

2021 Q2

Türk Telekom Investor Presentation

Türk Telekom
Değerli Hissettirir



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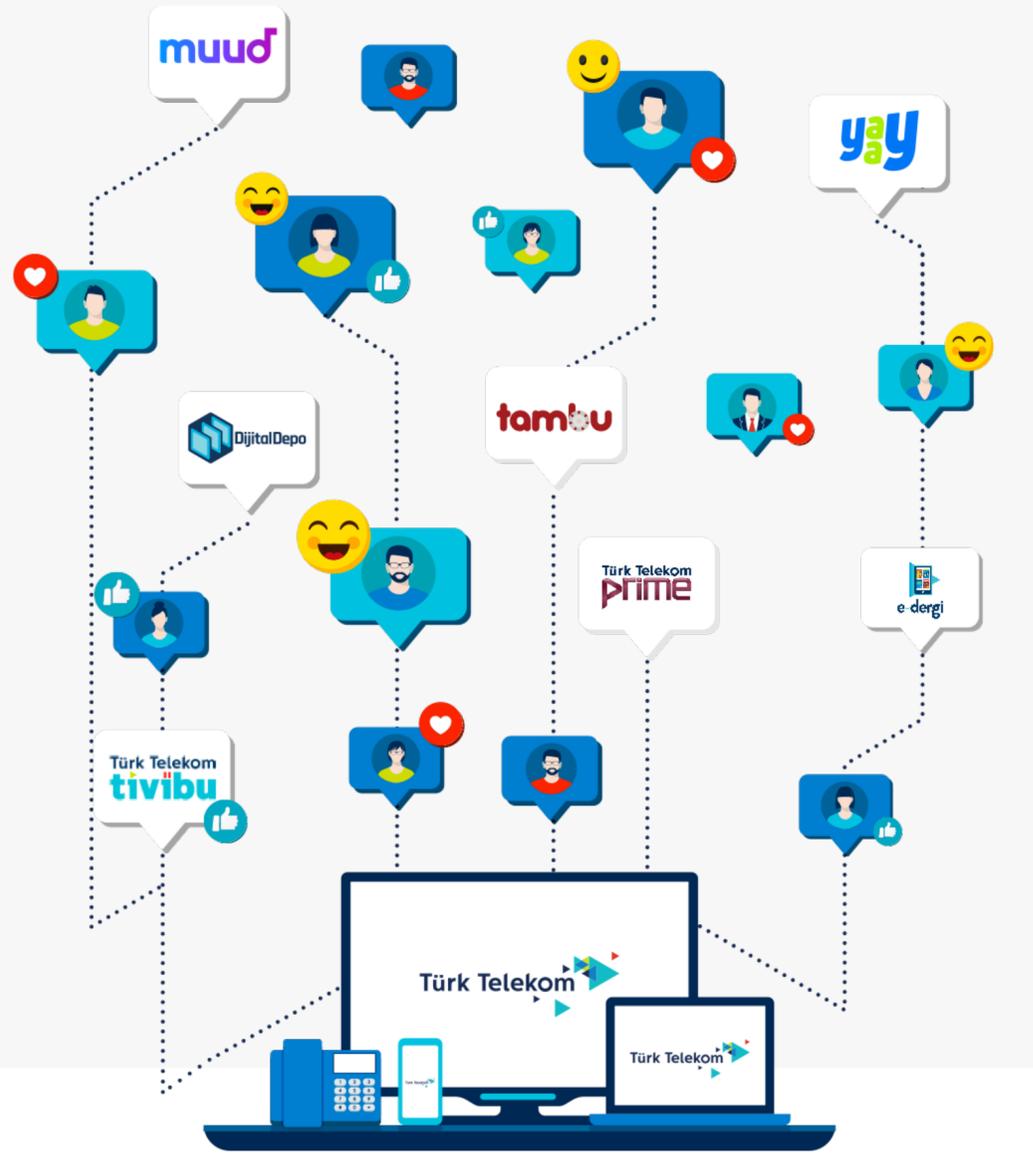
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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, 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)

50.7mn subscribers



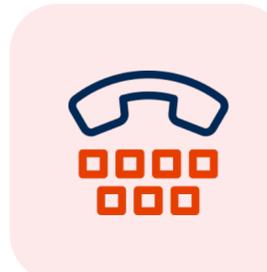
150K in Q2 '21

Net additions*

2.0mn in LTM

*Includes Tivibu

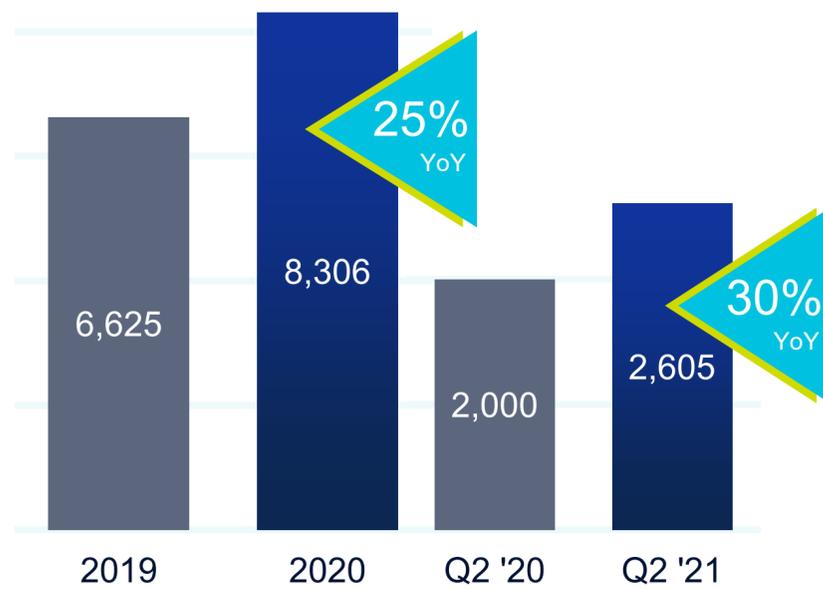
Net Adds

	Broadband	199K Q2 '21	1.6mn LTM
	Mobile	67K Q2 '21	537K LTM
	Fixed Voice	-55K Q2 '21	190K LTM

