

2021 Third Quarter Results Investor Presentation





TURKISH AIRLINES

A STAR ALLIANCE MEMBER 

1.

SUMMARY

2.

**3Q'21
OPERATIONAL
OVERVIEW**

3.

**3Q'21
FINANCIAL
OVERVIEW**

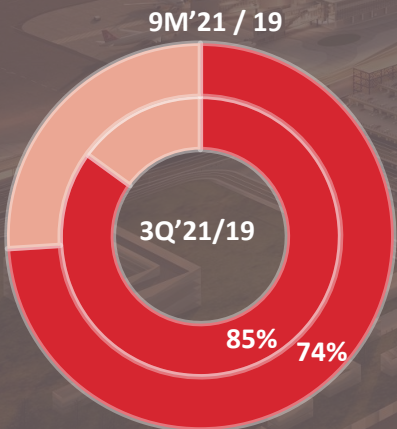


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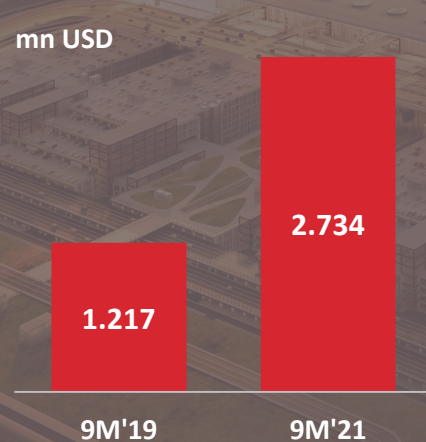
Total Revenue

85% of 3Q'19 revenue and 74% of 9M'19 revenue achieved in the same periods of 2021.



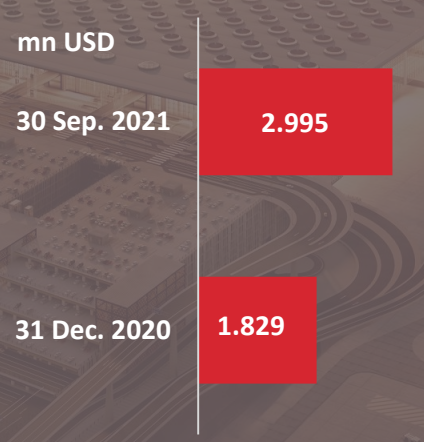
Cargo Revenue

Cargo Revenue surged by 125% in the first 9 months of 2021 compared to 2019.



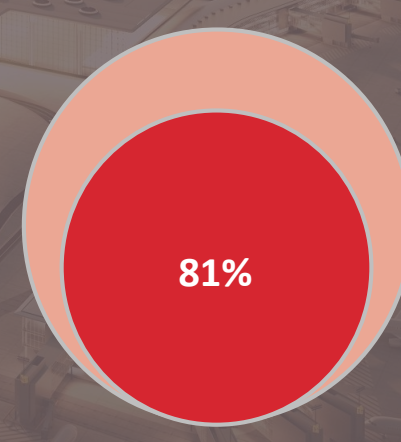
Cash & Liquidity

Cash & Liquidity remains strong with over 2 bn USD available credit lines and a strong cash generation.



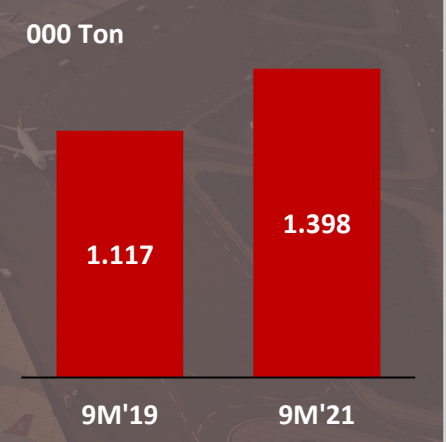
Passenger Capacity

80% of 2019 capacity level reached in the third quarter of 2021.



