

2022 Q1 Investor Presentation



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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).

Net Subscriber Additions



Broadband

151K
Q1 '22

865K
LTM



Mobile

334K
Q1 '22

1.1mn
LTM



Fixed Voice

-107K
Q1 '22

-179K
LTM



* Includes Tivibu



Financial & Operational Overview

2022 Q1 Highlights



Total Subscribers

52.2 mn

▲ 3% YoY



Revenue

TL 9.5 bn

▲ 25% YoY



EBITDA

TL 4.1 bn

▲ 8% YoY



EBITDA Margin

43.5%

▼ 670bps YoY



Net Income

TL 561 mn

▼ 59% YoY



Free Cash Flow

TL -456 mn

n.m.



CAPEX

TL 1.5 bn

▲ 17% YoY

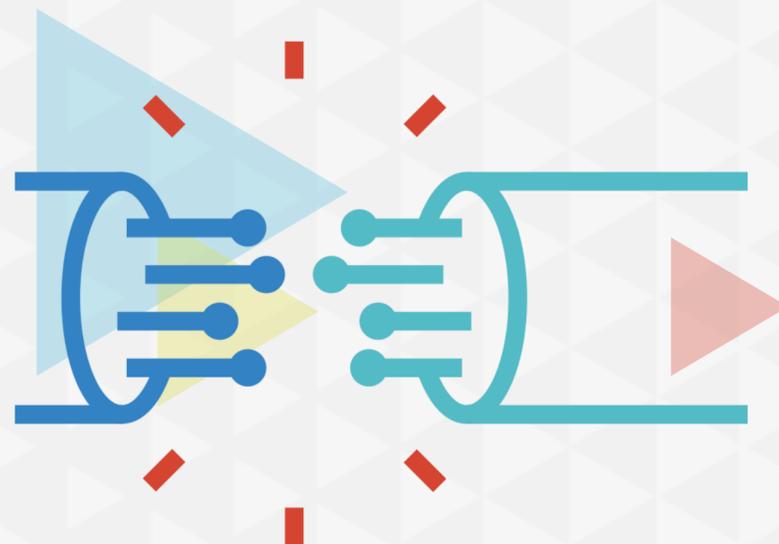


Net Leverage

1.24x

Q1 '21 1.15x

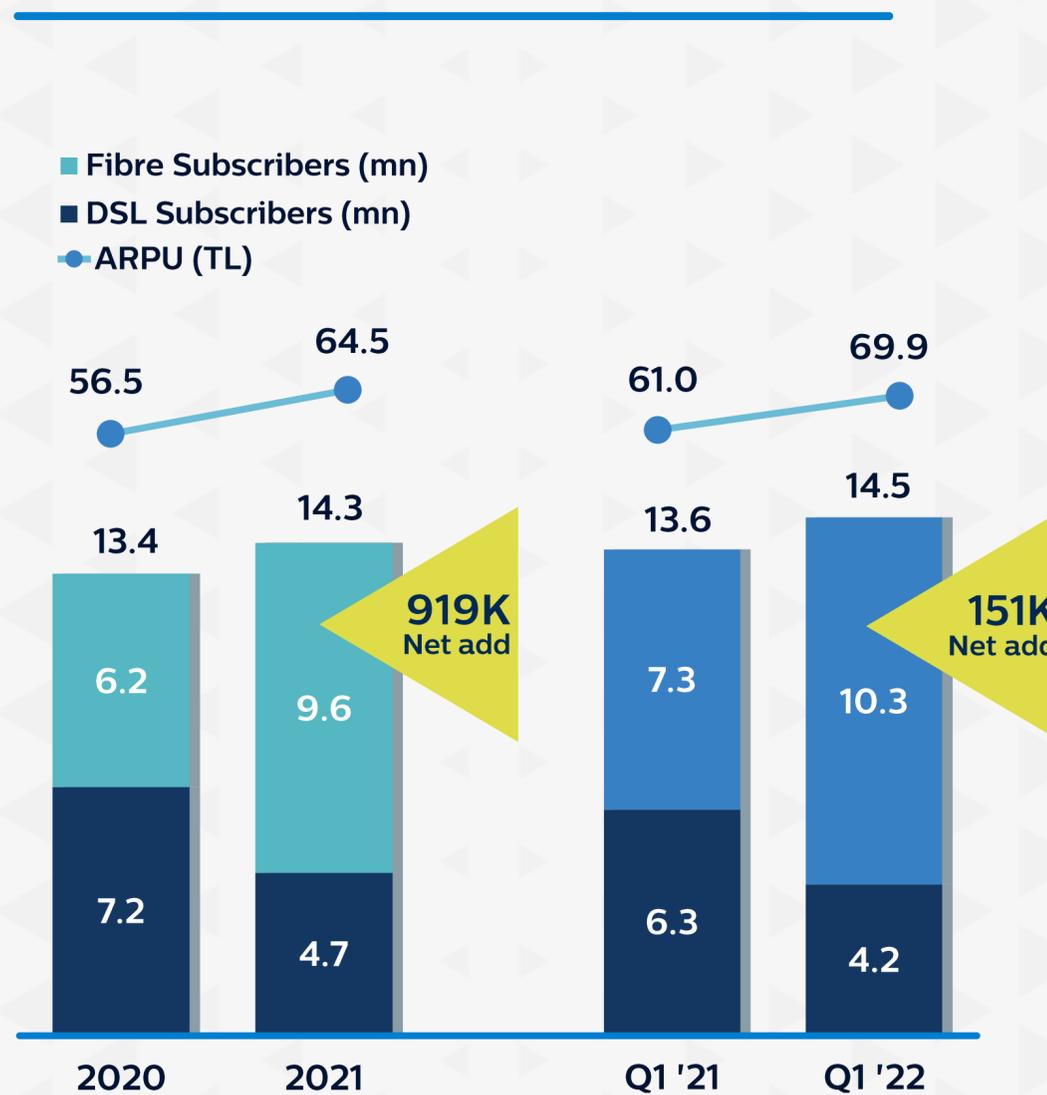
Fixed Broadband Performance



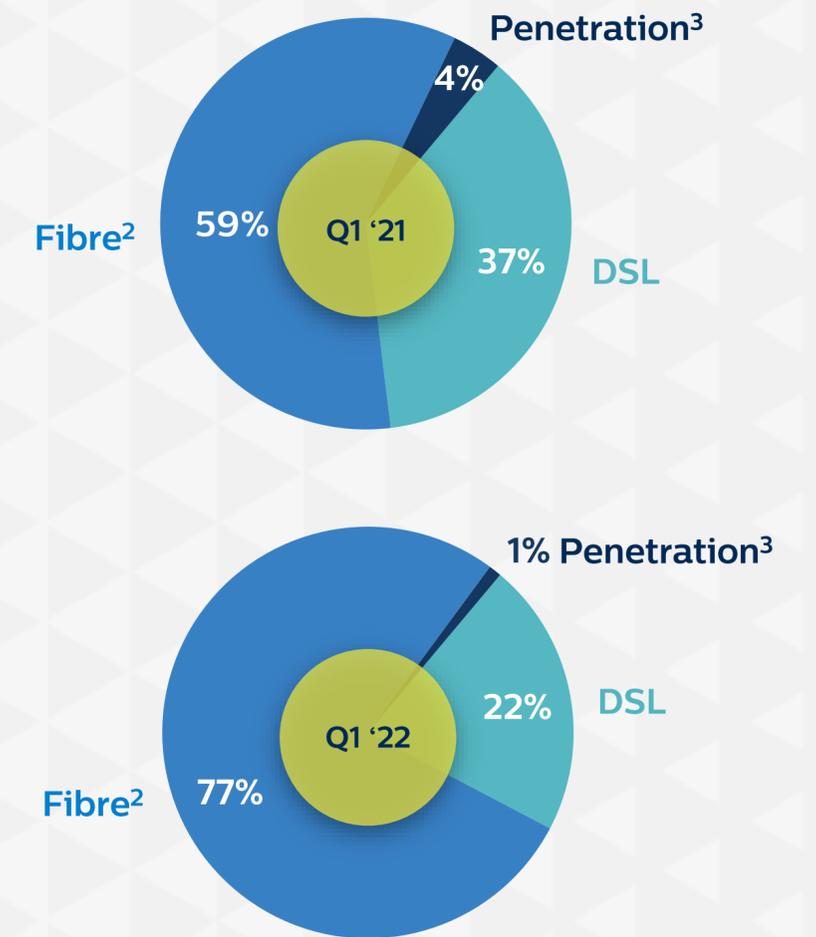
Fixed Broadband Revenue
(TL mn)



ARPU & Subscribers



Subscriber Breakdown¹
(% of Subscribers)



(1) Retail only
 (2) Fibre subscribers include FTTH/B & FTTC subscribers
 (3) Customers acquired through penetration campaigns

