



TURKCELL GROUP

Q3 2019

October 31, 2019




BUSINESS OVERVIEW

Murat Erkan
Turkcell CEO



Q3 2019: SOLID PERFORMANCE


ROBUST REVENUE GROWTH

 **6.6 Bn TL**
13.6% YoY
43.3% 2-yr growth


TURKEY-CONSUMER

 **15.0%** YoY


TURKEY-CORPORATE

 **27.9%** YoY


STRONG EBITDA

 **2.8 Bn TL**
43.1% margin

SOLID NET INCOME

 **801 Mn TL**
3.3x YoY

SOLID ARPU GROWTH

 **17.6%** YoY
mobile blended
19.8% YoY
residential fiber

GROWING CUSTOMER BASE

 **526K** mobile net add
503K postpaid net add

CONTINUED DELEVERAGING

1.0x Net Debt/EBITDA
0.8x yoy improvement



TURKCELL GROUP FINANCIAL HIGHLIGHTS

<i>Consolidated TRY Million¹</i>	Q3 2019	QoQ %	YoY %	9M 2019	YoY %
Revenue	6,587	6.4%	13.6%	18,453	17.8%
EBITDA	2,839	11.2%	18.6%	7,673	17.2%
EBITDA Margin	43.1%	1.9pp	1.8pp	41.6%	(0.2pp)
EBIT	1,641	27.5%	15.7%	4,031	13.6%
EBIT Margin	24.9%	4.1pp	0.5pp	21.8%	(0.8pp)
Net Income	801	72.1%	231.7%	2,490	115.2%
Op.Capex/Sales²	15.0%	(0.4pp)	(0.6pp)	15.3%	(0.6pp)

- Revenue growth performance in line with guidance
- Strong operational profitability and bottomline

¹ TRY figures are based on IFRS. ² Excluding license fees



STRATEGIC PRIORITIES: Q3 UPDATES



DIGITAL SERVICES

- Focus on standalone monetization
- New Feature: BiP Web VoIP
- New platform for SMEs: hesAPPLi



DIGITAL BUSINESS SOLUTIONS

- Strong revenue generation:
 - 48% yoy growth in 9M 2019
- Bursa City Hospital opening & 112 Emergency Line infrastructure
- Smartphone leasing launched for corporates



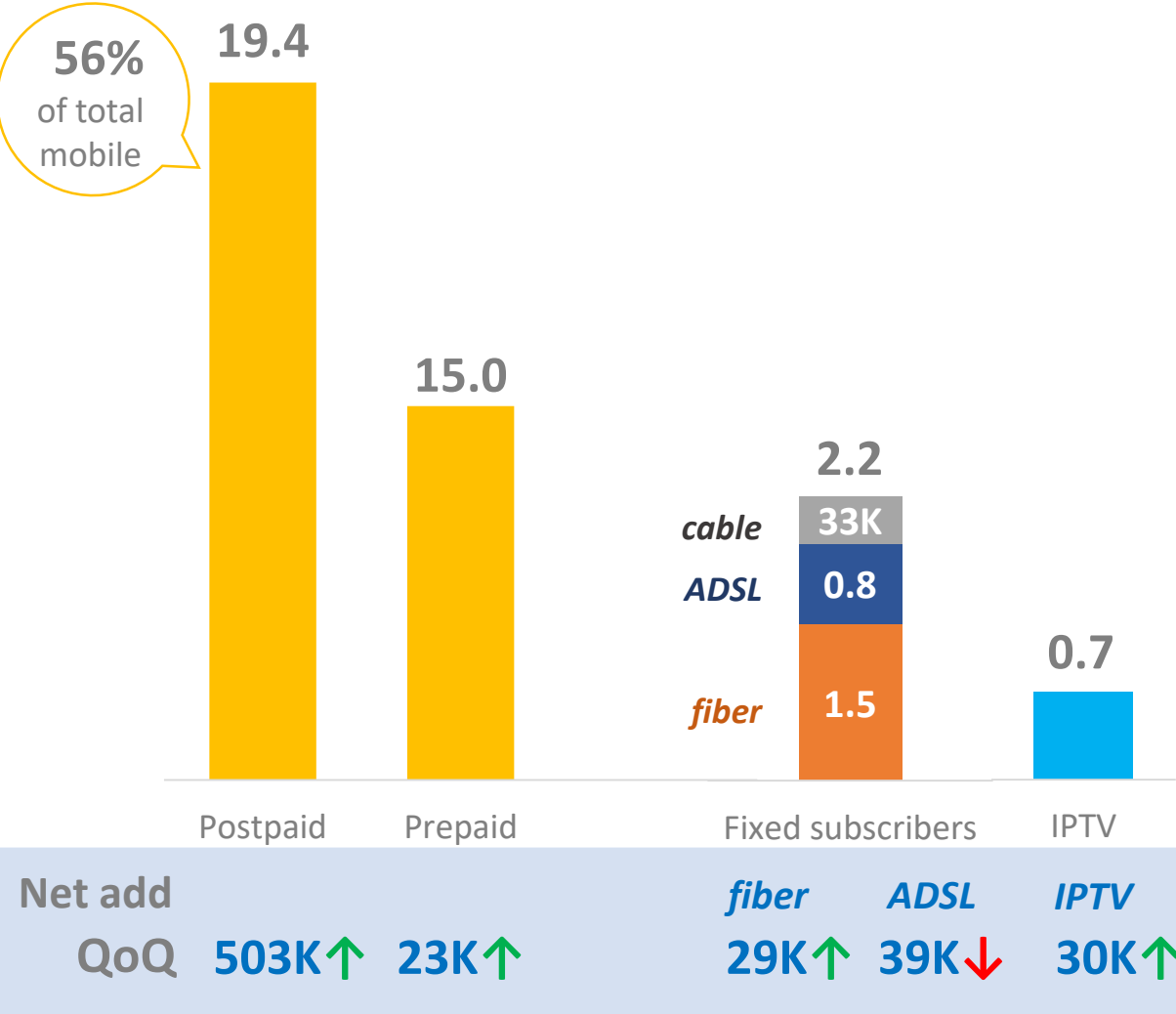
TECHFIN PLATFORM

- Financell's step into Turkcell's corporate segment
- Paycell integration with IstanbulCard
- Agreements with key accounts; retailers and restaurant chains

