



**TÜRK PRYSMIAN
KABLO VE SİSTEMLERİ A.Ş.**

9M 2021 FINANCIAL RESULTS

27.10.2021

**Prysmian
Group**

**Linking
the Future**

AGENDA



1. **Prysmian Group & Türk Prysmian Kablo Overview**
2. **Macroeconomics & Business Environment**
3. **3Q 2021 Financial Results**
4. **4Q 2021 Expectations**
5. **Q & A**

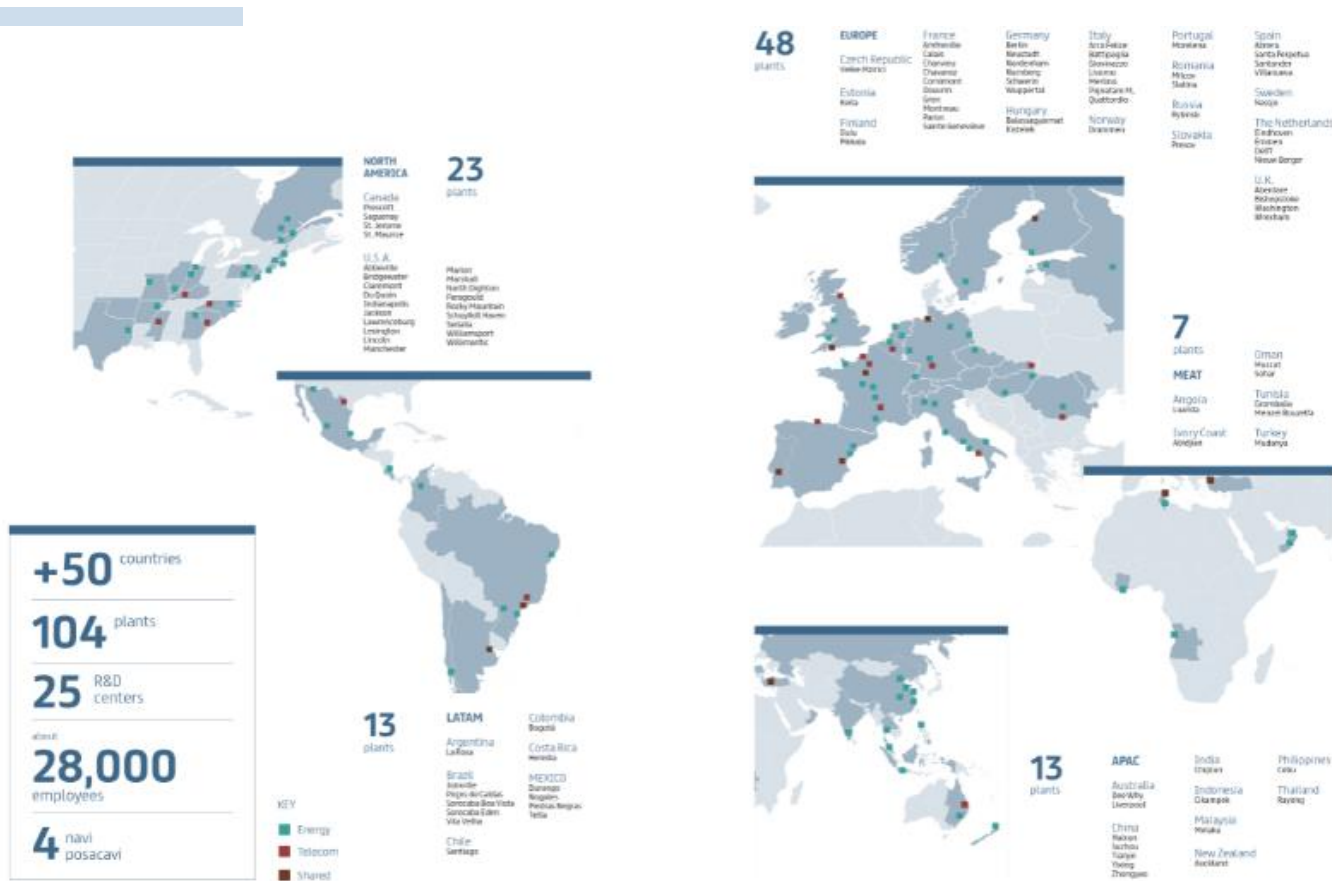


Prysmian Group & Türk Prysmian Kablo Overview

Prysmian
Group

Linking
the Future

PRYSMIAN GROUP-WITH A TRULY GLOBAL PRESENCE



Spanning +50 countries, 104 plants, 25 R&D centers, 28.000 employees,

We have a strategic footprint that allows us to service emerging markets and communities across the globe.

