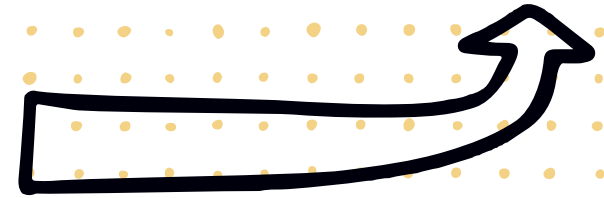
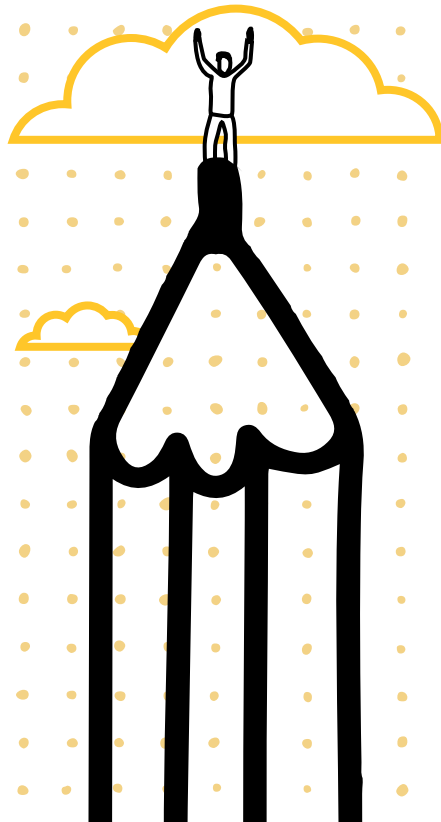


Adel Kalemcilik  
Investor Presentation  
September 2023



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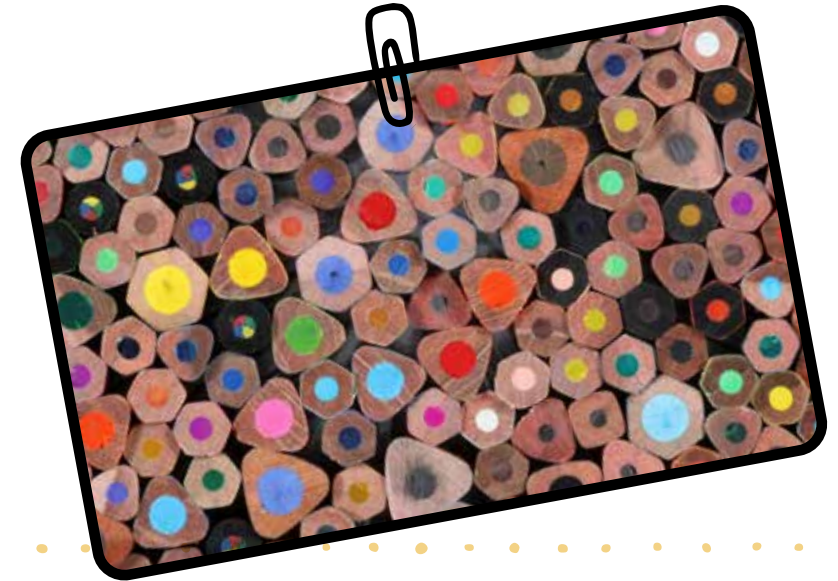
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# Company Overview



## About Adel



- Founded: 1969
- Turkey's biggest and most modern manufacturer of stationary & writing implements
- 1995: Anadolu Group - Faber-Castell joint venture
- 1996: İstanbul stock exchange (BIST) listing
- 2015: manufacturing operations relocated to new plant in Şekerpınar
- 2019: R&D center opened at Şekerpınar facility
- Member of national and international professional & business organizations

EXPORTS TO **+40**  
COUNTRIES

**~4,000**  
SKUs

**7** BRANDS

Adel stands out in its industry with over 50 years of experience and strong capabilities.



