



# Turkey's Leading Value-Added Technology Distributor

Q2 2021 Webcast Presentation

2021



# Disclaimer

The information contained in this document is strictly confidential and is being provided to you solely for your information and cannot be distributed to any other person or published, in whole or in part, for any purpose. It may not be reproduced, redistributed, passed on or published, in whole or in part, to any other person for any purpose.

This document has been prepared by Penta Teknoloji Ürünleri Dağıtım Ticaret A.Ş. ("Penta" or the "Company") solely for use at a presentation concerning Penta's Q2/2021 financial results.

This Presentation is for informational purposes only and does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of the Company or securities in any other entity, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. This Presentation does not constitute a recommendation regarding the securities of the Company or securities in any other entity. The information and opinions contained in this Presentation are provided as at the date of the Presentation and are subject to change without notice. Any purchase of ordinary shares in the International Offering should be made solely on the basis of the information contained in the final international offering memorandum. No reliance may be placed for any purpose whatsoever on the information contained in this Presentation, or on its completeness, accuracy or fairness. To the extent permitted by law, none of the Company, or any of their respective directors, officers, employees, advisers or agents nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection therewith.

To the extent available, the industry, market and competitive position data contained in this Presentation come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this Presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the markets in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Presentation.

The information contained in this Presentation does not purport to be comprehensive. To the extent permitted by law, none of the Company, or any of their respective directors, officers, employees, advisers or agents or any other person accepts any responsibility for or makes any representation or warranty, express or implied, as to the truth, fullness, accuracy or completeness of the information in this Presentation (or whether any information has been omitted from the Presentation) or any other information relating to Penta, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available.

Neither this document nor any part or copy of it may be taken or transmitted into the United States (as such term is defined in Regulation S under the US Securities Act of 1933, as amended (the "US Securities Act")) or distributed, directly or indirectly, in the United States or to any "US person", as that term is defined in the US Securities Act. This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. The shares of the Company have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States.

This Presentation and its contents are confidential and must not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person, whether or not such person is a Relevant Person. If you have received this document and you are not a Relevant Person you must return it immediately to the Company.

By attending the Presentation to which this document relates or by accepting this document you will be taken to have represented, warranted and undertaken that: (i) you are a Relevant Person (ii) you have read and agree to comply with the contents of this notice; and (iii) you will not at any time have any discussion, correspondence or contact concerning the information in this document or the International Offering with any of the directors or employees of the Company or its subsidiaries nor with any of their suppliers, customers, sub-contractors or any governmental or regulatory body without the prior written consent of the Company. By attending the Presentation you agree to be bound by the foregoing terms.

