EARNINGS RELEASE

November 8, 2024

Şişecam (BIST-100: SISE) reported financial results for the third quarter ended September 30, 2024

M. Görkem Elverici, CEO of Şişecam, commented:

So far, 2024 has been a challenging year, marked by global economic disruptions and unexpected shifts. High interest rates, tight monetary policies, rising geopolitical tensions, and inflation have constrained demand and economic activity. Low growth in China, delayed recovery from Europe's energy crisis, and election uncertainty in the U.S. have posed significant challenges. Additionally, the discrepancy between exchange rates and inflation in Türkiye has particularly limited the competitive advantages of the companies with export capabilities. In this period of global instability, institutions are seeking stability, and we are all in the process of redefining our short-term targets while maintaining our vision and the strategies leading us to it.

At Şişecam, we have a long-standing, unique experience in navigating crises. Each challenge we've faced in the past has strengthened our resilience, enabling us to take bolder steps and adapt swiftly to changing conditions. Today, we continue this path with the same determination, and confidence in our crisis management expertise to overcome new challenges. The global economy's tough conditions are impacting all institutions and sectors, including ours. We recognize the need to constantly monitor evolving global trends, update our strategies, and stay aligned with our long-term plans. By implementing effective investment and cost management policies, we manage risks proactively and prioritize optimization in every process.

In the first nine months of this year, Şişecam leveraged its extensive experience in navigating through uncertainties and made use of its strategic decision-making mechanisms to manage risks effectively. By staying aligned with our long-term strategic goals and regional strategies across business lines, we remain focused on operational excellence and efficiency, even amid short-term economic fluctuations.

As the only global player active across all segments of glass production, we believe in shaping the future together with our ecosystem. With this vision, Şişecam has launched its bold new initiative, the 'Plant of the Future.' The platform is established with a vision of digitalization and sustainability at its core. Bringing together Şişecam's nearly 90 years of expertise with the competencies of suppliers and technology providers, this initiative aims to foster collaboration and innovation within the industry. Operating under a call-based open innovation model, the Plant of the Future will generate tangible innovation, in pursuit of next in class solutions rather than best in class. Şişecam is committed to translating this know-how to initiate 'as-a-service' models in the glass industry first, then expanding further into other industries in its portfolio, starting with the soda ash industry, where it ranks among the top 3 global producers.

Regardless of the circumstances, Şişecam remains committed to its long-term goals. I sincerely thank you for your continued trust and support in Şişecam. Looking ahead, we are dedicated to maintaining open communication, ensuring responsible financial management, and driving continuous improvement.

Important Notice Regarding the Accounting Principal Change

- 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 the 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
- The consumer price index ('CPI') issued by the Turkish Statistical Institute was 36.08%, 64.27%, 64.77% and 35.86% in 2021, 2022, 2023, and 30.09.2024 respectively, thus IAS 29.3 is applied for reporting entities in Turkey.
- 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, Q3'24 and comparative Q3'23 financial results, stated in this earnings release, contain Sisecam's unaudited financial information prepared according to Turkish Financial Reporting Standards by application of IAS-29 inflation accounting provisions.
    - Non-monetary assets and liabilities are restated
    - Non-monetary items carried at current value are not restated
    - Monetary items (i.e. 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 Turkey's economic conditions no longer meet the above stated IAS 29 criteria.

