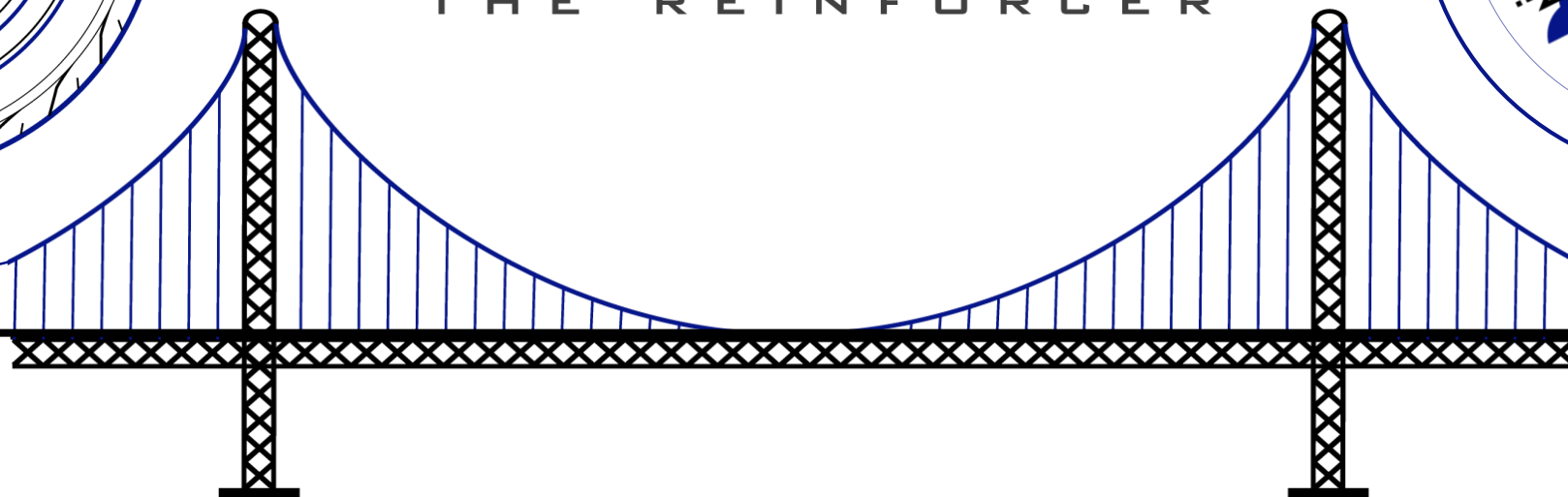
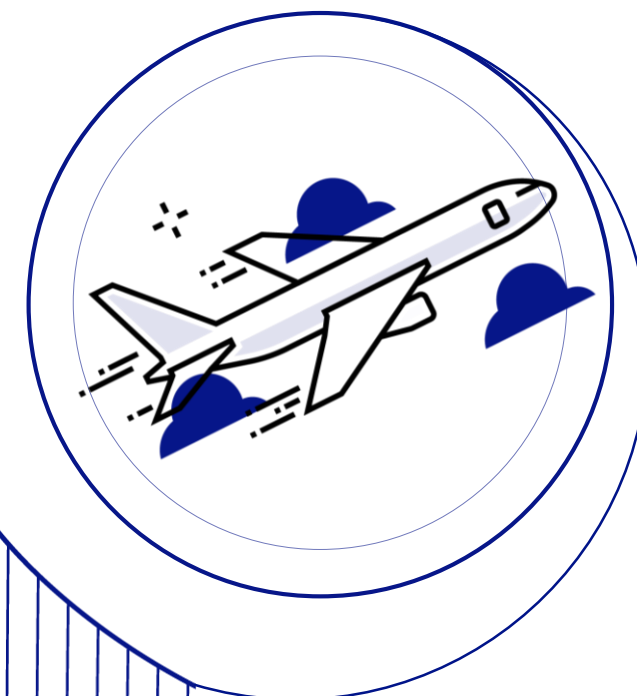


THE REINFORCER



2018 YE – Earnings Release

February 20, 2019

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Agenda

- 1 Global Footprint
- 2 2018 YE Highlight
- 3 Market Dynamics
- 4 RM Price Drivers
- 5 Segment Reporting
- 6 New Products
- 7 Update on 2018 YE Results
- 8 Dividend Distribution
- 9 Operating Bridge
- 10 Guidance



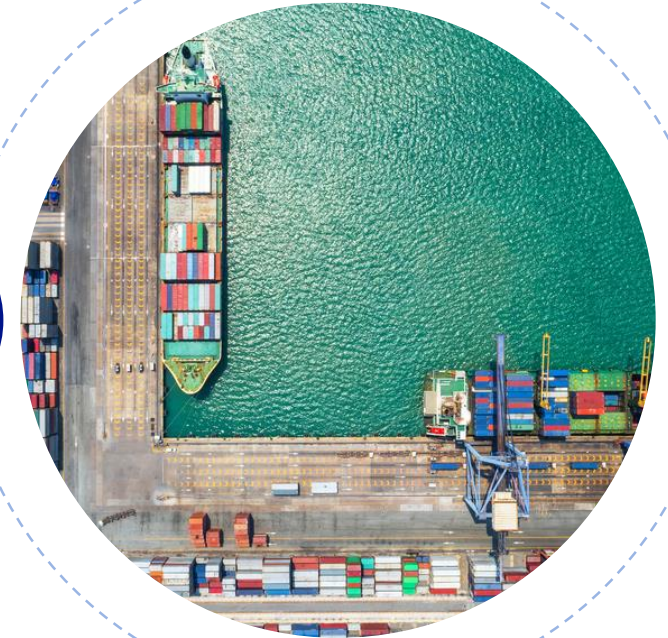
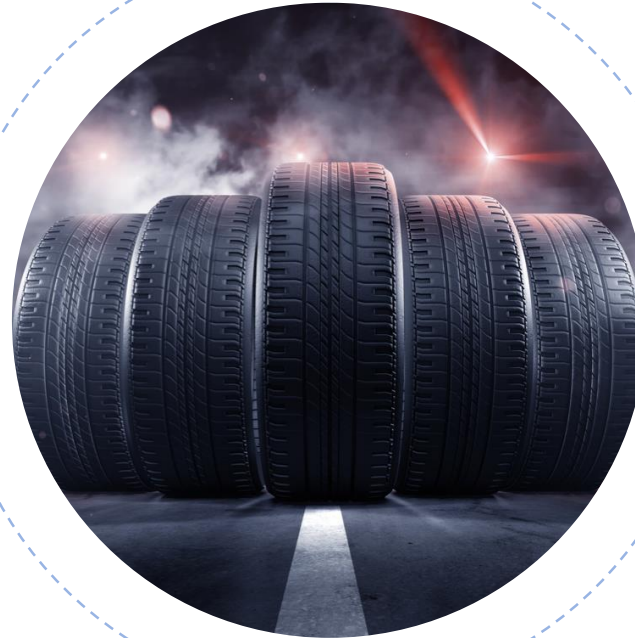
Global Footprint

4 continents
11 facilities

~4,500
employees

2 R&D
Centers

729 patent application
179 patents
181 inventions



WE REINFORCE LIFE

YE 2018 Highlights

	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2017	YE 2018	Δ	YE 2017	YE 2018	Δ
Sales	2,485	3,947	58.8%	681	820	20.3%
EBITDA*	339	621	83.1%	93	129	38.8%
EBITDA* Margin (%)	13.7%	15.7%	+ 2.1 bp	13.7%	15.7%	+ 2.1 bp

YE 2018 Highlights

Tire cord fabrics ("TCF")

- Strong market position,
- Sustainable growth rate on profitable products,
- Benefits from TL and other EM currency depreciation in the first three quarter of 2018.
- Negative impact of strong TL on financials in the last quarter of 2018.
- Two nylon production lines in Turkey and America shutdowns in the last quarter of 2018.
- Cost improvements in North America operations after the acquisition of Invista and starting flake production

Composite

- Finalized the acquisition process of FDI & TPI & AHT which provide advanced composite materials to the commercial aviation industry,
- After the acquisition of FDI & TPI, becoming the sole supplier for Toray which is the main supplier of Boeing,
- Higher actual figures compared to DD figures in these companies
- Potential M&A targets are always under consideration,

Construction

- Completed Kratos Polypropylene production line in Izmit,
- Kratos Macro & Micro Synthetic Fibers are approved and applied in over 50 significant superstructure, industrial and infrastructure reference projects.

