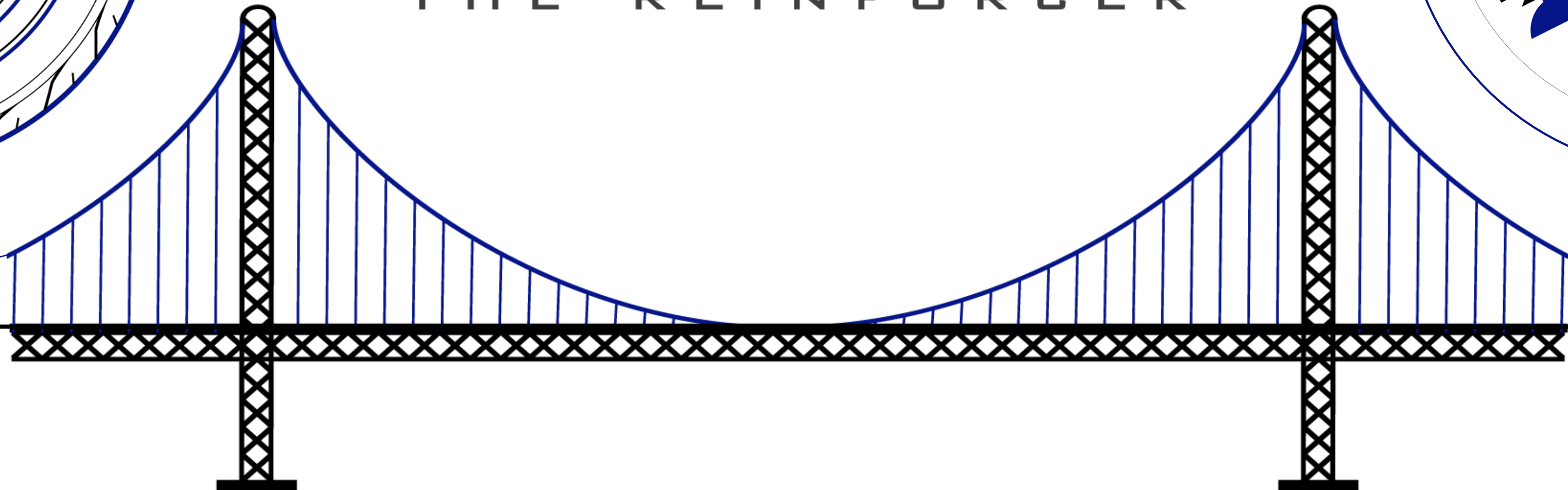


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1H 2021 – Earnings Release

Aug, 2021

Global Footprint

4 continents
12 facilities

~4,500
employees

2 R&D
centers

937 patent applications
204 patents



WE REINFORCE LIFE

1H 2021 HIGHLIGHTS



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1H 2021 in Brief

REVENUE

**3,203
MTL**



Up 59% y-o-y

EBITDA MARGIN

17.3%



strong margin
553 MTL

NET INCOME

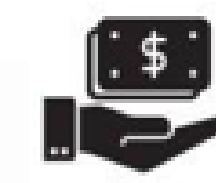
**393
MTL**



5x times increase

REVENUE BREAKDOWN

**100%
Hard
Currency**



77% USD-Based
23% EUR-Based

COST BREAKDOWN

**81%
USD
Based**



81% USD-Based
19% EM Currency

1H 2021 Snapshot

RESULTS

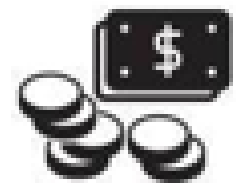
DRIVERS



USD-Based Revenue Growth

31.1%
(vs 1H'20)

- Strong tire reinforcement demand driving prices up
- Kordsa volume growth above market growth
- Price increases as a result of ingredients price hikes
- Doubled revenue generation from construction (4.5M\$)



Tire Reinforcement
Demand Growth

54%
(vs 1H'20)

- Volume growth across all regions, putting H1 2021 results well above 2020 and 2019.
- Growth leaders APAC, EMEA, LATAM, NA
- Observing strong demand continuing in 2H'21



Free Cash Flow (MTL)

304

- WC turnover improved (3.3 vs 2.7 for 1H'21 vs 1H'20)
- 8.5M\$ investment in 1H'21 in parallel to 2020 (1H'20: 8.6M\$)



Brazilian Case Effect (M\$)

10.3

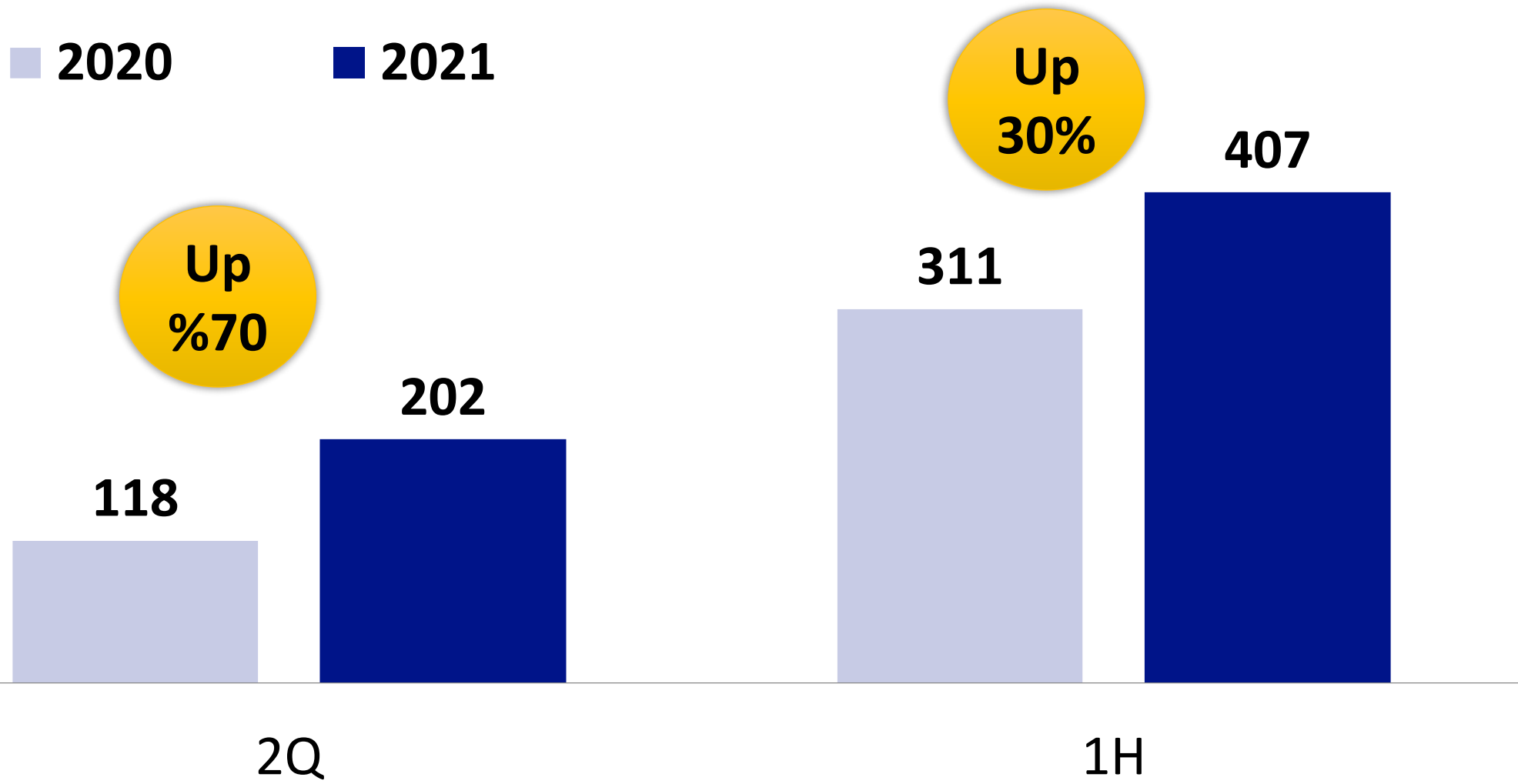
- Tax case open since 2003 has been won.
- 10.3 M\$ included in other operating income.
- 9.3 M\$ income effect after tax adjustments

1H 2021 Key Financials

Revenue Trend

vs. 2020 (M\$)

