

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

1Q 2020 FINANCIAL RESULTS



AGENDA

- **Prysmian Group & Türk Prysmian Kablo Overview**
- **Macroeconomics & Business Environment**
- **1Q 2020 Financial Results**

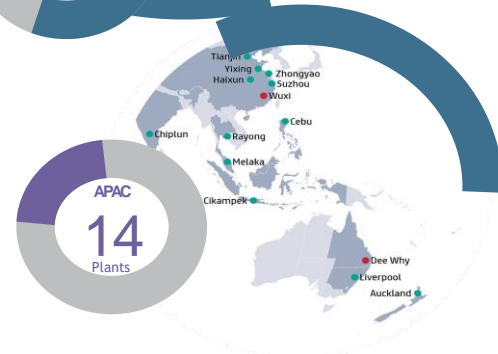
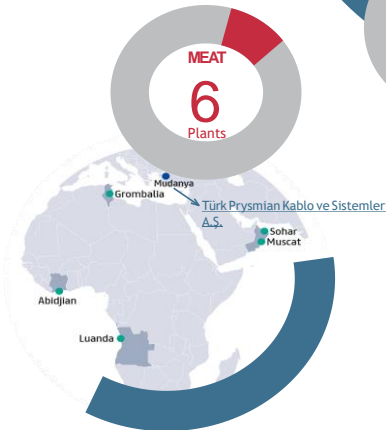
Prysmian Group & Türk Prysmian Kablo Overview

PRYSMIAN GROUP: WORLD'S LEADING CABLE COMPANY



- +50 COUNTRIES
- 106 PLANTS
- 25 R&D CENTERS
- 29,000 EMPLOYEES
- 3 SHIP EQUIPPED

- Energy
- Telecom
- Shared



PRYSMIAN GROUP UNDERSIGNS GLOBALLY PRESTIGIOUS PROJECTS



Burj Khalifa, Dubai

Cable installation world fastest and highest elevators



Westernlink Submarine Project, UK

HVDC electrical link between Scotland and Wales



Project Borwin2, Germany

Connection between Germany and offshore wind plants



Observation satellites

Customised wires & cables for climate change research



Australia

High speed communication cables bringing fiber to 93% of Australia's residential and business premises



Hudson River Project, New Jersey

Interconnection that can take power for 660 MW to the heart of Manhattan



Cauchari Solar Park Project, Shanghai

Solar cables and accessories for OBOR project



HVAC High Voltage Project, Singapore

High voltage cables & systems and PRY-CAM monitoring system



Airbus Project, France

Airbus Industrial Excellence Award 2017

PRYSMIAN TURKEY: 56 YEARS OF SUCCESS...



...IN TURKEY AND OVERSEAS



Istanbul's New Airport



OSB Solar Park, Kayseri



Baku Olympics Stadium, Azerbaijan



Palazzo Versace Hotel, Dubai



Socar - Star Refinery



Dardanelles Strait Submarine Cable Proj.