EBITDA* = Gross Profit – OPEX + Depreciation/Amortization

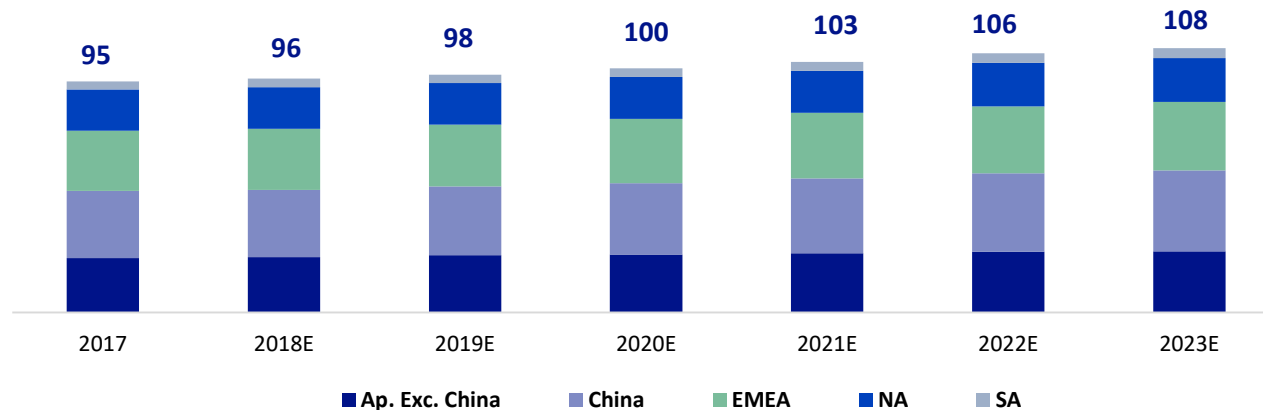
Confidential

Market Dynamics

Global Automotive Market

Global LV Assembly – M Units / Year

2017-2023E CAGR: 2,1%



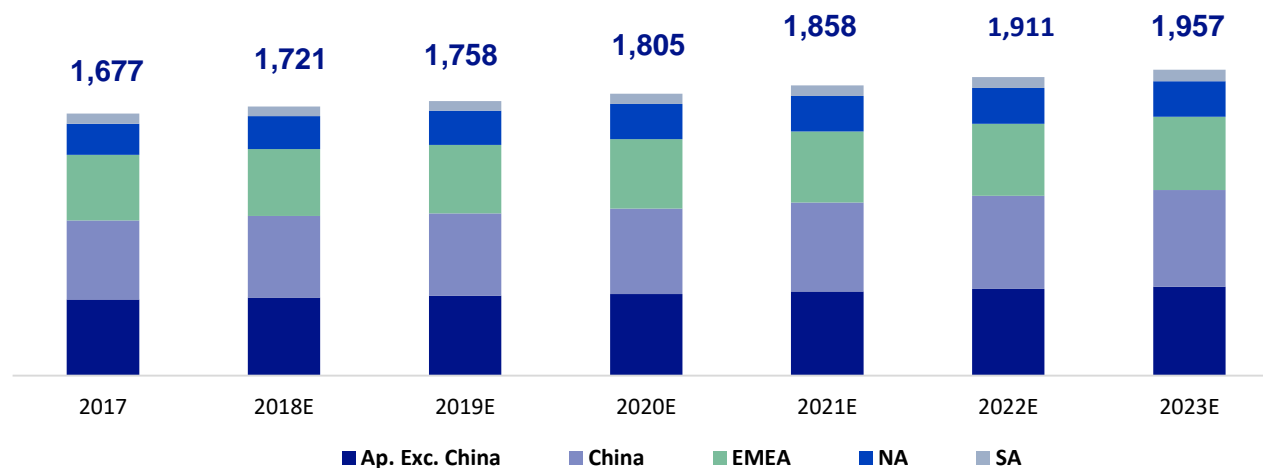
Source: PWC Autofacts

- **AP Exc. China: +3.4%** Highest growing region because of slowing other regions
- **China: +2.2%** Effected by tariff wars
- **EMEA: +1.1%**
- **NA: 0.0%** Crossover segment demand is strong
- **SA: +0.0%** Expected market recovery was not utilized in 2018 as a result of economic developments, slow trend to continue in 2019

Global Tire Market

Global LV Tire Production– M Units / Year

2017-2023E CAGR: 2,6%

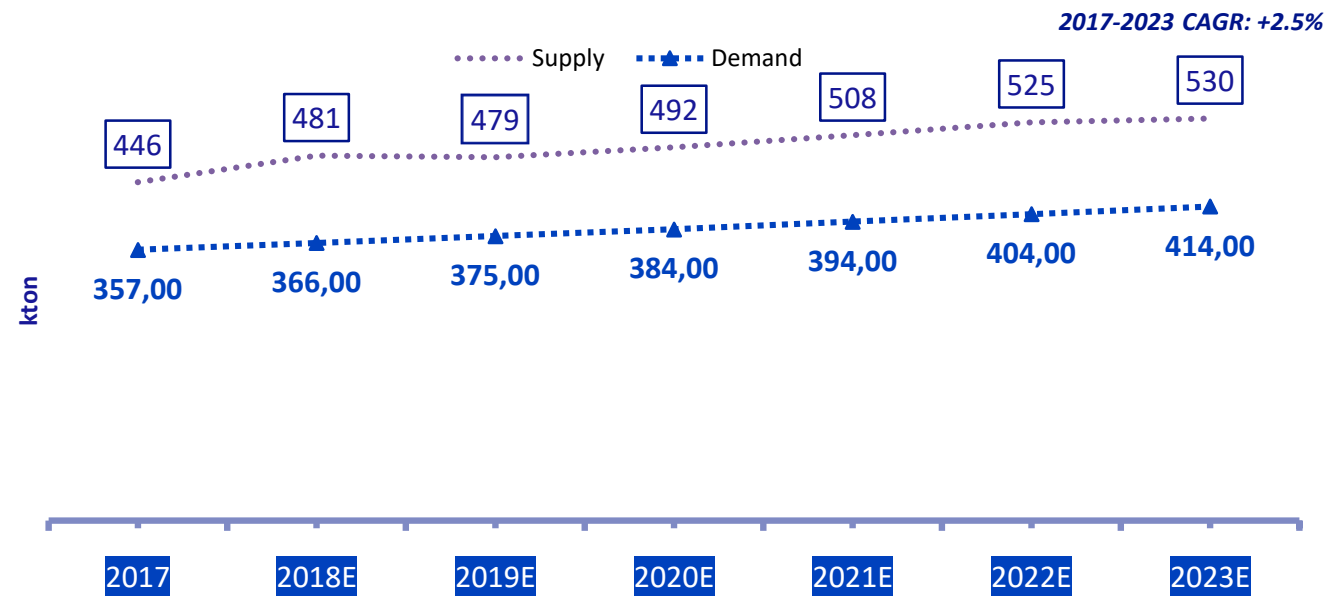


Source: LMC Tyre Forecast

- **AP Exc. China: +2.4%**
- **China: +0.8%** (tariff war effect)
- **EMEA: +2.4%** Miles driven decreased in EU with high oil prices
- **NA: +4.2%** (mainly replacement effect)
- **SA: +2.1%**

