



Turkey's Leading Value-Added Technology Distributor

Q4 2021 Webcast Presentation

2022



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Agenda

Business & Sector Overview



2021 Financial Results



Q&A



Penta Highlights



40+
global
vendors



14
sole
distributorship



9,000+
customers

~\$636 mn (\$)
Net Sales

~6% (\$)
growth

7.2%
Gross Profit Margin

5.4%
EBITDA Margin

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

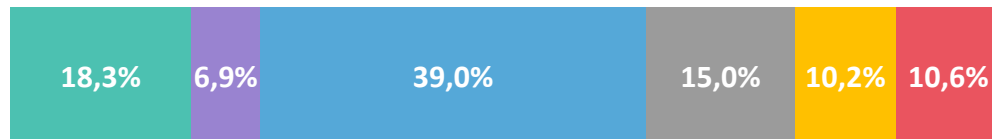


Valuable talent acquired
and retained

353¹ competent and
loyal employees (average
seniority of 9 years)

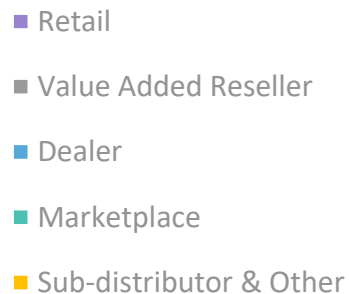
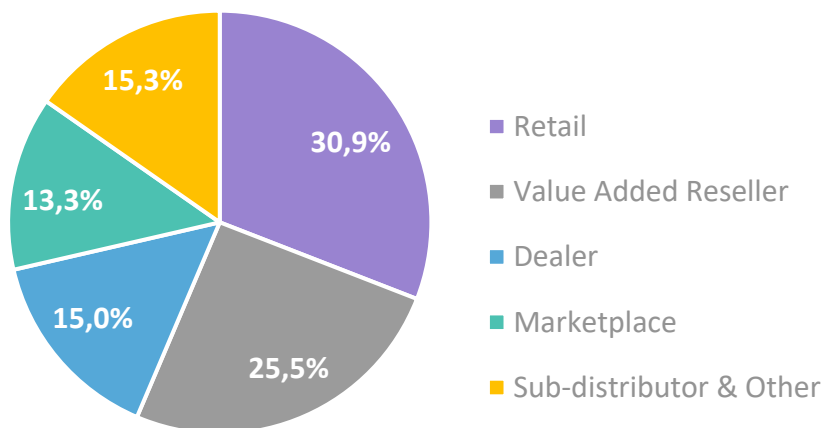
Diversified customer base & product portfolio

2021 Category breakdown



- In 2021, there was a 6% turnover growth in USD terms compared to the last year.
- When we take a look at the product categories in 2021;
 - The demand in PC products is stable (according to IDC, there is a 6% growth in quantity, 13% growth of Penta in USD terms).
 - The increase in main categories triggered the demand for peripherals and accessories, consequently we reached the highest volumes of recent years. There was a 14% growth in peripherals and accessories category compared to the last year.
 - We have reached 13% growth in our sectoral software business. We continued to digitalized our software supply chain processes in 2021.

2021 Revenue split by channel



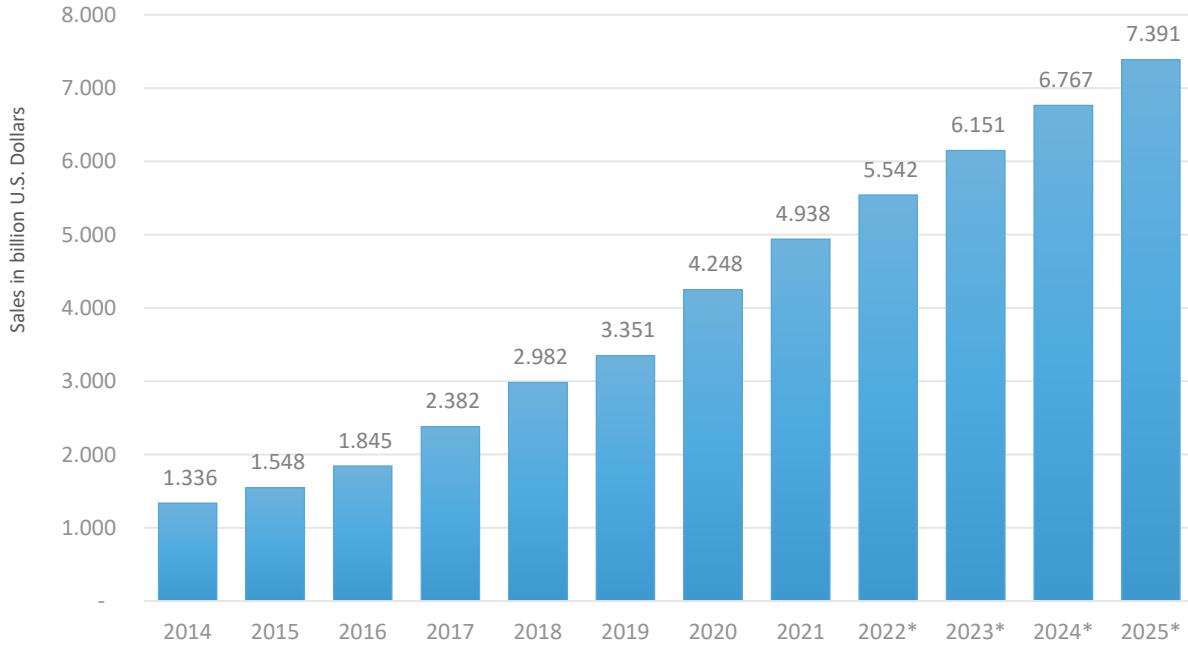
- Our main aim is to have a balanced approach on channels and expect to achieve an outstanding profit margin consequently.
- Especially marketplace channel increases its weight within the company. The most important reason to that is our value-added services we have implemented specific to this channel. This channel is also the highest growing channel in the sector.
- 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.

