



Turkey's Leading Value-Added Technology Distributor

Q2 2021 Webcast Presentation

2021



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Agenda

Business & Sector Overview



H1 2021 Financial Results



Q&A



Penta Highlights



40+
global
vendors



15
sole
distributorship



3,500+
active
customers

~\$149 mn (\$)
Net Sales in Q2 w/
24% growth

~\$321 mn (\$)
Net Sales in H1 w/
30% growth

5.4%
EBITDA Margin- **Q2**

5.2%
EBITDA Margin – **H1**

1.9 mn (\$)
Net Profit – **Q2**

4.1 mn (\$)
Net Profit – **H1**

Post IPO Debt/Equity
ratio:

229% → 23%

Unique business model drives growth and profitability

Value Added Services

Extensive Cooperation



Customer solutions



Penta Tech Center

Superior Logistics



Penta
MyWarehouse



10-to-10 overnight
delivery

Digitalization



Bayinet

CRM

Integration with vendors
and customers

Subscription
services

Strategic Corporate Acquisitions



Efficient
integration



New segments &
brands

Strong Management and Talented Employees

Founder 30+ years with
the business

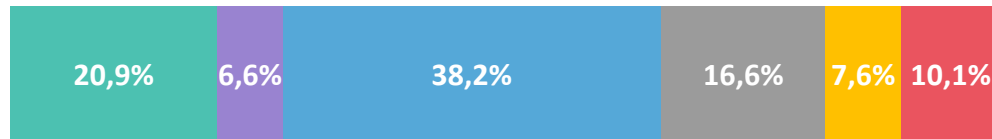


Valuable talent acquired
and retained

344¹ competent and
loyal employees (average
seniority of 9.6 years)

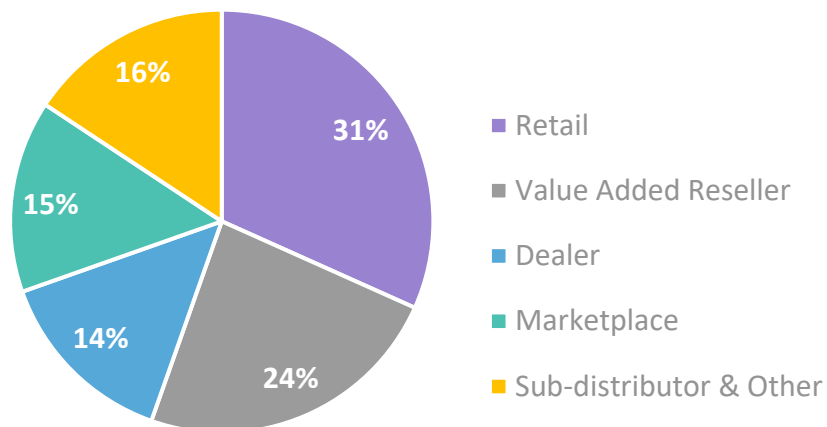
Diversified customer base & product portfolio

Q2 2021 Category breakdown



- Compared to Q2 2020, revenue was increased around 24%.
- Demand in PC category is still high (According to IDC 16% growth in quantity whereas 22% growth in Penta in USD)
- There was a boost in the Peripherals and Accessories triggered by increase in main categories, hence Penta's numbers increased by 54% in USD.
- The vertical software category expand 27%. We finalized an end-to-end integration with one of the vendors and automatized whole processes from vendor to end-user.