**~400**  
EMPLOYEES



# Shareholding Structure



- ✓ Founded in 1950
- ✓ Operations in 7 different business lines
- ✓ Operations in 19 countries
- ✓ 86 production facilities
- ✓ 80,000+ employees
- ✓ 6 publicly-traded companies
- ✓ TL 178 billion turnover in 2022

Multinational, enterprising corporate group strengthened by partnerships with global brands

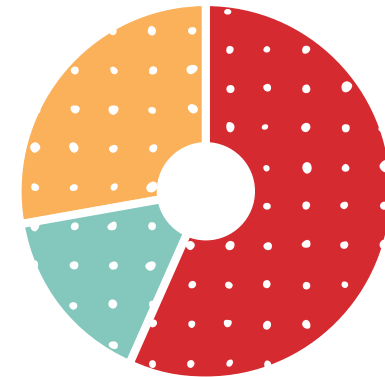


- ✓ Founded in 1761
- ✓ 8,000 employees
- ✓ Production facilities in 9 countries
- ✓ Sales offices in 23 countries
- ✓ Distributors in 120 countries

One of the oldest manufacturing concerns in the world today. Credited with giving the pencil its present form.



- ✓ 27.7% of Adel Kalemcilik shares are publicly-traded



- 56.89% Anadolu Group
- 15.40% Faber-Castell
- 27.71% Publicly-traded

# Adel Kalemcilik Plant & R&D Center



- ✓ Manufactures a variety of product groups under a single roof
- ✓ Adel Kalemcilik product groups:
  - ⇒ Wood-cased pencils
  - ⇒ Art supplies
  - ⇒ Writing and drawing implements
- ✓ R&D center in operation since 2019
  - ⇒ About 250 new products developed every year
  - ⇒ Product development, cost improvement, localization
  - ⇒ Sustainability approaches



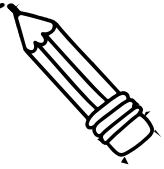
**50%**  
LOCALIZED  
PRODUCTION

**~1,000**  
SKUs

**36,000 m<sup>2</sup>**  
PRODUCTION  
AREA

# Product Safety

We promise never to make or sell anything that we wouldn't let our own kids use.



40,000

PRODUCT SAFETY &  
QUALITY TESTS



Local and international certifications:

- ➔ ISO 9001 Quality Management System
- ➔ ISO 27001 Information Security Management System
- ➔ ISO 14001 Environmental Management System
- ➔ ISO 45001 Occupational Health and Safety Management System
- ➔ ISO 50001 Energy Management System
- ➔ BSCI Business Social Compliance

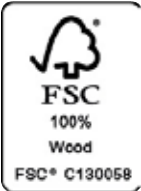


# Sustainability

We have calculated our 2021 carbon footprint and plan to publish, before the end of 2023 year, a sustainability report that will include carbon footprint information



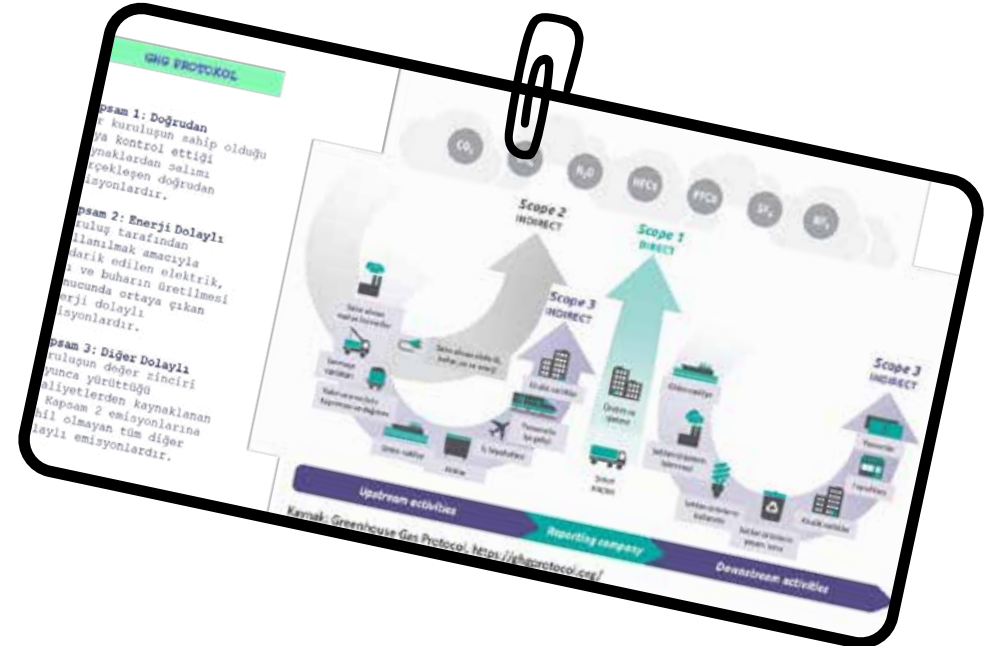
ADEL KALEMCİLİK GOODNESS TREE FOREST



ONLY TREES GROWN FOR INDUSTRIAL USE ARE HARVESTED AND USED IN PRODUCTION.

