



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

**ANALYST MEETING ON
Q4 2023 FINANCIAL RESULTS**

23.02.2024

Prysmian
Group

Linking
the Future

DISCLAIMER

On 28.12.2023, in its Bulletin numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS/TAS 29 inflationary accounting provisions.

Accordingly, this presentation contains the Türk Prysmian Kablo ve Sistemleri A.Ş (Company)'s audited 2023 financial information for the whole year (and the comparative year end results related to 2022) prepared according to Turkish Accounting / Financial Reporting Standards, applying IAS/TAS 29 inflation accounting provisions.

Nevertheless, given that the guidance information and the 2022 / 2023 interim financial results announced were presented without the application of the inflation accounting, supplementary information for financial KPI's used in prior periods' investor presentations are also provided.

Such supplementary information made available for this period contains unaudited financial information prepared for management reporting purposes.

AGENDA



1. Türk Prysmian Kablo Overview

2. Macroeconomics & Business Environment

3. Türk Prysmian 2023 ESG Plan

4. Financial Results 2023

5. Outlook 2024

6. Q & A



Türk Prysmian Kablo Overview

**Ülkü Özcan
CEO**

**Prysmian
Group**

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Türk Prysmian Kablo with **2023 figures:**

- **59**-year experience
- **9,804 MTL** total sales (Pre TAS29)
- **21%** share of exports
- **585** employees
- Total area: **180,000 m²**

2023 TÜRK PRYSMIAN SOME REFERENCE PROJECTS





Macroeconomics & Business Environment

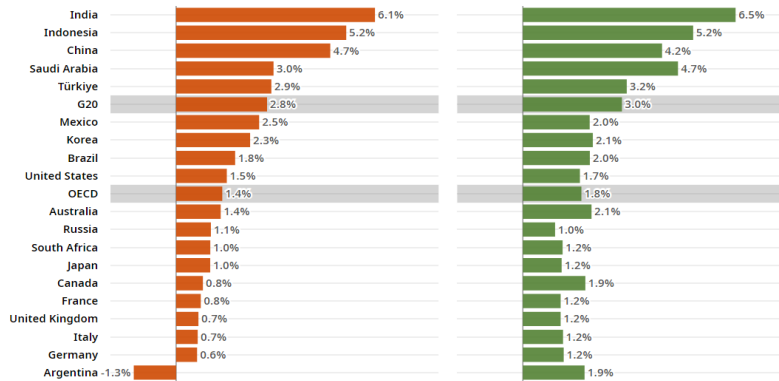
**Ülkü Özcan
CEO**

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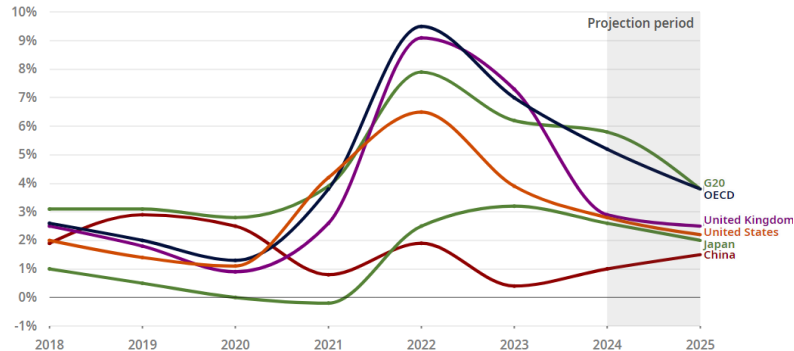
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GLOBAL GROWTH OUTLOOK REMAINS UNCERTAIN