Q2 2021 Revenue split by channel



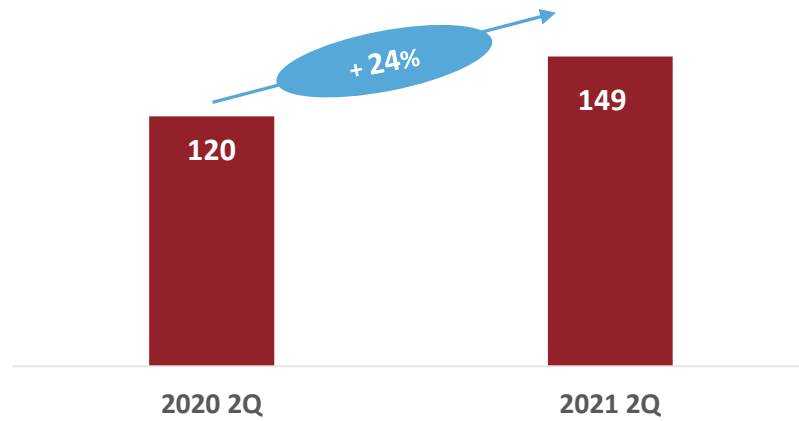
- Our main aim is to have a balanced approached on channels and expect to achieve an outstanding profit margin consequently.
- Marketplace channel is increasing. The main reason behind this growth is our value-added services dedicated to the channel.
- We are eager to strengthen Dealer channel due to mutually tracked breadth programs with vendors on the one hand, and to increase number of customers and spread the risk on the other.
- We expect to see a recovery in Value Added channel in H2 2021.

Financial Results – Overview of Sales

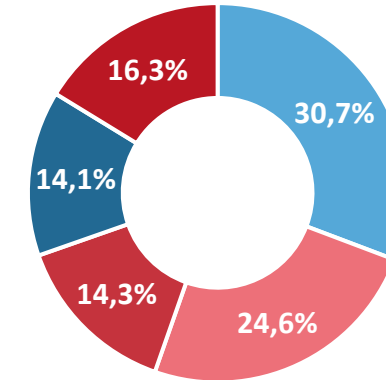
Robust topline growth in \$

24% increase in \$ based sales in 2Q and 30% increase in the half-year total sales

Net Sales – 2Q (mn \$)

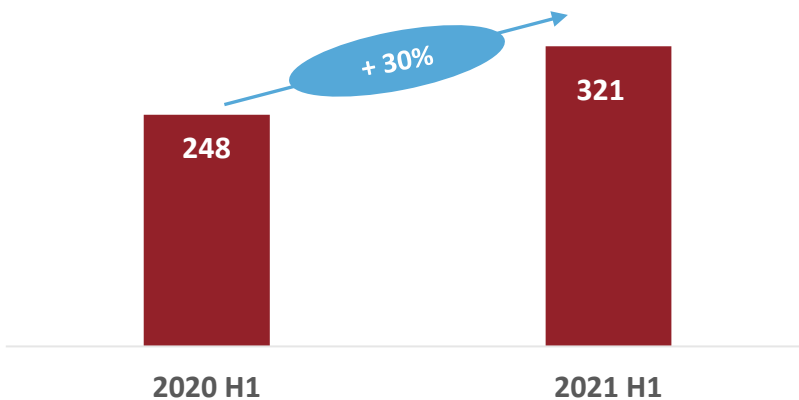


2021 1H Sales Breakdown (%)

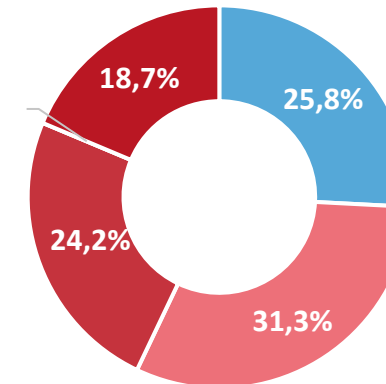


■ Retail ■ Value Added Reseller ■ Dealer ■ Marketplace (*) ■ Sub-Distributor & Other

Net Sales – 1H (mn \$)



2020 1H Sales Breakdown (%)

