



MINING METALLURGY
GROUP



2019 6 Months Investor Presentation

08.08.2019



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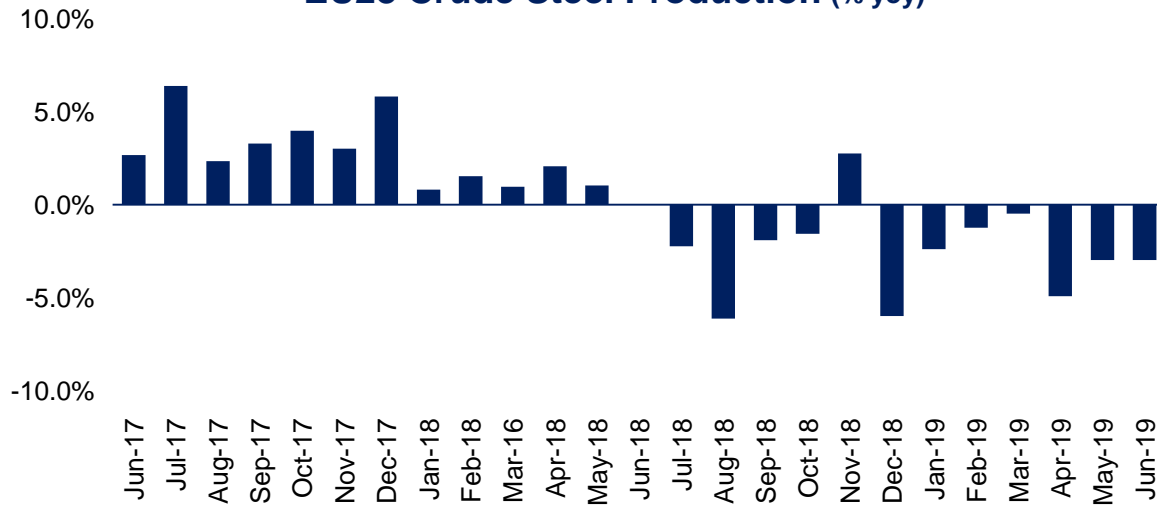
2019 Market Overview



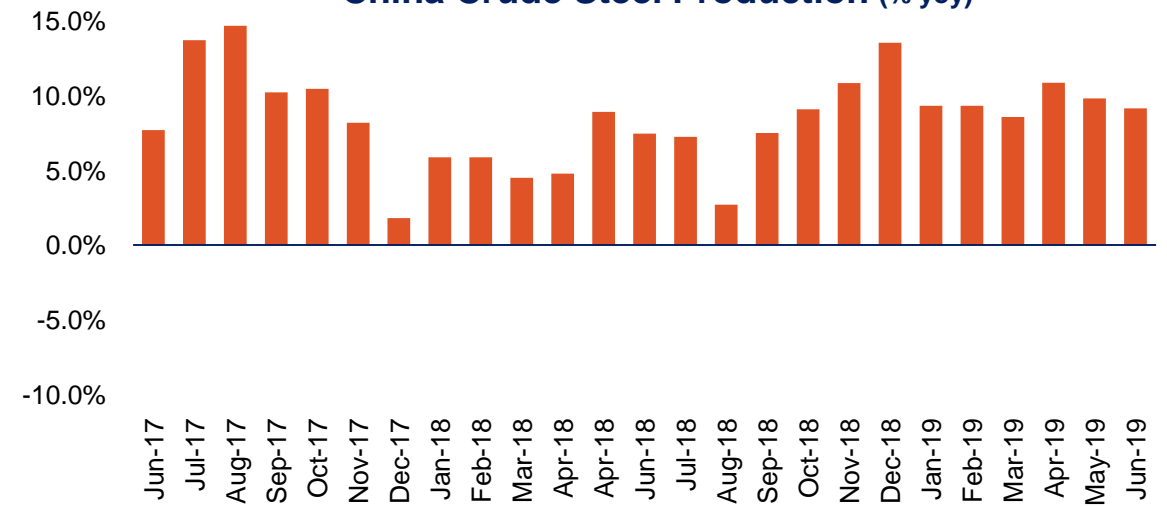
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Crude Steel Production

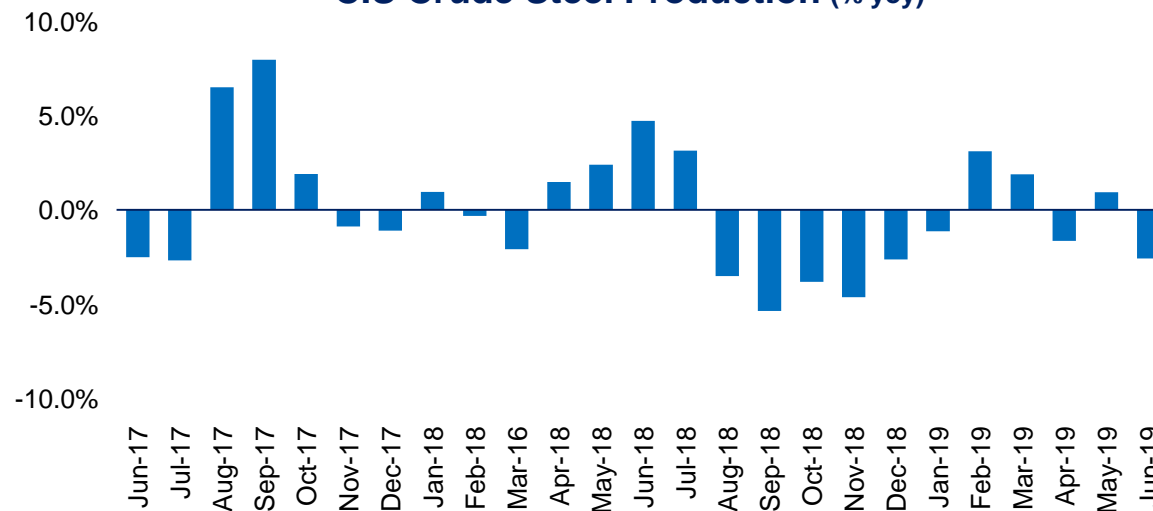
EU28 Crude Steel Production (% yoy)



China Crude Steel Production (% yoy)

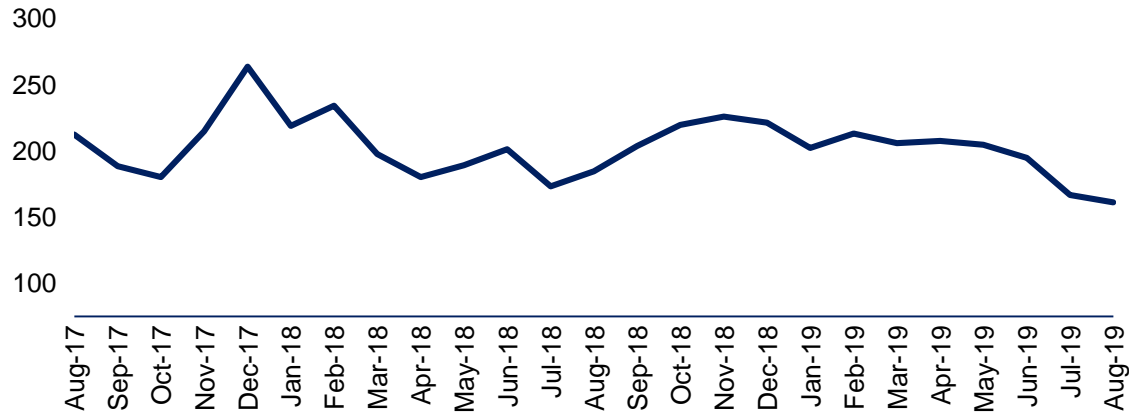


CIS Crude Steel Production (% yoy)

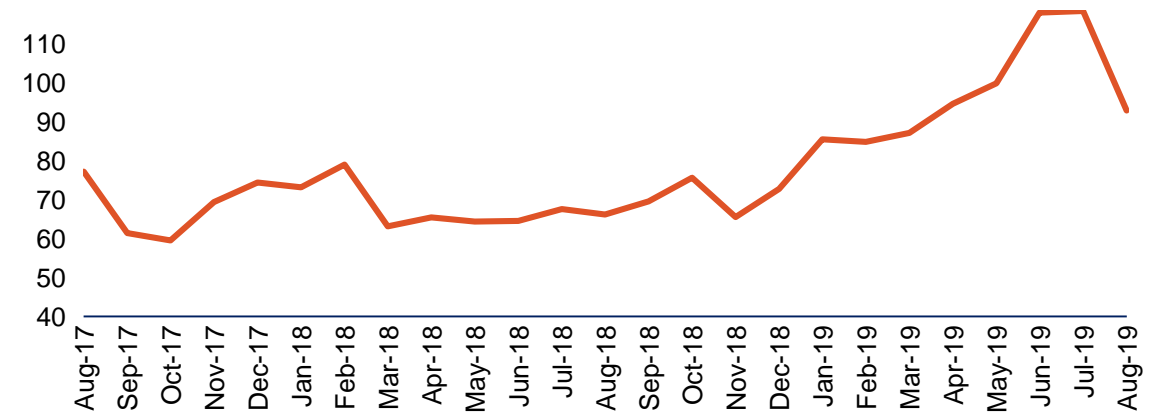


Coking Coal, Iron Ore & Scrap Prices

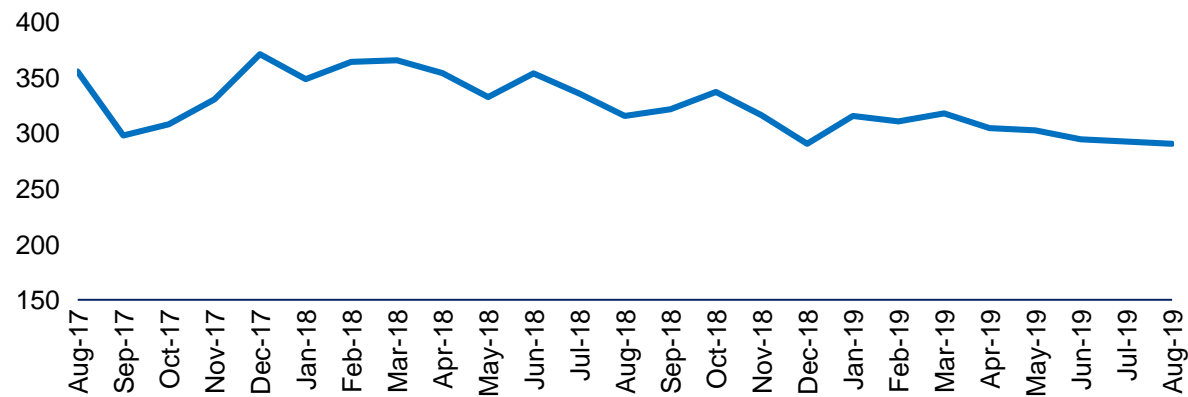
Coking Coal Prices
(HCC Peak Downs Region FOB Australia)



