



MADEN METALÜRJİ
GRUBU



2017 9 Months Consolidated Results

26 October 2017



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GRUBU

DISCLAMIER

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- > **2017 Market Overview**
- > 2017 9M Results

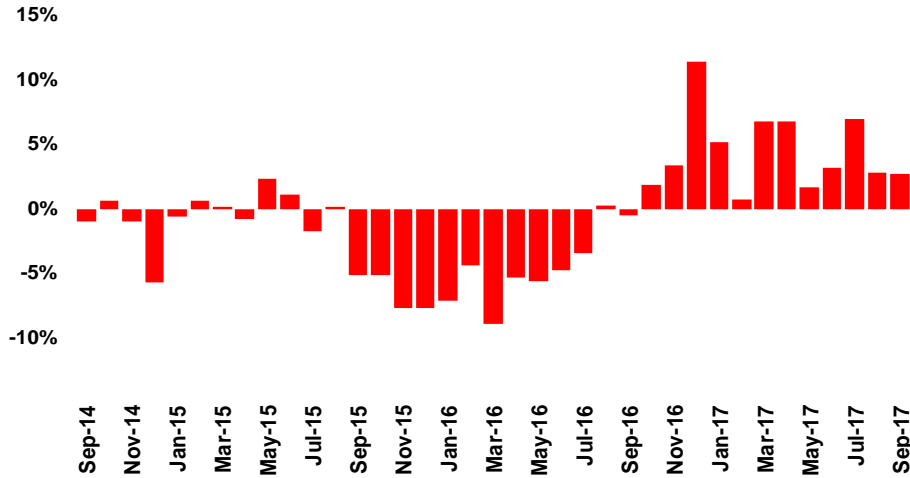


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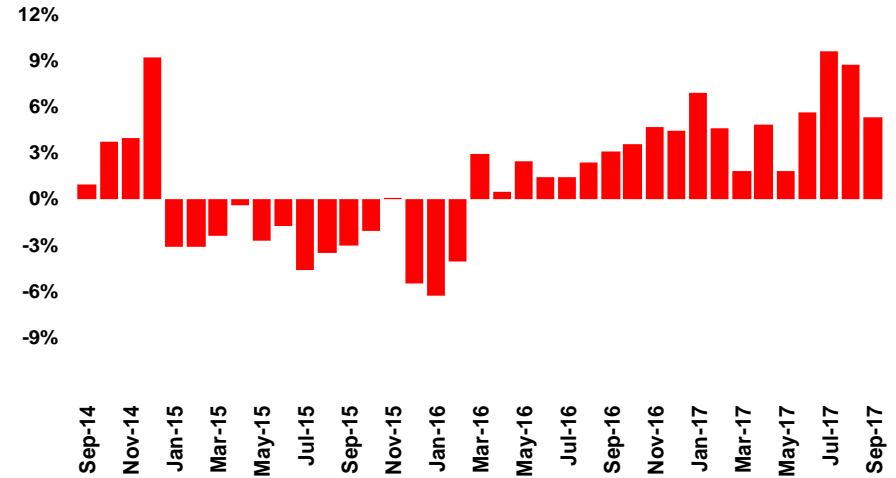
EU28 crude steel production increased by 3% in September YoY



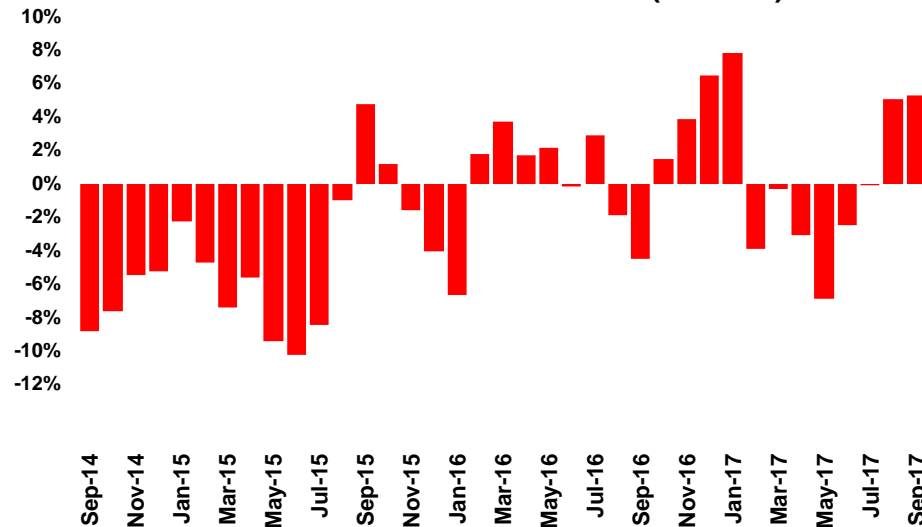
EU28 CRUDE STEEL PRODUCTION (YoY %)



CHINA CRUDE STEEL PRODUCTION (YoY %)



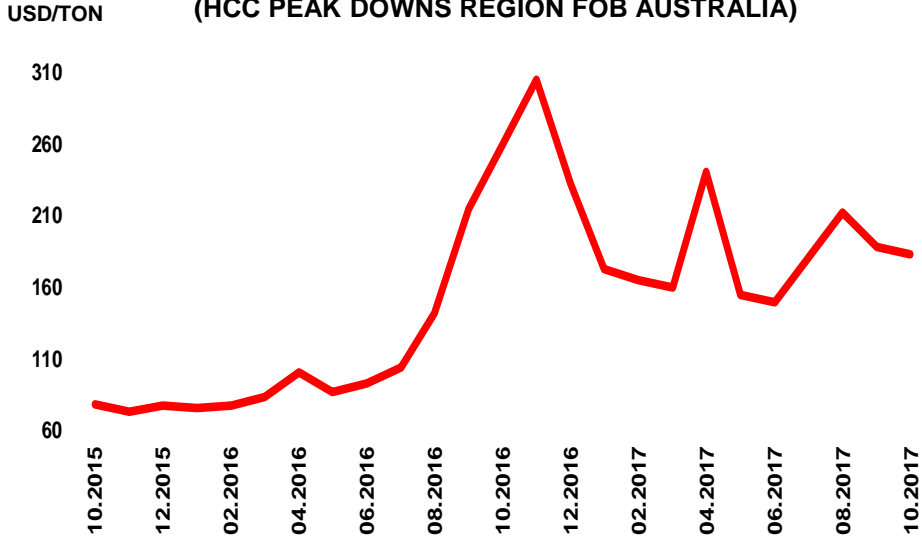
CIS CRUDE STEEL PRODUCTION (YoY %)



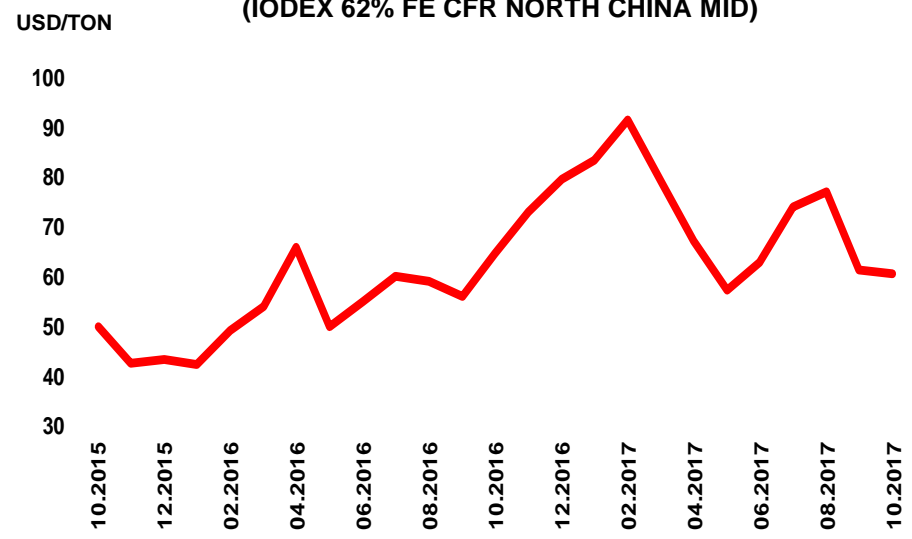
Iron ore price decreased to 61 USD/ton at October 2017



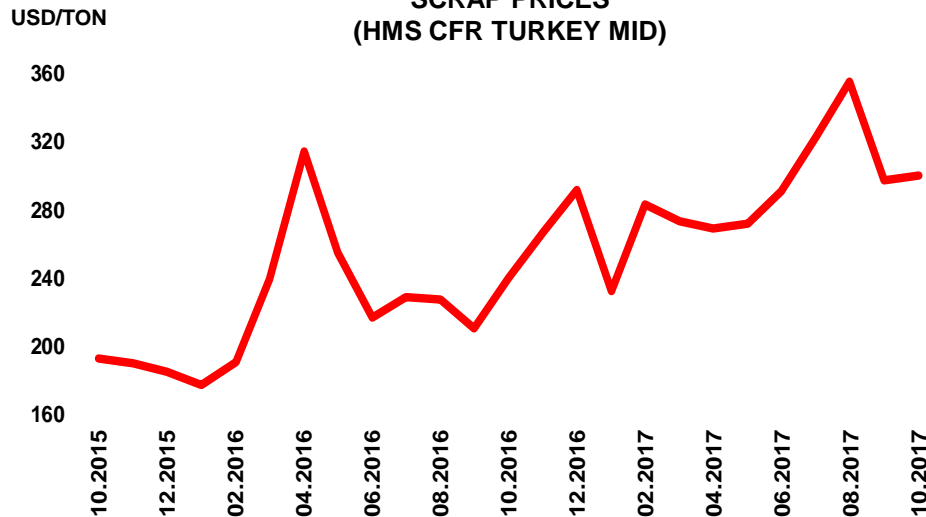
COKING COAL PRICES
(HCC PEAK DOWNS REGION FOB AUSTRALIA)



IRON ORE PRICES
(IODEX 62% FE CFR NORTH CHINA MID)