Consolidated Summary Financial Results for Q3'24

Important Notice: *Pursuant to the Capital Markets Board Decision dated 28.12.2023 and numbered 81/1820, issuers and capital market institutions shall prepare their annual financial statements ending on December 31, 2023, or later, in accordance with IAS-29 inflationary accounting provisions. Accordingly, this Earnings Release on Q3'24 financial results and comparative prior period, contains Sisecam's unaudited financial information prepared in accordance with Turkish Financial Reporting Standards by application of IAS-29 inflation accounting provisions.*

Summary Financials (TRY Mn)	9M'23	9M'24	YoY	Q3'23	Q2'24	Q3'24	QoQ Change	YoY Change
Revenue	158,992	136,312	-14%	46,186	45,526	42,867	-6%	-7%
Gross Profit	45,838	31,585	-31%	13,877	10,705	9,924	-7%	-28%
Gross Profit Margin	29%	23%	-566 bps	30%	24%	23%	-36 bps	-689 bps
Şişecam EBIT	22,618	980	-96%	5,513	-971	393	-140%	-93%
Şişecam EBIT Margin	14%	1%	-1,351 bps	12%	-2%	1%	305 bps	-1,102 bps
Şişecam EBITDA	32,564	11,760	-64%	7,906	2,838	3,290	16%	-58%
Şişecam EBITDA Margin	20%	9%	-1,185 bps	17%	6%	8%	144 bps	-944 bps
Parent Only Net Income	10,952	6,163	-44%	-659	2,587	795	-69%	-221%
Parent Only Net Income Margin	7%	5%	-237 bps	-1%	6%	2%	-383 bps	328 bps
Capex	20,410	18,638	-9%	6,084	6,638	6,893	4%	13%
Capex/Sales	13%	14%	84 bps	13%	15%	16%	150 bps	291 bps
Analyst EBIT*	14,152	-1,485	-110%	4,288	-1,250	140	-111%	-97%
Analyst EBIT Margin*	9%	-1%	-999 bps	9%	-3%	0%	307 bps	-896 bps
Analyst EBITDA*	24,099	9,294	-61%	6,680	2,559	3,037	19%	-55%
Analyst EBITDA Margin*	15%	7%	-834 bps	14%	6%	7%	146 bps	-738 bps

*Excluding other income/expense from operations, investing activities, investments in associates and joint venture

Financial Highlights (Q3'24 vs Q3'23)

- **Revenue** came in at TRY 43Bn, down by 7% YoY
- **Gross profit** was at TRY 10Bn, down by 28% YoY with a margin of 23%
- **EBITDA** came in at TRY 3.3Bn, down by 58% with 8% margin
- **Parent Only Net Income** came in at TRY 795Mn with 2% net margin, up from a net loss of TRY 659Mn
- **Capex** recorded at TRY 6.9Bn and Capex/Revenues stood at 16%
- In 9M'24, **FCFE** had a negative balance of **TRY 30.3Bn. WC/Revenue** was at 34%
- **Currency Sensitivity:** TRY 4.8Bn **Net Short FX Position, Hard currency share in Gross Profit** is 7% (48% in Revenue, 41% in COGS) in 9M'24
- **Net Debt/EBITDA** was at 3.3x

Segmental Analysis[1] Q3'24

					Q3'24		9M'24	
Segmental Breakdown of Revenue (TRY Mn)	**Q3'23**	**9M'23**	**Q3'24**	**9M'24**	**QoQ**	**YoY**	**YoY**	**Topline Drivers YoY**
Architectural Glass	10,000	32,683	9,538	29,662	-4%	-5%	-9%	+2% volume, -7% pricing, prod. mix, currency
Industrial Glass	5,498	15,991	4,110	14,544	-17%	-25%	-9%	-19% volume, -6% pricing, prod. mix, currency
Glassware	4,947	18,458	4,787	16,802	-18%	-3%	-9%	-13% volume, +10% pricing, prod. mix, currency
Glass Packaging	9,361	29,208	10,259	27,493	16%	10%	-6%	+11% volume, -1% pricing, prod. mix, currency
Chemicals	10,507	41,545	10,493	32,079	3%	0%	-23%	+7% volume, -7% pricing, prod. mix, currency
Energy	4,958	18,074	2,938	13,029	-41%	-41%	-28%	-34% volume, -7% pricing, prod. mix, currency
Other	915	3,033	742	2,704	4%	-19%	-11%	
Consolidated	46,186	158,992	42,867	136,312	-6%	-7%	-14%	

