



MINING METALLURGY
GROUP



2018 9 Months Investor Presentation

25.10.2018



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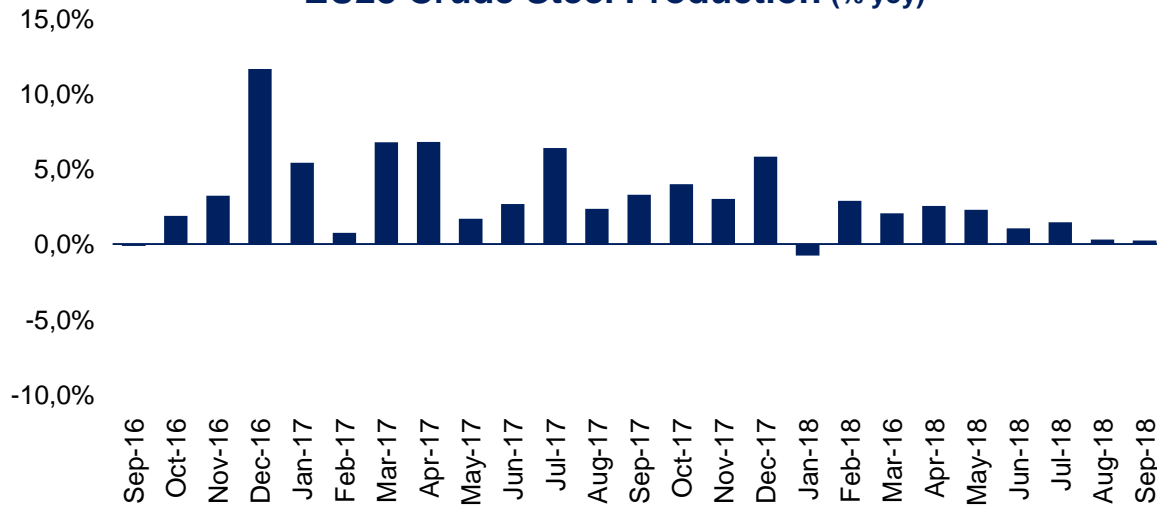
2018 Market Overview



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Crude Steel Production

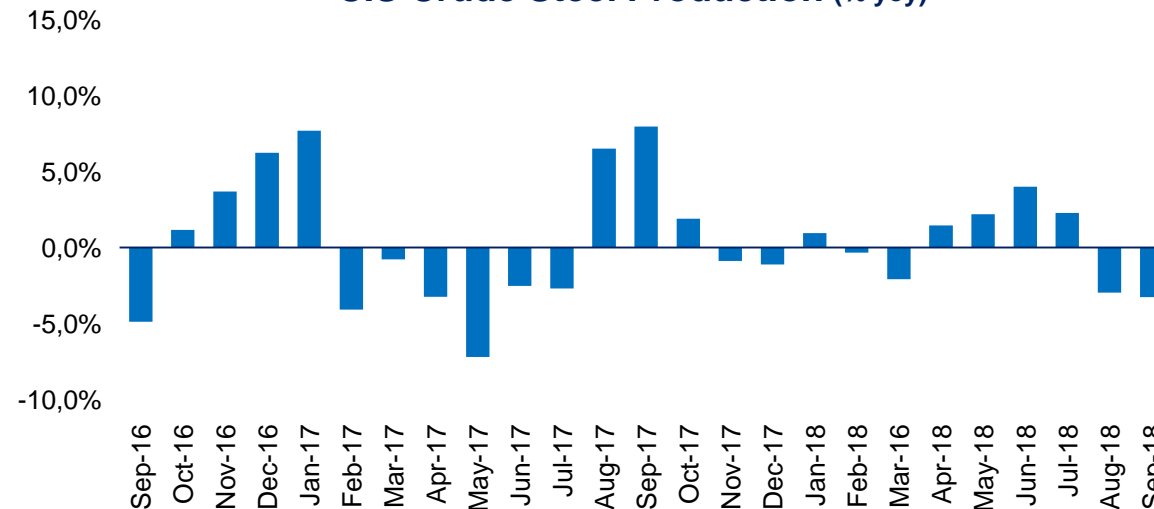
EU28 Crude Steel Production (% yoy)



China Crude Steel Production (% yoy)

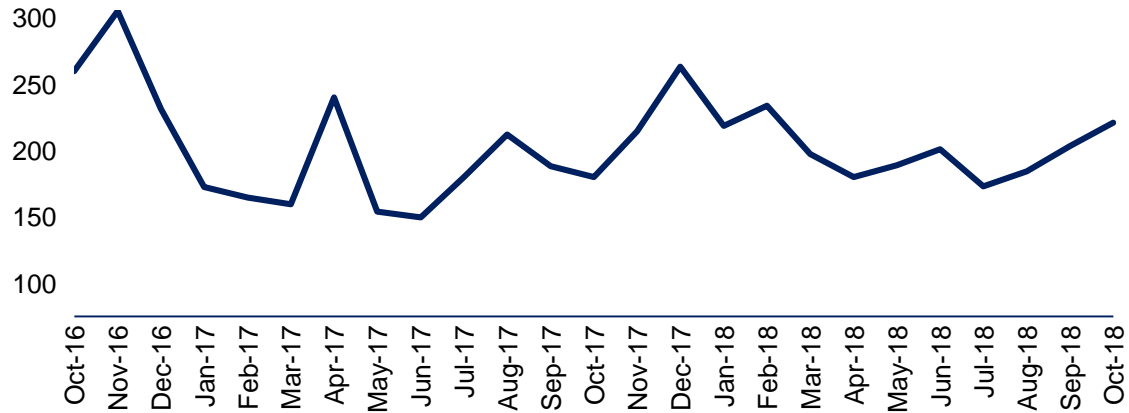


CIS Crude Steel Production (% yoy)

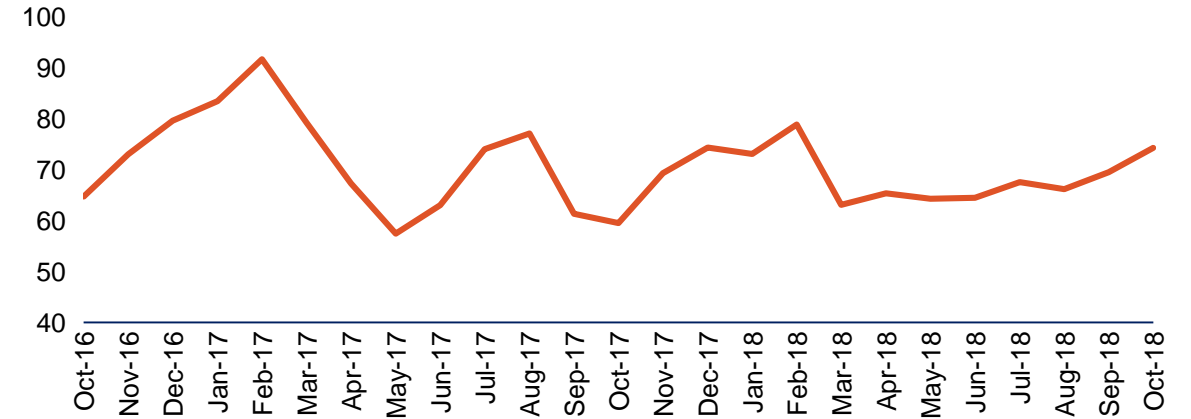


Coking Coal, Iron Ore & Scrap Prices

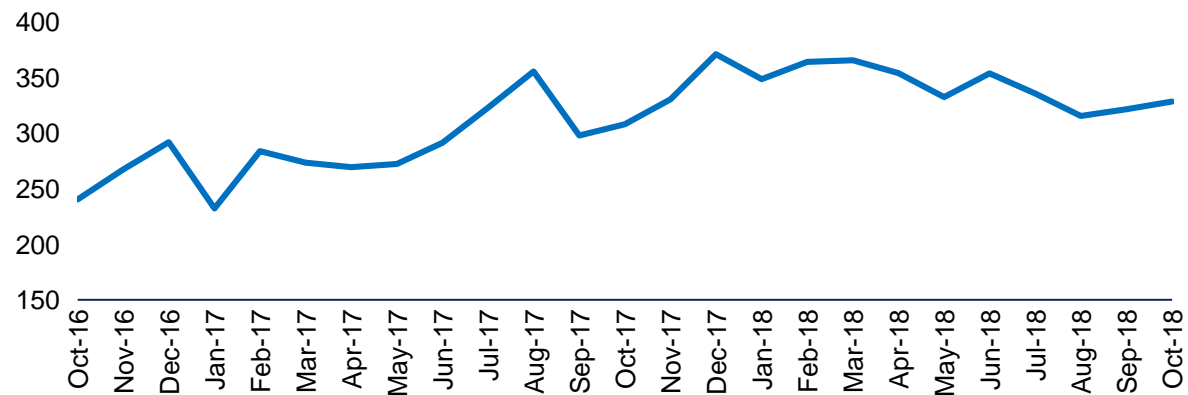
Coking Coal Prices
(HCC Peak Downs Region FOB Australia)



