



KİMTEKS POLİÜRETAN SANAYİ VE TİCARET  
A.Ş.

and its SUBSIDIARIES  
*2022 Business Results*

*Investor Presentation*

*March 2023*



# Cavidan Karaca

CEO & Vice  
Chairman of  
the Board of  
Directors



**2015** Kimpur - CEO and Vice Chairman of the Board of Directors  
**2014** Kimteks Kimya Tekstil Ürünleri A.Ş. - Consultant  
**2002** Innovis Ticaret ve Danışmanlık A.Ş. - General Manager  
**2001** Omsan Lojistik A.Ş. - Purchasing Director  
**1997** Arçelik A.Ş. - Purchasing Manager  
**1996** Arçelik A.Ş. - Plastic Tool Production Engineer  
**1992** Erkunt Sanayi A.Ş. - Production and Planning Engineer

Middle East Technical University - Mechanical Engineering



1

Overview

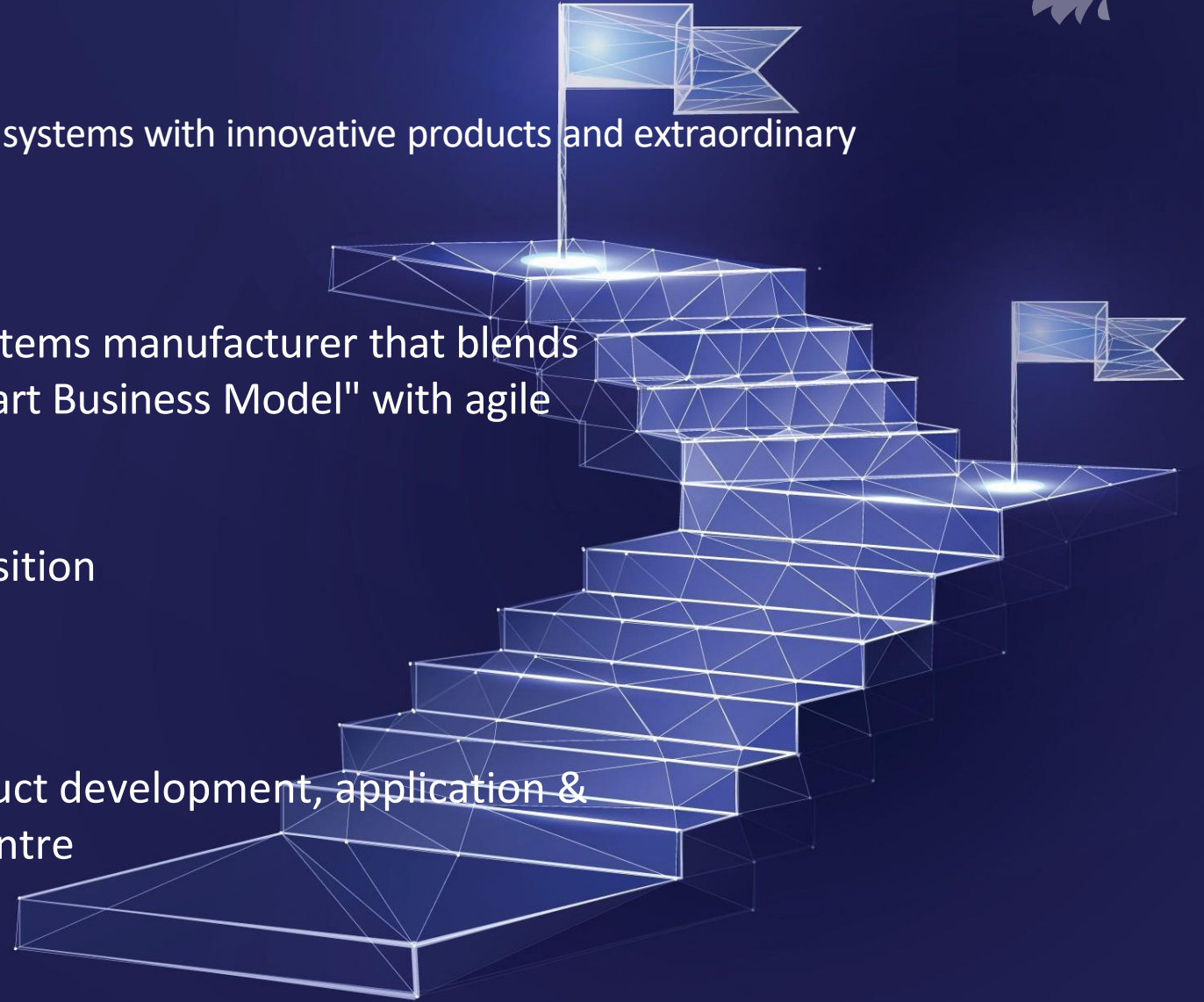
# WHY KIMPUR?



## OUR VISION

To be one of the world's top 10 players in polyurethane systems with innovative products and extraordinary solutions

- Turkey's first domestic capital polyurethane systems manufacturer that blends "Advanced Technology" systems based on "Smart Business Model" with agile & lean management approach
- Sector leader with strong domestic market position
- Strong growth strategy in export markets
- Leading company in the sector with new product development, application & simulation opportunities in its leading R&D Centre



# KIMPUR IN ALL AREAS OF LIFE



**kim FOOT**<sup>®</sup>  
AYAKKABI SİSTEMLERİ



**kim FLEX**<sup>®</sup>  
ESNEK KÖPÜK SİSTEMLERİ



**kim RIGID**<sup>®</sup>  
SERT KÖPÜK SİTEMLERİ



**kim CASE**<sup>®</sup>  
ÖZEL ÜRÜNLER



**kim POL**<sup>®</sup>  
POLYESTER POLİOLLER



**kim RAW**<sup>®</sup>  
HAMMADDELER



**kim PLUS**<sup>®</sup>  
YARDIMCI MALZEMELER

ROOF INSULATION (Spray Systems)

ROCK WOOL / EPS ADHESIVE

SANDWICH PANEL (PUR/PIR)

VISCO PILLOW  
VISCO BED

CAR SEAT (HR Foam Systems)

CEILING TILE (Semi-Rigid)

GARAGE DOOR

STEERING WHEEL  
CAR SEAT  
CONSOLE  
MAT

REACTION INJECTION MOLDING (RIM)

SOUND INSULATION  
SYSTEM

CABLE HARDWARE

FILTERS

SHOE SYSTEMS



SOLAR PANEL SYSTEM

FRAME (Wood Imitation)

BED HEAD (Wood Imitation)

OFFICE CHAIR

COOLING SYSTEMS

WATER  
INSULATION  
MOTORCYCLE SEAT

BINDERS

CHAIR LEG (Wood Imitation)

Over  
600  
Syste  
ms

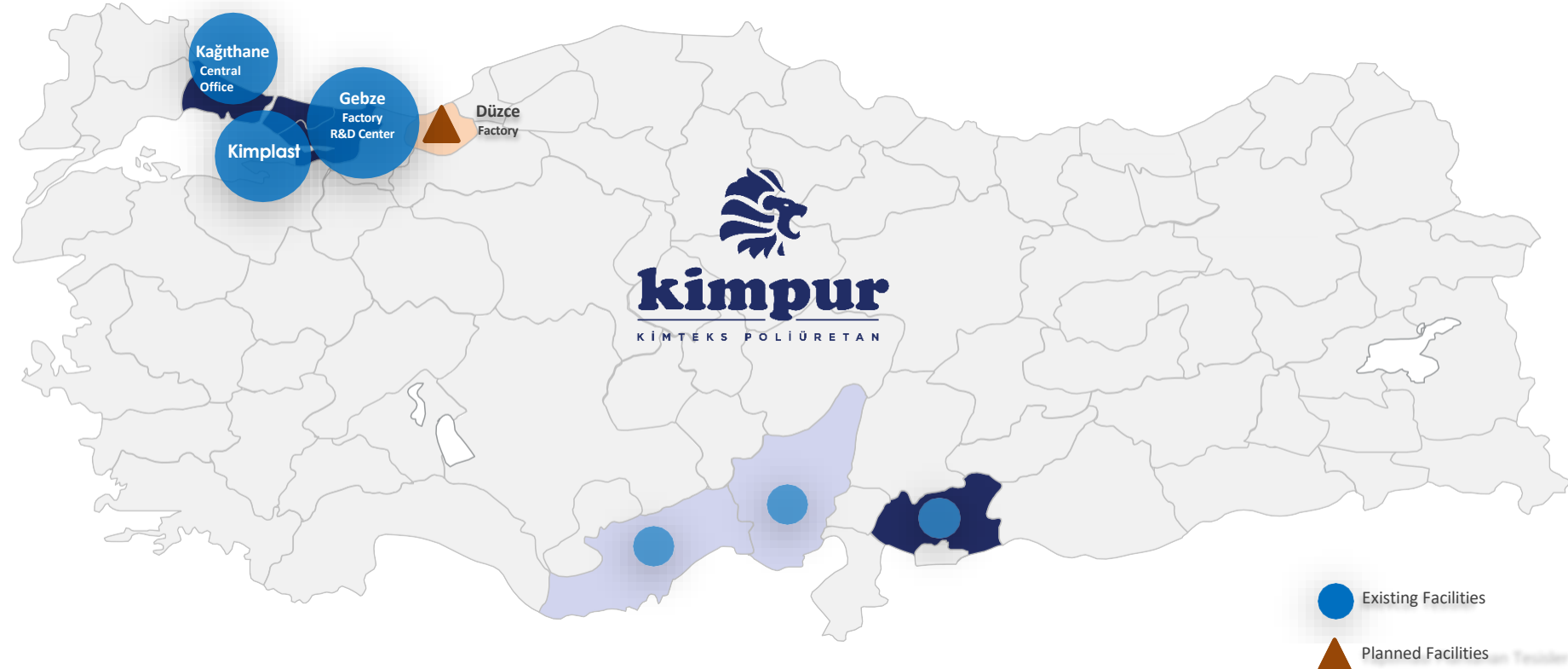
Wide  
Prod  
uct  
Rang



# OUR GLOBAL ACTIVITIES



Company	Country	Capital Share (%)	Field of Activity
Kimpur Russia	Russia	%100	Sales, warehousing & distribution service
Kimplast	Turkey	%83	Wholesale of plastics and rubber in primary form
Kimpur Europe	Latvia	%75	25 kton capacity polyurethane production, legal processes completed in '22
Kimpur Int. Trading	Malta	%100	Raw material supply & export



# NUMBERS AT A GLANCE:



**39**

ANNUAL EXPERIENCE

**155 kton**

PRODUCTION CAPACITY

- 130 kton Gebze
- 25 kton Latvia

**65 kton**

DÜZCE INVESTMENT

- 50 kton PU
- 10 kton EVA
- 5 kton PET Recycle

**10**

VISION TO BE ONE OF THE TOP 10 GLOBAL PLAYERS WITH A TOTAL CAPACITY OF 220 ktons

**52**

COUNTRY EXPORT

**254**

EMPLOYEE (27 R&D)

