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2020 9 Months Investor Presentation

22.10.2020



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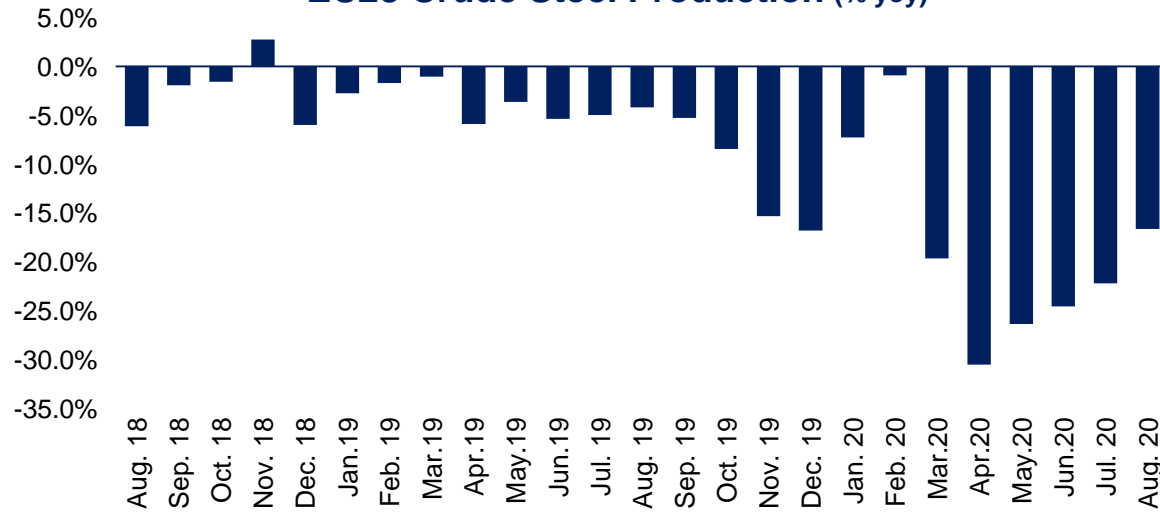
2020 Market Overview



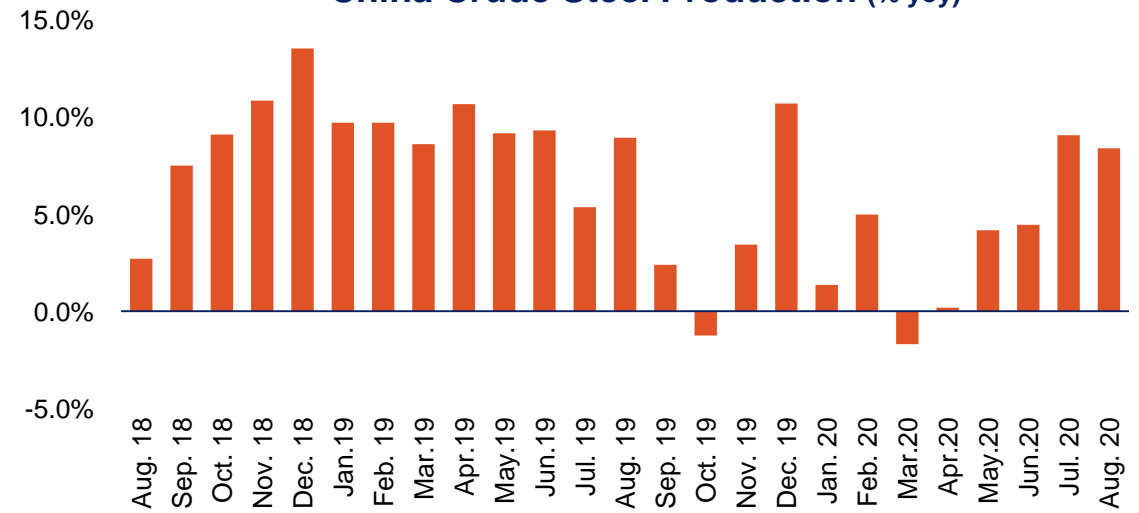
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Crude Steel Production

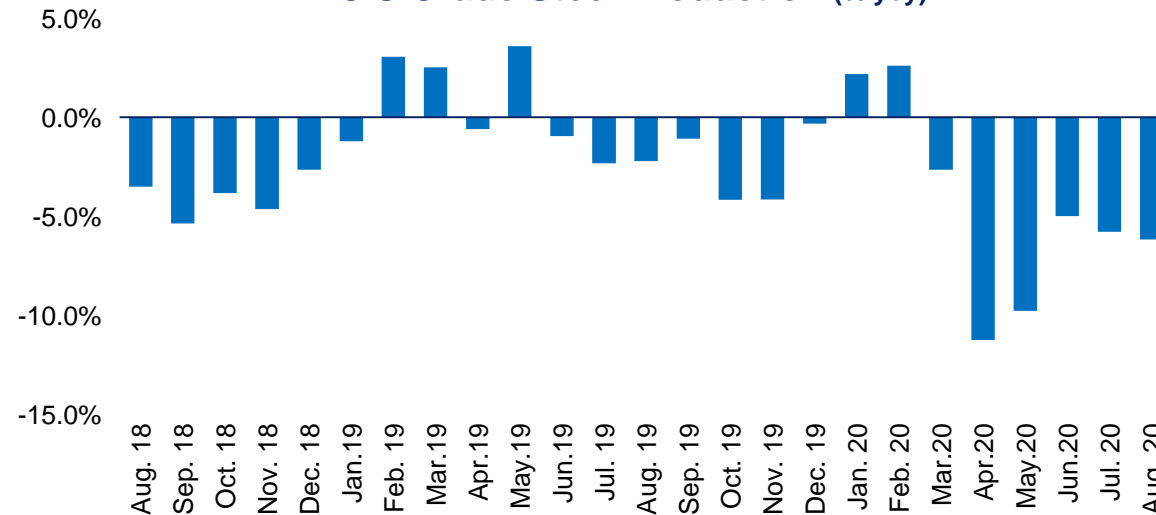
EU28 Crude Steel Production (% yoy)



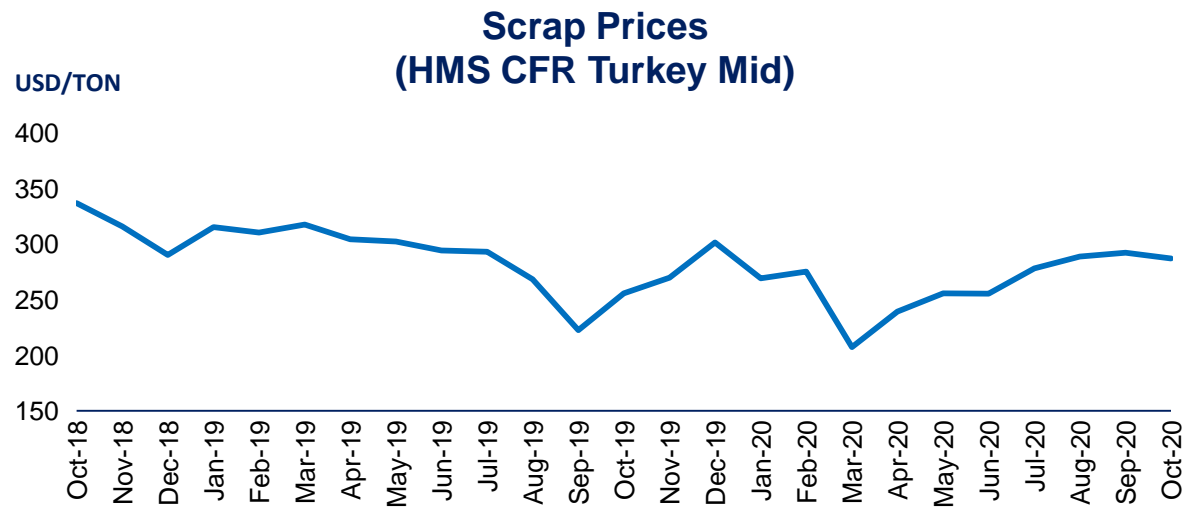
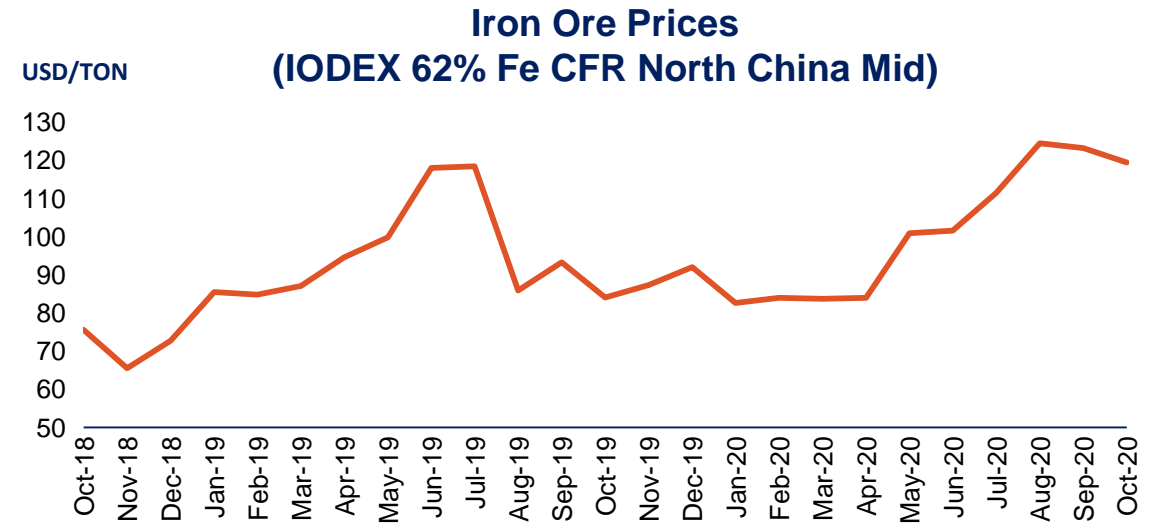
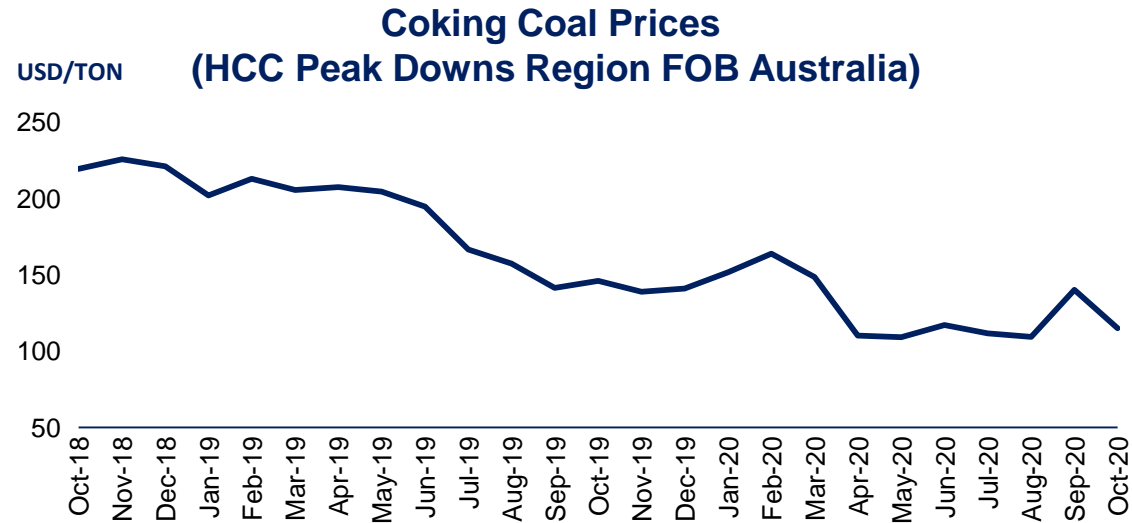
China Crude Steel Production (% yoy)