Sector Trends and Penta Teknoloji's Position

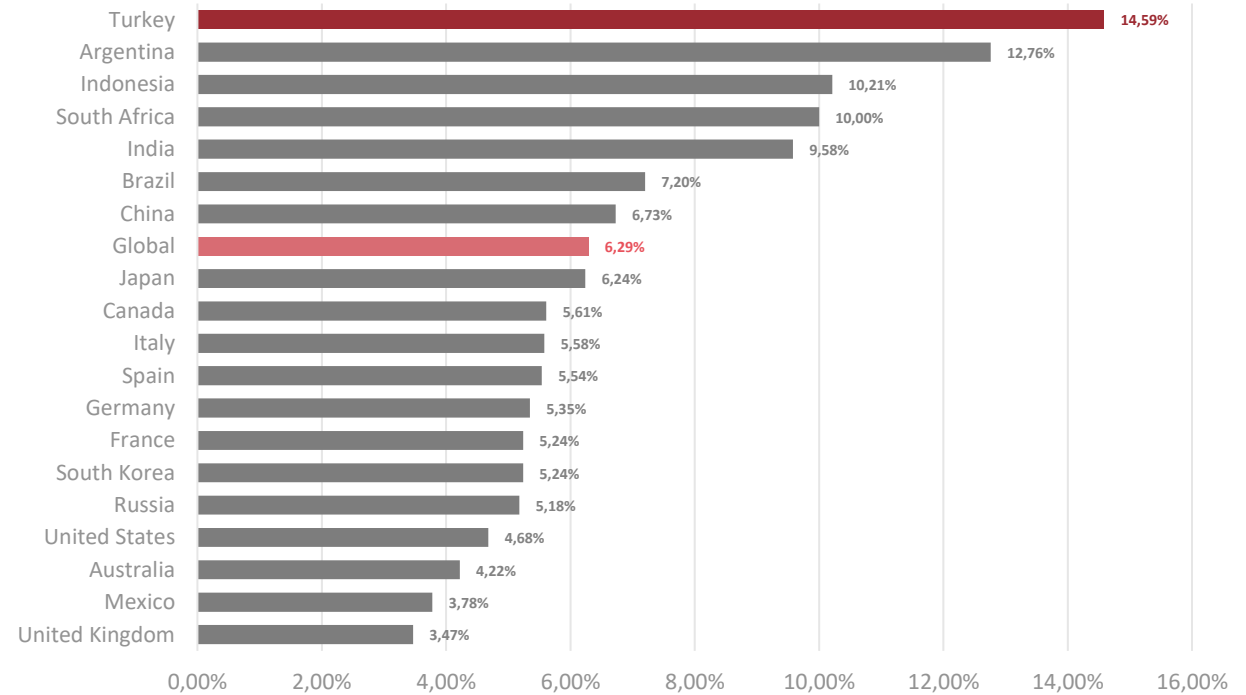
E-commerce

❖ E-commerce is an increasing trend affected by COVID-19 and expansion of broadband

Retail e-commerce sales worldwide 2014-2025



Retail e-commerce sales CAGR 2021-2025



Sector Trends and Penta Teknoloji's Position

E-commerce

- ❖ Establishment of a dedicated team in the beginning of 2021
- ❖ Penta Teknoloji's marketplace + e-tail revenue **22,5%** of 2021
- ❖ On e-commerce platforms, we run Penta Integration, a service offered to our customers to enhance our business together.

Why Penta Integration?

 **Changing Customer Needs**

 **Huge # of Transactions**

 **Digital Mindset**

 **Productivity**

 **Customer Satisfaction**

\$19 M
Revenue

15
Partner

What do we offer?



Automated process
management



24/7 Availability



Wide range of product portfolio
offering



Relationship Management
w/platforms and customers



Flexibility on marketplace
platforms



Alternative payment options &
financial solutions



Penta MyWarehouse

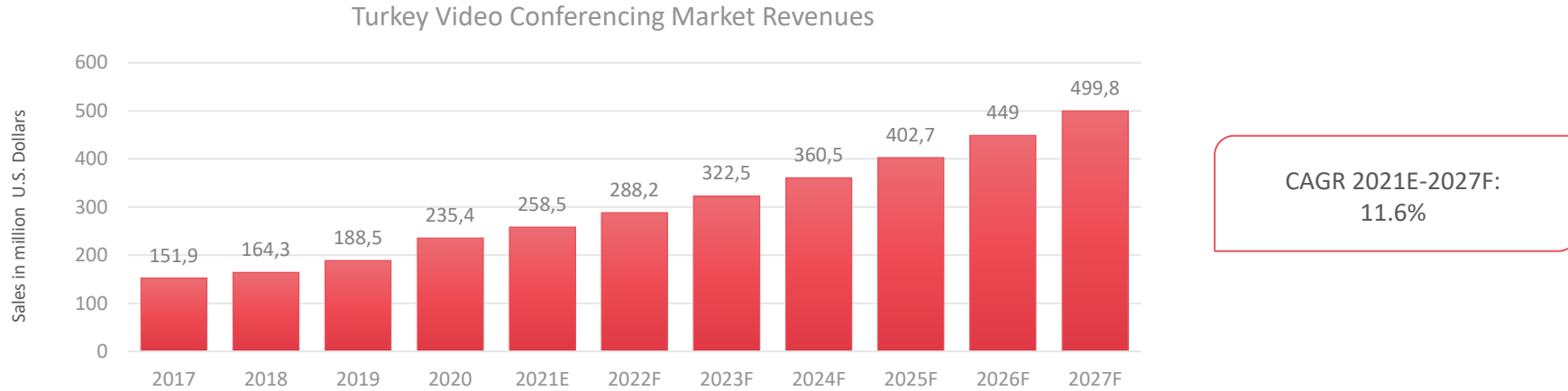


Delivery Options

Sector Trends and Penta Teknoloji's Position

Collaboration

- ❖ With remote work and distant education being permanent, remote access and collaboration become inevitable



