

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

30.09.2020 FINANCIAL RESULTS

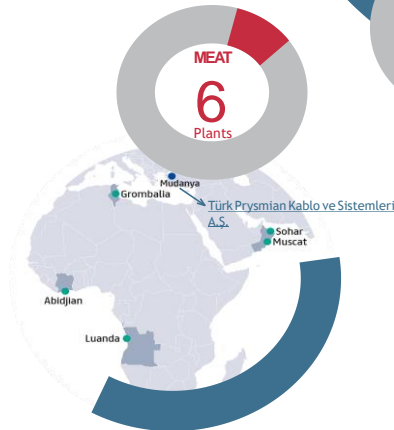
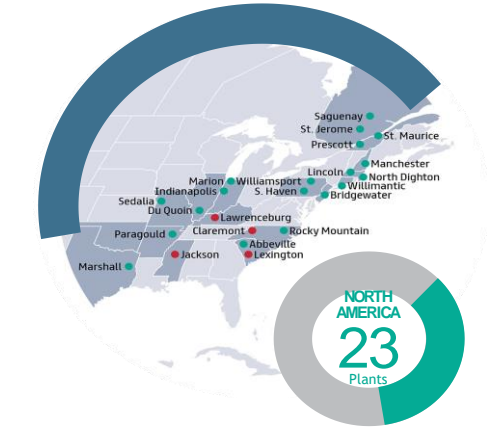


AGENDA

- **Prysmian Group & Türk Prysmian Kablo Overview**
- **Macroeconomics & Business Environment**
- **9M 2020 Financial Results**

Prysmian Group & Türk Prysmian Kablo Overview

PRYSMIAN GROUP: WORLD'S LEADING CABLE COMPANY



PRYSMIAN GROUP UNDERSIGNS GLOBALLY PRESTIGIOUS PROJECTS



Burj Khalifa, Dubai

Cable installation world fastest and highest elevators



German Corridors Projects, DE

SuedOstLink, A-Nord ve SuedLink 525 kV extruded Energy Transitions Projects



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



YEKA, Konya



National Electrical Train Project



Tashkent City, Usbekistan



Socar - Star Refinery



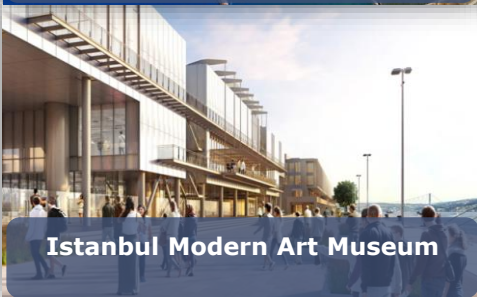
Dardanelles Strait Submarine Cable Project



