



2017 1H / Earnings Release

Aug 01, 2017

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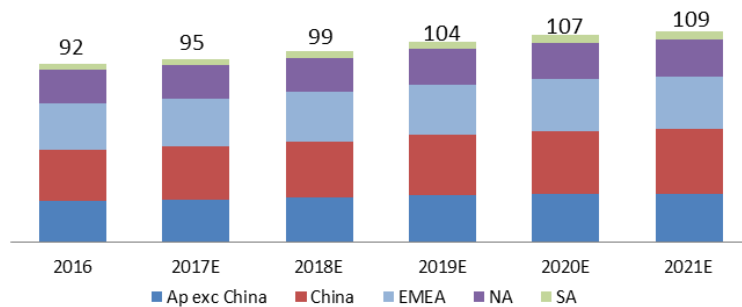
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Market Dynamics

Global Automotive Market

Global LV Assembly – M Units / Year

2016-2021E CAGR: 3,4%



Source: PWC Autofacts

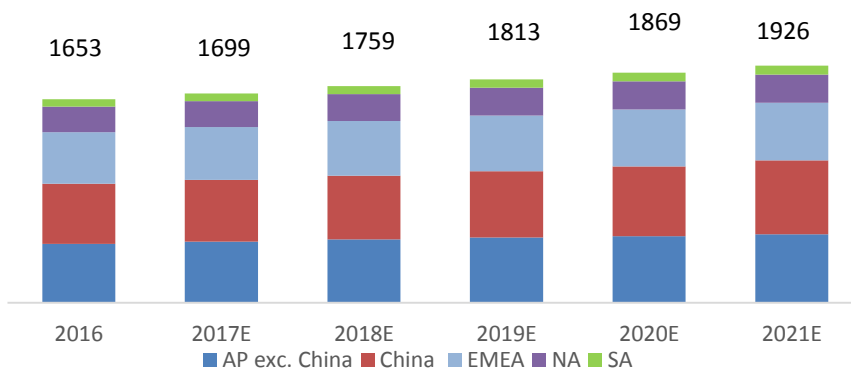
Assembly numbers compared to same period 2016 are:

- EU & EFTA : + %4,3
- Brasil : + 25.4% despite political and economical challenges
- US: - 1% due to rising inventory levels at dealers, not expected to continue.
- China : + 2.7%

Global Tire Market

Global LV Tire Production– M Units / Year

2016-2021E CAGR: 3,1%

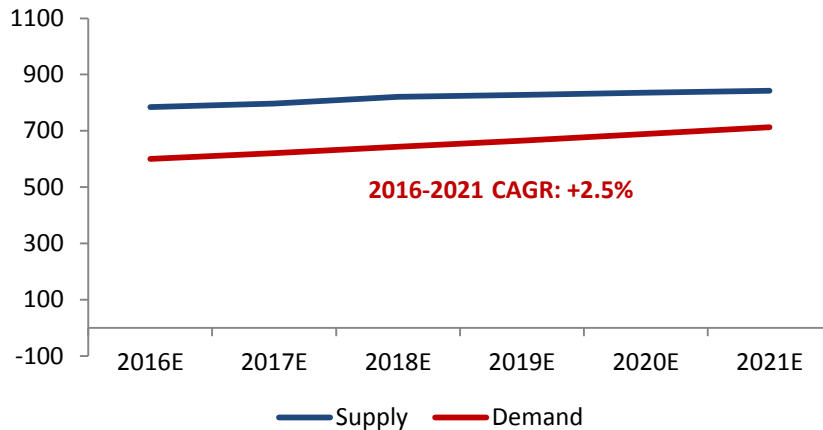


Tire Market is correlated to Automotive Market Growth. Production numbers compared to same period 2016 are:

- Europe: + 2.7%
- NA: + 1.4%
- LATAM: + 4%
- China: + 2,6%

Market Dynamics

Tire Reinforcement Market (NY6.6)

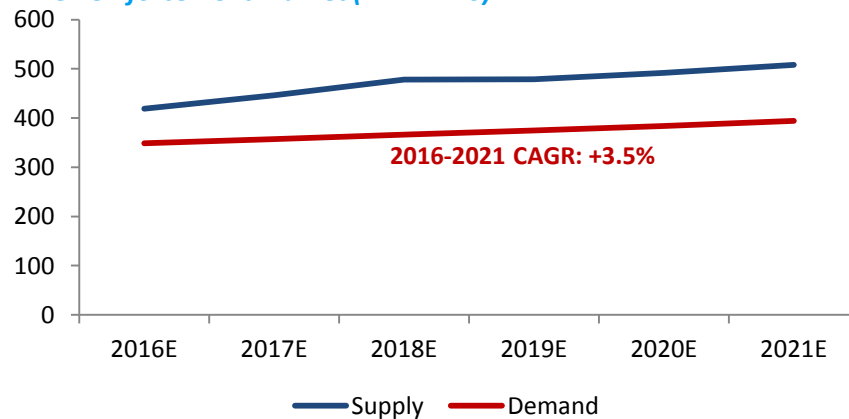


Source: Company Estimates

Nylon 6.6

- 2017: High capacity utilisation rates
- Q1 2017 raw material price spike up to 100% in March
- Cap ply demand grows with passenger & light vehicle tire demand

