



MINING METALLURGY
GROUP



2020 6 Months Investor Presentation

07.08.2020



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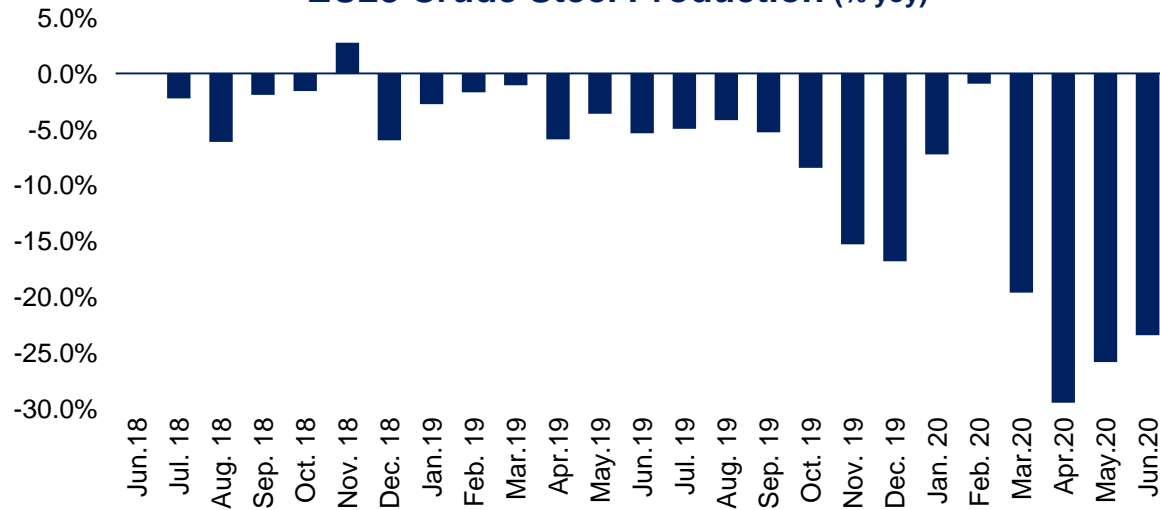
2020 Market Overview



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Crude Steel Production

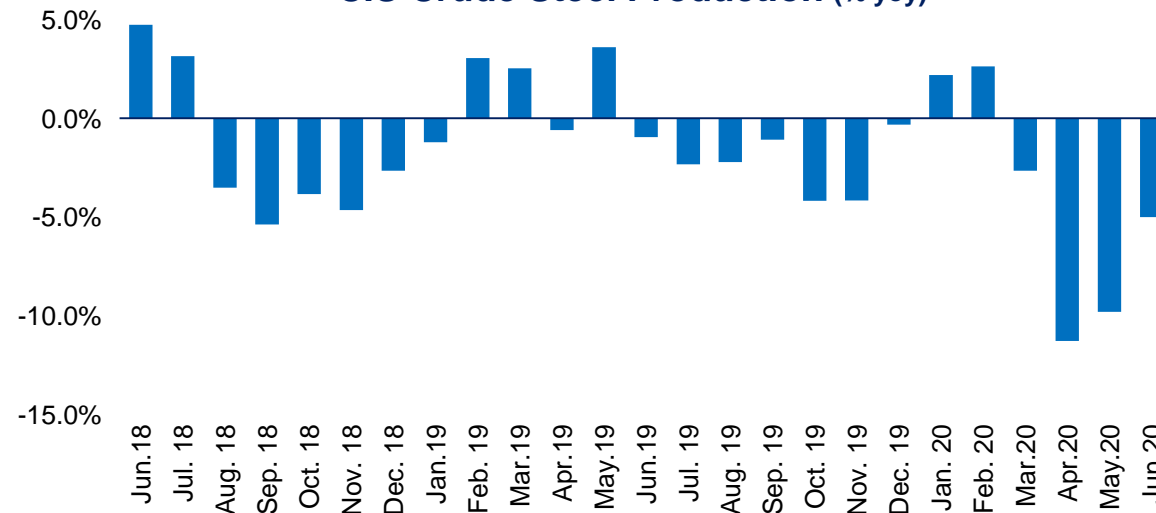
EU28 Crude Steel Production (% yoy)



China Crude Steel Production (% yoy)

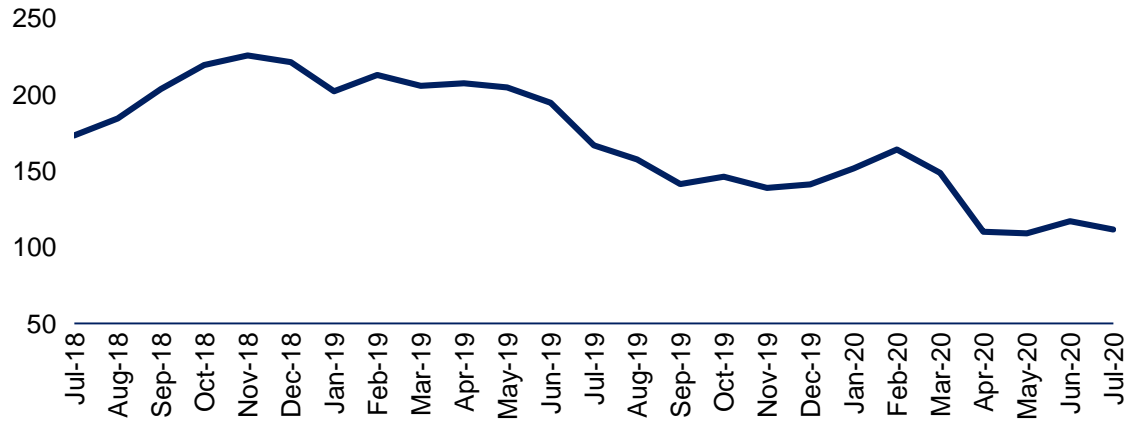


CIS Crude Steel Production (% yoy)

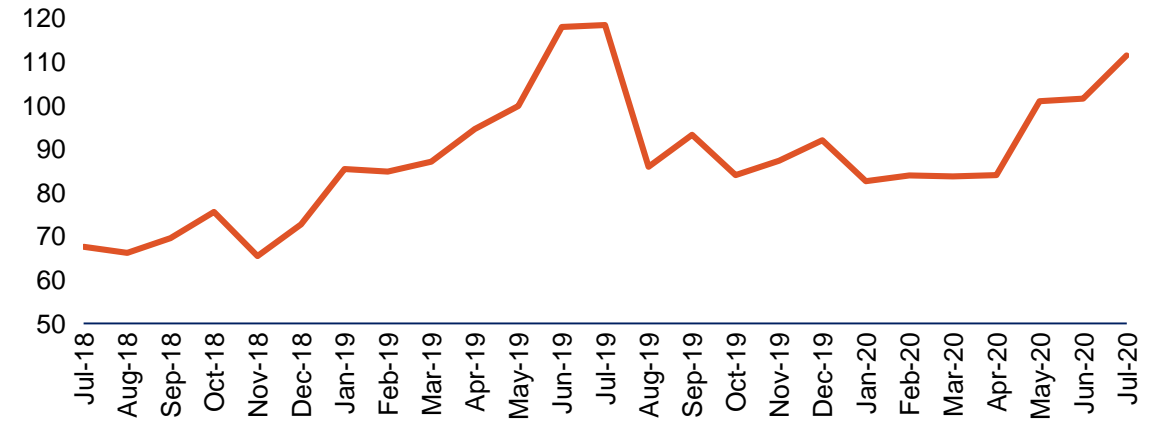


Coking Coal, Iron Ore & Scrap Prices

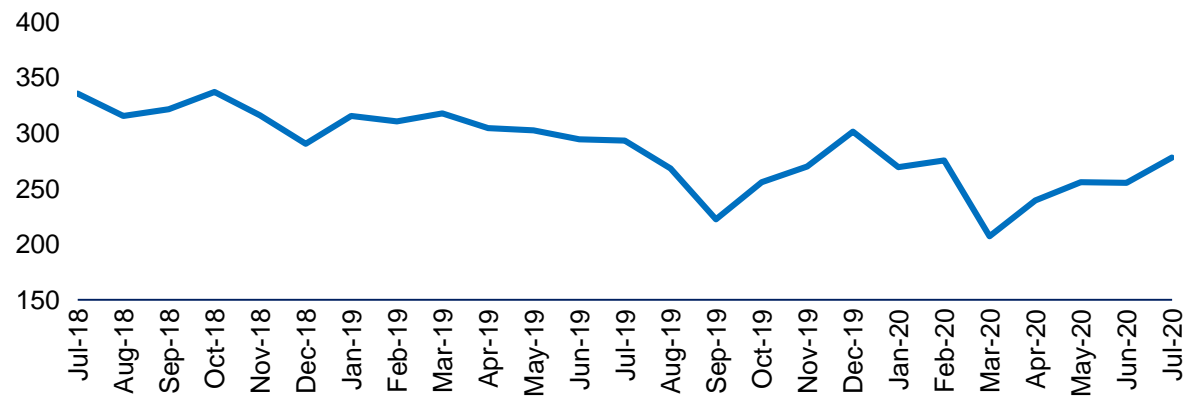
Coking Coal Prices
(HCC Peak Downs Region FOB Australia)



