

Kocaer Çelik increased its net profit by 114% YoY in the first quarter of 2023...

Despite the serious contraction in Turkish iron and steel industry during the first quarter of 2023, Kocaer Çelik managed to maintain its total sales volume in 1Q2023 YoY and sold a total of 137,554 tons of steel profiles. In contrast with Turkey's 21.5%* contraction in crude steel production and 49%* decline in total export volume in the first quarter of the year, Kocaer Çelik's total net sales revenues increased by 42% YoY and reached TRY 2.67 billion in 1Q2023.

The company's domestic and international sales revenues increased by 97% and 27%, respectively in the first three months of the year when compared to the same period of last year.

Sales Volume (ton)	1Q2023	1Q2022
I and H Shape Steel Profiles	58.206	55.193
Value Added Steel Profiles	47.359	59.664
U and C Shape Steel Profiles	21.906	16.015
Structural Steel Profiles	10.084	7.289
Total Sales Volume*	137.554	138.161
Value Added Products/Total Sales Volume	34,4%	43,2%

* Excluding other sales

Sales Revenues (000 TRY)	1Q2023	1Q2022	Change (%)
Domestic Sales Revenues	816.135	414.063	97%
Global Sales Revenues	1.857.367	1.462.462	27%
Net Sales Revenues	2.673.480	1.877.841	42%

In line with the global trends, Turkey faced a sharp increase on energy costs during 2022, and its share in production costs has become more noticeable, especially in the second half of the year. On the other hand, scrap and iron ore prices followed a fluctuating course while labor costs also increased significantly. Therefore, in the January-March period of 2023, the share of energy and labor costs in total production costs increased significantly compared to the same period of the previous year. Parallel to these developments, the EBITDA margin recorded as 12% in 1Q2023. With the contribution of both the increase in sales revenues and the sharp decrease in financing expenses, Kocaer Çelik managed to increase its total net profit from TRY 83.3 million in 1Q2022 to TRY 178.1 million in 1Q2023, with an annual rise of 114% compared to the same period of the previous year.

Net financial debt to EBITDA ratio stood at 0.79x at the end of 1Q2023...

The Company maintained its sound and balanced debt structure during the first quarter of 2023. As a result, net financial debt to adjusted EBITDA ratio decreased to 0.79x at the end of 1Q2023 from 1.22x in the same period of 2022. The Company's total financial debt stood at TRY 2,275 million as of end-1Q2023.

Financial Debt (000 TRY)	1Q2023	2022YE	Change (%)
Short Term Borrowings	1.769.476	1.499.563	18%
Short Term Portions of Long Term Borrowings	181.741	159.068	14%
Long Term Borrowings	324.076	351.258	-8%
Total Borrowings	2.275.293	2.009.889	13%
Cash and Cash Equivalents ¹	1.053.915	947.471	11%
Net Financial Debt²	1.221.378	1.062.419	15%

Summary Consolidated Financial Tables

Summary Consolidated Balance Sheet (000 TRY)	1Q2023	2022YE	Change (%)
Current Assets	4.825.629	4.243.790	14%
Fixed Assets	3.117.873	3.057.687	2%
Total Assets	7.943.502	7.301.477	9%
Short Term Liabilities	4.044.140	3.551.871	14%
Long Term Liabilities	435.370	462.809	-6%
Equity	3.463.992	3.286.798	5%
Total Liabilities and Equity	7.943.502	7.301.477	9%

Summary Consolidated P/L (000 TRY)	1Q2023	1Q2022	Change (%)
Net Sales	2.673.480	1.877.841	42%
Gross Profit	437.841	455.127	-4%
Operating Profit	315.637	304.494	4%
Financial Expenses (net)	(82.594)	(214.797)	-62%
Profit Before Tax	217.945	112.040	95%
Net Profit	178.111	83.312	114%
Net Profit for Parent Equityholders	175.045	81.541	115%
Adjusted EBITDA ³	322.094	346.301	-7%

Main Ratios (%)	1Q2023	1Q2022
Gross Profit Margin	16,4%	24,2%
Adjusted EBITDA Margin	12,0%	18,4%
Net Profit Margin	6,7%	4,4%
Net Financial Debt/A.EBITDA(x) ⁴	0,79	1,22

¹ Marked to market financial assets have been included.

² Calculated as Short Term Financial Debt+Short Term Portions of Long Term Financial Debt+Long Term Financial Debt -Cash and Cash Equivalents.

³ Other operating revenues and expenses have been excluded from EBITDA calculation.

⁴ Calculated with trailing A.EBITDA