



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

**1Q 2021 FINANCIAL RESULTS**

**28.04.2021**

**Prysmian**  
Group

Linking  
the Future

# AGENDA

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



# **Prysmian Group & Türk Prysmian Kablo Overview**

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# PRYSMIAN GROUP-AND THE SUSTAINABILITY IN THE DNA

## Environmental

About **920,000 t CO<sub>2</sub>**  
EMISSIONS GHG (Scope 1- Scope 2 Location Based)

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

About **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

About **50** Number of PARTNERSHIPS for Innovation



## Economic dimension

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



## People & Communities

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

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

**1,745** EMPLOYEES under 30 hired during the year

**65%** Employee Engagement Index (EI)

**IF 1.30** Injury rate (IF) | About **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.

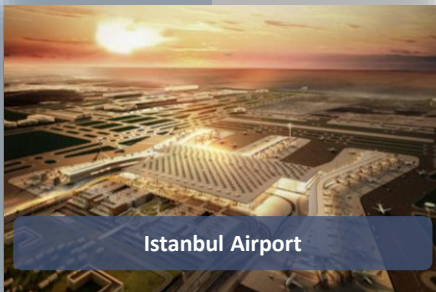
We are committed to increase the percentage of sales from low carbon products to 50% by 2022.

# TÜRK PRYSMIAN KABLO-57 YEARS IN THE TURKISH CABLE SECTOR





# TÜRK PRYSMIAN KABLO-PROJECTS IN TURKEY & WORLDWIDE



Istanbul Airport



Kıvanç GES, Mersin



National Electric Train Set



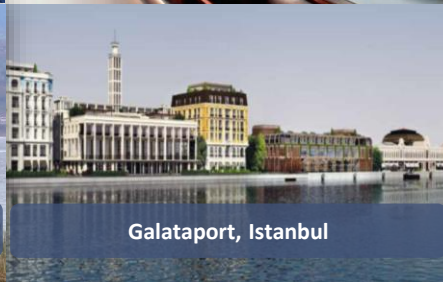
Bursa, Eskisehir, Adana, Mersin, Isparta, Yozgat, Elazig City Hospitals



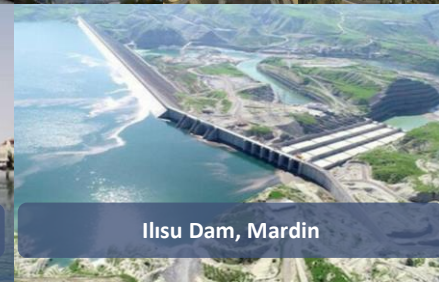
Socar – Star Refinery, İzmir



Dardanelles Strait Submarine Projects



Galataport, Istanbul



Ilisu Dam, Mardin



Port of Valetta, Malta



Dubai Metro, UAE



Øyfjellet Project, Norway



Baku Olympics Stadium, Azerbaijan



# Macroeconomics & Business Environment

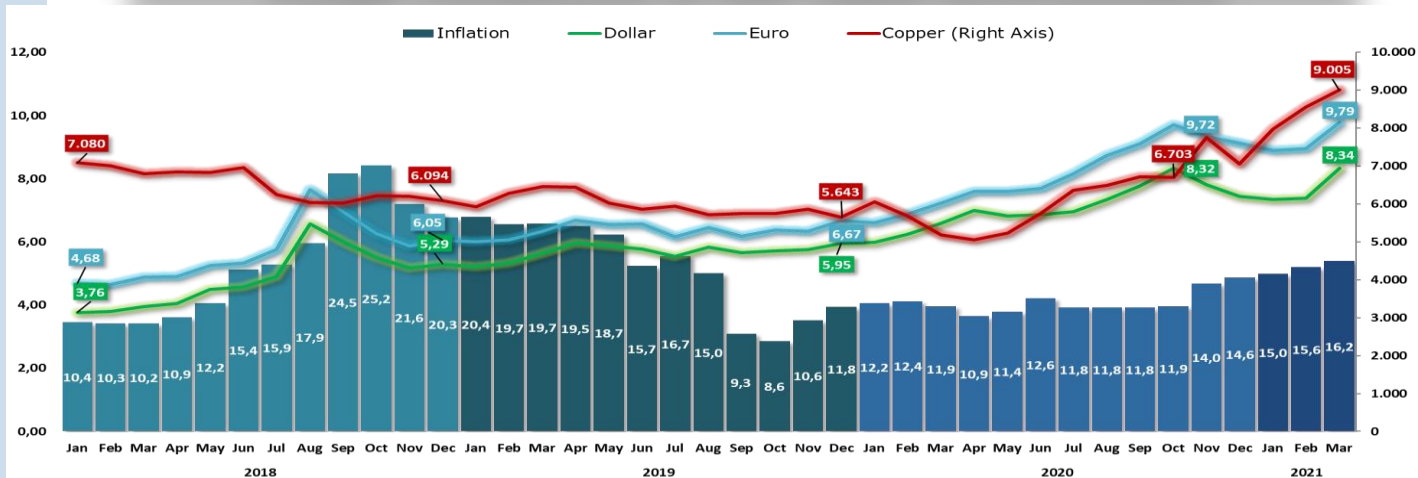
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# MACROECONOMICS & CABLE INDUSTRY