GDP growth projections for 2024 and 2025



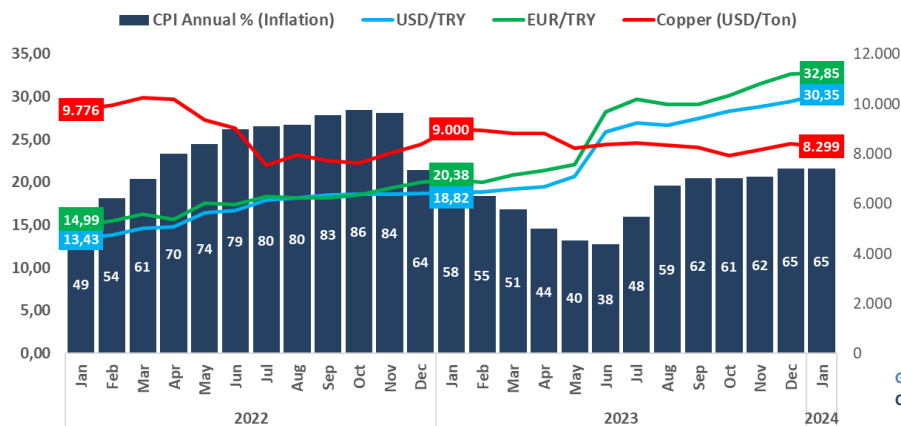
Headline Inflation



- **Global economic perspective:** GDP growth has been stronger than expected in 2023 but is now moderating on the back of tighter financial conditions, weak trade growth and lower business and consumer confidence.
- **Moderate projections for global economic growth:** The world economy is expected to grow by 2.7% in 2024 and by 3.0% in 2025.
- In the absence of further large shocks of food and energy prices, projected headline inflation is expected to return to levels **consistent with central bank targets in most major economies by the end of 2025.**
- Concerns about **geo-economic fragmentation** point to disruptions to global trade in commodities which can affect **commodity prices, economic activity, and the green energy transition.**
- **Enhanced international co-operation is needed** to ensure better coordination and faster progress in **carbon mitigation efforts.**

CHALLENGES CONTINUE DUE TO A POTENTIAL RISE IN GEOECONOMIC FRAGMENTATION

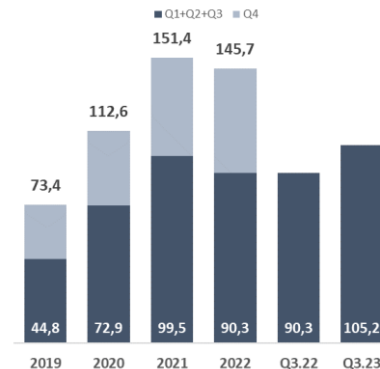
MACROECONOMIC ENVIRONMENT IN TÜRKİYE REMAINS CHALLENGING



GDP & CONSTRUCTION



BUILDING PERMITS



TÜRKİYE MACROECONOMICS

- Moderate growth, high real interest rates, huge inflation and volatility in TL create an unstable and unpredictable macroeconomic and social environment.
- Inflation rate remains high, the yoy level was 64,3% in 2022, 64,8% in 2023 and is 64,9% as of Jan 2024.
- CBRT raised the interest rate up to 45,0% in Jan'24.
- Tight monetary policy and fiscal discipline will be the main macroeconomic tools.

CABLE INDUSTRY

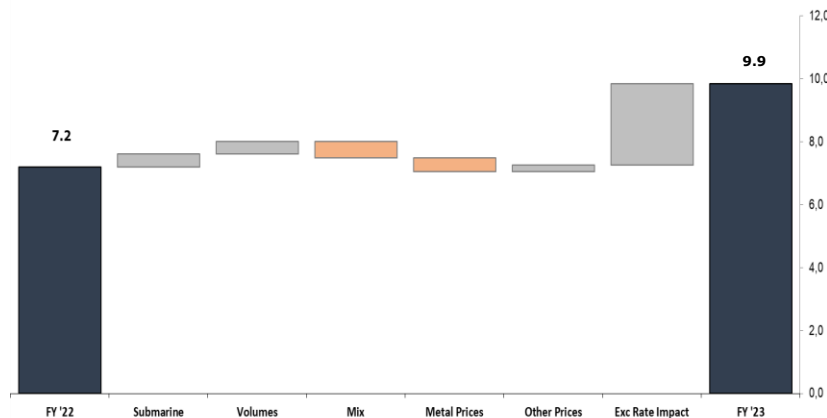
- Construction sector grew by 8.1% in Q3 2023.
 - Low-cost residential construction is the main driver for the industry after earthquake disaster.
 - The increase in the demand for urban transformation of the cities with high earthquake risk (eg. Istanbul) will also support the sector.
- Domestic market is experiencing aggressive prices and longer payment terms; this trend is expected to worsen in 2024, therefore the pressure on profitability is expected to prevail.
- High geo-politic tension affects the export performance of the sector.

