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# 4Q'25 Financial Results

## Earnings Release

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Mar 2 2026

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# AGENDA

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**01.**

YE'25 Highlights

**02.**

Market Dynamics

**03.**

Key Financials

**04.**

What's Next

- Flood in Indonesia, March 2025
  - Up to 50MUSD PD/BI Insurance coverage, next 12-months from the event
  - Insurance claim process ongoing
    - PD Impact → 5.5MUSD Inventory, 20.6MUSD PPE = - 26.1MUSD
    - BI Impact vs 2024 → - 23MUSD
    - Insurance Income → +21.5MUSD in 2025, increased to +26.5MUSD in Jan'26
  - Insurance Proceeds Collection → 11.5MUSD in 2025, 15MUSD in Jan'26
- Strengthening Balance Sheet
  - Cash Generation → 150MUSD OCF, 91MUSD FCF
  - Club Loan → 200MUSD & 50MEUR, 1-yr Grace + 4 years
  - Cash Capital Increase → ~70MUSD, ~2.1BTL Capital Advance by SAHOL paid in Oct'25
- Focus on Core Businesses, Tire & Composite Reinforcement
  - Transfer of Kratos to Afyon Çimento → 10MUSD
  - 39% Minority Share Purchase of Microtex Srl → ~39MUSD

Cash and Working Capital Management initiatives along with advance cash capital enabled Net Debt to decline 305MUSD

## YE'25 Segment Highlights

### TIRE REINFORCEMENT

- \* Remarkable working capital and cash flow management
- \* Adverse impacts of slow demand, Asian competition and Flood still persist
- \* Tariffs and trade wars remain as key uncertainties for the industry

### COMPOSITE REINFORCEMENT

- \* A notable increase in profitability through efficient product and portfolio management
- \* Slight improvement in revenue performance despite the slowdown in the European automotive market and thanks to improved CMC sales

#### REVENUE



**791  
MUSD**  
All Hard-Currency

2024 YE: 929 M\$

#### OPERATING CASH FLOW



**150 MUSD**

2024 YE: 56 M USD

#### Adjusted EBITDA\*



**61.5 MUSD**  
7.8% Margin

2024 YE: 70 MUSD

#### NET DEBT\*\*



**305  
MUSD**

2024 YE : 377 MUSD

#### CAPEX



**35.2  
MUSD**

2024 YE: 49.2 MUSD

#### NET INCOME



**-38.0  
MUSD**

2024 YE: -26.1 MUSD

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

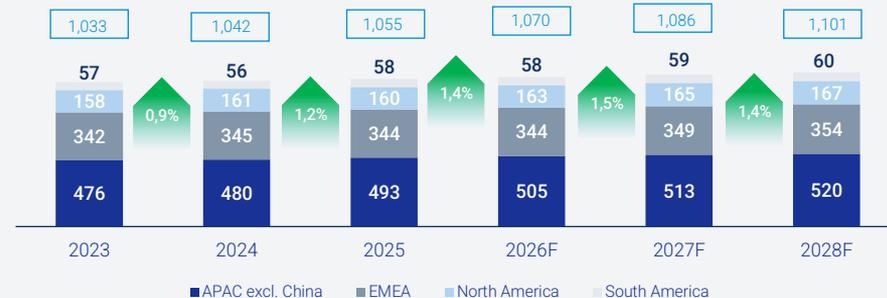
\*\* 39 M\$ additional debt is coming from the purchase of remaining 39% of Microtex Composites S.r.l.

China's accelerated move up the value chain to intensify pressure on mature markets, while tire production in the EU and US show no signs of returning to pre-2019 levels. Structural demand shifts, trade policies, and supply chain realignments are reshaping the industry landscape

Global Automotive Market excl. China  
(million units)



Global Tire Market excl. China (million units)



