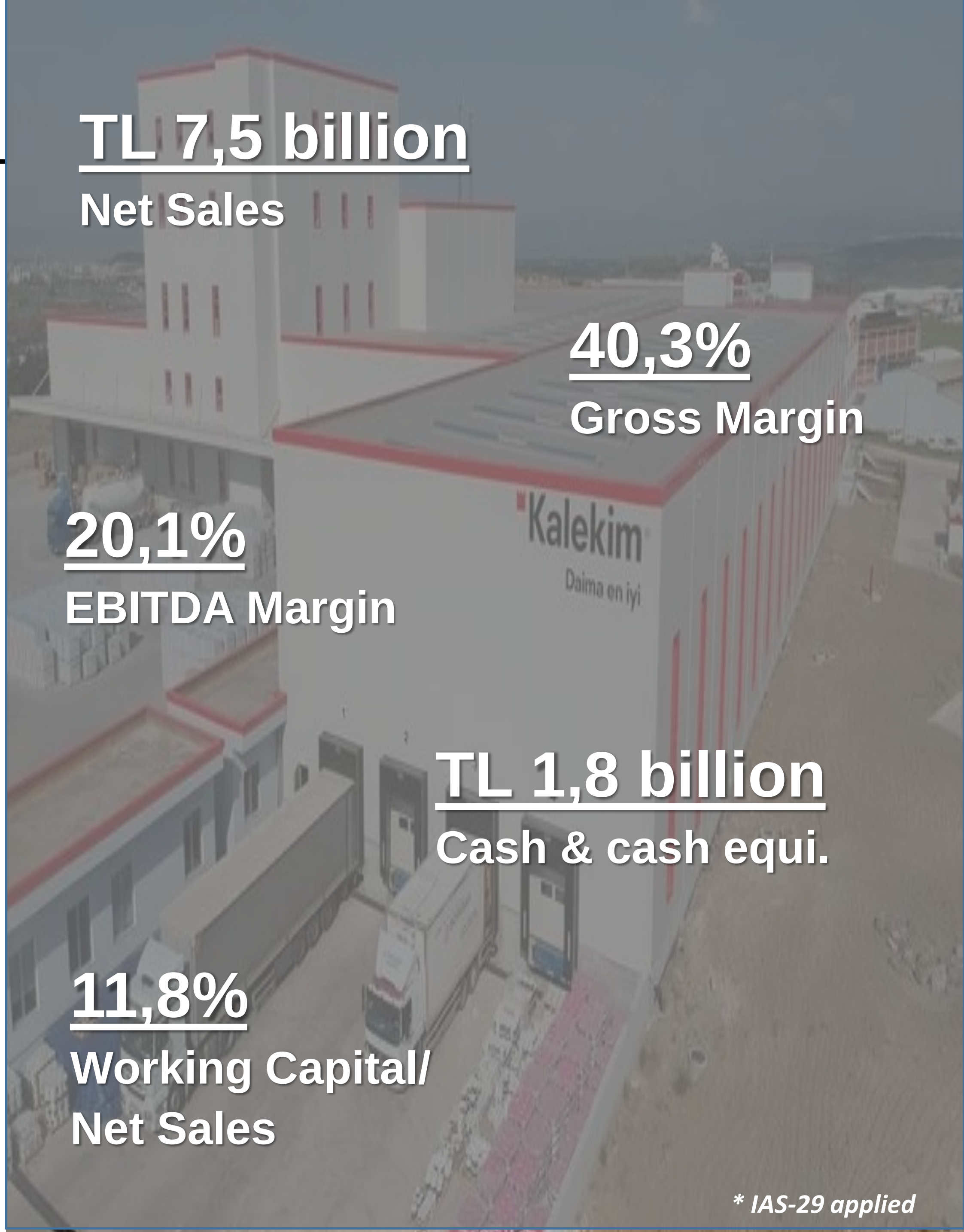
2024 Q4
Operational Results

March 6, 2025

2024 Highlights

- 11% increase in total sales thanks to continued strong performance in Turkiye (+7%) and exports (+13%)
- EBITDA margin of over 20% sustained despite the pressure on export profitability due to appreciating TL
- Investments focused on growth and sustainability
    - ➢ Ongoing factory construction in Iraq...
    - ➢ Commissioning of SPP ✓
    - ➢ Leased production facility in Muğla ✓
    - ➢ K. Lyksor's production investments in Mersin & Istanbul ✓
- Inclusion in the BIST Sustainability Index and signing the UN Global Compact
- Ongoing search for inorganic growth in Turkiye
- Continuing studies for growth in potential overseas markets



2024 Guidance vs. Actuals

	Guidance based on 2024 budget Feb 15, 2024	Latest Guidance revision Nov. 11, 2024	2024 Actuals	
❑ Net Sales (USD)	5%-10% growth	> 10% growth	11%	✓
- Turkiye *(tonnes based)*	5%-10% growth	5%-10% growth	10% growth	✓
- International *(tonnes based)*	15%-20% growth	>25% growth	29% growth	✓
❑ EBITDA Margin	20%-25%	20%-25%	20,1%	✓
❑ CAPEX	TL 700-800 mio.	TL 700-800 mio.	TL 597 mio.	<
❑ Working Capital/Net Sales	Around 10%	10%-15%	11,8%	✓

