



Kordsa.com



Earnings Release

Feb 24, 2023

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AGENDA

01.

2022 in Brief

02.

Market Dynamics

03.

Key Financials

04.

ESG Focus

05.

Highlights/
Lowlights

Global Footprint

NORTH AMERICA

+47%
vs. 2021

Anaheim, CA
Santa Ana, CA
San Marcos, CA
Quakertown, PA
Laurel Hill, NC
Chattanooga, TN

SOUTH AMERICA

+18%
vs. 2021

Brazil

Pistoia, Italy

Istanbul

Izmit

EMEA

+27%
vs. 2021

APAC

+23%
vs. 2021

- Composite Reinforcement
- Tire Reinforcement
- Construction Reinforcement
- R&D Center

Kordsa Market Position

EMEA

#1 NY TCF producer

#1 PET TCF producer

NA

#1 NY TCF producer in US

SA

The only Pet yarn, TCF and SEC producer in LATAM

APAC

#2 NY TCF producer

#2 PET TCF producer

2022 Results vs 2021

REVENUE



**1,154
MUSD**
All Hard-
Currency

30% ↑ YOY

EBITDA MARGIN



11.7%

135 MUSD

NET INCOME



**94
MUSD**

nearly same as 2021

VOLUME



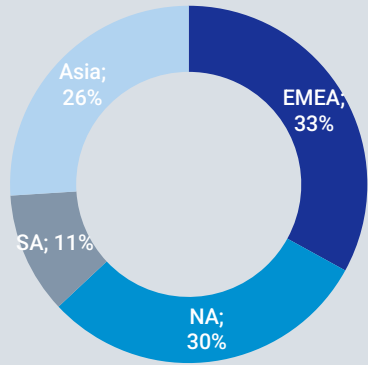
2%

Recessional slow down

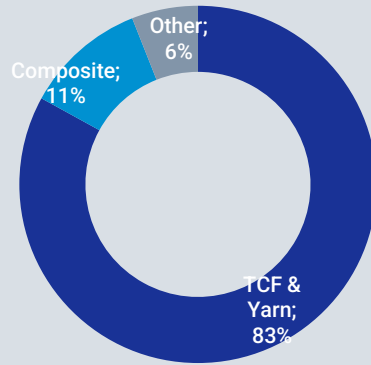
Segment Reporting Results

Dec, 22 Revenue Split

By Region

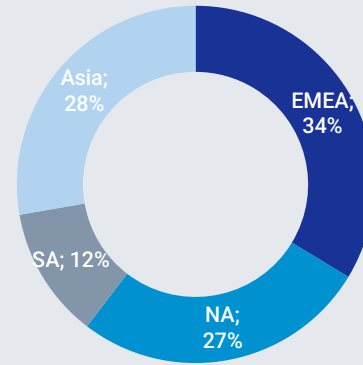


By Product

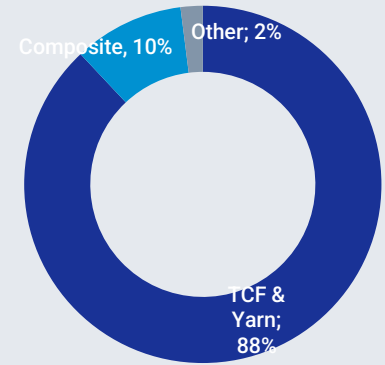


Dec, 21 Revenue Split

By Region

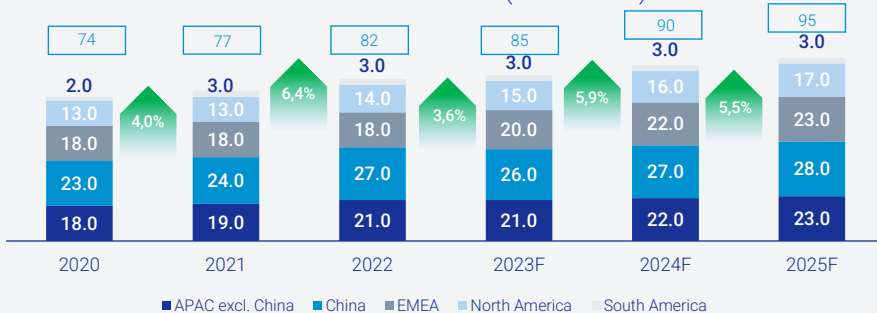


By Product



Market Dynamics / Tire

Global Automotive Market (million units)