**Based on Net External Revenue*

[1]*Reference to Appendix for segmental breakdown analysis*

Segmental Analysis (cont'd)

Segmental Contribution to Revenue	Q3'23	9M'23	Q3'24	9M'24	Q3'24 QoQ	Q3'24 YoY	9M'24 YoY
Architectural Glass	22%	21%	22%	22%	39 bps	60 bps	120 bps
Industrial Glass	12%	10%	10%	11%	-127 bps	-232 bps	61 bps
Glassware	11%	12%	11%	12%	-168 bps	46 bps	72 bps
Glass packaging	20%	18%	24%	20%	453 bps	366 bps	180 bps
Chemicals	23%	26%	24%	23%	193 bps	173 bps	-270 bps
Energy	10%	11%	7%	10%	-416 bps	-358 bps	-181 bps
Other	2%	2%	2%	2%	36 bps	-25 bps	8 bps

Segmental Breakdown of EBITDA (TRY Mn)	Q3'23	9M'23	Q3'24	9M'24	Q3'24 QoQ	Q3'24 YoY	9M'24 YoY
Architectural Glass	1,644	6,219	1,270	3,880	-20%	-23%	-38%
Industrial Glass	644	864	-266	-814	9%	-141%	-194%
Glassware	-76	2,488	-609	-555	37%	698%	-122%
Glass packaging	1,958	6,406	1,065	2,654	27%	-46%	-59%
Chemicals	2,777	12,943	1,827	5,994	-4%	-34%	-54%
Energy	85	239	-233	-162	12%	-374%	-168%
Other	1,139	3,825	479	1,131	-227%	-58%	-70%
Total	8,171	32,983	3,534	12,127	16%	-57%	-63%
Elimination	-265	-419	-244	-367	11%	-8%	-12%
Consolidated	7,906	32,564	3,290	11,760	16%	-58%	-64%

Segmental Analysis (cont'd)

Segmental Contribution to EBITDA	Q3'23	9M'23	Q3'24	9M'24	Q3'24 QoQ	Q3'24 YoY	9M'24 YoY
Architectural Glass	20%	19%	36%	32%	-1,615 bps	1,581 bps	1,314 bps
Industrial Glass	8%	3%	-8%	-7%	44 bps	-1,541 bps	-933 bps
Glassware	-1%	8%	-17%	-5%	-266 bps	-1,629 bps	-1,212 bps
Glass packaging	24%	19%	30%	22%	281 bps	618 bps	246 bps
Chemicals	34%	39%	52%	50%	-1,054 bps	1,772 bps	1,028 bps
Energy	1%	1%	-7%	-1%	22 bps	-763 bps	-206 bps
Other	14%	12%	14%	9%	2,588 bps	-37 bps	-227 bps

Note: EBITDA contributions are based on pre-consolidation eliminations.

Segmental EBITDA Margin	Q3'23	9M'23	Q3'24	9M'24	Q3'24 QoQ	Q3'24 YoY	9M'24 YoY
Architectural Glass	16%	18%	13%	12%	-234 bps	-331 bps	-563 bps
Industrial Glass	12%	5%	-6%	-6%	-155 bps	-1,818 bps	-1,100 bps
Glassware	-2%	13%	-13%	-3%	-509 bps	-1,116 bps	-1,678 bps
Glass packaging	20%	21%	10%	10%	86 bps	-1,004 bps	-1,169 bps
Chemicals	24%	29%	16%	17%	-108 bps	-745 bps	-1,136 bps
Energy	1.4%	1.1%	-5.0%	-0.9%	-181 bps	-641 bps	-200 bps
Other	54%	56%	22%	17%	3,970 bps	-3,221 bps	-3,967 bps

Operational Highlights (Q3'24 vs Q3'23) [2]