**Private and Confidential and not for distribution**

# Agenda

Business & Sector Overview



H1 2021 Financial Results



Q&A



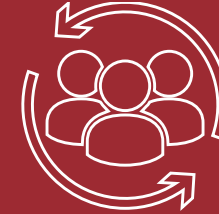
# Penta Highlights



**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**

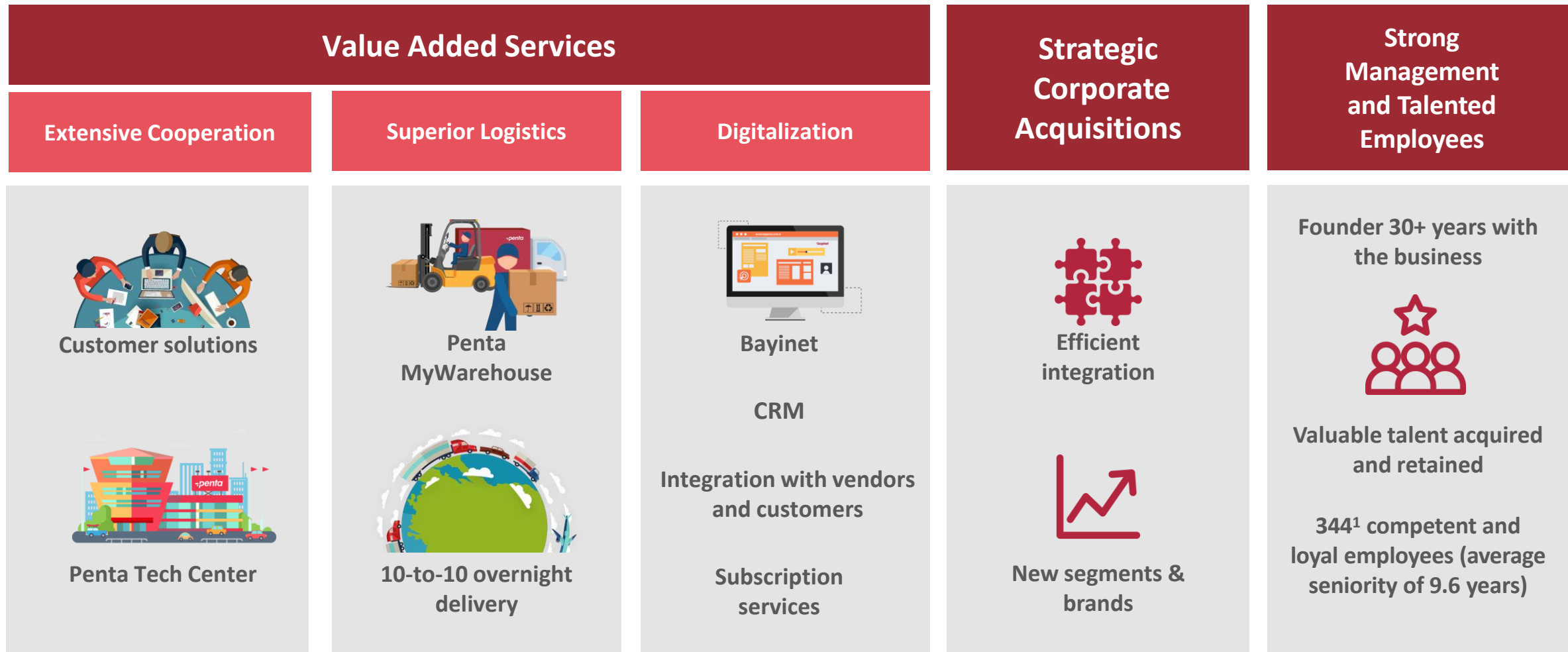
**1.9 mn (\$)**  
Net Profit – **Q2**

**4.1 mn (\$)**  
Net Profit – **H1**

Post IPO Debt/Equity  
ratio:

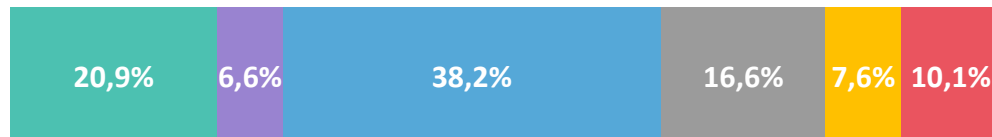
**229% → 23%**

# Unique business model drives growth and profitability



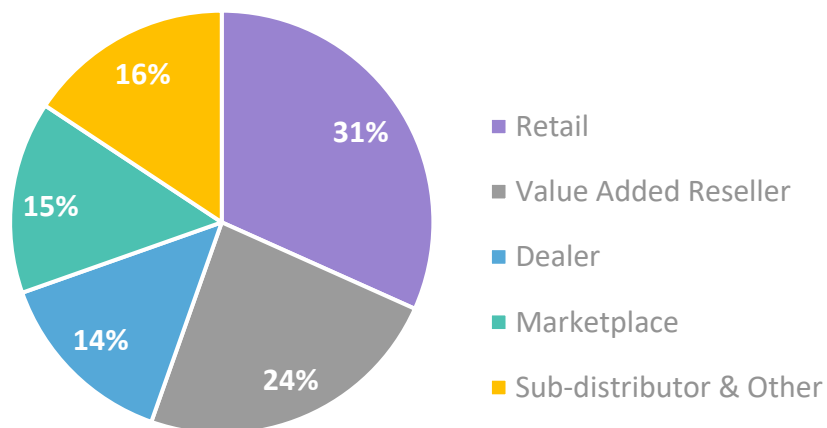
# Diversified customer base & product portfolio

