



**SODA SANAYİİ A.Ş.**  
*Investor Relations Presentation*  
*2014 YE*



# Content

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Soda Sanayii A.Ş.

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Soda Sanayii A.Ş.



## I.ŞİŞECAM GROUP OVERVIEW



# EXECUTIVE SUMMARY



Soda Sanayii A.Ş.

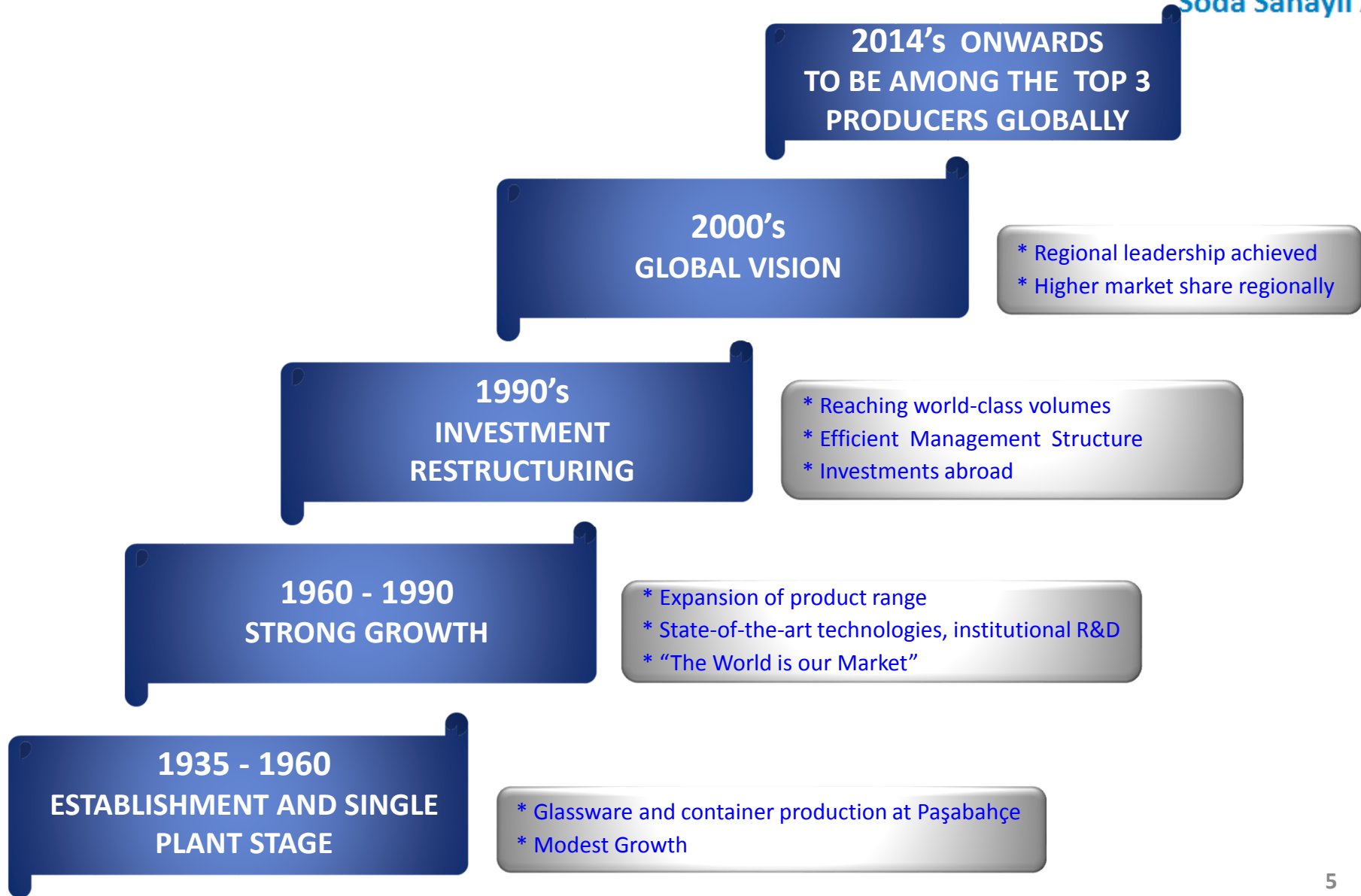
- Şişecam is a conglomerate in Turkey
- Founded by İşbank in 1935
- Operational in : Flat glass , Glass Packaging, Glassware and Chemicals
- Present in 13 countries: Turkey, Russia, Bulgaria, Egypt, Georgia, Bosnia Herzegovina, Romania, Ukraine, Italy, Germany, Slovakia, Hungary and India with exports to 150 countries
- Annual production of approx. 4 Million tons of Glass and 2,1 Million tons of Soda Ash
- Mcap of US\$ 2,7 Billion (December 2014), 28% of its shares are listed on BIST (SISE.IS) and 72% held by İşbank
- Annual Sales exceeding US\$ 3 billion
- Alliances with global players



# History



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## Mission, Vision and Strategy

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### MISSION

Şişecam is a company that respects people and nature with its high quality and value added products.

### VISION

To become the leader of its habitat covering the neighborhood countries in its activity fields.