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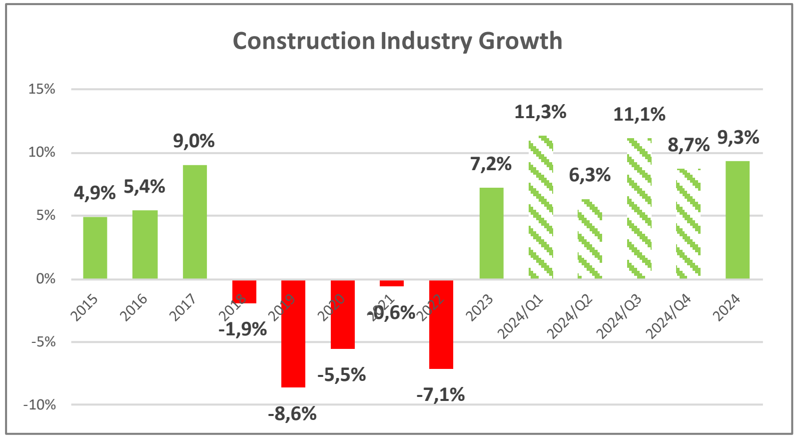
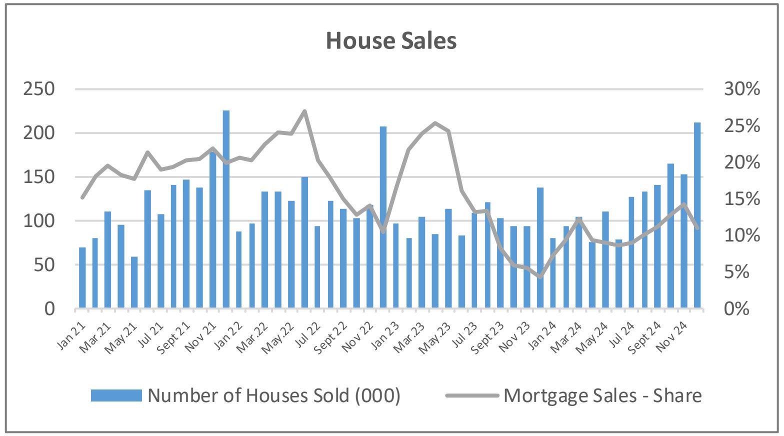
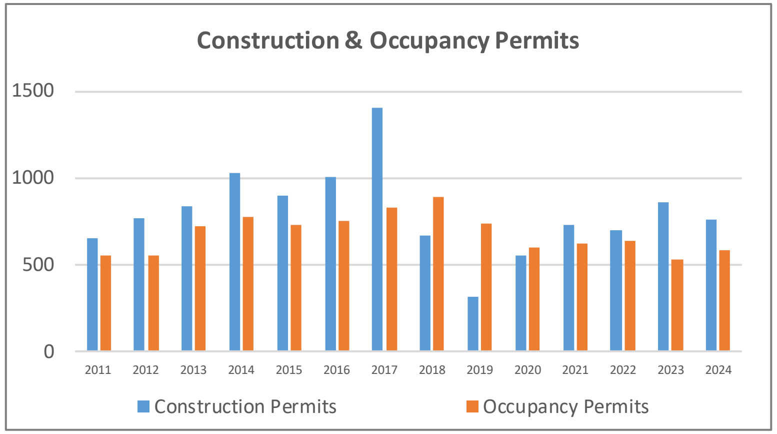
Turkish Market: Construction Industry







- Construction sector, which **contracted for 5 consecutive years between 2018-22**, made **positive a contribution** to economic growth **in 2024 after 2023.**
- Although the sector maintained growth momentum in 2024 due to **reconstruction works in the earthquake zone** and the **urban transformation projects** that gained momentum after the local elections, it **remained far from compensating for the losses of the 2018-22 period.**

- With the momentum achieved in the second half of the year, there was a **21% increase in housing sales in 2024.**
- Due to high credit costs, **mortgage sales fell to a historic low of 11%.**
- In the **2013-19** period**, an average of 45% of sales consisted of new houses,** while this rate was **31% in the 2020-24** period due to the **slowdown in housing production.**

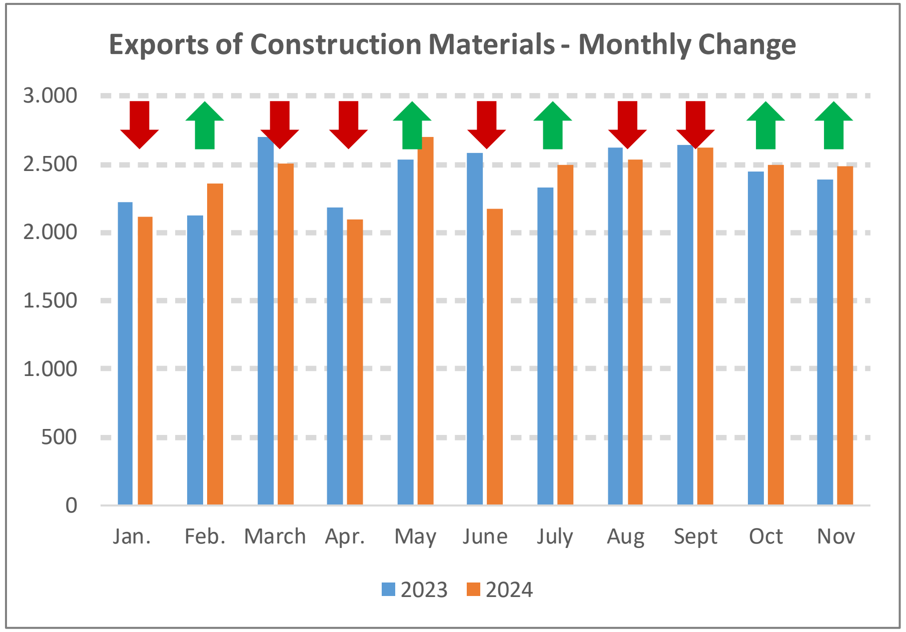
- **Building construction permits** issued in 2024 **decreased by 12%** to 758 K. *(Last 10 Year average 790 K)*
- **Building occupancy permits**, which show completed houses, **increased by 10% in 2024** (586 K), after the lowest level of the last 13 years (535 K) in 2023. *(Last 10 Year average 694 K)*

