



# INVESTOR PRESENTATION

January - December 2024



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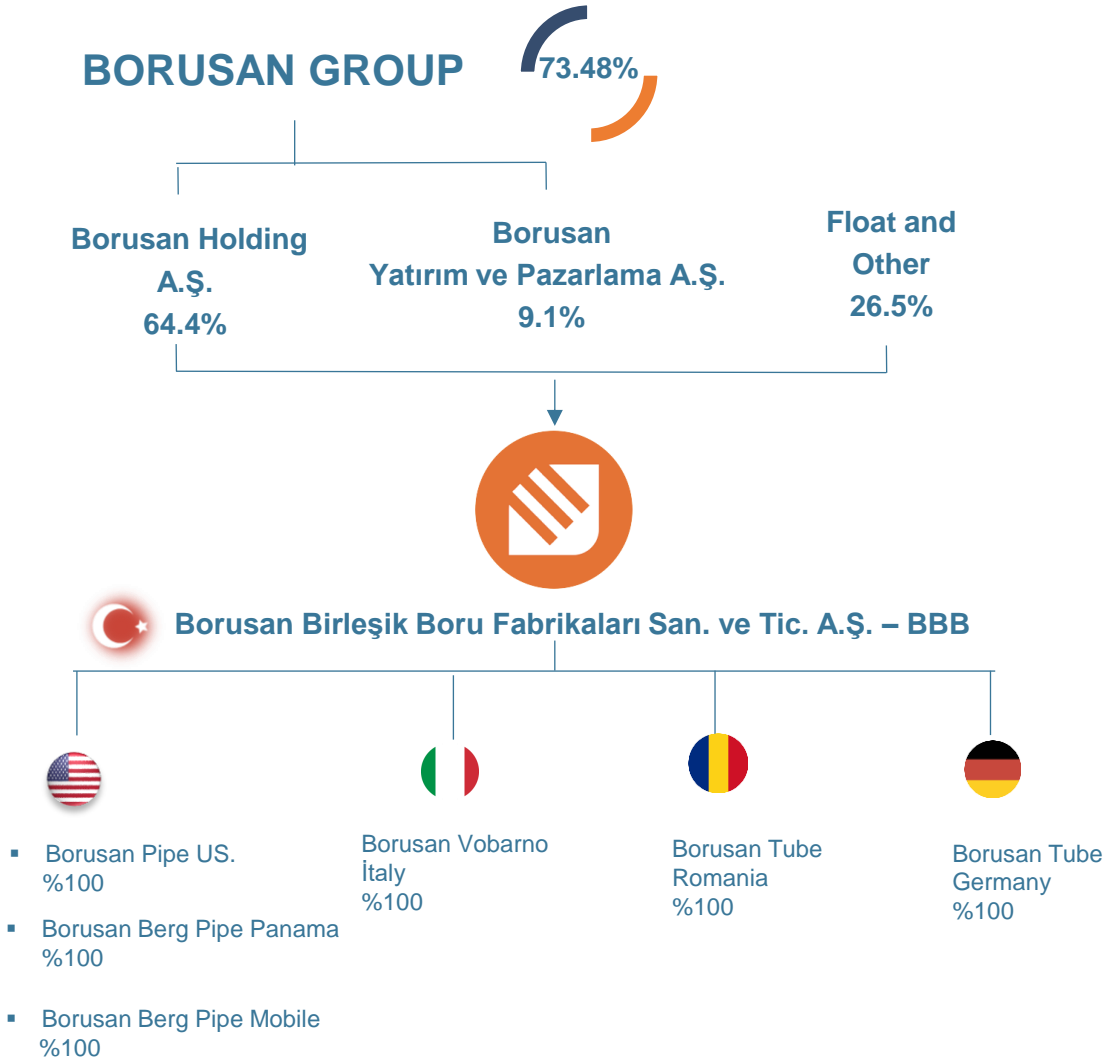
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# BORUSAN BORU AT A GLANCE



- Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. (“BBB”), is among the pioneer manufacturers in Europe’s and the world’s steel pipe sector. Founded in 1958, BBB is the first industrial company of Borusan Group.
- In 1994, the Company’s shares have been quoted on Borsa İstanbul and since been trading with BRSAN ticker symbol. (Float: 19.85%)
- Borusan Group, which merged its operations in Turkey with Salzgitter Mannesmann GmbH in 1998, acquired Salzgitter Mannesmann GmbH's 23% shareholding in BMB Holding A.Ş. on November 27, 2023, for €52.8 million.
- In 2001, in line with its strategy to grow in global markets, BBB acquired its first company abroad in Italy, established its first company in the USA in 2014, and in 2023, BBB expanded its operations in the USA by acquiring Berg Pipe.
- In 1Q24, as part of its strategy to expand its automotive business line initiated last year, BBB completed its facility investment in Romania and the installation of the SRM line in Houston, Baytown campus in the USA. Following trial production, commercial activities began in 3Q24.
- BMB Holding A.Ş. was merged into Borusan Boru along with all its assets and liabilities, dissolving without liquidation. The merger was registered and finalized on January 10, 2025.

