

Investor Presentation

2019 Q3



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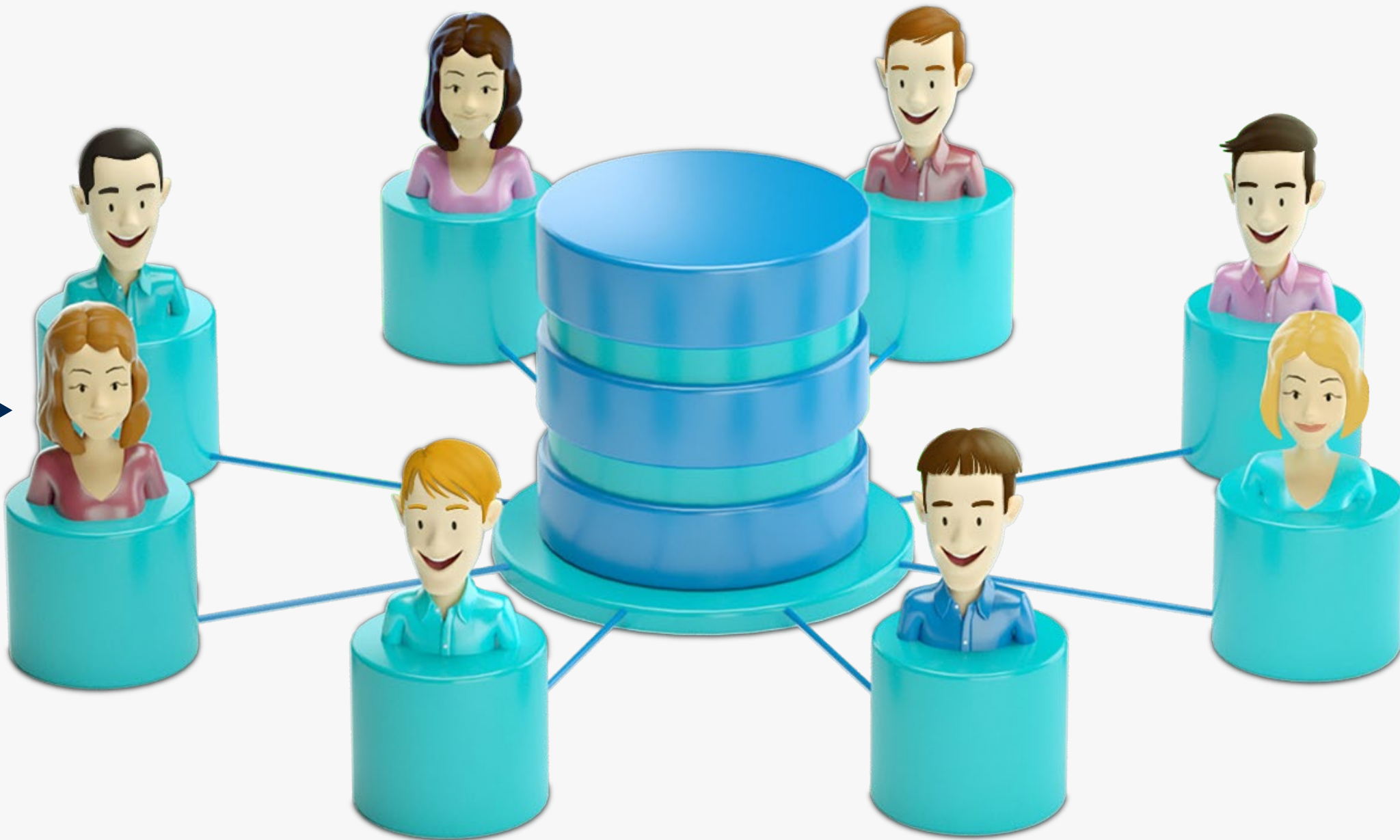
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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, amortization and impairment expenses, financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Net Subscriber Additions

79%

of customers consented for sharing of their info among our group companies



3.8ppt

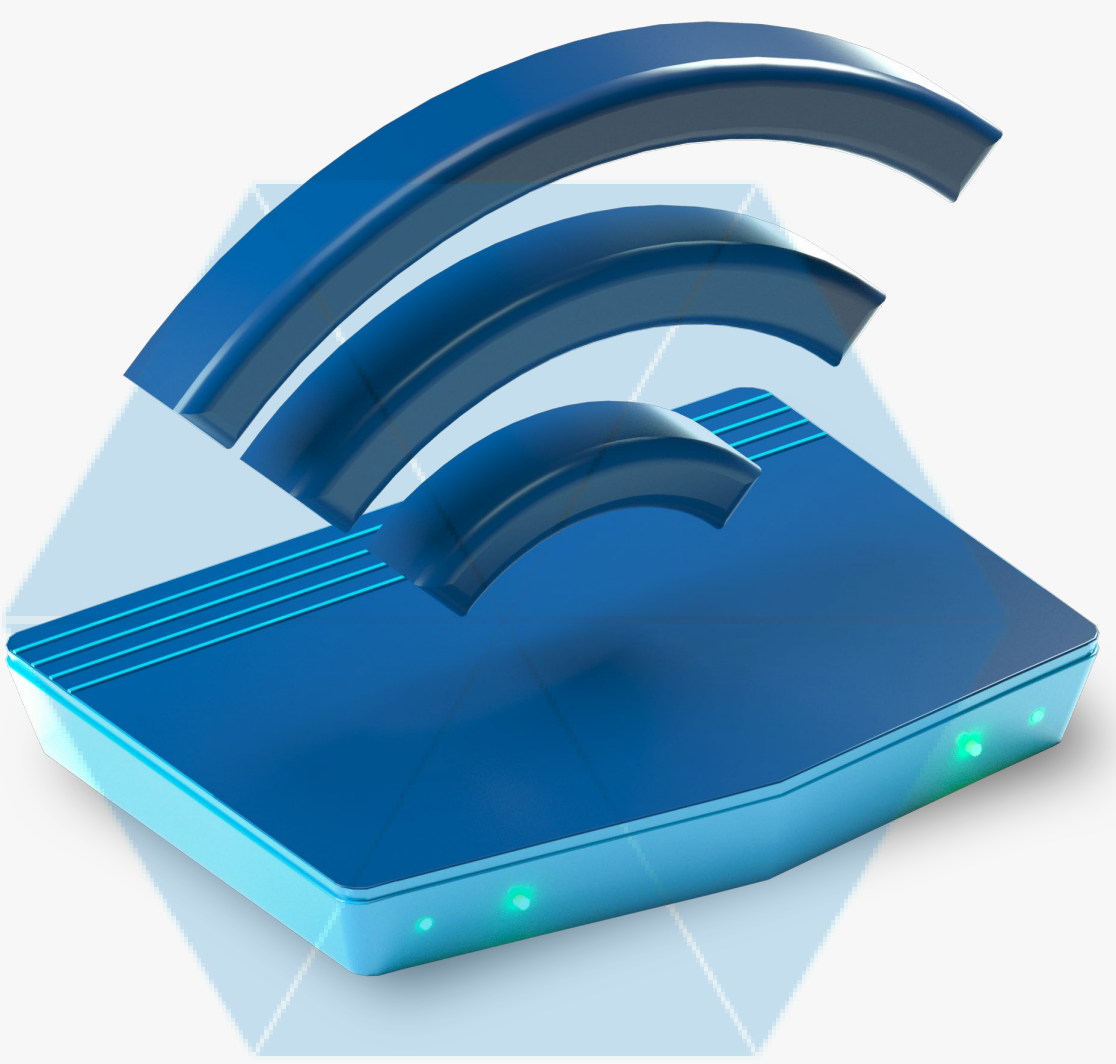
YoY increase in multi product ownership to

63%*

Broadband

206k
Q3 '19

726k
LTM



47.6mn
total subscribers

Mobile

393k
Q3 '19

2.0mn
LTM



611K
net additions*
in Q3

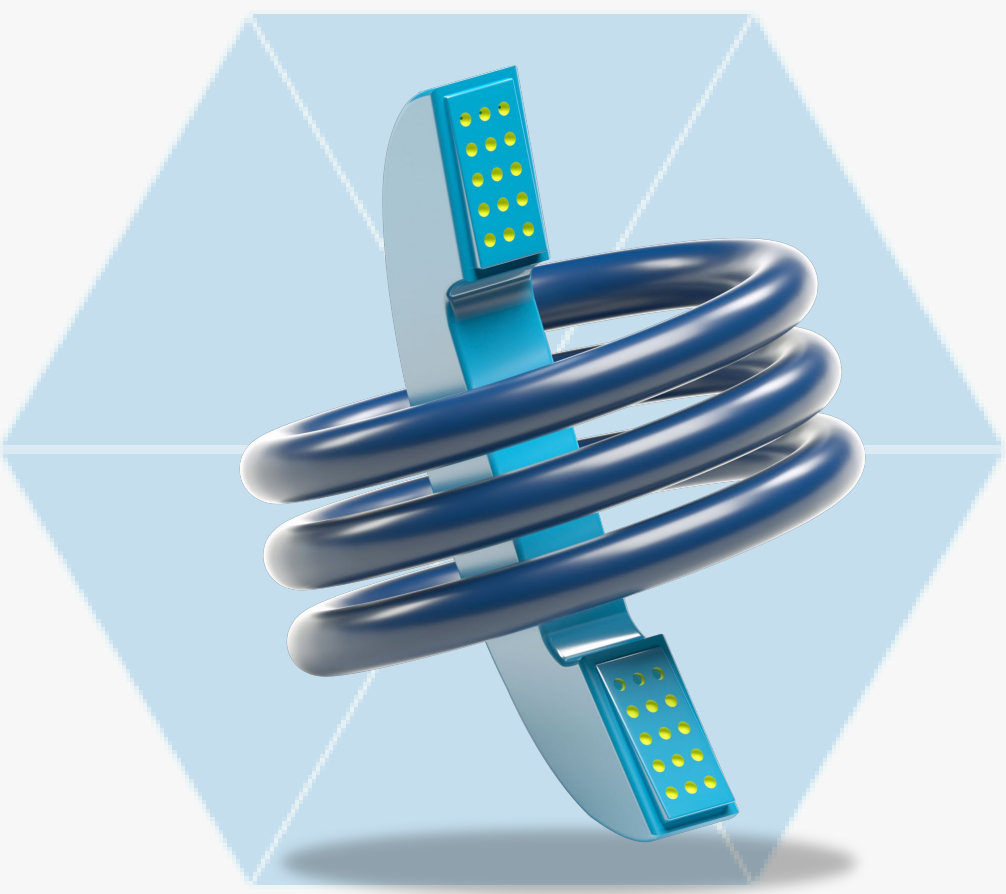
Fixed Voice

75k
Q3 '19

180k
LTM



2.9mn
net additions*
in LTM



*Includes Tivibu

*Among constant customer sub universe that provided consent last year

Financial Performance

(TL mn)	2018 Q3	2019 Q2	2019 Q3	Growth (QoQ)	Growth (YoY)
Revenue	5,396	5,760	6,210	7.8%	15.1%
Revenue (exc. IFRIC12) ¹	5,154	5,516	5,824	5.6%	13.0%
EBITDA	2,267	2,681	3,005	12.1%	32.6%
EBITDA Margin	42.0%	46.5%	48.4%		
Operating Profit	1,305	1,510	1,822	20.7%	39.6%
Net Income	(2,846)	435	1,117	157.0%	n.m.
CAPEX	1,219	930	1,223	31.6%	0.4%

