



2022 Q1 Operational Results



2021 1. Quarter Highlights

- Y-on-Y sales growth of 111%
- Increasing operational profit margins thanks to effective cost management and dynamic pricing
- Liquid and strong balance sheet
- Acquisition of 75% shares of Lyksor Chemical

Net Sales: TL 302 million

EBITDA Margin: 23%

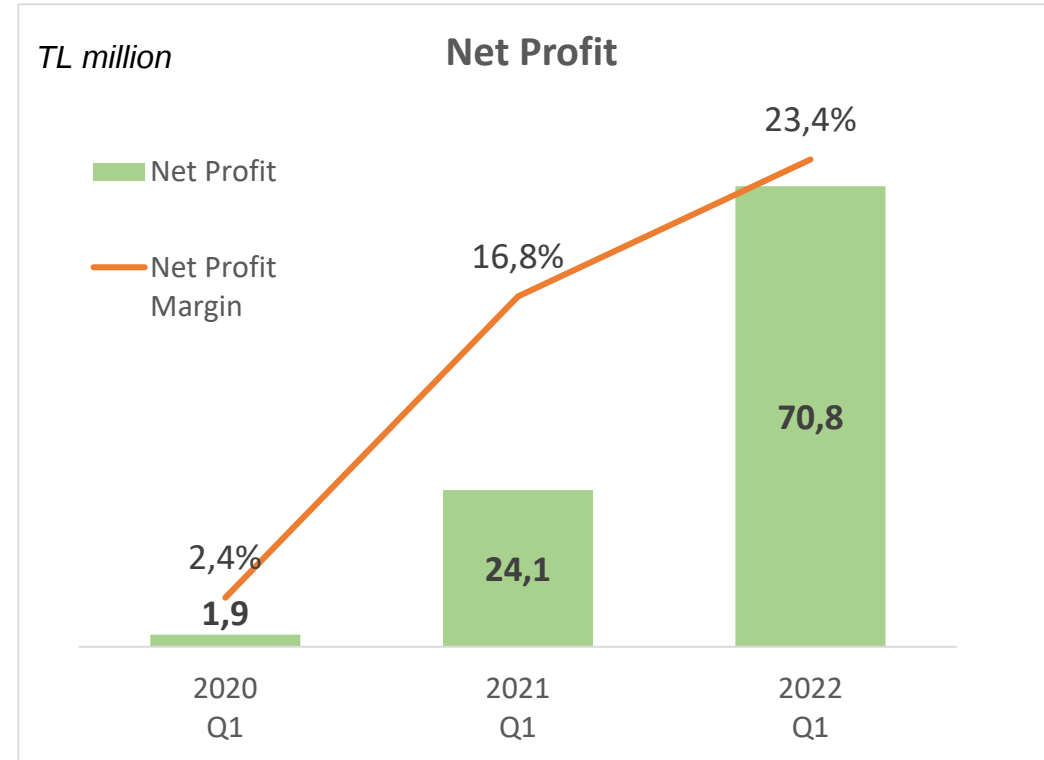
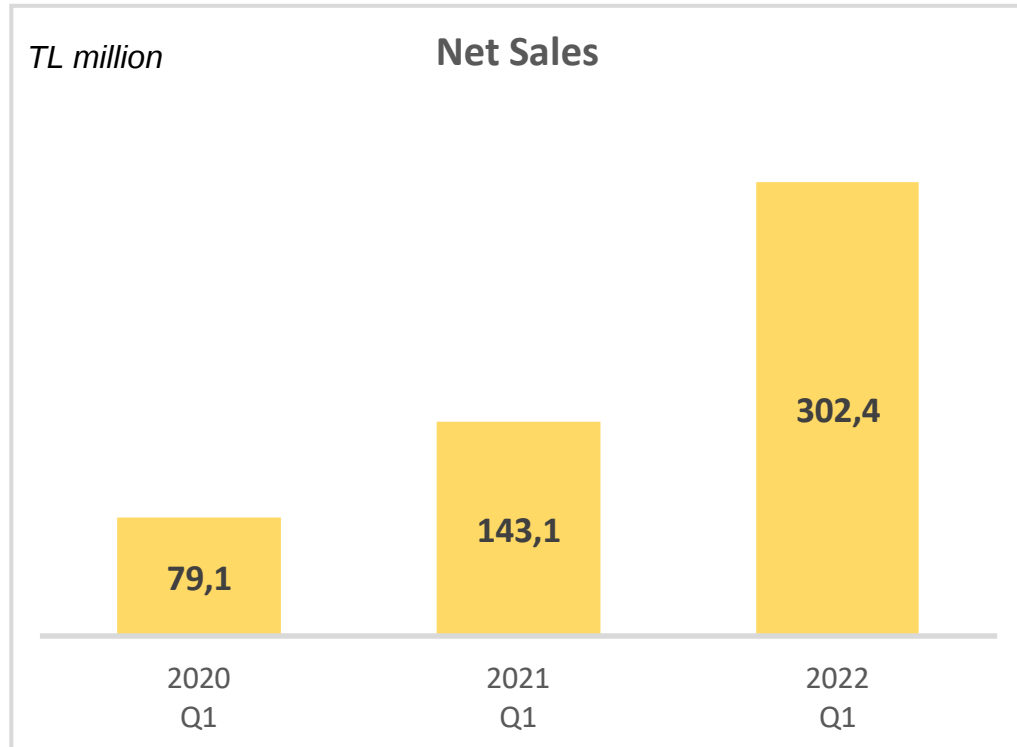
Cash & Cash Equi.: TL 454 million

