



Kordsa.com



2Q'25 Financial Results

Earnings Release

Aug 8 2025

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AGENDA

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2Q'25 Highlights

TIRE REINFORCEMENT

- * Remarkable working capital and cash flow management
- * Preservation of market position, excluding the effects of the flood disaster
- * Gradual resumption of production following flooding in Indonesia
- * Tariffs and trade wars remain as key uncertainties for the industry

REVENUE



**197
MUSD**
All Hard-Currency

414 M\$ in 1H'25

OPERATING CASH FLOW



25 MUSD

68 M\$ in 1H'25

Adjusted EBITDA*



14.8 MUSD
7.5% Margin

29.3 M\$ in 1H'25

COMPOSITE REINFORCEMENT

- * A notable increase in profitability through efficient product and portfolio management
- * Slightly improvement in revenue performance in the face of stagnation in certified civil aviation programs and the slowdown in the European automotive market

NET DEBT**



**395
MUSD**

377 M\$ in YE'24

CAPEX



**14
MUSD**

20 M\$ in 1H'25

NET INCOME



**-4.2
MUSD**

-11.7 M\$ in 1H'25

Adjusted EBITDA* = Gross Profit – Operating Expenses + Amortization/Depreciation + Other Operating Income/Expense such as Incentive Income

** 39 M\$ additional debt is coming from the purchase of remaining 39% of Microtex Composites S.r.l.

The impact of the flooding in Indonesia is gradually being mitigated

Recovery

- * Recovery efforts are complete
- * Starting date for production
 - TCF2 : Started in April 7th
 - Polyester yarn production : Started in the first week of May
 - Nylon yarn production : Started in the 3rd week of June

Damage

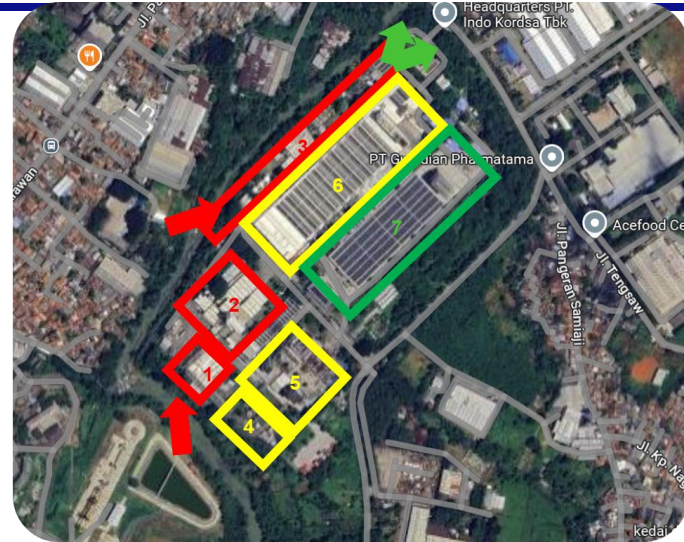
- * Equipment evaluations and vendor reports shared with the Insurer
- * Evaluations are ongoing

Preventive Measures and Assessment

- * Technical assessment visits are completed for further improvements.
- * Flood wall restoration has been completed. Further improvements are in place with civil consultants.

Insurance Process

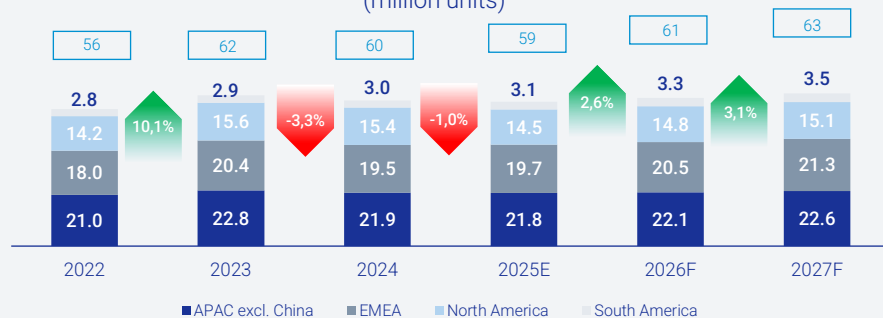
- * Claim preparation ongoing, third-party claim consultant appointed, loss adjusters' assessment and insurance negotiations are ongoing



