TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

ANALYST MEETING ON 1H 2023 FINANCIAL RESULTS

27.07.2023

Prysmian Group

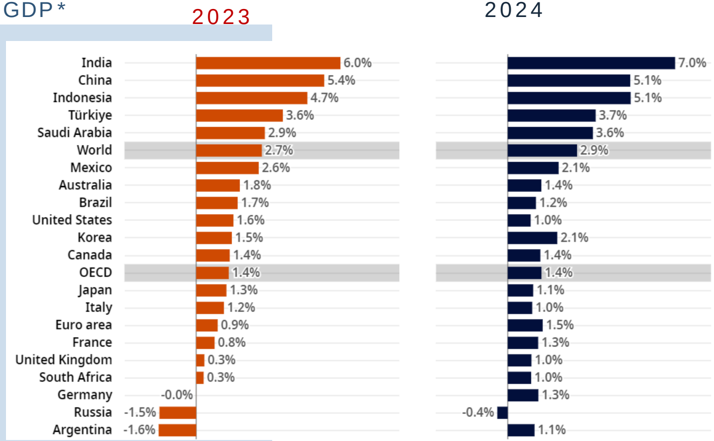
Linking the Future

AGENDA

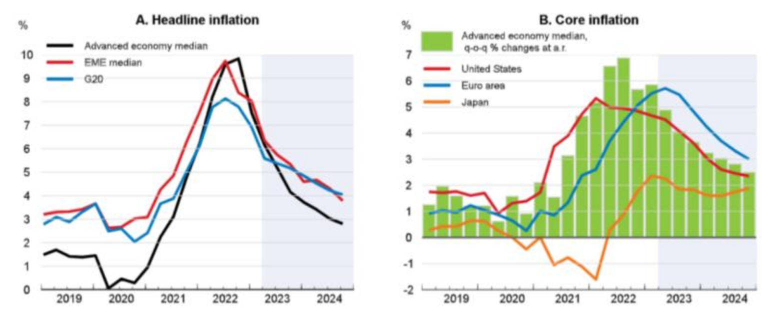
1. Macroeconomics, Business Environment & Our Performance
2. H1 2023 Financial Results
3. Q3 2023 Financial Expectations

GLOBAL ECONOMY SHOWS IMPROVEMENTS WITH SOME STRUCTURAL CHALLENGES

GDP*



Inflation*

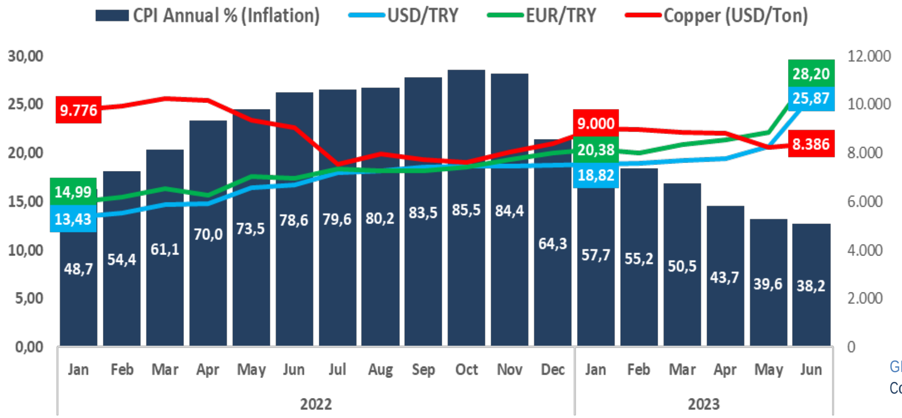


*Sources: *OECD*

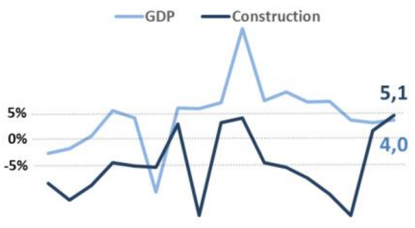
- Global growth is projected at 2.7% and 2.9% respectively in 2023 and 2024.
- The highest growth is expected from the emerging markets, where the growth data have been stronger than expected: China, Brazil, India, Mexico and Russia seeing substantive improvements.
- Lower energy prices are helping to bring down headline inflation and ease strains on household budgets, and the earlier-than-expected reopening of China has provided a boost to global activity.
- However, core inflation is proving persistent, and the impact of higher interest rates is increasingly being felt across the global economy.
- Central banks continue to tighten monetary policy in 2023 in a reduced pace of interest rate hikes as headline inflation rates started to decline with lower food and energy prices.
- Inflation, rising interest rates as well as economic and geopolitical uncertainties raise concerns over recovery of the global economy.