INCREASING PRESSURE ON THE PROFITABILITY IN THE CABLE INDUSTRY

WE GREW OUR REVENUES *

Strong Growth mainly driven by volumes and fx rates increase

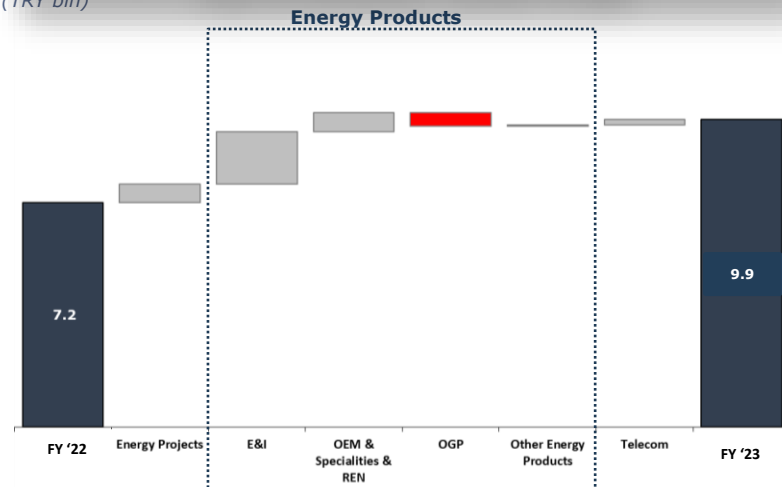
(TRY bln)



- Solid volumes achieved, higher than previous year in most of the business units, offsetting the effect of worsening sales mix
- Top line significantly impacted by TRY devaluation against hard currencies (more than +30% vs EUR).
- Average Copper price has been lower than previous year, leading to a pressure on sales prices, thus total revenue.
- The continuous increase in other raw material prices were reflected to the market, positively impacting the top line.

Strong organic growth in E&I and REN, supported by high profitability, mainly in REN

(TRY bln)



- Significant revenue increase in Energy Products, driven by volumes, mainly in E&I and REN business lines, more than offset the shortfall of volumes in OGP.
- Energy Projects' revenues were higher compared to last year, in line with the planned execution of the Submarine and HV Land Projects.
- Telecom revenues slightly increased thanks to little higher volumes in Optical Fiber and MMS, while Copper Telecom suffered both in terms of volumes and prices.













* Pre TAS29 (Inflation Accounting)

WE SUCCESSFULLY MANAGED OUR BUSINESS



- **E&I:** Maintained strong relations with our distributors, posting a remarkable increase in volumes. Managed to secure profitability margin, emphasizing dynamic pricing.
- **Submarine:** Izmit Gulf and Çanakkale III Crossing Projects have been completed in line with the planned schedule.
- **HV Land:** Leveraged on opportunities, particularly turnkey projects in Turkey and cable supplies to Prysmian Group.
- **OEM:** Continued to focus on growth in special applications in Railways, Marine, Mining and Infrastructure business units.
- **Renewable:** Maintained strong market share at 45% thanks to the differentiated and wide selection of the portfolio offer and strong customers' loyalty.
- **O&G:** Minimized costs to offset effects of declining volume due to postponement of projects' execution.
- **Telecom Business:** Strengthened relations with domestic customers, grew in export markets and captured market share in the project business segment, leading to higher volume in optical fiber and MMS business lines.

ACHIEVED HIGHER THEN EXPECTED OPERATIONAL PROFITABILITY IN 2023

	1Q GUIDANCE	1Q ACTUAL	2Q GUIDANCE	2Q ACTUAL	3Q GUIDANCE	3Q ACTUAL	4Q GUIDANCE*	4Q ACTUAL*
REVENUE	40 - 50% Inc.	 42%	15 - 25% Inc.	 20%	50 - 55% Inc.	 47%	60 - 75% Inc.	 42%
EBITDA	TRY80 - 95 mln	 TRY85.6 mln	5% - 10% inc.	 63%	100%- 125% inc.	 108%	75% - 85% inc.	 181%
EBITDA Margin	3.9%- 4.2%	 4.1%	4.5%-5.0%	 7.2%	6.5 - 7.5%	 6.8%	5.0% - 6.0%	 9.5%

* As 4Q 2023 guidance has been provided pre-TAS methodology (which presents the effects of high inflation), comparison to actual results are also based on pre-TAS figures.

WE TARGET TO FOLLOW FURTHER GROWTH OPPORTUNITIES IN 2024

ENERGY TRANSITION



RENEWABLE

- **Monitor new solar projects** to maintain strong market position
- **Increase penetration in wind projects** in growing domestic market
- **Grow in export markets** for wind and solar business
- Leverage on being the **Railways Excellence Center**, ensuring higher volume in Railway business through intercompany sales (mainly in European markets)
- Target upcoming **Akkuyu Nuclear Power Plant tender**

HIGH VOLTAGE

- Monitor the new TEIAS tenders on the pipeline **to maintain market share in 154 kV segment**
- Leveraging on opportunities in **European markets from the Prysmian Group with new products**
- **Growth in installation works with solution provider approach**

DIGITAL TRANSFORMATION



TELECOM

- Sustain market share in domestic fiber optical demand **through further customer differentiation**
- **Focus on profitability** in export markets
- **Maintain business in copper as-is** in a contracting copper market
- **Increase market share in the project business segment** (Turksat, Turknet, Railway & Highway)
- Continue intercompany collaborations **for a better service with full support from Prysmian Group**
- **Achieve successful performance** in MMS business with different product segments

