

**Snapshot of Worsted
Wool Fabric**

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01

**SNAPSHOT OF
WORSTED
WOOL FABRIC**

ORIGINS OF RAW MATERIAL

AUSTRALIA'S SHARE IN GLOBAL WOOL SUPPLY



Australian merino wool is natural and renewable – one of the finest and softest fibers in the world!



PRODUCTION OF WOOL FABRIC

1

Australian wool is transported to China, where it is processed to become the raw material for the filaments used in fabric production

2

Greasy raw wool is transformed into a continuous grouping of twistless fiber called a 'top'

3

Tops are delivered to the whole world from China



4

The wool fiber is drawn out and twisted together to create yarn (spinning)

5

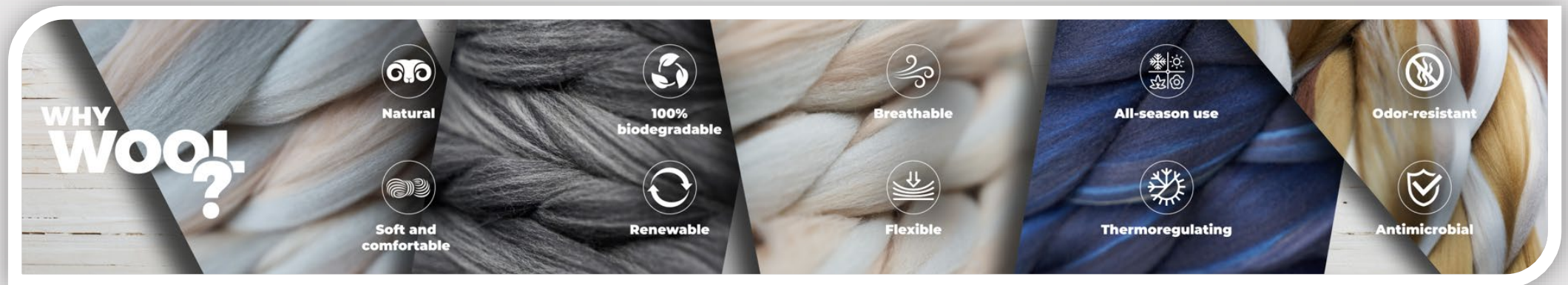
Yarn is converted into fabric by weaving

6

Fabric finishing reduces or eliminates shrinkage, improves the appearance and feel of the fabric

BENEFITS OF WOOL FABRIC

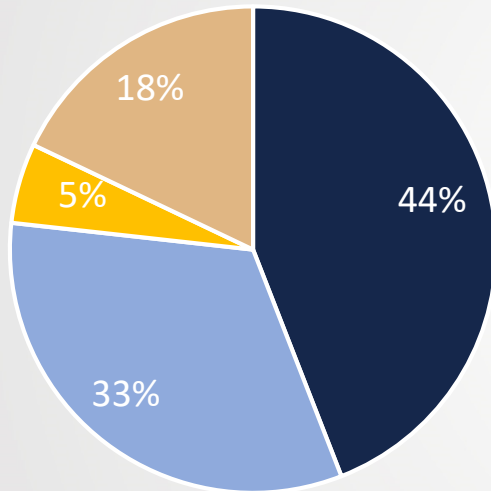
- Most absorbent fibers of all – suitable for all seasons
- «Breathes» by wicking away moisture from the body
- Cleans easily because dirt sits on the surface of the fiber
- Durable. Properly cared for, it lasts a very long time, making wool fabrics a good investment
- Resists wrinkles. Wool has a natural crimp making it the most resilient fiber
- Naturally flame retardant
- Resists tearing and can bend back on itself 20,000 times without breaking. Cotton breaks after 3,200 bends, silk after 1,800 bends and rayon after 75!