A LOWER GLOBAL INFLATION ENVIRONMENT IS EXPECTED IN 2023

CHALLENGING MACROECONOMIC ENVIRONMENT IN TURKEY CONTINUES

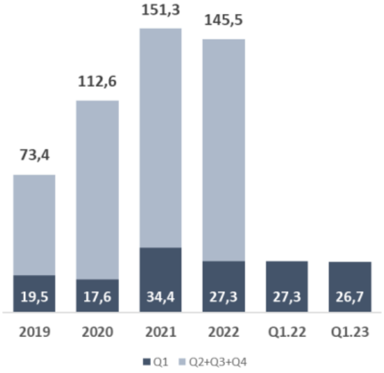


POSITIVE GROWTH IN CONSTRUCTION SECTOR



	2019	2020	2021	2022	Q1.22	Q1.23
GDP	0,9	1,9	11,4	5,6	7,6	4,0
Construction	-8,6	-5,5	-0,6	-8,4	-7,5	5,1

BUILDING PERMITS STILL PREVAIL AT LOW LEVELS



TURKEY MACROECONOMICS

- Macroeconomic environment is still vulnerable due to high real interest. rates, rising inflation and depreciation of TRY against hard currencies.
- Inflation rate at 38.2% as of Jun’23 hints to a decline but increase in fuel prices, base salaries and tax rates may impact the situation.
- CBRT raises rates for first time since 2021 (from 8.5% to 15.0% in June).
- IMF expects GDP to grow by 2.7% in 2023 (2022: 5.6%).

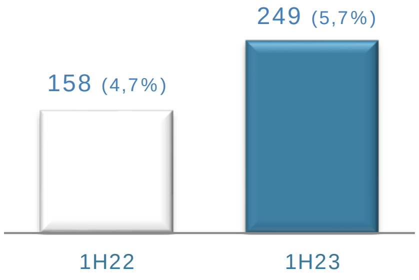
CABLE INDUSTRY

- Construction industry seems to be recovering compared to previous year.
- Government’s intention to start building 200,000 TOKİ houses (Housing Development Administration) and 70,000 village houses in the earthquake zone may led to a revival in the months to come.
- Domestic cable market is experiencing aggressive competitive prices and longer payment terms.
- The pressure on profitability is expected to prevail in 2023.

INCREASING PRESSURE ON THE PROFITABILITY IN THE CABLE INDUSTRY

WE MANAGED THE OPERATING CASH AMID FINANCIAL CHALLENGES

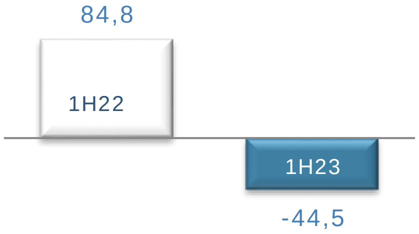
WE GREW EBITDA* AND EBITDA MARGIN



- We grew our revenues despite postponed projects due to elections.
- We applied dynamic pricing in domestic market in a volatile fx rates environment.
- We target to maximize our operation al performance to compensate the uncertainty in the financial market.

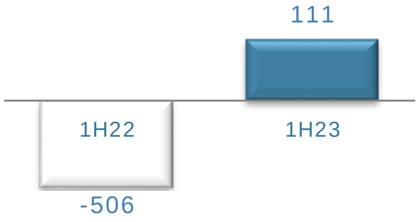
*IFRS

WE RECORDED NEGATIVE NET RESULT DUE TO FINANCIAL COSTS



- Financial costs increased significantly due to:
  - ➢ The rise in interest rates,
  - ➢ Huge spread between spot and forward price of derivatives instruments,
  - ➢ Fair value of the derivatives contracts.

