



INVESTOR PRESENTATION

2019 Q4



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Market Overview

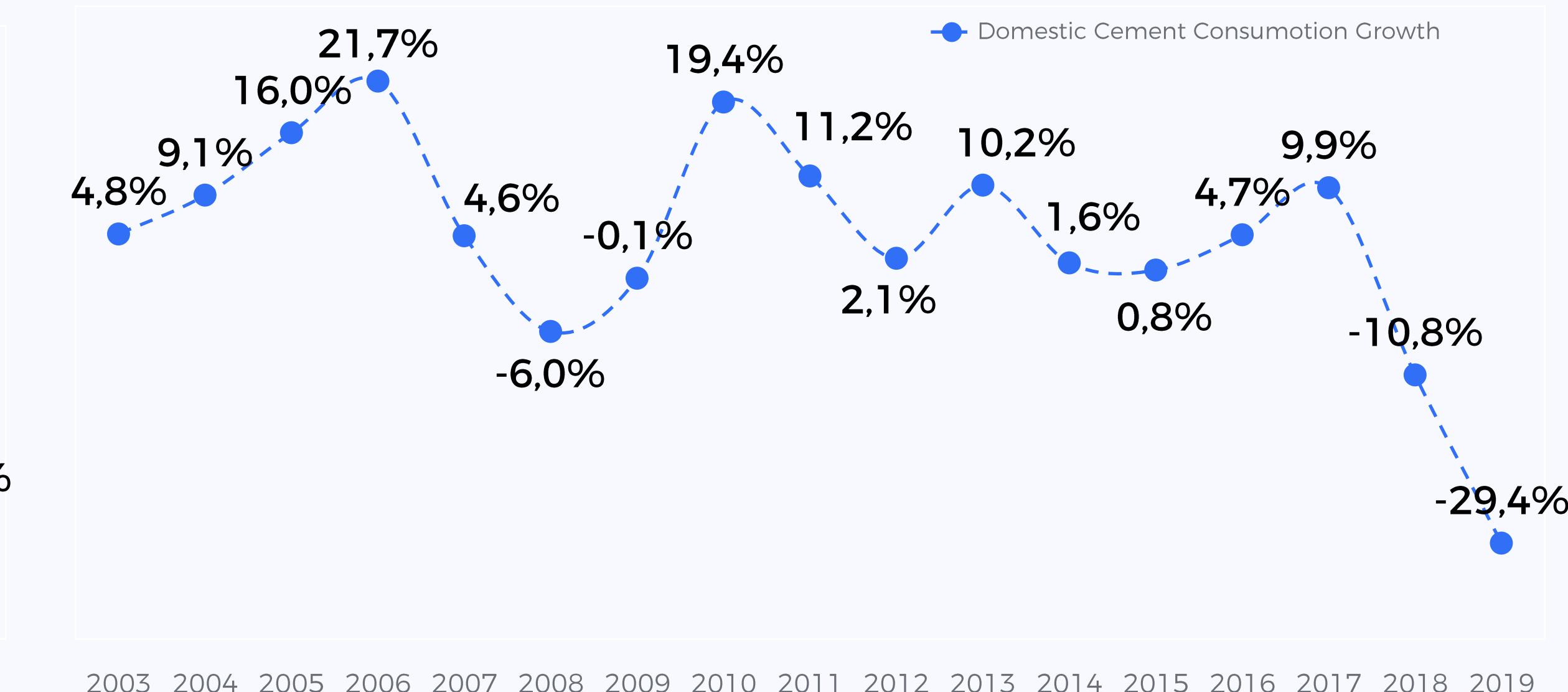
Turkish Cement Market

Turkish Cement Market

GDP growth in 2019 is 0.9%



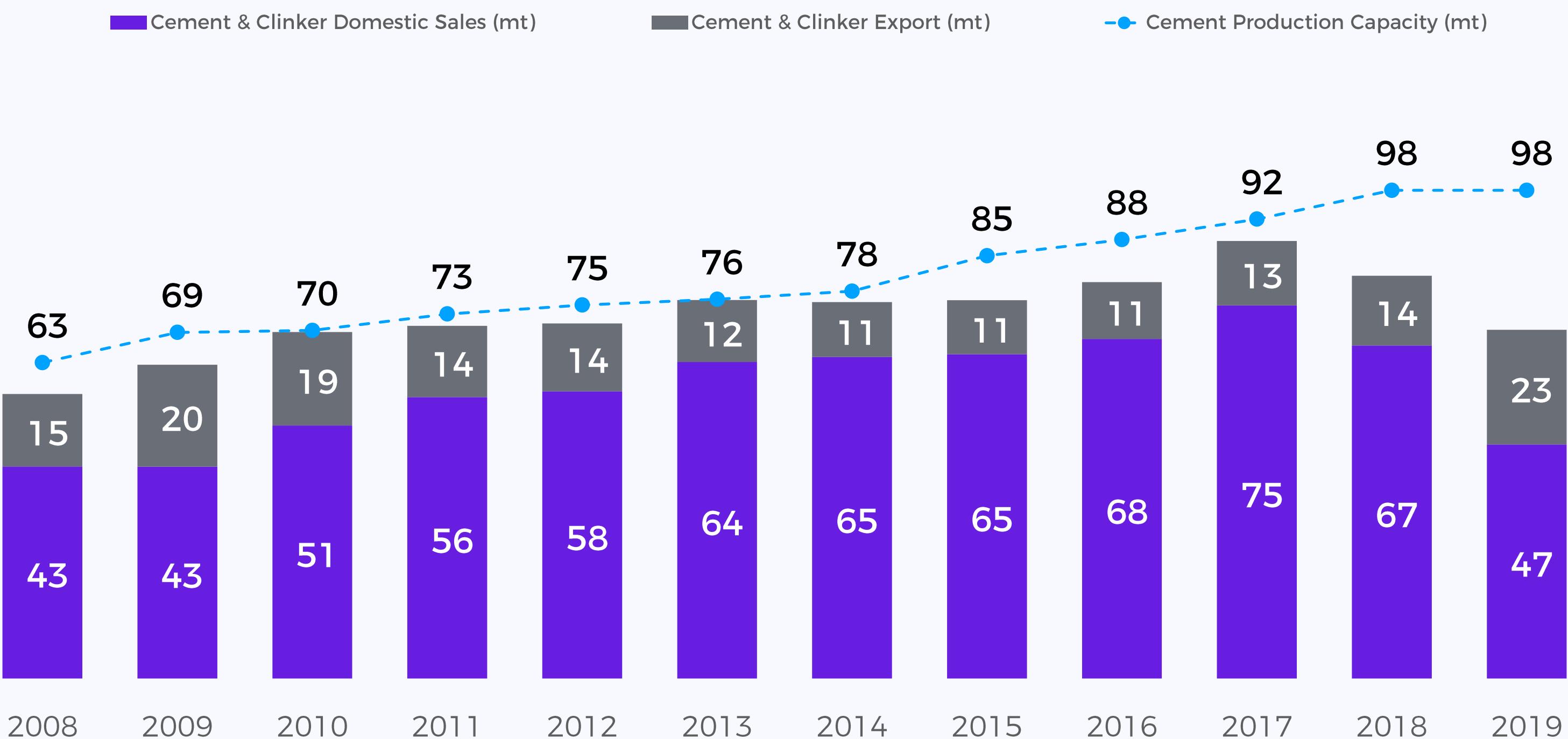
Decrease in cement consumption in 2019 is - 29.4%



Source: Turkish Cement Manufacturers' Association, Turkish Exporters Assembly

Turkish Cement Market

Turkey is the biggest cement producer in Europe.



98 Mt

Turkey's total cement production capacity is 98 Mt in 2019



70 Mt

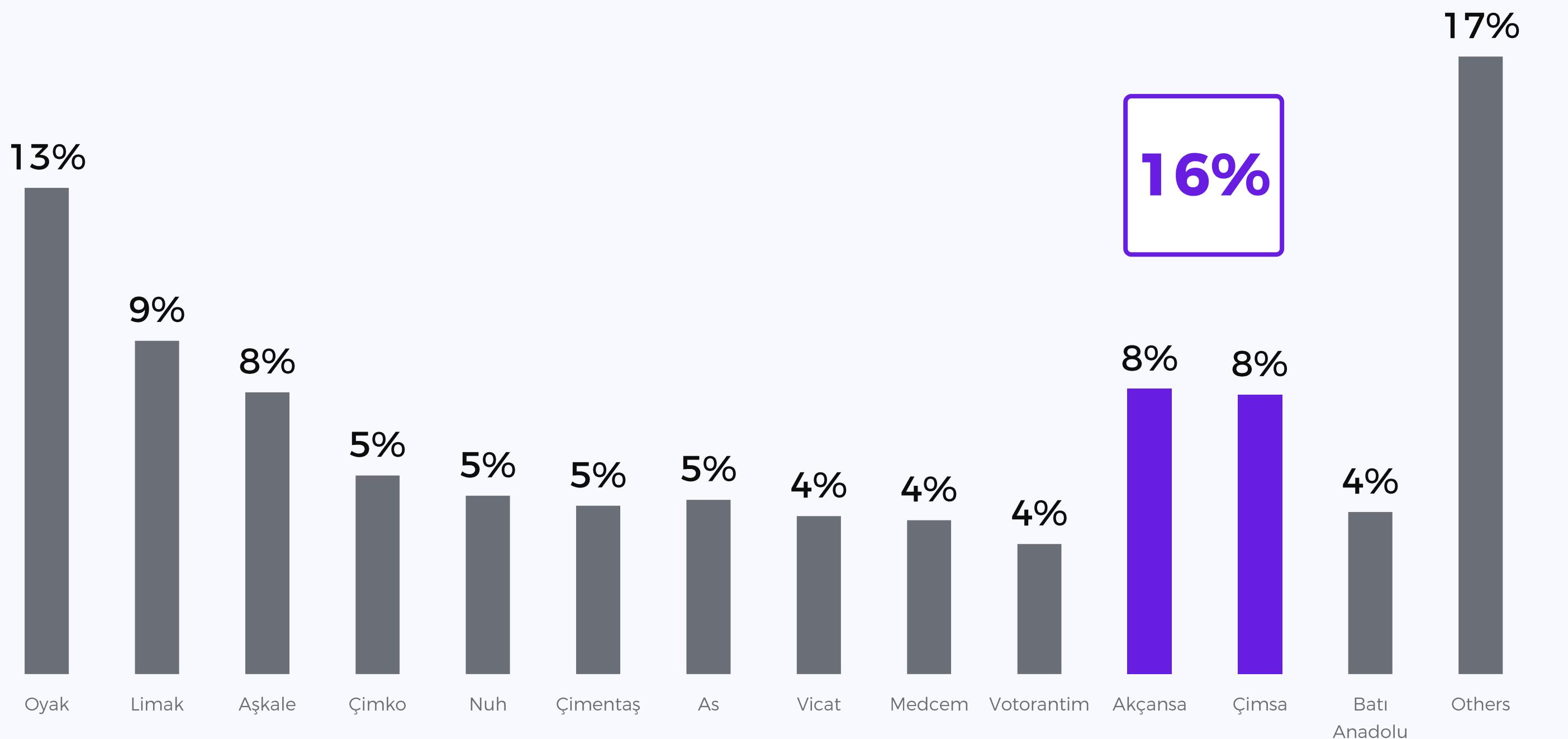
Total Domestic Sales and Export in 2019



Turkey's total cement production capacity is 98 Mt in 2019, with total consumption of 70 Mt. The difference between the production and the consumption is mainly exported

