



MINING METALLURGY
GROUP



2019 12 Months Investor Presentation

11.02.2020



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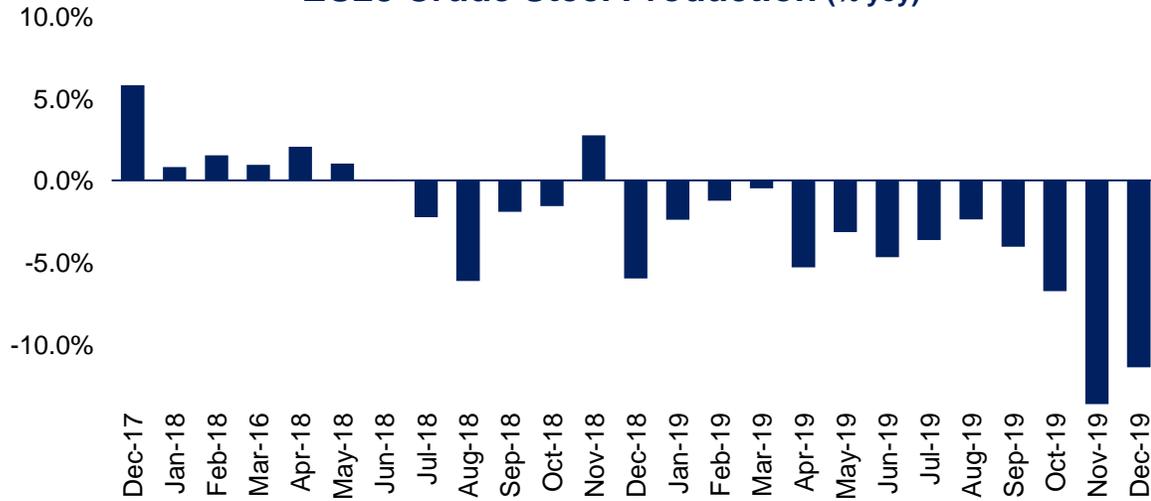
2019 Market Overview



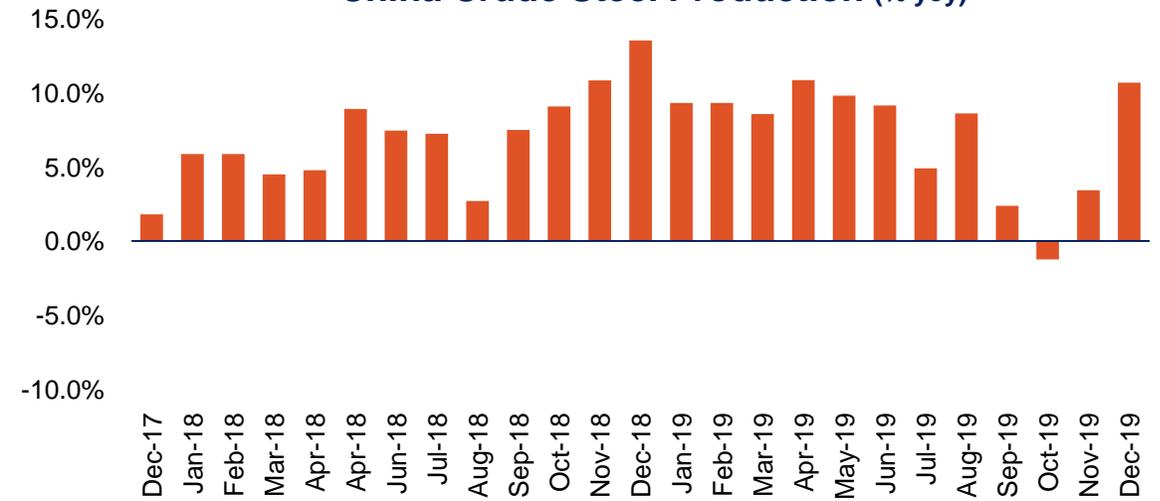
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Crude Steel Production

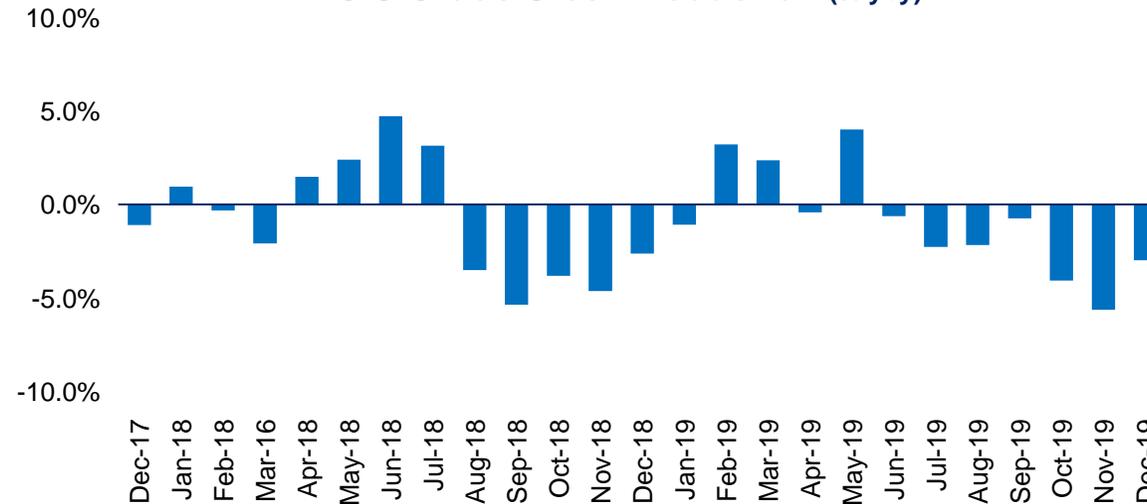
EU28 Crude Steel Production (% yoy)



China Crude Steel Production (% yoy)

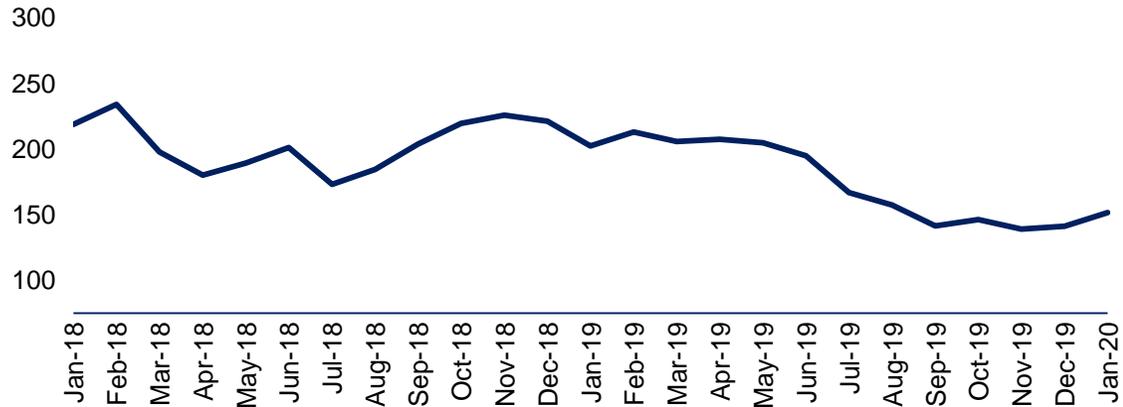


CIS Crude Steel Production (% yoy)

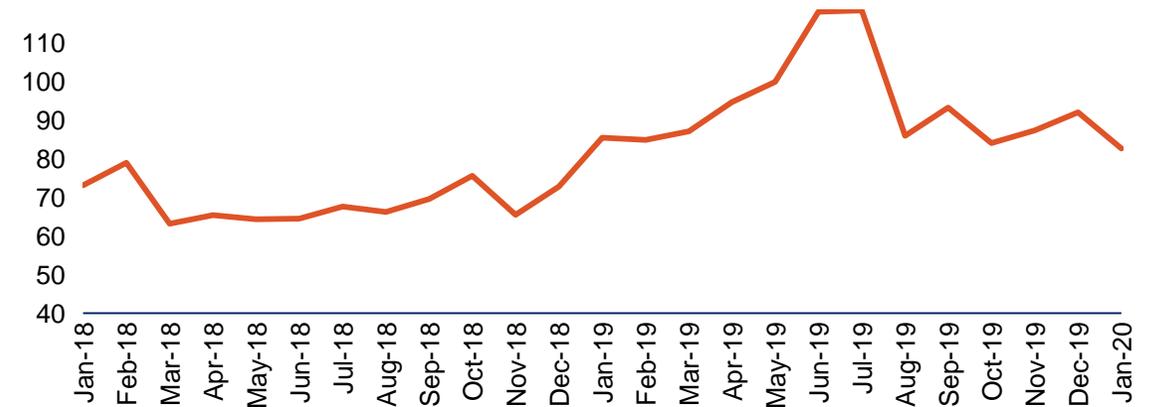


Coking Coal, Iron Ore & Scrap Prices

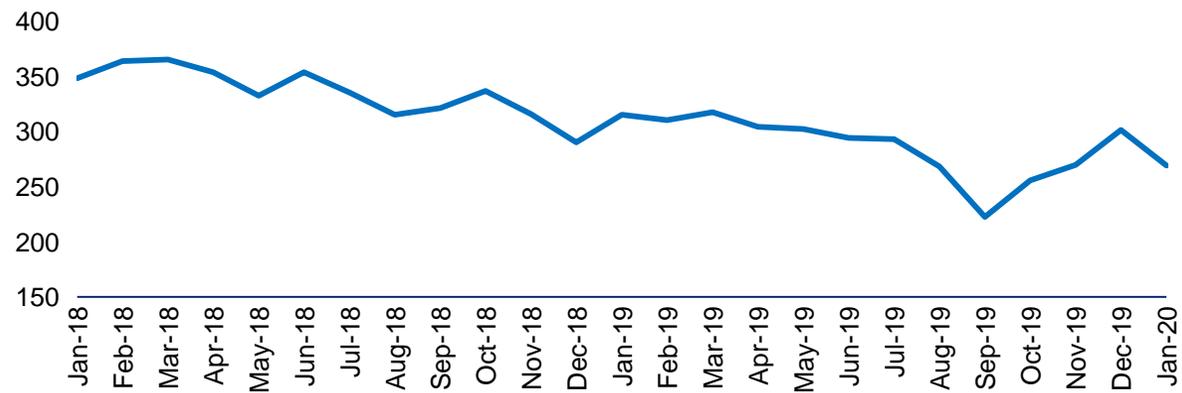
Coking Coal Prices
(HCC Peak Downs Region FOB Australia)