2021 Q2 Highlights

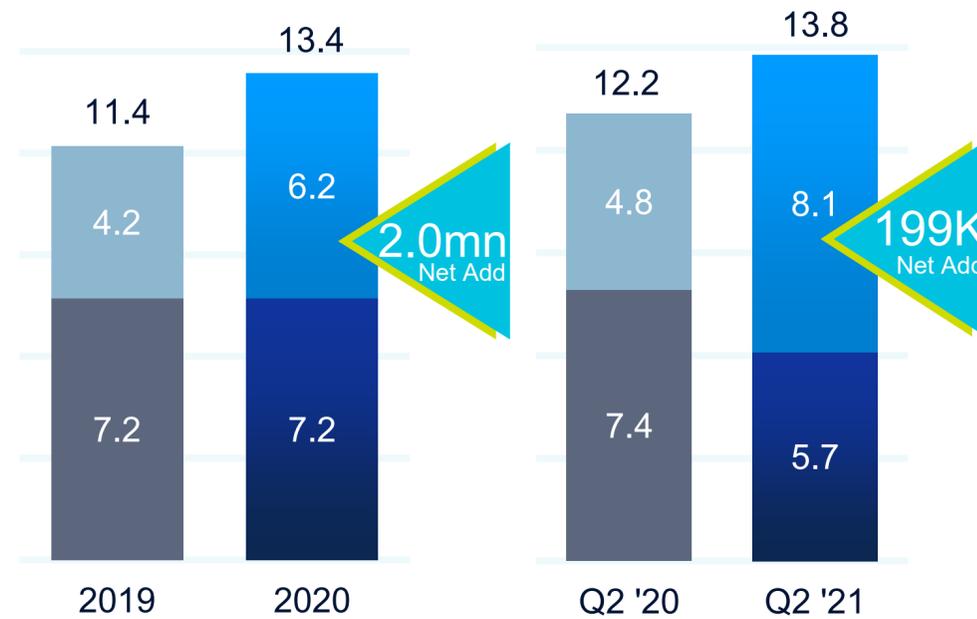
 <p>Total Subscribers</p>	<p>50.7 mn Up 4% YoY</p>	 <p>Net Income</p>	<p>TL 1.3 bn Up 30% YoY</p>
 <p>Revenue</p>	<p>TL 8.2 bn Up 17% YoY</p>	 <p>Free Cash Flow</p>	<p>TL 1.8 bn Up 54% YoY</p>
 <p>EBITDA</p>	<p>TL 4.0 bn Up 24% YoY</p>	 <p>CAPEX</p>	<p>TL 1.4 bn Up 14% YoY</p>
 <p>EBITDA Margin</p>	<p>49.2% Up 270bps YoY</p>	 <p>Net Leverage</p>	<p>1.08x Q2 '20 1.31x</p>

Fixed Broadband Revenue (TL mn)

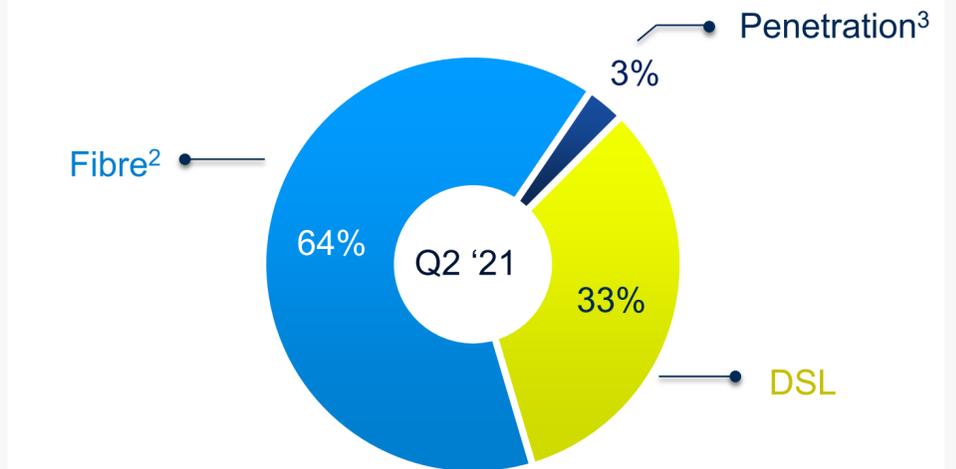
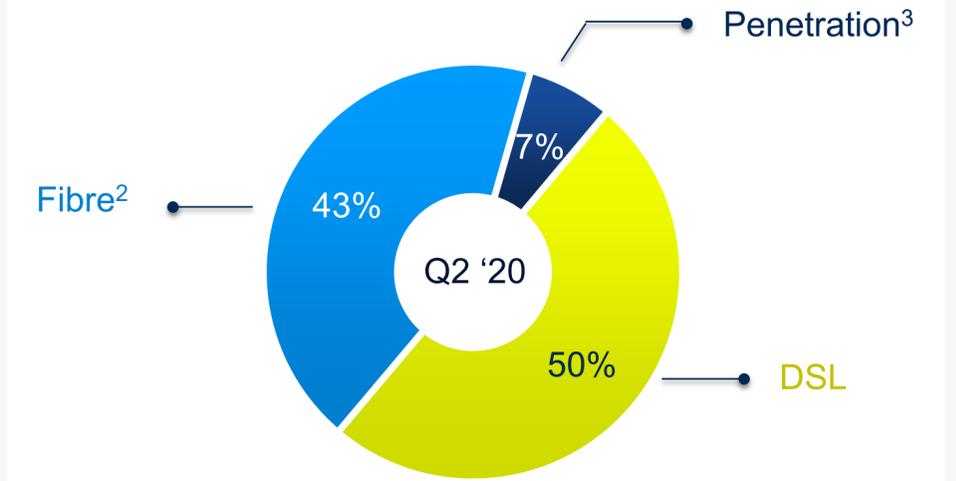


ARPU & Subscribers

- Fibre Subscribers (mn)
- DSL Subscribers (mn)
- ARPU (TL)



Subscriber Breakdown¹ (% of Subscribers)