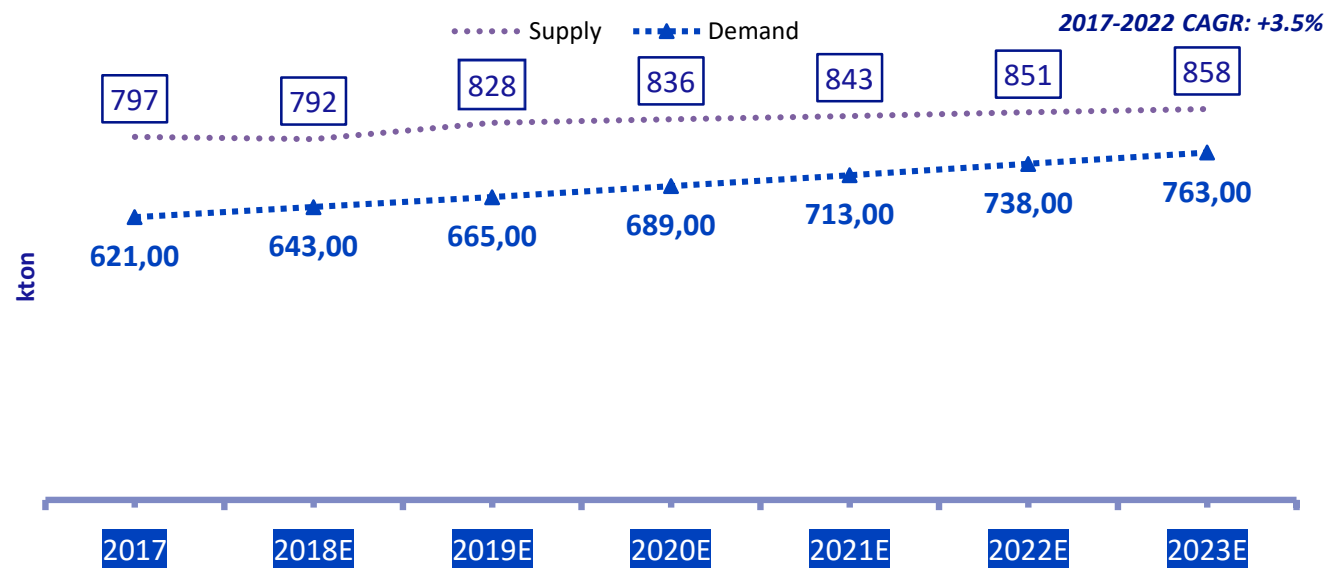
Market Dynamics

Tire Reinforcement Market (NY6.6)



Source: Company Estimates

Tire Reinforcement Market (PET)



Source: Company Estimates

Nylon 6.6

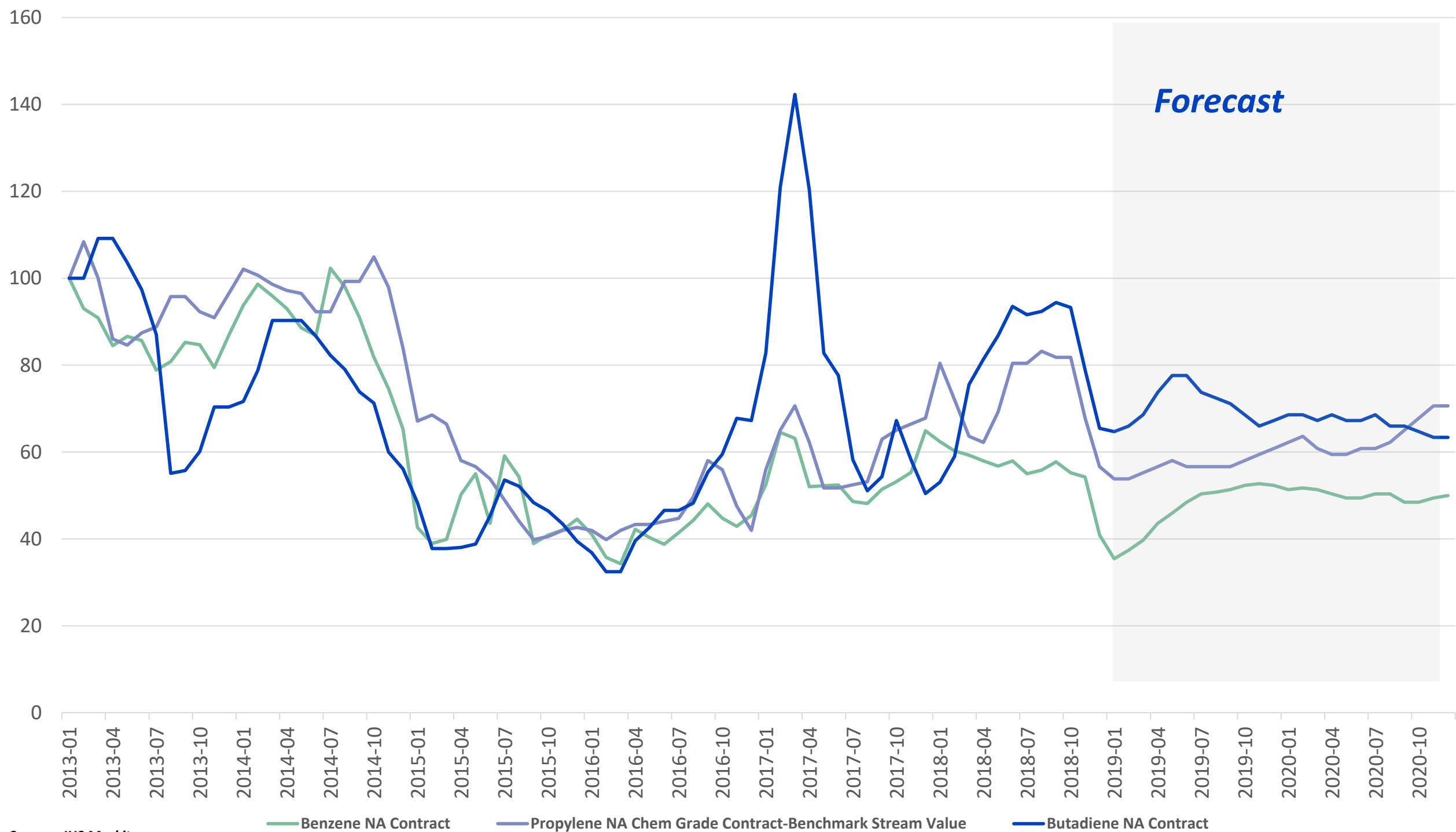
- High capacity utilisation rates
- Increasing demand for another market, Engineering Plastics
- Switching to NY6

PET HMLS

- Consolidation by Indorama (acquiring PF Kaiping, Glanzstoff, Durafiber)
- Increasing PET usage in Tire