# LEADING GLOBAL POWER IN STEEL PIPE PRODUCTION

**3** Continents

**10** Facilities

**1 million m<sup>2</sup>** Area

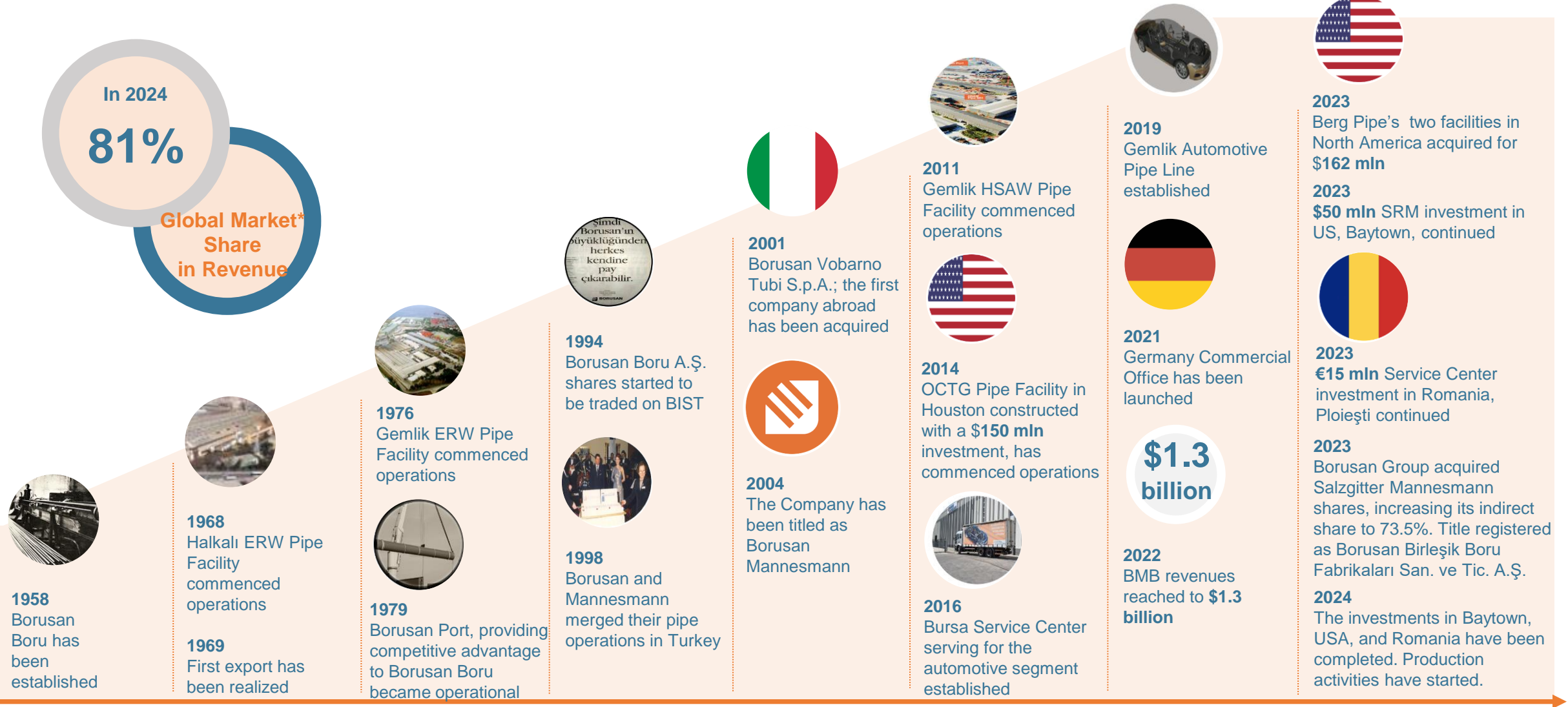
**2,421** Employees

**1.7 million ton** Capacity

**4,000** Product Types

FACILITY	PRODUCT	SECTOR	YEAR	CAPACITY (tons)
TR - Halkalı	ERW and Cold Drawn Pipe	Automotive, Industry & Construction	1958	100,000 - welded 40,000 - drawn
TR - Gemlik	ERW Pipe	Industry & Construction, Infrastructure & Project, Energy	1976	550,000
TR - Bursa	Service Center	Automotive	2016	21 mln units
TR - Gemlik	Cold Drawn Pipe	Automotive	2019	60,000 - welded 50,000 - drawn
USA - Baytown	ERW Line Pipes	Energy	2014	300,000
USA - Baytown	SRM Pipe	Industry & Construction	2023	100,000
USA - Panama City	LSAW Pipe	Infrastructure & Project	1979	330,000
USA - Mobile	HSAW Pipe	Infrastructure & Project	2007	220,000
IT - Vobarno	ERW and Cold Drawn Pipe	Automotive	2001	30,000 - drawn
RO - Romania	Service Center	Automotive	2023	21 mln units

# STEP BY STEP JOURNEY TO GLOBALIZATION



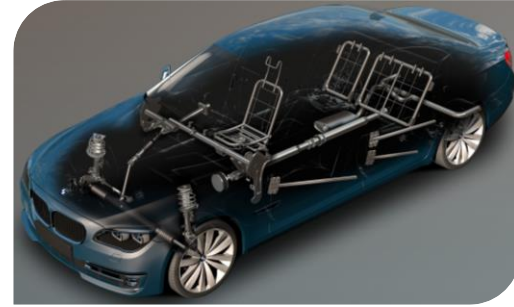
# BUSINESS MODEL THAT MANAGES RISKS THROUGH SECTOR AND GEOGRAPHICAL DIVERSITY



**INFRASTRUCTURE  
& PROJECT**



**INDUSTRIAL  
& CONSTRUCTION**



**AUTOMOTIVE**



**ENERGY**

**Revenue  
Breakdown**

<b>2023</b>	29%	18%	12%	41%
<b>2024</b>	47%	18%	12%	23%

**Production  
Centers**



- Panama City (USA)
- Mobile (USA)



- Gemlik (TR)
- Halkalı (TR)
- Houston (USA)



- Halkalı (TR)
- Gemlik (TR)
- Vobarno (IT)



- Gemlik (TR)
- Houston (USA)

**Products**

- Spiral Welded Pipes
- LSAW Line Pipes
- ERW Line Pipes

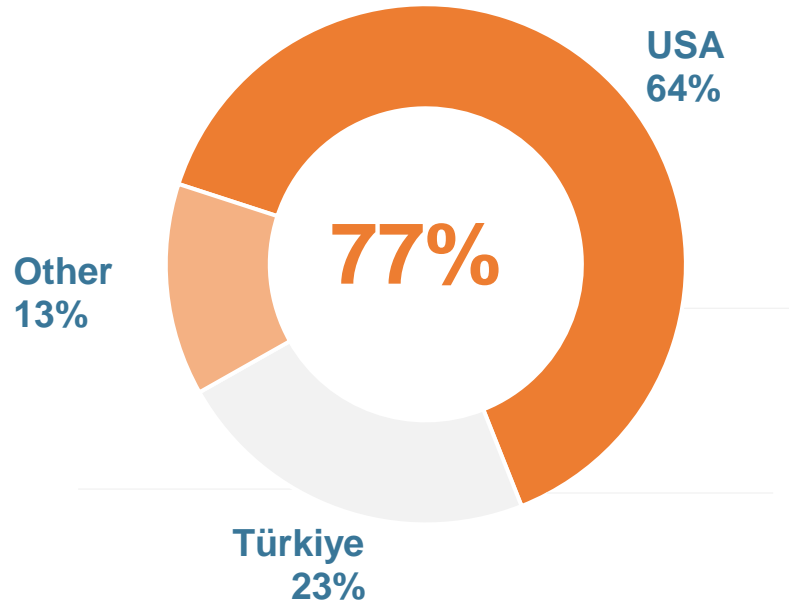
- ERW Natural Gas Pipes
- Industrial Pipe and Profiles
- Water Pipes
- Construction Pipe and Profiles
- SRM Installation Pipes

