TOFAŞ

TÜRK OTOMOBİL FABRİKASI A.Ş.

WEBCAST PRESENTATION

31.12.2024 Financial Results

AGENDA

- **Key Highlights**
- Production & Shipments
- Domestic Market
- Export
- Financial Performance
- Investments
- Outlook

KEY HIGHLIGHTS

- **Fiat** brand sustained its **domestic light vehicle market leadership** in **2024, six years in a row,** with a market share of **11.2%** (-4.5pp y/y). **Egea** model preserved its title as the **most preferred** car for a **nine-year streak** since its launch.
- High competition with increasing share of imports, lack of revision in SCT (special consumption tax) brackets and discontinuation of MCV (Fiorino) production impacted local market share in 2024.
- **Weak** financial **results** in **2024** stemmed from; **i.** local market performance due to high competition, **ii.** lower capacity utilization from phase-in/phase out of production models and, **iii.** negative impact of IAS29.
- **Production** of the **new commercial vehicle model** (K0) had **started** in **4Q24** as planned, which is set to **ramp-up in 2025**.
- **Export** volumes **slided** by **c.45% y/y** in **2024**, due to transition with phase-out/phase-in of production models; **set to recover** notably to be driven by the contribution of **K0 model** in 2025.
- Based on Stellantis production score, **Tofas paintshop** is **ranked#1 two years in a row** among all plants under Stellantis umbrella.
- The **Competition Board approval process** for the acquisition of Stellantis Otomotiv shares in local market is at **final stage**.

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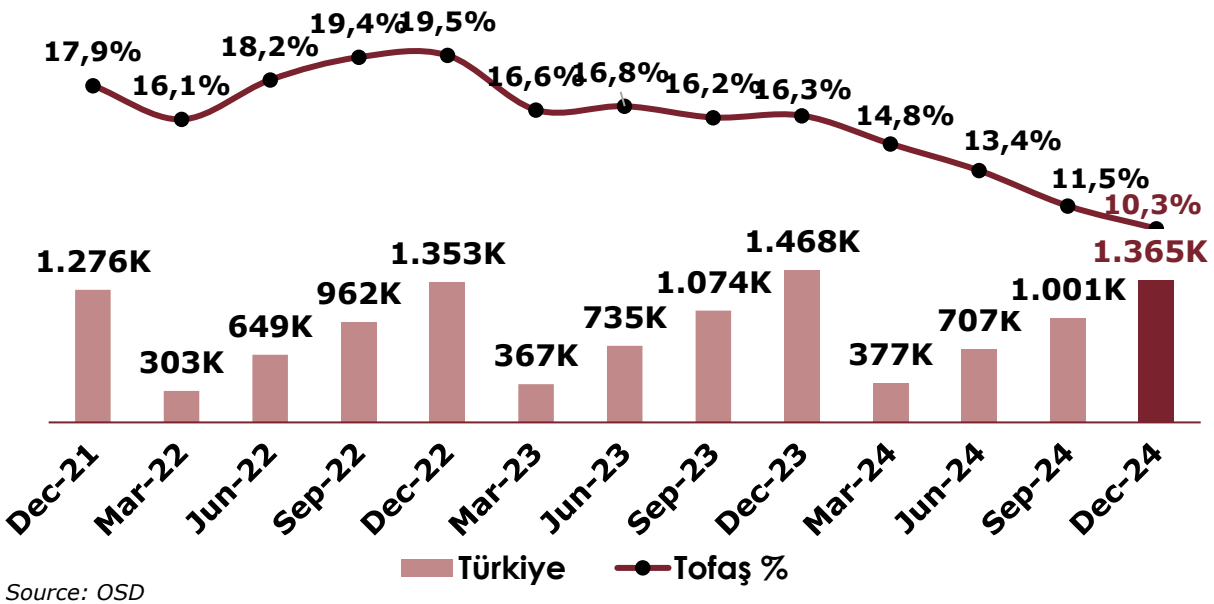
PRODUCTION

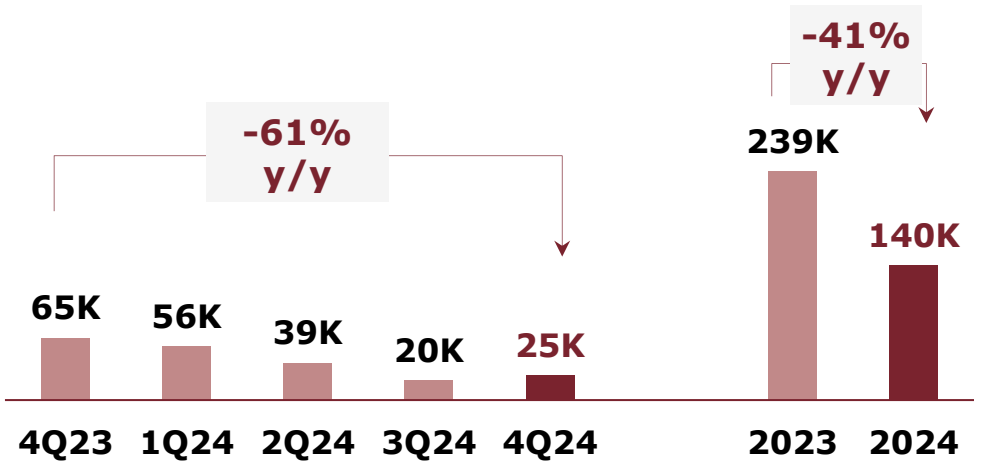
Turkish Automotive Industry & Tofaş

Turkish Automotive Production



Source: OSD

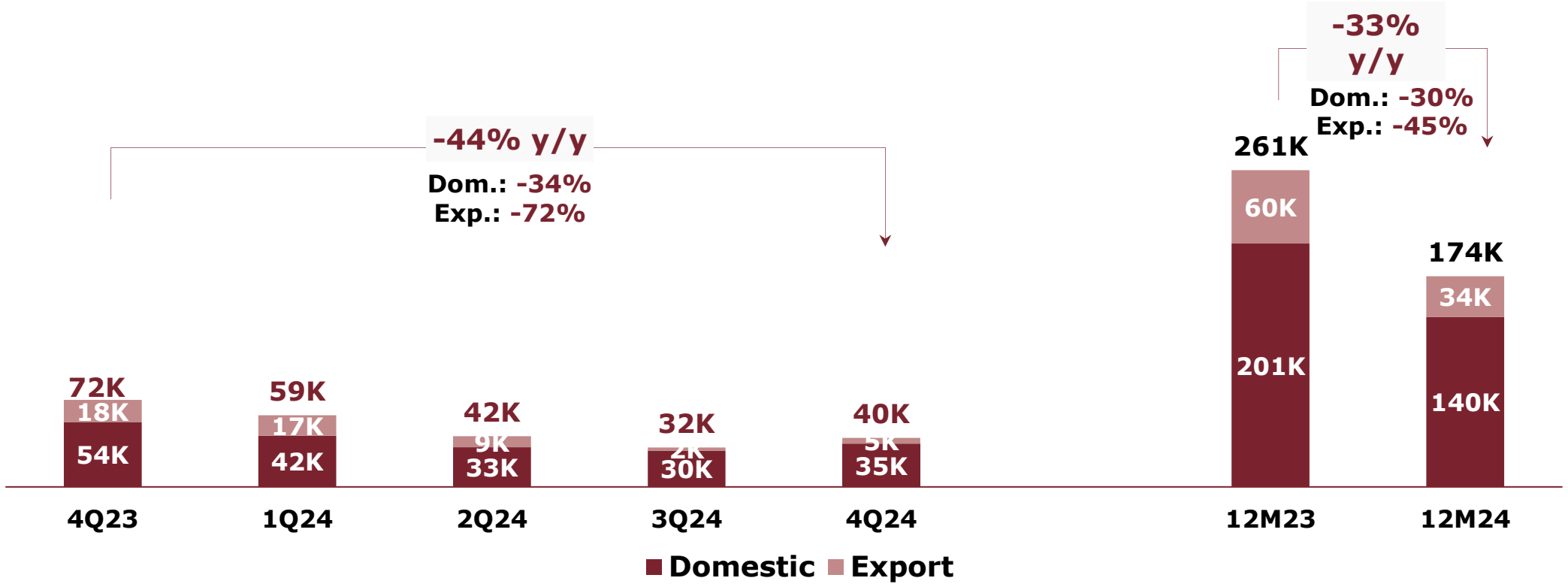
Tofaş Production



- Turkish motor vehicle **production descended** by **c.7%** to **1.37mn** units in **2024**.
- **Tofaş** constituted **10.3%** of the industry with a **production** of **140.5K** units in **2024**, down c.41% y/y.
- Tofaş 2024 production mix; PC: 75%; LCV: 25% (vs. 71% PC; 29% LCV in 2023).