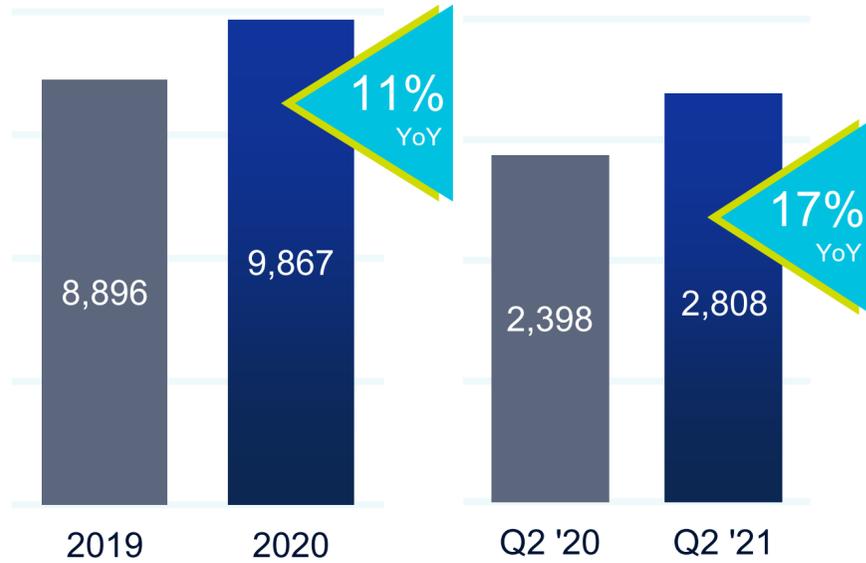


¹Retail only

²Fibre subscribers include FTTH/B & FTTC subscribers

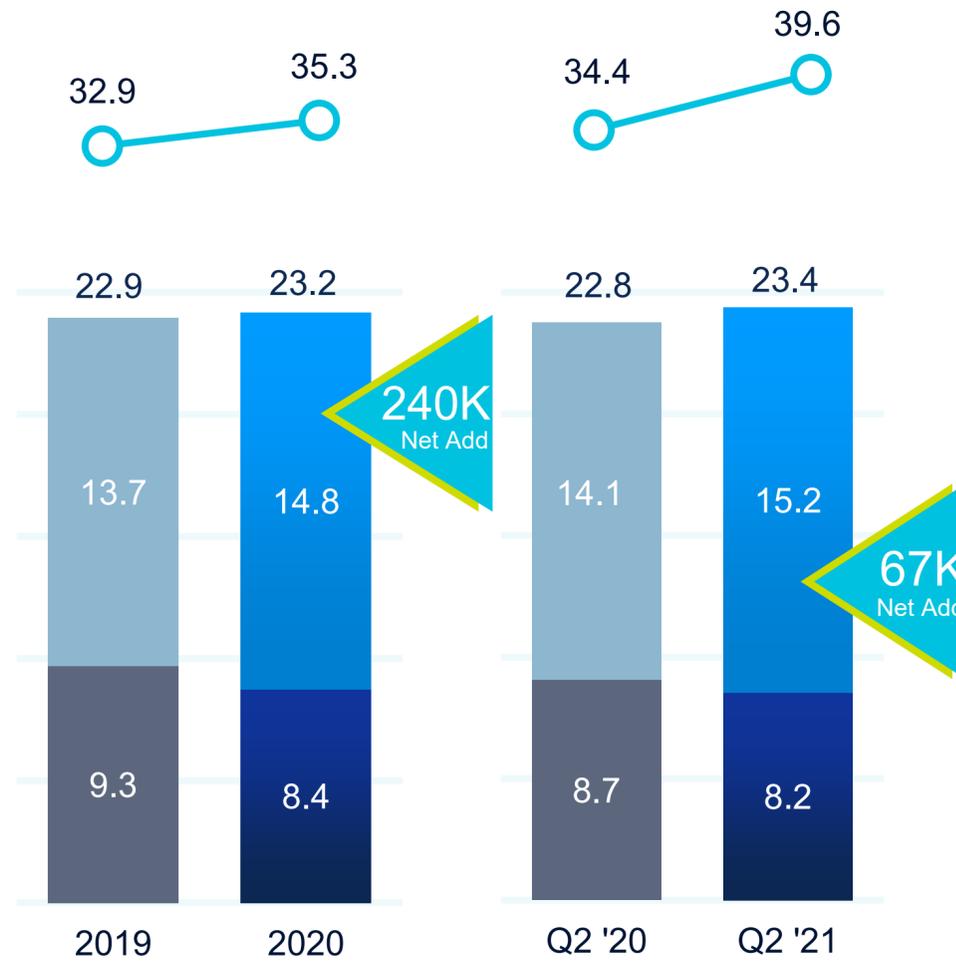
³Customers acquired through penetration campaigns

Mobile Revenue (TL mn)



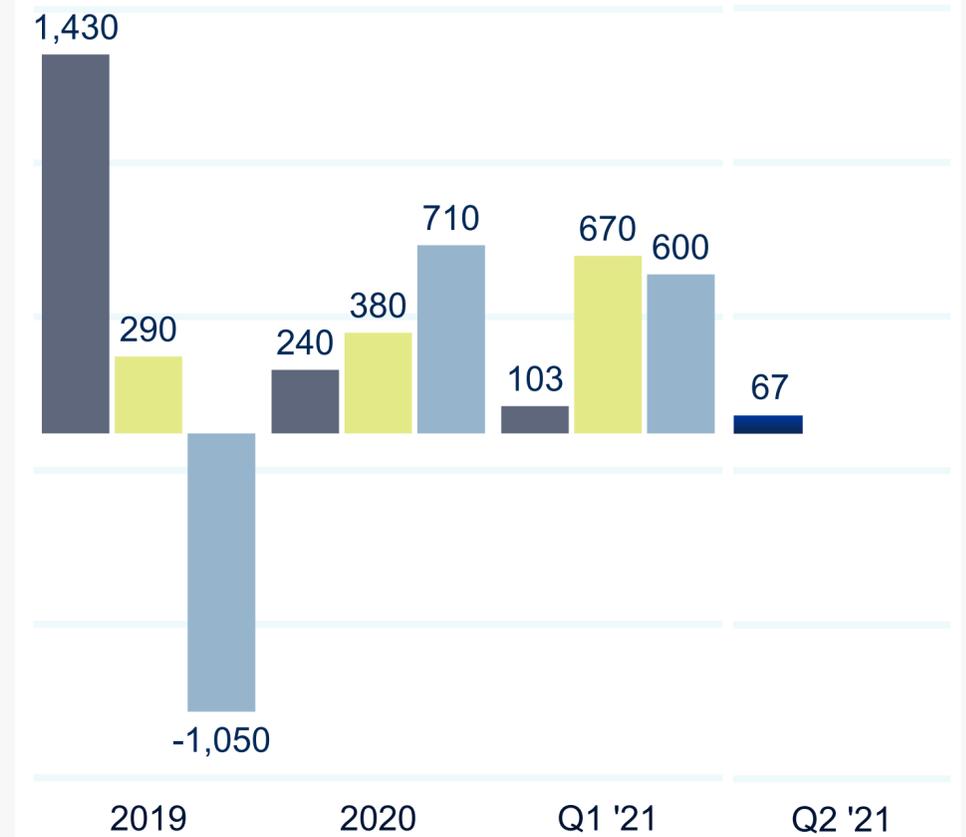
Growing ARPU & Subscribers

- Postpaid (mn)
- Prepaid (mn)
- Blended ARPU (TL)



