



TURKCELL GROUP

Q1 2021 | May 3, 2021

Murat Erkan Turkcell CEO

BUSINESS OVERVIEW



Q1 2021

Strong Start to The Year



REVENUE
GROWTH

17.5%

7.8Bn TL
Revenue

EBITDA

3.3Bn TL

Up 17.7%
yoy

NET
INCOME

1.1Bn TL

Up 26.6%
yoy

TOTAL SUBSCRIBER
NET ADD

705K

Towards
1Mn/yr target

DIGITAL CHANNEL
REVENUE SHARE*

15.7%

Up 8.5pp
yoy



Strong growth &
net income



On track to achieve
guidance levels



Outstanding
subscriber growth

Turkcell Group

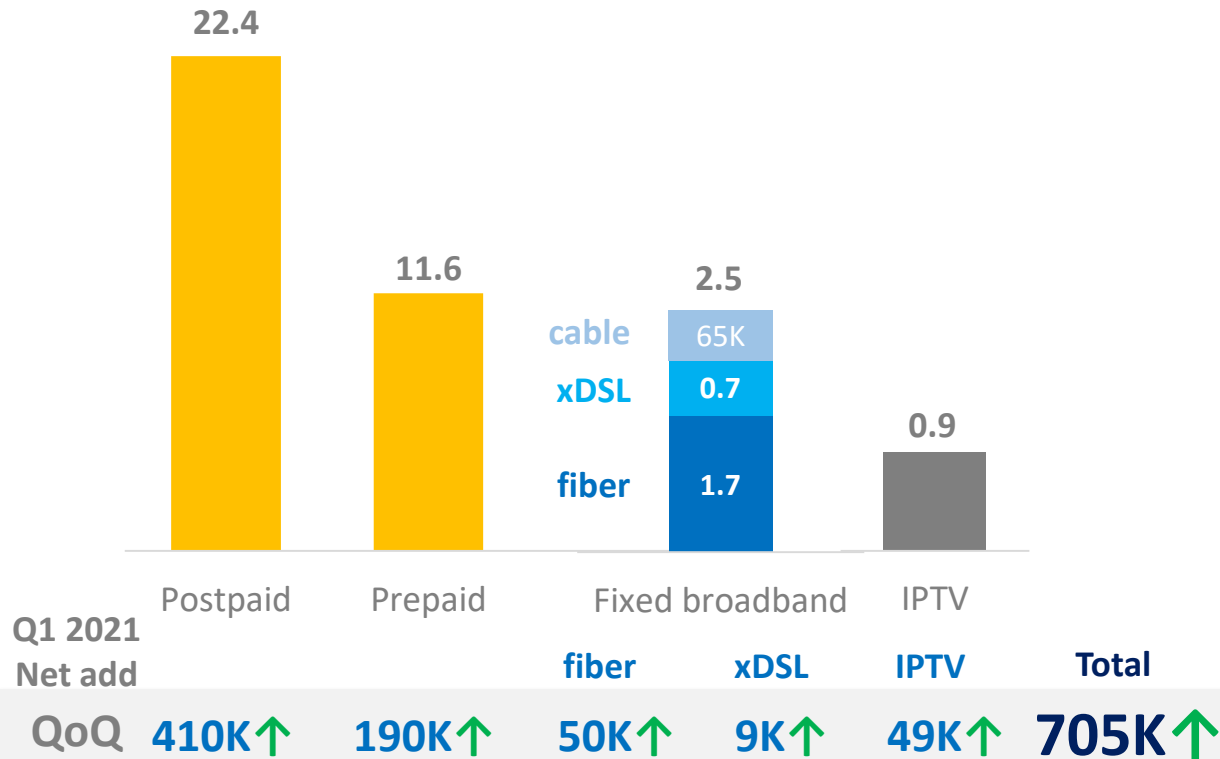
Operational Highlights



TURKEY SUBSCRIBERS

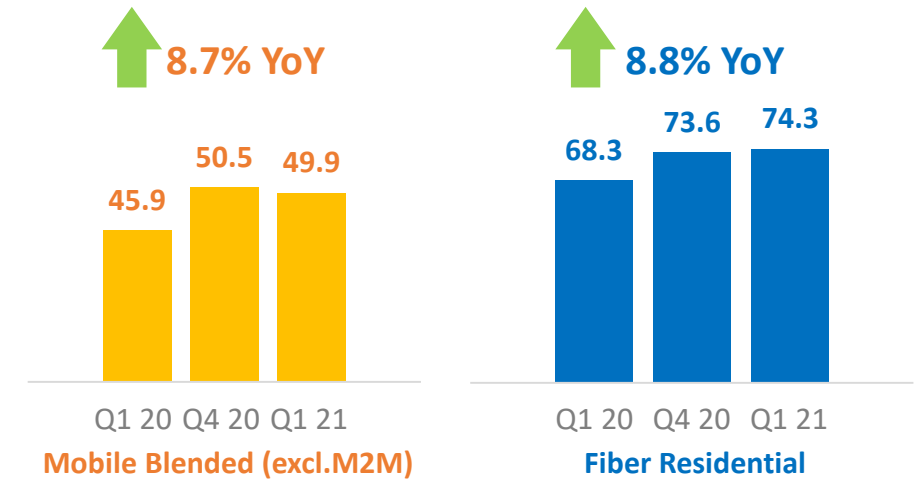
MILLION

66%
3pp YoY↑
Postpaid Share



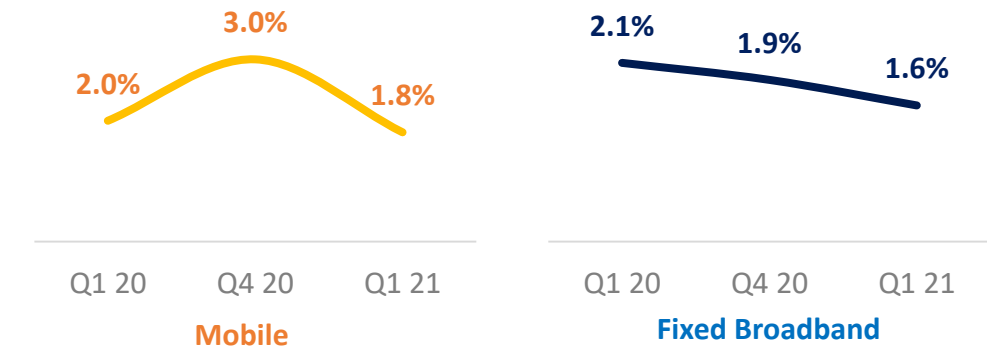
ARPU*

TL



CHURN

MONTHLY AVG.



