



MINING METALLURGY
GROUP



2018 12 Months Investor Presentation

07.02.2019

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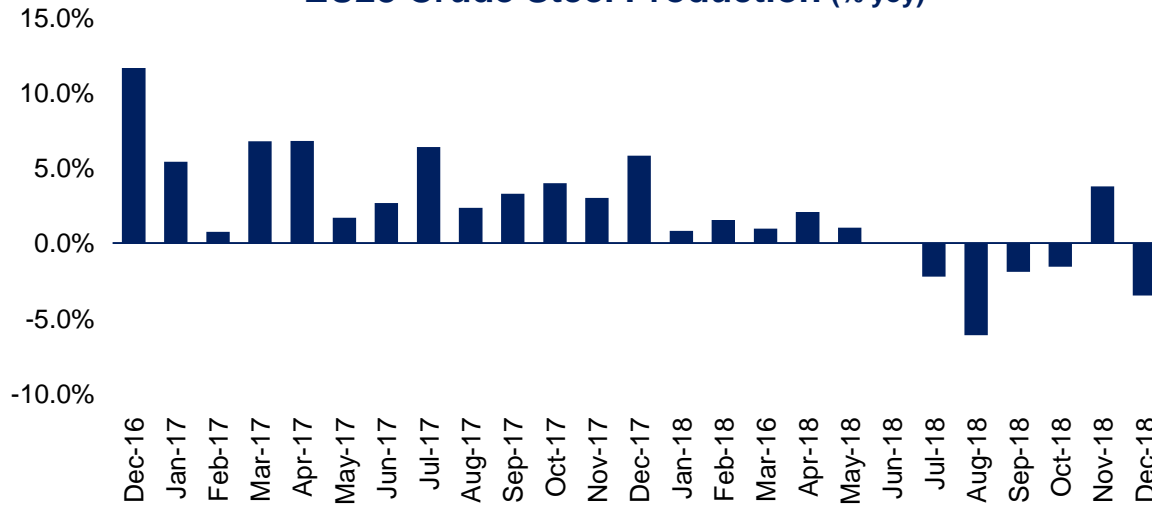
2018 Market Overview



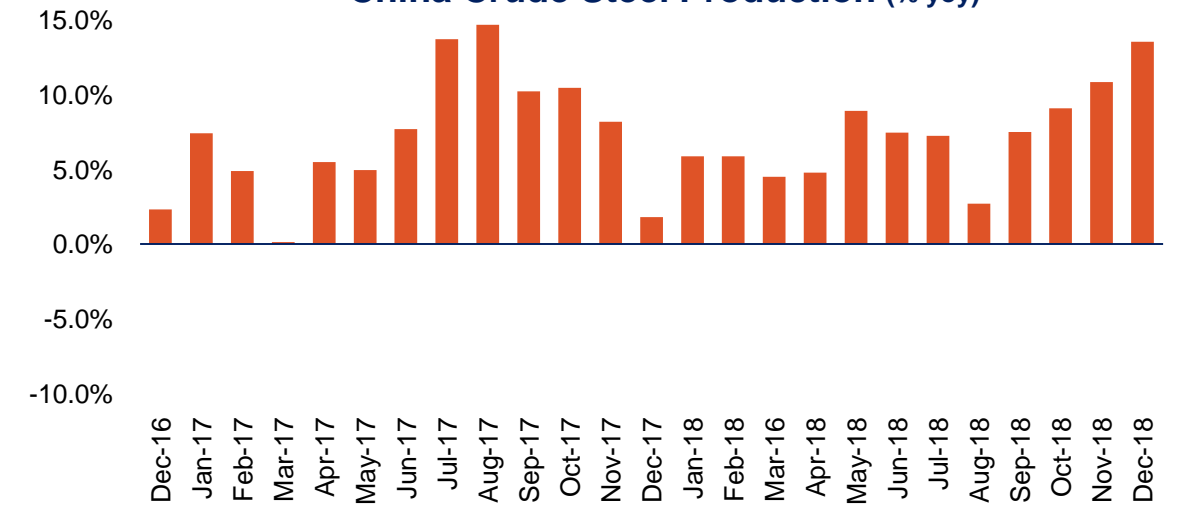
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Crude Steel Production

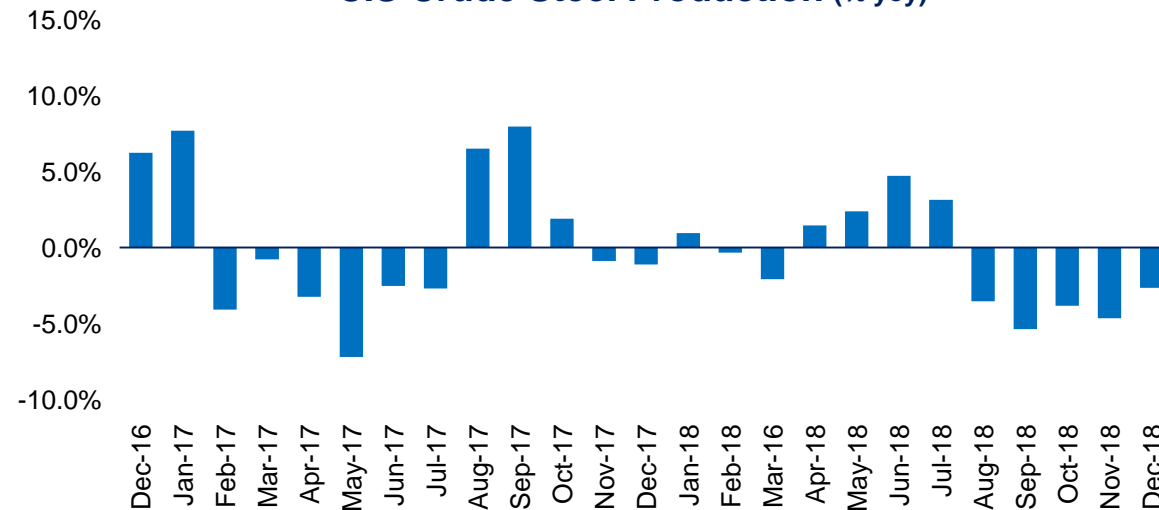
EU28 Crude Steel Production (% yoy)



China Crude Steel Production (% yoy)

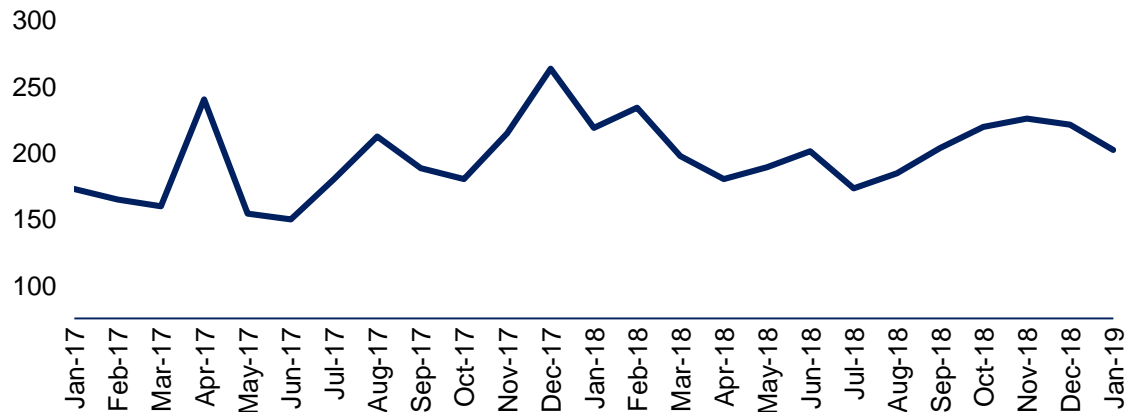


CIS Crude Steel Production (% yoy)

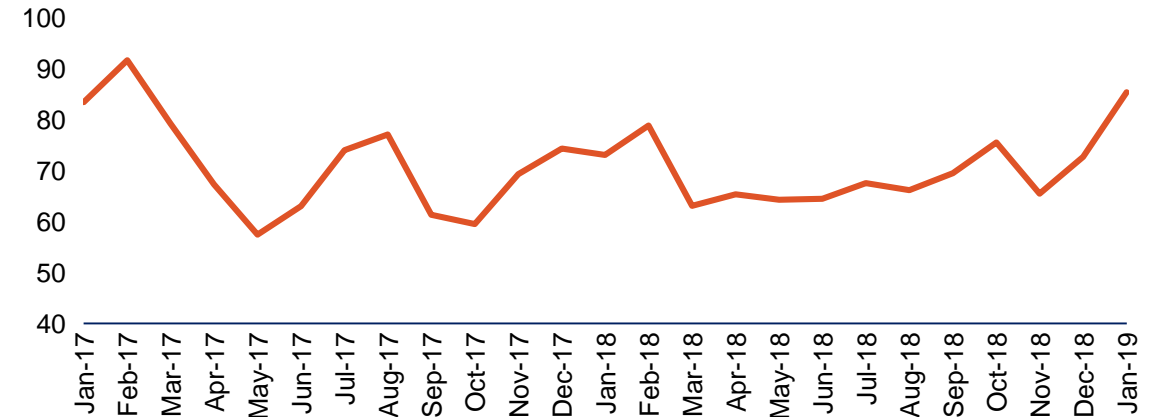


Coking Coal, Iron Ore & Scrap Prices

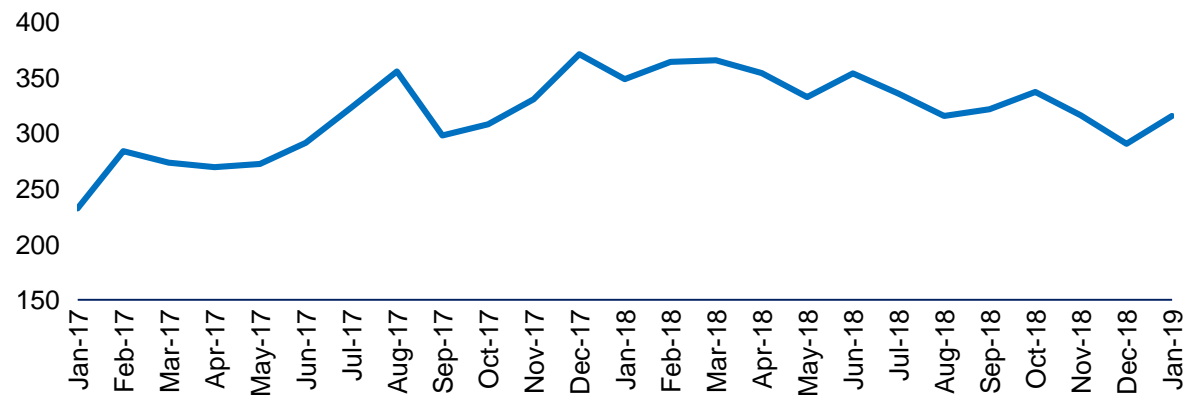
Coking Coal Prices
(HCC Peak Downs Region FOB Australia)



