



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

**FINANCIAL RESULTS**

**26.02.2021**

**Prysmian  
Group**

**Linking  
the Future**

# AGENDA

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1. INTRODUCTION
2. STRATEGY AND GROWTH DRIVERS
3. 2020 FINANCIAL RESULTS
4. 2021 EXPECTATIONS
5. Q & A



## Introduction

**Tamer Yavuztürk**

**Marketing & Communication  
Director**

**Prysmian**  
Group

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# PRYSMIAN GROUP - WORLDWIDE LEADER IN THE CABLE INDUSTRY



A long journey that started in Milano, Italy in 1879 and continues today in 50 countries with one corporate and three commercial brands, following the merger with General Cable in 2018.

Prysmian Group today is the world leader in the energy and telecommunication cable industry with a turnover of 11.6 billion Euros (\*).

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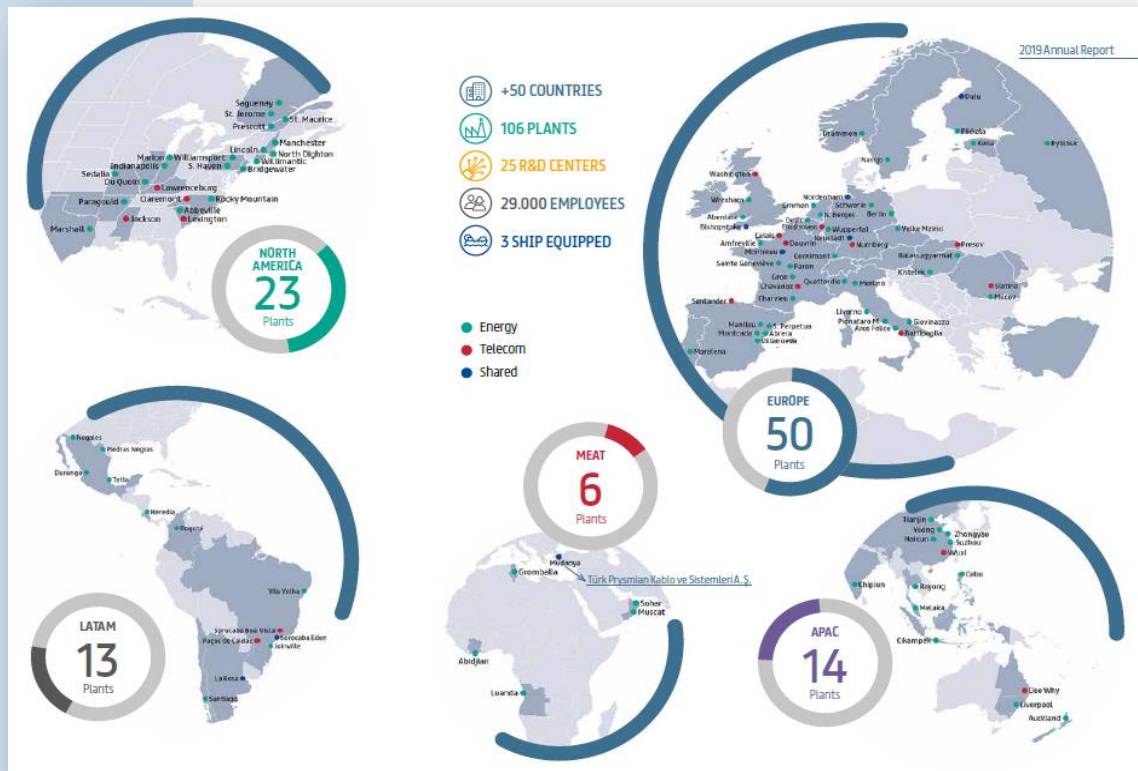
**Prysmian**  
Group



**General Cable**

(\* data relating to 2019)

# WITH A TRULY GLOBAL PRESENCE



Spanning 50 countries, 106 plants, 25 R&D centers, 29.000 employees,

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

# A MISSION FOR RESEARCH & DEVELOPMENT



**105M R&D expenditure**



**900 R&D Professionals**



**150 New Product Families** launched in 2018



**25 R&D Centers** with a global footprint close to our customers



**5600 Patent Portfolio** covering our key Innovations



**50 Research collaborations** with major universities and innovation partners

Our mission is to focus on quality and know-how to identify innovative and efficient solutions and technologies in order to create new products and services that put us ahead of our competitors.

# THE AMBITION TO TRANSFORM THE WORLD THROUGH INNOVATION

## INNOVATING TO TRANSFORM THE WORLD

Innovation is, and always will be, the cornerstone of our business.

<b>1883</b> Power cable installed in Milan connecting Via S. Radegonda and La Scala Theater	<b>1887</b> Submarine communication cable (telegraph) connecting some minor islands in Italy	<b>1932</b> Oil Filled power cable 1x130mm <sup>2</sup> - 60kV ac	<b>1952</b> Coaxial cables connecting Madrid and Barcelona	<b>1953</b> Submarine communication cable (telegraph) connecting Cape Verde and Brazil	<b>1960</b> Power cables (EPR) and accessories up to 400kV ac		
<b>1970</b> Power cables (XLPE) and accessories up to 275kV ac Fluid Filled power cables (paper) and accessories up to 1000 kV ac	<b>1974</b> Optical fiber technology development	<b>1976</b> Optical fiber cable technology development	<b>1987</b> First submarine optical cable installation	<b>1994</b> OPGW Optical - Ground Wire Superconductor power cable Cat 5e copper data transmission cables	<b>1999</b> Airbag technology for MV cables Flextube technology for optical cables	<b>2006</b> P-Laser technology for MV cables Bendbright-XS - Bend insensitive Single-Mode optical fiber	<b>2009</b> Pry-Cam technology for partial discharges measurement
<b>2011</b> Flexible pipes for flow lines Nano cable for telecommunication application using 200µm BB-XS fibers	<b>2013</b> P-Laser technology for HV cables Power cables (PPL MI) and accessories up to 600 kV dc	<b>2014</b> Very High Fiber Count Optical cables up to 1728 optical fibers Widecap-OMS - Multimode Fiber for wavelength multiplexing	<b>2016</b> Power cables (P-Laser technology) and accessories up to 600 kV dc Power cables (XLPE) and accessories up to 600 kV dc	<b>2017</b> Submarine power cable - Ultra High Depths (3.000m) Optical cable Flextube up to 3456 optical fibers Steel Tube Umbilical for dynamic applications	<b>2018</b> Submarine Power Cable - Leadless Technology Optical cable FlexRibbon up to 6912 optical fibres PryCam Gate E3X high emissivity advanced overhead lines		

We work to reduce production costs for both existing and new products, to lower environmental impact, and to add value for our Customers.