* Blended mobile ARPU is restated reflecting change in reporting segments. Please see pg 10 on Q1 2020 press release.

Turkcell Group

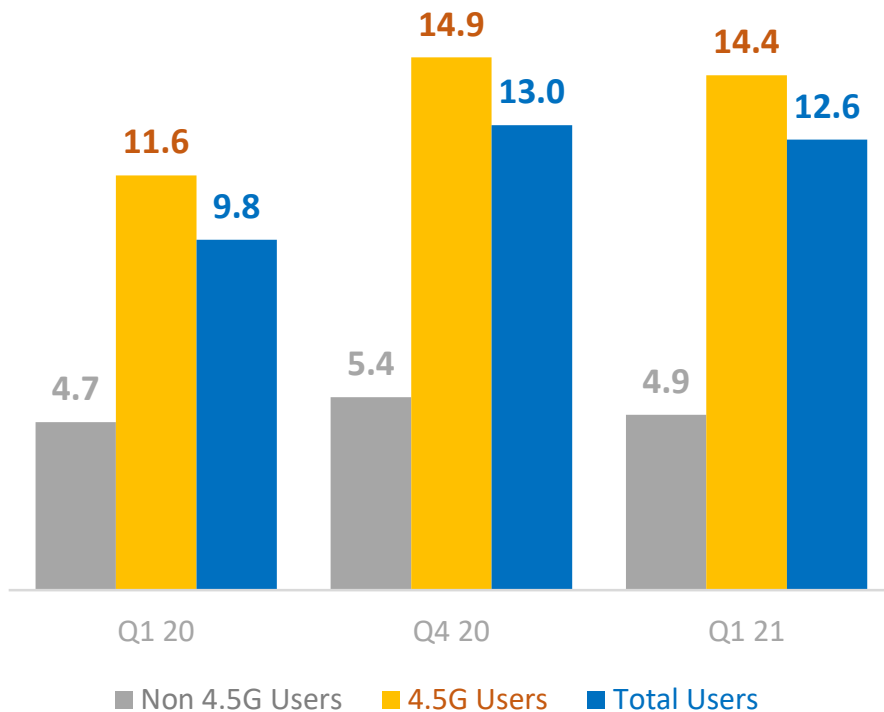
Mobile Data



MOBILE DATA USAGE

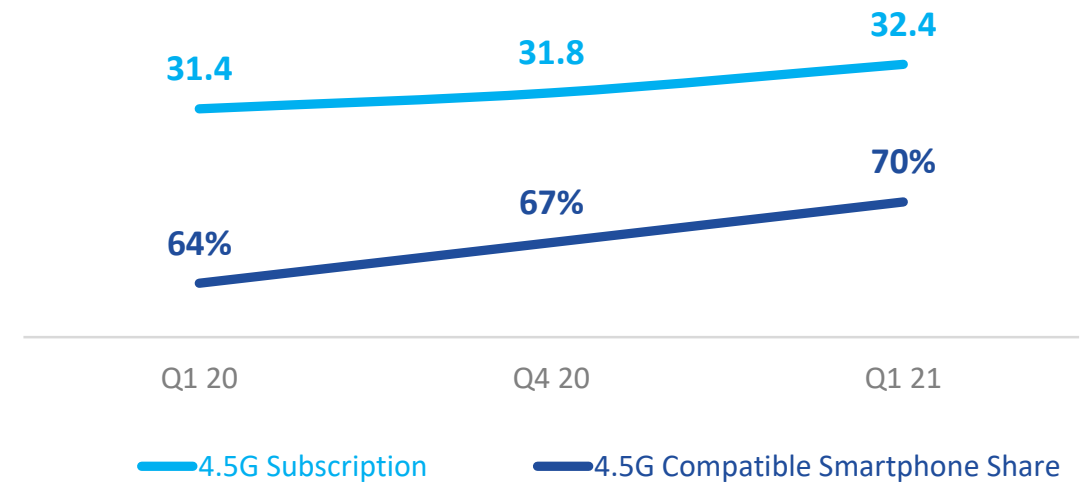
AV. GB/USER

29%
growth YoY



4.5G SUBSCRIPTION

MILLION



84%
Smartphone penetration*
5.9pp YoY↑



91%
are 4.5G compatible SP
2.2pp YoY↑

*Algorithm improvement to detect smartphones on our network has led to ~700K additions in Q1 2021