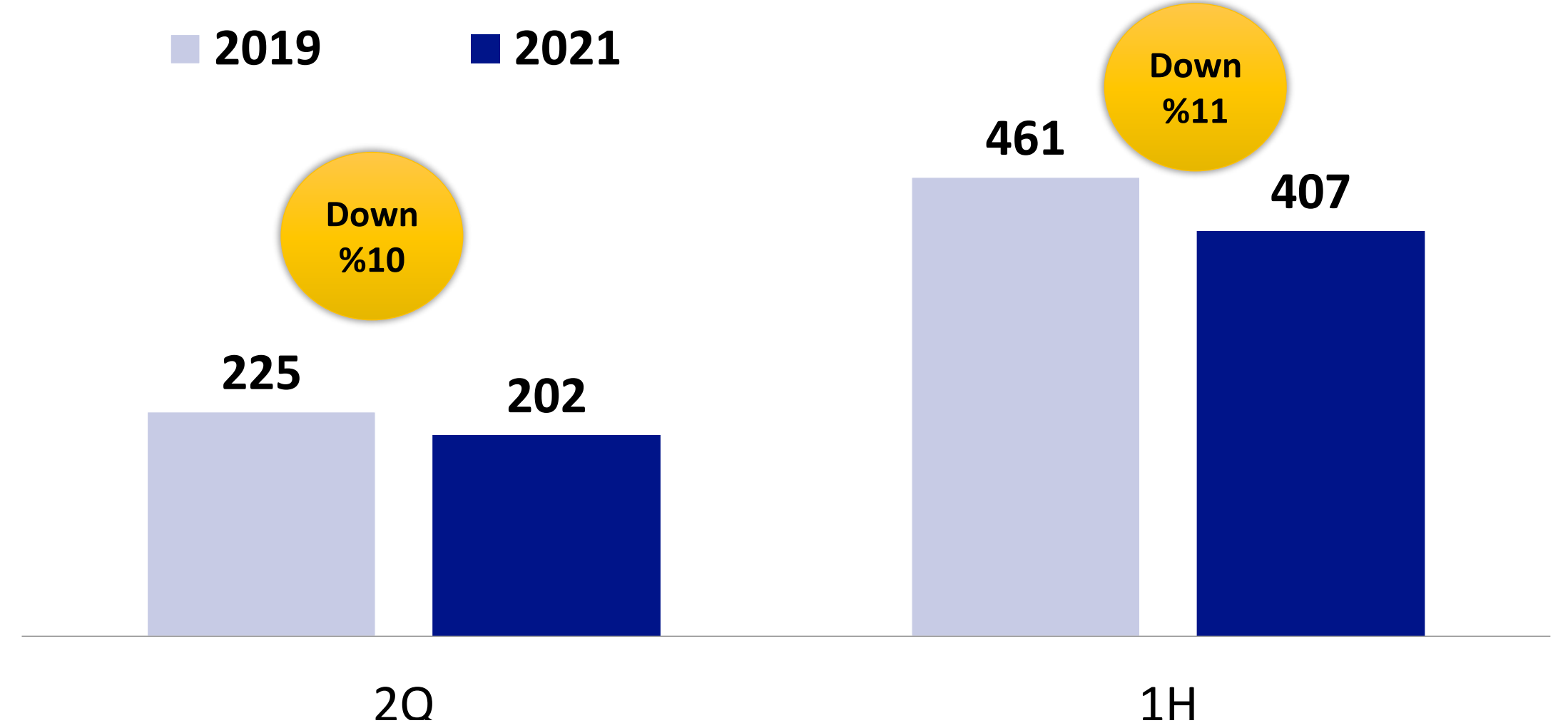
■ 2020 ■ 2021



- ✓ Most severe by Covid-19 impact : 2Q'20
- ✓ +90% volume growth compared to 2Q'20 (Industry Growth : 40%)

vs. 2019 (M\$)

■ 2019 ■ 2021

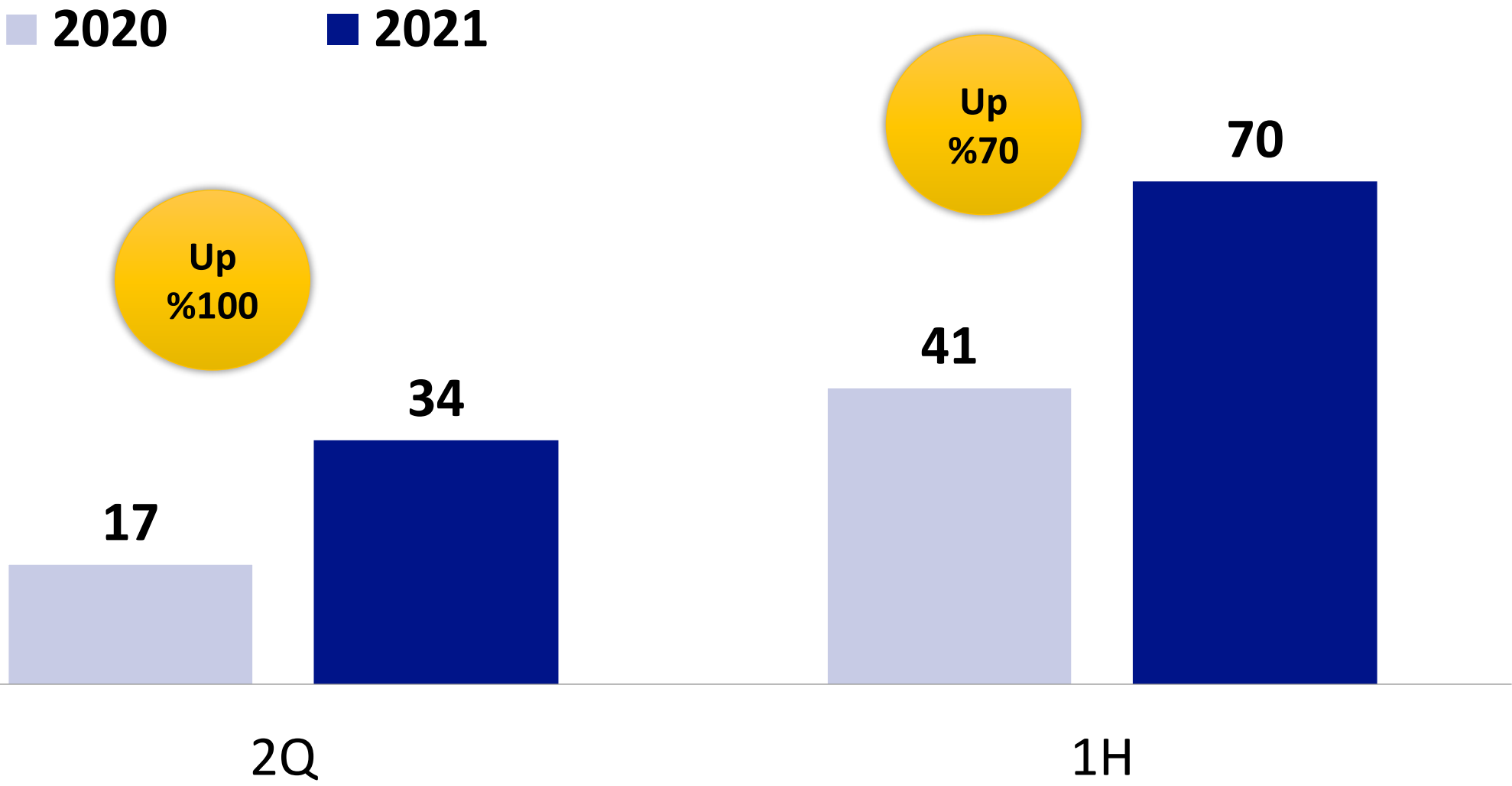


- ✓ +3% volume growth compared to 2Q'19 (Industry Growth : -8%)
- ✓ Revenue is impacted by raw material prices
- ✓ 2019 raws > 2021 raws by 10-20% depending on product

1H 2021 Key Financials

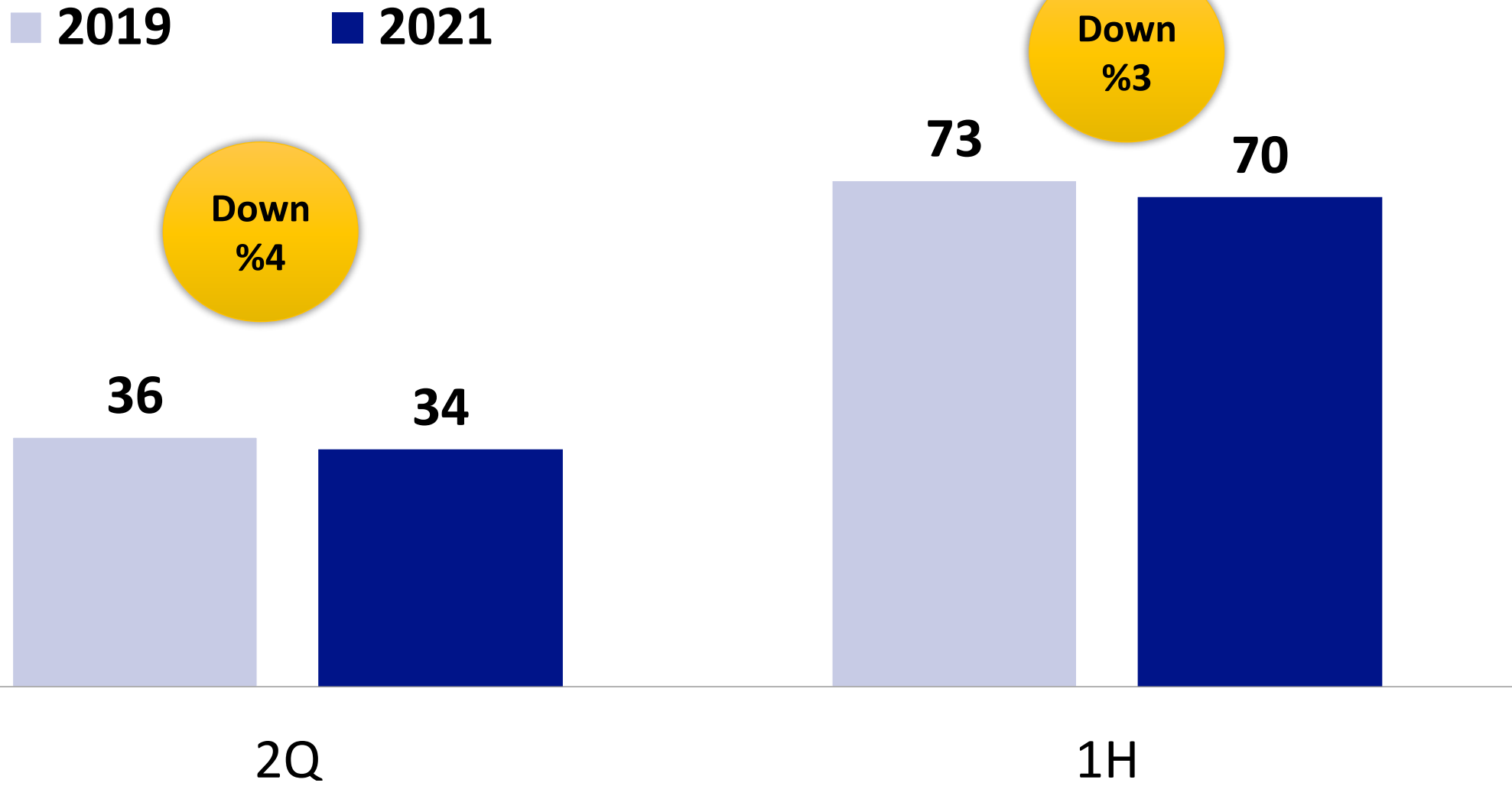
EBITDA Trend

vs. 2020 (M\$)