Tire Reinforcement Market (PET HMLS)

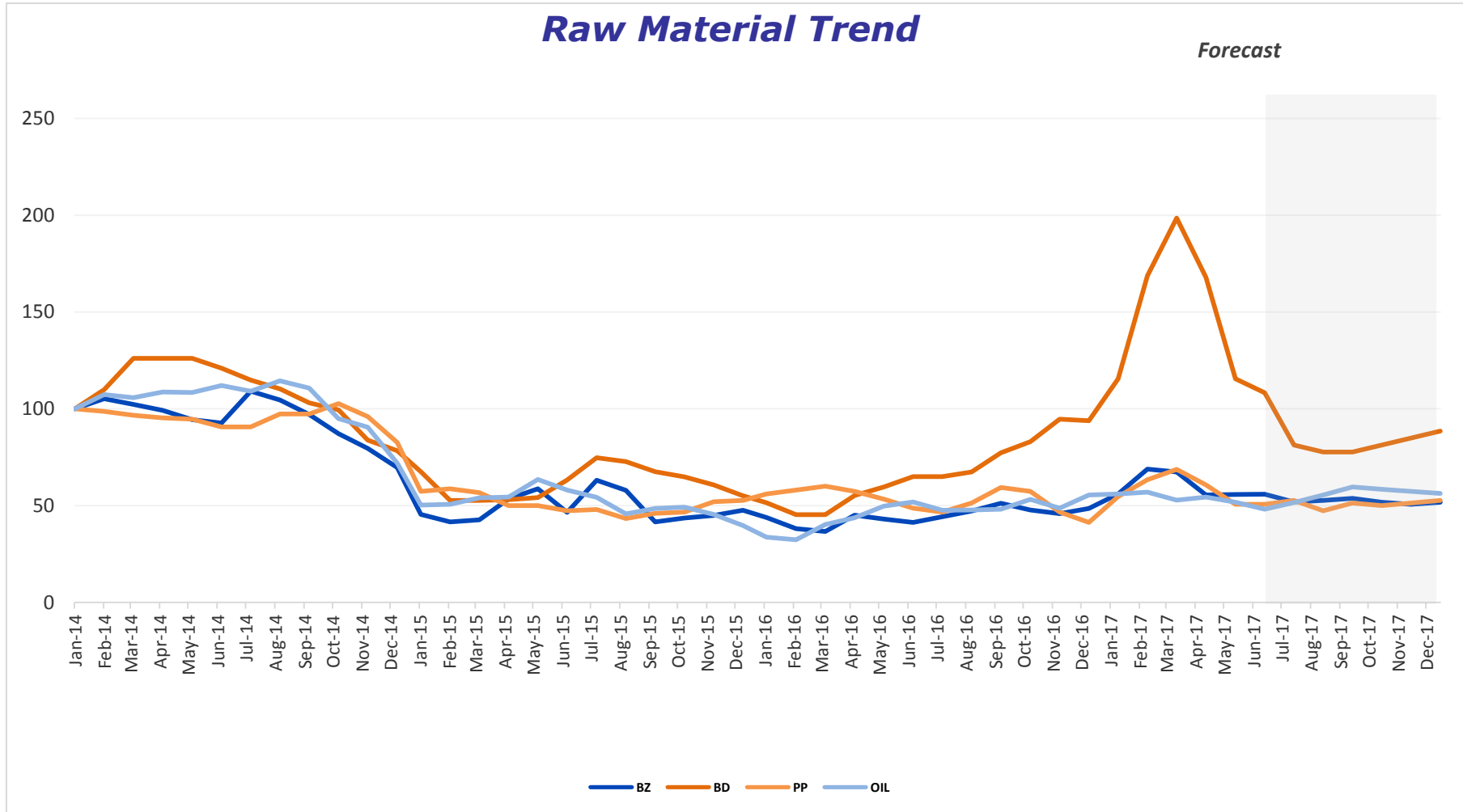


Source: Company Estimates

PET HMLS

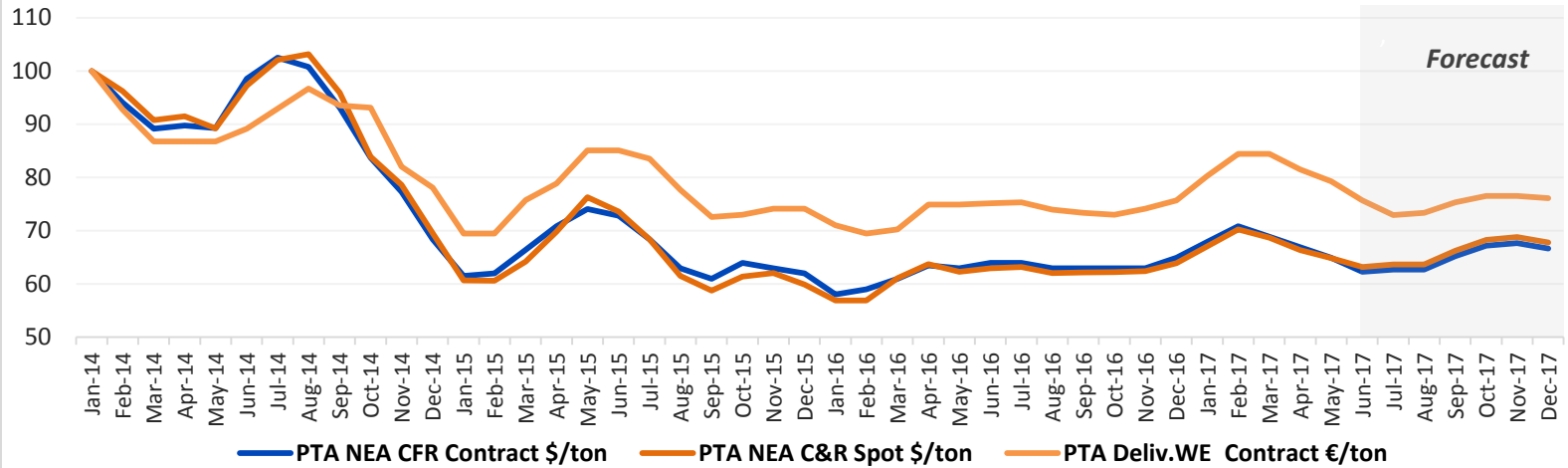
- Increasing rate of PET HMLS penetration to Agro tyres
- Increased capacity utilisation drives investments

