



2018 Q4 Results Presentation

February 21, 2018

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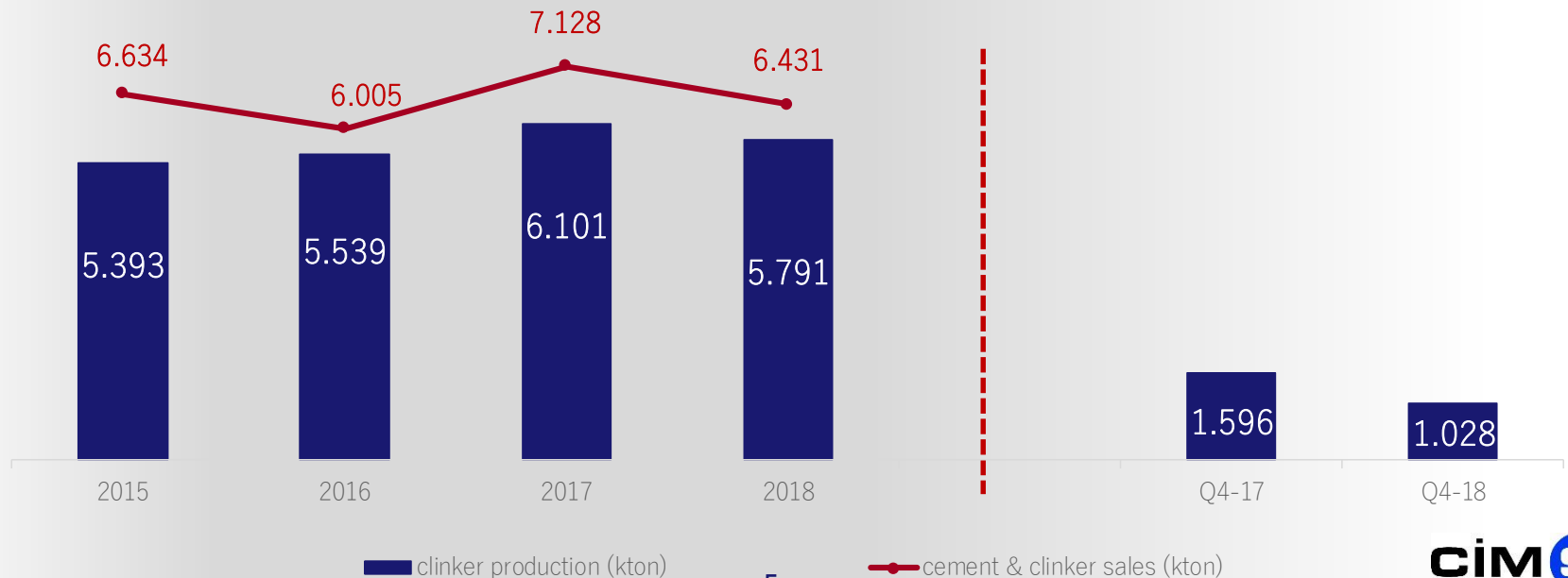


Operational Results

Operational Results

Challenging market conditions, slowdown in infrastructural projects and heavy winter conditions suppressed topline.