✓ The highest EBITDA margin for 1H

vs. 2019 (M\$)

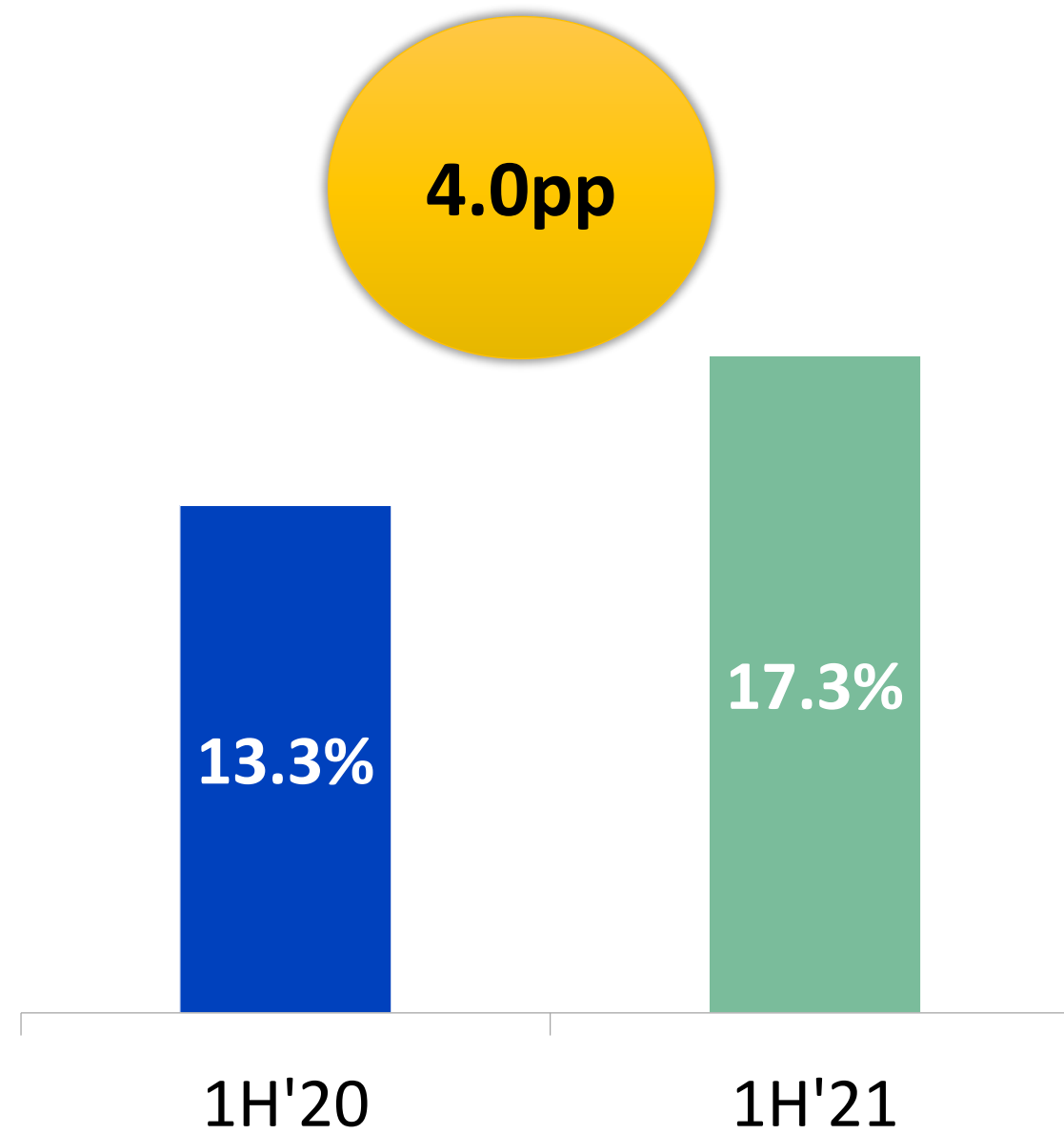


✓ Almost at par with 2019 despite continuing recovery and hardships

1H 2021 Key Financials

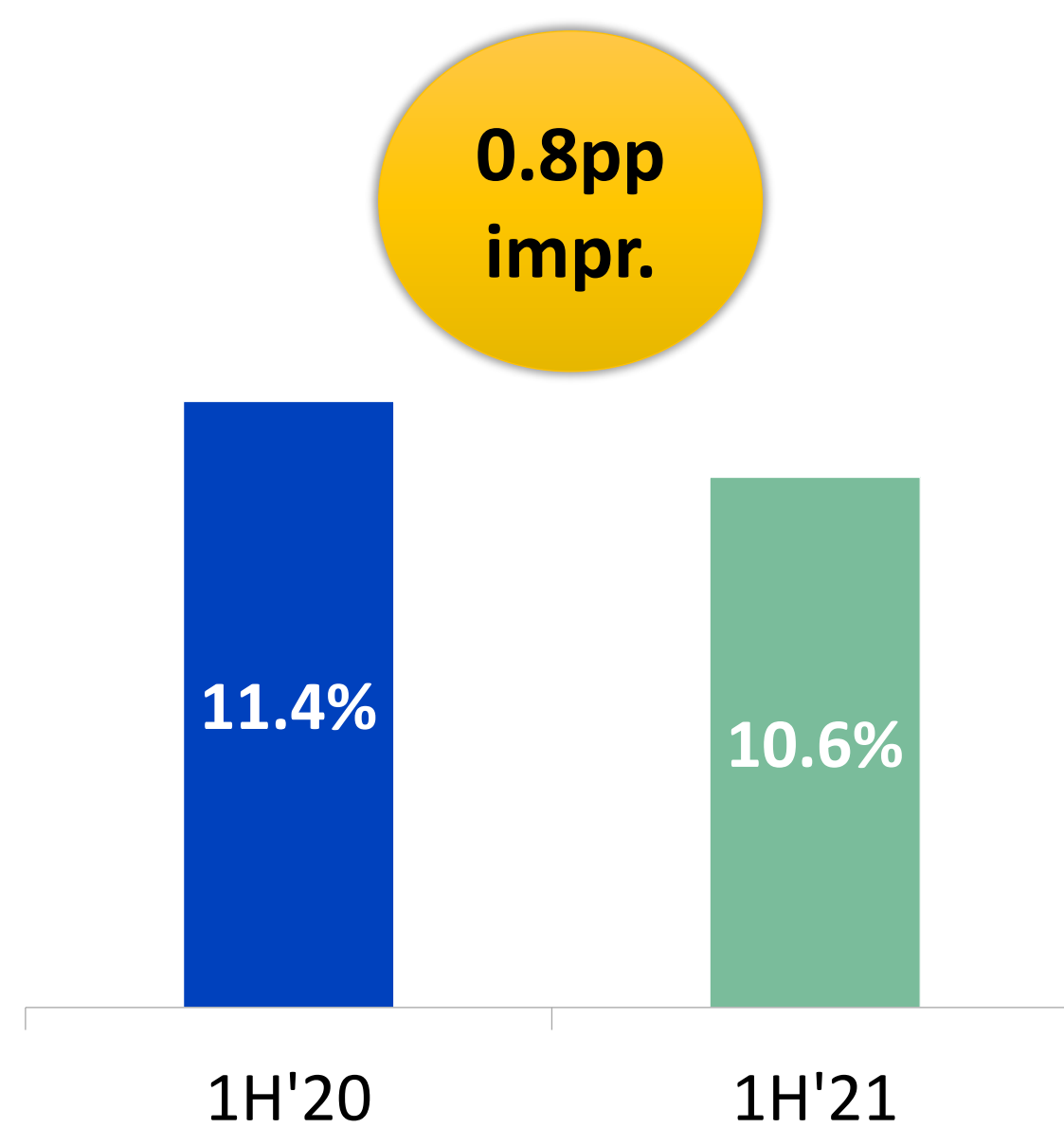
Key P&L Items

EBITDA Margin (%)