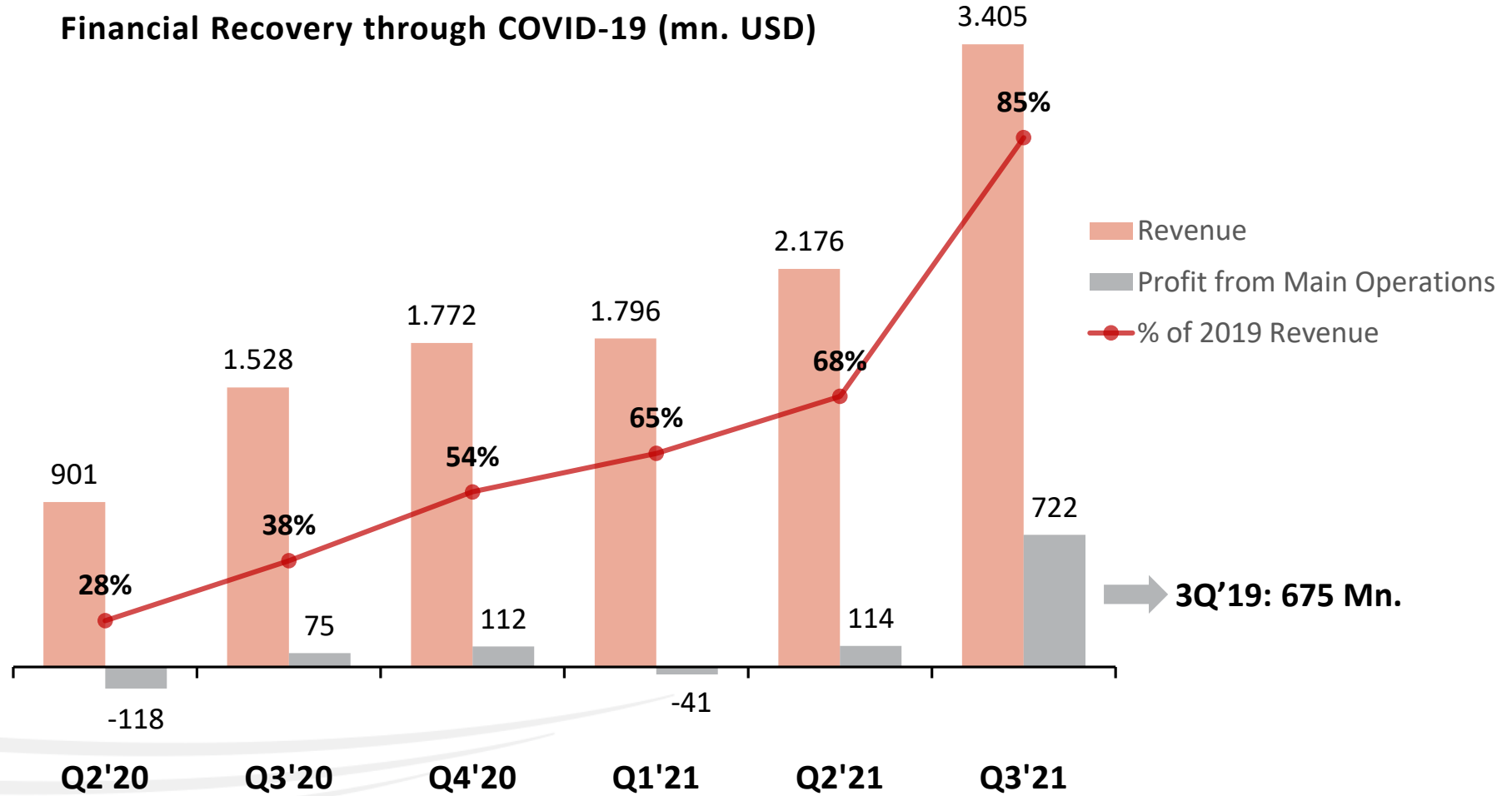
Cargo Capacity

Carried Cargo tonne exceed 2019 level by 25%.



Turkish Airlines showed reasonable progress through the pandemic

Financial Recovery through COVID-19 (mn. USD)





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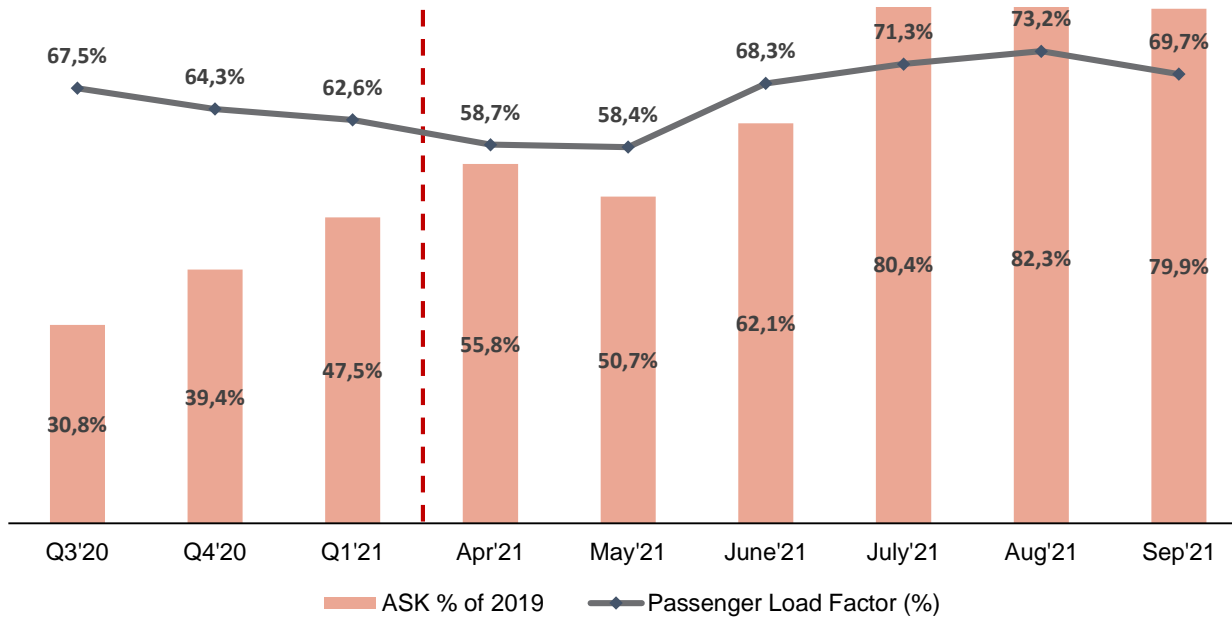
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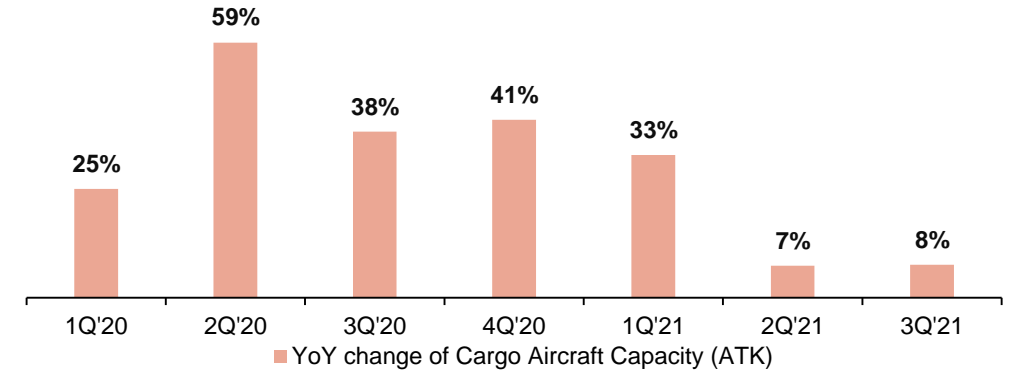
3Q'21
FINANCIAL
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Capacity Management

