



CORPORATE PRESENTATION

December 2022

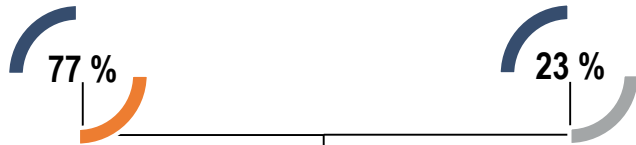


**BORUSAN
MANNESMANN**

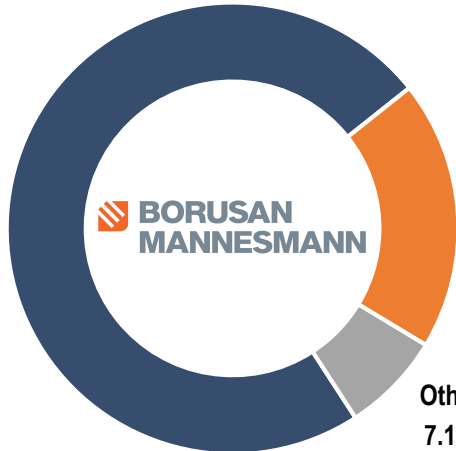
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This presentation may contain certain “forward-looking statements”, including, without limitation BORUSAN MANNESMANN BORU SANAYİ ve TİCARET A.Ş (Company)’s business projects, strategic objectives, future revenues, anticipated savings, financial results (including expenses, earnings, liquidity, cash flow and capital expenditures), industry or market conditions, demand for and pricing of our products, acquisitions future development, future-oriented financial information and “financial outlook” under applicable Capital Market Laws (collectively referred to herein as forward-looking statements). Forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These forward-looking statements reflect the Company’s views at the time such statement was made with respect to future events and are not a guarantee of future performance or developments and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Shareholder Structure



