

INVESTOR PRESENTATION

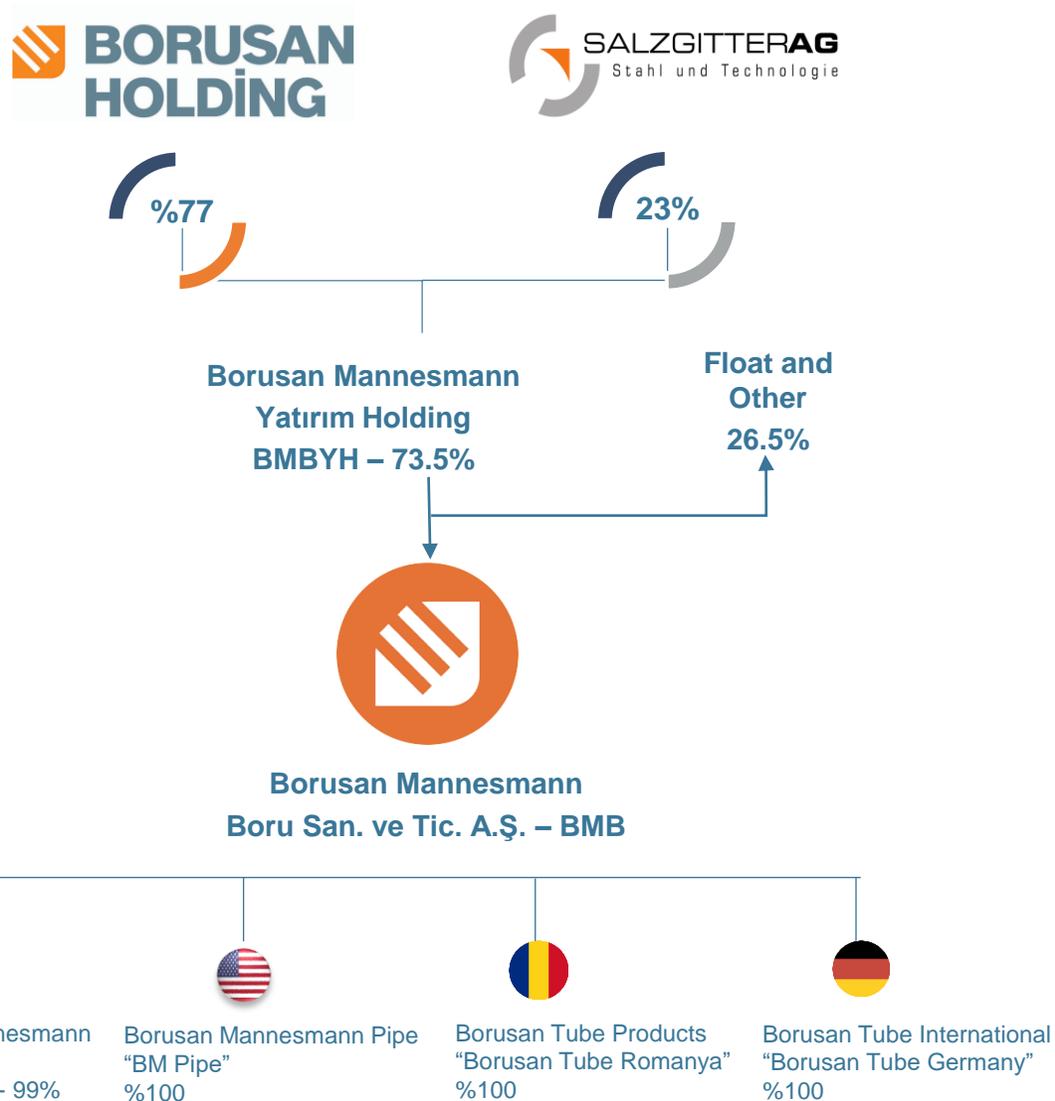
January - June 2023

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BORUSAN MANNESMANN: LOCAL PLAYER OF GLOBAL MARKETS



- Borusan Mannesman (“BMB”), is among the pioneer manufacturers in Europe’s and the world’s steel pipe sector.
- Founded in 1958, BMB is the first industrial company of Borusan Group. Borusan Group is active in global steel, distribution, logistics and energy sectors since 1944.
- In 1994, the Company’s shares have been quoted on Borsa İstanbul and since been trading with BRSAN ticker symbol. (Float: 19.85%)
- In 1998, BMB merged its operations in Turkey with Salzgitter Mannesmann GMBH; the leader steel company in Europe.
- In 2001, in line with its strategy to grow in global markets, BMB acquired its first company abroad in Italy, established its first company in the USA in 2014, and started an investment in Romania in 2023.
- Ultimately, in parallel to its strategy of positioning itself as the “local player of global markets”, BMB acquired 100% of USA originated Berg Europipe Holding Corp’s shares in April 2023, in exchange of \$162 million.
- Borusan Holding signed a share purchase agreement in June 2023 to acquire 23% share of Salzgitter Mannesmann GmbH in BMBYH’s capital, for a transaction price of €52,8 million. The share transfer transaction is subject to obtaining necessary permissions.

SUSTAINABLE GROWTH IN TARGET MARKETS

3 Continents

11 Facilities

1.1 million m² Area

2,437 Employees

2 million ton Capacity

4,000 Product Types

FACILITY	PRODUCT	SECTOR	YEAR	CAPACITY
TR - Halkali	ERW and Cold Drawn Pipe	Industry & Construction	1958	100,000
TR - Gemlik	ERW Pipe	Industry & Construction, Infrastructure & Project, Energy	1976	550,000
TR - Gemlik	HSAW Pipe	Infrastructure & Project	2011	300,000
TR - Bursa	Service Center	Automotive	2016	21 mln units
TR - Gemlik	Cold Drawn Pipe	Automotive	2019	125,000
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	29,000