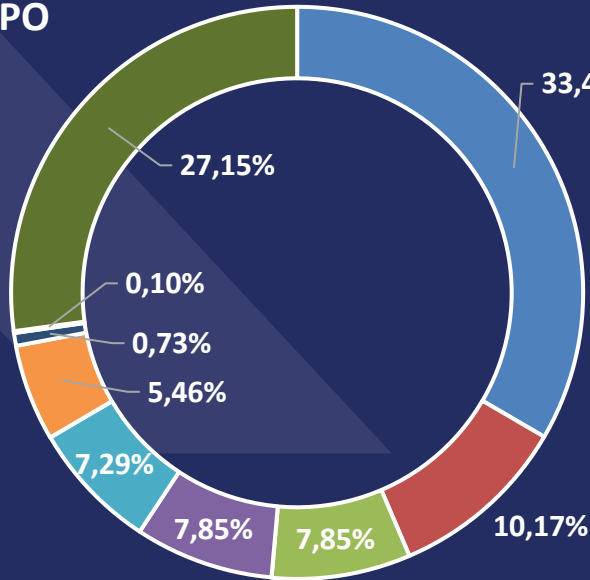
**%32**

EXPORTS / TOTAL TONNAGE

**600+**

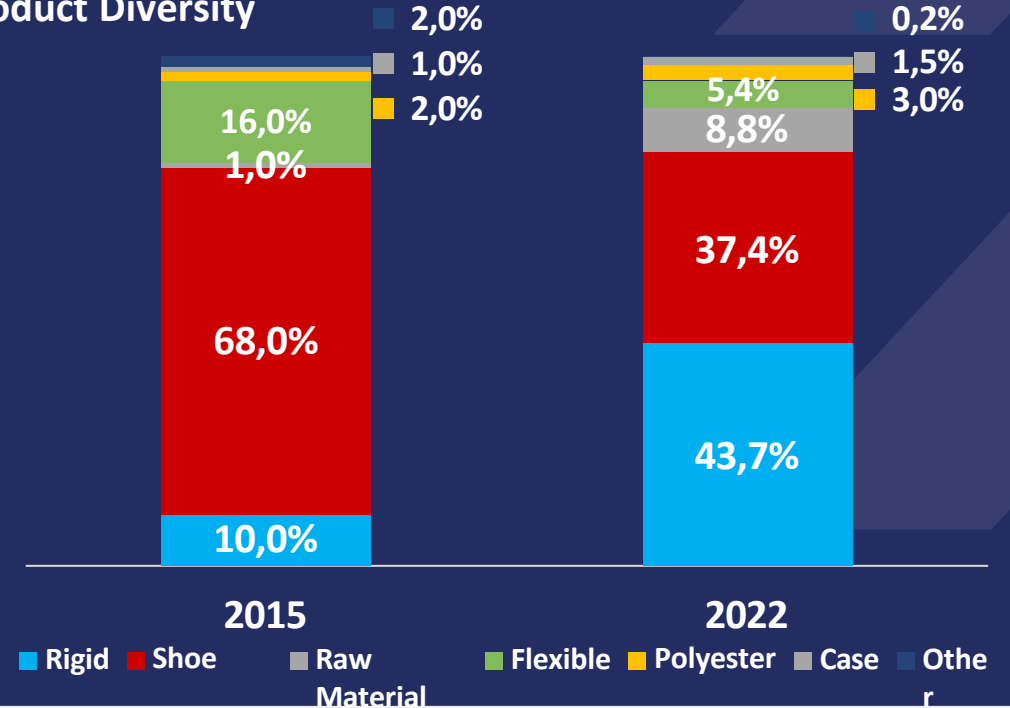
PRODUCT DIVERSITY

## Shareholding Structure After IPO



- Yuda Leon Mizrahi
- Etel Sason
- İsak İzi Mizrahi
- Beti Mizrahi
- Salvo Özsarfati
- Innovis Tic. ve Danışm. A.Ş.
- Yener Rakıcioğlu
- Murat Kuzkan
- Public Access

## Product Diversity



# KMPUR's Successful Progress After IPO



**April 2022**

➤ **Yıldız Pazar:**

- 3rd largest IPO of 2022 with 957mTL

**August 2022**

➤ **Corporate Governance (CG)**

**Index:**

- Kimpur included in the KY Index (our KY rating: 92.48)

**November 2022**

➤ **BIST 100:**

- Kimpur became one of the 100 largest stocks according to the criteria of 'market capitalisation of shares in actual circulation' & 'average trading volume for the last 6 months'

**December 2022**

➤ **Dividend Index:**

- Kimpur was included in the index consisting of the shares of companies that distributed cash dividends in the last 3 years

**December 2022**

➤ **London FTSE Index:**

- Kimpur was included in the 'FTSE Global Mid Cap' index prepared by FTSE (Financial Times Stock Exchange) Group on the London Stock Exchange

**January 2023**

➤ **NYSE MSCI Index:**

- Kimpur included in the MSCI Small Cap index under the New York Stock Exchange

**April 2023**

➤ **Sustainability Index:**

- One year of public float is required for participation in this index; documentation work is being finalized, we aim to enter this index in April 2023

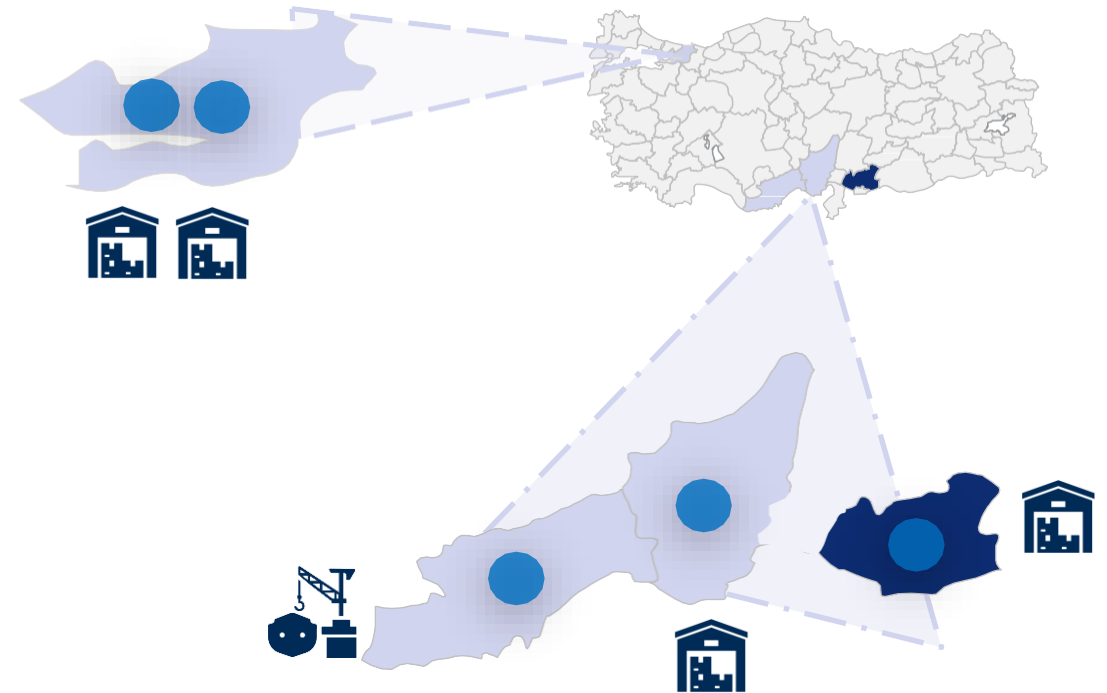


# SUPPLY CHAIN & LOGISTICS MANAGEMENT



- Turkey's largest acquisition volume in the sector
- ~90% import rate in production inputs
- European and Far Eastern producers in raw material supply
- Proactive raw material forecasting & cost studies in line with SAP & MRP studies commissioned in 2019
- Efficiency & speed in inventory turnover rates ( **30 days** for raw materials  
15 days for products / 7 days for products after ordering)
- Extensive storage network in port cities in line with increasing production and sales volume
- Efficient supply chain management with a total of 4 storage areas in Gaziantep, both in-house and contracted

## Kimpur Logistics Warehousing Network





2

## Our Strategic Priorities

# PROMINENT INVESTMENT ELEMENTS



**Reliable Solution Partnership**



**R&D Center & Innovative Practices Leading the Industry**



**Strong Domestic & Export Growth Strategy with Wide Product**



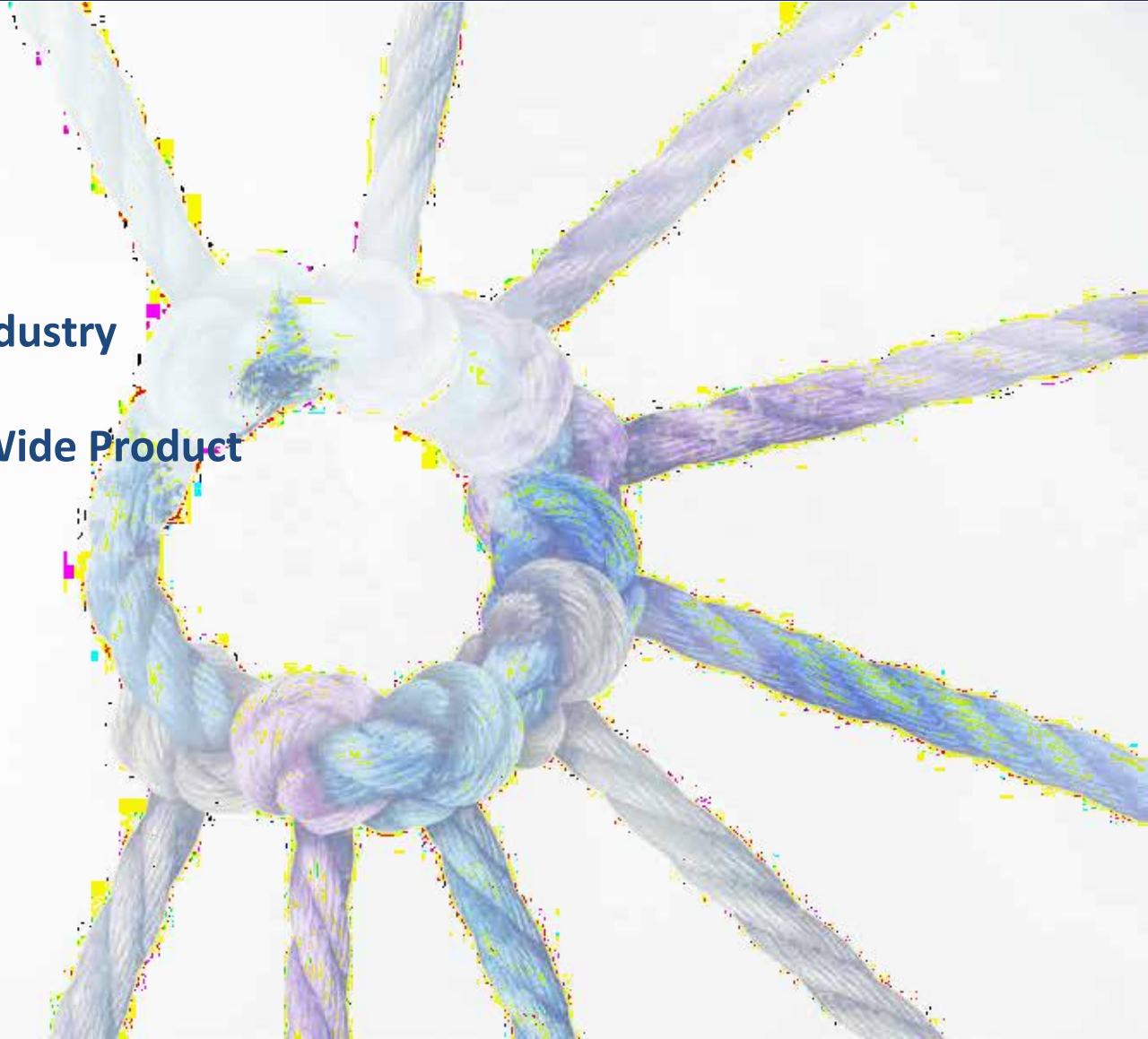
**Range Environmental and Social Sustainability**