## Tough conditions in the cable environment



### Global Markets

- Mutations speed up Covid-19's spread globally
- The vaccination process continues all over the World
- Increasing tension in Black Sea and Iran nuclear agreement issue
- Chip and various material shortages in many sector
- Sharp increases in freight cost
- 2021 global growth forecasts revised up

### Turkey

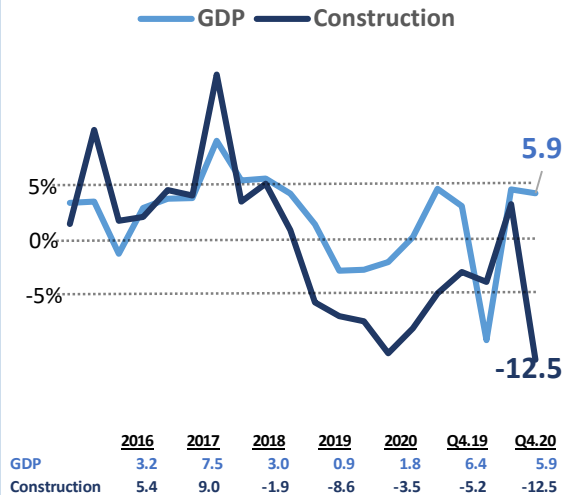
- Spread of the pandemic is dramatically increasing
- Ongoing coronavirus effects and uncertainty on the market
- The assignment of new CBRT governor and effects on the market
- Exchange rate volatility & sharp TL depreciation
- Increasing inflation trend continues
- Economic reforms action plan announced

### Cable Industry

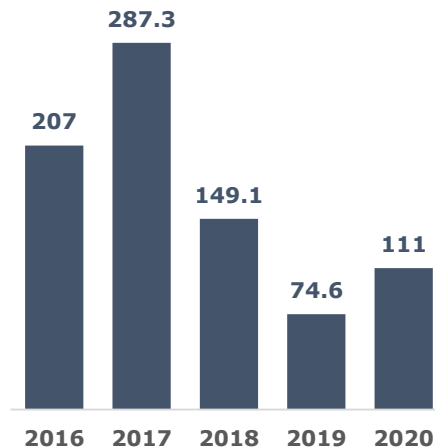
- Ongoing coronavirus effects the demand
- Uncertainty of revival for construction & infrastructure and potential tenders
- Shortage and increase in raw material prices
- Profitability risk due to rapid change in material prices
- High volatility leads to an increase in financial costs
- Longer payment terms and high default risk