RO - Romania*	Service Center*	Automotive	2023	21 mln units

INCREASING STAKEHOLDER VALUE THROUGH GROWTH ORIENTED INVESTMENTS

\$1.6 billion
MCAP*



1958
Borusan Boru has been established



1968
Halkalı ERW Pipe Facility commenced operations

1969
First export has been realized



1976
Gemlik ERW Pipe Facility commenced operations



1979
Borusan started seaborne trade



1994
Borusan Boru A.Ş. shares started to be traded on BIST



1998
Borusan and Mannesmann merged their pipe operations in Turkey



2001
Borusan Mannesmann Vobarno Tubi S.p.A.; the first company abroad has been acquired



2004
The Company has been titled as Borusan Mannesman



2011
Gemlik HSAW Pipe Facility commenced operations



2014
OCTG Pipe Facility in Houston constructed with a \$150 mln investment, has commenced operations



2016
Bursa Service Center serving for the automotive segment established



2019
Gemlik Automotive Pipe Line established



2021
Germany Commercial Office has been launched

\$1.3 billion

2022
BMB revenues reached to \$1.3 billion



2023
Berg Pipe's LSAW (1979) Facility in, Florida and HSAW (2007) Facility in Alabama acquired for \$162 mln

\$50 million

2023
SRM investment, which is worth \$50 mln, continues in US, Baytown



2023
Romania Service Center investment, which is worth €15 mln, continues

FOUR BUSINESS LINES MANAGING RISKS WITH THEIR POTENTIAL



INFRASTRUCTURE & PROJECT

9%



- Gemlik (TR)
- Panama City (USA)
- Mobile (USA)

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



INDUSTRIAL & CONSTRUCTION

18%



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

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



AUTOMOTIVE

13%



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

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



ENERGY

60%



- Gemlik (TR)
- Houston (USA)

- ERW Line Pipes
- OCTG Pipes

BERG PIPE ACQUISITION IN LINE WITH STRATEGIC TARGETS

Global Steel Pipe Market (2022)

\$ 90 billion

North America Market Share (2022)