## 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



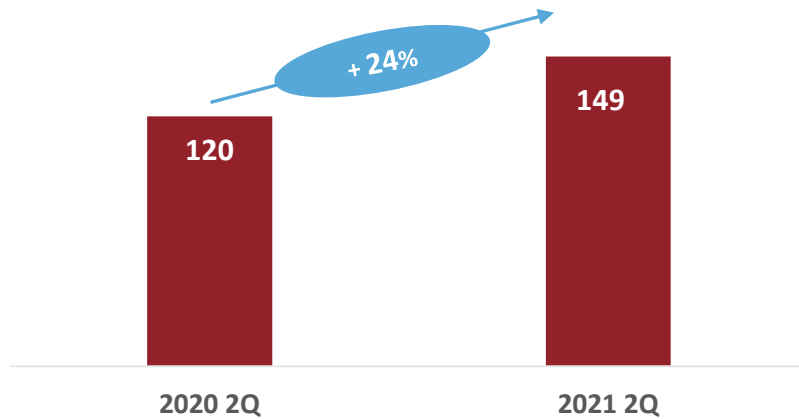
- Our main aim is to have a balanced approached on channels and expect to achieve an outstanding profit margin consequently.
- Marketplace channel is increasing. The main reason behind this growth is our value-added services dedicated to the channel.
- We are eager to strengthen Dealer channel due to 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

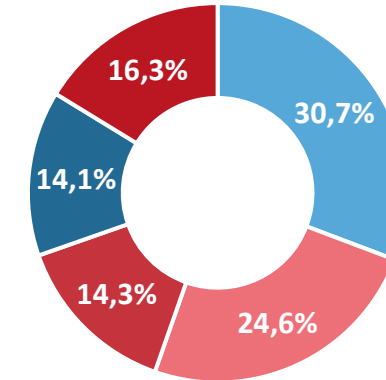
## Robust topline growth in \$

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

Net Sales – 2Q (mn \$)

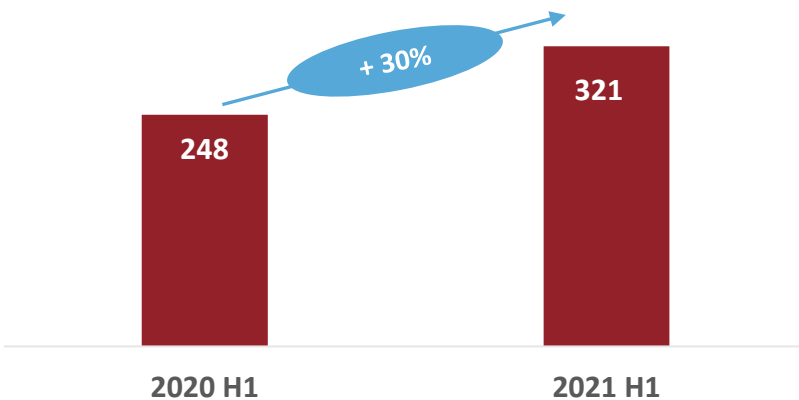


2021 1H Sales Breakdown (%)

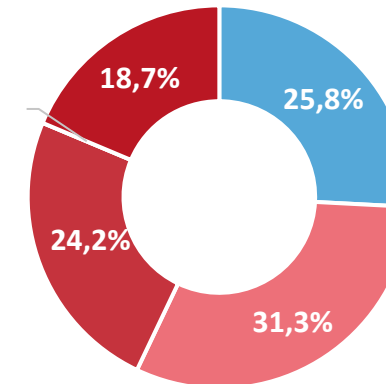


■ Retail ■ Value Added Reseller ■ Dealer ■ Marketplace (\*) ■ Sub-Distributor & Other

Net Sales – 1H (mn \$)



2020 1H Sales Breakdown (%)

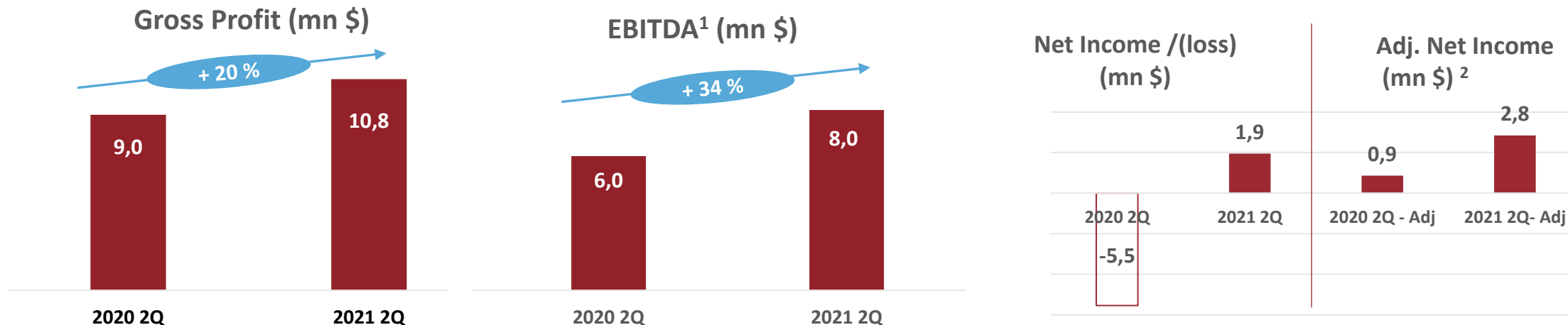


■ Retail ■ Value Added Reseller ■ Dealer ■ Marketplace (\*) ■ Sub-Distributor & Other