Borusan Mannesmann
Investment Holding
73.48%



Free Float
19.33%

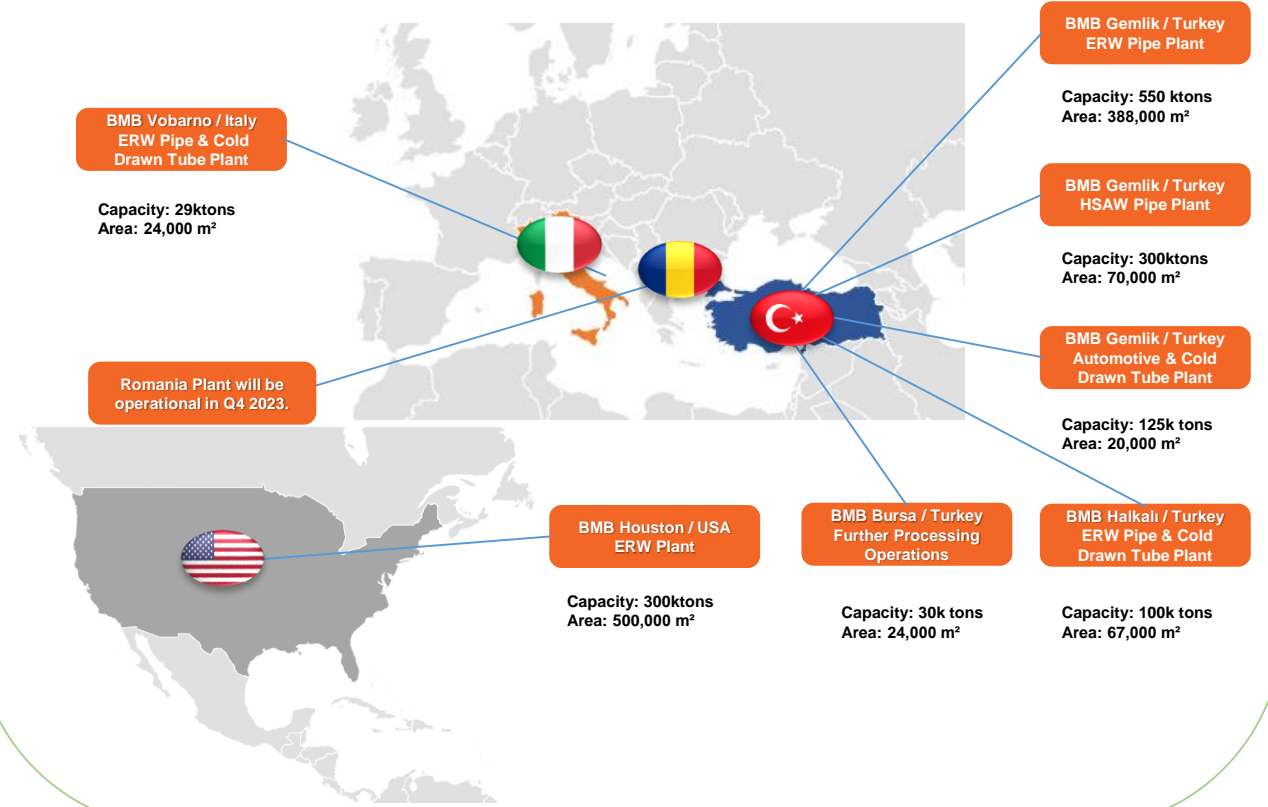
Others
7.19%

Geographical Footprint

Total Capacity
1.4 mn tons

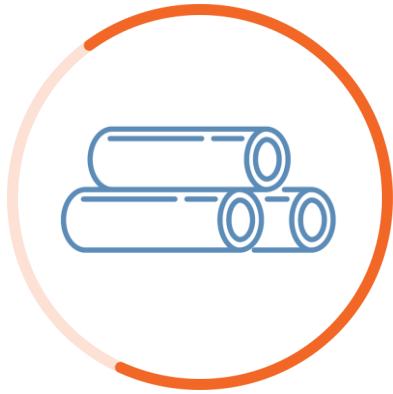
Total Area
1,093 k sqm

Total Employee
2,095



KEY HIGHLIGHTS '22

SALES VOLUME*



**853
k tons**

+ 12 % y/y

SALES REVENUE*



**\$ 1,340
millions**

+ 62 % y/y

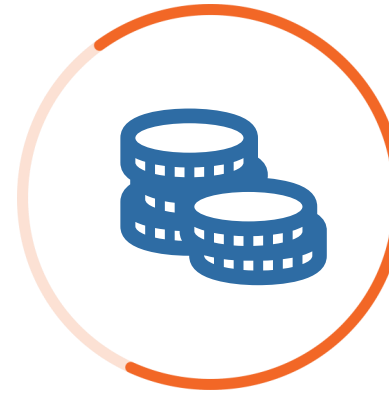
EBITDA



**\$ 200
millions**

+ 147 % y/y

PBT



**\$ 106
millions**

+ 1,011 % y/y

TR EXPORT



**\$ 328
millions**

+ 37 % y/y

- Record consolidated results in terms of revenue and profitability

Major drivers;

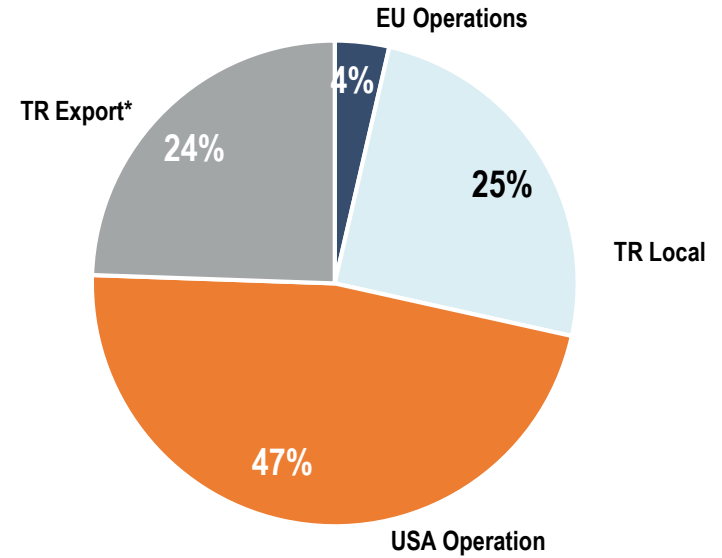
- Remarkable performance in Energy Pipe Market sales
- Strong results in Global Operations
- Significant increase in Infrastructure Pipe sales

