



INVESTOR PRESENTATION  
November 2022

**Snapshot of Worsted  
Wool Fabric**

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**Yünsa  
at a Glance**

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The background features a light gray world map centered on the Atlantic Ocean. Overlaid on the map is a network of thin gray lines connecting various points, with some points highlighted as bright yellow nodes. The overall aesthetic is clean and modern, suggesting a global or technological theme.

# 01

## **SNAPSHOT OF WORSTED WOOL FABRIC**

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# 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

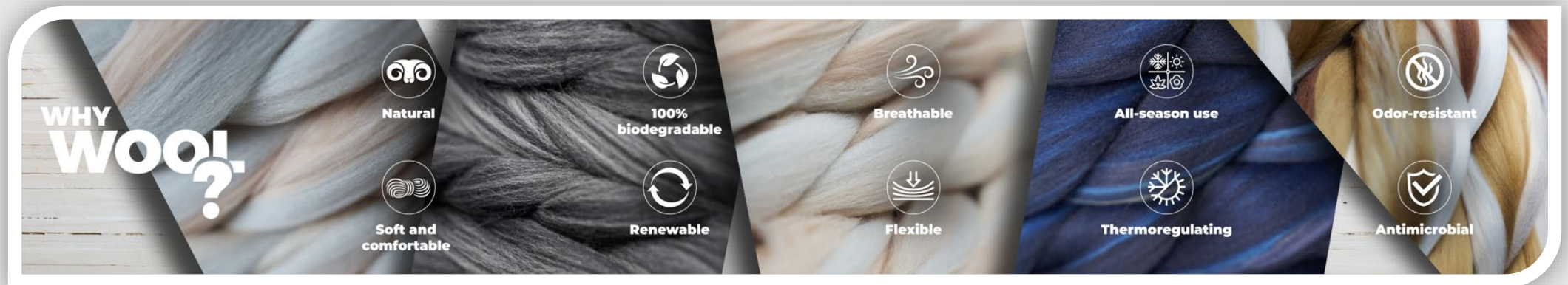
6

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



# BENEFITS OF WOOL FABRIC

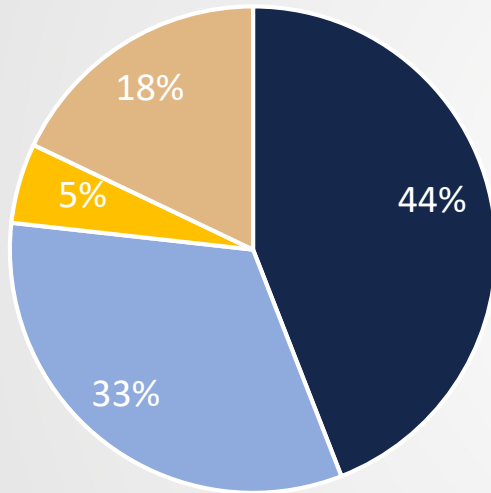
- Most absorbent fibers of all – suitable for all seasons
- «Breathes» by wicking away moisture from the body
- Cleans easily because dirt sits on the surface of the fiber
- Durable. Properly cared for, it lasts a very long time, making wool fabrics a good investment
- Resists wrinkles. Wool has a natural 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



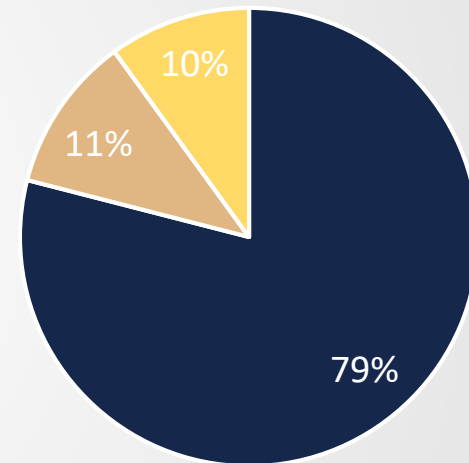
**GLOBAL WOOLEN FABRIC MARKET  
(USD 4.6 Billion)**



■ 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**

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# 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 828 million of net sales in first three quarters of 2022.
- The Company exports nearly two-thirds of its production to more than 50+ countries around the World.



