



Şişecam (BIST-100: SISE) reported financial results for the first quarter ended March 31, 2021

[Prof. Dr. Ahmet Kirman, Chairman & CEO of Şişecam, commented:](#)

“First quarter of 2021 turned out to be heavier than anticipated. While we continued to experience everlasting pandemic risks and worked hard to conduct our businesses in line with the so-called ‘New Normal’, we were once again pushed hard and even forced to face with the necessity to modify our supply chain in order to align it with the bottlenecks in global logistics and semiconductor industries. The actions aimed at restructuring our supply chain model so that it can respond to the changing conditions in a faster manner helped us cope with unease in our operating industries to a large extend. Yet, the business environment unveiled the very true need for the transformation process we have been implementing in order to be improve responsiveness of the operating segments, which are especially more prone to international flow of goods and which require a higher focus on inventory optimization. It also proved our strategy of enlarging our footprint in global arena by adding new operating territories to our portfolio particularly for the proximity game-type of business lines. Not to mention how we are encouraged to pursue this goal!

Global Glass Industry, in general sense, kept benefiting from the upward movement in demand with increased health awareness, gradually spreading and being day by day further prioritized sustainability advocacy. Continuously up ticking market expectations for the demand growth in Glass Industry, excluding Glassware, reached 5% to 7% levels in different sub-segments on a 5-year CAGR basis. So far, our business approach, dedicated to continuously growing the portfolio of operations in golden circles and triangles, permitted us to be at the right time in the right place and equipped enough to benefit from the upward cycle.

As anticipated, Architectural Glass industry, considerably moving in an upward trend since June last year, sustained its pace. Demand growth, recorded in our operating geographies and in geographies to which we have been catering, even had a higher magnitude. With capacities built at strategic locations, we were well positioned to grasp the trend throughout this quarter too. Chemicals business, although being challenged by container shortages, had a significantly better quarter in soda ash and chromium chemicals sales volume terms compared to the second half of last year, while Glass Packaging and Glassware operating lines experienced a slowdown mainly due to suppressed HORECA channel as a result of restrictive measures put in place quite earlier in almost all geographies lockdown in all.

Enlarged portfolio of international operations combined with responsible ecosystem supporting and strategic balance sheet management, we continued to benefit from our operational leverage, while we maintained our financial leverage below our comfort zone.

We maintain our strategy of ‘better manage the return profile of our portfolio in ROE and ROIC terms though increasing percentage of return-generating assets’. Therefore, we will continue to build a concrete platform with the targeted function-based and digitalized management of operations. Holistic business management approach to be attained upon the centralization of core functions will be the main tool enabling us further invest in the existing business segments and bring in new industries to our portfolio of operations.”

Consolidated Summary Financial Results for Q1'21

Summary Financials (TL mn)	Q1'20	Q4'20	Q1'21	QoQ Change	YoY Change
Revenue	4.615	6.708	5.686	-15%	23%
Gross Profit	1.496	2.191	1.936	-12%	29%
Gross Margin	32%	33%	34%	138 bps	162 bps
EBIT	1.114	1.097	1.684	54%	51%
EBIT Margin	24%	16%	30%	1327 bps	549 bps
EBITDA	1.480	1.559	2.140	37%	45%
EBITDA Margin	32%	23%	38%	1439 bps	556 bps
Net Income After Minority Interest	442	746	1.348	81%	205%
Net Income Margin	10%	11%	24%	1260 bps	1413 bps
Capex	321	782	406	-48%	27%
Capex/Sales	7%	12%	7%	-452 bps	19 bps
Adjusted EBIT*	778	1.111	1.183	6%	52%
Adjusted EBIT Margin*	17%	17%	21%	424 bps	394 bps
Adjusted EBITDA*	1.144	1.573	1.638	4%	43%
Adjusted EBITDA Margin*	25%	23%	29%	535 bps	401 bps
Adjusted Net Income*	433	628	1.348	115%	211%
Adjusted Net Income Margin*	9%	9%	24%	1435 bps	1432 bps
Analyst EBIT**	621	1.084	879	-19%	41%
Analyst EBIT Margin**	13%	16%	15%	-70 bps	199 bps
Analyst EBITDA**	987	1.546	1.334	-14%	35%
Analyst EBITDA Margin**	21%	23%	23%	41 bps	206 bps

