



2022 Q2 Operational Results



2021 2. Quarter Highlights

- Real growth above inflation in all sales and profitability figures
- Sales growth of 186% thanks to consolidation of Kalekim Lyksor, FX change and pricing (*sales growth of 122%, excluding Lyksor*)
- Increasing operational profit margins thanks to consolidation of Kalekim Lyksor, effective cost management and dynamic pricing
- Increase in net working capital due to seasonality and consolidation of K. Lyksor
- Relatively high cash position despite company acquisition and dividend payment

Net Sales: TL 556 million

EBITDA Margin: 22,7%

**Commercial Working Capital/
Net Sales: 26,7%**

Cash & Cash Eq.*.: TL 284 million

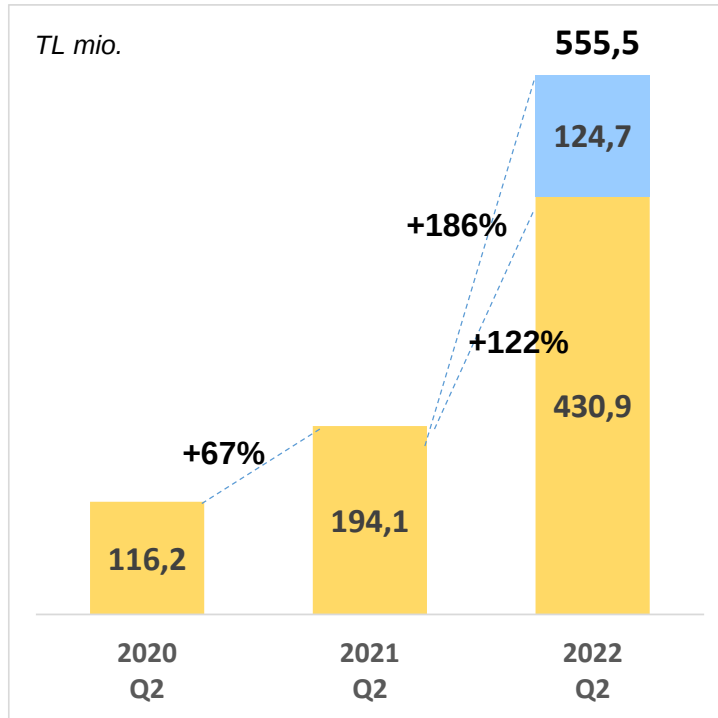
* Financial investments also are included since FX-protected cash deposits are classified under this item.



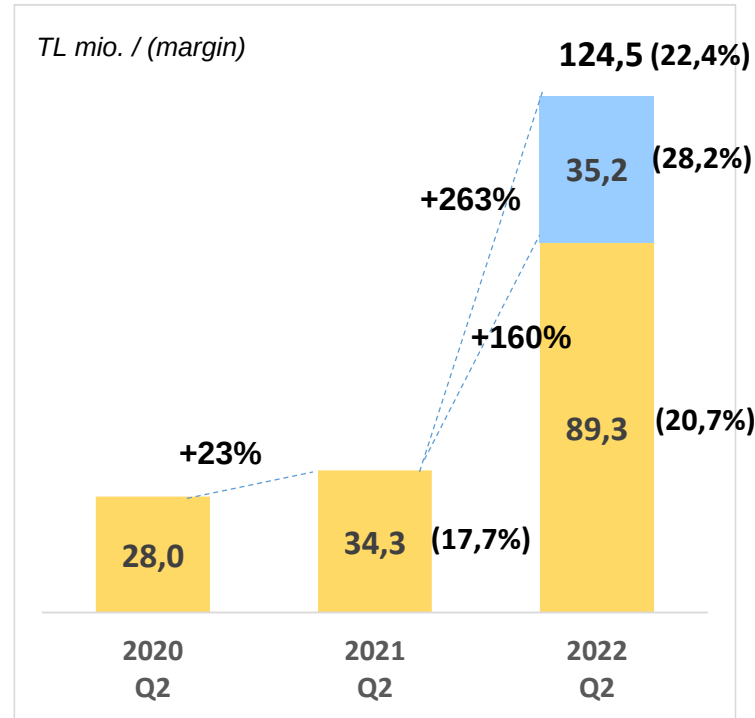
Sustainable Profitable Growth

- Kalekim continues profitable growth track - with new investments - in line with its long term targets.

