



# ENKA

## 4Q 2018

### ENGINEERING FOR A BETTER FUTURE

# Introduction

## EXPERIENCE

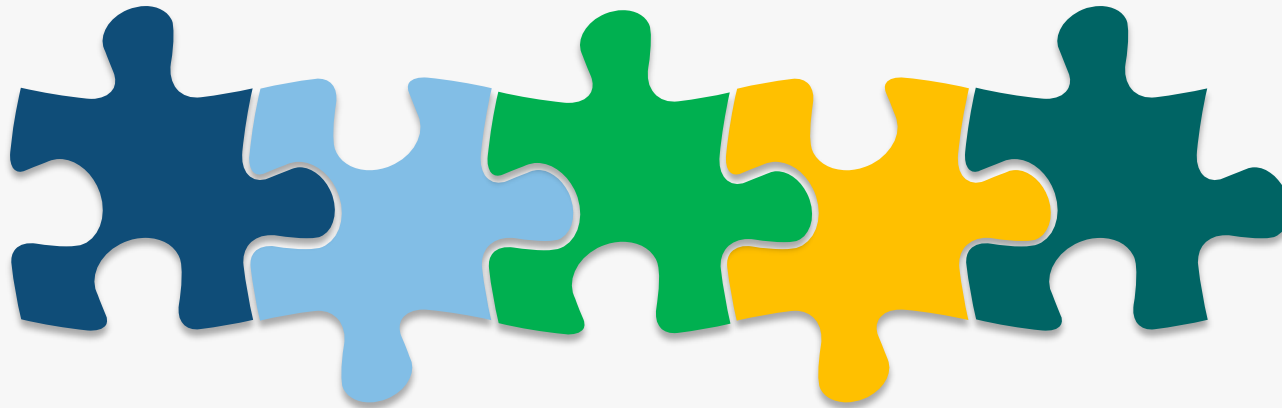
60 Years of construction experience worldwide

## RELIABILITY

518 projects in 45 countries have been completed or under construction with historical value of USD 47,3 Billion

## EVALUATION

Traded publicly on Borsa Istanbul (BIST) with a market cap of USD 4,3 Billion (@ 31.12.2018)



## SYNERGY

Group of companies composed of more than 50 subsidiaries operating in 7 major geographical areas:

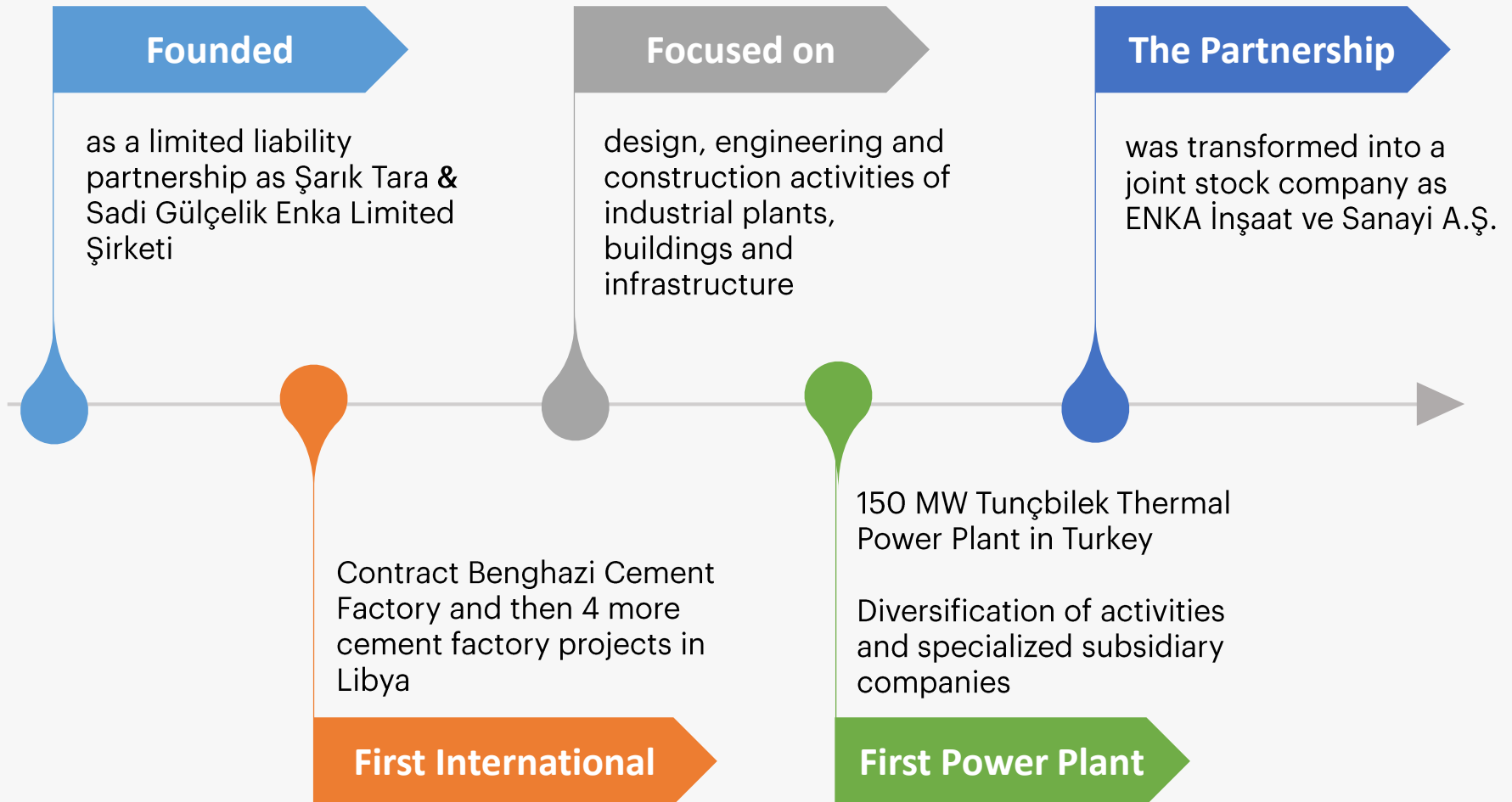
CIS, Asia, Middle East, Europe, America, Africa & Turkey