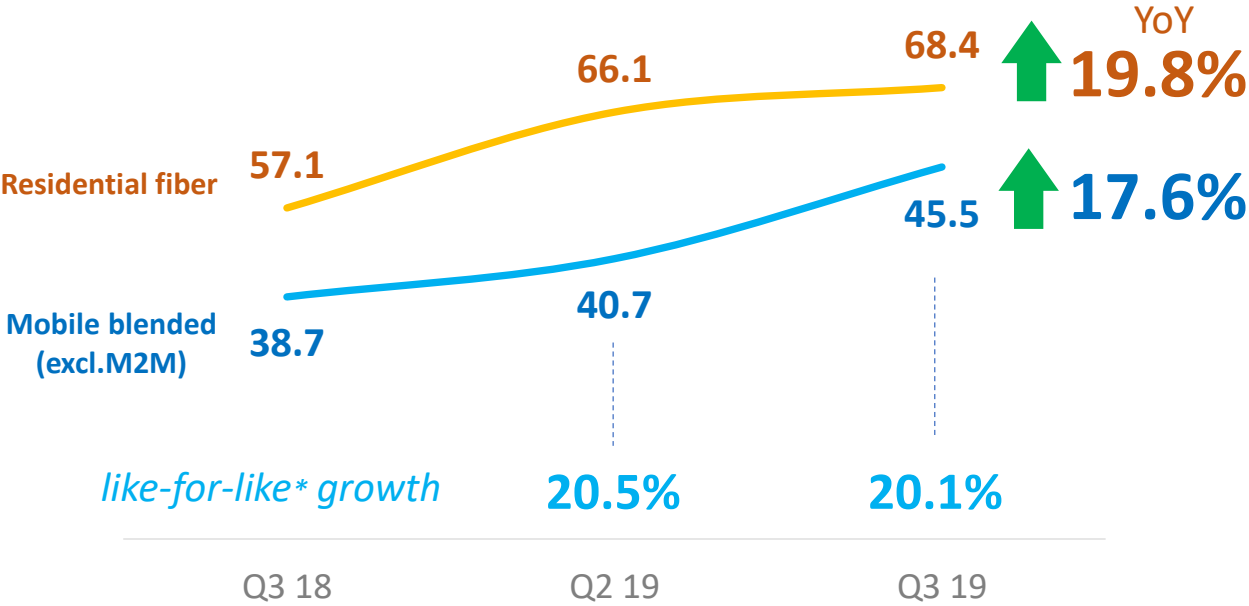


OPERATIONAL HIGHLIGHTS

TURKEY SUBSCRIBERS (million)

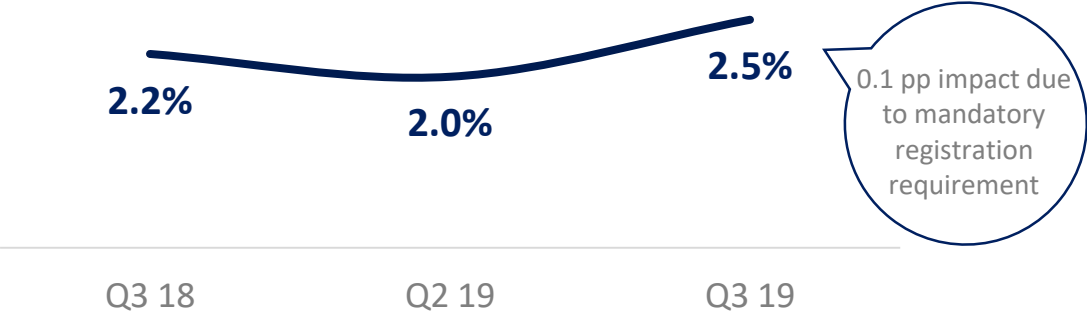


ARPU (TL)



* The ARPU of mobile customers who have stayed with Turkcell for at least 14 months.