**Sustainable Expansion Policies**



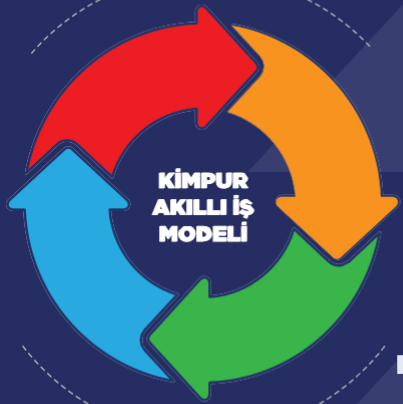
**Strong Financial Performance**





## i. Reliable Solution Partnership

# RELIABLE SOLUTION PARTNERSHIP



## Product Management

- ❖ Brand Awareness
- ❖ Customer Loyalty
- ❖ Sectoral Diversity
- ❖ Wide Product Range
- ❖ High Export Rate
- ❖ After Sales Service and Technical Support
- ❖ Customer Requirements Simulation
- ❖ Quality Assurance Infrastructure
- ❖ Modern Project Management Tools

## Human Resources

- ❖ Global and Agile Organizational Structure
- ❖ Expert and Experienced R&D Team
- ❖ Experienced Sales Organization

## Supply Chain Management

- ❖ Competitive Product Lead Time
- ❖ Strong Supplier Relations
- ❖ High Sectoral Based Purchase Volumes

## Product Design

- ❖ Speed of Product Delivery to Market
- ❖ Customized Production / Solutions
- ❖ Environmentally Friendly Product Range
- ❖ Innovative Solutions
- ❖ Application Development
- ❖ Project Management with FMEA-6 Sigma

## Digital Transformation

- ❖ SAP, ERP System Experience
- ❖ Production Site with Advanced Technology
- ❖ Automated Barcode Used in Production and Logistics Processes

## Finance Management

- ❖ Strong Capital Structure
- ❖ Ease of Access to Financing Instruments
- ❖ Effective Risk Management
- ❖ High Dividend Yield




ii. R&D Center & Innovative Applications  
Leading  
the Industry



# PIONEER IN THE SECTOR WITH ITS R&D CENTER

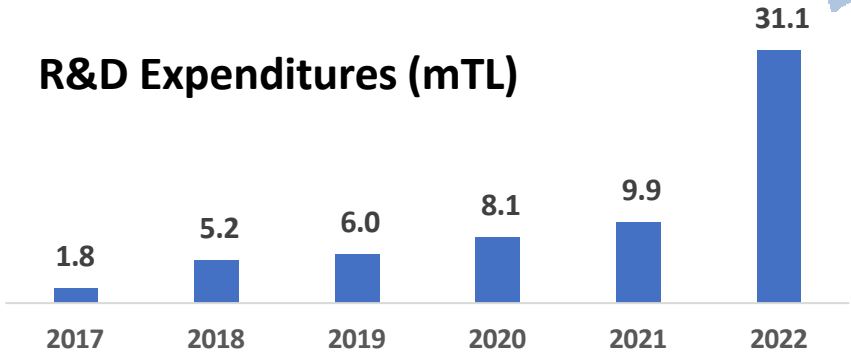
## Kimpur Turkey's Polyurethane R&D

 Among the 250 companies with the highest R&D expenditures

- Science, Industry and Technology Ministry - 80% Investment Incentive Rate
- Product Development
- Price/Performance Ratio Improvement
- New Products and Applications
- 28 Employees with an Average of 10 years of Sector Experience

- kim FOOT** Development of Raw Materials for Soles, Slippers, Boots etc. for Footwear Industry
- kim RIGID** Development of Insulation Raw Materials for White Goods, Building-Construction
- kim FLEX** Development of Flexible Foam Raw Materials for Automotive and Furniture Industries
- kim CASE** Development of Raw Materials for C.A.S.E Coatings, Adhesives and Elastomers Production

### R&D Expenditures (mTL)



Patents related to polyurethane system and polyurethane rigid foam\*



**19** Registered Trademark

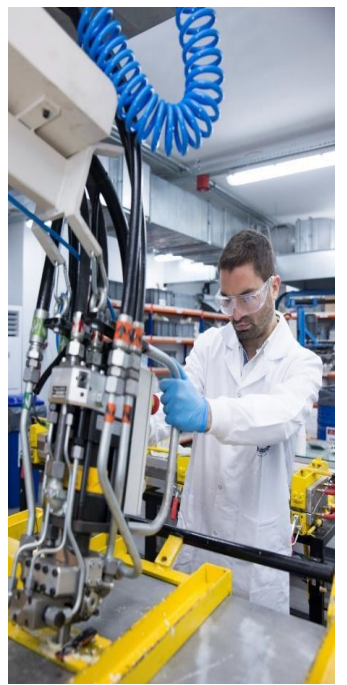


Defense Industry

Projects Teydeb Projects: 7 Completed Project



R&D Projects: 48 Completed 4 Ongoing 7 Planned



\*Patents owned by the company:

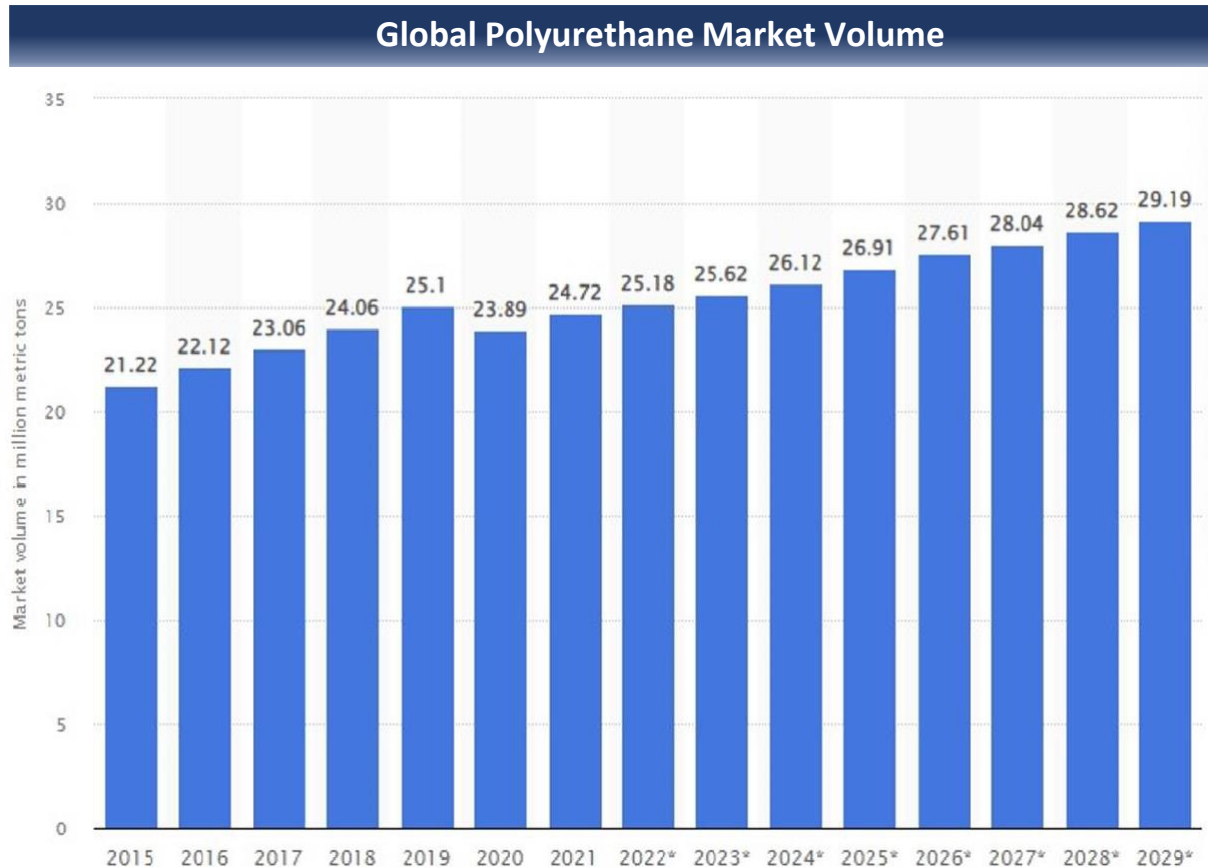
- Very Low Density Polyester Based Polyurethane System Used in Soft Slipper Production dated 26.02.2018
- Polyurethane Rigid Foam with Reduced Thermal Conduction Coefficient dated 08.03.2018



iii. With Wide Product  
Range  
Strong Domestic &  
Export Growth  
Strategy



# GLOBAL POLYURETHANE MARKET



## Factors/Trends Affecting Global Market Volume

- ✓ Polyurethane has become an important part of many sectors in the world thanks to its versatile use
- ✓ Increasing demand for lightweight, durable and high-performance products in many areas from automotive to construction and building sectors
- ✓ Increasing demand for insulation materials as a result of understanding the importance of energy saving due to environmental concerns
- ✓ Increasing demand for bio-based polyurethane derived from renewable resources
- ✓ Decision of industry leaders to downsize due to the energy crisis in Europe

# POLYURETHANE MARKET IN TURKEY

DOMESTIC PU CAPACITY	2016	2017	2018	2019	2020	2021	2022
<b>Rigid</b>	206,230	213,190	215,490	215,420	207,110	216,210	223,980
<b>Flexible</b>	151,480	157,300	149,130	143,800	138,100	144,890	149,980
<b>Elastomers</b>	89.280	95.982	101,105	110,822	119,665	126,284	130,519
<b>Coatings</b>	58.477	60.785	62.590	63.290	62.200	64.709	66.561
<b>Adhesive &amp; Sealants</b>	8.306	8.498	8.601	8.720	8.570	8.886	9.158
<b>Binders</b>	1.435	1.520	1.545	1.560	1.540	1.583	1.616
<b>TOTAL</b>	<b>515,208</b>	<b>537,275</b>	<b>538,461</b>	<b>543,612</b>	<b>537,185</b>	<b>562,562</b>	<b>581,814</b>

\*\*Shoe market is included in the elastomer product group.