RM Price Drivers

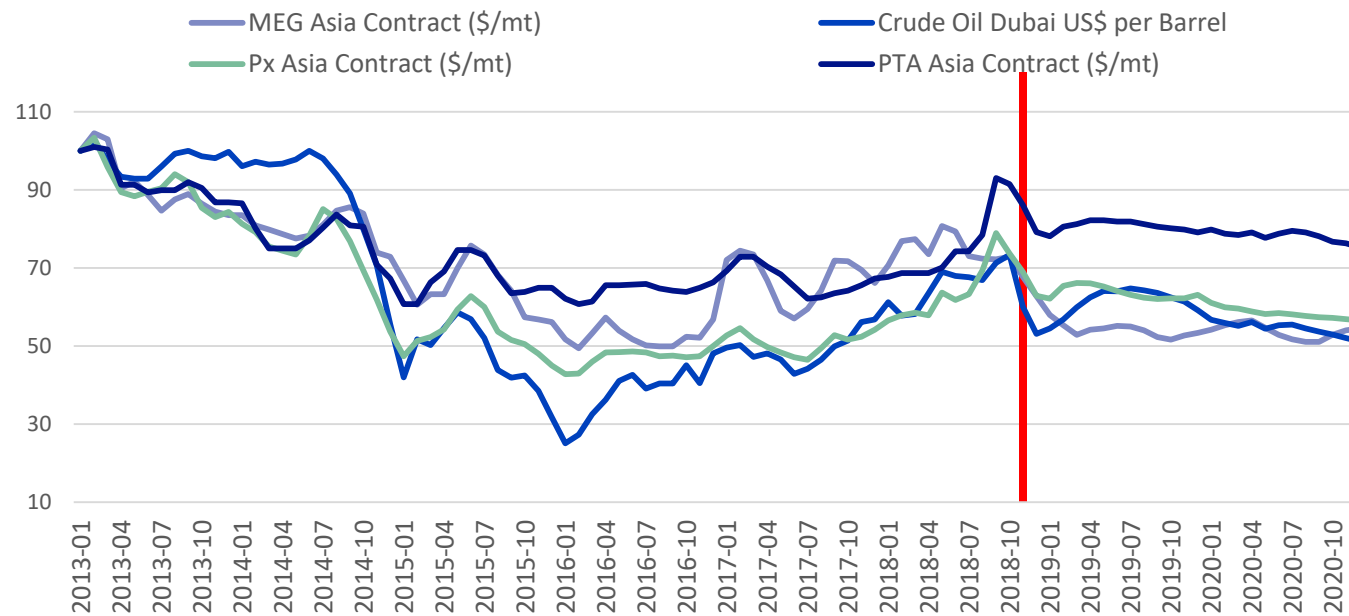
NY Raw Material Trend (Indexed)



