

EastPharma



FINANCIAL PERFORMANCE REVIEW 31.12.2018

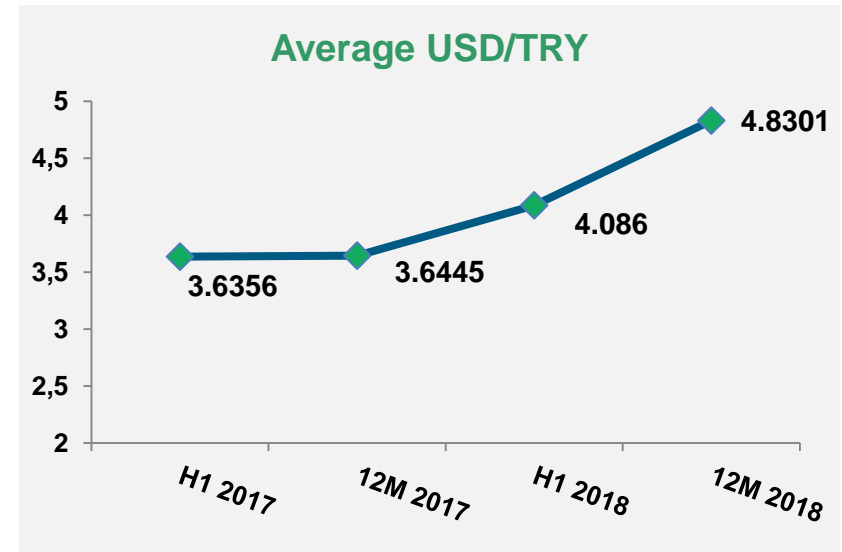
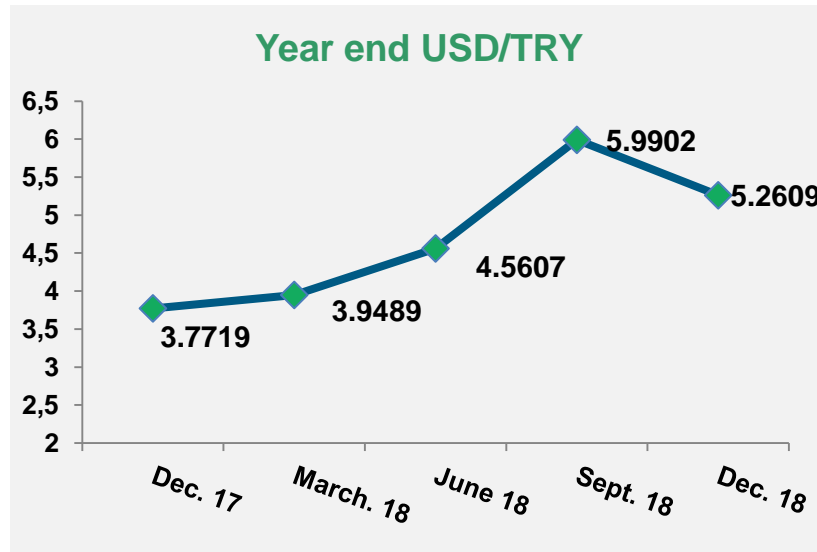
INVESTOR CONFERENCE CALL
11 MARCH 2019

PHILIPP HAAS
CHAIRMAN & CEO

MESUT CETIN
DIRECTOR & CFO

USD / TRY Exchange Rate

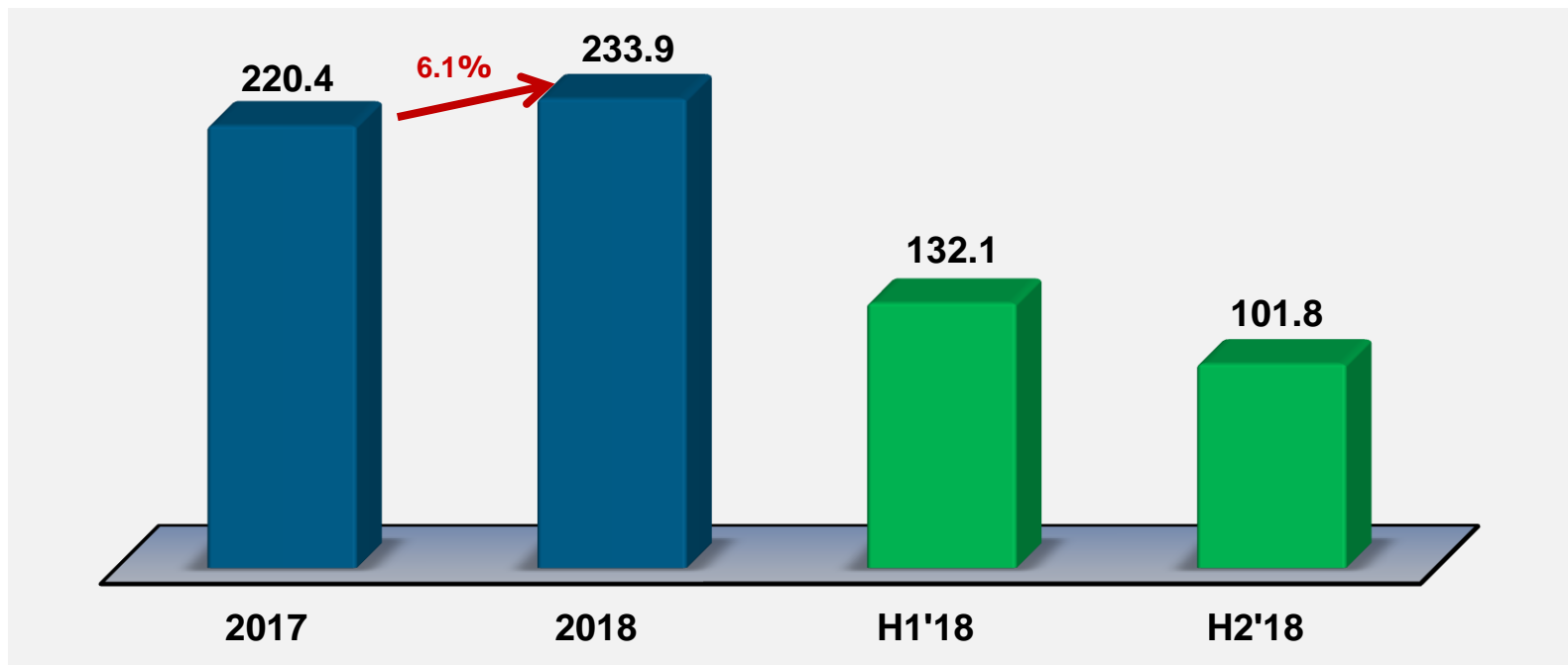
- The year end USD/TRY exchange rate deteriorated by 39.5%; 3.7719 as of 31 December 2017, 5.2609 as of 31 December 2018.
- The average USD/TRY exchange rate deteriorated by 32.5%; 3.6445 for 12M 2017, 4.8301 for 12M 2018.