- ✓ Turkish Market growth: 3.4% / Kimpur Domestic Market growth: 10%
- ✓ Kimpur Total Share ~20
- ✓ ~ +30% of exports from TR to Kimpur



# STRONG POSITIONING IN DIFFERENT SECTORS WITH DIVERSIFIED REVENUES

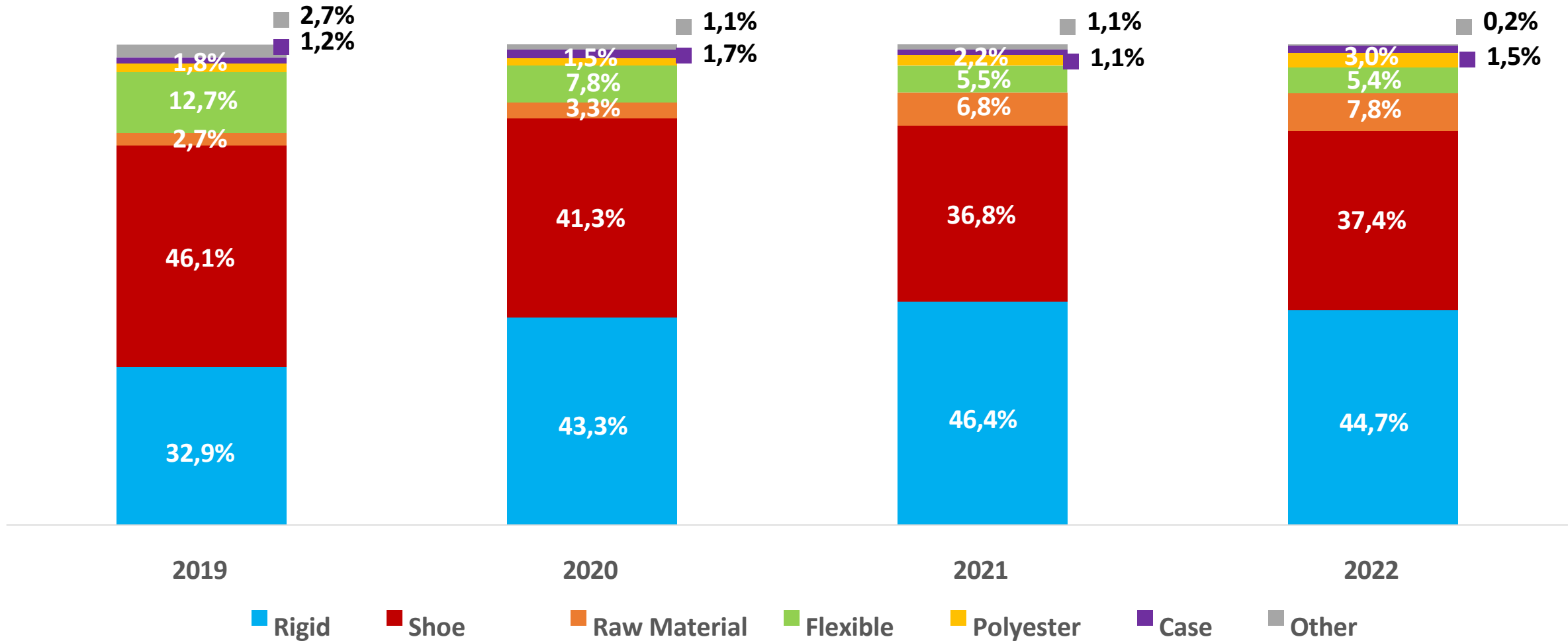
- Maximum flexibility against volatility, seasonality effects & economic recessions with sectoral diversity
- Maximum protection from export & global trade risks thanks to strong positioning in all main domestic polyurethane sectors

Sales (Thousand Tons)	2020	2021	2022	22/21 %
<b>Domestic</b>	<b>49.4</b>	<b>64.7</b>	<b>71.5</b>	<b>10,</b>
Shoe	18.3	20.0	24.2	
Rigid	23.3	33.6	34.0	
Flexible	3.0	3.1	3.5	
Case	1.2	0.90		
Polyester	0.9	1.5		
Raw Material	2.0	5.0		
Other	0.7			
<b>Export</b>	<b>23.4</b>			
Shoe	11.8			
Rigid	8,			
Flexible				
Case				
Polyester				
Raw Material				
Other				

# KIMPUR PRODUCT GROUPS



Sales Breakdown of Product Groups by Year, Quantity (%)



\*Other: Consists of Eva, TPU, Artificial Leather and Other Merchandise products

# RIGID FOAM SYSTEMS (RIGID)



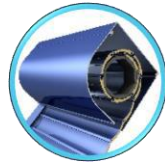
**kim RIGID**

SERT KÖPÜK SİSTEMLERİ

- **Two-component rigid foam systems for insulation purposes for insulation panel and White Goods sectors**
  - The first component is a physical mixture of polyether polyols, catalyst, surfactant, water and/or blowing agents called Polymix.
  - The second component is Polymeric MDI, sourced from global suppliers and served to customers as a component of the system.



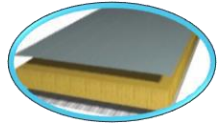
**Spray Systems**



**Roller Shutter Systems**



**Pipe Insulation Systems**



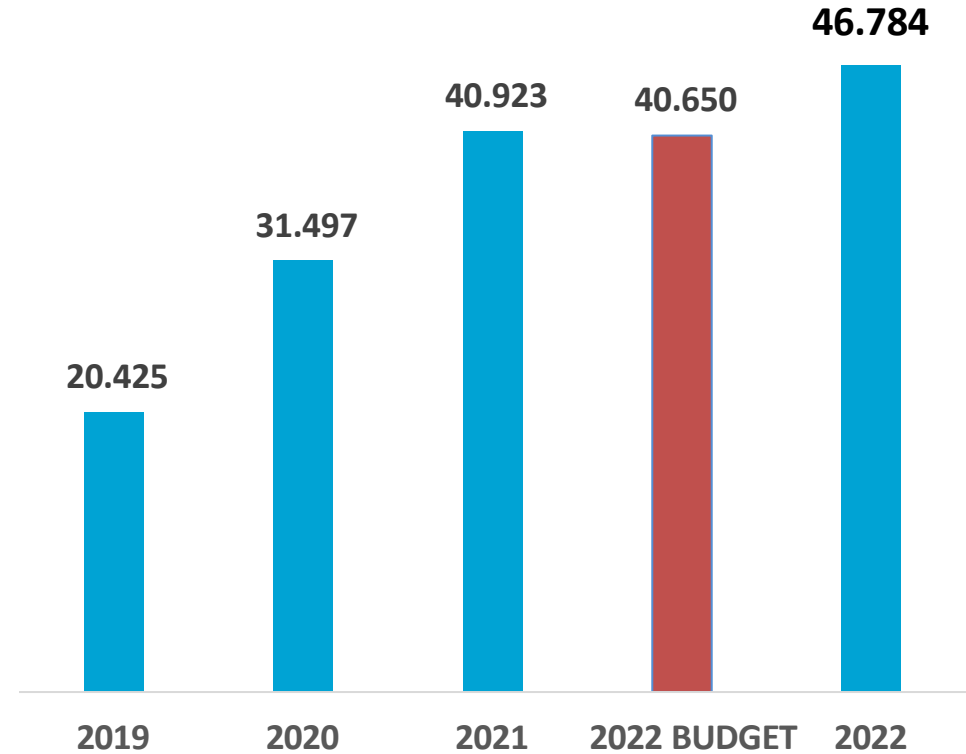
**Continuous / Discontinuous Sandwich Panel Systems  
Solar Panels and Solar Energy Systems**



**Wood Imitation and Furniture Decorative Systems**



## Rigid Foam Systems Sales Amount (Ton)



# SHOE & SLIPPER SYSTEMS



**kim** FOOT  
AYAKKABI SİSTEMLERİ

- Expanded microcellular foams in both ester and ether form for all types of footwear soles, from occupational safety to sports and everyday products
- KIMfoot® are 3-component Polyester systems:
  - First component Polyester Polyol and/or Polyester Polyol blends
  - The second component is a physical mixture of glycols, catalyst, surfactant, performance additives and water called crosslinker.
  - The third component is the pre-polymers formed by the reaction of polyester polyols and MDIs.



**Occupational Safety Systems**



**Slipper Systems**

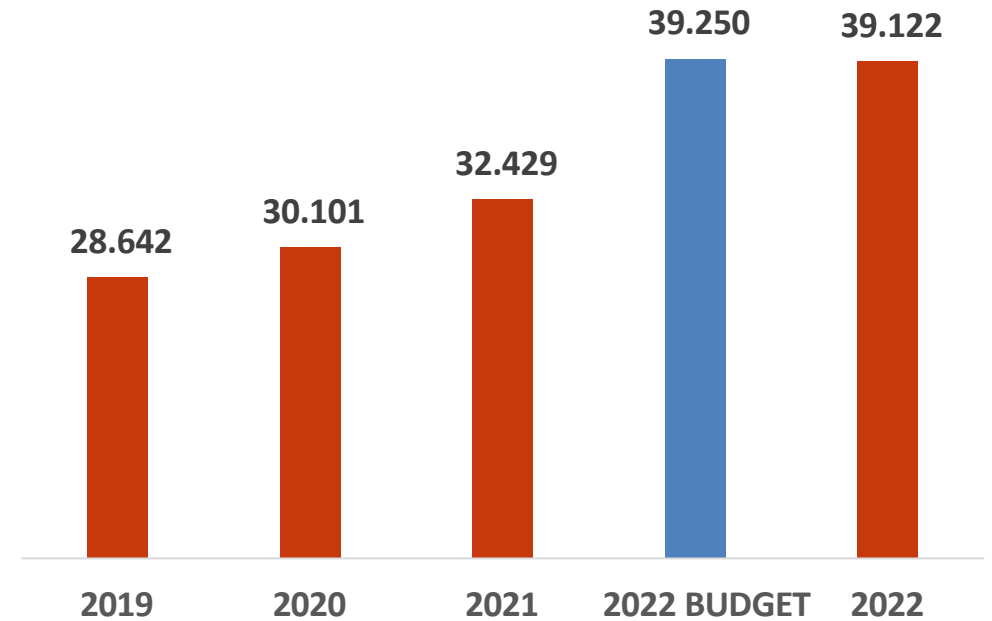


**Spring, Summer and Winter Base Systems**



**Boots Systems**

## Sales Quantity of Shoe Systems (Ton)



# FLEXIBLE FOAM SYSTEMS



**kim FLEX**

ESNEK KÖPÜK SİSTEMLERİ

- MDI based KIMflex® Flexible Foam Systems produced by Kimpur;
  - HR foam systems,
  - Viscoelastic systems,
  - Integral systems
  - They are classified as filter systems.
- Systems for flexible foam and integral production of seats, steering wheels, headrests, control panels used in the transport industry.
- Systems for the production of integral leather and flexible foams, such as steering wheels, headrests and dashboards used in the furniture industry and the transport industry, components molded with RIM (Reaction Injection Molding) technology.