Customer Experience

Remain Committed to Lead the Market



Customer Centric Strategy

Segment approach

Brand loyalty



Well-Invested & Smart Network



Widest, fastest, smartest network

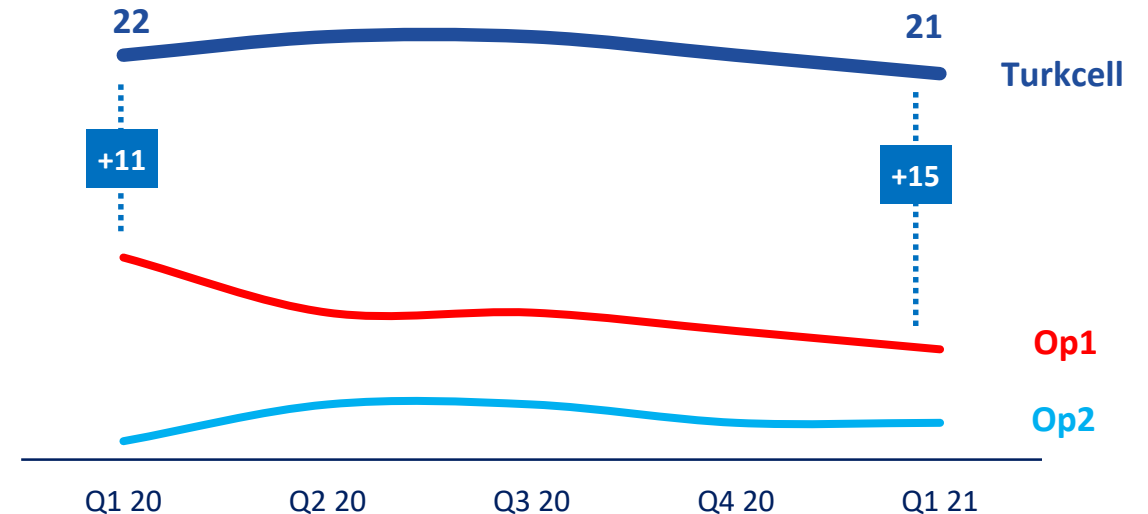
Widest Distribution Network



Strengthened with our convenient digital platforms

CUSTOMER EXPERIENCE

CONSUMER NET PROMOTER SCORE (POINTS)



Source: Future Bright

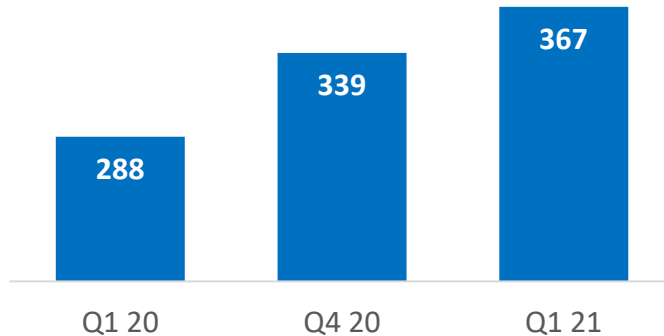
Strategic Focus Area

Digital Services & Solutions



Stand-alone DSS Revenue

MILLION TL



28% YoY Growth

BiP

Rising penetration in Q1

- 32Mn downloads; half from outside Turkey
- 77Mn downloads to date
- 30% international active users

Increasing usage

- 40Mn 3m-active user (4.2x yoy)
- 3x yoy Bip2Bip call duration

TV+

Outstanding quarter

- Enriching VoD content
- 49K IPTV net add in Q1
- 61% IPTV penetration in residential fiber
- 34% yoy growth in streaming traffic

Cloud gaming launch



- Collaboration with NVIDIA GeForce NOW
- 950+ games
- 10.4K paid-users

Next: B2B strategies

- BiP Meet
- fity Business
- lifebox Business
- Game publishing

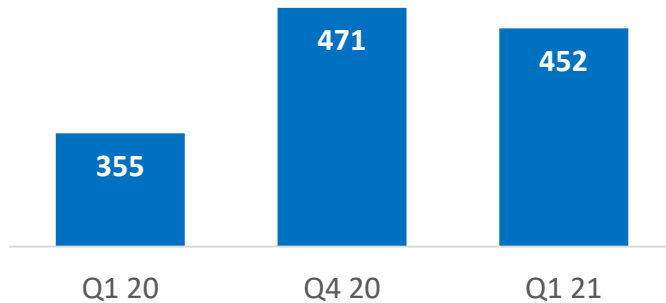


Strategic Focus Area

Digital Business Services



DBS Revenue
MILLION TL



27% YoY Growth

Projects in Q1

- 700+ new contracts
- ~0.5Bn TL total contract value
- 1.1Bn TL backlog* from system integration projects

Global partnerships

- 22 global vendors
- 85 certified employees with 497 certificates



Services launched

- Cyber security: *SOAR Orchestration & Automation, Forensics Services*
- IoT: *Digital Facility, Kopilot (re-launch)*
- Cloud: *turkcellbulut.com (re-launch)*



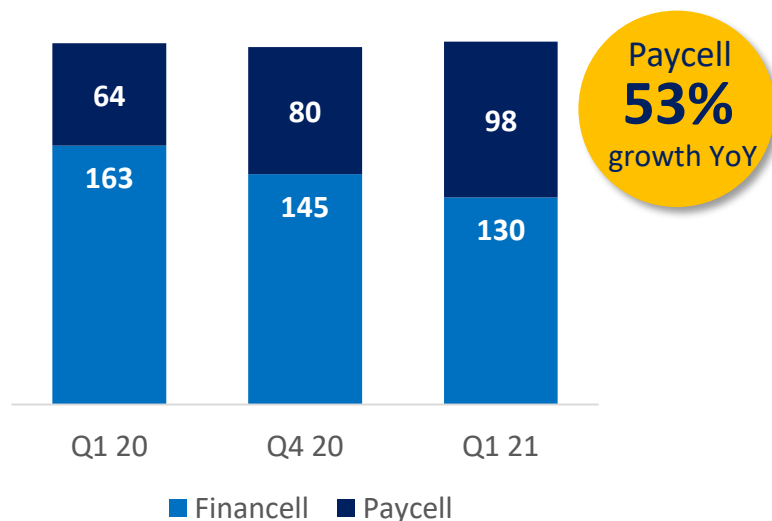
*Backlog refers to the value of contracted revenue from system integration projects that is yet to be recognized until the end of the contract term.

