



# INVESTOR PRESENTATION

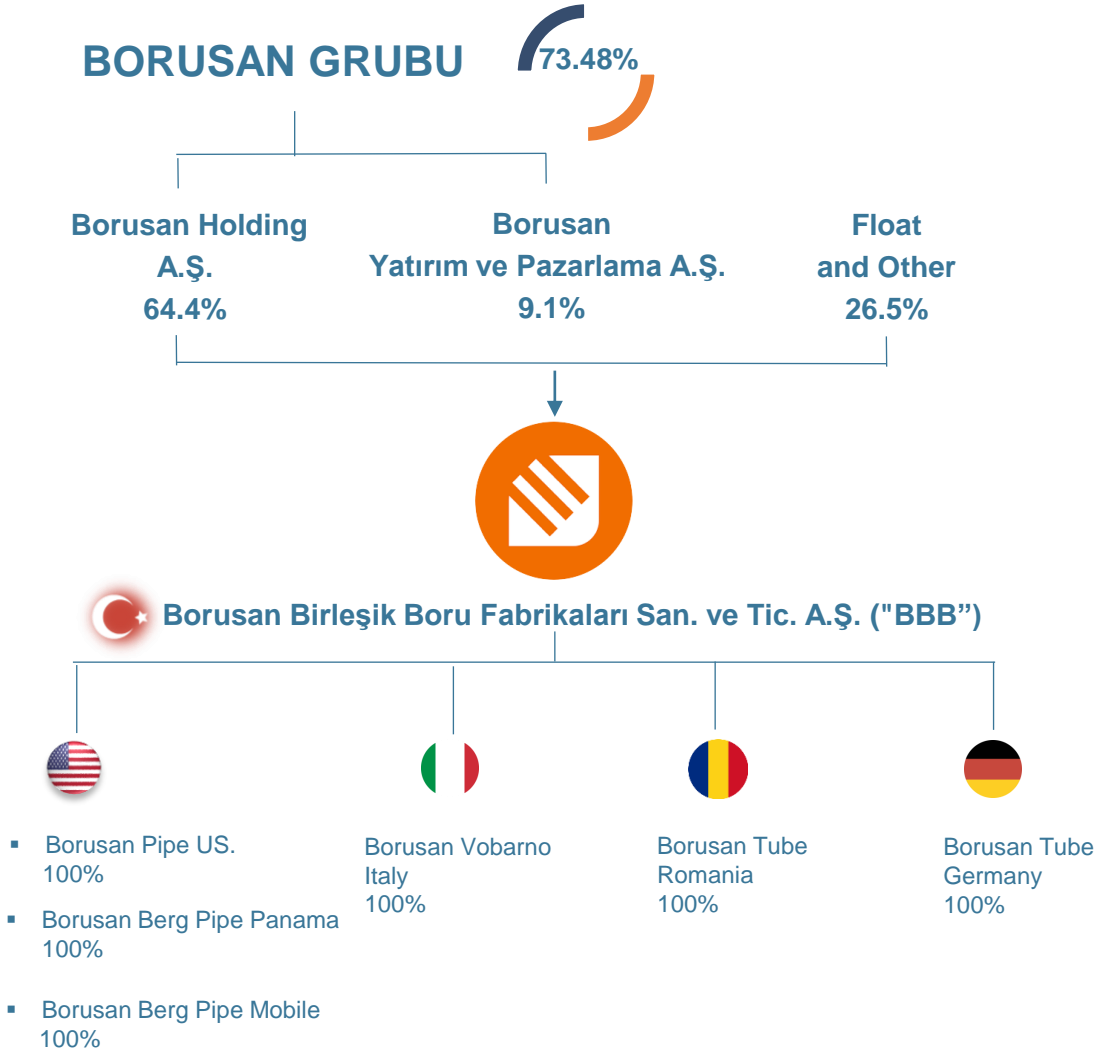
January - June 2025

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# BORUSAN BORU AT A GLANCE



- **Foundation and Status:** Established in 1958 as Borusan Group's first industrial venture, BBB is one of the leading manufacturers in the European and global steel pipe industry.
- **Public Listing:** BBB shares have been traded on Borsa Istanbul under the ticker symbol BRSAN since 1994, with a current free float rate of 19.85%.
- **Global Expansion:** BBB commenced operations in Italy in 2001 and entered the U.S. market in 2014; it acquired Berg Pipe in the USA in 2023.
- **Expansion in Europe:** In 2024, a service center was commissioned in Romania to serve the automotive industry.
- **Strengthening in the U.S.:** In 2024, BBB launched operations at the SRM factory in Baytown and announced the JCO (advanced forming technology) investment in Panama City.
- **Merger:** On January 10, 2025, BMB Holding was merged into BBB through the transfer of all assets and liabilities.
- **Restructuring in Türkiye:** On June 19, 2025, a strategic investment decision was made to restructure production infrastructure in Türkiye in line with sustainable growth, profitability, and operational efficiency goals.