HR Foams



Filter Systems

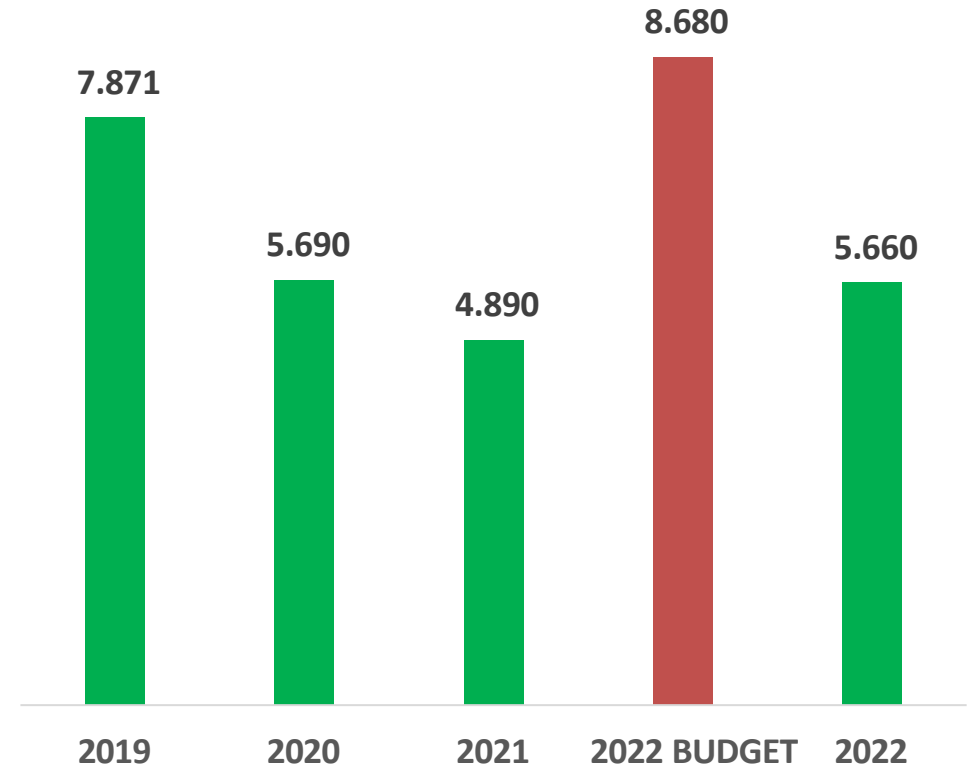


Viscoelastic Systems



Integral Systems

## Flexible Foam Systems Sales Amount (Ton)



# SPECIAL PRODUCTS



## **kim** CASE

### ÖZEL ÜRÜNLER

- Polyurethane Systems for elastomeric applications in expanded foams and non-foam structures.
- Reaction Injection Moulding (RIM), Micro-cellular Structural Foam RIM, SRIM (Structural RIM Composites) and low density RRIM (Reinforced RIM) systems for the automotive and composites industries.
- for the automotive, engineering and Moulded Elastomer systems composites industries.
- Re-Foam Bonding, Re-Cork, Bonding and Lamination. One or two component Adhesives and Binders for Re-Rubber Bonding,
- Systems for elastomers and moulding resins for electronic and electrical insulation.



Reaction Injection Molding



Adhesives and Binders

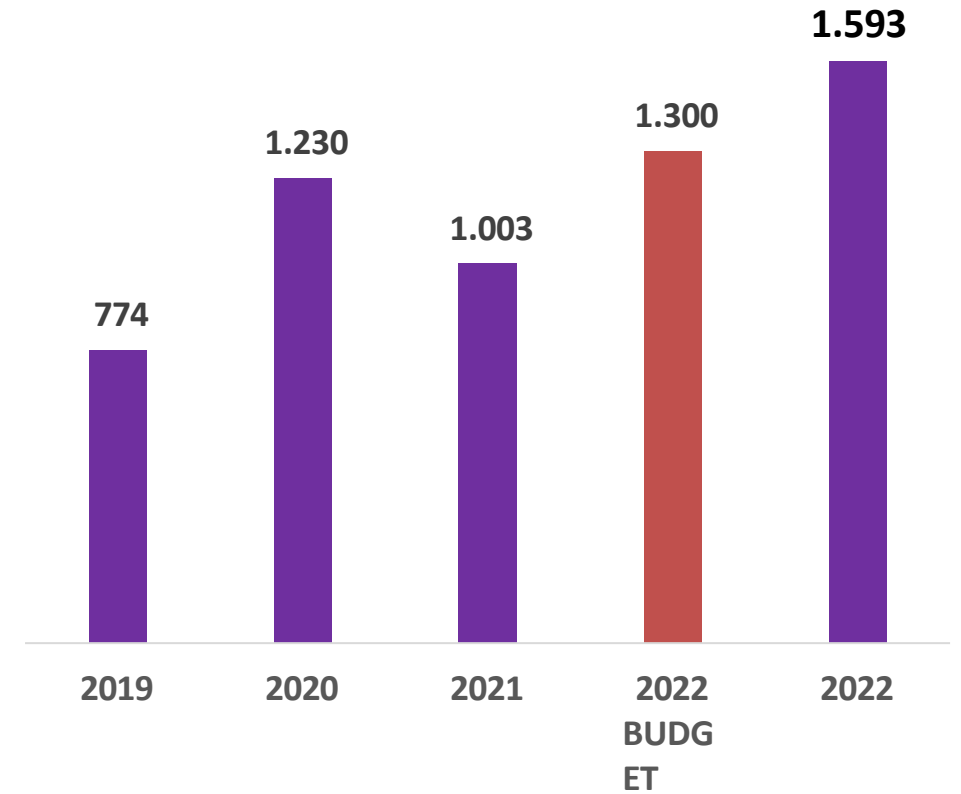


Two Component Cast Elastomers



Electrical Insulation Systems

## Special Products Sales Amount (Tons)





# POLYESTER POLYOLS

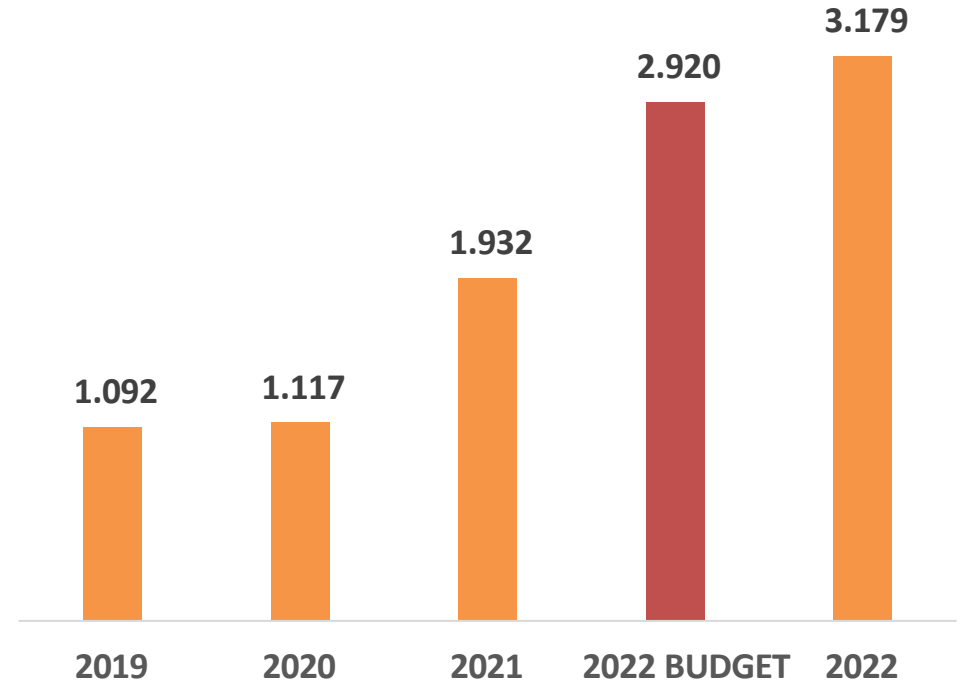


**kim** POL  
POLYESTER POLIOLLER



## Sales Amount of Polyester Polyols (Tonnes)

- It manufactures KIMpol® Polyester Polyols consisting of multifunctional combinations of carboxylic acids and polyhydric alcohols with various functionalities to offer the best solutions to industries such as the footwear industry (system component), paint industry, foam, elastomer and insulation industries (rigid foam applications).
- Kimpur is able to produce tailor-made polyester polyols in line with the specifications demanded by its customers.



The sales activities of our polyester polyols with a company in India - potential 7000 tons!

Cooperation with a company in Spain in order to expand the sales of our polyester polyols in Europe: Potential 6000 tons!