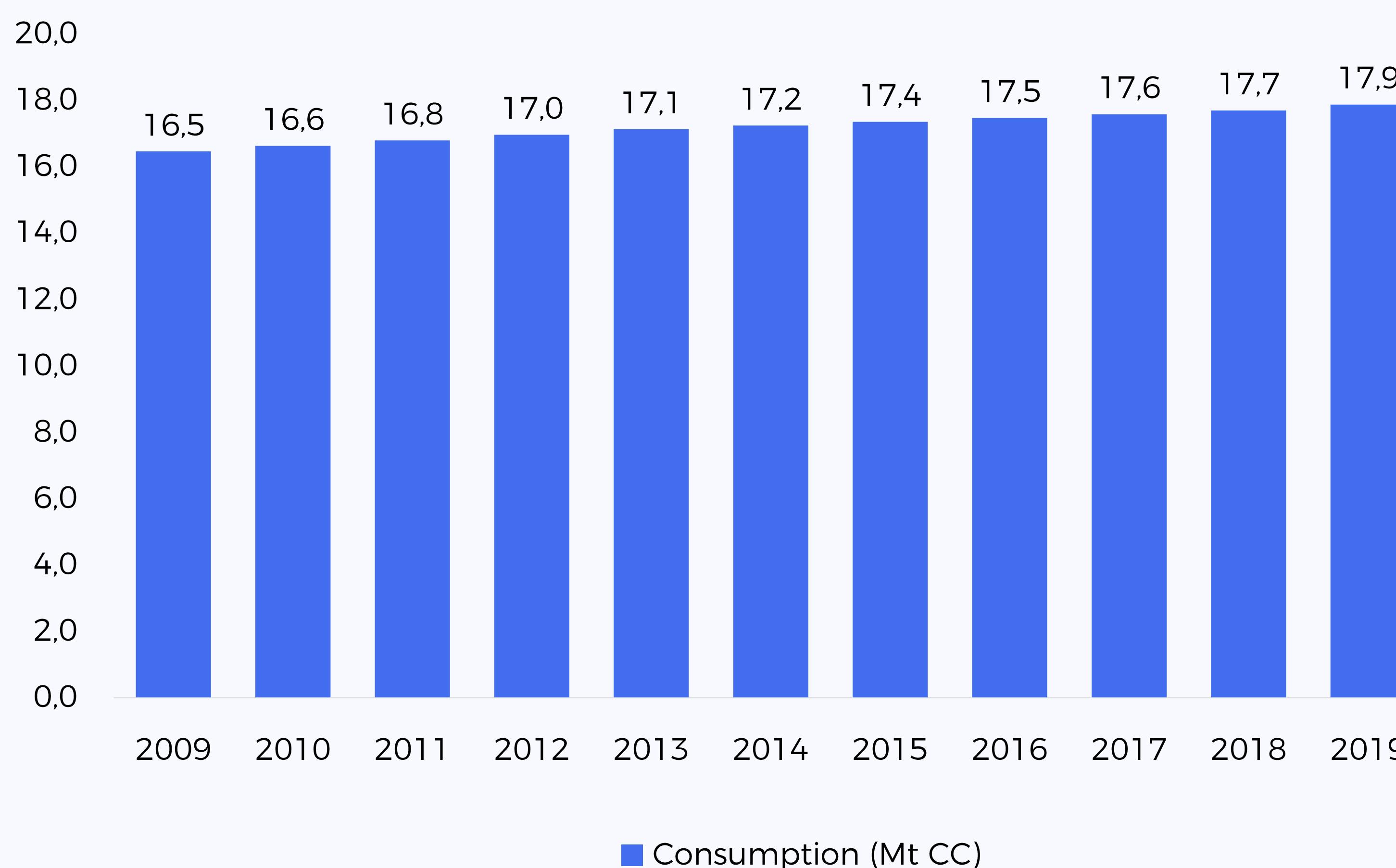
Turkish Cement Market

Sabancı Cement Group is the leader of Turkish cement market with 16% market share based on clinker capacity



Global White Cement Market

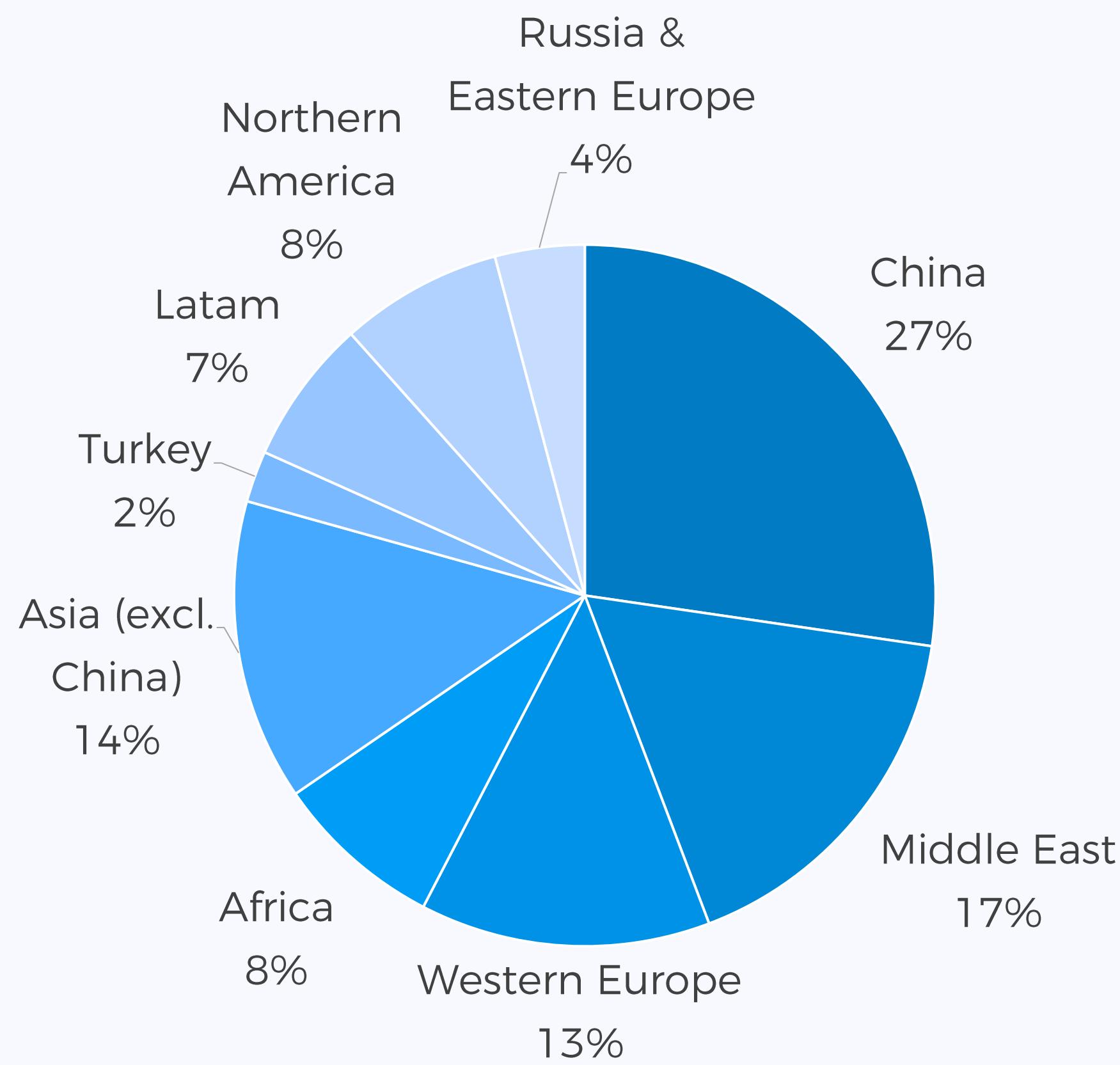
Global White Cement Consumption



- Global white cement demand has grown by ~1% annually.

Global White Cement Market

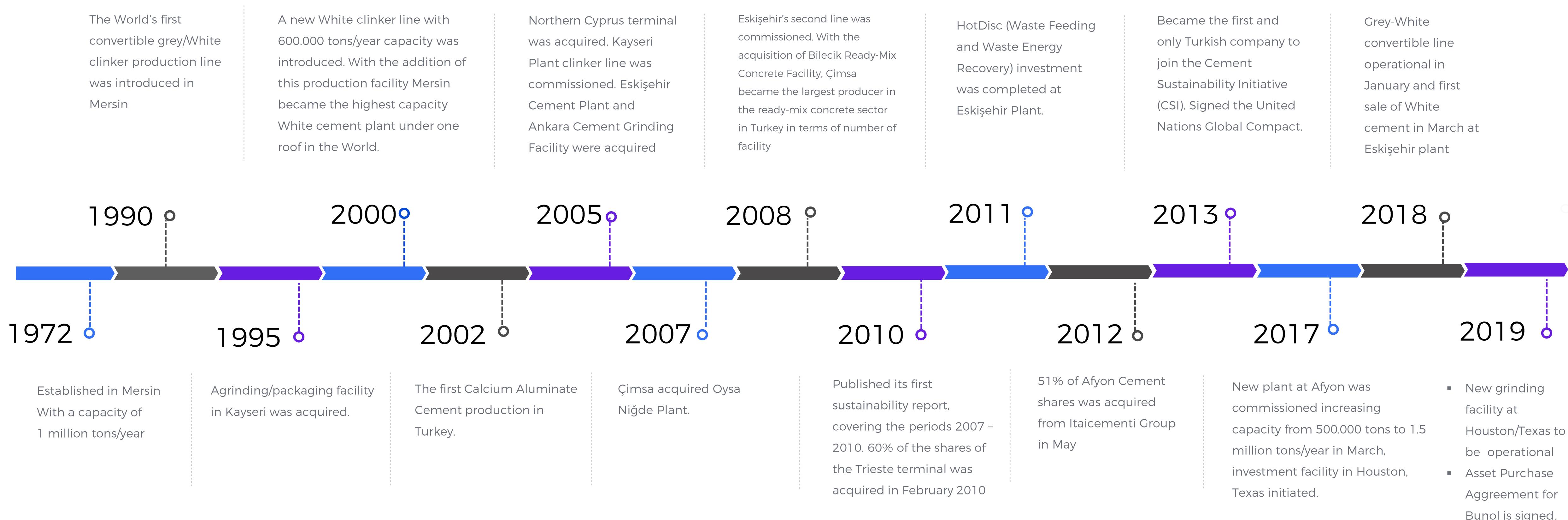
Regional Distribution of White Cement Consumption
(2019 - 17,9 MT CC)



- Middle East, China and East European regions have the highest white cement production capacities.
- Turkey has 10% share in global white cement production capacity.