Source: TÜİK, İMSAD

Export Markets: Construction Materials Industry

- The shrinkage in the construction sector in Europe, which is our main export market as a country, continues to limit the country's exports.
- While our country's exports remained relatively flat in 2024 with approximately 29 billion USD (-0.5%), exports of construction chemicals and construction paint & varnish products, which are the main product groups of our company, increased by 1.3% and 2.5%, respectively.
- In Iraq, which is Kalekim's main export market, the construction sector continues its strong performance

Exports (USD mio.)	Jan. – Dec. 2024	Jan. – Dec. 2023	Difference
Construction Materials	**29.033**	**29.190**	**-%0,5**
- Construction Chemicals	923	911	%1,3
- Constr. Paint & Varnish	426	416	%2,5



Source: İMSAD

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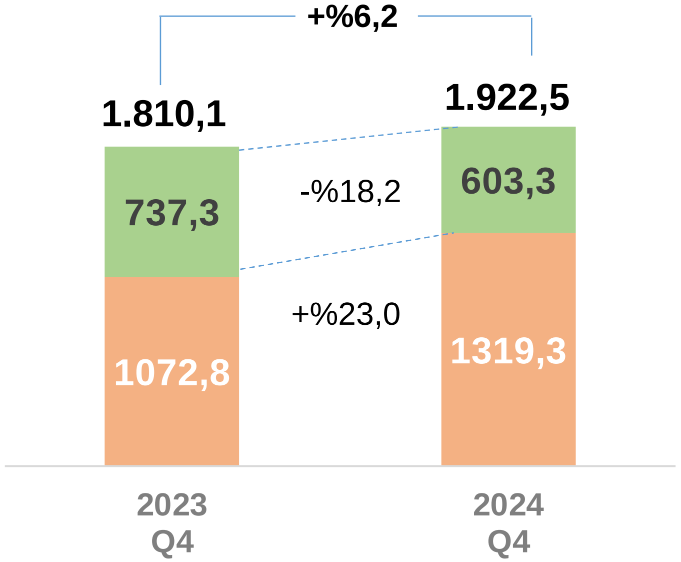
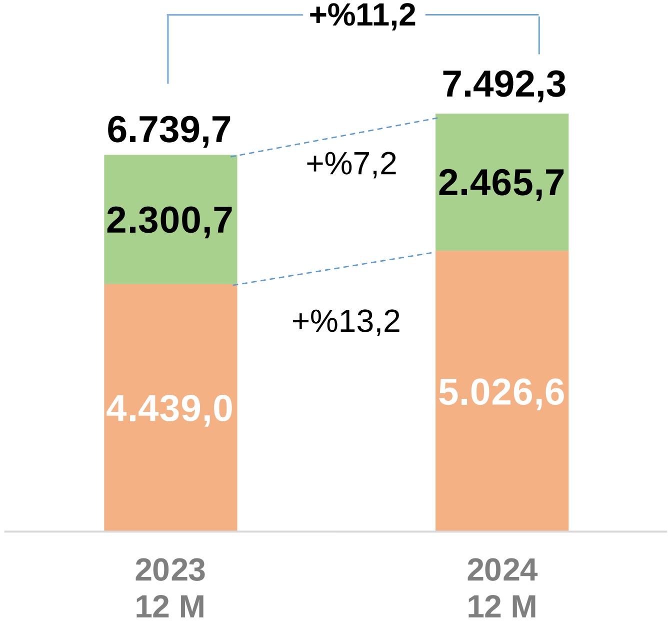
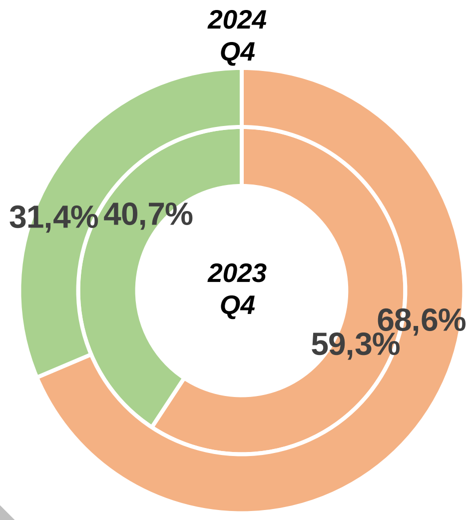
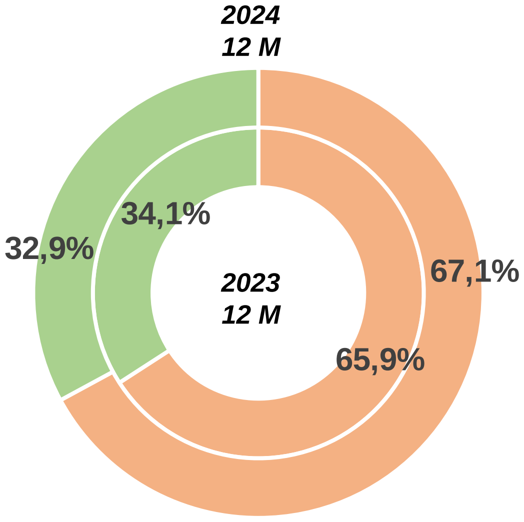
Sales Growth & Breakdown by Region

TL mio.









- Due to the low exchange rate increase and high inflation indexation, especially in the last quarter of the year, it is seen that the share of international sales in total sales decreased by appr. 900 bps..
- Since the impact of the same factors on the whole year is more limited, the share of international sales in total turnover decreased by approximately 100 bps in the whole year, despite the high volume increase abroad.