RM Price Drivers



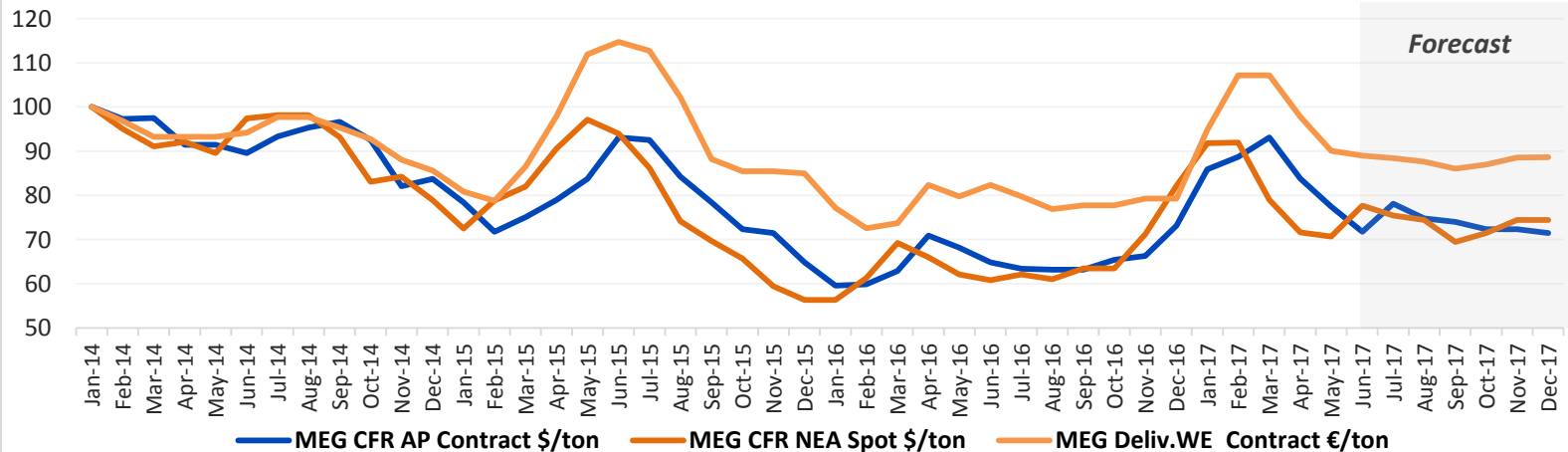
RM Price Drivers

Polyester Raw Material Trend, PTA



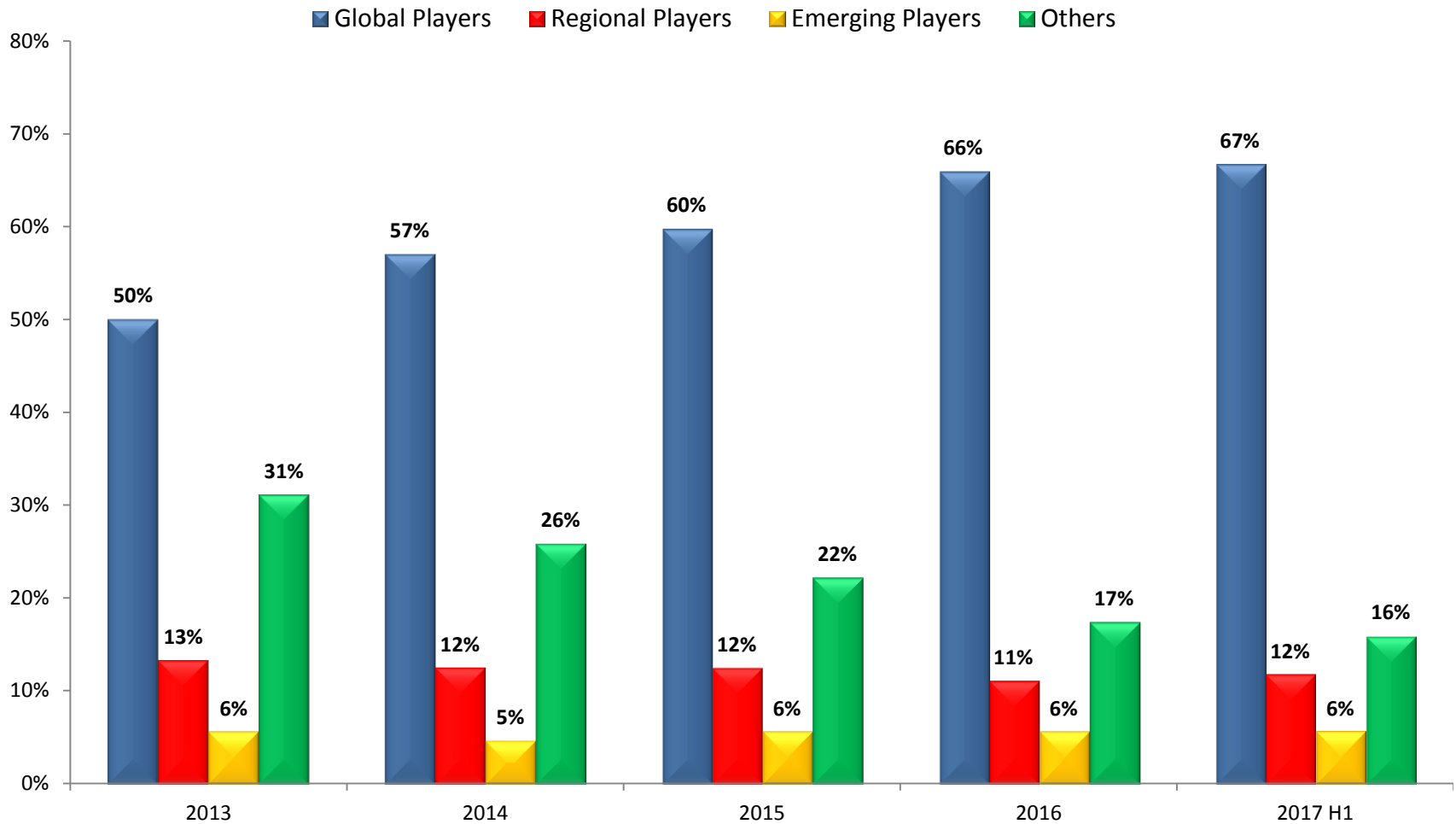