Galataport, Istanbul



Ankara - Niğde Smart Highway



Istanbul Modern Art Museum



Yavuz Sultan Selim Bridge, Istanbul



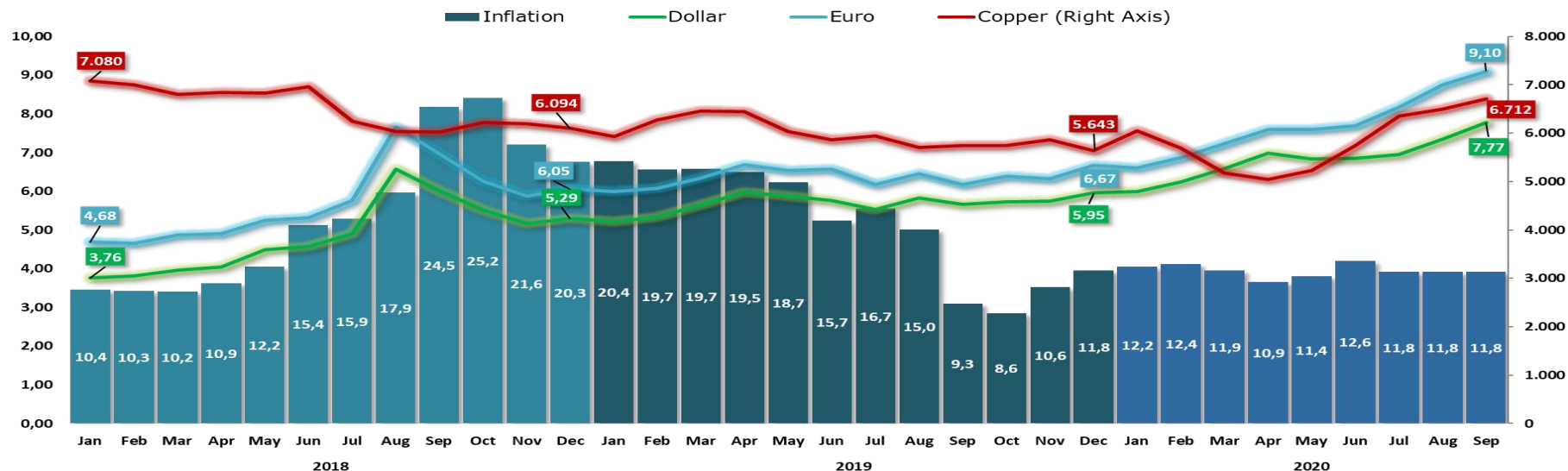
Hilton, Usbekistan



South West Gas Field Dev. Project, Algeria

Macroeconomics & Business Environment

MACROECONOMICS & CABLE INDUSTRY



Global Markets

- Global pandemic: Coronavirus and global effects
- Economic recovery efforts and second wave concerns
- Governments announce support packages
- Effects of trade war between USA and China
- Fluctuations in oil and commodity prices

Turkey

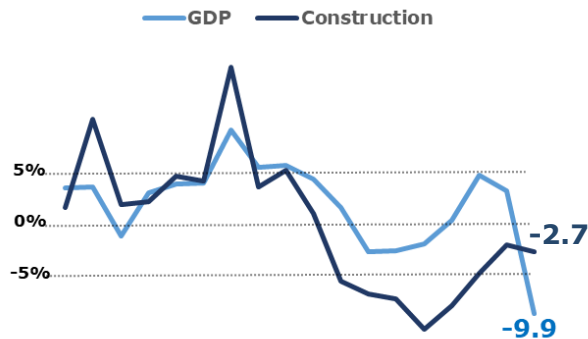
- Ongoing coronavirus effects and uncertainty on the market
- Devaluation in TRY and financial crisis effect
- Cease of the declining trend in inflation
- CBRT decisions and effects on the market
- Unemployment at high levels

Cable Industry

- Ongoing coronavirus effects the demand
- Revival in infrastructure & construction projects
- Price pressure due to low saturation in the market
- Longer payment terms in a risky environment
- High default risk after pandemic

CONSTRUCTION SECTOR COMPARATIVELY LESS AFFECTED

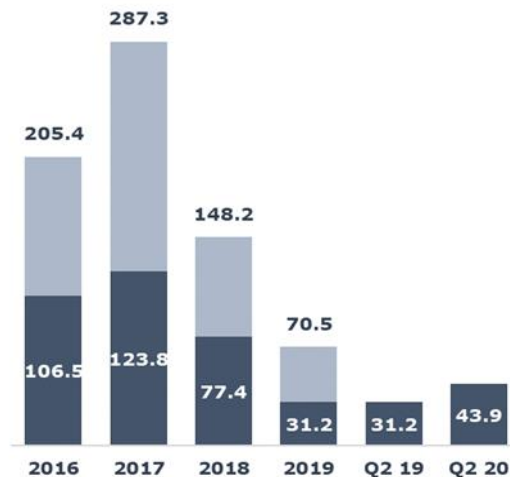
-2.7% CONTRACTION IN CONSTRUCTION



2016	2017	2018	2019	Q2 19	Q2 20
3.2	7.5	3.0	0.9	-1.7	-9.9
5.4	9.0	-1.9	-8.6	-11.7	-2.7

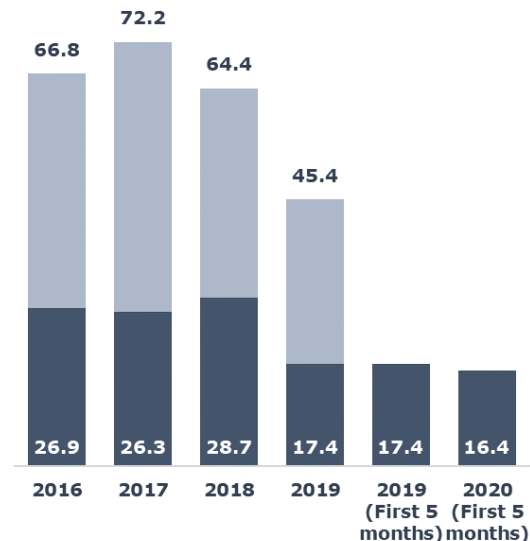
CONSTRUCTION PERMITS IMPROVED

Floor area (m²)
(Millions)