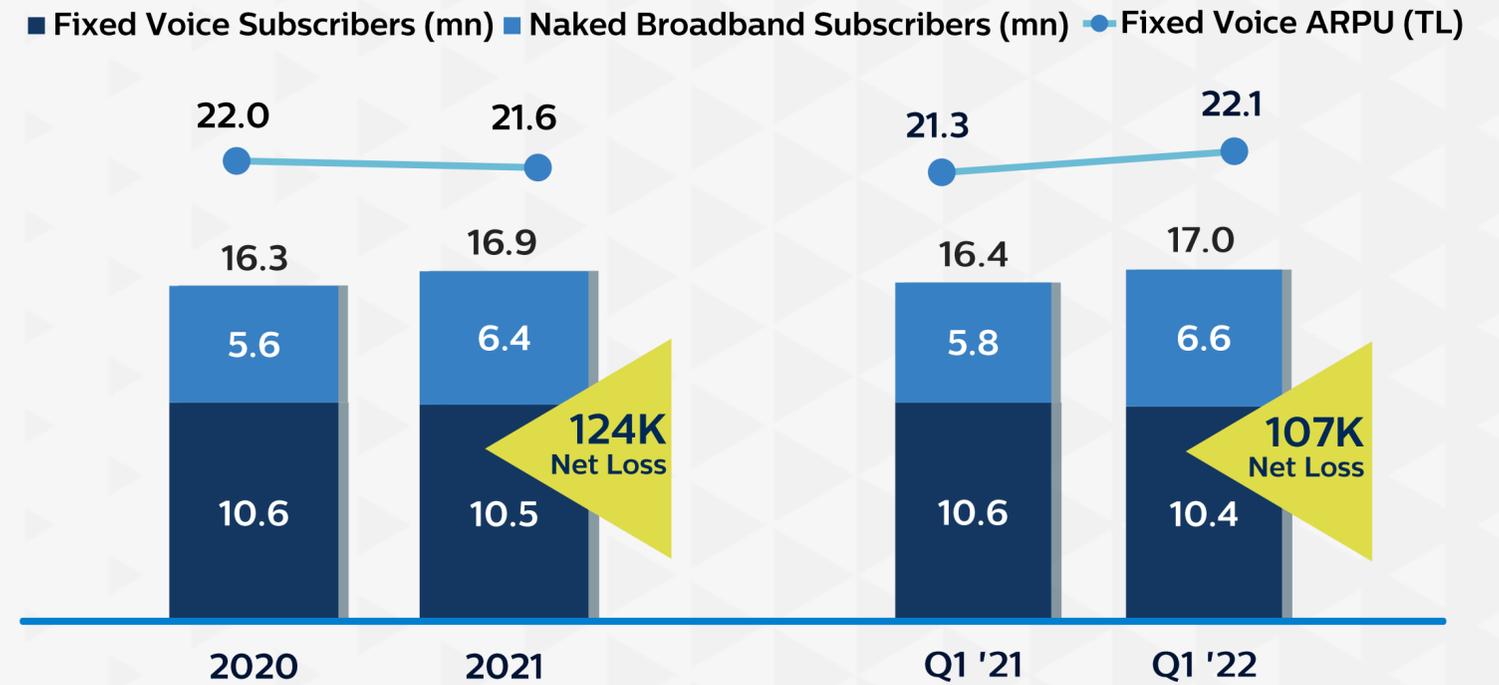
Fixed Voice Performance



Fixed Voice Revenue (TL mn)



Access Lines and ARPU



Sales shifting to nDSL

Focusing on nDSL in new acquisitions: guiding new subscribers to nDSL packages rather than WLR.

With our new strategy;

- ▶ Fixed voice subscriber base is expected to contract by 675K in 2022.
- ▶ No impact on consolidated revenues: < TL 25 mn revenue will travel from FV to FBB.
- ▶ Total of TL 190 mn Capex savings expected for a 3 year period.