Overview of Cimsa

Çimsa Cement – History and Development



Strategy Roadmap

Grey Cement

Establishing a strong & profitable core

- Optimise grey operations
- Target excellence and efficiency for sustainable competitive advantage
- Improve export capability in order to utilise excess capacity by concentrating on potential markets

White Cement

Being Global Leader in White Cement

- Ensure successful integration of Spain-Bunol
- Leverage Bunol acquisition to strengthen the position in Europe and America markets.

Special Products

High profitable new age products

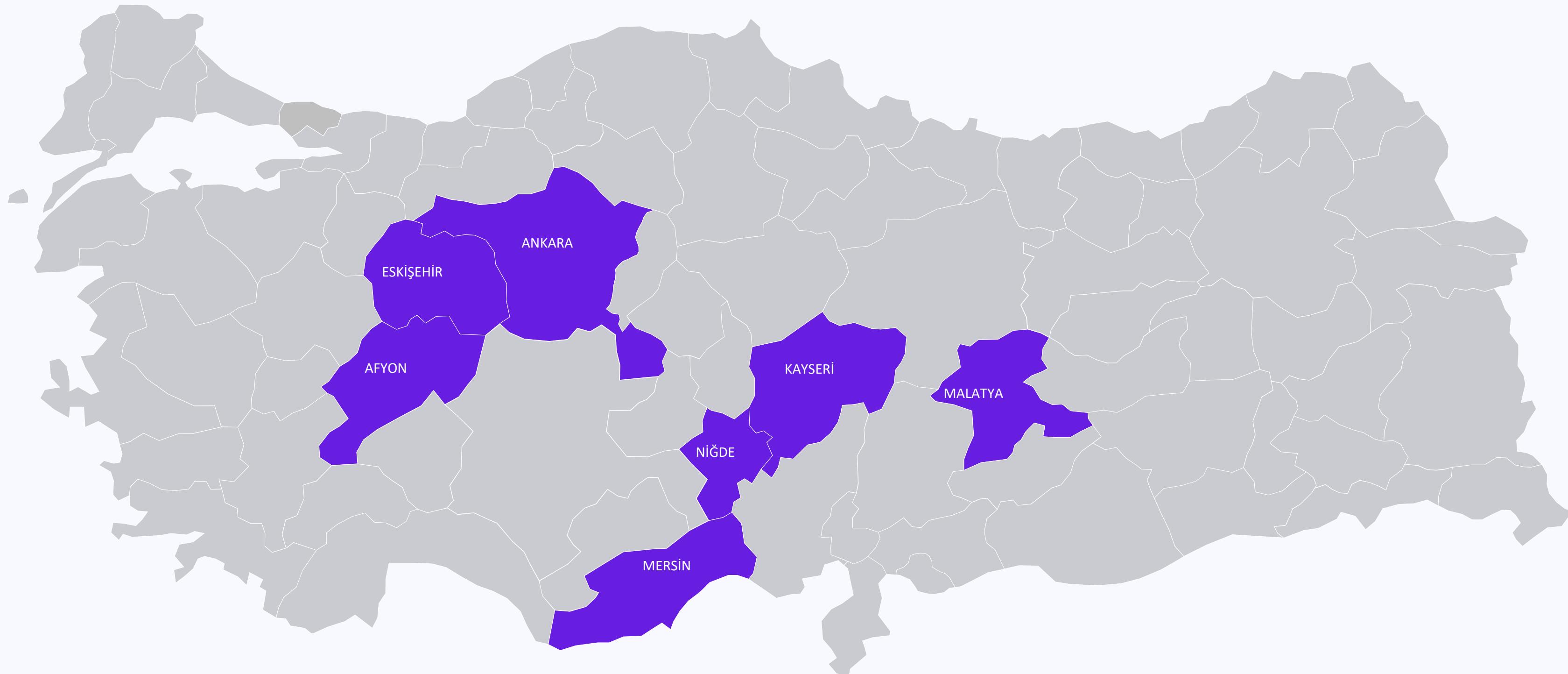
- Produce new age products with R&D
- Çimsa Aluminates
- CSA (America and Europe)
- Oilwell (USA and Middle East)
- Flux (Europe and USA)

Transformation & Big Data Analytics

Management, Cultural Transformation and Building Next Generation Çimsa

Sustainability

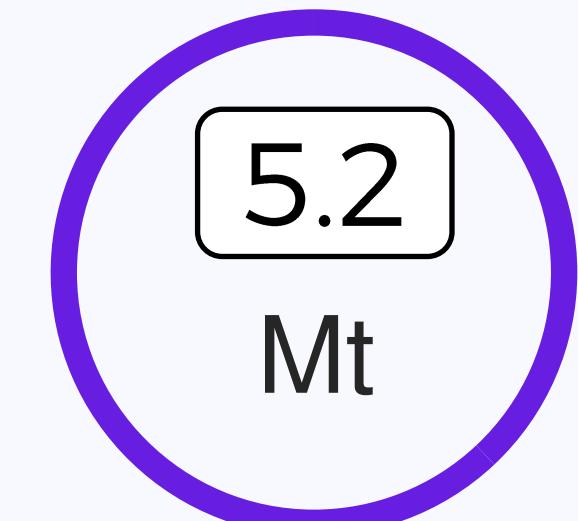
Çimsa Grey – A solid Network



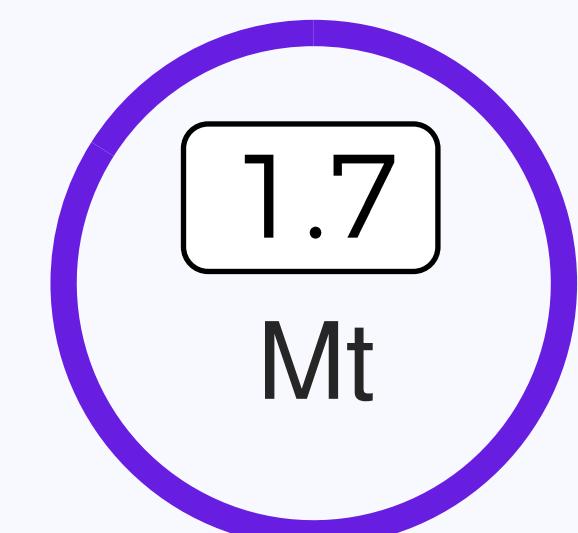
5 Integrated Plants in
**Mersin, Eskişehir, Kayseri,
Niğde & Afyon**

