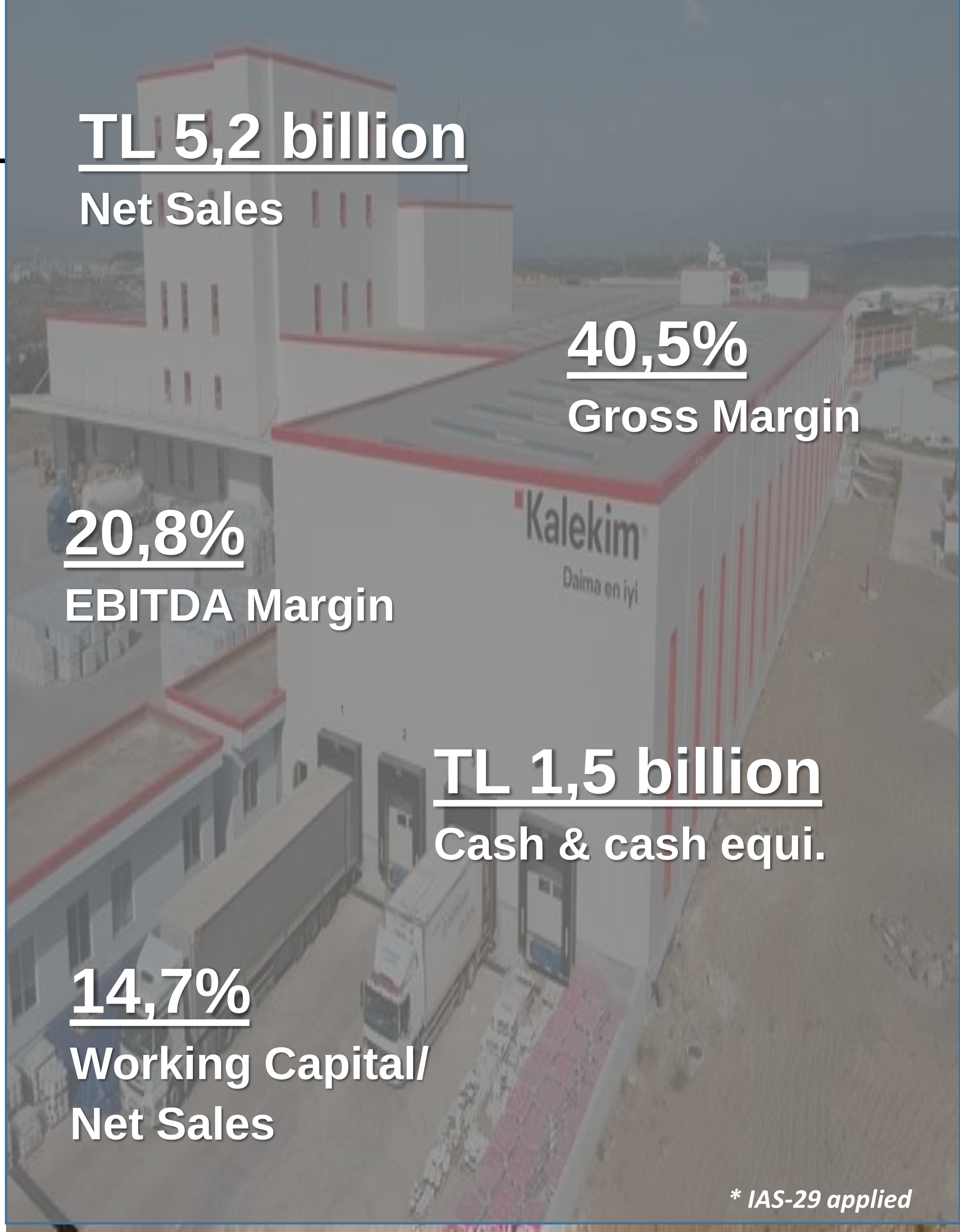
Kalekim

2024 Q3
Operational Results

November 6, 2024

2024 9-Month Highlights

- 13% increase in total sales thanks to continued strong performance in Turkiye (+10%) and exports (+19%)
- In the domestic market, a performance in line with 2023 Q3 that had a high base
- Exports exceeding USD 54 million in the first 9 months of the year with a historical sales volume record in Q3
- EBITDA margin of over 20% sustained despite the pressure on export profitability due to appreciating TL
- Ongoing factory construction in Iraq
- Commissioned Muğla factory and SPP investment
- K. Lyksor starting production in Mersin and establishing a branch in Istanbul



