



ŞİŞECAM

ŞİŞECAM

Analyst & Investor Call H1'23

August 7, 2023

H1'23 Key Financial Results

Liquidity & Capital Allocation

Operational Excellence Development Program

Sustainability

# Şişecam Segmental Reporting

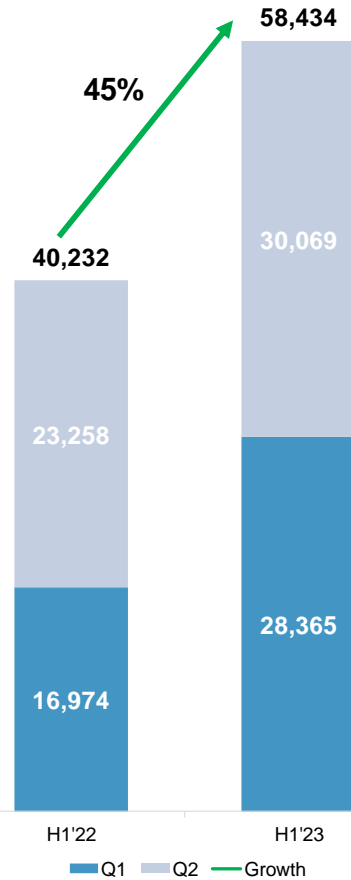


	Architectural	Industrial	Glassware	Glass Packaging	Chemicals	Energy	Other
<b>New</b>	Architectural	Automotive Glass	Glassware	Glass Packaging	Soda Ash	Electric (Cogen.)	Mining
		Encapsulations			Chrome	Energy Trading	Oxyvit
		Home Appliances			Port Management		Offset Packaging
		Glass Fiber					Refractory Mat.
							Holding Services*
<b>Old</b>	Architectural	Auto Glass	Glassware	Glass Packaging	Chemicals	Other	
	Architectural	Automotive Glass	Glassware	Glass Packaging	Soda Ash	Energy Trading	
	Home Appliances	Encapsulations	Offset Packaging		Chrome	Refractory Mat.	
					Electric (Cogen)	Holding Services*	
					Mining		
					Glass Fiber		
					Oxyvit		

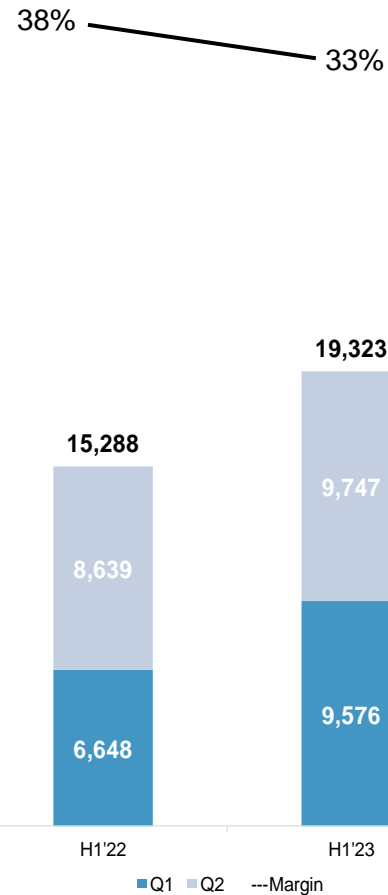
\*Consist of subsidiaries operating in recycling of packaging waste and non-hazardous waste, insurance agency services, and foreign trade activities

# H1'23 Key Financial Results

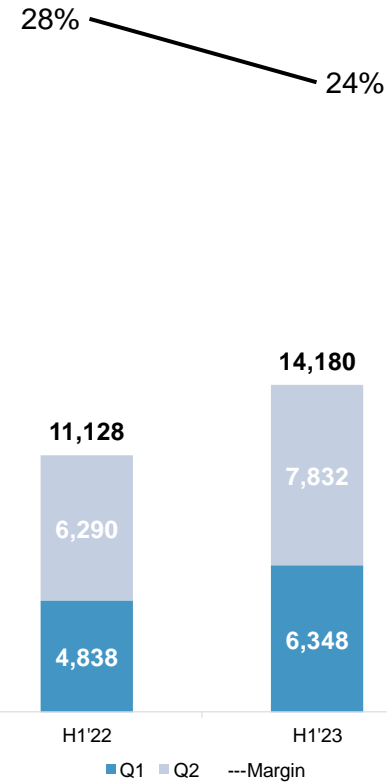
Revenue (TRY Mn)



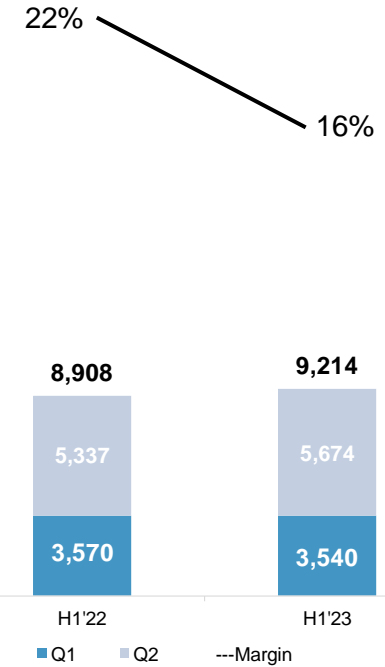
Gross Profit (TRY Mn)



Adjusted EBITDA\* (TRY Mn)



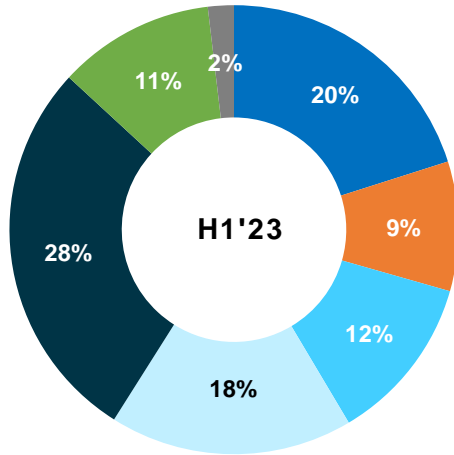
Adjusted Net Income After  
Minority Interest\*  
(TRY Mn)



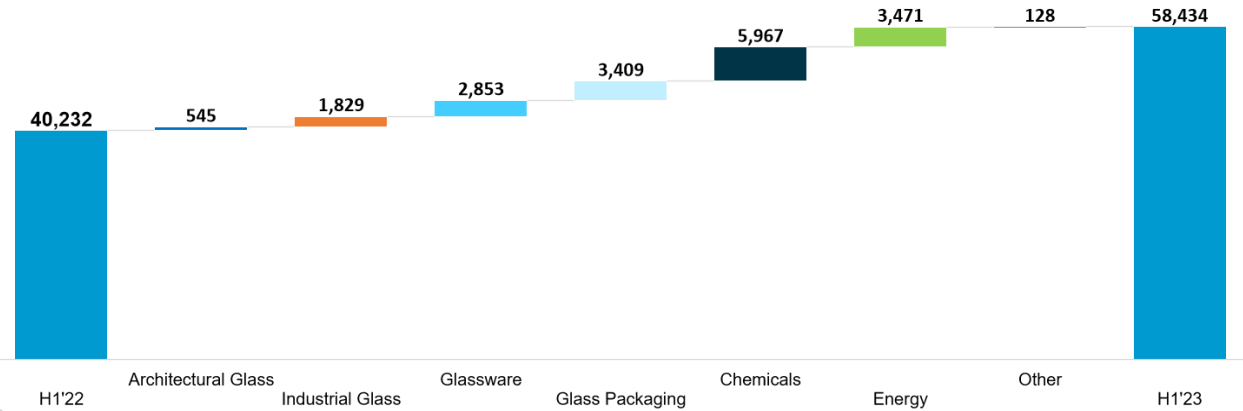
\*EBITDA and Net Income After Minority Interest are adjusted to one-off items