25%

RENEWABLE ENERGY RESOURCES





# Social Responsibility



- ✔ Contributes to children's intellectual development
- ✔ Helps children in need

- ✔ Adel Kalemcilik Goodness Tree Project: A legacy for future generations



WE CONTINUE  
TO COME TO THE AID OF  
EARTHQUAKE-IMPACTED AREAS

# Turkish Stationery Market & Adel Kalemcilik



# Turkish Stationery Market



## Estimated dimensions:

2022	2023
~ TL 4.4 billion	~ TL 8.2 billion

## Estimated numerical growth:

2022	2023
~ 85%	~ 85-90%

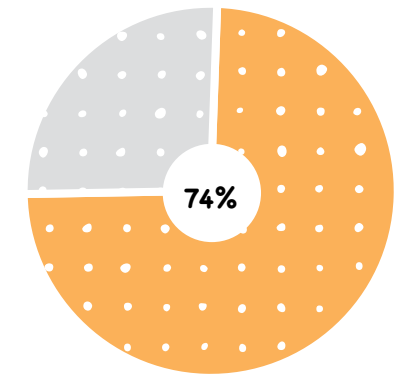
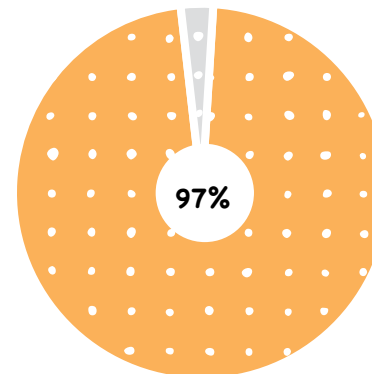
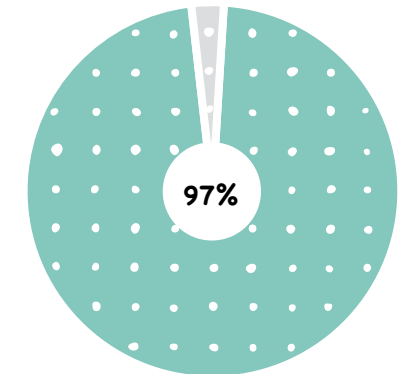
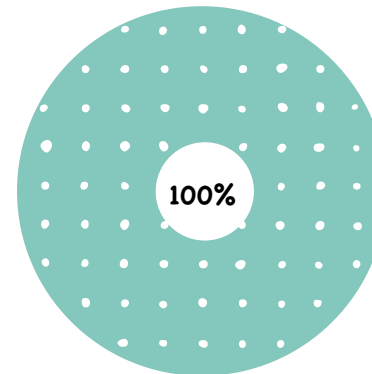
Adel Kalemçilik  
Market share

~ 20% - 25%



## BRAND RECOGNITION

## BRAND LOYALTY



Sources: Euromonitor International, Adel Kalemçilik Field Survey, IPSOS Brand Health Tracking (December 2021)

# Sales Channels



## Traditional

Stationers & other  
retailers

Exclusive dealership  
sales

## Market chains & local stores

Direct customer  
management & sales

## Exports

40+ countries

## School purchases & public tenders

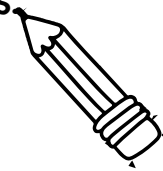
Direct / indirect  
sales

## Online

Online retail sales



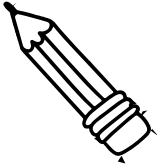
In addition to its own products, Adel also markets and sells nearly 4,000 products made by the world's leading stationery and toy manufacturers.



