



TURKCELL GROUP

Q4 & FY 2020 | February 22, 2021

Murat Erkan **Turkcell CEO**

BUSINESS OVERVIEW





2020: Outstanding Performance

Through a Diversified Business Model

Revenue Growth

15.8%

EBITDA Margin

42.2%

FCF

3.4Bn TL

Mobile (excl. M2M)
ARPU Growth

15.0%

Residential Fiber
ARPU Growth

9.2%

Total Subscriber
Net Add

1.1Mn

Digital Services
Stand-Alone

26%

Digital Business
Services

30%

Paycell
Non-Group

62%



*Revenue
Growth*

Q4 2020

Strong Execution Leading to a Remarkable Quarter



17.8% YoY

Robust Revenue Growth



41.2%

Strong EBITDA Margin

1.3Bn TL

Solid Net Income

0.8Bn TL

Strong FCF Generation

464K

Postpaid Net Add

66%

Postpaid share up 4pp YoY

65K

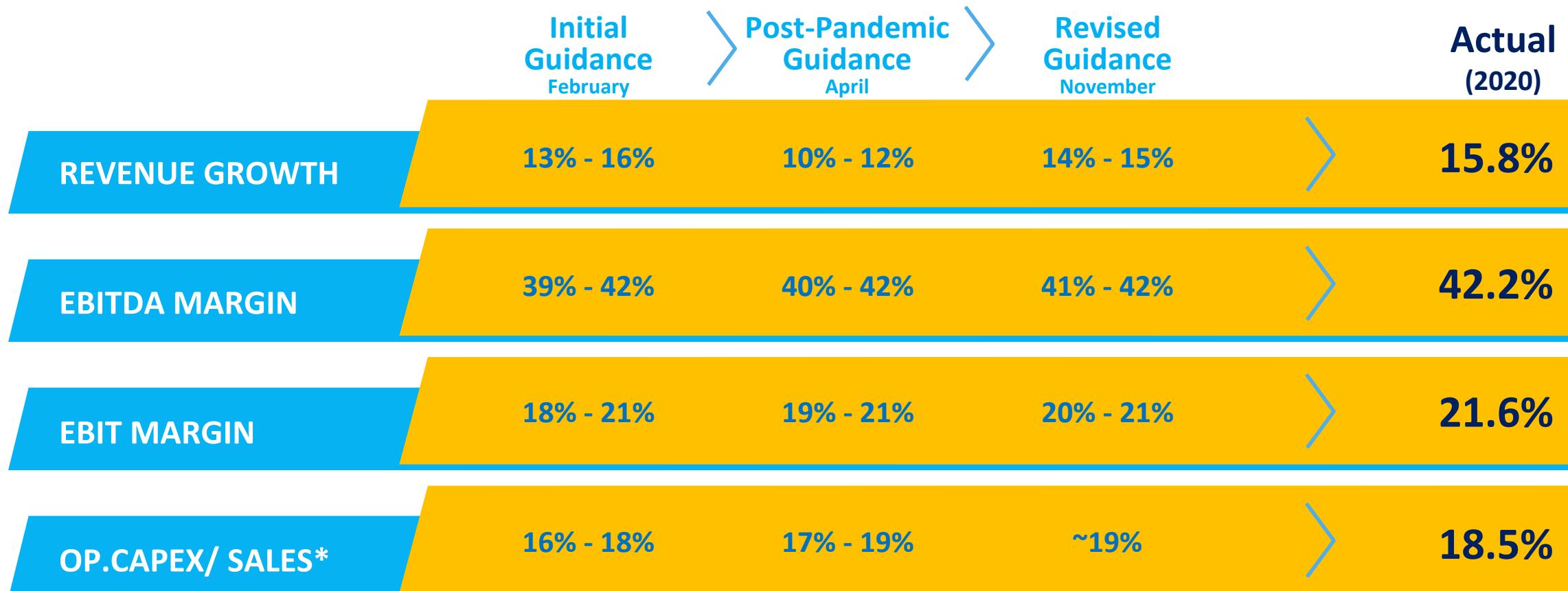
Fiber Net Add

14.3%

Digital Channels Revenue Share

2020

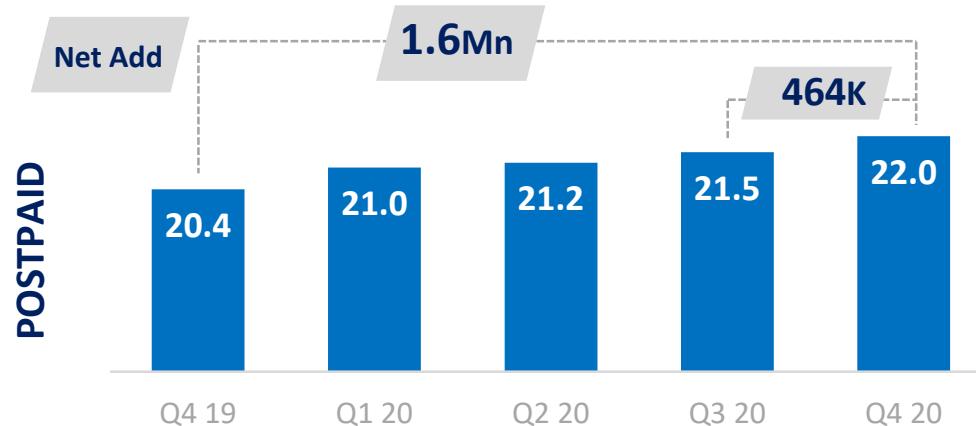