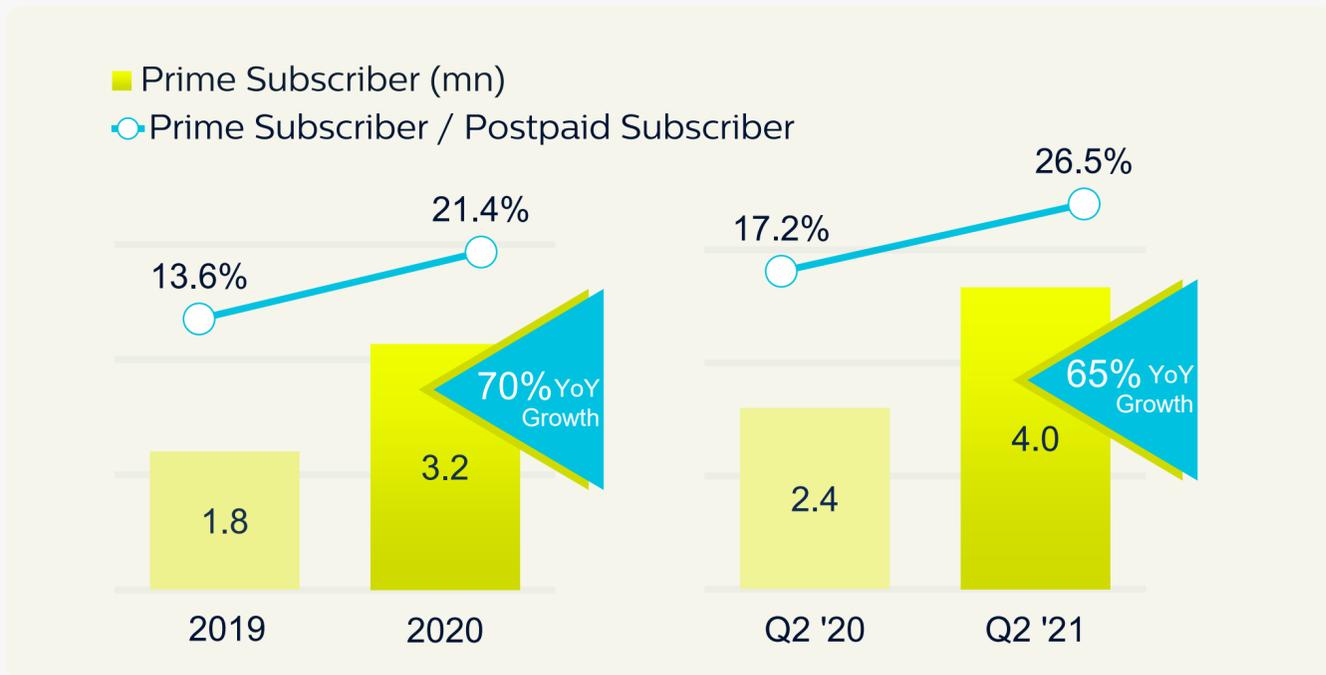
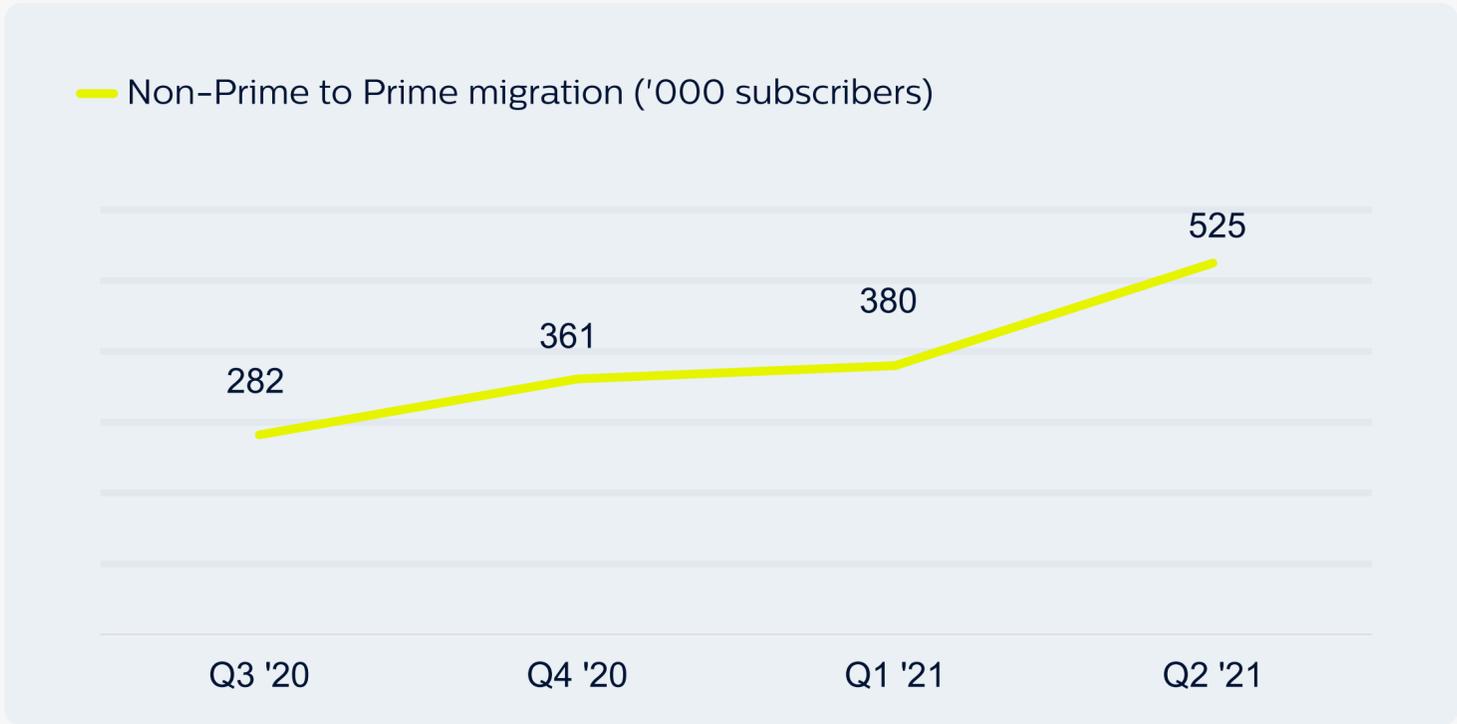
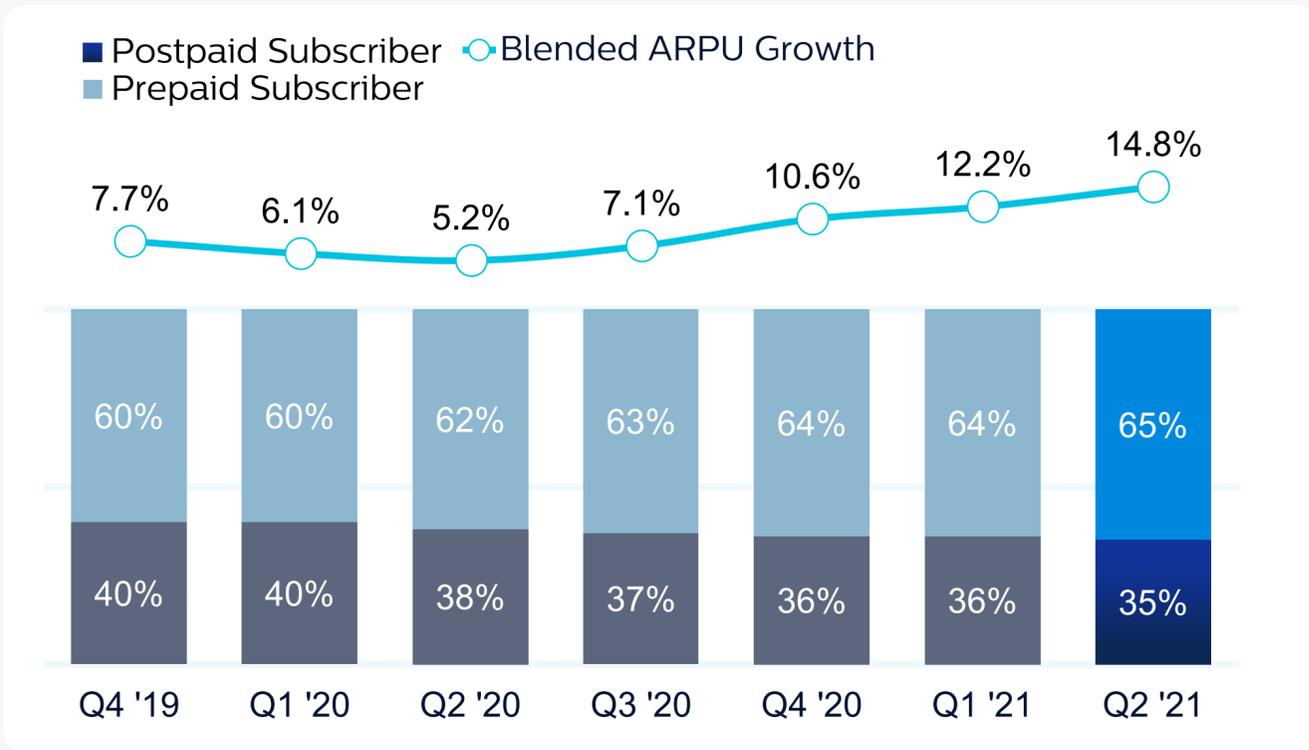
Net Subscriber Additions (‘000)