Strategic Focus Area

Techfin Services



Techfin Services Revenue
MILLION TL



Paycell

- 5.3Mn 3-month active Paycell user
- Strong volume: 2x in mobile payment (non-group) & 4x in Paycell card transactions yoy
- 81% yoy growth in non-group* revenues

Financell

- 5th year of service; 1.4Mn active customers
- Focus on new growth areas: Residential, SMEs and corporates



Insurtech

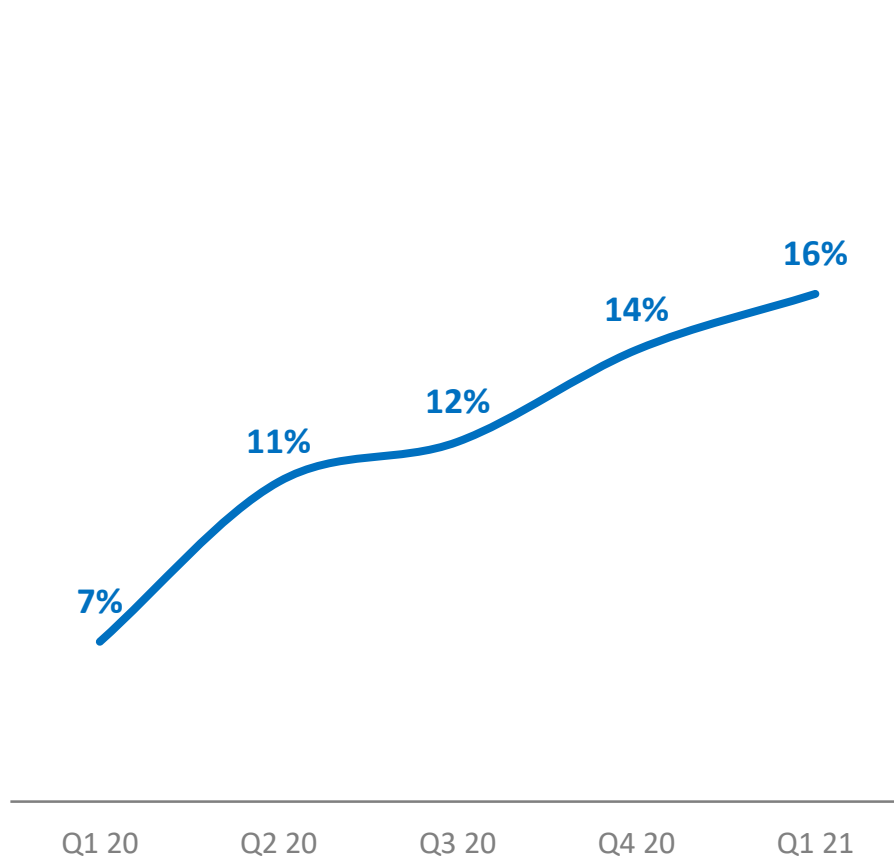
- Insurance for devices, women health, daily accidents, unemployment
- Convenience: Available on Turkcell digital platforms, call centers and sales points

Digital Channels

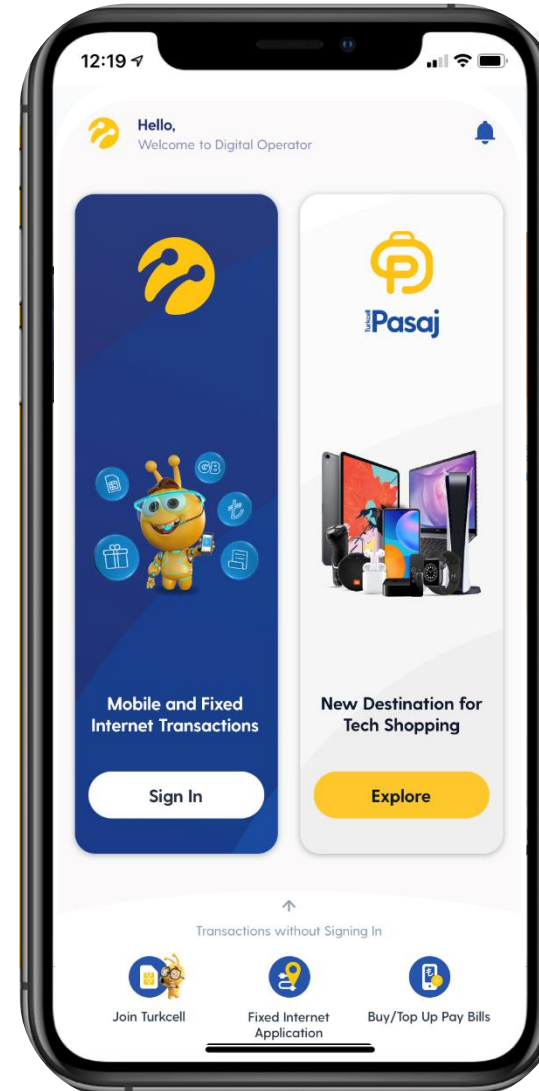
Solid Momentum Continues



DIGITAL CHANNELS REVENUE SHARE*



* 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 Q1 21.



32Mn
Website visits
(Monthly av.)

23Mn
DO App user
(3M active)



1.7x
Conversion rate (YoY)



3.7x
Online top-up volume (YoY)

Turkcell International

Solid Performance



FINANCIAL HIGHLIGHTS¹

MILLION TL unless otherwise indicated

	Q1 2020	Q1 2021	YoY Growth
Revenue	560	708	26.6%
EBITDA	250	345	37.9%
EBITDA Margin	44.6%	48.6%	4.0pp
Stand-alone revenue			
<i>Lifecell (mn UAH)</i>	1.580	1.899	20.2%
<i>Life :) (mn BYN)</i>	33	38	16.9%
<i>KKTCCell (mn TL)</i>	55	62	13.6%

¹ Figures are based on IFRS

SUBSIDIARIES AT A GLANCE

Q1 2021 Revenue Share



Lifecell Ukraine

- 8.0 million (3M active) mobile subscribers, ↑6.7% yoy
- 4G user data usage: 13GB/month, ↑22% yoy



Life :) Belarus

- 1.1 million (3M active) mobile subscribers, ↑10.0% yoy
- 4G user data usage: 14GB/month, ↑28% yoy



KKTCCell TRNC

- 0.5 million mobile subscribers
- 20.7% YoY EBITDA growth

Note: Remaining 4% comprises other international operations and intra-company eliminations. Ukraine, Belarus and TRNC local currency growth figures are based on stand-alone financials.

