

Şişecam Automotive

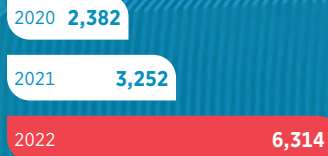
Trust-centered customer approach

ŞİŞECAM AUTOMOTIVE INCREASE IN NET SALES REVENUE

94%

Europe's 4th and the World's 8th Largest Auto Glass Manufacturer

Automotive Glasses Net Sales Revenue (TRY Million)



Şişecam Automotive recorded net sales revenues of TRY 6,314 million as of year-end 2022.

AN OVERVIEW OF 2022

In 2022, the energy crisis caused by the Russia-Ukraine war had a negative impact on the automotive industry, like all sectors of the global economy. Unlike oil crises of the past, this crisis caused disruption in production processes around the world due to its dominance in all energy fields such as natural gas and electricity. European countries, which are dependent on Russia for energy, sought solutions against the risk of recession. Many automotive sector manufacturers operating especially in Europe and Russia experienced temporary or permanent shutdowns due to the contraction in raw material supply and the difficulty in accessing production factors. During this challenging time, manufacturers turned to alternative energy sources and suppliers and tried to overcome the crisis with minimal losses.

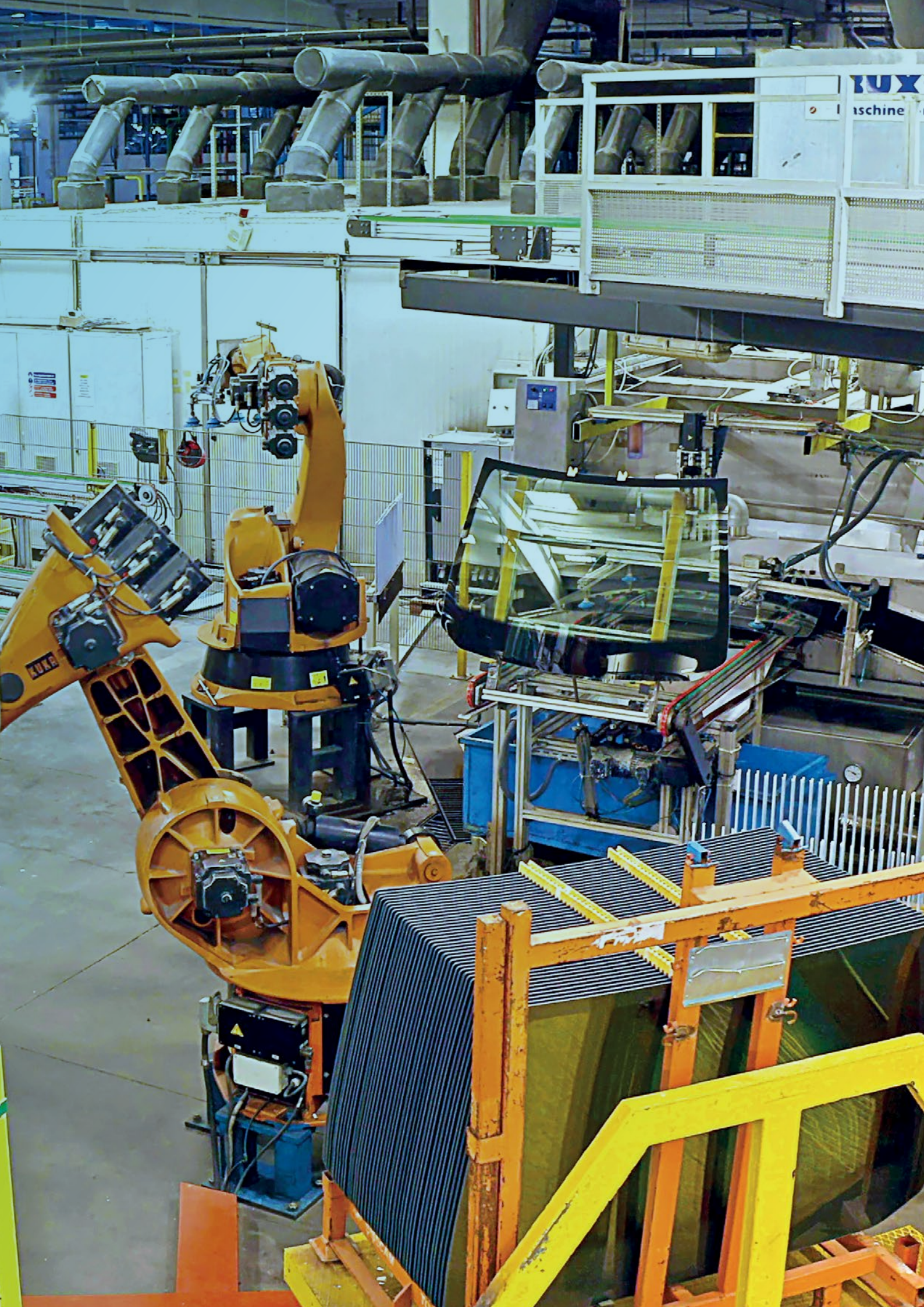
Disruptions in the supply chain caused by the chip crisis, which started in 2019 and continued to have an impact in 2022, combined with the threat of recession caused by the energy crisis in Europe, increased the pressure on the global automotive industry. During this period, only those companies that were able to anticipate the potential risks in the sector, assess the situation correctly, and take quick and effective decisions were able to survive.

