

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

31.12.2017 FINANCIAL RESULTS

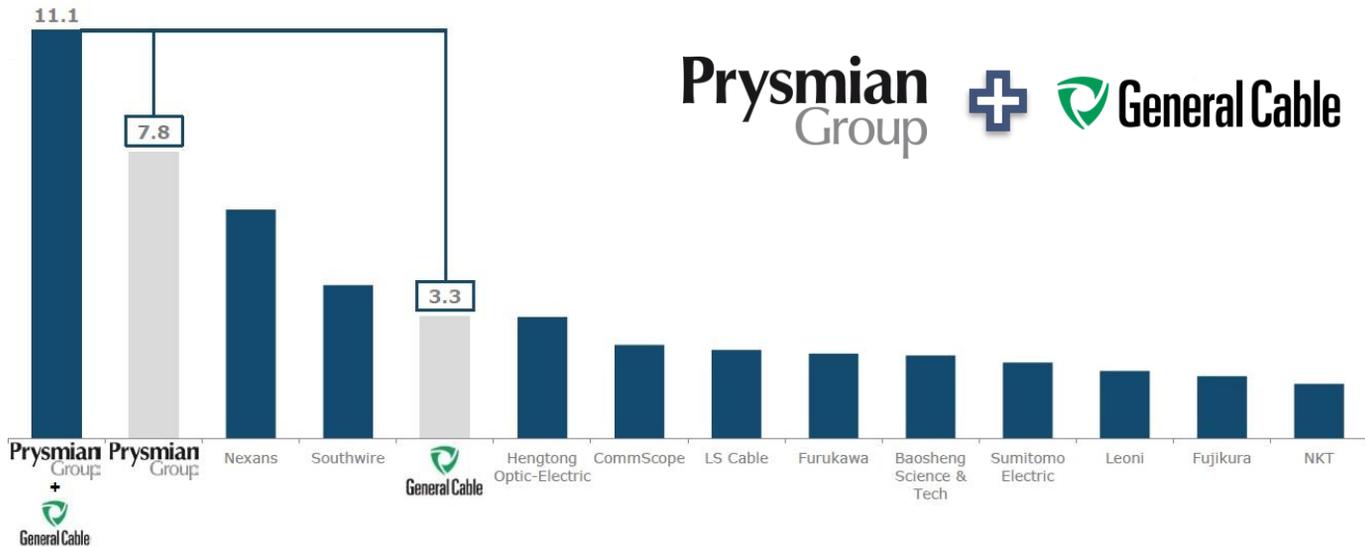
İSTANBUL



Who are We?