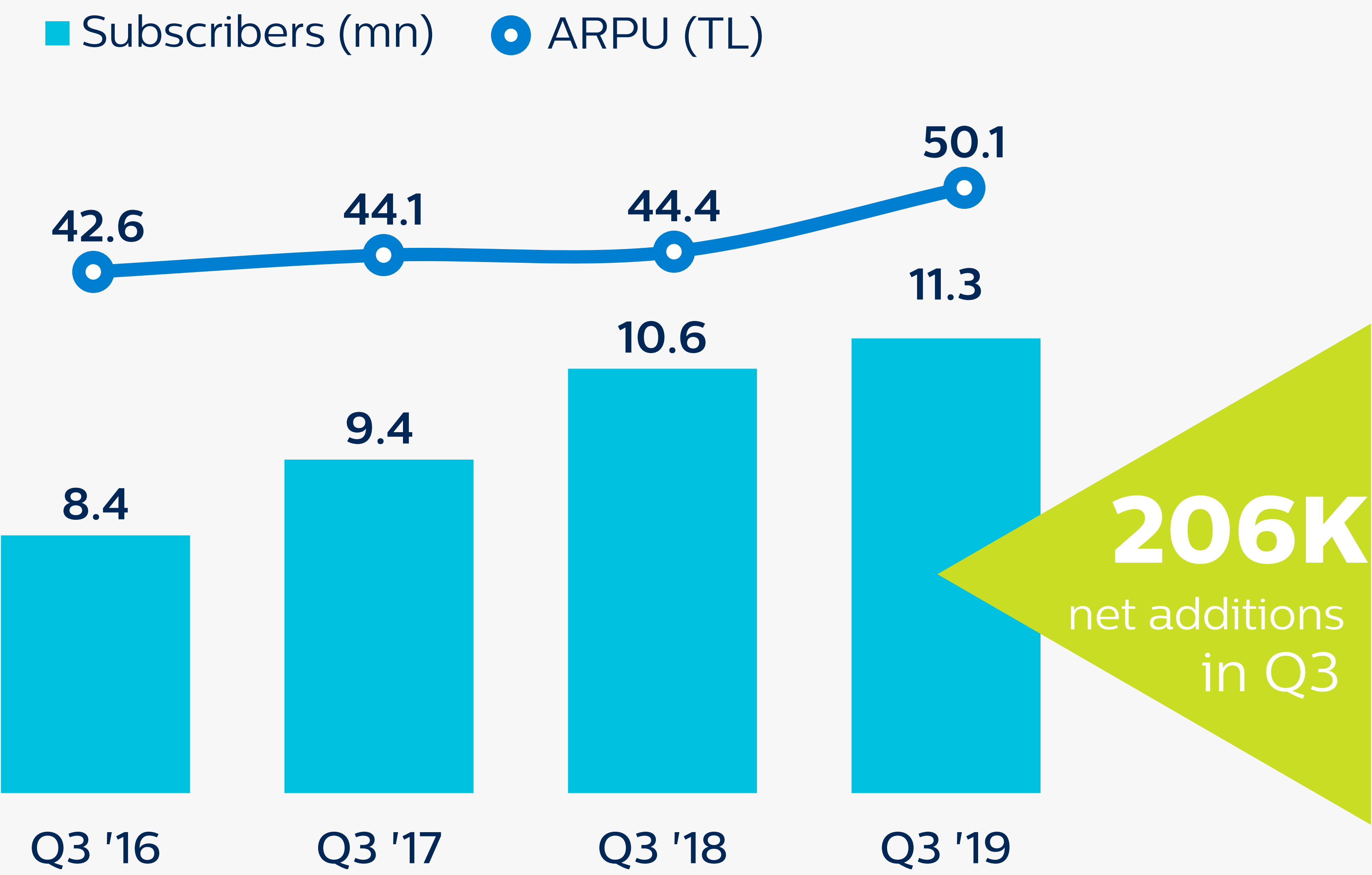
(1) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to fixed line infrastructure, such as the upgrade from copper to fiber based network

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & ”Summary Financial and Operational xls” on our web site.

Fixed Broadband Performance

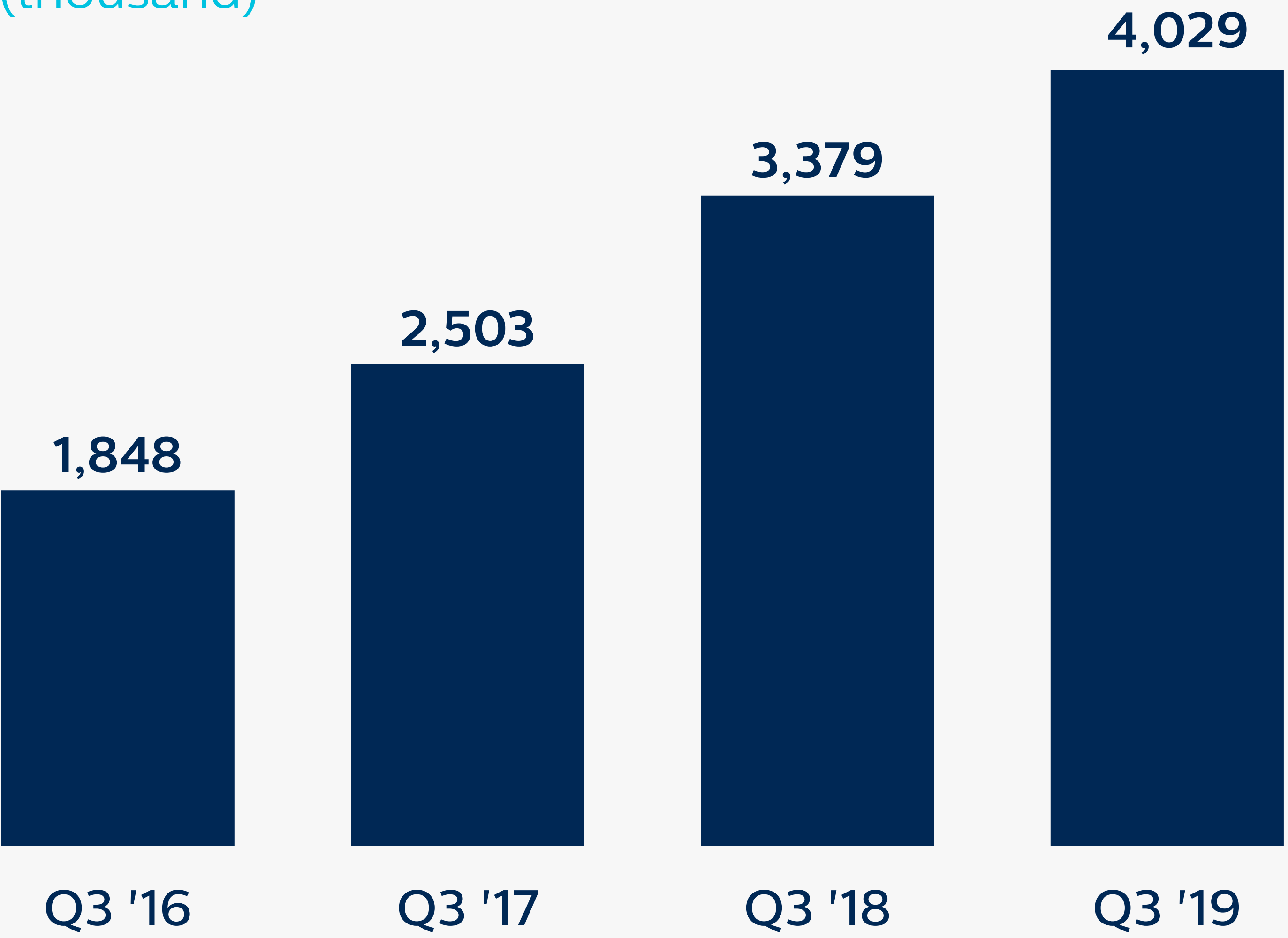


ARPU & Subscribers



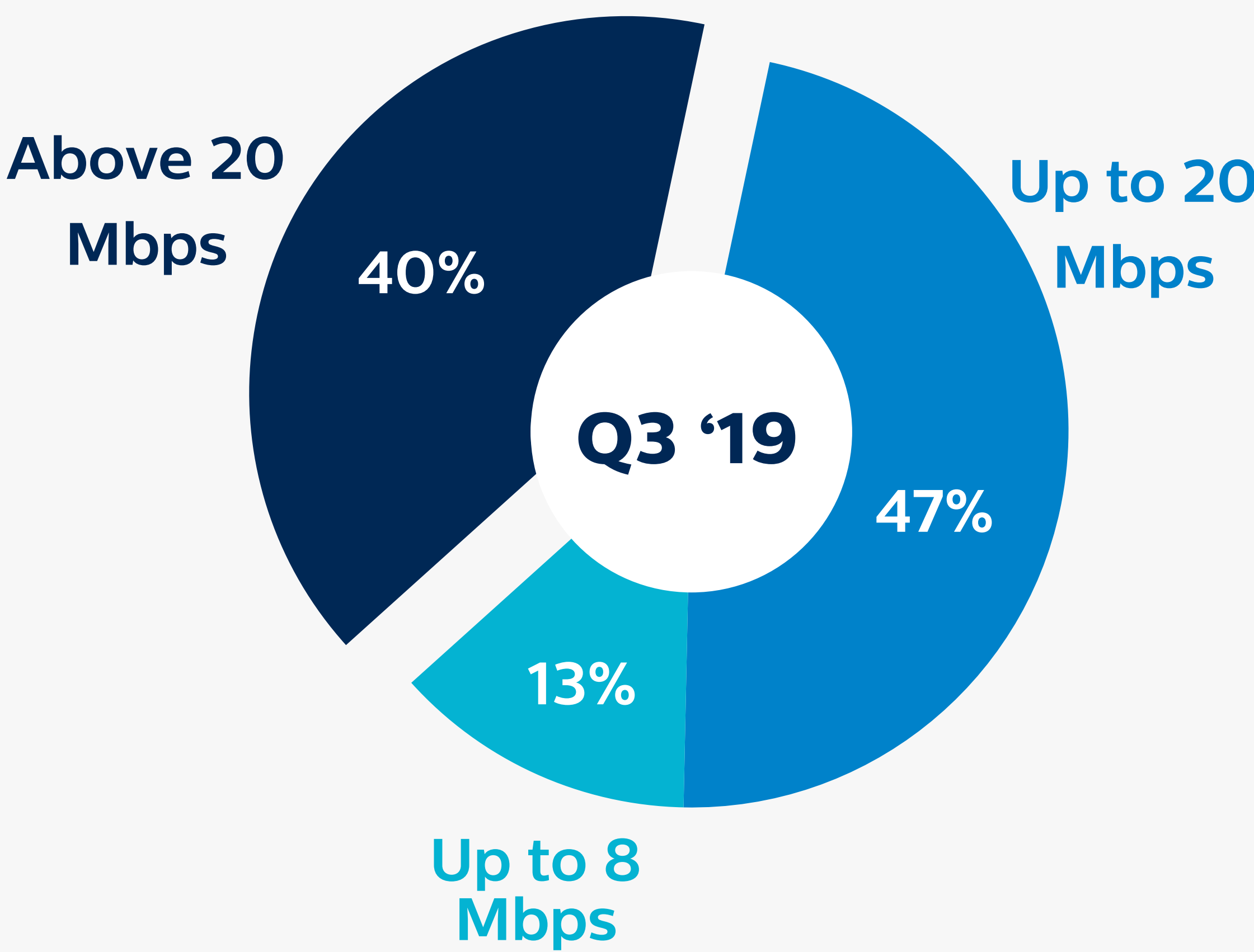
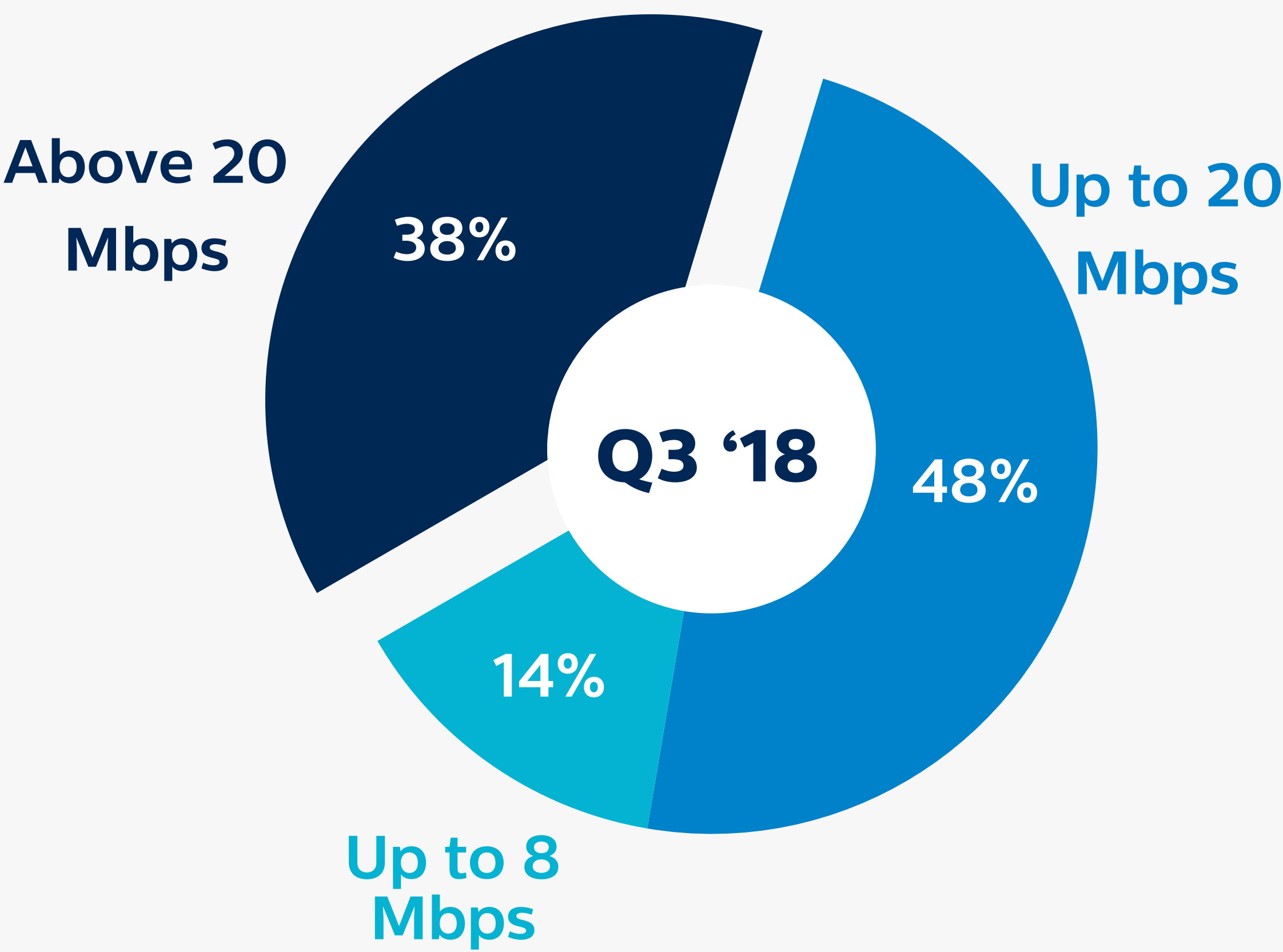
Fiber Subscribers