WOOLEN FABRIC MARKET



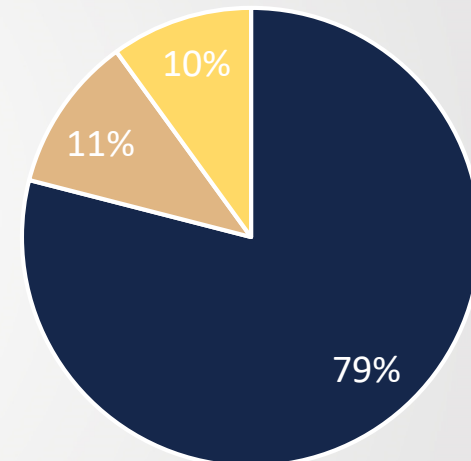
**GLOBAL WOOLEN FABRIC MARKET
(USD 4.6 Billion)**



■ China ■ Europe ■ Turkey ■ Other

China remains the top woollen fabric supplier despite a gradual decrease in its share in recent years

**EUROPEAN WOOLEN FABRIC MARKET
(USD 1.8 Billion)**



■ Italy ■ Turkey ■ Other

In Europe, Italy has the largest share; Turkey stands out as the second largest market in EMEA region. European market is mainly focused on high-segment wool fabrics



02

**YÜNSA
AT A GLANCE**

ABOUT YÜNSA



- Established in 1973, Yünsa ranks among the world's top five producers of worsted fabric, with its sales and operational excellence, flexibility and innovation in production, cost reduction oriented approach, vision and its experience in industry.
- Yünsa is Turkey's and Europe's largest integrated worsted wool fabric producer.

- A large proportion of woven fabric composed of 100% wool fabric, as well as wool cashmere, cashmere-silk, lycra, cotton and linen blend fabrics are manufactured.
- Yünsa recorded TRY 342 million of net sales in 2021. The Company exports nearly two-thirds of its production to more than 50+ countries around the World.



GLOBAL PRESENCE



889

EMPLOYEES

50+

EXPORT MARKETS



SALES OFFICES

USA, Germany, UK



AGENCIES

USA, Italy, Japan, France, Spain,
South Korea, Canada



HEAD OFFICE

Istanbul - Turkey



MILL

Çerkezköy - Turkey



DESIGN OFFICES

Biella - Italy and
Çerkezköy - Turkey



FABRIC SUPPLIER OF GLOBAL BRANDS



HISTORY & MILESTONES



1973

Yünsa was established

1976

Production commenced

1989

Çerkezköy Design Office opened

1990

Yünsa's first IPO

1998

Womenswear fabric production commenced

2002

Italy Biella Design Office opened

2003

Upholstery fabric production commenced

2005

Corporatewear fabric production commenced

2007

Yünsa UK Office opened

2008

Yünsa USA Office opened

2009

Yünsa Germany Office opened

2010

Yünsa R&D Center opened

2012

TPM Project launched

2019

Yünsa was acquired by Sürmegöz Tekstil

In 2021, Yünsa received TPM Excellence Award, becoming the first textile company in Turkey to receive this prestigious award

PRODUCTION CAPACITY

PRODUCTION FACILITY

200,000
M²

FABRIC PRODUCTION

10 MN
MT/YEAR

WORSTED YARN PRODUCTION

4,500
TONS/YEAR.

SPINNING

13,000
KG/DAY

WEAVING

28,000
MT/DAY

DYEING & FINISHING

40,000
MT/DAY



Yünsa is Europe's **biggest** integrated worsted wool fabric producer and ranks among the **world's top five** producers of worsted fabric

PRODUCT LINE



PREMIUM FABRICS



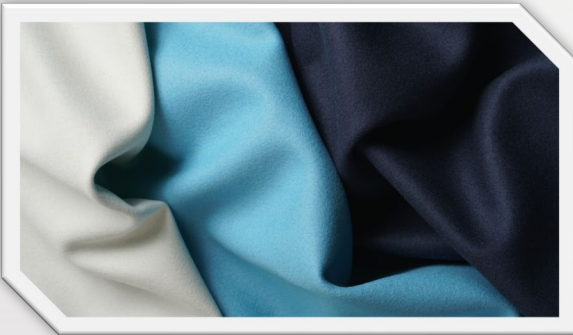
MENSWEAR FABRIC



LADIESWEAR FABRIC



UPHOLSTERY FABRICS



Diverse Product Range Trend-Setting Designs

Yünsa produces high-end wool and wool-blend fabrics for suiting, jacketing and tailoring.