- Türk Telekom
- Vodafone
- Turkcell



Source: ICTA, Türk Telekom

Postpaidisation and Premiumisation



Pokus: New E-Payment Solution



- ▶ **E-wallet application of TTPayment*** + prepaid card
- ▶ Load-spend; no overdraft, **no subscription fee**
- ▶ Valid all over the world with **Mastercard** assurance
- ▶ **Easy, fast financial services** without any procedures
- ▶ App-linked, **contactless card**
- ▶ **Operator independent**
- ▶ **Money loading/withdrawal, 24/7 domestic and overseas money transfer, bill payments, spend-split transactions, P2P sending/requesting money**

*Türk Telekom Ödeme ve Elektronik Para Hizmetleri A.Ş. (TTÖHAŞ), TTOdeme in short, stands for TTPayment in English

Pokus: Roadmap and Targets

Strategy

- ▶ Simple/Digital customer experience
- ▶ Access to financial services through one application

Synergy

- ▶ Türk Telekom technology and ecosystem
- ▶ Vast subscriber base and efficient sales channels
- ▶ Campaigns, cross-selling, retention



Number of users by end-2025

5 mn

Transaction volume by end-2025

1.5 bn TL

EBITDA and FCF by end-2023

Positive

	2020 Actuals	2021 Previous Guidance	2021 Revised Guidance
 Revenue (exc. IFRIC 12) ¹	26,519	Around 16% growth	Around 17% growth
 EBITDA	13,237	Around TL 15.4 bn	Around TL 15.8 bn
 CAPEX	6,739	Around TL 8 bn	Around TL 8.5 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 fiber based network

Sustainability Strategy and Priorities

▶ Human-oriented



▶ Climate Change and Environment



▶ Responsible Business Approach (Trust)



▶ Contribution to Society



▶ Customer-oriented



Sustainability Organisations that We Are Included

- ▶ FTSE4GOOD Sustainability Index
- ▶ BIST Sustainability Index (since the beginning of the index)
- ▶ S&P Global Sustainability Index
- ▶ MSCI
- ▶ Vigeo Eiris
- ▶ Sustainalytics
- ▶ A Participant member to UN Global Compact



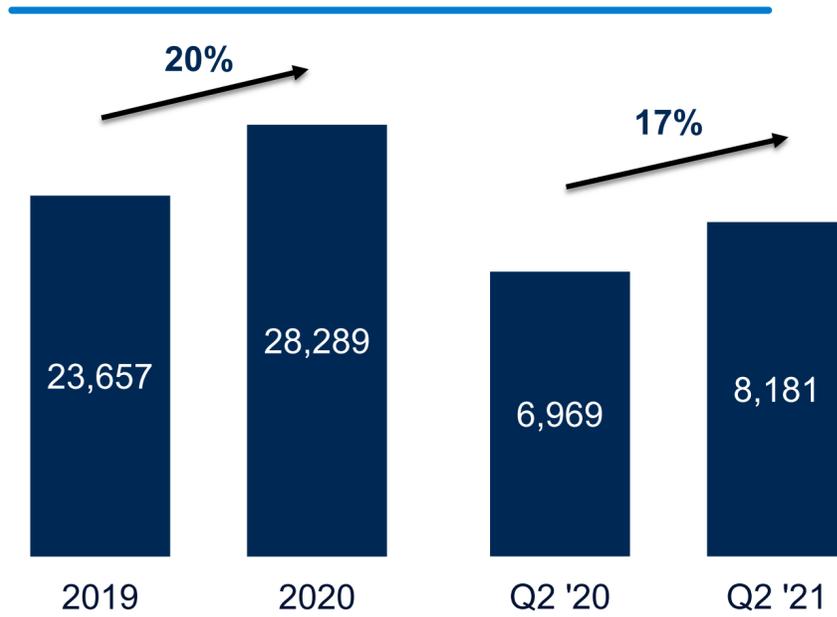


Financial Highlights



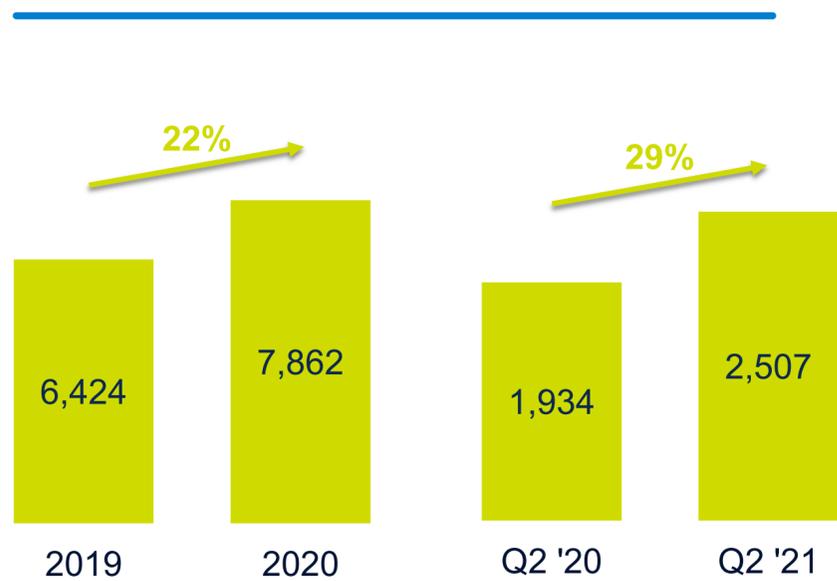
Revenue

(TL mn)



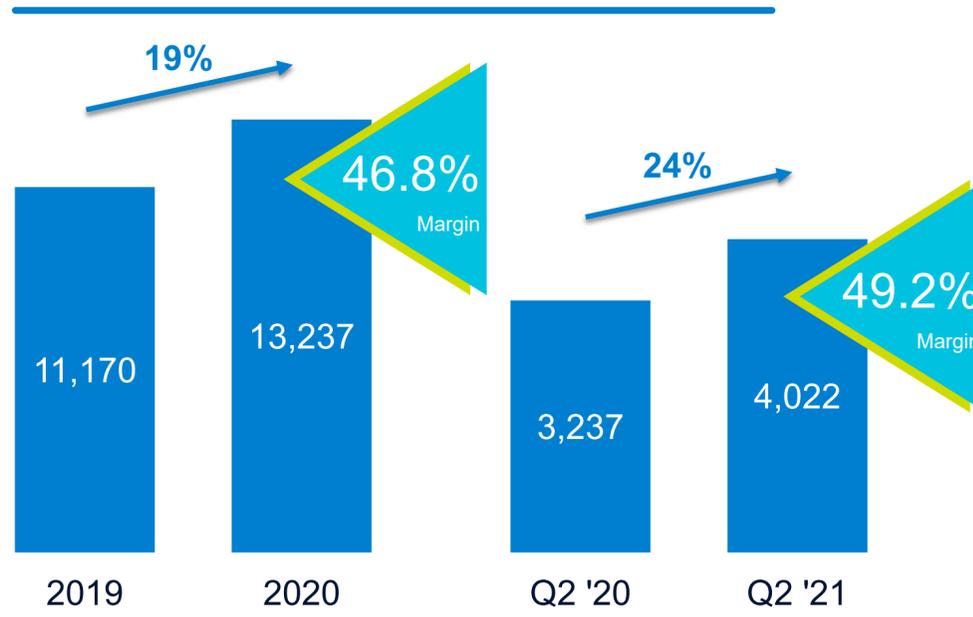
Operating Profit

(TL mn)