Türkiye International

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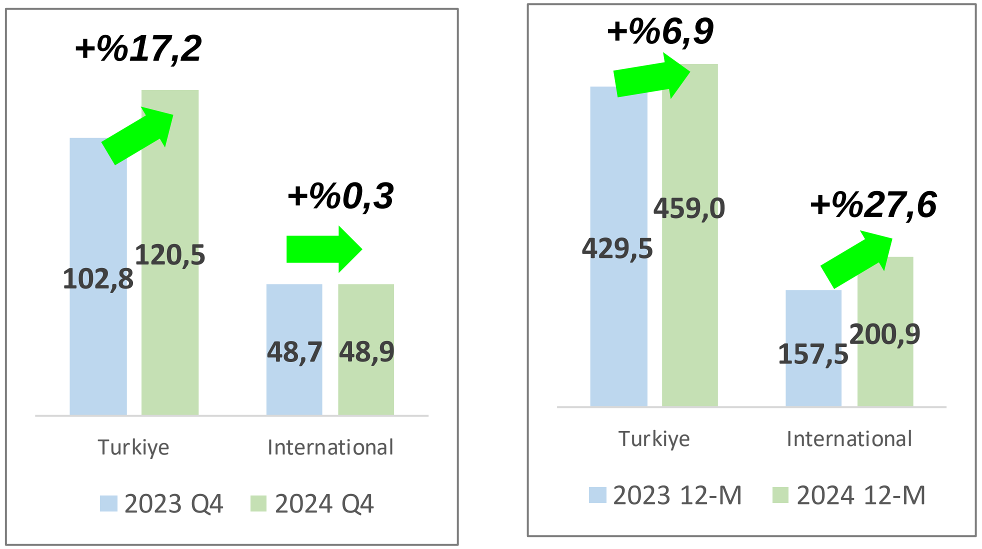
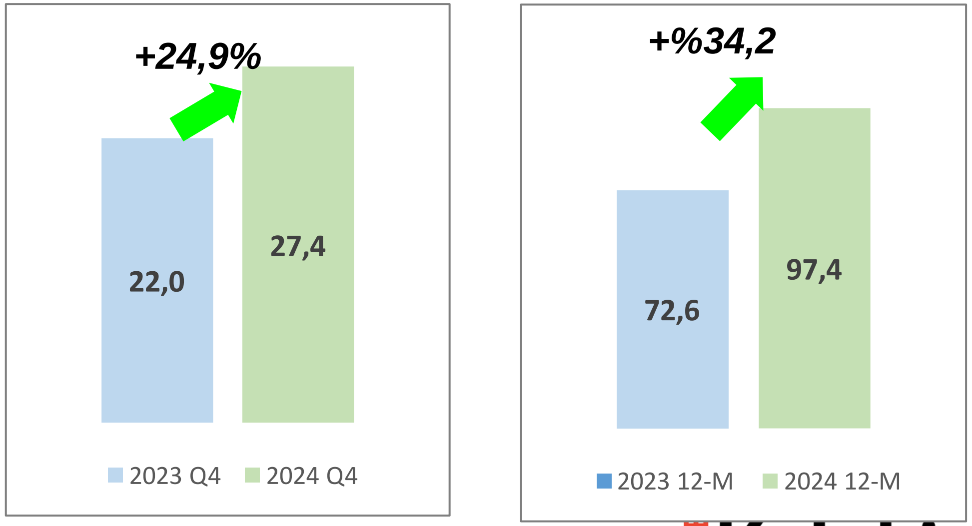
Sales Volume Growth

- In the dry mortar and paint/plaster categories, export volumes remained flat in the last quarter of the year largely due to the elections in Iraq, while strong growth continued in the domestic market.
- In the whole of 2024, sales of dry mortar and paint/plaster products grew by approximately 7% in Turkiye, while a volume increase of more than 27% was achieved in exports, mainly in Iraq.
- K. Lyksor, which achieved a volume increase of 25% in the last quarter in the concrete & cement chemicals product groups, recorded a growth of more than 34% in whole year.
- In 2024, **consolidated volume growth of 10.0%** and **28.8%** were **achieved in Turkiye** and in **international markets, respectively.**

Dry Mortar & Paint/Plaster Sales Volume (000 tons)



Concrete & Cement Chemicals Sales Volume (000 tons)



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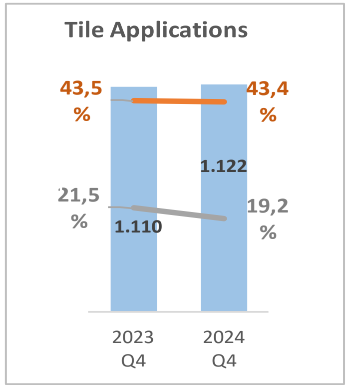
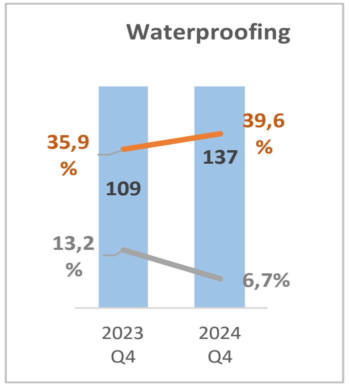
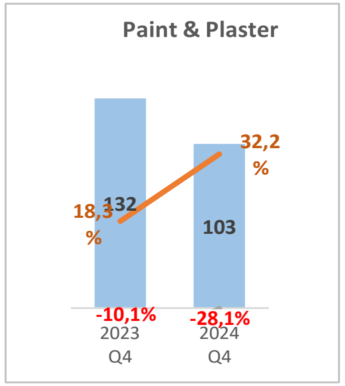
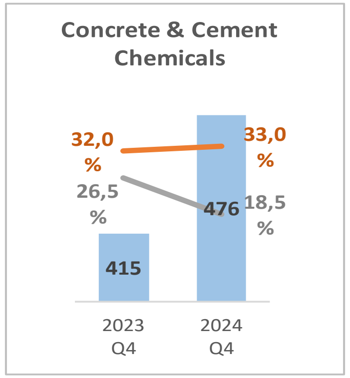
Sales Growth & Profitability by Product Group

