



MINING METALLURGY
GROUP



2019 3 Months Investor Presentation

26.04.2019



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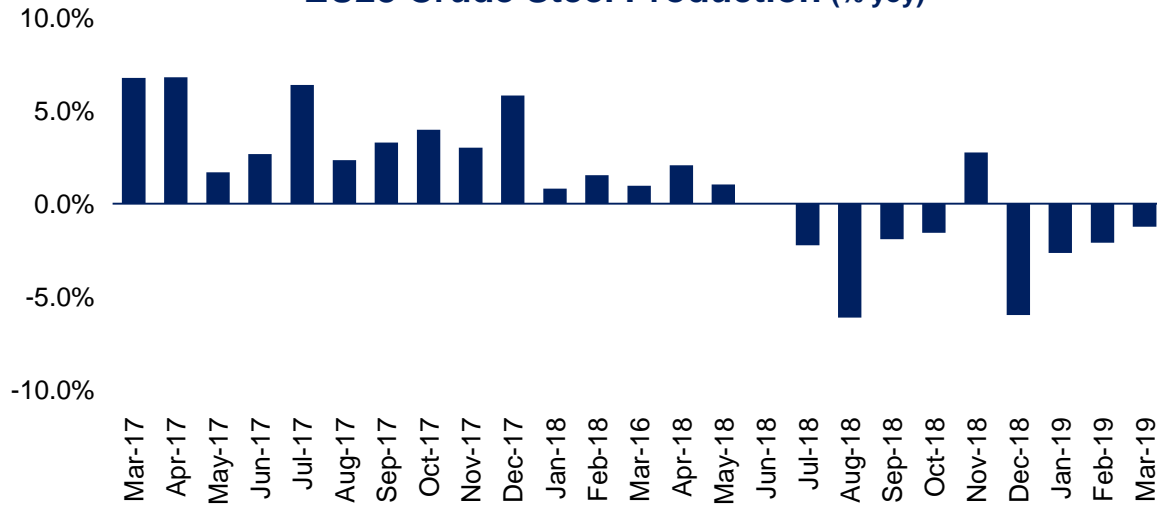
2019 Market Overview



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Crude Steel Production

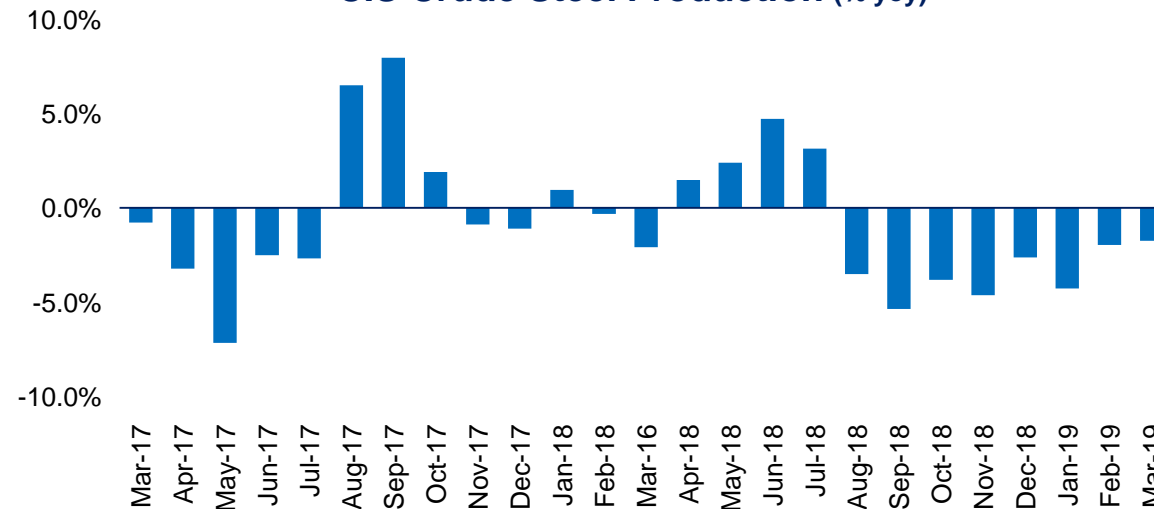
EU28 Crude Steel Production (% yoy)



China Crude Steel Production (% yoy)

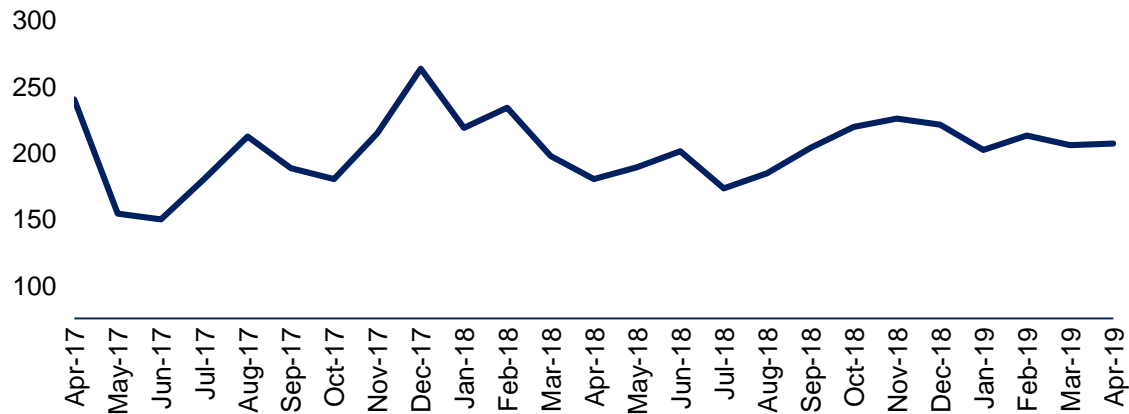


CIS Crude Steel Production (% yoy)

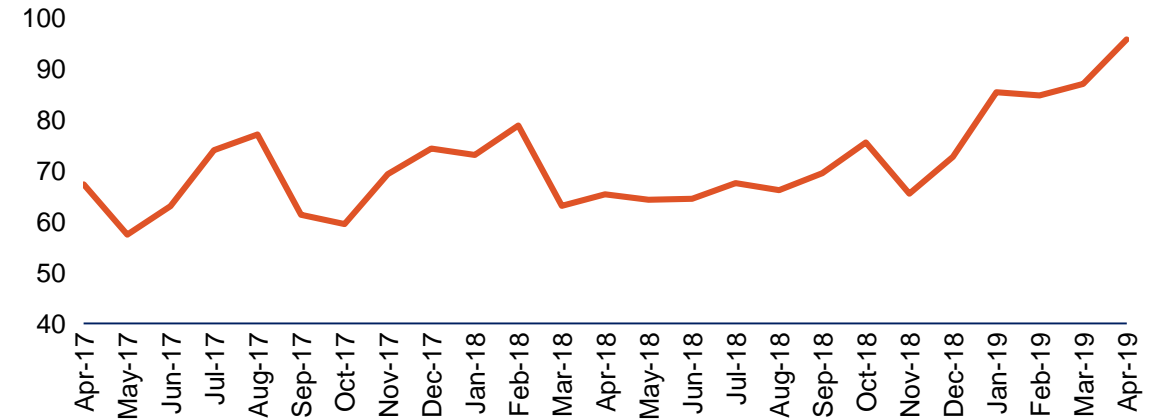


Coking Coal, Iron Ore & Scrap Prices

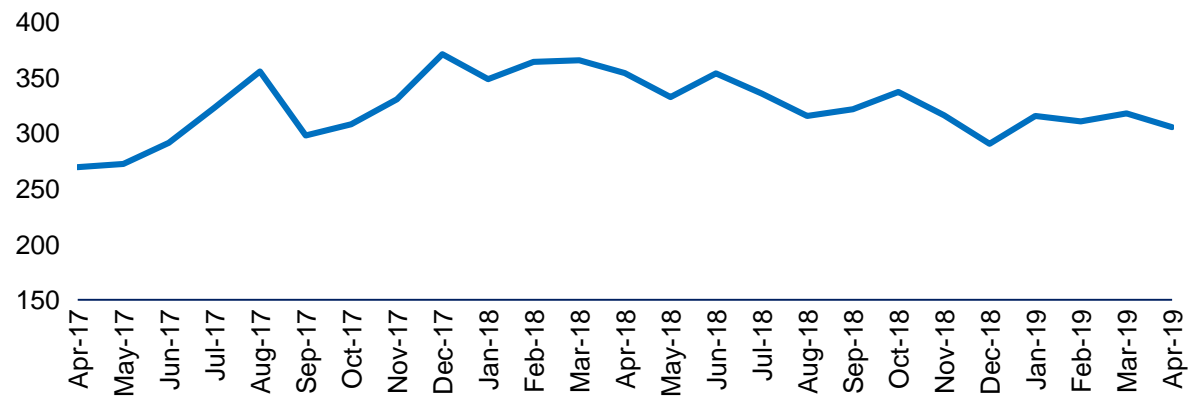
Coking Coal Prices
(HCC Peak Downs Region FOB Australia)



