



# 2021 Q3 Operational Results

October 19, 2021

# Third Quarter Highlights

- Y-on-Y sales growth of 26% despite the high base of 2020 third quarter
- Effective supply chain and cost management in midst of global raw material shortages
- Liquid and strong balance sheet
- Additional investment in Mardin plant targeting export markets
- Introduction of Visuelle brand

**Net Sales: TL 209 million**

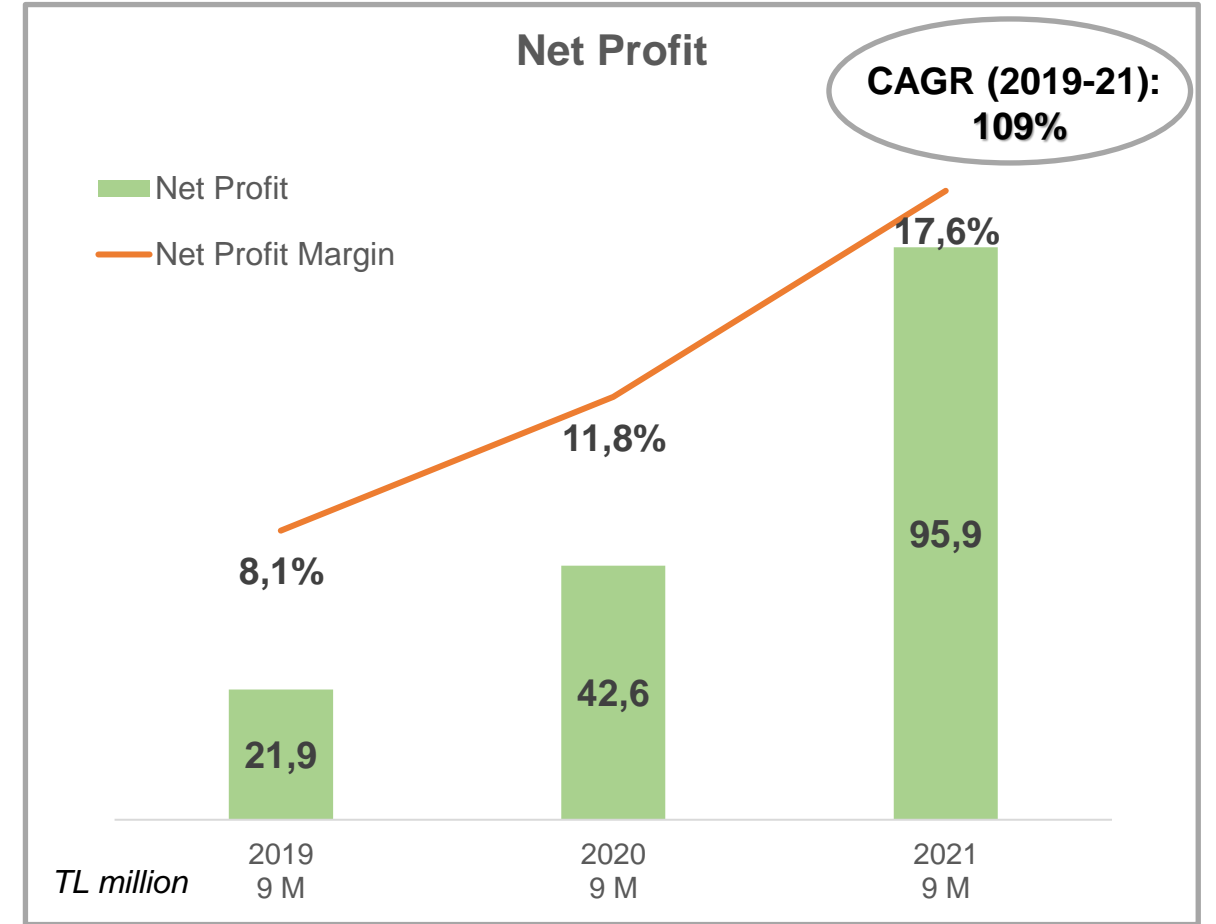
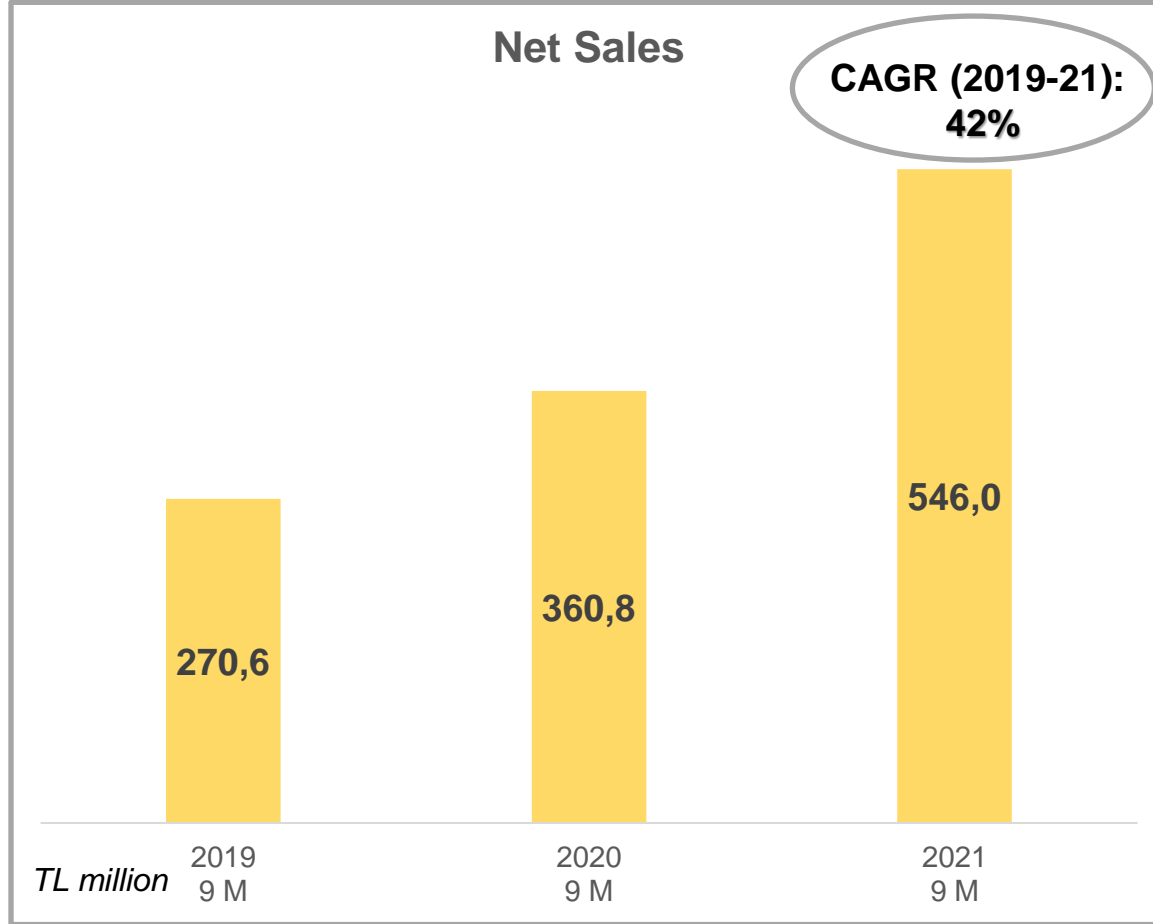
**EBITDA Margin: 22,7%**

