

# Investor Presentation

Aug'25



Highly successful reinforcer growing into an **advanced materials company**



*We  
reinforce  
life*

**4**

CONTINENTS

**7**

COUNTRIES

**13**

FACILITIES

**4,250+**

EMPLOYEES

**2**

R&D CENTERS

**3**

TECHNICAL CENTERS



# Successfully Building the **Future of Reinforcement**



Close to Customer

Industry Leader

Technology Leader

# Why invest in **Kordsa**

Growth in **composite reinforcement market & evolving to advanced materials company**

01

Strong hedge position to country risks  
**through 100% hard-currency revenue**

02

Strong  
**ESG**  
position

03

Strong **cash**  
**generation**

04

Protected customer base  
through **Global footprint**

05

Tire Reinforcement

Global Leading Position

- #1 TireCord Fabric Producer
- Agile production capabilities / demand fulfillment
- Reputable global Turkish brand

Trusted Partner

- Longstanding Strategic Partner Status with all Global Tire Players
- Strong cooperation with customers through global footprint
- Generating above %70 revenue generation from approved-base customers

Composite Reinforcement

Global Leading Position

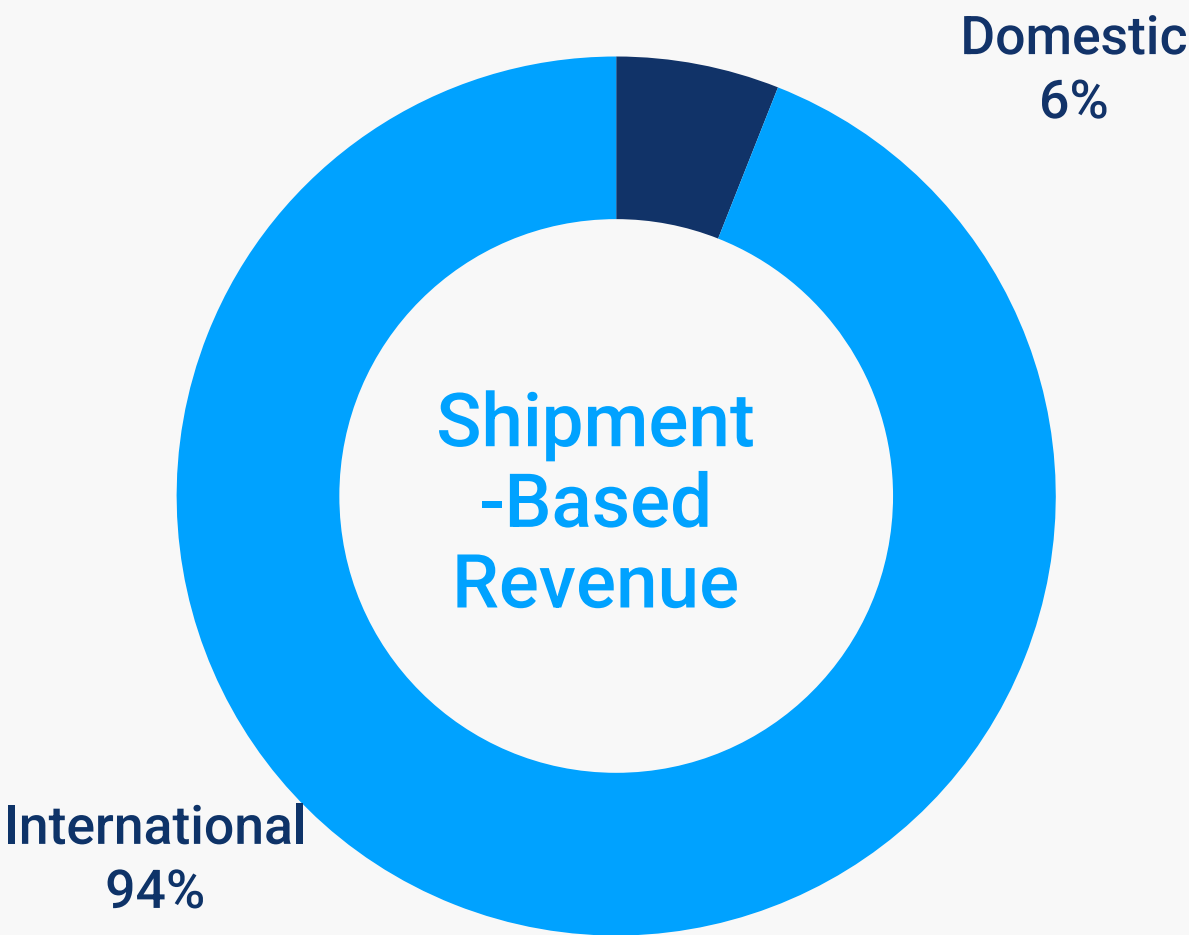
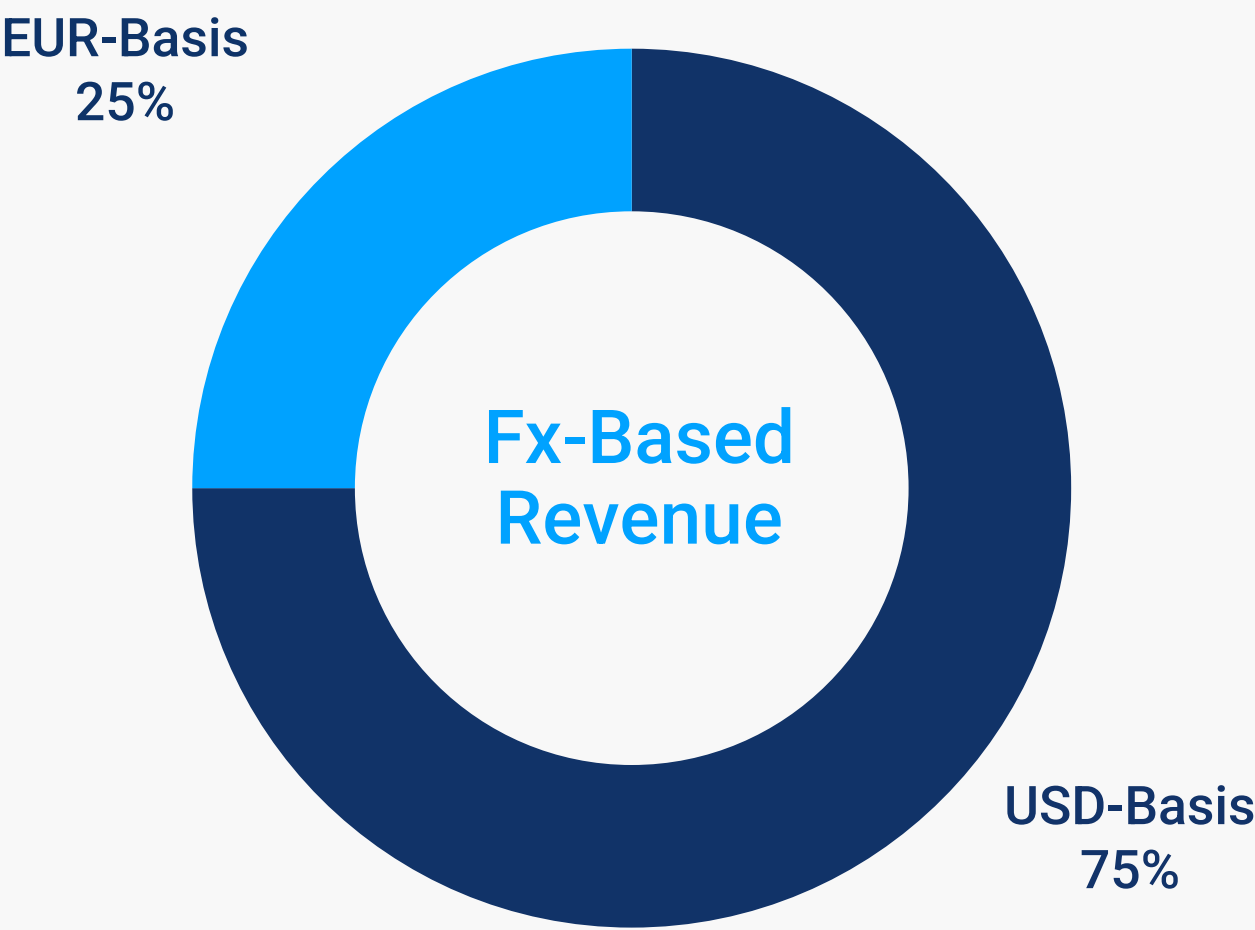
- Leading player in Ox-Ox Ceramic Matrix Composites
- Agile production capabilities / demand fulfillment
- CTCE : Industry & University Partnership

Trusted Partner

- Sole supplier of B787 Dreamliner in NA
- Partner of Orion Capsule
- Growing global partner in automotive industry

Strong hedge position to country risks through 100% hard-currency revenue

Natural Hedge to  
FX/Türkiye Position





OPERATIONS



FINANCIALS





# We reinforce mobility through our tire reinforcement products

- 01** A tire is a highly complex composite with approx. 40 components working under dynamic conditions enduring heat and motion
- 02** By weight: 350-450gr per tire
- 03** By value => Approx 7-10% cost of a tire is Tire Cord Fabric





# We reinforce safety through our composite technologies

## COMPOSITE PARTS

Composites use in aerospace & automotive is increasing, due to improved material properties and weight savings over conventional materials