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

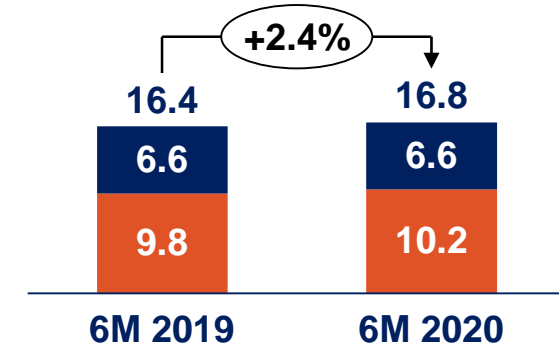
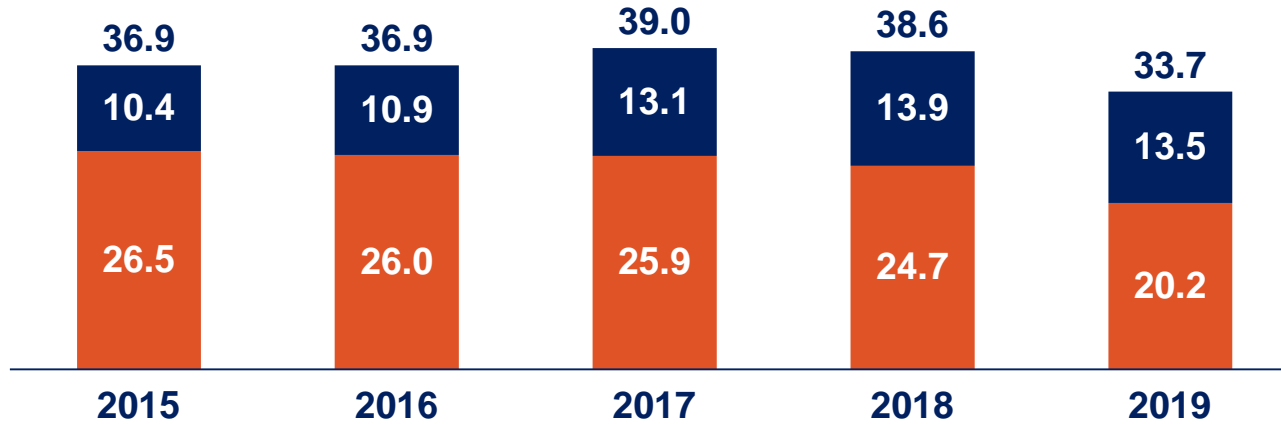


Scrap Prices
(HMS CFR Turkey Mid)

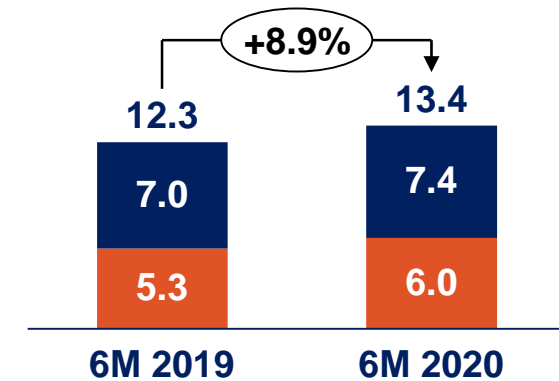
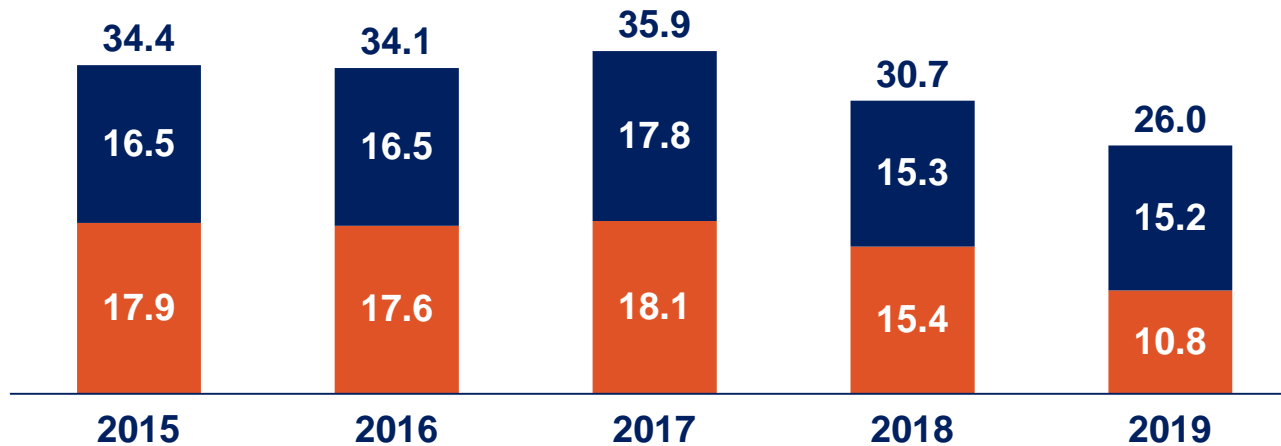


Turkish Steel Production & Consumption

Production (mn tons)



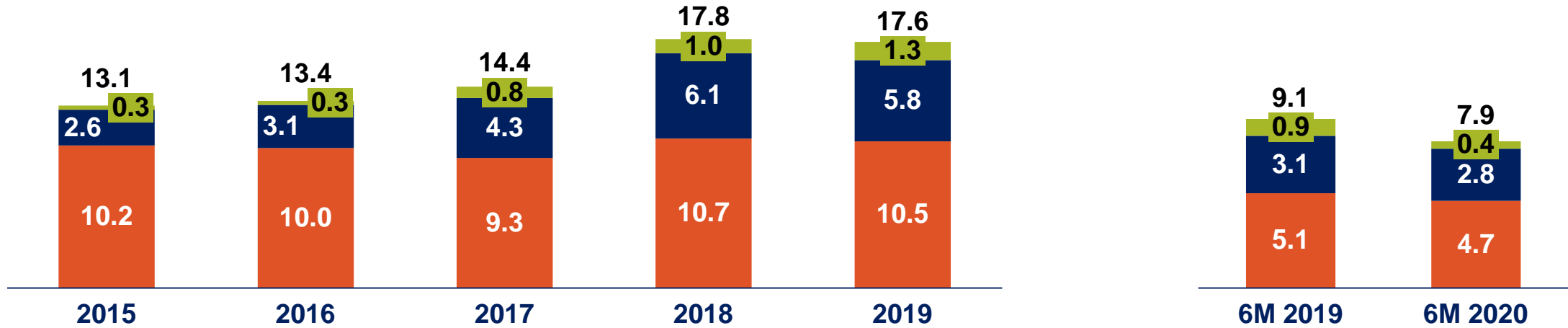
Consumption (mn tons)



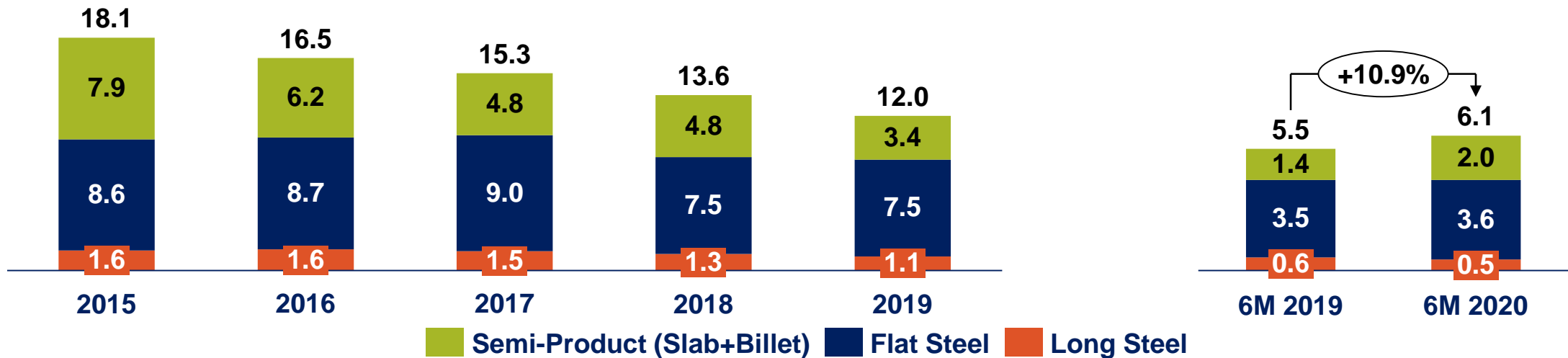
Flat Long

Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



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



2020 6M Results



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Operational and Financial Highlights

Operational Highlights	2018	2019	6M 2019	6M 2020	Growth (YoY)
Liquid Steel Production (000 tons)	9,322	8,787	4,516	4,257	-5.7%
Flat Steel Production* (000 tons)	7,743	7,257	3,740	3,546	-5.2%
Long Steel Production (000 tons)	980	1,026	522	450	-13.8%
Flat Steel Shipments (000 tons)	7,482	7,250	3,782	3,490	-7.7%
Long Steel Shipments (000 tons)	919	1,057	540	453	-16.1%