Source: Company Estimates

Polyester Raw Material Trend, MEG

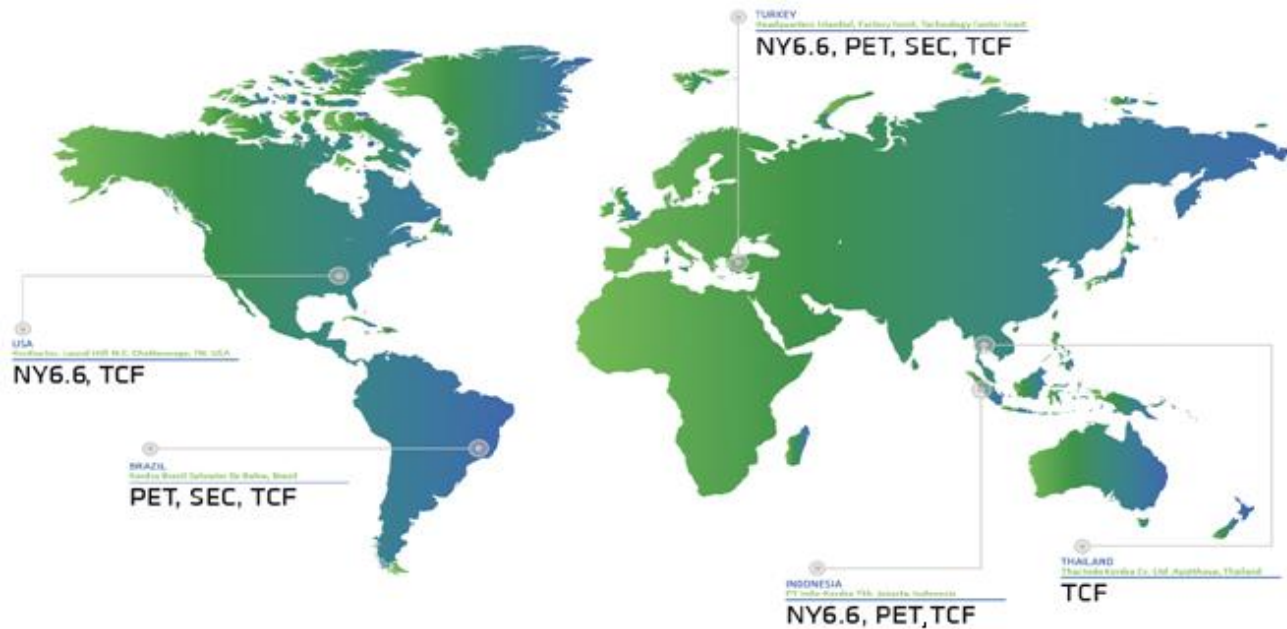
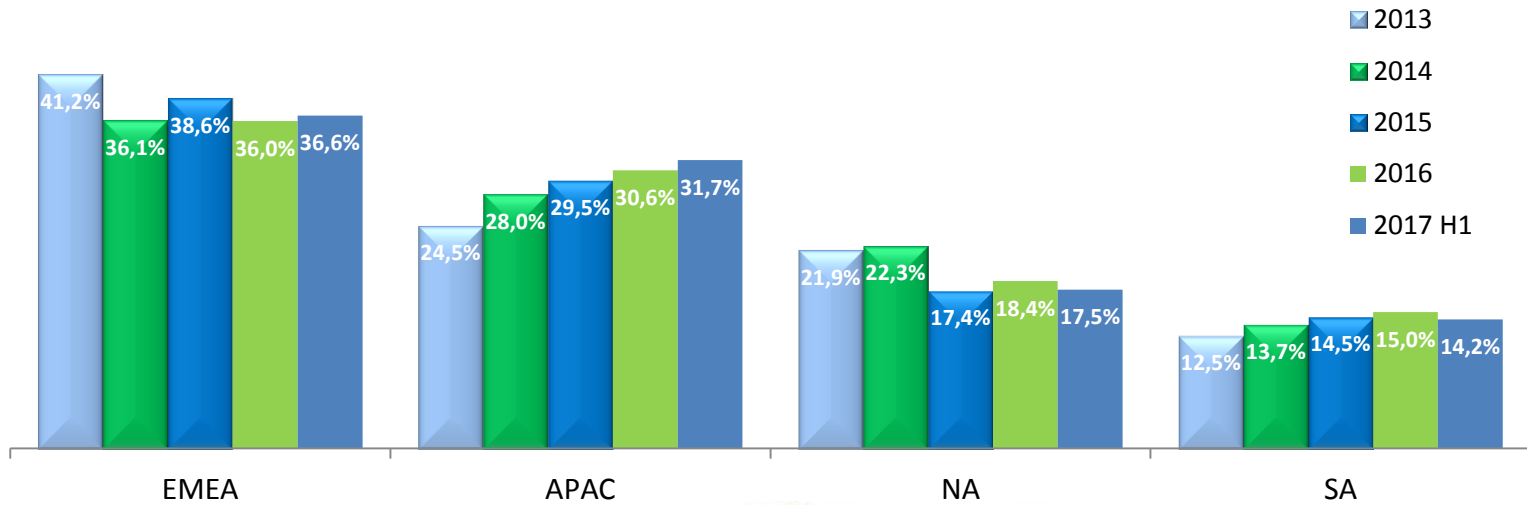