28%

2022/2032 YOBB

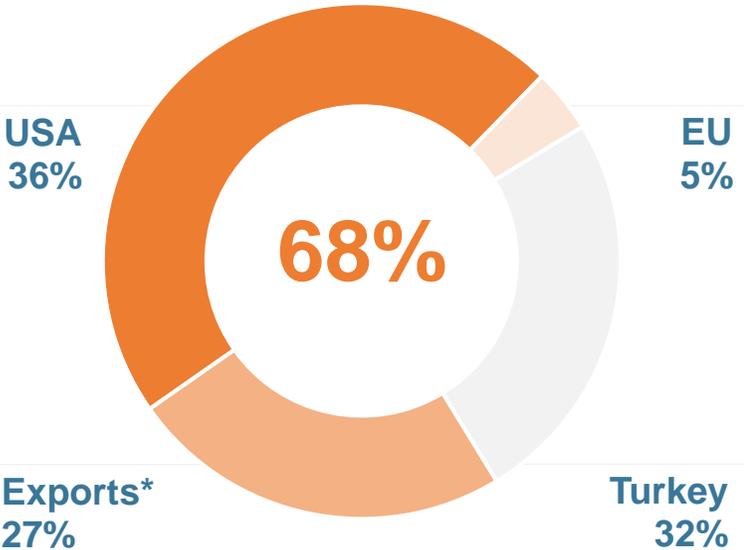
5.4%

BERG Mobile
BERG Panama

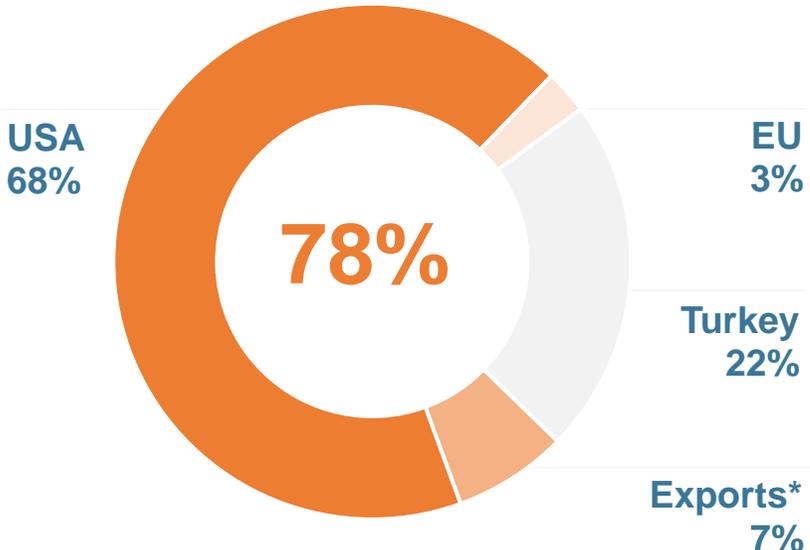
- BM Pipe, BMB's subsidiary located in the USA, has acquired 100% of Berg Europipe Holding Corp's shares on April 13, 2023.
- The acquisition value of \$162 million has been determined based on negotiation method and that \$50 million trench is to be paid in 3 years (1. year \$20 million, 2. year \$15 million, 3. year \$15 million)
- As per the study conducted by the independent valuation firm, share value of the acquired company has been indicated to be in the range of \$175 and \$195 million.
- The title of the company post acquisition has been changed as Borusan Berg Pipe.
- Northern America has a significant growth potential in energy pipe markets.
- Berg Pipe has a competitive advantage with its facilities in two locations; Panama City has 330,000 ton longitudinally welded pipe capacity and Mobile has 220,000 ton spiral welded pipe capacity.
- Berg Pipe is to contribute approximately 2.5 million tons to Borusan Mannesmann's sales volume in 10 years.
- Opportunity for operational and financial synergy will be achieved in the USA with the Texas Baytown Facility, which has been established with an investment of \$150 million and operating since 2014 as well as the \$50 million SRM Line to be completed by the end of 2023.
- As a result, BMB's total production capacity in the USA is expected to reach 1 million tons and revenues to \$1 billion.

INCREASING REVENUE SHARE IN GLOBAL MARKETS

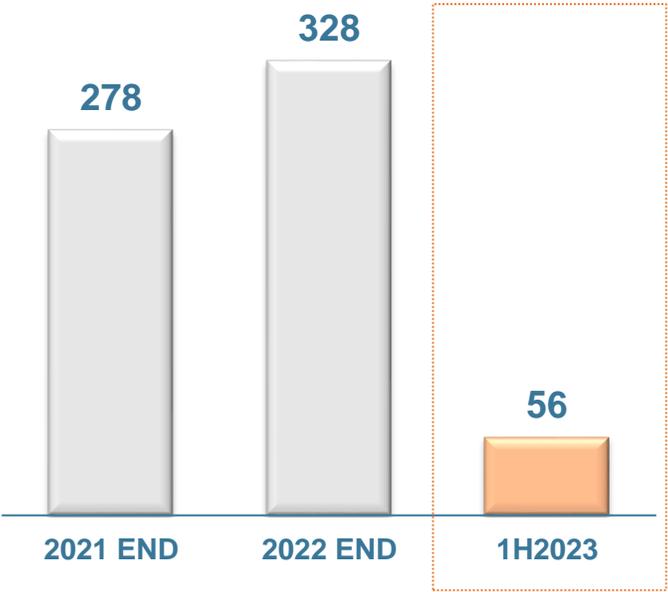
REGIONAL BREAKDOWN 1H22 (%)



