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# Akçansa Çimento San. Tic. A.Ş.

## Q2 2023 Financial Results

### Earnings Release

7 August 2023

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**Akçansa increased its revenues by 62% in the second quarter of 2023 and by 94% for the first half of 2023 compared to the same period of the previous year, reaching TL 3.3 billion and TL 6.4 billion, respectively.**

Akçansa's sales revenues reached TL 3.316 million in the second quarter of 2023, while EBITDA reached TL 977 million compared to TL 381 million in the same quarter of the previous year, increased to TL 977 million.

In the second quarter of 2023, Akçansa managed to increase its net profit in the second quarter of 2023 and in the first half of 2023 to TL 884.7 million and 1,556.9 million respectively. In addition to improvement in operating profitability, effective financial management also contributed to the increase in net profitability.

Vecih Yılmaz, General Manager of Akçansa Cement, stated that Akçansa continued to work to meet the demand in the domestic market in the first half and realized approximately 80% of the total sales in the domestic market. In addition, he emphasized that the effective management of costs has a positive impact on Akçansa's financial results. On the other hand, regarding the fight against the global climate crisis, the effects of which are felt more and more every day he also stated "By participating in the Science-Based Goals Initiative, which is one of the most important steps supporting sustainability goals, Akçansa has committed to set an emission reduction target in line with the 1.5 °C global warming scenario proposed by the Paris Agreement."

#### Financial Highlights:

- Total sales increased by 62% in the second quarter of 2023 and by 94% for the first half of 2023 compared to the same period of the previous year, reaching TL 3,316 million and TL 6,358 million, respectively. Domestic sales accounted for 77% of total sales in Turkish Lira in the second quarter of 2023, driven by strong domestic demand.
- EBITDA increased by 157% in the second quarter and by 202% for the first half of 2023 compared to the same period of the previous year, reaching TL 977.2 million and TL 1,623.3 million, respectively.
- Net profit increased by 284% in the second quarter of the year and by 367% for the first half of the year compared to the same period of the previous year, reaching TL 884.7 million and TL 1,556.9 million respectively.
  - *The strong improvement in cash flow from operations, which resulted in a decline in net debt was one of major reasons behind TL 106.9 million improvement in net financial income. (2022 2<sup>nd</sup> quarter: 36.0 million TL net financing expense)*

- In the second quarter of 2023, dividend income of 36.9 million TL was obtained from the subsidiaries. (Last year, 18 million TL dividend income was obtained in the first quarter of 2022.)
- There was a positive impact of 90 million TL on the net profit, that resulted from deferred tax income generated by the revaluation of the Company's assets within the scope of the law numbered 213 in the second quarter of this year.
- This non-cash, positive effect on net profit will be impaired if hyper-inflation accounting is adopted in the TFRS financial statements as the deferred tax asset recorded will be expensed.

#### Strategic Highlights:

- Strong domestic demand in Akçansa's main markets enabled the share of domestic sales volume in volume basis, increase to around 65% in the second quarter of 2023 which was 57% in the same period of last year.
- As the result of steadily increase in its performance, Akçansa was included in the BIST 100 Index as of July, after the evaluation made by Borsa Istanbul.
- Within the scope of Akçansa's sustainability efforts:
  - As of April 7<sup>th</sup>, 2023, Akçansa signed the SBTi (Science Based Targets Initiative) commitment letter to set a science-based emission reduction target, reducing emissions in line with the 1.5 °C global warming scenario proposed by the Paris Agreement.
  - In addition, Akçansa introduced its sustainable product initiative, in which Akçansa pursued an important responsibility to develop new products with low clinker and carbon content by using alternative raw materials.

Akçansa Cimento Financial Results	6M 2023	6M 2022	Q2 2023	Q2 2022	Change 6M	Change Q2
Gross Profit (MTL)	1,765.9	568.9	1,066.0	398.9	210%	167%
Gross profit (%)	27.8%	17.3%	32.1%	19.5%	10.5%	12.6%
Operating profit (MTL) (excl. other inc./exp.)	1,537.2	478.0	932.7	350.1	222%	166%
Operating profit (%)	24.2%	14.6%	28.1%	17.1%	9.6%	11.0%
Operating profit (MTL) (incl. other inc./exp.)	1,456.7	430.2	835.2	325.0	239%	157%
Operating profit (%)	22.9%	13.1%	25.2%	15.9%	9.8%	9.3%
Depreciation (MTL)	86.2	60.0	44.5	30.7	44%	45%
EBITDA (MTL) (excl. other inc./exp.)	1,623.3	538.0	977.2	380.8	202%	157%
EBITDA (%)	25.5%	16.4%	29.5%	18.6%	9.2%	10.8%
EBITDA (MTL) (incl. other inc./exp.)	1,542.8	490.2	879.7	355.6	215%	147%
EBITDA (%)	24.3%	14.9%	26.5%	17.4%	9.3%	9.1%
Net profit (MTL)	1,556.9	333.7	884.7	230.6	367%	284%
Net profit (%)	24.5%	10.2%	26.7%	11.3%	14.3%	15.4%

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