«Lightweighting» is a major theme, driven by emission regulations as well as fuel-efficiency needs





**We reinforce urbanization** through our construction solutions

## REINFORCED CONCRETE STRUCTURES

### MAJOR APPLICATIONS

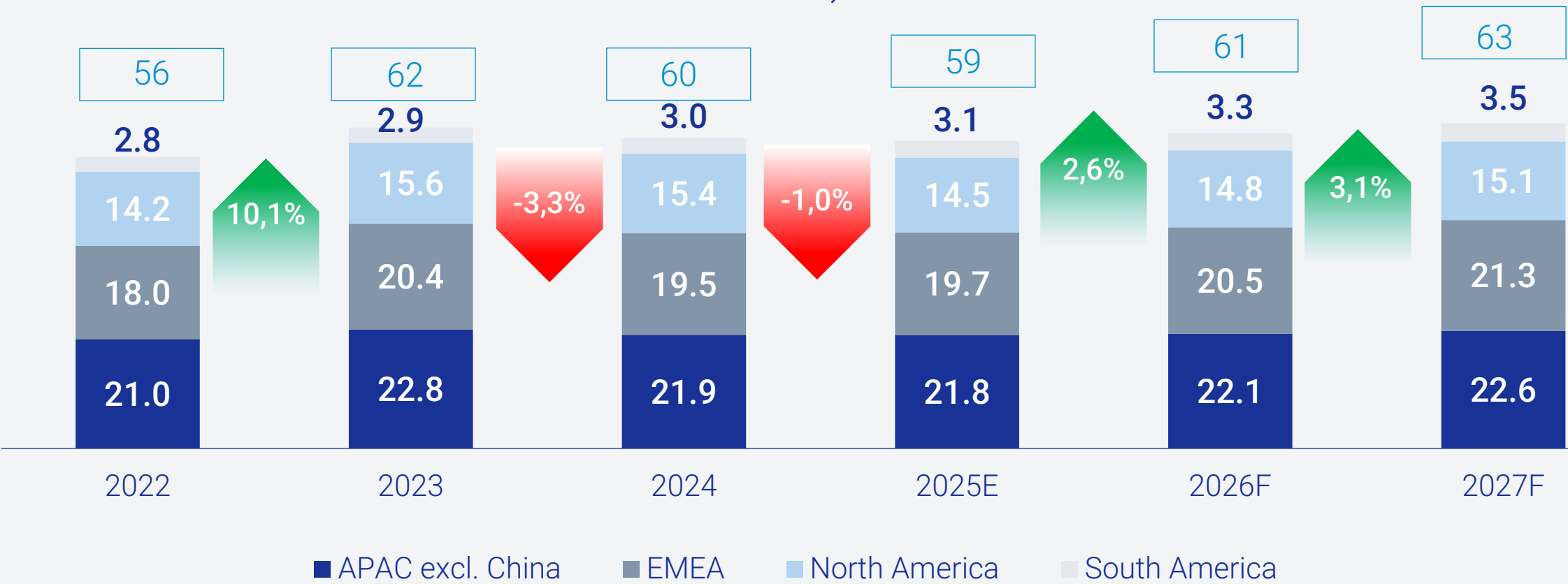
- ✓ Infrastructure projects (tunnels, runways, dams, bridges, metro tracks, highways)
- ✓ Mines



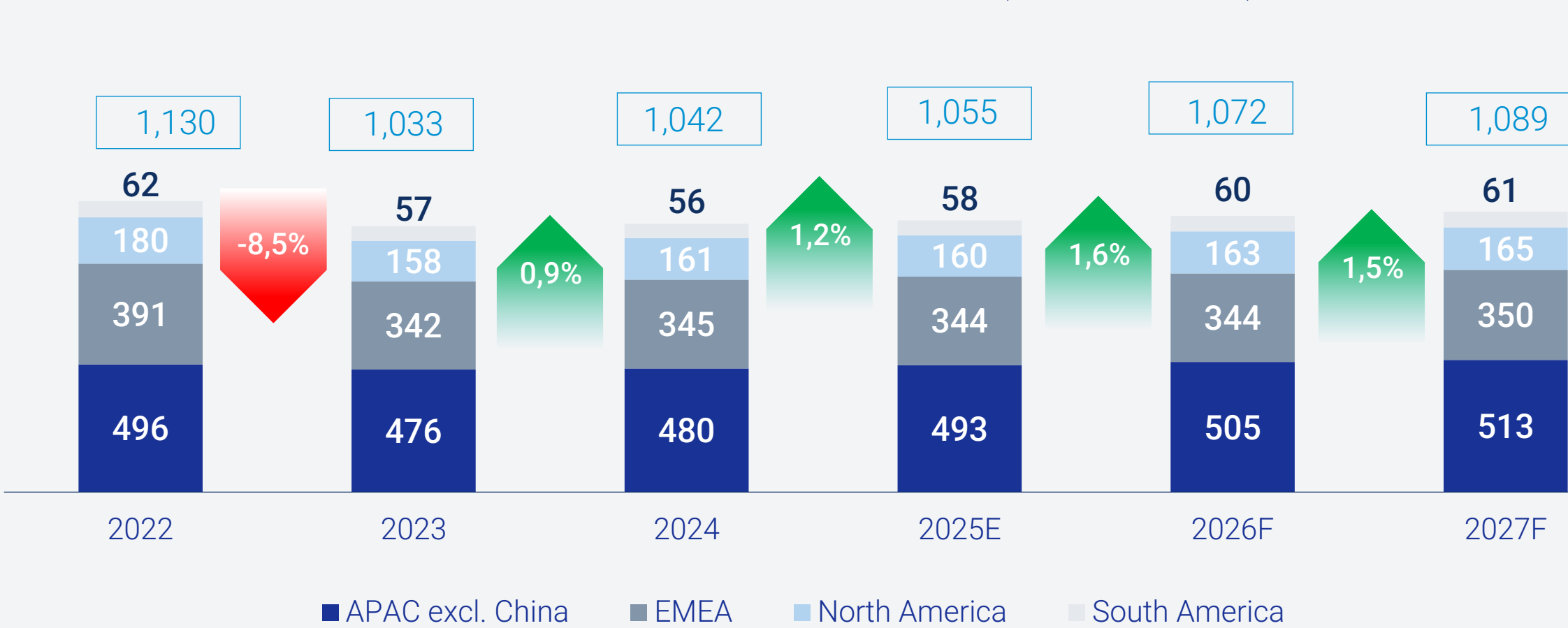


# China continues to grow in the value chain and keep mature markets under pressure

Global Automotive Market excl. China (million units)



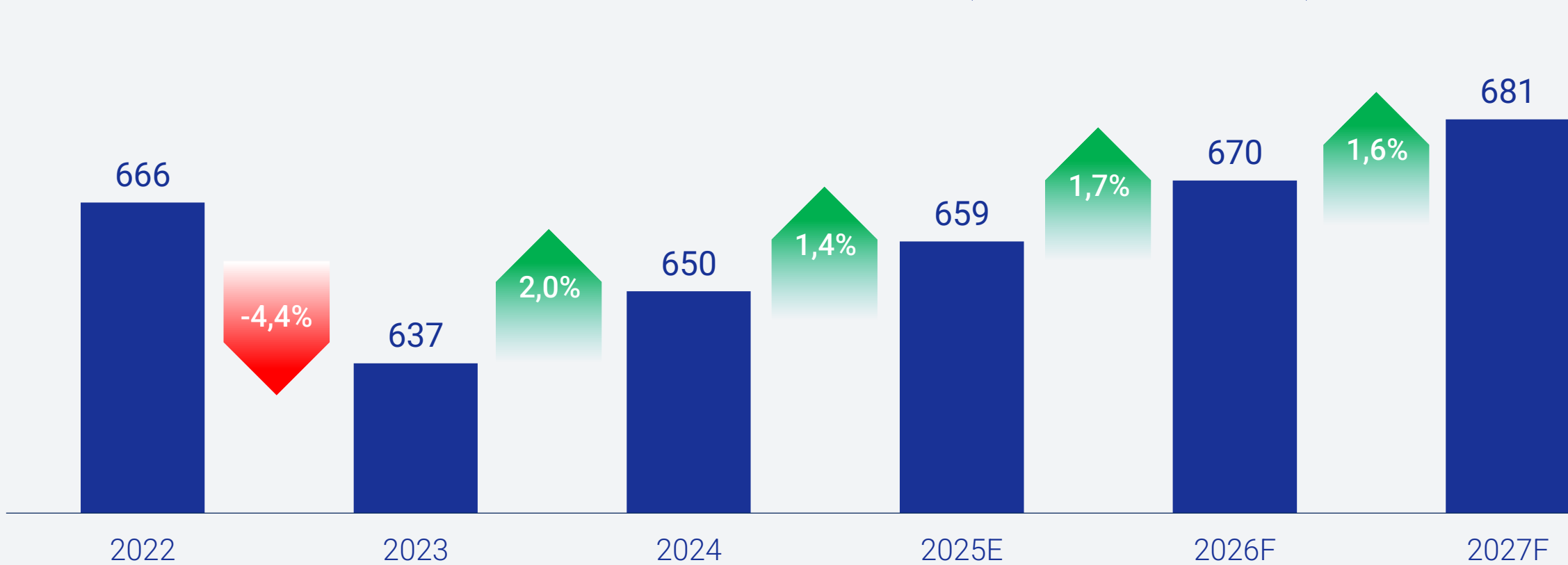
Global Tire Market excl. China (million units)