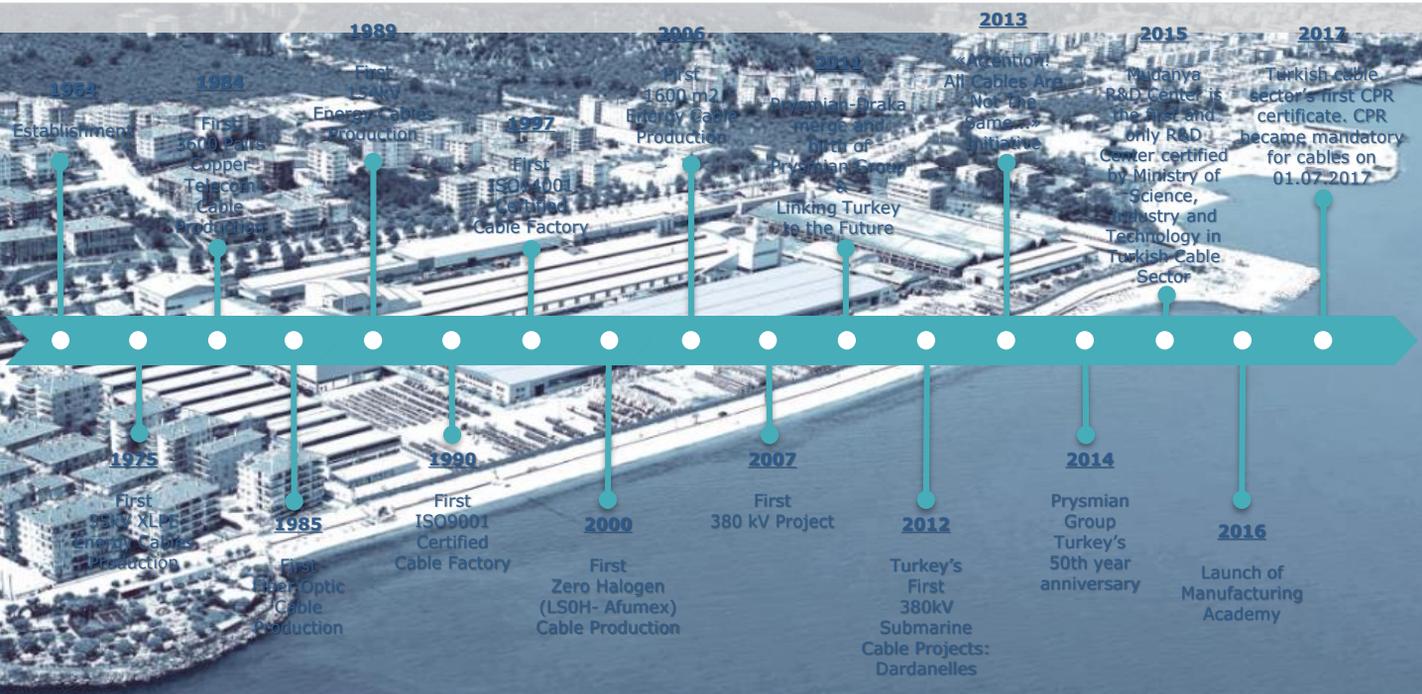
ENHANCING PRYSMIAN'S WORLDWIDE LEADERSHIP

Top 12 global cable & systems players by revenue (€bn)



Prysman
Group   **General Cable**

PRYSMIAN LINKS TURKEY TO THE FUTURE WITH THE «FIRSTS»



LINKING TURKEY TO THE FUTURE!



Star Refinery (SOCAR)
Turkey's First Private Sector Refinery



Skyland, İstanbul
The Tallest Building in Turkey After Completion



Kazan Soda Electric
Europe's Biggest Natural Dense Soda Ash and Sodium Bicarbonate Factory in Europe



Gaziantep Iconova
"Best Architecture Multiple Residence" in Turkey and Europe - European Property Awards



İstanbul's New Airport
Latest technology cables worth 8M Euro



Şanlıurfa Göbeklitepe Museum
UNESCO World Heritage Candidate With Its At Least 11.600 Years History



SASA Polyester
Turkey's Unique Polyester Fiber Manufacturer



Eskişehir City Hospital
Europe's Best Health Project



Dardanelles Strait Submarine Cable Projects
Turkey's 1st and 2nd 380 kV Submarine Cable Projects

WHILE UNDERSIGNING GLOBALLY PRESTIGIOUS PROJECTS



Burj Khalifa, Dubai

Cable installation to world **fastest** and **highest** elevators



Donbass Arena, Ukraine

EURO 2012 on 3D televisions



Project Borwin2, Germany

Connection between Germany and offshore wind plants



Observation satellites

Our **customised** wires & cables provide data for **climate change** research



Australia

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



Louvre, Abu Dhabi

500 km of fire resistant cables in Arabian Peninsula's biggest museum



Fundy Bay, Nova Scotia, Canada

Our submarine composite cables help fuel tidal energy for **750,000** homes



St. Pancras Station, UK

Our **low smoke zero halogen** cables provide highest possible safety standards



Horns Rev2, Denmark

245 kV high voltage underground cable connection

Our Competitive Edges

WIDEST PRODUCT PORTFOLIO: 22.000 CABLE TYPES

Energy transmission

- ✓ High voltage underground cables
- ✓ High voltage submarine cables

Energy distribution

- ✓ Medium/Low voltage cables

Cable Accessories

Components, accessories from high voltage to low voltage

Low voltage and building cables

- ✓ Fire resistant
- ✓ Environment friendly
- ✓ Low smoke zero halogen (LS0H)
- ✓ Customised for each application