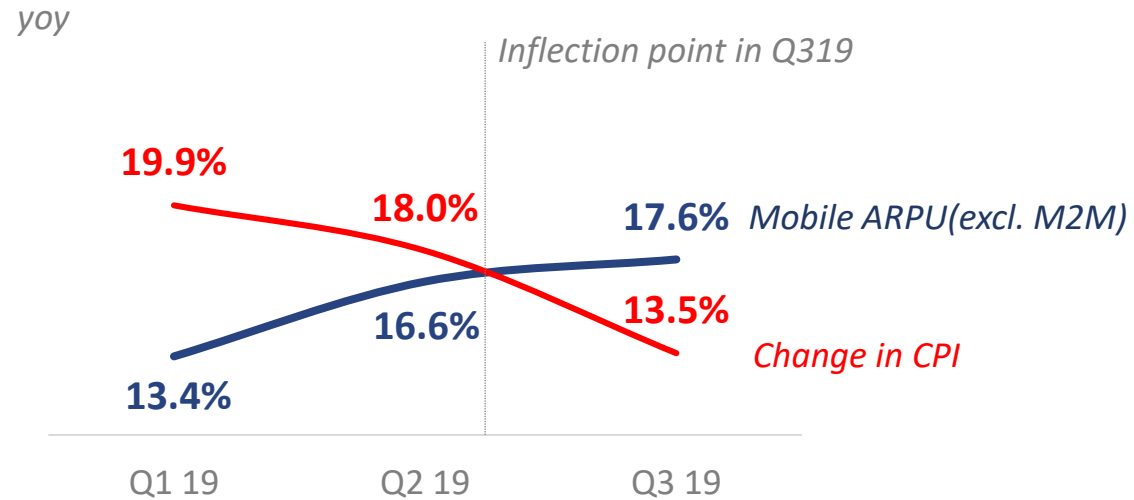
MONTHLY AVERAGE MOBILE CHURN RATE



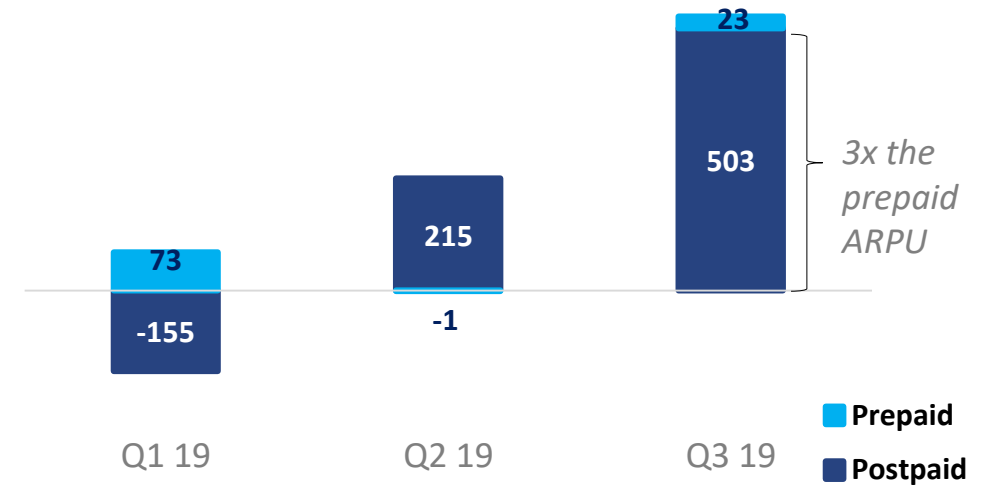


STRONG NET ADD WITH ACCELERATING ARPU GROWTH

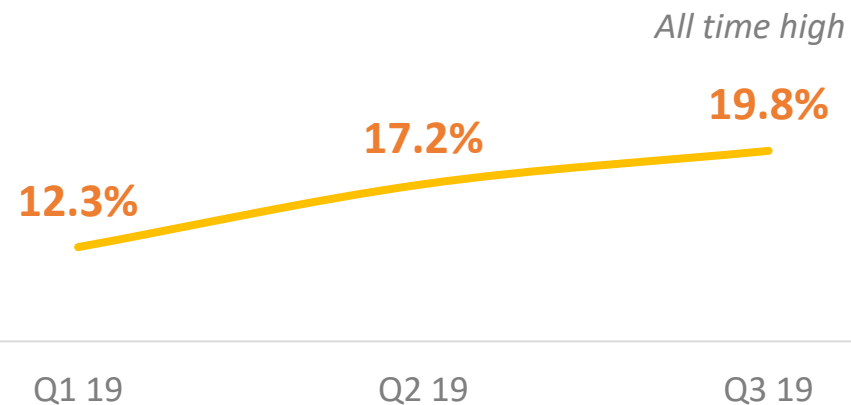
MOBILE ARPU GROWTH vs INFLATION (%)



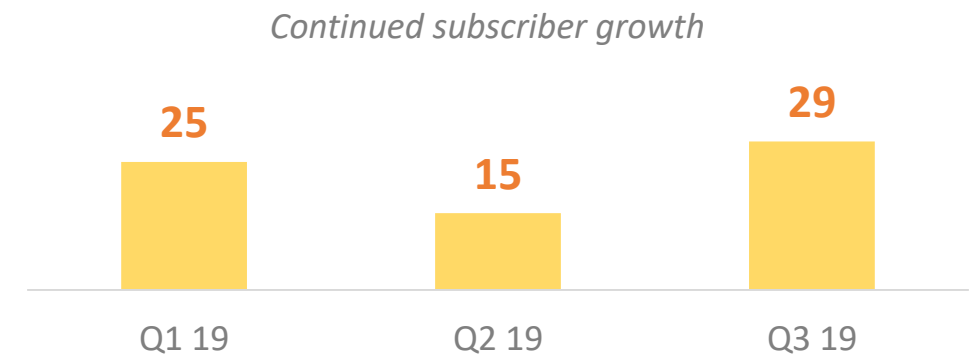
MOBILE NET ADD (K)



FIBER RESIDENTIAL ARPU GROWTH (%)



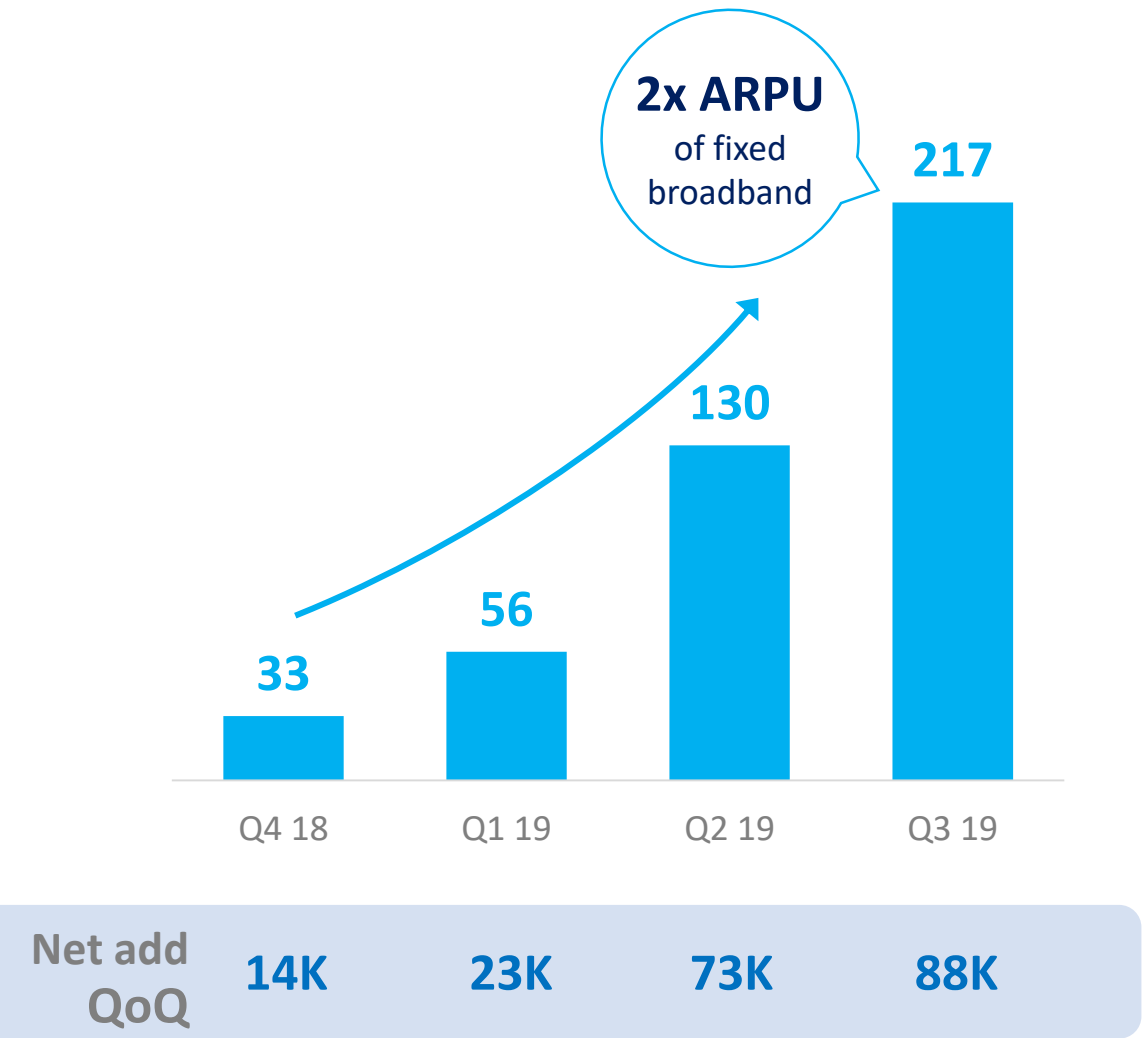
FIBER NET ADD (K)





SUPERBOX: THE BRAND FOR FWA

SUPERBOX SUBSCRIBER TREND (K)



- FWA: broadband via mobile network
- Best solution for clients without fiber access
- Providing a 5G service on our strong 4.5G network
- Becoming «the brand» for FWA in Turkey