CORPORATE FABRICS



COMPETITIVE ADVANTAGES



STRONG SALES & MARKETING CHANNEL

3 international sales offices
& 14 agencies around the
world



FX BASED REVENUES

Exports two-thirds of
production to 50+
countries worldwide



“FAST FASHION” TREND & GEOGRAPHICAL ADVANTAGE

4-6 weeks production &
delivery time



DESIGN TEAM

Design offices in
Italy / Biella and
Çerkezköy / Turkey



FLEXIBILITY & EFFICIENCY IN PRODUCTION

100% capacity utilization &
integrated facility



R&D CENTER

36 R&D staff
252 projects with
university collaborations



03

**STRATEGIC
INITIATIVES**

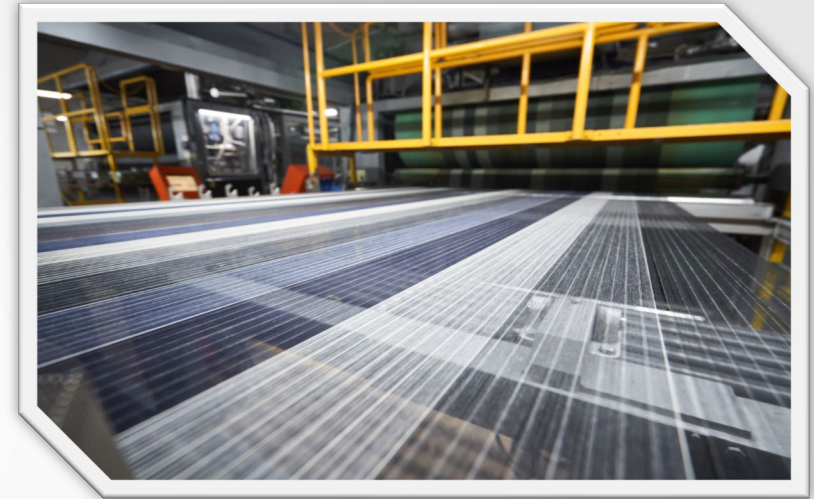
STRATEGIC PILLARS

OUR STRATEGY IS BASED ON A BUSINESS MODEL CAPITALIZING ON YÜNSA'S EXISTING STRENGTHS AND CAPABILITIES AS WELL AS ADAPTING OURSELVES TO THE CHANGES IN DEMAND, INDUSTRY & ENVIRONMENT



REINFORCEMENT OF CORE BUSINESS

- Investment on new technologies and equipment
- Product Rationalizing: Concentrated product range
- Development of trend-setting collections responding consumer needs and expectations



- Pricing Strategy: Offering the right product at the right price, to the right customer
- Premium Collection: Reaching to customers from higher segments, opening new horizons
- CRM Project: Outlining customer satisfaction by increasing the Voice of Customer

COMMITMENT TO SUSTAINABILITY

- **Sustainable fashion is one of the main trends in almost every market – except Far East.**
 - Global brands like H&M, Hugo Boss, Holly Fashion Group (Strellson, Joop, Windsor) have disclosed 2 to 5-year plans and commitments
- **Eco-friendly and responsible production processes**
- **Traceability of raw-material and supply-chain through certifications**
- **Development of sustainable product collections**
 - In 2021, 9% of Yünsa's sales were in the scope of RWS & RCS. The sales quantity of sustainable products in 2022 are expected to be double of 2021
- **Solar-powered renewable energy project**