## DIVERSIFICATION

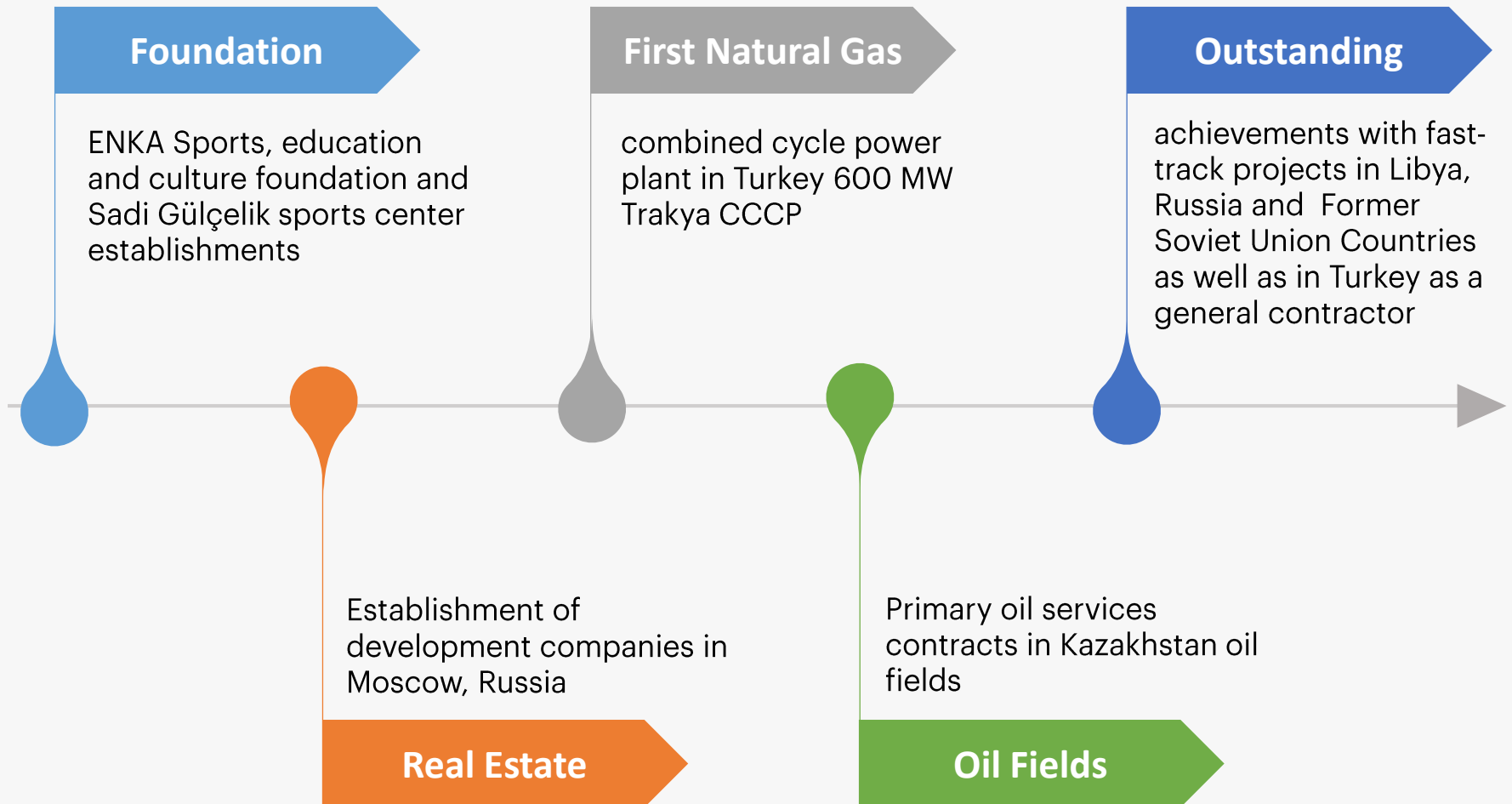
With a solid background of 60 years ENKA operates in 4 main segments:

Engineering & Construction  
Energy  
Real Estate  
Trade

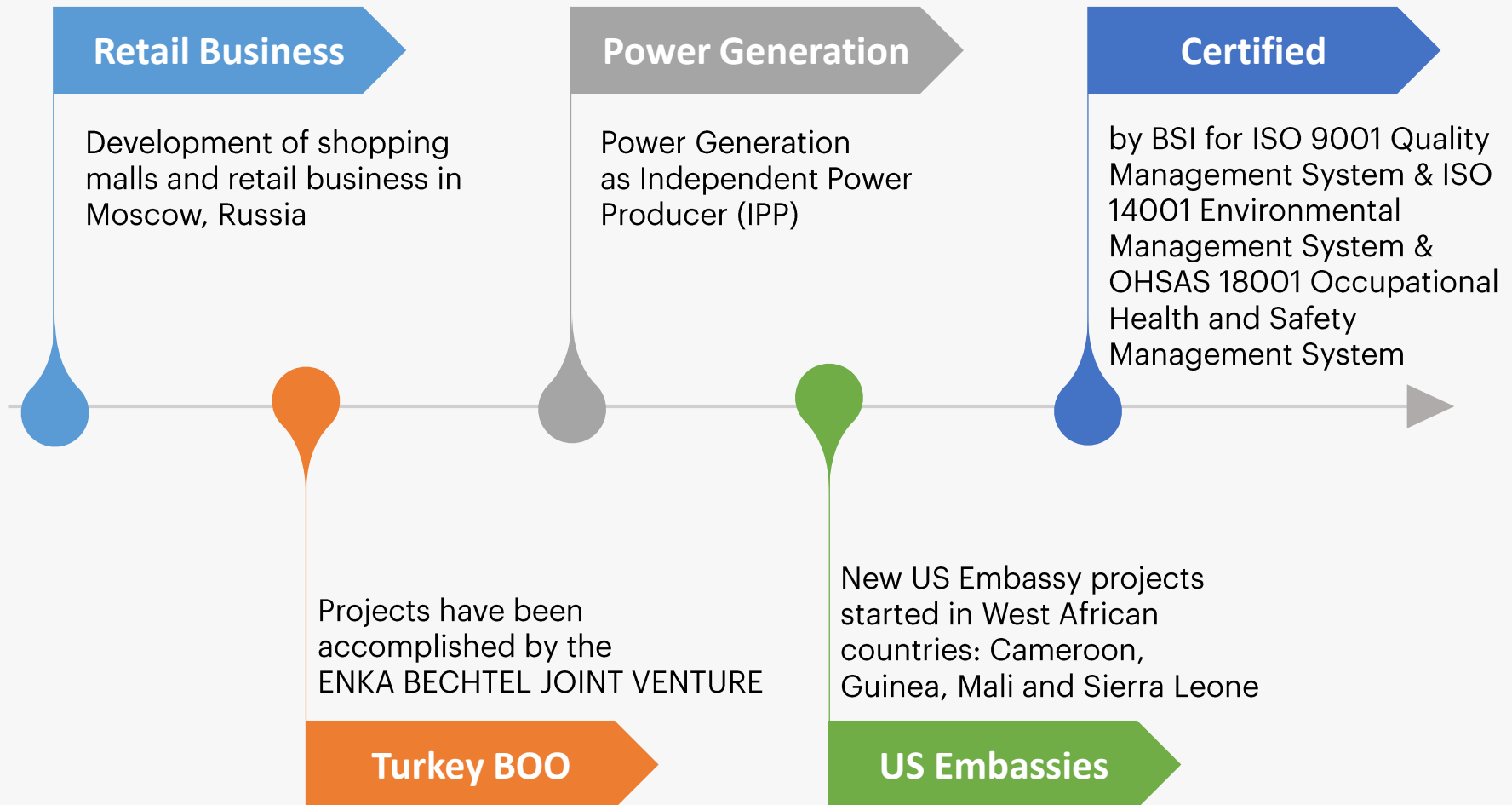
# Milestones [1957-1976]



