

Bahar Efeoğlu Ağar

Welcome to Nine Months Earnings Call of Ford Otosan, and thank you all for joining us today. This is Bahar, IR Manager of Ford Otosan; and we are hosting the call with our CFO, Gül Ertuğ; Finance Director, Ünal Arslan; and my colleague Ekin Taş, to go over the earnings presentation and answer your questions during the Q&A session. I would like to note that our presentation and the Q&A session might contain forward-looking statements and assumptions that reflect the company's current views with respect to certain future events, and they might be subject to change. Please remember the meeting will be recorded, and you can access the audio on our website after the call. Now I would like to hand over to our CFO Gül Ertuğ to present financial and operational performance in 9 months and the recent developments. At the end of the presentation we will have the Q&A session. Thank you. Gül Hanım, the floor is yours.

Gül Ertuğ

Thank you, Bahar. Thanks very much. And hello, everyone. I would like to welcome all of you to our 9 months financial results reporting. In fact, since the morning, I have been following how our stock price is doing, and unfortunately, seeing what I saw, I should say, I didn't feel too happy. Nevertheless, before going into the details; as a quick summary of how we see this period, I should state that we believe our third quarter results, and the combined 9 month results are, in fact, quite showing a strong performance in our view. And it was in line with the expectations. So, just to touch on certain actions before going into details, I would like to remind that, now, in this filing you see the Craiova plant's operations consolidated into our financials for the first time. You will remember we had done the closing operation at the end of June, first of July. So now the Craiova is included. Another important development we face during the course of this quarter was unfortunately the semiconductor shortages and production effections out of that continue to put a pressure on the automotive sector, the entire sector both in Turkey and in Europe. Besides, on top of these changes, in fact, in the recent months, we also face the logistics problems, which is also seeding from the effect of the semiconductor changes, the route change of vessels because of the production suspensions of some manufacturers. So, we had to deal with that also. Despite all the challenges, in fact, we managed to continue our operations in the healthiest manner thanks to our close relationship with Ford of Europe and our suppliers and our agile management capabilities. We kept our ambitious growth strategy and we are currently committed to our investment plans. So now, having said this, let's move into our presentation. Currently we are looking into page 4. Yeah, thank you, Ekin. After this assessment, I would like to give the highlights of the 9 months, especially in Turkey operations. We kept our market position and maintained our leadership in the commercial vehicle business with increasing our overall market share into 32.6% LCV: 30.2, MCV: 39.4, and Truck: 25.6. In this period, demand for our products remain strong for both in the domestic market and export markets. Our truck business continued its success story with its robust performance by 65% growth. And we also announced our second dividend distribution proposal for this year, as you followed it on our KAP disclosure. We are planning to pay this 2 billion TL at the end of November, after the finalization of our Extraordinary General Assembly approval. Moving to slide 6. So, this is a snapshot of the automotive Sector in Turkey. Unfortunately the overall industry contracted by 6% over here. And the biggest portion coming from the passenger vehicles. The passenger car and LCV segments were affected more from the weak vehicle availability, again, relating to the semiconductor issues. However, truck segment showed better performance, in fact, over the period we see in the delta, an increase of 22%. Within overall section, the tractor segment is the main contributor to this performance as it makes