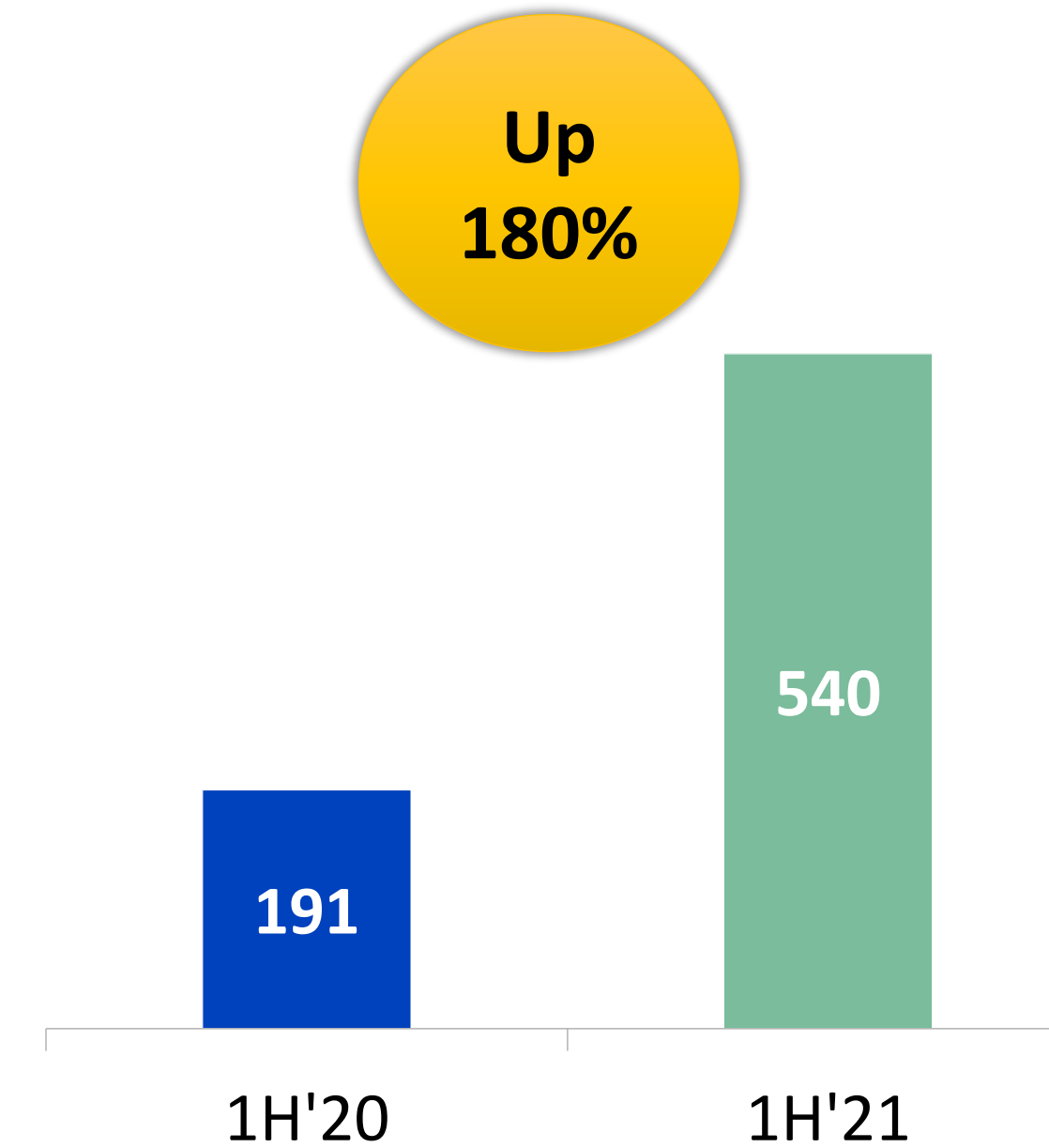
- ✓ Margin expansion in tire reinforcement
- ✓ FM and its impact on product mix had downwards pressure on Q2 compared to Q1'21

OPEX Ratio (%)



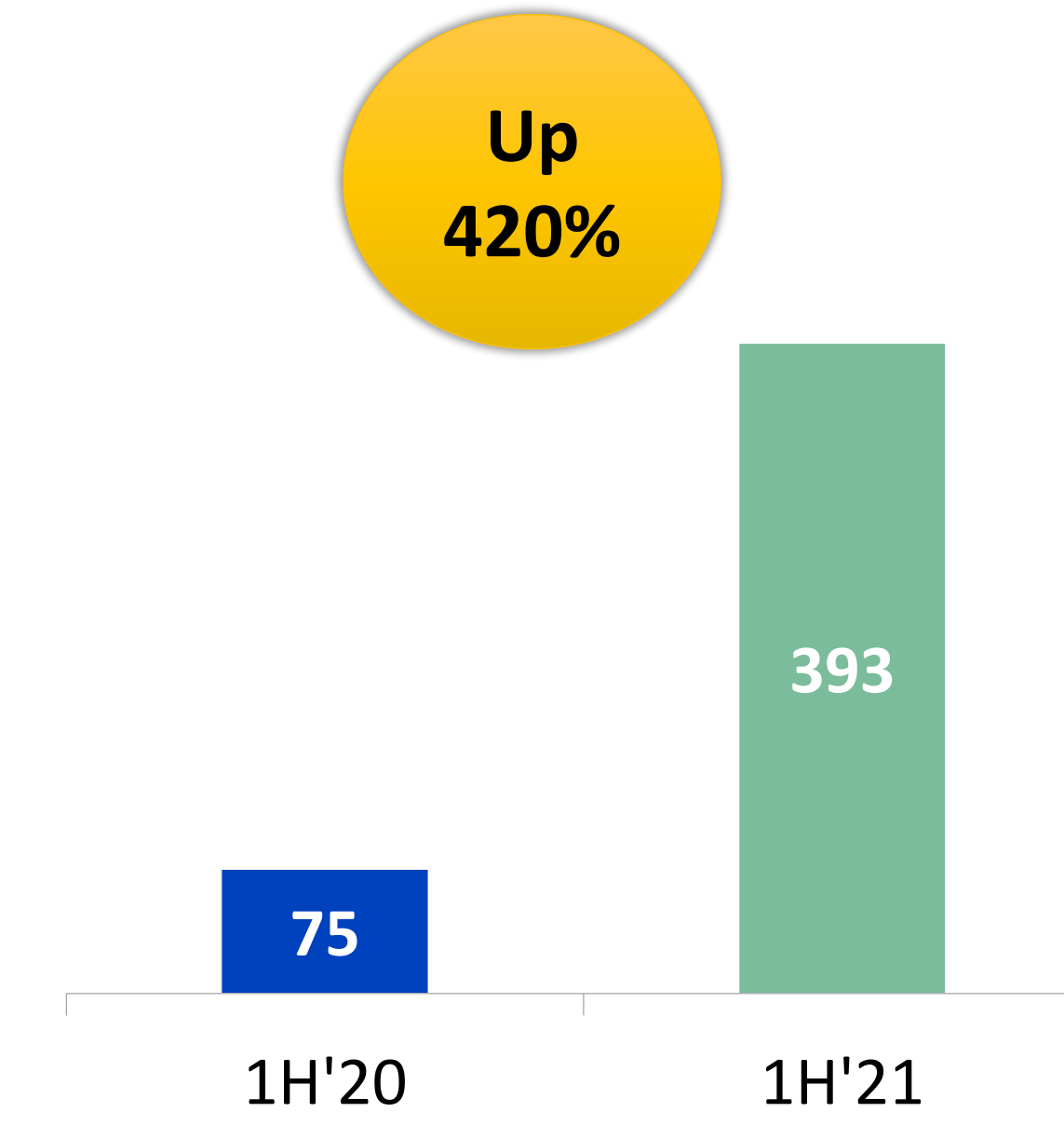
- ✓ 36M\$ vs 43 M\$ (1H'20 vs 1H'21)
- ✓ 5M\$ negative effect impact of freight costs

COP (MTL)



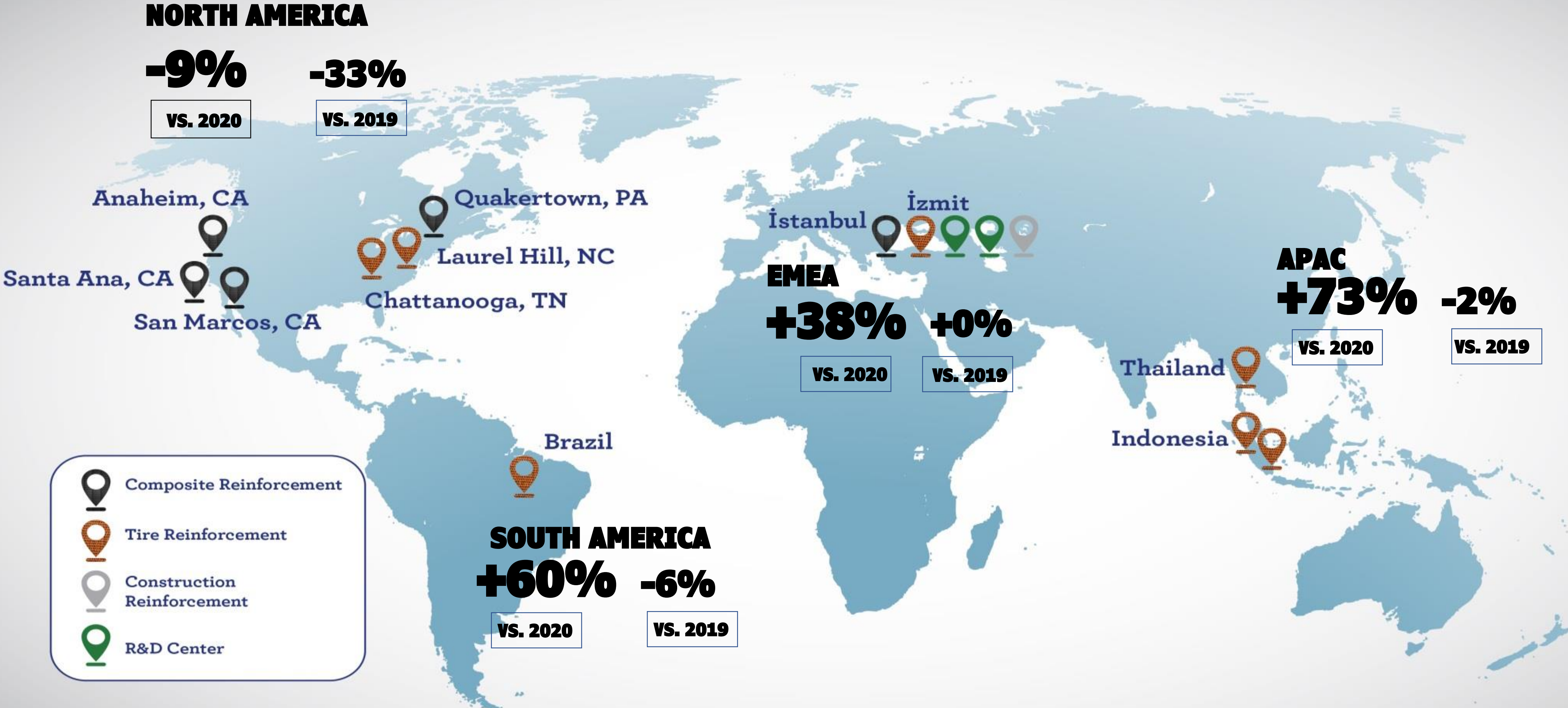
- ✓ 10.3 M\$ Brazil tax case effect included in COP
- ✓ 19MTL donation accruals to SU