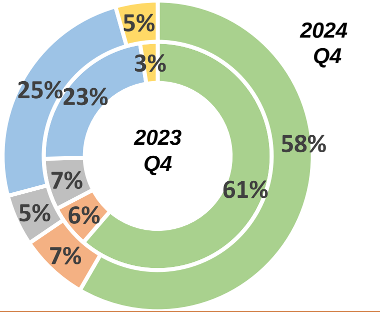
- While profit margins are maintained in tile applications, where we are by far the leader in the sector and which constitute 60% of our turnover, there may be periodic declines in the margins of other categories due to periodic actions, competitive conditions, market and organizational investments in line with growth targets.



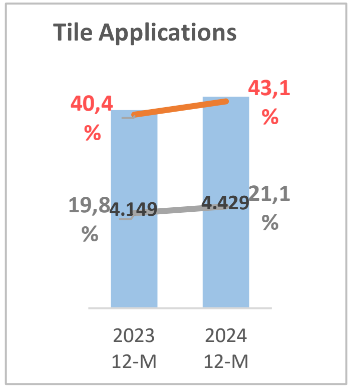


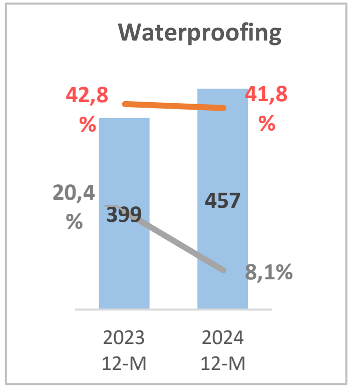


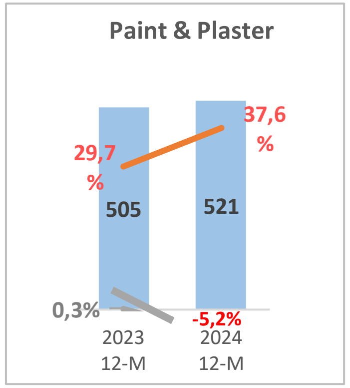


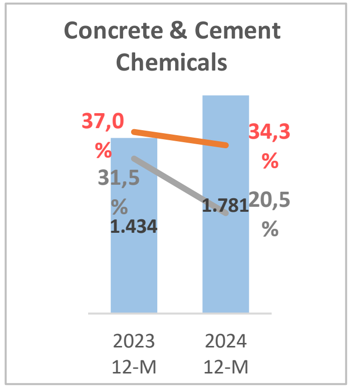


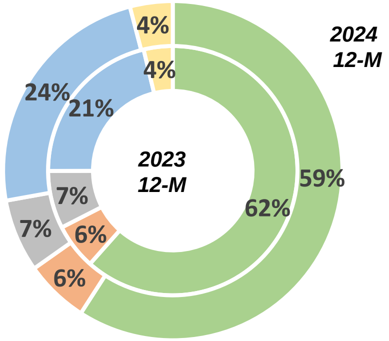
Tile Applications
Waterproofing
Others *
Paint& Plaster
Cement & Concrete Chemicals











Net Sales (TL million) – After Eliminations
Gross Profit Margin
Operating Profit Margin

*Heat insulation and other

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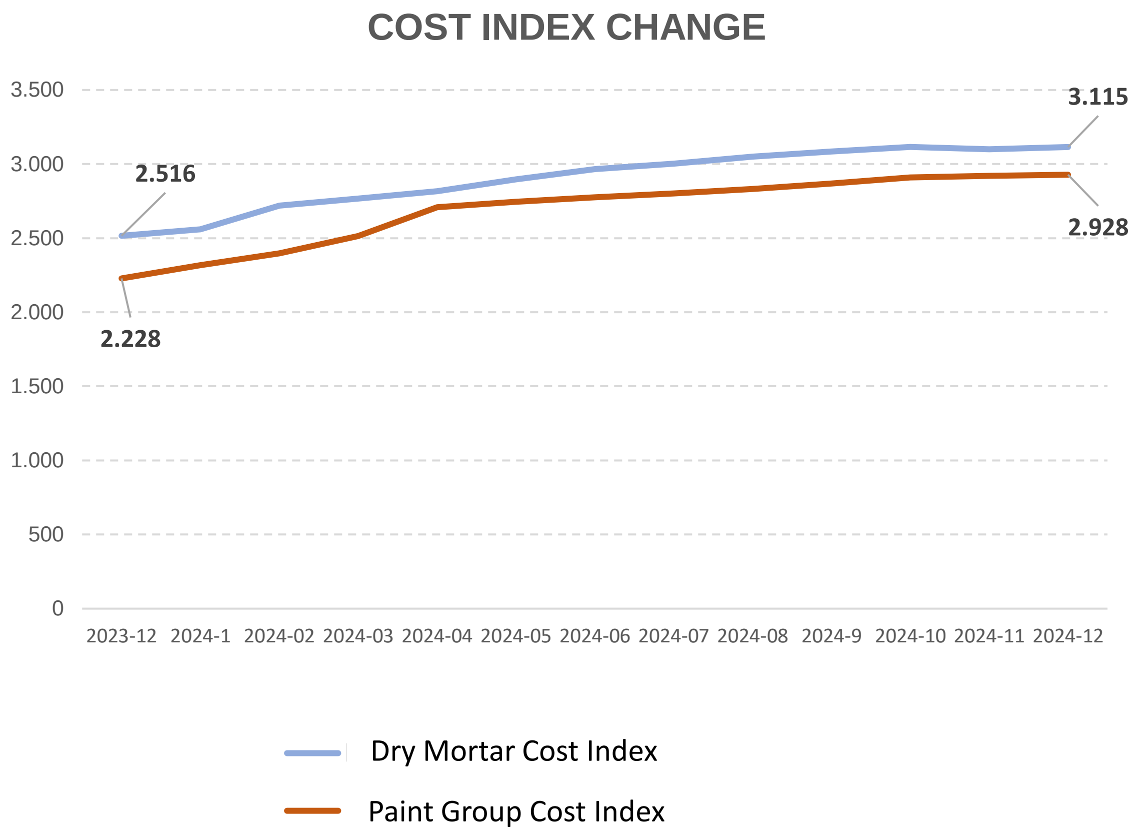
Effective Supply Chain and Cost Management