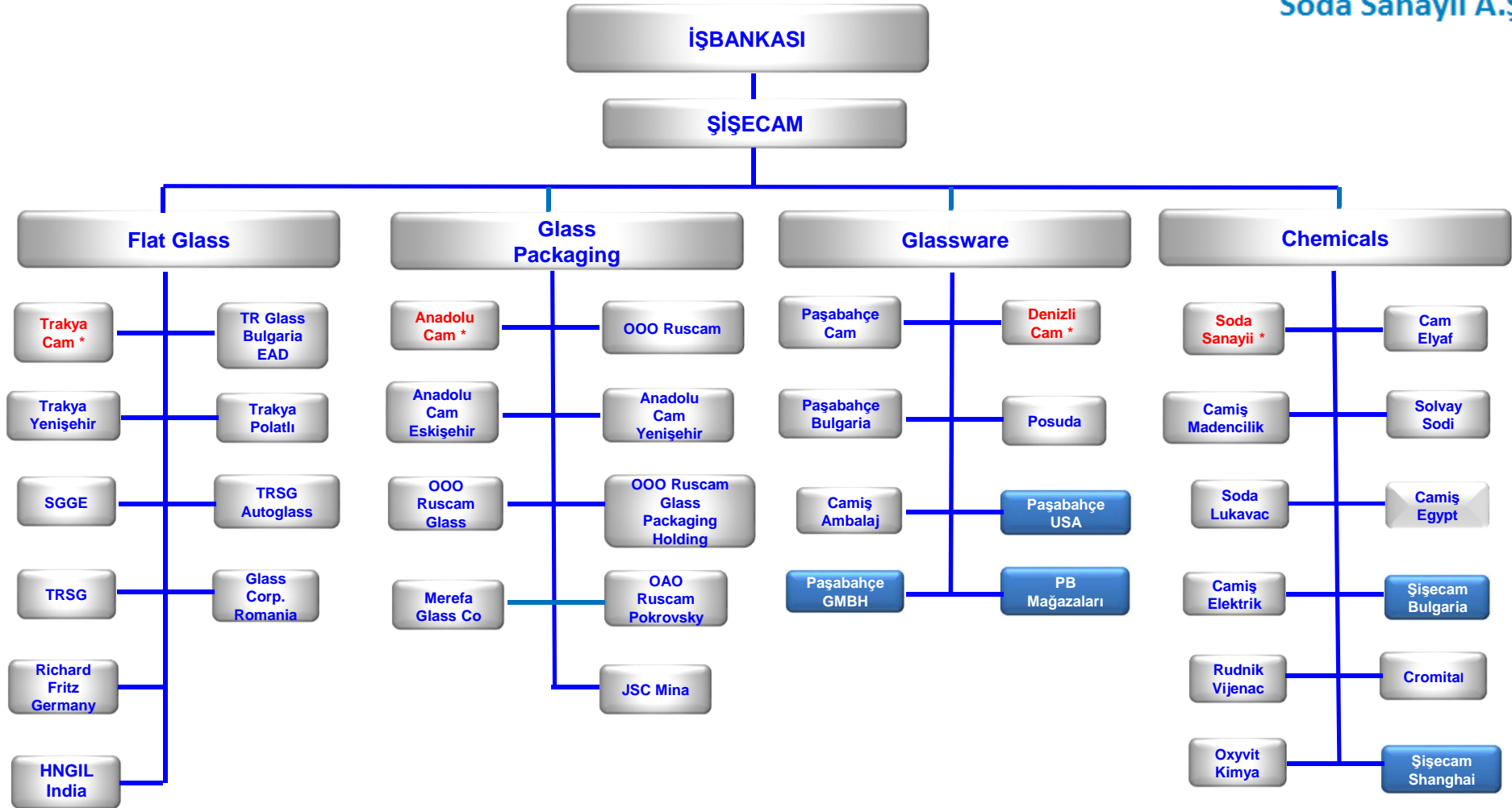
### STRATEGY

Rapid profitable growth through both inorganic&organic expansion with a wide array of product portfolio.





# Şişecam Overview - Group Corporate Structure



Şişecam has four main lines of business and side activities that primarily support the core operations. Vertical integration guarantees stringent quality control. Group is managed by highly-experienced professionals long associated with the Group. The level of institutionalization and stability are valuable assets of the Group.

Others; trading, investment, logistics and other companies.

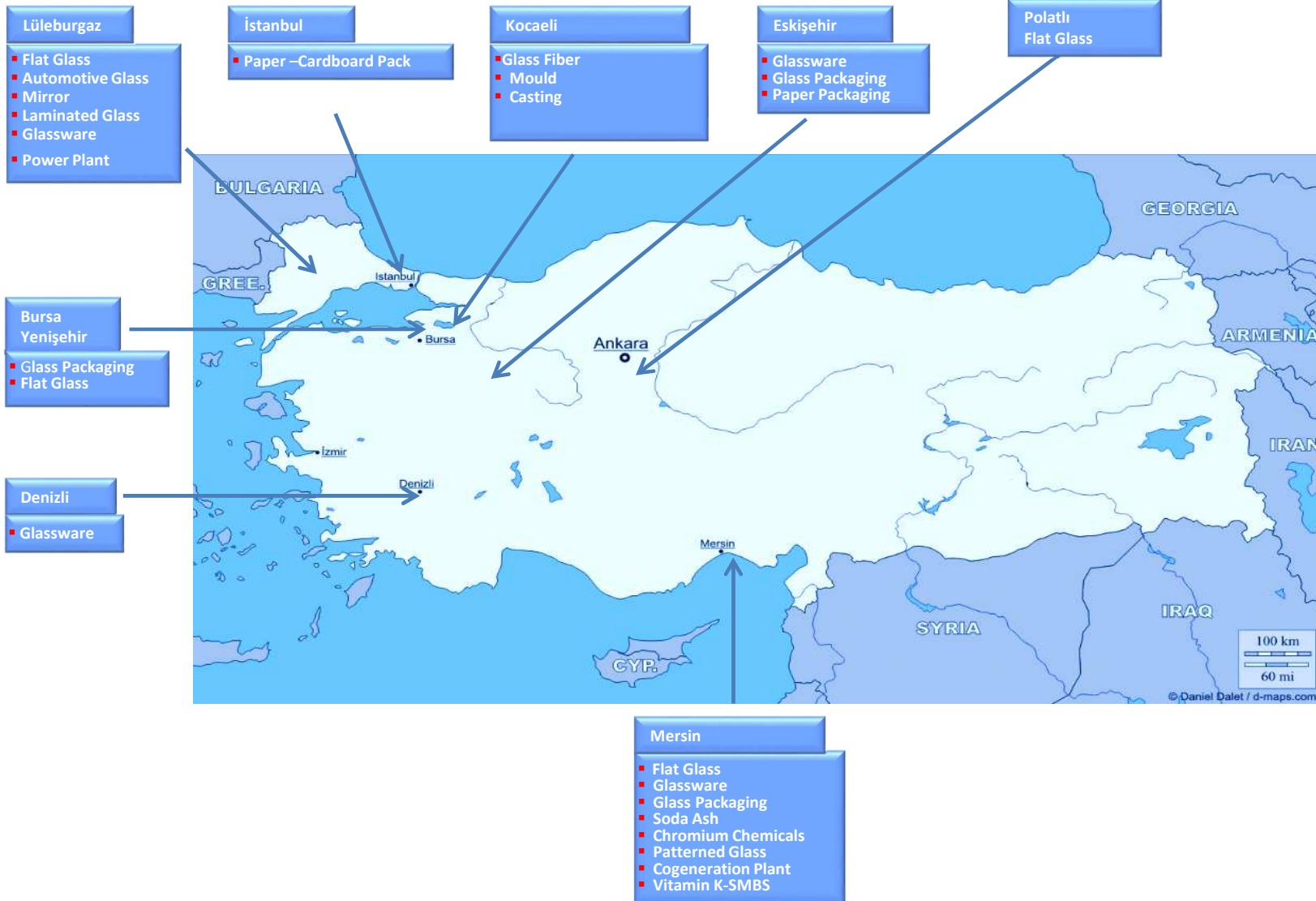
\*Publicly Listed Companies

Production Facilities 7



# Şişecam Overview - Operating Territory

## ŞİŞECAM PLANTS IN TURKEY







## Operating Territory - International



\* OAO Ruscam Glass Packaging Holding has plants in 2 locations; namely in Ufa and in Kirishi. 2 plants in Glass Packaging segment are in pending; Pokrovsky plant(since 2013 June) and Meresa plant (since 2014 December) .

## Şişecam Credit Ratings

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Soda Sanayii A.Ş.

### Rating/Outlook

	April 2013	May 2014
MOODY's	Ba1/Stable	Affirmed
S&P	BB+/Stable	Affirmed



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## Corporate Governance & Sustainability

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ŞİŞECAM has received its Corporate Governance Rating\*, for the first time in its history, by the end of 2014 as «9.28». As a Corporate Policy, Şişecam continues to strive for reaching the highest level of Corporate Governance practices, where its heritage of «good corporate governance practices» has already been evidenced by the recent rating received.

ŞİŞECAM has also published its first Sustainability Report\*\*. Sustainability remains at the core of operations and strategy, with continuously improved practices.

(\*)Ref. <http://www.sisecam.com.tr/en/investor-relations/corporate-governance-rating-report/>

(\*\*)Ref. [http://www.sisecam.com.tr/wp/wp-content/uploads/2014/06/sisecam\\_sustainabilityreport.pdf](http://www.sisecam.com.tr/wp/wp-content/uploads/2014/06/sisecam_sustainabilityreport.pdf)



Soda Sanayii A.Ş.

## Financial Highlights

### ŞİŞECAM(\$ mn)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net Sales	2.357	2.806	2.980	2.971	3.129	*3.139
EBITDA	446	678	758	539	643	623
Net Fin. Debt	606	254	315	543	765	460
Current Ratio	2,48	3,07	2,79	1,81	2,55	2,97
Liabilities/Assets	0,45	0,38	0,38	0,36	0,42	0,41
Shareholder's Equity	2.465	2.682	2.729	3.148	3.105	*3.120
Gross Margin (%)	24,37	29,36	32,9	26,39	25,07	27,2
EBITDA (%)	22,96	24,16	25,43	18,14	20,52	19,8
Net Income	72	275	378	185	239	192
Net Income Margin(%)	3,05	9,8	12,68	6,22	7,62	6,01

\*In TRY terms both Net Sales and Shareholder's Equity has increased by %15(from 5,9 Billion TRY to 6.8 Billion TRY) and by %9 (from 6.6 Billion TRY in 2013 to 7.2 Billion as of 31th December 2014) respectively.