Iron Ore Prices
(IODEX 62% Fe CFR North China Mid)

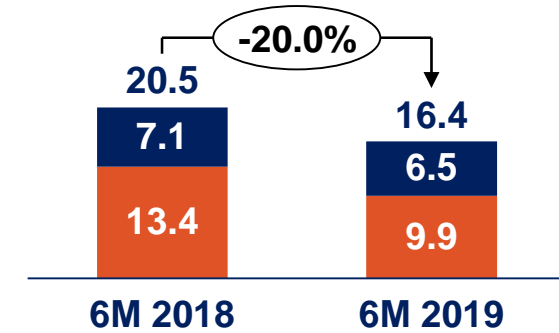
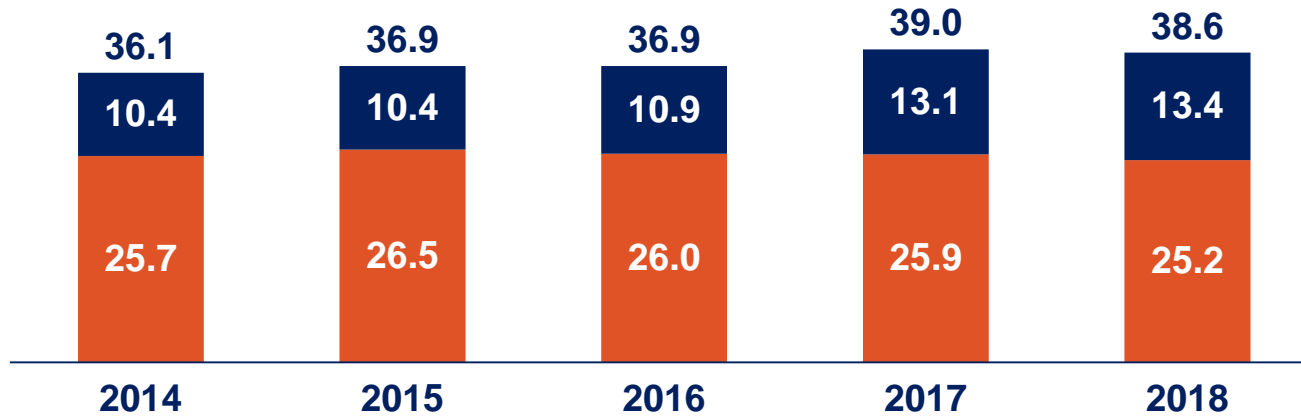


Scrap Prices
(HMS CFR Turkey Mid)

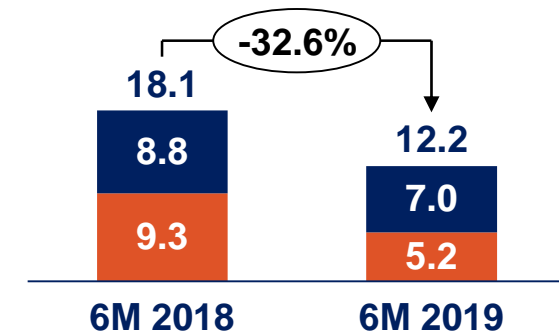
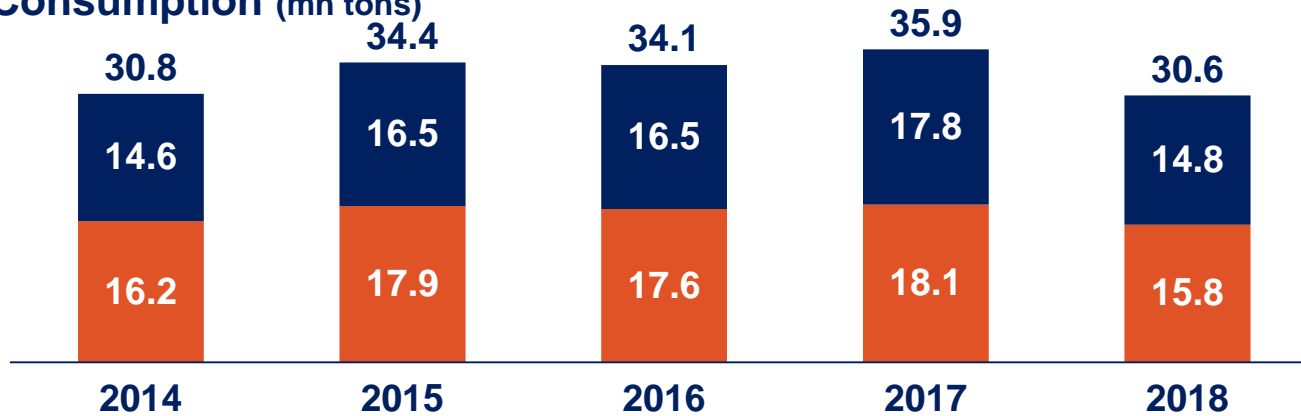


Turkish Steel Production & Consumption

Production (mn tons)



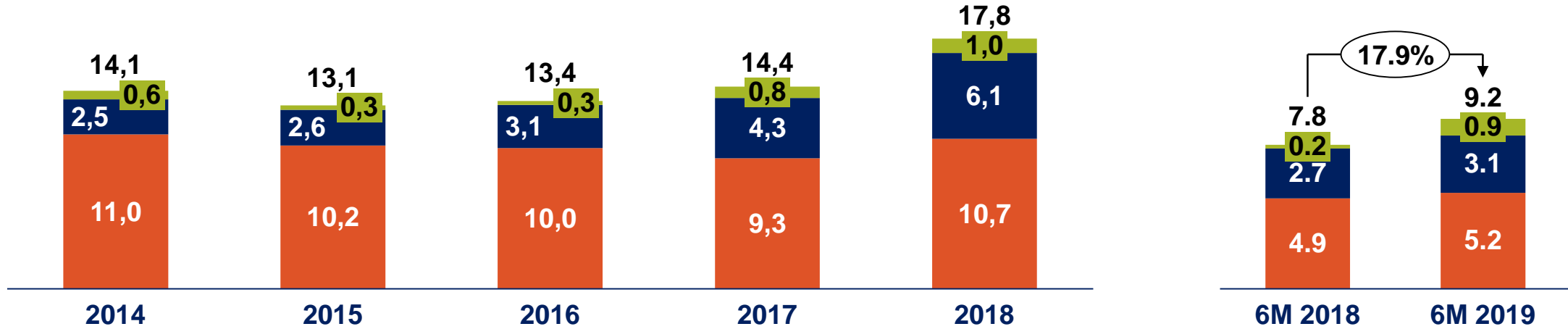
Consumption (mn tons)



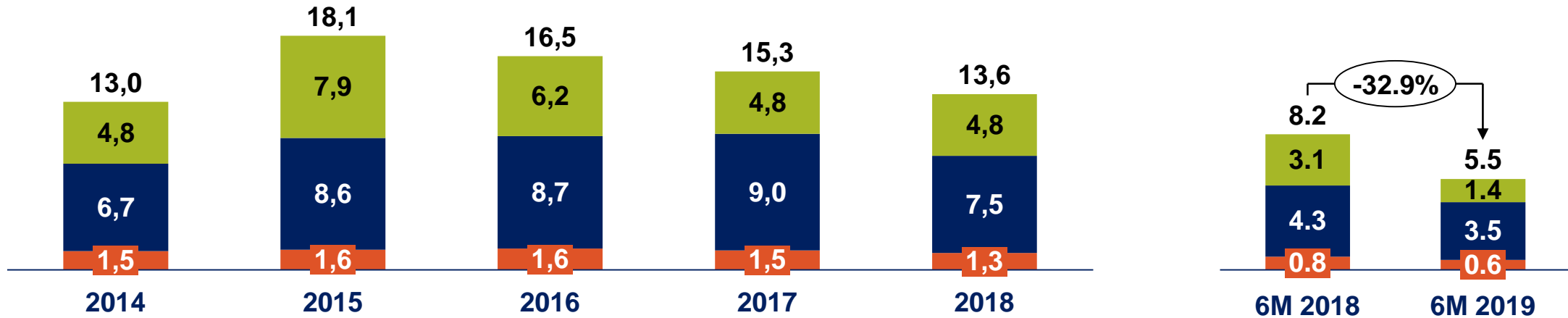
Flat Long

Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



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



2019 6M Results



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Operational and Financial Highlights

Operational Highlights	2017	2018	6M 2018	6M 2019	Growth (YoY)
Liquid Steel Production (000 tons)	9,392	9,322	4,716	4,516	-4.2%
Flat Steel Production* (000 tons)	7,713	7,743	3,923	3,776	-3.7%
Long Steel Production (000 tons)	1,328	980	452	522	15.5%
Flat Steel Shipments (000 tons)	7,594	7,482	3,777	3,782	0.1%
Long Steel Shipments (000 tons)	1,364	919	422	540	28.0%