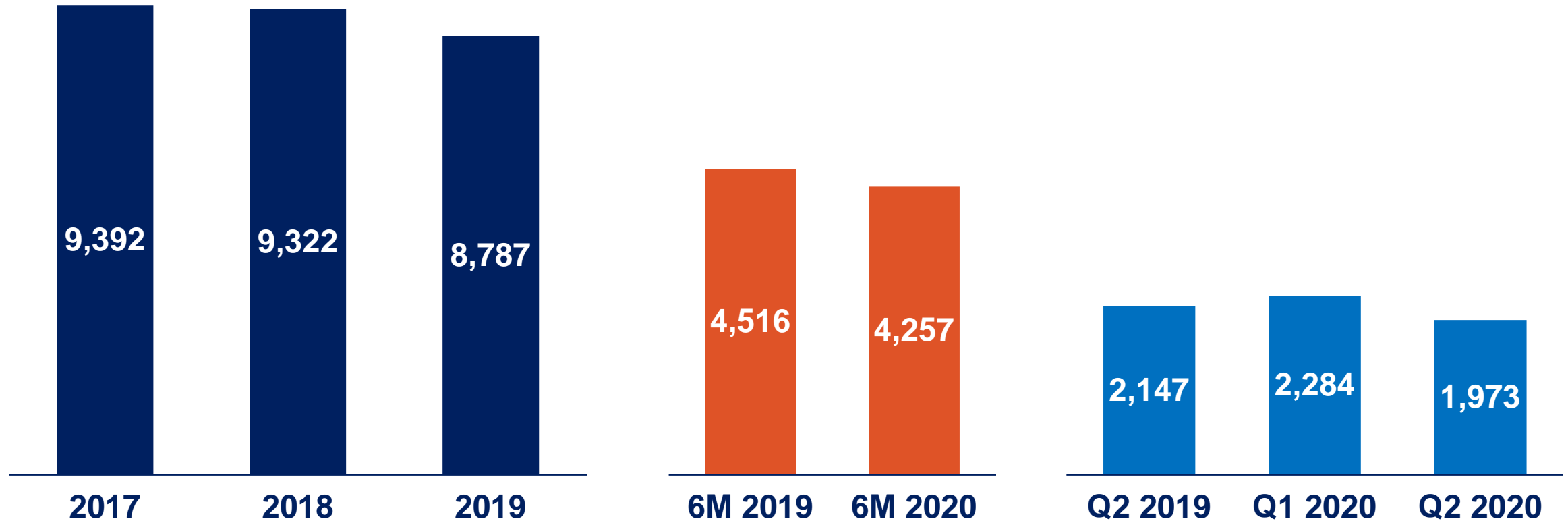
Financial Highlights	2018	2019	6M 2019	6M 2020	Growth (YoY)
Net Sales Revenue (USD mn)	5,598	4,844	2,601	2,128	-18.2%
EBITDA (USD mn)	1,720	974	622	381	-38.7%
Net Profit** (USD mn)	1,160	585	411	134	-67.4%

All figures are on IFRS consolidated basis unless stated otherwise.

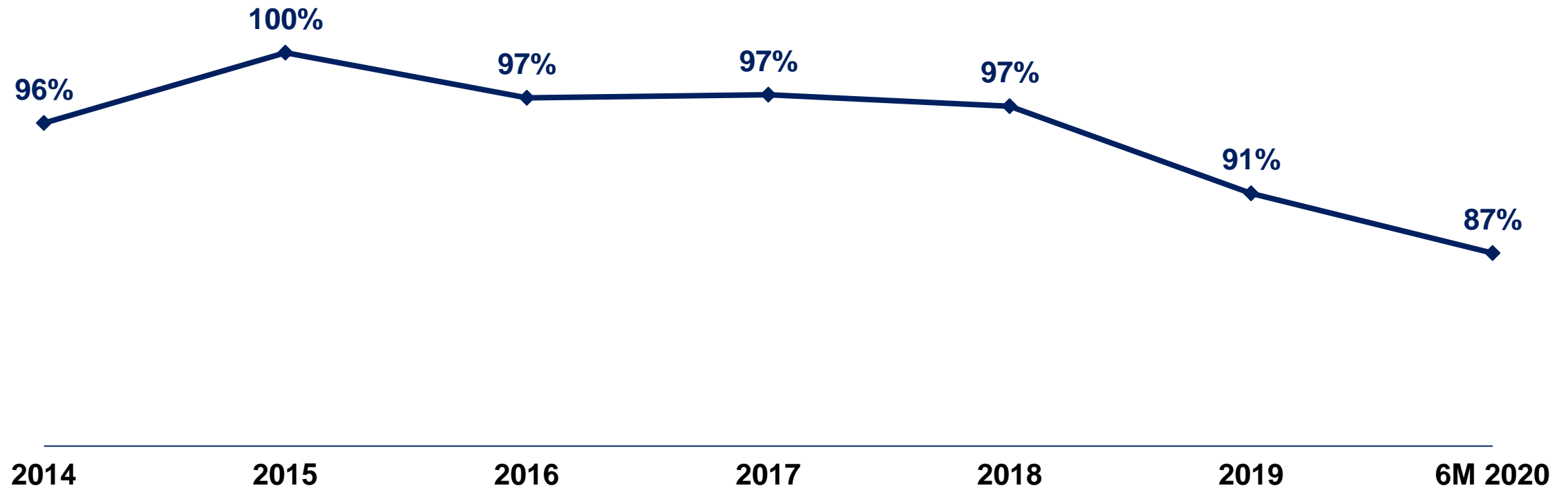
() Total flat steel production of Ereğli and İskenderun Plants.*

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

Liquid Steel Production (000 tons)

