

YÜKSELEN



FINANCIAL RESULT BULLETIN

 2023 / Q1

Q1 2023 – Summary Financials



TRY 20.6 million Net Profit



TRY 32.5 million EBITDA



TRY 328.0 million Revenues



11% Export Revenues Share in Total Sales Revenues



31% Growth in Export



11,658 tons of Real Tonnage

2023-2022 / Quarterly Comparison

(Milyon TL)	Q1 2023	Q1 2022
Revenue	328.0	375.7
EBITDA	32.5	80.8
EBITDA Margin	9.9%	21.5%
Gross Profit	51.9	92.5
Gross Profit Margin	15.8%	24.6%
Net Profit	20.6	51.5
Net Profit Margin	6.3%	13.7%
Equity	432.9	412.3

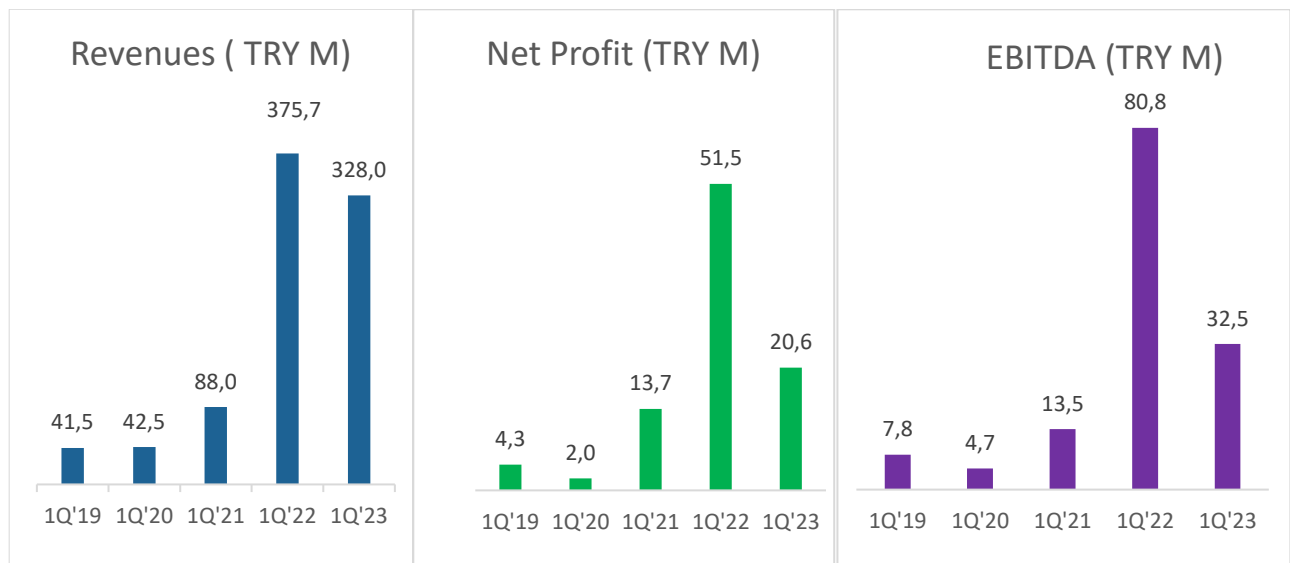
1) Q1 2023 Overview

In the first quarter of 2023, there has been a significant contraction both in the demand and production figures in the steel industry. Turkey's crude steel production decreased by 21.5% to 7.4 million tons during the first quarter of 2023, compared to the same period of the previous year. Demand contraction in the steel industry put downward pressure on steel prices. Due to this downward trend in steel prices, our sales prices, sales revenues, and profit margins declined. In addition, our raw material inventories and financing expenses have increased due to demand decrease. Despite all these developments, no loss incurred in the first quarter of 2023 and net income maintained. The high inflation economy existing in our country increased our costs during this period and had a negative impact on our profitability as well as increased our financing costs

because of high interest rates. Finally, investment activities decelerated in steel consuming sectors due to the election year. While there is a possibility of a similar tendency during the second quarter of the year, a remarkable price and demand increase may be observed in the steel industry following the general elections.

2) Sales Revenues, EBITDA & Net Profit

- In the first quarter of 2023, our Company registered Sales Revenues of TRY 328.0 million, which was TRY 375.7 million in the first quarter of 2022.
- In the first quarter of 2023, our Company recorded EBITDA of TRY 32.5 million, which was TRY 80.8 million in the first quarter of 2022.
- The EBITDA margin, which was 21.5% in the first quarter of 2022 was 9.9% in the first quarter of 2023.
- In the first quarter of 2023, our Company registered Net Income of TRY 20.6 million, which was TRY 51.5 million in the first quarter of 2022.
- The Net Income margin, which was 13.7% in the first quarter of 2022 was 6.3% in the first quarter of 2023.



