

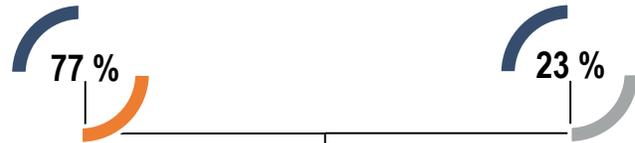
INVESTOR PRESENTATION
September 2022

 **BORUSAN
MANNESMANN**

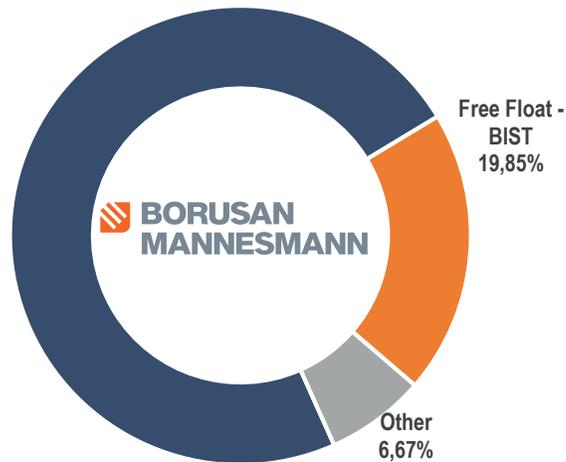
Legal Disclaimer

Certain information set forth on this website may contain “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%

