



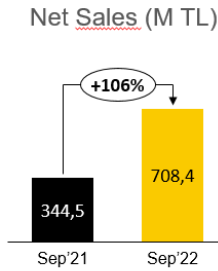
Adel Kalemcilik
30 September 2022, Earnings Release

ADEL KALEMCİLİK (BIST: ADEL.IS), 092022 EARNINGS RELEASE

(000 TL)	9M2021	9M2022	%
Net Sales	344.464	708.413	106%
Gross Profit	114.752	261.648	128%
EBITDA	36.302	144.554	11%
Net Income/(Loss)	2.956	45.244	0%
Net Working Capital	405.741	688.500	
Net Financial Debt	380.972	667.694	
Gross Margin	33%	37%	
EBITDA Margin	11%	20%	

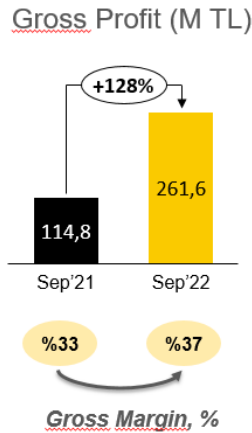
FINANCIAL PERFORMANCE

A-NET SALES

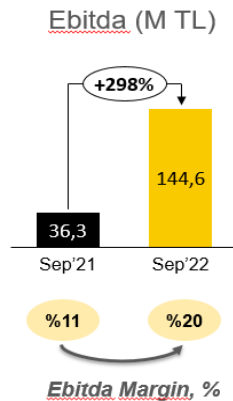


Our sales and marketing activities in the first half of the year were realized within the framework of our expectations, and our net sales increased by 106% compared to the previous year and increased to TL 708.4 million.

B-GROSS PROFIT AND EBITDA



Despite the high increases in energy prices, the inflationary environment in Turkey and the World, and also increasing in product our costs due to the effects of ongoing risks on the supply chain, our gross profit increased by 128% compared to the same period of the previous year and realized 261.6 Million TL. Our gross profit margin was realized 37%, 4 point higher than the same period of the previous year.

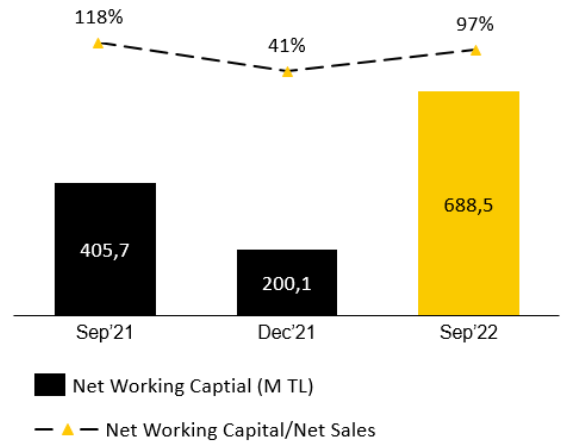


In a similar way, EBITDA increased by approximately 4 times compared to same period of the previous year and was realized 144.6 million TL with 20% margin.

C- NET WORKING CAPITAL

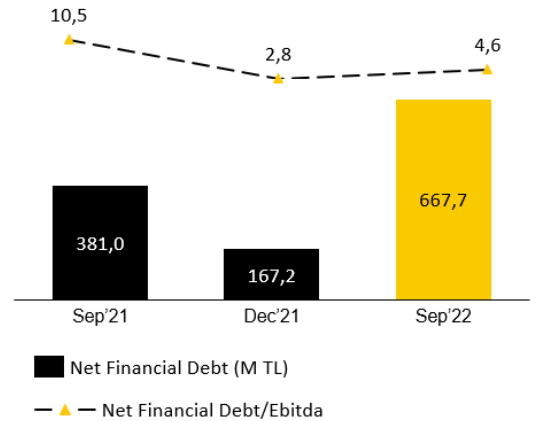
As of September 2022, of the net working capital requirement was realized at the level of 688,5 TL. At the end of September 2021, the Net Working Capital Requirement/ Net Sales Rate which was 118%, achieved at the level of 97% at the end of September.

Our net working capital has increased by 70% compared to the same period of the previous year, the main reason of this increase is the quantitative growth in 2022.



