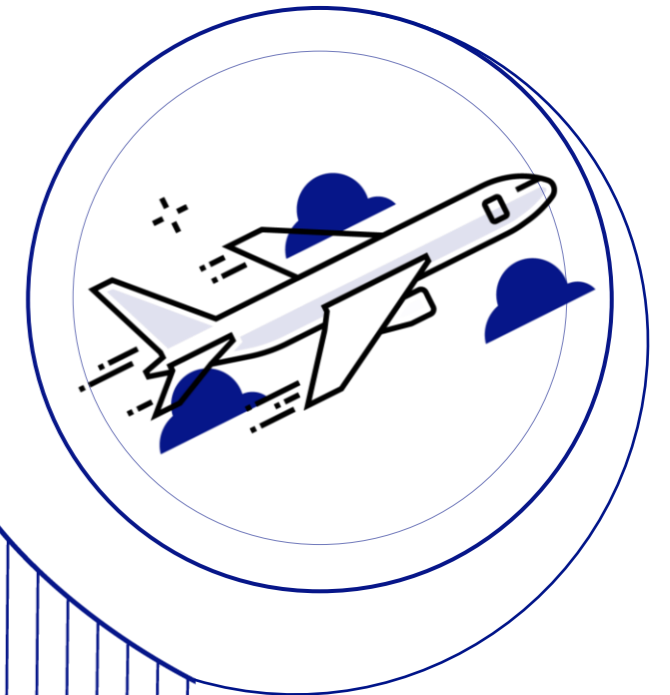


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1H 2020 – Earnings Release

August 10, 2020

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Agenda

1

Covid-19 Pandemic

2

Global Footprint

3

1H 2020 Highlights

4

Segment Reporting

5

Market Dynamics - Tire

6

Market Dynamics - Composite

7

Update on 1H 2020 Results

8

Operating Profit Bridge

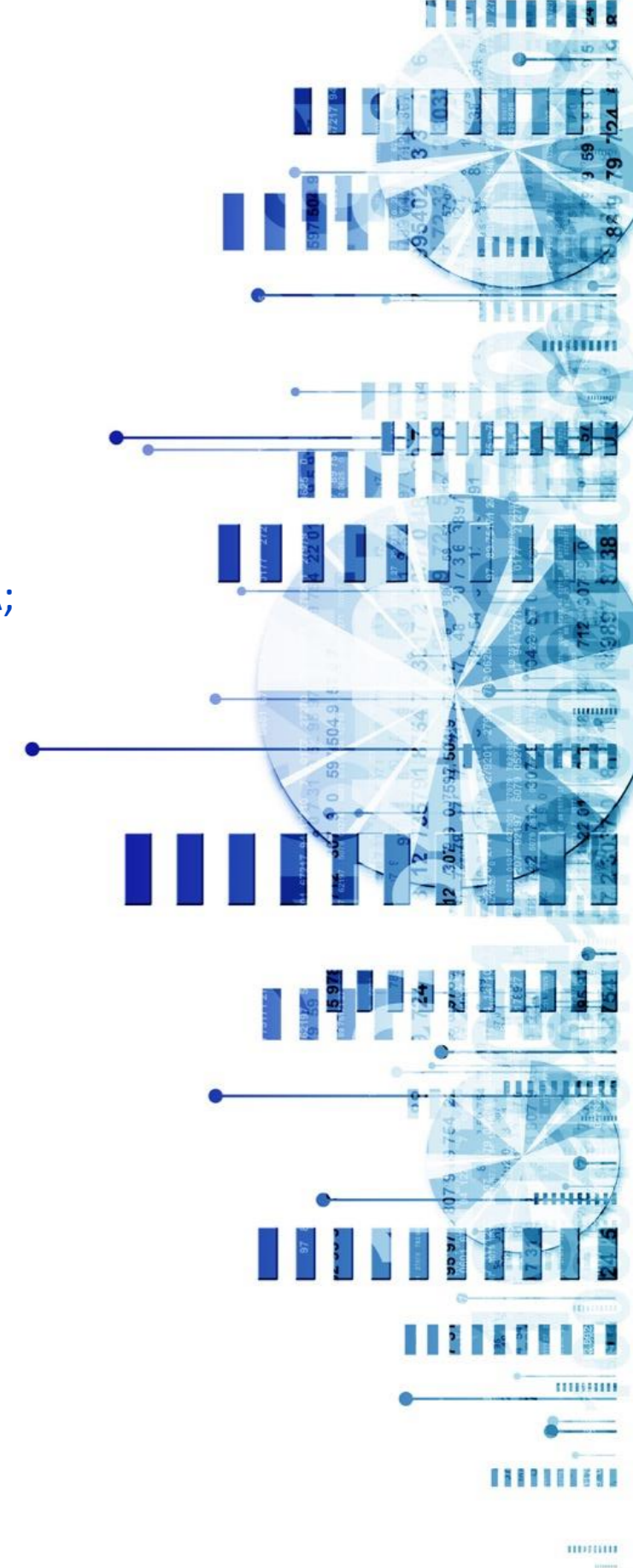
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Appendix



Covid-19 Pandemic

- Covid-19 Coordination Team and Crisis Supreme Board formation
- The cessation of all international travels
- Dilution of employees in each shift
- CFO approval for all Capex items
- Partial suspension of yarn and tire cord production operations in Brasil, the USA; Turkey and Thailand in the second quarter due to changing customer demand
- All Capex items are subject to the approval of CFO
- Close follow up for all working capital elements
- Zero based fixed cost planning for all opex items
- Benefit from incentives in Turkey, USA and Brazil.