# Milestones [1977-1996]



# Milestones [1997-2018]





# Milestones [1997-2018]

2

## Gas Fired CCPP

790 MW Rijnmond Natural Gas Fired CCPP has been completed in 22 months by the ENKA Bechtel Joint Venture in the Netherlands

## EPC in Russia

ENKA as a main contractor has been awarded 400 MW Yajva State District Power Plant EPC Project in Russia

## Airport

Completion of Sheremetyevo Airport Terminal 3 in Moscow, Russia

ENKA set a new world record for power plant availability (with 99.8% which is 7% over the industry average) over the 12-month period with GE 9 FA gas turbines

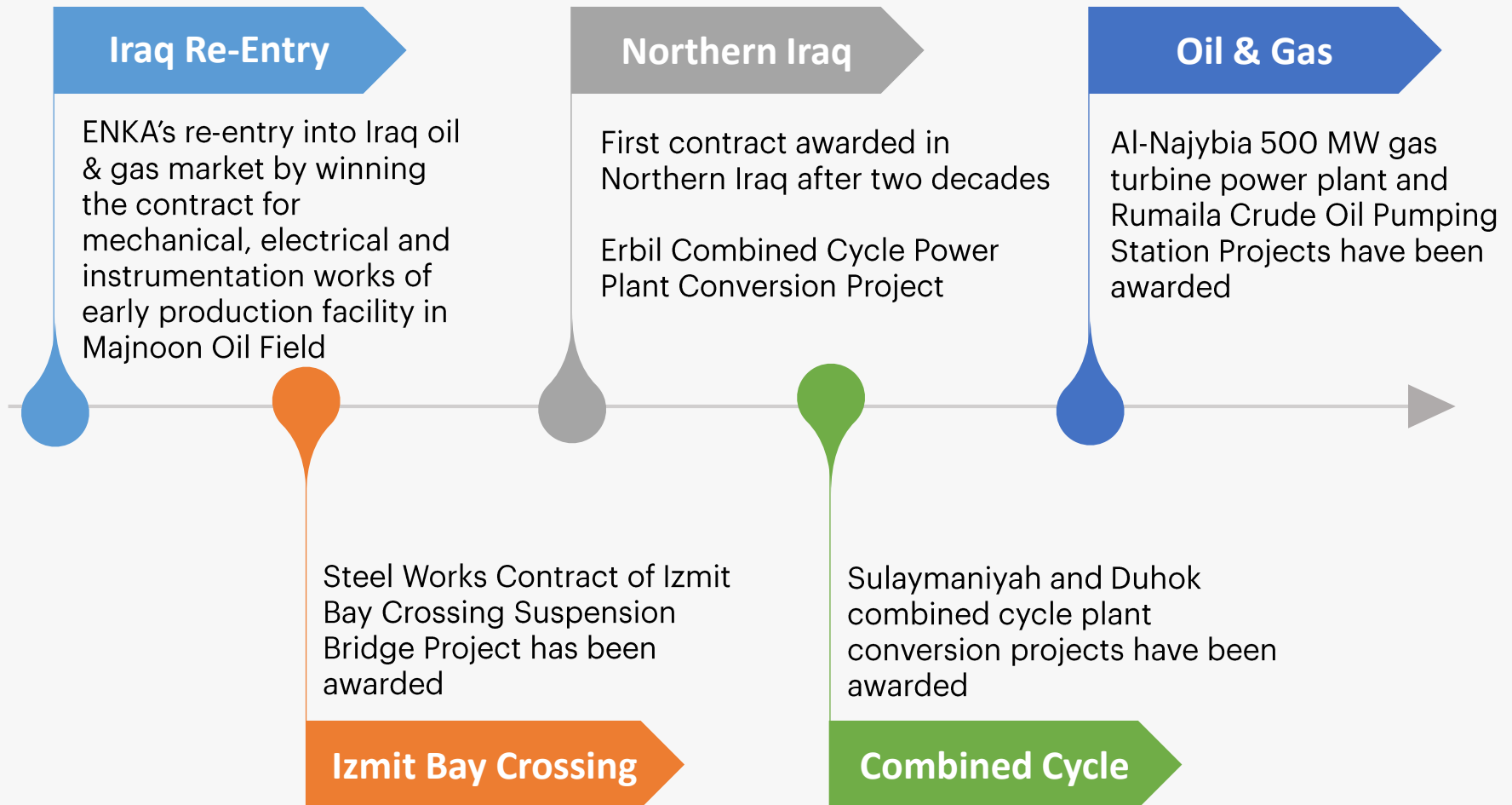
## World Record

First contract awarded in Continent America – new US Embassy Compound in Santa Domingo, Dominican Republic

## Continent America

# Milestones [1997-2018]

3



# Milestones [1997-2018]

4

## Caucasus Pipeline

A contract related to South Caucasus Pipeline Expansion (SCPX) has been awarded to Bechtel-ENKA JV

## Kosovo

After successfully completing the Route 7 Motorway Project, the new phase; Route 6 has also been awarded to Bechtel-ENKA JV in Kosovo

## Power Plants

EPC contracts awarded; Simple Cycle Power Plant Project at Bazyan, Sulaymaniyah 1,500 MW Combined Cycle Power Plant Project at Besmaya

ENKA with its partner General Electric, will design and build the Samawa and Dhi Qar Combined Cycle Power Plants, which will add 750 MW each to Iraq

## Global Partners

ENKA together with Clean Energy Group of Norway won the bid for the Namakhvani Project in Georgia, a Hydroelectric Power Plant with a total capacity of 433 MW under build-own-operate model

## Hydroelectric



# Mission, Vision and Values



## Our Mission

to design, build and deliver safe, high-quality and cost-effective construction projects on schedule for our customers while providing quality employment and career growth opportunities for ENKA employees.