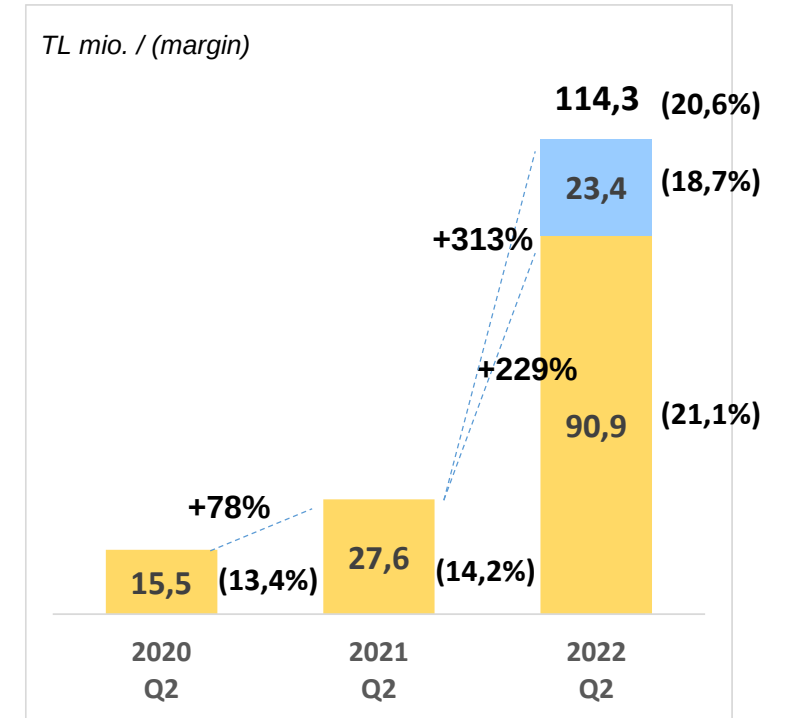
Net Sales



EBITDA



Net Profit

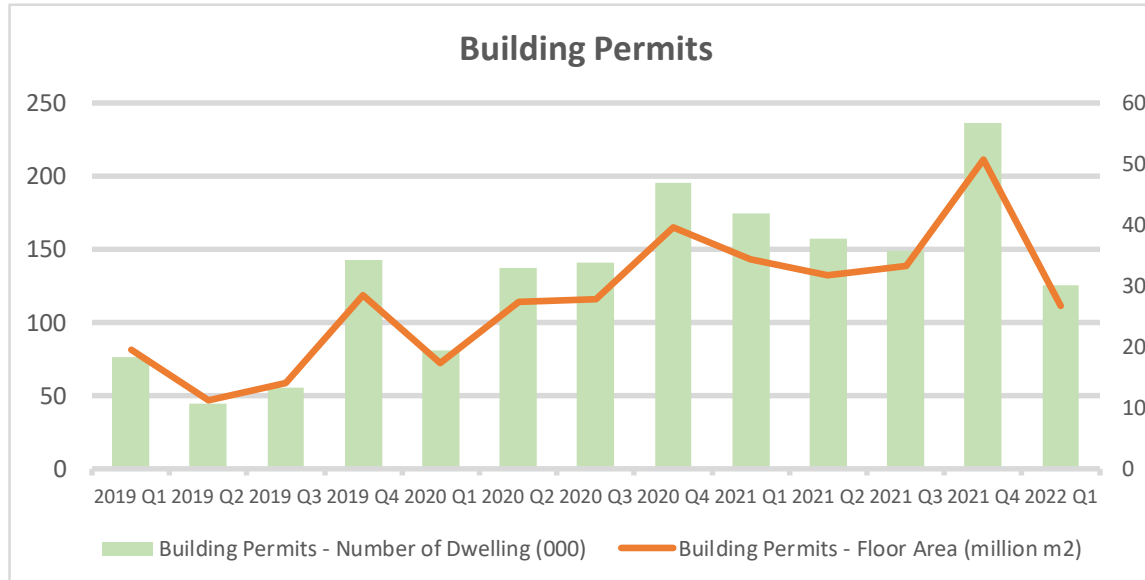
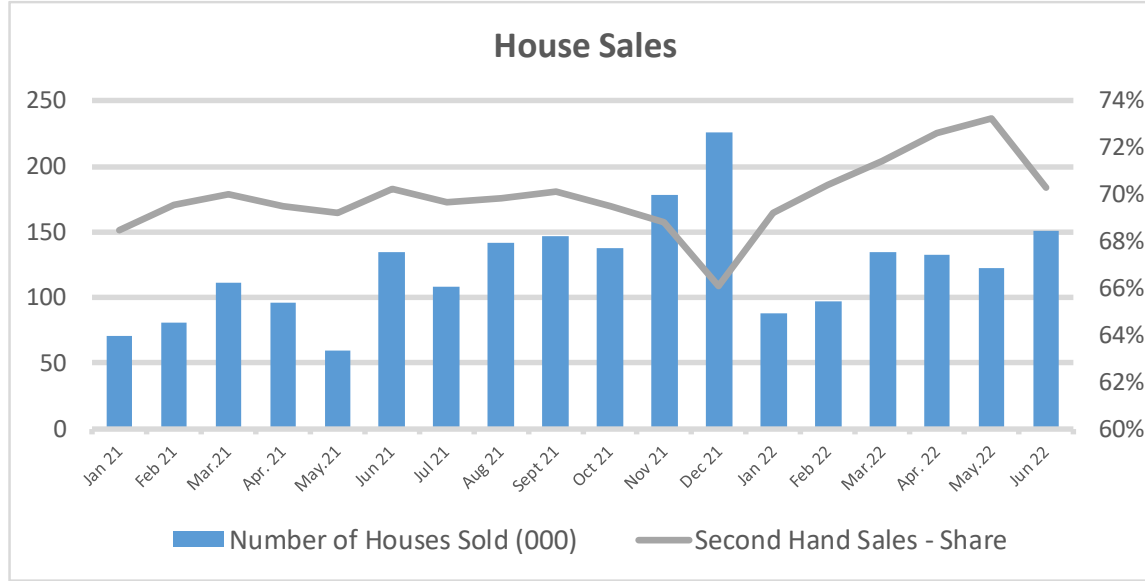


Impact of
Kalekim Lyksor

* If Kalekim Lyksor had been consolidated as of January 1, 2022, its contribution to net sales in the 6-month would have been approximately TL 216.3 million and TL 43,0 million to net profit.