# AND THE SUSTAINABILITY IN THE DNA

## Environmental


**920,000 t CO<sub>2</sub>**  
ABOUT  
 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.



# PRYSMIAN GROUP UNDERSIGNS GLOBALLY PRESTIGIOUS PROJECTS



Burj Khalifa, Dubai



Westernlink Submarine Project, UK



Borwin2 Project, Germany



Satellites



FTTH, Australia



Louvre Museum, Abu Dhabi



Cauchari Solar Park Project,  
Argentina



HVAC High Voltage Project,  
Singapore



Airbus Project, France

## PRYSMIAN TURKEY - 57 YEARS IN THE TURKISH CABLE SECTOR



Established in Mudanya in **1964**, Prysmian Group Turkey is today's **technology leader in the country**.

From the very beginning our mission was **linking Turkey to the future** through participation to the most prestigious projects.

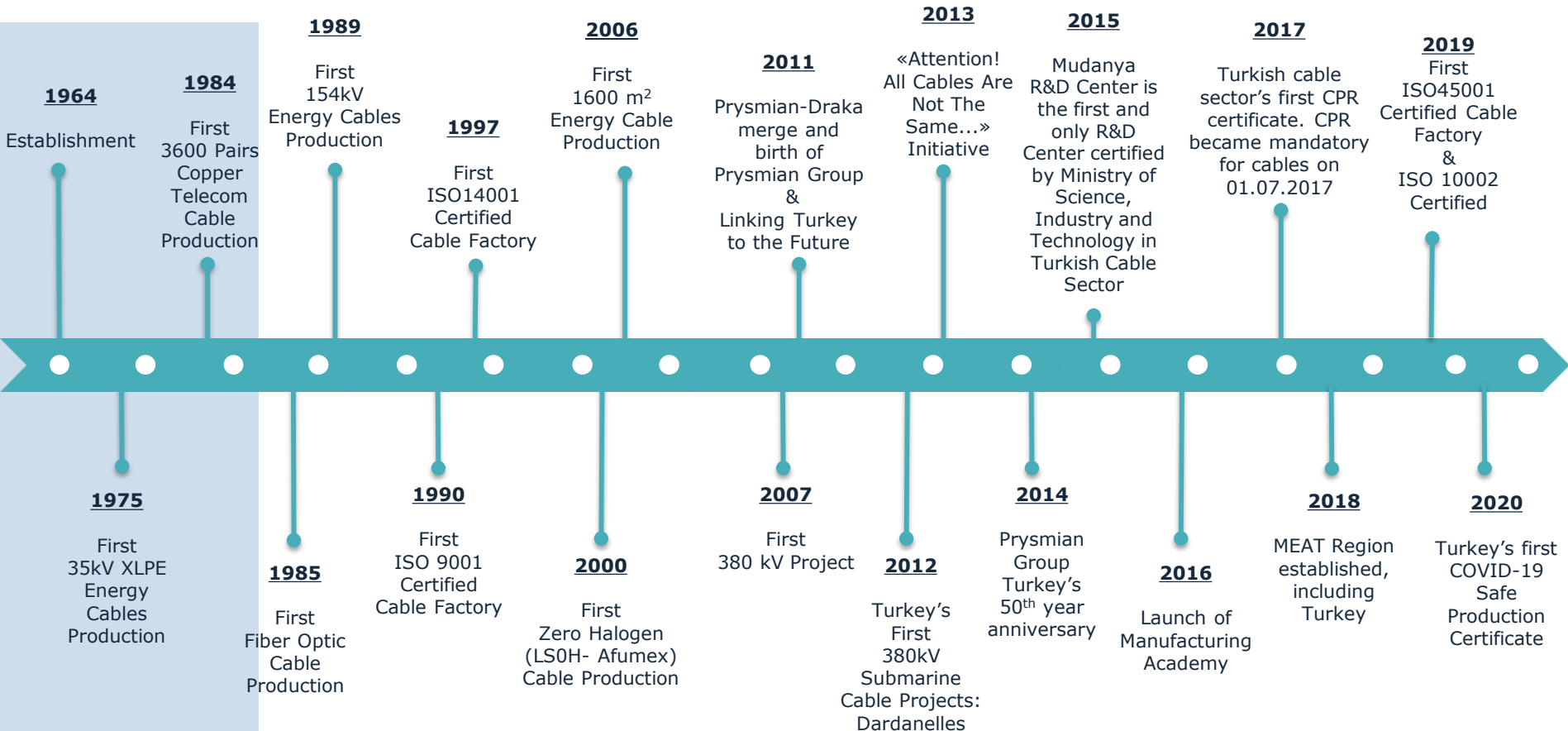
With all the projects accomplished and the **'firsts'** we have realized, today we are Turkish cable sector's leader.

# TÜRK PRYSMIAN KABLO IN A NUTSHELL



- **57** years experience
- **520** employees
- **1** plant and HQ in Mudanya
- total area: **180.000** m<sup>2</sup>
- offices in Mudanya, Istanbul, Ankara, Adana, Izmir
- **1.802** MTL total sales
- **37%** export

# TURK PRYSMIAN KABLO, LINKING TURKEY TO THE FUTURE





# TÜRK PRYSMIAN KABLO - PROJECTS IN TURKEY



Istanbul Airport



YEKA, Konya



National Electric Train Set



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



Socar – Star Refinery, İzmir



Dardanelles Strait Submarine Projects



Galataport, Istanbul



Ankara – Niğde Smart Highway



Merkez Ankara



Yavuz Sultan Selim Bridge, Istanbul



Stadiums of Besiktas, Fenerbahce, Galatasaray and Trabzonspor



Sancaktepe, Yeşilköy Field Hospitals

# TÜRK PRYSMIAN KABLO - PROJECTS WORLDWIDE



Baku Olympics Stadium, Azerbaijan



Port of Valetta, Malta



Ashgabat Airport, Turkmenistan



Dubai Metro



Ayada Maldives



Mecca Clock Tower, Saudi Arabia



Turkmenistan Presidential Palace



Shah Deniz Refinery Project, Azerbaijan



Palazzo Versace Hotel, Dubai





## Strategy & Growth drivers

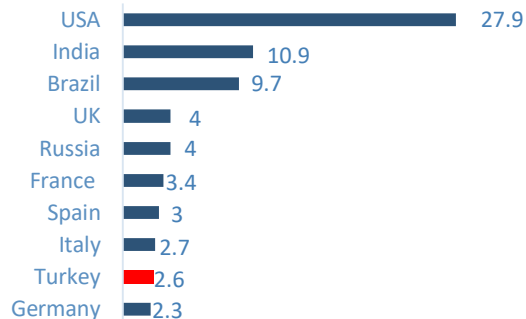
Cinzia Farisè  
CEO

**Prysmian**  
Group

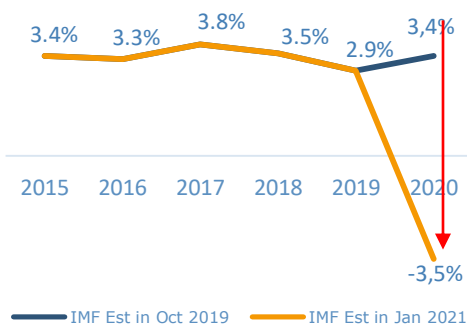
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# 2020: AN UNPRECEDENTED YEAR IN THE SHADOW OF COVID-19 PANDEMIC