- Prices in chemical raw material markets remained in line with the second quarter due to the decline in global demand and freight prices.

- Apart from the exchange rate effect, the increase in cost inflation was driven by changes in cement, fillers and packaging materials.

- As of the end of December 2024, in the last 12M, the dry mortars cost index increased by 24% and the paint group by 31%.



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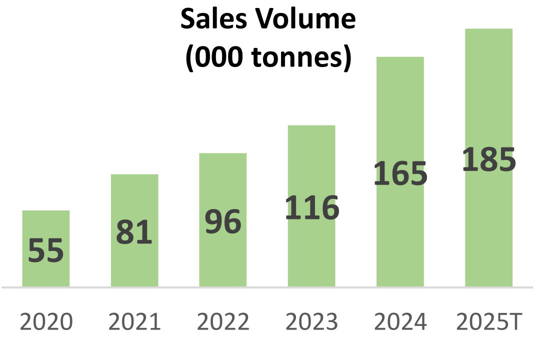
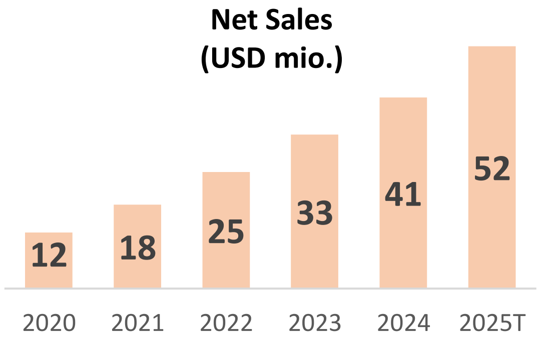
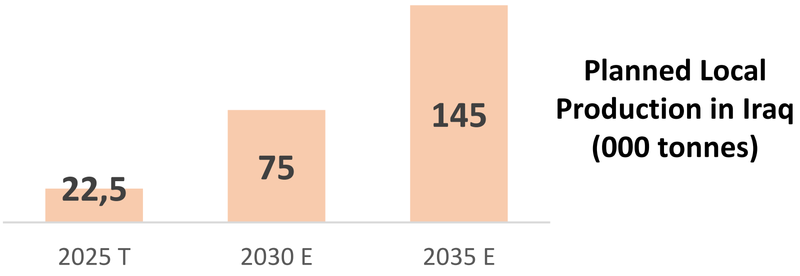
Iraq Investment

- By the end of 2024, the rough construction has been accomplished and most of the finishing works have been completed.
- The shipment of the necessary machinery and equipment for the preparation of the facility for production has started.
- Trial production is expected to start at the end of March ‘25 and mass production is expected to start in Q2.
- With the start of production at the facility, some of the current shipments from Mardin and Mersin will be produced locally, and product segments that we cannot enter at the moment will be entered.
- According to the opening speed of the Syrian market, the issues of increasing the capacity of both the factory in Iraq and the factory to be moved to the OIZ in Mersin are on our agenda.





T: Target
E: Estimate



Other Investments

ROMANIA

- Sales and marketing activities are ongoing. (2024 sales: USD 1,3 mio.)
- In addition to the domestic market potential, local production opportunities are being explored to also enter Ukrainian market after a possible Russia-Ukraine peace.
- In 2025, the search for local incentives for production on land in Constanța (37,700 m²) is expected to be concluded.

MUĞLA FACILITY

- In line with the goal of increasing the capacity in the South Aegean-Western Mediterranean region and processing and reusing the waste marble pieces, we purchased the factory, in which we were a tenant, with a closed area of 2,020 m² and an open area of 5,652 m² in the province of Muğla.
- With a targeted capacity of 30 thousand tons, low-cost products, such as rough plaster, will be produced.

KALEKİM LYKSOR

- Our subsidiary, which aims to increase its share in the concrete admixtures market in Turkiye and export markets, started production with a capacity of 150 K tons in Tuzla, Istanbul with an investment of approximately USD 1.9 million. (Dec'24)
- K. Lyksor's efforts to establish a company in Romania are also continuing.

SPP INVESTMENT

- With the SPP investment commissioned in the second half of 2024, 5,650 MW of renewable energy was produced.
- With the realization of renewable energy production throughout 2025, Scope 2 emissions will be zeroed.
- The energy needs of its six facilities in Istanbul, Isparta, Yozgat, Mardin, Erzurum and Balıkesir are provided by clean energy sources.