**Commercial Working Capital/
Net Sales: 9,5%**



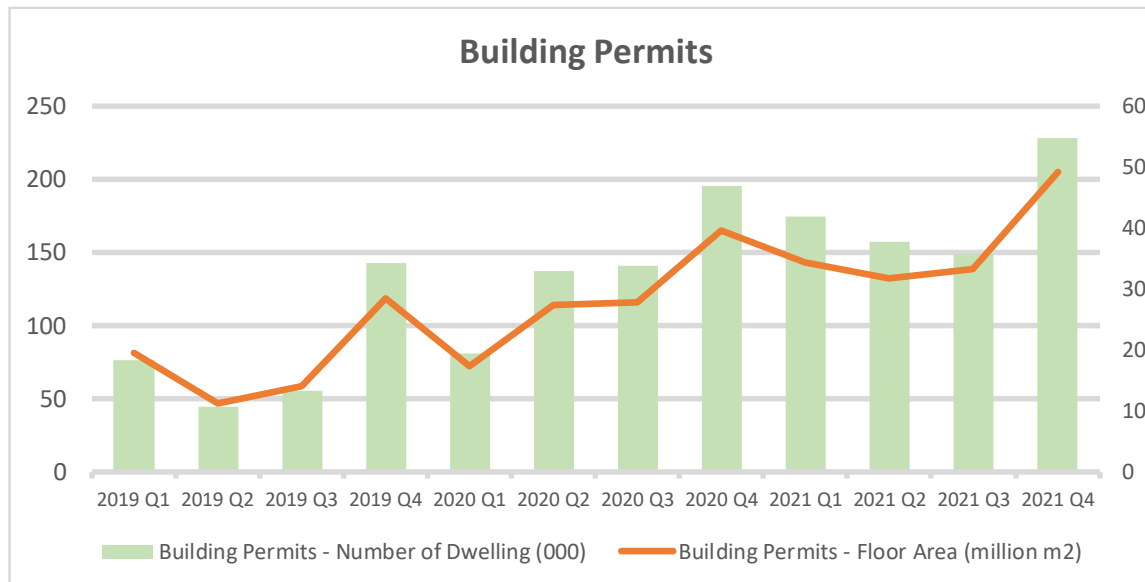
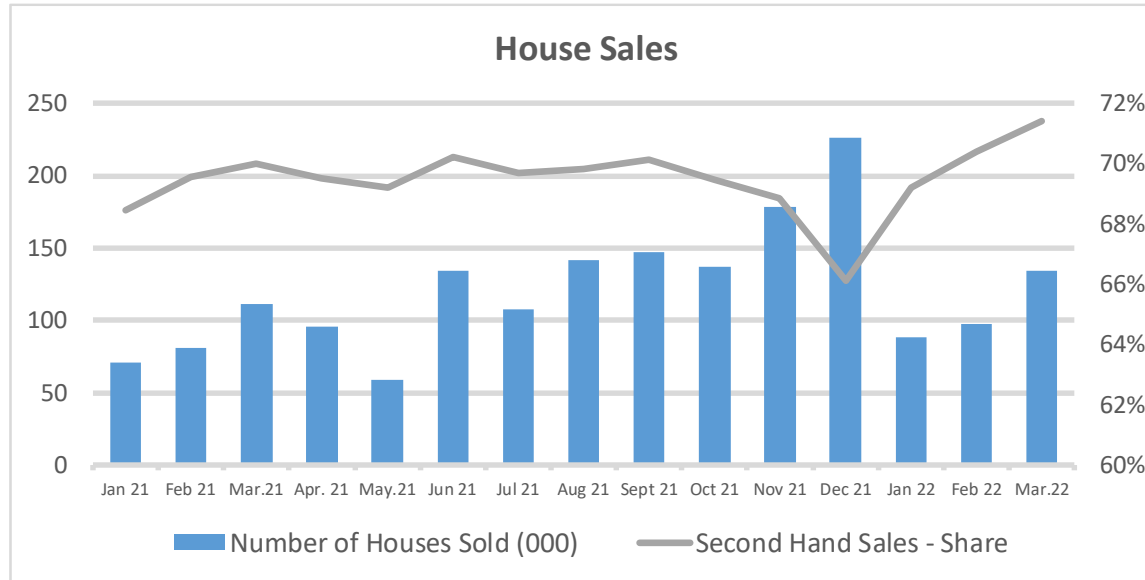
Sustainable Profitable Growth

