



MINING
METALLURGY



2020 12 Months Investor Presentation

11.02.2021



MINING
METALLURGY

Disclaimer

Ereğli Demir Çelik Fabrikaları T.A.Ş. (Erdemir) may, when necessary, make written or verbal announcements about forward-looking information, expectations, estimates, targets, assessments and opinions. Erdemir has made the necessary arrangements about the amounts and results of such information through its Disclosure Policy and has shared such policy with the public through the Erdemir website, in accordance with the Capital Markets Board regulations. As stated in related policy, information contained in forward-looking statements, whether verbal or written, should not include unrealistic assumptions or forecasts. It should be noted that, actual results could materially differ from estimates taking into account the fact that they are not based on historical facts but are driven from expectations, beliefs, plans, targets and other factors which are beyond the control of our Company. As a result, forward-looking statements should not be fully trusted or taken as granted. Forward-looking statements should be considered valid only considering the conditions prevailing at the time of the announcement. In cases where it is understood that forward-looking statements are no longer achievable, such matter will be announced to the public and the statements will be revised. However, the decision to make a revision is a result of a subjective evaluation. Therefore, it should be noted that, when a party is coming to a judgement based on estimates and forward-looking statements, our Company may not have made a revision at that particular time. Our Company makes no commitment to make regular revisions which would fully cover changes in every parameter. New factors may arise in the future which may not be possible to foresee at this moment in time.



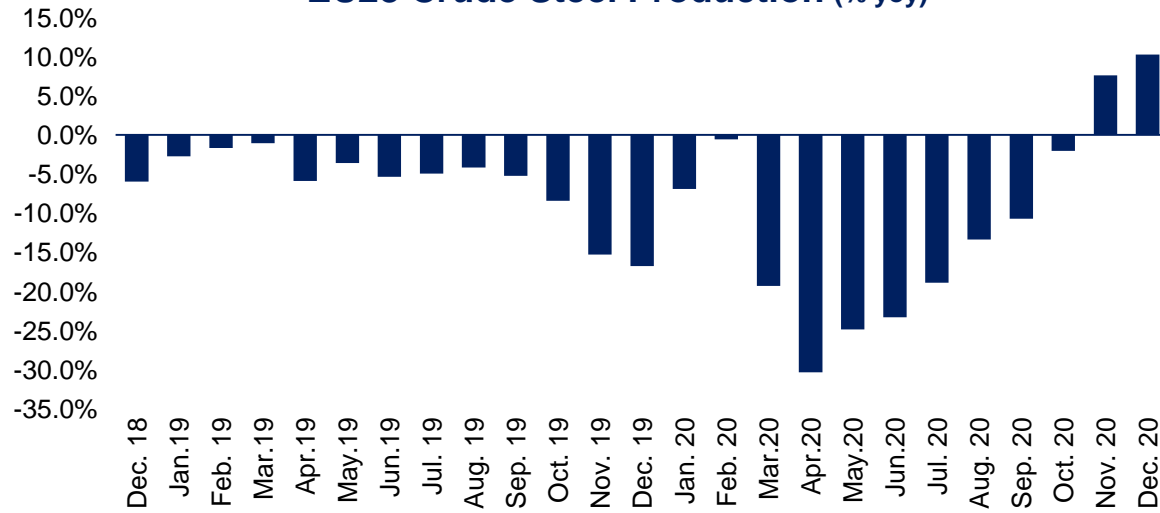
2020 Market Overview



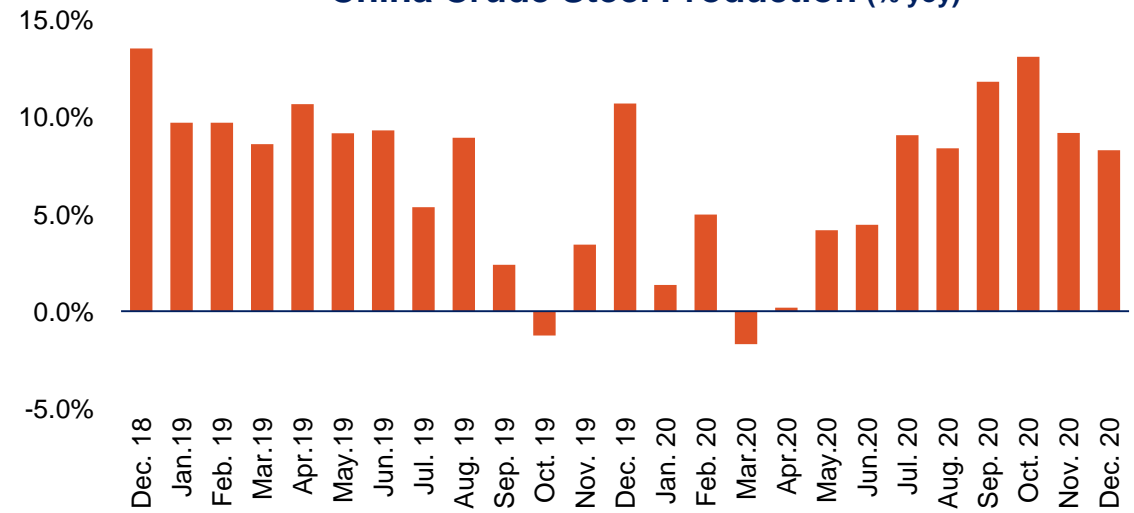
MINING
METALLURGY

Crude Steel Production

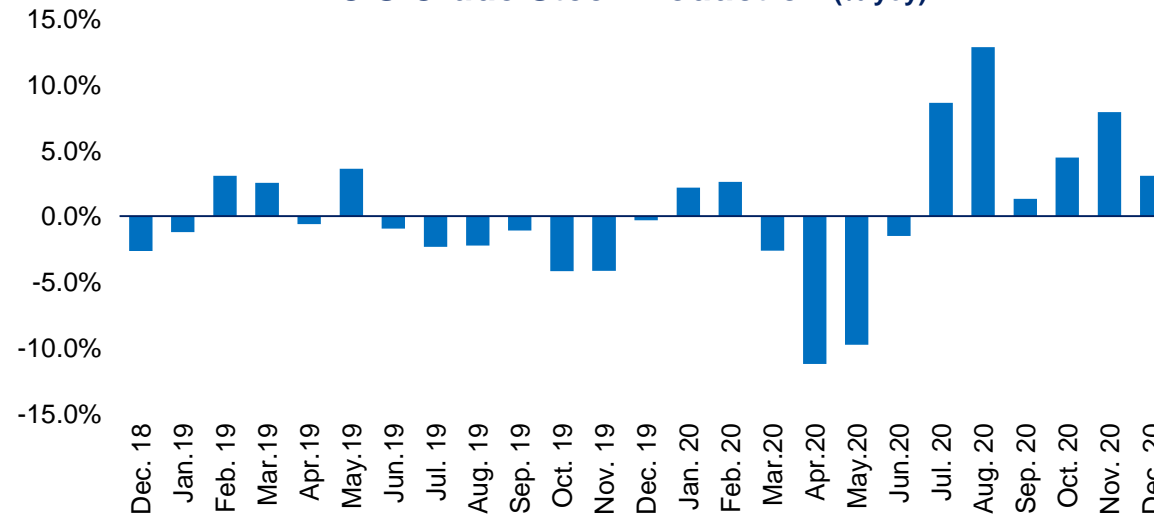
EU28 Crude Steel Production (% yoy)



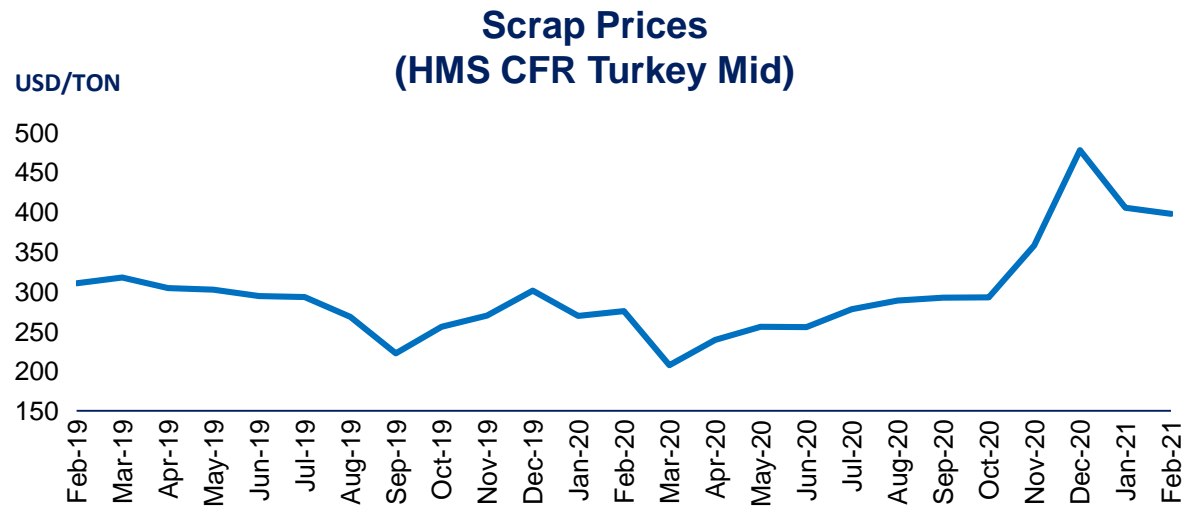
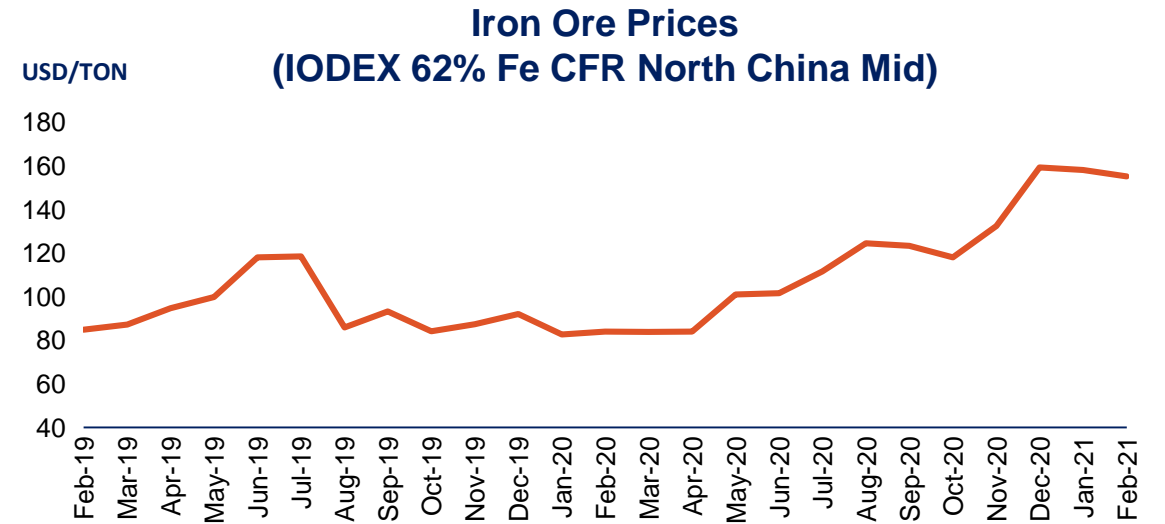
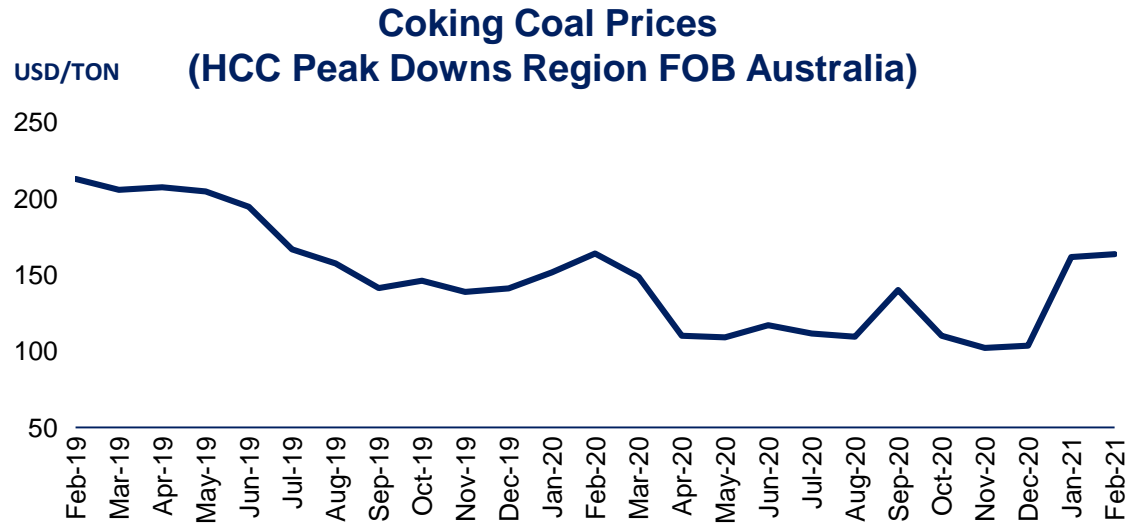
China Crude Steel Production (% yoy)



