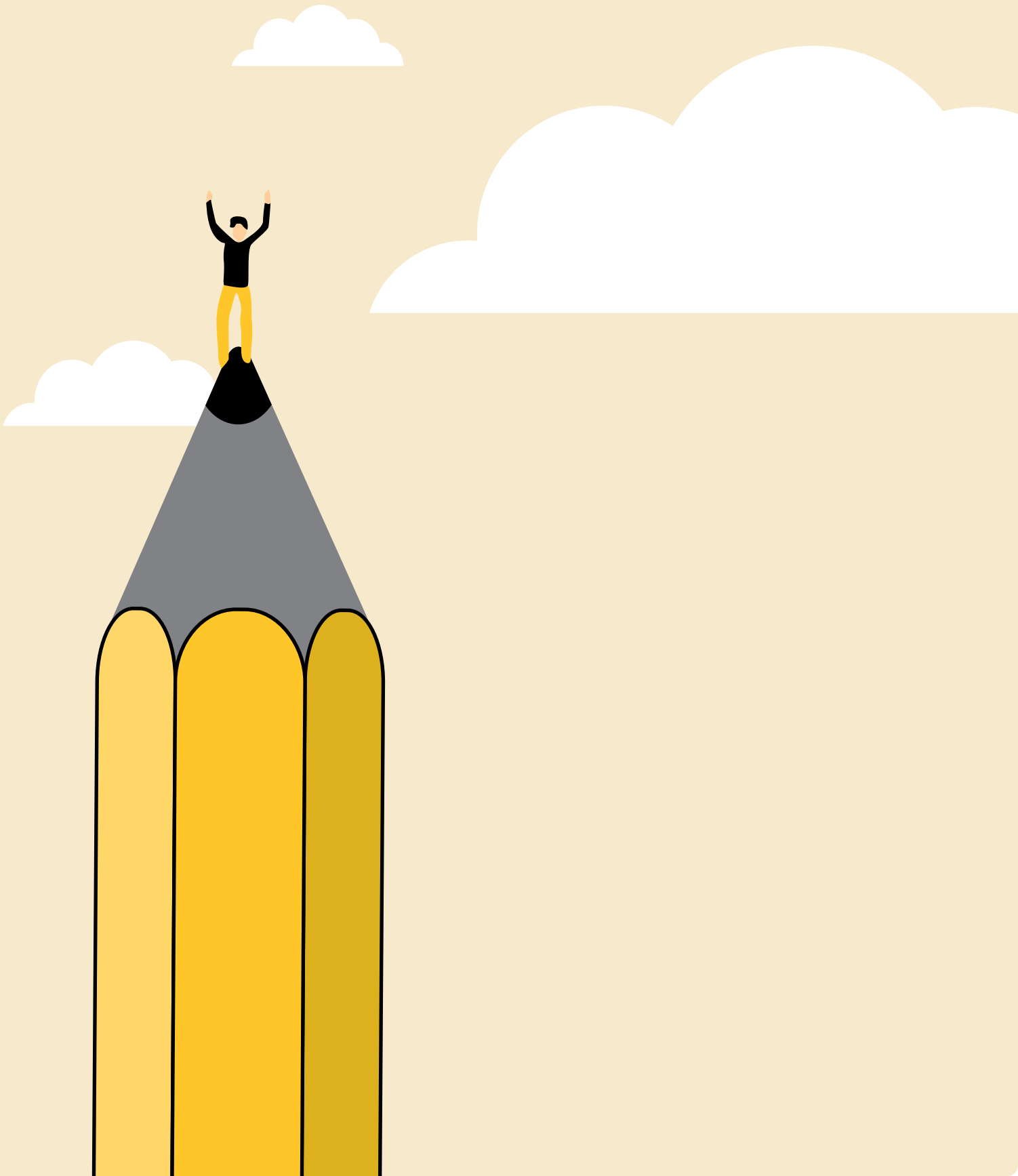




**JANUARY-JUNE 2024  
EARNINGS RELEASE**



# Financial Performance

## Disclaimer

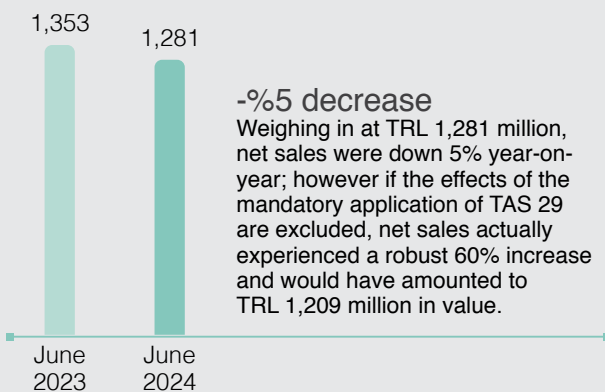
As required by the Capital Markets Board, our H1 2024 financials have been adjusted to account for the effects of inflation pursuant to TAS 29 ("Financial Reporting in Hyperinflationary Economies"). For this reason, all financial statements presented herein, including comparative data from earlier reporting periods, have been restated in accordance with TAS 29 to account for changes in the overall purchasing power of the Turkish lira. The resulting figures are indicative of the Turkish lira's purchasing power as of 30 June 2024.

(TRL million)	1H23	1H24	%
Net Sales	1,353	1,281	-5
Gross Profit	636	713	12
EBITDA (BNRI)(1)	371	395	6
Net Profit/(Loss) before Tax	312	186	-40
Net Profit/(Loss)	219	149	-32
Net Working Capital	924	1,212	31
Net Financial Debt	610	738	21
Free Cash Flow	-208	-559	n.m.
