



# 2024 Q2 Operational Results

*September 6, 2024*



# 2024 6-Month Highlights

- 17% growth thanks to continued strong performance in Türkiye (+11%) and international markets (+32%)
- In addition to the high base of Q2 2023, a partial decline in sales in the domestic market due to the impact of two long Eid holidays in the second quarter of the year
- EBITDA margin maintained above 20% despite the fact that the change in the exchange rate was below the inflation rate and the volume in the domestic market decreased in the second quarter
- Completion and commissioning of SPP investment
- Start of production at the leased facility in Muğla
- Factory construction ahead of schedule in Iraq

**TL 3,1 billion**

**Net Sales**

**40,5%**

**Gross Margin**

**20,7%**

**EBITDA Margin**

**TL 1,24 billion**

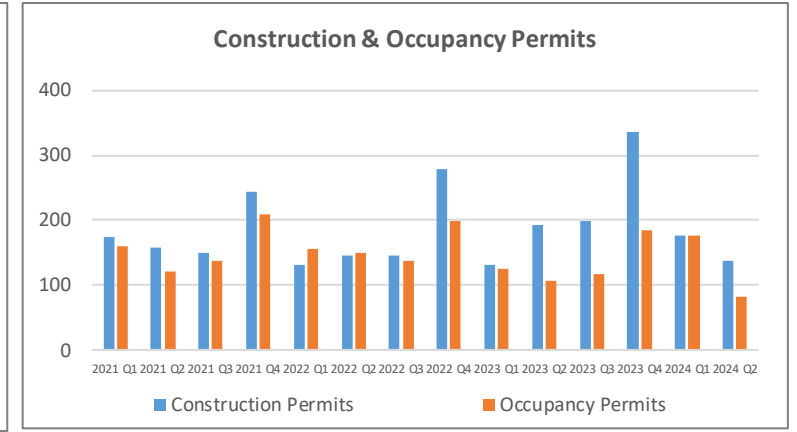
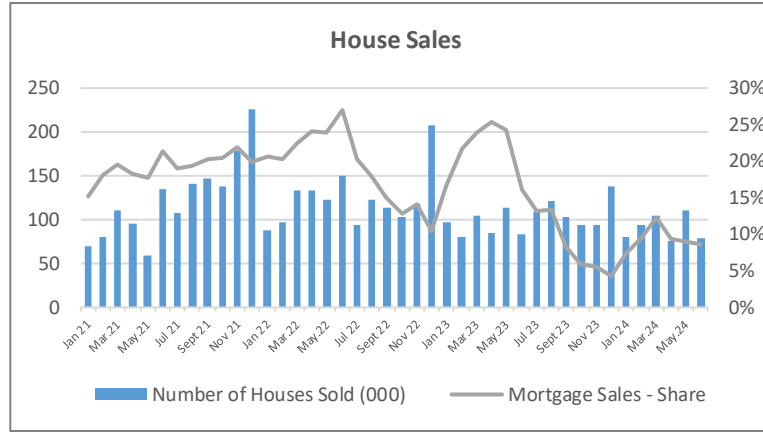
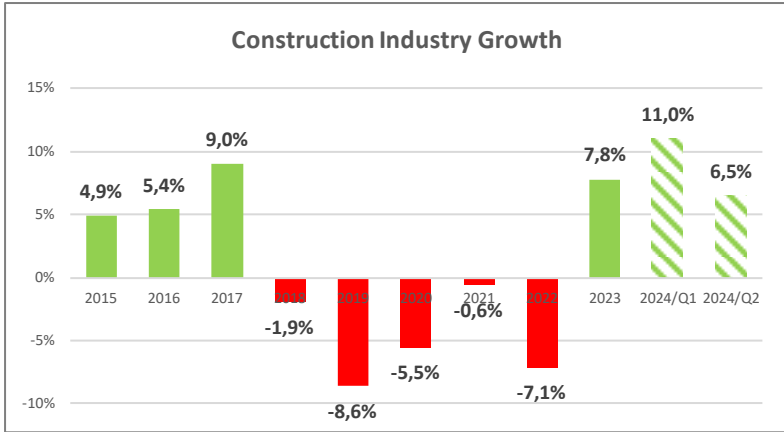
**Cash & cash eq.**

**13,5%**

**Working Capital/  
Net Sales**



# Turkish Market: Construction Industry



- After 11% growth in the first quarter of 2024 due to the low base effect due to the earthquake in Q1 2023, construction activities in the region and infrastructure investments, a **growth of 6.5%** was also realized in the second quarter.