# 2023 Tradeshow Marketing & Sales Operations



Adel Kalemcilik suspended all tradeshow events in impacted areas in the immediate aftermath of the earthquake. It resumed them in March and continued to hold them for the rest of the quarter.

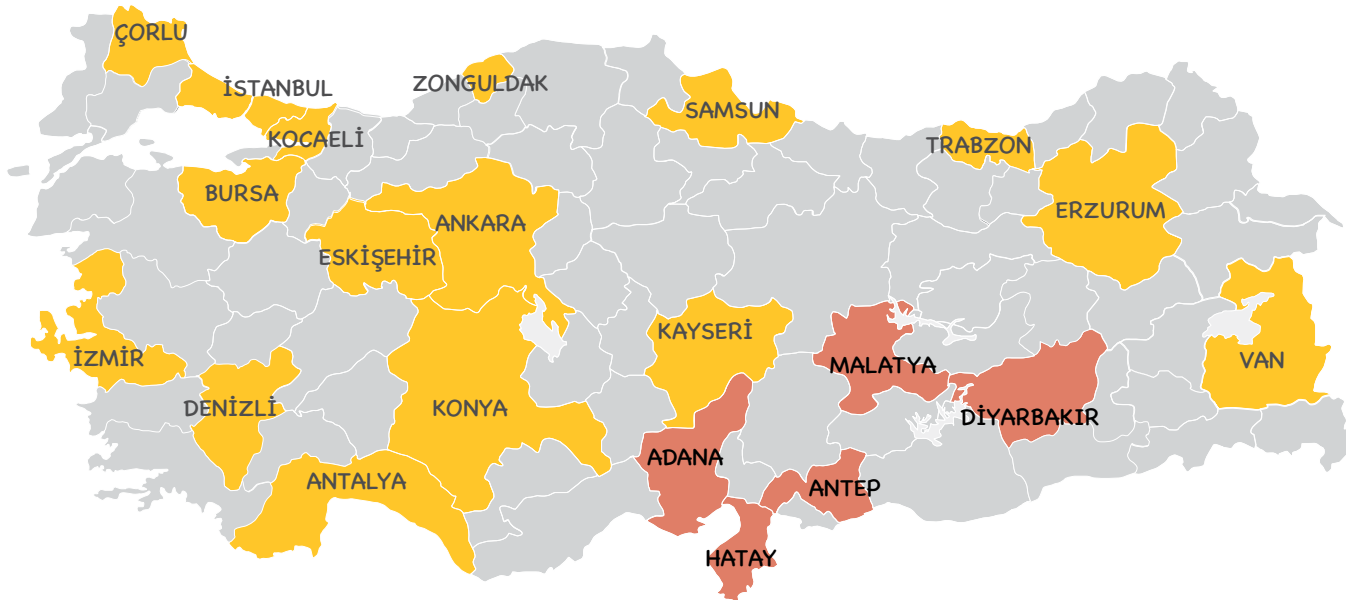


- ✓ Interacted with 6,000 retail outlets (50% penetration)
- ✓ Average order value up by ~115% compared to 2022