# LEADING GLOBAL POWER IN STEEL PIPE PRODUCTION

**3** Continents

**10** Facilities

**1 million m<sup>2</sup>** Area

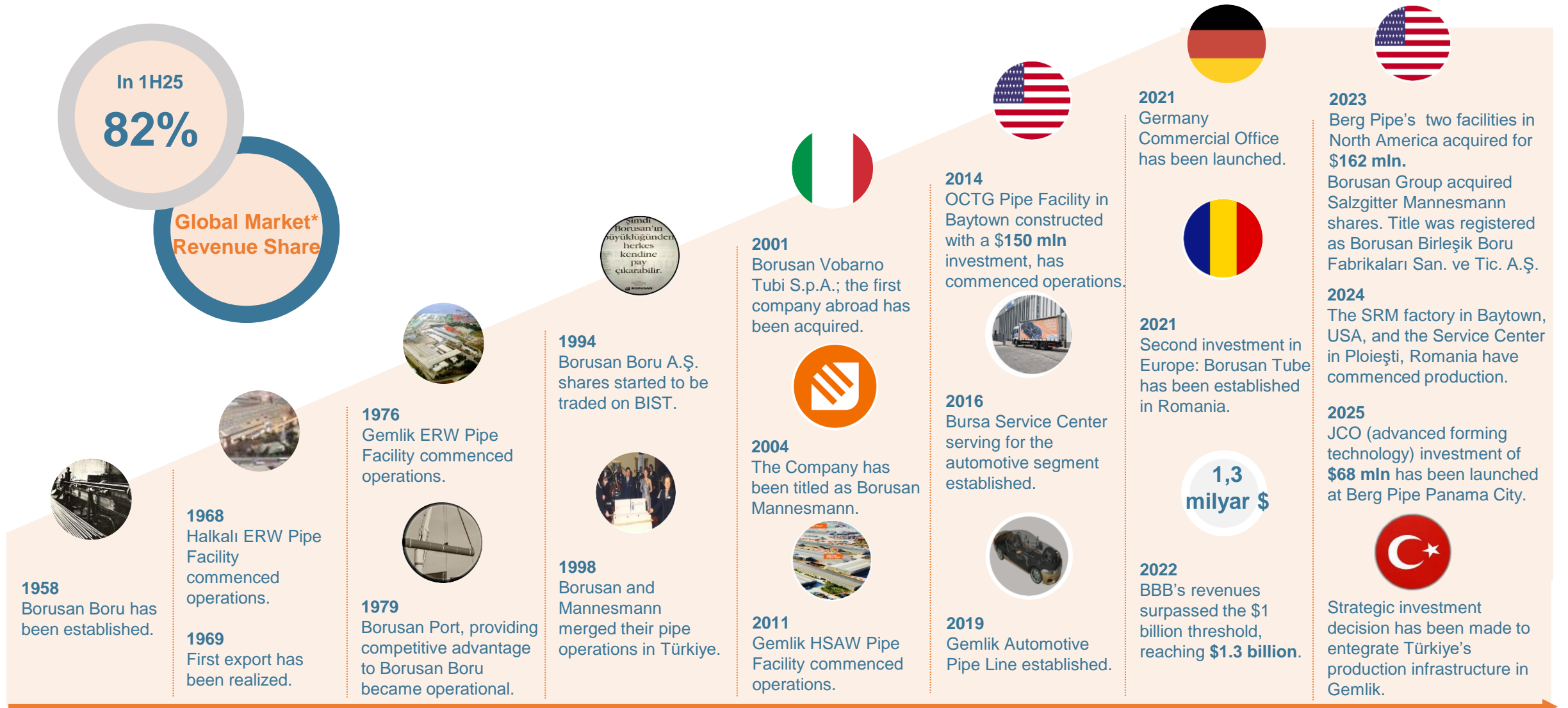
**2,375** Employees

**1.75 million ton** Capacity

**4,000** Product Types

FACILITY	PRODUCT	SECTOR	YEAR	CAPACITY (tons)
TR - Halkali	ERW and Cold Drawn Pipe	Automotive, Industry & Construction	1958	100,000 - welded 40,000 - drawn
TR - Gemlik	ERW Pipe	Industry & Construction, Infrastructure & Project, Energy	1976	550,000
TR - Bursa	Service Center	Automotive	2016	21 mln units
TR - Gemlik	Cold Drawn Pipe	Automotive	2019	60,000 - welded 50,000 - drawn
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	30,000 - drawn
RO - Romania	Service Center	Automotive	2023	21 mln units

# STEP BY STEP JOURNEY TO GLOBALIZATION





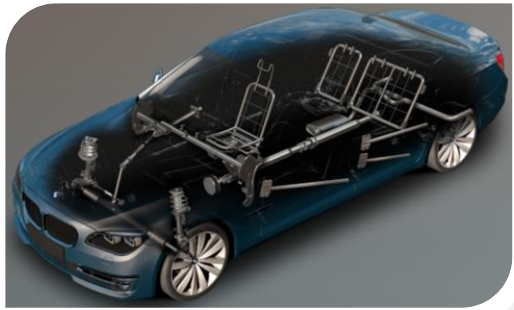
# BUSINESS MODEL THAT MANAGES RISKS THROUGH SECTOR AND GEOGRAPHICAL DIVERSITY



INFRASTRUCTURE  
& PROJECT



INDUSTRIAL  
& CONSTRUCTION



AUTOMOTIVE



ENERGY

Revenue  
Breakdown

2023	29%	18%	12%	41%
2024	47%	18%	12%	23%

Production  
Centers



- Panama City (USA)
- Mobile (USA)



- Gemlik (TR)
- Halkalı (TR)
- Baytown (USA)



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



- Gemlik (TR)
- Baytown (USA)

Products

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

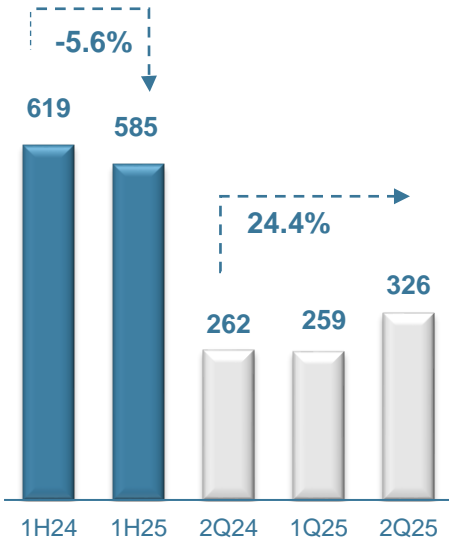
- ERW Natural Gas Pipes
- Industrial Pipe and Profiles
- Water Pipes
- Construction Pipe and Profiles
- SRM Installation Pipes