		Q3'24 vs Q3'23
Architectural Glass		○ Production up by 8% at 710K tons ○ 86% capacity utilization rate* ○ Sales volume up by 2% (domestic sales down by 2%, international sales up by 7%)
Industrials	Auto Glass & Encapsulation	○ Sales volume** down by 20%
	Glass Fiber	○ Production was up by 7% to 17K tons ○ 95% capacity utilization rate ○ Sales volume up by 10%
Glass Packaging		○ Production was up by 10% to 658K tons ○ Sales volume up by 11% (domestic sales up by 12%, international sales up by 11%) ○ 94% capacity utilization rate (92% in Turkey and 97% in Russia) *
Glassware		○ Sales volume was down by 13% (domestic sales down by 24%, international sales down by 5%)
Chemicals	Soda Chemicals	○ Production up by 1% ○ Sales volume up by 3% (domestic sales up by 26%, international sales was flat)
	Chromium Chemicals	○ Sales volume was up by 46% at 35K tons (domestic sales down by 11%, international sales up by 58%)
Energy		○ Sales volume down by 34%, to 910Mn kWh

[2] *Glass and chemicals volume figures are based on metric ton*
* *Actual output/effective capacity*
** *Auto Glass sales volume converted from m^2 to tons, Encapsulation sales volume converted from units to tons*

Architectural Glass: 22% share in Revenue | #3 Topline Contributor, #2 EBITDA Contributor in Q3’24

Architectural Glass business line continued to implement proactive initiatives to attune to the current market dynamics amid persistent challenges in achieving the desired demand levels due to limited access of the main clientele, namely contractors and wholesalers, to financing.

Throughout the quarter, the business line consistently executed inventory optimization and disciplined capacity allocation to align its operations with prevailing market conditions, and glass output reached 710K tons, representing an 8% YoY growth. Turkey-based operations contributed 63% of flat glass output while facilities located in the EU region accounted for 21% of the consolidated production volume. The remaining balance was composed of Russian and Indian operations. Quarter-wise CUR stood at 86% (vs. 91% in Q3'23).

The initiation of monetary easing may signal the potential for economic recovery; however, there has been no substantial improvement yet in demand across all major client industries. Resultantly, consolidated Architectural Glass sales volume increased by 2% YoY.

It is important to note that Q3’23 established a high baseline for comparison, as it followed a subdued H1’23 due to massive earthquakes and election uncertainties in Turkey. In addition to that, the decline in demand, driven by strict monetary policies, has slowed economic activity in key customer sectors, particularly in construction and furniture. Nevertheless, domestic sales remained resilient, indicating a 2% annual decrease in volume, supported by rapid re-urbanization efforts in earthquake-affected areas and an increasing focus on building renovation. On the export side, annual volume growth reached 18%, primarily driven by a proactive strategy for accessing to as well as establishing presence in new markets, along with steady customer acquisitions in both North and South America. Consequently, Turkey, the largest contributor to the consolidated sales volume with 60% share (vs. 61% in Q3'23), recorded a flat volume YoY. Despite the initiation of the first phase of monetary easing in the region, volume sales from European operations declined by 12% YoY, attributed to the lack of fundamental improvement in consumption during the quarter. Share of the continent in consolidated sales volume was recorded at 21% (vs. 24% in Q3'23)

The operations in India and Russia recorded a 33% YoY increase in combined sales volume, primarily thanks to the low base of India given cold repair process in 2023 and the healthy demand in Russia. As a result, these two regions contributed 20% (vs. 15% in Q3’23) to the consolidated sales volume of the Architectural Glass division.

Despite ongoing pressure on the pricing environment from subdued demand and an abundance of low-cost products, prices for EUR-based products increased by 10% YoY based on region-wise weighted averages. This was primarily driven by price adjustments in Turkey as well as slowdown in the rate of price declines in Europe.

Architectural Glass business line, with TRY 9.5 Bn net external revenue, recorded a topline contraction of 5% YoY.