Specialties&OEM

(white goods, railways, nuclear, military industry, crane, mining, vessel, hospital, and others)

- ✓ **Automotive**
- ✓ **Petrochemical plants**
- ✓ **Renewable energy**
- ✓ **Railway**
- ✓ **Other industrial applications**
(plane, runway lighting and others)

Cable solutions to support the development of the world's energy infrastructure

**Copper Telecom
Solutions**

**Fiber Optic
Solutions**

**Multimedia
Solutions**

Worldwide #1 telecom cable supplier



Quality Certificates

ISO 9001



ISO TS 16949



IRIS



TL9000



Research & Development

- ✓ 10 countries, 17 R&D Centers
- ✓ **69 mio €** investment on R&D
- ✓ **5.644** materials secured by patent
- ✓ **570** qualified employee
- ✓ Innovation, **research**
- ✓ **Expanding product range**
- ✓ **International standards development groups**
- ✓ Cooperation with TUBITAK, Universities etc.

**YANGIN GÜVENLİĞİ ZORUNLULUKTUR.
SEKTÖR LİDERİNİZE GÜVENİN.**



prysmiangroup.com.tr/cpr

GÜVENLİĞE
GİDEN YOLDA
LİDER

Prysmian
Group



• MORE CLARITY



• LESS COUNTERFEIT
AND OUT OF
STANDARD

• MORE QUALITY



• LESS
RISKS

• MORE SAFETY



• LESS DEATHS

**As of 1st July 2017, all newly installed cables
must comply with CPR regulation.**

DİKKAT!



HER KABLO AYNI DEĞİLDİR...

Prysmian Group, Prysmian Performance Test (PPT)'ni sunar: PPT, kabloların güvenilir, yüksek performans ve toplam proje maliyetinde sağladığı avantajlar açısından değerlendirilen, sektörün tek kapsamlı testidir.

Her ne kadar kablolar, ortalamada, toplam inşaat maliyetinin %1'den azını oluştursa da, doğru kabloyu seçerek, elle tutulur farklar yaratılmak mümkündür. PPT sonuçlarına göre, Prysmian Group kablo çözümleri, güvenilir ve performans kriterlerine 44 olarak, hız kazandıran montaj kolaylıklar sayesinde ılışık maliyetinde %50'ye*, toplam kablo tutarında ise %22'ye**varan avantaj sağlıyor. İşte Prysmian Group farkı...



prysmianperformancetest.com



TÜRKİYE'Yİ YARINLARA BAĞLIVORUZ

Prysmian
Group



*%50'ye varan avantaj sağlıyor. **%22'ye varan avantaj sağlıyor.

Training seminars

2 countries, 12 cities
Approx. 3100 participants

I-phone Application & Social Media

'Prysmian Performance Test' application in Apple Store
Facebook, twitter, youtube, vimeo and daily motion accounts

More...

PPT advertisements in many publications
Direct communication with 430 sales points
Window branding activities with A-Team distributors

Launch of KABLOMATİK™

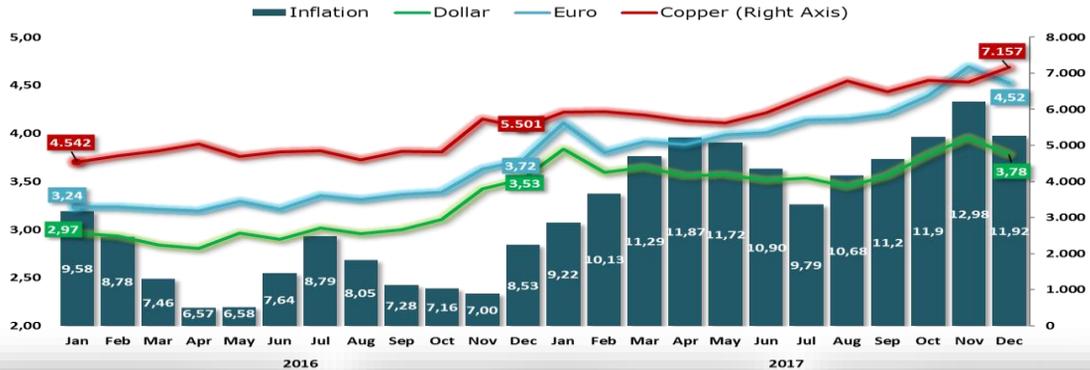
Easy and practical solution for cable calculations
Smart phone application (I-phone, Blackberry, Samsung)