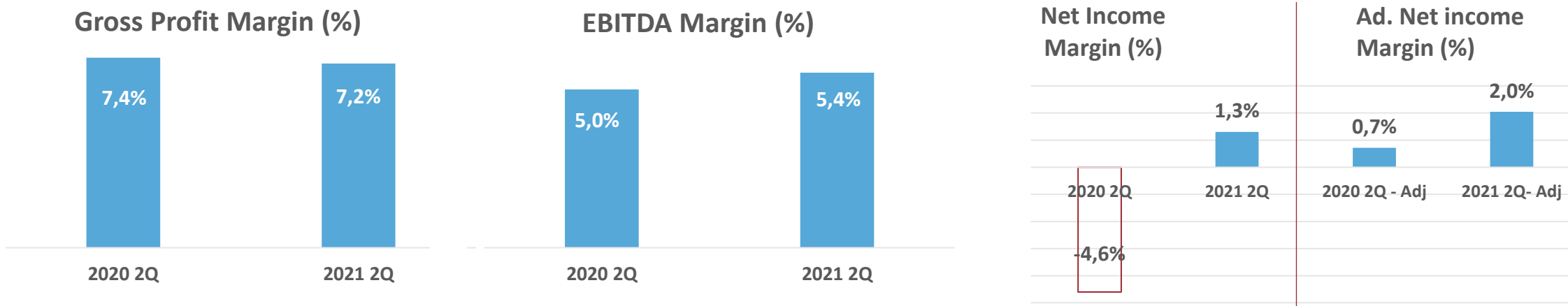
# Financial Results 2Q – Overview of profit ratios

## 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



<sup>(1)</sup> EBITDA: Gross Profit – Operational Expenses + Depreciation & Amortisation

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

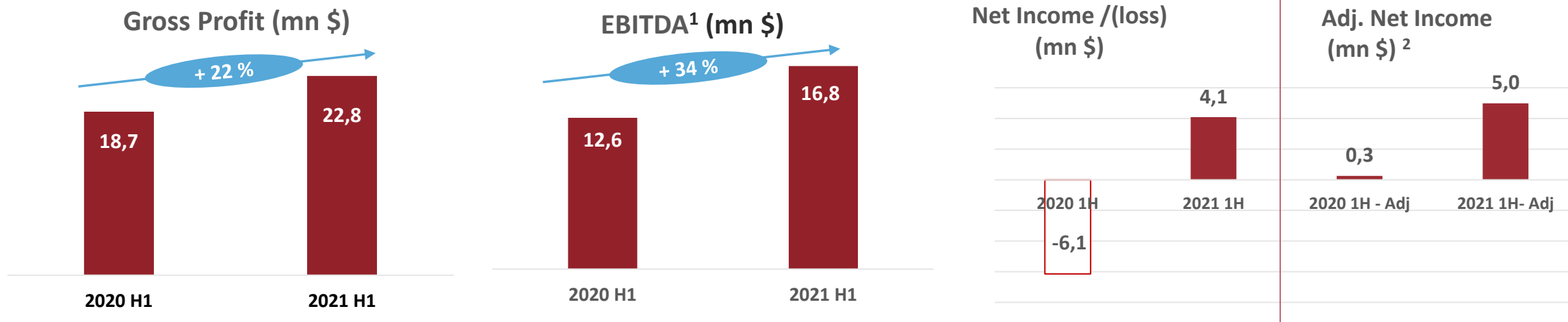
In **2021 2Q**, there is also one off expense amounting to **0.9 m\$ (net off tax)** resulting from the IPO expenses.