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

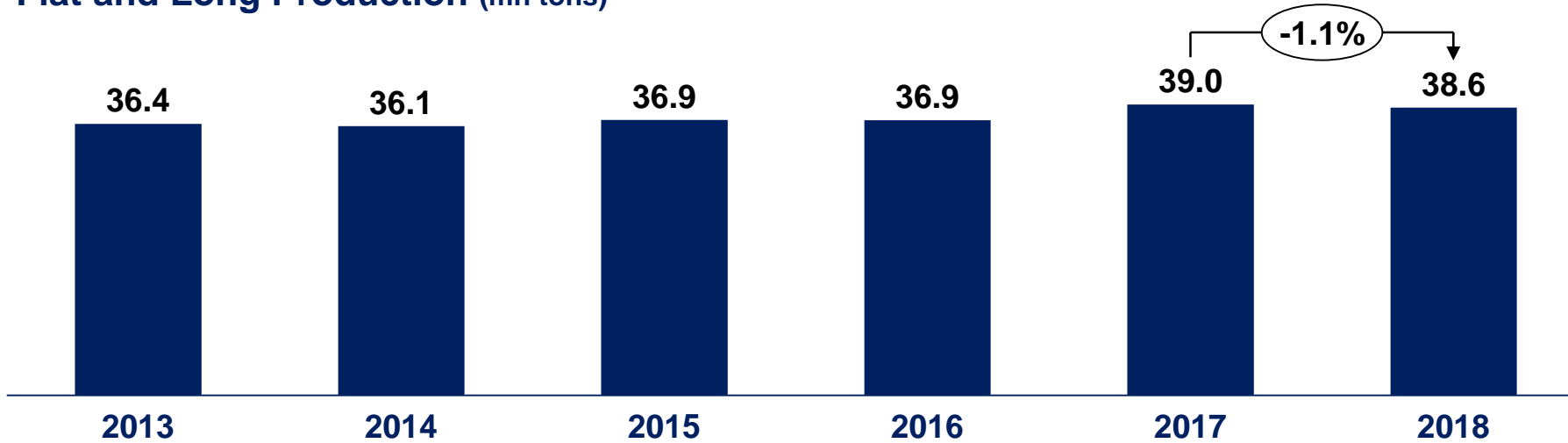


Scrap Prices
(HMS CFR Turkey Mid)

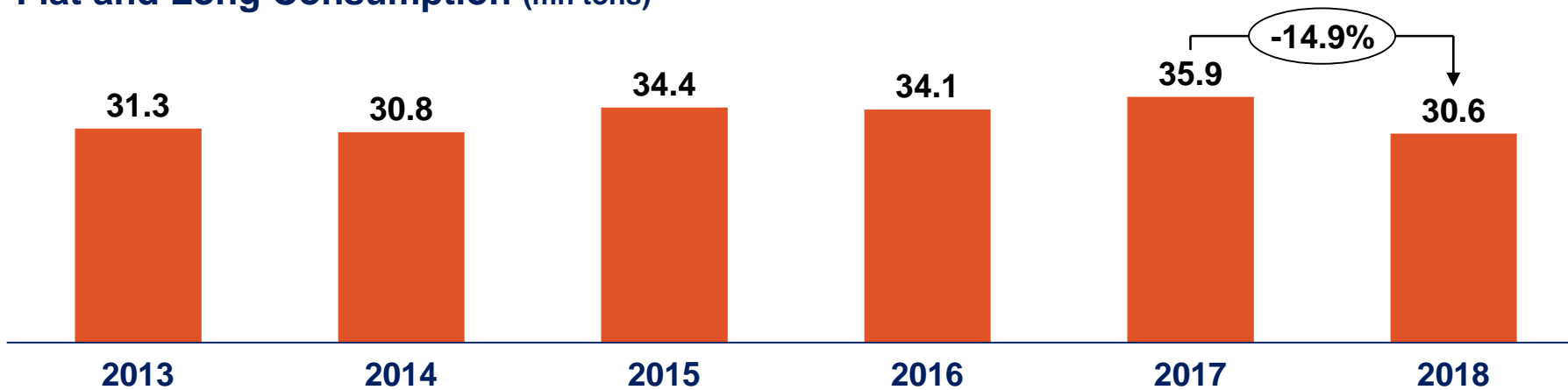


Turkish Steel Production & Consumption

Flat and Long Production (mn tons)

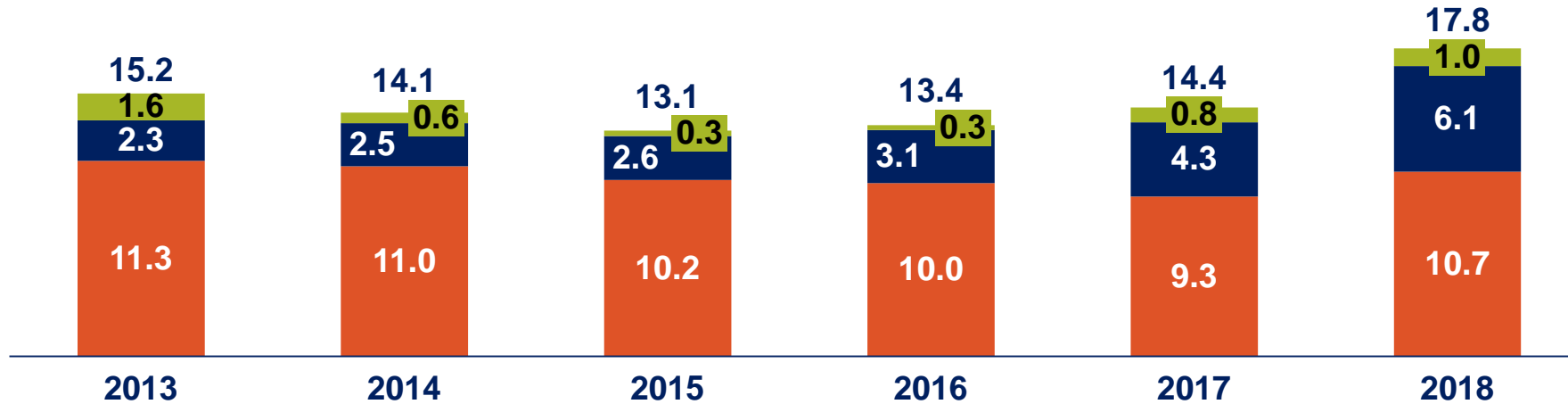


Flat and Long Consumption (mn tons)

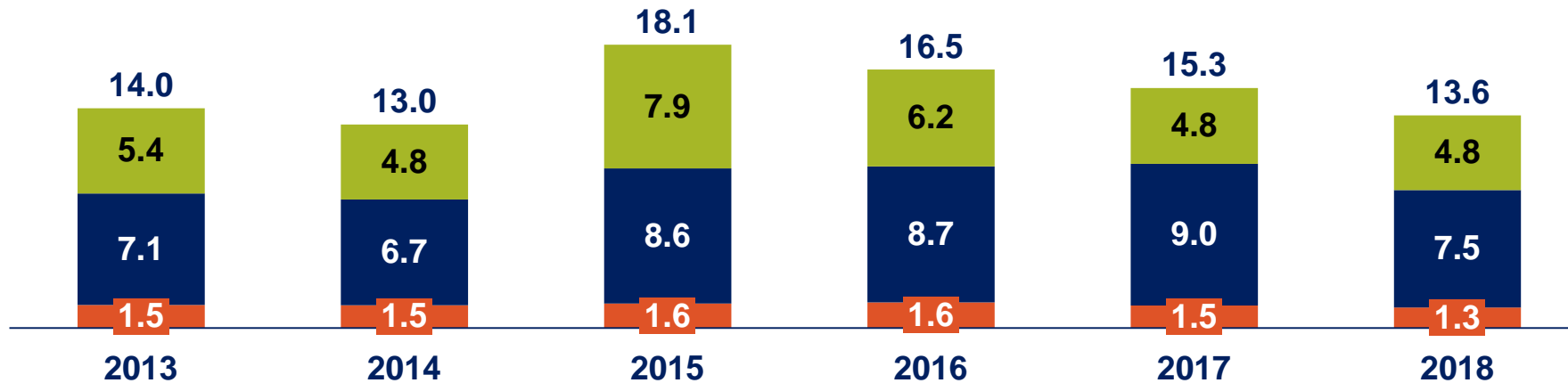


Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



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



2018 12M Results



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Operational and Financial Highlights

| Operational Highlights | 2016 | 2017 | 2018 | Growth (YoY) |
|------------------------------------|-------|-------|--------------|--------------|
| Liquid Steel Production (000 tons) | 9,373 | 9,392 | 9,322 | -0.7% |
| Flat Steel Production* (000 tons) | 7,072 | 7,713 | 7,743 | 0.4% |
| Long Steel Production (000 tons) | 1,572 | 1,328 | 980 | -26.2% |
| Flat Steel Shipments (000 tons) | 7,163 | 7,594 | 7,482 | -1.5% |
| Long Steel Shipments (000 tons) | 1,587 | 1,364 | 919 | -32.6% |