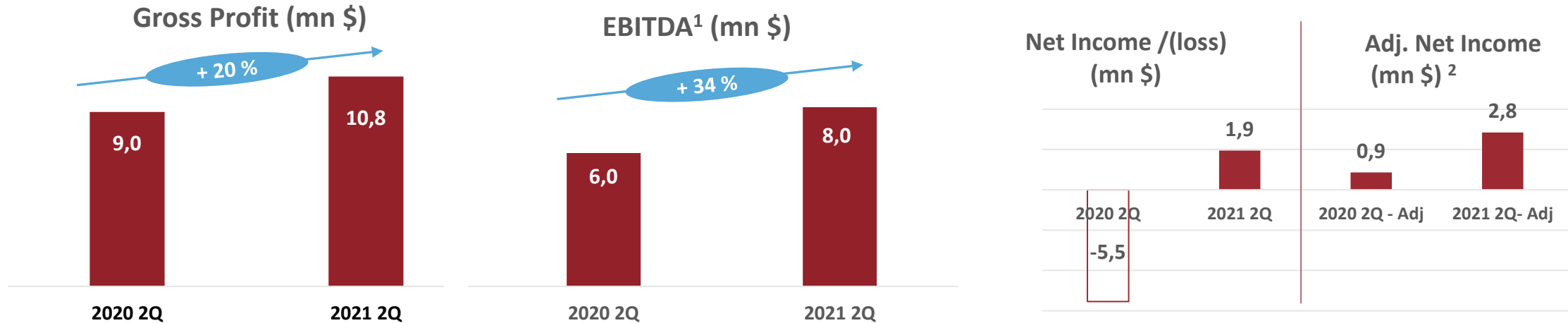


■ Retail ■ Value Added Reseller ■ Dealer ■ Marketplace (*) ■ Sub-Distributor & Other

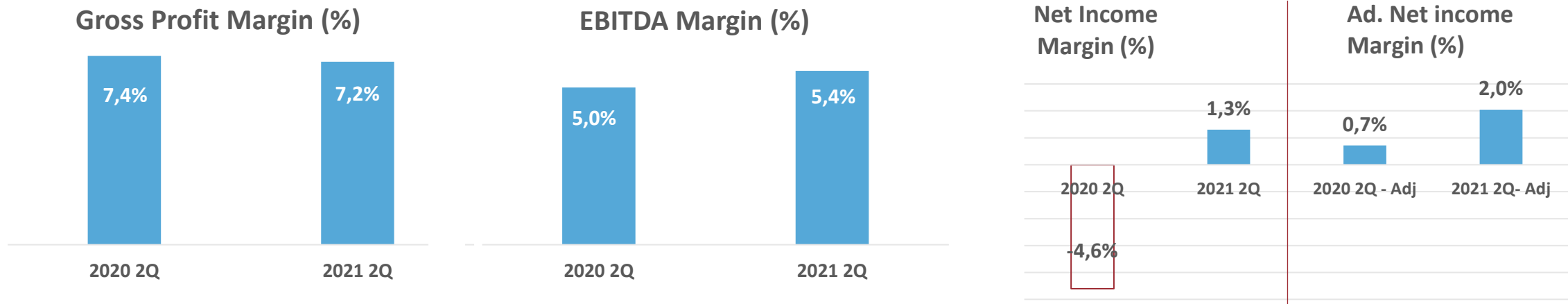
Financial Results 2Q – Overview of profit ratios

Focus on profitable growth and improving profitability ratios

High double-digit growth in EBITDA and significant improvement in net profit in 2Q and 1H



Remarkable improvement in net profit margin



⁽¹⁾ EBITDA: Gross Profit – Operational Expenses + Depreciation & Amortisation

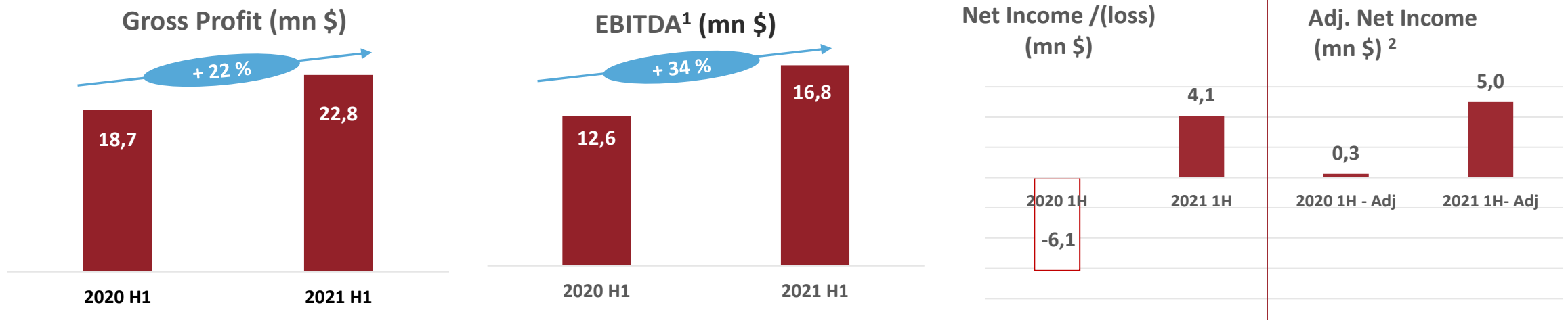
⁽²⁾ There was **one off expenses in 2020 2Q amounting to 6.4 m\$ (net off tax)** due to prior year expenses.