*Excluding one-off impacts

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

Financial Highlights (Q1'21 vs Q1'20)¹

- **Revenue** came in at TRY 5.7Bn, up by 23% YoY (EUR 640Mn, down by 7% YoY in EUR terms)
- **Gross profit** was at TRY 1.9Bn, up by 29% YoY with a margin of 34%
- **Adjusted EBITDA** came in at TRY 1.6Bn, up by 43% (EUR 184Mn, up by 8% YoY in EUR terms) with 29% margin, up by 400bps YoY
- **Adjusted Net Income after Minority Interest** came in at TRY 1.3Bn with a margin of 24%
- **Capex** recorded at TRY 406Mn (EUR 46Mn) with 7% Capex/Revenues
- **FCFE** was TRY 152Mn (EUR 17Mn), **WC/Revenue** was at 32%
- **Currency Sensitivity:** TRY 7.5Bn **Net Long FX Position**, **EUR+USD share in Gross Profit** is 16% (57% in Revenue, 41% in COGS)
- **Net Debt/EBITDA** was at 0.5x

Segmental Analysis

Segmental Breakdown of Revenue ('000 TRY)	Q1'20	Q1'21	Q1'21	Q1 topline drivers (YoY)
			YoY	
Architectural Glass	962.266	1.639.564	70%	+27% volume, +27% pricing and product mix, +16% currency impact
Auto Glass	541.347	747.125	38%	-25% volume, +31% pricing and product mix, +32% currency impact
Glassware	719.874	793.436	10%	-12% volume, +22% pricing and product mix, currency impact
Glass packaging	1.111.539	1.225.235	10%	-5% volume, +5% pricing and product mix, +10% currency impact
Chemicals	1.006.757	1.143.070	14%	+1% volume, -10% pricing and product mix, +23% currency impact
Other	272.937	137.870	-49%	
Total	4.614.720	5.686.300	23%	

*After intra group revenues

Segmental Contribution to Revenue	Q1'20	Q1'21	Q1'21
			YoY
Architectural Glass	21%	29%	798 bps
Auto Glass	12%	13%	141 bps
Glassware	16%	14%	-165 bps
Glass packaging	24%	22%	-254 bps
Chemicals	22%	20%	-171 bps
Other	6%	2%	-349 bps

¹reference to [Appendix](#) for segmental breakdown analysis

Segmental Analysis (cont'd)

Segmental Breakdown of Adjusted EBITDA ('000 TRY)	Q1'20	Q1'21	Q1'21
			YoY
Architectural Glass	225.369	577.308	156%
Auto Glass	45.773	59.036	29%
Glassware	141.007	228.888	62%
Glass packaging	309.165	364.958	18%
Chemicals	381.384	489.629	28%
Other	46.787	-23.727	NM
Elimination	-5.357	-58.147	NM
Total	1.144.127	1.637.938	43%

Segmental Contribution to Adjusted EBITDA	Q1'20	Q1'21	Q1'21
			YoY
Architectural Glass	20%	34%	1.443 bps
Auto Glass	4%	3%	-50 bps
Glassware	12%	13%	123 bps
Glass packaging	27%	22%	-538 bps
Chemicals	33%	29%	-431 bps
Other	4%	-1%	NM

Segmental Adjusted EBITDA Margin	Q1'20	Q1'21	Q1'21
			YoY
Architectural Glass	22%	33%	1.142 bps
Auto Glass	8%	8%	-55 bps
Glassware	20%	29%	927 bps
Glass packaging	28%	30%	198 bps
Chemicals	30%	35%	526 bps
Other	8%	-6%	NM

Operational Highlights (Q1'21 vs Q1'20)

- Flat Glass: Architectural Glass & Auto Glass
 - Total **flat glass production** at **617K** tons, down by 1% YoY
 - **87% capacity utilization rate** (actual output/effective capacity)
 - **Architectural Glass Division: 27% YoY increase in sales volume**
 - **Auto Glass Business Line: 25% YoY decrease** in auto glass (converted from m2 to tons) and encapsulation (converted from units to tons) **sales volume**