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

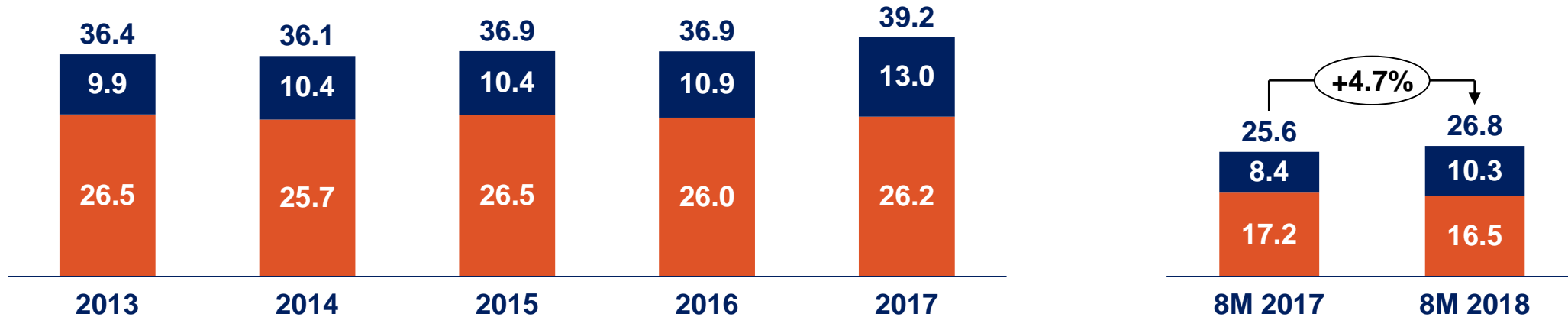


Scrap Prices
(HMS CFR Turkey Mid)

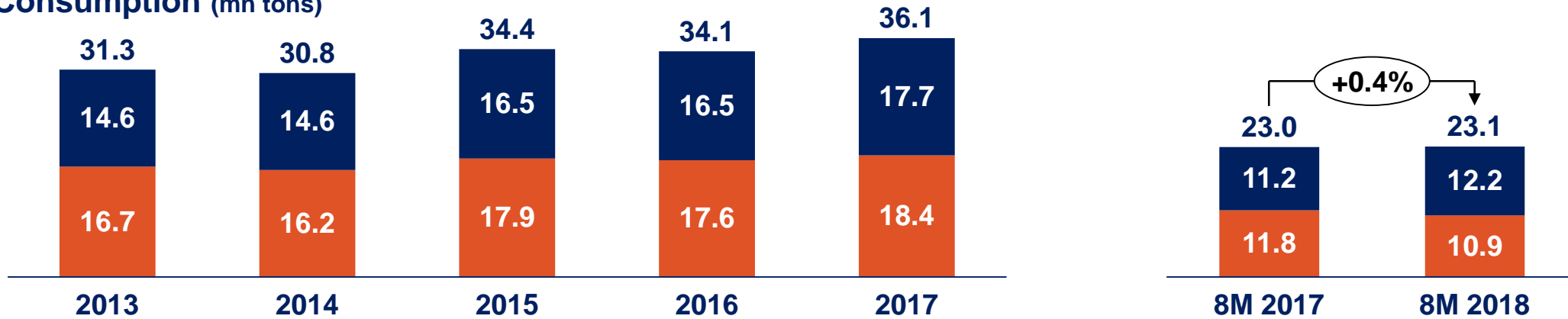


Turkish Steel Production & Consumption

Production (mn tons)



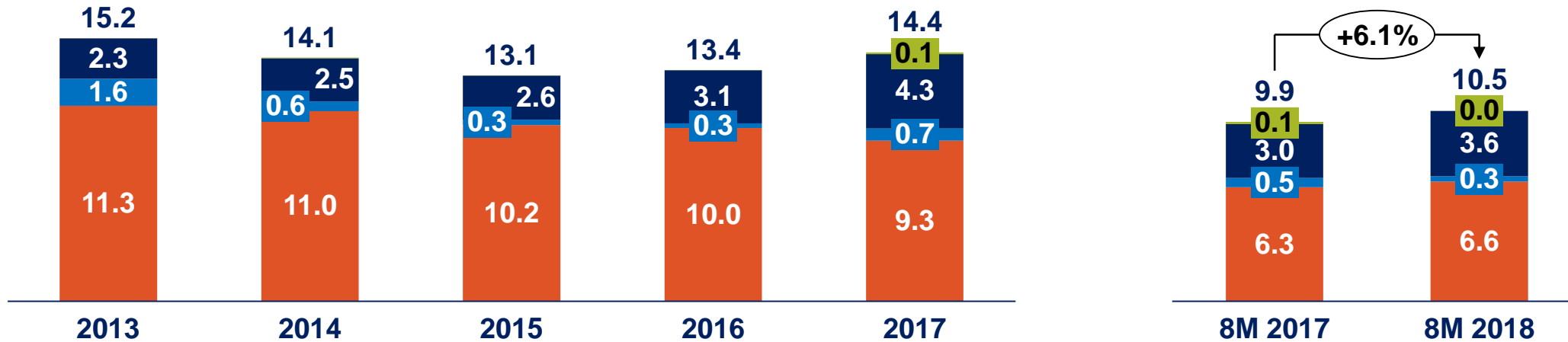
Consumption (mn tons)



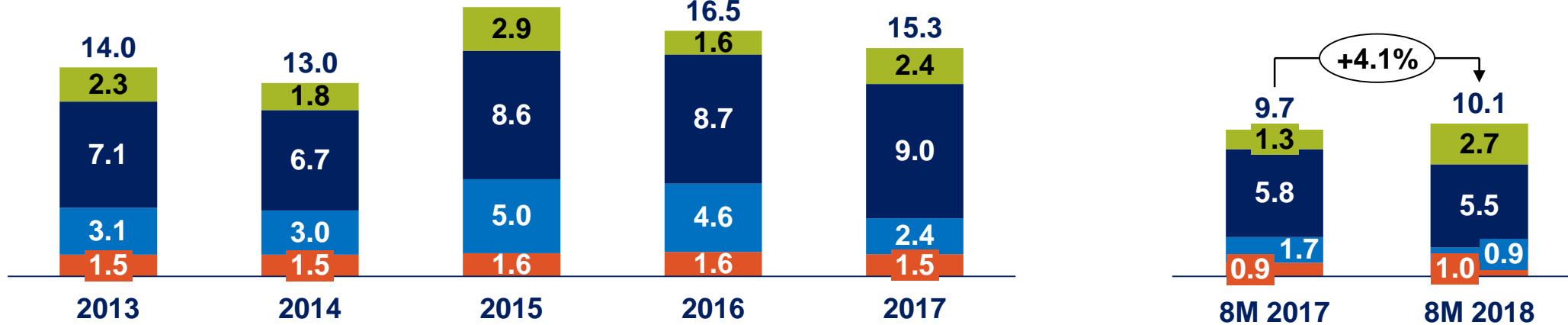
■ Flat ■ Long

Turkish Steel Exports & Imports

Exports (mn tons)



Imports (mn tons)



■ Slab
 ■ Flat Steel
 ■ Billet
 ■ Long Steel



2018 9M Results



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Operational and Financial Highlights

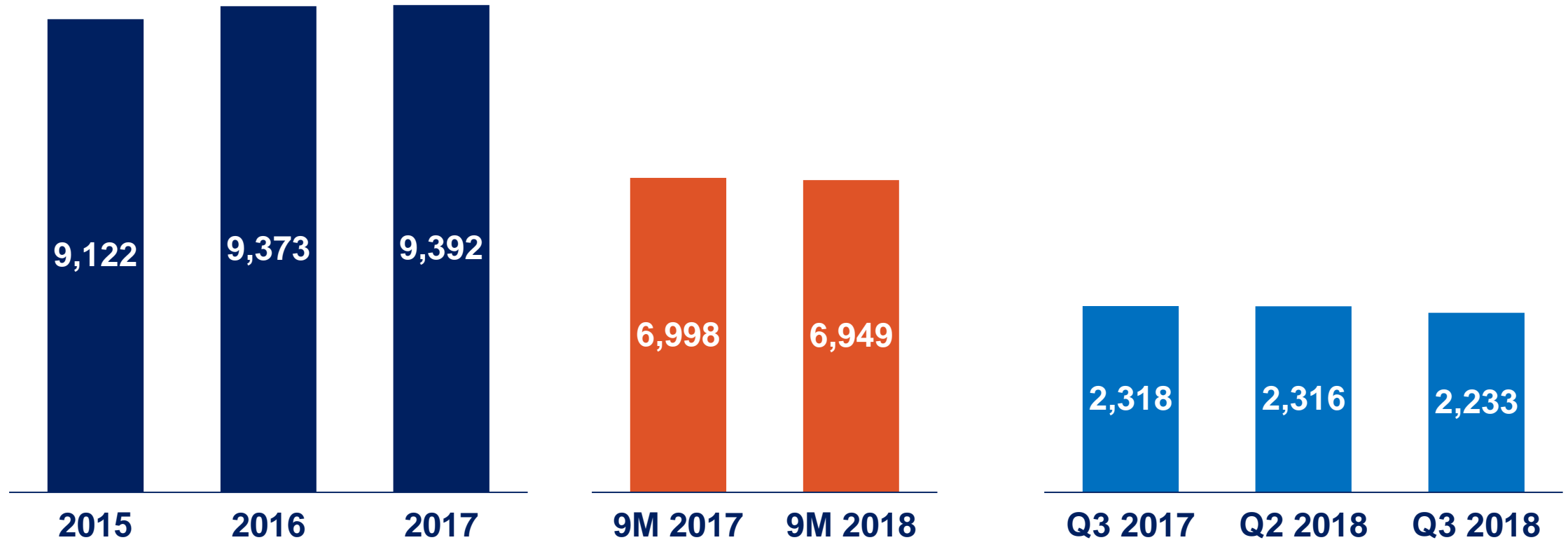
Operational Highlights	2016	2017	9M 2017	9M 2018	Growth (YoY)
Liquid Steel Production (000 tons)	9,373	9,392	6,998	6,949	-0.7%
Flat Steel Production* (000 tons)	7,072	7,713	5,728	5,887	2.8%
Long Steel Production (000 tons)	1,572	1,328	993	684	-31.1%
Flat Steel Shipments (000 tons)	7,163	7,594	5,590	5,591	0.0%
Long Steel Shipments (000 tons)	1,587	1,364	1,006	656	-34.8%

