

# **KALESERAMİK, ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.**

**Report On Realization And Evaluation of the Assumptions Used in  
Determining the IPO Price  
January 1 – June 30, 2025**

**This report has been prepared pursuant to the  
Capital Markets Board Communiqué on Shares  
No. VII-128.1 article 29/5.**

**August 29, 2025**

## 1. Subject of the Report

Pursuant to the Capital Markets Board Communiqué on Shares No. VII/128.1 article 29/5, the Audit Committee has prepared this report on "Realization and Evaluation of the Assumptions used in Determining the IPO Price", which includes evaluations on whether the assumptions used in determining the initial public offering price of Kaleseramik, Çanakkale Kalebodur Seramik Sanayi A.Ş.. ("Kaleseramik" or "Company") have been realized.

## 2. Valuation Methods and Calculations Used in the Price Determination Report

According to the Price Determination Report, prepared on June 14, 2023 by Yapı Kredi Yatırım Menkul Değerler A.Ş. ("Yapı Kredi Yatırım"), the intermediary facilitating the IPO of the company shares together with Ak Yatırım Menkul Değerler A.Ş., and published on the Public Disclosure Platform on July 17, 2023, the company's market value and the initial public offering price have been determined based on the following assumptions.

### a) Market Multiples Analysis

The equity value of the Company was calculated as a result of EV/EBITDA and P/E analyses, and the equity value was calculated as a result of Market Multipliers Analysis by giving equal weight to the values calculated as a result of the analysis.

### I. Enterprise Value / EBITDA Multiple Valuation Approach

The company's enterprise value was calculated separately using foreign peers EV/EBITDA multiple and domestic peers EV/EBITDA multiple method. The final equity value was determined based on two multiple analysis by deducting the net debt position as of March 31, 2023 from the calculated enterprise values, and the equity value was calculated according to the Company's EV/EBITDA multiple analysis by giving equal weight to each calculated equity value.

Multiples of peers were obtained from the "Bloomberg" platform as of the closing of June 9, 2023 for foreign companies, and from the Rasyonet platform as of the closing of June 9, 2023 for domestic companies.

EV/EBITDA multiple was calculated by dividing the current enterprise values of peer public companies by the EBITDA values of the relevant companies as of the 12-month period ending on March 31, 2023.

The median EV/EBITDA multiple of foreign peers is calculated as 8.6X. According to this multiple value, the company's enterprise value and equity value are calculated in the table below.

**Table 1: Equity Value Calculation According to Foreign Peers EV/EBITDA Multiple**

<b>Foreign Peers EV/EBITDA</b>		<b>8,6x</b>
EBITDA*	TL	809.929.512
Enterprise Value	TL	6.933.804.520
Net Debt	TL	1.730.710.526
<b>Equity Value according to Foreign Peers EV/EBITDA Multiple</b>	<b>TL</b>	<b>5.203.093.994</b>

\*Excluding other operating income/expense

The median EV/EBITDA multiple of domestic peers is calculated as 10.4x. According to this multiple value, the company's enterprise value and equity value are calculated in the table below.

**Table 2: Equity Value Calculation According to Domestic Peers EV/EBITDA Multiple**

<b>Domestic Peers EV/EBITDA</b>		<b>10,4x</b>
EBITDA*	TL	809.929.512
Enterprise Value	TL	8.440.915.504
Net Debt	TL	1.730.710.526
<b>Equity Value according to Domestic Peers EV/EBITDA Multiple</b>	<b>TL</b>	<b>6.710.204.978</b>

\* Excluding other operating income/expense

By giving equal weight to the equity values calculated, using the EV/EBITDA multiples of foreign and domestic peers, an equity value of TL **5,956,649,486** was reached as a result of the EV/EBITDA multiple analysis.

**Table 3: Average Equity Value According to EV/EBITDA Multiple Analysis**

Equity Value according to foreign peers EV/EBITDA Multiple	TL	5.203.093.994
Equity Value according to domestic peers EV/EBITDA Multiple	TL	6.710.204.978
<b>Equity Value according to EV/EBITDA Multiple</b>	<b>TL</b>	<b>5.956.649.486</b>

## II. P / E Multiple Analysis

The equity value of the Company was calculated separately using the foreign and domestic peers P/E multiples, and by giving equal weight to the calculated equity values.

Multiples of peers were obtained from the "Bloomberg" platform as of the closing of June 9, 2023 for foreign companies, and from the Rasyonet platform as of the closing of June 9, 2023 for domestic companies.

P/E multiple is calculated by dividing the current equity values of peer public companies by the net profit values of the relevant companies as of the 12-month period ending on March 31, 2023.

The median P/E multiple of foreign peers is calculated as 13.4X. According to this multiple, the Company's equity value is calculated in the table below.

**Table 4: Equity Value Calculation According to Foreign Peers P/E Multiple**

<b>Foreign Peers P/E</b>		<b>13,4x</b>
Net Profit	TL	1.474.351.806
<b>Equity Value according to P/E Multiple</b>	<b>TL</b>	<b>19.779.974.412</b>

The median P/E multiple of domestic peers is calculated as 10.0X. According to this multiple, the Company's equity value is calculated in the table below.