# CONSTRUCTION SECTOR REMAINED VOLATILE

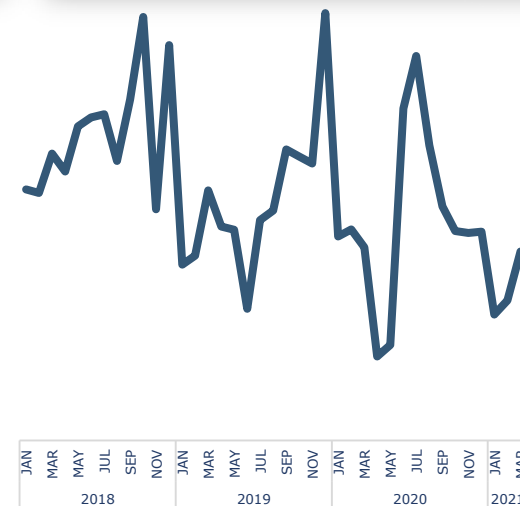
## 12.5% DECLINE IN CONSTRUCTION



## RISE IN CONSTRUCTION PERMITS



## 34% YoY FALL IN HOUSE SALES IN 2021



**VOLATILE MARKET WITH MIXED SIGNAL OF IMPROVEMENT IN CONSTRUCTION SECTOR**



# BUSINESS ENVIRONMENT HAS BEEN THOUGH

13%

*Depreciation of TRY against USD*

24%

*Fluctuation of copper prices in Q1*

85%

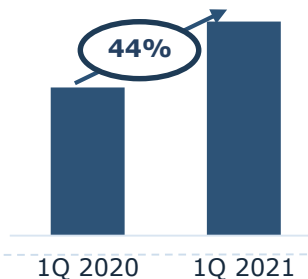
*Increase in freight cost per ton*

19%

*CBRT Policy Rate*

## Increased Raw Material Cost

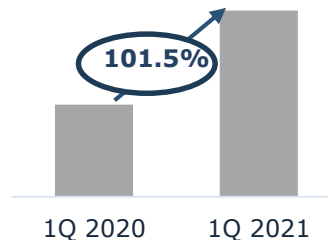
Share of Raw Material Cost in Revenues (%)



- ✓ There is shortage of raw material due to the shut down of some facilities in the US
- ✓ High transportation costs lead to a break in the supply chain

## Increased Financial Cost

Net Financial Cost

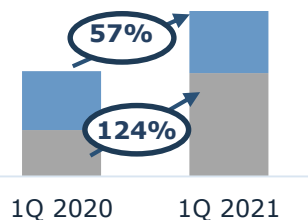


- ✓ Depreciation of TRY against USD and EUR lead to an increase in financial costs
- ✓ Costs rise despite strict financial management

# MANAGED OUR OPERATIONS SUCCESSFULLY

## Growth in Domestic Revenues

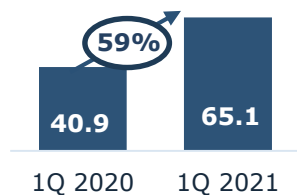
### Domestic Revenues



- ✓ Domestic revenues grew by 57%
- ✓ 124% revenue increase of E&I business unit
- ✓ Share of E&I Unit in domestic revenues increased by 18.7 p.p.
  - ✓ 1Q 2020: 43.8%
  - ✓ 1Q 2021: 62.5%

## Strong Group Revenues

### Group Revenues



- ✓ Prysmian Group's support through project purchases continue
- ✓ Share of Group Revenues in total remained flat at 11% in 1Q 2021

*Initiated Growing Together action plan in the E&I business unit*

*Increased market share in local market by 2 points*

*Monitored effect of raw material price increases on order portfolio*

*Actively managed raw material cost increase*





*Capacity has been utilized through a smart pricing scheme*

*Capacity utilization rate stood at 81% in 1Q 2021*

*Intercompany opportunities captured, when capacity is available*



# EXCEEDED EXPECTATIONS IN 1Q 2021

	1Q 2020	EXPECTATIONS	1Q 2021	Δ
<b>REVENUE</b>	382 M'TL	25 – 30% inc.	574 M'TL	 <b>50.3%</b>
<b>EBITDA</b>	5.1 M'TL (excl. 8.9 M'TL waiver)	30 – 35% inc	12.5 M'TL	 <b>145.0%</b>
<b>EBITDA Margin</b>	1.3% (excl. waiver impact)	1.3 - 1.4%	2.2 %	 <b>0.8 – 0.9 p.p.</b>
<b>GROUP WAIVER</b>	8.9 M'TL	0	0	



