



ŞİŞECAM



ŞİŞECAM

Analyst & Investor Call H1'24

September 2, 2024

88th
Years

H1'24 Key Financial Results

Liquidity & Capital Allocation

Key Financials w/o IAS 29

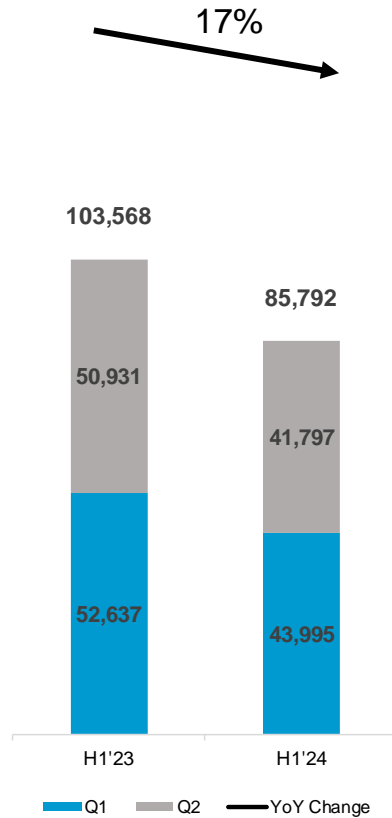
Sustainability

Important Notice on Inflation Accounting (IAS 29)

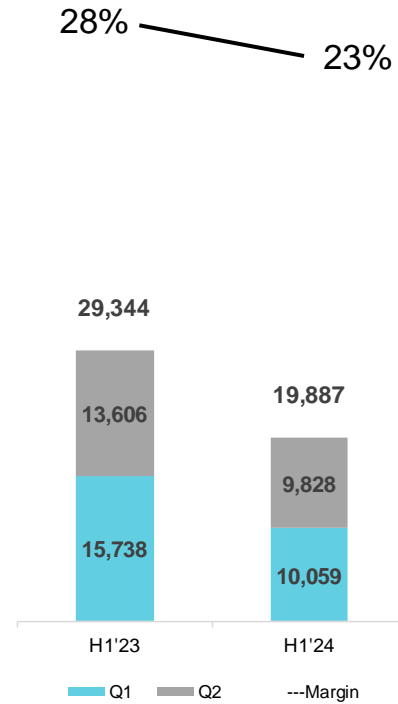
- Turkey has economic conditions that require reporting entities in the country to follow the methodology set out in International Accounting Standards ('IAS') - 29 'Financial Reporting in Hyperinflationary Economies'.
- Pursuant to the decision dated December 12, 2023, and numbered 10744 by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments required under TAS-29 in their financial statements as of December 31, 2023.
- IAS 29 requires the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy to be restated for changes in the general purchasing power of that currency. Comparative figures for prior period(s) should be restated into the same current measuring unit.
- According to IAS 29.3, hyperinflation is indicated by the characteristics of an economy, which include but are not limited to the followings:
 - The cumulative inflation rate over three years is approaching, or exceeds, 100 percent.
 - The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency
 - The general population regards monetary amounts in terms of a relatively stable foreign currency
 - Pricing of credit compensates for the expected loss of purchasing power, even in short credit periods
 - Interest rates, wages and prices are linked to a price index
- Pursuant to the Capital Markets Board Decision dated 28.12.2023 and numbered 81/1820, Sisecam is subject to IAS 29 inflationary accounting provisions, starting from its 2023-year end earnings disclosure. Thus, H1'24 and comparative H1'23 financial results, stated in this presentation, contain Sisecam's audited financial information prepared according to Turkish Financial Reporting Standards by application of IAS-29 inflation accounting provisions and financial figures expressed in terms of purchasing power of the TRY at 30 June 2024.
 - Non-monetary assets and liabilities are restated
 - Non-monetary items carried at current value are not restated
 - Monetary items (ie cash, financial assets) are not subject to indexation and thus not restated
 - All items in P&L are expressed by monthly indexation through consumer price index from the dates when the incomes and expenses accounted and up until the reporting date. Cost of goods sold, depreciation, and deferred tax items are subject to recalculation based on respective restated B/S items.
- Application of IAS-29 inflationary accounting provisions of Sisecam's financial figures is expected to continue until Türkiye's economic conditions no longer met the above stated IAS 29 criteria.
- Please refer to slide Appendix section of this presentation for Sisecam's unadited key financials without IAS 29 impact.

H1'24 Key Financial Results

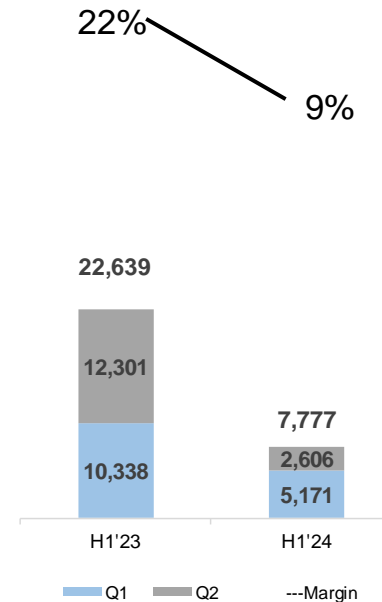
Revenue (TRY Mn)



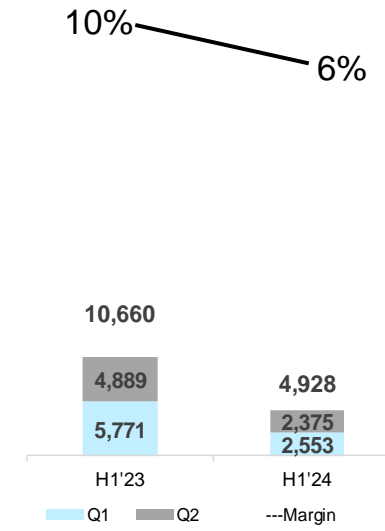
Gross Profit (TRY Mn)