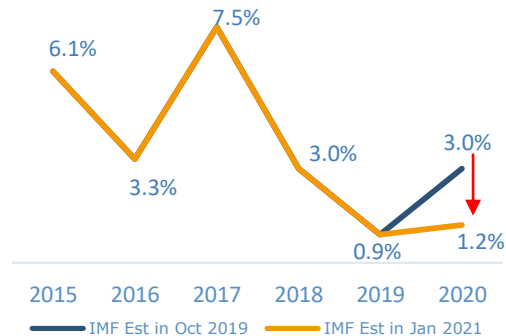
107.9 mln cases and 2.4 mln death toll globally



World GDP to dramatically contract in 2020



Turkey's GDP among few with positive growth



## IMPACT ON HUMAN

- Post-traumatic stress disorder, anxiety, depression experienced particularly by health care workers, elderly, children and youth
- Economic shocks caused by unpaid work
- Disruptions in daily life due to lack of sports, travel, social activities and increased domestic violence
- Unequal conditions for people with limited means (homeless, migrants, etc.)

## IMPACT ON BUSINESS

- Disruptions on:
  - ✓ Supply, due to higher unemployment and lower productivity
  - ✓ Demand, due to lay offs and loss of income
  - ✓ Interconnected world economy due to closed borders and ban on travelling
- Tightening financial conditions with the extreme uncertainty about the impact of the pandemic

## IMPACT ON ENVIRONMENT

- Reduction in water consumption, air, noise pollution, greenhouse gas emissions and ecological restoration only temporary.
- Increased biomedical waste generation.
- Higher safety equipment use and haphazard disposal
- Other effects on the environment caused by extensive use of disinfectants.
- Reduction of recycling.

\*Source: Statista for Corona cases, IMF WEO Report for GDP



## 2020: WE TOOK CARE OF OUR PEOPLE

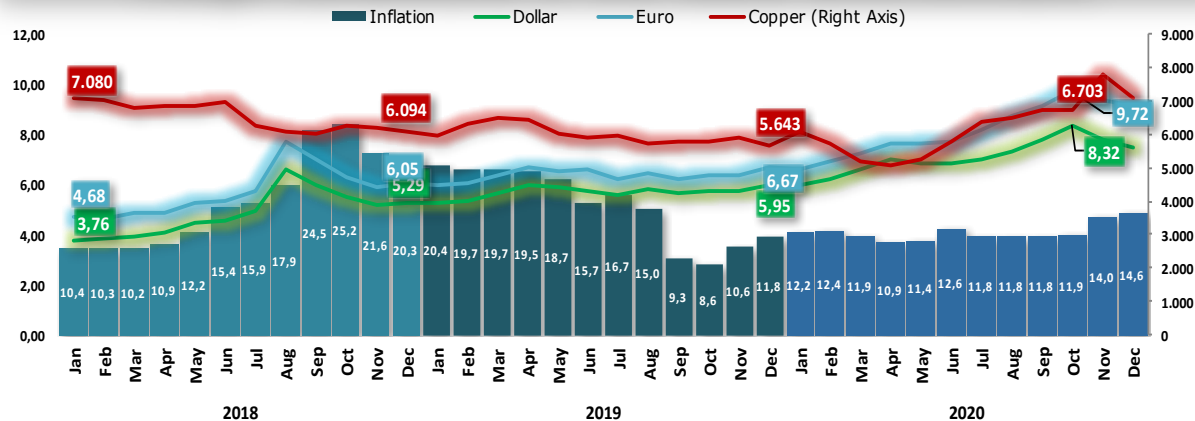
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- Prioritized health and safety
- Crisis Management through Crisis Committee applying safety procedures & instructions in line with Risk Assessment
- ‘Emergency Plan’ & ‘Back Together Plan’ activated
- 24 hours medical unit on site
- ‘White collar’ employees working remotely
- Exceptional hygiene and sanitization measures
- Tripled company buses for ‘blue collar’
- Massive monthly testing for all (including subcontractors)
- No critical cases in our premises

# 2020: WE TOOK CARE OF OUR BUSINESS

## Tough conditions in the cable environment



### Global Markets

- New mutation of COVID-19 pose concerns on the global outlook
- Yet, recent vaccine approvals raise hopes for recovery
- Policy measures announced in the USA and Japan at the end of 2020 is expected to support economic activity

### Turkey

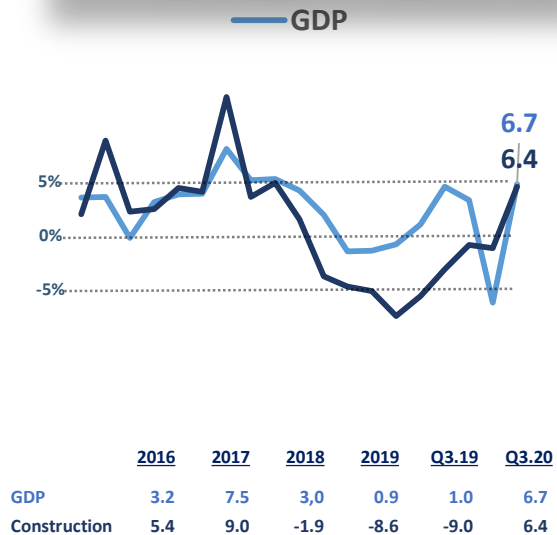
- Ongoing coronavirus effects and uncertainty on the market
- Mix signals on the fx front with TRY gaining value
- New CBRT policies may attract FDI in the days to come
- It is not certain if the recovery in 3Q is permanent

### Cable Industry

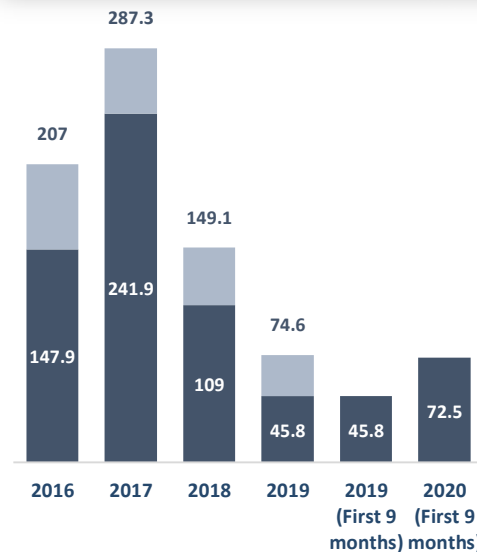
- Ongoing coronavirus effects the demand
- Uncertainty of revival of infrastructure & construction
- Financial bottleneck forced some producers to consolidate
- Price pressure due to low saturation in the market
- Longer payment terms and high default risk

