



# KARDEMİR 9M23 INVESTOR PRESENTATION

NOVEMBER 2023

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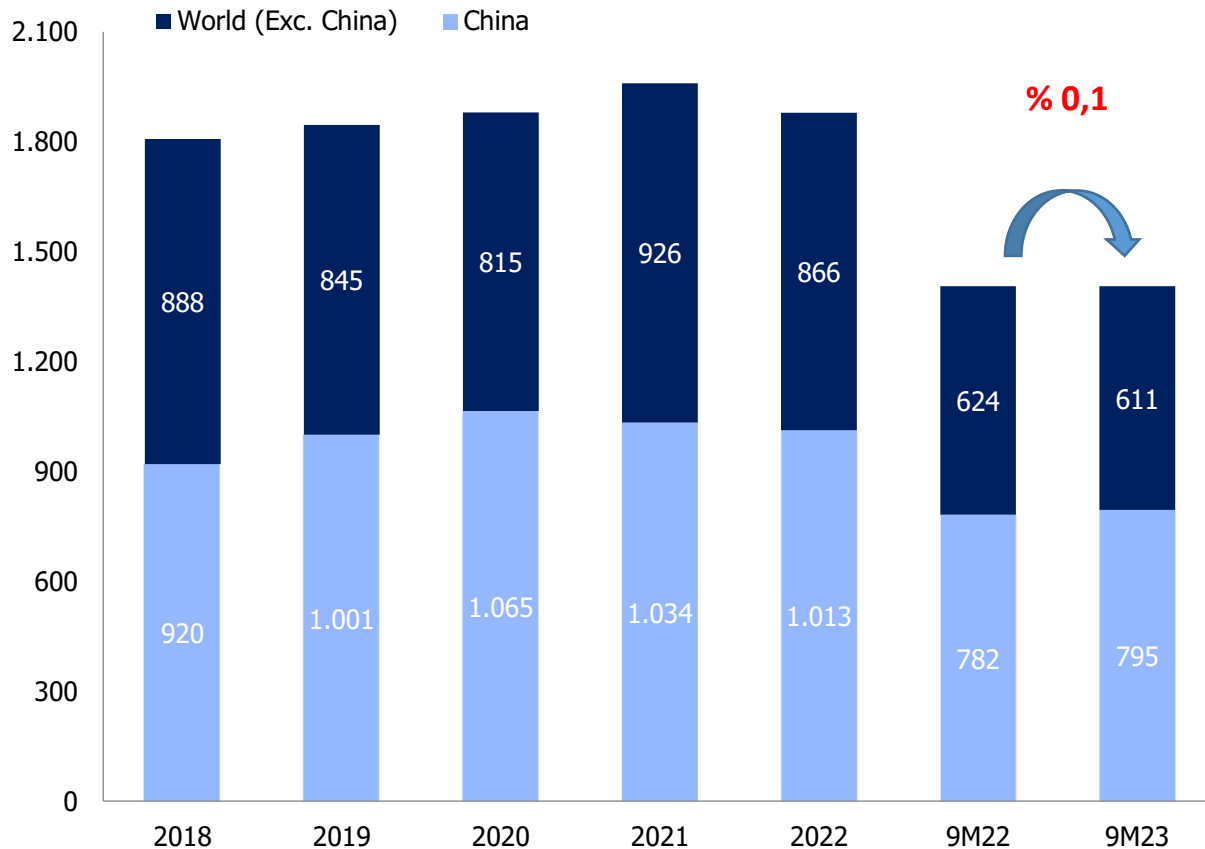
# 2023 World and Turkish Steel Industry





# WORLD STEEL INDUSTRY

## World Crude Steel Production (Mio Ton)



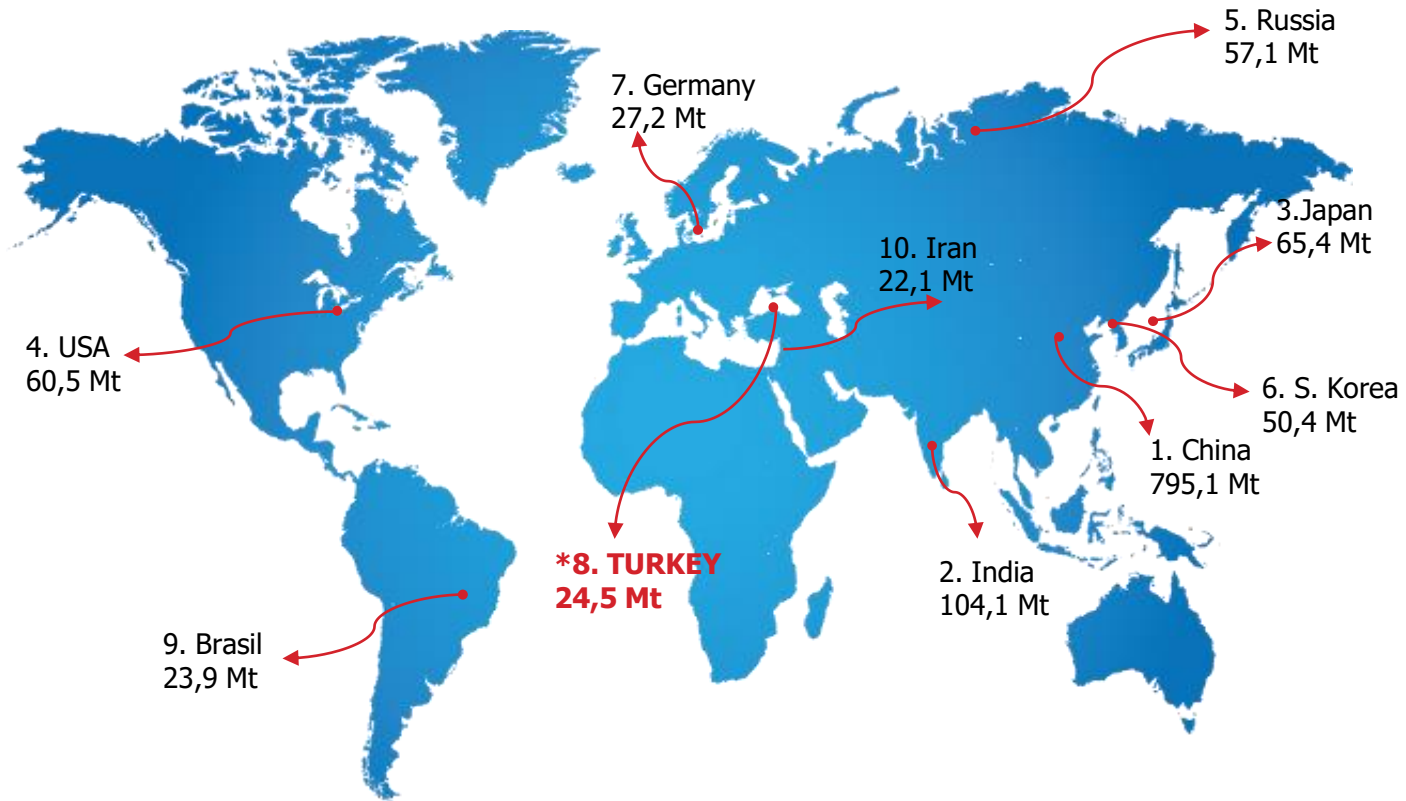
World Crude Steel Production was realised as 1,41 billion ton in the first 9 months of 2023 with a % 0,1 increase yoy.

Source: TÇÜD



# WORLD STEEL INDUSTRY

## 9M23 WORLD CRUDE STEEL PRODUCTION (MIO TON)



\* Turkey has kept its situation with the 8th place in the world crude steel production. 10,1% decrease has been recorded comparing to last year's total production of 27,2Mt.