**Cash & Cash Equi.: TL 317 million**

**Commercial Working Capital/  
Net Sales: 16%**

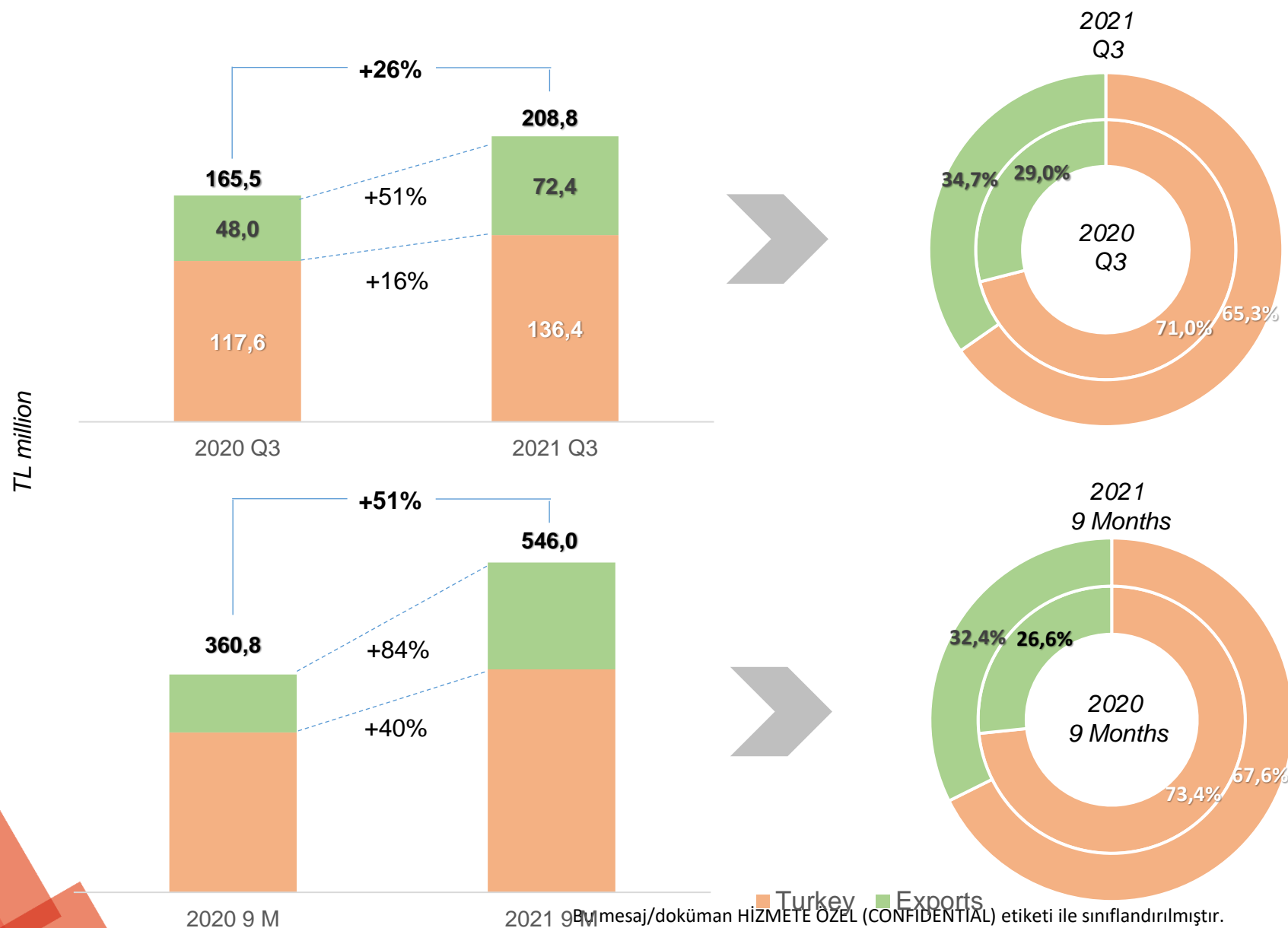


# Sustainable Profitable Growth





# Sales Growth & Breakdown by Region



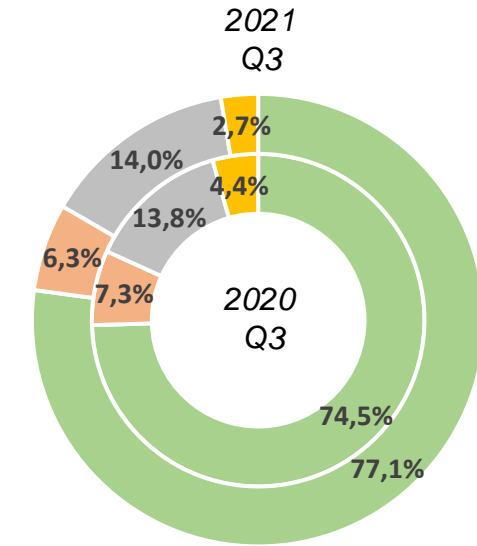
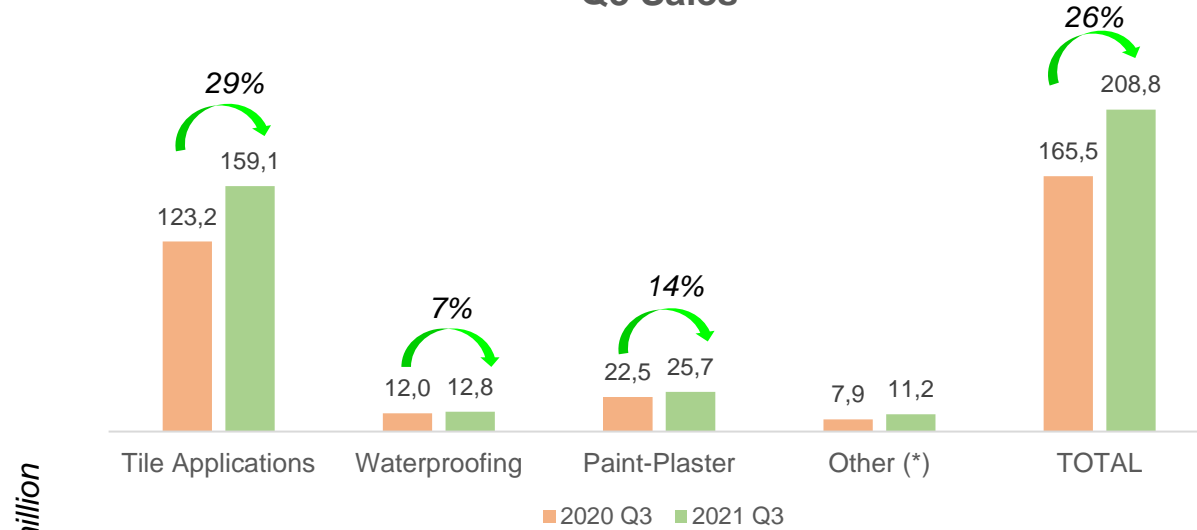
- Sales growth continued in Q3 2021 despite the high base of 2020 Q3, in which the company recorded 42% Q-on-Q growth in sales.