1 Grinding Station in
Ankara

1 Cement Packing terminal in
Malatya



5.2 Mt Grey
Clinker Capacity



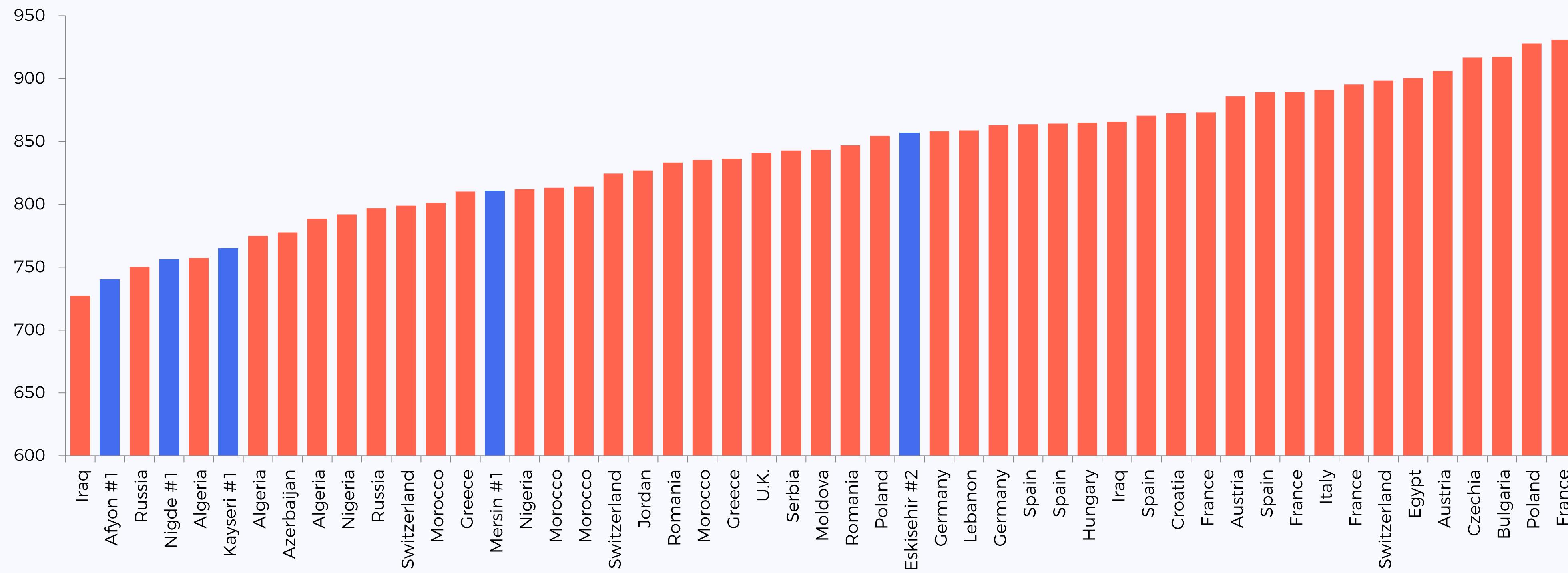
1.7 Mt White
Clinker Capacity

Çimsa Grey – Operational Excellence

Grey Kilns Comparison

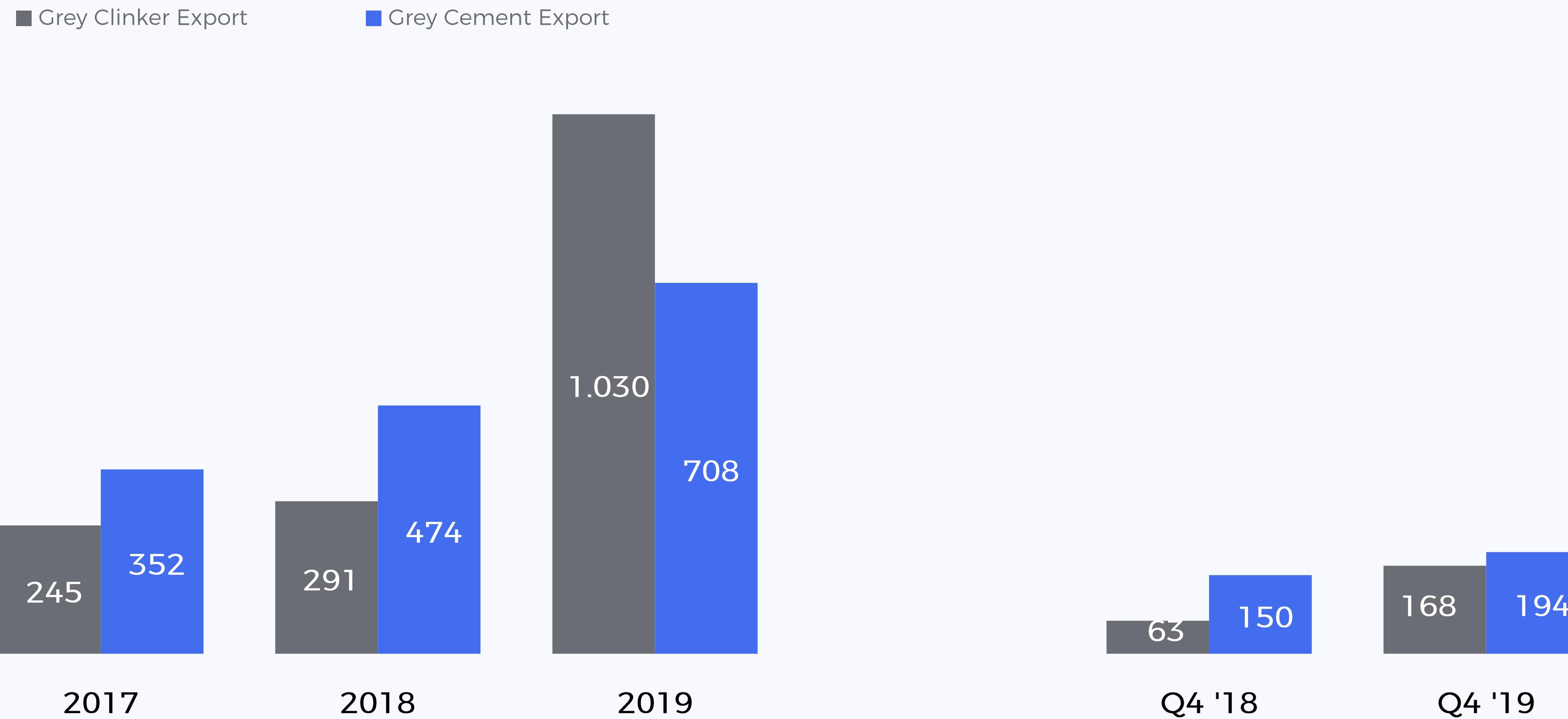
- Most of Çimsa kilns perform in the good range compared to the global assets

Kcal/kg Grey Clinker Dry Kilns
Comparison of CIMSA Group



Çimsa Grey – Strong Export Capabilities

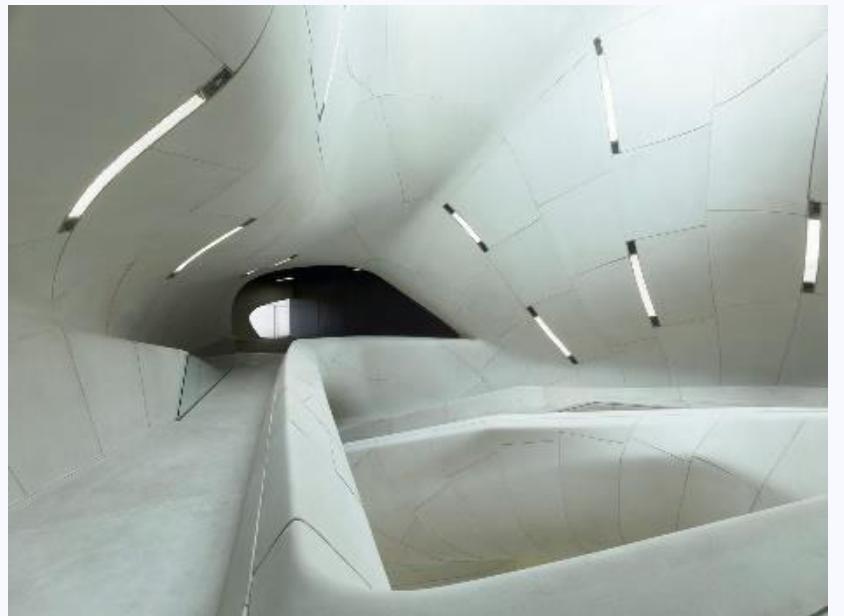
Export Sales Trend 2016-2019



Çimsa White – Main Application Areas



Museo Internacional del
Barroco
Puebla, Mexico



Louisiana State Museum and
Sports Hall of Fame
Natchitoches, LA, USA

White Architectural Concrete

White cement is the ideal material for concrete works providing an aesthetic finish whilst maintaining high structural performance. It is a versatile and durable material requiring no external treatments or coatings and can replicate a variety of textures and reliefs. The reflectance of light and the heat island effect are two of the features of the white cement that contribute to lower energy consumption in buildings.

High-end Precast

Construction with white concrete precast, both structural – concrete panels - as well as decorative - fences, walls, pools, etc. – provide excellent results both aesthetically and for their durability, strength and ease of installation.

Rendering & White-colored Mortars

Mortars are an efficient finishing material, not only for their aesthetic but also for their insulating qualities, durability and ease of application.

Çimsa White – Market Positioning

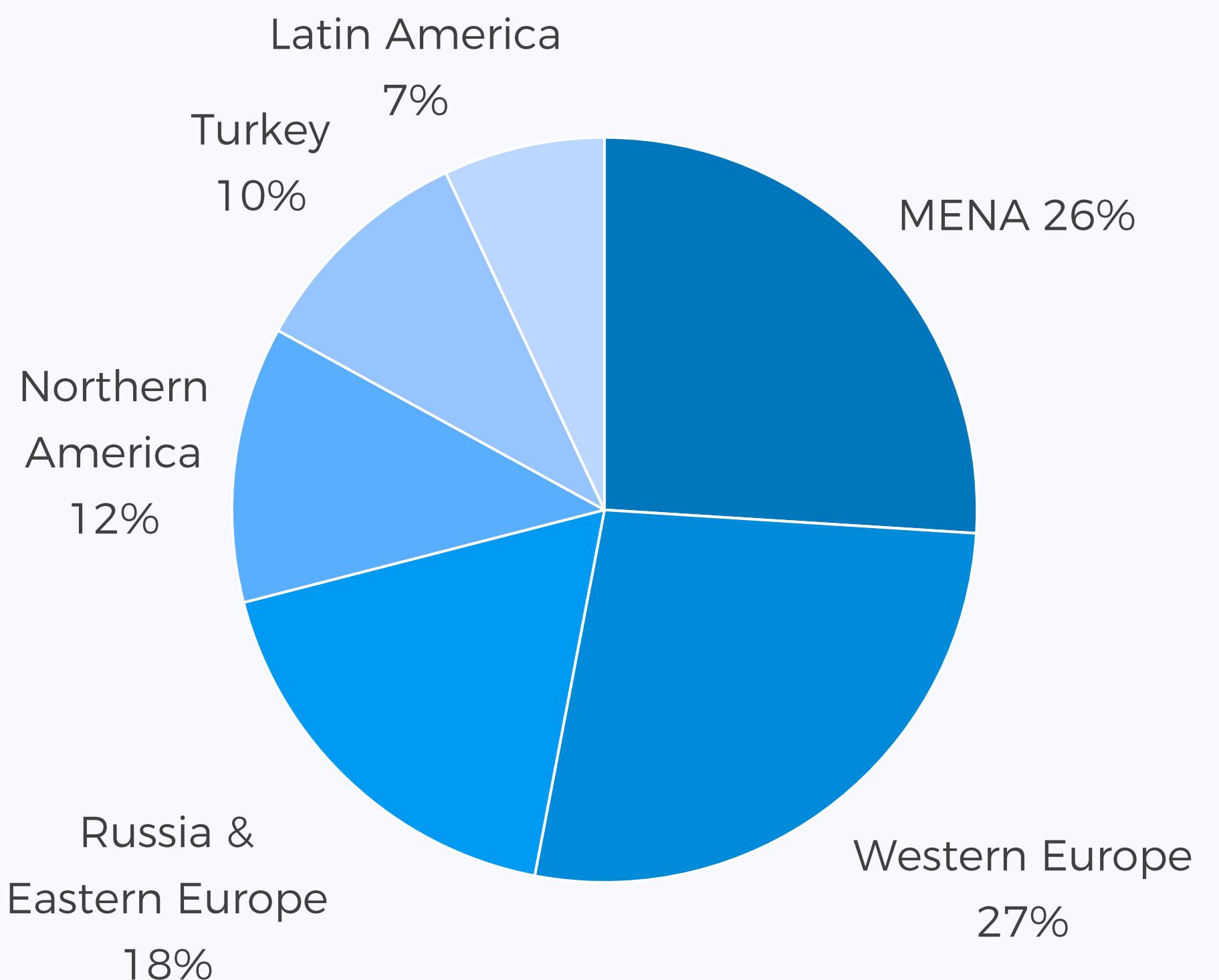
- As of today, Çimsa's white cement sales network expands to over 60 countries through strategically located terminals and long-term distributors.
- Çimsa sales of white cement and clinker stood at 1.3mt in 2018. Sales in this area stood 1.35mt in 2019 with the completion of the white line expansion in the Eskişehir plant and the commercial start of the grinding station in Houston, Texas.
- White cement's share in Çimsa's consolidated EBITDA reached 82% in 2019, a significant increase from the 35% share realized in 2014.



