

2021/Q3

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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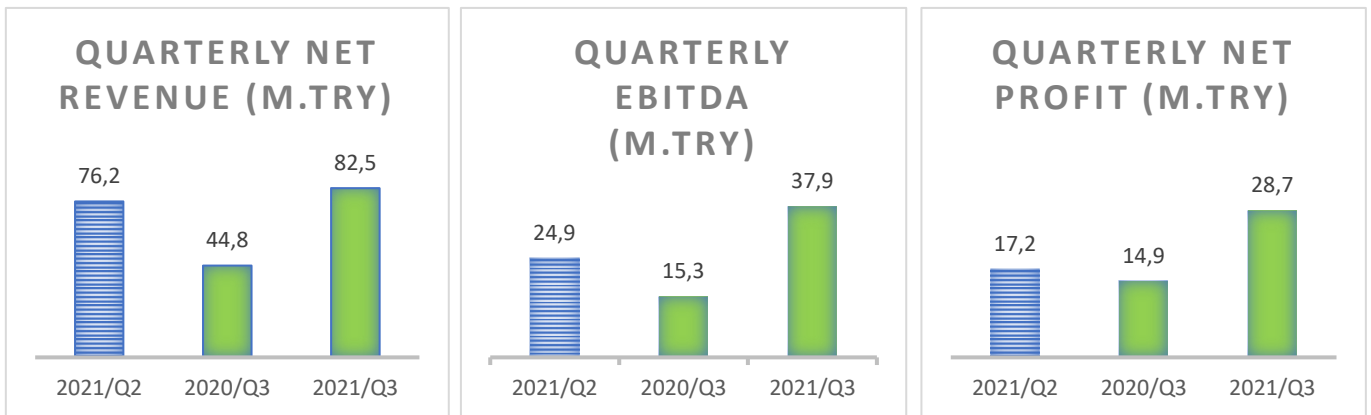
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2021/Q3 increased by 84% yearly and 8% quarterly. Increase was driven by:

- Higher than expected progress and revenue recognition from particular recent projects.
- Contract value appreciation due to increase in contracting unit amount and prices particularly compared to 2020/Q3.
- More projects to be in their growth phase of life cycle particularly compared to 2020/Q3.

EBITDA in 2021/Q3 increased by 148% yearly and 52% quarterly. Increase was due to:

- More projects to be in their growth phase of life cycle particularly compared to 2020/Q3.
- More than expected revenue recognition on particular recently signed projects resulted increase in gross margin.

Net Profit in 2021/Q3 increased by 92% yearly and 67% quarterly. Increase was due to:

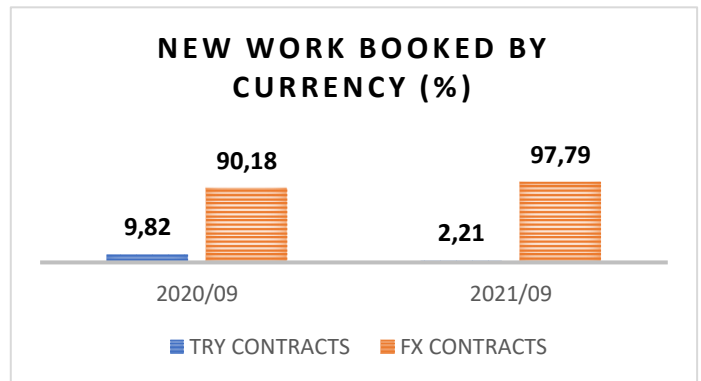
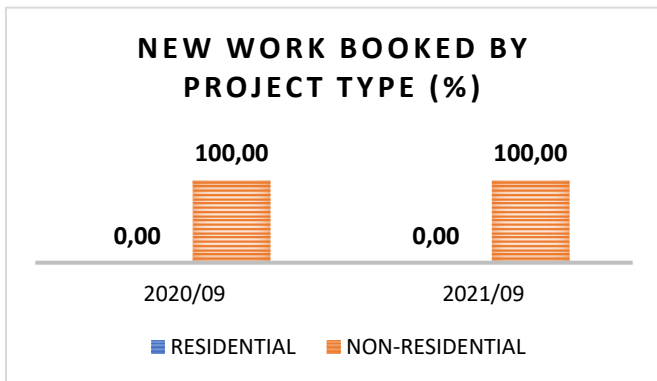
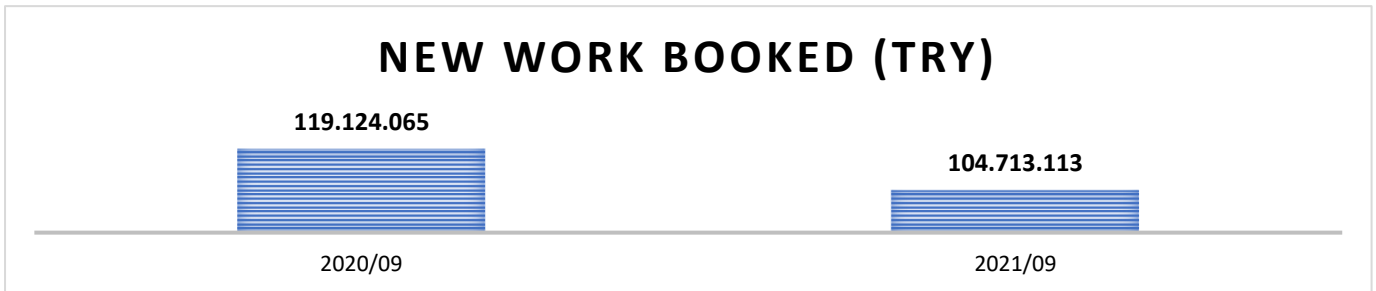
- Increase in gross margin compared to both terms, particularly 2020/Q3.