LEADERSHIP IN QUALITY AND EXPERIENCE

SMART CAMPAIGNS IN Q319



Youngster Digital Services Campaign

 **11 mn** participant/gifts

 Customized gifts



Turkcell's «Comfortable» Tariff Model

 **Hybrid** (post&pre) model

 **~55%** new to Turkcell

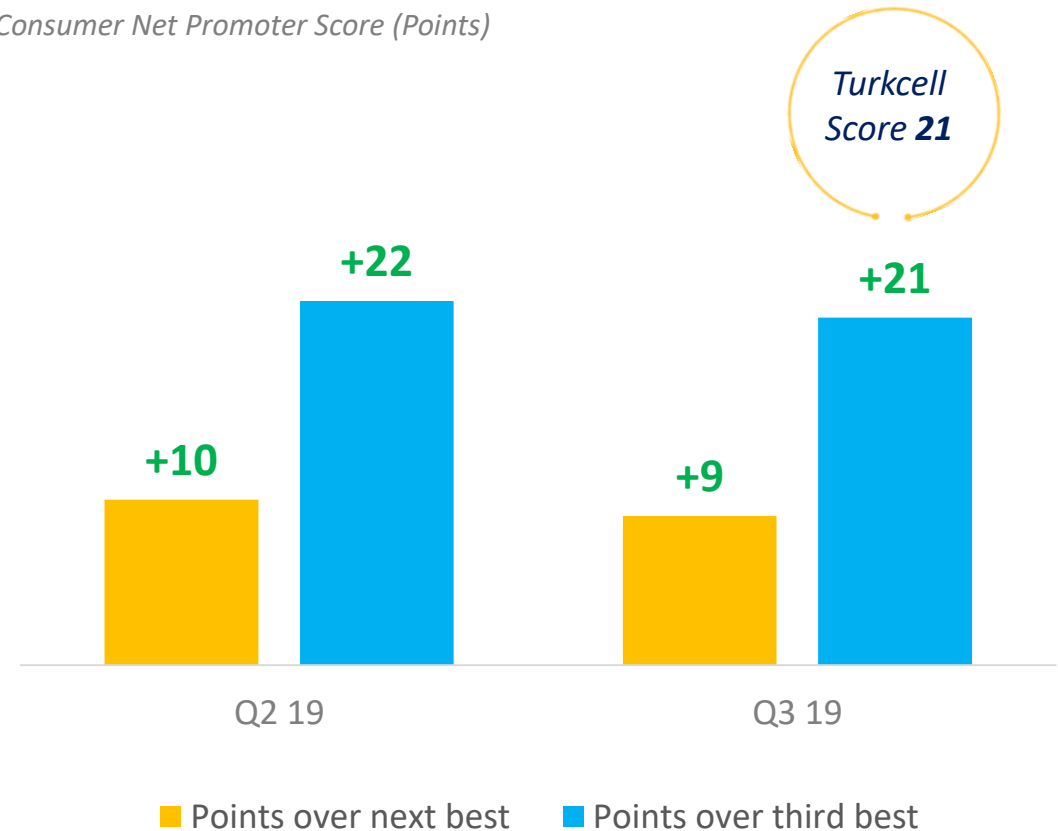


AI based Social Responsibility Project

 **0.3 mn** participants

CUSTOMER EXPERIENCE

Consumer Net Promoter Score (Points)

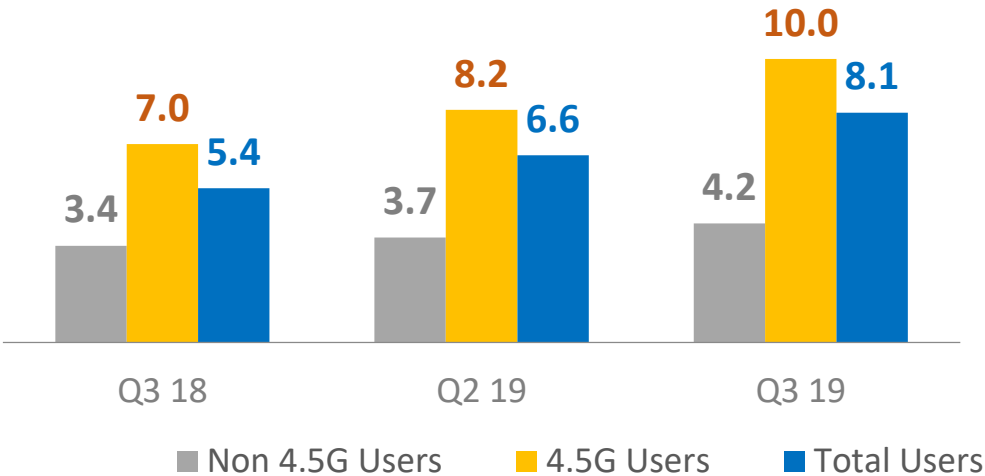


Source: Future Bright

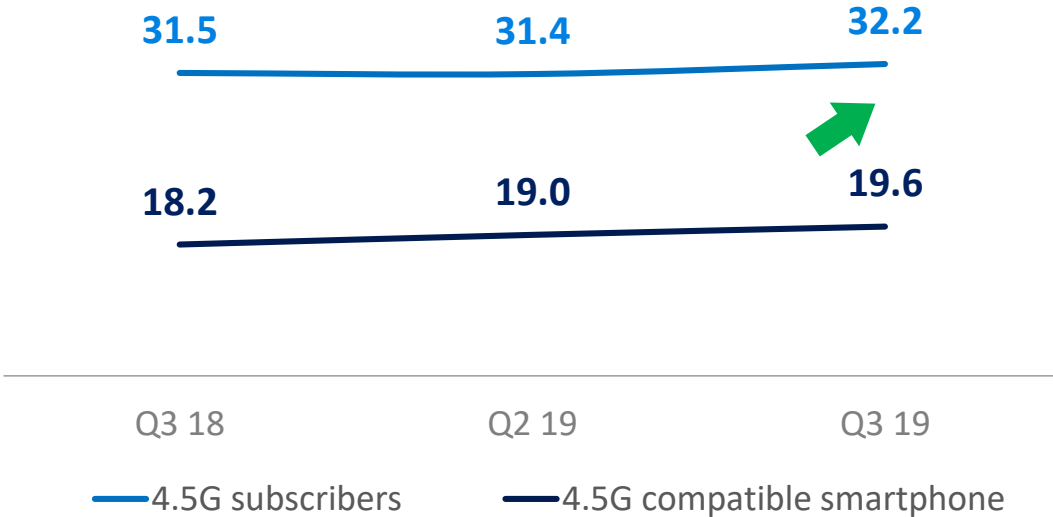


GROWTH ENGINE: MOBILE DATA

MOBILE DATA USAGE (Av. GB/User)