EBITDA (TRY Mn)

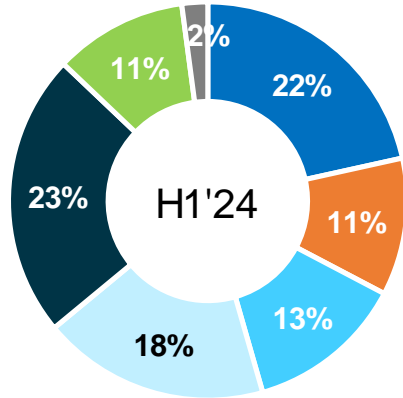


Parent Only Net Income (TRY Mn)

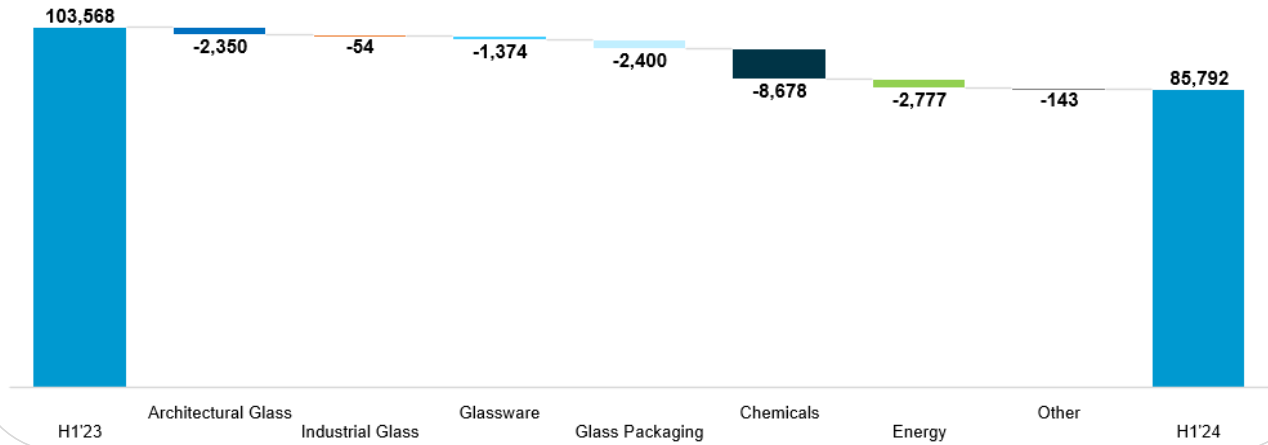


H1'24 Segmental Revenue and EBITDA

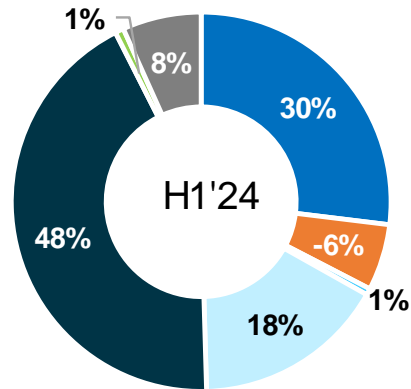
Diversified Revenue Mix



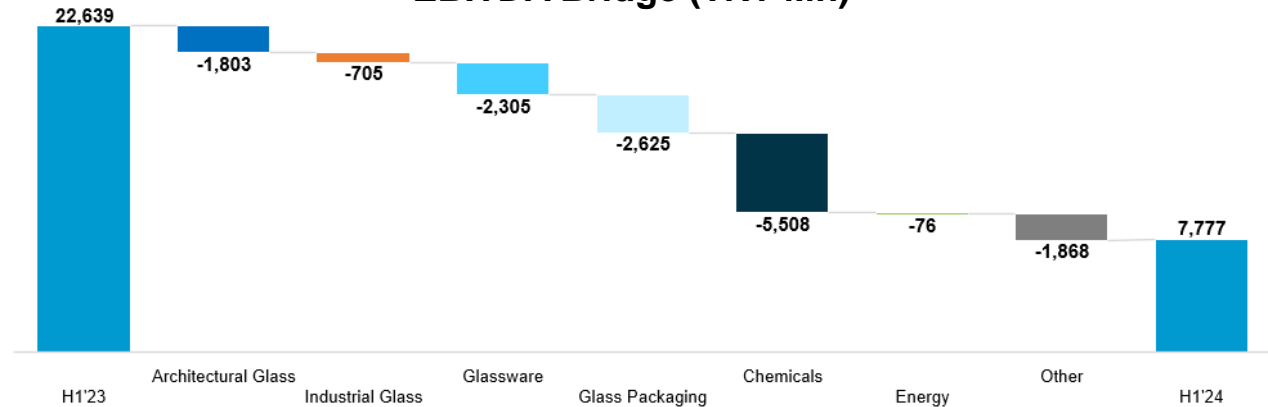
Revenue Bridge (TRY Mn)