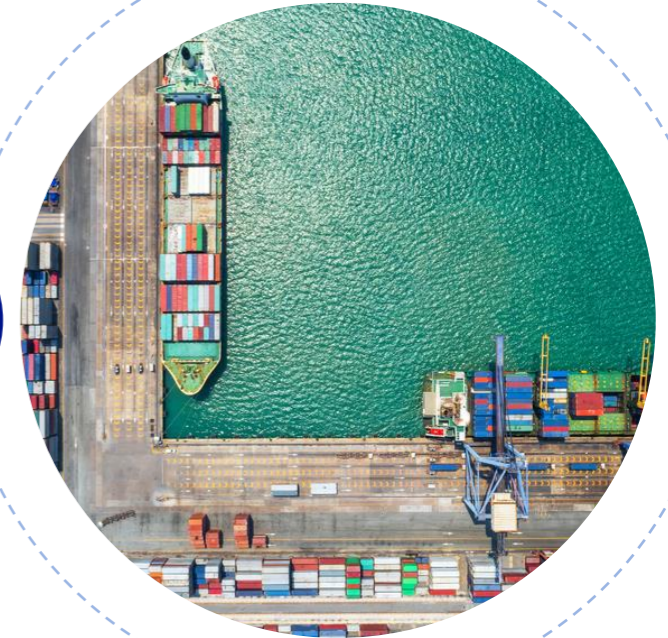
Global Footprint

4 continents
12 facilities

~4,500
employees

2 R&D
Centers

851 patent application
197 patents



W E R E I N F O R C E L I F E

1H 2020 Highlights

	TL Financials (MTL)			USD Financials (MUSD)		
	1H 2019	1H 2020	Δ	1H 2019	1H 2020	Δ
Sales	2,586	2,007	-22.4%	461	311	-32.6%
EBITDA*	407	267	-34.4%	73	41	-43.0%
EBITDA* Margin (%)	15.8%	13.3%	- 240 bp	15.8%	13.3%	- 240 bp
Composite Revenue	328	367	12.0%	58	57	-2.8%



Tire cord fabrics ("TCF")

- Based on the market research report, around 25% shrinkage on the industry compared to 2019
- Price war from Chinese players
- Shrinkage on prices and margins
- All production lines started
- Covid impact in Americas is still unpredictable

Composite

- According to the market research reports, above 25% shrinkage on the industry in 2020 compared to 2019
- 57 M\$ revenue contribution in H1'20
- 22 net orders B787 for 2020 (82 net orders in 2019)

Construction

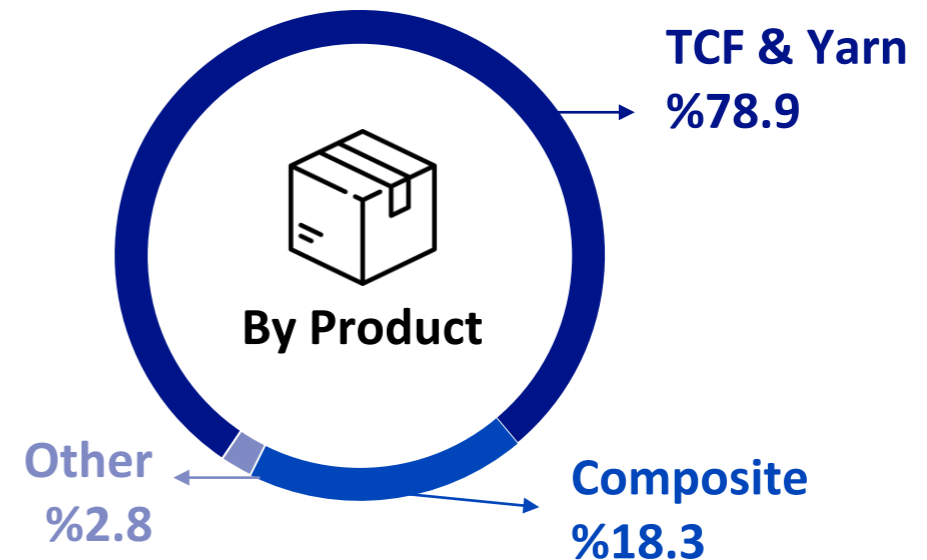
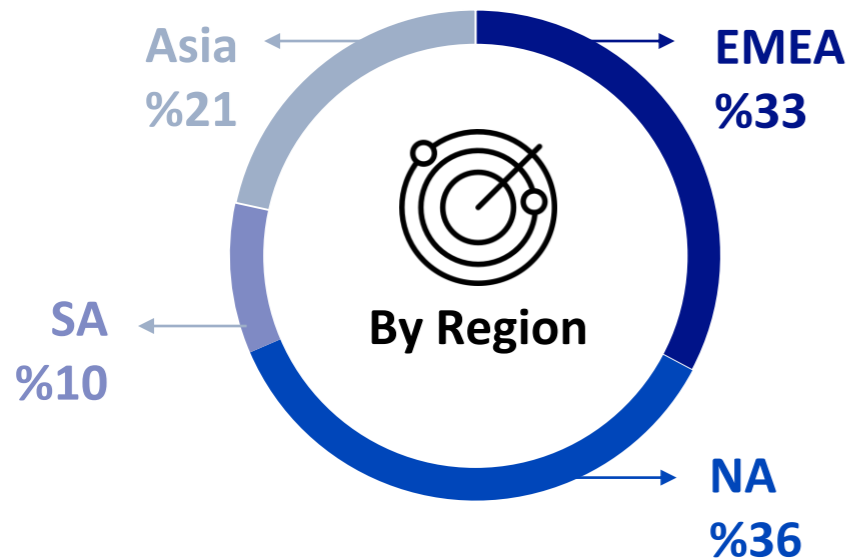
- 2.0 M\$ total revenue contribution from Turkey and Brasil markets
- Increase on export activities
- Started recovery process in Turkey market

