

Kocaer Çelik increased its sales volume by 3.4% in 2024, reaching 580.4 thousand tons...

Kocaer Çelik increased its total sales volume by 3.4% compared to the previous year, reaching 580,443 tons in 2024. Thus, the company has managed to positively differentiate itself from its sector by increasing its sales volume for the last four years in a row. The company, which realized 76% of its total sales to abroad in 2024, achieved a total net revenue of TRY 19,235 million in 2024. The share of high value-added products in total sales increased from 39% last year to 42%.

Sales Volume (tons)	2024	2023
I and H Channels	77.376	56.987
Value Added Profiles	241.666	221.297
U and C Channels	78.665	87.642
Structural Steel Products	182.736	195.532
Total Sales Volume	580.443	561.458
Value Added Products /Total Sales Volume	42%	39%

Kocaer Çelik had a total investment expenditure of TRY 644 million in 2024...

In line with the strategy focused on the production of high value-added products, renovation investments were successfully completed in the A2 factory in 2023 and in the A1 factory in 2024. In addition, the capacity of the Steel Service Center, which turns steel profiles into final products according to the special demands of customers, was increased by 50% in 2024 to 180,000 tons per year. Kocaer Çelik made total of TRY 644 million investment in 2024. In parallel with the completion of investments in high value-added products and the addition of new products to the portfolio, the share of high value-added products in the total portfolio is expected to increase further in 2025.

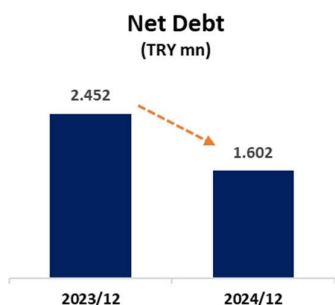
Despite the difficult conditions, TRY 2.04 billion of EBITDA was recorded in 2024 ...

In 2024, due to the decline in product sales prices, limited exchange rate increases and inflation accounting in parallel with the dollar-based price decreases observed in global steel markets, TL-based sales revenues decreased compared to the previous year. Furthermore, the difficult economic conditions for exporting companies in 2024 caused further pressure on margins. Contrary to the limited depreciation in TL, the production costs in Turkish lira, especially labor, which increased in parallel with high inflation, caused gross profit margins to decline in exporting companies. Kocaer Çelik recorded TRY 2.04 billion of EBITDA and TRY 83.1 million of net profit in 2024.



Despite increasing investment expenditures, net debt decreased...

Despite the increasing investment expenditures, the Company's net financial debt decreased by 35% to TRY 1.6 billion in 2024. As a result of effective financial expense and working capital management, the ratio of net financial debt to EBITDA remained low at 0.79x.



Kocaer Çelik continues with its energy investments as well. The investment for the 1st phase (24 MW) of the Geothermal Power Plant in the license area of the Company's subsidiary Kocaer Enerji in Aydın Kuyucak is continuing. When the planned capacity is reached, together with the electricity obtained from the existing rooftop solar power plants, the aim is to meet all the electricity demand of the Company, to become carbon neutral, and to reach a structure where the remaining portion of the generated energy is sold.

Summary Consolidated Financial Tables

Summary Consolidated Balance

Sheet (TRY'000)	31 December 2024	31 December 2023	Change
Current Assets	10,258,743	8,896,158	15%
Fixed Assets	9,534,973	8,515,806	12%
Total Assets	19,793,716	17,411,964	14%
Short Term Liabilities	8,097,356	6,192,400	31%
Long Term Liabilities	2,200,835	1,662,216	32%
Equity	9,495,525	9,557,348	-1%
Total Liabilities and Equity	19,793,716	17,411,964	14%

**Summary Consolidated P/L
(Cumulative) (TRY'000)**

	2024	2023	Change
Net Sales	19,235,210	22,219,242	-13%
Gross Profit	3,055,628	4,269,163	-28%
Operating Profit	1,180,765	2,611,909	-55%
Financial Expenses (net)	(1,501,391)	(1,333,782)	13%
Net Monetary Gain (Loss)	164,320	121,593	35%
Net Income from Investment Activities	455,679	626,083	-27%
Profit Before Tax	299,374	2,025,804	-85%
Net Profit	83,124	1,705,050	-95%
Adjusted EBITDA¹	2,036,272	3,206,141	-36%

¹ Other operating revenues and expenses have been excluded from EBITDA calculation.

INVESTOR SUMMARY NOTE
01 JANUARY – 31 DECEMBER 2024

Main Ratios (%)	2024	2023
Gross Profit Margin	15.9%	19.2%
Adjusted EBITDA Margin	10.6%	14.4%
Net Profit Margin	0.4%	7.7%
Net Financial Debt/A.EBITDA	0.79	0.76

Financial Debt (TRY'000)	30 September 2024	31 December 2023	Change
Short Term Borrowings	1,552,594	2,852,766	-46%
Short Term Portion of Long Term Borrowings	1,600,474	407,975	292%
Long Term Borrowings	1,523,065	1,147,480	33%
Total Financial Borrowings	4,676,133	4,408,221	6%
Cash and Cash Equivalents ²	3,074,064	1,956,107	57%
Net Financial Debt	1,602,069	2,452,114	-35%

Results Not Adjusted for Inflation Accounting (excluding TMS 29 effect)*

(TRY'000)	2024	2023	Change
Net Sales	17,035,137	12,373,517	38%
Adjusted EBITDA	1,801,622	2,148,831	-16%
Net Profit	599,189	1,254,580	-52%

*Our company's 2024 financial statements were announced on the Public Disclosure Platform on 07.03.2025. In addition to these statements, certain financial information that has not been adjusted for inflation accounting is also included in the investor relations materials to be published in different platforms, especially our website. This information is the responsibility of our Board of Directors and executives responsible for financial reporting. It has been prepared solely to enable our investors to compare current financial information with previously disclosed financial information and to evaluate their expectations/assumptions and has not been subject to independent audit.

This report has been produced from the consolidated financial statements and activity report dated 31.12.2024 at www.kocaersteel.com. In this report, unless otherwise stated, financial data adjusted for the effect of inflation in accordance with the principles of Turkish Accounting Standard 29 "Financial Reporting in High Inflation Economies" (TMS 29) was used, in line with the decision of the Capital Markets Board dated 28 December 2023 and numbered 81/1820.

² Financial investments are included.