## Our Vision

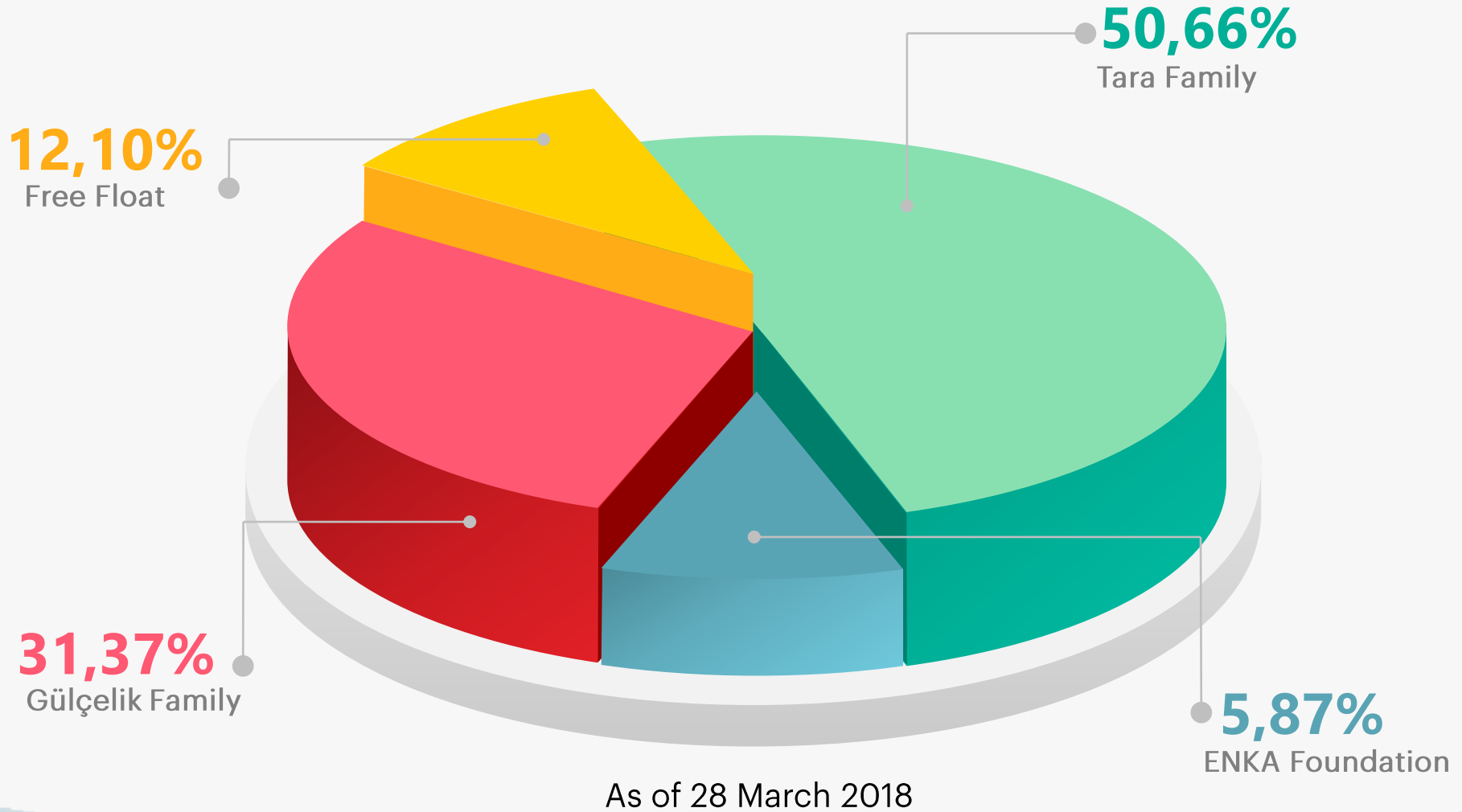
to be one of the best and innovative engineering & construction companies serving globally.



## Our Values

define how we do work at ENKA. We will not undertake or execute a project which comprises any of these values. We believe that when we commit to work within ENKA's values, we achieve superior work in our industry.

# Shareholder Structure



# Consolidated Financial Highlights

|                              | 2018  | 2017  | 2016  | 2015  | 2014  |
|------------------------------|-------|-------|-------|-------|-------|
| TOTAL ASSETS                 | 7.796 | 8.031 | 7.587 | 7.145 | 7.813 |
| TOTAL EQUITY                 | 6.103 | 6.207 | 5.667 | 5.126 | 5.157 |
| CASH & MARKETABLE SECURITIES | 3.252 | 3.479 | 3.194 | 2.950 | 2.990 |
| REVENUE                      | 2.881 | 2.900 | 3.506 | 4.555 | 5.821 |
| EBITDA                       | 757   | 745   | 732   | 721   | 830   |
| EBITDA MARGIN                | 26,3% | 25,7% | 20,9% | 15,8% | 14,3% |
| NET PROFIT                   | 328   | 705   | 589   | 530   | 659   |
| NET MARGIN                   | 11,4% | 24,3% | 16,8% | 11,6% | 11,3% |

All figures given above are in Million US Dollars

# Revenues by Business Lines

|                  | 2018  |       | 2017  |       | 2016  |       | 2015  |       | 2014  |       |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                  | USD   | %     | USD   | %     | USD   | %     | USD   | %     | USD   | %     |
| CONSTRUCTION     | 1.011 | 35,1  | 1.195 | 41,2  | 1.453 | 41,5  | 1.492 | 32,8  | 2.139 | 36,7  |
| POWER GENERATION | 1.474 | 51,2  | 1.337 | 46,1  | 1.582 | 45,1  | 2.512 | 55,1  | 3.159 | 54,3  |
| REAL ESTATE      | 329   | 11,4  | 319   | 11,0  | 319   | 9,1   | 382   | 8,4   | 485   | 8,3   |
| TRADE            | 165   | 5,7   | 234   | 8,1   | 246   | 7,0   | 273   | 6,0   | 302   | 5,2   |
| ELIMINATION      | (98)  | (3,4) | (185) | (6,4) | (94)  | (2,7) | (104) | (2,3) | (264) | (4,5) |
| TOTAL            | 2.881 | 100   | 2.900 | 100   | 3.506 | 100   | 4.555 | 100   | 5.821 | 100   |

All figures given above are in Million US Dollars

# EBITDA by Business Lines

|                  | 2018 |     |     | 2017 |     |     | 2016 |     |     | 2015 |     |     |
|------------------|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|
|                  | USD  | %   | MRG | USD  | %   | MRG | USD  | %   | MRG | USD  | %   | MRG |
| CONSTRUCTION     | 209  | 28  | 21  | 212  | 28  | 18  | 162  | 22  | 11  | 127  | 18  | 9   |
| POWER GENERATION | 326  | 43  | 22  | 312  | 42  | 23  | 331  | 45  | 21  | 297  | 41  | 12  |
| REAL ESTATE      | 204  | 27  | 62  | 193  | 26  | 61  | 223  | 31  | 70  | 267  | 37  | 70  |
| TRADE            | 17   | 2   | 10  | 28   | 4   | 12  | 15   | 2   | 6   | 27   | 4   | 10  |
| ELIMINATION      | 1    | 0   |     | 0    | 0   |     | 1    | 0   |     | 3    | 0   |     |
| TOTAL            | 757  | 100 |     | 745  | 100 |     | 732  | 100 |     | 721  | 100 |     |

All figures given above are in Million US Dollars

# Share Capital Increases

| DATE       | PREVIOUS SHARE CAPITAL | INCREASE | INCREASE (%) | INCREASED SHARE CAPITAL |
|------------|------------------------|----------|--------------|-------------------------|
| 25.05.2012 | 2.500                  | 300      | 12,00        | 2.800                   |
| 12.06.2013 | 2.800                  | 400      | 14,29        | 3.200                   |
| 21.05.2014 | 3.200                  | 400      | 12,50        | 3.600                   |
| 06.05.2015 | 3.600                  | 400      | 11,11        | 4.000                   |
| 23.05.2016 | 4.000                  | 200      | 5,00         | 4.200                   |
| 27.04.2017 | 4.200                  | 400      | 9,52         | 4.600                   |
| 24.05.2018 | 4.600                  | 400      | 8,70         | 5.000                   |