TL 5,2 billion
Net Sales

40,5%
Gross Margin

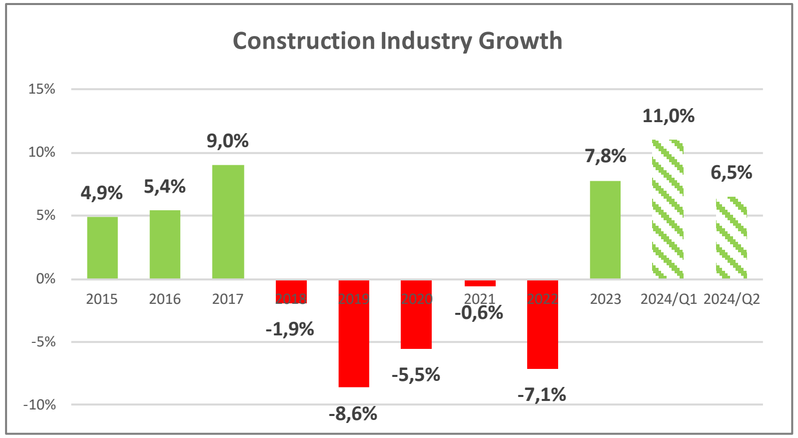
20,8%
EBITDA Margin

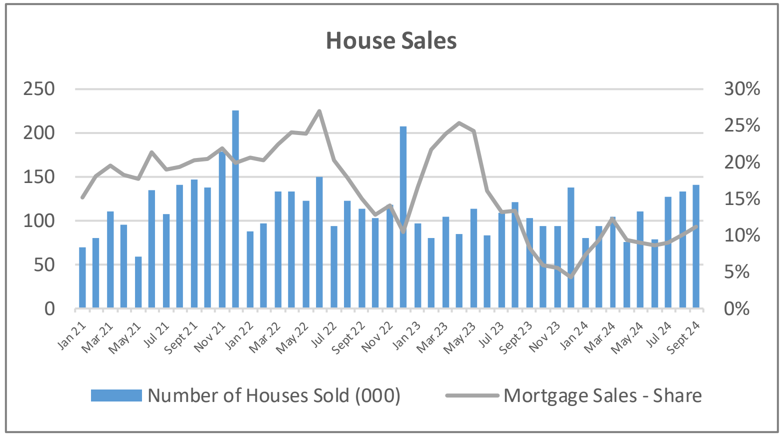
TL 1,5 billion
Cash & cash equi.

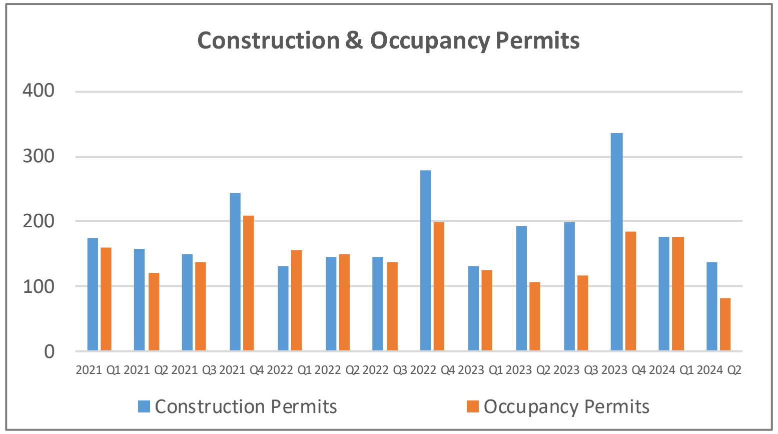
14,7%
Working Capital/
Net Sales

** IAS-29 applied*

Turkish Market: Construction Industry







- After 11% growth in the first quarter of 2024 due to the low base effect due to the earthquake in Q1 2023, construction activities in the region and infrastructure investments, a **growth of 6.5%** was also realized **in the second quarter.**

- **Housing sales**, which fell by 3.7% in the first half of 2024, increased by 5.2% in the 9-month period due to a 20% increase in Q3.
- Due to rising credit costs, mortgage sales decreased by 43%, their share in the total was 9.7%.

- In 2023, building permits increased by 23%, while building occupancy permits, showing finished houses, decreased by 17%, the lowest level in the last 13 years (535 K).
- In 2024 H1, building permits decreased by 3%, while occupancy permits increased by 10%.

Source: TÜİK, İMSAD

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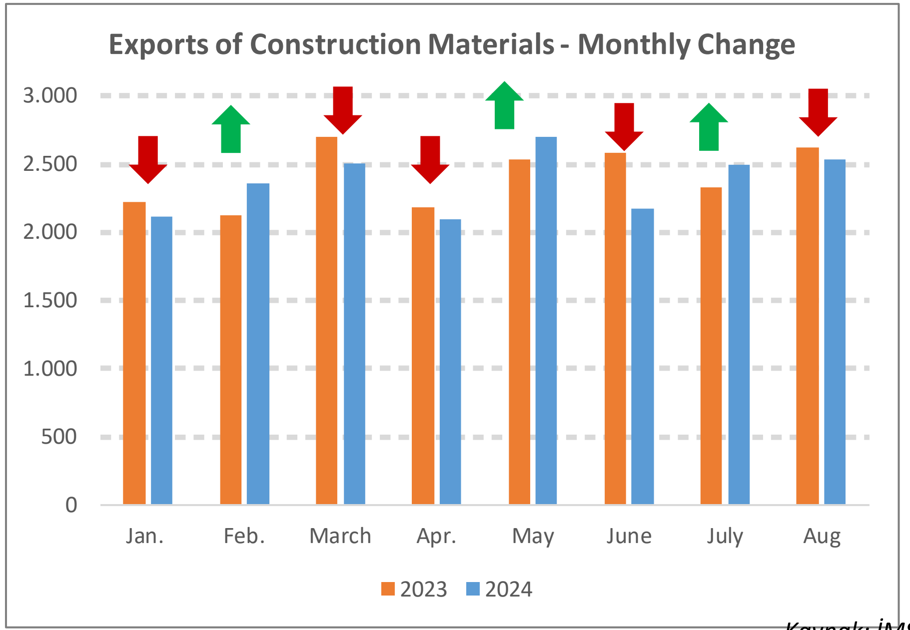
Export Markets: Construction Materials Industry