YET, WE EFFECTIVELY MANAGED THE OPERATING CASH FLOW

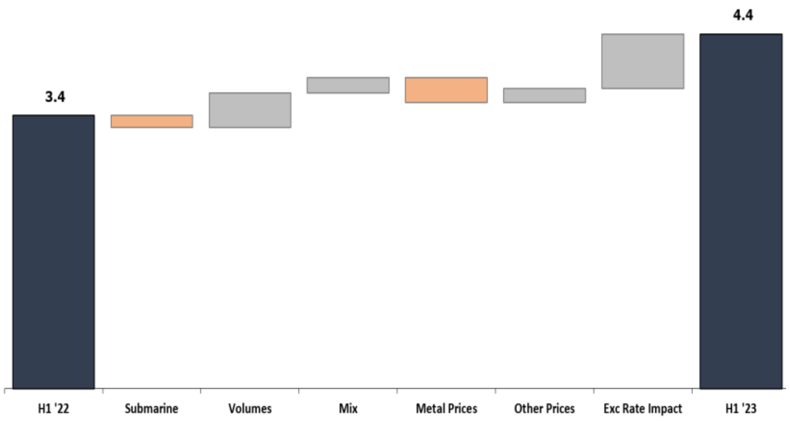


- We managed our net working capital requirement keeping the stock level under strict control, focusing on customer’s collections and managing the supply chain.
- We recorded positive operating cash flow, despite high interest rates in the market and huge spreads between spot and forward rates in hedging derivatives, which increased our financial costs .

WE GREW OUR REVENUES

Strong Growth mainly driven by volumes and fx rates increase

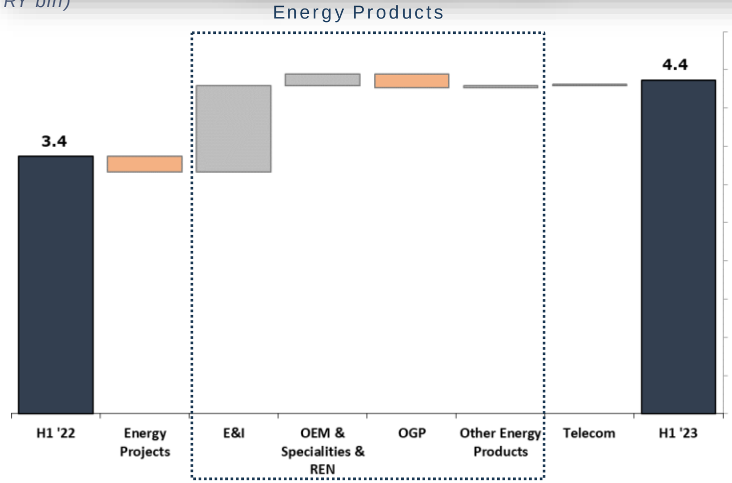
(TRY bln)



- Solid volumes achieved, higher than last year in many business units.
- Top line significantly impacted by the TL devaluation against hard currencies (+32% vs EUR).
- Average copper price has been lower than last year, leading to a reduction of the total turnover.
- The continuous increase in other raw material prices were reflected to the market, positively impacting the top line.

Strong organic growth in E&I and REN, associated with high profitability in REN

(TRY bln)



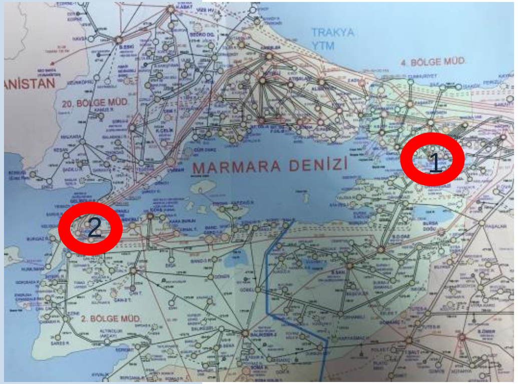
- Significant revenue increase in Energy Products, driven by volumes, mainly E&I (+70%) and Renewables (+55%), offsetting the shortfall of volumes in OEM and OGP.
- Energy Projects revenues were lower compared to last year, in line with the planned execution of the two Submarine Projects.
- Telecom revenues slightly increased thanks to higher volumes in Optical Fiber and MMS.