Çimsa White – Market Positioning

- Çimsa is within first three producers in global white cement sector.
- Çimsa's market share in global white cement market improved from 5.3% to 7.2% in last decade.
- Bunol acquisition will promote Çimsa to the second biggest white cement producer position as well as leader together with Cementir in global white cement trade.

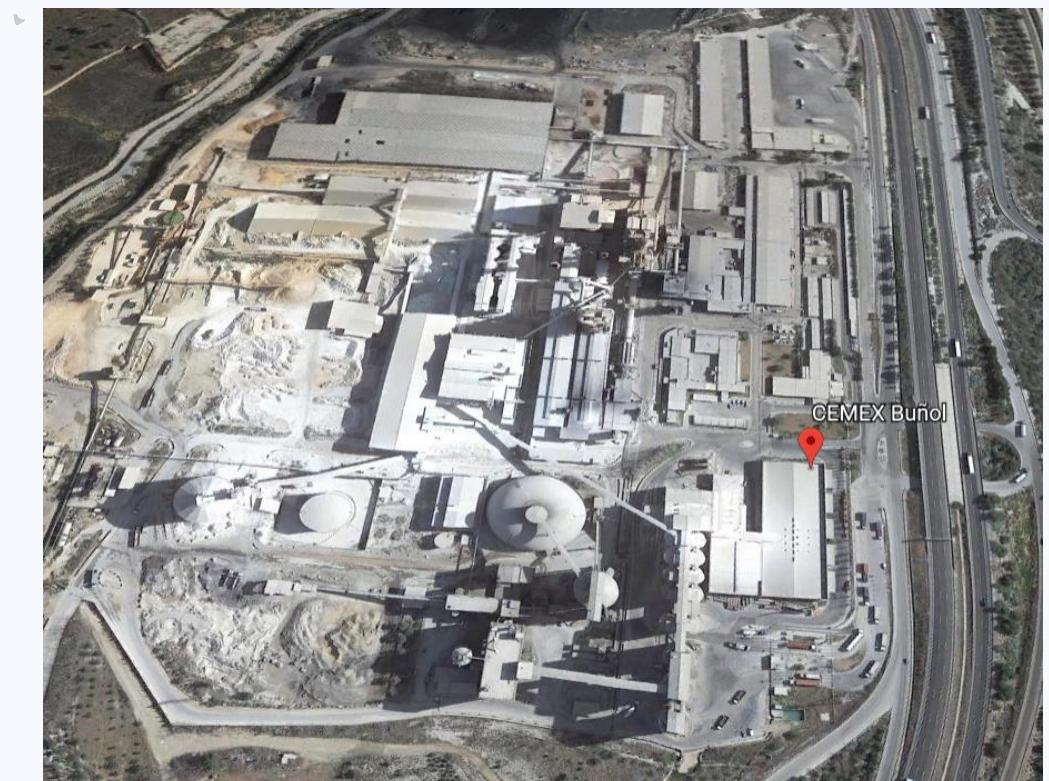
Çimsa White Cement & Clinker Sales Regional Distribution



Çimsa White - Overview of the Bunol Transaction

The Plant in Spain

- Buñol is Cemex's sole operational white cement factory in Europe.
- The plant had a major overhaul in 2007 and is currently among the most advanced white cement plants in the region with no major Capex requirement.
- Clinker production capacity of the plant is 1.700tpd (560kt per annum).
- Buñol is in an advantageous location in terms of export capacity, situated at a 40km distance to the port of Valencia.



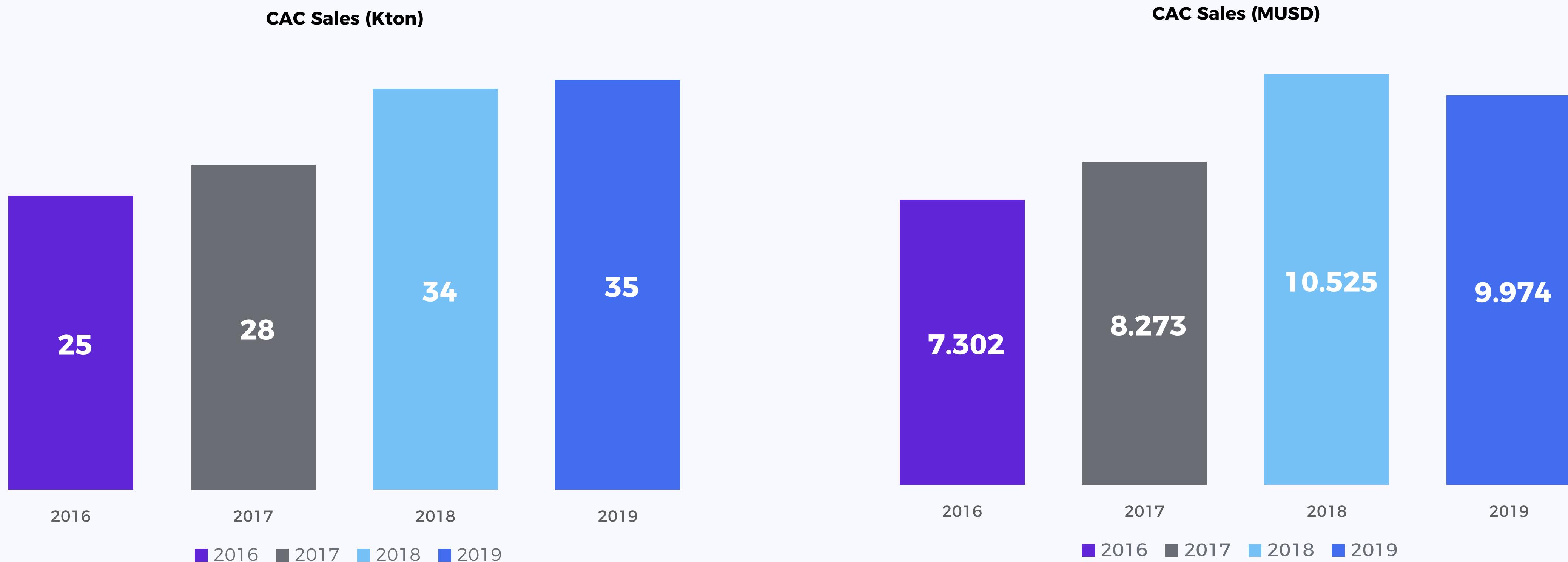
Special Products – Çimsa Aluminates family



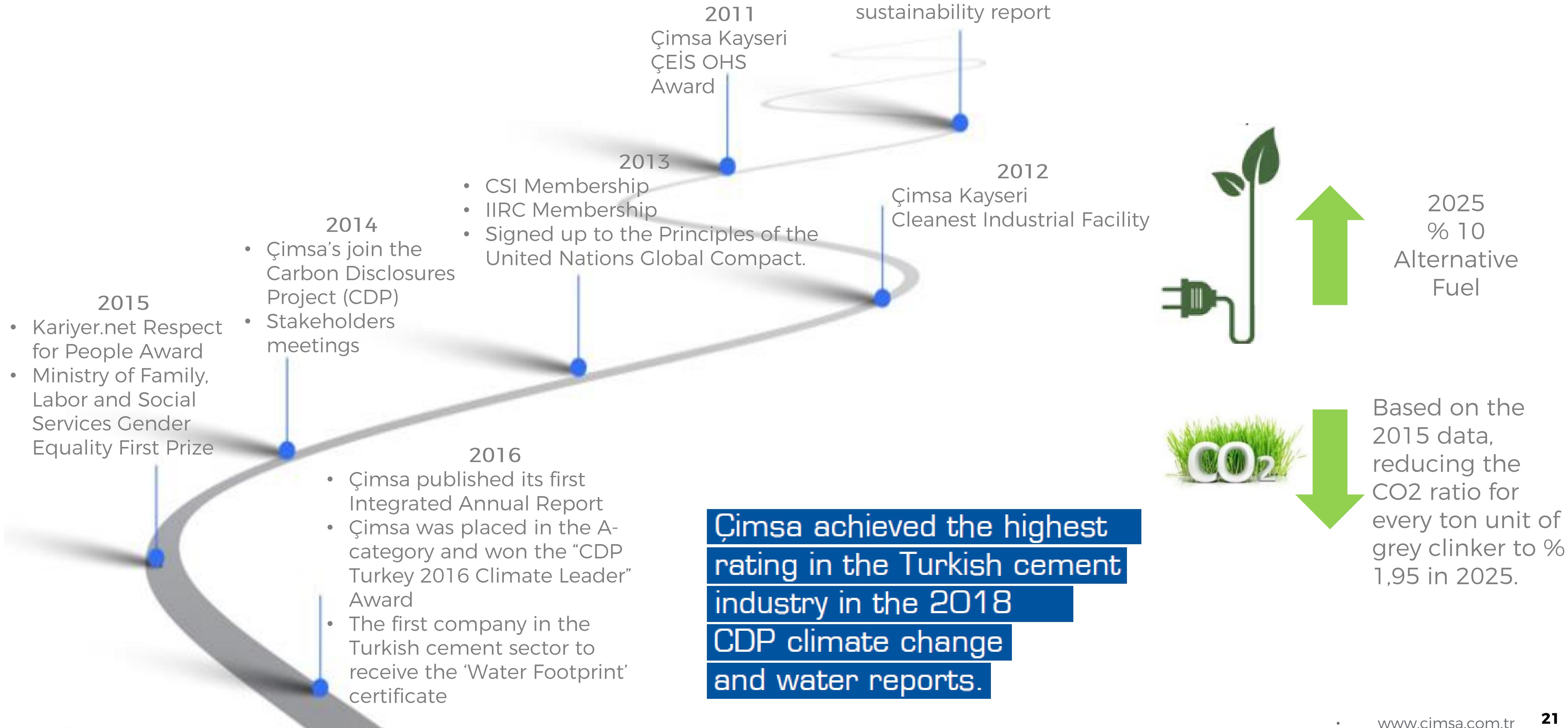
- **Refro:** More durable and long lasting refractory applications
- **Resisto:** Resistant to chemicals, abrasion and heat.
- **Rego:** Achieve maximum performance from your calcium aluminate based recipes.
- **Recipro:** More stable and high performance dry-mix recipes

Special Products – Calcium Alimunate Cement

Special Products



Çimsa's Sustainability Milestones



Sustainability Governance at Çimsa



Management of sustainability at Çimsa is under the responsibility of the Sustainability Committee.