# H1'23 Segmental Revenue and EBITDA

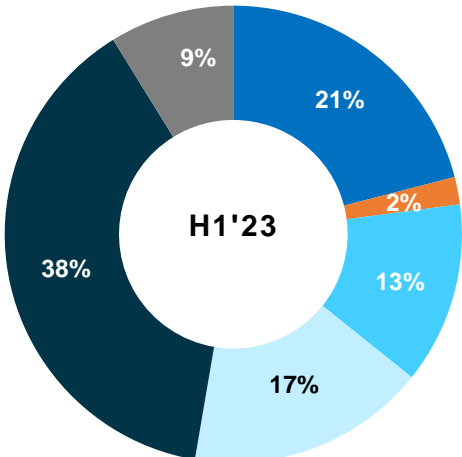
## Diversified Revenue Mix



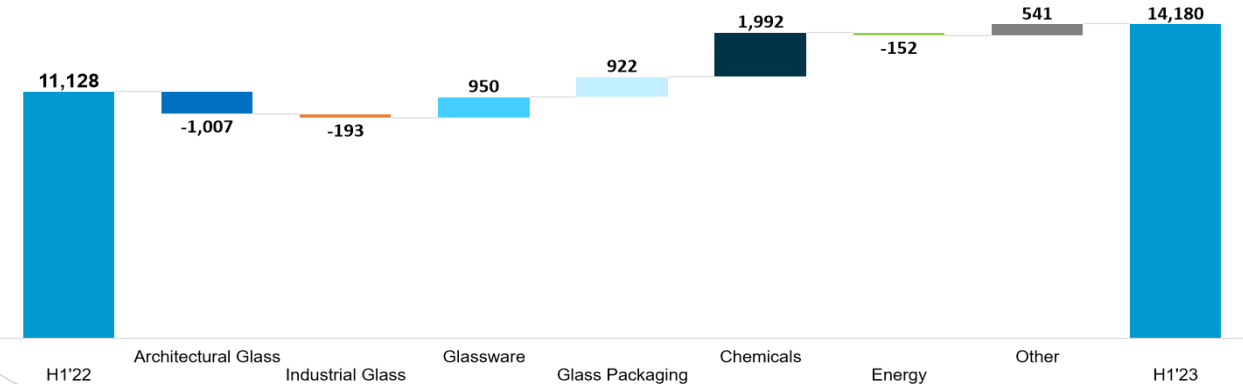
## Revenue Bridge (TRY Mn)



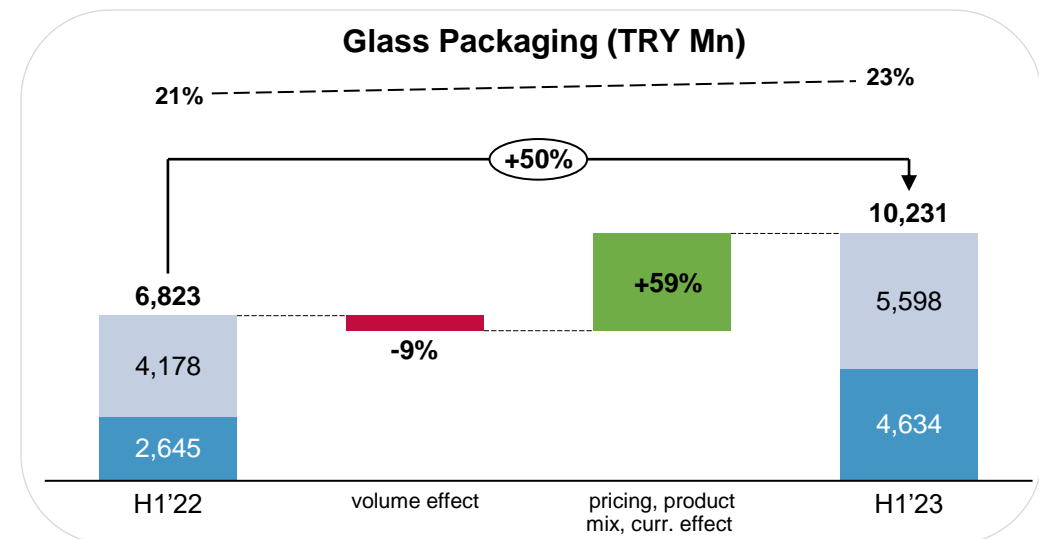
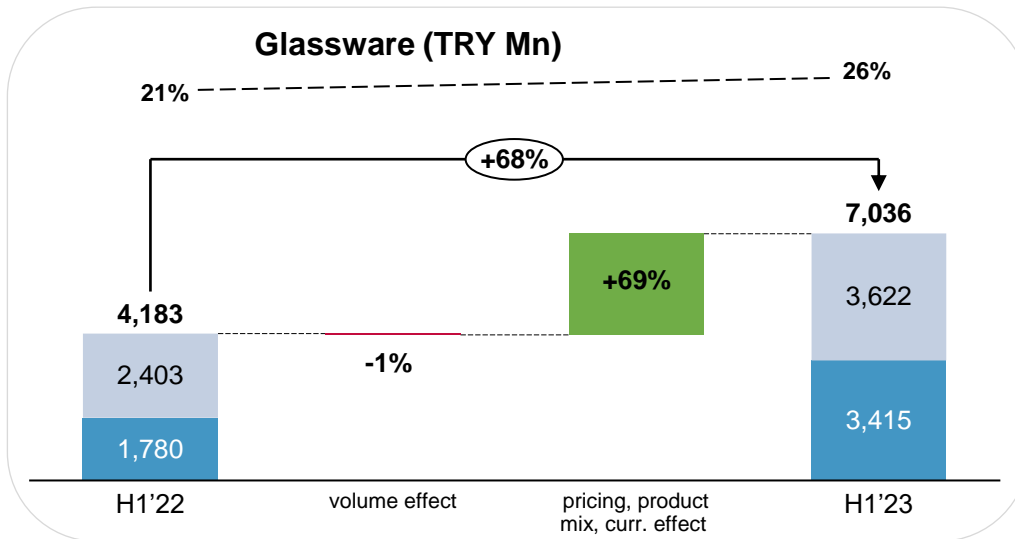
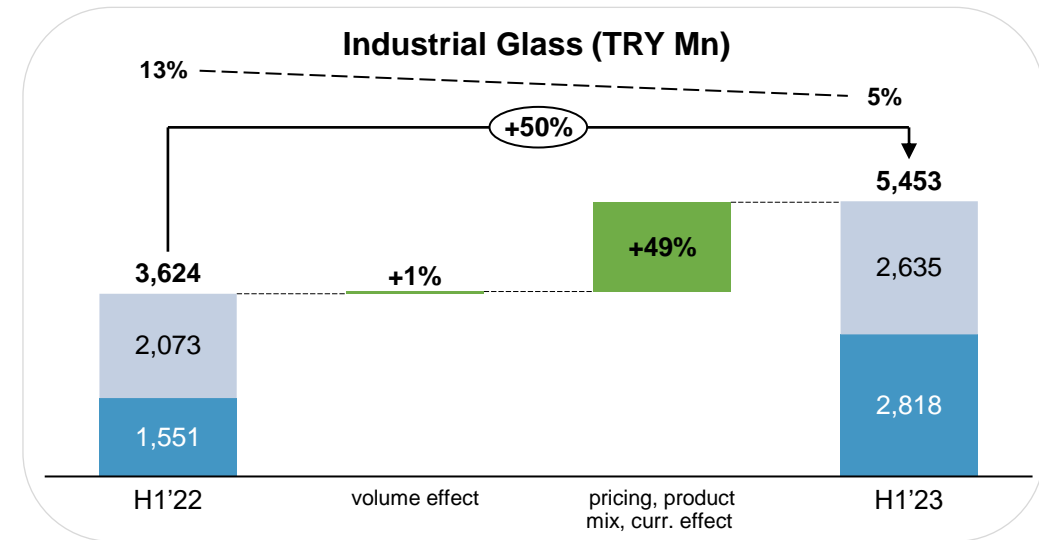
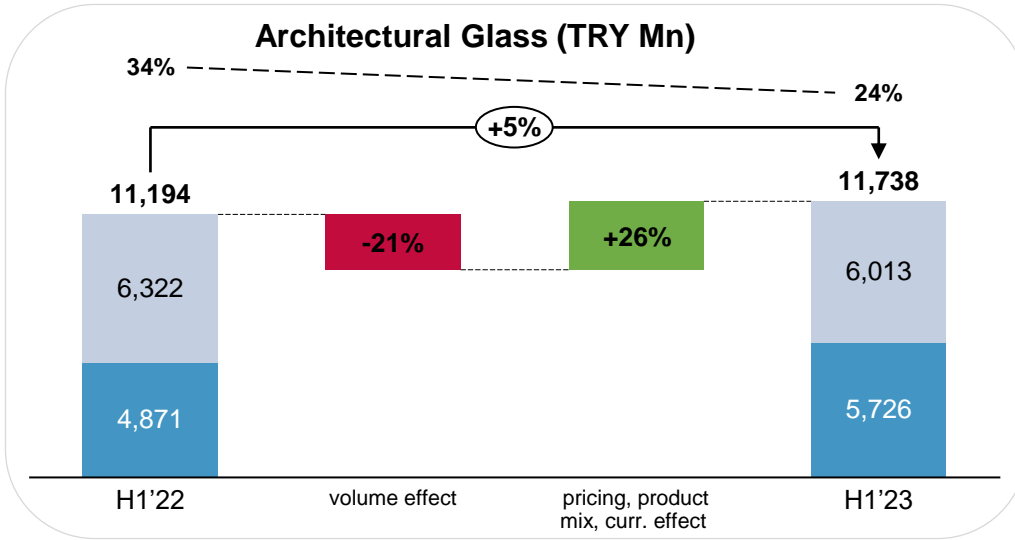
## Diversified EBITDA Mix