SHIPMENTS

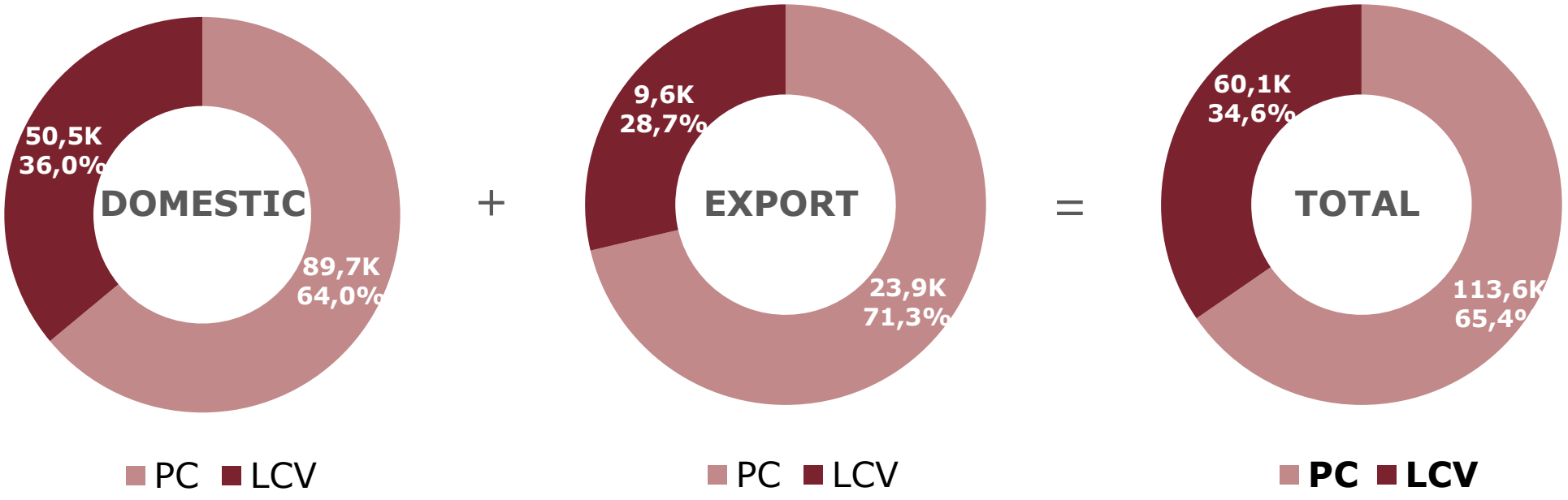
Tofaş Total Shipment Units



- Total unit shipments of Tofaş declined by c.33%, reaching to 174K units in 2024.
- 4Q24 shipments contracted by c.44% y/y mainly due to lower exports from product transition with sequential recovery in export shipments.

SHIPMENTS

Tofaş Shipment Volumes by Business



- In 2024, the share of LCV business increased by 1.6pp y/y, constituting 34.6% of total business.

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DOMESTIC LV MARKET

Segment Evolution

4Q24 Domestic LV Market

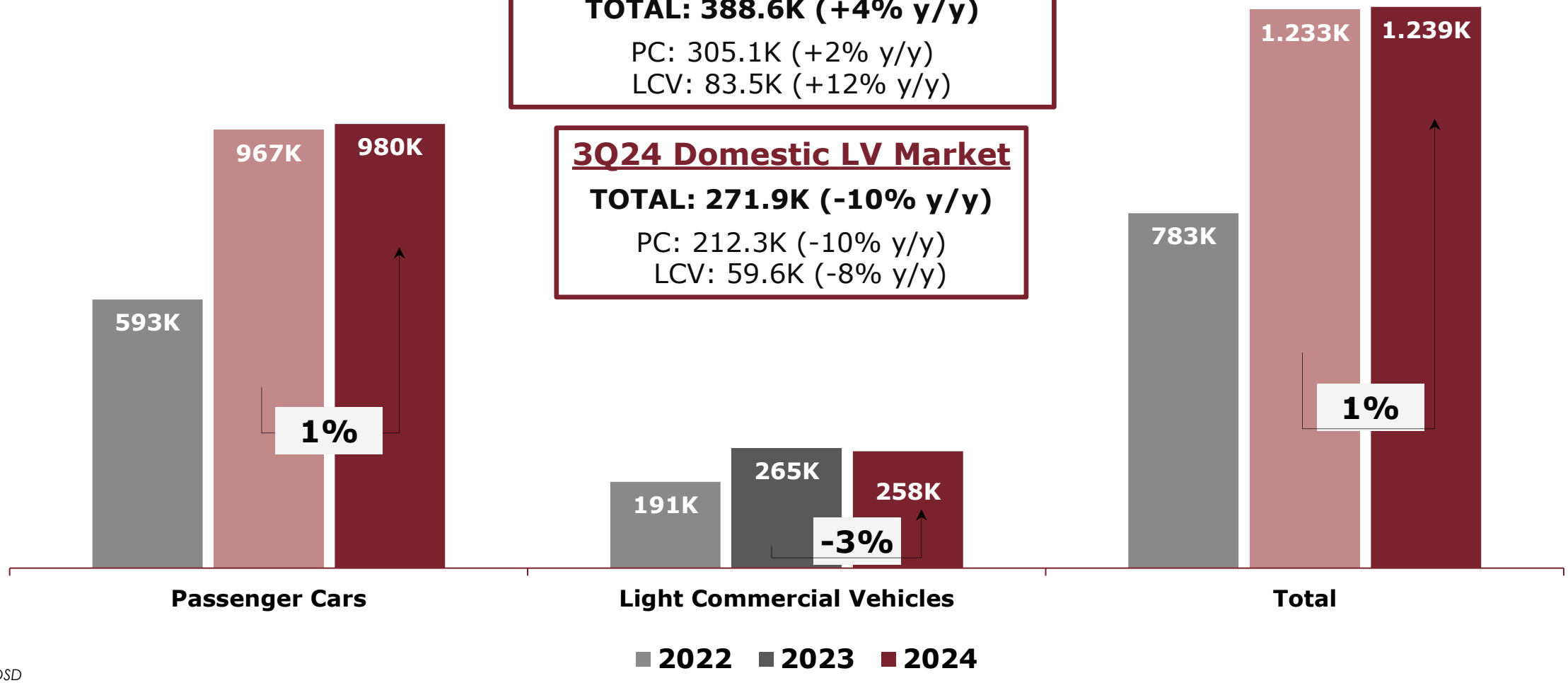
TOTAL: 388.6K (+4% y/y)

PC: 305.1K (+2% y/y)
LCV: 83.5K (+12% y/y)

3Q24 Domestic LV Market

TOTAL: 271.9K (-10% y/y)