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

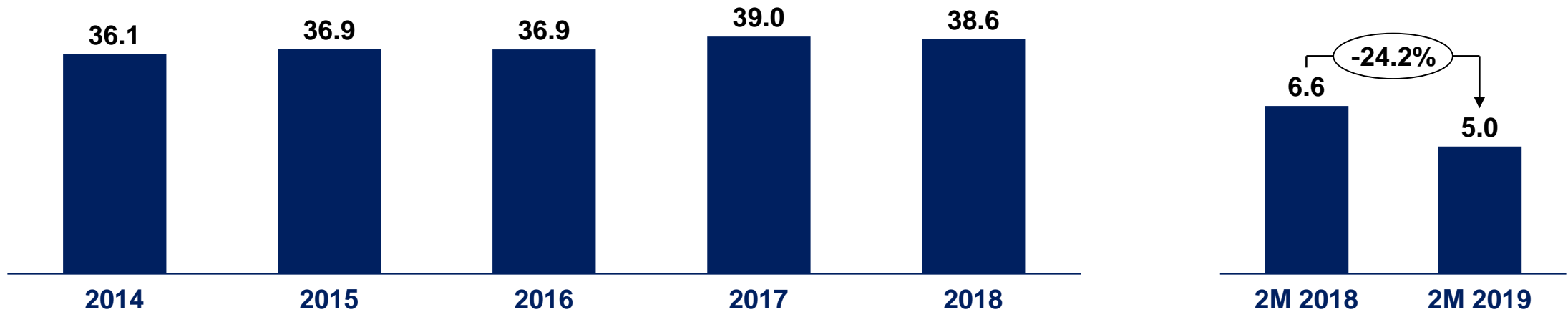


Scrap Prices
(HMS CFR Turkey Mid)

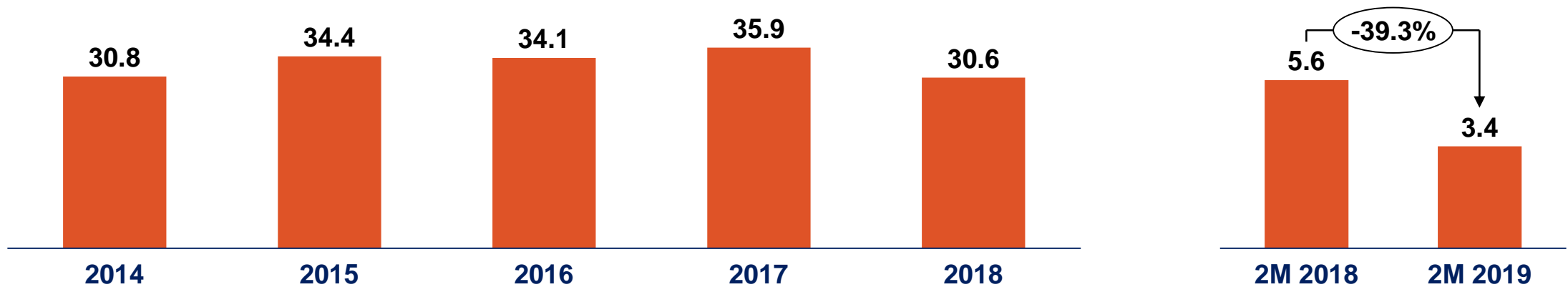


Turkish Steel Production & Consumption

Flat and Long Production (mn tons)

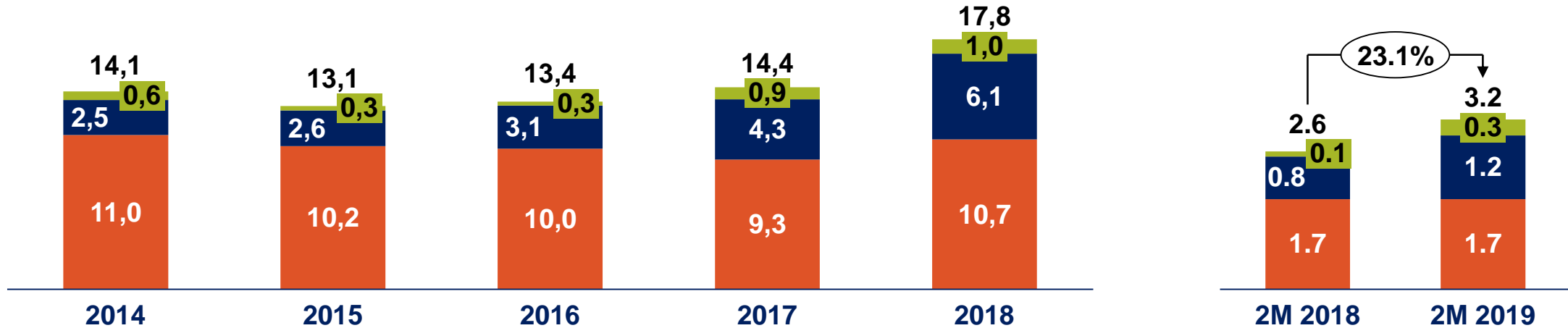


Flat and Long Consumption (mn tons)

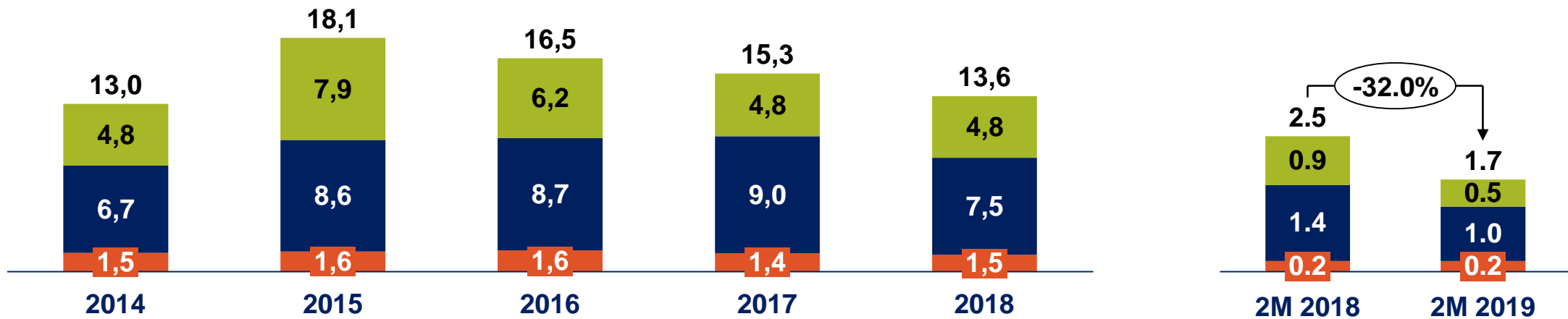


Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



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



2019 3M Results



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Operational and Financial Highlights

Operational Highlights	2017	2018	3M 2018	3M 2019	Growth (YoY)
Liquid Steel Production (000 tons)	9,392	9,322	2,401	2,369	-1.3%
Flat Steel Production* (000 tons)	7,713	7,743	1,959	1,827	-6.7%
Long Steel Production (000 tons)	1,328	980	251	315	25.5%
Flat Steel Shipments (000 tons)	7,594	7,482	1,937	1,888	-2.5%
Long Steel Shipments (000 tons)	1,364	919	249	336	34.9%

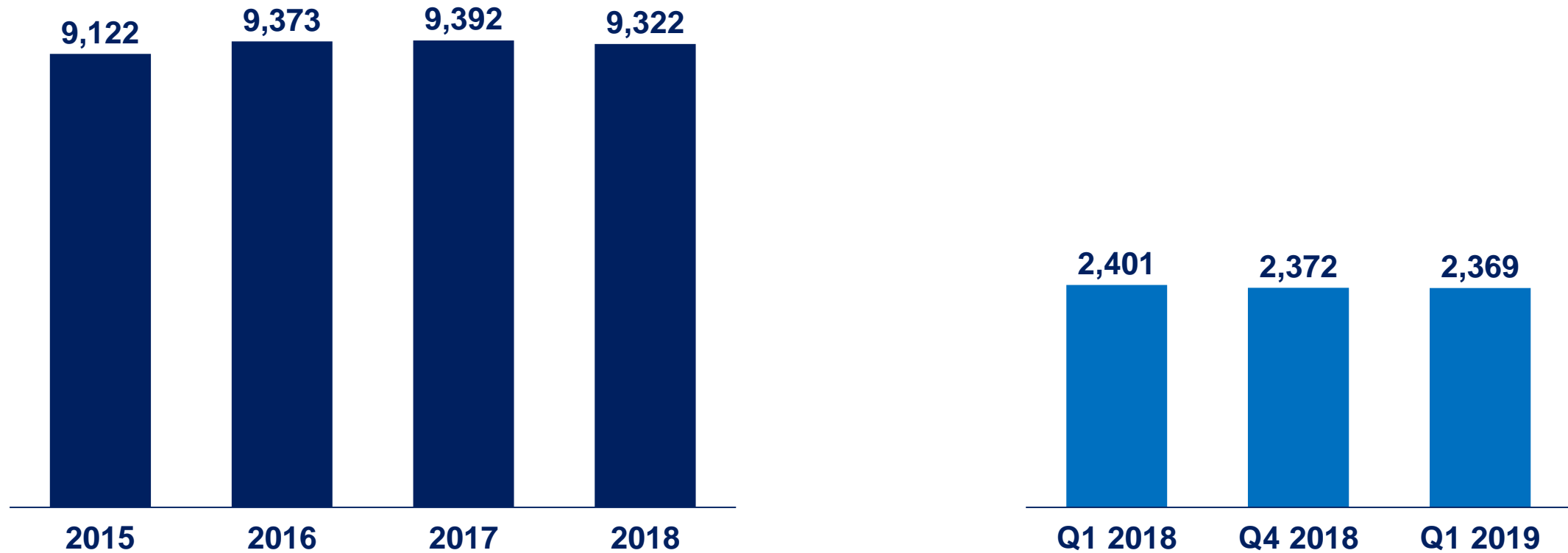
Financial Highlights	2017	2018	3M 2018	3M 2019	Growth (YoY)
Net Sales Revenue (USD mn)	5,140	5,598	1,422	1,333	-6.3%
EBITDA (USD mn)	1,496	1,720	438	323	-26.3%
Net Profit** (USD mn)	1,030	1,160	279	186	-33.3%

All figures are on IFRS consolidated basis unless stated otherwise.