- Glass Packaging
 - **9%YoY decrease** in total **glass packaging production** at 534K tons
 - **5% YoY decrease** in total **sales volume** (domestic sales down by 2% and exports by 15%, 3% contraction in sales from non-Turkey operating regions)
 - **89% capacity utilization rate (89% in both Turkey and Russia)** (actual output/effective capacity)

- Chemicals
 - Soda Ash
 - **8% YoY decrease** in total **production** at 549K tons
 - **93% capacity utilization rate**
 - **3% YoY decrease** in total **sales volume** at 558K tons (9% increase in domestic sales, 6% decline in international sales)
 - **3% YoY decrease in average USD/ton price**
 - Chromium Chemicals
 - **91% capacity utilization rate**
 - **3% YoY decrease** in total **sales volume** at 34.4K tons (domestic sales up by 4%, international sales down by %4)
 - **8% YoY decrease in average USD/ton price**
 - Glass Fiber
 - **15% YoY increase** in total **production** at 14K tons
 - **78% capacity utilization rate, sales volume/output ratio of 142%**
 - **25% YoY increase** in total **sales volume** at 19K tons
 - TRY 140Mn revenues, appr. 52% higher than the level recorded in Q1'20
 - Electricity
 - **24% YoY increase** in total **production** at 262Mn kWh
 - **16% YoY increase** in total **sales volume** at 262Mn kWh
 - 1% YoY decrease in TRY/kWh average price
 - TRY 79Mn revenues, up by 15% YoY
 - Oxyvit
 - TRY 28Mn revenues, up by 3% YoY

- Glassware
 - **12% YoY decrease** in total **sales volume**

Architectural Glass²: 29% share in Revenue | 34% share in EBITDA | “Largest Topline & EBITDA Growth Contributor in Q1’21”

By being the number one producer in both Turkey and Europe, **Architectural Glass** business line had all the means to benefit from the strong demand for architectural glass, backed by the recovery started in June last year in almost all end client industries. Capacity utilization rates in both Turkey and International operations were realized at 87% with the rates in Italy and India above 90%. On a consolidated level, architectural glass output was at 617K tons (54% Turkey, 46% International), down by 1% YoY, up by 3% based on active capacities (adjusted to cold repairs and capacity additions). The strongest component of Şişecam portfolio of operations in this quarter, recorded a sales volume growth of 27% YoY. Solid growth in domestic sales was not only the result of rising local construction, home appliance, automotive and furniture industries’ demand but also in relation with demand coming from processor clients, using Şişecam float glass as an input and selling the final products in overseas markets. Demand for construction industry was mostly derived from ongoing projects, while local clients’ architectural glass purchases for their projects outside Turkey continued to support the sales. Sales volume in Turkey went up by 29% YoY, in turn, share of Turkey operations in consolidated architectural glass’ sales volume increased by 100bp to 59% (51% domestic, 8% export). European operations, the second largest contributor of the portfolio, increased its share in total sales volume by 200 bps to 26%, with 38% YoY growth in volume terms, on the back of expected supply shortages due to peers’ cold repair plans for the first half 2021 on top of the low base impact therefore higher than regular demand growth. India and Russia operations, relatively limited in scale as having one line in each geography, recorded a modest increase of 5% in aggregate sales volume as the low base impact seen in the former balanced the latter’s sales growing in line with the regional demand. Therefore, India and Russia operations total contribution to the architectural glass portfolio stood at 15% (vs. 18% in Q1’20).

Pricing side was quite strong across all operating regions with a) 13% - average local price adjustment in TL terms reflected to product prices in mid-January and b) average price increases ranging from 15% to 20% in EUR terms YoY in Europe, India and Russia.

With a revenue growth of 70% YoY, Architectural Glass business recorded an eye-catching topline performance.