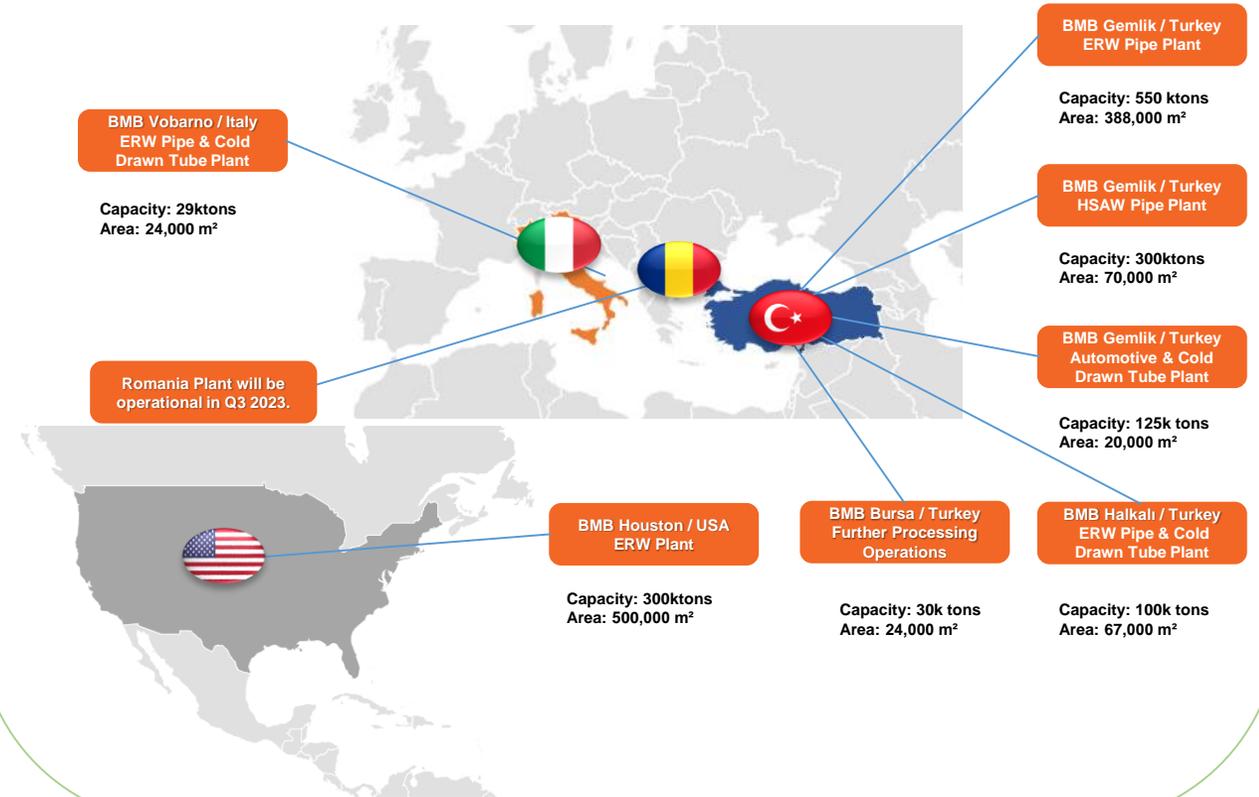


Geographical Footprint

Total Capacity
1,434 k tons

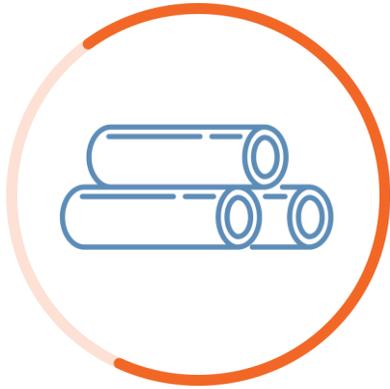
Total Area
1,093 k sqm

Total Employee
2,072



KEY HIGHLIGHTS 9M '22

SALES VOLUME*



**625
k tons**

+ 13 % y/y

SALES REVENUE*



**\$ 934
millions**

+ 61 % y/y

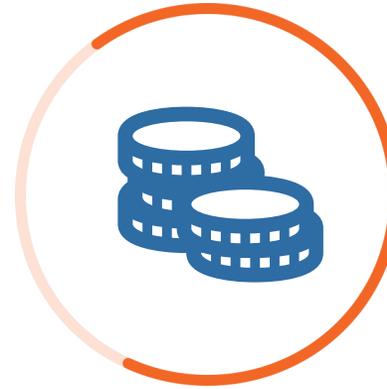
EBITDA



**\$ 114
millions**

+ 55 % y/y

PBT



**\$ 47
millions**

+ 56 % y/y

TR EXPORT



**\$ 261
millions**

+ 55 % y/y

- \$934 Million consolidated revenue, significantly higher than 2021 9M.

Major drivers;

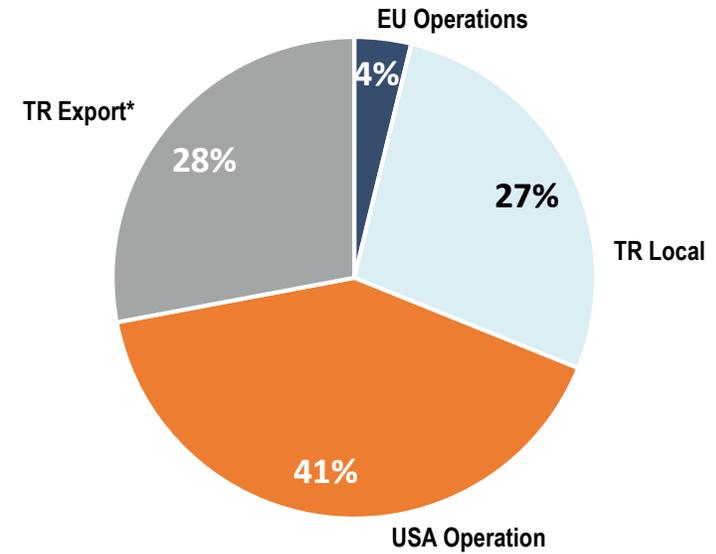
- Strong sales in Energy Pipe Market
- Significant sales increase in Global Operations
- Remarkable increase in Infrastructure Pipe sales
- EBITDA increased by 55 % y/y