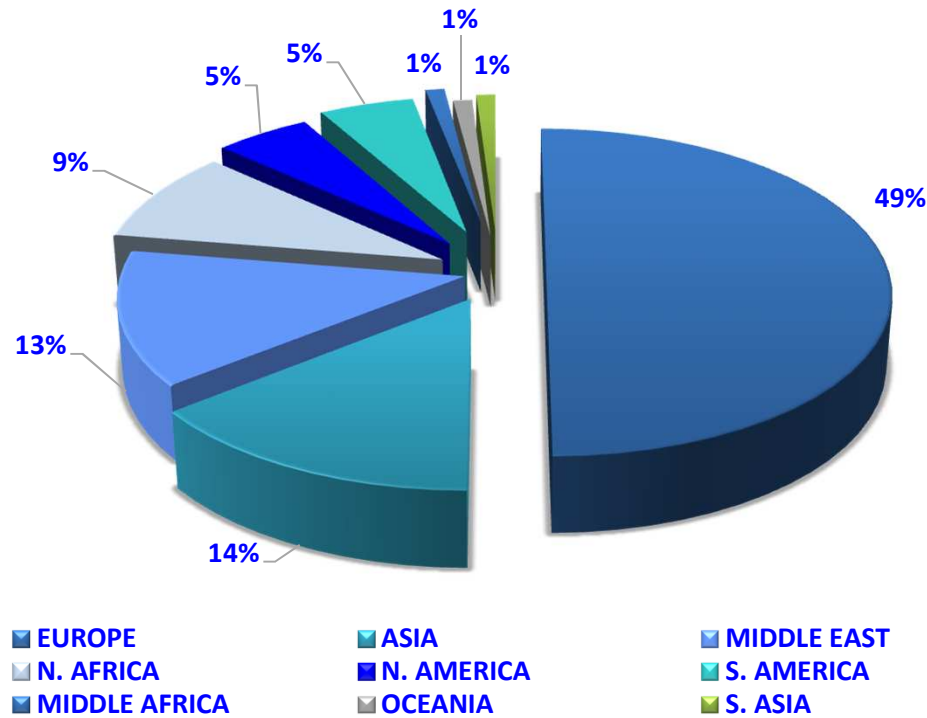
However due to TRY depreciation, we see a smooth decline in \$ terms.



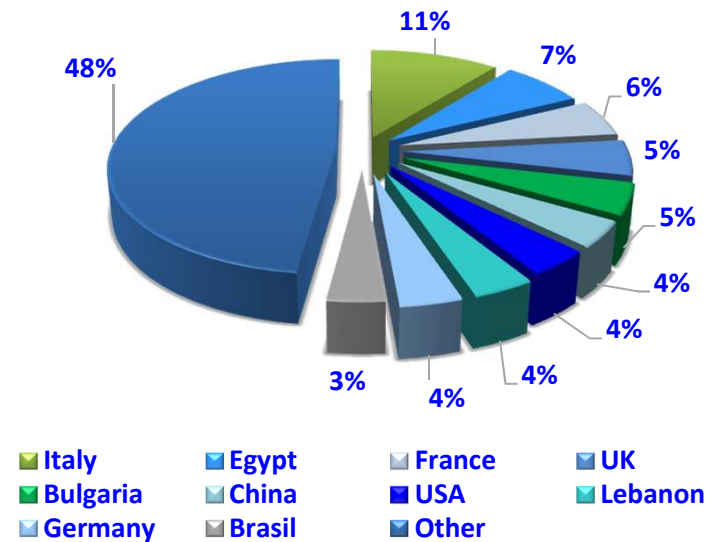
# Sales- Export Breakdown

## Consolidated Export Breakdown as of 2014 YE

Export Breakdown on regional basis



Export Breakdown on Country basis

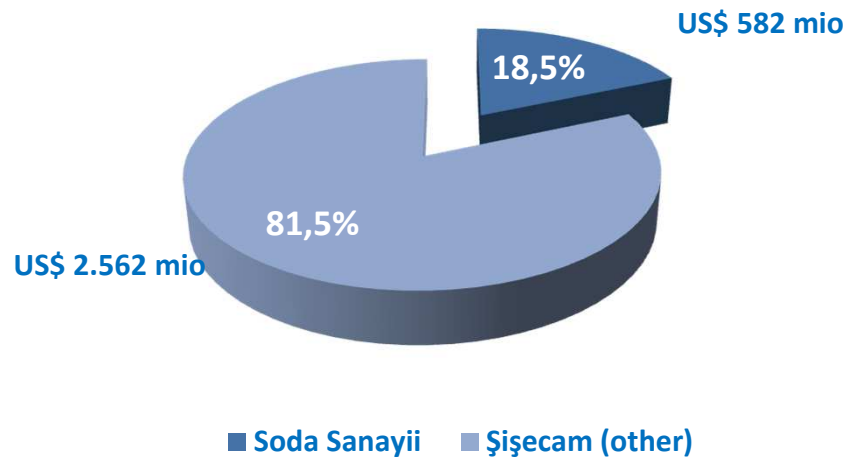


- Exports of \$837 Million as of 2014YE to more than 150 countries.
- Eurozone still accounting around half of exports.
- Top 10 countries constitute %48 as of 2014YE.



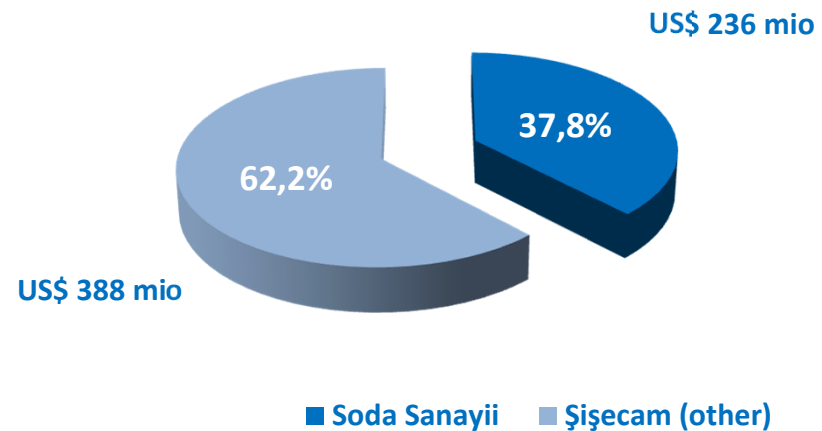
## Executive Summary - Chemicals Business Line in Şişecam

Soda Sanayii Non Intercompany Sales in Consolidated Şişecam Sales 2014



Chemicals Business account for % 21 of consolidated Şişecam sales. Within chemicals segment Soda Sanayii A.Ş. is the flagship company with %18,5 share in the total sales of Şişecam.

Soda Sanayii's EBITDA Contribution To Consolidated Şişecam EBITDA 2014







# SODA SANAYİİ A.Ş.

*Overview*



Soda Sanayii A.Ş.

## Summary

- Soda Sanayii - engaged in production of soda ash, chromium compounds and derivatives  
- is one of the flagship companies of Şişecam.
- It is the **4<sup>th</sup>** largest soda ash producer in Europe and **10<sup>th</sup>** globally. Soda Sanayii is the biggest Sodium Dichromate and Basic Chromium Sulphate producer in the world.
- 84% owned by Şişecam and group companies, 16% listed at BIST (ticker symbol SODA) with a current market cap of US\$ 1.033 million (as of March 5th, 2015)
- An aggregate soda ash production capacity of 2,1 million tons per annum in Turkey, Bosnia Herzegovina and Bulgaria.



# Presence in Global Soda Ash and Chromium Chemicals Market



Soda Sanayii A.Ş.