SUBMARINE PROJECTS HAVE GENERATED AROUND 60 MILLION EUR REVENUE IN 2023

- 1 -

Izmit Gulf Project



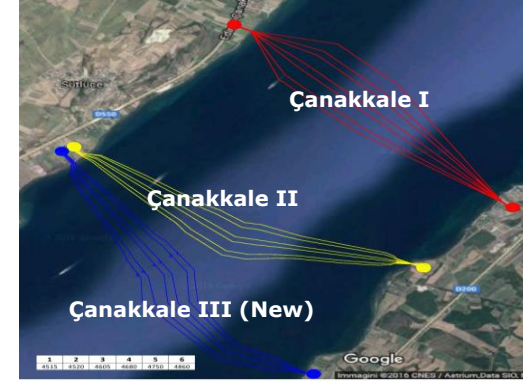
Project 1: 400kV İzmit Gulf Submarine Cable Project

Completion date: Q4 2024

Contract Value: €89 million

- 2 -

Çanakkale III Project



Project 2: 400kV Çanakkale III Submarine Cable Project

Completion date: Q4 2023

Contract Value: €57 million



Türk Prysmian Kablo 2023 ESG Plan

**Ülkü Özcan
CEO**

**Prysmian
Group**

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TÜRK PRYSMIAN KABLO SUSTAINABILITY MILESTONES



2019

- Our Sustainability Journey had started at the end of 2019

2020

- Sustainability Management System
- Vision Setting
- Long-term Planning
- Impact analysis
- Trainings
- Trends Analysis
- Stakeholder Analysis
- Ambassadors Team

2021

- Sign it KPI's identified
- ESG KPI's identified
- Projects clarified for short term and long term

2022

- Projects and KPI's followed up
- MEAT Regional Trainings
- 1st Sustainability Day**
- 1st Local Sustainability Report**
- Materiality & Stakeholder Analysis

2023

- Sustainability Academy Trainings
- Call for Ideas
- Sustainability Day**
- 2nd Local Sustainability Report**
- Ambassadors' TALKS**
- 4 Suppliers' Audits**

TURK PRYSMIAN KABLO - BEST PRACTICES



SUSTAINABILITY REPORT

Türk Prysmian Kablo published
2nd Sustainability Report in October.

Prysmian
Group

2022

Türk Prysmian Kablo
SÜRDÜRÜLEBİLİRLİK
RAPORU



Sign it.
For a better tomorrow

2021

Sustainability
Report

Prysmian
Group



AMBASSADORS' TALKS

4 events were completed.
Aim of event is to increase the awareness
of Sustainability among employees and to
create an interactive platform to discuss
our ambitions.



SUPPLIER AUDITS

4 Sustainability Audits were completed with
our Suppliers.



TURK PRYSMIAN SUSTAINABILITY ACHIEVEMENTS SO FAR



Climate Ambition



ENERGY SAVING

5.410.079 kwh



DIESEL SAVING

301.480 L



NATURAL GAS SAVING

323.621 m³



CO2 SAVING

3.895 Ton

Cumulative values from 2020

Green Circular Economy



RECYLED PE

12%



RECYLED WASTE

92%



REUSED DRUM

18,9%



SUSTAINABILITY AUDITS

4

2023 KPI Results

D&I People Wellbeing



PERCENTAGE OF EXECUTIVE WOMEN

22%



PERCENTAGE OF DESK WORKERS WOMEN HIRED

39%



TRAINING HOURS

32h



SAFETY ASSESTMENT PLAN

2,5

2023 KPI Results

LIFE CONTINUES IN PRYSMIAN GROUP VILLAGE

MANY THANKS TO PRYSMIAN GROUP AND EMPLOYEES



PRESS RELEASE

FEBRUARY 04/24

On the first anniversary of the earthquake Life continues in Prysmian Village

Life continues in Prysmian Village, consisting of 150 containers, which was built by Türk Prysmian Kablo the Turkish operation of Prysmian Group, the leader of the worldwide energy and telecommunication cables industry, in the Tut district of **Adıyaman**, following the **Kahramanmaraş** earthquakes of February 6 2023.

Türk Prysmian Kablo continues to provide active support to the recovery process in the earthquake-affected region after the February 6, 2023 earthquakes. The volunteer team formed immediately after the earthquake took an active role in search and rescue activities and determining needs in the region. As a result of the work carried out, the needs of earthquake victims were supported with the "Prysmian Village" project consisting of 150 containers, which was implemented in Tut district of **Adıyaman** with the support of Prysmian Group and its employees.