In **2021 2Q**, there is also one off expense amounting to **0.9 m\$ (net off tax)** resulting from the IPO expenses.

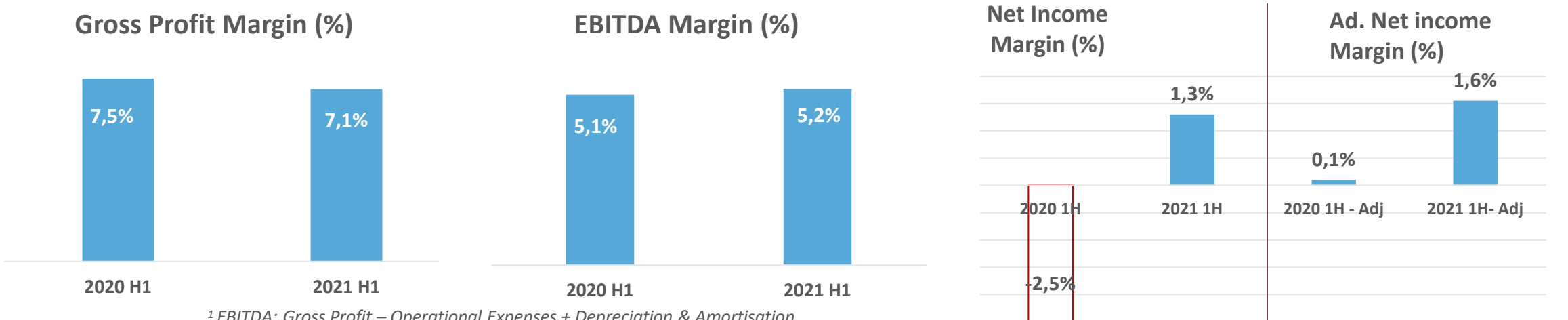
Financial Results 1H – Overview of profit ratios

Focus on profitable growth and improving profitability ratios

High double-digit growth in EBITDA and significant improvement in net profit both in 2Q and 1H



Remarkable improvement in net profit margin



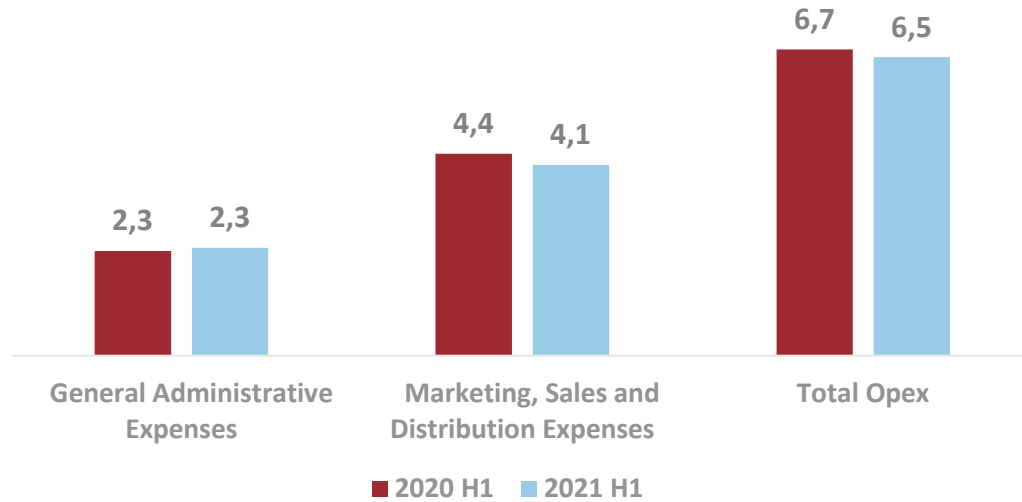
¹ EBITDA: Gross Profit – Operational Expenses + Depreciation & Amortisation

