



2023 Q3 Operational Results



2023 Q3 Highlights

- 95% sales increase thanks to high volume increase and pricing in the domestic market and the main export market
- Operating profit margins reaching historically high levels as a result of volume increase, exchange rate movements and price adjustments
- Transaction of 300% bonus issue completed
- Authorization by local authorities for land allocation for local production in Iraq
- Renting of an existing factory for dry mortar production in Muğla
- Preparations for Kalekim Lyksor's production infrastructure in Mersin (Production expected in Q4)

TL 1,09 billion

Net Sales

43,9%

Gross Profit Margin

30,4%

EBITDA Margin

TL 825 million

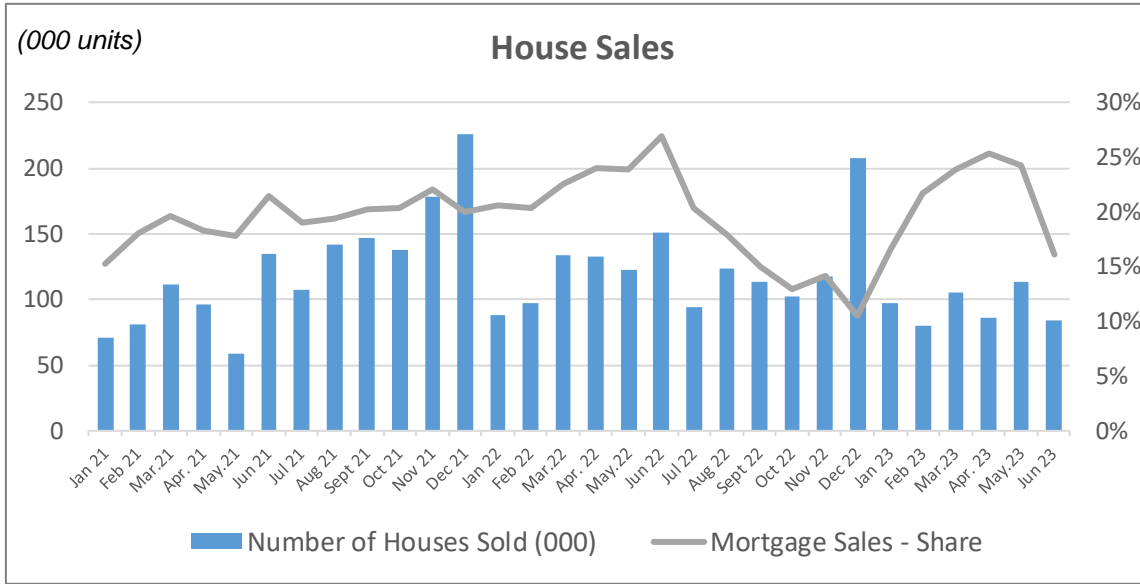
Cash and cash eq.