Online Cable Training

7 training modules & 1 final test
1350 registered users since January 2016

2017 at a Glance

CHALLENGING 2017 WITH PROCE PRESSURE DUE TO HIGH COMPETITION



Global Markets

- US President Trump and his policies
- FED and ECB decision
- Brexit – Exit of UK from EU
- Disputes in the Middle East

Turkey

- Presidency referendum
- State of Emergency continues
- Loan Guarantee Fund - support for growth
- High inflation threat
- F/X fluctuations
- US visa crisis

Cable Industry

- Rising copper prices
- Energy and Mining Policies
- Price pressure due to high competition
- Long collection terms create risky environment

Future Growth Drivers

STRATEGY GOING FORWARD...



Defend market share in a challenging and aggressive environment



Grow on value added business



Enlarge the diversity of customer range with new customers



Expand differentiation project
«Attention! All cables are not the same...»

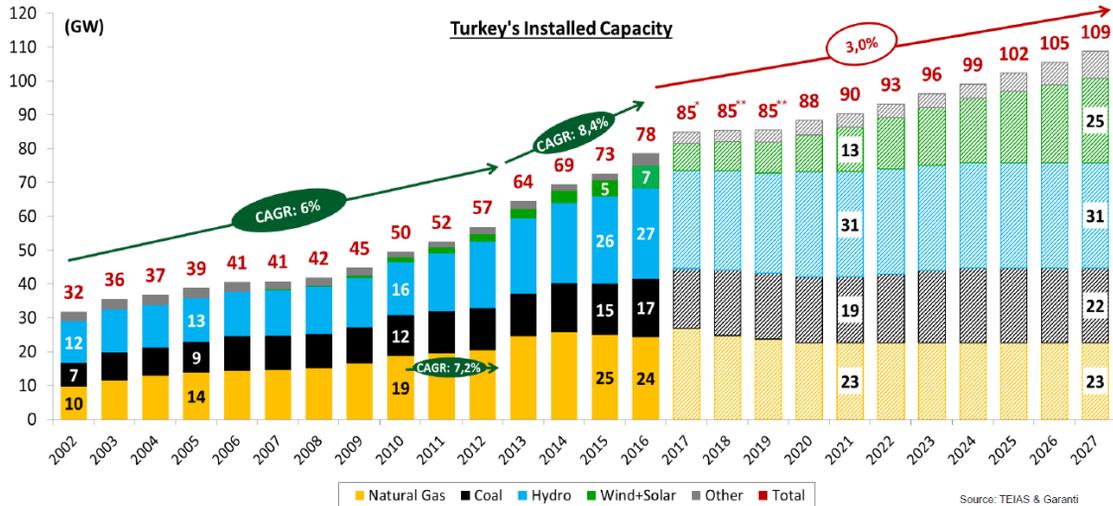


Focus on orders with hard currency pricing (\$ and €)



