

FY14 EARNINGS



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- # **Financial Review**
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- # A New Scope: Toiletries
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Focused on Profitability...

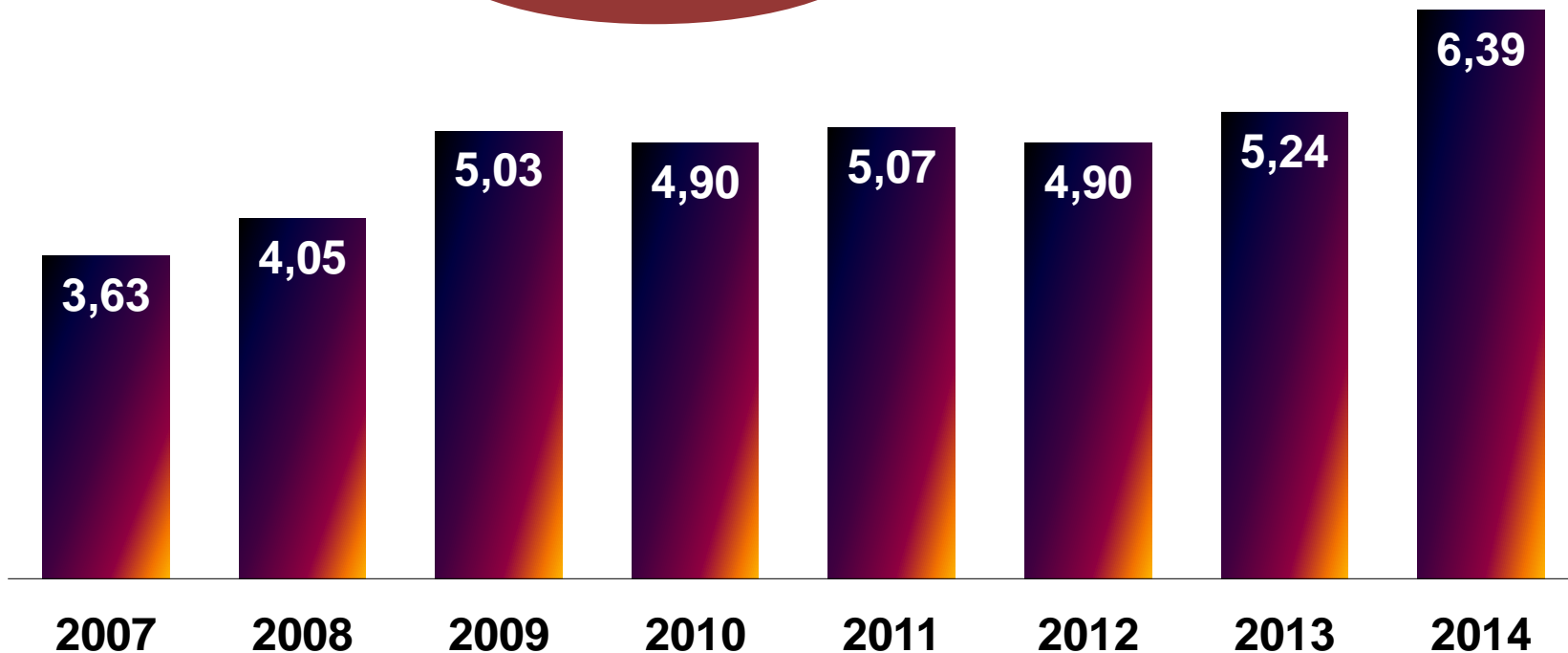
(TRL in millions except EPS)

	As of Dec. 31,		
	2014	2013	Chg
Revenues	6,386,43	5,238,02	21,92%
Gross Income	451,68	416,18	8,53%
Gross Margin	7,07%	7,95%	-0.88 pts
EBITDA	173,64	164,92	5,29%
EBITDA Margin	2,72%	3,15%	-0.43 pts
Net Income	165,39	152,33	8,57%
Net Income Margin	2,59%	2,91%	-0.32 pts
EPS	0,266	0,245	8,57%

We have a track record of strong revenue growth...