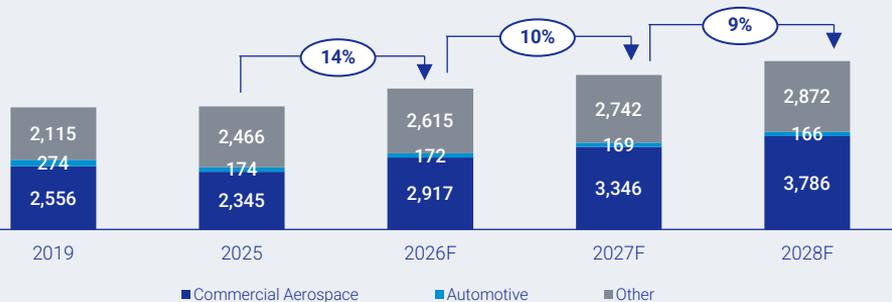
Tire Reinforcement Market excl China (ktons/year)

NY66 & PET HMLS

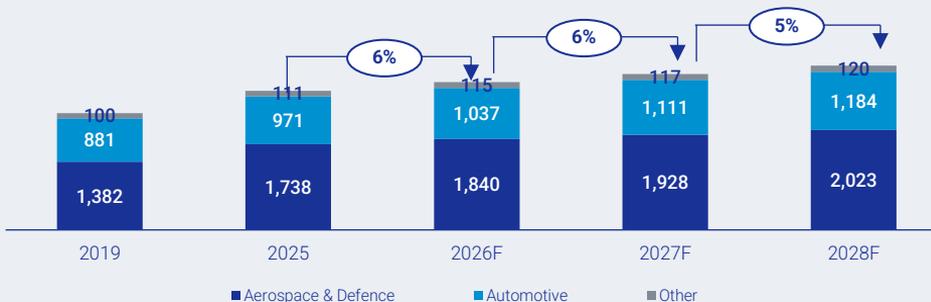


# While the slowdown in the automotive segment continues, growth in the aerospace & defence segments is further supported by other industries.

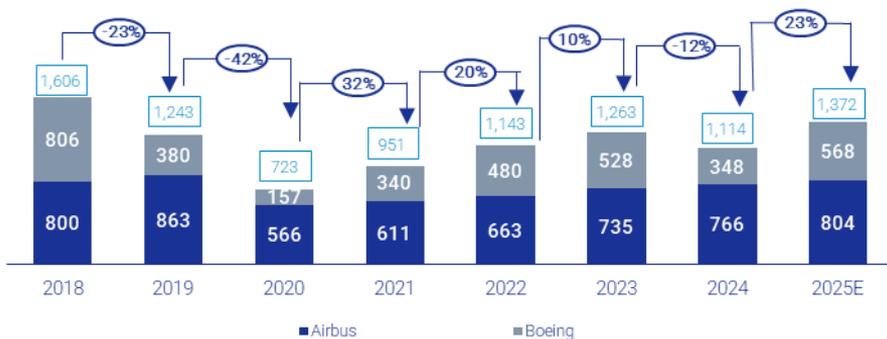
### Global Composite Prepreg Market (M\$)



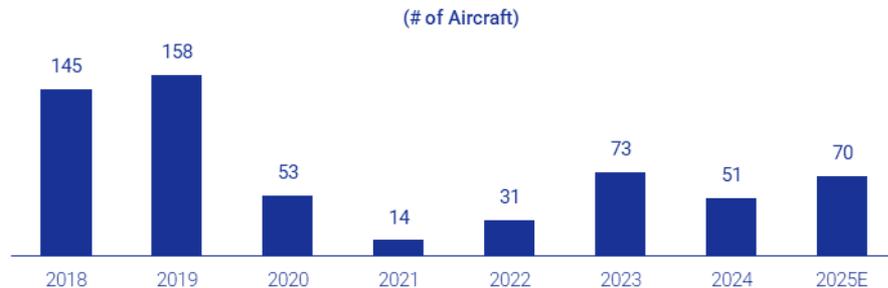
### Global Composite Textile Market (M\$)



### Airbus / Boeing Deliveries in key continued programs



### Boeing 787 Dreamliner Deliveries



## Improved contribution from Composite segment along with the overall cost optimization efforts support tire segment losses due to flood and continuous strong competition

	USD Financials (MUSD)		
	YE'24	YE'25	Δ
Sales	929	791	-14.9%
Gross Profit	120	102	-14.8%
Gross Margin (%)	12.9%	13.0%	0 pts'
OPEX (%)	12.0%	13.5%	2 pts'
Operating Profit	12	-2	-113.0%
Operating Profit Margin (%)	1.3%	-0.2%	-1 pts'
Adjusted EBITDA	70	62	-12.5%
Adjusted EBITDA Margin (%)	7.6%	7.8%	0 pts'
Net Income	-26	-38	45.5%
Net Income (%)	-2.8%	-4.8%	-2 pts'