Pre-Pandemic Guidance Levels Delivered





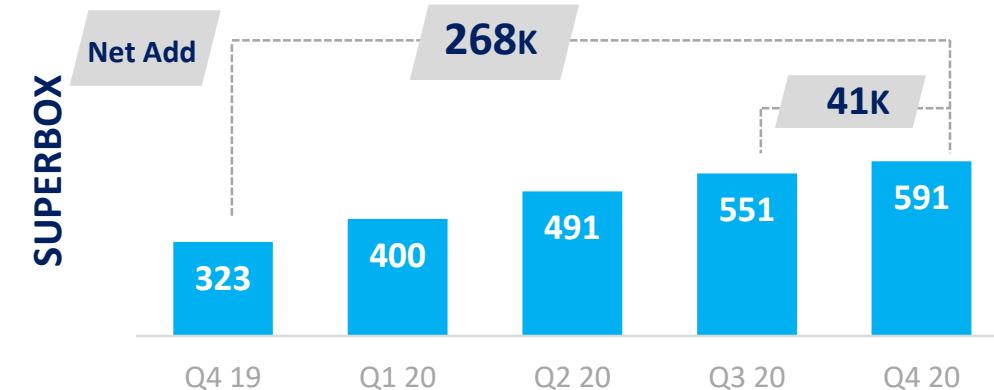
SUBSCRIBER TREND

MILLION

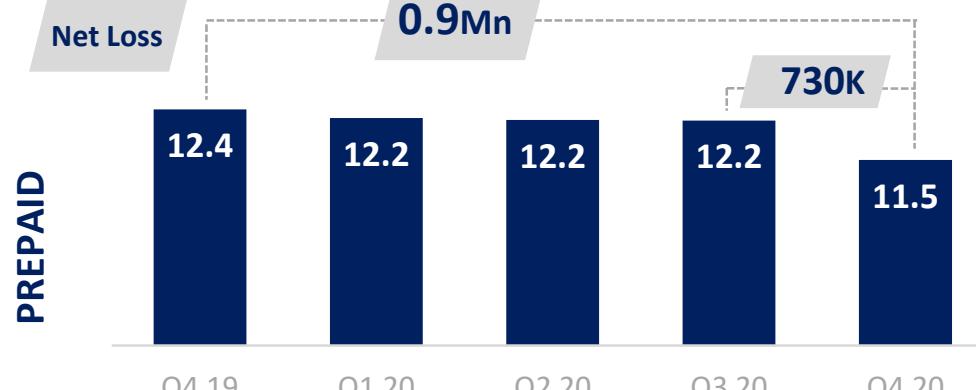


POSTPAID

THOUSAND



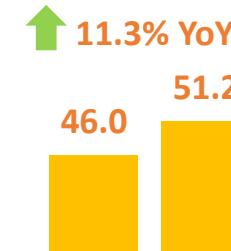
SUPERBOX



PREPAID

MOBILE ARPU

BLENDED*, TL



Q4 19 Q4 20

*Mobile ARPU excludes M2M. **There were 194K disconnections in Q4 2020 to reflect the regulatory change concerning the deactivation of deceased customers

MOBILE CHURN

MONTHLY AVG.



excluding the impact of regulatory change**

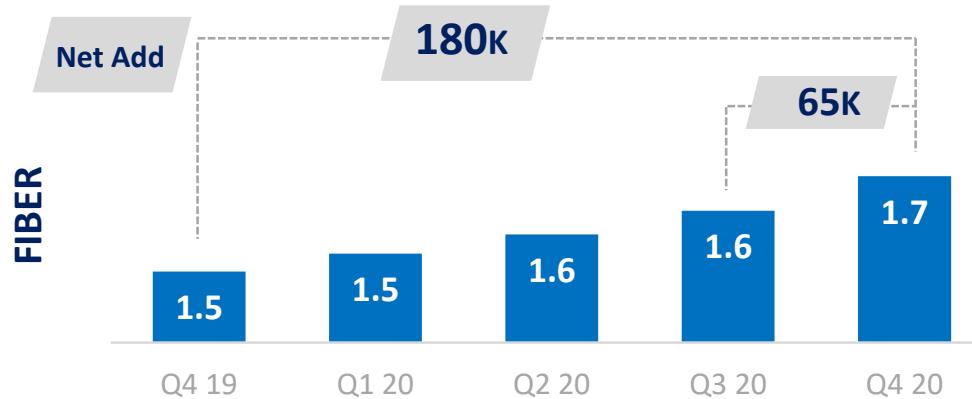
Turkcell Group

Operational Highlights - Fixed Broadband



SUBSCRIBER TREND

MILLION



THOUSAND

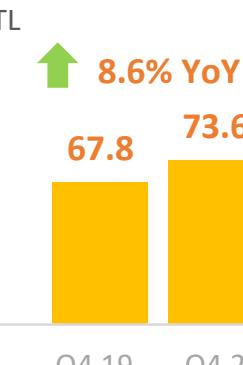


THOUSAND



FIBER RES. ARPU

TL



FIXED BROADBAND CHURN

MONTHLY AVG.



Note: Cable subscribers reached 67.7K as at the end of Q4 2020 which is included in 775K.