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



Scrap Prices
(HMS CFR Turkey Mid)



Turkish Steel Production & Consumption

Production (mn tons)



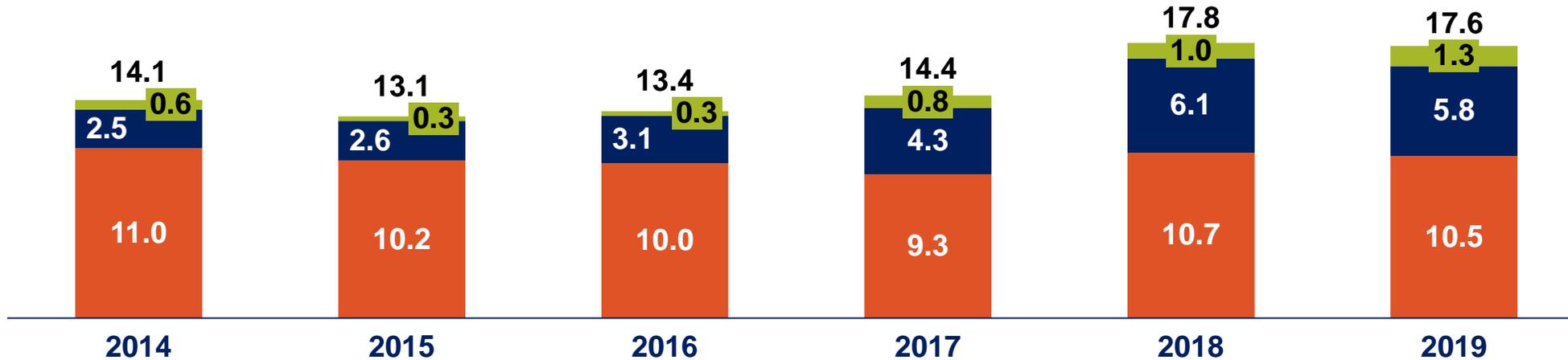
Consumption (mn tons)



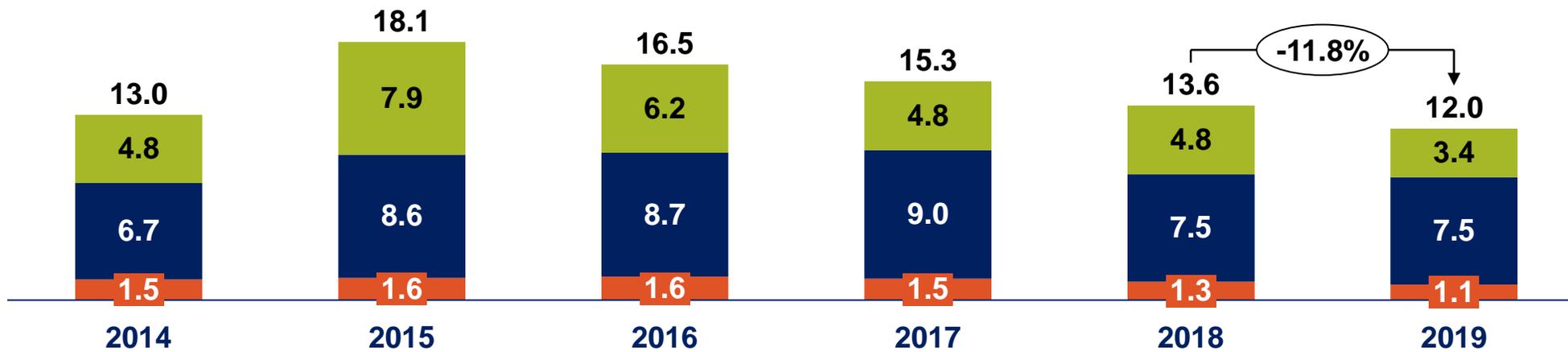
■ Flat ■ Long

Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



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



2019 12M Results



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Operational and Financial Highlights

Operational Highlights	2017	2018	2019	Growth (YoY)
Liquid Steel Production (000 tons)	9,392	9,322	8,787	-5.7%
Flat Steel Production* (000 tons)	7,713	7,743	7,257	-6.3%
Long Steel Production (000 tons)	1,328	980	1,026	4.7%
Flat Steel Shipments (000 tons)	7,594	7,482	7,250	-3.1%
Long Steel Shipments (000 tons)	1,364	919	1,057	15.0%

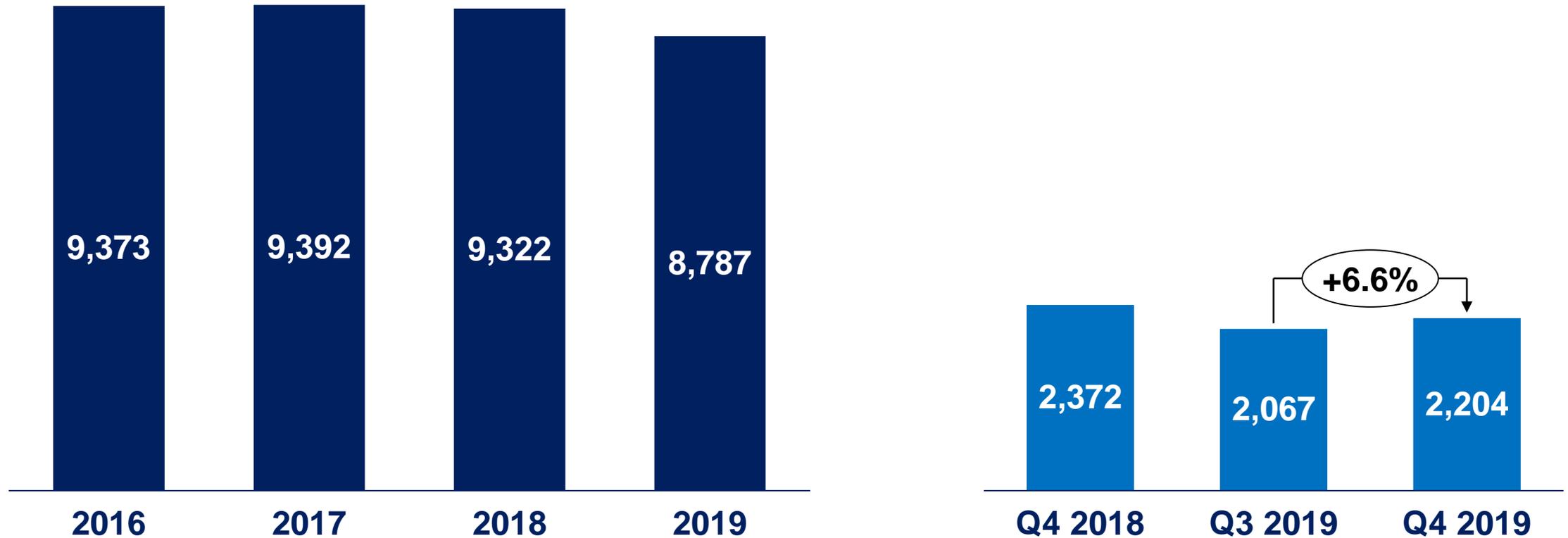
Financial Highlights	2017	2018	2019	Growth (YoY)
Net Sales Revenue (USD mn)	5,140	5,598	4,844	-13.5%
EBITDA (USD mn)	1,496	1,720	974	-43.4%
Net Profit** (USD mn)	1,030	1,160	585	-49.6%

All figures are on IFRS consolidated basis unless stated otherwise.