(thousand)



Speed Breakdown

(% of Subscribers)

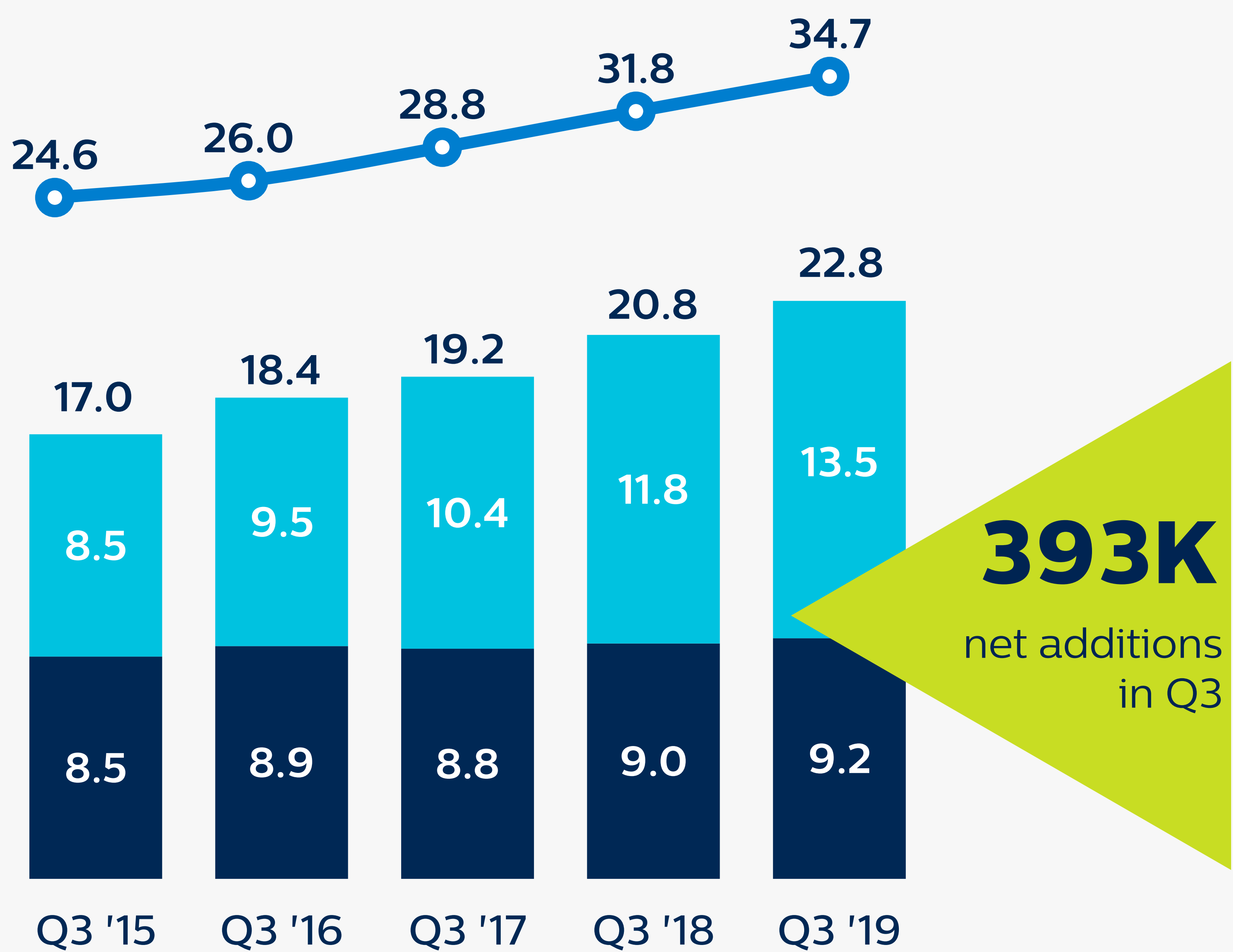


Excluding Internet Bizden subscribers
All figures are based on Türk Telekom's retail subscribers

Mobile Performance

Growing ARPU & Subscriber Base

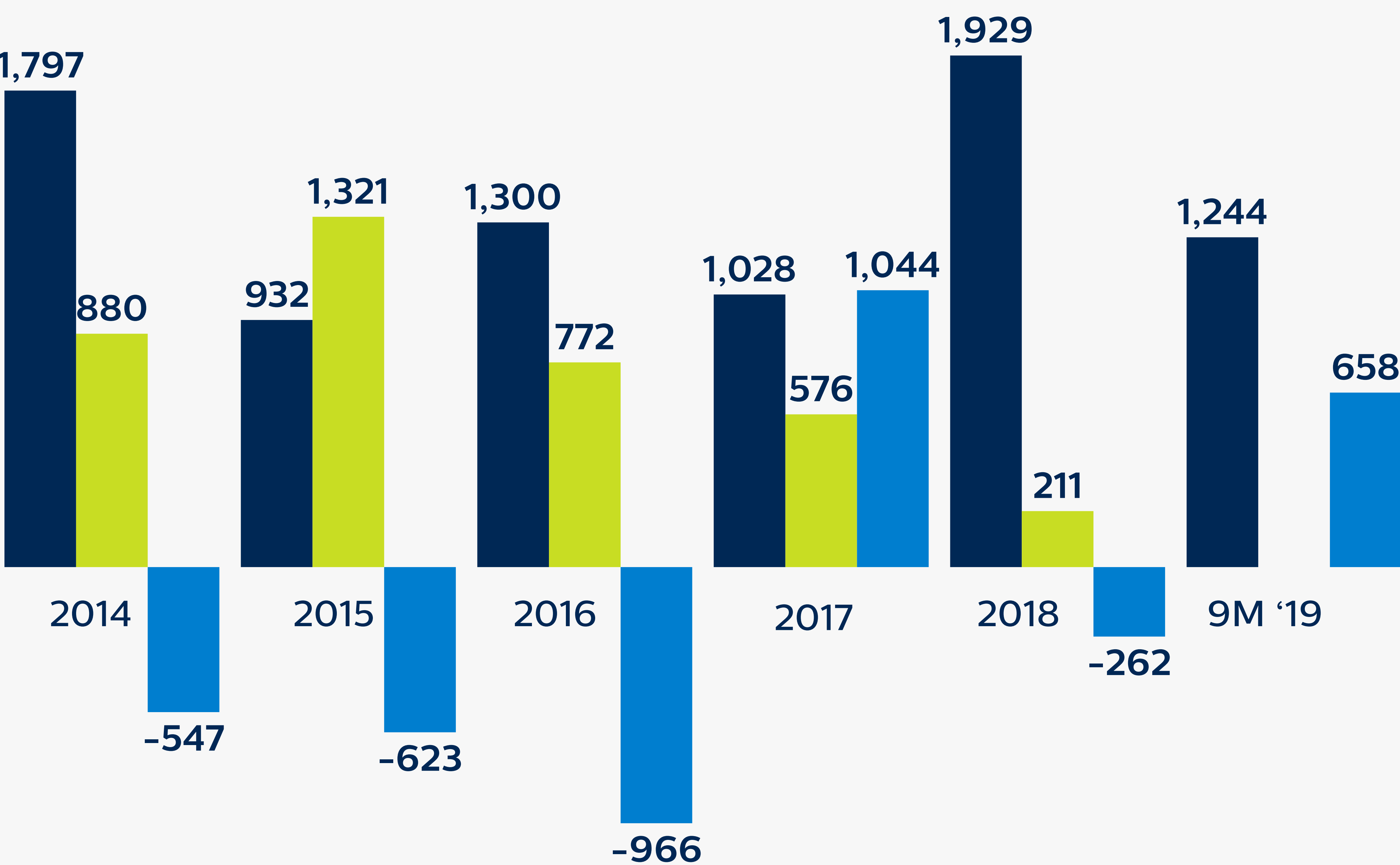
- Blended ARPU (TL)
- Prepaid (mn) ■ Postpaid (mn)



Net Subscriber Additions

(thousand)

- Türk Telekom ■ Vodafone ■ Turkcell

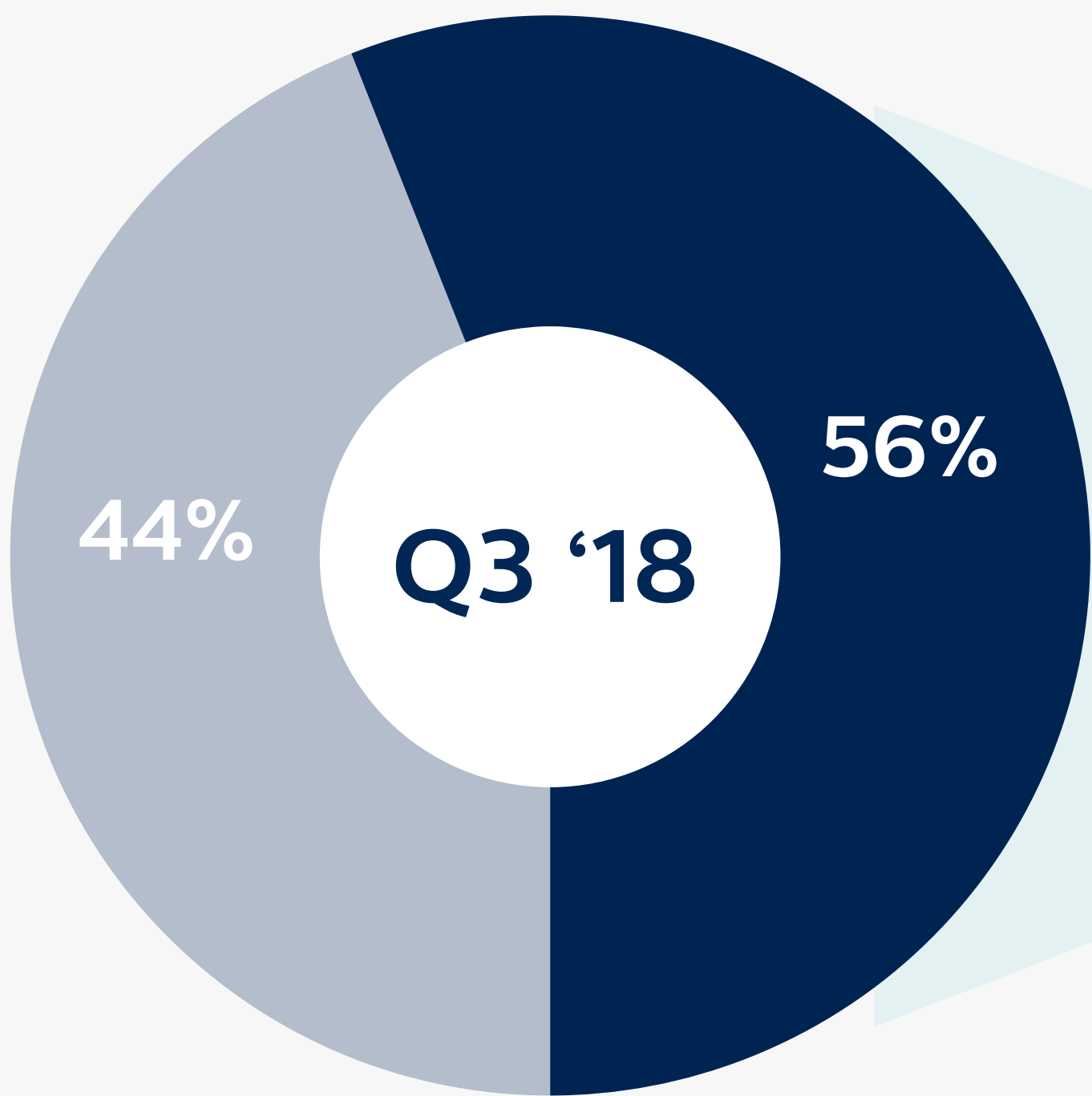


Other operators' data are from their own publications.