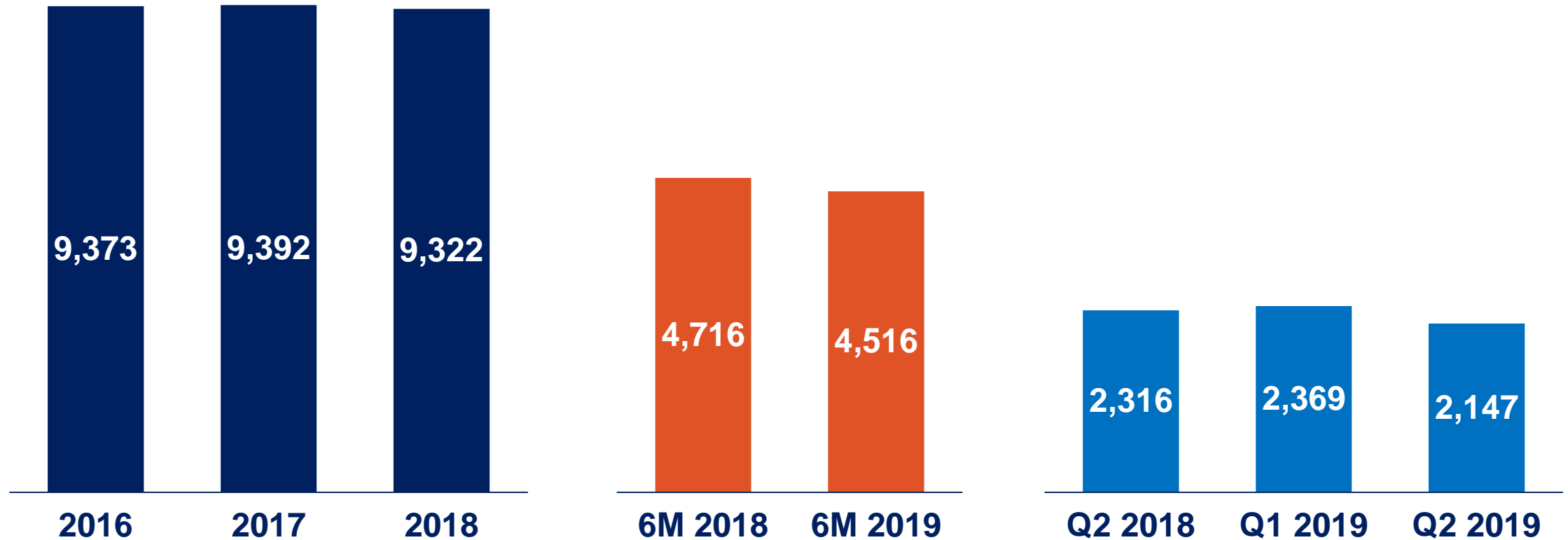
Financial Highlights	2017	2018	6M 2018	6M 2019	Growth (YoY)
Net Sales Revenue (USD mn)	5,140	5,598	2,845	2,601	-8.6%
EBITDA (USD mn)	1,496	1,720	919	622	-32.3%
Net Profit** (USD mn)	1,030	1,160	630	411	-34.8%

All figures are on IFRS consolidated basis unless stated otherwise.

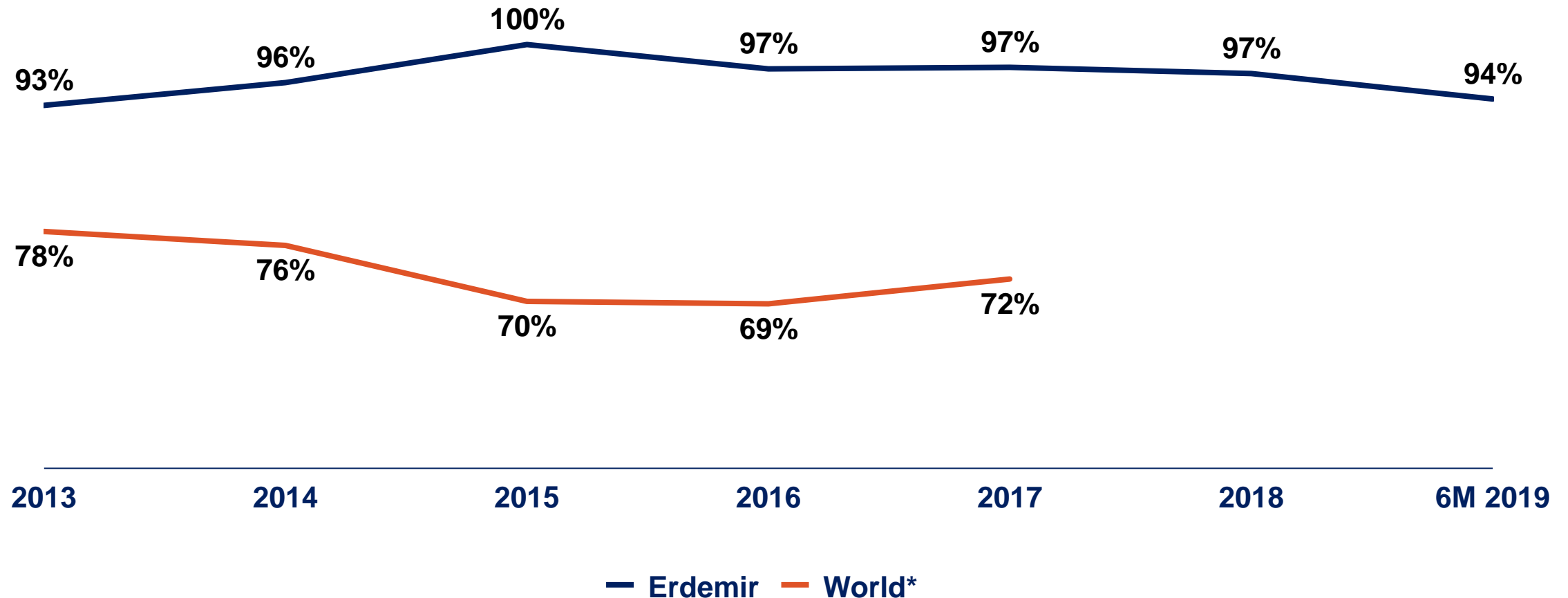
() Total flat steel production of Ereğli and İskenderun Plants.*

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

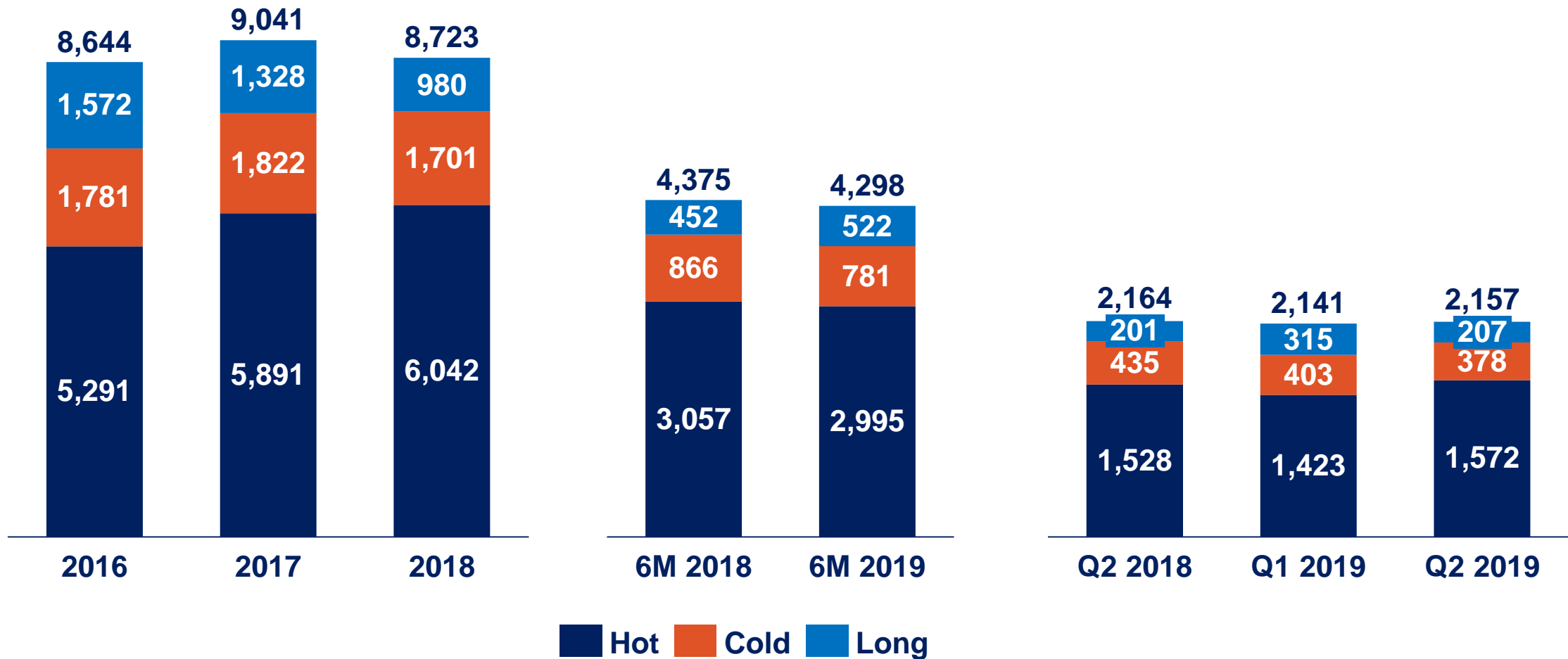
Liquid Steel Production (000 tons)