EastPharma Sales Performance (IFRS) – 31.12.2018

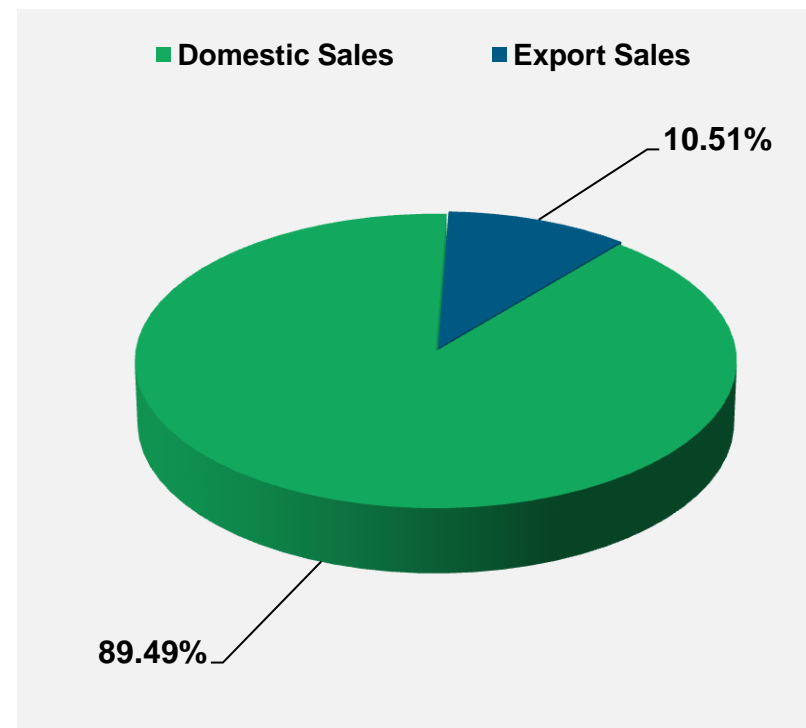
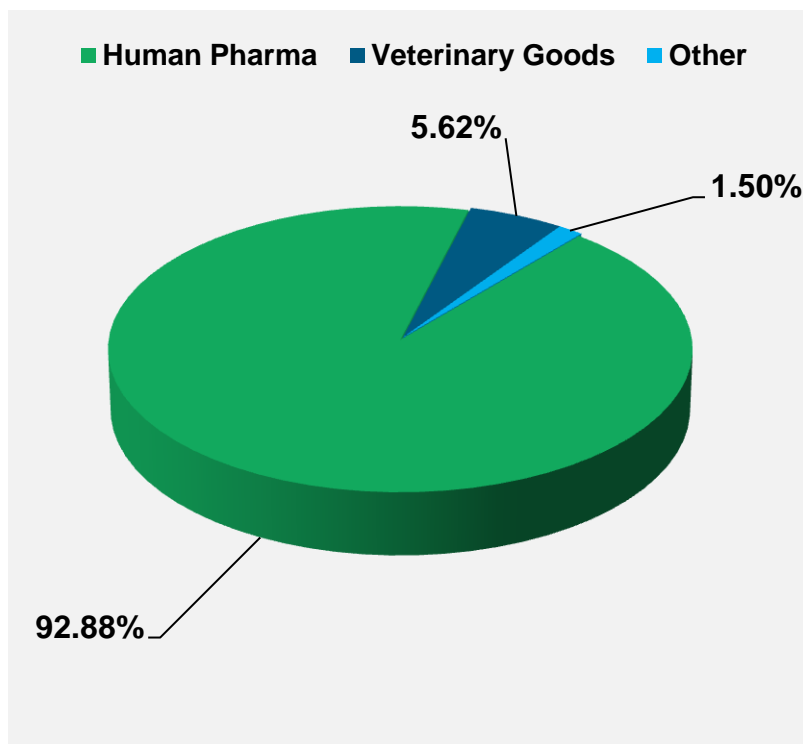
- Revenues in 12M 2018 reached to US\$ 233.9mn (TRY 1,105.6mn) vs US\$ 220.4mn (TRY 802.8mn) in 12M 2017.
- 6.1% year-on-year increase in US\$
 - 37.7% year-on-year increase in TRY

Revenues : (\$, mn)



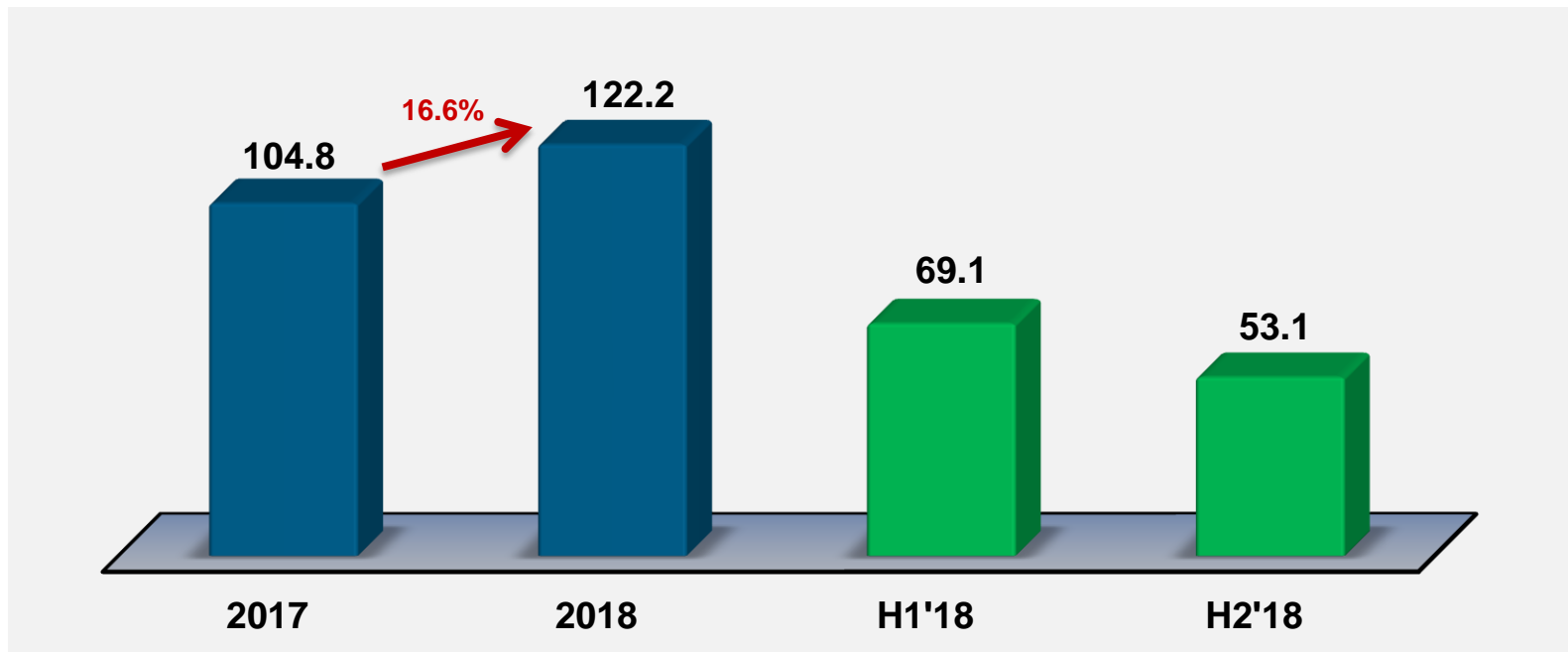
EastPharma Sales Performance (IFRS) – 31.12.2018