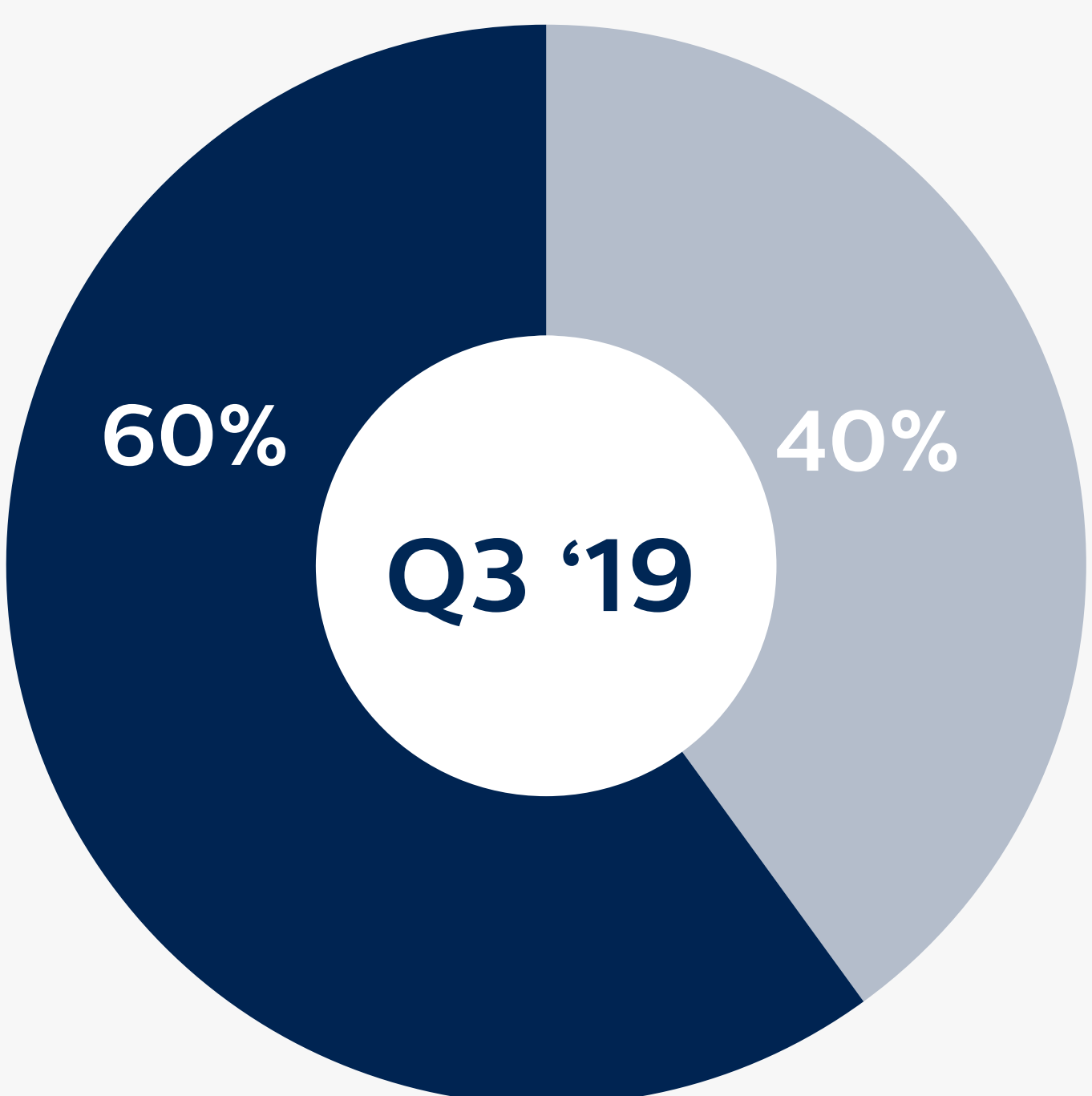
Mobile Data

Data Revenue

(Mobile service revenue share)

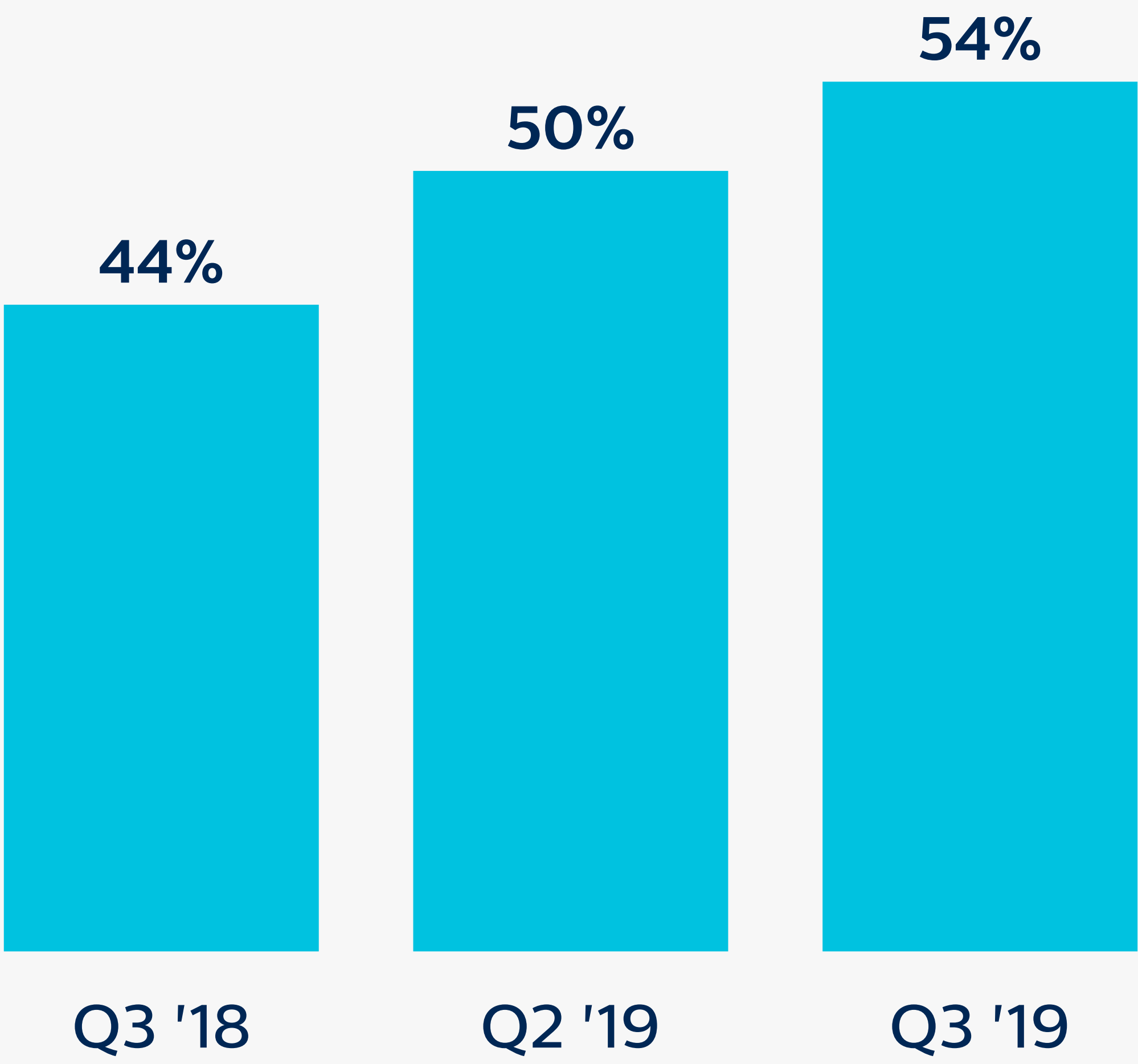


Data Revenue Share

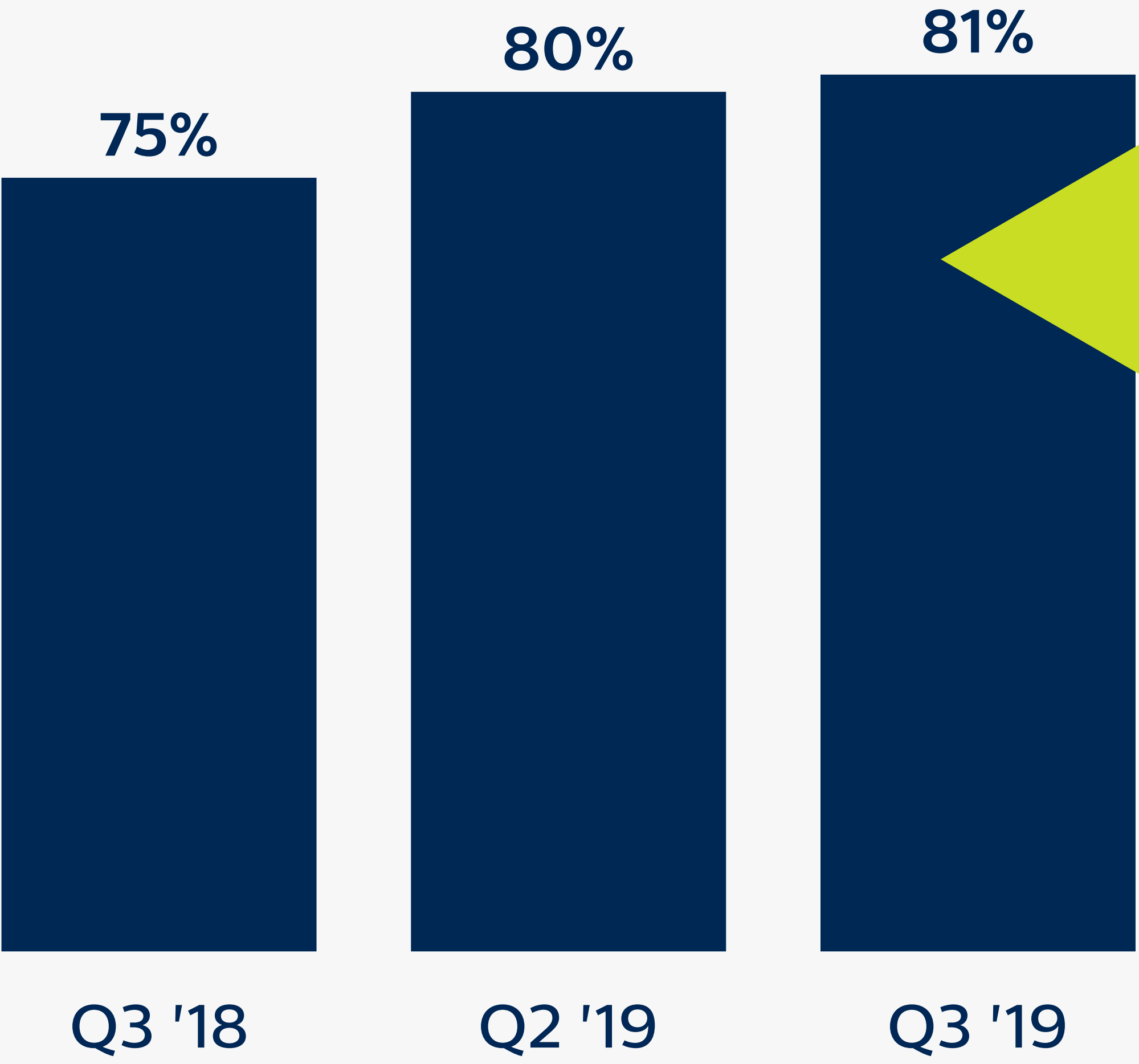


LTE Users*

(Total subscriber share)



LTE Compatible Smartphone**



85%

Smartphone Penetration

Avg. Monthly Mobile Data Usage

(GB per LTE user)