PRYSMIAN GROUP-AND THE SUSTAINABILITY IN THE DNA

Environmental


920,000 t CO₂
EMISSIONS GHG (Scope 1 - Scope 2 Location Based)

70%  Percentage of product families covered by the **CARBON FOOTPRINT** measurement


10,000,000 GJ
ENERGY CONSUMED

63%  Percentage of **WASTE RECYCLED**



Innovation


106 m€
investment in R&D and INNOVATION

5,881
PATENTS and PATENT APPLICATIONS filed

50  Number of **PARTNERSHIPS** for innovation



Economic dimension

48%  Percentage of annual revenues from **LOW CARBON** enabling products



People & Communities


33% Employees who participate in the **YES PROGRAMME**

740,000
HOURS OF TRAINING delivered during the year
26 Average hours of training per employee each year

1,745 EMPLOYEES under 30 hired during the year


65% Employee Engagement Index (EI)

IF 1.30 Injury rate (IF) | **80/610k €** INITIATIVES Community development Initiatives supported by the Group



Ethics and Integrity


15 AUDIT of sustainability audits carried out based on risks in the supply chain


1,124 Employees with classroom training on **ANTI-CORRUPTION** matters



Sustainability is an integral part of our business across the Group.

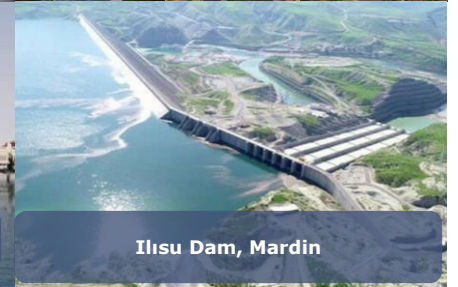
We are constantly reinforcing our technology offer in support of the energy transition.

We are committed to increase the percentage of sales from low carbon products to 50% by 2022.

TÜRK PRYSMIAN KABLO-57 YEARS IN THE TURKISH CABLE SECTOR



TÜRK PRYSMIAN KABLO-PROJECTS IN TURKEY & WORLDWIDE





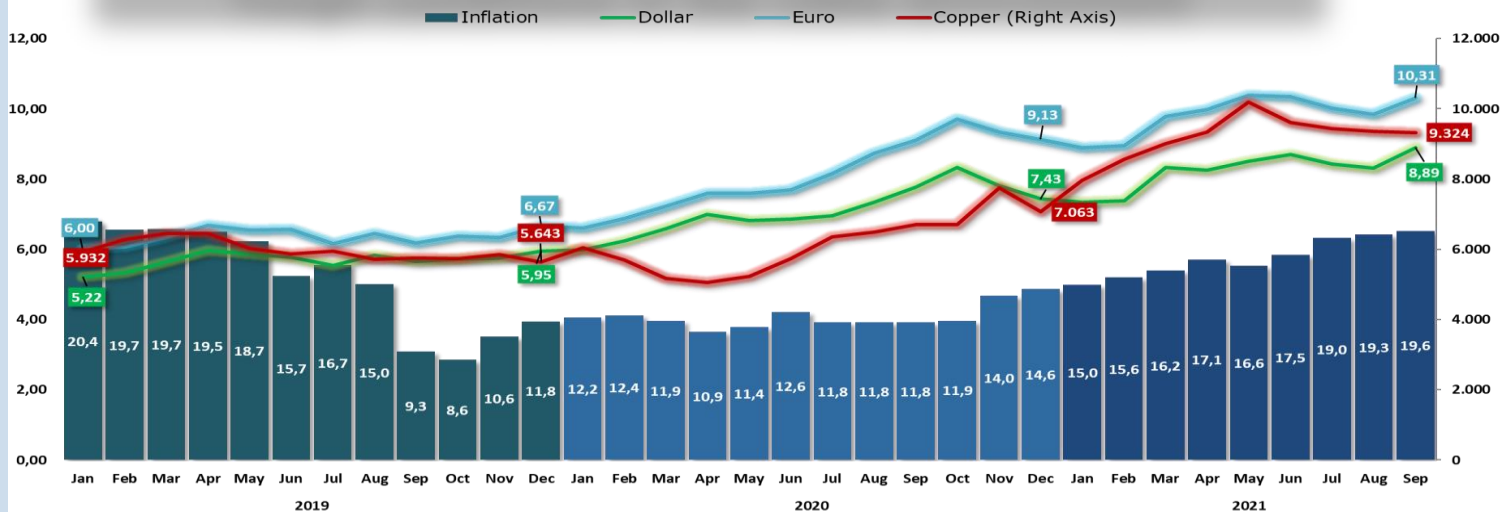
Macroeconomics & Business Environment

Prysmian
Group

Linking
the Future

MACROECONOMICS & CABLE INDUSTRY

Tough conditions in the cable environment



Global Markets

- Covid-19 still posing threat on human health and economy
- Inflation hits global economies
- Market conditions continue to be rough, raw material shortage / price increase
- Sharp increases in freight cost & lack of container availability
- Potential energy shortage and increasing prices pose a challenge for the industry