**Table 5: Equity Value Calculation According to Domestic Peers P/E Multiple**

<b>Domestic Peers P/E</b>		<b>10,0x</b>
Net Profit	TL	1.474.351.806
<b>Equity Value according to P/E Multiple</b>	<b>TL</b>	<b>14.767.658.582</b>

By giving equal weight to the equity values calculated, using the P/E multiples of foreign and domestic peers, an equity value of TL **17.273.816.497** was reached as a result of the P/E multiple analysis.

**Table 6: Average Equity Value According to P/E Multiple Analysis**

Equity Value according to foreign peers P/E Multiple	TL	19.779.974.412
Equity Value according to domestic peers P/E Multiple	TL	14.767.658.582
<b>Equity Value according to P/E Multiple</b>	<b>TL</b>	<b>17.273.816.497</b>

Of the two methods, equal weight is given to the EV/EBITDA multiple and 50% to the P/E multiple. As a result of the multiple analysis, the Company's equity value was calculated as TL **11,615,232,992**.

**Table 7: Summary of Market Multiples Analysis**

<b>Evaluation Methodology</b>	<b>Calculated Equity Value (TL)</b>	<b>Weight</b>	<b>Calculated Equity (TL)</b>
Peers EV/EBITDA Multiple	5.956.649.486	50%	2.978.324.743
Peers P/E Multiple	17.273.816.497	50%	8.636.908.249
<b>Equity Value</b>			<b>11.615.232.992</b>

## **b) Discounted Cash Flow Analysis (DCF)**

Projections prepared in the light of the assumptions detailed above and based on the Company's Business Plan, were used in the valuation study.

For the terminal value, the growth rate was assumed to be 5% and the EBIT margin of 2029 was assumed to be maintained. Working capital and investment values calculated for the final period were used.

While calculating 9-month cash flow for 2023;

- Net Sales, EBIT, Operating Profit After Tax, Depreciation, Net Working Capital and Investment Expenditures for the first quarter of 2023 have been deducted from the projected amounts for 2023 full year.
- The difference between the working capital projected for 2023 and the end of 2023 working capital is reflected as working capital change. The reason for the negative value is that the Company's stocks increased more than expected as of the end of the first quarter of 2023. It is planned to balance its stocks thanks to its sales by the end of the year.
- The discount factor for 2023 is calculated for 9 months.

Company Value was calculated as of March 31, 2023 according to cash flows, and equity value was calculated by deducting the net debt on the relevant date. In the next step, it was multiplied by the 2-month equivalent of the annual WACC and updated to 31.05.2023.

According to the discounted cash flow analysis, the equity value was calculated as **TL 12,342,654,936**.

### 3. Result of Valuation

According to the valuation study, the discounted cash flow method and multiple analysis method were weighted by 50% and 50%, respectively. In the market multiple analysis method, EV/EBITDA and P/E multiples are also weighed equally at 50%.

The equity values calculated by discounted cash flow analysis and market multiple analysis are listed below.

**Table 8: Results of Valuation Methods**

Valuation Method	Equity Value (TL)	Weight	Contribution to Final Calculated Equity
Discounted Cash Flow Analysis	12.342.654.936	50%	6.171.327.468
Market Multiple Analysis	11.615.232.992	50%	5.807.616.496
<b>Weighted Equity Value</b>			<b>11.978.943.964</b>

With 50%-50% weight, the company's average pre-public offering equity value is calculated as **TL 11,978,943,964**.

### 4. Discount Calculation Prior to IPO

The public offering price is calculated as TL 25.00 per share by applying a 15.4% pre-public offering discount rate, based on the equity value calculated by valuation methods.

**Table 9: Pre-IPO Discount Calculation**

	Equity Value (TL)
Nominal Capital Value	405.388.196
Pre-IPO Equity Value based on valuation methods	11.978.943.964
IPO Discount	%15,4
Public Offering Discounted Market Value	10.134.704.888
<b>IPO Price (TL/per share)</b>	<b>25,00</b>

## 5. Conclusion

Since the projection data in the Price Determination Report (PDR) published by Yapı Kredi Investment on July 17, 2023, was prepared prior to the decision to implement the IAS 29 standard, the inflation accounting method was not applied in the report.

As the Company's published 2025 6-month financial results were prepared in accordance with IAS-29 principles, the semi-annual assumptions (50% of annual figures) in the PDR were compared with 2025 6-month financials, which are not adjusted by IAS-29 and not independently audited.