Industrial Glass: 10% share in Revenue

Industrial Glass business line, consisting of automotive glass, encapsulation and glass fiber operations, generated TRY 4.1Bn net external revenue with an annual contraction of 25%.

Automotive glass and encapsulation sub-segment, contributing 87% of the division's topline, experienced a 20% YoY ton wise decline in sales volume, due to seasonal shifts in sales, as scheduled deliveries for the period consisted of lighter products aligned with OEM production requirements. Meanwhile, Auto Replacement Glass ("ARG") channel continued to support the business line's performance, contributing 14% to the overall revenue of automotive glass and encapsulation.

Despite ongoing weak demand in client industries, the glass fiber sub-segment's sales volume increased by 10% YoY thanks to new customer acquisitions in the export channel. The pricing environment in the domestic market and surrounding regions remained challenging due to low-cost imports. In response to this influx, anti-dumping investigations were initiated in this quarter to safeguard local producers. In Q3'24, the glass fiber sub-segment accounted for 13% of the Industrial Glass business segment's total revenue.

Glass Packaging: 24% share in Revenue | #2 Topline Contributor, #3 EBITDA Contributor in Q3'24

In Q3'24, consolidated Glass Packaging production increased by 10% YoY to 658K tons, with a quarterly average CUR of 94%. In Turkey, output rose by 13%, primarily driven by the fifth furnace at the Eskişehir Glass Packaging plant, which is online since Q2'24. Facilities in Russia recorded a total production growth of 5% compared to Q3'23. Turkish facilities represented 57% of total production, while Russia accounted for 40%, with the remainder produced in Georgia.

Consolidated Glass Packaging registered an 11% sales volume growth in Q3'24. In Turkey, solid domestic sales performance continued with 12% increase, mainly led by better-than-expected sales performance to our newly acquired customers in non-alcoholic beverage sector, which compensated for deficiencies in food and healthcare segments, alongside higher alcoholic beverage sector sales YoY. While demand has predominantly come from local beverage companies in the first half of the year, multinational companies' sales also improved in the third quarter, and this demand was successfully met through dynamic management of our production mix. On the export front, despite persistently weak demand in Europe and geopolitical issues in the Middle East, sales volume expanded by 5% supported by Şişecam's strengthening position in Iraq. Resultantly, total Turkey sales volume was up by 10% in Q3'24. Meanwhile, in Russia, overall consumption improved thanks to a more favorable macroeconomic environment characterized by low unemployment and increasing disposable income. Coupled with this supportive backdrop, solid performance of the beer sector thanks to the shift in customers' preference to beer from other premium alcoholic beverage categories following the set of minimum retail prices for the latter and launch of new beer products expanded glass packaging share in total packaging mix and led to an 11% sales volume growth in our Russia-based facilities. Growth in domestic tourism also played a role in driving higher sales volume in Russia. Having the smallest share in total sales volume, Mina facility registered a remarkable 34% growth thanks to better market conditions compared to the previous year. Consequently, total international sales grew by 11% YoY.

In Q3'24, there was a high single-digit price adjustment in Turkey due to increased costs. As a result, average prices per ton in USD terms increased on both QoQ and YoY basis by high single-digits to low double-digits.

Glass Packaging business line, with TRY 10.2 Bn net external revenue, recorded a topline growth of 10% YoY.

Chemicals: 24% share in Revenue | #1 Topline & EBITDA Contributor in Q3’24

Despite a number of scheduled maintenance outages in Mainland China, high production levels and faltering performance of the solar glass sector led to a rise in soda ash inventories in Q3’24. Meanwhile, domestic demand was solid in Turkey, stable in America and the MEA, while it remained weak in Europe.

In Q3’24, Şişecam's consolidated soda ash production was slightly up by 1% YoY while increased by 6% QoQ, cycling the low base of Q2’24 due to the planned maintenance work at Wyoming facility.