~ 12,500  
RETAIL OUTLETS IN  
TURKEY

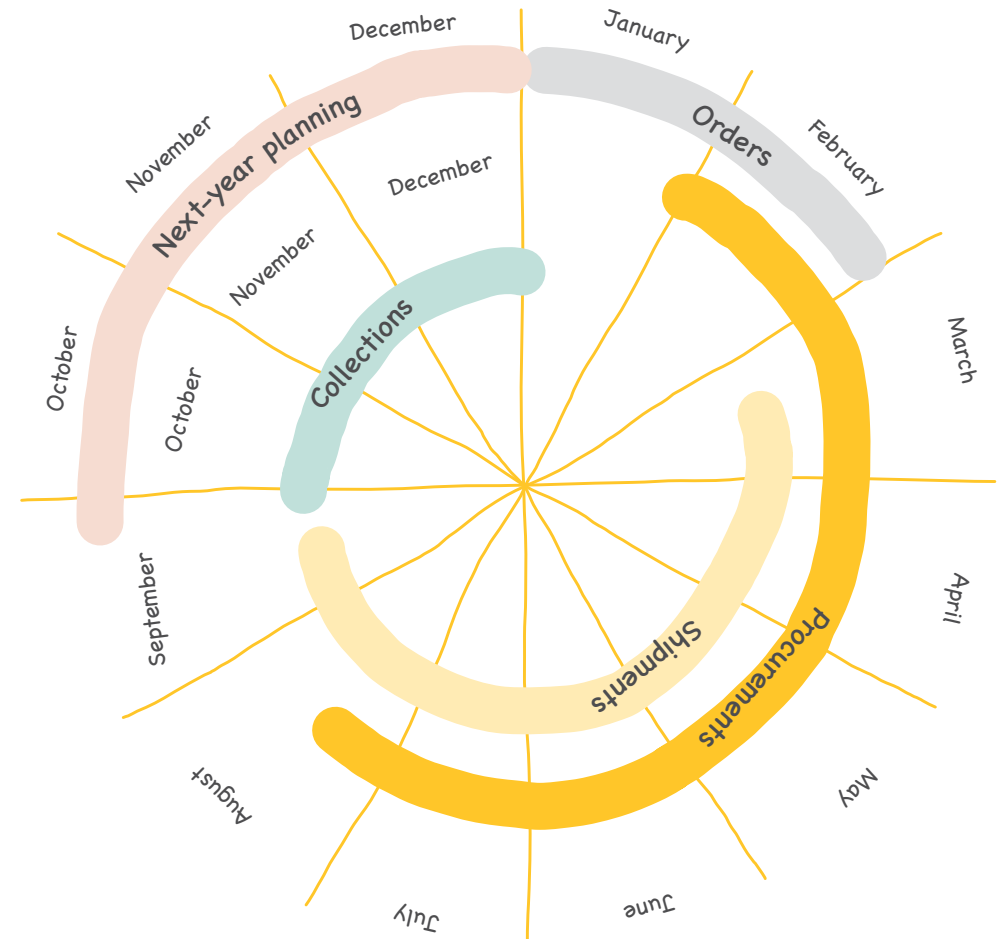
80  
# PROVINCES  
PLACING ORDERS

~ 6,000  
RETAIL OUTLETS



# Tradeshaw Business Cycle

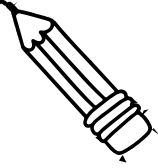
- ✓ Each year's business plans laid out in previous year's 4<sup>th</sup> quarter
- ✓ January-February tradeshows attended and orders received
- ✓ Tradeshaw order procurement, shipping, and collection processes move forward as follows:
- ✓ Main goal: Complete all shipments before schools reopen in the fall
- ✓ Tradeshaw order-related collections generally finalized in Q4



## New Business Relationships



Adel now an approved  
UNICEF global supplier



- ✓ In Q2 2023, Adel Kalemçilik was included in UNICEF's approved suppliers list after satisfying all the requirements to be a UNICEF Global Supplier. This inclusion will lead to the signing of a 24-month contract under which Adel will be producing prepackaged educational kits for sale to UNICEF.