OUR OPERATIONAL PERFORMANCE EXCEEDED EXPECTATIONS IN 2Q 2023

	2Q '22	EXPECTATIONS	2Q '23	Δ
REVENUE	TRY1,879 mln	15 - 25% inc	TRY2,263 mln	~
EBITDA	TRY100,3 mln	5% - 10% inc	TRY163,3 mln	↑
EBITDA Margin	5.27%	4.5% - 5.0%	7.0%	↑

WE ARE EXECUTING OUR SUBMARINE PROJECTS ON TIME AS PLANNED

SUBMARINE PROJECTS TO GENERATE MORE THAN 60 MILLION EUR REVENUE IN 2023



- 1 -

Izmit Gulf Project

Project 1: 400kV İzmit Gulf Submarine Cable Project

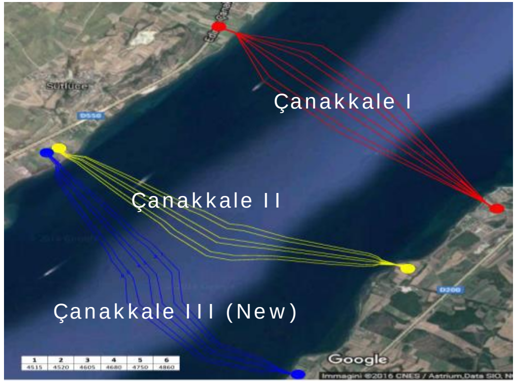
Completion date: Q3-Q4 2023

Contract Value: €84 million

COMPLETION RATIO*: 64 %

- 2 -

Çanakkale III Project



Project 2: 400kV Çanakkale III Submarine Cable Project

Completion date: Q3-Q4 2023

Contract Value: €60 million

COMPLETION RATIO*: 63 %

* As of June 30, 2023

H1 2023
Financial Results

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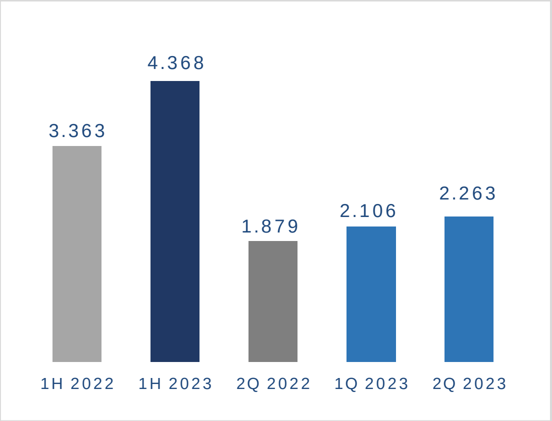
MAIN FINANCIAL KPIs

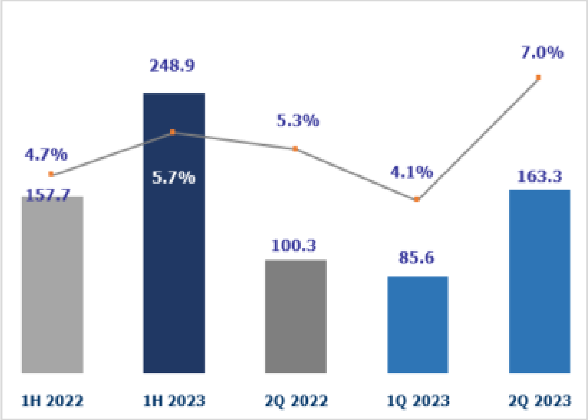
REVENUE (M'TL)



+30% YoY increase in 1H'23 (+20,4% Q2'23 vs '22)

- Energy Projects revenues lower than last year in line with the planned execution of the two Submarine Projects; the main progress will be in Q3 2023.
- Volume increase in Energy Products (+17%), mainly thanks to E&I (+70%) and Renewables (+55%), partially offset by the reduction in OEM (-25%) and OGP (-55%).
- Telecom segment reported higher volumes than previous year, mainly Fiber Optic (+37%) and MMS (+22%).
- Revenues largely impacted by the significant increase of the TL/Eur fx rate (21.5 avg '23 vs 16.4 in '22).

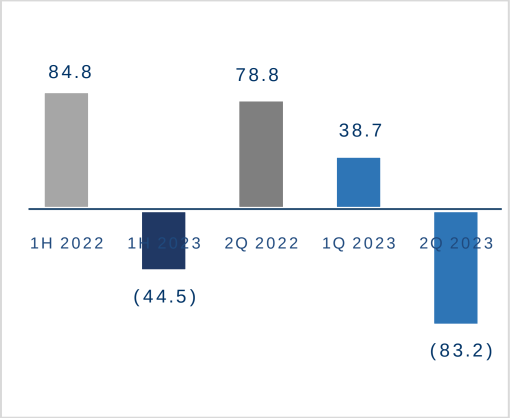
EBITDA & EBITDA MARGIN (M'TL)



+58% YoY EBITDA increase in 1H'23 (+63% Q2'23 vs '22)

- Better mix: higher contribution from profitable businesses (e.g. Renewables & Submarine) and better portfolio order in OGP.
- Energy Products volume increase associated with higher profitability in some segments, mainly Renewables and OGP.
- Pricing management, promptly reflecting the raw material cost increases.
- Selective approach in order intake with focus on the orders in hard currencies.