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

On a yearly basis, the following adjustments have been made on Adjusted EBITDA calculation

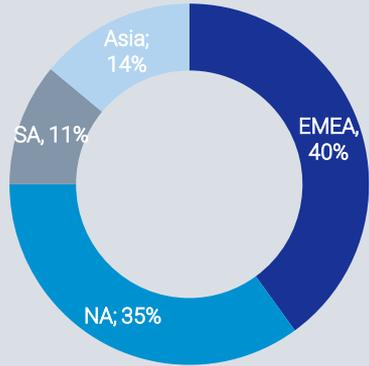
- YE'24: As a result of the revaluation of high raw material inventories, mostly from the Covid-19 period, inventory write-downs of USD 7.8 million in the Tire Reinforcement segment and USD 7 million in the Composites segment were recognized, totaling USD 14.8 million.
- YE'25: Total one-off impact of USD 25 million was recorded, consisting of USD 4.5 million related to the difference between insurance proceeds and inventory/asset impairment and one-off effects of USD 20 million associated with actions taken to adapt to structural changes in the tire reinforcement segment were eliminated from EBITDA

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

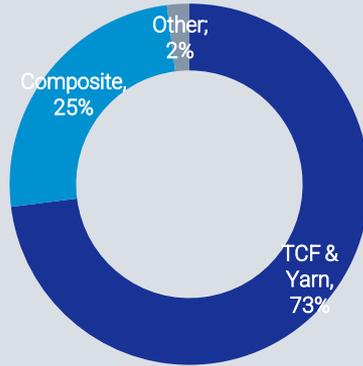
## Segment Reporting Results

### YE, 25 Revenue Split

By Region\*

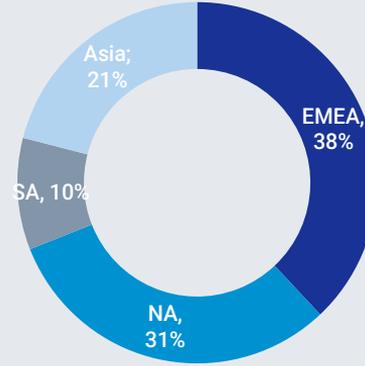


By Product\*

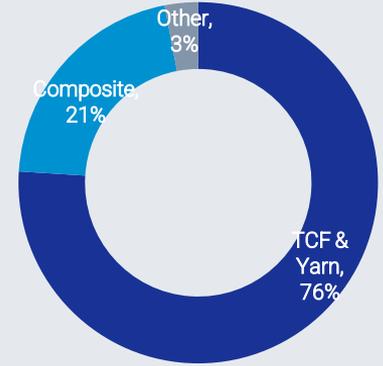


### YE, 24 Revenue Split

By Region

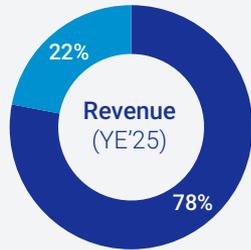


By Product



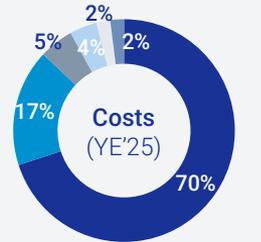
\* Flooding impact in APAC to region/product split