Marketing Activities

TURKİYE

- Our activities for our masters, who are one of the main elements of our leadership and competitive advantage in the domestic market, have continued.

  - Throughout the year, we met with a total of 12,329 masters at 66 locations.

  - The Kalekim Master Club platform has been taken one step further and its mobile application has been implemented.

INTERNATIONAL

- Fair participations were realized in target markets.
  - Mosbuild - Russia
  - Construct Iraq - Iraq
  - Djibouti Int. Trade Fair - Djibouti
  - Batimat - France
  - Turkish Export Product.Fair - Turkmenistan

- Outdoor advertising activities continued at strategic points.

Romania

Albania

- Seminars and dealer meetings were held in Iraq, Georgia, the Balkans, France and Russia.

Financial Statements

IAS-29 Applied

P&L Summary*

* IAS-29 APPLIED

(TL mio.)	2024 Q4	2023 Q4	Y-on-Y Change	2024 12-M	2023 12-M	Y-on-Y Change
Net Sales	1.922,5	1.810,1	*6,2%*	7.492,3	6.739,7	*11,2%*
Gross Profit	761,1	695,3	*9,5%*	3.016,1	2.604,8	*15,8%*
Margin	*39,6%*	*38,4%*		*40,3%*	*38,6%*	
Operating Profit	280,1	349,6	*-19,9%*	1.297,4	1.352,3	*-4,1%*
Margin	*14,6%*	*19,3%*		*17,3%*	*20,1%*	
Profit Before Financing	294,6	434,4	*-32,2%*	1.314,7	1.557,7	*-15,6%*
Margin	*15,3%*	*24,0%*		*17,5%*	*23,1%*	
Financial Income	235,1	96,7		661,1	344,1	
Financial Expense	-63,2	-66,6		-313,4	-194,0	
Monetary Gain (Loss)	-73,0	-141,4		-493,0	-766,4	
Profit Before Tax	393,5	323,0	*21,8%*	1.169,5	941,4	*24,2%*
Margin	*20,5%*	*17,8%*		*15,6%*	*14,0%*	
Net Profit	367,2	452,2		989,5	656,8	*50,7%*
Margin	*19,1%*	*25,0%*		*13,2%*	*9,7%*	
EBITDA	**341,5**	**395,8**	***-13,7%***	**1.502,3**	**1.527,7**	***-1,7%***
Margin	*17,8%*	*21,9%*		*20,1%*	*22,7%*	

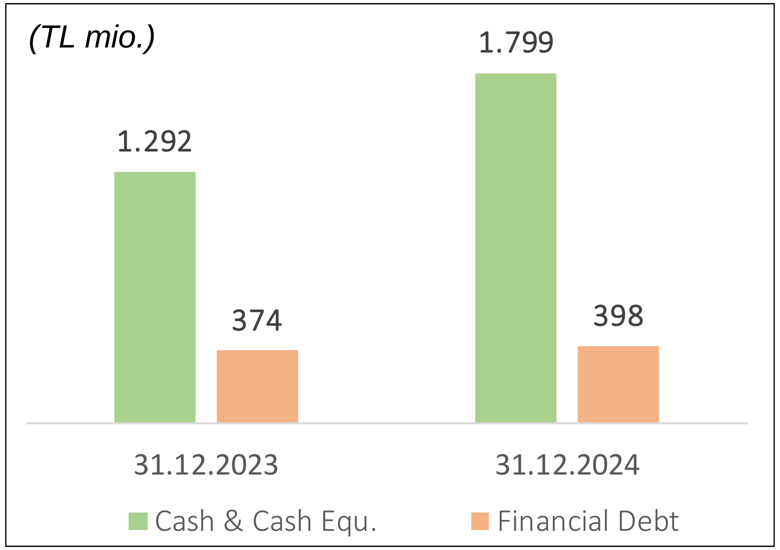
Balance Sheet *

** IAS-29 APPLIED*

(TL mio.)	31.12.2024	31.12.2023		31.12.2024	31.12.2023
Current Assets	**3.896,5**	**3.294,4**	**Current Liabilities**	**1.858,6**	**1.785,1**
Cash & Cash Equivalents	1.733,2	1.291,7	Bank Loans	330,1	317,6
Financial Investments	66,2	0,5	Lease Liabilities	26,1	20,7
Trade Receivables	1.342,7	1.274,9	Trade Payables	1.004,3	1.057,2
Inventories	547,5	475,1	Deferred Incomes	308,8	177,4
Prepaid Expenses	25,6	80,5	Provisions	117,9	84,1
Current Tax Assets	32,3	98,2	Others	71,4	128,0
Others	149,0	73,5	**Non-current Liabilities**	**145,4**	**140,8**
Non-current Assets	**2.686,6**	**2.277,4**	Bank Loans	0,0	0,0
Tangibles Assets	1.986,8	1.558,9	Provisions	49,8	52,8
Intangible Assets	168,9	167,7	Lease Liabilities	42,0	35,8
Properties for Investment Purpose	190,2	205,1	Deferred Tax Liabilities	53,6	52,2
Deferred Tax Assets	159,5	191,3	**Total Equity**	**4.579,1**	**3.645,8**
Others	181,2	154,3	Issued Capital & Inflation adj.	2.047,3	2.047,3
TOTAL ASSETS	**6.583,0**	**5.571,8**	**TOTAL LIABILITIES & EQUITY**	**6.583,0**	**5.571,8**

Cash and Financial Debt Structure

- At the end of the 2024 Q4, the total amount of cash, cash equivalents and financial investments, which increased by 39% compared to 2023-end, was TL 1.8 billion.
- The breakdown of total financial debt of TL 398, which is up only 6% from 2023-end, is as follows:
  - ❑ TL 68 mio. from short and long-term leasing
  - ❑ Loans provided under favorable conditions and used in SPP investment is TL 187 million
  - ❑ TL 143 mio. for the loan needs of K. Lyksor A.Ş.
- As the consolidated **net cash** position is TL 1,4 bln., **net debt/ EBITDA** is at -0,93, and 0,45X for K. Lyksor, which had a net debt of TL 174 million.
- In line with the Group's borrowing strategy, some FX open positions are carried as of the end of the year. (~TL 86 mio.)