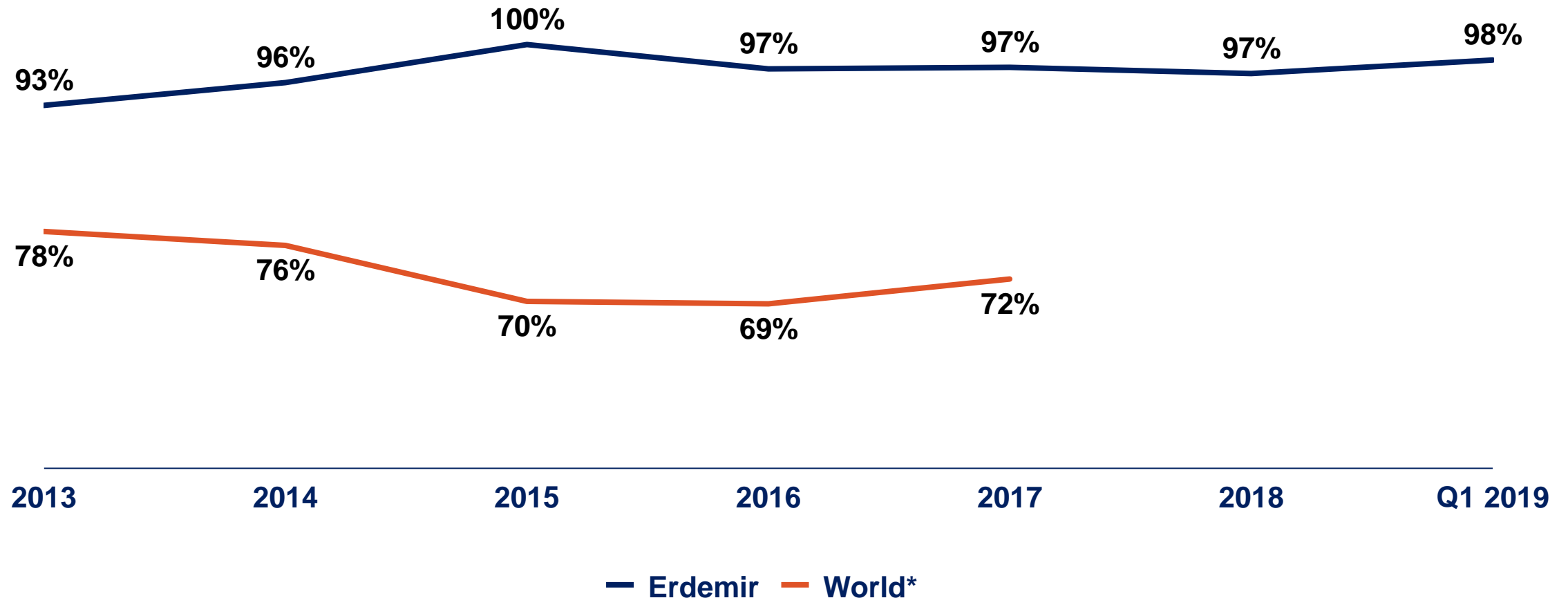
() Total flat steel production of Ereğli and İskenderun Plants.*

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

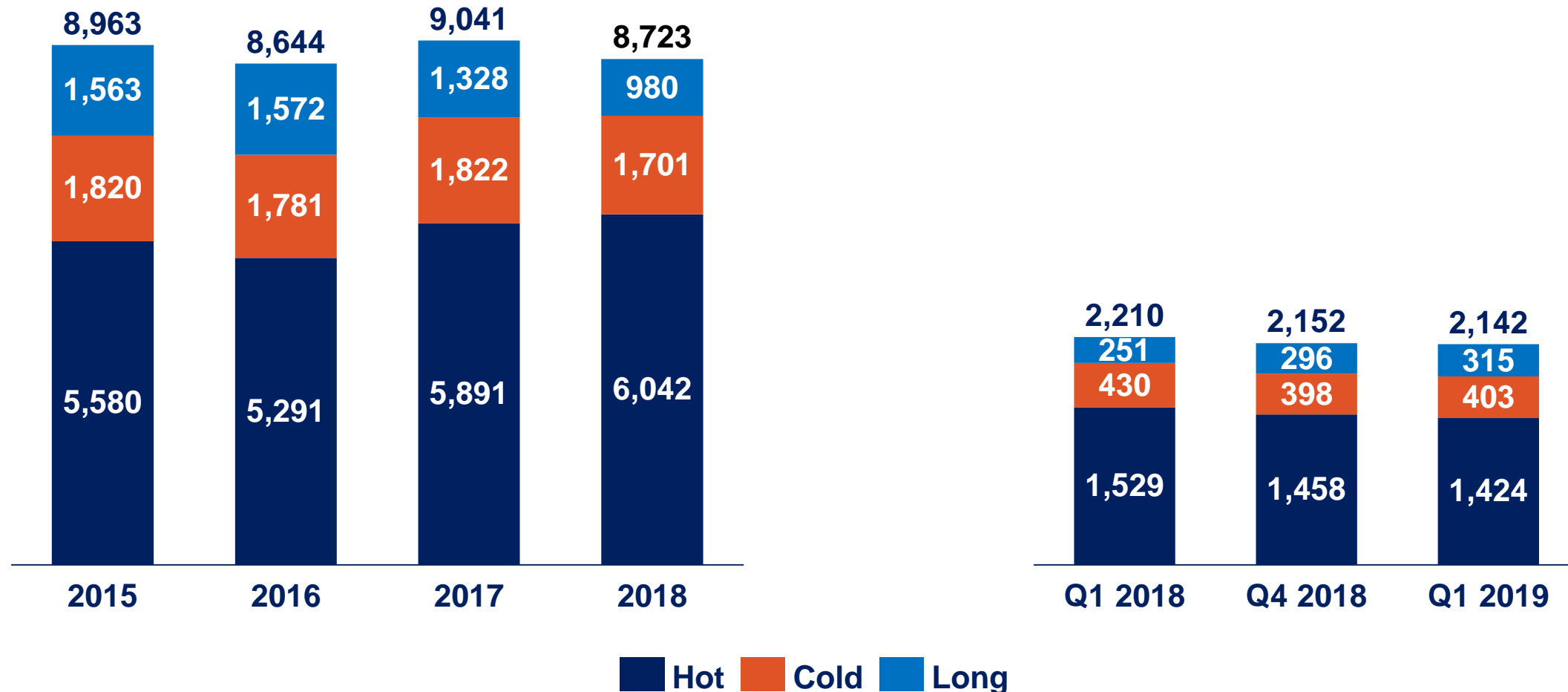
Liquid Steel Production (000 tons)



Crude Steel Capacity Utilization Ratio



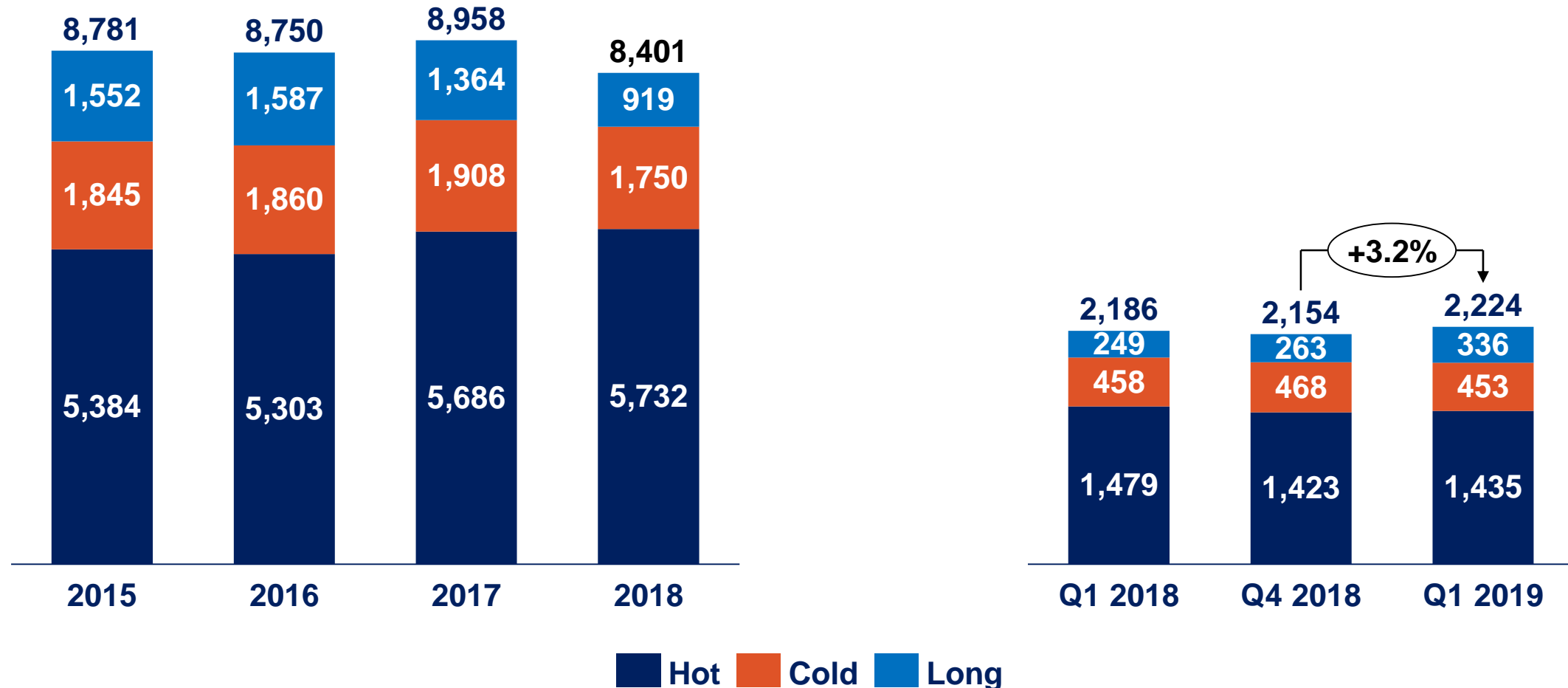
Production (000 tons)