74% of the total truck sales. And main driver behind the performance is that, in this period there is growth in the logistics business and expansions of the fleets. So, if we think of our own, Ford Otosan makeup of the product, the change in trucks, LCV and MCV, in fact, they're all supporting us. Moving to slide 7. Over here you see how we perform on the domestic sales on the passenger vehicle section. We are still keeping our market position with the third rank in the total industry with 10% share. This is the overall industry. Sorry, the overall industry, 10% share. And for the domestic section, we are proceeding with our profitable segment used on the passenger vehicle. And for the commercial vehicles, in fact, We are surpassing the market performance with our LCV and MCV sales. We gained 2.3 and 4.2 points in the market share in the commercial vehicle segment. Over here we are continuing with our profitable growth. On slide 10, let's look into how export markets are doing. The main export market we have, Europe, unfortunately, over here on the page you see that there is a weak vehicle availability issue continuing. Van registrations in Europe contracted by 21% in the 9 months. As of the end of September, we see some recovery in the UK market, which is one of our important markets. Nevertheless, over here, net net, we see the effects of the global semiconductor supply constraints. And on the following page, even if the European market is suffering from the contraction, we see that especially on Ford, the strong pent-up demand and orders in the order bank of Ford's products is remaining strong. And thanks to that, Ford continued to be the number one commercial vehicle brand across Europe. And it reached a 15.2% market share year to date which is up by 0.5 points. In the in the third quarter, Ford has secured a market share of 16%. And this is the highest share ever recorded in any of the quarters. Looking into this performance, in fact, we note that the main driver of Ford's continuous success in the market is its branded Ford Pro business unit, now there is a new business arm established by Ford Pro. And through this, Ford is providing better commercial customer specific needs meeting the selection of the right tool for the job, low cost of ownership, high uptime, the vehicle being always operational, maximum productivity, employee safety, sustainable solutions, and support, is giving quite a strong edge to Ford. And it's increasing the customer loyalty at that end. In this regard our products are very competitive, and the variety, the derivative set within the products is enough to meet the needs of the customers. Our Transits and Customs we export to Ford of Europe, they have more than 1,700 derivatives, which provides an important flexibility and ease of choice for the customer. We are also very proudly stating that our recently launched E-Transit has been the market leader in Europe in the two-ton electric segments. The order bank for these units remained very strong and it's exceeded 10,000 units. On an earlier announcement, the E-Transit Custom, all electric version of Europe's bestselling van, has also been revealed. It was revealed. And we are expecting it to take up on this success even further. On the slide 12 we have a snapshot view of how we are doing on the Ford Trucks in the international markets. Our robust performance continued with the truck business, which is an important contributor to our profitability. Our international sales grew by 65%. On the Western Europe, now we have Austria, and Estonia also included into our markets. And the international expansion, now 49% is coming from the Western European section. As we continue, now let's give some more updates regard to our product offerings, and what we have achieved since we last met. On slide 14, we proudly show you that we have introduced 100% Electric Truck Generation F in the Hannover Fair very recently. And in this regard, in fact, this is also showing our roadmap to our commitments on sustainability, reaching our 2040 targets. Having said this through Ford Trucks, let me continue with a further view into sustainability. Now, in fact, we also announced our long-term sustainability goals with the Future Now vision. This overall includes climate change, circular economy, waste and water management, diversity inclusion and community related goals. Going forward, we will be sharing more on our progress in these fields with

sustainability related reports. And now on slide 17, a little bit more on the financials, how we managed in this period. In the 9 months, our revenues increased by 143%, and reached to 111 billion TL. And our EBITDA went up 136% to 13 billion TL. Growth volume in domestic and export markets, exchange impacts, sales mix and pricing discipline in the domestic markets continue to be the important factor in our performance. While our PBT increased by 97% to 9.2 billion TL, our net income realized as 10.3 billion TL due to tax income resulting from deferred tax asset in this period. In the period, I should state that net financial expenses increased due to the rise in net FX expense, and net interest expense. Behind the increase, we see market conditions were all effective, such as year over year high volatilities and increasing cost of borrowings. In our earlier talks, in fact, I had mentioned to you that we are in a very significant period of investment and an important portion of this investment is being funded through external funding. That's why, in fact it was in our plans and in our expectation to see the effect of this interest expenses. The foreign exchange risk of the company comes from long-term euro investments. In this investment period, in fact, we are relying more on FX denominated loans in the financial loans section. And this has led rising FX expanses on the principal and interest payments of the credits due to the exchange rate volatility. As we consolidated Craiova operations to our financials for the first time. I can say that the contribution to the top line, the revenue in the third quarter was high and the impact on the company's bottom line net profit was limited. However, it is also important to note that, currently, this contribution from Craiova plant is, in fact, in line with our expectations. Because, currently, in the last 3 months of operation, we see that there is the Puma and EcoSport vehicles are contributing to our financials. The design and development of these current products and their investments all rely with Ford of Europe. In that regard, in fact, this is a continuation of the business like how it was in the earlier 6 months of the of the year. The third quarter 22, has been a weak quarter for Craiova, because within the year, their annual production shutdown period, the 2-3 week maintenance period falls into this period. And they have also suffered from some microchip shortage that had an impact on the production in this quarter. Maybe some of you will recall in our KAP disclosure. In October, we also had to suspend the production in Craiova plant for a week due to semiconductor supply issues. However, the thing to note over here is that you should consider we are in a transition period. And while we assess our future performance, taking the contribution of Craiova based on this quarter could be misleading. Because this is transitional. A gradual increase in the contribution of Craiova should be expected for the transition period. Especially the main impact of our investments and goals will show themselves after moving Courier, our next generation, life commercial vehicle Courier production to Romania. And going forward, after the completion of the heavy investment in Craiova for the launch of new Courier, which is going to happen in the second half of 2023 and all electric Courier and Puma in 2024. You should expect higher contribution from Craiova operations. The investment recovery piece going into our markups will be more favorable. It will provide favorable contribution to us after this period. On slide 18, we are sharing our sales volume by model breakdown, and you also see here how Craiova with Puma and EcoSport supported these units. They supported our volume growth with high contribution. And we would like to highlight that this quarter we are sharing the sales volume of forecast for the Romania plant for the second half of the year. When we come to the guidance, we will talk more about that one. For slide 19 and 20, we added these slides for the information. Slide 21, this year, in 9 months our EBITDA margin realized as 11.4. In the last 2 years, in fact, our EBITDA margin was quite strong, and it was even higher than compared to past figures. However, we should also note that there were some not so usual, let's say, I wouldn't say extraordinary, but maybe cyclical factors affecting and supporting our strong performance such as strong domestic sales in 2020. And at the time