MARKET CAPITALIZATION

\$ 637 mn as of Dec 31,2022



SALES REVENUE '22



REVENUE BY INDUSTRY



Infrastructure & Project



+ 128 % y/y



Automotive



+ 15 % y/y



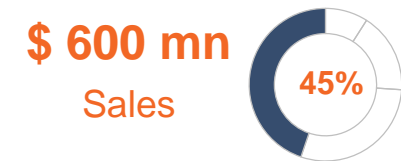
Industry & Construction



+ 5 % y/y



Energy



+ 200 % y/y

*Export sales from TR to EU and USA operations are consolidated in related foreign operation.

EXPORT MARKETS PERFORMANCE



\$ 328 mn

Total TR
Export*

24 %

% BMB Total
Sales \$

37 %

Sales \$
Growth
y/y

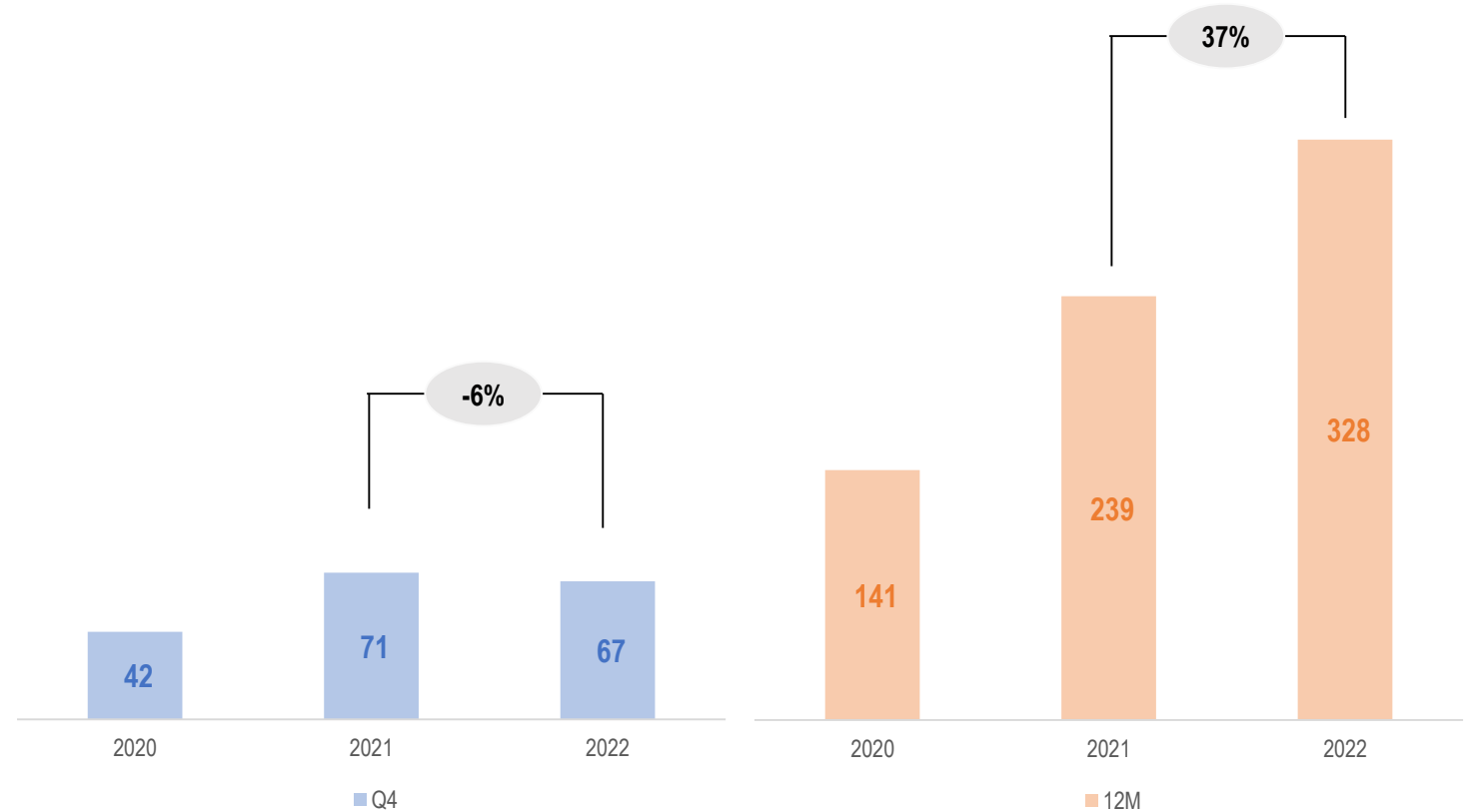
11 %

Share in Total
Turkish Steel Pipe
Export tonnages*

38

Number of
Export
Countries

EXPORT SALES mn \$



- Outstanding export revenue performance of \$ 328 mn and significant growth in export markets
- Penetration and expansion into new geographies through exports

Infrastructure & Project



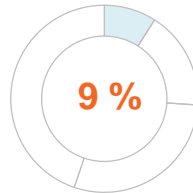
\$ 121 mn

Sales

128 %

Growth
y/y

% BMB Total
Sales



- Strong sales performance due to competitive pricing and advanced service level strategy despite low market demand and conflicts nearby regions and energy crisis
- High margins in small/mid size pipe products

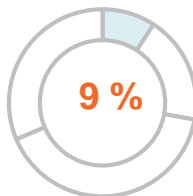
79k tons

Sales

33 %

Growth
y/y

% BMB Total
Sales