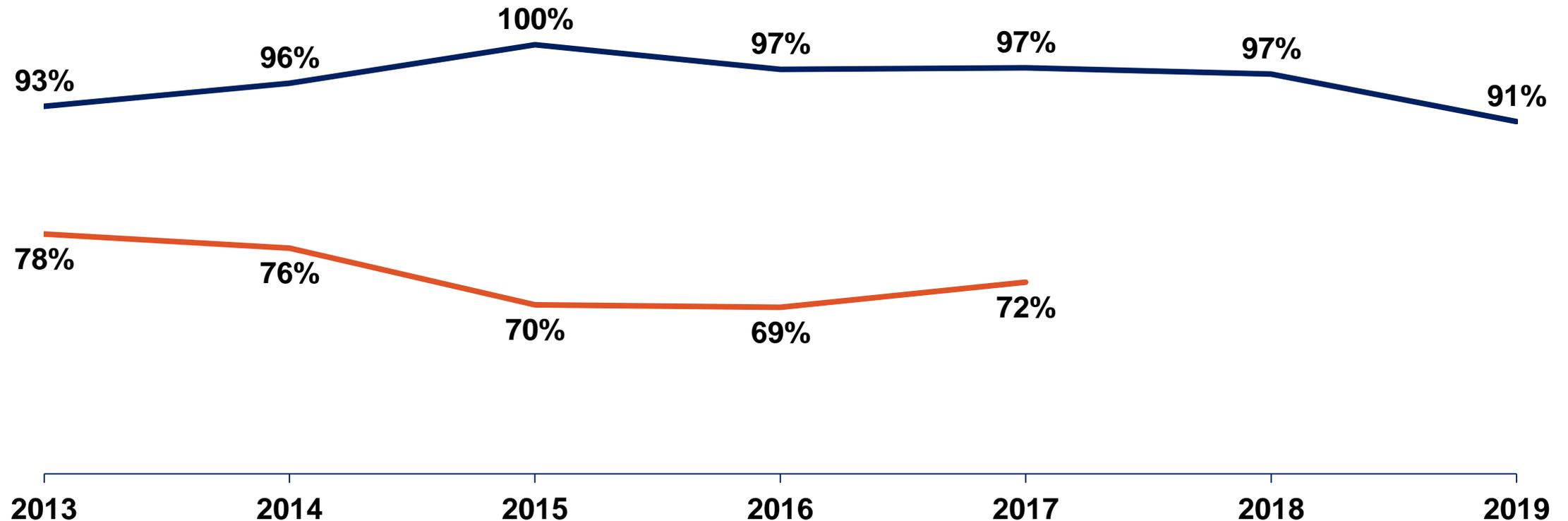
() Total flat steel production of Ereğli and İskenderun Plants.*

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

Liquid Steel Production (000 tons)

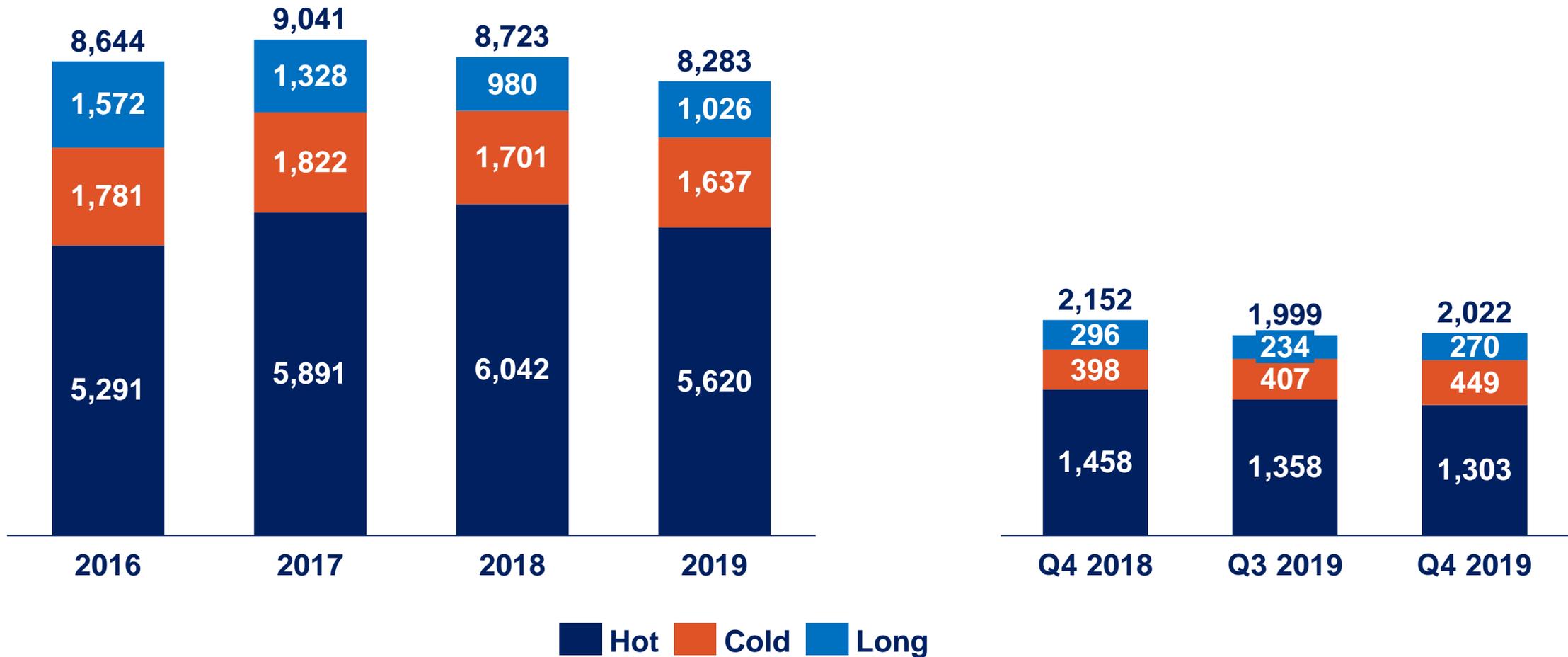


Crude Steel Capacity Utilization Ratio



— Erdemir — World*

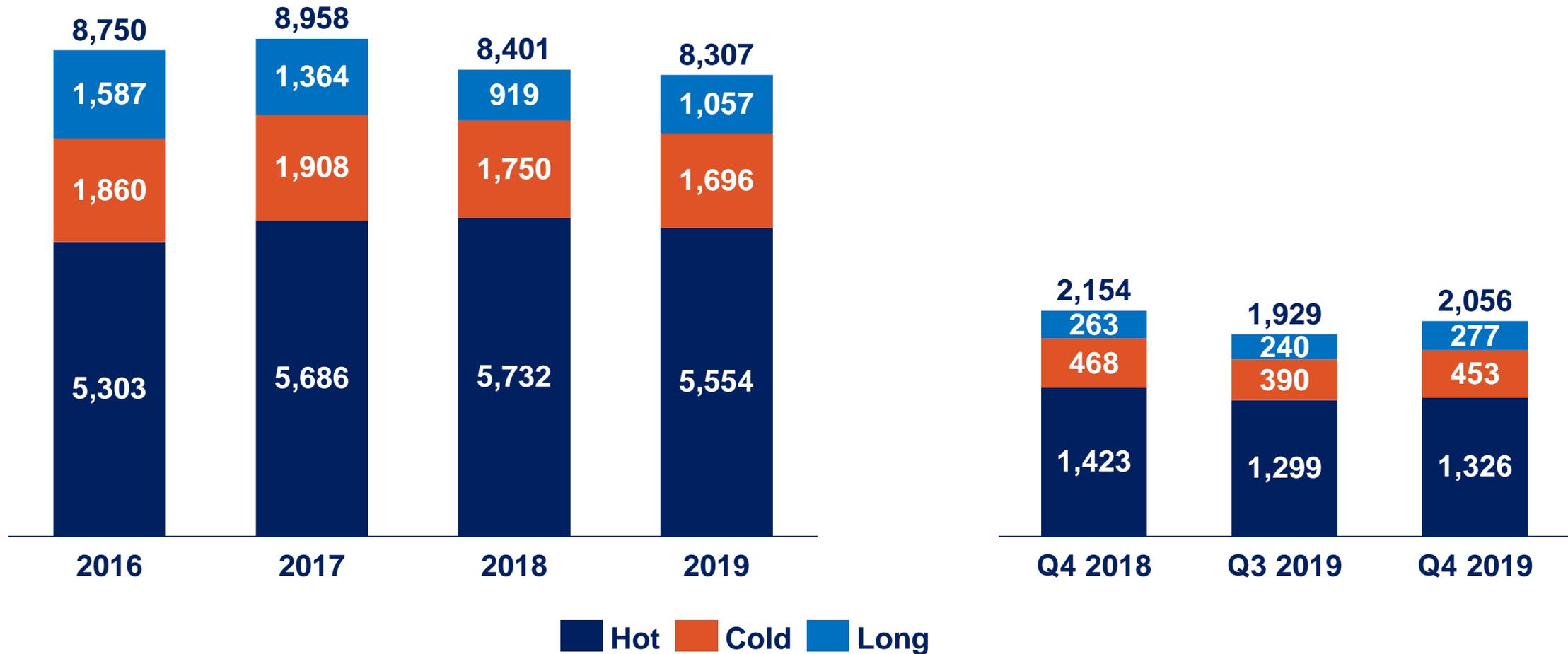
Production (000 tons)