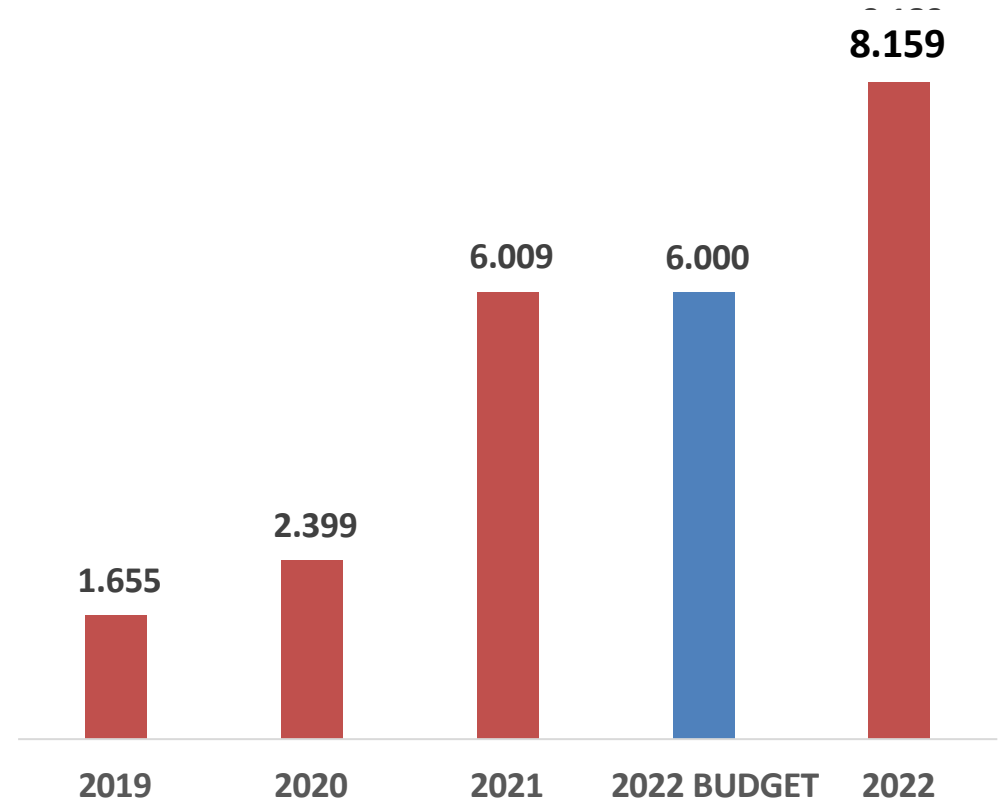
# RAW MATERIALS

**kim RAW**<sup>®</sup>  
HAMMADELER

- The raw materials supplied by Kimpur are collected under Kimraw<sup>®</sup> product group and used in many different fields such as plasticisers, adhesives, construction chemicals and paints, especially polyurethane systems.



## Raw Material Sales Amount (Ton)





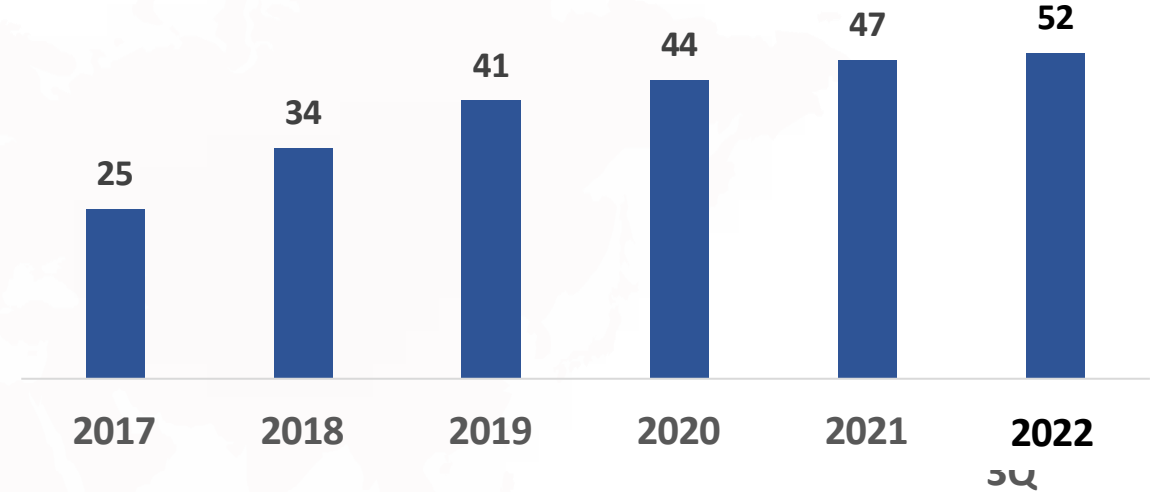
# STRONG EXPORT GROWTH STRATEGY



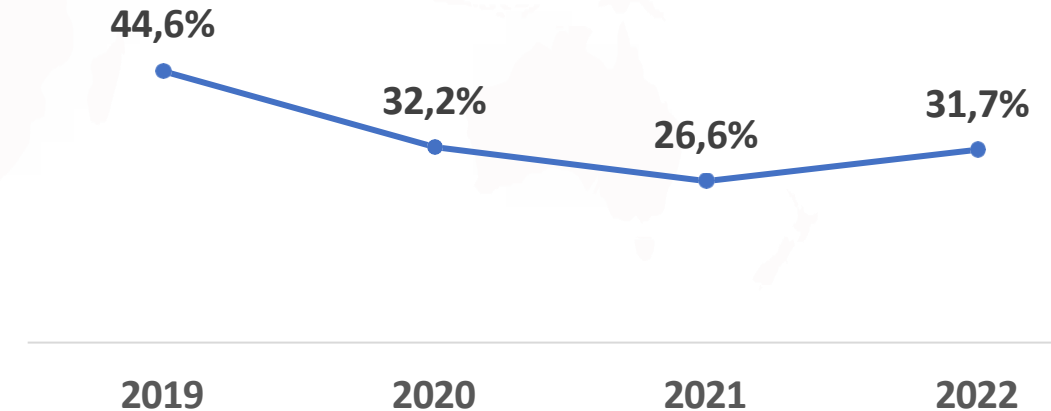
- Sales to more than 50 countries / more than 1,000 current customers with a sales team based in Turkey & abroad
- In 2022, exports reached TL 1,594 million, up 189% compared to 2021
- Increasing momentum of exports as a share of total sales (31 December 2021: **%27 / 2022: %32**)
- Rising share of the US and the UK in exports

COUNTRY GROUPS (tons)	2021	2021 %	2022	2022 %
CIS Countries	3.250	13,9%	10.870	32,8%
African Countries	6.208	26,5%	6.536	19,7%
Middle East and Gulf Countries	10.714	45,7%	10.120	30,5%
European Countries	2.709	11,6%	4.897	14,8%
Asian Countries	432	1,8%	413	1,2%
American Continent	117	0,5%	340	1,0%
<b>General Total</b>	<b>23.430</b>	<b>100,0%</b>	<b>33.175</b>	<b>100,0%</b>

## Development in the Number of Export Countries



## Share of Exports in Total Sales (tons %)





## iv. Environmental & Social Sustainability

# SUSTAINABILITY WILL COME WITH KIMPUR



*For a Sustainable Future*  
**We Create Values!**

At Kimpur, we believe that sustainable growth is not possible without creating environmental and social value. We focus on using our resources with rational approaches that do not harm the environment with this awareness, and we support social development and economic growth that will bring prosperity to societies.

With this belief, we carry out our activities within the scope of our committed policies.

- Sustainability Policy
- Environmental Policy
- Energy Policy
- Quality Policy
- Occupational Health and Safety Policy
- Kimpur Ethics Policy
- Social Responsibility Policy
- Information Security Policy

[kimpur.com/en/our-policies](http://kimpur.com/en/our-policies)

OUR JOURNEY  
OF ADDING  
VALUE  
TO OUR NATURE  
Our  
Environmental  
Approach

ENVIRONMENTAL  
MANAGEMENT SYSTEM  
SOLUTIONS FROM  
RENEWABLE  
RESOURCES  
ENERGY OPTIMIZATION  
WASTE MANAGEMENT  
COMBATING PLASTIC  
POLLUTION  
WATER AND CARBON  
FOOTPRINT

OUR JOURNEY  
OF ADDING VALUE  
TO OUR LIFE  
Our Social  
Approach

KIMPUR ETHICAL BUSINESS  
CODE OF CONDUCT  
OCCUPATIONAL HEALTH AND  
SAFETY  
GENDER EQUALITY  
EQUAL OPPORTUNITY  
AND DIVERSITY  
EMPLOYEE TRAINING AND  
DEVELOPMENT  
SOCIAL RESPONSIBILITY  
PROJECTS

OUR JOURNEY  
OF ADDING VALUE  
TO OUR JOB  
Our  
Economic  
Approach

SMART BUSINESS MODEL  
INNOVATION  
EFFECTIVE RISK  
MANAGEMENT  
SUPPLY CHAIN  
MANAGEMENT  
INVESTMENT PROJECTS  
R&D PROJECTS



## Corporate Governance Structure

Kimpur has a corporate governance structure that embraces the interests of all stakeholders within the framework of transparency, fairness, accountability and responsibility.

Kimpur reflects corporate governance in all its fields of activity with its deep-rooted corporate values, ethical understanding, compliance with laws and regulations.

As a publicly traded company, Kimpur applies the Corporate Governance Principles published by the CMB.

### Disclosure within the Framework of Transparency and Accuracy

Developments related to the Company, financial reports and special circumstances disclosure

It is announced on the Public Disclosure Platform and on our website.

### Management Committees

There are nine committees within the Company's management structure. All committees operate in coordination with the Company's Board of Directors.



# SUSTAINABILITY WILL COME WITH KIMPUR



## Our Commitments



As a signatory to the Global Principles Compact, the world's largest voluntary corporate responsibility initiative, Kimpur is committed to 10 universal principles under the main headings of human rights, labour, environment and anti-corruption.



As a signatory of the Triple Responsibility Charter supported by the European Chemical Industry Council at the European level and the International Council of Chemical Associations at the global level, Kimpur is committed to the six key elements of the charter (Corporate Leadership Culture, Protecting People and the Environment, Strengthening Chemical Management Systems, Influencing Business Partners, Engaging Stakeholders, Contributing to Sustainability).



Kimpur is a signatory of the Business World Plastics Initiative (BPG), which was established to encourage concrete actions of private sector organisations towards the plastics issue; to bring together existing studies in line with the Sustainable Development Goals; to increase awareness and cooperation. Kimpur, which determines its commitments in this context, will share its work with the public every year. In this regard, Kimpur has determined its commitments and will share its work with the public every year.

## International Standards

As Kimpur, we aim to carry out activities that benefit the environment and society in all areas we operate. For this purpose, we carry out our work in compliance with certain quality standards.



**ISO 14001- ENVIRONMENTAL MANAGEMENT SYSTEM**



**ISO 50001- ENERGY MANAGEMENT SYSTEM**



**ISO 27001- INFORMATION SECURITY MANAGEMENT SYSTEM**



**ISO 9001- QUALITY MANAGEMENT SYSTEM**



**ISO 9001- QUALITY MANAGEMENT SYSTEM**



**EU APPROVAL OF ENVIRONMENTAL AND HEALTH REQUIREMENTS FOR CHEMICAL SUBSTANCES**



**CE CERTIFICATE**  
Products conforming to EU Technical Structure Health and Safety Marking



**ERROR PRODUCTS AND EFFECTS ANALYSIS**  
Risk Analysis Involving Foreseeing and Preventing Problems That May Occur in the System



**SIX SIGMA METHODOLOGY**  
Management System Using Effective Statistical Tools to Ensure Operational Excellence



**5S METHODOLOGY**  
Technique Developed to Create and Maintain a Quality Working Environment



Kimpur received an A 'Excellent Sustainability' record from the Synesgy survey prepared to measure the Sustainability performance of Fortune 500 Companies!