Revenues Breakdown:



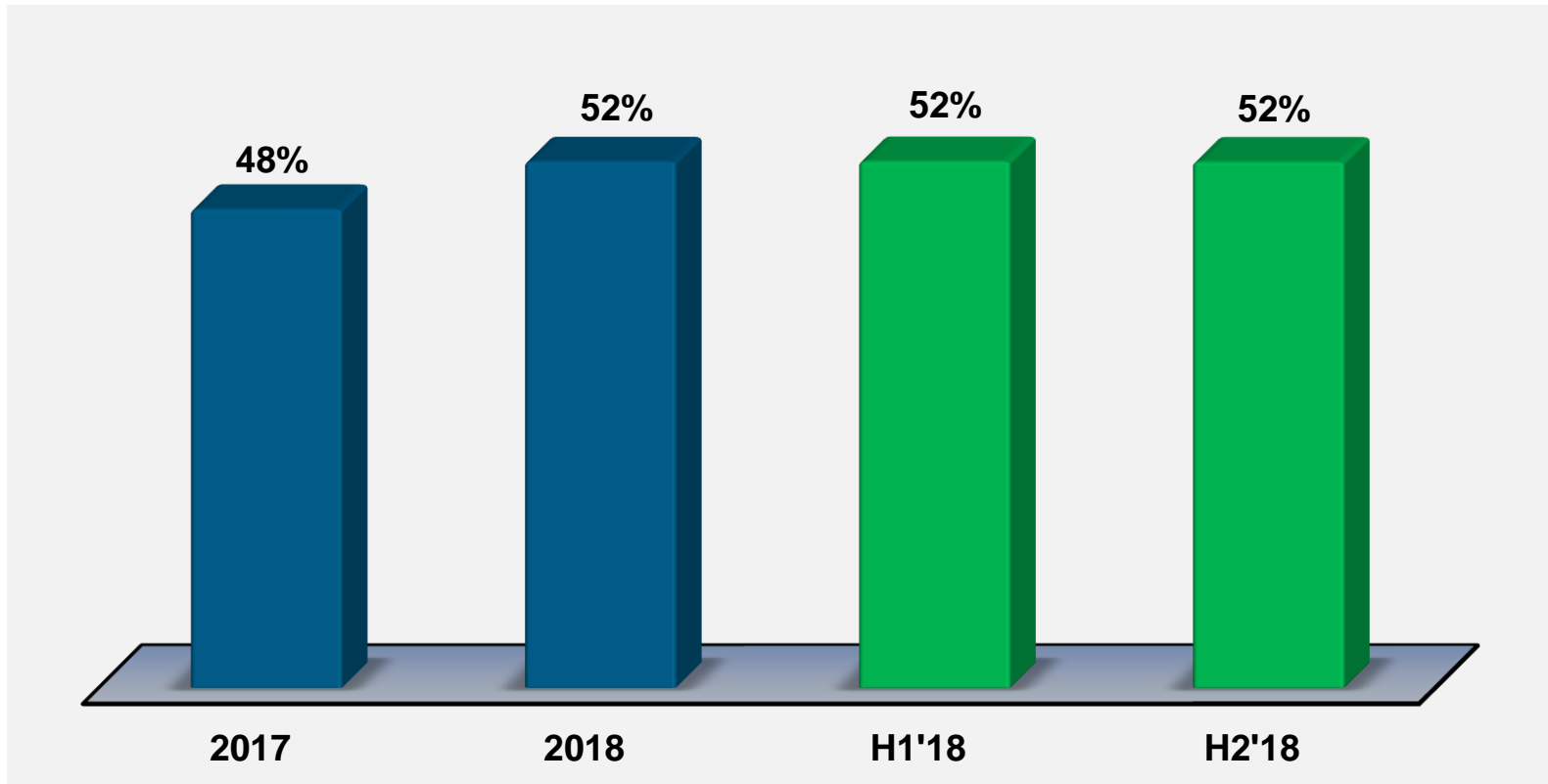
EastPharma Financial Performance (IFRS) – 31.12.2018

Gross Profit : (\$, mn)



EastPharma Financial Performance (IFRS) – 31.12.2018

Gross Profit Margin:



EastPharma Financial Performance (IFRS) – 31.12.2018

➤ OPEX Comparision: (\$, 000)

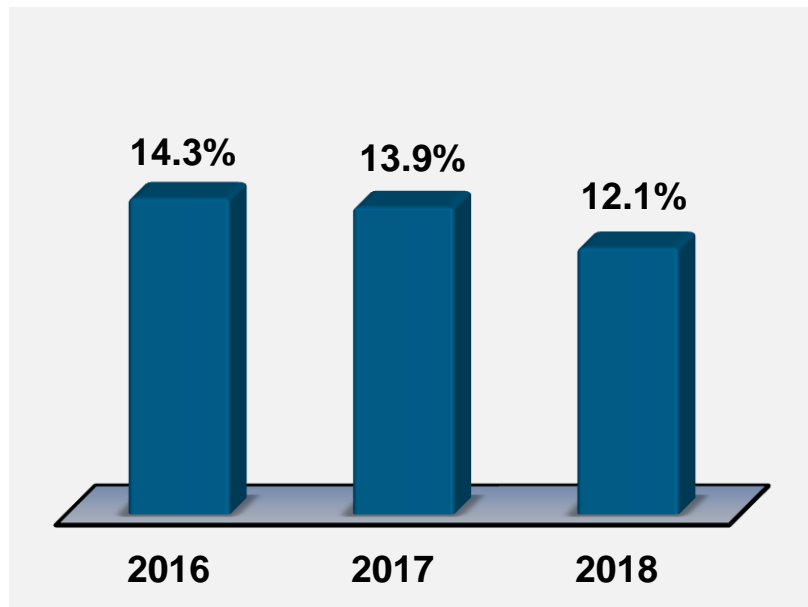
OPERATING EXPENSES

	<u>12M 2017</u>	<u>12M 2018</u>	<u>Change %</u>
S&M EXPENSES	(30,586)	(28,160)	(7.9)%
G&A EXPENSES	(24,761)	(25,106)	1.4 %
R&D EXPENSES	<u>(8,306)</u>	<u>(7,678)</u>	<u>(7.6)%</u>
	<u>(63,653)</u>	<u>(60,944)</u>	<u>(4.2)%</u>