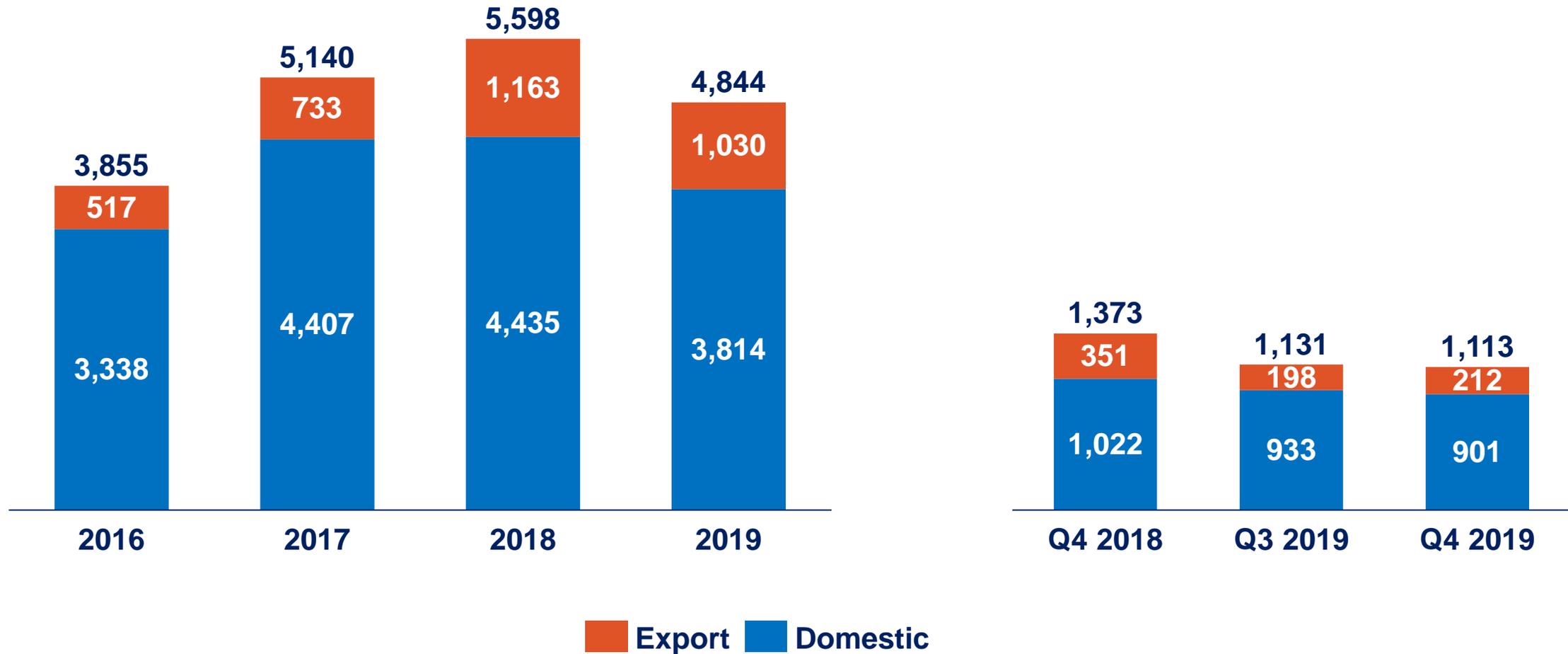
Hot
 Cold
 Long

Slab production for 3rd parties was included in HRC production.

Sales Volume (000 tons)

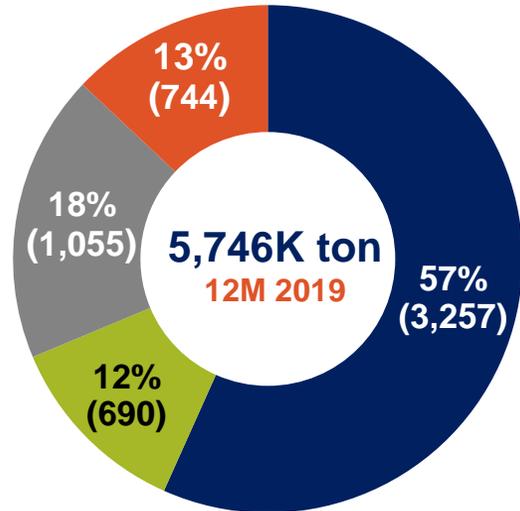


Net Sales Revenue (USD mn)

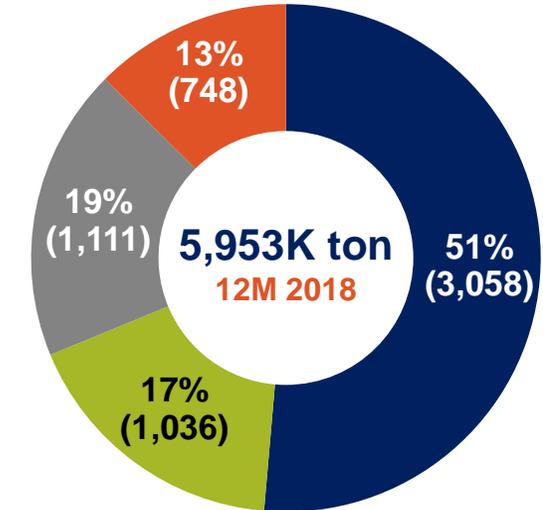


Flat & Long Steel Domestic Sales Breakdown

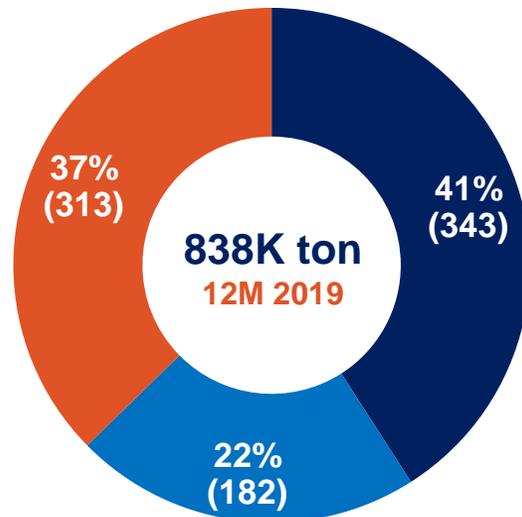
Flat Steel Domestic Sales



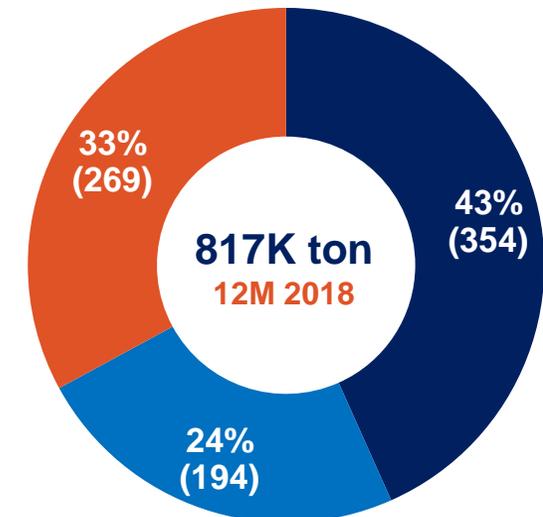
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