Source: IHS Markit

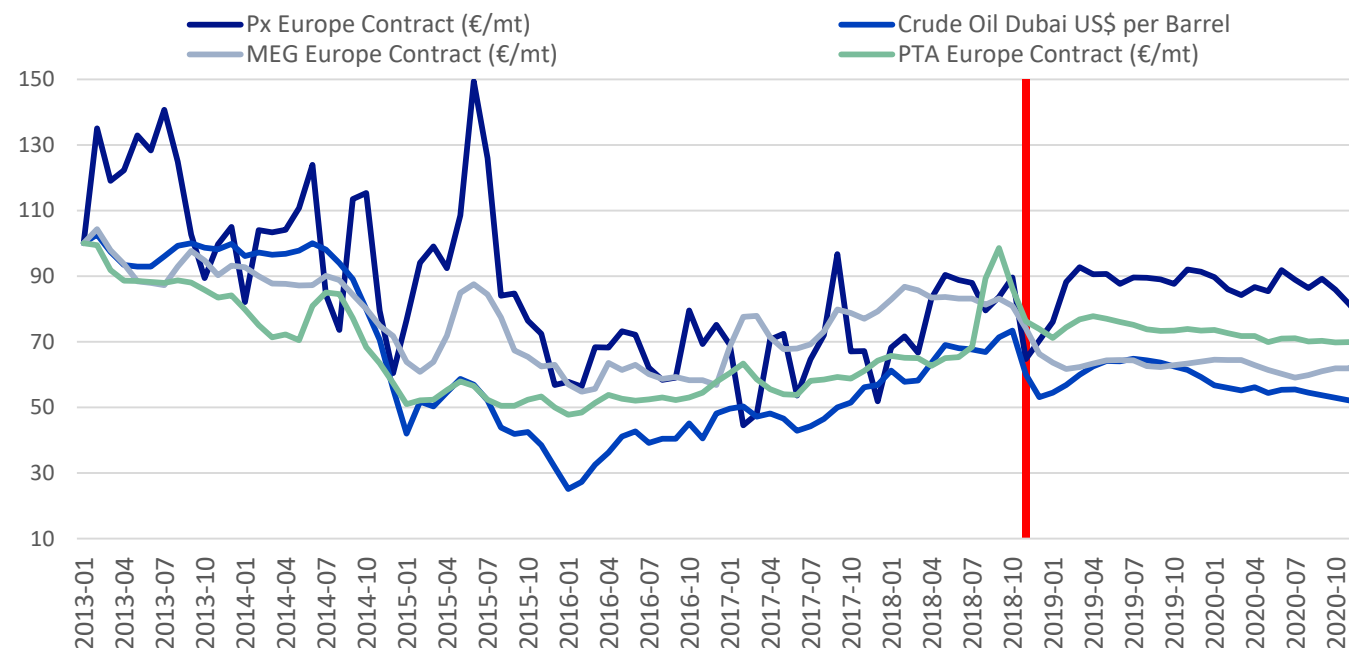
RM Price Drivers

PET Feedstock Asia



Source: IHS Markit

PET Feedstock West Europe

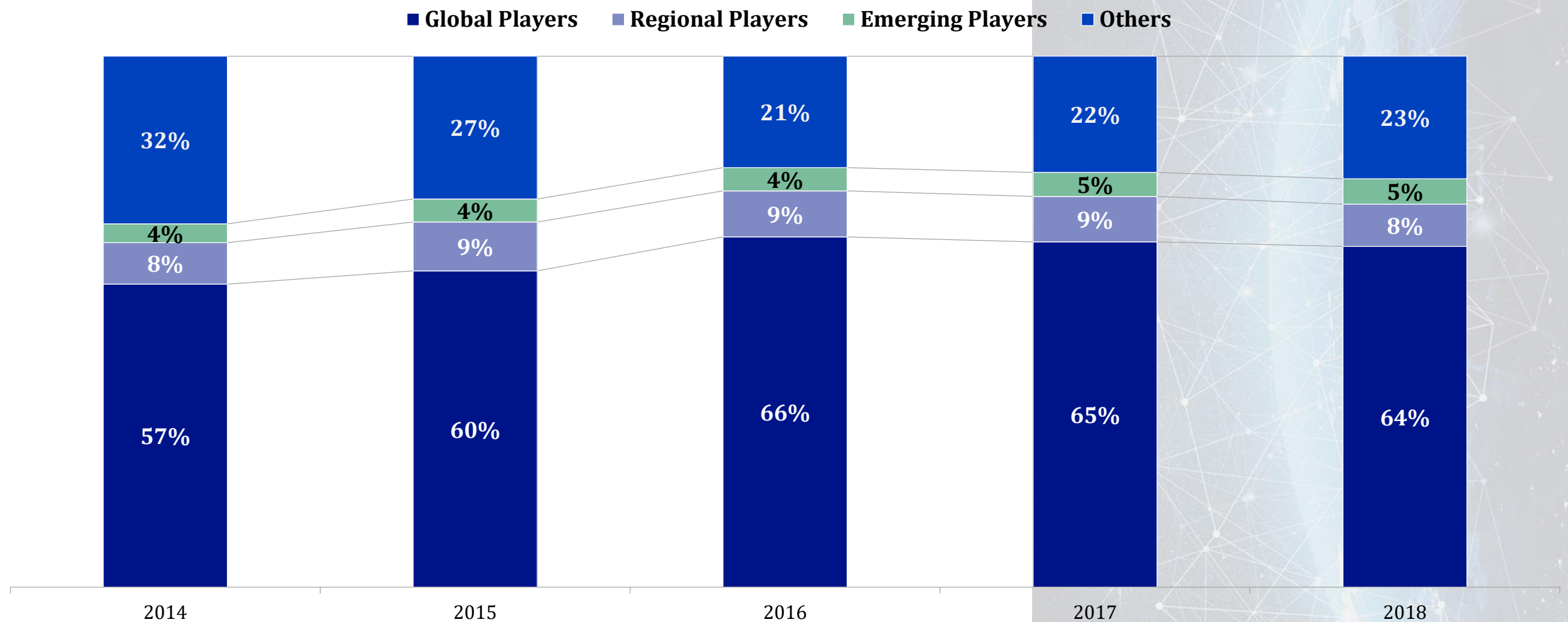


Source: IHS Markit

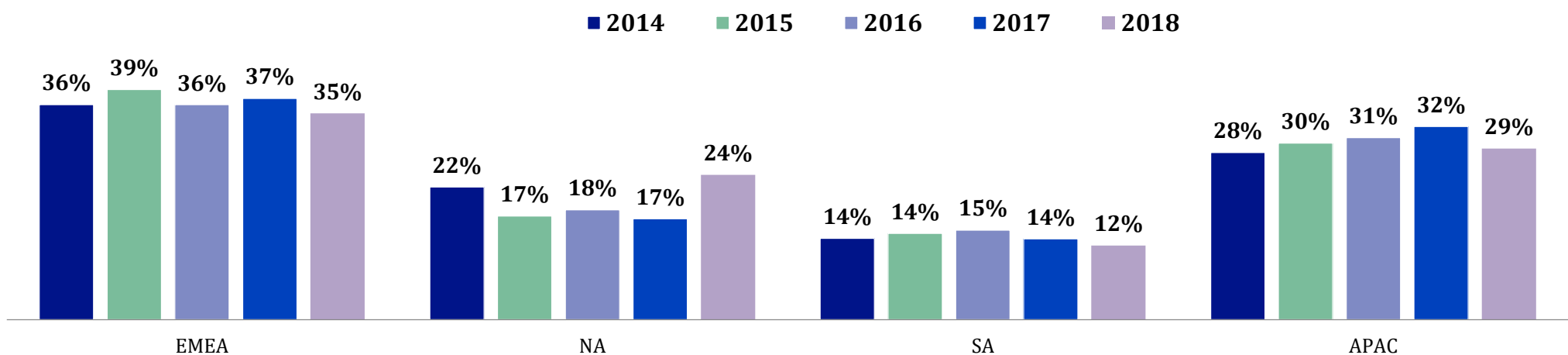
- Crude oil WTI (based on IHS) price is the major driver for PET price,
- MEG prices decrease in 2019 due to new capacity becoming online,
- 2020 and onwards still not clear from crude oil side due to IMO regulations, OPEC supplies, USA sanctions, etc,
- PTE & MEG are expected to remain tight in 2018.

- Crude oil price is the major driver for PET price,
- Europe PET chip feedstock prices tend to follow Asian market prices,
- PTA in Europe has also been affected by BP Geel & PK Orlen's recent FM's in 2018

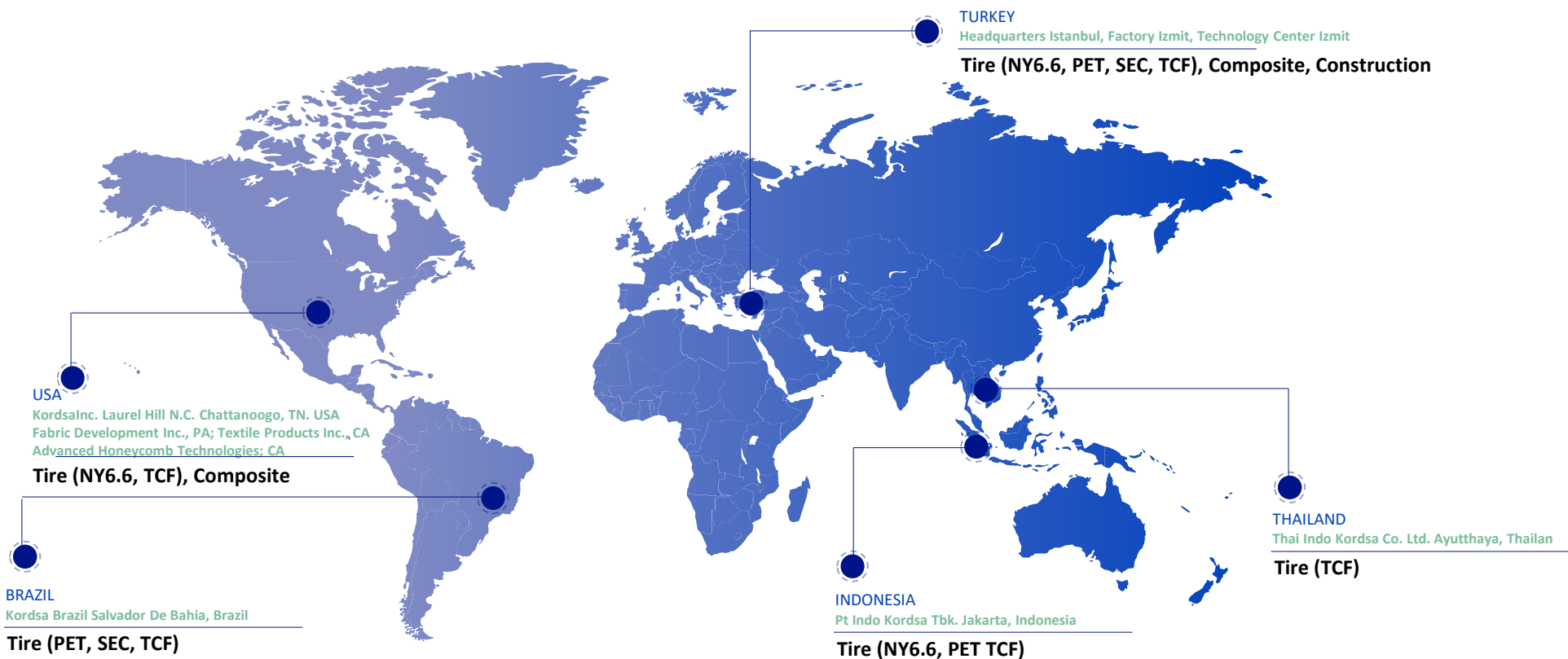
Capitalize on Global Footprint and Entrenched Supplier Status with All Key Tire Manufacturers - Segmental Progress