- Hydraulic Cylinder Pipe
- Cold Drawn Pipes
- Advance Processed Pipes
- Precision Pipes and Profiles

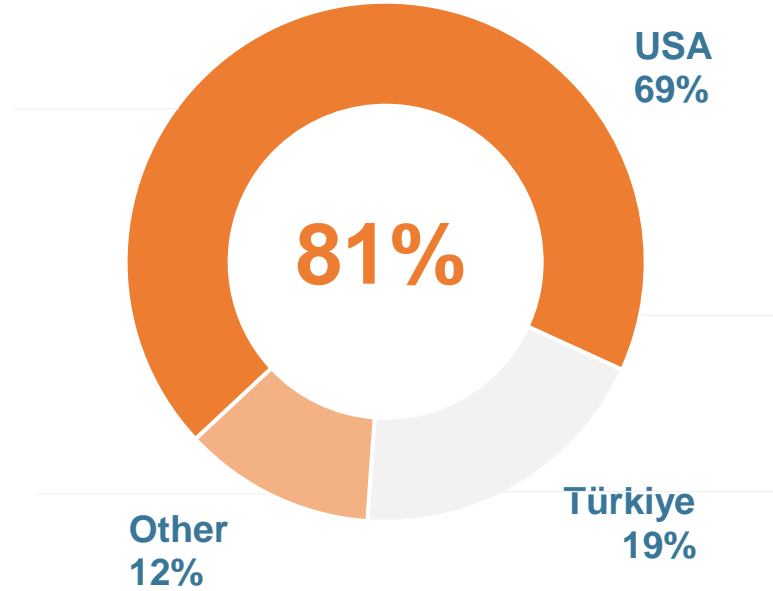
- ERW Line Pipes
- OCTG Pipes

# INCREASE IN REVENUE FROM GLOBAL MARKETS IN 2024

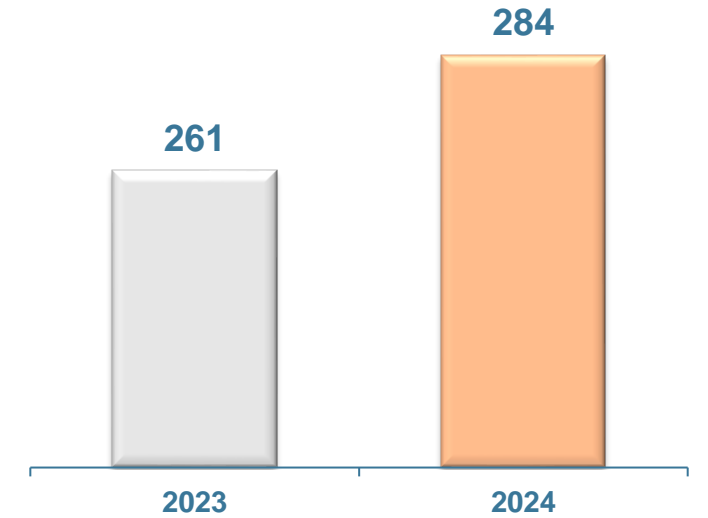
REGIONAL BREAKDOWN 2023\* (%)



REGIONAL BREAKDOWN 2024\* (%)



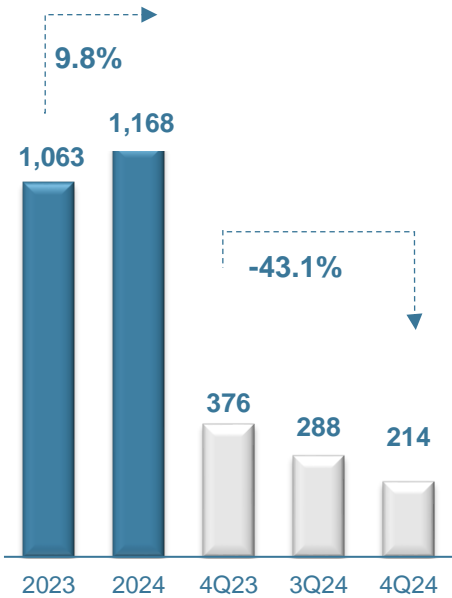
EXPORT REVENUES FROM TÜRKİYE (\$ mln)



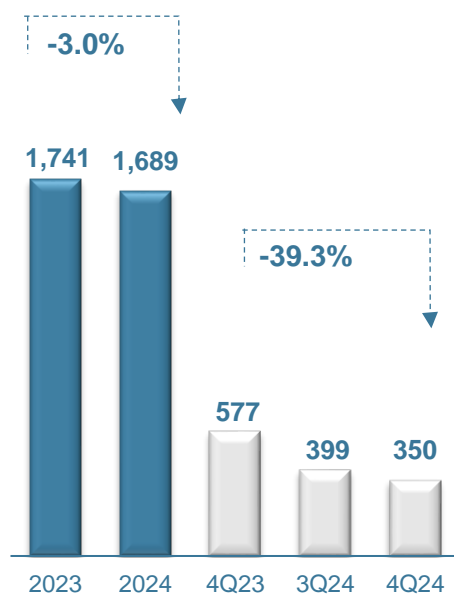
Revenue share of global markets increased to 81% as of 2024