Şişecam's consolidated soda ash sales volume increased by 3% YoY mainly driven by the sales performance of Mersin facility. Turkey-based facility’s sales volume grew by 15% in Q3’24, with a 26% increase in domestic sales, primarily led by the improved demand conditions and the low base of Q3’23, when local market dynamics were challenging due to the inoperative status of some clients following massive earthquakes in Q1’23, as well as the abundance of low-cost imports triggered by a resilient Turkish Lira. Despite the fact that unsupportive currency conditions for exports remain in place in Q3’24 and persistent low demand in Europe, export from Turkey rose by 9% thanks to increased market penetration in the MEA region. Meanwhile, sales volume of Wyoming facility contracted by 3% YoY.

Although the stimulus packages implemented to revive the economy in China caused fluctuations in soda ash prices, margins remained under pressure due to oversupply of soda ash and consequently rising inventories. In Q3’24, soda ash prices recorded close to a mid-single-digit percentage improvement compared to the previous quarter thanks to mainly Mersin facility’s strong performance in export markets. However, prices were down by 17% YoY in USD terms, cycling the elevated pricing in the previous year as a result of substantial fluctuations in energy costs.

In 3Q’24, the outlook for chromium chemicals continued to improve, driven by favorable demand conditions in the market and low base of the previous year. There was a notable 46% growth in consolidated sales volume compared to the prior year. While domestic sales volume was hindered by weak competitiveness stemming from the prevailing local currency conditions, a high-interest rate environment, and rising costs, this was offset by robust international sales, particularly in APAC, South America, and India. This growth was driven by increased sales to existing customers as well as new customer acquisitions. Consequently, total international sales increased by 58% YoY in Q3’24.

The pricing was in line with the previous quarter, although it remained below the levels of Q3’23 by 16% due to lower energy prices.

The chemicals segment’s net external revenue was flat YoY, recorded at TRY 10.5Bn,

Glassware: 11% share in Revenue

Glassware business line’s performance stayed under the pressure of concerns over a global recession and decreased risk appetite. In Q3'24, the business line experienced a 13% YoY decline in consolidated sales volume, as consumers’ tendency to shift their focus to essential products in response to a widespread inflationary environment, weakening the purchasing power, persisted on the domestic side, the economic conditions had negatively impacted all sales channels including the retail wholesalers, resulting in a 24% lower sales volume YoY. Yet, exports from Turkey indicated a %40 YoY growth in sales volume, driven by customer reallocation with new capacity additions in Eskişehir Plant, which became operational in Q2’24.

In Europe, where consumption remains weak, some regions performed well, but challenges persisted in retail sales. In addition, high stock levels among decorators and wholesalers and the sluggish beer industry resulted in lower sales volume YoY. Amid geopolitical uncertainties, export restrictions, and new import regulations in certain regions, sales to the MEA region were bolstered by promotional campaigns. Also, the business line has benefited from sales executed by the facility in the low-cost region with free trade agreements. As a result, international sales decreased by 5% YoY.

The pricing environment was shaped in accordance with region-based price index changes and the respective impact on cost of production while closely monitoring the demand conditions.

The Glassware segment recorded a 3% contraction in topline with a net external revenue of TRY 4.8Bn. International sales corresponded to 57% of the division topline.

Based on Şişecam consolidated figures, share of international revenue stood at 58% in Q3’24 while the rest was generated from domestic sales.