Dubai Metro, UAE



Ayada, Maldives



Avrasya Tunnel, Istanbul



Yavuz Sultan Selim Bridge, Istanbul



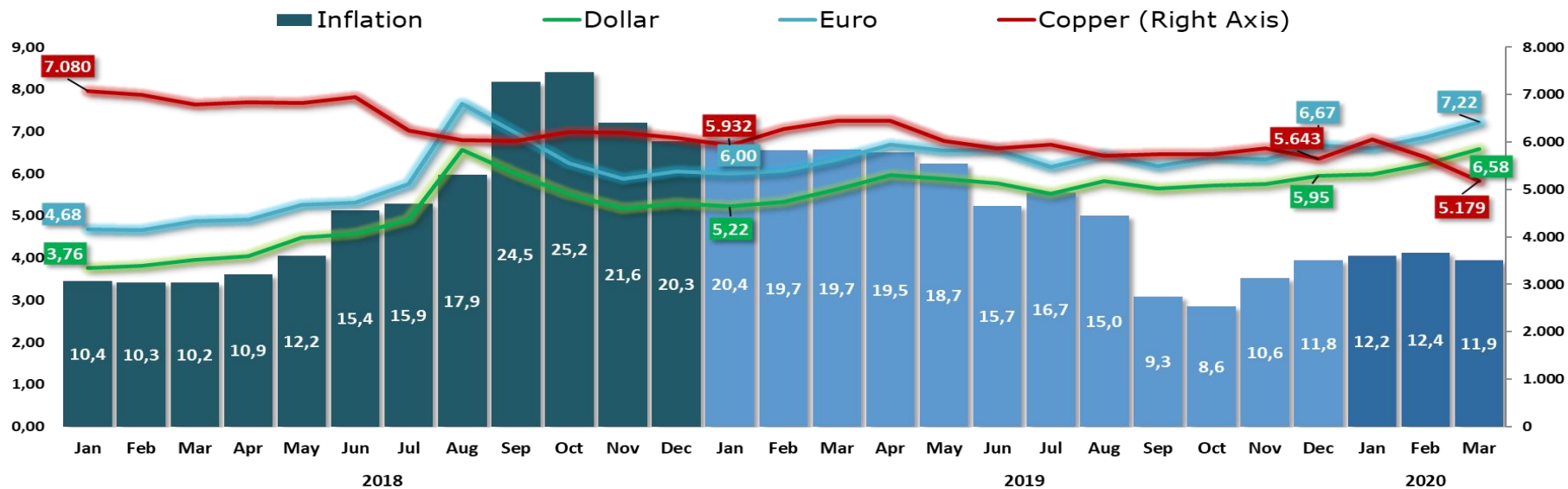
Hilton, Uzbekistan



South West Gas Field Dev. Proj., Algeria

Macroeconomics & Business Environment

MACROECONOMICS & CABLE INDUSTRY



Global Markets

- Global epidemic: Coronavirus and global effects
- Aggressive rate cuts from FED
- Governments announce support packages
- Negative Outlook for Global growth forecasts
- Oil price decline

Turkey

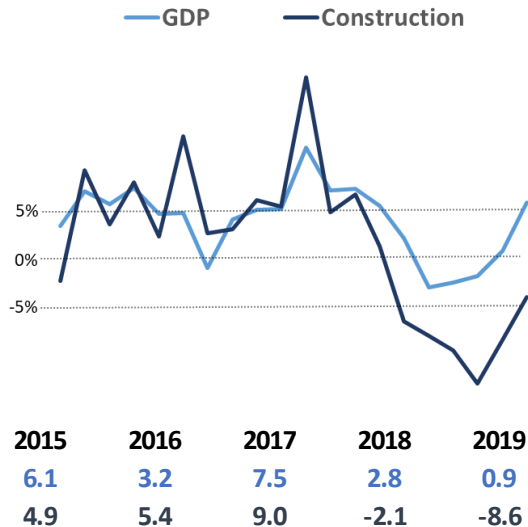
- Coronavirus effects and uncertainty on the market
- Devaluation in TRY and financial crisis effect
- CBRT decisions on interest rate cuts
- Production shut down in Automotive and OEMs
- Geopolitical tension in the region