Source: Company Estimates

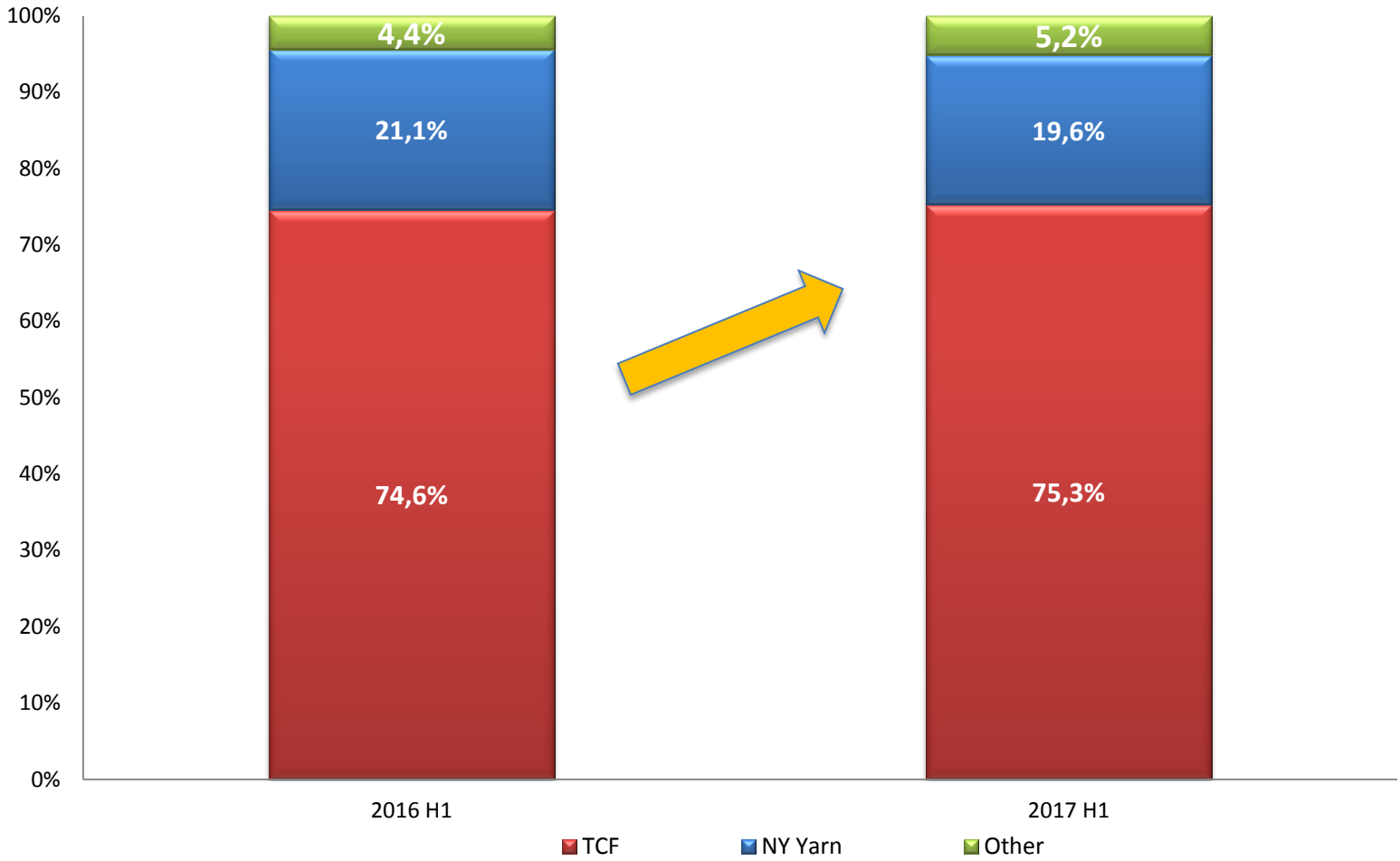
Segmental Progress



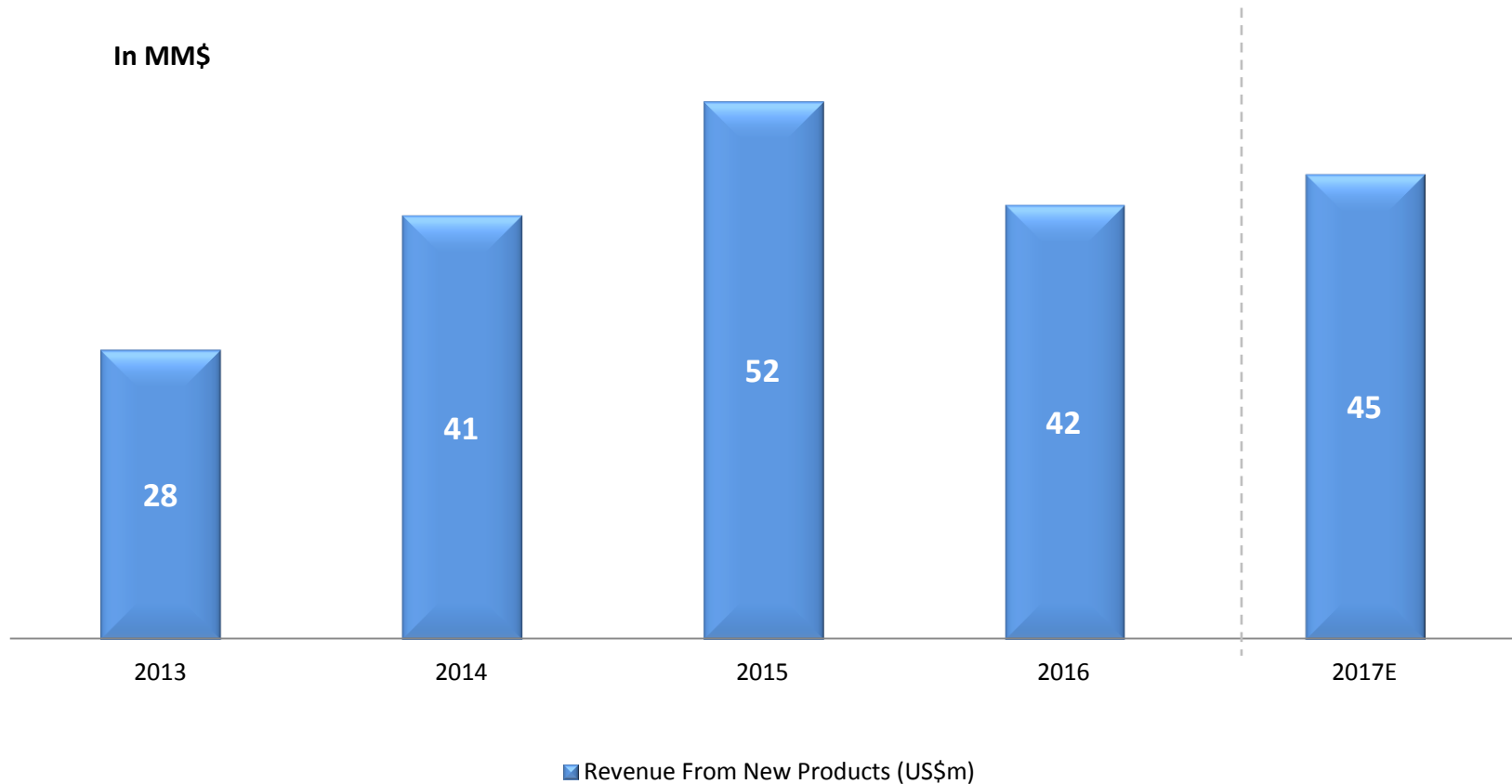
Regional Revenue Split Progress



2017 Revenue Split Progress by Products



Strong Focus on R&D



- Incl. Replacement products and incremental new products
- Once «new product life cycle» is completed in 7 years, it is transferred to «regular sales» portfolio