The aim of the Sustainability Committee is to achieve its corporate goals by managing sustainability on the axis of

- feedback from stakeholder
- in-house performance
- global and local trends

Sustainability at Afyon Cement



- CO₂ Emission decreased by 15% with high technological upgrade
- To decrease Nox emission which harms the atmosphere, **SNCR (Selective Non Catalytic Reduction)** investment has been taken into action

- Waste of Afyon Sugar Plant is used as alternative fuel
- After R&D studies, «Fuel derived from waste» system has been established



The Future for Çimsa's Business



Export Driven Revenues and Product Diversification

Extensive global reach: 65 countries under its own brand Increased focus on growing FX revenues through the investment in the first production operation abroad: White Cement Grinding Facility in Houston Diversified product portfolio supported by continuous R&D efforts

Operational Excellence

Increasing alternative fuel sources in the production mix

Digital Transformation

Transformation through digitalization and analytics: Significant enhancement potential for profitability through optimization of variable and transportation costs.

Human Resources

Cultural transformation
Building Next Generation Çimsa

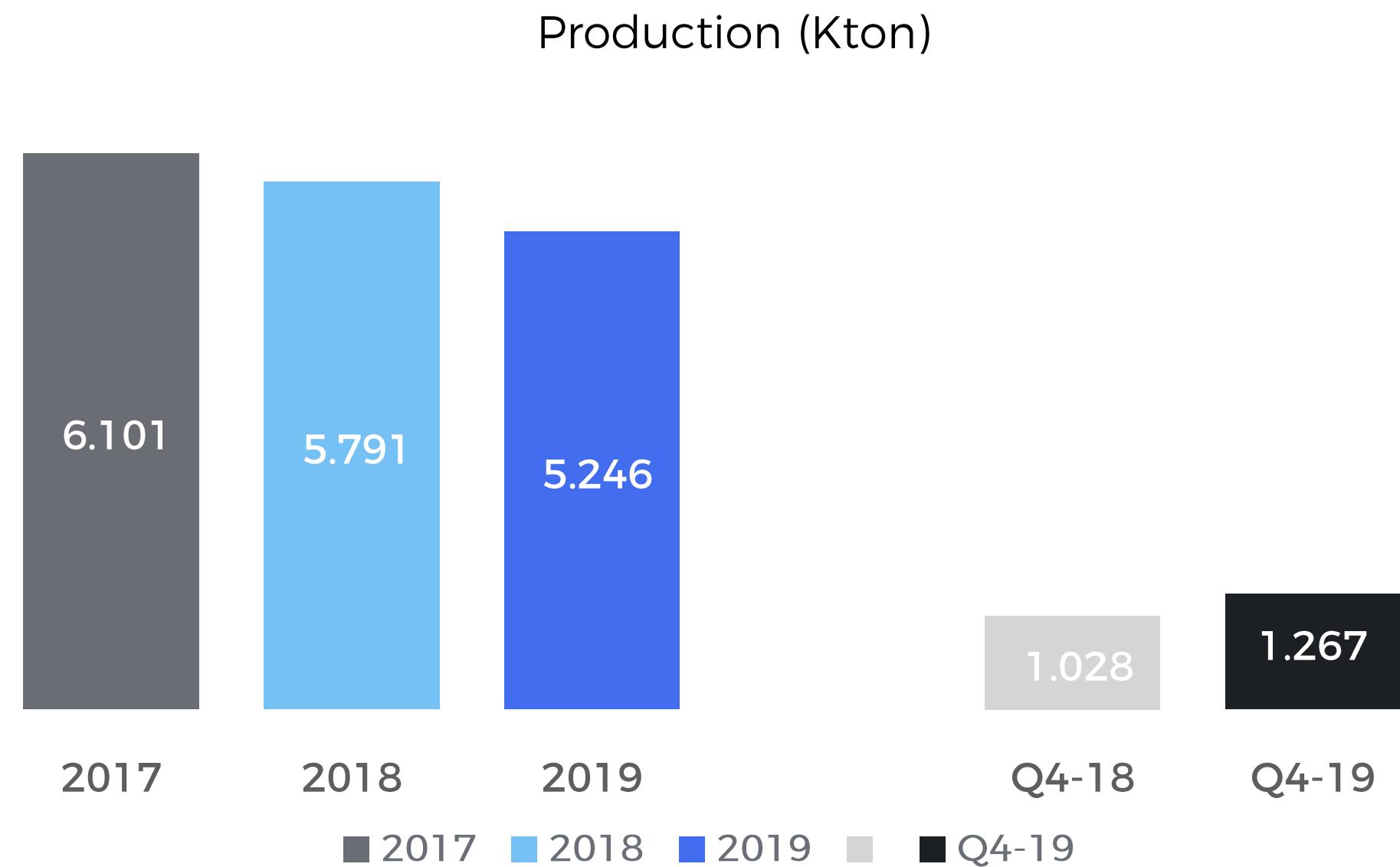
— Operational Results

A faint, grayscale photograph of an industrial complex. In the foreground, several large, cylindrical structures, possibly storage tanks or smokestacks, are visible. Behind them, a tall, multi-story industrial building with multiple levels and a complex roof structure rises into the background. The overall atmosphere is hazy and overexposed, giving it a dreamlike quality.

Operational Result

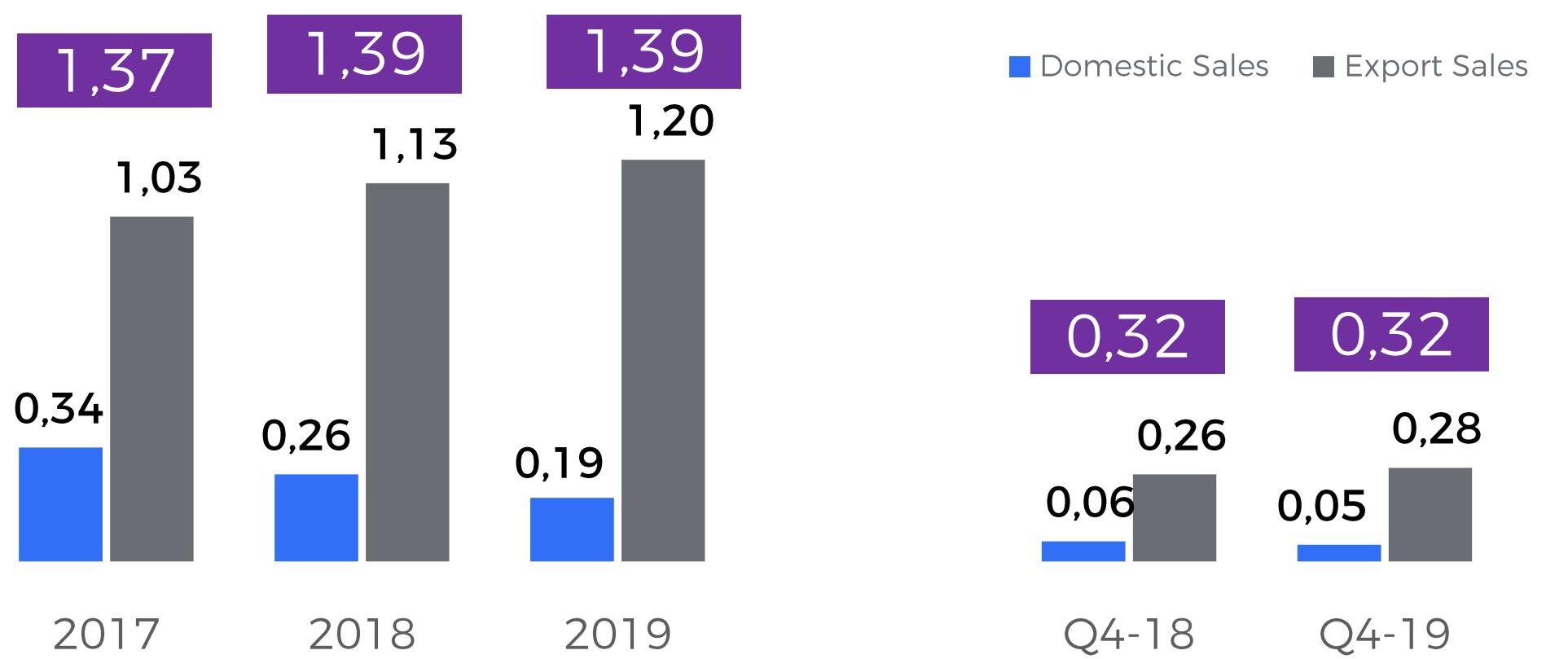
Challenging market conditions, slowdown in infrastructural projects suppressed topline.