# 2020: WE TOOK CARE OF OUR BUSINESS

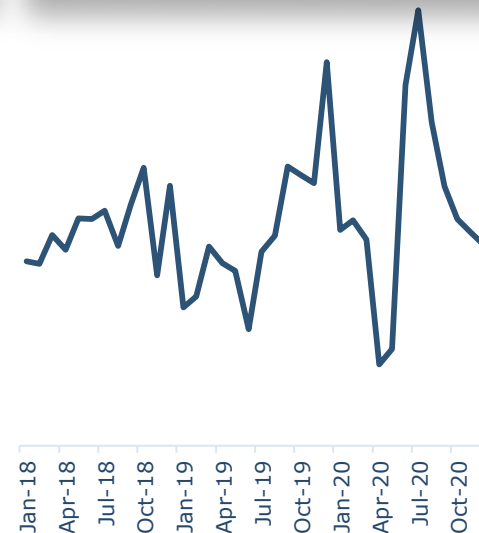
## 6.4% IMPROVEMENT IN CONSTRUCTION



## RISE IN CONSTRUCTION PERMITS



## 30% YoY FALL IN HOUSE SALES IN 4Q20



**YET, IMPROVING TRENDS TURNED DOWNWARDS AS OF 4<sup>TH</sup> QUARTER**

# 2020: WE TOOK CARE OF OUR BUSINESS

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- **Secured orders**
  - By working with a corporate clientele
  - By boosting customer bond
- **Assured continuity of operations**
  - Diversified supply chain to prevent any shortage
  - Re-evaluated inventory
- **Emphasized financial discipline**
  - Contained forward contract cost through bank loan
  - Reduced DIO
  - Shortened DPO
- **Focused on strategic management**
  - Monitored metal risk daily.
  - Minimized credit default risk.

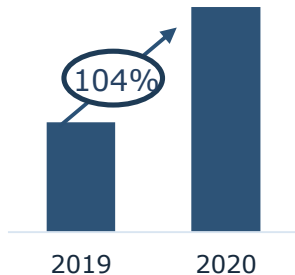


# 2020: WE TOOK CARE OF OUR BUSINESS



## Increased Revenues

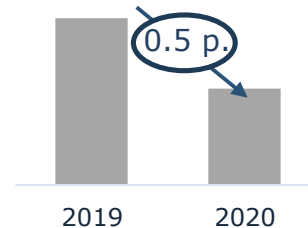
Group Revenues



- ✓ YoY revenue increase by 104 % in 2020
- ✓ Share of Group Revenues up by 6 p.p. to %16
- ✓ Share of energy products up by 2 p.p. to 80%

## Structured Fixed Costs

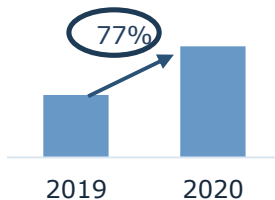
Share of Fixed Costs in Revenues



- ✓ Strict cost reduction measures to keep fixed cost under control
- ✓ Decreasing fixed costs despite 3.4MTL COVID-19 related expenses

## Contained Variable Costs

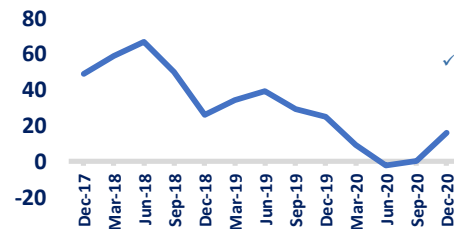
Variable Cost Efficiency



- ✓ 1.3 M'TL increase in variable costs efficiency

## Reduced Financial Costs

Forward Contracts (€ M)



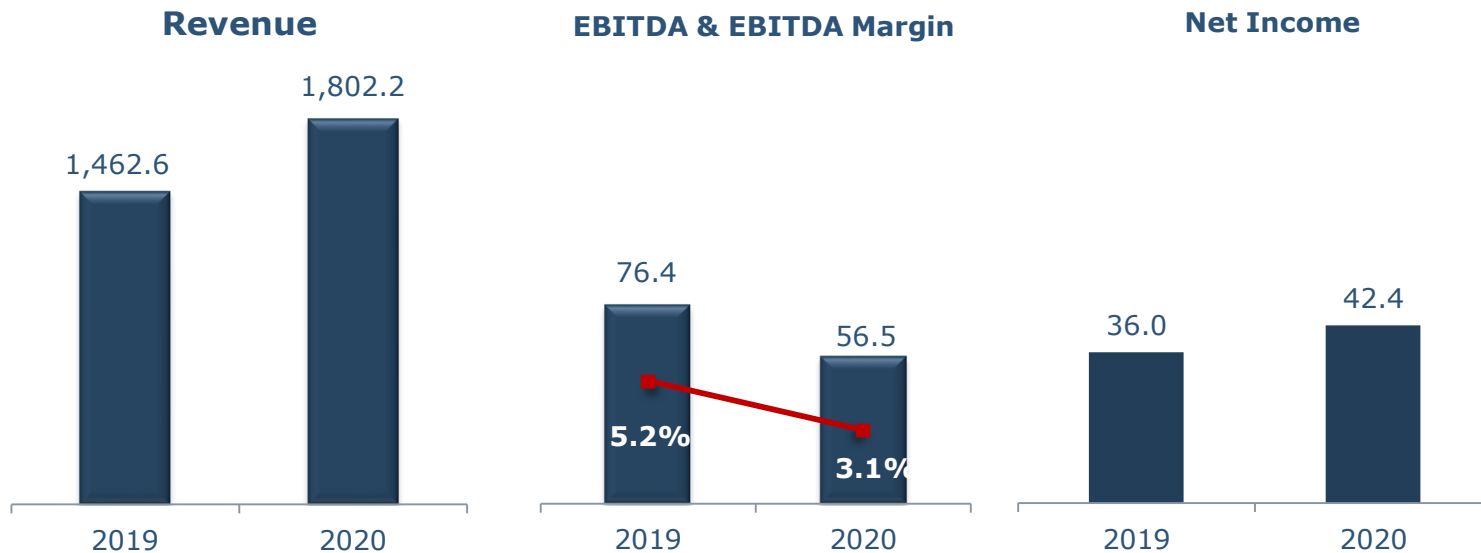
- ✓ More resilient against fx fluctuations
- ✓ Share of TRY in order portfolio 32.3%