EBITDA* = Gross Profit – OPEX + Depreciation/Amortization

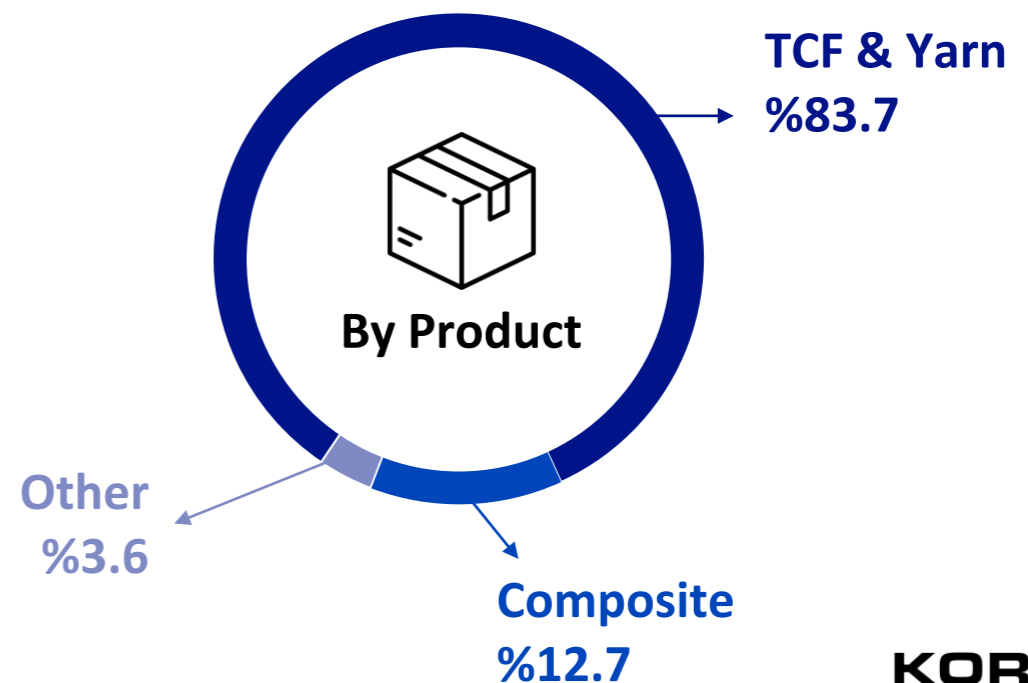
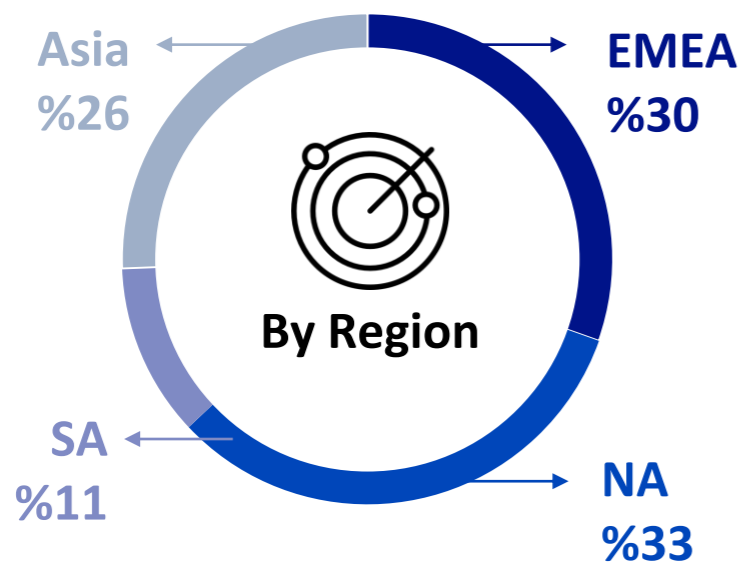
Confidential

Segment Reporting

Jun'20 Revenue Split



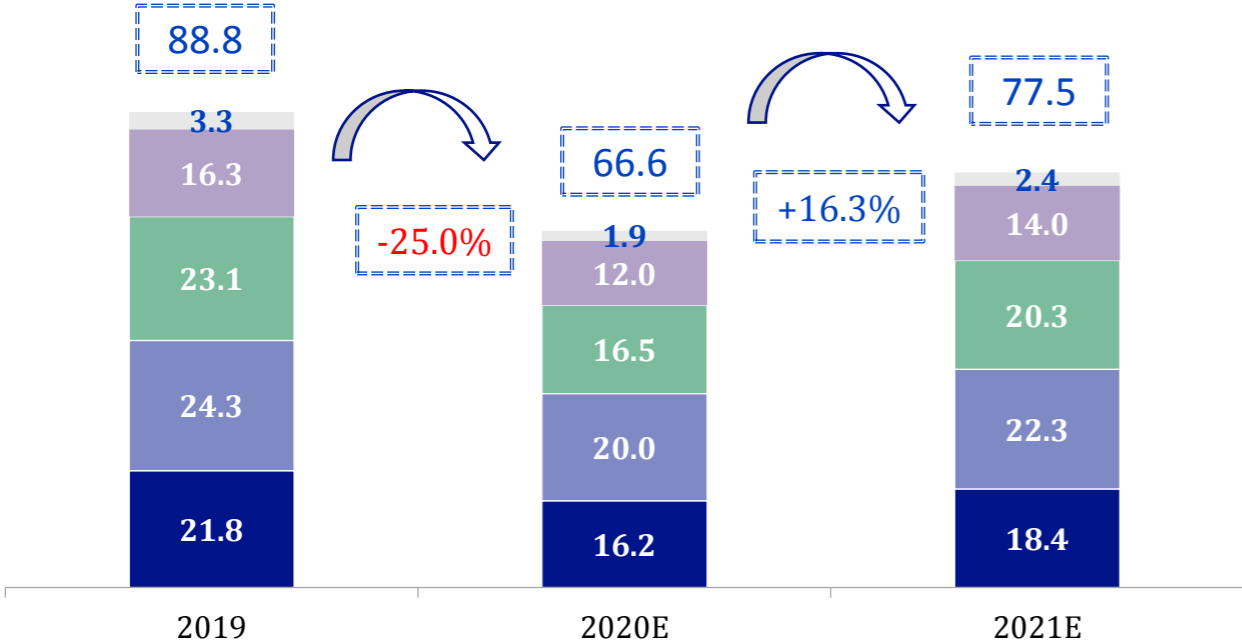
Jun'19 Revenue Split



Market Dynamics - Tire

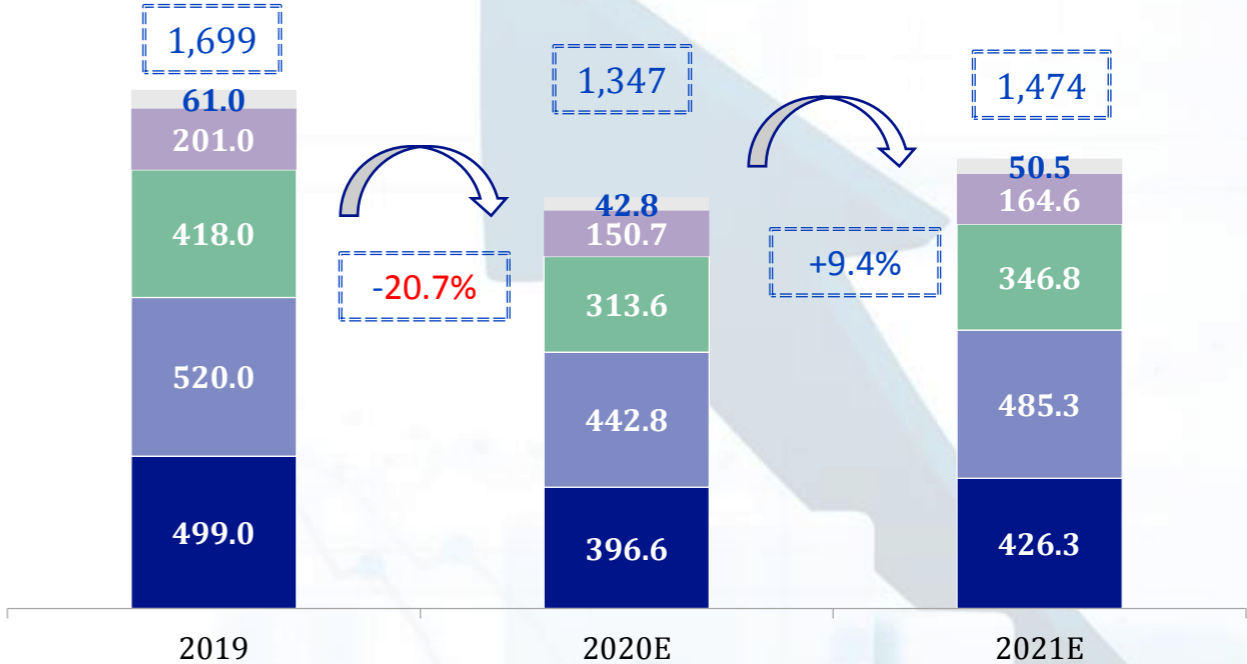
Global Automotive Market (Munits)