Tire Reinforcement Market (NY6.6-ktons)



Tire Reinforcement Market (PET HMLS-ktons)

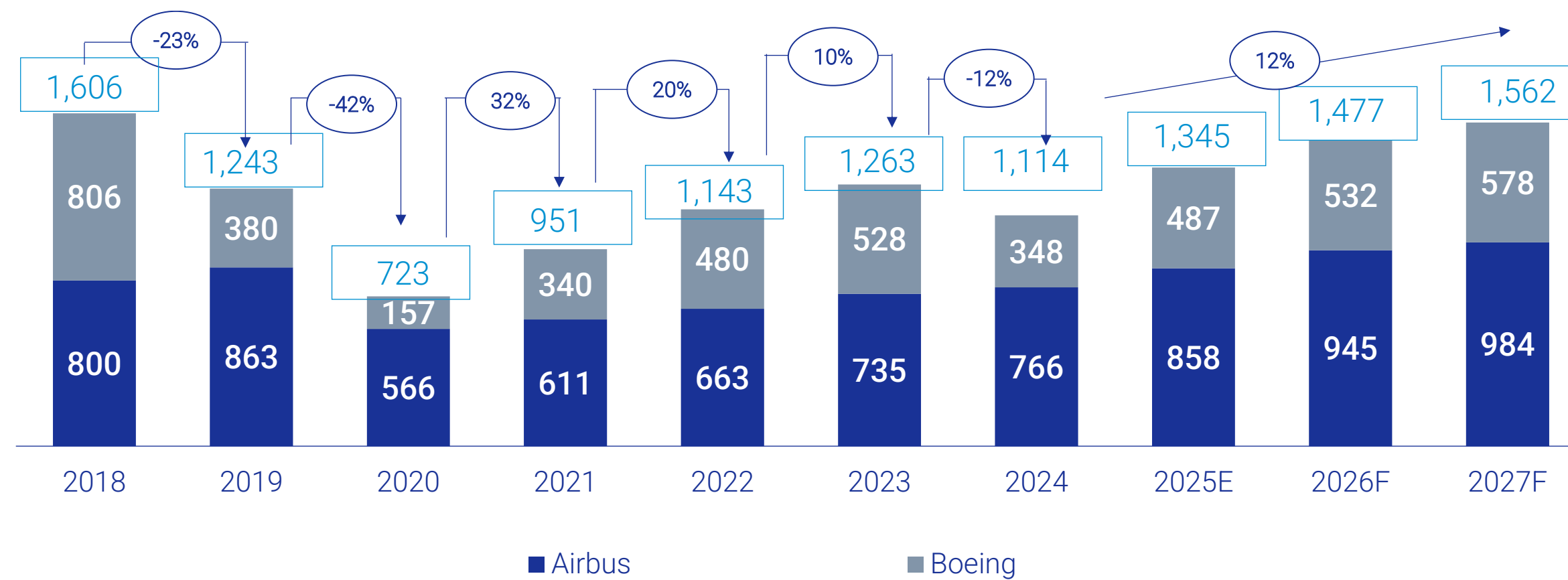


# Aerospace recovery continues, but supply chain and strikes weigh on deliveries

## Composite Prepreg Market (M\$)

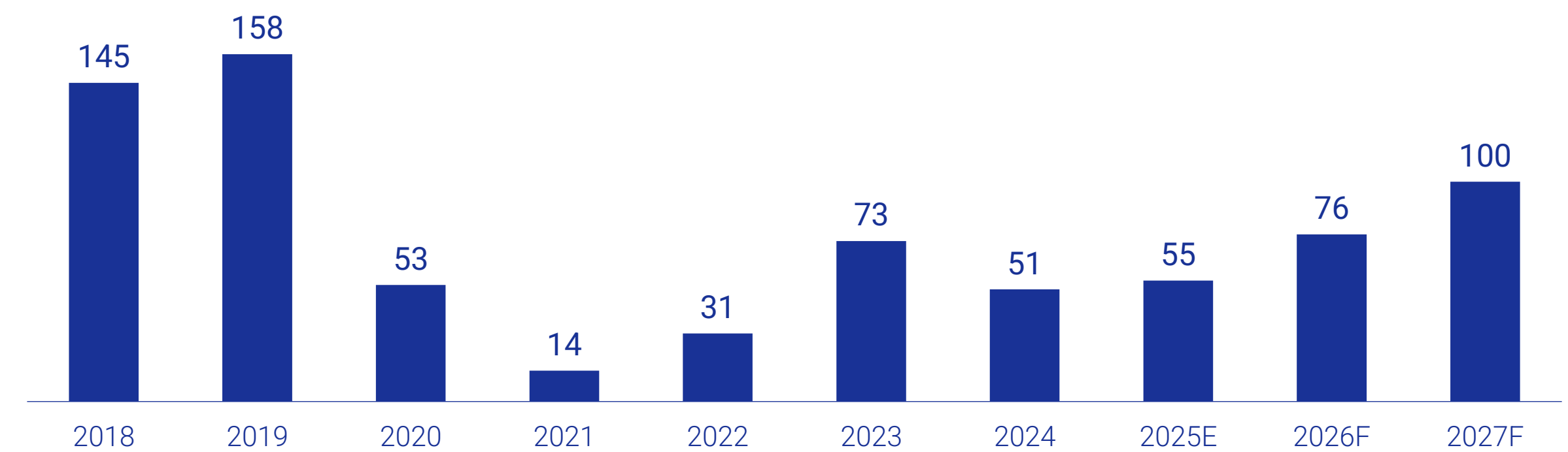


## Airbus / Boeing Deliveries in key continued programs



## Boeing 787 Dreamliner Deliveries

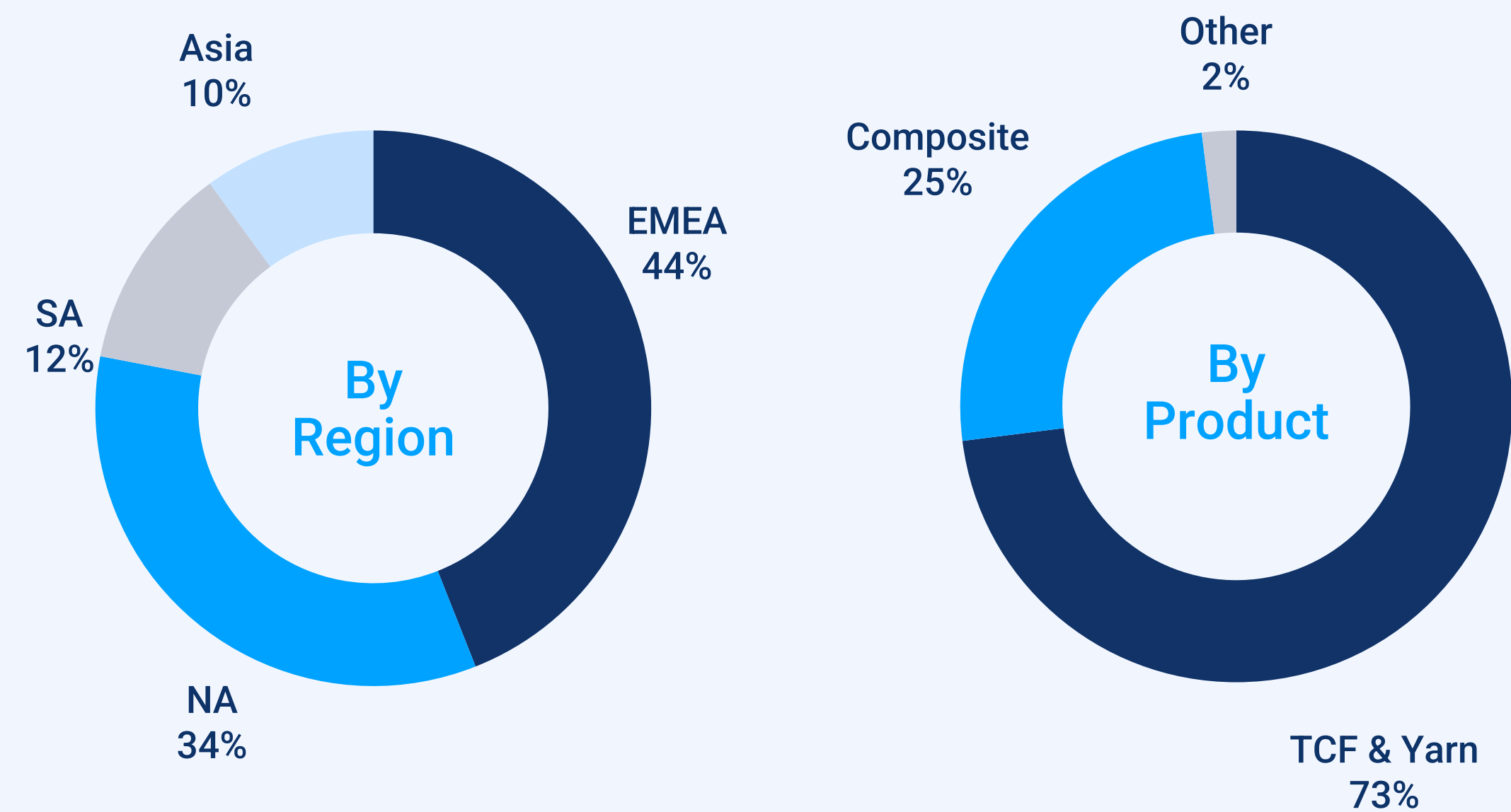
(# of Aircraft)