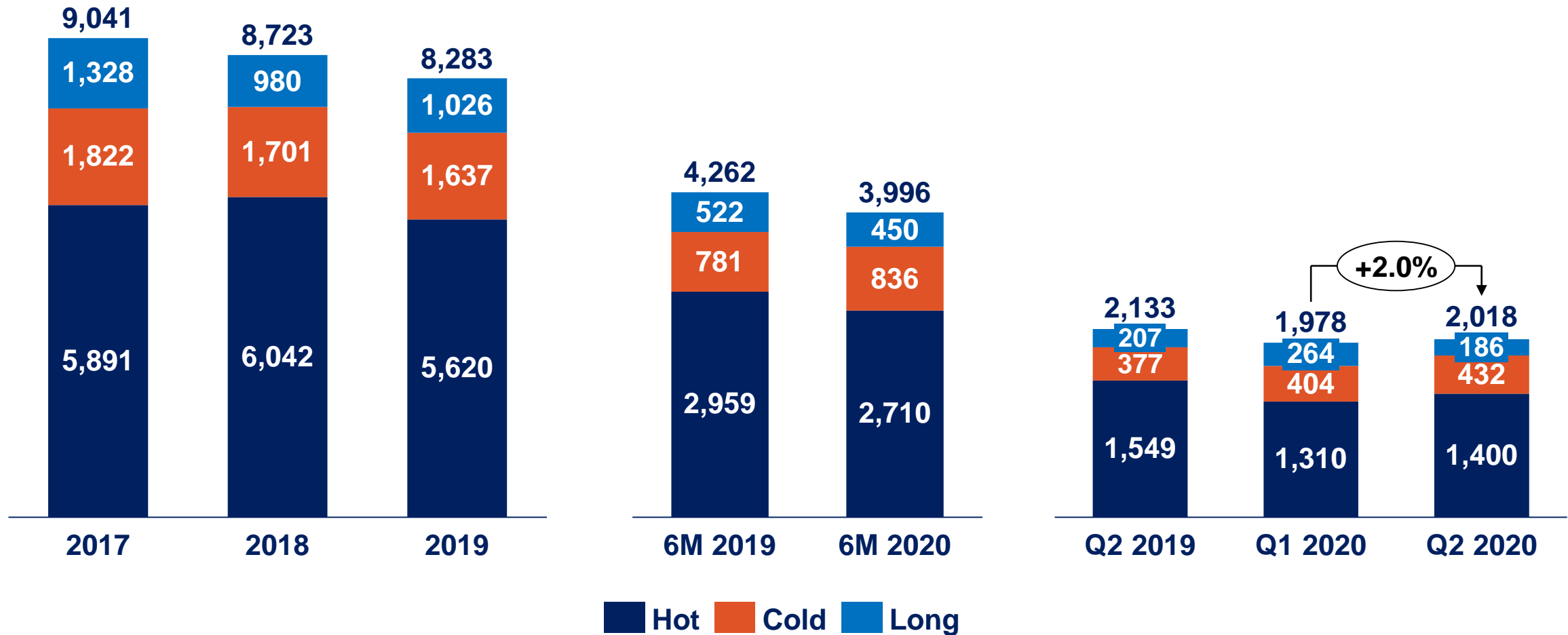


Crude Steel Capacity Utilization Ratio

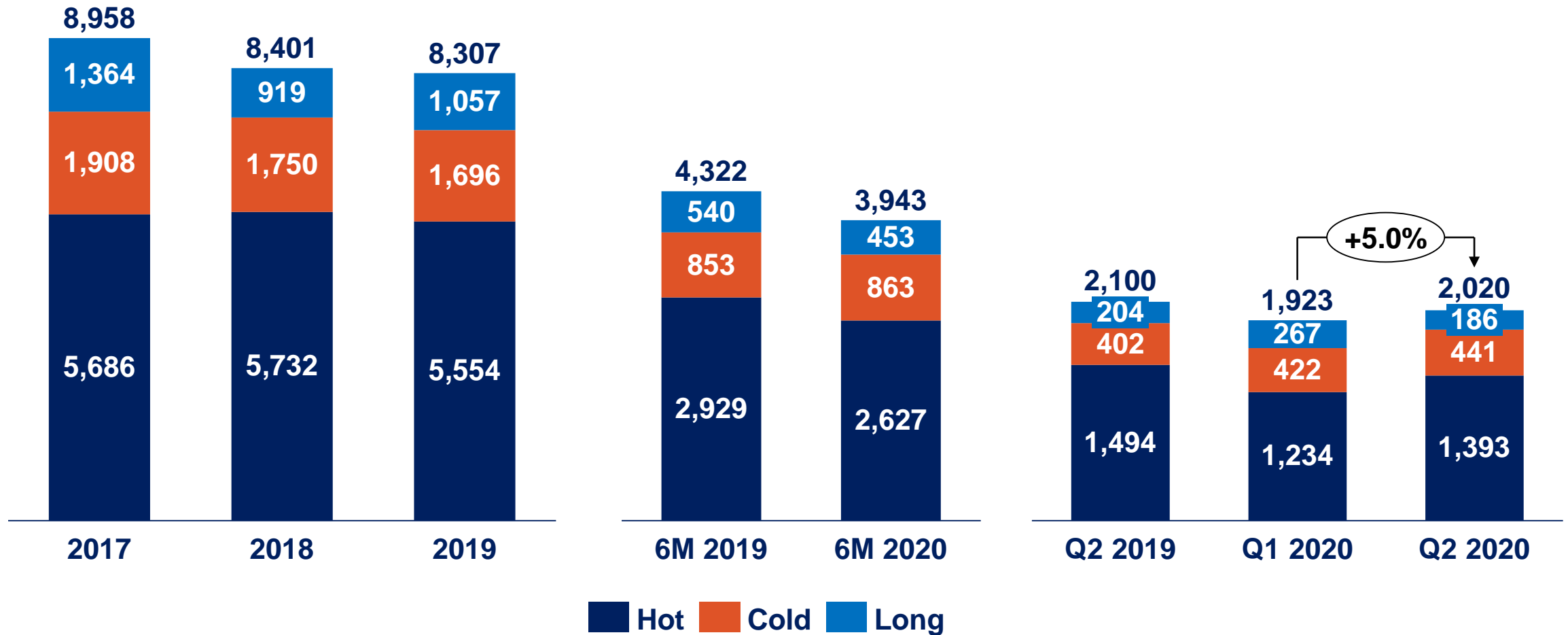


◆ Erdemir

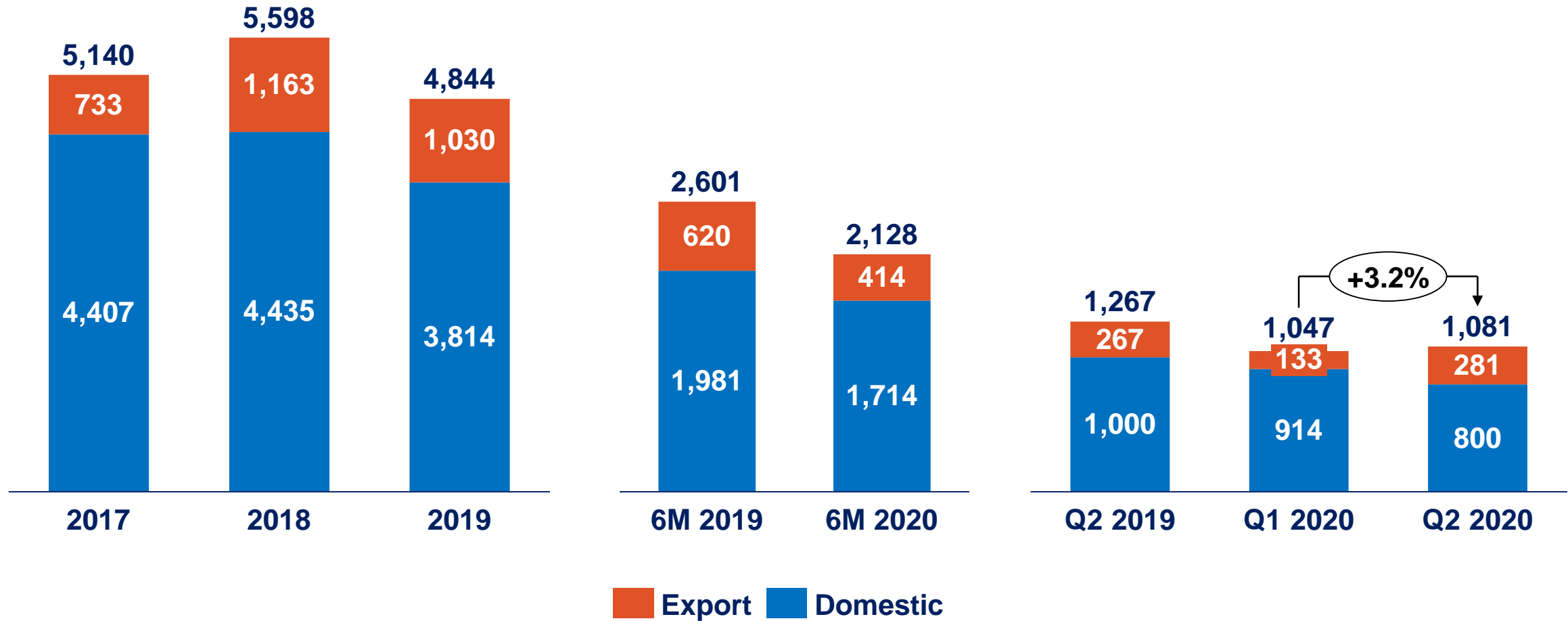
Production (000 tons)



Sales Volume (000 tons)

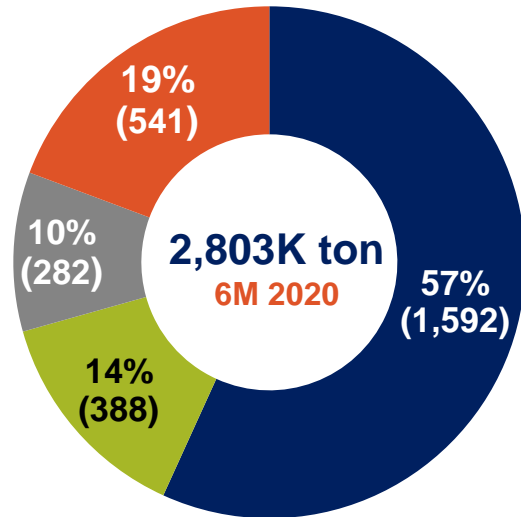


Net Sales Revenue (USD mn)

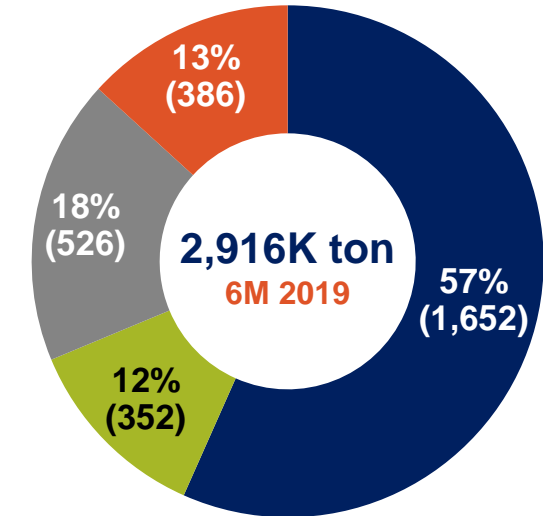


Flat & Long Steel Domestic Sales Breakdown

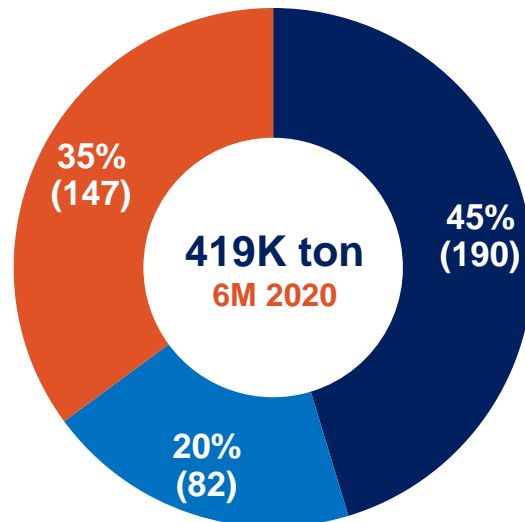
Flat Steel Domestic Sales



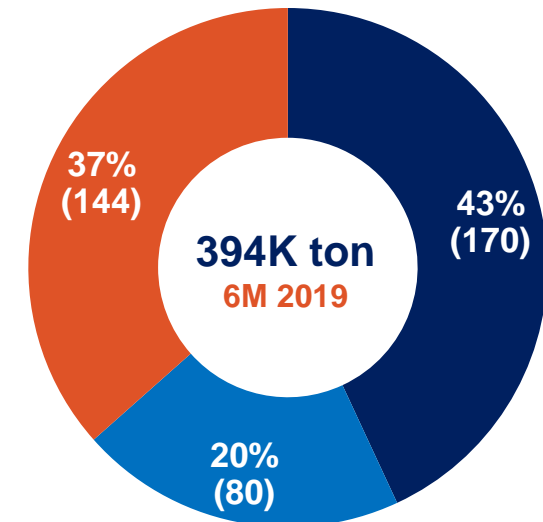
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