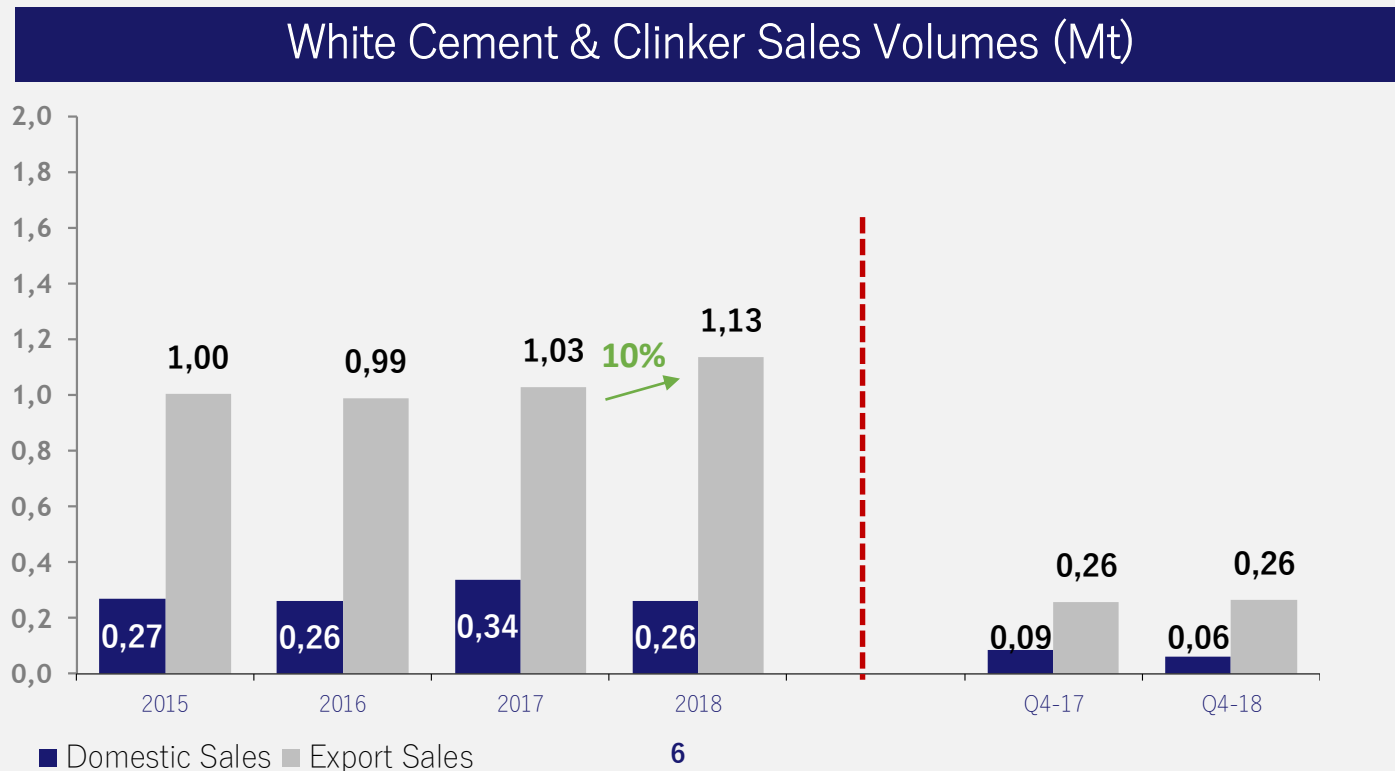
	Q4-17	Q4-18	Change %	2017	2018	Change %
Grey clinker production (kton)	1.284	826	-36%	4.890	4.539	-7%
White clinker production (kton)	312	201	-35%	1.211	1.251	3%
Grey cement & clinker sales (kton)	1.680	1.022	-39%	5.759	5.038	-13%
White cement & clinker sales (kton)	339	317	-7%	1.335	1.358	2%
ISIDAÇ-40 & clinker sales (kton)	8	7	-9%	34	34	0%
RMC sales (k m3)	1.040	428	-59%	3.441	2.741	-20%



Operational Results-White Cement

Wide global geographical diversification resilient in periods of domestic contraction

- The share of exports in total sales is 45% (2017: 34%). The share of white cement in exports is 80% (2017:85%).