- The shrinkage in the construction sector in Europe, which is our main export market as a country, continues to limit the country's exports.
- While the contraction in exports was 2% in the first 8 months of the year with approximately USD 18.9 bln., according to the July-August data, there was an increase of 1.5% in the last 2 months.
- Exports of construction chemicals and construction paints & varnishes, which are the main product groups of our company, observed a flat course in the first 8 months of the year.
- In Iraq, which is Kalekim's main export market, the construction sector continues its strong performance.

Exports (USD mio.)	Jan. – Aug. 2024	Jan. – Aug 2023	Difference
Construction Materials	**18.906**	**19.296**	**-%2,0**
- Construction Chemicals	597	595	%0,3
- Constr. Paint & Varnish	275	275	%0,2



Kaynak: İMSAD

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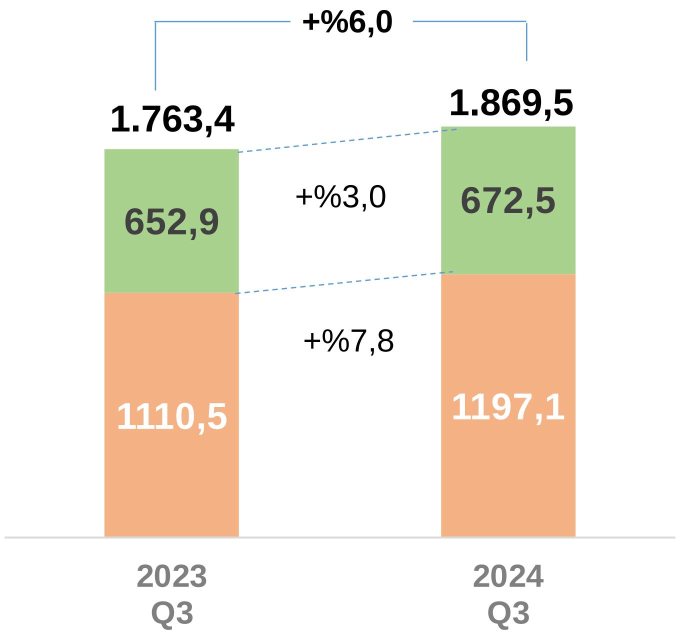
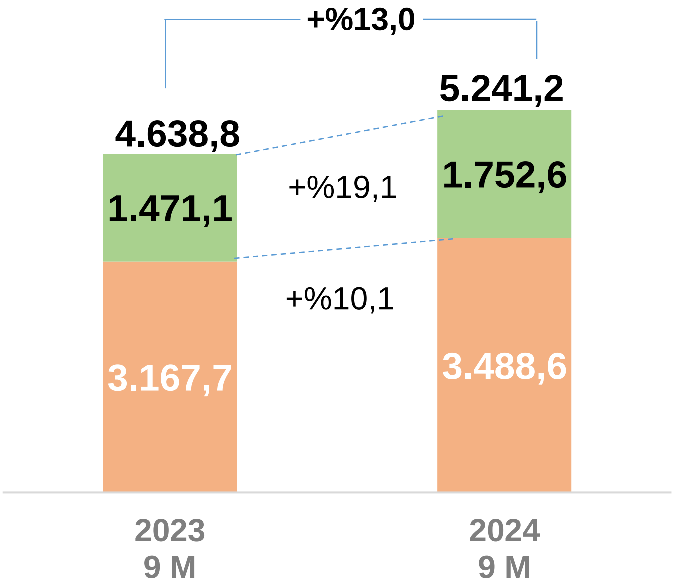
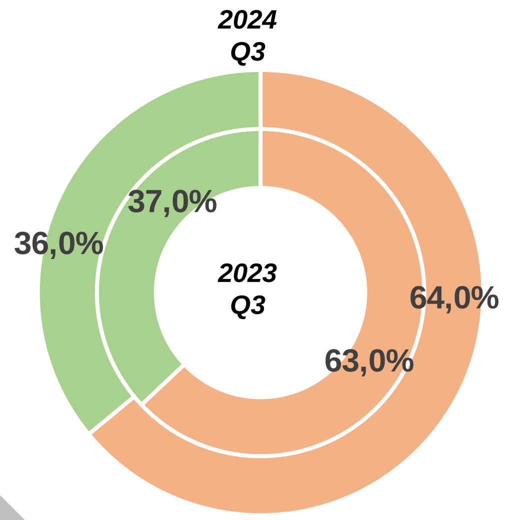
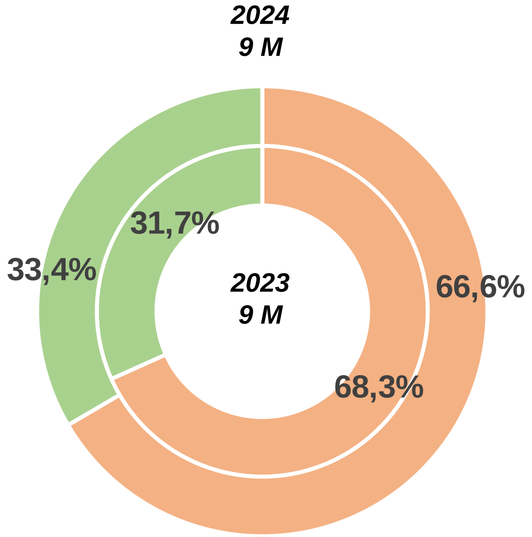
Sales Growth & Breakdown by Region

TL mio.