- **Housing sales**, which **declined** by 17.5% in 2023, fell further by 3.7% in the first half of 2024.
- Due to rising credit costs, mortgage sales decreased by 58%, and the share of mortgage sales in the total was 9%.

- In 2023, building permits increased by 23%, while building occupancy permits, showing finished houses, decreased by 17%, the lowest level in the last 13 years (535 K).
- In 2024 H1, building permits decreased by 3%, while occupancy permits increased by 10%.



# Export Markets: Construction Materials Industry

- The shrinkage in the construction sectors in Europe, which is our main export market as a country, continues to limit the country's exports.
- While the contraction in Q1 2024 was 1.3%, it decreased to 0,2% with the performance in April-May, and total exports amounted to USD 11.74 billion.
- Exports of construction chemicals and construction paints & varnishes, which are the main product groups of our company, increased by 0.6% and 0.8%, respectively, thanks to the improvement in the April-May period.
- In Iraq, which is Kalekim's main export market, the construction sector continues its strong performance.

Exports (USD mio.)	Jan. – May 2024	Jan. – May 2023	Change
<b>Construction Materials</b>	<b>11.736</b>	<b>11.762</b>	<b>↓ -%0,2</b>
- Construction Chemicals	365	363	<b>↑ %0,6</b>
- Construction Paint & Varnish	166	164	<b>↑ %0,8</b>

Monthly Growth in Construction Expenditures in Selected Countries in Europe

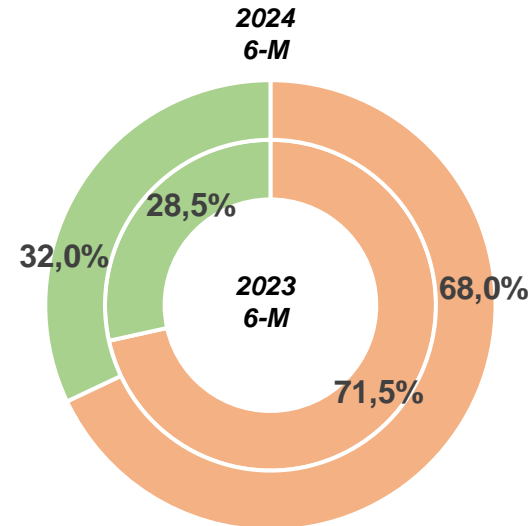
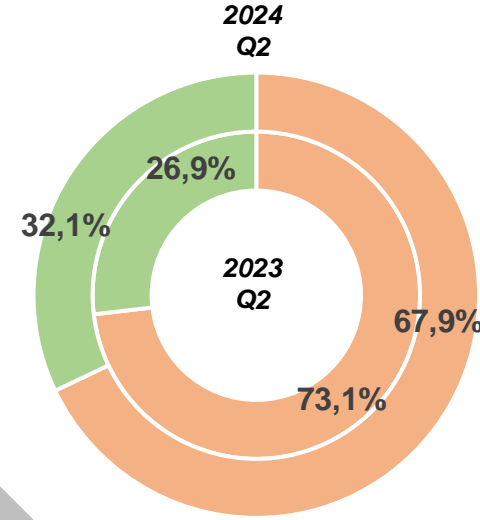
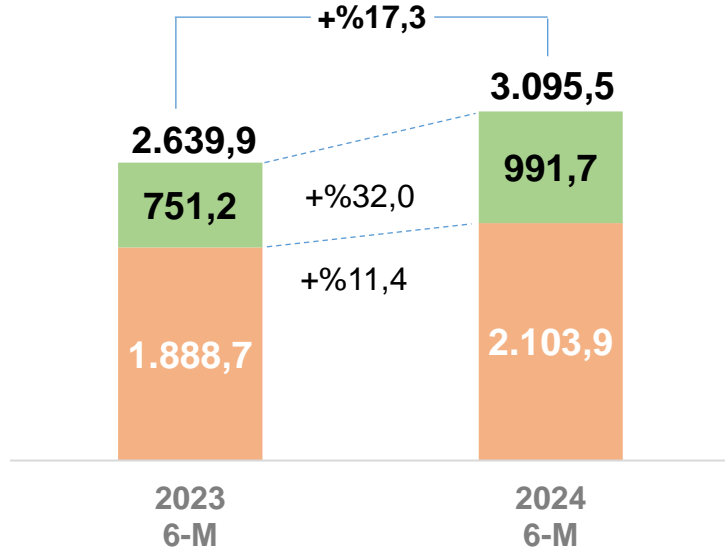
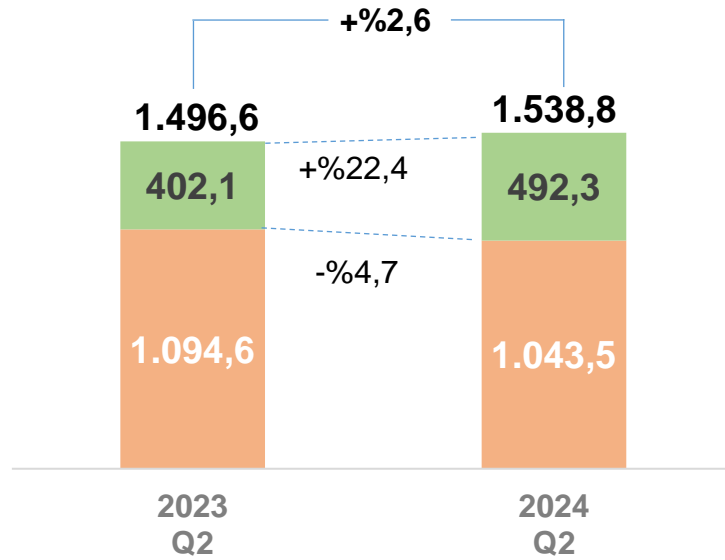
ÜLKELER	2023						2024				
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
GERMANY	0,9	-0,5	0,3	-2,5	-4,5	-0,1	-6,5	-1,6	-0,4	-3,9	-7,0
FRANCE	0,5	-1,8	0,1	-3,5	-5,2	-0,1	-0,4	-4,5	-2,3	-4,3	-5,6
SPAIN	3,3	5,4	1,2	8,3	9,7	3,9	14,1	-3,3	1,4	-1,6	-1,8
ITALY	-1,0	7,3	8,1	7,7	9,6	12,4	13,3	7,4	3,6	2,1	0,5
NETHER.	5,6	6,7	2,4	-0,5	-4,4	-2,4	-7,1	-3,8	-3,2	-0,3	-5,2
POLAND	1,1	3,4	13,8	7,5	1,7	18,9	-8,2	-5,5	-9,7	-6,0	-4,5
SWEDEN	-6,6	-5,0	-9,5	-5,8	-5,3	-7,6	-7,1	-5,9	-8,2	-4,4	-7,5
DENMARK	0,1	0,9	0,3	0,4	0,8	0,6	-1,6	-0,5	3,1	1,1	1,1
FINLAND	-7,4	-7,4	-8,7	-7,9	-6,9	-11,4	-14,1	-10,4	-8,2	-5,2	-0,6
BELGIUM	11,4	-6,9	0,3	-3,6	-2,5	10,3	-0,3	0,0	8,1	-9,5	-2,2
CZECH	-2,2	-2,6	-0,4	-1,0	-6,5	-3,2	-6,5	2,9	-8,4	-0,2	-6,8
AUSTRIA	3,1	-1,4	-1,9	0,1	-4,5	4,0	-5,1	-11,9	-4,4	-1,1	-0,8
ROMANIA	14,0	18,1	10,2	9,2	14,4	30,8	-17,9	-4,0	-0,6	12,3	-1,6