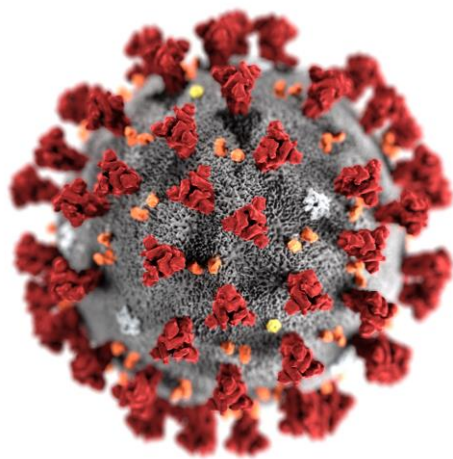
CEMENT SALES STEADY

Domestic Cement Sales
Ktons



Significant slow down in GDP (-9.9%), but limited impact on construction (-2.7%)

CONTINUING TO COPE UP WELL WITH COVID 19 PANDEMIC...

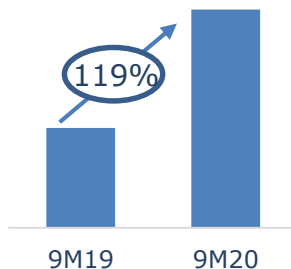
Health & Safety 1 <ul style="list-style-type: none">✓ Back Together plan in place.✓ Remote working still in place for 50% of work force rotatively.✓ 24 hours doctor on site.✓ Canteen and changing room re-opened with exceptional hygiene and sanitization measures.✓ Tripled the buses.	Employee Management 2 <ul style="list-style-type: none">✓ Crisis Committee and 'Back to Future' Panel in place to give employees clear direction and reliable information and to alleviate pandemic-related stress.✓ Safety procedures and instructions in line with Risk Assessment.	Supply Chain 3 <ul style="list-style-type: none">✓ Weekly planning.✓ Diversified the supply chain to reduce the risk of a supply shortage.✓ Re-evaluated inventory and safety stock levels, while assuring buffers and maintaining service levels.	Operations 4 <ul style="list-style-type: none">✓ Daily management to retain the agility and to ramp up quickly if/when necessary.✓ Strong costs reduction plan in place.✓ Anticipated annual leaves.✓ Personal protection equipment: zero tolerance.
Cash & Liquidity 5 <ul style="list-style-type: none">✓ New TRY50 mln bank loan to fix forward contract cost at 6.9% instead of 14%.✓ DIO reduced despite main raw material inventory maintained for a potential shortage.✓ Shortened DPO to avoid interest charges on payables.	Customer Engagement 6 <ul style="list-style-type: none">✓ Established a transparent, continuous communication line with our customers to boost customer bond.✓ Secured orders working with a corporate customer base.✓ Avoided risk of order cancellations with binding contracts.	Strategic Management 7 <ul style="list-style-type: none">✓ Developed a scenario-based business forecast for the rest of the year.✓ Anticipated changes in demand of different segments.✓ Focused on emerging segments.✓ Monitored metal risk daily.✓ Minimized credit default risk.	

...THROUGH HIGHER GROUP REVENUES AND COST RESTRUCTURING

4 FOCUS AREAS

Increased Revenues

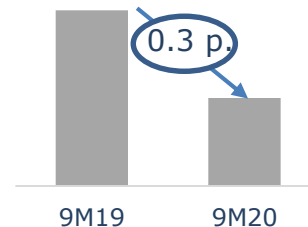
Group
Revenues



- ✓ YoY revenue increase by 15.2% in 9M 2020
- ✓ Share of Group Revenues up by 8 p.p. to %17
- ✓ Share of energy products up by 2 p.p. to 80%

Structured Fixed Costs

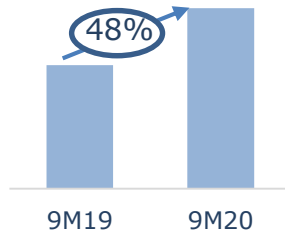
Share of Fixed Costs
in Revenues



- ✓ Strict cost reduction measures to keep fixed cost under control
- ✓ Decreasing fixed costs despite 2.5MTL COVID-19 related expenses

Contained Variable Costs

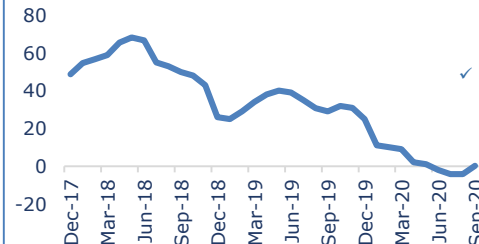
Variable Cost
Efficiency



- ✓ 1.2 M'TL increase in variable cost efficiency (YoY)

Reduced Financial Costs

Forward Contracts (€ mln)