- Despite the fact that the exchange rate is below the inflation, the share of international sales in the total increased by 1.7 points in the 9M-period as a result of the continued growth in the international market, mainly in Iraq.

Türkiye International

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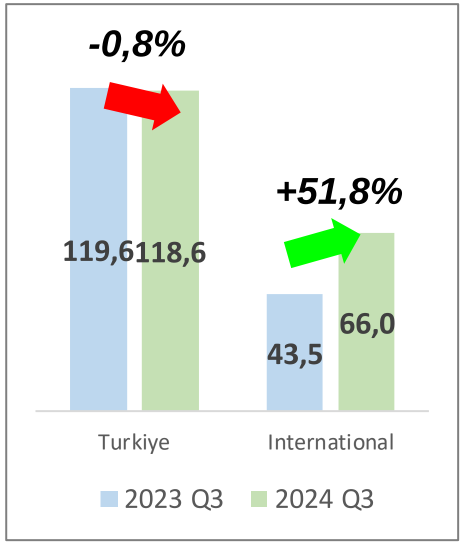
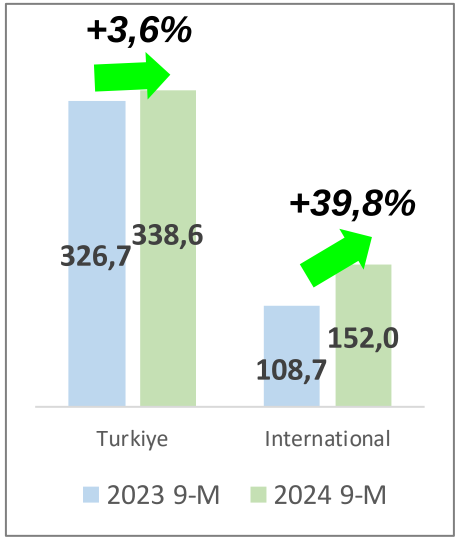
Sales Volume Growth

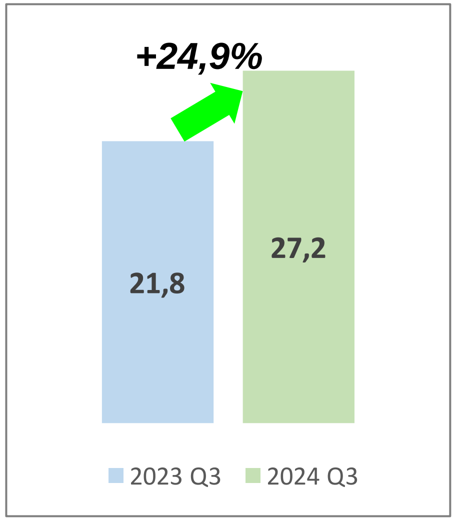
- Despite the high base effect of the 2023 Q3, a similarly strong performance was exhibited in the dry mortar & paint product groups in the Turkish market in the third quarter of 2024.
- Thanks to the continued high performance in exports, mainly in Iraq, a quarterly sales record was broken with approximately 66 thousand tons.
- The growth in K. Lyksor's sales volume continued in the third quarter of the year.
- In the first 9 months of the year, consolidated **volume growth of 7.3% in Turkiye** and **40.7% in international markets** was achieved.

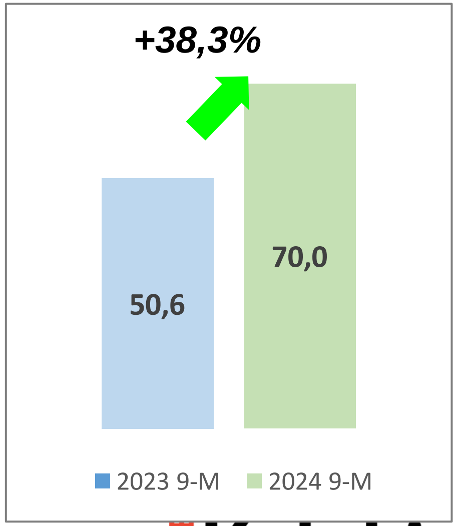
Dry Mortar & Paint/Plaster Sales Volume (000 tons)





Concrete & Cement Chemicals Sales Volume (000 tons)