Automotive



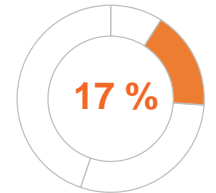
\$ 228 mn

Sales

15 %

Growth
y/y

% BMB Total
Sales



- Better y/y revenue performance with product diversification and new customer acquisition despite shrinking demand and intense competition conditions in market.

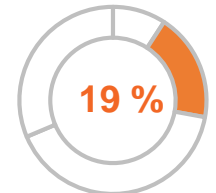
159k tons

Sales

-2 %

Change
y/y

% BMB Total
Sales



Industry & Construction



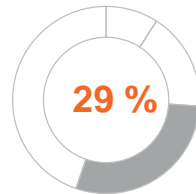
\$ 391 mn

Sales

5 %

Growth
y/y

% BMB Total
Sales



- Increase in y/y revenue despite decrease in sales volume
- Limited gross profit margin due to volatility in raw materials and energy prices in domestic markets
- Strong performance in export market in sales revenue and profitability despite global trade limitations and competition

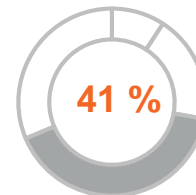
348k tons

Sales

-13 %

Change
y/y

% BMB Total
Sales



Energy



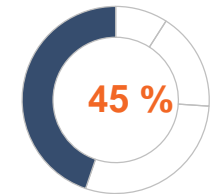
\$ 600 mn

Sales

200 %

Growth
y/y

% BMB Total
Sales



- Representing almost 45% of total sales revenue in 22 FY with high profitability
- Almost 100k ton sales volume in the last quarter of 2022
- Significant increase in profitability due to high demand in oil & gas market with timely adjusted price