■ APAC ex. China ■ China ■ EMEA ■ North America ■ South America



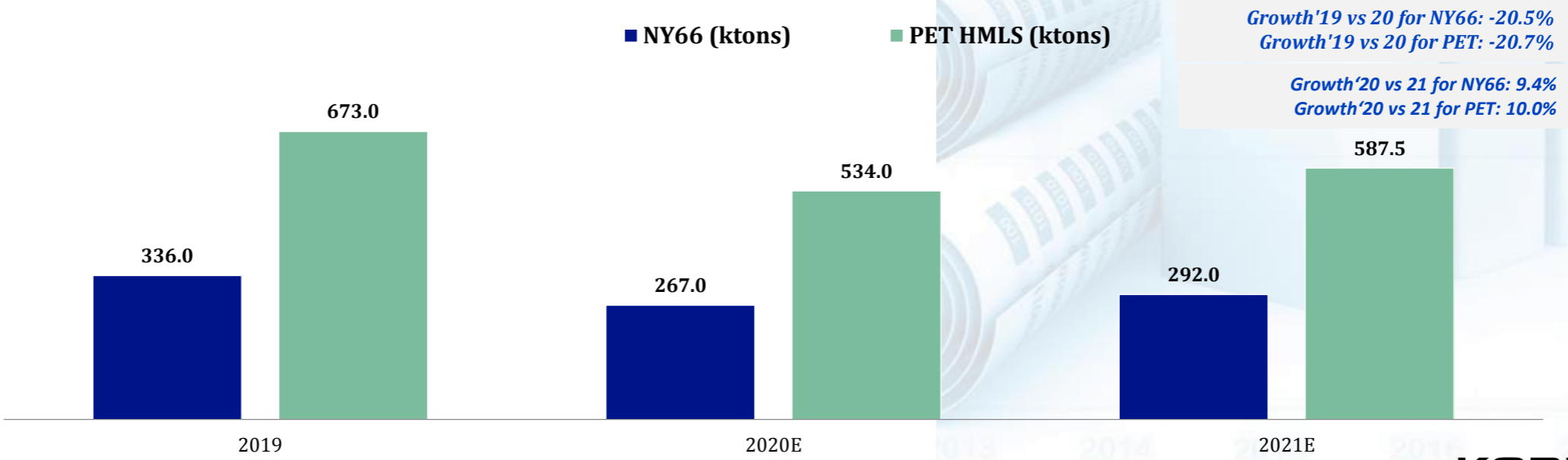
Global Tire Market (Munits)

■ APAC ex. China ■ China ■ EMEA ■ North America ■ South America



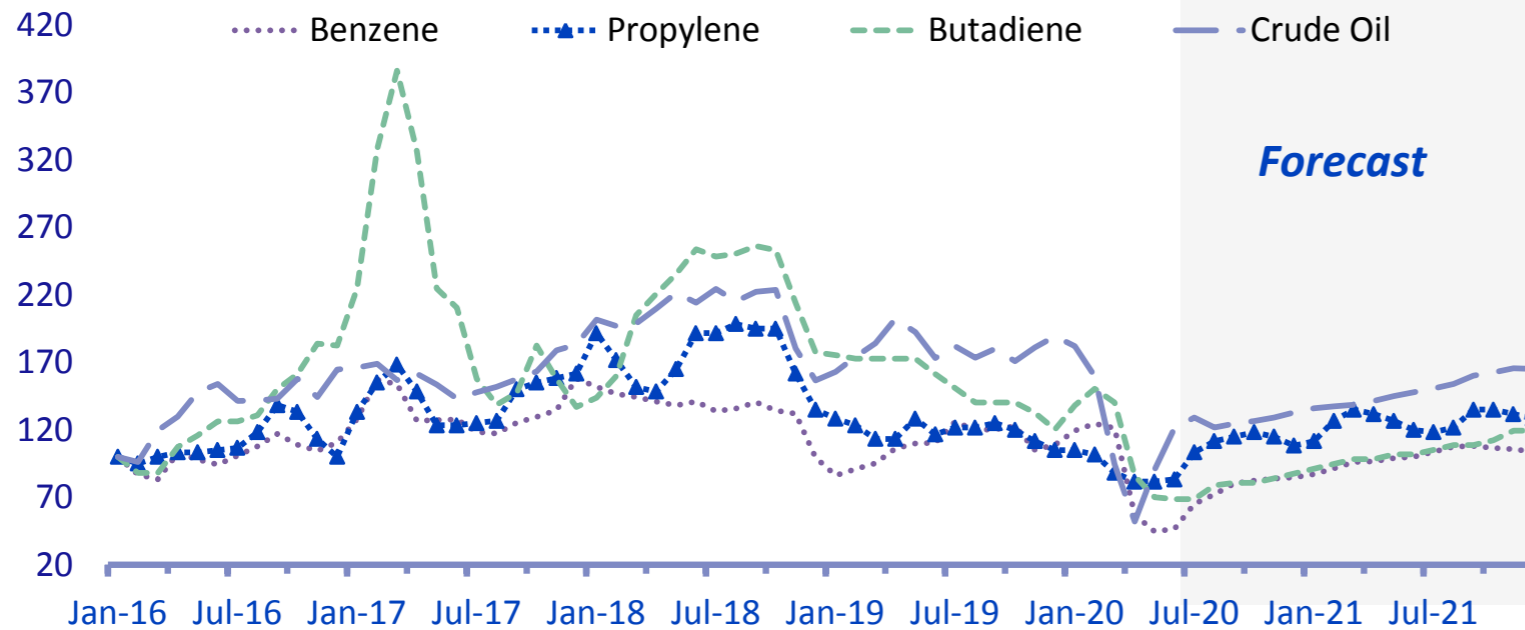
Tire Reinforcement Market (NY6.6 / PET-ktons)