(²) There was **one off expenses in 2020 2Q** amounting to **6.4 m\$ (net off tax)** due to prior year expenses. In **2021 2Q**, there is also one off expense amounting to **0.9 m\$ (net off tax)** resulting from the IPO expenses.

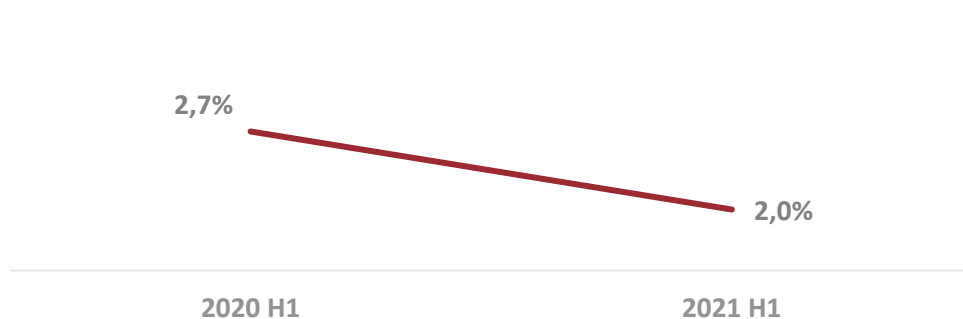
Financial Results – Operational Expenses

TL based opex result in improvement in SG&A expenses/net sales ratio

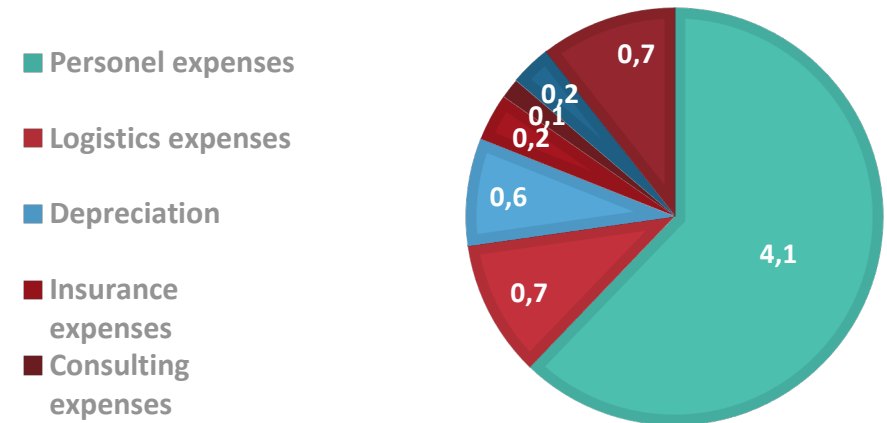
Operational Expenses (mn \$)



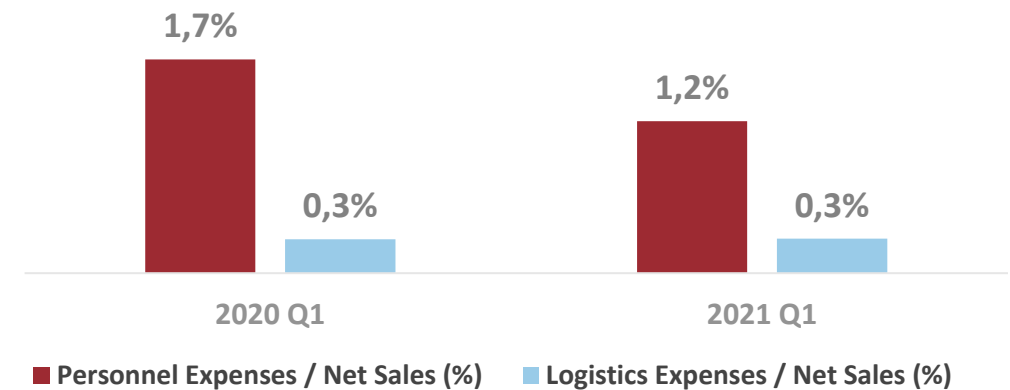
SG&A Expenses / Net Sales (%)