Long Steel Domestic Sales

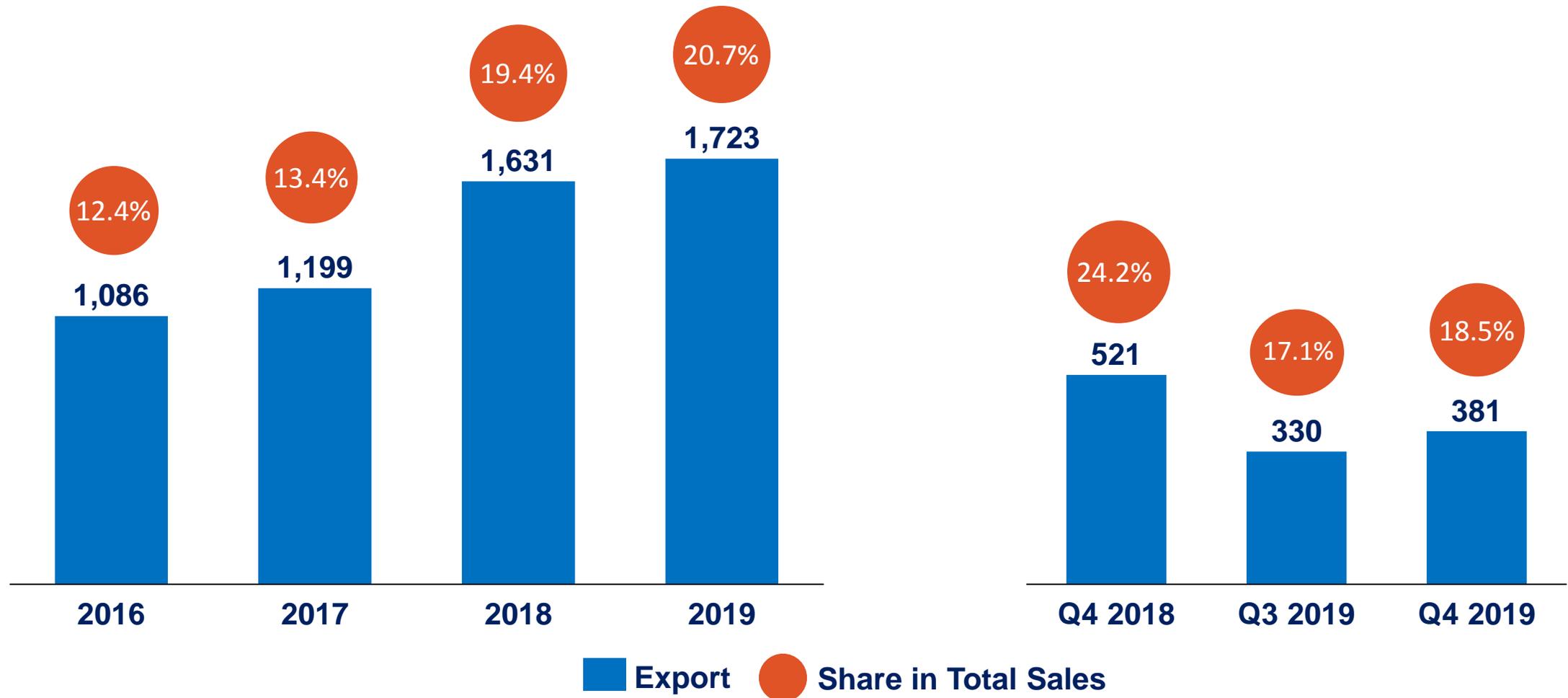


- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities



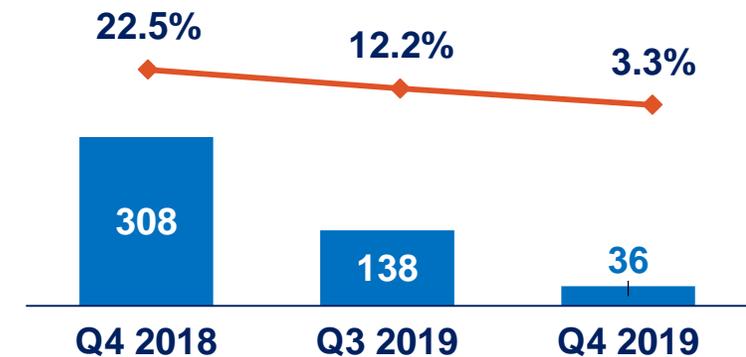
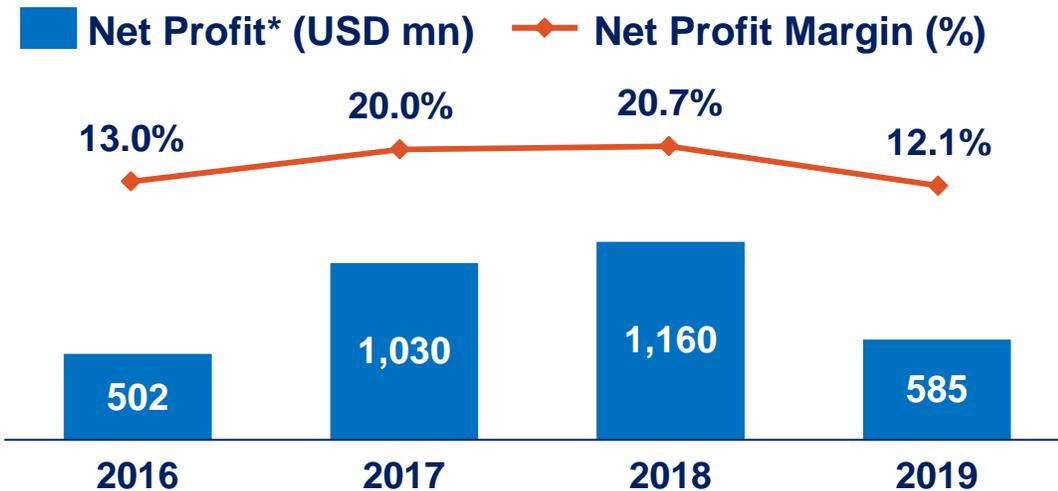
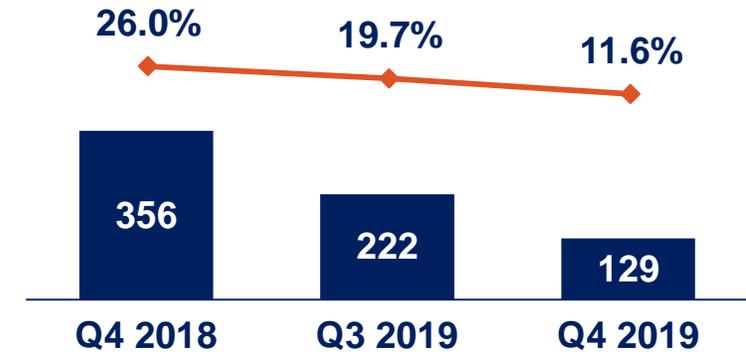
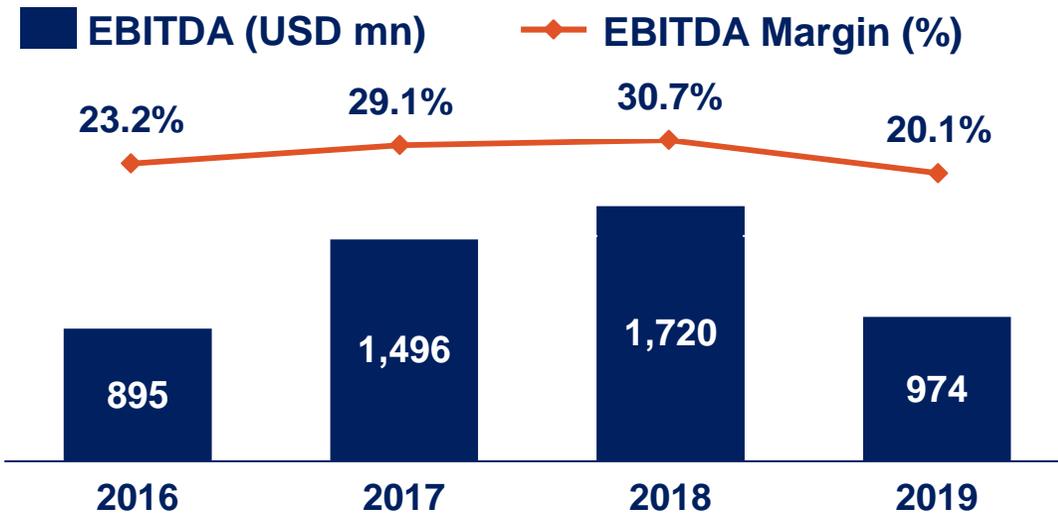
Export Volume (000 tons)

Total export volume increased by 6.0% YoY in 12M 2019.