Global Footprint



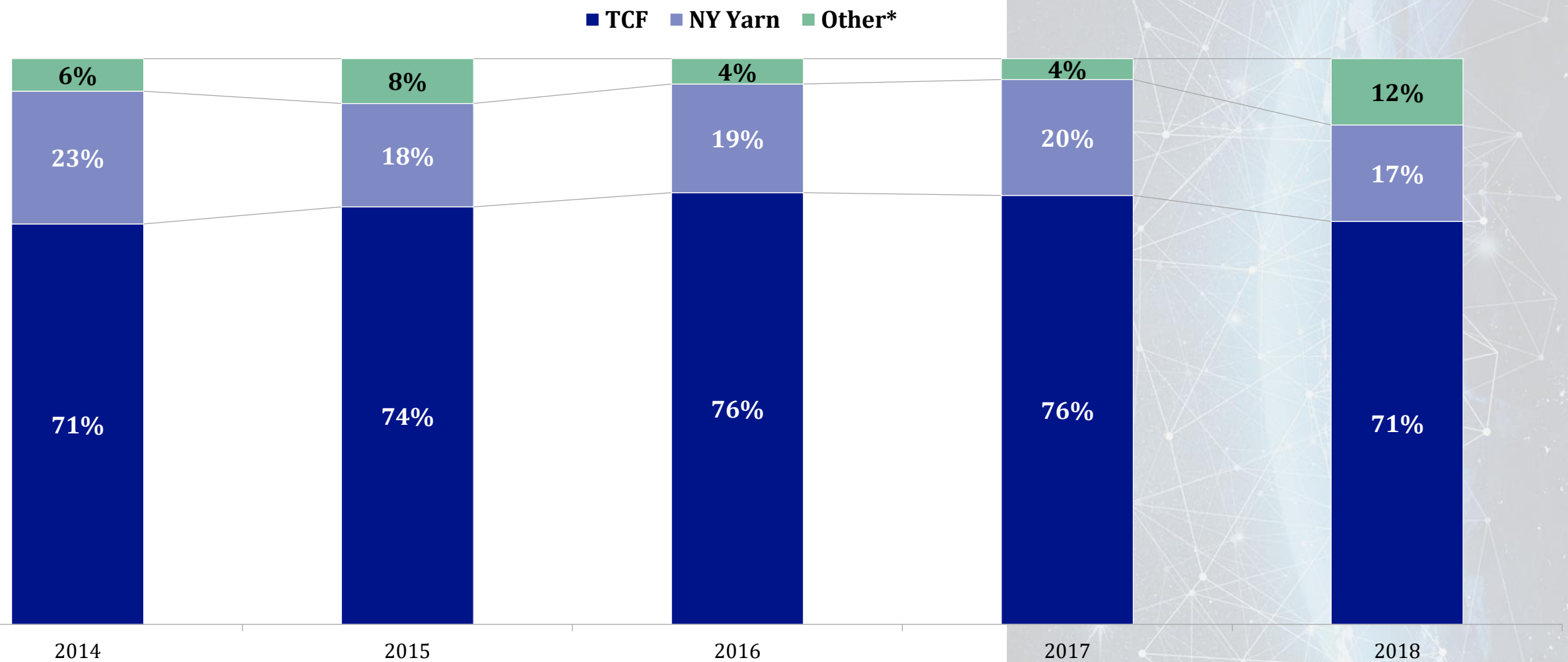
Regional footprint versus key competitors



Kordsa market position

- #1 NY TCF producer
- #1 PET TCF producer
- #1 NY TCF producer in the US
- 3 composite manufacturing plants
- The only PET yarn, TCF and SEC producer in LATAM
- #2 NY TCF producer
- #2 PET TCF producer

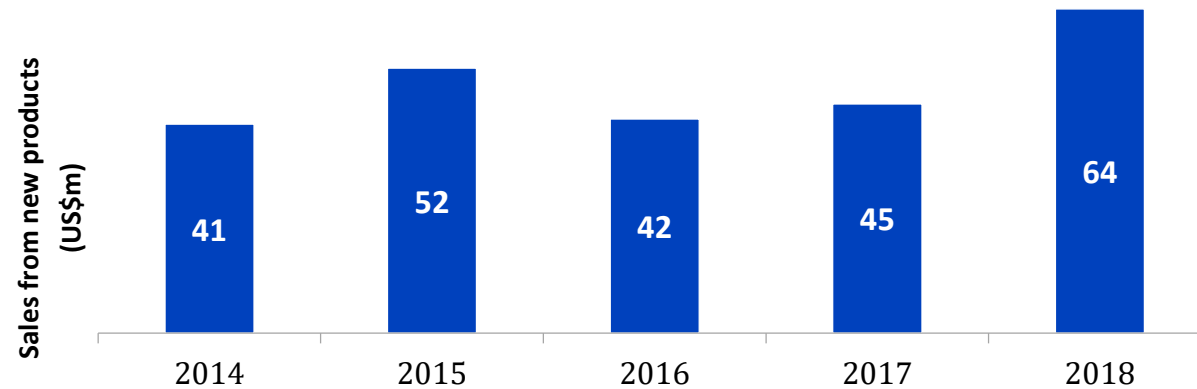
YE 2018 Revenue Split Progress by Products



* North America Composite segment effect is around 6.5%.

Technology Leadership at The Cutting Edge of Reinforcement

Strong focus on R&D



Selected collaborations(a)



(a) includes both, universities as well as individual academics from the names institutions

Cutting edge new products

Twixtra

- ✓ Rolling resistance improvements through higher modulus for high performance tires

MONOLYX

- ✓ Protection layer for truck & bus tires; reduces tire weight

T802

- ✓ 7% higher tenacity and better fatigue performance for aircraft tires (bias)

4G PET

- ✓ 10% higher dimensional stability for better tire performance (improved labeling)

Leadership in Innovation and Technology”



- Kordsa will launch on the free licensing process of environmentally friendly formula, striving to make it the new standard instead of the 80-year old formula.



- According to the patent research database, Kordsa is among the top 10 companies in the world with the number of patents issued in industrial textiles as of 2018.



- Kordsa's 2016 Sustainability Report received Platinum Award in 2018 Inspire Awards by LACP and ranked 21st among top 100 companies
- Listed in BIST Sustainability Index for the third consecutive year

Update on YE 2018 Results

Key Financials

	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2017	YE 2018	Δ	YE 2017	YE 2018	Δ
Sales	2,485	3,947	58.8%	681	820	20.3%
Gross Profit	449	794	76.6%	123	165	33.8%
Gross Margin (%)	18.1%	20.1%	2 pts'	18.1%	20.1%	2 pts'
OPEX (%)	8.6%	7.9%	-1 pts'	8.6%	7.9%	-1 pts'
Operating Profit	278	525	89.2%	76	109	43.4%
Operating Profit Margin (%)	11.2%	13.3%	2 pts'	11.2%	13.3%	2 pts'
EBITDA*	339	621	83.1%	93	129	38.8%
EBITDA* Margin (%)	13.7%	15.7%	2 pts'	13.7%	15.7%	2 pts'
Net Income	212	339	59.5%	58	70	20.9%
Effective Tax Rate (%)	14.7%	17.8%	3 pts'	14.7%	17.8%	3 pts'
Net Income (%)	8.5%	8.6%	0 pts'	8.5%	8.6%	0 pts'
EPS (TL/1,000 shares)	8.49	15.03	77.0%	2.33	3.12	34.2%