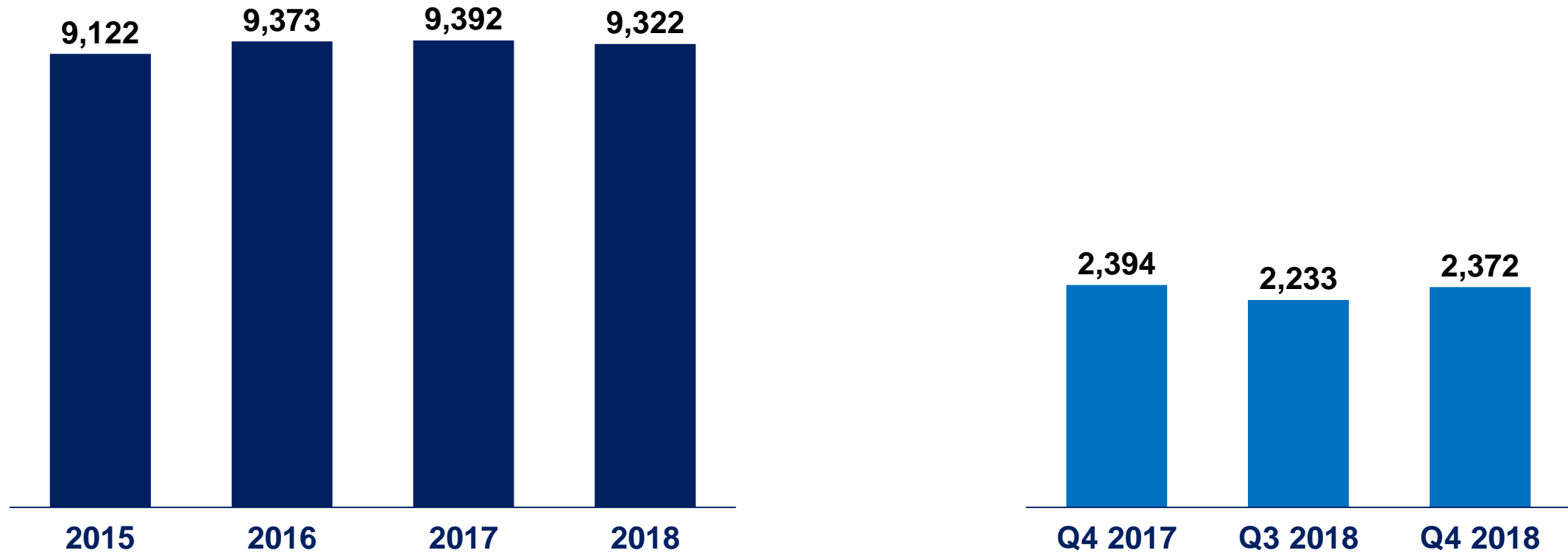
| Financial Highlights | 2016 | 2017 | 2018 | Growth (YoY) |
|----------------------------|-------|-------|--------------|--------------|
| Net Sales Revenue (USD mn) | 3,855 | 5,140 | 5,598 | 8.9% |
| EBITDA (USD mn) | 895 | 1,496 | 1,720 | 15.0% |
| Net Profit** (USD mn) | 502 | 1,030 | 1,160 | 12.6% |

All figures are on IFRS consolidated basis unless stated otherwise.

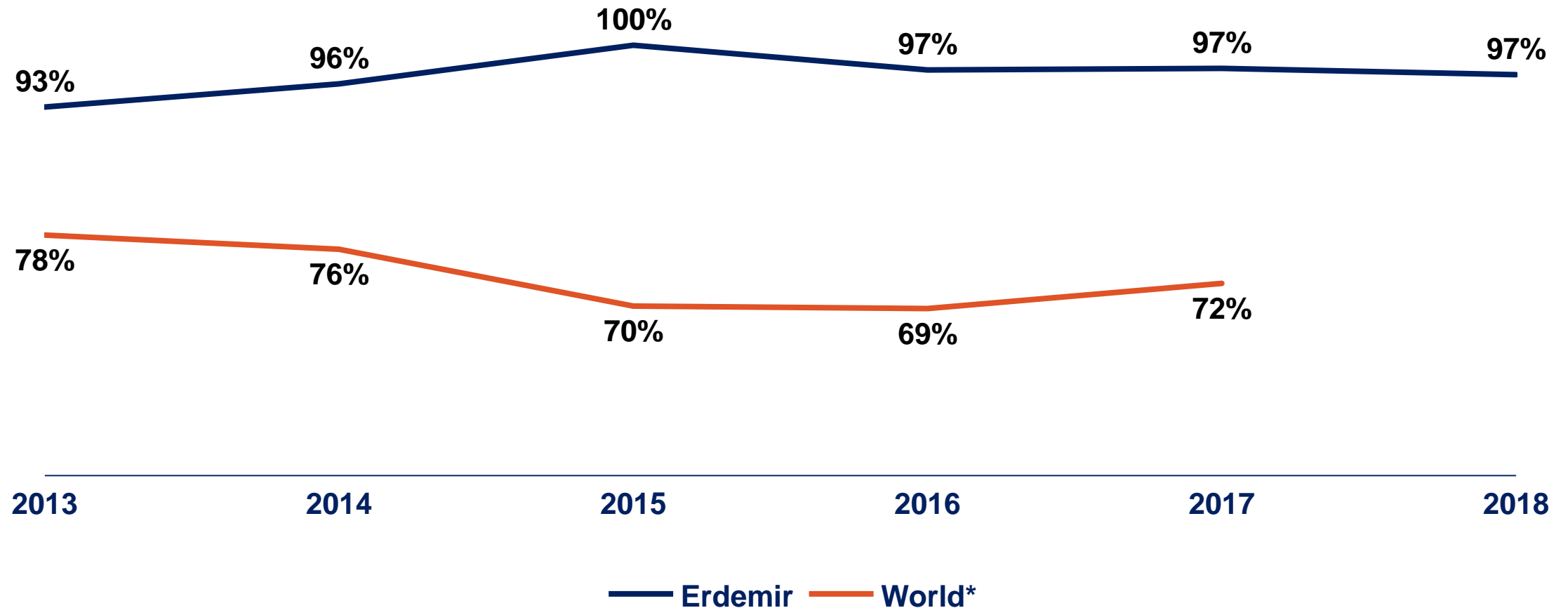
() Total flat steel production of Ereğli and İskenderun Plants.*

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

Liquid Steel Production (000 tons)

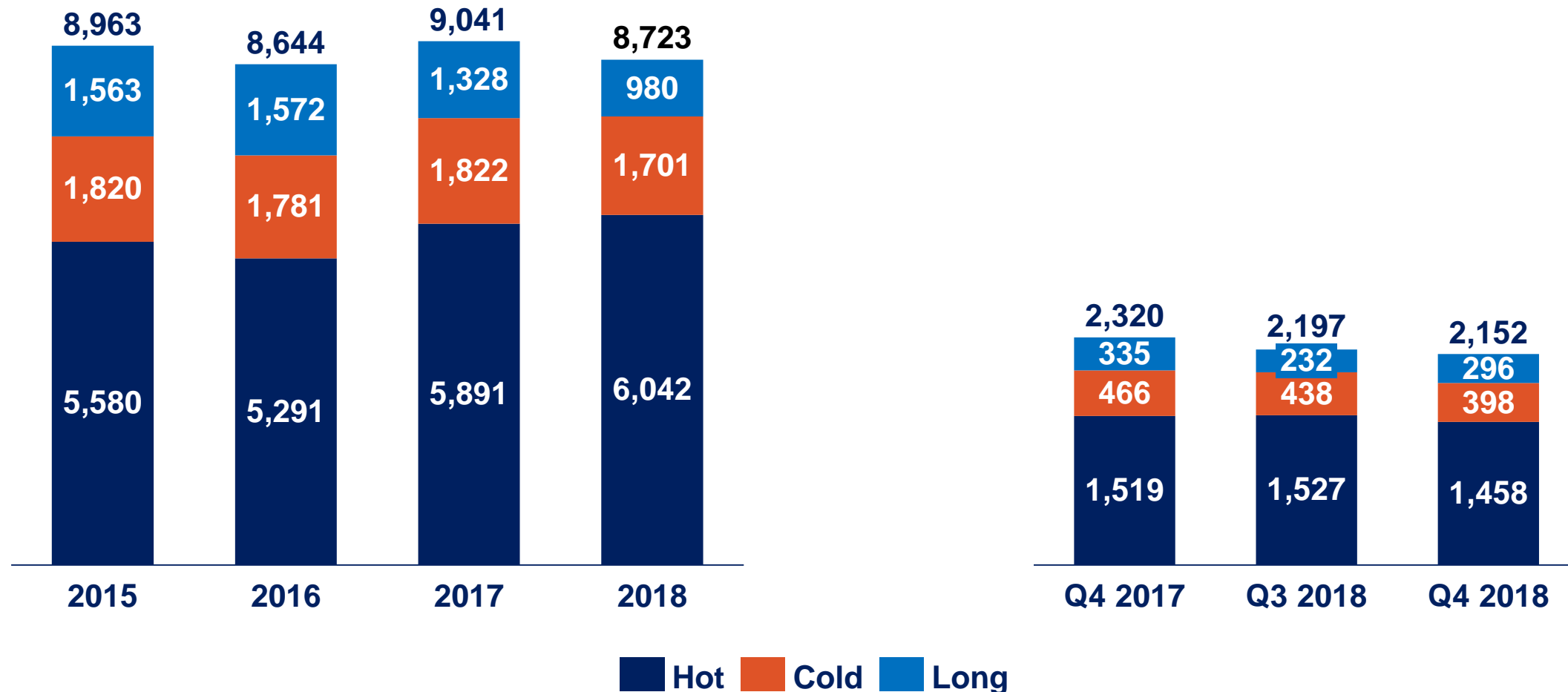


Crude Steel Capacity Utilization Ratio



Production (000 tons)