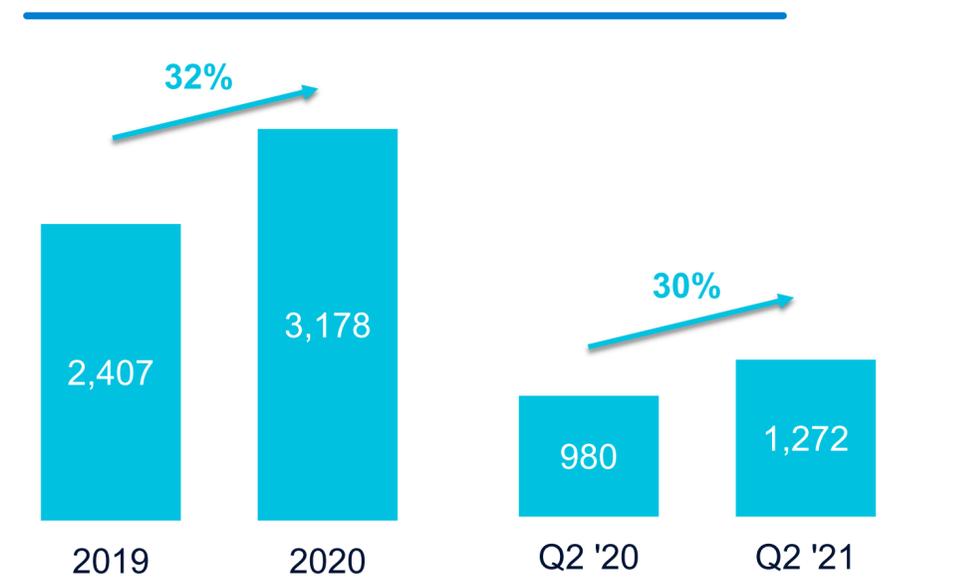
EBITDA

(TL mn)



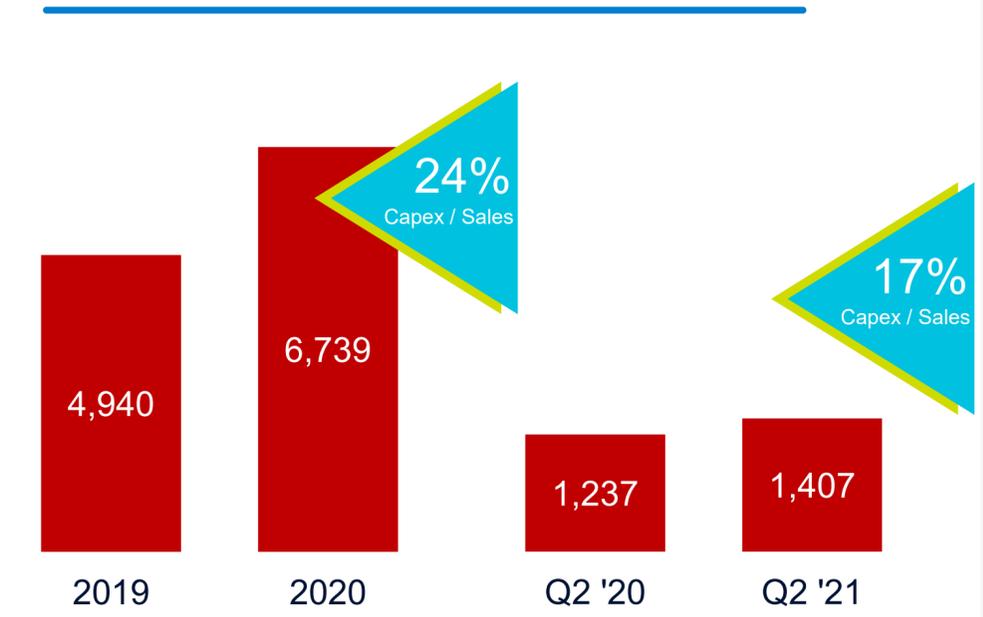
Net Income

(TL mn)



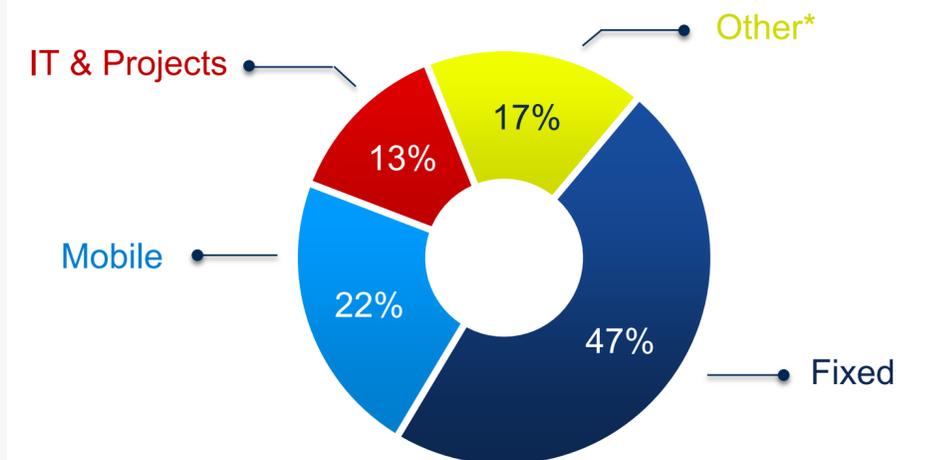
CAPEX

(TL mn)