Global automotive production increased by 6.7% in 2022 compared to the previous year. The geographies of North America and Asia-Pacific played a key role in this increase.

ACHIEVEMENTS IN 2022

Acting with the vision of becoming a global leader, Şişecam Automotive met all the needs and expectations of its customers in 2022 with its high quality and safe products, thanks to its R&D capabilities open to development and innovation. Şişecam developed its product portfolio by adopting a customer-oriented approach and maintained its sales volume in automotive glass with its high sales performance in Automotive Renewal Glass (ARG) in the USA, Europe, Türkiye and Russia markets, despite the global crisis.

Revenue increased by 110% in foreign currency in 2022 thanks to newly developed products in the automotive renewal glass business line, which was introduced in 2019. In the same period, the number of customers doubled while business development efforts in new geographies accelerated. Adopting the approach of managing risks effectively with a data-driven approach, Şişecam evaluated the risks and opportunities that arose according to the conditions of the day in line with its long-term strategies, rather than making short-term decisions, and ensured optimization at all stages of the value chain despite the fluctuations experienced in the global automotive industry. In 2022, Şişecam's focus was on instantaneous monitoring of disruptions in the supply chain, management of highly increasing costs in a way that does not hinder the sustainability of production, a focus on product development efforts, and optimizing production fluctuations by adapting quickly to changes through simplifying quality activities.



The right solutions for different needs

In 2022, Şişecam initiated energy-generating glass studies for electric vehicles and produced prototypes with different technologies.

In 2022, Şişecam Automotive focused on and made significant progress in integrating quality control systems, customizing automation practices, boosting employee productivity, and fulfilling its sustainability responsibilities.

PRODUCT DEVELOPMENT

Offering the right solutions for different needs, Şişecam has developed and started mass production of HUD windshields in automotive glass. Work is ongoing on more advanced technological solutions that combine HUD and heating without coating. In line with the goal of expanding the portfolio, innovative studies are underway for roof glasses with adjustable light transmittance. Innovative and customized solutions are currently offered to upper segment vehicles in line with their innovation requirements.

Energy-generating glass studies for electric vehicles were initiated and prototypes with different technologies were produced. Action was taken to produce automotive glasses that can meet the specific demands of autonomous driving technology.

In addition to studies to develop antenna printing and high optical quality technology, breakthroughs were also made in bulletproof glasses.

Şişecam Automotive, which is capable of rapid product development, initiated studies on new technologies that can provide an alternative to screen printing systems in order to make glass production processes leaner and faster.