Gross Profit Margin	47%	56%	
EBITDA (BNRI) Margin <sup>(1)</sup>	27%	31%	
Net Profit Margin	16%	12%	

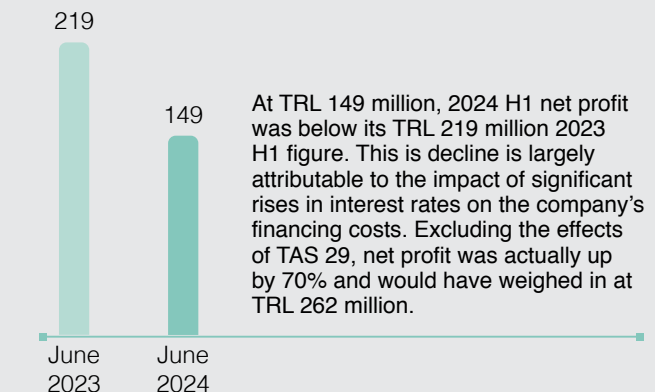
\* All figures and tables in this report include IFRS16 impact.

<sup>(1)</sup> BNRI: Before non-recurring items

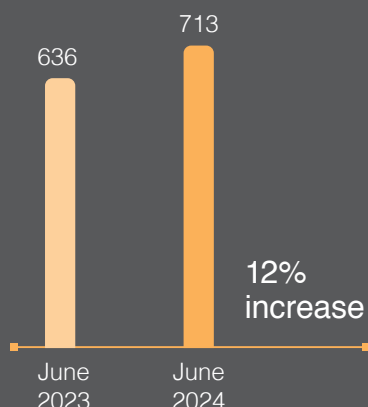
### Net Sales (TRL million)



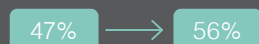
### Net Profit (TRL million)



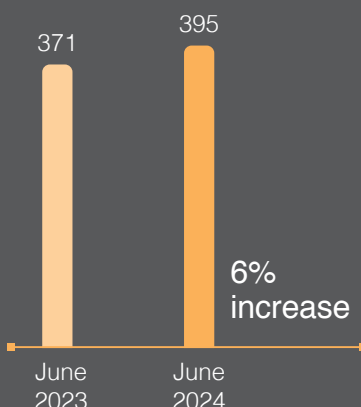
Gross Profit (TRL million)



Gross Profit Margin, %



EBITDA (BNRI) (TRL million)



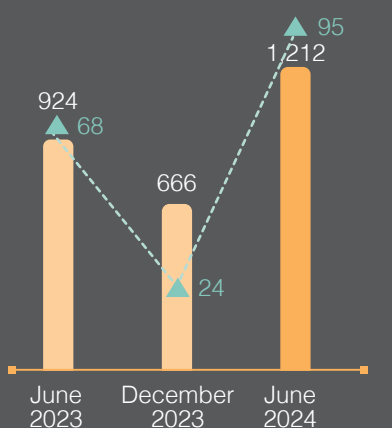
EBITDA (BNRI) Margin, %



2024 H1 gross profit was up by 12% compared to 2023 H1 and amounted to TRL 713 million. The company's gross profit margin also improved significantly in 2024 H1, reaching 56%, or 900 basis points above its 2023 H1 figure. Excluding the effects of TAS 29, gross profit doubled, reaching TRL 787 million, while the company's gross profit margin increased by 1,200 basis points to 65%.