MARKET CAPITALIZATION

\$ 368 mn as of Sep 30,2022



SALES REVENUE



REVENUE BY INDUSTRY



Infrastructure & Project

\$ 88 mn

Sales



+ 98 % y/y



Automotive

\$ 177 mn

Sales



+ 23 % y/y



Industry & Construction

\$ 314 mn

Sales



+ 21 % y/y



Energy

\$ 355 mn

Sales



+ 171 % y/y

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

EXPORT MARKETS PERFORMANCE



\$ 261 mn

Total TR
Export*

28 %

% BMB Total
Sales \$

55 %

Sales \$
Growth
y/y

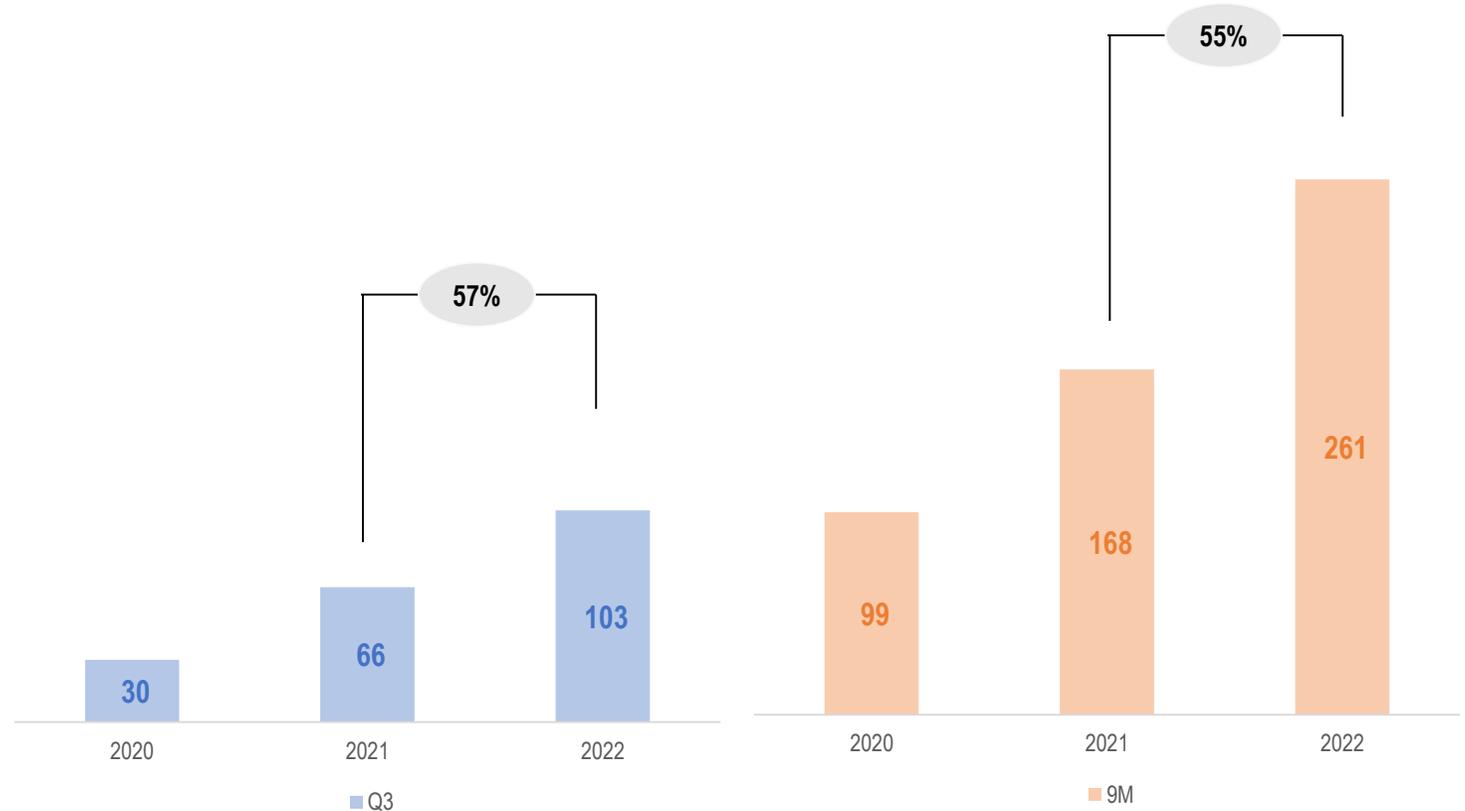
11 %

Share in Total
Turkish Steel Pipe
Export tonnages*

40

Number of
Export
Countries

EXPORT SALES mn \$



- Strong performance in export markets sales volume and significant contribution to consolidated revenue
- Enhanced geographical penetration in foreign markets

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

Infrastructure & Project



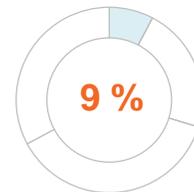
\$ 88 mn

Sales

% BMB Total Sales

98 %

Growth y/y



- Revenue per ton for the accomplished projects increased significantly compared to previous year, doubling the total revenue y/y.
- Projects in North America and Eastern Europe are the main drivers of strong performance.