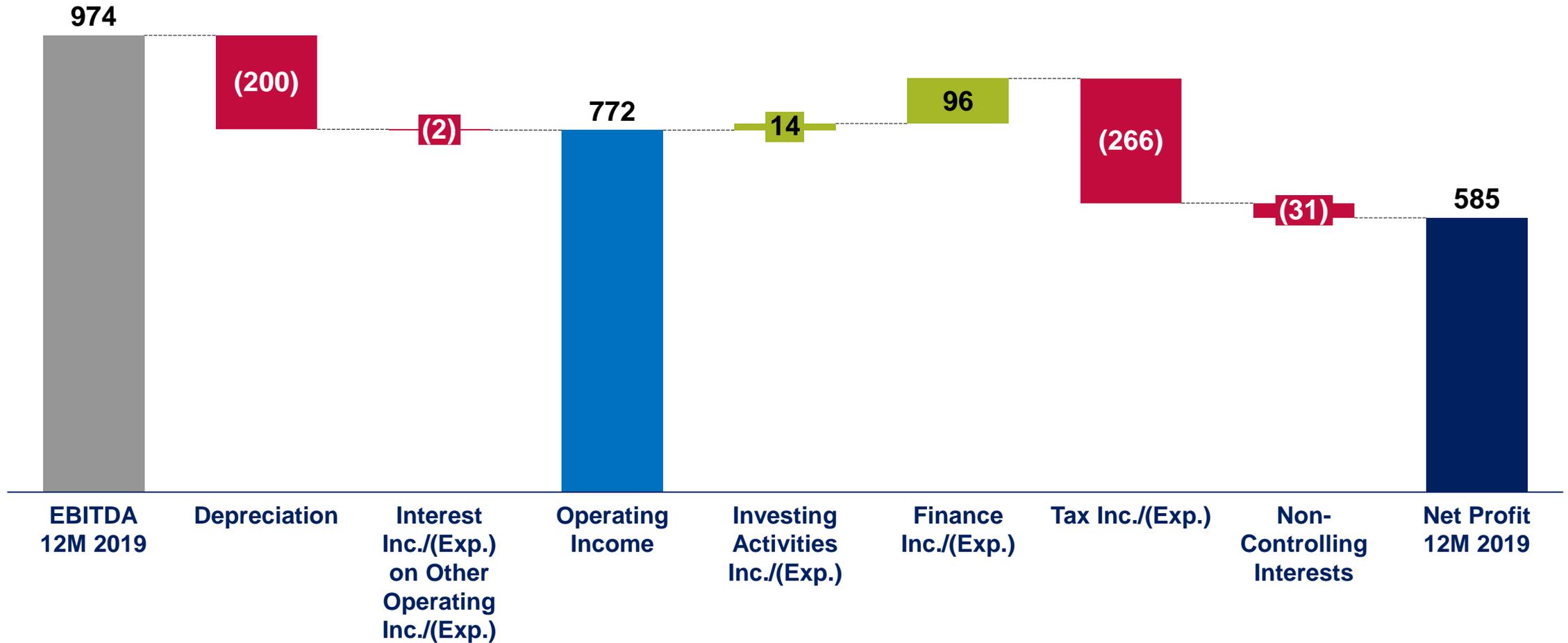


■ Export ● Share in Total Sales

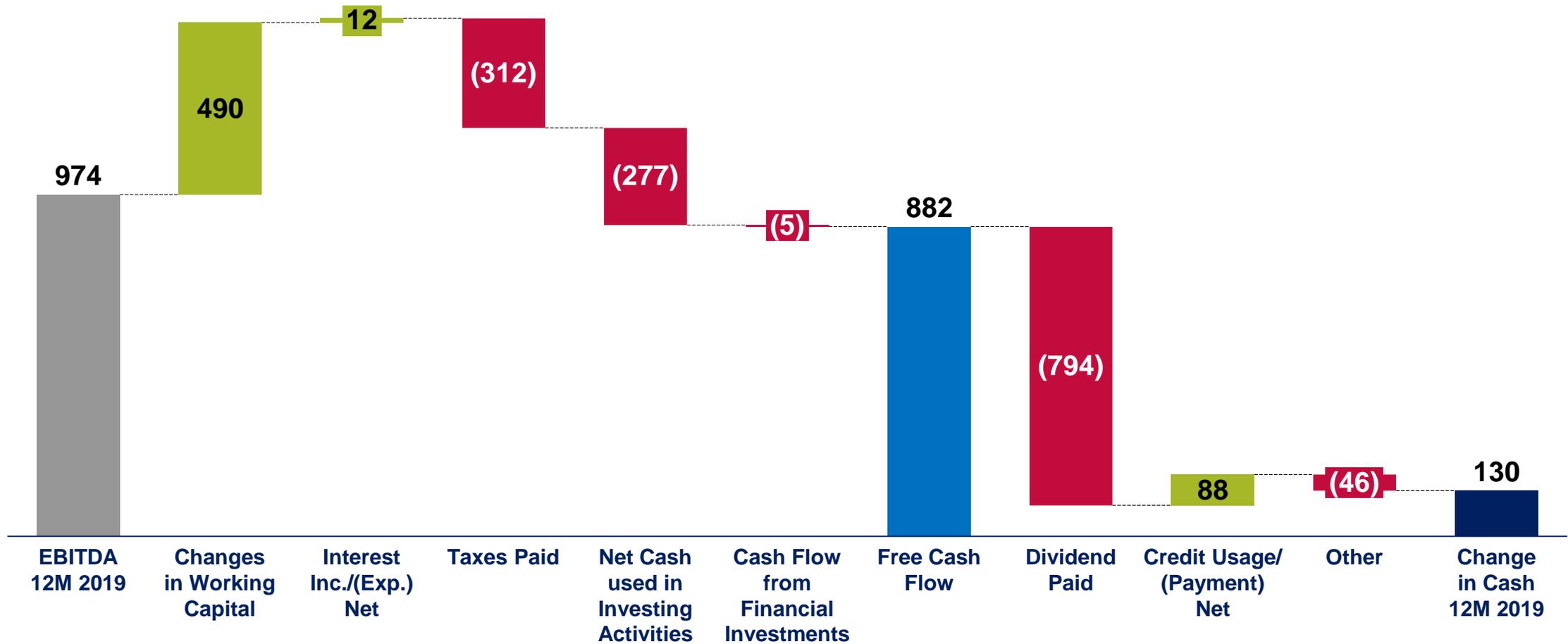
EBITDA & Net Profit



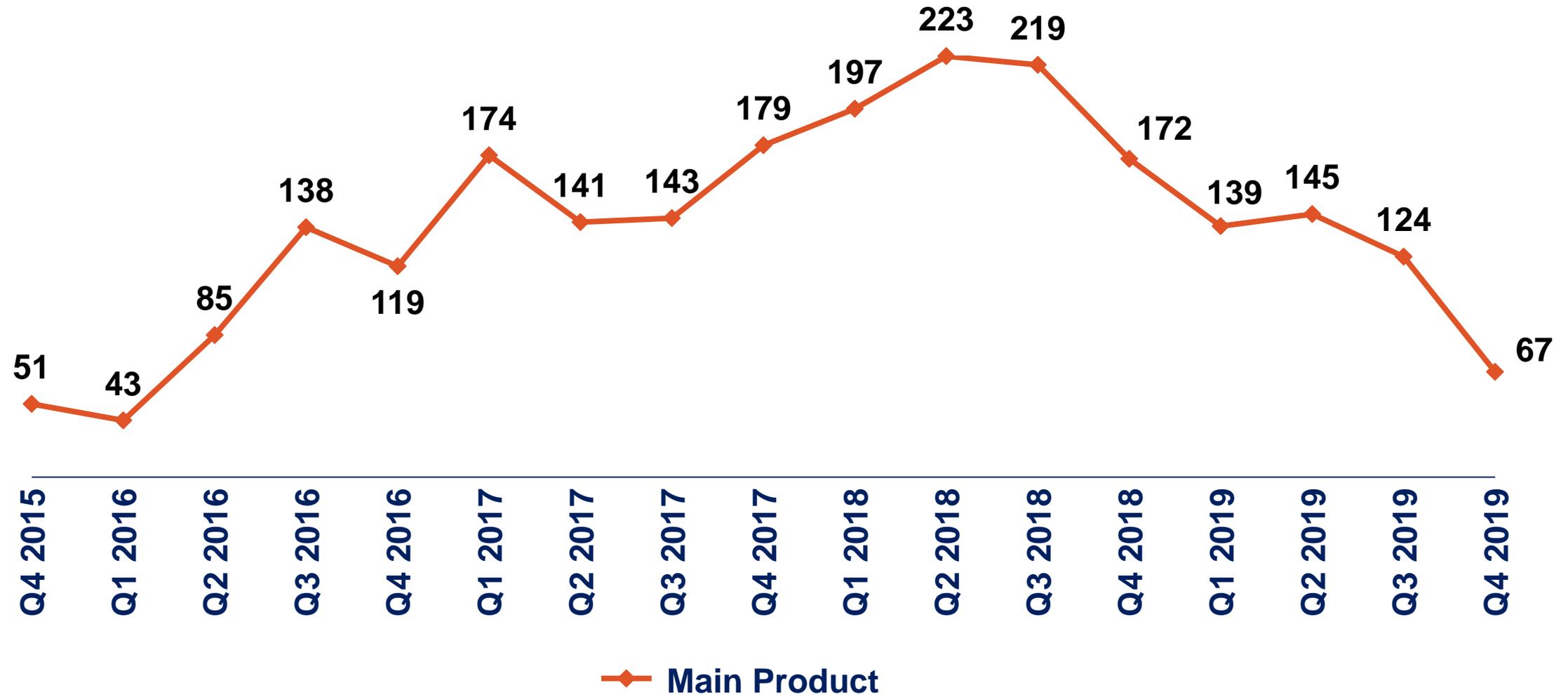
EBITDA ➔ Net Profit



EBITDA → Net Cash



EBITDA per Ton* (USD/ton)