■ NY66 (ktons) ■ PET HMLS (ktons)



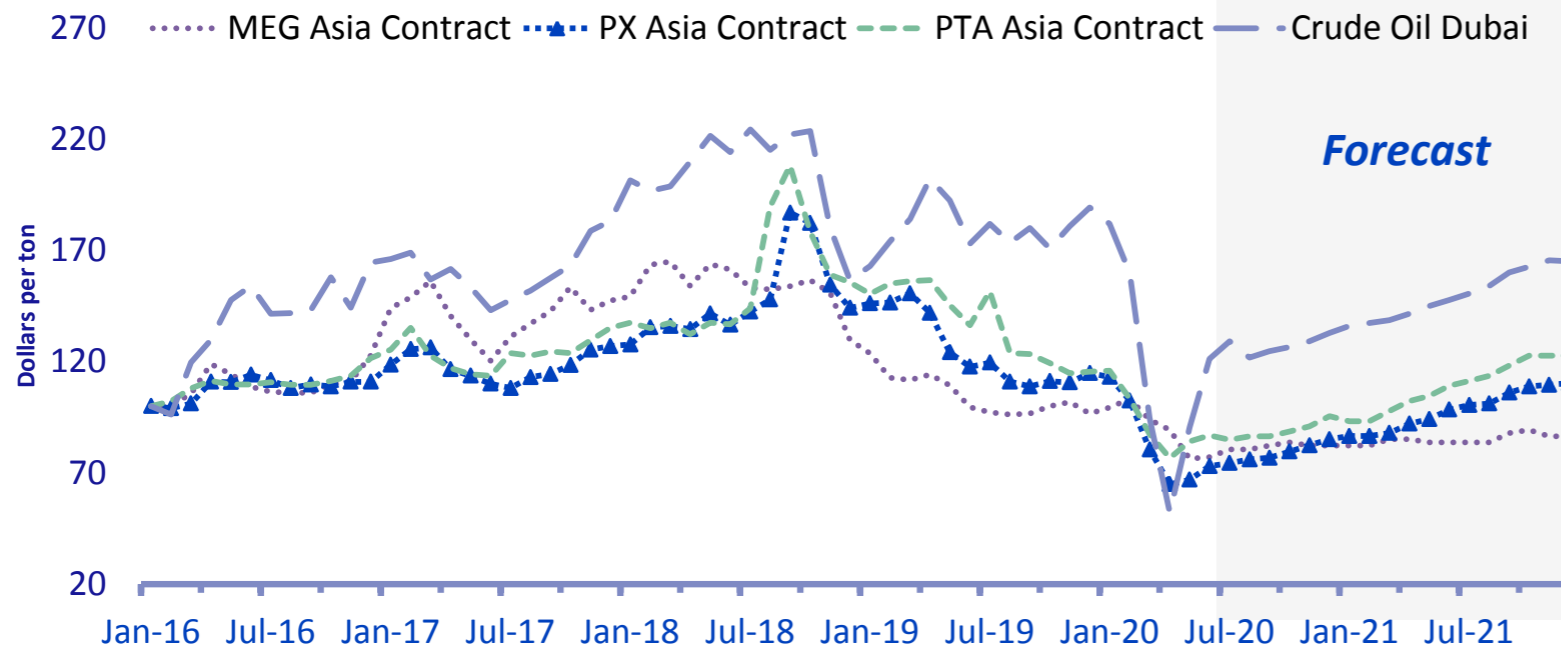
RM Price Drivers - Tire

NY Raw Material Trend (Indexed)



- Butadiene: As global economies reopened, the first spike of demand increased, butadiene prices although it is not set to hold within upcoming months.
- Propylene: Global PGP prices increase, and volatility in the global market continue to be present.

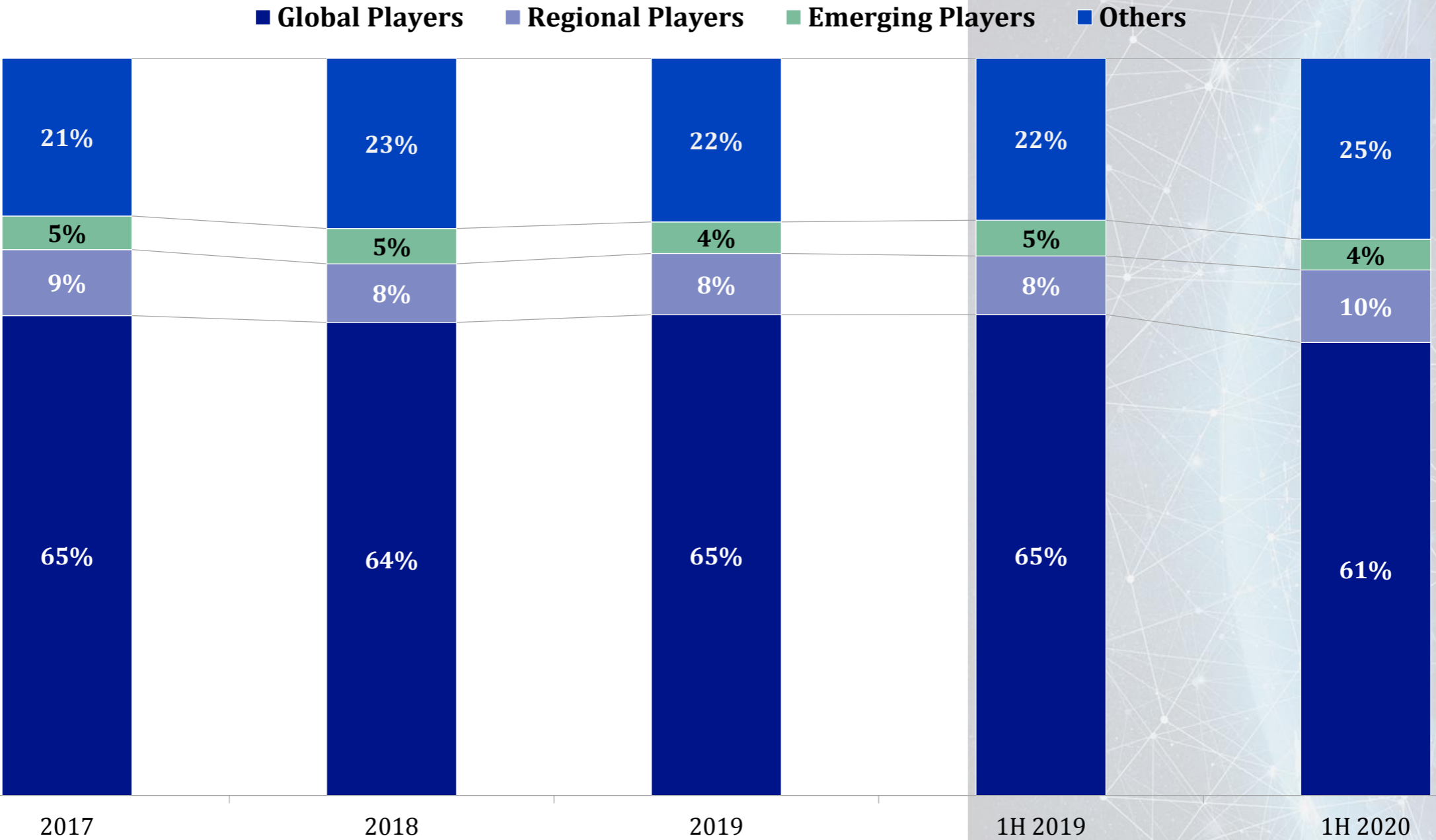
PET Raw Material Trend (Indexed)



