

# ANADOLU ISUZU

(BIST: ASUZU)

## 2019 Earnings Release, February 28, 2020

(000 TL)	4Q2018	4Q2019	%	2018 FY	2019 FY	%
Net Sales	320,001	604,834	89.0%	1,187,863	1,422,988	19.8%
Gross Profit	31,122	102,992	230.9%	184,221	258,868	40.5%
EBITDA	62,667	66,263	5.7%	72,864	148,748	104.1%
Net Income (Loss)	9,734	39,779	308.6%	(80,509)	21,788	127.1%
Free Cash Flow	(27,199)	107,963	496.9%	(90,802)	230,556	353.9%
Gross Profit Margin	9.7%	17.0%		15.5%	18.2%	
EBITDA Margin	19.6%	11.0%		6.1%	10.5%	
Net Profit/Loss Margin	3.0%	6.6%		-6.8%	1.5%	

### 2019 FINANCIAL PERFORMANCE:

#### A - NET SALES

In 2019, Net Sales increased by 20% to TL 1.4 billion, compared to 2018.

In 2019, domestic automotive market sales volume was 23% lower than last year, with 492 thousand units. In this period, light commercial vehicle segment contracted by 32% compared to last year. In the heavy commercial vehicle market; truck, midibus and bus segments contracted by 35%, 48% and 49%, respectively. In this context, Anadolu Isuzu's 2019 domestic sales volume decreased by 37%.

On the other hand, Anadolu Isuzu's export volume continued to increase. In 2019, export sales volume increased by 65% compared to 2018. Anadolu Isuzu exports commercial vehicles and spare parts to 30 countries, especially in the European region. In 2019, major export markets were France, Georgia, Italy and Azerbaijan.

#### B - EBITDA

In 2019, EBITDA increased by TL 76 million compared to last year. This improvement was achieved through increase in gross profit margin and TL 40 million decrease in net foreign currency loss related to Trade Receivables and Trade Payables.

## C - FREE CASH FLOW

In 2019, TL 230.6 million of positive Free Cash Flow was generated. In 2018, Free Cash Flow was negative TL 90.8 million.

The significant improvement was achieved through TL 312 million more cash inflow compared to last year, as a result of effective working capital management.

## D - NET WORKING CAPITAL

2018 year end Net Working Capital was TL 479 million; this figure decreased to TL 252 million as of 2019 year end. In the same period, Net Working Capital/Net Sales ratio improved significantly from 40.3% to 17.7%.

## E - FINANCIAL DEBT

Financial debt burden of the Company decreased by 22% from TL 643 million as of 2018 year end to TL 500 million as of 2019 year end. During the same period, Net Financial Debt level also improved by 34% from TL 546 million to TL 359 million. In this context, with the increase in EBITDA and improvement in Net Financial Debt; Net Financial Debt / EBITDA ratio decreased from 7,5 as of 2018 year end to 2,4 as of 2019 year end.

## RISKS

**Exchange Rate Risk:** As of 31.12.2019, the Company is exposed to foreign currency exchange risk due to its net position of foreign currency assets and liabilities. Changes in the exchange rate may follow a downward/upward trend according to the geopolitical risks and the macroeconomic indicators in Turkey. The Company manages the foreign currency risk arising from the net position in the balance sheet, in accordance with its risk management policy.

**Financial Risks:** Although interest rates, which were at 30% level in the beginning of 2019, decreased to 12% level in recent months, interest rates may change considering the macroeconomic and geopolitical developments in Turkey. Increase in interest rates may lead to contraction in demand in the automotive sector. However, in the last quarter of 2019, there was an increase in demand through relatively low-interest financial campaigns targeted at consumers with the support of public banks.

## INVESTOR RELATIONS CONTACT INFORMATION

You may visit our website at [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr) to reach the financial statements of the Company. You can contact us using any of the contact details below.

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