Cable Industry

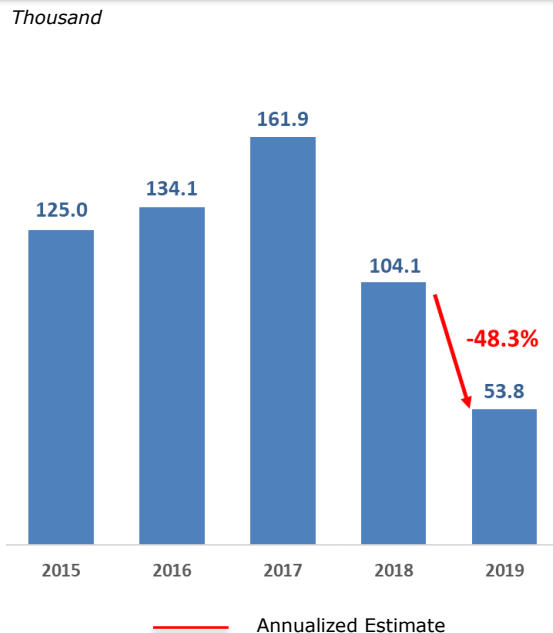
- Coronavirus starts affecting heavily the demand
- Infrastructure & construction projects at risk
- Price pressure due to low saturation in the market
- Quality deterioration because of high competition
- Longer payment terms in a risky environment

DIFFICULT TIMES FOR CONSTRUCTION SECTOR

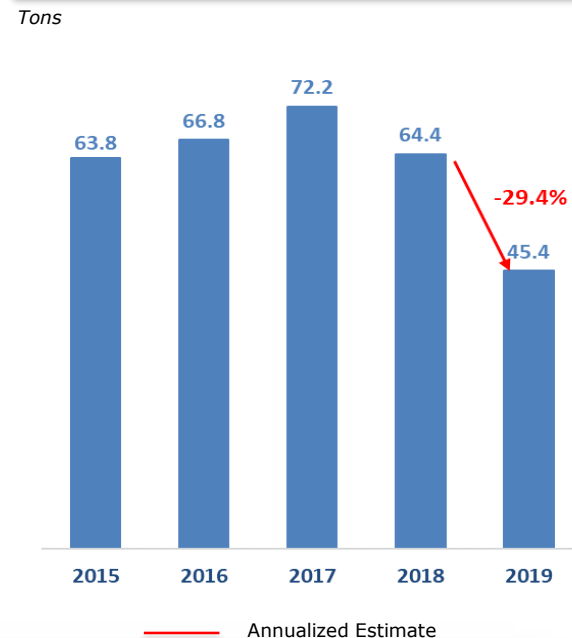
-8.6% CONTRACTION IN CONSTRUCTION



48.3% DECREASE IN CONSTRUCTION PERMITS



29,4% DECLINE IN CEMENT SALES IN TURKEY



THE RECOVERY IS FURTHER POSTPONED DUE TO COVID 19

BUILDING RESILIENT BUSINESS AMID COVID 19 PANDEMIC

Health & Safety 1

- ✓ Remote working started as of March 16
- ✓ Personal protection equipment for all
- ✓ Exceptional hygiene and sanitization measures in our plants and offices
- ✓ 24 hours doctor on site
- ✓ Tripled the buses

Employee Management 2

- ✓ Built a dedicated committee to give employees clear direction and reliable info to alleviate pandemic-related stress
- ✓ Reviewed our organization's policies, to ensure appropriate, applicable, and flexible plans

Supply Chain 3

- ✓ Diversify the supply chain to reduce the risk of a supply shortage
- ✓ Re-evaluated inventory and safety stock levels, and at the same time assured buffers and maintained service levels

Operations 4

- ✓ Planning weekly
- ✓ Anticipated annual leaves
- ✓ Strong fixed costs reduction plan in place
- ✓ Daily management to retain the agility to ramp up quickly

Cash & Liquidity 5

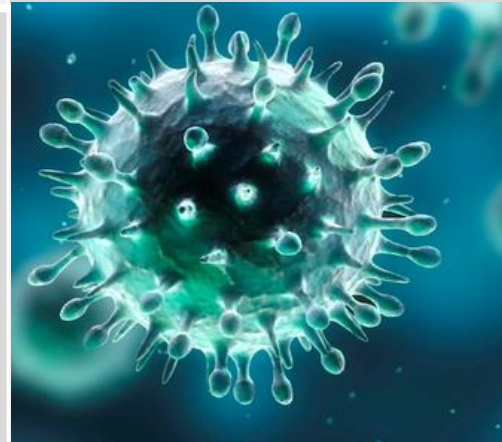
- ✓ TRY40 mln bank loan to fix forward contract cost at 10.5% instead of 16.2%
- ✓ Higher DIO due to raw material purchase in case of a potential shortage
- ✓ Shortened DPO to avoid interest charges on payables