Hot Cold Long

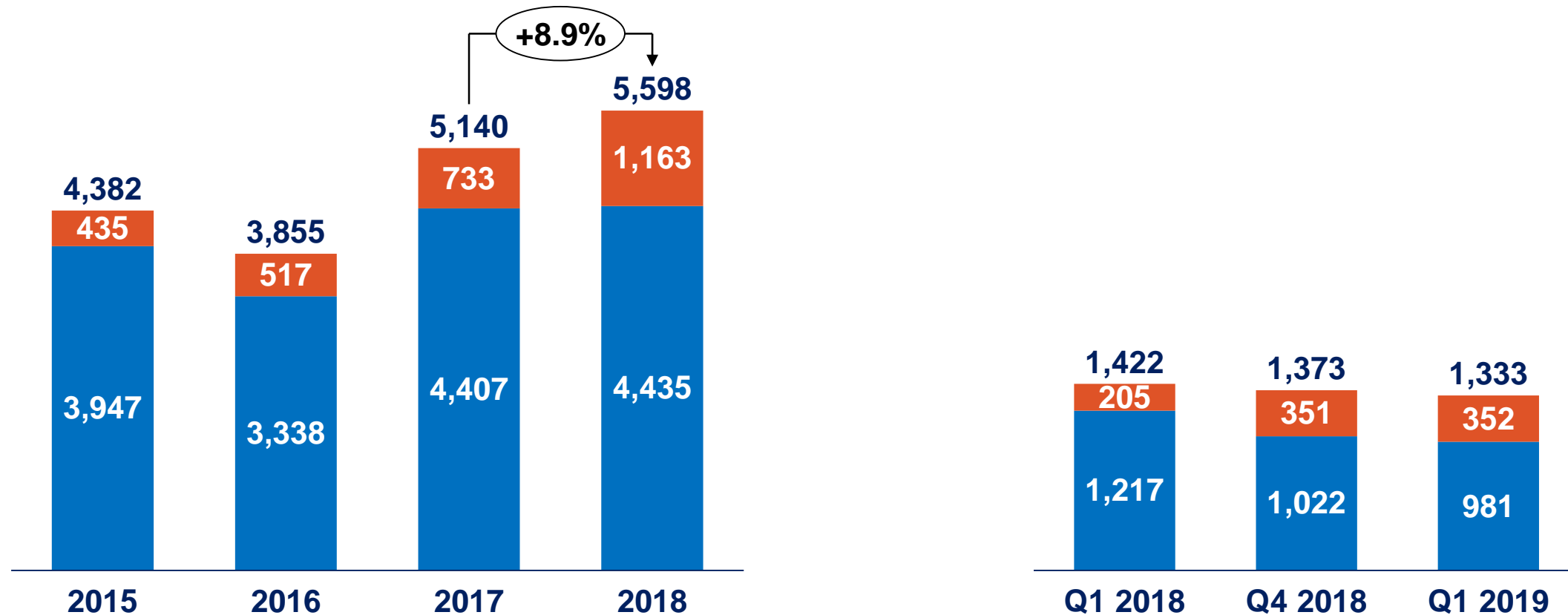
Sales Volume (000 tons)

Total sales increased by 3.2% QoQ in Q1 2019.



Net Sales Revenue (USD mn)

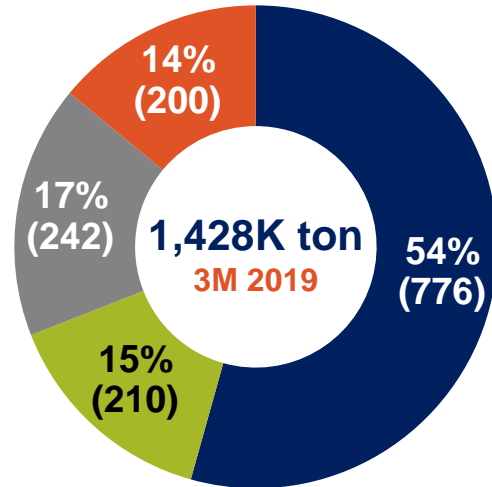
Export revenue increased by 71.7% YoY in Q1 2019.



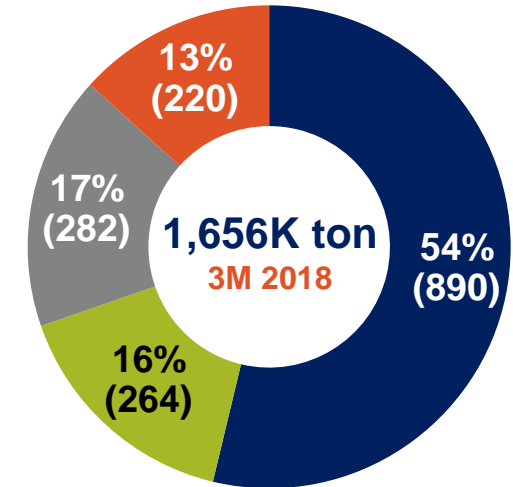
Export Domestic

Flat & Long Steel Domestic Sales Breakdown

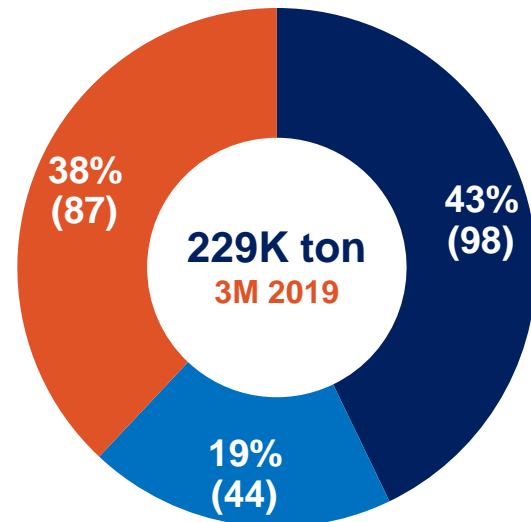
Flat Steel Domestic Sales



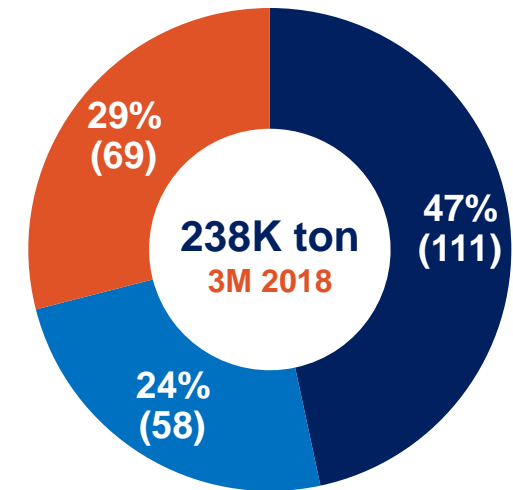
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