# PROFITABILITY PRESSURED BY CHALLENGING MARKET CONDITIONS IN 2024

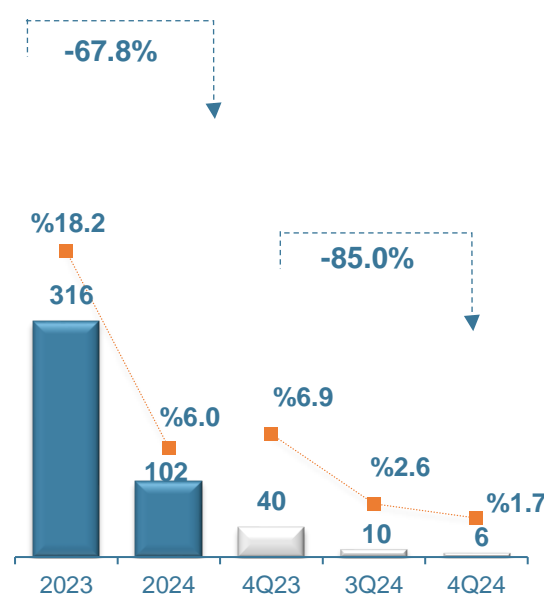
SALES VOLUME (ths ton)



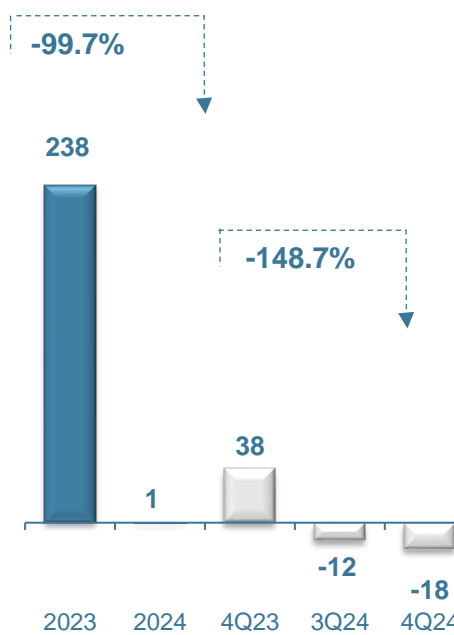
REVENUE (mln \$)



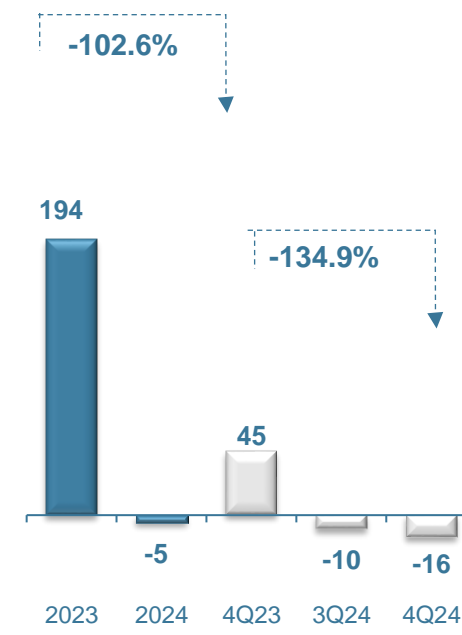
EBITDA (mln \$) & EBITDA MARGIN (%)



PROFIT BEFORE TAX (mln \$)



NET INCOME (mln \$)



Volume change in 2024 compared to 2023 based on business lines:

- + Infrastructure and Project: 37.2% increase
- + Automotive: 4.9% increase
- + Industrial and Construction: 10.3% increase
- Energy: 16.9% decrease

Revenue change in 2024 compared to 2023 based on business lines:

- + Infrastructure and Project: 56.2% increase
- + Automotive: 0.8% increase
- Industrial and Construction: 2.5% decrease
- Energy: 46.1% decrease

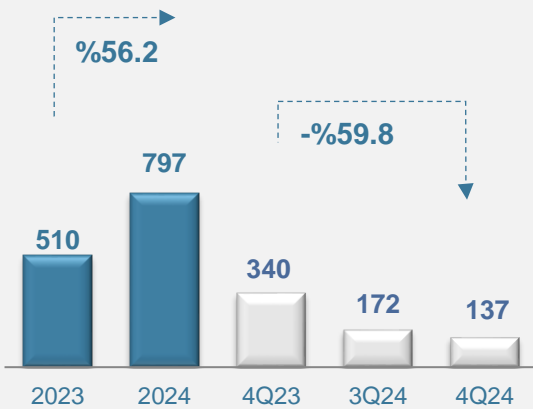
- Capacity utilization constrained by weak demand and rising production costs driven by an inflationary environment
- The effect of the real appreciation of the Turkish lira on costs and operational expenses
- The increasing competition and weak demand environment limiting pricing capability

- The increased financing costs resulting from financial debts incurred to meet working capital requirements.

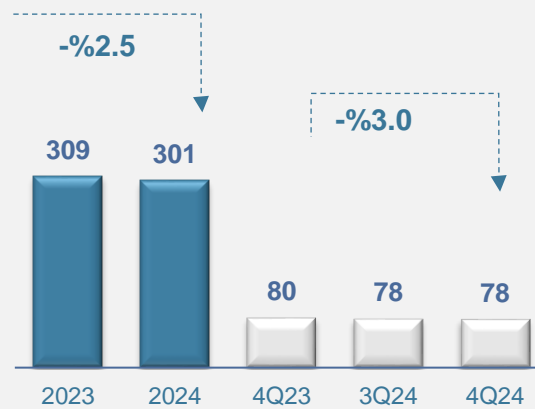


# FINANCIAL RESULTS SUPPORTED BY THE INFRASTRUCTURE AND PROJECT BUSINESS LINE

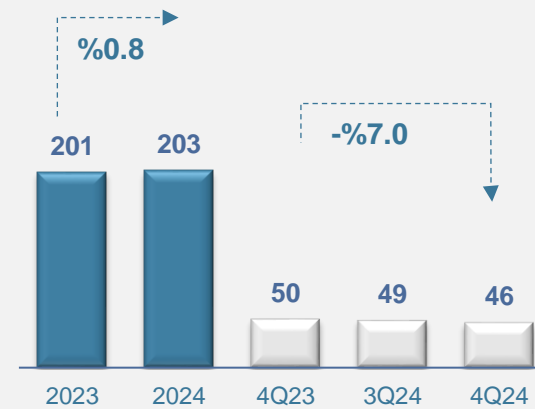
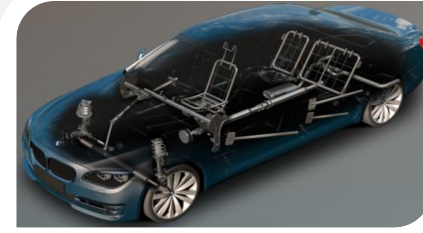
REVENUE SHARE (2024)