CIS Crude Steel Production (% yoy)

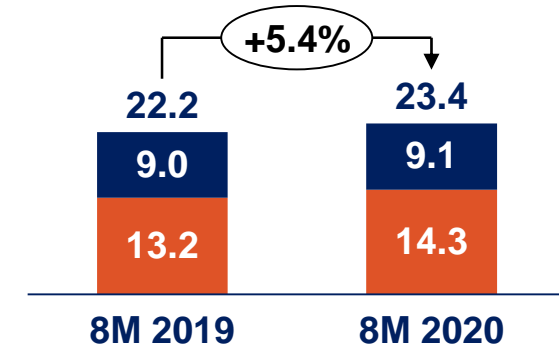
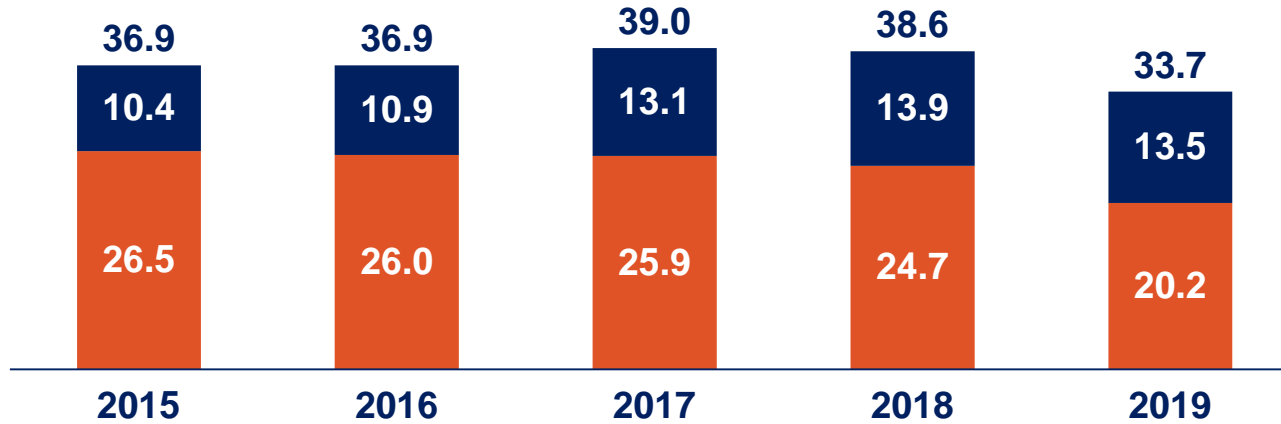


Coking Coal, Iron Ore & Scrap Prices

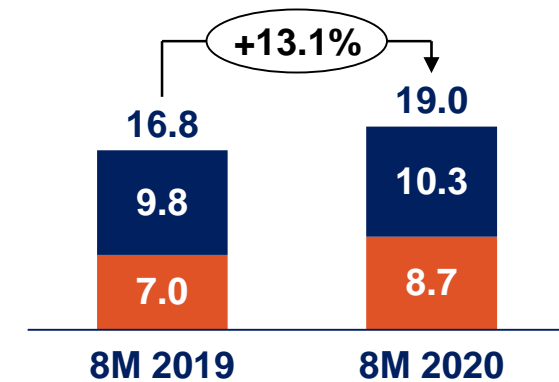
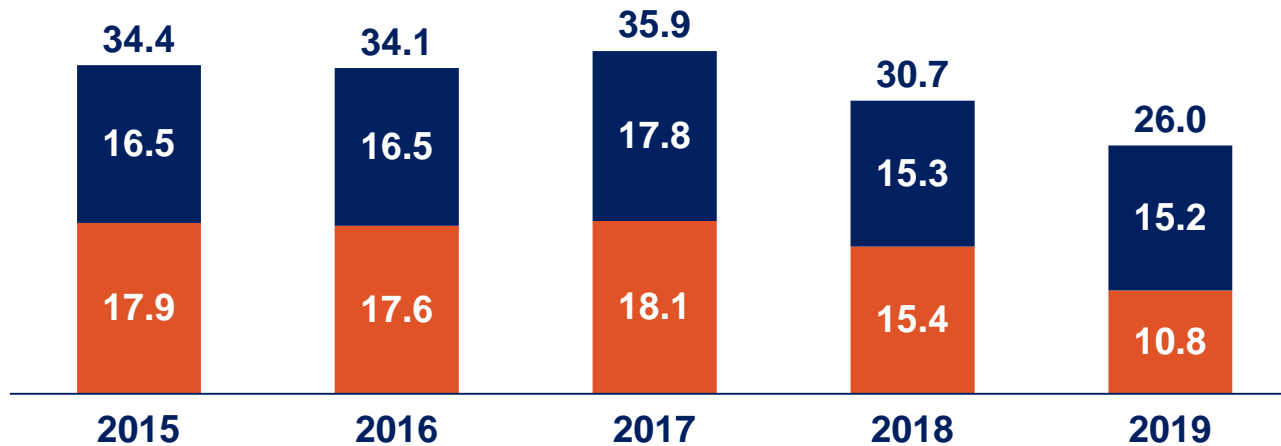


Turkish Steel Production & Consumption

Production (mn tons)



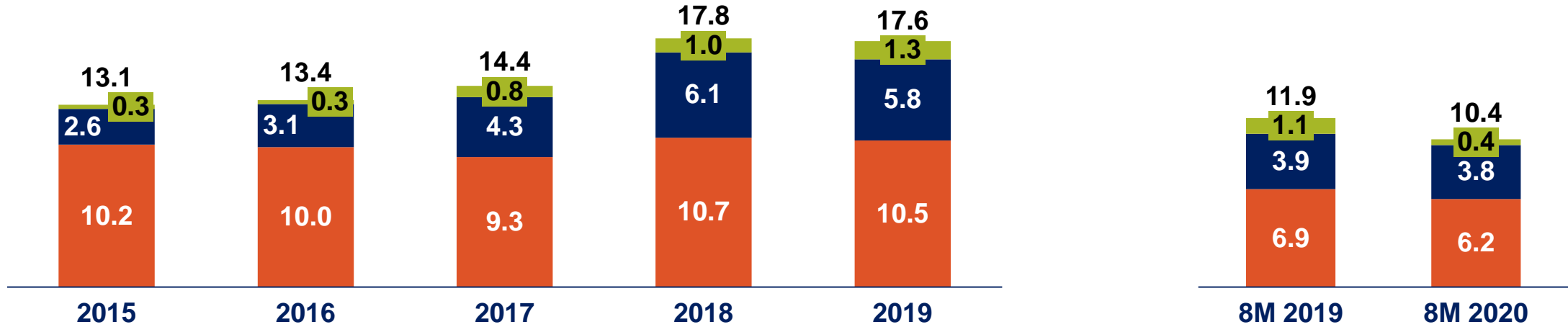
Consumption (mn tons)



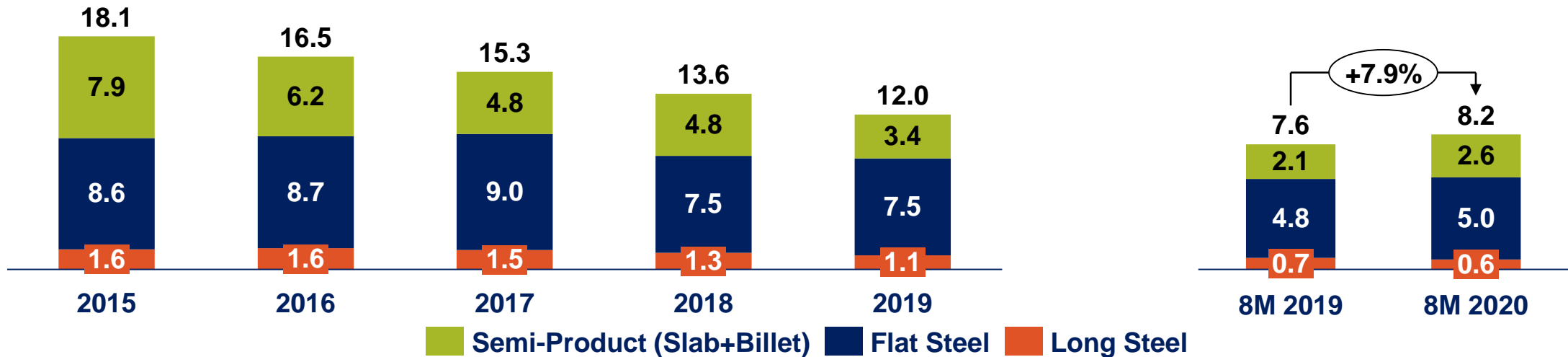
Flat Long

Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



■ Semi-Product (Slab+Billet)
 ■ Flat Steel
 ■ Long Steel



2020 9M Results



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Operational and Financial Highlights