Continue strong Financial discipline

TURKEY'S INSTALLED ENERGY CAPACITY – FURTHER GROWTH



**Decreasing foreign-sourced energy dependency
by growing with renewable projects**

Çanakkale I Submarine Project

- 100 % completed
- Final Acceptance → Jan'18

Çanakkale II Submarine Project

- 99% completed
- Operational Acceptance → Aug'17
- Final Acceptance → Aug'19

İzmit Bay Submarine Project

First Tender

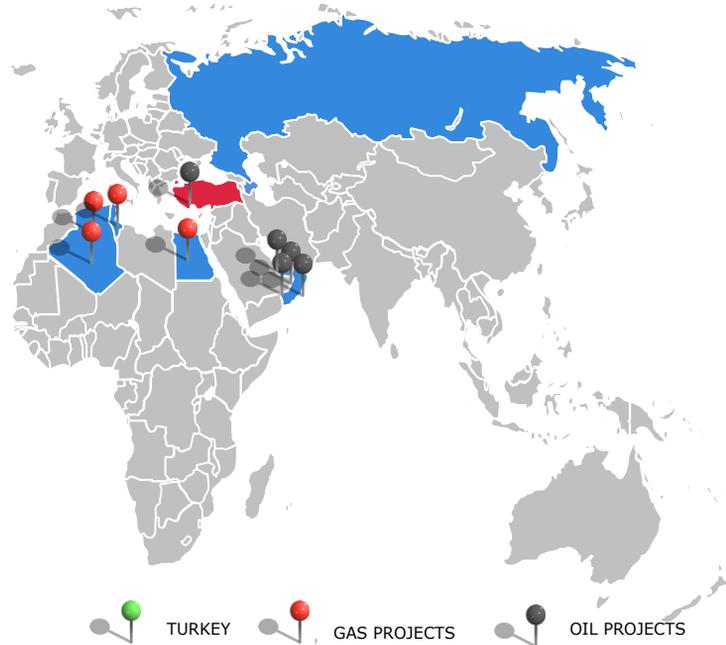
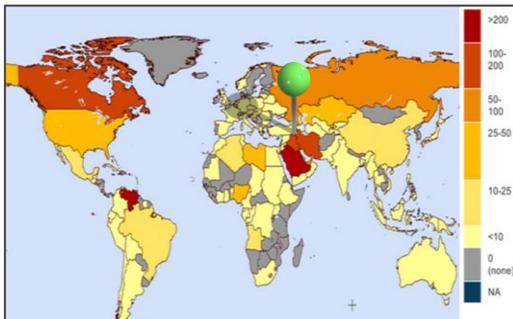
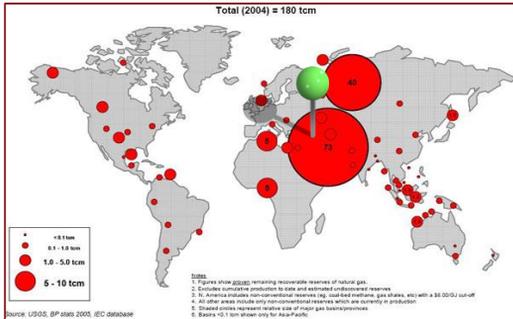
- Tender Date → 14.09.2017
- Winner Price → 382,3 mln TL
- Cancellation Date → 24.10.2017

Second Tender

- Tender Date → 27.11.2017
- Winner Price → 429,9 mln TL
- Cancellation Date → 21.12.2017



OIL & GAS PROJECTS – CLOSELY MONITORED



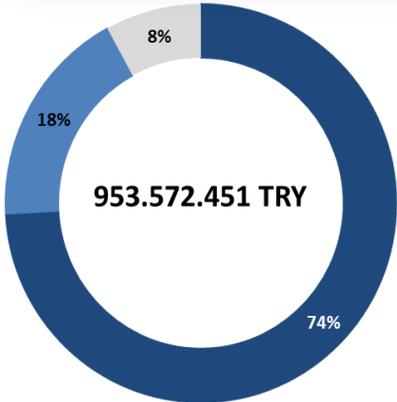
- ❖ **Performed a survey covering all Turkey, identified areas to improve.**
- ❖ **Enforce A-Team (existing & new)**
 - ❑ *4 new A-Team members during 2017*
- ❖ **Go beyond A-Team**
 - ❑ *Involving sub-dealers to differentiation activities*
- ❖ **Extended collection with credit card**
 - ❑ *Online system established with multiple bank and payment term options*
- ❖ **Defined new service KPI's to address customer needs.**