16,1%

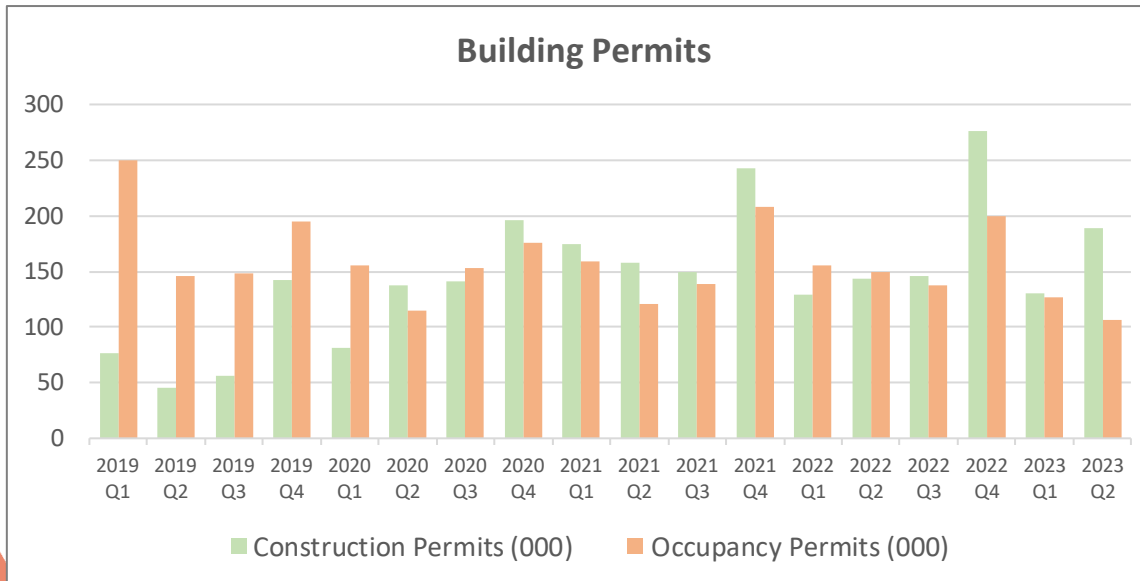
Net Working Capital/
Net Sales



Turkish Market: Construction Industry



Source: TÜİK



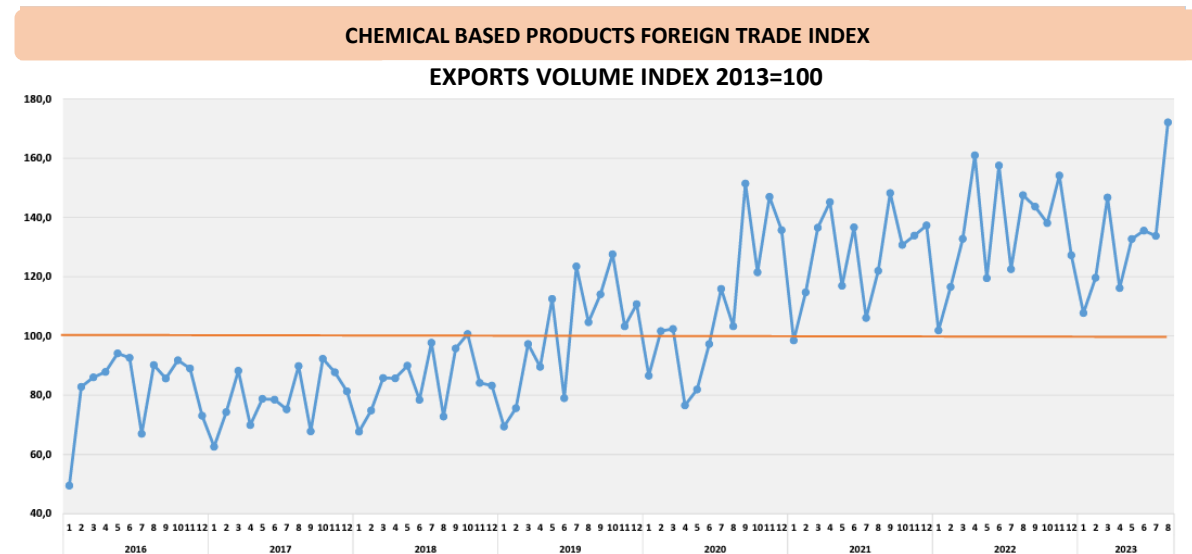
- Housing sales, which shrank by 22% in the first half, increased by only 1% in the third quarter, and the contraction in the 9-month period was 15%.
- With the effect of rising mortgage interest rates in recent months, the share of mortgage sales in total decreased to single digits in Sept. 2023. (%8,2)
- Approximately 70% of sales consist of second-hand housing sales.
- According to the data published in August, in the first half of 2023, the number of flats, for which building permits were issued, increased by 17% compared to the same period of 2022, while the number of flats, for which usage permits were given, decreased by 24%.



Export Markets: Construction Materials Industry

- In the first 7-Ms of 2023, construction materials exports decreased by 17,5% compared to the same period of 2022, reaching USD 16.7 billion.
- There was an increase of 13% and 26% in the construction chemicals and construction paint-varnish sub-product groups, respectively.
- In the first half of the year, the earthquake disaster, the flat level in exchange rates and the decrease in the number of working days in some months (due to religious holiday) had a negative impact on exports. In the second half of the year, the main impact is the contraction in export markets.

Exports (USD mio.)	Jan. - July 2023	Jan. - July 2022
Construction Materials	16.683	20.211
- Construction Chemicals	513	455
- Cons. Paint & Varnish	239	189