CIS Crude Steel Production (% yoy)

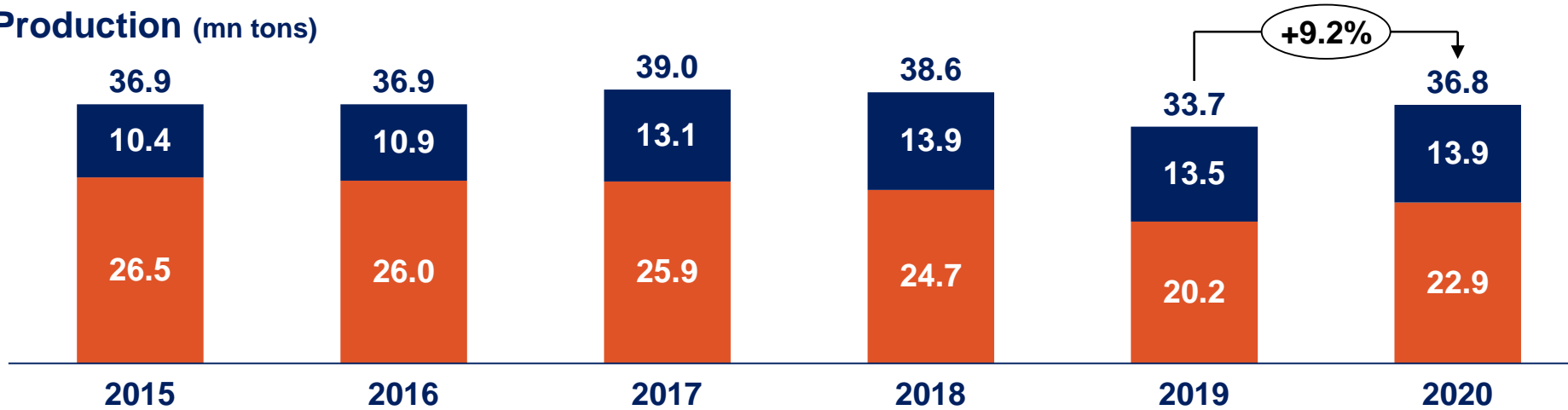


Coking Coal, Iron Ore & Scrap Prices

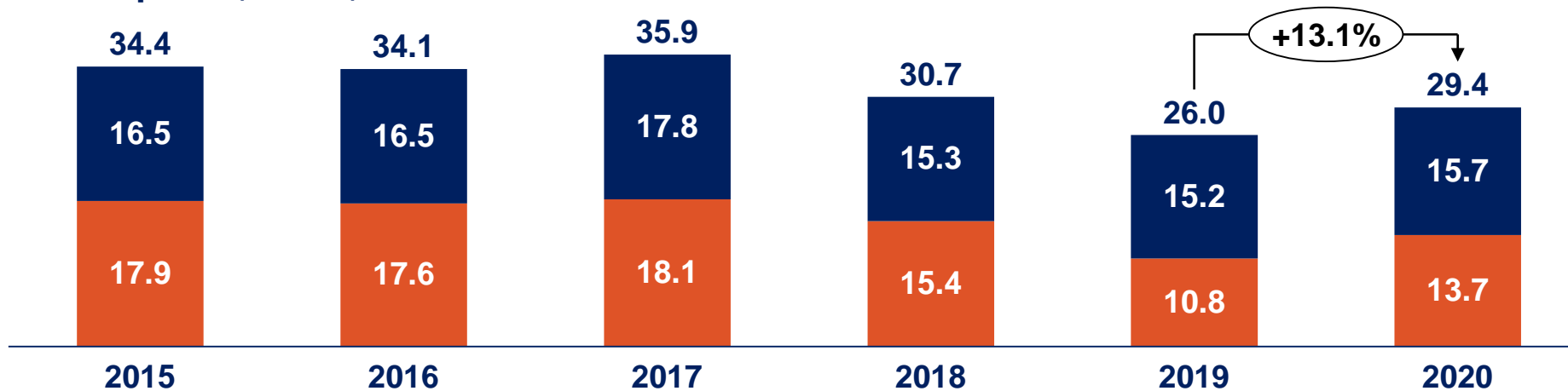


Turkish Steel Production & Consumption

Production (mn tons)



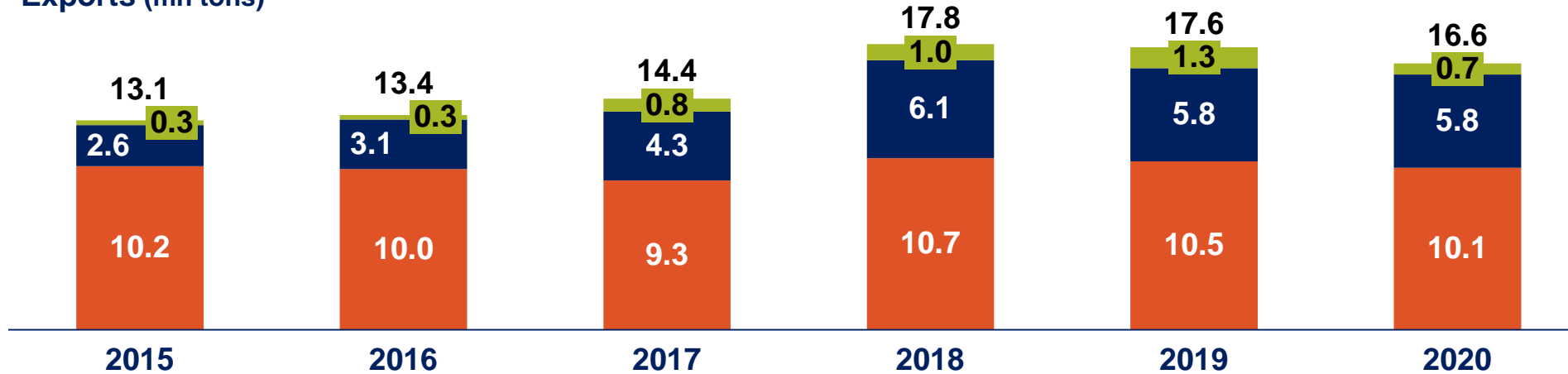
Consumption (mn tons)



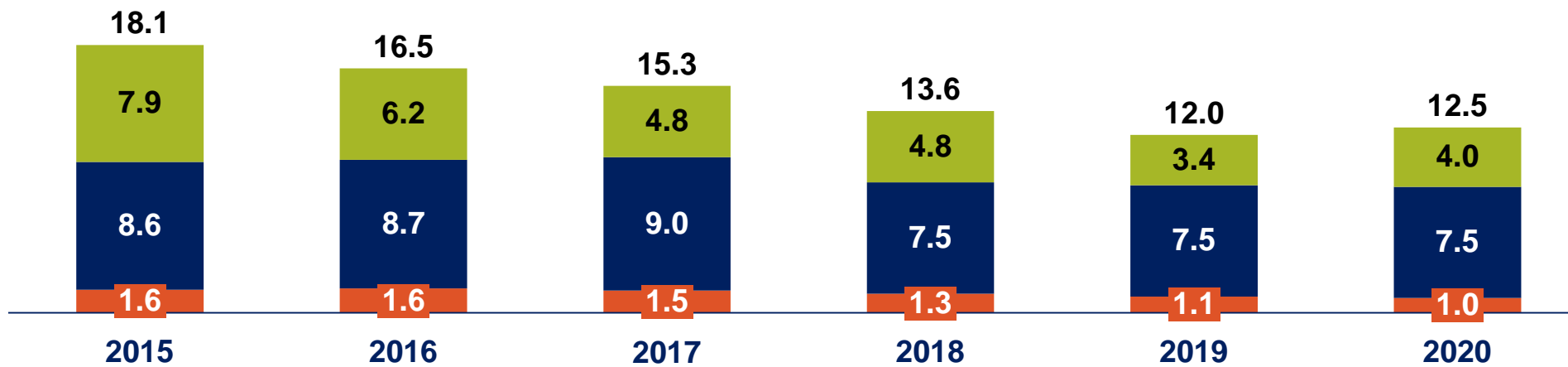
■ Flat ■ Long

Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



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



2020 12M Results



MINING
METALLURGY

Operational and Financial Highlights

| Operational Highlights | 2018 | 2019 | 2020 | Growth (YoY) |
|------------------------------------|-------|-------|--------------|--------------|
| Liquid Steel Production (000 tons) | 9,322 | 8,787 | 8,709 | -0.9% |
| Flat Steel Production* (000 tons) | 7,743 | 7,257 | 7,266 | 0.1% |
| Long Steel Production (000 tons) | 980 | 1,026 | 992 | -3.3% |
| Flat Steel Shipments (000 tons) | 7,482 | 7,250 | 7,489 | 3.3% |
| Long Steel Shipments (000 tons) | 919 | 1,057 | 1,006 | -4.8% |