Global Tire Market (million units)



Tire Reinforcement Market (NY6.6-ktons)



Tire Reinforcement Market (PET-ktons)

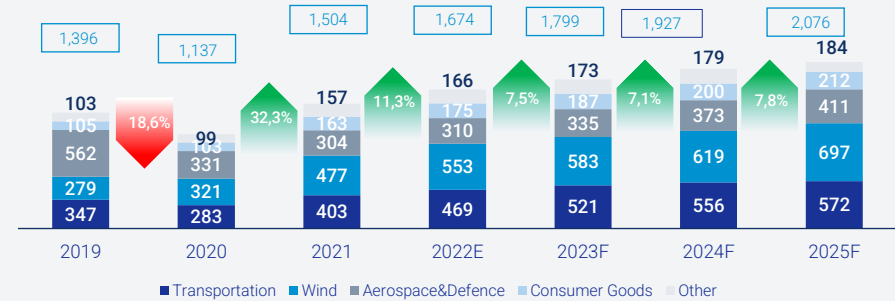


Market Drivers / Composite

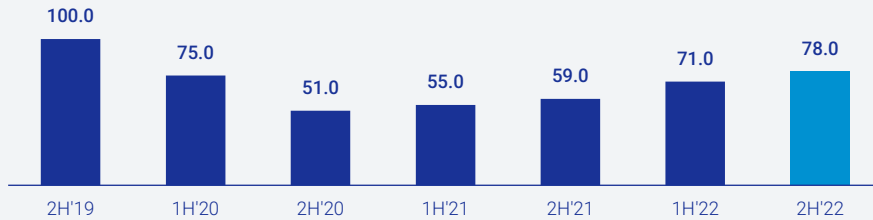
Global Prepreg Market (MUSD)



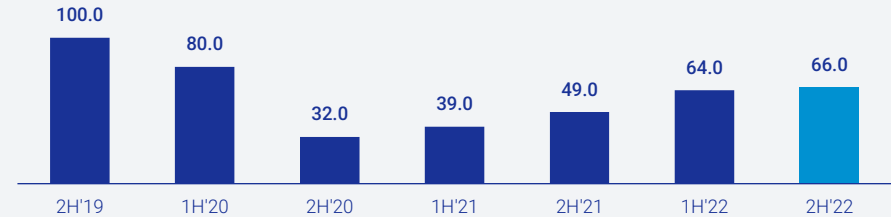
Global Carbon Fiber Textile Market (MUSD)