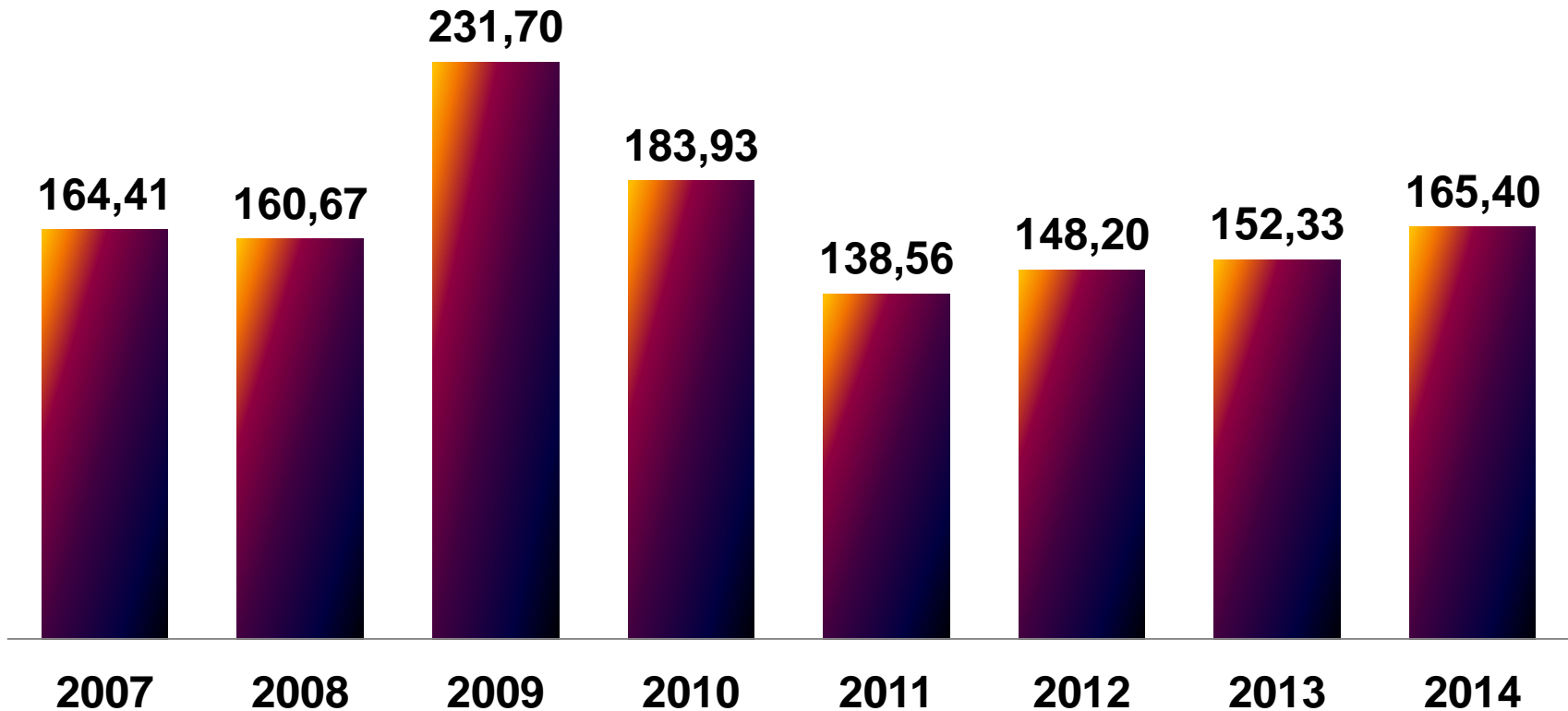
TL Billions

CAGR 7,32%



...that we have leveraged into higher income

TL millions



Working Capital Management

₺

mn.	FY ₀₇	FY ₀₈	FY ₀₉	FY ₁₀	FY ₁₁	FY ₁₂	FY ₁₃	FY ₁₄
A/R	1,303	1,502	1,538	1,538	1,538	1,571	1,688	1,984
Inventories	387	469	404	545	577	695	659	733
A/P	1,043	1,234	1,228	1,362	1,325	1,342	1,396	1,709
WC	647	737	714	721	790	924	951	1.008
WC/Sales (%)	17.83	18.21	14.20	14.70	15.57	18.84	18.16	15.78%

OpEx Improvement

₺

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Revenue (mn.)	3,628	4,047	5,029	4,902	5,074	4,902	5.238	6.386
# of WHs	100	100	107	114	118	102	99	99
# of Employees	4,554	4,600	4,893	5,162	5,322	5,049	5.187	5.582
OpEx / Sales	4.49%	4.57%	3.93%	4.28%	4.74%	5.37%	5.13%	4.74%
Personnel / Sales	2.69%	2.64%	2.39%	2.66%	2.79%	3.23%	3.05%	2.84%
Employee per WH	46	46	46	45	45	50	52	56
Revenue per Employee	796,743	879,676	1,027,748	949,678	953,495	970,885	1.009.835	1.144.111