## Annual Sales Distribution (%)\*

	Turkey	Export
Soda Ash**	36	64
Chromium Chemicals***	18	82

## Global Ranking

	Europe	World
Soda Ash	4	10
Chromium Chemicals***	1	1

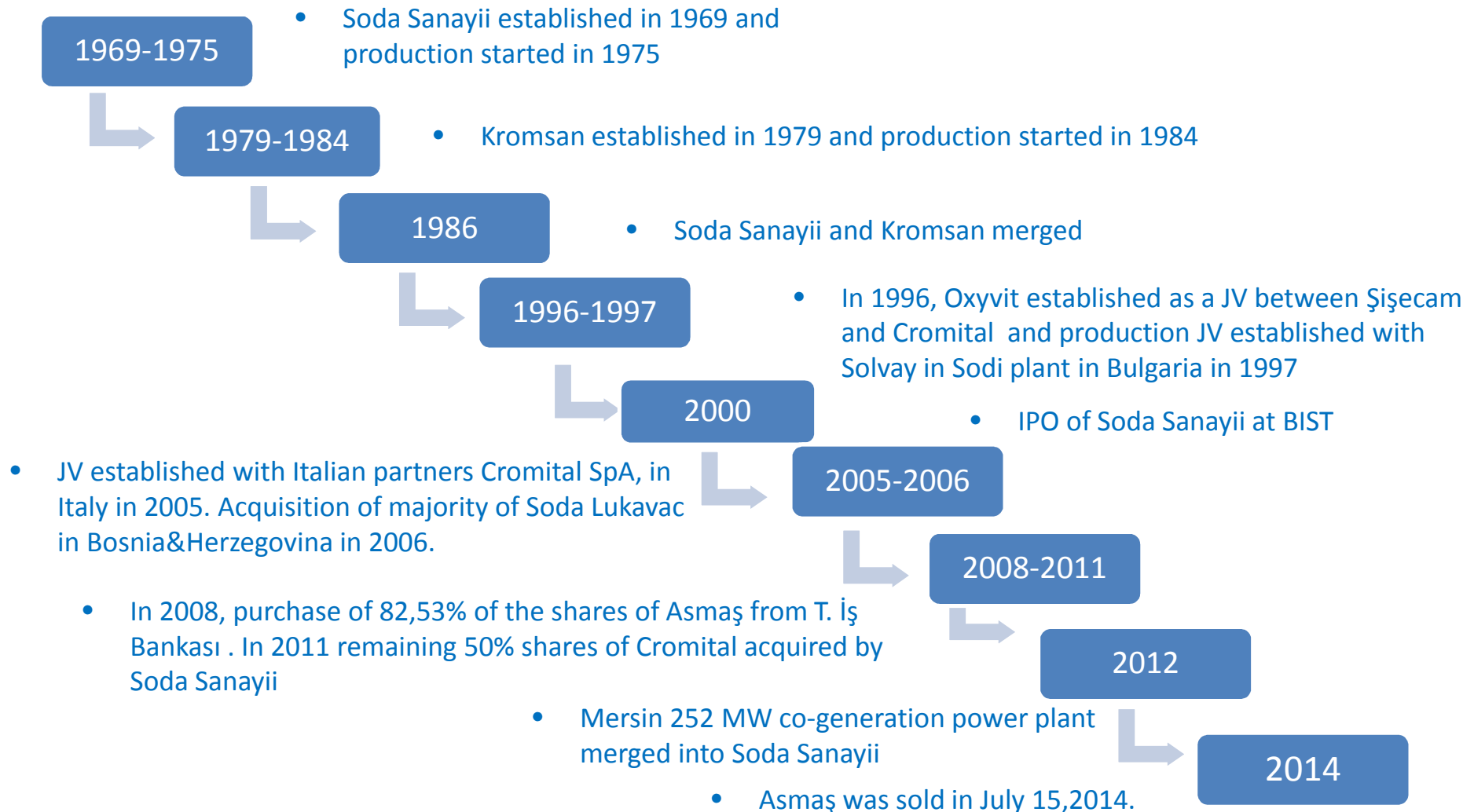
(\*) As of December 2014

(\*\*) Including inter-company sales

(\*\*\*) BCS



# History and Development





## VISION:

Soda Sanayii is a major soda ash supplier, aiming to strengthen its position in global soda ash market and leading chromium chemicals supplier, targeting strong leadership in its all activities in global chromium chemicals market.

## STRATEGIES:

- Sustainable and profitable growth
- Strengthening our position among the leading players
- Geographical expansion
- Utilization of synergies from acquisitions and strategic partnerships
- Supporting profitability with continuous cost reduction
- Improving the product portfolio with value added products
- Partnership approach and reliable solution provider for customers



## Competitive Advantages

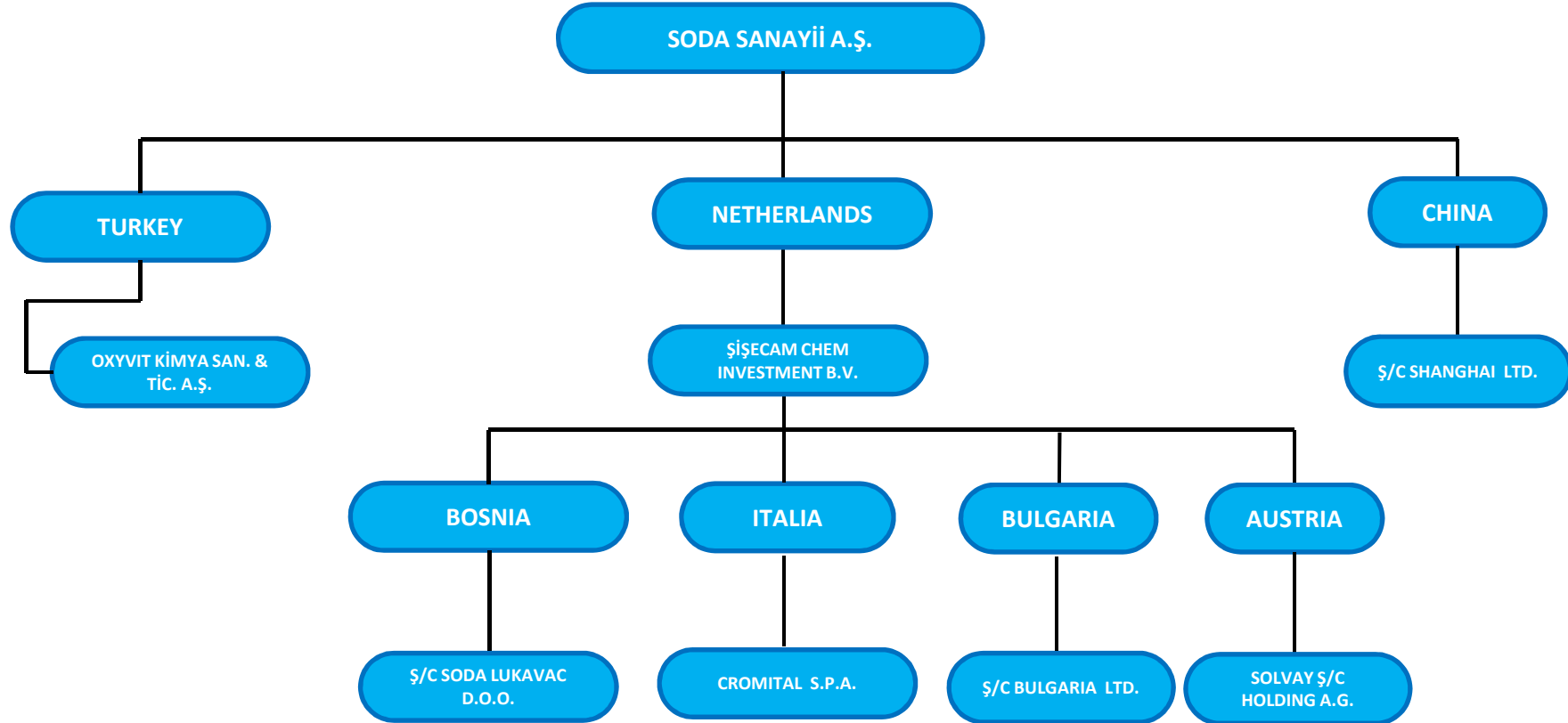
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- Strong technological know-how
- Financial strength
- Market generation experience in developing markets
- Wide distribution channels
- Consistent high quality products and services
- Experienced and qualified technical teams
- Own raw material supply for Soda Ash production
- Environmentally friendly processes and high HSE performances.