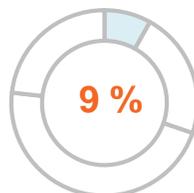
58k tons

Sales

% BMB Total Sales

16 %

Growth y/y



Automotive



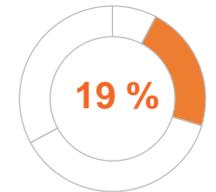
\$ 177 mn

Sales

% BMB Total Sales

23 %

Growth y/y



- Better y/y volume and revenue performance, despite the shrinking demand coming from market.
- Increase in energy prices and inflationary effects continues to limit the improvement in profit margins.

124k tons

Sales

% BMB Total Sales

3 %

Growth y/y



Industry & Construction



\$ 314 mn

Sales

% BMB Total Sales

21 %

Growth y/y



272k tons

Sales

% BMB Total Sales

-5 %

Change y/y



- Revenue exceeded \$ 300 mn in total domestic and export markets.
- The increase in y/y sales is mainly attributable to export markets which exceeded 60% of total sales
- Energy and volatile raw material prices has adverse effect on the profit margin.

Energy



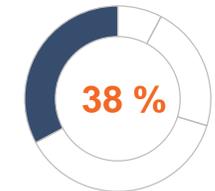
\$ 355 mn

Sales

% BMB Total Sales

171 %

Growth y/y



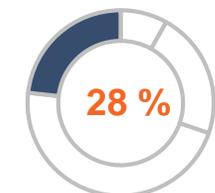
172k tons

Sales

% BMB Total Sales

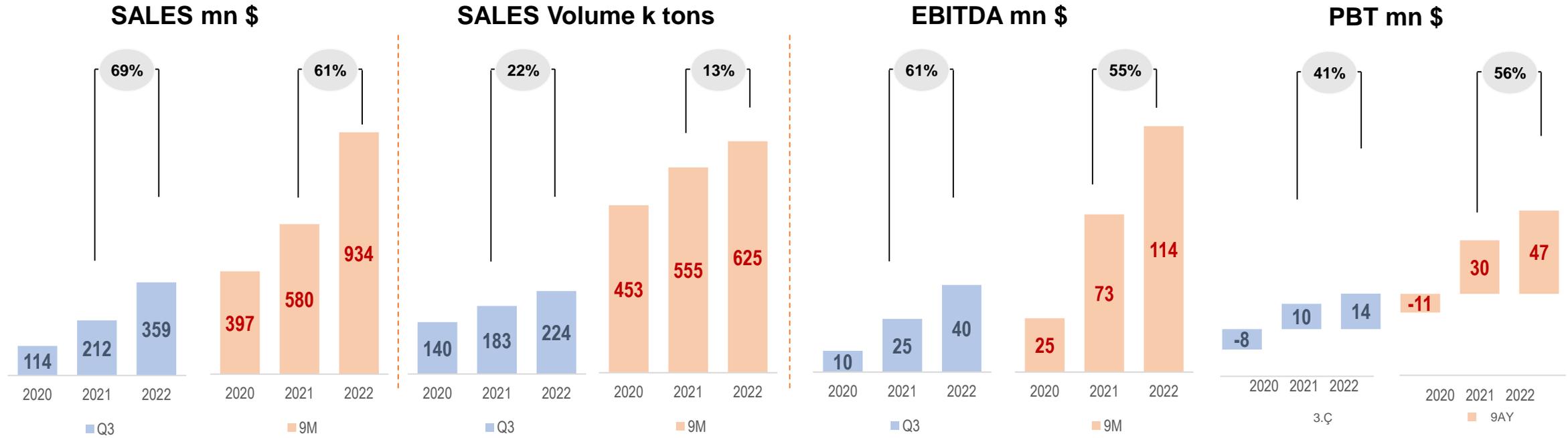
76 %

Growth y/y

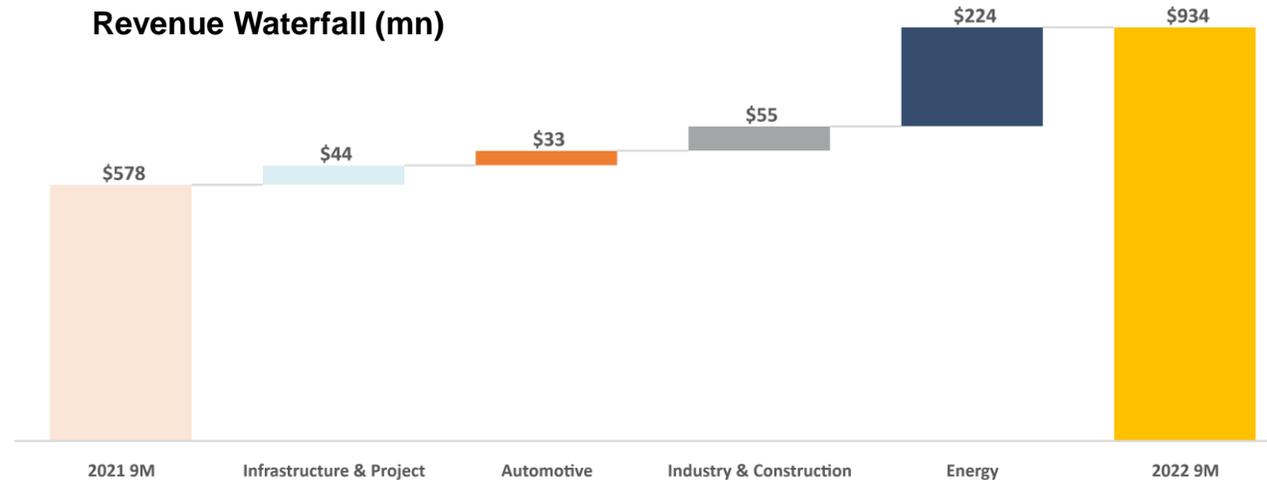


- Impressive performance in sales volume over 170k ton in 9M '22
- Representing almost 40% of total sales revenue in 9M'22