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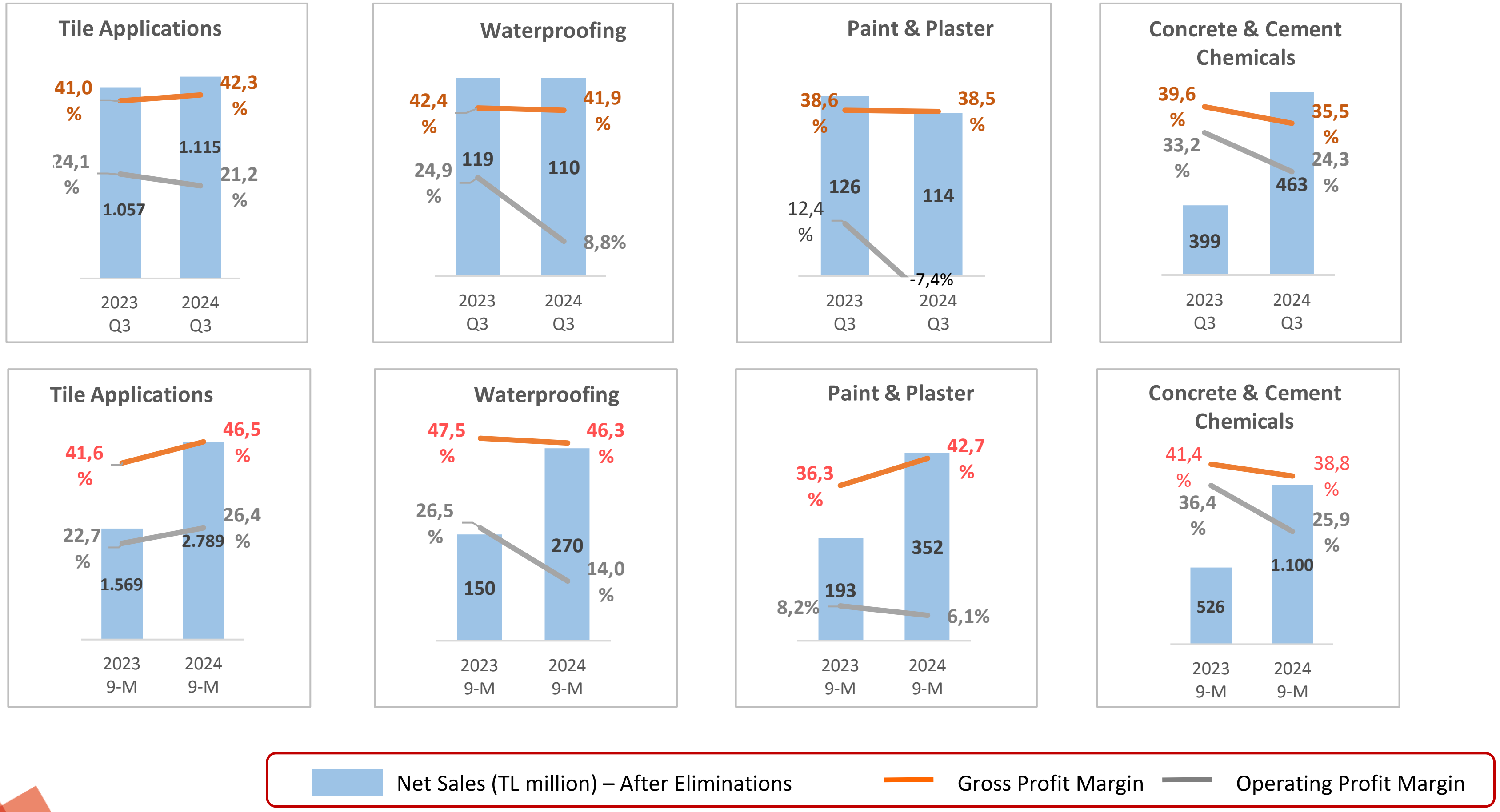
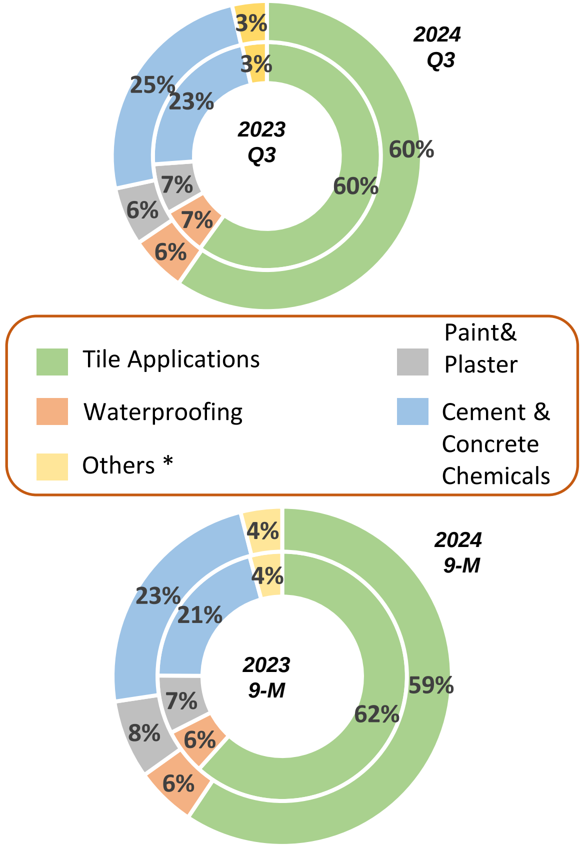
Sales Growth & Profitability by Product Group

- While high gross profit margins are maintained in the product groups in which we operate, there may be declines in operating profit margins due to periodic actions, competitive conditions, market and organizational investments in line with growth targets.