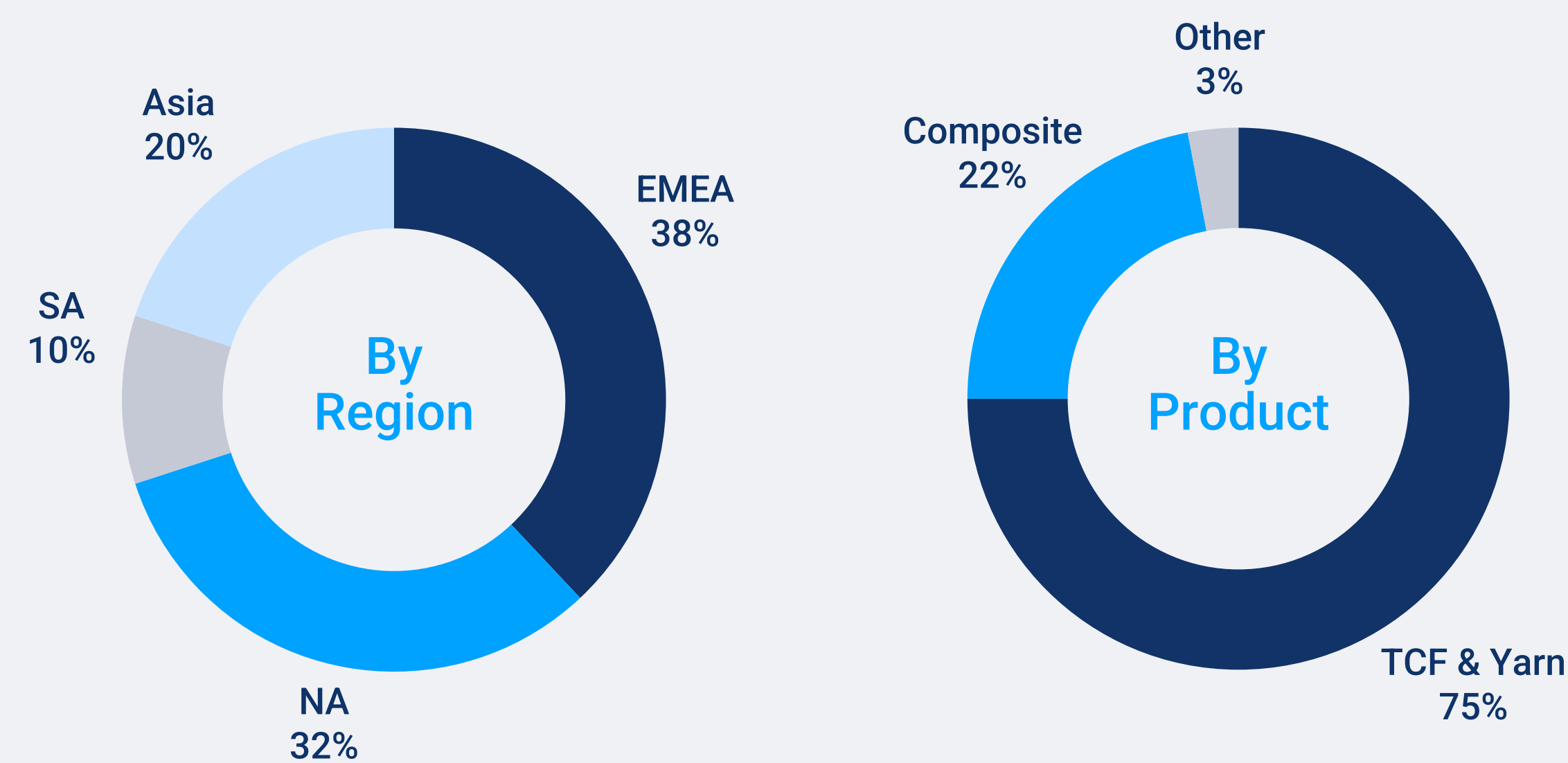


# Our aim is to build balanced portfolio between tire and composite reinforcement

Jun, 25 Revenue Split



Jun, 24 Revenue Split



# Strong financial performance in evolving advanced materials company

## FINANCIALS

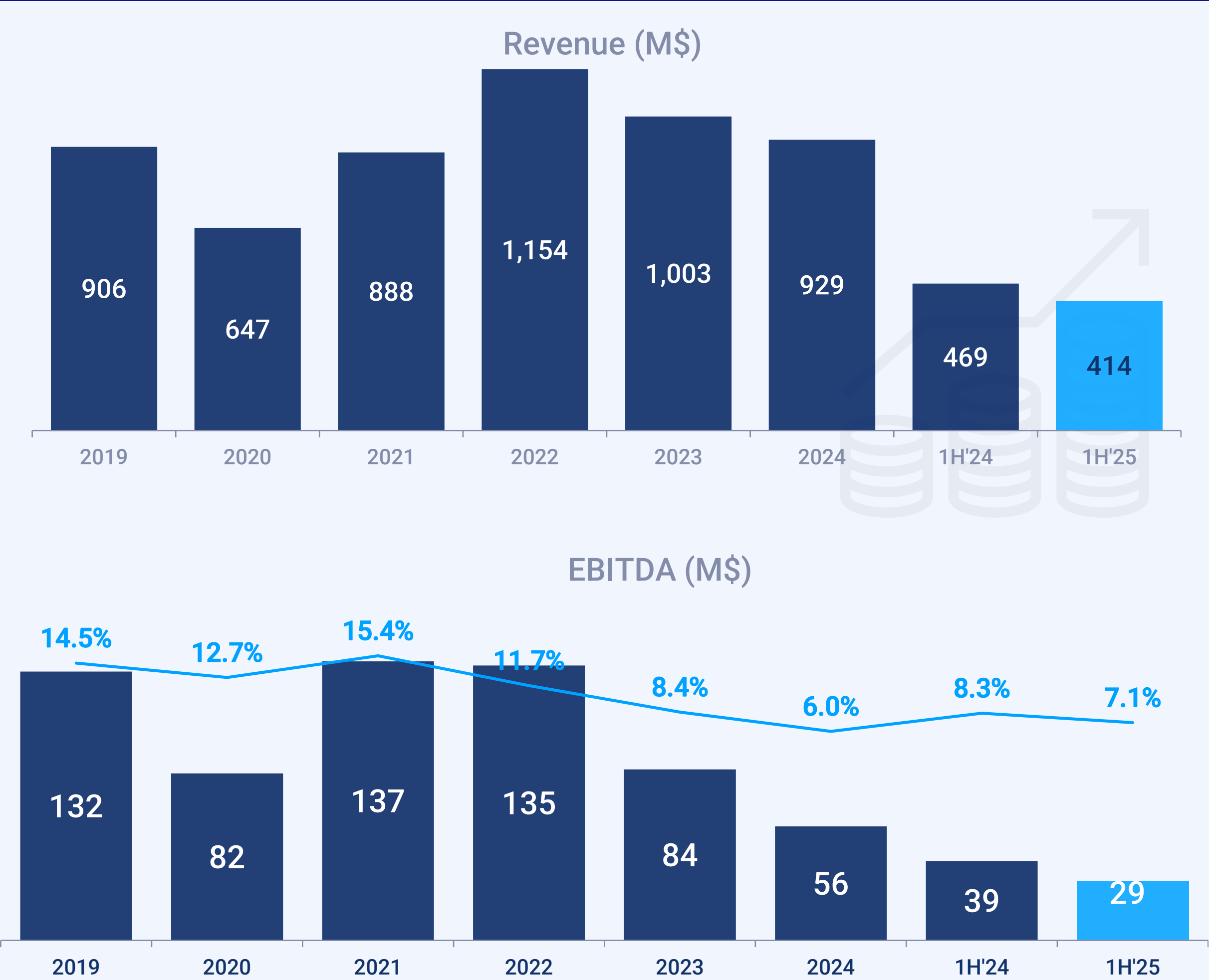


## OPERATIONS





# China continues to grow in the value chain



## REVENUES

Tire : PT Indo Kordsa Flood Effect  
Preservation of market position, excluding the effects of the flood disaster  
Gradual resumption of production following flooding in Indonesia