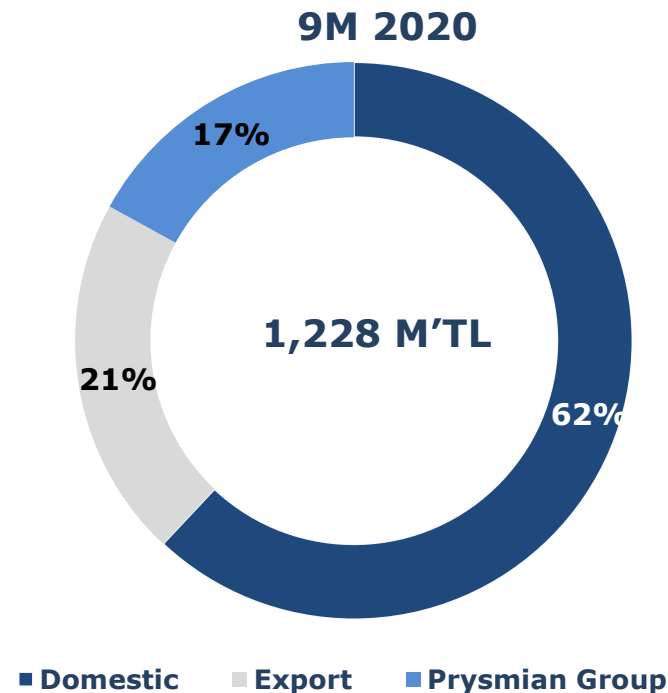
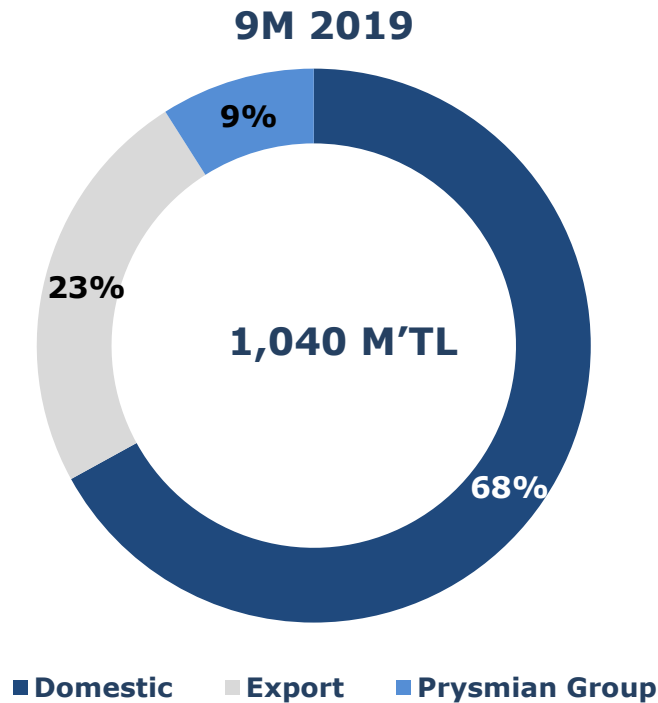
- ✓ More resilient against fx fluctuations
- ✓ Share of TRY in order portfolio lowest at 15%

...EXCEEDED EXPECTATIONS IN 3Q 2020

	2Q 2020	EXPECTATIONS	3Q 2020	Δ
REVENUE	404.2 M'TL	↔ FLAT	442.3 M'TL	↑ 9.4%
EBITDA	16.6 M'TL	↓ 10.6 – 12.6 M'TL	13.6 M'TL	↑
EBITDA Margin	4.1%	↓ 2.6% – 3.1%	3.1%	↑
GROUP WAIVER	0	0	0	↔
NET INCOME	10.0 M'TL	NO GUIDANCE	12.8 M'TL	