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





Turkish Market: Construction Industry



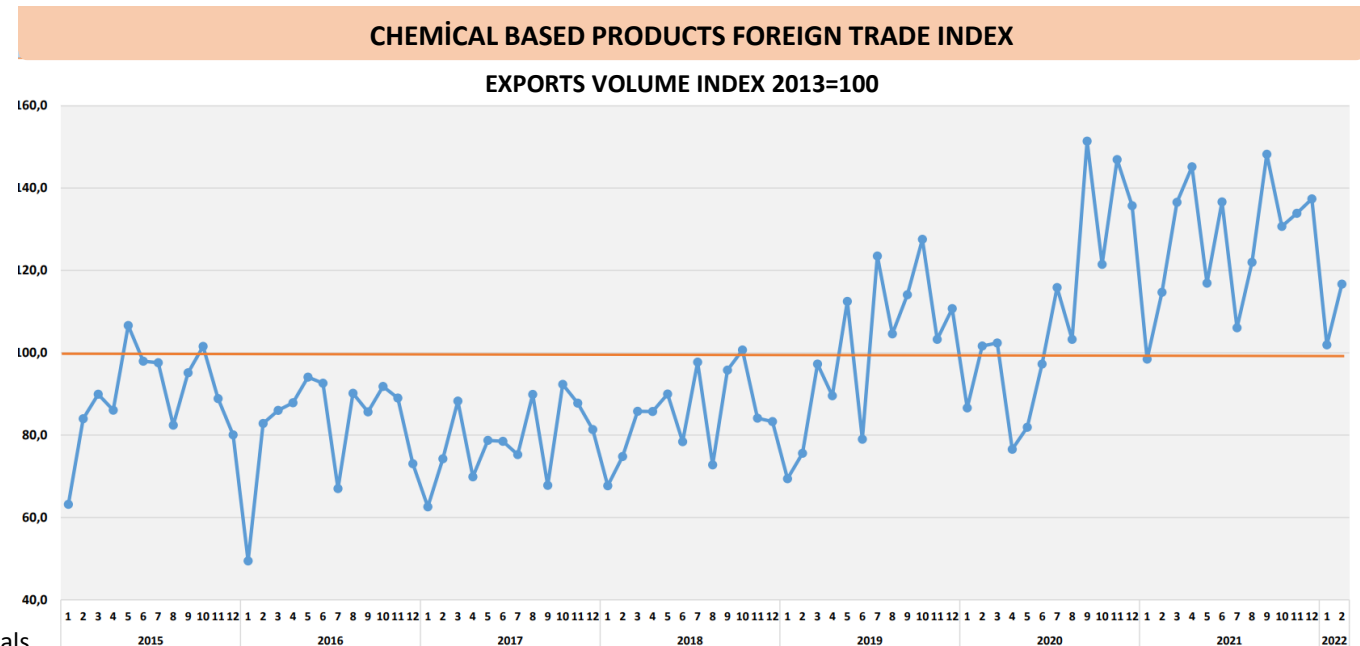
- While first hand house sales increased at the end of 2021, in the mid of exchange rate moves, house sales continued to increase (+22%) in the January-March '22, and the share of second-hand houses exceeded 70%.
- The increase in building permits in the last quarter of 2021 can be considered as a positive preliminary indicator for new housing construction in the upcoming quarters.



Export Markets: Construction Materials Industry

- Although the exports of the construction materials industry, which traditionally slows down in January, were also adversely affected by the natural gas and electricity restrictions in January, they still increased compared to 2021.
- With the removal of restrictions in February, foreign trade and export performance started to strengthen again.

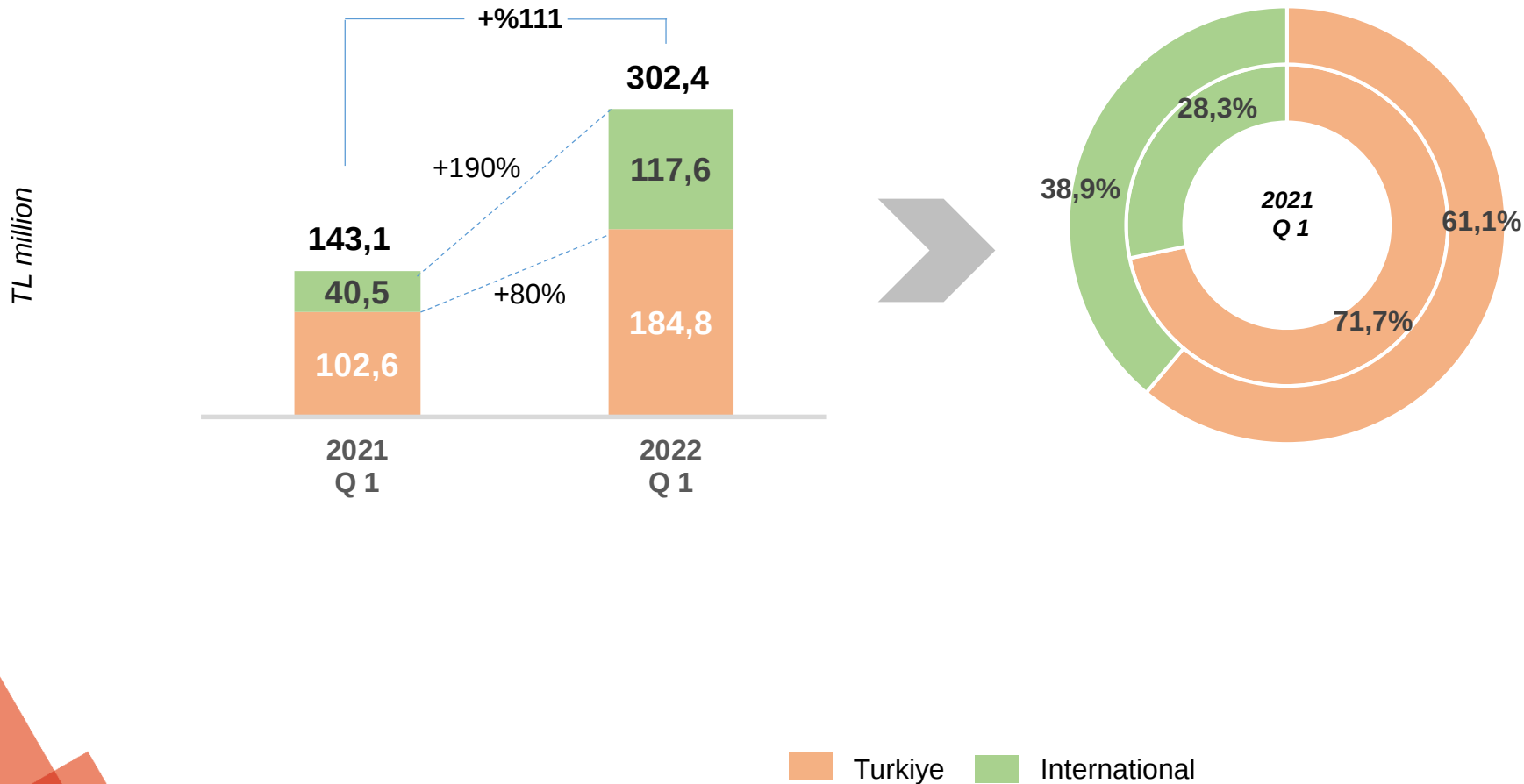
	Jan-Feb 2022 Exports (mio. USD)	Change vs. Jan-Feb '21
Construction Materials	5.197,8	+%36,3
- Chemical based products*	367,4	+%18,1