Operational Highlights	2018	2019	9M 2019	9M 2020	Growth (YoY)
Liquid Steel Production (000 tons)	9,322	8,787	6,583	6,620	0.6%
Flat Steel Production* (000 tons)	7,743	7,257	5,504	5,423	-1.5%
Long Steel Production (000 tons)	980	1,026	757	773	2.1%
Flat Steel Shipments (000 tons)	7,482	7,250	5,471	5,395	-1.4%
Long Steel Shipments (000 tons)	919	1,057	780	774	-0.8%

Financial Highlights	2018	2019	9M 2019	9M 2020	Growth (YoY)
Net Sales Revenue (USD mn)	5,598	4,844	3,731	3,265	-12.5%
EBITDA (USD mn)	1,720	974	844	642	-23.9%
Net Profit** (USD mn)	1,160	585	549	216	-60.7%

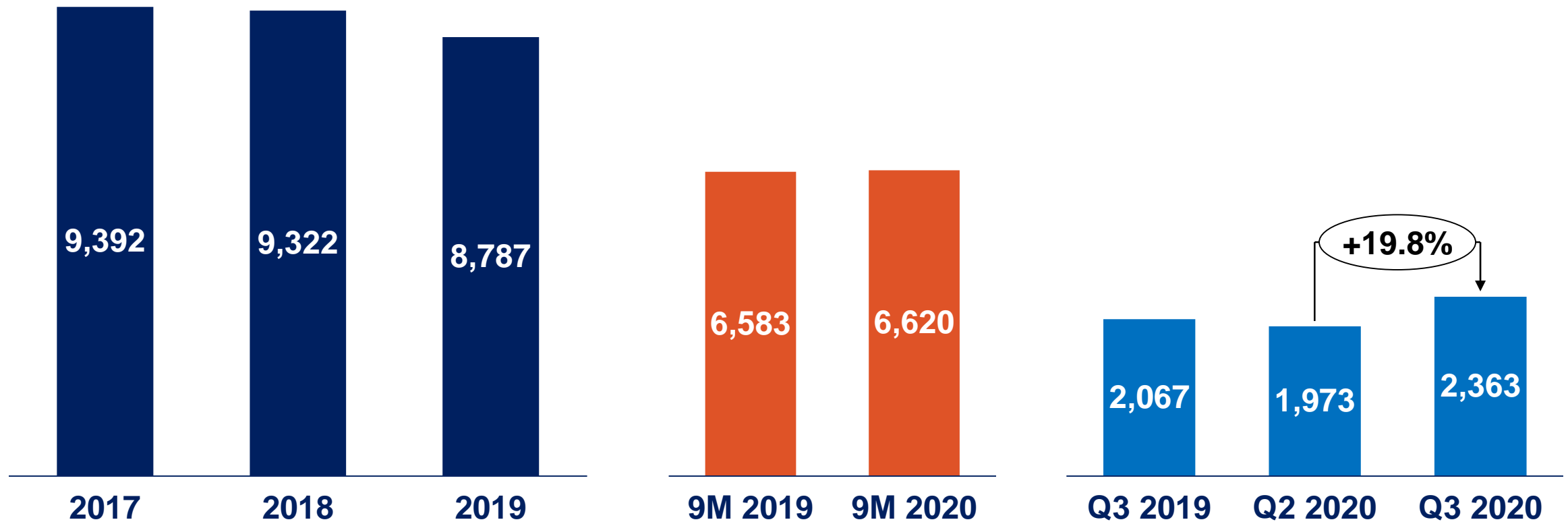
All figures are on IFRS consolidated basis unless stated otherwise.

(*) Total flat steel production of Ereğli and İskenderun Plants.

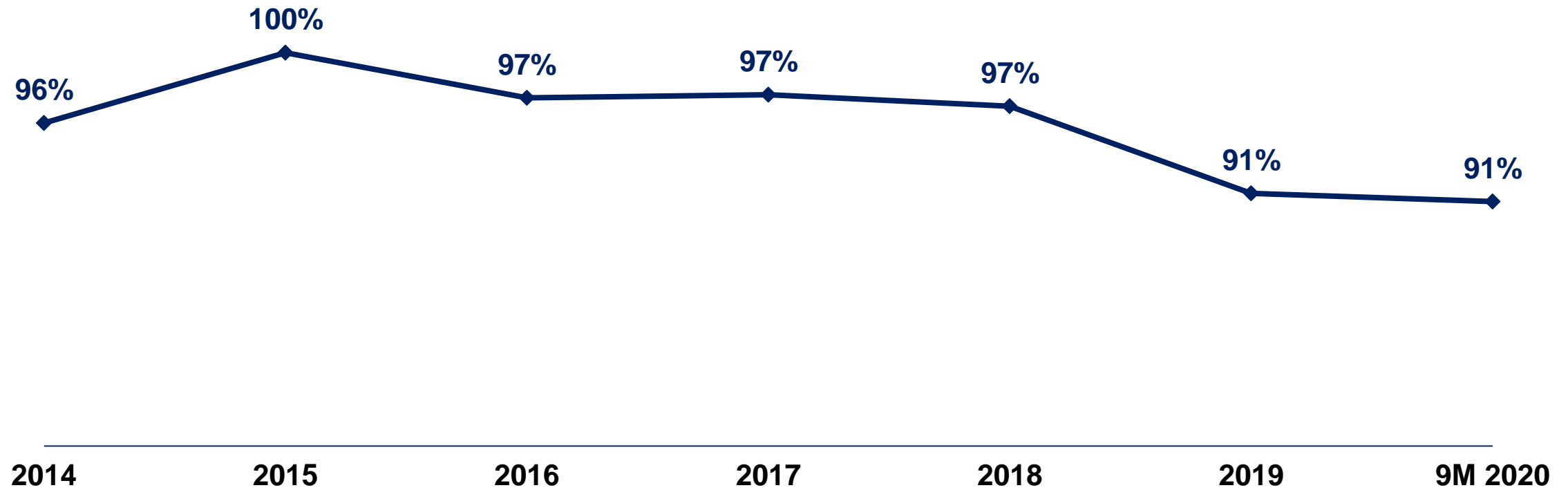
(**) It demonstrates Net Profit of Equity Holders of the Parent.

Liquid Steel Production (000 tons)

Liquid steel production increased by 19.8% QoQ in Q3 2020.