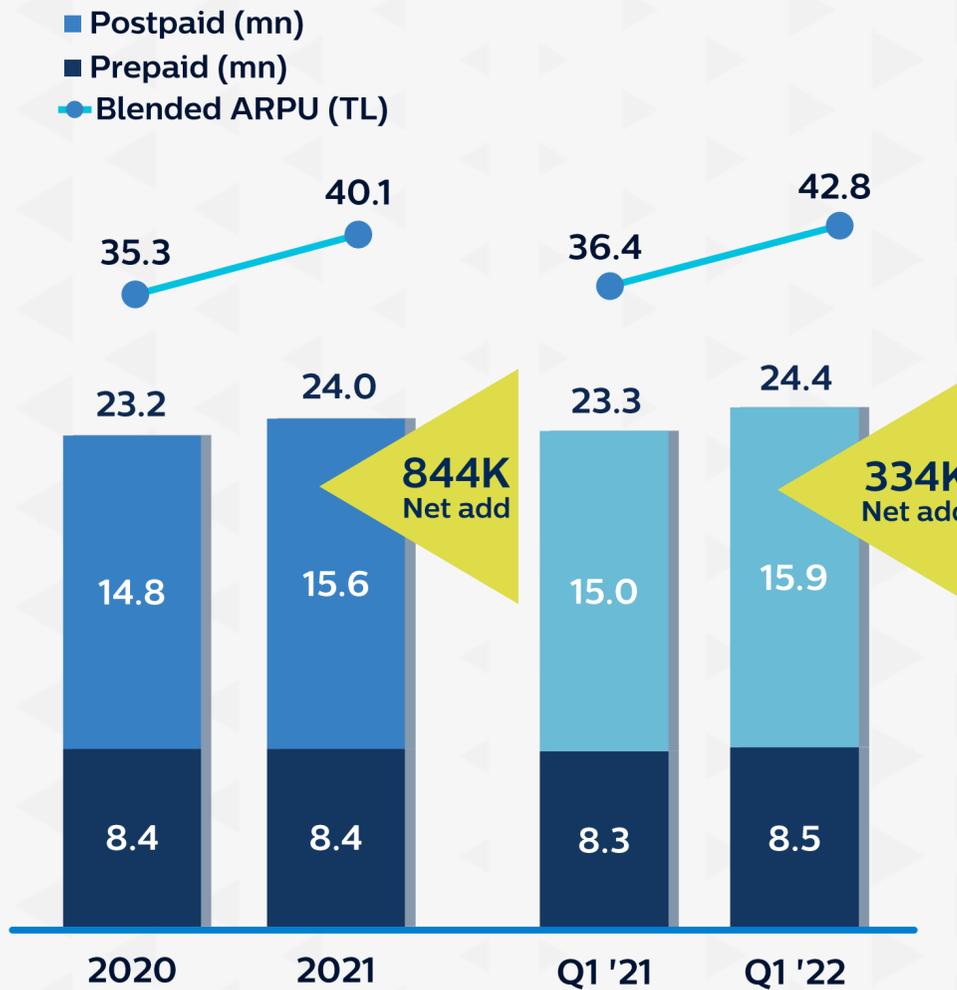
Mobile Performance



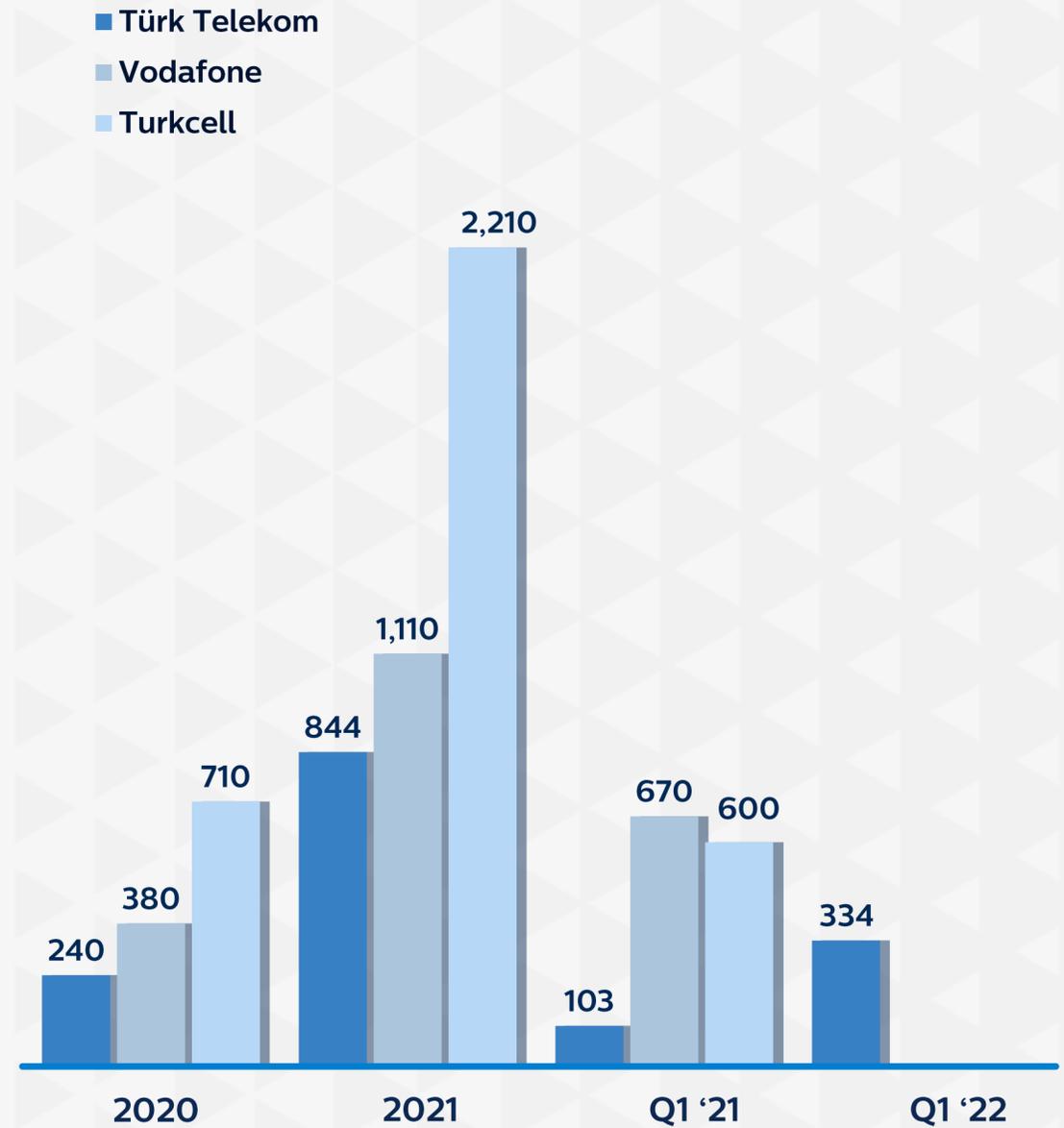
Mobile Revenue (TL mn)