In September 2021, we reached almost **80%** of 2019 ASK levels.

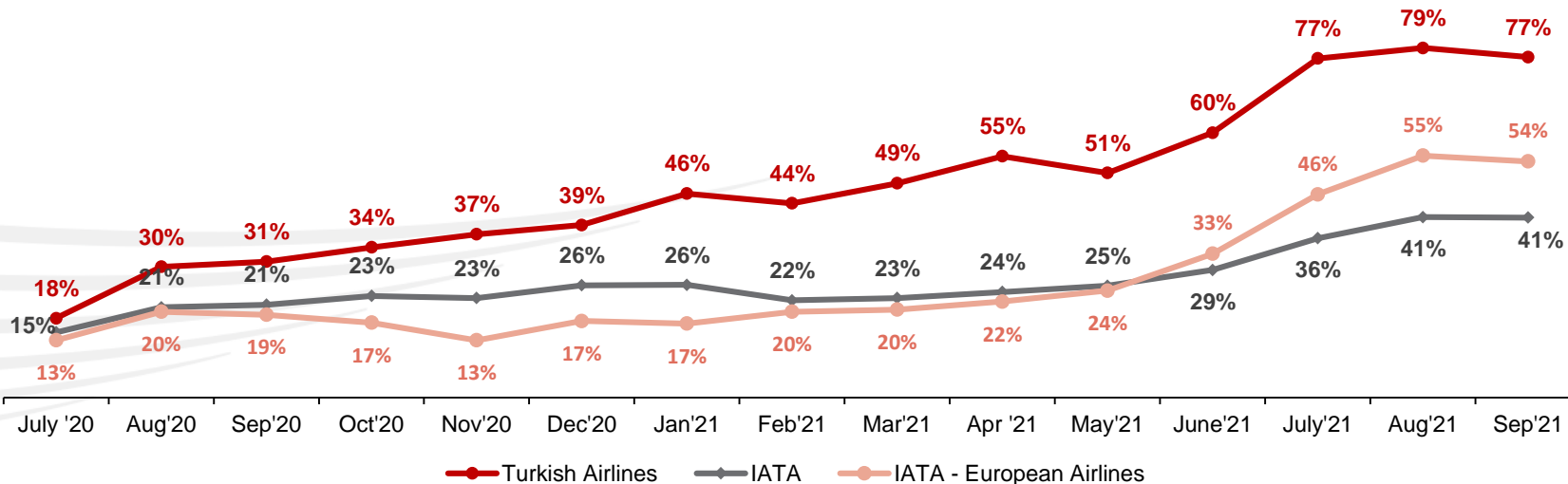


Focus on Cargo operations:
Cargo Aircraft capacity increased by **8%** in Q3'21 compared to Q3'20.*