* Heat insulation and other

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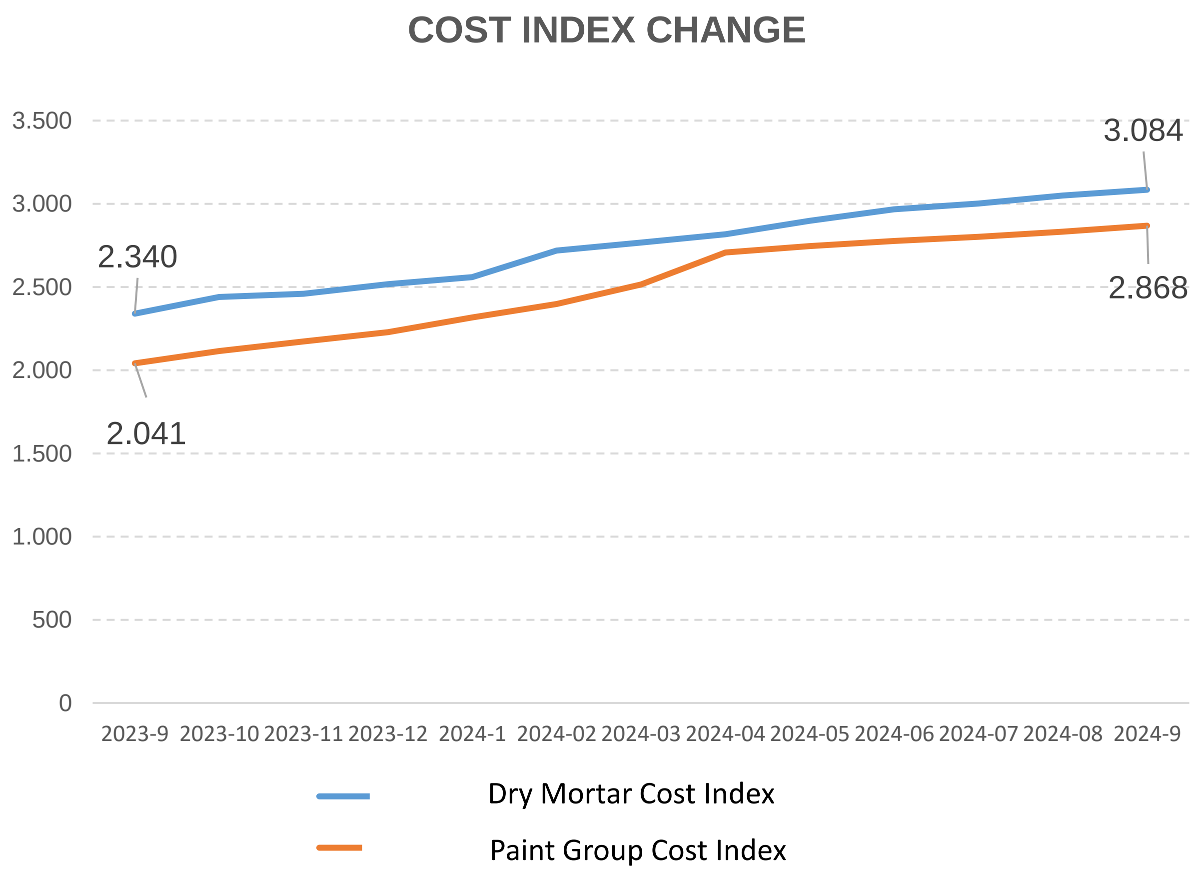
Effective Supply Chain and Cost Management

- Prices in chemical raw material markets remained in line with the second quarter due to the decline in global demand and freight prices.
- Apart from the exchange rate effect, the increase in cost inflation was driven by changes in cement, fillers and packaging materials.
- As of the end of September 2024, in the last 12M, the dry mortars cost index increased by 32% and the paint group by 41%.



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Financial Statements

IAS-29 Applied

P&L Summary*

* IAS-29 APPLIED

(TL mio.)	2024 Q3	2023 Q3	*Y-on-Y Change*	2024 9-M	2023 9-M	*Y-on-Y Change*
Net Sales	1.869,5	1.763,4	*6,0%*	5.241,2	4.638,8	*13,0%*
Gross Profit	755,1	709,8	*6,4%*	2.122,0	1.796,8	*18,1%*
Margin	*40,4%*	*40,3%*		*40,5%*	*38,7%*	
Operating Profit	346,3	431,3	*-19,7%*	957,3	943,5	*1,5%*
Margin	*18,5%*	*24,5%*		*18,3%*	*20,3%*	
Profit Before Financing	349,0	454,7	*-23,3%*	960,0	1.057,0	*-9,2%*
Margin	*18,7%*	*25,8%*		*18,3%*	*22,8%*	
Financial Income	147,1	59,7		400,9	232,8	
Financial Expense	-84,7	-60,3		-235,4	-119,8	
Monetary Gain (Loss)	-160,5	-286,1		-395,2	-588,1	
Profit Before Tax	250,8	168,0	*49,3%*	730,2	581,9	*25,5%*
Margin	*13,4%*	*9,5%*		*13,9%*	*12,5%*	
Net Profit	241,9	-43,6		585,6	192,5	*204,1%*
Margin	*12,9%*	*-2,5%*		*11,2%*	*4,2%*	
EBITDA	**401,7**	**467,4**	***-14,0%***	**1.092,3**	**1.065,1**	***2,6%***
Margin	*21,5%*	*26,5%*		*20,8%*	*23,0%*	