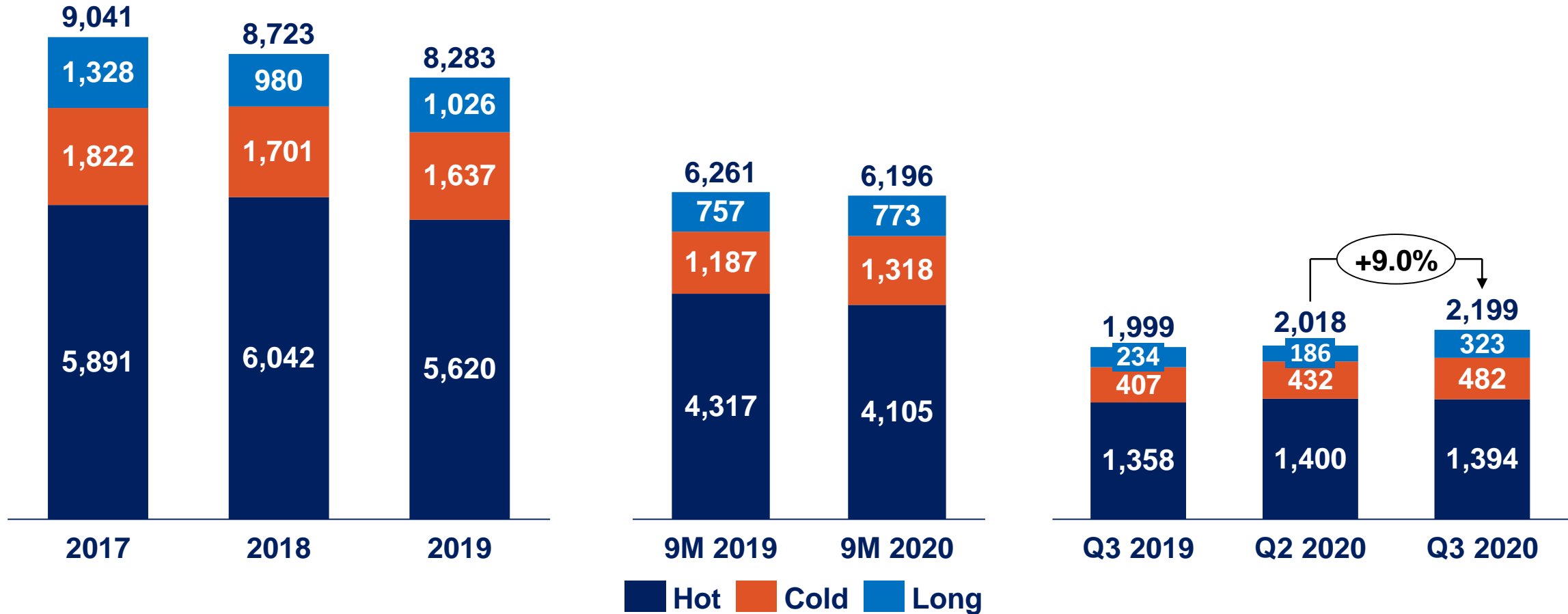
Crude Steel Capacity Utilization Ratio



◆ Erdemir

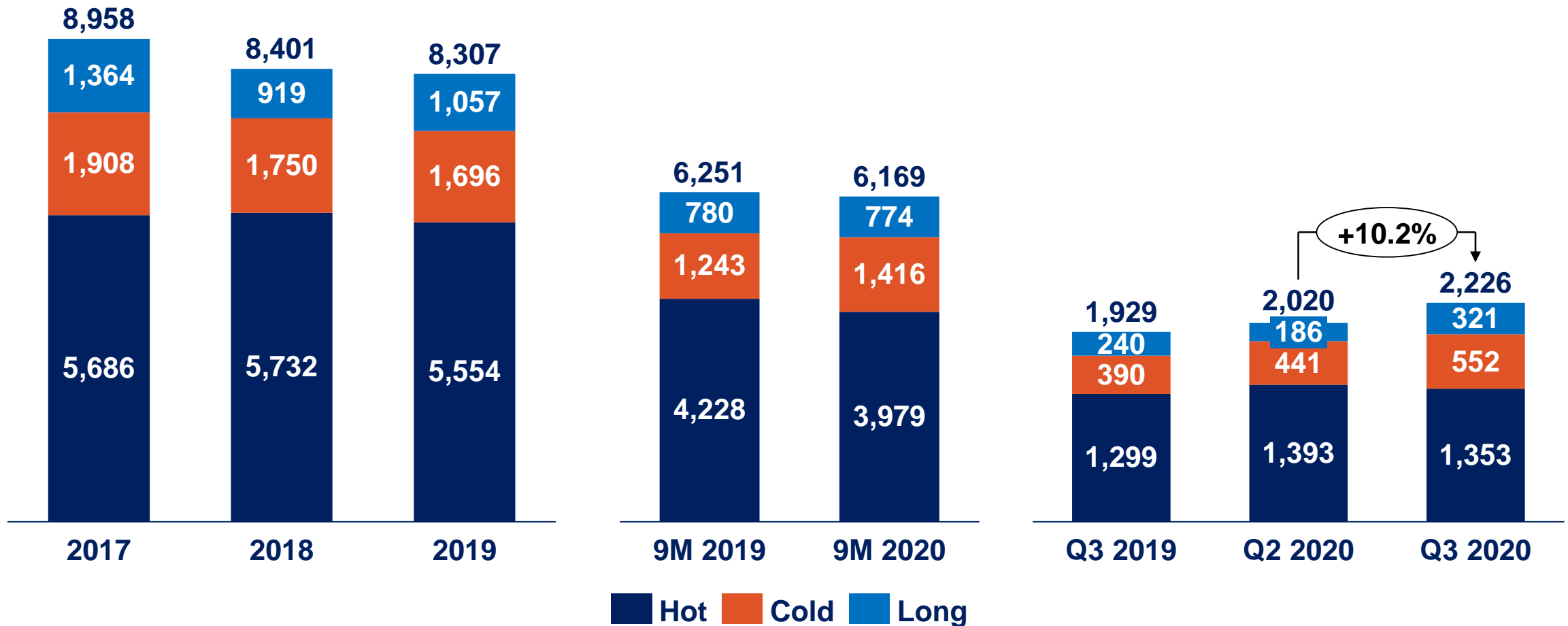
Production (000 tons)

Total production increased by 9% QoQ in Q3 2020.



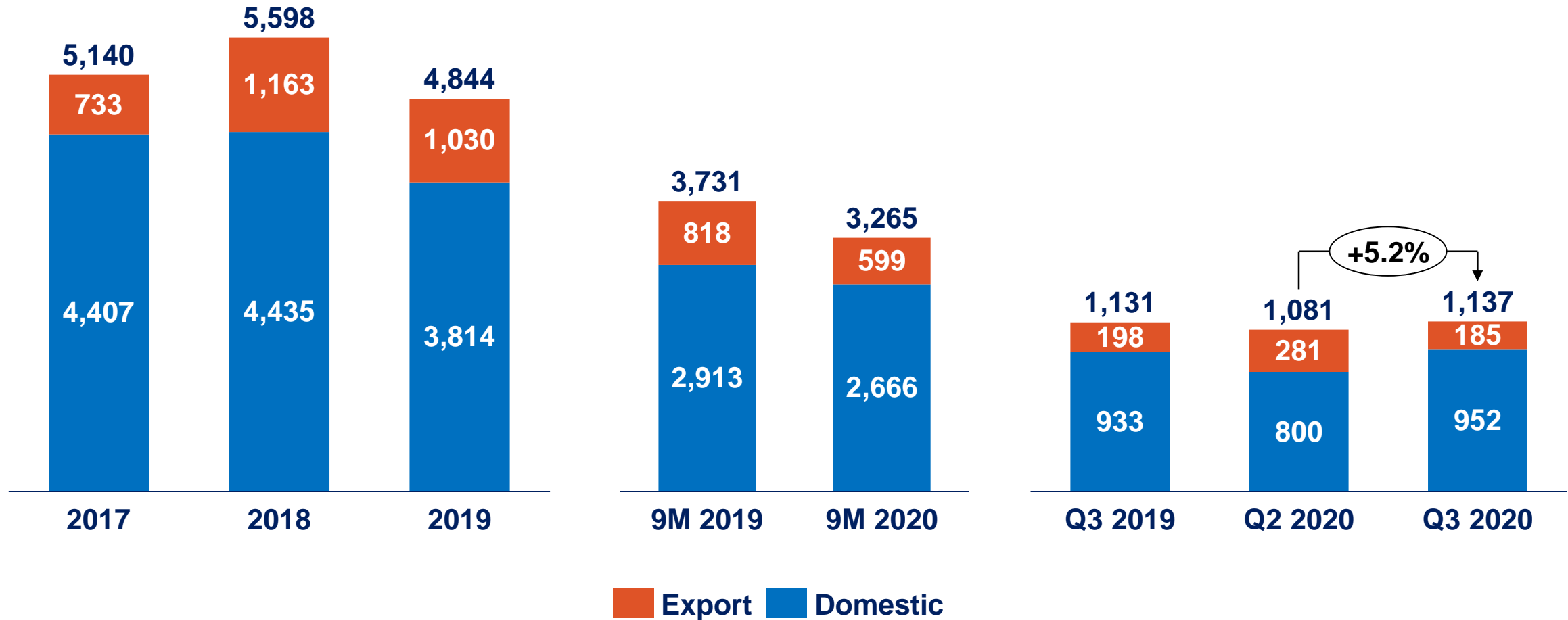
Sales Volume (000 tons)

Total sales volume increased by 10.2% QoQ in Q3 2020.



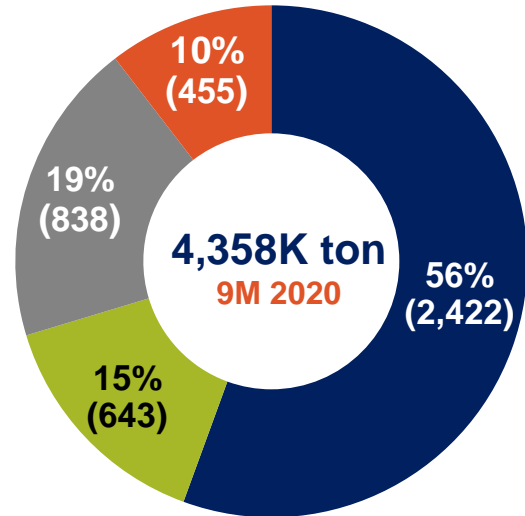
Net Sales Revenue (USD mn)

Net sales revenue increased by 5.2% QoQ in Q3 2020.

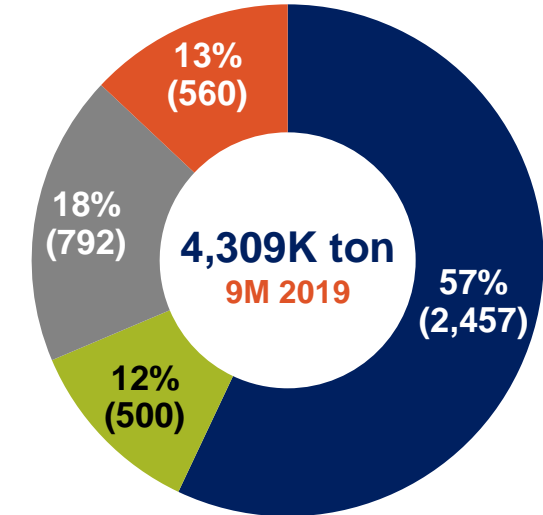


Flat & Long Steel Domestic Sales Breakdown

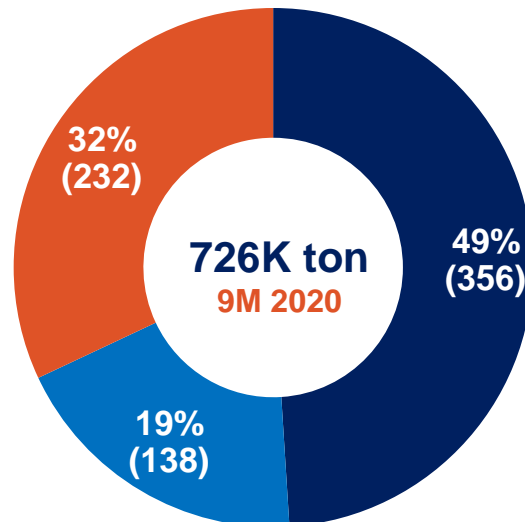
Flat Steel Domestic Sales



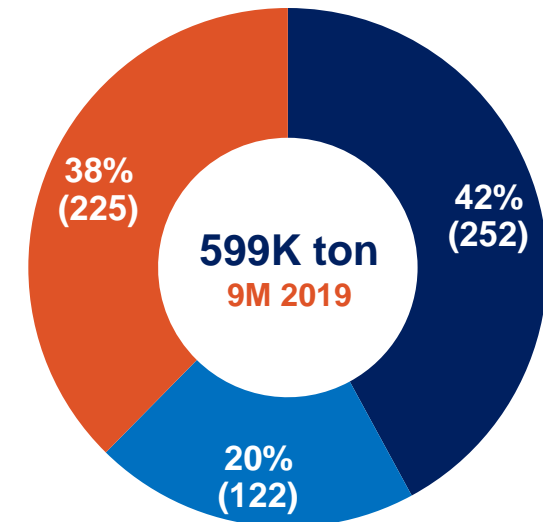
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