Sustainability Initiatives

Solid Steps in Q1



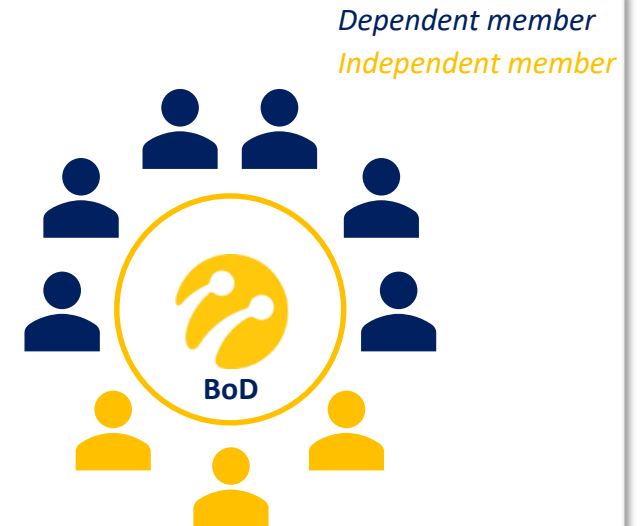
ENVIRONMENTAL

Turkcell at GSMA Climate Action Initiative:
Turkcell commits to use 100%
renewable energy before 2030



SOCIAL

- New social investments
 - Turkey's Women's National Football Team Sponsorship
 - Technology rooms for the elderly
- Initiatives for our employees
 - Digital Office
 - Increasing women workforce



GOVERNANCE

Completion of Turkcell Board of Directors
with the 2020 AGM held on April 15th, 2021



Osman Yilmaz **Turkcell CFO**

FINANCIAL OVERVIEW

Turkcell Group

Financial Summary



MILLION TL

	Q1 2021	YoY Growth	QoQ Growth
Revenue	7,827	17.5%	(0.6%)
EBITDA	3,306	17.7%	2.0%
<i>EBITDA Margin</i>	42.2%	0.0pp	1.0pp
EBIT	1,651	14.9%	2.6%
<i>EBIT Margin</i>	21.1%	(0.5pp)	0.7pp
Net Income	1,105	26.6%	(15.1%)
Opr. Capex/Sales*	18.8%	6.2pp	(5.4pp)

Highlights

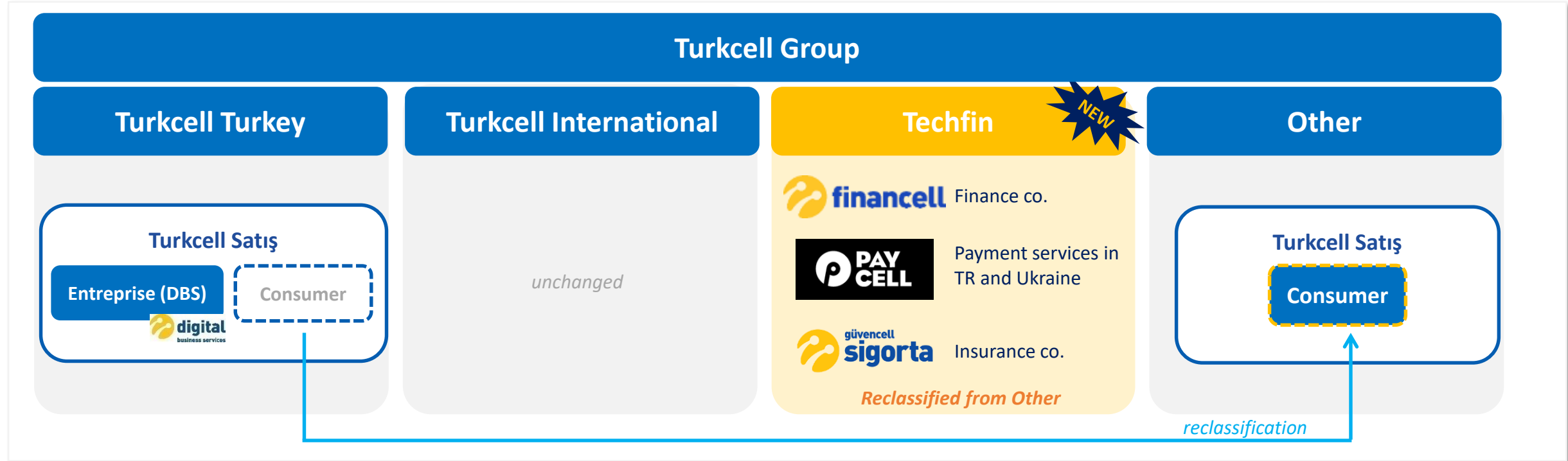
- Strong start to the year despite the ongoing COVID-19 pandemic environment
- Robust topline growth above expectations: 17.5% yoy
- 1.1Bn TL strong bottomline, corresponding to a 26.6% yoy growth

IFRS Reporting

Change in Revenue Segmentation



Q1 2020 Onwards: What has changed?