Even with the challenges of higher costs and operating expenses caused by inflation both in Turkey and globally, Adel's 2024 H1 EBITDA before non-recurring items still managed to grow by 6% compared to the 2023 H1 figure and weighed in at TRL 395 million. Its BNRI EBITDA margin also saw a healthy increase of by 400 basis points and reached 31%. Excluding the effects of TAS 29, there was a substantial 82% growth in BNRI EBITDA, which reached TRL 468 million, while the BNRI EBITDA margin expanded notably, increasing by 500 basis points to 39%.

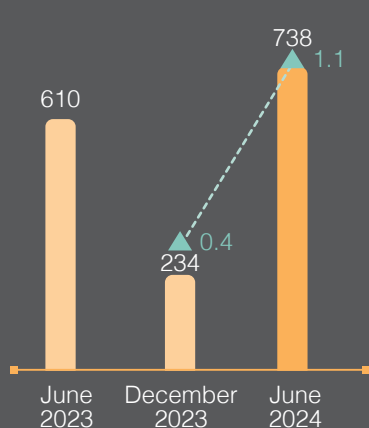
Net Working Capital (TRL million)



Net Working Capital (TRL million)  
 Net Working Capital/Net Sales (%)

As of end-June 2024, Adel's net working capital requirement was TRL 1,212 million. Through effective balance sheet management, the company managed to keep the year-on-year increase in NWC to 31%, well below every posted rate of inflation. That said, Adel's net working capital/net sales ratio, which was 68% at end-June 2023, weighed in at 95% as of end-June 2024.

Net Financial Debt (TRL million)



Net Financial Debt (TRL million)  
 Net Financial Debt/EBITDA(BNRI)\*

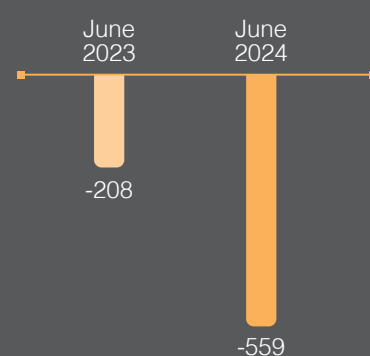
The company's as of end-June 2024 net financial debt was up by 21% year-on-year and weighed in at TL 738 million as of end-June. When accrued interest is excluded from the analysis, the year-on-year increase in net indebtedness was 9%.

By actively pursuing early collection of trade receivables through targeted payment campaigns, Adel managed to reduce its average net working capital requirement. The decrease in the NWC requirement proved advantageous in two ways: it not only lowered the company's financing costs but also ensured that the YoY increase in net financial debt was less pronounced than the increase in net working capital.

Adel's Net Debt/EBITDA (BNRI) ratio, which was 0.4% at end-2023, increased slightly to 1.1 as of end-June 2024.

\* The Net Debt/EBITDA (BNRI) ratio is calculated on the basis of the previous twelve months' EBITDA(BNRI) figures.

Free Cash Flow (TRL million)



As of end-June 2024, Adel showed a negative free cashflow of TRL 559 million. This is TRL 351 million less than what it was at end-June 2023.



## Financial Performance

### Risks

**Financial risks:** The risks to which the company is exposed on account of its core business activity and chosen financial instruments broadly include interest rate risk, currency risk, liquidity risk, and credit risk. The company acknowledges the inherent uncertainties and volatilities that give rise to these risks and therefore develops and adheres to policies and procedures designed to ringfence and reduce them.

**Interest rate risk:** Owing to the cyclical nature of its business, the company requires large amounts of working capital during the first nine months of the year and is therefore highly sensitive to movements in credit interest rates. Interest rate trajectories are influenced by the interplay of geopolitical risks and the evolving dynamics of the country's macroeconomic indicators. Financial statements reflect this. The company generally finances its net working capital requirement (NWC) from its own equity resources when possible but also by borrowing

when necessary. To address its liquidity and interest rate risks, the company closely monitors the maturity profile of its loans and takes proactive measures when needed. These measures include restructuring short-term debt into longer maturities, issuing bonds, discounting receivables to expedite their collection, and diversifying funding sources through alternative financial instruments.