					Q3'24		9M'24
Regional Breakdown of Revenue	**Q3'23**	**9M'23**	**Q3'24**	**9M'24**	**QoQ**	**YoY**	**YoY**
Revenue from Turkey Operations	**66%**	**60%**	**61%**	**60%**	331 bps	-505 bps	-5 bps
Sales in Turkey	40%	39%	42%	41%	262 bps	224 bps	145 bps
Exports from Turkey	26%	21%	19%	19%	39 bps	-760 bps	-150 bps
Revenue from Foreign Operations	**34%**	**40%**	**39%**	**40%**	-331 bps	505 bps	5 bps

In Q3’24, EBITDA recorded at TRY 3.3Bn with 8% margin while Parent Only Net Income stood at TRY 795Mn

- Gross profit margin was 23% in Q3’24 compared to 30% in Q3’23. This margin contraction was primarily attributed to rising direct labor costs and increases in direct materials and production overheads in a high-inflation environment. Additionally, the decline in revenue due to a lower pricing environment—where buyer-driven market dynamics and weaker demand conditions curbed the changes in product pricing parallel to the inflation—and the limitations on translating the value generated by international operations into TRY, as the reporting currency devaluation lagged behind the change in CPI index, further contributed to the margin contraction.
- OPEX/Sales, went up by 200 bps to 23% driven mainly by transportation and indirect labor costs.
- TRY 197Mn income from participated JVs vs. TRY 261Mn due to weaker performance at Solvay given the normalization trend in soda ash prices that started in H2’23.
- Other income & investing activities recorded a negative balance with TRY64Mn compared to TRY 495Mn due to lower gain following the unleash of FX-protected deposits in Q2’24.
- TRY 673Mn FX gain was recorded on Eurobond investments, trade receivables & payables and financing activities vs. TRY 1.7Bn mainly due to relatively stable FX rate and higher indebtedness.
- TRY 3.6Bn net interest expense was recorded on bank loans and debt issuances and TRY 245Mn on derivatives.
- TRY 4.1Bn monetary gain was recorded in Q3’24 compared to TRY 2.7Bn.
- TRY 43.6Mn was recorded as deferred tax income in Q3’24 vs TRY 7.8Bn deferred tax expense in Q3’23. In Q3’23, i) an increase in the corporate tax rate from 20% to 25% due to the earthquake ii) the higher value of fixed assets and inventories recorded in IFRS versus in statutory statements given the inflation accounting implementation in only the former resulted in

a deferred tax expense. On a QoQ basis, deferred tax income went down by TRY 3.3Bn given the one-time high base in Q2’24 due to the implementation of inflation accounting on statutory statements effective from June 30th 2024.

Cash Flow Analysis (9M’24 vs 9M’23)

- **Cash inflow from operating activities** came in at TRY 13.4Bn vs. TRY 23.5Bn mainly due to lower reported net profit for the period and the rise in net working capital needs due to topline performance dropped behind the reporting currency inflation rate.
- **Cash outflow from investing activities stood at TRY 9.5Bn** vs. TRY 23.7Bn given;
  i. TRY 5.8Bn advance payments in relation with the capex program
  ii. TRY 606Mn cash payment for the acquisition of Icron and capital injection to establish a new company for the second flat glass line project of Saint Gobain Glass Egypt SAE.
  iii. TRY 18.6Bn capital expenditures vs. TRY 20.4Bn mainly in relation with
    - Glass Packaging business line; mainly in relation with greenfield investment in Hungary and payments made in relation with planned cold repair process in Turkey in 2024 corresponded to 36% of Sisecam’s total capex.
    - Architectural Glass segment mainly in relation with greenfield flat glass facility and furnace as well the new patterned glass furnace investments in Turkey-Tarsus corresponded to 29% of the total capex.
    - Chemicals segment, mainly in relation with operational efficiency and maintenance investments in Turkey Mersin and USA Wyoming plants corresponded to 10% of the total capex.
    - The remaining balance was related to cold repair undertaken in Eskişehir Glassware facility and Industrial Glass segment maintenance expenses combined with One Şişecam digital transformation and efficiency improvement programs.
- **Cash inflow from financing activities recorded at TRY 21.4Bn** vs. TRY 8.0Bn in 9M’23, mainly with the Eurobond issuance executed by Sisecam UK Ltd in Q2’24.
- **Cash conversion cycle** was 132 days with DIO, DRO and DPO at 113, 72 and 53, respectively.
- FCFE had a negative balance of TRY 30.3Bn including monetary loss on CCE.
- With **TRY 15.5Bn increase YoY in cash** including FX translation gains and monetary loss on cash & cash equivalents, period-end cash position came in at **TRY 62.3Bn**.