ARPU & Subscribers



Net Subscriber Additions (thousand)



Source: ICTA, Türk Telekom

31 March 2022 General Assembly & Share Transfer



2021 Ordinary General Assembly Meeting

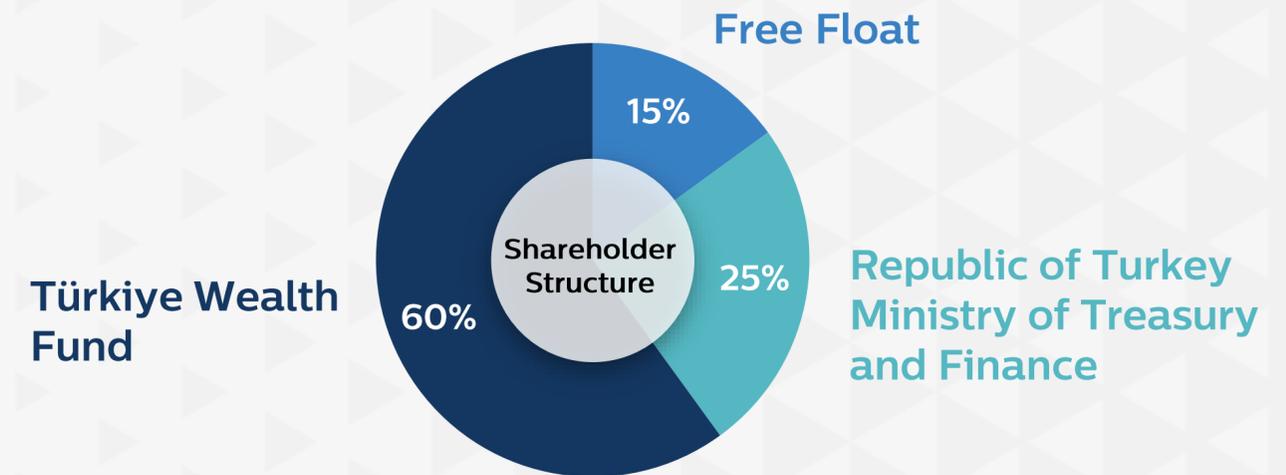
At 2021 Ordinary General Assembly Meeting, Board of Directors decided on following items;

- ▶ Regarding profit distribution
 - Gross dividend payment of **TL 1.42** per share,
 - Total gross cash dividend payment of **TL 4.95 billion**,
 - Distribution of cash dividends as of **28 April 2022**.



LYY-TWF Share Transfer

- ▶ Share Purchase Agreement between LYY* and TWF** has been completed. LYY sold its 55% stake in TTKOM to TWF.
- ▶ TWF, has become the majority shareholder of Türk Telekom with a 61.68%*** stake.



* LYY Telekomünikasyon A.Ş.
** Türkiye Wealth Fund
*** Türkiye Wealth Fund has 1.68% share in free float.