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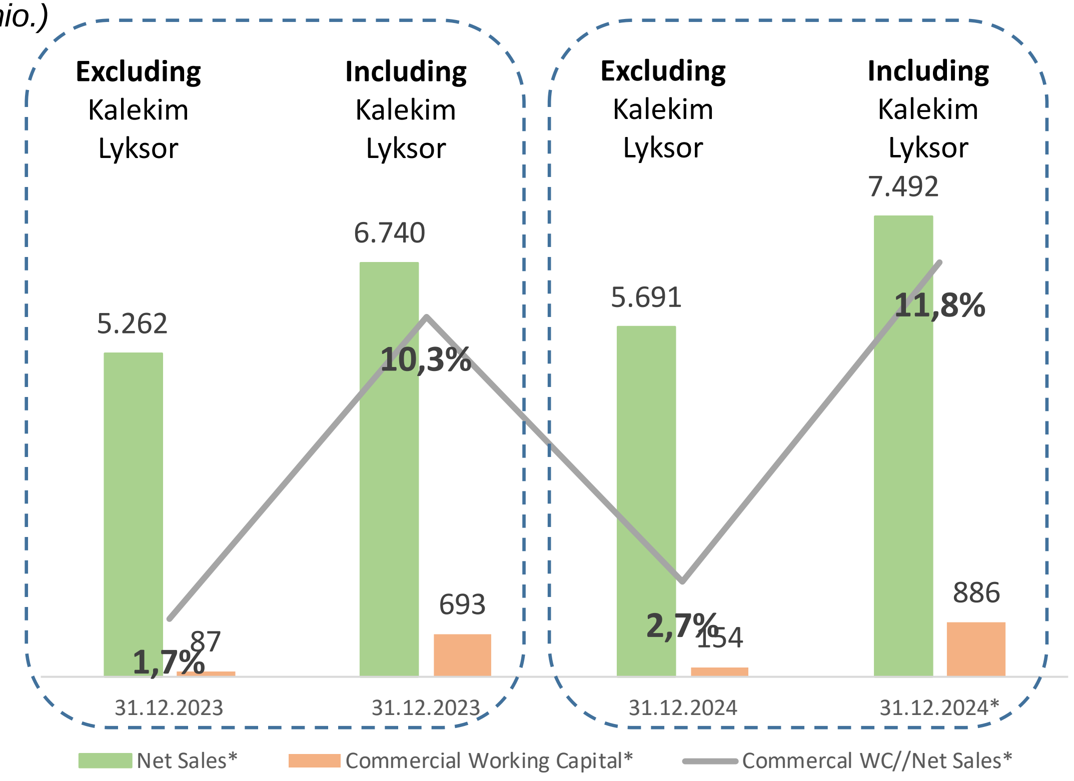
Working Capital Management

(TL mio.)



*Last 12 month considered

- Despite tightening market conditions,, the working capital/net sales ratio was 11.8% by the end of 2024.
- Excluding our subsidiaryf K. Lyksor, which operates with higher working capital due to the conditions of the sub-sector in which it operates, this rate is below 3%.

	Kalekim Lyksor Excl.	Kalekim Lyksor Incl.	Kalekim Lyksor Excl.	Kalekim Lyksor Incl.
Number of Days*	**Dec. 31, 2023**		**Dec. 31, 2024**	
Trade Receivables	**53**	**66**	**48**	**63**
Inventories	**41**	**45**	**36**	**41**
Trade Payables	**107**	**87**	**105**	**83**

*** Averages are calculated using the amounts at the beginning of the year and at the end of the period.*

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2025 Guidance

2025 Guidance

	2024 *ACTUALS*	**2025 GUIDANCE**
❑ Net Sales* *(USD)* :	11%	8%-15% growth
- Türkiye *(tonnes)* :	10%	7%-12% growth
- International *(tonnes)* :	29%	15%-20% growth
❑ EBITDA margin :	20,1%	20% -25%
❑ CAPEX :	TL 597 mio.	TL 700-800 mio.
❑ Working Capital / Net Sales :	11,8%	10%-15%

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Appendix

P&L Summary (IAS-29 not applied)

(TL mio.)	2024 Q4	2023 Q4	*Change*	2024 12-M	2023 12-M	*Change*
Net Sales	1.887,6	1.206,8	*56%*	6.585,0	3.752,0	*76%*
Gross Profit	811,0	497,4	*63%*	2.884,6	1.543,4	*87%*
Margin	*43,0%*	*41,2%*		*43,8%*	*41,1%*	
Operating Profit	366,1	245,9	*49%*	1.450,4	851,1	*70%*
Margin	*19,4%*	*20,4%*		*22,0%*	*22,7%*	
Profit Before Tax	529,6	301,5	*76%*	1.774,1	1.042,9	*70%*
Margin	*28,1%*	*25,0%*		*26,9%*	*27,8%*	
Net Profit	489,0	279,9	*75%*	1.594,7	883,1	*81%*
Margin	*25,9%*	*23,2%*		*24,2%*	*23,5%*	
EBITDA	**393,7**	**260,5**	***51%***	**1.533,9**	**897,7**	***71%***
Margin	***20,9%***	***21,6%***		***23,3%***	***23,9%***	

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