of the Covid period, some of the losses were compensated by Ford, thanks to our minimum volume guarantees, the volume clauses in our contracts. The sharp TL depreciation, when you combine the effect of all of these actions and impact the margins reach to a quite high levels. But going forward, if we look into our business make, now that we have Romania, now we are also entering into the passenger vehicle business, and we are increasing our exports mix in our bills. And gradually, as the electric vehicles pick up, the electric, EV mix, the BEV mix in our product portfolio will be increasing. All of this combined effect of all of this will bring a dilution in our EBITDA margin. I think this should be expected, this should be modeled into your analysis. And this is going to be revealed by the high growth we achieve through the production and sales through our international footprint. Because of this, I should also include the ramp up period of product renewals are also added on top of that. There should be some expectation for a reduction in the margins. Nevertheless, the huge growth in the PBT should be expected. And going further, I believe we will try to provide you a clearer guidance on that end. On the next slide, I would like to mention about, as you see, the CPI inflation and PPI inflation are quite high. And the Euro/TL, the TL depreciation amount is not in the same pace, but we are seeing significant cost dynamics continuing to put pressure during this period. However, we have been able to manage that well. On the continuing slides, over here, you are seeing several of our ratios. And what I would like to mention over here is, in fact, maybe I touched a little bit on it, as we are in a heavy CapEx period, we are doing a significant investment; our net debt over EBITDA ratio increased slightly in line with our expectations. Currently, you would read this value as 1.20 and it is well below our threshold ratio, which we keep as 3.5. And we are closely keeping an eye on this one and it is in line with our plans. I believe this is the last slide. For the 2022 guidance, as you know, we provide guidance four times within the year. And this is going to be the last guidance we provide. For now, we are making a downward revision for our guidance due to temporary slowdown in our production pace due to the ongoing microchip shortage. And continued weak vehicle availability into domestic markets. For these ones, you see some reduction over here. And on top of that we have also included information regarding Romania. With the support of the Romania, in fact, the export volumes are going higher. Overall net net, our total wholesale volume, we are expecting it to be in the range of 490 K to 510 K. And with the inclusion of the Craiova plant, we expect our CapEx investments to be in the range of 720 to 770 million euros levels. So this sums up our summary for the period. I would like to open up the space for you and for your questions. Let's go into question and answer session. Cemal Bey raised hand, I believe. Cemal Bey, please go ahead.

Cemal Bey

Okay, thank you for the presentation. Actually, first, I have a comment or criticism about not announcing the results of Romania operations. Because in such a credible company like Ford Otosan, such a big, inorganic growth is happening in this quarter. Although it's not required, I know that it's not required or you are not having an independent like auditor report for the third quarter, but still I would expect, you know, some details to make the quarter more analyzable in my view. So, I think, in the standard for transparency, I think that needs to be taking care of, especially for such a credible company. Because without this information, all the announcements we are making might be very misleading. That's my criticism. I want to share that sincerely. And as a question, I'd like to understand the profitability side. Because, recently, inflation is high in Turkey, and we see that the currency level looks more stable. And how do you see the next two quarters in terms of the profitability both in Turkey and in if you can, in the Romania plant, thank you very much.