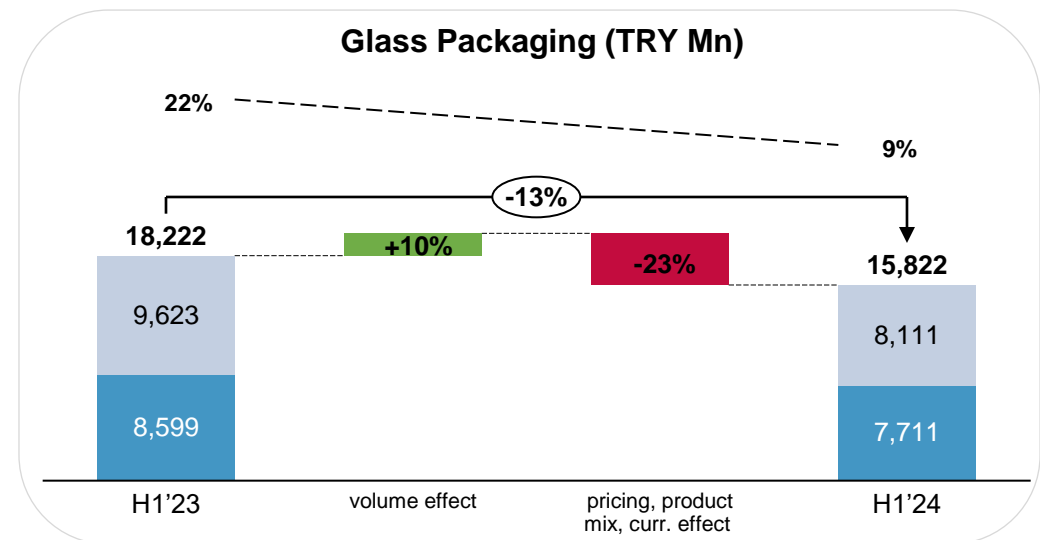
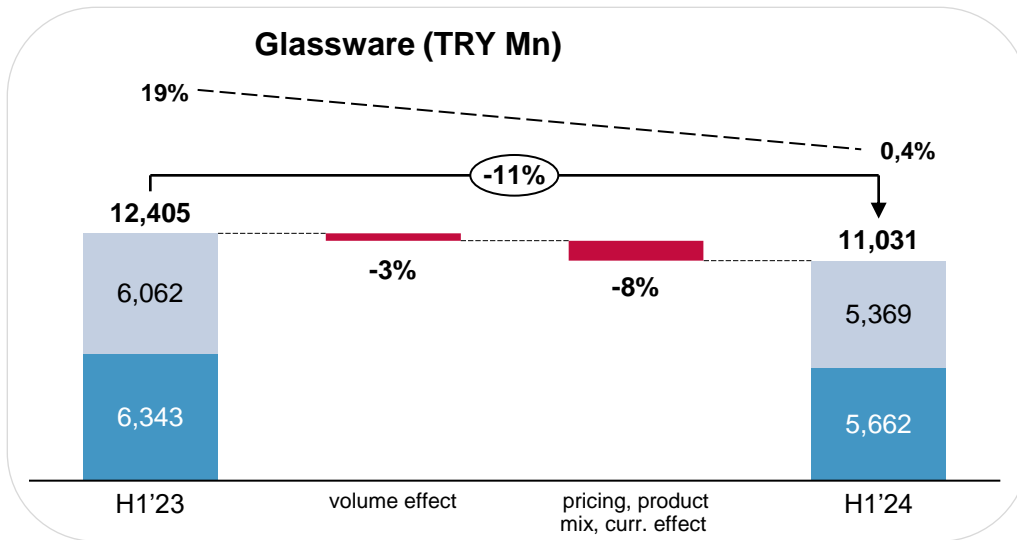
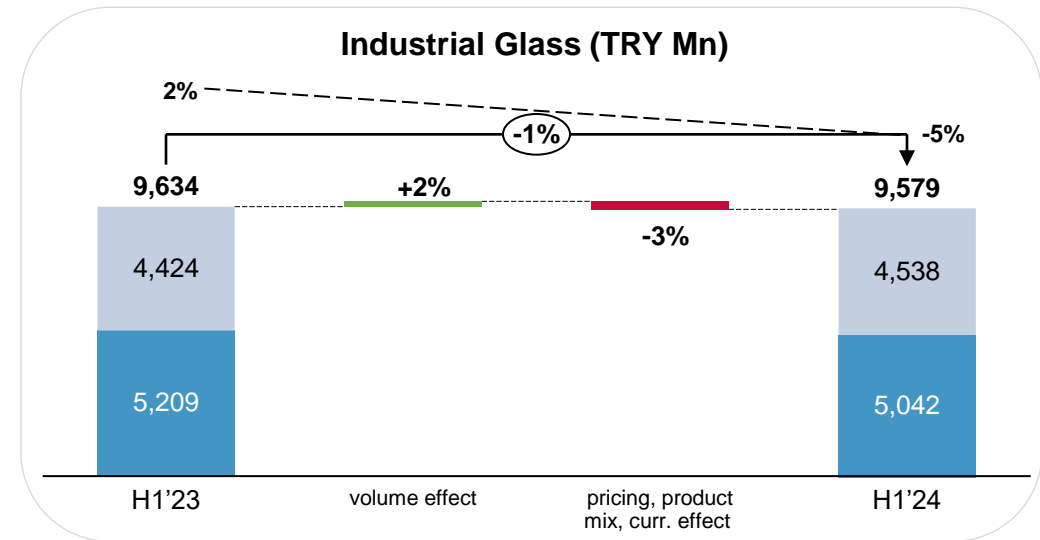
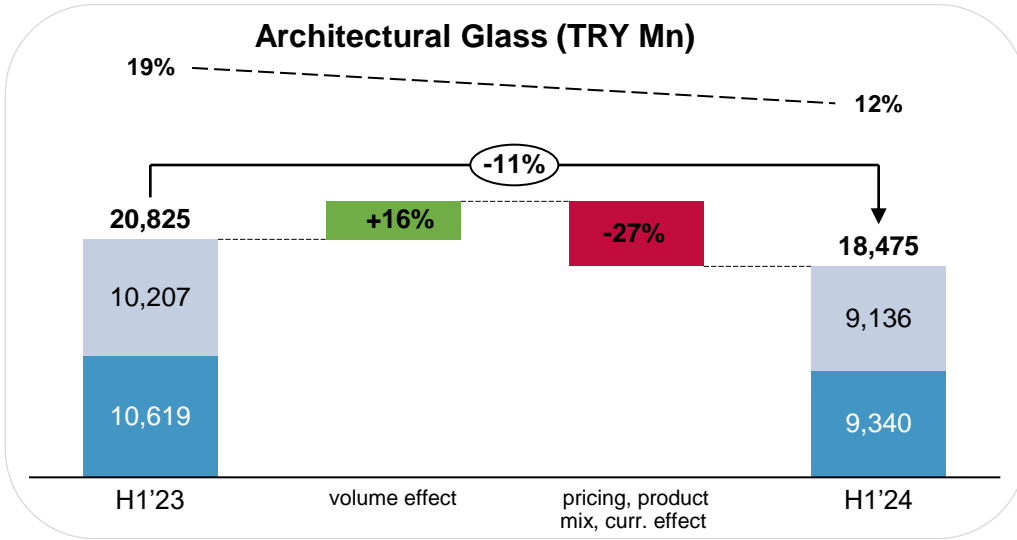
Diversified EBITDA Mix