NET RESULT (M'TL)



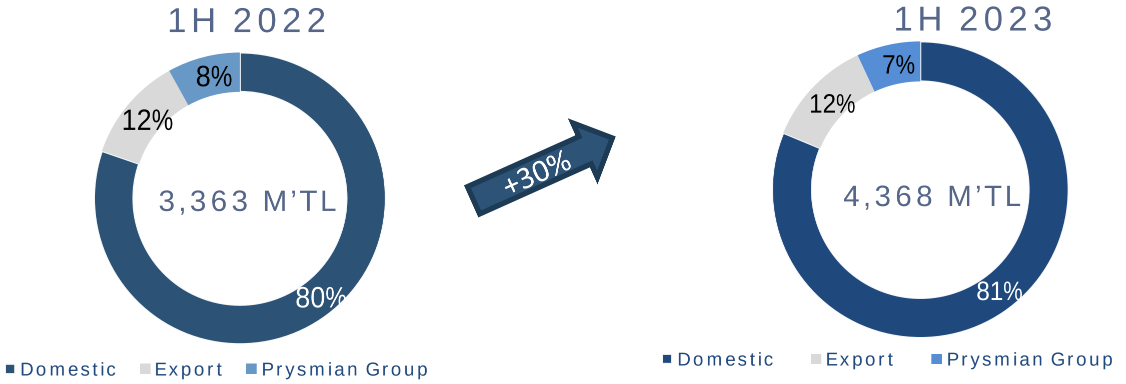
Net Result significantly impacted by:

- Sharp increase of the interest rates on loans, both domestic and nominated in hard currency.
- Huge spread between spot and forward price of derivatives instruments.
- Negative effect from the fair value of the derivatives on hands at the end of the period. (no cash impacts)

REVENUE BREAKDOWN

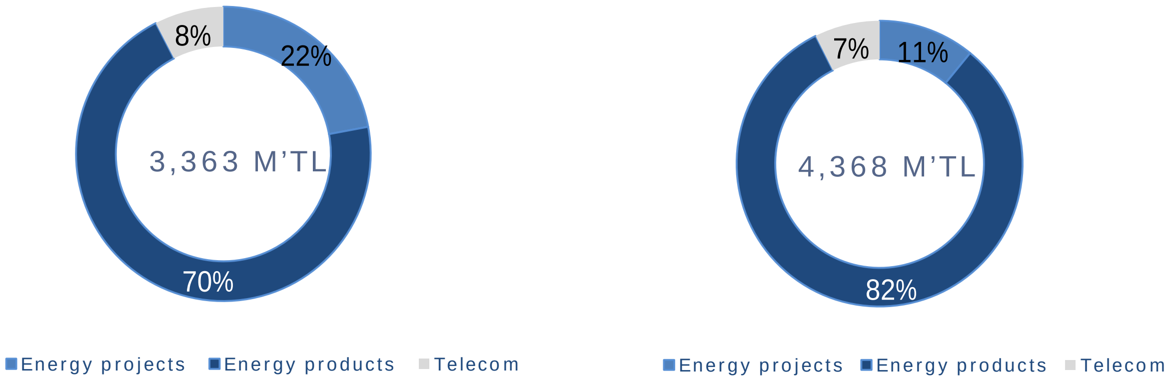
By distribution channel

- Strong increase in domestic revenues, mainly thanks to E&I, REN and Optical Fiber businesses
- Moderate increase in export volumes, mainly E&I, followed by OG; OEM flat
- Intragroup revenues remained flat