- **New segment:** Techfin (Financell, Paycell, Güvencell and Paycell LLC (Ukraine))
- **Purpose:** to monitor techfin's performance as a whole and separately
- **Reclassification:** Consumer business (mainly handset/smart device revenues) of Turkcell Satış to Other to crystallize Turkcell Turkey's telecom-focused operations' performance
- These classifications have **no impact** on operating profit, profit for the year and cash flow statement

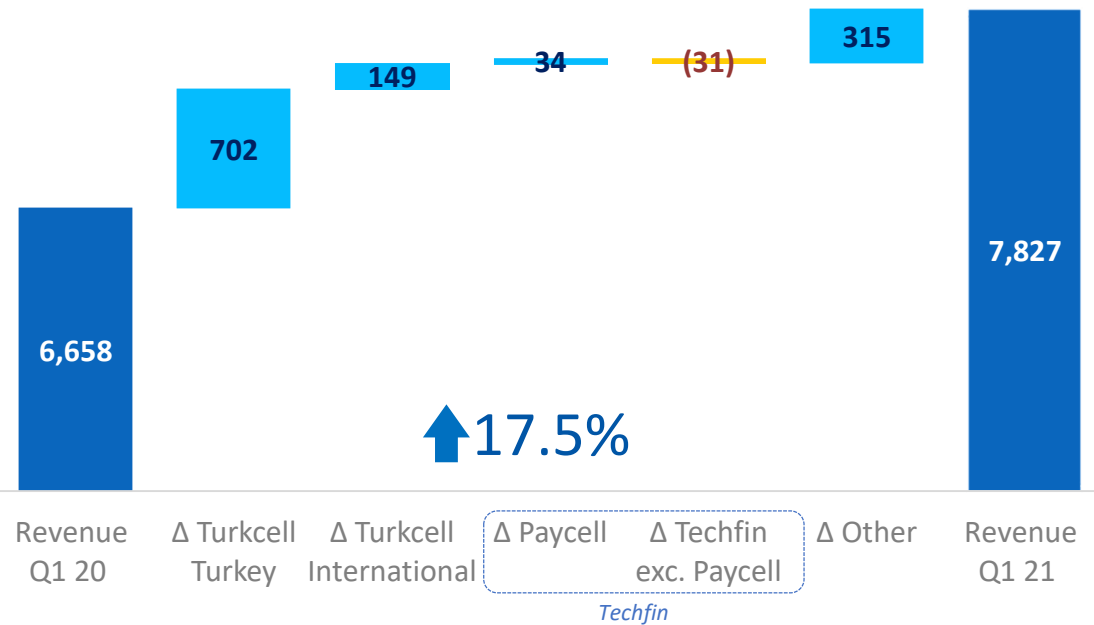
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Revenue & EBITDA Development



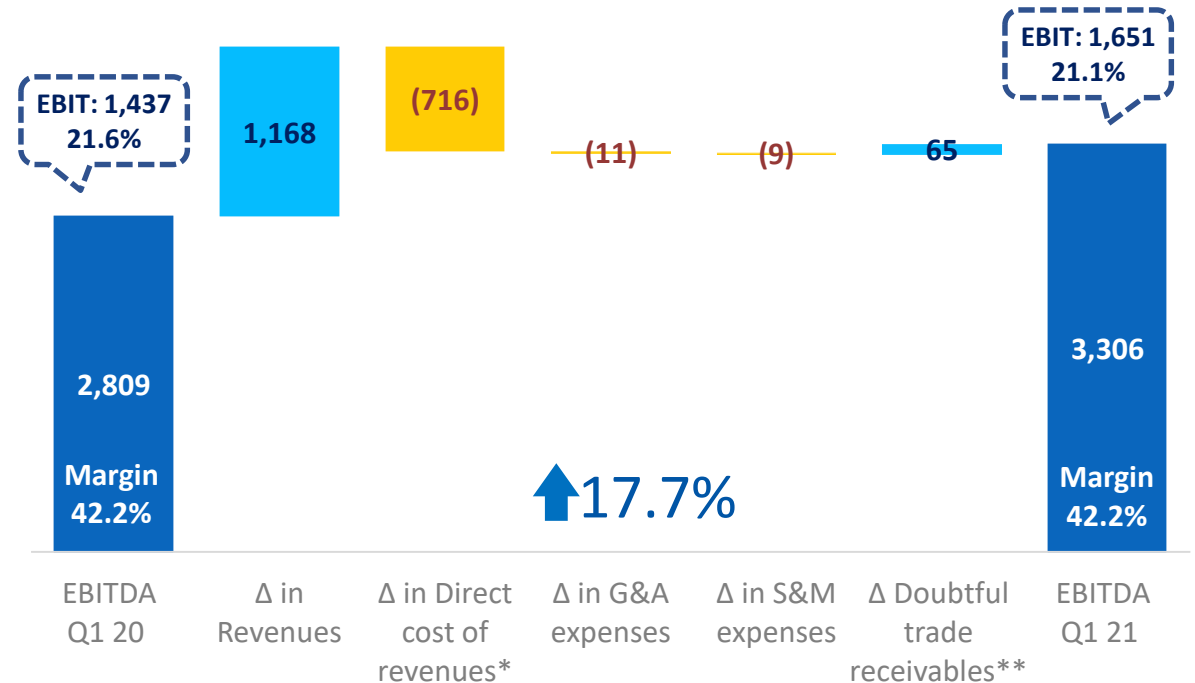
REVENUE

MILLION TL



EBITDA

MILLION TL



- 1.2Bn TL revenue generation in Q1 21; Turkcell Turkey and other segment (mainly by the increase in equipment revenues) are main growth contributors
- 17.7% EBITDA growth on the back of strong revenue increase coupled with effective cost management
- Strong profitability in Turkcell Turkey: 45.7% EBITDA Margin in Q1 2021