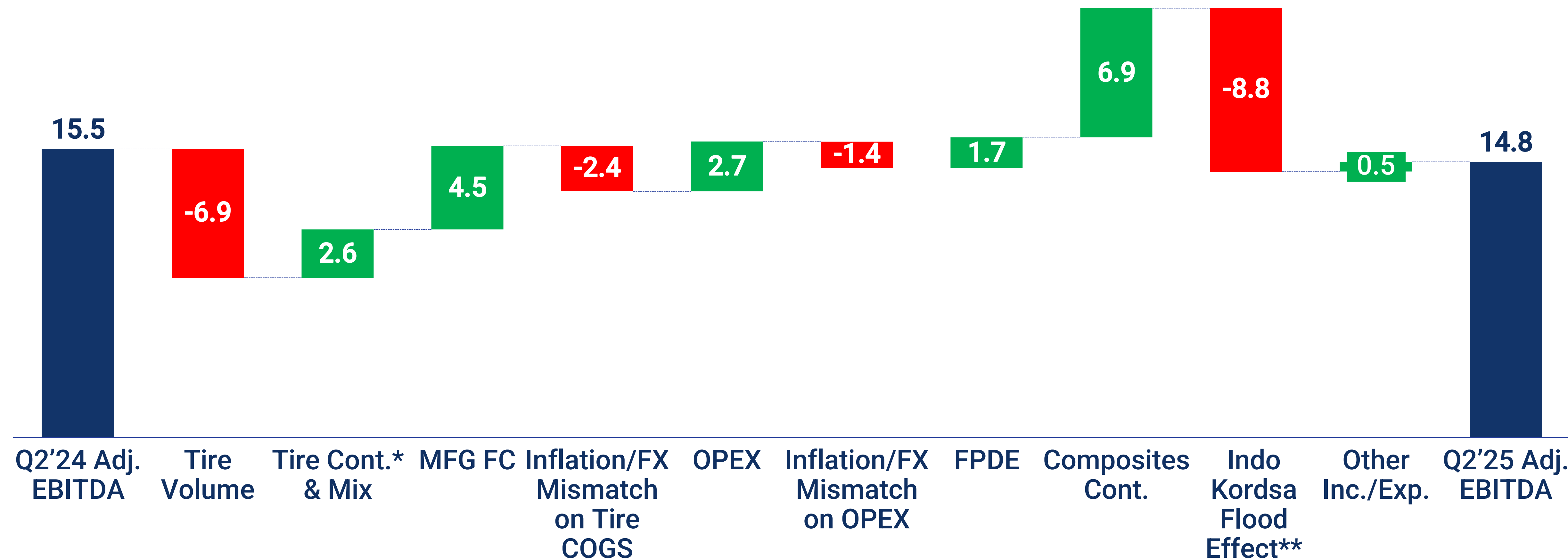
Composite : A notable increase in profitability through efficient product and portfolio management  
Slowdown in European automotive market

## EBITDA

Strategic transition towards a higher value added portfolio in the tire reinforcement  
Negative impacts from the flood disaster at PT Indo Kordsa  
Strong profitability contribution from the composite technologies

# Remarkable contribution from Composite segment and cost optimization projects offsets adverse impact of Indonesia Flood Effects

## EBITDA Bridge (MUSD)

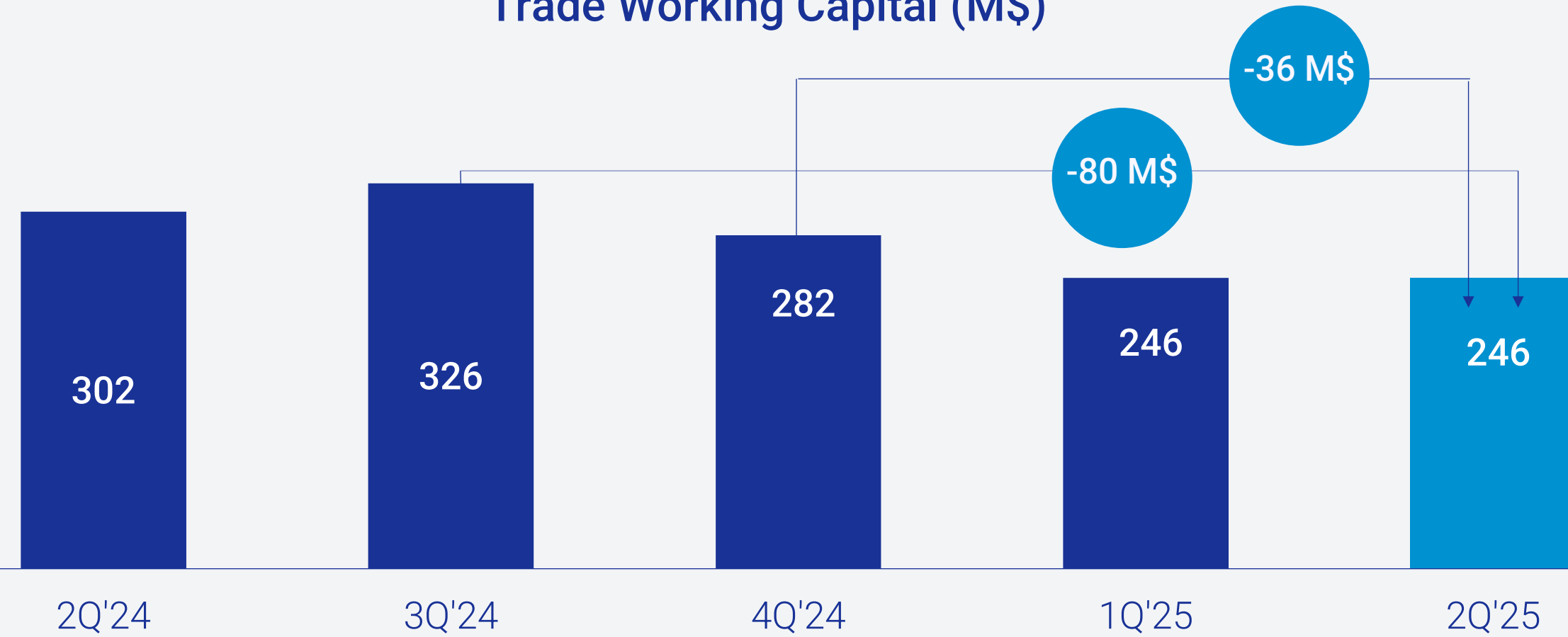


Contribution: Sales – Variable Costs  
\* Tire Contribution including all other businesses except composite  
\*\* YTD Effect : 12.4 M\$