- Opportunity in oil market in combination with timely price adjustment strategy bring sharp increase in profitability.

SUMMARY FINANCIALS



Revenue Waterfall (mn)



SUMMARY FINANCIALS

(m\$)	2022 9M	2021 9M	Change
Revenue	934	580	61%
Cost of Sales	(831)	(505)	65%
Gross Margin	103	75	38%
(as a % of revenue)	11.1%	12.9%	-181 bps
SG&A	(43)	(36)	21%
(as a % of revenue)	4.6%	6.2%	-154 bps
Other	27	12	128%
EBIT	88	51	+37mn\$
Financial Expense	(41)	(21)	95%
PBT	47	30	+17mn\$
(as a % of revenue)	5.0%	5.2%	-17 bps
Depreciation	25	24	5%
Net Income	35	27	28%
(as a % of revenue)	3.7%	4.7%	-98 bps
EBITDA	114	73	+40mn\$
(as a % of revenue)	12.1%	12.6%	-47 bps

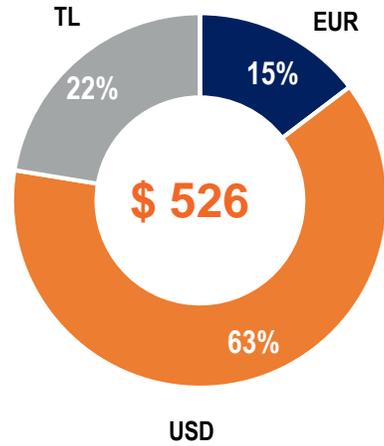
Free Cash Flow	(178)	(36)	-142mn\$
NFD / EBITDA	3.67	3.18	+0.49x
NWC Days	114	128	-14

(m\$)	2022 Q3	2021 Q3	Change
Revenue	359	212	69%
Cost of Sales	-320	-188	70%
Gross Margin	39	24	62%
(as a % of revenue)	10.9%	11.4%	-48 bps
SG&A	(15)	(12)	26%
(as a % of revenue)	4.3%	5.8%	-149 bps
Other	8	4	98%
EBIT	32	16	+16mn\$
Financial Expense	(18)	(6)	188%
PBT	14	10	+4mn\$
(as a % of revenue)	3.8%	4.5%	-75 bps
Depreciation	8	8	0%
Net Income	9	8	13%
(as a % of revenue)	2.5%	3.7%	-123 bps
EBITDA	40	25	+15mn\$
(as a % of revenue)	11.0%	11.6%	-59 bps