# GLOBAL PRESENCE



1079

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**  
M<sup>2</sup>

## 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

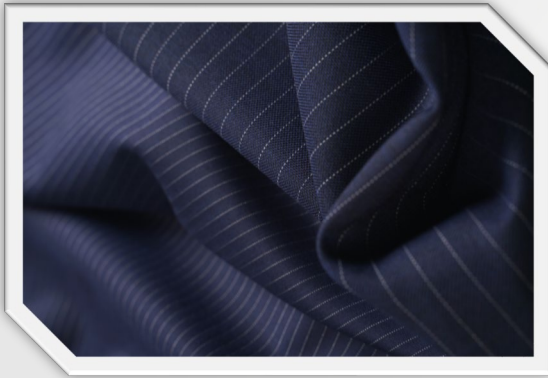


Yünsa is Europe's **biggest** integrated worsted wool fabric producer and ranks among the **world's top five** producers of worsted fabric

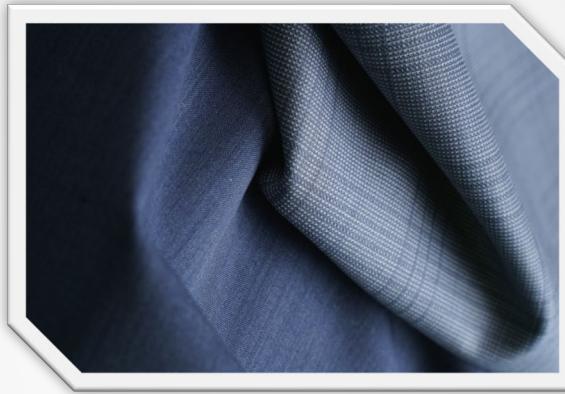
# PRODUCT LINE



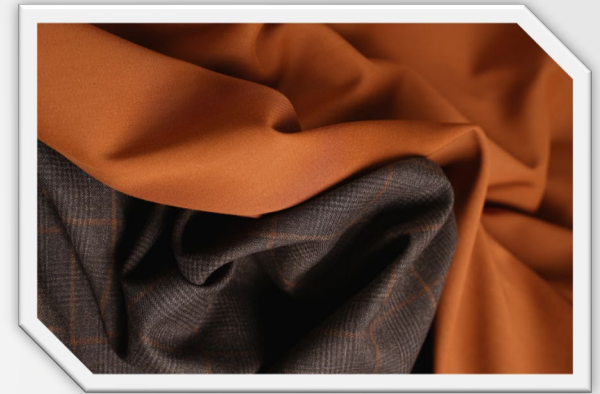
**PREMIUM FABRICS**



**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  
& 6 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 CAPABILITY**

Ability to create a  
trendy collection for  
global customers



## **FLEXIBILITY & EFFICIENCY IN PRODUCTION**

100% capacity utilization &  
integrated facility



## **R&D CENTER**

36 R&D staff  
252 projects with  
university collaborations



**03**

**STRATEGIC  
INITIATIVES**

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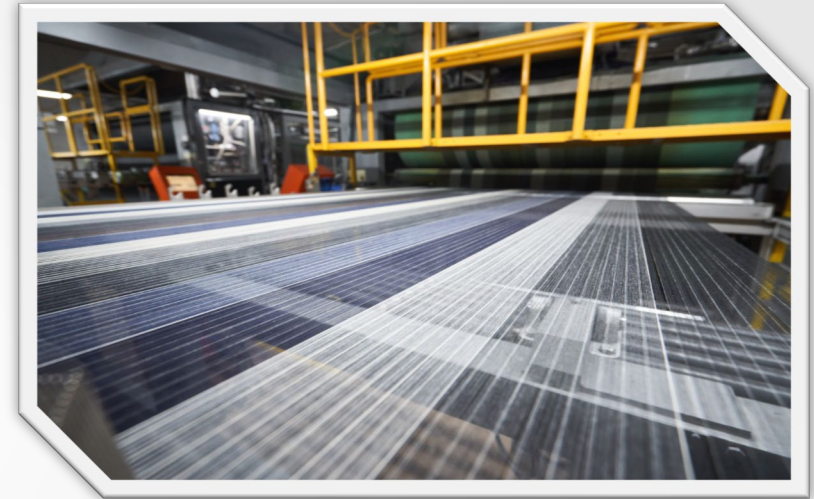
# STRATEGIC PILLARS