# Hard Currency Revenue

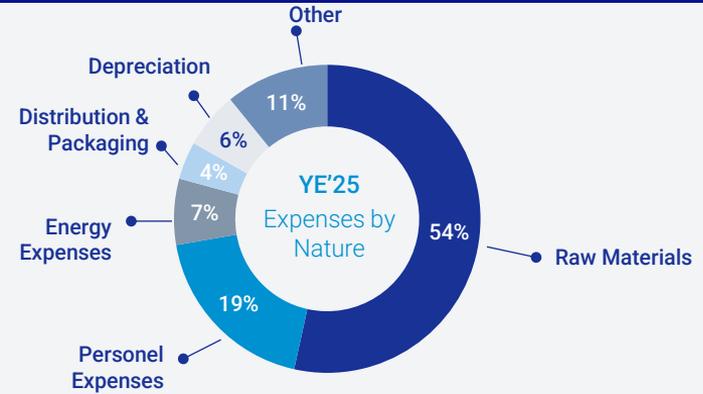


■ US \$ ■ EUR

## 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

# Continuing Asian Competition in Tire Segment coupled with Flood adversely affected the topline

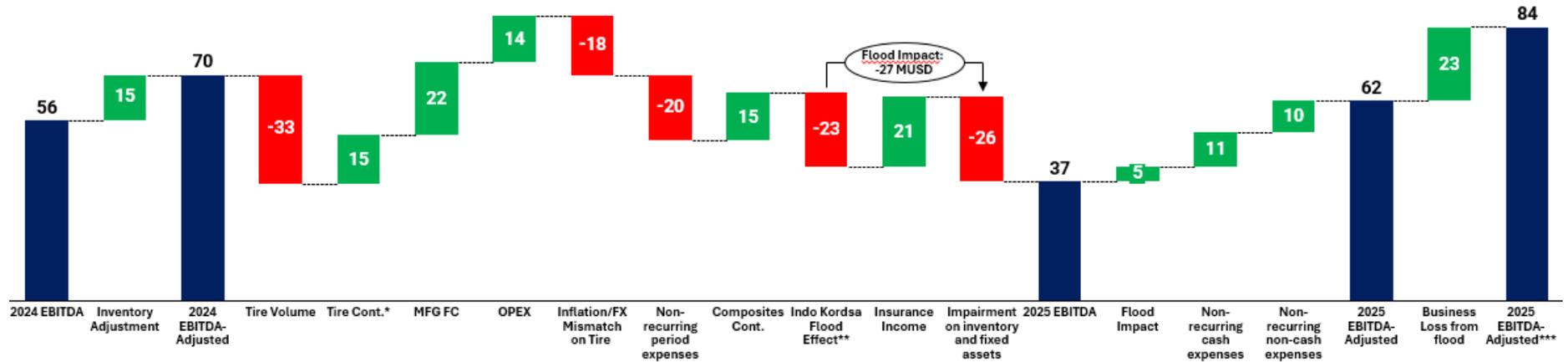
## Sales Bridge – MUSD



\* Tire Reinforcement Segment

# 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

\*\* Business-Interruption related

\*\*\* If we adjust performance of Indo Kordsa to 2024 level based on business interruption losses

# Balance Sheet

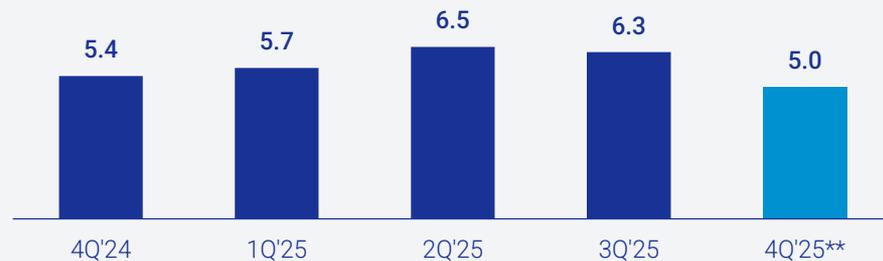
	TL Financials (MTL)			USD Financials (MUSD)		
	YE'24	YE'25	Δ	YE'24	YE'25	Δ
Cash and Cash Equivalents	4,225	6,516	2,291	120	152	32
Account Receivables	5,690	4,908	-781	161	115	-47
Inventories	7,474	7,766	292	212	181	-31
Other Current Assets	1,238	1,589	351	35	37	2
PPE & Intangibles	16,741	18,719	1,978	475	437	-38
Investment Property	588	688	100	17	16	-1
Goodwill	5,476	6,620	1,144	155	155	-1
Other Non-Current Assets	2,375	3,486	1,111	67	81	14
Account Payables	3,204	3,832	628	91	89	-1
Total Debt	17,578	19,611	2,034	497	457	-40
Short Term Debt	14,485	9,312	-5,173	410	217	-193
Long Term Debt	3,093	10,299	7,206	88	240	152