Turkish Market: Construction Industry



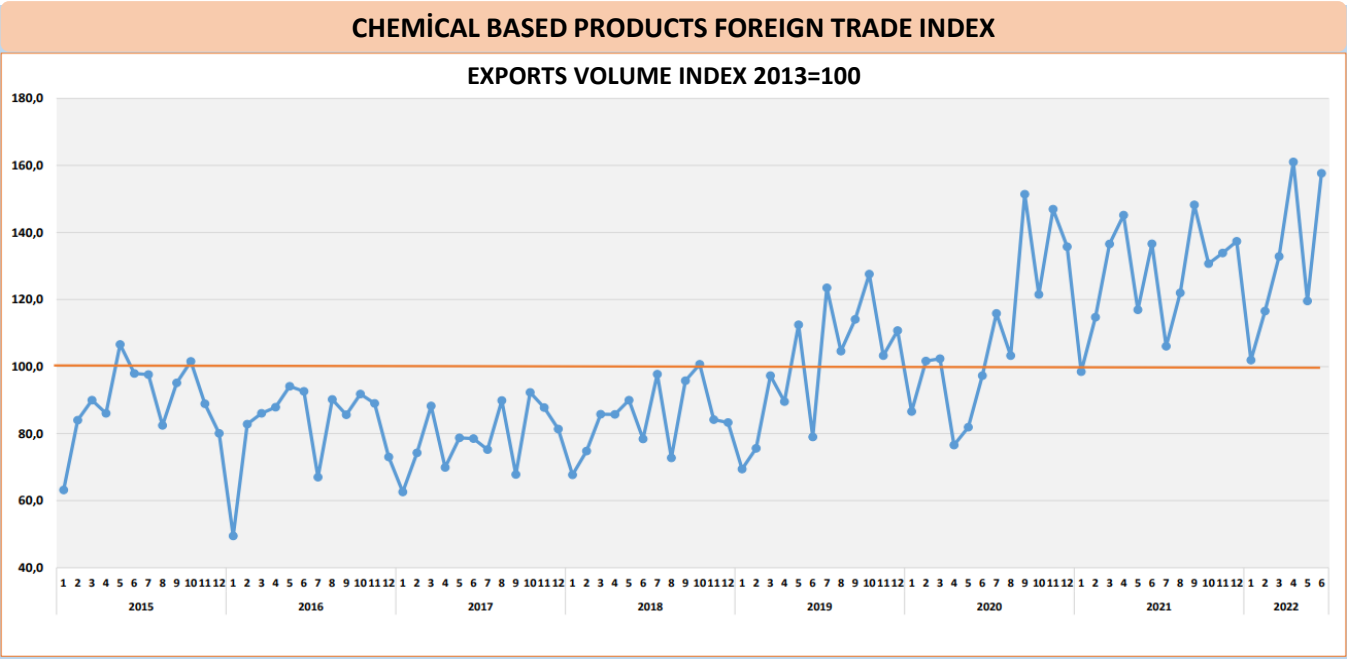
- With 40% increase recorded in Q2 in house sales, the increase reached 31% in the first half of 2022.
- Second-hand house sales accounted for 71% of total sales.
- After the high increase in the Q4 2021, a contraction in construction permits was observed in the first quarter of 2022.
- In terms of area, construction permits, which contracted by 22% compared to the Q1 2021, are 57% and 38% still higher compared to the same quarters of 2020 and 2019.



Export Markets: Construction Materials Industry

- In the January-May 2022 period, exports of construction materials increased by 29% compared to the same period of the previous year and reached USD 14.5 billion.
- In the same period, exports of construction chemicals, which increased by 28%, reached USD 313 million, and exports of construction paints & varnishes, which increased by 20%, reached USD 124.5 million.
- Measures taken by the central banks, which try to adopt a tight monetary policy in an inflationary environment, may have a negative impact on the demand for new construction and construction materials.

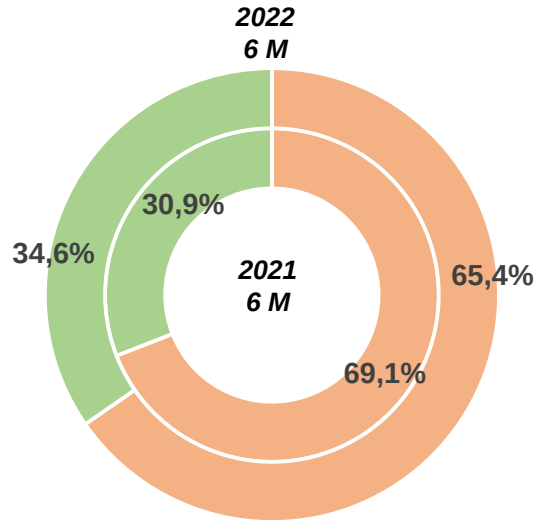
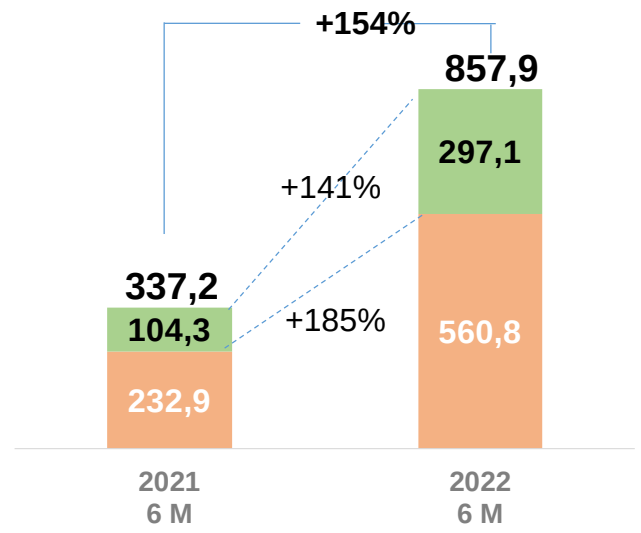
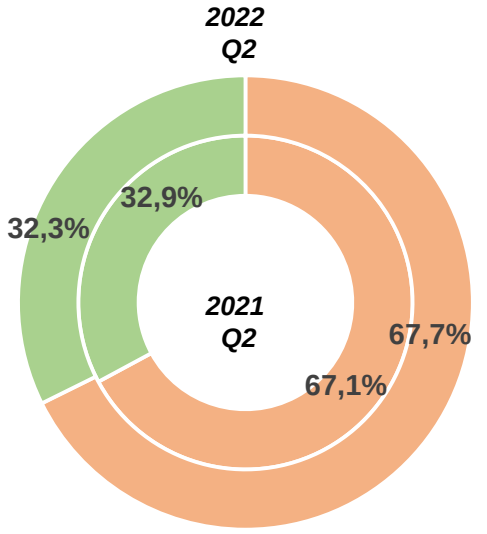
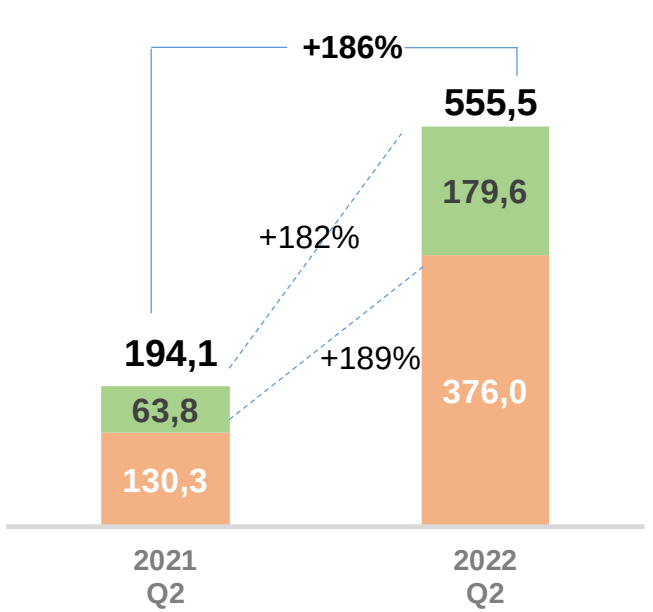
	Jan-May 2022 Exports (mio. USD)	Change vs. Jan-May '21
Construction Materials	14.455,0	+%28,8
- Construction chemicals	312,6	+%28,4
- Const. paints & varnishes	124,5	+19,7