Long Steel Domestic Sales

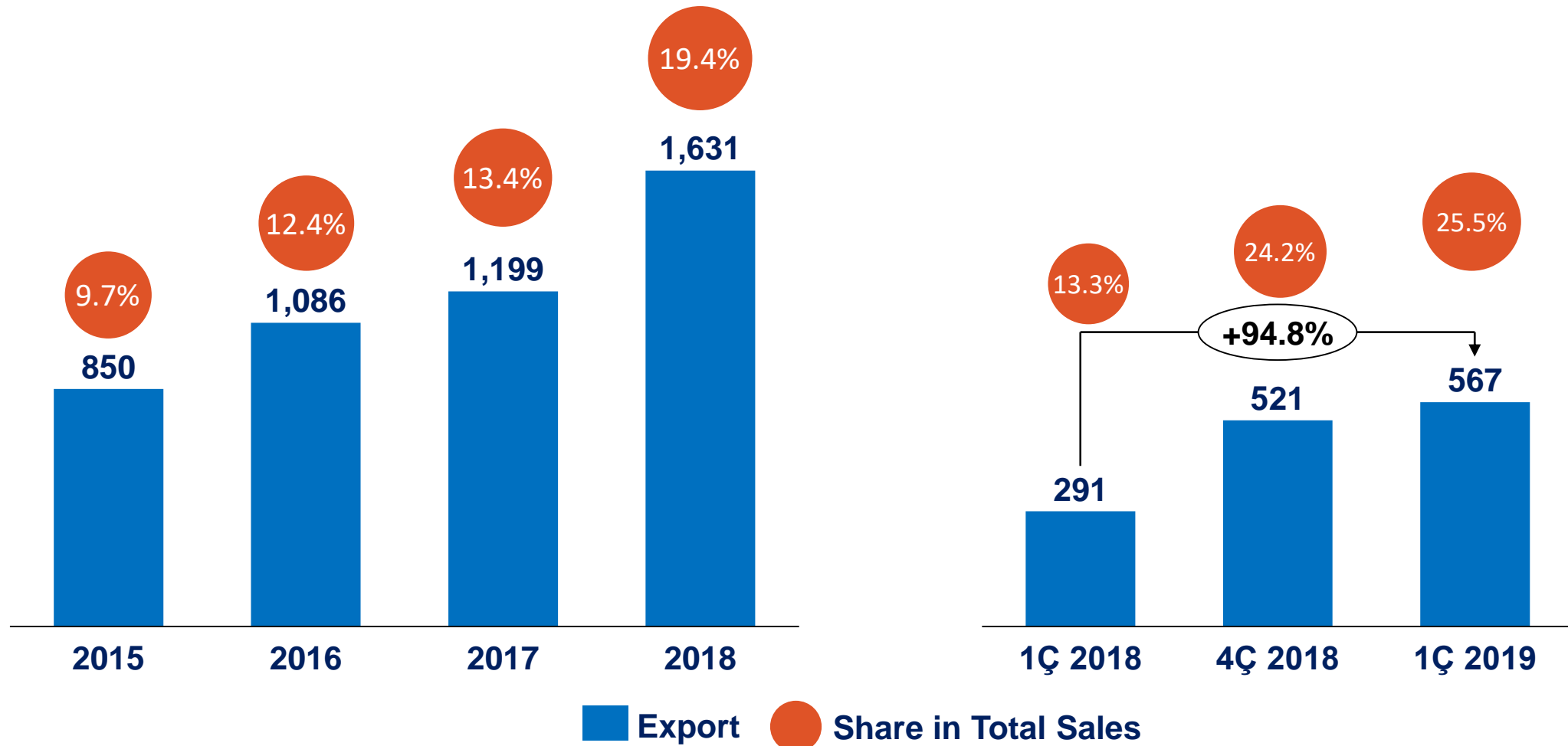


- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities

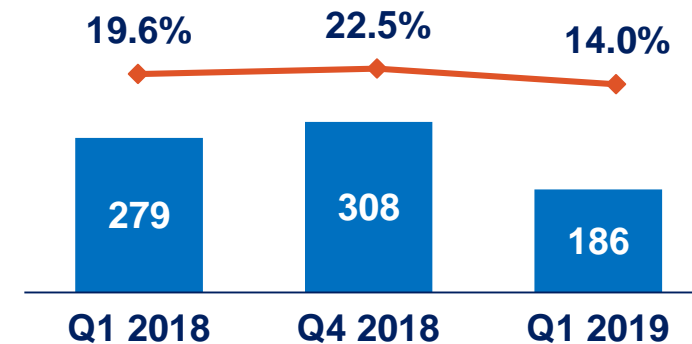
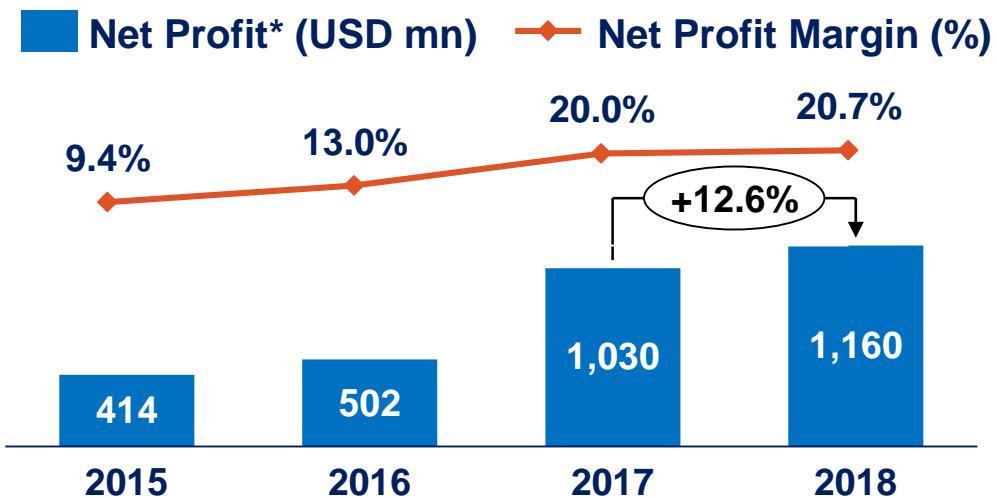
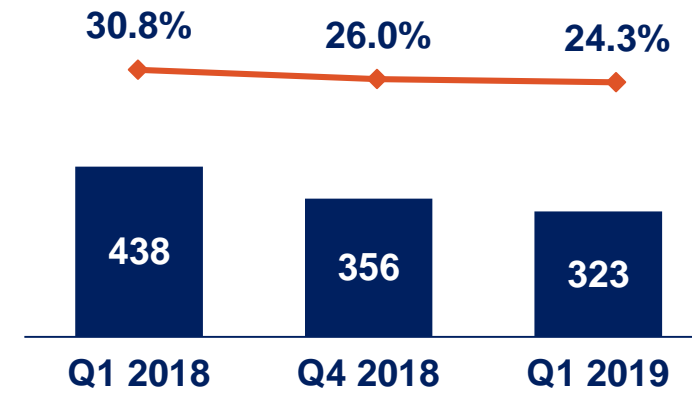
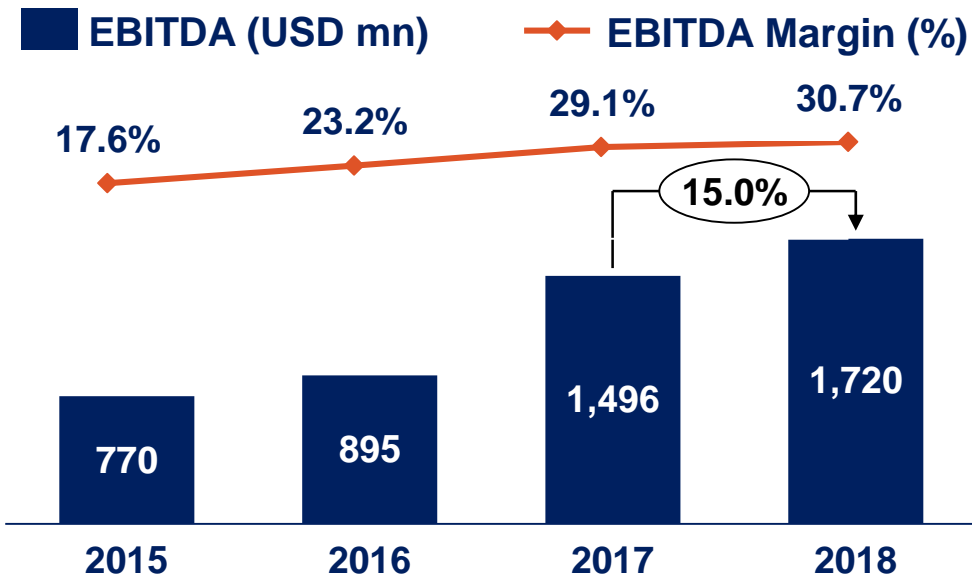


Export Volume (000 tons)

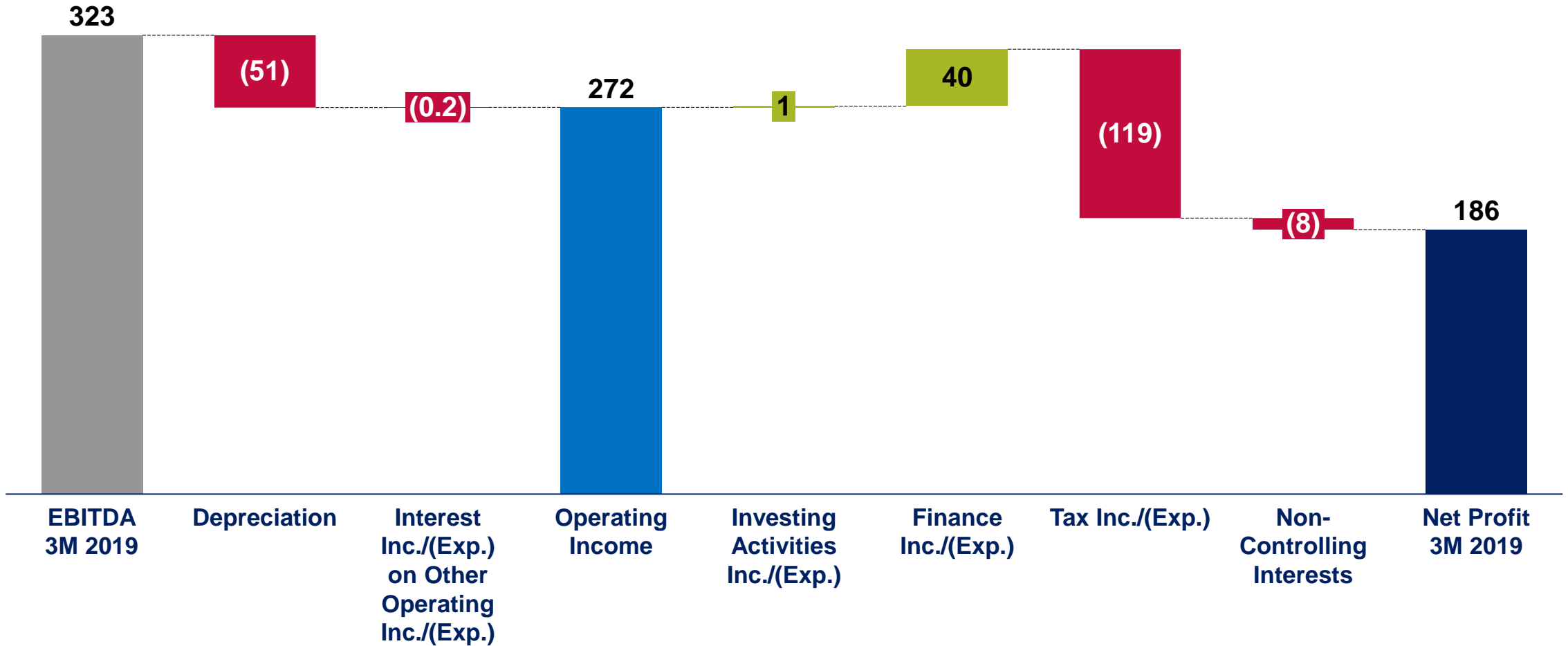
Total export volume increased by 94.8% YoY in Q1 2019.