EBITDA Bridge (TRY Mn)



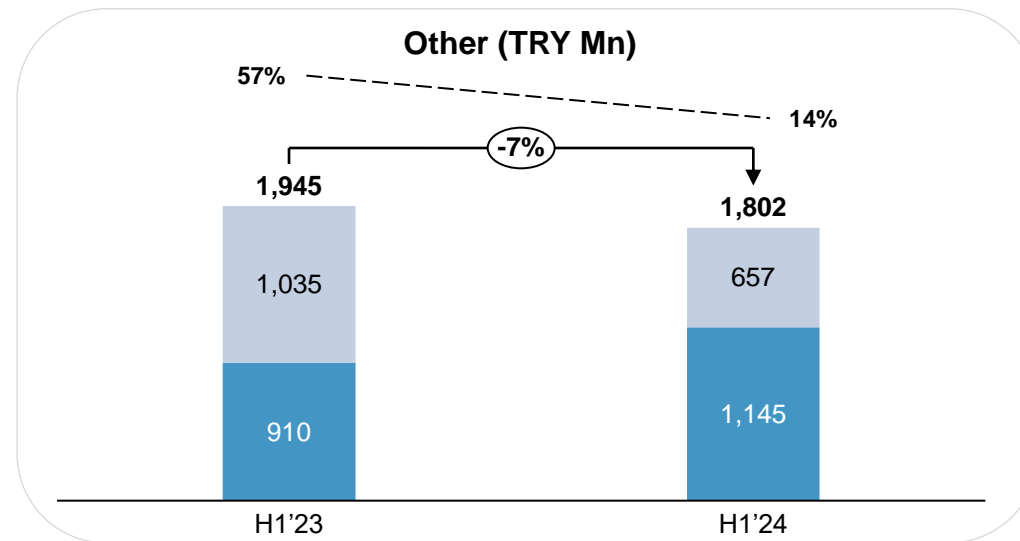
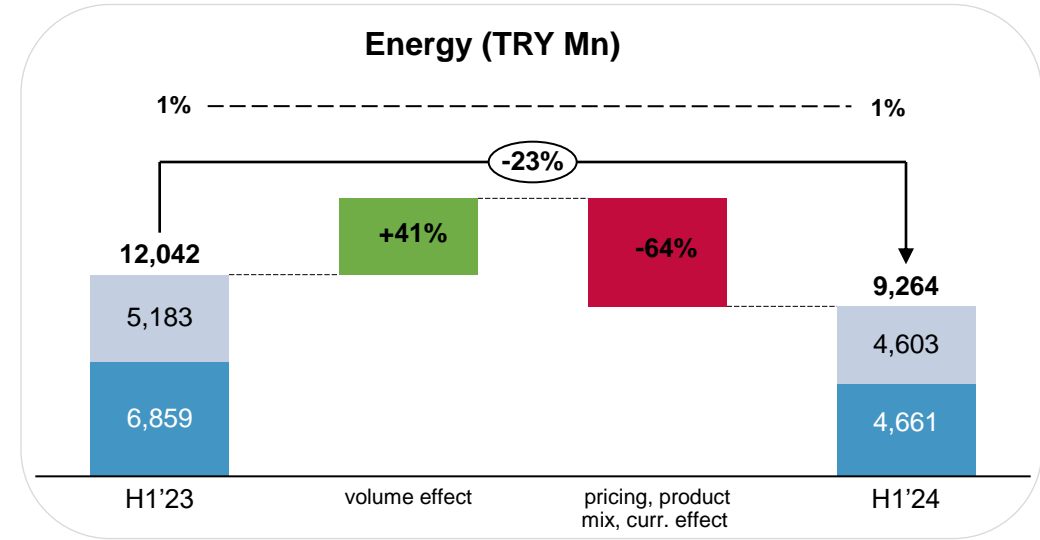
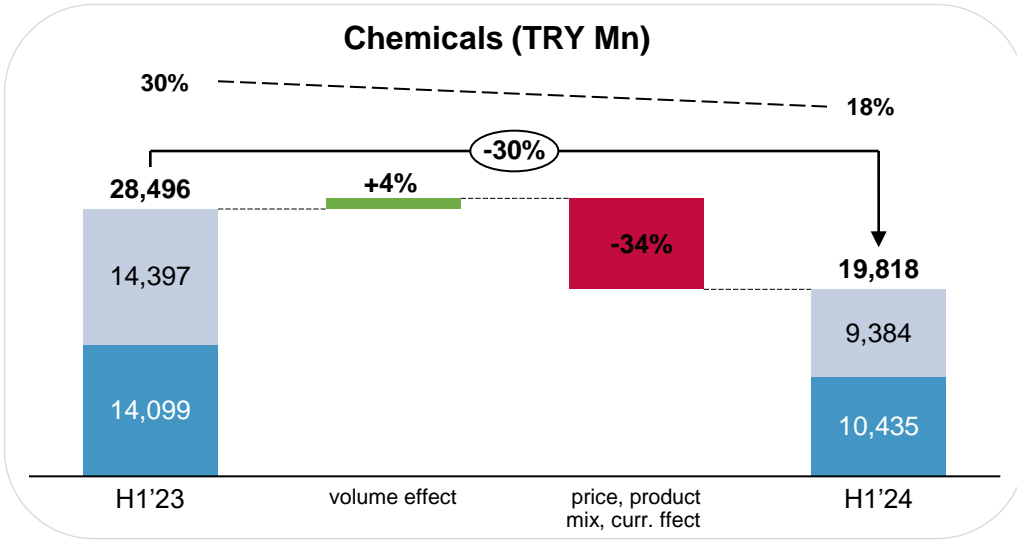
H1'24 Segmental Revenue and EBITDA Margin