OpEx Breakdown

OPERATIONAL EXPENSES	2014	%	2013	%	2014 vs. 2013
Personnel expense	181.868.963	60,10%	160.038.735	59,60%	13,64%
Health sector fair expenses	8.101.902	2,68%	9.559.907	3,56%	-15,25%
Fuel expense	22.018.608	7,28%	21.113.180	7,86%	4,29%
Transportation expense	16.905.612	5,59%	13.998.630	5,21%	20,77%
Depreciation expense	14.345.199	4,74%	12.245.795	4,56%	17,14%
Outsourced benefits and services	11.473.758	3,79%	9.839.473	3,66%	16,61%
Other	9.673.912	3,20%	8.499.774	3,17%	13,81%
Insurance expense	6.711.298	2,22%	6.040.569	2,25%	11,10%
Repair and maintenance expense of motor vehicles	5.893.303	1,95%	5.767.842	2,15%	2,18%
Rent expense	8.338.486	2,76%	5.478.829	2,04%	52,19%
Communication expense	5.948.734	1,97%	4.777.608	1,78%	24,51%
Tax expense	2.608.442	0,86%	2.297.429	0,86%	13,54%
Donations and aids	1.292.437	0,43%	2.245.970	0,84%	-42,46%
Stationery expense	3.712.944	1,23%	2.797.367	1,04%	32,73%
Promotion expenses	824.679	0,27%	1.098.304	0,41%	-24,91%
Representation and host expenses	2.222.575	0,73%	2.023.424	0,75%	9,84%
Advisory and audit fees	683.594	0,23%	687.471	0,26%	-0,56%
Total	302.624.446		268.510.307		12,70%