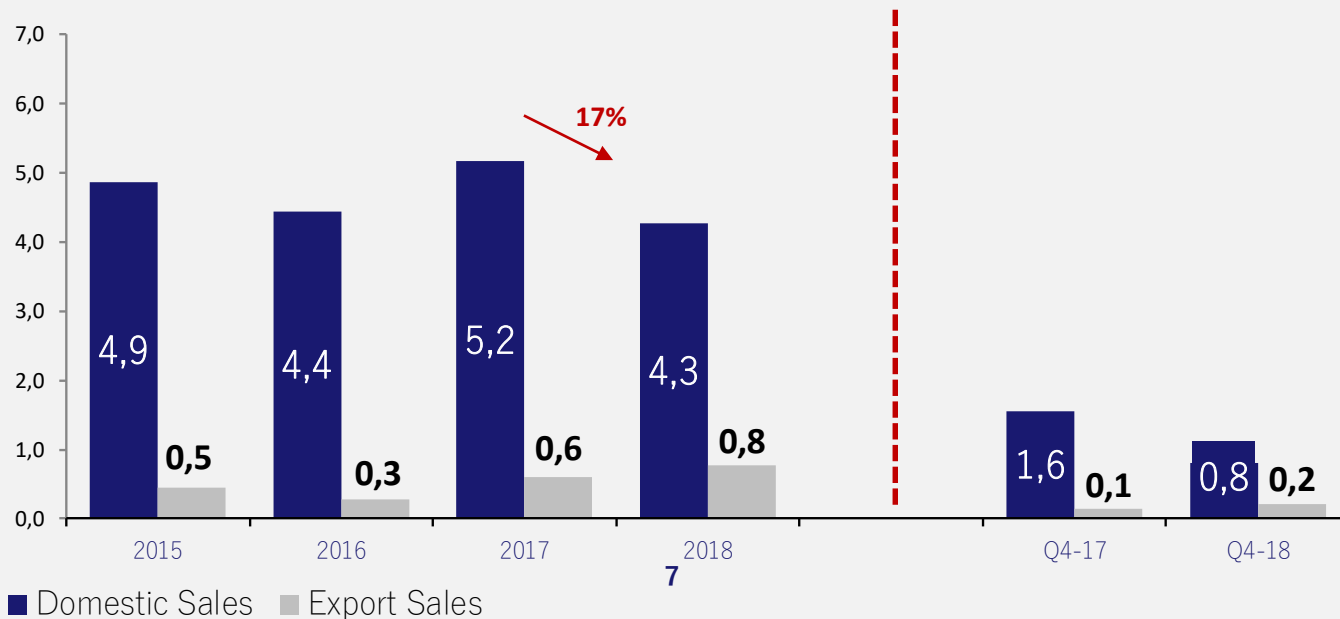


Operational Results-Grey Cement

Shrinking demand and heavy winter conditions affecting domestic market in Q4'18

- Grey cement export volume increased 25% in 2018 compared to 2017, whereas domestic sales volume declined by 17%, resulting in a blended decrease of 13%.
- The share of grey cement exports in total sales is 20% (2017: 15%).
- Slowdown more severe in Central Turkey.

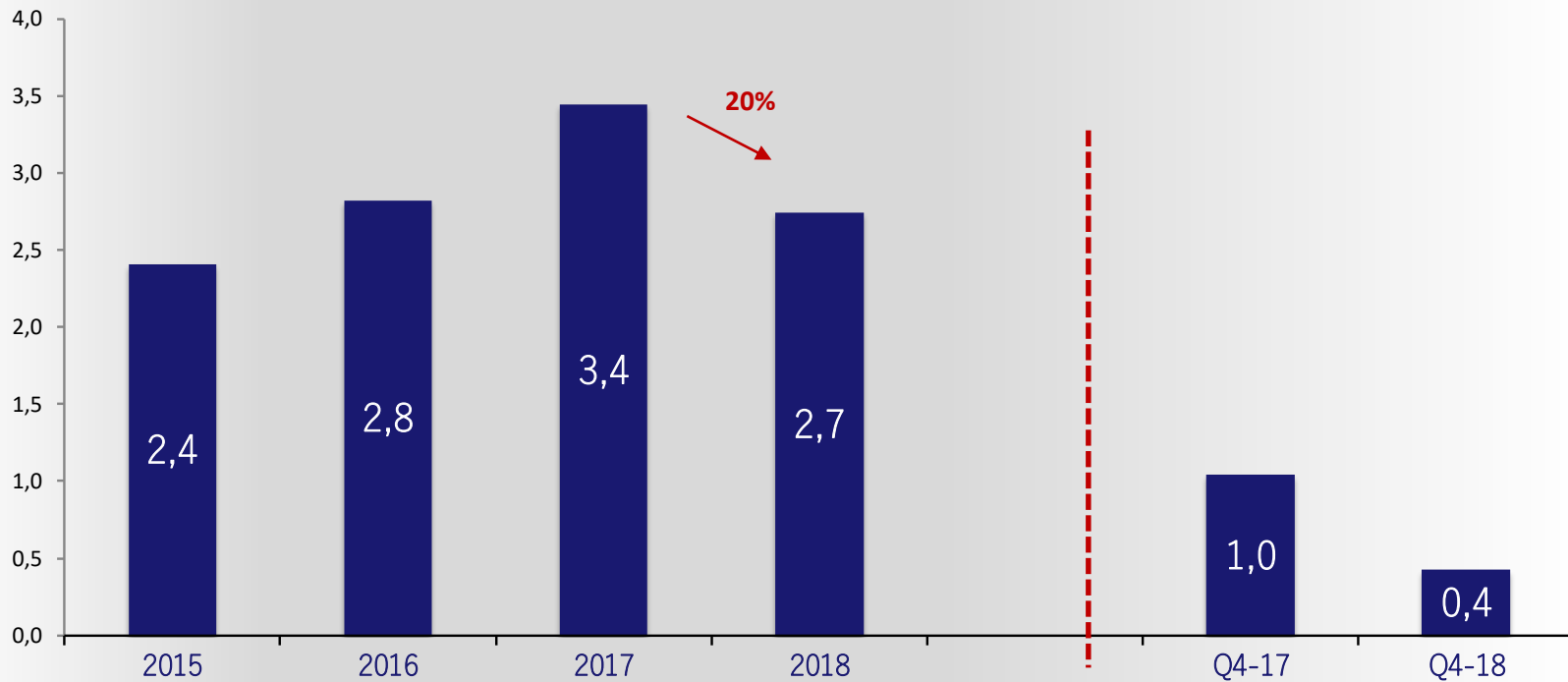
Grey Cement & Clinker Sales Volumes (Mt)