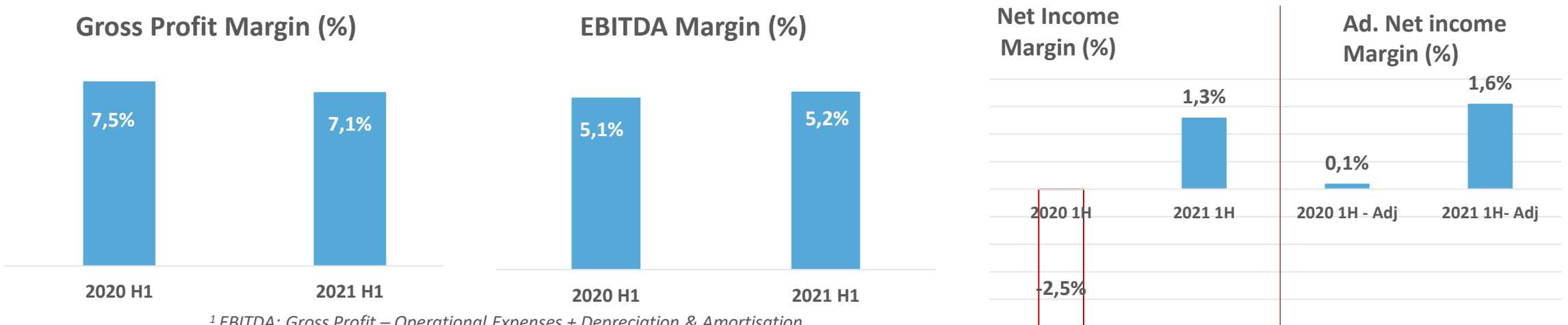
# Financial Results 1H – Overview of profit ratios

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



<sup>1</sup> EBITDA: Gross Profit – Operational Expenses + Depreciation & Amortisation

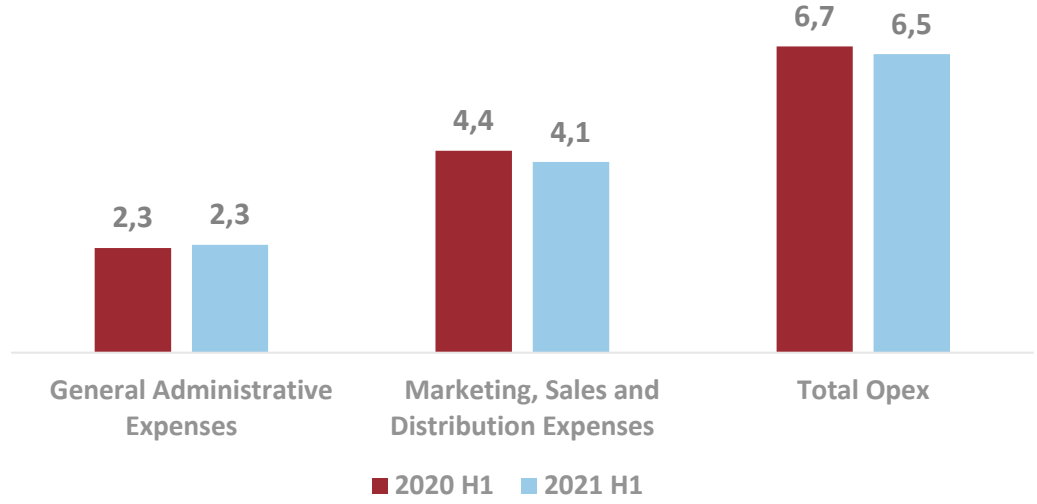
(<sup>2</sup>) There was one off expenses in 2020 2Q amounting to 6.4 m\$ (net off tax) due to prior year expenses. In 2021 2Q, there is also one off expense amounting to 0.9 m\$ (net off tax) resulting from the IPO expenses.



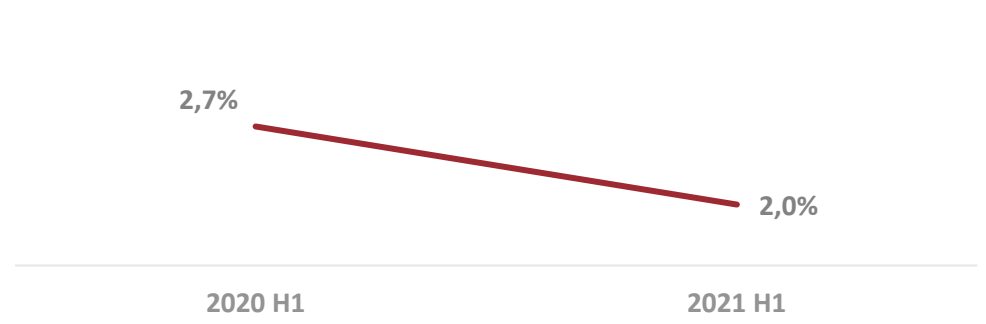
# Financial Results – Operational Expenses