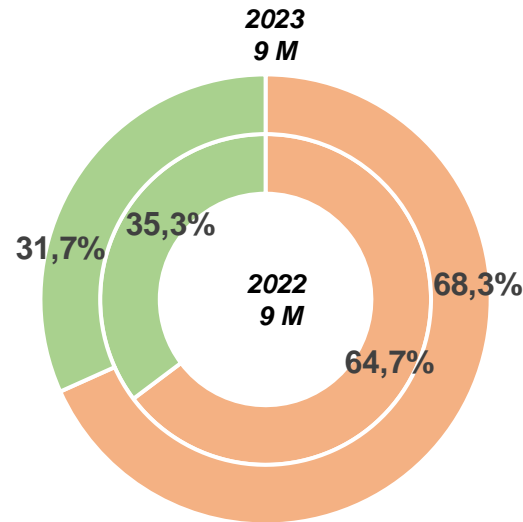
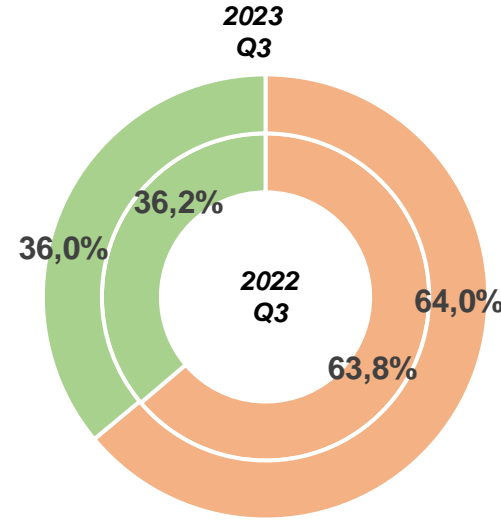
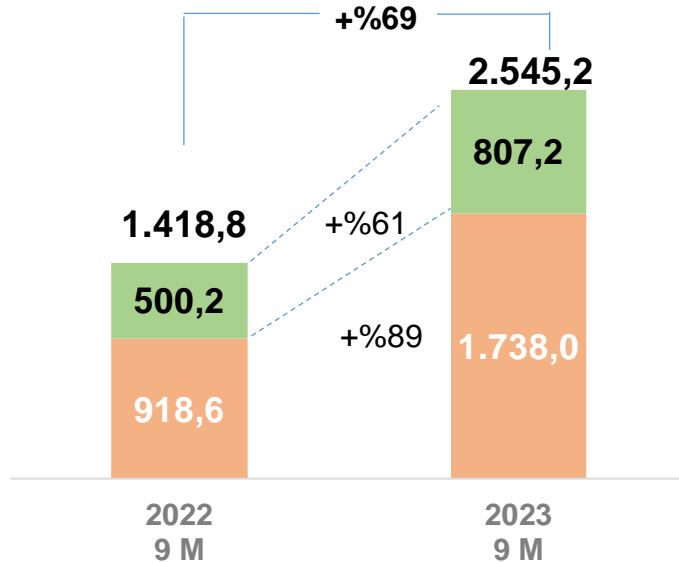
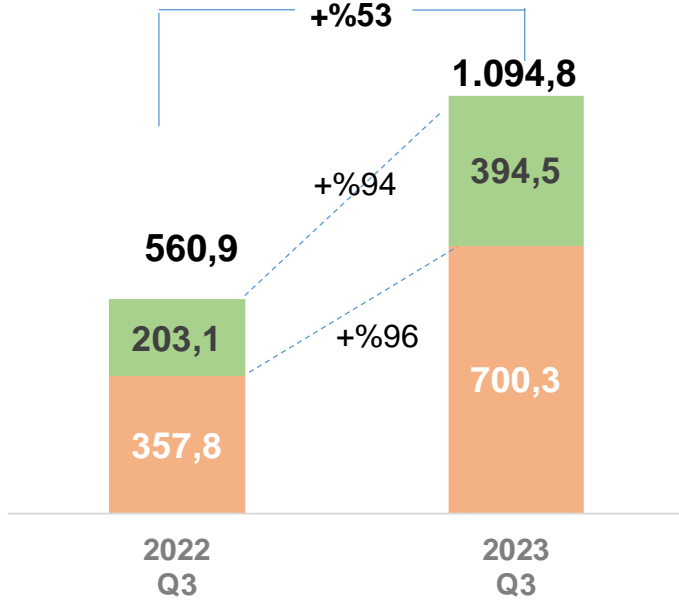


Source: İMSAD



Sales Growth & Breakdown by Region

TL million



- Since similar growth rates were achieved on TL basis in the Q3, the sales breakdown was similar to the same period of last year. (TR: %64 – International: %36)
- In the nine-month period, the share of international sales in total sales decreased to 32%, due to the higher volume growth in the Turkish market and the consolidation of Kalekim Lyksor for three quarters (vs. 2Qs in 2022).