4.5G SUBSCRIPTION (million)



75% smartphone penetration



85% are 4.5G compatible SPs



94% are 4.5G subscribers



20 million with 4.5G compatible SPs

Data consumption of a 4.5G user tapped 10 GB per user per month on average



HIGHLIGHTS

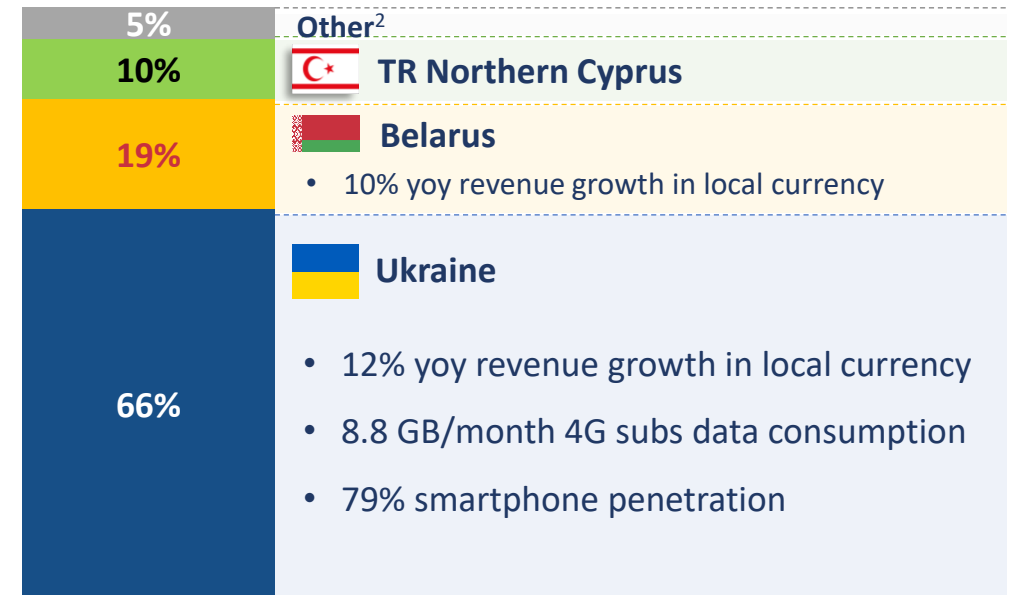
<i>TRY MILLION¹</i>	Q3 2019	YoY%	9M 2019	YoY%
Revenue	525	23.8%	1,442	39.3%
EBITDA	236	57.1%	660	80.5%
EBITDA Margin	45.0%	9.5pp	45.8%	10.5pp

- Like-for-like EBITDA margin improvement is **2.3 pp in Q319** and **3.3 pp in 9M 2019**

¹ Figures are based on IFRS

TURKCELL INT'L REVENUE BREAKDOWN

Q319



² Other comprises lifecell Germany, other international operations and intra-company eliminations. Ukraine, Belarus and Turkish Republic of Northern Cyprus figures are based on stand-alone financials.