Financial Highlights	2016	2017	9M 2017	9M 2018	Growth (YoY)
Net Sales Revenue (USD mn)	3,855	5,115	3,701	4,225	14.2%
EBITDA (USD mn)	895	1,496	1,038	1,364	31.4%
Net Profit (USD mn)	502	1,030	713	852	19.5%

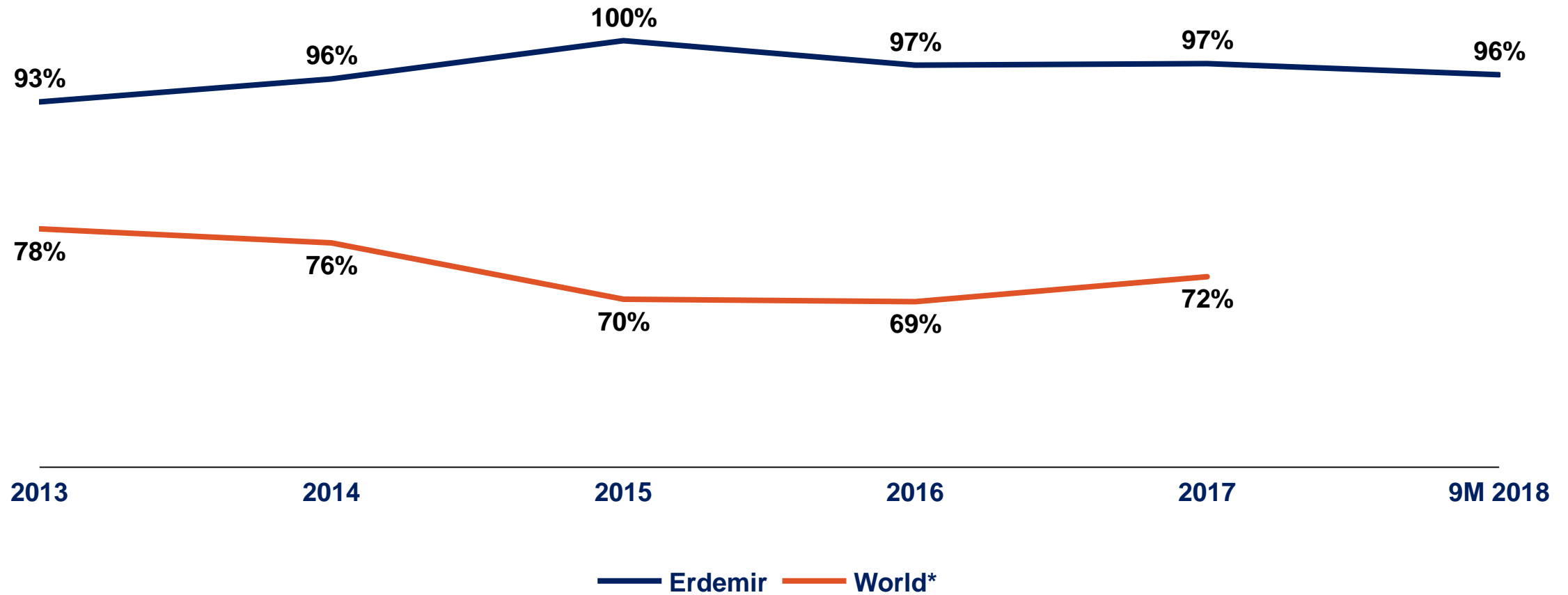
All figures are on IFRS consolidated basis unless stated otherwise.

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

Liquid Steel Production (000 tons)

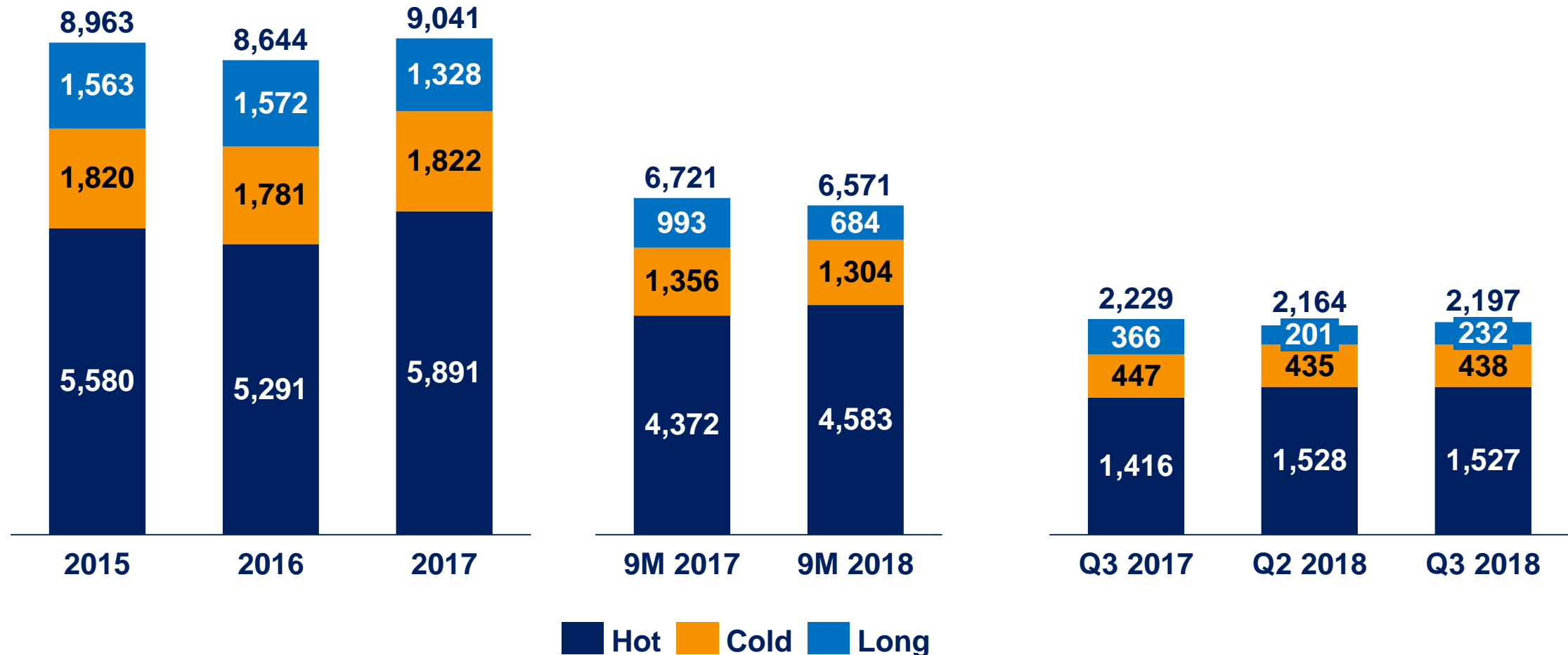


Crude Steel Capacity Utilization Ratio



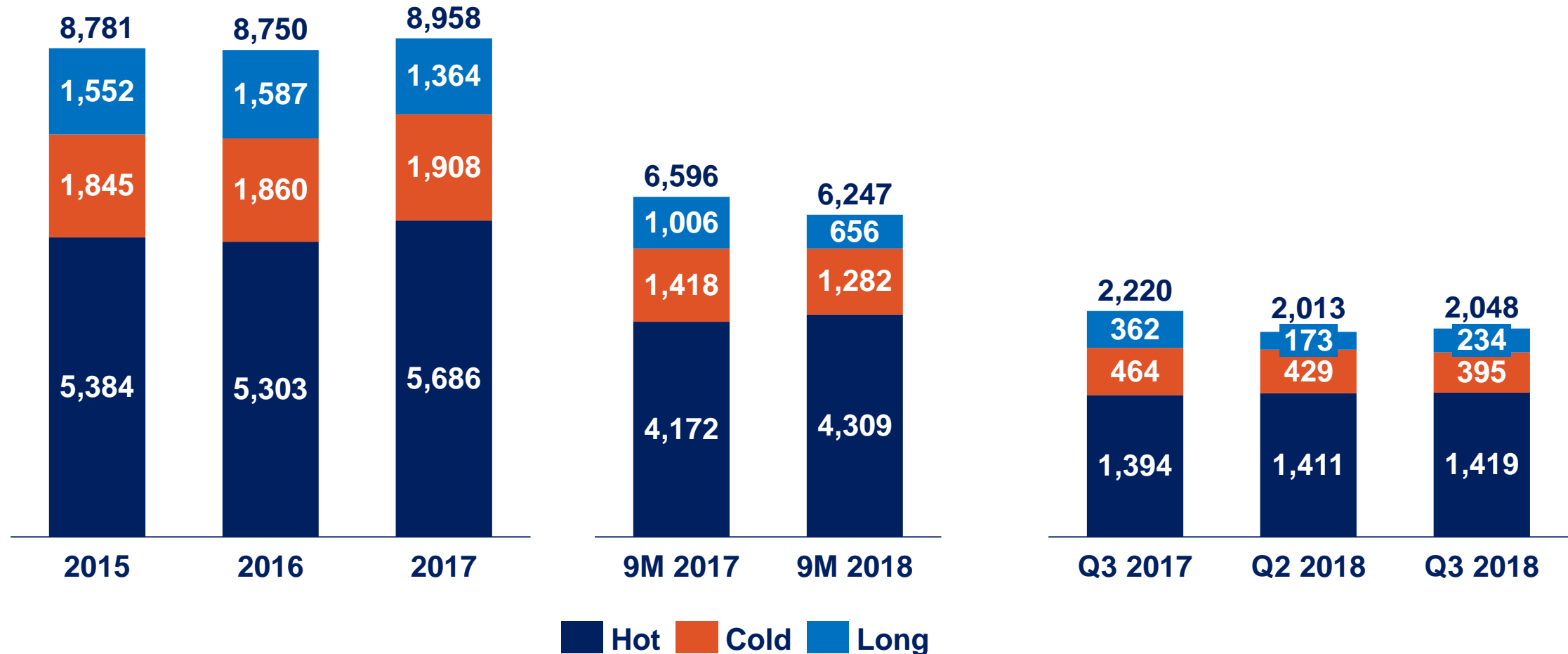
Production (000 tons)

HRC production increased by 7.8% YoY in Q3 2018.



