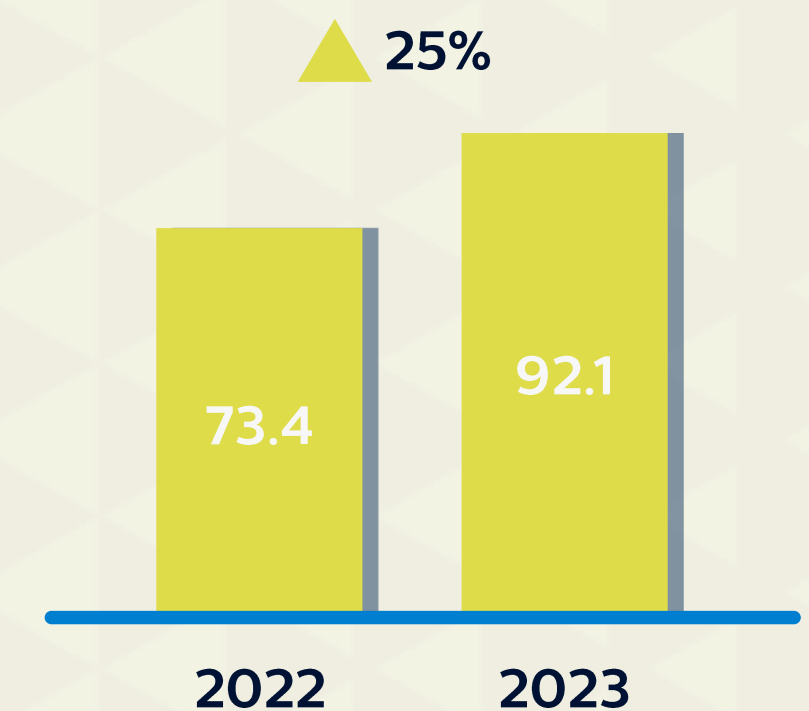
**Mobile Blended ARPU**  
(TL)



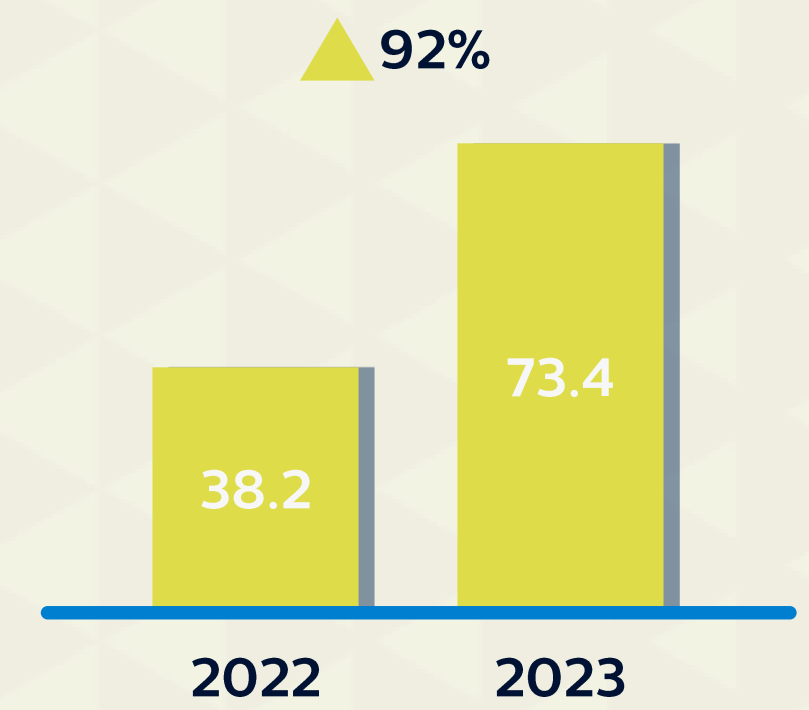
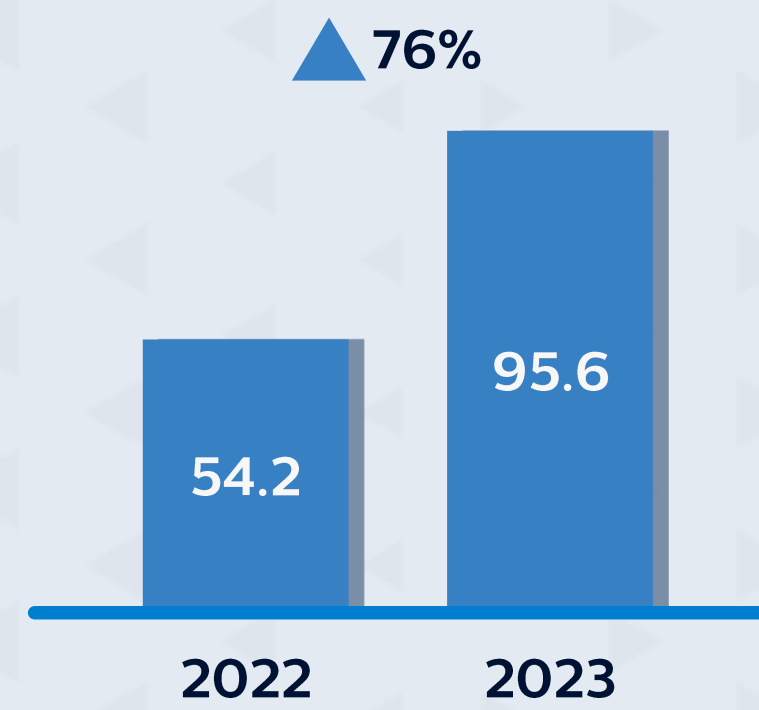
**Mobile Postpaid ARPU**  
(TL)