Kordsa Composites Indexed Revenue



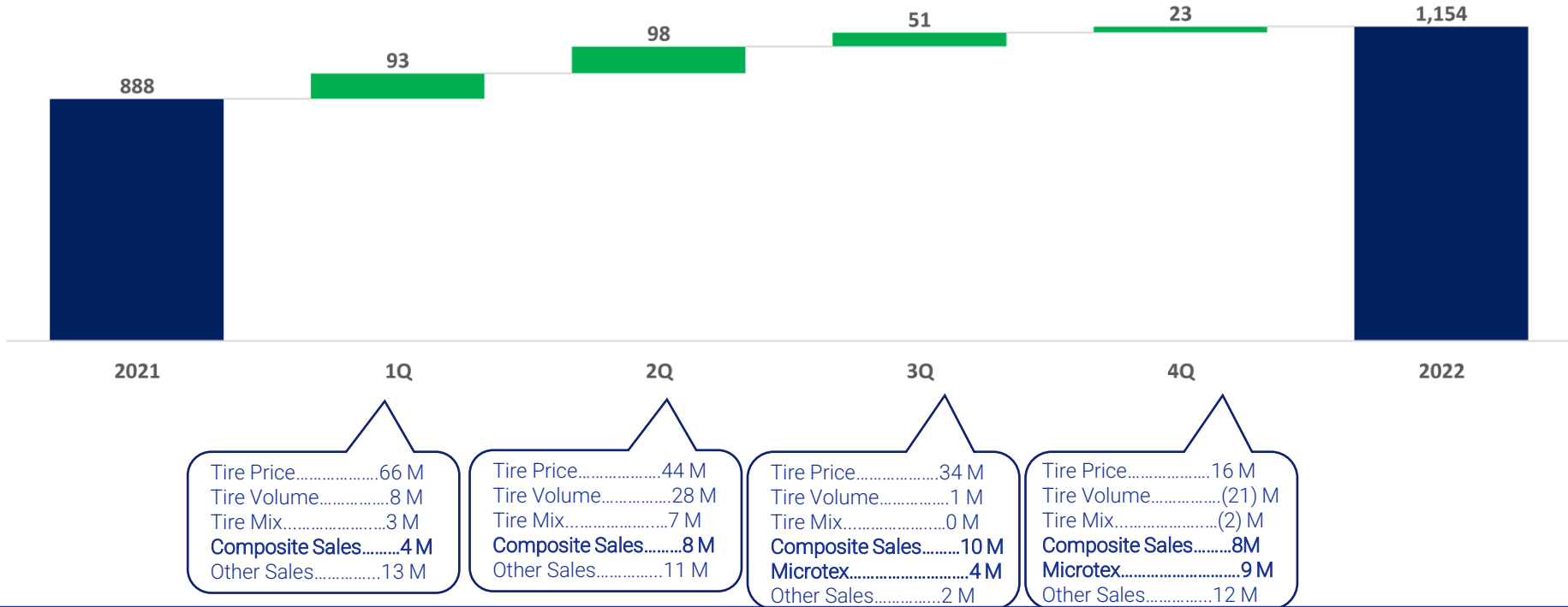
Main Competitor Indexed Revenue



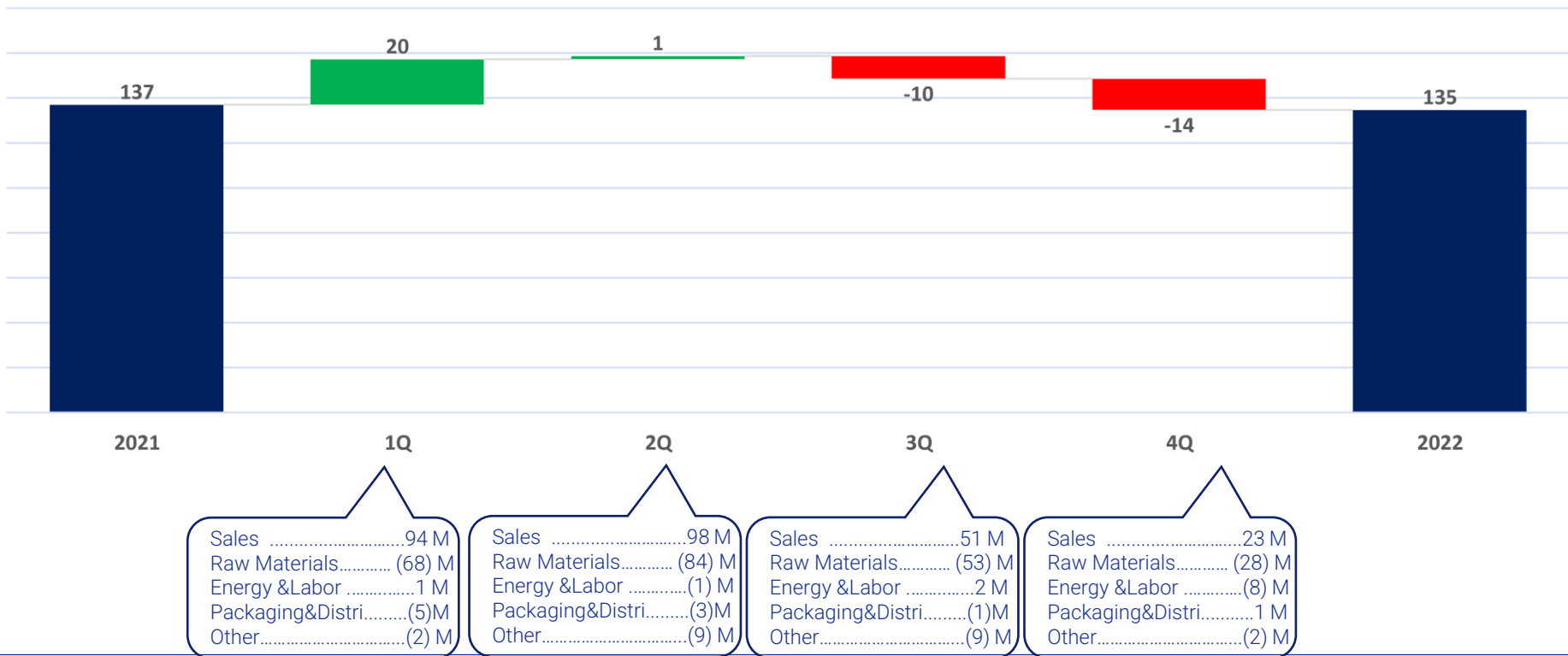
Kordsa Income Statement YE'22

	USD Financials (MUSD)						
	2021	2022	Δ	1Q'22	2Q'22	3Q'22	4Q'22
Sales	888	1,154	30.0%	299	300	286	269
Gross Profit	195	210	7.9%	74	54	44	38
Gross Margin (%)	21.9%	18.2%	-4 pts'	24.9%	18.1%	15.4%	14.0%
OPEX (%)	11.0%	9.9%	-1 pts'	9.0%	9.4%	9.4%	11.7%
Operating Profit	149	103	-30.9%	45	27	17	13
Operating Profit Margin (%)	16.8%	8.9%	-8 pts'	15.2%	9.1%	6.0%	4.9%
EBITDA	137	135	-1.7%	57	35	26	16
EBITDA* Margin (%)	15.4%	11.7%	-4 pts'	18.9%	11.8%	9.2%	6.1%
Net Income	96	94	-1.9%	35	26	22	12
Effective Tax Rate (%)	8.5%	5.5%	-3 pts'	23.3%	19.9%	0.9%	-3128.4%
Net Income (%)	10.8%	8.2%	-3 pts'	11.6%	8.6%	7.5%	4.5%