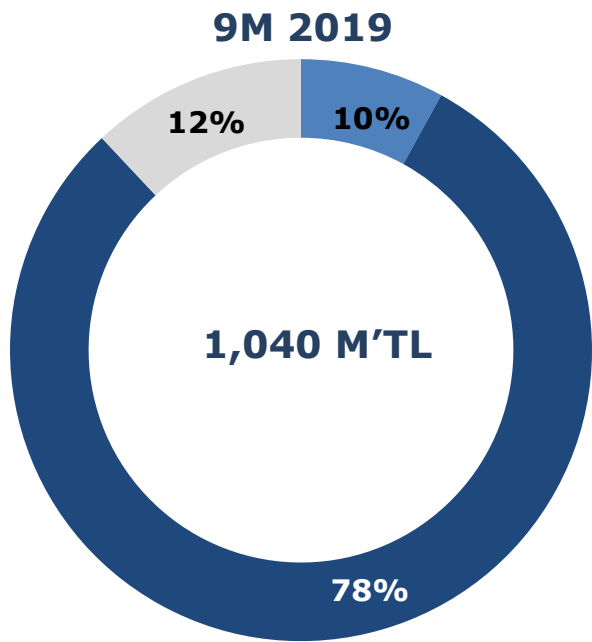
9M 2020 Financial Results

REVENUES BY DISTRIBUTION CHANNEL

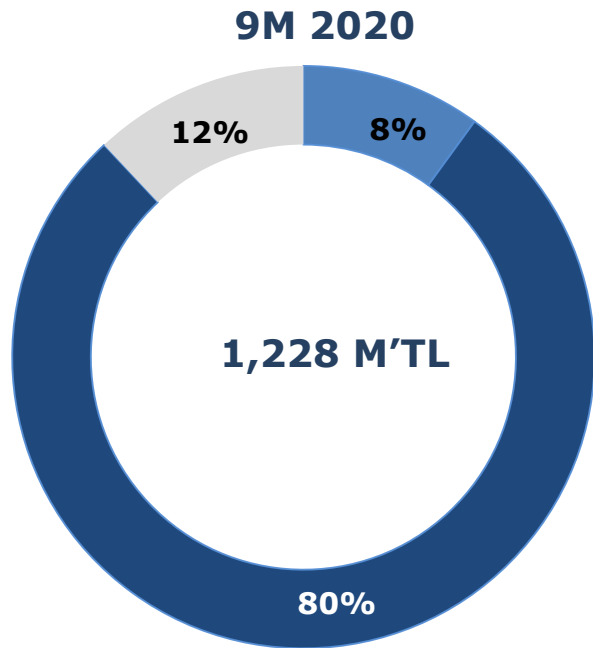


18% sales increase mainly supported by Prysmian Group revenues

REVENUES BY SEGMENT



■ Energy projects ■ Energy products ■ Telecom

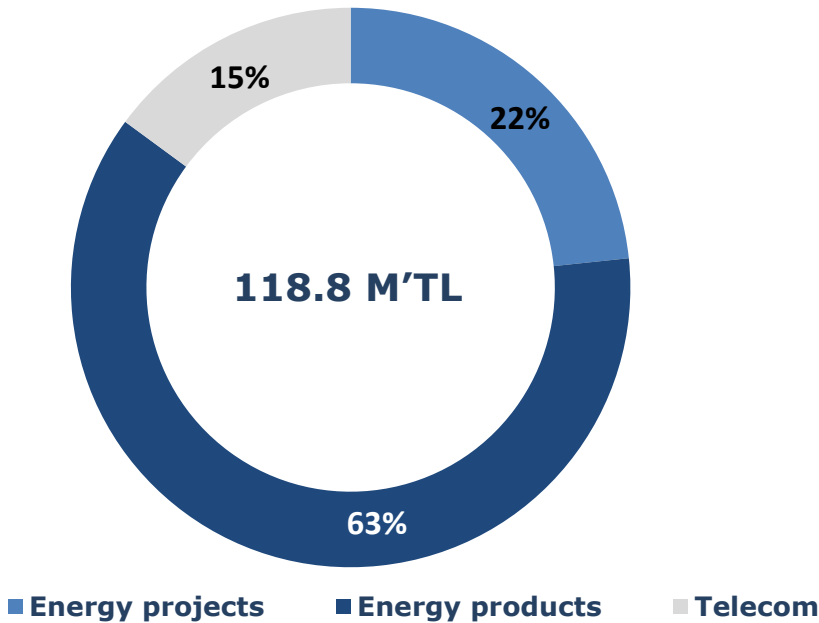


■ Energy projects ■ Energy products ■ Telecom

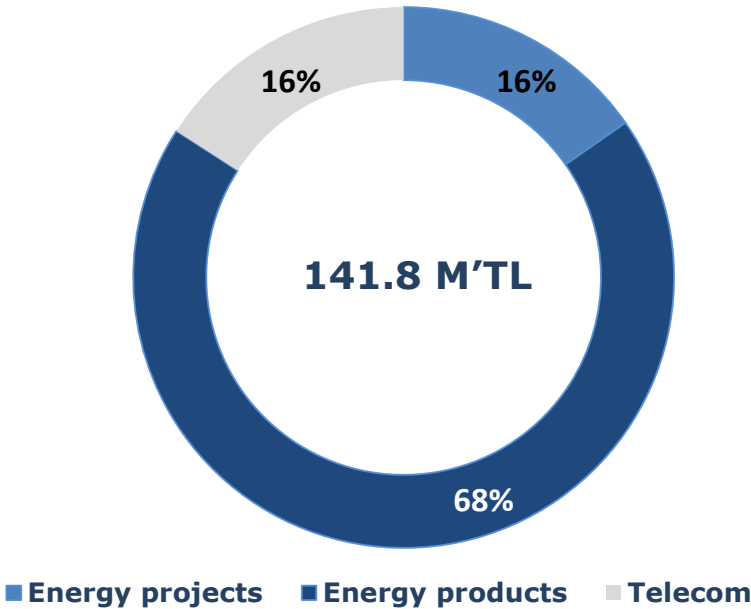
Slow down in energy projects due to curfew compensated by the energy product revenues