- Share of exports within total sales reached 35% in Q3 2021 thanks to increasing export volume and currency impact.



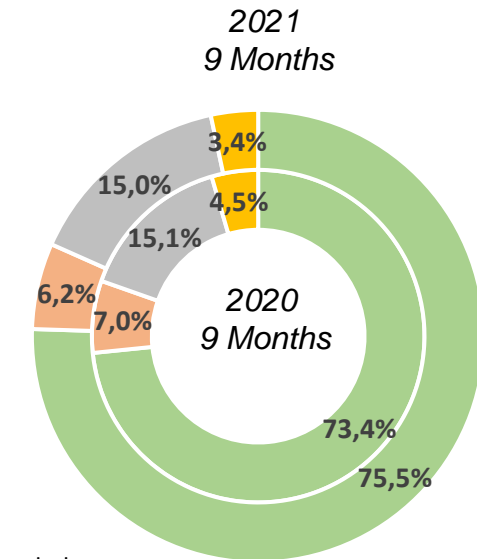
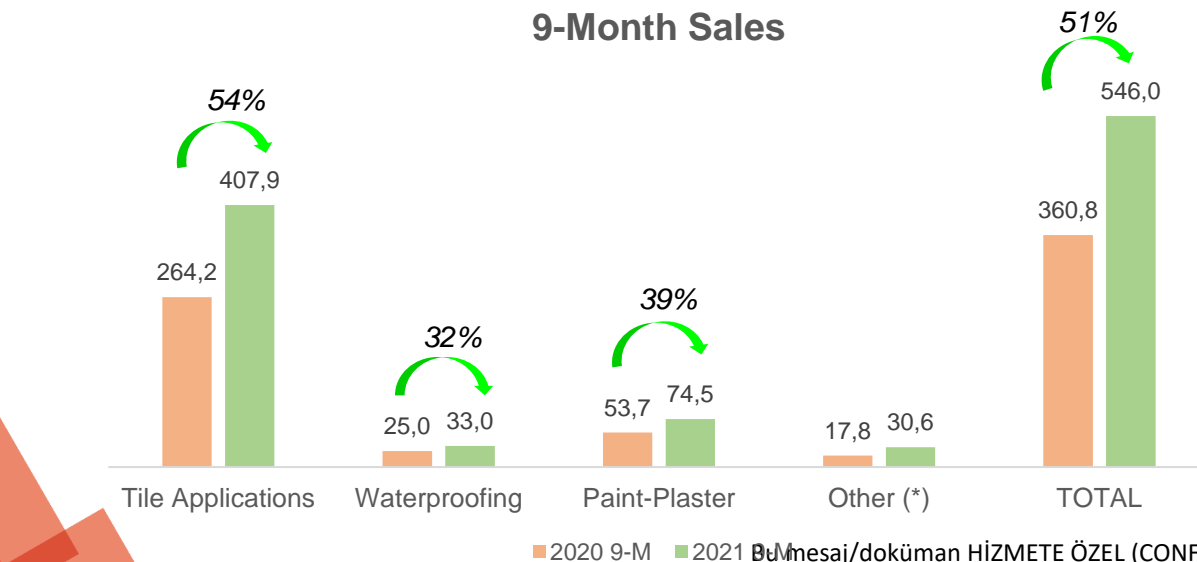
# Sales Growth & Breakdown by Product Group