Reasons for minor increase comparing EBITDA are:

- Increase in deferred tax loss due to raise in corporate tax rate for 2021 and 2022 revenues.
- Net investment activity gains also net interest and currency gains decreased compared to 2021/Q2 and significantly to 2020/Q3.

1.B. OPERATING HIGHLIGHTS

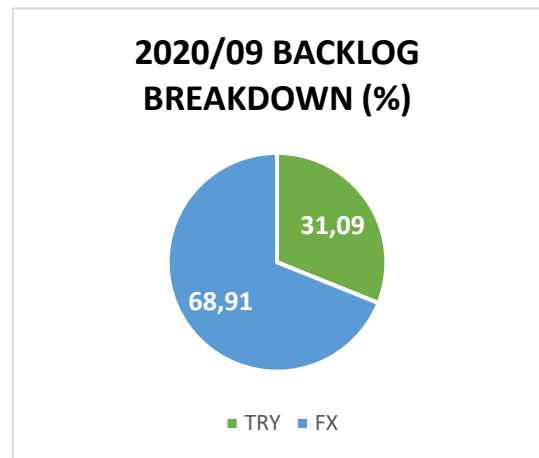
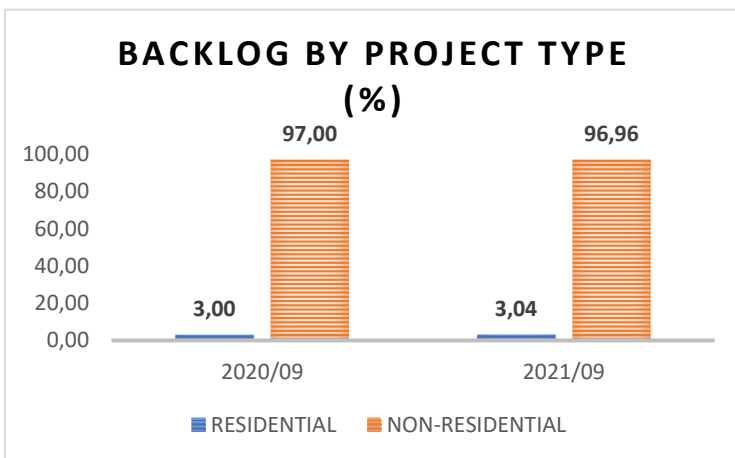
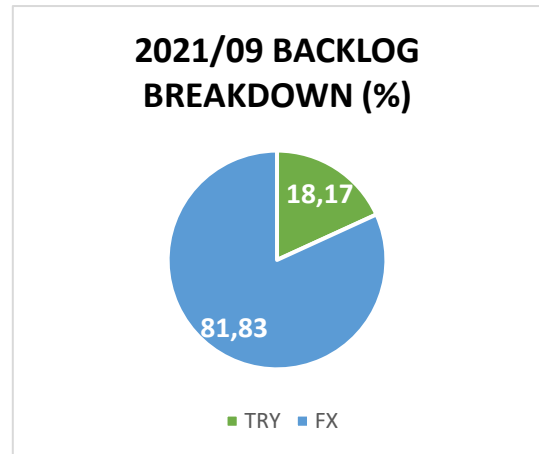
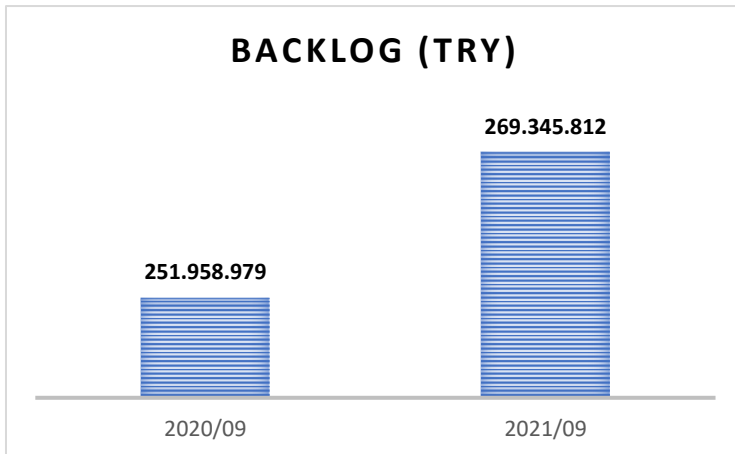
1.B.1. New Work Booked