unicef 

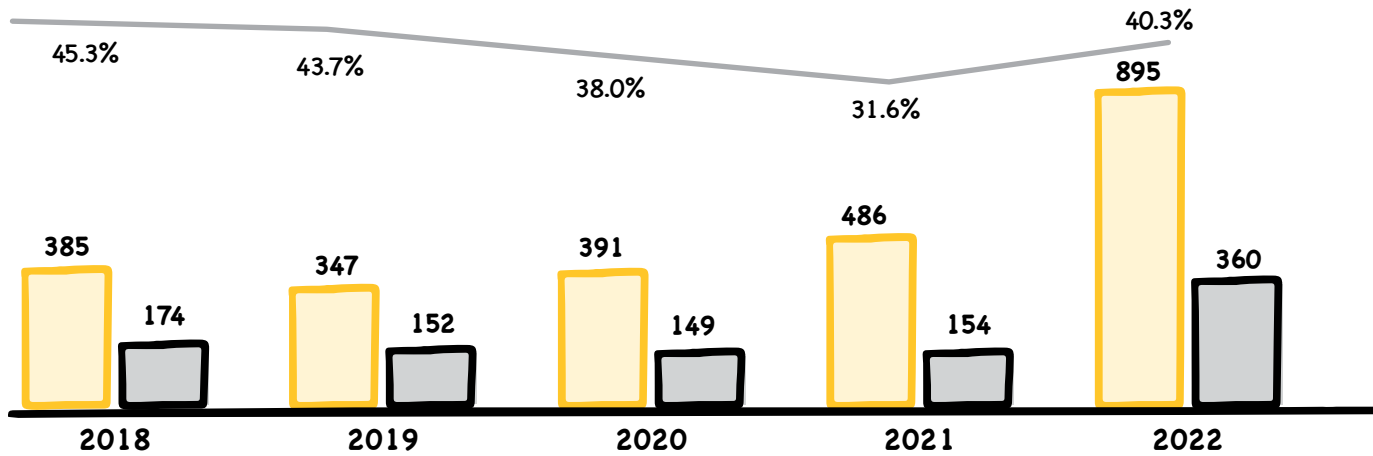


# Financial Results

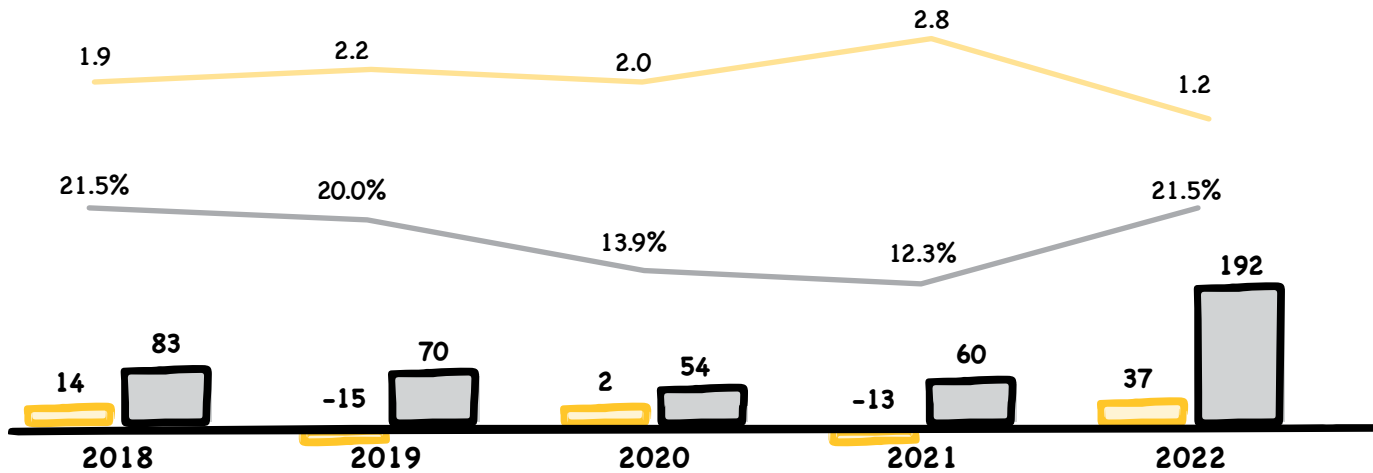




# Key Financial Indicators - 2018-2022



- Net Sales (TL million)
- Gross Profit (TL million)
- Gross Profit Margin (%)

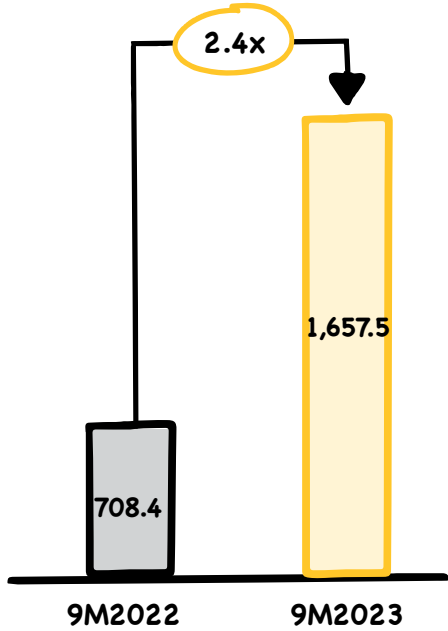


- Net Profit (TL million)
- EBITDA (TL million)
- Net Financial Debt/EBITDA
- EBITDA Margin (%)