Financial Results

MAIN FOCUS ON DOMESTIC MARKET

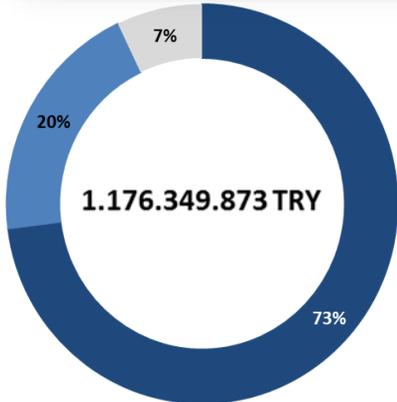
Sales Channels

2016



■ Domestic ■ Export ■ Pysmian Group

2017

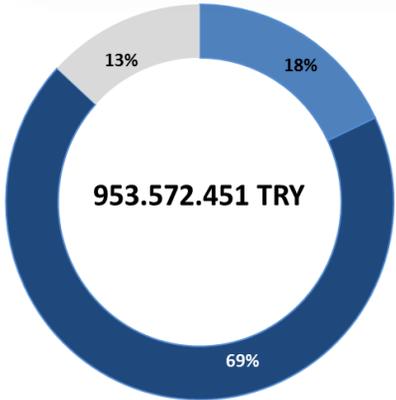


■ Domestic ■ Export ■ Pysmian Group

REVENUE INCREASE DRIVEN BY ENERGY PRODUCTS

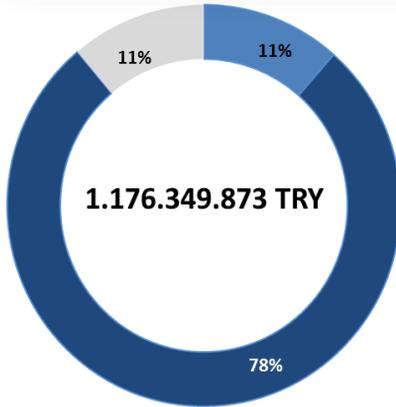
3 Operational Areas

2016



■ Energy projects ■ Energy products ■ Telecom

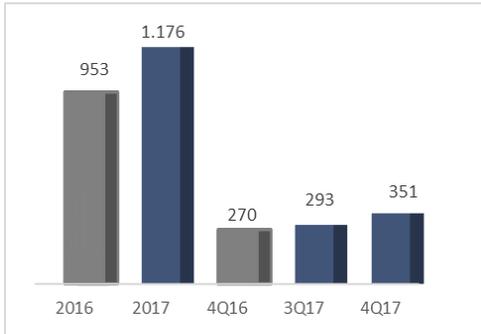
2017



■ Energy projects ■ Energy products ■ Telecom

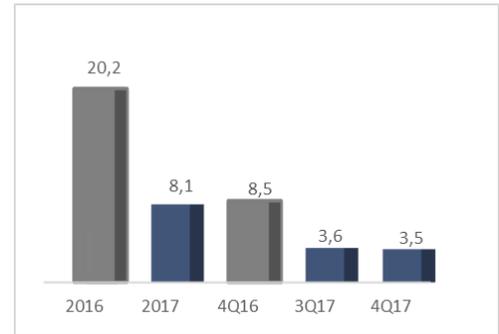
DECREASE ON PROJECT EXECUTION IMPACTED PROFITABILITY

REVENUE



- vs FY 2016 → 23% growth
- vs 4Q16 → 30% growth
- vs 3Q17 → 20% growth
- Against decrease on Project turnover, 23% revenue growth mainly due to
 - exchange rate
 - cu price increase

