
Akçansa Çimento San.ve Tic. A.Ş.

Q3 2023 Financial Results

Earnings Release

24 October 2023

Akçansa increased its revenues in the third quarter of 2023 and for the first nine months of 2023, TL 4.3 billion and TL 10.6 billion, respectively.

Akçansa's sales revenues reached TL 4,290 million in the third quarter of 2023, while EBITDA reached TL 1,205 million compared to TL 407 million in the same quarter of the previous year.

Akçansa managed to increase its net profit in the third quarter of 2023 and in the first nine months of 2023 to TL 1,310 million and TL 2,867 million respectively. In addition to improvement in operating profitability, effective financial management also contributed to the increase in net profitability.

Vecih Yılmaz, Akçansa Cement General Manager stated that in addition to strong operational and financial results achieved in this period, Akçansa has steadily increased its sustainability performance by focusing on producing sustainable products, using alternative resources, developing innovative technologies and providing social benefit. He also stated that as a result of the evaluation made by the international sustainability rating company Refinitiv, we increased our environmental, social and governance (ESG) performance score to 88, thus we are ranked as the second globally in the field of construction materials.

Financial Highlights:

- In the third quarter and for the first nine months of 2023, total sales reached to TL 4,290 million and TL 10,648 million, respectively. Domestic sales accounted for 77% of total sales in Turkish Lira in the third quarter of 2023, driven by strong domestic demand.
- In the third quarter and for the first nine months of 2023, EBITDA increased to TL 1,205 million and TL 2,748 million, respectively.
- In the third quarter and for the first nine months of 2023, net profit increased to TL 1,310 million and TL 2,867 million respectively.
 - *In the third quarter of 2023, net financial income was obtained with the contribution of strong operational cash flow, as in the second quarter of the same year. (2023 3rd quarter: TL 37.0 million net financial income, 2022 3rd quarter: TL 72.6 million net financial expense)*
 - *There was a positive impact of TL 212 million 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 third 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 67% in the first nine months of 2023 which was 57% in the same period of last year. In the first nine months of 2023, ready-mixed concrete sales volume increased by 10% compared to the same period of the previous year.
- As the result of steadily increase in its performance, Akçansa was included in the BIST Participation 50 Index as of October, after the evaluation made by Borsa Istanbul.
- Within the scope of Akçansa's sustainability efforts:
 - As a result of the evaluation made by the international sustainability rating company Refinitiv, it increased its environmental, social and governance (ESG) performance score to 88. With this score, it rose to 2nd place among 119 companies in the construction materials segment.
 - Akçansa won two awards at the International ARC Awards with its first integrated annual report.

Akçansa Cimento Financial Results	9M 2023	9M 2022	Q3 2023	Q3 2022	Change 9M	Change Q3
Gross Profit (MTL)	3,109.3	990.0	1,343.4	421.1	214,1%	219,0%
Gross profit (%)	29.2%	16.9%	31.3%	16.3%	12,3%	15,0%
Operating profit (MTL) (excl. other inc./exp.)	2,734.3	839.5	1,197.2	361.5	225,7%	231,2%
Operating profit (%)	25.7%	14.3%	27.9%	14.0%	11,4%	13,9%
Operating profit (MTL) (incl. other inc./exp.)	2,613.3	804.6	1,156.6	374.4	224,8%	208,9%
Operating profit (%)	24.5%	13.7%	27.0%	14.5%	10,8%	12,5%
Depreciation (MTL)	134.6	92.1	48.4	32.1	46,1%	50,6%
EBITDA (MTL) (excl. other inc./exp.)	2,868.9	931.6	1,245.6	393.6	208,0%	216,4%
EBITDA (%)	26.9%	15.9%	29.0%	15.2%	11,0%	13,8%
EBITDA (MTL) (incl. other inc./exp.)	2,747.9	896.8	1,205.0	406.5	206,4%	196,4%
EBITDA (%)	25,8%	15,3%	28,1%	15,7%	10,5%	12,4%
Net profit (MTL)	2,867.0	1,159.1	1,310.1	825.4	147,3%	58,7%
Net profit (%)	26.9%	19.7%	30.5%	31.9%	7,2%	-1,4%

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