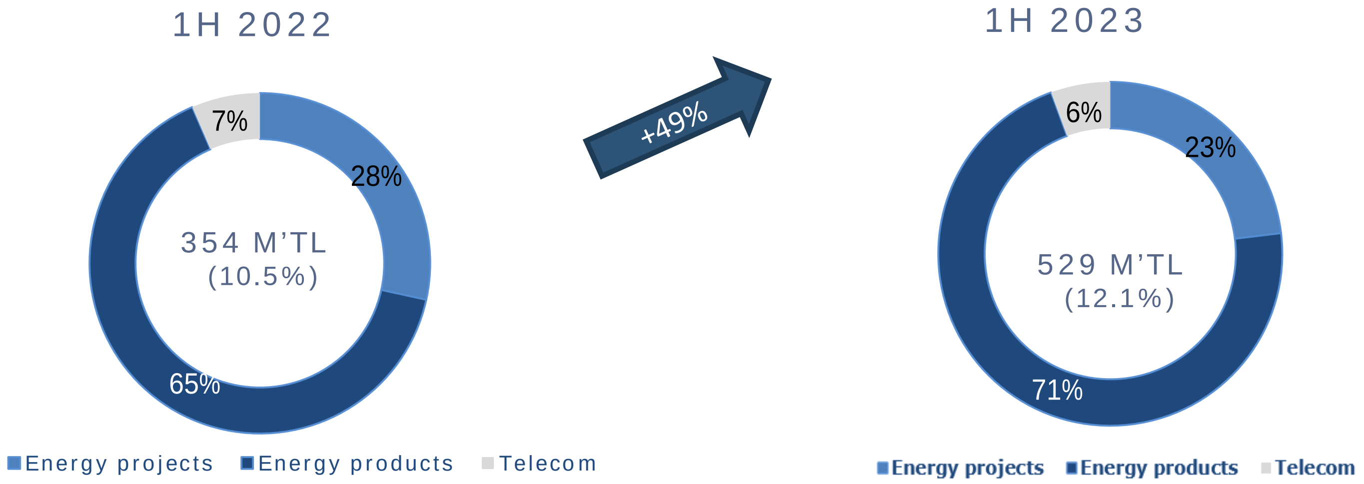


By business segment

- Energy Projects' share declined in line with the expectations
- Telecom share of revenues remained flat
- Energy Products' share increased significantly thanks to the higher volumes, mainly E&I and REN



GROSS PROFIT BY SEGMENT



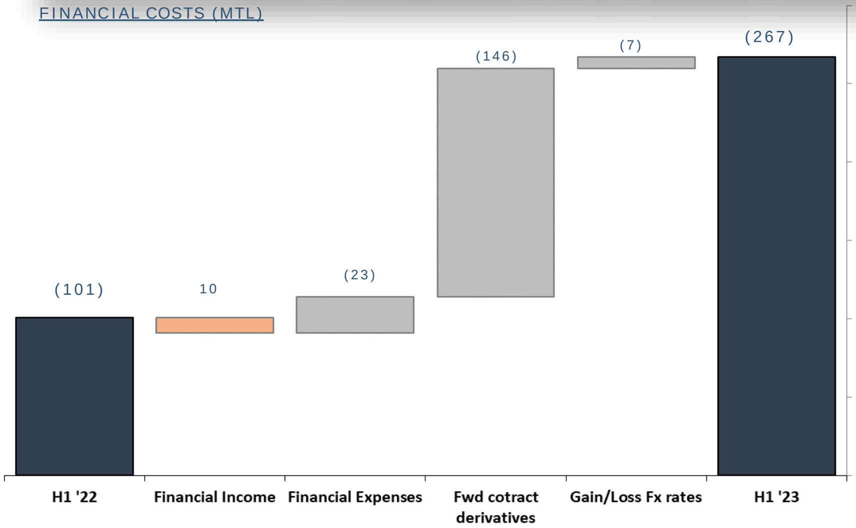
Main factors:

- ✓ Sound organic growth achieved in specific business lines, mainly E&I and Renewables,
- ✓ Gross Profit margin increased thanks to the actions put in place to promptly reflect the raw material cost increase to the market and the selective approach to the orders entry,
- ✓ Submarine Projects contributed higher to the profitability than in '22, despite lower progress and revenues, because of the different execution progress,
- ✓ The focus on orders in hard currencies led to increasing profitability.

FINANCIAL COSTS

Active management of the financial market volatility and of the hedging risk

FINANCIAL COSTS (MTL)



- Financial income and expenses kept under control thanks to:
  - Effective management of suppliers' payments,
  - Continuous monitoring of inventory level,
  - Strict focus on timely cash collections, including advance payment from customers,
  - Negotiations with banks to get the best quotations.
- Huge P/L impact from the forward contracts' derivatives due to:
  - High spread between spot and forward rates (around 40% on yearly basis),
  - Fair value of the open derivatives (no cash effect).