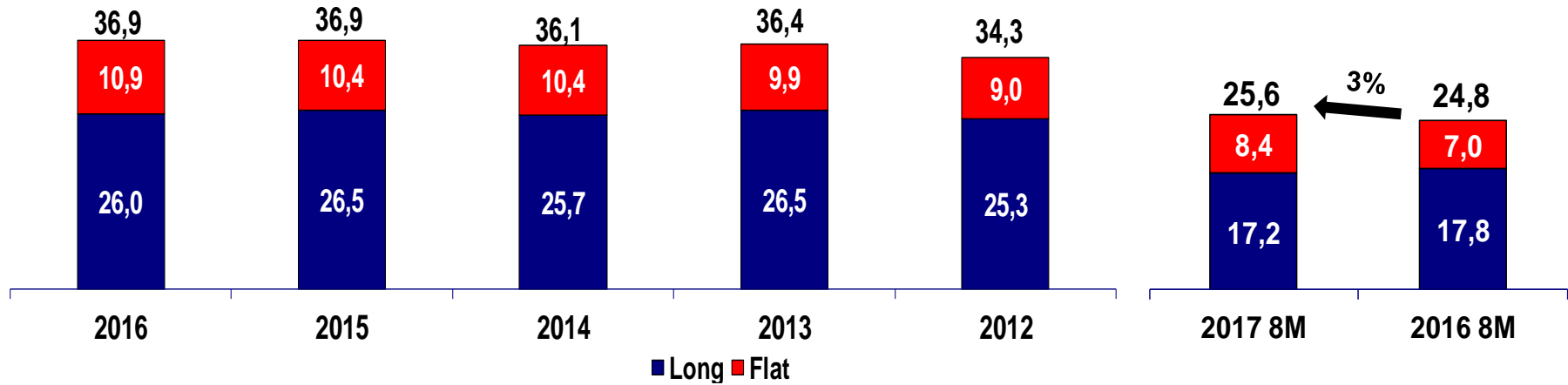
SCRAP PRICES
(HMS CFR TURKEY MID)



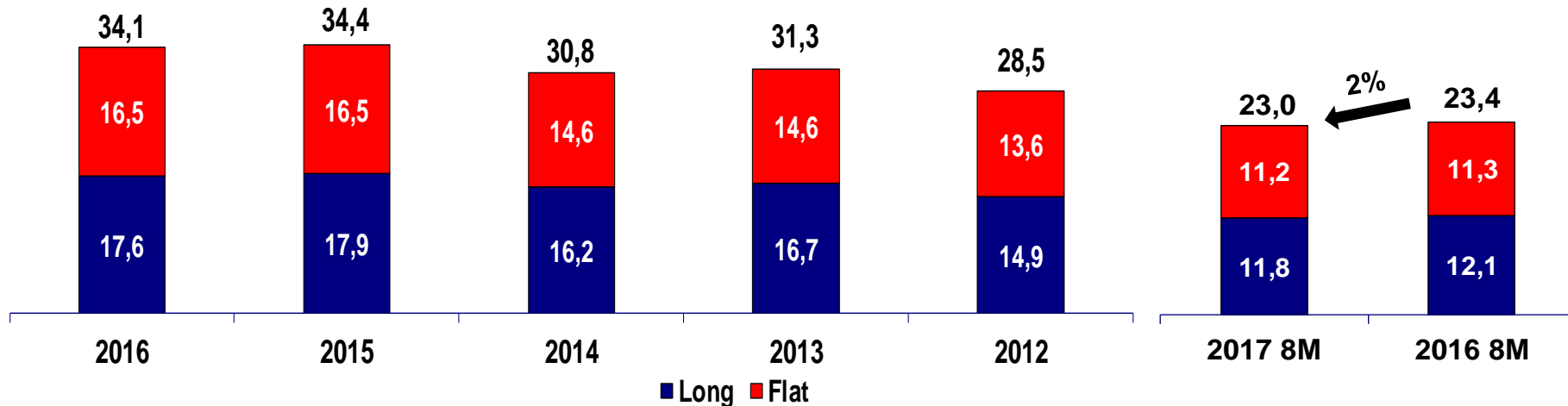
Turkish steel production increased by 3% in 2017 8M YoY



PRODUCTION (MILLION TONS)



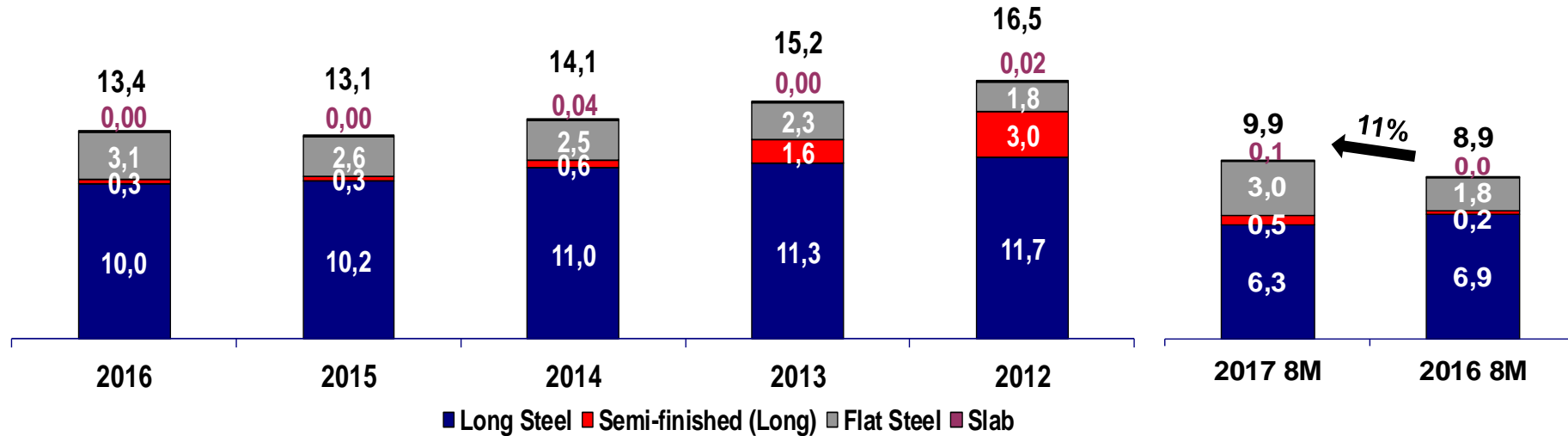
CONSUMPTION (MILLION TONS)



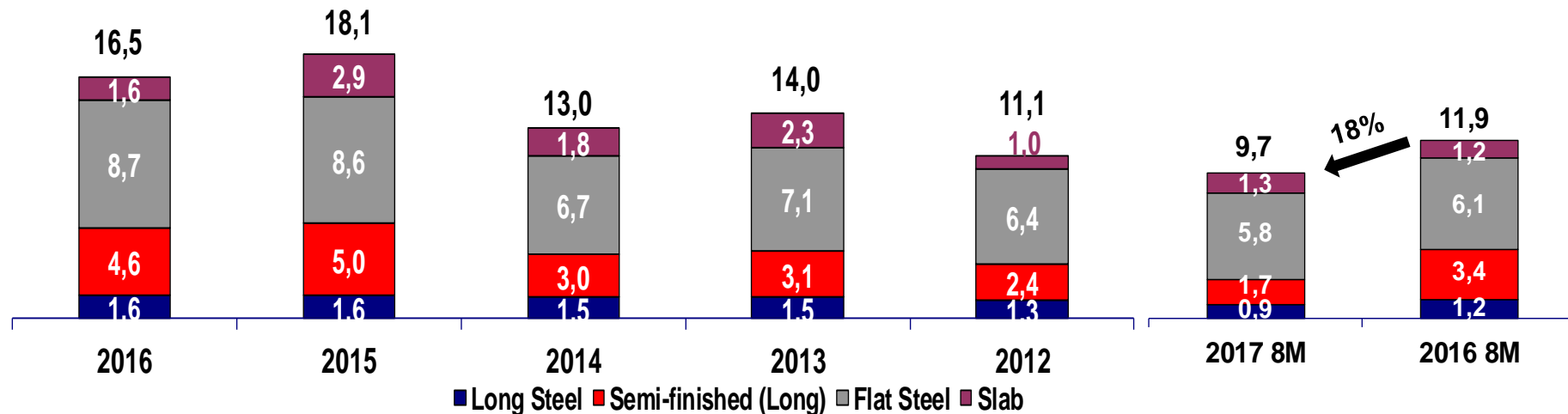
Turkish iron and steel product exports increased by 11% in 2017 8M YoY



IRON AND STEEL PRODUCT EXPORTS (MILLION TONS)



IRON AND STEEL PRODUCT IMPORTS (MILLION TONS)





- > 2017 Market Overview
- > **2017 9M Results**



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ERDEMİR GROUP KEY FIGURES

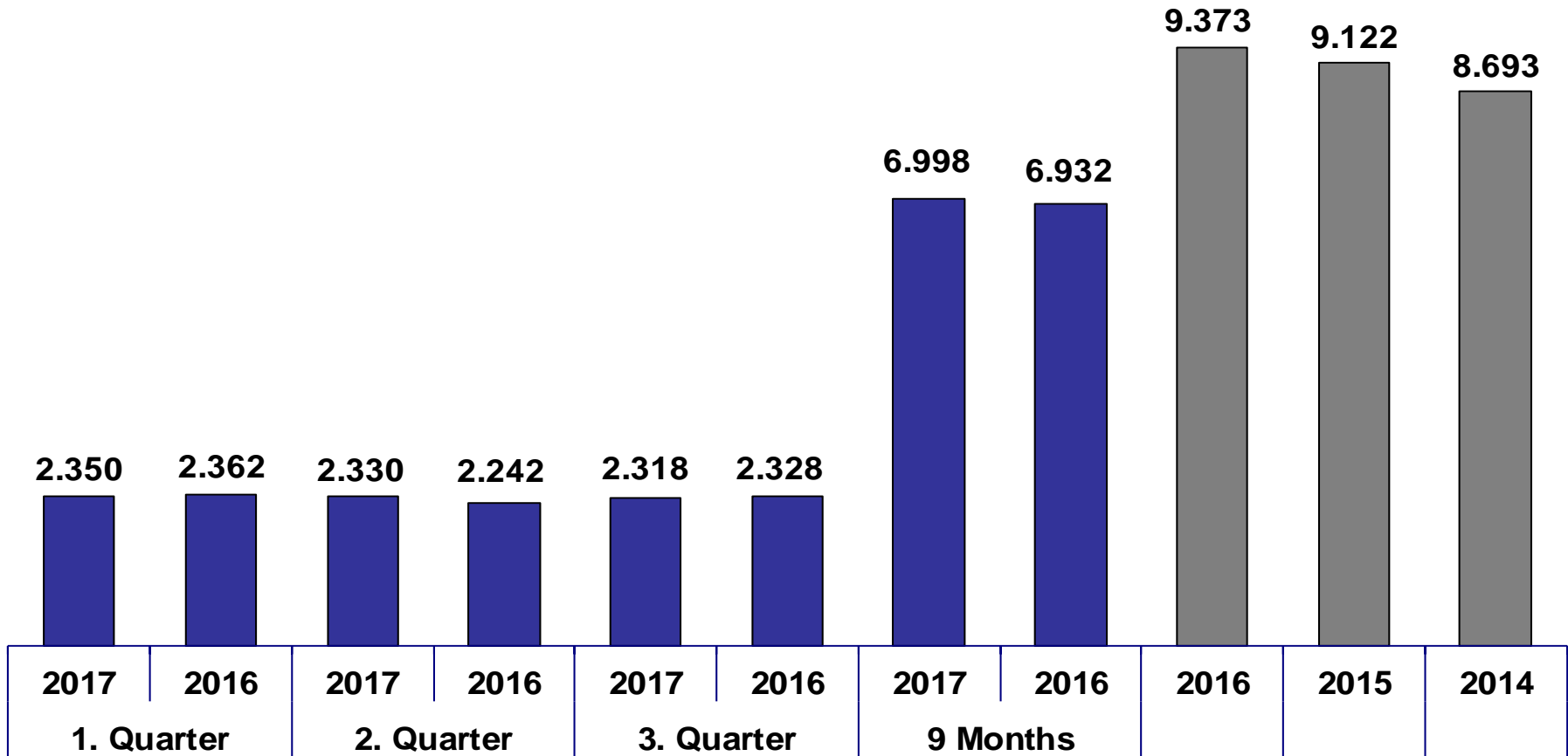
		2017 9M	2016 9M	2016	2015
Liquid Steel Production	<i>(000 Tons)</i>	↑ 6.998	6.932	9.373	9.122
Flat Steel Production ^(*)	<i>(000 Tons)</i>	↑ 5.728	5.359	7.072	7.400
Long Steel Production	<i>(000 Tons)</i>	↓ 993	1.131	1.572	1.563
Flat Steel Shipments	<i>(000 Tons)</i>	↑ 5.590	5.217	7.163	7.229
Long Steel Shipments	<i>(000 Tons)</i>	↓ 1.006	1.128	1.587	1.552
Net Sales Revenue	<i>(M. USD)</i>	↑ 3.683	2.709	3.855	4.382
EBITDA	<i>(M. USD)</i>	↑ 1.038	593	895	770
Net Profit For The Year	<i>(M. USD)</i>	↑ 713	333	502	414