Sales Volume (000 tons)

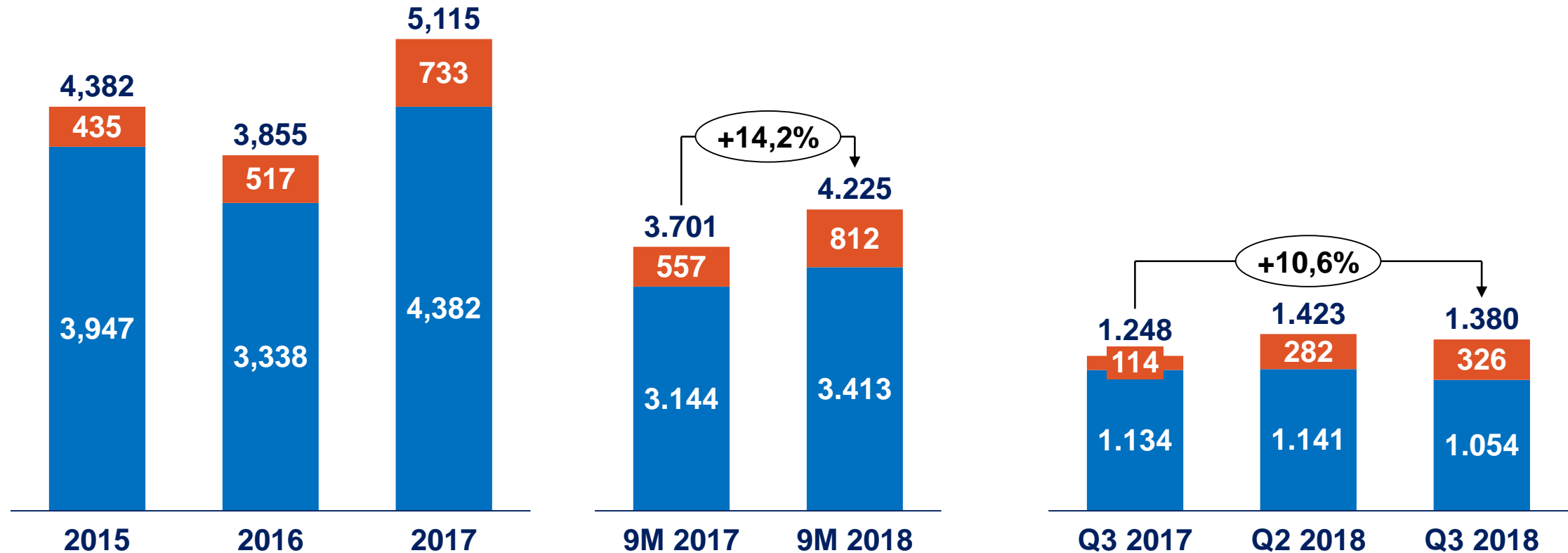
HRC sales increased by 3.3% YoY in 9M 2018.



Hot Cold Long

Net Sales Revenue (USD mn)

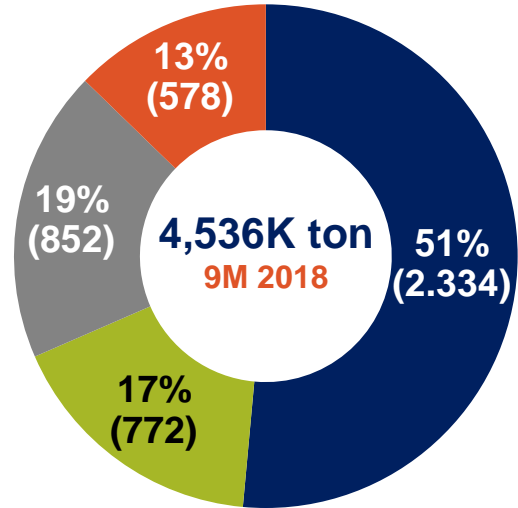
Net sales revenue increased by 14.2% YoY in 9M 2018.



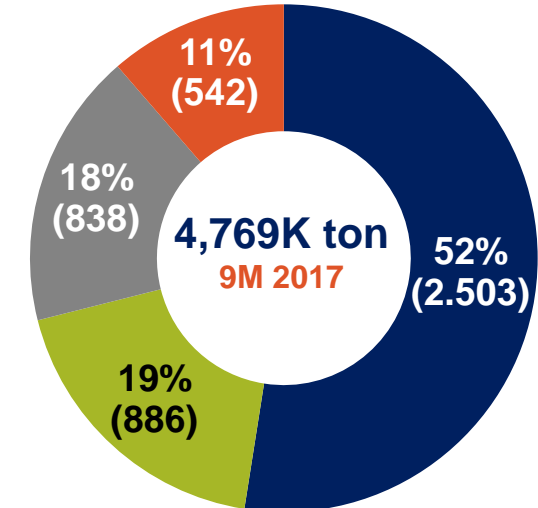
Export Domestic

Flat & Long Steel Domestic Sales Breakdown

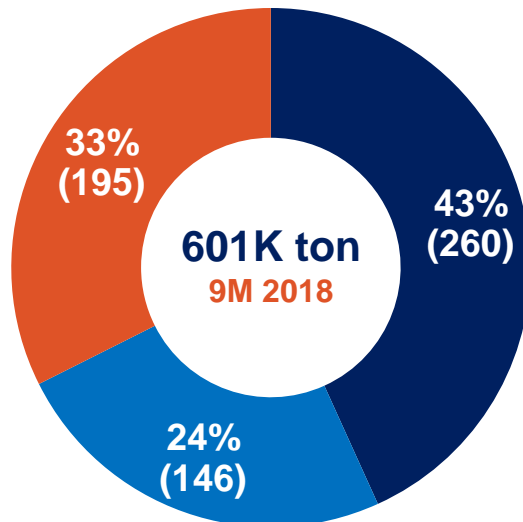
Flat Steel Domestic Sales



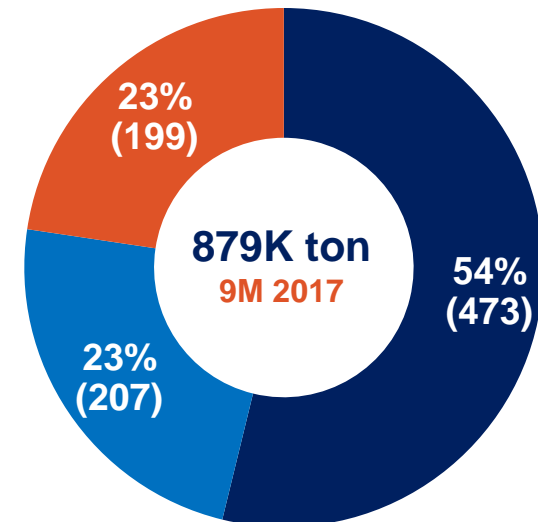
- Pipe&Profile and Rolling
- Distribution Chains
- General Manufacturing Industry
- Automotive