Net Income (MTL)



- ✓ The highest NI (2019FY:378MTL)

1H 2021 Revenue by Region (USD-basis)



Market Dynamics

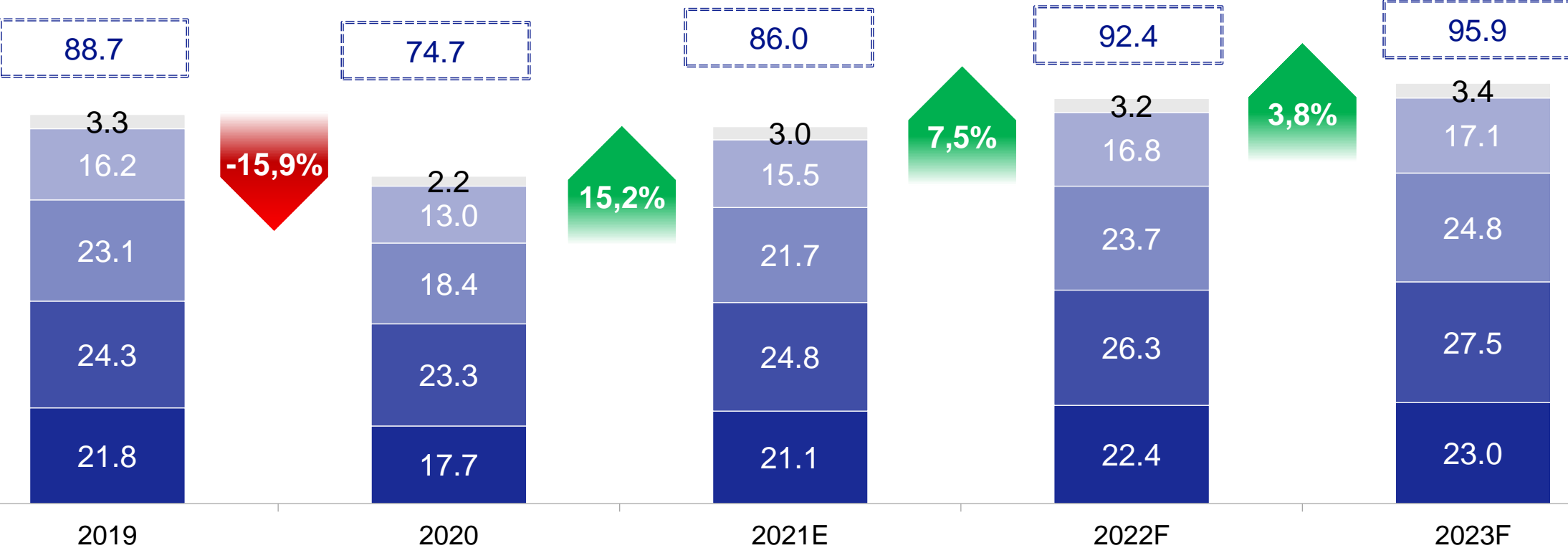
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Market Dynamics - Tire

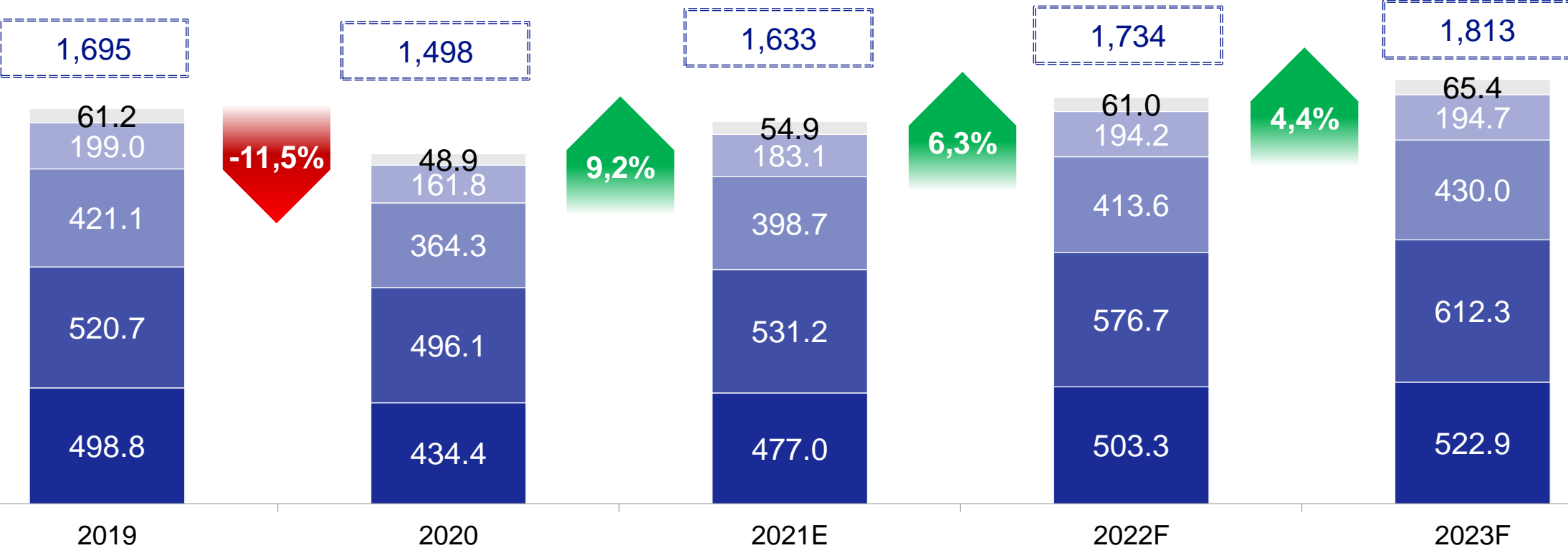
Global Automotive Market (Munits)

■ APAC ex. China ■ China ■ EMEA ■ North America ■ South America

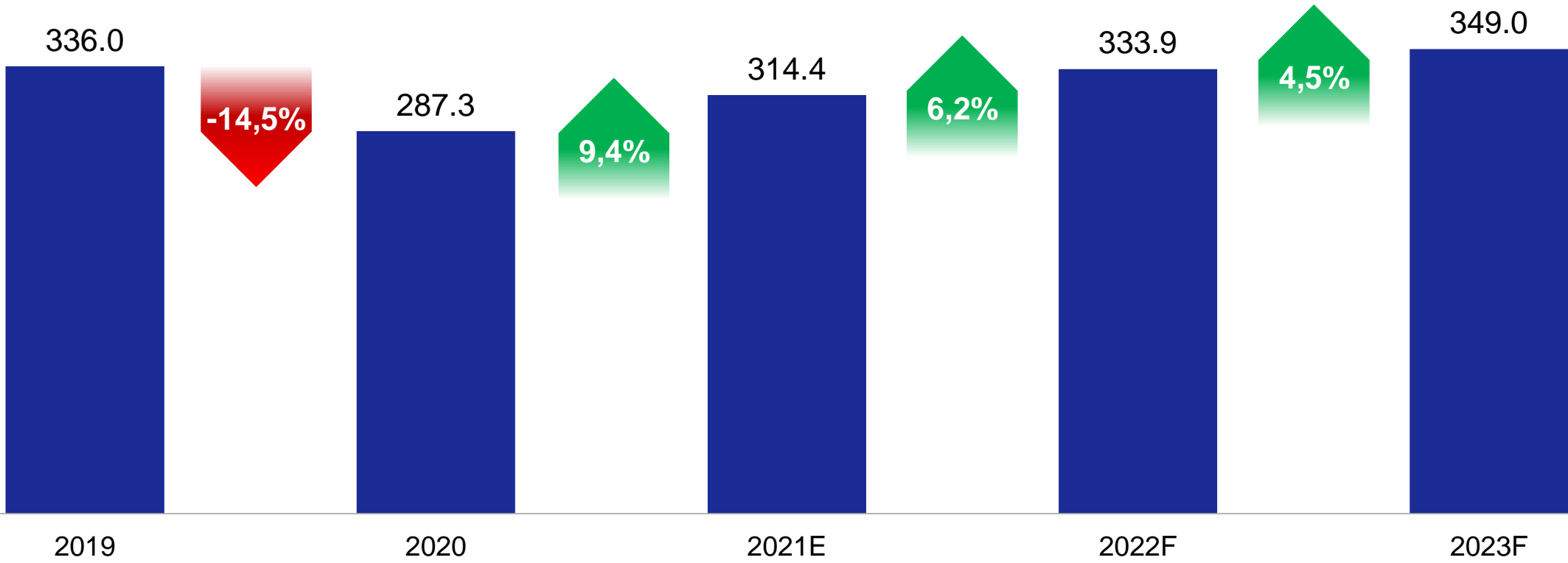


Global Tire Market (Munits)