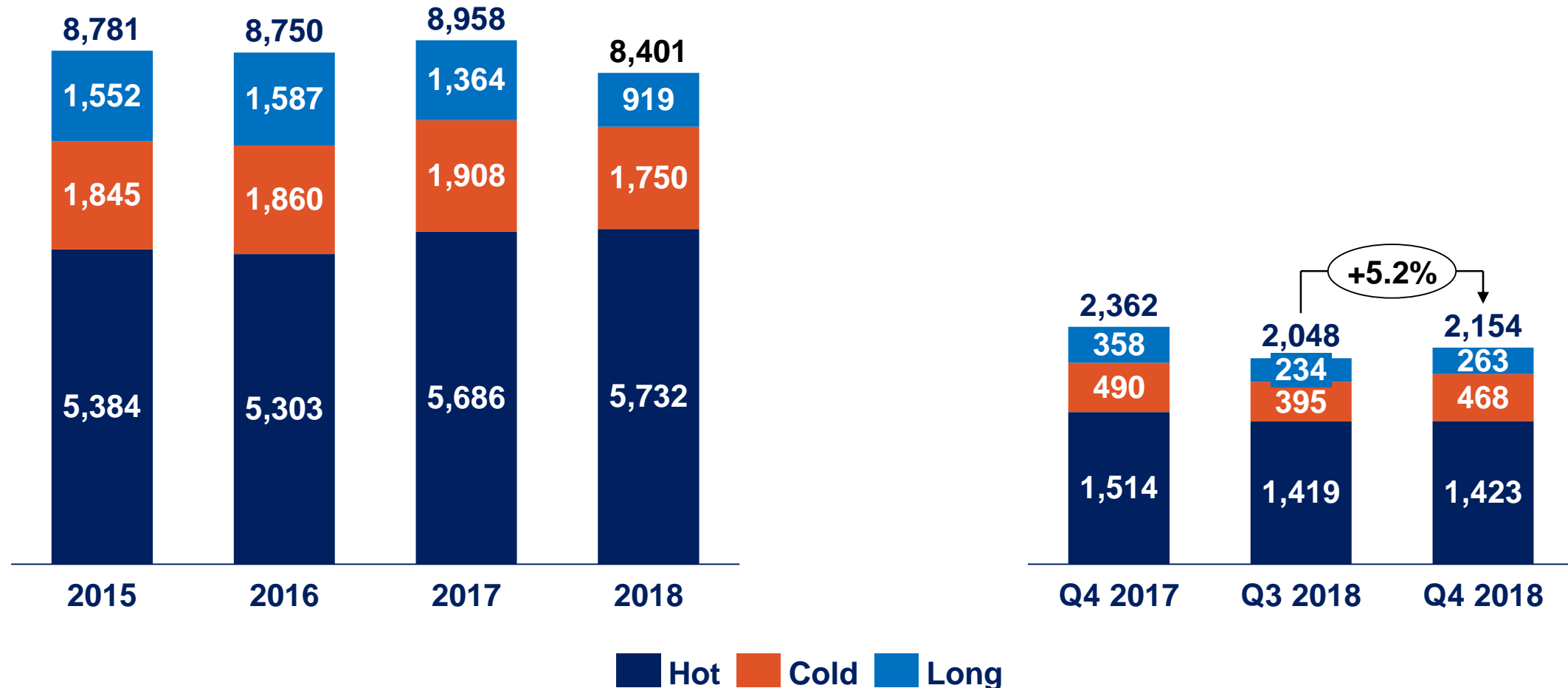
HRC production increased by 2.6% YoY in 2018.



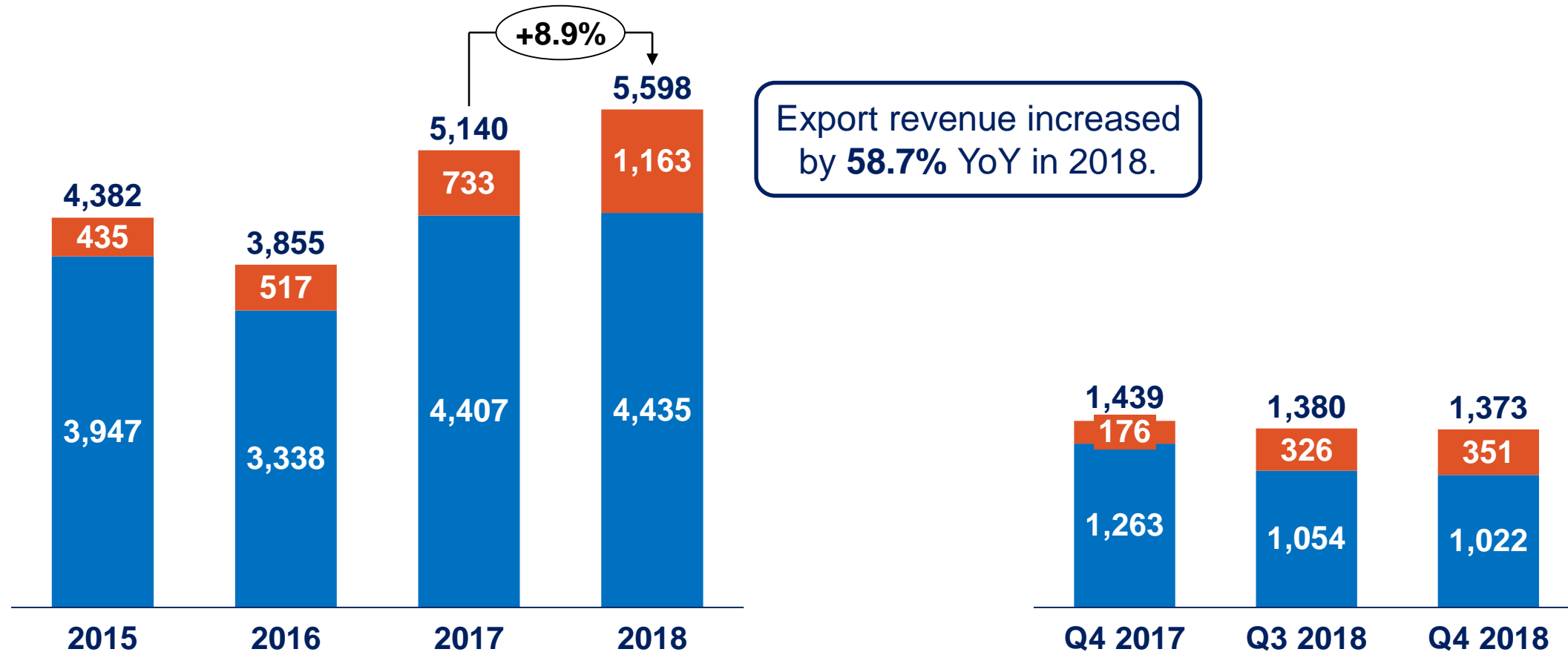
Hot Cold Long

Sales Volume (000 tons)

Total sales increased by 5.2% QoQ in Q4 2018.



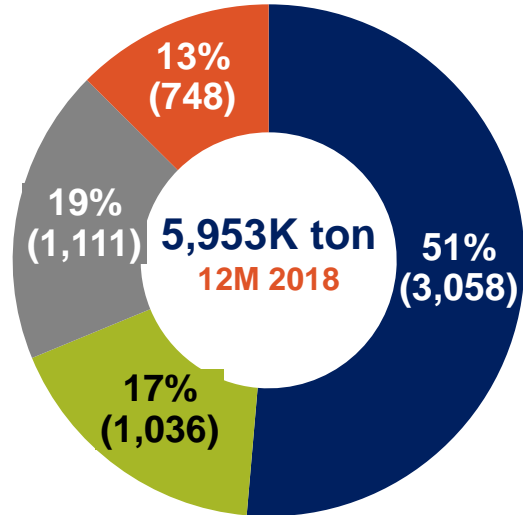
Net Sales Revenue (USD mn)



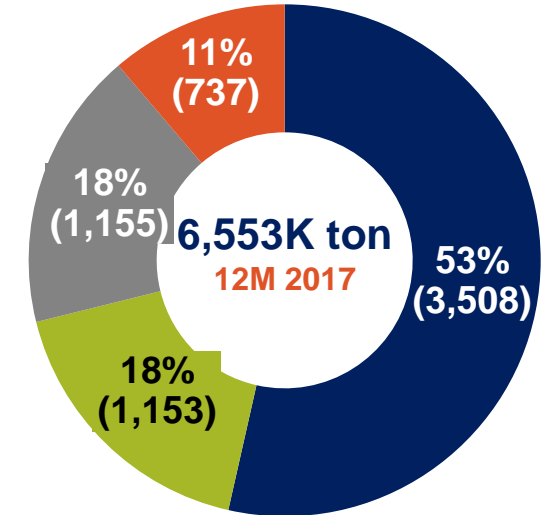
Export Domestic

Flat & Long Steel Domestic Sales Breakdown

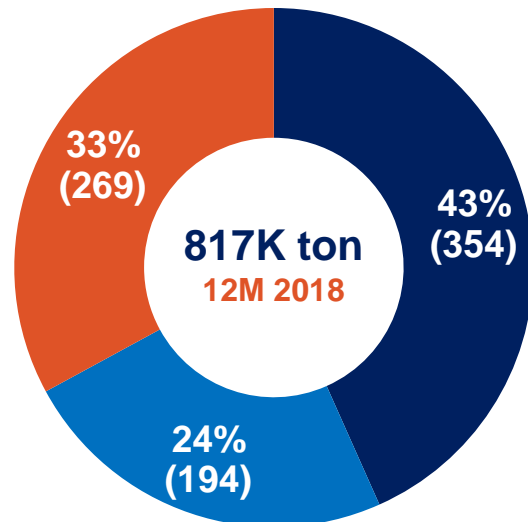
Flat Steel Domestic Sales



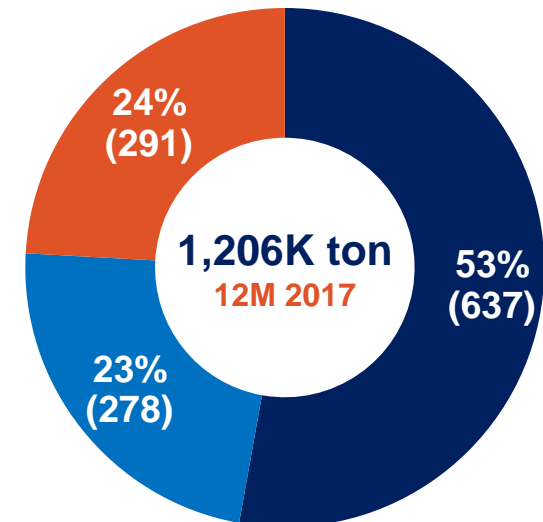
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