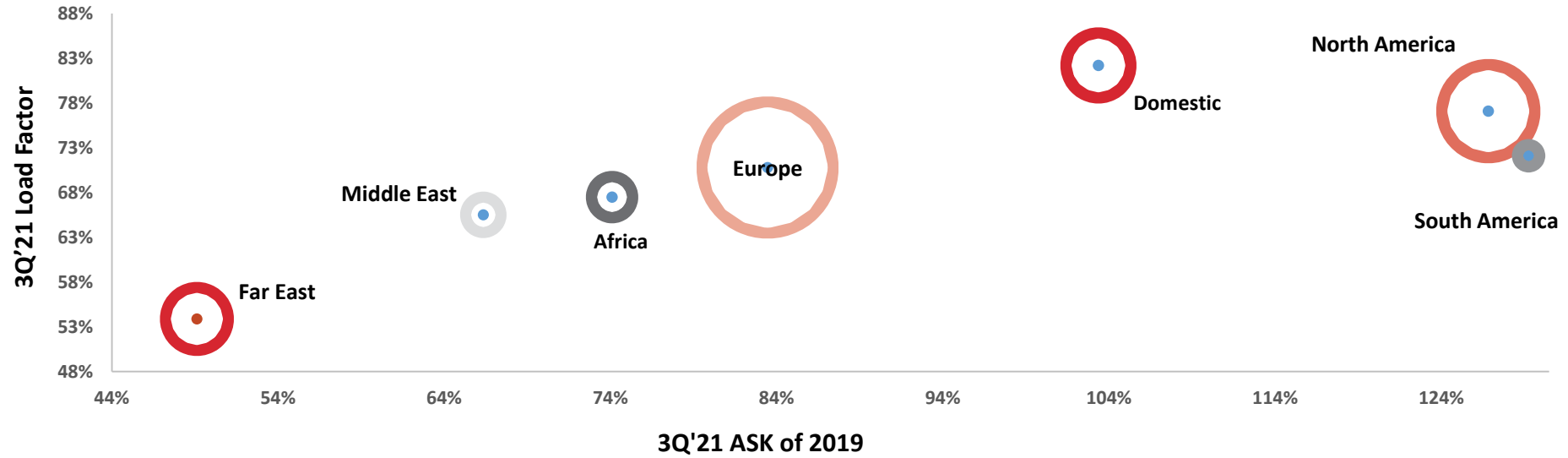


*49% increase compared to Q3'19.

Higher international capacity (% of 2019) compared to Global average and European Airlines

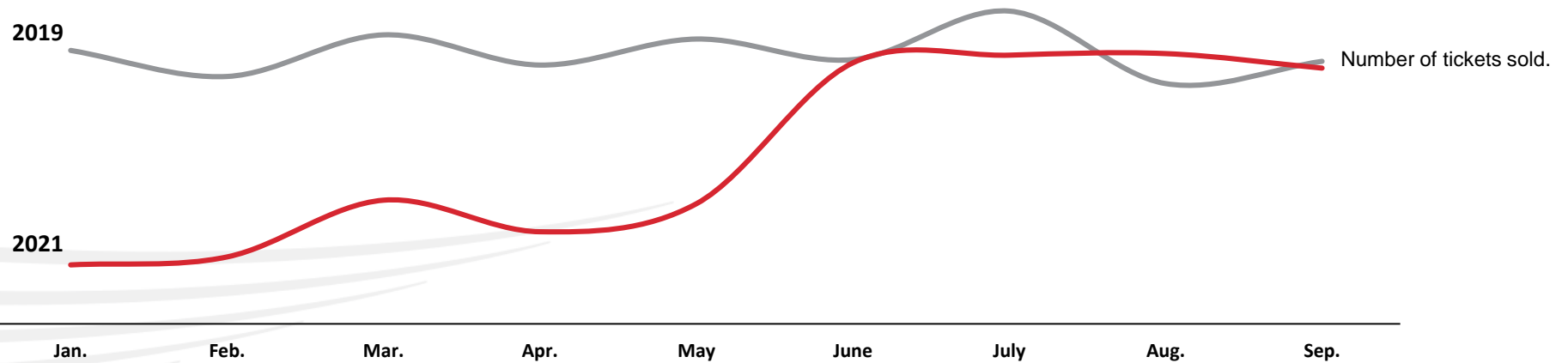


Regional Traffic Recovery (2021 / 2019)



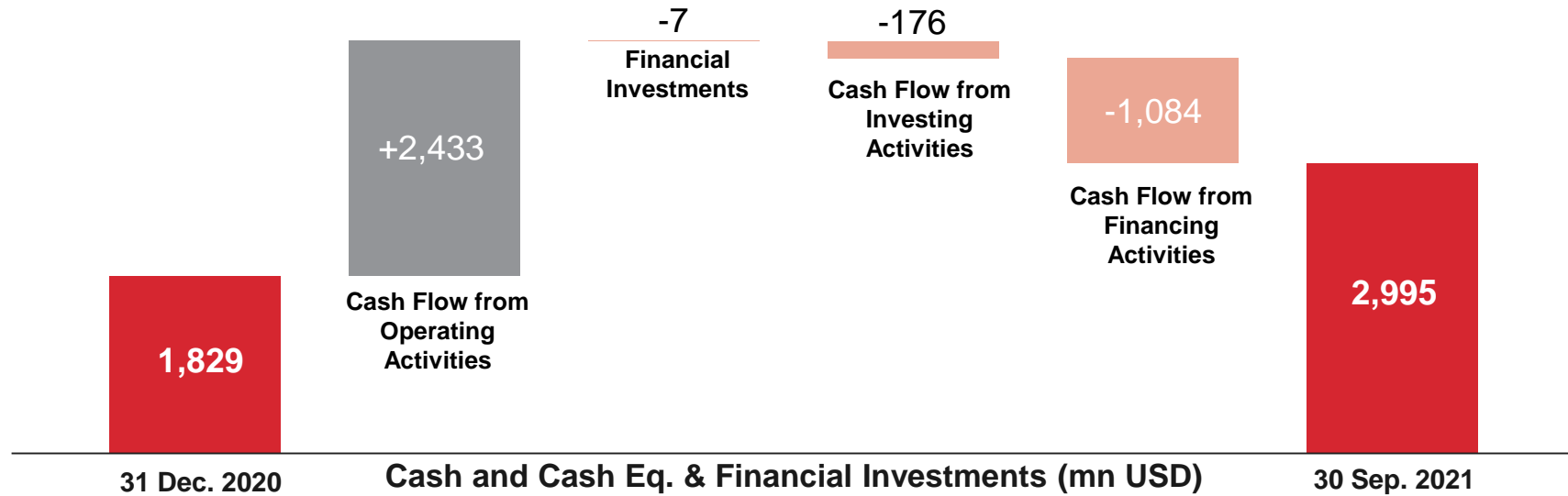
Note: The scale of the bubble represents the portion of the regions' ASK contribution in 3Q'21.