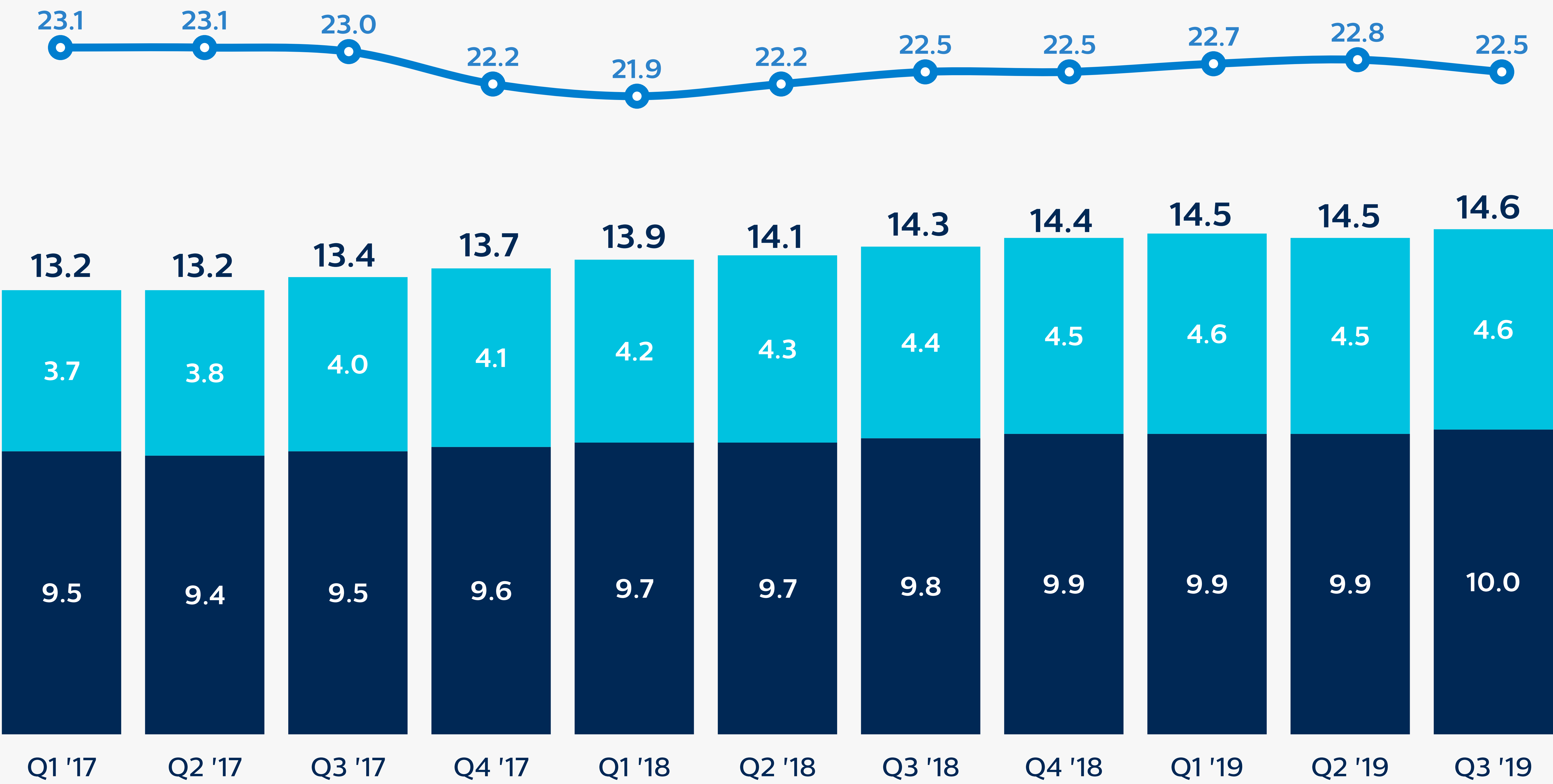
*Subscribers who
1) registered for LTE
2) have LTE compatible device and simcard

** Among smartphone users

Fixed Voice Performance

Access Lines and ARPU

- Fixed Voice (mn)
- Naked Broadband (mn)
- Fixed Voice ARPU (TL)

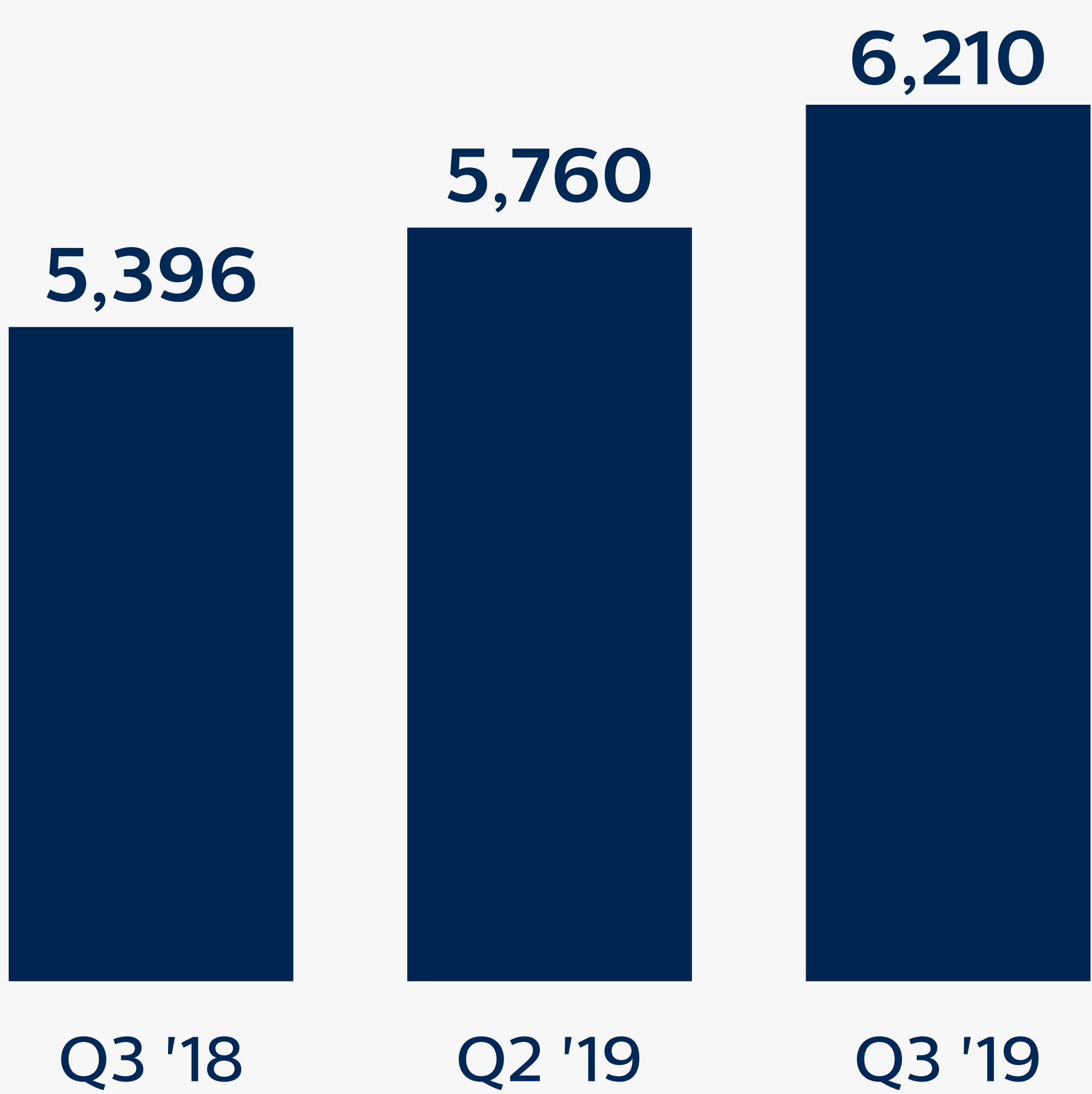


Financials

Financial Performance

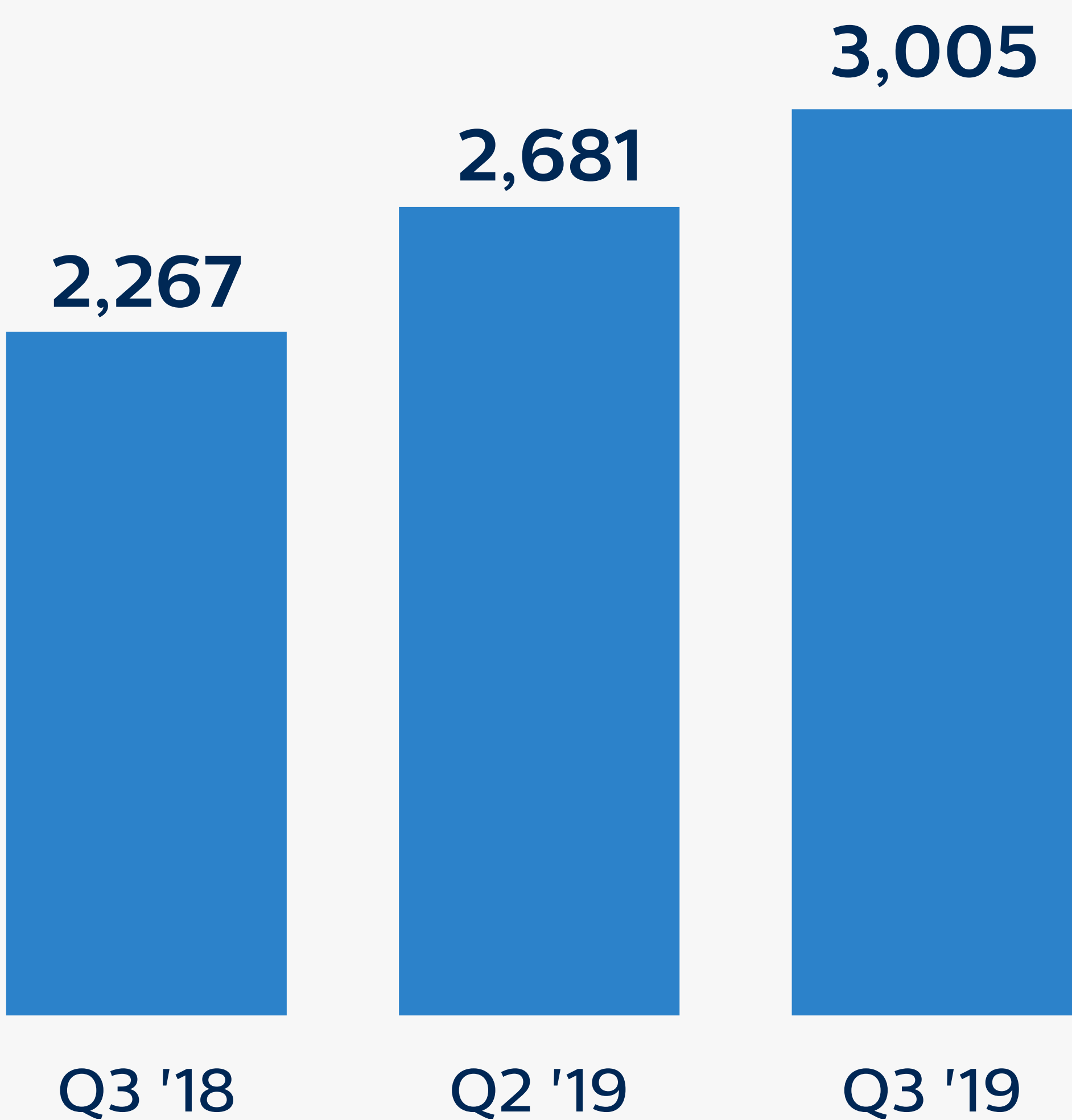
Revenue

(TL mn)



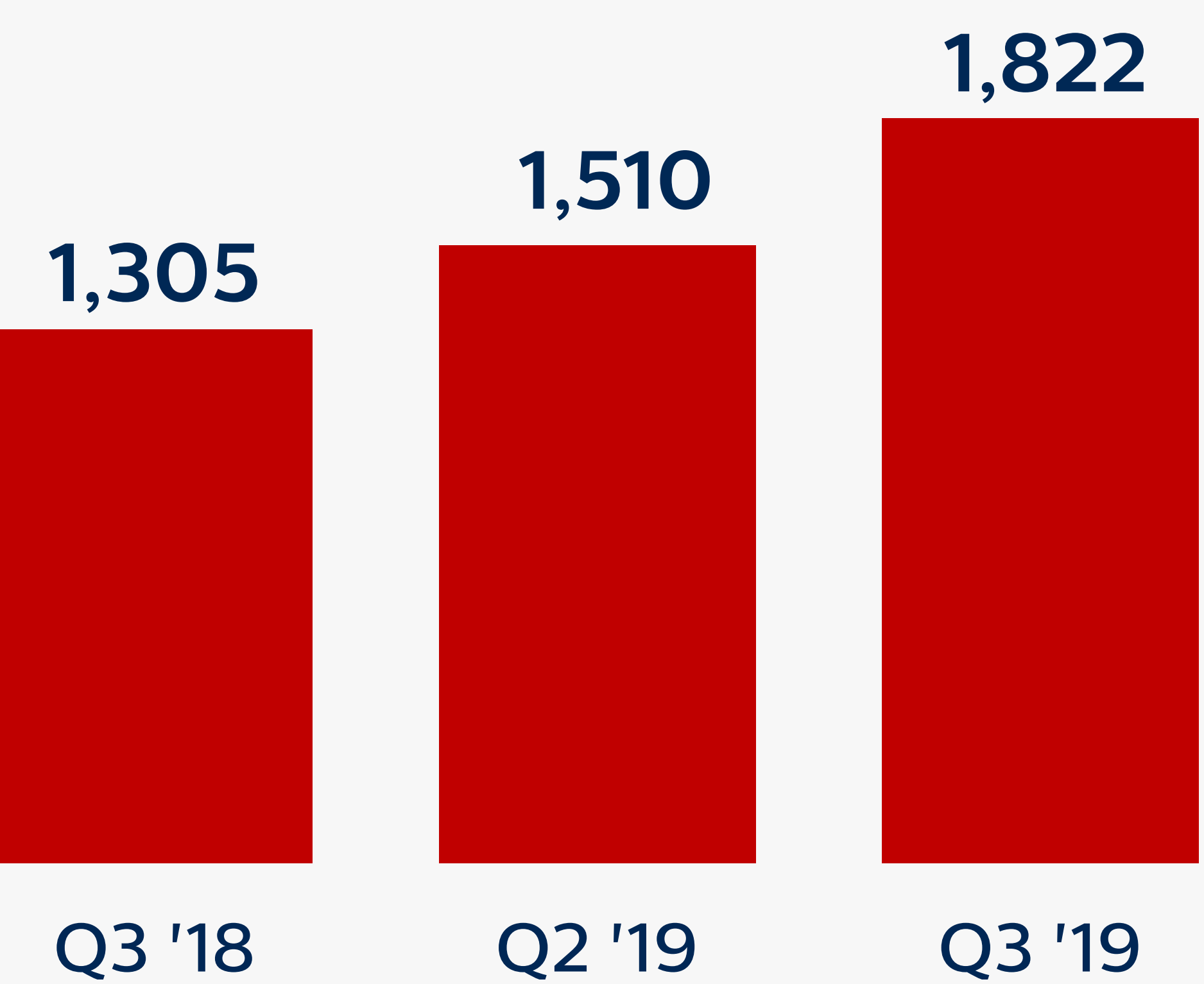
EBITDA

(TL mn)