Source: IMSAD



# Sales Growth & Breakdown by Region

TL mio.



- Despite the fact that the exchange rate was below inflation, the share of international sales in total increased by 5 points in the Q2 and by 3.5 points in the 6-M period, especially as a result of the decline in sales volume in Türkiye in Q2 2024 (compared Q2 2023 with high base) and the continued growth in international market, mainly in Iraq.

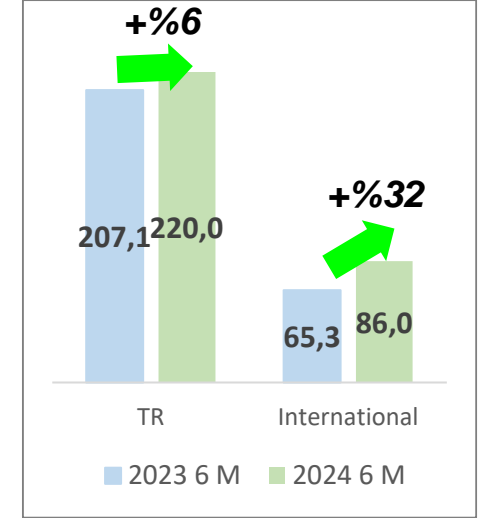
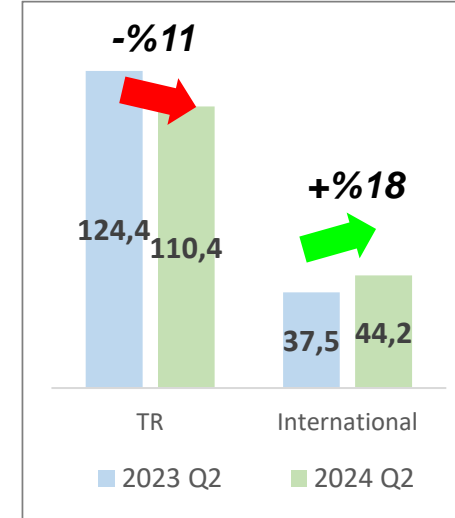
Türkiye International