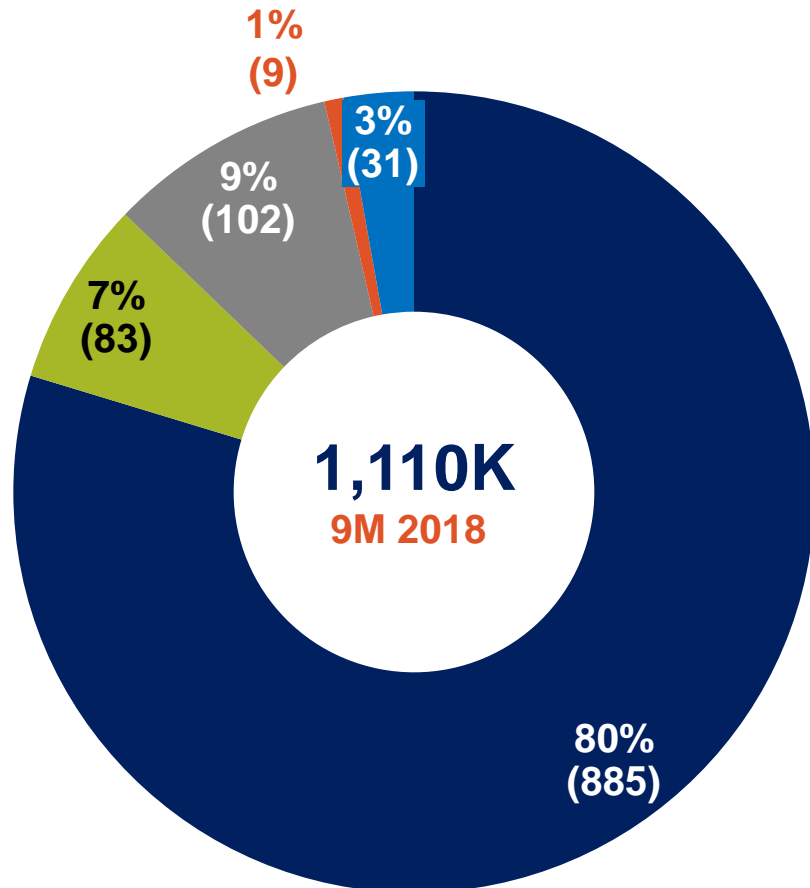
Long Steel Domestic Sales



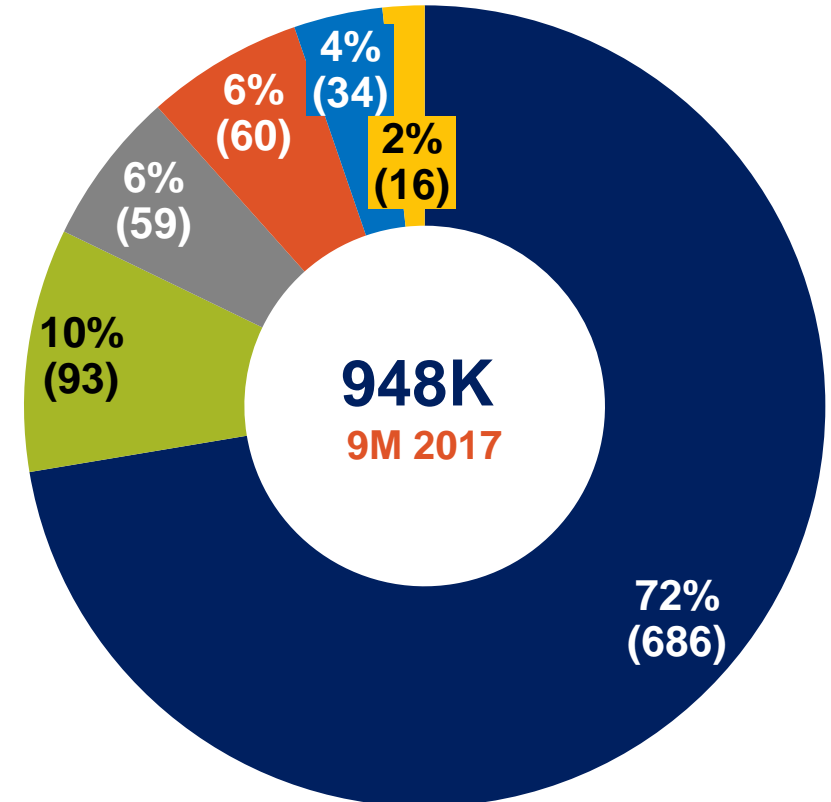
- Rebar and Profile Producers
- General Manufacturing Industry
- High Carbon and Special Qualities



Steel Exports Breakdown By Region

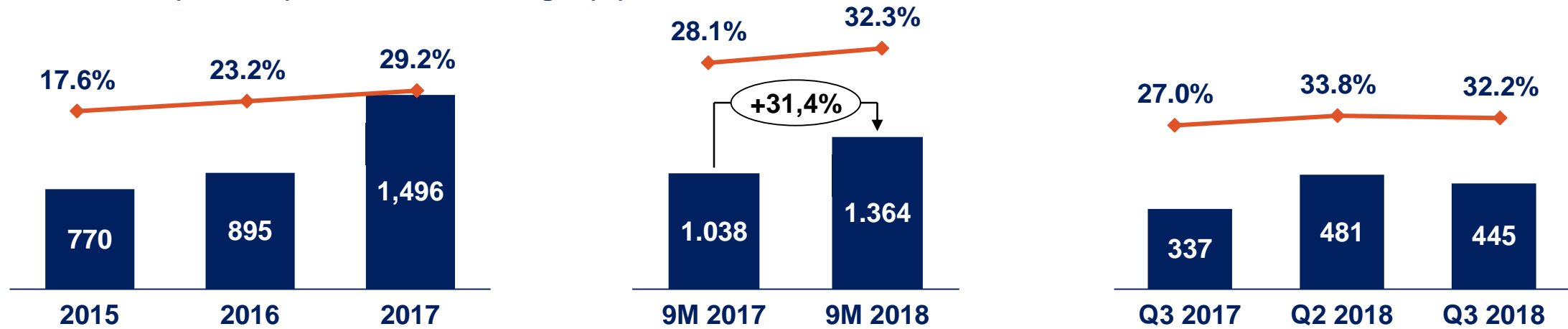


- EU
- MENA
- North America
- Asia
- South America
- Other

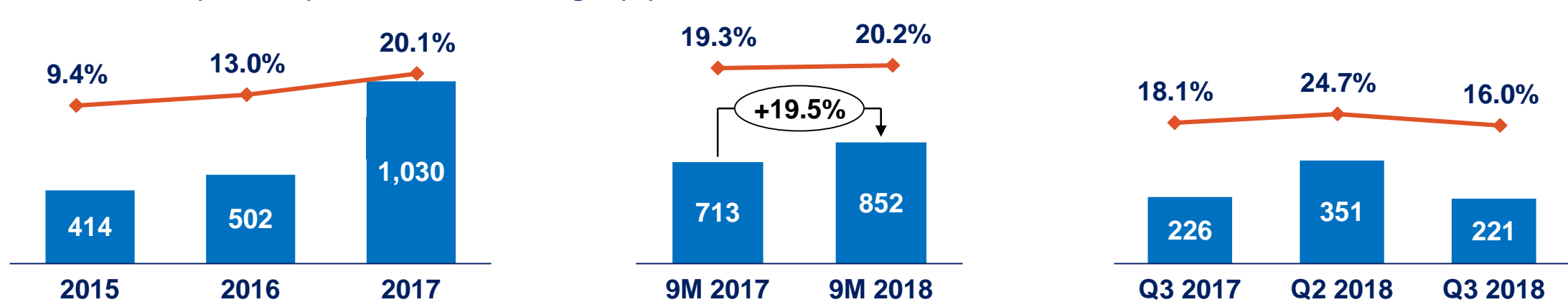


EBITDA & Net Profit

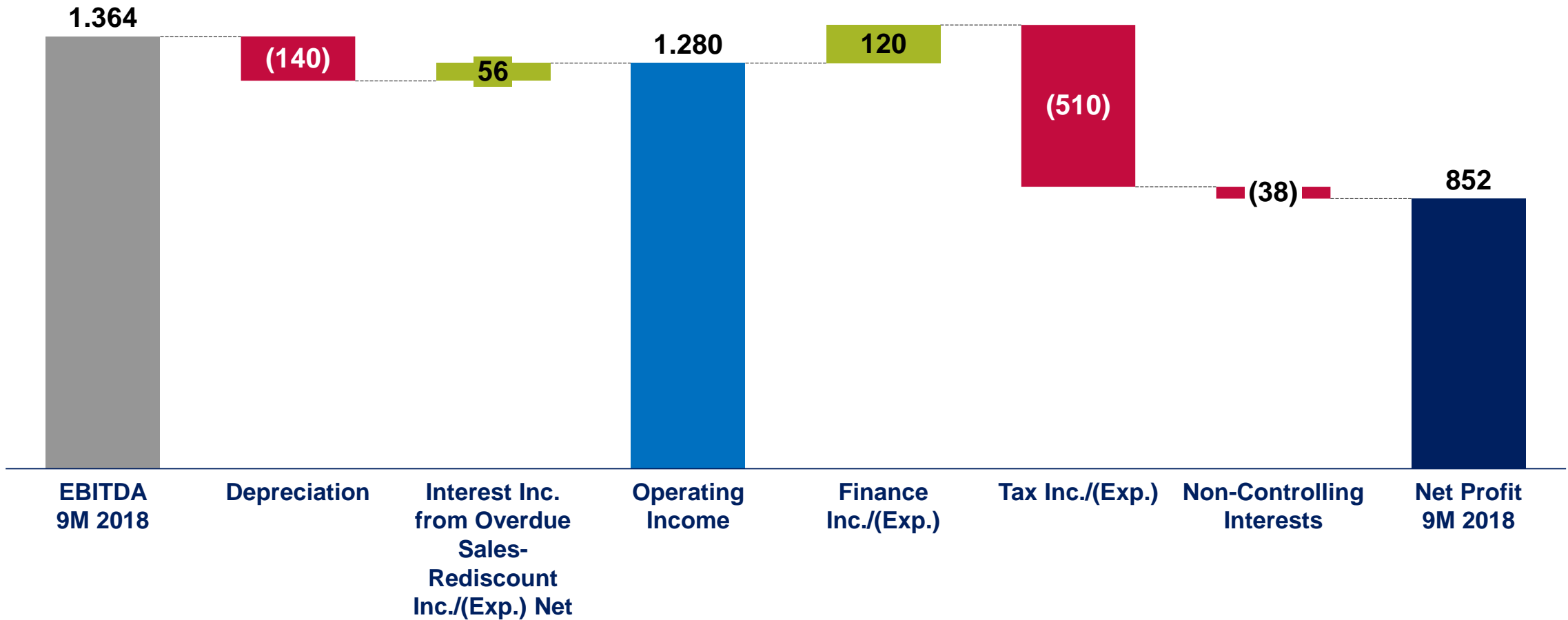
■ EBITDA (USD mn) ◆ EBITDA Margin (%)