Monthly Tickets Sales

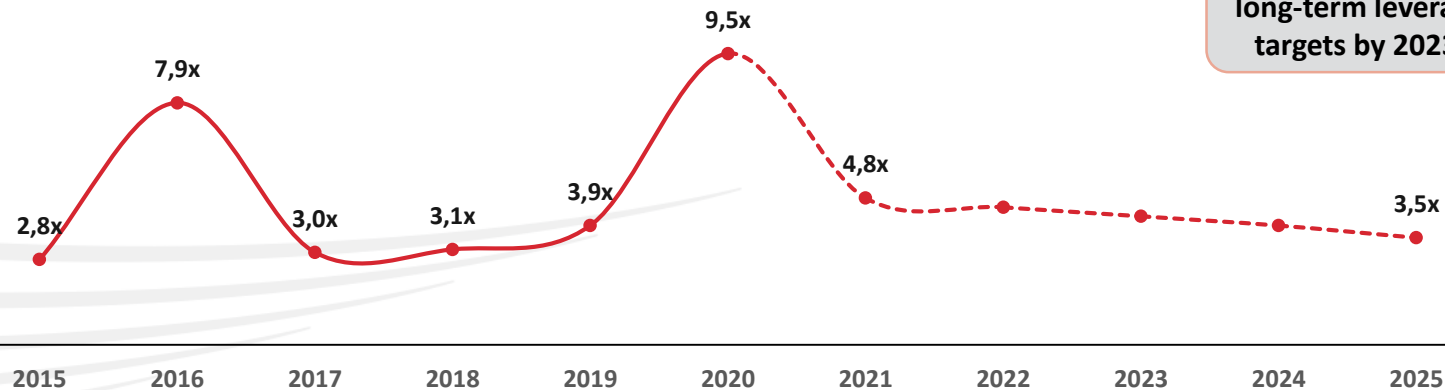


Liquidity Management & Leverage

We have over 2 billion USD available credit line, total liquidity is around **5 billion USD**.



Net Debt⁽¹⁾ to EBITDA



Converging to long-term leverage targets by 2023.

⁽¹⁾ Net Debt=Total Debt – (Cash & Cash eq. + Short-term Financial Investments + Short-term PDP Receivables + Restricted Cash)



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Financial and Operational Data

3Q'19	3Q'21	21/19	(USD mn)	9M'19	9M'21	21/19
3.999	3.405	-14,9%	Revenue	9.948	7.377	-25,8%
3.488	2.372	-32,0%	Passenger Revenue	8.459	4.432	-47,6%
418	969	131,8%	Cargo Revenue	1.217	2.734	124,7%
641	697	8,7%	Net Operating Profit / Loss	448	721	60,9%
675	722	7,0%	Profit From Main Operations	540	795	47,2%
655	735	12,2%	Net Income	452	734	62,4%
16,4%	21,6%	5,2 pt	Net Income Margin	4,5%	9,9%	5,4 pt
1.295	1.387	7,1%	EBITDAR	2.214	2.502	13,0%
32,4%	40,7%	8,3 pt	EBITDAR Margin	22,3%	33,9%	11,7 pt
51.858	41.953	-19,1%	ASK (Billion)	140.620	88.160	-37,3%
6,73	6,53	-3,0%	RASK (Usc)	6,11	6,14	0,4%
8,04	7,91	-1,6%	Revenue Yield (R/Y) (Usc)	7,39	7,54	2,0%
21.304	16.456	-22,8%	Passengers Carried ('000)	56.416	31.069	-44,9%
83,6%	71,5%	-12,2 pt	L/F (%)	81,4%	66,7%	-14,7 pt

Total revenues reached **85% of 2019** in the third quarter of 2021.

Cargo revenue more than doubled in the third quarter and first nine months of 2021 compared to 2019.

Profit from main operations exceeded 2019 level in the third quarter of 2021 and reached **722 million USD**.

EBITDAR Margin reached **40,7%** in the third quarter of 2021.