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

- ERW Line Pipes
- OCTG Pipes

# PROFITABILITY SUPPORTED BY FAVORABLE PRICING IN 2Q25

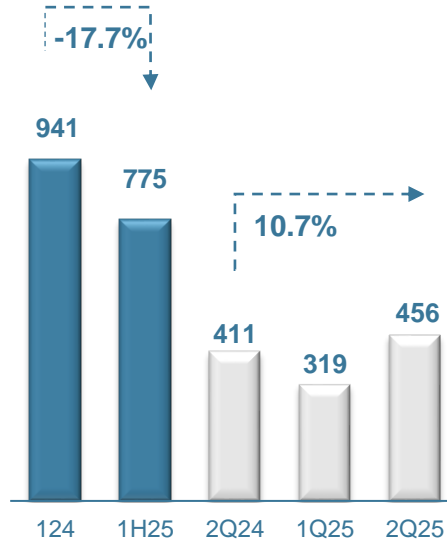
SALES VOLUME (ths ton)



Change in volume by business line as of 1H25 vs. 1H24:

- + Industrial and Construction: 42.3% increase
- + Energy: 6.8% increase
- Automotive: 3.2% decrease
- Infrastructure and Project: 43.5% decrease

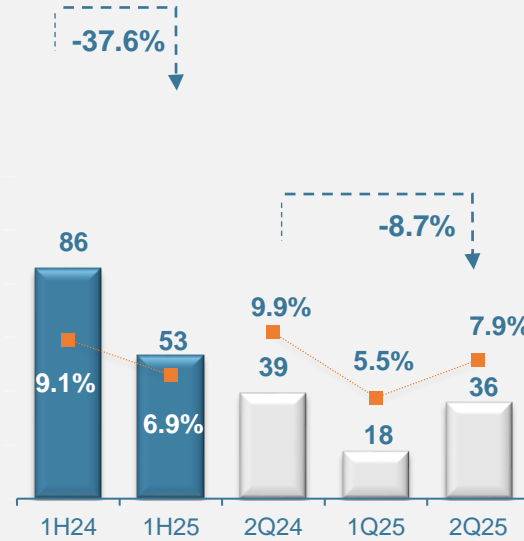
REVENUE (\$ mln)



Change in revenue by business line as of 1H25 vs. 1H24:

- + Industrial and Construction: 45.7% increase
- Energy: 2.9% decrease
- Automotive: 7.0% decrease
- Infrastructure and Project: 44.9% decrease

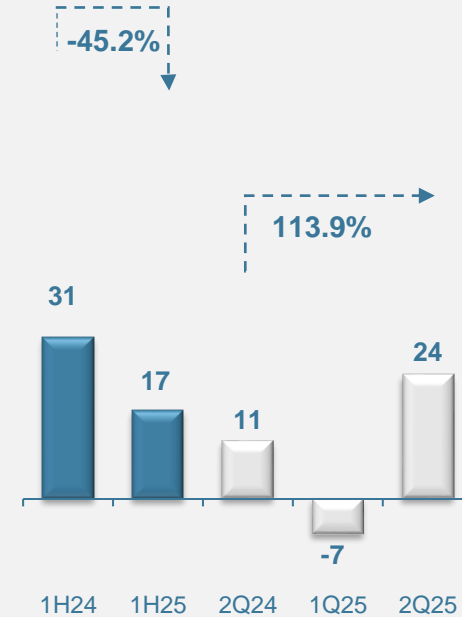
EBITDA (\$ mln) & EBITDA MARGIN (%)



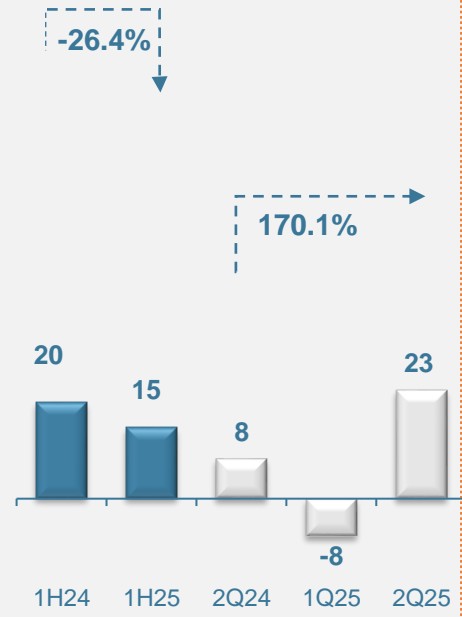
+ Operational profitability and net income increased in 2Q25 compared to 1Q25:

- + Profitability impact of positive pricing environment in the U.S. OCTG market, specific to the 2Q25
- + Lower production costs driven by increased capacity utilization in Türkiye and operational efficiency initiatives across all plants
- + Reduced financing expenses as a result of decrease in net debt and the decline in TRY-denominated financial debt within the total indebtedness
- The high base effect in 1H24 had a negative impact on the 1H25 financial results:
  - Impact of weak demand and increased competition on operational profitability
  - Effect of the real appreciation of the TRY on production costs and operating expenses
- + Lower financing expenses driven by reduced net debt and the decline in TRY-denominated financial debt

PROFIT BEFORE TAX (\$ mln)