Financials



Financial Performance

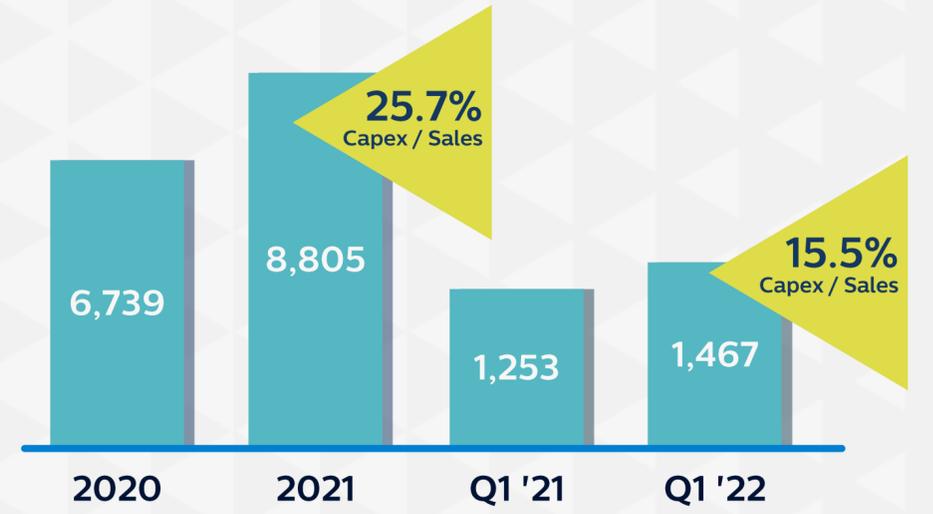
Revenue
(TL mn)



EBITDA
(TL mn)



CAPEX
(TL mn)



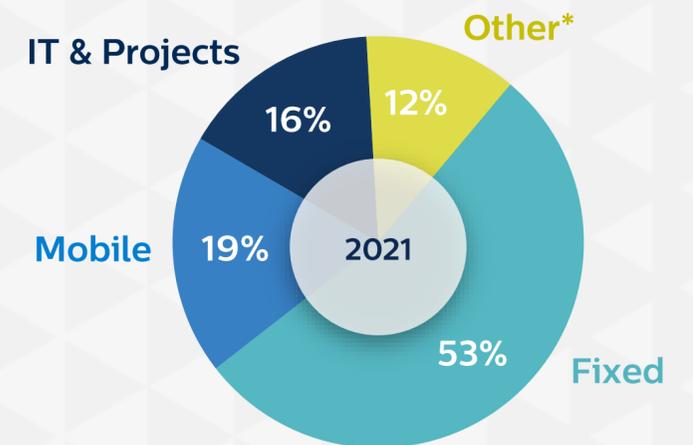
Operating Profit
(TL mn)



Net Income
(TL mn)



Capex Breakdown
(2021, %)



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

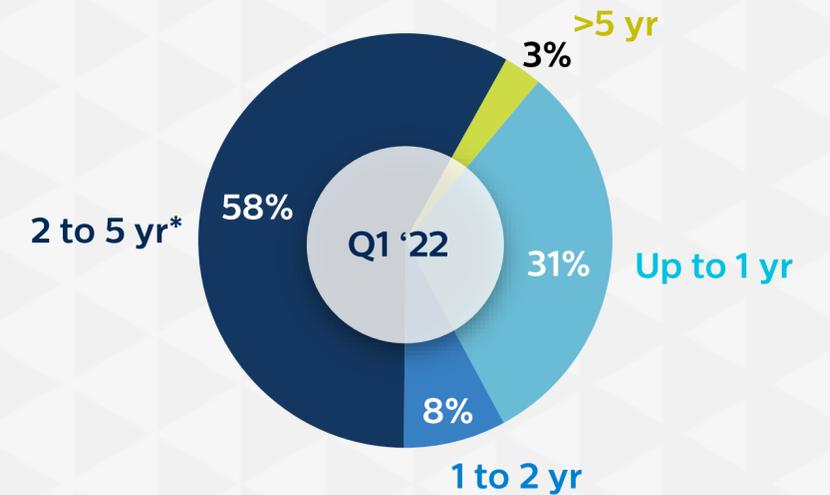
Debt Profile

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



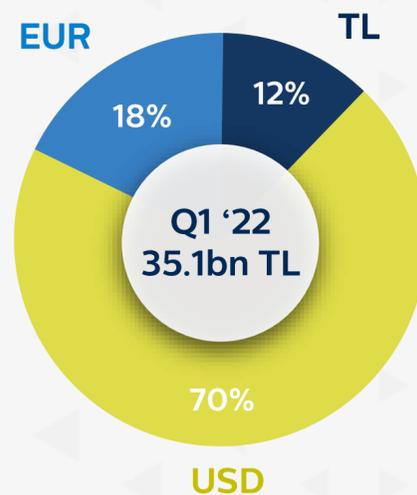
All loans are senior unsecured.
 * including 2024 & 2025 maturity bonds (USD 500 mn each)