# COMPLETED PROJECTS



- ✓ 11.6% in 2020 - 7.1% in 2021 Energy Savings
- ✓ Target of approximately 20% clean energy and 200-250 tons/year carbon emission reduction with the SPP investment in Gebze
- ✓ Business Plastics Initiative (IPG) Commitments
- ✓ Carbon and Water Footprint Measurement
- ✓ Waste Disposal in compliance with Legal Requirements
- ✓ Ultra-low density sneaker sole system and slipper system operation with 20% weight advantage
- ✓ Switching to the use of bio-based raw materials in the production of **KIMrigid**® Sandwich Panel and Refrigerator systems and achieving 3.5% utilization rate
- ✓ System study that provides 2-7% weight advantage in the final product in the refrigerator sector and the use of bio-based raw materials
- ✓ Completion of the 3% energy saving system study with the transition from CP 70 to CP 95 in the refrigerator sector
- ✓ Polyester Polyol synthesis from PET waste (approximately 20% from PET waste and 17% from bio-based raw materials) and its use in slipper production
- ✓ 65% improvement in sound absorption by using Graphene obtained from the recycling of automotive tyre waste in sound insulation systems
- ✓ Use of Graphene obtained from the recycling of automotive tyre waste in **KIMflex**® HR Foam Systems used in automotive and office chair production
- ✓ Obtaining ISO 14001 Environmental Management System certification
- ✓ Number of Reach audit certified products 56



*\*2018 Energy Management system, ISO50001 certificate was obtained in 2021.*

*\*\*It is based on ISO 14064 and ISO 14046 standards.*



# SUSTAINABLE EXPANSION / DÜZCE



**March 2022:**  
Construction Start Date

**End of April 2023:**  
Construction Completion Date

**April 2023:**  
Phase 1 Start of Production



**Production factory investment on 17.015m<sup>2</sup> land in Gümüşova OSB**



**USD 15 million investment size**

## Kimpur Duzce Factory Investment

- An additional polyurethane system capacity of 50 thousand tonnes will be commissioned with the Kimpur Düzce Plant.
- A PET recycling plant with a capacity of 5 thousand tonnes will be commissioned with the Kimpur Düzce Plant. The waste raw material to be recovered from this plant will be used instead of the 'polyether polyol' used in production, thus reducing imports and enabling sales at the same time.
- The 'eva granule raw material' production capacity with a capacity of 10 thousand tonnes will be commissioned with the Kimpur Düzce Plant. This product is a 'Polyurethane raw material alternative' in footwear and will complete the product range.
- 55% of the energy needed will be provided by the Solar Power Plant investment to be commissioned with the factory.
- The 12,188 m<sup>2</sup> of land next to the factory building was purchased to be utilized in potential investment projects and to be used in efficiency improvement projects due to its location next to the ongoing investment.
- Investment incentive certificates were obtained.



# v. Strong Financial Performance

(2022 - Critical Financial  
Indicators)



# Zafer Demirel



**2022** Kimpur – CFO

**2018** Anadolu Isuzu – Head of Finance, Reporting & IR

**2015** Sūtaş - Financial Control & Business  
Development

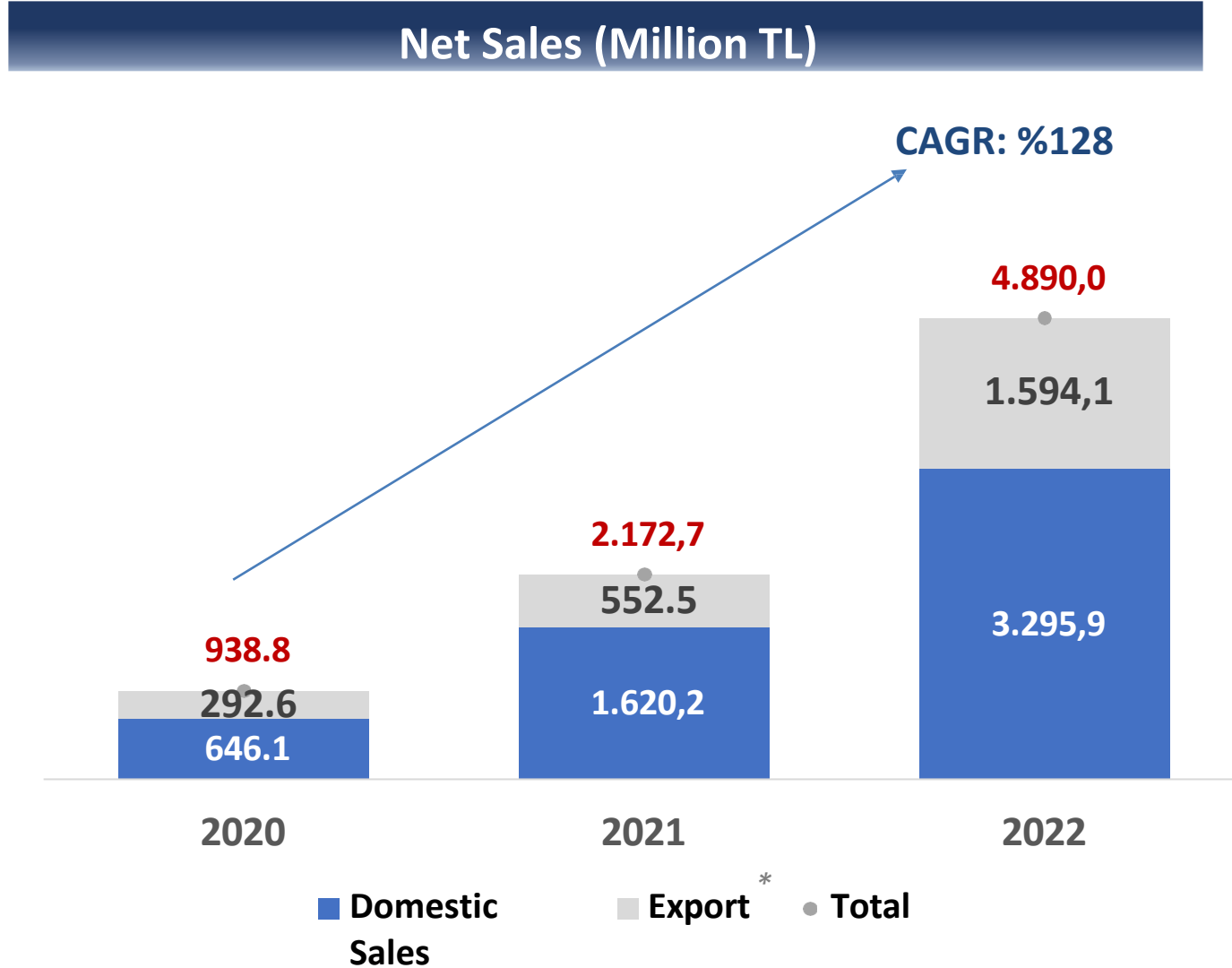
**2013** Anadolu Efes - Financial Reporting & Budgeting

**2009** Borusan Holding - Financial Control & Reporting

**2006** Deloitte - Audit

Middle East Technical University - Economics

# 2022: INCREASED EXPORTS & STABLE GROWTH

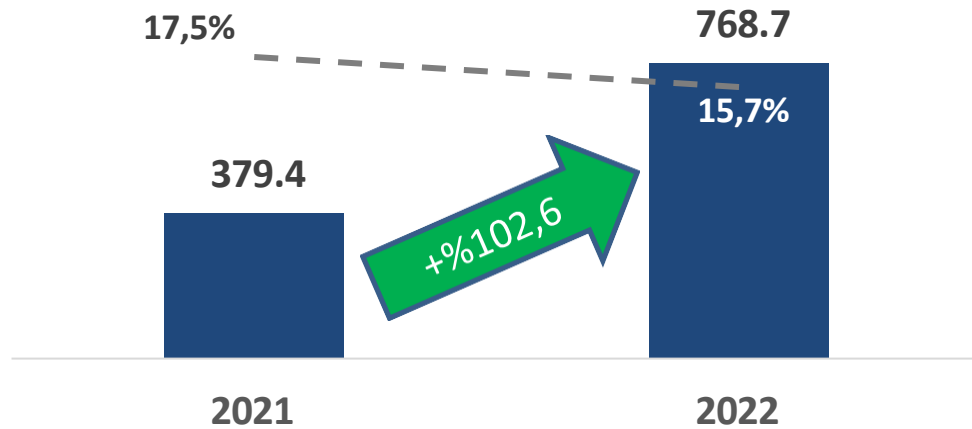


\* Registered exports and exports to free zones have been added.

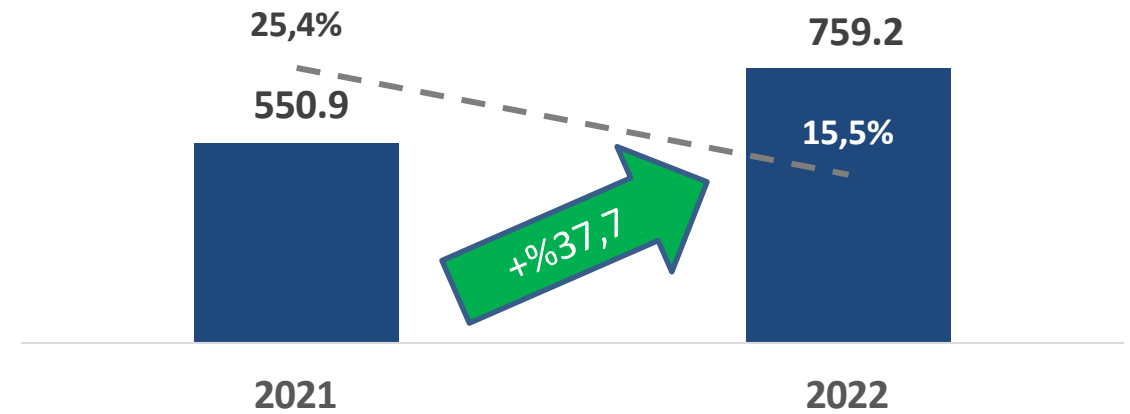
# 2022: STRONG GROWTH IN PRODUCTIVITY



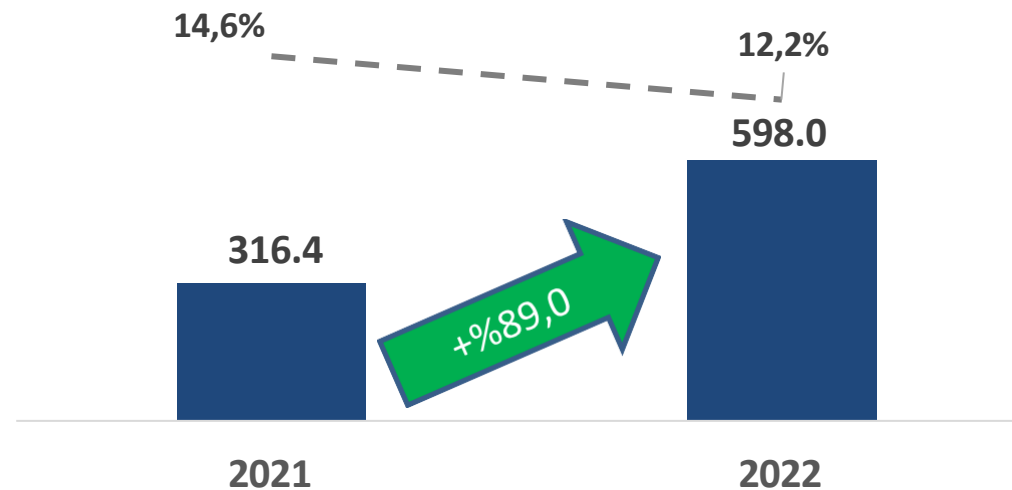
## Gross Profit (Million TL)