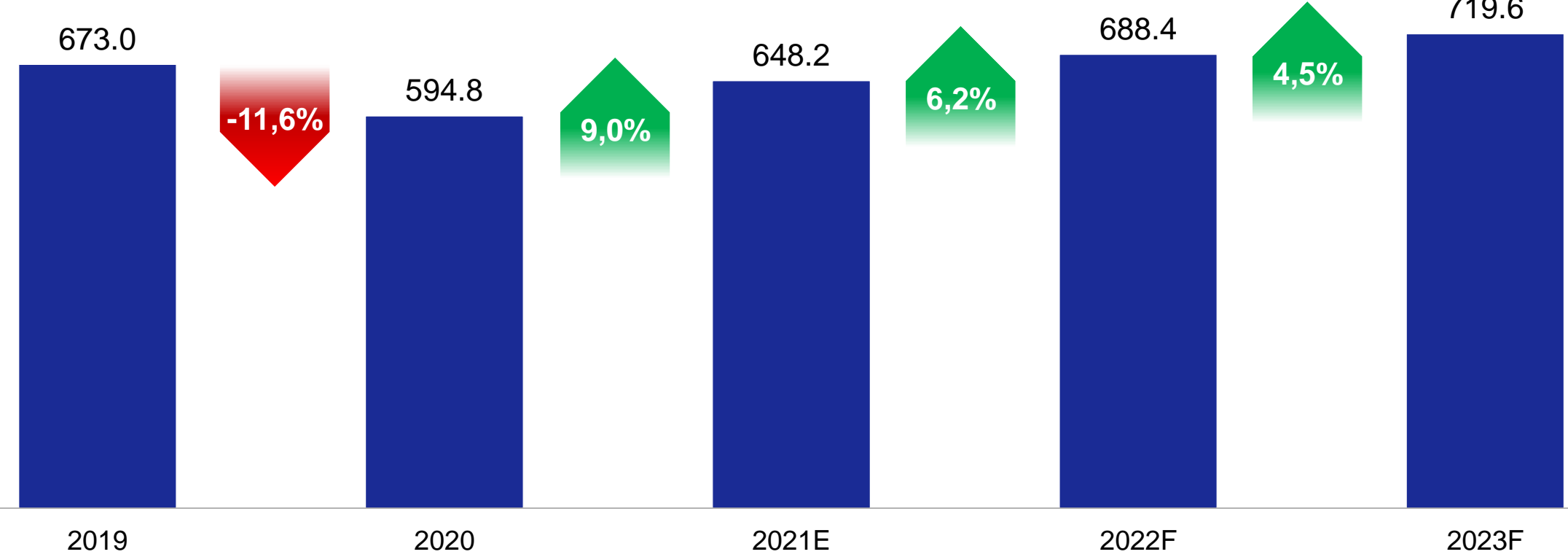
■ APAC ex. China ■ China ■ EMEA ■ North America ■ South America



Tire Reinforcement Market (NY6.6-ktons)

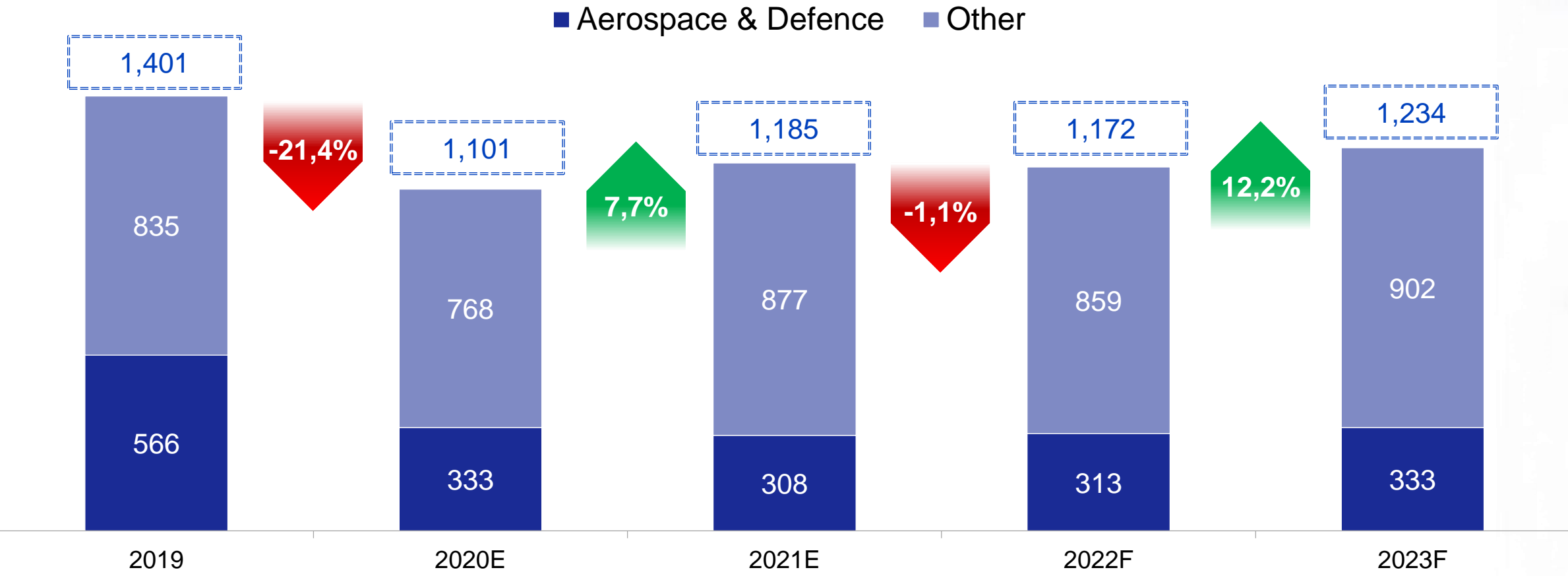


Tire Reinforcement Market (PET-ktons)