**Soda Sanayii will continue to be one of the most reliable global suppliers.**



# Corporate Structure of Soda Sanayii



## Soda Sanayii's Financial Highlights



Soda Sanayii A.Ş.

Soda Sanayii Consolidated Financial Highlights								
\$mn	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Net Sales</b>	351	499	403	440	522	660	738	735
<b>EBITDA</b>	42	83	75	91	139	125	171	236
<b>Net Financial Debt</b>	78	132	75	27	-0,3	4	44	-157
<b>Current Ratio</b>	1,54	1,54	1,54	2,08	1,96	1,75	2,78	3,64
<b>Liabilities/Assets</b>	0,34	0,43	0,41	0,35	0,35	0,29	0,31	0,26
<b>Gross Margin (%)</b>	14	20	23	23,2	28,7	20,5	20,5	24,7
<b>EBITDA (%)</b>	12	17	19	20,7	26,6	18,9	23,2	32,1



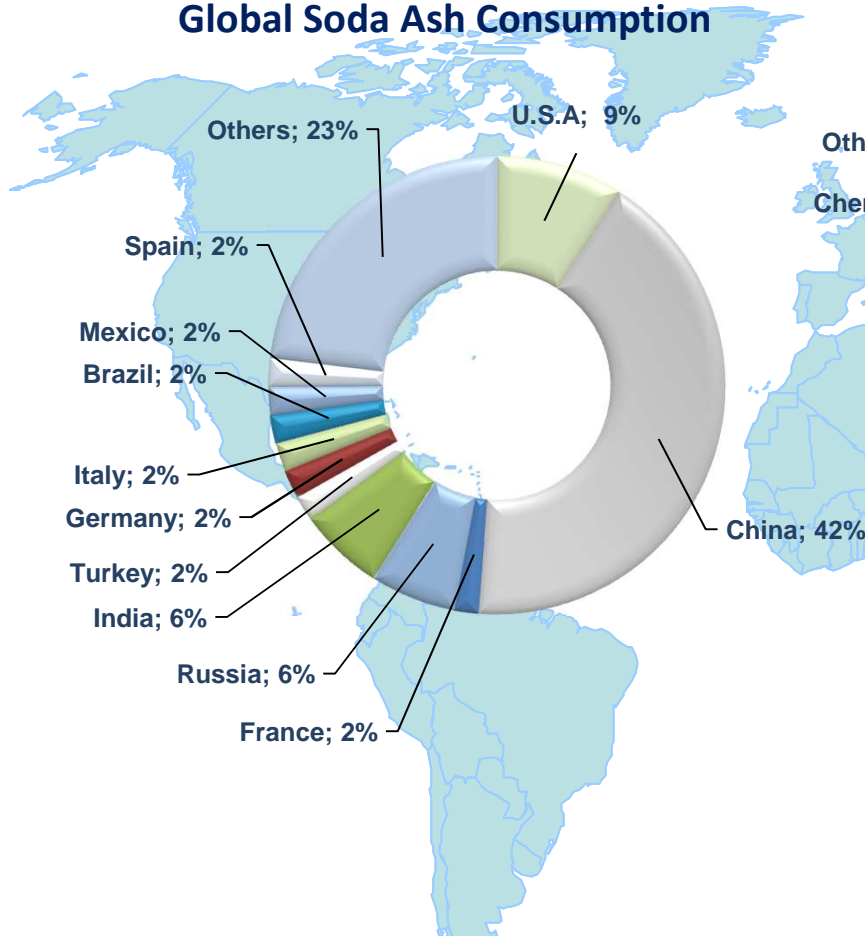
# **SODA SANAYİİ A.Ş.**

*Operating Profile*

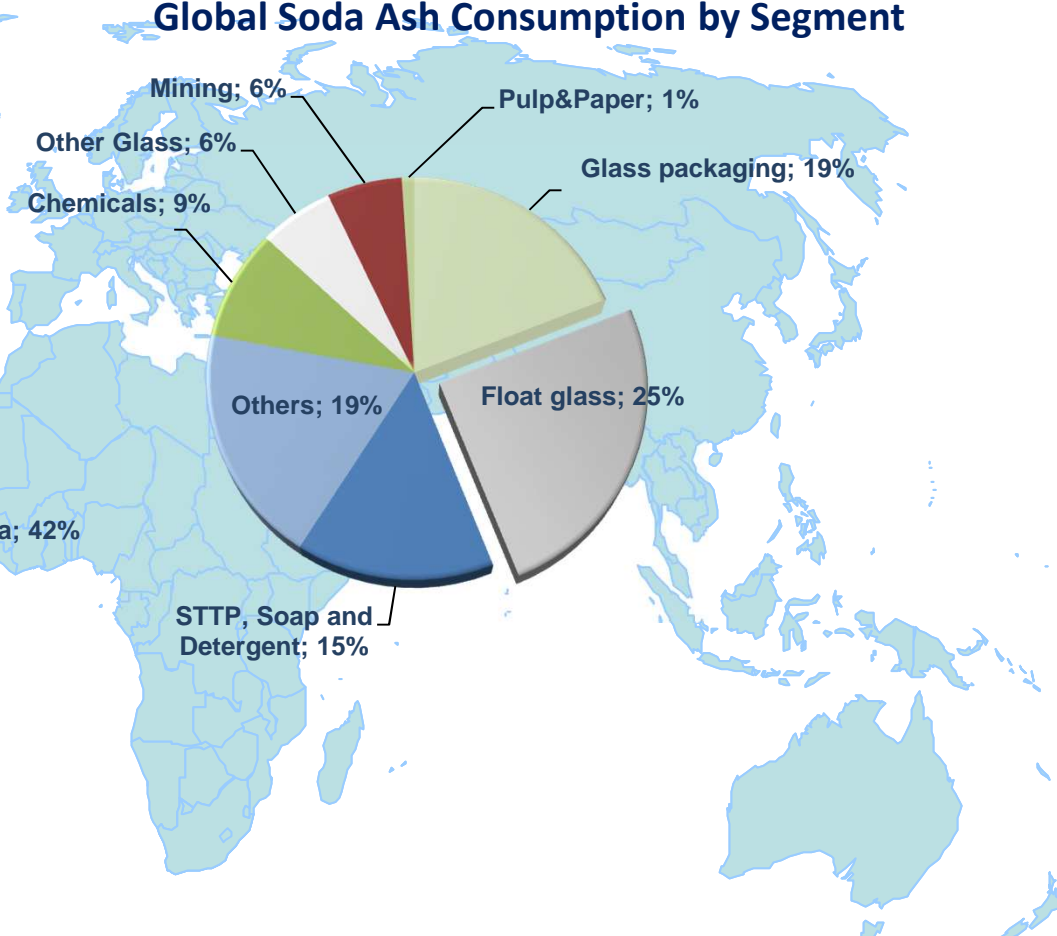


# Global Soda Ash Industry Dynamics

### Global Soda Ash Consumption



### Global Soda Ash Consumption by Segment

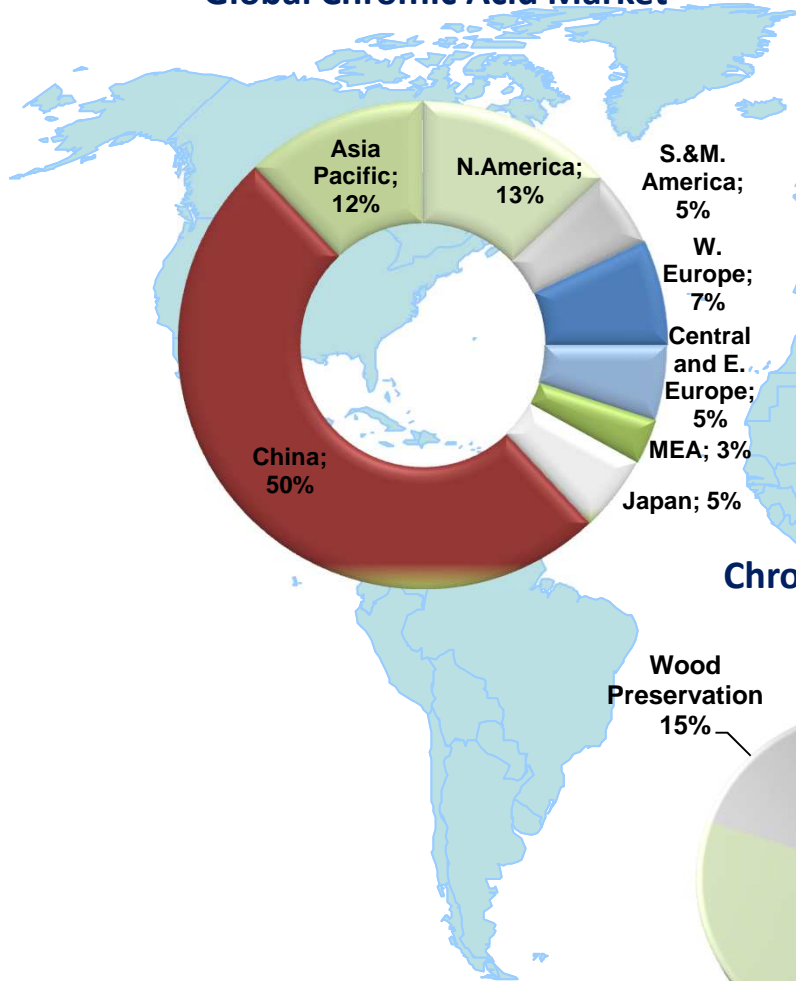


- Annual soda ash production is 56 million tons and apprx. 42% is consumed by China.
- China is the largest soda ash producer.