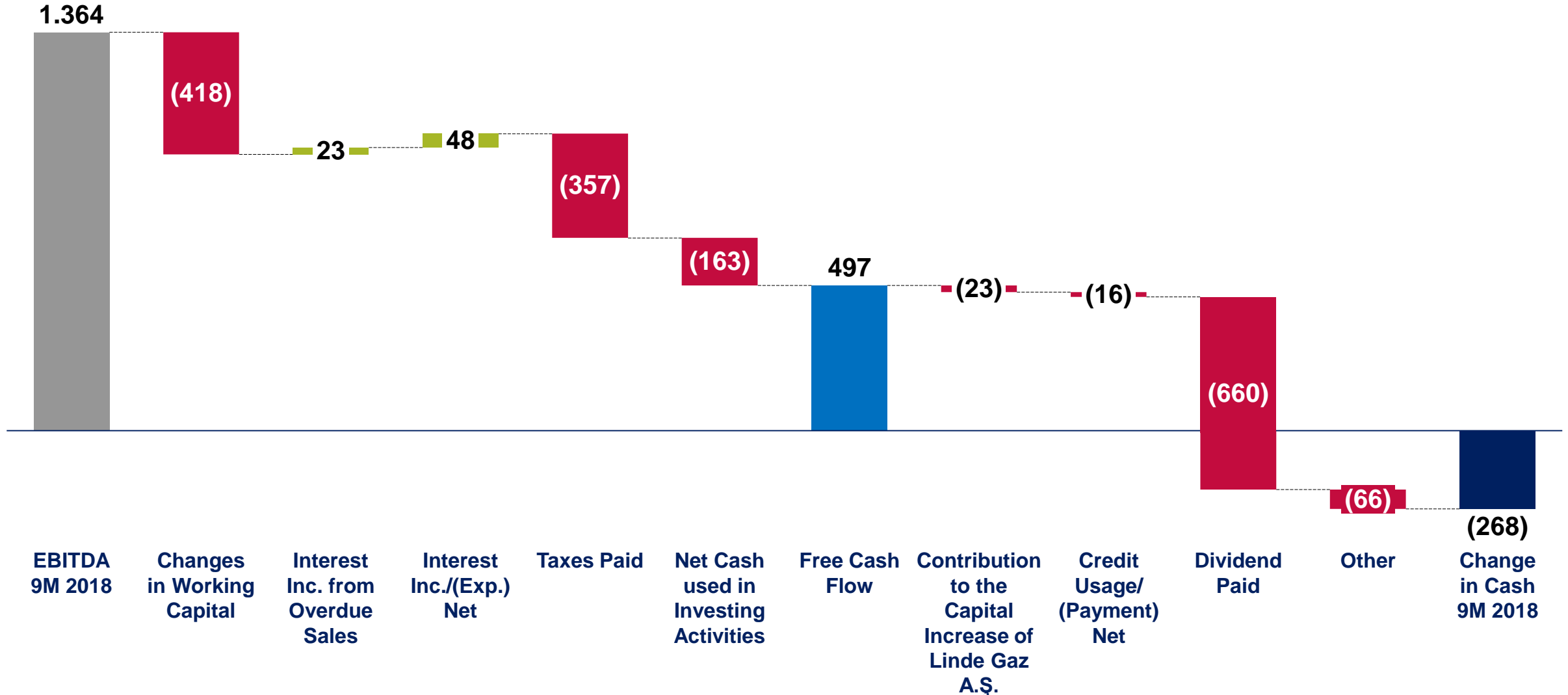
■ Net Profit (USD mn) ◆ Net Profit Margin (%)



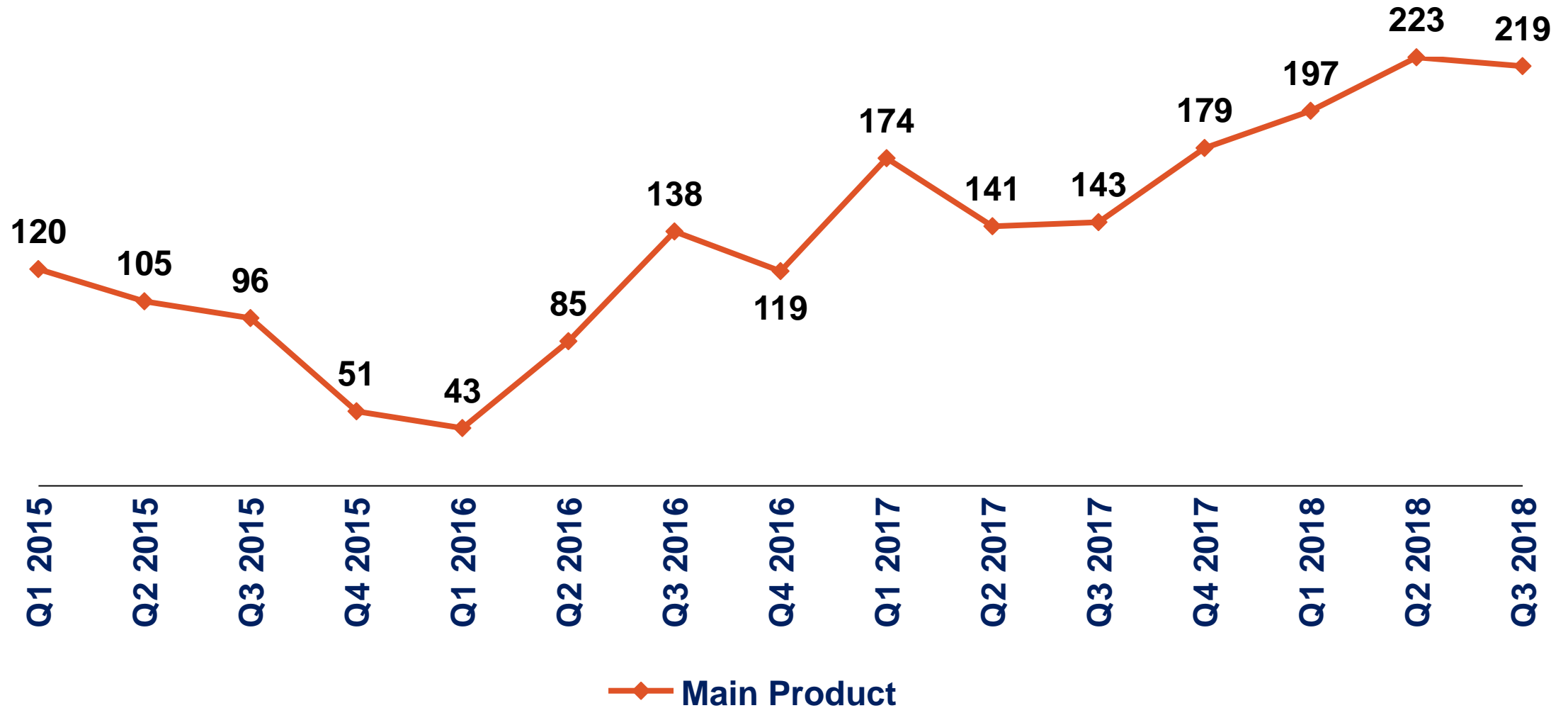
EBITDA → Net Profit



EBITDA ➔ Net Cash



EBITDA per Ton* (USD/ton)