REGIONAL BREAKDOWN 1H23 (%)



EXPORT REVENUES (\$ mln)

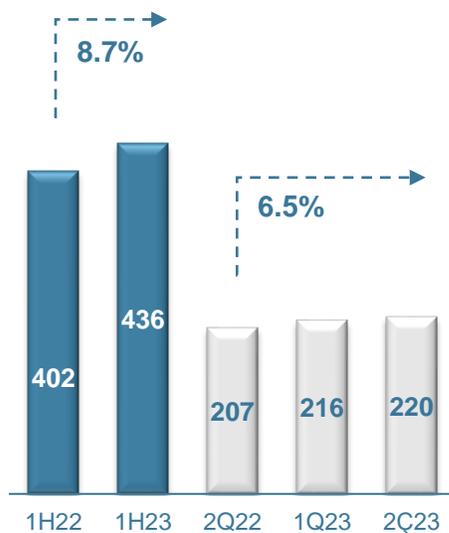


Revenue share of global markets increased to 78% in 1H23, from 68% in 1H22.

* Exports from Turkey to EU and US operations are consolidated under the relevant operations.

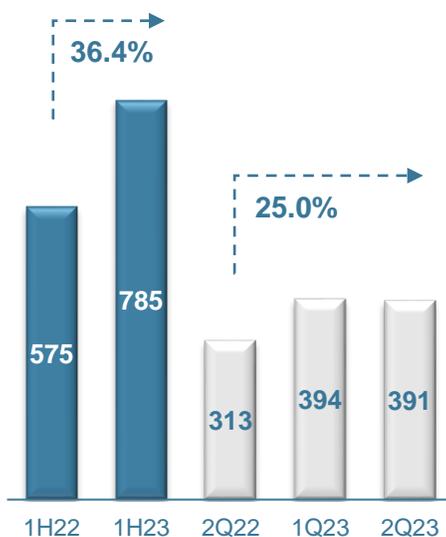
STRONG FINANCIAL RESULTS IN 1H23

SALES VOLUME (ton)



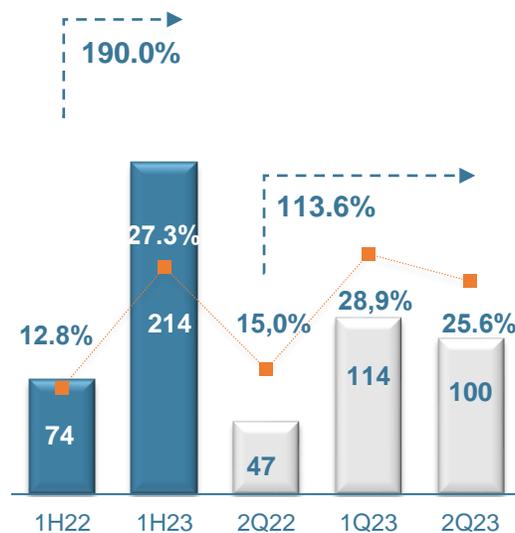
- + Infrastructure and Project: 53.4% increase
- + Energy: 81.8% increase
- Industrial and Construction: 21.4% decrease
- Automotive: 21.2% decrease

REVENUE (mln \$)



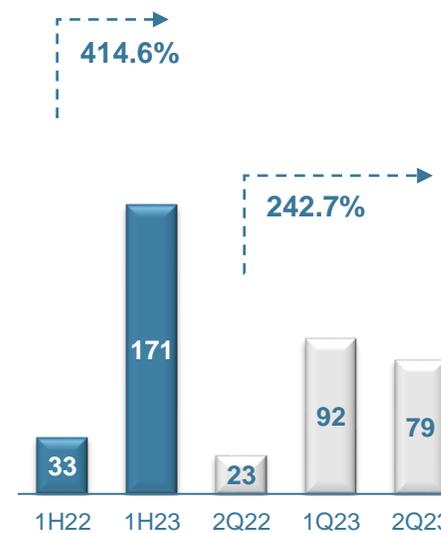
- + Infrastructure and Project: 62.2% increase
- + Energy: 88.2% increase
- Industrial and Construction: 34.6% decrease
- Automotive: 20.9% decrease