All figures are on IFRS consolidated basis unless stated otherwise.

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

Liquid steel production was 7,0 million tons in 9M 2017

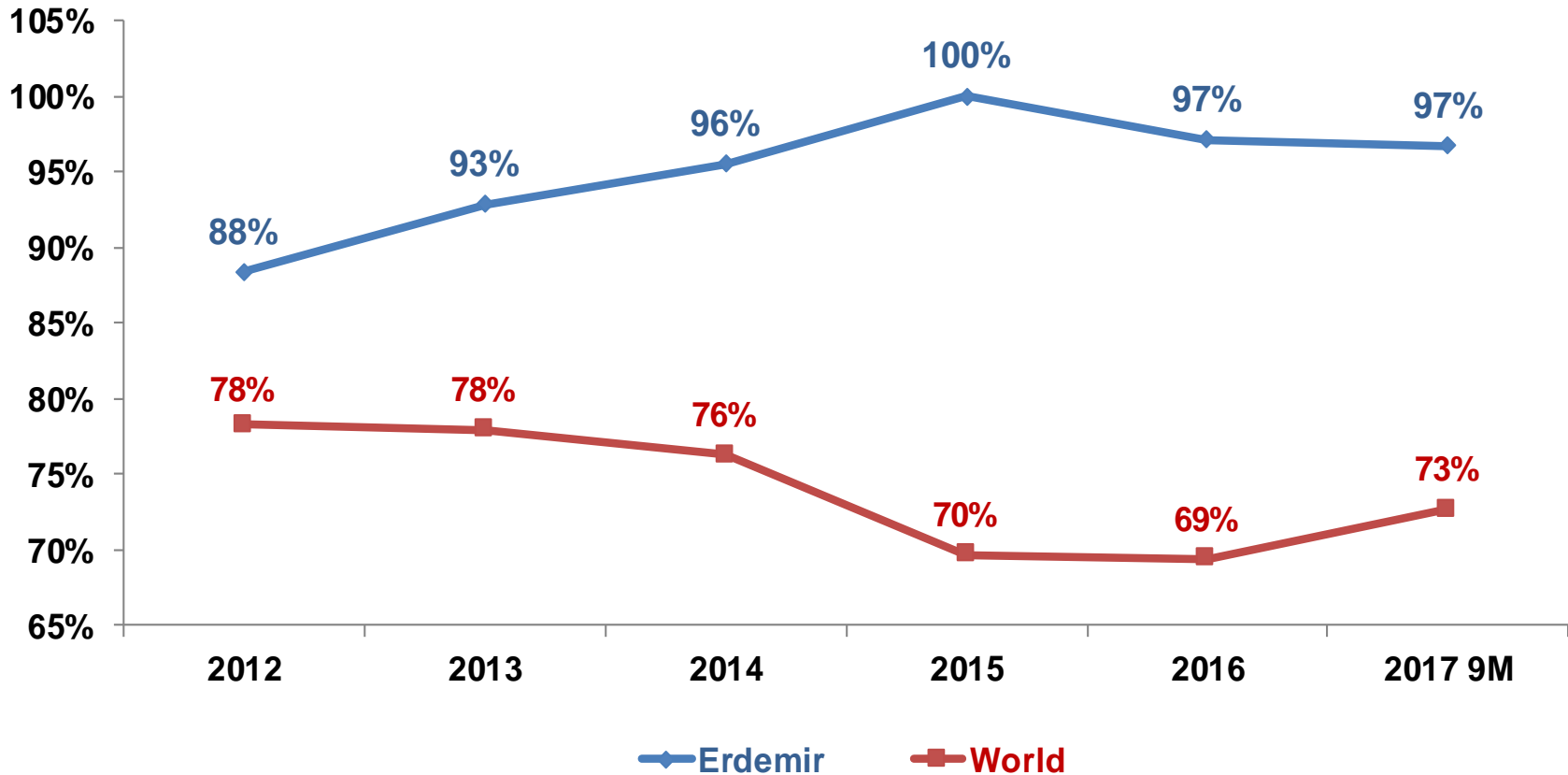
LIQUID STEEL PRODUCTION (000 TONS)



Crude steel capacity utilization ratio of Erdemir is higher than the world average