Expenses and Cost-Cutting Activities

3Q'19	3Q'21	21/19	(mn USD)	9M'19	9M'21	21/19
1.063	872	-18,0%	Fuel	2.899	1.853	-36,1%
553	348	-37,1%	Personnel	1.594	946	-40,7%
479	489	2,1%	Aircraft Ownership	1.374	1.433	4,3%
177	147	-16,9%	Maintenance	561	385	-31,4%
3.358	2.708	-19,4%	TOTAL	9.500	6.656	-29,9%

CASK (incl. ATK)*: **-8,5%**

CASK (incl. ATK)*: **5,0%**

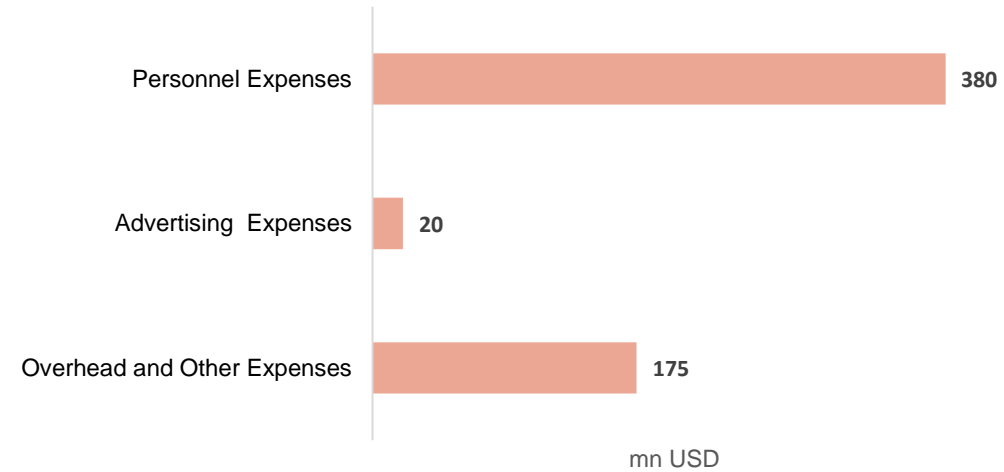
Ex-Fuel CASK: **-1,1%**

Ex-Fuel CASK: **16,1%**

Ex-Fuel CASK (incl. ATK)*: **-9,3%**

Ex-Fuel CASK (incl. ATK)*: **-1,3%**

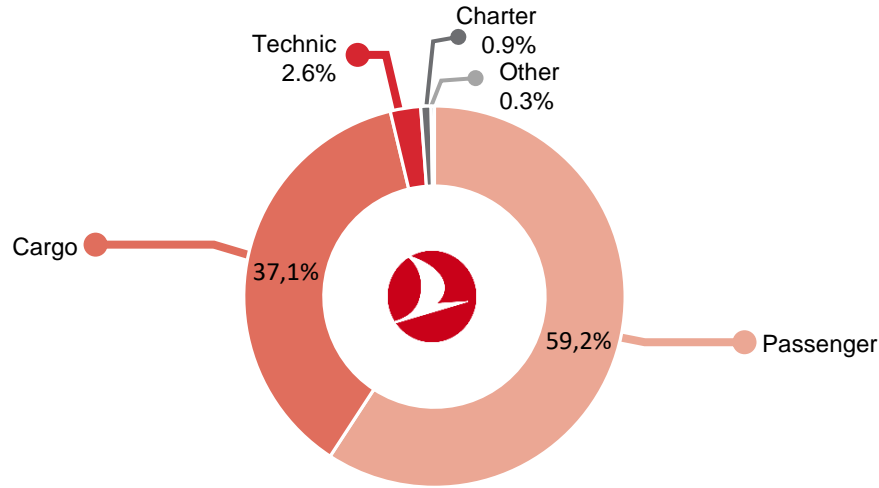
Achieved 575 million USD saving in the first nine months of 2021.



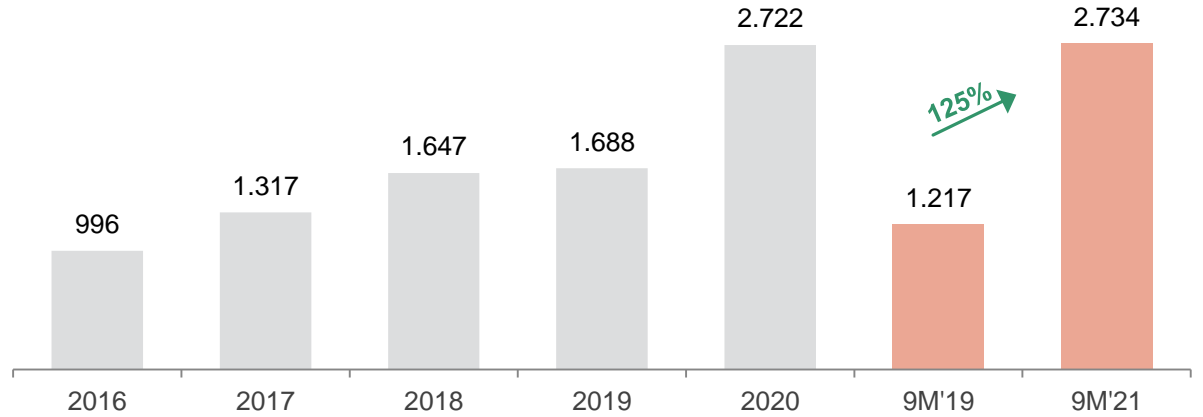
*ASK value is adjusted to indicate effect of Cargo as cargo expenses have reasonable share in our total expenses.