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



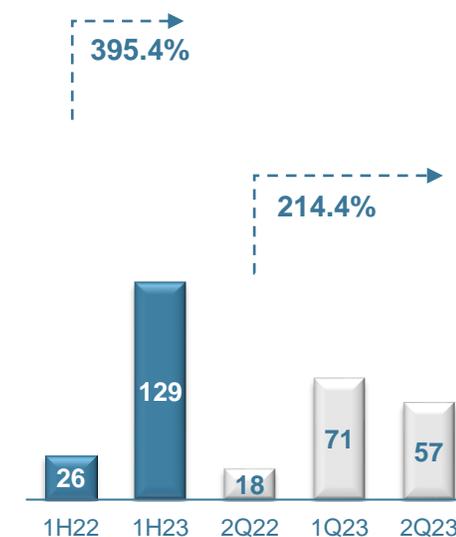
- + Effective pricing policy
- + The share of high value added products in total revenues: 82%
- Volatility in raw material costs
- Production costs affected by the fx volatility and inflation

PROFIT BEFORE TAX (mln \$)



- + High operational profitability
- + Diminishing financing costs with decreasing working capital and financial loans

NET INCOME (mln \$)



Depending on the fluctuations in the global steel market;

Sales volume is expected to realize in the range of 1.10 – 1.30 million tons and revenues around \$1.7 – \$2.0 billion in 2023.

BUSINESS LINES MITIGATING THE EFFECTS OF GLOBAL VOLATILITY

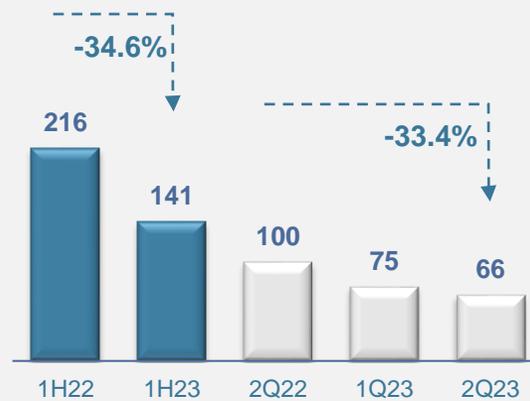
REVENUE SHARE

9% **INFRASTRUCTURE & PROJECT**



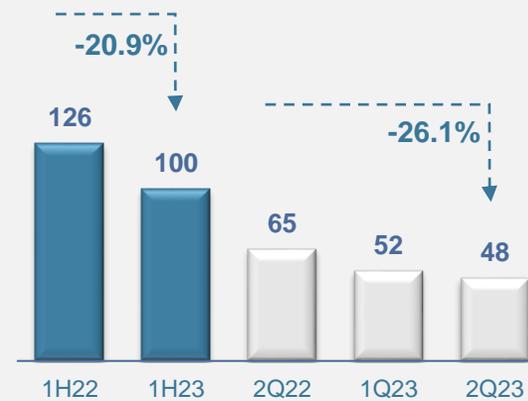
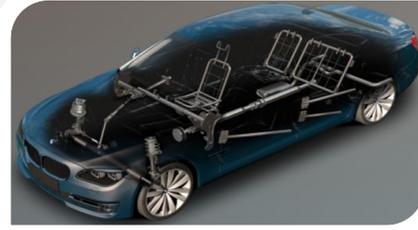
- Contribution of Berg Pipe, which has been consolidated as of April
- Increasing share of high value added spiral welded pipe sales

18% **INDUSTRIAL & CONSTRUCTION**



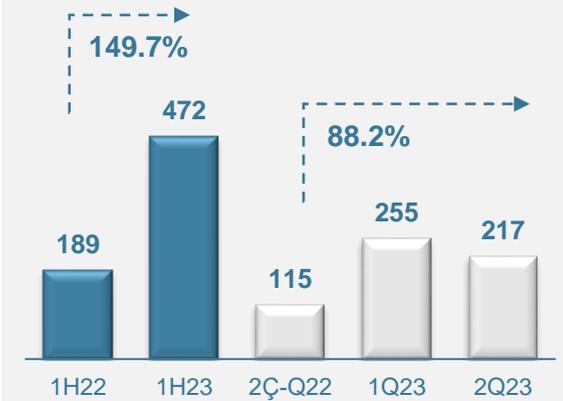
- Negative effect of economic volatility in the operating areas
- The pressure on sales price resulting from the decreasing raw material prices