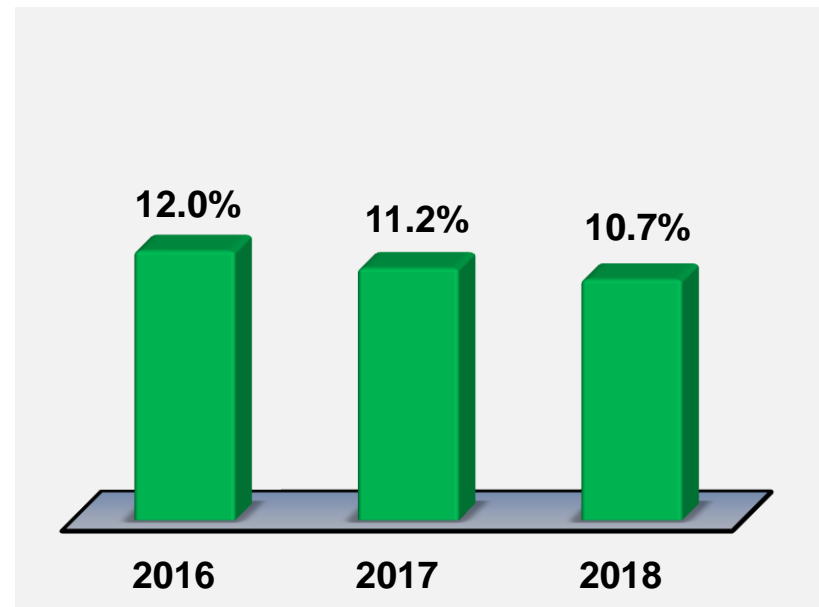
EastPharma Financial Performance (IFRS) – 31.12.2018

Expense Ratios :

Marketing Expenses:



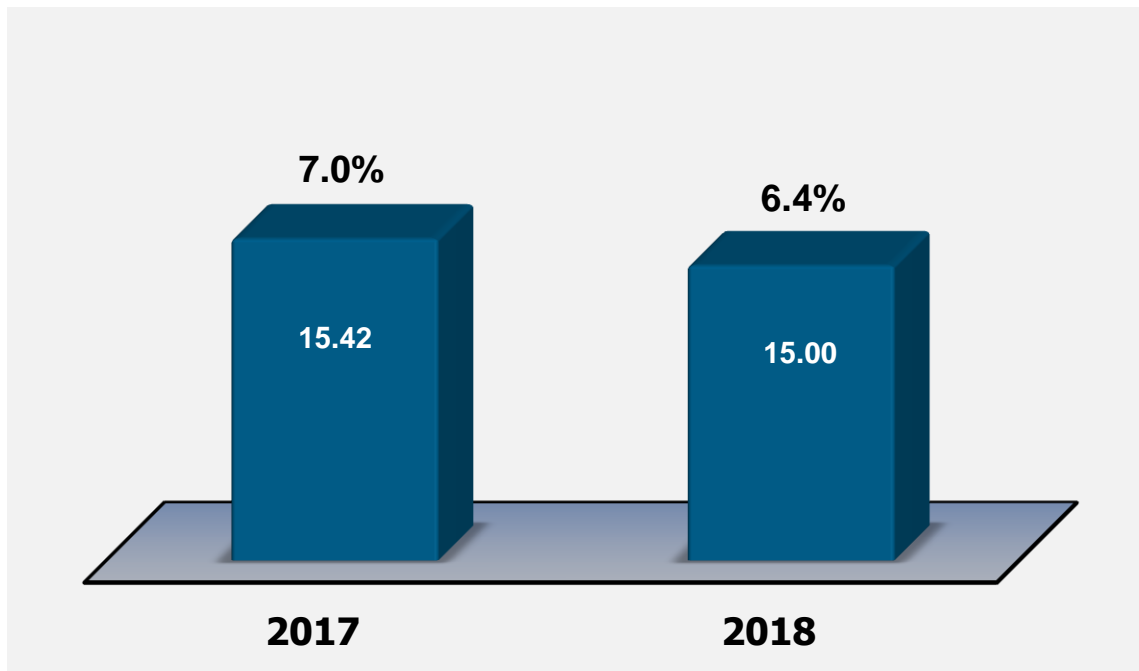
General Administration Expenses:



EastPharma Financial Performance (IFRS) – 31.12.2018

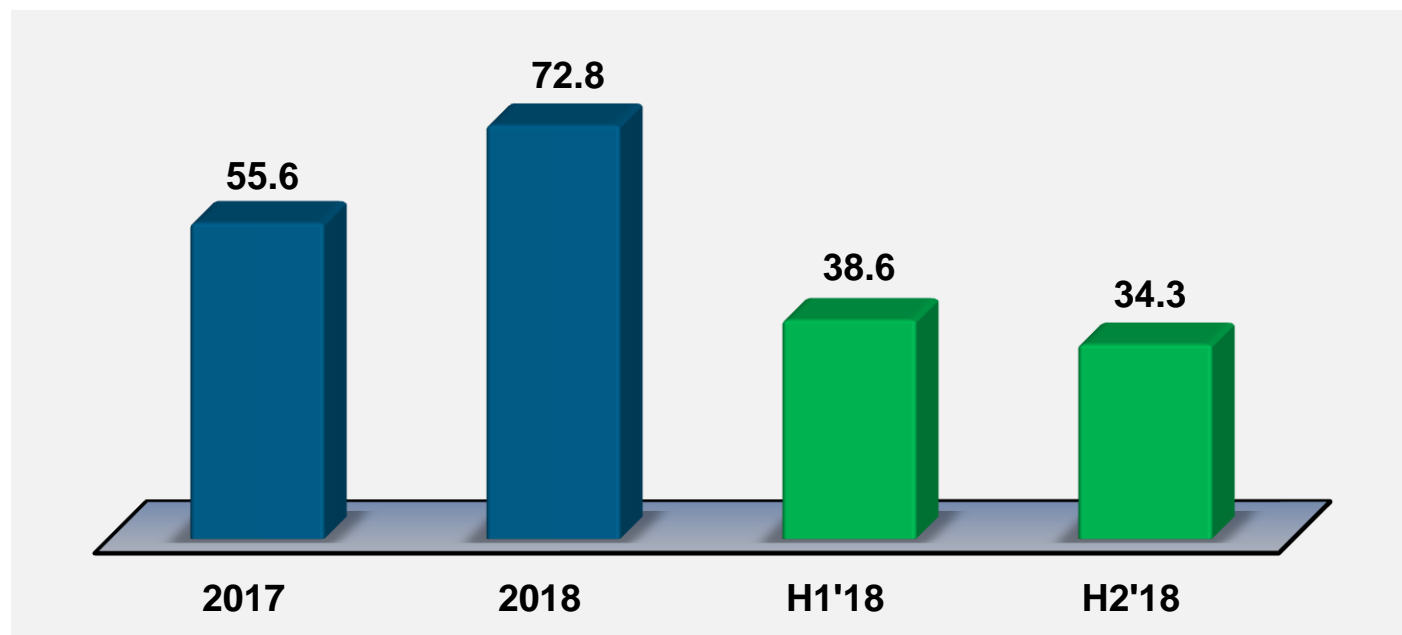
R&D Investments: (\$, mn)

- 12M 2018 R&D Investment / Revenues: 6.4%
- 12M 2017 R&D Investment / Revenues: 7.0%



EastPharma Financial Performance (IFRS) – 31.12.2018

EBITDA : (\$, mn)



EBITDA Margin:	25.2%	31.1%	29.2%	33.7%
----------------	-------	-------	-------	-------