## Keeping our promises every quarter

	2Q GUIDANCE	2Q ACTUAL	3Q GUIDANCE	3Q ACTUAL	4Q GUIDANCE	4Q ACTUAL
<b>Revenue</b>	%10-15 decrease	↑ (+5.9%)	Flat	↑ (+9.4%)	15-20% increase	↑ (+29.8%)
<b>EBITDA</b>	2 – 5 M'TL decline	↑ (-1.4 M'TL)	4 – 6 M'TL decline	↑ (+0.9 M'TL)	10% increase	↑ (+22.8%)
<b>Group Waiver</b>	No waiver	-	No waiver	-	No waiver	-
<b>Net Income</b>	No Guidance	%1.0 increase	No Guidance	28.0% increase	No Guidance	23.2% decline

# 2020: WE TOOK CARE OF OUR BUSINESS

... even growing the net income

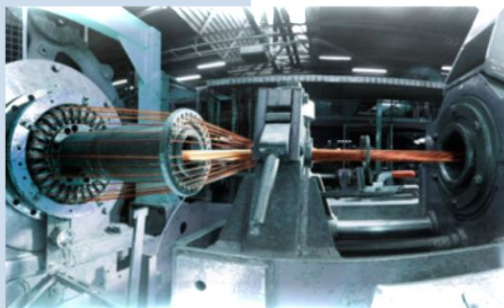


## We managed the emergency and redefined our strategy



- We took immediate actions to cope up with the uncertain business environment in 2020
  - But at the same time we re-analyzed opportunities for each business unit.
- 
- We made a comprehensive plan including the necessary initiatives, also in term of investment, to re-position our Company for the future and build up the needed capabilities, in term of asset, to boost growth and increase vitality.





### **DIVERSIFY RISK FOCUSING ON SPECIAL CABLES**

- Be the **Excellence Center** of the Group in **Railway**
- **Build on** capabilities in domestic market in **Solar**
- Serve as the **production hub** of the Prysmian Group in **Marine**
- Closely **monitor** the localization projects in **Wind**
- **Improve** service in **White/Brown Goods**
- **Invest** on new industries promising future like **Nuclear, Wind and Mining**



### HV AND SUBMARINE: MORE EXPORT AND I/C

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- **Localize** 154KV HV Cable Accessories production
- **Monitor** new local tenders
- **Maintain** domestic market share
- **Expand** in Europe and Middle East



### EXPLOIT GROWTH OPPORTUNITIES IN TLC

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- **Sustain** long-lasting **partnership** with the sector's **main players**
- **Leverage** Group's wide **product range**
- **Penetrate** more to **niche segments**
- **Utilize** I/C opportunities as the Group's **Copper Excellence Center**
- **Follow up** growth opportunities for **Oil & Gas Optical and MMS**



## GLOBAL SCALE IN O&G

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- **Act** as the reliable supplier in Africa, North Africa and CIS / Russia projects
- **Build on** product development capabilities
- **Ensure** risk free processes and services
- **Monitor** mega projects and opportunities

# 2020: WE TOOK CARE OF OUR ECOSYSTEM



- Sustainability has always been a priority for our Group, an integral part of our business and a part of our culture.
- **As Prysmian Turkey we want to effectively reinforce our Business model to integrate economic, social and environmental responsibility in all aspects of our activities.**
- In the recent years we offered our contribution to Turkey's industrialization and economy as a solution partner of many of Turkey's prestigious projects.
- Our target for the next years is '**Linking Turkey to a sustainable future**' by enabling the transition to sustainable energy.

**Rebuilt after disruption, make leadership more inclusive, shape sustainable leaders**





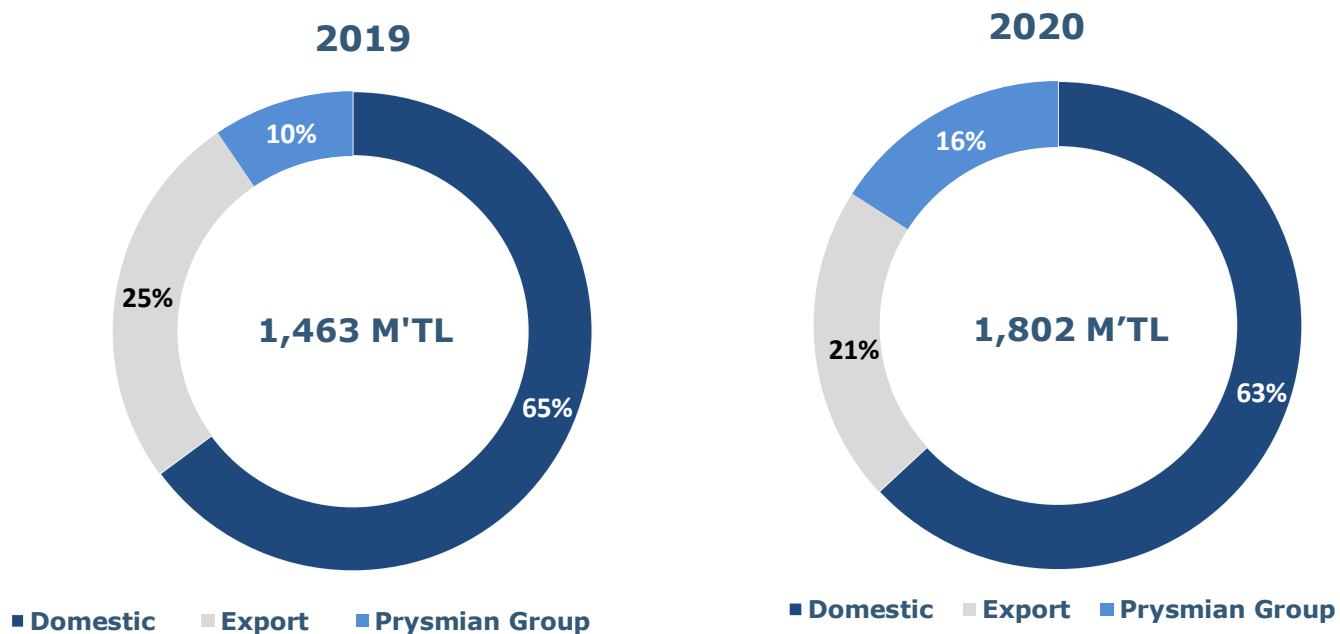
## 2020 Financial Results

Ercan Gökdağ  
Regional CFO

**Prysmian**  
Group

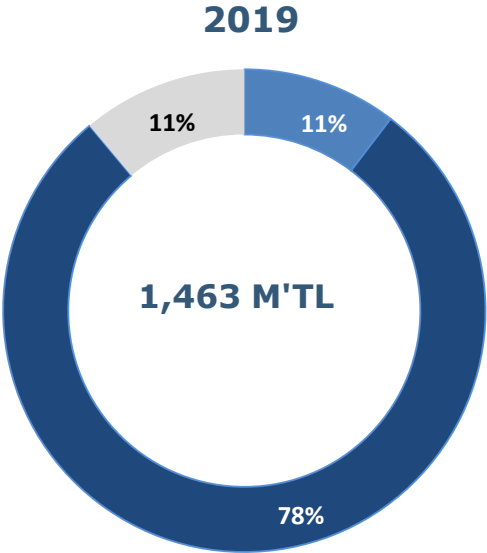
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# REVENUE BY DISTRIBUTION CHANNEL