Gül Ertuğ

Thank you. We have taken note of the criticism you have placed. So, I will not defend our position to that. However, as you rightly put it, several of the actions, now we are in the transition phase, and not everything was fully reconciled and concurred by the independent audit. That's why we would like to utilize that. That was the reason. So, having taken this criticism, I would also open up the floor, maybe Ünal or Bahar would like to make a comment around that before we move to your next section.

Bahar Efeoğlu Ağar

So, we are going to evaluate your comments on that, for enhancing our disclosure on Craiova operations in the next quarter.

Gül Ertuğ

So that timing will give us the chance to have everything done and dusted by the independent auditor. You will be seeing that more on the end. For the second part of your query, you are right about the inflation. Some of it, maybe I will not be able to disclose, because our current intention over here is to analyze 9 months. On the guidance we have already provided how we see the elements, the guidance metrics as they are. But as a generic look I can state that the cost pressures, we expect them to come our way. However, what we have been able to achieve on the cost reduction, OpEx control, pricing discipline, mixed discipline; and the way we manage the semiconductor crisis, we expect our cooperation with Ford to continue on that end. The cost measures, and the actions, yes, it is giving a hard time. However, we will be proceeding just in the manner we have managed so far. We do not see an issue over there. And for the time being, I'm not in a position to disclose more on the Craiova section. But as the independent auditor data comes in, you will be seeing more data on this one. And also maybe, just as a word of action, maybe I can just add this. Since we are in the transition phase, certain actions, certain changeover in between us and Ford motor companies currently ongoing; before all of that completion and clarification has been done, we didn't want to provide anything which could be in a misleading situation. So, I think at this point in time, that's what I can say on this one. I hope it has been answering your question.

Cemal Bey

Thank you, and I understand that at least at the consolidated total numbers, there is nothing to change but in details. So you hesitated to share some details. That's what I understand. Thank you, thank you.

Gül Ertuğ

Maybe I can still just say this: this 3 month section of Craiova, that is not going to be representative. I think I can say this.

Cemal Bey

Yes, you know, it's not actually- you are not gonna go further. But it's not important. We know that it's not going to be significant, or it might be even misleading. But at least with the numbers we can make some... With these numbers we are making, even we don't know whether our estimates are in line or not with the current- That's why I just made that criticism. Otherwise, I know that there might be complexities. And we are trying to make calculations to understand. Because without this information, I

don't want all the details, but without any color on that or most of you know the valuations, will be with a wide range of assumptions. That's was my criticism. Thank you. Thank you very much for your polite answer. Thank you.

Gül Ertuğ

You're welcome. Thank you, Cemal Bey.

And we see another hand is up. Aytunç Uz.

Aytunç Uz

Thank you for the presentation. I have 4 questions. The first question is, how much CapEx do you plan to make for Courier in Romania plant? My second question is, I see that for 2022 year, and then 2025, you have shared your capacity unit expectations. However, in 2023, how much units of capacity should we assume in Romania and Turkey? Regarding third question, what percentage of CapEx is completed regarding your 2 billion Euro investment in Turkey? And my last question is, I see that in third quarter, domestic revenue per vehicle was quite high. Going forward in fourth quarter, last quarter in 2023, should we consider some sort of a normalization, or do you think high prices in domestic market is here to stay for maybe another year or another quarter? Thank you.

Gül Ertuğ

So your first one was regarding the next generation Courier in Craiova, right? You asked the investment of it.

Aytunç Uz

Yes.

Gül Ertuğ

On our earlier talks, I believe we had disclosed this, Bahar. We had set 490 million euros worth of investment we will be doing within the Craiova plant.

Bahar Efeoğlu Ağar

Yes, we have already disclosed that information.

Gül Ertuğ

And we had also issued the job one timing of it, saying second half 2023. So, you can very well assume that an important part of it is underway. But I think we are not disclosing the percentages regarding that one. Right, Bahar?