CAPITAL MARKETS DAY 2019



AGENDA

Turkcell Group Strategy & 3-year outlook

PROGRAMME

08.00 – 08.55 Registration & Breakfast

09.00 – 12.00 Management Presentations

12.00 – 13.00 Guest Speaker & Lunch

November 12, 2019 Tuesday

Sheraton Grand London Park Lane



FINANCIAL OVERVIEW

Osman Yilmaz

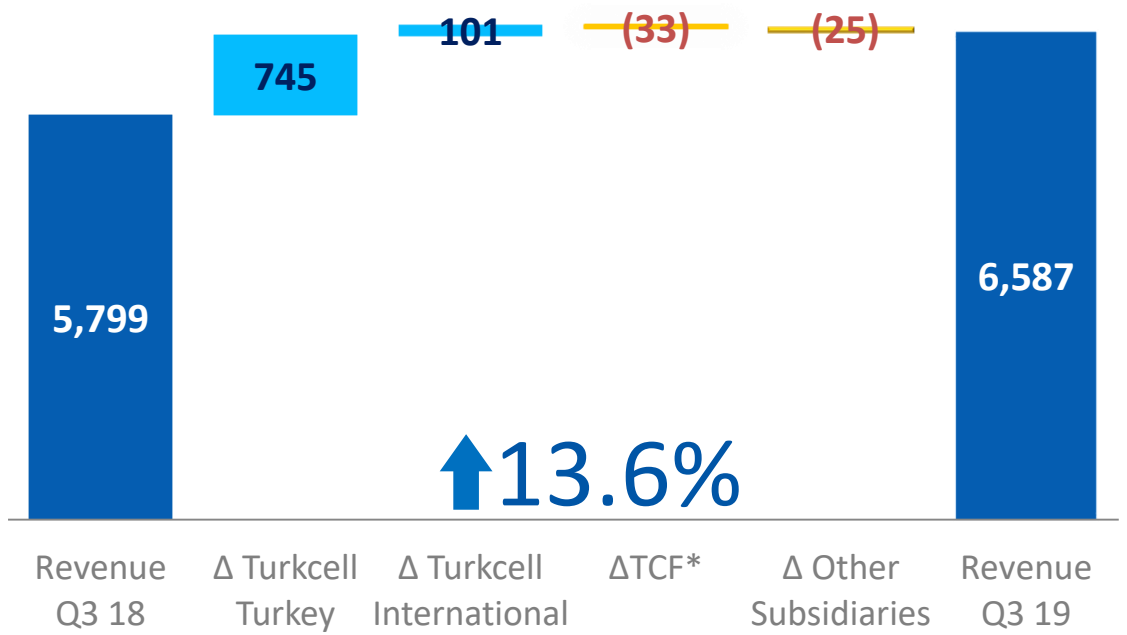
Turkcell CFO



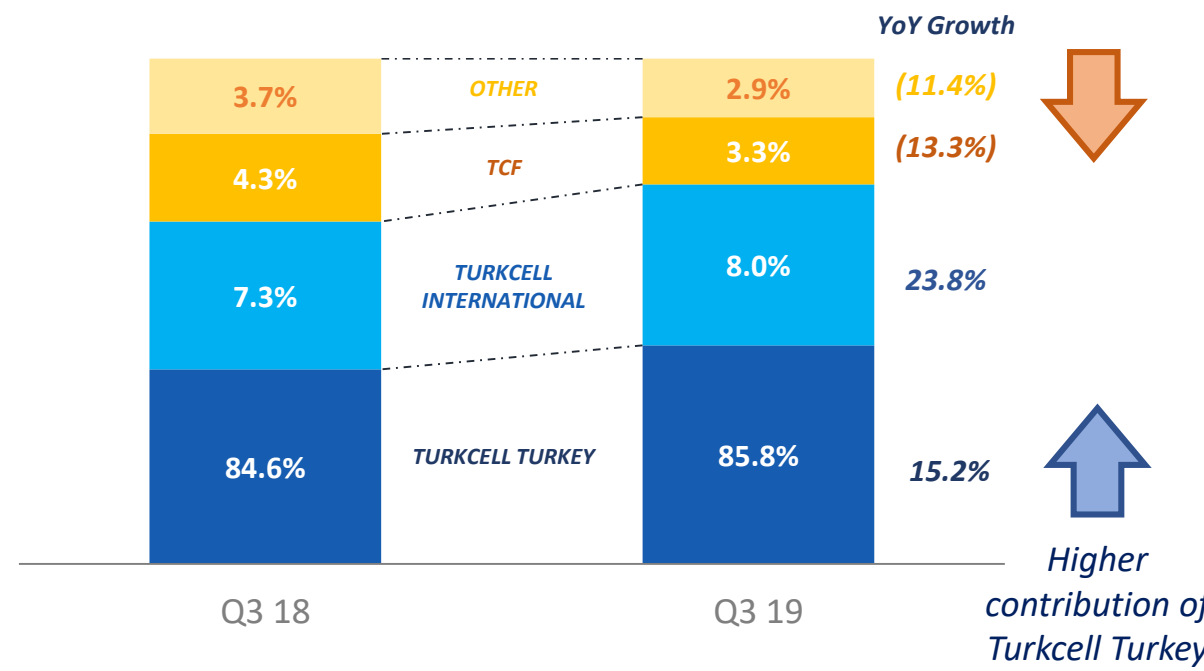
REVENUE & REVENUE BREAKDOWN

REVENUE

TRY MILLION



REVENUE BREAKDOWN



- 0.8 bn TL yearly revenue increase in Q319; Turkcell Turkey is the main growth driver
- Top-line mainly impacted by fx change in international business and slow down in TCF due to regulation

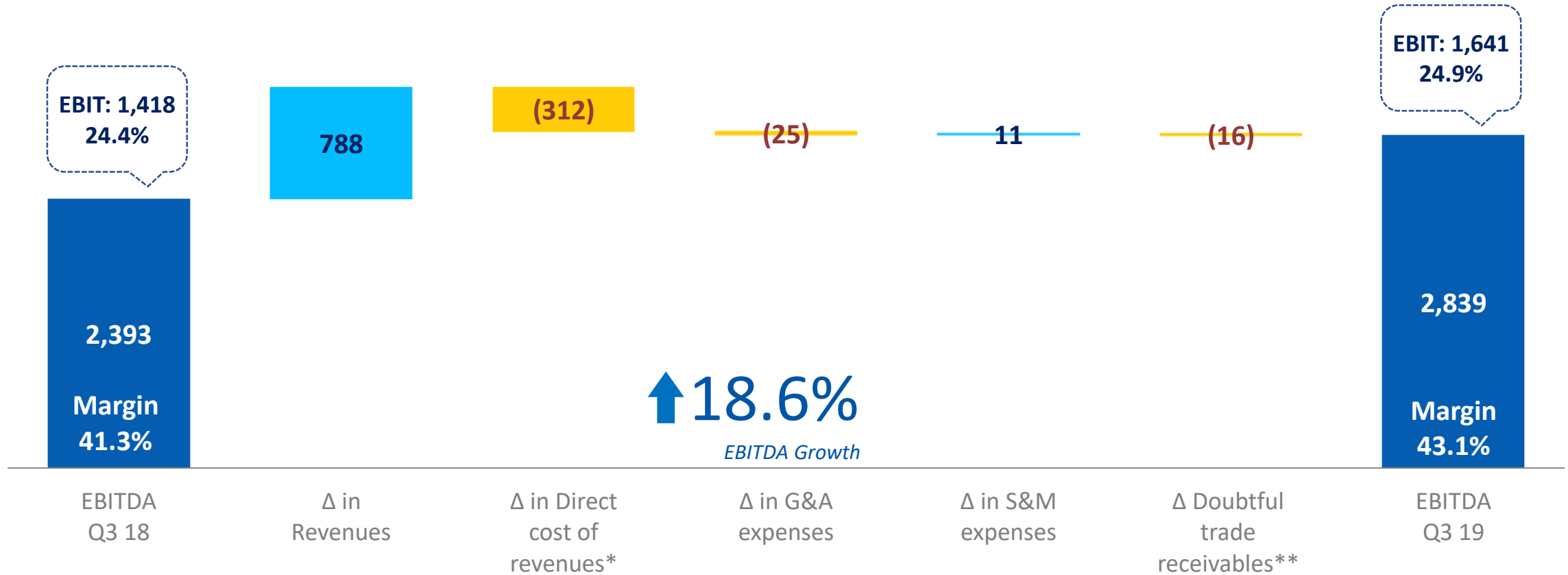
* Turkcell Consumer Finance Company, Financell



OPERATIONAL PROFITABILITY

EBITDA & EBITDA MARGIN

TRY MILLION



- Effective G&A and S&M management; 1.8 pp YoY improvement in EBITDA margin
- Higher contribution to EBITDA margin from Turkcell International

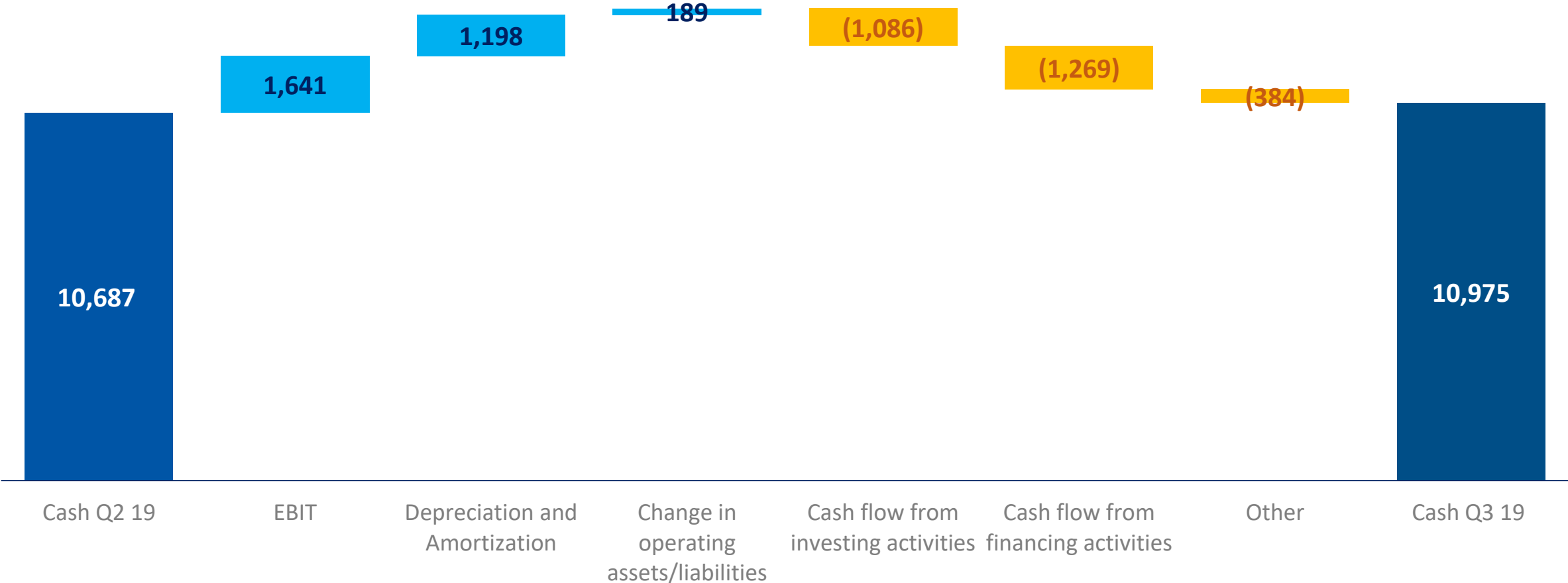
* Excluding depreciation and amortization ** net impairment losses on financial and contract assets