• All revenue figures showing net external sales

-----EBITDA Margin

H1'24 Segmental Revenue and EBITDA Margin

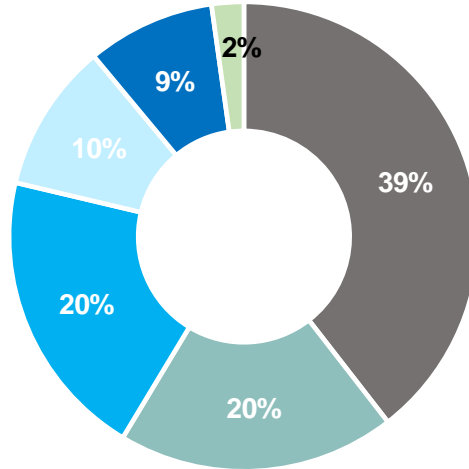


• All revenue figures showing net external sales

-----EBITDA Margin

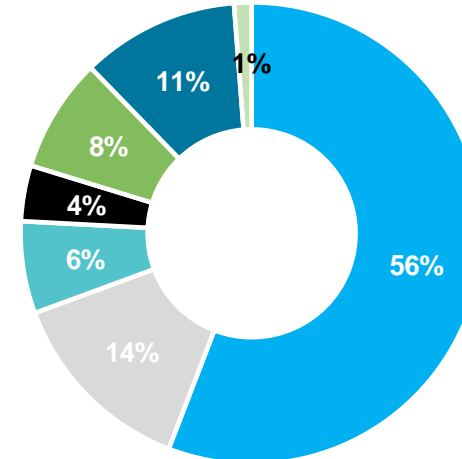
H1'24 Regional Results

Geographic Revenue Mix



- Sales in Turkey
- Exports from Turkey
- Europe
- US
- Russia, Ukraine and Georgia
- Other

Regional Breakdown of Exports from Turkey



- Europe
- Middle East
- North Africa
- South America
- Asia
- North America
- Other

Top 10 Export Countries
Italy, Egypt, UK, USA, Germany, Spain, France,
Romania, Bulgaria, Iraq

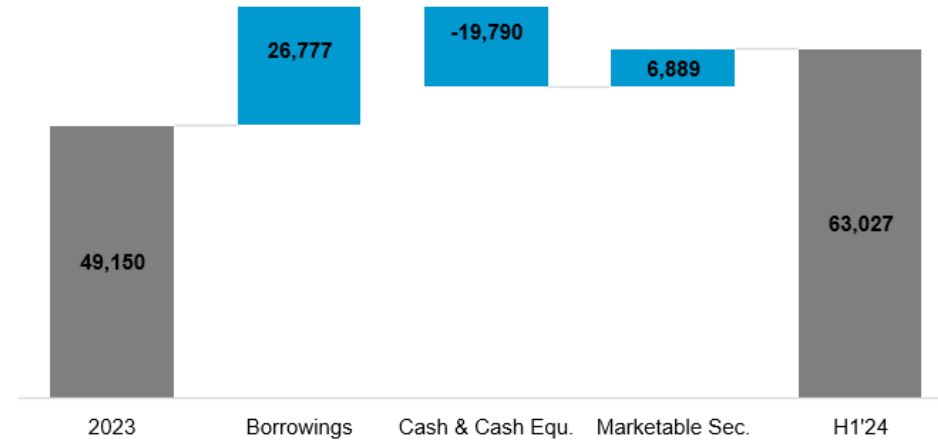
USD 492 Mn exports revenue

Exports to 150+ Countries

Debt Position



Net Debt Bridge (TRY Mn)

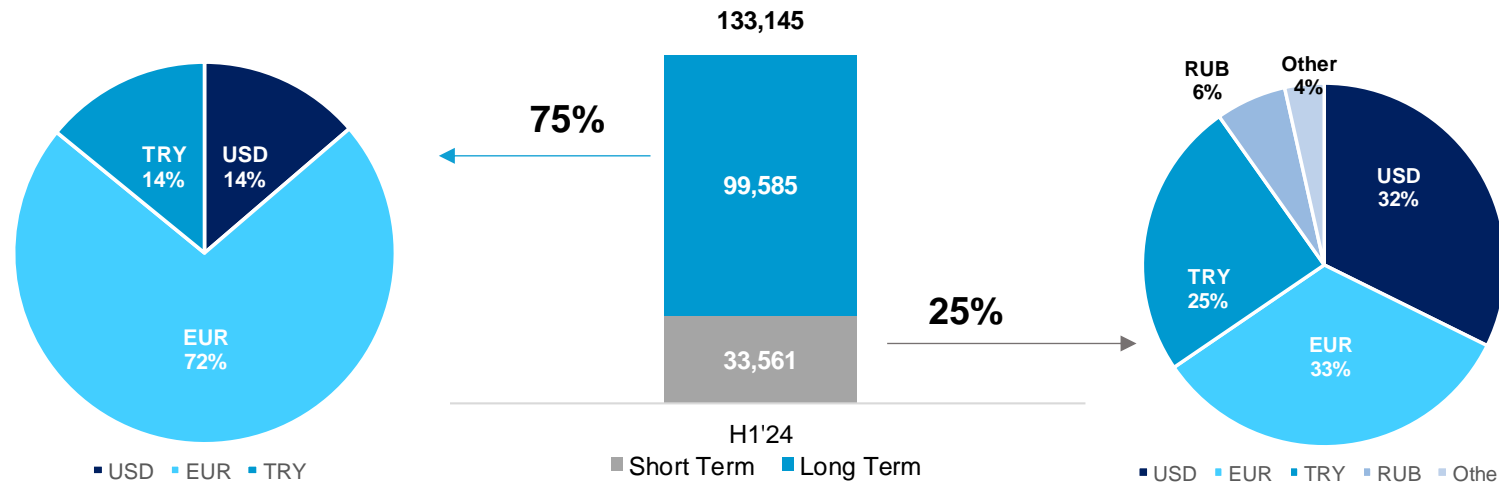


Net Debt: USD 1.9 Bn
 Net Debt/EBITDA
 2.6x

Fixed / Variable
 Interest Rate
 92% / 8%

Net Long Fx Position
 TRY 927 Mn

Term Structure of Gross Debt (TRY Mn)