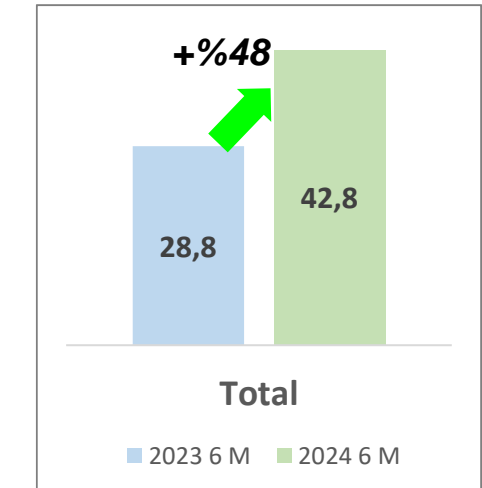
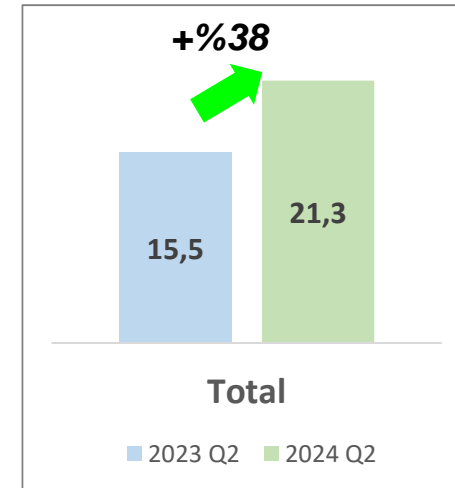
# Sales Volume Growth

- Due to the high base effect of Q2 2023, there is an 11% decrease in dry mortar & paint product groups in the Turkish market in the Q2 2024, but this sales volume is parallel with Q1 2024.
- The high performance in exports, mainly in Iraq, continued, and total exports increased by 32% in the first half of the year and reached USD 31.4 million.
- The high performance in K. Lyksor's sales volume continued in the second quarter of the year.
- In the first half of 2024, consolidated volume growth of 10,4% in Türkiye and 33,4% in international markets was achieved.

