

# Sekuro Plastik Ambalaj Sanayi A.Ş.

## 1H2018 RESULT PRESENTATION

# Disclamier

- This detailed presentation includes actual information and analysis of the financial statements, as well as future and possible statements that also identify future situations.
- The information and analysis are straightforward. The expectations reflected in the statements in this report are fair and acceptable.
- However, it should be understood and accepted that the variables and changes in local and global changes can be influenced and changed.
- Depending on the variables, any of our Company, our Managers and our employees can not be held responsible for any loss and deviations from the expectations.
- In the analysis of the institution's finances, the effects of exchange rate risks should be evaluated together with the measures taken and the finances should be interpreted in this frame. In this report prepared by our institution, dynamic evaluations are used which we hope to contribute for our investors to making healthy and realistic interpretations and evaluations in investment decisions. With this presentation and report, we aim only to ensure that the Sekuro's ongoing activities and future expectations are understood correctly.
- This document does not constitute an offer to sell or issue any securities of the Company, nor an invitation to purchase or commit securities, nor does it constitute a part of any such invitation or offer, the document or any part thereof or the distribution thereof does not form the basis of any contract or investment decision, nor can it be relied upon in connection with any contract or investment decision. The information, statements and opinions contained in this document do not constitute advice or advice regarding Company's shares or other financial securities.