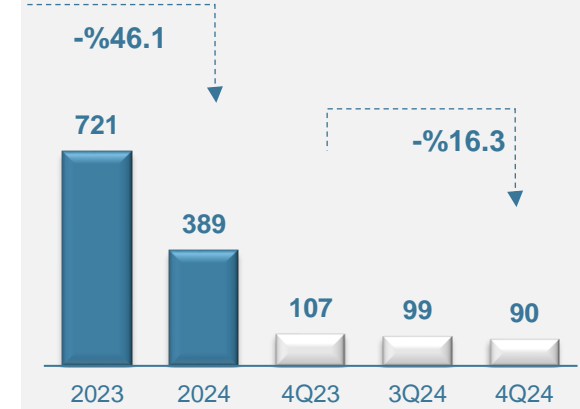
+ Contribution of Berg Pipe, which has been consolidated as of April 2023 and ongoing projects in the U.S.



- The pressure on pricing caused by increasing competition and weak demand
- The limited financial contribution of the U.S. SRM line due to being in a transition period
- Rising labor costs



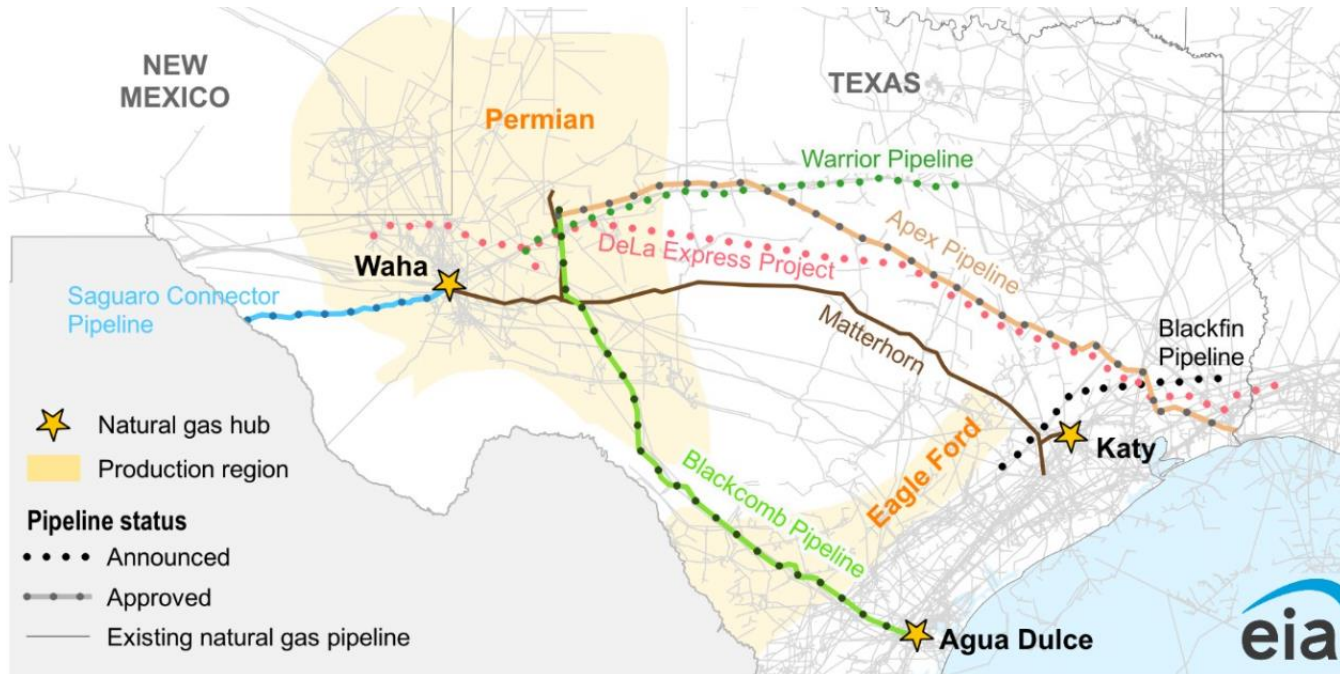
- The continued weak demand outlook in the automotive market
- Rising labor costs



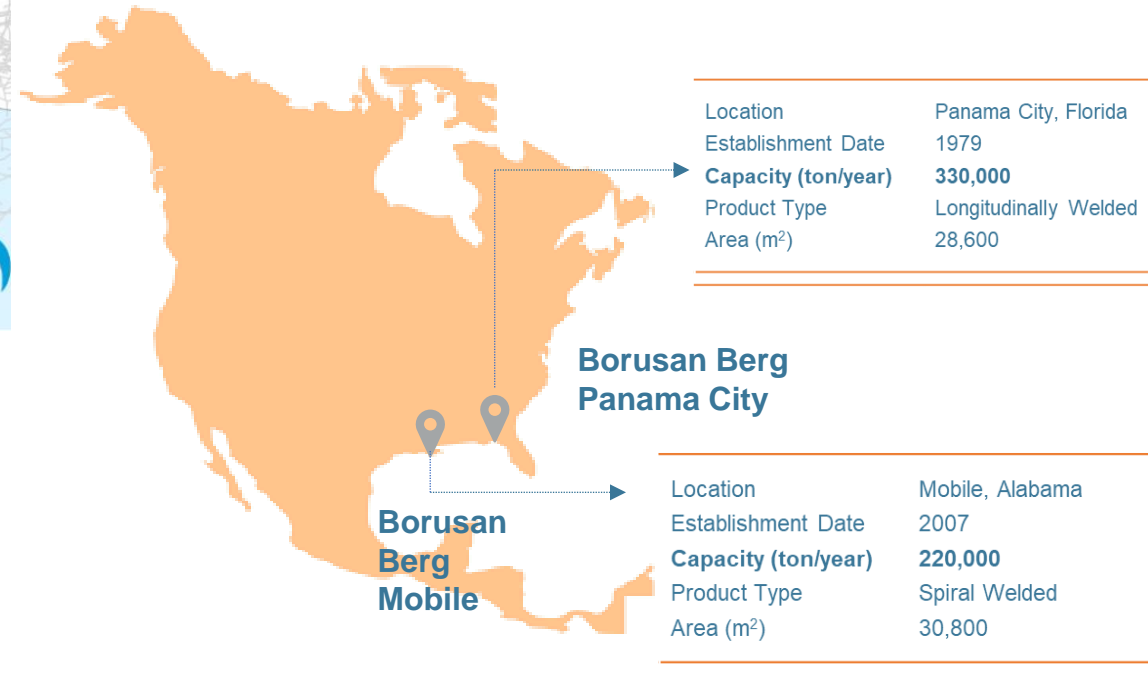
- o Normalized revenue due to balanced supply-demand conditions