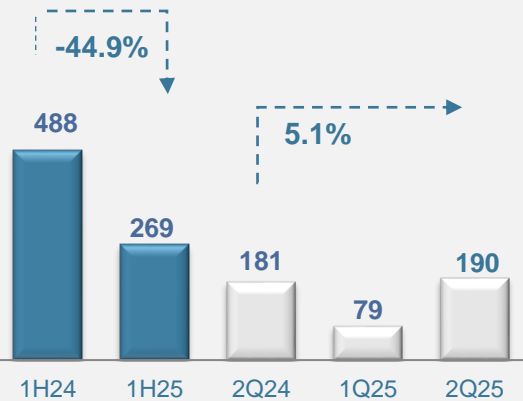
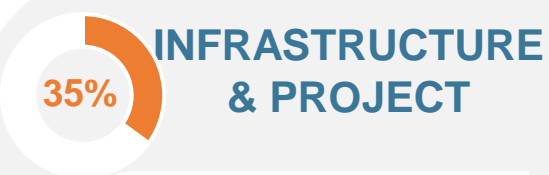
NET INCOME (\$ mln)



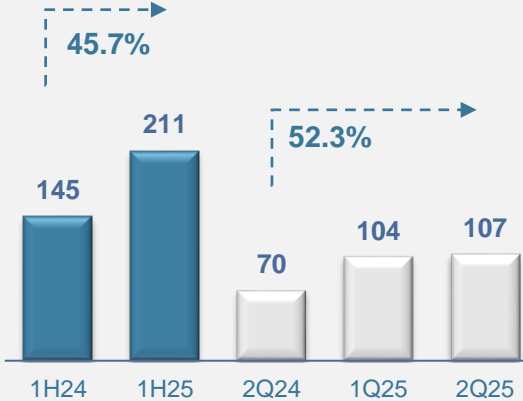
# BUSINESS LINES MITIGATING THE EFFECTS OF GLOBAL VOLATILITY

REVENUE SHARE (2024)

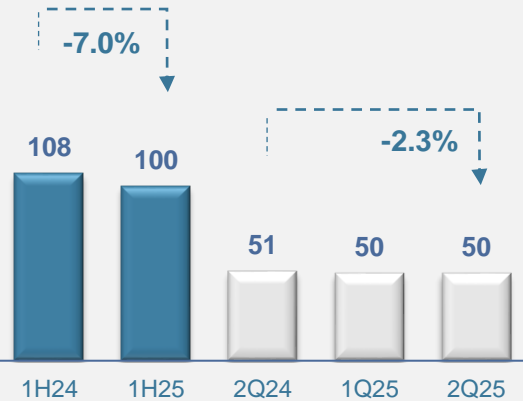
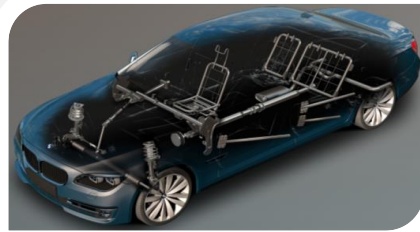
REVENUE (\$ mln)



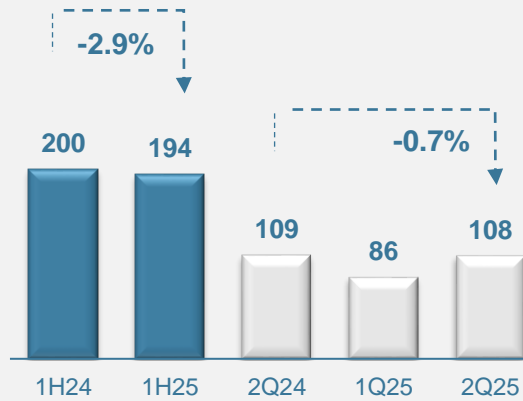
+ The increase in sales volume in 2Q25 driven by the deliveries of the Blackcomb Project



+ The growing contribution of the newly commissioned SRM factory in the U.S.  
- Rising labor costs in Türkiye and stagnancy in export markets



o The weak demand, particularly in the European automotive market being partially offset by rising prices in 2Q25  
- Rising labor costs in Türkiye