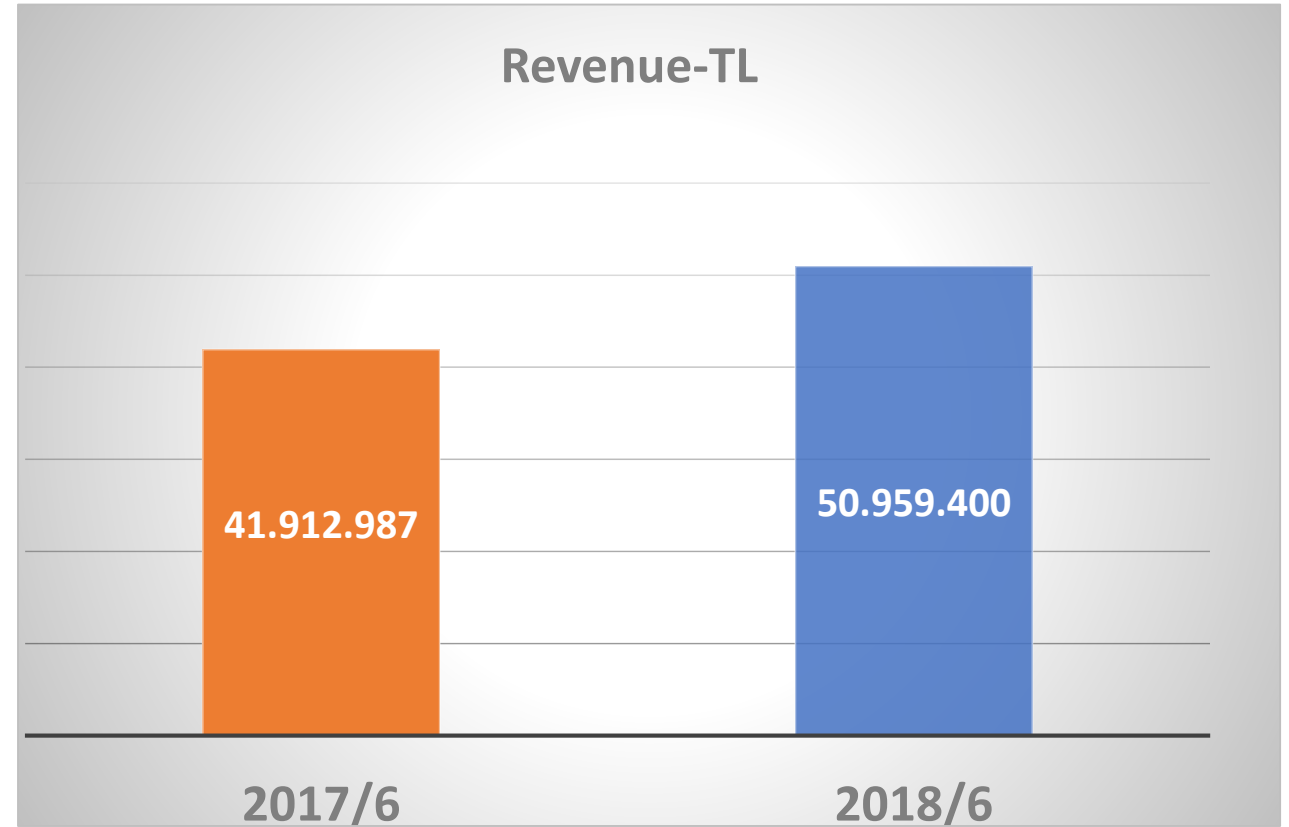
## 1H18 Highlights

- Strong and reliable turnover increase and operational profitability were increased.
- Production of new machinery and equipment with a capacity increase of 50% was completed and production started in mid-June 2018.
- Revenue rose by 20%, while exports increased by 50%.
- Participated in the largest Packaging Fair of Spain and Iberia Region and entered into the process of industrial experiments with 5 foreign customer candidates.
- Domestic marketing activities enabled portfolio participation of 5 new domestic customers with high volume buying potential.
- With our high value-added Thermal Laminating Product, which we achieved in the context of our R & D studies, a sustainable market entry was made. This product group is also expected to contribute to turnover and profitability in the coming periods by ensuring that it is tested in a new field of use.

## 1H18 Highlights

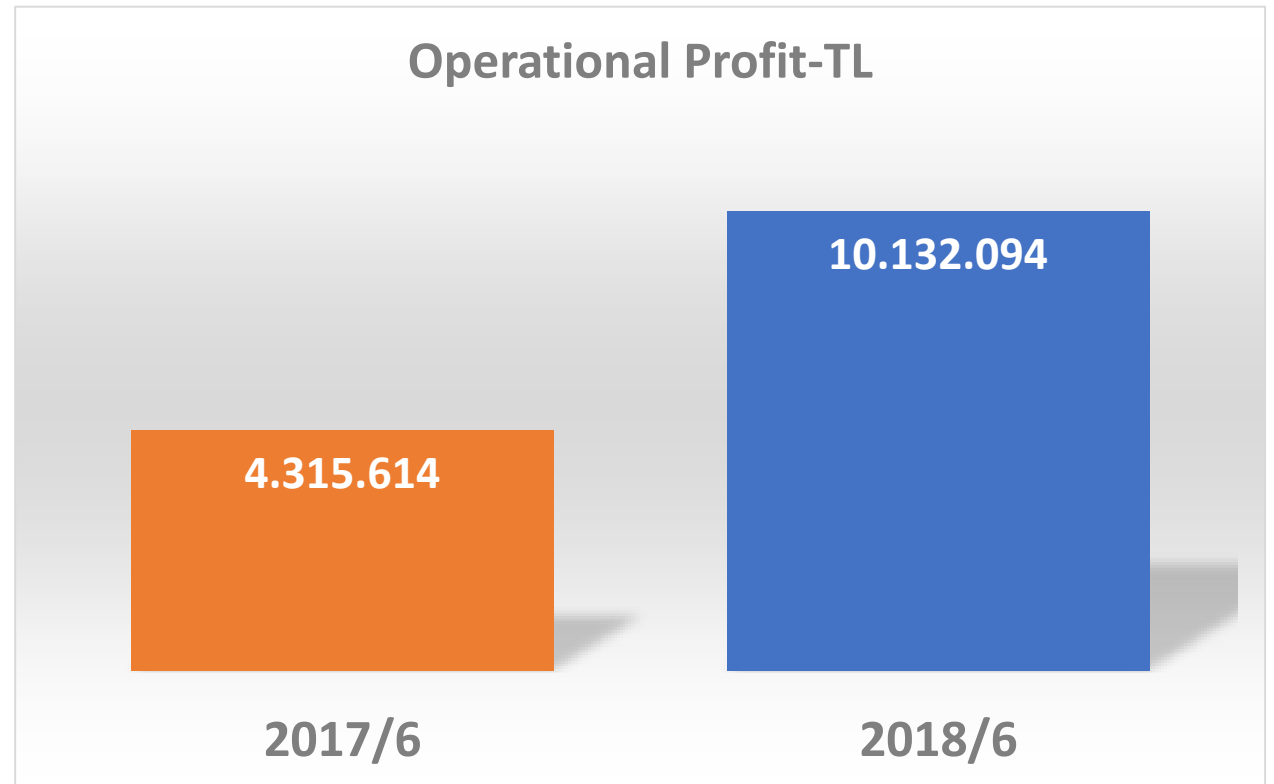
- R & D activities and product development studies are continuing.
- Institutional Organization In our company, 2 new Technical Mission Areas were established to serve to increase productivity and quality, and the appointment was made with Competent Engineers.
- Approaches to the outcome of the process have been approached with Studies for the BRC (UK Retail Consortium) Certification, which is the most qualified certification standard accepted as international entry and admission criteria.
- Our shares in the Emerging Markets (GIP) have been successfully completed with the necessary criteria as of April 2018 and the transition to the "Main Market", which is an upper market. With the market change, a wider access to the National and International Investors were opened.