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

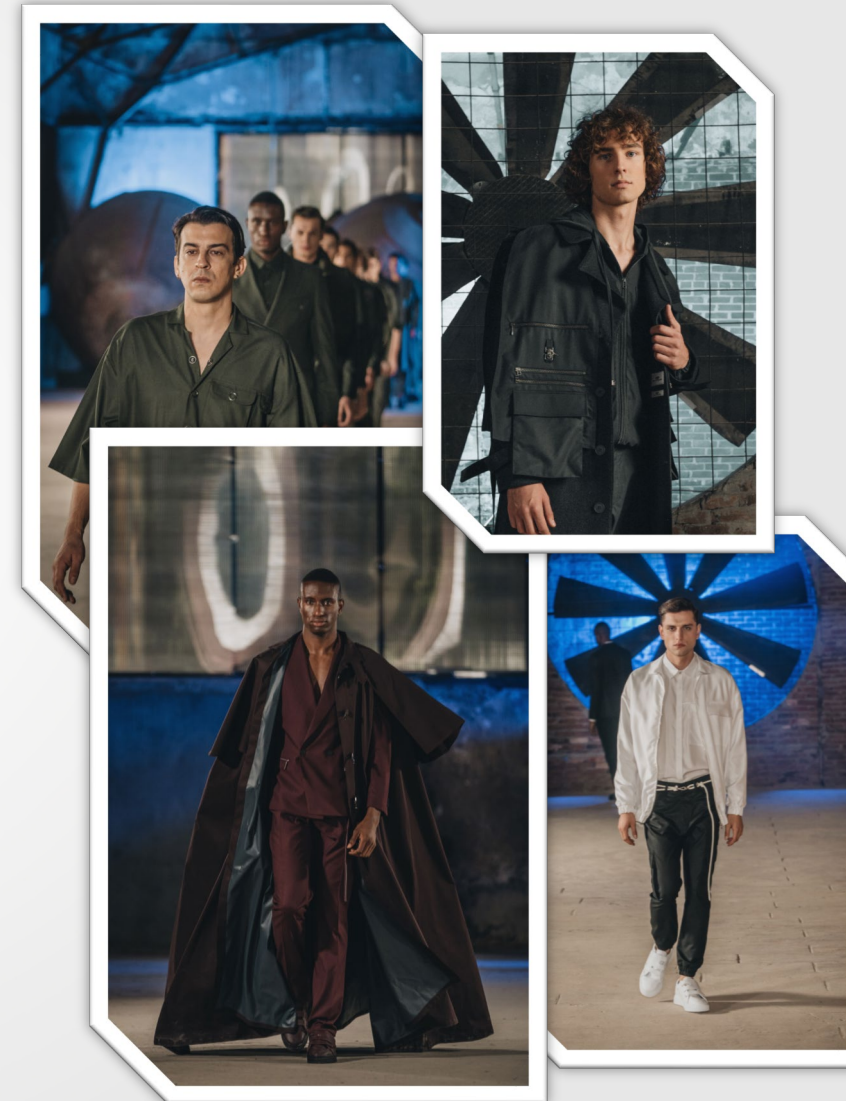
- **Launch of a much more «casual collection» in response to a shift to more casual look**
  - Demand for classical business suits have significantly decreased due to global pandemic
  - High performance, durable and high quality fabric and active wear products are on demand
  - Home office, remote and 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)