Operational Results – Ready Mix

Slowdown in infrastructural projects resulted in a 20% decline in sales volumes in 2018.

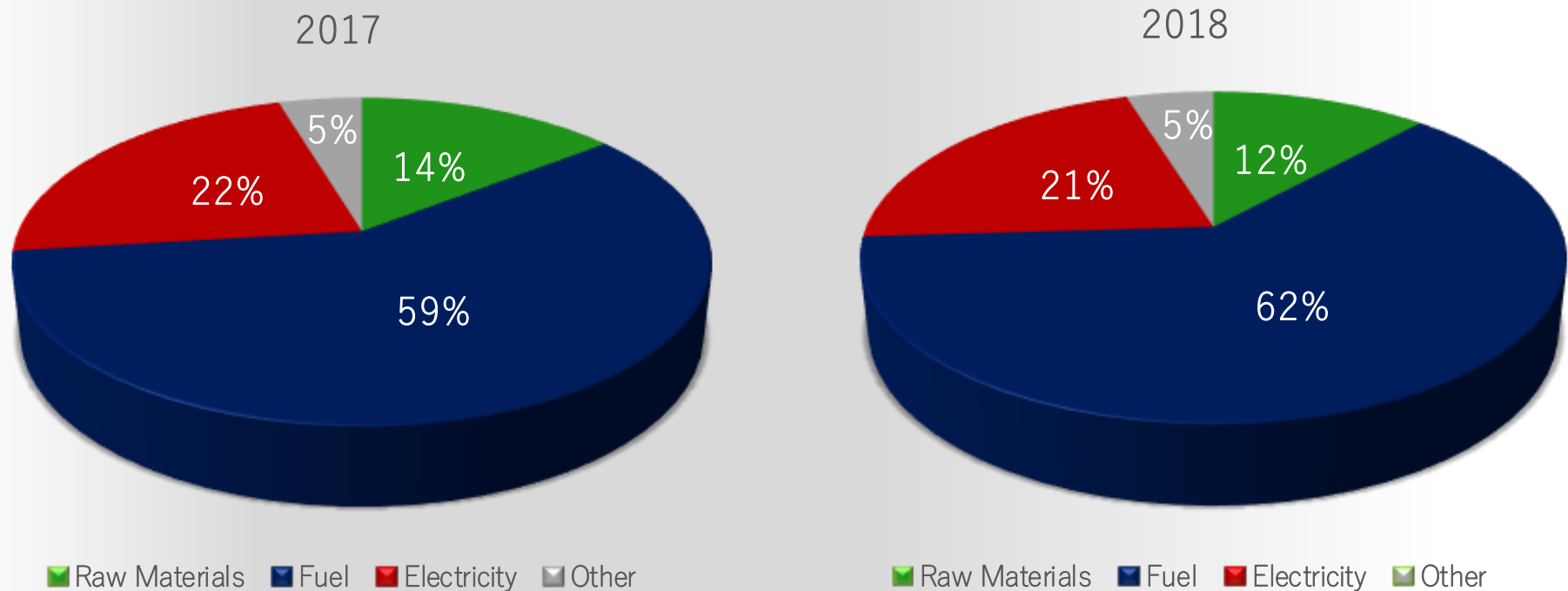
Ready Mix Concrete Sales Volumes (M m³)



Operational Results – Grey Clinker Cost Structure

The primary fuel cost started coming down in Q4 2018

Decrease in electricity prices in the OTC market in Q4 2018



- Çimsa's average petcoke costs increased 16% in 2018 compared to 2017 in USD terms.
- Average electricity costs increased by 30% compared to 2017.