(TL mio.)	2025 6-Month (Actual) <b>IAS 29 not applied</b>	2025 12-Month (PDR Forecast) <b>IAS 29 not applied</b>	Realization
Net Sales	5.740,5	20.906,3	27,5%
Cost of Goods Sold	4.377,0	14.376,1	30,4%
Gross Profit	1.363,5	6.530,2	20,9%
Operating Expenses*	1.215,5	2.940,4	41,3%
Amortization adj.	198,0	379,7	52,1%
EBITDA**	346,0	3.969,4	8,7%

\* Operating Expenses = Marketing, Sales & Distribution Expenses + General Administrative Expenses + R&D Expenses

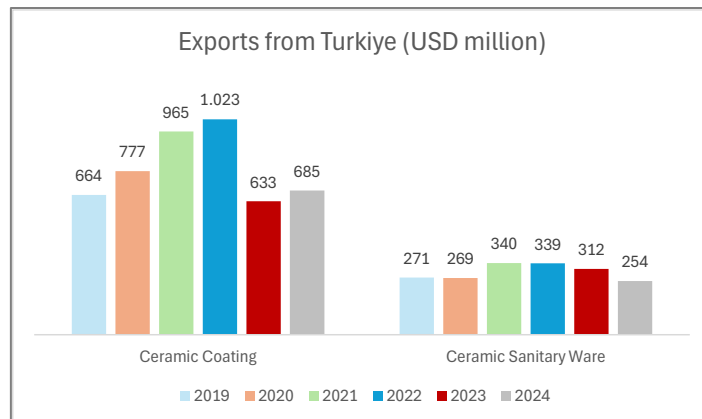
\*\* EBITDA = Gross Profit – Operating Expenses + Amortization

In the first half 2025, 27,5% of the revenue projected for the whole of 2025 was reached in the Price Determination Report (PDR) prepared by Yapı Kredi Investment.

The stagnation in the construction sector in Europe, which is our main export market as a country, the anti-dumping duty imposed by the EU against Turkish manufacturers and the appreciation of TL continue to put pressure on the country's exports. Additionally, the customs tariffs announced by the US have also increased the uncertainty in the markets.

**According to IMSAD data**, Türkiye's exports of ceramic coating materials and ceramic sanitary ware contracted by 38% and 8% in 2023, respectively. Despite this high decline in 2023, the increase in exports of ceramic coating materials in 2024 was limited to 8%, and the contraction in ceramic sanitary ware increased further by 19%.

According to the Jan.-May 2025 data, the increase in ceramic coating materials exports was flat with only 0,2%, while the export of sanitary ware continued to contract by 12%.



Although the construction sector in Turkey grew by 9.3% in 2024, the increase in production in the construction material industry was 1.4% annually, and the growth in the construction sector was not reflected in the production of construction materials. The domestic demand created by the growth in the construction sector was largely met from the stocks of dealers and manufacturers.

The construction sector, which grew by 7.3% in the first quarter of 2025, made a positive contribution to economic growth. The main factor in the growth of the sector is the comprehensive reconstruction and urban transformation activities in the earthquake zone.

According to the reports of the Turkish Construction Material Manufacturers' Association (IMSAD), the production of ceramic coating materials declined by 22% and the production of ceramic sanitary ware decreased by 26% in 2024.

According to IMSAD's July 2025 report, in the January-May 2025 period, the production of ceramic coating materials increased by 5,7%, while the production of ceramic sanitary ware continued to contract by 17,9%.

Although housing sales are increasing in the domestic market according to TurkStat data, most of these sales (69%) are second-hand sales rather than newly produced houses.

On the other hand, in the first quarter of 2025, the number of apartments for which building permits were issued decreased by 19%. In the same period, the number of apartments for which building occupancy permits, showing number of finished apartments, were issued decreased by 26%.

According to the cement sales data in the domestic market published by the Turkish Cement Industrialists' Association (TÜRKÇİMENTO), which is one of the indicators confirming this decrease in housing production, cement sales decreased by 2.4% in the January-April 2025 period. In the said period, the regions where cement sales increased were Eastern Anatolia, Southeastern Anatolia and the Mediterranean region, which were affected by February 2023 earthquake.

In addition to falling production quantities and capacity utilization rates, compared to the same period of last year, the negative impact of appreciating TL on export profitability and the increase in personnel expenses, which have a significant share in production costs, had a negative impact on gross profit and EBITDA margins, hence 20.9% of the annual gross profit projected in the PDR and 8.7% of EBITDA were reached in the first half of 2025.

The first half of 2025 has been a period, in which our investment, renovation and production development efforts have come to the fore. Especially the second quarter of the year was a period in which the focus on sustainable value creation was reinforced in all business processes from production to export, from marketing to branding, the results of the steps taken towards efficiency began to be seen, and profit margins improved.

The performance, which improved in the second quarter of the year, is expected to be maintained in the second half, and the annual financial results are expected to improve. The continuation of the deceleration trend in inflation, the parallel decline in credit costs, and the revival of the sector by spreading construction activities, which has been largely limited to the earthquake zone, will be the factors that will support the achievement of this target.

Regards,  
**Audit Committee**

**Cengiz SOLAKOĐLU**  
Chairman

**Fahri Okan BÖKE**  
Member

**Arzu ERDEM**  
Member