LIQUIDITY MANAGEMENT

Q2 19 – Q3 19

TRY MILLION¹



¹ Figures are based on IFRS.



TECHFIN: FINANCIAL & OPERATIONAL PERFORMANCE

CONSUMER FINANCE



TRY MILLION

	9M 2018	9M 2019	YoY %
Revenues	694.5	695.8	0.2%
EBITDA	301.2	378.4	25.6%
EBITDA Margin	43.4%	54.4%	11.0pp
Net Income ¹	307.6	83.1	(73.0%)

Net income in 2019 is impacted by swap m-t-m losses arising from declining interest rates.

PAYMENT SERVICES



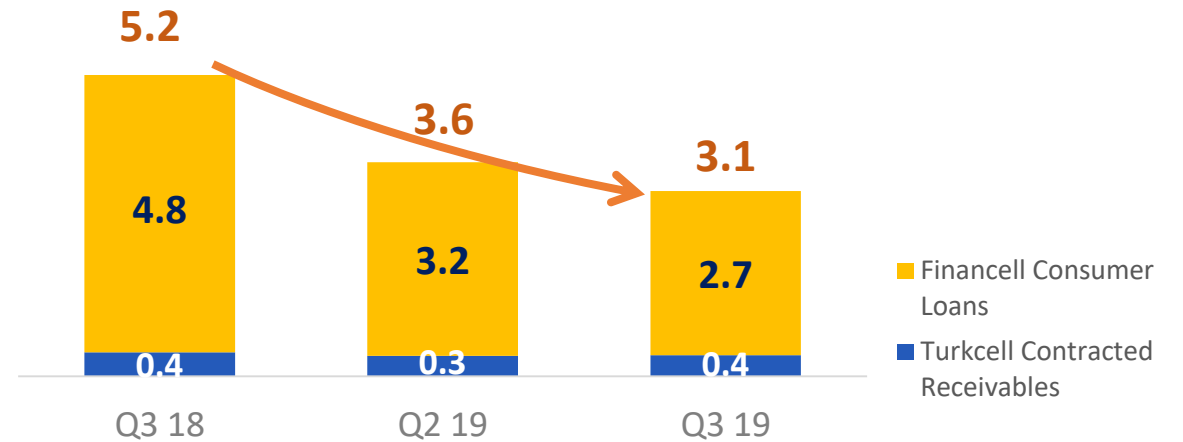
TRY MILLION

	9M 2018	9M 2019	YoY %
Revenues	144.0	175.1	21.6%
EBITDA	108.4	128.1	18.1%
EBITDA Margin	75.3%	73.1%	(2.2pp)

¹ including the 57 mn TL and 45 mn TL dividend from Paycell in 9M18 and 9M19, respectively ² per IFRS ³ in the past one year

