

ULKER (ULKER TI/ULKER.IS)

Outperform

Better days are ahead...

- On the back of upward revisions to our earnings estimates and applying no additional visibility discount, we are raising our TP to TL152 from TL50, implying a 90% upside potential while raising our rating to “Outperform”.
- We had been applying a 65% discount to our target EV/EBITDA multiple, considering the company-specific risks. Following the improvement in corporate actions about the balance sheet, corporate structure and governance, we removed this discount.
- We believe improvement in Ulker’s financials will become apparent in 2024E. Ulker is currently trading at 6.5x 2024E P/E, implying a 58% discount compared to its global peers.

What has changed? (1) We are currently more comfortable about Ulker’s balance sheet’s health and visibility. (2) Ulker Biscuit’s merger with its subsidiaries will also be positive for further visibility and corporate structure. (3) Organic growth is the primary target and no new acquisition is in sight. (4) Management appears committed to lowering debt ratios and improving liquidity (5) We are also receiving positive signals from Yıldız Holding, Ulker’s parent company, regarding its financial health and operational performance.

We foresee 57% topline growth and 6.3% net margin in 2024E. We believe the high debt burden due to acquisitions overshadowed Ulker’s solid operating performance in 2022-2023. We expect Ulker to increase its net sales by 57% to TL71.3bn in 2024E, on top of 61% growth in 2023 and 125% growth in 2022. We also expect EBITDA margin to stabilize at 19.0%, considering that cost pressures will be mitigated by price adjustments. Ulker is the market leader in snacking sector in Turkey with a 35% market share. Domestic revenues constitute 66% of Ulker’s consolidated revenues whereas international revenues comprise the remaining 34% as of 2Q23. Ulker is the market leader in the biscuit category in Saudi Arabia and Egypt and #2 in the chocolate category in Kazakhstan. Ulker aims to be #1 or #2 in the Middle East and North Africa.

| Financials, TL mn | 2020 | 2021 | 2022 | 2023E | 2024E |
|-------------------|-------|--------|--------|--------|--------|
| Net Sales | 9,401 | 12,537 | 28,197 | 45,499 | 71,313 |
| growth | 20% | 33% | 125% | 61% | 57% |
| EBITDA | 1,621 | 2,328 | 5,467 | 8,727 | 13,522 |
| Net Income | 1,016 | -464 | -353 | 414 | 4,520 |
| EBITDA Margin | 17.2% | 18.6% | 19.4% | 19.2% | 19.0% |
| Net Margin | 10.8% | -3.7% | -1.3% | 0.9% | 6.3% |
| Dividend Yield | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% |
| EV/EBITDA | 33.8x | 23.5x | 10.x | 6.3x | 4.1x |
| P/E | 29.1x | -63.6x | -83.7x | 71.3x | 6.5x |

Source: Ata Invest Estimates

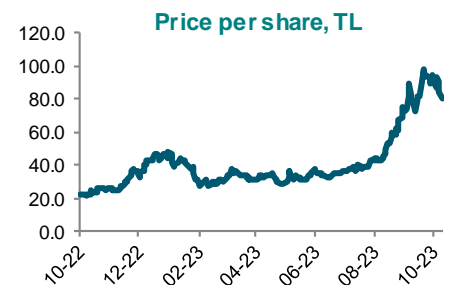
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Valuation

| | |
|-----------------------------|------------|
| Current Price, TL | 80.00 |
| 12-mth Target Price, TL | 152.00 |
| Expected Dividend Yield | 0% |
| Expected Price Appreciation | 90% |
| Total Upside | 90% |

Stock Data

| | |
|-------------------------------|--------|
| MCap, TL mn | 29,542 |
| MCap, US\$ mn | 1,061 |
| Enterprise Value, TL mn | 54,779 |
| Free float, % | 39% |
| Average Daily Turnover, TL mn | 1,101 |



| Share Perf. | 1M | 3M | 1Y |
|--------------------|----|------|------|
| Absolute | 4% | 113% | 272% |
| Relative to ISE100 | 4% | 73% | 70% |

| Income Statement (TL mn) | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Revenues | 12,537 | 28,197 | 45,499 | 71,313 | 98,650 | 124,006 |
| EBITDA | 2,328 | 5,467 | 8,727 | 13,522 | 18,312 | 23,009 |
| Depreciation & other adjustments | 230 | 349 | 488 | 686 | 851 | 1,060 |
| EBIT | 2,098 | 5,118 | 8,239 | 12,836 | 17,461 | 21,949 |
| Other income, net | 332 | 741 | 1,132 | 409 | 409 | 409 |
| Profit/loss from investing activities | 5,965 | 2,274 | 4,345 | 1,422 | 1,584 | 1,746 |
| Financial income, net | -8,466 | -8,051 | -11,883 | -7,129 | -8,264 | -8,480 |
| Profit before tax | -71 | 82 | 1,833 | 7,538 | 11,190 | 15,624 |
| Profit from continuing operations | -162 | 200 | 1,494 | 5,653 | 8,393 | 11,718 |
| Minority interest | -302 | -553 | -1,079 | -1,133 | -1,683 | -2,349 |
| Reported net income | -464 | -353 | 414 | 4,520 | 6,710 | 9,369 |
| Reported EPS | -1.26 | -0.96 | 1.12 | 12.24 | 18.17 | 25.37 |

Ulker

Sector: Confectionery
Bloomberg Ticker: ULKER TI
Ata Rating: OUTPERFORM

| Balance Sheet (TL mn) | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Cash & cash equivalents | 3,005 | 9,255 | 8,054 | 20,675 | 28,329 | 36,457 |
| Trade receivables | 4,688 | 7,388 | 13,212 | 16,442 | 22,744 | 28,590 |
| Inventories | 3,218 | 4,996 | 10,412 | 12,757 | 17,723 | 22,278 |
| Fixed assets | 3,641 | 6,817 | 8,257 | 10,563 | 13,799 | 17,898 |
| Goodwill | 1,548 | 2,018 | 2,880 | 2,880 | 2,880 | 2,880 |
| Other Assets | 10,144 | 7,385 | 9,614 | 9,839 | 10,081 | 10,337 |
| Total Assets | 26,244 | 37,859 | 52,429 | 73,156 | 95,557 | 118,440 |
| Financial borrowing | 18,177 | 23,751 | 31,255 | 44,246 | 54,423 | 62,042 |
| Trade payables | 2,270 | 4,161 | 7,357 | 9,290 | 12,907 | 16,225 |
| Other liabilities | 1,482 | 2,264 | 3,447 | 3,596 | 3,811 | 4,039 |
| Minority Interest | 1,327 | 1,997 | 3,251 | 4,384 | 6,067 | 8,416 |
| Shareholders' Equity | 2,987 | 5,686 | 7,119 | 11,639 | 18,349 | 27,718 |
| Net Debt | 8,211 | 13,090 | 20,775 | 23,455 | 28,229 | 30,431 |

Descriptive Summary

Ulker has 79 years of experience in Turkish confectionery and is the market leader in the snacking category with a 35% market share in Turkey. The company is the leader in the chocolate and biscuit categories with 39% and 33% market shares, respectively, and #2 in the cake (27%) categories in Turkey as of 1H23. The company has the largest production capacity in the domestic market with spread-out facilities. International revenues constituted 34% of Ulker's consolidated revenues in 1H23. The company has operations in S. Arabia, Egypt and Kazakhstan. Since 2011, the company has experienced a major restructuring by consolidating chocolate and cake production companies into biscuit companies. The company simplified traditional channel distribution and consolidated all sales under the new sales company Horizon, run by the parent company, Yıldız Holding. In 2022, Ulker acquired Onem Gıda and recently merged Ulker Çikolata and Biskot under Ulker Biskuvi.