NET INCOME

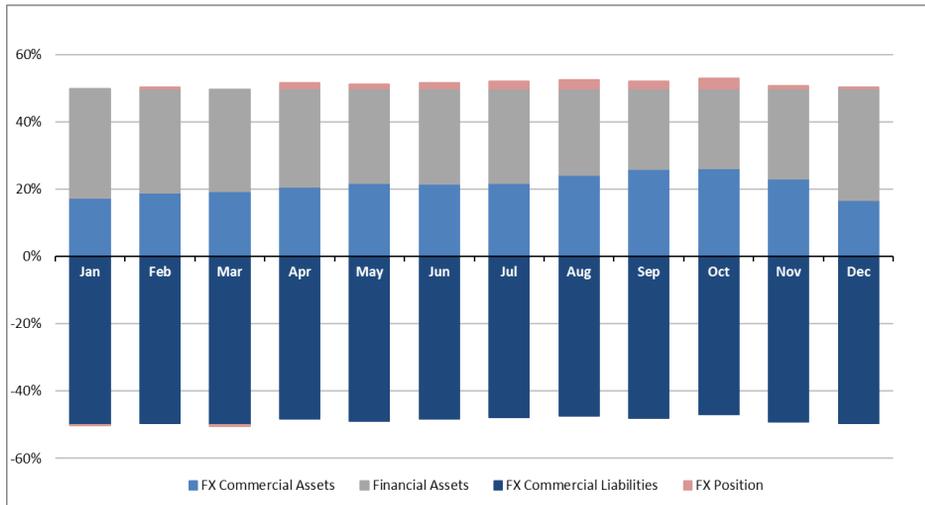


- vs FY 2016 → 60% worsening
- vs 4Q16 → 59% worsening
- vs 3Q17 → 3% worsening
- Net income erosion mainly due to;
 - Decrease on Project execution
 - Increasing cost of hedging
 - Price pressure due to high competition

P/L COMPARISON – 2017 VS 2016

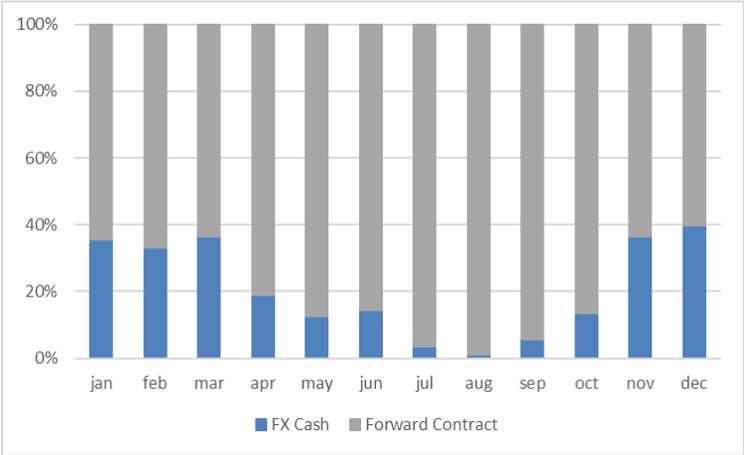
	January 1 - December 31, 2017	January 1 - December 31, 2016	Diff
Revenues	1.176.349.873	953.572.451	23,4%
Cost of sales	(1.057.457.251)	(832.409.981)	27,0%
GROSS PROFIT	118.892.622	121.162.470	-1,9%
<i>Gross profit / Revenues</i>	<i>10,1%</i>	<i>12,7%</i>	
General Administrative Expenses	(42.139.202)	(33.800.019)	24,7%
Marketing expenses	(53.818.020)	(49.640.596)	8,4%
R & D Expenses	(2.481.376)	(2.242.497)	10,7%
Operating income/expenses net	(14.398.771)	(11.224.914)	28,3%
OPERATING GAIN/LOSS	6.055.253	24.254.444	-75,0%
<i>Operating gain/loss</i>	<i>0,5%</i>	<i>2,5%</i>	
Revenue from Investments	287.801	403.060	-28,6%
Finance Income/Expense (net)	1.358.768	754.159	80,2%
PROFIT BEFORE TAX	7.701.822	25.411.663	-69,7%
<i>Profit before tax</i>	<i>0,7%</i>	<i>2,7%</i>	
Tax Expense/Income	439.999	(5.175.713)	-108,5%
NET PROFIT	8.141.821	20.235.950	-59,8%
<i>Net profit / Revenue</i>	<i>0,7%</i>	<i>2,1%</i>	

FX POSITION – 2017 BALANCE SHEET



Gap between foreign currency commercial assets & liabilities are balanced with financial assets.

FINANCIAL ASSETS BREAKDOWN – 2017



FX risk on balance sheet initially covered with available cash (natural hedge), remaining risk is covered via forward contracts.

Thank you