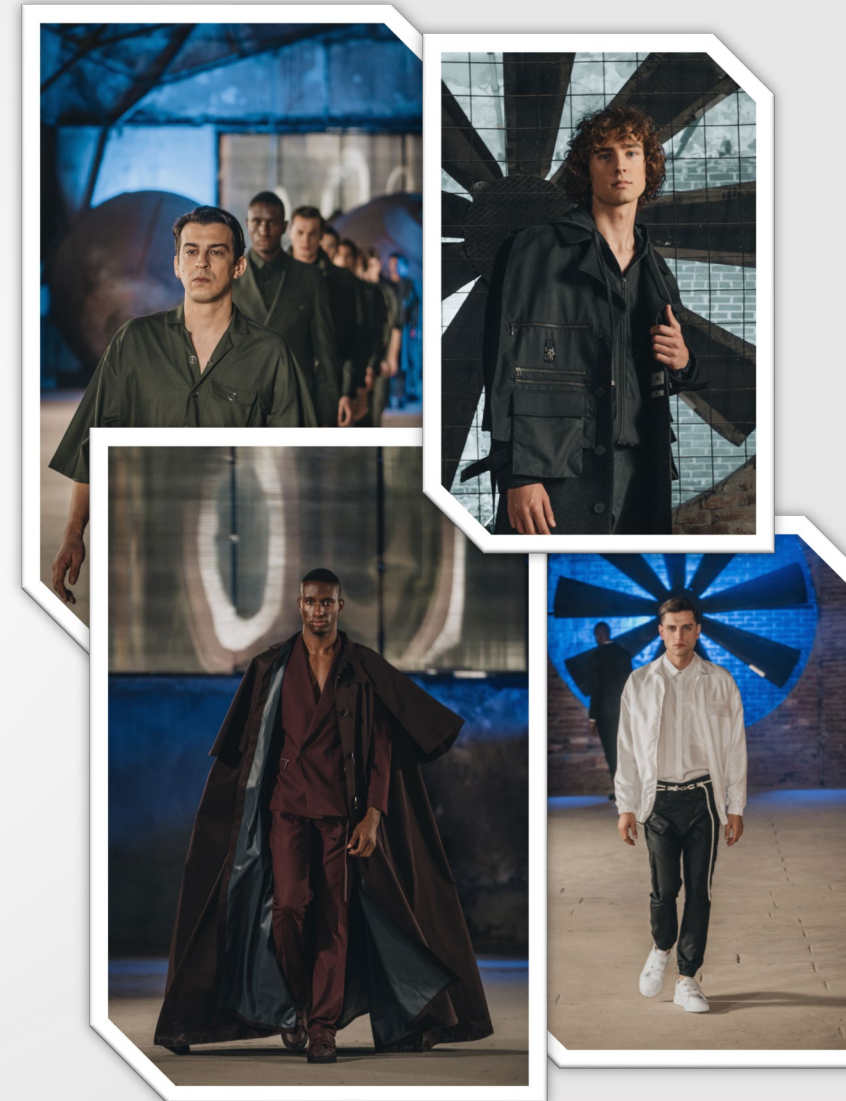
SHIFT TO CASUAL LOOK

- **Launch of a much more «casual collection» in response to a shift to more casual look**
 - Demand for classical business suits have significantly decreased due to global pandemic
 - High performance, durable and high quality fabric and active wear products are on demand
 - Home office, remote and hybrid working models accelared shift to casual wear after global pandemic
 - Demand for natural, sustainable fibers is increasing
- **Inclusion of new product compositions suitable for casual wear into fabric collections**
- **Fabrics that provide ease of movement with higher flexibility and natural strech-performance (bi-stretch, power-stretch fabrics, good-feel touch)**



FOCUS ON FAST FASHION

- **Demand for «Fast-Fashion» keeps growing – despite sustainable fashion trend**
 - The volume of global textile production doubled within the last couple of decades – «Fast Fashion» being the main driver of growth
 - Business models of global retail brands such as Zara, H&M, Uniqlo support this trend
- **4-6 weeks production & delivery time**
- **Flexible production capability with relatively lower minimum quantity requirements**
- **Innovative fabrics made of man-made fibers with wool-like feel as an alternative to relatively expensive natural fibers like wool**



ALTERNATIVE BUSINESS OPPORTUNITIES

- Besides fabric production, Yünsa has further growth potential in garment production and wool worsted yarn markets thanks to its integrated production capability
- Due to global supply chain crisis and disruption of supply from Far East, Turkey has gained importance as a garment supplier
 - Close proximity to Europe, cost advantages and high garment production capability support Turkey's position as a preferred textile supplier
 - Demand from Europe for ready-made products has shifted to Turkey due to global supply chain crisis
 - Turkey is one of the largest garment exporters in Europe with a market share of 3.2%
- Bidding in domestic and international tenders for defense industry (military & police uniforms)