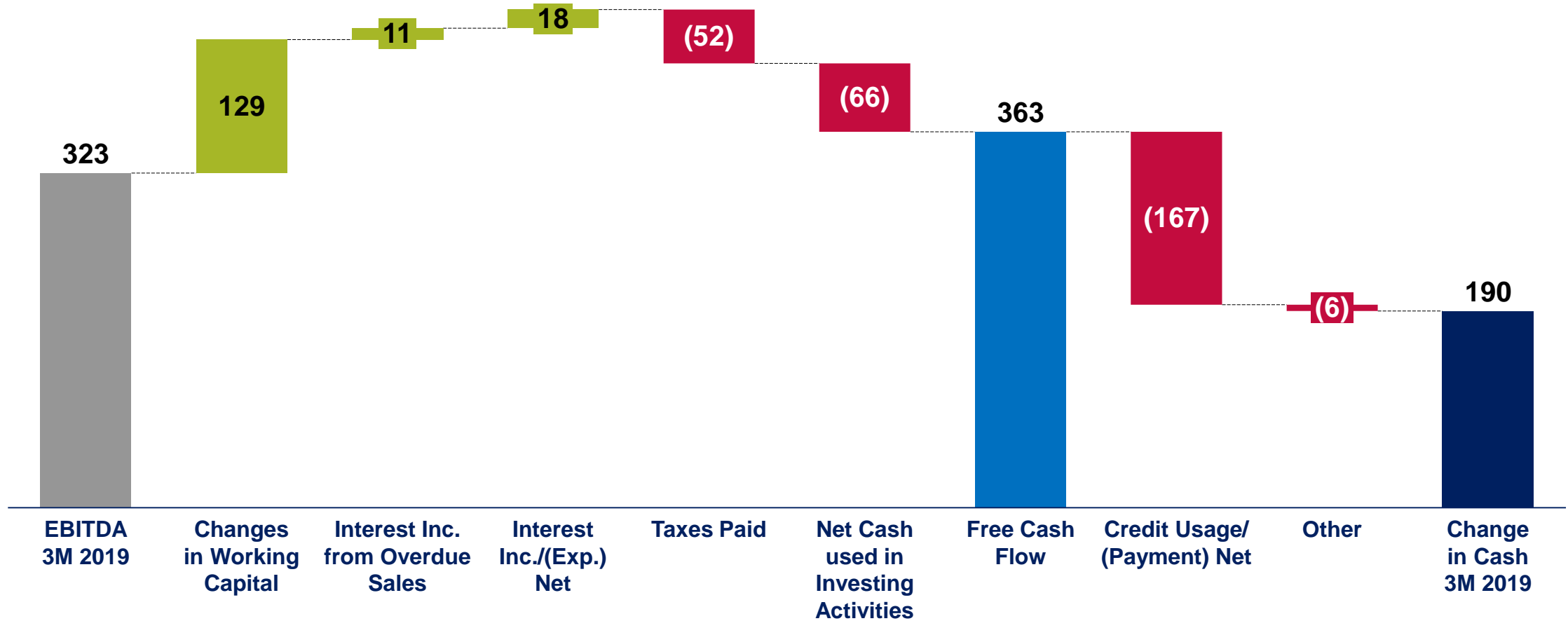
EBITDA & Net Profit



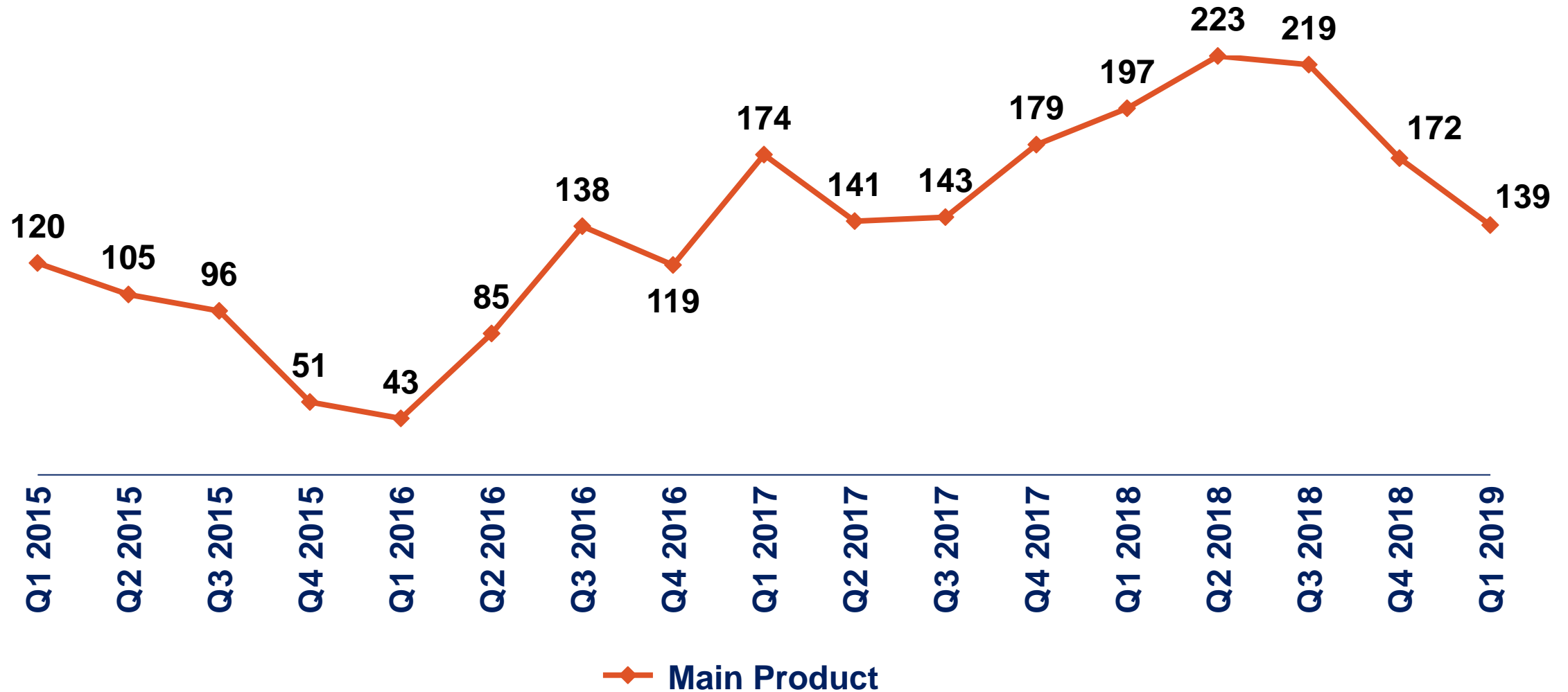
EBITDA → Net Profit



EBITDA ➔ Net Cash



EBITDA per Ton* (USD/ton)