3) Dividend Payment (October 17th, 2023)

As per our Company's Board of Directors resolution dated March 10th, 2023, TRY 12.5 million gross dividend payment, from the net distributable income, will be voted by our shareholders at the Ordinary General Assembly Meeting for the year 2022 to be held on May 12th, 2023.

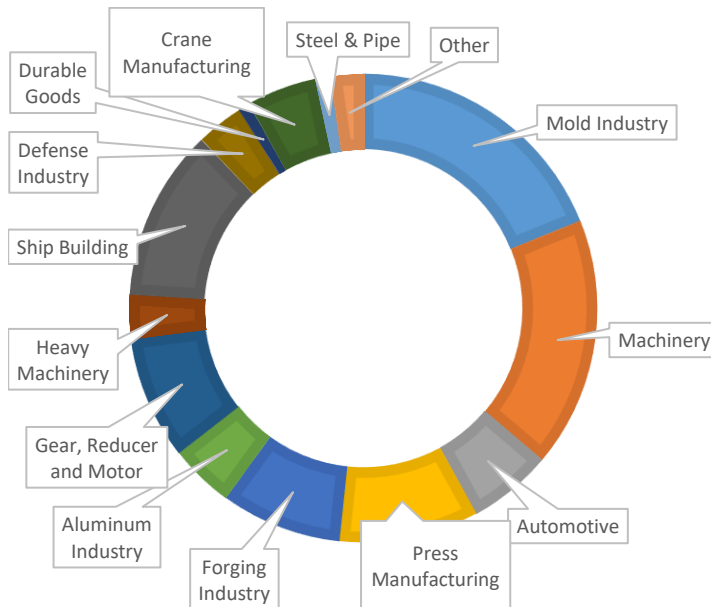
If approved by the general assembly, the gross dividend payment amounting TRY 12.5 million, with an exercise date of October 17th, 2023, will be paid to our shareholders in cash on October 19th, 2023.

4) Trade Receivables Collection & Trade Payables Payment Periods

While the trade receivables collection period of our company was 148 days on average in the first quarter of 2023, our Trade Payables payment period was 49 days on average in the same period.

5) Revenue Breakdown by Sector and Product Group

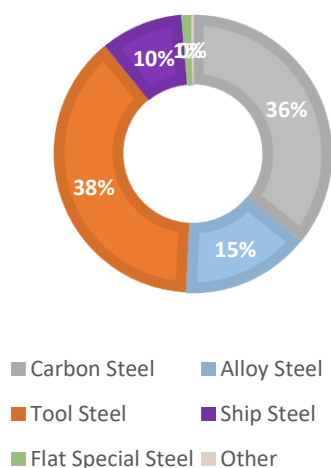
a) Revenue Breakdown by Sector



Sector	Revenue Share
Mold Industry	25.50%
Machinery	13.10%
Automotive	11.10%
Ship Building	9.60%
Gear, Reducer and Motor	8.80%
Press Manufacturing	7.40%
Forging Industry	6.90%
Crane Manufacturing	4.80%
Defense Industry	4.30%
Aluminum Industry	3.70%
Heavy Machinery	2.30%
Durable Goods	1.80%
Steel & Pipe	0.80%
Other	0.10%

b) Revenue Breakdown by Product

Q1 2023 Revenue Breakdown by Product Group



Product Group	Revenue Share
Tool Steel	38.3%
Carbon Steel	35.8%
Alloy Steel	15.0%
Ship Steel	9.6%
Flat Special Steel	1.1%
Other	0.2%

6) 2023 Overview

The contraction trend that existed in the Iron and Steel industry during 2022 continued at the beginning of 2023. Turkey's crude steel production decreased by 21.5% to 7.4 million tons, as of March 2023 compared to the same period of the last year.

Despite the contraction in steel production in our country and in the world, our Company recorded 5% tonnage increase in 2022 year-on-year and differentiated positively in the steel industry.

In 2023, our company does not differentiate positively in terms of tonnage, and in line with our company policy decision taken by the end of 2022, tonnage increase is not expected compared to the previous year, based on our strategy to partly exit from the product groups with low added value. In addition, by considering the election in 2023, the ongoing contraction in the steel sector as well as the existing inflation economy which results in increase in energy, labor and other costs; we are striving for maintaining our profitability without any loss and keeping our market share rather than sales revenues growth.