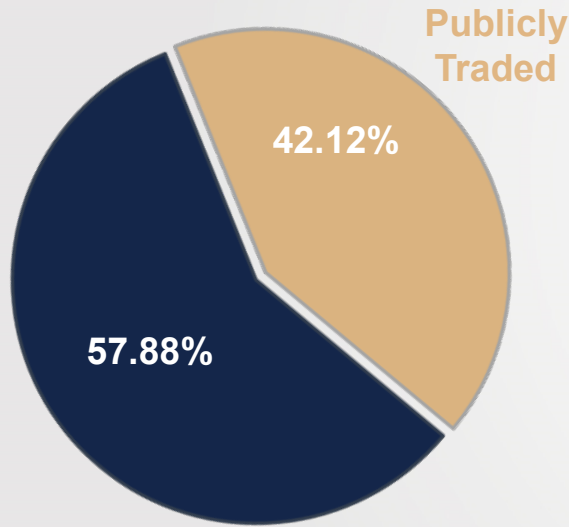


04

KEY FIGURES & FINANCIALS

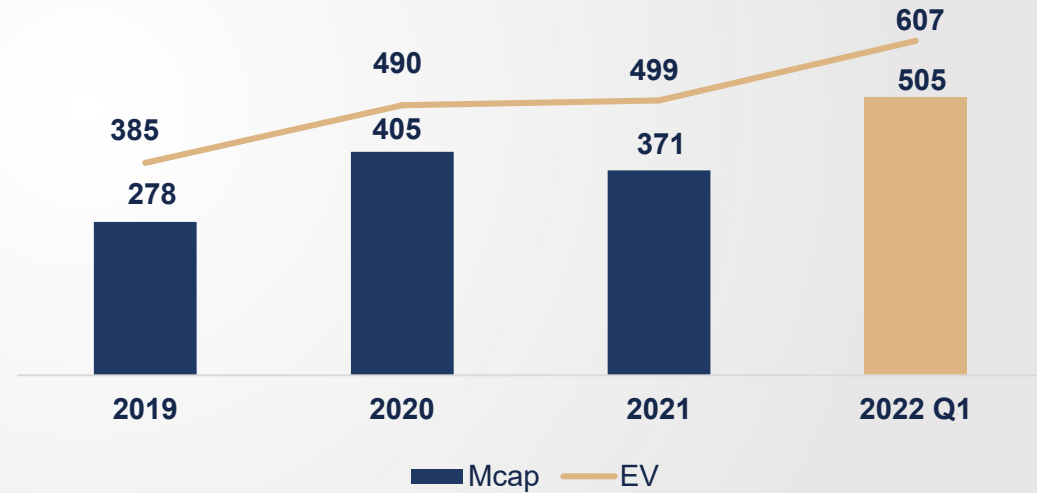
SHAREHOLDING STRUCTURE

SHAREHOLDER STRUCTURE



Sürmegöz Tekstil
Yatırım A.Ş.

ENTERPRISE VALUE (TRY million)

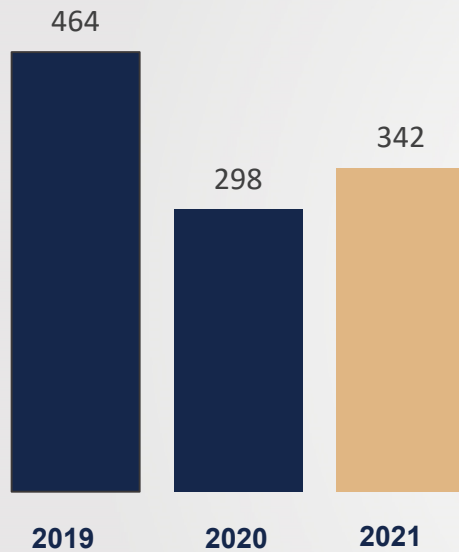


42,12% of Yünsa shares have been publicly traded on Istanbul Stock Exchange since 1990. The remaining shares were acquired from Sabancı Holding by Sürmegöz Tekstil Yatırım A.Ş. in October 2019.