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

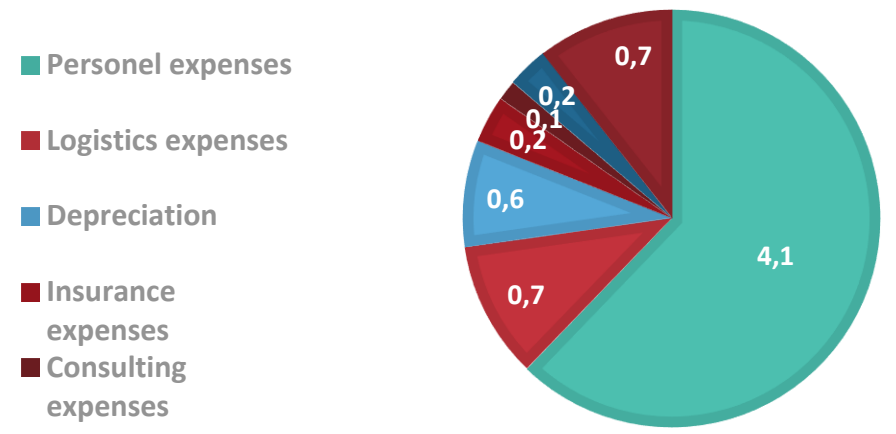
### Operational Expenses (mn \$)



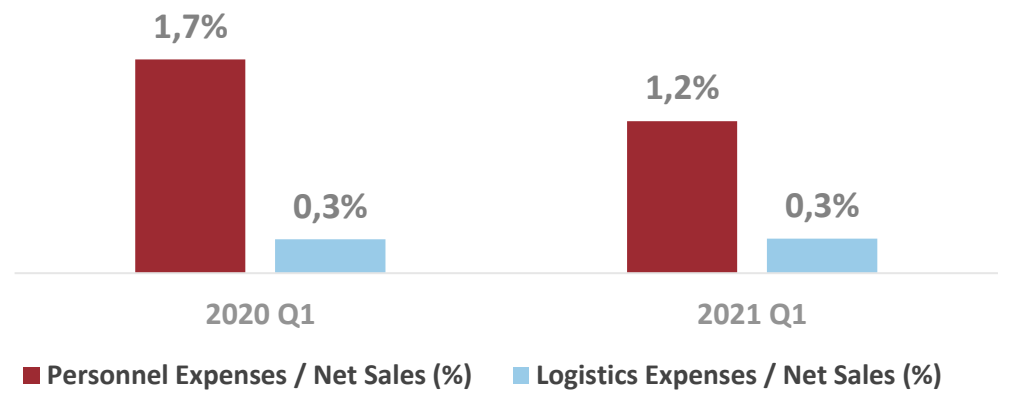
### SG&A Expenses /Net Sales (%)



### Breakdown of Operational Expenses (mn \$)



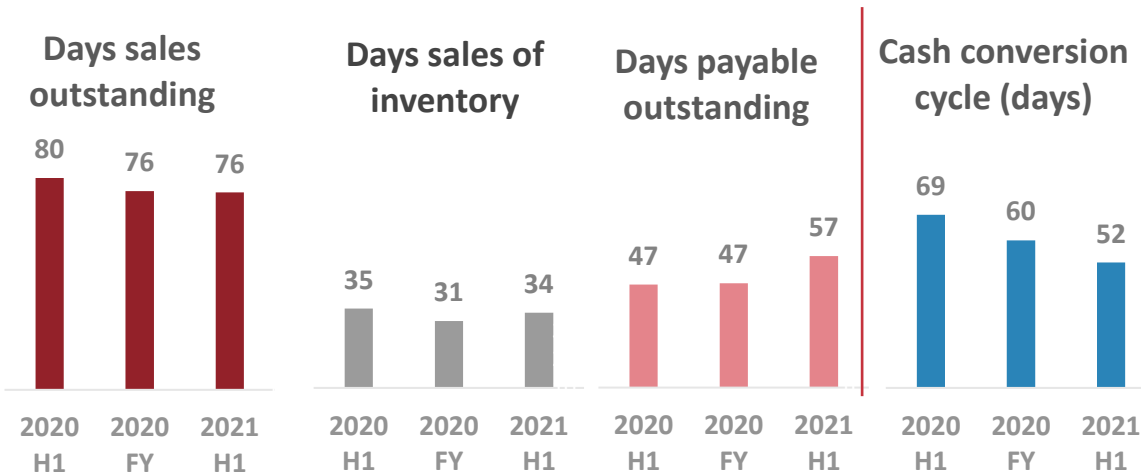
### Personnel expenses and logistics expenses (% of Net Sales)