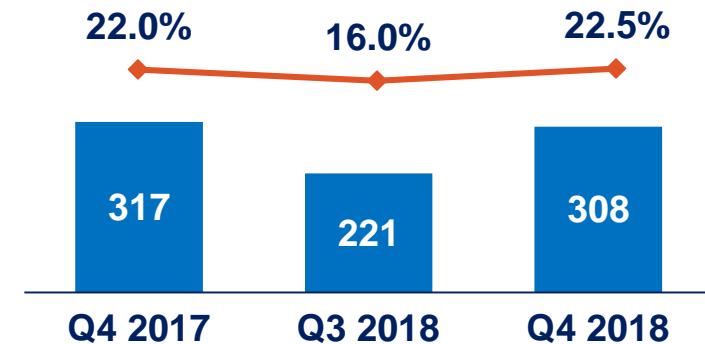
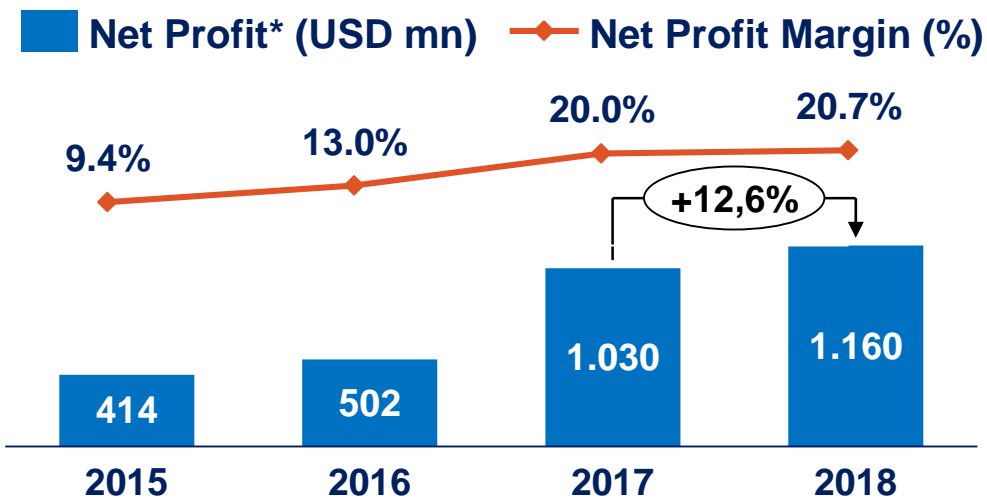
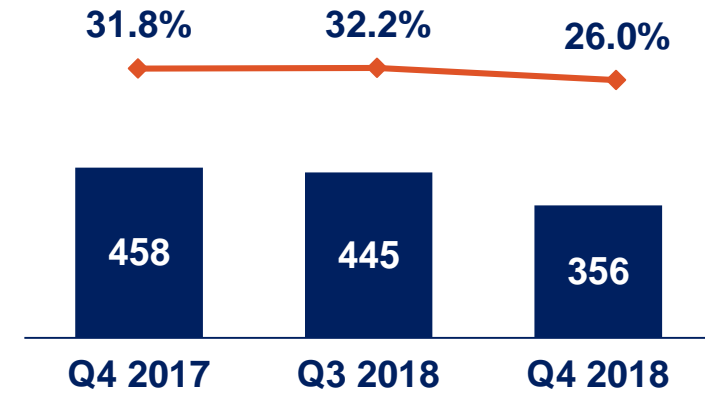
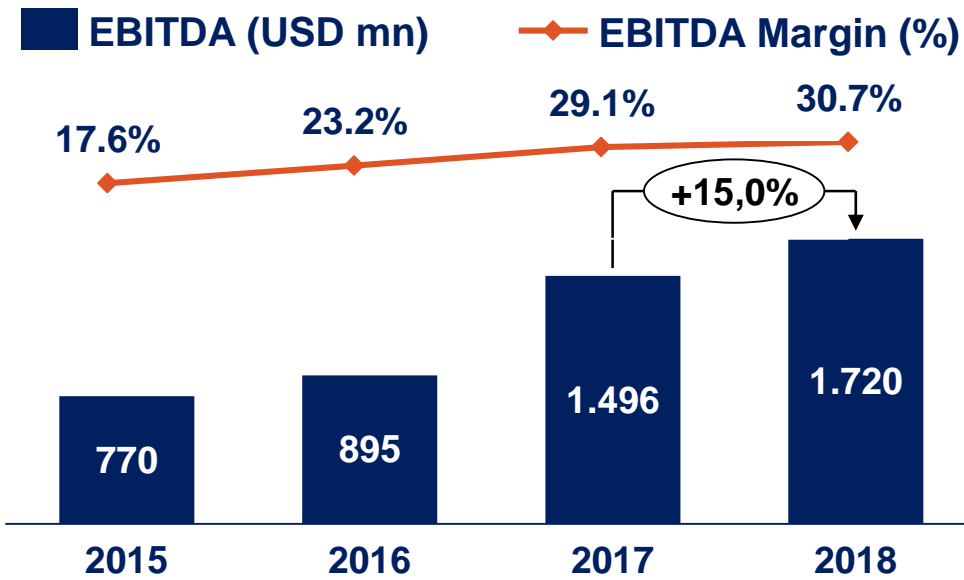
Long Steel Domestic Sales



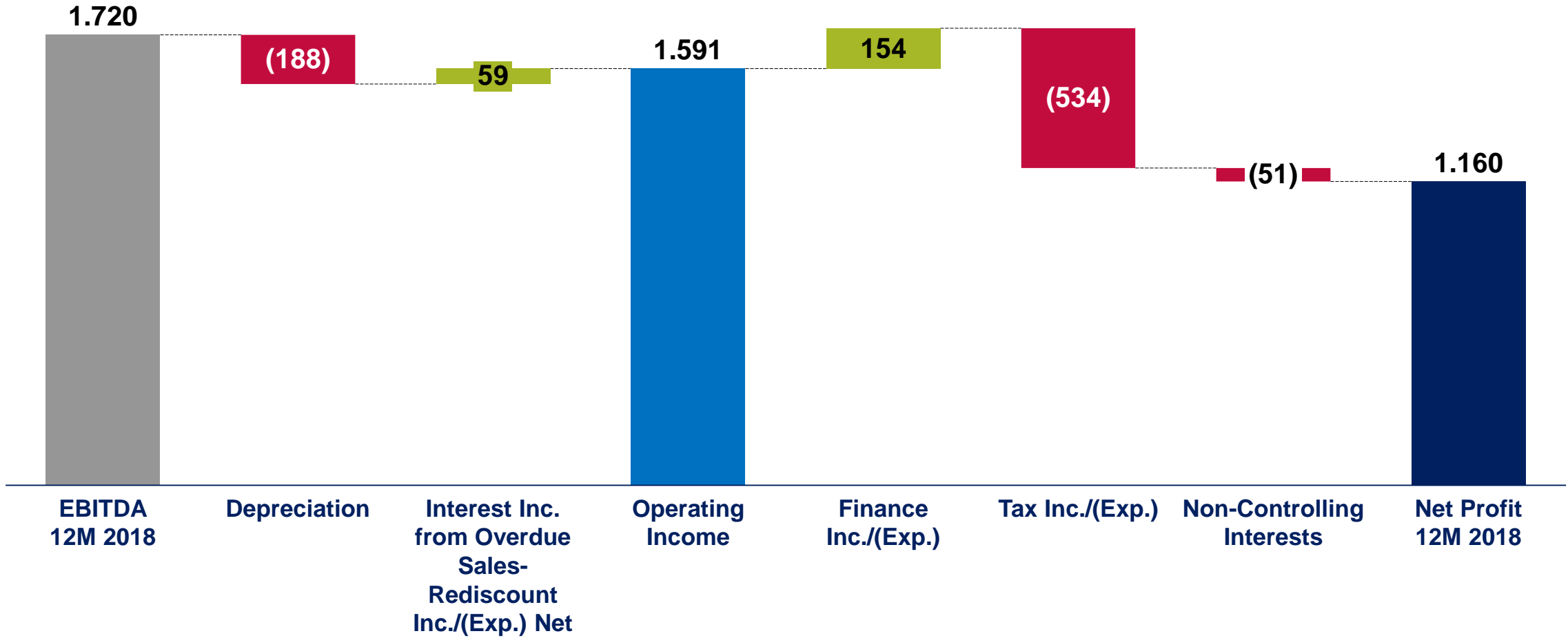
- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities