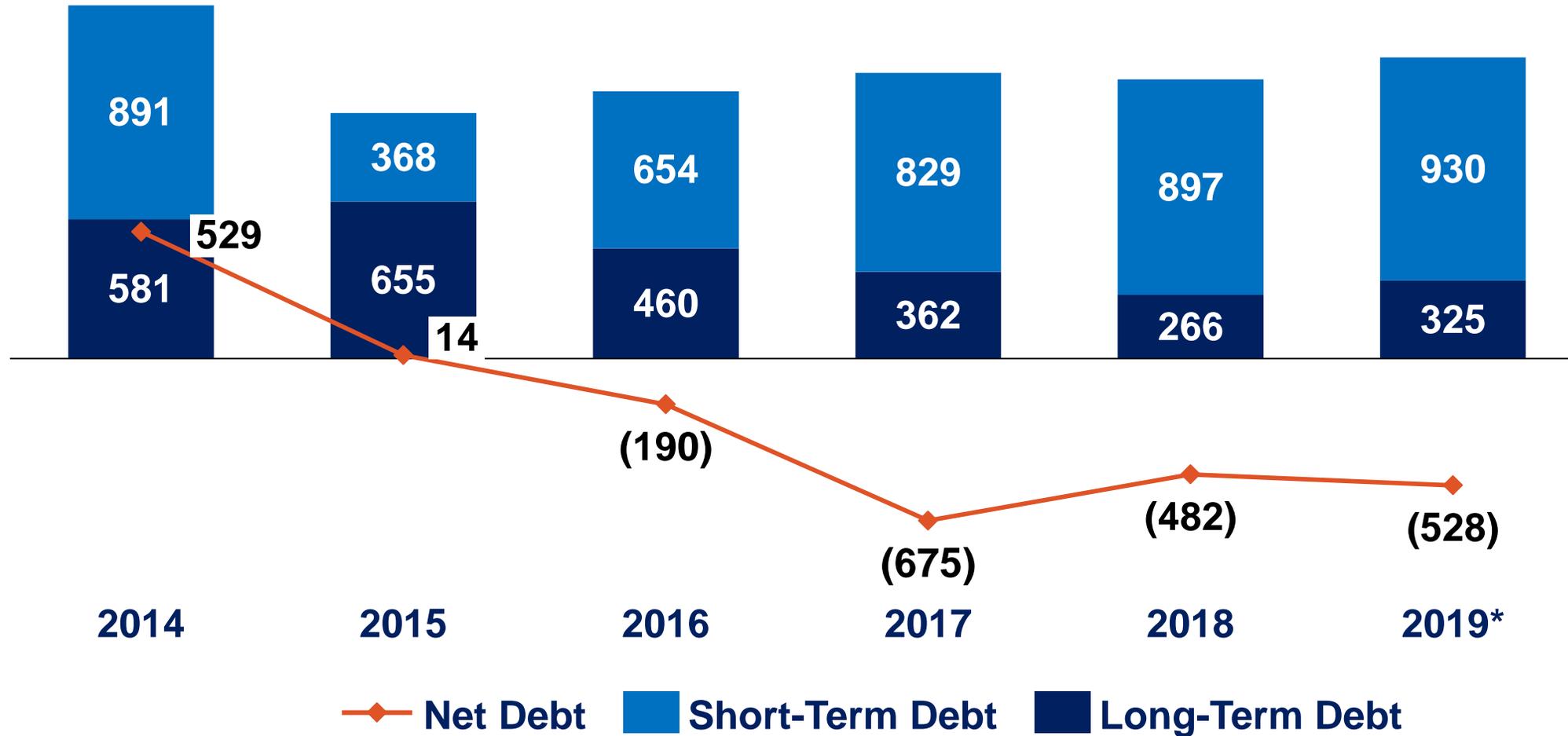


Financial Figures

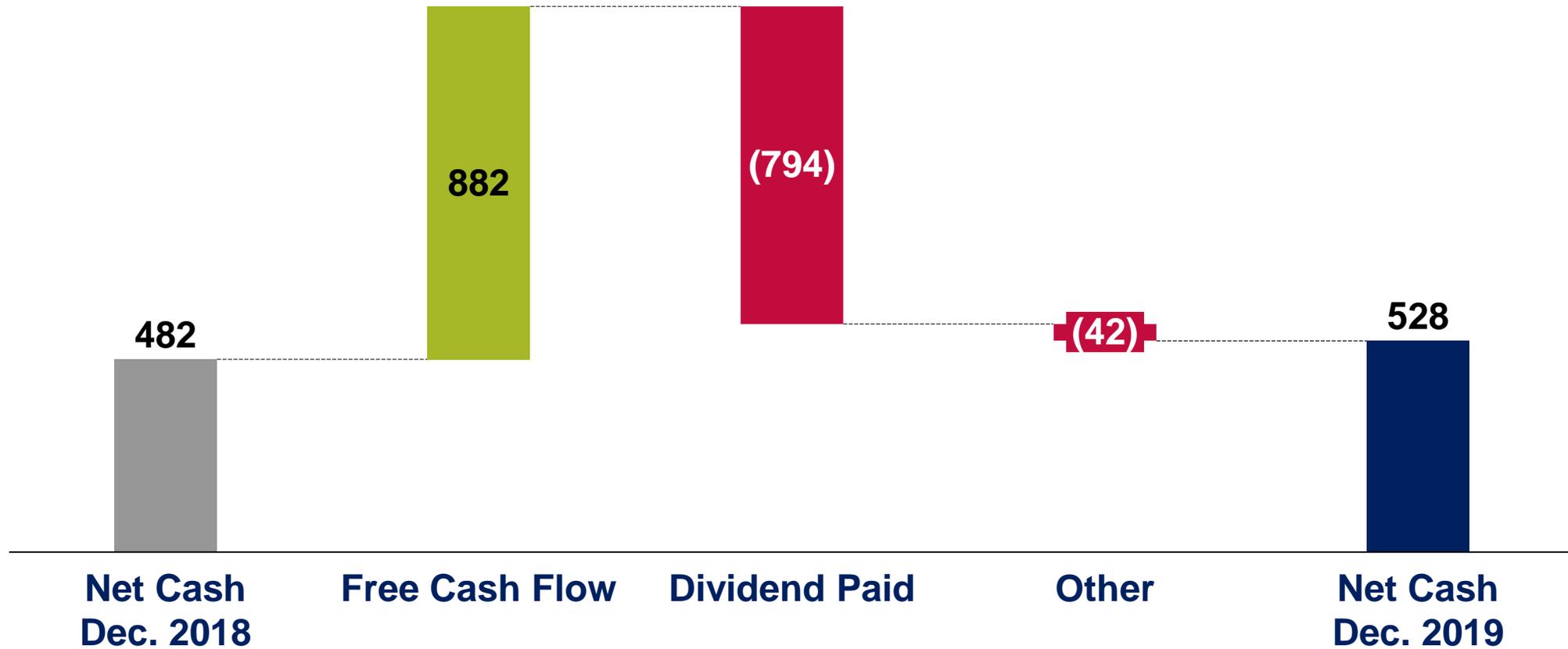
Consolidated Net Assets (USD mn)	31.12.2018	31.12.2019	Growth (YoY)
Cash Equivalents and Financial Investments	1,646	1,800	9%
Working Capital	2,219	1,729	-22%
Tangible and Intangible Assets	3,533	3,581	1%
Financial Liabilities	(1,163)	(1,296)	11%
Provisions and Other	(674)	(554)	-18%
Net Assets	5,561	5,260	-5%

Working Capital (USD mn)	31.12.2018	31.12.2019	Growth (YoY)
Trade Receivables	837	563	-33%
Inventories	1,690	1,571	-7%
Trade Payables	(368)	(494)	34%
Other	60	89	48%
Working Capital	2,219	1,729	-22%

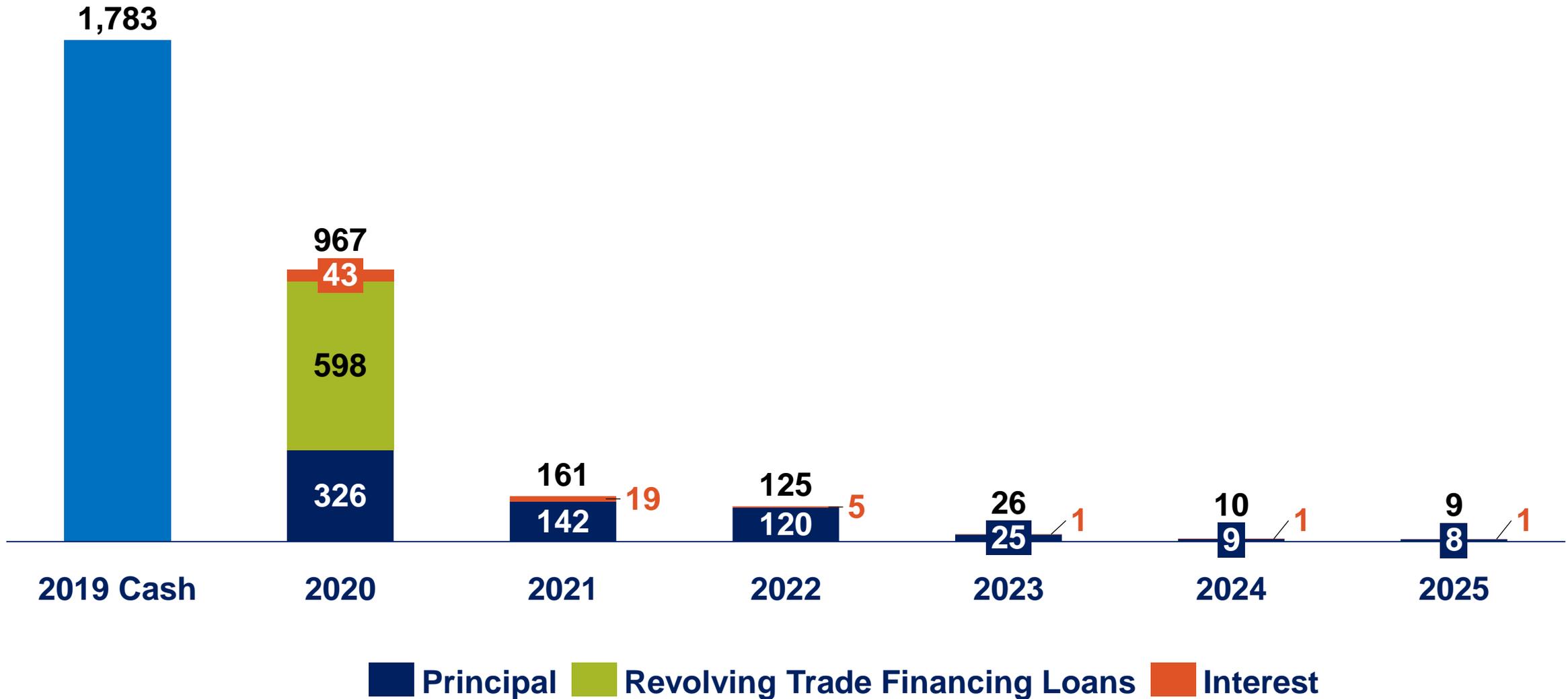
Financial Borrowings (USD mn)



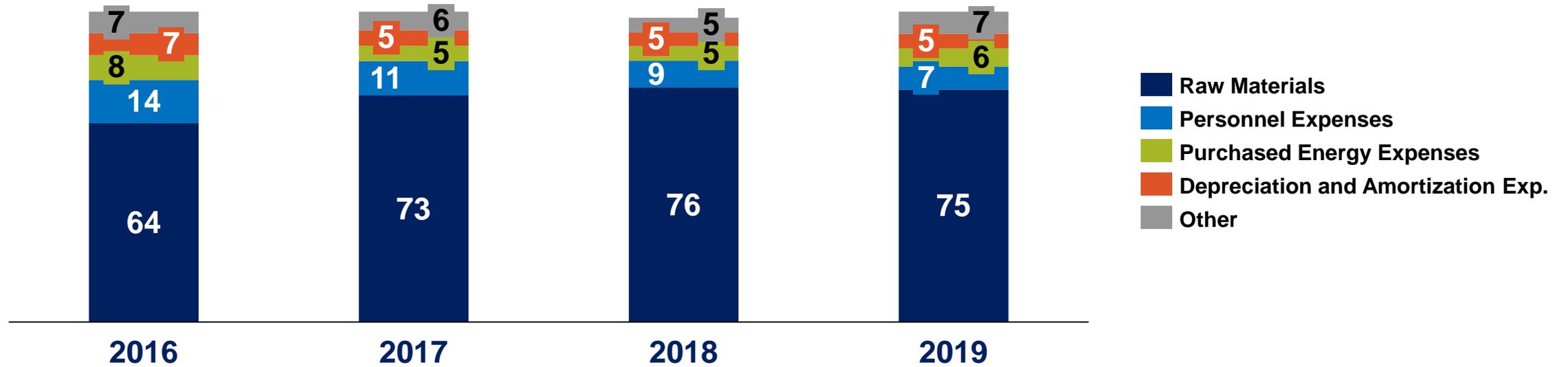
Net Debt (USD mn)