"We are much stronger together"

Ülki Özcan, CEO of Türk Prysmian Kablo, said: "One of the primary goals of our work after the earthquake was to quickly form a volunteer team. This team carried out a wide range of activities to meet urgent needs after the earthquake, starting from search and rescue activities, spending time with children and distributing food to those in need. Our goal was to do everything we could to meet the needs of earthquake victims and support them. The effort we made as a team and the support we gathered during this process gave us the opportunity to become stronger together in these difficult times."

"We will continue to maintain our solidarity"

Cinzia Farisè, Prysmian Group MEART Region CEO, said: "At Prysmian Group, starting immediately after the earthquake, we continued our work by focusing on meeting urgent needs. I would like to say that I am proud of our Group's relief efforts following the earthquake. In addition to being a helping hand during these trying times, our solidarity and support showed the best side of joint action and humanity. Our Prysmian Village project further strengthened this solidarity and togetherness. We hope to support earthquake survivors in the future and foster social solidarity with this sense of togetherness and solidarity. At Prysmian Group, we will never waver in our determination to take on these challenges and in our concern for the society we live in."

About Türk Prysmian Kablo

Türk Prysmian Kablo ve Sistemleri A.Ş. is the Turkish operation of Prysmian Group, world leader with around 31,000 employees, and 108 plants in over 110 countries. The company is headquartered in Mudanya (Bursa) since 1964 and stands out in Prysmian Group as one of the 10 plants that can produce both energy and telecom cables under the Prysmian and **Cablex** trademarks. The product range includes all energy cables up to 220 KV, copper conduct communication cables up to 3,600 pairs, optical fiber cables, railway signaling cables, elevator systems, studio broadcast cables and specialty cables for industrial applications. Mudanya plant can now produce more than 22,000 types of cables. Türk Prysmian also delivers "turnkey" projects for cables and systems provider such one customer tailored and premium services. With a capacity utilization rate of 71% in 2022, Türk Prysmian continues to be a privileged export partner within the Prysmian Group, exporting approximately 18% of its TL 7,186,815,254 turnover in 2022. With a wide geographical coverage, the company exports more than 50 countries today including but not limited to the Turkish Republics and the Middle East. Listed on Borsa İstanbul, Türk Prysmian Kablo ve Sistemleri A.Ş. is committed to continually improving the efficiency of its products and services both in Türkiye and in the global markets. For more information www.prysmiangroup.com

About Prysmian Group

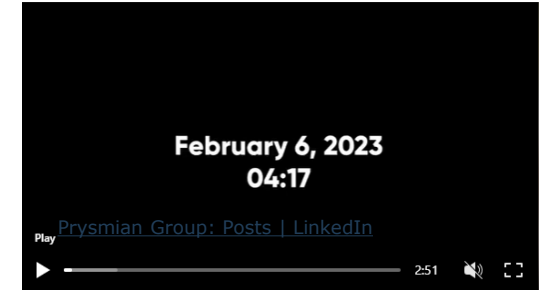
Following the worldwide merger with General Cable, Prysmian Group is the world leader in the energy and telecommunications cables industry with sales approximately €16 billion in 2022, 31,000 employees, 26 R&D Centers and 108 plants in over 50 countries. The Group is strongly positioned in high-tech market and offers the widest possible range of products, services, technologies and know-how. Prysmian Group operates in the businesses of underground and submarine cables and systems for power transmission and distribution, special cables for applications in many different industries, and optical **Spax** and copper telecom cables for video, data and audio transmission. Prysmian Group's primary competitive strengths include its customer focus, customer service with innovative products and production processes as well as its broad geographic reach. Prysmian S.p.A. is listed on the Milan stock exchange. For more information: www.prysmiangroup.com



Prysmian
385,223 followers
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"We have not forgotten, we will not forget!"

Although a year has passed since Türkiye's earthquake, the pain is still fresh. Today, millions of people across Türkiye mourn the loss of more than 53,000 ...see more



We have not forgotten, we will not forget!



Financial Results 2023

CFO
Mirko Beretta

Prysmian
Group

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TAS 29 FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

Financial Reporting Framework in Turkey

The Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK) is setting accounting standards in Turkey; namely, the Turkish Financial Reporting Standards (TFRSs), which are in full compliance with IFRS. New and amended standards are continuously adopted by being published in the Official Gazette.

TAS 29 (Financial Reporting in Hyperinflationary Economies)

Published in the Turkish Official Gazette on December 31, 2005

Objective

- To establish specific standards for entities reporting in the currency of a hyperinflationary economy, so that the financial information provided is meaningful.

Trigger

- Hyperinflation is indicated by factors such as prices, interest and wages linked to a price index (i.e. CPI), and cumulative inflation over three years of 100% or more.