Sales Growth & Breakdown by Region

TL million

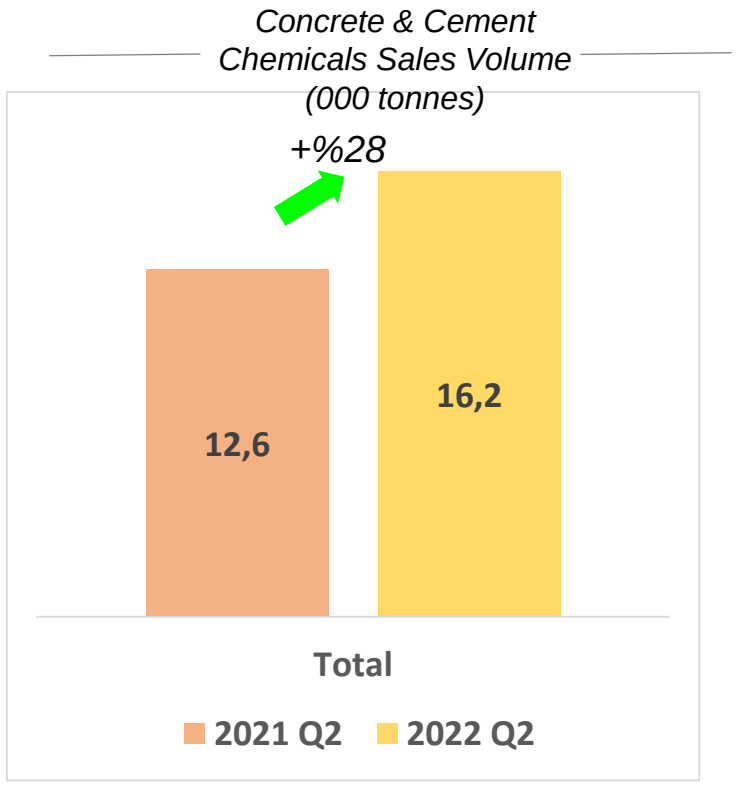
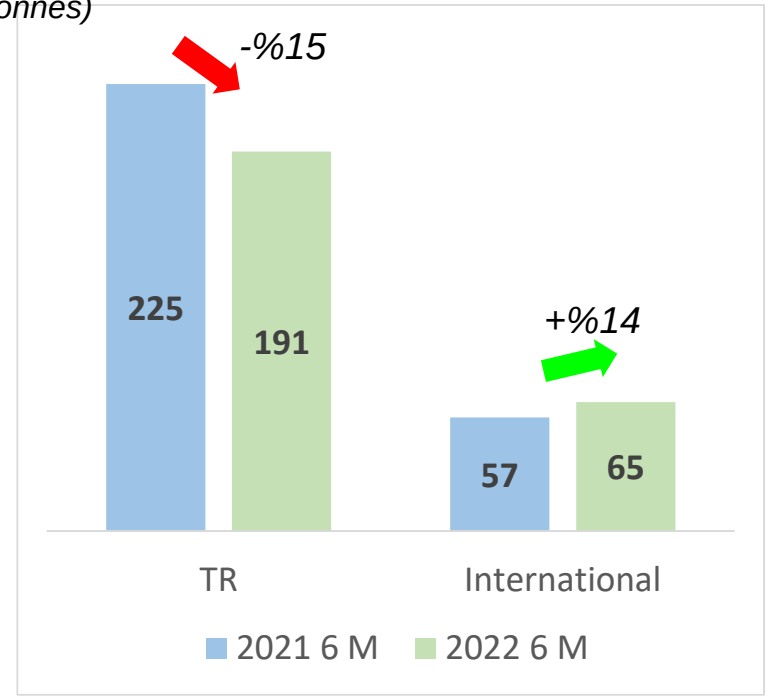
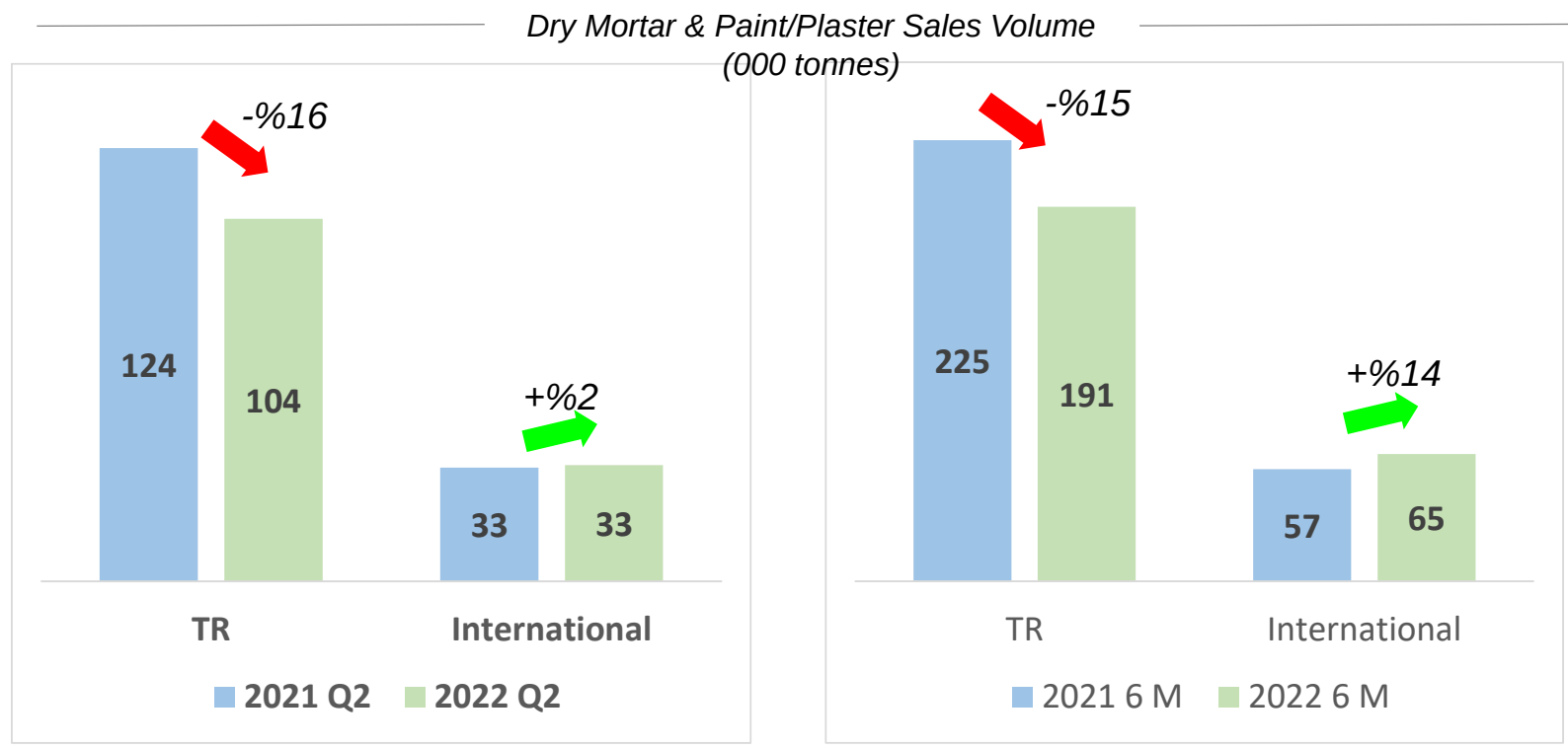