New work booked in 2021/9M decreased 104,713,113 TRY compared to 119,124,065 TRY 2020/9M.

- All new contracts are non-residential.
- 98% of contract value is in FX terms.

1.B.2. Backlog



Backlog increased 269,345,812 TRY as of 30.09.2021, compared to 251,958,979 TRY as of 30.09.2020.

- Non-residential weight in backlog reached 97%.
- FX-based contract value increased to 82% of backlog. Risk management is maintained with provisions regarding FX- inflation-commodity price escalations in particular TRY-based contracts.

Latest ongoing projects with respective contract values are as follows:

PROJECT	CONTRACT VALUE	EST. COMPLETION
SABIHA GÖKÇEN AIRPORT SUBWAY	11,600,030 EUR	APRIL 2022
KOCAELİ INTEGRATED HEALTHCARE CAMPUS	29,777,256 TRY + 5,707,474 EUR	DECEMBER 2021
İNİSTANBUL	34,229,074 TRY + 5,488,088 EUR	DECEMBER 2021
KABATAŞ-MAHMUTBEY SUBWAY	6,112,061 EUR + 3,054,743 TRY	DECEMBER 2021
BAŞAKŞEHİR-KAYAŞEHİR SUBWAY	4,675,000 EUR	JULY 2022
BÜYÜKYALI	39,794,242 TRY	DECEMBER 2021
ATATÜRK CULTURAL CENTER	26,750,000 TRY	DECEMBER 2021
DUDULLU-BOSTANCI SUBWAY	4,151,346 EUR	SEPTEMBER 2022
HİSARÜSTÜ-AŞIYAN FUNICULAR LINE	953,000 EUR	MARCH 2022
ATAKÖY-İKİTELLİ SUBWAY	835,351 EUR	DECEMBER 2021
M9 & M3 SUBWAY EXTENSION LINES	1,080,000 EUR	JUNE 2023
IBN HALDUN UNIVERSITY	233,895 EUR + 1,599,614 TRY	NOVEMBER 2021

1.B.3. ORGE's Covid-19 Related Actions and Expectations

"Covid-19", declared a pandemic by the World Health Organization (WHO) on March 11, 2020, has restrictive effects on many sectors of the economy, such as production, trade and transportation, as well as on human health in our country and in the world.

- Due to the Covid-19 pandemic, a temporary stop was implemented at one (out of 10) of our active construction worksites in 2020/Q2. Since May 13, 2020, all activities were resumed at all project sites.
- As of the announcement date of the 2021/Q3 financial statements, we do not have any projects that are stopped and/or postponed due to the pandemic.
- We plan to finalize the works in accordance with the work programs deemed appropriate by our clients.

1.B.4. Other Major Developments in 2021/9M and Beyond

- The Company's capital increased from TRY 50,000,000 to TRY 80,000,000 all through dividend.
- Completed the contracting signing process for new electrical contracts of;

-Ataköy İkitelli Subway Line (Contract Size: EUR 835,351).

-Sabiha Gökçen Airport Subway Line (Contract Size: EUR 600,030).

-Hisarüstü-Aşıyan Funicular Line (Contract Size: EUR 953,000).

-M9&M3 Subway extension lines (Contract Size: EUR 340,000).

-Ibn Haldun Project (Contract Size:EUR:233,896&TRY 1.599.614).

-Başakşehir-Kayaşehir Subway Line (Contract Size: EUR 4.675.000)

- Completed the contracting signing process for additional electrical works of;

-Dudullu-Bostancı Subway Line (Contract Size: EUR 239,904).