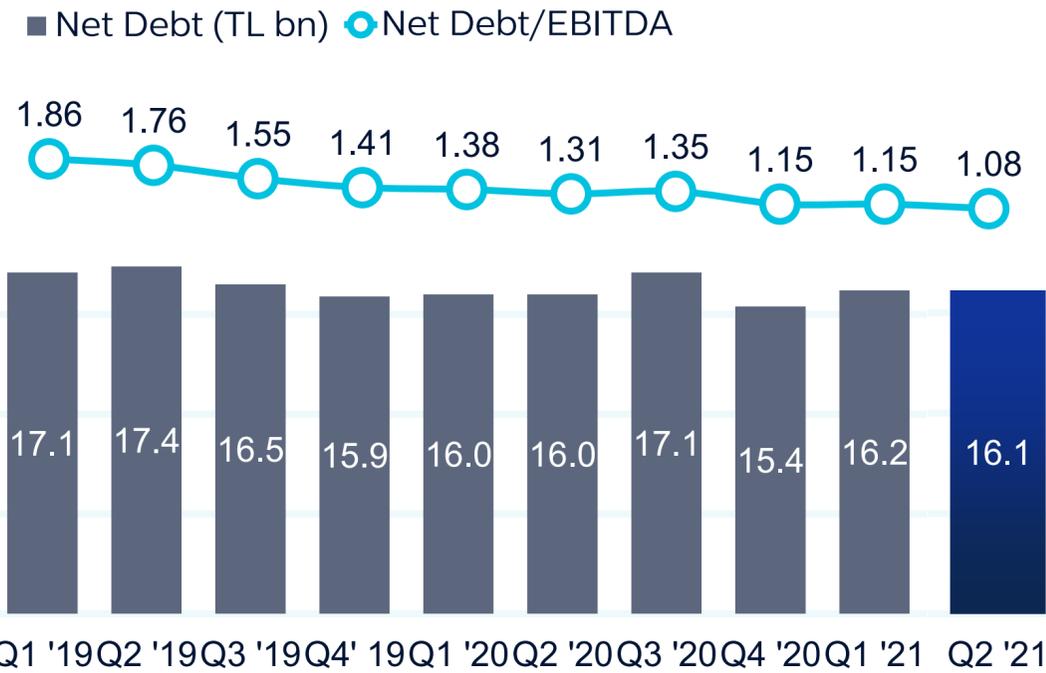
Capex Breakdown

(2020, %)



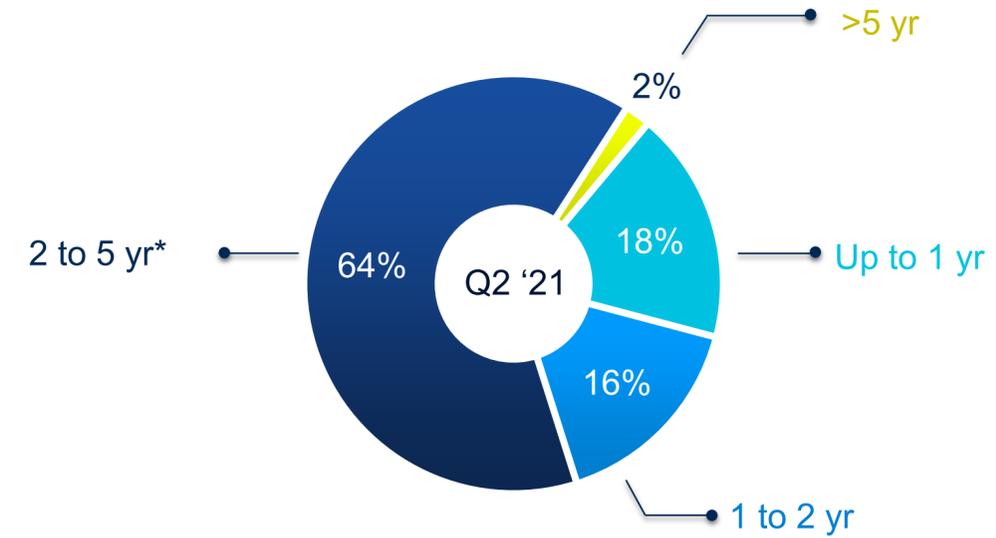
* Other Capex includes capex for subsidiaries (excl TTI), new revenue streams, IFRS 15 capitalisation, etc.

Net Debt



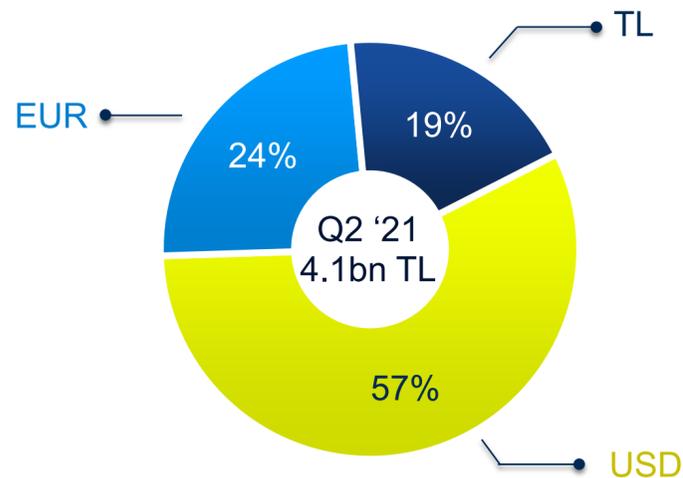
Note: Net Debt calculation includes market valuation (MTM) of Foreign Currency TL money swap transactions. Net Debt/EBITDA calculation does not include extraordinary provisions in EBITDA calculation.

Maturity Profile

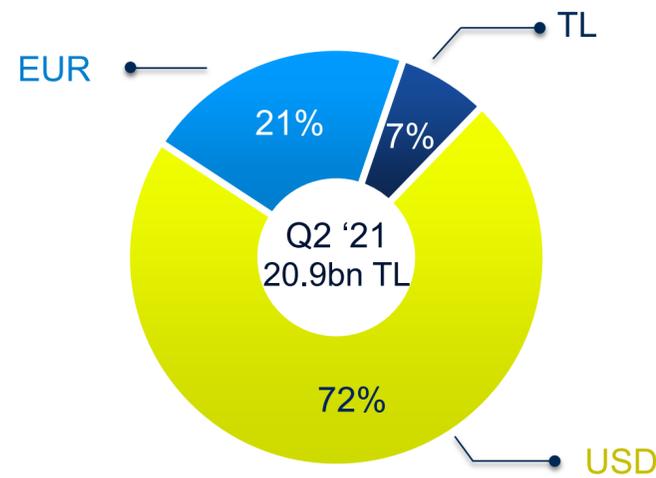


All loans are senior unsecured
* including 2024 & 2025 maturity bonds (USD 500 mn each)