- Despite the changes in exchange rates and price adjustments, Turkey's share increased in the second quarter with the consolidation of Kalekim Lyksor.

- In the first half of the year, the share of international sales increased from 30.9% to 34.6%.

Sales Volume

- The volume contraction in the Turkish market continued in the second quarter of the year as well.
- Parallel to the concerns about the slowdown in the global economy, the strong growth in international sales (28%) in the first quarter slowed down, while the volume growth in the six-month period was 14%.
- Kalekim Lyksor, which was less affected by the developments in retail market, experienced 28% increase in sales volume.

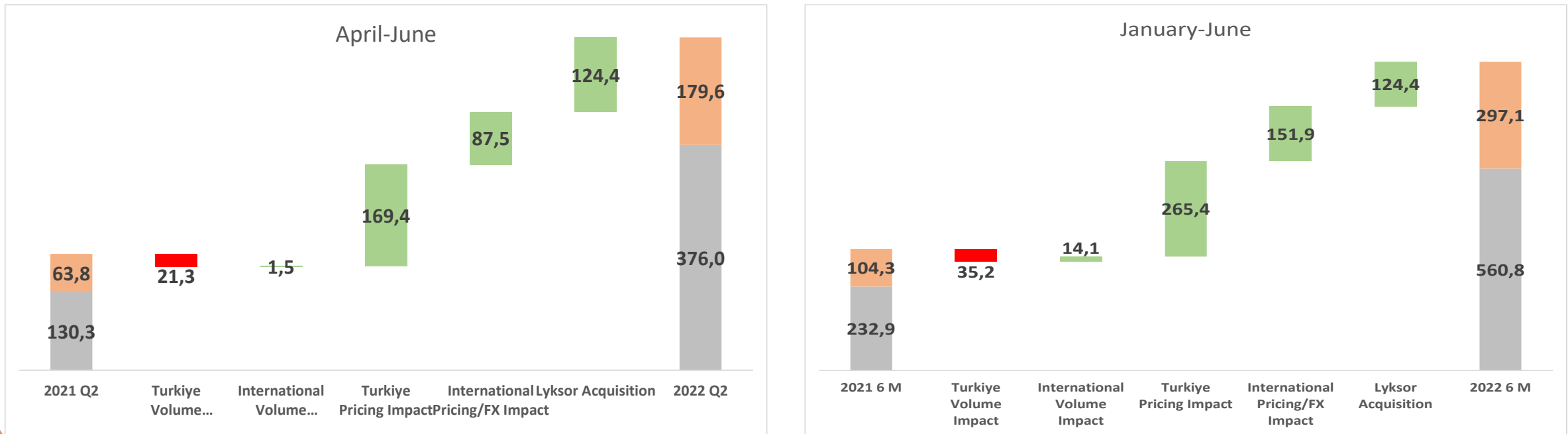




Sales Value

- In 2022 H1, when there was a volume contraction in the Turkish market, there was strong growth in net sales thanks to the volume increase in exports and the pricing power in Turkey and international markets.
- With the consolidation of Kalekim Lyksor* in the second quarter, the increase in net sales reached 186% in the second half of the year and 154% in the first half.