*CPI Rate: 38,2%**

*Depreciation of TRY against Euro: 61%**

*CBRT Policy Rate: 15%***

*Depreciation of TRY against USD: 55%**

** Jun'23 vs Jun'22; ** Jun'23*

BALANCE SHEET AND CASH FLOW

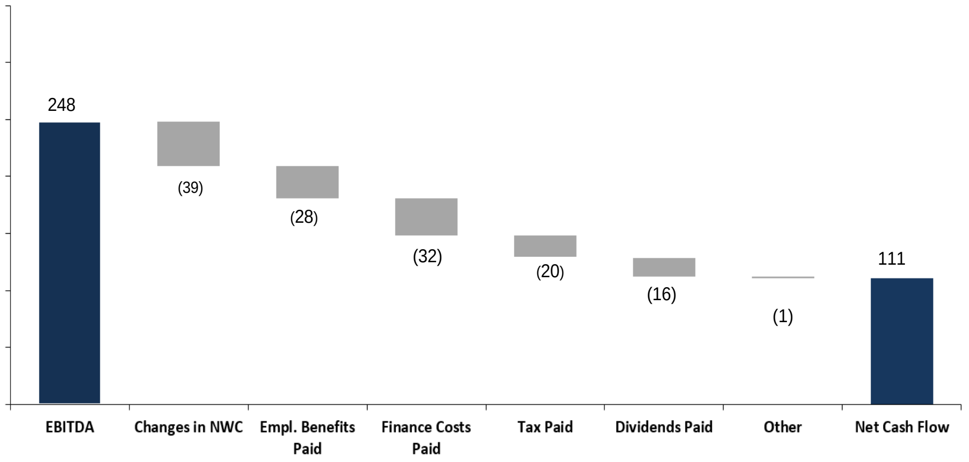
Balance Sheet

(k'TL)	1H '22	FY '22	1H '23
Cash & Cash Equivalents	407.830	280.399	762.285
Trade Receivables	1.254.806	1.119.794	2.544.799
Construction Contracts	805.118	802.680	173.741
Inventories	680.765	767.962	1.006.722
Other Current Assets	256.894	393.281	736.898
Non-Current Assets	352.131	479.878	481.889
TOTAL ASSETS	3.757.544	3.843.994	5.706.334
Short Term Loans	477.875	72.972	713.039
Trade Payables	1.727.356	2.051.575	3.394.789
Other Short Term Liabilities	1.011.480	1.066.013	1.024.041
Paid in Capital	216.734	216.734	216.734
Net result of the period	83.791	190.006	-44.538
Other	209.735	198.087	371.549
TOTAL LIABILITIES & EQUITY	3.757.543	3.843.994	5.706.334

Main topics:

- ✓ Trade Receivables and Trade Payables increased due to the volume growth and TL devaluation,
- ✓ Inventory increased to support rising volumes in Energy Products,
- ✓ Construction contract amount reduced significantly thanks to the collections received.

Operating Cash Flow H1 '23 (M'TL)



Main topics:

- ✓ Effective Net Working capital management,
- ✓ Financial costs kept under control,
- ✓ Relatively small impact from the Labour Law change on the Severance Indemnity payment
- ✓ Overall positive cash flow with strong Free Cash Flow from operations.

2023 Expectations and Guidance Q3 2023

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2023: KEEP ON FOCUSING ON PROFITABILITY AND CASH GENERATION

ONGOING IMPACTS

- Construction sector is giving signals of recovery
- Domestic market getting more and more competitive
- Renewable business continues to be on rise
- Profitability in Telecom Business is under pressure
- Yet, the market is still cautious about the financial policy of the Central Bank
- High fx volatility and interest rates rise lead to an increase in financial costs
- Postponement of payments associated with big infrastructure projects

ACTIONS

- Focus on orders in hard currencies also on the domestic market
- Complete Submarine Projects, on time and on budget
- Explore new export markets for High Voltage AC business
- Expand Telecom Business customer base mainly in export markets
- Effectively manage costs and net working capital requirements
- Focus on financial costs and cash management

TARGETS

	3Q '22 ACTUAL	3Q '23 GUIDANCE
REVENUE	TRY 2,019 mln	50 - 55% Inc.
EBITDA	TRY 100.3 mln	100 - 125% Inc.
EBITDA Margin	5.3%	6.5% - 7.5%

THANK YOU

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