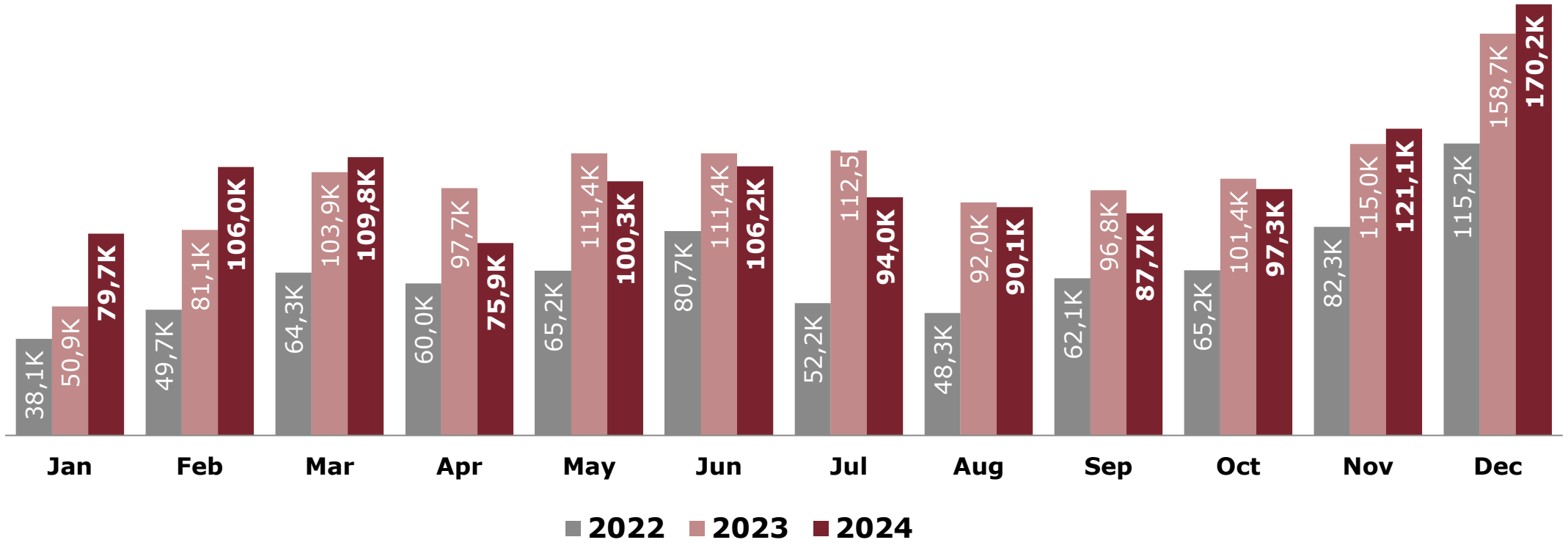
PC: 212.3K (-10% y/y)
LCV: 59.6K (-8% y/y)



Source: OSD

DOMESTIC LV MARKET

PC & LCV Retail Sales - Monthly

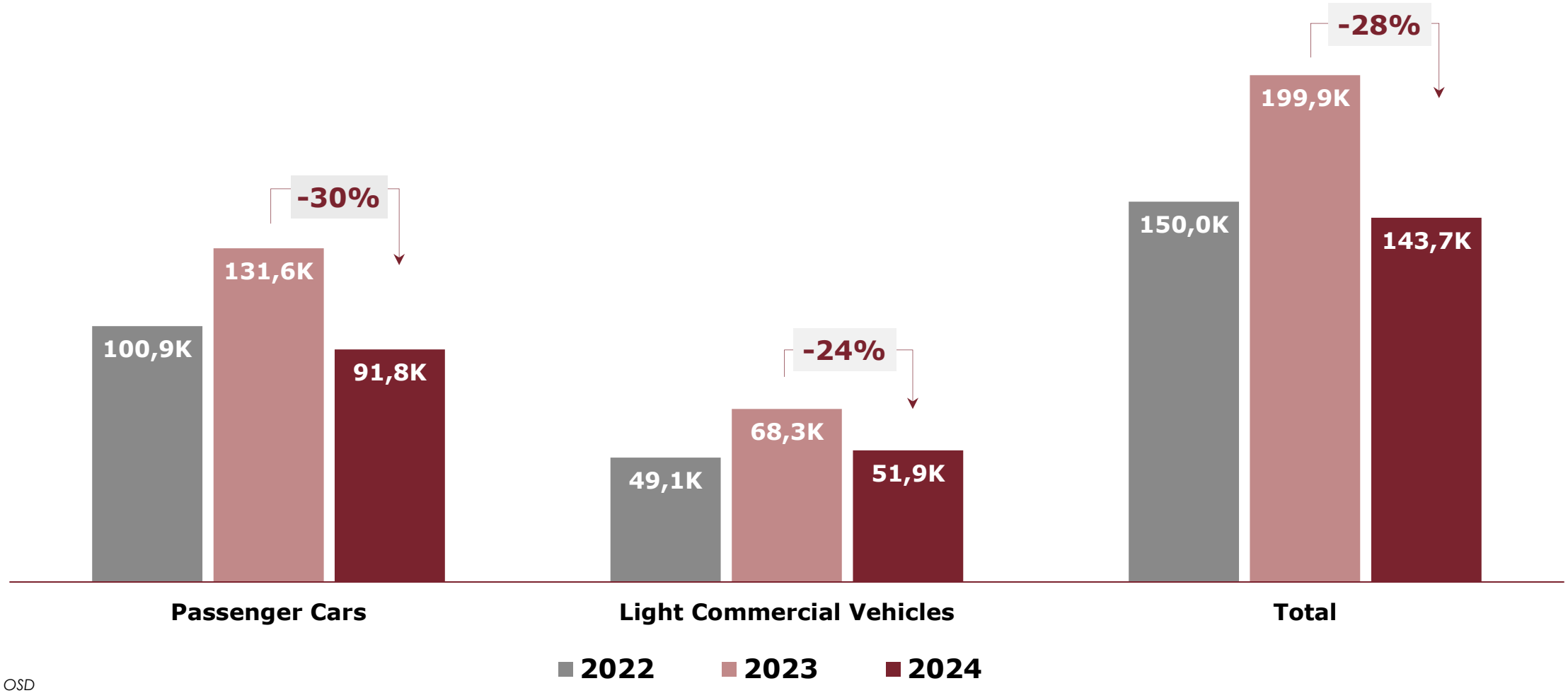


Source: ODD

- Total **domestic LV market** retail sales **inched** up **c.1% y/y**, reaching to **1.24mn** units in **2024**.
- **i.** Strong demand in 1Q driven by tax-exempt sales to disabled citizens, **ii.** pent-up demand from fleet customers and, **iii.** sales campaigns throughout the year resulted in sustained strength in demand two years in a row.

TOFAS DOMESTIC LV MARKET PERFORMANCE

Segment Evolution (Retail)