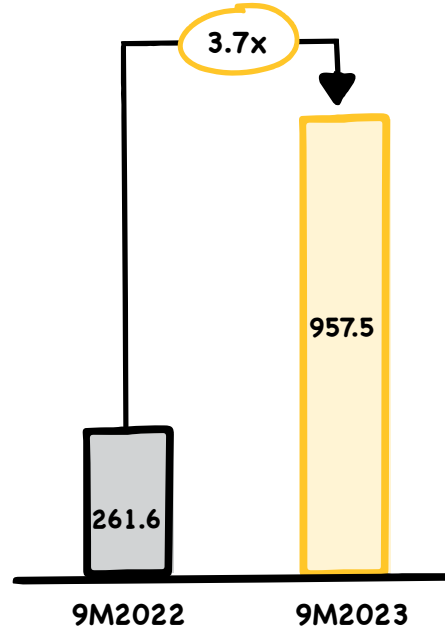
# Key Financial Indicators - September 2023



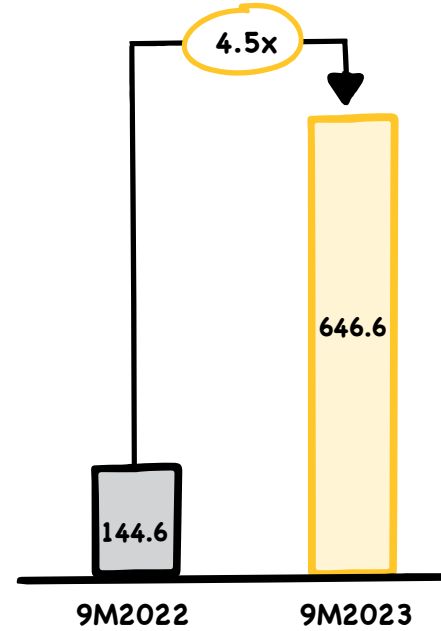
## Net Sales (TL million)



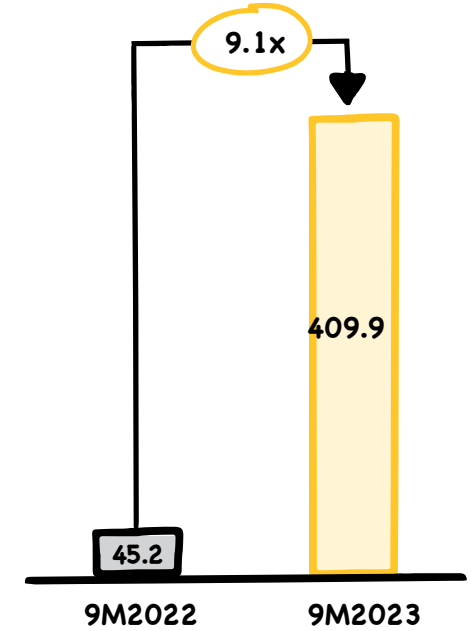
## Gross Profit (TL million)