➤ EBITDA is USD 72.8mn in 12M 2018 (EBITDA margin of 31.1% vs 25.2% in 12M 2017)

EastPharma Financial Performance (IFRS) – 31.12.2018

EBITDA :

US\$ (000)	<u>12M 2017</u>	<u>12M 2018</u>
Net Profit	27,822	34,162
Investment revenue	(922)	(1,092)
Finance cost	16,919	25,004
Tax expense	2,369	7,106
Depreciation	<u>9,437</u>	<u>7,632</u>
EBITDA	55,625	72,812

EastPharma Financial Performance (IFRS) – 31.12.2018

US\$

	<u>1 January – 31 December 2017</u>	<u>1 January – 31 December 2018</u>
Revenue	220,429,718	233,923,255
Cost of sales	<u>(115,677,214)</u>	<u>(111,708,805)</u>
Gross profit	104,752,504	122,214,450
<i>Gross profit margin</i>	<i>48%</i>	<i>52%</i>
Operating expenses	(63,653,468)	(60,944,618)
Investment Revenue	922,077	1,091,737
Finance Cost (net)	(16,919,093)	(25,003,765)
Other gain and losses	5,089,019	3,910,519
Profit before tax	30,191,039	41,268,323
Tax expense	(2,368,581)	(7,106,017)
Current tax expense	(1,220,540)	(4,516,300)
Deferred tax expense	(1,148,041)	(2,589,717)
	<hr/>	<hr/>
Net profit for the period	<u>27,822,458</u>	<u>34,162,306</u>

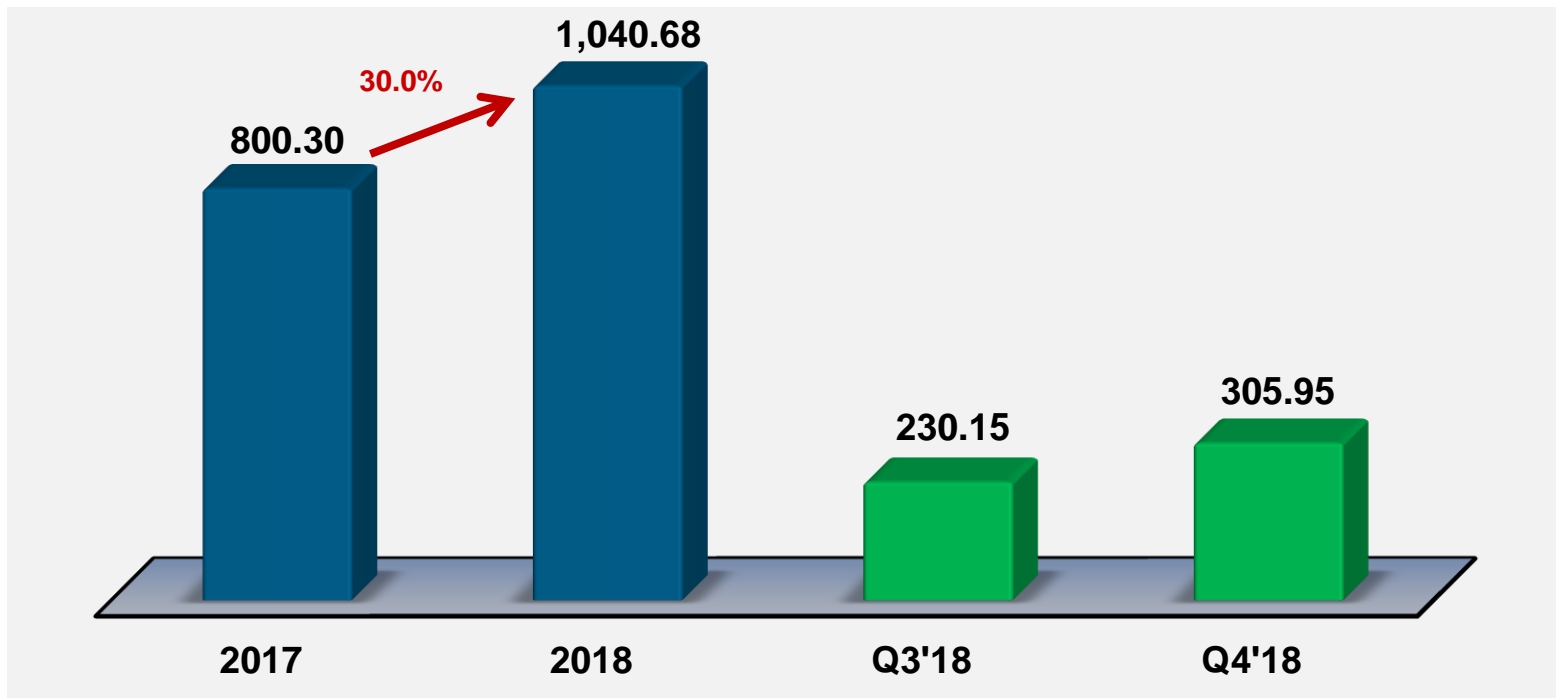
**DEVA Holding Financial Performance
(Capital Markets Board of Turkey - CMB)
31.12.2018**



DEVA Holding Sales Performance (CMB) – 31.12.2018

Revenues : (TRY, mn)

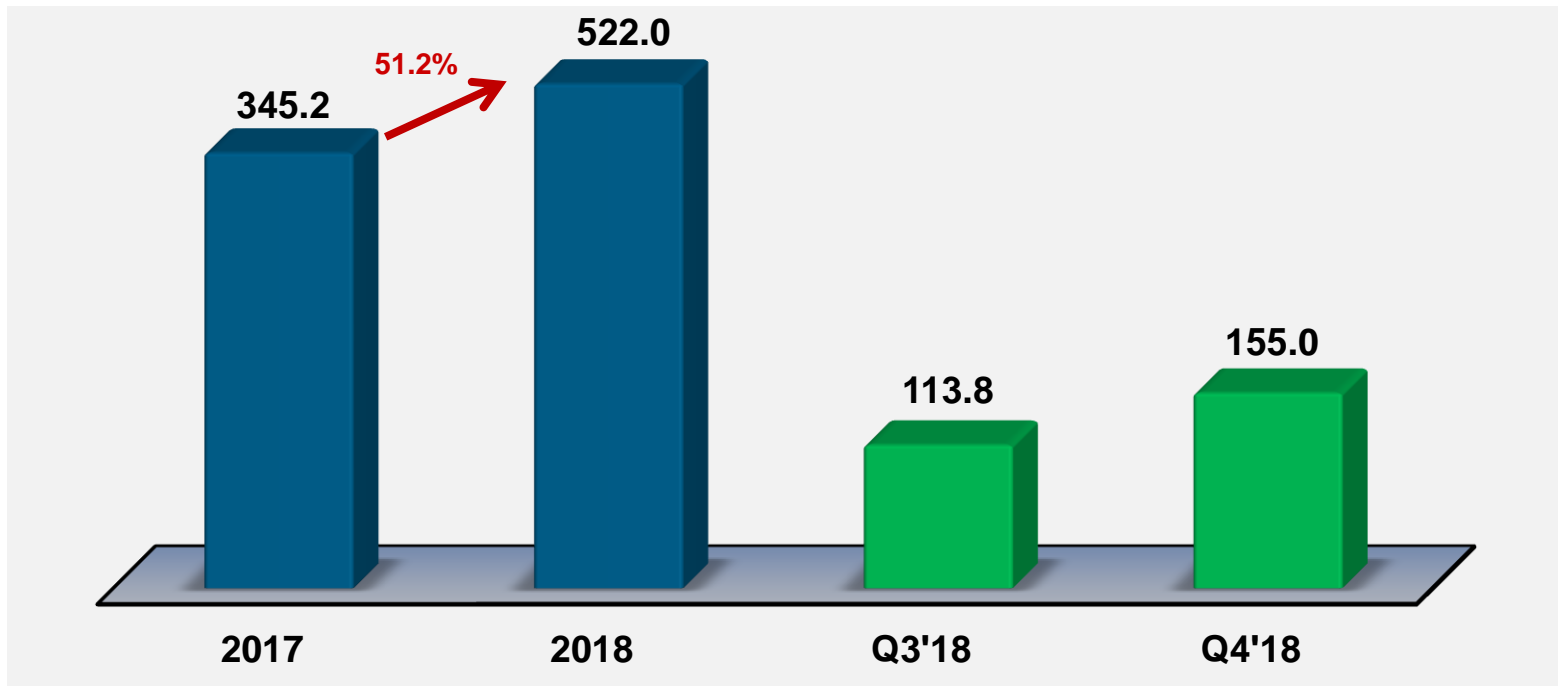
- 30.0% year-on-year increase
- 32.9% quarter-on-quarter increase