All Figures given above are in Million Turkish Liras



# Dividend Payments

| YEAR | DATE       | GROSS RATE | NET RATE   | CASH DIVIDEND |       | D.P.F.S.* |     |
|------|------------|------------|------------|---------------|-------|-----------|-----|
|      |            |            |            | TL            | USD   | TL        | USD |
| 2015 | 11.11.2015 | 7,00%      | 5,95%      | 280           | 96,2  | 0         | 0   |
|      | 20.04.2016 | 8,00%      | 7,10%      | 320           | 112,9 | 22        | 7,8 |
|      |            |            | 2015 TOTAL | 600           | 209,1 | 22        | 7,8 |
| 2016 | 28.09.2016 | 3,33%      | 2,83%      | 140           | 47,1  | 0         | 0   |
|      | 14.12.2016 | 3,33%      | 2,83%      | 140           | 40,3  | 0         | 0   |
|      | 19.04.2017 | 12,00%     | 10,81%     | 504           | 136,8 | 29,4      | 8   |
|      |            |            | 2016 TOTAL | 784           | 224,2 | 29,4      | 8   |
| 2017 | 27.09.2017 | 3,59%      | 3,05%      | 165           | 46,2  | 0         | 0   |
|      | 15.12.2017 | 4,00%      | 3,40%      | 184           | 48,0  | 0         | 0   |
|      | 19.04.2018 | 12,00%     | 10,91%     | 552           | 134,8 | 32,3      | 7,9 |
|      |            |            | 2017 TOTAL | 901           | 229,0 | 32,3      | 7,9 |
| 2018 | 14.12.2018 | 4,00%      | 3,40%      | 200           | 37,3  | 0         | 0   |
|      |            |            | 2018 TOTAL | 200           | 37,3  | 00        | 0   |

\* Dividend paid to Founder Shares

# Work Force

## ENKA ABROAD

|                |          |
|----------------|----------|
| Technical      | : 557    |
| Administrative | : 254    |
| Workers        | : 10.004 |
| Total          | : 10.815 |

## SUBSIDIARIES ABROAD

|                |       |
|----------------|-------|
| Technical      | : 31  |
| Administrative | : 4   |
| Workers        | : 387 |
| Total          | : 422 |

## ENKA TURKEY

## ENKA TURKEY

|                |       |
|----------------|-------|
| Technical      | : 356 |
| Administrative | : 95  |
| Workers        | : 94  |
| Total          | : 545 |

## ENKA Abroad

## Subsidiaries TURKEY

## SUBSIDIARIES TURKEY

|                |         |
|----------------|---------|
| Technical      | : 886   |
| Administrative | : 454   |
| Workers        | : 1.426 |
| Total          | : 2.766 |

## Subsidiaries Abroad

Grand Total : 14.548

# Awards & Achievements

## YAJVA

ENKA's 411 MW CCPP Yajva State District Power Plant EPC Project has been awarded "the Best Project in the Power/Industrial Category" in 2013 Global Best Projects Competition of NR (Engineering News-Record)

# Awards & Achievements

## RISK MANAGEMENT

Turkish Power Company ENKA POWER has world class risk management article which praises ENKA's commitments and achievements in protecting the power plant assets published in UTILITY WEEK MAGAZINE on 28 January 2011 edition.

## INNOVATION

The most prestigious and innovative leisure, shopping, business and residential complex of Moscow, was honored with the Best Shopping Center 2015 award given by Russian Council of Shopping Centers (RCSC) to Kuntsevo Plaza.



## DEVELOPMENT

Kuntsevo Plaza, has been awarded in three categories of the prestigious awards in 2016: Best Retail Architecture Russia, Best Retail Development (5 Stars) Russia and Best Retail Development Europe.

## GLOBAL

ENKA's EPC Project, Sulaymaniyah 1.500 MW Combined Cycle Power Plant Project was selected as the "Global Project of the Year 2017", as well as the "Best Global Project in Power/Industrial Category", by ENR.

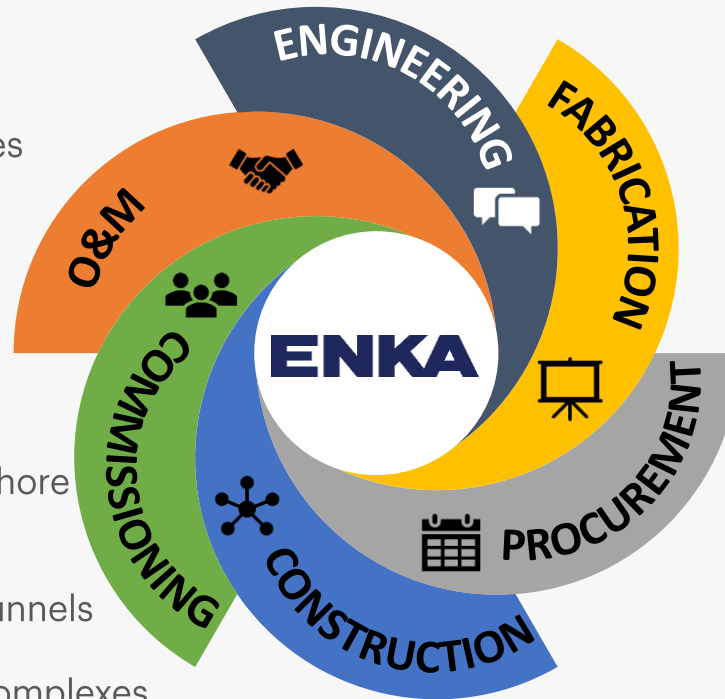


# ENGINEERING & CONSTRUCTION

# Engineering & Construction

The fields of Engineering & Construction activities are;

- Oil & Gas Facilities, Pipelines
- Petrochemical Plants
- Power Plants
- Industrial Plants
- Airports, Harbors, and Offshore Works
- Motorways, Bridges, and Tunnels
- New Towns and Housing Complexes