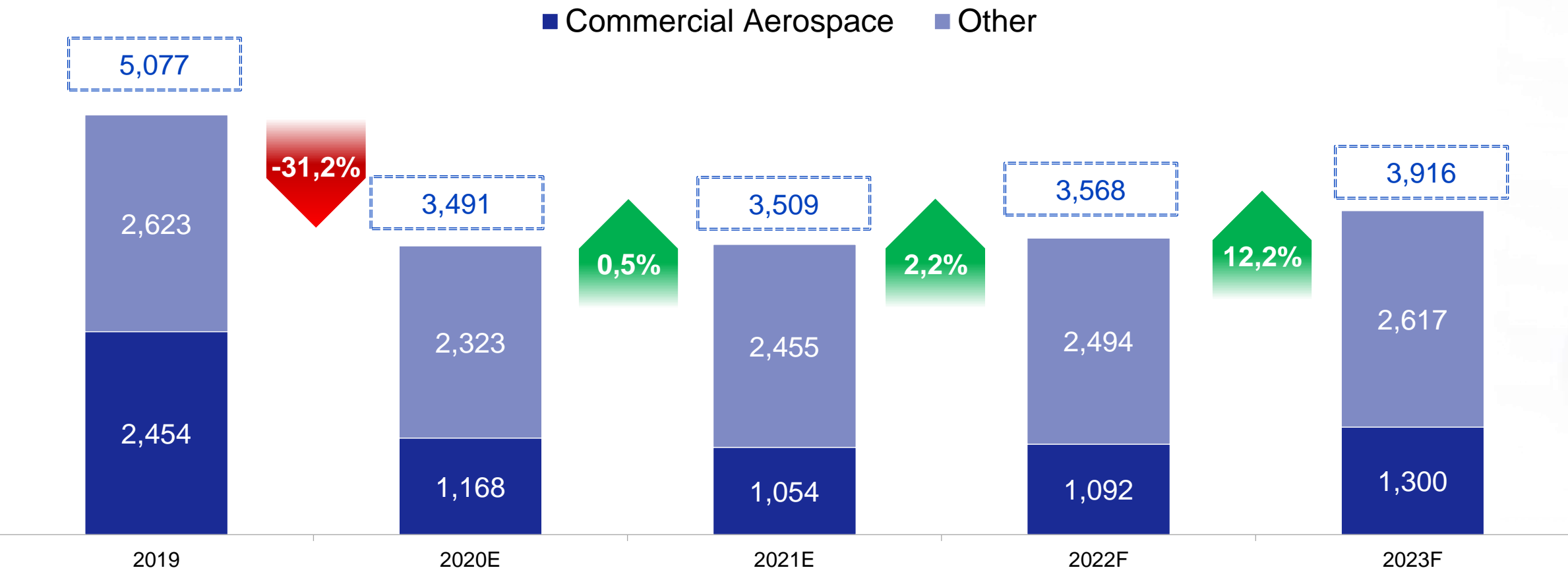


Market Dynamics - Composite

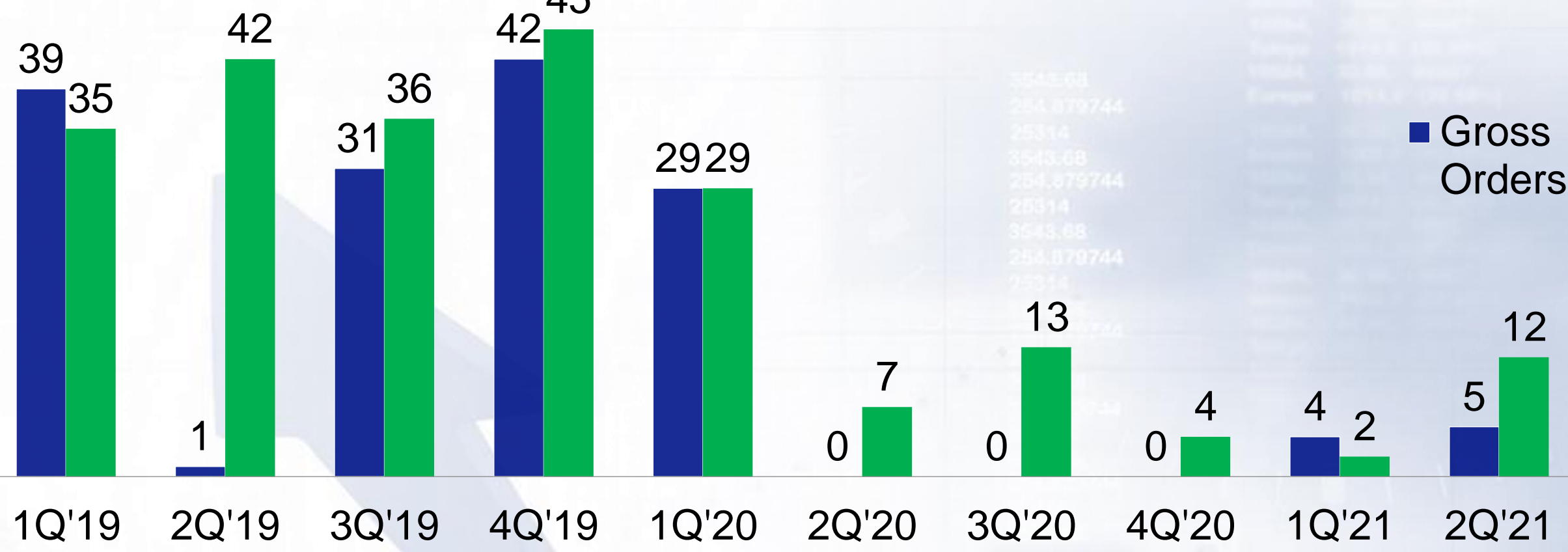
Market Size (\$M) – Global Carbon Fiber



Market Size (\$M) – Prepreg



B787 Orders/Deliveries*



Aerospace Industry

- Backlog: 417 vs 488 for 4Q'20 vs 2Q'21
- For main project:
 - 14 shipsets/month in 4Q'19
 - 5 shipsets/month in 1H'21

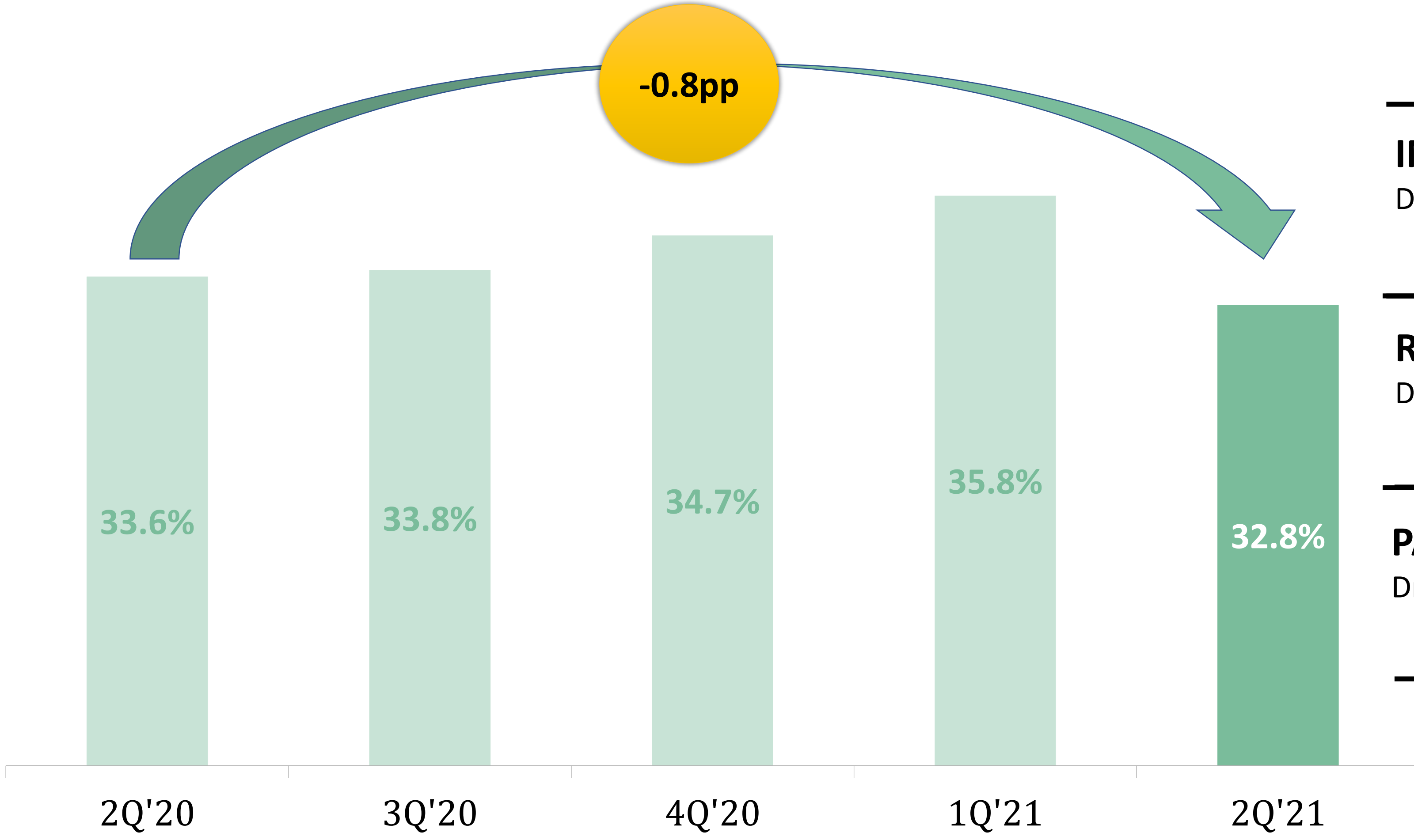
* Source: https://www.boeing.com/commercial/?cm_re=March_2015-_-Roadblock-_-Orders+%26+Deliveries/#!/orders-deliveries

1H 2021 Key B/S Items

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Average Operating Working Capital (USD-Basis)



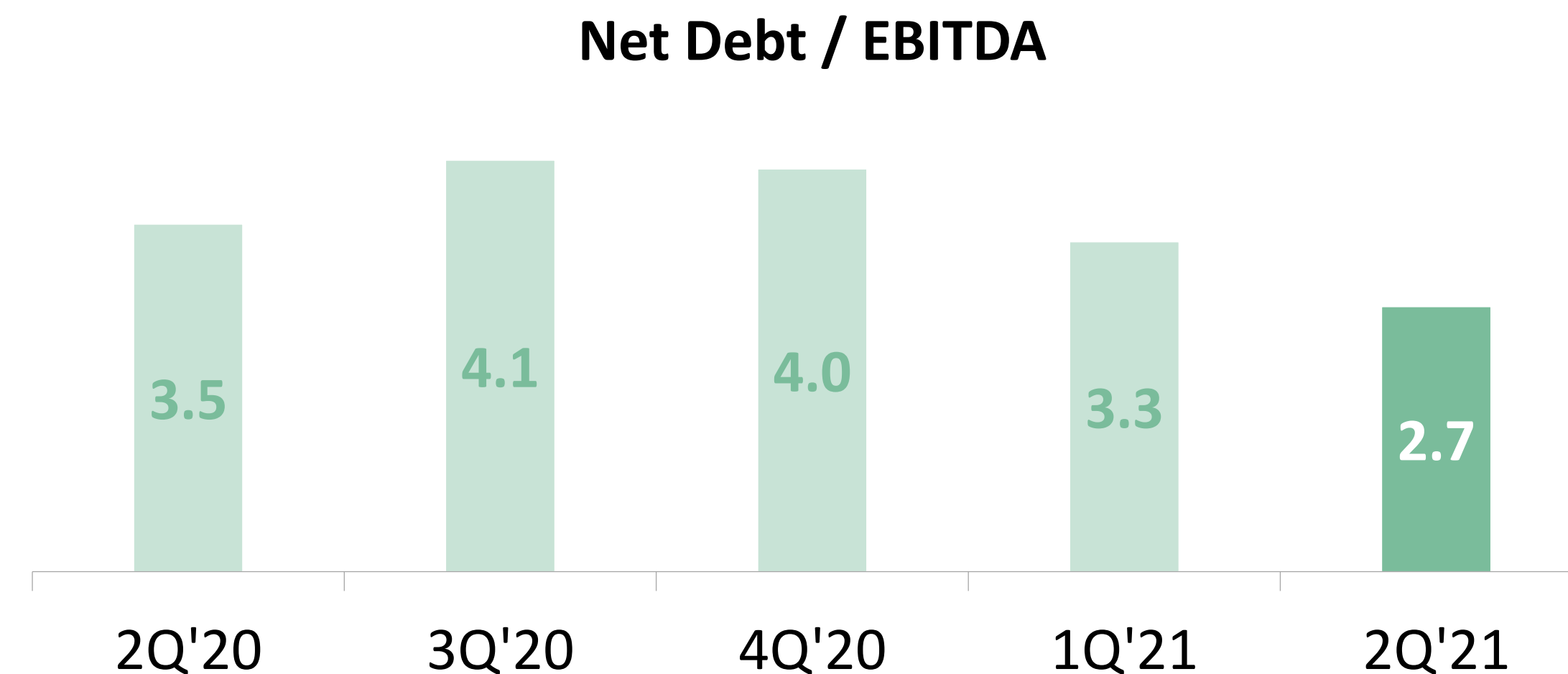
INVENTORIES DOWN 17% Y-O-Y
Driven by strong demand in tire and force majeure effect

RECEIVABLES UP 68% Y-O-Y
Driven by strong demand in tire reinforcement

PAYABLES UP 75% Y-O-Y
Driven by strong demand in tire reinforcement

Solid Balance Sheet (USD-Basis)