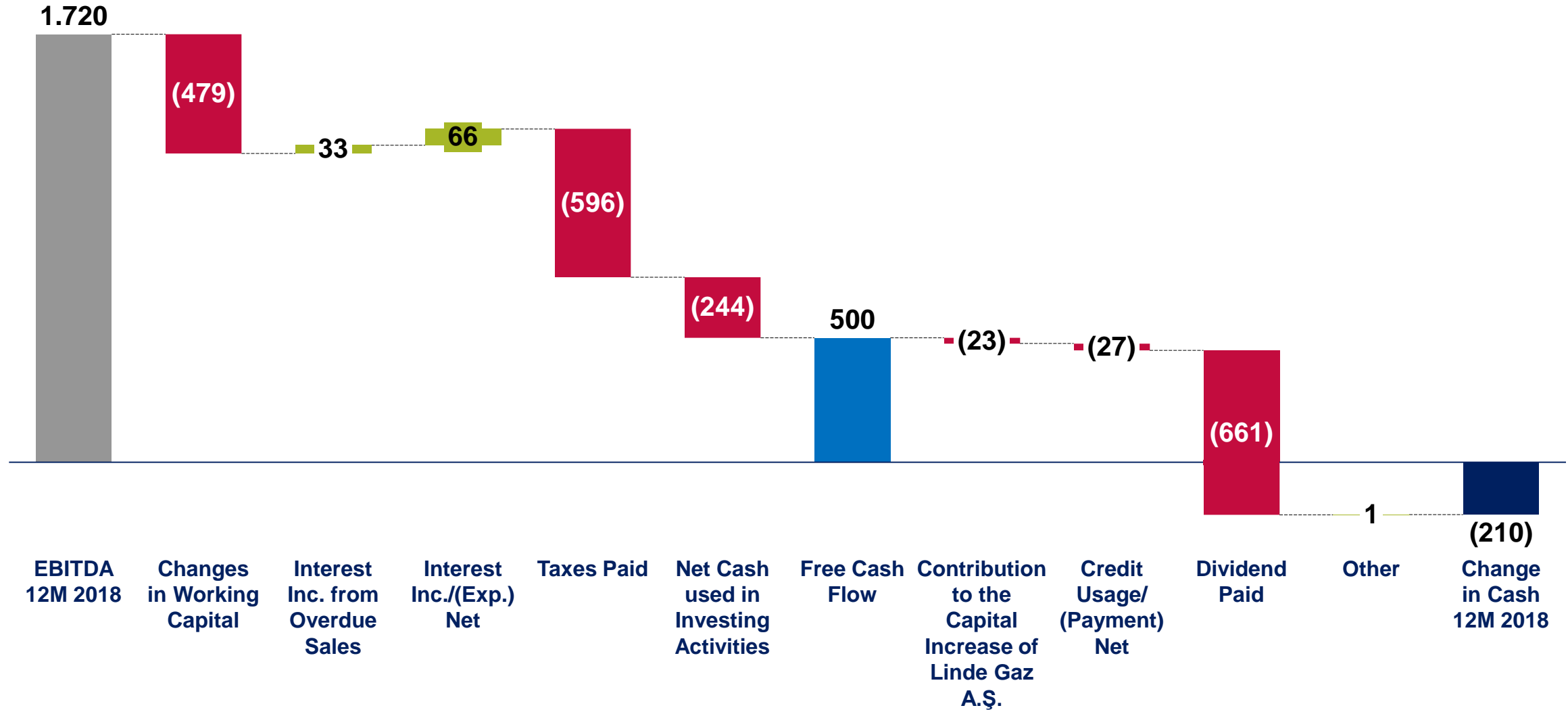
EBITDA & Net Profit



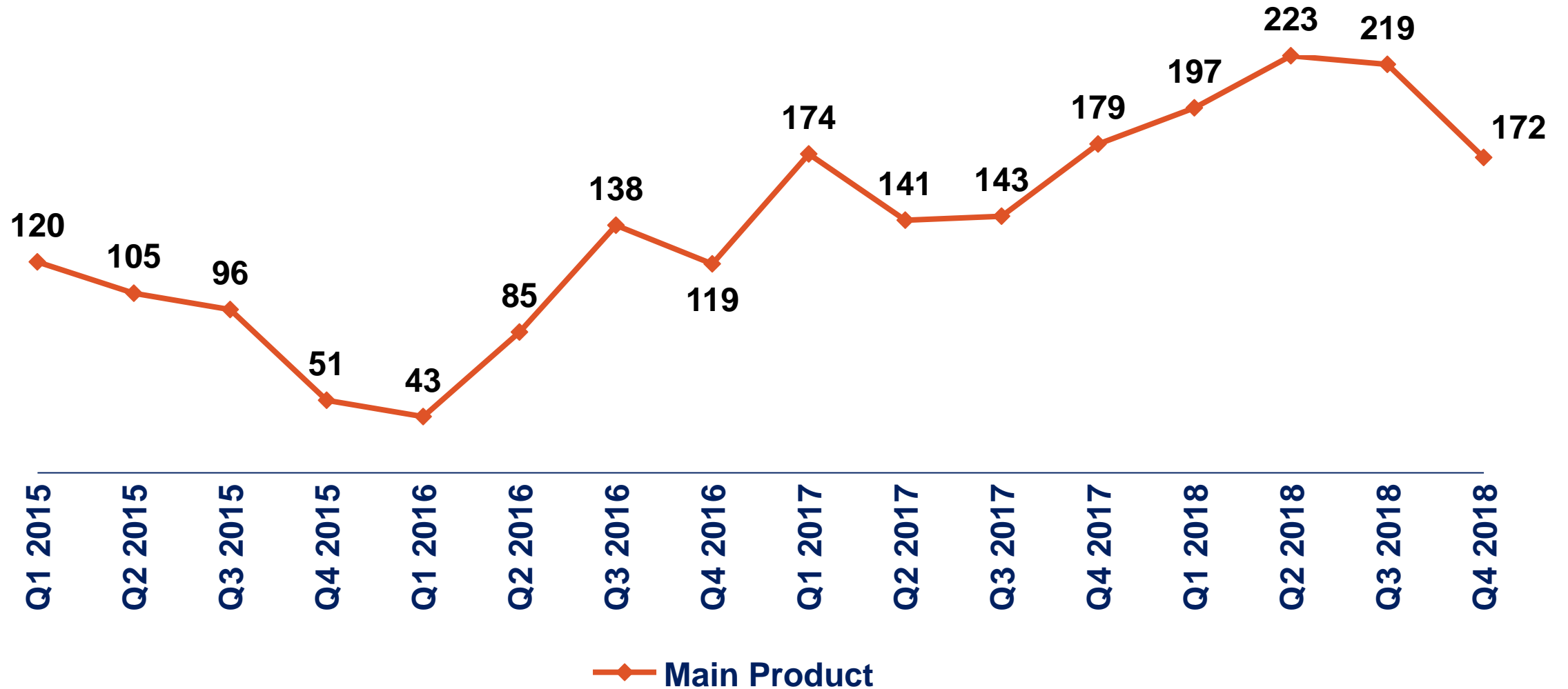
EBITDA ➔ Net Profit



EBITDA ➔ Net Cash



EBITDA per Ton* (USD/ton)