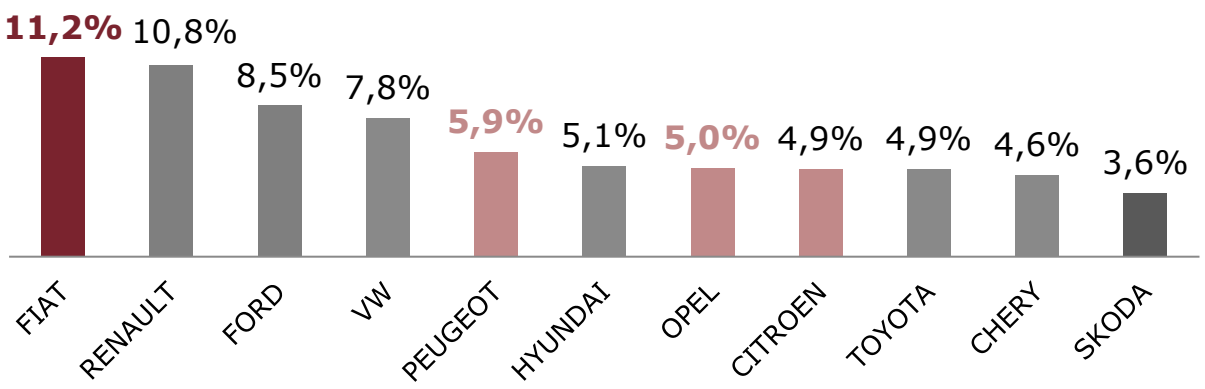


Source: OSD

FIAT BRAND DOMESTIC LV MARKET PERFORMANCE

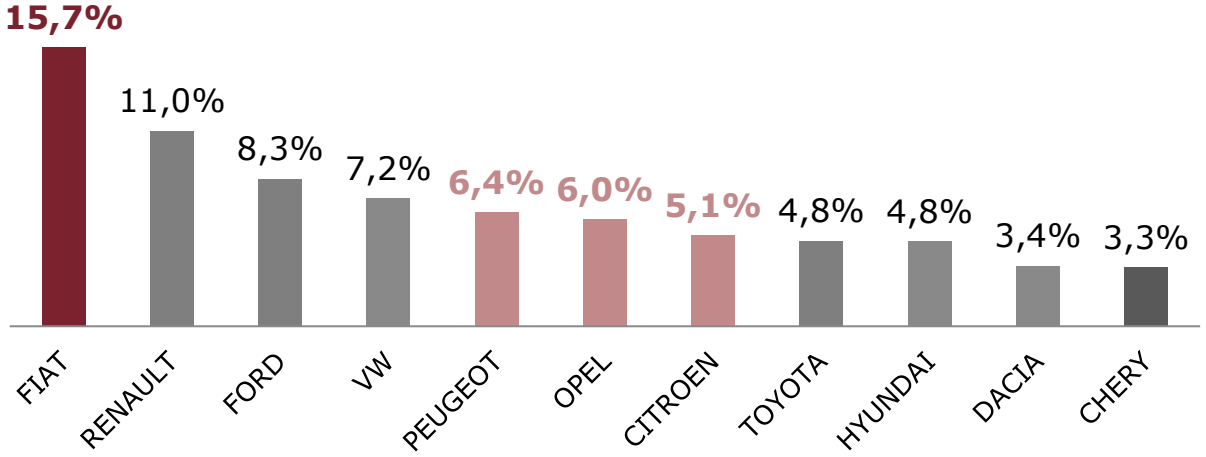
PC & LCV Combined Market Share

2024



Source: ODD

2023

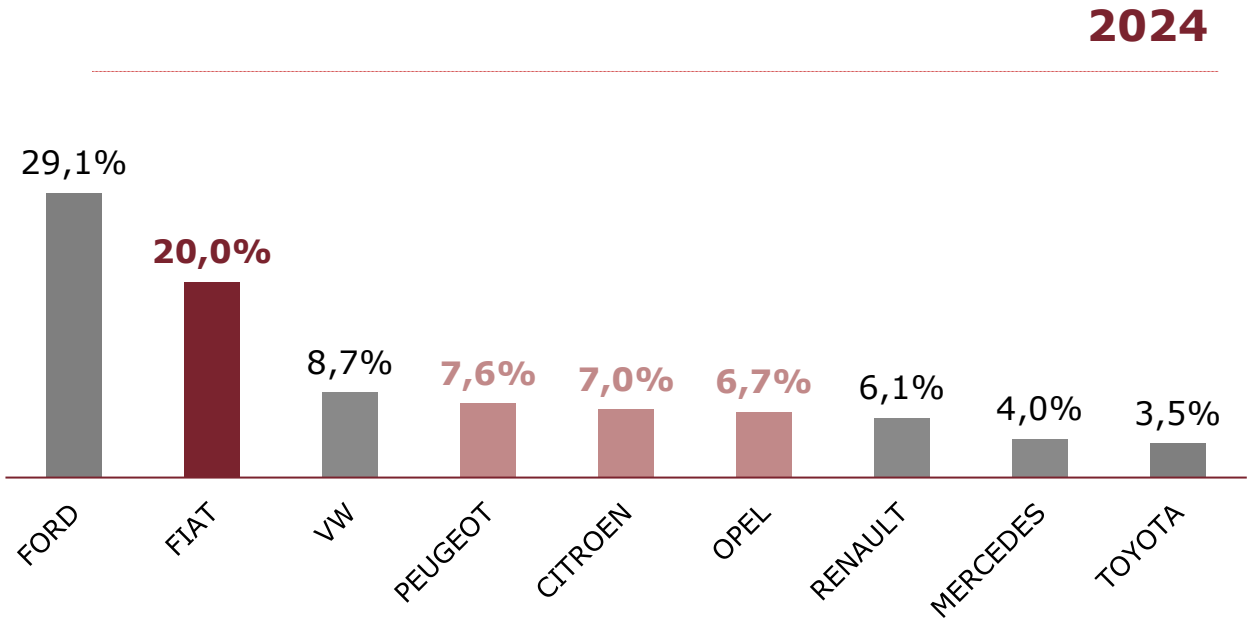


Source: ODD

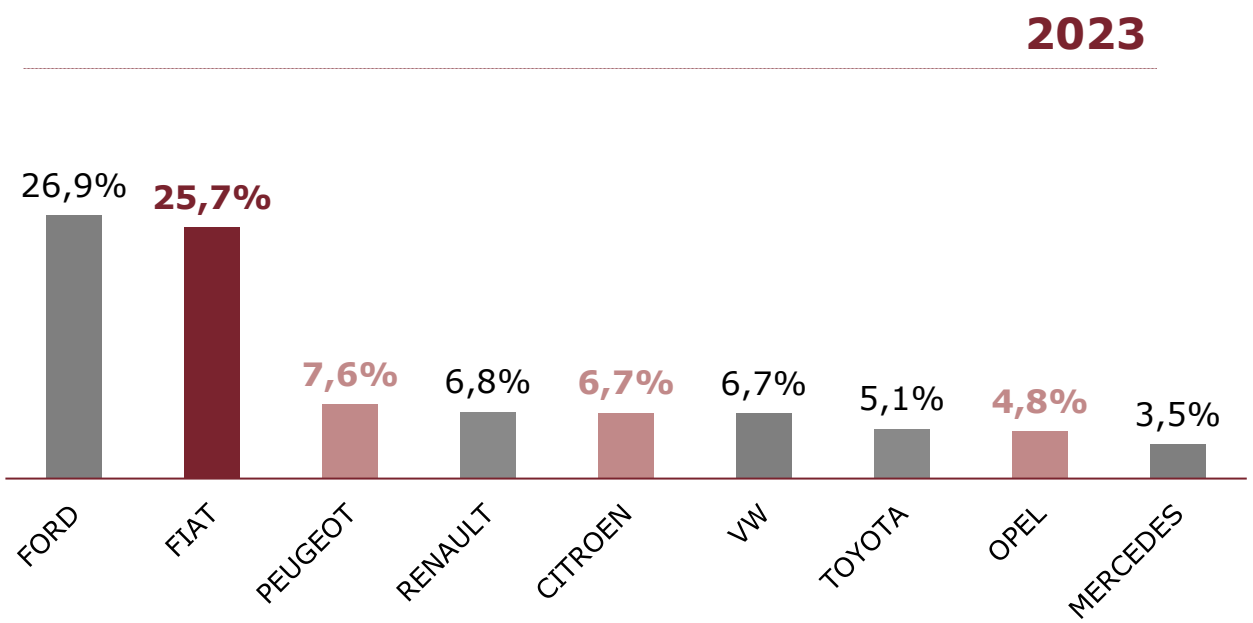
- **Fiat** brand maintained its **domestic** LV market **leadership,** despite **4.5pp y/y retreat** in market share at **11.2%** in **2024.**
- The y/y slide is due to; **i.** high competition with increasing share of imports (+6.1pp y/y) amidst strong TRY and lessened local producer advantage due to lack of any revision in SCT brackets, **ii.** phase-out/phase-in of LCV production portfolio.
- Tofaş market share including premium brands slided down by 4.6pp y/y to 11.6% in 2024.
- LV market share of Stellantis brands contracted by 6.3pp y/y to 27.4% in 2024.