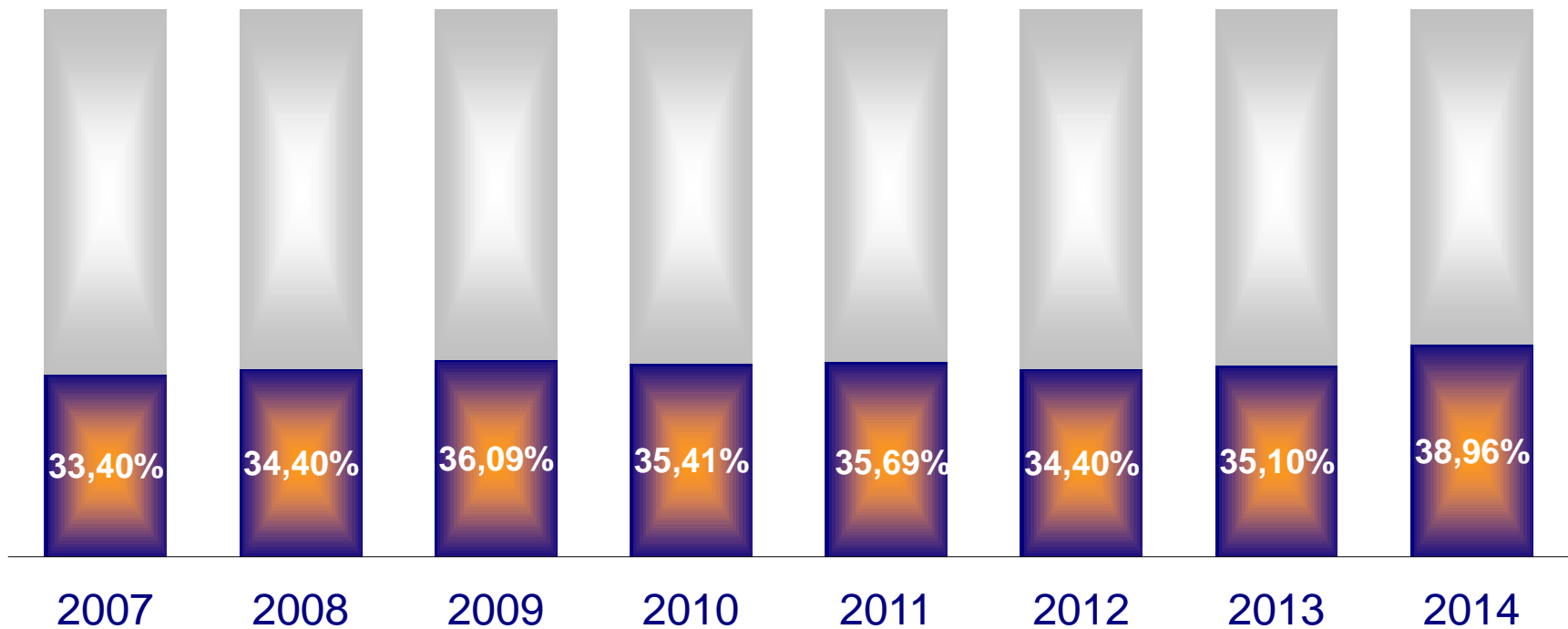
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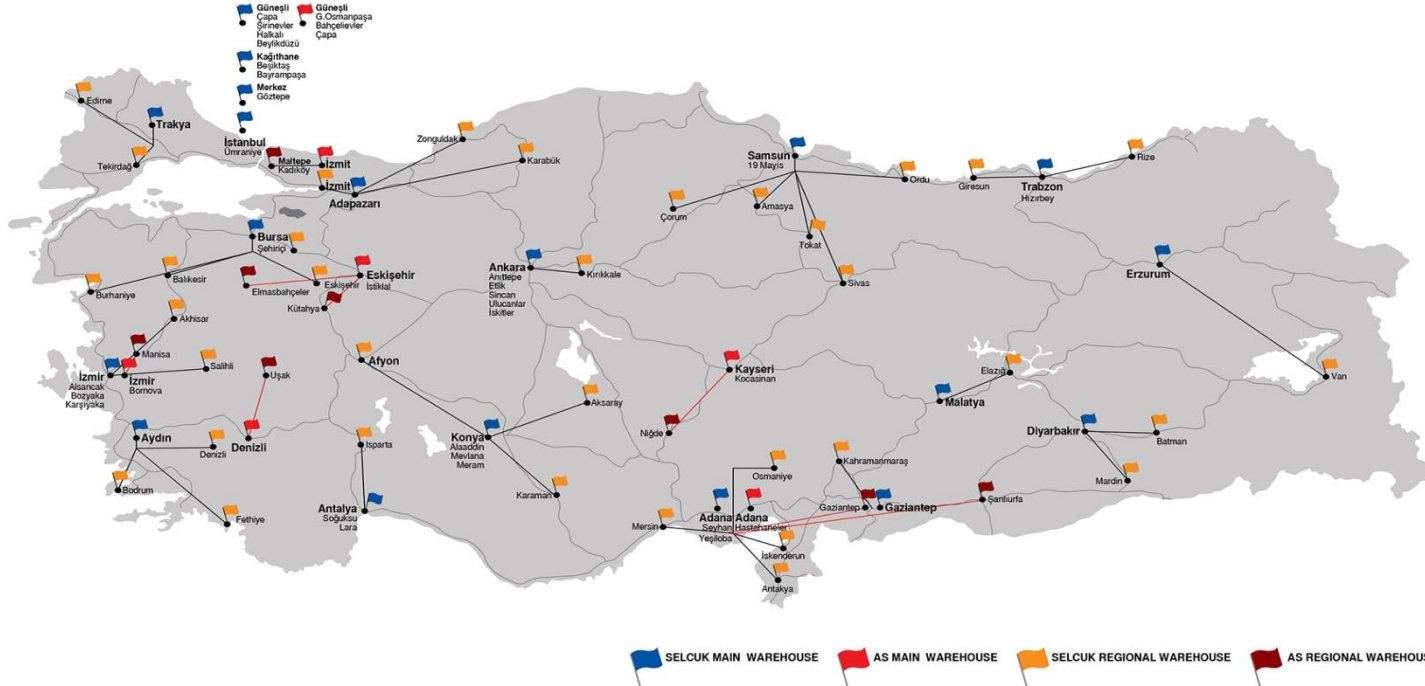


Sustainable growth to Market Leader Position...