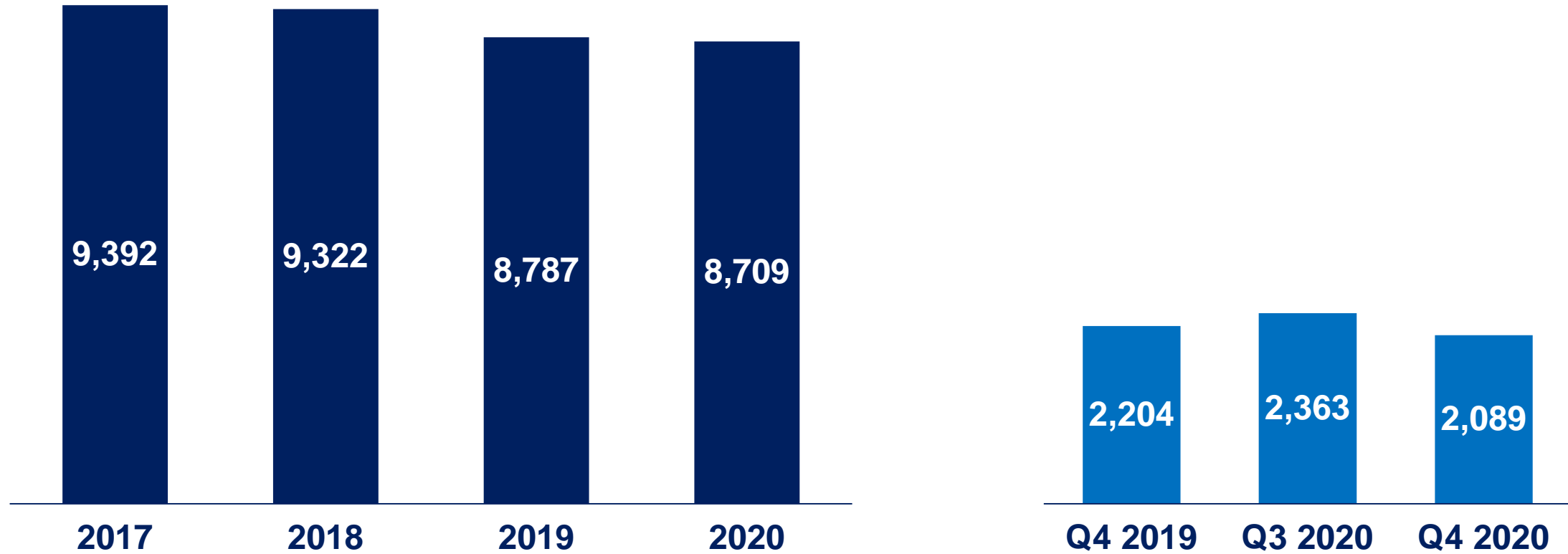
| Financial Highlights | 2018 | 2019 | 2020 | Growth (YoY) |
|----------------------------|-------|-------|--------------|--------------|
| Net Sales Revenue (USD mn) | 5,598 | 4,844 | 4,575 | -5.6% |
| EBITDA (USD mn) | 1,720 | 974 | 989 | 1.5% |
| Net Profit** (USD mn) | 1,160 | 585 | 472 | -19.3% |

All figures are on IFRS consolidated basis unless stated otherwise.

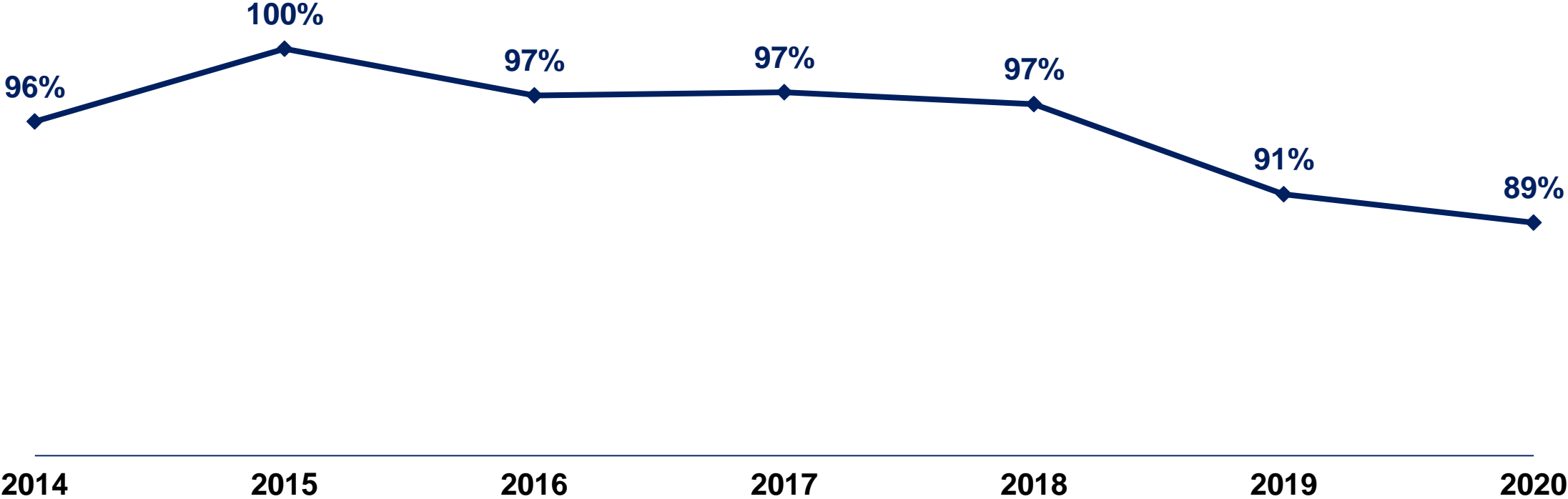
() Total flat steel production of Ereğli and İskenderun Plants.*

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

Liquid Steel Production (000 tons)