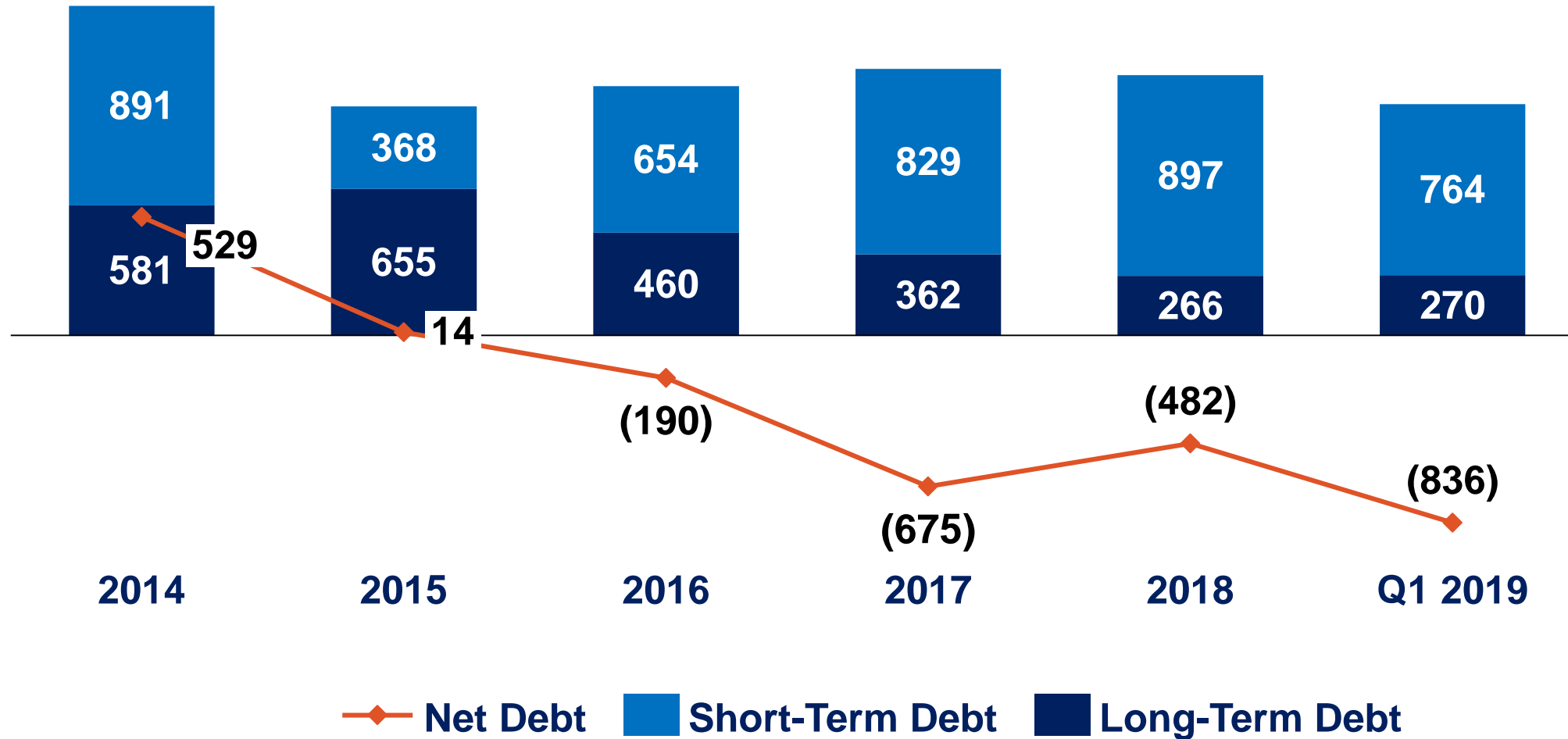


Financial Figures

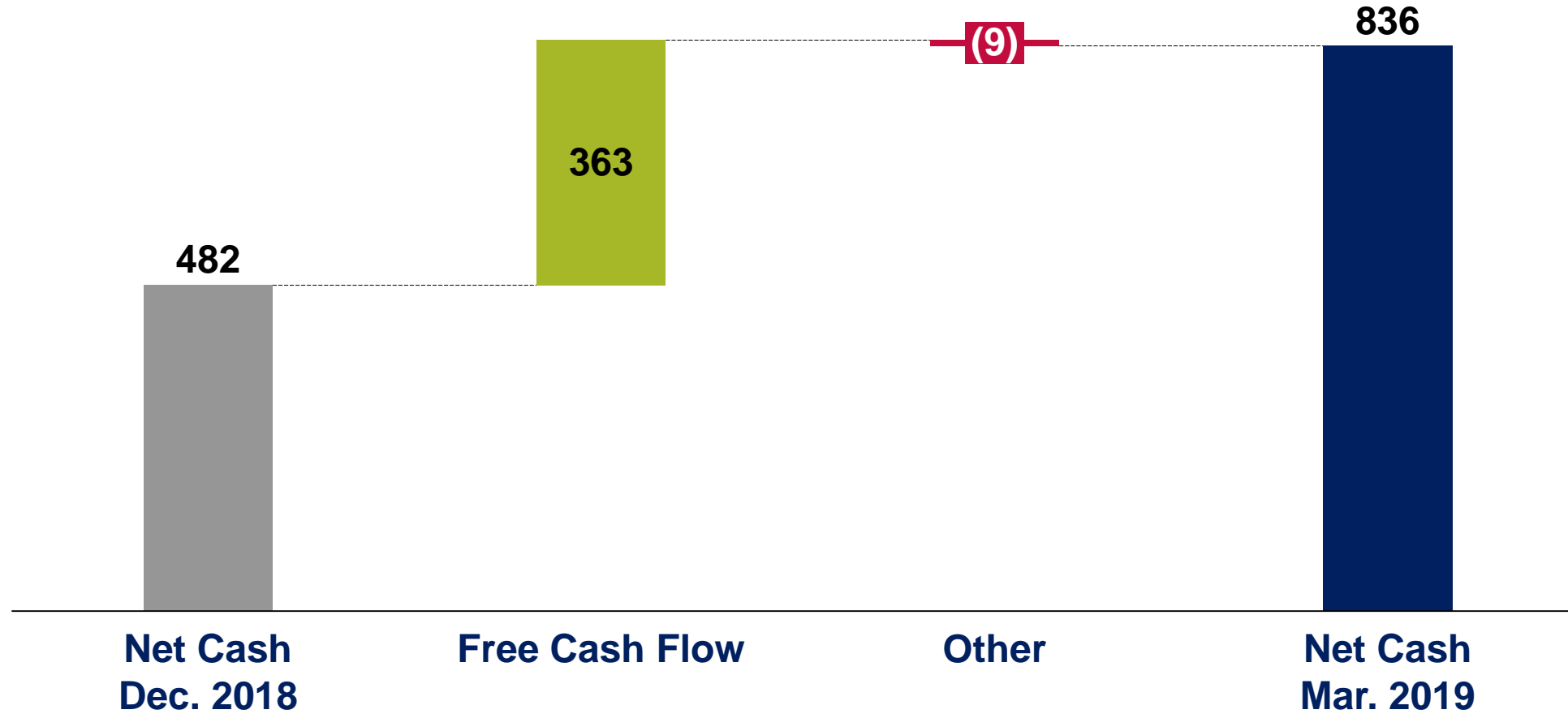
Consolidated Net Assets (USD mn)	31.12.2018	31.03.2019	Growth (YoY)
Cash and Cash Equivalents	1,646	1,834	11%
Working Capital	2,219	2,090	-6%
Tangible and Intangible Assets	3,533	3,558	1%
Financial Liabilities	(1,163)	(1,034)	-11%
Provisions and Other	(674)	(723)	7%
Dividend Payable	-	(870)	n.m.
Net Assets	5,561	4,855	-13%

Working Capital (USD mn)	31.12.2018	31.03.2019	Growth (YoY)
Trade Receivables	837	759	-9%
Inventories	1,690	1,599	-5%
Trade Payables	(368)	(357)	-3%
Other	60	89	48%
Working Capital	2,219	2,090	-6%

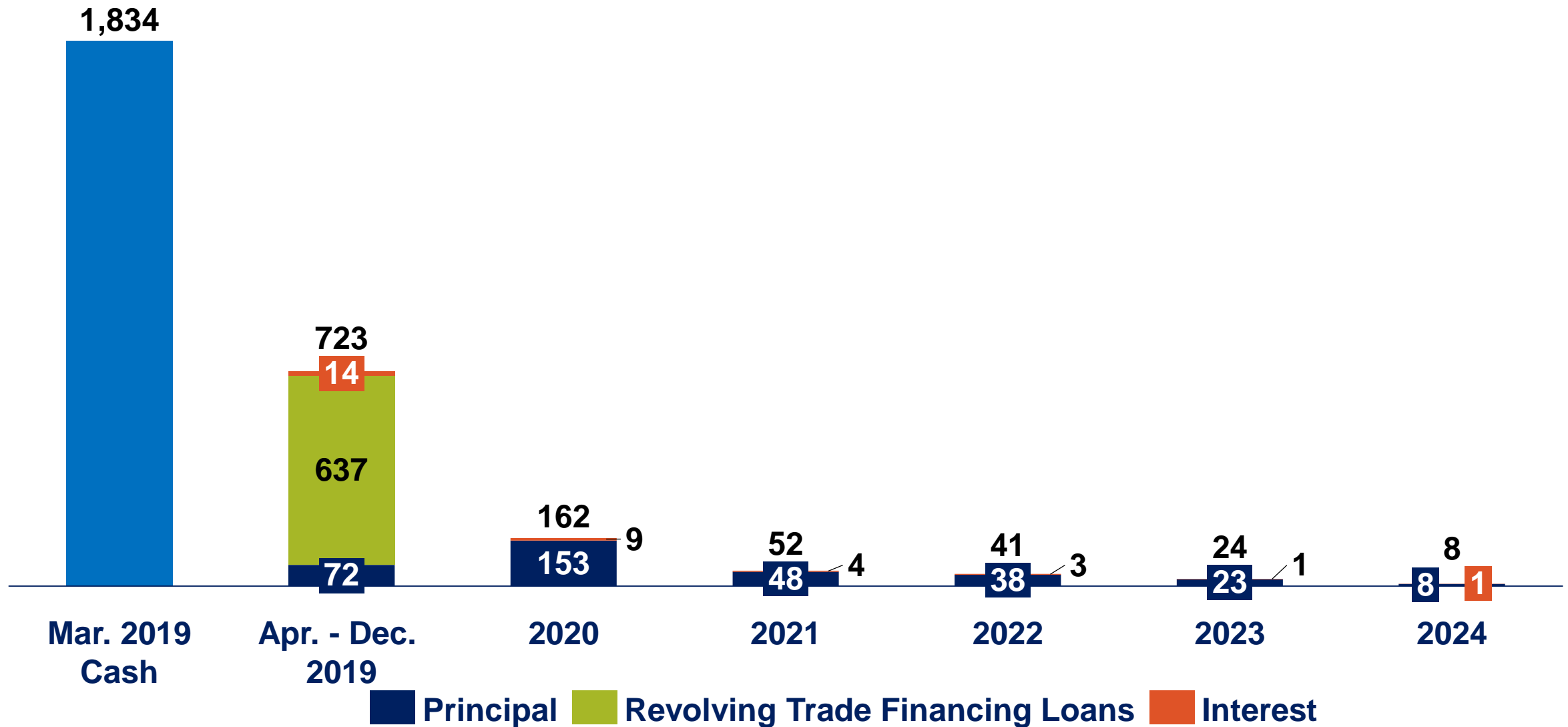
Financial Borrowings (USD mn)



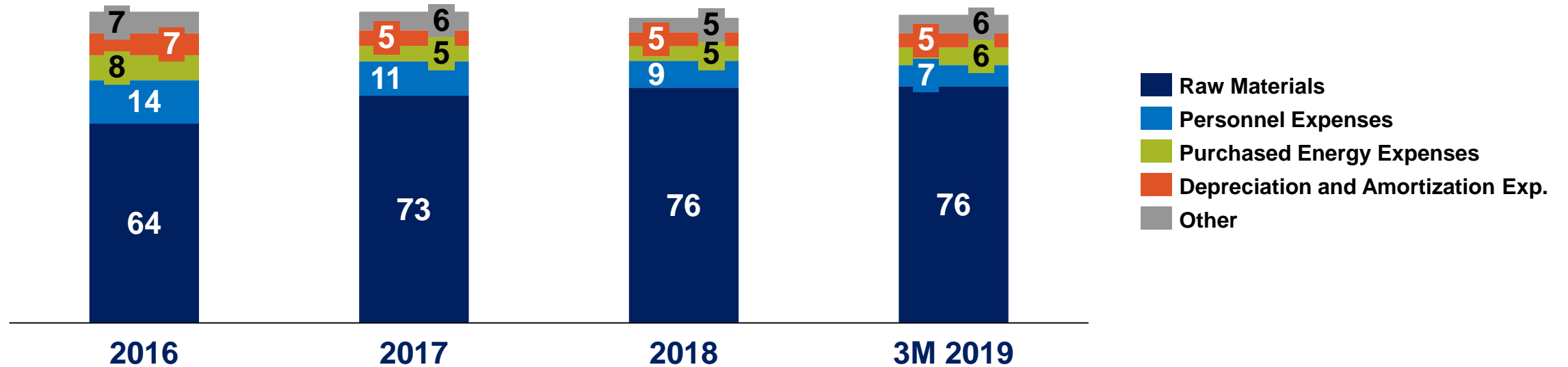
Net Debt (USD mn)