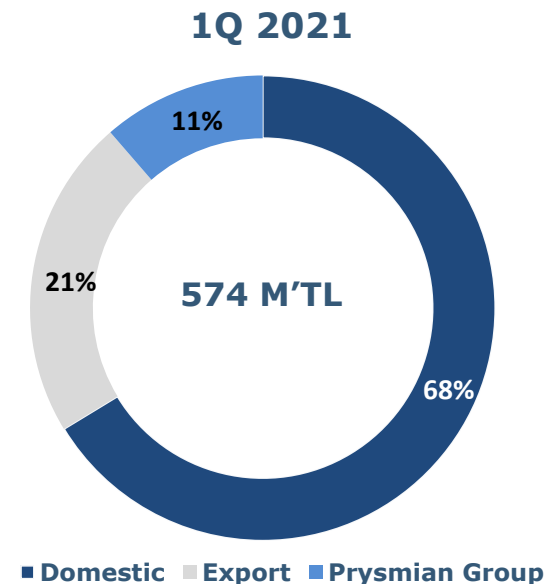
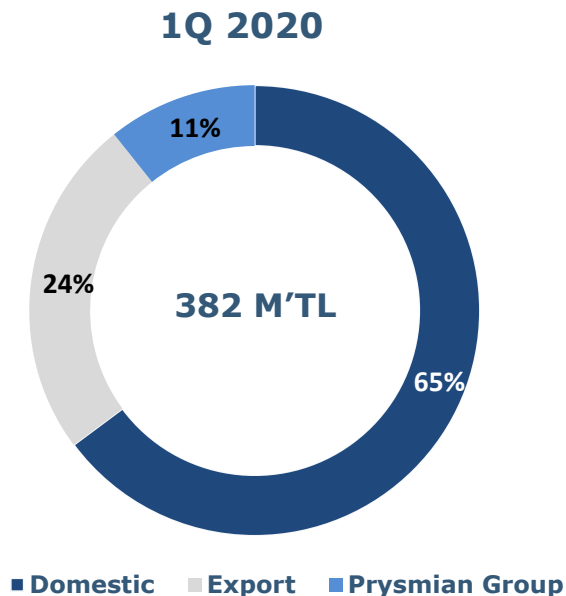
## 1Q 2021 Financial Results

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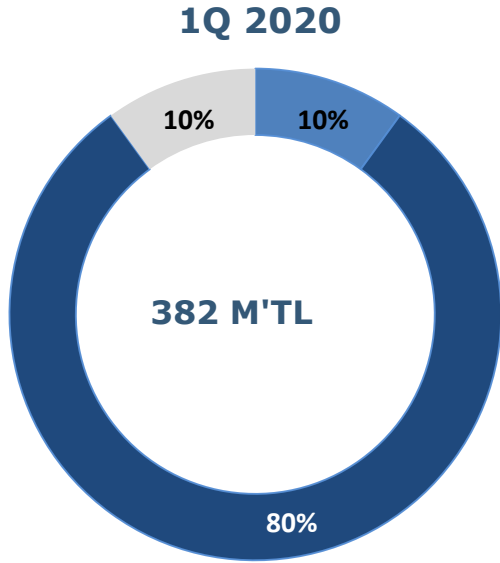