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



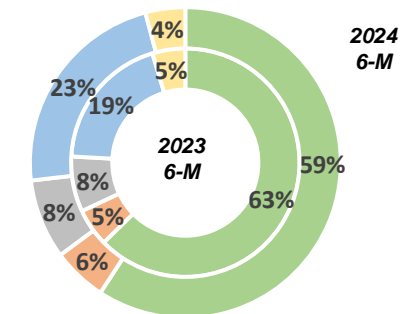
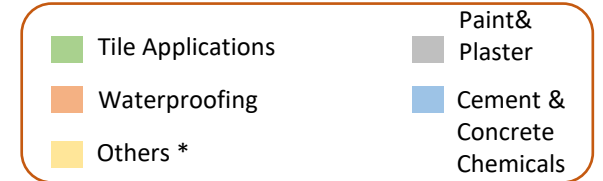
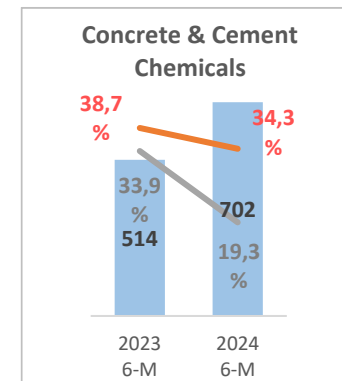
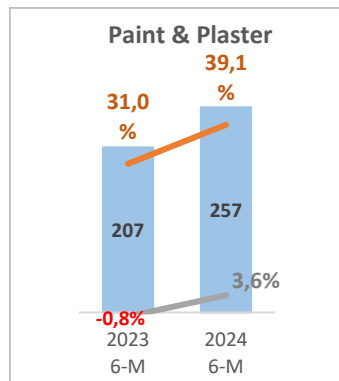
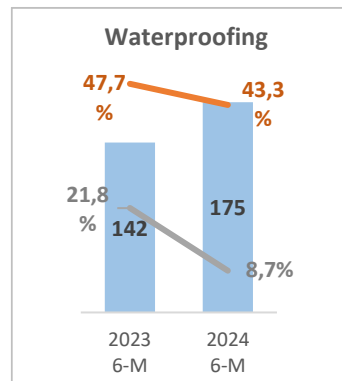
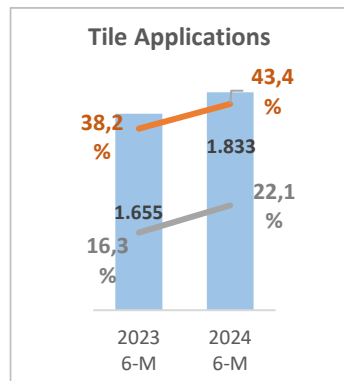
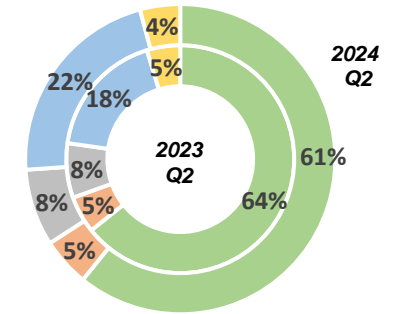
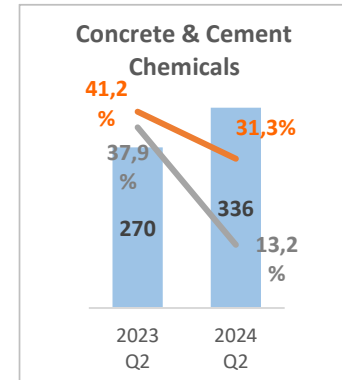
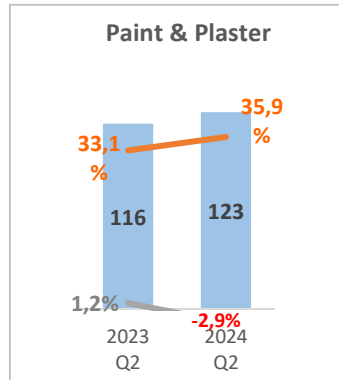
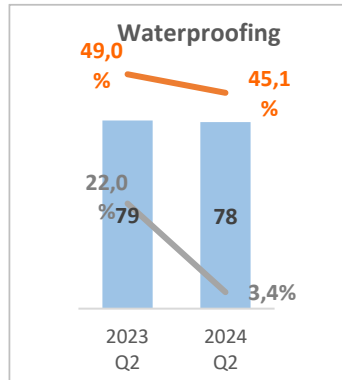
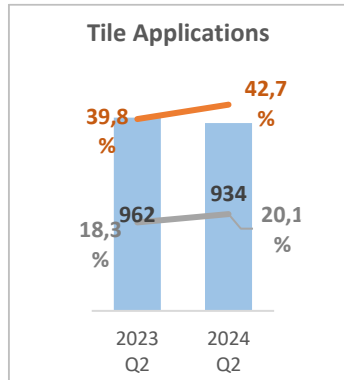
*Concrete & Cement Chemicals Sales Volume (000 tons)*





# Sales Growth & Profitability by Product Group

- While high margins were maintained in ceramic applications, which is the main product group in which we are the market leader by far, margins eased periodically due to demand conditions, price competition, market and organizational investments, actions taken in line with growth targets, especially in waterproofing and concrete & cement chemicals.