Bahar Efeoğlu Ağar

Yes, currently the production capacity at our Yeniköy plant is 68K for Courier production. But we will move the new Courier production to Romania by second half of 2023. And our capacity can rise up to 100K in new generation.

Gül Ertuğ

And the rest of the plant will be Puma.

Bahar Efeoğlu Ağar

Yes, Puma production can rise up to 189K. And the capacity will be 272K. Because there has been a changing, flexible 15K capacity between two models. Also you had a question regarding the CapEx of Courier production for the next generation- Sorry, for the Craiova investment for this year and for next year as a breakdown. But so far, we announced it in total, which will include Craiova operations, Craiova plant investment as well. And it will be 720 to 770 million Euros for this year. But we haven't disclosed the breakdown of this. Because some little amount of the previously announced CapEx for Turkey investment will also consist some Courier investments. That's why we cannot share the breakdown right now. But of course the bulk of it will be done for Turkey, but a small portion will be done for Craiova plant. And still, we are on a process of defining the clear numbers on that side. But in total, we are sure about it, that it will be 720 to 770 for this year. And for the next year, you may expect some similar CapEx needs for our investment cycle. Because, again, we will have some high investments for next generation one-ton commercial vehicles. As we are going to launch our next generation one-ton Custom in the first half of next year. And also we will have a launch of Courier in the second half of next year.

Aytunç Uz

For the last question regarding prices, domestic revenue per vehicle and domestic prices do you have any comments?

Gül Ertuğ

We still see the market as the suppliers markets. So, over here, due to the semiconductor shortages and the availability coming down, that was the reason why we changed our guidance. However, we see the demand there and when the availability is managed, the pricing of it is still manageable by us. So, since the market is still showing the same dynamic, we are expecting to protect our margins in the Turkish domestic market for the last quarter also.

Aytunç Uz

Thank you.

Gül Ertuğ

You're welcome.

Have we been able to answer all of your questions? Did we miss anything?

Aytunç Uz

Regarding 2023 pricing, you have said in fourth quarter, you can continue the strong pricing. But regarding 2023, do you have any comments, or can you see some sort of estimation?

Gül Ertuğ

At this point in time we are not explaining about 2023. Intention of the meeting is 9 month actuals. And the next year projections, next year budgeting phase is still under construction, let me say that way. That's why, at this point in time, I will not be able to answer your question regarding 2023.

Aytunç Uz

Okay, thank you.

Gül Ertuğ

You're welcome.

Bahar Efeoğlu Açar

Just for an indicator, for instance, since the beginning of this year we were able to increase our domestic prices in average by 60-65%.

Gül Ertuğ

Okay, So I'm looking through the list. I see Murat İğnebekçili.

Murat İğnebekçili

Hello. Thank you for the opportunity. This is Murat from HSBC Asset Management. I have two questions. First one is about your guidance downward revision. Was this necessity to revised down guidance emerge within the month of October? Because last time, I remember when we spoke to you in September, when I look at my notes, I remember we talked that the demand was strong in Europe, and unless there was a supply chain problem, order books were full and guidance was likely to be met. So, is this something that's happened lately in October? We didn't get to hear about it. Because I think looking at today's share performance and share reaction, there's strong proof that there's a disappointment in the markets. This could be either due to earnings or could be due to the net income, because your EBITDA seems rightly in line. I don't care that much about the net income, because it's about maybe deferred tax income expense differentials. But I think the major source of this is downwards revision in the guidance. So, I would like a comment on that, please. And secondly, maybe if we just do a scenario analysis about what happens in next couple of quarters, I'm going to ask this in terms of the cost pressures, particularly maybe personnel expenses or other energy related stuff, or anything which is a cost to your production in Turkey. Because inflation is about over 100%, we expect an increase in the minimum wage by 60%, or maybe more, I don't know how that will transit into yours wage expenses, but looking at your Euro/Turkish Lira rate, if this current pace of devaluation continues, you're likely to see 19-19.50 in the first quarter, which means only 20% increase in the rate compared to first quarter of 2022. I know you have cost escalation and everything embedded in your pricing mechanisms but I still think that there should be some pressure, right? So what happens if the devaluation is at such a low rate in the first couple of months or in the first two quarters of 2023. How can you cope with this pressure? Thank you.