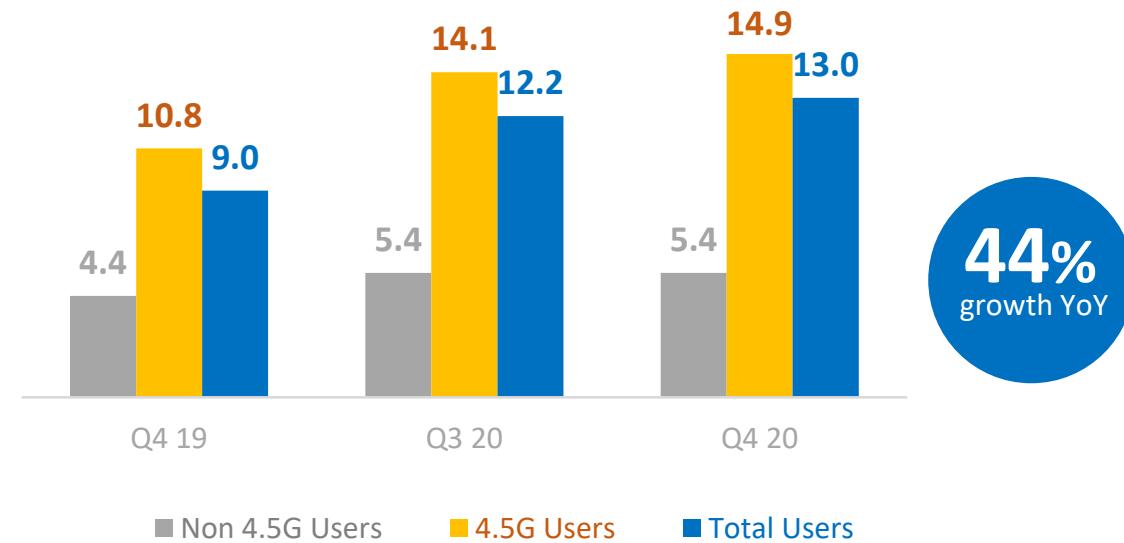
Growth Engine

Mobile Data



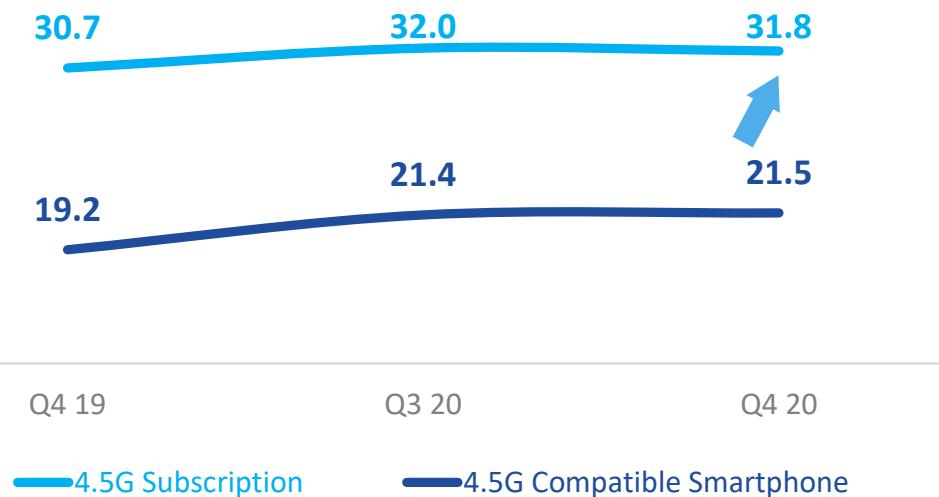
MOBILE DATA USAGE

AV. GB/USER



4.5G SUBSCRIPTION

MILLION



81% smartphone penetration



91% are 4.5G compatible SPs

95% are 4.5G subscribers



21.5 million with 4.5G compatible SPs

Leadership in Experience

"We Are Here For Our Customers"



Customer centric strategy



Innovative & rich value propositions



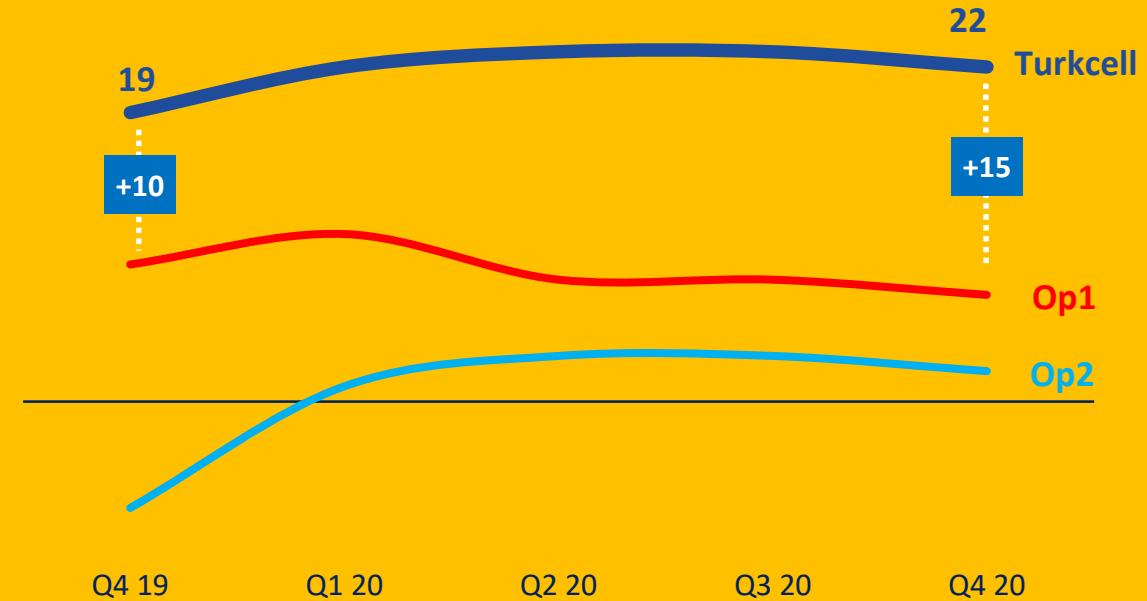
Wide sales channel, boosted by digital



Smart, fast and well-invested network

CUSTOMER EXPERIENCE

CONSUMER NET PROMOTER SCORE (POINTS)

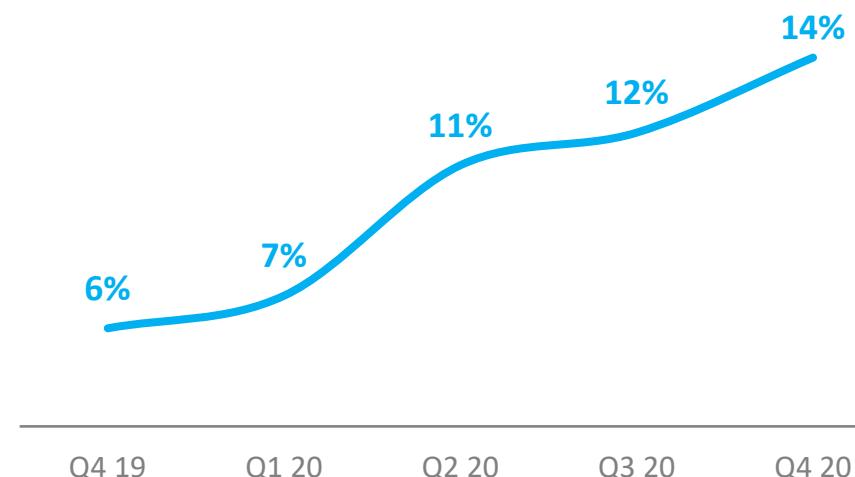


Digital Channel: Robust Growth

Next: Tech & Electronics Marketplace



DIGITAL CHANNELS REVENUE SHARE*



Tech & electronics marketplace



Trusted suppliers



Focus on customer experience



2x

Conversion Rate (YoY)



**23Mn
30Mn**

DO App Active User (3-month)
Website Visits (Monthly Avg.)



3x

Online Top-Up Volume (YoY)

* Share of all sales from digital channels including voice, data, services & smart devices in Turkcell Turkey consumer sales (excluding fixed business). KPI figures are for FY20.