FIAT BRAND DOMESTIC LV MARKET PERFORMANCE

Light Commercial Vehicle Market Share



Source: ODD

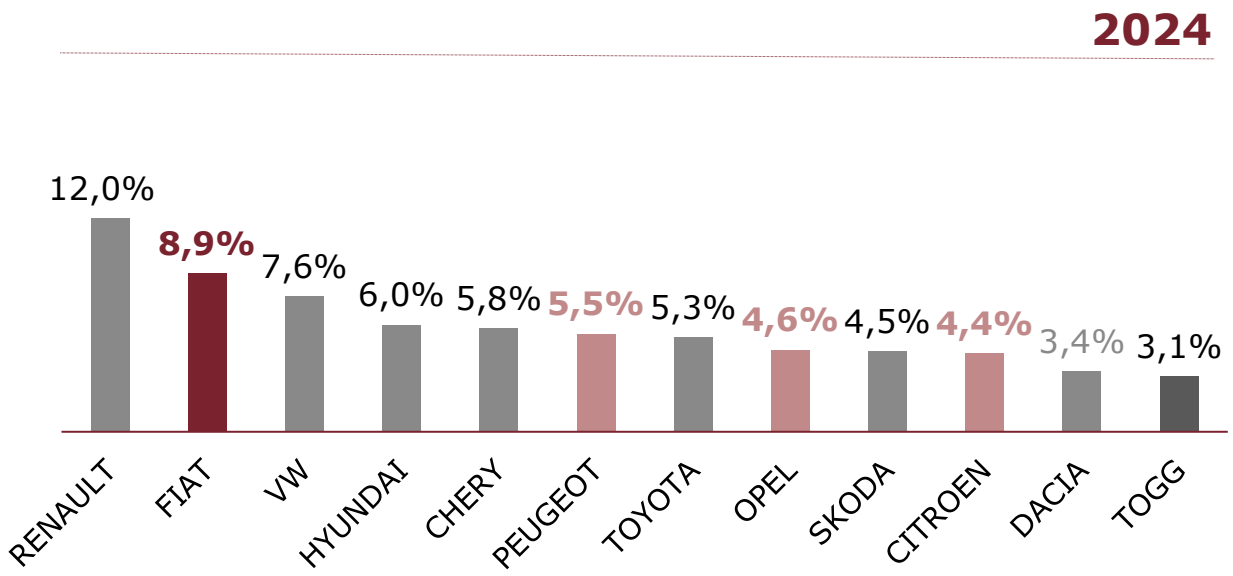


Source: ODD

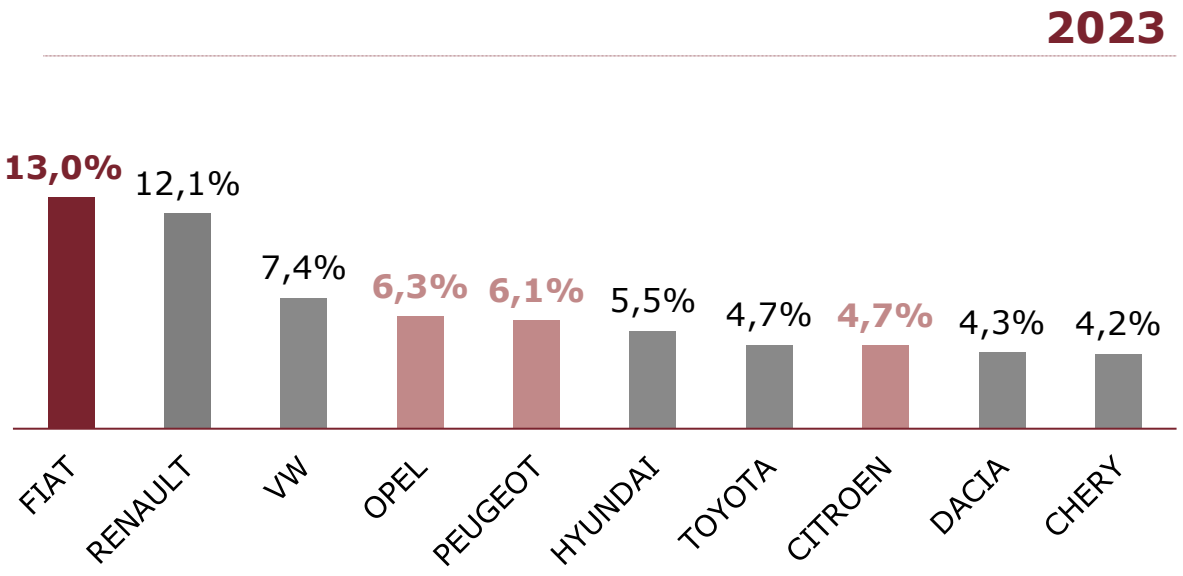
- **Fiat** brand **maintained** its **2nd position** with an **LCV market share** of **20%**, down 5.7pp y/y in 2024.
- Discontinuation of Fiorino (MCV) production at the end of 1H24 was the main driver of market share decline.
- LCV market share of Stellantis brands slided by 3.5pp y/y, reaching to 41.3% in 2024.

FIAT BRAND DOMESTIC LV MARKET PERFORMANCE

Passenger Car Market Share



Source: ODD



Source: ODD

- Fiat brand moved down to second position in local PC market with a market share of 8.9% in 2024, down 4.1pp y/y.
- Fiat Egea preserved its title as the most preferred car in Türkiye for a nine-year streak since its launch.
- PC market share of Stellantis brands retreated by 7.6pp y/y to 23.4% in 2024.

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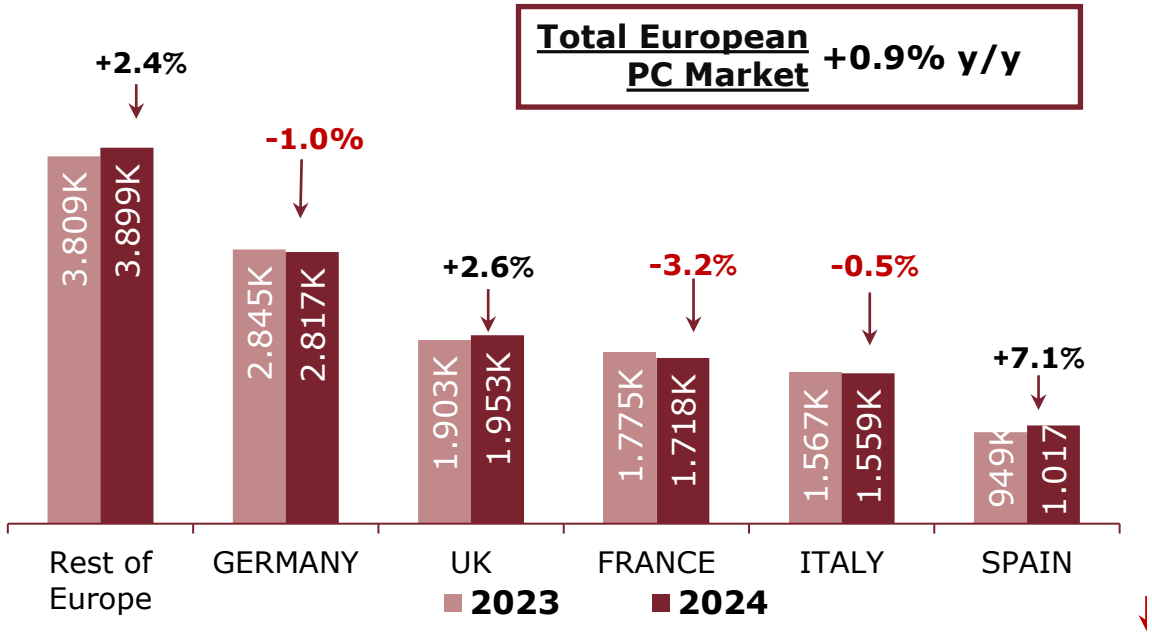
EUROPEAN MARKET

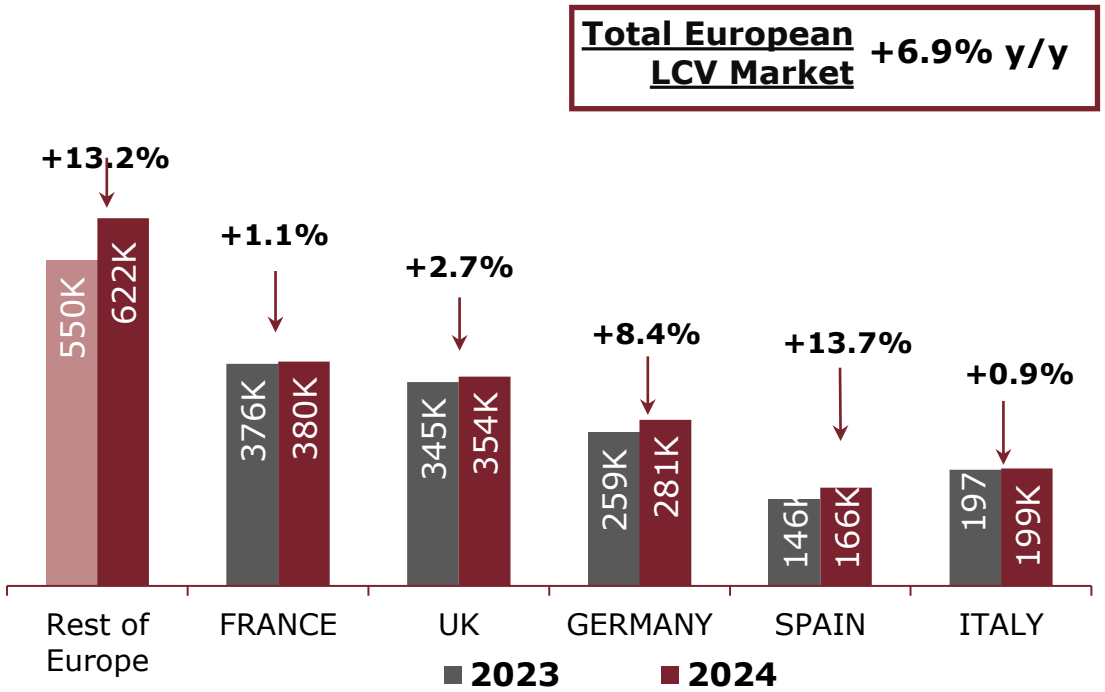
PC & LCV Registrations

PC Market (EU + EFTA + UK)