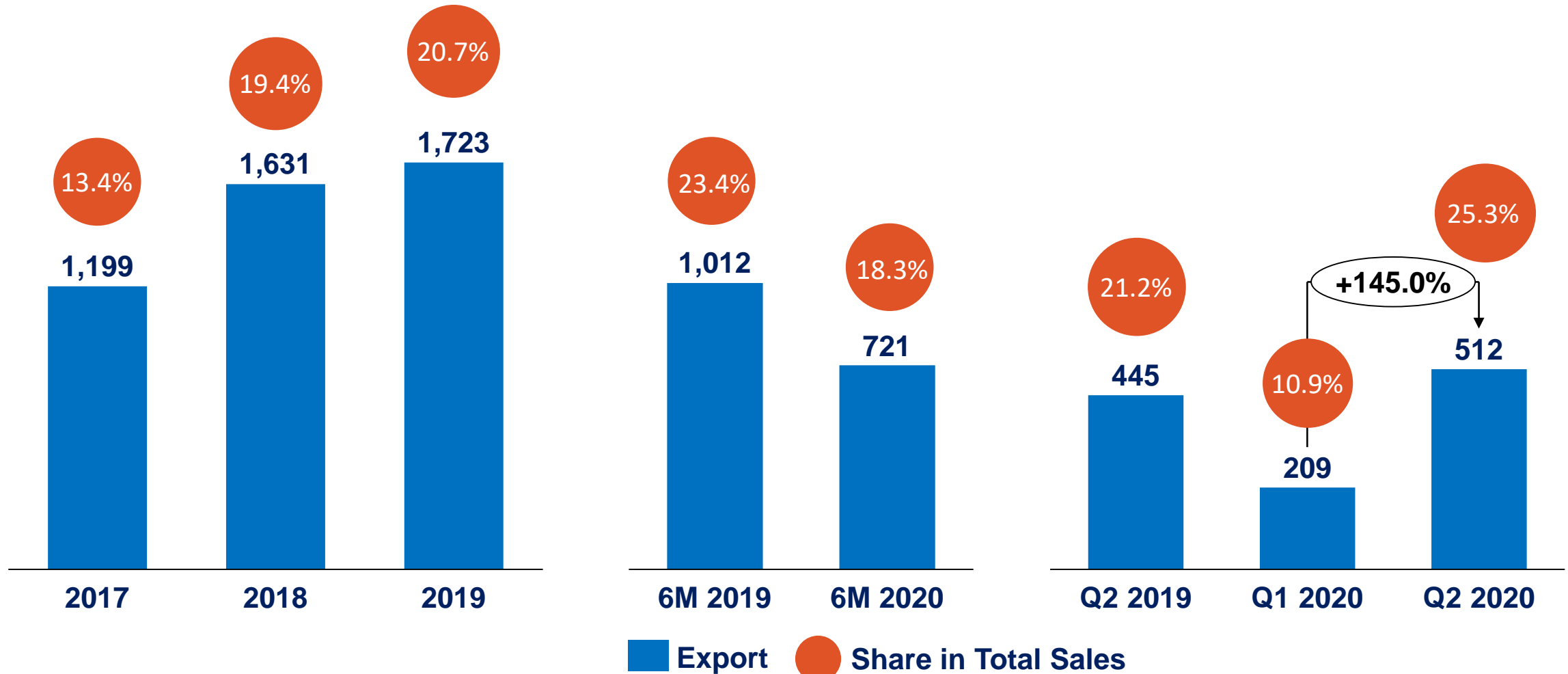
Long Steel Domestic Sales



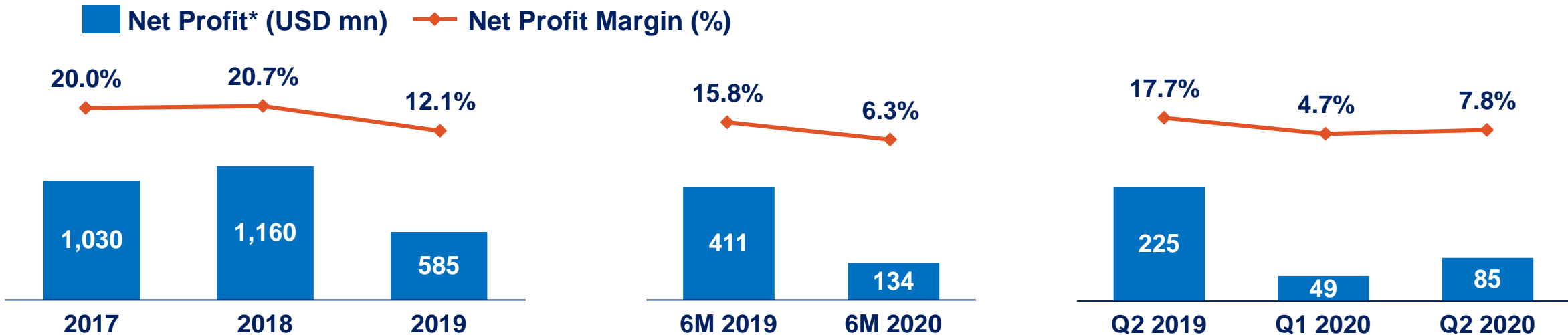
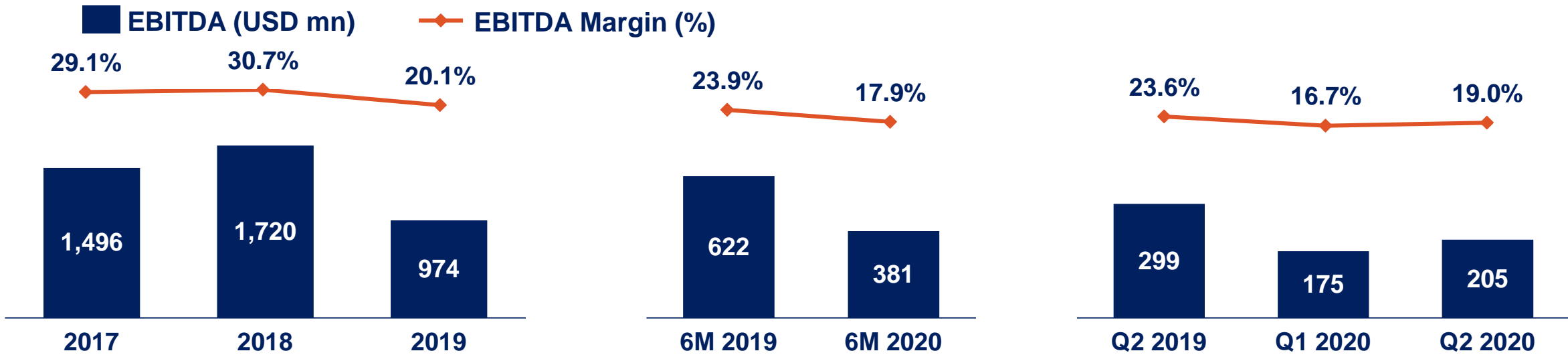
- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities



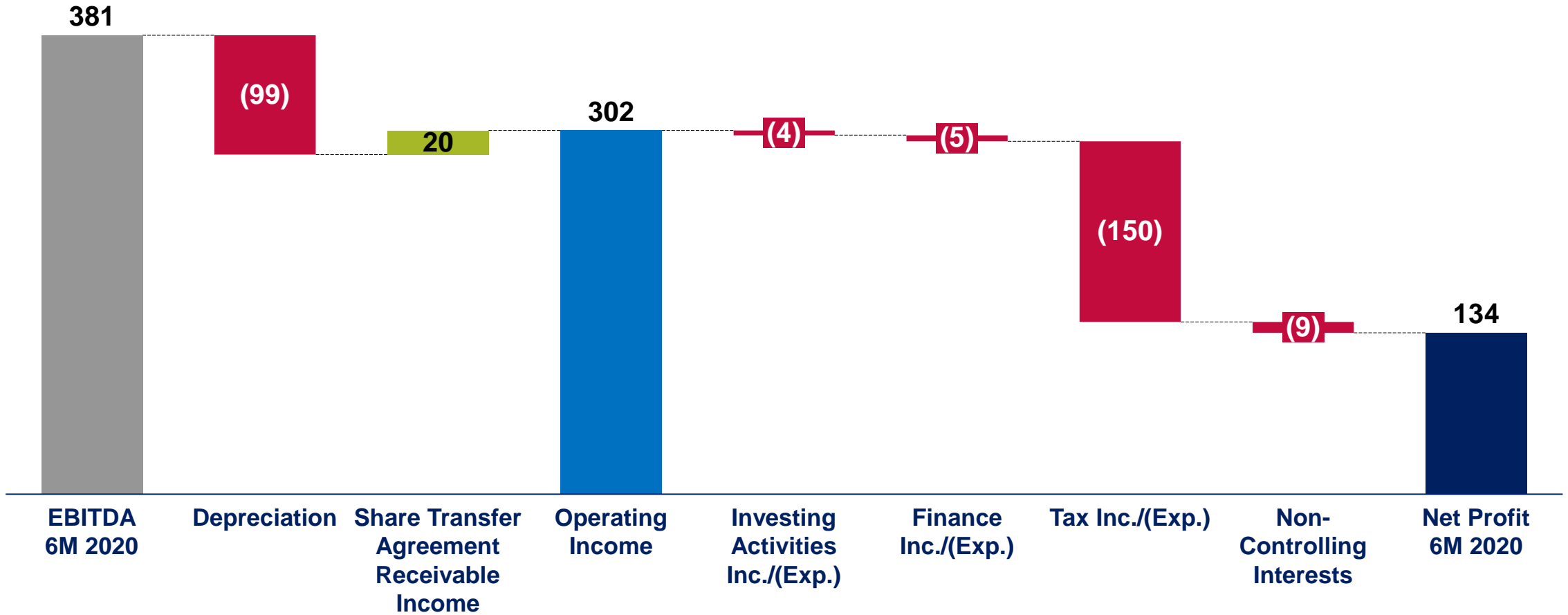
Export Volume (000 tons)