GROSS PROFIT BY SEGMENT

9M 2019



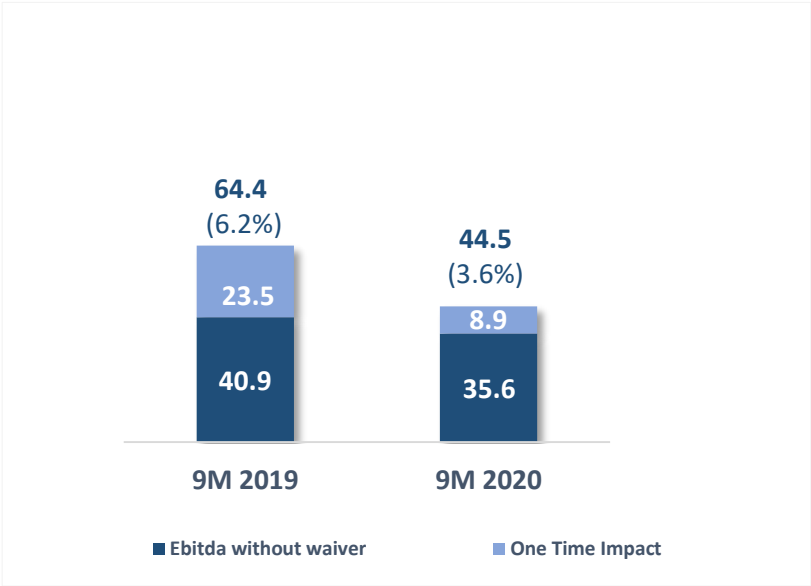
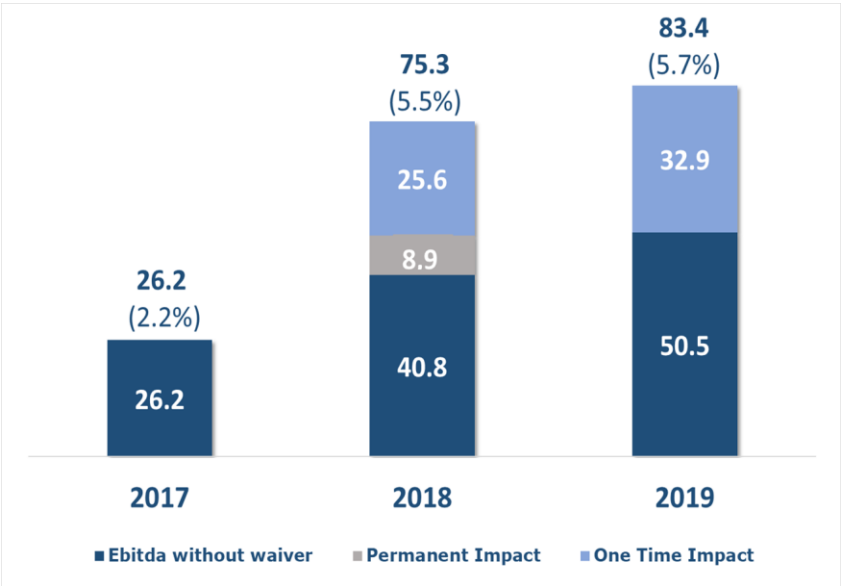
9M 2020



Gross profit increased due to improved cost structure despite lower contribution from energy projects.