-Dudullu-Bostancı Subway Line (Contract Size: EUR 461,000).

-Dudullu-Bostancı Subway Line (Contract Size: EUR 1,504,328).

-Kocaeli Healthcare Campus(Contract Size:EUR88,208&TRY 709,924).

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the 9 months of 2021 putting great effort into meeting our sustainable growth and profitability commitments. Sticking to the strategy to increase market share in our focal sub-sectors, we have grown our subway contract base by adding four new subway contracts in our backlog.

Concerns on Covid-19 pandemic were taken seriously and we endeavored to protect our employees from the possible negative effects while maintaining the work at all our project sites. Only one project site had a temporary closure. We took care of all of our staff holistically. Since May 13, 2020 all projects are ongoing.

Our revenues keep up their pace even with negative effects of the pandemic thanks to better than expected progress in particular recent projects. Our EBITDA margin increased significantly due to the lifecycle effects of project base and revenue recognition from new projects with better margins. Even we did not have the benefits of our FX contract base and cash reserves compared to last quarter and previous year, and also faced a deferred tax loss due to raise in corporate tax rate for 2021 and 2022, we have maintained a strong net profit margin.

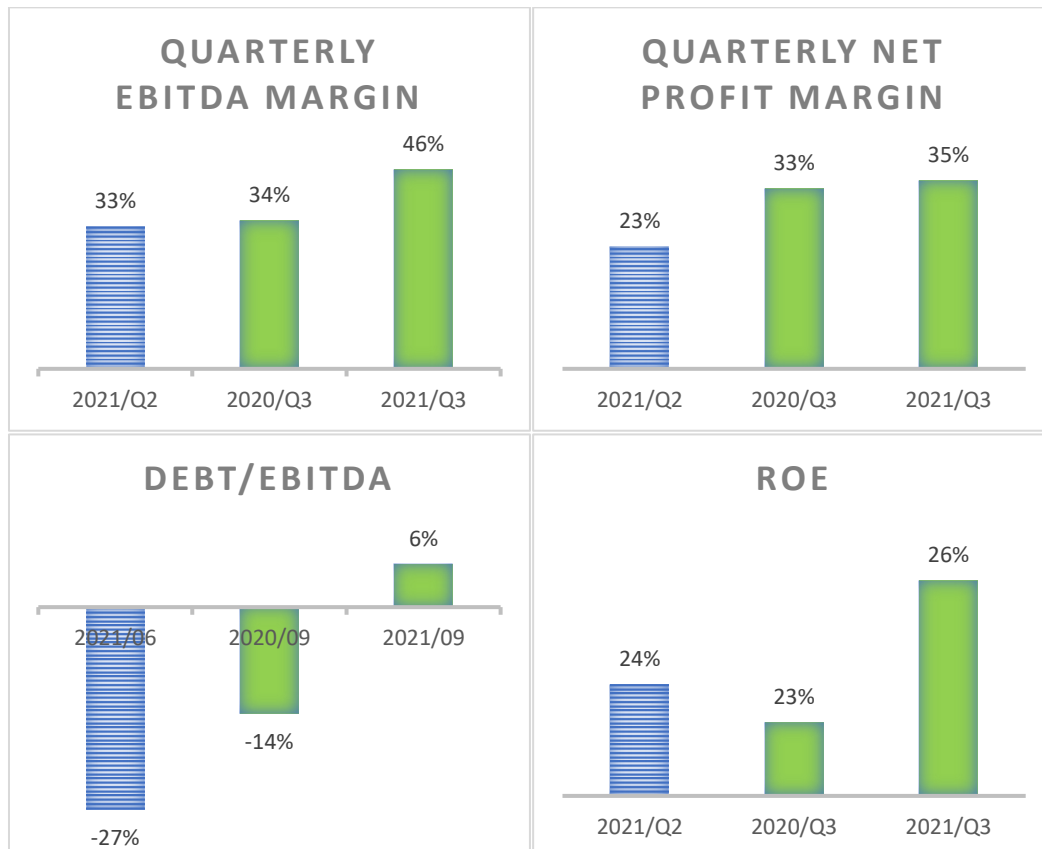
As of the disclosure day, our base scenario is for 2021 is: continuation of normalization process, economic activity, indicators and prices; and their convergence to the expectations of the company.