Auto Glass³: 13% share in Revenue | 3% share in EBITDA |

Auto Glass business line recorded sluggish volumes due to supply chain difficulties of the OEMs in the automotive market yet a strong topline growth in the first quarter. Supply chain disruption, resulting from semiconductor shortage, prevented almost all client industries in global sense from attaining quarter-wise budgeted performances. Note that auto glass operations have a structure of an ongoing inventory planning mechanism to feed up the upcoming pent-up demand in the coming quarters. Although the number of domestic auto producers deciding for temporary shutdowns was very limited, due to the delays OEMs have had in processing backlogged orders, Şişecam Auto Glass sales recorded a volume decline of 25% YoY. Operations in Non-Turkey facilities continued to benefit from the increase in OEM activities, especially in Eastern Europe and Russia.

Aftermarket operations sub-segment, which is of essence to manage the capacity utilization in auto glass business and to boost the profitability margins at the same time, was also supportive for the overall performance of Auto Glass operations. In case new supply chain disruptions would happen, aftermarket sub-segment is set to compensate a potential weakness at the OEM markets in auto glass business.

² Re-categorized as a separated business line as of January 1st 2021 (previously reported as a sub-segment of Flat Glass)

³ Re-categorized as a separated business line as of January 1st 2021 (previously reported as a sub-segment of Flat Glass)

Topline growth was strong at 38% YoY in the quarter given the strong OEM activities in the first quarter in Turkey, client portfolio expansion and low base of last year due to the closure in March with the pandemic. Moreover, Turkish Lira depreciation supported the topline generated by Şişecam Auto Glass operations with EUR being the business line's operating currency.

Glass Packaging: 22% share in Revenue | 22% share in EBITDA | “Second Largest Topline Contributor in Q1’21”

Glass Packaging, CUR was 89% in all operating regions. Total output, 55% of which produced in domestic facilities, was down by 5% YoY and sales/output ratio stood above 85%. The business line continued to benefit from upward pricing in all operating regions, on the other hand recorded 5% decline in sales volume on a consolidated basis. Weaker sales volume was the result of earlier introduction of pandemic measures and lockdowns in all operating regions and in almost all geographies to which the products are catered. Still the revenues went up by **10%** with the increase in per ton prices and local currency depreciation. Due to the pandemic measures' impact on the HORECA channel combined with special consumption tax hike on alcoholic beverages effective from January 2021, domestic operations, corresponding to **36%** of consolidated sales (vs. 35% in Q1'20), recorded 2% decrease YoY in volume terms. In the meantime, exports from Turkey contracted by 15% resulting from the bottleneck seen in global logistics services. Yet, household consumption continued to back the sales. Non-Turkey operating regions' sales were also down by 3% due to mainly restrictive measures. Decline in beer-filling companies' inventory levels, stemming from gradual increase in beer consumption especially in the second half of the quarter, absorbed majority of the weakened demand for high spirits' impact and balanced Non-Turkey operations' sales volume. With this, respective geographies' share in consolidated sales volume recorded a slight increase of **10%pp** to **47%** in Q1'21 YoY. Glass Packaging business line generated 64% of its revenues from international sales including exports from Turkey, while the remaining 36% was generated from domestic sales.

Chemicals: 20% share in Revenue | 29% share in EBITDA | | “Highest EBITDA Margin Generator in Q1’21”

Chemicals segment started the year with decline in soda ash and chromium chemicals prices due to better than 2020 but still weaker than 2019 demand environment as the lasting outcome of the pandemic. Per ton soda ash prices were down by 3% YoY in USD given the sales terms on annual agreements, while volume sales contracted by 3% in Q1'21. Still, local currency depreciation continued to support Chemicals operations topline with its hard currency-denominated revenues standing at 86% in Q1'21. Excluding mining operations, this business line generated 13% of its topline from intra-group sales (vs. 16% in Q1'20). On the same basis, breakdown of domestic and international revenues stood at 28% and 72% as it was the case in Q1'20.