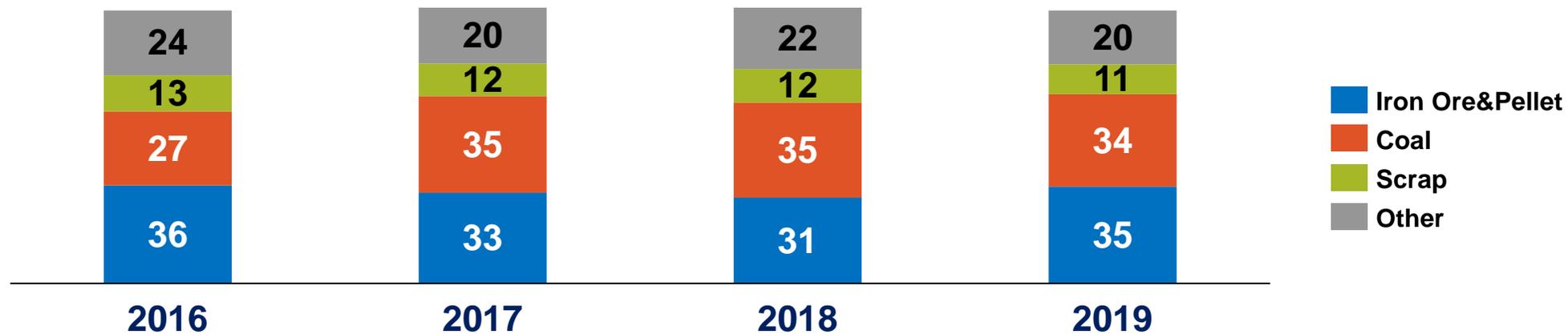
Borrowings Maturity Profile (USD mn)



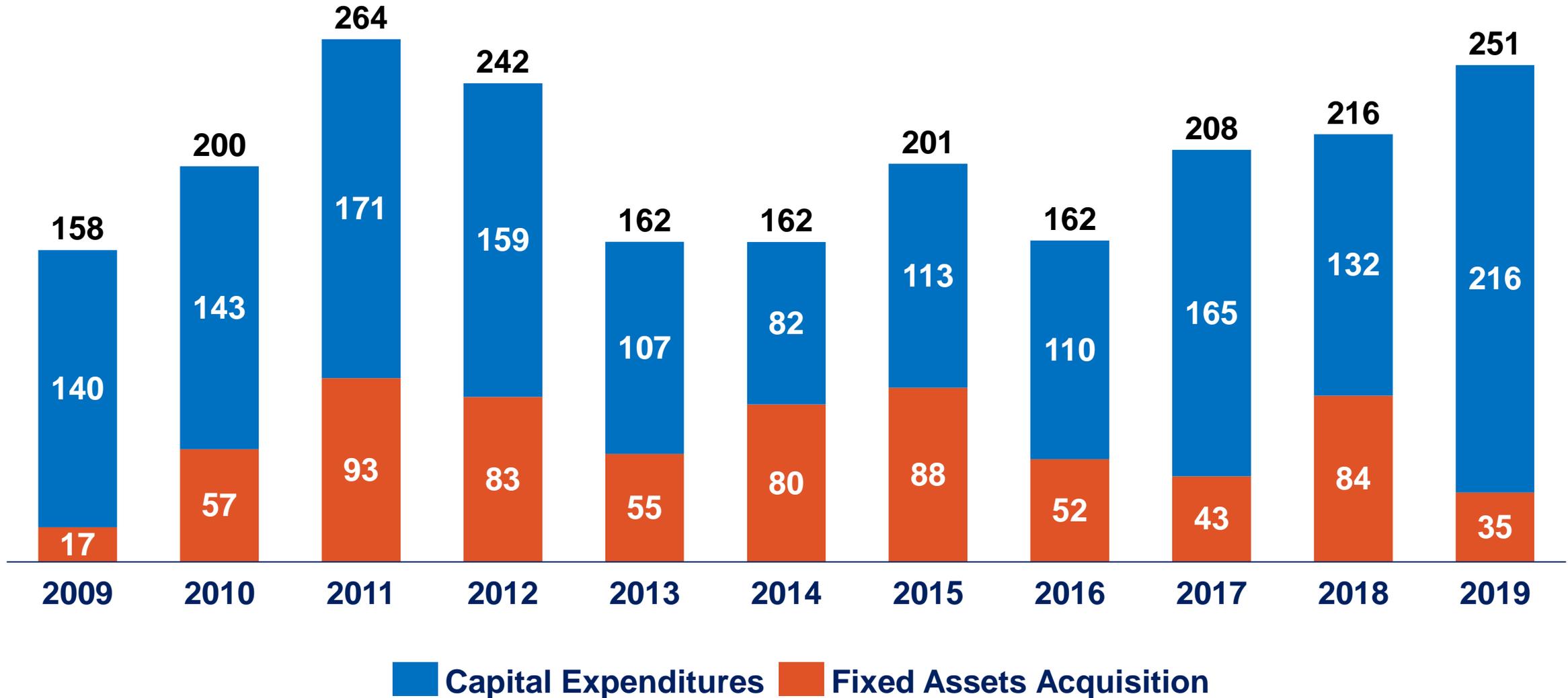
Cost of Sales Breakdown* (%)



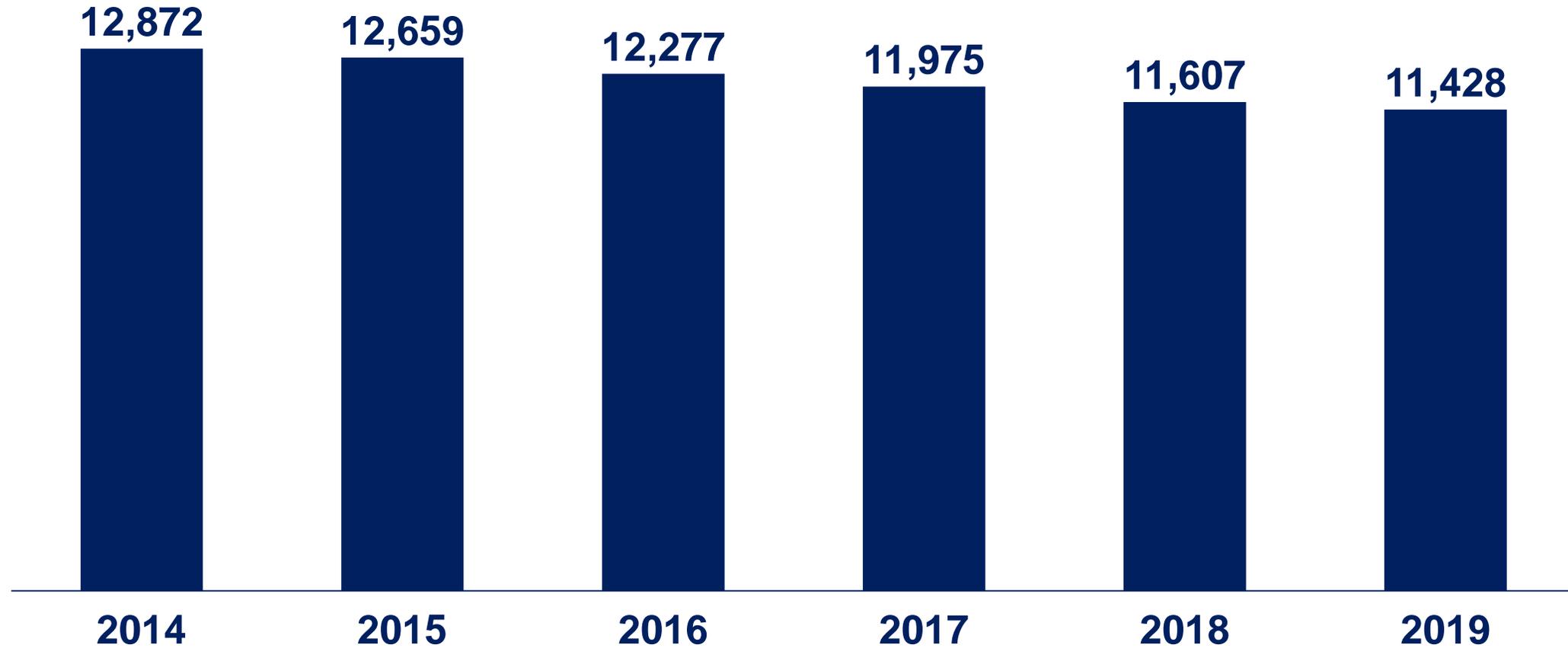
Raw Materials Breakdown (%)



Capital Expenditures (USD mn)



Number of Employees



Appendix – EBITDA Detail

	Note	01.01.2019- 31.12.2019 (Thousand USD)	01.01.2019- 31.12.2019 (Thousand TRY)
Presentation Currency Translation	2.1		5.6695
Operating Profit		772,254	4,378,290
Depreciation and Amortisation Expenses		200,243	1,135,275
Cost of Sales	24	184,032	1,043,369
Marketing Expenses	26	7,292	41,340
General Administrative Expenses	26	7,625	43,229
Research and Development Expenses	26	1,294	7,337
POA Classification		1,310	7,436
Interest Income for Overdue Receivables	27	(1,206)	(6,832)
Rediscount Expenses	27	(714)	(4,050)
Interest Expense for Purchase Contracts with Maturities	27	3,230	18,318
		973,807	5,521,001



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