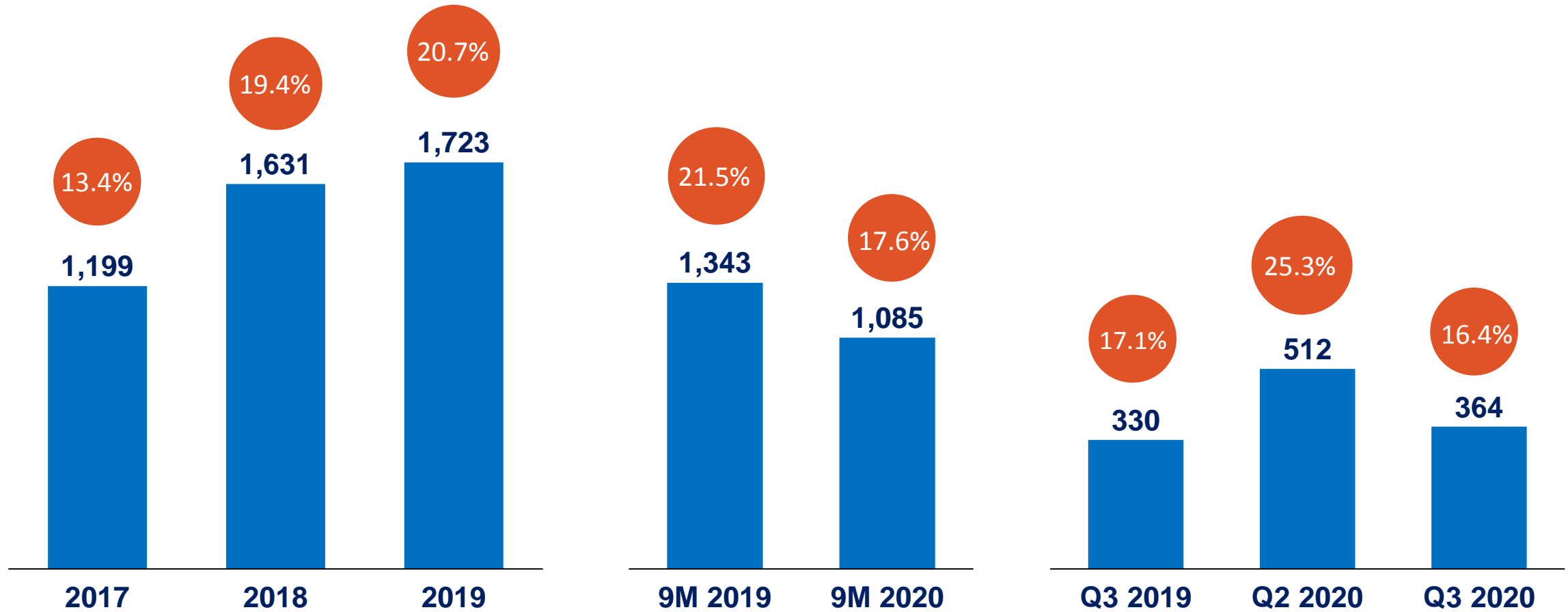
Long Steel Domestic Sales



- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities

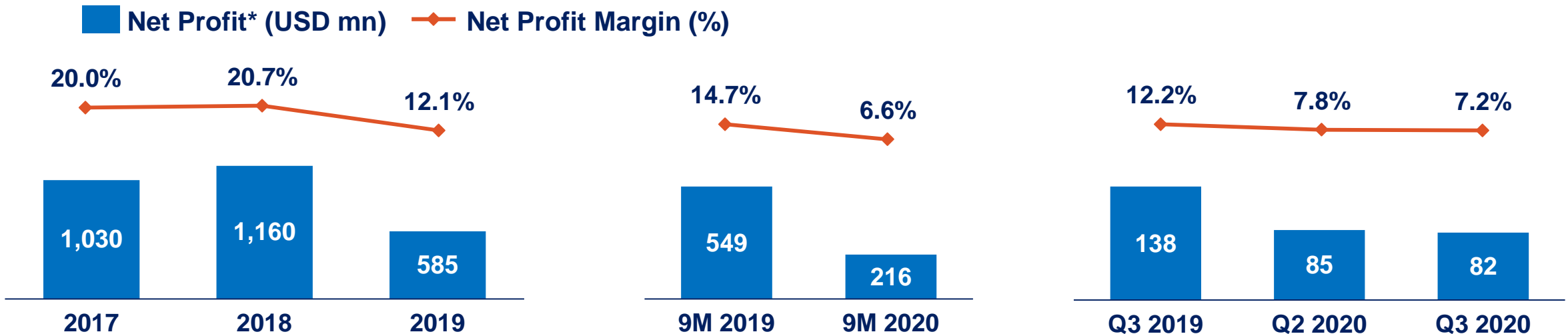
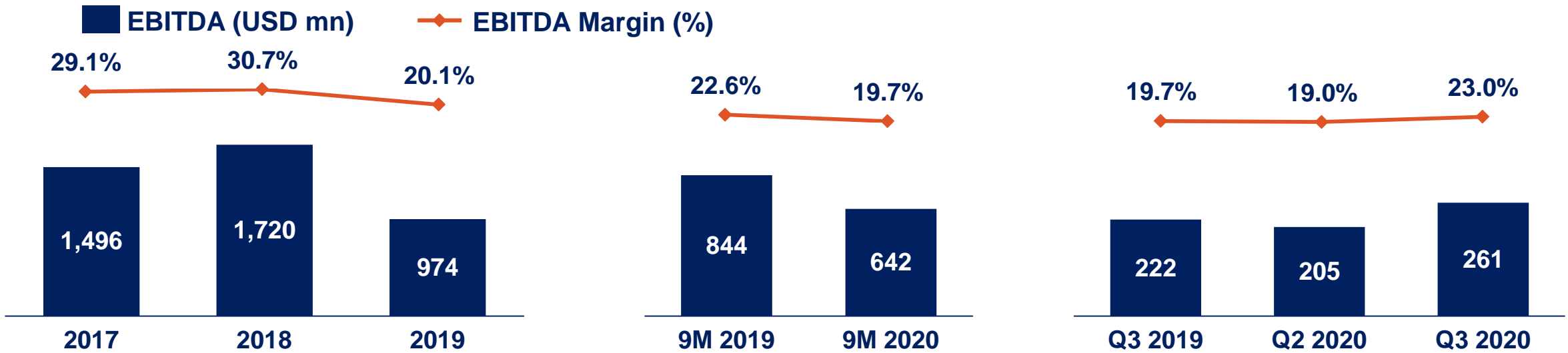


Export Volume (000 tons)