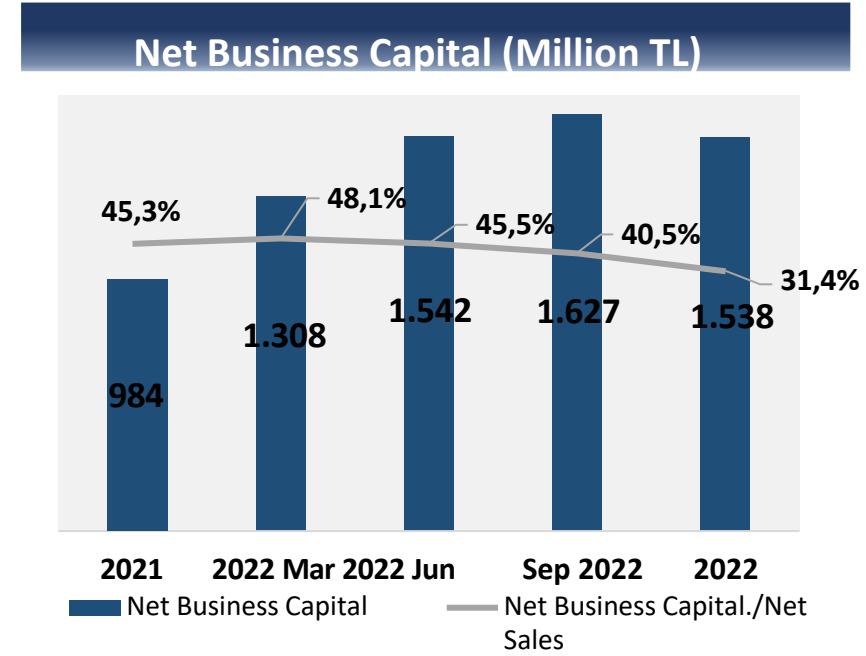
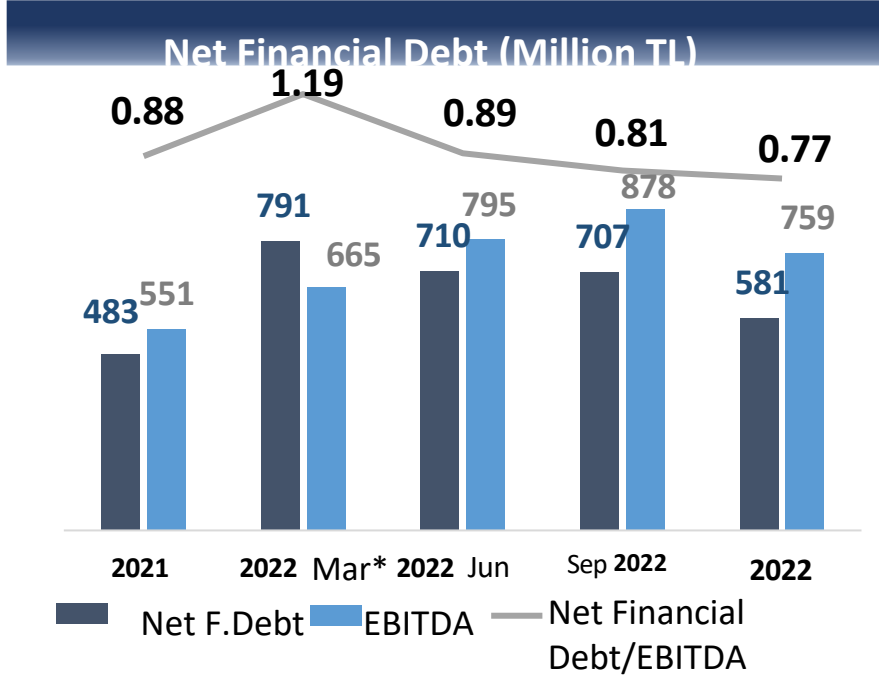
## EBITDA (Million TL)



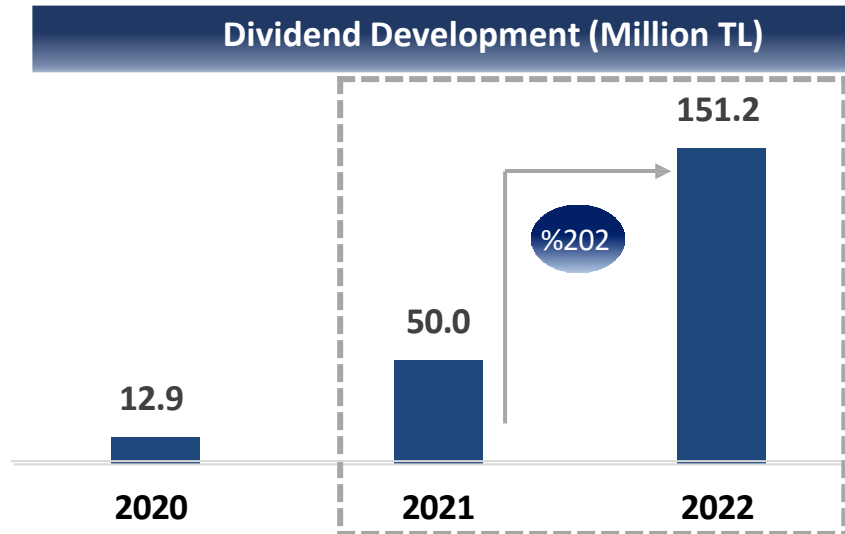
## Net Profit (Million TL)



# STRICT BALANCE SHEET MANAGEMENT & RECORD LEVELS OF FINANCIAL INDEBTEDNESS RATIOS



\*Last 12 months EBITDA



# 2022: RECORD PROFITABILITY & STRONG BALANCE SHEET RATIOS



<p><b>4,890 mTL Net Sales, +125 vs 2021</b></p> <ul style="list-style-type: none"> <li>• Domestic: +103</li> <li>• Exports*: +189</li> </ul>	<p><b>3,296 mTL Domestic Sales, +103 vs 2021</b></p> <ul style="list-style-type: none"> <li>• Wide customer portfolio in 6 different sectors</li> </ul>	<p><b>1,594 mTL Exports*, +189 vs 2021</b></p> <ul style="list-style-type: none"> <li>• Export to 52 countries</li> </ul>
<p><b>769 mTL Gross Profit, +103 vs 2021</b></p> <ul style="list-style-type: none"> <li>• Cost from being the polyurethane system house with the highest production capacity (130 kT) in a single facility efficiency impact (RO%: 15.7 vs 17.5)</li> </ul>	<p><b>759 mTL EBITDA, +38 vs 2021</b></p> <ul style="list-style-type: none"> <li>• Cost reduction effect from increased volume, new products, new &amp; nish markets, improved profitability effect from increased export share</li> <li>• (-) impact of 8.2pp vs 2021 from operational FX in EBITDA; EBITDA % '22: 15.5 vs '21: 25.4</li> </ul>	<p><b>598 mTL Net Profit, +89% vs 2021</b></p> <ul style="list-style-type: none"> <li>• Higher operational profitability</li> <li>• Incentives (R&amp;D &amp; Medium and High Technology Investments, 4. Regional Incentives etc.) maximized utilization &amp; significant tax advantages</li> </ul>
<p><b>581 mTL Net Financial Debt</b></p> <ul style="list-style-type: none"> <li>• Net Financial Indebtedness/ EBITDA below 1 despite increasing net debt in line with business volume: 0.77 (December 2021: 0.88)</li> </ul>	<p><b>Net Working Capital 1.538 mTL</b></p> <ul style="list-style-type: none"> <li>• Improved Trade Receivables &amp; Inventory turnover with strict balance sheet management</li> <li>• Net Business Capital/Net Sales: 31.4% vs. September '22: 40.5% &amp; December '21: 45.3</li> </ul>	<p><b>Optimum FX Position</b></p> <ul style="list-style-type: none"> <li>• Optimized FX position with increasing export volume and proactive hedging policy management</li> </ul>

\* Registered exports and exports to free zones have been added.



# 2022 4. Quarter

## Highlights 1.525 billion TL

Net  
Revenue  
%16

Gross Profit Margin

%14

EBITDA Margin

%31

Net Business  
Capital / Sales

0.77

EBITDA / Sales

- Continued strong Q4 net revenue growth
- Compared to Q3, stronger gross profit & operating profitability
- Record strong balance sheet ratios



Strong Net Revenue growth of +134% vs 4Q21: 651 mTL



2022 Realization of TRY240m in gross profit with 57% growth over Q3, compared to the same period last year (Q21 Q4: TRY153m, 23.4%)



Strong operating profitability excluding the 'unrealised mark to market' impact of operational FX difference & FX hedged deposits (22 Q4: 189mTL, 12.4 / 22 3Ç: 114mTL, %9,7)



Improved cash cycle with tight balance sheet management: 110 days vs 2021: 163 days (N.I.S./Net Sales: **31.4%** vs 21 Dec: 45.3 / 22 Q1: 48,1 / 1Y: 45,5 / 3Q: %40,5)



Declining Net Debt in 2022 despite increasing Working Capital needs; record high Net Debt / EBITDA ratio (22 Q3: 0.81 / 22 H1: 0.89 / 21 Dec: 0.88)

# FINANCIAL PRIORITIES



- ✓ Sustainable profitability growth
- ✓ Strict balance sheet & business capital management
- ✓ Positive Free Cash Flow Priority
- ✓ Proactive currency risk management
- ✓ Effective financial debt management
- ✓ Maximum dividend yield



# 2023 Prospects & Opportunities



- ✓ Impact of the European energy crisis
- ✓ Differences in Europe - Far East raw material prices
- ✓ Increase in demand due to container production after the earthquake
- ✓ Russian market - opportunities
- ✓ Newly commissioned R&D projects
- ✓ New products to be commissioned
- ✓ Latvian factory ~ 2 thousand tons 2023 sales target
- ✓ ~20% tonnage increase target in line with the price determination report





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