With the recovery seen in soda ash demand, backed especially by the consumption of flat glass and glass packaging industries in global terms, soda ash sales volume outperformed the last quarter results. Yet it lagged behind Q1'20 sales volume due to container and shipping shortages faced throughout the quarter. Soda ash output, 11% higher than last quarter, remained 8% below Q1'20 level with CUR gradually reaching 95%. Market conditions on both demand and pricing side for soda ash is expected to get stronger throughout the year with client industries' asking for more input for their post-pandemic industrial production and Chinese producers feeding their local market, in turn staying away from channeling their products to exports.

Although CUR stayed well above the levels recorded in 2020 and slow but strong recovery in global leather tanning industry coupled with higher demand for metal plating purposes, chromium chemicals sales volume were weaker on a YoY basis mainly due to difficulties faced in logistics.

Chemicals segment's operational profitability was positively impacted from Turkish Lira depreciation in Q1'21 given that the hard currency-denominated share of COGS recorded at 52%, thanks to local currency depreciation and better raw material pricing resulting from commodity hedges.

Glassware: 14% share in Revenue | 13% share in EBITDA | | “Highest EBITDA Margin Increase in Q1'21”

Glassware segment, which is the component with the highest exposure to consumer sentiment and therefore Şişecam's most cyclical business focus, had recorded a weak quarter on the basis of sales volume, mainly due to lockdowns coming back to the scene starting from December 2020 across almost all continents. Although domestic operations had particularly benefitted from positive pricing and higher sales volume, especially with the introduction of V-Block Technology applied products on retail and B2B channels, pandemic measures continued to overshadow demand coming from HORECA channel. International operations remained weak based on the same grounds however at a higher magnitude, on top of delays experienced while taking the new SAP system alive for Glassware business segment.

Depreciation of Turkish Lira against hard currencies continued to be supportive with revenues equally split between domestic and international sales.

Share of international revenues was at 60% while domestic revenue was at 40% in Q1'21

							Q1'21
Regional Breakdown of Revenue	2019	Q1'20	H1'20	9M'20	2020	Q1'21	YoY
Revenue from Turkey Operations	61%	64%	64%	63%	62%	60%	-402 bps
Sales in Turkey	37%	41%	41%	40%	40%	40%	-115 bps
Exports from Turkey	24%	23%	23%	23%	22%	20%	-258 bps
Revenue from Foreign Operations	39%	36%	36%	37%	38%	40%	402 bps
Russia, Ukraine and Georgia	14%	13%	14%	14%	14%	13%	-65 bps
Europe	22%	20%	19%	21%	21%	24%	412 bps
Other	3%	3%	2%	2%	3%	3%	55 bps

Adjusted EBITDA recorded at TRY 1.6Bn with 29% Margin while Adjusted Net Income came in at TRY 1.3Bn

- Gross profit margin was at 34% with an increase of 160bps YoY; main drivers were: a) higher capacity utilization rates across all segments, b) strong pricing, c) favorable raw material pricing, especially for the main inputs used in glass production and local currency depreciation
- OPEX/Sales stood at 19%, flat on YoY basis; inflation in logistics expenses was compensated with higher sales volume and better pricing
- TRY 43Mn income from participated JVs, up by 74% YoY, resulting from stronger operational results and higher translation gains stemming from larger local currency devaluation
- 27% YoY increase in other income & investing activities, which are mostly composed of governmental incentives incl. incentives granted on the investments (TRY 12Mn in total) and Covid-Aid granted by Bulgarian Authorities (TRY 19Mn)

- TRY 955Mn FX gain was recorded on Eurobond investments, trade receivables & payables and financing activities vs. TRY 398Mn in Q1'20
- TRY 183Mn tax expense was recorded with an effective tax rate of 12%, TRY 11mn deferred tax income was recorded in relation with corporate tax rate decrease from 22% to 20% and tax incentives on capital expenditures in terms of rate reduction
- TRY 261Mn interest expense was recorded on bank loans and issued bonds and another TRY174Mn on derivatives