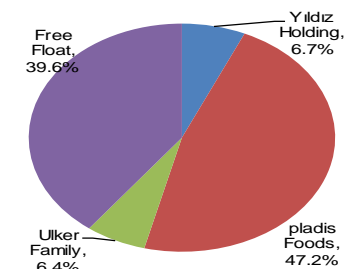
| Cash Flow Summary (TL mn) | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Net earnings before tax & MI | -71 | 82 | 1,833 | 7,538 | 11,190 | 15,624 |
| Depreciation | 230 | 349 | 488 | 686 | 851 | 1,060 |
| Δ in WCR | -3,087 | -2,588 | -8,044 | -3,640 | -7,652 | -7,084 |
| Taxes | -92 | 118 | -339 | -1,884 | -2,798 | -3,906 |
| CAPEX | -560 | -1,387 | -1,535 | -2,425 | -3,354 | -4,216 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 |
| Rights issue | 0 | 0 | 0 | 0 | 0 | 1 |
| Δ in borrowing | 8,789 | 5,574 | 7,505 | 12,991 | 10,177 | 7,619 |
| Other cash in/out | -6,029 | 4,103 | -1,108 | -644 | -759 | -971 |
| Cash generated during the year | -819 | 6,250 | -1,200 | 12,620 | 7,654 | 8,128 |
| Cash at the end of the year | 3,005 | 9,255 | 8,054 | 20,675 | 28,329 | 36,457 |

| Growth | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E |
|--------------|---------|--------|---------|--------|-------|-------|
| Sales | 33.4% | 124.9% | 61.4% | 56.7% | 38.3% | 25.7% |
| EBITDA | 43.6% | 134.8% | 59.6% | 54.9% | 35.4% | 25.7% |
| Net earnings | -145.7% | -24.0% | -217.4% | 990.7% | 48.5% | 39.6% |

| Key financial ratios | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E |
|-----------------------------|--------|-------|-------|-------|-------|-------|
| ROE | -10.7% | -8.1% | 6.5% | 48.2% | 44.8% | 40.7% |
| EBITDA margin | 18.6% | 19.4% | 19.2% | 19.0% | 18.6% | 18.6% |
| Net Margin | -3.7% | -1.3% | 0.9% | 6.3% | 6.8% | 7.6% |
| Net debt/Equity | 2.75 | 2.30 | 2.92 | 2.02 | 1.54 | 1.10 |
| Net debt/EBITDA | 3.53 | 2.39 | 2.38 | 1.73 | 1.54 | 1.32 |
| ST borrowings/T. borrowings | 15.8% | 48.0% | 18.5% | 18.5% | 18.5% | 18.5% |
| Equity/Total Assets | 16.4% | 20.3% | 19.8% | 21.9% | 25.6% | 30.5% |
| Leverage | 5.1 | 3.9 | 4.1 | 3.6 | 2.9 | 2.3 |
| Interest coverage | 0.8 | 0.9 | 1.1 | 2.2 | 2.6 | 3.3 |
| Current Ratio | 3.1 | 1.5 | 2.3 | 2.7 | 2.9 | 3.0 |
| Cash dividend pay-out | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| Valuation Metrics | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E |
|----------------------------|--------|--------|--------|--------|--------|---------|
| Domestic Revenues | 7,081 | 17,999 | 30,539 | 49,061 | 68,275 | 85,970 |
| International Revenues | 5,042 | 10,198 | 14,960 | 22,252 | 30,375 | 38,037 |
| Consolidated Revenues | 12,537 | 28,197 | 45,499 | 71,313 | 98,650 | 124,006 |
| International/Consolidated | 40% | 36% | 33% | 31% | 31% | 31% |

Ownership Structure



* pladis is fully owned by Yıldız Holding

Investment Thesis: Improvement in corporate governance and earnings momentum in 2024E justify re-rating

After revisions to our estimates and discount assumptions, we raised our rating to TL152 from TL50 while upgrading our rating to “Outperform” from “Marketperform”.

Previously, we had been applying a 65% discount to our target EV/EBITDA multiple, considering the company-specific risks. However, following the improvement in corporate actions about the balance sheet, corporate structure and governance, we decided to remove this discount.

Following upward revisions to our earnings estimates and applying no additional visibility discount, we are raising our TP to TL152 from TL50, implying a 90% upside potential while upgrading our rating to “Outperform”.

We believe improvement in Ulker’s financials will become apparent in 2024E. Ulker is currently trading at 6.5x 2024E P/E, implying a 58% discount compared to its global peers.

What has changed? (1) We are currently more comfortable about Ulker’s balance sheet’s health and visibility. (2) Ulker Biscuit’s merger with its subsidiaries, Ulker Çikolate (Cholocate) and Biskot (private label) will also be positive for further visibility and corporate structure. (3) Organic growth is the primary target and no new acquisition is in sight. (4) Management appears committed to lowering debt ratios and improving liquidity (5) We are also receiving positive signals from Yıldız Holding, Ulker’s parent company, regarding its financial health and operational performance.

6 important reasons behind our high conviction for an “Outperform” rating?

- Improving corporate governance
- Strong positioning in Turkey with an extensive sales network: #1 confectionery company
- High operating margins
- De-leveraging is intact and supported by prudent policies.
- Positive signals from Yıldız Holding, Ulker’s parent company.
- Attractive valuation: The latest changes in its balance sheet and improvement in corporate governance justify a significant upside...

In July 2023, Ulker completed Eurobond buy-back of US\$50mn of its existing US\$650mn 6.95% fixed-rate notes due October 2025, using its own cash reserves.

Ulker’s solid balance sheet and limited refinancing needs before October 2025 keep us optimistic about its outlook.

Ulker’s recent bank debt refinancing and monetization of its securities portfolio and more cautious hedging and treasury policies are also giving positive signals regarding the predictability of its financials.

We believe the worst may have been over by 1H23 and better days are ahead in 2H23 and 2024E.

Although Ulker’s balance sheet still appears vulnerable to TL depreciation due to its short FX position and 2.45x net debt/EBITDA, we are more positive about the balance sheet and refinancing of short-term debt with longer-term debt with more than 2-3 year maturity. We are also more positive about the merger with its subsidiaries, Ulker Çikolata and Biskot.

Recall that Onem Gıda acquisition had a minus TL3.7bn equity value dilutive impact on Ulker in 3Q21 though it may be a strategic action for Ulker. Ulker Biscuit’s merger with its subsidiaries, Ulker Çikolata and Biskot could be a positive catalyst. As of 2Q23, Ulker currently has around US\$271mn net FX short position (US\$150mn+ Euro111mn). As a positive change in the balance sheet, refinancing short-term debt with longer-term debt is also positive for cash flow in the short-run. Considering the potential risk-reward, we are much more constructive about Ulker at current valuations. Thus, we revised our estimates and rating.

We foresee 57% net sales growth and 19.0% EBITDA margin in 2024E

Ulker’s net sales surged by 124.9% to TL28.2bn in 2022. Domestic revenues, constituting 60% of net sales, increased by 137.4% to TL16.8bn in 2022 whereas international revenues increased by 102.3% to TL10.2bn during the same period

In 1H23, Ulker’s net sales increased by 65.2% y/y to TL19.6bn. During the same period, sales volume decreased by 3.9% to 324.4K tons. Volume decline in 1H23 was mainly due to high base impact, sizing activities and changes in the category/product mix. According to Nielsen& Ipsos date, Ulker remained the market leader in total snacking with 35% market share in Turkey during the last 12 months.