2017 - Key Financials

In MMTL	2016 H1	2017 H1	Change
Net Sales	960	1,239	29%
Gross Profit	200	242	21%
Gross Profit %	21%	20%	-1 pts
Opex %	8%	8%	0 pts
Operating Profit	125	152	22%
Operating Profit %	13%	12%	-1 pts
EBITDA	154	193	25%
EBITDA %	16%	16%	
Net Income	101	112	11%
Effective Tax Rate	12%	16%	3 pts
EPS	4.50	4.53	0.7%

EBITDA Calculation = Operating Profit - [Dep&Amort] - [A] - [B]**

[A]* : FX Gain/Loss on trade Rec. & Pay.

[B]** Unearned finance inc/exp on credit sales

2017 – Key Balance Sheet Items

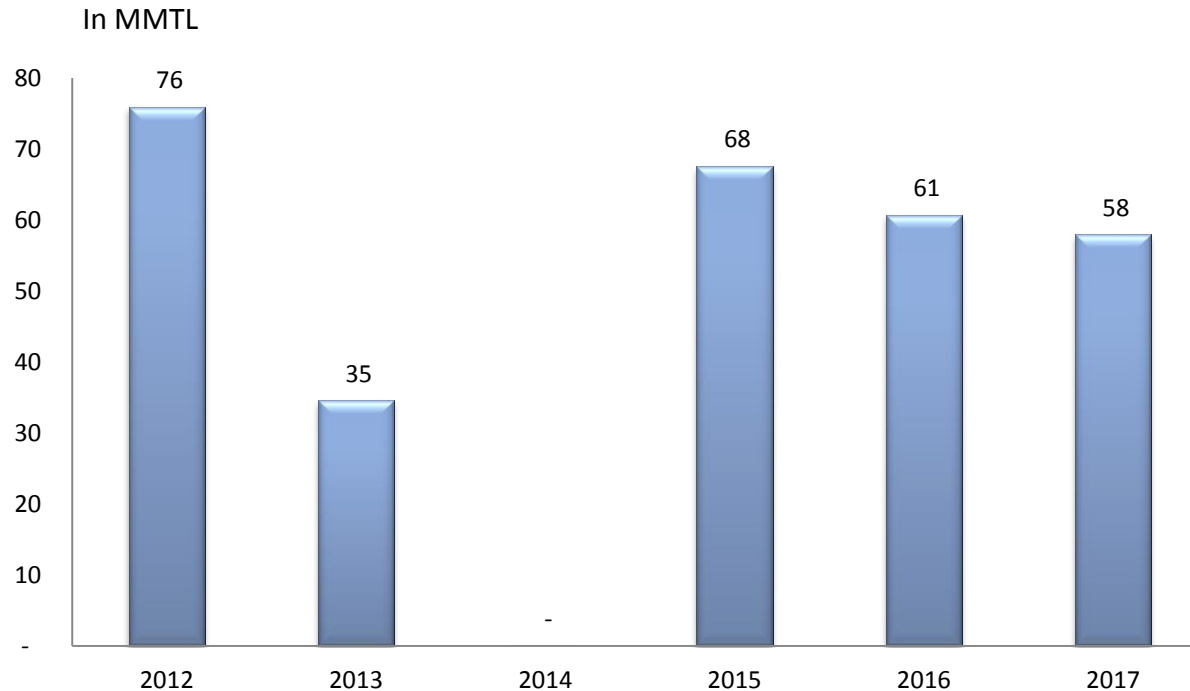
In MMTL	Dec 31, 2016	Jun 30, 2017	Change
Cash and Cash Equivalents	39	49	(11)
Account Receivable	372	478	(106)
Other Current Assets	75	73	2
Inventories	537	589	(51)
PPE & Intangible & Investment Property	1,332	1,349	(17)
Accounts Payable	(284)	(281)	(3)
Oth. Curr. Liabilities (Excl. Borrowings)	(71)	(95)	24
Net Debt	496	625	(129)
<i>Short Term</i>	<i>374</i>	<i>569</i>	<i>(195)</i>
<i>Long Term</i>	<i>161</i>	<i>105</i>	<i>56</i>
WCAP Turnover	3.5	3.1	-
Net Debt / EBITDA	1.7	1.9	
ROA	4.5%	4.3%	
ROE	8.3%	7.7%	