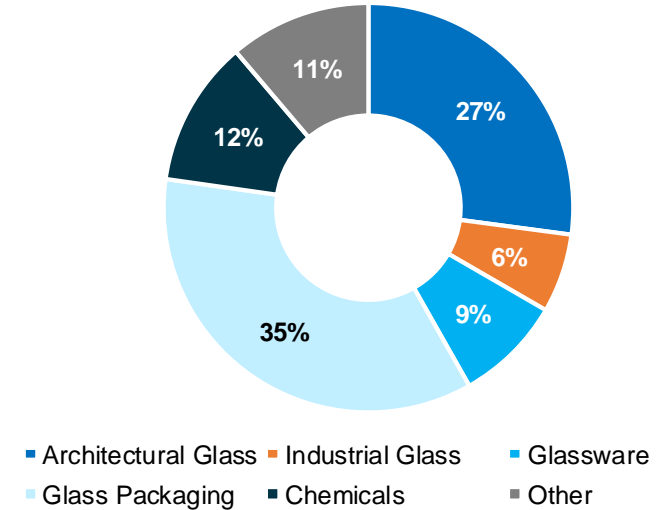
*USD 3 billion in long-term liabilities include post tender USD 372 Mn-Sisecam 2026 Notes and USD 1.5 Bn Sisecam UK Notes due 2029 and 2032

As of the reporting period, USD 372mn - Sisecam 2026 Notes are fully denominated in USD as the related cross-currency swaps have been gradually unwound in August 2022 and in June 2024. In accordance with the cross-currency swaps, made in Q2'2024, on USD 1.5bn - Sisecam UK Notes due 2029 and 2032; 44% of the notes was converted to EUR, 10% to TRY while the remaining 46% was kept in USD.

FCF & Capex Analysis

(TRY Mn)	H1'23	H1'24	Change
Net Profit	12,398	5,030	-7,367
Non Cash Items	13,648	1,482	-12,166
Changes in Working Capital	-8,294	934	9,228
Cashflow from operations	17,752	7,446	-10,306
Interest received,net	-2,321	-4,738	-2,417
Dividend paid,net	-5,489	-2,676	2,812
Taxes paid	-1,494	-1,115	379
Capex	-13,153	-10,784	2,370
Monetary Gain/Loss on CCE	-8,566	-9,340	-774
FCF	-13,271	-21,207	-7,936

CAPEX Breakdown (H1'24)

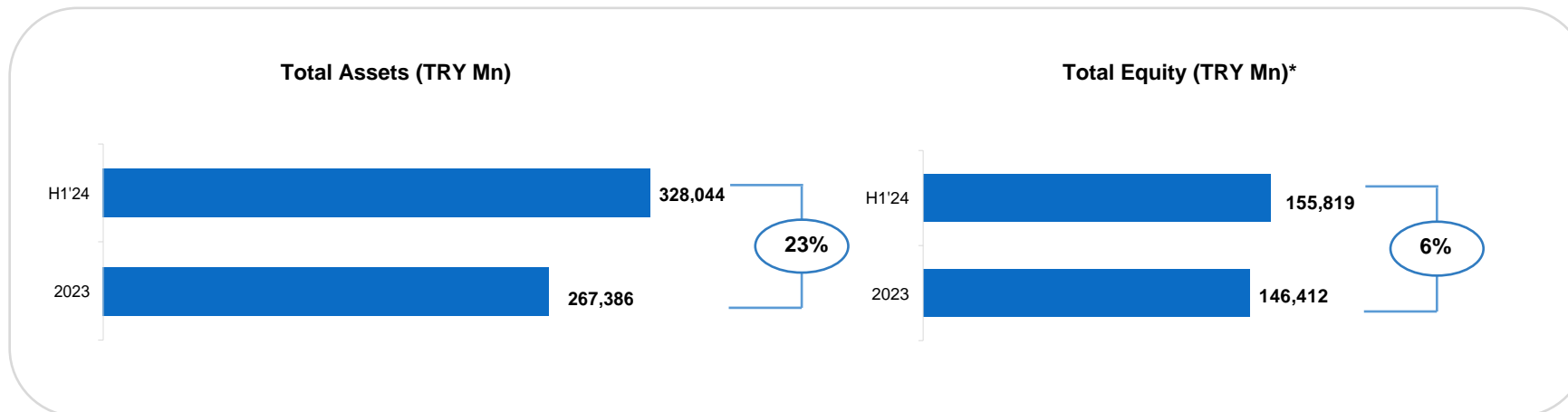
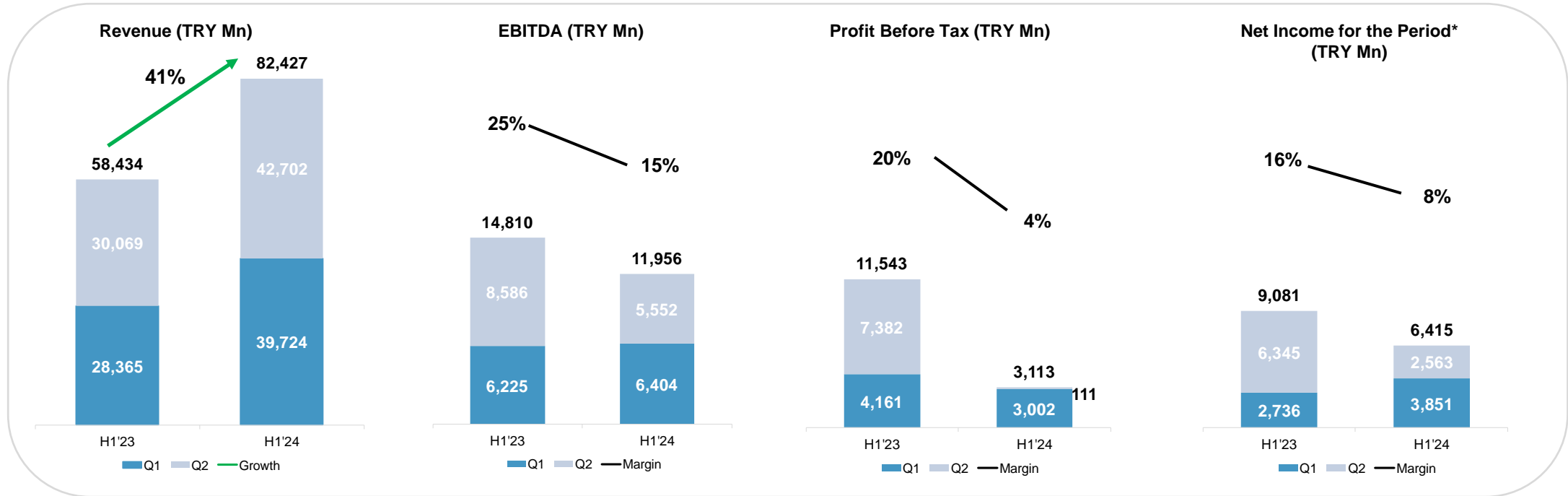


