



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

9M 2022 FINANCIAL RESULTS

27.10.2022

Prysmian
Group

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the Future

AGENDA



- 1. Prysmian Group & Türk Prysmian Kablo Overview**
- 2. Macroeconomics & Business Environment**
- 3. 3Q 2022 Financial Results**
- 4. 4Q 2022 Expectations**



Prysmian Group & Türk Prysmian Kablo overview

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A TRULY GLOBAL GROUP

Prysmian Group:

World cable industry leader with total sales of
12.7 billion Euros in 2021
6.0 billion Euros in H1 2021
7.9 billion Euros in H1 2022
 (31.7% YoY growth)



+50 countries

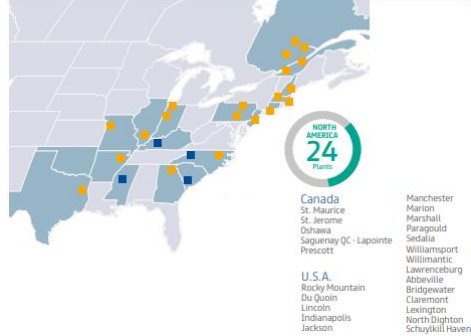
108 plants

26 R&D centers

about **29.000** employees

4 cable-laying ships

NORTH AMERICA

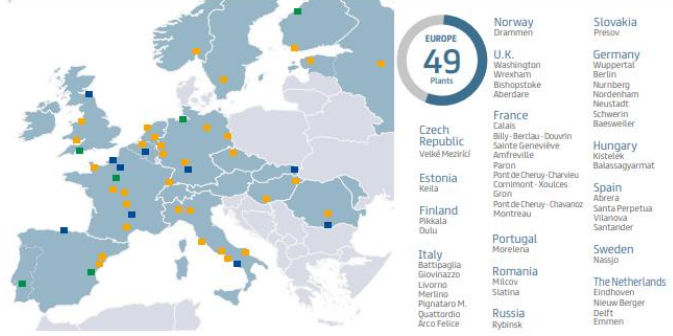


LATIN AMERICA

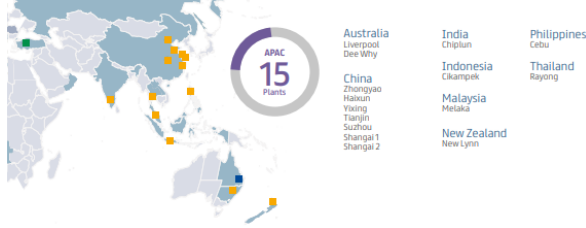


- Energy
- Telecom
- Shared

EUROPE



APAC



MEAT



PRYSMIAN GROUP SUSTAINABILITY KPI'S

Sustainability KPIs 2021



58 years of history in the Turkish cable industry, supporting the growth of the country



PROJECTS REFERENCES OF PRYSMIAN TURKEY



SUBMARINE PROJECTS

- 1 -

Izmit Gulf Project



Project 1: 400kV İzmit Gulf Submarine Cable Project

Completion: Q3 2023

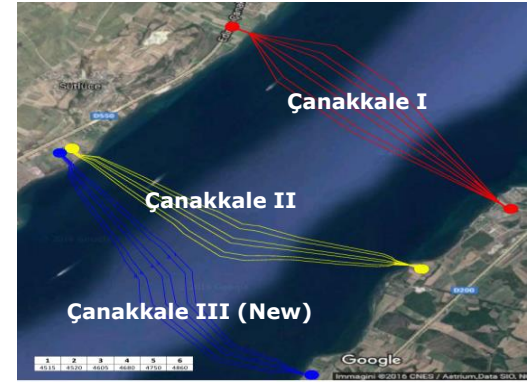
Value: €86 million (excl. VAT)

COMPLETION RATIO 52%

- **DEC 2021: 9%**
 - **1Q 2022: 18%**
 - **2Q 2022: 7%**
 - **3Q 2022: 18%**
- **SEP 2022: 52%**

- 2 -

Çanakkale III Project



Project 2: 400kV Çanakkale III Submarine Cable Project

Completion: Q3 2023

Value: €58 million (excl. VAT)