Turkey Video Conferencing Market Revenues by Type (Million U.S. Dollars)

	2017	2018	2019	2020	CAGR (2017-2020)	2021E	2022F	2027F	CAGR (2021E-2027F)
Software	73.8	80.4	92.8	116.7	16.5%	129.1	144.9	260.3	12.4%
Hardware	54.5	58.7	67	83.3	15.2%	91.2	101.4	172.9	11.2%
Services	23.5	25.2	28.6	35.3	14.5%	38.2	41.9	66.6	9.7%
TOTAL	151.9	164.3	188.5	235.4	15.7%	258.5	288.2	499.8	11.6%

Sector Trends and Penta Teknoloji's Position

Collaboration

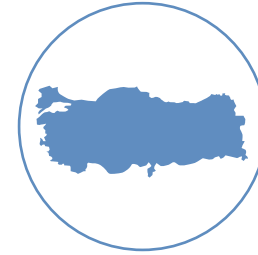
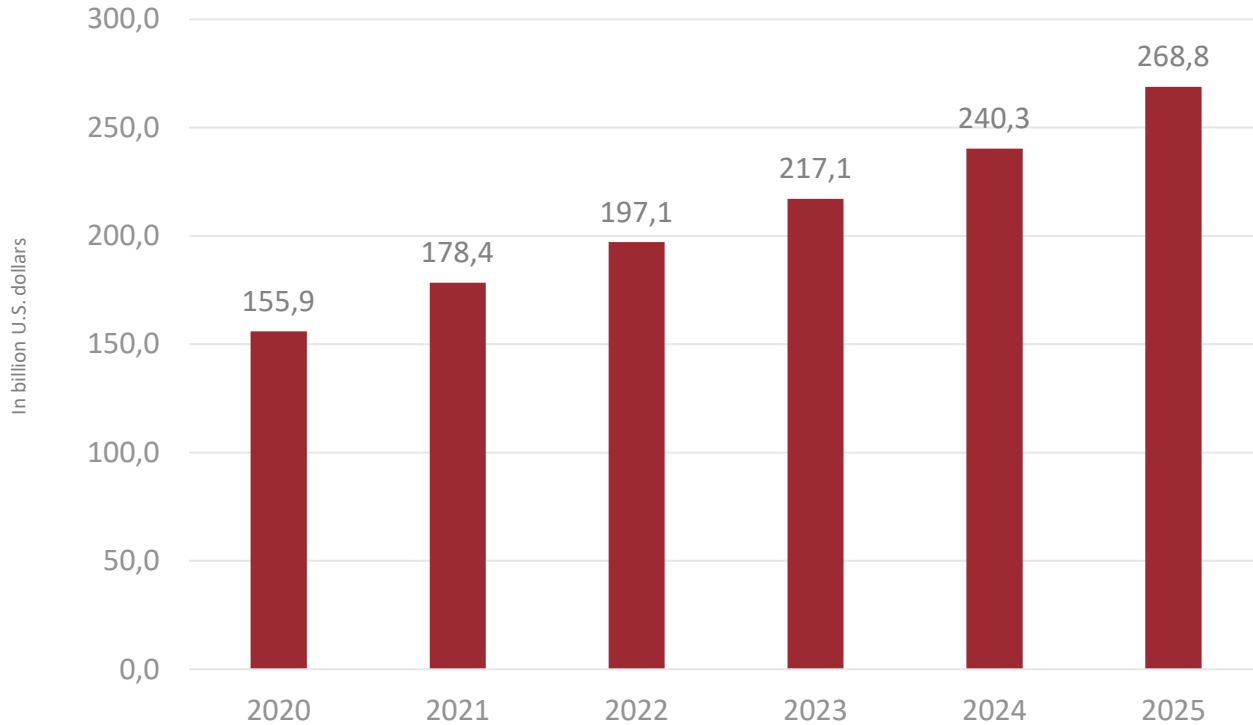
- ❖ Dedicated team for collaboration product portfolio (product management, technical sales, business development)
- ❖ End-to-end solution offering via complementary categories (*alliance*)

END TO END SOLUTION							
	logitech	Lenovo	hp	Microsoft	ViewSonic	intel	logitech
XL							
L							
M							
S							
	USB(BYOD)	PC	Platform	Screen	PC-Bundle Solution		

Sector Trends and Penta Teknoloji's Position

Entertainment

Video gaming market size worldwide 2020-2025



Turkey is among **top-20** countries

36 Million gamers in Turkey



Total Game Revenue **\$773.9M**

Increasing;

- ASP (average sales price)
- Renewal frequency



Triggering the demand in;