Working Capital / Revenue
37%

CAPEX / Revenue
13%

EBITDA / CAPEX
0.7x

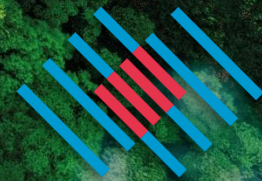
Key Financials (w/o IAS29)



* Including minority interests

SUSTAINABILITY

Care for
Ne**xt**



SİSECAM

PROTECT THE PLANET

Climate Change

2050 Vision for Carbon Neutrality Setting of 2030 Target Compatible with SBTi (Science Based Targets), Development of Installed RES Capacity of 53 MW, Transition to Fully Electric Furnace



Water Use

15% Reduction in Fresh Water Consumption



Circular Production

50% Reduction in Packaging Waste, Reaching 35% Glass Cullet Use in Glass Packaging



- 6 SÜREKLİ GELİŞİM
- 7 ENERJİ VERİMLİLİĞİ
- 8 İKLİM BİLİMİ VE SÜREKLİ MÜHÜR
- 12 SÜREKLİ ENERJİ VE ENERJİ
- 13 Yaşıl Enerji

EMPOWER SOCIETY

Corporate Heritage

Global Dissemination of Glass Heritage and Culture



Talent Acquisition, Management and Development

Increasing Functional and Personal Competences through Training (47 person-hours of training per year) Gaining Skills of New Generation, Increasing the Rate of Employee Loyalty

Occupational Health and Safety

Zero Work Accidents, Well-Being Program

Equality, Diversity and Inclusion

Reaching a 25% Female Employment Rate, Implementation of Women Expression Program, Promoting the Multi-National Work Environment



- 3 SAĞLIK VE GÜVENLİK
- 4 EĞİTİM
- 6 KADINLARIN EKONOMİK FAALİYETİ
- 8 İKLİM BİLİMİ VE SÜREKLİ MÜHÜR
- 10 EĞİTİMİN KALİTESİ
- 17 İKLİM BİLİMİ VE SÜREKLİ MÜHÜR

TRANSFORM LIFE

Digitalized Value Chain

Transition to a Digital Working Environment, Completion of Digitalization of All Organizational Operations, Decision Making Based on Data Analytics

Sustainable Products

Increasing the Share of Sustainable Products in Turnover, Increasing the Number of Sustainable Products and Solutions for Transforming Life and, Dissemination of Life Cycle Analysis Program and Eco-Labeling

Sustainability Across the Value Chain

Dissemination of the Supplier Capacity Development Program, Compliance with the Code of Conduct by All Suppliers

Value-Added Partnerships

Establishment of Collaborations and Partnerships in Pursuit of SDG 17 (Partnerships for Goals)



- 8 İKLİM BİLİMİ VE SÜREKLİ MÜHÜR
- 9 SAĞLIK VE İKLİM BİLİMİ VE SÜREKLİ MÜHÜR
- 12 SÜREKLİ ENERJİ VE ENERJİ
- 17 İKLİM BİLİMİ VE SÜREKLİ MÜHÜR



GLOBAL SUPPLIER SUMMIT

- On May 7, 2024, Şişecam convened its Global Supplier Summit under the theme "**United to Collaborate**" bringing together its global business partners.
- The summit prominently featured the themes of collaboration and sustainability. A sustainability-focused session comprehensively covered topics such as **reporting and disclosure requirements related to sustainability, digital solutions, and the critical role of supply chain collaboration.**

GLASS FOR EUROPE

- Şişecam has joined the trade association **Glass for Europe**, which represents Europe's flat glass sector.
- Flat glass is the primary material used in a variety of end products, including windows and facades for buildings, windscreens and windows for automotive and transport, as well as solar energy equipment, furniture, and appliances. Glass for Europe brings together multinational firms and thousands of SMEs across Europe to represent the entire building glass value chain.

BARCLAYS ESG EMERGING MARKETS CORPORATE DAYS

- On June 26, 2024, Şişecam participated in Barclays' "**ESG Emerging Markets Corporate Days**" event, where Şişecam Investor Relations and Sustainability teams engaged with a total of 13 investors across four sessions
- Şişecam presented its sustainability strategy, 2030 and 2050 targets, ongoing projects related to these targets, developments from 2020-2023, performance on ESG platforms, key components of its glass decarbonization roadmap, and the anticipated environmental benefits of its soda ash investment in the US.