Cash – Currency Breakdown*

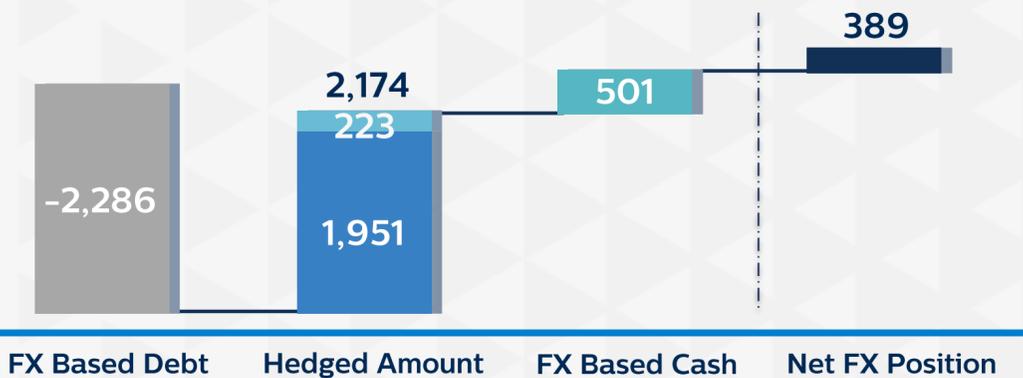


* TL 3.4 bn worth currency protected time deposit is not included in cash.

Gross Debt – Currency Breakdown



Hedge – Composition of FX Position



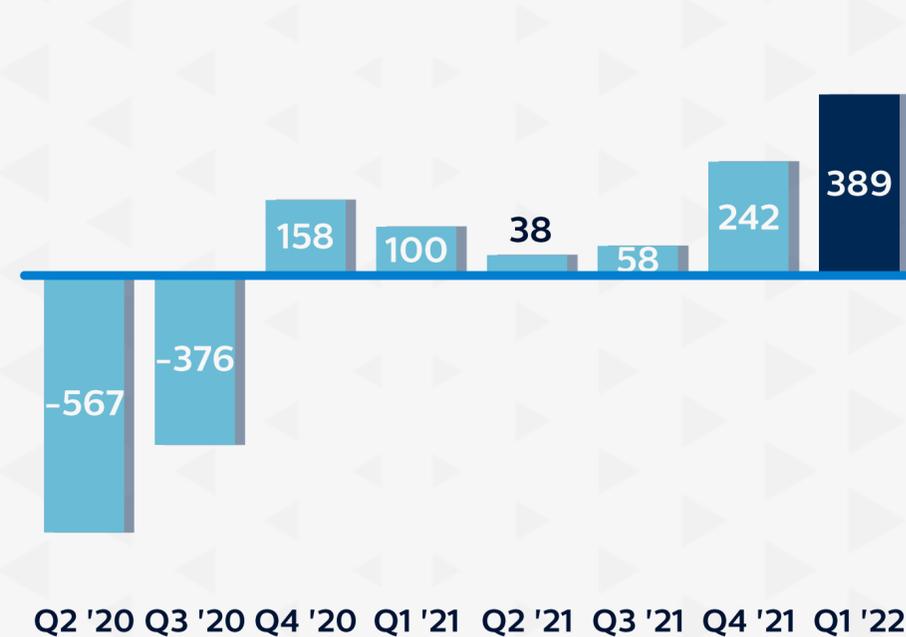
* FX Debt calculation includes FX financial debt (including FX lease obligations) and FX net trade payables. Hedged amount includes hedging of FX financial debt, currency protected time deposit, hedging of FX net trade payables and net investment hedge.
 ** Currency protected time deposit included in hedged amount is worth USD 223 mn.