	Q4 - 18	Q4 - 19	Change %	2018 YE	2019 YE	Change %
Grey clinker production (kton)	826	960	16%	4.539	3.953	-13%
White clinker production (kton)	201	308	53%	1.251	1.293	3%
Grey cement & clinker sales (kton)	1.022	1.264	24%	5.038	4.663	-7%
White cement & clinker sales (kton)	317	320	1%	1.359	1.359	0%
ISIDAÇ-40 & clinker sales (kton)	7	9	28%	34	37	7%
RMC sales (k m ³)	428	423	-1%	2.741	1.341	-51%

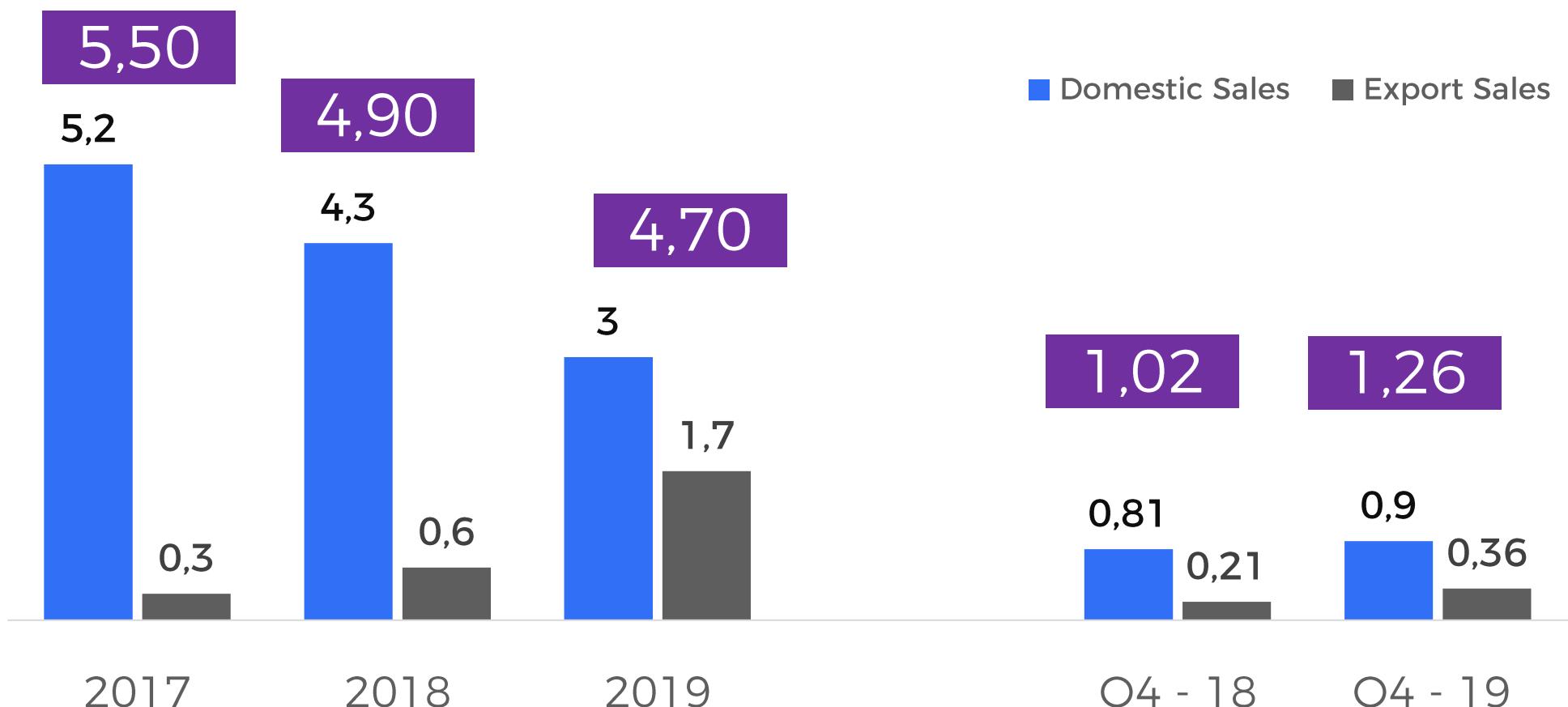


Operational Results*

White Cement & Clinker Sales Volumes (M ton)



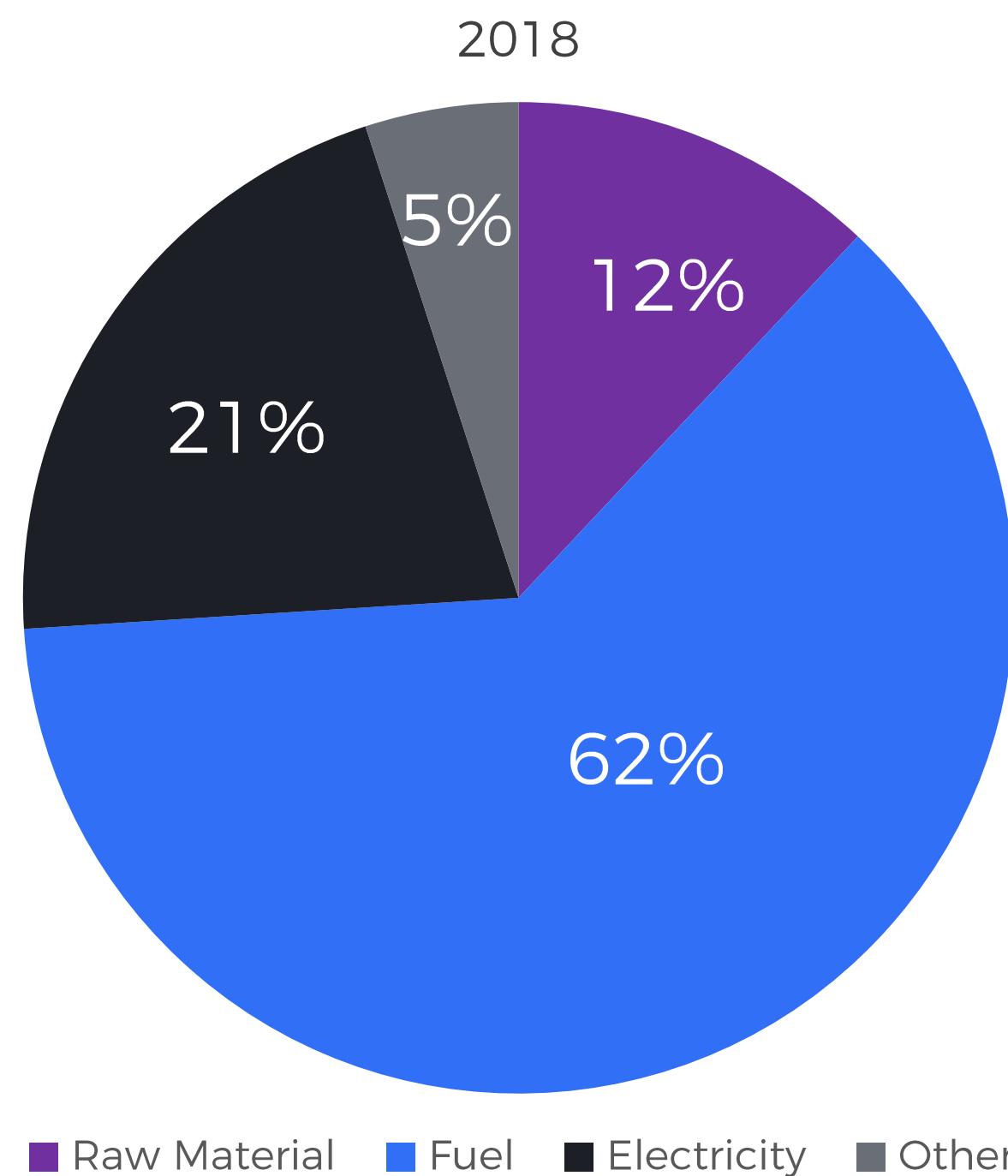
Grey Cement & Clinker Sales Volumes (M ton)



Operational Result – Grey Clinker Cost Structure

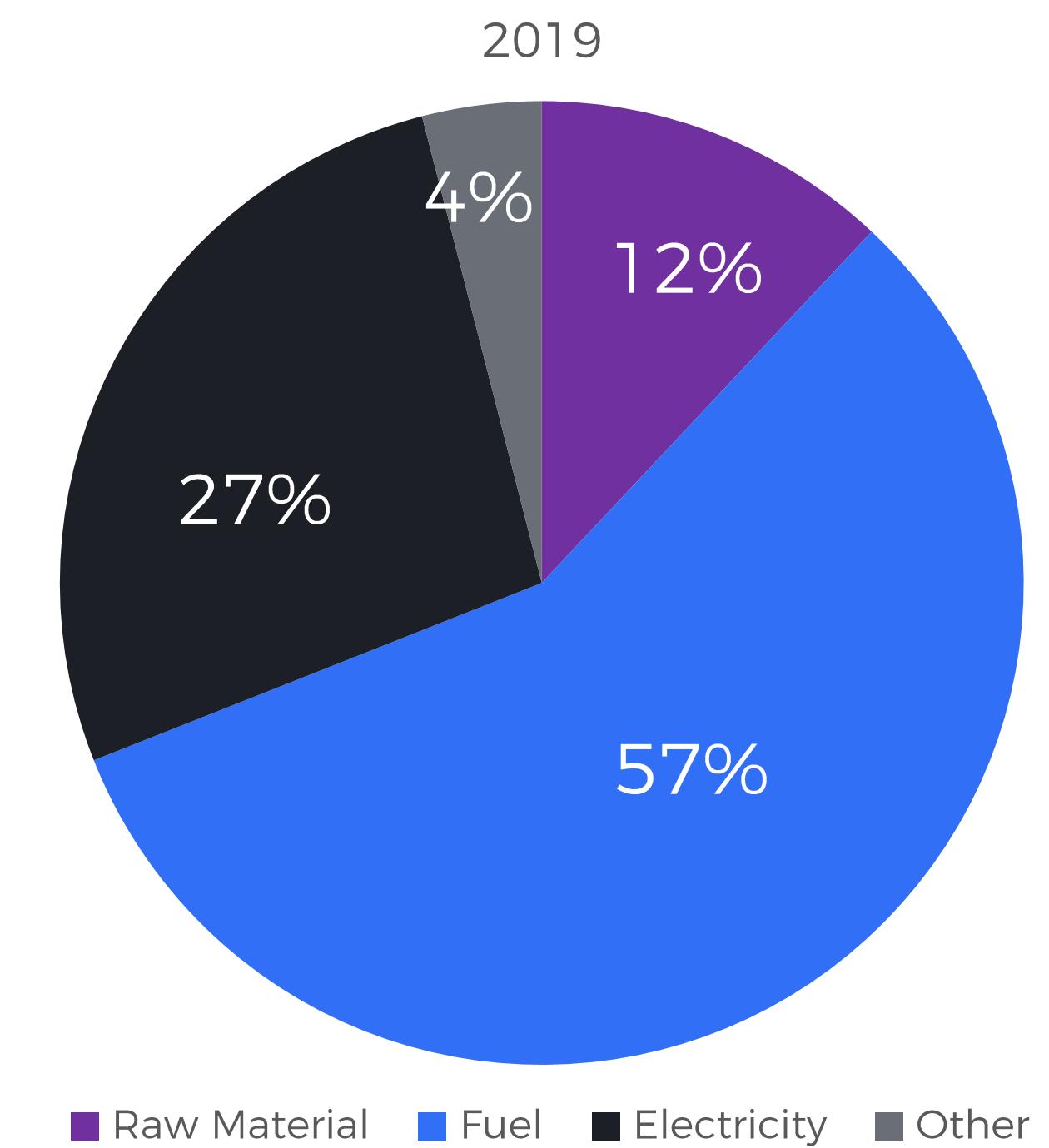
The primary fuel cost started coming down in Q4 2018

Increase in electricity prices in the OTC market in 2019



-33%

Çimsa's average petcoke costs decreased 21% in 2019 compared to 2018 in USD terms.