2017 - Free Cash Flow

In MMTL	2016 H1	2017 H1	Change
EBIT*(1-t)	105	133	27
Depreciation and Amortization	39	50	(11)
Change in Working Capital	(15)	(163)	(149)
Cash Used in Investing Activities	(72)	(61)	11
Free Cash Flow*	58	(41)	(99)

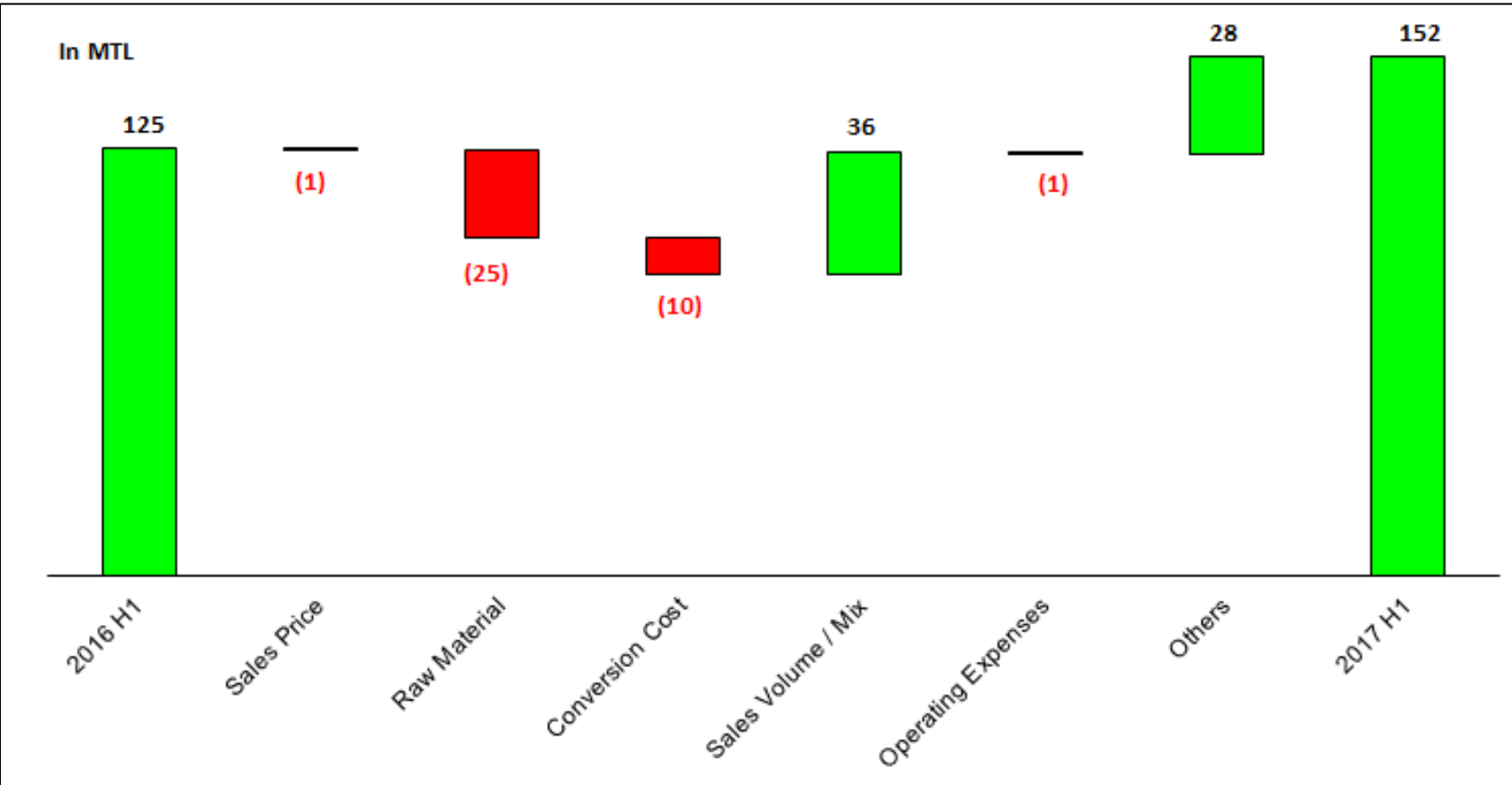
** FCF: EBIT(1-Tax Rate) + Depreciation & Amortization - Change in Net Working Capital - Capital Expenditure*

2017 - Dividend Distribution*



* Kordsa distributes all the distributable income subject to Gen Assembly approval. Basis of distribution is the lower of the Turkish solo tax books or consolidated TFRS net income.

2017 - Operating Profit Bridge - MTL



Guidance

	<u>Mar'2017</u>
Revenue Growth (TRL)	%25 - %35
Ebitda Growth (TRL)	%20-%30
Raw Material	
<i>NY</i> ----->	Highly correlated with Butadiene, Benzene, Propylene
<i>Pet</i> ----->	Highly correlated with PTA, MEG
Recurring Creep Capex	23 M\$

EBITDA Calculation = Operating Profit - [Dep&Amort] - [A]* - [B]*

[A] : FX Gain/Loss on trade Rec. & Pay.*

*[B]** Unearned finance inc/exp on credit sales*

APPENDIX

2013 – 2017H1 Trend