The company's reputation for prudent financial management enables it to secure financing at rates that are consistently below prevailing market rates. Prudent financial management will remain the cornerstone of the company's borrowing policy as it moves forward. We will prioritize maintaining a robust balance sheet that can adequately support our ongoing operations and future growth.

**Currency risk:** The company's commercial operations expose it to currency risk because its FX-denominated liabilities exceed its FX-denominated assets. To

reduce the impact of exchange rate movements on its costs, the company hedges its currency risk exposure through the use of derivative contracts. The company's risk management policy mandates hedging at least 50% of FX exposure. As of 30 June 2024, the company held no unhedged FX risk.

**Credit risk:** Most of the orders for the company's goods are received during the first quarter of the year. These orders are generally manufactured, filled, and delivered by the fourth quarter. The company utilizes a variety of payment methods such as credit cards, direct debiting, the Vinov digital payment platform, and postdated checks to streamline collections and mitigate credit risks associated with order-fulfillment. First-quarter promotional campaigns that incentivize credit-card use significantly reduce both collection risks and NWC. The company uses secured-payment systems to cover any remaining dealer receivables and obtains letters of guarantee to protect itself against any otherwise unsecured risks.

## Summary Balance Sheet

(TRL million)	31 December 2023	30 June 2024
Cash and equivalents	990	89
Short-term financial investments	164	292
Trade receivables	148	759
Inventories	768	841
Other current assets	211	160
<b>Current Assets</b>	<b>2,281</b>	<b>2,141</b>
Financial investments	1	1
Tangible assets	695	686
Right of use assets	168	136
Intangible assets	99	82
Other non-current assets	38	49
<b>Non-Current Assets</b>	<b>1,001</b>	<b>954</b>
<b>Total Assets</b>	<b>3,282</b>	<b>3,095</b>
Short term borrowings	973	973
Short term portion of long term borrowings	326	44
Trade payables	174	172
Other current liabilities	286	375
<b>Current Liabilities</b>	<b>1,759</b>	<b>1,564</b>
Long term borrowings	89	102
Long term provisions	48	40
<b>Non-Current Liabilities</b>	<b>137</b>	<b>142</b>
<b>Equity</b>	<b>1,386</b>	<b>1,389</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,282</b>	<b>3,095</b>

## Financial Performance

### Summary Income Statement

(TRL million)	1 January- 30 June 2023	1 January- 30 June 2024
Revenues	1,353	1,281
Cost of sales (-)	-717	-568
<b>Gross Profit</b>	<b>636</b>	<b>713</b>
Operating expenses (-)	-386	-438
Other Operating Income /Expense (net)	28	-1
<b>Operating Income</b>	<b>278</b>	<b>274</b>
Income /(expense) from investment operations	5	-32
Financial income/(expense)	-57	-122
Monetary gains / (losses)	86	66
<b>Income/(Loss) Before Tax from Continuing Operations</b>	<b>312</b>	<b>186</b>
Tax income/(expense)	-93	-37
<b>Net Income/(Loss)</b>	<b>219</b>	<b>149</b>
<b>EBITDA (BNRI) <sup>(1)</sup></b>	<b>371</b>	<b>395</b>
Profitability Ratios	1 January- 30 June 2023	1 January- 30 June 2024
Gross Profit Margin	47%	56%
Operating Profit Margin	21%	21%
Net Profit Margin	16%	12%
EBITDA (BNRI) <sup>(1)</sup> Margin	27%	31%
Market Capitalization as of June 30 <sup>th</sup> (TRL thousand)	4,163,949	11,588,063

<sup>(1)</sup> BNRI: Before non-recurring items

### 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's actual results are subject to future events and uncertainties that may significantly affect the company's performance.

## Additional Information

### SUMMARY FINANCIAL INDICATORS NON-COMPLIANT WITH TMS

The financial information provided below does not include the effects of TAS 29 and is provided for analysis purposes only. These figures are not compliant with the financial report for the period 01.01.2024-30.06.2024 and have not been subject to independent audit.