Cash Flow Analysis

- **Cash inflow from operating activities increased from TRY 582Mn to TRY 946Mn** mainly with the rise in net income for the period. Working capital requirement increased by TRY 126Mn YoY to TRY 695Mn
- **Cash outflow from investing activities went up by TRY 200Mn to TRY 257Mn.** Capex in relation with the period was TRY 406Mn, up by 27% YoY.
 - *Cold repairs undertaken by Glass Packaging business segment (one furnace in Turkey-Yenişehir facility, one furnace in Russia-Kirishi facility) and mold investments corresponded to 45% of the total capex*
 - *Architectural Glass business segment expenditures mainly in relation with cold repairs composed 24% of the total capex*
 - *The remaining balance was in relation with the ongoing restructuring process and efficiency improvement investments on top of the cold repair undertaken at Glassware segment Turkey-Kırklareli facility and mold investments*
- **Cash flow from financing activities decreased by TRY 414Mn** from TRY 162Mn positive balance in Q1'20 to TRY 252Mn negative balance in Q1'21 resulting from a higher level of use of cash in hand for the repayment of debt
- **Cash conversion cycle** shortened by +4 days YoY with improved inventory turnover rates. **FCF came in at TRY 152Mn.**
- **TRY 1.4Bn increase in cash position** including FX translation gain
- **Cash and cash equivalents** (including financial investments amounting to USD 524Mn) increased from TRY 13.2Bn (USD 1.8Bn) to TRY 14.9Bn (USD 1.8Bn) in Q1'21-end, out of which 82% was kept in hard currencies

Debt Position

Gross debt recorded at TRY 18.3Bn (USD 2.2Bn) in Q1'20 vs. TRY 17.1Bn (USD 2.3Bn) as of the end 2020

- *67% of bank loans was in hard currencies (35% EUR, 32% USD)⁴*
- *TRY 181Mn coupon payment was made in March 2021 on USD 700Mn-Şişecam 2026 Eurobonds issued back in 2019*
- *TRY 196Mn financial lease was recorded under financial liabilities*
- *Long-term liabilities corresponded to 72% of gross debt (73% in 2020-end)*

Net debt was TRY 3.4Bn (USD 411Mn) vs. TRY 3.9Bn (USD 533Mn) in 2020-end. **Net Debt to EBITDA** was at 0.52x.

⁴ Cross currency swap was made for USD 575Mn of 2026 bond in exchange of EUR 421Mn in 2019. After cross currency swap agreements made in April and June in 2019, 68% of the bond converted to EURs, 14% converted to TL and rest of 18% kept in USD. Swap transaction for the interest payment of USD 40Mn was recognized.

FX Position

Şişecam's net long FX position increased to **TRY 7.5Bn (USD 898Mn)** in Q1'21 from TRY 6.6Bn as of the end 2020 with the increase in EUR-denominated assets. FX position was 284Mn short in EUR and 1.2Bn long in USD in Q1'21 vs. 403Mn short in EUR and 1.3Bn long position in USD as of the end 2020 (figures given in original currencies)

One-Off Impacts excluded from Financials:

Excluding From EBIT:

- **Q1'21: +TRY 502 Mn:**
TRY 502 Mn: Revaluation gain on fixed income instruments incl. IFRS 9 impact
- **Q4'20: -TRY 14 Mn:**
TRY 165 Mn: Revaluation loss on fixed income instruments incl. IFRS 9 impact
TRY 151 Mn: Revaluation gain on fixed assets
- **Q1'20: +TRY 336 Mn:**
TRY 326 Mn: Revaluation loss on fixed income instruments incl. IFRS 9 impact
TRY 10 Mn: Sale of a part of the land in Çayirova

Excluding From Net income:

- **Q4'20: +TRY 117mn:**
TRY 117 Mn: Revaluation Gain on Fixed Assets
- **Q1'20: +TRY 9mn:**
TRY 9 Mn: Sale of a part of the land in Çayirova