# Focus on improved working capital and net debt level

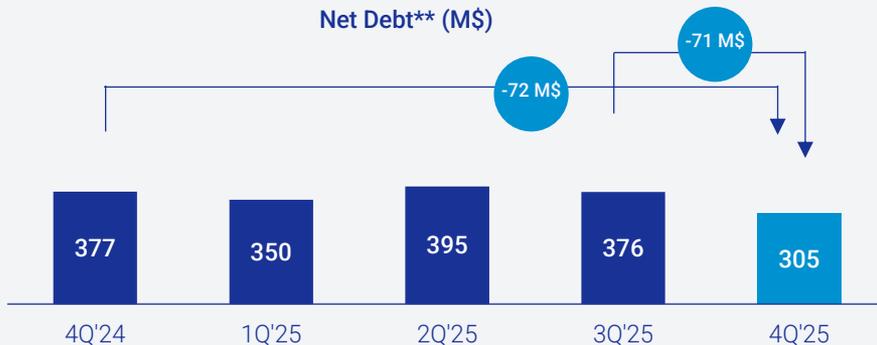
### Trade Working Capital (M\$)



### Net Debt / Adjusted EBITDA\*



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



M\$	Amount		Avg. Int. Rates	
	31.12.2024	31.12.2025	%	%
<b>Net Debt</b>	<b>377</b>	<b>305</b>	<b>YE'24</b>	<b>YE'25</b>
USD-Basis	332	262	7.7%	7.2%
EUR-Basis	71	85	6.0%	5.4%
TRY-Basis	89	109	26.9%	22.5%
Other Currencies	5	-	4.3%	-
Cash & Cash Equi.	-121	-152		

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

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

## **STRENGTHENING BALANCE SHEET**

Cash & Working Capital Management  
Capital Increase

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## **EFFICIENCY and COST MANAGEMENT for SUSTAINABLE PROFITABILITY**

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## **FOCUS on MAIN SEGMENTS : TIRE and COMPOSITE REINFORCEMENT**

Reamp in Asia Pasific after Flood  
Sustainable Improvement of Composite Contribution

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Thank You



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THE REINFORCER

Despite strong competition in the Tire Reinforcement segment, the increased demand for the Ox-Ox ceramic matrix composite, for which we are the sole supplier, continues to support profitability outside of one-off effects.

	USD Financials (MUSD)						
	4Q'24	4Q'25	Δ	1Q'25	2Q'25	3Q'25	4Q'25
Sales	225	179	-20.3%	217	197	198	179
Gross Profit	17	17	0.5%	30	27	29	17
Gross Margin (%)	7.4%	9.4%	2 pts'	13.9%	13.9%	14.4%	9.4%
OPEX (%)	11.9%	15.8%	4 pts'	12.5%	12.9%	12.9%	15.8%
Operating Profit	-13	-13	-6.3%	5	7	1	-13
Operating Profit Margin (%)	-6.0%	-7.0%	-1 pts'	2.1%	3.3%	0.6%	-7.0%
Adjusted EBITDA*	14	16	13.6%	14	15	17	16
Adjusted EBITDA* Margin (%)	6.1%	8.7%	3 pts'	6.7%	7.5%	8.4%	8.7%
Net Income	-23	-15	-35.9%	-8	-4	-10	-15
Net Income (%)	-10.4%	-8.3%	2 pts'	-3.5%	-2.1%	-5.3%	-8.3%

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

On a quarterly basis, the following adjustments have been made on Adjusted EBITDA calculation

- 4Q'24: As a result of the revaluation of high raw material inventories, mostly from the Covid-19 period, inventory write-downs of USD 7.8 million in the Tire Reinforcement segment and USD 7 million in the Composites segment were recognized, totaling USD 14.8 million.
- 3Q'25: Following the flood disaster at the PT Indo Kordsa facility in March 2025, flood-related inventory and asset impairments resulted in expenses of USD 26.1 million, which were partially offset by USD 20 million in insurance income and USD 1 million in proceeds from scrap inventory sales.
- 4Q'25: USD 20.1 million related to workforce and fixed cost optimization measures implemented to adapt to the structural transformation in the tire reinforcement segment.