Financial Results

Financial Result

Economic headwinds to slow down demand in cement sector

Key Financial Highlights (MTL)	Q4-18	Q4-19	Change %	DEC 2018 YTD	DEC 2019 YTD	Change %
Net Consolidated Sales	395	441	12%	1.700	1.726	2%
Gross Margin %	14%	16%		24%	18%	
Consolidated EBITDA (*)	41	47	14%	388	271	-30%
Consolidated EBITDA (*) Margin %	10%	11%		23%	16%	
Net Consolidated Profit**	-62,0	-17,8	-71%	155	13	-91%

(*) EBITDA is calculated only by adding up "Gross profit", "Gen&Admin expenses", "Marketing, Selling and Distribution expenses", "Research and Development expenses", and "Depreciation&amortization expenses". The calculation does not include other operational income(expense) and the reclassifications of the amendment of the Capital Markets Board.

** Equity Holders

Financial Result

Net financial debt increased from 1,278 MTL in 2018 year end to 1,385 MTL in 2019 due to USA grinding facility investment and higher TRY equivalent of FX denominated borrowings.

2018 YE Net Debt:1.278

Short Term Borrowings

70%

Long Term Borrowings

30%

YE Cash: 202 MTL

2019 YE Net Debt:1.385

Short Term Borrowings

52%

Long Term Borrowings

48%

YE Cash: 267 MTL



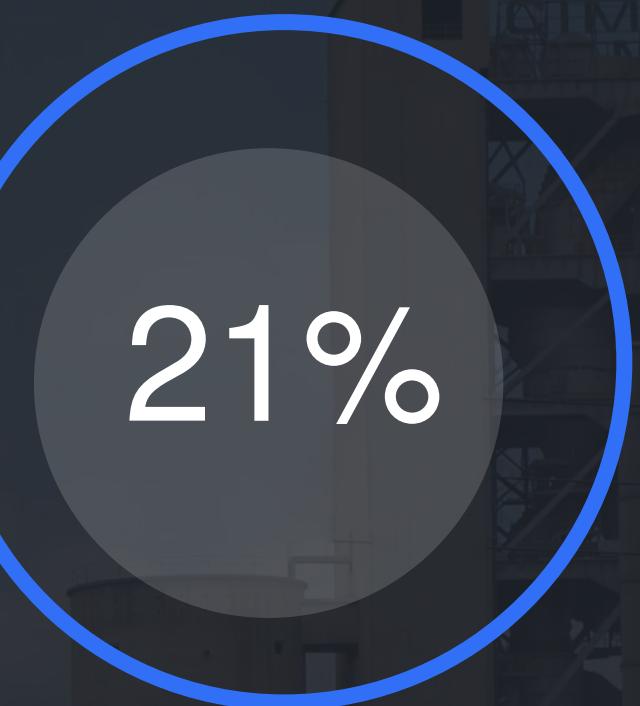
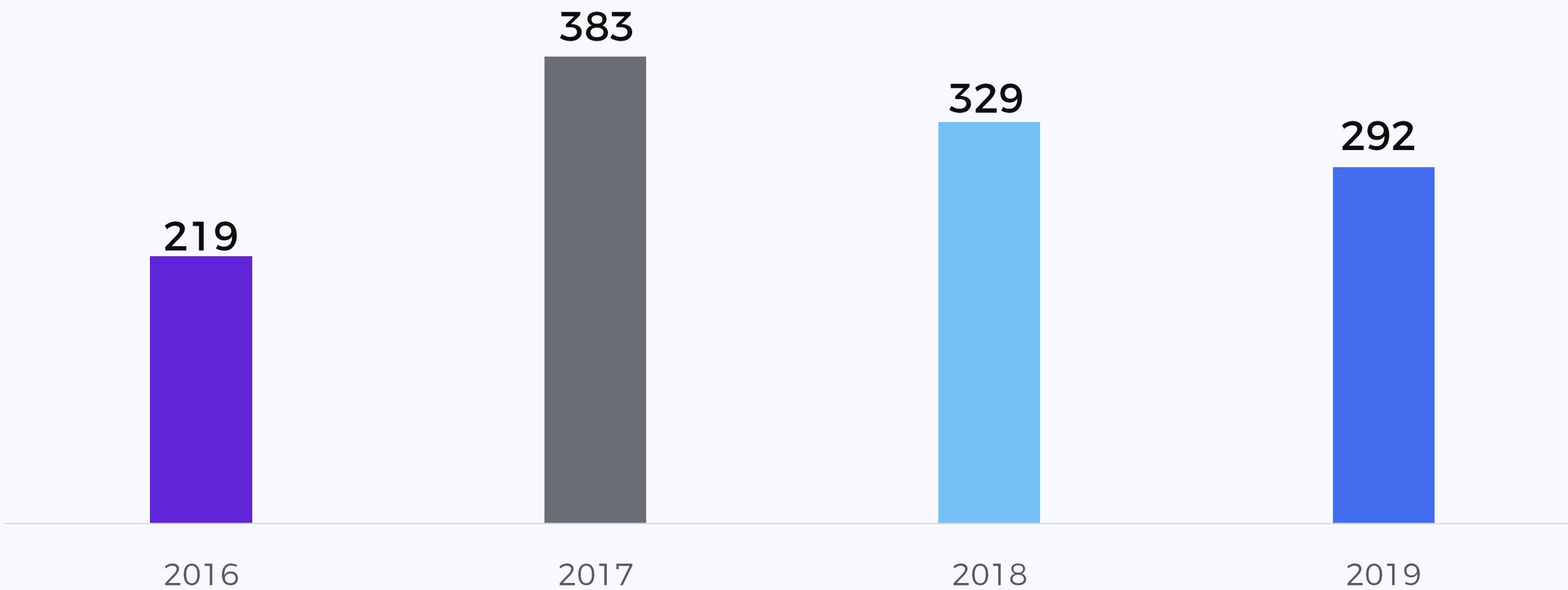
Financial Result

Net working capital*/ Net Sales was at 21% for 2019, decreased from 28% for 2018,

*13 month average

- ✓ Optimization of production to managing inventory levels.
- ✓ Strong overdue receivable management
- ✓ Payment term negotiations with suppliers

Working Capital



Net working capital / Net Sales

is at 21% for 2019,



up to 28% in 2018

Balance Sheet

MTL	2019	2018
Current Assets	1.054	940
Cash and cash equivalents	267	202
Trade receivables	461	435
Other receivables	3	2
Derivative financial instruments	17	23
Inventories	185	190
Other current assets	120	89
Non Current Assets	2.721	2.544
Investments accounted under equity method	311	270
Derivative financial instruments	24	57
Property, plant and equipment	2.090	1.982
Intangible assets	166	170
Prepaid expenses	2	1
Deferred tax assets	59	41
Other non-current assets	69	22
TOTAL ASSETS	3.775	3.484

MTL	2019	2018
Current Liabilities	1.346	1.436
Borrowings	880	1.029
Trade payables	354	296
Derivative financial liabilities	17	42
Deferred income	24	15
Current income tax liability	0	6
Other current liabilities	71	48
Non Current Liabilities	943	596
Long-term borrowings	821	451
Other non-current liabilities	123	145
TOTAL LIABILITIES	2.289	2.033
EQUITY	1.486	1.451
TOTAL LIABILITIES & EQUITY	3.775	3.484

Income Statement

Income Statement (MTL)		2019 YE			
		2019	2018	Q4 2019	Q4 2018
Sales		1.726	1.700	441	395
Cost of sales (-)		-1.422	-1.294	-370	-341
GROSS PROFIT		304	406	71	54
General and administrative expense (-)		-154	-109	-51	-37
Marketing, selling and distribution expense (-)		-15	-14	-3	-4
Research and development expense (-)		-6	-4	-3	-1
Other operating income		128	101	41	22
Other operating expenses (-)		-92	-62	-24	-31
OPERATING PROFIT		164	319	31	3
Income from investment activities		47	34	4	14
Expense from investment activities (-)		0	0	0	0
Profit/(loss) from investments accounted by equity method		28	39	9	-7
OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE		240	388	45	6
Financial income		6	5	1	2
Financial expenses (-)		-278	-218	-77	-87
PROFIT BEFORE TAXATION		-32	175	-31	-79
Tax income / (expense) from continuing operations		17	-21	6	13
- Current period tax expense		-8	-11	2	-2
- Deferred tax income / (expense)		25	-10	4	15
NET PROFIT		-15	154	-25	-67
Profit/loss for the period attributable to					
- Non-controlling interests		-28	-1	-7	-5
- Equity holders of the parent		13	155	-18	-62
Earnings per share					
Earnings per share from continuing operations		0,0975	1,1469	-0,1353	-0,4570

— Cash Flow

MTL

2019

2018

A. CASH FLOWS FROM OPERATING ACTIVITIES

	335	358
Profit before taxation	-32	175
Adjustments to reconcile net profit/loss for the period	362	156
Changes in working capital	27	50
Short term trade receivables	-24	84
Inventories	3	-44
Other receivables/current assets/prepaid expenses	-34	-16
Long-term trade receivables	1	3
Other long-term trade receivables/non-current/prepaid expenses	-7	15
Short-term trade payables	58	5
Other long term payables/liabilities	31	3
Cash flows from operations	357	381
Interest received	3	2
Payments related to seniority	-7	-6
Payments related to employee benefits	-4	-4
Payments related to vacation	0	-1
Tax payments	-14	-14

B. CASH FLOWS FROM INVESTING ACTIVITIES

	(120)	(225)
Cash out flow related to purchases of tangible assets	-171	-256
Proceeds related to sales of tangible and intangible assets	53	35
Cash out flow related to purchases of intangible assets	-2	-1
Changes in cash advance of fixed assets		-4

C. CASH FLOWS FROM FINANCING ACTIVITIES

	(70)	(163)
Proceeds from borrowings	1.278	1.592
Repayment of borrowings	-1.202	-1.633
Dividend paid		68
Interest paid	-152	-59
Interest income	6	5

NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)

	145	(31)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	202	204
Currency translation differences (net)	-79	28
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	267	202