Breakdown of Operational Expenses (mn \$)



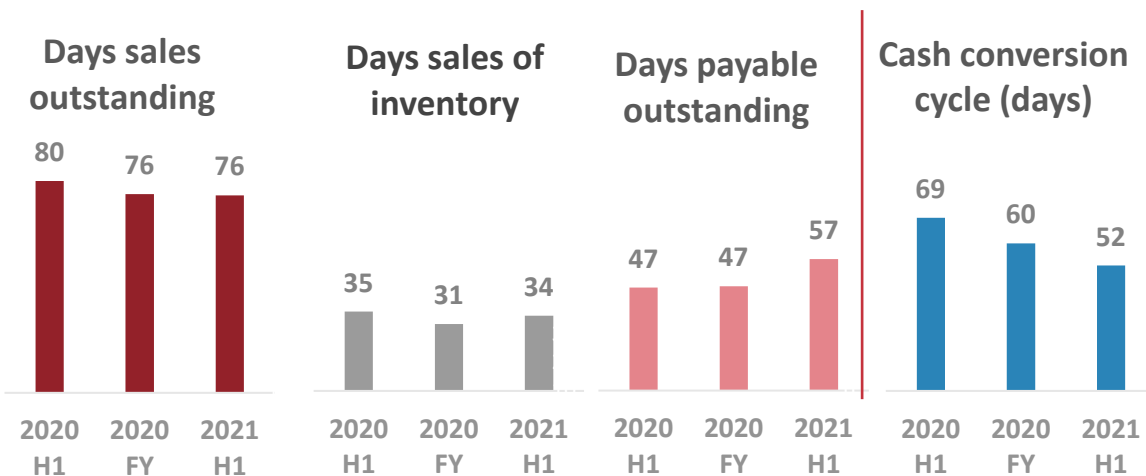
Personnel expenses and logistics expenses (% of Net Sales)



Financial Results – Net Working Capital

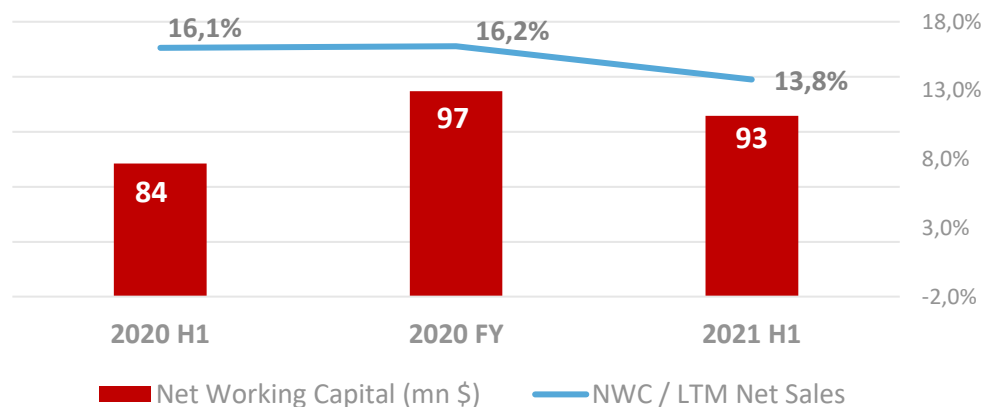
Continuous focus on Net Working Capital yield