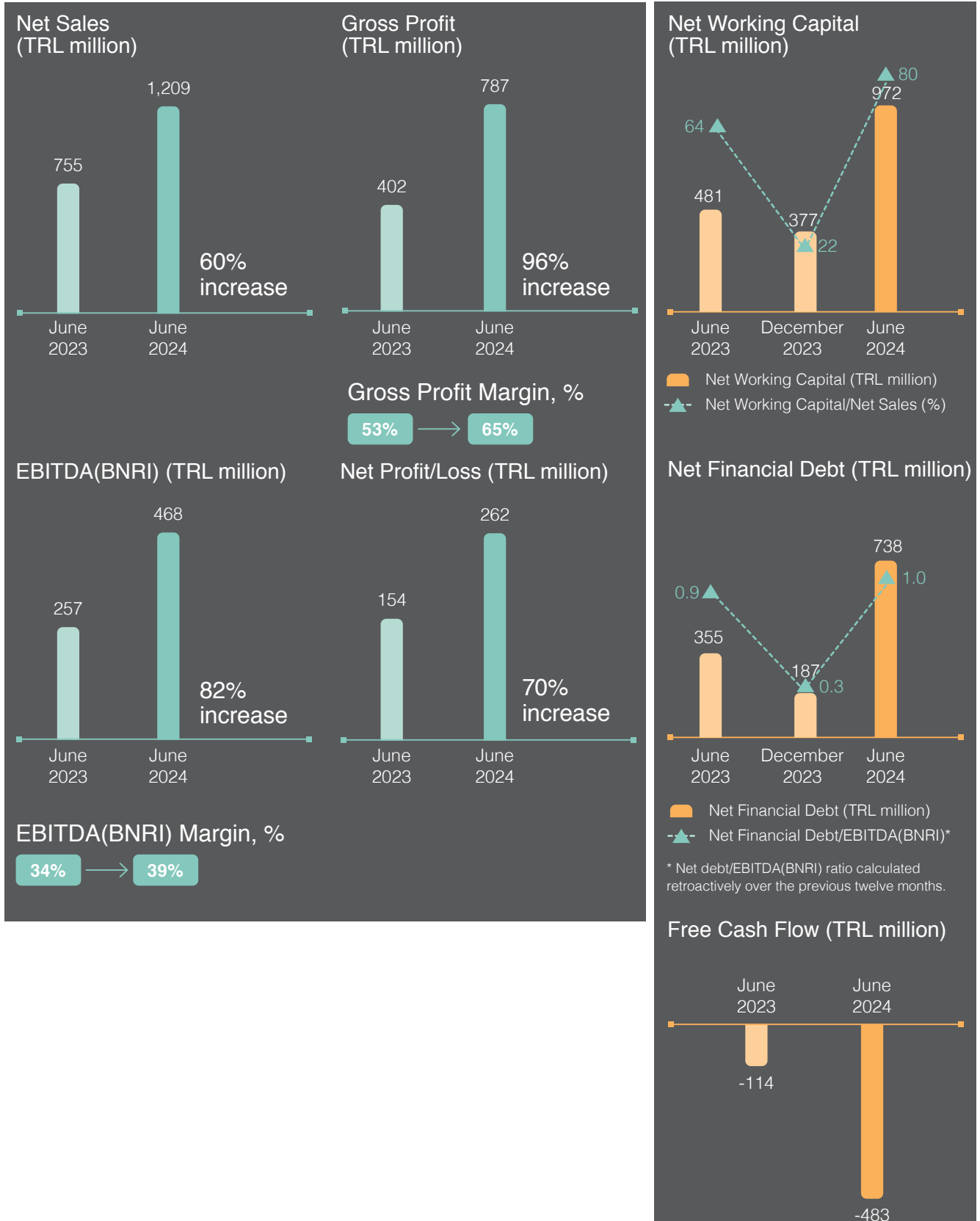
(TRL million)	1H23	1H24	%
Net Sales	755	1,209	60%
Gross Profit	402	787	96%
EBITDA (BNRI) <sup>(1)</sup>	257	468	82%
Net Profit/(Loss) before Tax	199	299	50%
Net Profit/(Loss)	154	262	70%
Net Working Capital	481	972	102 %
Net Financial Debt	355	738	108%
Free Cash Flow	-114	-483	a.d.
Gross Profit Margin	53%	65%	
EBITDA (BNRI) <sup>(1)</sup> Margin	34%	39%	
Net Profit Margin	20%	22%	

\* All figures and tables in this report include IFRS16 impact.

<sup>(1)</sup> BNRI: Before non-recurring items

## Additional Information

### SUMMARY FINANCIAL INDICATORS NON-COMPLIANT WITH TMS29





# Information for Investors

## Investor Relations Contact Information

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