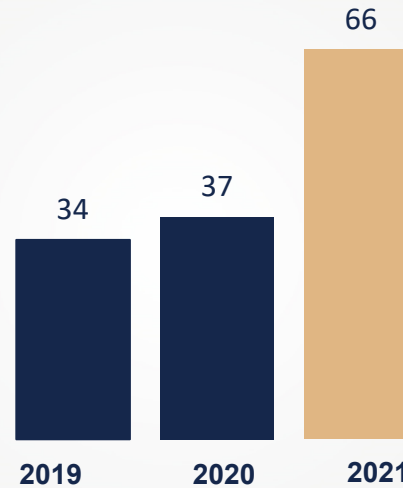
KEY FIGURES & HIGHLIGHTS – 2021YE



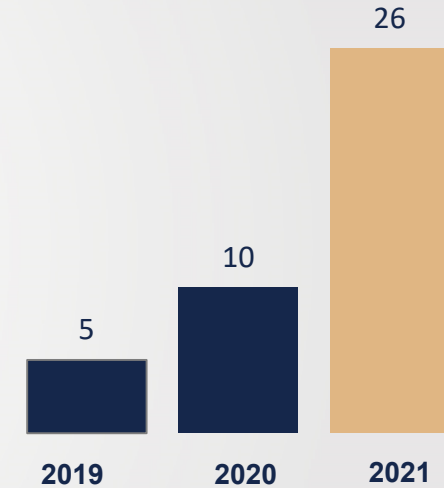
**NET SALES
(TRY Million)**



**EBITDA
(TRY Million)**



**NET PROFITS
(TRY Million)**

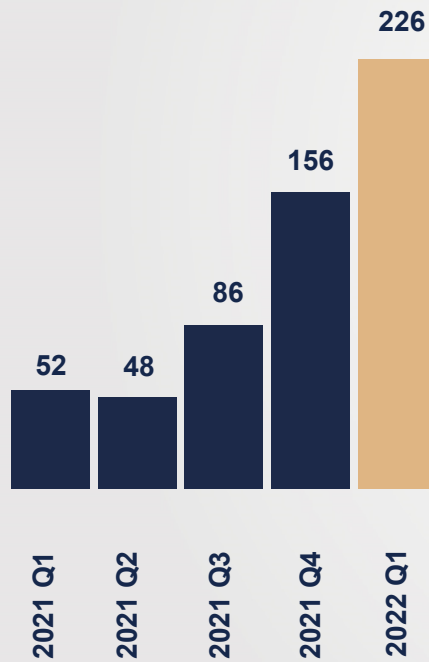


Net sales decreased in 2020 due to the effect of COVID-19 pandemic on global textile industry. Despite negative market conditions, net profits and EBITDA increased as a result of the actions taken to increase efficiency and successful cost management strategy.