Source: ACEA

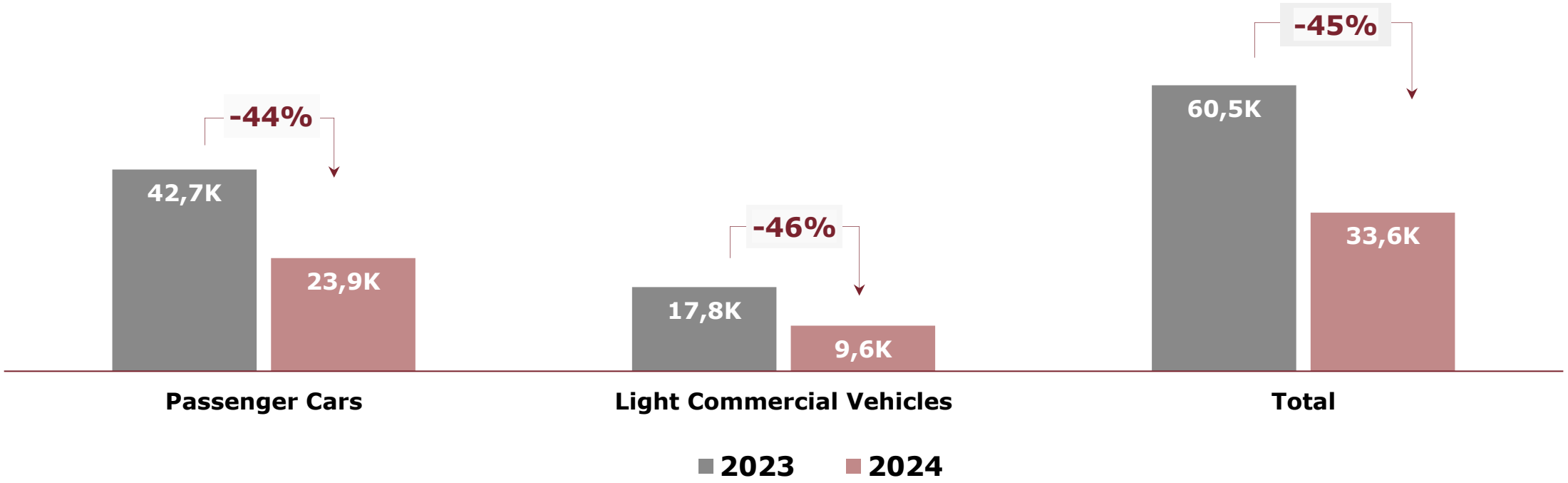
LCV Market (EU + EFTA + UK)



- **European** (EU+EFTA+UK) **PC market climbed** by **c.1% y/y** in **2024**. On the other hand, BEV (battery-electric) registrations dropped by c.6% y/y, accounting for c.14% of PC registrations.
- **LCV registrations** in European market (EU+EFTA+UK) **increased** by **c.7% y/y in** 2024, driven by positive results at all four main markets.

TOFAŞ EXPORTS

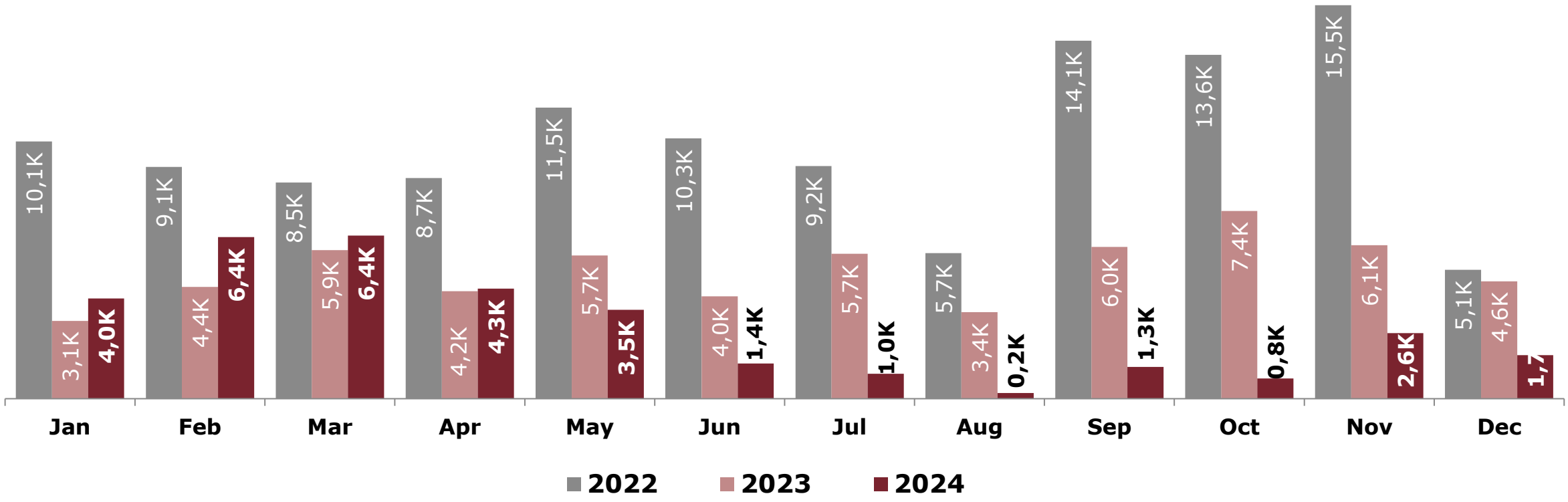
Segment Evolution



- In **2024 Tofaş export** volumes **declined** by **c.45% y/y,** reaching to **33.6K** units.
- The main drivers were phase-out of MCV production and import vehicle ban at an export market in MENA region.
- Export-oriented **K0 model production** started in 4Q24 and set to **ramp up** in **2025**.