* Including paints & varnishes, plastic construction materials and construction chemicals



Sales Growth & Breakdown by Region



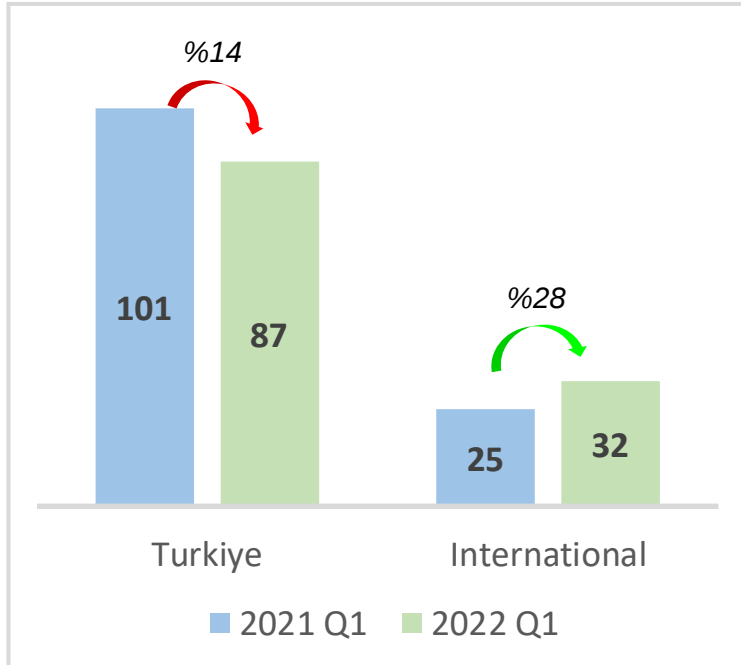
- Sales growth in Q1 2022 reached 111% thanks to exchange rates, price adjustments and organic growth.
- Net sales grew by 80% in the Turkish market, while the increase in international sales reached 190%.
- International sales, which accounted for 28% of total sales in Q1 2021, reached 39% in Q1 2022.