Market Share (%)



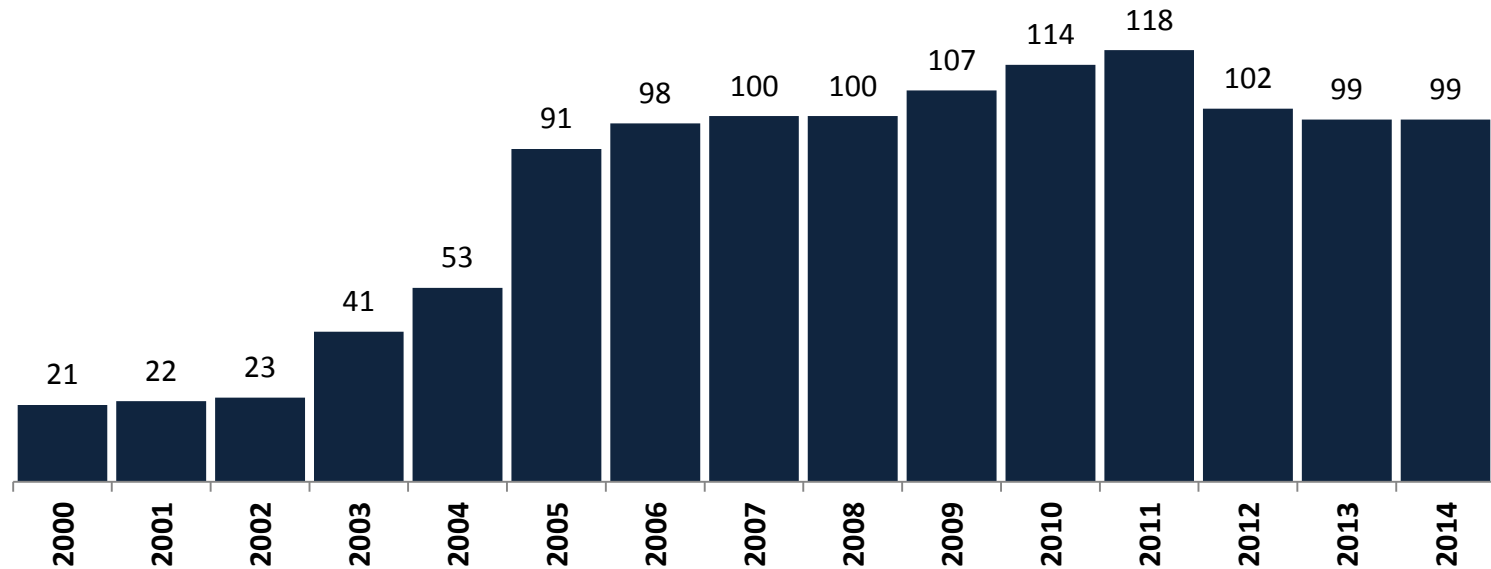
A progressive network across the Country...



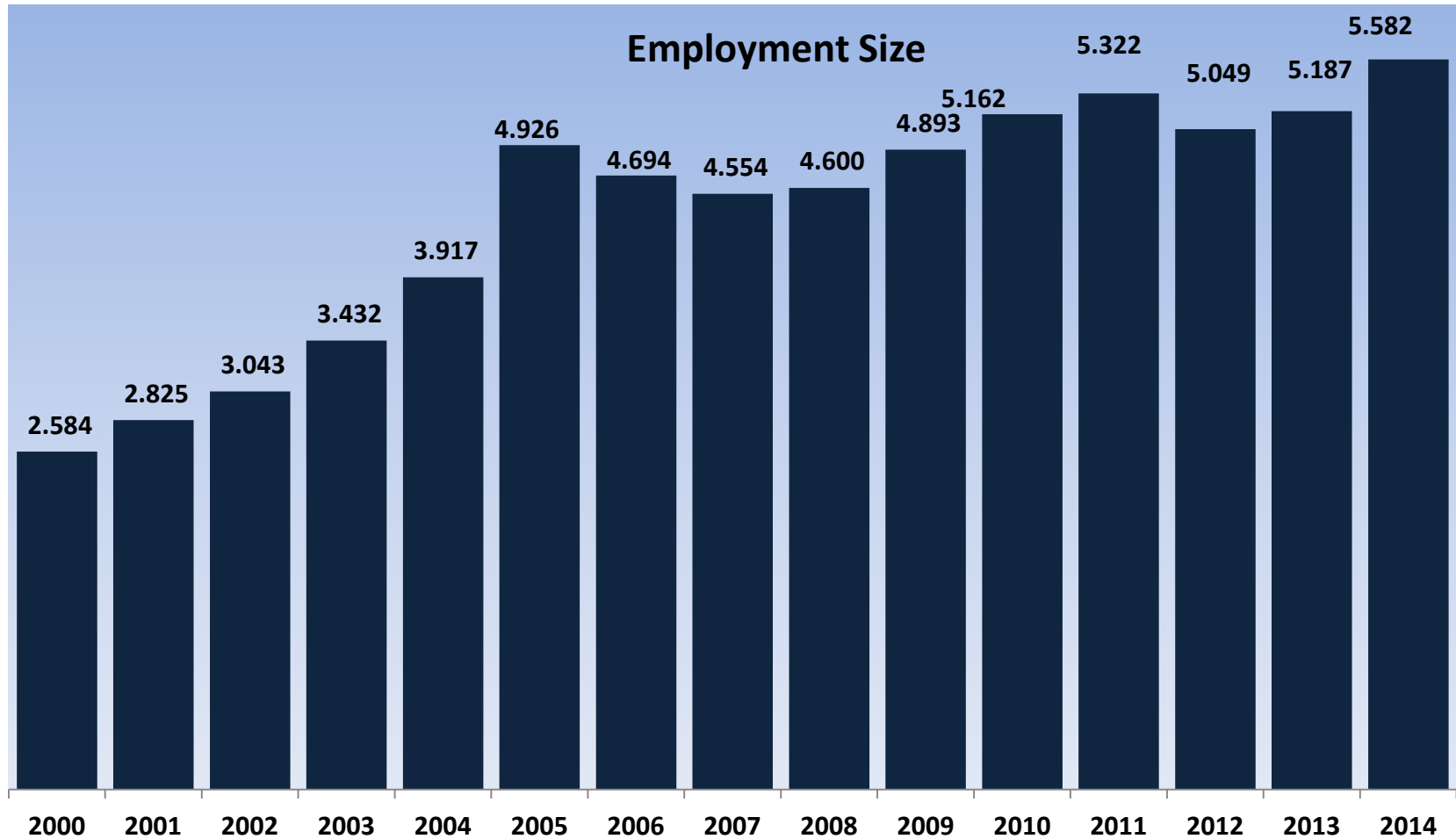
	Main Warehouses	Regional Warehouses	Total
Selçuk Ecza	19	58	77
As Ecza	7	15	22
Group Total	26	73	99