HANDSET FINANCING

TRY BILLION



3.0% cost of risk²



96% penetration of loan insurance³



4.6Mn 3-month active user of Paycell



1.4Bn TL transaction size in Q319



SOLID BALANCE SHEET

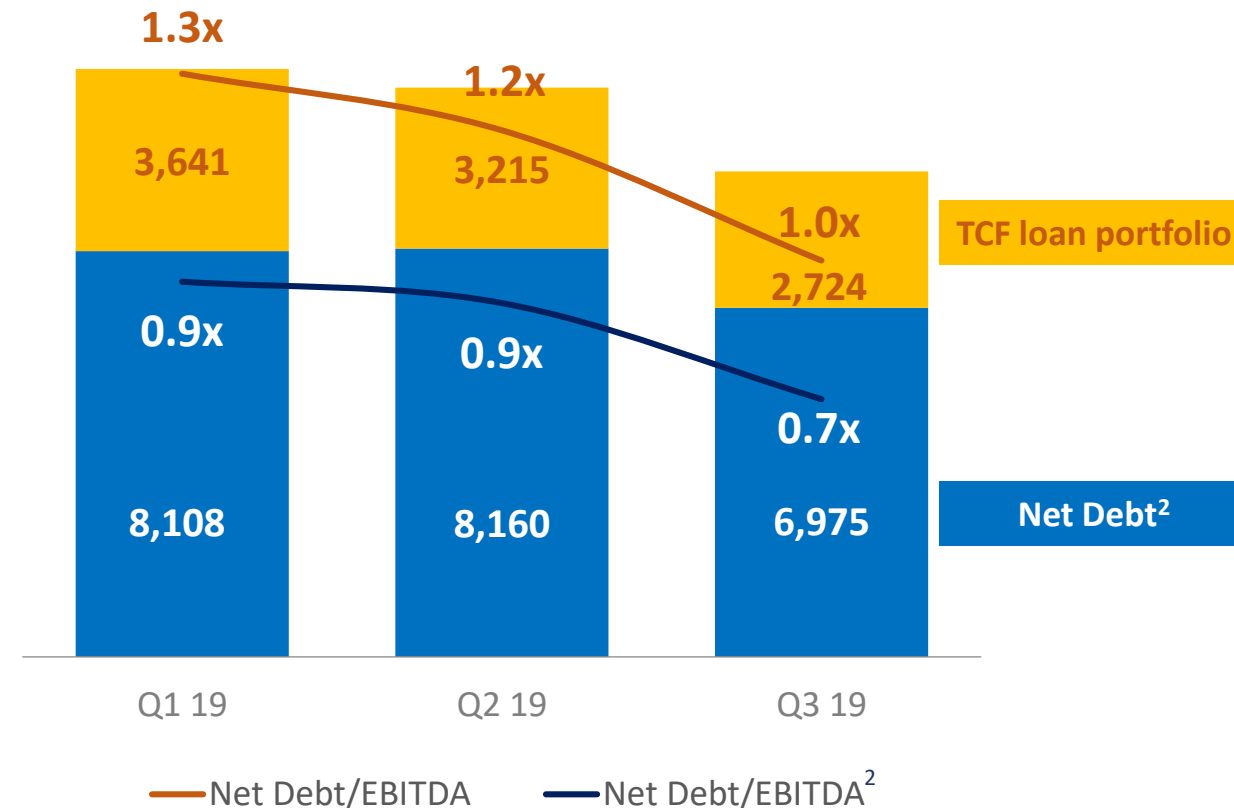
SUMMARY

TRY Mn	Q1 2019	Q2 2019	Q3 2019
Total Cash ¹	11,118	10,687	10,975
Total Assets	46,079	45,608	45,515
Total Debt	22,867	22,062	20,675
<i>Lease Obligations</i>	1,410	1,577	1,544
Total Equity	17,102	17,331	17,431
Net Debt	11,749	11,375	9,700
<i>Net Debt</i> ²	8,108	8,160	6,975

¹ Q119 figure includes proceeds from the Fintur transaction closed on April 2, 2019.

² Excludes Turkcell Consumer Finance Company's loan portfolio

NET DEBT/ EBITDA

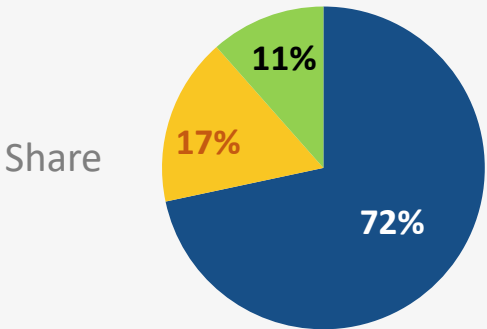




FX EXPOSURE

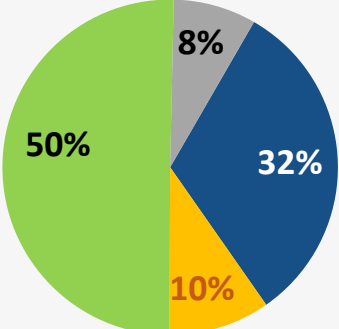
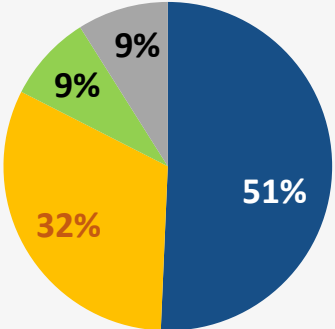
CASH¹

DEBT



Before Hedging

After Hedging



Nominal

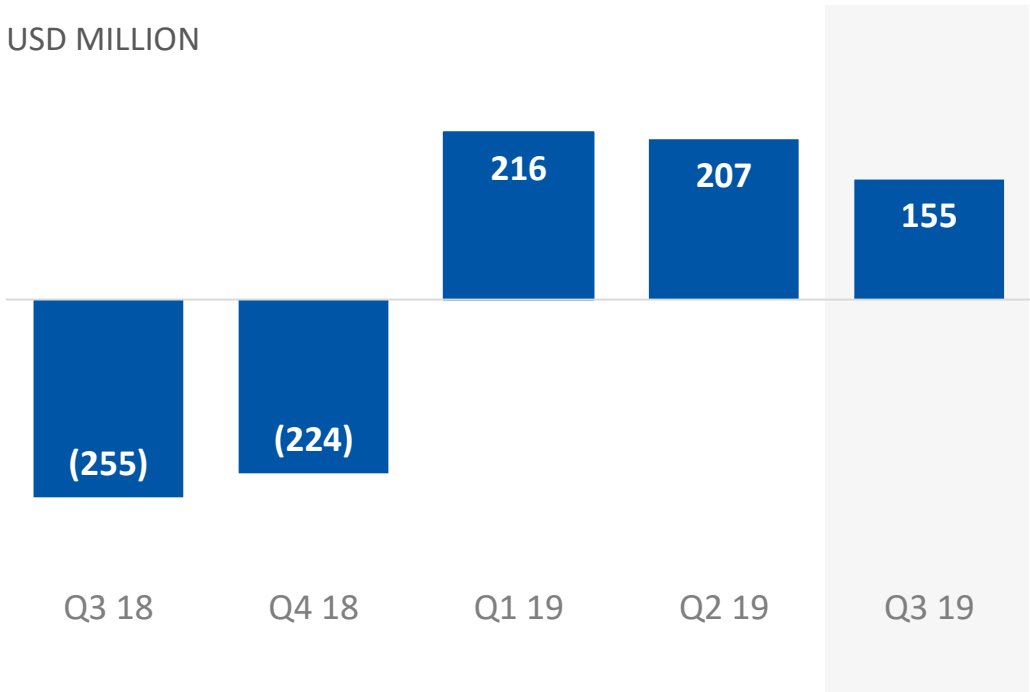
11.0Bn TL

20.7Bn TL

■ USD ■ EUR ■ TRY ■ Other

NET FX POSITION²

USD MILLION



¹ Excluding FX swap transactions for TL borrowing.











² Including advance payments, hedging and excluding FX swap transactions for TL borrowing. Derivatives (VIOP) and forward transactions are included.



APPENDIX



DIGITAL SERVICES: UNIQUE PORTFOLIO

							
	INSTANT MESSAGING	DIGITAL PUBLISHING ²	MUSIC PLATFORM	MOBILE TV ³	PERSONAL CLOUD	DIGITAL OPERATOR ⁴	SEARCH ENGINE & BROWSER
Download ¹							
							
YoY	39.8Mn +11.4M	12.8Mn +5.2M	24.6Mn +5.7M	14.3Mn +4.5M	12.5Mn +4.1M	45.8Mn +10.7M	8.5Mn +2.2M
3-Month Active User							
							
YoY	9.9Mn +0.2M	2.7Mn +0.1M	3.3Mn +0.1M	3.7Mn +0.7M	2.7Mn +0.6M	21.5Mn +2.9M	3.4Mn +0.8M
Service KPIs							
							
	336Mn messages per day	252K copies read per day	7.1Mn songs streamed per day	3.3Mn TV sessions per day	38 docs uploaded per person / day	29% more ARPU	1.2Mn search per day

¹: Refers to downloads as of September 30, 2019. ²: Starting from this quarter onwards, our MAU reporting for this service will exclude users who utilised the zero rating benefit of Dergilik magazines and newspapers via browser. ³: 3-month active users also include IPTV users ⁴: My Account is renamed as Digital Operator in 4Q 2018.



THANK YOU

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[Turkcell IR Website](#)





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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 2018 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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