Turkey

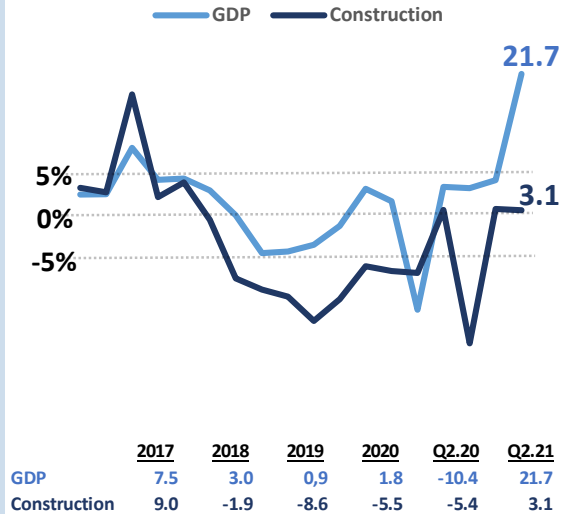
- Spread of the pandemic dramatically increased in 3Q
- The volatility in Turkish Lira continues
- Increasing inflation trend continues
- CBRT has decided to reduce the policy rate from 19% to 18% in September
- High interest rates lead to increase in financial costs

Cable Industry

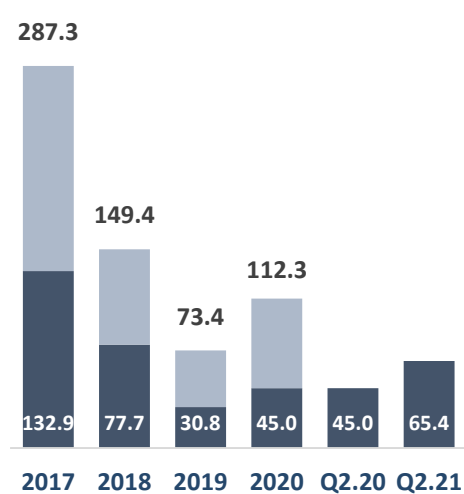
- Stagnant demand due to ongoing coronavirus effects
- High interest rates limit the growth of construction industry
- Profitability is under risk due to high fx volatility and rapid change in raw material prices
- High volatility leads to an increase in financial costs
- Longer payment terms and high default risk
- Increasing RM prices affect profitability, leading to a decrease in demand in all segments and postponement of projects

CONSTRUCTION SECTOR SIGNALS TO AN IMPROVEMENT

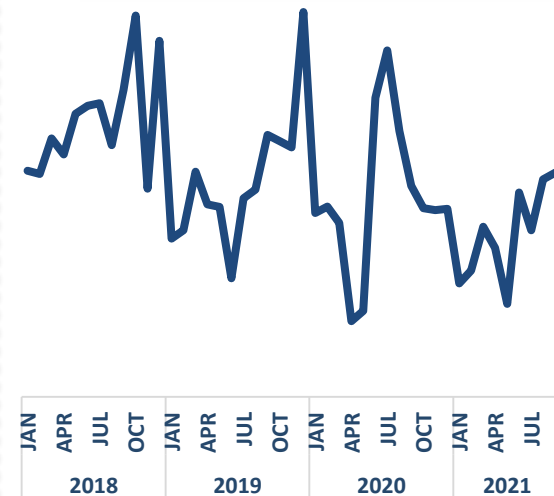
3.1% INCREASE IN CONSTRUCTION



RISE IN CONSTRUCTION PERMITS



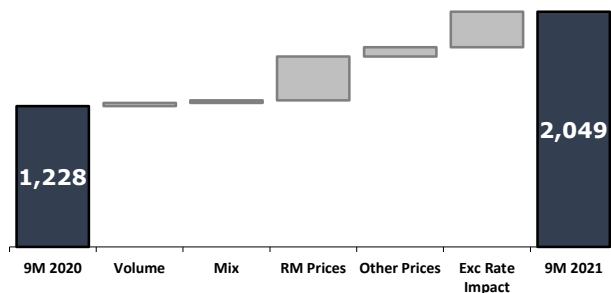
HOUSE SALES TRENDING UPWARD



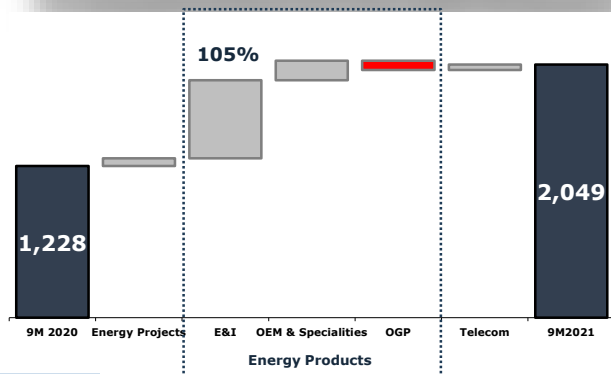
ALTHOUGH VOLATILITY PREVAILS, THE DATA SIGNALS TO AN IMPROVEMENT

WE GREW DOMESTIC REVENUES

Revenue Growth Driven by Increasing RM Price and FX Rates



Strong Growth in E&I Unit Compensates for the OGP Projects



Revenues impacted by RM price (31%) & fx rate (25%)



"**Growing Together**" action plan bears fruit in the E&I business unit



Increased market share in Turkey 2 points



Focused on hard currency orders



Kept TRY volatility risk at minimum level



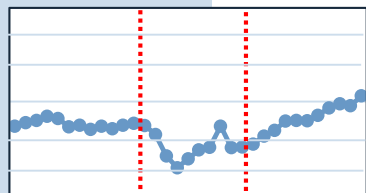
Capacity utilization rate stood at 80% in 9M 2021