# Revenue



Revenues grew by 21% y/y to 50,9 TL mn

## Operational Profitability



Operational profitability grew by 20%. (2017/6 was 10%)

**EBITDA**

**EBITDA-TL**

**5.693.610**

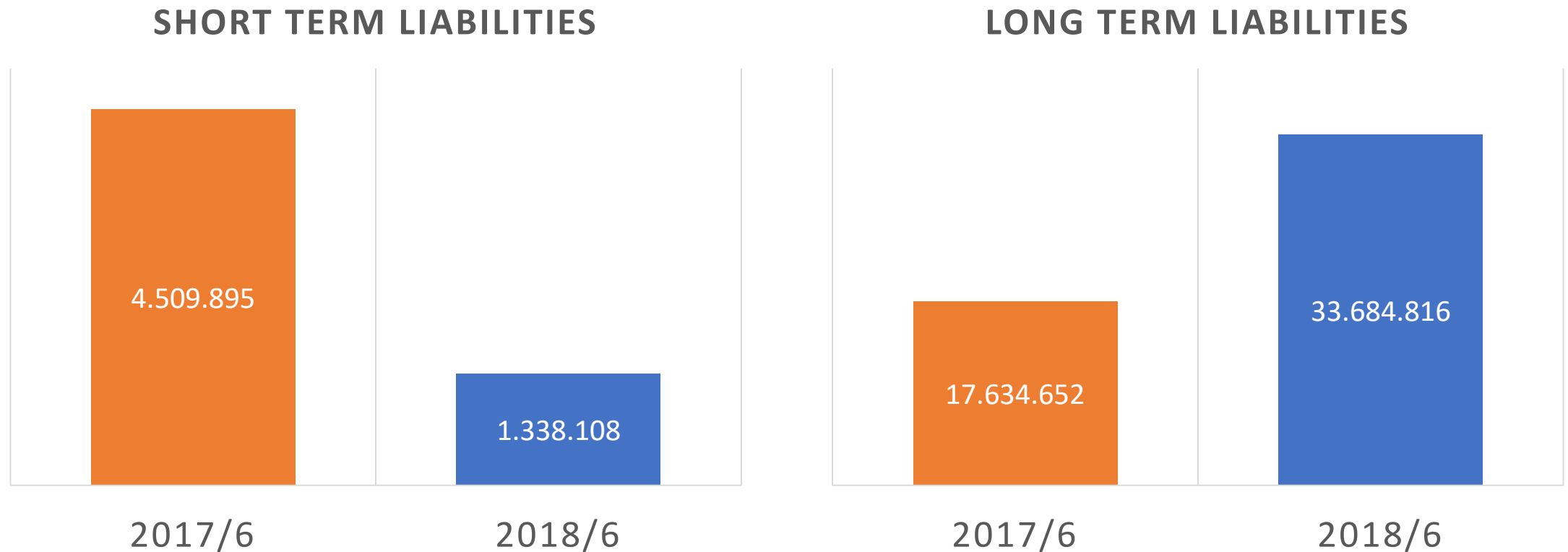