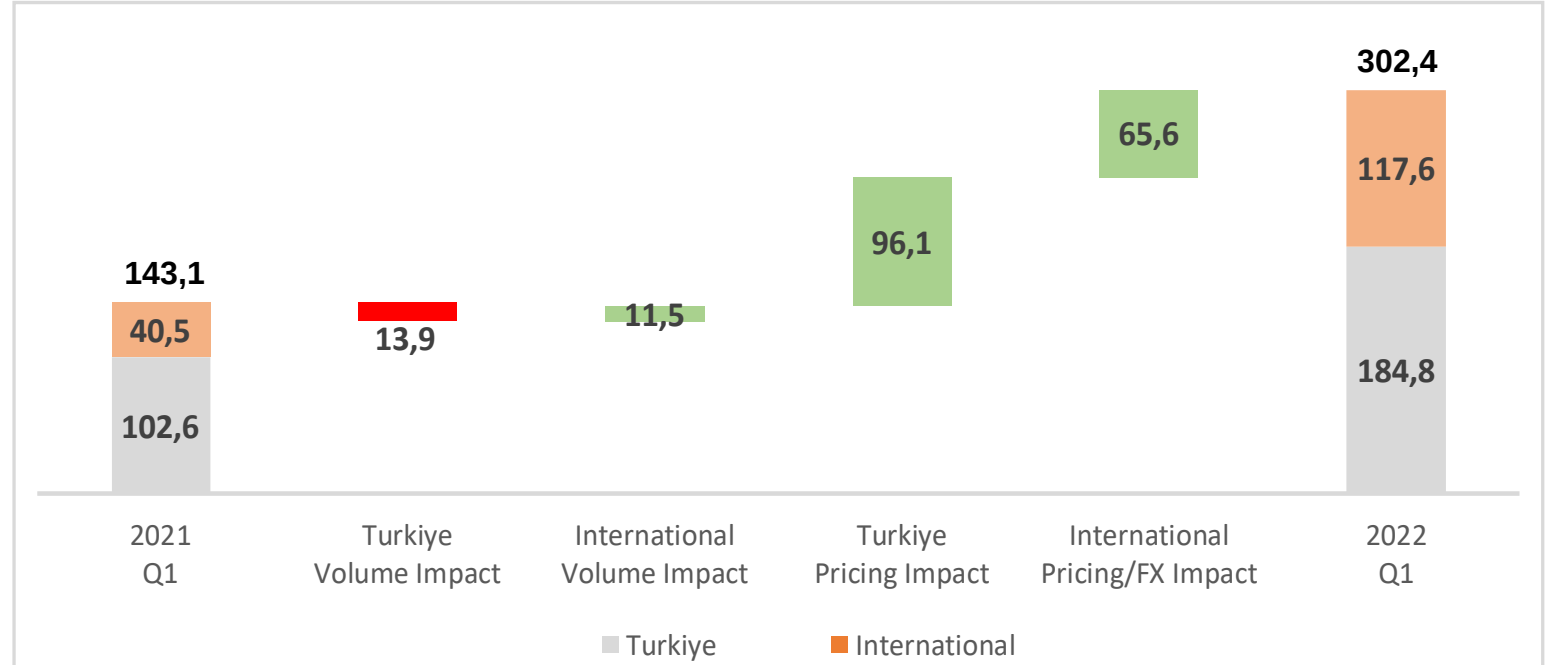
Sales Bridge

- The Turkish market, which started the year with a strong demand, remained below the same period of 2021 in terms of volume due to the harsh weather conditions in March.
- In the same period, there was a 28% volume increase in international sales, especially in Iraq and France.

*Sales Volume for Dry Mortar & Paint/Plaster
(000 tonnes)*



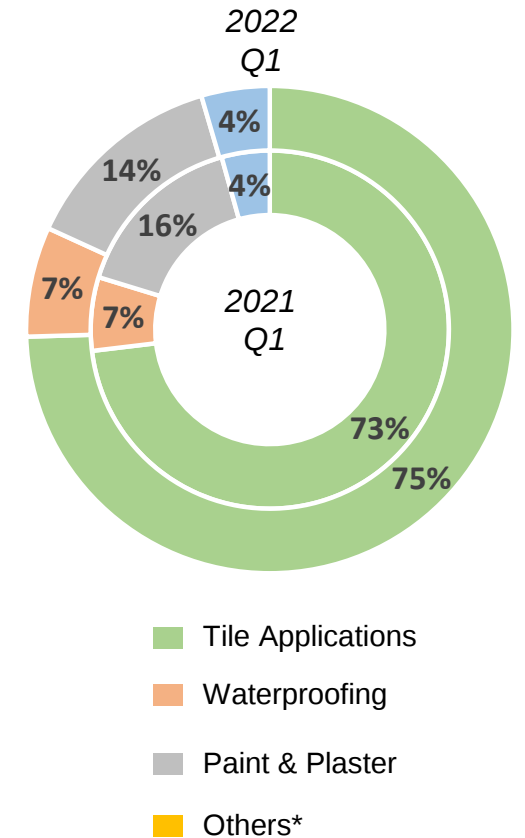
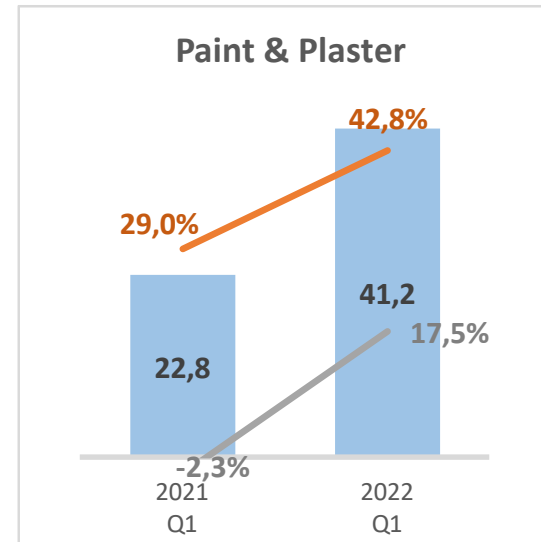
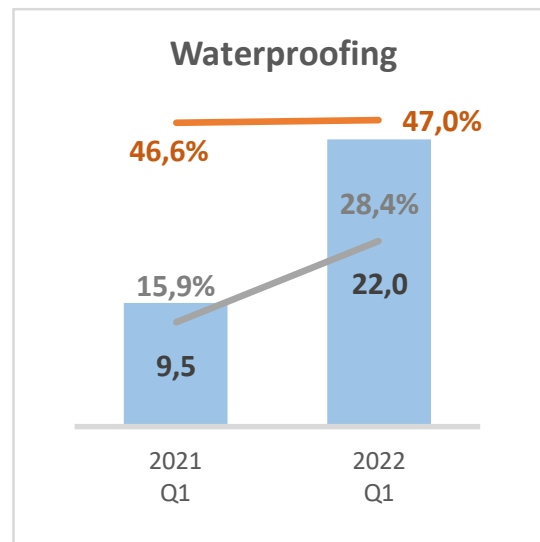
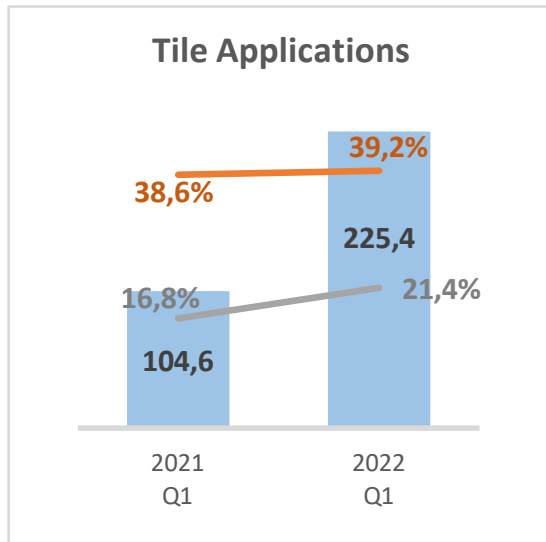
*Net Sales Bridge
(TL million)*