Customer Engagement 6

- ✓ Reconsidered marketing channels with a shift to online
- ✓ Secured orders working with a corporate customer base
- ✓ Avoided risk of order cancellations due to decreasing copper prices with binding contracts

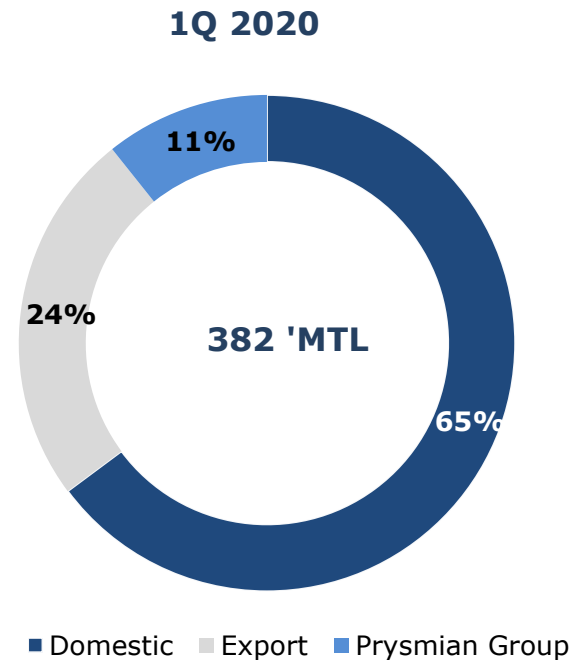
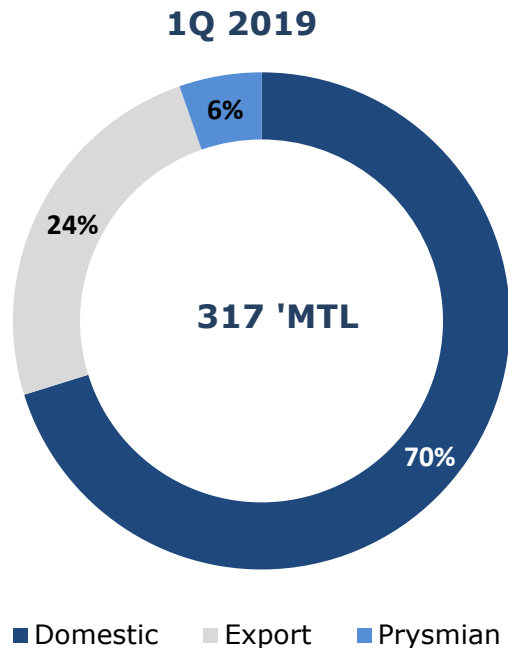
Strategic Risk Management 7

- ✓ Develop a scenario-based business forecast for the next 3 to 9 months
- ✓ Anticipate changes in different segments demand
- ✓ Focus emerging segments
- ✓ Monitor metal risk daily
- ✓ Minimize credit default risk