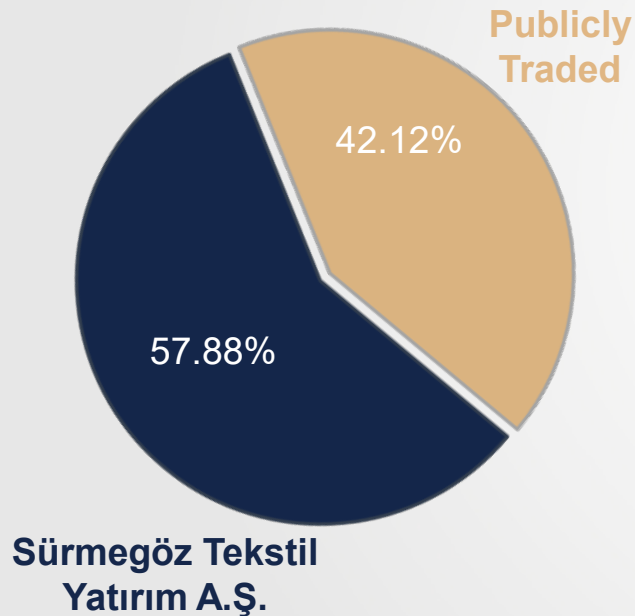
# 04

## KEY FIGURES & FINANCIALS

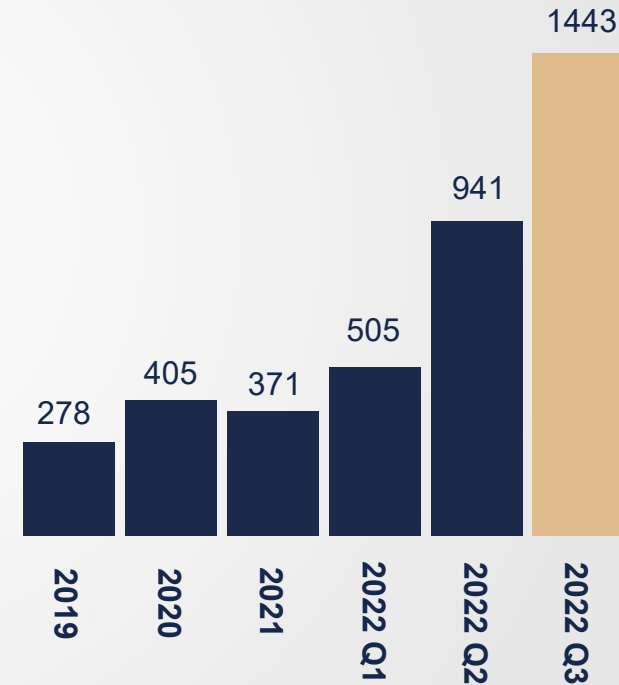
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# SHAREHOLDING STRUCTURE

## SHAREHOLDER STRUCTURE



## MCAP (TRY million)

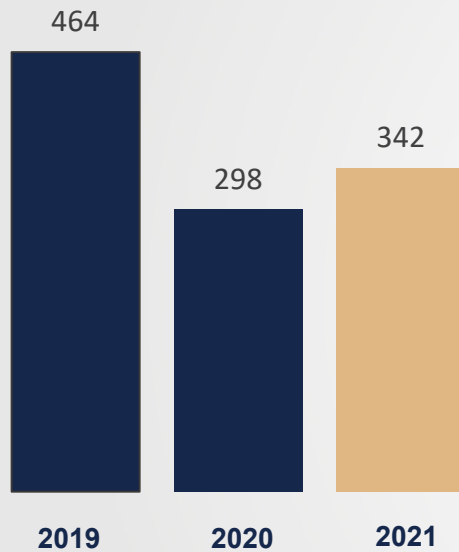


42,12% of Yünsa shares have been publicly traded on Istanbul Stock Exchange since 1990. The remaining shares were acquired from Sabancı Holding by Sürmegöz Tekstil Yatırım A.Ş. in October 2019.