COMPLETION RATIO: 38%

- **DEC 2021: 11%**
 - **1Q 2022: 5%**
 - **2Q 2022: 13%**
 - **3Q 2022: 9%**
- **SEP 2022: 38%**

Execution is progressing in line with the projects' schedules



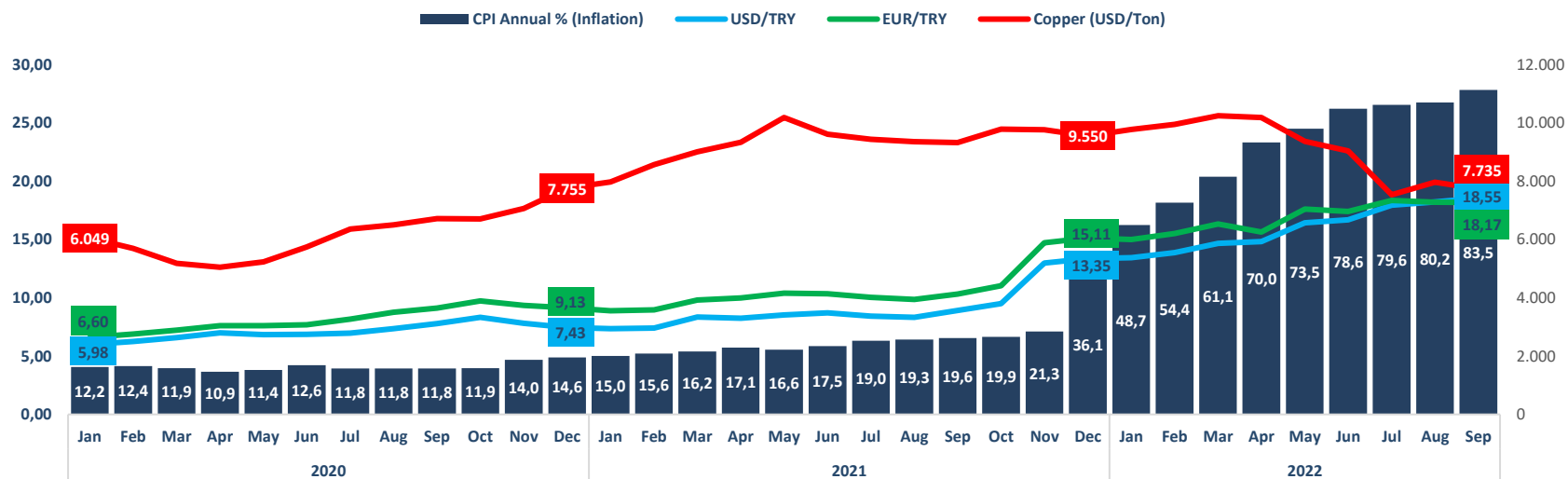


Macroeconomics & Business Environment

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MACROECONOMICS & CABLE INDUSTRY TRENDS



Global Markets

- Russia – Ukraine conflict keeps on impacting the global macroeconomic environment
- Inflation increases both in EU and US
- First signs of recessions become visible in EU
- Electricity price increase triggers the raw material cost increase
- Supply chain issues in term of availability of materials continue

Turkey

- Exchange rate volatility & TL depreciation do not give any sign of ease
- Increasing inflation trend continues. CPI increased by 83.5% as of Sept '22, PPI increased by 151.5% yoy
- Turkish economy grew by 7.6% yoy in Q2'22, but construction sector once again contracted by 10.9%
- CBRT lowered interest rates to 12% in September (10.5% in October)