Crude Steel Capacity Utilization Ratio



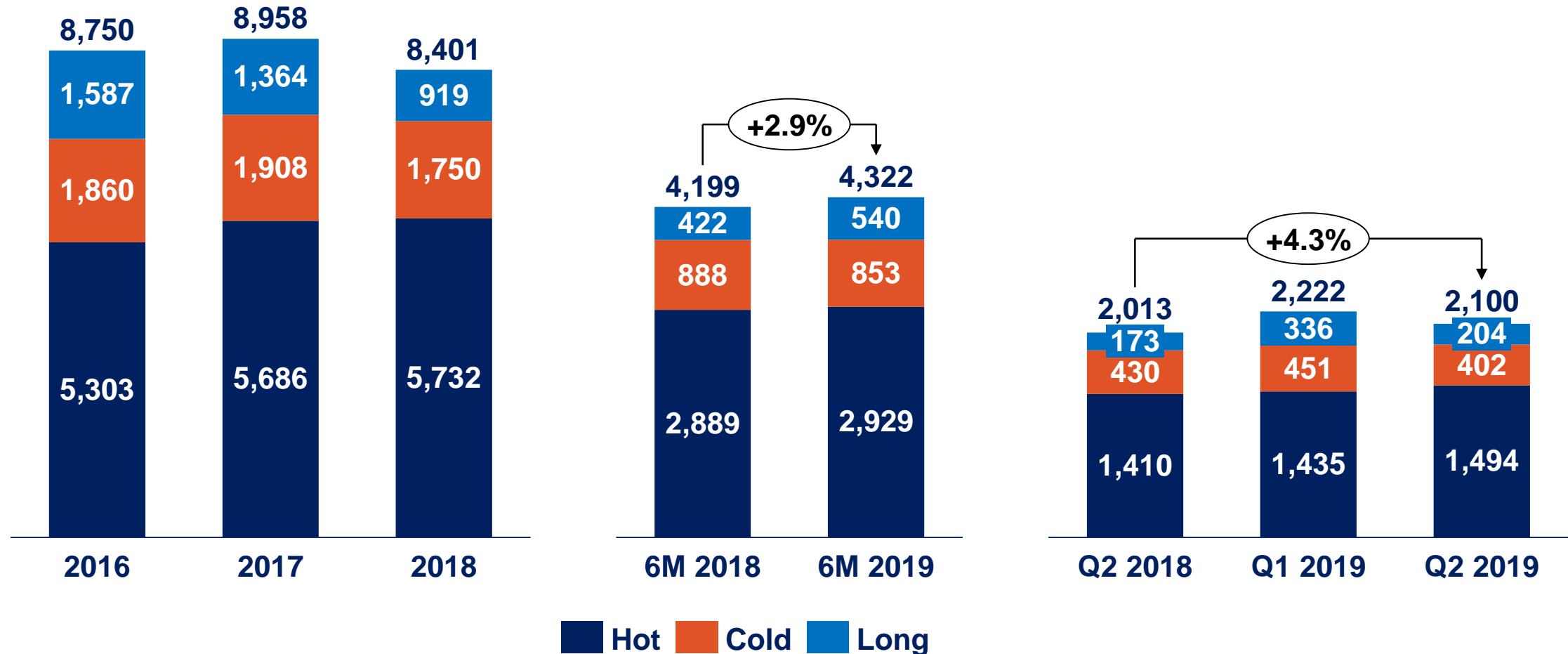
Production (000 tons)



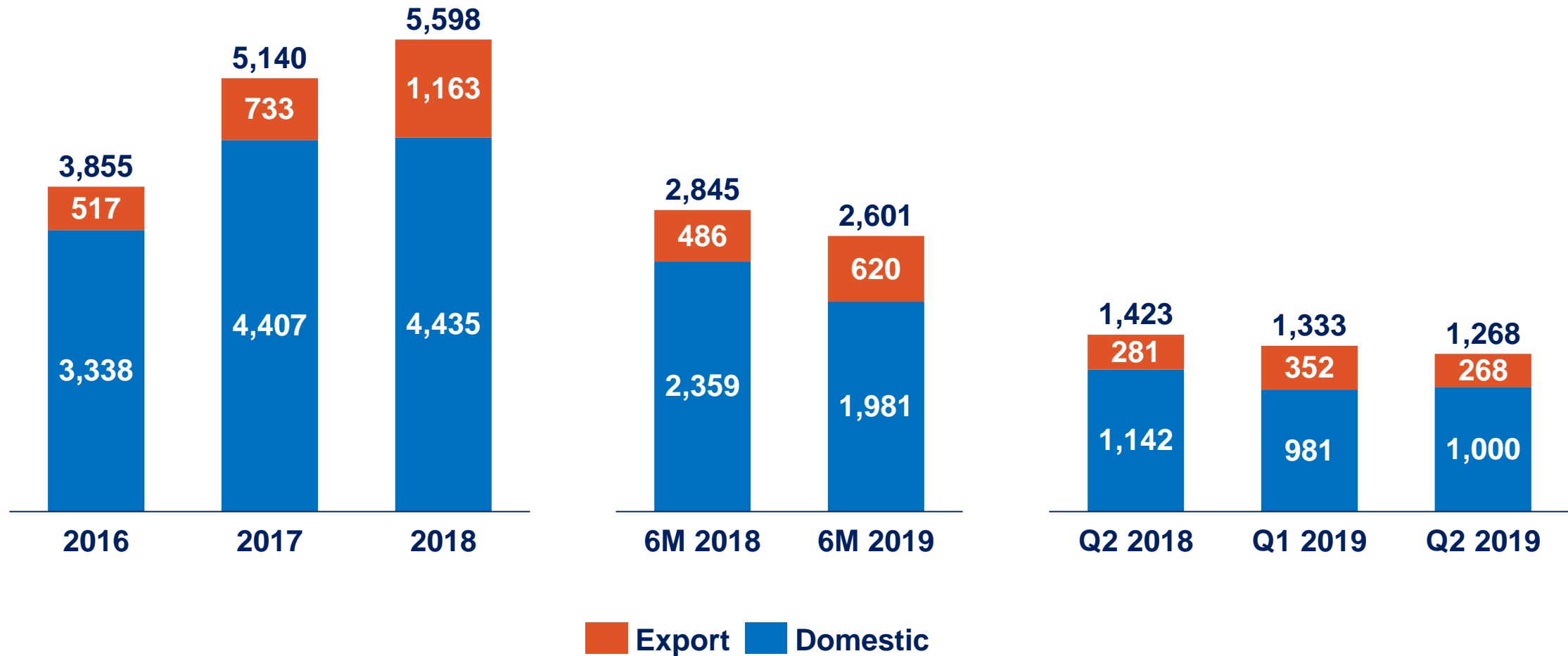
■ Hot
 ■ Cold
 ■ Long

Sales Volume (000 tons)

Total sales increased by 4.3% YoY in Q2 2019.

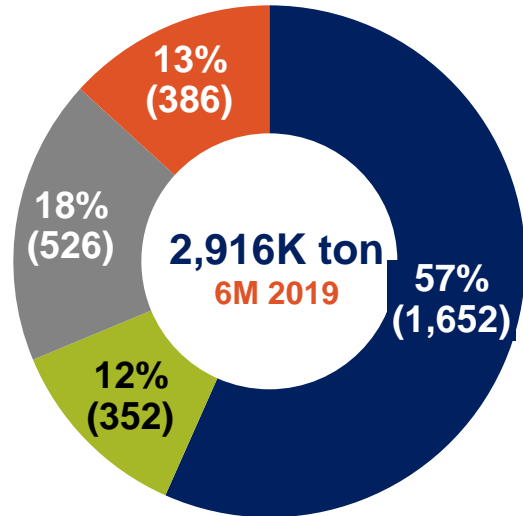


Net Sales Revenue (USD mn)

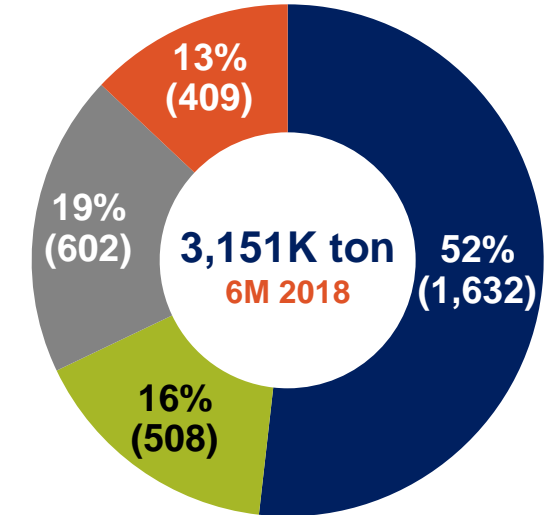


Flat & Long Steel Domestic Sales Breakdown

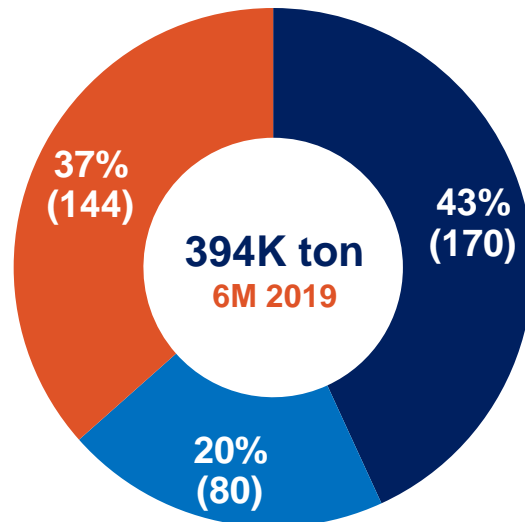
Flat Steel Domestic Sales



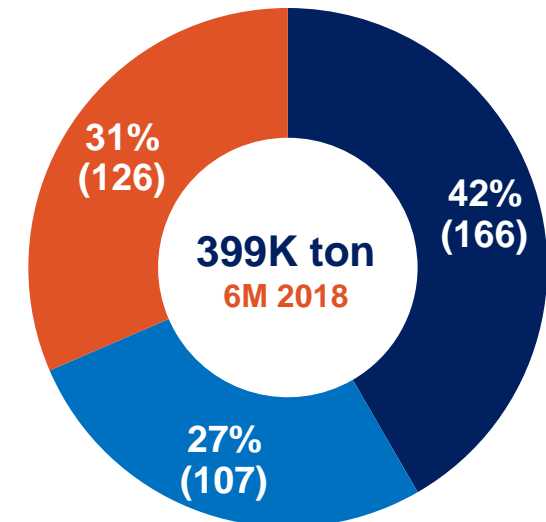
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