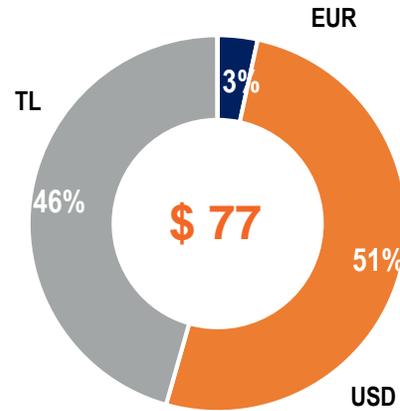
- \$ 114mn EBITDA is the record 9M performance
- EBITDA growth led by strong top-line growth and better capacity utilization in US Operations.
- Strong PBT performance despite challenging market conditions
- Higher working capital leads to higher financial expenses

SUMMARY FINANCIALS

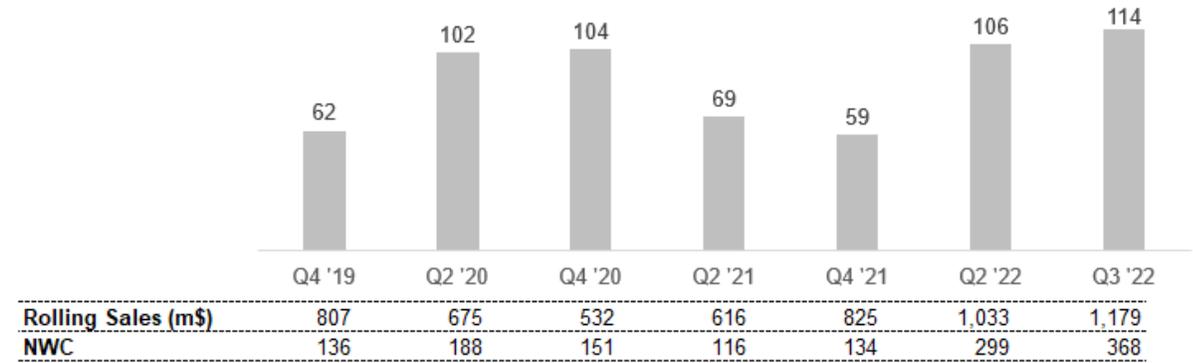
Debt Profile(mn)



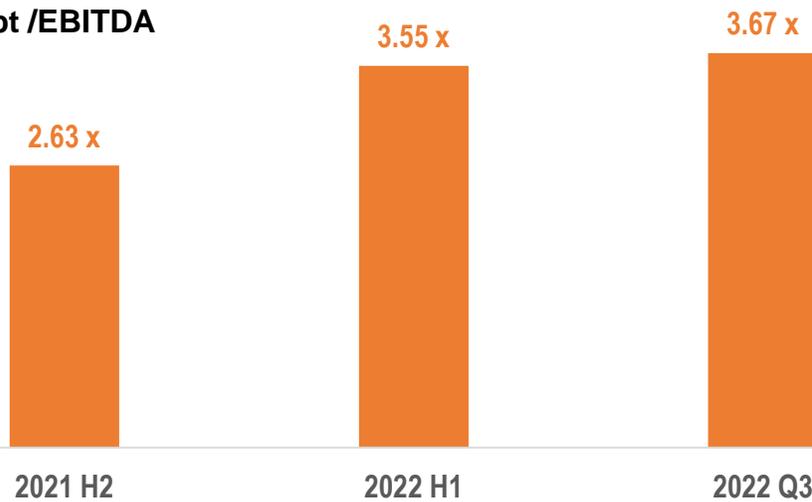
Cash Profile(mn)



WC days



Net Debt /EBITDA



- Net working capital increase due to significant revenue growth in US Operations.
- Net debt; \$ 449 mn as of end of Sep 30th, 2022.
- Net leverage is 3.67.



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