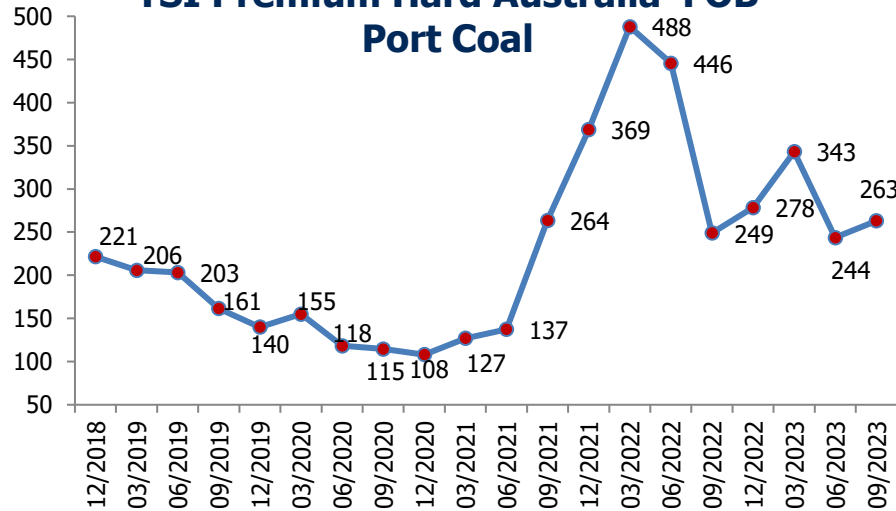
Source: TÇÜD



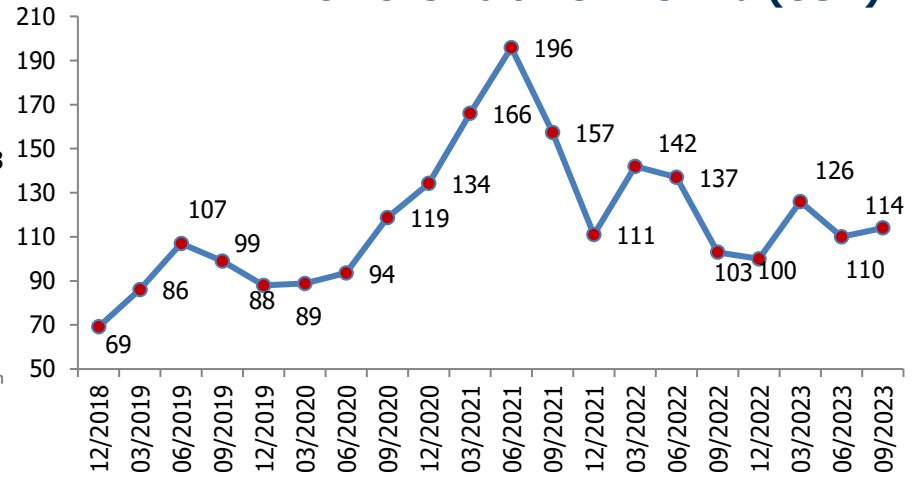
# WORLD STEEL INDUSTRY

## COKING COAL, IRON ORE AND SCRAP PRICES

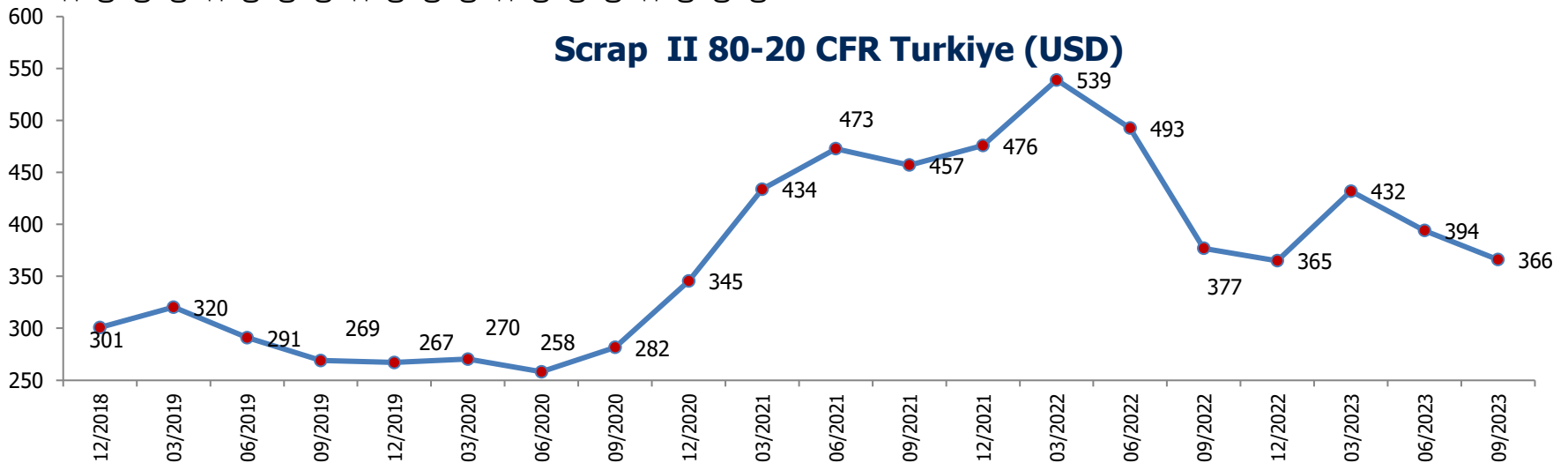
### TSI Premium Hard Australia FOB Port Coal



### Iron Ore % 62 CFR China (USD)



### Scrap II 80-20 CFR Turkiye (USD)



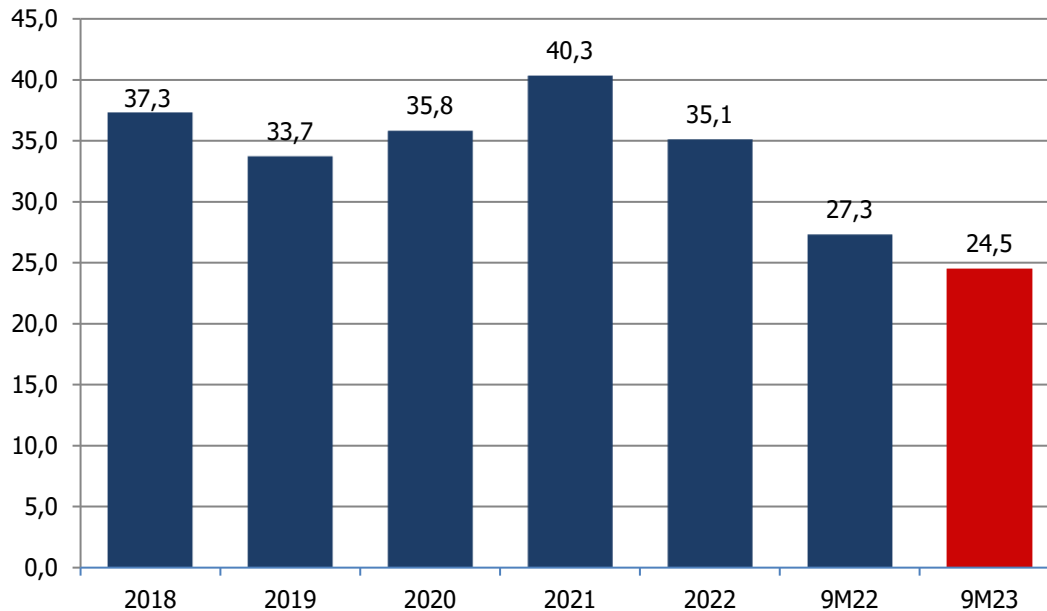
\* Based on quarterly average prices.

Source: SteelOrbis Platts



# TURKISH STEEL PRODUCTION INDICATORS

Production (Mio Ton)

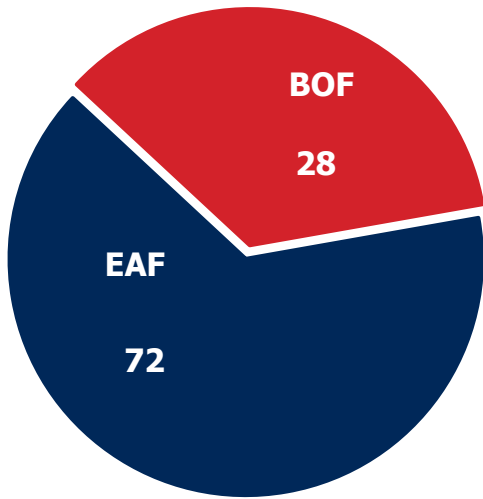


Turkish crude steel production has been decreased by 10,1% in the first 9 months of 2023 comparing to yoy.

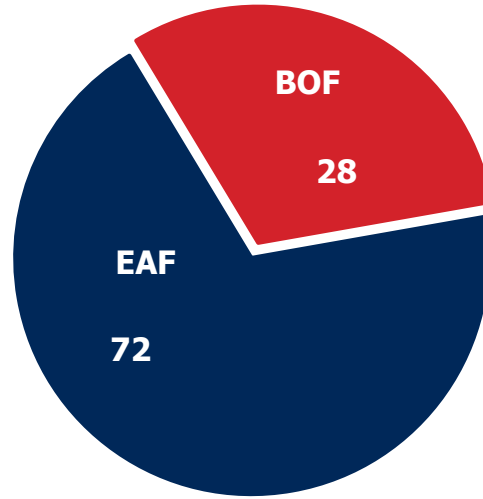
	2018	2019	2020	2021	2022	9M22	9M23
BILLET (Mio Ton)	24,7	20,9	23,2	26,1	22,8	17,4	15,8
SLAB (Mio Ton)	12,6	12,8	12,6	14,2	12,3	9,9	8,7

Source: TÇÜD

# STEEL PRODUCTION IN TURKEY



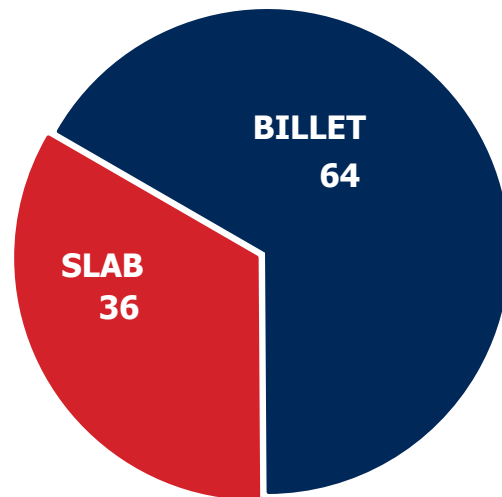
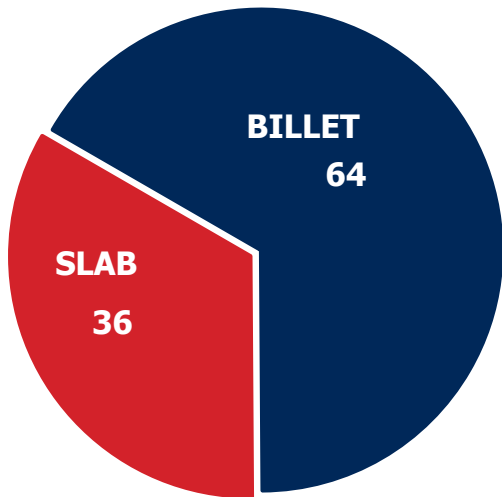
9M22



9M23



The production volume of Basic Oxygen Furnaces to total has not been changed in total production of 9M23.



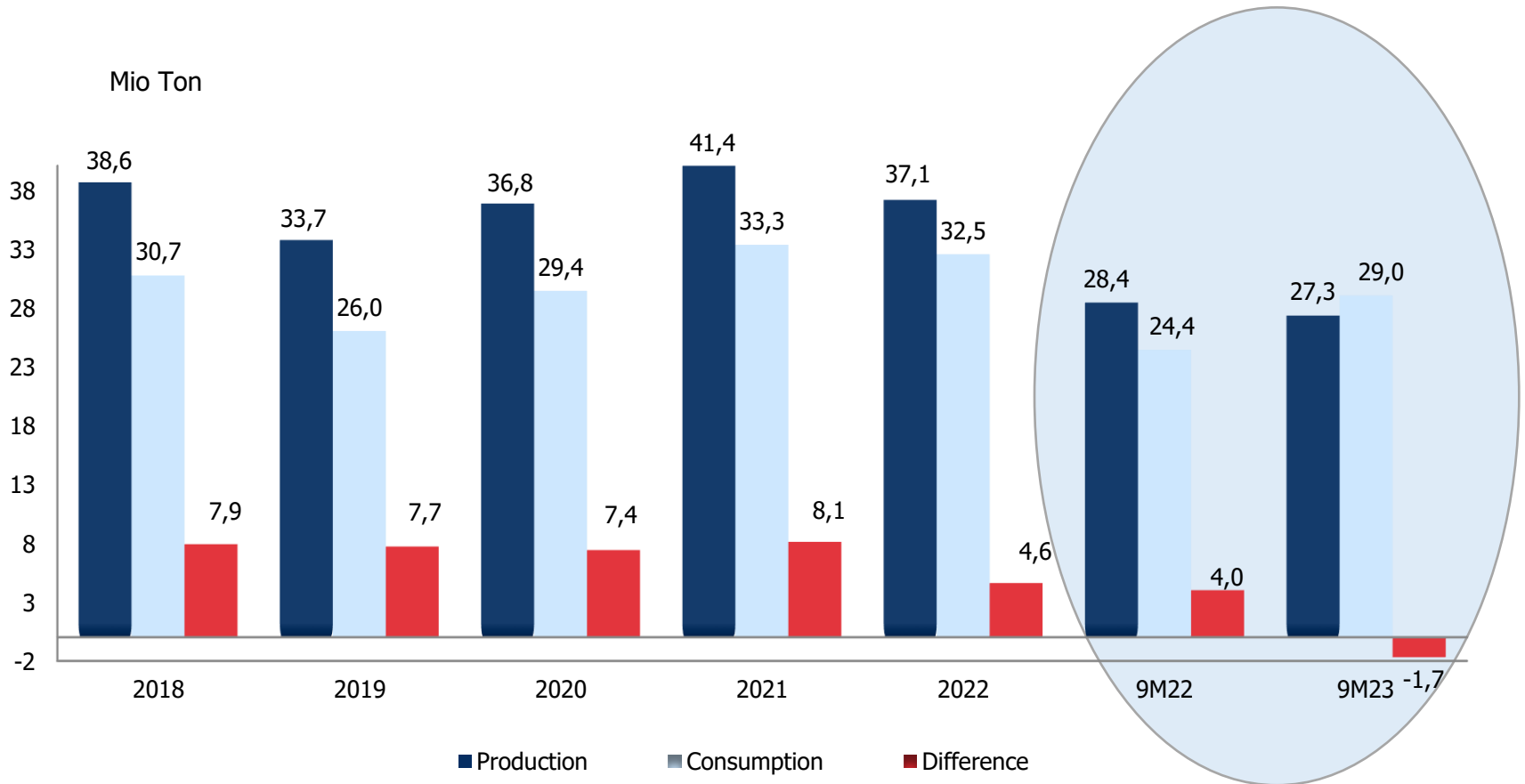
In 9M23 there was no change in the billet production based on the semi finished product volume in total production.