- Based on the market report, polyester raw material prices are expected to decrease within 2020.

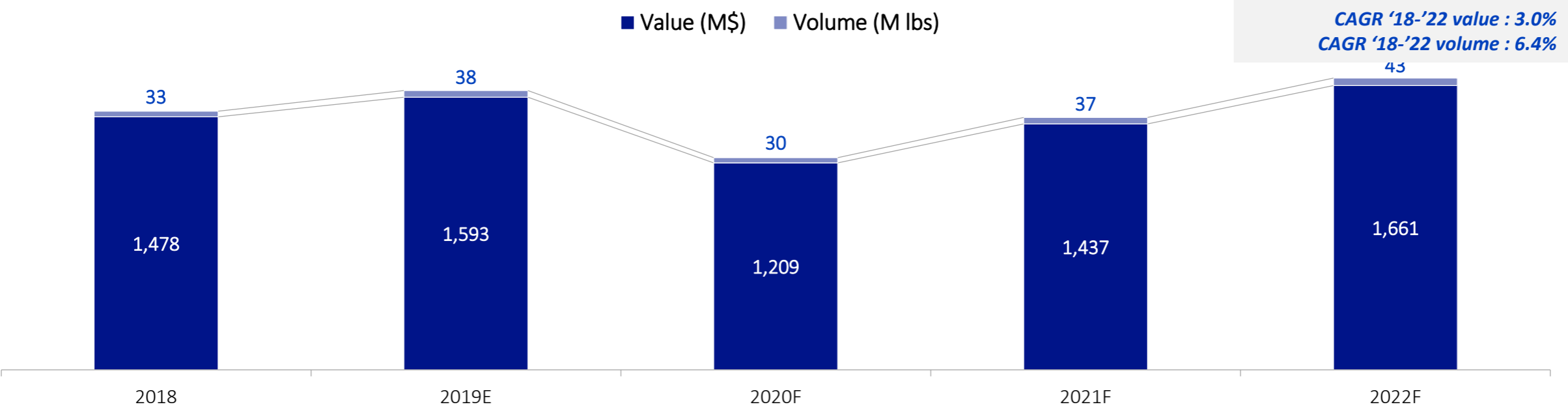
Source : IHS

Customer Concentration for Tire Segment

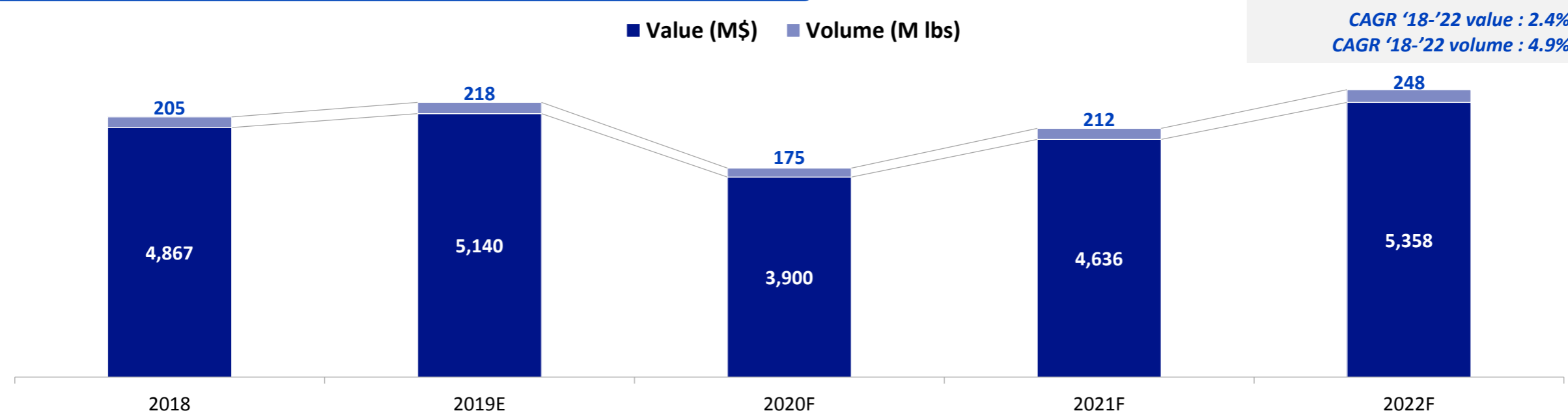


Market Dynamics – Composite

Market Size (\$M) – Global Carbon Fabric

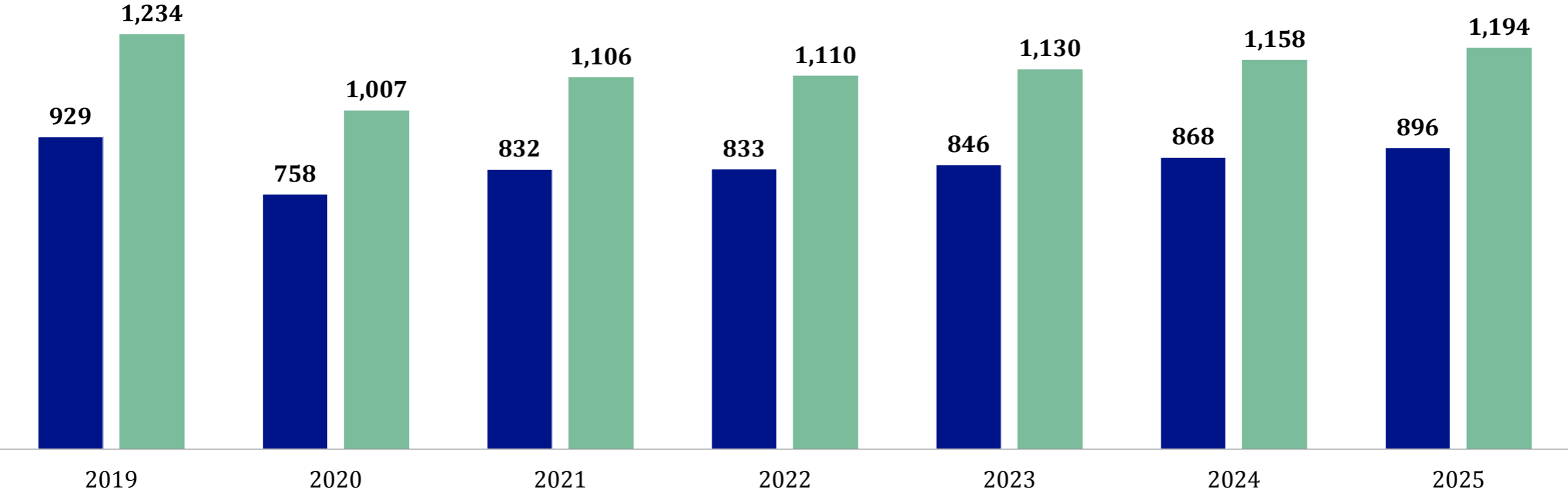


Market Size (\$M) – Prepreg



Market Dynamics – Composite

■ Commercial Aerospace (M\$) ■ Total Aerospace (M\$)



Update on 1H 2020 Results

Key Financials

	TL Financials (MTL)				
	1H 2019	1H 2020	Δ	1Q 2020	2Q 2020
Sales	2,586	2,007	-22.4%	1,199	808
Gross Profit	526	362	-31.2%	215	147
Gross Margin (%)	20.3%	18.0%	-2 pts'	18.0%	18.2%
OPEX (%)	8.1%	11.4%	3 pts'	10.6%	12.7%
Operating Profit	361	191	-47.1%	115	76
Operating Profit Margin (%)	14.0%	9.5%	-4 pts'	9.6%	9.4%
EBITDA*	407	267	-34.4%	153	114
EBITDA* Margin (%)	15.8%	13.3%	-3 pts'	12.8%	14.2%
Net Income**	219	75	-65.7%	62	13
Effective Tax Rate (%)	21.6%	13.9%	-8 pts'	8.2%	33.2%
Net Income (%)	8.5%	3.7%	-4 pts'	5.2%	1.6%
EPS (TL/1,000 shares)	0.98	0.38	-61.1%	0.30	0.08

	USD Financials (MUSD)				
	1H 2019	1H 2020	Δ	1Q 2020	2Q 2020
Sales	461	311	-32.6%	192	118
Gross Profit	94	56	-40.2%	35	21
Gross Margin (%)	20.3%	18.0%	-2 pts'	18.0%	18.2%