We expect Ulker’s net sales to increase to TL45.5bn in 2023E, implying 61% topline growth on top of 125% growth realized back in 2022. We foresee Ulker’s net sales to increase by 57% to TL71.3bn in 2024E, supported by 2% volume growth and price increases.

Exhibit - Ulker - Net Sales vs Growth

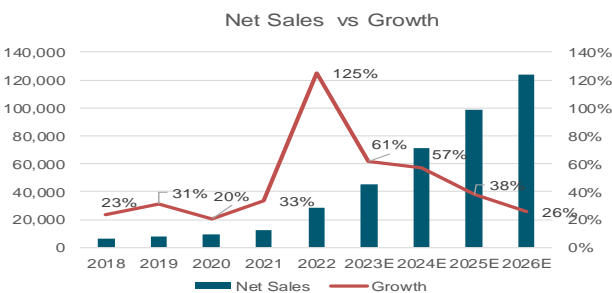
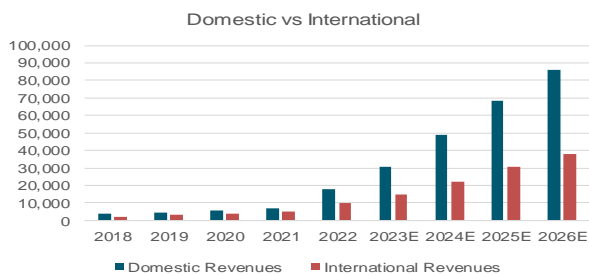


Exhibit- Ulker - Domestic vs International



Source: Company data, Ata Invest Estimates

We foresee 55% EBITDA growth and 19.0% EBITDA margin in 2024E

In 2023E, we expect Ulker to realise 19.2% EBITDA margin, slightly below last year's 19.4% but in line with the management guidance. We foresee that higher operational efficiencies, stable spreads between prices and production costs and potential collaboration in international operations such as cross-production and procurement are probable to mitigate the negative impact of inflationary pressures such as energy, raw material and labour cost increases and EBITDA margin to stabilize at c. 19.0% in 2024E.

Considering the strong leadership position in Turkey, we believe Ulker will continue to be competitive against its competitors and reflect the potential cost increases to their product prices. We believe that our EBITDA margin estimate is conservative for 2024E, considering the pricing power of the company in the highly competitive confectionery market.

Exhibit- Ulker - Gross Margin

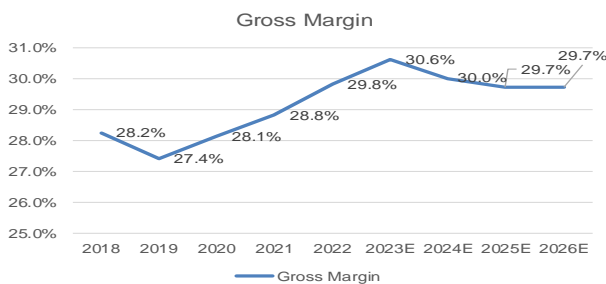
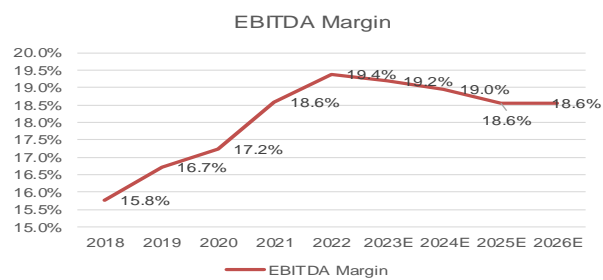


Exhibit- Ulker - EBITDA Margin



Source: Company data, Ata Invest Estimates

We expect Ulker's net debt/EBITDA to fall below 2x by 2024E.

Ulker's net debt increased dramatically from -TL63mn (net cash) in 2Q21 to TL5bn (US\$569mn) in 3Q21 mainly due to cash outflow of US\$446mn related to Onem Gıda acquisition on 27 Aug 2021 (TL3.74bn). Recall that Onem Gıda acquisition had a -TL3.7bn equity value dilutive impact on Ulker in 3Q21 though it may be a strategic action for Ulker. Ulker's net debt reached US\$689mn by 2Q21 and US\$700mn by 2022-end.

Ulker's net debt increased to TL18.0bn (US\$698mn) in 2Q23 from TL14.0bn (US\$730mn) in 1Q23. Mainly due to TL depreciation and a slight increase in NWC, Ulker's net debt increased by 28% q/q in TL terms but declined 4.4% in US\$ terms. Based on 2Q23-end, Ulker's Adj-Net debt/EBITDA increased to 2.45x in 2Q23 from 2.1x in 1Q23, which is still above 2x but not critical. Please note that we adjusted the net debt for TL1.8bn non-trade receivable from its parent company, Yıldız Holding, recorded in 2Q23.

As of 2Q23, Ulker currently has around US\$271mn net FX short position (US\$150mn + Euro111mn). As a positive change in the balance sheet, refinancing of short-term debt with longer-term debt is also positive for cash flow in the short-run.

Considering positive cash flow from operations and assuming no acquisition, we expect Ulker's net debt to decline to US\$583mn by 2024-end, implying 1.73x net debt/EBITDA. During the following 3 years, we expect the company to focus on organic growth and assuming no acquisition.

Exhibit- Ulker - Net Debt/ EBITDA

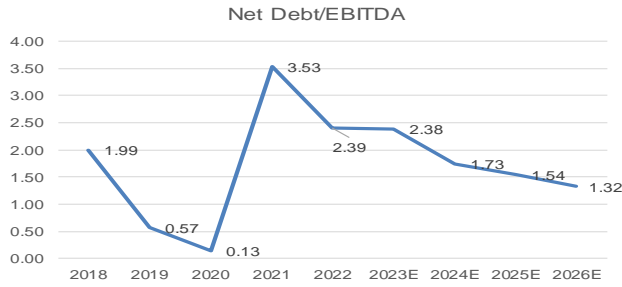
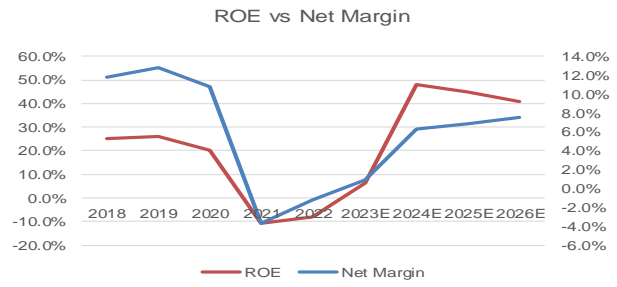


Exhibit- Ulker - ROE vs Net Margin



Source: Company data, Ata Invest Estimates

Merger with Ulker Çikolata and Biskot will be value-enhancing...

As of 31 Aug 2023, the merger of Ulker Bisküvi (ULKER) with Ulker Çikolata and Biskot was completed. Ulker's paid-in capital was increased by TL27.28mn to TL369.28mn and the increased amount was given to Ulker Chocolate and Biskot shareholders. Under the merged company, Ulker Chocolate and Biskot shareholders were given 0.7412 and 1.0659 shares, respectively, for each share owned by them.