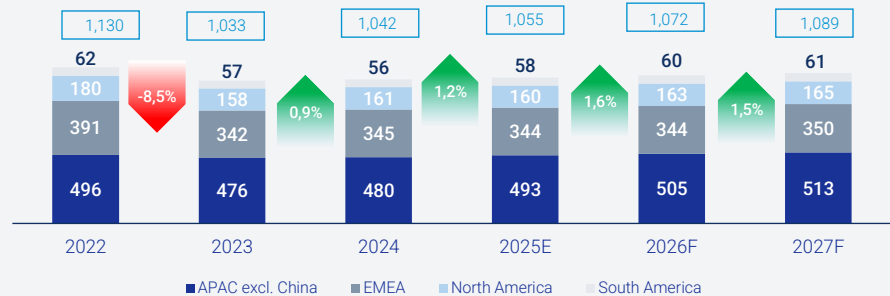
- 1- Yarn Utility
- 2- NY Yarn
- 3- TCF Utility
- 4- Water Treatment
- 5- PET Yarn
- 6- TCF1
- 7- TCF2

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)

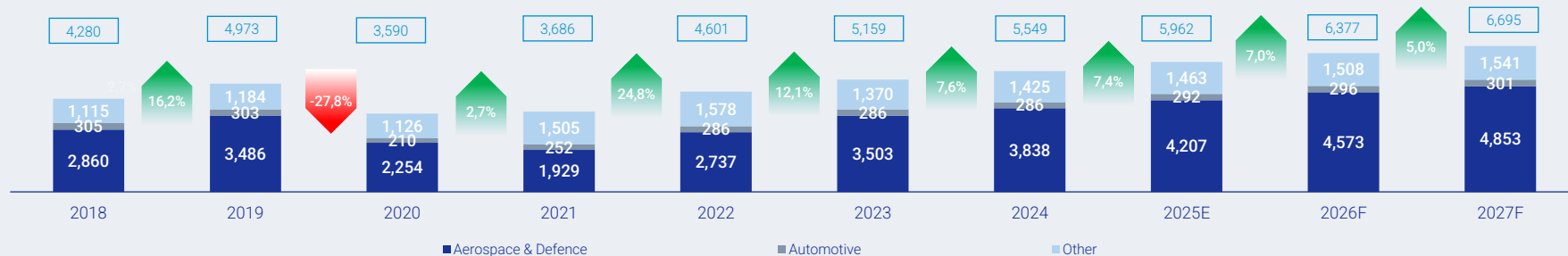


Tire Reinforcement Market (PET HMLS-ktons)

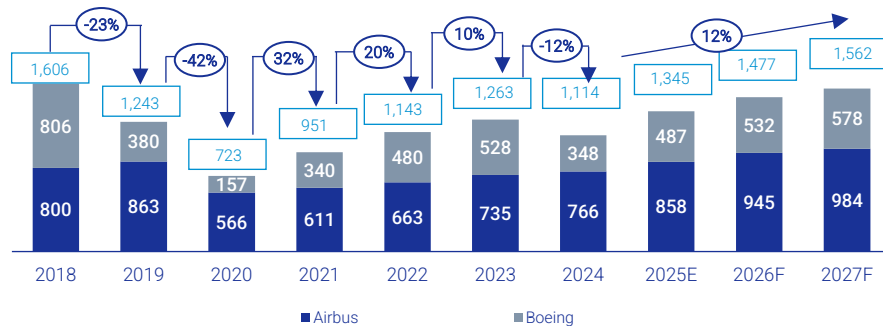


Aerospace recovery continues, but supply chain and strikes weigh on deliveries

Composite Prepreg Market (M\$)