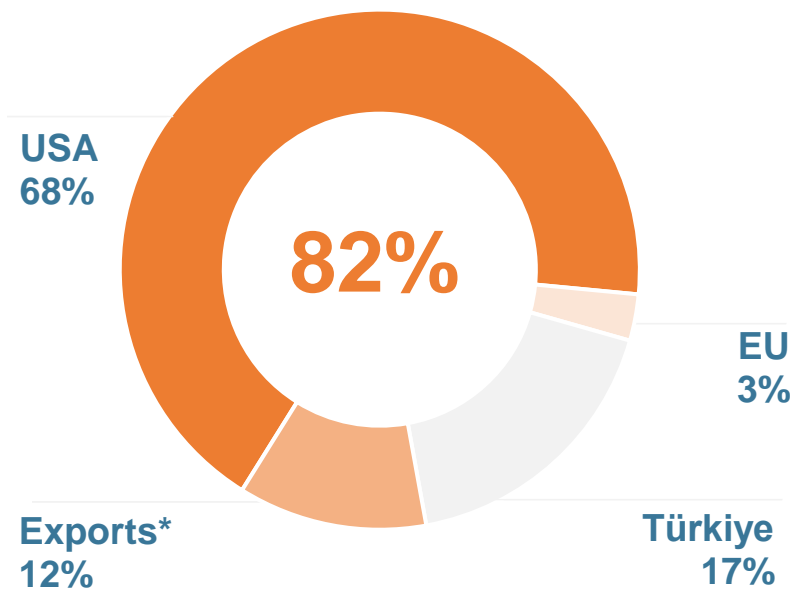


+ The rising prices in 2Q25, compared to 1Q25

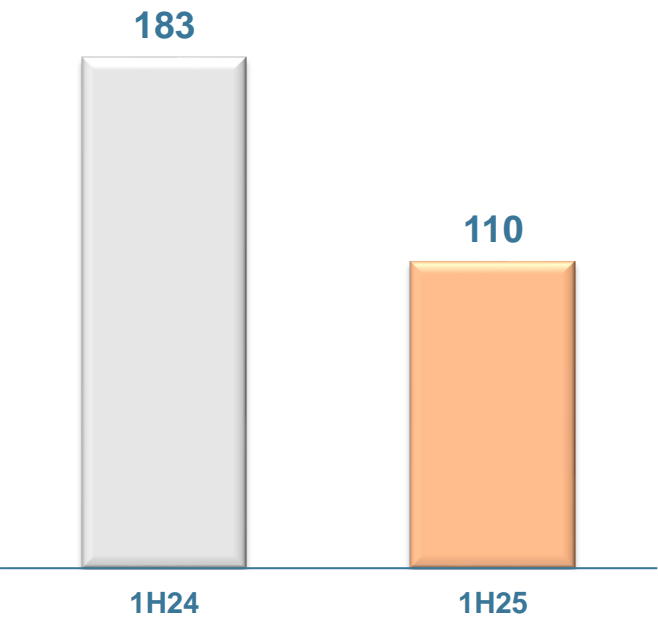


# REVENUE GENERATED FROM GLOBAL MARKETS MAINTAINS ITS STRONG MOMENTUM

REGIONAL BREAKDOWN 1Q25\* (%)



EXPORT REVENUES FROM TÜRKİYE (\$ mln)



As of 1H25, international markets accounted for 82% of total revenue. (1H24: 81%)

# GEMLİK CAMPUS IS TO BECOME A STRATEGIC HUB, INTEGRATING ALL OPERATIONS IN TURKIYE



	EXPECTED FINANCIAL IMPACT
Decrease in Working Capital Requirement	\$30 mln
Investment	\$29 mln
One-Off Expense	\$27 mln
EBITDA*	50 – 100 pps

\* Compared to 2024 consolidated figure

- **Need for alignment with changing macroeconomic and sectoral trends:**
  - Excess capacity in the global steel industry
  - Weak short-term demand and declining price trend
  - Intensifying price-driven competition in Türkiye
- **Single-location production strategy:**
  - Use of idle capacity
  - Optimization of production costs
  - Reduction in climate and environmental impact of production across three different locations
- **Investment process:**
  - **Location:** Machinery and equipment from the Istanbul Halkalı and Bursa Advanced Processing Centers will be relocated to the Bursa Gemlik Campus.
  - **Production:** The investment will be completed gradually, without any disruption to production, within 24 months (by 2027).
  - **Financing:** To be provided through internal resources and/or financing to be secured under favorable market conditions.
- **The Gemlik Campus will be positioned as an integrated, highly efficient, and strategic production hub:**
  - Strengthened coordination
  - Accelerated decision-making processes
  - Synergy in resource utilization
  - Increased capacity utilization
  - Focusing on high value-added products in production lines
  - Reduced emission levels

# SUMMARY INCOME STATEMENT (\$ MLN)

CONSOLIDATED (\$ mln)	1H25	1H24	Change (%)	2Q25	2Q24	Change (%)	1Q25
Revenue	774.6	940.7	(17.7%)	455.5	411.4	10.7	319.1
Gross Profit	63.9	86.7	(26.3%)	47.3	43.7	8.2%	16.6
Gross Profit Margin (%)	8.3%	9.2%	(0.9 pps)	10.4%	10.6%	(0.2 pps)	5.2%
Operational Expenses	(39.5)	(38.4)	2.9%	(19.8)	(20.0)	(1.2%)	(19.8)
OPEX Margin (%)	(5.1%)	(4.1%)	1.0 pps	(4.3%)	(4.9%)	0.6 pps	(6.2%)
Other	7.8	15.7	(50.4%)	(0.4)	4.0	(110.8%)	8.2
EBIT	32.2	64.0	(49.7%)	27.1	27.7	(1.9%)	5.1
EBIT Margin (%)	4.2%	6.8%	(2.6 pps)	6.0%	6.7%	(0.7 pps)	1.6%
Financial Expenses	(15.0)	(32.5)	(54.0%)	(3.0)	(16.4)	(81.9%)	(12.0)
Profit Before Tax	17.2	31.4	(45.2%)	24.2	11.3	113.9%	(6.9)
PBT Margin (%)	2.2%	3.3%	(1.1 pps)	5.3%	2.7%	(2.6 pps)	(2.2%)
Net Income	14.9	20.3	(26.4%)	22.8	8.4	170.1%	(7.9)
Net Income Margin (%)	1.9%	2.2%	(0.3 pps)	5.0%	2.1%	2.9 pps	(2.5%)
Amortization	24.2	20.9	15.7%	12.5	9.2	36.0%	11.6
Other	(2.9)	0.8	n.m.	(3.8)	2.4	n.m.	0.9
EBITDA*	53.5	85.7	(37.6%)	35.8	39.3	(8.7%)	17.6
EBITDA Margin (%)	6.9%	9.1%	(2.2 pps)	7.9%	9.5%	(1.6 pps)	5.5%

\* EBITDA is calculated including Net Operating Income, Income from Investment Activities and excluding Extraordinary Income (Expense).