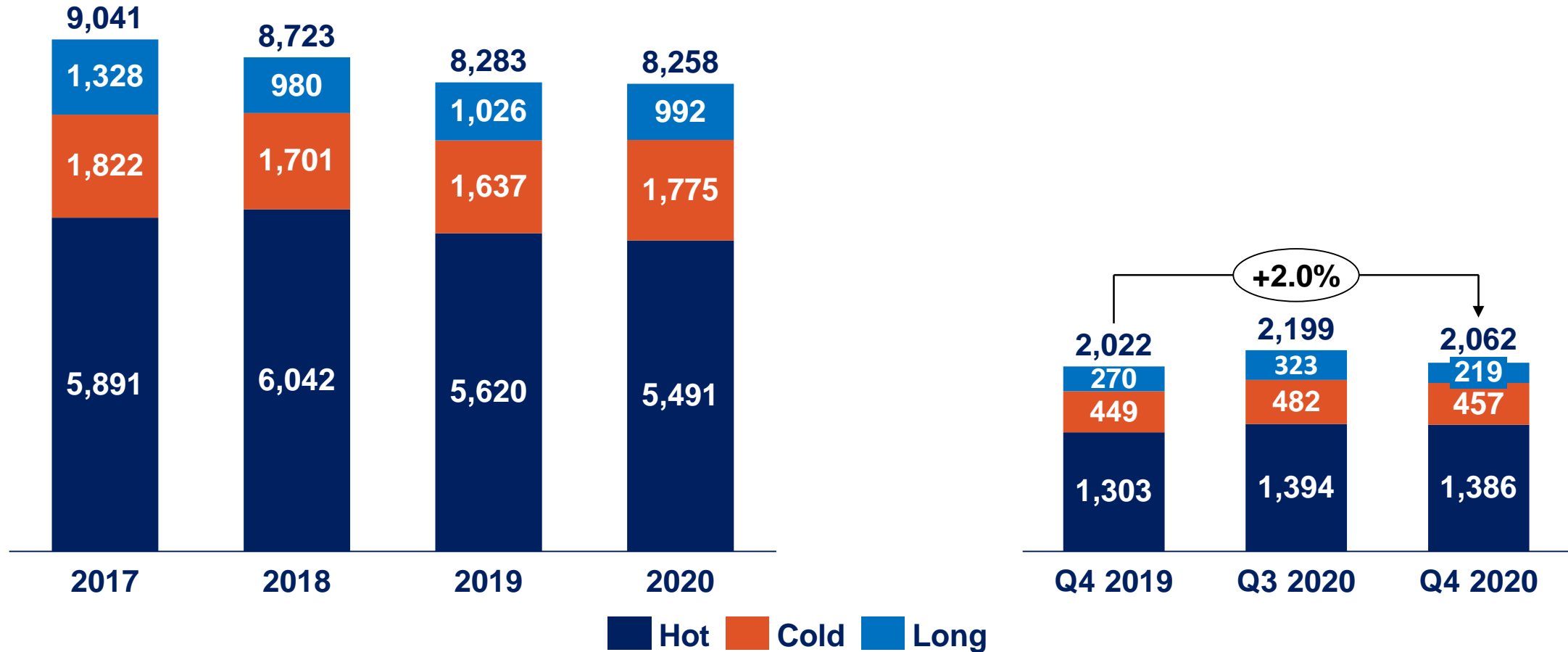
Crude Steel Capacity Utilization Ratio



◆ Erdemir

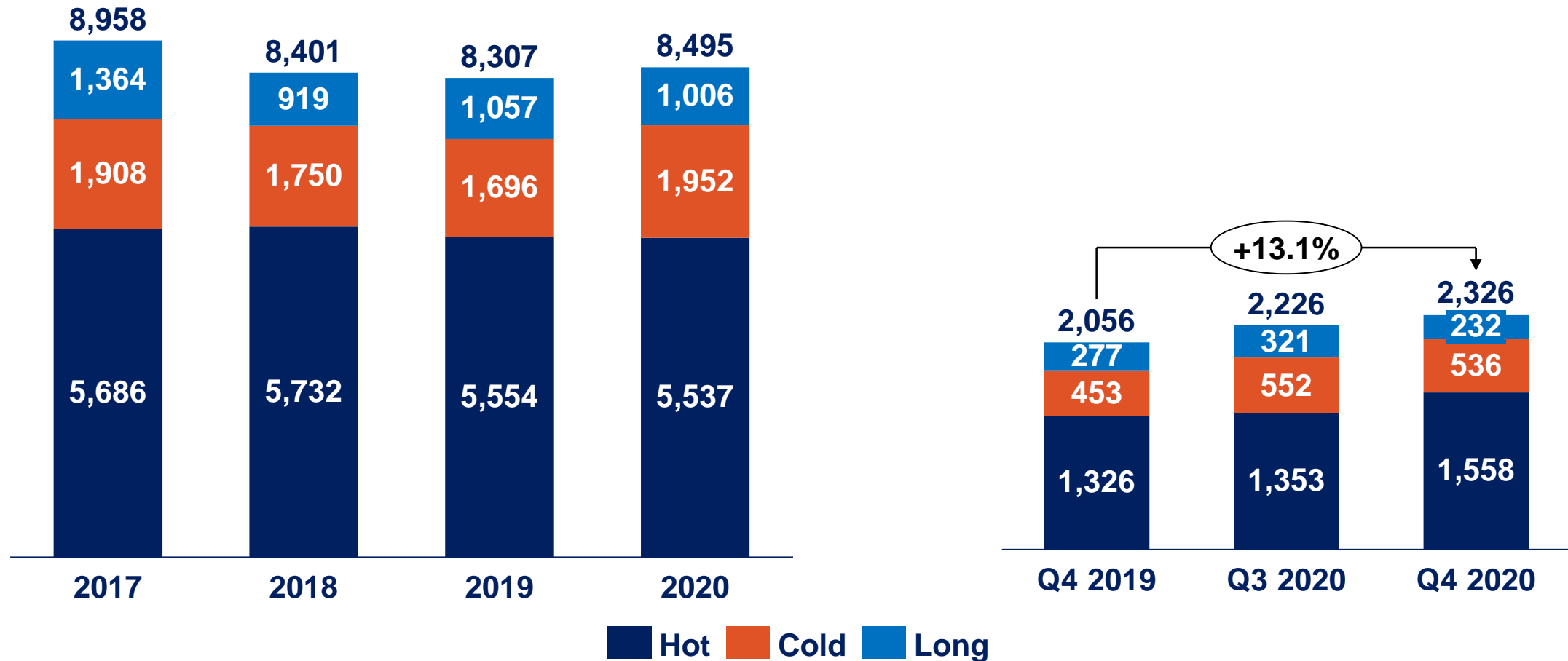
Production (000 tons)

Production increased by 2.0% YoY in Q4 2020.



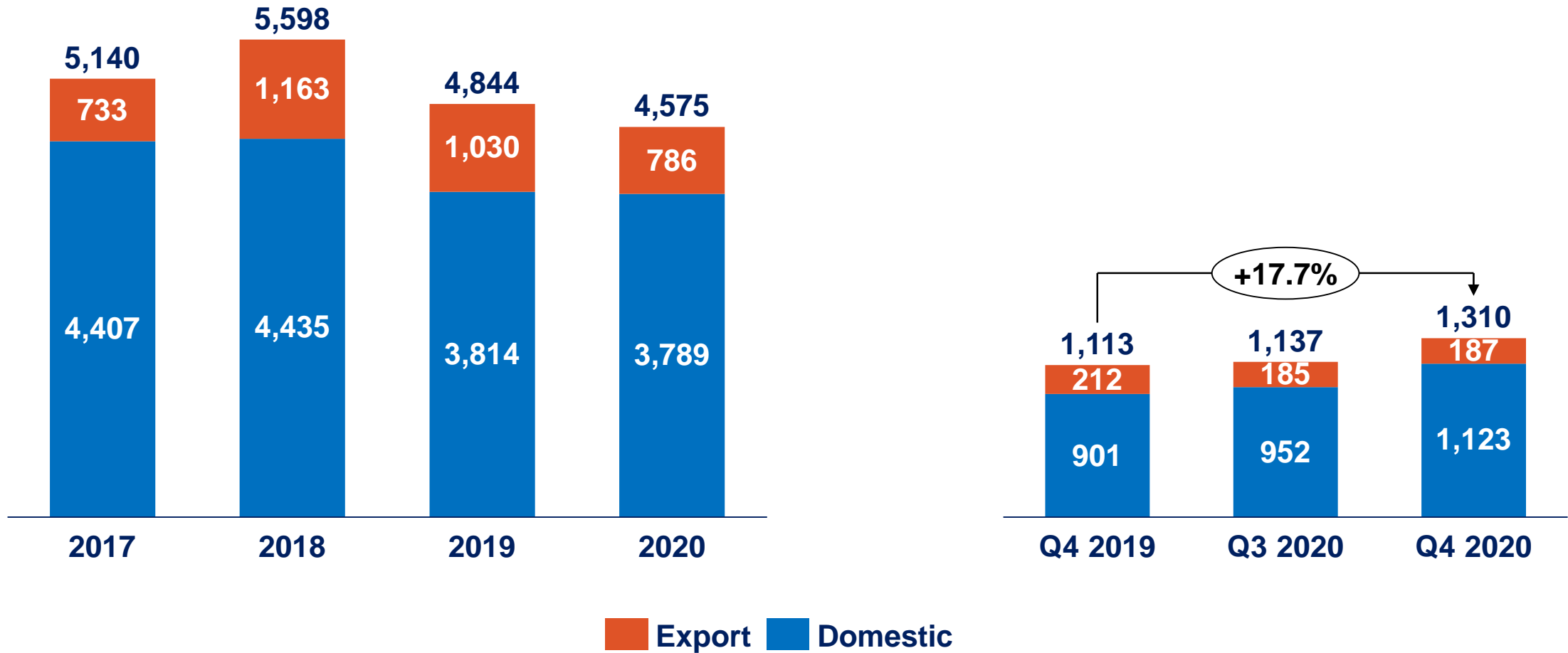
Sales Volume (000 tons)

Total sales volume increased by 13.1% YoY in Q4 2020.



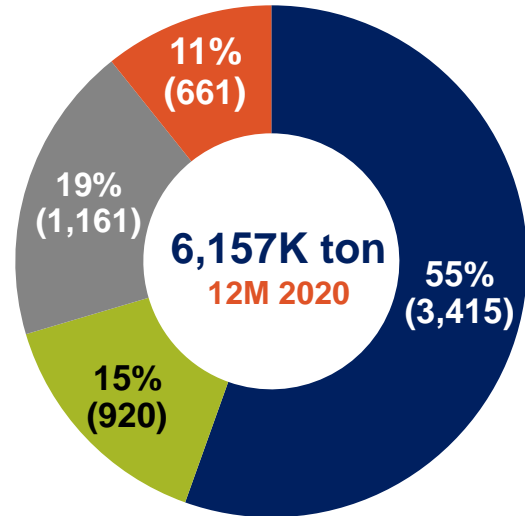
Net Sales Revenue (USD mn)

Net sales revenue increased by 17.7% YoY in Q4 2020.

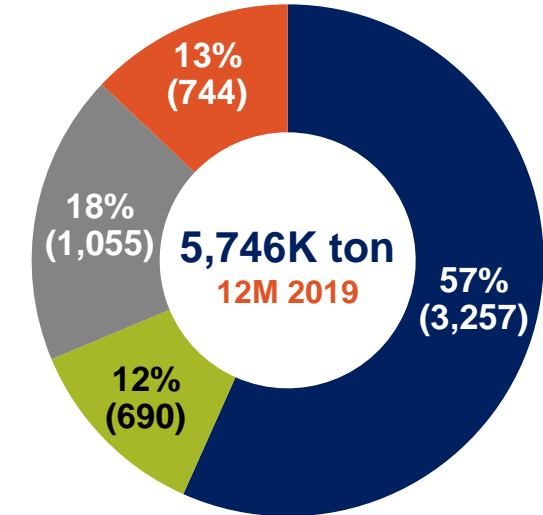


Flat & Long Steel Domestic Sales Breakdown

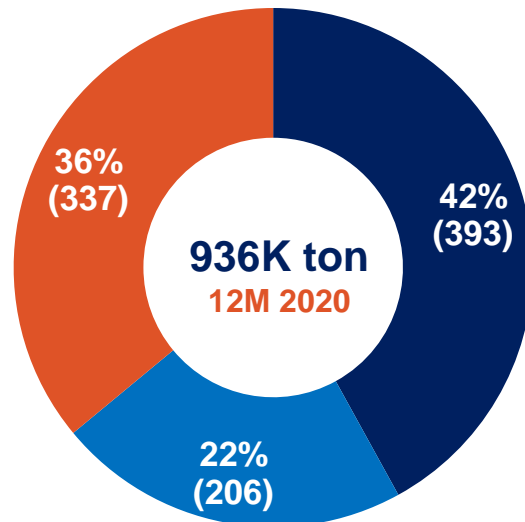
Flat Steel Domestic Sales



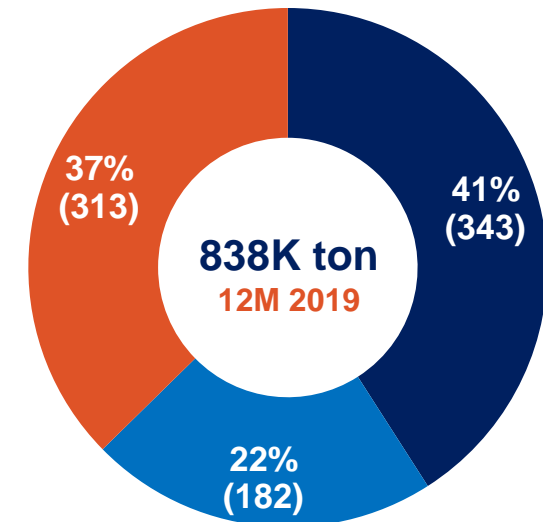
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