Strategic Focus Area

Digital Services



Stand-Alone Revenue
Growth in 2020 (YoY)

26%

Stand-Alone Paid Users*

3Mn
25%↑ (YoY)

Share in Consolidated
Revenue

4%



BiP: Gaining Traction

- 74Mn+ cumulative downloads
- 27Mn+ new users in Jan-Feb'21
- Secure messaging
- Data in certified DCs in Turkey
- New: BiP Meet Video Conference



TV+: Targeting Big Screen

- Demand accelerated in OTT
- Competent in content
- New: TV+ Ready
- Partnerships with TV producers



Milestone: New Structure

- Individual companies
- Flexibility in management
- Easier for strategic options

Strategic Focus Area

Digital Business Services



Revenue Growth
in 2020 (YoY)

30%

Share in Consolidated
Revenue

6%



Project Management

- ~2.3K new projects in 2020
 - 1Bn TL+ total contract value in 2020
 - 420 SI projects in 2020
 - 967 Mn TL backlog* from SI projects

Products & Solutions

- Strategic partner of enterprises in their digital transformation journey
- Enhanced product portfolio; «Government Cloud» launch in 2020
- Strategic partnerships with 21 global vendors

Healthcare

- Market leader (8K+ bed capacity)
- 4 new hospitals in 2020; 9 in total
- End-to-end management of entire technology infrastructure

*Backlog refers to the value of contracted revenue from system integration projects that is yet to be recognized until the end of the contract term.

Strategic Focus Area

Techfin Services



Paycell Non-Group* Revenue
Growth in 2020 (YoY)

62%

Total Techfin Business Share**
in Consolidated Revenue

3%

Customers

Merchants

Paycell's Dual Growth Strategy

- Mobile payment: Paying via your Turkcell bill
- Ready-to-use limit
- 24/7 money transfer to phone number & IBAN
- Travel card and meal card integration
- Synergy with Turkcell: Tariff advantages

- Paycell POS: smart operating system
 - Tailored value added services
- QR payment
- 12K member merchants



* Excluding revenues from Turkcell & Turkcell Consumer Finance. Calculated on Management Reporting figures. ** Includes Paycell and Turkcell Consumer Finance revenues

Turkcell International

Strong Performance



FINANCIAL HIGHLIGHTS¹

MILLION TL

	<i>Q4 2020</i>	<i>YoY Growth</i>	<i>2020</i>	<i>YoY Growth</i>
Revenue	747	33.2%	2,542	26.9%
EBITDA	350	43.8%	1,169	29.4%
EBITDA Margin	46.9%	3.4pp	46.0%	0.9pp

¹ Figures are based on IFRS

SUBSIDIARIES AT A GLANCE

Q4 2020 Revenue Share



Lifecell Ukraine

- 22.8% YoY revenue growth in local currency in Q4
- 4G user data usage: 13GB/month, ↑32% yoy
- Full year operational net income



Life :) Belarus

- 11.5% YoY revenue growth in local currency in Q4
- 4G user data usage: 14GB/month, ↑43% yoy
- First and only to offer digital remote subscription in Belarus



KKTCell TRNC

- 2.2% YoY revenue decline in Q4 with a hit on roaming revenues
- 2.8% YoY EBITDA growth in the same period

Note: Remaining 5% comprises other international operations and intra-company eliminations. Ukraine, Belarus and TRNC local currency growth figures are based on stand-alone financials.

Sustainability Focus

Initiatives in 2020



Upcoming:
Turkcell 2020 Integrated
Annual Report



Focusing More on E-Mobility

On the Verge of Becoming Our Next Strategic Focus Area



E-Mobility Ecosystem

- Artificial Intelligence
- Connectivity
- Integrated Digital Services & Payment
- Charging Stations & Infrastructure
- IoT (V2V/V2G)
- Smart Cities & traffic flow



Turkcell & TOGG Synergy



Use-Case Mobility™

- Smart living solutions in smart cities
- New mobility services
- Smart Charging
- Data-based business models
- Suppliers & partners with novel competencies



Value accretion potential



Potential revenue streams



Complementary to our sustainability focus

Strategic Priorities

Into 2021 With High Momentum



Grow in Telecom Services

- Grow postpaid share
- 500K new fiber homepass
- More through digital & with AI

Monetize Digital Services

- Grow paid-user base
- Leverage the potential in B2B
- New areas: Gaming & TV Big Screen
- BiP global growth

Leverage Digital Business Services

- Leverage digital transformation
- ICT solution provider leader
- «Trusted Advisor» of enterprises

Lead Techfin Services

- Grow Paycell user base and volume via new products & marketplace
- Grow in SME through Paycell POS
- Diversification in Financell & Insurtech

2021 Targets

+1Mn Subscribers

25% Stand-alone revenue growth

#1 Solution provider
IT services market leader

6Mn Paycell user
(3-month active)

2021 Guidance

Confident in Growth Prospects

2020 - 2022
Guidance

2020
Actual

2021
Guidance

REVENUE GROWTH

13% - 16%

15.8%



14% - 16%

EBITDA

39% - 42%
Margin

42.2%
Margin



~14Bn TL

OP.CAPEX/SALES*

16% - 18%

18.5%



~20%

* Excluding license fees





Osman Yılmaz **Turkcell CFO**

FINANCIAL OVERVIEW

Turkcell Group

Financials



MILLION TL	Q4 2020	YoY Growth	2020	YoY Growth
Revenue	7,872	17.8%	29,104	15.8%
EBITDA	3,243	17.8%	12,270	17.7%
EBITDA Margin	41.2%	0.0pp	42.2%	0.7pp
EBIT	1,608	19.2%	6,296	17.0%
EBIT Margin	20.4%	0.2pp	21.6%	0.2pp
Net Income	1,302	72.3%	4,237	30.5%
Opr. Capex/Sales*	24.2%	(1.1pp)	18.5%	0.5pp

Highlights

- Robust quarterly performance bringing the full-year revenue and profitability levels above the guidance
- Healthy bottom-line: 1Bn TL net income in Q420 excluding several one-offs (*deferred tax income at lifecell Ukraine and legal provisions at Group level*)
- Disciplined capex, managing currency fluctuations

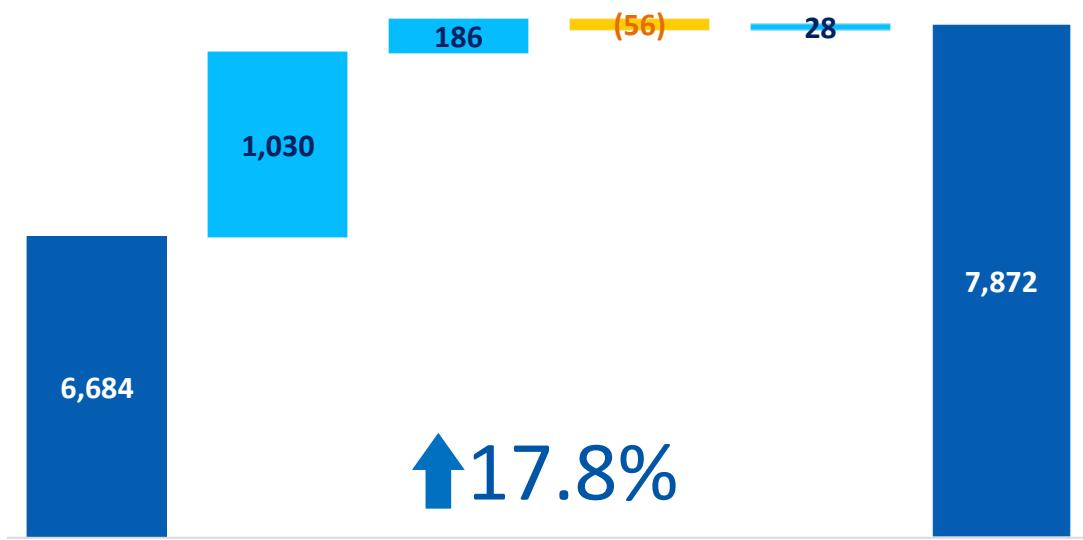
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Revenue Development