Operational Stats I

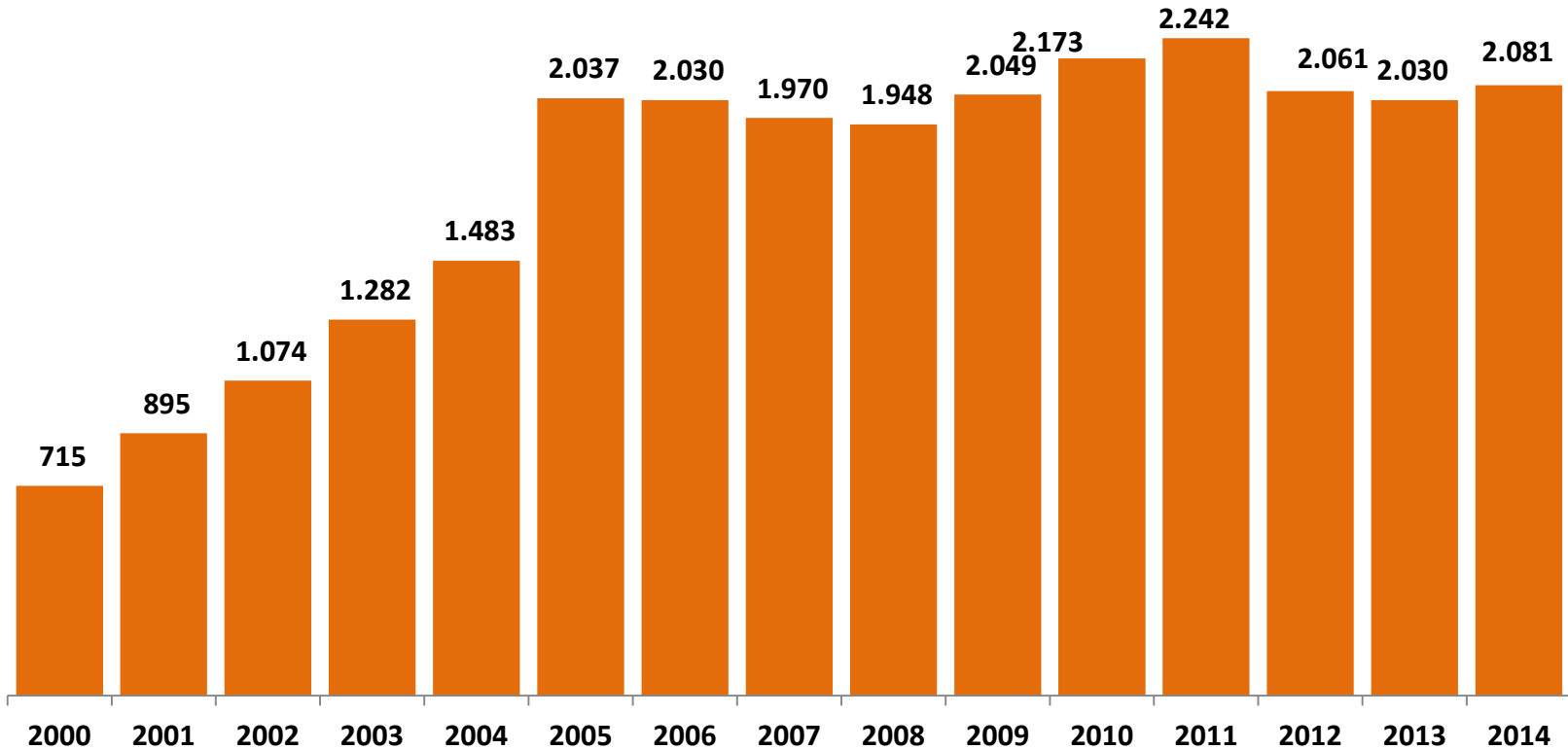
Warehouses



Operational Stats II



Vehicle Fleet



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Toiletry Segment: A significant catalyst...

✚ Selcuk Ecza has started to sell/distribute toiletry products (personal care products, cosmetics etc.) by June 1, 2009 and expanded it to all of its warehouses

✚ The market size in Turkey for toiletry products is approximately as of US\$11 bn. And almost US\$1,5 bn. of it is pharmacies' share



✚ Using the same distribution network, while by using the available spare capacity in warehouses lead to an insignificant increase in CAPEX

✚ Strategy to create a steady amount of additional revenue from this segment in order to support a sustainable profit level