Long Steel Domestic Sales

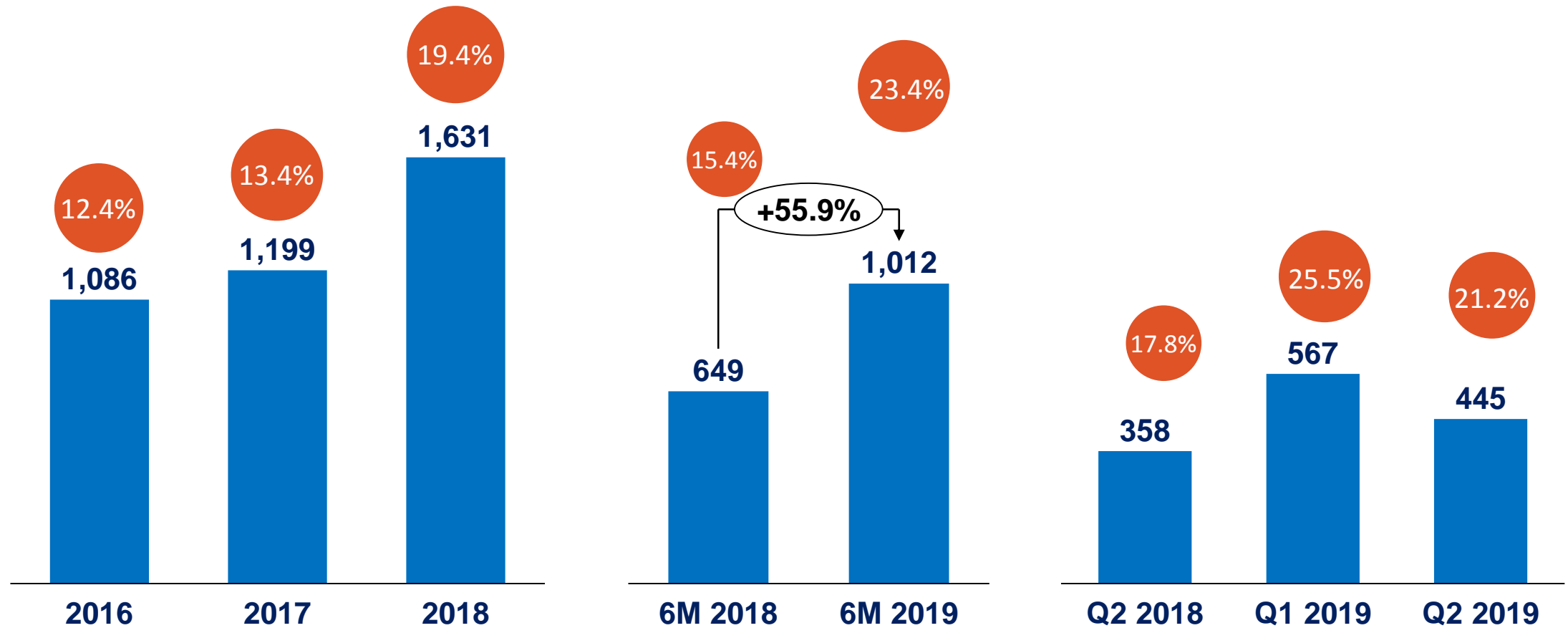


- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities



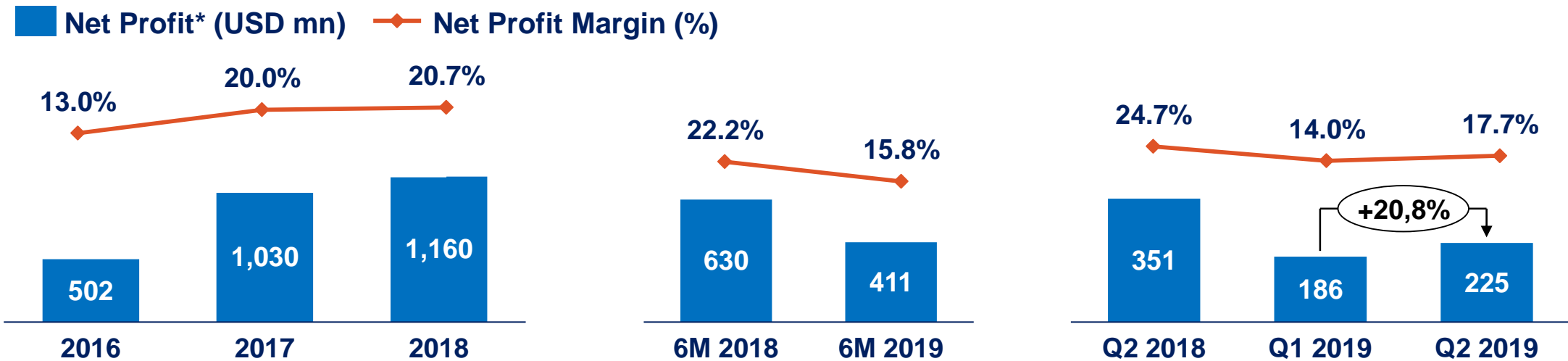
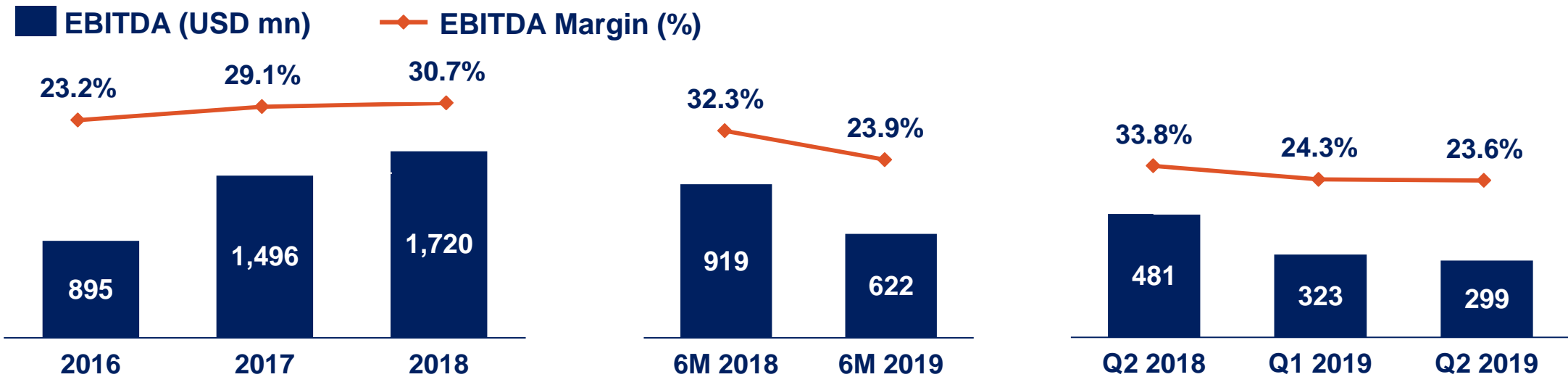
Export Volume (000 tons)

Total export volume increased by 55.9% YoY in 6M 2019.