# Financial Results – Net Working Capital

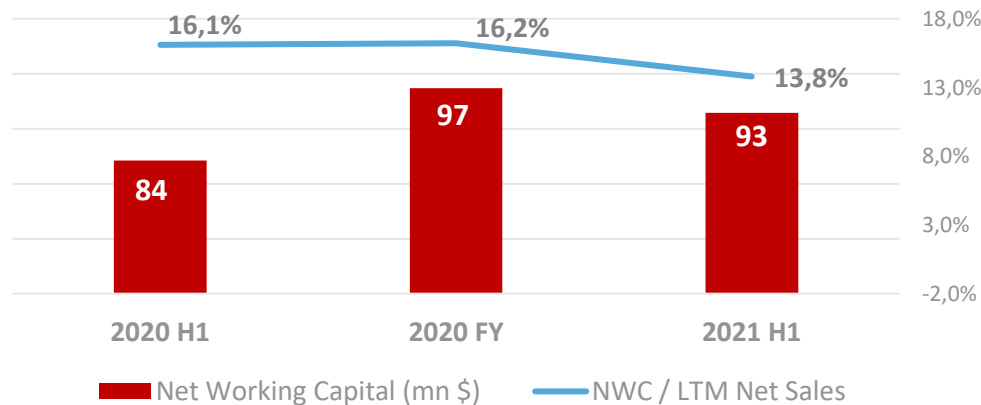
## Continuous focus on Net Working Capital yield

### Cash conversion cycle<sup>1</sup>

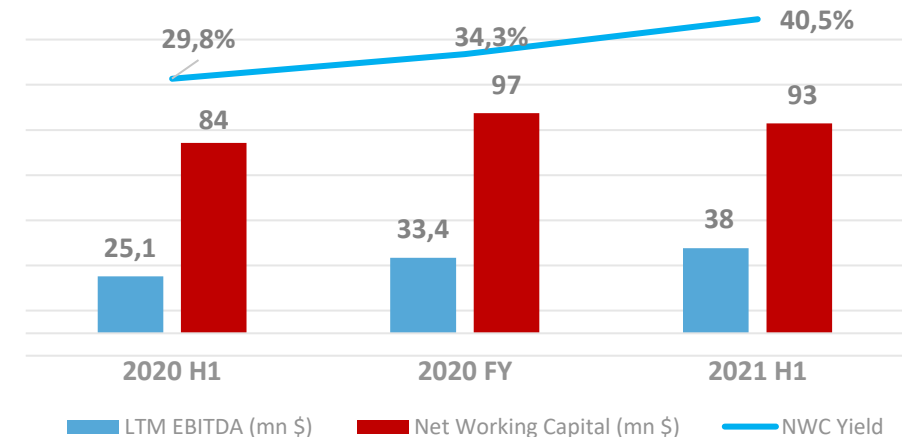


- ✓ Substantial decrease in the Working Capital / Sales ratio
- ✓ Continuous improvement in the NWC yield
- ✓ Continuous focus on the quality of operational assets
  - Focus on security of receivables (insurance, dedicated team, internally developed credit rating tools)
  - Closely monitoring inventory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