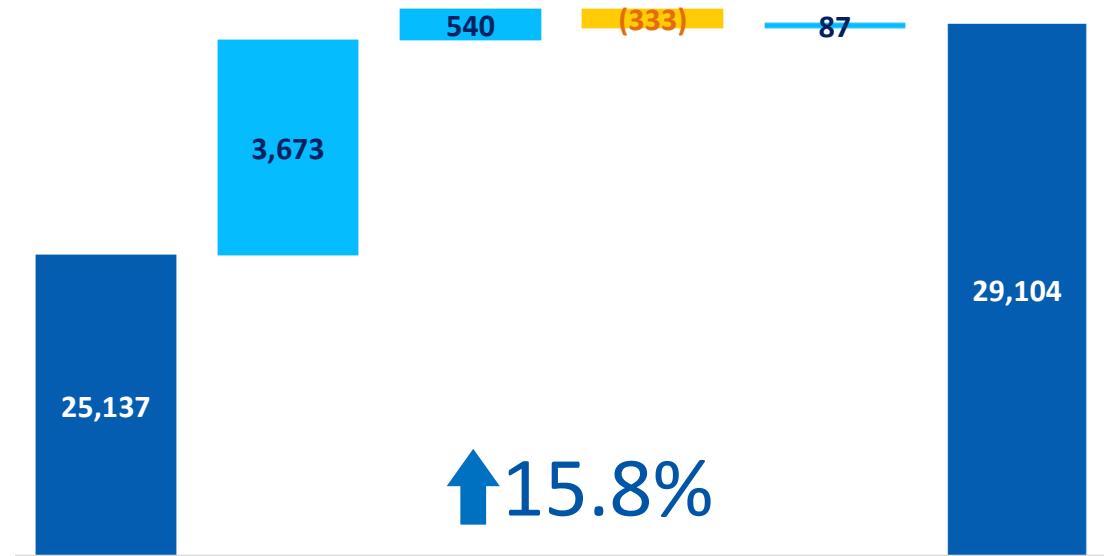
QUARTER

MILLION TL



FULL YEAR

MILLION TL



- Yearly revenue generation of 1.2Bn TL in Q420; 4.0Bn TL in 2020
- Turkcell Turkey is the main growth contributor on the back of strong data demand and higher equipment revenues
- Top-line also impacted positively by Turkcell International, mainly Ukraine operations

* Turkcell Consumer Finance Company (Financell)

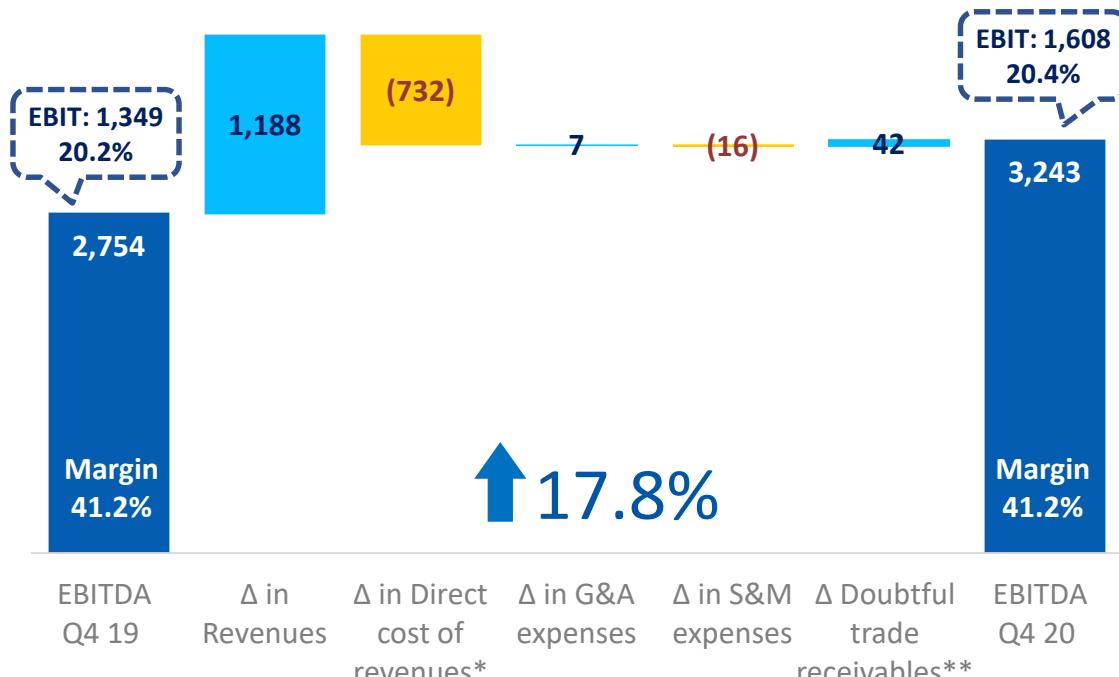
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EBITDA & EBIT