Sales Bridge

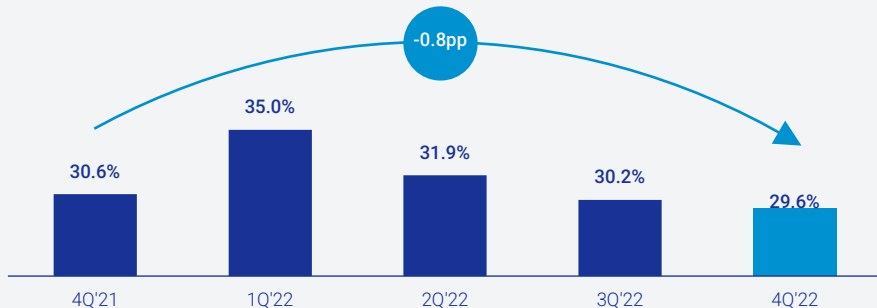


EBITDA Bridge

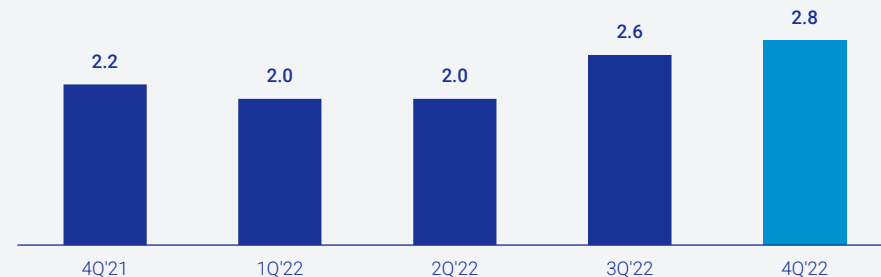


Well-Positioned for Strong Cash Generation

Average Working Capital Turnover



Net Debt / EBITDA



INVENTORIES UP 31% Y-O-Y

Driven by strong demand in tire and rm price increases

RECEIVABLES UP 7% Y-O-Y

Driven by strong demand in tire reinforcement and price increases

PAYABLES UP 10% Y-O-Y

Driven by strong demand in tire reinforcement and rm price increases

M\$	Amount		Avg. Int. Rates
	31.12.2021	31.12.2022	%
Net Debt	299	379	
USD-Basis	193	307	4.3%
EUR-Basis	75	83	4.4%
TRY-Basis	41	25	14.8%
Other Currencies	4	7	4.7%
Cash & Cash Equi.	-15	-43	

Kordsa Sustainability Targets



2030

46.2 % Emission Reduction



2030

50% water withdrawal reduction per unit tonnage product



2030

50% total waste reduction per tonnage product



2025

45% Women employment



Zero Accident

Kordsa Awards & Recognition



Kordsa Involved in COP27

Kordsa's Head of Sustainability Nevra Aydoğan delivered a speech at the Best Examples From Turkish Private Sector Session of the Green Transition Journey of the Private Sector Panel



2021 CDP Turkey Climate Change and Water Leader
(A-Global List in the world for water)



Ecovadis **Gold Medal**



Entered Istanbul Stock Exchange Sustainability Index **for the 5th time**



Turkey's best R&D Center for the 4th time
Ministry of Technology and Industry

HIGHLIGHTS & LOWLIGHTS

HIGHLIGHTS

COMPOSITE REINFORCEMENT

Based on market research, recovery process are rapidly accelerating starting from 2H'23

GROWTH PLANS

Investments such as Polyester Line, construction, SEC in Turkey and Dipping in the USA continue and they are expected to be in production from 2024 which accelerate Kordsa's organic growth

MICROTEX

With Microtex's acquisition finalized in Aug'22, Kordsa aims to increase its product diversity and expand its service range in the automotive and motorsport sectors

SUSTAINABLE GROWTH

In 2022, all regions recorded growth rates in tire reinforcement.

LOWLIGHTS

GLOBAL RECESSION

Cost and availability of funds could be more challenging
Expectation for global recession is bringing more competition from APAC

IMBALANCE BETWEEN USDTRY and INFLATION

High inflation especially in labor, energy and other inflationary expenses put pressures on profitability while USDTRY are stable

HIGH COMPETITION in TIRE REINFORCEMENT

The global recession expectations and decrease on demand causes APAC competitors are attacking EMEA and US markets especially Chinese competitors which attack with lower prices

GLOBAL UNCERTAINTIES

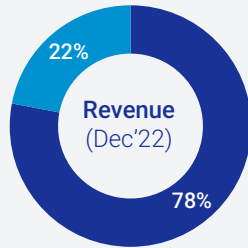
Uncertainties in macroeconomic indicators such as deviation of EURUSD, global inflation and energy prices