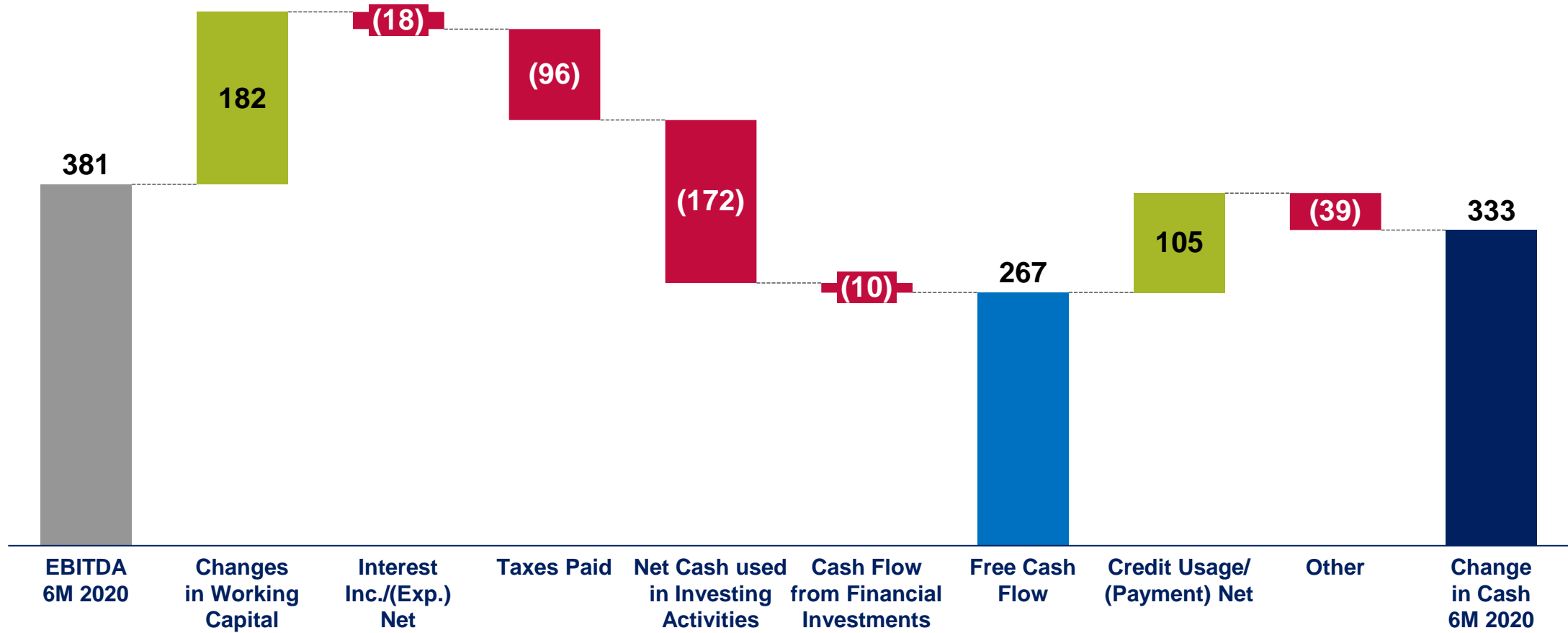
EBITDA & Net Profit



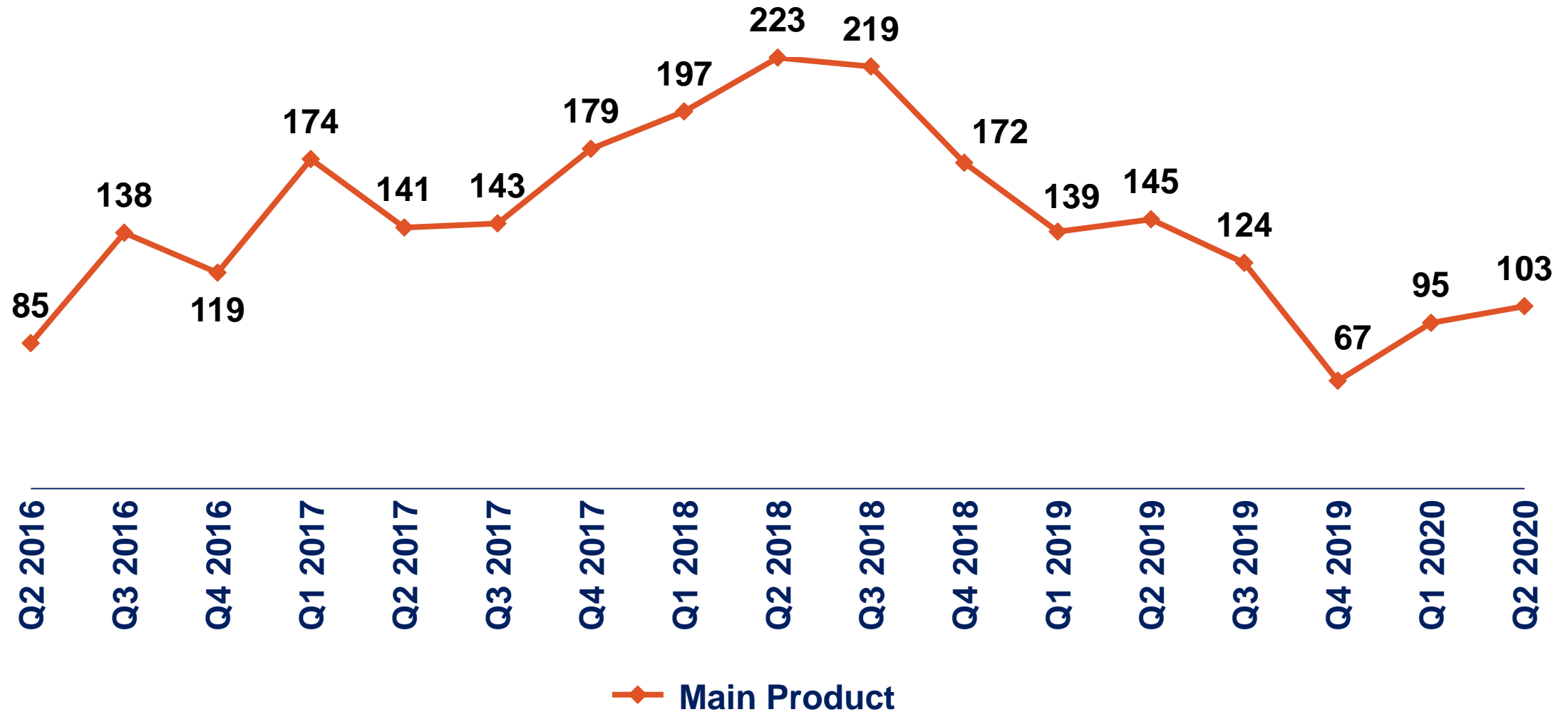
EBITDA → Net Profit



EBITDA → Net Cash



EBITDA per Ton* (USD/ton)