Cash & Debt Position (9M’24 vs 2023)

- **Cash and cash equivalents including a)** TRY 245Mn-liquid fund investments b) TRY 3.6Bn-financial assets (USD 99Mn-Eurobond investments) increased by TRY 3.6Bn over 2023-end to TRY 65.9Bn in 9M’24.
    - Excluding the financial assets, 88% of cash and cash equivalents were kept in hard currencies of which 37% was in EUR and 63% in USD.
- **Gross debt recorded at TRY 139Bn** vs. TRY 116Bn
    - 79% of financial liabilities were in hard currencies (20% EUR, 59% USD) [3]
    - TRY 17.3Bn principal + interest payments were made in 9M’24 including USD 24.3Mn and 12.9Mn coupon payments made in March and September, respectively on USD 700Mn-Şişecam 2026 Eurobonds, USD 328Mn on the tender of and USD 8Mn interest payment on 2026 Eurobonds and principal and coupon payments on TRY short term bonds.
    - TRY 2.8Bn financial lease was booked under financial liabilities
    - Long-term liabilities corresponded to 80% of gross debt (54% in 2023)
- **Net debt was TRY 74Bn** vs. TRY 54Bn in 2023. **Net Debt to EBITDA** was at 3.3x.

FX Position (9M’24 vs 2023)

Net short FX position of **TRY 4.8Mn** was recorded in 9M’24 vs. TRY 14.6Mn net long position in 2023 year-end. The decline was the result of higher USD liabilities stemming from newly issued Sisecam UK Eurobonds due 2029 and 2032 as well as cross currency swaps executed on 54% of these liabilities. FX position was 356Mn long in USD and 351Mn short in EUR as stated in original currencies in 9M’24-end.

[3] *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*

Important Events during and after Q3'24

Material Information Disclosures

- Please visit https://www.kap.org.tr/en/sirket-bilgileri/ozet/1087-turkiye-sise-ve-cam-fabrikalari-a-s for material event disclosures.
- On 20/09/2023, the Capital Markets Board approved Şişecam's application for the issuance of debt instruments up to a total amount of TRY 20Bn for sale to domestic qualified investors and private placement without public offering. Within the scope of this issue certificate, Şişecam completed seven bond issuances with an aggregate nominal value of TRY 17.85Bn. Following the redemption of one bond in Q3'24 which was issued within the scope of TRY 20 billion, with a nominal value of TRY 4.2 billion, Şişecam's outstanding bond liabilities have total a nominal value of TRY 13.65 billion.
    - 8.65Bn of the outstanding TRY bond liability has a fixed interest rate with a weighted average maturity of 736 days and simple annual interest rate of 47.24% as of 8/11/2024.
    - 5.0Bn of the outstanding TRY bond liability has variable interest rate with a weighted average maturity of 737 days and 2.5% additional return on TLREF as of 8/11/2024.
- As of 8/11/2024, within the scope of share buyback program, excluding 67Mn treasury shares sold on 29/11/2022 and the shares sold on 10/05/2023, Şişecam bought back TRY 70.8Mn-nominal value shares, corresponding to 2.31% of the share capital.

Operational Developments

Segment	**Category**	**Details**
Architectural Glass	Cold Repair	TR1 line, located in Kırklareli facility (Turkey), was inactive during Q3'24 due to cold repair work that started in 2023 January-end.
Other	Planned Maintenance Work	Oxyvit facility: Vitamin-K unit was inactive for 28 days during Q3'24.

Appendix

Please visit 3Q 2024 Databook on https://www.sisecam.com.tr/en/investor-relations/presentations-and-bulletins/bulletins

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