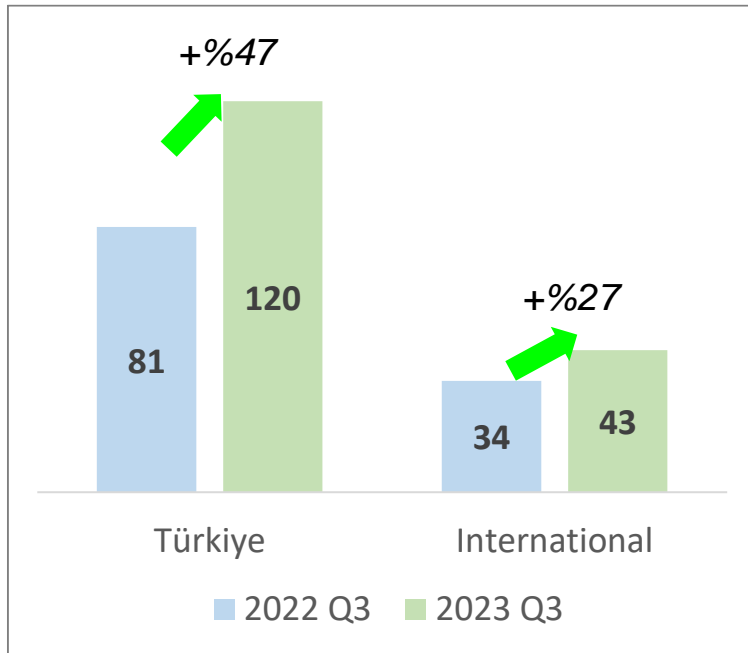
Türkiye International



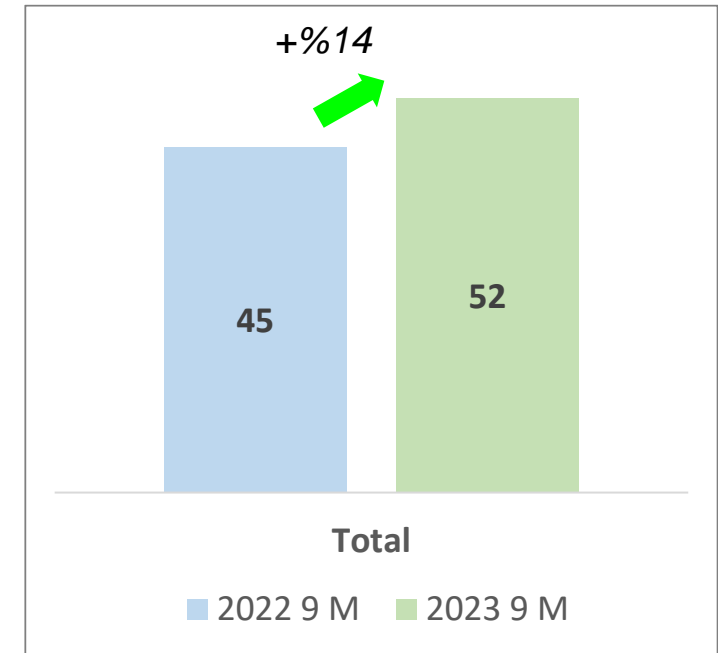
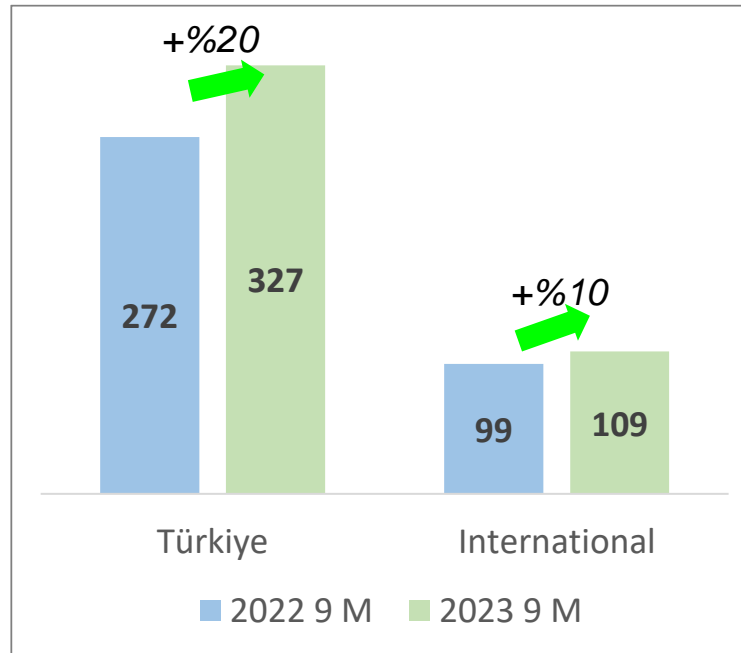
Sales Volume Growth

- Thanks to the strong domestic demand in the third quarter, especially in the renewal market, and the low base effect of the same period of 2022, there was an increase in sales volume reaching 47%.
- Thanks to Iraq, which achieved an increasing growth momentum after the macro difficulties experienced in Q1, the volume increase in export markets reached 27% in the Q3.
- K. Lyksor's sales volume grew by 14% in the 9-month period, supported by 37% increase in Q3.