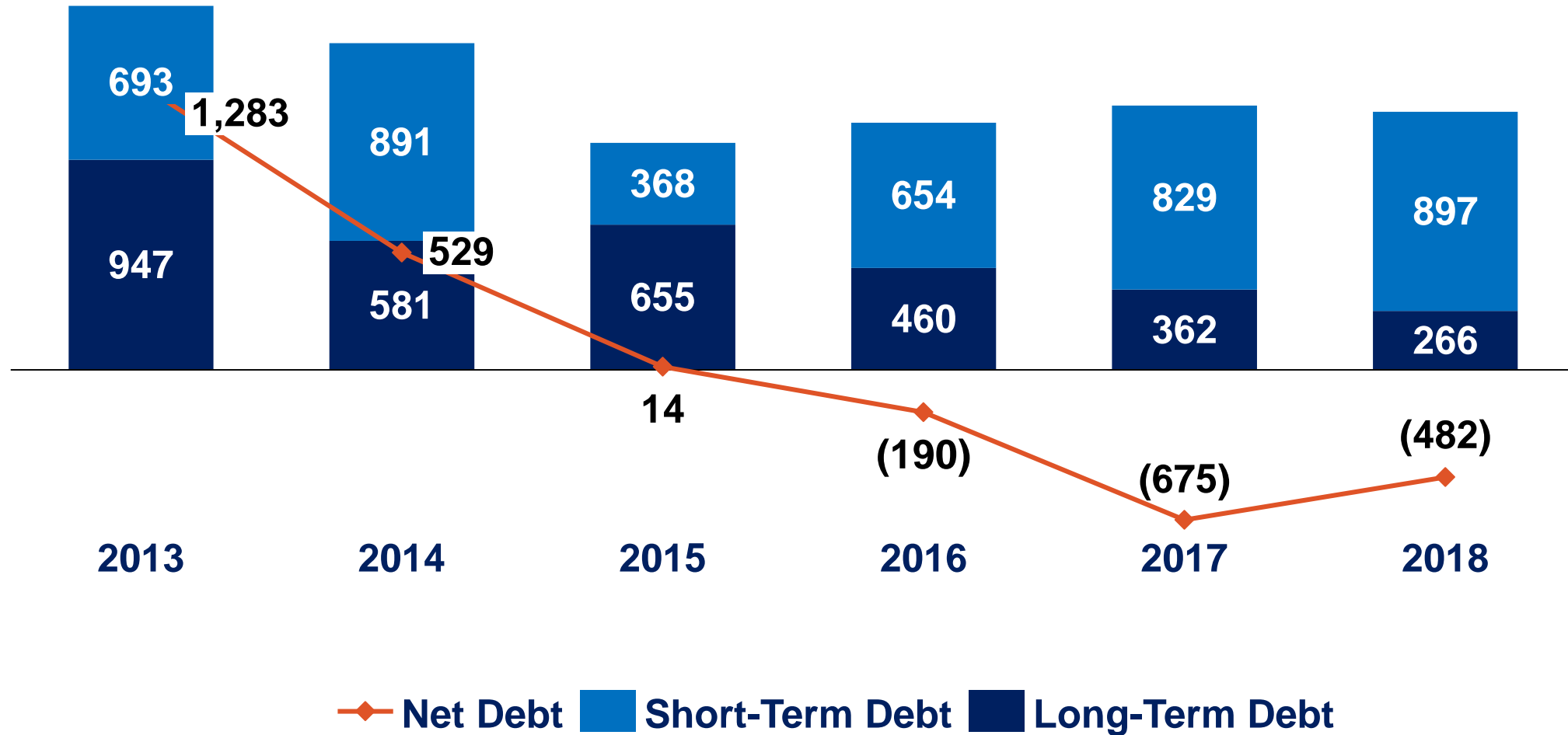


Financial Figures

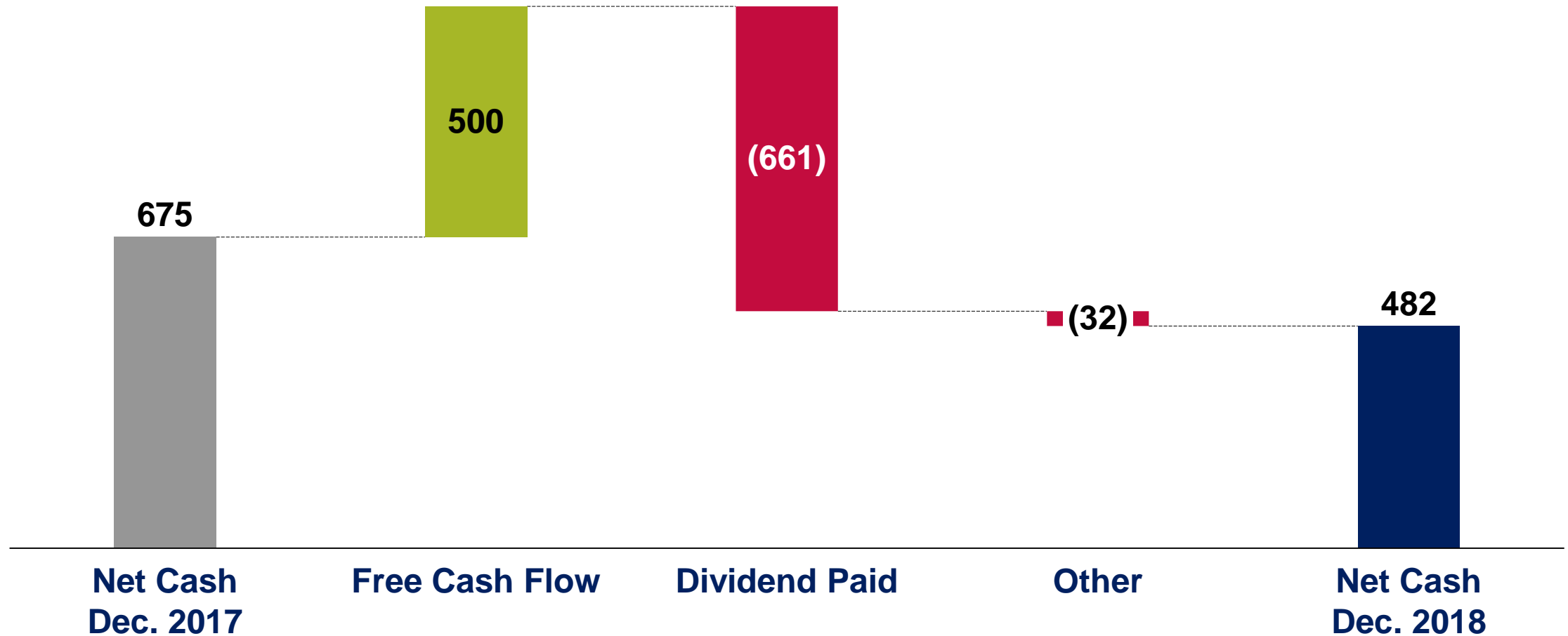
| Consolidated Net Assets (USD mn) | 31.12.2017 | 31.12.2018 | Growth (YoY) |
|----------------------------------|--------------|----------------|--------------|
| Cash and Cash Equivalents | 1,865 | 1,646 | -11.7% |
| Working Capital | 1,740 | 2,219 | 27.5% |
| Tangible and Intangible Assets | 3,549 | 3,533 | -0.5% |
| Financial Liabilities | (1,191) | (1,163) | -2.4% |
| Provisions and Other | (865) | (674) | -22.1% |
| Net Assets | 5,098 | 5,561 | 9.1% |

| Working Capital (USD mn) | 31.12.2017 | 31.12.2018 | Growth (YoY) |
|--------------------------|--------------|--------------|--------------|
| Trade Receivables | 685 | 837 | 22.2% |
| Inventories | 1,336 | 1,690 | 26.5% |
| Trade Payables | (250) | (368) | 47.2% |
| Other | (31) | 60 | n.m. |
| Working Capital | 1,740 | 2,219 | 27.5% |

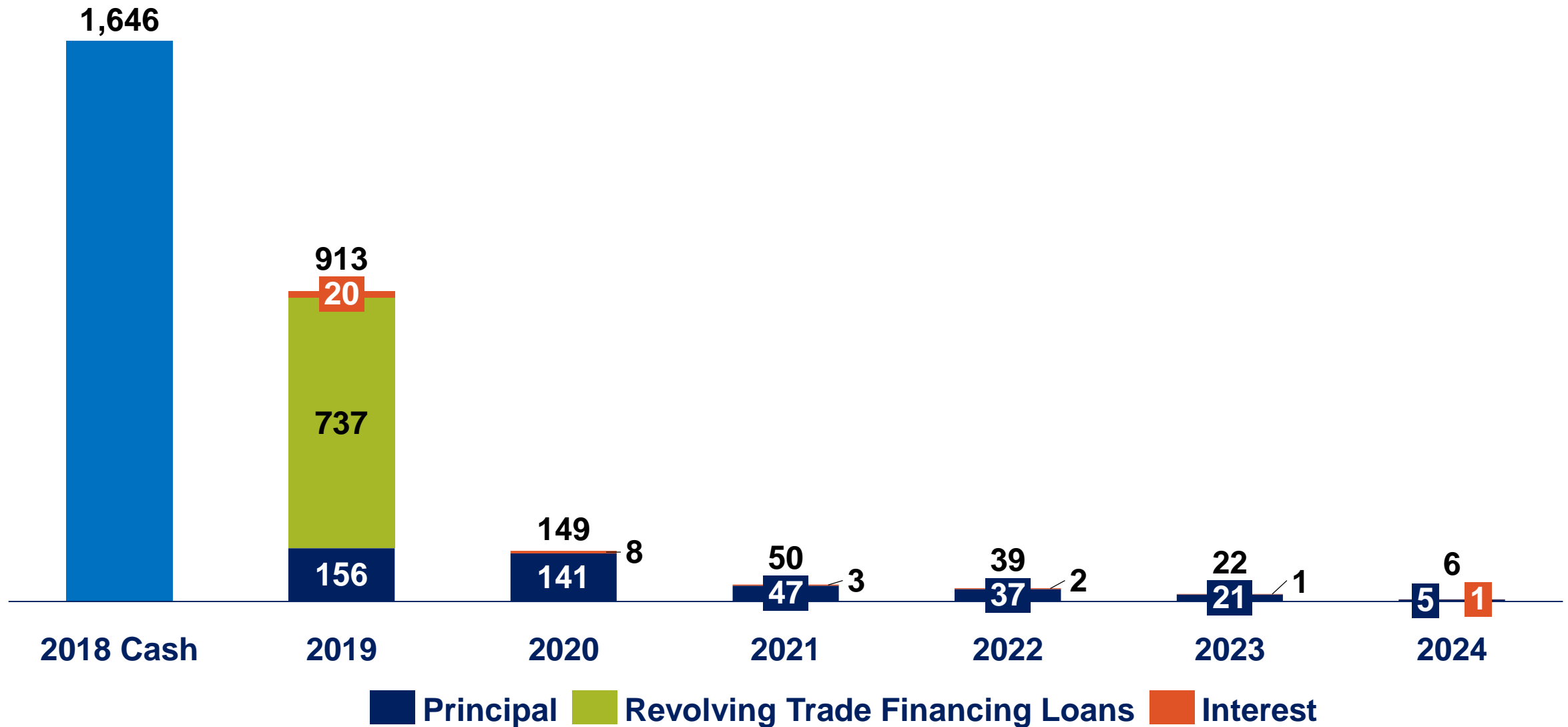
Financial Borrowings (USD mn)



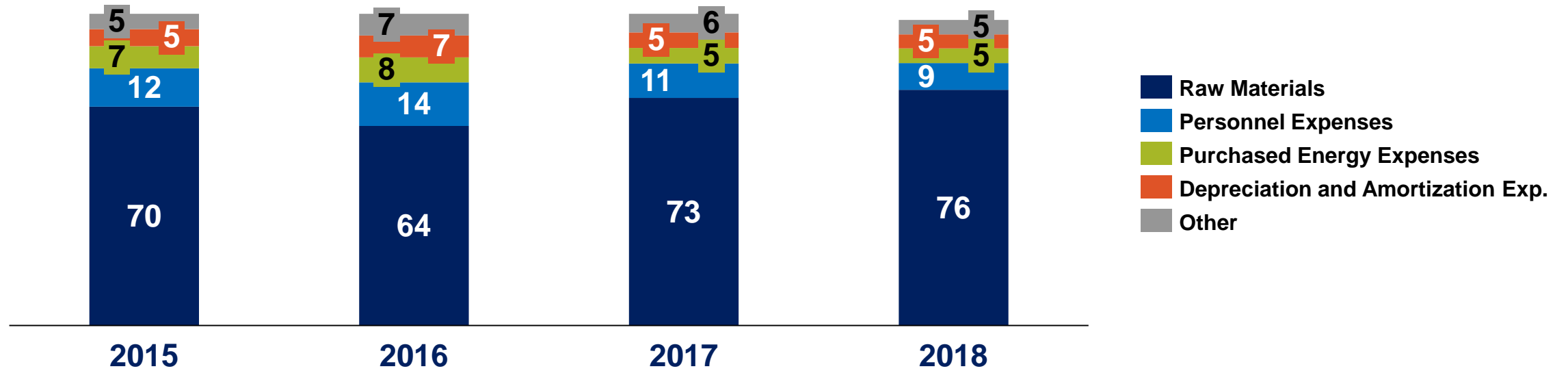
Net Debt (USD mn)