## Adjusted EBITDA Bridge (TRY Mn)

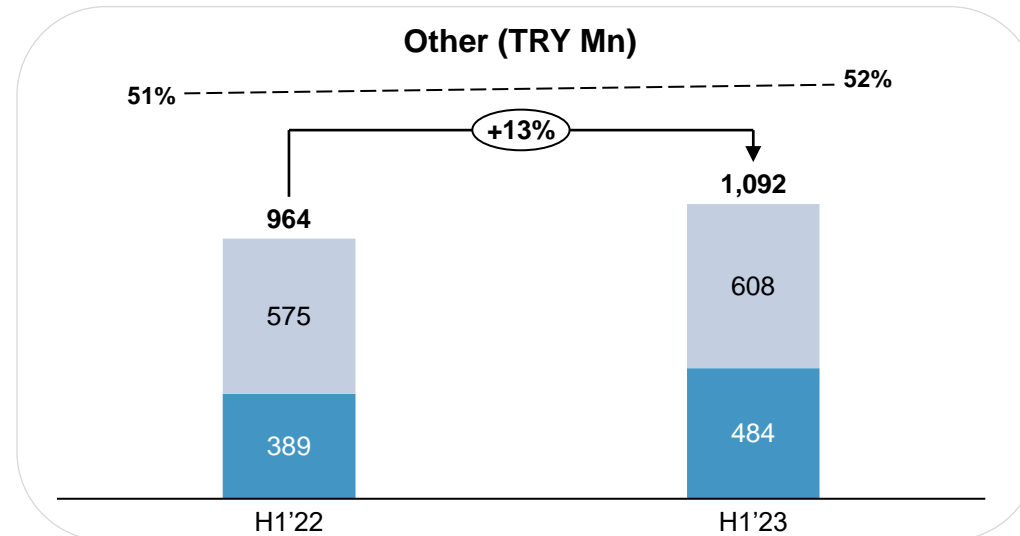
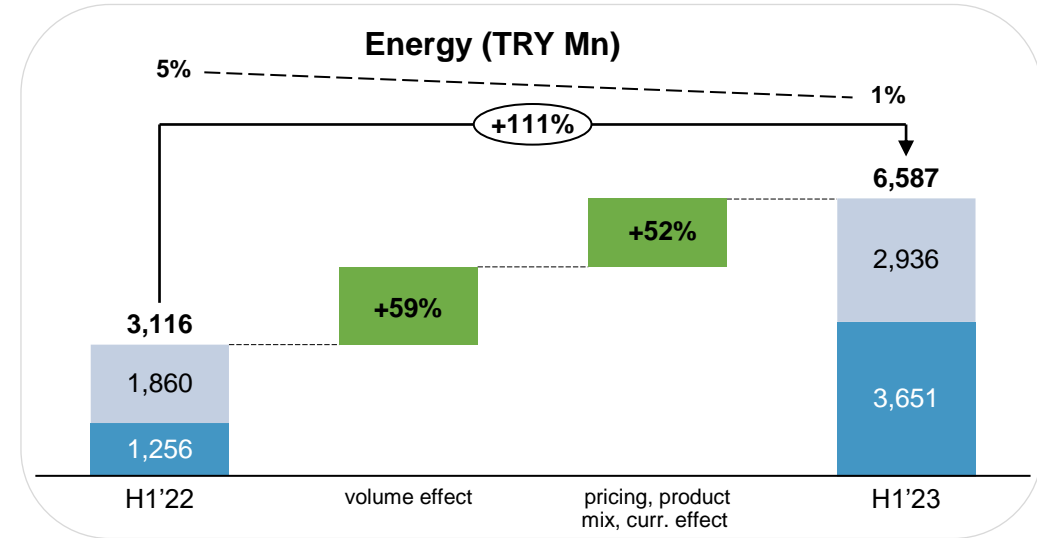
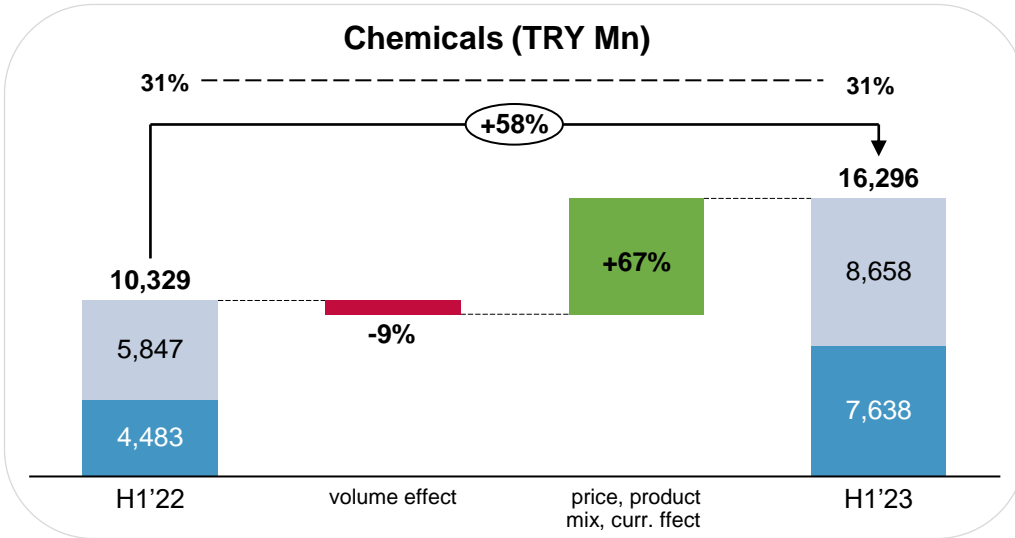