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



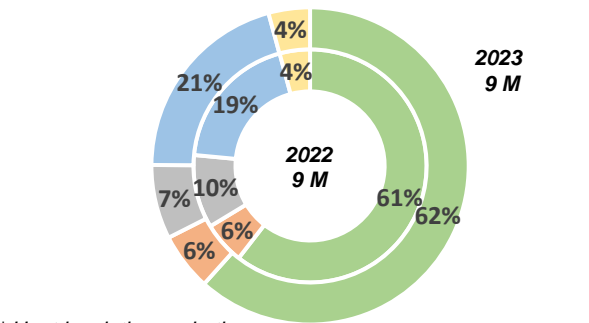
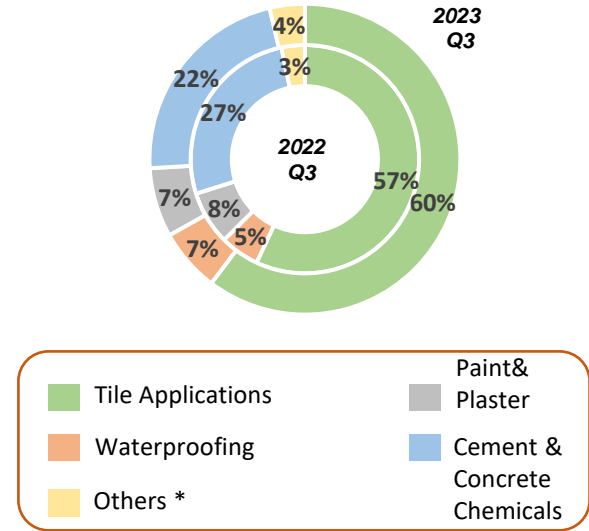
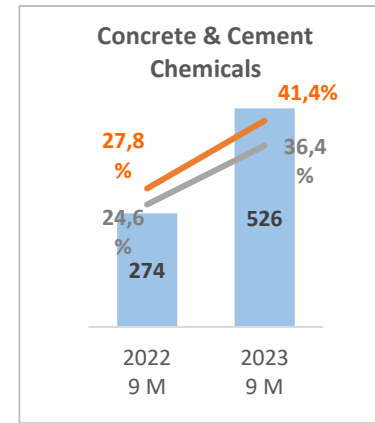
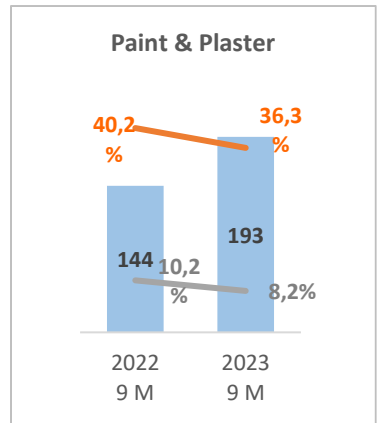
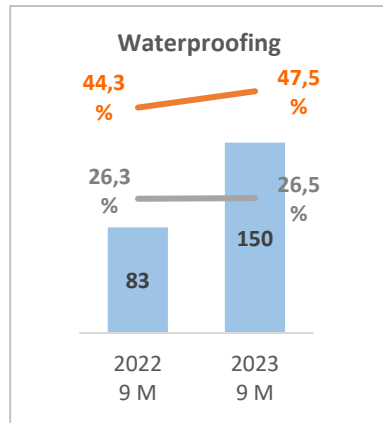
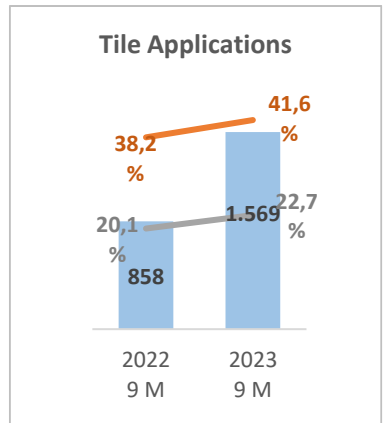
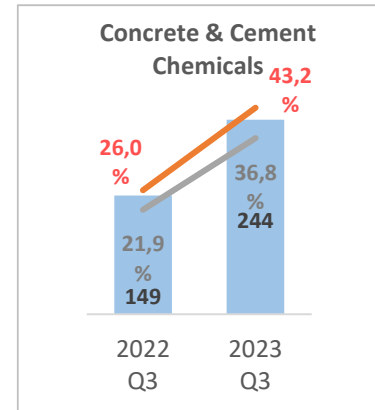
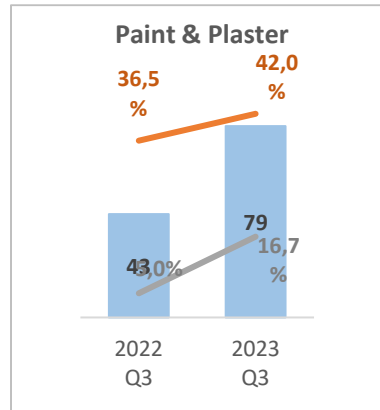
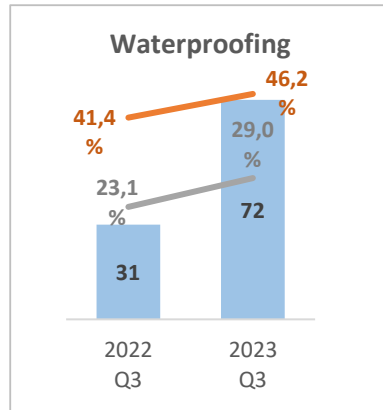
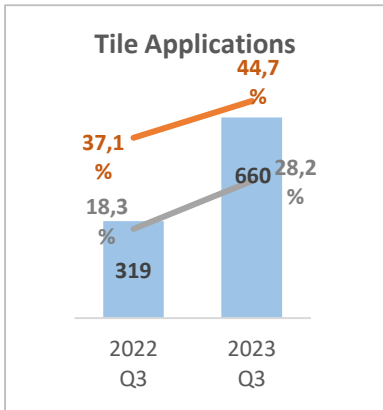
Concrete & Cement Chemicals Sales Volume (000 tonnes)