Gül Ertuğ

Thank you Murat Bey. Let's start with your first question regarding the guidance. You said why did you bring it down in September? It was okay. And why do we see this change in October? Mostly yes. And I should also say this, since we are integrated fully with Ford Motor Company; on the chip issue, the global supply, how we manage it, how we track it... We have been tracking it all together, and in a very agile manner, looking into each and every option, like normally on a normal setting, you do the MPS planning monthly; but on such extraordinary environments, in fact, we went into daily business. And because our commercial vehicles are also very important to Ford motor company it's important to us and it's important to them, it's also profitable for them. That's why in any event, when the supply was secured, the chips were found, it was shared with us. We were number one priority. This gave us the chance that we said we will push hard to keep our guidance. And in October, yes, there were several problems. And in some instances we weren't able to manage that. And looking into the forecasts, we said, this will not be maintainable. That is the reason why we brought it down. And if the chips are protected, and maybe on earlier talks, if we had the chance to maybe meet with you earlier, you might also remember that I had shared an expectation, especially in Q4 of this year, starting with Q4 of 2022. In fact, we are expecting an easing on the chip availability. We are expecting the chip issue to go away. Several other things came in like the Russia-Ukraine issue. Its impact on certain suppliers, the supply chain. And in my talk, I also mentioned about a vessel issue. These were some added difficulties. In some instances you found the chips, you couldn't find the ships. So, when all of these effects aggregated on top of each other, we said, this is the guidance we should be proceeding with. But I will repeat myself, if the chips are found then we still see the demand over there. Currently, on the European graph I shared with you, we see a contraction in Europe, and for further times in upcoming 2023, we hear a lot about recession possibility in Europe. However, those things are not going into our guidance. What we see over here is related with the availability. That's why I said this is still a suppliers market. For your query regarding the costs. Yes, costs are a problem. And going on, in fact, the cost pressure, keeping costs under control will be important for our competitiveness. Because if I may remind you our business contracts with Ford, since the export business is basically relying on a cost plus markup methodology; we have the guarantees, we are protected that whatever we do we will be covered by our costs. However, we know that we can't rely on this. On a short term, you can rely on this. Whatever happens, you will be just covering your costs in your transfer price. But going into future, if you are perceived to be less competitive, then you will not be able to get too much business. And currently over here, I cannot provide, at this point in time, too many details; but I believe with the presentations we do, with the product launch news we share with you, I think you have the feeling that Ford Otosan is very important for the future of Ford Motor Company. So in that regard with our expertise in TVM management, TVM stands for total value management; cost reduction, cost control, OpEx control, manufacturing efficiencies that we have shown strong performance so far in our history, now we will be transferring those efficiencies into Craiova plant. With all of that we believe we will have that competitive advantage when it comes to cost management. And for the export part of the business, the business contracts will protect us. As we are the entrepreneurs in Turkish domestic market, and also in Ford Trucks business; yes, certainly, we have to be careful about costs. And in fact, that is the reason why we are placing this extra effort on agile transformation and "healthy paranoia" on cost control. So we are aware of the headwinds we will face and we will try to keep them under control, not just for a short period of time, but for further competitiveness of the company, and I would say country.

Bahar Efeoğlu Ağar

Esra raised hand.

Esra Hanım

Thank you, thank you for the presentation. Well, my question is again will be about margins actually. I am very aware that, I understand that you are not in a position to give detailed information about Romanian operations. But in order to make "apple to apple" comparison, could you give any comment about your Turkey operations let's say, the trend about the margins for Q3 versus Q2? Is it in an upward trend or in a downward trend? And what was the reason if it is in a downward, in a declining trend for the third Q compared to second Q? And what was the reason? Could you give at least some information about that part?

Gül Ertuğ

Ekin, can we go to that slide once again? I think it was slide 21. So now I'm thinking, without disclosing too much, because at this round, unfortunately, we are not in a position to say Turkey and Romania separately. Without disclosing too much, can I answer your question, is what I'm thinking. Over here, in fact, you see our nine-month values, third quarter values and they are all consolidated. So, without giving that breakdown, can I answer the question is what I'm thinking. And if you can help me out, Ünal, Bahar, if you have a comment to make over here, please go ahead.