TOFAŞ EXPORTS

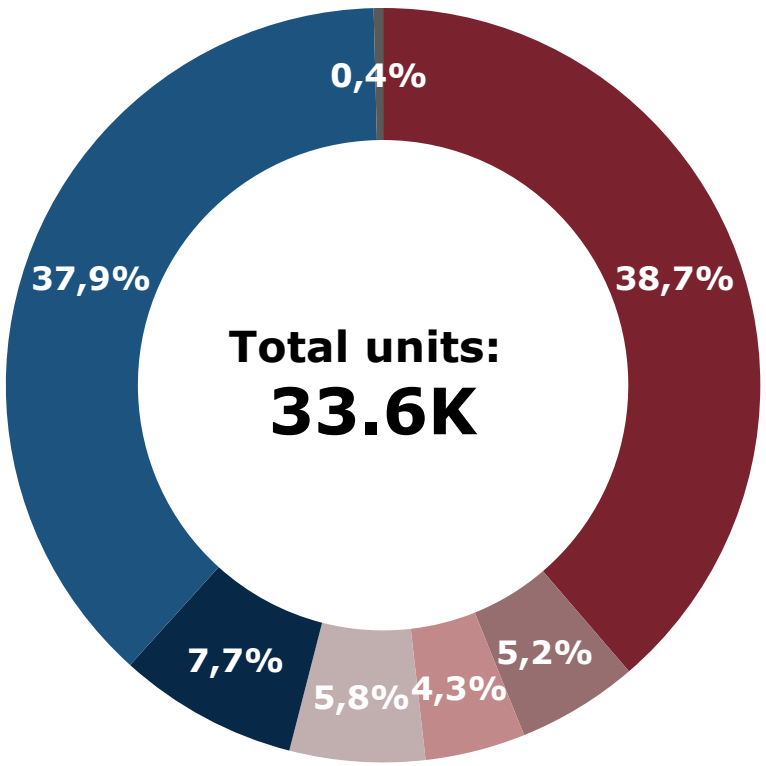
Export Volumes - Monthly



TOFAŞ EXPORTS

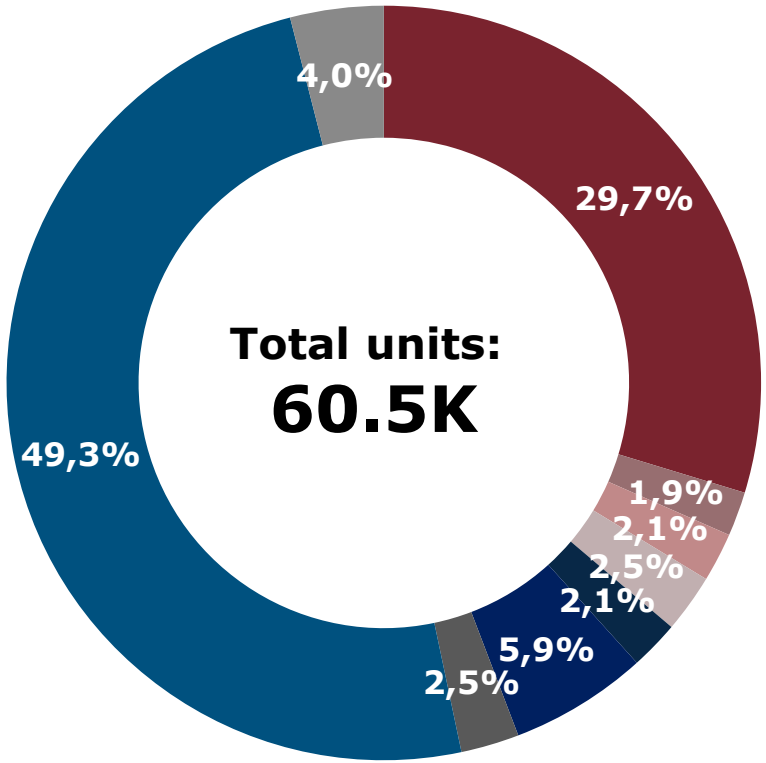
Regional Breakdown

2024



- Italy
- France
- Germany
- Spain
- Rest of Europe
- MENA
- Other

2023



- Italy
- France
- Germany
- Spain
- Portugal
- Rest of Europe
- N. America
- MENA
- Other

SHIPMENTS

Tofaş Shipment Volumes by Model

EXPORTS	2024	2023	Δ
Tipo	21.616	42.696	-21.080
Sedan	*14.478*	*25.242*	*-10.764*
H/B and S/W	*145*	*16.324*	*-16.179*
Cross	*6.993*	*1.130*	*5.863*
Scudo	2.324	-	2.324
RAM Promaster	-	1.773	-1.773
MCV	9.628	16.010	-6.382
Others	-	13	-13
TOTAL	**33.568**	**60.492**	**-26.924**

DOMESTIC	2024	2023	Δ
Egea	83.280	125.054	-41.764
Sedan	*57.610*	*80.850*	*-23.240*
H/B and S/W		*405*	
Cross		*43.798*	
Doblo	13.836	15.448	-1.612
Fiorino	25.152	42.242	-17.090
Imported Vehicles	17.958	18.019	-61
TOTAL	**140.226**	**200.763**	**-60.637**
TOTAL SHIPMENTS	***173.794***	***261.255***	***-87.461***

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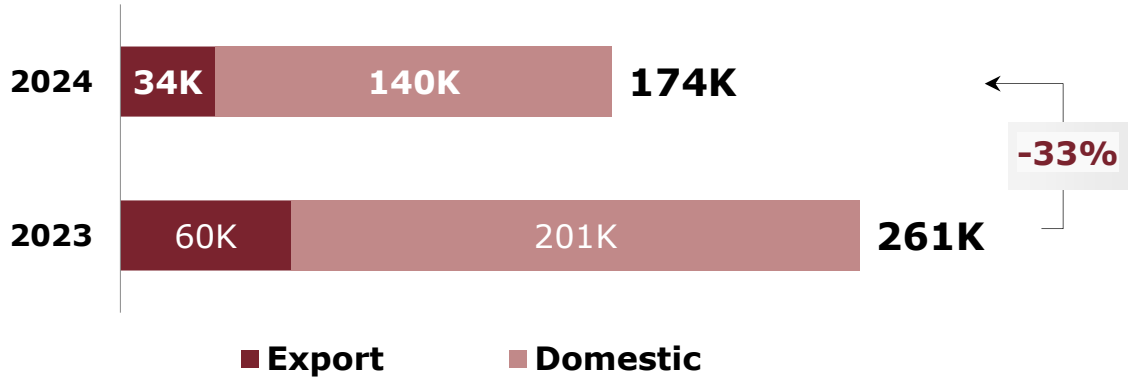
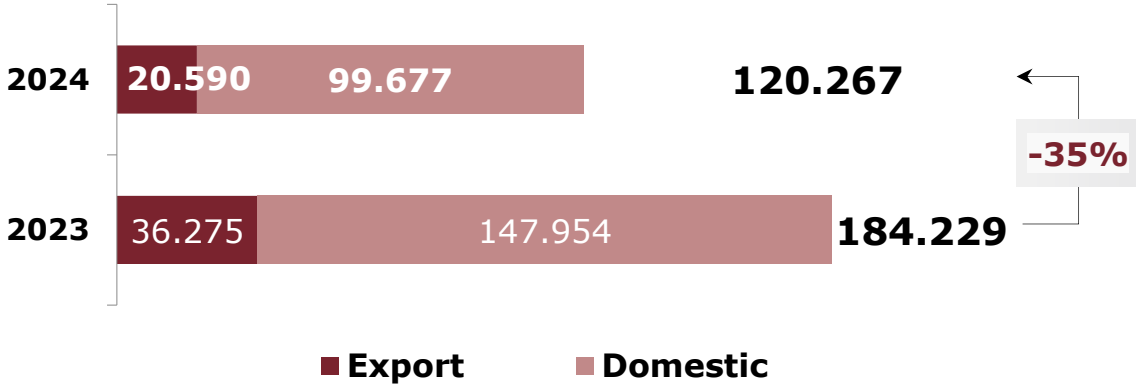
FINANCIAL PERFORMANCE