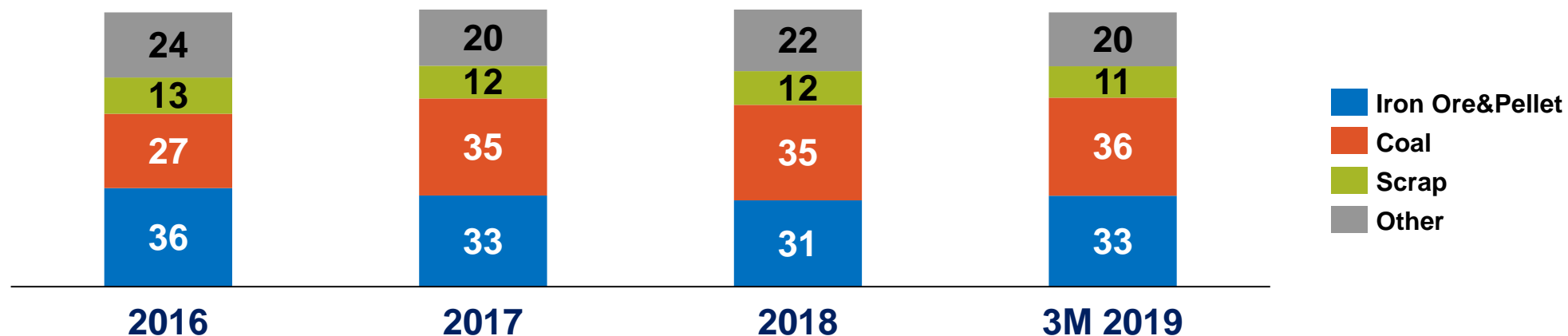
Borrowings Maturity Profile (USD mn)



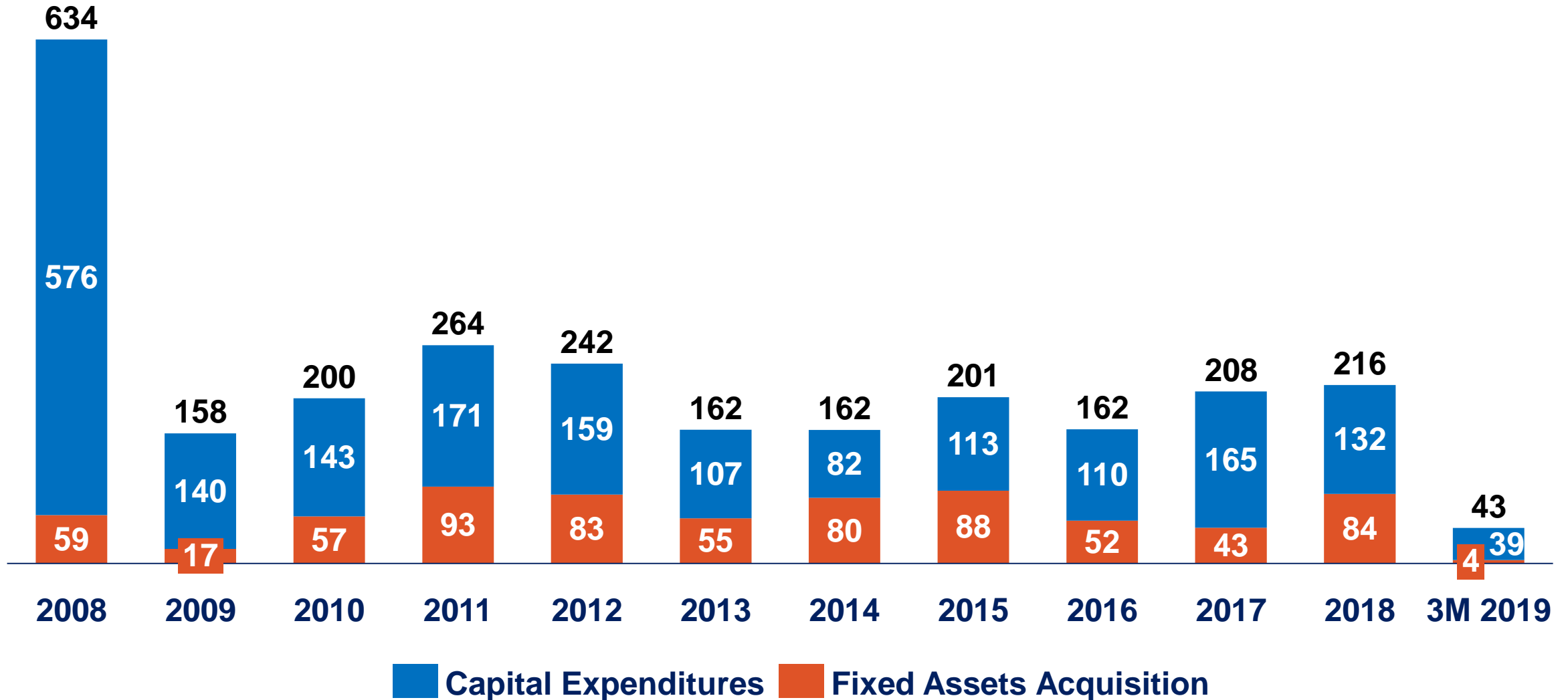
Cost of Sales Breakdown* (%)



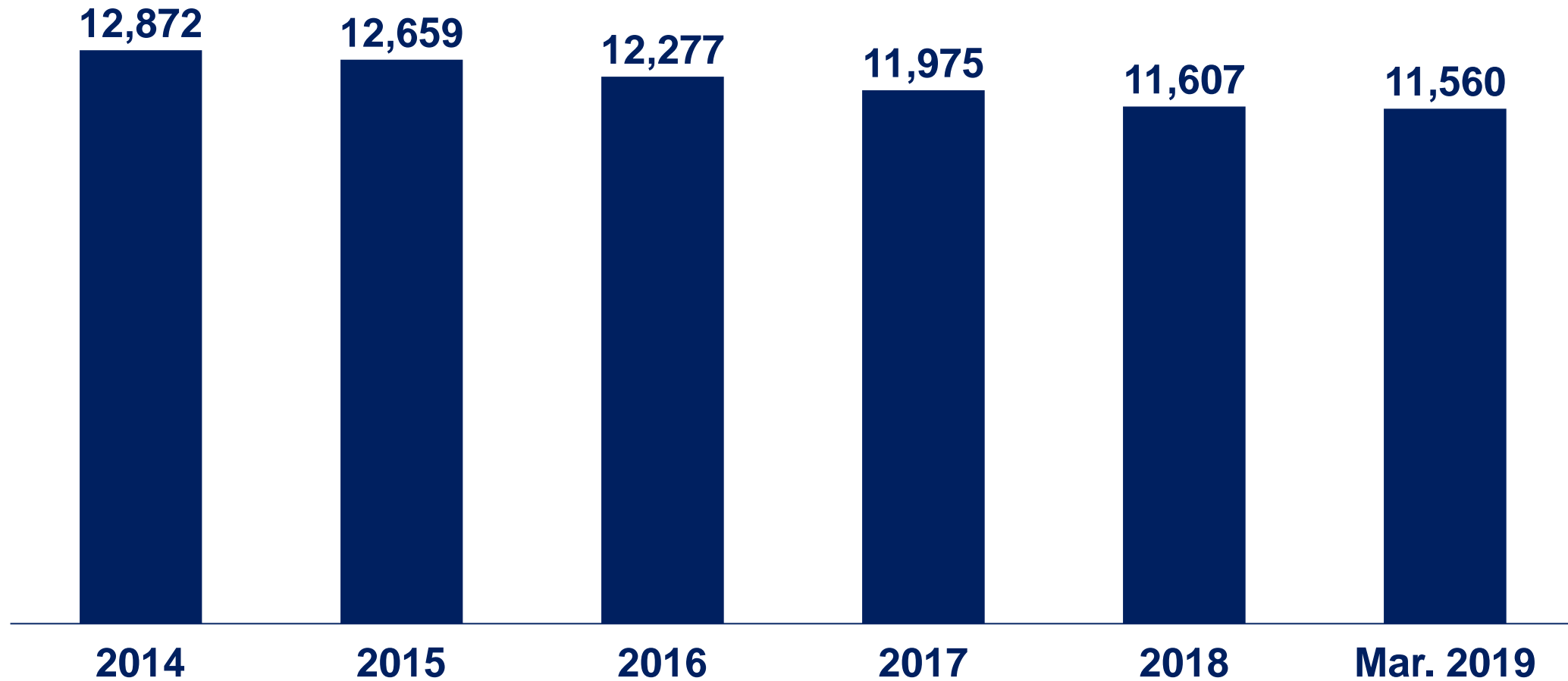
Raw Materials Breakdown (%)



Capital Expenditures (USD mn)



Number of Employees



Appendix – EBITDA Detail

	Note	01.01.2019- 31.03.2019 (Thousand USD)	01.01.2019- 31.03.2019 (Thousand TRY)
Presentation Currency Translation	2.1		5.3578
Operating Profit		272,414	1,459,543
Depreciation and Amortisation Expenses		50,777	272,049
Cost of Sales	14	46,743	250,439
Marketing Expenses	15	1,874	10,040
General Administrative Expenses	15	1,837	9,842
Research and Development Expenses	6	323	1,728
POA Classification		223	1,198
Interest Income for Overdue Receivables	15	(621)	(3,325)
Rediscount Expenses	15	(12)	(62)
Interest Expense for Purchase Contracts with Maturities	15	856	4,585
		323,414	1,732,790



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