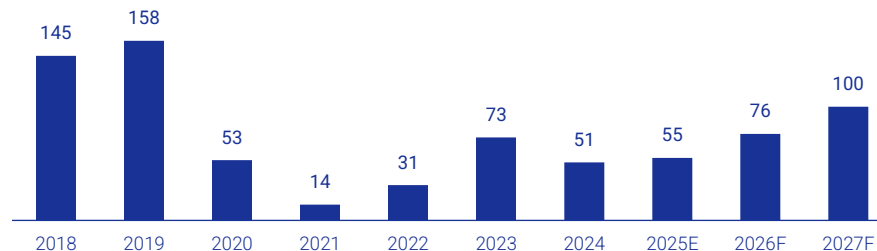


Airbus / Boeing Deliveries in key continued programs



Boeing 787 Dreamliner Deliveries

(# of Aircraft)



Composite Margin Recovery and Efficient Portfolio & Cost Management in Tire Reinforcement Segment Offsetting Flood Impact

	USD Financials (MUSD)						
	2Q'24	2Q'25	Δ	3Q'24	4Q'24**	1Q'25	2Q'25
Sales	235	197	-16,2%	235	225	217	197
Gross Profit	32	27	-15,5%	32	16	30	27
Gross Margin (%)	13,8%	13,9%	0 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	-0,6%	9	-15	5	7
Operating Profit Margin (%)	2,8%	3,3%	0 pts'	3,6%	-6,0%	2,1%	3,3%
Adjusted EBITDA*	16	15	-4,4%	18	-1	14	15
Adjusted EBITDA* Margin (%)	6,6%	7,5%	1 pts'	7,6%	-0,5%	6,7%	7,5%
Net Income	1	-4	-716,5%	-5	-24	-8	-4
Net Income (%)	0,3%	-2,1%	-2 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

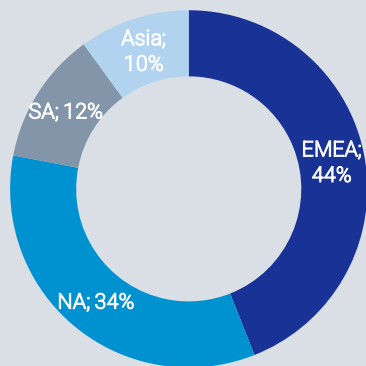
** In the last quarter of 2024, as a result of the reassessment of high raw material inventories, mostly from the Covid-19 period, there is an inventory impairment of USD 7.8 million in the tire reinforcement segment and USD 7 million in the composites segment, totaling USD 14.8 million.