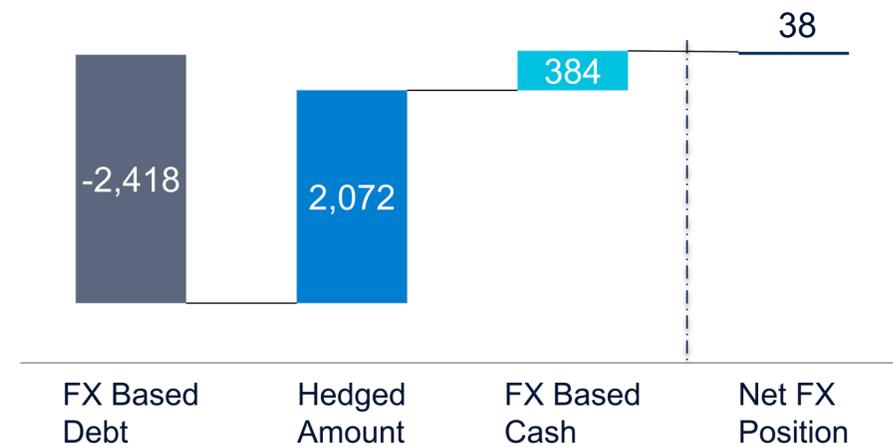
Cash – Currency Breakdown



Gross Debt – Currency Breakdown



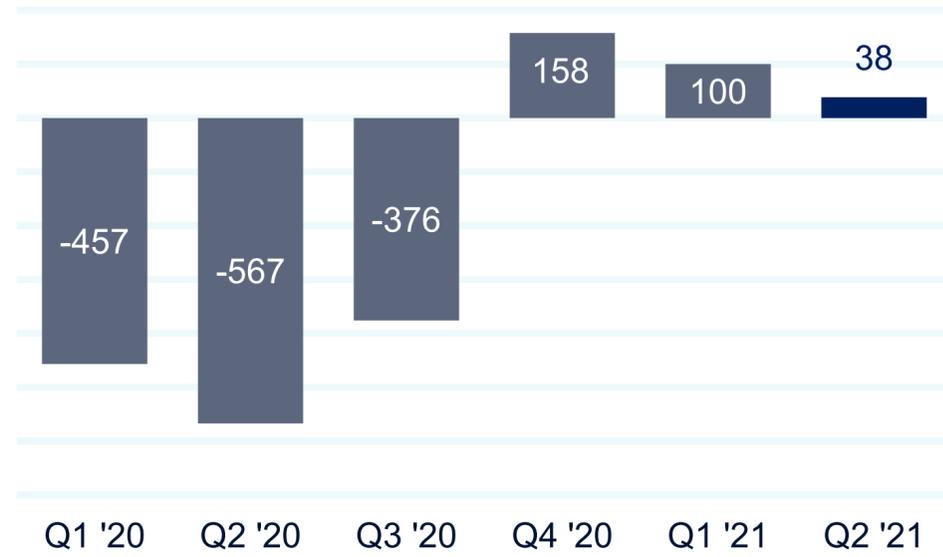
Hedge – Composition of FX Position



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

Net FX Exposure *

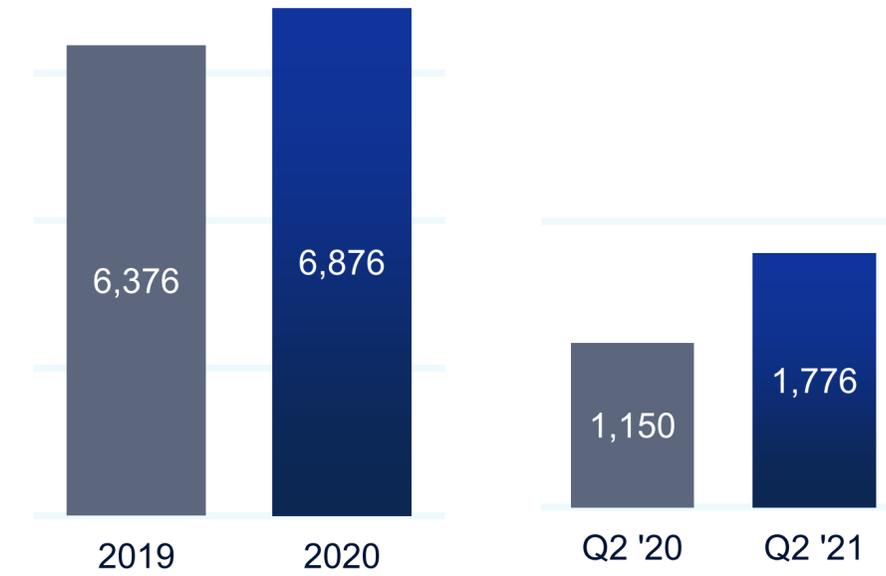
(USD mn equivalent)



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

Cash Flow *

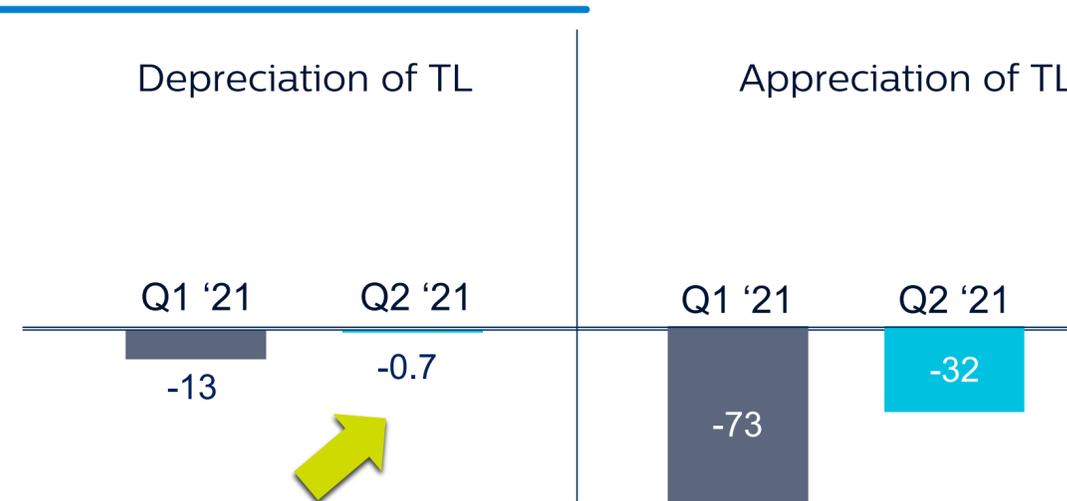
(TL mn)



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

Profit Before Tax Sensitivity

(TL mn, 10% change in FX rates)





Appendix

(TL mn)	Q2 '20	Q1 '21	Q2 '21	QoQ Change	YoY Change
Revenues	6,969	7,587	8,181	7.8%	17.4%
EBITDA	3,237	3,803	4,022	5.7%	24.3%
Margin	46.4%	50.1%	49.2%		
Operating Profit	1,934	2,351	2,502	6.4%	29.4%
Margin	27.7%	31.0%	30.6%		
Financial Inc. / (Exp.)	(703)	(661)	(893)	35.1%	27.0%
FX & Hedging Gain / (Loss)	(127)	(189)	(408)	116.0%	222.3%
Interest Inc./ (Exp.)	(509)	(410)	(455)	11.0%	(10.7)%
Other Financial Inc./ (Exp.)	(68)	(62)	(30)	(51.5)%	(55.4)%
Tax Inc./ (Exp.)	(250)	(334)	(337)	0.7%	34.6%
Net Income	980	1,356	1,272	(6.1)%	29.8%
Margin	14.1%	17.9%	15.6%		

(TL mn)	30.06.2020	31.03.2021	30.06.2021
Total Assets	41,852	45,350	46,005
Cash and Cash Equivalents	5,183	3,723	4,129
Tangible Assets ¹	14,389	16,174	16,191
Intangible Assets	10,866	12,186	12,425
Right of Use Assets	1,416	1,588	1,575
Other Assets ²	9,997	11,679	11,686
Total Equities and Liabilities	41,852	45,350	46,005
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	7,450	8,035	9,222
Interest Bearing Liabilities ³	22,218	22,154	22,251
<i>Bank Borrowings and Bonds</i>	20,979	20,773	20,864
<i>Lease Liabilities</i>	1,238	1,380	1,387
Other Liabilities ⁴	8,924	11,901	11,272

(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

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