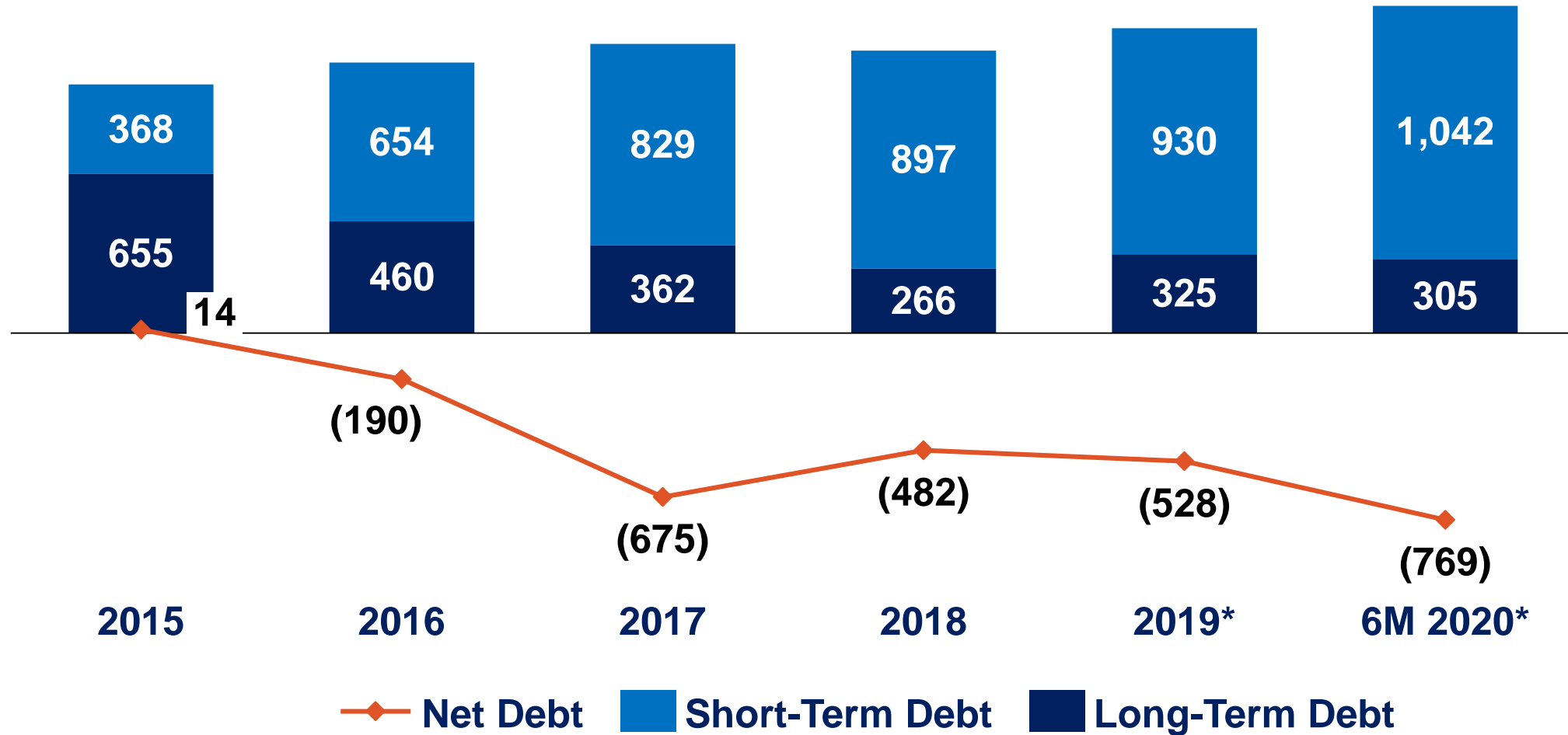


Financial Figures

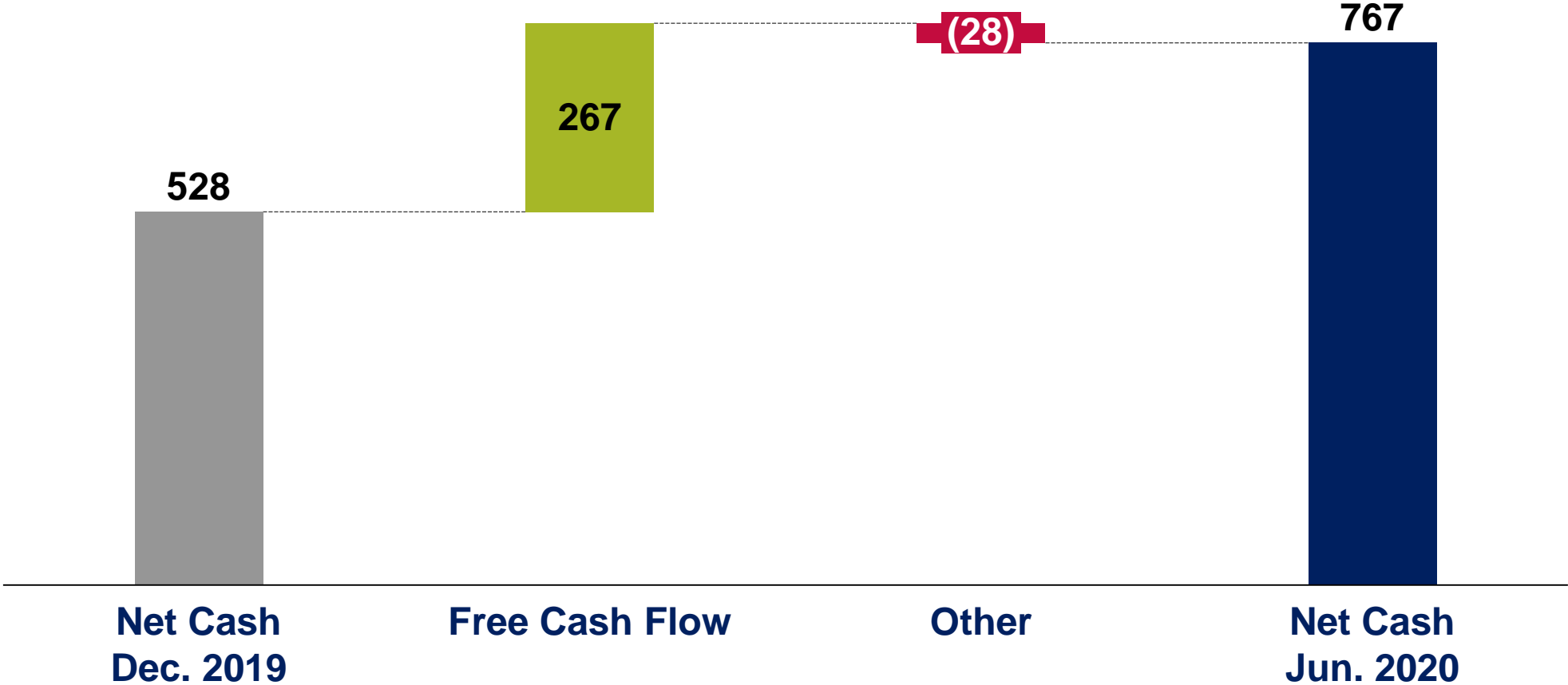
Consolidated Net Assets (USD mn)	31.12.2019	30.06.2020	Growth (YoY)
Cash Equivalents and Financial Investments	1,800	2,143	19%
Working Capital	1,729	1,547	-11%
Tangible and Intangible Assets	3,581	3,576	0%
Financial Liabilities	(1,296)	(1,385)	7%
Provisions and Other	(554)	(511)	-8%
Net Assets	5,260	5,370	2%

Working Capital (USD mn)	31.12.2019	30.06.2020	Growth (YoY)
Trade Receivables	563	504	-10%
Inventories	1,571	1,421	-10%
Trade Payables	(494)	(422)	-15%
Other	89	44	-51%
Working Capital	1,729	1,547	-11%

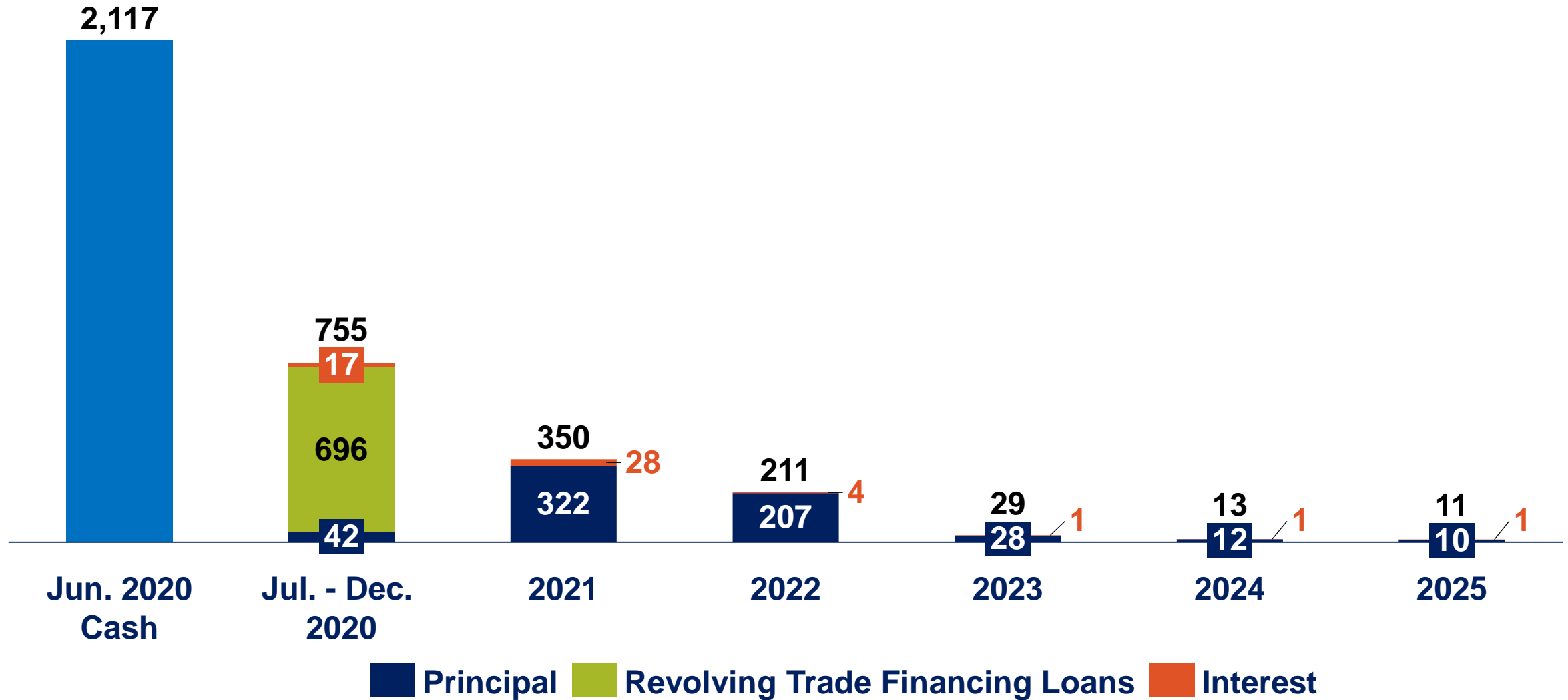
Financial Borrowings (USD mn)



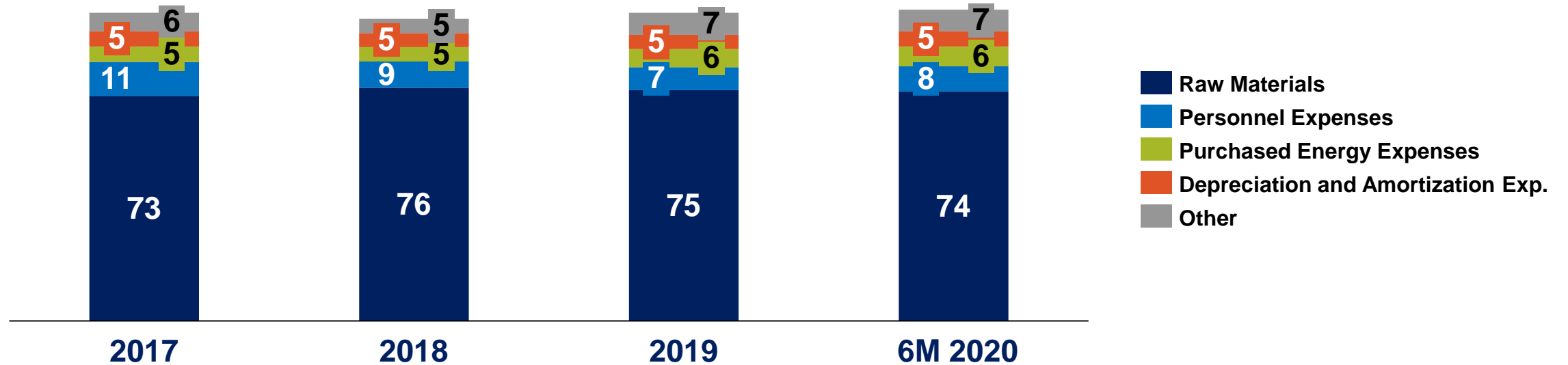
Net Debt (USD mn)



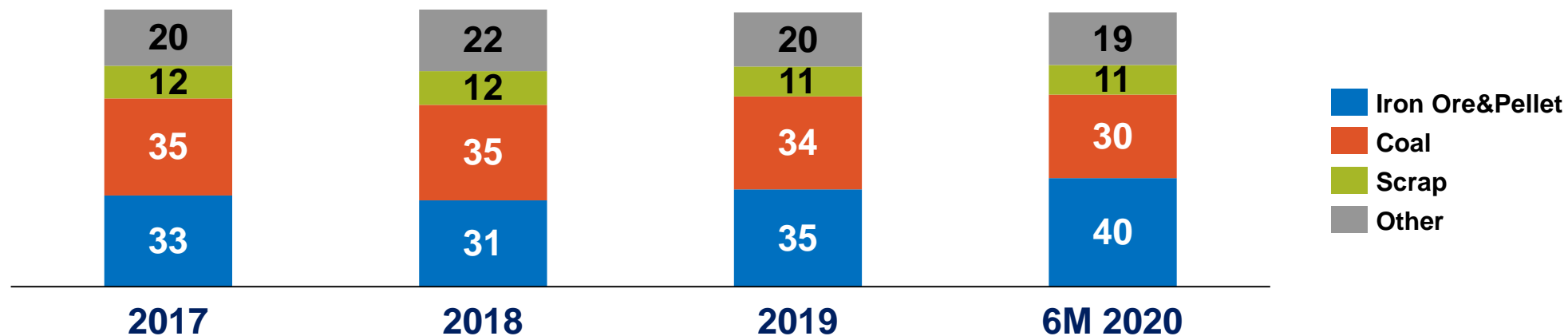
Borrowings Maturity Profile (USD mn)