Restatement of financial statements

- The financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit at the current balance sheet date. Comparative figures for prior period(s) should be restated into the same current measuring unit.
- Restatements are made by applying a general price index (e.g. CPI). Items such as monetary items that are already stated at the measuring unit at the balance sheet date are not restated. Other items are restated based on the change in the general price index between the date those items were acquired or incurred and the balance sheet date.

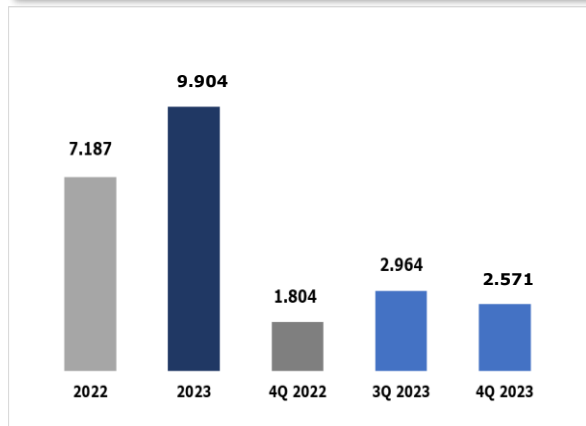
FINANCIALS 2022 - 2023 (INCOME STATEMENT – BALANCE SHEET)

Income Statement m TL	TAS29			PRE - TAS29		
	FY 2023	FY 2022	Δ %	FY 2023	FY 2022	Δ %
Revenues	12.473	13.830	-9,8%	9.904	7.187	37,8%
Gross profit	1.191	1.015	17,4%	1.363	860	58,6%
Gross Margin (%)	9,5%	7,3%		13,8%	12,0%	
Operating Profit / (Loss)	27	(217)	na	493	282	74,8%
Gross Margin (%)	0,2%	-1,6%		5,0%	3,9%	
Profit / (Loss) Before Tax	(70)	(117)	na	197	210	-6,3%
Net Profit / (Loss)	(87)	(179)	na	100	190	-47,1%

Balance Sheet - Assets & Liabilities m TL	TAS29			PRE - TAS29		
	FY 2023	FY 2022	Δ	FY 2023	FY 2022	Δ
ASSETS						
Current Assets	4.906	5.590	(684)	4.838	3.364	1.474
Cash and Cash Equivalents	544	462	82	544	280	264
Inventory	1.215	1.274	(59)	1.148	768	380
Commercial receivables	1.820	1.859	(39)	1.819	1.120	699
Receivables from Construction Contracts	383	1.323	(940)	383	803	(420)
Other Current Assets	943	672	271	943	393	550
Fixed Assets	915	1.048	(132)	506	480	26
Total Assets	5.821	6.638	(817)	5.344	3.844	1.500
LIABILITIES						
Short-Term Liabilities	4.606	5.281	(676)	4.606	3.191	1.415
Short Term Borrowings	173	115	58	173	70	103
Other debts	175	288	(113)	175	175	-
Trade payables	3.445	3.380	65	3.445	2.052	1.393
Debts from Construction Contracts	117	526	(409)	117	319	(202)
Short Term Provisions	348	509	(161)	348	309	39
Other Short-Term Liabilities	347	463	(115)	347	266	81
Long Term Liabilities	152	80	71	152	49	103
Long Term Borrowings	10	5	6	10	3	7
Long Term Provisions	141	75	66	141	46	96
Equity	1.064	1.276	(212)	587	605	(18)
Total Liabilities and Equity	5.821	6.638	(817)	5.344	3.844	1.500

MAIN FINANCIAL KPIs *(Pre TAS29)**

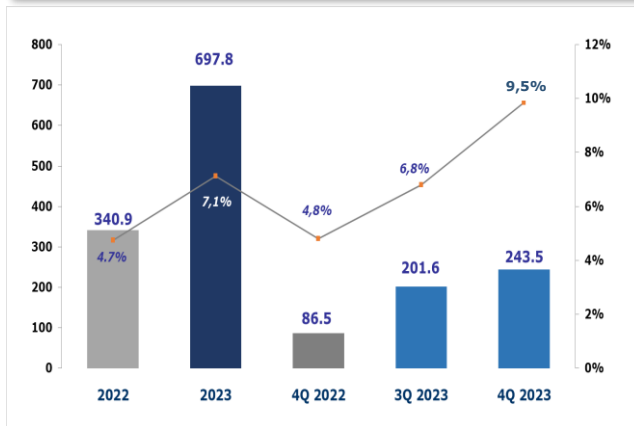
REVENUE (M'TRY)



+38% YoY increase (+42% Q4'23 vs '22)

- ❖ Energy Projects revenues slightly higher than last year (in Eur); Q3 and Q4 have registered a boost thanks to the installation works done in summer 2023.
- ❖ Volume increase in Energy Products (+10%), mainly thanks to E&I (+27%) and Renewables (+52%), partially offset by the declining volumes in OEM (-18%) and OGP (-68%) business lines.
- ❖ Telecom segment reported slightly higher volumes than previous year, mainly due to MMS (+12%) and OPGW, while Telecom Copper suffered from the contracting market demand.
- ❖ Revenues largely impacted by the significant devaluation of the TRY against EUR (25.7 avg '23 vs 17.4 in '22).