- Component
- Peripherals & Accessories

Sector Trends and Penta Teknoloji's Position

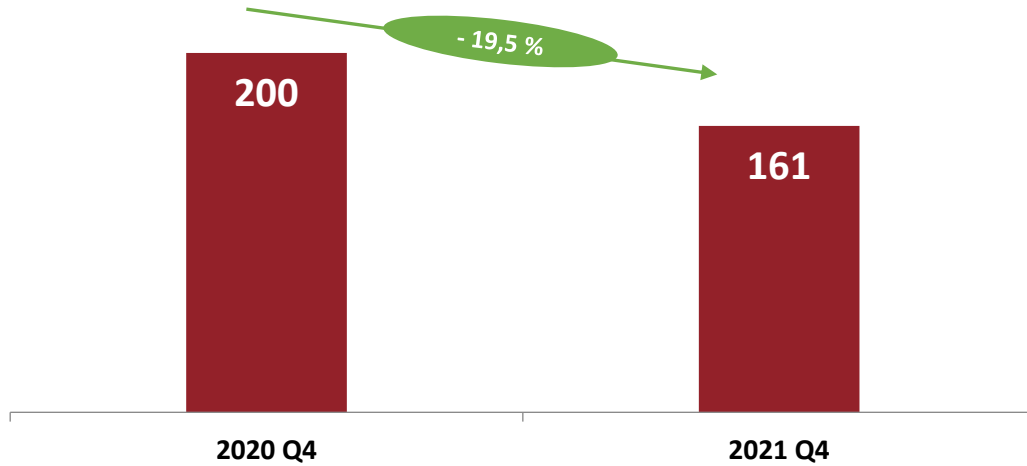
Entertainment



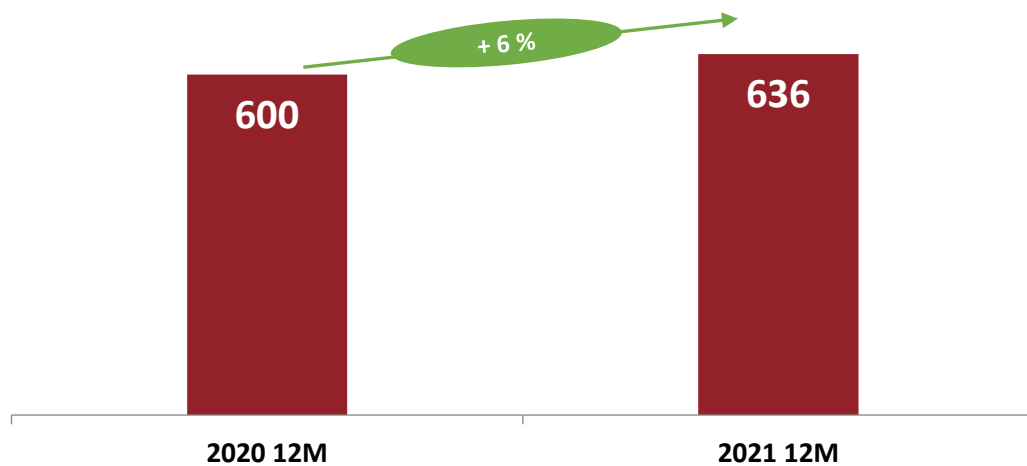
Financial Results – Overview of Sales

6% increase in \$ based sales in 2021

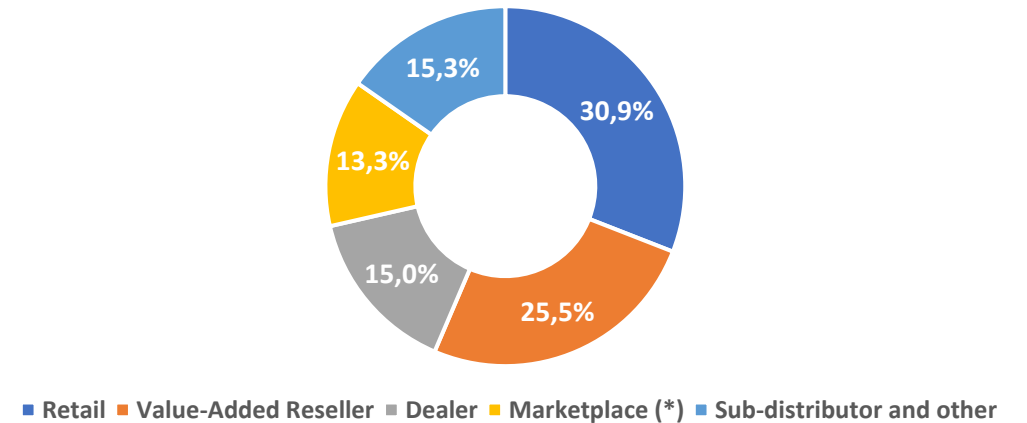
Net Sales (mn \$)



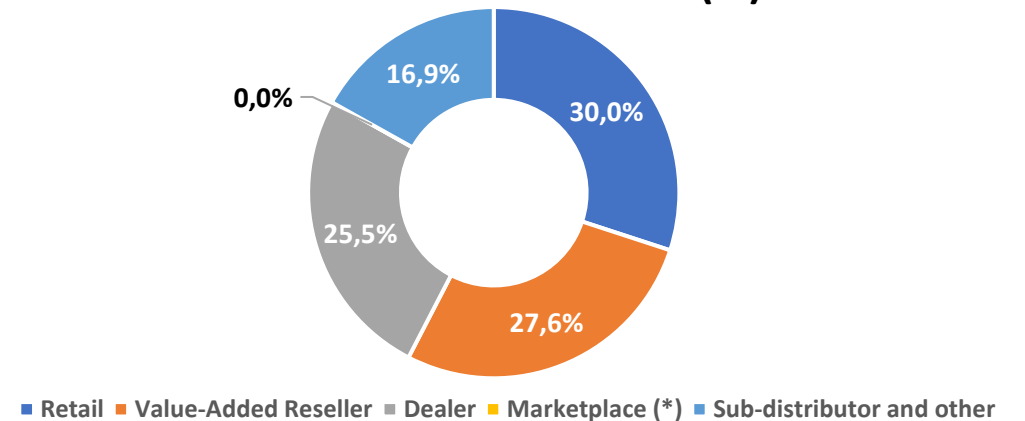
Net Sales (mn \$)