# NEW BUSINESS AGREEMENT IN THE USA - BLACKCOMB PIPELINE PROJECT

## Natural Gas Infrastructure in Texas (September 2024)



- In 3Q24, taking advantage of opportunities in the infrastructure & project business line in the U.S. market, a contract worth approximately 363 million USD was signed with Blackcomb Supply Co, LLC for the Blackcomb Project in North America.
- As part of the project, our deliveries as Borusan Boru will begin in 2025 and will be completed within the same year.



«Blackcomb Pipeline, with a capacity of 2.5 Bcf/d, is designed to transport natural gas through approximately 365 miles of 42-inch pipeline from the Permian Basin to Agua Dulce in south Texas. Operator Whitewater Midstream expects the pipeline to enter service in 2026.» U.S. Energy Information Administration (EIA)

## SUMMARY INCOME STATEMENT (\$ MLN)

CONSOLIDATED (\$ mln)	2024	2023	Change (%)	4Q24	4Q23	Change (%)	3Q24
Revenue	1,689.5	1,741.2	-3.0%	350.3	577.0	-39.3%	399
Gross Profit	112	318	-64.7%	9.3	37.6	-75.3%	16
Gross Profit Margin (%)	6.6%	18.3%	-11.7 pps	2.7%	6.5%	-3.8 pps	4.1%
Operational Expenses	(81)	(85)	-4.5%	(22)	(16)	33.5%	-21
OPEX Margin (%)	-4.8%	-4.9%	0.1 pps	-6.3%	-2.8%	-3.5 pps	-5.2%
Other	28.1	62.2	-54.8%	6.4	35.8	-82.2%	6
EBIT	59	295	-79.9%	(6)	57	N/M	2
EBIT Margin (%)	3.5%	17.0%	-13.5 pps	-1.8%	9.9%	-11.7 pps	0.4%
Financial Expenses	(59)	(58)	1.5%	(12)	(19)	-35.5%	-13.9
Profit Before Tax	1	238	-99.7%	(18)	38	N/M	-12
PBT Margin (%)	0.0%	13.6%	-13.6 pps	-5.3%	6.6%	-11.9 pps	-3.1%
Net Income	(5)	194	N/M	(16)	45	N/M	-10
Net Income Margin (%)	-0.3%	11.1%	-11.4 pps	-4.5%	7.8%	-12.3 pps	-2.5%
Amortization	43	42	2.9%	12	9	28.5%	11
Other	(1)	(21)	-97.1%	0	(26)	-101.3%	(2)
EBITDA*	102	316	-67.8%	6	40	-85.0%	10
EBITDA Margin (%)	6.0%	18.2%	-12.2 pps	1.7%	6.9%	-5.2 pps	2.6%

\* EBITDA is calculated including Net Operating Income, Income from Investment Activities and excluding Extraordinary Income (Expense).

## SUMMARY INCOME STATEMENT (TRY MLN)

CONSOLIDATED (TRY mln)*	2024	2023	Change (%)	4Q24	4Q23	Change (%)	3Q24
Revenue	55,066	42,175	30.6%	12,082	16,441	-26.5%	13,338
Gross Profit	3,607	7,088	-49.1%	321	1,113	-71.2%	545
Gross Profit Margin (%)	6.6%	18.3%	-11.7 pps	2.7%	6.5%	-3.8 pps	4.1%
Operational Expenses	(2,668)	(2,034)	31.2%	(756)	(509)	48.6%	-698
OPEX Margin (%)	-4.8%	-4.9%	0.1 pps	-6.3%	-2.8%	-3.5 pps	-5.2%
Other	913	1,318	-30.7%	220	752	-70.7%	204
EBIT	1,852	6,372	-70.9%	(215)	1,356	N/M	51
EBIT Margin (%)	3.5%	17.0%	-13.5 pps	-1.8%	9.9%	-11.7 pps	0.4%
Financial Expenses	(1,915)	(1,409)	36.0%	(423)	(541)	-21.9%	-464
Profit Before Tax	(63)	4,964	N/M	(638)	815	N/M	-413
PBT Margin (%)	0.0%	13.6%	-13.6 pps	-5.3%	6.6%	-11.9 pps	-3.1%
Net Income	(228)	4,103	N/M	(539)	1,010	N/M	-328
Net Income Margin (%)	-0.3%	11.1%	-11.4 pps	-4.5%	7.8%	-12.3 pps	-2.5%
Amortization	1,419	1,000	41.9%	407	270	50.7%	353
Other	(20)	(504)	-55.2%	12	(620)	N/M	-59
EBITDA**	3,251	6,869	-55.7%	204	1,006	-79.7%	345
EBITDA Margin (%)	6.0%	18.2%	-12.2 pps	1.7%	6.9%	-5.2 pps	2.6%

\* Margins for TRY Consolidated Income Statement are based on USD dollar Income Statement.

\*\* EBITDA is calculated including Net Operating Income, Income from Investment Activities and excluding Extraordinary Income (Expense).