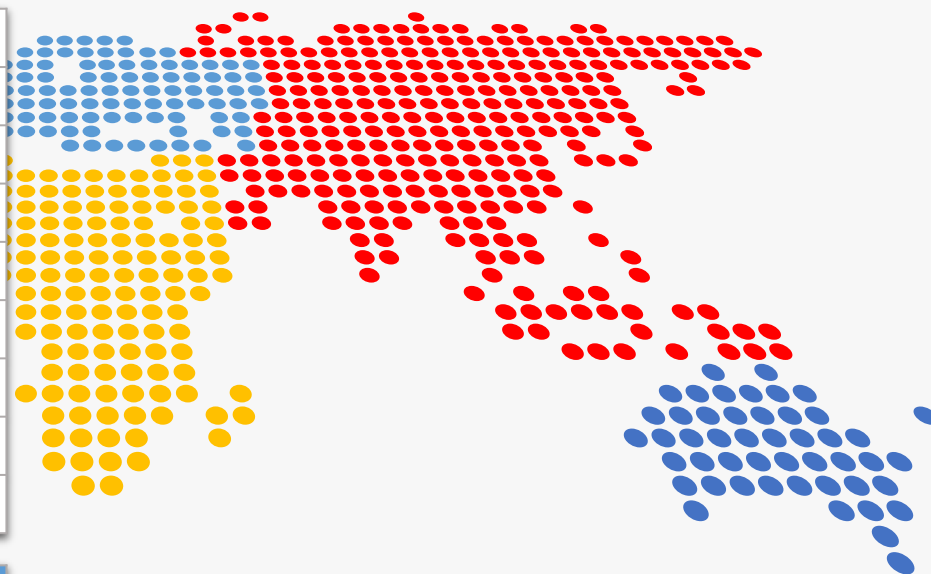
ENKA's global solutions span the entire project life cycle:

Engineering,  
Fabrication,  
Procurement,  
Construction,  
Commissioning and start-up,  
Operation and management.



# Backlog as of December 31<sup>st</sup>, 2018

| Country          | Backlog      | %          |
|------------------|--------------|------------|
| Iraq             | 774          | 27,8       |
| Special Projects | 699          | 25,1       |
| Kazakhstan       | 492          | 17,7       |
| Russia           | 361          | 13,0       |
| Turkey           | 320          | 11,5       |
| United States    | 62           | 2,2        |
| Kosovo           | 40           | 1,4        |
| Georgia          | 29           | 1,0        |
| Others           | 6            | 0,2        |
| <b>Total</b>     | <b>2.783</b> | <b>100</b> |



All figures given above are in Million US Dollars

# Selected Projects Under Construction



## Samawa and Dhi Qar Combined Cycle Power Plant Projects

Job Owner : Ministry of Electricity

Location : Samawa (293 Km Northwest of Basra)  
Nasiriyah (230 Km Northwest of Basra)

ENKA Share : USD 741 Million

ENKA, with its partner General Electric, will design and build the Samawa and Dhi Qar Combined Cycle Power Plants, which will add 750 MW each to the Iraqi Grid.

ENKA's scope : Engineering, procurement of balance of plant (BOP), construction, erection, commissioning and start-up of the power plant, whereas GE will provide the power island equipment (i.e. steam turbine generator (STG), heat recovery steam generator (HRSG), air cooled condenser (ACC), and main transformers), distributed control system (DCS) and switchyard, will also be responsible for the plant performance tests.

The financing of the projects shall be arranged by UK Export Finance (UKEF) and Overseas Private Investment Corporation (OPIC).

# Selected Projects Under Construction



## PJSC NIZHNEKAMSKNEFTEKHIM 495 MW CCGT-TPP

Job Owner : PJSC Nizhnekamskneftekhim, a member of TATNEFT Group

Location : Nizhnekamsk, Republic of Tatarstan - Russia

Siemens signed a contract for building 495 MW natural gas fired combined cycle power plant on a turnkey basis in Tatarstan.

The contract amount is EUR 350 million and under the cooperation agreement with Siemens, ENKA's share as the EPC contractor is about EUR 245 million.

The power plant is expected to be operative in May 2021.

# Selected Projects Under Construction



## Route 6 Hani i Elezit Motorway Project - Kosovo

Bechtel – ENKA General Partnership (50% - 50%)

Contract price: EUR 608 Million

60-kilometer motorway linking the capital, Pristina to neighboring Macedonia.

The new motorway, Route 6, will connect Kosovo with the surrounding region and will be the country's second motorway.

The country's first motorway Route 7, which runs from Morina on the Albanian Border to the North of Pristina, was also built by Bechtel-ENKA and was delivered a year ahead of schedule in November 2013.

# Selected Projects Under Construction



## South Caucasus Pipeline Expansion (SCPX) Project – Georgia

Contract price: USD 878 Million

Contract for the construction and commissioning support of the SCPX Project facilities in Georgia has been awarded to the Bechtel-ENKA Joint Venture

The scope of work under this contract includes construction of a 16 Km access road, two 120 megawatt compressor stations and a pressure reduction and metering station.

Completion is expected in 2019.

# Selected Projects Under Construction



## Crude Shipment Capacity New Tank Farm Project Tengiz, Kazakhstan

Job owner : Tengizchevroil  
Contractor : Senimdi Kurylys

(Bechtel – ENKA Joint Venture with equal shares)

An EPC contract of new crude oil storage tanks, switching manifolds and export pumps along with all their associated piping systems, utilities and control systems.

Contract price: USD 460 Million



# Selected Projects Under Construction



## FGP 3GP Mechanical, Electrical & Instrumentation Installation Works Tengiz, Kazakhstan

Job owner : Tengizchevroil  
Contractor : Senimdi Kurylys

(Bechtel – ENKA Joint Venture with equal shares)

Senimdi Kurylys LLP has been awarded a contract for mechanical, electrical and instrumentation installation works in Tengiz, Kazakhstan.

The Client is Tengizchevroil (TCO), which operates and develops Tengiz oil field, a joint venture (JV) with shares owned by Chevron (50%), ExxonMobil (25%), KazMunayGas (20%) and LukArco (5%).

Contract commenced in May 2018 with a project duration of 45 months.

The project will increase the Tengiz oil field's annual oil production capacity by an additional 12 million tons.

# Selected Projects Under Construction



Umm Qasr BMT Container Terminal Yard 5, Quay Wall & Marine Works Basra, Iraq

Job owner : Aloreen Investment Ltd.

ENKA İnşaat ve Sanayi A.Ş. signed a contract with Aloreen Investment Ltd. (Parent Companies: Terminal Investment Limited Holding S.A. and Misnak International DWC – LLC)

The project located in Umm Qasr, Basra, Iraq is of concrete block wall type, and will be designed and built by ENKA.

Estimated to be completed within 14 months, the scope of the project includes the design and construction of quay wall structure; dredging; bedding layer; concrete block fabrication and installation; cope unit construction; marine fixtures and accessories installation and backfilling behind quay wall.

Contract price: USD 76 Million

# REAL ESTATE



# Real Estate Portfolio

| TYPE                | SIZE (NLA)             | OCCUPANCY | RATE                         |
|---------------------|------------------------|-----------|------------------------------|
| Class A Office Area | 368.000 m <sup>2</sup> | 89%       | USD 610/m <sup>2</sup> /year |
| Retail Area         | 350.000 m <sup>2</sup> | 95%       | USD 350/m <sup>2</sup> /year |
| 5 Star Hotel        | 235 Rooms              | *         | *                            |

All assets are located in Moscow, except 1 shopping center which is located in St.Petersburg.

\* Occupancy and rate of rooms of the hotel may vary daily.