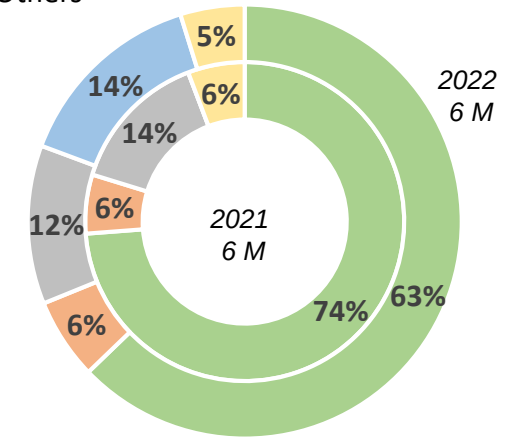
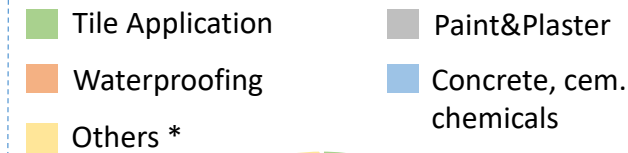
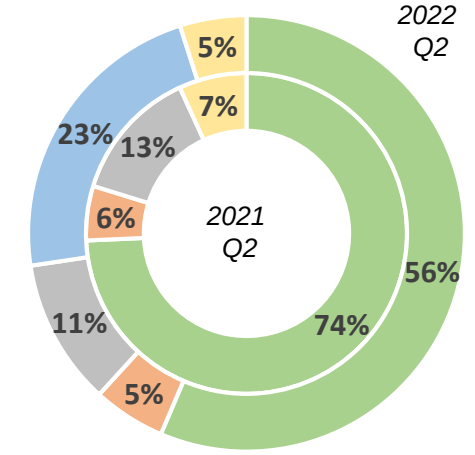
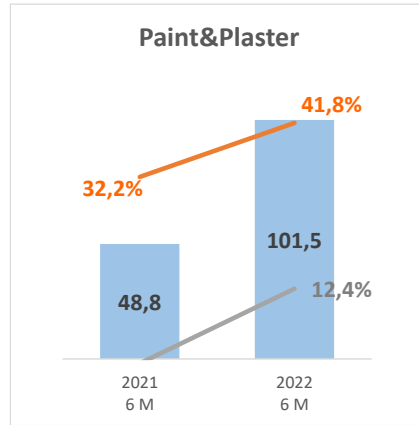
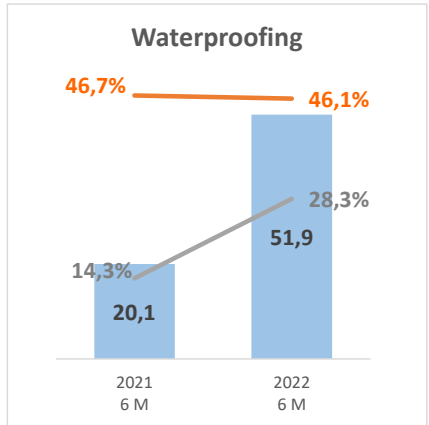
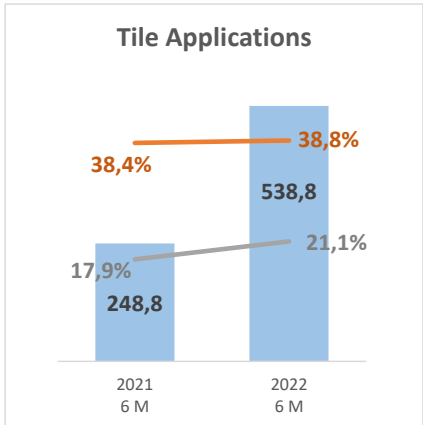
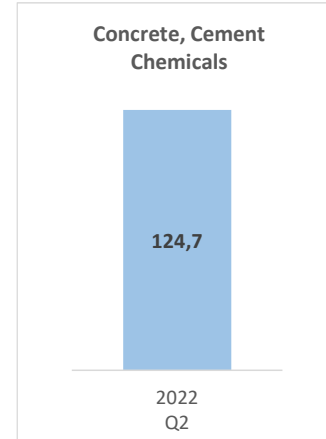
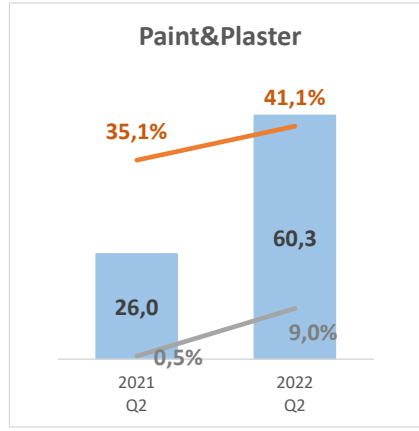
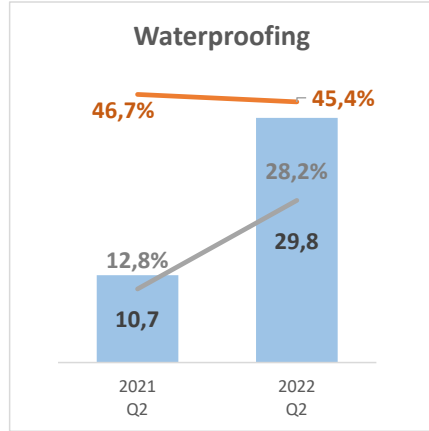
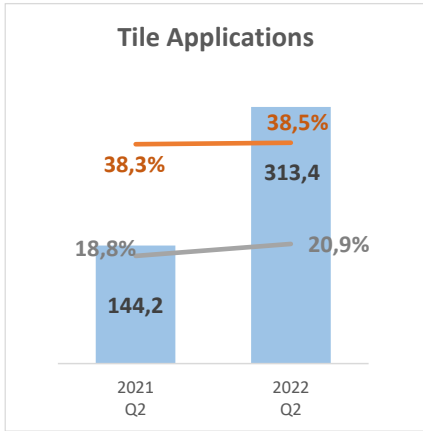
Net Sales (mio. TL)



* If Kalekim Lyksor had been consolidated as of January 1, 2022, its contribution to net sales in the 6-month would have been approximately TL 216.3 million.

Sales Growth & Profitability by Product Group

- Operational profit margins improved in all main product groups.
- With the consolidation of Kalekim Lyksor, concrete, cement chemicals and raw materials became the second largest product group in terms of sales.