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

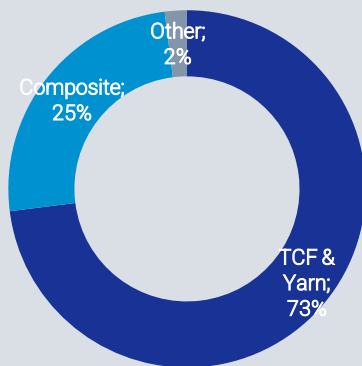
Segment Reporting Results

2Q, 25 Revenue Split

By Region*

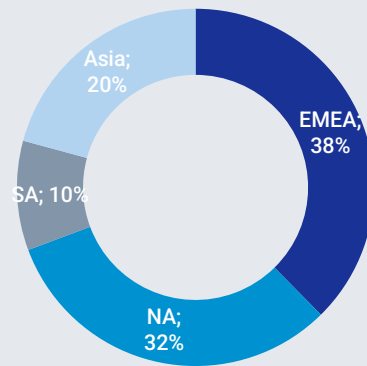


By Product*

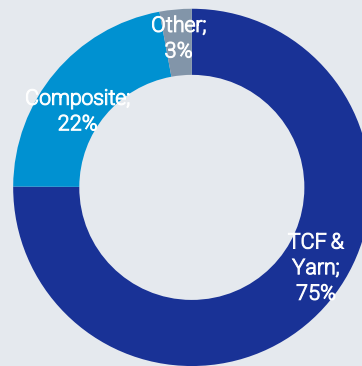


2Q, 24 Revenue Split

By Region

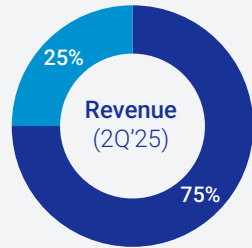


By Product



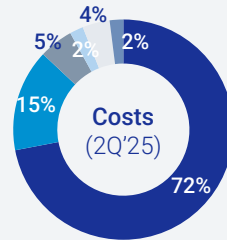
* Flooding impact in APAC to region/product split