Operational Developments

- **Flat Glass Production**
 - Şişecam's 6th float glass line (240K tons/year production capacity) located at Turkey-Yenişehir Architectural Glass Facility was ignited on 2/04/2021 after the cold repair process (investment cost ~TRY 400Mn)
- **Glassware Production**
 - Kırklareli furnace E, the only glassware borosilicate furnace, which entered the cold repair process on 15/12/2020, was ignited on 18/01/2021 and commercial production started on 1/02/2021. Post cold repair production capacity was unchanged
- **Glass Packaging Production**
 - Furnace C at Yenişehir Glass Packaging facility was ignited on 9/02/2021 after the cold repair process undertaken between 7/12/2020 and 26/01/2021. With the cold repair, annual production capacity of the furnace had increased by 25K tons and the domestic active capacity of Glass Packaging business reached 1.36mn tons/year
 - One furnace with 70K ton/year production capacity located in Glass Packaging Pokrov Facility in Russia, where production was temporarily halted in July 2013, was ignited in March 2021. The furnace went through the cold repair process in 2019 and respective investment cost was USD 15mn. Following the ignition of the furnace, Glass Packaging business line operating capacity in Russia increased to 1.03Mn tons/year. Commercial production started in March and first product delivery was made on 29/03/2021
 - Furnace A in Kirishi Glass Packaging facility was ignited on 9/04/2021 after the cold repair process undertaken during March and the commercial production started on 23/04/2021. Post cold repair production capacity was unchanged
 - After the ignition of three furnaces (Yenişehir, Pokrov, Kirishi) mentioned above, Şişecam Glass Packaging segment's total active capacity reached 2.46Mn tons/year

Important Events during and after the Reporting Period

- Şişecam had initiated delivery of 100% domestic innovation V-Block Technology applied glassware products for retail outlets, hotels, restaurants, and cafes (HORECA) on 5/02/2021. Export of the products had commenced at the same day
- At the meeting held on 26/02/2020, Şişecam BoD took a share buyback program decision for a maximum number of 15Mn shares (TRY 150Mn nominal value) with a maximum amount of TRY 1.2Bn to be covered from internal resources
- Following its decision to affirm Turkey's long-term foreign currency issuer rating as "BB-" and to change the outlook from "Negative" to "Stable" on 19/02/2021, Fitch Ratings had changed the rating outlook of Şişecam from "Negative" to "Stable" and had affirmed long-term issuer rating of our Company as "BB-" in its press release dated 1/03/2021
- The following decisions were taken at the OGM meeting dated 30/03/2021
 - *to increase the registered capital ceiling from TRY 4Bn to TRY 5Bn*
 - *to pay TRY 500Mn gross dividend in cash*
- On 30/03/2021, Prof. Dr. Ahmet Kirman was elected as the Chairman of the Board of Directors and Senar Akkuş was elected as the Deputy Chairman, and Mustafa Görkem Elverici, who is serving as Şişecam CFO, was appointed as the General Manager effective from 01/07/2021
- As of 9/04/2021, TRY 6,02Mn-nominal value shares were purchased for ~TRY 45Mn within the scope of the buyback program

Appendix

Sub-Segmental Breakdown of Revenue	Q1'20	Q1'21
Architectural	21%	29%
Autoglass & Encapsulation	12%	13%
Glassware	16%	14%
Glass Packaging	24%	22%
Chemicals	22%	20%
Soda Chemicals & Energy	14%	13%
Chromium Chemicals & Oxyvit	5%	4%
Glass Fiber	2%	2%
Mining & Other	2%	1%
Other	6%	2%

Breakdown of COGS Items	Q1'20	Q1'21
Input & Materials & Packaging	38%	41%
Ngas	20%	17%
Electricity	7%	7%
Labor	12%	18%
Depreciation	9%	9%
Outsourcing & Other	14%	8%

Breakdown of Opex Items	Q1'20	Q1'21
Indirect Material Costs	2%	2%
Salaries and wages expenses	19%	21%
Outsourced service	47%	41%
Miscellaneous expenses	25%	30%
Depreciation and amortization expenses	7%	6%

Regional Breakdown of Adjusted EBITDA	Q1'20	Q1'21
Turkey	1.714	1.201
Foreign Operations	291	443
Russia, Ukraine and Georgia	159	166
Europe	131	248
Other	0	30

Regional Breakdown Adjusted EBITDA Margin	Q1'20	Q1'21
Turkey	58%	35%
Foreign Operations	18%	19%
Russia, Ukraine and Georgia	10%	7%
Europe	8%	11%
Other	0%	1%

Disclaimer

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