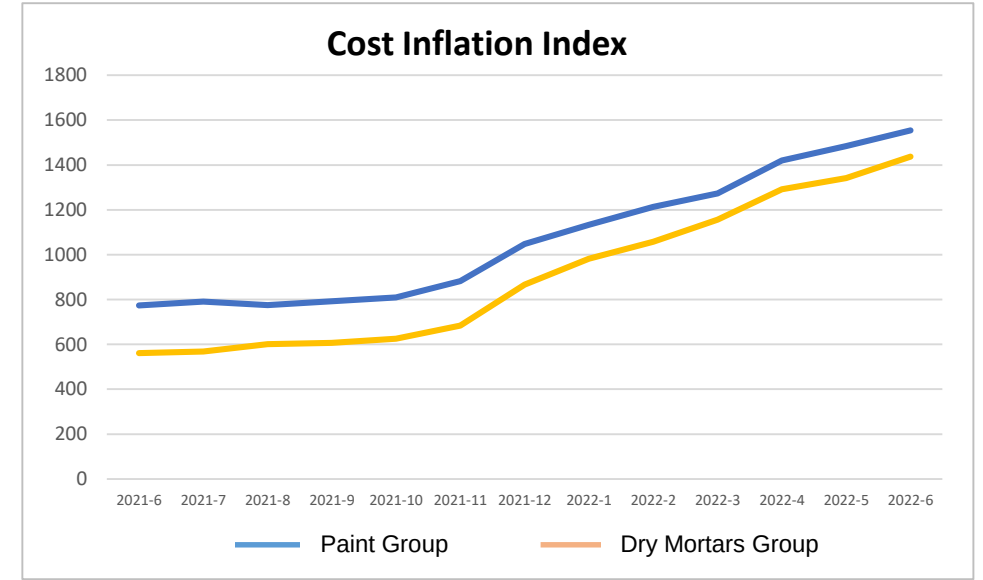


* Including thermal insulation & other various categories



Effective Supply Chain and Cost Management

- In the second quarter of 2022, in the chemical raw material markets, it was observed that raw material price increases continued with the effect of the Russia-Ukraine war, the increase in energy and logistics costs.
- By the end of June 2022, costs have increased Y-on-Y in dry mortars group and paint group by 271% and 199%, respectively.
- During the period, there was no disruption in the supply chain, thanks to long-term contracts with suppliers, alternative raw material studies and keeping stocks of raw materials in line with demand.
- The relation between cost and pricing was followed dynamically.





Other Developments

- The price for the **purchase of 75%** of the shares representing the capital of **Lyksor Chemicals**, whose share transfer transactions and registration were completed in the first half of April, has been finalized as TL 140.6 million after the closing adjustments in the contract.
- New capacity investment for dry mortar line in our **Mardin plant** in Organized Industrial Zone was completed and the factory's capacity of 90.000 tons was increased to 220.000 tons.
- After the IPO, in our first year in BIST, we distributed TL 50 million to our shareholders in line with our **dividend** policy.





Other Developments

- We took part in the **Festiculture Fair** held in **Lyon, France** on May 13-15.
- We participated **Construct Iraq Fair** on May 24 -26 in Erbil, Iraq.
- In May, the advertising campaign of our **Bi'Boya brand** was broadcast on TV, radio and digital channels.
- The applicator dealer of **Visuelle**, our decorative paint application, was opened in Ankara.
- In the first half of the year, more than **11 thousand masters** were reached with a total of **99 training and seminar** activities in Turkey and abroad.
- We were among the sponsors of the 5th **Mardin Biennial**, which was held between 20 May - 20 June.



Lyon, Fransa



Erbil, Irak



Financial Statements



P&L Statement

<i>TL million</i>	2022 Q2	2021 Q2	2022 Q1	Y-on-Y Change	Q-on-Q Change	2022 6-Month	2021 6-Month
Net Sales	555,5	194,1	302,4	186%	84%	857,9	337,2
Gross Profit	209,3	73,8	121,9	184%	72%	331,3	127,1
Margin	37,7%	38,0%	40,3%			38,6%	37,7%
Operating Profit	114,8	29,1	62,5	295%	84%	177,4	47,2
Margin	20,7%	15,0%	20,7%			20,7%	14,0%
Profit Before Tax	128,7	35,2	85,4	265%	51%	214,1	59,2
Margin	23,2%	18,1%	28,2%			24,9%	17,6%
Net Profit	114,3	27,6	70,8	313%	62%	185,1	51,7
Margin	20,6%	14,2%	23,4%			21,6%	15,3%
EBITDA	124,5	34,3	69,9	263%	78%	194,4	59,1
Margin	22,4%	17,7%	23,1%			22,7%	17,5%



Balance Sheet

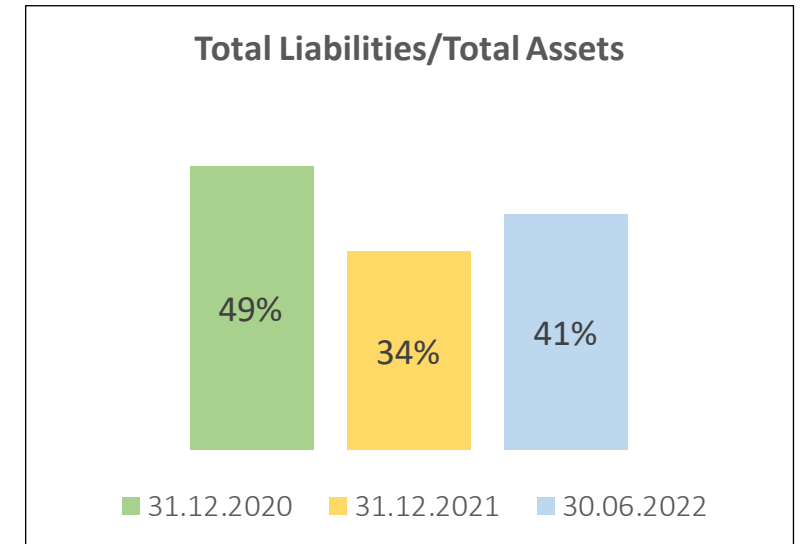
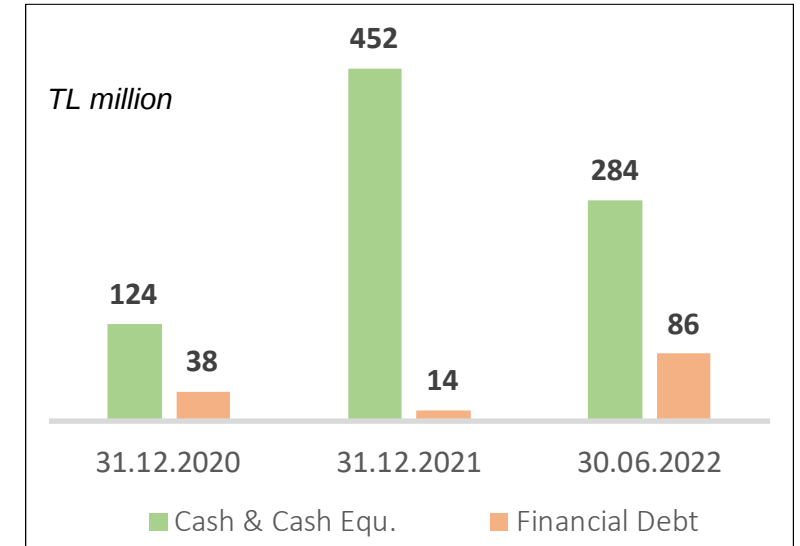
<i>TL million</i>	30.06.2022	31.12.2021		30.06.2022	31.12.2021
Current Assets	1.006,4	753,2	Current Liabilities	514,6	316,0
Cash & Cash Equivalents	283,5	452,3	Trade Payables	318,0	236,3
Trade Receivables	473,7	197,8	Deferred Incomes	29,2	46,6
Inventories	199,0	75,6	Provisions	45,2	15,5
Others	50,1	27,5	Others	122,1	17,6
Non-current Assets	339,1	230,9	Non-current Liabilities	37,3	23,9
Tangibles Assets	173,8	140,3	Financial Liabilities	13,4	8,8
Intangible Assets	14,8	14,7	Provisions	23,9	15,1
Properties for Investment Purpose	50,9	51,1	Total Equity	793,6	644,3
Others	99,6	24,8	Paid-in Capital	115,0	115,0
TOTAL ASSETS	1.345,5	984,1	TOTAL LIABILITIES & EQUITY	1.345,5	984,1