## Q3 Sales



- Tile Applications
- Waterproofing
- Paint-Plaster
- Others\*

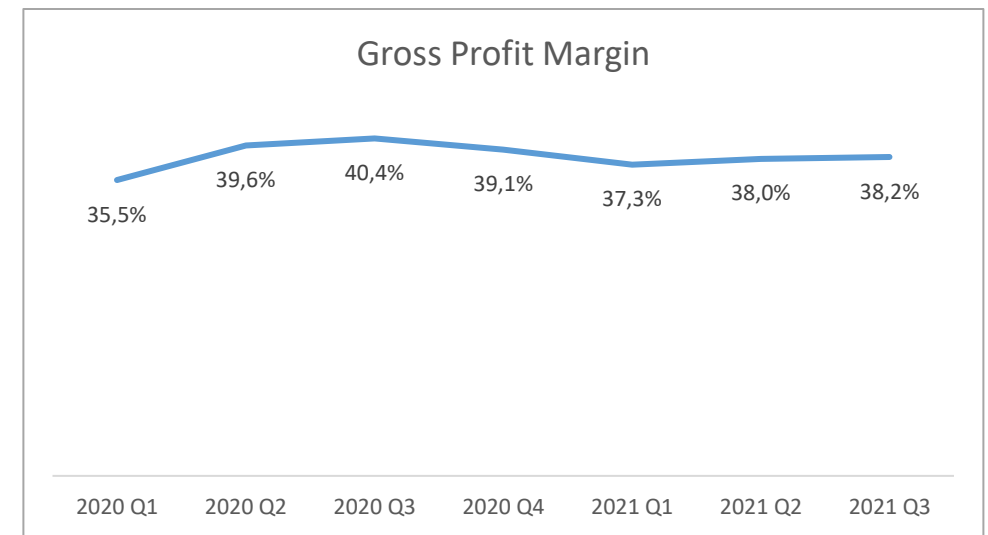
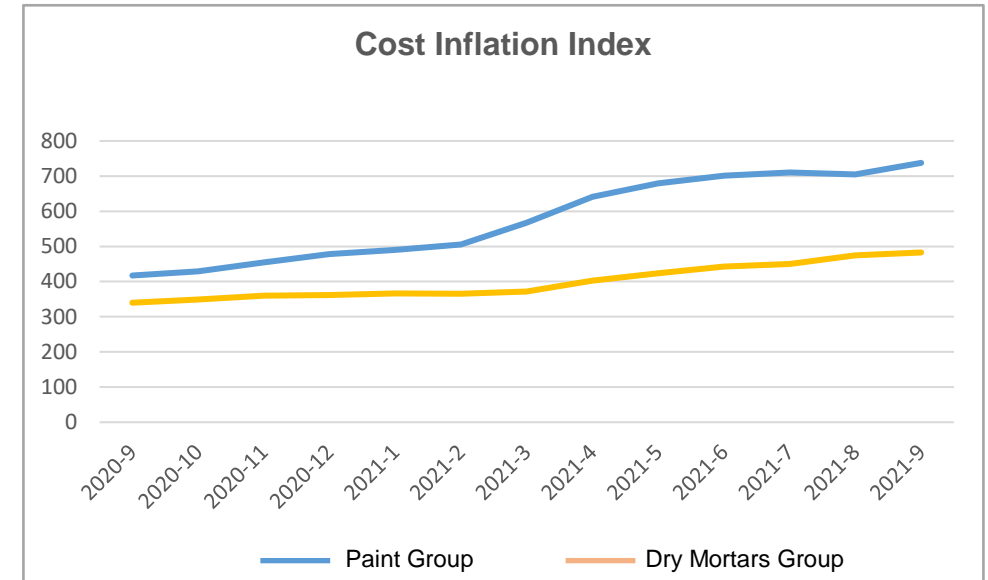
## 9-Month Sales