Sales Growth & Profitability by Product Group

- In Q3, operational profit margins improved due to high volume increase in all product groups.
- The effects of the K. Lyksor integration process were positively reflected in the margins of concrete & cement chemicals.



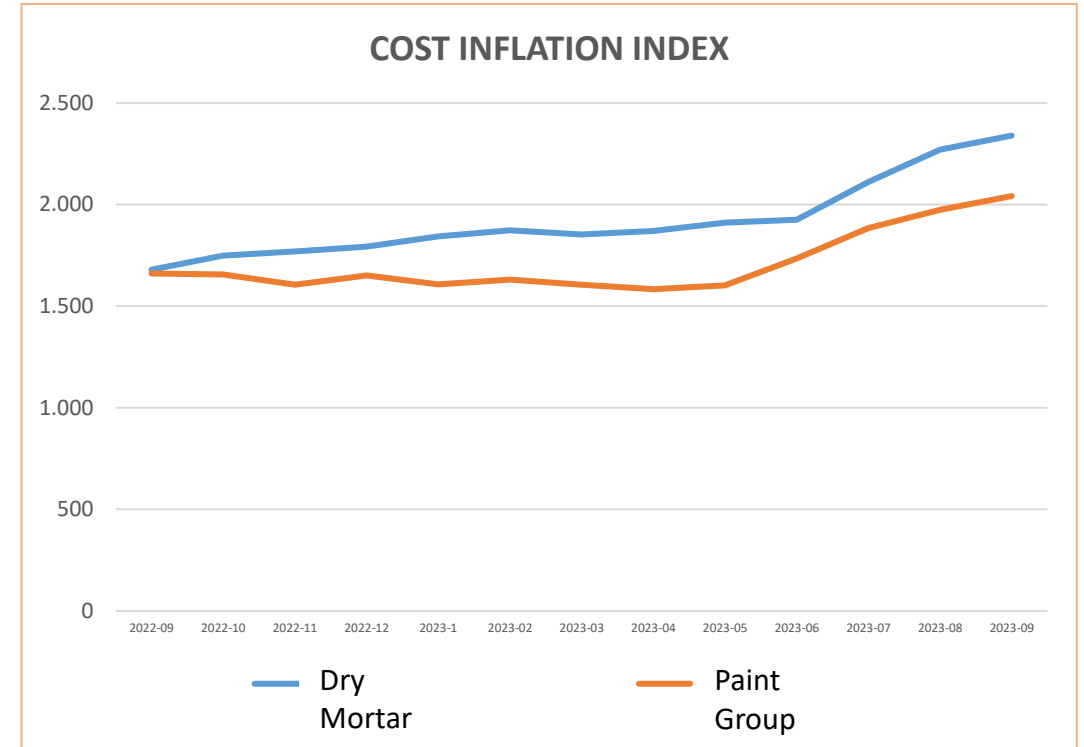
■ Net Sales (TL million) – After eliminations
 — Gross Profit Margin
 — Operating Profit Margin

* Heat insulation and other



Effective Supply Chain and Cost Management

- In the chemical raw material markets, the decline in raw material prices continued in the third quarter of 2023, similar to H1, due to the decrease in logistics and raw material costs as the global demand continued to be sluggish.
- Factors affecting the increase in cost inflation are the increase in exchange rate and the continuing increase in filler and cement prices.
- As of the end of September 2023, dry mortars cost index increased by 34% and paint group cost index increased by 23%, compared to the same period of the previous year.



Financial Statements



P&L Statement

(TL million)	2023 Q3	2022 Q3	2023 Q2	Y-on-Y Change	Q-on-Q Change	2023 9-M*	2022 9-M	Y-on-Y Change
Net Sales	1.094,8	560,9	848,1	95%	29%	2.545,2	1.418,8	79%
Gross Profit	480,5	190,7	340,8	152%	41%	1.045,9	522,0	100%
<i>Margin</i>	43,9%	34,0%	40,2%			41,1%	36,8%	
Operating Profit	311,7	99,0	191,7	215%	63%	605,1	276,4	119%
<i>Margin</i>	28,5%	17,7%	22,6%			23,8%	19,5%	
Profit Before Tax	330,0	107,2	289,9	208%	14%	741,4	321,2	131%
<i>Margin</i>	30,1%	19,1%	34,2%			29,1%	22,6%	
Net Profit	259,5	89,0	242,3	192%	7%	603,2	274,0	120%
<i>Margin</i>	23,7%	15,9%	28,6%			23,7%	19,3%	
EBITDA	332,5	114,5	207,6	190%	60%	664,0	308,9	115%
<i>Margin</i>	30,4%	20,4%	24,5%			26,1%	21,8%	

* Other operating expense include donation of TL 12,8 million related to earthquake in 9M 2023.