Hard Currency Revenue

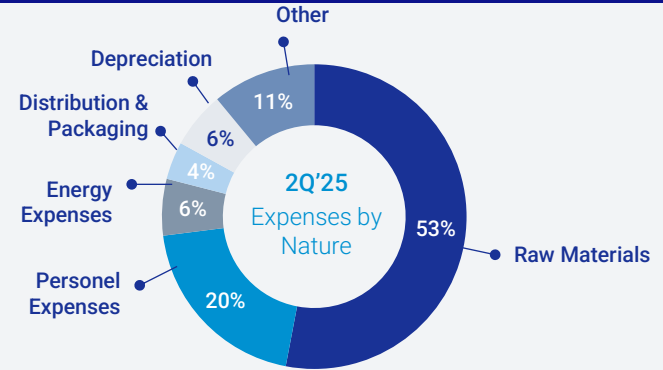


■ US \$ ■ EUR

FX exposure

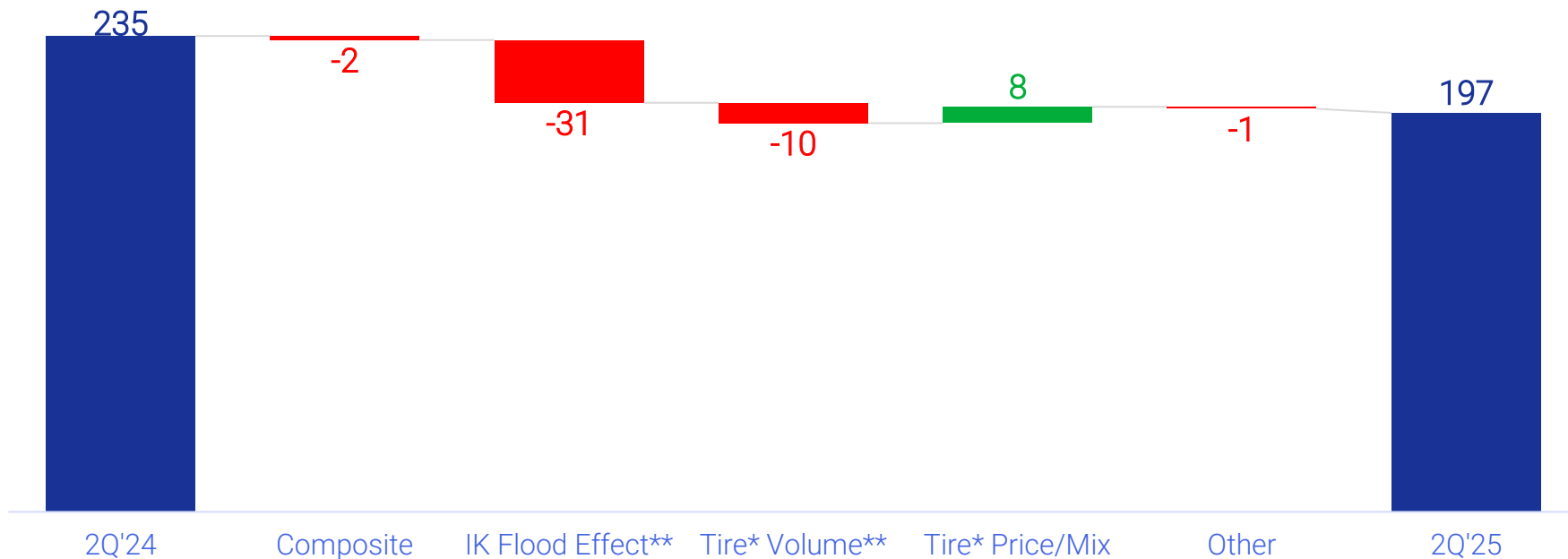


■ US \$ ■ TL ■ EUR
 ■ IDR ■ BRL ■ Baht



- 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

Indonesia Flood adverse impact on top-line Sales Bridge – MUSD

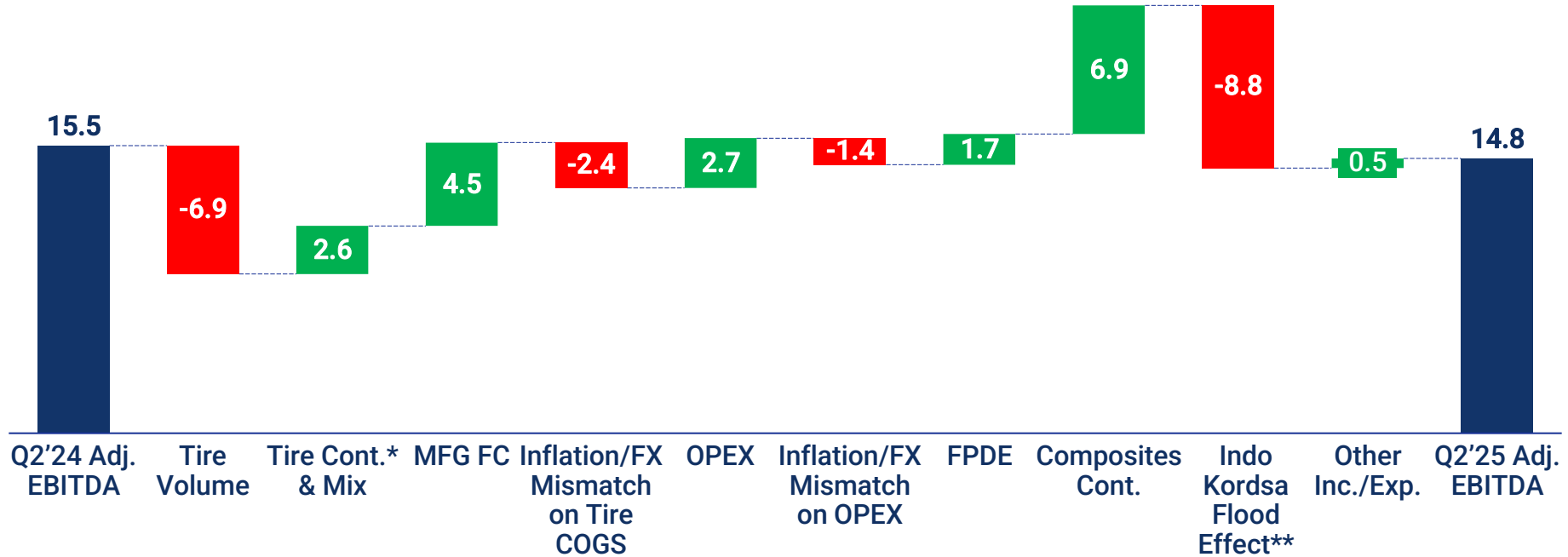


* Tire Reinforcement Segment

** Direct and indirect volume impact of the flood

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

EBITDA Bridge (MUSD)