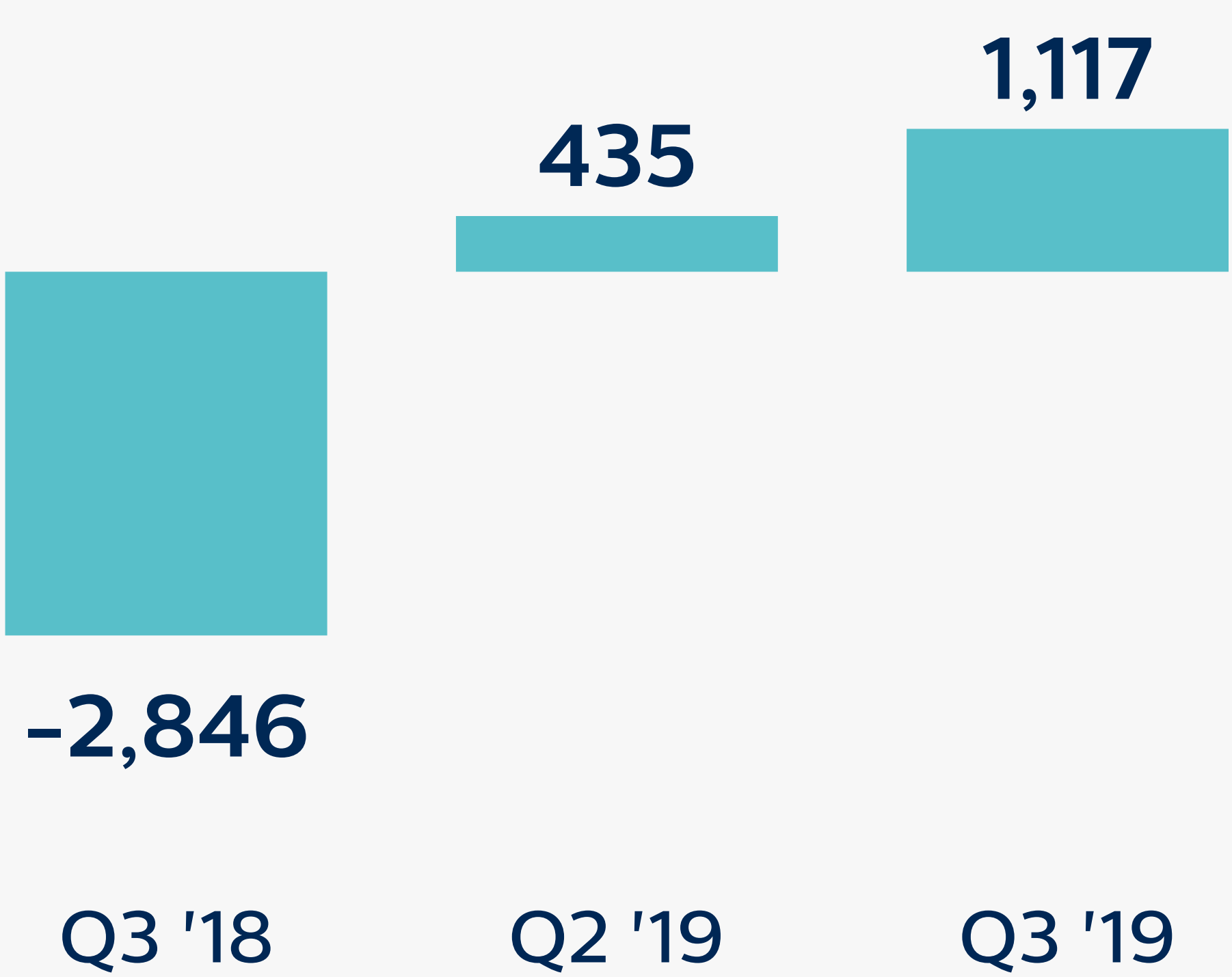
Operating Profit

(TL mn)



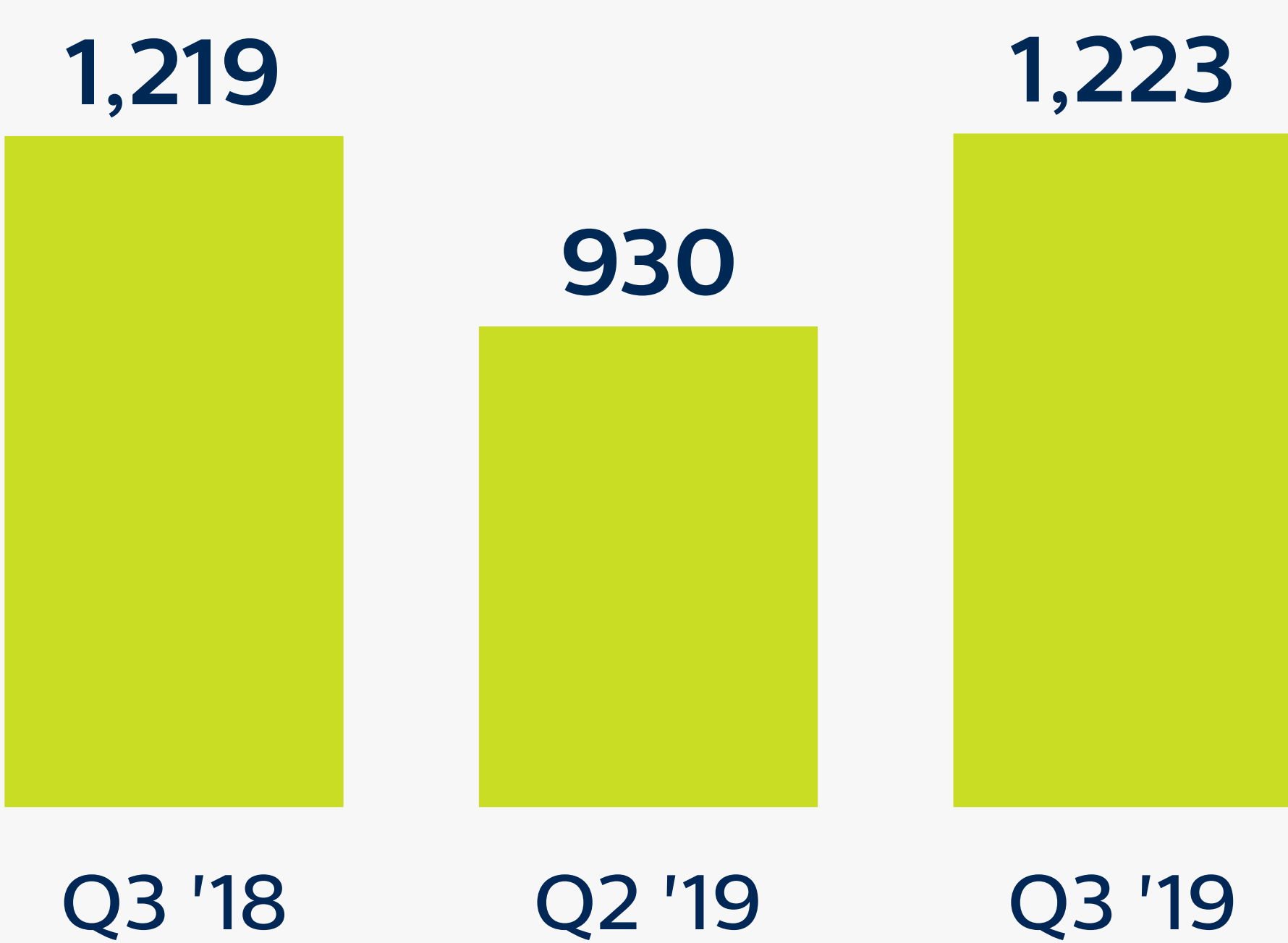
Net Income

(TL mn)



Capex

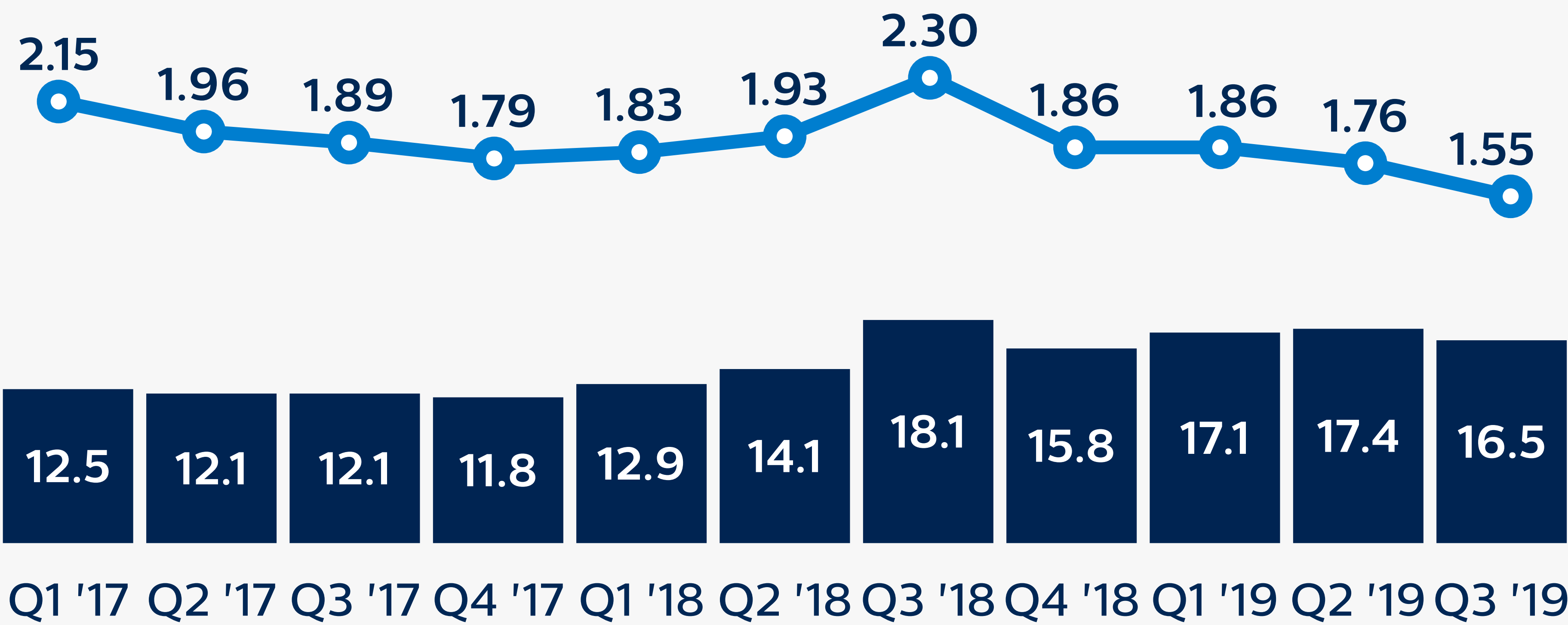
(TL mn)