PRYSMIAN GROUP SUPPORT DURING FINANCIAL CRISIS

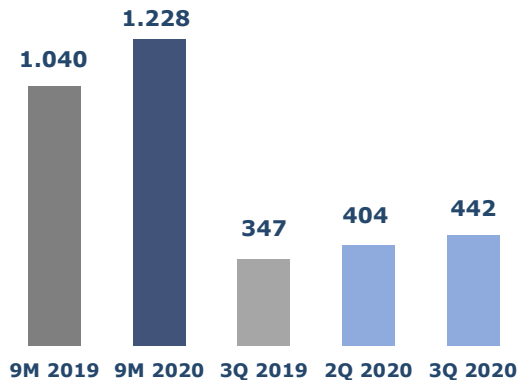
EBITDA & EBITDA MARGIN (M'TL & %)



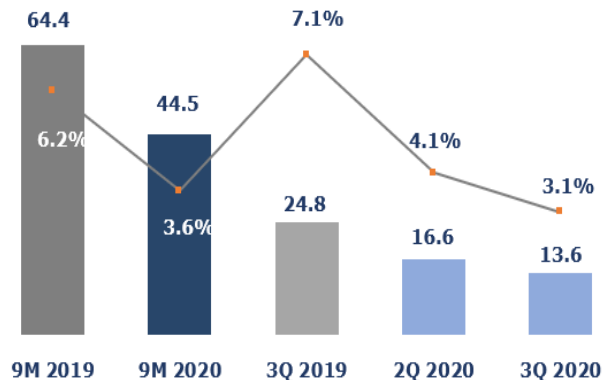
Prysmian Group waiver not applicable since 2Q 2020

REVENUE, EBITDA & EBITDA MARGIN AND NET INCOME

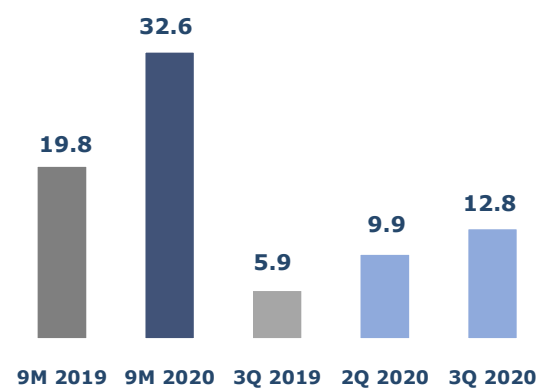
REVENUE (M'TL)



EBITDA & EBITDA MARGIN (M'TL)



NET INCOME (M'TL)



- 18.0% YoY sales increase in 9M 2020;

- ✓ Increasing Prysmian Group revenues
- ✓ Exchange rate impact (19.0% increase)
- ✓ Copper unit price reduction (-9.7%)

- 30.9% YoY EBITDA decrease in 9M 2020;

- ✓ Prysmian Group waiver not applicable -16.5 M'TL impact (of which -8.8 M'TL in 3Q 2020)
- ✓ COVID-19 related expenses amounting to -2.5 M'TL (of which -0.8 M'TL in 3Q 2020)

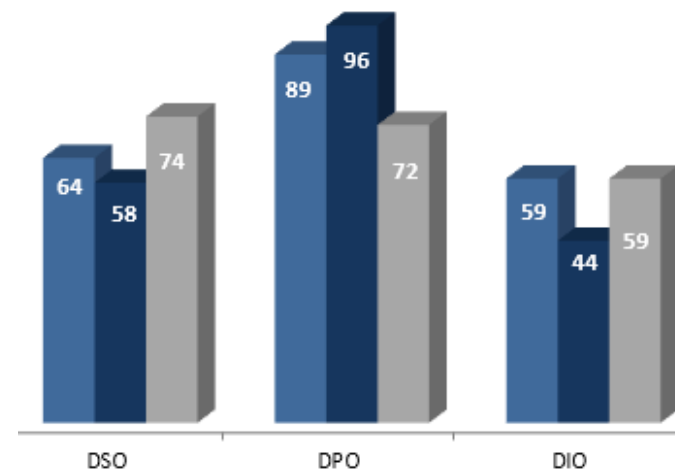
- 64.6% YoY rise in net income in 9M 2020 despite the absence of Prysmian Group waiver ;

- ✓ Reduced forward contract costs 32.9 M'TL (of which 10.8M'TL in 3Q 2020)

EFFECTIVE NWC MANAGEMENT DESPITE TOUGH MARKET CONDITIONS

(k'TL)	9M 2019	4Q 2019	9M 2020
Cash & Cash Equivalents	46,014	210,506	190,848
Trade Receivables	269,301	284,744	405,682
Construction Contracts	-	12,062	0
Inventories	206,643	174,711	225,691
Other Current Assets	76,923	83,68	94,585
Non-Current Assets	115,496	122,13	143,341
TOTAL ASSETS	714,376	887,832	1,060,147
<i>Short Term Loans</i>	1,319	1,275	149,698
Trade Payables	336,577	447,965	387,748
Construction Contracts	656	-	4,967
Other Short Term Liabilities	75,16	50,975	102,760
SHORT TERM LIABILITIES	413,712	500,216	645,172
LONG TERM LIABILITIES	17,286	17,279	18,652
Paid in Capital	141,734	216,734	216,734
Net result of the period	14	35,971	32,624
Other	141,63	117,633	146,966
TOTAL LIABILITIES & EQUITY	714,376	887,832	1,060,147
NET CASH	44,695	209,231	41,150

