

# Polisan Holding - Trusted Innovators

Turkey is well-positioned for a rapid economic rebound following the onset of the coronavirus pandemic earlier this year. The World Bank recently praised the government's handling of the pandemic, reporting that a "swift and comprehensive" policy response has set the stage for an earlier recovery. GDP growth is expected to hit 6% in 2021, and several Turkish companies restarted export operations in June, demonstrating the country's enduring long-term growth potential and attractive investment prospects.

At Polisan Holding, a family-owned conglomerate with foundations dating back to the 1920s, Chairman Mehmet Emin Bitlis understands the ups and downs of manufacturing and industry. Active in paint, chemicals, port operations, and real estate, Polisan has withstood the test of time - and the pandemic - with a tried-and-true strategy emphasizing partnerships, innovation, and finding new opportunities during even the toughest economic conditions.

Founded by Bitlis' grandfather, a textile trader, Polisan was first active in Malatya as a textile retailer. The family moved to Istanbul in 1942, as a first step to launching industrial manufacturing, and started textile operations in 1956. During the 1960s Polisan became the first company in Turkey to manufacture emulsion polymers, as well as formaldehyde and resins primarily serving the wood industry. Dedicated paint manufacturing activities began when Polisan Boya (Polisan Paint) was established in 1985, and this subsidiary quickly rose to become a major business line.

New partnerships and international expansion have supported a strong track record of success, and in 2004 the company formed a joint venture with Rohm and Haas, one of the world's leading polymer producers, which was later acquired by Dow Chemical. Dow has been a dedicated Polisan business partner for more than 40 years.

The company further diversified into real estate development in 2006, and Polisan Holding went public in 2012 with an IPO on the Istanbul Stock Exchange.

It acquired a Greek Polyethylene Terephthalate (PET) granule plant in 2013, and entered into a 50-50 joint venture with Kansai Paint in 2016 to form Polisan-Kansai Paint. The two invested substantially to build a new paint factory in Turkey, making Polisan-Kansai one of the country's largest paint manufacturers. The conglomerate now employs nearly 2000 people across five subsidiaries.

"We are very well placed in the market thanks to our innovative and in-demand products. The paint market bounced back unexpectedly after the early months of the pandemic, and thanks to our new state of the art, industry 4.0 calibrated facilities we were able to respond quickly; our EBITDA ratio climbed to 24 % in the first 6 months of 2020," said Bitlis.

"I am very pleased by the fact that in decorative paints, Polisan-Kansai is one of the top two players. With our new investment and the new plant, we have tripled our production capacity of water-based paint. Environmentally friendly water-based products now account for around 90% of our paint production. The water-based road marking paint has been one of the latest examples shifting from solvent born to water born," he said.

Operations are further supported by Polisan's port subsidiary, Poliport, which owns and operates Turkey's one of the leading sole independent, strategically well-located port terminal. Poliport benefitted from nearly \$30 million of investment into new tanks, pipelines, and digitalization in 2018 and 2019. Poliport has long lasting successful



Mehmet Emin Bitlis  
Chairman - Polisan Holding

relationships with major multinational players in chemical industries.

Innovation will continue to play a large part in Polisan's growth strategy, and the new paint factory will soon include a modern research and development center focused on cutting-edge paint manufacturing techniques. Bitlis also plans to develop an R&D center for Polisan's chemical division, with the aim of introducing strategic, value-added, and environmentally friendly products to Turkish and export markets.

Having recently expanded into Morocco with an investment in construction additives in 2017, Polisan Kimya, the chemical manufacturing arm of Polisan Holding, is now seeking to further grow its operations, and its exports, with new partnerships targeting high-potential markets. Polisan Kimya also is moving to build a new chemical plant in Turkey producing technical products that are mainly imported at present.

"One of our biggest competitive advantage is the synergy we provide within our group of companies. We already have two JVs with two major multinational companies which has substantially helped our growth, we enjoy our logistic advantages through lean supply chain efficiencies. We are well aware of how the world is developing in the start-up sector, particularly in technology, so we're also looking into start-ups that can be integrated into our business operations," said Bitlis.