Financial Results

Financial Results

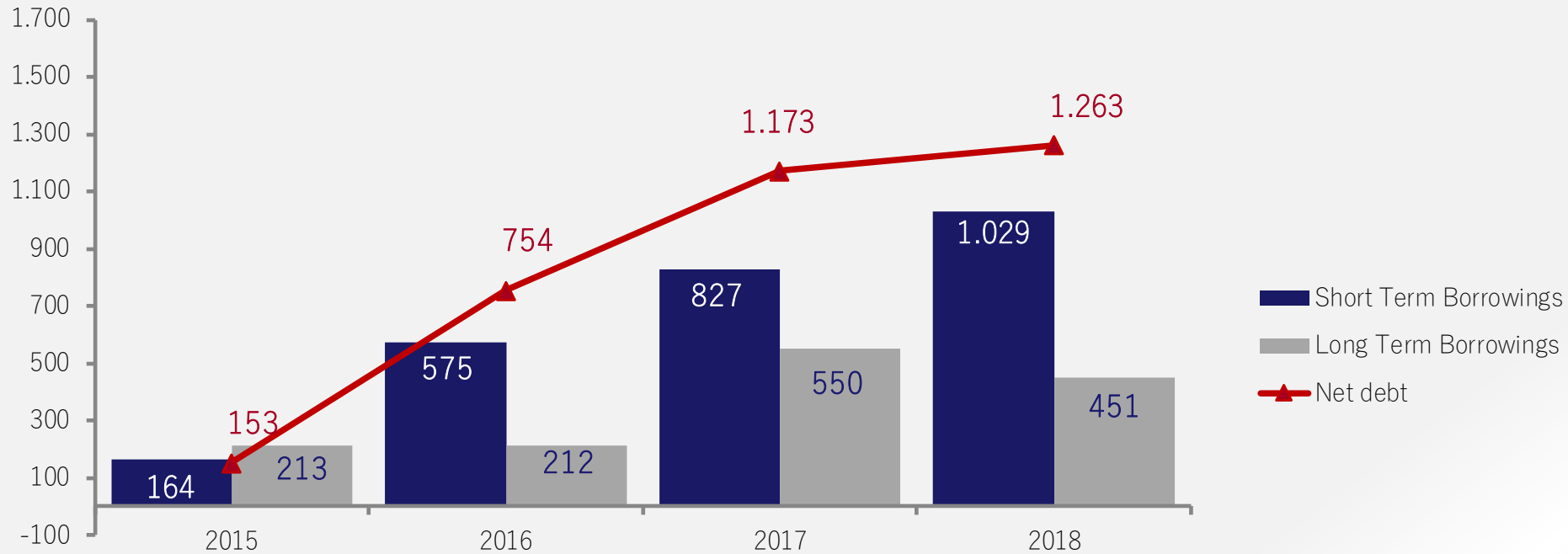
Economic headwinds to slow down demand in cement sector

Key Financial Highlights (MTL)	Q4-17	Q4-18	Change%	2017	2018	Change%
Net consolidated sales	436	395	-9%	1.491	1.700	14%
Consolidated EBITDA (*)	112	41	-64%	384	388	1%
Consolidated EBITDA Margin %	26%	10%		26%	23%	
Net consolidated profit	75	-62	-182%	228	155	-32%

- Net sales increased by 14% in 2018: Reaping the rewards of focusing on white and grey cement exports.
- All domestic investments completed in 2018: Dramatic decrease in capitalized interest related with investments (2017: 62 MTL, 2018:10 MT) impacting bottom line.

(*) 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.

Financial Results



- Net financial debt increased from 1,173 mn TL in 2017 year end to 1,263 mn TL in 2018 due higher TRY equivalent of FX denominated borrowings.

Financial Results



- Net working capital / Net Sales was at 18,5 % for 2018, down from 25,7 % for 2017, due to mainly superior collection performance.
- Due to decline in demand, optimization of production to managing inventory levels.

Future Outlook

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
- Diversed product portfolio supported by continuous R&D efforts

Fuel Efficiency

- 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.