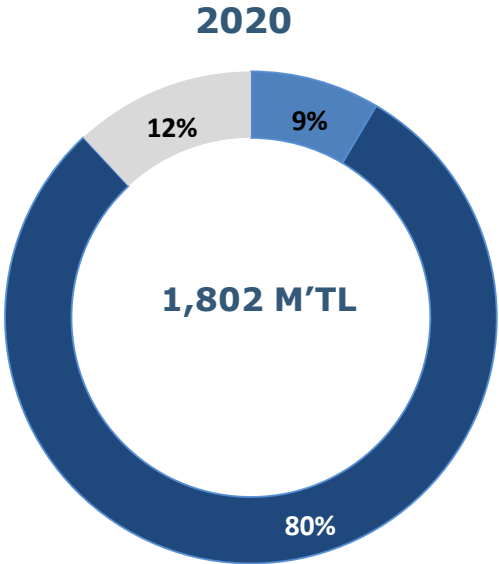


**23% sales increase mainly supported by Prysmian Group**

# REVENUE BY SEGMENT



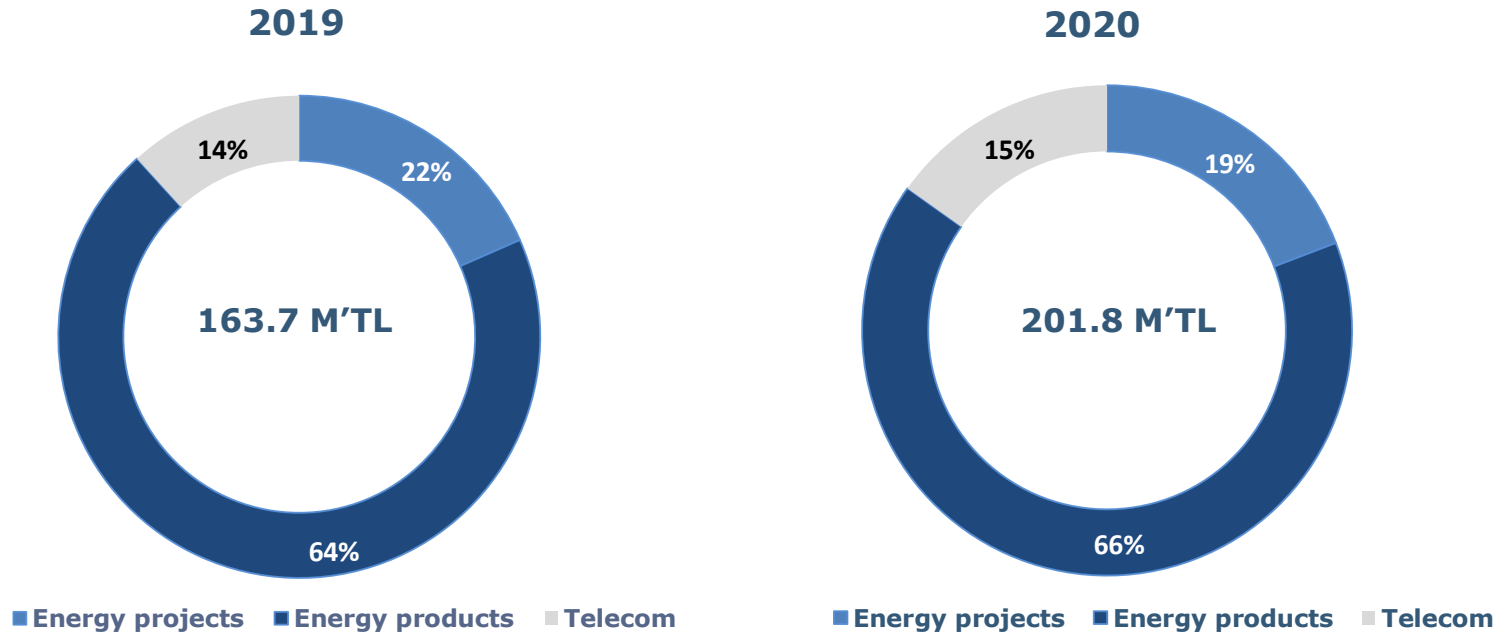
■ Energy projects ■ Energy products ■ Telecom