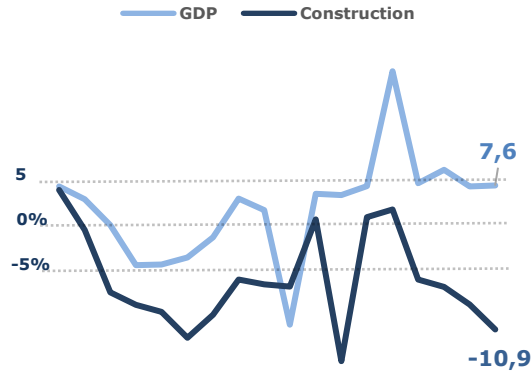
Cable Industry

- Construction industry is under pressure due to high material prices and interest rates
- High volatility causes increase in financial cost
- Longer payment terms and default risk increased
- Increasing interest and attention towards the energy transition and the renewable sources of energy, generate demand (e.g. solar cables)

CONSTRUCTION SECTOR

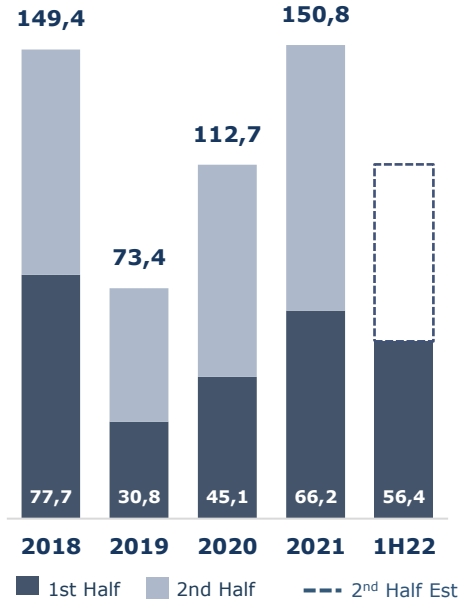
VOLATILITY PREVAILS, THE DATA GIVE SIGN OF A SLOWDOWN

10.9% CONTRACTION IN CONSTRUCTION

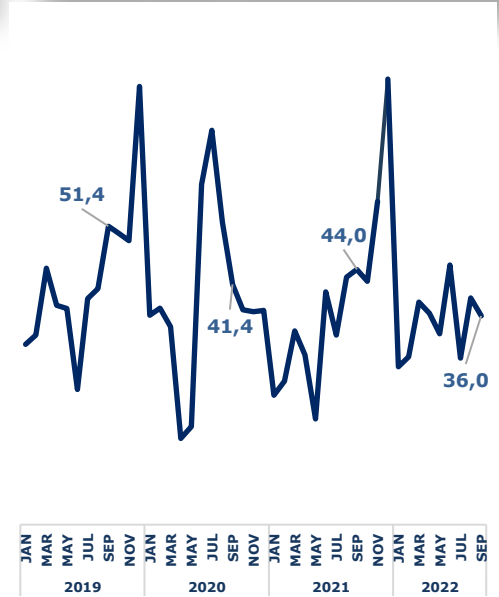


	2018	2019	2020	2021	Q2.21	Q2.22
GDP	3,0	0,9	1,9	11,4	22,2	7,6
Construction	-1,9	-8,6	-5,5	-0,6	4,5	-10,9

DECLINE IN CONSTRUCTION PERMITS



HOUSE SALES TRENDING DOWNWARD





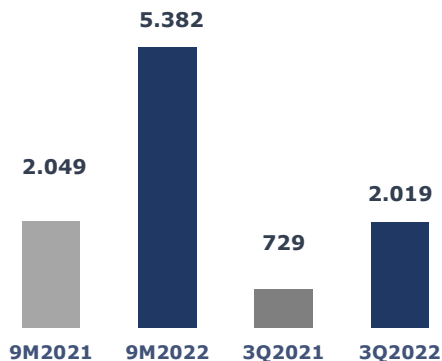
9M 2022 Financial Results

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TARGETS ACHIEVED THROUGH SUCCESSFUL COMMERCIAL AND FINANCIAL MANAGEMENT