Ulker - Ownership Structure

Before Merger

| Ulker Bisküvi | |
|---------------------|-----------|
| Paid-in capital: | TL342.0mn |
| Ownership Structure | |
| | Share |
| pladis Foods Ltd | 51.0% |
| Ulker Family | 4.2% |
| Yıldız Holding | 2.0% |
| Free Float | 42.8% |

| Ulker Çikolata | |
|---------------------|---------|
| Paid-in capital: | TL150mn |
| Ownership Structure | |
| | Share |
| Ulker Bisküvi | 91.7% |
| Ulker Family | 8.3% |

| Biskot | |
|---------------------|----------|
| Paid-in capital: | TL64.8mn |
| Ownership Structure | |
| | Share |
| Ulker Bisküvi | 73.9% |
| Ulker Family | 26.1% |

After Merger under Ulker Bisküvi

| Ulker Bisküvi | |
|---------------------|-----------|
| Paid-in capital: | TL369.3mn |
| Ownership Structure | |
| | Share |
| pladis Foods Ltd* | 47.2% |
| Ulker Family | 6.4% |
| Yıldız Holding | 6.7% |
| Free Float | 39.6% |

Source: Company data, ** pladis Foods LTD is fully owned by Yıldız Holding

Well-positioned in Turkish confectionery market and ambitious targets in international markets

Ulker's net Ulker has 79 years of experience in Turkish confectionery and is the market leader in the snacking category with a 35% market share in Turkey. The company is the leader in the chocolate and biscuit categories with 39% and 33% market shares, respectively, and #2 in the cake (27%) categories in Turkey as of 1H23. The company has the largest production capacity in the domestic market with spread-out facilities. International revenues constituted 34% of Ulker's consolidated revenues in 1H23. The company has operations in S. Arabia, Egypt and

Kazakhstan. Since 2011, the company has experienced a major restructuring by consolidating chocolate, biscuit and cake production companies under Ulker biskui umbrella. The company simplified traditional channel distribution and consolidated of all sales under the new sales company Horizon, owned by the parent company, Yıldız Holding. Ulker acquired Onem Gıda in 2021 and recently merged Ulker Çikolata and Biskot under Ulker Biskui in Aug 2023.

Due to change in our macro estimates, we revised our 2024 estimates.

We revised up our 2023E net sales and EBITDA estimates by 1% and 2%, respectively, to TL45.5bn and TL8.7bn, respectively. We also revised our 2023E net income estimate from -TL314mn loss to TL414mn net income.

We revised up our 2024E net sales and EBITDA estimates by 8% and 20%, respectively, to TL71.3bn and TL13.5bn. We also revised our 2024E net income estimate by 47.6% to TL4.5bn.

Exhibit - ULKER- Earnings Revisions

| TL m n | Previous | | New | | Previous | | New | |
|-------------------------|---------------|-----------|---------------|--|---------------|------------|---------------|--|
| | 2023E | Revision | 2023E | | 2024E | Revision | 2024E | |
| Net Sales | 44,971 | 1% | 45,499 | | 66,055 | 8% | 71,313 | |
| Growth % | 59.5% | 187 bps | 61.4% | | 46.9% | 985 bps | 56.7% | |
| EBITDA | 8,540 | 2% | 8,727 | | 11,314 | 20% | 13,522 | |
| EBITDA margin % | 19.0% | 19 bps | 19.2% | | 17.1% | 183 bps | 19.0% | |
| Operating profit | 7,986 | 3% | 8,239 | | 10,503 | 22% | 12,836 | |
| Operating margin % | 17.8% | 35 bps | 18.1% | | 15.9% | 210 bps | 18.0% | |
| Net income | -314 | n.m. | 414 | | 3,063 | 47.6% | 4,520 | |
| Net Margin % | -1% | n.m. | 1% | | 5% | 37% | 6% | |

Source: Company data, Ata Invest Estimates

Exhibit -- ULKER- Ata Estimates vs Bloomberg-consensus

| TL m n | Bloomberg Est | | Ata Invest | | Bloomberg Est | | Ata Invest | |
|-------------------|---------------|-------------|---------------|--|---------------|------------|---------------|--|
| | 2023E | Difference | 2023E | | 2024E | Difference | 2024E | |
| Net Sales | 44,497 | 2% | 45,499 | | 66,174 | 8% | 71,313 | |
| EBITDA | 8,622 | 1% | 8,727 | | 12,530 | 8% | 13,522 | |
| Net income | -291 | n.m. | 414 | | 3,063 | 48% | 4,520 | |
| EBITDA Margin | 19.4% | -20 bps | 19.2% | | 18.9% | 3 bps | 19.0% | |
| Net Margin | -0.7% | 156 bps | 0.9% | | 4.6% | 171 bps | 6.3% | |

Source: Ata Invest Estimates, Bloomberg Estimates

Exhibit -- ULKER- Ata Estimates vs Guidance

| TL m n | Guidance | | Ata Invest | |
|------------------|---------------|------------|---------------|--|
| | 2023E | Difference | 2023E | |
| Net Sales | 40,750 | 12% | 45,499 | |
| EBITDA | 7,824 | 12% | 8,727 | |
| EBITDA Margin | 19.2% | -2 bps | 19.2% | |

Source: Ata Invest Estimates, Ulker Guidance

No new acquisition is planned for the following 3 years. Massive restructuring has been realised during the last 12 years.

Since 2011, Ulker has been going through a massive restructuring in both domestic and international operations. We believe that the company has successfully completed the restructuring of its domestic operations and international operations. Ulker aims to create high-level collaboration between companies and build a structure that will accelerate Ulker's profitable, sustainable growth. Ulker is now able to act as a local producer and regional production hub. Although Onem Gıda acquisition was equity dilutive, vertical integration was achieved and had +330bps contribution to Ulker's gross margin.

Ulker completed the acquisition of Hi-Food (Egypt) and FMC (S. Arabia) in 2016. Ulker also acquired Hamle (Kazakhstan) in 1Q17 from its parent company, Yıldız Holding. Ulker completed the acquisition of IBC (International Biscuits) in 2Q18 and Onem Gıda in 2Q21. We roughly estimate that including c.US\$584mn, these acquisitions translated into c.US\$584mn cash outflow for Ulker during 2016-2021.

According to the management, no major acquisition appears in sight for the following 3 years. We believe de-leveraging and organic growth will be the primary focus areas for Ulker during the following 3 years.

Positive indications from Yıldız Holding, Ulker's parent company, is also encouraging for Ulker investors.

Yıldız Holding experienced financial difficulties back in 2017 with around US\$6.5bn financial debt. According to the chairperson, they had made a timing mistake with large acquisitions which deteriorated the Group's cash balance. The Group negotiated with the banks and renewed the maturity of the loans outstanding. During the last 5 years, Yıldız Holding managed to reduce its syndicated loans to US\$1.6bn. The Group continued to grow during the same period and the number of employees increased to 75K from 60K. The Group's consolidated revenues increased to TL100bn in 2021 from TL42.3bn in 2017. Since 2018, Yıldız Holding paid US\$1.8bn syndicated loans through asset sales, including Sok Market and Penta IPOs.

During 2017-2021, Med Gıda, Aktül Kağıt, Kellogg, Ak Alev, Sebat, Godiva's operations in four countries (Japan, South Korea and Australia retail and distribution network, New Zealand market development right) were sold. Yıldız Holding also sold some non-core subsidiaries such as Della, Nesos, Unmaş, Kümaş, Beverage Group, Propak, Cafe Crown and Pendik Nişasta.

According to an interview with Murat Ulker, back in 2020, Yıldız Holding's net debt/EBITDA was still standing at 6.5-7x, above the alarming levels of 4-5x. Currently, Yıldız Holding's net debt/EBITDA ratio declined to 2.5x, thanks to its defensive operating environment and asset sales during the last 5 years.