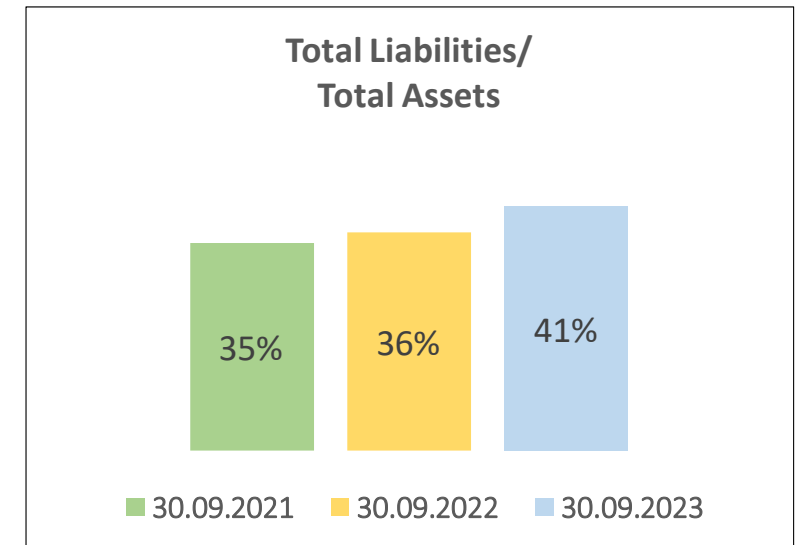
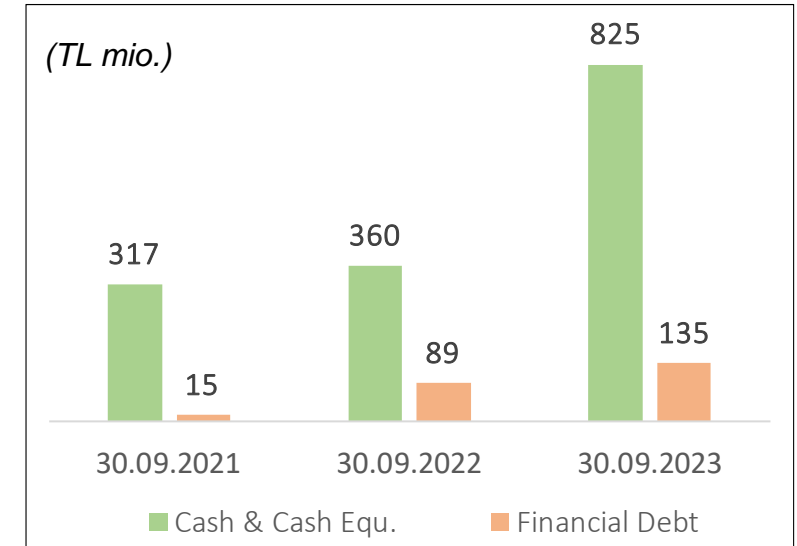
Balance Sheet

<i>(TL million)</i>	30.09.2023	31.12.2022		30.09.2023	31.12.2022
Current Assets	2.099,3	1.301,5	Current Liabilities	1.037,4	609,2
Cash & Cash Equivalents	737,8	498,8	Short Term Borrowings	103,7	68,5
Financial Investments	87,0	48,9	Short Term Portion of LT Borrowi	1,4	3,4
Trade Receivables	841,9	501,4	Trade Payables	603,2	396,2
Inventories	288,1	215,8	Deferred Incomes	88,9	79,9
Prepaid Expenses	110,7	10,8	Provisions	105,7	25,3
Others	33,9	25,9	Others	134,5	35,9
Non-current Assets	609,6	495,7	Non-current Liabilities	64,9	58,3
Tangibles Assets	295,4	242,1	Financial Liabilities	29,5	11,7
Intangible Assets	47,7	52,3	Provisions	35,4	46,6
Properties for Investment Purpose	119,0	81,7	Total Equity	1.606,6	1.129,7
Deferred Tax Assets	83,3	80,8	Paid-in Capital	460,0	115,0
Others	64,2	38,8			
TOTAL ASSETS	2.708,9	1.797,2	TOTAL LIABILITIES & EQUITY	2.708,9	1.797,2