DIGITALIZATION

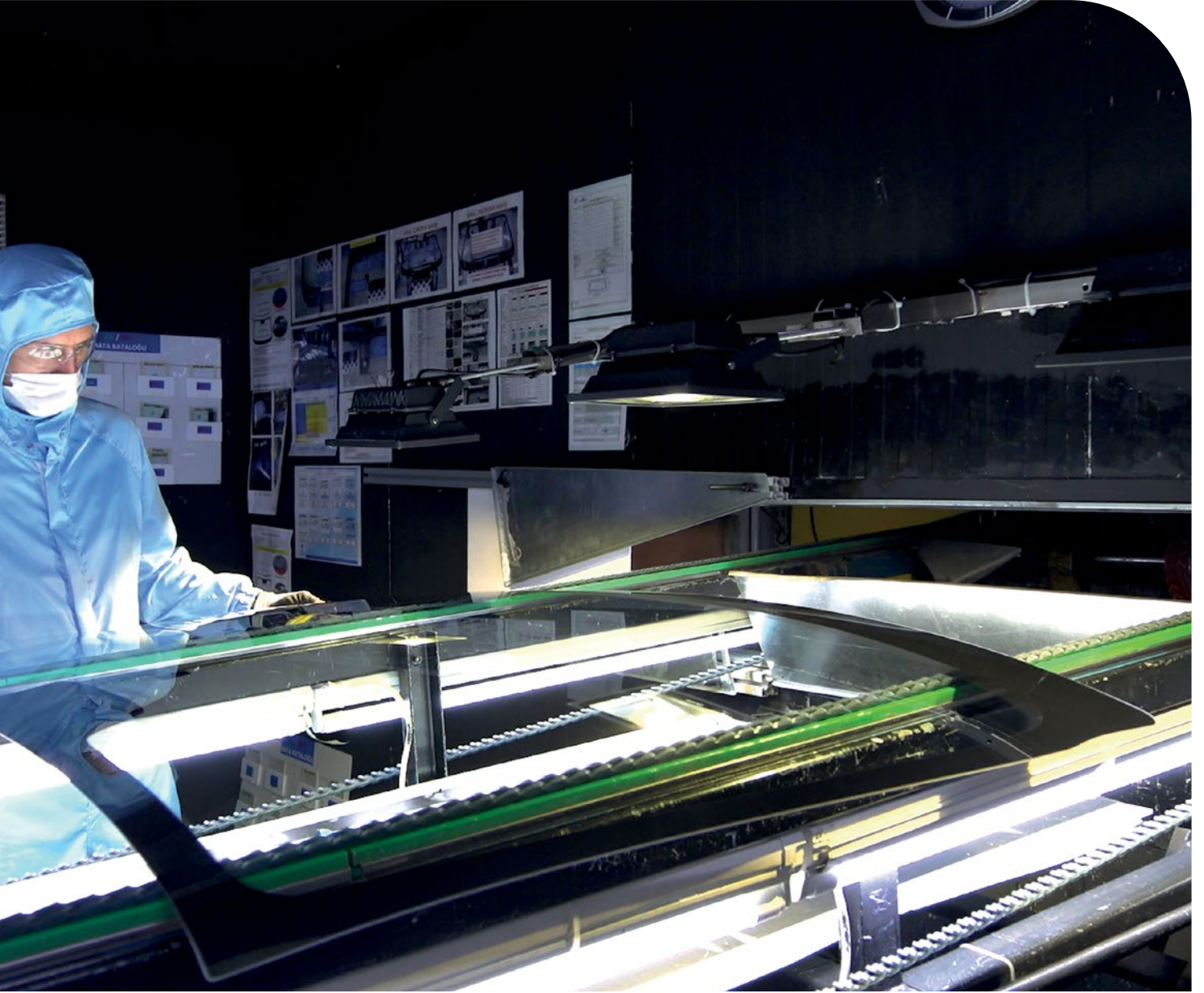
As part of Şişecam's digital transformation journey, Şişecam Automotive focused on the transformation of its production facilities and management centers in seven countries. Input was provided for the development of digital tools used to ensure a common working culture, as well as to simplify and improve business processes.

Having realized most of its digital transformation targets in 2022, Şişecam focused on digital statistical process control applications in its production processes. Applications were introduced where input parameters are constantly monitored and their effects on the product are secured with digital systems.



INVESTMENTS AND ROBOTIC AUTOMATION

In line with Şişecam strategies, Şişecam Automotive, which produces high quality automotive glass for the world's leading automotive manufacturers, maintained its focus on operational excellence in 2022, on its path to becoming a company that creates sustainable value. Efforts related to process development, cost reduction, new product development, and automation investments, as well as energy saving projects to meet market needs moved forward at full pace. With a continuous development perspective, Şişecam Automotive continued its efforts to meet the needs of automotive manufacturers and adhere to regulatory requirements without slowing down, and will do so with the same determination in the years ahead.



EXPECTATIONS AND OBJECTIVES FOR 2023

Şişecam plans to further transform its digital infrastructure and culture, taking into account the needs of tomorrow, while taking decisive steps towards its goal of becoming the pioneer of the industry with its qualified human resources and smart technologies. The company will maintain its inclusive and excellence-oriented activities in 2023 and focus on producing and creating sustainable value for all its stakeholders with its strong governance skills in the coming year.

Despite the industry's uncertainties, Şişecam aims to take the right steps with rational decisions, thanks to its foresight capabilities and rapid adaptability stemming from its deep experience. Şişecam's 2023 targets include expanding its product portfolio and sales volume in line with its strategic plans thanks to its long-term perspective and maintaining its growth that creates value for the entire ecosystem while focusing on new markets.

As a well-established company managed with a shared wisdom in a challenging global economic and geopolitical environment, Şişecam will maintain its position as one of the most prepared organizations against global volatility in 2023.

INVESTMENT SPENDING

TRY **434** Million

Şişecam Automotive recorded investment spending of TRY 434 million in 2022.