13% **AUTOMOTIVE**



- Contracting demand particularly in Europe and resulting negative impact on revenue

60% **ENERGY**



- Positive effect arising from limited capacity as opposed excessive market demand in advance
- Effective pricing policy

SUMMARY INCOME STATEMENT (\$ MLN)

CONSOLIDATED (\$ mln)	1H23	1H22	Change (%)	2Q23	2Q22	Change (%)	1Q23
Revenue	785	575	36.4%	391	313	25.0%	394
Gross Profit	221	64	244.0%	108	45	137.7%	113
<i>Gross Profit Margin (%)</i>	<i>28.2%</i>	<i>11.2%</i>	<i>16.9 p.p.</i>	<i>27.6%</i>	<i>14.5%</i>	<i>13.0 p.p.</i>	<i>28.7%</i>
Operational Expenses	(46)	(28)	66.1%	(27)	(15)	86.9%	(19)
<i>OPEX Margin (%)</i>	<i>(5.9%)</i>	<i>(4.8%)</i>	<i>1.0 p.p.</i>	<i>(7.0%)</i>	<i>(4.7%)</i>	<i>2.3 p.p.</i>	<i>(4.7%)</i>
Other	19	19	0.9%	9	7	33.7%	10
EBIT	194	56	248.3%	90	37	138.8%	105
<i>EBIT Margin (%)</i>	<i>24.8%</i>	<i>9.7%</i>	<i>15.0 p.p.</i>	<i>22.9%</i>	<i>12.0%</i>	<i>10.9 p.p.</i>	<i>26.6%</i>
Financing Expenses	(24)	(23)	4.1%	(10)	(14)	(27.3%)	(13)
Profit Before Tax	171	33	414.6%	79	23	242.7%	92
<i>PBT Margin (%)</i>	<i>(21.8%)</i>	<i>(5.8%)</i>	<i>16.0 p.p.</i>	<i>20.2%</i>	<i>7.4%</i>	<i>12.8 p.p.</i>	<i>23.3%</i>
Net Income	129	26	395.4%	57	18	214.4%	71
<i>Net Income Margin (%)</i>	<i>(16.4%)</i>	<i>(4.5%)</i>	<i>11.8 p.p.</i>	<i>14.6%</i>	<i>5.8%</i>	<i>8.8 p.p.</i>	<i>18.1%</i>
Amortisation	20	18	10.1%	11	10	14.7%	9
EBITDA*	214	74	190.0%	100	47	113.6%	114
<i>EBITDA Margin (%)</i>	<i>27.3%</i>	<i>12.8%</i>	<i>14.4 p.p.</i>	<i>25.7%</i>	<i>15.0%</i>	<i>10.6 p.p.</i>	<i>28.9%</i>

SUMMARY INCOME STATEMENT (TRY MLN)

CONSOLIDATED (TRY mln)*	1H23	1H22	Change (%)	2Q23	2Q22	Change (%)	1Q23
Revenue	15,578	8,545	82.3%	8,151	4,884	66.9%	7,427
Gross Profit	4,382	954	359.3%	2,248	690	225.5%	2,134
<i>Gross Profit Margin (%)</i>	28.1%	11.2%	16.9 p.p.	27.6%	14.1%	13.4 p.p.	28.7%
Operational Expenses	(921)	(411)	124.1%	(568)	(228)	148.8%	(353)
<i>OPEX Margin (%)</i>	(5.9%)	(4.8%)	1.1 p.p.	(7.0%)	(4.7%)	2.2 p.p.	(4.7%)
Other	384	286	34.3%	187	111	68.5%	196
EBIT	3,845	829	363.8%	1,867	573	225.6%	1,978
<i>EBIT Margin (%)</i>	24.7%	9.7%	14.9 p.p.	22.9%	11.7%	11.1 p.p.	26.6%
Financing Expenses	(465)	(336)	38.4%	(219)	(222)	-1.4%	-246
Profit Before Tax	3,380	493	585.4%	1,649	352	368.6%	1,732
<i>PBT Margin (%)</i>	21.7%	5.8%	15.9 p.p.	20.2%	7.2%	13.0 p.p.	23.3%
Net Income	2,537	385	558.6%	1,190	277	330.2%	1,347
<i>Net Income Margin (%)</i>	16.3%	4.5%	11.7 p.p.	14.6%	5.7%	8.9 p.p.	18.1%
Amortisation	397	269	47.7%	228	150	51.9%	170
EBITDA**	4,242	1,098	286.4%	2,095	723	189.6%	2,147
<i>EBITDA Margin (%)</i>	27.2%	12.8%	14.3 p.p.	25.7%	14.8%	10.8 p.p.	28.9%

