

ANADOLU ISUZU

(BIST: ASUZU)

6M 2025 Earnings Release, August 11, 2025

With the Capital Markets Board Bulletin dated 28.12.2023 and numbered 2023/81, it has been announced to the public that issuers and capital market institutions subject to the financial reporting regulations of the Capital Markets Board have decided to apply inflation accounting by applying the provisions of TAS 29 starting from the annual financial reports for the accounting periods ending on or after 31.12.2023.

This presentation of the financial results for the second quarter of the 2025 is based on the inflation-adjusted financial data of our Company, which applies Turkish Accounting/Financial Reporting Standards in accordance with the Capital Markets Board's Decision dated 28/12/2023, in accordance with the provisions of TAS 29.

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FINANCIAL PERFORMANCE:

(000 TL)	2Q2024	2Q2025	%	20246M	20256M	%
Net Sales	5,113,293	5,331,408	4.3%	11,700,784	9,872,759	(15.6)%
Gross Profit	755,887	780,507	3.3%	1,729,796	1,379,964	(20.2)%
EBITDA	546,727	427,944	(21.7)%	851,782	752,895	(11.6)%
Net Income (Loss)	(26,595)	31,679	219.1%	555,194	284,920	(48.7)%
Gross Profit Margin	14.8%	14.6%		14.8%	14.0%	
EBITDA Margin	10.7%	8.0%		7.3%	7.6%	
Net Profit/Loss Margin	(0.5)%	0.6%		4.7%	2.9%	

A - NET SALES

In 6M 2025 period, net sales decreased by 16% compared to the previous year, amounting to 9,873 million TL. During the same period, domestic sales declined by 9%, while export sales dropped by 27%.

In 6M 2025 period, total automotive market sales reached 629 thousand units, representing a 4.7% increase compared to the same period of the previous year. During this period, the light commercial vehicle market grew by 4% year-on-year. In the heavy commercial vehicle market, the truck segment declined by 9%, the bus segment by 7%, and the midibus segment by 1% compared to the same period of the previous year.

In 6M 2025, a total of 2,895 vehicles were sold – 2,416 units to the domestic market and 479 units to international markets. Compared to the same period in 2024, the Company's total sales volume decreased by 18%.

The decline in Light-Truck sales was due to the adaptation process to the technical and safety standards under the new General Safety Regulation (GSR). Modifications made in production processes and design to comply with these new standards caused delays in launching the relevant models to the market. Production and sales processes for Light-Truck are expected to commence in the second half of the year.

Export sales volumes decreased by 24.3%. This decline is attributed to temporary, seasonal factors and is considered a short-term situation. Additionally, the continued strength of the Turkish Lira has been putting pressure on export sales and limiting our competitive edge in international markets. We expect the positive impact of our market penetration and diversification efforts to be reflected in our financial results starting from the second half of the year. We maintain our expectation of a high single-digit percentage increase in export volumes. Following the current temporary decline, a positive recovery in exports is anticipated.

Domestic Sales (Unit)	20246M	20256M	%
Truck	1,110	1,326	19,5%
BIG.e	-	11	-
Light-Truck	630	-	(100,0)%
Pick-Up	733	656	(10,5)%
Midibus	396	367	(7,3)%
Bus	16	56	250,0%
Total Domestic Sales	2,885	2,416	(16,3)%

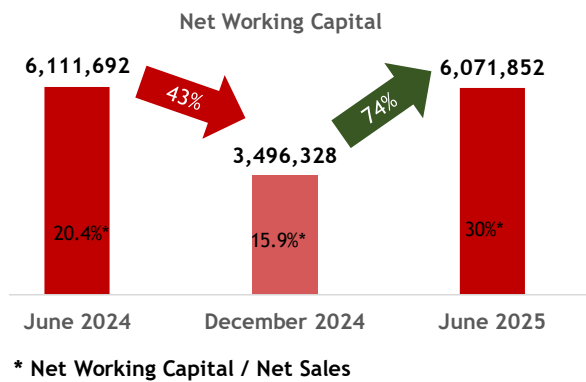
Export Sales (Unit)	20246M	20256M	%
Export Sales	633	479	(24,3)%
Total Sales	3,518	2,895	(17,7)%

B - EBITDA

In 6M2025 period, EBITDA decreased by 12% compared to the same period of the previous year, amounting to 753 million TL. The EBITDA margin increased by 35 basis points to 7.6% (June 2024: 7.3%).