DEVA Holding Sales Performance (CMB) – 31.12.2018

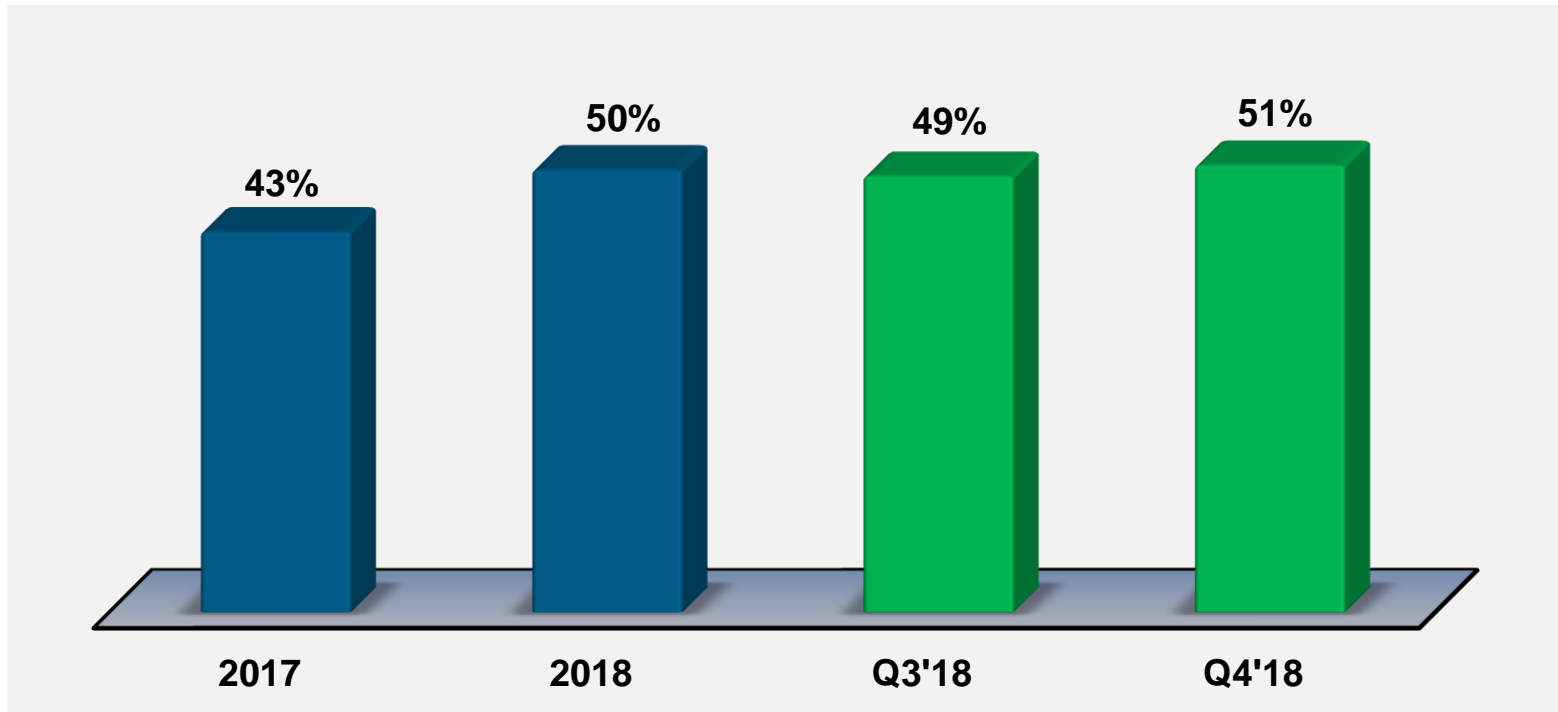
Gross Profit : (TRY, mn)

- 51.2% year-on-year increase
- 36.2% quarter-on-quarter increase



DEVA Holding Sales Performance (CMB) – 31.12.2018

Gross Profit : (TRY, mn)



DEVA Holding Sales Performance (CMB) – 31.12.2018

➤ OPEX Comparision: (TRY, 000)

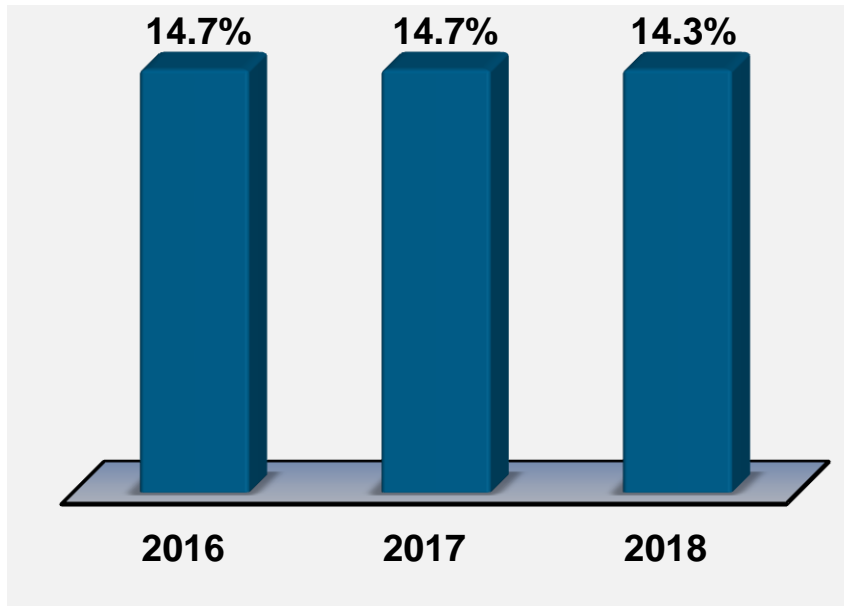
OPERATING EXPENSES

	<u>12M 2017</u>	<u>12M 2018</u>	<u>Change %</u>
S&M EXPENSES	(117,878)	(148,396)	25.9 %
G&A EXPENSES	(68,746)	(92,409)	34.4 %
R&D EXPENSES	<u>(28,831)</u>	<u>(35,784)</u>	<u>24.1 %</u>
	<u>(215,455)</u>	<u>(276,589)</u>	<u>28.4 %</u>