Strong Balance Sheet

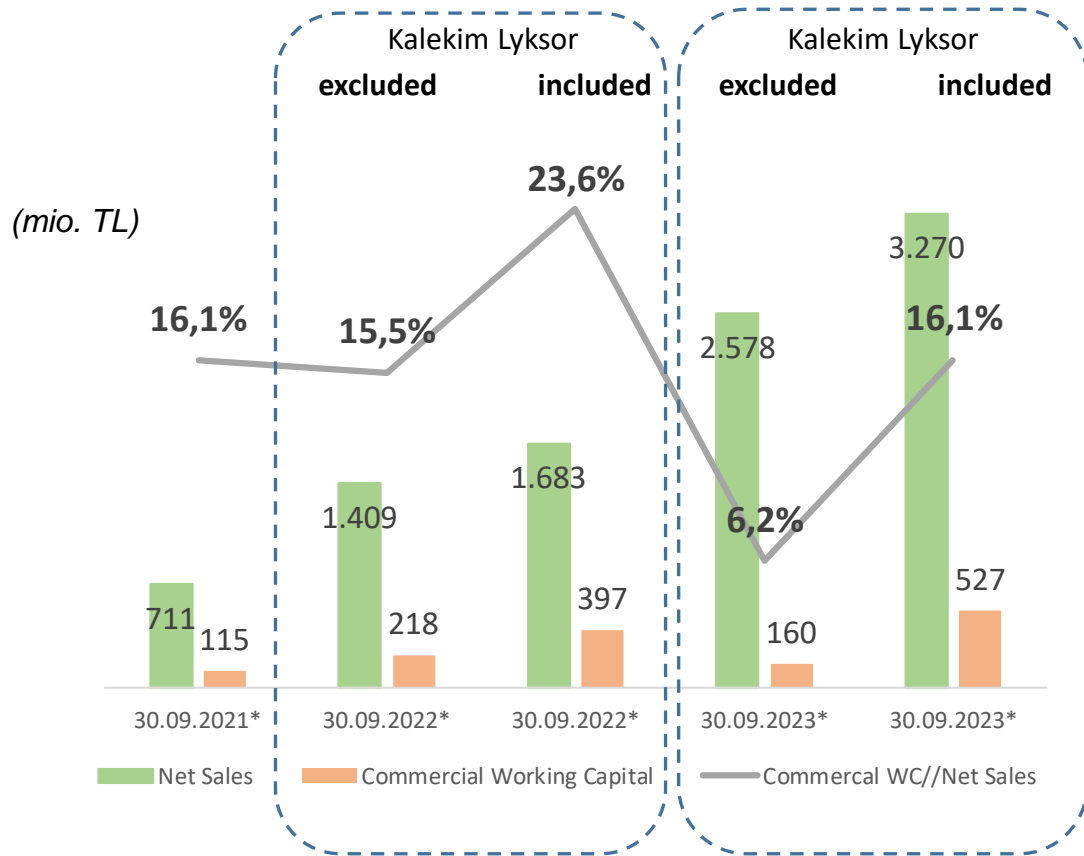
- Total value of cash, cash equivalents and financial investments* is TL 824,8 mln. by the end of 2023 Q3.
- Out of TL 135 mln. total financial debt, around TL 104 mln. stands on the balance sheet of Kalekim Lyksor for financing working capital.
 - Around TL 39 mln. in financial debt originates from short and long term lease agreements.
 - Kalekim Lyksor's net debt/EBITDA ratio reached 0.4X.
- As the currency risk arising from receivables and payables is closely followed, the company has a net FX position of TL +223,7 mln. as of September 30, 2023.



* Financial investments also are included since FX-protected cash deposits are classified under this item.



Working Capital Management



* Last 12-month sales are included.

- By the end of Q3, the net working capital/net sales ratio was 6% excluding K. Lyksor and 16% including K. Lyksor.
- On Kalekim's side, early collection of POS receivables was realized thanks to a window of opportunity in the market.
- Thanks to the project, a decrease of approximately 247 million TL was achieved in trade receivables, and the working capital/net sales ratio improved by appr. 10 points.

	30Sep 2021	Kalekim Lyksor		Kalekim Lyksor	
		excl.	incl.	excl.	incl.
Number of Days**	30 Sep 2021	30 Sep 2022	30 Sep 2022	30 Sep 2023	30 Sep 2023
Trade Receivables	80	61	63	56	71
Inventories	41	47	46	41	45
Trade Payables	122	98	80	107	90

** Averages are calculated using year-end and period-end amounts.

2023 Guidance



2023 Guidance

Prior

New

❑ Net Sales (TL) :

65%-75%

70%-80%

- Türkiye (tonnes) :

Around mid-single-digit growth

Around 15% growth

- International (tonnes) :

Around 10% growth

Around 10% growth

❑ EBITDA Margin :

20% - 25%

20% - 25%

❑ CAPEX :

TL 400-500 mio. (incl. SES)

TL 400-500 mio. (incl. SES)

❑ Working Capital/
Net Sales :

Around 10%

Around 10%



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