1Q 2020 Financial Results

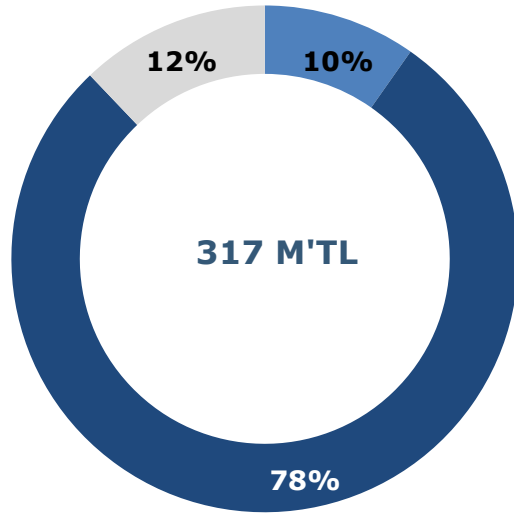
REVENUES BY DISTRIBUTION CHANNEL



Sales increase mainly supported by Prysman Group revenues

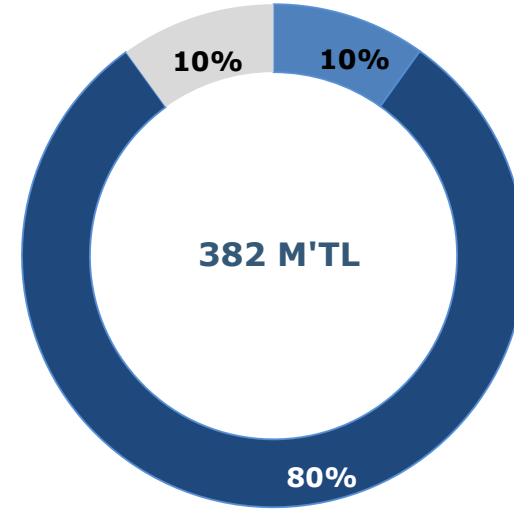
REVENUES BY SEGMENT

1Q 2019



■ Energy projects ■ Energy products ■ Telecom

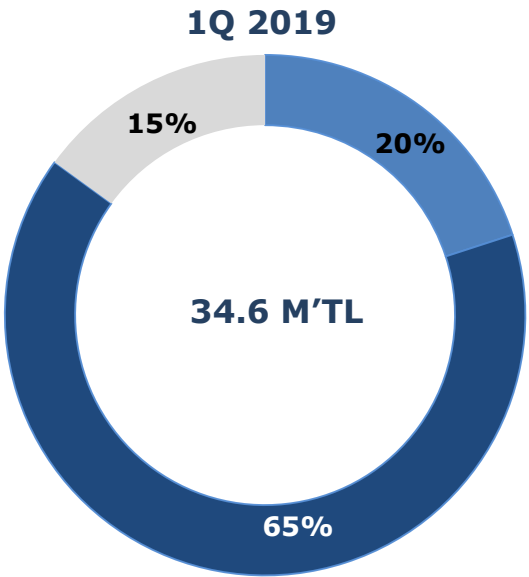
1Q 2020



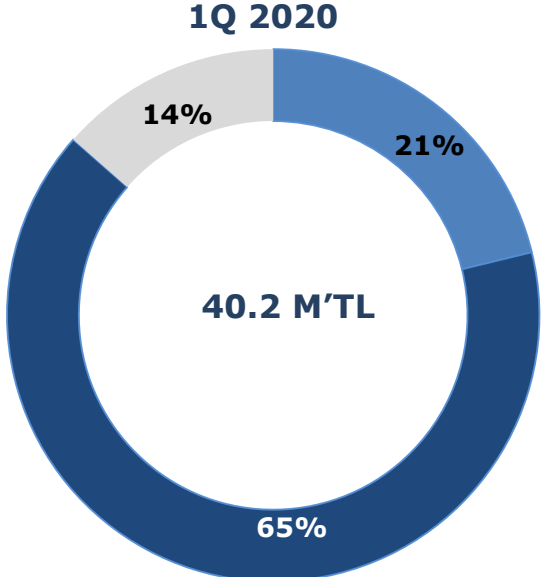
■ Energy projects ■ Energy products ■ Telecom