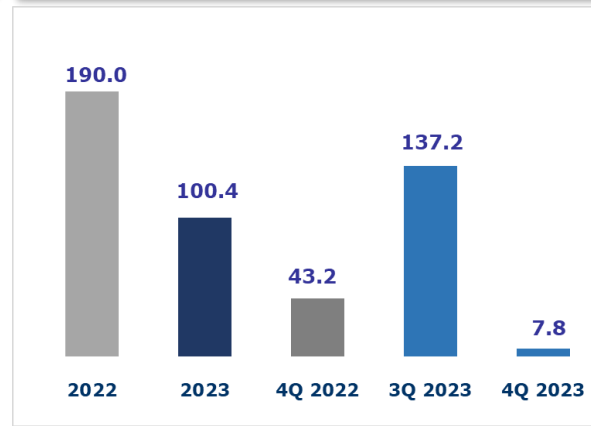
EBITDA & EBITDA MARGIN (M'TRY)



+104% YoY EBITDA (+182% Q4'23 vs '22)

- ❖ Higher contribution from profitable business lines (e.g. Renewables, HV Land & Submarine).
- ❖ Energy Products volume increase associated with higher profitability in some segments, mainly Renewables and E&I.
- ❖ Pricing management, promptly reflecting the raw material cost increases.
- ❖ Selective approach in order intake with focus on the orders in hard currencies.

NET INCOME (M'TRY)



-47% YoY Net Income (-82% Q4'23 vs '22)

- ❖ Sharp increase of the interest rates on loans, both in local and hard currencies
- ❖ Huge spread between spot and forward price of derivative instruments.
- ❖ Q4'23 financial income and expenses suffered from huge forward contract costs on derivatives.

* Numbers reported are Pre TAS29 due to the unavailability of the quarterly details

REVENUE BREAKDOWN

PRE – TAS29 REVENUES

FY22

7,187 M' TL

FY23

9,904 M' TL

+37%

TAS 29 EFFECT (High Inflation Accounting impact)

6,643 M' TL

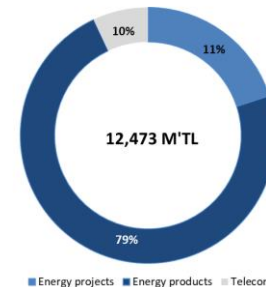
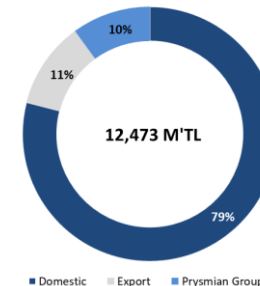
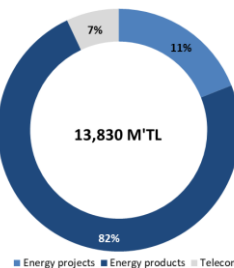
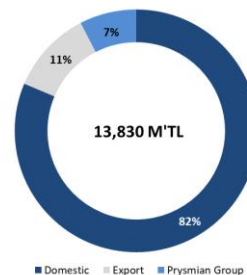
2,569 M' TL

By distribution channel

- Solid increase in domestic volumes, mainly in E&I (+24%) and REN business (+37%), offsetting the reduction in OG (-70%) and OEM (-22%); share of domestic revenues reduced due to Intragroup increase
- Export volume decreased mainly due to OEM business unit (-22%) but share of export revenues remained flat due to the depreciation of TRY against EUR.
- Intragroup revenues increased in the HV and REN Business Units.