Turkcell Group

Solid Balance Sheet

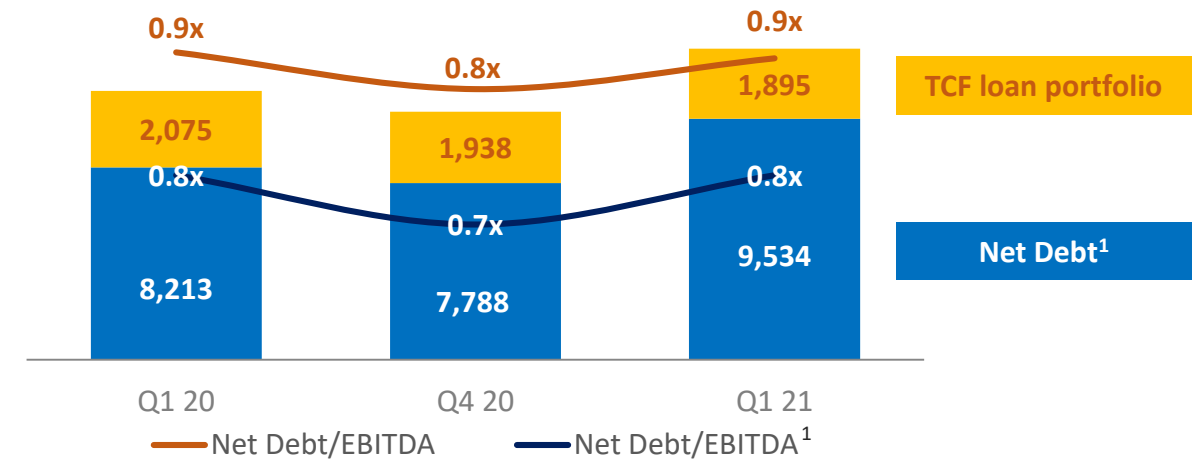


SUMMARY

MILLION TL

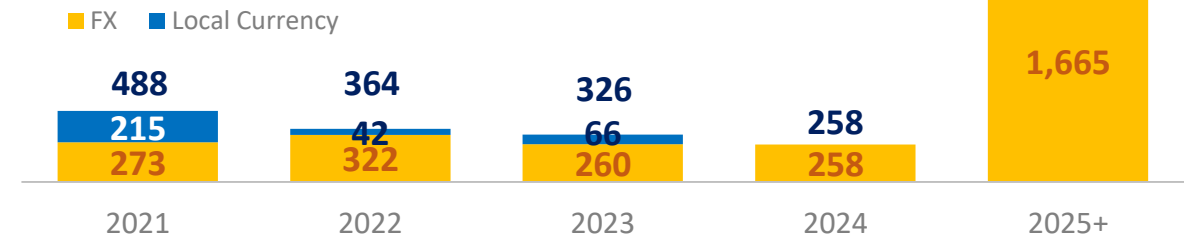
	Q1 20	Q4 20	Q1 21
Total Cash	9,212	11,861	13,467
Total Assets	45,329	51,498	55,987
Total Debt	19,500	21,586	24,896
<i>Lease Obligations</i>	<i>1,482</i>	<i>2,099</i>	<i>2,248</i>
Total Equity	18,678	20,785	21,734
Net Debt	10,288	9,726	11,429
Net Debt¹	8,213	7,788	9,534

NET DEBT/EBITDA



PRINCIPAL & INTEREST PAYMENTS²

USD MILLION



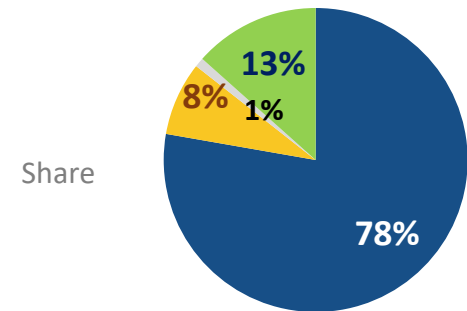
¹ Excludes Turkcell Finance Company's loan portfolio ² Data of Turkcell Group companies excluding Financell. 2021 balance refers to the remaining 9 months of the year.