**New business flows on
energy product through Prysmian Group**

GROSS PROFIT BY SEGMENT



■ Energy projects ■ Energy products ■ Telecom

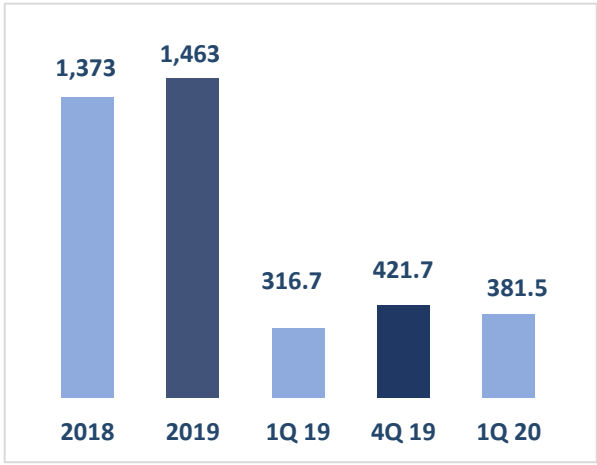


■ Energy projects ■ Energy products ■ Telecom

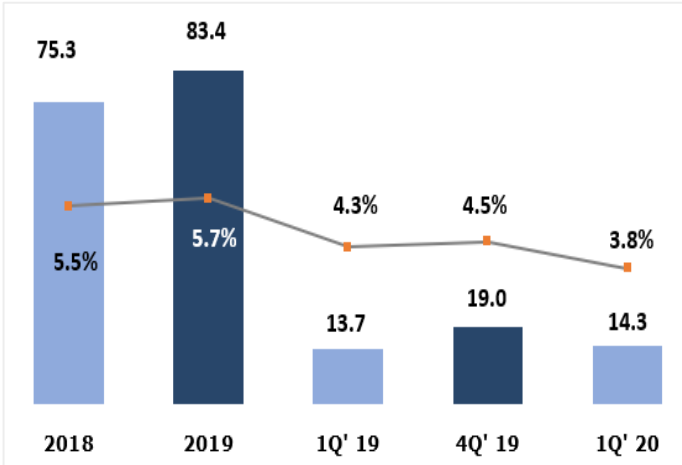
Gross profit improved despite difficult market conditions

REVENUE, EBITDA & EBITDA MARGIN AND NET INCOME

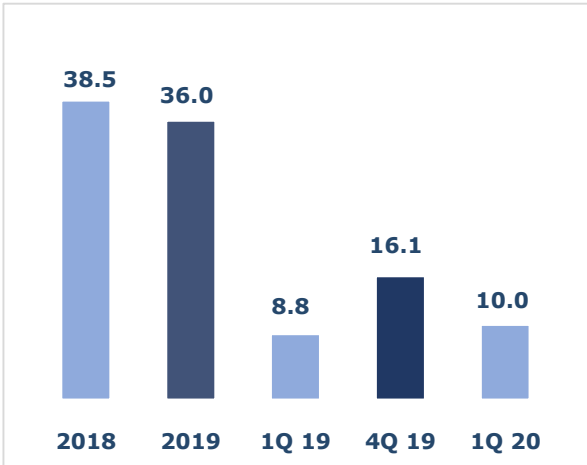
REVENUE (M'TL)



EBITDA & EBITDA MARGIN (M'TL)



NET INCOME (M'TL)