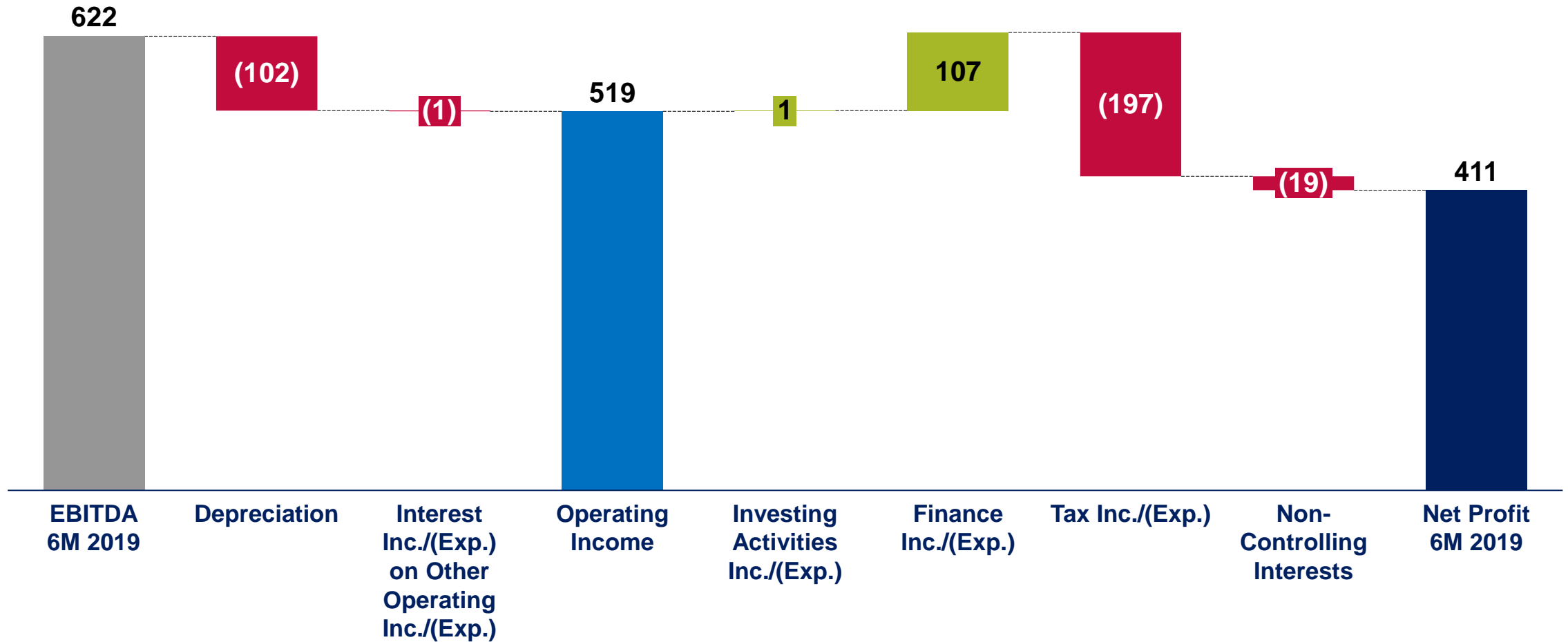


■ Export ● Share in Total Sales

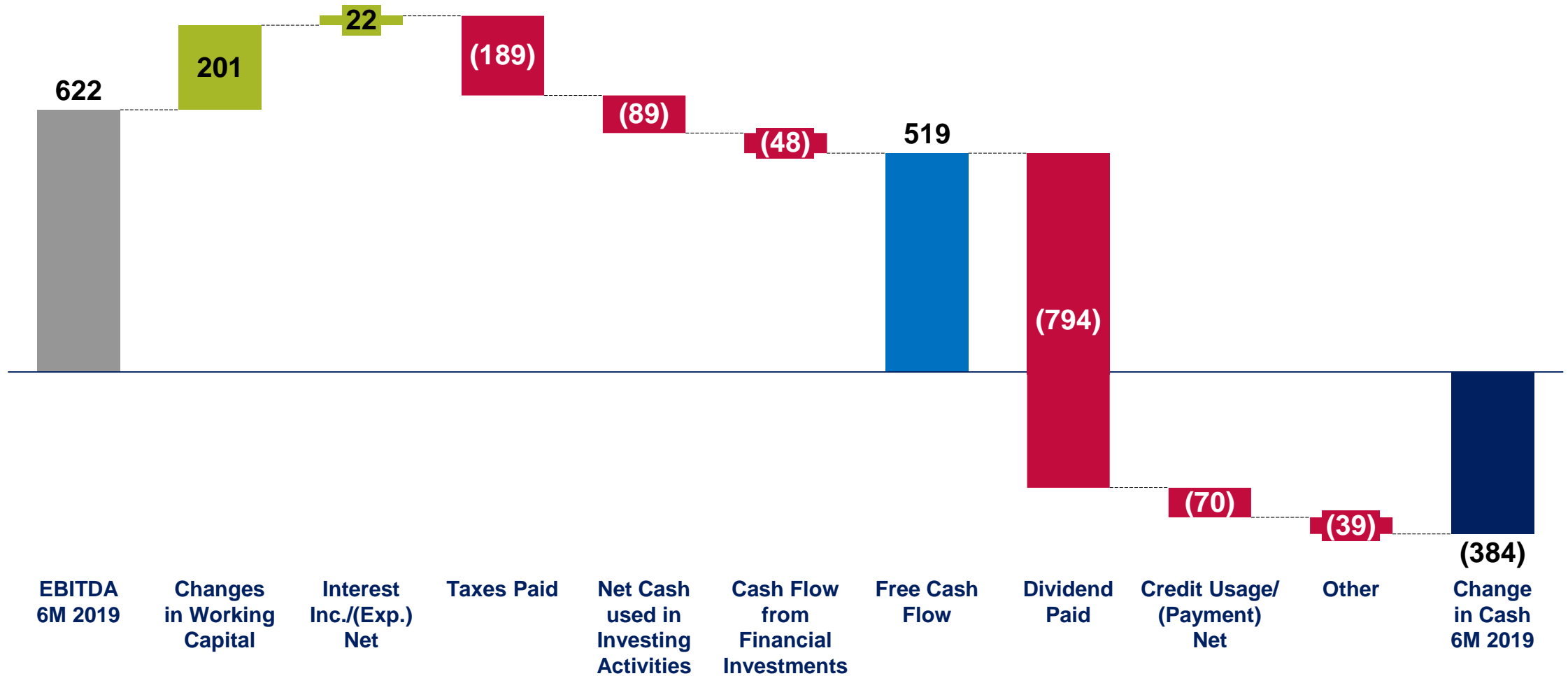
EBITDA & Net Profit



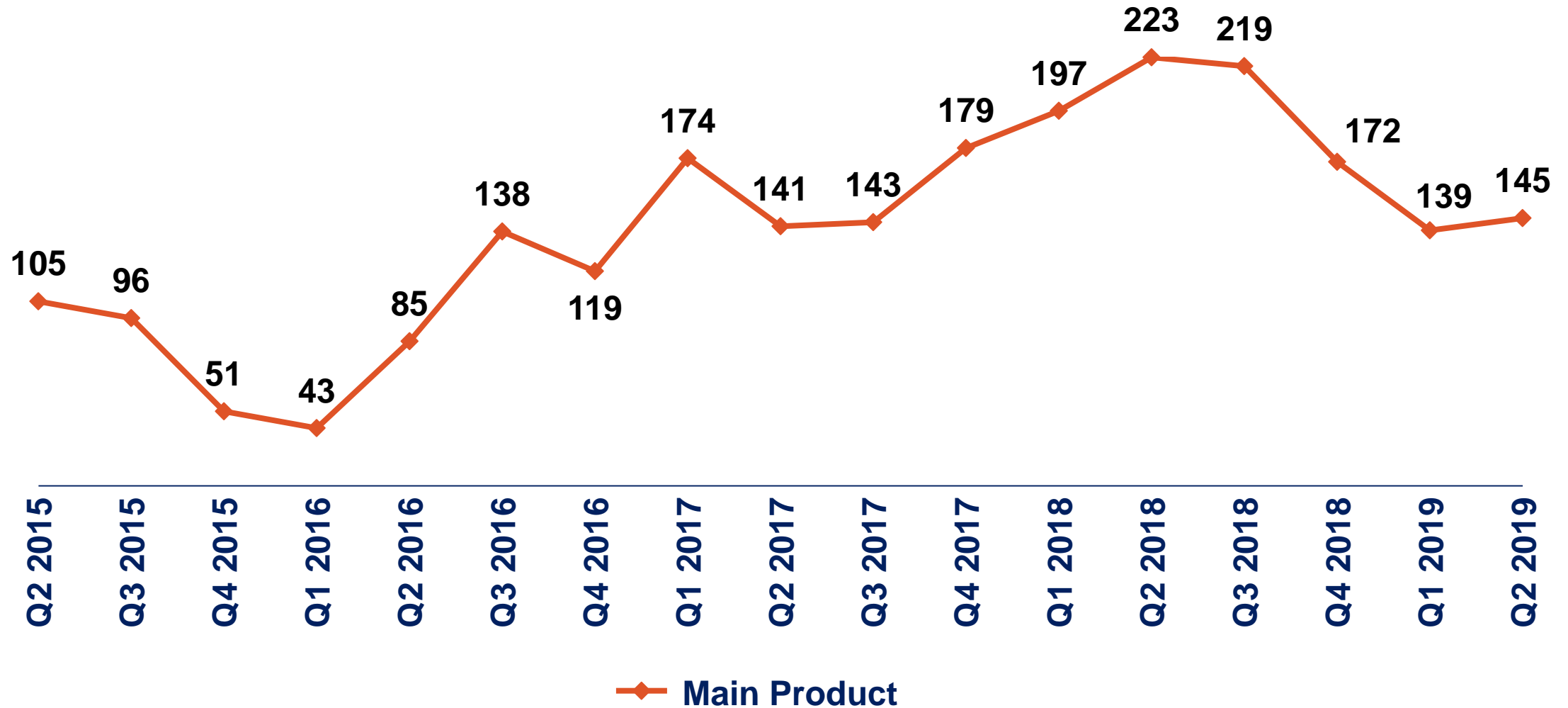
EBITDA ➔ Net Profit



EBITDA → Net Cash



EBITDA per Ton* (USD/ton)