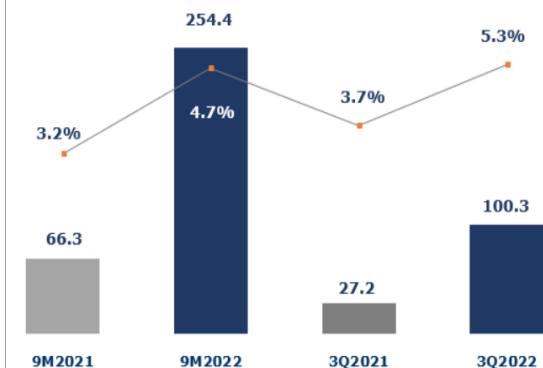
REVENUE (M'TL)



163% YoY increase. Main drivers:

- ✓ Energy Projects' growth thanks to successful execution of Submarine Projects
- ✓ Exchange rate fluctuations
- ✓ Copper price increase

EBITDA (M'TL) & EBITDA%

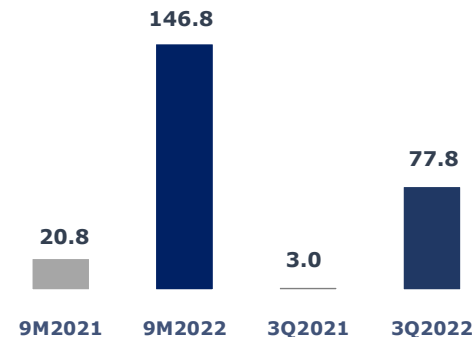


283% YoY EBITDA increase despite the negative effect consequence of the regulatory change introduced in April '22 (local payments to be settled in TL, moving forward hedging costs classification from financial expenses to EBITDA line).

Main factors:

- ✓ Energy Projects' progress
- ✓ Stable volumes in the frame of slowing construction sector
- ✓ Pricing approach, reflecting the raw materials cost increase




NET INCOME (M'TL)



Net Income increase:

- ✓ Focus on financial costs and currency management
- ✓ Effective cash management

FINANCIAL PERFORMANCE vs PREVIOUS GUIDANCE

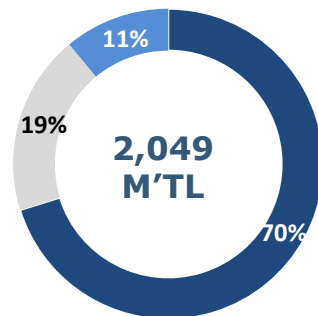
	3Q 2021	Guidance	3Q 2022	Δ
REVENUE	729 M'TL	150% – 155% inc.	2.019 M'TL	 177%
EBITDA	27.2 M'TL	64 – 74 M'TL	96.7 M'TL	 256%
EBITDA Margin	3.7%	3.5% - 4%	4.8 %	 1.1 p.p

BREAKDOWN OF REVENUES

By distribution channel

- Growth reported in each channel
- Strong increase in the domestic market revenue

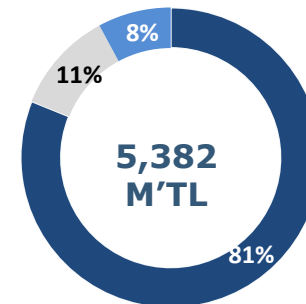
9M 2021



■ Domestic ■ Export ■ Prysman Group



9M 2022

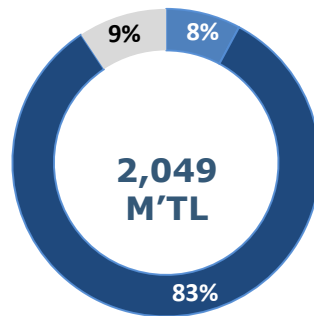


■ Domestic ■ Export ■ Prysman Group

By business segment

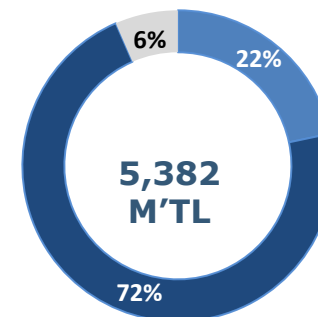
- Increase in all the segments
- Energy Projects spike thanks to the Submarine projects