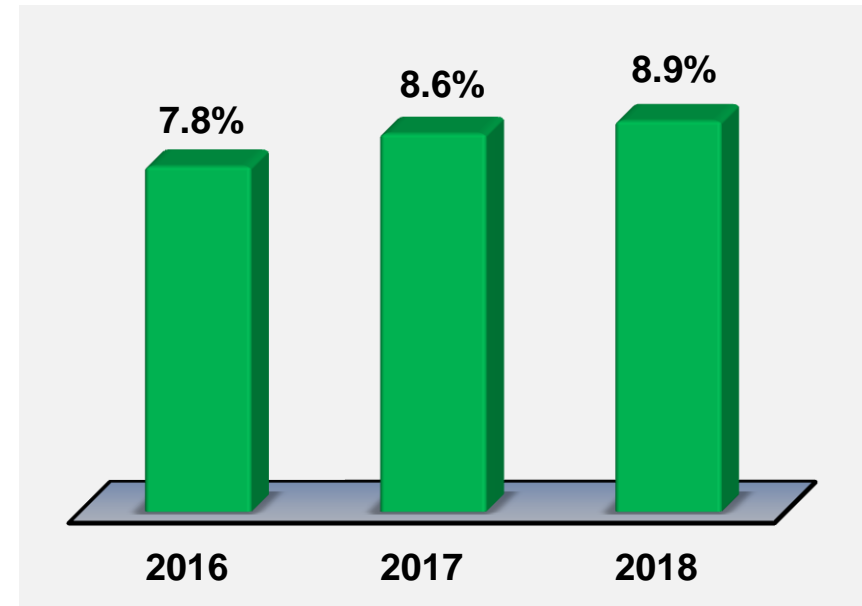
DEVA Holding Sales Performance (CMB) – 31.12.2018

Expense Ratios :

Marketing Expenses:



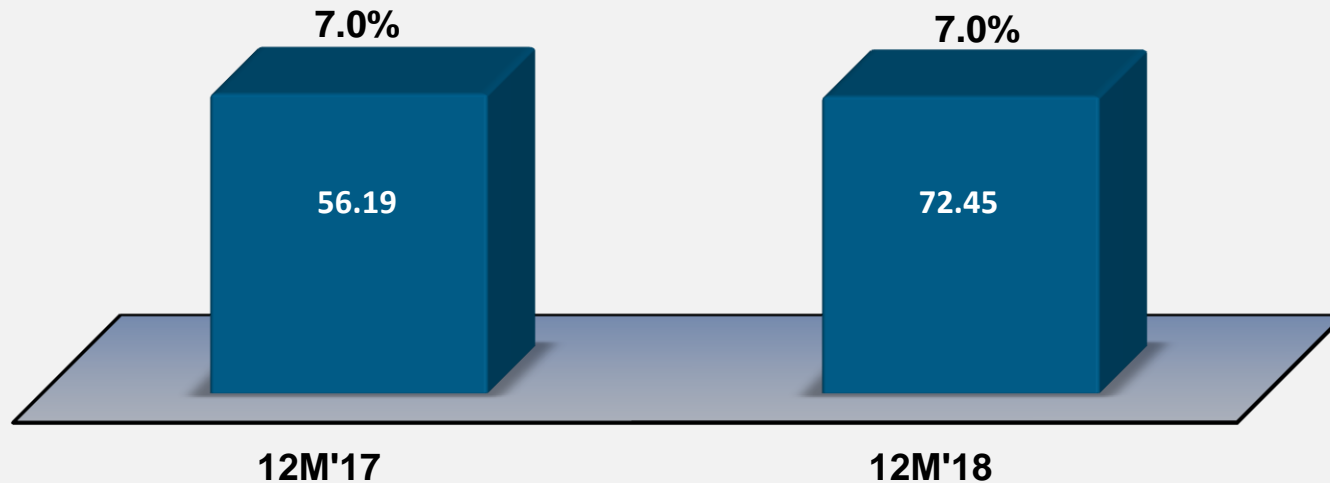
General Administration Expenses:



DEVA Holding Sales Performance (CMB) – 31.12.2018

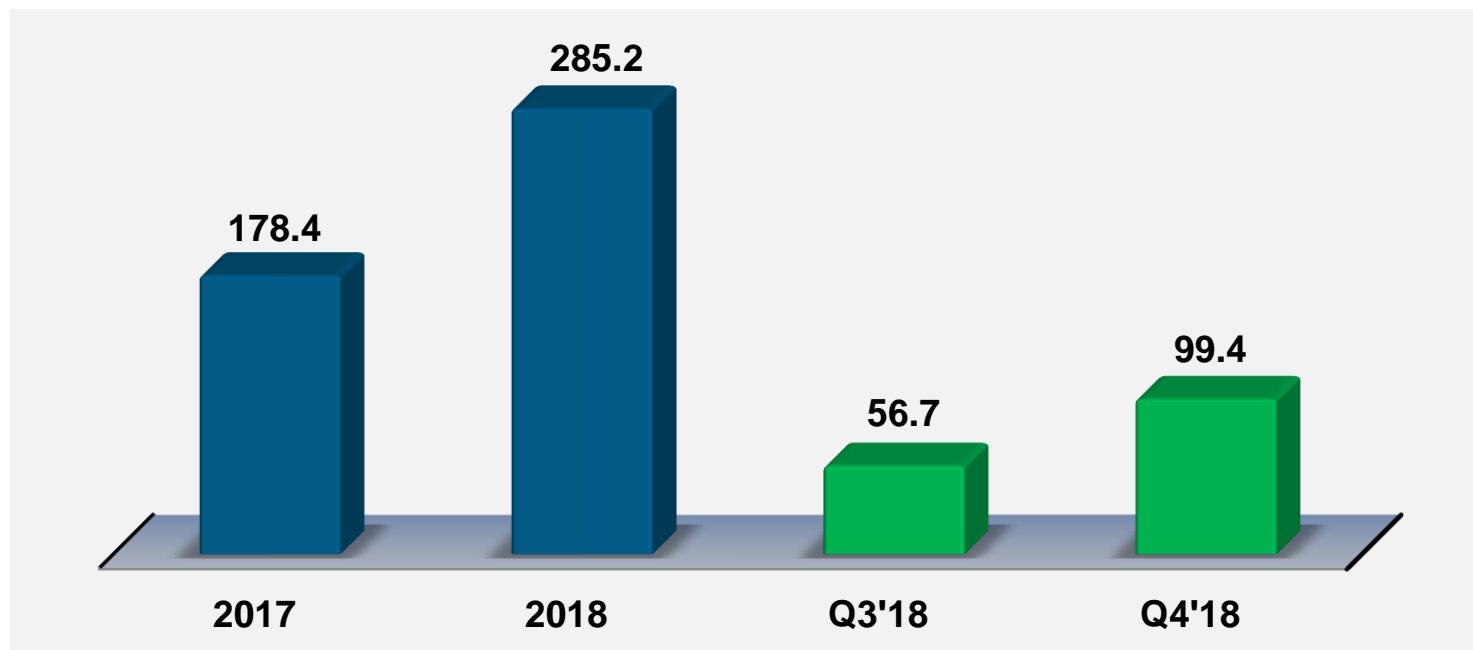
R&D Investments: (TRY, mn)