\* Including thermal insulation & other various categories

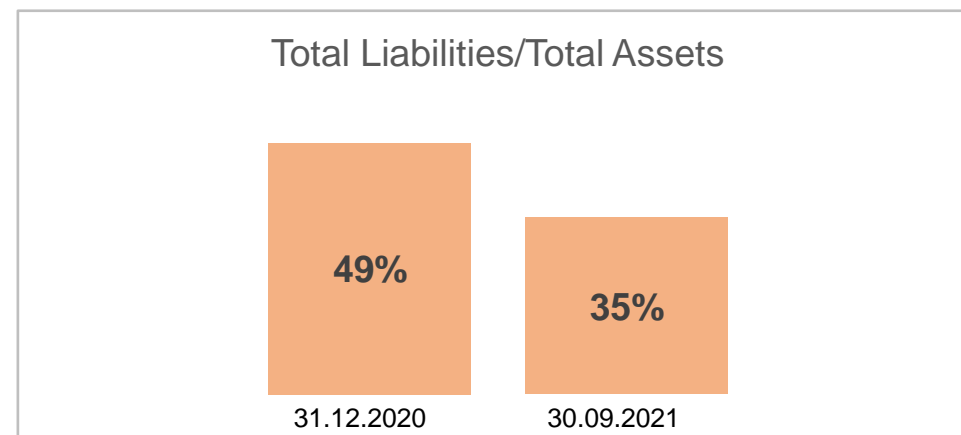
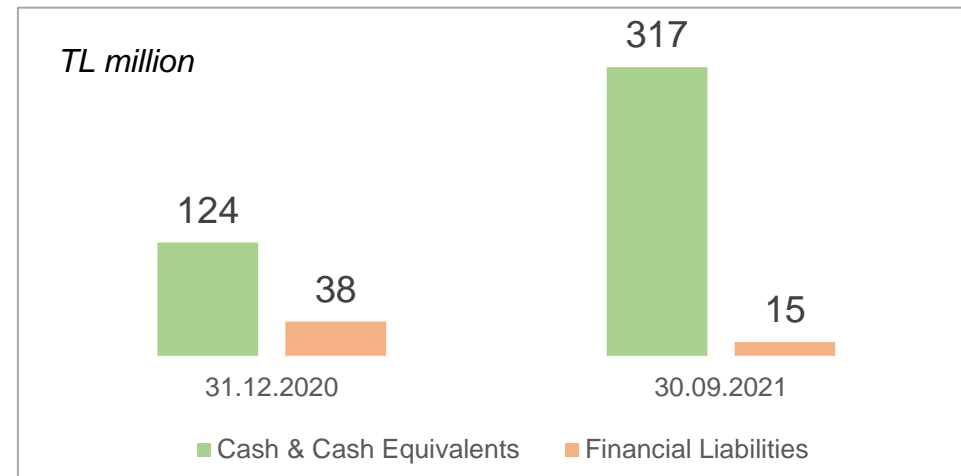
# Effective Supply Chain and Cost Management

- Force majeure, price increases and supply problems continued to be experienced in the chemical raw material markets due to the pandemic and disruptions in the supply chain.
- By the end of September 2021, costs have increased Y-on-Y in dry mortars group and paint group by 42% and 77%, respectively.
- Supply chain was successfully managed without any disruptions thanks to the decision of increasing inventory level in critical components, long-term deals with suppliers, establishing Far East and Europe balance by finding alternative suppliers and advance purchase actions.
- The relation between cost and pricing was followed dynamically.



# Liquid and Strong Balance Sheet

- Cash and cash equivalents totalled TL 317 million by the end of Q3 2021.
- 34% of around TL 274 million time deposit is held in USD and EUR.
- Financial liabilities of TL 15,3 million is due to short and long term leasing agreements\*. The company does **not utilize any bank loan**.



\* Company's has no financial bank loan but operational renting payments are classified as a lease for accounting purposes under the new rules of IFRS 16.

# Additional Investment for Exports in Mardin plant

- It was decided to invest TL 23 million in an additional dry mortar line in Mardin Organized Industrial Zone to cater the demand for concentrated products from Iraqi and potentially Syrian markets.
- The new investment, which has an incentive certificate\*, is expected to be completed by the end of Q1 2022.
- The current capacity\*\* of 90.000 tonnes in Mardin plant is expected to reach around 220.000 tonnes.



\* Tax reduction rate and rate of contribution in the investment certificate are 90% and 55%, respectively. However, they will be applied as 100% and 70%, respectively until December 31, 2022.

\*\* Based on two shifts per day and 260 working days per year.

# Introduction of Visuelle Brand



- Kalekim brought together its experience and design power in the decorative coating sector under the **Visuelle** brand.
- Offering inspiring spatial solutions specific to the person, place and need, *Visuelle* will make room for new and exciting stories in living spaces.