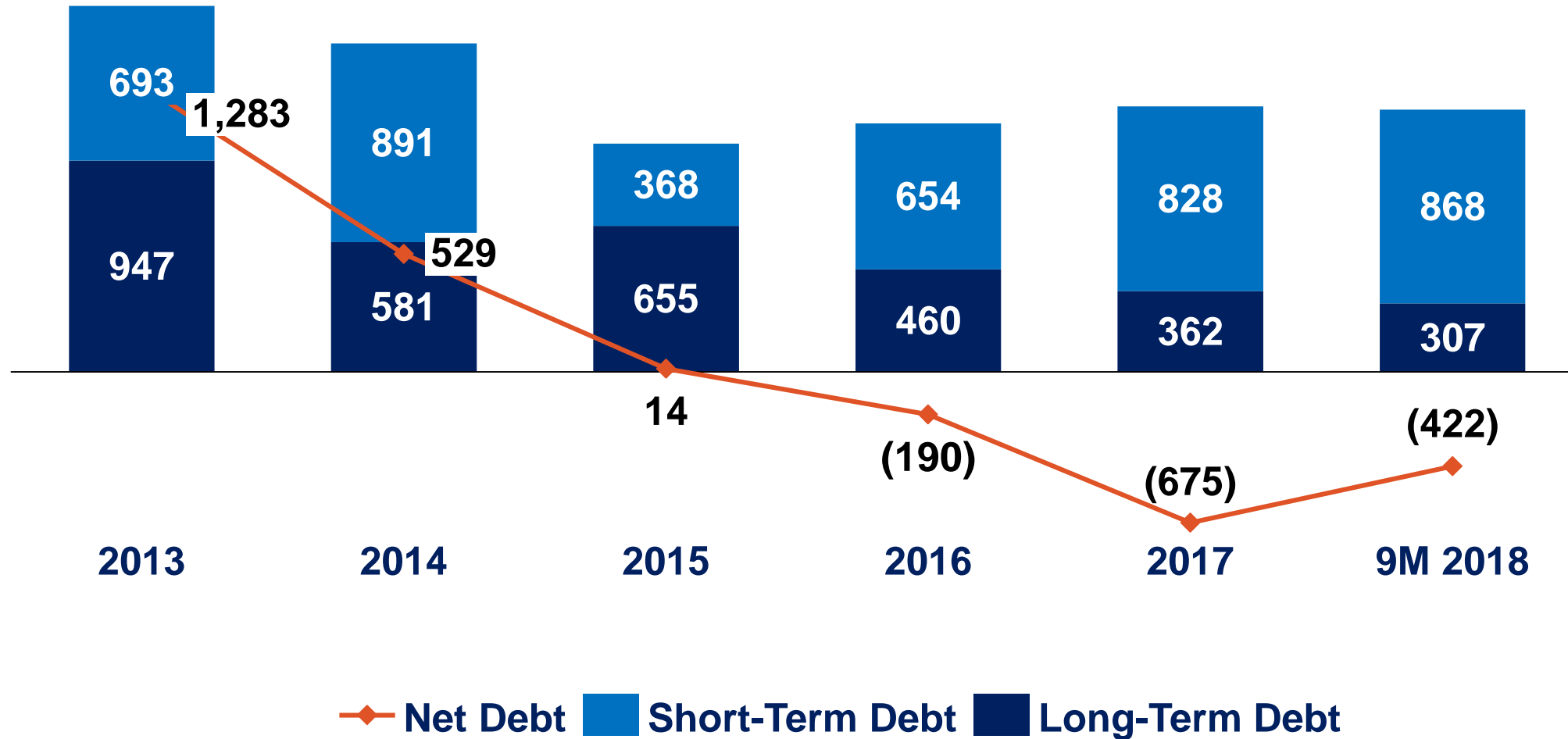


Financial Figures

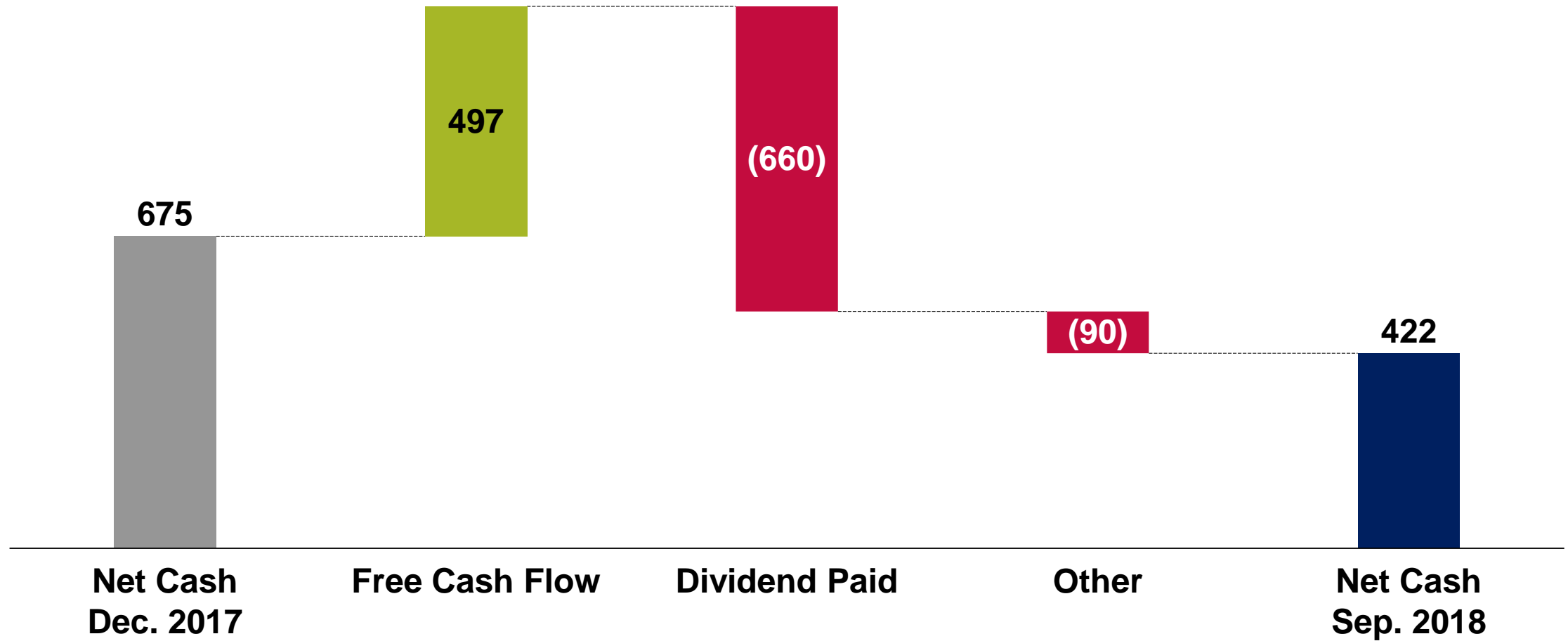
Consolidated Net Assets (USD mn)	31.12.2017	30.09.2018	Growth (Year-to-Date)
Cash and Cash Equivalents	1,865	1,597	-14%
Working Capital	1,740	2,158	24%
Tangible and Intangible Assets	3,549	3,540	-0%
Financial Liabilities	(1,190)	(1,175)	-1%
Provisions and Other	(866)	(904)	4%
Net Assets	5,098	5,216	2%

Working Capital (USD mn)	31.12.2017	30.09.2018	Growth (Year-to-Date)
Trade Receivables	685	808	18%
Inventories	1,336	1,553	16%
Trade Payables	(250)	(265)	6%
Other	(31)	62	300%
Working Capital	1,740	2,158	24%

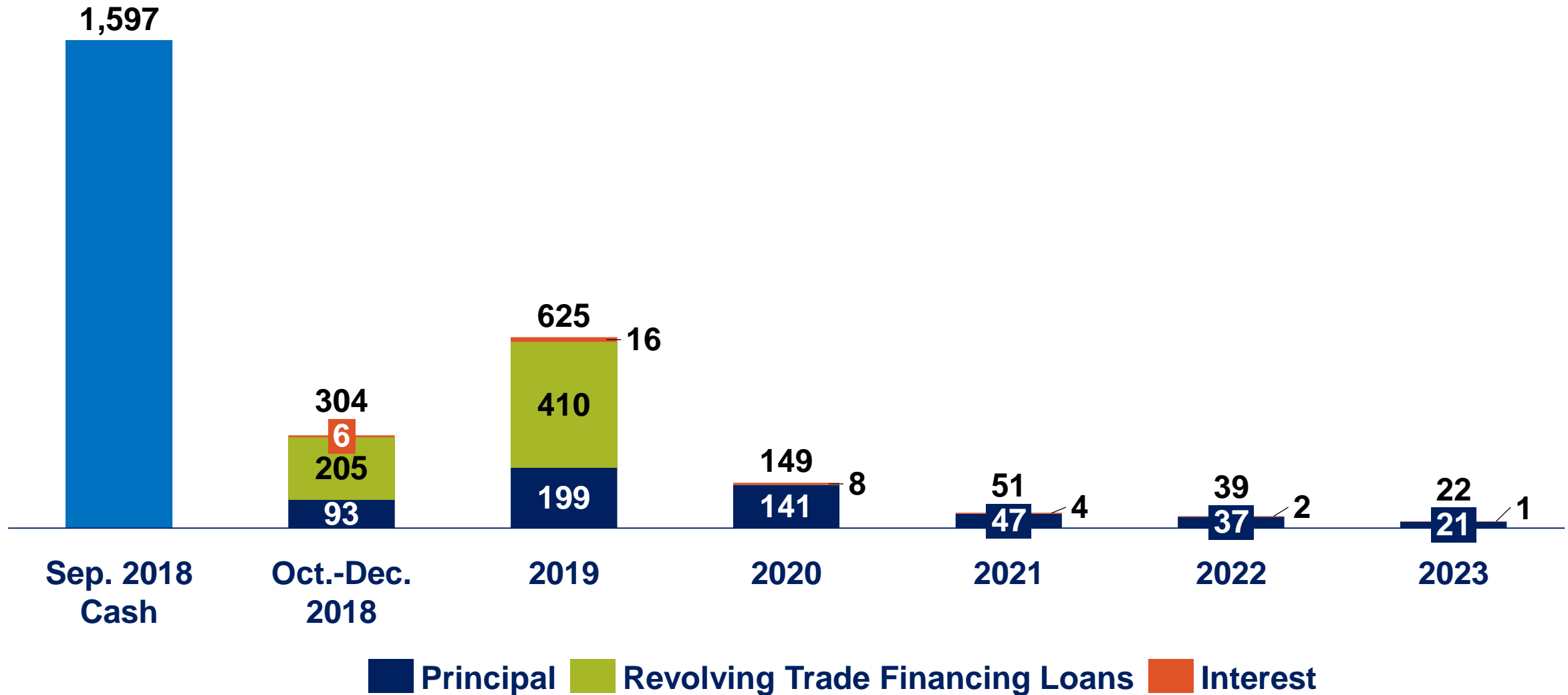
Financial Borrowings (USD mn)



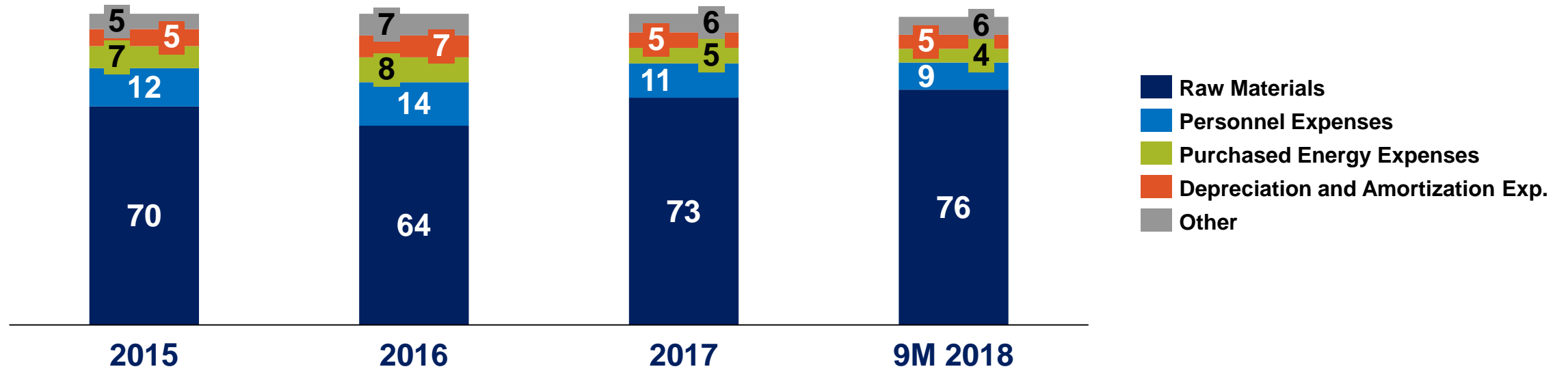
Net Debt (USD mn)