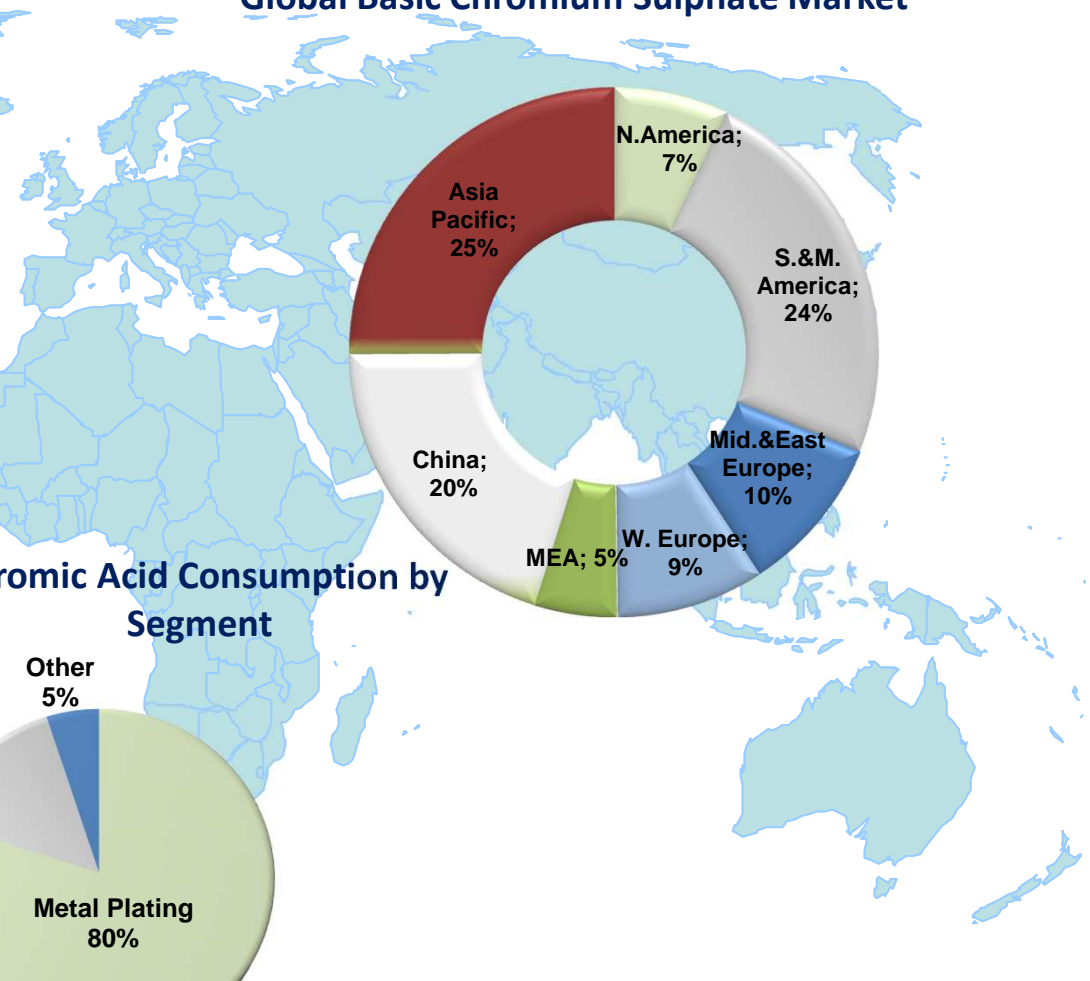


# Global Chromium Chemicals Industry Dynamics

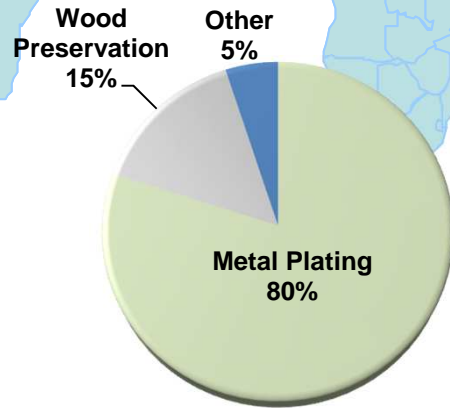
### Global Chromic Acid Market



### Global Basic Chromium Sulphate Market



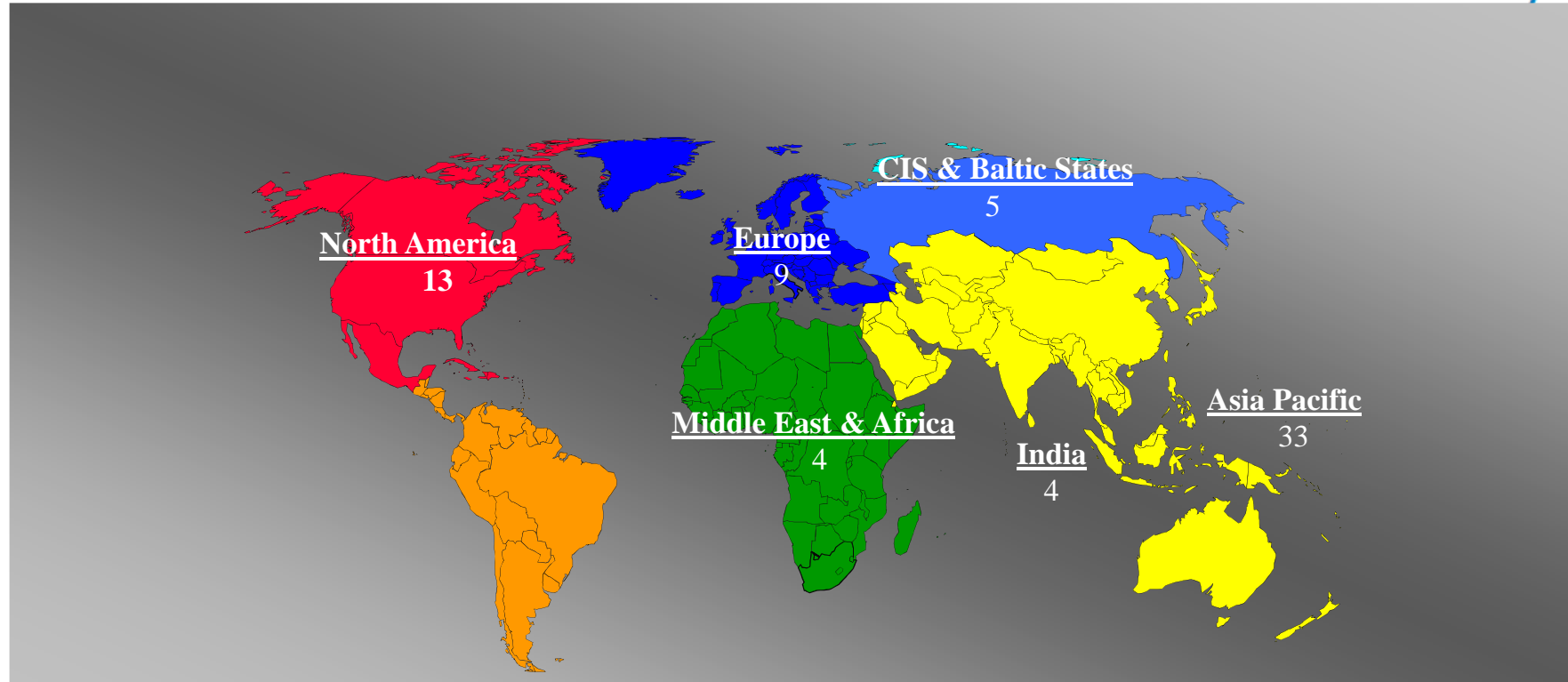
### Chromic Acid Consumption by Segment



- 100% of Basic Chromium