**2017/6**

**11.182.374**

**2018/6**

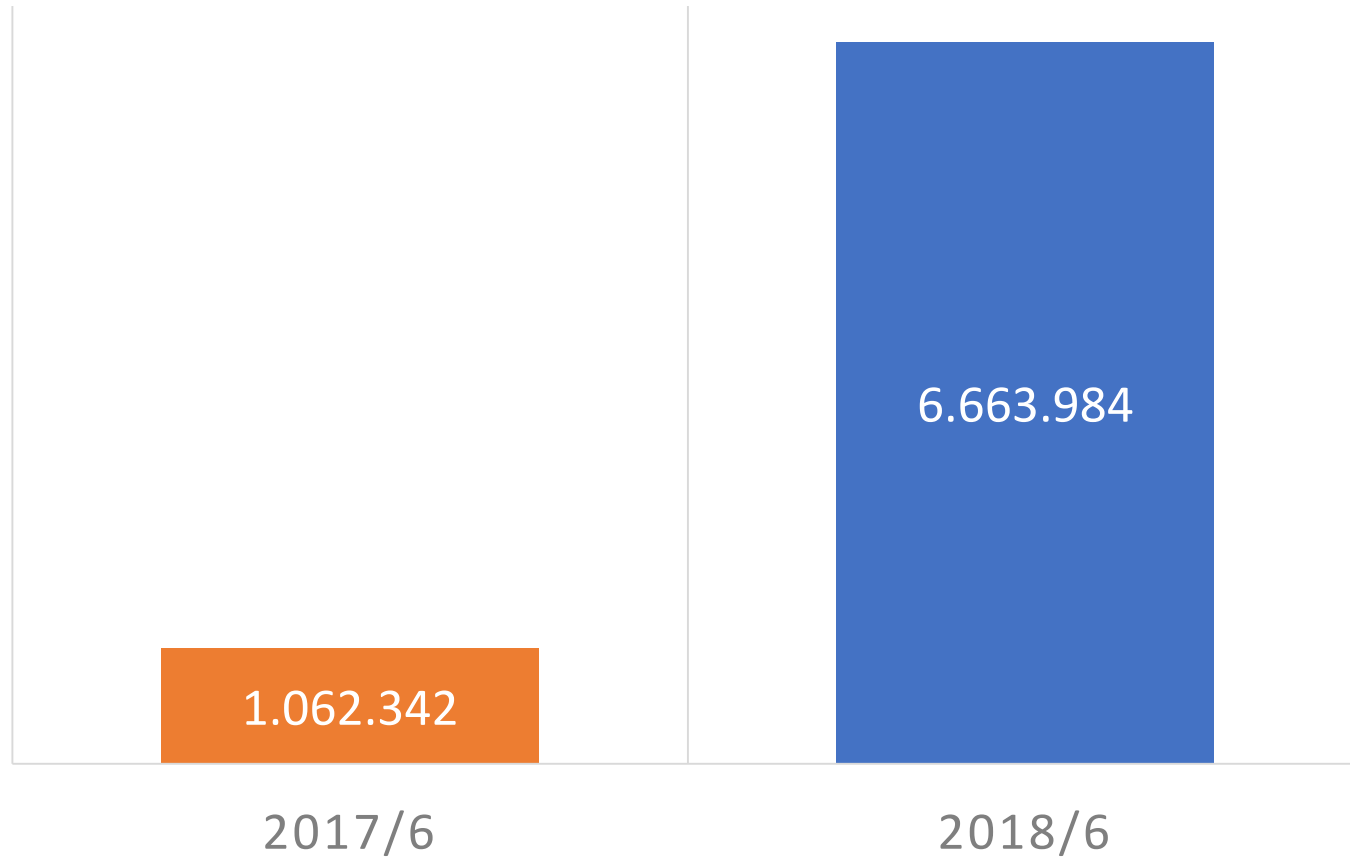
EBITDA grew by 96% y/y to 11 TL mn

# Short Term and Long Term Liabilities



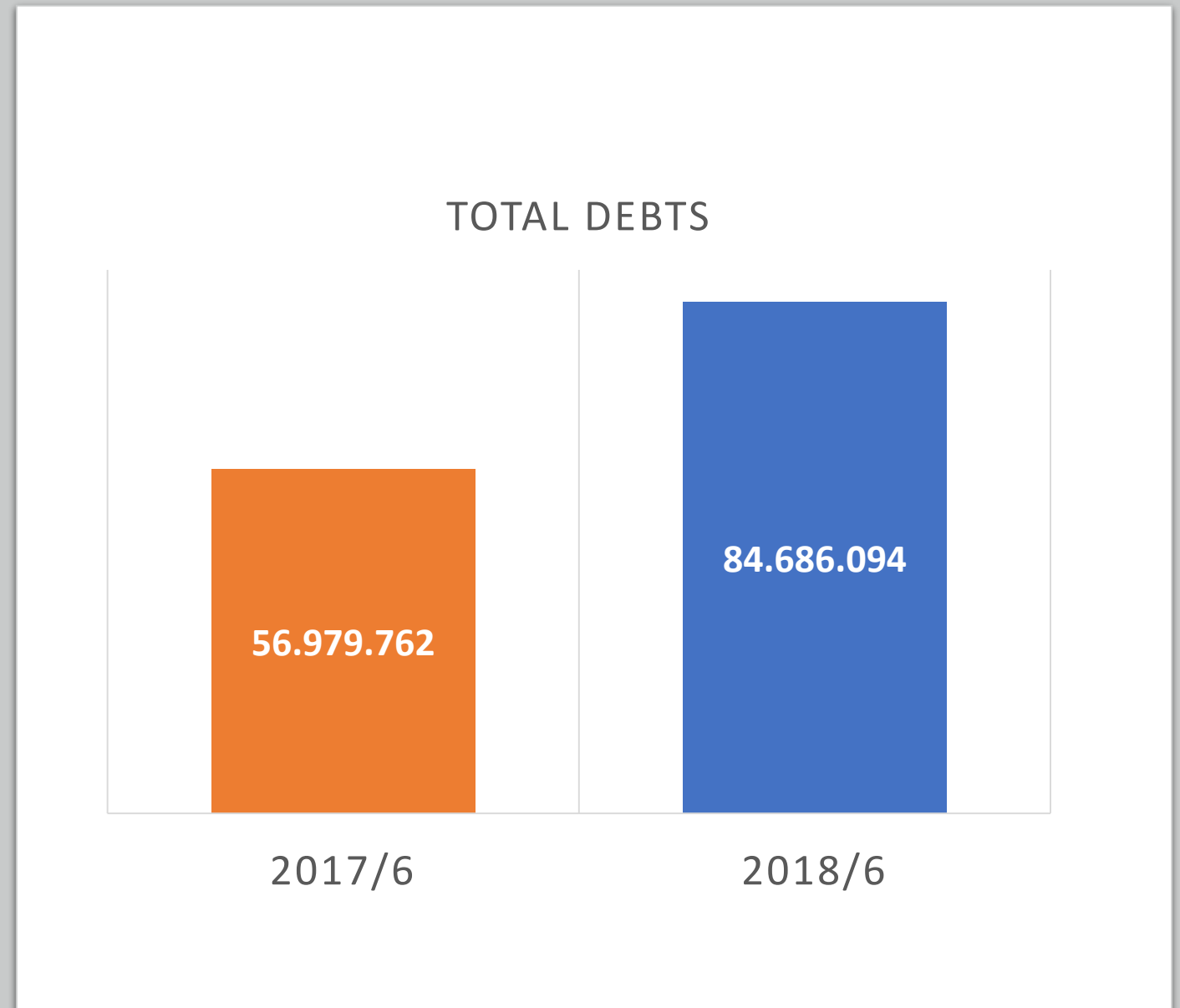
Short term liabilities transferred to long term and liquidity has been expanded.