2021 Sales Breakdown (%)



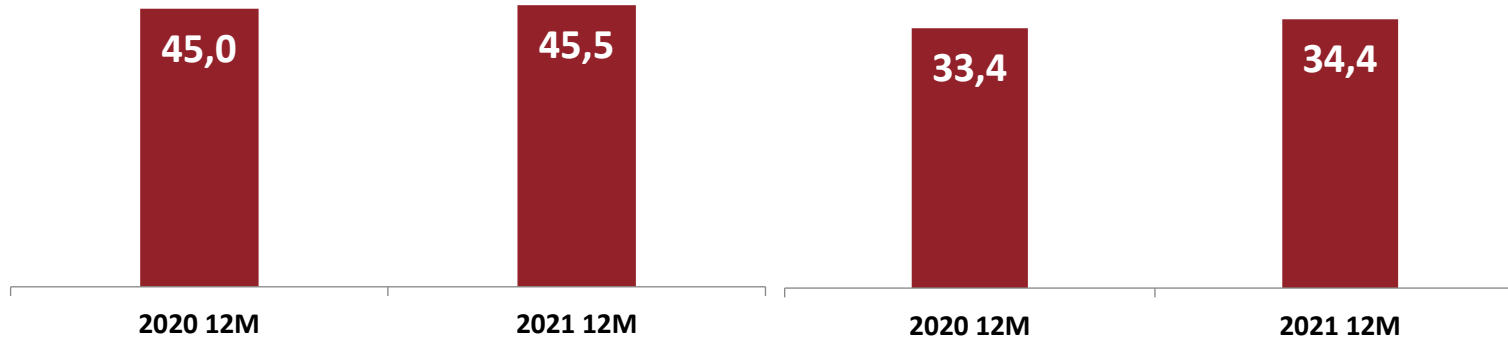
2020 Sales Breakdown (%)



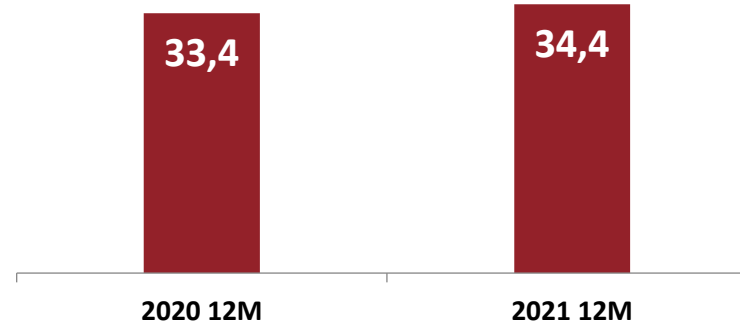
Financial Results – Overview of profit ratios

Continuous focus on operational profits

Gross Profit (mn \$)



EBITDA (mn \$)

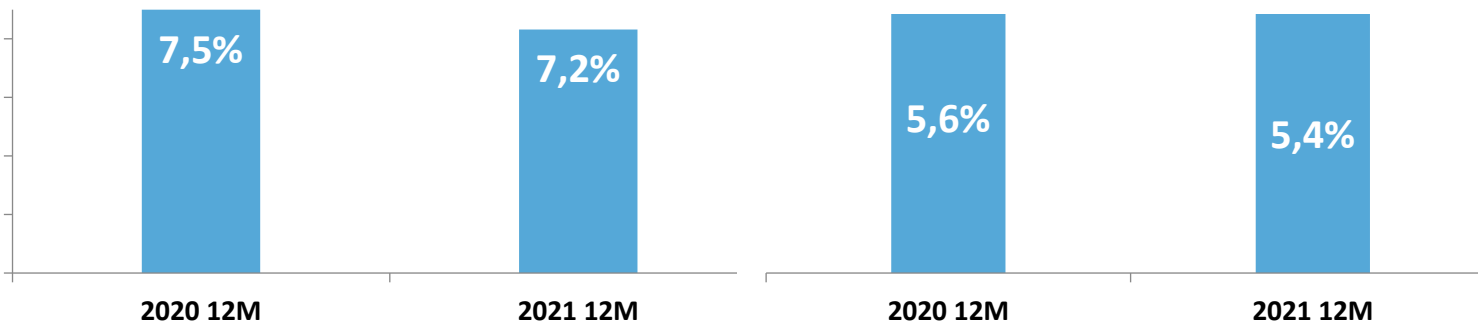


Net Income (mn \$)

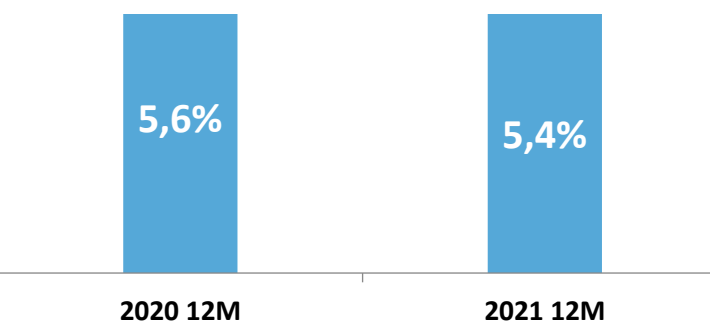


Sector-high operational profit margins

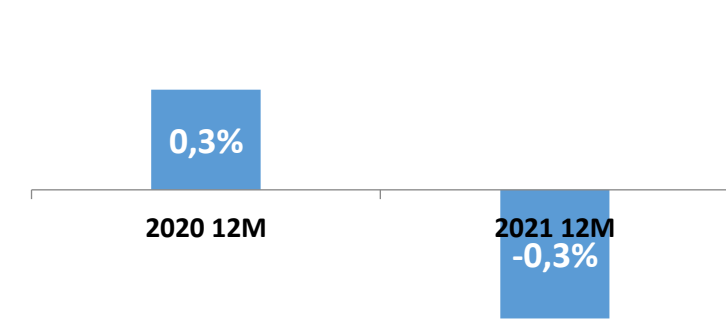
Gross Profit Margin (%)