Source: TÇÜD



# LONG/FLAT PRODUCT BALANCE IN TURKEY

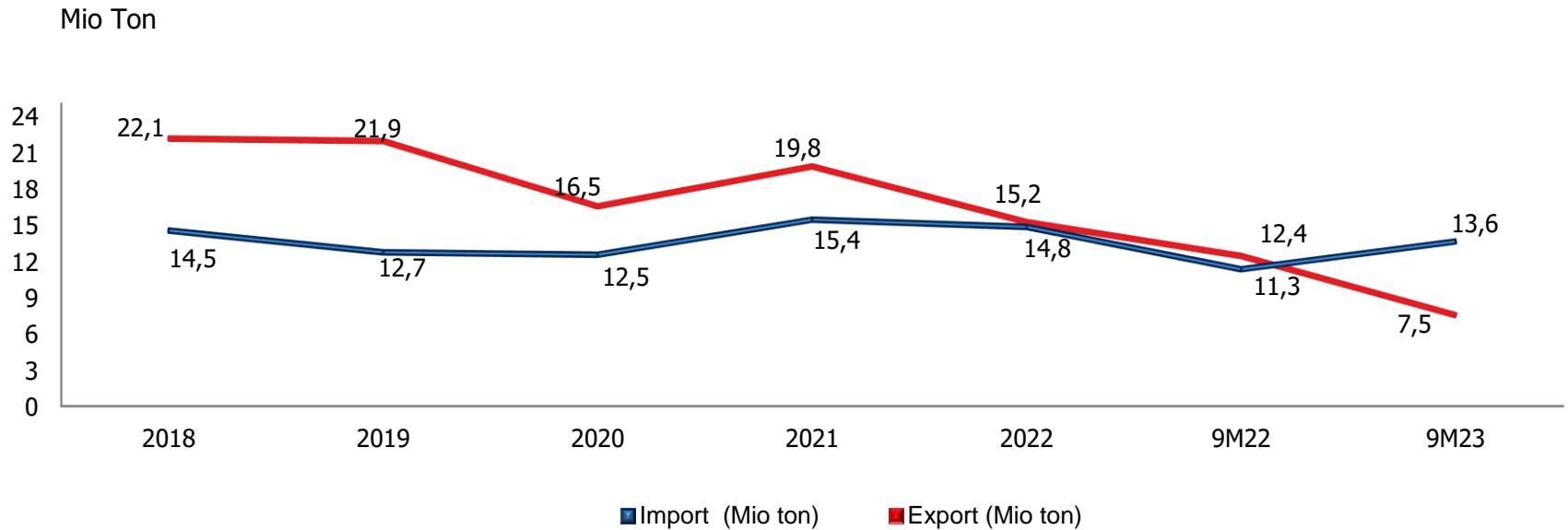
## Supply-Demand Balance for Finished Product (Mio Ton)



Source: TÇÜD



# STEEL IMPORT & EXPORT IN TURKEY

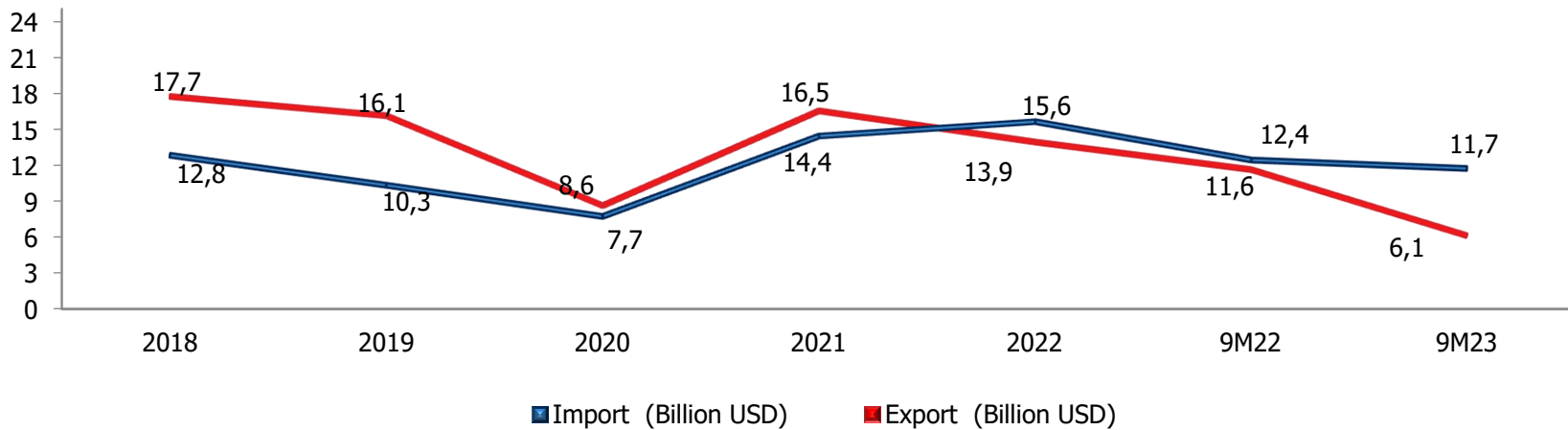


	2018	2019	2020	2021	2022	9M22	9M23
Import (Mio Ton)	14,5	12,7	12,5	15,4	14,8	11,3	13,6
Export (Mio Ton)	22,1	21,9	16,5	19,8	15,2	12,4	7,5
Difference	7,6	9,2	4,0	4,4	0,4	1,1	-6,1

Source: TÇÜD

# STEEL IMPORT & EXPORT IN TURKEY

Billion USD



	2018	2019	2020	2021	2022	9M22	9M23
<b>Import (Billion USD)</b>	12,8	10,3	7,7	14,4	15,6	12,4	11,7
<b>Export (Billion USD)</b>	17,7	16,1	8,6	16,5	13,9	11,6	6,1
<b>Difference</b>	4,9	5,8	0,9	2,1	-1,7	-0,8	-5,6