### Net Working Capital / Sales



### NWC Yield<sup>2</sup>



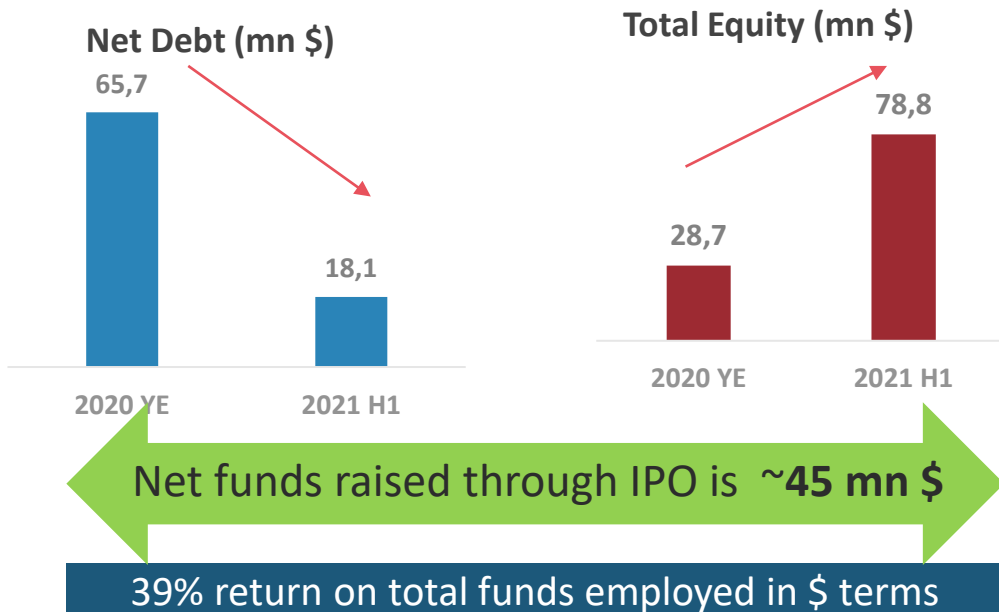
1: DSO = 365 days \* (ave. receivables / sales); Days sales of inventory = 365 \* (ave. inv / COGS); DPO = 365 \* (ave. payables / COGS); CCC = DSO + DSI – DPO. VAT ignored in all calculations.

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 \$



LTM EBITDA / Total Funds (Equity + Debt)



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
<b>Total financial debt</b>	<b>111,8</b>	<b>32,5</b>
Cash and cash equivalents (-)	(16,1)	14,4
Financial receivables from YH (-) (2)	(30,0)	-
<b>Net financial debt</b>	<b>65,7</b>	<b>18,1</b>

(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

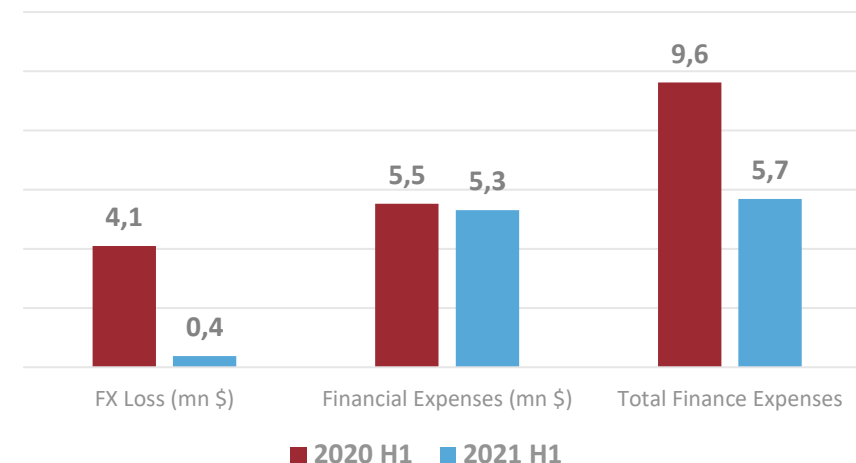
Significant improvement in FX position; from 50 mn\$ open position to 21 mn\$

## 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	-	-
<b>Total Assets</b>	<b>476</b>	<b>69</b>	<b>201</b>	<b>23</b>
Trade Payables	(16)	(4)	(14)	(2)
Other Monetary Liabilities	(29)	(3)	(4)	0
<b>Total Liabilities</b>	<b>(45)</b>	<b>(8)</b>	<b>(18)</b>	<b>(2)</b>
Derivatives	(78)	(11)	(2)	0
<b>Net Foreign Currency Position</b>	<b>353</b>	<b>50</b>	<b>181</b>	<b>21</b>

## Financial Expenses

### Breakdown of Finance Expenses (mn \$)



## Sensitivity to FX Fluctuations

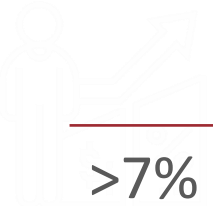
	FX Rate Change	Effect on Profitability (m TL)	Effect on Profitability (m \$)		FX Rate Change	Effect on Profitability (m TL)	Effect on Profitability (m \$)
<b>31.Dec.20</b>				→	<b>30 June 21</b>		
TL	+10% / -10%	35.3 / (35.3)	4.8 / (4.8)		TL	+10% / -10%	18.1 / (18.1)

## Expectations

---

10-15% topline growth in USD terms in FY2021

---



>7% gross margin

---

>5% EBITDA margin

# Q&A