# H1'23 Segmental Revenue and EBITDA Margin



- All revenue figures showing net external sales
- EBITDA Margins – derived from one-off gain/loss adjusted figures

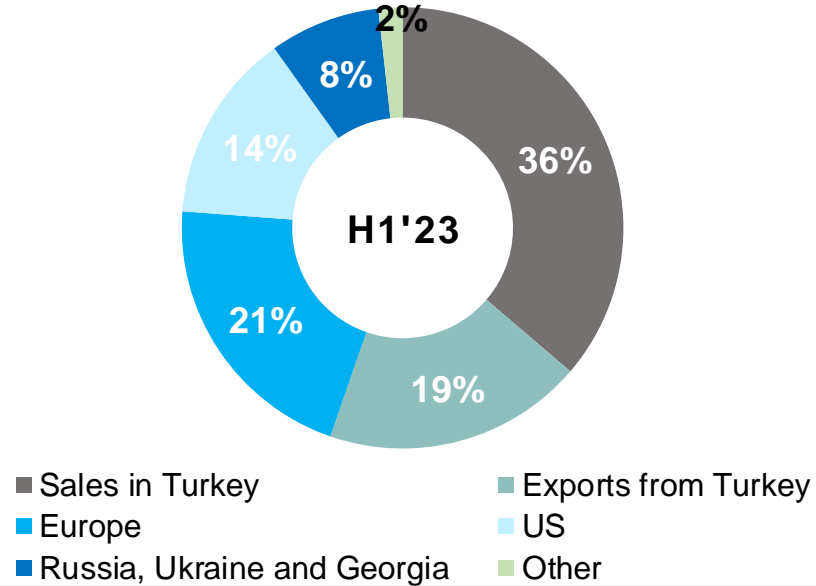
# H1'23 Segmental Revenue and EBITDA Margin



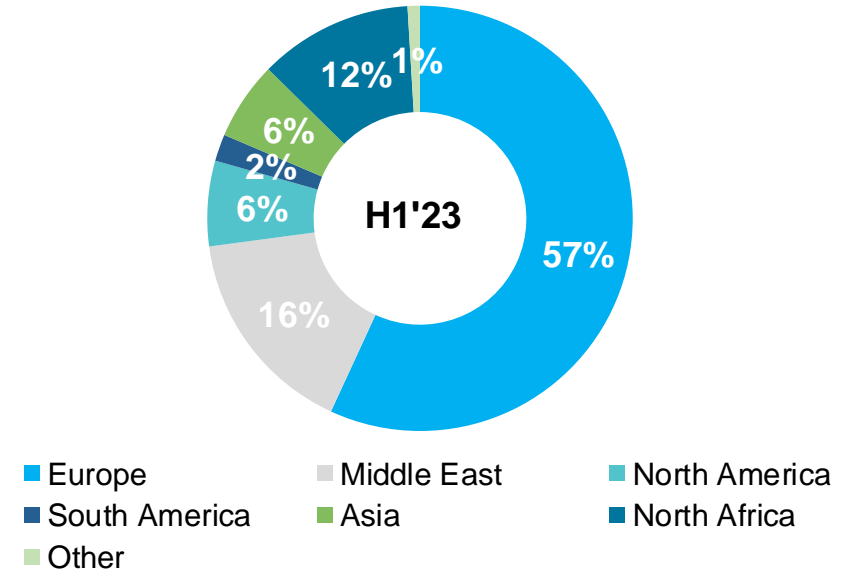
- All revenue figures showing net external sales
- EBITDA Margins – derived from one-off gain/loss adjusted figures

# H1'23 Regional Results

## Geographic Revenue Mix



## Regional Breakdown of Exports from Turkey



Top 10 Export Countries  
Italy, Egypt, USA, France, Spain, Israel, Germany  
UK, Belgium, Bulgaria