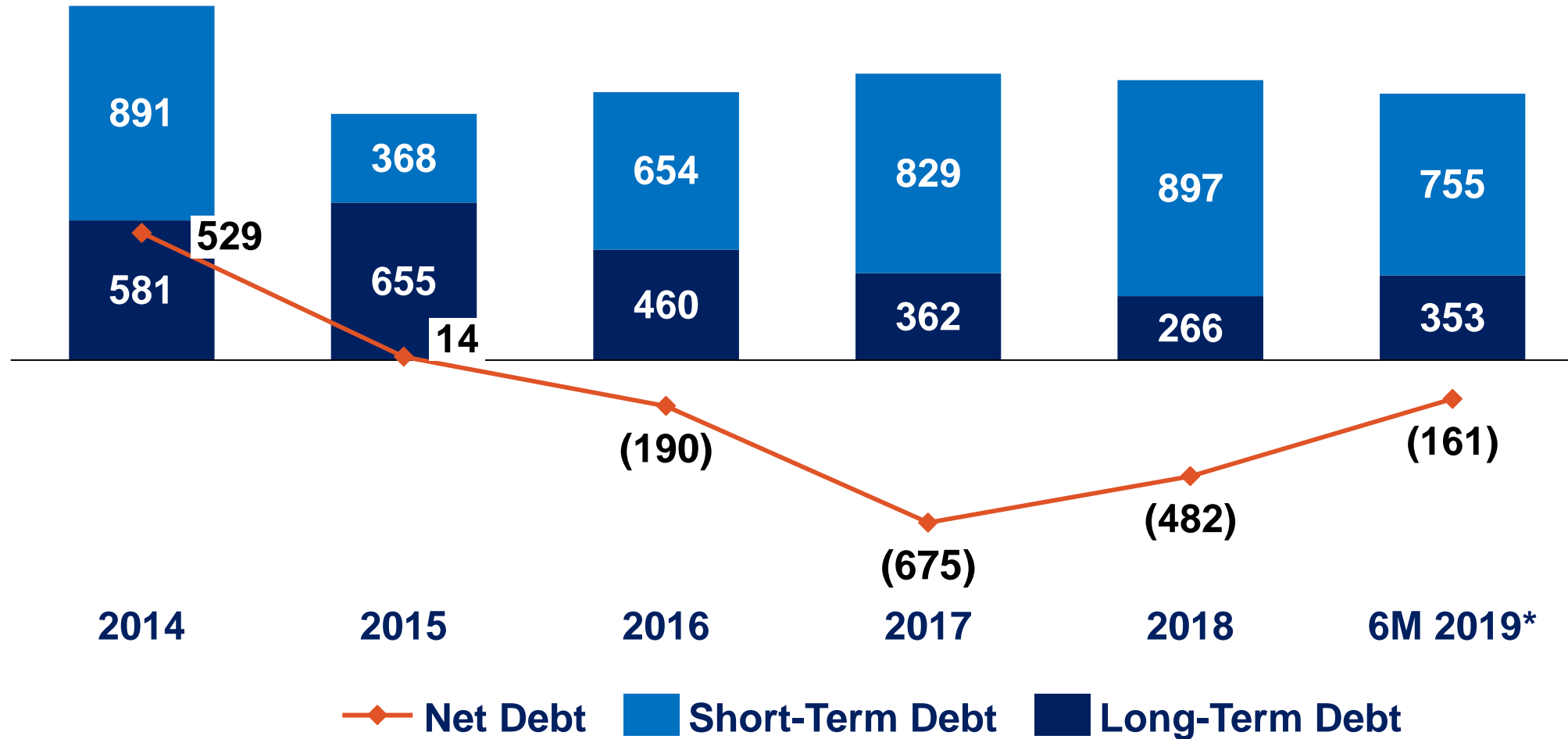


Financial Figures

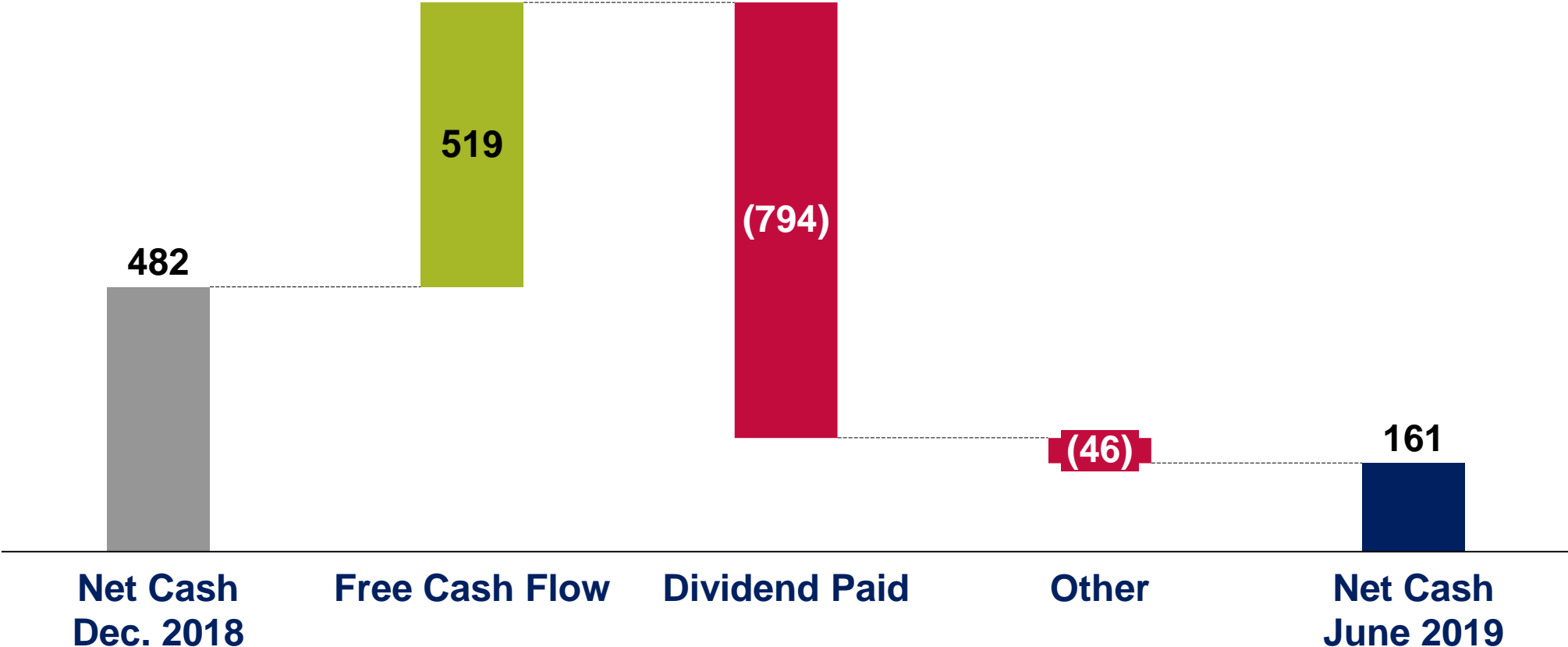
Consolidated Net Assets (USD mn)	31.12.2018	30.06.2019	Growth (YoY)
Cash and Cash Equivalents	1,646	1,269	-23%
Working Capital	2,219	2,018	-9%
Tangible and Intangible Assets	3,533	3,512	-1%
Financial Liabilities	(1,163)	(1,147)	-1%
Provisions and Other	(674)	(569)	-16%
Net Assets	5,561	5,083	-9%

Working Capital (USD mn)	31.12.2018	30.06.2019	Growth (YoY)
Trade Receivables	837	675	-19%
Inventories	1,690	1,723	2%
Trade Payables	(368)	(465)	26%
Other	60	85	42%
Working Capital	2,219	2,018	-9%

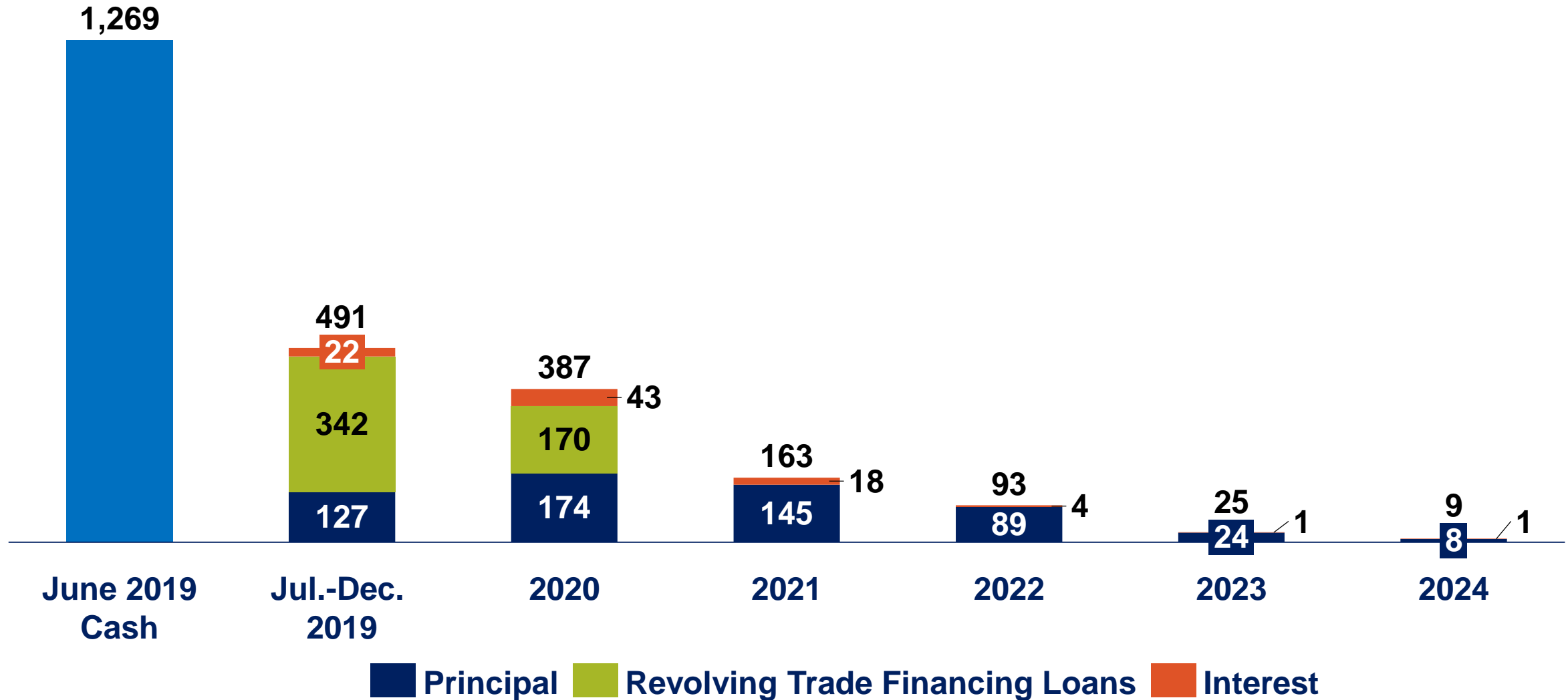
Financial Borrowings (USD mn)



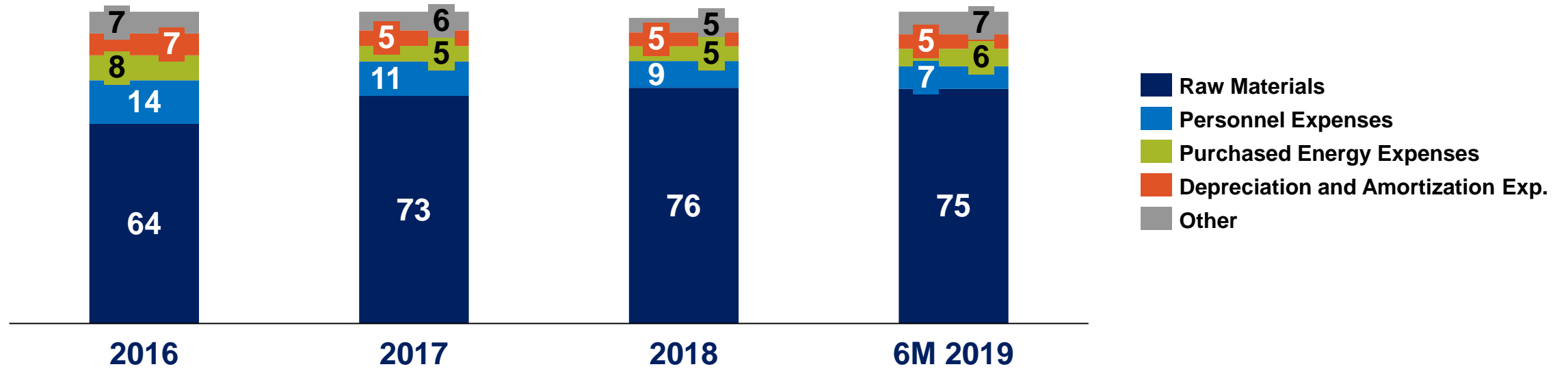
Net Debt (USD mn)