According to AA news interview dated 9 Jan 2023, Yıldız Holding CEO Mehmet Tütüncü shared his evaluation of 2022 results and their targets for 2023. According to the preliminary figures, Yıldız Holding reached consolidated revenues of TL 170bn in 2022, implying 70% growth. Number of employees was standing at around 75K in total and 12.4 overseas. Pladis, which brings together big brands such as Ulker, McVitie's and Godiva, has c.40% share in Yıldız Holding's consolidated revenues in 9M22. Şok Market, Bizim Toptan and Seç Market, combined, had a 39% share in Yıldız Holding during the same period. According to Yıldız Holding CEO Tütüncü,

Yıldız Holding was targeting a consolidated revenue of TL250bn in 2023 while adding 10K new employees to its labour force. The Group also aimed TL4.4bn Capex, implying %76 increase in 2023.

We believe that investors were applying an additional discount to Ulker's valuation due to concerns about the un-listed parent company, Yıldız Holding. We believe Yıldız Holding has passed through a significant restructuring during the last 5 years and we do not have any major concern about the parent company risk. We also believe that following the de-leveraging, we foresee momentum in Yıldız Holding' operations, which poses an upside risk to Ulker's outlook and valuation.

Synergies via pladis are likely to be the long-term positive catalysts

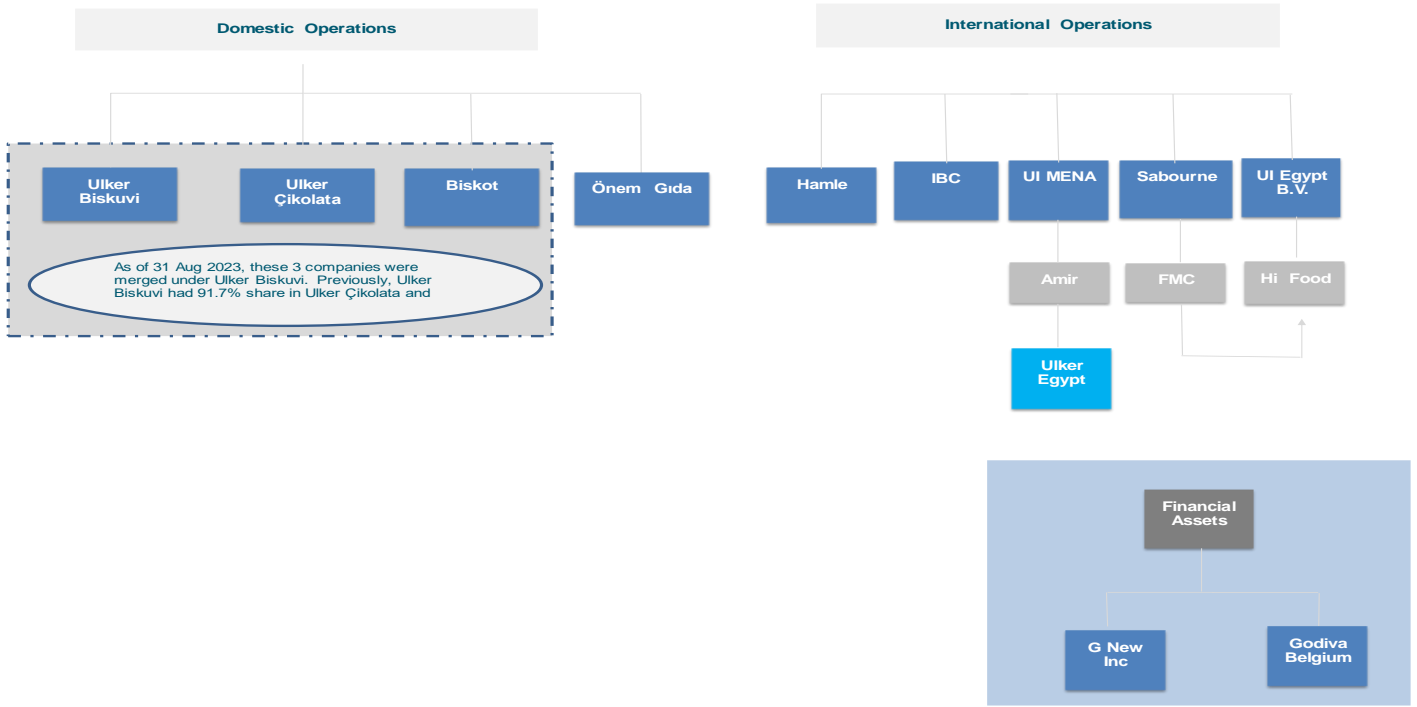
In Dec 2016, Yıldız Holding sold 21% of Ulker shares at TL19.5/shr to Pladis, which is fully owned by Yıldız Holding. Pladis bought Yıldız Holding's remaining 28.9% stake in Ulker in 2018 and eventually had full direct control in Ulker with 51% stake until Sept 2023. After Ulker's merger with Ulker Çikolata and Biskot, Pladis' stake in Ulker was 47.2%. Including Ulker family and Yıldız Holding shares, Yıldız Holding group stake in Ulker currently is 60.4% and the remaining 39.6% is free float.

Pladis is a new global company which brings together Yıldız Holding's core snacking businesses Godiva Chocolatier, United Biscuits, Ulker and DeMet's Candy Company with their iconic brands under one umbrella. The Group is determined to be global leader in biscuits and confectionery and to be a powerful player in the sweet and savoury segments, chocolate and chocolate products, wafers, cakes, gums and candies.

Main growth engines for Pladis are **(1) McVitie's** - renowned biscuits brand across the UK and Europe **(2) Godiva** - the international premium chocolate brand and **(2) Ulker** - the leading biscuits and confectionery brand in Turkey and MENA region.

With this new structure, Ulker represent the confectionery business of Pladis in Turkey and MENACA (Middle East, North Africa, Central Asia) regions. Within this structure, potential synergies are **(1)** efficiencies in procurement **(2)** creating business potential and focus on value added products **(3)** MENACA operations **(4)** new export opportunities through Pladis network widening product umbrella **(5)** competitive edge through global & regional & local brands and **(6)** R&D capabilities.

Ulker - Group Structure



Source: Company data. **pladis Foods LTD is fully owned by Yıldız Holding

Risks

Steep increases in raw material prices

Going forward, we foresee moderate raw material price increases parallel to product prices. Considering that raw materials constitute c.65% of Ulker's COGS, any steep jump in raw material prices would be a risk to our gross margin estimates. Within raw material costs, Cacao and Palm oil costs are the key items. Hard currency denominated expenses are 57% of their COGS and 40% of net sales. The other raw material cost items are wheat and sugar. Considering that major raw materials (Cacao and Palm Oil) are imported, impact of increases in these cost items coupled with currency affect could be reflected into Ulker's COGS.

Weakening of TL against US\$

Raw materials constitute c.65% of Ulker's COGS and palm oil costs are US\$-based. In future, we foresee moderate raw material price increases parallel to product price increases. Any steep rise in US\$ would also be a risk to our gross margin estimate. As of 2Q23-end, the company had TL8.8bn cash and TL23.3bn gross financial debt. Although the company has a strong TL cash position, its strategy to carry an additional short FX position is a risk in case of major depreciation in TL against US\$ in the short term. As of 2Q23-end, Ulker had a TL7.0bn (US\$271mn) short FX position whereas it had a net debt of TL18mn.

Extensive relations with the group companies

The Ulker brand is an umbrella brand and has been used not only for confectionery items but also the food and beverage group products including dairy products, edible oil, culinary items, beverages etc. The brand is owned by Yıldız Holding. We believe the strong relationship between Ulker and Yıldız Holding is a strategically positive. But, extensive supplier-customer transactions with Yıldız Holding group companies might be considered as a risk. Despite efforts to simplify company structure, intragroup relations make the company less visible. Ulker's sales to the organised channel are realised through Pasifik which is owned by Yıldız Holding. Moreover, Ulker again realises distribution of its products to the traditional channel through Horizon which is also owned by Yıldız Holding. However, these transactions are all undertaken on an arm's length basis.