Sulfate production is consumed by leather industry.
- 80 % of Chromic Acid production is consumed by metal plating industry.



## Global Soda Ash Players and Capacities (Million Tons)

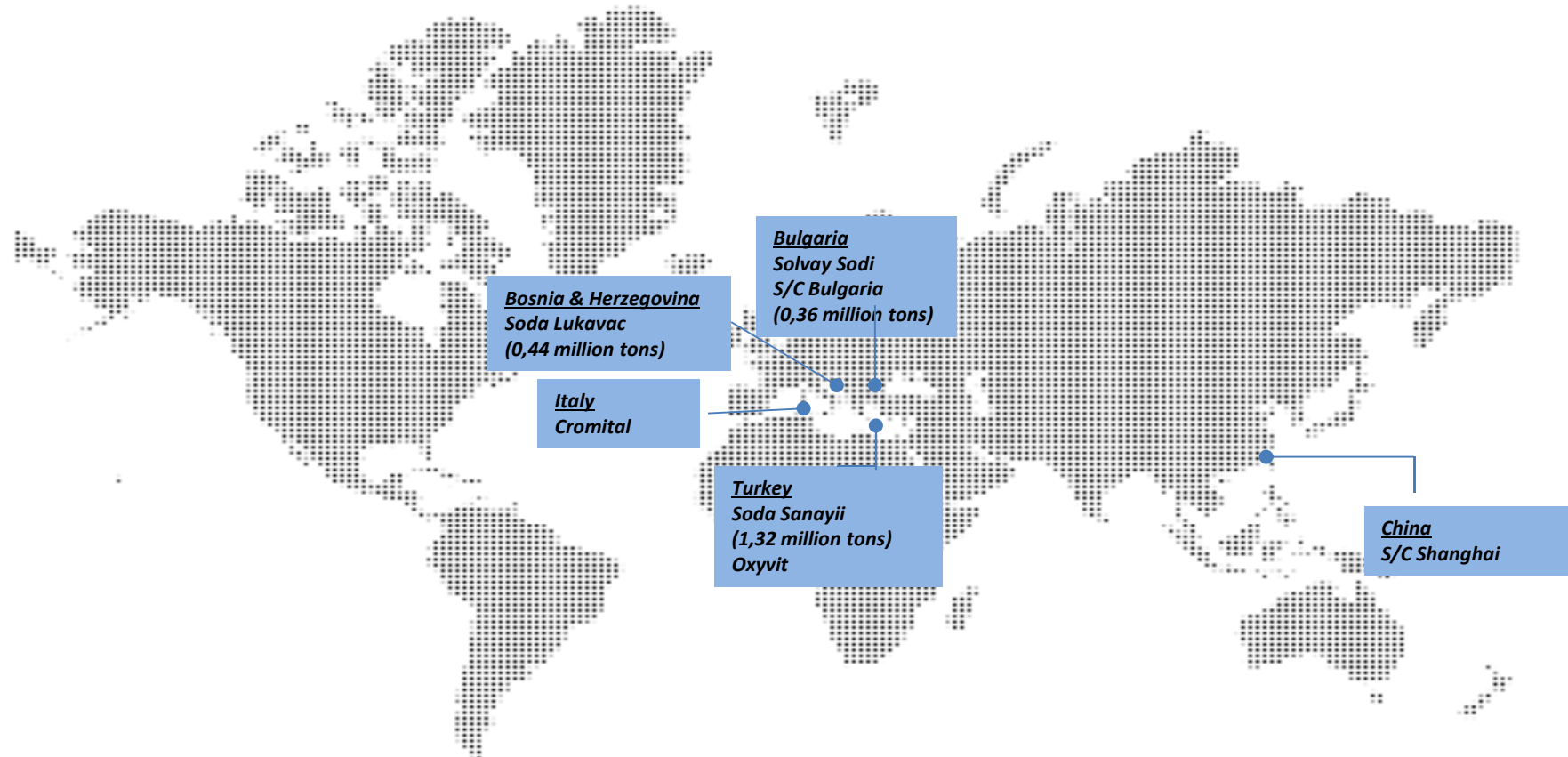


- World Soda Ash demand is growing at an average annual rate of almost 4% per year.