Sales Growth & Profitability by Product Group

- While the highest sales increase was 132% in the «waterproofing» category, there was also an increase of 115% in ceramic applications and 80% in paint & plaster.
- Operational profit margins improved in all main product groups.



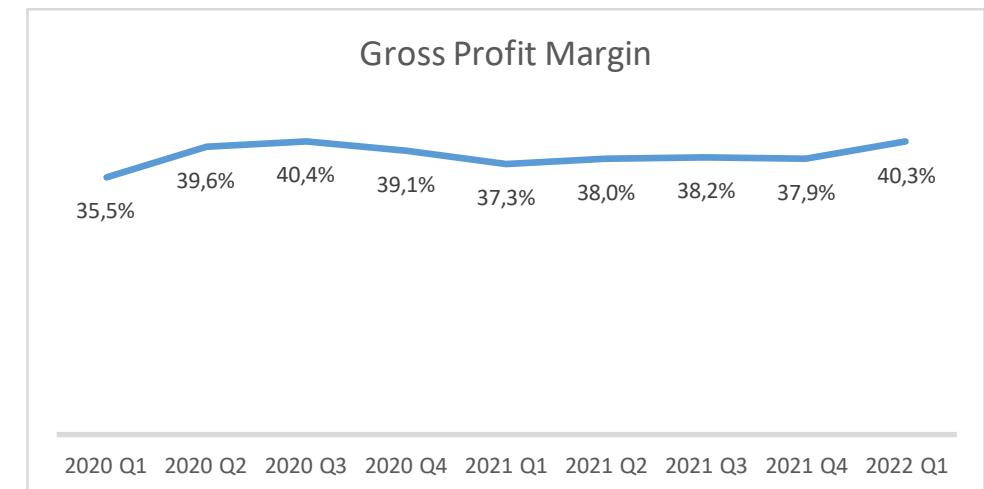
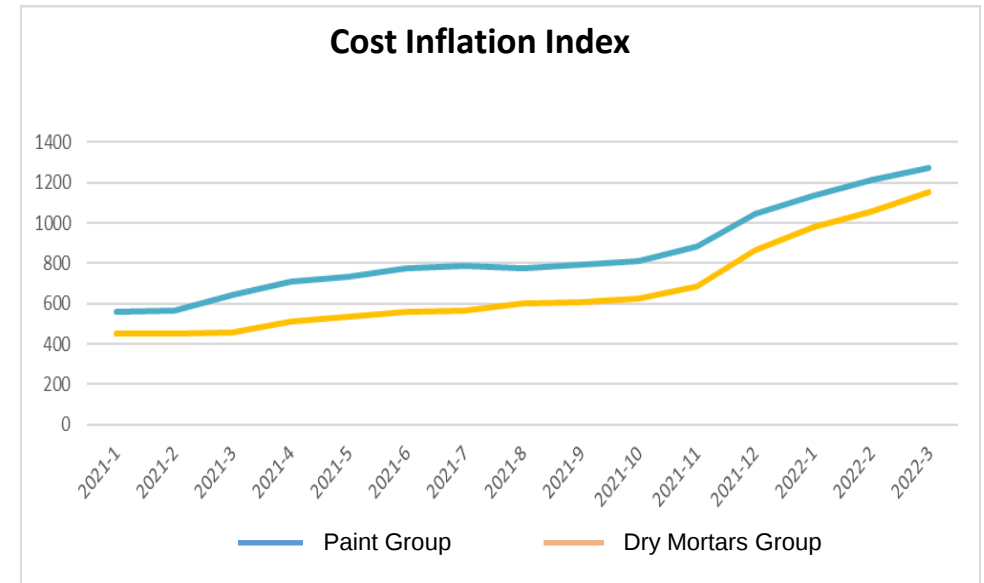
Net Sales (TL million) – After correction of eliminations
Gross Profit Margin
Core Operating Profit Margin

* Including thermal insulation & other various categories



Effective Supply Chain and Cost Management

- In the chemical raw material markets, supply constraints and price increases continued due to the impact of high demand, breaks in the supply chain, and force majeure during the first quarter of 2022.
- By the end of March 2022, costs have increased Y-on-Y in dry mortars group and paint group by 254% and 228%, 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.