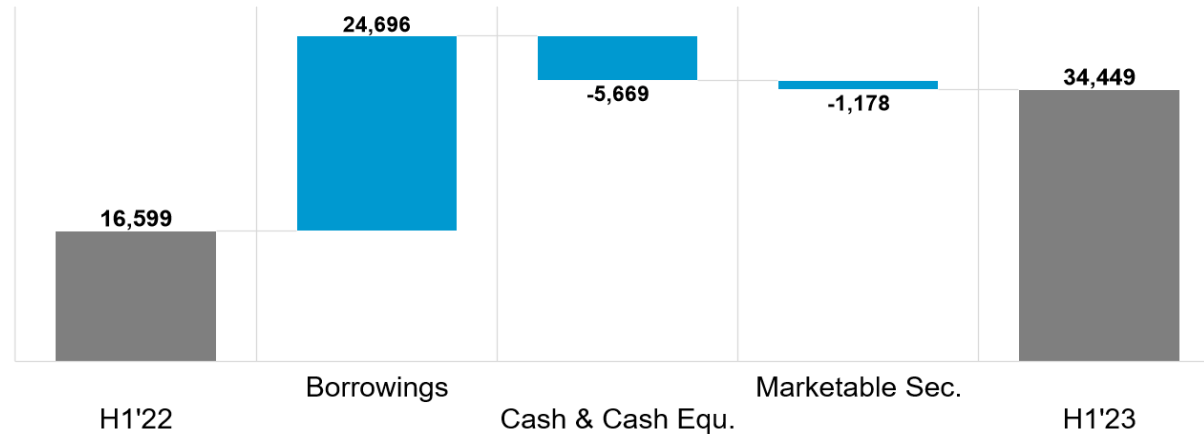
560\$ Mn exports revenue

Exports to 150+ Countries



# Debt Position

**Net Debt Bridge (TRY Mn)**



Net Debt: USD 1.3 Bn

Net Debt/EBITDA

1.1x

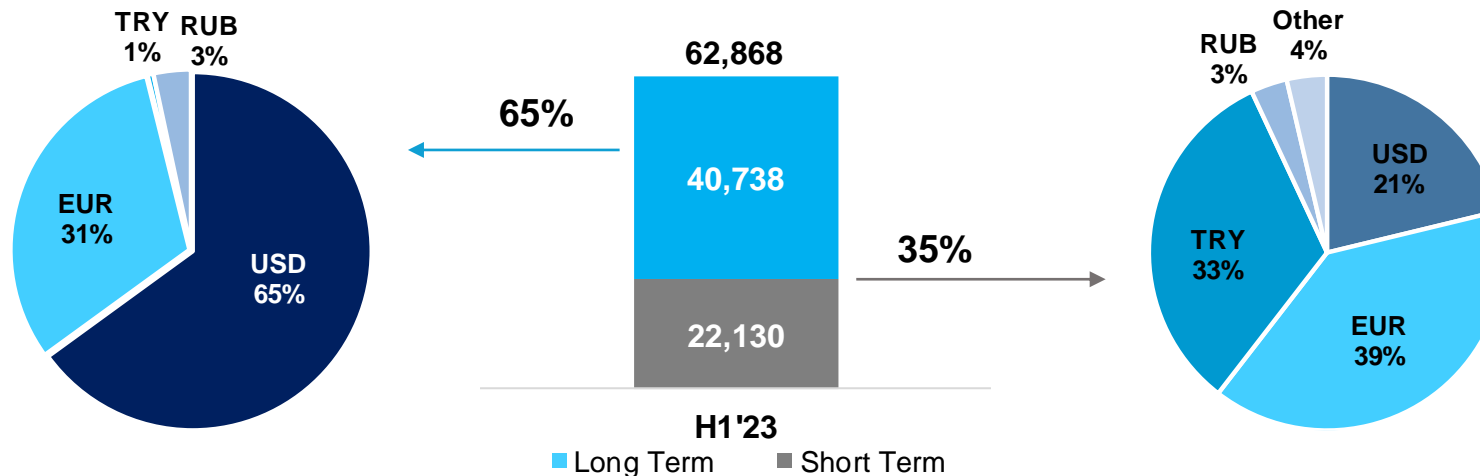
Fixed / Variable  
Interest Rate

77% / 23%

Net Long Fx Position

USD 104 Mn

**Term Structure of Gross Debt (TRY Mn)**



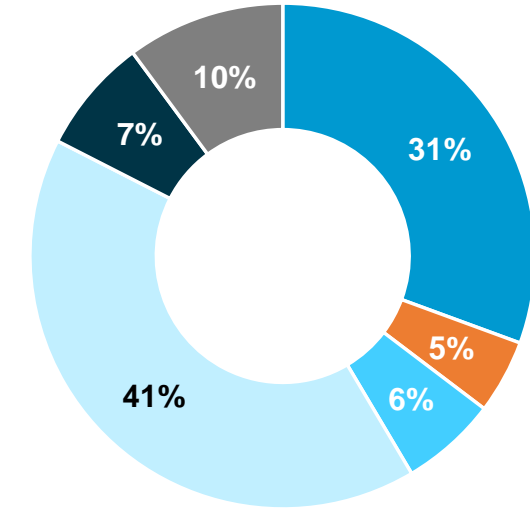
\*USD 1.6bn equivalent long-term liabilities include USD 700Mn Eurobond issued in March 2019

Following the cross currency swaps, made in 2019 for USD 575Mn of 2026 bond in exchange of EUR 421Mn in 2019, 68% of the bond was converted to EURs, 14% converted to TRY and rest of 18% kept in USD. In August 2022, USD 210Mn-equivalent EUR swap agreements have been unwound. Accordingly, as of the reporting period; 38% of the bond is converted to EUR, 14% to TRY and the rest is kept in USD.

# FCF & Capex

(TRY Mn)	H1'22	H1'23	Change
<b>Net Profit</b>	<b>9,241</b>	<b>9,081</b>	<b>-159</b>
Non Cash Items	4,536	8,965	4,429
Changes in Working Capital	-7,911	-6,798	1,113
<b>Cashflow from operations</b>	<b>5,866</b>	<b>11,249</b>	<b>5,383</b>
Interest received,net	-624	-1,543	-919
Dividend paid,net	-1,499	-3,065	-1,566
Taxes paid	-1,481	-854	627
Capex	-2,814	-7,100	-4,286
<b>FCF</b>	<b>-553</b>	<b>-1,313</b>	<b>-761</b>

CAPEX Breakdown (H1'23)