REFLECTING RISING COST ON SALES PRICE REMAINED TO BE A MAJOR ISSUE



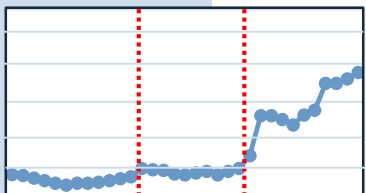
Increase in PVC Resin price (Euro/Ton)

86%



Increase in energy index

53%

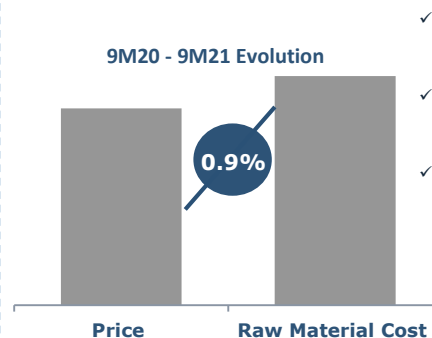


Increase in freight cost (USD/Container)

41%

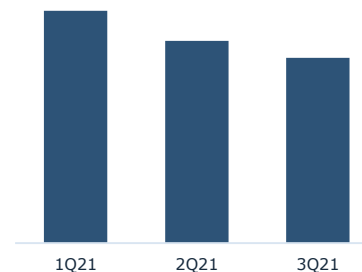
9-Month
Cost Fluctuation

Raw Material Price Increase Reflected on Pricing on a Daily Basis



- ✓ Monitoring effect of RM price increases on order portfolio
- ✓ Reflecting increasing cost on new offers on a daily basis
- ✓ The impact of RM price increase on profitability was limited by 0.9% (as a % of revenue) in 9M21

Reduced Delivery Time to Minimize TRY Volatility Risk



- ✓ Open order portfolio coincides to app. 2.5 month revenue
- ✓ Reduced delivery time of orders
- ✓ Effective order management, minimum time between order entry and delivery

2. WAVE COMMODITY PRICE INCREASE IS EXPECTED WITH BOOSTING ENERGY PRICES IN EUROPE

USED HEDGING TOOLS IN A TOUGH BUSINESS ENVIRONMENT

As of September 30

21%

Depreciation of TRY against USD

15%

Depreciation of TRY against Euro

18%

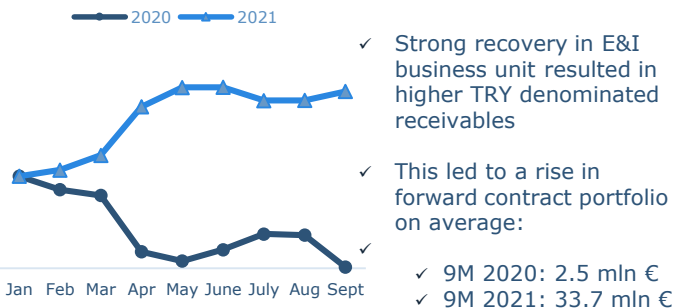
CBRT Policy Rate

57%

Fluctuation of copper prices (USD per ton)

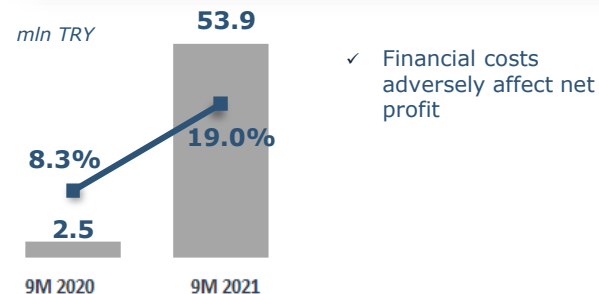
Increased Need for Hedging

Forward Contract Portfolio



Higher Financial Cost

Net Financial Cost

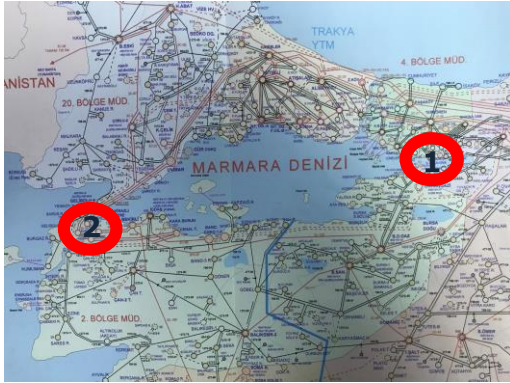


AGGRESSIVE TARGETS ALMOST ACHIEVED IN 3Q 2021

	3Q 2020	EXPECTATIONS	3Q 2021	3Q20 vs 21 Chg.
REVENUE	442 M'TL	70-80% inc.	729 M'TL	65 %
EBITDA	13.5 M'TL	30 – 36 M'TL	27.2 M'TL	101%
EBITDA Margin	3.2%	4% - 4.5%	3.7 %	0.5 p.p