9M 2021



■ Energy projects ■ Energy products ■ Telecom

9M 2022

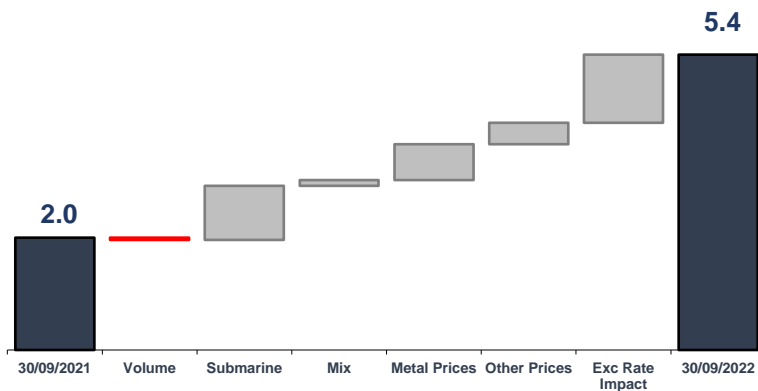


■ Energy projects ■ Energy products ■ Telecom

REVENUES – BRIDGES 2021 TO 2022

Strong Growth Mainly Driven by Submarine Projects, Increasing RM Price and FX Rates

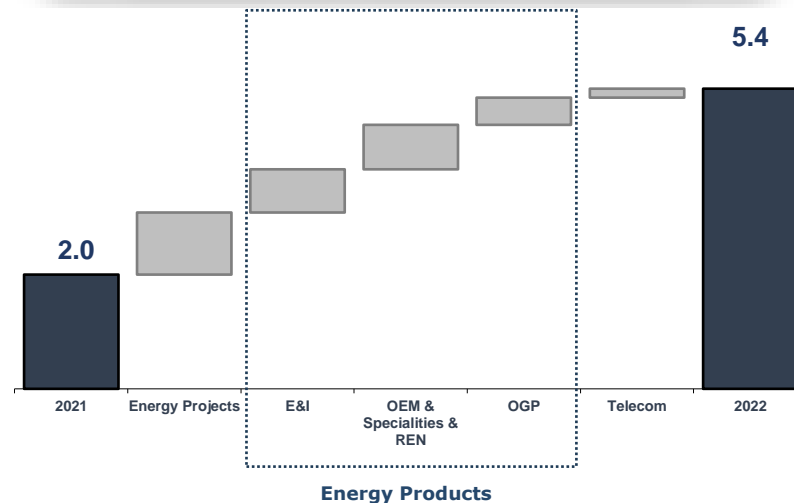
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- ✓ Energy Projects revenues have increased significantly in 9M 2022 vs 9M 2021, mainly thanks to the submarine projects
- ✓ Exchange rate hugely impacted the top line (61% increase)
- ✓ Copper price increase impacted sales value (32%)

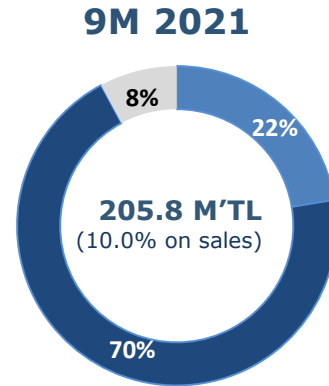
Revenue Growth in each Business Line combined with increased Profitability

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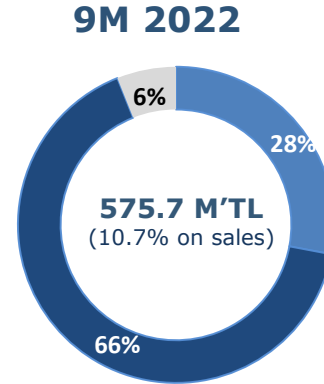


- ✓ Energy Projects: Strong contribution of submarine projects
- ✓ OEM: Growth through railway projects
- ✓ OGP: New PTA plant project in Turkey
- ✓ Renewable: Sustainability driven approach
- ✓ Telecom: Kept the position in the market