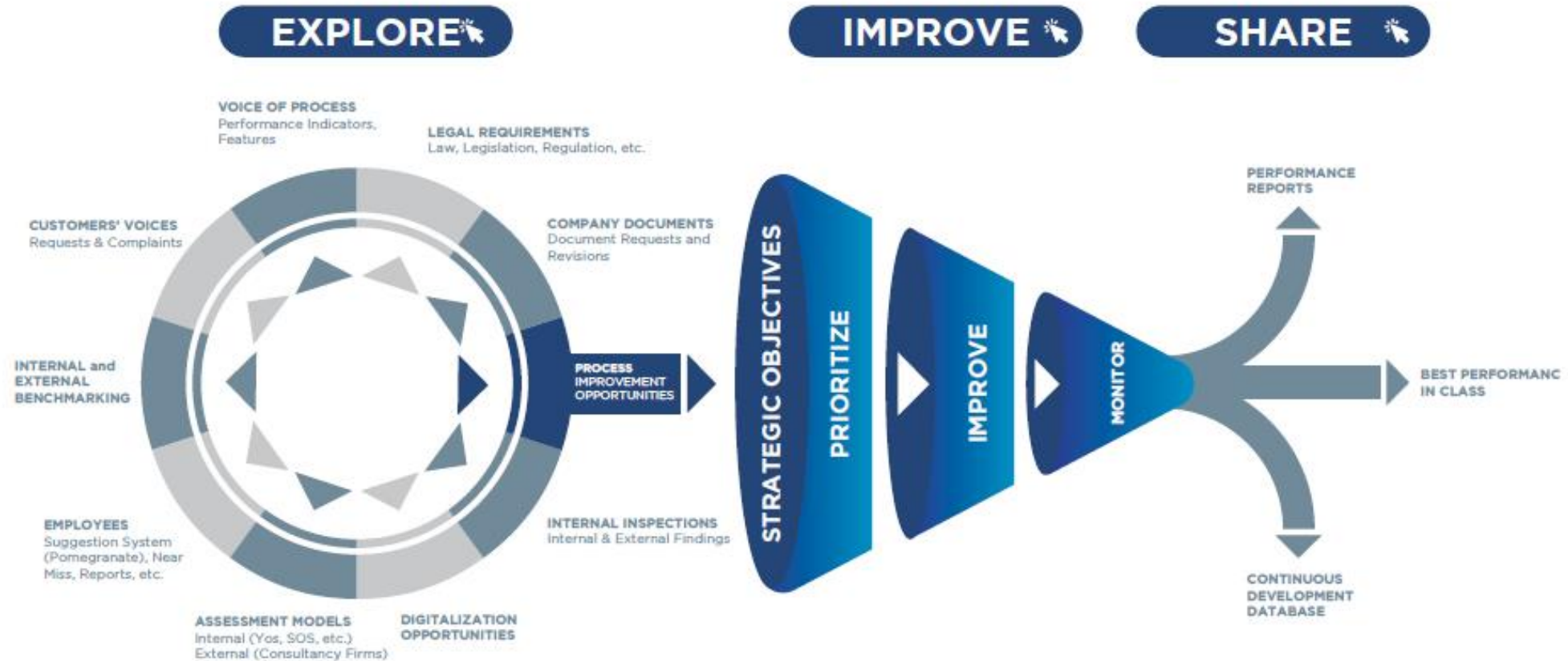
■ Architectural Glass 
 ■ Industrial Glass 
 ■ Glassware  
■ Glass Packaging 
 ■ Chemicals 
 ■ Other

Working Capital/Revenue  
35%

CAPEX/Revenue  
12%

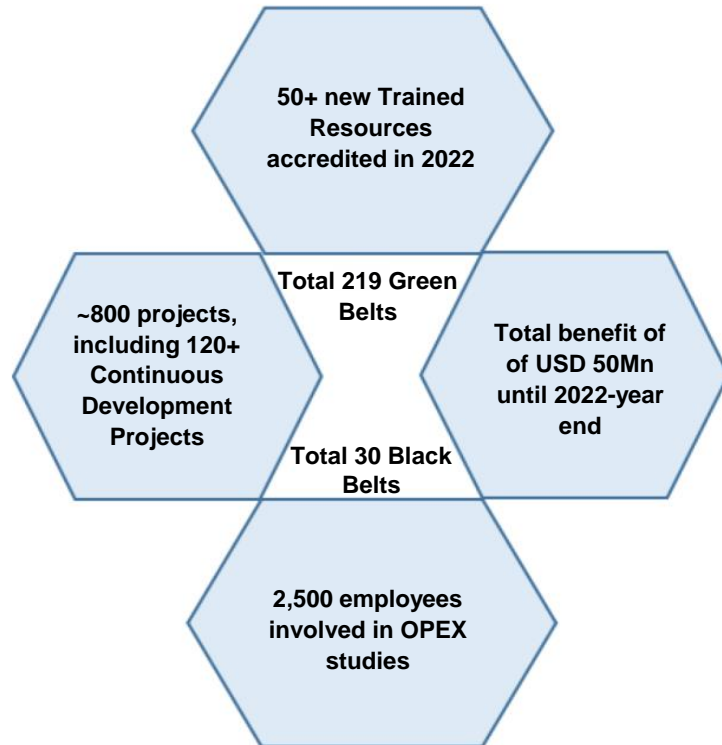
Adjusted EBITDA/CAPEX  
2.0x

# Operational Excellence Development Program



# Operational Excellence Development Program

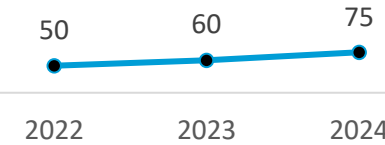
## Operational Excellence in 2012-2022



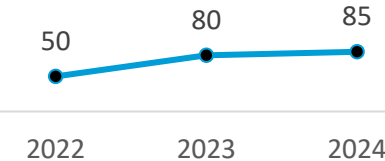
## Restructuring the Program in 2022

## Program Targets for 2023-2024

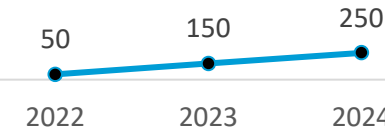
Cumulative Financial Benefit (USDMn)



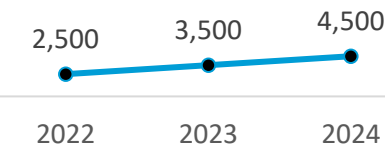
Project Plan Compliance (%)



Accreditation (Cumulative # of Employee)



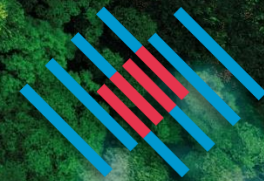
Cont. Impr. Involvement (Cum. #Employee)





# SUSTAINABILITY

Care for  
Ne>xt



SİŞECAM





Within the framework of our CareforNext approach, we aim to create positive impact and value on a global scale with applications and solutions in order to reach goals we have determined under the pillars of **Protect the Planet**, **Empower Society** and **Transform Life**. While moving "**Together For A Sustainable Future**", our 2022 Sustainability Report, in which we share our economic, social and environmental activities that we have carried out within the framework of our CareforNext strategy and the respective outputs throughout 2022, has been published.



## MESSAGE FROM THE MANAGEMENT



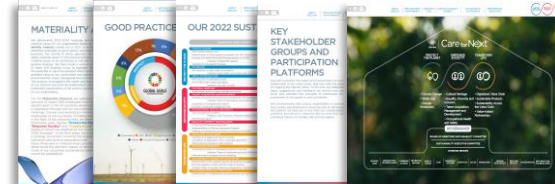
## CORPORATE PROFILE

- About Şişecam
- Vision, Mission, And Values
- Business Segments
- Production Power
- Awards
- Şişecam in 2022
- Economic Performance
- Annual Sales Growth
- Sustainability Journey



## STRATEGY & GOVERNANCE

- CareforNext 2030 Sustainability Strategy
- Sustainability Governance
- Sustainability-related Responsibilities and Statements
- Materiality Analysis
- Good Practices
- 2022 Sustainability Performance
- CareforNext 2030 Targets
- Key Stakeholder Groups and Participation Platforms
- Memberships
- Business Ethics, Compliance and Legislation Studies
- System, Product And Facility Certifications



## 2022 PERFORMANCE INDICATORS



## PROTECT THE PLANET

- Climate Change
- Water Use
- Circular Production



## TRANSFORM LIFE

- Digitalized Value Chain
- Sustainable Products
- Sustainability Across the Value Chain
- Value-Added Partnerships



## EMPOWER SOCIETY

- Corporate Heritage
- Equality, Diversity and Inclusion
- Talent Acquisition, Management and Development
- Occupational Health and Safety



## SUSTAINABILITY REPORT ASSURANCE

- ✓ 3rd Party assurance service for 2022 Sustainability Report data
- ✓ Data assurance of 10 sustainability parameters
- ✓ Verification of all Şişecam facilities and on-site audits at 6 facilities





We accept the driving force of the climate crisis as an undeniable reality in all of our sustainability practices and carry on our activities based on our 2050 Vision of "Carbon Neutral".