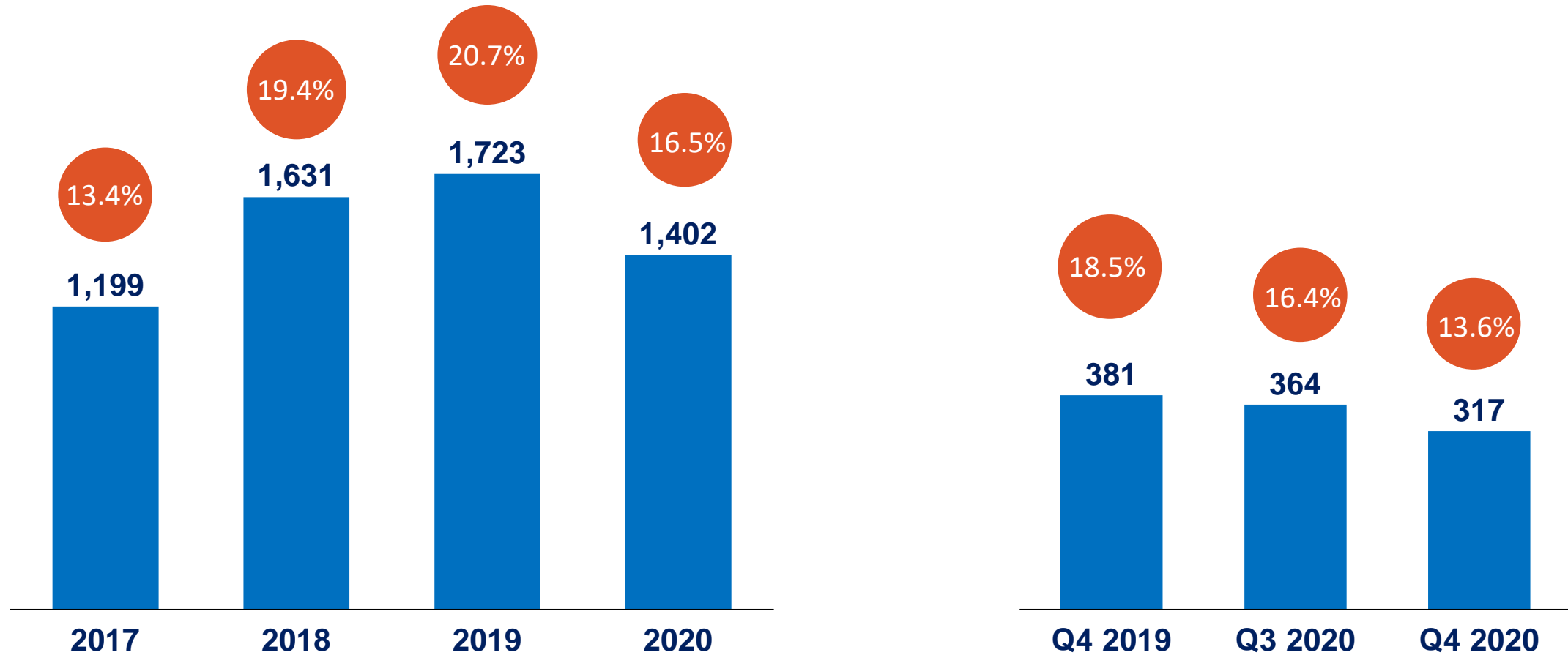
Long Steel Domestic Sales



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

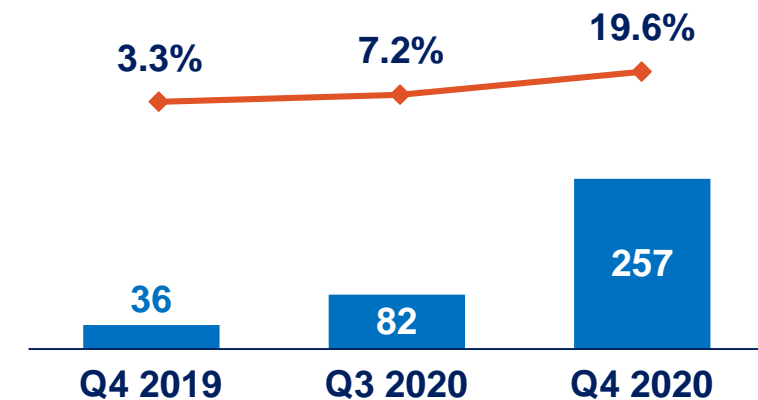
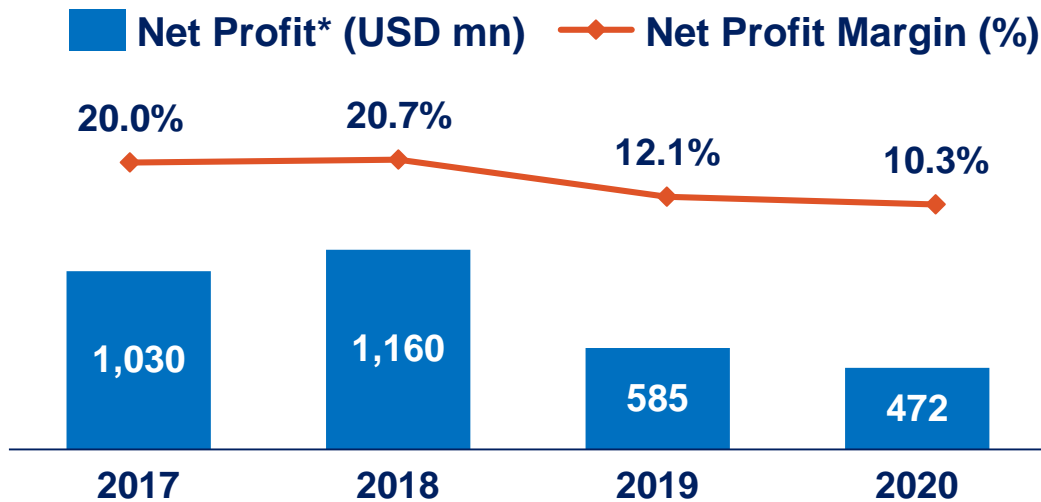
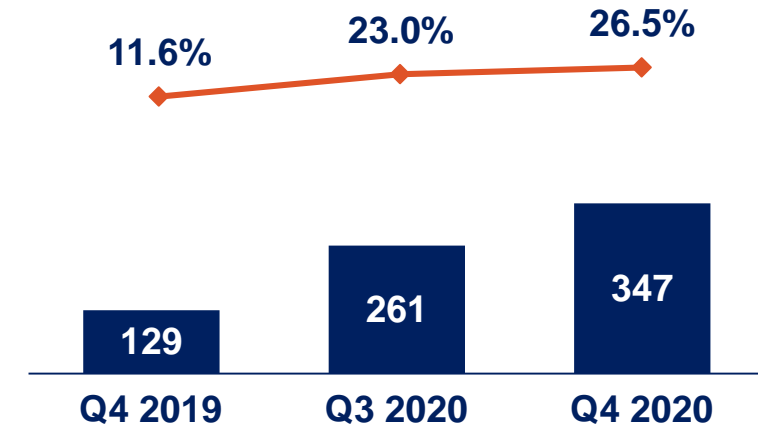
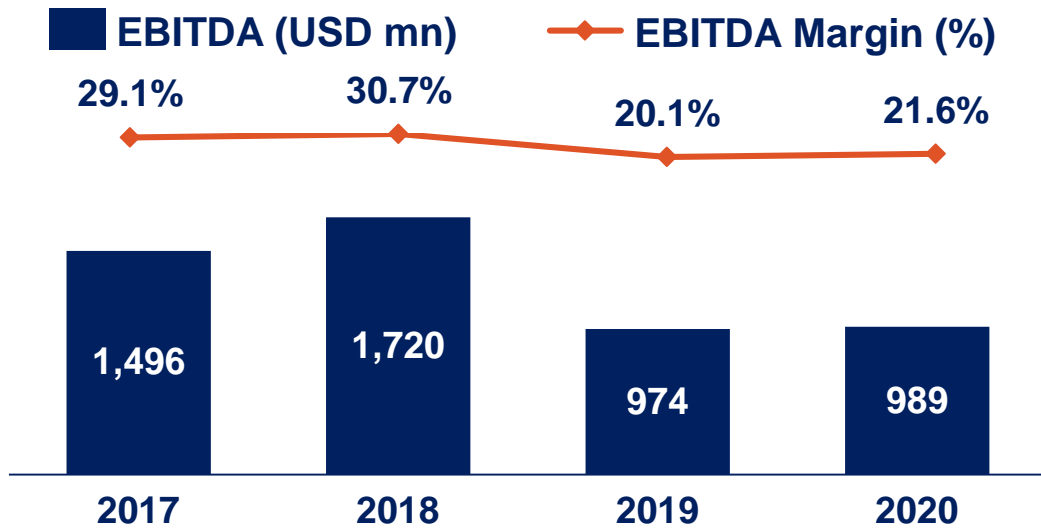


Export Volume (000 tons)