Contribution: Sales – Raw Material Cost

* Tire Contribution including all other businesses except composite

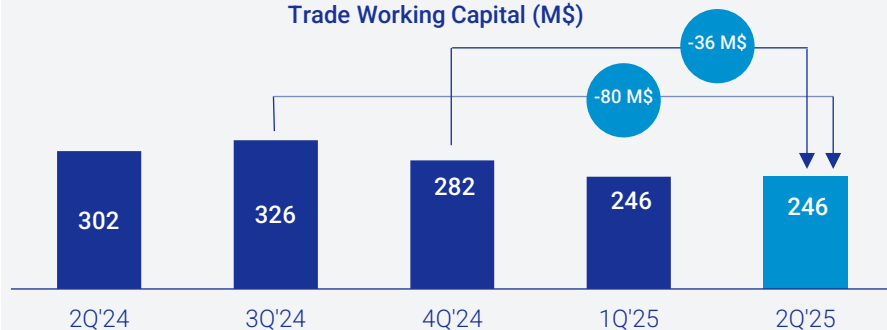
** YTD Effect : 12.4 M\$

Balance Sheet

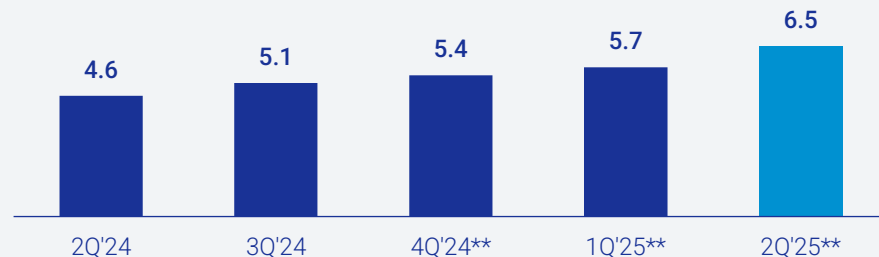
	TL Financials (MTL)			USD Financials (MUSD)		
	YE'24	2Q'25	Δ	YE'24	2Q'25	Δ
Cash and Cash Equivalents	4,257	3,493	-764	121	88	-33
Account Receivables	5,690	5,750	61	161	145	-17
Inventories	7,474	7,626	151	212	192	-20
Other Current Assets	1,205	1,679	473	34	42	8
PPE & Intangibles	16,741	18,916	2,176	475	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

Focus on improved working capital and net debt level

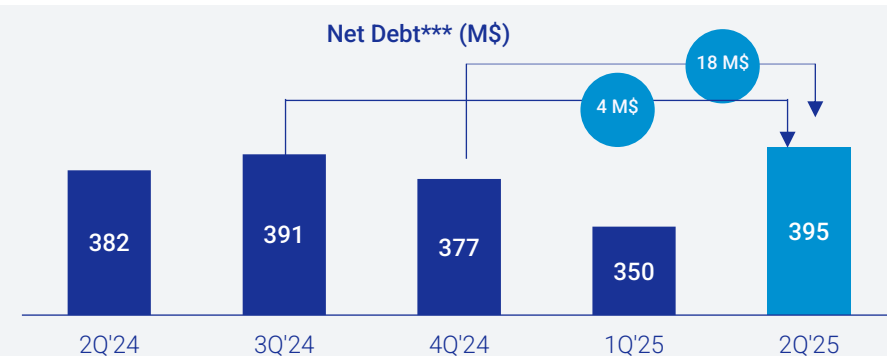
Trade Working Capital (M\$)



Net Debt / Adjusted EBITDA*



Net Debt*** (M\$)



	Amount		Avg. Int. Rates	
M\$	31.12.2024	30.06.2025	%	%
Net Debt	377	395	YE'24	Jun'25
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\$

FAST RECOVERY AFTER FLOOD in INDONESIA

CASH MANAGEMENT & IMPROVING NET DEBT LEVEL

COST IMPROVEMENT FOCUS

CONCENTRATE VALUE-ADDED PRODUCTS in ALL SEGMENTS
IMPROVEMENT in OPERATIONAL PROFITABILITY

Thank You