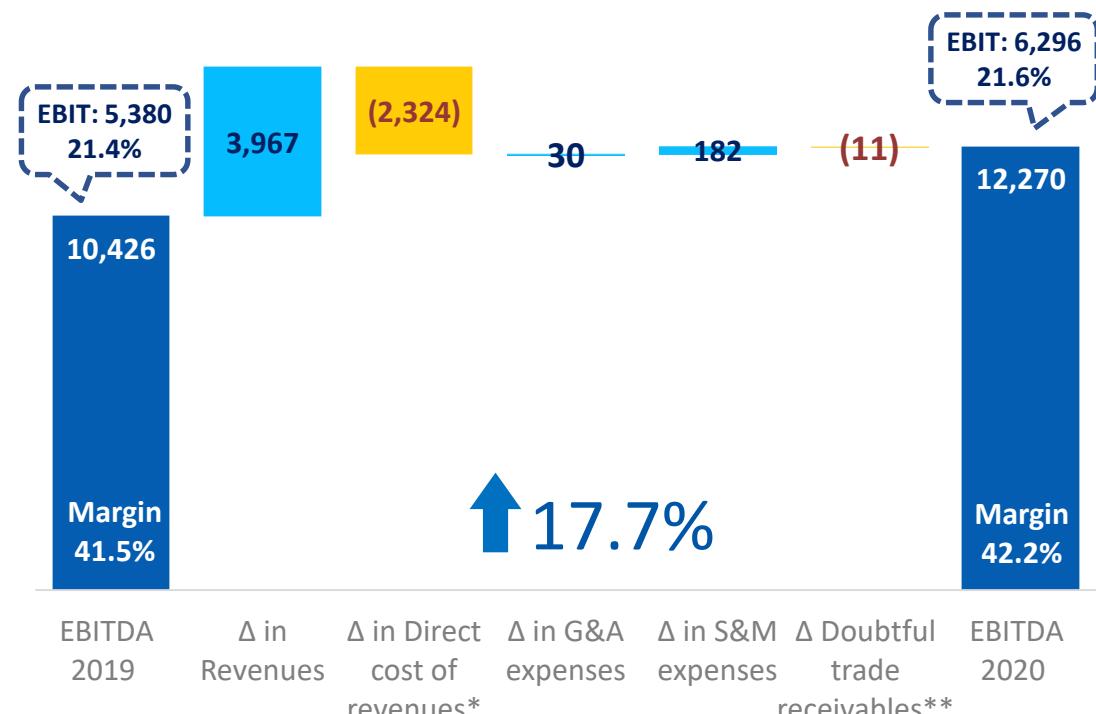
QUARTER

MILLION TL



FULL YEAR

MILLION TL



- 17.7% EBITDA growth in 2020 on the back of strong revenue growth and lower S&M and G&A expenses triggered by COVID-19 pandemic
- Higher contribution to EBITDA margin from Turkcell International

* Excluding depreciation and amortization ** net impairment losses on financial and contract assets

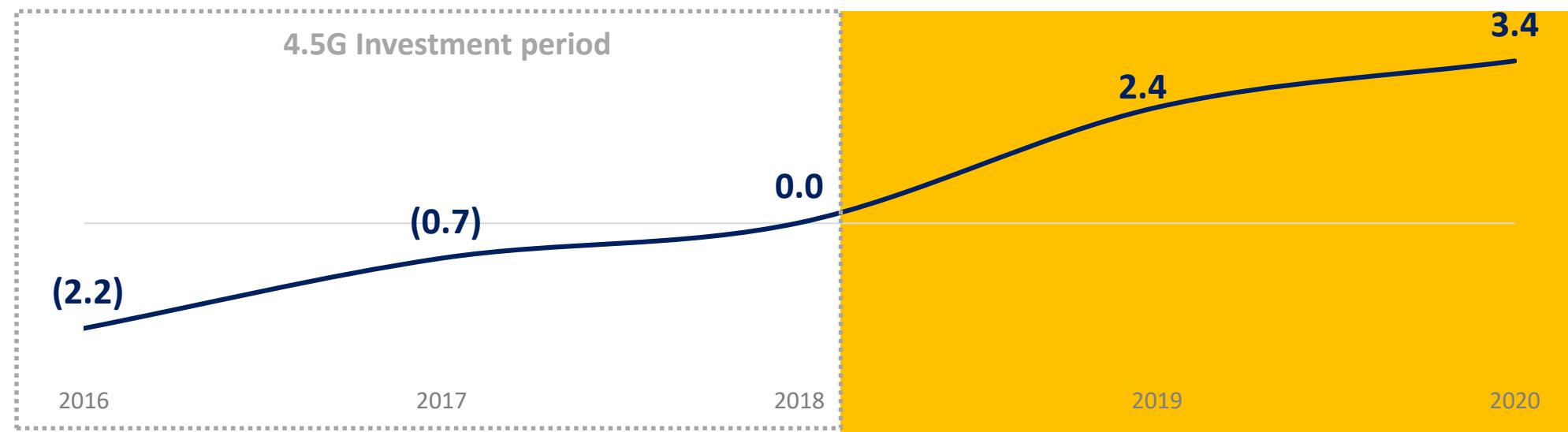
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Free Cash Flow Generation



FCF GENERATION¹

BILLION TL



- Higher free cash flow generation in a challenging year
- Registered further 3.4Bn TL in 2020, thanks to strong operational performance and cost control
- We aim to continue to generate positive FCF over the coming years

¹Free cash flow calculation includes EBITDA and the following items as per cash flow statement of IFRS reports: acquisition of property, plant and equipment, acquisition of intangible assets, change in operating assets/liabilities, payment of lease liabilities and income tax paid