Turkcell Group

FX Exposure



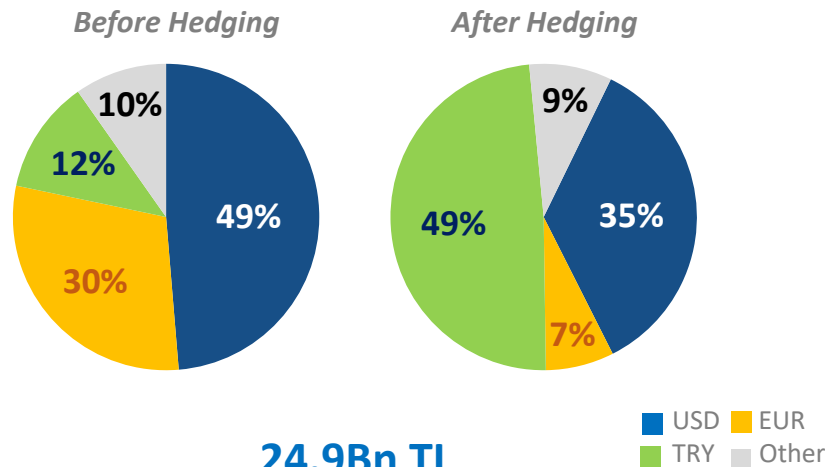
CASH¹



Nominal

13.5Bn TL

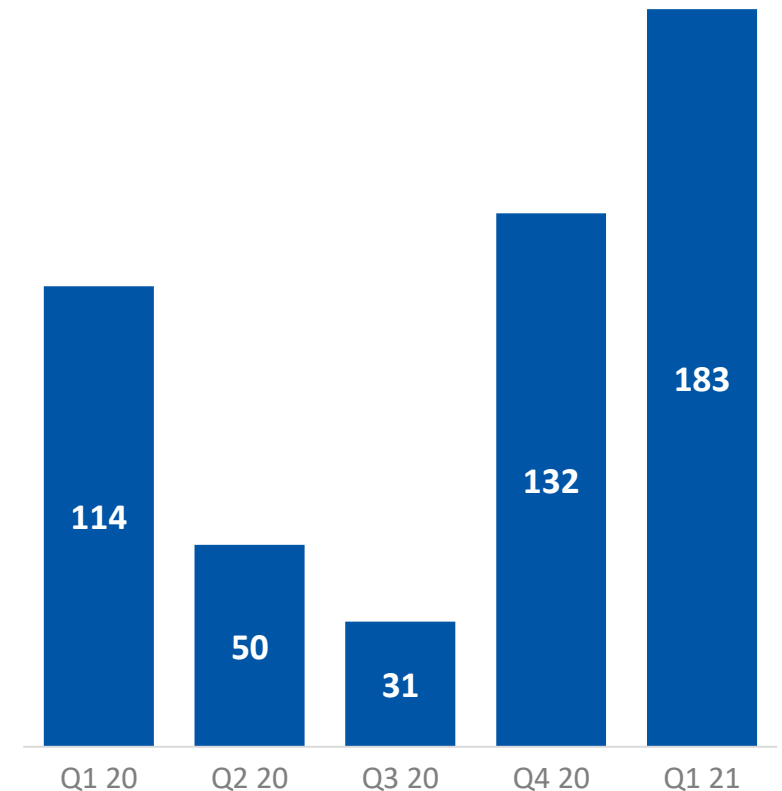
DEBT



24.9Bn TL

NET FX POSITION²

USD MILLION



OPERATIONAL CAPEX BREAKDOWN (2021E)



¹ Excluding FX swap transactions.

² Including advance payments

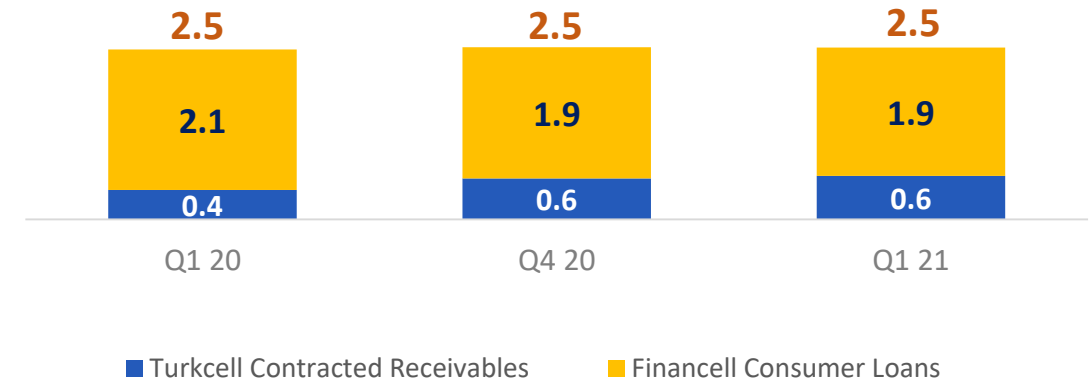


MILLION TL

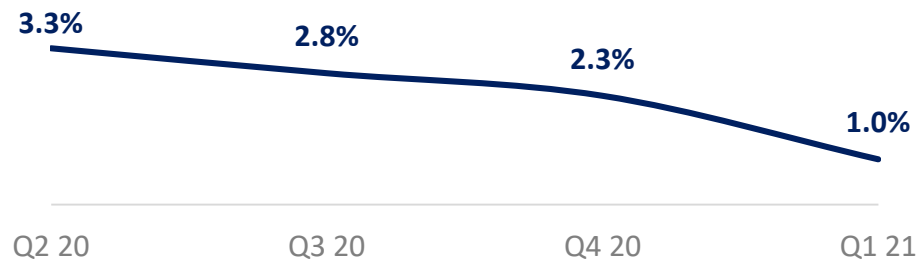
	Q1 21	YoY	QoQ
Revenue	130.0	(20.0%)	(10.2%)
EBITDA	85.3	(14.2%)	(11.1%)
EBITDA Margin	65.6%	4.5pp	(0.7pp)
Net Income	95.0	51.3%	55.0%

LOAN PORTFOLIO

BILLION TL



COST OF RISK



- CoR: Improving collection performance and sale of doubtful receivables
- Loan portfolio flat at 2.5Bn TL

Note: Cost of Risk figures are indicate quarterly average.

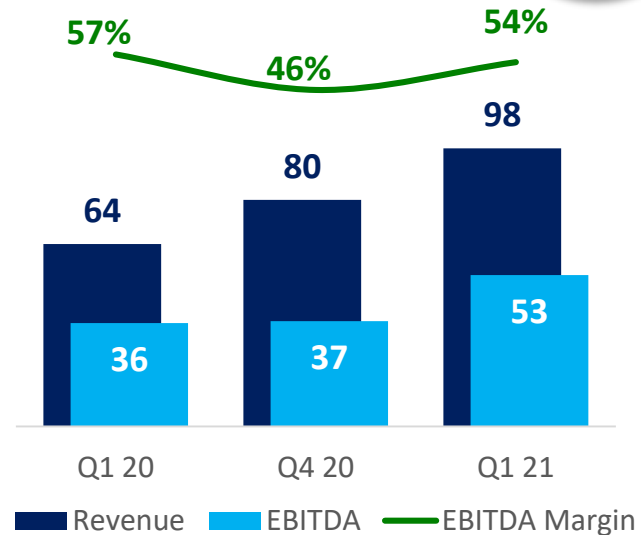
Techfin

Payment Services Platform



MILLION TL

Paycell
Non-Group*
Revenue Share
63%



2.4Bn TL

Total transaction volume**

5.3Mn

Paycell 3MAU

FOUR PILLARS OF REVENUE GENERATION



**MOBILE
PAYMENT**

106% ↑

351 Million TL
DCB transactions
(non-group)



**BILL
PAYMENT**

9% ↓

2.9 Million
3rd party Bill Payments



**PAYCELL
CARD**

291% ↑

200 Million TL
Paycell Card transactions



**MERCHANT
SOLUTIONS**

13K

Points Paycell
accepted

Note: Growth figures indicates yoy growth in Q1 21.

HIGHLIGHTS

- 81% yoy growth in non-group revenues
- Volume (yoy): 4x in Paycell Card, 2x in mobile payment (non-group)
- Paycell app download to date: 10 million



THANK YOU

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Turkcell IR Website



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