EBITDA Margin (%)



Net Income Margin (%)



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

Financial Results – Comprehensive Income

Due to the significant FX fluctuations in Q4, net income and comprehensive net income differs dramatically at year-end

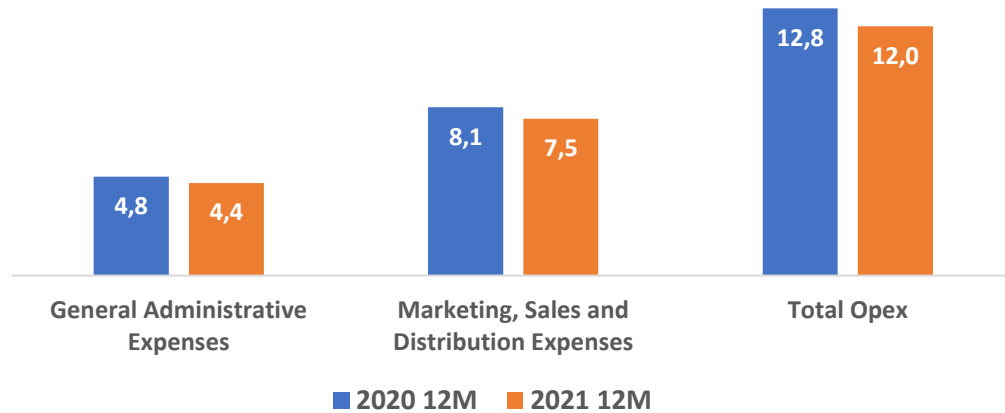
	TRY mio 2021	TRY mio 2020	US\$ mio 2021	US\$ mio 2020
Revenue	5.659	4.206	636	600
Cost of Sales (-)	(5.254)	(3.891)	(590)	(555)
GROSS PROFIT	405	315	46	45
Operational Expenses	(107)	(90)	(12)	(13)
OPERATING PROFIT	0	0	0	0
Other Expenses, Net	(128)	(85)	(14)	(12)
EBIT	(0)	(0)	(0)	(0)
Income From Investing Activities	2	1	0	0
OPERATING PROFIT BEFORE FINANCE EXPENSE	173	141	19	20
Finance Income	6	21	1	3
Finance Expenses (-)	(99)	(133)	(11)	(19)
EARNINGS BEFORE TAX	80	30	9	4
Tax Expenses	(99)	(18)	(11)	(3)
PROFIT / (LOSS) FOR THE YEAR	(19)	11	(2)	2
Currency translation differences	392	39	-	-
OTHER COMPREHENSIVE INCOME / (EXPENSE)	391	39	(0)	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	372	50	(2)	2

- ❑ 125% increase in EBT
- ❑ 11 mUSD tax expense
- ❑ + 393 mTRY translation difference in TRY tables

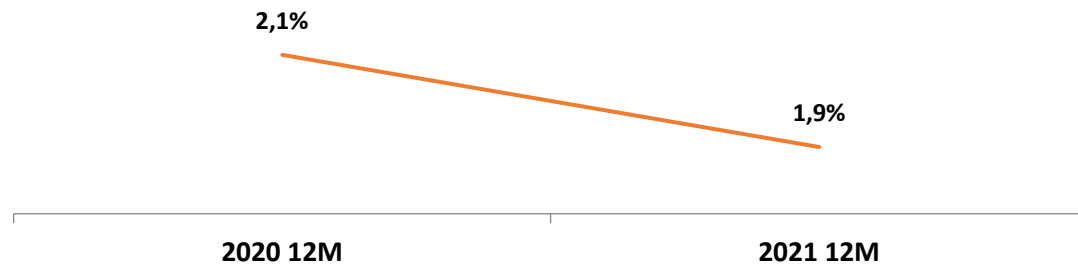
Financial Results – Operational Expenses

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

Operational Expenses (mn \$)

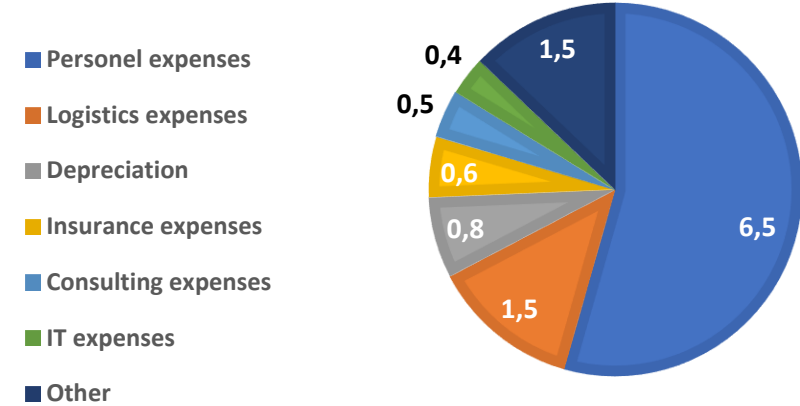


SG&A Expenses / Net Sales (%)