GOING FORWARD: WON €140 MLN SUBMARINE PROJECT TENDER

- 1 - İzmit Gulf Project



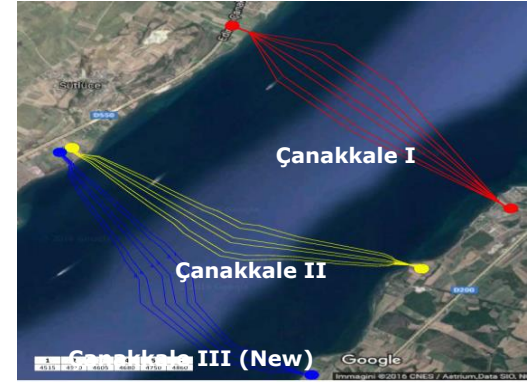
Project 1: 400kV İzmit Gulf Submarine Cable Project

Completion: Q3 2023

Value: €84 million (excl. VAT)

**CONSTRUCTION PERMIT EXPECTED
BY 2021 YEAR END**

- 2 - Çanakkale III Project



Project 2: 400kV Çanakkale III Submarine Cable Project

Completion: Q3 2023

Value: €57 million (excl. VAT)

**CONSTRUCTION PERMIT EXPECTED
IN 2022**

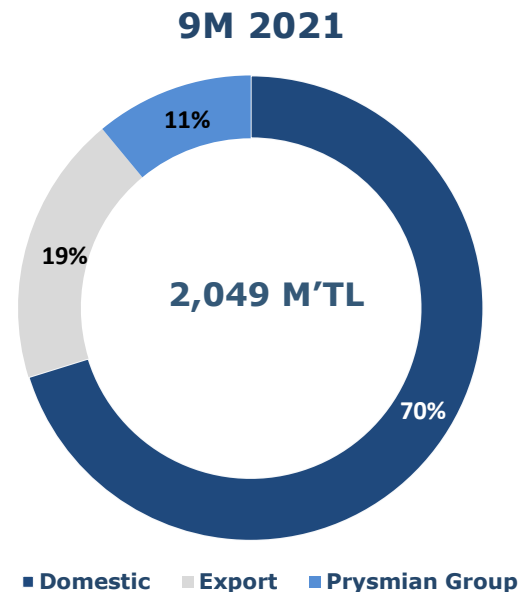
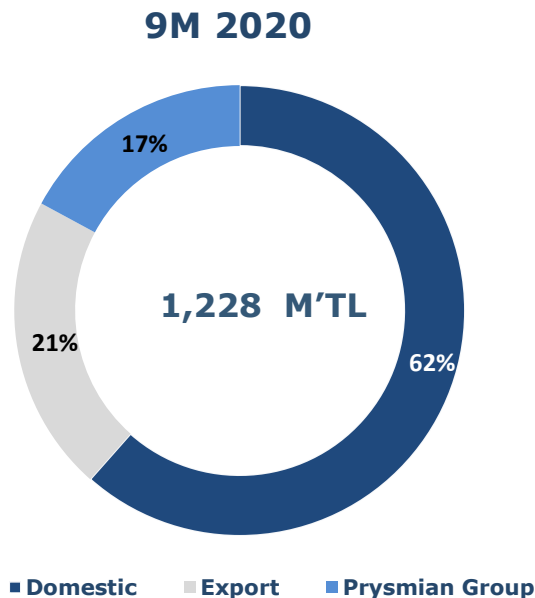