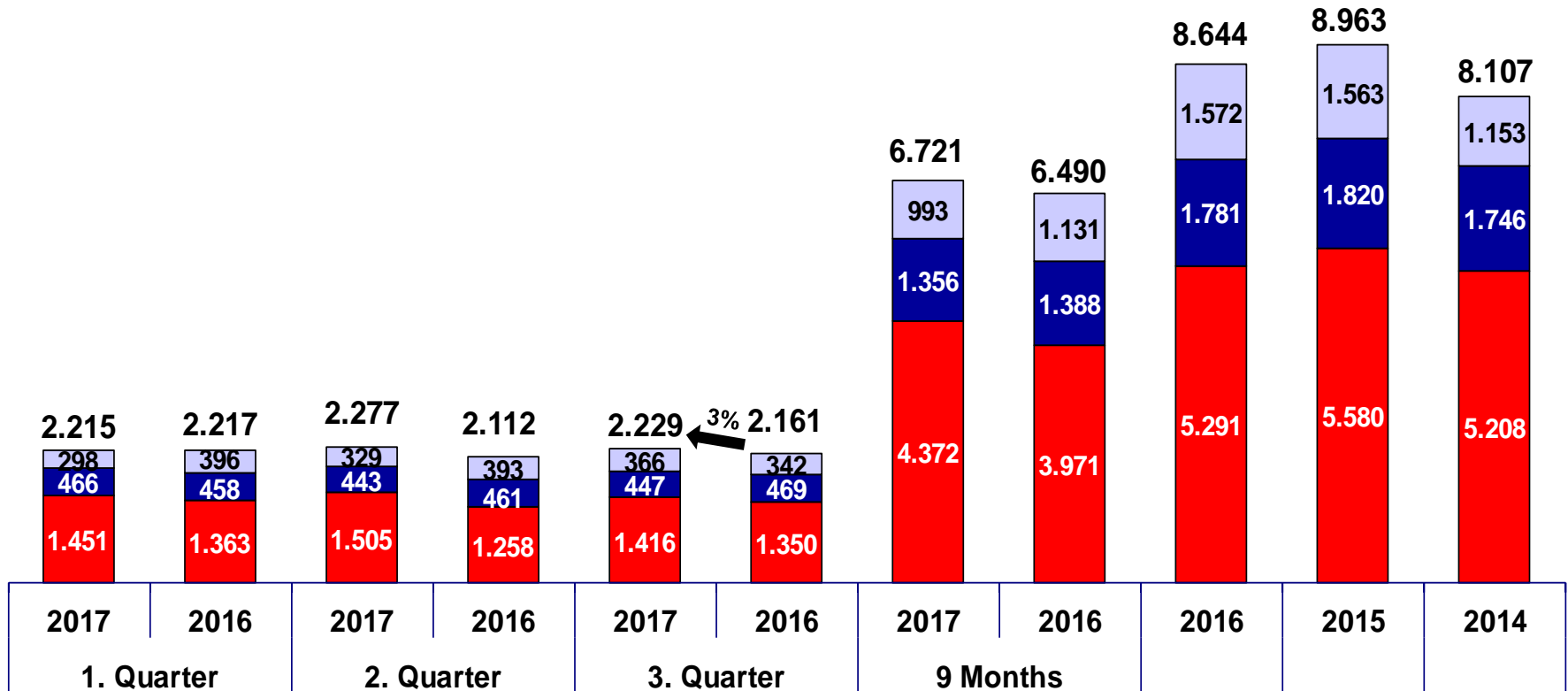


CRUDE STEEL CAPACITY UTILIZATION RATIO



Production was 6,7 million tons in 9M 2017

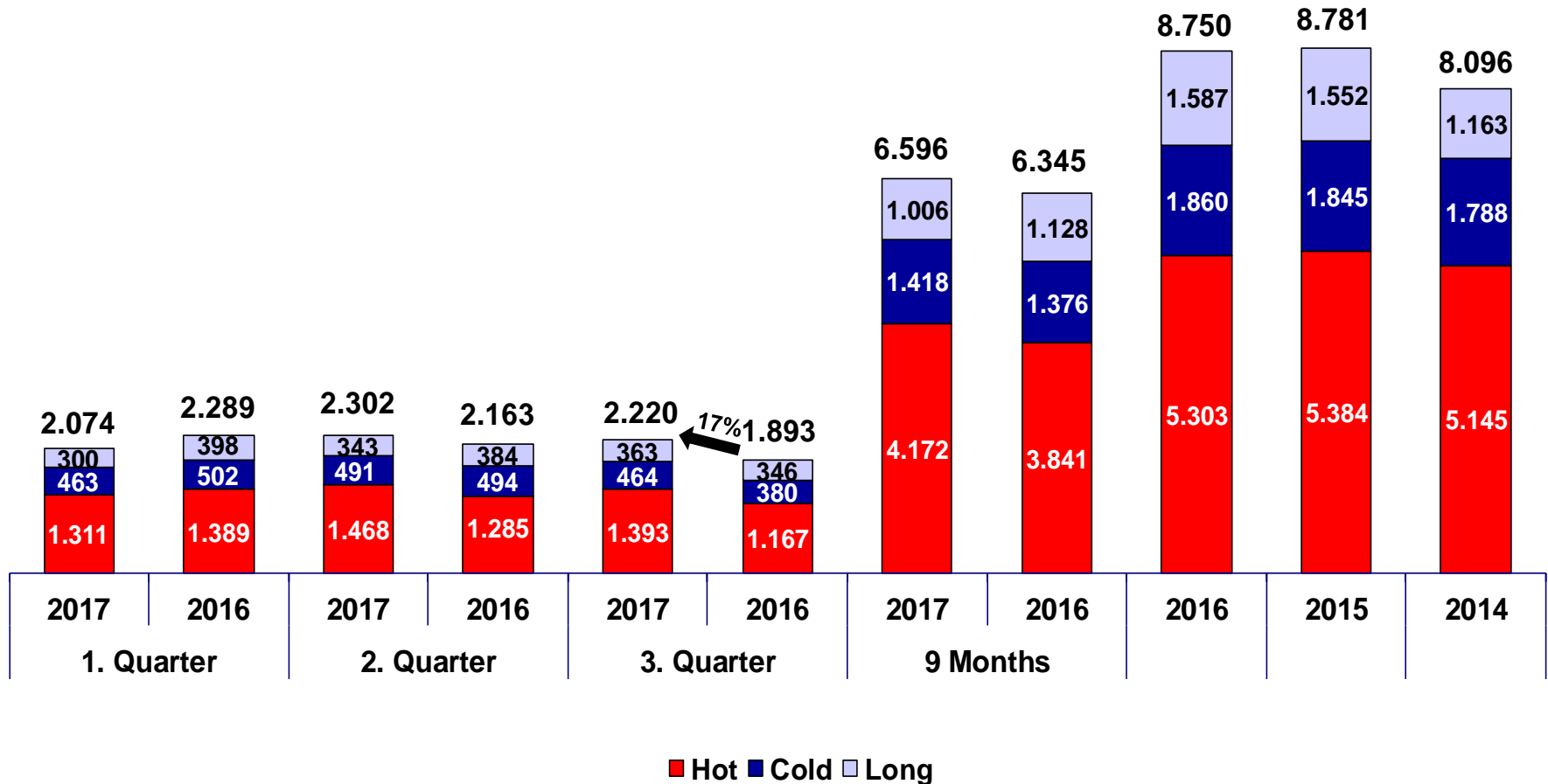
PRODUCTION VOLUMES (000 TONS)



■ Hot ■ Cold ■ Long

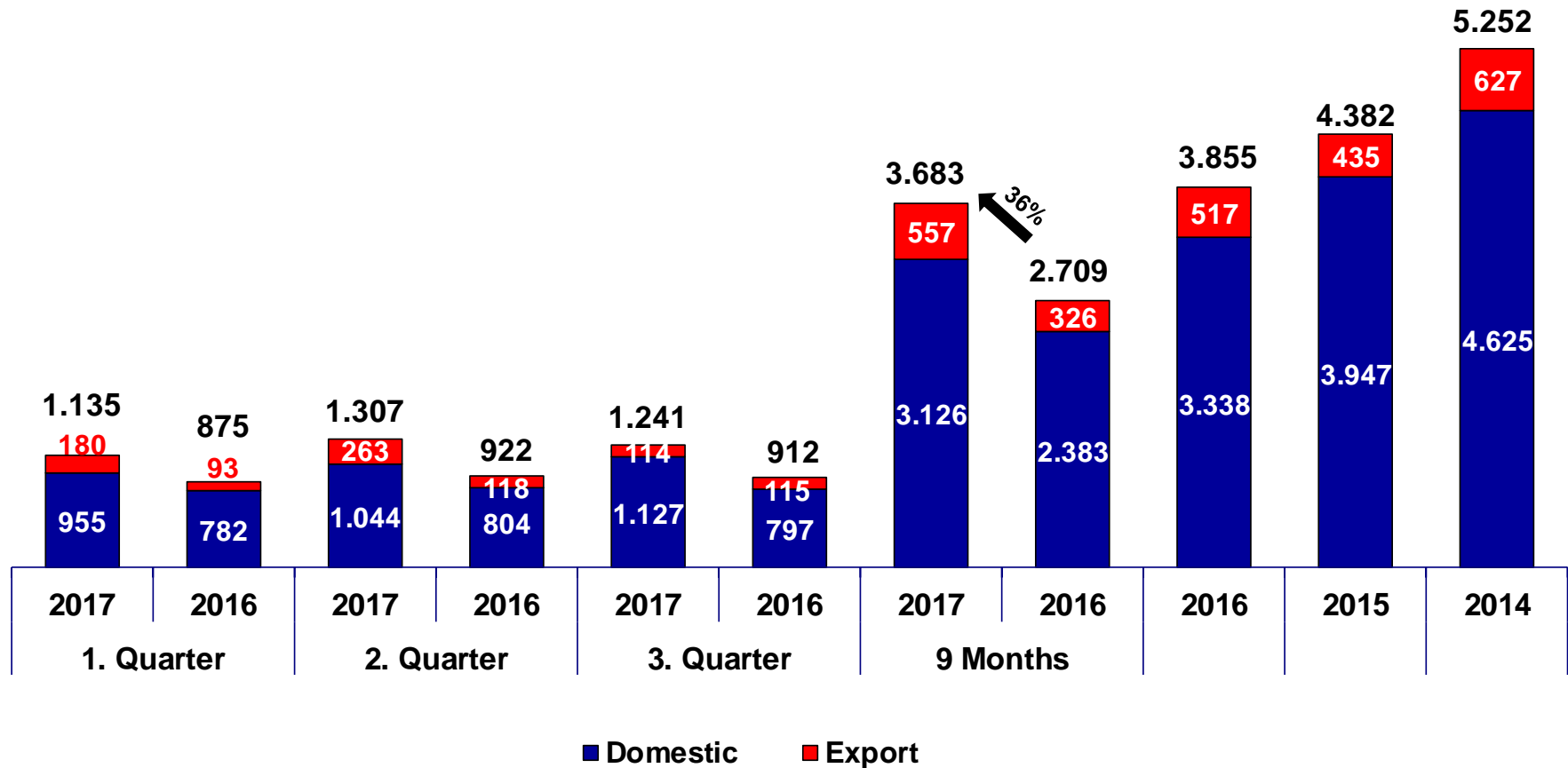
Sales volume was 6,6 million tons in 9M 2017

SALES VOLUMES (000 TONS)



Net sales revenue increased by 36% in 9M 2017 YoY

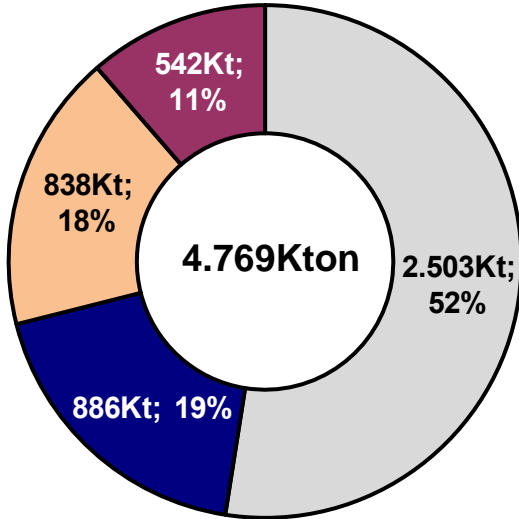
NET SALES REVENUE (MILLION USD)



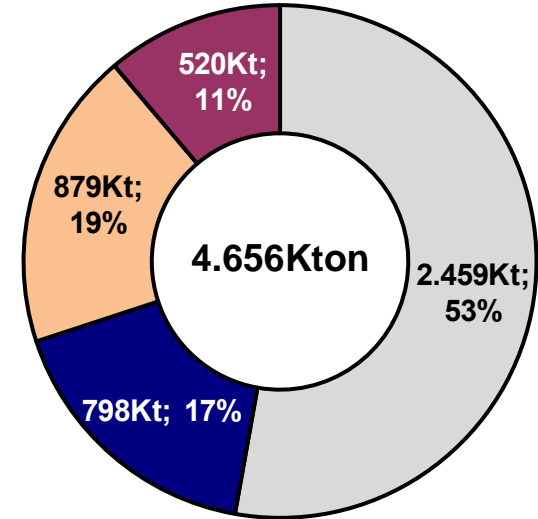
11% of flat steel sales are made to automotive sector in 9M 2017



9M 2017 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

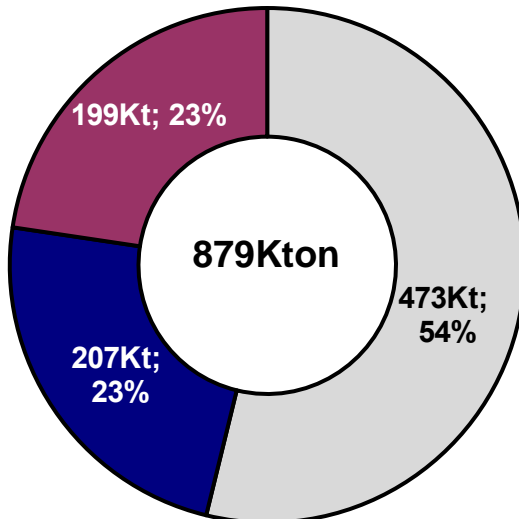


9M 2016 FLAT STEEL DOMESTIC SALES BREAKDOWN (%)