GROSS PROFIT BY SEGMENT



■ Energy projects ■ Energy products ■ Telecom



■ Energy projects ■ Energy products ■ Telecom

Strong increase in profitability driven by:

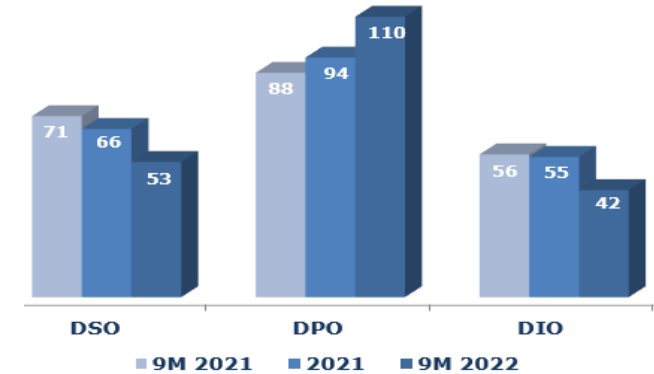
- ✓ Submarine projects' progress
- ✓ Organic Growth in some business lines of Energy Products
- ✓ Effective supply chain management
- ✓ Dynamic pricing mechanism established to protect company from daily currency fluctuations and cost increases

BALANCE SHEET

Strong improvement despite tough market conditions → effective supply chain management

(k'TL)	9M 2021	2021	9M 2022
Cash & Cash Equivalents	389,738	411,994	420,454
Trade Receivables	578,122	733,966	1,549,475
Construction Contracts	-	211,741	833,242
Inventories	399,992	452,315	658,686
Other Current Assets	110,857	216,936	201,368
Non-Current Assets	186,728	255,779	463,054
TOTAL ASSETS	1,665,437	2,282,731	4,126,279
Short Term Loans	87,847	919	245,523
Trade Payables	770,269	1,327,123	2,141,771
Construction Contracts	18,343	-	-
Other Short Term Liabilities	346,854	490,785	1,133,775
SHORT TERM LIABILITIES	1,223,313	1,818,827	3,521,069
LONG TERM LIABILITIES	25,761	25,94	31,934
Paid in Capital	216,734	216,734	216,734
Net result of the period	20,772	40,733	146,808
Other	178,858	180,497	209,735
TOTAL LIABILITIES & EQUITY	1,665,437	2,282,731	4,126,279
NET CASH	301,891	411,075	2,993

WORKING CAPITAL DAYS



NWC / Annualized Sales

9M 2021	FY 2021	9M 2022
-0.03% (*)	-1.3% (*)	1.8%

(*) affected by the advance payments related to submarine Projects

TREASURY AND CASH MANAGEMENT

Environmental conditions

* Sep'22 vs Dec'21
** Sep'22

83.5%*

CPI Rate

43%*

Depreciation of TRY against USD

22%*

Depreciation of TRY against Euro

12%**

CBRT Policy Rate

788.6**

CDS Value

Prysmian approach to cash management

- Government introduced a regulation which makes it mandatory to settle local transaction in TL, leading to a significant reduction of the forward contract portfolio in EUR/USD from Q2 2022

Forward Contracts Portfolio



- Financial costs are kept under control thanks to effective management of supplier payments
- Strict focus on timely cash collections continues



4Q 2022 Expectations

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4Q 2022 EXPECTATIONS

ONGOING FACTORS

- Copper procurement still affected by Russia-Ukraine conflict
- Construction sector seems to be still deteriorating
- Inflation at its 24-year highs
- High fx volatility and interest rates lead to an increase in financial costs
- Domestic market more competitive (price pressure)
- Solar business continues to be on rise

ACTIONS

- Focus on value added projects and products
- Submarine projects: smooth execution
- Exploring new export markets for HV cables
- Accurate forecasting process
- Adequate stock level to guarantee the business continuity
- Financial costs management

4Q 2022 EXPECTATIONS

- REVENUES
→ 1.7bl TL ↔ 1.8bl TL
- EBITDA
→ 65m TL ↔ 85m TL
- EBITDA margin
→ 3.8% ↔ 4.8%



Thank you

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