# SUMMARY BALANCE SHEET AND FX POSITION

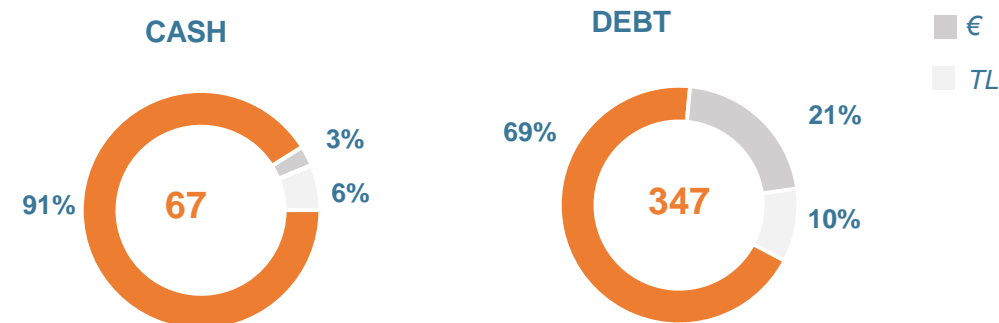
## BALANCE SHEET

(\$ mln)	2024	2023	3Q24	3Q23
Cash and Cash Equivalents	67	129	63	134
Trade Receivables	149	197	170	191
Inventories	353	537	443	526
Inventory Advances	36	57	3	39
<b>Current Assests</b>	<b>698</b>	<b>1,084</b>	<b>807</b>	<b>986</b>
<b>Non-Current Assets</b>	<b>874</b>	<b>816</b>	<b>868</b>	<b>865</b>
<b>TOTAL ASSETS</b>	<b>1,571</b>	<b>1,899</b>	<b>1,676</b>	<b>1,850</b>
Short Term Borrowings	260	265	344	297
Trade Payables	159	293	117	253
Advances Received	56	221	94	254
<b>Short Term Liabilities</b>	<b>539</b>	<b>874</b>	<b>616</b>	<b>846</b>
Long Term Borrowings	87	84	98	99
<b>Long Term Liabilities</b>	<b>179</b>	<b>178</b>	<b>184</b>	<b>235</b>
Paid in Capital	69	69	69	69
Equity	853	848	876	769
<b>TOTAL LIABILITIES</b>	<b>1,571</b>	<b>1,899</b>	<b>1,676</b>	<b>1,850</b>

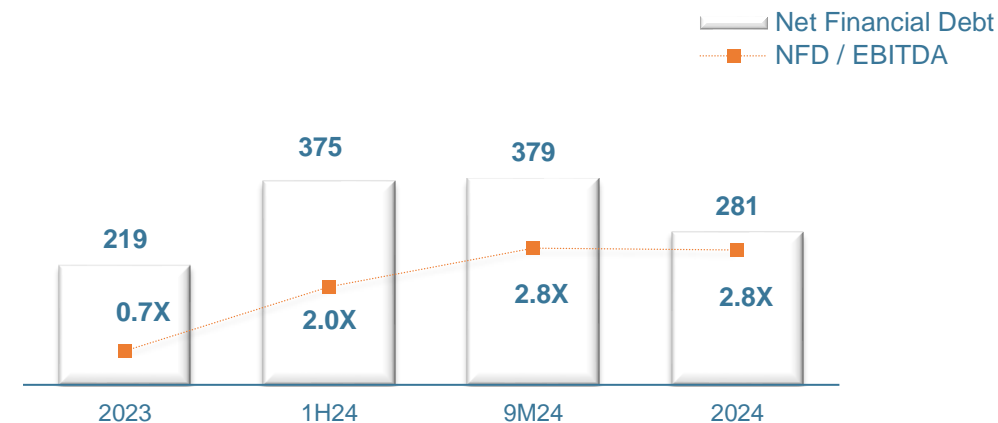
(\$ mln)	2024	2023	3Q24	3Q23
Net Working Capital*	324	277	405	249
Net Financial Debt	281	219	379	262

## CASH – DEBT BREAKDOWN (4Q24)

(\$ mln)



## NET FINANCIAL DEBT\*\*/EBITDA



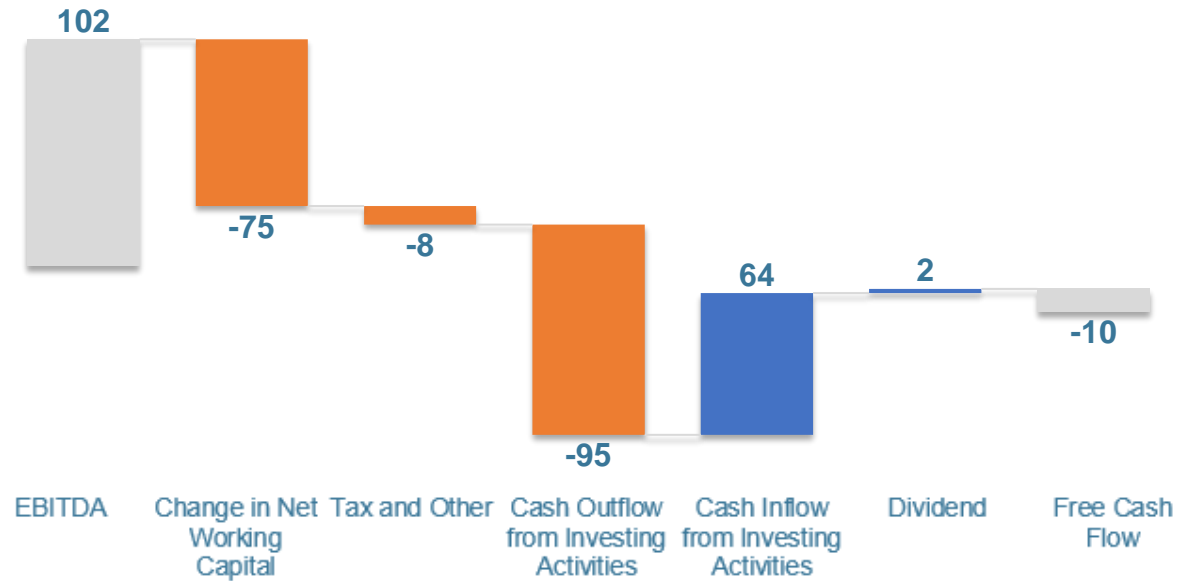
\* Net working capital is calculated including advances.

\*\* Net Financial Debt/EBITDA ratios are calculated using EBITDA for the last twelve months.