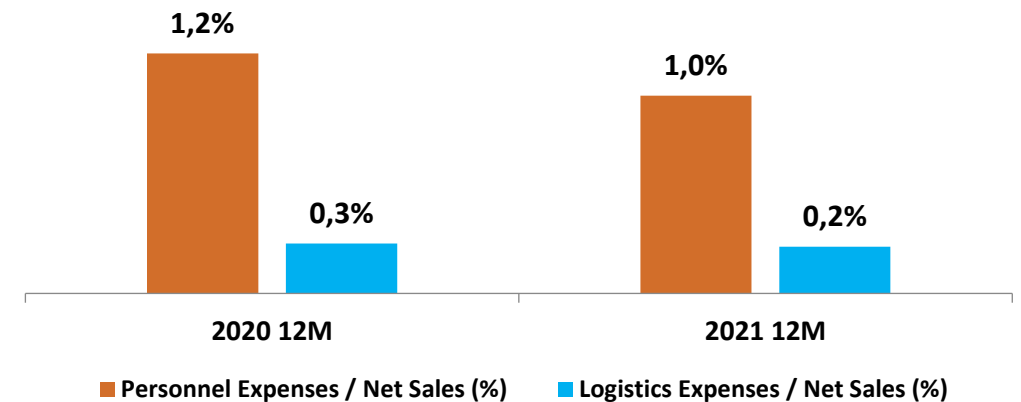


Breakdown of Operational Expenses (mn \$)

Breakdown of Operational Expenses (mn \$)

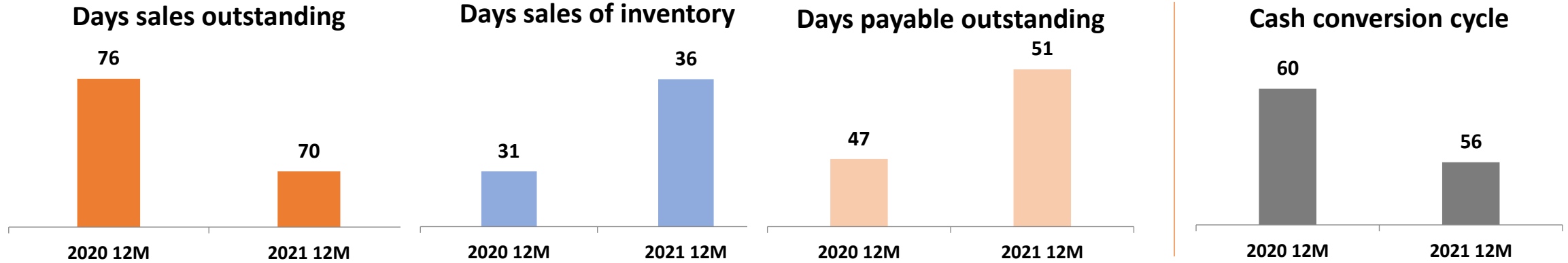


Personnel expenses and logistics expenses (% of Net Sales)