Source: TÇÜD



# KARDEMİR



# KARDEMİR- General Information



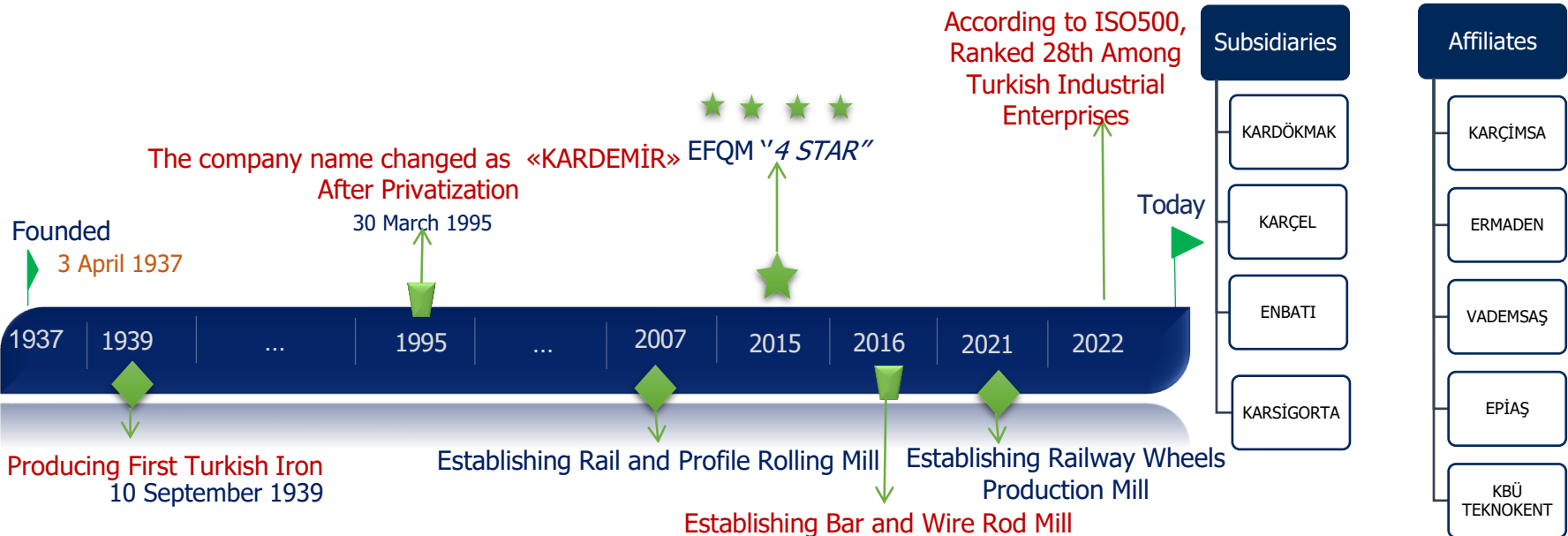
The Factory that builds Factories

The first integrated Iron and Steel Plant in Turkey established in 1937

The first producer of Turkish Iron

The one and only **RAIL** and **RAILWAY WHEEL** producer in Turkey

The unique producer of **Heavy Profile**





# KARDEMİR - Products

**BILLET**



**BLOOM**



**RAILWAY WHEELS**



**WIRE ROD**



**GARRET**



**RAIL**



**PROFILE**



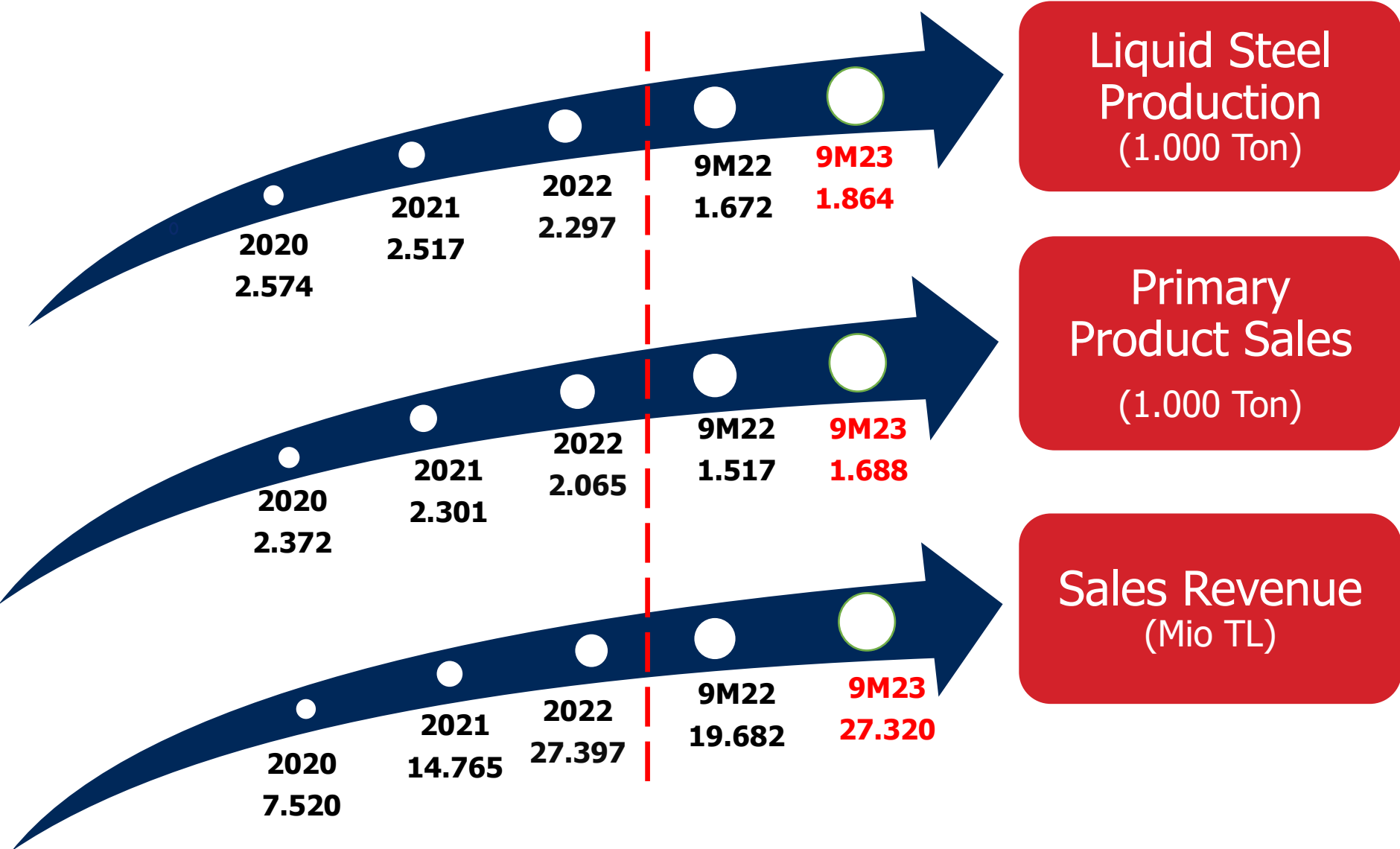
**REBAR**



**ROUND BARS**



# KARDEMİR – 9M23 Basic Indicators



Liquid Steel  
Production  
(1.000 Ton)

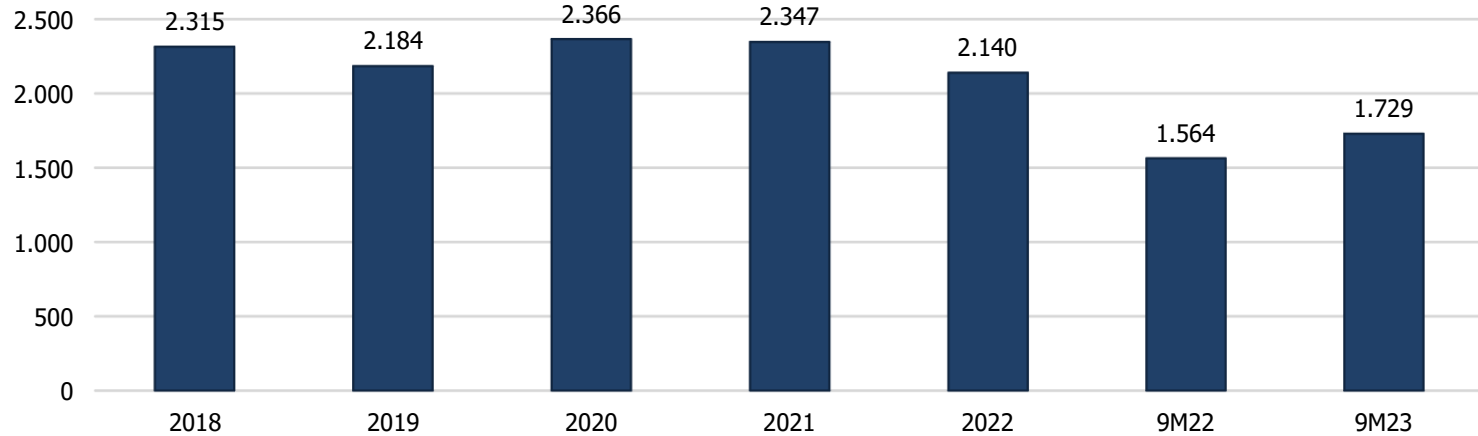
Primary  
Product Sales  
(1.000 Ton)

Sales Revenue  
(Mio TL)

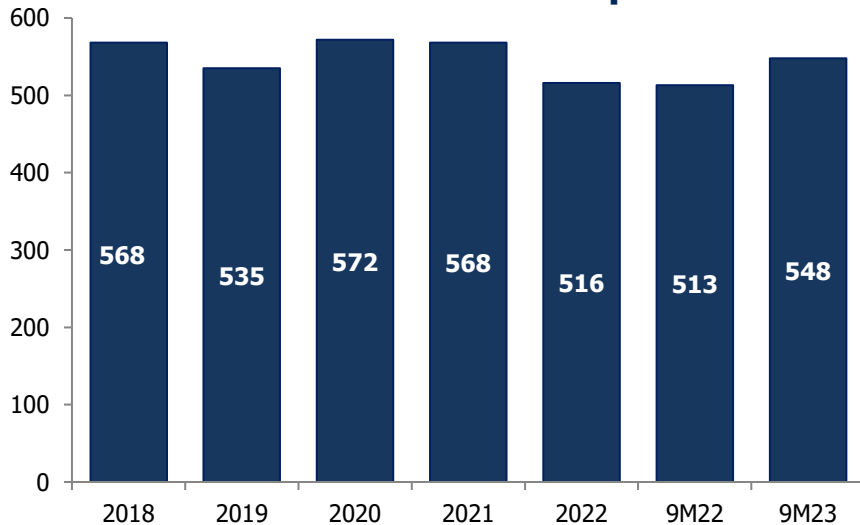


# KARDEMİR – 9M23 Production Indicators

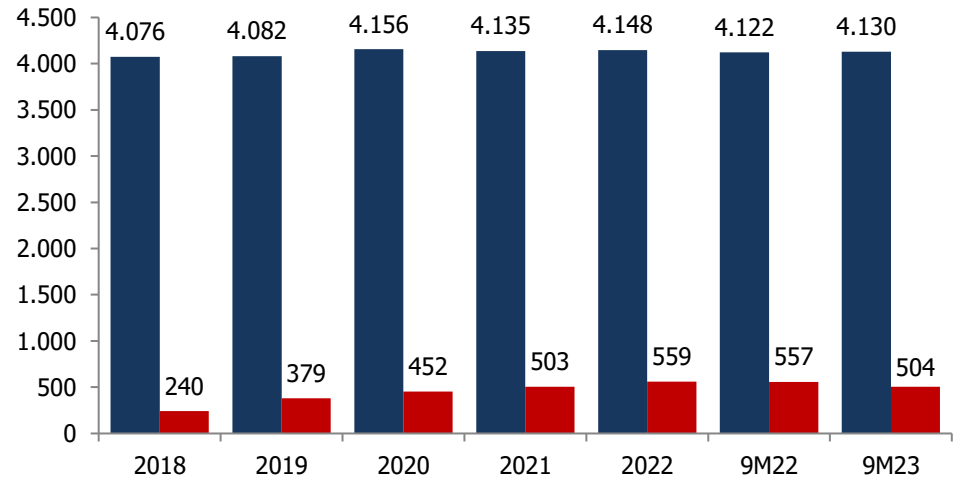
## Primary Product Production (1.000 Ton)