Debt Profile

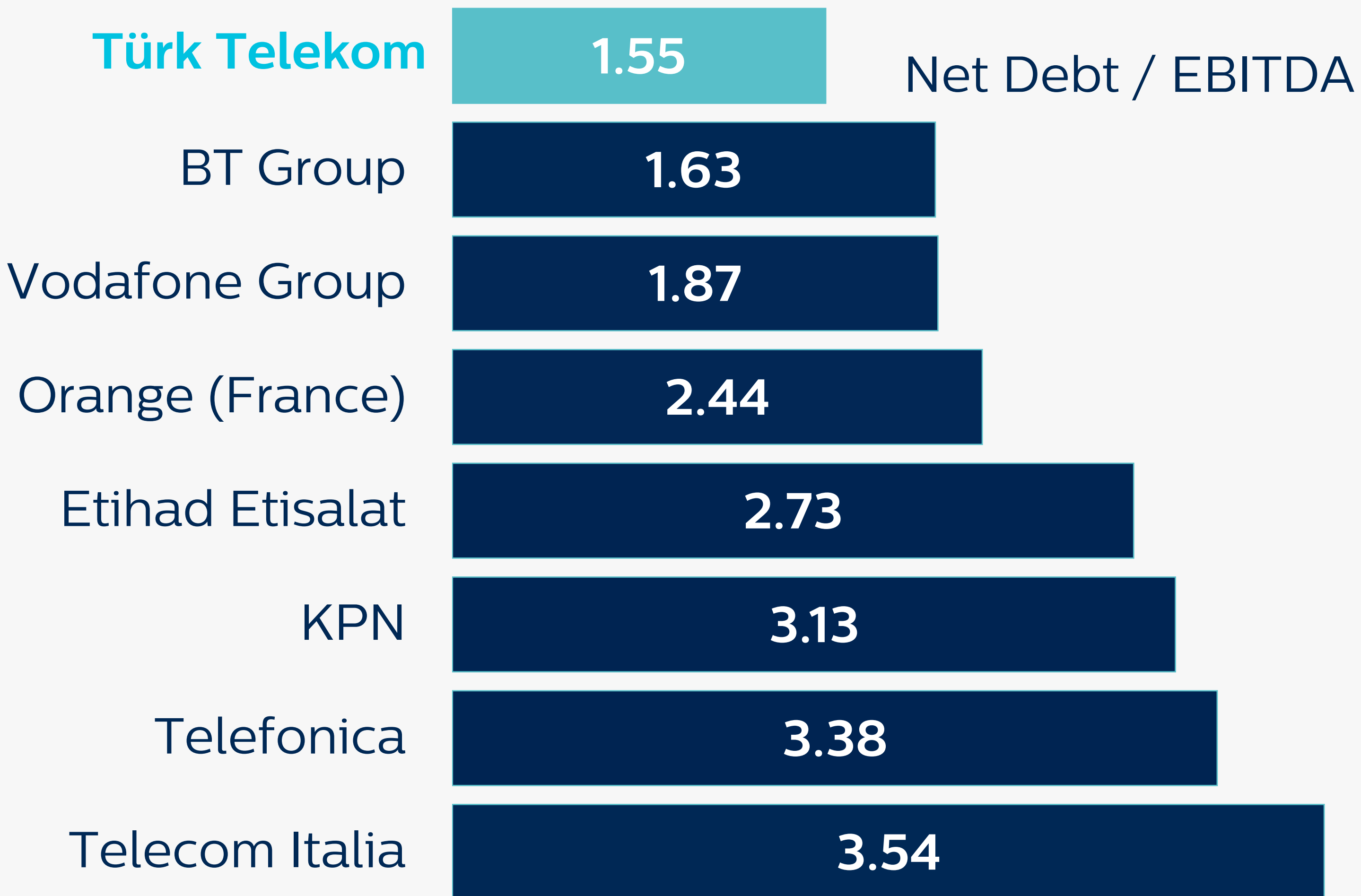
Net Debt

■ Net Debt (TL bn) ● Net Debt/EBITDA



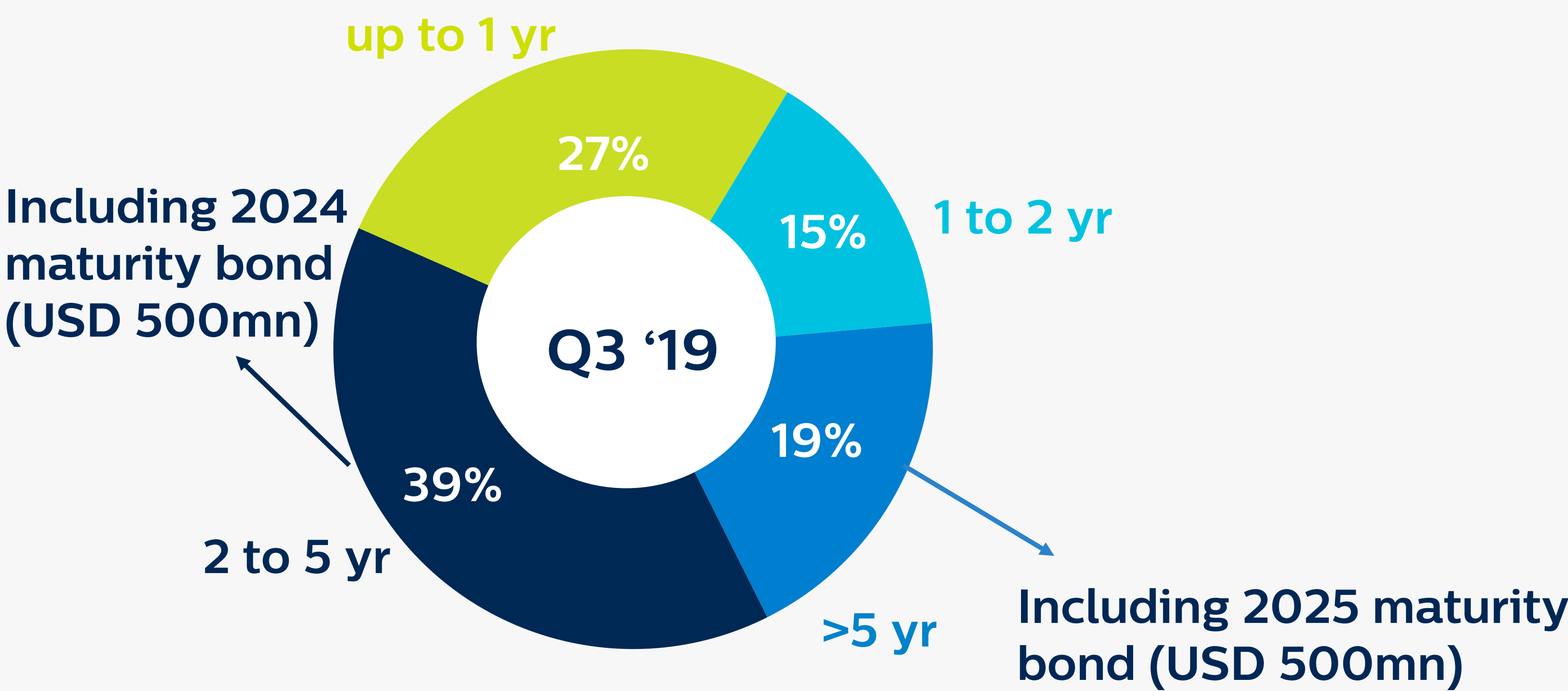
Note: Net Debt calculation includes MTM from FX to TRY Currency Swaps
Net Debt/EBITDA calculation excludes extraordinary claims EBITDA calculation

Low debt ratio among peers



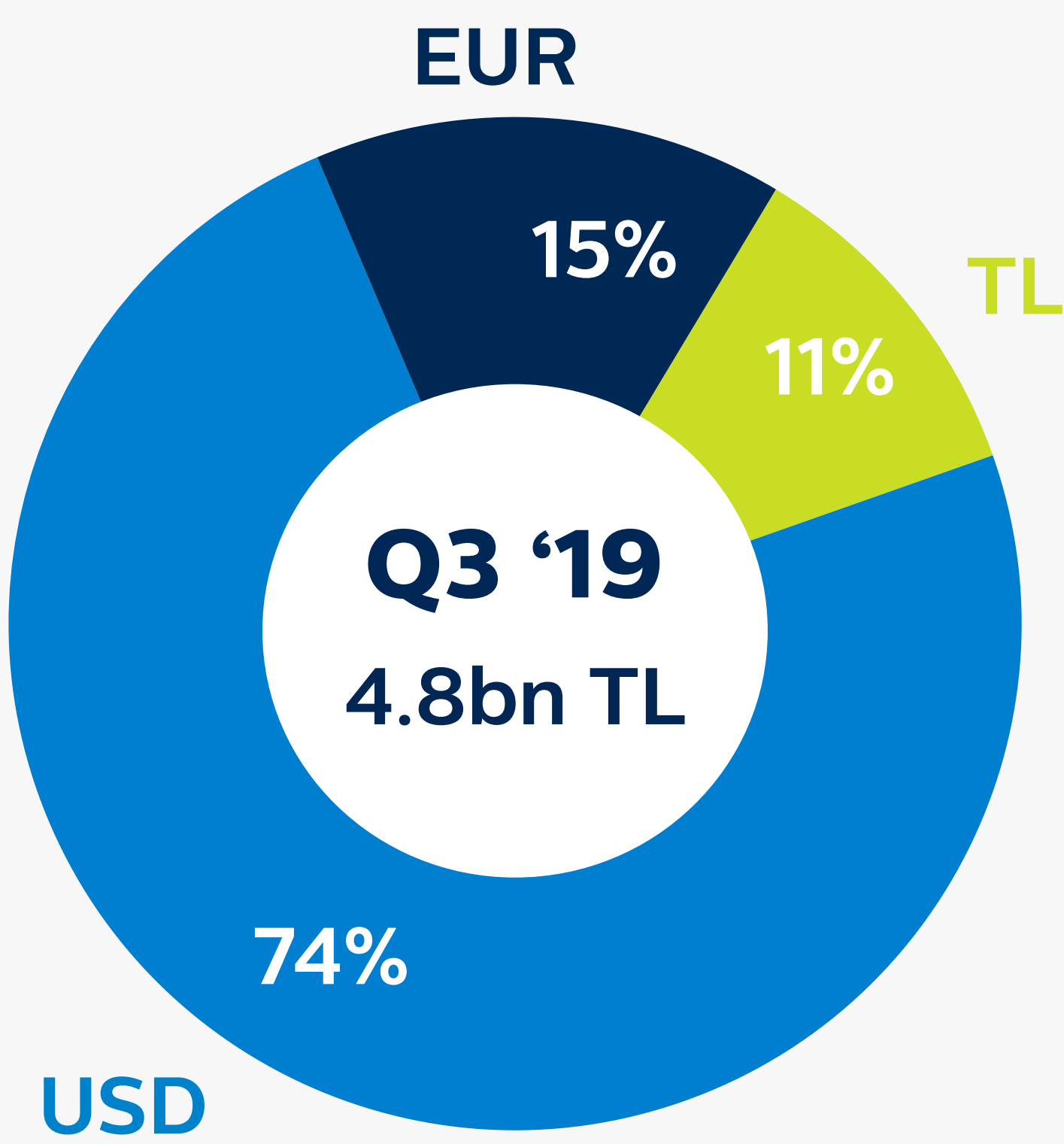
Source: Bloomberg
Türk Telekom's ratio is based on Q3'19 financials; other's based on their latest data

Maturity Profile

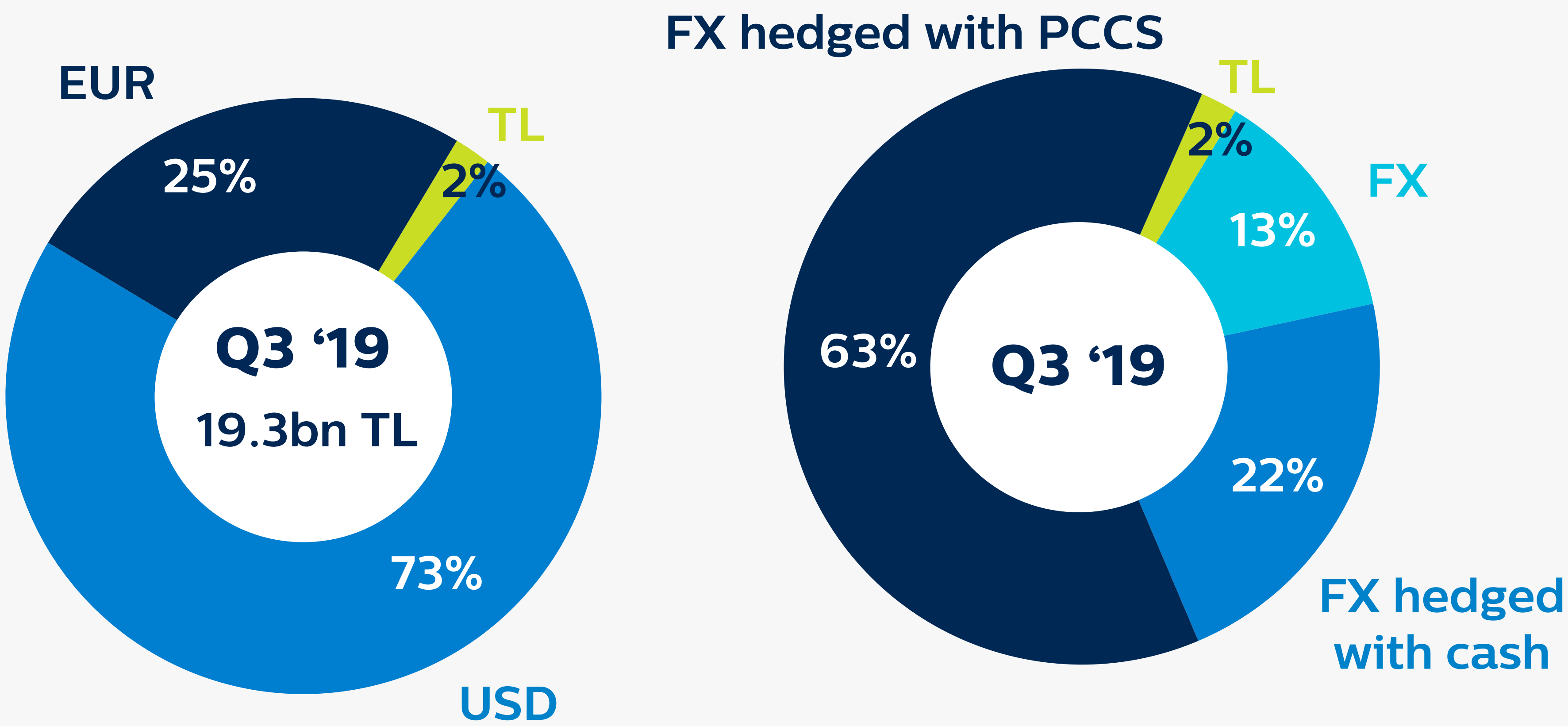


All loans are senior unsecured

Cash FX Breakdown



Gross Debt FX Breakdown



Debt Profile

Prudent Balance Sheet Management

- ▶ FX Risks managed via Participating Cross Currency Swaps (PCCS), and FX based cash
- ▶ Hedge in both principal and interests of designated debt instruments
- ▶ Diversified funding terms of instruments (bonds, ECAs, commercial loans, and IFIs) and geography
- ▶ Significant improvement in cash flow generation with normalized Capex cycle and increasing EBITDA