- 20.5% YoY sales increase due to

- ✓ Increasing Prsymian Group revenues
- ✓ Exchange rate impact

- 4.2% YoY EBITDA increase

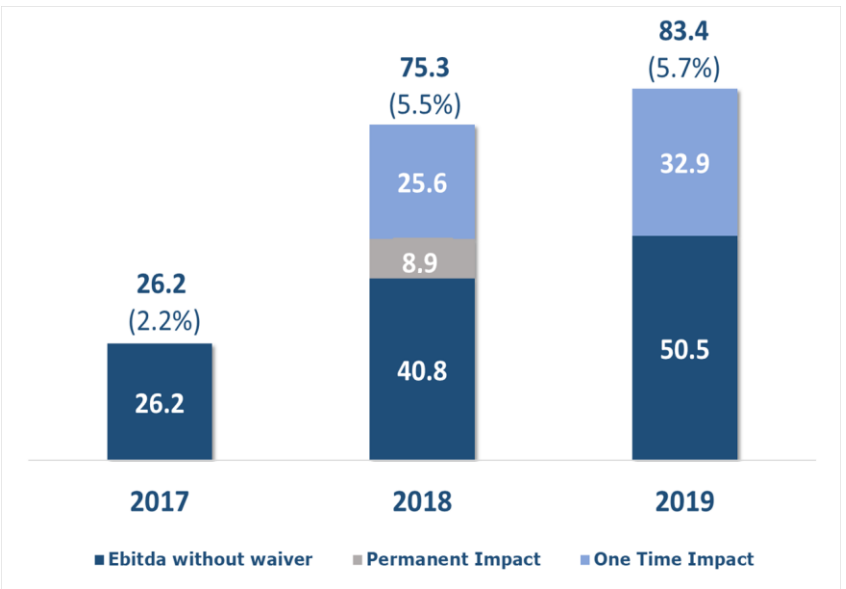
- ✓ Despite COVID-19 expenses amounting to TRY1.0 mln

- 13.6% YoY rise in net income despite adverse COVID-19 impact

- ✓ Reduced forward contract costs

PRYSMIAN GROUP SUPPORT DURING FINANCIAL CRISIS

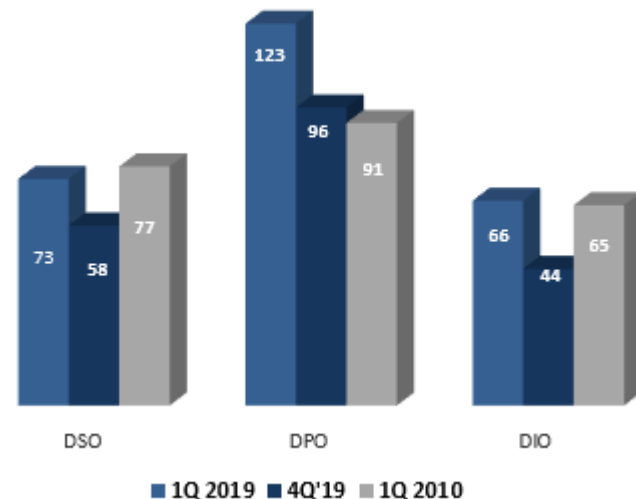
EBITDA & EBITDA MARGIN (M'TL & %)



EFFECTIVE NWC MANAGEMENT DESPITE TOUGH MARKET CONDITIONS

(TL)	1Q 2019	4Q 2019	1Q 2020
Cash & Cash Equivalents	92,582,214	210,505,611	141,378,143
Trade Receivables	287,857,533	284,743,560	349,023,795
Construction Contracts	-	12,061,605	5,110,795
Inventories	186,933,776	174,711,178	232,576,355
Other Current Assets	103,216,871	83,679,850	101,458,649
Non-Current Assets	103,123,218	122,130,217	124,738,439
TOTAL ASSETS	773,713,612	887,832,021	954,286,176
Short Term Loans	23,738,250	1,274,934	80,835,327
Trade Payables	377,396,557	447,965,240	407,617,991
Construction Contracts	9,631,337	-	-
Other Short Term Liabilities	75,705,489	50,975,439	67,761,828
SHORT TERM LIABILITIES	486,471,633	500,215,613	556,215,146
LONG TERM LIABILITIES	17,785,918	17,278,501	17,785,918
Paid in Capital	141,733,652	216,733,652	216,733,652
Net result of the period	8,758,851	35,971,002	9,947,205
Other	118,963,558	117,633,253	153,604,255
TOTAL LIABILITIES & EQUITY	773,713,612	887,832,021	954,286,176
NET CASH	68,843,964	209,230,677	60,542,816