Liquid and Strong Balance Sheet

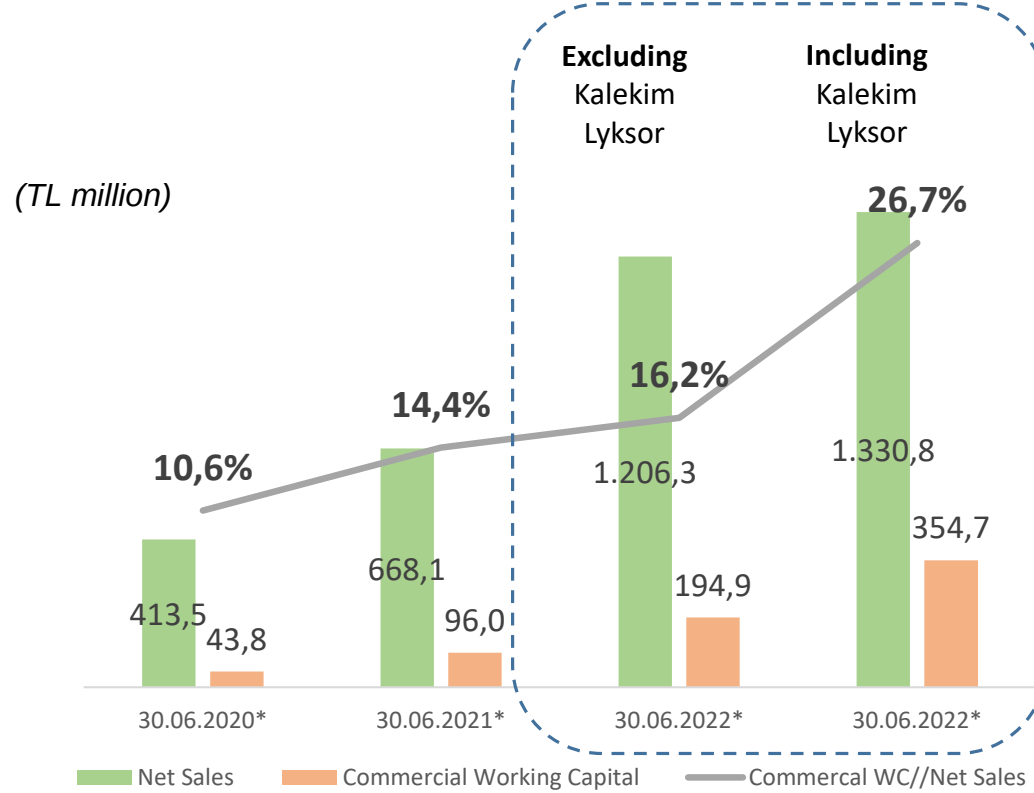
- In April, dividend payment of TL 50 million was made and a sum of TL 139 million was paid for the acquisition of Lyksor shares.
- At the end of 2022 Q2, cash and cash equivalents, including financial investments, totalled TL 284 million.
- By June 30, around 33% of the total cash of TL 284 million, was held in FX-protected TL deposits and another 27% in USD and EUR deposits.
- Out of TL 86 million financial debt, around TL 66 million stands on Kalekim Lyksor balance for the working capital need of that company.
 - The remaining amount of around TL 20 million is due to short and long term leasing agreements.
 - Based on the annualized EBITDA of Kalekim Lyksor, net debt/EBITDA stands at around 0,5 times.

* Financial investments also are included since FX-protected cash deposits are classified under this item.





Commercial Working Capital



- As receivables have increased seasonally and inventories were strategically expanded in some product categories, the working capital need of the company has increased.
- Despite the fact that there has been improvement in net WC needs of Kalekim Lyksor, consolidation of the company has also contributed to this increase.

Number of Days	June 30, 2020	June 30, 2021	June 30, 2022
Trade Receivables	96	68	70
Inventories	34	33	47
Trade Payables	144	110	95

* Last 12-months sales are considered.

2022 Guidance



2022 Guidance

PREVIOUS

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ❑ Net Sales : %80-%100 <li style="padding-left: 20px;">- Dry Mortar : In line with 2021 (tonnes based) <li style="padding-left: 20px;">- Paint & Plaster : Around %20 growth (tonnes based) ❑ EBITDA Margin : Around %20 ❑ CAPEX : TL 130 -150 mio. ❑ Net Working Capital/
Net Sales : < %10 | + | <p><u>Kalekim Lyksor</u></p> <p>TL 325-350 mio.</p>

<p>Around %20</p>

<p>< TL 5 mio.</p> |
|--|---|---|

UPDATED

- ❑ Net Sales : %130-150
- Dry Mortar : Decrease of around 15%
(tonnes based)
- Paint & Plaster : Low single-digit volume growth
(tonnes based)
- ❑ EBITDA Margin : Around %20
- ❑ CAPEX : TL 90 -110 mio.
- ❑ Net Working Capital/
Net Sales : %10-%15



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