# REVENUE BY DISTRIBUTION CHANNEL

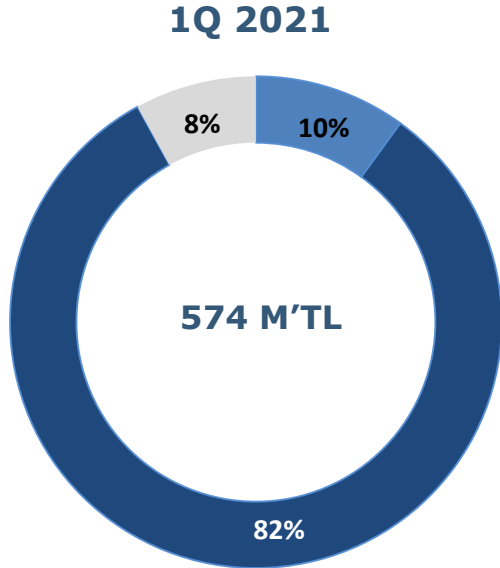


**50.3% increase mainly due to rising metal prices & exchange rate**

# REVENUE BY SEGMENT



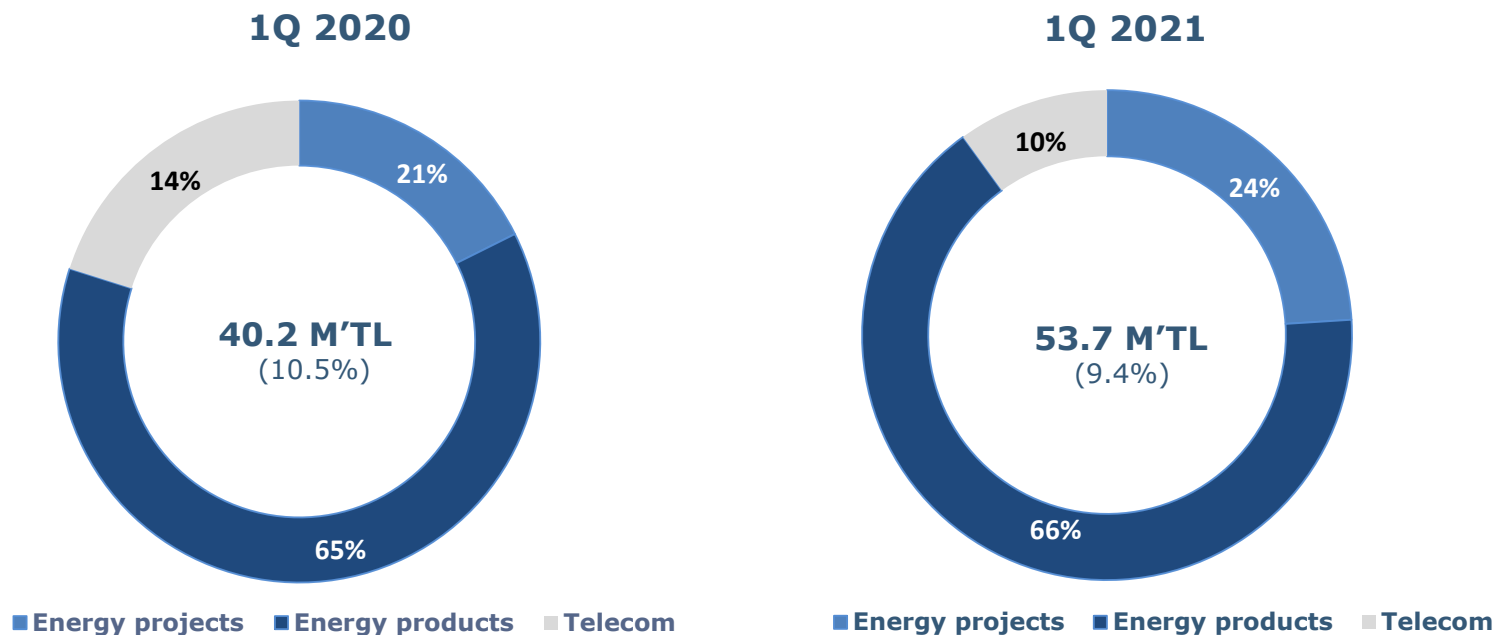
■ Energy projects ■ Energy products ■ Telecom



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**Slow down in telecom business compensated by the energy product revenues**