Cargo Operations

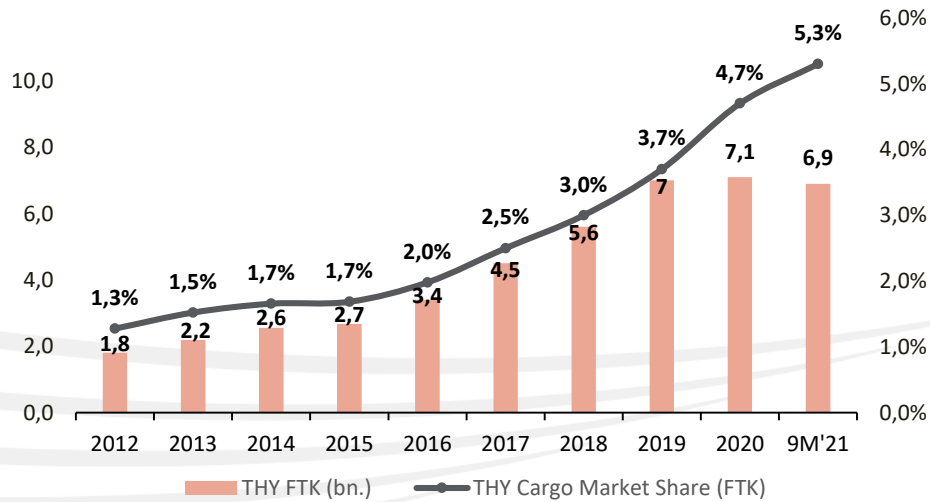
Revenue by Business Type (3Q'21)



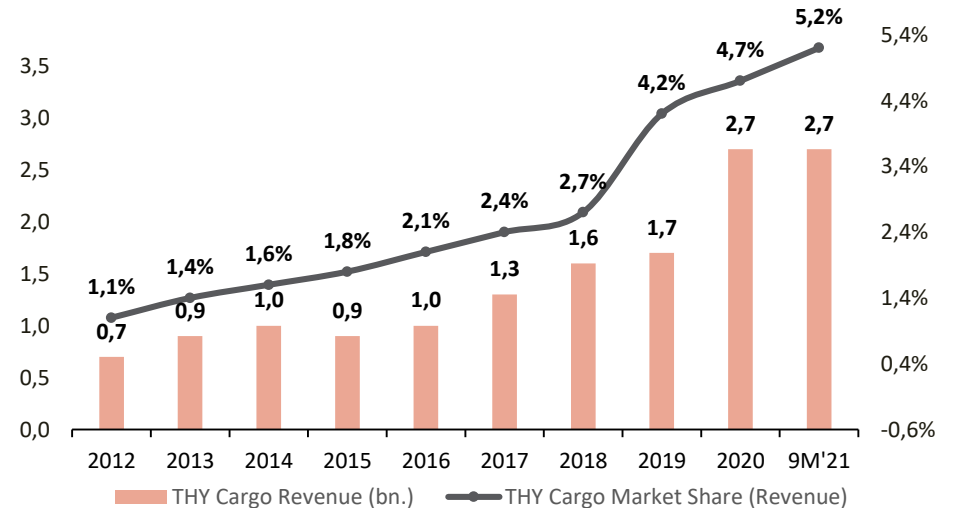
Cargo Revenue Evolution (mn USD)