Ulker - Revenue Model

| Macro Assumptions | 2022 | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|----------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| US\$TL Avg | 16.6 | 23.7 | 34.5 | 44.8 | 52.9 | 58.7 | 63.4 | 68.4 | 73.9 |
| US\$/TL y/y | 86.9 | 42.9 | 45.8 | 29.9 | 18.0 | 10.8 | 8.0 | 8.0 | 8.0 |
| Inflation (CPI chng) | 72.3 | 54.5 | 59.1 | 33.5 | 20.5 | 13.0 | 10.0 | 10.0 | 10.0 |

| | 2022 | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E |
|------------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Revenues (TL mn) | | | | | | | | | |
| Domestic | 16,808 | 28,750 | 46,253 | 64,401 | 81,126 | 95,988 | 110,636 | 127,519 | 146,978 |
| International | 10,198 | 14,960 | 22,252 | 30,375 | 38,037 | 44,713 | 51,231 | 58,699 | 67,255 |
| Total Confectionery | 27,006 | 43,710 | 68,505 | 94,776 | 119,163 | 140,701 | 161,867 | 186,218 | 214,234 |
| Other | 1,191 | 1,789 | 2,808 | 3,874 | 4,844 | 5,688 | 6,508 | 7,447 | 8,523 |
| Total Revenue | 28,197 | 45,499 | 71,313 | 98,650 | 124,006 | 146,389 | 168,374 | 193,665 | 222,757 |
| International/Total Revenue | 36% | 33% | 31% | 31% | 31% | 31% | 30% | 30% | 30% |

Revenue growth

| | | | | | | | | | |
|----------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Domestic | 137% | 71% | 61% | 39% | 26% | 18% | 15% | 15% | 15% |
| International | 102% | 47% | 49% | 37% | 25% | 18% | 15% | 15% | 15% |
| Total Confectionery | 123% | 62% | 57% | 38% | 26% | 18% | 15% | 15% | 15% |
| Other | 188% | 50% | 57% | 38% | 25% | 17% | 14% | 14% | 14% |
| Total Revenue | 125% | 61% | 57% | 38% | 26% | 18% | 15% | 15% | 15% |

Sales Volume (tons)

| | | | | | | | | | |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Domestic | 409,709 | 410,532 | 414,637 | 422,930 | 431,388 | 440,016 | 448,816 | 457,793 | 466,949 |
| International | 184,654 | 172,433 | 174,157 | 179,382 | 184,764 | 190,307 | 196,016 | 201,896 | 207,953 |
| Total Confectionery | 594,363 | 582,965 | 588,795 | 602,312 | 616,152 | 630,323 | 644,832 | 659,689 | 674,902 |
| Other | 87,382 | 82,174 | 82,996 | 84,744 | 86,530 | 88,354 | 90,218 | 92,122 | 94,067 |
| Total Consolidated | 681,745 | 665,139 | 671,791 | 687,056 | 702,682 | 718,677 | 735,050 | 751,811 | 768,968 |

Volume growth

| | | | | | | | | | |
|----------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Domestic | 4.4% | 0.2% | 1.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| International | -3.1% | -6.6% | 1.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Total Confectionery | 1.9% | -1.9% | 1.0% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% |
| Other | 13.1% | -6.0% | 1.0% | 2.1% | 2.1% | 2.1% | 2.1% | 2.1% | 2.1% |
| Total Volume | 3.2% | -2.4% | 1.0% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% |

Average prices - TL/ton

| | | | | | | | | | |
|---------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Domestic | 41.0 | 70.0 | 111.6 | 152.3 | 188.1 | 218.1 | 246.5 | 278.6 | 314.8 |
| International | 55.2 | 86.8 | 127.8 | 169.3 | 205.9 | 235.0 | 261.4 | 290.7 | 323.4 |
| Total | 45.4 | 75.0 | 116.3 | 157.4 | 193.4 | 223.2 | 251.0 | 282.3 | 317.4 |
| Other | 13.6 | 21.8 | 33.8 | 45.7 | 56.0 | 64.4 | 72.1 | 80.8 | 90.6 |
| Total Consolidated | 41.4 | 68.4 | 106.2 | 143.6 | 176.5 | 203.7 | 229.1 | 257.6 | 289.7 |

Average Price Increase

| | | | | | | | | | |
|----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Domestic | 127.3% | 70.7% | 59.3% | 36.5% | 23.5% | 16.0% | 13.0% | 13.0% | 13.0% |
| International | 108.8% | 57.1% | 47.3% | 32.5% | 21.6% | 14.1% | 11.2% | 11.2% | 11.2% |
| Total Confectionery | 118.5% | 65.0% | 55.2% | 35.2% | 22.9% | 15.4% | 12.5% | 12.5% | 12.5% |
| Other | 154.3% | 59.7% | 55.4% | 35.1% | 22.4% | 15.0% | 12.1% | 12.1% | 12.1% |
| Total Revenue | 117.8% | 65.4% | 55.2% | 35.3% | 22.9% | 15.4% | 12.5% | 12.5% | 12.5% |

Source: Company data, Ata Invest Estimates

Valuation

We use both the DCF valuation methodology and a multiple valuation for Ulker. Based on our blended valuation (50:50), our 12-month TP of TL152 implies 90% upside potential.

As we believe that Ulker does not have a full-comparable peer with similar structure, size and product range, we instead considered global food companies' average multiples as a base for comparison, assuming that the food industry dynamics are the common ground for multiple comparisons.

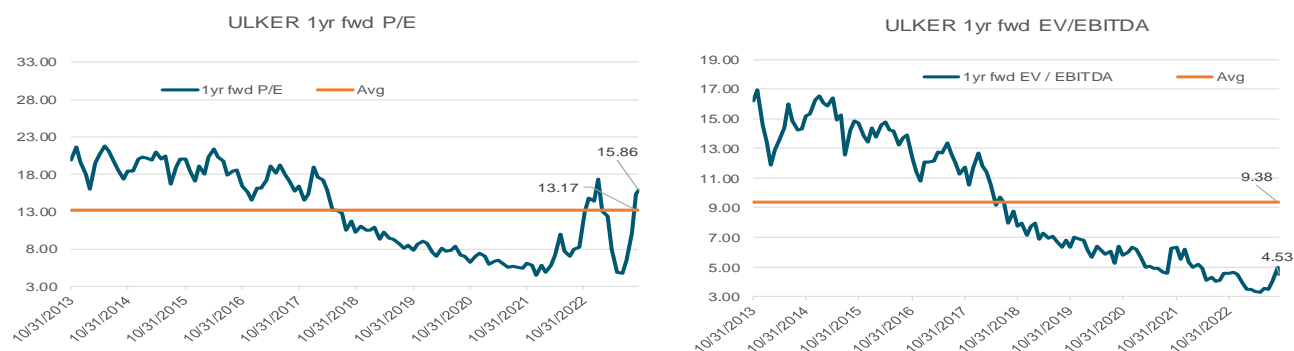
Currently, Ulker trades at 6.3x 2023E and 4.1x 2024E EV/EBITDA, implying 37% and 57% discount compared to its global peers, respectively. On the other hand, Ulker trades at 6.5 x 2024E P/E multiple, representing a 58% discount compared to its global peers.