Since we have reached our 2021 guidance in 3 quarters, we increase annual revenue growth guidance as %55 (previously %20) and annual operating profit growth guidance as %55 (previously stable). When our base scenario holds; we believe the activities and financial status of the company will not be affected and we can deliver %55 growth in revenues and operating profit for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2020/9M	2021/9M
Revenue	118,081,096	194,486,910
Gross Profit	42,620,120	75,616,321
Operating Profit	39,262,767	68,689,125
Profit Before Tax	42,438,790	73,363,675
Net Profit	32,881,675	55,063,034
Equity	219,581,922	296,133,312
Profitability Ratios (%)	2020/9M	2021/9M
Gross Profit Margin	36.09	38.88
Operating Profits Margin	33.25	35.32
Net Profits Margin	27.85	28.31
Equity Profitability Margin	14.97	18.59
Liability Ratios (%)	2020/12M	2021/9M
Total Fin. Debt / Equity	31.39	9.32
Total Debt / Equity	65.16	51.12
Total Debt / Total Assets	39.45	33.83
Equity / Total Assets	60.55	66.17
Net Financial Liabilities (TRY)	-5,769,488	5,375,595
Market Value as of 30.09 (TRY)	381,500,000	470,400,000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2021/Q3;

Increased 35% compared to 2020/Q3 and 40% compared to 2021/Q2 mainly due to:

- More projects to be in their growth phase of life cycle compared to both 2020/Q3 and 2021/Q2.
- More than expected revenue recognition on particular recently signed projects resulted increase in gross margin.

Net Profit margin in 2021/Q3 increased by 4% yearly and 54% quarterly, mainly due to:

- Increase in gross margin compared to both terms.
- Net income from investment activities also net interest and currency gains decreased particularly compared to 2020/Q3; due to stable FX rates.
- Increase in deferred tax loss due to raise in corporate tax rate for 2021 and 2022.

ROE in 2021/Q3 increased by 14% yearly and 10% quarterly mainly due to:

- Increase in Equity base is less than annualized net profit comparing both terms.

Net Financial Debt / EBITDA in 2021/9M is at 6%; it was -14% in 2020/9M and -27% in 2021/6M, mainly due to:

- Debt payments and inventory building for upcoming projects.

4. KEY FUTURE OPPORTUNITIES

RAILWAY SYSTEMS OPPORTUNITY

- ECI – Early Contractor Involvement
- Current: 260 KM
- Ongoing construction in İstanbul: 199 KM
- 2024 target: 550 KM / 2029 target: 808 KM
- Finalized 17 subway tenders, est. amount of EUR 5.5 billion
- İzmir, İzmit – Subway Projects
- EMEA – Business Development
- Est. electrical scope 12-20%

RAILWAYS IN TURKEY'S INVESTMENT PLAN FOR 2021

- Total Investments: TRY 138 Billion
 - Transportation Investments: TRY 42,7 Billion (30%)
 - Railway Investments from Ministry: TRY 8,5 Billion
 - Railway Investments from Municipalities: TRY 14 Billion
 - Railway Investments for Istanbul: TRY 9,5 Billion
 - Railway Investments for Izmir: TRY 2,5 Billion
 - Railway Investments for Mersin: TRY 1,25 Billion
 - Railway Investments for other cities: TRY 825 Million

PPP HOSPITALS OPPORTUNITY

- Project includes 31 hospitals
- Contracts signed for 18 hospitals
- 13 hospitals in operation
- 5 ongoing projects
- Total est. construction 12 million sqm
- Total est. investment USD 10 billion
- Est. electrical scope 15-25%

INDUSTRIAL & NUCLEAR POWER PLANTS OPPORTUNITY

- Akkuyu, Kırklareli Nuclear Power Plants
- Akkuyu est. construction budget USD 20 billion
- 1st phase opening – 2023. Construction until 2027-2029
- Tax incentives for chemical, petroleum plants
- Industry 4.0 investments
- IT Complex, data center construction & renovations
- Cooperation with international contractors
- Est. electrical scope 12-20%

5. EXPECTATIONS AND EARNINGS GUIDANCE

Previous

Provided that the effects of economic, geopolitical, and political risks on new investments and sector will be minimized, with our fulfillment of our new contract expectations we project to increase our revenues by 20%; average number of employees by 20%, and to secure our operating profit at the 2020 level.

Regarding the Covid-19 impact on our works, if our base scenario holds normalization process and economic activity will be on track to meet our expectations; we can reach our year-end goals as stated above.

Update

Since we have reached our 2021 guidance in 3 quarters, we increase annual revenue growth guidance as %55 (previously %20) and annual operating profit growth guidance as %55 (previously stable). Holding average number of employee growth stable at %20.

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Company's financial statements are available on www.kap.gov.tr and www.orge.com.tr websites.

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