Lyksor Chemicals Share Purchase Agreement

- Lyksor Chemicals will be consolidated under Kalekim A.Ş., starting with second quarter.
 - Signing of share purchase agreement February 12, 2022
 - Approval of Competition Board March 24, 2022
 - Completion of share transfer transactions April 4, 2022
 - Registration of Kalekim Lyksor Chemicals Co. April 12, 2022

LYKSOR CHEMICALS BASIC INDICATORS – 2021*

Net Sales	: TL 214 million
Gross Profit Margin	: 32%
Operating Prof. Mar.	: 24%
Net Profit	: 25%

* Tax Procedure Law based.





Other Developments

- Kalekim participated *Kyiv Build Fair* in Kiev, Ukraine on February 16-18, and *Yugbuild 2022 Fair* in Krasnodar, Russia on March 1-4.
- In addition to construction chemicals and paint products, our decorative coating brand *Visuelle* was presented to professionals for the first time abroad at the fairs.
- In TRNC, trainings were organized for dealer employees and professionals.
- Online trainings and on-site visits were held for masters, the largest customer group in the domestic market.



Financial Statements

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P&L Statement

<i>TL million</i>	2022 Q1	2021 Q1	2021 Q4	Y-on-Y Change	Q-on-Q Change	2021 12-Month
Net Sales	302,4	143,1	264,0	111%	15%	810,0
Gross Profit	121,9	53,4	100,2	128%	22%	307,1
<i>Margin</i>	40,3%	37,3%	37,9%			37,9%
Operating Profit	62,5	18,1	38,0	246%	65%	126,6
<i>Margin</i>	20,7%	12,6%	14,4%			15,6%
Profit Before Tax	85,4	24,0	130,4	256%	-34%	242,0
<i>Margin</i>	28,2%	16,8%	49,4%			29,9%
Net Profit	70,8	24,1	117,3	194%	-40%	213,2
<i>Margin</i>	23,4%	16,8%	44,4%			26,3%
EBITDA	69,9	24,7	46,1	182%	51%	152,7
<i>Margin</i>	23,1%	17,3%	17,5%			18,9%



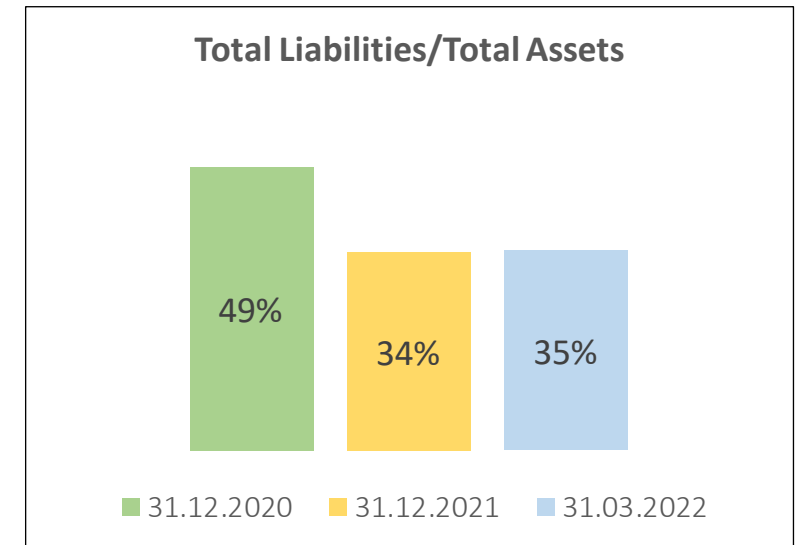
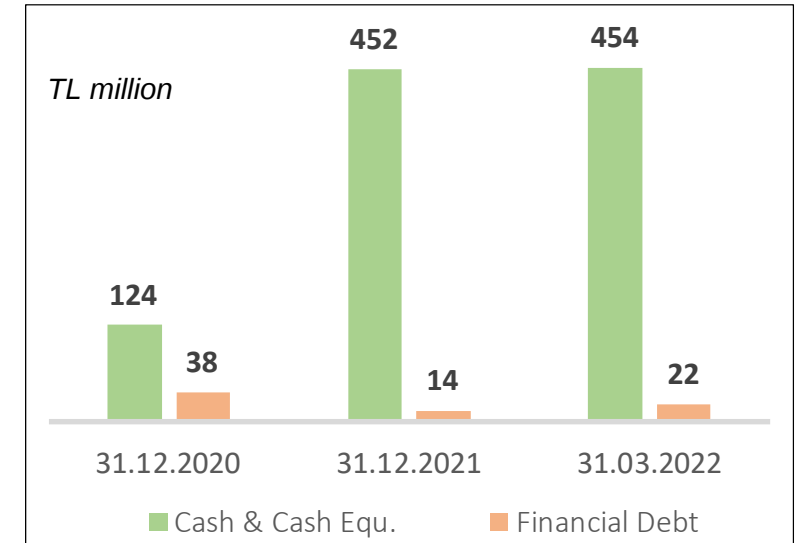
Balance Sheet