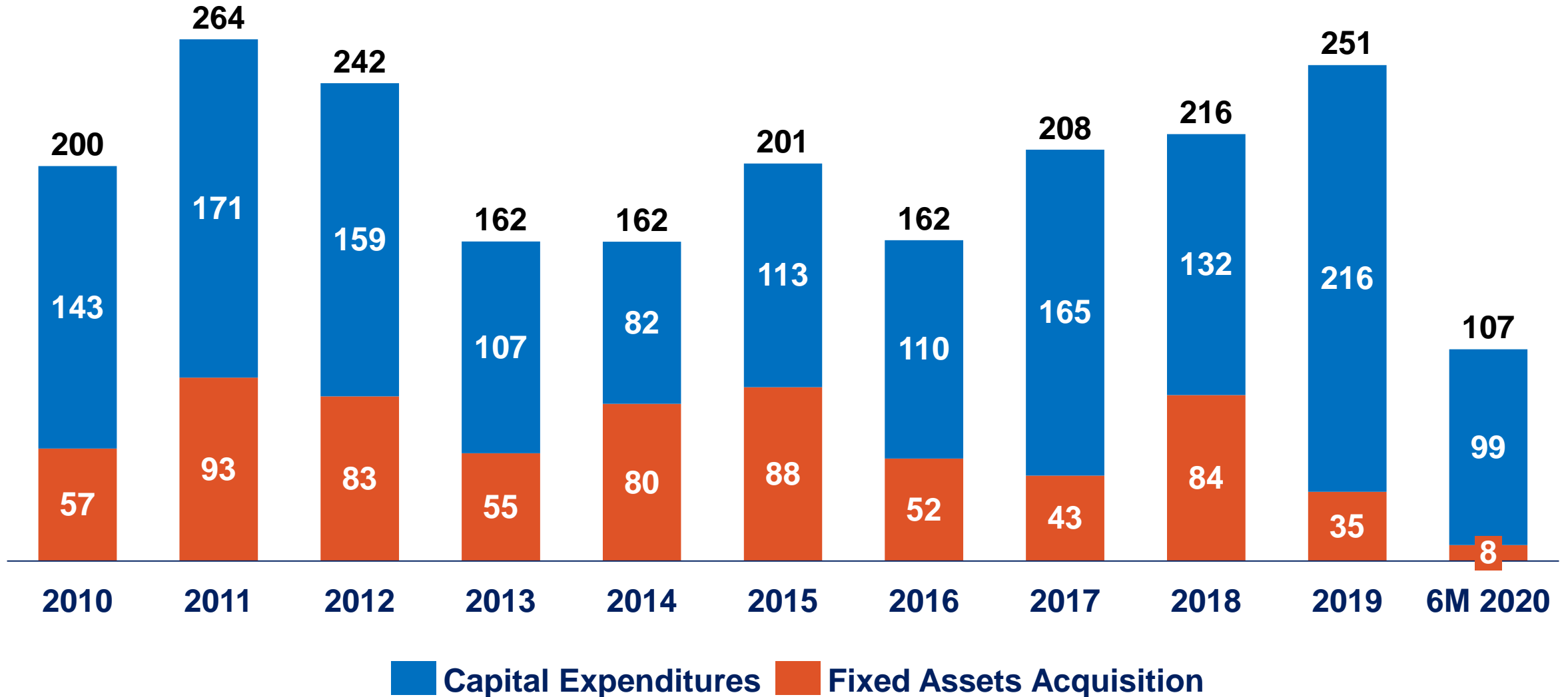
Cost of Sales Breakdown* (%)



Raw Materials Breakdown (%)

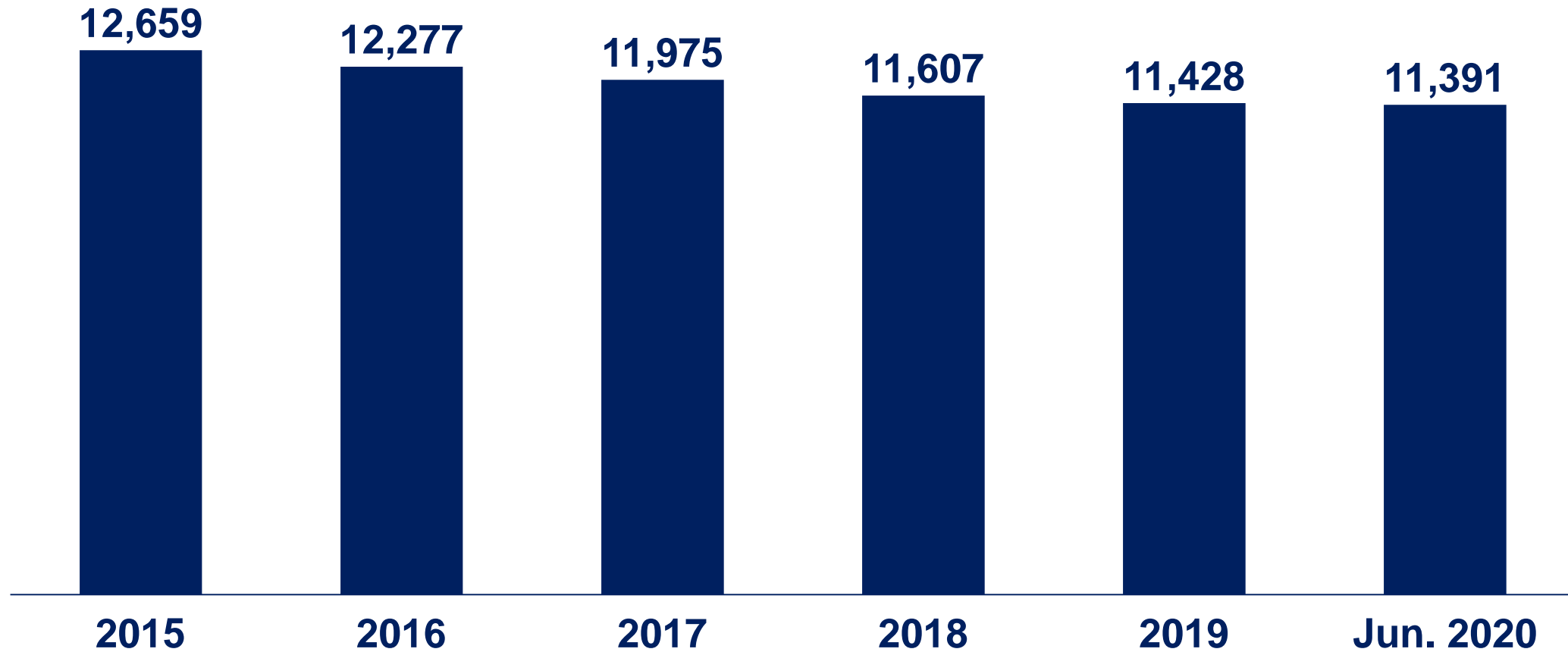


Capital Expenditures* (USD mn)



* Advance payments for capital expenditures are not included.

Number of Employees



Appendix – EBITDA Detail

	Note	01.01.2020- 30.06.2020 (Thousand USD)	01.01.2020- 30.06.2020 (Thousand TRY)
Presentation Currency Translation	2.1		6.4761
Operating Profit		302,149	1,956,754
Depreciation and Amortisation Expenses		98,939	640,743
Cost of Sales	13	91,187	590,538
Marketing Expenses	14	3,474	22,500
General Administrative Expenses	14	3,663	23,725
Research and Development Expenses	6	615	3,980
POA Classification		(20,344)	(131,762)
Share Transfer Agreement Receivable Income	14	(20,876)	(135,193)
Interest Income for Overdue Receivables	14	(508)	(3,295)
Rediscount Expenses	14	(15)	(95)
Interest Expense for Purchase Contracts with Maturities	14	1,055	6,821
		380,744	2,465,735



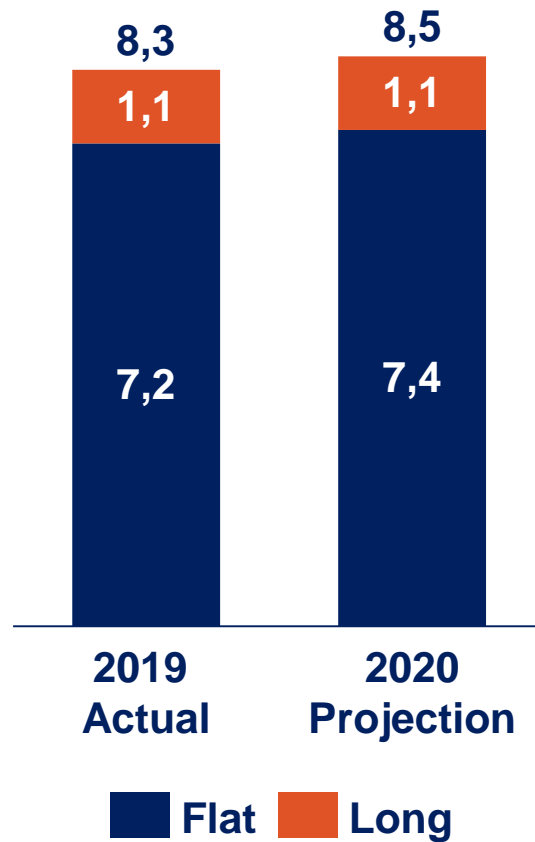
2020 Guidance



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2020 Guidance

Sales Volume (million tons)



EBITDA Margin

2019 actual	20,1%
2020 projection	16-18%



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