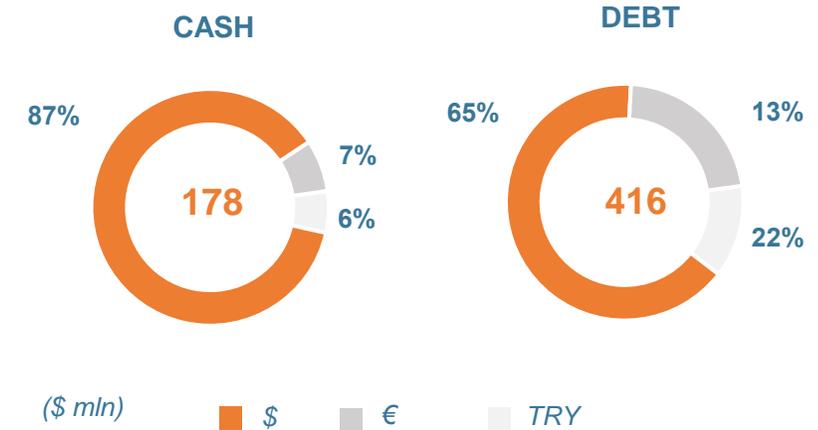
SUMMARY BALANCE SHEET AND FX POSITION

BALANCE SHEET

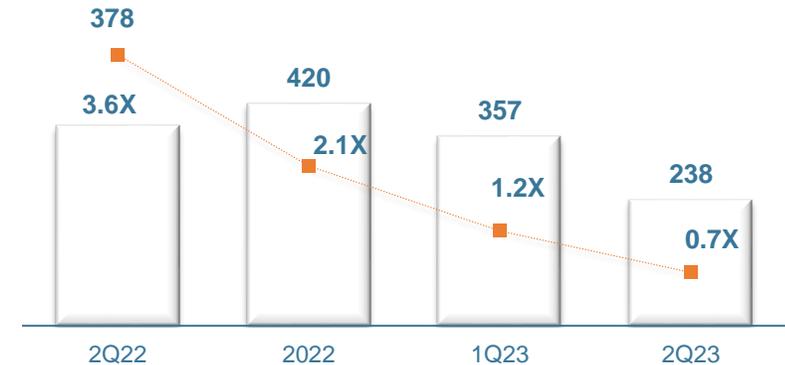
(\$ mln)	2Q23	1Q23	2022	2Q22
Cash and Cash Equivalents	178	152	83	37
Trade Receivables	224	242	251	244
Inventories	475	303	335	373
Current Assests	953	748	735	708
Non-Current Assets	857	750	741	667
TOTAL ASSETS	1,810	1,497	1,476	1,375
Short Term Borrowings	277	359	424	329
Ticari Borçlar	229	123	203	317
Short Term Liabilities	779	559	681	692
Long Term Borrowings	139	150	79	86
Long Term Liabilities	255	230	161	164
Paid in Capital	69	69	69	69
Equity	776	708	634	519
TOTAL LIABILITIES	1,810	1,497	1,476	1,375

(\$ mln)	2Q23	1Q23	2022	2Q22
Net Working Capital	470	422	382	299
Net Debt	238	357	420	378