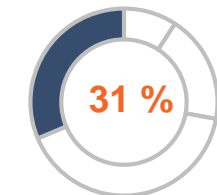
267k tons

Sales

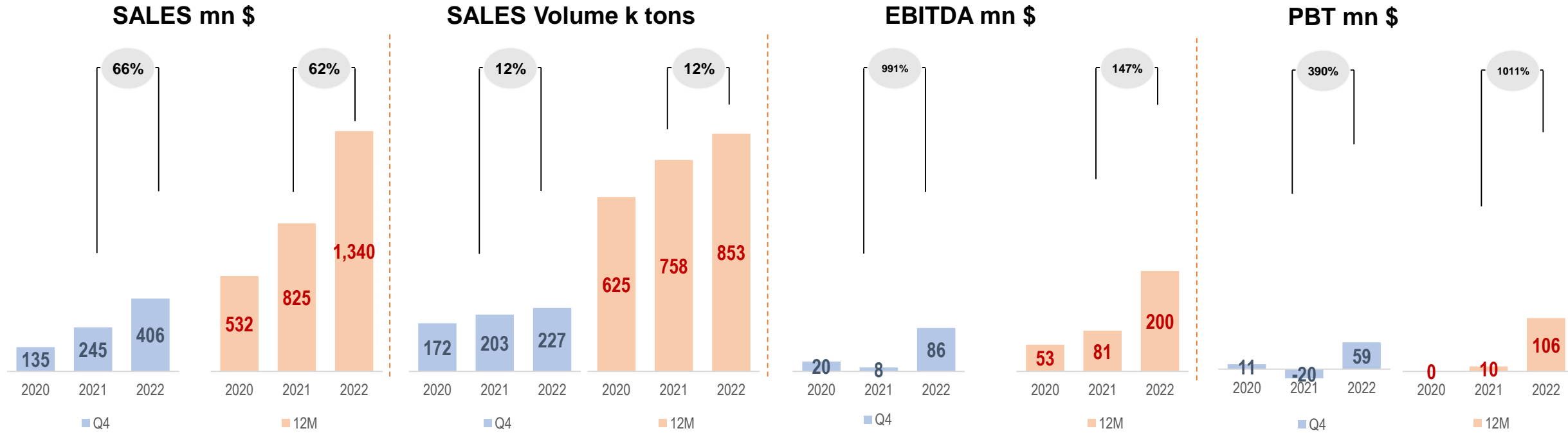
97 %

Growth
y/y

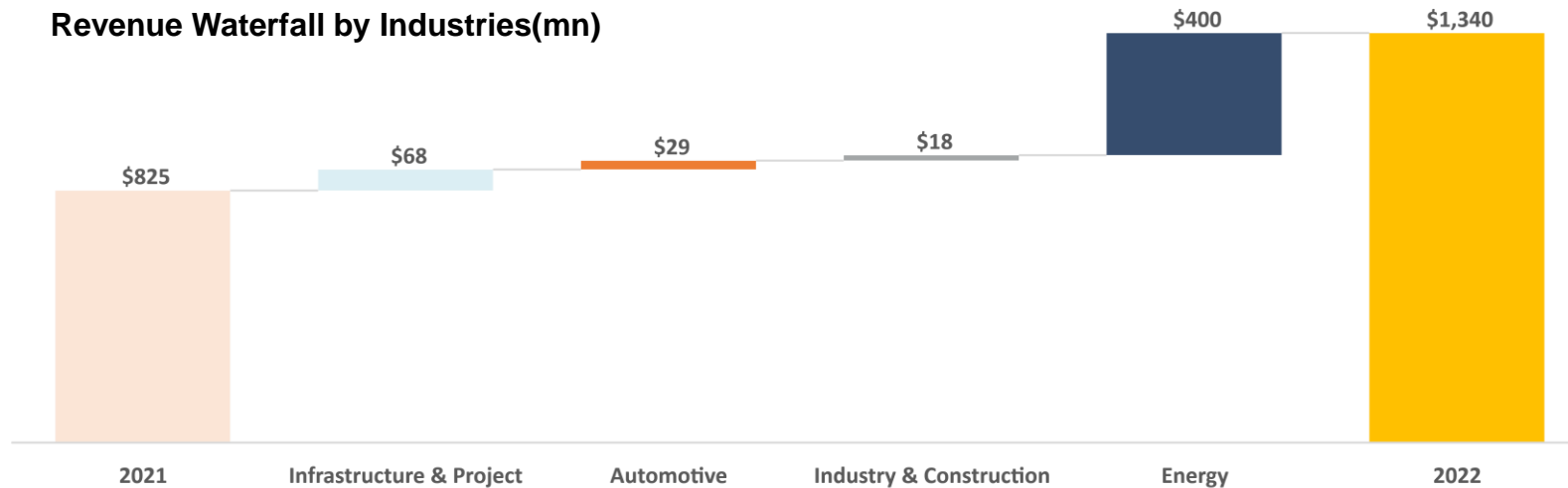
% BMB Total
Sales



SUMMARY FINANCIALS



Revenue Waterfall by Industries(mn)



SUMMARY FINANCIALS

(mn\$)	2022	2021	Değişim
Revenue	1,340	825	62%
Cost of Sales	(1,151)	(759)	52%
Gross Margin	189	66	186%
(as a % of revenue)	14.1%	8.1%	603 bps
SG&A	(65)	(48)	35%
(as a % of revenue)	4.8%	5.8%	-102 bps
Other	35	19	84%
EBIT	159	37	+122mn
Financial Expense	(53)	(27)	96%
PBT	106	10	+96mn
(as a % of revenue)	7.9%	1.2%	+680 bps
Depreciation	34	32	6%