OPEX (%)	8.1%	11.4%	3 pts'	10.6%	12.7%
Operating Profit	64	30	-54.0%	19	11
Operating Profit Margin (%)	14.0%	9.5%	-4 pts'	9.6%	9.4%
EBITDA*	73	41	-43.0%	25	17
EBITDA* Margin (%)	15.8%	13.3%	-3 pts'	12.8%	14.2%
Net Income**	39	12	-70.3%	10	2
Effective Tax Rate (%)	21.6%	13.9%	-8 pts'	8.2%	33.2%
Net Income (%)	8.5%	3.7%	-4 pts'	5.2%	1.6%
EPS (\$/1,000 shares)	0.18	0.06	-66.2%	0.05	0.01

* EBITDA Calculation: Gross Margin-OPEX+Dept & Amort

Update on 1H 2020 Results

Key Balance Sheet Items

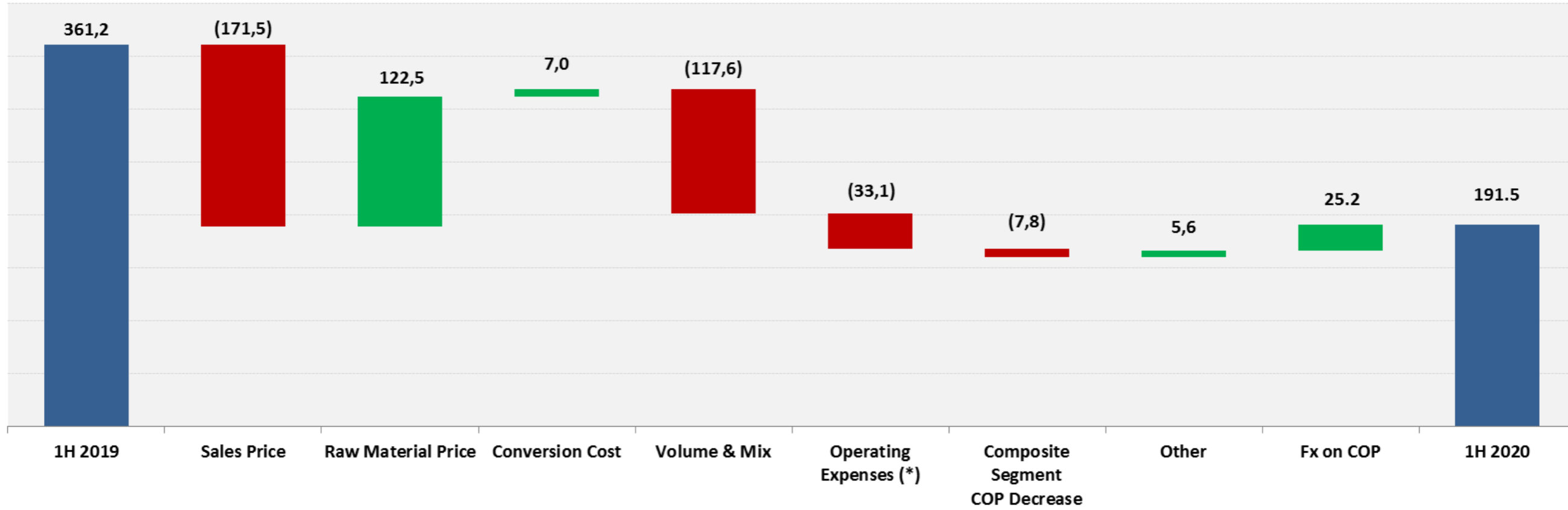
	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2019	1H 2020	Δ	YE 2019	1H 2020	Δ
Cash and Cash Equivalents	730	720	-10	123	105	-18
Account Receivables	969	673	-296	163	98	-65
Inventories	1,231	1,468	237	207	215	7
Other Current Assets	145	255	109	24	37	13
PPE & Intangibles	2,992	3,228	236	504	472	-32
Investment Property	138	159	21	23	23	0
Goodwill	798	826	28	134	121	-14
Other Non-Current Assets	168	209	41	28	31	2
Account Payables	620	394	-227	104	58	-47
Total Debt	3,029	3,294	265	510	481	-29
Short Term Debt	1,796	3,224	1,428	302	471	169
Long Term Debt	1,233	69	-1,163	208	10	-197
Other Liabilities	702	865	164	118	126	8
Net Debt (Cash&Cash Equ. Excluded)	2,299	2,574	274	387	376	-11
WCAP Turnover				3.62	2.94	
Net Debt / EBITDA				2.94	3.74	