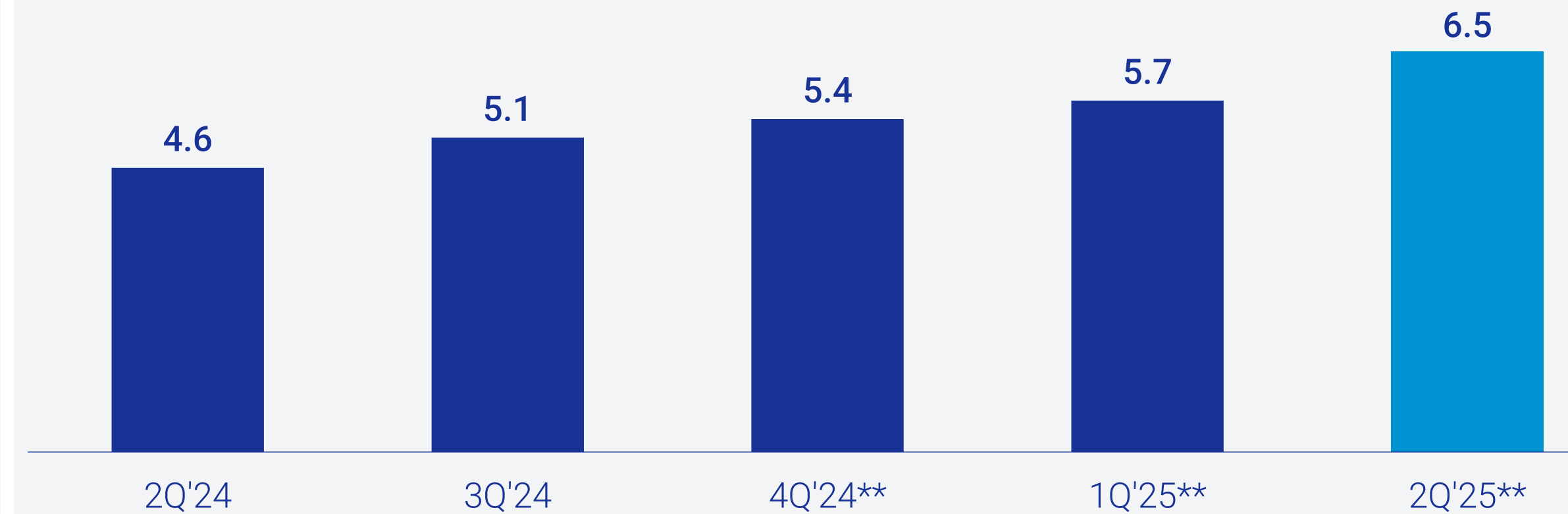


# Focus on improved working capital and net debt level

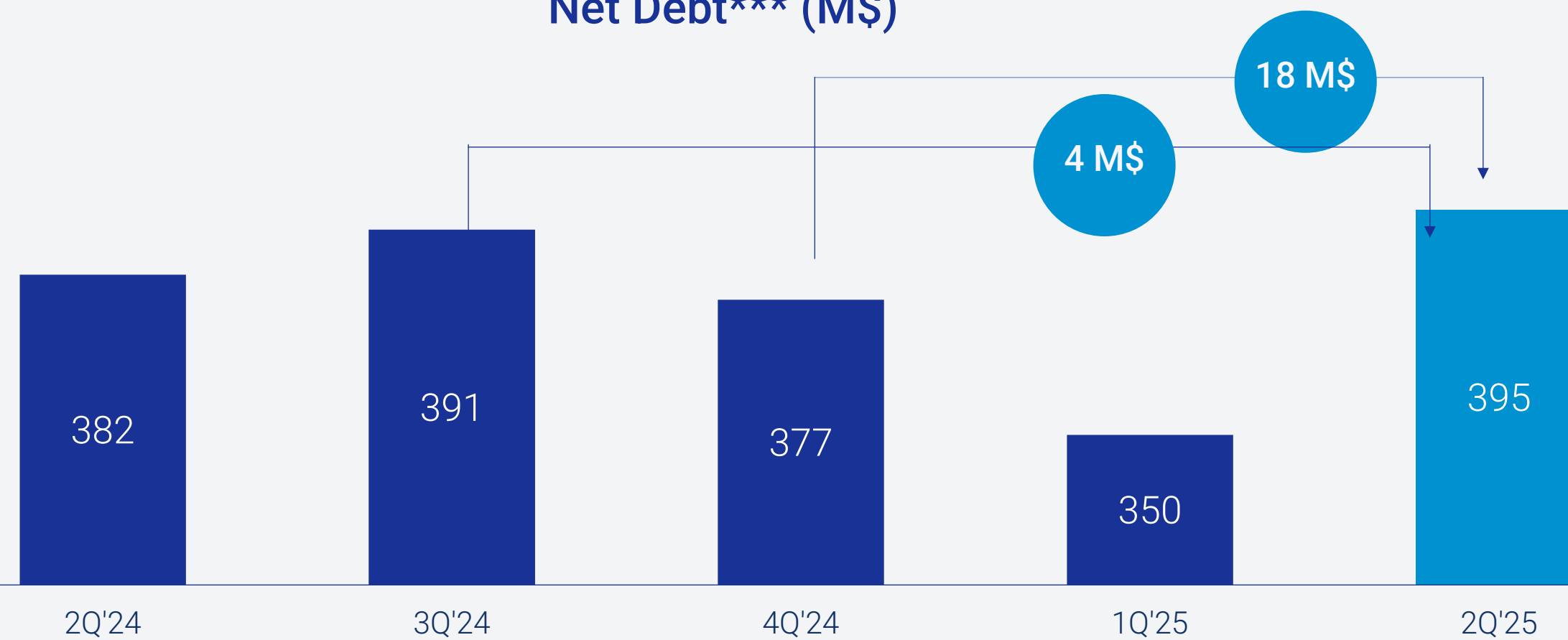
### Trade Working Capital (M\$)



### Net Debt / Adjusted EBITDA\*



### Net Debt\*\*\* (M\$)



	Amount		Avg. Int. Rates	
M\$	31.12.2024	30.06.2025	%	%
<b>Net Debt</b>	<b>377</b>	<b>395</b>	<b>YE'24</b>	<b>Jun'25</b>
USD-Basis	332	301	7.7%	7.4%
EUR-Basis	71	68	6.0%	5.5%
TRY-Basis	89	114	26.9%	25.2%
Other Currencies	5	-	4.3%	-
Cash & Cash Equi.	-121	-88		

Adjusted EBITDA\* = Gross Profit – Operating Expenses + Amortization/Depreciation + Other Operating Income/Expense excl. fx gains/losses

\*\* In the last quarter of 2024, as a result of the reassessment of high raw material inventories, mostly from the Covid-19 period, there is an inventory impairment of USD 7.8 million in the tire reinforcement segment and USD 7 million in the composites segment, totaling USD 14.8 million.

\*\*\* Included the acquisition of remaining 39% shares of Microtex amounting to 39 M\$

**Our sustainability strategy** has been created within the framework of our material issues and is in harmony with our business strategy.

Our enablers through our sustainability journey are **Technology and Digitalization**.



### Passion for Business Excellence

Efficiency and improvements in Business operations to accelerate the low carbon transition

- Decarbonization Plan
- Waste & Water Reduction Projects



### Responsibility for People

Commitment to an inclusive, safe and healthy working environment for all

- Sustainable Employment
- Sustainable Procurement
- Business Ethics
- Social Projects



### Innovation for Sustainable Materials

Transition to a low carbon economy with lighter products than alternatives, sustainable product portfolio with high value added

- Sustainable Product
- Sustainable Procurement



CDP Climate Change  
**2023 A-**

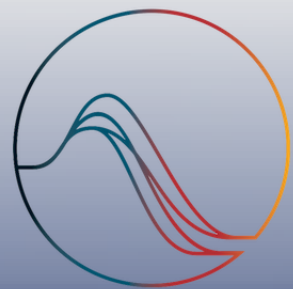
CDP Water Program  
**2023 A-**

CDP Supplier Engagement  
**2023 A**



We participate in the Ecovadis CSR Rating for environmental, social and governance issues.

**We have been awarded the "Gold Medal" again in the 2023 Ecovadis CSR rating.**

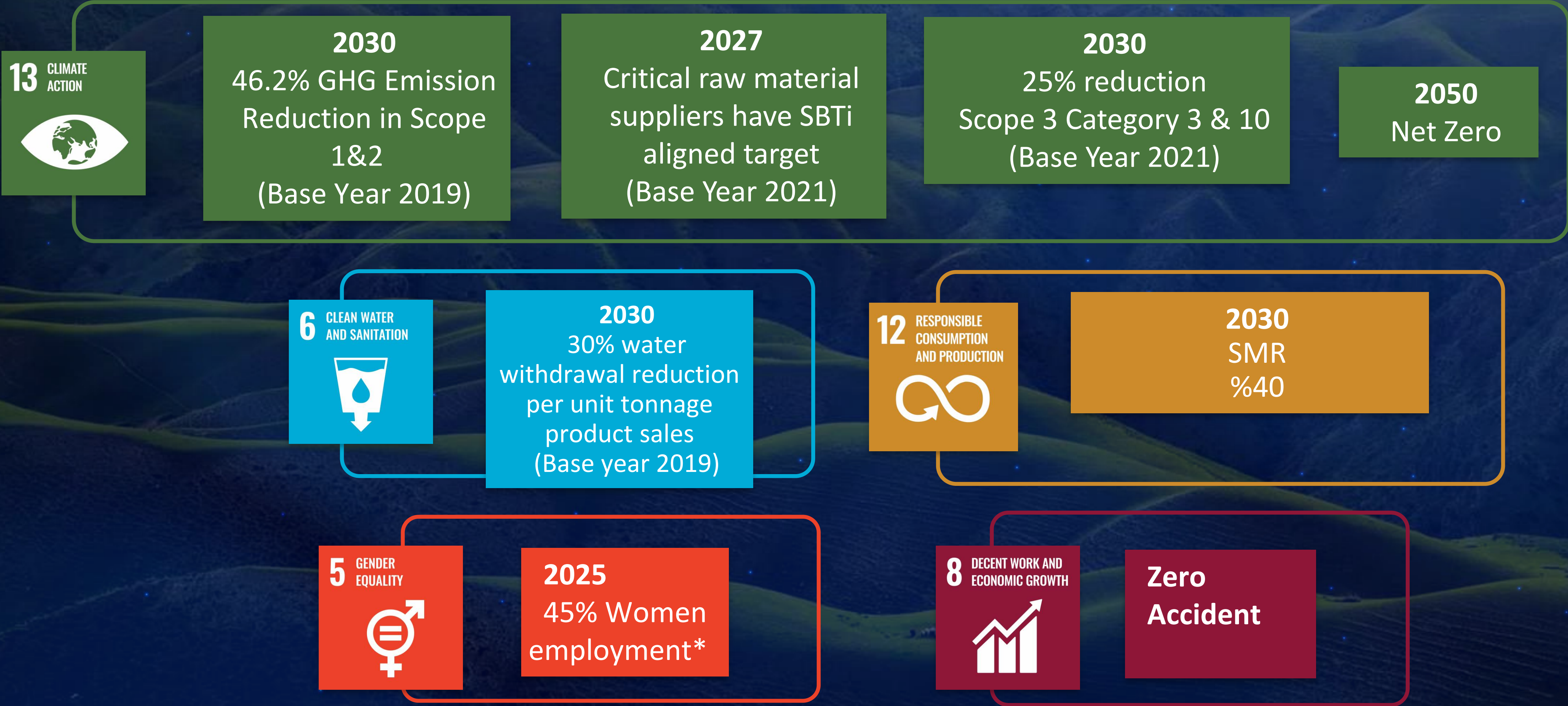


SCIENCE  
BASED  
TARGETS

Our Carbon Emission Reduction Commitments have been approved by the Science Based Targets Initiative.



# Mapped Objectives to UN Development Goals



\*Office employee



# Why invest in **Kordsa**

Growth in **composite reinforcement market & evolving to advanced materials company**

01

Strong hedge position to country risks  
**through 100% hard-currency revenue**

02

Strong  
**ESG**  
position

03

Strong **cash**  
**generation**

04

Protected customer base  
through **Global footprint**

05



# Thank You



INTERMEDIATES

RAW MATERIALS



**Fibers:**  
Carbon Fiber -  
Aramide  
Glass Fiber - Ceramic  
Fiber - Kevlar

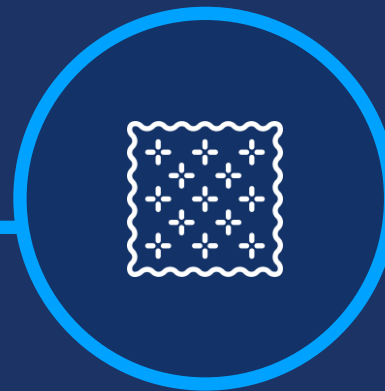
Weaving



The sole supplier of  
B787 - Dreamliner



Prepreg



Value added products comprised of  
ceramic, carbon, aramid, glass for  
various industries such as aerospace,  
energy, automotive, sports&leisure