EBITDA	200	81	+119mn
(as a % of revenue)	14.9%	9.8%	511 bps

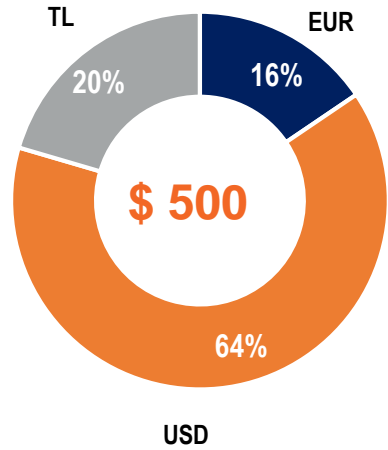
Free Cash Flow	(177)	81	-258mio\$
NFD / EBITDA	2.10	2.63	
NWC Days	104	59	+45 days

(mn\$)	2022 4.Ç	2021 4.Ç	Değişim
Revenue	406	245	66%
Cost of Sales	(321)	(253)	27%
Gross Margin	85	(8)	1,150%
(as a % of revenue)	21.0%	-3.3%	2,436 bps
SG&A	(21)	(13)	62%
(as a % of revenue)	5.3%	5.1%	19.9 bps
Other	7	8	-13%
EBIT	71	(13)	+84mn
Financial Expense	(12)	(7)	71%
PBT	59	(20)	+79mn
(as a % of revenue)	14.6%	-8.3%	+2,300 bps
Depreciation	9	8	12%
EBITDA	86	8	+78mn
(as a % of revenue)	21.2%	3.2%	1,801 bps