## Production Per Capita



## Number of Employees



■ Kardemir ■ Subsidiaries





# KARDEMİR - Basic Indicators

## PRODUCTION OF PRIMARY PRODUCT (1.000 TON)

2018	2019	2020	2021	2022	9M22	9M23
2.315	2.184	2.366	2.347	2.140	1.564	1.729

## EBITDA (MIO TRY)

2018	2019	2020	2021	2022	9M22	9M23
1.778	666	1.264	4.909	4.363	3.667	4.513

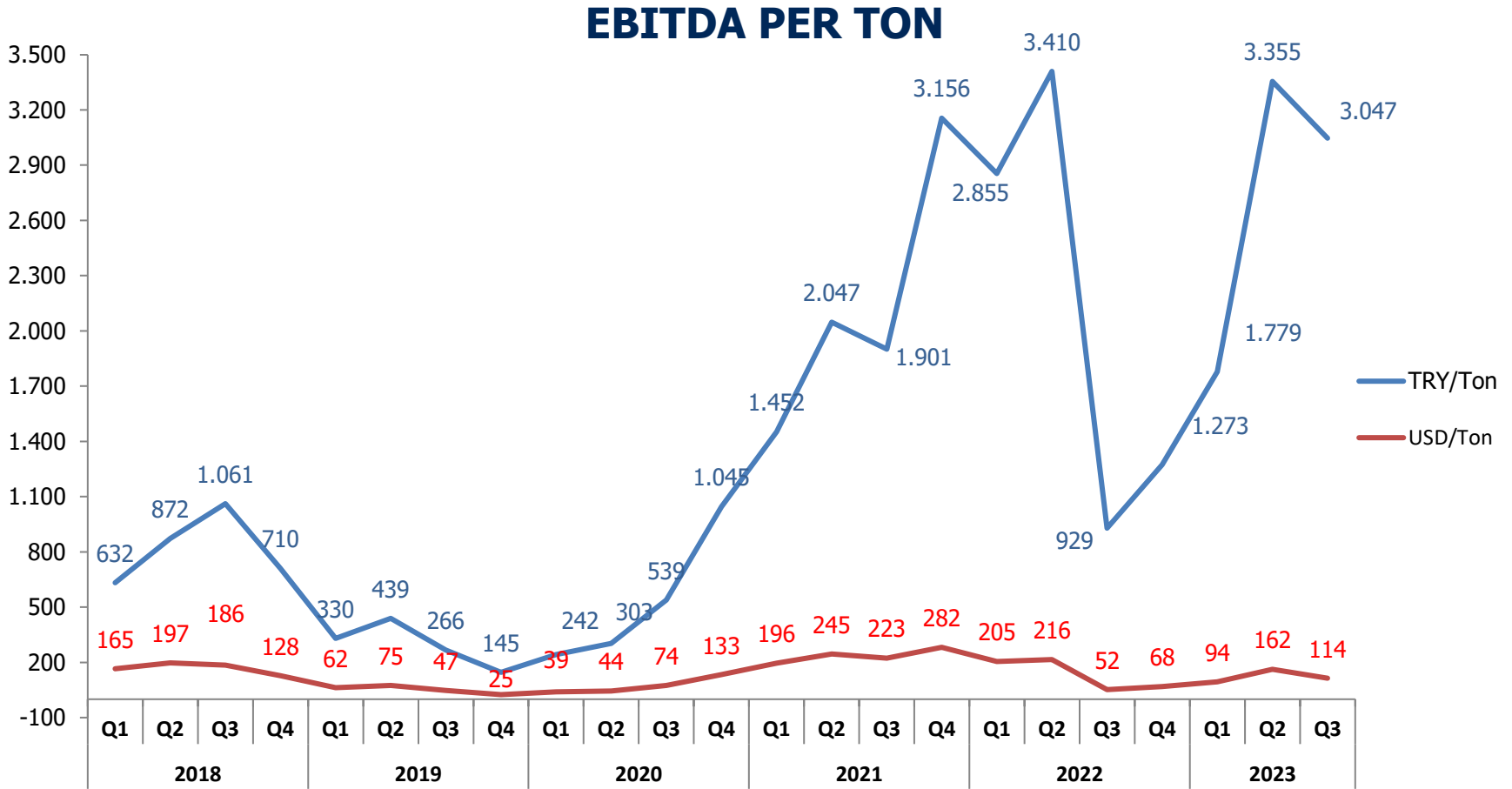
## EBITDA MARGIN (%)

2018	2019	2020	2021	2022	9M22	9M23
31,8	11,0	16,8	33,2	15,9	18,6	16,5

## NET PROFIT (MIO TRY)

2018	2019	2020	2021	2022	9M22	9M23
814	81	61	3.853	2.174	2.392	1.251

# KARDEMİR – 9M23 Basic Indicators



EBITDA per TON is realised as **2.727 TRY** in 9M23.

EBITDA per TON is realised as **123 USD** in 9M23.



# 9M23 Financial Results



# SUMMARY INCOME STATEMENT

1.000 TRY	30.09.2023	30.09.2022
<b>Revenue</b>	27.320.008	19.681.794
<b>Cost of Sales (-)</b>	-22.865.905	-16.107.478
<b>Gross Profit</b>	4.454.103	3.574.316
<b>Gross Profit Margin (%)</b>	16,3	18,2
<b>General Administration Expenses (-)</b>	-231.566	-138.655
<b>Marketing, Sales and Distribution Expenses (-)</b>	-76.956	-52.473
<b>Other Operating Income</b>	1.947.348	3.111.984
<b>Other Operating Expenses (-)</b>	-4.155.379	-3.584.147
<b>Operating Profit</b>	1.937.550	2.911.025
<b>Operating Profit Margin (%)</b>	7,1	14,8
<b>Other Income and Expenses</b>	54.520	210.143
<b>Financial Income</b>	578.083	320.610
<b>Financial Expenses (-)</b>	-1.103.941	-724.218
<b>Pre-tax Profit / Loss</b>	1.466.212	2.717.560
<b>Current tax income / (Expense)</b>	-182810	-370980
<b>Tax Revenue (Expenses)</b>	-32.663	45.789
<b>Net Profit / Loss</b>	1.250.739	2.392.369

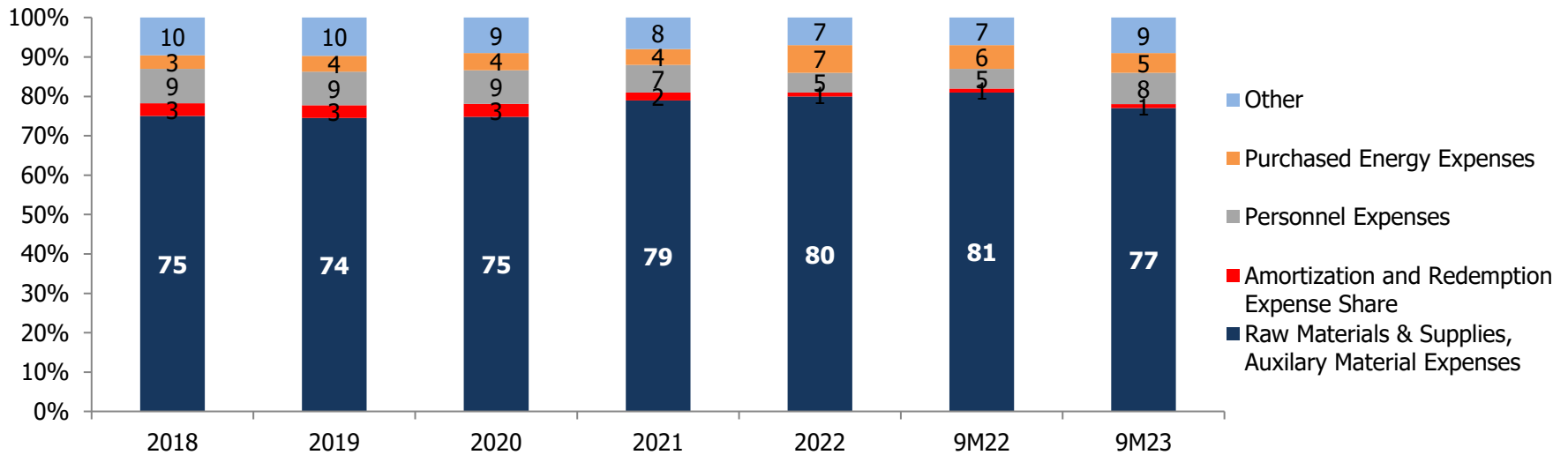
# SUMMARY BALANCE SHEET

1.000 TRY	30.09.2023	31.12.2022	1.000 TRY	30.09.2023	31.12.2022
<b>Total Current Assest</b>	<b>19.686.467</b>	<b>16.421.002</b>	<b>Current Liabilities</b>	<b>16.756.833</b>	<b>12.632.234</b>
Cash and Cash Equivalents	1.159.235	1.891.331	Short Term Borrowings	1.442.856	380.849
Financial Investments	79.305	2.264	Current Portion of Long Term Borrowings	982.855	764.968
Trade Receivables	5.122.738	4.191.875	Trade Payables	8.397.956	7.657.193
Inventories	9.833.215	7.944.743	Deferred Income	5.376.993	3.560.376
Prepaid Expenses	2.835.747	1.552.725	Other	556.173	268.849
Other Current Assets	656.227	838.065	<b>Total Long-Term Liabilities</b>	<b>2.447.828</b>	<b>2.546.450</b>
<b>Total Non-Current Assets</b>	<b>11.215.729</b>	<b>10.218.927</b>	Long Term Borrowings	1.073.974	1.339.554
Tangible Assets	10.605.391	9.995.786	Other	255.468	175.427
Intangible Fixed Assets	79.819	41.188	Provisions for Employee Benefits	1.111.283	1.011.680
Prepaid Expenses	97.931	34.769	Long-Term Deferred Revenues	7.103	7.145
Other	432.588	147.185	Other long-term Liabilities	-	12.645
			<b>Shareholders' Equity</b>	<b>11.697.535</b>	<b>11.461.244</b>
			Paid-In Capital	1.140.000	1.140.000
			Mutual Affiliates Capital Adjustment (-)	-169.680	-72.295
			Revaluation Fund	4.182.956	4.282.384
			Restricted reserves allocated from profits	380.468	334.517
			Retained Earnings	6.185.282	4.200.016
			Net Profit/(Loss) for the Period	1.250.739	2.174.337
			Other	-1.272.230	-597.716
<b>Total Assets</b>	<b>30.902.196</b>	<b>26.639.929</b>	<b>Total Equity and Liabilities</b>	<b>30.902.196</b>	<b>26.639.929</b>