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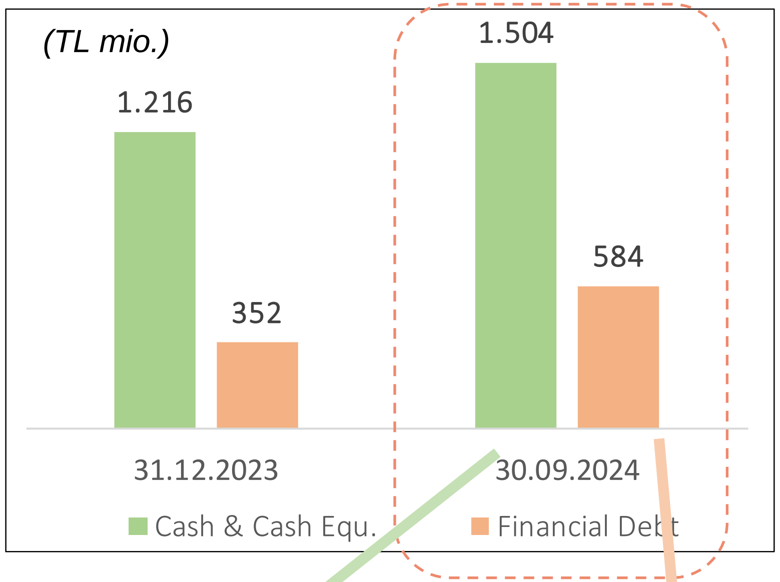
Balance Sheet *

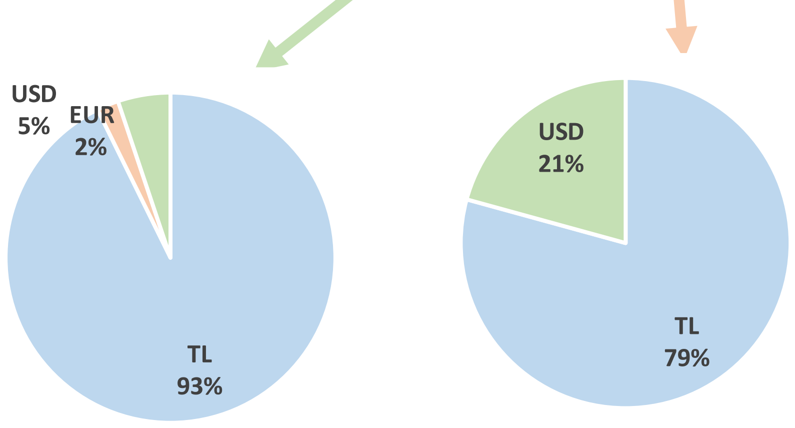
*** IAS-29 APPLIED***

(TL mio.)	30.09.2024	31.12.2023		30.09.2024	31.12.2023
Current Assets	**3.645,4**	**3.100,0**	**Current Liabilities**	**1.885,0**	**1.679,8**
Cash & Cash Equivalents	1.502,7	1.215,5	Bank Loans	517,4	298,9
Financial Investments	1,2	0,5	Lease Liabilities	22,1	19,5
Trade Receivables	1.431,0	1.199,7	Trade Payables	930,9	994,8
Inventories	519,6	447,1	Deferred Incomes	87,3	167,0
Prepaid Expenses	51,2	75,7	Provisions	190,9	79,2
Current Tax Assets	19,7	92,4	Others	136,3	120,5
Others	120,1	69,2	**Non-current Liabilities**	**106,3**	**132,5**
Non-current Assets	**2.318,9**	**2.143,0**	Bank Loans	0,0	0,0
Tangibles Assets	1.645,5	1.466,9	Provisions	44,0	49,7
Intangible Assets	160,1	157,8	Lease Liabilities	44,8	33,7
Properties for Investment Purpose	151,8	193,0	Deferred Tax Liabilities	17,4	49,2
Deferred Tax Assets	231,8	180,1	**Total Equity**	**3.973,1**	**3.430,7**
Others	129,8	145,2	Issued Capital & Inflation adj.	1.926,6	1.926,6
TOTAL ASSETS	**5.964,4**	**5.243,0**	**TOTAL LIABILITIES & EQUITY**	**5.964,4**	**5.243,0**

Cash and Financial Debt Structure

- At the end of the 2024 Q3, the total amount of cash, cash equivalents and financial investments, which increased by 24% compared to 2023-end, was TL 1.5 billion.
- The breakdown of total financial debt of TL 584, which is up 66% from 2023-end, is as follows:
  - ❑ TL 67 mio. from short and long-term leasing
  - ❑ Loans provided under favorable conditions and used in SPP investment is TL 376 million
  - ❑ TL 141 mio. for the loan needs of K. Lyksor A.Ş.
- As the consolidated **net cash** position is TL 920 mio., **net debt/ EBITDA** is at **-**0,6X, and 0,4X for K. Lyksor, which had a net debt of TL 175 million.