## SUMMARY INCOME STATEMENT (TRY MLN)

CONSOLIDATED (TRY mln)*	1H25	1H24	Change (%)	2Q25	2Q24	Change (%)	1Q25
Revenue	29,173.9	29,646.1	1.6%	17,623.7	13,289.7	32.6%	11,550.2
Gross Profit	2,431.9	2,740.6	(11.3%)	1,830.4	1,412.1	29.6%	601.5
<i>Gross Profit Margin (%)</i>	8.3%	9.2%	(0.7 pps)	10.4%	10.6%	(0.2 pps)	5.2%
Operational Expenses	(1,479.1)	(1,214.1)	21.8%	(764.1)	(645.8)	18.3%	(715.0)
<i>OPEX Margin (%)</i>	(5.1%)	(4.1%)	1.0 pps	(4.3%)	(4.9%)	0.6 pps	(6.2%)
Other	280.4	489.7	(42.7%)	(16.5)	127.6	(112.9%)	296.9
EBIT	1,233.2	2,016.2	(38.8%)	1,049.8	893.9	17.4%	183.4
<i>EBIT Margin (%)</i>	4.2%	6.8%	(2.6 pps)	6.0%	6.7%	(0.7 pps)	1.6%
Financial Expenses	(549.2)	(1,028.8)	(46.6%)	(114.9)	(529.0)	(78.3%)	(434.3)
Profit Before Tax	684.0	987.4	(30.7%)	934.8	364.9	156.2%	(250.9)
<i>PBT Margin (%)</i>	2.3%	3.3%	(1.0 pps)	5.3%	2.7%	2.6 pps	(2.2%)
Net Income	597.9	639.6	(6.5%)	882.3	272.7	223.5%	(284.5)
<i>Net Income Margin (%)</i>	1.9%	2.2%	(0.3 pps)	5.0%	2.1%	2.9 pps	(2.5%)
Amortization	905.4	651.7	38.9%	484.6	291.5	66.2%	420.8
Other	(108.0)	25.5	n.m.	(143.3)	73.8	n.m.	34.1
EBITDA**	2,030.6	2,693.4	(24.6%)	1,391.1	1,259.2	10.5%	638.3
<i>EBITDA Margin (%)</i>	6.9%	9.1%	(2.2 pps)	7.9%	9.5%	(1.6 pps)	5.5%

\* EBITDA is calculated including Net Operating Income, Income from Investment Activities and excluding Extraordinary Income (Expense) and EBITDA margin is derived from the USD-based income statement.

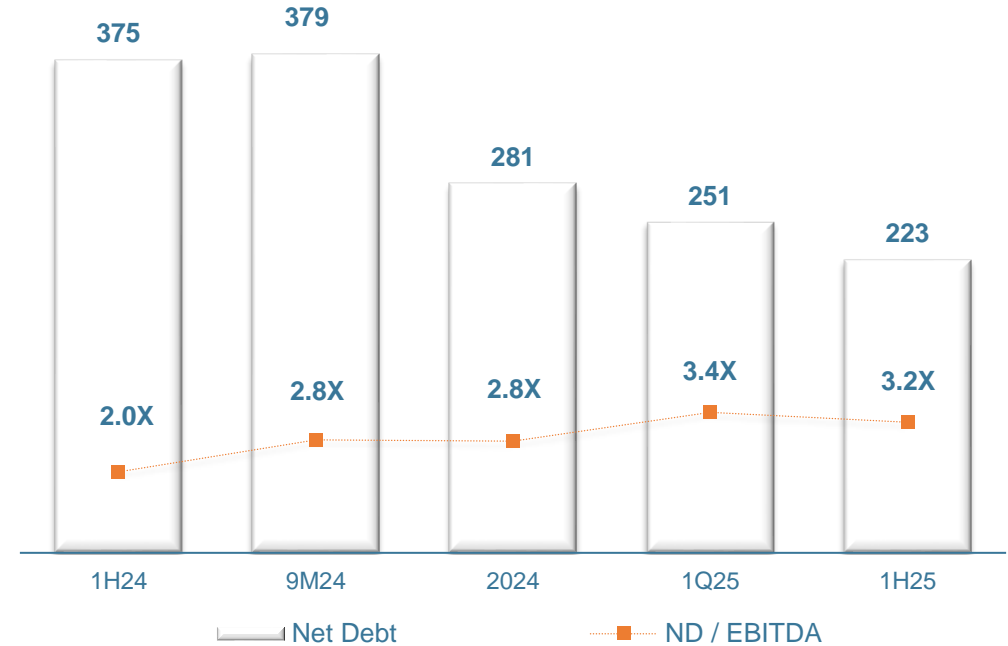
# SUMMARY BALANCE SHEET AND FX POSITION

## BALANCE SHEET

(\$ mln)	2Q25	1Q25	2024	2Q24
Cash and Cash Equivalents	126	109	67	58
Trade Receivables	238	210	149	180
Inventories	551	414	353	557
Current Assets	1,012	859	698	934
Non-Current Assets	881	871	874	838
<b>TOTAL ASSETS</b>	<b>1,893</b>	<b>1,730</b>	<b>1,571</b>	<b>1,772</b>
Short Term Borrowings	243	264	260	321
Trades Payables	302	242	159	182
Advances Received	241	143	56	139
Short Term Liabilities	845	697	539	704
Long Term Borrowings	106	97	87	112
Long Term Liabilities	182	189	179	201
Paid in Capital	69	69	69	69
Equity	867	844	853	868
<b>TOTAL LIABILITIES</b>	<b>1,893</b>	<b>1,730</b>	<b>1,571</b>	<b>1,772</b>

## NET FINANCIAL DEBT\*/EBITDA

(\$ mln)



(\$ mln)	2Q25	1Q25	2024	2Q24
Net Working Capital*	247	273	324	436
Net Financial Debt	223	251	281	375

\* Net Financial Debt/EBITDA ratios are calculated using EBITDA for the last twelve months.