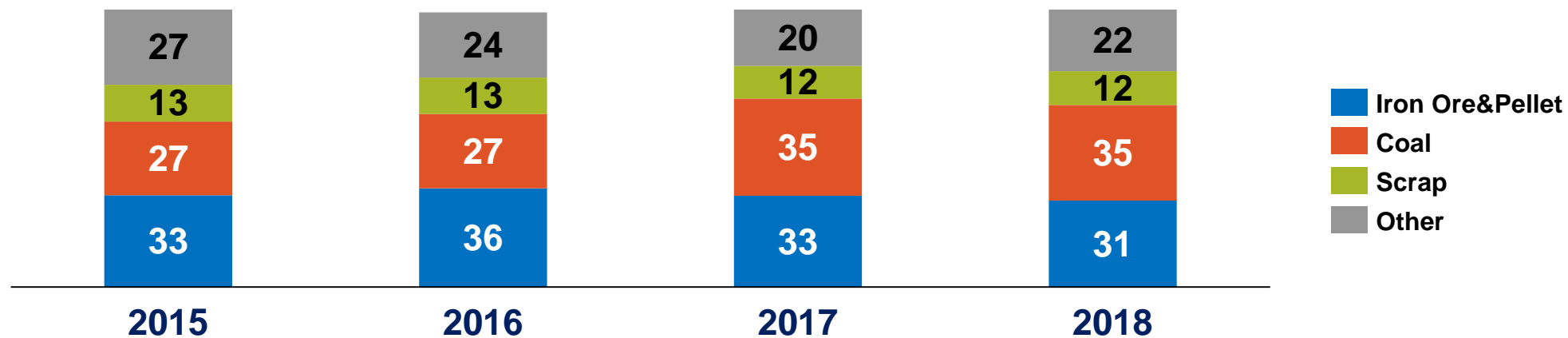
Borrowings Maturity Profile (USD mn)



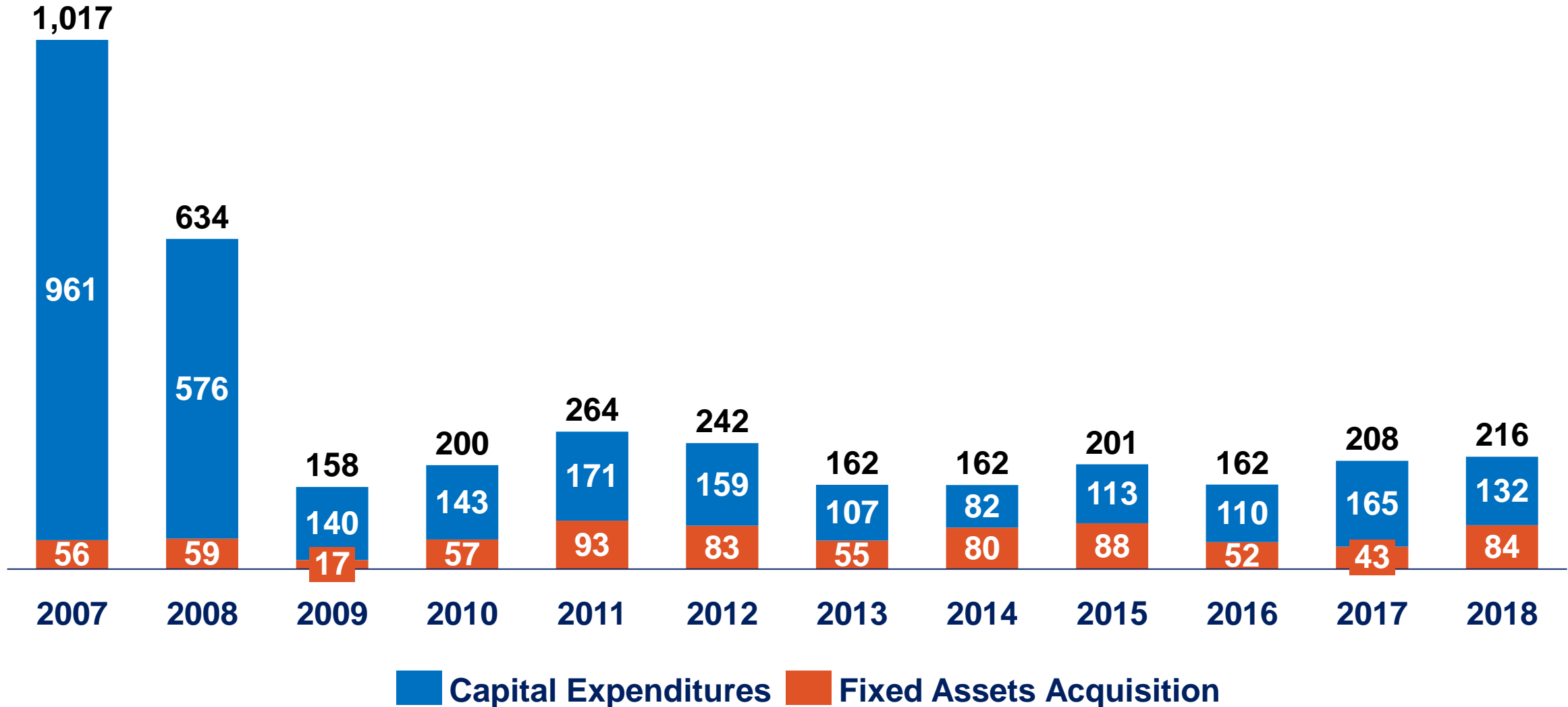
Cost of Sales Breakdown* (%)



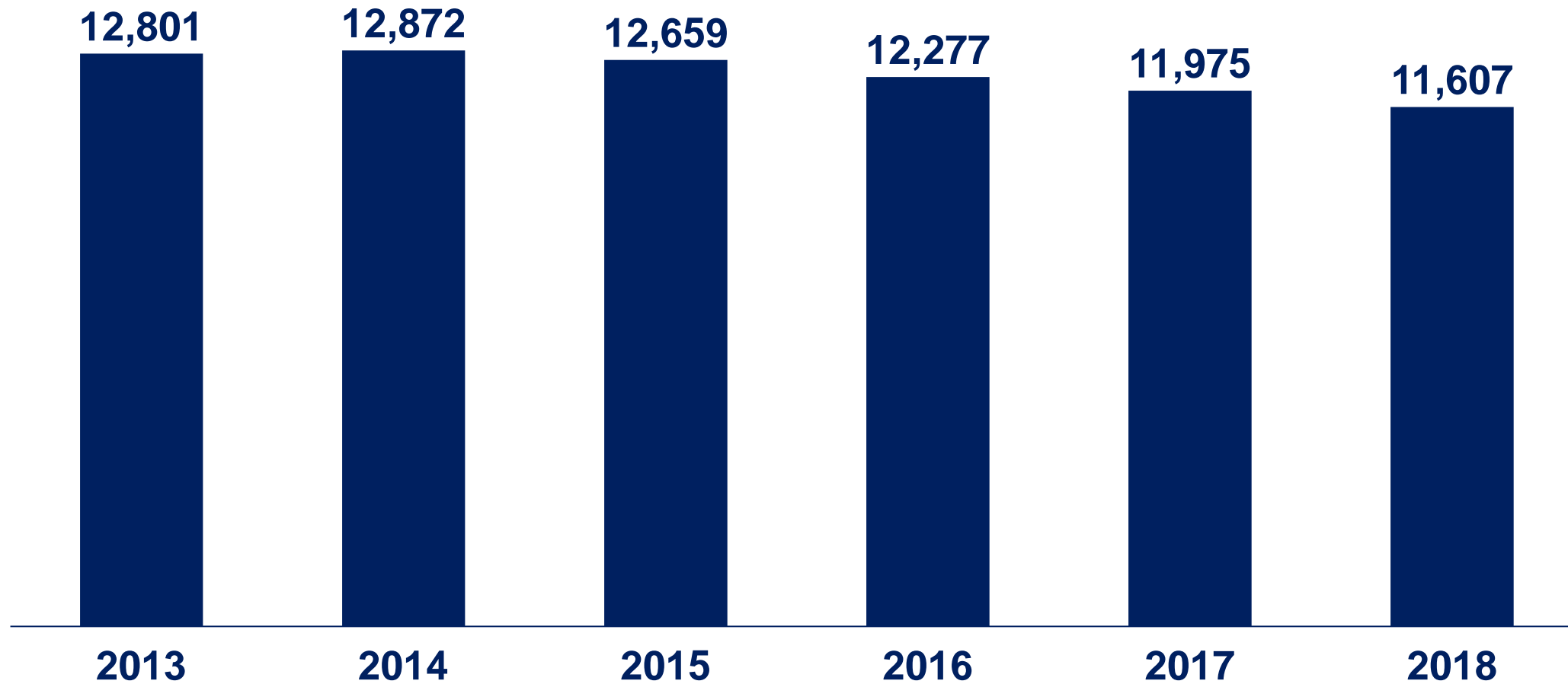
Raw Materials Breakdown (%)



Capital Expenditures (USD mn)



Number of Employees





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