✚ Higher gross margin around 10-11% compared to 7-8% from pharma segment

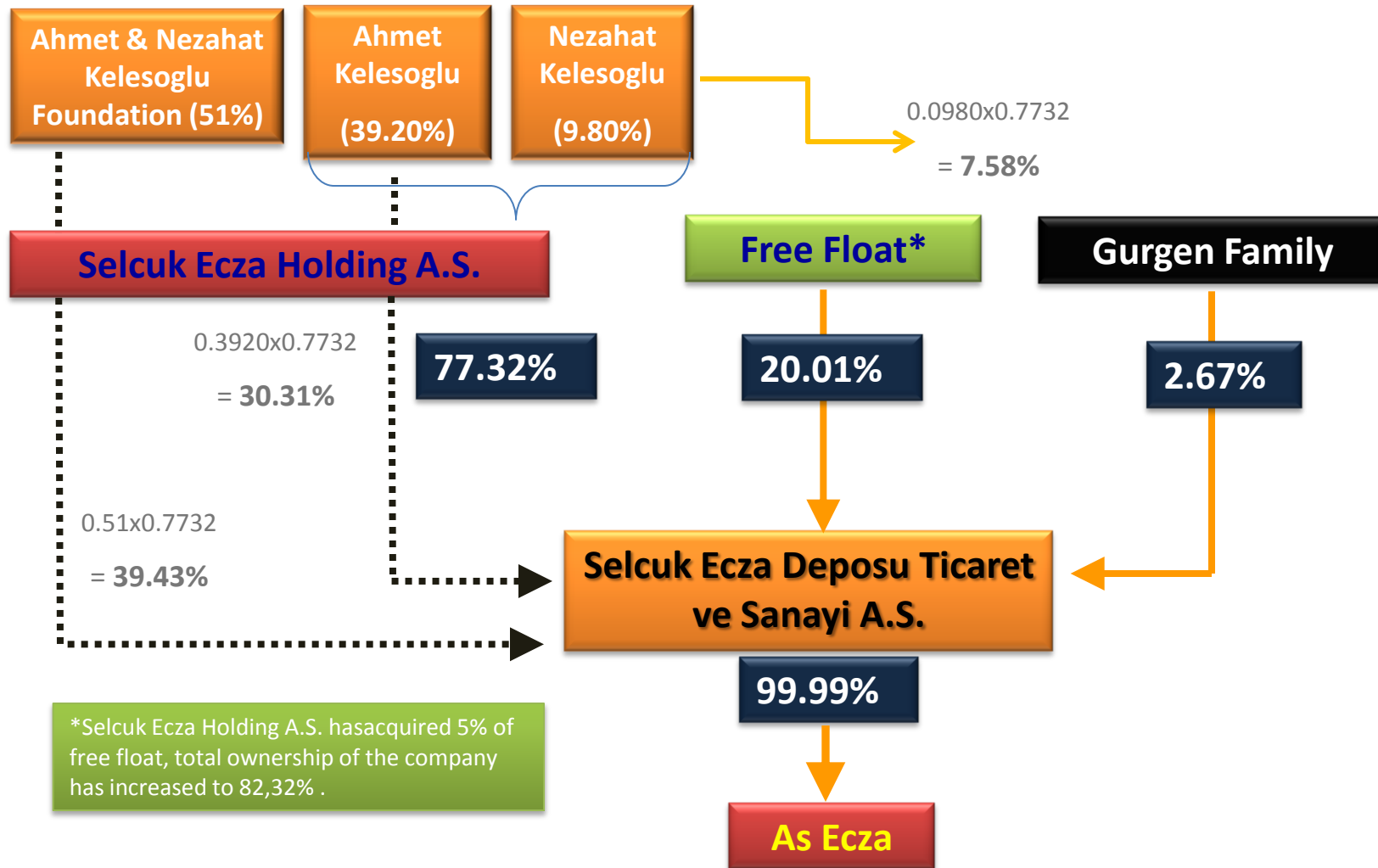


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Ownership



Selcuk Ecza: A precious link to sustainable value creation



✦ **Attractive markets**

- ✦ Demographics drive long-term demand
- ✦ Public policy agenda supports greater access and improved efficiency

✦ **Well-positioned businesses**

- ✦ Solid operating profit and cash flow strength from distribution segment
- ✦ Nationwide network built over mutual commercial interests

✦ **Steady track record of delivering results and a balanced approach to capital deployment**

✦ **Strong balance sheet and solid liquidity position**

✦ **Experienced and tenured management team**

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Income Statement & Balance Sheet



Appendix-4: Summary Financials: Income Statement-Consolidated

Income Statement

	31.12.2014	31.12.2013	2014 vs 2013
Net Sales	6.386,43	5.238,02	21,92%
Cost of sales (-)	(5.934,75)	(4.821,84)	23,08%
GROSS PROFIT	451,68	416,18	8,53%
OPEX	(302,62)	(268,51)	12,70%
Other operating income/Exp.(Net)	35,65	25,47	39,95%
OPERATING PROFIT	184,70	173,14	6,68%
Income/Expense from investment	26,98	61,61	-56,20%
Finance income / Exp.(Net)	(4,18)	(43,59)	-90,42%
EBIT	159,30	152,67	4,34%
EBIT (exc.other)	149,05	147,67	0,94%
Income before minority Int.& Tax	207,51	191,16	8,55%