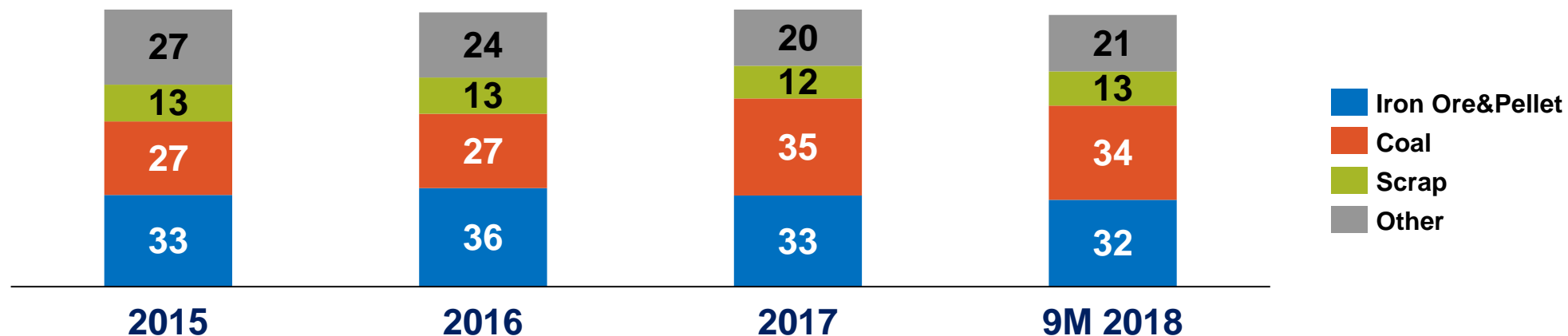
Borrowings Maturity Profile (USD mn)



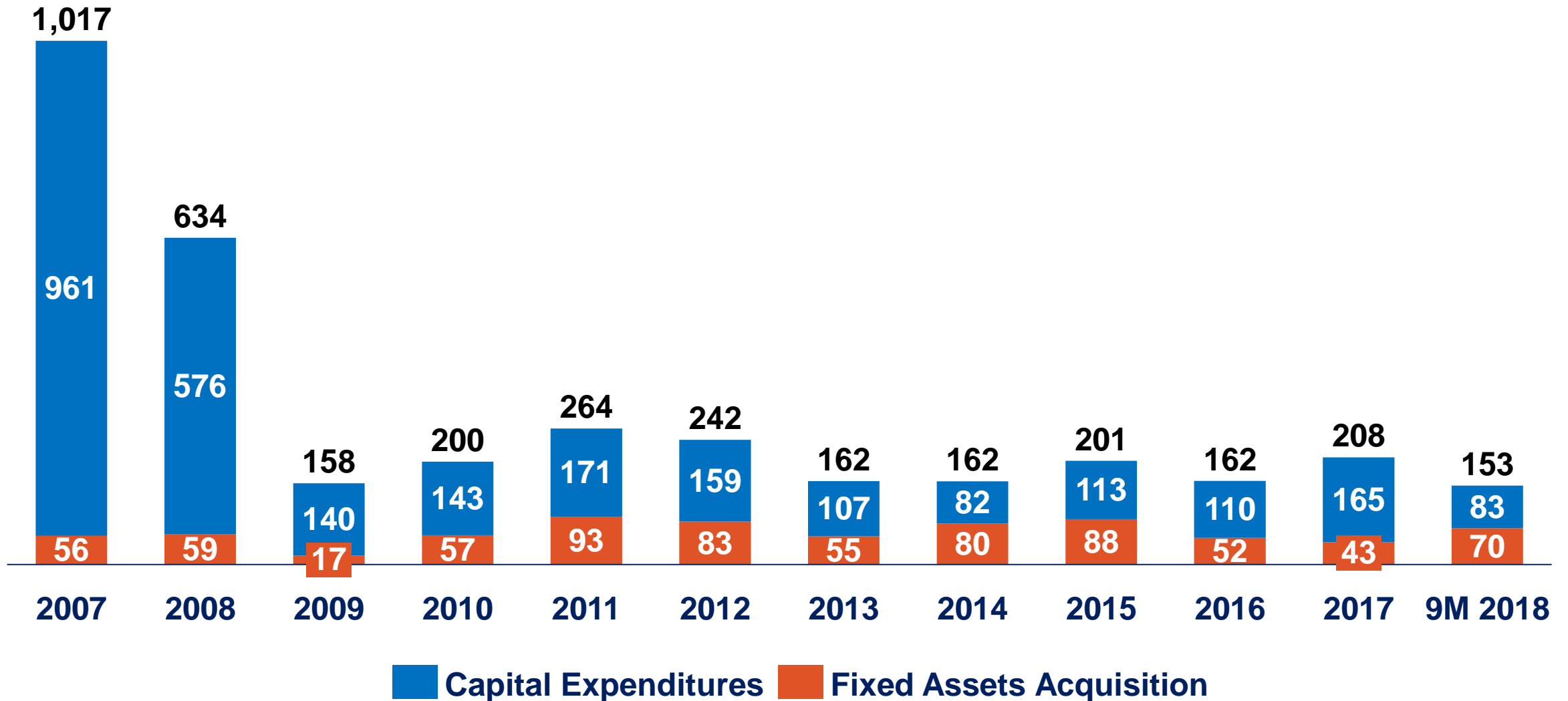
Cost of Sales Breakdown* (%)



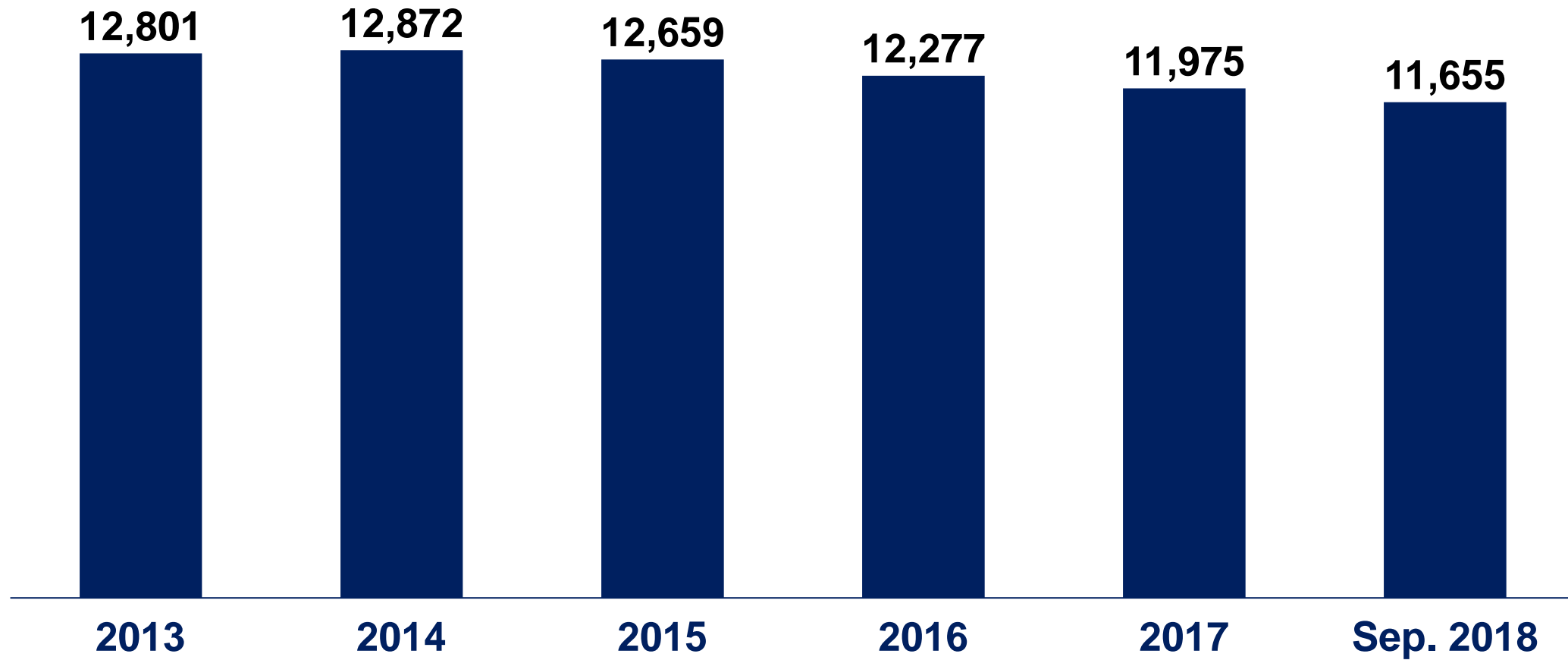
Raw Materials Breakdown (%)



Capital Expenditures (USD mn)



Number of Employees





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