# Financial Statements



# P&L Statement Summary

<i>TL million</i>	2021 Q3	2020 Q3	2021 Q2	Y-on-Y Change	Q-on-Q Change	2021 9-Month	2020 9-Month	Y-on-Y Change
Net Sales	208,8	165,5	194,1	26%	8%	546,0	360,8	51%
Gross Profit	79,8	66,9	73,8	19%	8%	206,9	141,0	47%
<i>Margin</i>	38,2%	40,4%	38,0%			37,9%	39,1%	
Operating Profit	41,4	32,2	29,1	29%	42%	88,6	58,2	52%
<i>Margin</i>	19,8%	19,5%	15,0%			16,2%	16,1%	
Profit Before Tax	52,5	34,9	35,2	50%	49%	111,7	58,7	90%
<i>Margin</i>	25,1%	21,1%	18,1%			20,5%	16,3%	
Net Profit	44,2	25,2	27,6	75%	60%	95,9	42,6	125%
<i>Margin</i>	21,2%	15,2%	14,2%			17,6%	11,8%	
EBITDA*	47,3	41,7	36,7	14%	29%	114,8	82,1	40%
<i>Margin</i>	22,7%	25,2%	18,9%			21,0%	22,8%	

(\* Including currency gains and losses due to cash held in FX)

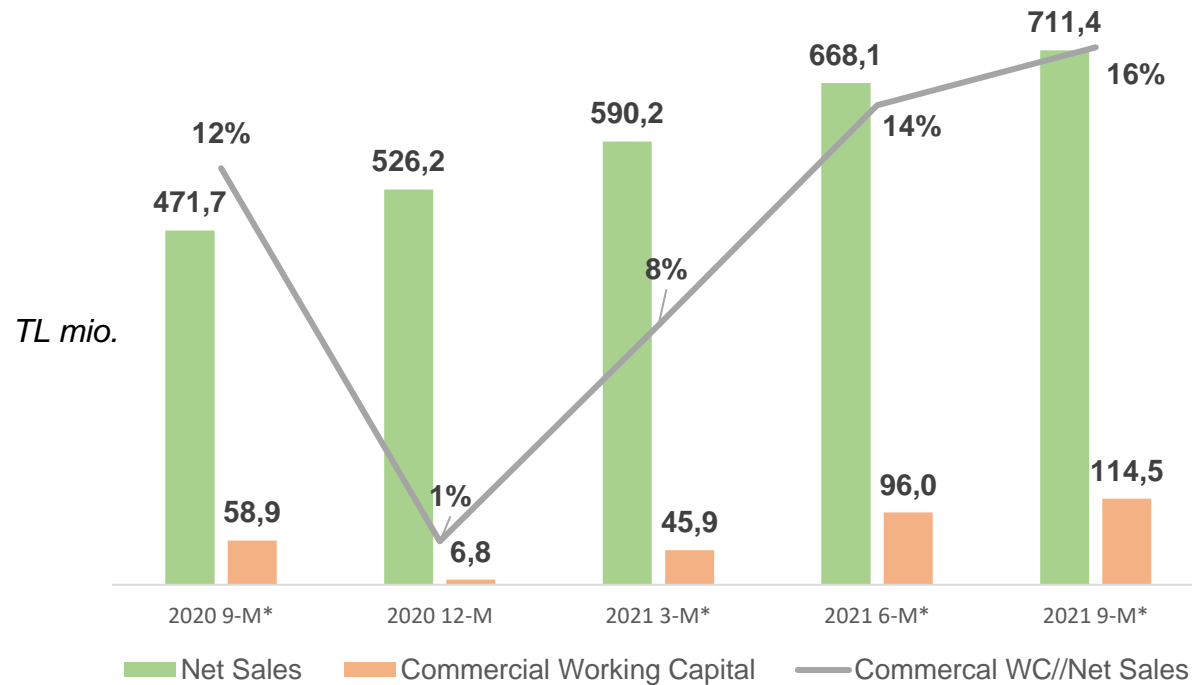
Sınıflandırma: HİZMETE ÖZEL (CONFIDENTIAL) etiketi ile sınıflandırılmıştır.