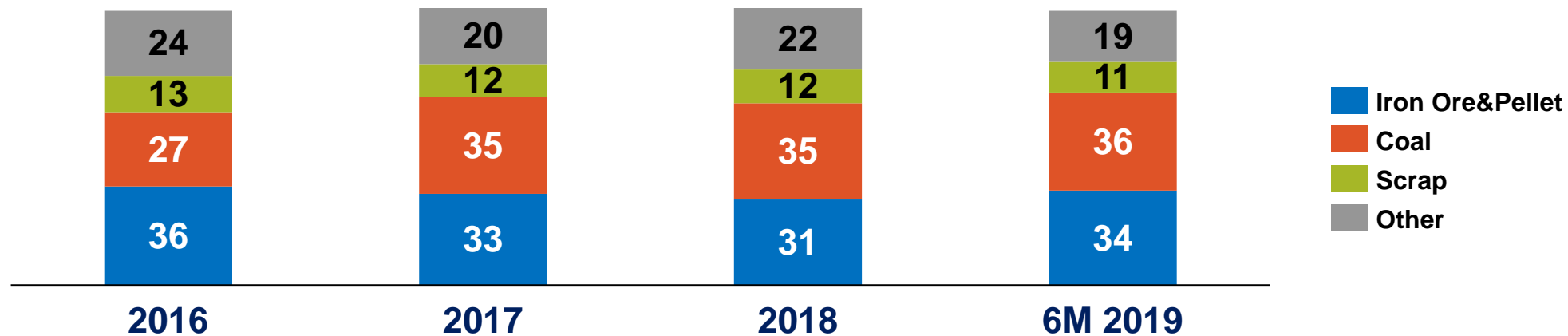
Borrowings Maturity Profile (USD mn)



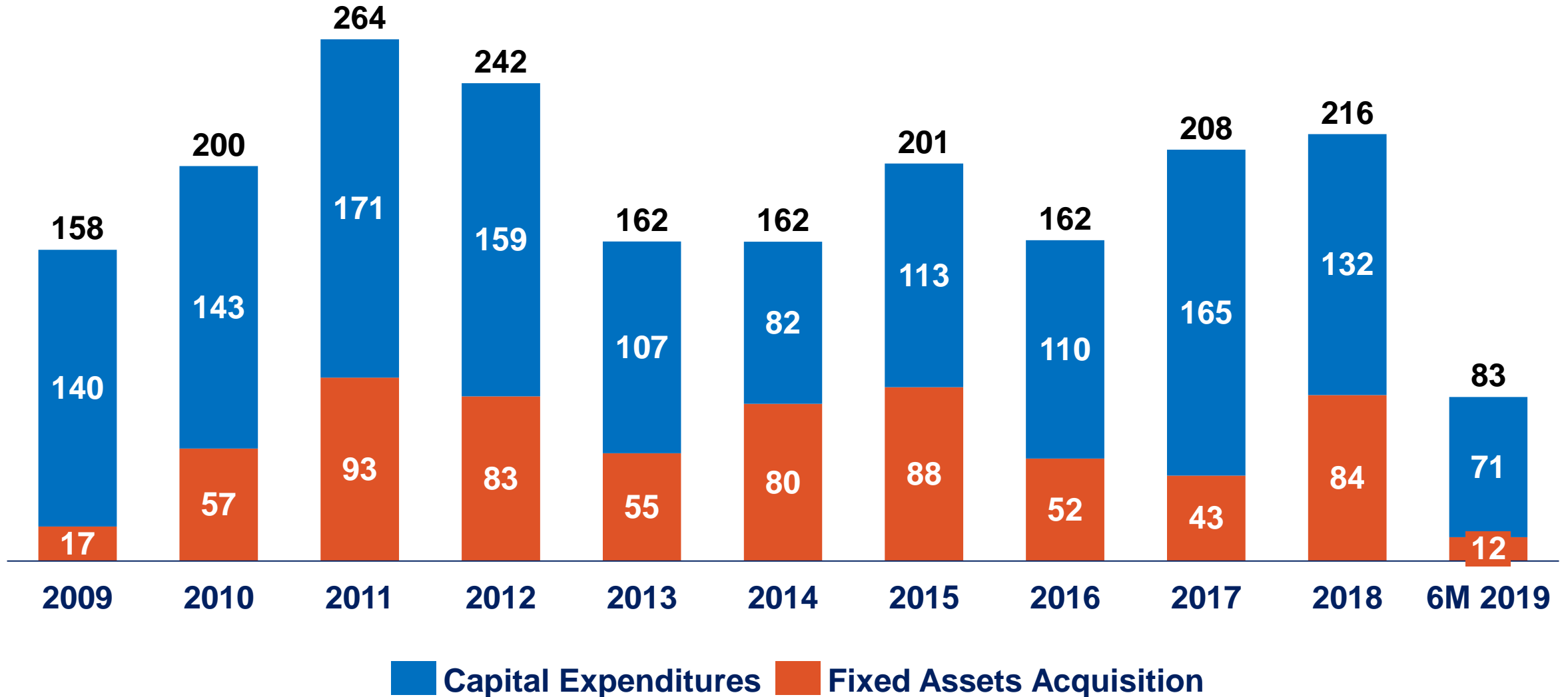
Cost of Sales Breakdown* (%)



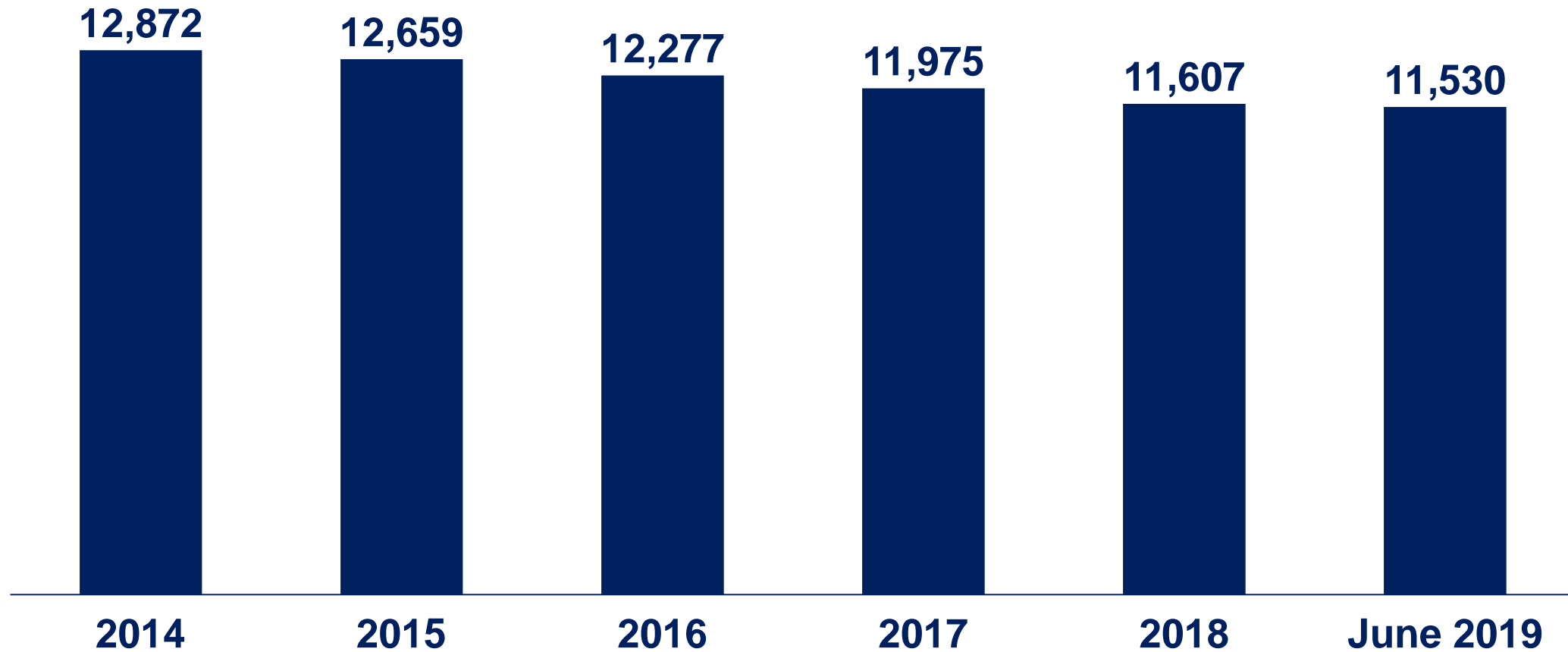
Raw Materials Breakdown (%)



Capital Expenditures (USD mn)



Number of Employees



Appendix – EBITDA Detail

	Note	01.01.2019- 30.06.2019 (Thousand USD)	01.01.2019- 30.06.2019 (Thousand TRY)
Presentation Currency Translation	2.1		5.6118
Operating Profit		519,178	2,913,520
Depreciation and Amortisation Expenses		102,012	572,476
Cost of Sales	14	92,927	521,487
Marketing Expenses	15	3,701	20,772
General Administrative Expenses	15	4,078	22,883
Research and Development Expenses	6	648	3,639
Other Operating Expenses	15	658	3,695
POA Classification		840	4,713
Interest Income for Overdue Receivables	15	(842)	(4,725)
Rediscount Expenses	15	(22)	(123)
Interest Expense for Purchase Contracts with Maturities	15	1,704	9,561
		622,030	3,490,709



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