# GROSS PROFIT BY SEGMENT

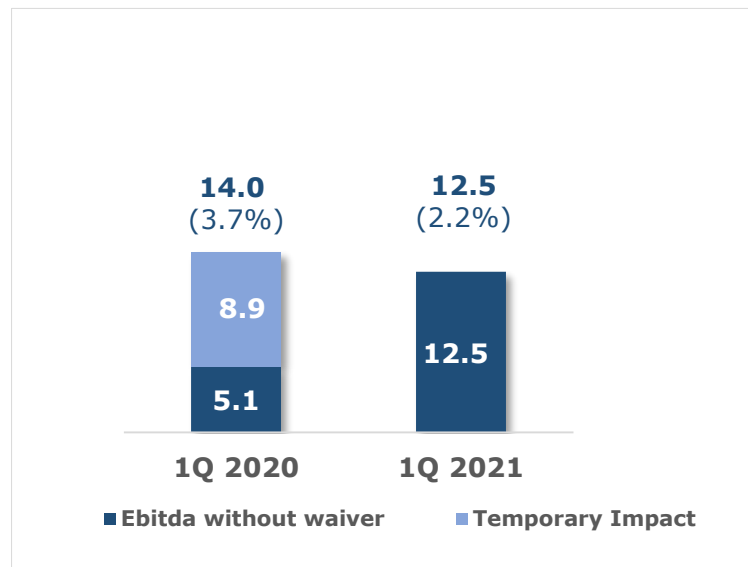
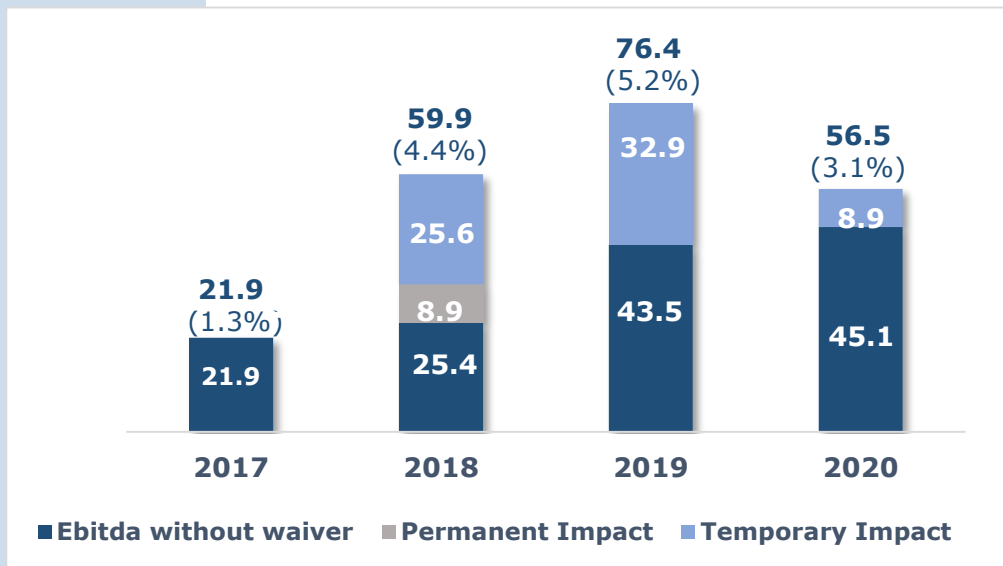


**Gross profit margin decreased due to globally increasing raw material prices**



# PRYSMIAN GROUP SUPPORT DURING FINANCIAL CRISIS

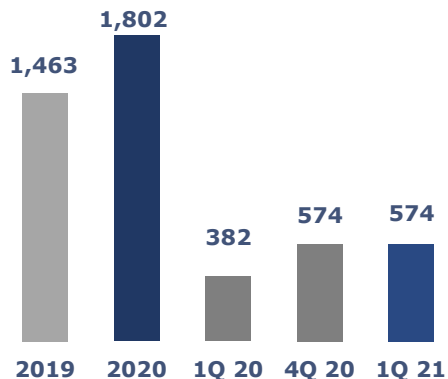
EBITDA & EBITDA MARGIN (M'TL & %)



**Prysmian Group waiver not applicable since 2Q 2020**

# REVENUE, EBITDA & EBITDA MARGIN AND NET INCOME

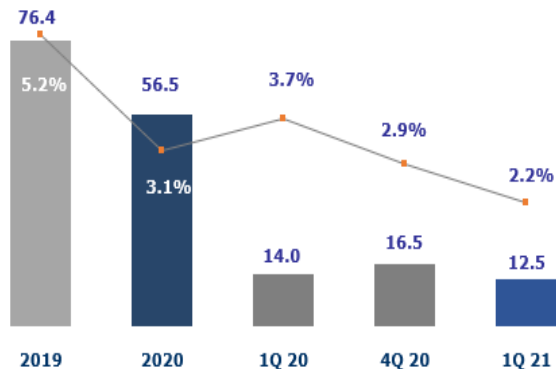
## REVENUE (M'TL)