# Balance Sheet

<i>TL million</i>	30.09.2021	31.12.2020	31.12.2019		30.09.2021	31.12.2020	31.12.2019
<b>Current Assets</b>	<b>614,8</b>	<b>295,3</b>	<b>211,8</b>	<b>Current Liabilities</b>	<b>254,6</b>	<b>209,0</b>	<b>190,6</b>
Cash & Cash Equivalents	317,0	124,3	72,3	Trade Payables	158,5	147,8	97,5
Trade Receivables	204,8	119,3	105,6	Deferred Incomes	42,4	22,5	24,3
Inventories	68,3	35,3	24,2	Provisions	37,1	10,6	7,4
Others	24,8	16,4	9,7	Others	16,6	28,1	61,4
<b>Non-current Assets</b>	<b>188,2</b>	<b>175,2</b>	<b>149,4</b>	<b>Non-current Liabilities</b>	<b>23,7</b>	<b>22,9</b>	<b>13,7</b>
Tangibles Assets	120,7	107,1	95,5	Financial Liabilities	10,8	12,8	6,2
Intangible Assets	11,9	14,0	7,2	Provisions	12,9	10,1	7,5
Properties for Investment Purpose	28,1	28,1	18,0	<b>Total Equity</b>	<b>524,7</b>	<b>238,6</b>	<b>156,9</b>
Others	27,5	25,9	28,8	Paid-in Capital	115,0	100,0	100,0
<b>TOTAL ASSETS</b>	<b>803,0</b>	<b>470,4</b>	<b>361,2</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>803,0</b>	<b>470,4</b>	<b>361,2</b>

# Commercial Working Capital



- As the company preferred cash purchase from some suppliers for the sake of «Supply Safety», the commercial working capital/sales ratio increased in the recent quarters.
- However, the ratio is expected to normalize in the coming periods.

Number of Days	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	June 30, 2021	Sept. 30, 2021
Trade Receivables	77	68	63	68	73
Inventories	30	29	34	33	31
Trade Payables	159	133	107	110	108

\* Last 12-months sales are considered.

# CAPEX Plans

# CAPEX Plans (Articulated in our public offering)



# CAPEX Plans

## Domestic CAPEX



- Organic or inorganic growth opportunities in concrete additives, paint, polyurethane and epoxy

## International CAPEX



- Supporting export sales with the investment for concentrated products in Mardin plant
- In Algeria, approval of government loan subsidy for Sarl Ha Building Co., a subsidiary of Kalekim

# 2021 Year-end Expectations

# 2021 Year-end Expectations\*

## Macro economic



- High level of PPI and CPI
- Further cut expected in policy rate by CBRT
- Volatility in FX market

## Industry



- Price increases to continue in construction chemicals raw materials
- International logistics crises

## Corporate



- Ongoing growth projects in line with the Strategic Plan
- Performance in line with the 2021 net sales expectation in the price determination report

\* As of October 18, 2021

# Comparison to Peers\*

Kalekim

Mio TL

Market Cap.	1.635
Net Debt	-317
Enterp. Value (EV)	1.318
L12M EBITDA	147
L12M Net Profit	136
<b>EV/EBITDA</b>	<b>8,9</b>
<b>P/E</b>	<b>12,0</b>

Peer Companies	Industry	Market Cap.	Net Debt	Enterp. Value	L12M Net Sales	L12M EBITDA	L12M Net Profit	FD / Satışlar	EV/EBITDA	P/E
		(TL mio.)	(TL mio.)	(TL mio.)	(TL mio.)	(TL mio.)	(TL mio.)	(SBY)	(L12M)	(L12M)
Peer 1	Cement	2.889	137,8	3.027	2.353	441	200	1,29	6,9	14,5
Peer 2	Cement	1.855	-432,6	1.422	1.381	170	135	1,03	8,3	13,7
Peer 3	Cement	4.085	1.060,6	5.146	2.388	534	345	2,15	9,6	11,8
Peer 4	Cement	679	536,3	1.215	701	80	9	1,73	15,2	74,1
Peer 5	Cement	5.573	-592,0	4.981	1.745	464	583	2,85	10,7	9,6
Peer 6	Cement	7.515	179,1	7.695	3.285	661	510	2,34	11,6	14,7
Peer 7	Cement	1.364	67,1	1.431	308	51	63	4,65	27,9	21,7
Peer 8	Cement	2.543	1.727,9	4.271	1.272	139	-302	3,36	30,7	-8,4
Peer 9	Cement	988	1.079,7	2.068	519	37	-348	3,98	55,2	-2,8
Peer 10	Cement	2.308	1,8	2.310	1.284	45	-24	1,80	50,9	-98,1
Peer 11	Cement	3.947	-51,9	3.896	429	27	23	9,09	144,5	169,6
MEDIAN (**)								<b>2,34</b>	<b>15,2</b>	<b>13,7</b>
Average (**)									<b>22,7</b>	<b>22,9</b>

\* Financial figures of peer companies, operating in cement industry, are as of June 30, 2021.

\*\* Peer 11 is ignored in EV/EBITDA average. In P/E average, last 4 companies (Peer 8-11) are ignored in the calculation.



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