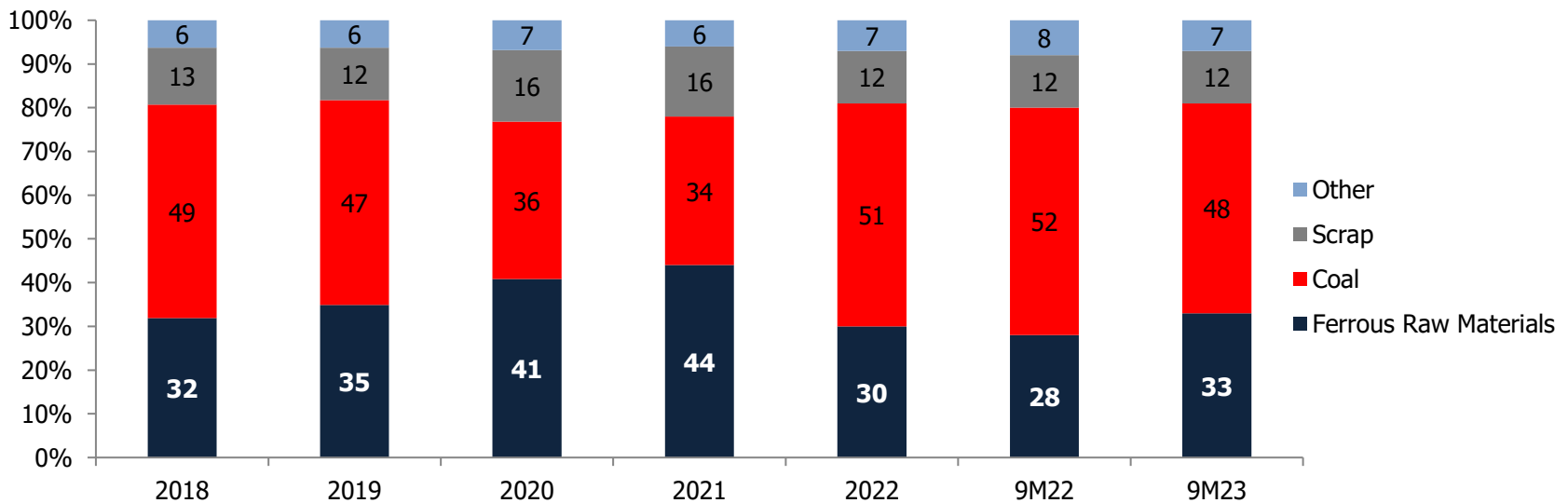


# PRODUCTION INDICATORS

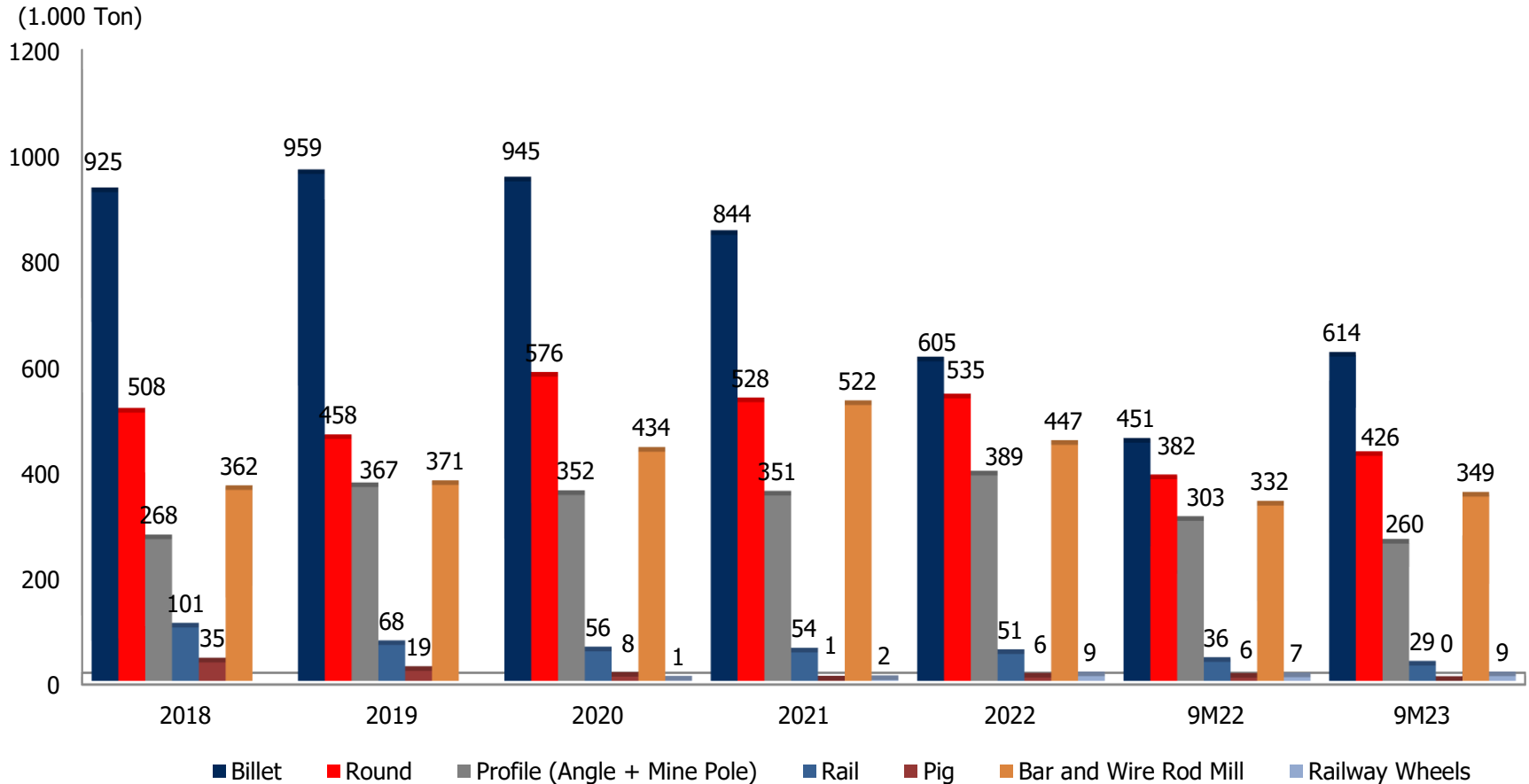
## Production Cost Distribution



## Raw Material Cost Distribution

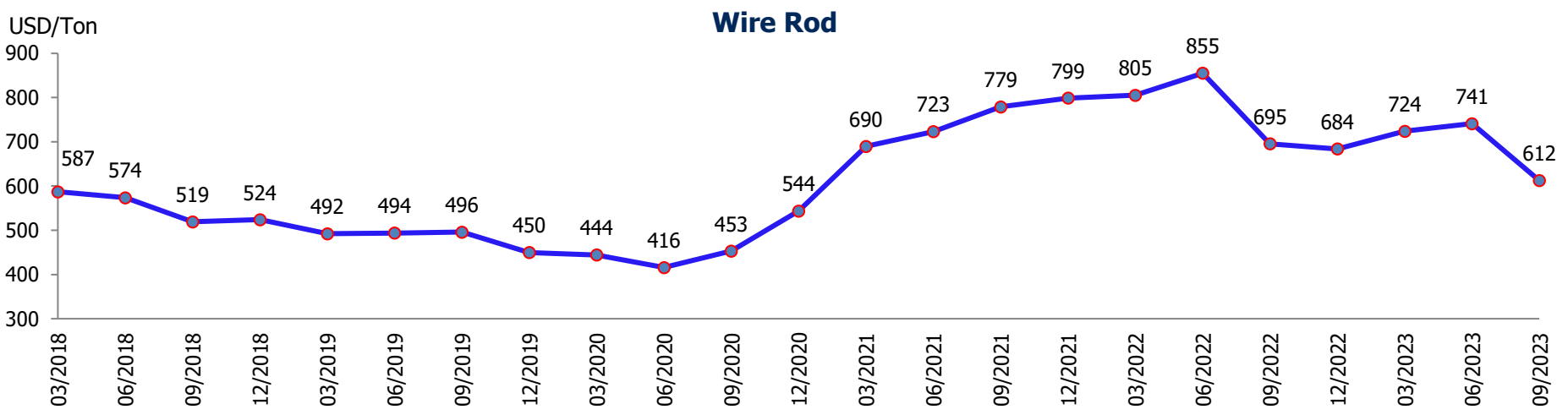
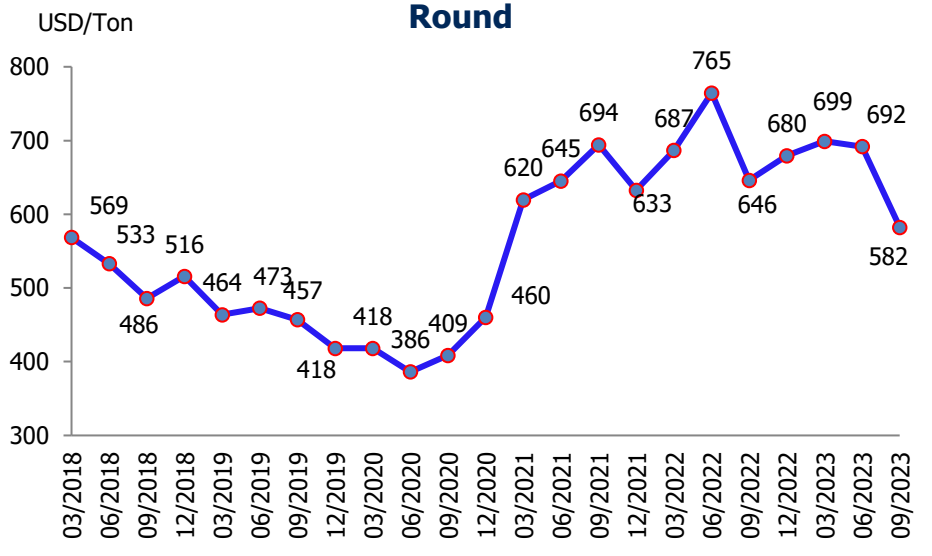
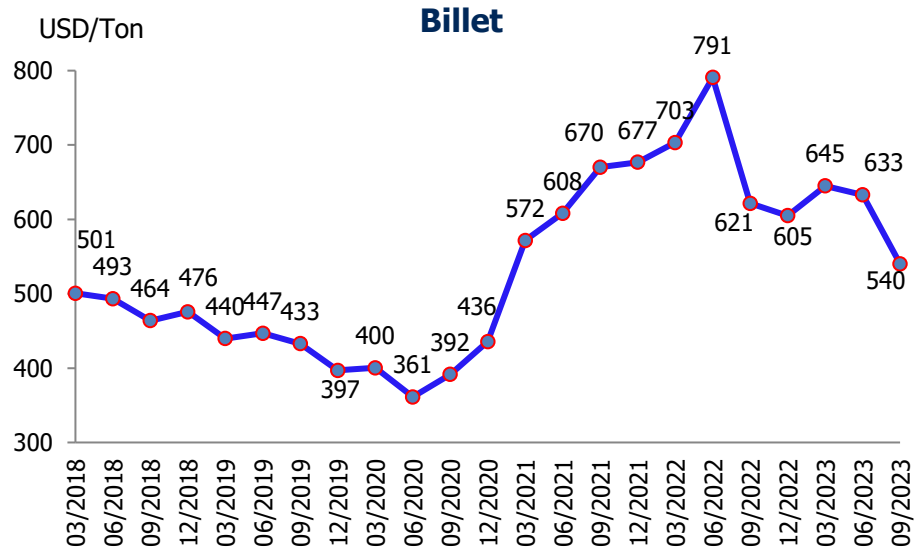