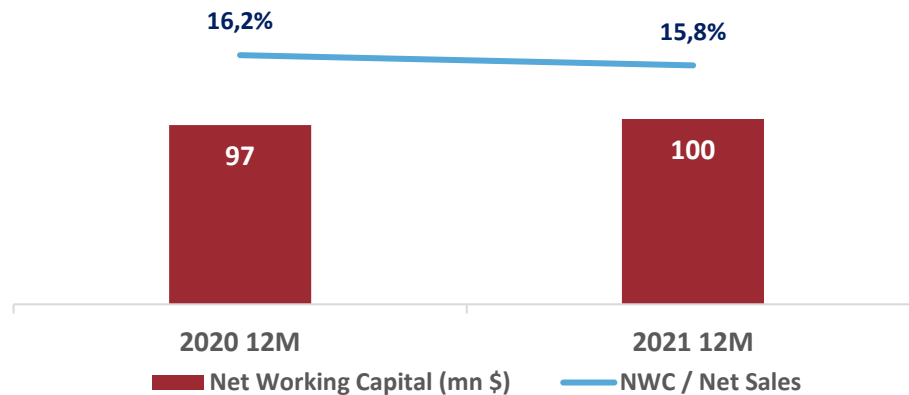
Financial Results – Net Working Capital

Cash conversion cycle¹



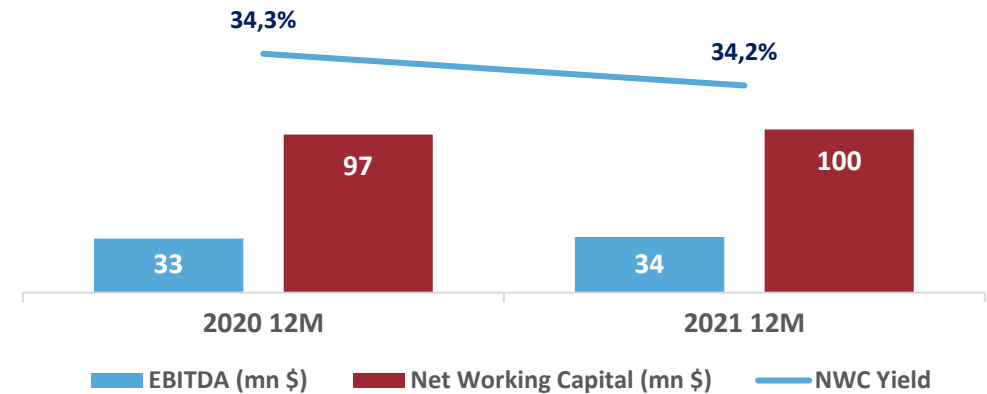
Net Working Capital / Sales

Net Working Capital / Sales



NWC Yield²

NWC Yield



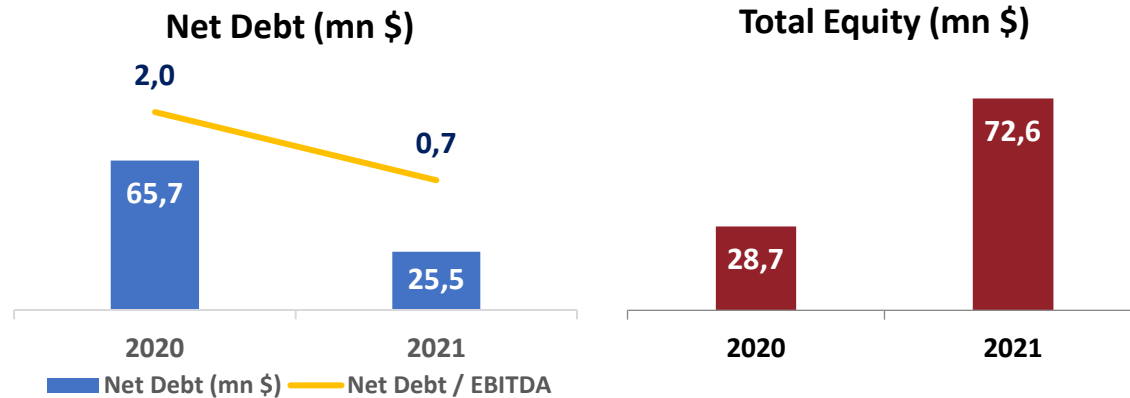
1: DSO = 365 days (#of days in the period) * (ave. receivables / sales); Days sales of inventory = 365 (#of days in the period) * (ave. inv / COGS); DPO = 365 (#of days in the period) * (ave. payables / COGS); CCC = DSO + DSI – DPO. VAT ignored in all calculations.

2: NWC Yield: 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

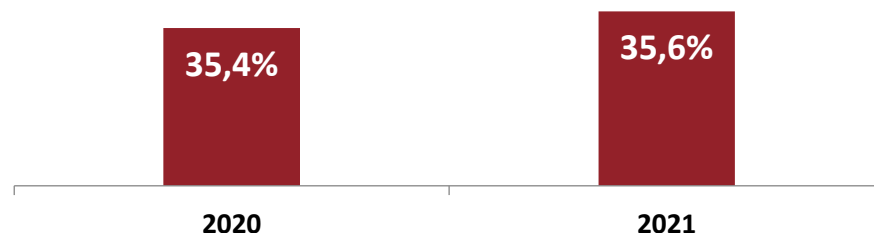
Financial debt decreased to about 25 mn \$



Net funds raised through IPO is ~45 mn \$

36% return on total funds employed in \$ terms

EBITDA / Total Funds (Equity + Debt)



Net Financial Debt

mn \$	31 December	31 December
	2020	2021
Bank Loans	0,7	-
Financial payables to Yildiz Holding (1, 2, 3)	107,7	31,5
Other payables to shareholders	1,5	1,7
Lease liabilities (IFRS 16 effect)	1,9	0,8
Total financial debt	111,8	34,0
Cash and cash equivalents (-)	(16,1)	(8,5)
Financial receivables from Yildiz Holding (-) (2)	(30,0)	-
Net financial debt	65,7	25,5

(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 31.5 mn \$ as of 31 December 2021.

Financial Results – Currency Position

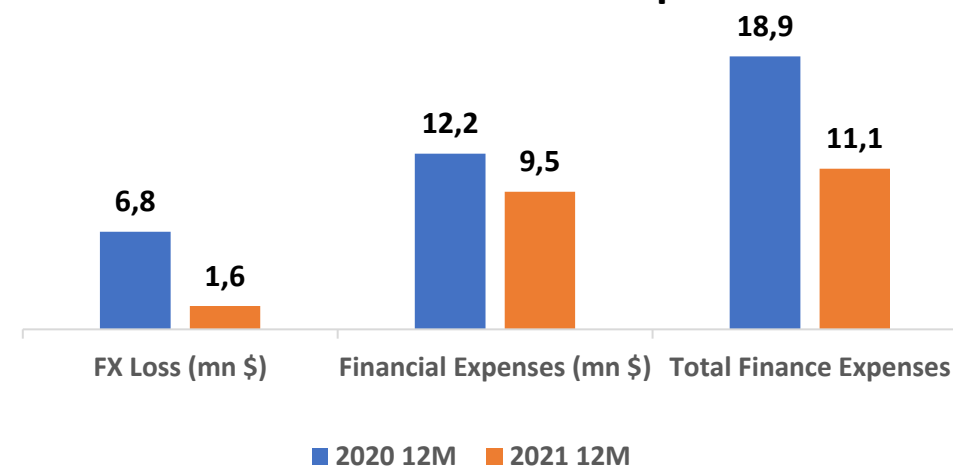
Significant improvement in FX position; from 50 mn\$ open position to 20 mn\$

Net Foreign Currency Position

Net TL Position	31 December 2020		31 December 2021	
	TL	USD Eqv.	TL	USD Eqv.
Trade Receivables	214	33	356	27
Other Monetary Assets	31	4	18	1
Receivables from YH (net)	231	32	-	-
Total Assets	476	69	375	28
Trade Payables	(16)	(4)	(30)	(2)
Other Monetary Liabilities	(29)	(3)	(72)	(5)
Total Liabilities	(45)	(8)	(102)	(8)
Derivatives	(78)	(11)	(7)	(1)
Net Foreign Currency Position	353	50	267	20

Financial Expenses

Breakdown of Finance Expenses



Sensitivity to FX Fluctuations

	FX Rate Change	Effect on Profitability (m TL)	Effect on Profitability (m \$)
31 Dec 20			
TL	+10% / -10%	35.3 / (35.3)	5 / (5)



	FX Rate Change	Effect on Profitability (m TL)	Effect on Profitability (m \$)
31 Dec 21			
TL	+10% / -10%	26.7 / (26.7)	2 / (2)

Q&A