Exhibit - Ulker- Global Food Peers

| ULKER - Global Food Peers | | | EV/EBITDA | | | | | | P/E | | | | | | Mcap | | EV |
|---|------------------|----------|-----------|------|------|------|-------|-------|------|------|------|-------|-------|-------|----------|----------|----|
| Company | Bloomberg Ticker | Currency | 2019 | 2020 | 2021 | 2022 | 2023E | 2023E | 2019 | 2020 | 2021 | 2022E | 2023E | 2023E | | | |
| US | | | | | | | | | | | | | | | | | |
| HERSHEY CO/THE | HSY US EQUITY | USD | 21.9 | 20.8 | 18.9 | 16.1 | 14.1 | 13.4 | 33.2 | 30.7 | 26.9 | 23.1 | 20.0 | 18.6 | 39,025.0 | 43,857.0 | |
| FLOWERS FOODS INC | FLO US EQUITY | USD | 12.8 | 10.6 | 10.9 | 10.6 | 10.5 | 9.9 | 21.3 | 16.2 | 16.4 | 16.1 | 16.8 | 15.7 | 4,340.5 | 5,684.9 | |
| KRAFT FOODS INC-CLASS A | KFT US EQUITY | USD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| KELLOGG CO | K US EQUITY | USD | 10.6 | 10.4 | 10.4 | 10.1 | 9.5 | 9.7 | 12.8 | 12.4 | 12.1 | 12.1 | 12.2 | 12.6 | 17,069.0 | 24,347.0 | |
| HJ HEINZ CO | HNZ US EQUITY | USD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| CAMPBELL SOUP CO | CPB US EQUITY | USD | 8.8 | 9.1 | 9.5 | 10.0 | 9.4 | 9.1 | 15.6 | 13.5 | 13.7 | 14.0 | 13.2 | 13.0 | 11,831.0 | 16,611.0 | |
| European | | | | | | | | | | | | | | | | | |
| NESTLE SA-REG | NESN VX EQUITY | CHF | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| DANONE | BN FP EQUITY | EUR | 10.1 | 11.2 | 10.6 | 10.6 | 10.4 | 10.1 | 14.2 | 16.7 | 16.5 | 16.2 | 15.8 | 15.0 | 38,711.0 | 51,336.0 | |
| ASSOCIATED BRITISH FOODS PLC | ABF LN EQUITY | GBP | 8.9 | 10.4 | 9.7 | 7.7 | 7.4 | 6.6 | 14.3 | 24.1 | 26.4 | 15.3 | 14.0 | 12.0 | 18,118.0 | 21,361.0 | |
| BARRY CALLEBAUT AG-REG | BARN SW EQUITY | CHF | 11.8 | 13.7 | 11.7 | 11.1 | 10.6 | 9.9 | 19.7 | 25.0 | 20.4 | 18.9 | 17.6 | 16.9 | 8,548.2 | 10,237.0 | |
| GRUPPA CHERKIZOVO | CHE LI EQUITY | USD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Asia | | | | | | | | | | | | | | | | | |
| MAYORA INDAH PT | MYOR IJ EQUITY | IDR | 15.8 | 15.9 | 18.8 | 18.7 | 12.8 | 11.4 | 32.1 | 26.4 | 36.6 | 37.3 | 23.3 | 20.3 | 3,698.7 | 3,708.8 | |
| EZAKI GLICO CO LTD | 2206 JT EQUITY | JPY | 7.1 | - | 6.5 | 7.7 | 7.6 | 7.4 | 20.0 | 19.7 | 20.5 | 24.7 | 24.9 | 24.4 | 1,885.9 | 1,701.2 | |
| WANT WANT CHINA HOLDINGS LTD | 151 HK EQUITY | HKD | 9.7 | 8.9 | 8.1 | 7.7 | 8.8 | 8.2 | 16.4 | 15.0 | 13.4 | 12.7 | 14.2 | 13.5 | 7,338.7 | 7,011.5 | |
| BRITANNIA INDUSTRIES LTD | BRIT IN EQUITY | INR | 63.1 | 60.4 | 43.5 | 50.3 | 40.3 | 36.0 | 93.7 | 79.7 | 57.6 | 71.0 | 57.0 | 51.5 | 13,263.0 | 13,361.0 | |
| ORION CORP | 001800 KS EQUITY | KRW | - | - | - | - | 3.1 | 2.8 | - | - | - | - | 8.9 | 7.9 | 718.7 | 822.6 | |
| PETRA FOODS LTD | PETRA SP EQUITY | SGD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| UNIVERSAL ROBINA CORP | URC PM EQUITY | PHP | 11.9 | 11.4 | 11.5 | 12.1 | 10.5 | 9.3 | 23.3 | 22.7 | 20.3 | 21.2 | 18.1 | 15.5 | 4,360.9 | 4,562.7 | |
| Latin | | | | | | | | | | | | | | | | | |
| GRUPO BIMBO SAB- SERIES A | BIMBOA MM EQUITY | MXN | 14.4 | 10.8 | 9.6 | 8.6 | 8.2 | 7.4 | 57.4 | 39.6 | 23.6 | 16.3 | 18.1 | 16.4 | 19,081.0 | 26,589.0 | |
| INDOFOOD SUKSES MAKMUR TBK P | INDF IJ EQUITY | IDR | 10.1 | 8.8 | 6.6 | 5.9 | 5.6 | 5.2 | 12.5 | 10.7 | 8.3 | 8.0 | 6.1 | 5.5 | 3,757.0 | 8,436.2 | |
| Turkish | | | | | | | | | | | | | | | | | |
| PINAR SUT MAMULLERI SANAYII | PNSUT TI EQUITY | TRY | - | - | - | - | - | - | - | - | - | - | - | - | 127.3 | - | |
| ULKER BISKUVI SANAYI AS | ULKER TI EQUITY | TRY | 41.3 | 33.2 | 25.0 | 10.7 | 6.1 | 4.3 | 33.7 | 28.6 | - | - | - | 12.7 | 1,084.2 | - | |
| Global food average* | | | 11.2 | 10.8 | 10.5 | 10.4 | 10.0 | 9.5 | 19.8 | 21.2 | 20.3 | 16.3 | 17.2 | 15.6 | | | |
| %10 discount | | | | | | | 9.0 | 8.5 | | | | | 14.6 | 13.2 | | | |
| ULKER at current | | | | | | | 6.3 | 4.1 | | | | | 71.3 | 6.5 | | | |
| ULKER** at target | | | | | | | 9.1 | 5.9 | | | | | 130.7 | 12.0 | | | |
| ULKER Premium/(discount) to global food peers | | | | | | | -37% | -57% | | | | | 314% | -58% | | | |

Source: Bloomberg Estimates, *excluding Ulker, **Ata Invest Estimates

Exhibit - ULKER - 1 yr fwd Multiples (10-yr avg)