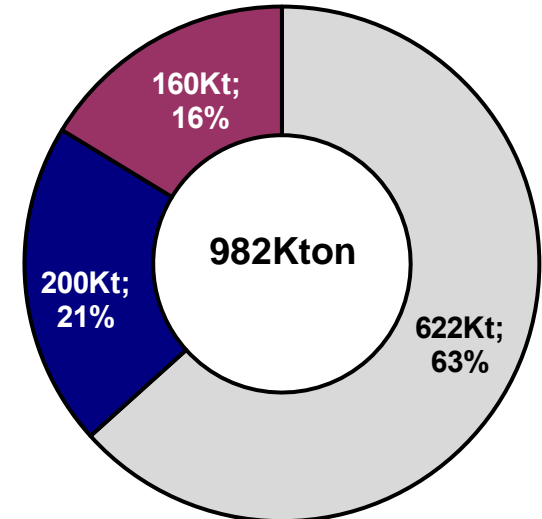


- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive

9M 2017 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



9M 2016 LONG STEEL DOMESTIC SALES BREAKDOWN (%)



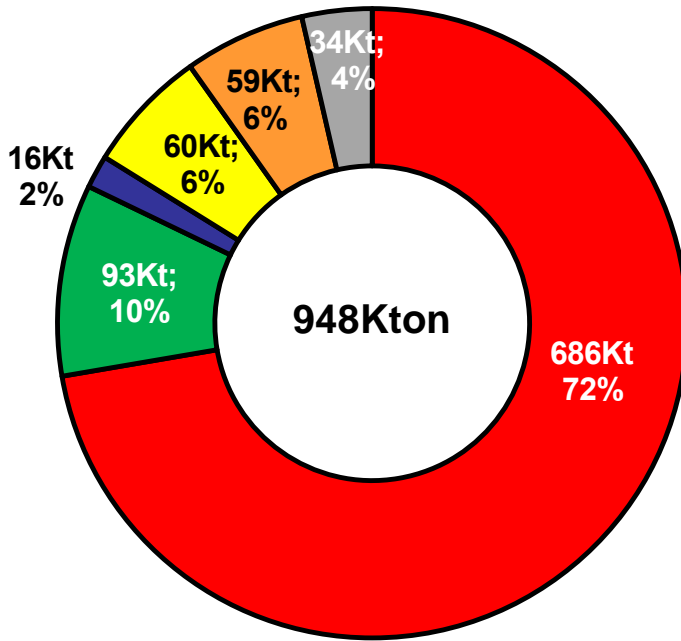
- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities

Main product sales to EU countries was 72% of our export in 9M 2017

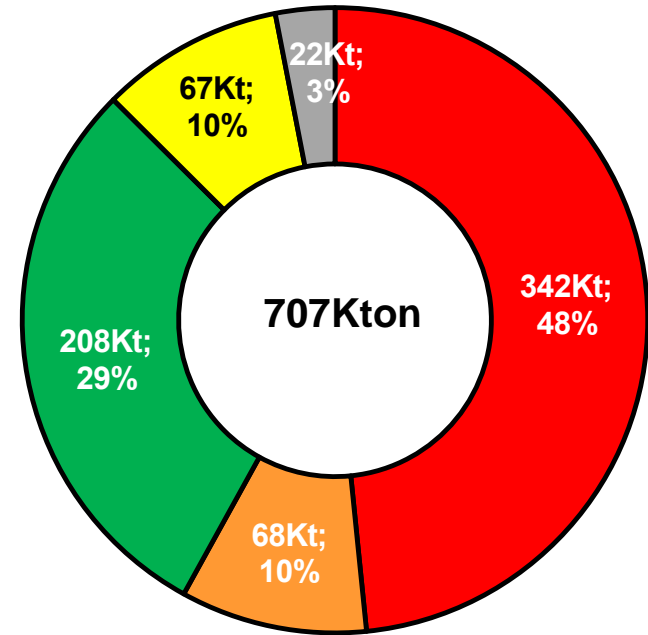


9M 2017 STEEL EXPORTS BREAKDOWN (%)

9M 2016 STEEL EXPORTS BREAKDOWN (%)

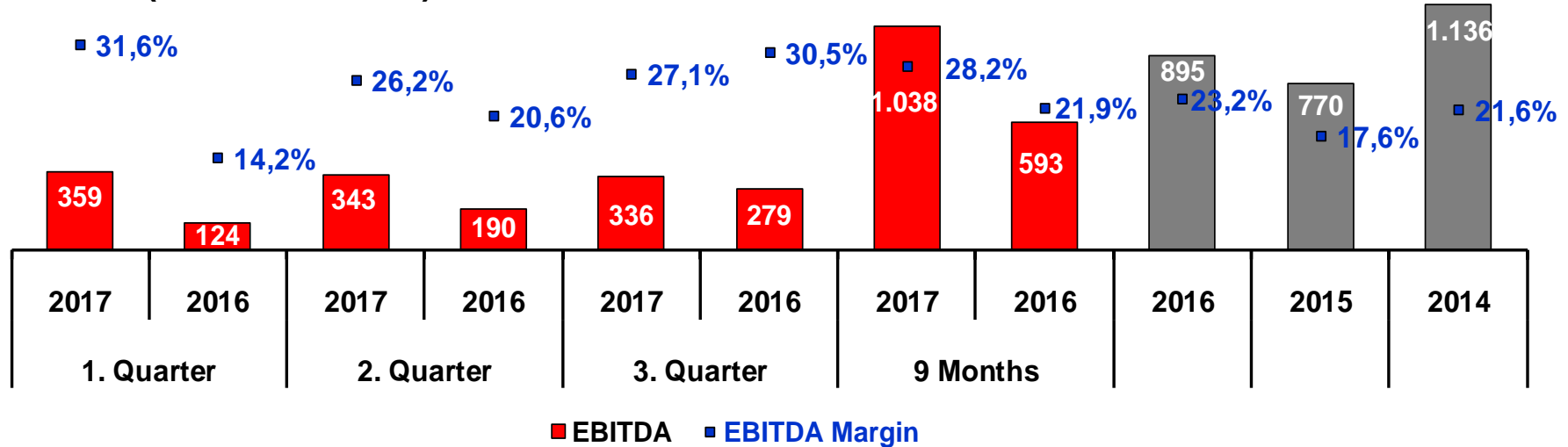


- EU
- MENA
- S. America
- N. Amerika
- Asia
- Other

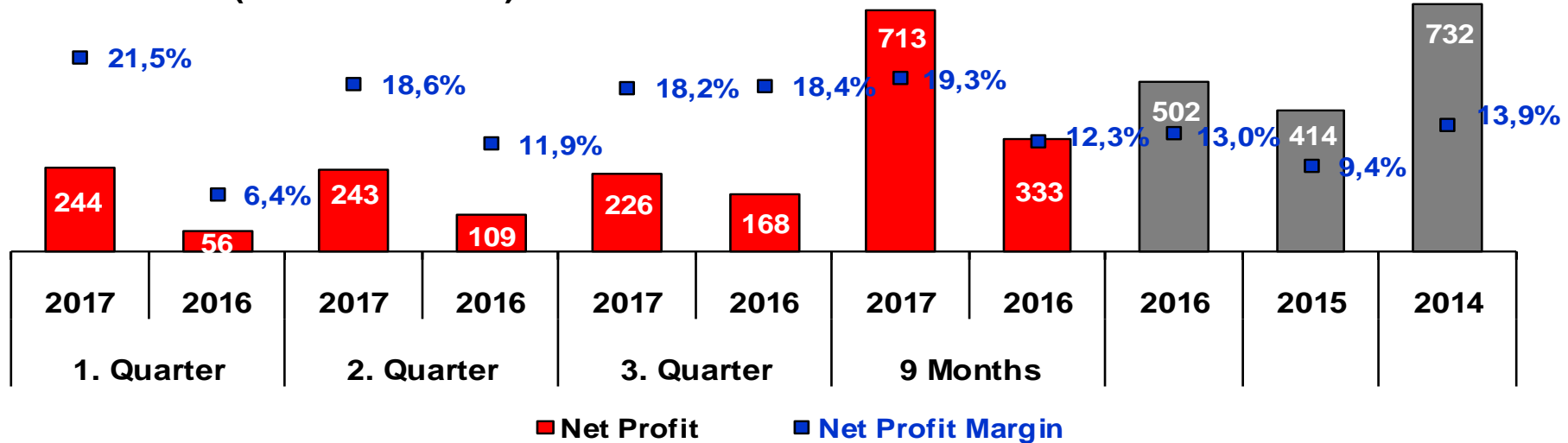


Net profit increased by 114% in 9M 2017 YoY

EBITDA (MILLION USD)

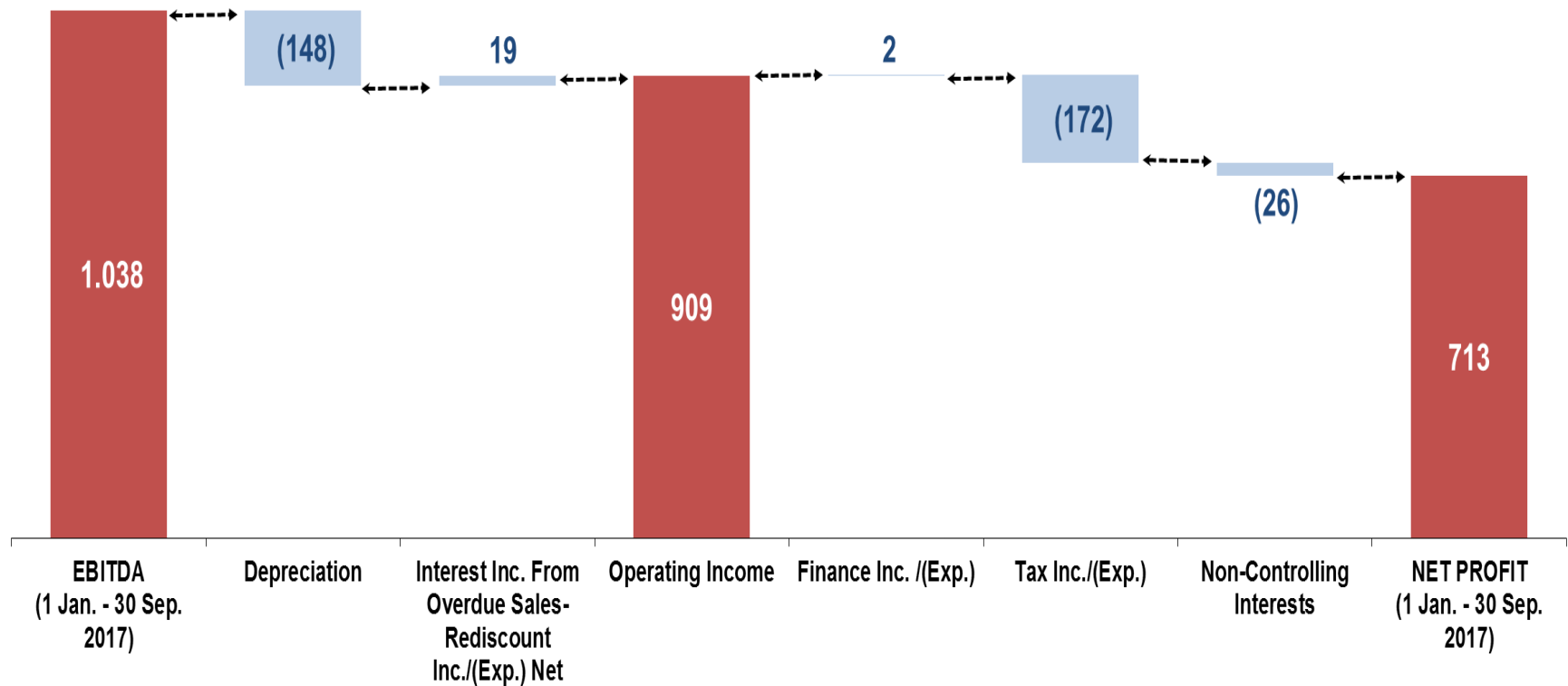


NET PROFIT (MILLION USD)