M\$	Q4'20	Q2'21
Cash and Cash Equivalents	61	41
Account Receivables	149	165
Inventories	167	179
Other Assets	659	651
Account Payables	90	101
Total Debt	392	342
Short Term Debt	227	219
Long Term Debt	165	123
Other Liabilities	107	117
Net Debt (Cash&Cash Equ. Excluded)	331	301



M\$	Amount		Avg. Int. Rates
	31.12.2020	30.06.2021	%
Total Debt	392	342	
USD-Basis	236	210	3.4%
EUR-Basis	96	92	0.9%
TRY-Basis	56	36	14.2%
Other Currencies	5	4	7.1%

ESG Focus



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Sustainability Focus

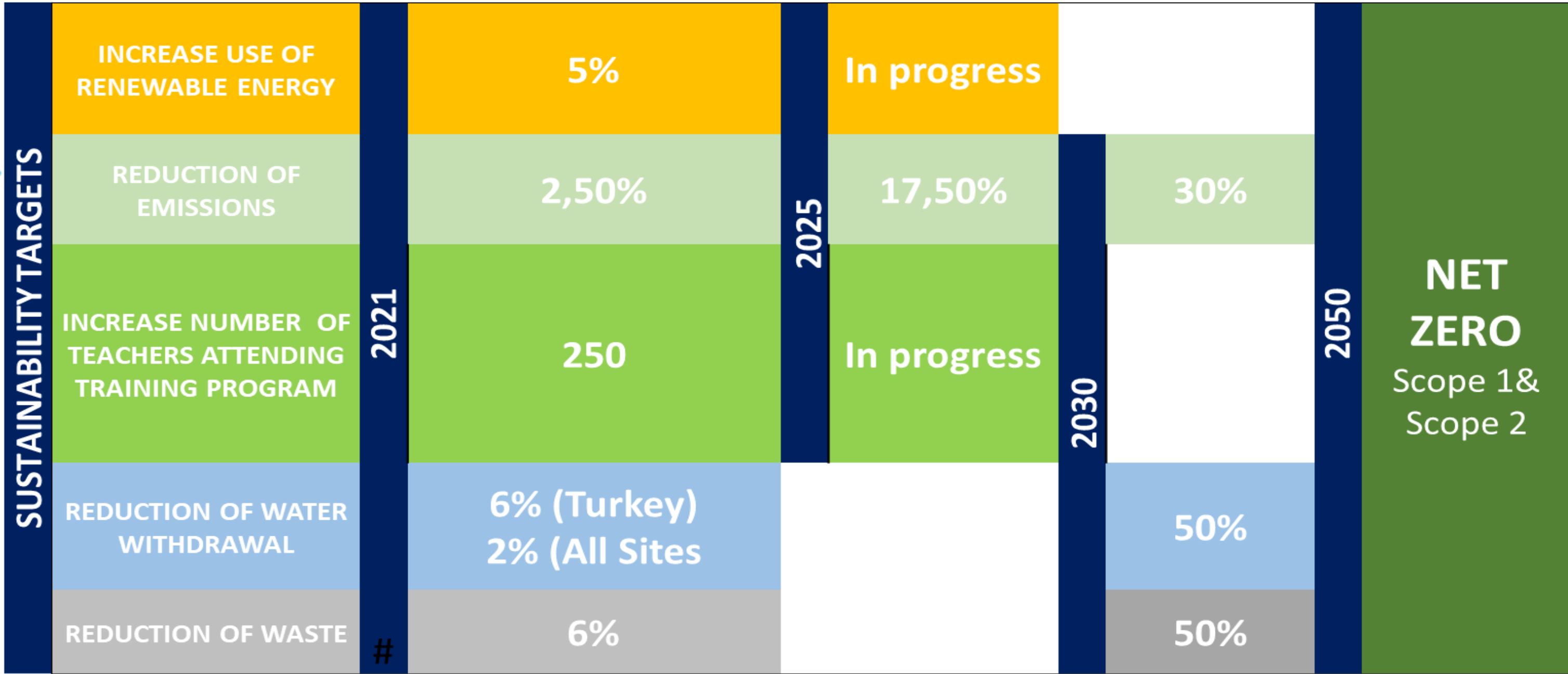


- Improve CDP Climate Change score by two levels every year
2017: D 2018: C- 2019: B 2020: A-
- We improved CDP Water Security score by one level every year.
2017: C 2018: B- 2019: B 2020: A-



- We participate in the Ecovadis CSR Rating for environmental, social and governance issues.
2018: 67 2019: 70

Among Top 3 Companies in Turkey for Emission and Water Management Performance



HIGHLIGHTS & LOWLIGHTS

HIGHLIGHTS

TIRE REINFORCEMENT DEMAND

Growth trend expected to continue in 2H'21

RECOVERY PROCESS in COMPOSITE

With increase of air travel, recovery process expected in 2022

GROWTH PLANS

Lower net debt/EBITDA creates financial opportunities for potential acquisitions

EFFECTIVE CASH MANAGEMENT

Improvement in WC turnover and strong free cash flow

LOWLIGHTS

FORCE MAJEURE

Raw material suppliers still cannot announce a definitive date for its removal

CONTAINER ISSUES

Equipment and port issues continue
Available lines diminish
Costs continue to increase with record prices

COVID-19

Variants pose a continuing threat of lock downs, bringing in uncertainties for all industries

RAW MATERIAL PRICES

Strong demand, increasing commodity prices expected to endure

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Q&A



The logo for KORD SA features the word "KORD" in a bold, black, sans-serif font. To its right, the letters "S" and "A" are each enclosed within a solid blue circle. The background of the entire image is a close-up, artistic shot of a large roll of copper-colored wire mesh, with the coils creating a series of overlapping, circular patterns that lead the eye towards the center.

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Appendix

Balance Sheet

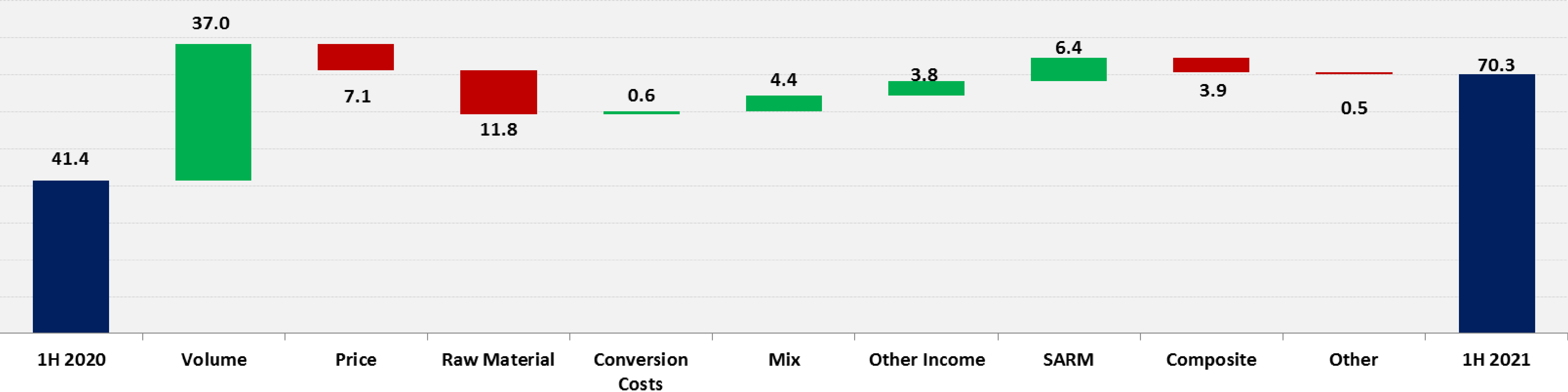
	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2020	1H 2021	Δ	YE 2020	1H 2021	Δ
Cash and Cash Equivalents	450	354	-96	61	41	-21
Account Receivables	1,091	1,437	346	149	165	16
Inventories	1,225	1,554	329	167	179	12
Other Current Assets	123	265	142	17	30	14
PPE & Intangibles	3,343	3,745	402	455	430	-25
Investment Property	175	208	33	24	24	0
Goodwill	923	1,087	163	126	125	-1
Other Non-Current Assets	273	364	90	37	42	5
Account Payables	664	877	213	90	101	10
Total Debt	2,878	2,975	97	392	342	-50
Short Term Debt	1,667	1,908	241	227	219	-8
Long Term Debt	1,211	1,067	-143	165	123	-42
Other Liabilities	784	1,019	235	107	117	10
Net Debt (Cash&Cash Equ. Excluded)	2,428	2,621	193	331	301	-30
WCAP Turnover	2.74	3.31		2.74	3.31	
Net Debt / EBITDA*	4.23	3.05		4.04	2.72	

Cash Flow

	TL Financials (MTL)		
	1H 2020	1H 2021	Δ
Cash Used in Operating Activities	225	370	146
Net Income	75	393	318
Depreciation & Amortization	135	154	19
Change in Working Capital	-207	-604	-397
Other Adjustments*	221	428	206
Cash Used in Investing Activities	-56	-66	-11
Maintenance CAPEX	-56	-66	-11
M&A Investments	0	0	0
Free Cash Flow*	169	304	135

* including unrealized currency translation difference

EBITDA Bridge (M\$)



Kordsa's Financial Policy

Our company guidance for financial year 2021 is as follows:

Revenue :

35%-45%
TL basis;

20%-25%
USD basis;

EBITDA :

55%-65%
TL basis;

40%-45%
TL basis;



Kordsa is targeting progressive improvement in EBITDA margins over the medium term



Distribution of all the distributable profits

- which is lower of the Kordsa Turkey local GAAP (VUK) or Kordsa Consolidated TFRS (IFRS) net income
- in the form of cash and/or bonus shares
- subject to general assembly approval

The distribution decision is agreed taking into consideration the sizable fixed asset purchases, acquisitions, covenants of current liabilities and the Company's mid and long term strategies, national and global economic conditions



USD 23 million