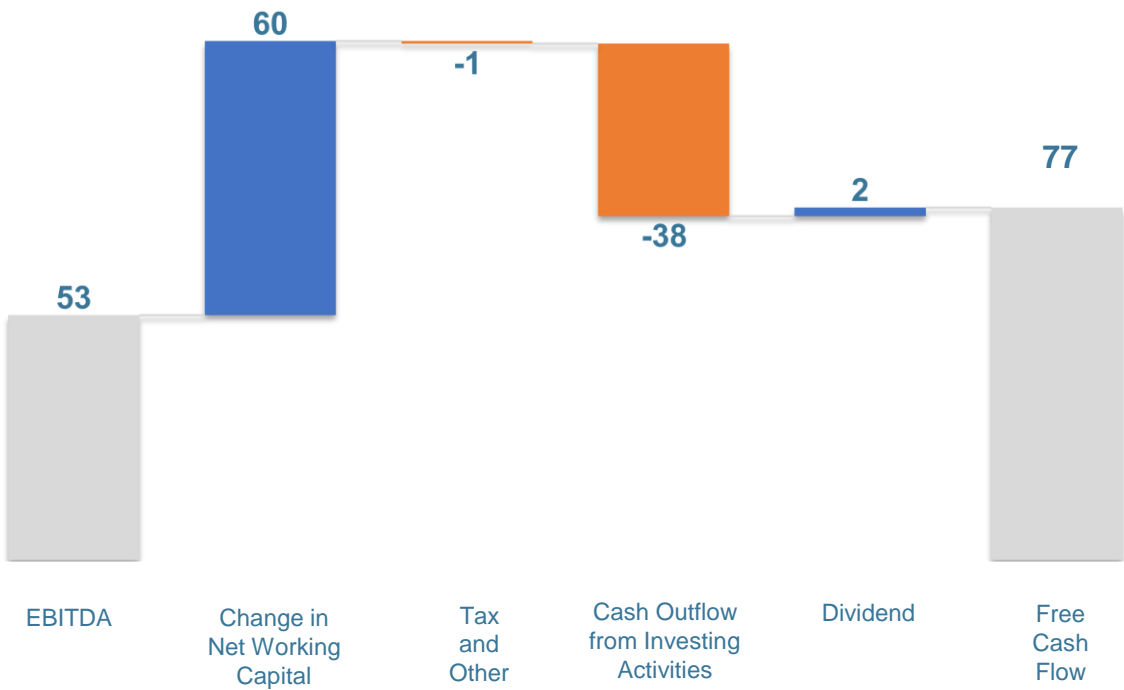
\*\* Net working capital is calculated including advances.



# 1H25 CASH FLOW

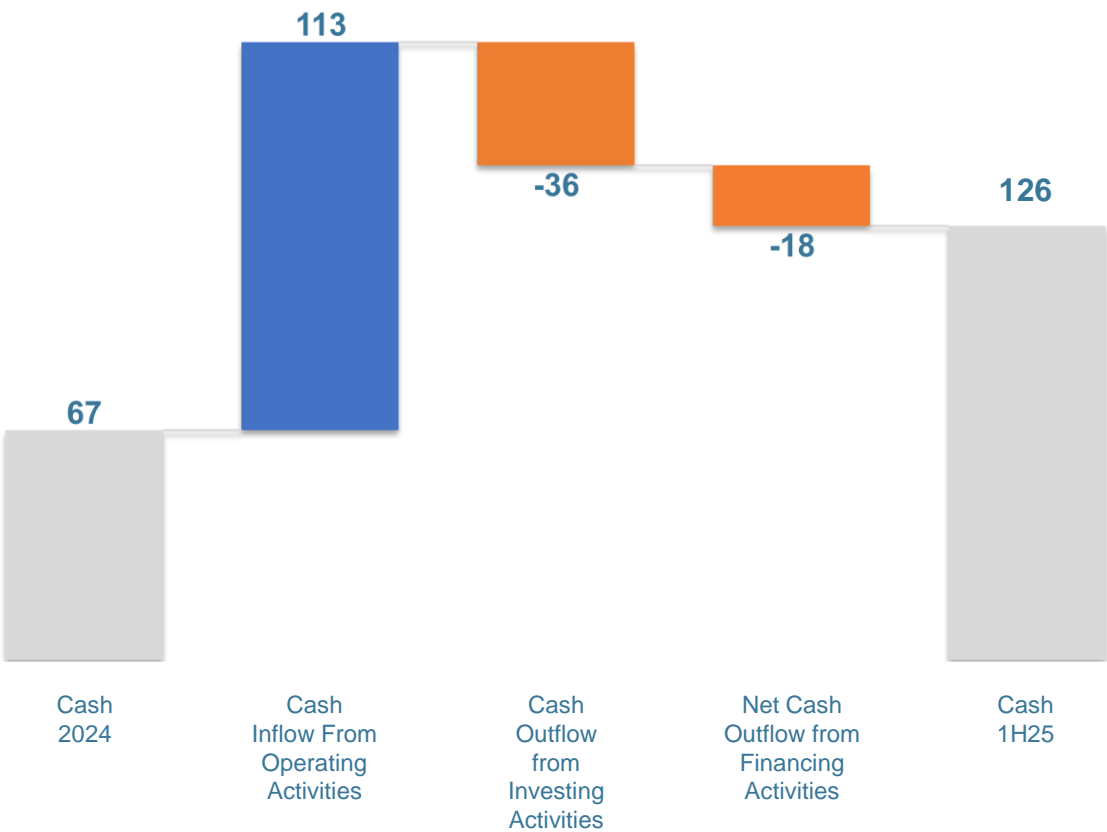
## FREE CASH FLOW

(\$ mln)



## CHANGE IN CASH

(\$ mln)



# 2025 PRIORITIES

## OPERATIONS AND FINANCIAL DISCIPLINE

### ➤ Issue:

- Challenging conditions and weak demand in the markets where we operate

### ➤ Impact:

- Profitability and cash flow pressured by declining revenues

### ➤ Focus Area:

- Continuing cost containment measures
- Managing working capital effectively
- Reducing leverage
- Prioritizing high capacity utilization and profitability in the Turkish market
- Restructuring the production infrastructure of Turkish operations

## TARIFF MEASURES PLANNED IN THE U.S. MARKET

### ➤ Issue:

- Ongoing negotiations regarding the trade tariffs intended to be implemented by the U.S.