C - NET WORKING CAPITAL

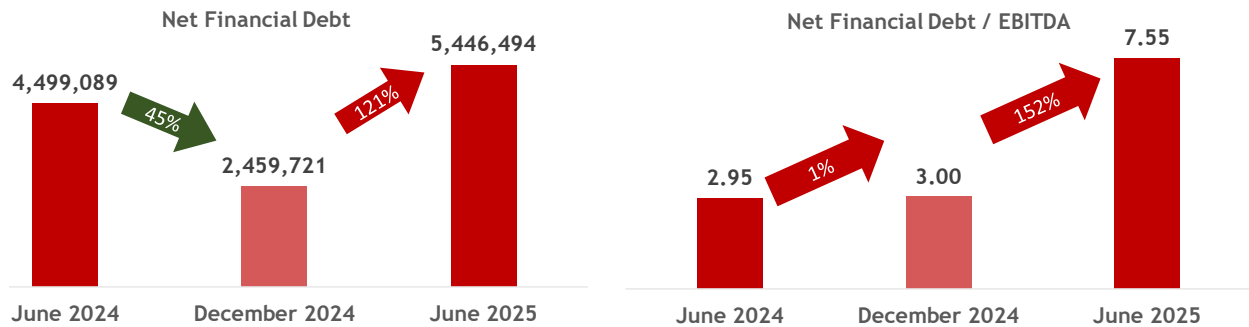
In 6M2025, net working capital requirement realized as TL 6,072 million. Net Working Capital / Net Sales ratio, which was 15.9% at the end of 2024, increased to 30% in 6M2025. (6M2024: 24.4%)



Due to the concentration of sales towards the end of the second quarter and the shift of receivables to the second half of the year, an increase has been observed in trade receivables. This has led to a rise in the net working capital requirement and the net working capital to net sales ratio. The net working capital requirement is being closely monitored by company management, and a more favorable outlook is expected in the upcoming quarters.

D - FINANCIAL DEBT

Net financial debt, which was TL 2,460 million at the end of 2024, increased to TL 5,446 million at the end of June 2025. The Company's Net Financial Debt/EBITDA ratio is 7.55 in the same period. (6M2024: 2.95)



Two main factors have contributed to the increase in the Net Financial Debt/EBITDA ratio. Firstly, the EBITDA figure has declined due to the implementation of inflation accounting. Secondly, the level of Net Financial Debt has increased because of a seasonal rise in net working capital requirements and the use of temporary financing. The increase in the Net Financial Debt/EBITDA ratio compared to the end of 2024 is mainly driven by inflation accounting adjustments in the financial statements and seasonal fluctuations. The Net Financial Debt/EBITDA ratio is closely monitored by the company's management, and an improved outlook is likely in the second half of the year, supported by higher sales and collections.

RISKS

Exchange Rate Risk: During a period when exchange rates followed a volatile course due to global risks, the pandemic agenda, and the trajectory of macroeconomic indicators in our country, the Company managed its currency risk with sensitivity. Although the net open position risk due to foreign currency-denominated assets and liabilities was € 34 million short position as of 6M2025; the risk was closed to € 3 million short position, after the hedge operations carried out in order to mitigate the currency risk in the following periods.

Global Supply Chain Risks: The Russia-Ukraine war, security issues in the Red Sea, and China-U.S. trade tensions have increased costs due to the need to utilize alternative supply channels, resulting in higher logistics expenses and extended delivery time.

The domestic inflation level has continued to exert pressure on local production costs. Current financing costs are negatively affecting sales, particularly in the commercial vehicle segment. However, we expect that the anticipated decline in interest rates in the second half of the year, driven by positive developments in inflation, will benefit both the Company's financials and our customers' access to financing.

Our Company successfully manages volatility in raw material and freight prices in a balanced manner through long-term contracts and advance payments.

FINANCIAL PERFORMANCE*

(000 TL)	2Q2024	2Q2025	%	20246M	20256M	%
Net Sales	3,694,717	5,260,228	42.4%	8,062,672	9,463,321	17.4%
Gross Profit	1,037,692	1,255,762	21.0%	2,173,000	2,278,466	4.9%
EBITDA	813,527	755,568	(7.1)%	1,445,051	1,364,801	(5.6)%
Net Income (Loss)	176,919	163,127	(7.8)%	675,935	407,247	(39.8)%
Gross Profit Margin	28.1%	23.9%		27.0%	24.1%	
EBITDA Margin	22.0%	14.4%		17.9%	14.4%	
Net Profit/Loss Margin	4.8%	3.1%		8.4%	4.3%	

* Excluding IAS 29

INVESTOR RELATIONS CONTACT INFORMATION

You may visit our website at www.anadoluisuzu.com.tr to reach the financial statements of the Company. You can contact us using any of the contact details below.

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