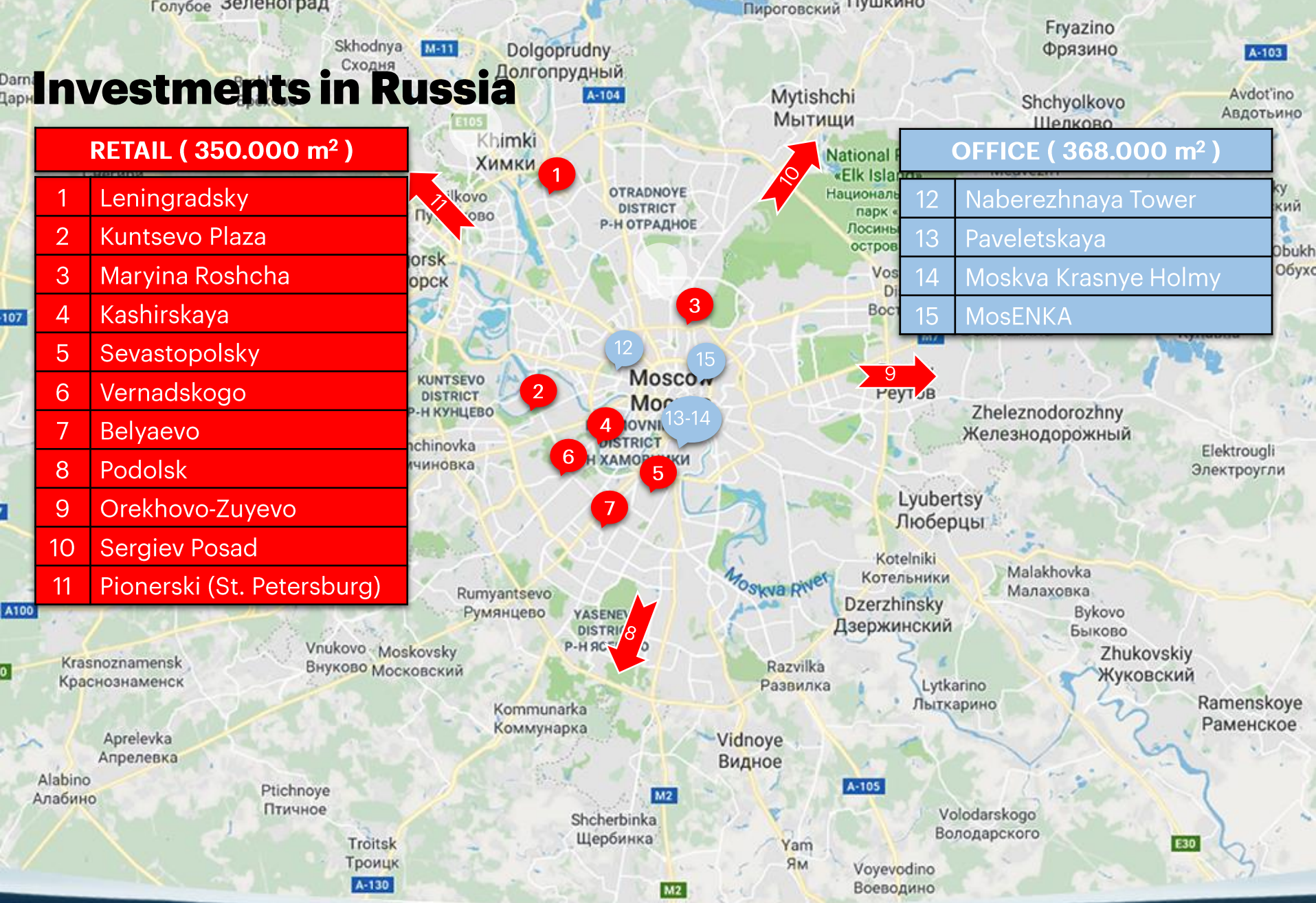
# Investments in Russia

## RETAIL ( 350.000 m<sup>2</sup> )

|    |                            |
|----|----------------------------|
| 1  | Leningradsky               |
| 2  | Kuntsevo Plaza             |
| 3  | Maryina Roshcha            |
| 4  | Kashirskaya                |
| 5  | Sevastopolsky              |
| 6  | Vernadskogo                |
| 7  | Belyaev                    |
| 8  | Podolsk                    |
| 9  | Orehovo-Zuyevo             |
| 10 | Sergiev Posad              |
| 11 | Pionerski (St. Petersburg) |

## OFFICE ( 368.000 m<sup>2</sup> )

|    |                      |
|----|----------------------|
| 12 | Naberezhnaya Tower   |
| 13 | Paveletskaya         |
| 14 | Moskva Krasnye Holmy |
| 15 | MosENKA              |



# Real Estate Revenue & EBITDA

| YEAR | RENTAL REVENUE | EBITDA | EBITDA MARGIN |
|------|----------------|--------|---------------|
| 2018 | 329            | 204    | 62,0%         |
| 2017 | 319            | 193    | 60,5%         |
| 2016 | 319            | 223    | 69,9%         |
| 2015 | 382            | 267    | 69,9%         |
| 2014 | 485            | 337    | 69,6%         |
| 2013 | 478            | 346    | 72,5%         |
| 2012 | 442            | 308    | 69,7%         |

All figures given above are in Million US dollars



# Real Estate – Some Tenants



# Real Estate New Investments

Investment projects of ENKA TC (Fully owned by ENKA)

1

## Kuntsevo Multifunctional Trade & Business Center

Total Investment: USD 484 Million

Total Area: 245.000 m<sup>2</sup>, Net Leasable Area: 90.000 m<sup>2</sup>

29.000 m<sup>2</sup> Office and 61.000 m<sup>2</sup> Retail

Completion: 2015

2

## Kashirskaya Plaza Multifunctional Trade Center

Total Investment: USD 232 Million

Total Area: 196.750 m<sup>2</sup>, Net Leasable Area: 70.000 m<sup>2</sup>

Completion: 2018



# Real Estate Further Investments

Investment projects of ENKA TC (Fully owned by ENKA)

1

## Maryina Roshcha Shopping Mall

Existing shopping center is planned to be demolished in 2019.

Total Investment: USD 335 Million

Total Area: 245.000 m<sup>2</sup>, Net Leasable Area: 105.000 m<sup>2</sup>

2

## Vernadskogo Office Center

A-Class offices including Multi-storey Car Park Project

Total Investment: USD 45 Million, will be started in 2020

Total Area: 28.300 m<sup>2</sup>

Net Leasable Area: 20.000 m<sup>2</sup> & car park

3

## Leningradsky Pravaberejnaya Office Center

A-Class offices including Multi-storey Car Park Project

Total Investment: USD 80 Million, will be started in 2022

Total Area: 64.800 m<sup>2</sup>

Net Leasable Area: 22.000 m<sup>2</sup> & car park



# POWER GENERATION



# Power Generation Financial Overview

Operator ownership : 100% ENKA

Debt-to-equity ratio : 75/25

Export Credit Agency (ECA) and OPIC facilities

Fully covered political and commercial risk is approximately 94%

Exhaustive due diligence over 2 years by ECA and OPIC

No local currency risk : Payments calculated in USD and payable in Turkish Lira equivalent

# Power Generation Financial Overview

3 gas-fired combined cycle power plants (total 3.854 MW)

|           |          |
|-----------|----------|
| Gebze     | 1.554 MW |
| Adapazarı | 777 MW   |
| Izmir     | 1.523 MW |

Annual generation is 32 Billion Kwh net and the annual natural gas consumption is around 6.5 Billion CBM,

Capability of meeting 11% of Turkey's total demand, since Turkey's consumption in 2017 was 290 Billion Kwh,

Developed under the 'BUILD-OWN-OPERATE' programme,

Take-or-pay off-take with state-owned Turkish Electricity Trading Corporation (TETAŞ) under 16-year electricity sales agreements.