* EBITDA Calculation: Gross Margin-OPEX+Dept & Amort

Kordsa continues to perform well based on its value strategy

Update on YE 2018 Results

Key Balance Sheet Items

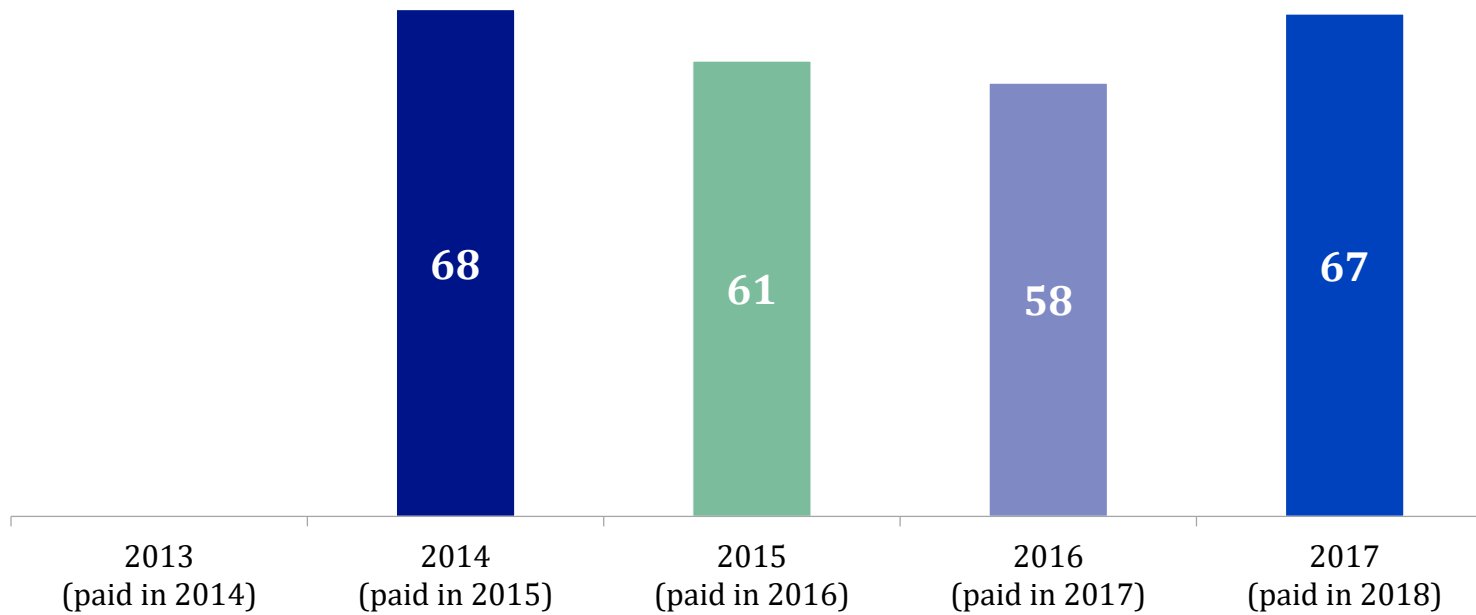
	TL Financials (MTL)			USD Financials (MUSD)		
	YE 2017	YE 2018	Δ	YE 2017	YE 2018	Δ
Cash and Cash Equivalents	16	131	115	4	25	21
Account Receivables	483	830	346	128	158	30
Inventories	585	1,048	462	155	199	44
Other Current Assets	113	140	28	30	27	-3
PPE & Intangibles	1,464	2,233	769	388	424	36
Investment Property	47	115	68	12	22	9
Goodwill	46	172	126	12	33	21
Other Non-Current Assets	113	162	49	30	31	1
Account Payables	314	572	258	83	109	25
Total Debt	632	1,519	887	168	289	121
Short Term Debt	531	994	464	141	189	48
Long Term Debt	101	525	423	27	100	73
Other Liabilities	272	400	128	72	76	4
Net Debt (Cash&Cash Equ. Excluded)	617	1,388	772	164	264	100
WCAP Turnover	3.27	3.35		3.27	3.35	
Net Debt / EBITDA*	1.82	2.23		1.76	2.04	

Update on YE 2018 Results

Free Cash Flow			
(in TL million, unless otherwise stated)	YE 2017	YE 2018	Δ
Cash Used in Operating Activities	183	341	158
EBIT * (1-t)	252	442	191
Depreciation & Amortization	103	140	36
Change in Working Capital	(199)	(510)	(312)
Other Adjustments	27	269	242
Cash Used in Investing Activities	(180)	(703)	(522)
Maintenance CAPEX	(180)	(214)	(34)
M&A Investments	0	(488)	(488)
Free Cash Flow*	3	(362)	(365)

** FCF: EBIT(1-Tax Rate) + Depreciation & Amortization - Change in Net Working Capital - Capital Expenditure. It can also be calculated by taking operating cash flow and subtracting capital expenditures. - FCF (operational cash flow- capex)*

Dividend Distribution (MTL)



Source: IHS Markit

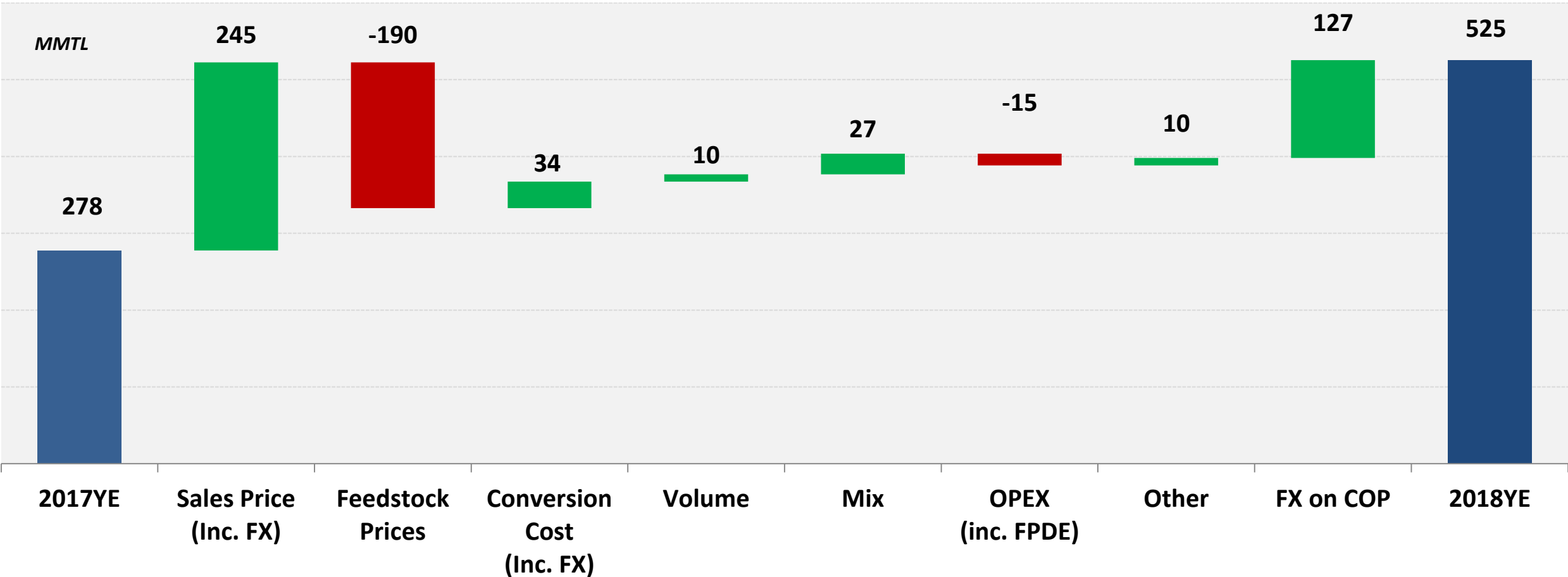
Distribution of all the distributable profits

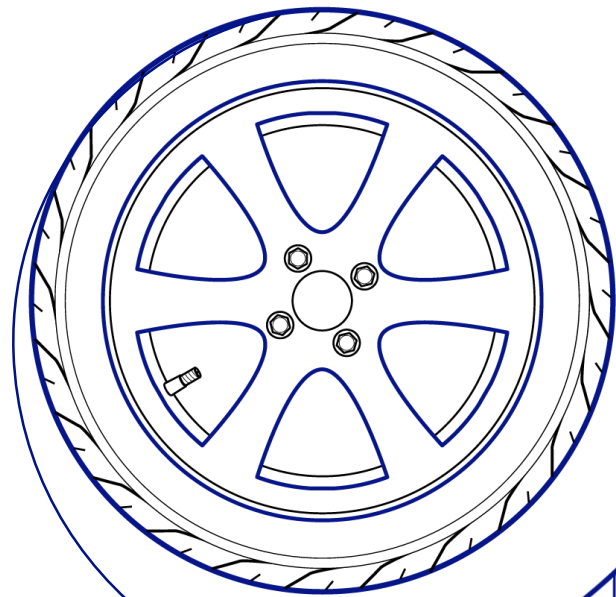
- which is lower of Kordsa Turkey solo tax books (VUK) or Kordsa consolidated TFRS (IFRS) net income,
- in the form of cash and/or bonus shares subject to General Assembly approval.