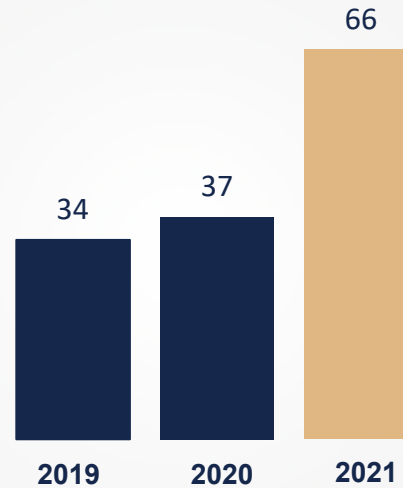
# KEY FIGURES & HIGHLIGHTS – 2021YE



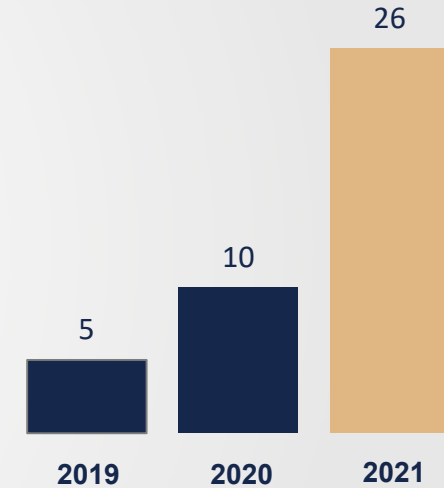
**NET SALES  
(TRY Million)**



**EBITDA  
(TRY Million)**



**NET PROFITS  
(TRY Million)**

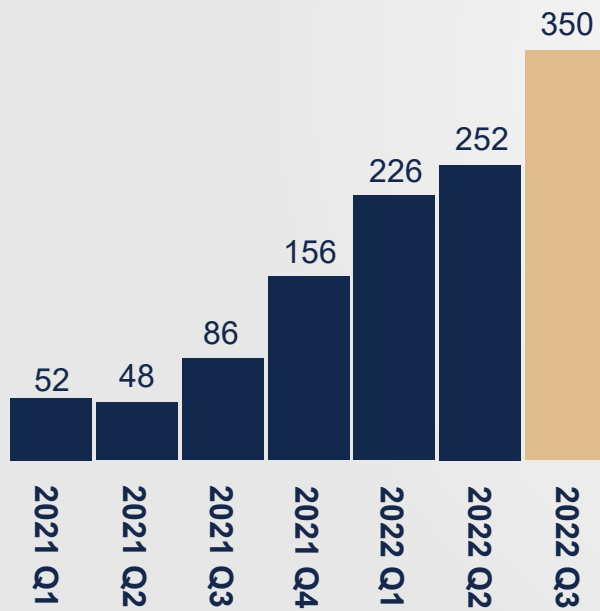


Net sales decreased in 2020 due to the effect of COVID-19 pandemic on global textile industry. Despite negative market conditions, net profits and EBITDA increased as a result of the actions taken to increase efficiency and successful cost management strategy.

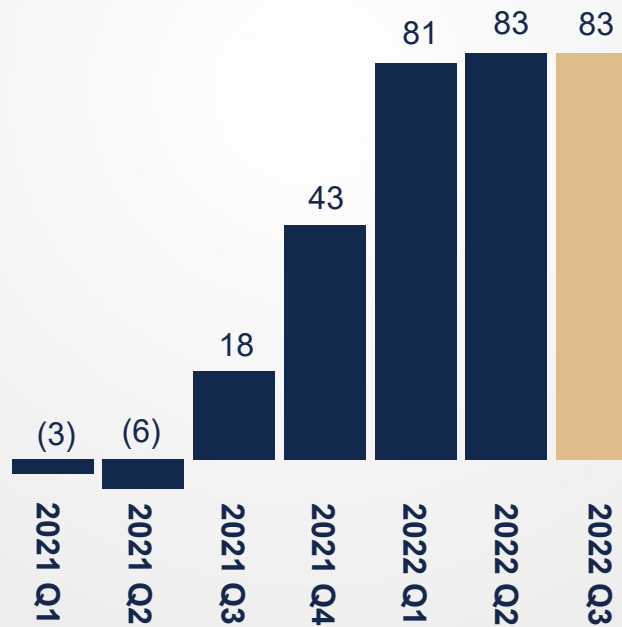
# KEY FIGURES & HIGHLIGHTS - 2022Q3



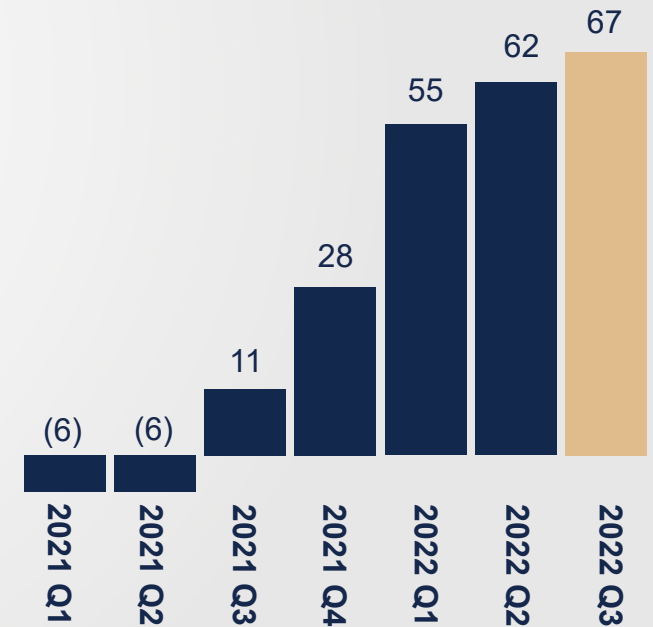
Quarterly Net Sales  
(TRY Million)