By business segment

- Energy Projects' share in line with previous year with the planned progress of the Submarine projects' execution in Q4.
- Share of Telecom revenues increased through particular focus on growth in this business line.
- Share of Energy Products slightly decreased due to postponed projects



-10%

GROSS PROFIT BY SEGMENT

GROSS PROFIT PRE - TAS29

FY22

860 M' TL
12,0%

+47%

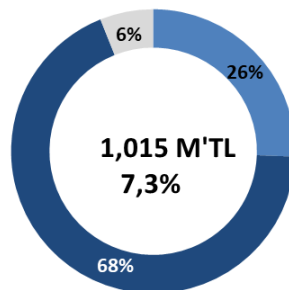
FY23

1,363 M' TL
13,8%

TAS 29 EFFECT (High Inflation Accounting impact)

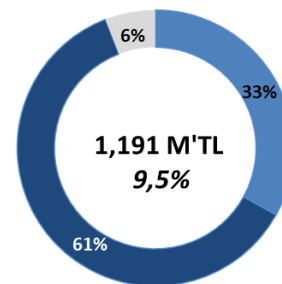
155 M' TL

(172) M' TL



■ Energy projects ■ Energy products ■ Telecom

+17%



■ Energy projects ■ Energy products ■ Telecom

Main factors:

- ✓ Sound organic growth achieved in specific business lines, mainly in E&I and Renewables,
- ✓ Gross Profit margin increased thanks to the actions put in place to promptly reflect the raw material cost increase to the market and the selective approach to the orders entry,
- ✓ Submarine Projects contributed more to the profitability than in '22, thanks to the progress of the installation works this year, mainly in Q2 and Q3,
- ✓ The focus on orders in hard currencies led to increasing profitability.

BALANCE SHEET AND CASH

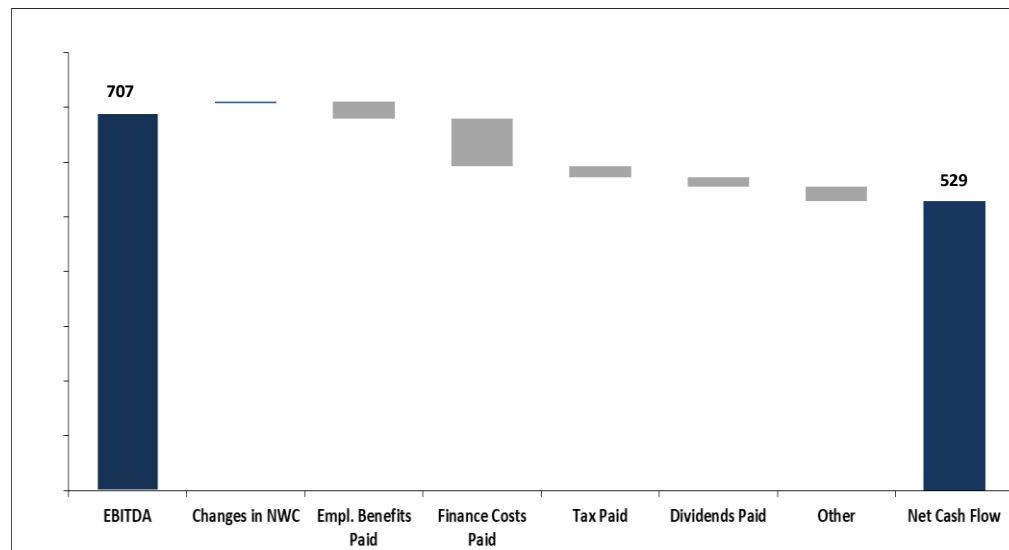
Balance Sheet

Balance Sheet - Assets & Liabilities		TAS29		
		FY 2023	FY 2022	Δ
m TL				
ASSETS				
Current Assets		4.906	5.590	(684)
Cash and Cash Equivalents		544	462	82
Inventory		1.215	1.274	(59)
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Receivables from Construction Contracts		383	1.323	(940)
Other Current Assets		943	672	271
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Total Assets		5.821	6.638	(817)
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Other debts		175	288	(113)
Trade payables		3.445	3.380	65
Debts from Construction Contracts		117	526	(409)
Short Term Provisions		348	509	(161)
Other Short-Term Liabilities		347	463	(115)
Long Term Liabilities		152	80	71
Long Term Borrowings		10	5	6
Long Term Provisions		141	75	66
Equity		1.064	1.276	(212)
Total Liabilities and Equity		5.821	6.638	(817)

Main topics:

- ✓ Trade Receivables and Stock level stable notwithstanding the volume growth.
- ✓ Construction contract receivables reduced significantly thanks to the collections received from customers.
- ✓ Cash position improved, thanks to the focus on collections and stock management.

Operating Cash Flow FY23 (M' TRY) – Pre TAS 29



Main topics:

- ✓ Effective Net Working capital management: the cash absorption recorded in the first 9 months has been completely recovered, despite tough market conditions
- ✓ Financial costs with a cash effect kept under control.
- ✓ Overall positive cash flow, with strong Free Cash Flow from operations.



THANK YOU

Prysmian
Group

Linking
the Future