

Çimsa Çimento

Q1 2025 Financial Results

Bulletin

29 April 2025

Çimsa increased its net sales by 21% y/y in 1Q25 to TRY 8,905 million, while its EBITDA rose by 37% to TRY 1,094 million. The EBITDA margin also improved by 1.4 pp y/y, reaching 12%.

According to the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (KGK) on November 23, 2023, and the publication of 'Practice Guide on Financial Reporting in Hyperinflationary Economies', Çimsa prepared its financial statements for March 31, 2025, applying the TAS 29 Financial Reporting in Hyperinflationary Economies' Standard. The comparative amounts in the aforementioned financial statements and previous periods have been adjusted for the changes in the purchasing power of the Turkish Lira in accordance with TAS 29, and ultimately expressed in terms of the purchasing power of the Turkish Lira as of March 31, 2025.

All the information regarding Q1 2025 and comparative periods include business combination effects and inflation accounting effects.

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This document should be evaluated in conjunction with the consolidated financial statements available on the Çimsa Çimento A.Ş. Investor Relations website and the Public Disclosure Platform (KAP).

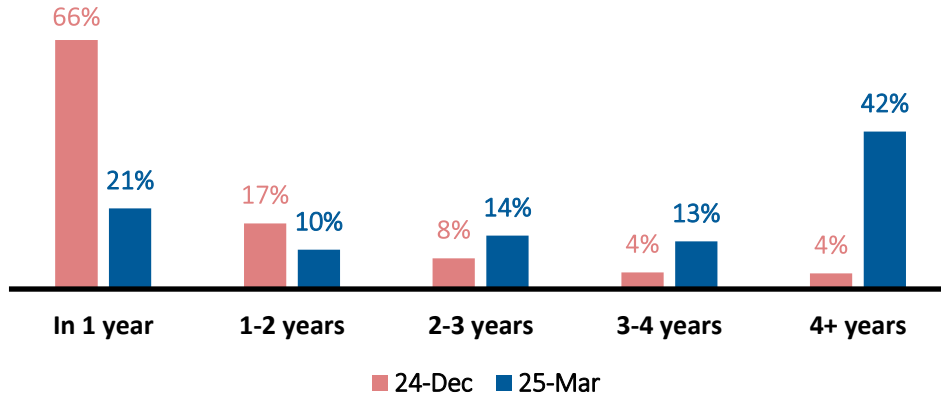
Developments on Financials and Operations:

- According to sectoral data released by TCMA, cement consumption in Türkiye increased by 9% y/y in 2024, and further rose by 15% y/y in January 2025. Meanwhile, based on data from the Central Anatolia Exporters Association, Türkiye's cement and clinker exports contracted by 3.4% y/y in 2024 but grew by 6.1% y/y in the first quarter of 2025.
- Çimsa maintained high capacity utilization in 1Q25 and increased its consolidated sales volumes by 1.4% y/y organically, supported by 1% volume growth in Türkiye and 2% volume growth in international markets. Including Mannok's sales volumes, consolidated sales volumes were up by 15% y/y inorganically.
- Consolidated net sales were up by 21% y/y in 1Q25 and reached to TRY8.9bn, thanks to organic volume growth and Mannok's contribution. The further growth of net sales was constrained by the fact that Turkish Lira depreciation remaining below the rate of inflation, thereby limiting the contribution from exports and international operations.
- Çimsa achieved a consolidated EBITDA of TRY 1,094 million in the first quarter of 2025, representing a 37% y/y increase. Consequently, consolidated EBITDA margin expanded by 1.4 pp compared to the same period of the previous year, reaching 12.3%.
- Despite having almost 90% higher debt stock in its balance sheet as of March, 2025 compared to a year ago, Çimsa have been able to maintain solid financial management and recorded only 14% y/y higher net financial expenses in 1Q25.
- Çimsa reported a consolidated net profit of TRY 345 million in 1Q25. The 37% annual decline in net profit was primarily attributable to a negative impact of TRY 681 million resulting from the price movement of SAHOL shares. Adjusting for this impact in both 1Q24 and 1Q25 figures, net income increased by 411% y/y to TRY 1,027 million.
- As of March 2025, consolidated net debt stood at TRY 17,244 million and the leverage ratio was 2.69x. The short-term bridge loan utilized for the acquisition of Mannok last year was restructured through project financing in February 2025, resulting in an extended debt maturity profile compared to the end of 2024.

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Investments and Strategic Developments:

- The installation of Solar Power Plant (SPP) at our Eskişehir Plant with an installed capacity of 14,2 MWp DC which will produce approximately 19 million kWh of electricity annually is completed and commissioned as of March 2025. In addition to reducing the energy costs of our Eskişehir plant, the commissioned SPP will also contribute positively to the carbon emission reduction targets committed under the Science Based Targets initiative (SBTi). With the commissioning of the investment, the electricity to be generated from SPP is expected to meet 14% of the total annual electricity consumption of the Eskişehir Plant.
- Çimsa distributed a gross dividend of TRY600 million in April 2025.

Summary of Financial Results - Restated due to Inflation Accounting

Çimsa Çimento Financial Results	1Q 2025	1Q 2024	Change 1Q%
Revenue	8,905	7,352	21%
Gross Profit (MTL)	1,374	979	40%
Gross Profit %	15%	13%	2.12pp
Operating Profit (MTL) (excluding other income /expenses)	344	266	29%
Operating Profit (%)	4%	4%	0.24pp
Operating Profit (MTL) (including other income /expenses)	676	498	36%
Operating Profit (%)	8%	7%	0.82pp
Depreciation (MTL)	750	532	41%
EBITDA (MTL) (excluding other income /expenses)	1,094	799	37%
EBITDA %	12.3%	10.9%	1.42pp
EBITDA (MTL) (including other income /expenses)	1,426	1,030	38%
EBITDA %	16%	14%	2.01pp
Income from Investing Activities (MTL)	(581)	348	-267%
Net Profit (MTL)	345	547	-37%
Net Profit %	4%	7%	-3.57pp

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