# Power Generation Financial Overview

Botaş Turkish Pipeline Corporation, a Turkish State Entity, supplies natural gas under 16-year-term contract (will expire at the end of 2018)

Turkish Undersecretariat of Treasury guarantees back obligations of TETAŞ and BOTAŞ,

Very competitive tariffs - 4.2 Cent/Kwh average sales price for 16 years,

Natural gas is a pass-through item, thus ENKA does not take any natural gas price risk

Located near areas of high demand in the west of Turkey,

Separate legal entities

Separate sets of project and financing documentation

Share near-identical commercial framework

# Power Generation Project Rationale

Strong and growing projected demand for electricity (8% p.a. at that time)

Existing and forecasted energy shortage at that time,

Improving economic situation in Turkey.

Proximity to main electricity load centers

Will reduce transmission losses from plants in East  
(near domestic coal and hydro sources)

Proven and environmentally friendly technology.

Will still be operative and owned by ENKA after 16 years from 2019.

35 – 40 years of economic life.



# Power Generation Debt Funding

| COMMITTED AMOUNTS  | TOTAL | PROJECT FINANCE | TOTAL |
|--------------------|-------|-----------------|-------|
| Total Debt (75%)   | 1.530 | US EXIM, USA    | 860   |
| Total Equity (25%) | 510   | OPIC, USD       | 300   |
| Total Project Cost | 2.040 | HERMES, GERMANY | 185   |
|                    |       | OND, BELGIUM    | 125   |
|                    |       | OTHER BANKS     | 60    |
|                    |       | TOTAL           | 1.530 |

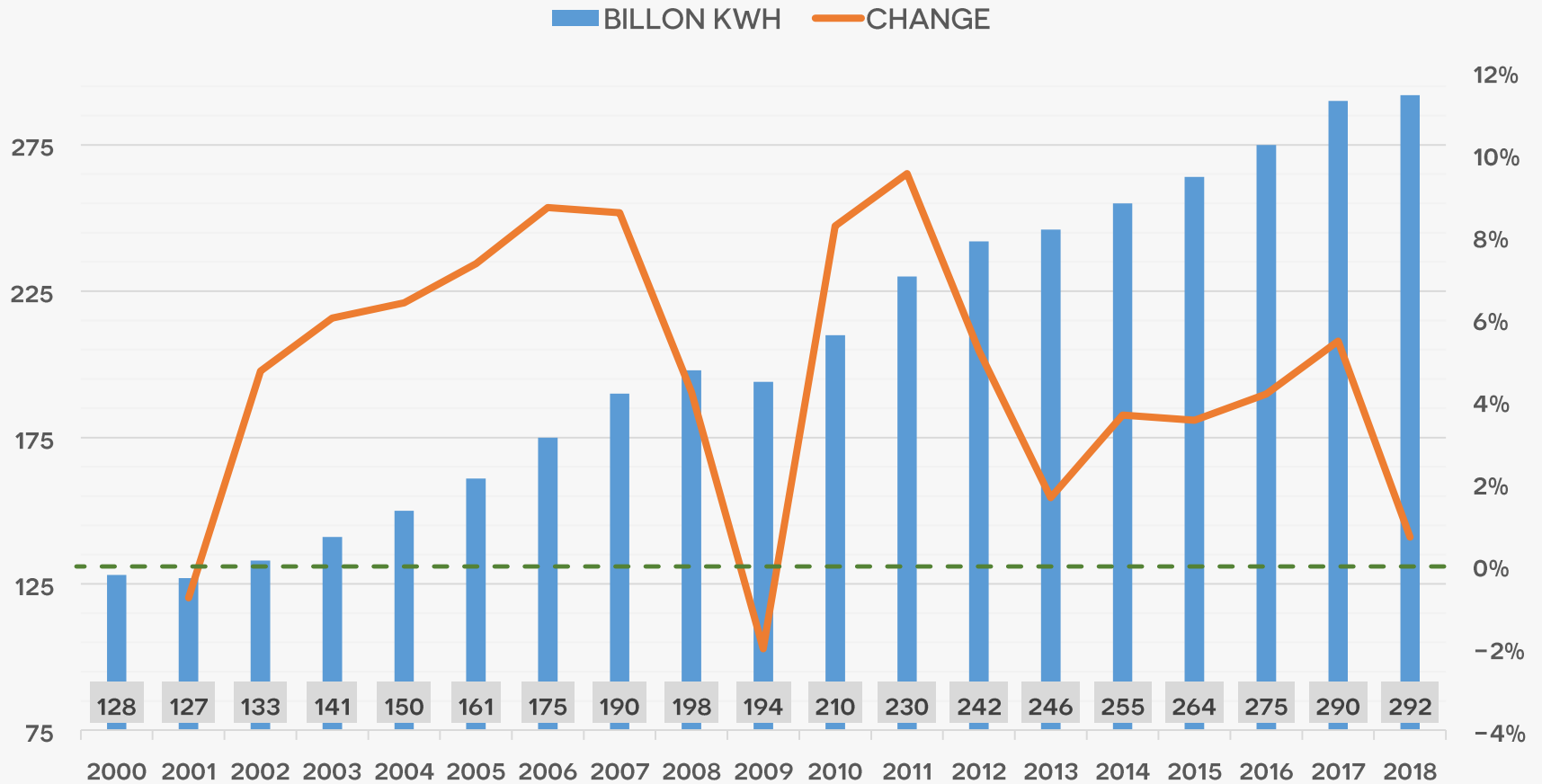
All outstanding project finance loans have been fully paid back in 2013

# Turkey's Energy Consumption in 2018

| SOURCES             | Million Kwh | %     |
|---------------------|-------------|-------|
| Coal                | 111,790     | 38.3  |
| Natural Gas         | 90,060      | 30.9  |
| Hydro               | 59,726      | 20.5  |
| Wind                | 19,809      | 6.8   |
| Geothermal          | 6,907       | 2.4   |
| Others              | 3,836       | 1.3   |
| International (Net) | (614)       | (0.2) |
| Total Consumption   | 291,514     | 100   |

Source: Energy Exchange Istanbul ([www.epias.com.tr](http://www.epias.com.tr))

# Turkey's Energy Demand





# ENKA

## İNŞAAT VE SANAYİ A.Ş.

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