MANUFACTURING PROCESS

RAW  
MATERIALS

Polymerisation  
and Yarn  
Spinning

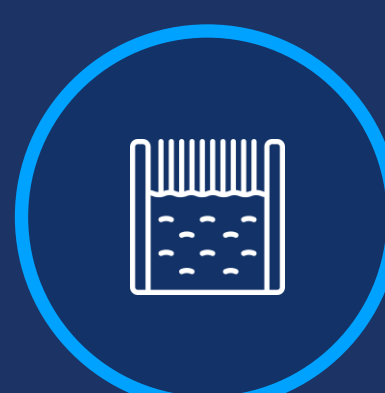
NY66 and  
PET HMLS  
Yarns

Twisting  
and  
Weaving

Greige  
Fabric

Chemical  
Treatment  
(dipping)

Dipped  
Fabric

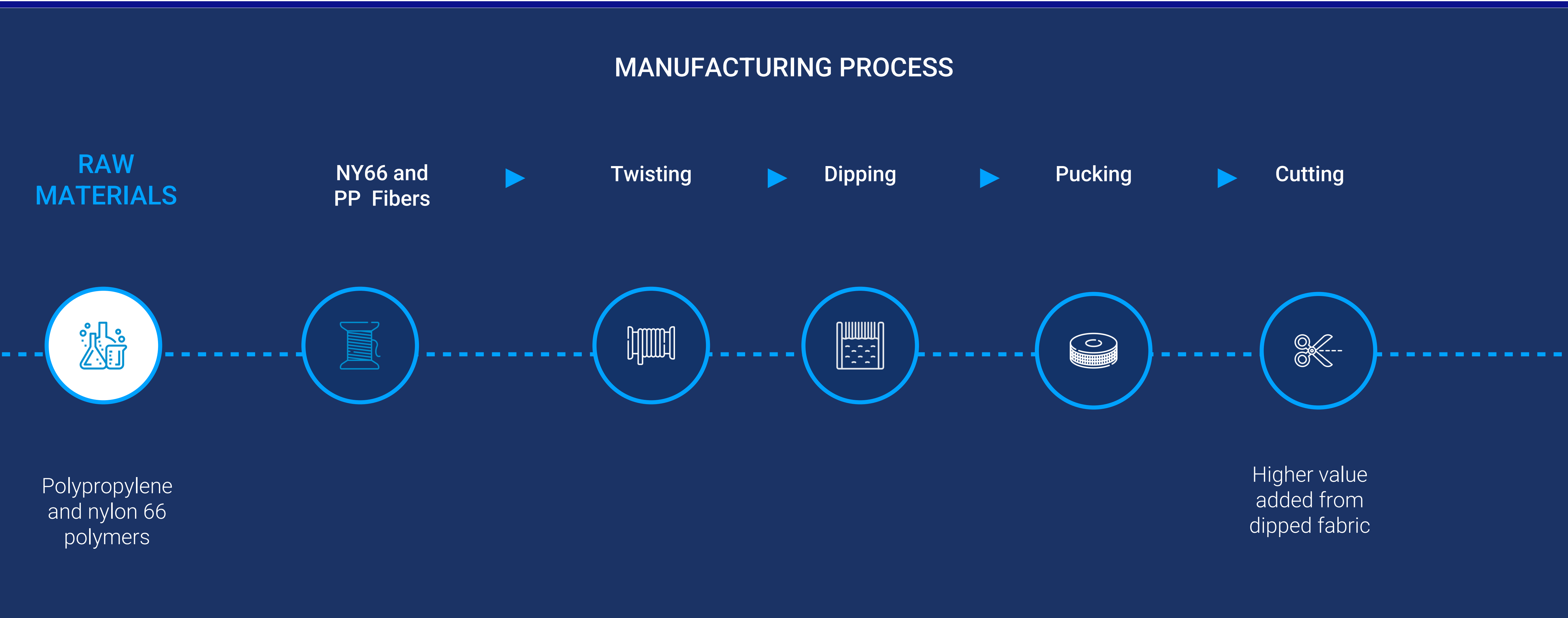


Oil derivative  
Chemicals and Polymers

HMD  
Adipic Acid  
NY66 Polymer  
PET Polymer

Integrated production  
can create value  
compared to other  
competitors

Higher value  
added from  
dipped fabric



Kordsa's Kratos Fiber Reinforcement are applied in **Superstructure & Infrastructure Solutions**



Kordsa's Decarbonisation Strategy is aligned with 1.5°C pathway, and leverages mainly on renewable energy and supplier engagement to reduce GHG emissions across the value chain

“Kordsa to be a leader in sustainability and achieve mid-term and long-term GHG emission reduction targets”

**Emission Reduction Targets:**  
*Scope 1 & 2*

46.2%

Absolute reduction in scope 1 & 2 GHG emissions by 2030



- Baseline year = 2019

*Scope 3:*

64%

of emissions associated with Purchased Goods & Services to be covered by SBTi targets by 2027

- Baseline year = 2021
- Kordsa commits that suppliers responsible for 64% of its emissions from purchased goods and services will have science-based targets by 2027
- Kordsa also commits to reduce absolute emissions from Cat 3: Fuel and Energy related activities and Cat 10: Processing of Sold Products by 25% by 2030

**Reduction Focus Areas:**  
*Scope 1 & 2:*



2023 2024 2025 2026 2027 2028 2029 2030



**Why is decarbonization important for Kordsa**

- Kordsa intrinsically has the motivation, ambition and vision to transform the company into a leader on sustainability
- Local and international regulatory and market developments, reputational considerations, and increasing global awareness of climate change are also drivers for Kordsa to take action and reduce emissions in its manufacturing processes



# We Reinforce Life with Sustainability

## Tire Reinforcement



- Recycled Nylon
- Recycled PET
- Bio based PA
- Cokoon
- UHT PET
- High Modulus NY
- Paired Cord

## Composites



- Water based phenolic honeycomb
- Ceramic Matrix Composites
- Bio based prepreg

## Construction Reinforcement



- Kratos Synthetic Fiber Reinforcement
- Kratos Structural Reinforcement

## Compounding



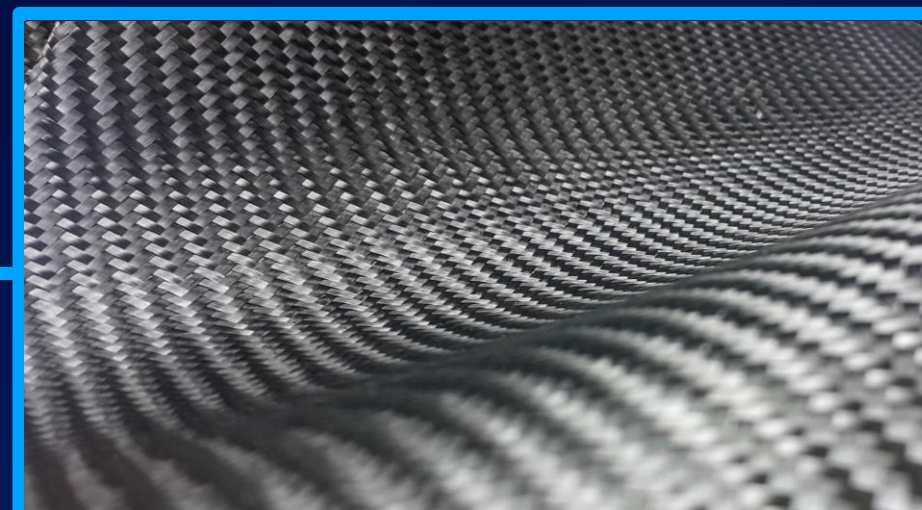
- Sustainable formulations
- Bio based formulations

## Sustainable Products 84 sustainable products including;



**In tire reinforcement;**  
Lightweighting, environmentally friendly & fuel-saving technologies

rPET, Paired Cord, UHT Polyester Cord Fabric, High Modulus Nylon and REV Technologies product group specifically for electric vehicle tires



**In composites industry;**  
Products that provide fuel savings & low carbon emissions

- Carbon prepreg composites have up to 10 times higher strength compared to steel.
- When a steel part is replaced with carbon prepreg composite, the part weight is reduced to 1/10 and reduces CO<sub>2</sub> emissions in vehicles.



**For the construction industry;**  
durable, long-lasting and lightweight solutions

- With its low CO<sub>2</sub> footprint, as recorded in the EPD certification, Kratos Synthetic Fiber Reinforcements provide a sustainable solution for construction projects.



**For the compounding industry;**  
innovative, tailor-made compounding solutions

- 20% of vehicle parts use engineering plastics, reducing weight lowers fuel consumption thus lowered carbon emissions
- Glass fiber added formulations are lighter than metal parts with same mechanical properties, thus contribute to a sustainable future..