Prudent Balance Sheet Management

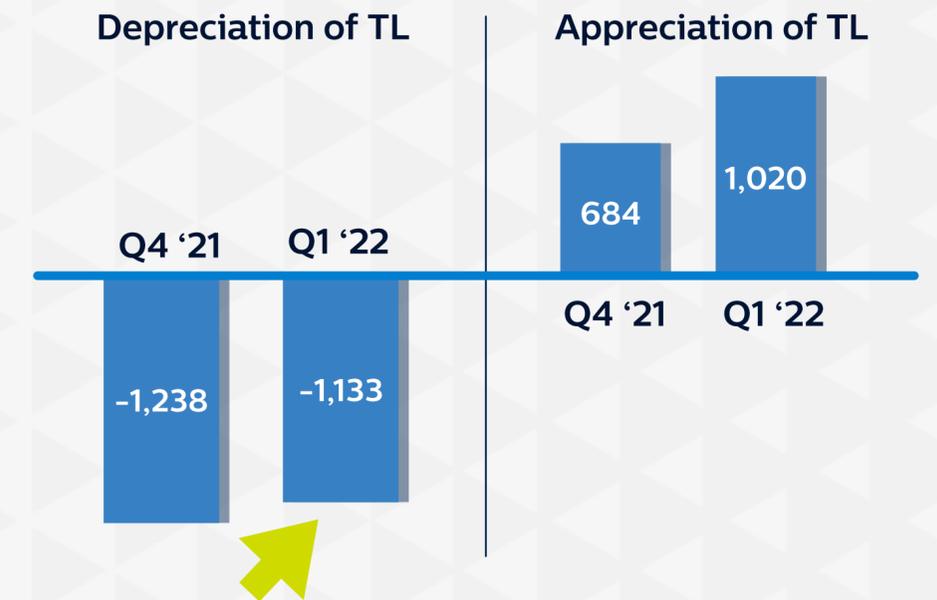
Cash Flow* (TL mn)



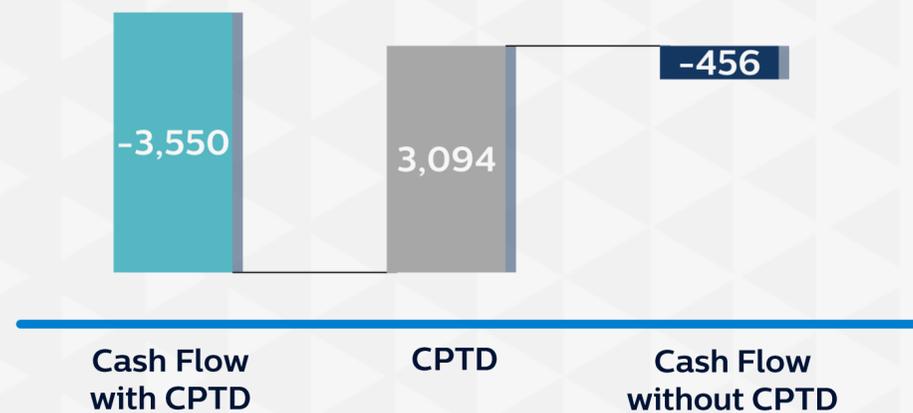
Net FX Exposure* (USD mn equivalent)



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



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



* 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)	Q1 '21	Q4 '21	Q1 '22	QoQ Change	YoY Change
Revenues	7,587	9,864	9,471	(4.0)%	24.8%
EBITDA	3,803	4,301	4,115	(4.3)%	8.2%
Margin	50.1%	43.6%	43.5%		
Operating Profit	2,351	2,623	2,298	(12.4)%	(2.2)%
Margin	31.0%	26.6%	24.3%		
Financial Inc. / (Exp.)	(661)	(2,176)	(2,008)	(7.7)%	203.9%
FX & Hedging Gain / (Loss)	(189)	(1,592)	(1,426)	(10.5)%	654.1%
Interest Inc./ (Exp.)	(410)	(536)	(565)	5.3%	37.9%
Other Financial Inc./ (Exp.)	(62)	(47)	(17)	(62.5)%	(71.8)%
Tax Inc./ (Exp.)	(334)	636	270	(57.5)%	n.m.
Net Income	1,356	1,084	561	(48.3)%	(58.6)%
Margin	17.9%	11.0%	5.9%		

Balance Sheet

(TL mn)	31.03.2021	31.12.2021	31.03.2022
Total Assets	45,350	58,338	63,565
Cash and Cash Equivalents	3,723	7,697	8,438
Tangible Assets ¹	16,174	18,989	19,010
Intangible Assets	12,186	14,332	14,446
Right of Use Assets	1,588	1,579	1,602
Other Assets ²	11,679	15,741	20,070
Total Equities and Liabilities	45,350	58,338	63,565
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	8,035	10,990	7,174
Interest Bearing Liabilities ³	22,154	29,803	36,488
<i>Bank Borrowings and Bonds</i>	20,773	28,364	35,062
<i>Lease Liabilities</i>	1,380	1,439	1,426
Other Liabilities ⁴	11,901	14,284	16,643

(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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Değerli Hissettirir