THE 15th EUROPEAN SOCIETY OF GLASS TECHNOLOGY CONFERENCE

- During the **15th European Society of Glass Technology Conference** held in the United Kingdom from July 15-19, Şişecam's teams presented on "**Sustainability at Şişecam: Glass Recycling with Its Fundamental Requirements**" and "**Recycled Glass Integration: Fundamental Research for Optimal Batch Composition**" during the sustainability sessions. Additionally, the session highlighted the essential requirements for efficient glass recycling.

EUROPEAN INDUSTRIAL ALLIANCE ON SMRs

- On April 30, 2024, Şişecam joined the **European Industrial Alliance on SMRs** (Small Modular Reactors) platform, which was established by the European Commission to support the deployment of the first SMR units in Europe in the early 2030s.

2023 SUSTAINABILITY REPORT

- Our 11th Sustainability Report has been published with the theme "**Together For A Sustainable Future.**" The 2023 report reflects Şişecam's vision for sustainable growth and its commitment to leaving a more livable world for future generations as a well-established global company.
- Aligned with GRI standards, the report provides a detailed overview of our CareforNext sustainability strategy, including our targets for 2030 and 2050. It comprehensively presents the activities carried out within these frameworks and the results achieved.



2030 Targets

We aim to minimize our impact on the natural environment, reduce waste, and use resources efficiently under “**Protect the Planet**” pillar. Therefore, we continue our activities in the areas of energy consumption, reduction of greenhouse gas emissions, water management, waste management, and the use of renewable energy.

Climate Change

- 2050 Vision for Carbon Neutrality
- Developing 53 MWp Installed Renewable Energy Capacity
- Commissioning of a Fully Electric Glass Melting Furnace

Water Use

- Reducing Fresh Water Consumption by 15%

Circular Production

- Achieving 50% Reduction in Packaging Waste
- Using 35% External Cullet in Glass Packaging

PROGRESS IN 2023

- We completed our work identifying the risks and opportunities related to climate change, based on the framework of **the Task Force on Climate-related Financial Disclosures (TCFD)**.
- We kicked-off **our Low-Carbon Roadmap** project for our glass production processes.
- We became a member of the **European Clean Hydrogen Alliance (ECH2A)**, **European Solar Photovoltaic Industry Alliance (ESIA)**, **Hydrogen Europe**, and **Society of Glass Technology (SGT)** platforms.
- As of 2023, our installed renewable energy capacity has reached **10 MWp** through solar energy investments in Turkey and Italy.
- In 2023, water consumption per unit of production decreased by 25% compared to 2020, reaching **3.5 m³/ton**.
- Şişecam Environmental Systems supplied **198,000 tons of glass cullet**.





We are committed to creating sustainable value for all our stakeholders, including residents and communities in our fields of activity, our colleagues, business partners, customers and consumers, and suppliers, on the pillars of “**Empower Society**”.

2030 Targets

Equality, Diversity and Inclusion

- Achieving 25% Women Employment
- Implementation of the Women Expression Program
- Creating a Multinational Working Environment

Talent Acquisition, Management and Development

- Increasing Functional and Personal Competencies through Training (47 person hours of training/year)
- Acquisition of New Generation Skills
- Increasing Employee Loyalty Ratio

Occupational Health and Safety

- Zero Occupational Accidents
- Well-Being Program

Cultural Heritage

- Global Dissemination of Glass Heritage and Culture

PROGRESS IN 2023

- Our female employee ratio reached **23.6%**.
- While we provided **476,839 hours** of training to our employees, the average training hours per employee was **35.9**.
- We offered **1,179 hours** of training to **480 employees** on diversity and equal opportunity.
- To expand and consolidate our practices aimed at improving employee health and well-being under a single brand, we established the **Şişecam Life** brand.
- We implemented the **Virtual Reality Project** in our plants in Bursa, Eskişehir, and Mersin, allowing employees on the production line to experience work instructions in a safer environment before going out into the field, and organized on-site training for each plant.
- In line with our mission to protect cultural heritage and pass on our glass legacy to future generations, we launched the **Gururla Collection** for the 100th anniversary of the Republic of Türkiye.





Under the “**Transform Life**” pillar, we support our Sustainability Journey 2030 with our more integrated, more digital, more optimized, and operational excellence approach..

2030 Targets

Digitalized Value Chain

- Transition to a Digital Working Environment
- Completion of Digitalization of All Operations
- Making Decisions based on Data Analytics

Sustainability Across the Value Chain

- Dissemination of Supplier Sustainability Development Program
- Declaration of Compliance with the Code of Conduct by All Suppliers

Sustainable Products

- Increasing the Share of Sustainable Products in Turnover
- Increasing the Number of Sustainable Products and Solutions for Transforming Life
- Dissemination of Life Cycle Analysis Program and Eco-Labeling

Value-Added Partnerships

- Establishment of Collaborations and Partnerships Serving SDG 17 (Partnerships for Goals)

PROGRESS IN 2023

- In 2023, we spent approximately **275 million TRY** on our R&D projects, allocating **63.5%** of our expenditures to sustainability projects.
- In 2023, the share of our sustainable products in total revenue was **16.2%**.
- In 2023, the ratio of local procurement in the total procurement budget was **79.1%**, while the ratio of locally sourced raw materials was **86%**.
- The ratio of our suppliers who have accepted the Şişecam Supplier Code of Conduct has reached to **64%**.
- As part of our Robotic Process Automation (RPA) initiatives, we increased our total workforce gain to **138 FTEs** (Full-Time Equivalents) with a 43 FTE gain.
- As part of our operational excellence efforts, we implemented a total of **160 Operational Excellence projects** and involved **3,200 employees** in these initiatives. By the end of 2023, the completed projects resulted in a total savings of **60.5 million USD**.



THANK YOU

Q&A SESSION