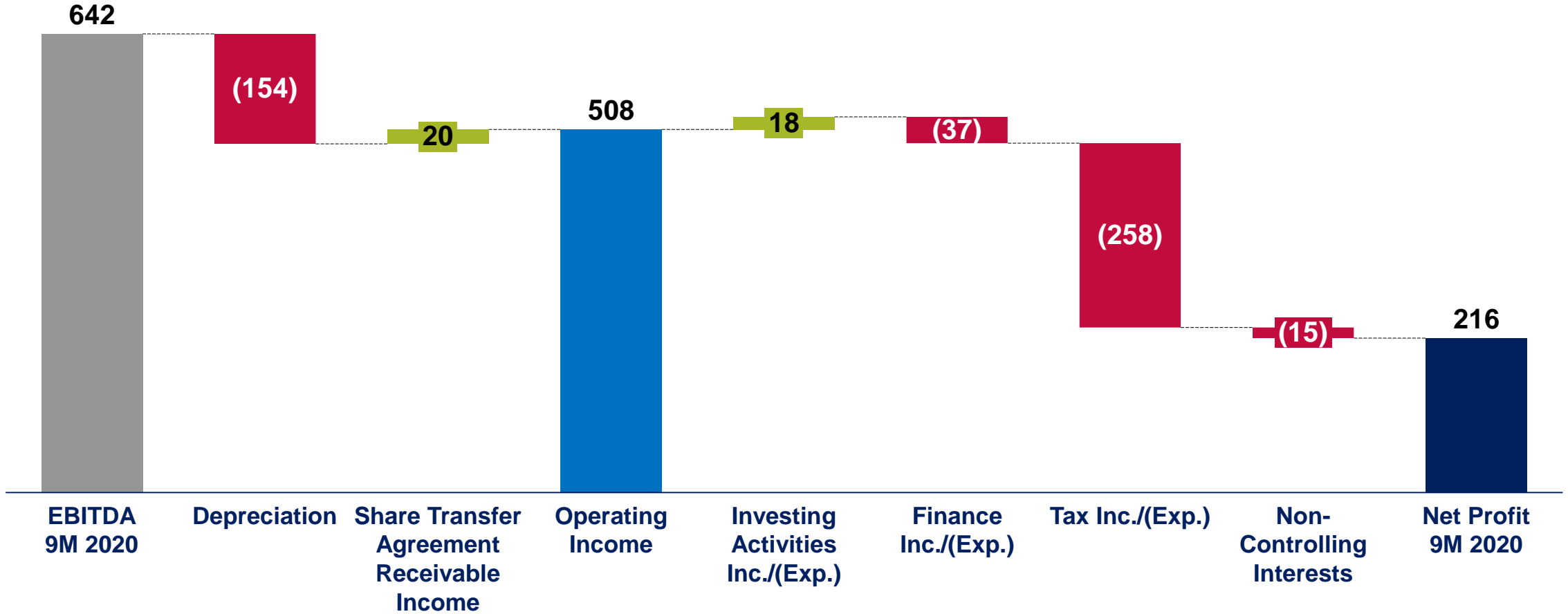


■ Export ● Share in Total Sales

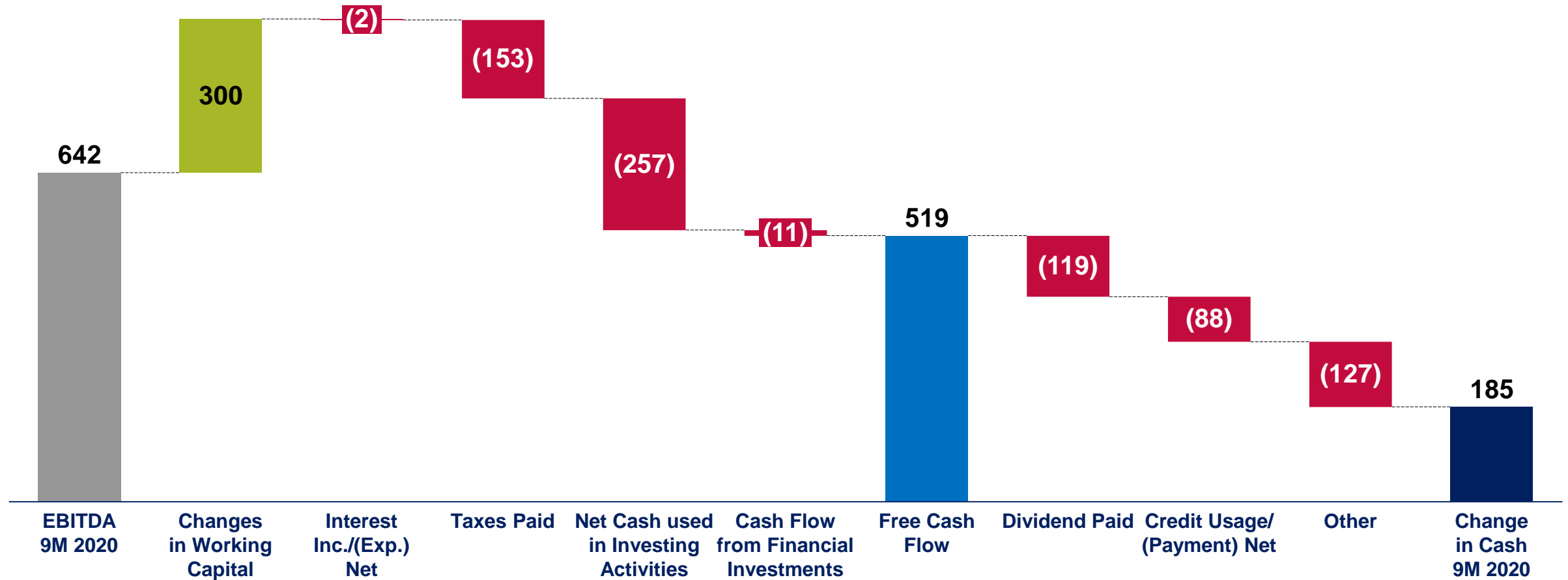
EBITDA & Net Profit



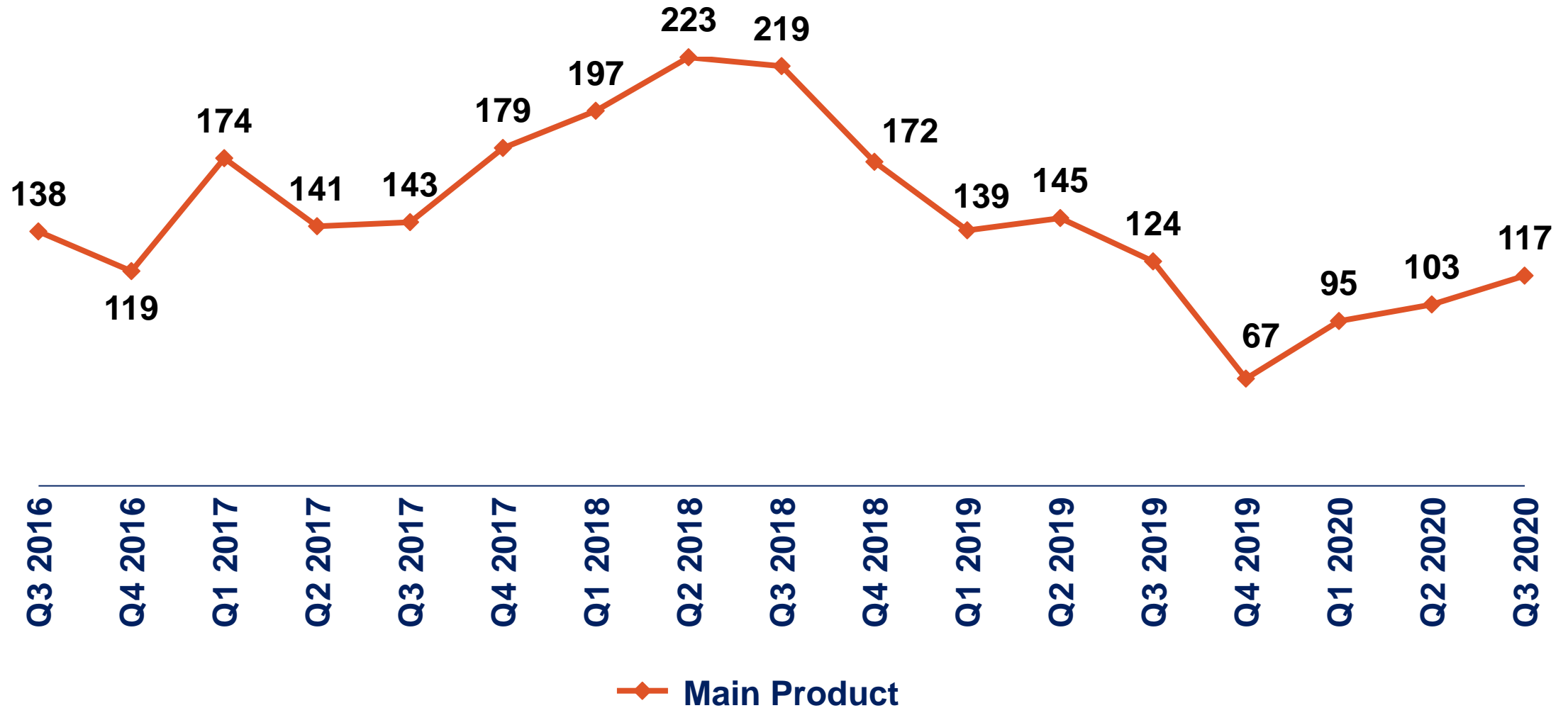
EBITDA ➔ Net Profit (USD mn)



EBITDA ➔ Net Cash (USD mn)



EBITDA per Ton* (USD/ton)