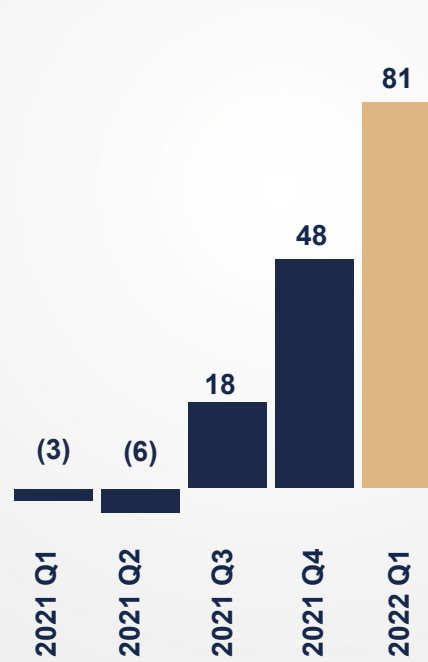
KEY FIGURES & HIGHLIGHTS – 2022Q1



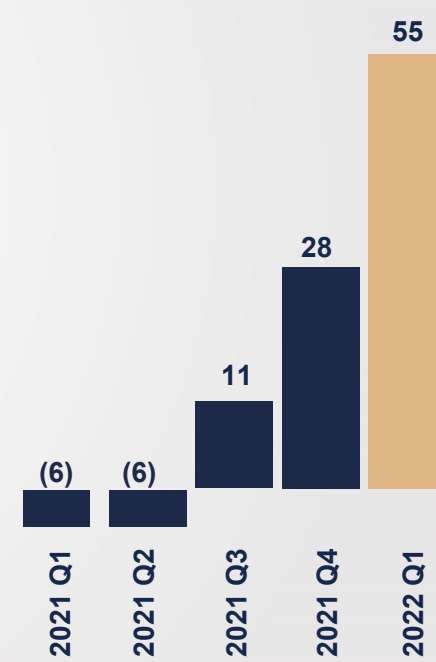
NET SALES
(TRY Million)



EBITDA
(TRY Million)



NET PROFITS
(TRY Million)



BALANCE SHEET

TRY Million	31.12.20	31.12.21	31.03.22
ASSETS			
Current Assets	228,6	292,0	505,3
Cash and Cash Equivalents	68,7	21,8	134,9
Trade Receivables	37,5	100,9	144,4
Inventories	109,0	150,8	197,5
Other Current Assets	13,4	18,5	28,5
Non-Current Assets	95,4	99,9	98,8
Tangible and Intangible Assets	77,2	71,2	74,2
Other Assets	18,2	28,7	24,7
Total Assets	324,0	391,9	604,1
LIABILITIES			
Short-Term Liabilities	148,5	228,9	346,0
Financial Liabilities	98,2	115,9	167,2
Trade Payables	37,1	83,6	124,2
Other Short-Term Liabilities	13,2	29,3	54,6
Long-Term Liabilities	76,3	62,6	108,7
Shareholders' Equity	29,2	29,2	29,2
Total Liabilities and Equity	324,0	391,9	604,1

INCOME STATEMENT



TRY Million	31.12.20	31.12.21	Ratio of Change	31.03.21	31.03.22	Ratio of Change
Sales Revenues (net)	297,7	341,5	15%	51,9	225,7	335%
Cost of Sales (-)	(231,0)	(240,1)	4%	(49,4)	(129,1)	162%
Gross Profit	66,6	101,5	52%	2,6	96,6	3649%
General Administration Expenses	(11,1)	(13,1)	18%	(3,0)	(6,6)	120%
Marketing, Sales and Expenses	(31,7)	(25,1)	-21%	(4,6)	(13,0)	183%
Research and Development Expenses	(2,5)	(2,8)	10%	(0,6)	(1,1)	84%
Impairment Loss on Trade Receivables	(2,2)	1,8	N/A	(0,3)	0,4	N/A
Other Operating Income	37,3	40,5	9%	5,0	9,6	93%
Other Operating Expenses (-)	(32,9)	(52,5)	60%	(5,7)	(9,5)	65%
Operating Profit	23,5	50,3	114%	-6,7	76,5	N/A
Income from Investment Activities	8,3	1,3		1,3	0,0	
EBITDA	37,5	65,6	75%	-3,1	80,6	N/A
EBITDA %	13%	19,2%		-6,0%	35,7%	
Op. Profit Before Financial Expenses	31,8	51,6		(5,4)	76,5	
Financial Expenses (-)	(18,9)	(32,2)		(2,4)	(5,7)	
Profit Before Tax	12,9	19,3	50%	-7,8	70,8	N/A
Operating Tax Income/(Expense)	(2,9)	7,1		1,5	(16,0)	
Net Profit	10,0	26,4		-6,3	54,8	
Earnings Per Share	0,0034	0,0091		-0,0022	0,0188	



05

**YÜNSA 2022
TARGETS**

TARGET FOR 2022

NET SALES



2.9x increase
in total revenues

NET PROFITS



3,8x increase
in net profits

INVESTMENTS





06

**CONTACT
INFORMATION**

COMPANY ADDRESS AND CONTACTS



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