Cash conversion cycle¹

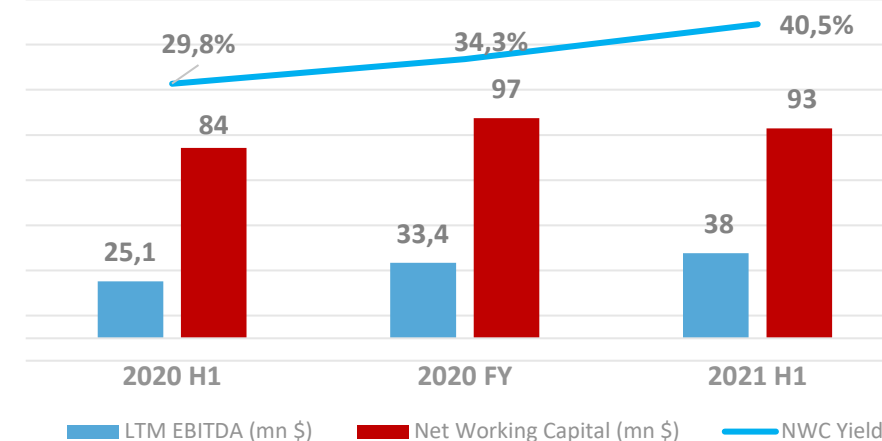


- ✓ Substantial decrease in the Working Capital / Sales ratio
- ✓ Continuous improvement in the NWC yield
- ✓ Continuous focus on the quality of operational assets
 - Focus on security of receivables (insurance, dedicated team, internally developed credit rating tools)
 - Closely monitoring inventory aging

Net Working Capital / Sales



NWC Yield²



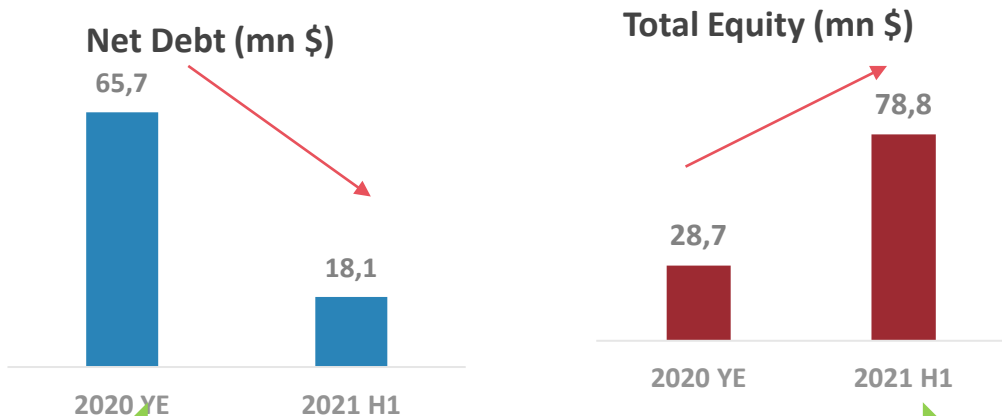
1: DSO = 365 days * (ave. receivables / sales); Days sales of inventory = 365 * (ave. inv / COGS); DPO = 365 * (ave. payables / COGS); CCC = DSO + DSI – DPO. VAT ignored in all calculations.

2: NWC Yield: LTM EBITDA / Net working capital (TR +inv – TP)

Financial Results – Debt & Equity Structure

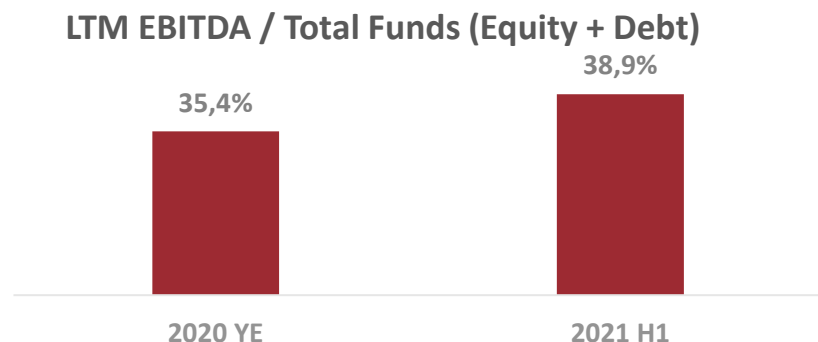
Debt & Equity structure has changed dramatically due to the funds raised through the IPO

Financial debt decreased below 20 mn \$



Net funds raised through IPO is ~45 mn \$

39% return on total funds employed in \$ terms



Net Financial Debt

mn \$	31 December	30 June
	2020	2021
Bank Loans	0,7	-
Financial payables to YH (1, 2, 3)	108,5	30,1
Other payables to shareholders	0,7	0,7
Lease liabilities (TFRS 16 effect)	1,9	1,7
Total financial debt	111,8	32,5
Cash and cash equivalents (-)	(16,1)	14,4
Financial receivables from YH (-) (2)	(30,0)	-
Net financial debt	65,7	18,1

(1) Yildiz Holding syndicated loan agreement. 6.8% fixed interest rate.