9M 2021 Financial Results

Prysmian
Group

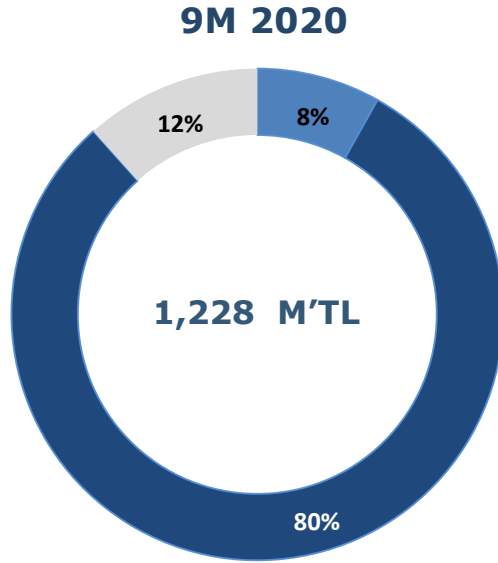
Linking
the Future

REVENUE BY DISTRIBUTION CHANNEL

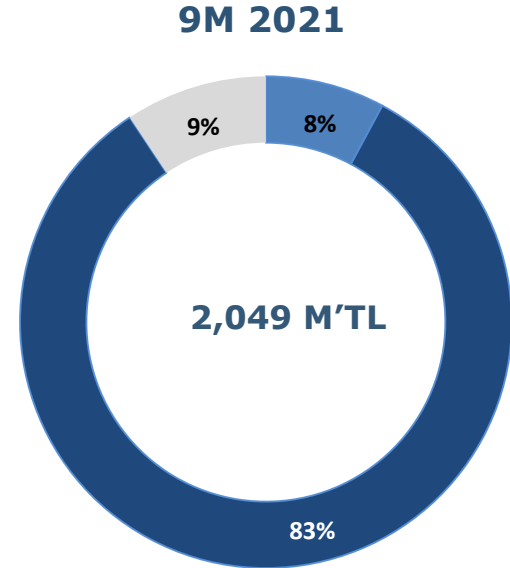


67% increase in revenue
Strong performance on domestic channel

REVENUE BY SEGMENT



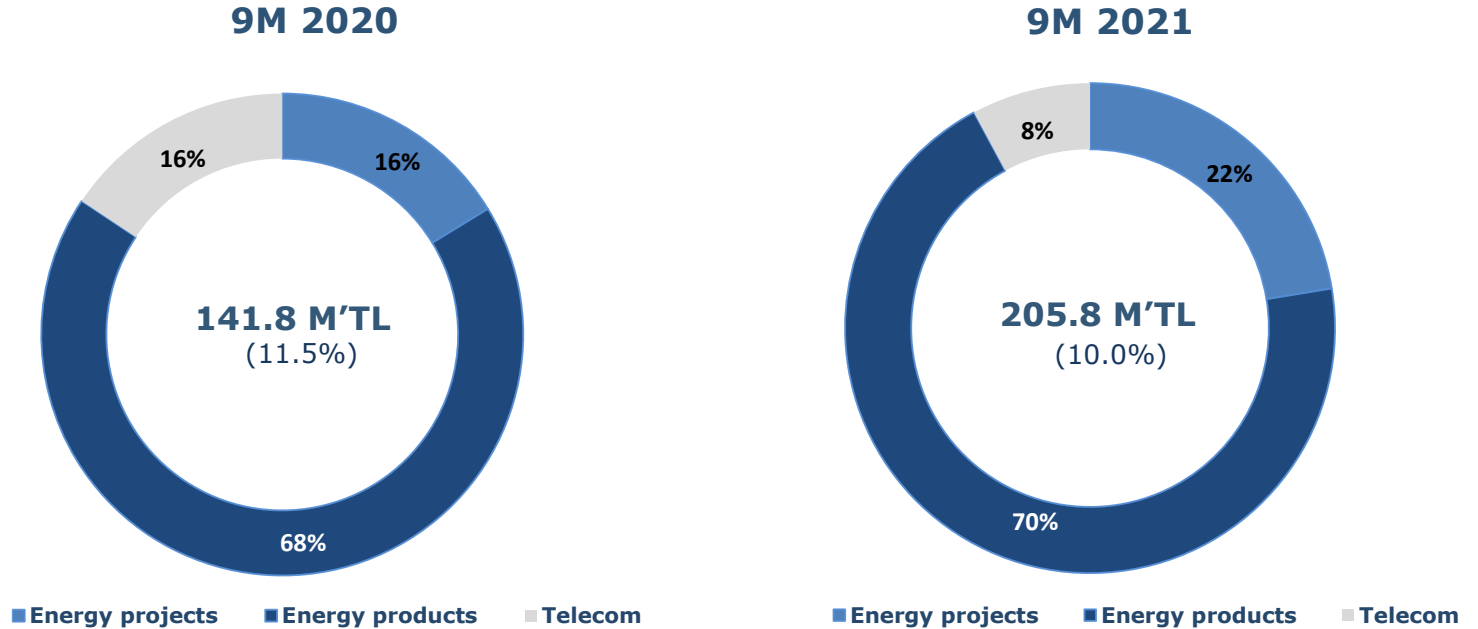
■ Energy projects ■ Energy products ■ Telecom



■ Energy projects ■ Energy products ■ Telecom

Slow down in telecom business compensated by the energy product revenues

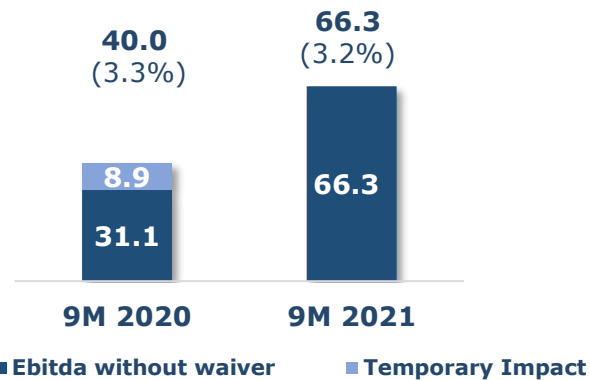
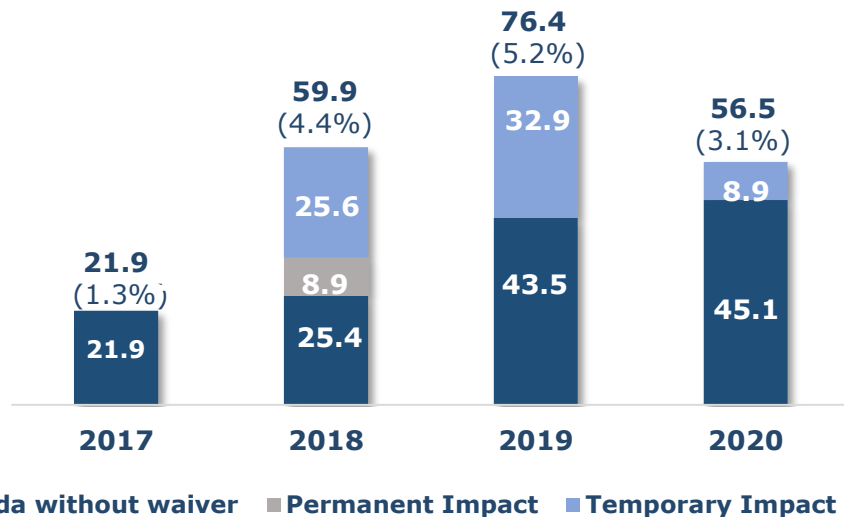
GROSS PROFIT BY SEGMENT