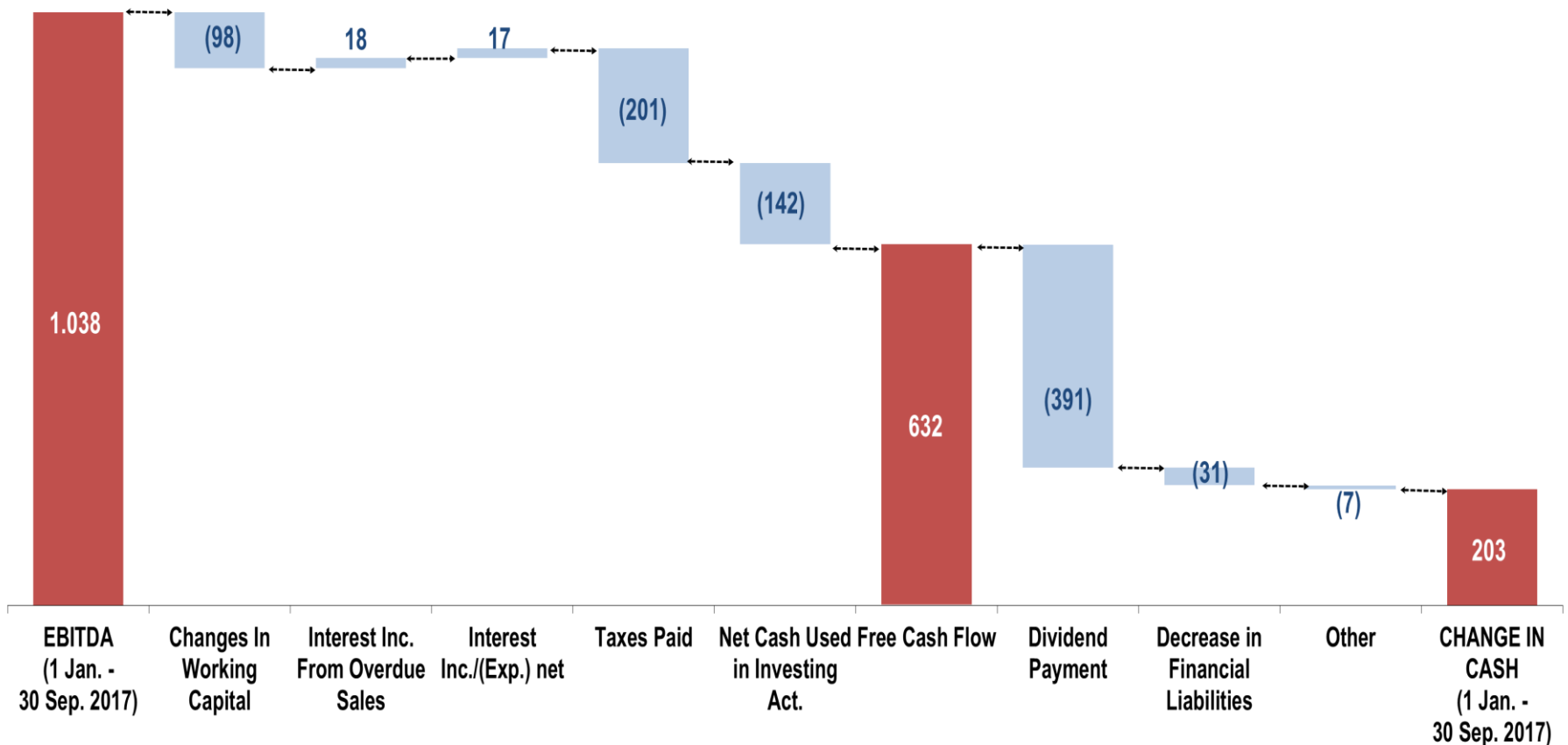
EBITDA was 1.038 million USD in 9M 2017

Consolidated EBITDA => Consolidated Net Profit (Million USD)



391 million USD dividend was paid on April 7, 2017

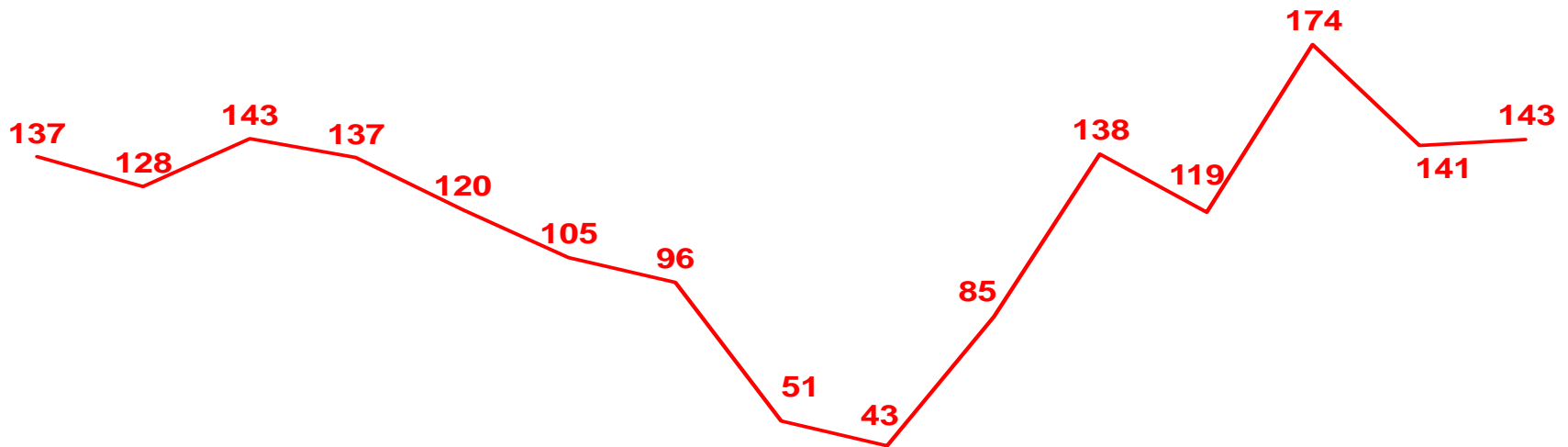
Consolidated EBITDA => Consolidated Net Cash (Million USD)



EBITDA per ton for main product was 143 USD/ton in 2017 3Q



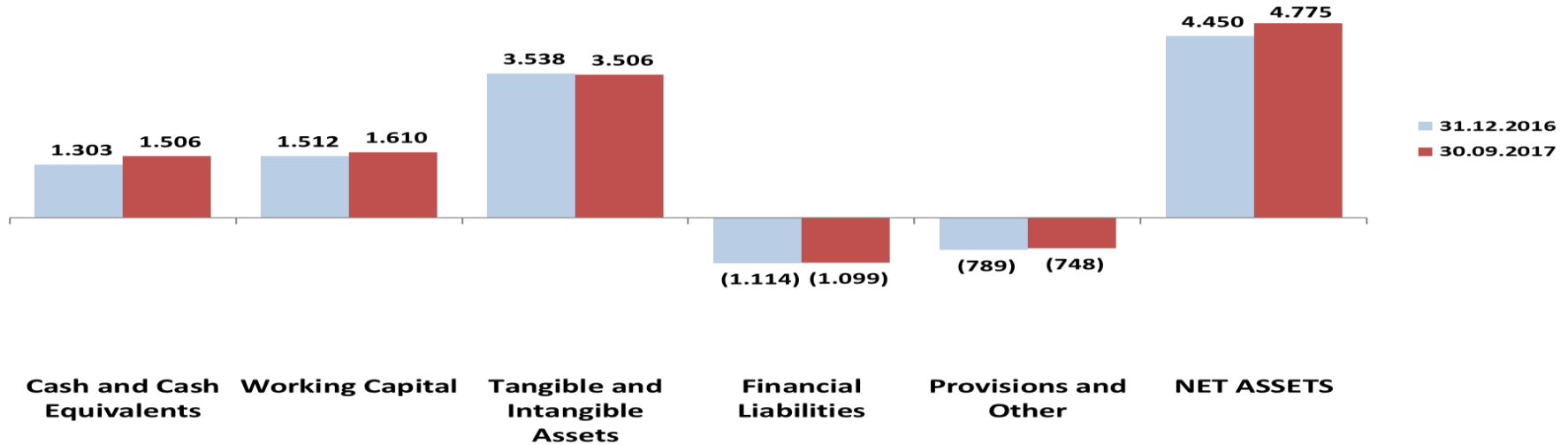
EBITDA PER TON (USD/TON) *



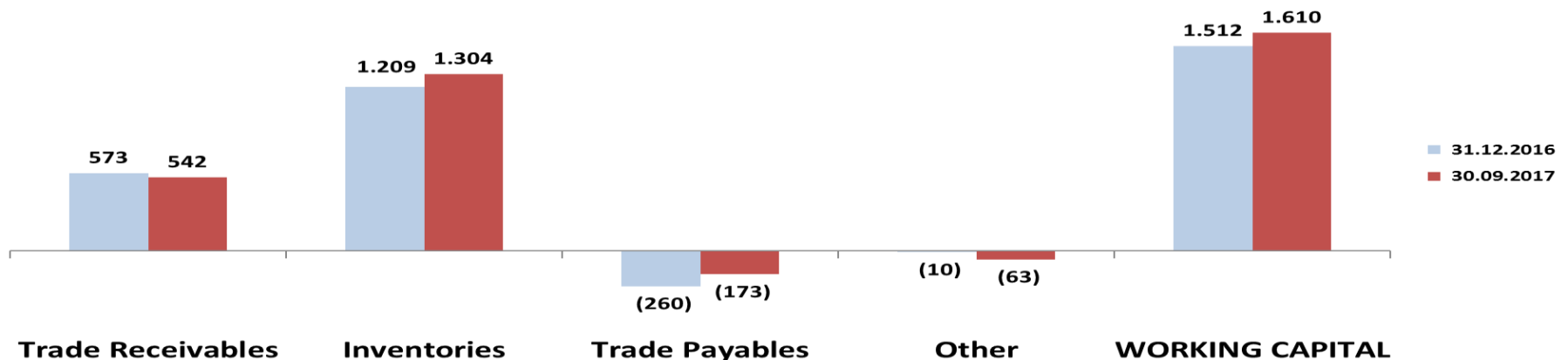
—Main Product

Net assets were 4,8 billion USD as of September 2017

CONSOLIDATED NET ASSETS (MILLION USD)