# SALES BASED ON PRIMARY PRODUCTS (1.000 Ton)





# AVERAGE SALES PRICES

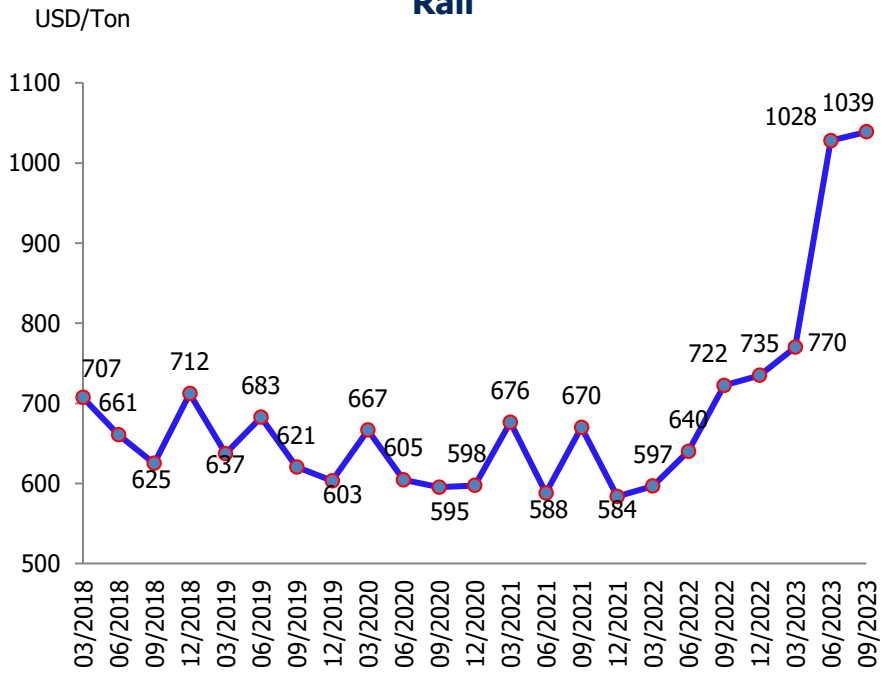




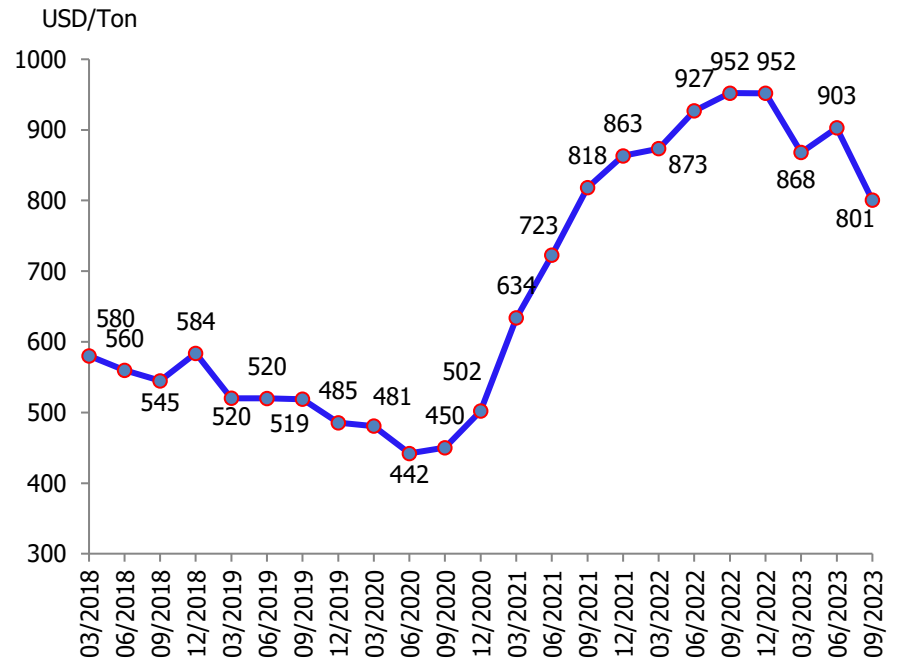


# AVERAGE SALES PRICES

## Rail

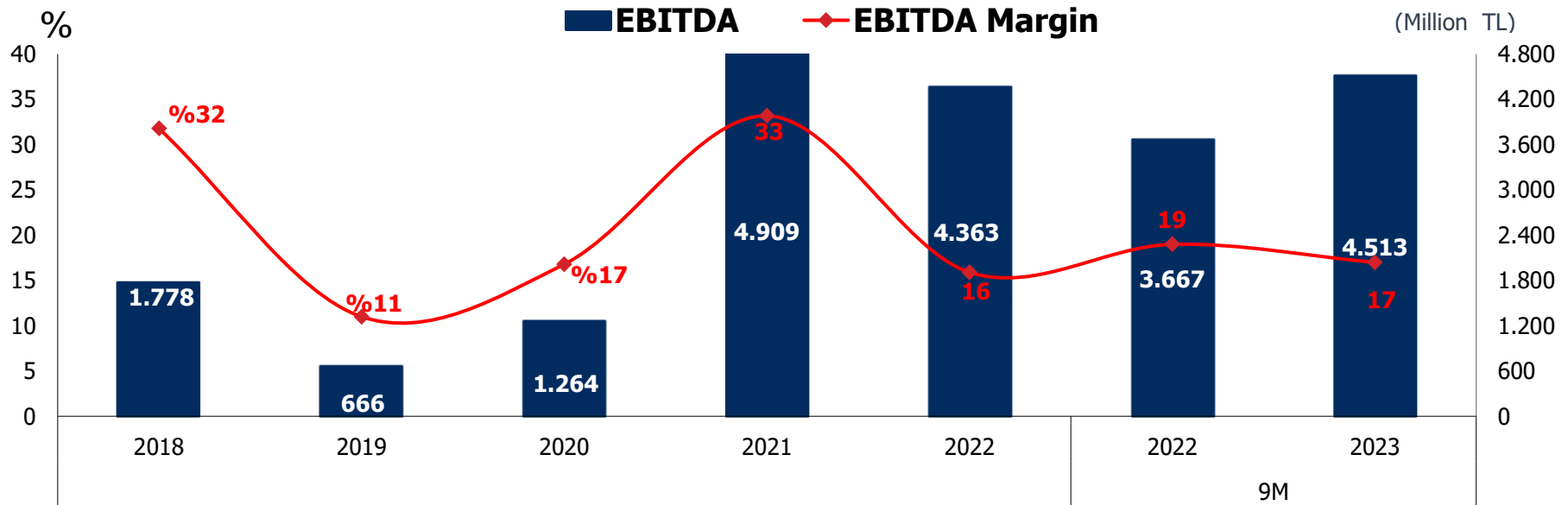
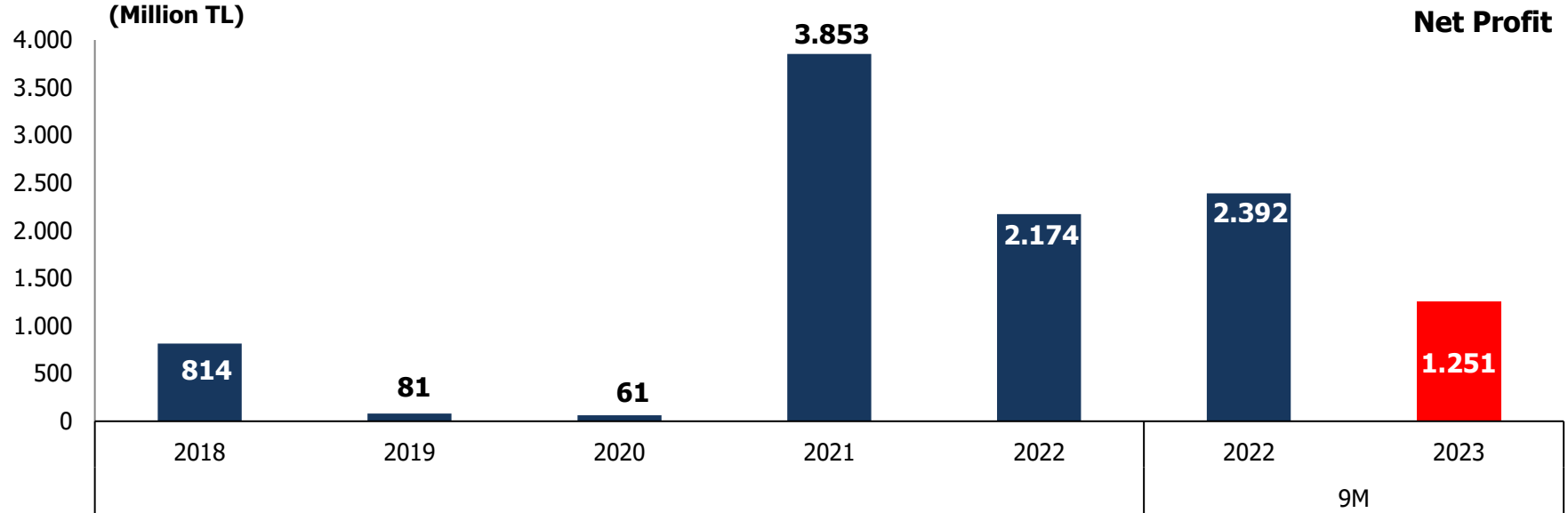


## Profile





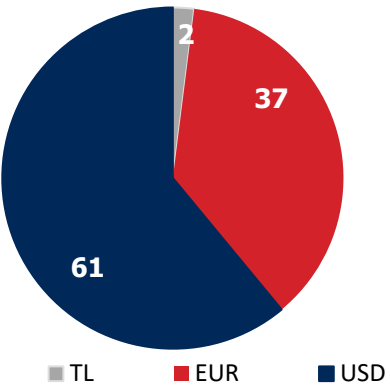
# CONSOLIDATED NET PROFIT AND EBITDA



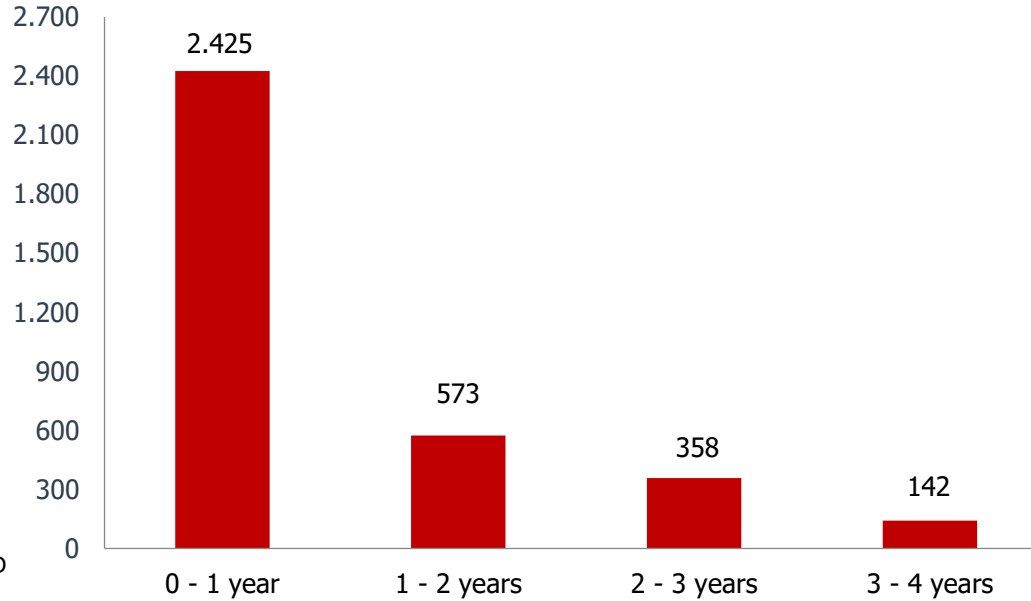


# BORROWINGS

## Currency Based Loans Distribution (%)



## Breakdown of Borrowings by Maturity (Mio/TRY)

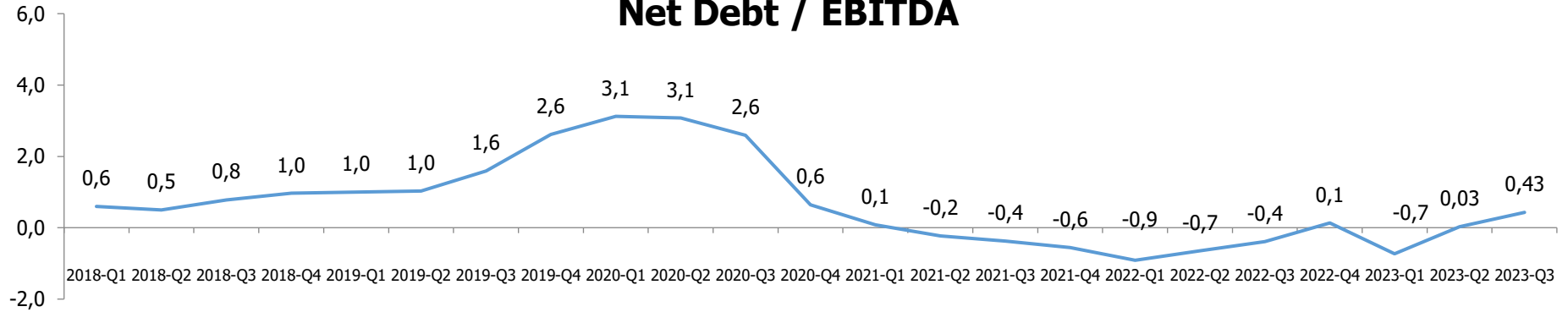


In the 9M23, 23,7 Mio Euro, 29,2 Mio USD and 44,3 Mio TL Principal Payment has been made in total.