# CASH FLOW in 4Q24

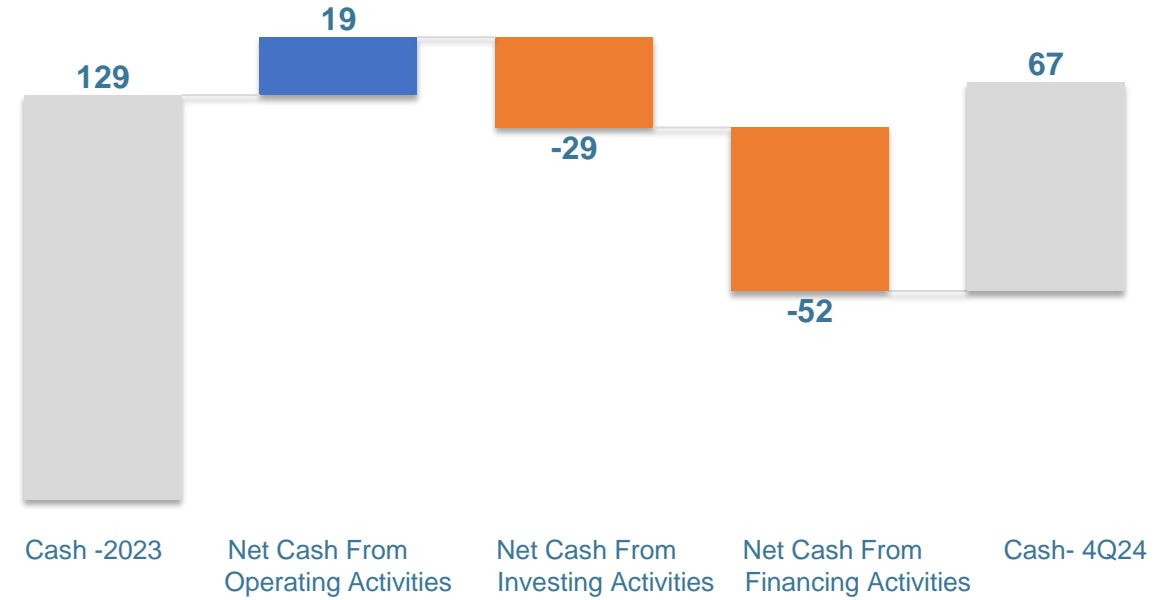
## FREE CASH FLOW

(\$ mln)



## CHANGE IN CASH

(\$ mln)



## 2025 GUIDANCE

	2020	2021	2022	2023	2024	2025 Guidance
<b>Sales Volume (mln tons)</b>	0.63	0.76	0.85	1.06	1.17	1.05 – 1.20
<b>Revenue (\$ billion)</b>	0.5	0.8	1.3	1.7	1.7	1.6 – 1.8
<b>EBITDA Margin (%)</b>	9.9%	9.8%	14.9%	18.2%	6.0%	5% - 7%

- In 2024, results were in line with expectations.
- In 2025, the market challenges experienced in 2024 are expected to continue. In this context, while sales volume and revenue are expected to remain stable, profit pressures are expected to be balanced through effective cost management, and the EBITDA margin is projected to be in the range of 5% - 7%. Demand outlook in key operating markets, raw material prices, exchange rate movements, and particularly potential new regulations in the U.S. steel sector are expected to continue impacting profitability.
- In the ordinary course of events, expectations are disclosed four times a year, with quarterly financial results.

# OUR TARGET: POSITIONING BBB FOR THE FUTURE GROWING STAKEHOLDER VALUE

## COMPETITIVE ADVANTAGES

- **Qualified human resources** with agility to take prompt action and vision to turn crises into advantage
- **Quality and leading** brand perception
- **Strong customer satisfaction** thanks to customer and solution focused approach at the maximum
- **Preferred manufacturer by suppliers** due to value-added products, continuous growth and reliable partner approach
- **Wide product portfolio** continuously supported by new investments
- **Ranked 1. in Europe** in cold drawn pipes and **leading manufacturer in the USA** in welded steel pipe market
- **Balanced portfolio approach** with presence in geographies and segments having different dynamics

## FOCUS FOR TRANSFORMATION


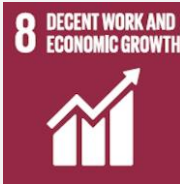




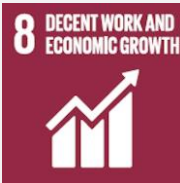




- ESG oriented **cultural transformation**
- **Compliance studies on CBAM** (Carbon Border Adjustment)
- Digital transformation initiated with the **SAP** project
- **Cost-saving** measures in operational expenses
- **Improvement** efforts in production costs
- **Profitability oriented sustainable growth** in business lines and geographic regions
- The integration of acquisitions and investments in **new regions** in the most efficient manner
- **Generating value add with smart pipes**, enabling customer and product communication
- **Targeting new markets** with hydrogen, carbon capture and energy storage products

## STRATEGIC ACTIONS

- Infrastructure and Project: Growth in Northern America Market with **Berg Pipe acquisition in the USA**
- Industrial and Construction: Increasing the weight of new products in the portfolio through **SRM investment in the USA**
- Automotive: Penetration in Tier 1 – Tier 2 customer segments in Europe with the **Service Center investment in Romania**
- Energy: Sustaining profitable revenue growth by weighing on **automation and robotics investment** in existing lines
- Constantly evaluating **acquisition and mergers** options with a focus on efficiency



# OUR ENVIRONMENT, SOCIAL, GOVERNANCE (ESG) ORIENTED ACTIONS

	PRIORITIES	RELATED KPI'S	RELATED SDG
HUMAN	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Social Contribution</li> <li>Effective People Management</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in Frequency and Weight of Accident</li> <li>Female Employee Rate</li> <li>Employee Loyalty</li> <li>Talent Retention Rate</li> </ul>	  
CLIMATE	<ul style="list-style-type: none"> <li>Waste Management</li> <li>Circular Economy</li> <li>Combating Climate Crisis</li> <li>Transition to Zero Carbon Economy</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of Scope 1 and 2 Emission</li> <li>Reduction of Waste</li> <li>Reduction of Water Consumption</li> <li>Increase of Recycled Water</li> </ul>	  
GOVERNANCE	<ul style="list-style-type: none"> <li>Sustainability in Supply Chain</li> <li>Effective Risk ve Crisis Management</li> <li>Excellence in Customet Relations</li> <li>Adopting Innovative Business Models</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Corporate Governance Principles</li> <li>All Sustainability KPI's</li> <li>Green Purchase at Supply Chain</li> </ul>	  
INNOVATION	<ul style="list-style-type: none"> <li>New Product and Innovation</li> <li>Digital Transformation</li> <li>Artificial Intelligence</li> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Revenue Generated from Innovative Business Models</li> <li>Implementation of Circular Business Model (Product or Service)</li> </ul>	 



# BORUSAN PIPE

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