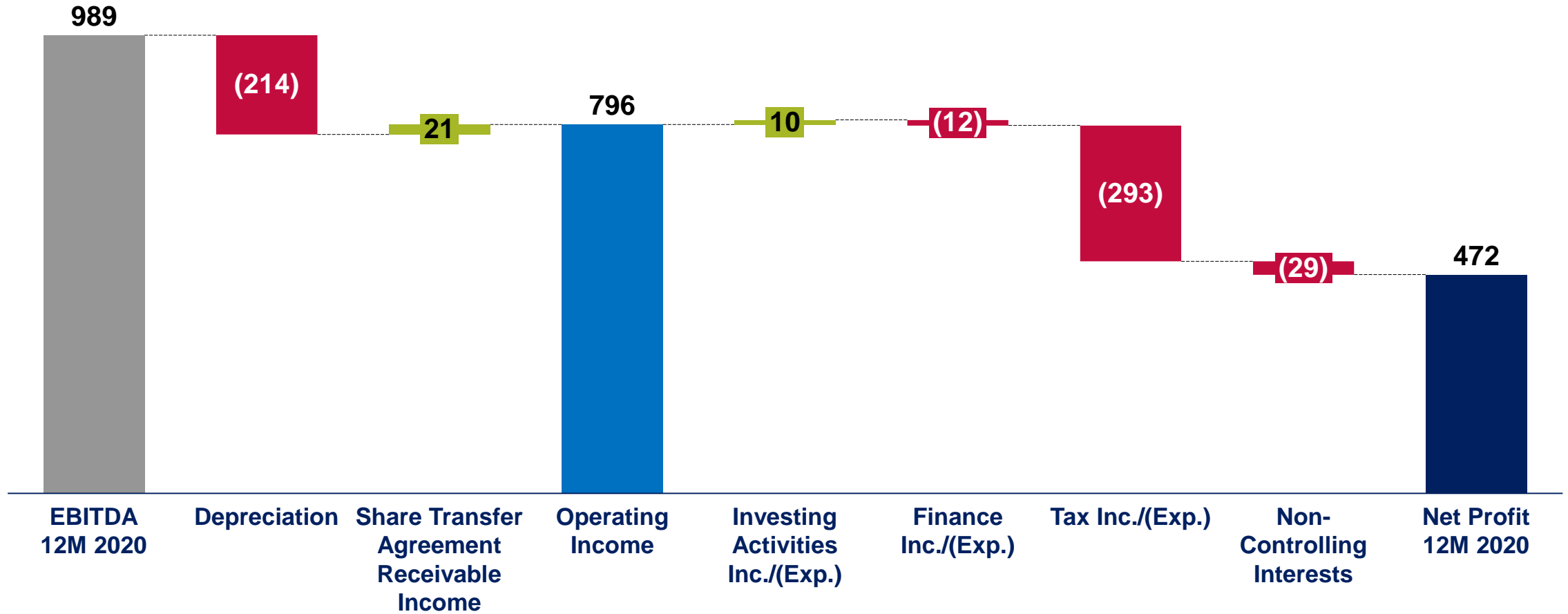


■ Export ● Share in Total Sales

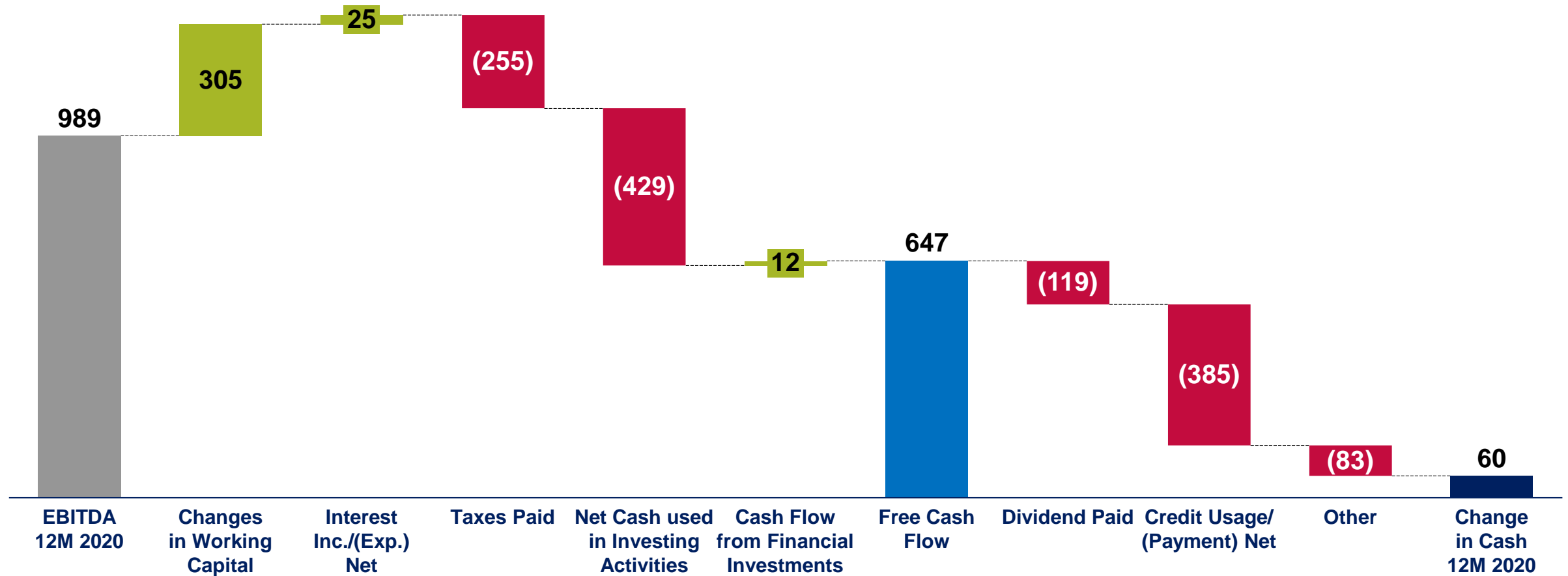
EBITDA & Net Profit



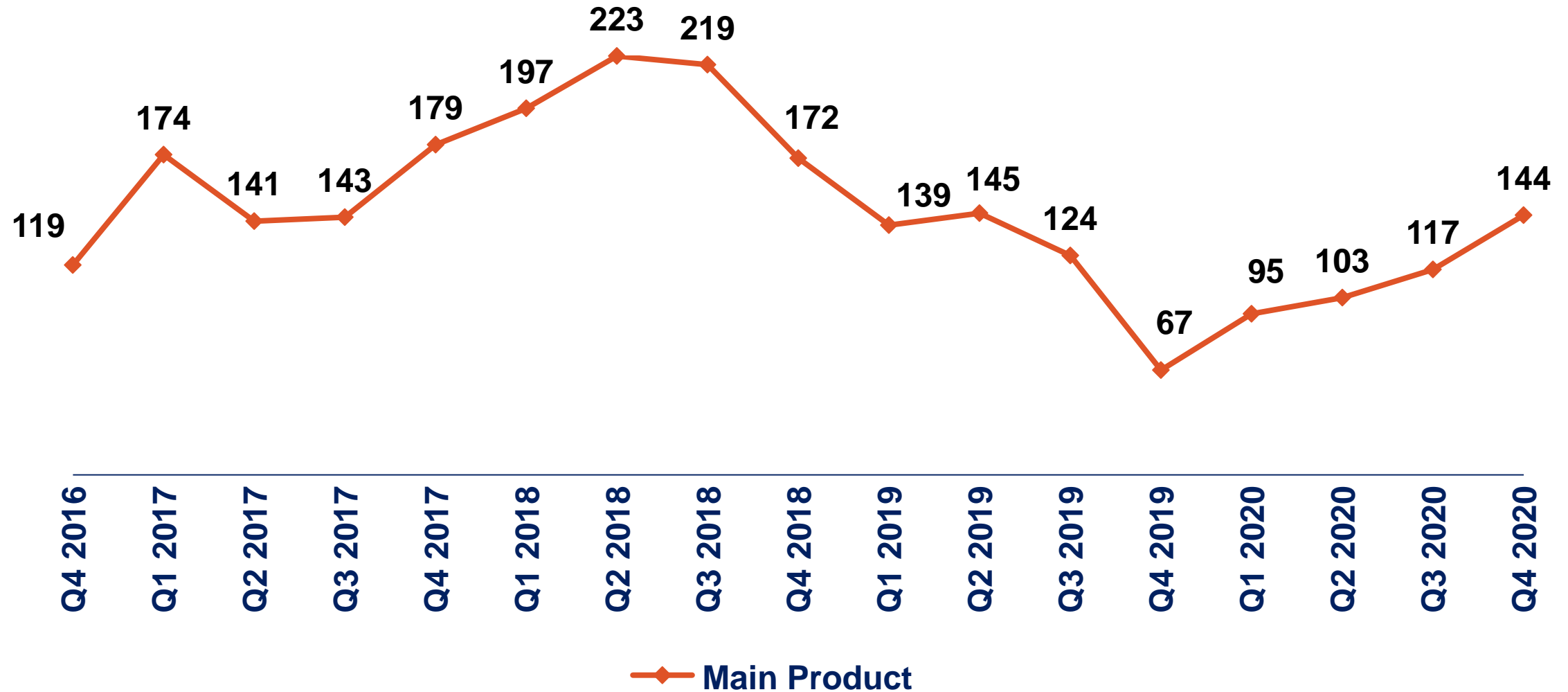
EBITDA ➔ Net Profit (USD mn)



EBITDA ➔ Net Cash (USD mn)



EBITDA per Ton* (USD/ton)