Quarterly EBITDA  
(TRY Million)



Quarterly Net Profit  
(TRY Million)





# BALANCE SHEET



TRY Million	31.12.20	31.12.21	30.09.22
<b>ASSETS</b>			
<b>Current Assets</b>	228,6	292,0	680,6
Cash and Cash Equivalents	68,7	21,8	59,8
<b>Trade Receivables</b>	37,5	100,9	265,9
Inventory	109,0	150,8	331,4
Other Current Assets	13,4	18,5	23,6
<b>Non-Current Assets</b>	95,4	99,9	125,1
Tangible and Intangible Assets	77,2	71,2	91,3
Other Assets	18,2	28,7	33,8
<b>Total Assets</b>	<b>324,0</b>	<b>391,9</b>	<b>805,7</b>
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>	148,5	228,9	441,2
Financial Liabilities	98,2	115,9	20,6
Trade Payables	37,1	83,6	306,4
Other Short-Term Liabilities	13,2	29,3	114,2
<b>Long-Term Liabilities</b>	76,3	62,6	126,3
<b>Shareholders' Equity</b>	99,1	100,4	238,2
<b>Total Liabilities and Equity</b>	<b>324,0</b>	<b>391,9</b>	<b>805,7</b>

# INCOME STATEMENT



TRY Million	31.12.20	31.12.21	Ratio of % Change	30.09.21	30.09.22	Ratio of % Change
<b>Sales Revenues (net)</b>	297,7	341,5	15%	185,7	828,3	346%
Cost of Sales (-)	(231,0)	(240,1)	4%	(154,0)	(498,8)	224%
<b>Gross Profit</b>	66,6	101,5	52%	31,6	329,5	941%
General Administration expenses	(11,1)	(13,1)	18%	(9,3)	(30,2)	224%
Marketing, Sales and expenses	(31,7)	(25,1)	-21%	(15,8)	(55,9)	254%
Research and Development Expenses	(2,5)	(2,8)	10%	(2,0)	(3,1)	51%
Impairment Loss on Trade Receivables	(2,2)	1,8	N/A	1,7	(0,6)	N/A
Other Operating Income	37,3	40,5	9%	10,5	45,9	335%
Other Operating Expenses (-)	(32,9)	(52,5)	60%	(19,0)	(50,8)	167%
<b>Operating Profit</b>	23,5	50,3	114%	-2,3	234,8	N/A
Income from Investment Activities	8,3	1,3		1,3	0,9	
<b>EBITDA</b>	37,5	65,6	75%	9,0	246,1	2640%
<b>EBITDA %</b>	13%	19,2%		4,8%	29,7%	
Op. Profit Before Financial Expenses	31,8	51,6		(1,0)	235,7	
Financial Expenses (-)	(18,9)	(32,2)		(2,9)	(6,6)	
<b>Profit Before Tax</b>	12,9	19,3	50%	-3,8	229,1	N/A
Operating Tax Income/(Expense)	(2,9)	7,1		2,6	(45,2)	
<b>Net Profit</b>	10,0	26,4		-1,2	183,9	
<b>Earnings Per Share</b>	0,0034	0,0091		-0,0004	0,0631	



**05**

**YÜNSA 2022  
TARGETS**

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# TARGET FOR 2022

## NET SALES



**2.9x** increase  
in total revenues

## NET PROFITS



**7,6x** increase  
in net profits

## INVESTMENTS





**06**

**CONTACT  
INFORMATION**

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# COMPANY ADDRESS AND CONTACTS



## HEAD OFFICE

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