Turkcell Group

Solid Balance Sheet

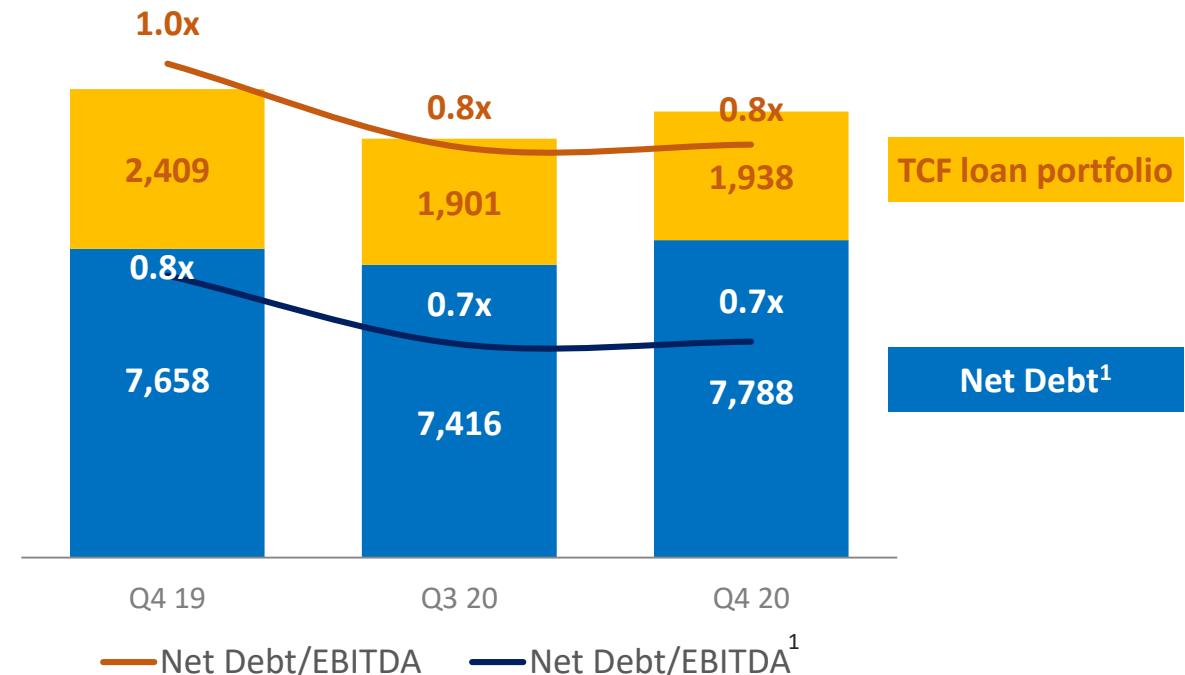


SUMMARY

MILLION TL

	Q4 19	Q3 20	Q4 20
Total Cash	10,239	13,524	11,861
Total Assets	45,715	51,528	51,498
Total Debt	20,306	22,841	21,586
<i>Lease Obligations</i>	1,533	2,065	2,099
Total Equity	18,083	20,289	20,785
Net Debt	10,067	9,317	9,726
Net Debt¹	7,658	7,416	7,788

NET DEBT/EBITDA



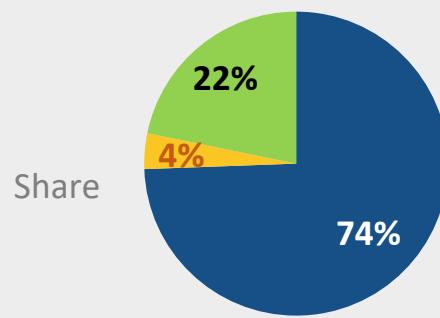
¹ Excludes Turkcell Finance Company's loan portfolio

Turkcell Group

FX Exposure

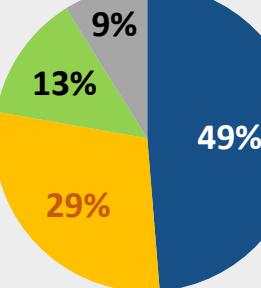


CASH¹

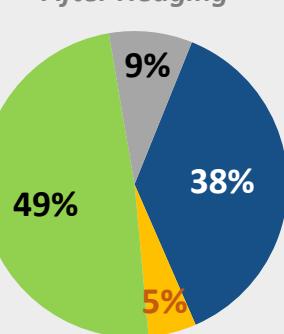


DEBT

Before Hedging

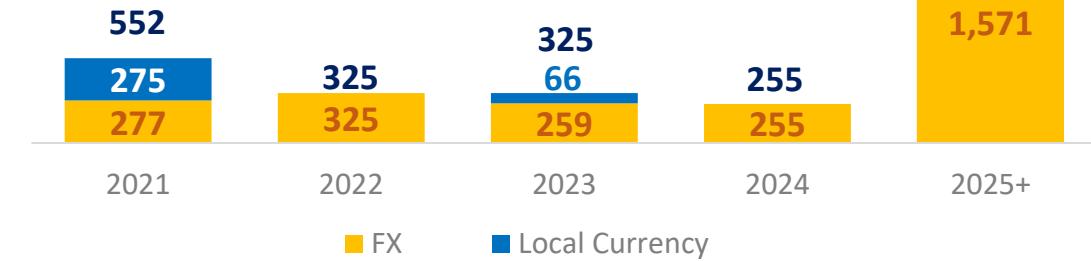


After Hedging



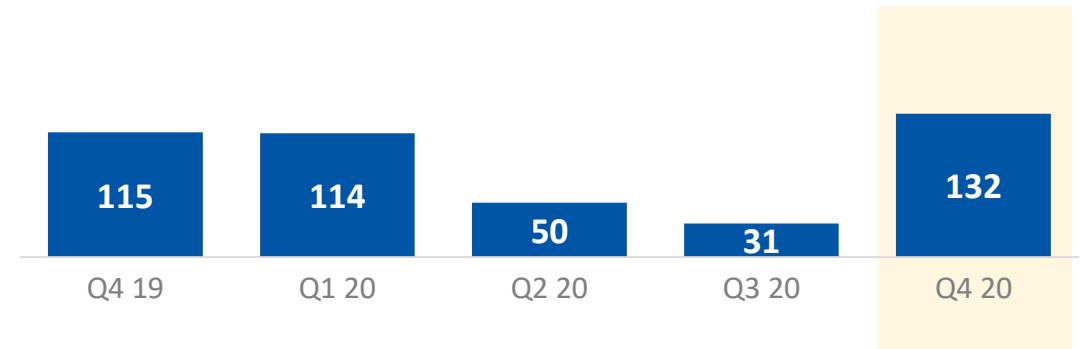
DEBT REPAYMENT SCHEDULE²

USD MILLION



NET FX POSITION³

USD MILLION



¹ Excluding FX swap transactions. ² Data of Turkcell Group companies excluding TCF. Includes principal and interest payments

³ Including advance payments

Techfin

Financing Business



MILLION TL

	Q4 2020	YoY	2020	YoY
Revenue	144.7	(28.1%)	566.6	(37.0%)
EBITDA	96.0	(23.8%)	367.0	(27.1%)
<i>EBITDA Margin</i>	66.3%	3.7pp	64.8%	8.8pp
Net Income	61.3	(38.9%)	240.7	28.7%

LOAN PORTFOLIO

BILLION TL



COST OF RISK



- Loan portfolio rose to 2.5Bn TL with increased volume in the quarter
- Top-line growth at 13.7% QoQ in Q4
- Loan insurance penetration at 85% in Q4

Techfin Payment Services Platform



9.0 billion TL
Total transaction volume*

4.7Mn
Paycell 3MAU

* includes direct carrier billing, bill payments and Paycell Card transaction volumes, both group and non-group, for the year 2020