## PROTECT THE PLANET: SISECAM IN 2022

WORK THAT  
MAKES A  
DIFFERENCE

### PIONEERING MOVE WITH NATURAL SODA ASH

- By investing in **the Wyoming Factory** in the USA, we became the second largest in global soda ash field and increased our competitive power.
- We aim to increase our soda ash production capacity to over **10 Mn tons** with the introduction Pacific & ATRYantic mines and to be the first in the world in the field of soda ash.
- While developing the Pacific and ATRYantic Projects, the two powerful organizations that will expand the scope of cooperation with their new partnership structure and investment decisions, we envisaged the realization of a natural soda ash investment of approximately **4 Bn dollars** in the USA.
- We reduced the carbon and water consumption intensity of total soda production by **50%** with the natural soda ash we obtained from the Wyoming Factory.

- We started the evaluation studies in line with the **TCFD framework**, to meet the expectations regarding the risk assessments under combating climate change and adaptation, and to contribute to the holistic execution of respective financial risk assessments. The study will be used in the internal risk assessment step.
- In 2022, **our installed capacity in renewable energy generation** reached **10 MWp**.
- We prevented approximately **4K tons of carbon emissions**.
- With the works we carried out in 2022, we achieved **energy savings** of approximately **29 Mn TRY**.
- In 2022, we have implemented **more than 350 environmental and energy-oriented project investment** plans with an investment value of **more than 17 Mn USD**.
- We increased our **I-REC** certified energy supply by approximately 20% compared to the previous year, to **18,536 GJ**.
- In total, we saved **36,300 GJ of energy**.
- We recovered **6.8 Mn m³ of water**.



We know that a sustainable business life can only be achieved through inclusive, pluralistic and participatory practices. We build the future by protecting our heritage with the strength we derive from our corporate culture.

## EMPOWER SOCIETY: SISECAM IN 2022

### WORK THAT MAKES A DIFFERENCE

## INTERNATIONAL YEAR OF GLASS

- We contributed with all our resources to the declaration of 2022 as the **United Nations International Year of Glass**.
- As the "**Main Sponsor of the Year of Glass**", we emphasized the technological, scientific and economic importance of glass and explained its strategic importance for a sustainable world on every platform.
- As we celebrate the 2022 International Year of Glass in our century, which we name **the Age of Glass**, we told the world about the miracles of glass through symposiums, advertisements, installations, exhibitions, workshops and special events, including communication projects and fairs.

- We held the **37th Şişecam Glass Conference** with the theme of "**Inspiration for Tomorrow: Celebrating the International Year of Glass**". We completed the conference, which we held as hybrid in 5 continents and 39 countries, with 291 physical and 414 online participants.
- By the end of 2022, we increased our female employee rate to **23%**.
- We increased the rate of female members in the Executive Board to **50%**.
- As a result of the cooperation initiated with IESE Business School within the scope of the "**Şişecam Women Expression**" program, 3 of our female leaders graduated from the AMP (Advanced Management Program) and PMD (Program for Management Development) programs.
- We completed our global internship program **Together**, which we started to bring young talents to Şişecam, with the participation of **166** interns, and our summer internship program, **First Step**, with the participation of **227** interns.
- In the context of increasing functional personal competencies of our employees, we provided **32 person/hour training** in Turkey.
- As of the end of 2022, the total training we provide to our employees is **428,822 person x hours**.
- In order to create a social context and contribute to the society, we collected volunteer applications for the formation of the **Şişecam Emergency Case Team (S.A.V.E.)**, which consists of our employees with disaster and emergency response competence, on a voluntary basis from our facilities. We clarified the team members, we determined the understanding of structuring, training and governance, we organized informative seminars and conducted health checks of our volunteer employees.





In line with our pillar of "Transform Life", we work with the aim of being a leaner, more flexible and agile organization. In order to create resilient business models, we take steps to create data-based decision-making processes, and to develop sustainable products with product life cycle studies.

## TRANSFORM LIFE : SISECAM IN 2022

WORK THAT  
MAKES A  
DIFFERENCE

### 11 PRODUCTS WITH ENVIRONMENTAL PRODUCT DECLARATION

- We set out as the first company to make life cycle statement in the Turkish glass industry in 2018, with the EPD certificate for the flat glass product group.
- At the point we have reached today, we obtained **11 EPD Certified (Environmental Product Declaration)** products covering the entire flat glass product range.
- We aim to meet the certification criteria for more products by expanding the scope of our work, in this direction, we carry out projects with **the LCA (Life Cycle Analysis)** approach and offer LCA/EPD literacy trainings to our employees.

- By the end of 2022, the number of suppliers that have accepted the “**Şişecam Supplier Code of Conduct**” has reached approximately **50%** of the number of active suppliers out of the group, which constitute 80% of the purchasing volume.
- Our locally procured **raw material ratio** reached to **83.8%**.
- With the **Digital Twin Project**, we collected data from **4500 sensors** and digitized the data and integrated it into our decision-making processes.
- We have invested **521 Mn TRY** in digital transformation in the last 3 years.
- As of 2022, a total of **2,500 Şişecam employees** have been involved in operational excellence and we saved a total of **50 Mn USD** with the projects completed until 2022.
- We increased awareness of process automation studies and our total RPA processes reached **68** with the inclusion of 44 priority processes. Within the scope of the RPA studies carried out, labor force saving of 47 FTE increased to **95 FTE**.
- In 2022, we used **54%** of R&D expenditures for sustainability projects.
- We have completed **Life Cycle Analysis (LCA)** processes for **16 sustainable products**.

In addition to the Sustainability Policy, which includes our basic principles, the "Sustainability Statement", which contains our goals and commitments regarding our 11 material ESG topics and is a guide to communicate our actions, has been published on our corporate website (<https://sisecam.com.tr>).



In pursuit of the United Nations Sustainable Development Goals, Şişecam, as part of its core strategy, businesses and operations, At Şişecam, we shape our value creation framework, with a stakeholder lens.

CareforNext includes the following pillars:



We execute our business operations while minimizing our impacts on "Climate Change" in "Circular Production." Toward the goal of becoming carbon neutral by 2050, we adopt globally accepted GHG reduction targets, implementing low-carbon design, and expanding our inhouse renewable energy production capacity by expanding Interlinked Industrial symbiotic practices. We value circular model while treating waste as a source material and/or energy source.