Esra Hanım

I am not expecting you to give a precise number. I understand that. It will be okay at least you say, "Well, we have a decline in the third quarter, or increase." Just a trend compared to second quarter, and the reason was blah blah blah. It will be okay again.

Ünal Arslan

Esra Hanım, this is Ünal. I think it's okay for us to say that, to state that, third quarter is... The only item that we can say for quarter three that may impact our margins, but not specific to this year, is the maintenance shutdown in August. The regular shutdown in August. Other than that, I can say that we wouldn't expect any downward trends compared to other quarters of this year or previous year's quarter three.

Gül Ertuğ

So, which could imply, because of the inefficiencies faced within shutdown, you could see some deterioration. But this would not be something specific for year 2022. It would be a generic cyclical event to expect.

Ünal Arslan

Yeah, very regularly, as you all know very well. Every year we have that you know a maintenance shutdown, almost at the same period. So quarter three includes that one. And other than that, we can't say that there is something very specific to impact our profitability negative.

Esra Hanım

And year on year comparison, when third quarter 2022 is compared to third quarter 2021, again you had the temporary shutdown. So, again your EBITDA margin for 2022 was above its 2021 level, similar to previous quarters.

Bahar Efeoğlu Ağar

We had shutdown in second quarter of 2021, as you recall, whereas we had annual shutdown in the third quarter of this year. So it is not apple to apple when considering two quarters. But you may issue some similar performance for the both quarters actually.

Esra Hanım

Okay. Okay. Thank you.

Bahar Efeoğlu Ağar

If you can eliminate the impact of the shutdown and resulting decline in our volumes.

Esra Hanım

Thank you.

Gül Ertuğ

So I'm looking at the list. Do we have any more raising hands.

Bahar Efeoğlu Ağar

Let's see, Gül Hanım. Do I miss anything?

Gül Ertuğ

I can't see, I think all the hands are down. I think we answered the questions. Let's wait a short while. Maybe some more people want to ask something. Lütfü Gazioğlu, please.

Lütfü Gazioğlu

Hello. Thank you for the presentation, Gül Hanım. I wonder why you stopped giving the OpEx breakdown with this third quarter results because it was really helpful for us. Is it related to the Romanian operation's consolidation? Thank you.

Gül Ertuğ

Ünal, can you pick that one up?

Ünal Arslan

In fact, Lütfü Bey, you are right. We switched from, a full set of financials to summary financials starting from this quarter in the meeting periods, I mean in the quarters. Of course, in the full year financials, we will disclose again the full set of financials. We will see that breakdown in the full set financials. Normally, you know that was always an option but we were disclosing full set of financials. But starting from this quarter, because of the reasons that Gül Hanım already mentioned, the transition of Craiova

plant, and also preparing a consolidated financials, this requires an effort and within a limited time and without having an independent audit, we decided to switch to a summary set of financials. I mean, there's not a specific reason behind that other than this transition period.

Lütfü Gazioğlu

Thank you. So, will you start to give OpEx breakdown, starting from 2023 results, first quarter as well? Or did you switch permanently to give it per annum, annually?

Ünal Arslan

Yeah, for quarterly disclosures, we will be disclosing summary financials from now on. But for annual disclosures we will have full set of financials, Lütfü Bey.

Lütfü Gazioğlu

Thank you very much.

Gül Ertuğ

In fact, hearing the questions we now better understand that most probably we gave you a difficult time in your modeling, so, I would say I'm sad for that. So, we will look into this to how to manage it both in line with our rules, and also making your life easier. So, that one, I'm taking as a task on. Sorry about that. Are there any other questions? I do not see any more hands up.

Bahar Efeoğlu Ağar

I couldn't see either.

Gül Ertuğ

Okay. Then I think that brings us to the end of our call. Thanks for everyone for attendance, and I believe, I hope we have been able to answer your questions. The recording of the event will be accessible on our website. And if, somehow, you come up with some additional questions, please drop a note to our investor relations group. I believe you know the email address. And we will support you to the best we can in answering your queries. Thank you very much, and have a very good evening.

Bahar Efeoğlu Ağar

Thank you.

Ünal Arslan

Thank you.

Gül Ertuğ

Bye, bye.

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Thank you.