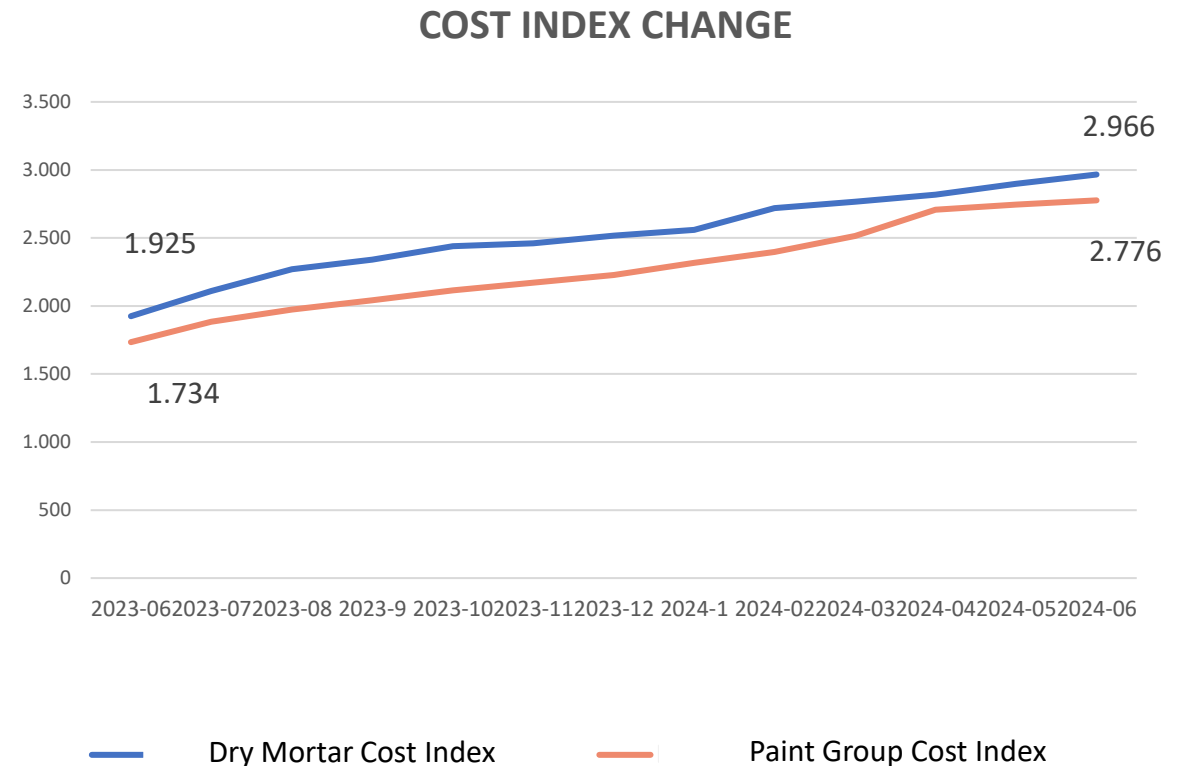
Net Sales (TL million) – After Eliminations    Gross Profit Margin    Operating Profit Margin

\* Heat insulation and other



# Effective Supply Chain and Cost Management

- In the chemical raw material markets, prices increased in the Q2 due to the increase in freight prices and fluctuations in global demand.
- Along with the exchange rate effect, changes in fillers and cement in dry mortars, chemical raw materials and liquid binders in the paint group were also effective in cost inflation increases.
- As of the end of June 2024, in the last 12 months, the dry mortars cost index has increased by 54% and the paint group cost index by 60%.



# Financial Statements

*IAS-29 Applied*



# P&L Summary\*

\* IAS-29 applied

(mio. TL)	2024 Q2	2023 Q2	Y-on-Y Change	2024 Q1	Q-on-Q Change	2024 6 Months	2023 6 Months	Y-on-Y Change
Net Sales	1.535,8	1.496,6	2,6%	1.559,7	-1,5%	3.095,5	2.639,9	17,3%
Gross Profit	603,0	591,4	2,0%	651,9	-7,5%	1.254,9	997,9	25,7%
Margin	39,3%	39,5%		41,8%		40,5%	37,8%	
Operating Profit	226,2	296,3	-23,7%	334,7	-32,4%	561,0	470,3	19,3%
Margin	14,7%	19,8%		21,5%		18,1%	17,8%	
Profit Before Financing	226,2	374,3	-39,6%	334,7	-32,4%	561,0	552,9	1,5%
Margin	14,7%	25,0%		21,5%		18,1%	20,9%	
Financial Income	116,8	104,8		116,1		233,0	159,0	
Financial Expense	-65,9	-32,5		-72,4		-138,3	-54,7	
Monetary Gain (Loss)	-53,0	-115,1		-162,5		-215,5	-277,3	
Profit Before Tax	224,2	331,6	-32,4%	216,0	3,8%	440,1	380,0	15,8%
Margin	14,6%	22,2%		13,8%		14,2%	14,4%	
Net Profit	178,5	237,9		137,0	30,3%	315,5	216,8	45,6%
Margin	11,6%	15,9%		8,8%		10,2%	8,2%	
EBITDA	262,0	330,6	-20,7%	378,0	-30,7%	640,1	541,2	18,3%
Margin	17,1%	22,1%		24,2%		20,7%	20,5%	