# Ongoing challenging externalities impact financial performance

	USD Financials (MUSD)						
	2Q'24	2Q'25	Δ	3Q'24	4Q'24**	1Q'25	2Q'25
Sales	235	197	-7.2%	235	225	217	197
Gross Profit	32	27	-23.9%	32	16	30	27
Gross Margin (%)	13,8%	13,9%	-3 pts'	13.8%	7.4%	13.9%	13,9%
OPEX (%)	12,4%	12,9%	1 pts'	11.9%	11.9%	12.5%	12,9%
Operating Profit	7	7	-60.7%	9	-15	5	7
Operating Profit Margin (%)	2,8%	3,3%	-3 pts'	3.6%	-6.0%	2.1%	3,3%
Adjusted EBITDA*	16	15	-37.5%	18	-1	14	15
Adjusted EBITDA* Margin (%)	6,6%	7,5%	-3 pts'	7.6%	-0.5%	6.7%	7,5%
Net Income	1	-4	-339.6%	-5	-24	-8	-4
Net Income (%)	0,3%	-2,1%	-5 pts'	-2.2%	-10.4%	-3.5%	-2,1%

Adjusted EBITDA\* = Gross Profit – Operating Expenses + Amortization/Depreciation + Other Operating Income/Expense excl. fx gains/losses

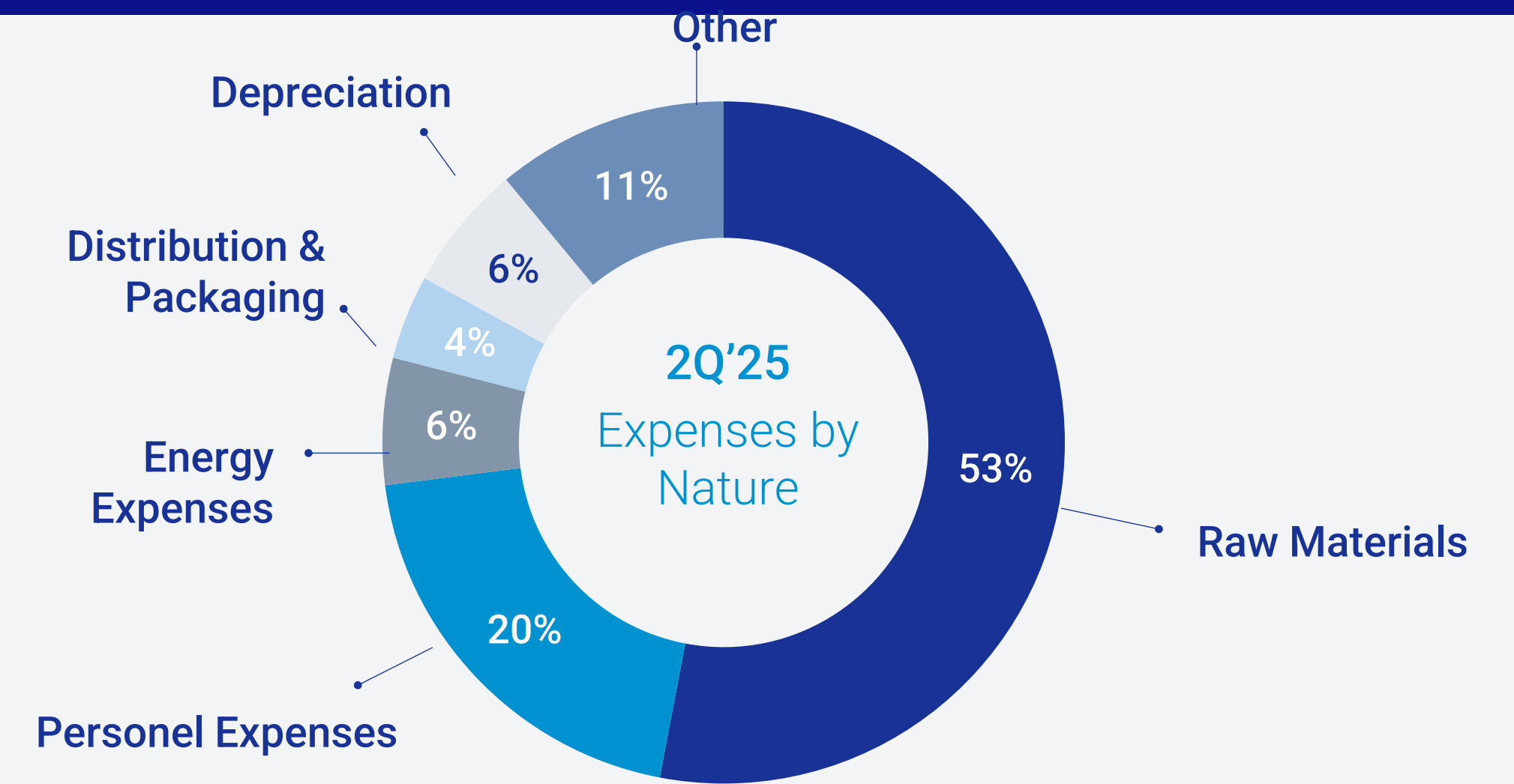
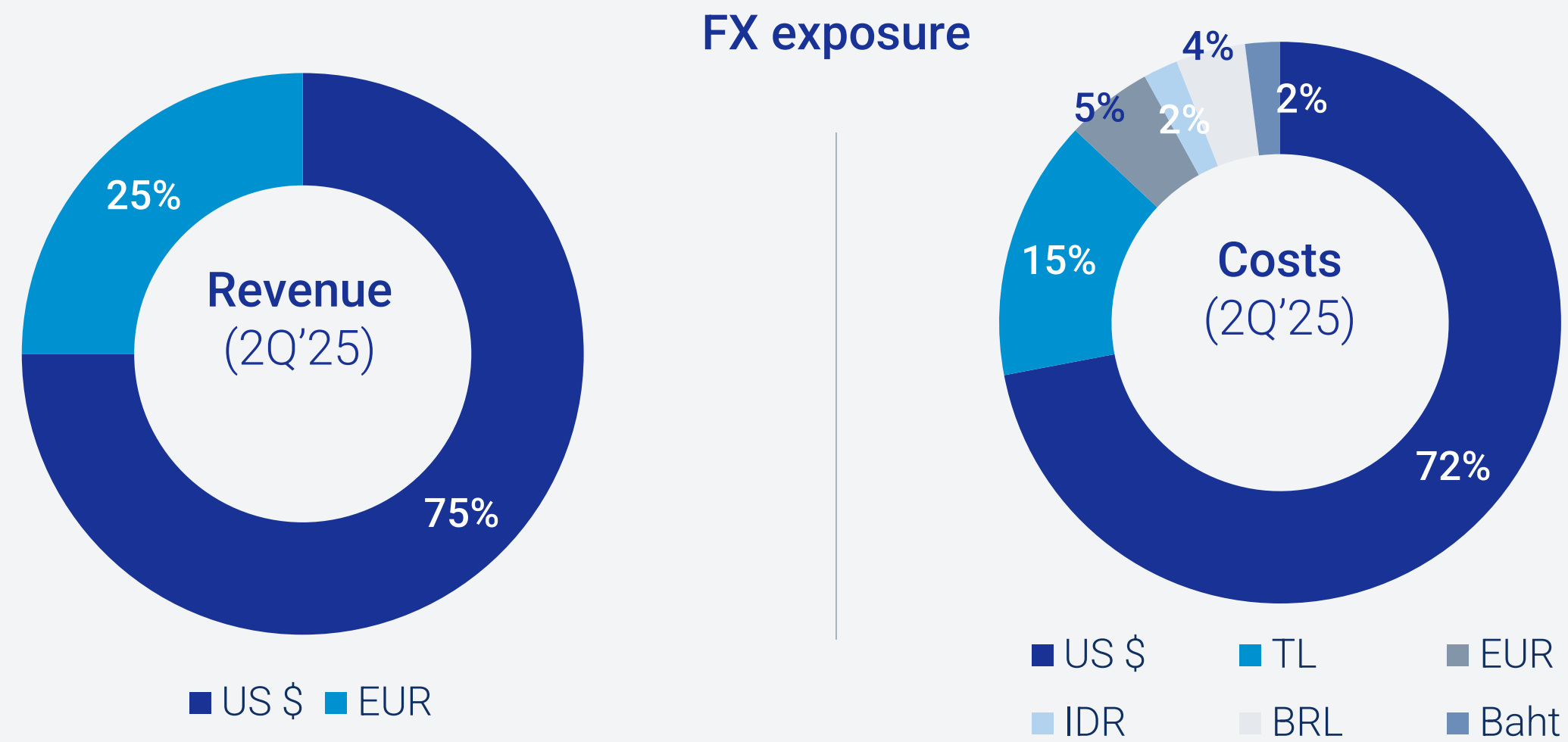
\*\* In the last quarter of 2024, as a result of the reassessment of high raw material inventories, mostly from the Covid-19 period, there is an inventory impairment of USD 7.8 million in the tire reinforcement segment and USD 7 million in the composites segment, totaling USD 14.8 million.

# Balance Sheet

	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2024	Jun 2025	Δ	YE 2024	Jun 2025	Δ
Cash and Cash Equivalents	4,257	3,493	-764	121	88	-33
Account Receivables	5,690	5,750	61	161	145	-17
Inventories	7,474	7,626	151	212	192	-20
Other Current Assets	1,205	1,679	473	34	42	8
PPE & Intangibles	16,741	18,916	2,176	475	476	1
Investment Property	588	662	74	17	17	0
Goodwill	5,476	6,169	692	155	155	0
Other Non-Current Assets	2,375	2,764	389	67	70	2
Account Payables	3,204	3,605	401	91	91	0
Total Debt	17,578	19,217	1,639	497	483	-15
Short Term Debt	14,485	16,983	2,498	410	427	17
Long Term Debt	3,093	2,234	-859	88	56	-31



# Hard Currency Revenue



- Hard currency revenues
- Ability to pass through raw material price volatility: (Revenue – raw material costs) tracked as a KPI by sales team
- FX exposure on costs -> EM footprint on local costs + hard currency priced raw materials
- Benefit from US\$ appreciation vs. TL, IDR and BRL
- Appreciation of EUR/USD parity is also positive for Kordsa