- 50.3% YoY increase in 2021;

- ✓ Increasing energy products sales
- ✓ Exchange rate impact (21% increase)
- ✓ Copper unit price increase impact on our sales (15%)

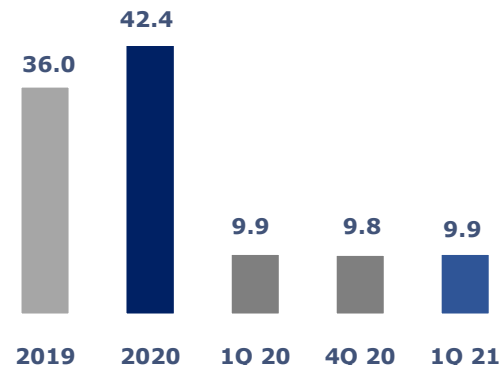
## EBITDA & EBITDA MARGIN (M'TL)



- 10.7% YoY EBITDA decrease in 2021;

- ✓ Expiry of Prysman Group waiver: (1Q 2020 =8.9 M'TL impact)

## NET INCOME (M'TL)

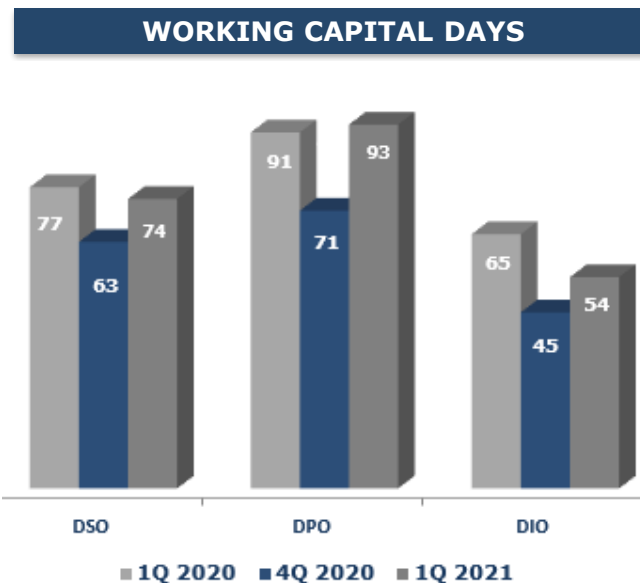


- Net income remained flat:

- ✓ Despite the absence of Prysman Group waiver (8.9 M'TL)
- ✓ 4.9 M'TL deferred tax impact (1Q 20: 2.9 M'TL)

# WORKING CAPITAL DAYS IMPROVED DESPITE TOUGH MARKET CONDITIONS

(k'TL)	1Q 2020	4Q 2020	1Q 2021
Cash & Cash Equivalents	141,378	146,429	230,368
Trade Receivables	349,024	428,580	516,429
Construction Contracts	5,111	16,114	-
Inventories	232,576	245,549	290,338
Other Current Assets	101,459	55,579	102,281
Non-Current Assets	124,738	170,771	173,940
<b>TOTAL ASSETS</b>	<b>954,286</b>	<b>1,063,022</b>	<b>1,313,356</b>
<i>Short Term Loans</i>	80,835	52,868	124,907
Trade Payables	407,618	470,853	637,340
Construction Contracts	-	-	739
Other Short Term Liabilities	67,762	113,277	113,143
<b>SHORT TERM LIABILITIES</b>	<b>556,215</b>	<b>636,998</b>	<b>876,129</b>
<b>LONG TERM LIABILITIES</b>	<b>17,786</b>	<b>22,459</b>	<b>23,713</b>
Paid in Capital	216,734	216,734	216,734
Net result of the period	9,947	42,419	9,949
Other	153,604	144,412	186,831
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>954,286</b>	<b>1,063,022</b>	<b>1,313,356</b>
<b>NET CASH</b>	<b>60,543</b>	<b>93,561</b>	<b>105,461</b>