WORKING CAPITAL DAYS



■ 9M 2019 ■ 4Q 2019 ■ 9M 2020

NWC / Annualized Sales

9M 2019

4Q 2019

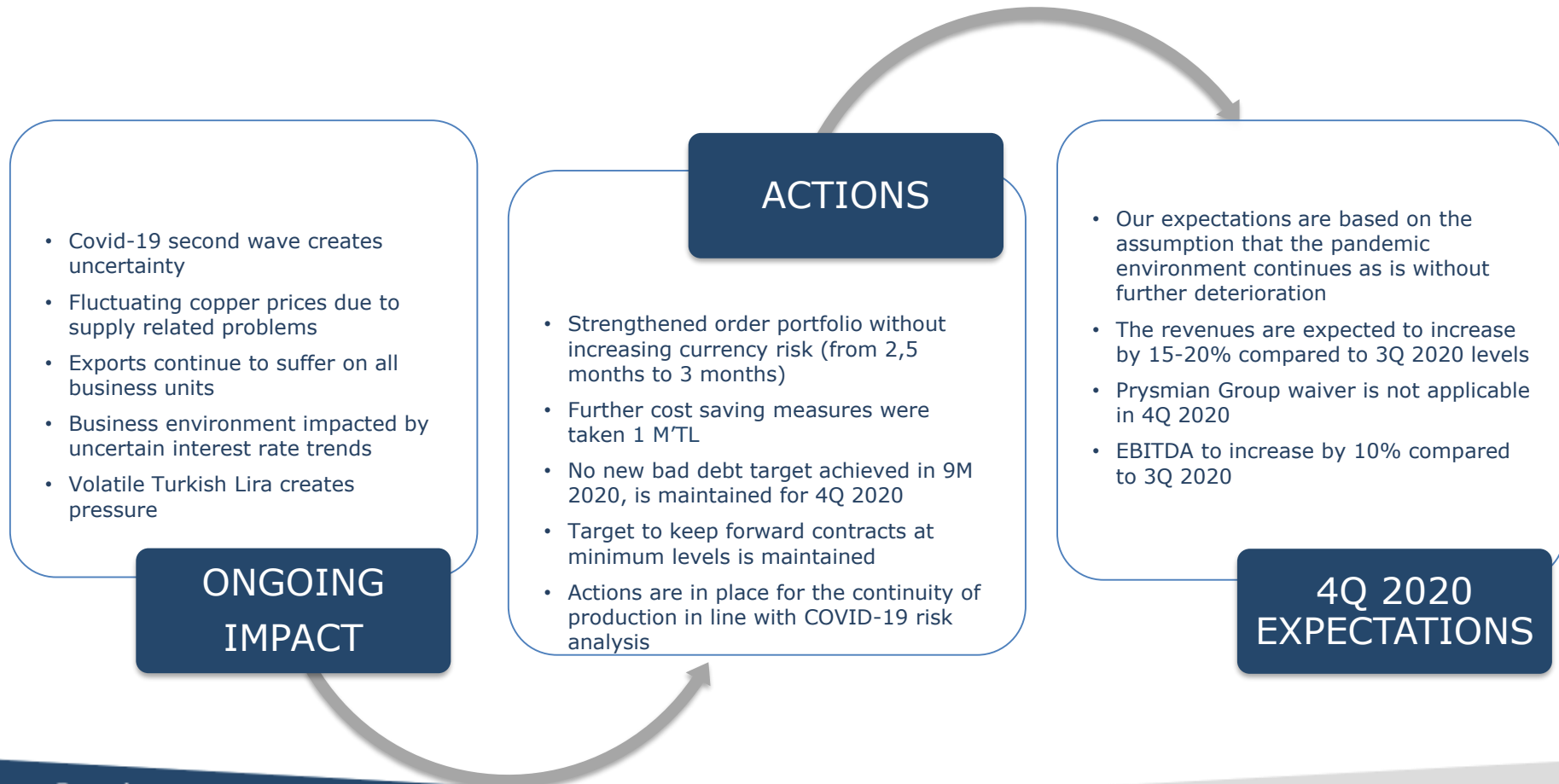
9M 2020

16.6%

6.8%

23.4%

NAVIGATING THROUGH UNCERTAINTIES IN 2020



Thank you

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