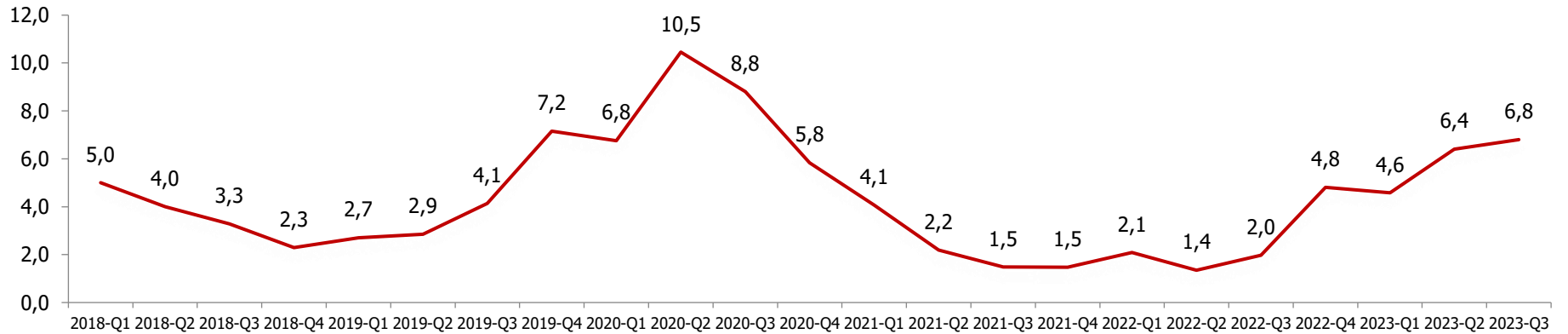


# FINANCIAL RATIOS

## Net Debt / EBITDA



## EV/EBITDA



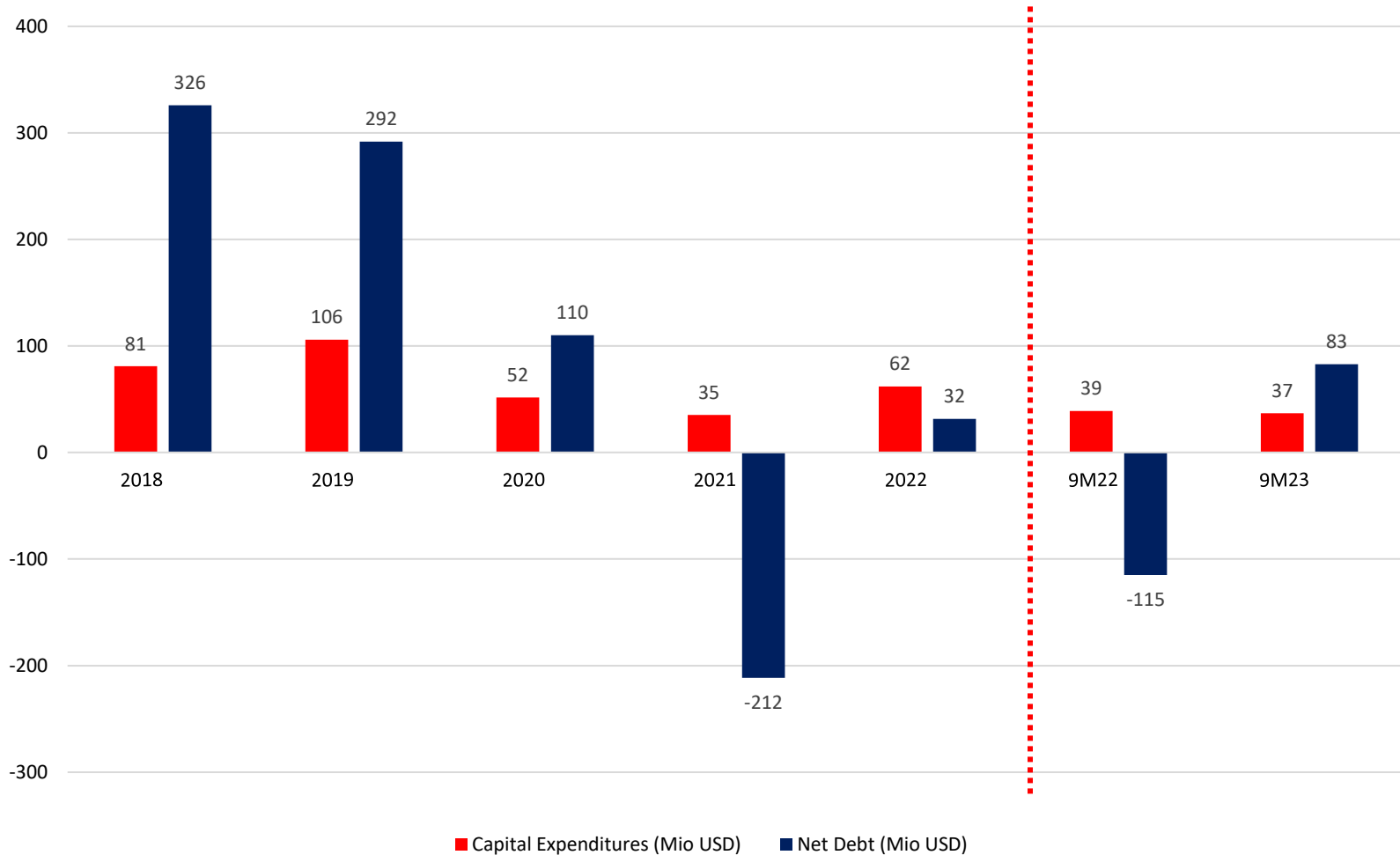


# Information About the Investments





# CAPITAL EXPENDITURES & NET DEBT





# INFORMATION ABOUT THE INVESTMENTS

## ONGOING INVESTMENTS

Vacuum Degassing

New Continuous Casting Machine

3th Step Environmental Investments

Improvement of Thin Coil Line

R&D Investment Projects



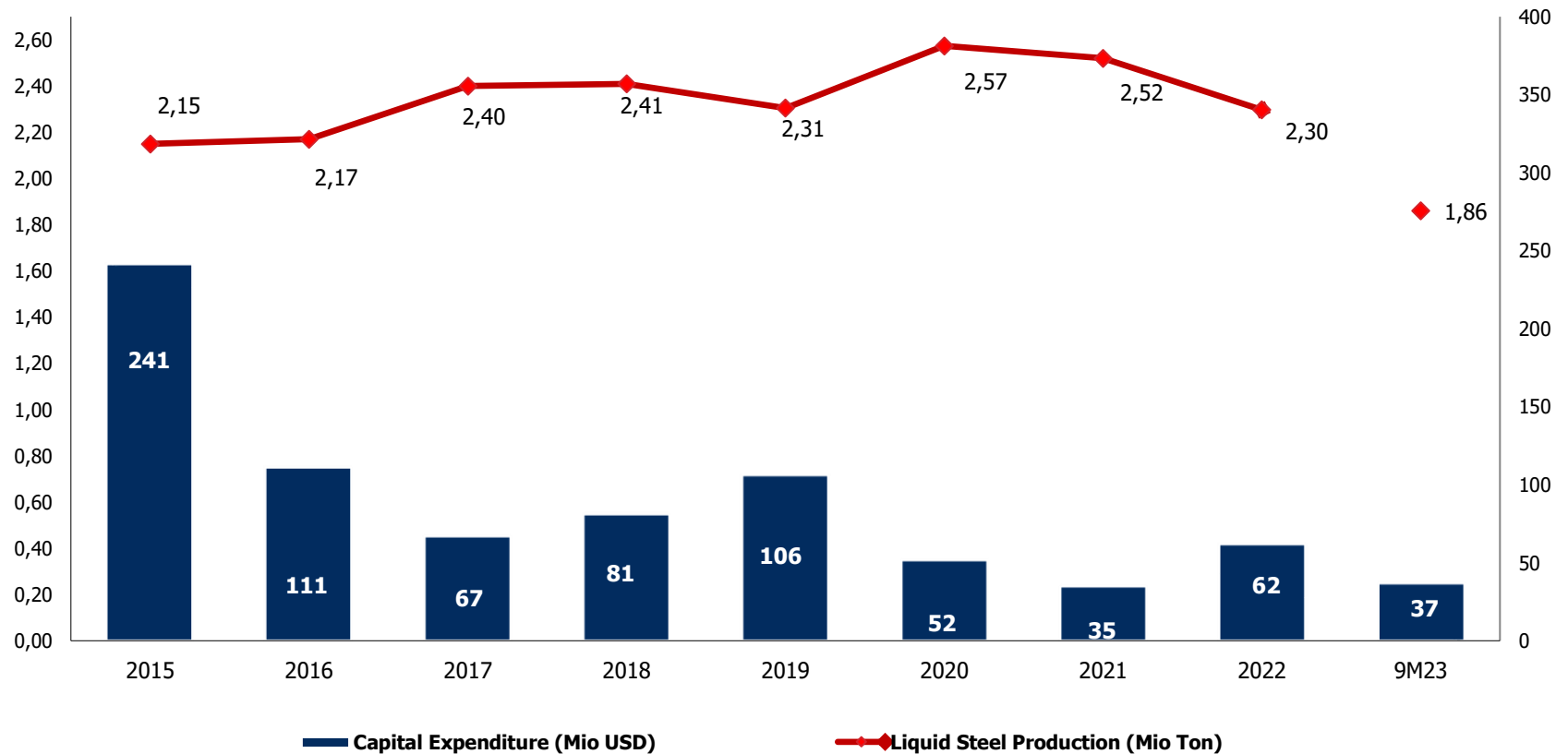
# 2015-2023 CAPITAL EXPENDITURES







# CAPITAL EXPENDITURES





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