FOUR PILLARS OF REVENUE GENERATION



MOBILE PAYMENT

111%

302 Million TL
DCB transactions



BILL PAYMENT

37%

4.1 Million
3rd party Bill Payments



MERCHANT SOLUTIONS

12K

Points Paycell is
Accepted



PAYCELL CARD

213%

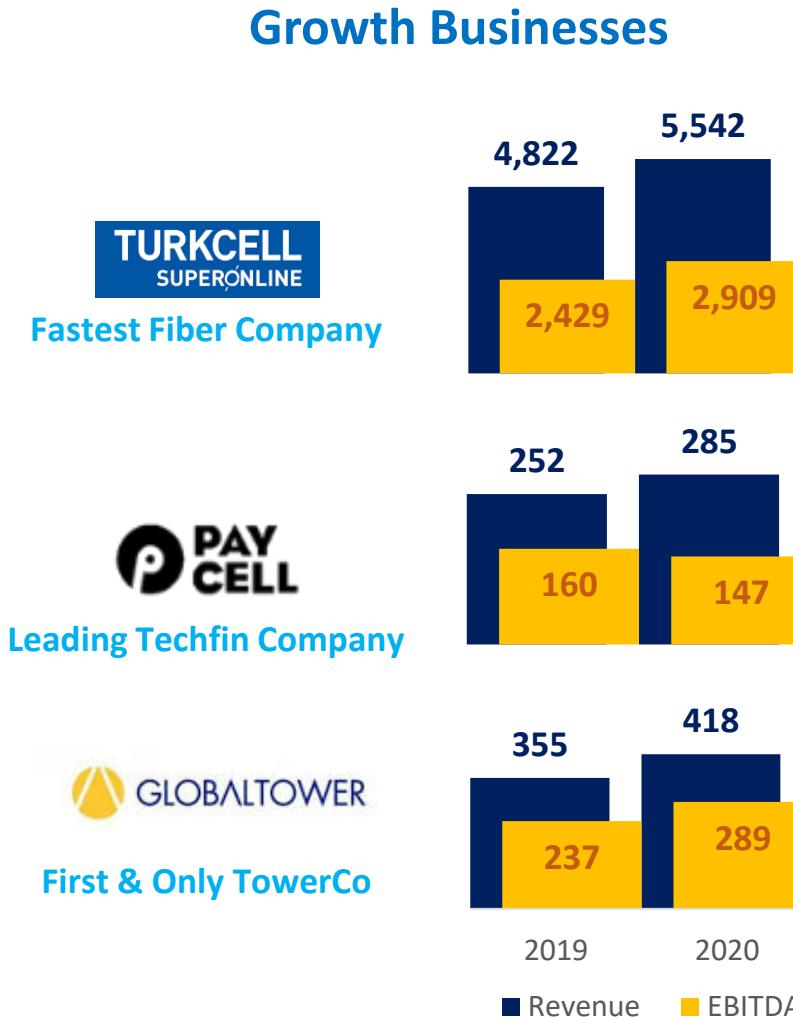
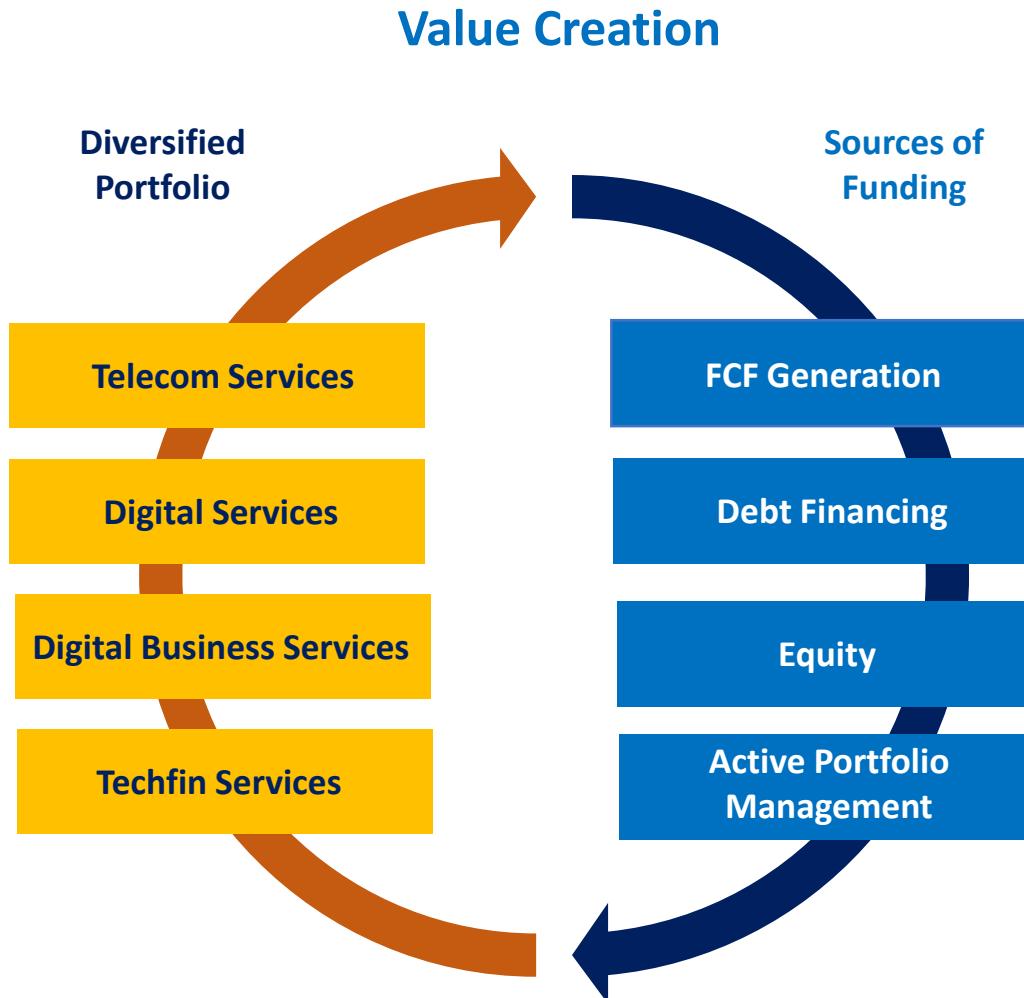
159 Million TL
Paycell Card transactions

HIGHLIGHTS

- %62 increase in non-group revenues in 2020
- Increasing popularity of Paycell Ready-to-use Limit
- Strong growth of Paycell Card and Mobil Payment (DCB) transactions which is led by mostly e-commerce
- Paycell Android POS: first licenced POS device that supports new regulation

Unlocking the Value

Funding Future Growth





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Although Turkcell believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Annual Report on Form 20-F for 2019 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. We undertake no duty to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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