# Cash



## Debts increase are due to

- New machine investment of 2 million USD (1 year grace period, total 5 year term)
- Long-term "marginied" borrowing to increase liquidity due to the risks of the macroeconomic conditions of the country
- Exchange rate difference which occurs with 25% depreciation of TL between 31.12.2017-30.06.2018



# General Analysis

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In the analysis of the Business' finances, the effects of exchange rate risks should be evaluated together with the measures taken and the finances should be interpreted in this frame. In this report prepared by our institution, dynamic evaluations which we hope to contribute to making healthy and realistic interpretations and evaluations in investment decisions of our investors are included.

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All Businesses operating in the corporate and industrial sectors are generally denominated in foreign currencies, mainly raw materials, commodities, etc. denominated in USD. Even if these inputs are supplied from the internal market, they are priced and are being commercialized in foreign currency. The greatest risk facing the industrial sector in our country is the currency movements of USD and Euro, foreign currency costs. In order to protect our business cycle against these risks, it is necessary to increase the income with foreign currency, especially exports, and to create safe structures.

# General Analysis

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Unfortunately, while in commercial life it is not easy to establish such structure in competing markets. Thanks to our Know-How, Product Quality, Confidence and Stability that we have established in our institution over the years have enabled us to make collection with USD even in domestic sales. In addition to increased exporting sales, we have been able to create a natural protection against the exchange rate risks on our USD costs with domestic USD collection.

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In this context, the beneficial structure brought below, by this risk minimized structure is explained in detail by taking into consideration the results of our Cooperation first 6 months

\* The most important reason for the increase in the amount of the debts in the first half year financials of 2018 is the exchange rate difference which occurs with 25% depreciation of TL. This difference is due to the difference between the foreign currency on debts. "Outstanding Debts" with average maturity of 3 years were evaluated on CBRT USD rates (between 31.12.2017 and 30 June 2018) and is in the form of a «non cash liability during that period"

# General Analysis

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The negative impact of this situation, which caused debt to increase on the balance sheet, was tried to be reduced by USD based sales and receivable capacity created in the business cycle.

In the first six months of 2018, 100% of our sales have been priced indexed to the USD as usual. USD domestic sales and receivables as well as foreign sales have resulted in USD 44% of the collections in the same period.

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This 44% collection (receivable amounts) matched and covered the 62% of our USD costs. And by this unaffected hedging function was provided to protect our «Real Operational Profit". 38% USD based of the costs that were exposed to the exchange rate risk was monitored daily and was hedged via forward transactions.

Finally, There was no Suspicious Receivable item in the collection of sales income in the first 6 months of 2018. (Note: Total Suspicious Receivable which has been provisioned since 1997 is 370.400 TL).