Financial Highlights

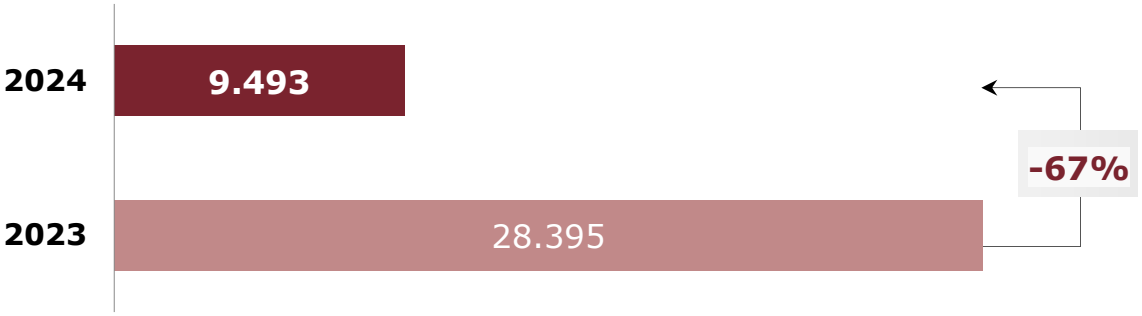
Shipments - units



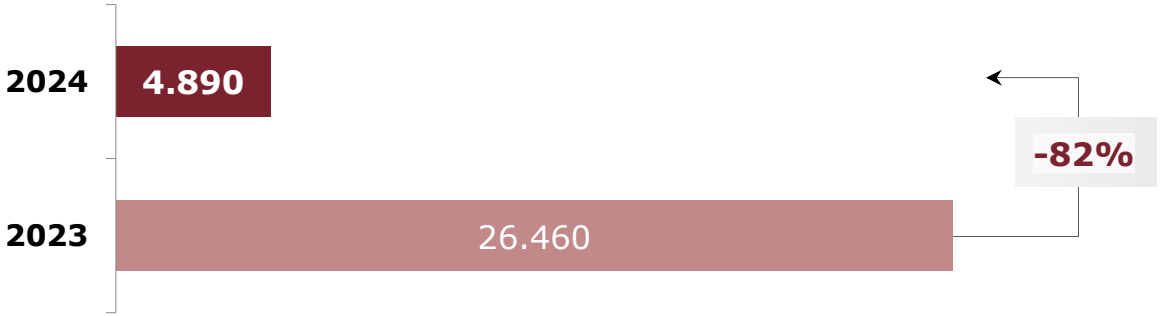
Revenue - mnTL



EBITDA - mnTL



Profit Before Tax - mnTL



FINANCIAL PERFORMANCE

Income Statement

mn TL	2024	2023	Δ
Net Sales	120,267	184,229	-34,7%
Gross Profit	13,372	33,437	-60,0%
Operating Profit	3,081	22,709	-86,4%
EBITDA	9,493	28,395	-66,6%
Profit Before Tax	4,890	26,460	-81,5%
Net Profit	5,221	21,777	-76,0%
Gross Margin %	11.1	18.1	-7,0pp
Operating Margin %	2.6	12.3	-9,8pp
EBITDA Margin %	7.9	15.4	-7,5pp
PBT Margin %	4.1	14.4	-10,3pp
Net Margin %	4.3	11.8	-7,5pp

FINANCIAL PERFORMANCE

Balance Sheet - Assets & Liabilities (mn TL)

Current Assets	31.12.24	31.12.23	Δ
Cash and Cash Equivalents	19.797	35.887	-16,090
Inventory	8.701	14.022	-5,706
Trade Receivables	20.885	26.591	-5,321
S.T. Consumer Financing Loans	12.269	10.254	2,016
Other Current Assets	1,063	600	463
Non-Current Assets	**31.12.24**	**31.12.23**	**Δ**
Fixed Assets	14.484	12.728	1.756
Intangible Assets	4.163	6.154	-1.991
L.T. Cons. Fin. Loans	4.612	3.671	941
Other Non-current Assets	5.684	3.671	2.013
Total Assets	**91.660**	**113.579**	**-21.919**

Current Liabilities	31.12.24	31.12.23	Δ
Short-term Fin. Liabilities	-	1.011	-1.011
S.T. Portion of L.T. Financial Liabilities	10.937	8.718	2.315
Trade Payables	11.342	34.017	-22.675
Other Current Liabilities	4.237	7.604	-3.367
Non-Current Liabilities	**31.12.24**	**31.12.23**	**Δ**
Long-term Financial Liabilities	16.964	7.353	9.611
Other Long-term Liabilities	1.078	1.630	-552
Shareholders' Equity	47.102	53.246	-6.145
Total Equity & Liabilities	**91.660**	**113.579**	**-21.919**

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INVESTMENTS
(mn EUR)

	2024	2023	2022	2021
Structural	16	18	12	10
Minicargo	1	2	2	11
K0	105	8	n/a	n/a
Egea/Tipo Sedan, HB & SW	17	20	29	62
TOTAL	138	49	46	100

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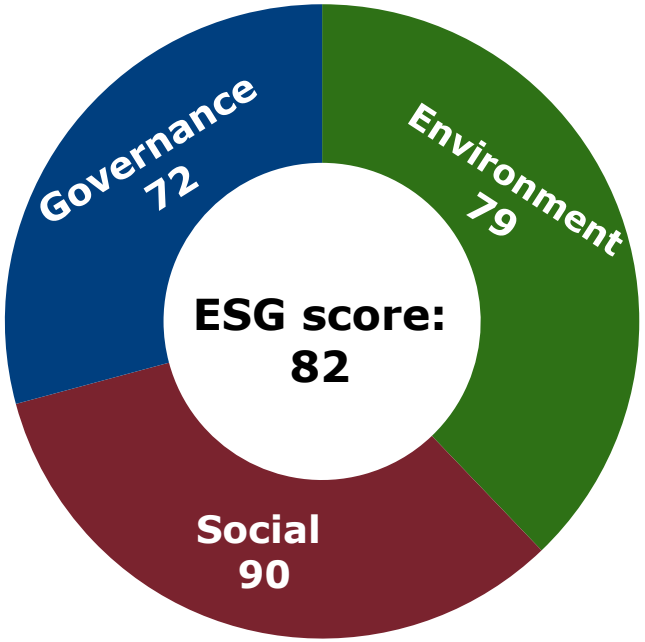
OUTLOOK
2025E

	2024A	2025E
Domestic Light Vehicle Market (PC+LCV)	1.24mn units	**0.9–1.1mn units**
Tofaş Domestic Retail Sales	143.7K units	**110K - 130K units**
Export Shipments	33.6K units	**70K - 90K units**
Production Volume	140.5K units	**150K – 170K units**
Investments	€138M	**€150M**
PBT Margin	4.1%	**>5%**

SUSTAINABILITY

- In November 2023, we published our 2022 Sustainability report, which provides insights about performance, strategy and progress in environmental, social and governance areas of Tofas. https://www.tofas.com.tr/Documents/2022-%C4%B1ntegrated-report-en.pdf

- **ESG score** of Tofas stands at **82**, with a ranking position of **13th** out of **290 auto/auto parts companies globally**.



Source: Refinitiv

Environment	**79**
Emissions	87
Resource use	93
Innovation	68
Social	**90**
Human rights	90
Product responsibility	83
Workforce	92
Community	93
Governance	**72**
Management	78
Shareholders	68
CSR Strategy	45

Source: Refinitiv

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SIGNING OF NEW MANUFACTURING CONTRACT

- Within the scope of Heads of Agreement on March 1st, 2023; Tofaş has signed a manufacturing agreement with Stellantis Europe granting us the right to produce in Turkey the new vehicle model "K0"'s light commercial vehicle and "combi" versions in multi-energy platforms for Stellantis brands (FIAT, Opel, Citroën, Peugeot).

- An investment of 232 million Euro (c.250 million USD) is estimated for the project with the major portion of Capex to be realized in 2024. The production will be between 2024-2032.

- The distribution right of these vehicles produced for FIAT brand in Turkey is granted to Tofas. The distribution right of other Stellantis brands (Opel, Citroen, Peugeot) in Turkey will be transferred to Tofaş if the acquisition of Stellantis Otomotiv is executed.

HEADS of AGREEMENT with STELLANTIS

- According to Heads of Agreement, Tofas will purchase **100% of Stellantis Turkiye Otomotiv shares from Stellantis for EUR400mn in cash**; subject to cash/working capital closing adjustment and regulatory approval.
- Commercial activities for all Stellantis brands in Türkiye will be consolidated under Tofaş.

- Stellantis will allocate a **production of the "K0" model to Tofaş**.
- The model is a mid-sized LCV, planned for multiple brands, with target commercial launch of 2025.

- Fiat Egea/Tipo contract will be extended until the end of 2025.
- Production of Fiorino model will end on 31 December 2024.
- The collaboration is expected to yield notable synergies in terms of new business opportunities as well as costs.

STELLANTIS

EV Strategy of Stellantis

4 full BEV Platforms
Up to 2 million Vehicles / Platform / Year

STLA SMALL	STLA MEDIUM	STLA LARGE	STLA FRAME
EFFICIENT CITY MOBILITY	PREMIUM VEHICLES	AWD PERFORMANCE & AMERICAN MUSCLE	CAPABILITY & PRACTICALITY

EV RANGE WILL FIT CUSTOMERS

- 80% of customers in the small cars segment
- 90% of customers in the compact and mid size cars segment

STELLANTIS LEV MIX* EXPECTED TO GROW FAST

14%	2021	4%
100%	2030	50%

NAMEPLATES with LEV OFFERING

98%	2025	96%

EUR30bn+ within 2021-2025- Planned total investment in electrification and software

80% of EV value under control (more than ICE) - Coverage of critical supply items by JVs

* Forecasted LEV mix on total Stellantis passenger car and light-duty truck sales

CONTACT

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