## NWC / Annualized Sales

1Q 2020	4Q 2020	1Q 2021
17.9%	13.1%	10.0%



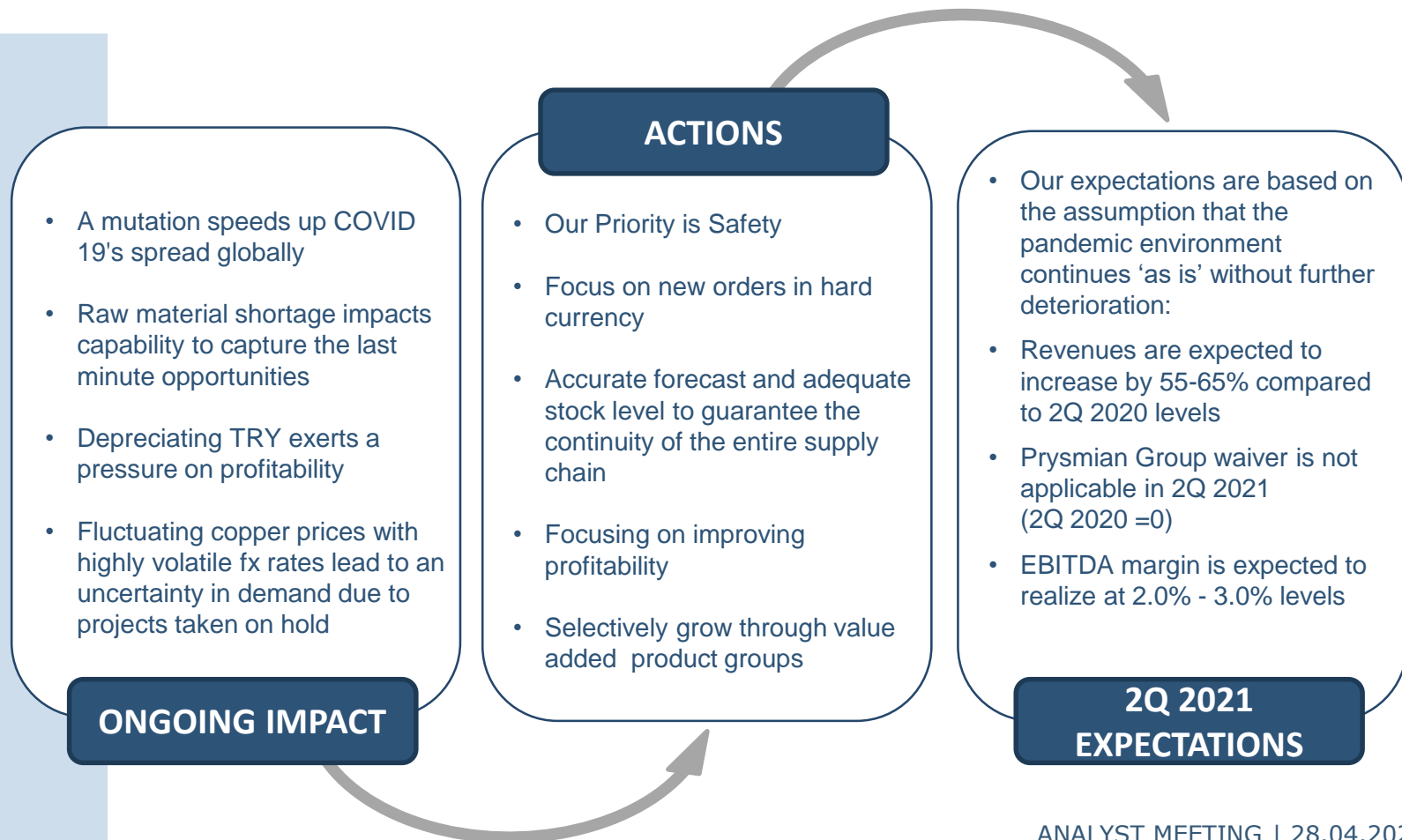


## 2Q 2021 Expectations

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# 2Q 2021 EXPECTATIONS





**Thank you**

**Q & A**

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