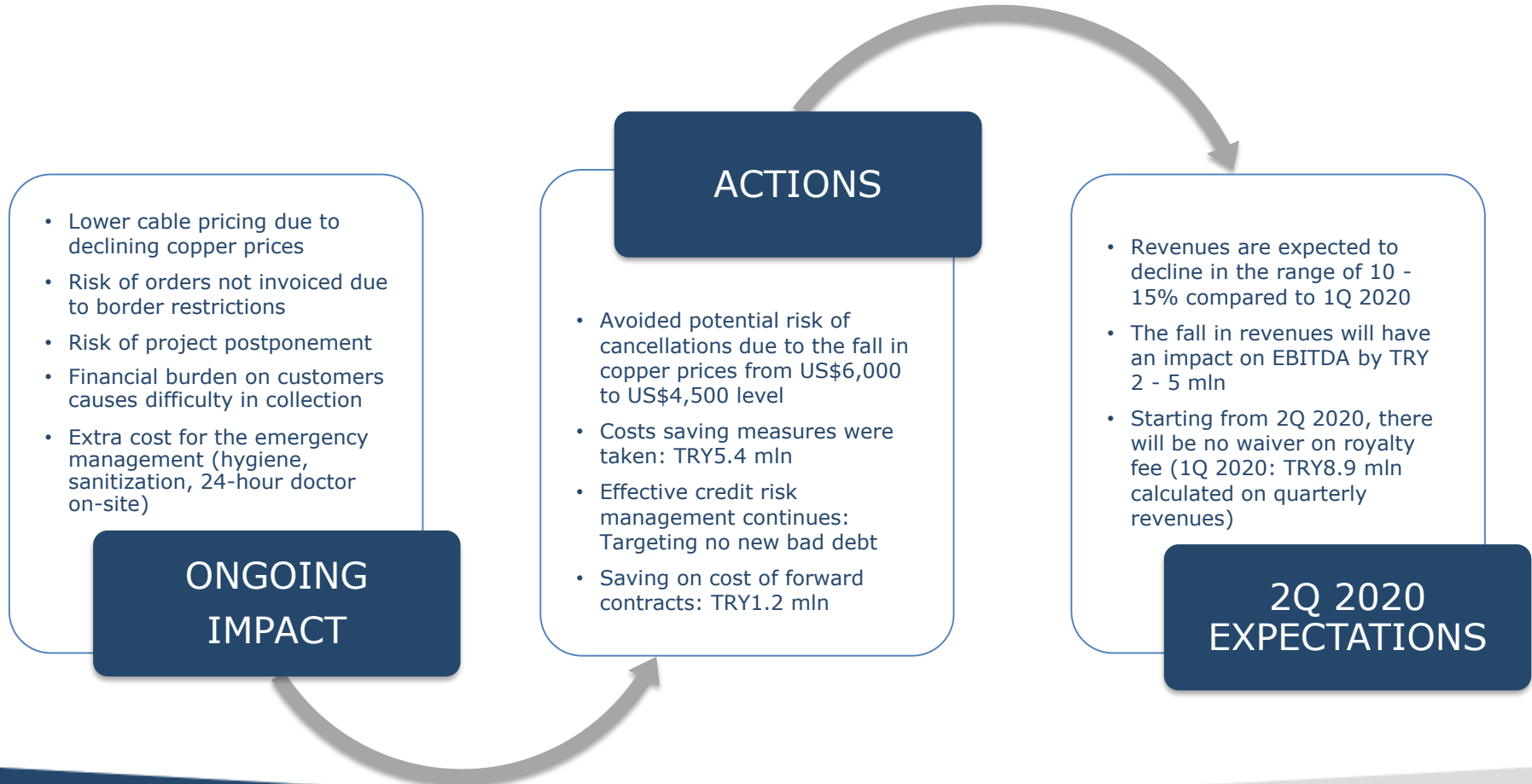
WORKING CAPITAL DAYS



NWC / Annualized Sales

1Q 2019	4Q 2019	1Q 2020
14.5%	18.2%	17.9%

CHALLENGES CONTINUES IN 2020 AMID COVID 19 PANDEMIC



Thank you

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