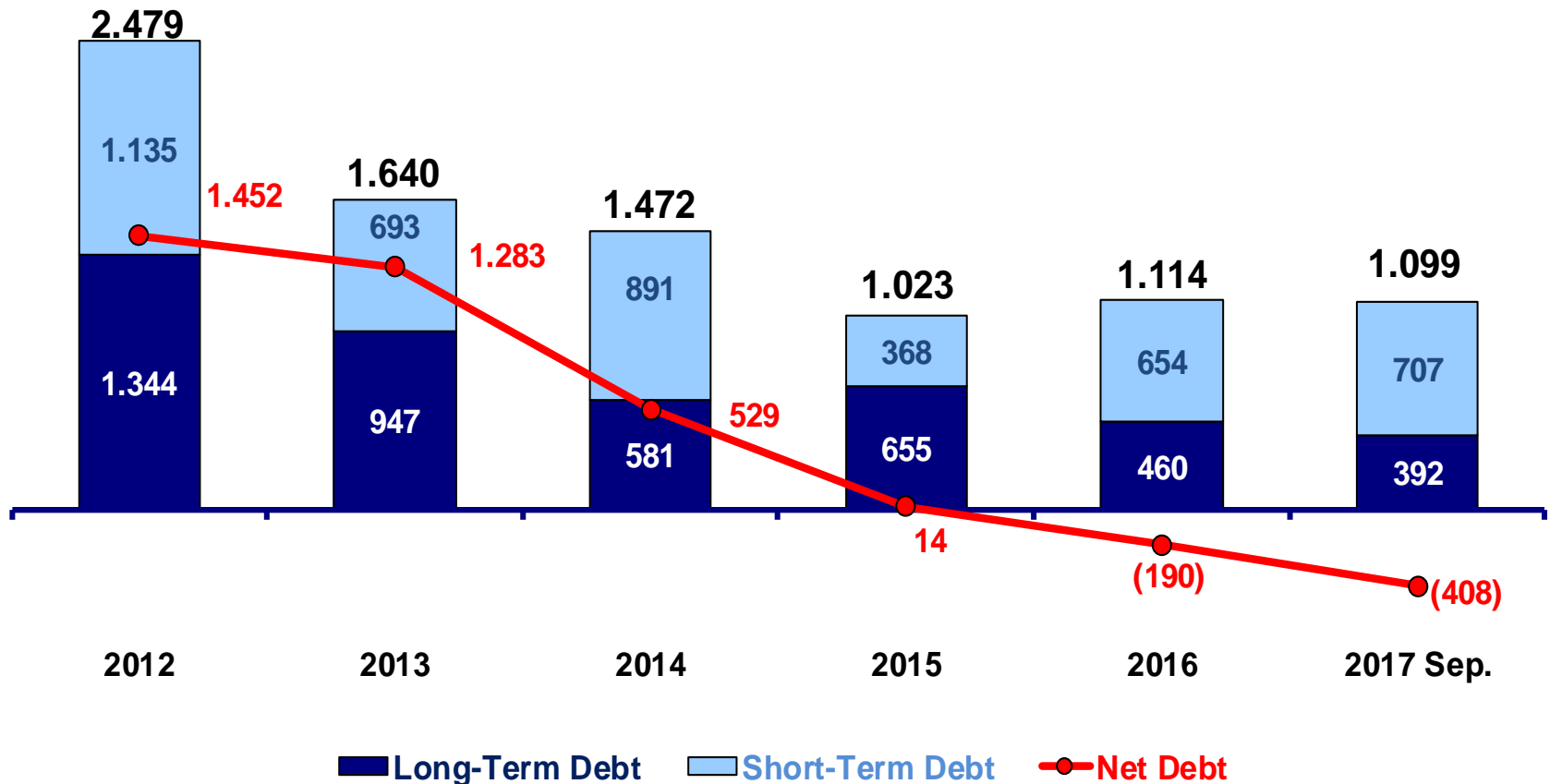


WORKING CAPITAL (MILLION USD)



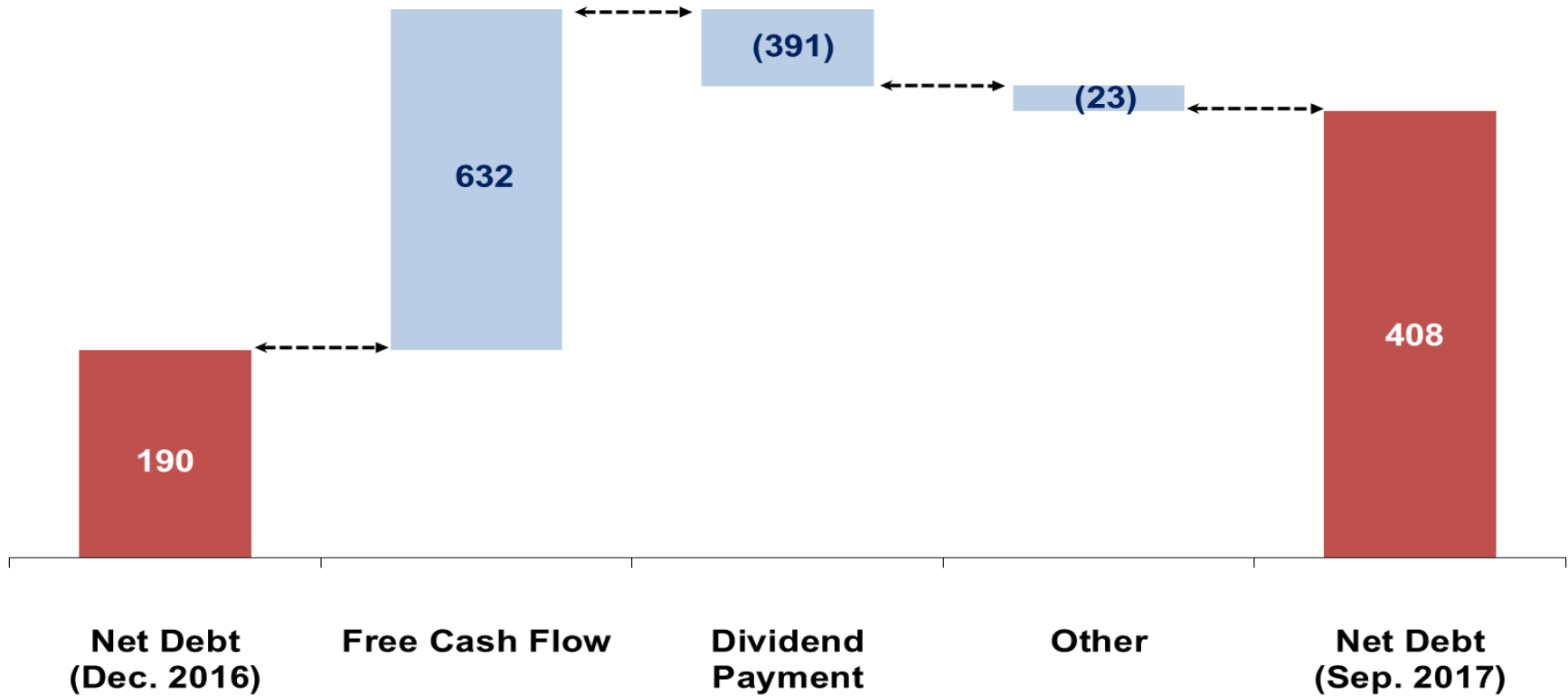
Despite the high dividend payments, there is no net debt

BORROWINGS (MILLION USD)



Net debt was positive at the end of 9M 2017

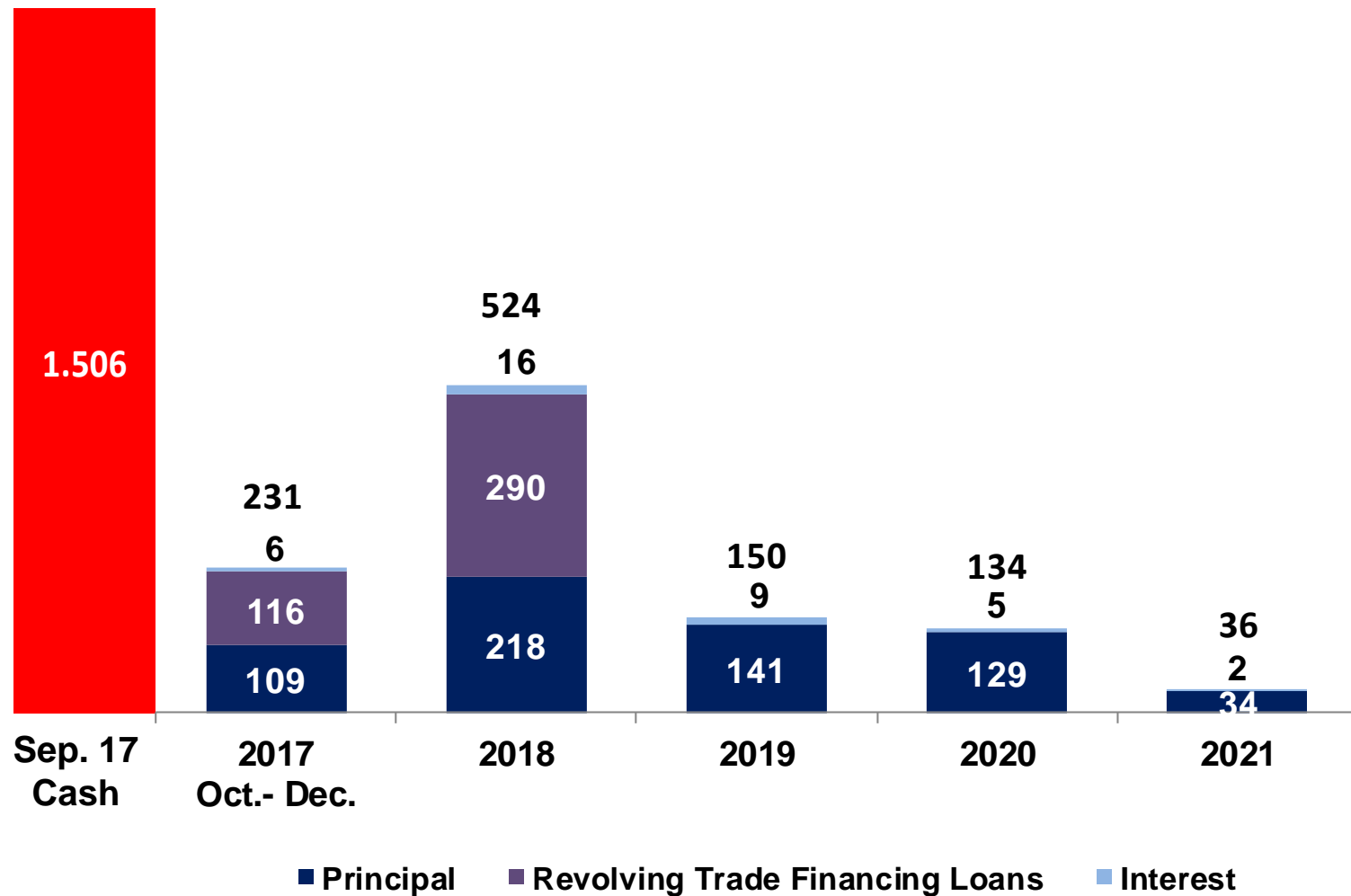
NET DEBT (MILLION USD)