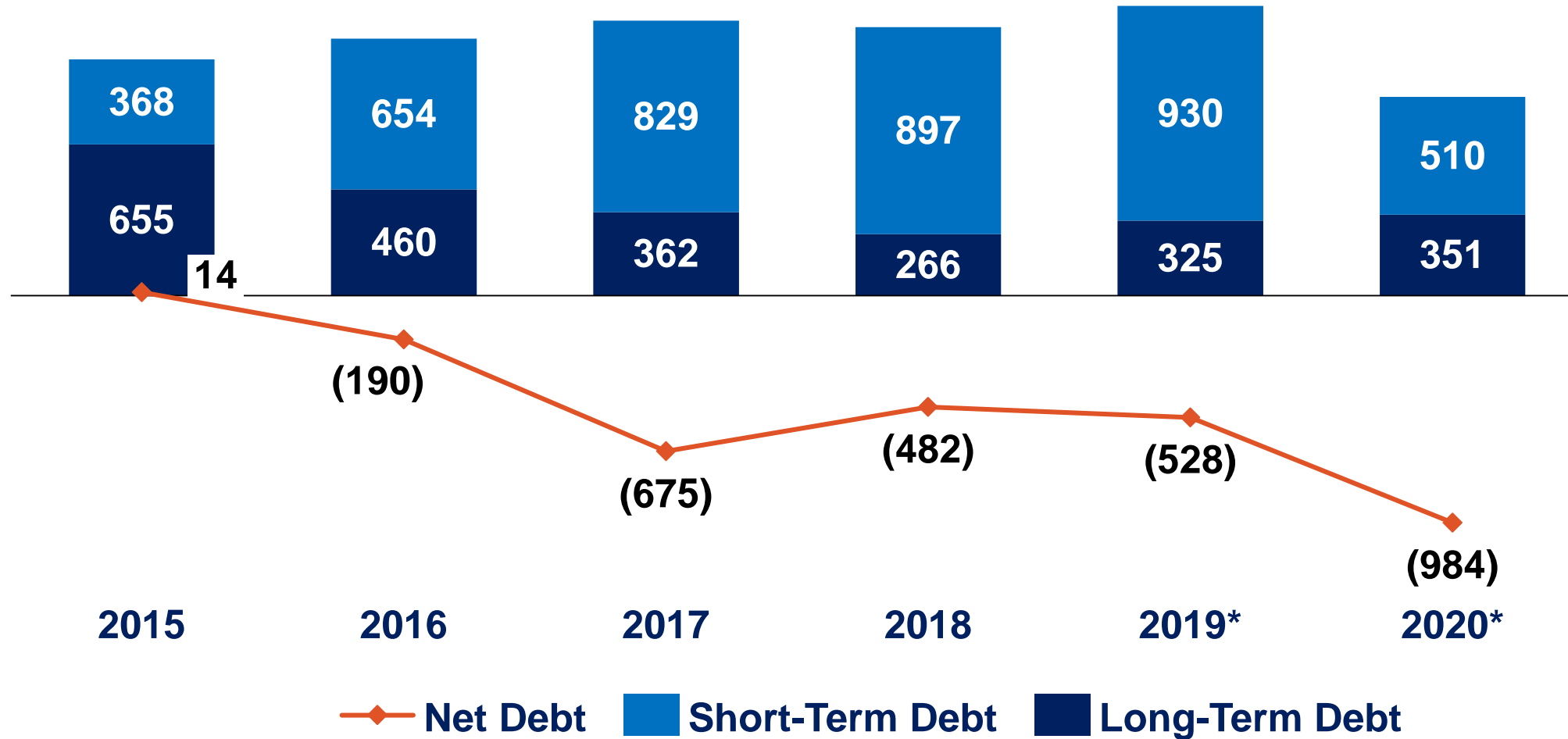


Financial Figures

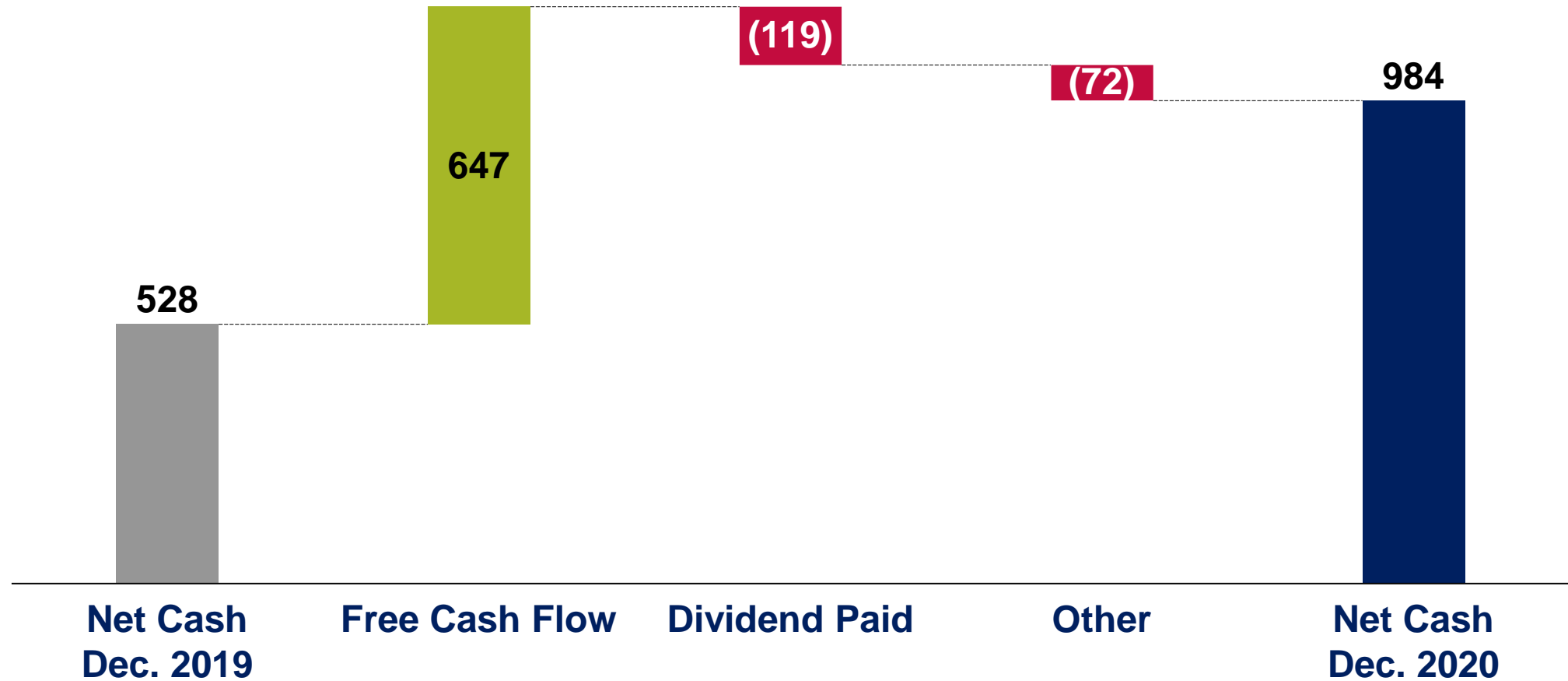
| Consolidated Net Assets (USD mn) | 31.12.2019 | 31.12.2020 | Growth (YoY) |
|--|--------------|--------------|--------------|
| Cash Equivalents and Financial Investments | 1,800 | 1,850 | 3% |
| Working Capital | 1,729 | 1,424 | -18% |
| Tangible and Intangible Assets | 3,581 | 3,657 | 2% |
| Financial Liabilities | (1,296) | (899) | -31% |
| Provisions and Other | (554) | (430) | -22% |
| Net Assets | 5,260 | 5,602 | 7% |

| Working Capital (USD mn) | 31.12.2019 | 31.12.2020 | Growth (YoY) |
|--------------------------|--------------|--------------|--------------|
| Trade Receivables | 563 | 521 | -7% |
| Inventories | 1,571 | 1,377 | -12% |
| Trade Payables | (494) | (513) | 4% |
| Other | 89 | 39 | -56% |
| Working Capital | 1,729 | 1,424 | -18% |

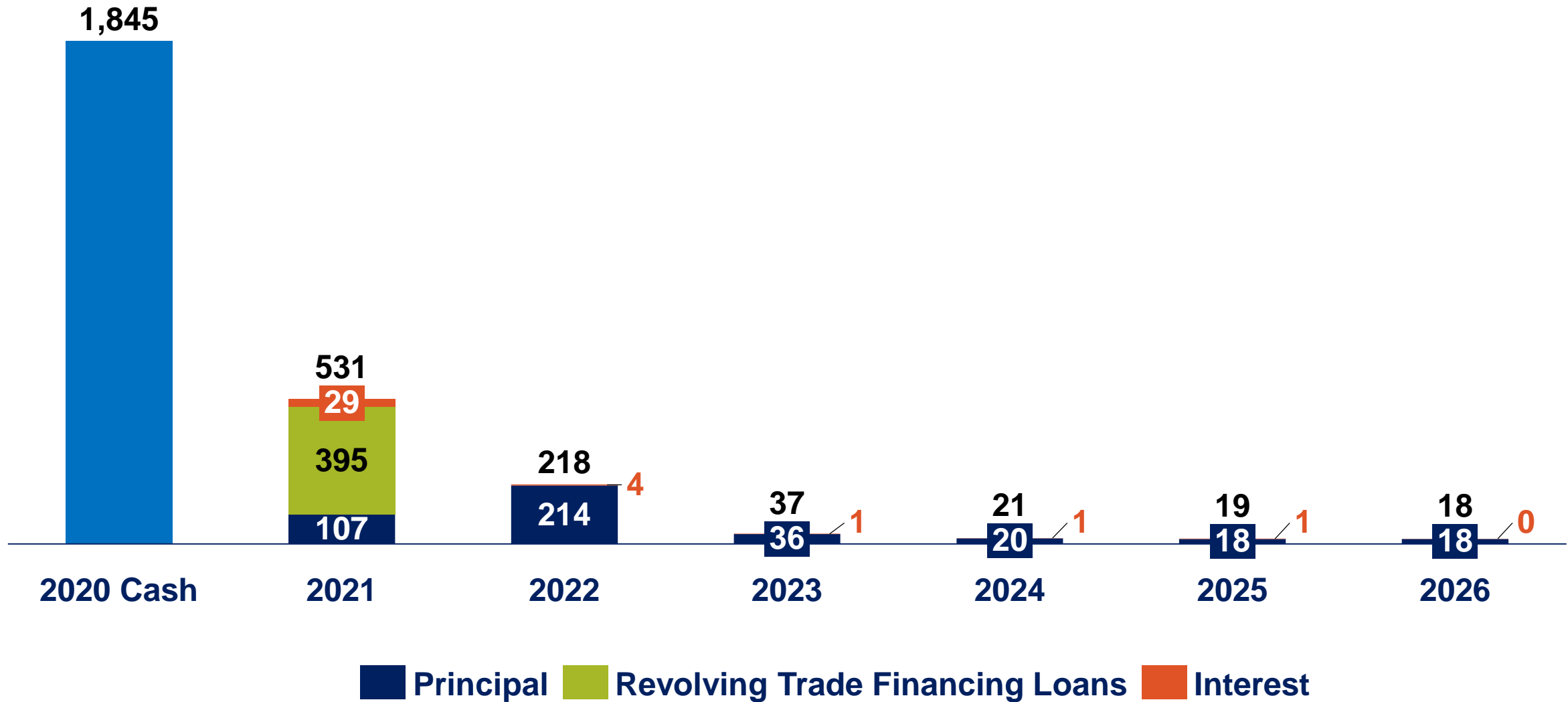
Financial Borrowings (USD mn)



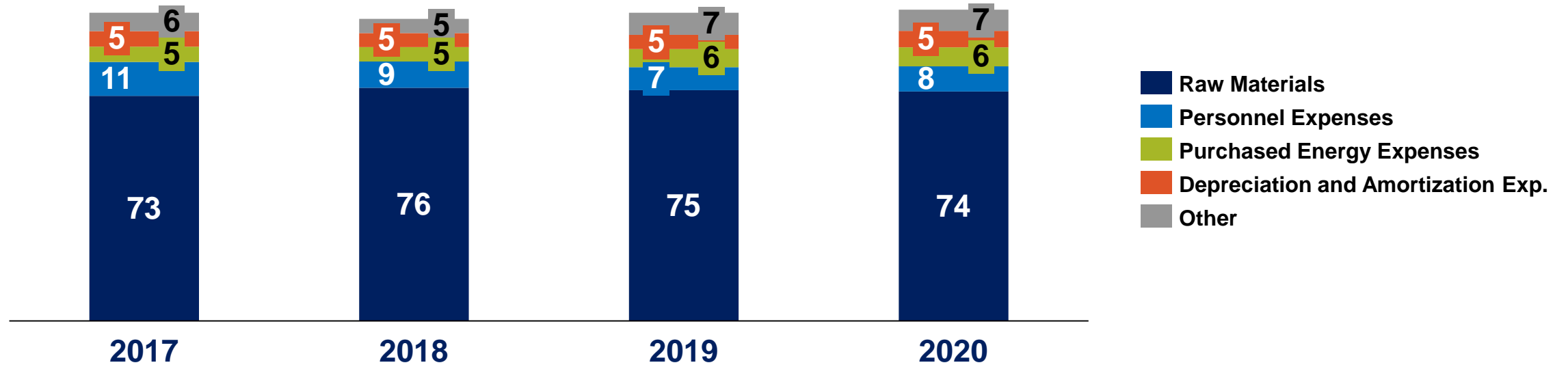
Net Debt (USD mn)