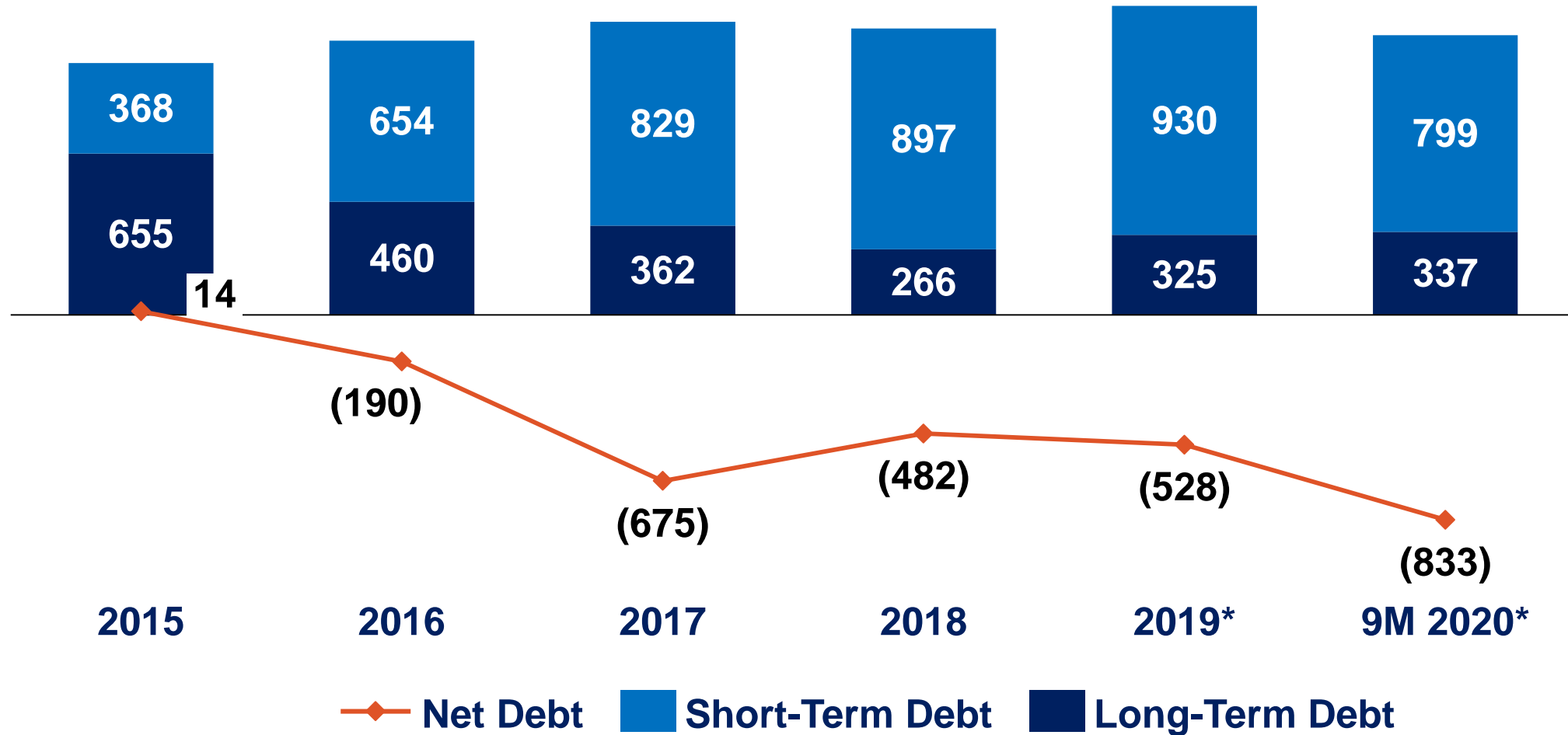


Financial Figures

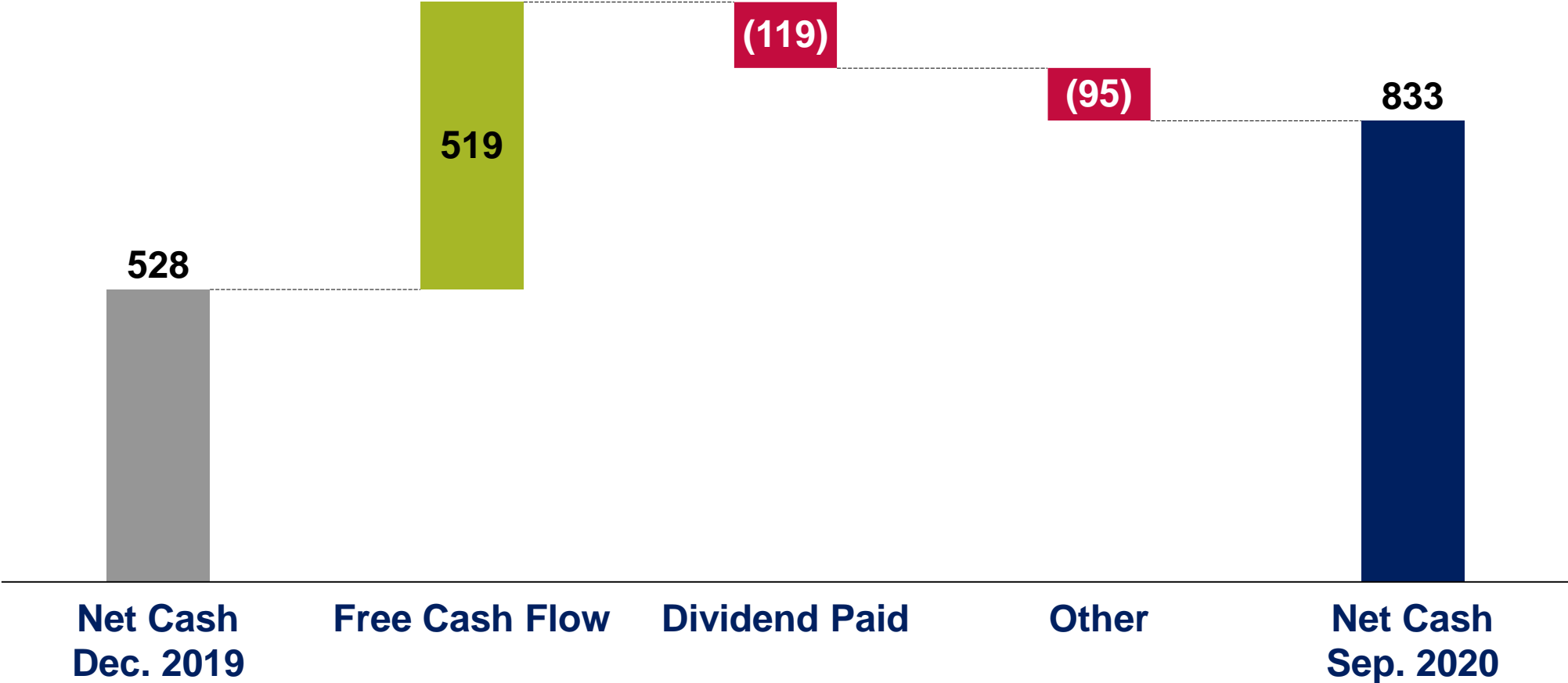
Consolidated Net Assets (USD mn)	31.12.2019	30.09.2020	Growth (YoY)
Cash Equivalents and Financial Investments	1,800	1,997	11%
Working Capital	1,729	1,429	-17%
Tangible and Intangible Assets	3,581	3,626	1%
Financial Liabilities	(1,296)	(1,170)	-10%
Provisions and Other	(554)	(567)	2%
Net Assets	5,260	5,315	1%

Working Capital (USD mn)	31.12.2019	30.09.2020	Growth (YoY)
Trade Receivables	563	476	-15%
Inventories	1,571	1,362	-13%
Trade Payables	(494)	(421)	-15%
Other	89	12	-87%
Working Capital	1,729	1,429	-17%

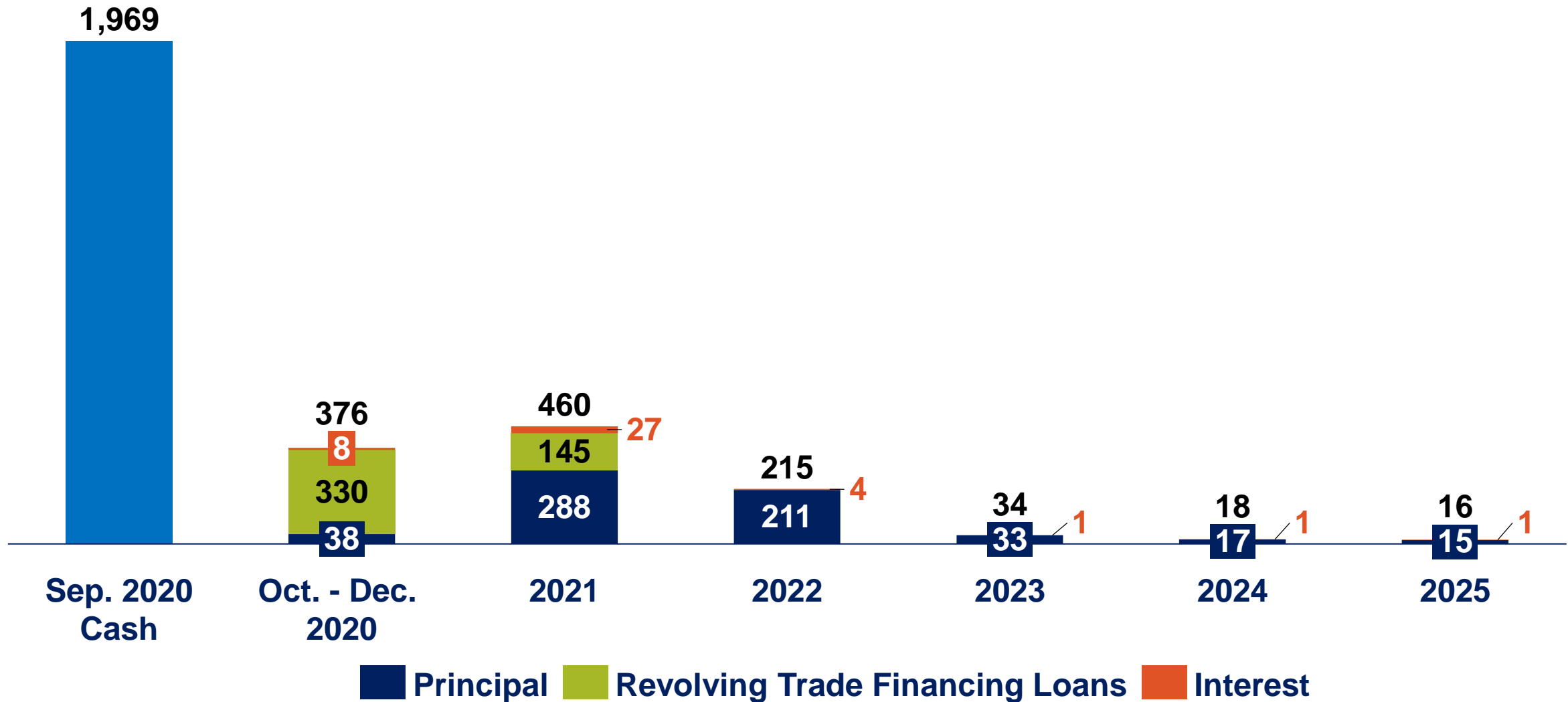
Financial Borrowings (USD mn)



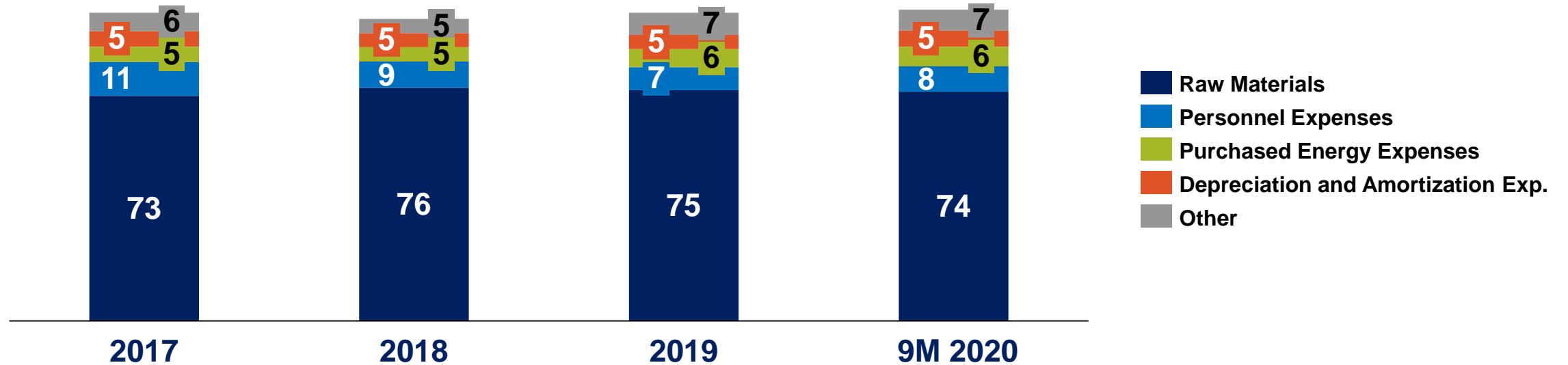
Net Debt (USD mn)