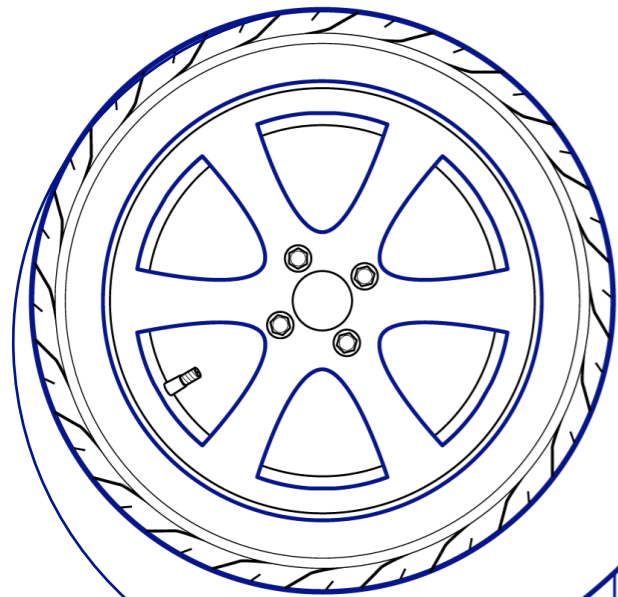
Update on 1H 2020 Results

Free Cash Flow			
(in TL million, unless otherwise stated)	1H 2019	1H 2020	Δ
Cash Flows From Operating Activities	320	225	-95
Net Income	219	75	-144
Depreciation & Amortization	92	135	43
Change in Working Capital	230	-148	-378
Other Adjustments	-221	162	384
Cash Flows From Investing Activities	-71	-56	15
CAPEX	-71	-56	15
M&A Investments	0	0	0
Free Cash Flow*	249	169	-80

* FCF: $EBIT(1-Tax\ Rate) + Depreciation\ \&\ Amortization - Change\ in\ Net\ Working\ Capital - Capital\ Expenditure$. It can also be calculated by taking operating cash flow and subtracting capital expenditures. - FCF (operational cash flow- capex)

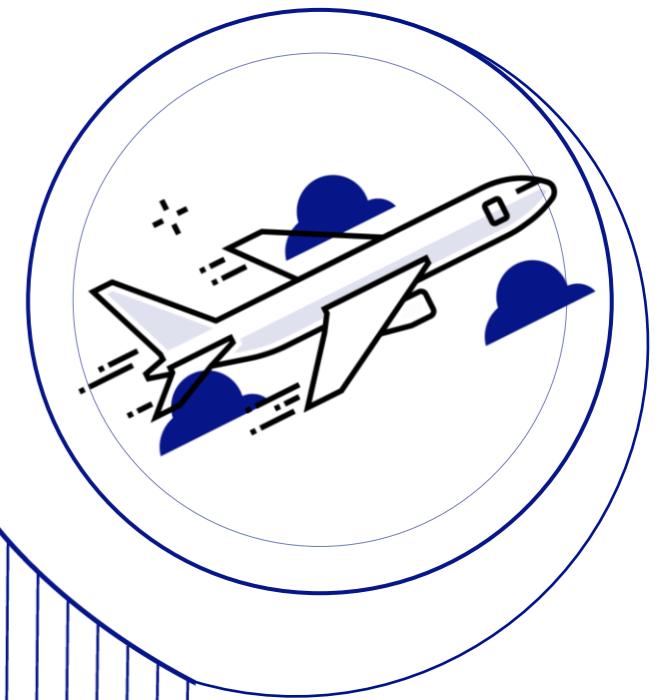
Operating Profit Bridge - MTL





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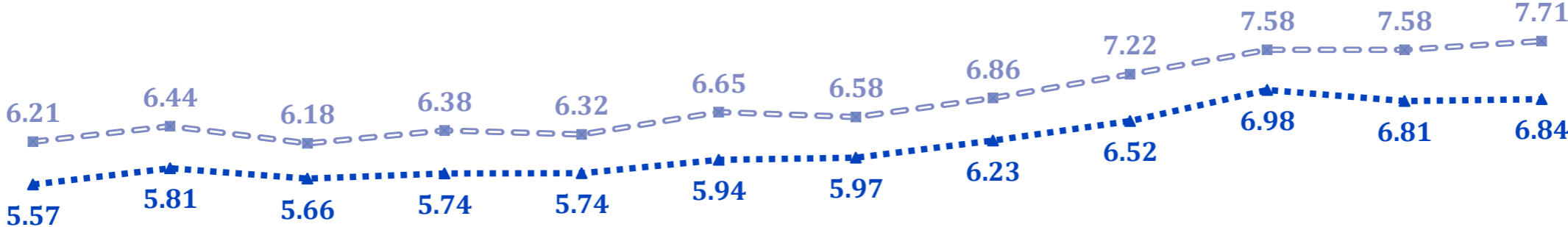


Appendix

1H 2020 Highlights (FX Rates)

Jul'19 Aug'19 Sep'19 Oct'19 Nov'19 Dec'19 Jan'20 Feb'20 Mar'20 Apr'20 May'20 Jun'20

USDTRY (end rate) EURTRY (end rate)



Jul'19 Aug'19 Sep'19 Oct'19 Nov'19 Dec'19 Jan'20 Feb'20 Mar'20 Apr'20 May'20 Jun'20

IndexedUSDBRL (end rate) IndexedUSDTHB (end rate) IndexedUSDIDR (end rate)