Source: Bloomberg

Exhibit- Ulker - Summary Balance Sheet

| | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E | 2027E |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Revenues | 12,537 | 28,197 | 45,499 | 71,313 | 98,650 | 124,006 | 146,389 |
| Cost of Sales | -8,925 | -19,788 | -31,576 | -49,919 | -69,351 | -87,176 | -103,204 |
| Gross Profit | 3,612 | 8,409 | 13,923 | 21,394 | 29,299 | 36,830 | 43,185 |
| Research Expenses | -354 | -715 | -1,133 | -1,783 | -2,466 | -3,100 | -3,660 |
| Marketing, Sales and Distribution Expenses | -1,121 | -2,486 | -4,364 | -6,561 | -9,076 | -11,409 | -13,468 |
| General Administrative Expenses | -40 | -89 | -186 | -214 | -296 | -372 | -439 |
| Other Operating Income | 896 | 1,119 | 1,411 | 409 | 409 | 409 | 409 |
| Other Operating Expenses | -564 | -378 | -279 | 0 | 0 | 0 | 0 |
| Operating Profit from Main Operations | 2,430 | 5,859 | 9,371 | 13,245 | 17,870 | 22,358 | 26,027 |
| Income from Investment Activities | 6,096 | 3,881 | 4,520 | 1,422 | 1,584 | 1,746 | 1,915 |
| Expenses from Investment Activities | -131 | -1,607 | -176 | 0 | 0 | 0 | 0 |
| Operating Profit before fin. income & exp | 8,395 | 8,133 | 13,716 | 14,667 | 19,454 | 24,104 | 27,942 |
| Financial Income | 445 | 193 | 69 | 1 | 1 | 1 | 1 |
| Financial Expense | -8,910 | -8,244 | -11,952 | -7,130 | -8,265 | -8,481 | -8,434 |
| Profit before Tax | -71 | 82 | 1,833 | 7,538 | 11,190 | 15,624 | 19,509 |
| Tax Expense | -92 | 118 | -339 | -1,884 | -2,798 | -3,906 | -4,877 |
| Tax on Income | -451 | -680 | 0 | 0 | 0 | 0 | 0 |
| Deferred tax income | 359 | 798 | 0 | 0 | 0 | 0 | 0 |
| Net Income before minority interest | -162 | 200 | 1,494 | 5,653 | 8,393 | 11,718 | 14,631 |
| Non-controlling Interest | 302 | 553 | 1,079 | 1,133 | 1,683 | 2,349 | 2,933 |
| Net Income | -464 | -353 | 414 | 4,520 | 6,710 | 9,369 | 11,698 |
| Depreciation and Amortisation | 230 | 349 | 488 | 686 | 851 | 1,060 | 1,278 |
| Total Opex | -1,514 | -3,290 | -5,684 | -8,558 | -11,838 | -14,881 | -17,567 |
| EBIT (our definition) | 2,098 | 5,118 | 8,239 | 12,836 | 17,461 | 21,949 | 25,618 |
| EBITDA | 2,328 | 5,467 | 8,727 | 13,522 | 18,312 | 23,009 | 26,896 |
| Gross margin | 28.8% | 29.8% | 30.6% | 30.0% | 29.7% | 29.7% | 29.5% |
| Opex/Net Sales | -12.1% | -11.7% | -12.5% | -12.0% | -12.0% | -12.0% | -12.0% |
| EBIT margin | 16.7% | 18.2% | 18.1% | 18.0% | 17.7% | 17.7% | 17.5% |
| EBITDA margin | 18.6% | 19.4% | 19.2% | 19.0% | 18.6% | 18.6% | 18.4% |
| PBT margin | -0.6% | 0.3% | 4.0% | 10.6% | 11.3% | 12.6% | 13.3% |
| Effective Tax rate | 130.3% | 144.5% | -18.5% | -25.0% | -25.0% | -25.0% | -25.0% |

Source: Company data, Ata Invest Estimates

Exhibit- Ulker - Summary Balance Sheet

| | 2021 | 2022 | 2023E | 2024E | 2025E | 2026E | 2027E |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Cash & Cash Equivalent | 3,005 | 9,255 | 8,054 | 20,675 | 28,329 | 36,457 | 45,475 |
| Financial Investments | 6,415 | 210 | 4 | 6 | 8 | 9 | 9 |
| Trade Receivables | 4,688 | 7,388 | 13,212 | 16,442 | 22,744 | 28,590 | 33,751 |
| Other Receivables | 614 | 1,558 | 2,127 | 2,127 | 2,127 | 2,127 | 2,127 |
| Inventories | 3,218 | 4,996 | 10,412 | 12,757 | 17,723 | 22,278 | 26,374 |
| Prepaid Expenses | 369 | 423 | 759 | 804 | 853 | 904 | 958 |
| Other current assets | 456 | 1,344 | 1,111 | 1,178 | 1,248 | 1,323 | 1,403 |
| Total current assets | 18,765 | 25,174 | 35,680 | 53,989 | 73,032 | 91,688 | 110,097 |
| Financial Investments | 1,878 | 2,687 | 3,701 | 3,701 | 3,701 | 3,701 | 3,701 |
| Investment Properties | 0 | 0 | 3 | 0 | 0 | 0 | 0 |
| Property, Plant and Equipment | 3,641 | 6,817 | 8,257 | 10,563 | 13,799 | 17,898 | 22,171 |
| Intangible Assets | 1,548 | 2,018 | 2,880 | 2,880 | 2,880 | 2,880 | 2,880 |
| Prepaid Expenses | 84 | 129 | 128 | 136 | 144 | 153 | 162 |
| Deferred Tax Assets | 328 | 1,034 | 1,780 | 1,887 | 2,000 | 2,120 | 2,248 |
| Other non-current assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total non-current assets | 7,479 | 12,685 | 16,750 | 19,168 | 22,525 | 26,752 | 31,162 |
| TOTAL ASSETS | 26,244 | 37,859 | 52,429 | 73,156 | 95,557 | 118,440 | 141,259 |
| Short-Term Financial Liabilities | 760 | 925 | 1,599 | 1,599 | 1,599 | 1,599 | 1,599 |
| Short-Term Portion of Long-Term Financial Liabil | 2,103 | 10,476 | 4,180 | 6,582 | 8,464 | 9,873 | 10,790 |
| Short-term finance lease liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Income | 84 | 82 | 68 | 14 | 14 | 14 | 14 |
| Trade payables | 2,270 | 4,161 | 7,357 | 9,290 | 12,907 | 16,225 | 19,207 |
| Payables related to employee benefits | 77 | 132 | 240 | 255 | 270 | 286 | 304 |
| Current tax liability | 302 | 262 | 536 | 568 | 602 | 639 | 677 |
| Short-term provisions | 423 | 610 | 1,229 | 1,302 | 1,381 | 1,463 | 1,551 |
| Other current liabilities | 116 | 238 | 274 | 290 | 307 | 326 | 345 |
| Total current liabilities | 6,134 | 16,887 | 15,482 | 19,901 | 25,544 | 30,424 | 34,488 |
| Long-Term Financial Liabilities | 15,314 | 12,349 | 25,476 | 36,065 | 44,360 | 50,571 | 54,617 |
| Long-term finance lease liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other payables | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long-term provisions | 347 | 764 | 1,015 | 1,076 | 1,140 | 1,209 | 1,281 |
| Deferred tax liabilities | 135 | 176 | 85 | 91 | 96 | 102 | 108 |
| Total non-current liabilities | 15,796 | 13,289 | 26,577 | 37,232 | 45,597 | 51,881 | 56,005 |
| Paid-in capital | 342 | 342 | 342 | 342 | 342 | 342 | 342 |
| Adjustments to Share Capital | 108 | 108 | 108 | 108 | 108 | 108 | 108 |
| Retained Earnings | 4,385 | 3,920 | 3,567 | 3,567 | 8,501 | 15,211 | 24,581 |
| Net profit for the period | -464 | -353 | 414 | 4,934 | 6,710 | 9,369 | 11,698 |
| Other equity items | -1,384 | 1,669 | 2,688 | 2,688 | 2,688 | 2,688 | 2,688 |
| Shareholders Equity | 2,987 | 5,686 | 7,119 | 11,639 | 18,349 | 27,718 | 39,416 |
| Non-controlling interest | 1,327 | 1,997 | 3,251 | 4,384 | 6,067 | 8,416 | 11,350 |
| TOTAL LIAB. & SHR EQUITY | 26,244 | 37,859 | 52,429 | 73,156 | 95,557 | 118,440 | 141,259 |

Source: Company data, Ata Invest Estimates

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