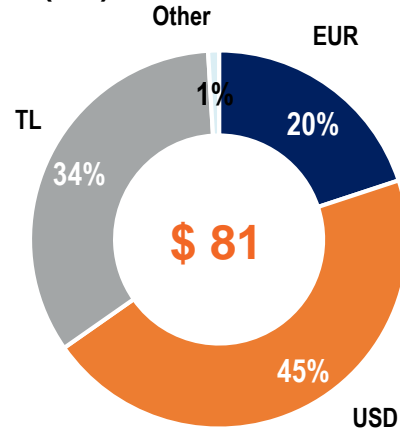
- \$ 200mn EBITDA; increased by 147 % y/y
- EBITDA growth led by strong top-line growth and better capacity utilization in US Operations
- Strong PBT performance boosted by remarkable sales growth
- Higher financial expenses due to increase in working capital

SUMMARY FINANCIALS

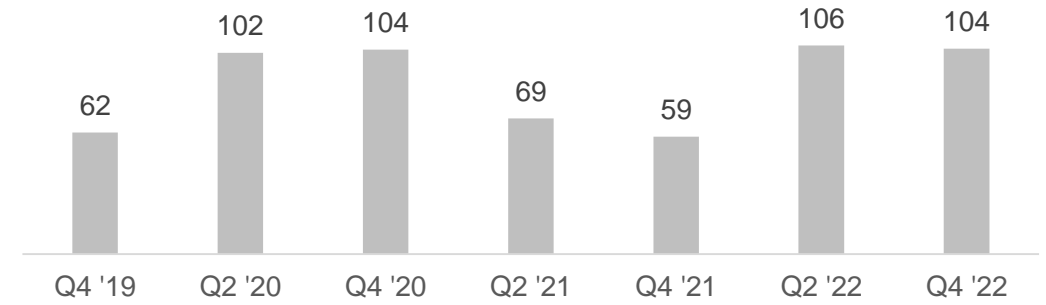
Debt Profile(mn)



Cash Profile(mn)



NWC days



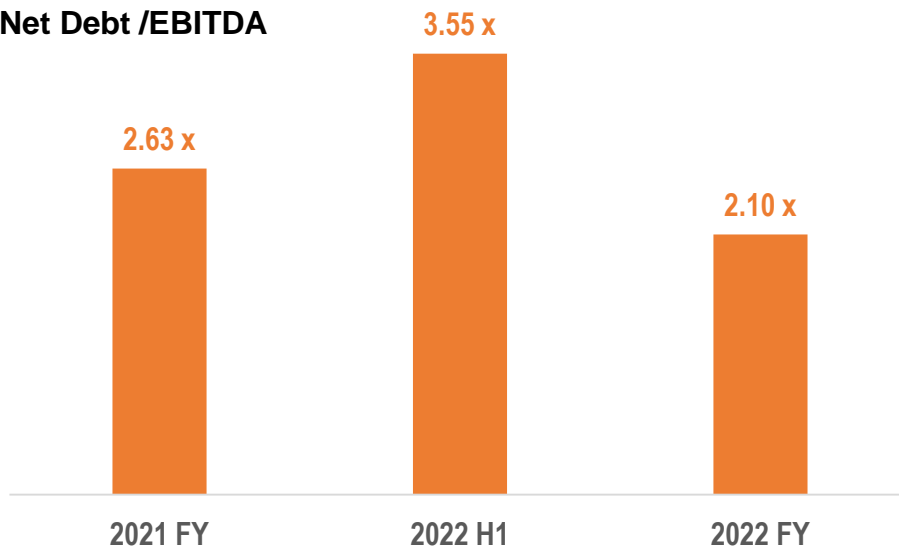
Rolling Sales-12M (mn\$)

Rolling Sales-12M (mn\$)	807	675	532	616	825	1,033	1,340
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NWC

NWC	136	188	151	116	134	299	382
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Net Debt /EBITDA



- Increase in working capital due to strong revenue growth
- Maintaining net debt to EBITDA rate at 2.10
- Net debt; \$ 419 mn as of end of Dec 31, 2022



BORUSAN MANNESMANN

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