We prioritize "Corporate Heritage," "Equality, Diversity and Inclusion," "Occupational Health and Safety" while delivering value-adding impacts. We remain loyal to glass heritage and aim to disseminate it to the future. To Equality, Diversity and Inclusion, we plan to retain our pioneering role in implementing the Women's Expression Program, One Şişecam Corporate Culture and Competency Fit Talent programs across Şişecam. Our net zero commitment and Cultural Transformation Program targets our entire value chain. We also foster lifelong mental and physical health by providing employee



Our goals aimed at implementing a "Digitalized Value Chain," boosting our expanding "Value-Added Partnerships" are key drivers for integrating sustainability. Toward expanding our range of Sustainable Products, we see Life Cycle biggest opportunities in fostering sustainability at the product design and production. As Value-Added Partnerships, we base our Supply Chain Sustainability approach on continuously improving our suppliers with an aim of instilling Şişecam's culture



We address "Climate Change," "Water Use" and "Circular Production" greenhouse gas emissions, water management and renewable energy.

Under this pillar, Şişecam contributes to  
SDG 6 - Clean Water and Sanitation  
SDG 7 - Affordable and Clean Energy  
SDG 9 - Industry, Innovation and Infrastructure  
SDG 12 - Responsible Consumption and Production  
SDG 13 - Climate Action

## Climate Change

The climate crisis, an unfortunate fact of our lives today, is growing rapidly. By developing a low-carbon business model and value chain, we aim to contribute to climate change and decarbonization alongside all our stakeholders. We manufacture to have a net positive impact on the climate. In this way, we aim to keep global warming below 2°C and to minimize the impact

## GOALS FOR 2030

Within this framework:

- Glass is a critical material for a carbon neutral future with its inherent low-carbon solutions.
- We contribute to the fight against the climate crisis at the point of production.
- We examine opportunities for adopting globally accepted GHG reduction targets.
- We implement low or zero carbon technologies including electric furnaces.
- We invest in inhouse renewable energy production capacities.
- We monitor and report greenhouse gas and air emissions from our production and recycling activities.
- We develop scenario analyses and business models for climate change.
- We expand our renewable energy capacity in our production and recycling activities.

## Water Use

One of the most critical impacts of the climate crisis is how extreme weather events are proliferating and water-related risks are increasing. We are committed to conserving water, a highly valuable natural resource



Under the pillar of "Empower Society," we focus on "Corporate Heritage Acquisition, Development and Management" and "Occupational Health and Safety." We aim to be one of our most important responsibilities. Accordingly, we aim to be a global scale, fostering gender equality, cultivating a multitalented recruiting new generation talent, and ensuring occupational health and safety.

Şişecam projects and initiatives under the  
"Empower Society" pillar serve  
SDG 3 - Good Health and Well-Being  
SDG 4 - Quality Education  
SDG 5 - Gender Equality  
SDG 8 - Decent Work and Economic Growth  
SDG 10 - Reduced Inequalities  
SDG 17 - Partnerships for the Goals

## Corporate Heritage

We are proud to be the first large-scale glass production facility in Turkey. We are committed to the preservation and development of glass culture in our country. We aim to share our glass heritage with our wide range of activities

## GOALS FOR 2030

Within this framework:

- With the responsibility as the biggest producer of the domestic glass, we aim to be a global scale.
- We organize international events that present glass and art together.
- We remain loyal to glass heritage and disseminate it to future generations.
- As one of the main sponsors of the International Commission on Glass, we aim to bring together academics and companies specialized in the field of glass.
- We monitor and report greenhouse gas and air emissions from our production and recycling activities.
- We develop scenario analyses and business models for climate change.
- We expand our renewable energy capacity in our production and recycling activities.

## Equality, Diversity, and Inclusion

Equality, diversity, and inclusion in the working environment are among our core values. We conduct our human resources processes based on the competence and inclusive stance that supports each of our employees to realize their potential. We are committed to reflecting an egalitarian and inclusive working environment among our business partners.



Under the pillar of "Transform Life," we focus on the priorities of "Sustainable Value Chain," "Sustainable Products" and "Value-Added Partnerships." We aim to be more digital, more optimized while adhering to our operational principles.

Şişecam projects and initiatives under the  
"Transform Life" pillar serve  
SDG 8 - Decent Work and Economic Growth  
SDG 9 - Industry, Innovation and Infrastructure  
SDG 12 - Responsible Consumption and Production  
SDG 17 - Partnerships for the Goals

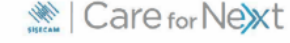
## Sustainability across the Value Chain

We care about disseminating our work and efforts that impact society. In this way, we develop together with our value chain and increase the sustainability of our business.

## GOALS FOR 2030

Within this framework:

- We take steps to integrate environmental, social and governance (ESG) into our business strategy.
- We implement a sustainability approach on selecting, engaging, and managing our suppliers with an aim of instilling Şişecam's culture to those in our value chain.
- We maintain our vision of being a global company that adds value to society through exceptional customer satisfaction, responding to the needs of the market, and supporting brand strengthening efforts on digitalization.
- With a holistic perspective, we conduct customer satisfaction surveys to identify improvement areas and to ensure excellence in customer service.
- We adopt a green supply chain management approach for a sustainable value chain, including production, the supply chain, materials, and logistics.
- As part of our effective supply chain management and responsible sourcing, we ensure compliance of all our suppliers with the Şişecam Supplier Code of Conduct.
- As part of our commitment to protect human rights, we take necessary measures to ensure that no human rights violations occur in our value chain.
- We provide sustainability trainings to our suppliers.



## POLICY ECOSYSTEM

Since the CareforNext strategy intersects a wide variety of areas, the supporting policy/procedures are as follows:

- Sustainability Policy
- Diversity and Inclusion Principles
- Environment and Energy Policy
- Waste and Circular Economy Policy
- Quality Management Policy
- Human Resources Policy
- Supplier Code of Conduct
- Information Security Management Policy
- Occupational Health and Safety Policy
- Gift and Hospitality Policy
- Disclosure Policy
- Profit Distribution Policy
- Compensation Policy
- Donation Policy
- Code of Ethics
- Compensation Policy of Senior Executives
- Anti Bribery and Anti Corruption Policy
- Anti Retaliation Policy
- Human Rights Policy

## STATEMENT RESPONSIBILITY

Sustainability Statement is approved by the Şişecam Board of Directors. Şişecam Executive Board is responsible for the development, publication, periodic review and, if necessary, revision of the Sustainability Statement. Şişecam Executive Board submits revisions of the statement to the Board of Directors. Revisions regarding the statement are published after approval by Şişecam Board of Directors.

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## FX Rates

	2018	2019	2020	2021	2022	H1'22	H1'23
<b>USD/TRY</b>							
<b>Period End</b>	5.26	5.94	7.34	13.33	18.70	16.66	25.82
<b>Period Average</b>	4.83	5.67	7.00	8.88	16.58	14.87	19.88
<b>EUR/TRY</b>							
<b>Period End</b>	6.03	6.65	9.01	15.09	19.93	17.37	28.15
<b>Period Average</b>	5.68	6.35	8.01	10.46	17.39	16.23	21.49

# Q&A SESSION

THANK YOU