D- NET FINANCIAL DEBT

Our company's net financial debt amount increased by 75% compared to the same period of the previous year and realized 667.7 million TL at the end of September 2022. Considering increase in net debt amount excluding accrual of interest, it is realized 70% in parallel with the increase in the net working capital.



RISKS

Financial Risks: Our company's financial statements are susceptible to changes in interest rates due to the high working capital in the first 9 months of the year. According to the progress of geopolitical risks and macroeconomic indicators in our country, there are upside and downside changes in interest rates. The company pursues a policy that makes a provision for market interest rates with the measures taken in a forward-looking manner. Despite the increase in loan interest rates and changing regulations in loan usage, the low-interest loans used in the last quarter of 2021 and in 2022 assisted the company's loan interest rate to remain below the market rate.

FX Risk: Our company hedges at least 50% of exchange rate risk according to its policy of risk management. There is no exchange rate risk in respect of 30 September 2022 in our company.

Credit Risk: Our company receives checks from sellers in advance for orders during campaign and fair periods. With dispatching, most of the seller's checks are transformed to DBS and Stationery Checks (Customer Checks). Mortgage, credit card and guarantee letter are taken for the remaining seller risks. Due to the fact that the Company works in this system, there is no significant risk arising from its credits. Our assurance structure mainly comprises of DBS.

SECTORAL AND FINANCIAL OUTLOOK IN 2022

As the first quarter of 2022, we are living in a year with the the increasing effect of pandemic and in respect of 2021-2022, schools started to face-to-face education and the market turned back to its normal progress of the season.

In this direction, the aims of our company within the framework of the 2022 strategic business plan are as follows;

- High double-digit net revenue growth and low triple-digit EBITDA growth in line with quantitative growth in main product categories
- Generation of positive pre-tax profit and positive free cash flow
- Active balance sheet management

Adel Kalemcilik Sanayi ve Ticaret A.Ş.
Summary Income Statement
(000 TL)

	30.09.2021	30.09.2022
Revenue	344.464	708.413
Cost of sales (-)	(229.712)	(446.765)
Gross profit	114.752	261.648
Operating expenses	(84.143)	(146.005)
Other operating income/(expense), net	(6.787)	3.840
Operating income	23.822	119.483
Income/(expense) from investing activities, net	622	177
Gain/(loss) from investments accounted through equity method	-	-
Financial income/(expense), net	(29.671)	(78.447)
Income/(loss) before tax from continuing operations	(5.227)	41.213
Tax income/(expense)	8.183	4.031
Net income/(loss)	2.956	45.244
EBITDA	36.302	144.553
Profitability ratios	30.09.2021	30.09.2022
Gross profit margin	33%	37%
Operating profit margin	7%	17%
Net income margin	1%	6%
EBITDA Margin	11%	20%
	30.09.2021	30.09.2022
Market value as of October 30 (000 TL)	592.515	735.683

Adel Kalemcilik Sanayi ve Ticaret A.Ş.
Summary Balance Sheet
(000 TL)

	31.12.2021	30.09.2022
Cash and cash equivalents	342.560	47.934
Financial investments	-	31.875
Trade receivables	92.569	593.351
Inventories	113.968	238.090
Other current assets	43.314	40.502
Current assets	592.411	951.752
Financial investments	234	234
Property, plant and equipment	99.115	106.667
Intangible assets	11.749	10.925
Other non-current assets	4.748	69.542
Non-current assets	115.846	187.368
Total assets	708.257	1.139.120
Short-term borrowings	303.390	728.824
Current portion of long-term borrowings	195.192	20.274
Trade payables	35.895	119.583
Other current liabilities	13.835	63.860
Current liabilities	548.312	932.541
Long-term borrowings	14.107	32.296
Long-term provisions	14.573	20.400
Non-current liabilities	28.680	52.696
Total equity	131.265	153.883
Total liabilities and equity	708.257	1.139.120

FORWARD-LOOKING STATEMENTS DISCLAIMER

This document contains forward-looking statements concerning future performance and should be regarded as the company's good faith assumptions about the future. Such forward-looking statements reflect management's expectations based on currently available information at the time they are made. Adel Kalemcilik's actual results are subject to future events and uncertainties that may significantly affect the company's performance.

INVESTOR RELATIONS CONTACT INFORMATION

You can visit our website www.adel.com.tr to access the company's financial statements and annual report. You can contact the people listed below on any subject.

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