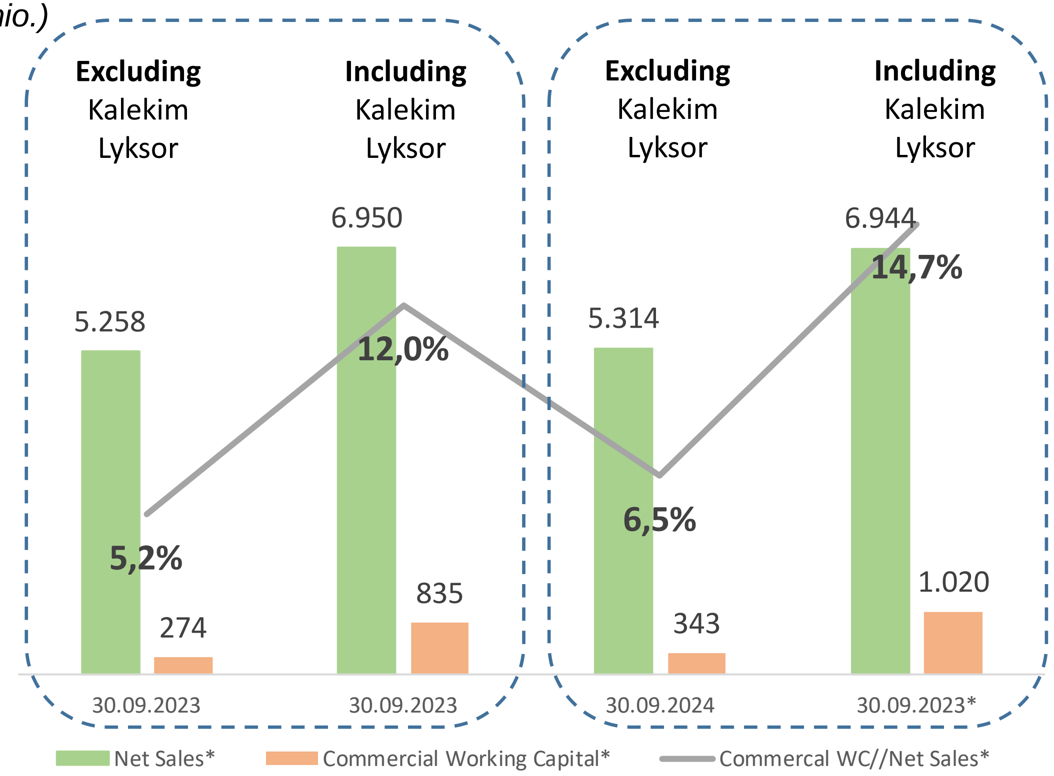




Cash and Financial Debt Structure (30/09/2024)

Working Capital Management

(TL mio.)



- Despite the recent tightening market conditions, the working capital/net sales ratio in the 9-M period was in line with the annual guidance.

Number of Days*	Sep. 30, 2023 Kalekim Lyksor Excl.	Sep. 30, 2023 Kalekim Lyksor Incl.	Sep. 30, 2024 Kalekim Lyksor Excl.	Sep. 30, 2024 Kalekim Lyksor Incl.
Trade Receivables	61	71	55	68
Inventories	44	45	40	42
Trade Payables	107	90	100	83

*** Averages are calculated using the amounts at the beginning of the year and at the end of the period.*

**Last 12 month considered*

2024 Guidance

2024 Guidance

	Guidance (June 13, 2024)	9-M Realized	**Revised Guidance *(Nov. 6, 2024)***
❑ Net Sales* *(USD)* :	> 10% growth in USD	**%13****	> 10% growth in USD
- Türkiye *(tonnes)* :	5-10% growth in volume	**%7**	5-10% growth in volume
- International *(tonnes)* :	15%-20% growth in volume	**%41**	**>25% growth in volume**
❑ EBITDA margin :	20% - 25%	**%20,8**	20% - 25%
❑ CAPEX :	TL 700-800 mio.	**TL 299 mio.**	TL 700-800 mio.
❑ Working Capital / Net Sales :	10% - 15%	%14,7	10% - 15%

** Calculated with USD:TRY parity on Sept. 30, 2024*

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Appendix

P&L Summary (IAS-29 not applied)

(TL mio.)	2024 Q3	2023 Q3	*Change*	2024 9-M	2023 9-M	*Change*
Net Sales	1.832,3	1.094,8	*67%*	4.697,4	2.545,2	*85%*
Gross Profit	813,0	480,5	*69%*	2.073,7	1.045,9	*98%*
Margin	*44,4%*	*43,9%*		*44,1%*	*41,1%*	
Operating Profit	436,7	311,7	*40%*	1.084,3	605,1	*79%*
Margin	*23,8%*	*28,5%*		*23,1%*	*23,8%*	
Profit Before Tax	501,0	330,0	*52%*	1.244,6	741,4	*68%*
Margin	*27,3%*	*30,1%*		*26,5%*	*29,1%*	
Net Profit	492,3	259,5	*90%*	1.105,8	603,2	*83%*
Margin	*26,9%*	*23,7%*		*23,5%*	*23,7%*	
EBITDA	461,7	323,6	*43%*	1.140,1	637,3	*79%*
Margin	*25,2%*	*29,6%*		*24,3%*	*25,0%*	

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