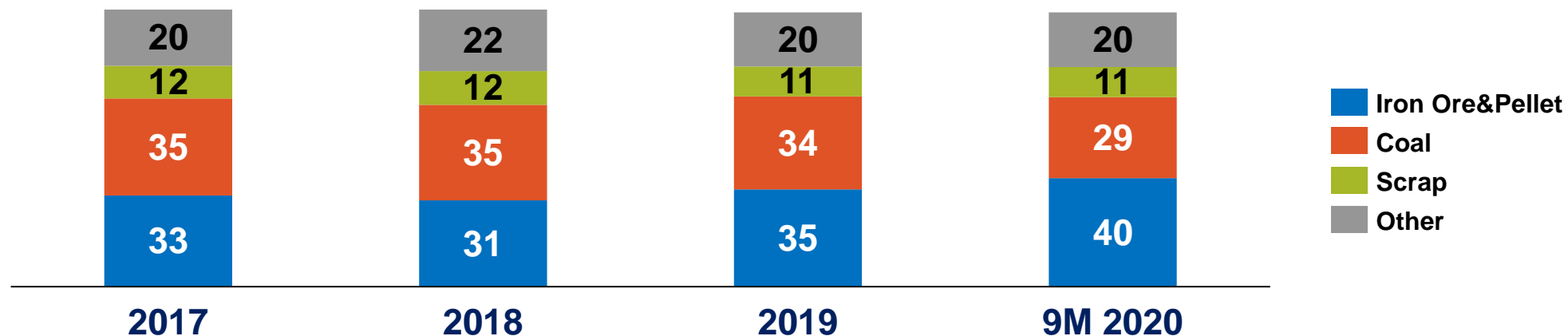
Borrowings Maturity Profile (USD mn)



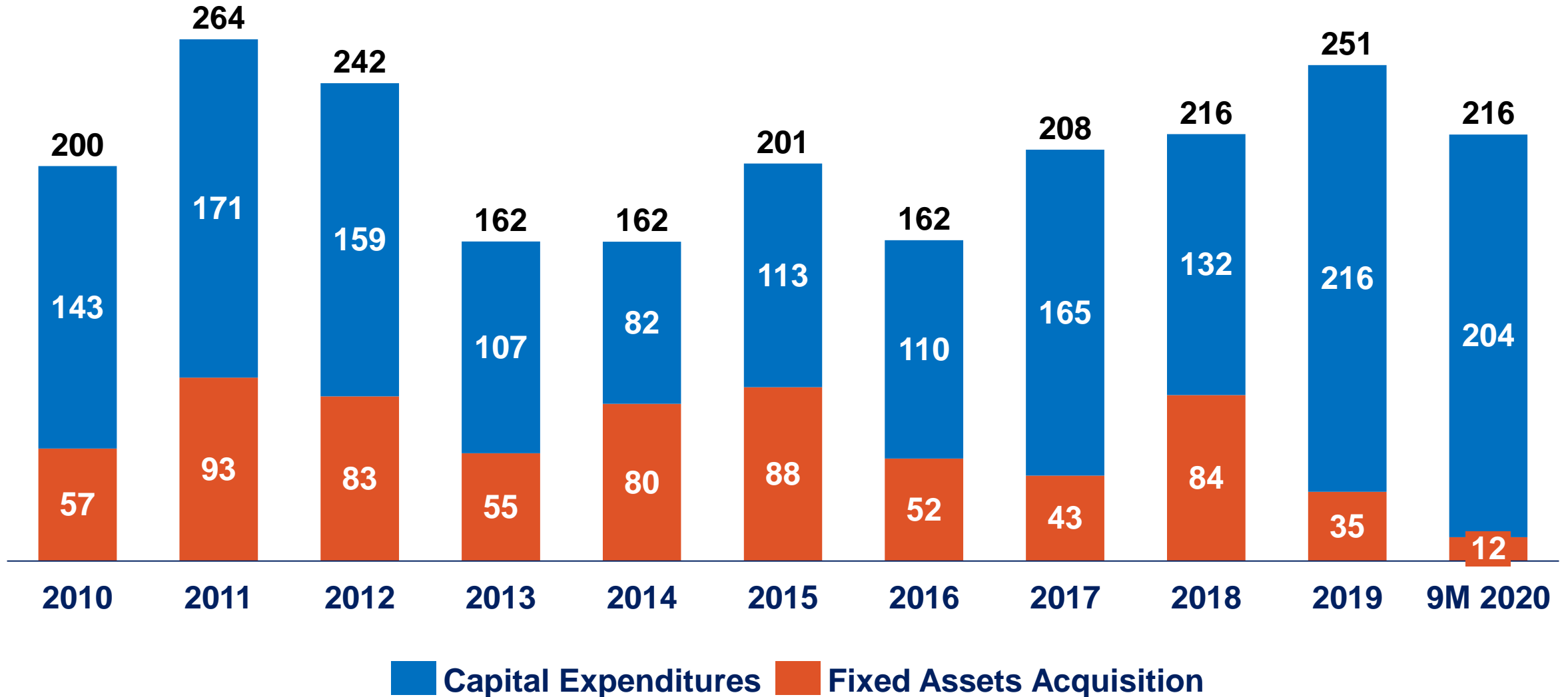
Cost of Sales Breakdown* (%)



Raw Materials Breakdown (%)

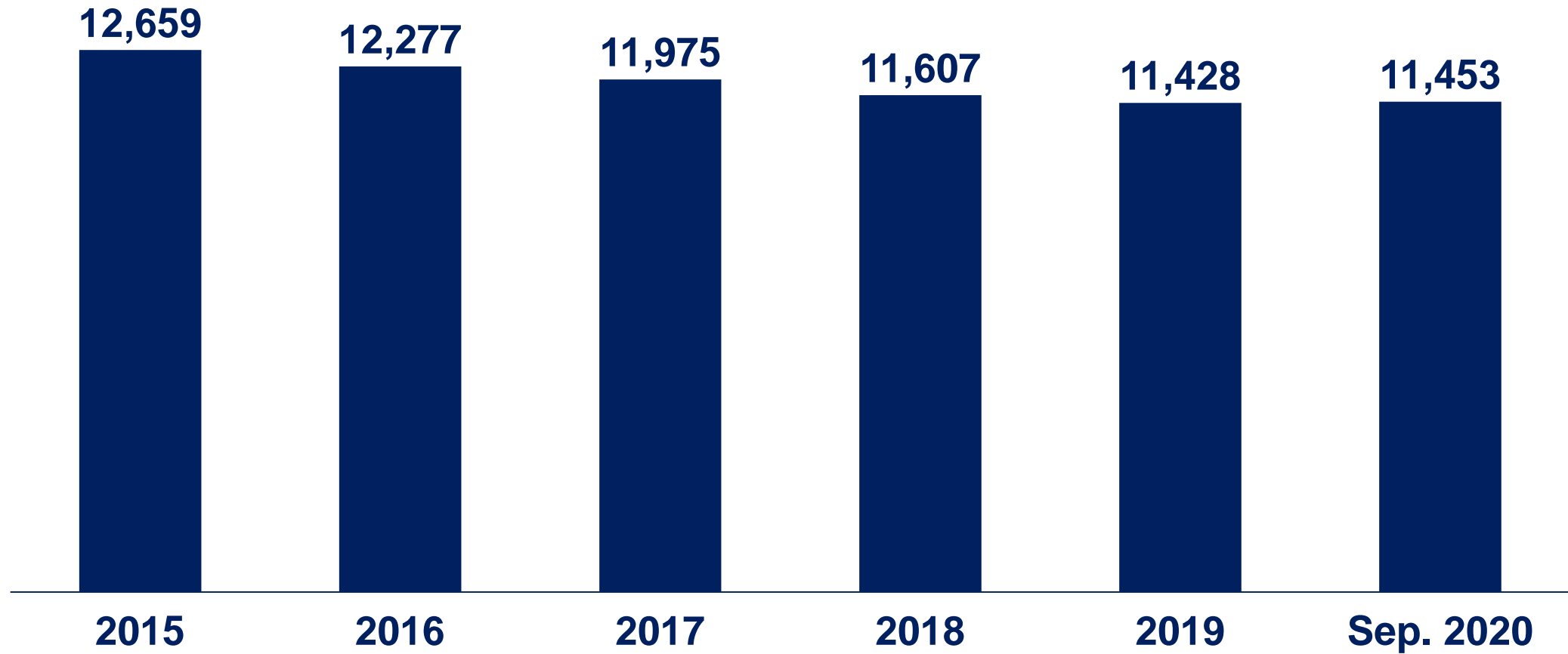


Capital Expenditures* (USD mn)



* Advance payments for capital expenditures are not included.

Number of Employees



Appendix – EBITDA Detail

	Note	01.01.2020- 30.09.2020 (Thousand USD)	01.01.2020- 30.09.2020 (Thousand TRY)
Presentation Currency Translation	2.1		6.7187
Operating Profit		508,380	3,415,656
Depreciation and Amortisation Expenses		154,081	1,035,229
Cost of Sales	13	142,321	956,213
Marketing Expenses	14	5,374	36,107
General Administrative Expenses	14	5,469	36,745
Research and Development Expenses	6	917	6,164
POA Classification		(20,558)	(138,132)
Share Transfer Agreement Receivable Income	14	(20,920)	(140,556)
Interest Income for Overdue Receivables	14	(671)	(4,511)
Rediscount Income	14	(21)	(141)
Interest Expense for Purchase Contracts with Maturities	14	1,054	7,076
		641,903	4,312,753



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