# Balance Sheet \*

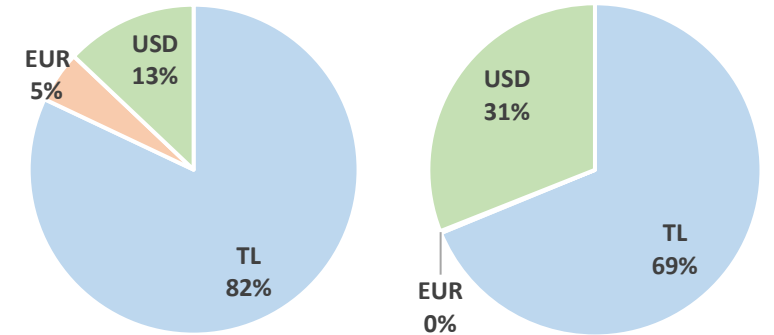
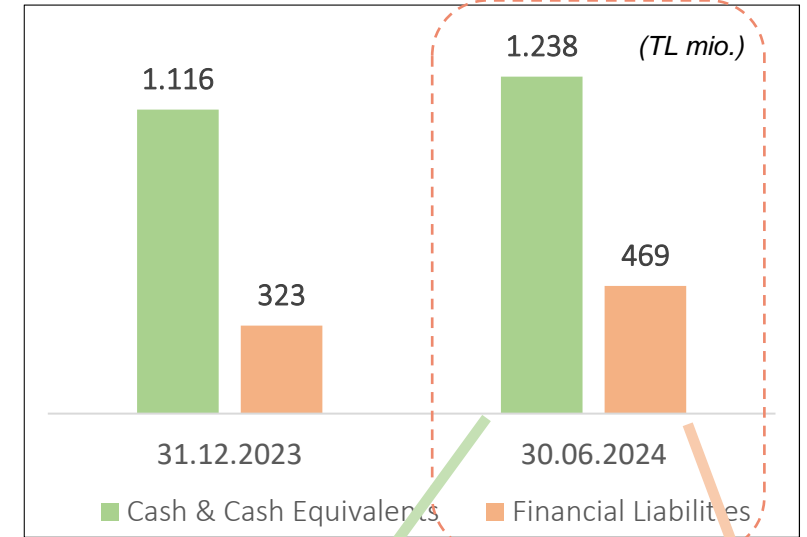
\* IAS-29 applied

(TL mio.)	30.06.2024	31.12.2023		30.06.2024	31.12.2023
<b>Current Assets</b>	<b>3.200,8</b>	<b>2.846,1</b>	<b>Current Liabilities</b>	<b>1.732,0</b>	<b>1.542,2</b>
Cash & Cash Equivalents	1.236,8	1.115,9	Bank Loans	429,5	273,1
Financial Investments	0,8	0,4	Lease Liabilities	13,6	17,9
Trade Receivables	1.272,5	1.101,4	Trade Payables	891,7	913,4
Inventories	467,1	410,5	Deferred Incomes	125,5	153,3
Prepaid Expenses	119,4	69,5	Provisions	137,2	72,7
Current Tax Assets	10,7	84,8	Others	134,5	111,9
Others	93,5	63,5	<b>Non-current Liabilities</b>	<b>84,1</b>	<b>121,7</b>
<b>Non-current Assets</b>	<b>2.031,5</b>	<b>1.967,5</b>	Bank Loans	0,0	0,0
Tangibles Assets	1.408,7	1.346,8	Provisions	41,2	45,6
Intangible Assets	140,0	144,8	Lease Liabilities	25,1	30,9
Properties for Investment Purpose	158,5	177,2	Deferred Tax Liabilities	17,8	45,1
Deferred Tax Assets	185,8	165,3	<b>Total Equity</b>	<b>3.416,2</b>	<b>3.149,8</b>
Others	138,5	133,4	Issued Capital & Inflation adj.	1.768,8	1.768,8
<b>TOTAL ASSETS</b>	<b>5.232,3</b>	<b>4.813,7</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5.232,3</b>	<b>4.813,7</b>



# Cash and Financial Debt Structure

- At the end of the Q2 2024, cash, cash equivalents and financial investments\* totaled TL 1.24 billion, an increase of 11% compared to the end of 2023.
- The breakdown of total financial debt of TL 469, which is up 45% from 2023-end, is as follows:
  - TL 39 mio. from short and long-term leasing
  - Loans provided under favorable conditions and used in SPP investment is 286 mio. TL
  - TL 144 for the loan needs of K. Lyksor A.Ş.
- As the consolidated **net cash** position is TL 769 mio., **net debt/EBITDA** is at -0,54X, and 0,2X for K. Lyksor, which had a net debt of TL 78 mio..