Erdemir has 1.506 million USD cash and cash equivalents at the end of 9M 2017

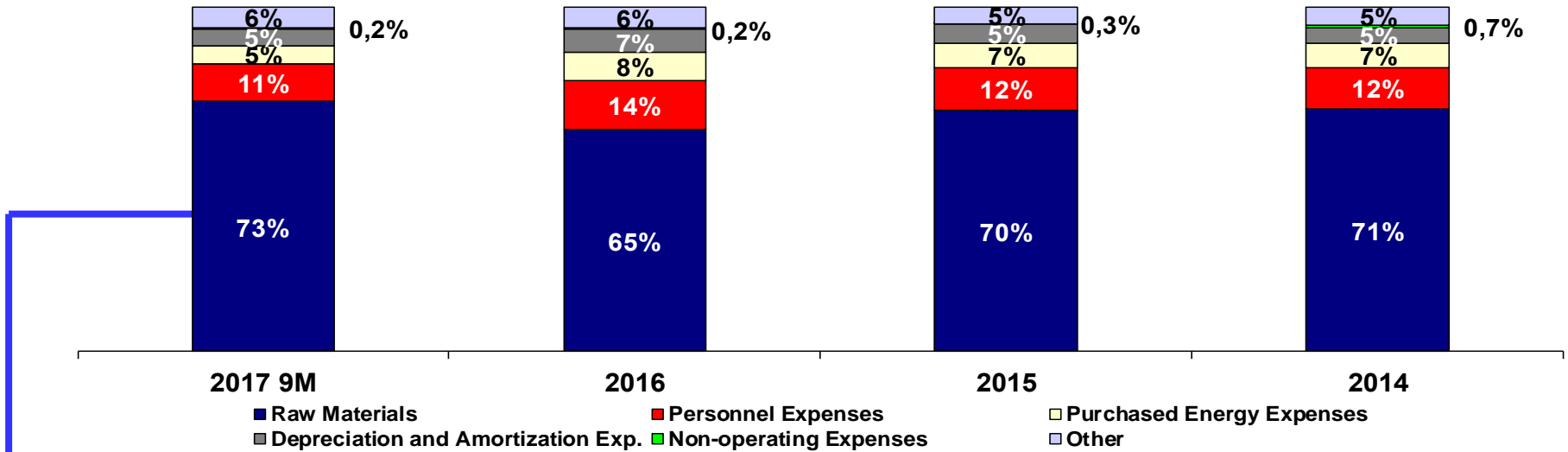


BORROWINGS MATURITY PROFILE (MILLION USD)

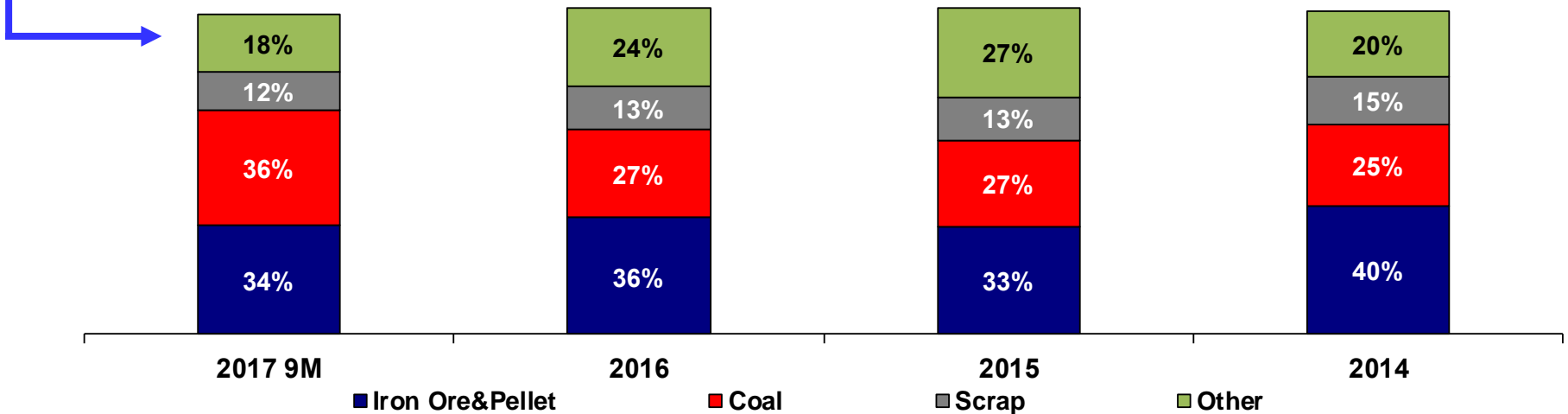


Raw materials made up 73% of the cost of sales

COST OF SALES BREAKDOWN* - %

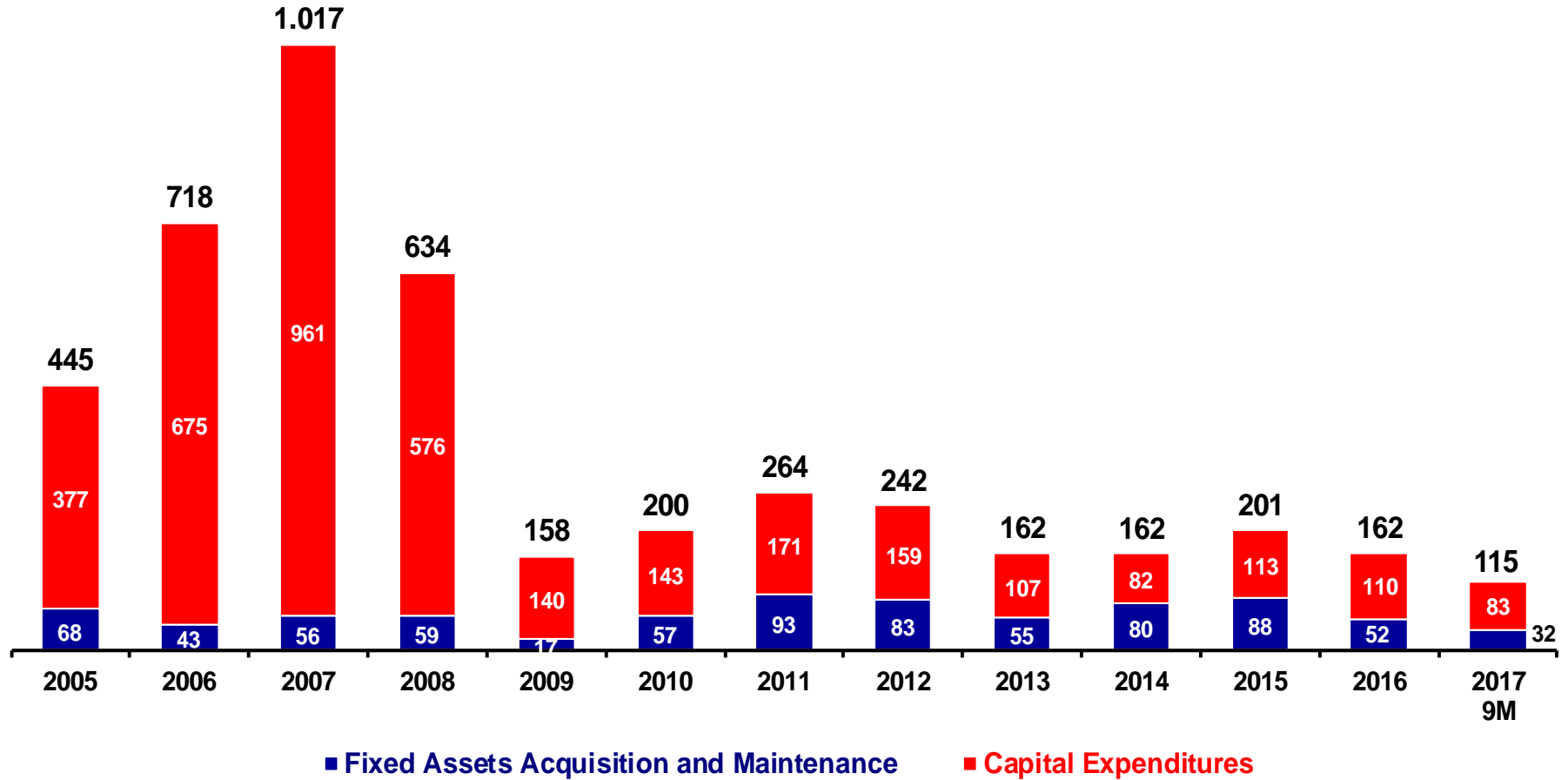


RAW MATERIALS BREAKDOWN - %



Capital expenditures was 115 million USD in 9M 2017

(M USD)



Number of employees was 11.943 as of September 2017

NUMBER OF EMPLOYEES