■ Energy projects ■ Energy products ■ Telecom

**Slow down in energy projects due to curfew compensated by the energy product revenues**

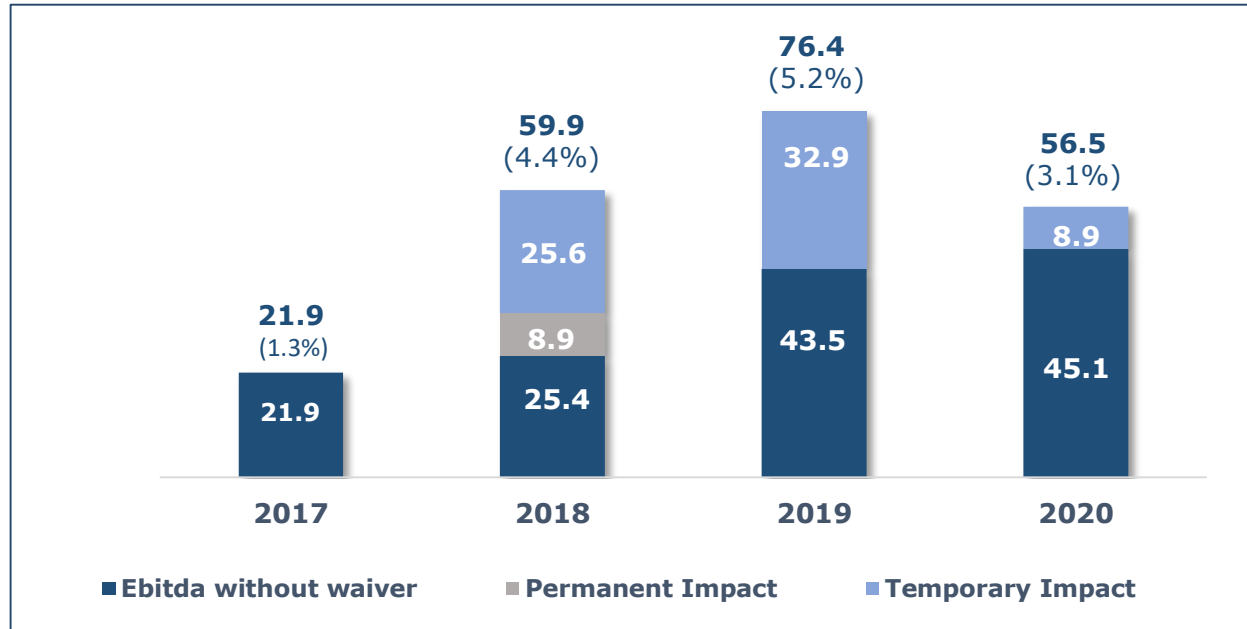
# GROSS PROFIT BY SEGMENT



**Gross profit margin maintained due to improved product mix despite lower contribution from energy projects**

# PRYSMIAN GROUP SUPPORT DURING FINANCIAL CRISIS

EBITDA & EBITDA MARGIN (M'TL & %)

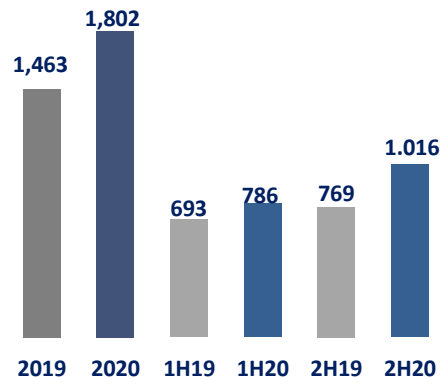


**Prysmian Group waiver not applicable since 2Q 2020**



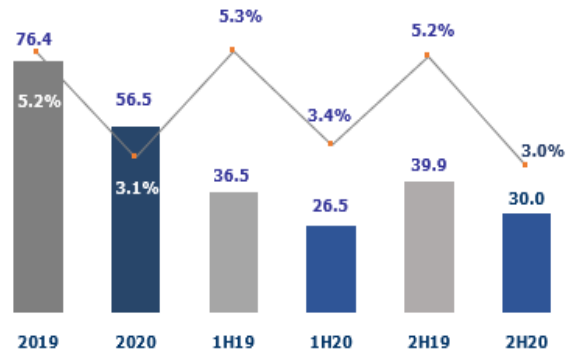
# REVENUE, EBITDA & EBITDA MARGIN AND NET INCOME

## REVENUE (M'TL)



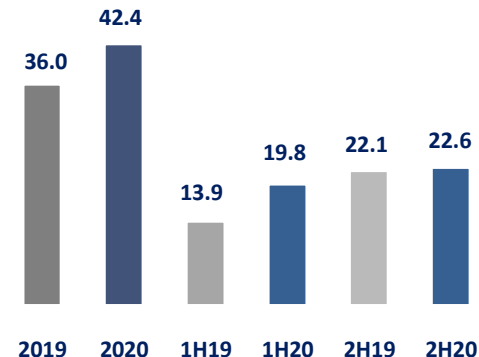
- 23.2% YoY sales increase in 2020;
  - ✓ Increasing Prsymian Group revenues
  - ✓ Exchange rate impact (23.5% increase)
  - ✓ Copper unit price reduction in average (-6.8%)

## EBITDA & EBITDA MARGIN (M'TL)



- 26% YoY EBITDA decrease in 2020;
  - ✓ Termination of Prsymian Group waiver: -25,7 M'TL impact
  - ✓ COVID-19 related expenses amounting to -3.4 M'TL

## NET INCOME (M'TL)

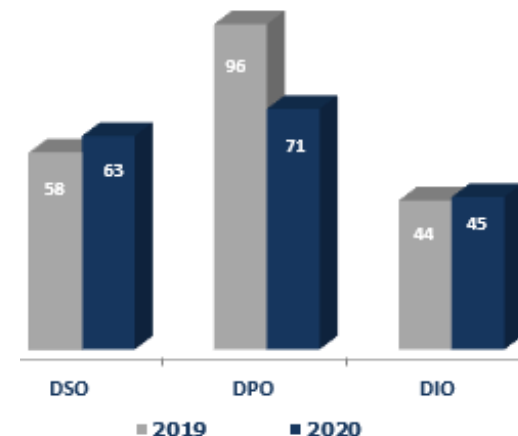


- 17.9% YoY rise in net income in 2020 despite the absence of Prsymian Group waiver (25,7 M'TL);
  - ✓ Reduced forward contract costs 34.1 M'TL

# WORKING CAPITAL DAYS IMPROVED DESPITE TOUGH MARKET CONDITIONS

(k'TL)	2019	2020
Cash & Cash Equivalents	210,506	146,429
Trade Receivables	284,744	428,580
Construction Contracts	12,062	16,114
Inventories	174,711	245,549
Other Current Assets	83,680	55,579
Non-Current Assets	122,130	170,771
<b>TOTAL ASSETS</b>	<b>887,832</b>	<b>1,063,022</b>
<i>Short Term Loans</i>	1,275	52,868
Trade Payables	447,965	470,853
Other Short Term Liabilities	50,975	113,277
<b>SHORT TERM LIABILITIES</b>	<b>500,216</b>	<b>636,998</b>
<b>LONG TERM LIABILITIES</b>	<b>17,279</b>	<b>22,459</b>
Paid in Capital	216,734	216,734
Net result of the period	35,971	42,419
Other	117,633	144,412
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>887,832</b>	<b>1,063,022</b>
<b>NET CASH</b>	<b>209,231</b>	<b>93,561</b>