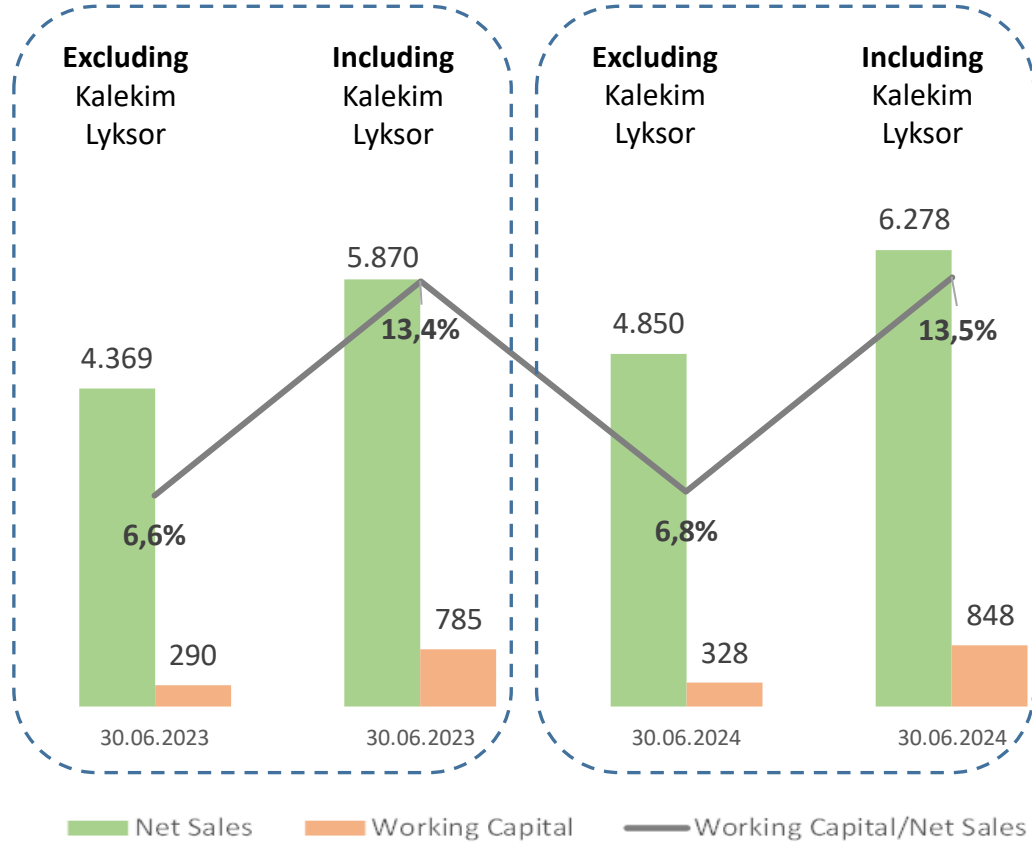


Cash and Financial Debt Structure (30/06/2024)

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



# Working Capital Management



(TL mio.)

- Despite the recent difficulties in market conditions, a performance in line with the same period of 2023 was achieved thanks to successful working capital management.

Number of Days*	Kalekim Lyksor		Kalekim Lyksor	
	Excl.	Incl.	Excl.	Incl.
June, 30 2023			June, 30 2024	
Trade Receivables	67	77	55	69
Inventories	41	51	38	43
Trade Payables	115	99	91	88

\* Ortalamalar, sene başı ve dönem sonu tutarları kullanılarak hesaplanmaktadır.

# 2024 Guidance



# 2024 Guidance

	Guidance updated on June 13, 2024	6-M Realized
❑ Net Sales* (USD) :	> 10% growth in USD	17%
- Türkiye (tonnes) :	5-10% growth in volume	10%
- International (tonnes) :	15%-20% growth in volume	33%
❑ EBITDA margin :	20% - 25%	20,7%
❑ CAPEX :	TL 700-800 mio.	TL 137 mio.
❑ Working Capital / Net Sales :	10% - 15%	13,5%

# Appendix



# P&L Summary (*IAS-29 not applied*)

(TL mio.)	2024 Q2	2023 Q2	Y-on-Y Change	2024 6 Months	2023 6 Months	Y-on-Y Change
Net Sales	1.498,0	848,1	77%	2.865,1	1.450,3	98%
Gross Profit	659,0	340,8	93%	1.260,6	565,4	123%
Margin	44,0%	40,2%		44,0%	39,0%	
Operating Profit	322,1	191,7	68%	647,5	293,4	121%
Margin	21,5%	22,6%		22,6%	20,2%	
Profit Before Tax	378,8	289,9	31%	743,5	411,4	81%
Margin	25,3%	34,2%		26,0%	28,4%	
Net Profit	319,6	242,3	32%	613,4	343,7	79%
Margin	21,3%	28,6%		21,4%	23,7%	
EBITDA	339,0	201,9	68%	678,4	313,7	116%
Margin	22,6%	23,8%		23,7%	21,6%	



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