Gross profit margin decreased due to globally increasing raw material prices & decreasing optical fiber portion in telecom segment

PRYSMIAN GROUP SUPPORT DURING FINANCIAL CRISIS

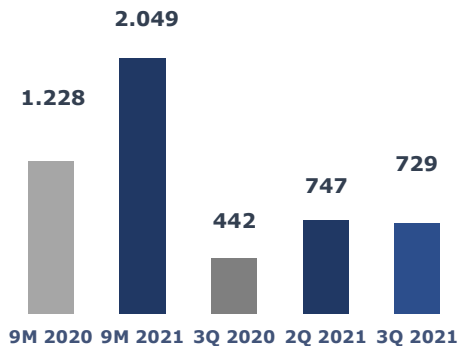
EBITDA & EBITDA MARGIN (M'TL & %)



Prysmian Group waiver not applicable since 2Q 2020

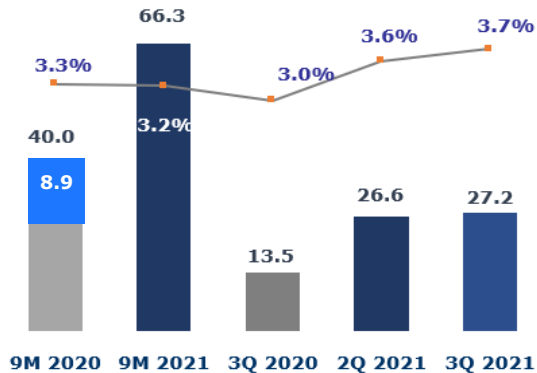
REVENUE, EBITDA & EBITDA MARGIN AND NET INCOME

REVENUE (M'TL)



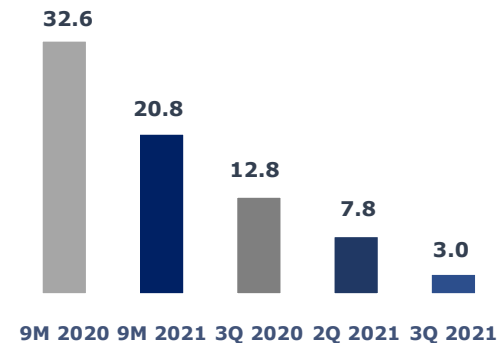
- 67% YoY increase in 9M 2021;
 - ✓ Increasing energy products volume (3%)
 - ✓ Exchange rate impact (25% increase)
 - ✓ Copper unit price increase impact on our sales (31%)

EBITDA & EBITDA MARGIN (M'TL)



- 66% YoY EBITDA increase in 9M 2021 despite the expiry of Prysmian Group waiver: (1Q 2020 =8.9 MTL impact)
 - ✓ Successfully reflecting RM cost increases on sales prices

NET INCOME (M'TL)

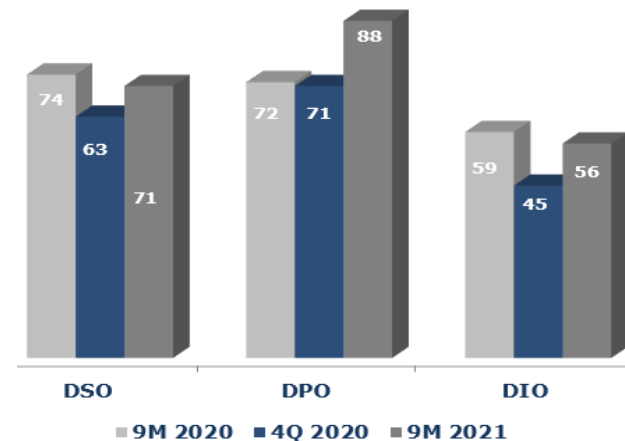


- 36% YoY Net income decrease (11.8 M'TL) in 9M 2021:
 - ✓ Due to the absence of Prysmian Group waiver (8.9 MTL)
 - ✓ Increased Forward agreement cost (39.8 MTL YoY increase)