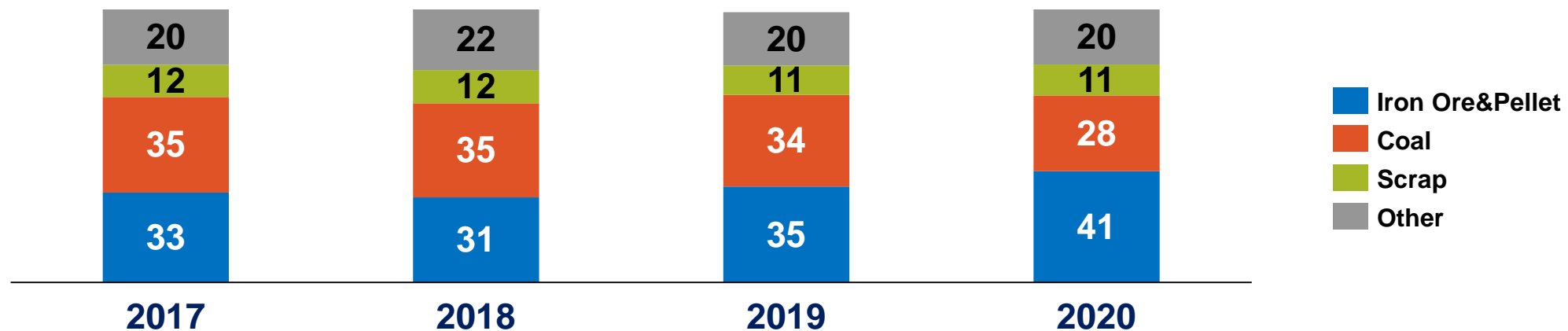
Borrowings Maturity Profile (USD mn)



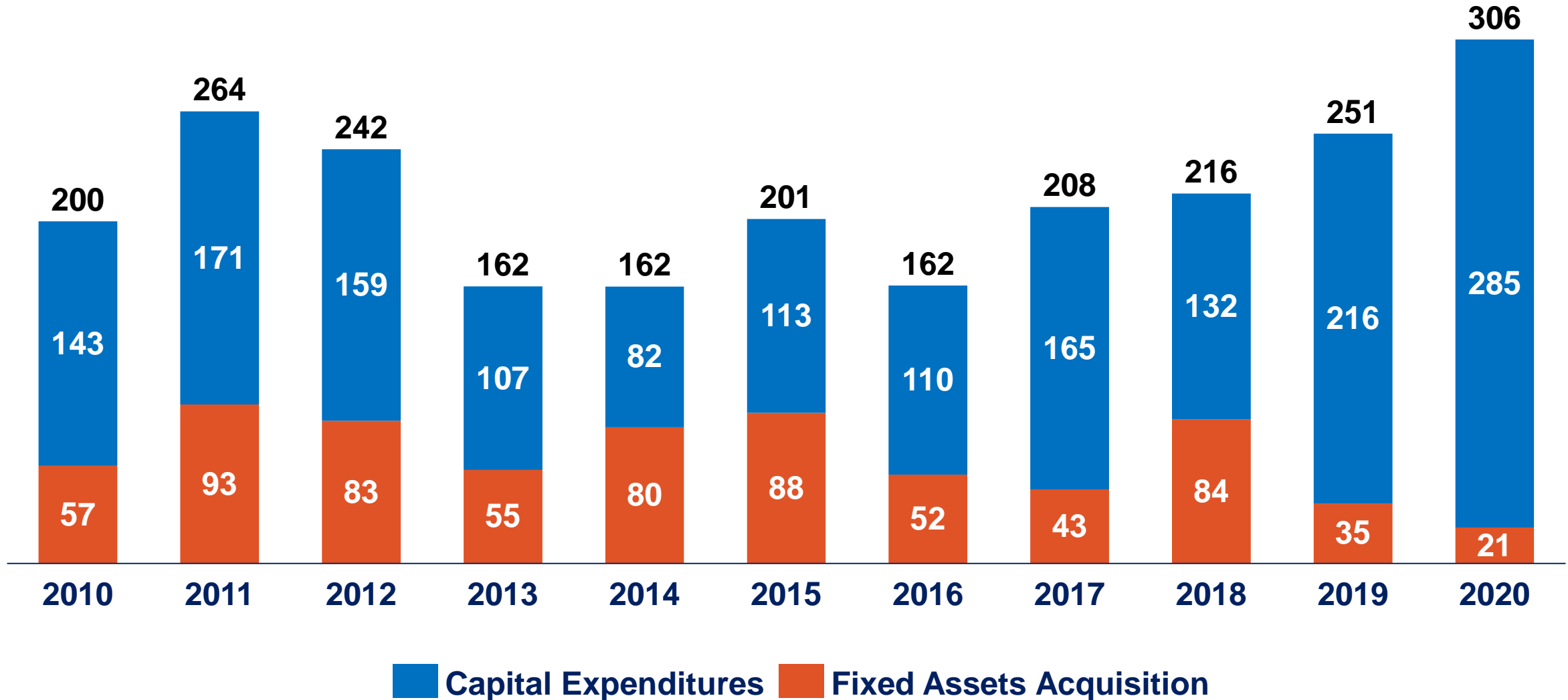
Cost of Sales Breakdown* (%)



Raw Materials Breakdown (%)

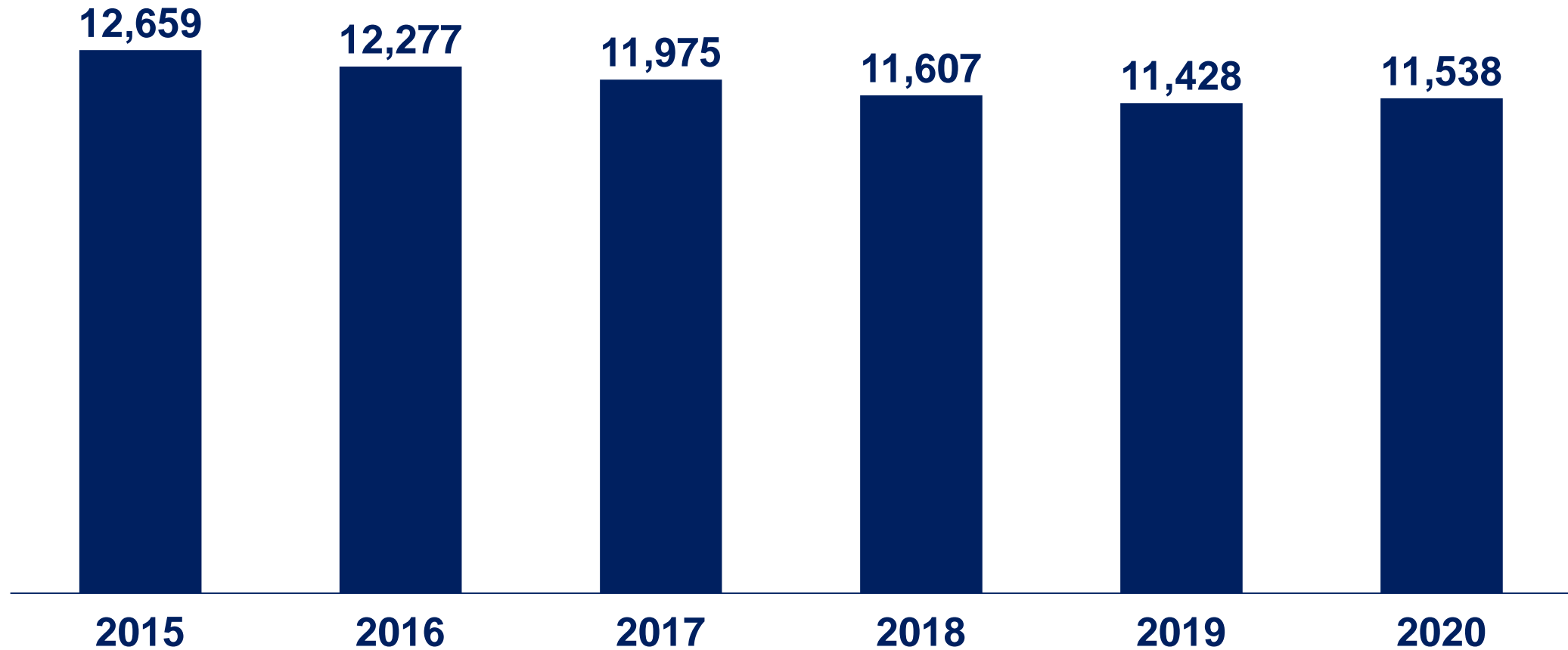


Capital Expenditures* (USD mn)



* Advance payments for capital expenditures are not included.

Number of Employees



Appendix – EBITDA Detail

| | Note | 01.01.2020- 31.12.2020 (Thousand USD) | 01.01.2020- 31.12.2020 (Thousand TRY) |
|---|------|---|---|
| Presentation Currency Translation | 2.1 | | 7.0055 |
| Operating Profit | | 795,547 | 5,573,200 |
| Depreciation and Amortisation Expenses | | 214,745 | 1,504,388 |
| Cost of Sales | 24 | 199,061 | 1,394,505 |
| Marketing Expenses | 26 | 7,266 | 50,905 |
| General Administrative Expenses | 26 | 7,209 | 50,506 |
| Research and Development Expenses | 26 | 1,209 | 8,472 |
| POA Classification | | (21,101) | (147,811) |
| Share Transfer Agreement Receivable Income | 27 | (20,920) | (146,556) |
| Interest Income for Overdue Receivables | 27 | (1,164) | (8,145) |
| Rediscount Income | 27 | (70) | (488) |
| Interest Expense for Purchase Contracts with Maturities | 27 | 1,053 | 7,378 |
| | | 989,191 | 6,929,727 |



Erdemir Investor Relations

investorrelations@erdemir.com.tr

<https://www.erdemir.com.tr/investor-relations/>

+90 216 578 80 61