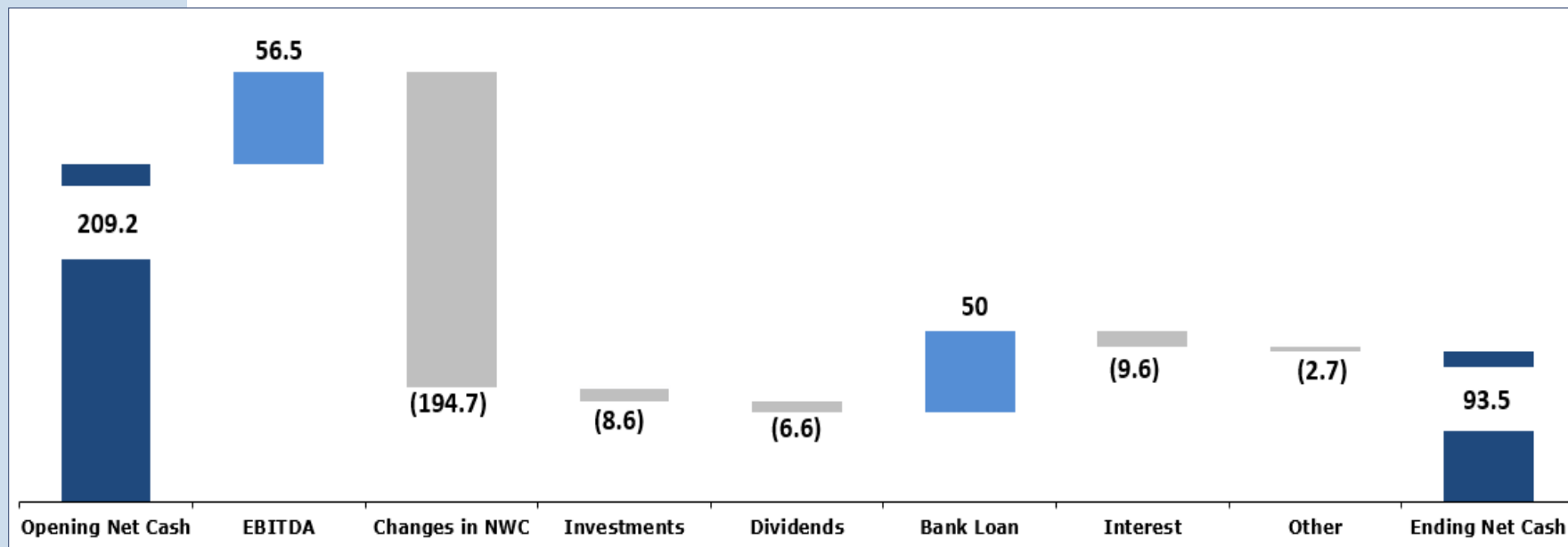
## WORKING CAPITAL DAYS



## NWC / Annualized Sales

2019	2020
7%	13.1%

## OPTIMUM CASH LEVEL WITH MINIMIZED FINANCIAL COSTS





## 2021 Expectations

Cinzia Farisè  
CEO

**Prysmian**  
Group

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# FROM 'GOOD' TO 'GREAT'

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## CURRENT STATUS

- Covid-19 still here, posing threat on human health and economy
  - First half market conditions to be rough and volatile
  - Uncertainty for demand in construction sector and potential tenders
  - Aggressive price competition still in the market
- 

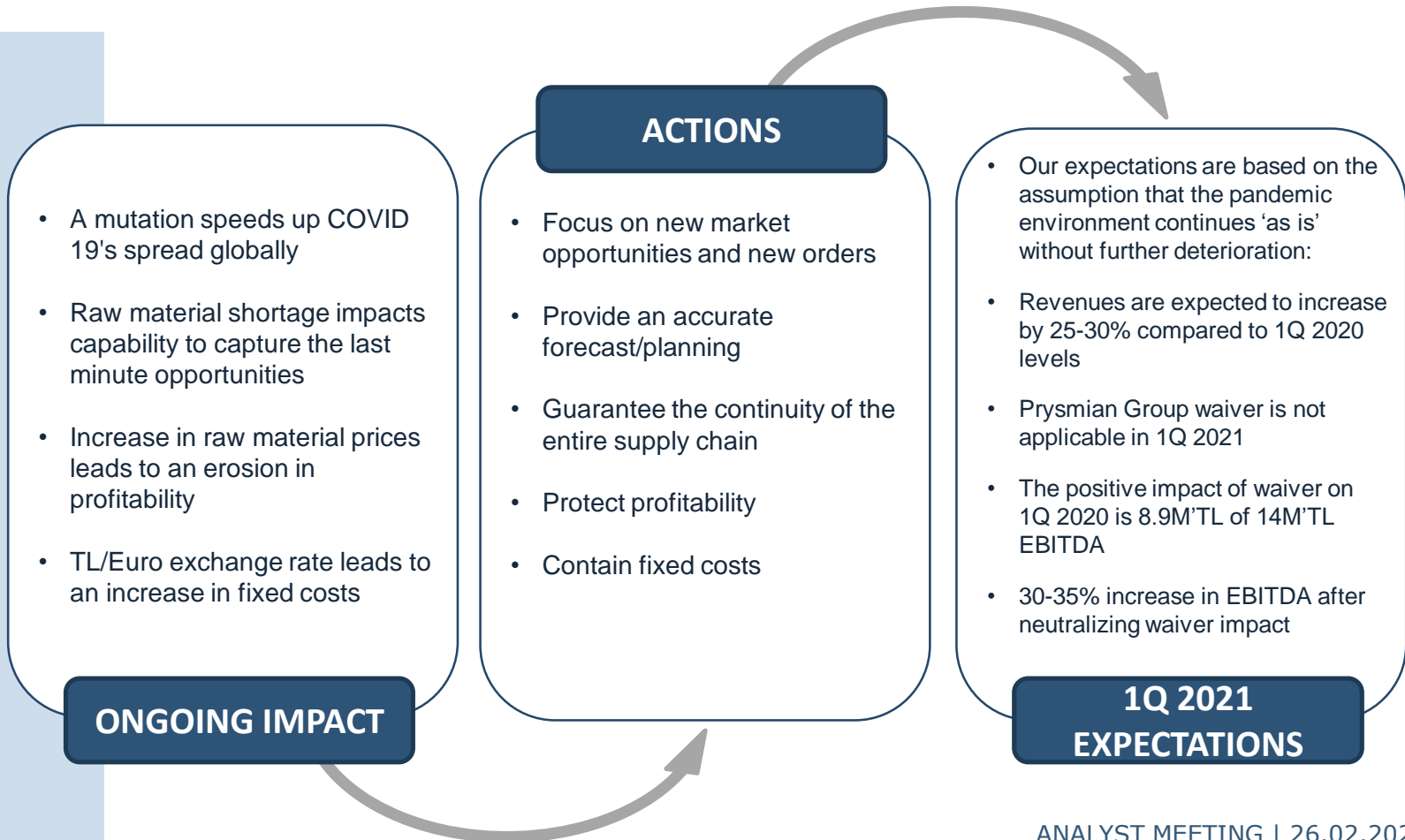
## GUARANTEEING OUR 2021

- Grow E&I business with a focus on cost control
  - Closely follow up TEİAŞ tenders
  - Invest for the localization of 154 KV NWC
  - Be the sole manufacturer for domestic YEKA projects
  - Secure O&G projects for 2H 2021
  - Fight competition in Telecom business
- 

## GUARANTEEING OUR FUTURE

- Position Turkey as the Railway Excellence Center for Europe
- Roll out the investment plan to guarantee a long term sustainable growth
- Boost Diversity & Inclusion for a long term successful growth
- Focus on sustainability to link Turkey to a sustainable future

# 1Q 2021 EXPECTATIONS







Q & A

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