### ➤ Impact:

- A potential restriction on imports could lead to higher prices and improved short-term profitability in the domestic market. However, the subsequent market reaction will be a key determinant of overall profitability.

### ➤ Focus Area:

- Closely monitoring how the tariffs will be implemented
- Achieving optimal capacity utilization to maximize profitability

## SUSTAINABILITY COMPLIANCE EFFORTS

### ➤ Issue:

- Deadline for the transitional phase of the Carbon Border Adjustment Mechanism (CBAM): January 1, 2026, marking the start of the EU's enforcement of carbon regulations on import processes.

### ➤ Impact:

- Potential financial liabilities that may arise if raw material emission levels remain high, if the EU deems decarbonization measures insufficient, or if equivalence is not achieved between international agreements and Emissions Trading Systems or carbon pricing mechanisms

### ➤ Focus Area:

- Accelerating ongoing compliance efforts

## 2025 GUIDANCE

	2020	2021	2022	2023	2024	1H25	2025 Guidance
<b>Sales Volume (mln tons)</b>	0.63	0.76	0.85	1.06	1.17	0.58	1.05 - 1.20
<b>Revenue (\$ billion)</b>	0.5	0.8	1.3	1.7	1.7	0.8	1.6 - 1.8
<b>EBITDA Margin (%)</b>	9.9%	9.8%	14.9%	18.2%	6.0%	6.9%	5% - 7%

- In 2Q25, financial results were in line with expectations, supported by improved profitability driven by the positive pricing environment - particularly in the U.S. market - and operational efficiency initiatives implemented across all plants.
- The positive trend is expected to continue in 3Q25.
- In 4Q25, the favorable pricing environment observed in OCTG products in the U.S. market is expected to normalize. In the U.S., the potential impact of possible changes in tariffs applied to steel product imports on operational profitability will be closely monitored. In Turkish operations, cost increases driven by inflation and exchange rate fluctuations are expected to continue to adversely affect the overall competitiveness of the sector in the coming period.
- At this stage, no revisions have been made to the year-end 2025 guidance.
- In line with its outlook for the remainder of the year, Borusan Boru expects to achieve a sales volume of between 1.05 and 1.20 million tons, revenue in the range of \$1.6 - 1.8 billion, and an EBITDA margin between 5% and 7% in 2025.
- Under normal circumstances, guidance is disclosed four times a year, in conjunction with quarterly financial disclosures.

# OUR TARGET: POSITIONING BBB 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
- **Strong customer satisfaction** thanks to customer and solution focused approach at the maximum
- **Preferred manufacturer by suppliers** due to value-added products, continuous growth and reliable partner approach
- **Wide product portfolio** continuously supported by new investments
- **Ranked 1. in Europe** in cold drawn pipes and **leading manufacturer in the USA** in welded steel pipe market
- **Balanced portfolio approach** with presence in geographies and segments having different dynamics


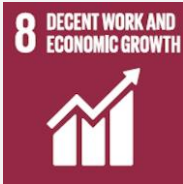









## FOCUS FOR TRANSFORMATION

- ESG oriented **cultural transformation**
- **Compliance studies on CBAM** (Carbon Border Adjustment)
- Digital transformation initiated with the **SAP** project
- Ongoing efforts to **maximize capacity** utilization and **optimize production costs**
- **Profitability oriented sustainable growth** in business lines and geographic regions
- **Generating value add with smart pipes**, enabling customer and product communication
- **Targeting new markets** with hydrogen, carbon capture and energy storage products

## STRATEGIC ACTIONS

- **Strategic investment decision in Türkiye's production infrastructure** for sustainable and profitable growth
- 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: Penetration in Tier 1 – Tier 2 customer segments in Europe with the **Service Center investment in Romania**
- Energy: Sustaining profitable revenue growth by weighing on **automation and robotics investment** in existing lines
- **Acquisition and mergers** options with a focus on efficiency

# OUR ENVIRONMENT, SOCIAL, GOVERNANCE (ESG) ORIENTED ACTIONS

	PRIORITIES	RELATED KPI'S	RELATED SDG
HUMAN	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Social Contribution</li> <li>Effective People Management</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in Frequency and Weight of Accident</li> <li>Female Employee Rate</li> <li>Employee Loyalty</li> <li>Talent Retention Rate</li> </ul>	  
CLIMATE	<ul style="list-style-type: none"> <li>Waste Management</li> <li>Circular Economy</li> <li>Combating Climate Crisis</li> <li>Transition to Zero Carbon Economy</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of Scope 1 and 2 Emission</li> <li>Reduction of Waste</li> <li>Reduction of Water Consumption</li> <li>Increase of Recycled Water</li> </ul>	  
GOVERNANCE	<ul style="list-style-type: none"> <li>Sustainability in Supply Chain</li> <li>Effective Risk ve Crisis Management</li> <li>Excellence in Customer Relations</li> <li>Adopting Innovative Business Models</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Corporate Governance Principles</li> <li>All Sustainability KPI's</li> <li>Green Purchase at Supply Chain</li> </ul>	  
INNOVATION	<ul style="list-style-type: none"> <li>New Product and Innovation</li> <li>Digital Transformation</li> <li>Artificial Intelligence</li> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Revenue Generated from Innovative Business Models</li> <li>Implementation of Circular Business Model (Product or Service)</li> </ul>	 





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