Minority interest	0,00	0,00	13,26%
Income tax expense	(42,11)	(38,83)	8,45%
Net Income / (Loss)	165,39	152,33	8,58%
EBITDA	173,64	164,92	5,29%
EBITDA (exc.other)	163,40	159,92	2,18%
Gross Margin	7,07%	7,95%	
EBIT Margin	2,49%	2,91%	
EBIT Margin (exc.other)	2,33%	2,82%	
EBITDA Margin	2,72%	3,15%	
EBITDA Margin (exc.other)	2,56%	3,05%	

Appendix-4: Summary Financials: Balance Sheet

Balance Sheet

(TL million)

Assets	31.12.2014	31.12.2013	Liabilities & Equity	31.12.2014	31.12.2013
Cash and cash equivalents	253,16	549,85	Short-term debt	35,03	332,13
Accounts rec.& due from related parties	1.983,82	1.688,56	Accounts payable & due to related parties	1.708,79	1.396,71
Inventories	733,21	659,36	Provisions & other current liabilities	49,85	42,70
Other current assets	62,95	74,63	Total Current Liabilities	1.793,67	1.771,54
Total Current Assets	3.033,13	2.972,40	Long-term debt	0,00	0,00
PP&E	290,13	201,21	Provision for Employee Benefits & Other Liabilities	19,01	13,49
Intangible Assets(Including Goodwill)	31,94	31,93	Deferred tax liability	12,29	14,73
Other non-current assets	15,21	15,12	Other liabilities	0,00	0,00
Deferred tax assets	17,86	18,67	Total Non-Current Liabilities	31,30	28,22
Total Non-Current Assets	355,14	266,93	Shareholder's equity & minority interest	1.563,30	1.439,57
Total Assets	3.388,27	3.239,33	Total Liabilities & Equity	3.388,27	3.239,33



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