# Operating Territory & Soda Ash Capacities





## Soda Ash :

- Dense Soda Ash
- Light Soda Ash
- Sodium Bicarbonate



## Raw material for :

- Glass
- Detergents
- Chemicals
- Food
- Feedstock
- Textile

## Chromium and Derivatives:

- Sodium Bichromate
- Basic Chromium Sulphate
- Sodium Sulphate
- Chromic Acid
- Chrome III Products



## Raw material for :

- Leather
- Wood Preservation
- Metal Plating
- Paper
- Chemical Industries



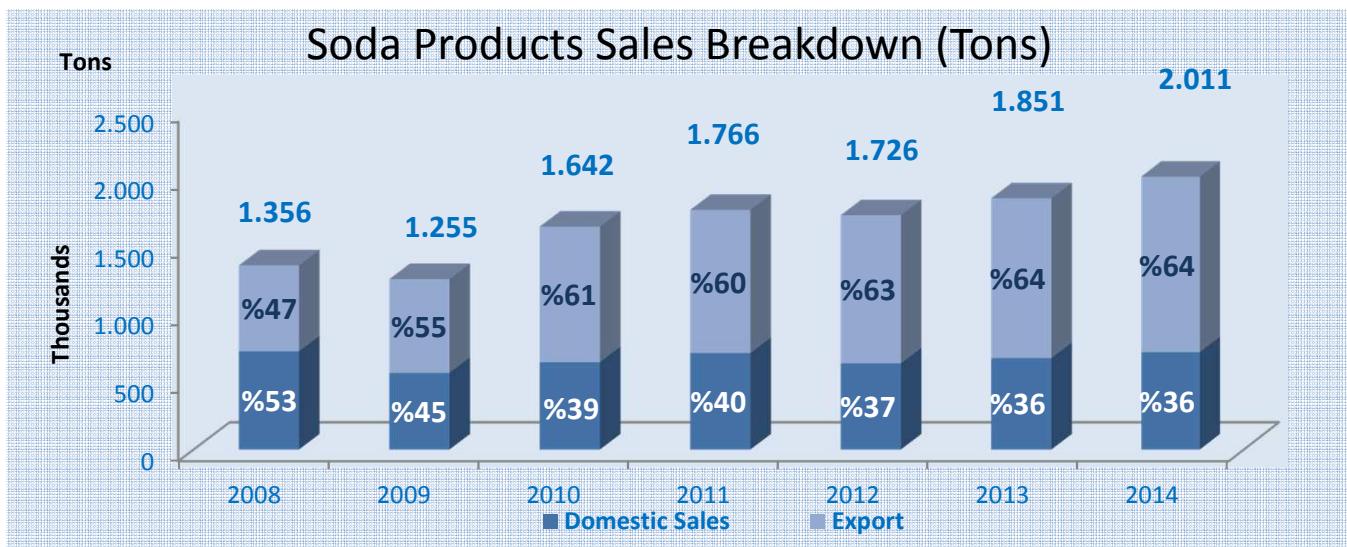
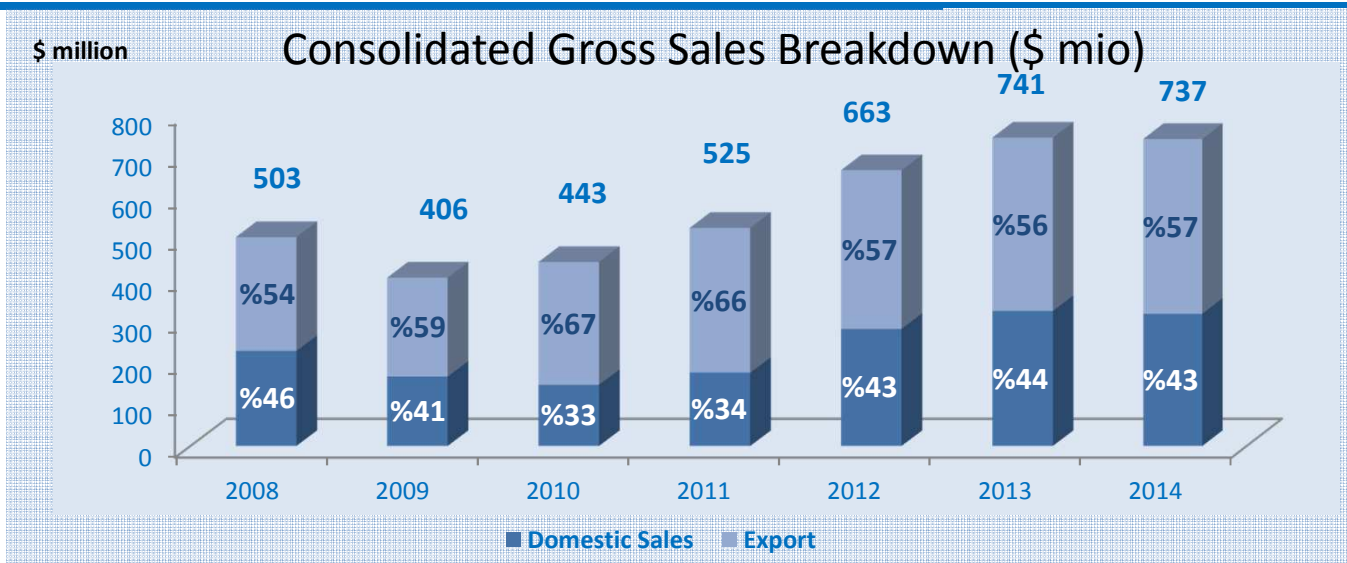
## Soda Sanayii - Soda Production



- With the partnerships established in Bulgaria and Bosnia, contribution of non-domestic production has increased. In 2014, 38% of the total soda ash production was realized outside Turkey.
- Total soda production has increased approx. %7 in 2014 as compared to 2013.



# Soda Sanayii A.Ş. - Sales



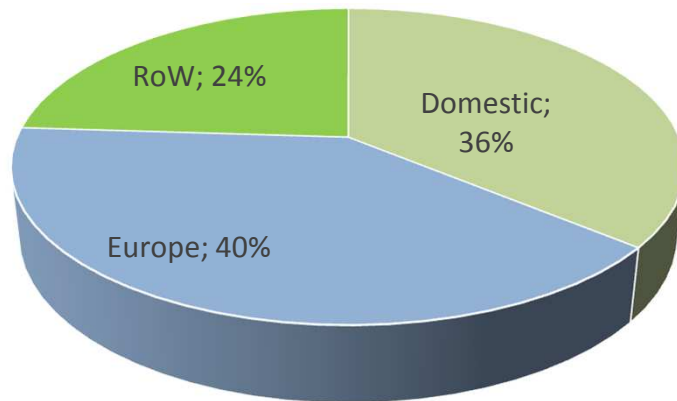
- In 2014, sales were made in 64 countries throughout the world.

# Soda Sanayii Sales (cont'd)

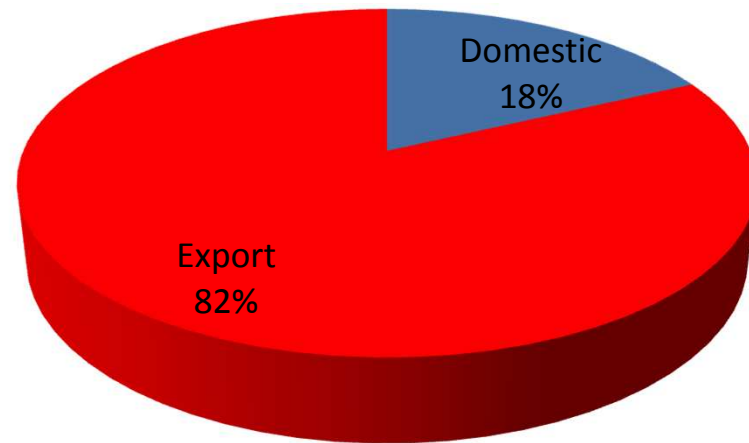


Soda Sanayii A.Ş.

## Soda Sales by Geography



## Chromium (BCS) Sales by Geography





## Major Investments

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- Capacity expansion investments in SSL Plant continued in 2014 and the total soda ash capacity reached to 440 ktpa as of the year-end.
- The process of a new boiler configuration, which aims to increase energy efficiency, cost reduction and environmental protection, is going on.
- In Mersin Soda Plant, the calciner project for 30 ktpa soda ash capacity expansion is continuing.
- In line with the company's profitable growth target, modernization and energy saving investments continued in soda ash and chromium facilities during 2014.



## Technology and Environment

- Soda Sanayii is committed to managing all its activities, so as to provide a high level of protection to the environment and to the health and safety of its employees, customers and neighbors.
- Soda Sanayii applies the best available technology to utilize all kinds of sources optimally and complies with legal requirements and supports the principles of the global chemical industry's Responsible Care programme.
- Soda Sanayii has been certified to ISO 10002 Customer Satisfaction Quality Management System in 2014.



## Contact Details

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