(2) On February 8, 2021, the company has offset its financial receivables in TL from Yildiz Holding A.Ş. from its financial debts in TL and USD to Yildiz Holding. As a result of this transaction, the balance of other receivables from related parties amounting to 220 MTL included in the balance sheet of the company as of December 31, 2020 was offset from **the CBRT's buying rate of 5 February 2021 USD 7.0789 / TL as 31.1 mn \$ from the account of other payables to related parties. Thus, the Company's foreign exchange open position decreased by 31 mn \$.**

(3) On May 18th, Penta has made repayment of ~45 m USD to Yildiz Holding from IPO proceeds. Accordingly total debt to YH sourced from the syndicated loan agreement has decreased to 30.1 mn \$ as of June 2021.

Financial Results – Currency Position

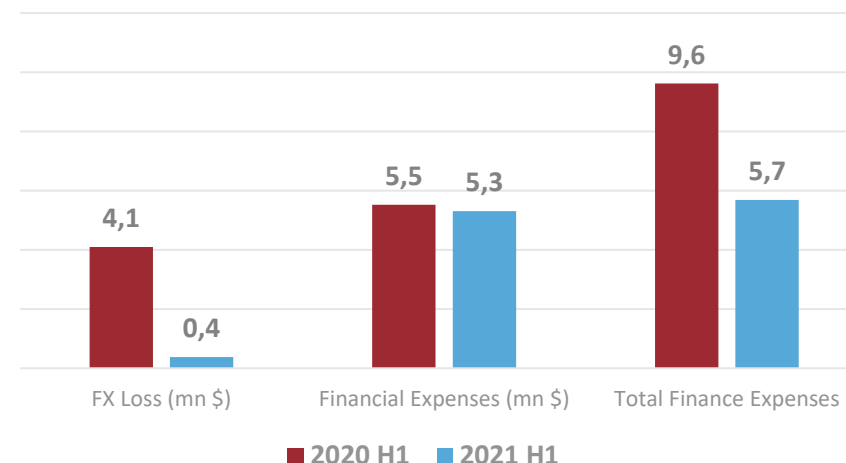
Significant improvement in FX position; from 50 mn\$ open position to 21 mn\$

Net Foreign Currency Position

Net TL Position	31 December 2020		30 June 2021	
	TL	USD Eqv.	TL	USD Eqv.
Trade Receivables	214	33	179	21
Other Monetary Assets	31	4	22	3
Receivables from YH (net TL)	231	32	-	-
Total Assets	476	69	201	23
Trade Payables	(16)	(4)	(14)	(2)
Other Monetary Liabilities	(29)	(3)	(4)	0
Total Liabilities	(45)	(8)	(18)	(2)
Derivatives	(78)	(11)	(2)	0
Net Foreign Currency Position	353	50	181	21

Financial Expenses

Breakdown of Finance Expenses (mn \$)

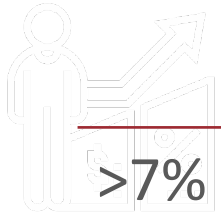


Sensitivity to FX Fluctuations

	FX Rate Change	Effect on Profitability (m TL)	Effect on Profitability (m \$)		FX Rate Change	Effect on Profitability (m TL)	Effect on Profitability (m \$)
31.Dec.20				➔	30 June 21		
TL	+10% / -10%	35.3 / (35.3)	4.8 / (4.8)		TL	+10% / -10%	18.1 / (18.1)

Expectations

10-15% topline growth in USD terms in FY2021



>7% gross margin

>5% EBITDA margin

Q&A