**Mobile Prepaid ARPU**  
(TL)



w/o TAS29



# Income Statement (w/ TAS29)

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(TL mn)	2022	2023	YoY Change
Revenues	91,401	100,185	9.6%
EBITDA	36,401	33,523	(7.9)%
Margin	39.8%	33.5%	
Operating Profit	1,902	(1,965)	n.m.
Margin	2.1%	(2.0)%	
Financial Inc. / (Exp.)	(17,863)	(18,173)	1.7%
FX & Hedging Gain / (Loss)	(12,803)	(12,246)	(4.4)%
Interest Inc./ (Exp.)	(5,208)	(4,421)	(15.1)%
Other Financial Inc./ (Exp.)	147	(1,507)	n.m.
Monetary Gain/Loss, net	23,505	23,568	0.3%
Tax Inc./ (Exp.)	(634)	12,991	n.m.
Net Income	6,910	16,422	137.7%
Margin	7.6%	16.4%	



# Balance Sheet (w/ TAS29)

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(TL mn)	31.12.2022	31.12.2023
<b>Total Assets</b>	<b>187,304</b>	<b>194,721</b>
Cash and Cash Equivalents	8,444	13,591
Tangible Assets <sup>1</sup>	75,915	76,090
Intangible Assets	58,750	55,350
Right of Use Assets	5,883	5,583
Other Assets <sup>2</sup>	38,312	44,107
<b>Total Equities and Liabilities</b>	<b>187,304</b>	<b>194,721</b>
Share Capital	53,241	53,241
Reserves, Retained Earnings and Other Equity Items	27,548	45,049
Interest Bearing Liabilities <sup>3</sup>	69,073	65,879
<i>Bank Borrowings and Bonds</i>	66,569	63,998
<i>Lease Liabilities</i>	2,504	1,882
Other Liabilities <sup>4</sup>	37,441	30,551

(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

# Income Statement (w/o TAS29)

23

(TL mn)	Q4 '22	Q4 '23	YoY Change	2022	2023	YoY Change
Revenues	15,287	25,708	68.2%	48,042	81,271	69.2%
EBITDA	5,594	8,501	52.0%	19,148	27,297	42.6%
Margin	36.6%	33.1%		39.9%	33.6%	
Operating Profit	3,251	5,111	57.2%	11,046	15,645	41.6%
Margin	21.3%	19.9%		23.0%	19.3%	
Financial Inc. / (Exp.)	(2,276)	(4,694)	106.3%	(9,210)	(14,612)	58.7%
FX & Hedging Gain / (Loss)	(1,463)	(3,413)	133.3%	(6,557)	(9,930)	51.4%
Interest Inc./ (Exp.)	(718)	(791)	10.2%	(2,722)	(3,407)	25.2%
Other Financial Inc./ (Exp.)	(94)	(489)	420.7%	69	(1,275)	n.m.
Tax Inc./ (Exp.)	35	1,679	4673.1%	2,298	5,612	144.2%
Net Income	1,011	2,097	107.5%	4,135	6,645	60.7%
Margin	6.6%	8.2%		8.6%	8.2%	



# Balance Sheet (w/o TAS29)

24

(TL mn)	31.12.2022	31.12.2023
<b>Total Assets</b>	<b>80,732</b>	<b>130,461</b>
Cash and Cash Equivalents	5,125	13,591
Tangible Assets <sup>1</sup>	29,964	48,192
Intangible Assets	17,774	24,751
Right of Use Assets	1,801	2,228
Other Assets <sup>2</sup>	26,069	41,699
<b>Total Equities and Liabilities</b>	<b>80,732</b>	<b>130,461</b>
Share Capital	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	16,710	31,422
Interest Bearing Liabilities <sup>3</sup>	41,920	65,879
<i>Bank Borrowings and Bonds</i>	<i>40,401</i>	<i>63,998</i>
<i>Lease Liabilities</i>	<i>1,520</i>	<i>1,882</i>
Other Liabilities <sup>4</sup>	18,841	29,900

(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

# Disclaimer

*Türk Telekomünikasyon A.Ş. (the “Company”) has published its financial results for the year 2023 that have been independently audited and adjusted for inflation accounting in accordance with TAS 29 standards.*

*In accordance with the resolution of CMB dated 07.03.2024 and numbered 14/382; considering the fact that Türk Telekom’s financial performance for the year 2023 has been reported using financial data for which inflation accounting has not been applied (historical), subject to the same principles of responsibility as the Company’s financial reports; selected indicative figures used in the investor presentations of previous periods have been included in the presentation for informational purposes, based on data free from inflation accounting and independent audit, in order to enable our investors and other interested parties to evaluate Türk Telekom’s financial performance for 2023 more comprehensively.*

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*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, amortisation 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)*



# Türk Telekom Investor Relations



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