Thank You



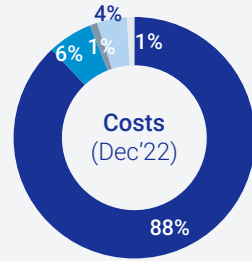
THE REINFORCER

Well-Positioned for Strong Cash Generation and Dividends



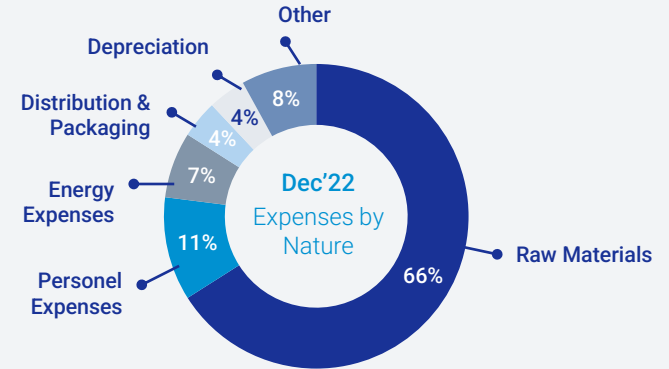
■ US \$ ■ EUR

FX exposure



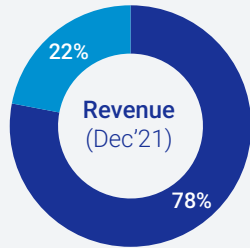
■ US \$ ■ TL ■ IDR ■ BRL ■ Baht

- Demonstrates value-based pricing model
- Ability to pass through raw material price volatility: (Revenue – raw material costs) tracked as a KPI by sales team
- Conversion costs as a key metric for management KPIs (main components are personnel expenses and energy costs)



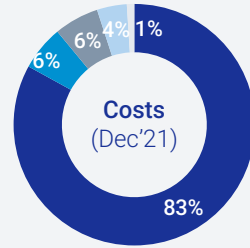
- Hard currency revenues
- FX exposure on costs -> EM footprint on local costs + hard currency priced raw materials
- Benefit from US\$ appreciation vs. TL, IDR and BRL

Well-Positioned for Strong Cash Generation and Dividends



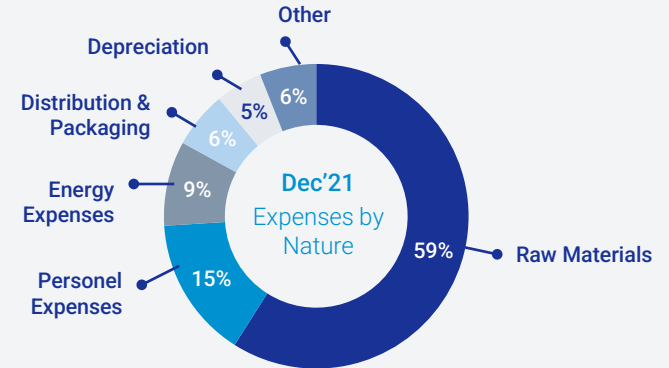
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Balance Sheet

	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2021	YE 2022	Δ	YE 2021	YE 2022	Δ
Cash and Cash Equivalents	195	237	42	15	43	28
Account Receivables	2.566	3.557	991	193	206	14
Inventories	2.989	3.744	756	224	294	70
Other Current Assets	436	580	144	33	53	20
PPE & Intangibles	5.238	5.972	734	410	462	51
Investment Property	320	351	31	24	23	-1
Goodwill	1.640	1.800	161	123	135	12
Other Non-Current Assets	395	420	25	30	42	13
Account Payables	1.927	2.269	341	145	159	14
Total Debt	4.179	4.863	685	313	422	108
Short Term Debt	2.912	3.677	765	218	256	38
Long Term Debt	1.266	1.186	-80	95	165	70