## EBITDA (TL million)



## Net Profit (TL million)



37% 58%

Gross Profit Margin

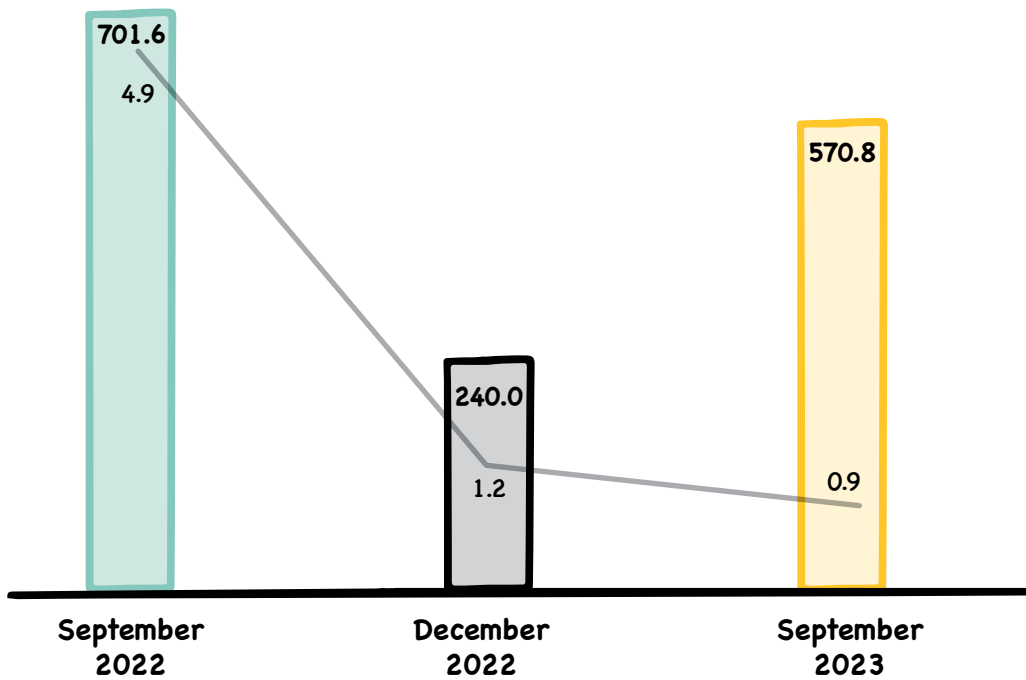
20% 39%

EBITDA Margin

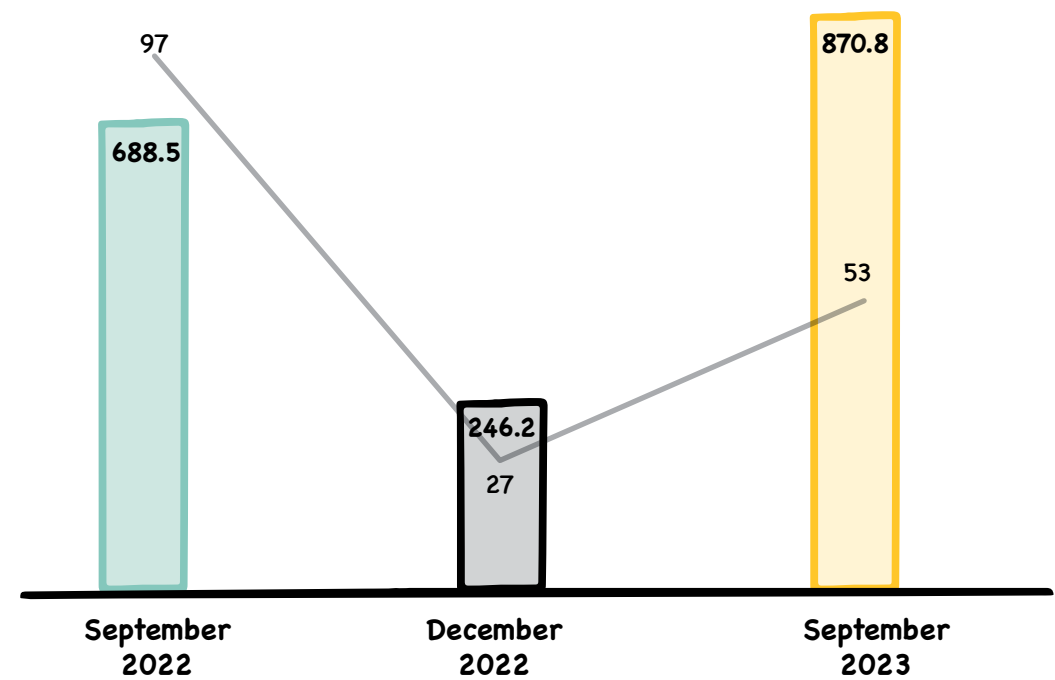
# Key Financial Indicators - September 2023



## Net Financial Debt (TL million)



## Net Working Capital (TL million)



Net Financial Debt (TL million)

Net Financial Debt/Net Sales

Net Working Capital (TL million)

Net Working Capital/Net Sales

# End-2023 Expectations

The company's 2023 strategic business plan aims to achieve the following goals:

- ↑ Net sales: Growth in the 90% range
- ↑ EBITDA margin: 25% - 30%
- ↑ Gross profit margin: 50% - 55%
- ↑ Net debt/EBITDA ratio: < 1
- Generate positive free cashflow



EBITDA MARGIN  
25% - 30%

GROSS PROFIT  
MARGIN  
50% - 55%

NET DEBT/EBITDA  
RATIO

< 1

Thanks