CASH – DEBT BREAKDOWN



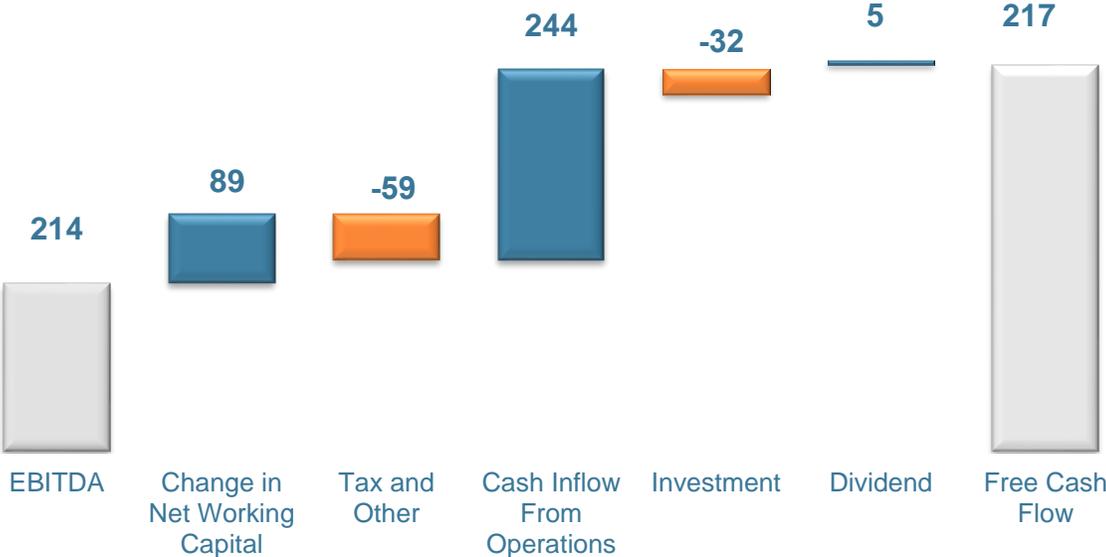
NET DEBT*/EBITDA



STRONG CASH GENERATION ABILITY THROUGH EFFECTIVE EXECUTION

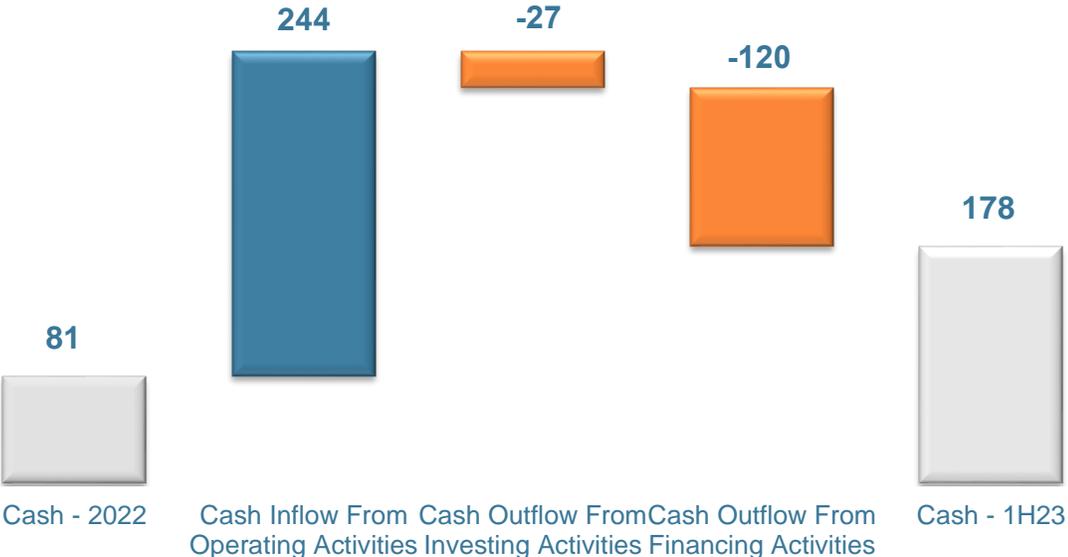
EBITDA

(\$ mln)



FREE CASH FLOW

(\$ mln)



OUR TARGET: POSITIONING BMB 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
- **Manufacturer, preferred by suppliers**, thanks to maximum customer focus and satisfaction
- **Wide product portfolio** continuously supported by new investments
- **Ranked 1. in Europe** in cold drawn pipes
- **Leading manufacturer in the USA** welded steel pipe market

FOCUS FOR TRANSFORMATION

- ESG oriented **cultural transformation**
- **Digitalization of** processes
- **Efficiency** in operations
- Balanced **portfolio management**
- **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: Growth in the European Market 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



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