- 12M 2018 R&D Investment / Revenues: 7.0%
- 12M 2017 R&D Investment / Revenues: 7.0%



DEVA Holding Sales Performance (CMB) – 31.12.2018

EBITDA : (TRY, mn)



EBITDA Margin: 22.3%	27.4%	24.6%	32.5%
----------------------	-------	-------	-------

➤ EBITDA is TRY 285.2mn in 12M 2018 (EBITDA margin of 27.4% vs 22.3% in 12M 2017)

DEVA Holding Sales Performance (CMB) – 31.12.2018

EBITDA :

TRY (000)	<u>12M 2017</u>	<u>12M 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>
Net Profit	92,543	136,361	27,731	45,385
Finance expense / income (adjusted)	52,982	94,297	20,288	37,214
Tax expense	2,037	19,609	(962)	6,427
Depreciation	<u>30,888</u>	<u>34,893</u>	<u>9,610</u>	<u>10,346</u>
EBITDA	178,450	285,160	56,667	99,372

DEVA Holding Sales Performance (CMB) – 31.12.2018

DEVA PROFIT & LOSS TABLE

	12M 2017	12M 2018	Q3 2018	Q4 2018
Revenue	800,295,112	1,040,677,048	230,151,307	305,954,809
Cost of revenue (-)	(455,093,332)	(518,658,672)	(116,359,874)	(150,918,017)
GROSS PROFIT	345,201,780	522,018,376	113,791,433	155,036,792
Marketing, sales and distribution expenses (-)	(117,878,135)	(148,395,640)	(35,985,673)	(36,889,754)
General administration expenses (-)	(68,745,707)	(92,408,761)	(26,234,644)	(23,899,291)
Research and development expenses (-)	(28,830,671)	(35,783,934)	(9,310,851)	(8,419,627)
Other operating income / expenses (-)	15,584,915	31,806,161	27,909,858	(1,623,881)
OPERATING PROFIT	145,332,182	277,236,202	70,170,123	84,204,239
Income / expense from investing activities	9,441,305	551,139	58,014	124,129
OPERATING PROFIT BEFORE FINANCE EXPENSE	154,773,487	277,787,341	70,228,137	84,328,368
Finance expense (-)	(60,193,739)	(121,817,774)	(43,459,944)	(32,517,364)
PROFIT BEFORE TAXATION	94,579,748	155,969,567	26,768,193	51,811,004
Tax expense	(2,037,073)	(19,608,450)	962,316	(6,426,048)
Current tax expense	(904,478)	(16,839,235)	346,970	(244,337)
Deferred tax charge	(1,132,595)	(2,769,215)	615,346	(6,181,711)
PROFIT FOR THE PERIOD	92,542,675	136,361,117	27,730,509	45,384,956

Q&A session ?



THANK YOU FOR YOUR INTEREST

IR Contact Details:

Philipp Haas – Chairman & CEO (phaas@deva.com.tr)

Mesut Çetin – Director & CFO (mcetin@deva.com.tr)

Investor Relations

Email : ir@eastpharma.com



Halkalı Merkez Mah. Basın Ekspres Cad. No:1 34303 Küçükçekmece – İSTANBUL

Tel: 0 212 692 92 92

Fax: 0 212 697 00 24

www.eastpharma.com / www.deva.com.tr / www.sabailac.com.tr

Disclaimer

This presentation has been prepared by EastPharma Ltd (the “Company”) solely for its use at the presentation to investors to be made in 2019. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.

This document is not a prospectus. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

This presentation is being supplied to you solely for your information. This presentation and its contents are confidential and may not be further copied, distributed or passed on to any other person or published or reproduced directly or indirectly, in whole or in part, by any medium or in any form for any purpose. The information contained in this presentation must be kept confidential and must not be used for any other purpose. Neither this presentation nor any copy of it nor the information contained in it may be taken or transmitted in or into the United States, Canada, Japan or Australia, or distributed, directly or indirectly, in or into the United States, Canada or Australia, or distributed or redistributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of United States, Canadian, Japanese or Australian securities laws. The distribution of this presentation in other jurisdictions may be restricted by law, and persons into whose possessions this presentation comes should inform themselves about, and observe, any such restrictions.

This document and its contents are confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose, and it is intended for distribution in the United Kingdom only to and is directed only at: (i) persons who have professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) persons falling within Article 49(2)(a) to (d) of the Order; or (iii) to those persons to whom it can otherwise lawfully be distributed (all such persons together being referred to as “relevant persons”). This document must not be acted upon by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

The information in this presentation is given in confidence and the recipients of this presentation should not base any behaviour in relation to qualifying investments or relevant products (as defined in Financial Services and Markets Act 2000 (as amended) (“FSMA”) and the Code of Market Conduct (made pursuant to FSMA) which would amount to market abuse for the purposes of FSMA on the information in this presentation until after the information has been made generally available. Nor should the recipient use the information in this presentation in any way which would constitute “market abuse”.

This presentation has been prepared by, and is the sole responsibility of, the Company. The information set out herein has not been verified by the Company or any other person. No representation or warranty, express or implied, is or will be made by the Company or any of its affiliates, directors, officers or employees, or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation and any reliance you place on them will be at your sole risk. Without prejudice to the foregoing, the Company, their advisors and their respective affiliates, directors, officers or employees do not and will not accept any liability whatsoever for any loss howsoever arising, directly or indirectly, from use of this presentation or its contents or otherwise arising in connection therewith.

The Company’s securities have not been nor will they be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States except to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company’s securities have not been nor will they be registered under the applicable securities laws of any state or jurisdiction of Australia, Canada or Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada or Japan or to or for the benefit of any national, resident or citizen of Australia, Canada or Japan.

Certain statements in this presentation constitute “forward-looking statements”. These statements, which contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning, reflect the Directors’ beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing business or other market conditions and the prospects for growth anticipated by the management of the Company. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. As a result, you are cautioned not to place undue reliance on such forward-looking statements. The Company and their advisors and each of their respective members, directors, officers and employees disclaim any obligation to update the Company’s view of such risks and uncertainties or to publicly announce the result of any revision to the forward-looking statements made herein, except where it would be required to do so under applicable law.

EastPharma



60 years...