<i>TL million</i>	31.03.2022	31.12.2021		31.03.2022	31.12.2021
Current Assets	847,1	753,2	Current Liabilities	348,2	316,0
Cash & Cash Equivalents	454,2	452,3	Trade Payables	266,8	236,3
Trade Receivables	248,4	197,8	Deferred Incomes	14,5	46,6
Inventories	110,4	75,6	Provisions	24,8	15,5
Others	33,9	27,5	Others	42,2	17,6
Non-current Assets	243,1	230,9	Non-current Liabilities	27,6	23,9
Tangibles Assets	142,1	140,3	Financial Liabilities	11,5	8,8
Intangible Assets	13,5	14,7	Provisions	16,1	15,1
Properties for Investment Purpose	50,9	51,1	Total Equity	714,4	644,3
Others	36,6	24,8	Paid-in Capital	115,0	115,0
TOTAL ASSETS	1.090,2	984,1	TOTAL LIABILITIES & EQUITY	1.090,2	984,1



Liquid and Strong Balance Sheet

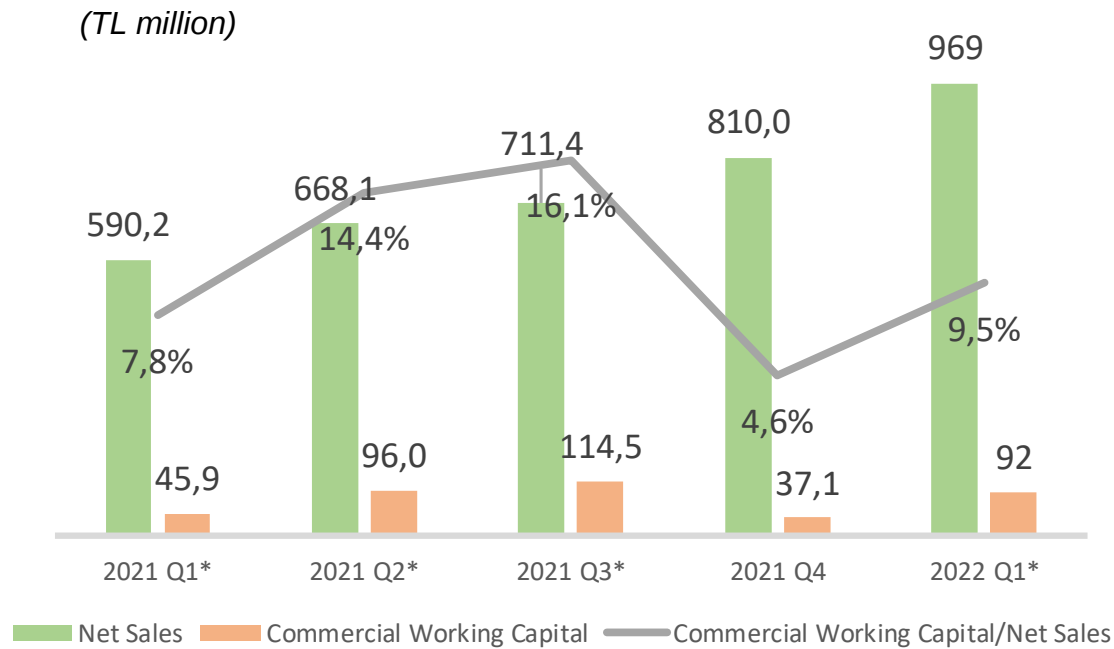
- Cash and cash equivalents totalled TL 454 million by the end of Q1 2022.
- Around 39% of TL 406 million time deposit is held in USD and FX-protected TL deposits.*
- Financial liabilities of TL 21,9 million is due to short and long term leasing agreements*. The company does **not utilize any bank loan**.



* At the beginning of April, dividend was paid and the company paid for 75% shares of Lyksor Chemicals.



Commercial Working Capital



- As the importance of supply chain management increased even more in this period, agreements were made to guarantee production with the strategic decisions taken, and the terms of commercial debt were shortened periodically in this direction.

Number of Days	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022
Trade Receivables	113	63	52
Inventories	42	41	32
Trade Payables	136	107	98

* Last 12-months sales are considered.

2022 Guidance

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2022 Guidance

☐ Net Sales* +%80-100 (TL based) +

**Kalekim
Lyksor Chemicals**

- Dry Mortar In line with 2021 (tonnes based)
- Paint & Plaster ~ +%20 (tonnes based)

☐ EBITDA Margin ~ %20

☐ CAPEX TL 130-150 million

(Investment in Mersin plant for export markets, to be financed by IPO proceedings: ~ TL 70 million)

☐ Working Capital/
Net Sales < %10

* Excluding Kalekim Lyksor Chemicals, which will be consolidated for April-December 2022 period.



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