The distribution decision is agreed taking into consideration the sizeable fixed asset purchases, acquisitions, covenants of current liabilities and the Company's mid and long term strategies, national and global economic conditions.

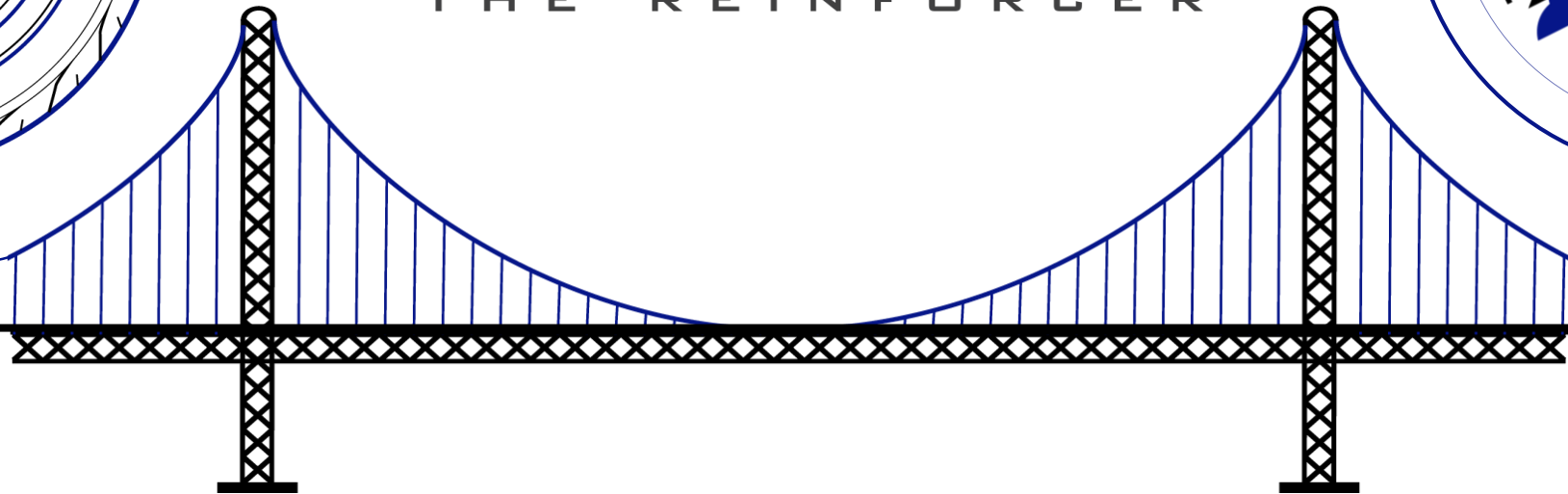
Kordsa does not apply payment of advance dividends

Operating Profit Bridge - MTL



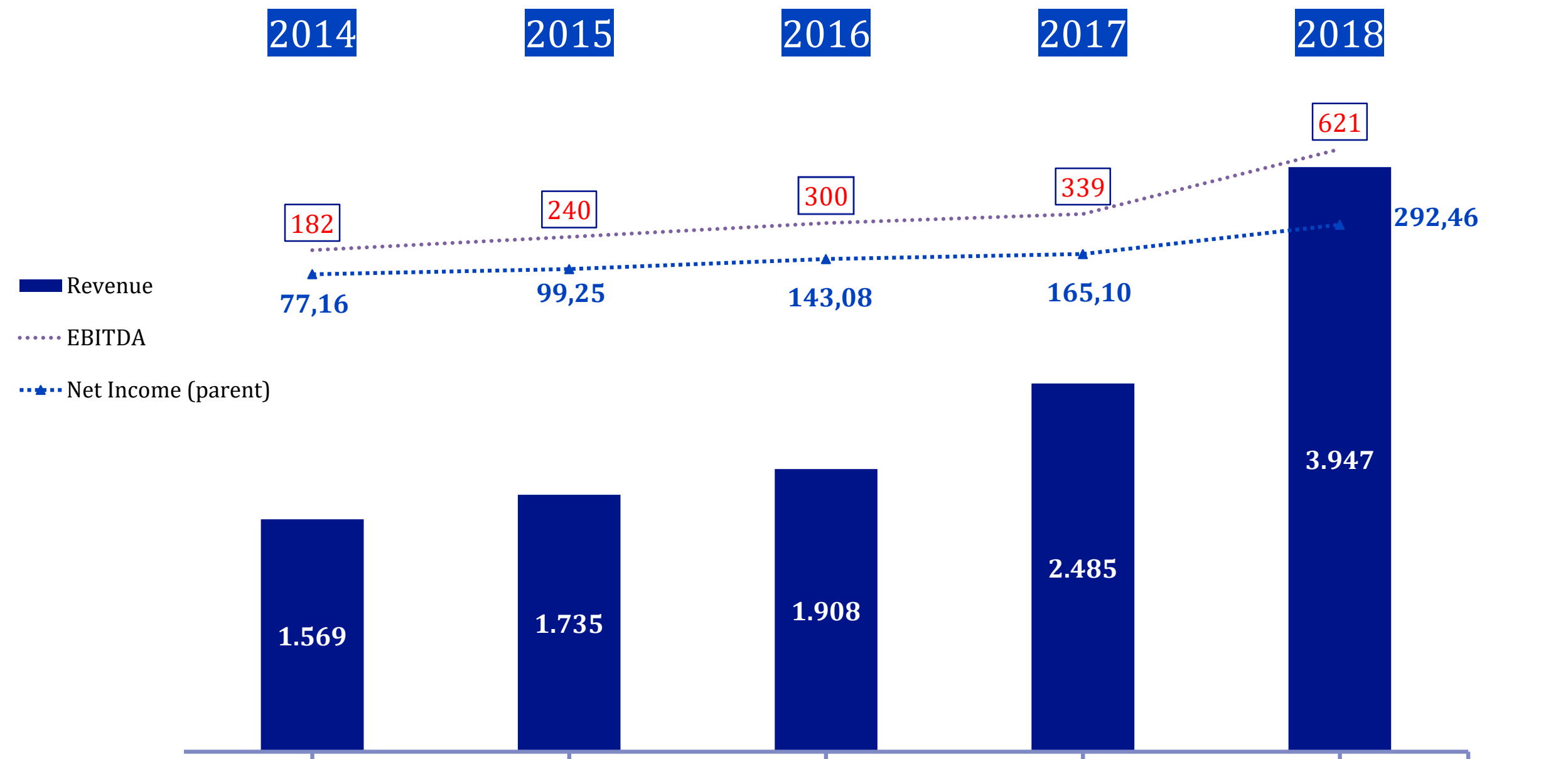


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Appendix

2014 – 2018 Financial Trend (MTL)



YE 2018 Highlights (FX Rates)