WORKING CAPITAL DAYS IMPROVED DESPITE TOUGH MARKET CONDITIONS

(k'TL)	9M 2020	4Q 2020	9M 2021
Cash & Cash Equivalents	150,016	146,429	389,738
Trade Receivables	382,811	428,580	578,122
Construction Contracts	-	16,114	-
Inventories	185,757	245,549	399,992
Other Current Assets	69,604	55,579	110,857
Non-Current Assets	144,487	170,771	186,728
TOTAL ASSETS	932,676	1,063,022	1,665,437
<i>Short Term Loans</i>	97,315	52,868	87,847
Trade Payables	346,318	470,853	770,269
Construction Contracts	2,787	-	18,343
Other Short Term Liabilities	82,163	113,277	346,854
SHORT TERM LIABILITIES	528,583	636,998	1,223,313
LONG TERM LIABILITIES	18,186	22,459	25,761
Paid in Capital	216,734	216,734	216,734
Net result of the period	19,863	42,419	20,772
Other	149,310	144,412	178,858
TOTAL LIABILITIES & EQUITY	932,676	1,063,022	1,665,437
NET CASH	52,701	93,561	301,891

WORKING CAPITAL DAYS



NWC / Annualized Sales

9M 2020	4Q 2020	9M 2021
16.9%	13.1%	1% (*)

(*)9M 2021 NWC/Annualized Sales has been affected due to the advance amount related to submarine Project.

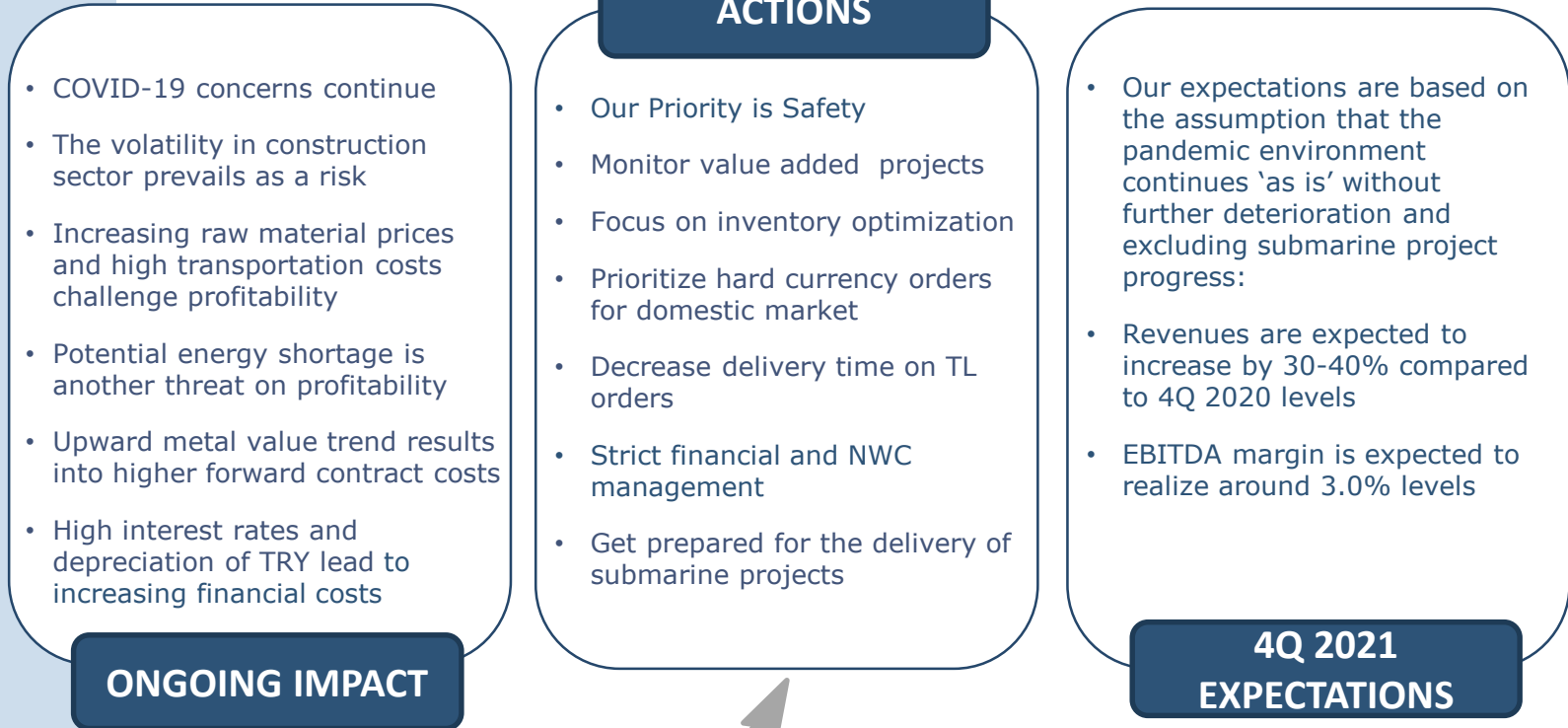


4Q 2021 Expectations

Prysmian
Group

Linking
the Future

4Q 2021 EXPECTATIONS





Thank you

Prysmian
Group

Linking
the Future