THY Cargo Market Share - FTK



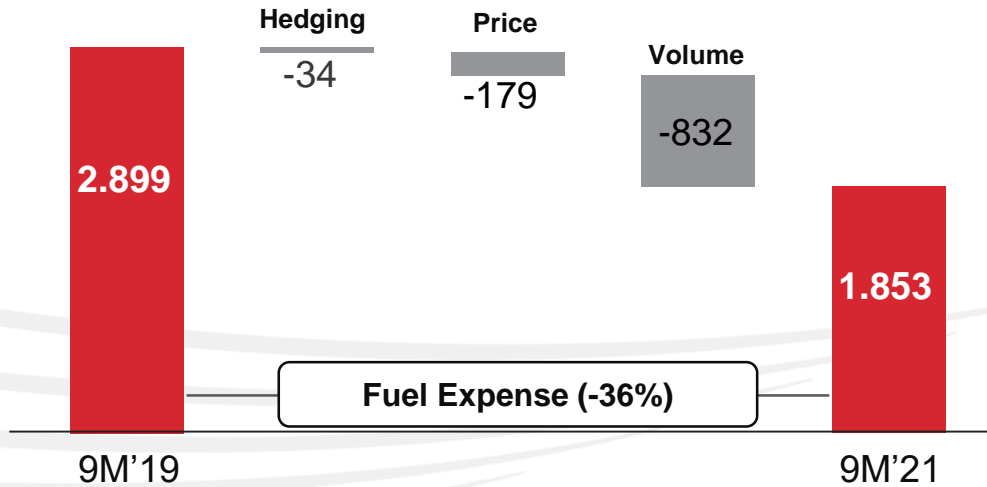
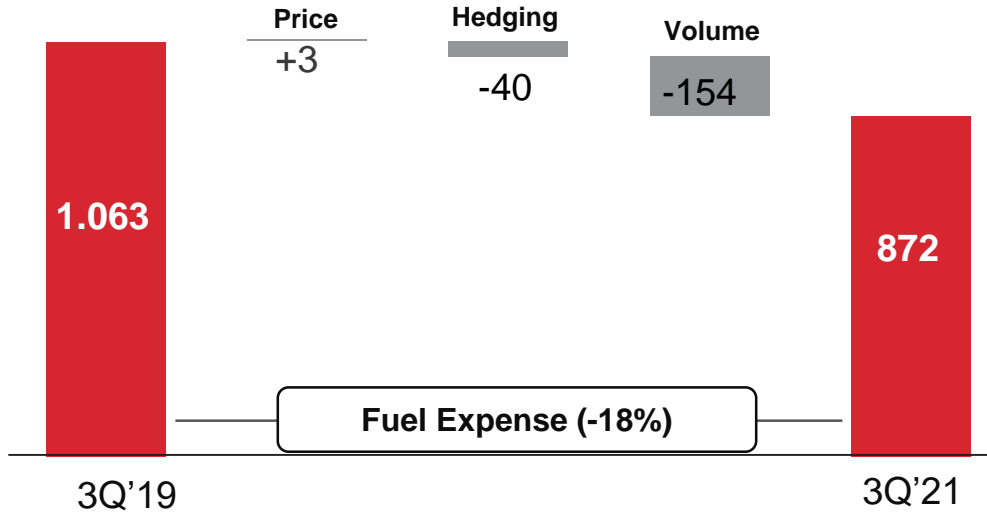
THY Cargo Market Share - Revenue



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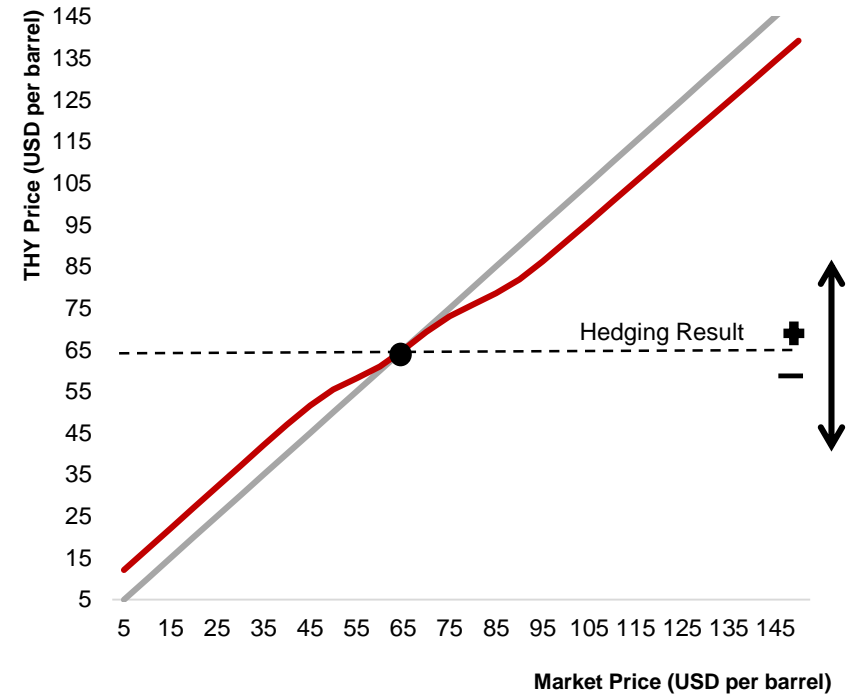
Fuel Expense Breakdown and Hedging Fuel Price Risk

Fuel Expense Breakdown



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Effect of Hedging on the Fuel Price



- Current fuel hedging levels:
 - FY21: 44%
 - FY22: 24%
 - FY23: 2%
- Descending layered hedging strategy
- Crude oil based swaps and options
- Maximum of 60% for the following month is hedged using derivative instruments.

Sustainability

2020-2021 Most Material Issues

Flight Safety and Flight Security

Compliance

Financial Performance

Customer Satisfaction

Risk Management

Climate Change , GHG Emissions and
Fuel Efficiency

Corporate Governance

Fleet Modernization

Employee Health & Safety and
Wellbeing

Business Ethics and Ethical Behaviour

Waste Management

Human Rights

Long Term ESG Targets

Bio-fuel Related
Research and
Development
Investments

Reducing Carbon
Emmissions **50%**
by 2050

New-Generation
Aircraft Consuming
15% Less Fuel

Advancing **Gender
Balance** by 2025

3Q 2021 Developments

15,363 tons of fuel
saved.

**8.6 Average
Fleet Age**

48,394 tons of
CO2 avoided.

Participating in the performance evaluations of international sustainability indices:





TURKISH AIRLINES
INVESTOR RELATIONS

THANK YOU..

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