Corporate Credit Ratings

Fitch Ratings

Long Term Rating: BB-
Outlook Negative

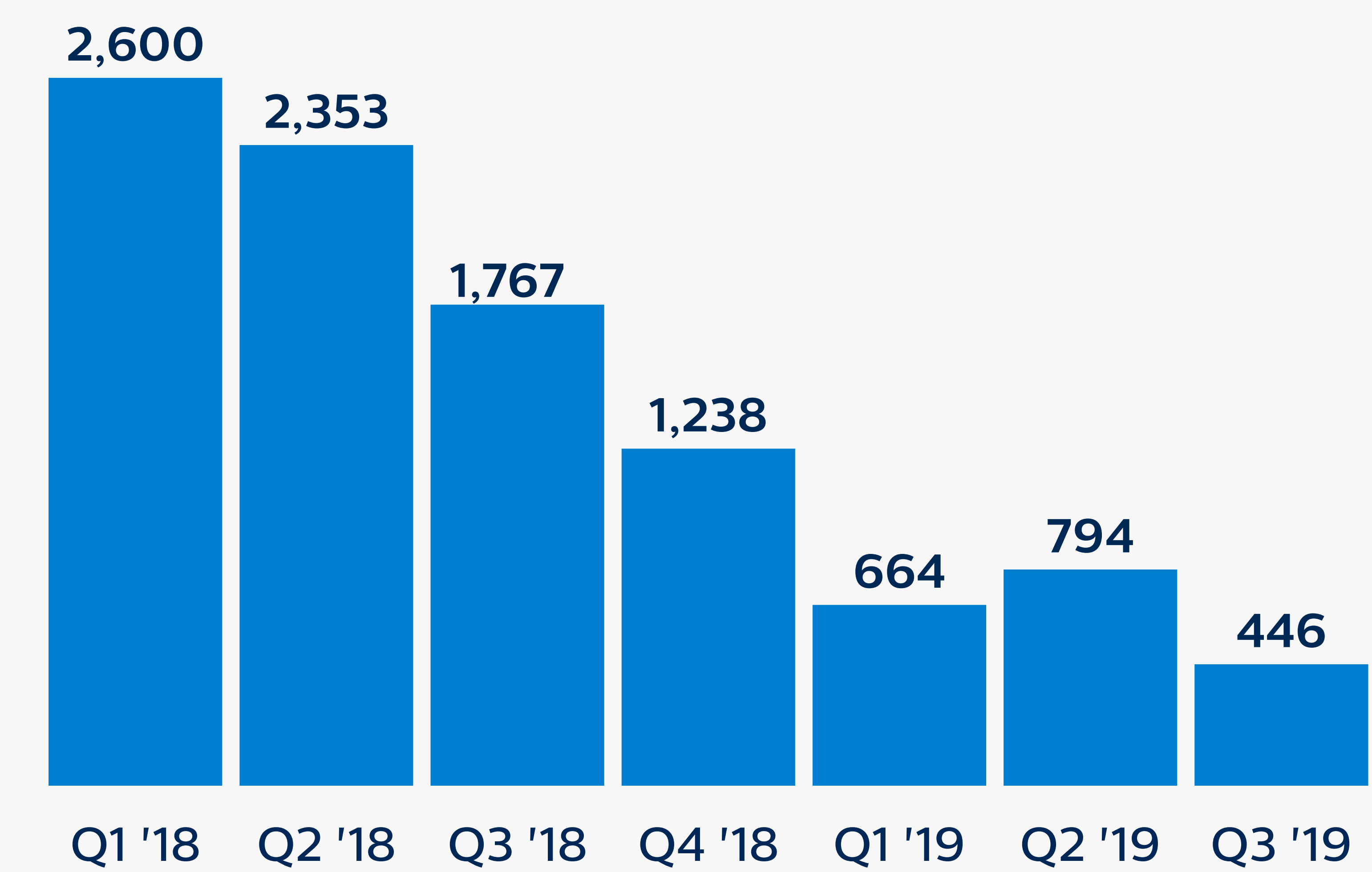
S&P Global Ratings

Long Term Rating: BB-
Outlook Stable

Stand-alone Credit Profile (SACP):
bbb-

Net FX Exposure *

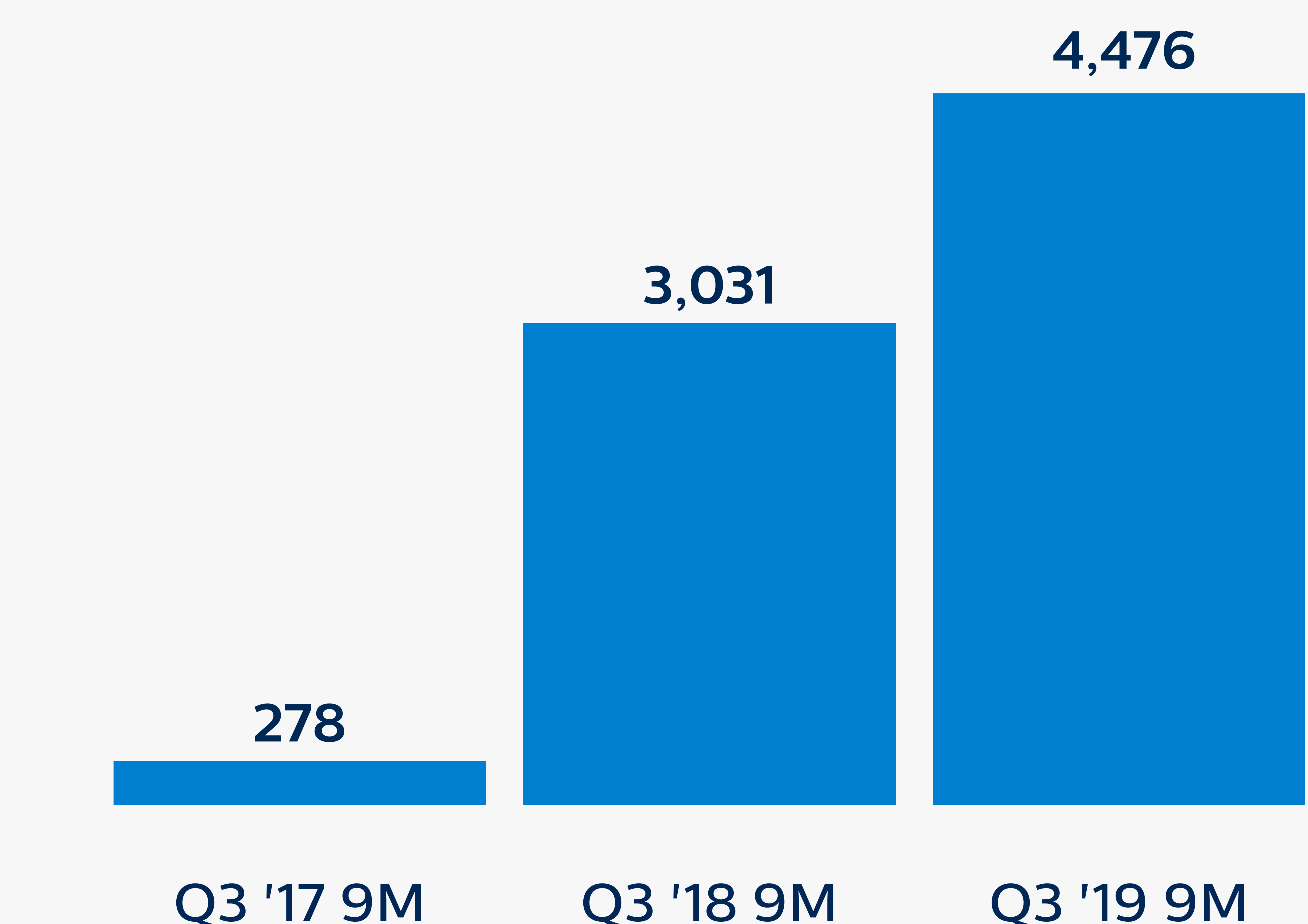
(USD mn equivalent)



*Net FX exposure is calculated as FX based financial debt less FX hedge position less FX based cash and cash equivalents. Debt calculation excludes lease obligations.

Increasing Cash Flow*

(TL mn)



*Unlevered cash flow is defined as net cash provided by operating and investing activities from operations.

Guidance

TL mn	2018 YE	2019 Guidance	2019 Revised Guidance
Revenue (exc. IFRIC 12) ¹	19,660	15% - 16% growth	Around 15% growth
EBITDA	8,436	TL 10.3 to 10.5 bn	Around TL 11.0 bn
CAPEX	4,087	TL 4.6 bn to 4.8 bn	Around TL 4.8 bn

(1) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure such as the upgrade from copper to fiber based network

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

Appendix

Income Statement

(TL mn)	Q3 '18	Q2 '19	Q3 '19	QoQ Change	YoY Change
Revenues	5,396	5,760	6,210	7.8%	15.1%
EBITDA	2,267	2,681	3,005	12.1%	32.6%
Margin	42.0%	46.5%	48.4%		
Operating Profit	1,305	1,510	1,822	20.7%	39.6%
Margin	24.2%	26.2%	29.3%		
Financial Inc. / (Exp.)	(5,077)	(999)	(475)	(52.4)%	(90.6)%
FX & Hedging Gain / (Loss)	(4,906)	(427)	180	n.m.	n.m.
Interest Inc./ (Exp.)	(186)	(464)	(543)	17.1%	192.3%
Other Financial Inc./ (Exp.)	14	(108)	(112)	4.2%	n.m.
Tax Expense	926	(77)	(229)	199.8%	n.m.
Net Income	(2,846)	435	1,117	157.0%	n.m.
Margin	n.m.	7.5%	18.0%		

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & ”Summary Financial and Operational xls” on our web site.

Balance Sheet

(TL mn)	30.09.2018	30.06.2019	30.09.2019
Total Assets	38,945	37,575	38,293
Cash and Equivalents	6,187	3,961	4,767
Tangible Assets ¹	14,147	14,024	14,058
Intangible Assets	9,679	9,598	9,772
Other Assets ²	8,931	9,992	9,696
Total Equities and Liabilities	38,945	37,575	38,293
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	2,262	4,716	5,725
Interest Bearing Liabilities³	24,713	21,398	20,584
Other Liabilities⁴	8,709	8,201	8,724

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & “Summary Financial and Operational xls” on our web site.

(1) Tangible assets include property, plant and equipment and investment property

(2) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset, right of use and other current assets.

(3) Includes short-term and long-term borrowings and lease obligations

(4) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due related parties, other current liabilities and provisions for employee termination benefits

IFRS 16 Adoption Reconciliation

(TL mn)	Q3 '19	IFRS 16 Impact	Q3 '19 w/o adoption of IFRS 16
Revenues	6,210		6,210
EBITDA	3,005	190	2,816
Margin	48.4%		45.3%
Operating Profit	1,822	30	1,792
Margin	29.3%		28.9%
Financial Inc. / (Exp.)	(475)	(45)	(430)
FX & Hedging Gain / (Loss)	180	5	175
Interest Inc./ (Exp.)	(543)	(50)	(493)
Other Financial Inc./ (Exp.)	(112)		(112)
Tax Expense	(229)	(1)	(229)
Net Income	1,117	(15)	1,133
Margin	18.0%		18.2%

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & ”Summary Financial and Operational xls” on our web site.

IFRS 16 Adoption Reconciliation

(TL mn)	30.09.2019	IFRS 16 Impact	30.09.2019 w/o adoption of IFRS 16
Total Assets	38,293	1,200	37,093
Cash and Equivalents	4,767		4,767
Tangible Assets	14,058		14,058
Intangible Assets	9,772		9,772
Rights of Use Assets	1,471	1,471	0
Other Assets	8,225	(271)	8,496
Total Equities and Liabilities	38,293	1,200	37,093
Share Capital	3,260		3,260
Reserves, Retained Earnings and Other Equity Items	5,725	(50)	5,775
Interest Bearing Liabilities	20,584	1,249	19,335
Other Liabilities	8,724	1	8,723

Türk Telekom adopted IFRS 16 accounting standards starting from 1 January 2019. For further details please refer to “Financial Footnotes” & ”Summary Financial and Operational xls” on our web site.

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