

## COMMENTS ON TRAKYA CAM SANAYİ A.Ş. 2016 Q1 CONSOLIDATED FINANCIAL STATEMENTS

Based on 2016 Q1 IFRS results,

| Consolidated Financials (TRY mn) | 2015<br>Q1* | 2016<br>Q1** | YoY<br>Growth |
|----------------------------------|-------------|--------------|---------------|
| Revenue                          | 461         | 627          | 36%           |
| Gross Profit                     | 126         | 186          | 47%           |
| Gross Margin                     | 28%         | 30%          |               |
| EBIT                             | 47          | 84           | 76%           |
| EBIT Margin                      | 10%         | 13%          |               |
| EBITDA                           | 91          | 145          | 60%           |
| EBITDA Margin                    | 20%         | 23%          |               |
| Net Income                       | 44          | 68           | 56%           |
| Net Income Margin                | 9%          | 11%          |               |
| Capex                            | 38          | 38           | 0%            |
| Capex/Sales                      | 8%          | 6%           |               |
|                                  |             |              |               |
| Analyst EBIT                     | 24          | 43           | 80%           |
| Analyst EBIT Margin              | 5%          | 7%           |               |
| Analyst EBITDA                   | 67          | 104          | 56%           |
| Analyst EBITDA Margin            | 15%         | 17%          |               |

\*Not including Bulgarian operations

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### Important Notice: Financial statements of Bulgarian operations are fully incorporated into the 2016 Q1 consolidated results of Trakya Cam Sanayi A.Ş.

- Revenue came in at TL 627 Million in the first quarter, recording 36% growth mainly driven by the strong performance in international sales\*\*\* (especially in the Europe), while share of sales from the foreign operations rose to 43% in Q1'16 from 23% in Q1'15
- Trakya Cam posted TL 145 Million EBITDA with a solid margin of 23%
- Trakya Cam posted TRY 68 mn net income with 56% YoY increase while profit margin increased to 11% from 9% in 2015 Q1 mostly coming from increase in dividend income and improvement in the gross margin. Net financial expense was recorded in this quarter mainly due to the increase in interest expense. Effective tax rate in 2016 Q1 increased to %13 from %11 in 2015 Q1 due to the negative account of deferred tax
- Trakya Cam's net debt came in at TRY 812 mn, increased by 13% compared to 2015YE due to the increase in bank borrowings

\*\*\*including exports from Turkey and sales from foreign operations

## Key Financials

- 59 % of the **gross revenues** were generated from the sale of basic glass, while 40% and 2% were generated from auto & encapsulated and white goods glass respectively
- 57% of the gross revenues were generated from the company's operations in Turkey while the remaining 43% were generated by the operations in Europe & Russia
- **Net Revenues** were TRY 627 mn, up by 36% from 2015 first quarter results. Cost of goods sold was TRY 441 mn, up by 32% on a year-on-year basis. The ratio of cost of goods sold to revenues decreased to 70% compared to 2015 first quarter of 73% thanks to the operational efficiency efforts
- The company recorded a **gross profit** of TRY 186mn, demonstrating 47% growth YoY ending up in a gross profit margin of 30%
- **Operating expenses** increased by 59%, from TRY 102mn to TRY 142mn. The ratio of operating expenses to revenues increased to 23% from 22% YoY
- The company's **net other income from operations/revenue** remained same at 2% compared to 2015 Q1, while significant increase in previous years' net income and terminated provisions balanced with the increase in foreign currency exchange rate expense booked on trade receivables and payables and previous years' net loss
- **Investments in associates and joint ventures** came in at TRY 24 mn thanks to the increase in dividend income coming from other associates
- **Amortization** recorded as TRY 62 mn in 2015, with 30% YoY growth as a result of full consolidation of Bulgarian operations
- **Capital expenditures** were TRY 38 mn, capex to sales ratio decreased to 6% from prior year's first quarter level of 8%