

# Çimsa Çimento

## 2024 Financial Results

### Bulletin

27 February 2025

Çimsa posted TRY28,151 million revenue in 2024 and increased its EBITDA margin by 2pp y/y to 20% excluding one-off impacts.

*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 December 31, 2024, 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 December 31, 2024.*

*In the Company's 2024 results, the financial results of Mannok, whose acquisition by Çimsa Sabancı Building Solutions was completed in October, have been fully consolidated. The opening balance sheet subject to consolidation was prepared as of October 1, 2024, and the income statement reflects the impact of the acquisition for a three-month period.*

*All the information regarding 2024 and comparative periods include business combination effects and inflation accounting effects.*

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## Developments on Financials and Operations:

- According to sectoral data released by TCMA, Türkiye's cement consumption increased 10% y/y in the first eleven months of 2024 on a cumulative basis, while exports fell by 5% in the same period.
- Çimsa maintained high capacity utilization in 2024 and increased its sales volume by 3.3% y/y. Nevertheless, due to the fact that TRY depreciation remaining below inflation, contribution of exports and international operations were limited and Çimsa delivered TRY28,151 million consolidated revenue in 2024.
- In 2024, excluding one-off effects, Çimsa recorded a consolidated EBITDA of TRY 5.6 billion with an EBITDA margin of 20%, which is 2 percentage points higher than the previous year, thanks to increased sales volume in its Türkiye operations, easeness in the prices of key cost items and efficiency initiatives at its facilities.
- Thanks to its strong balance sheet management, Çimsa recorded approximately TRY764 million lower net financial expenses in 2024 (including FX and interest impacts), compared to 2023.
- Çimsa's consolidated net profit for 2024, excluding one-off effects, was TRY 3.5 billion.
- As of the end of 2024, consolidated net debt stood at TRY 13,223 million, impacted by the financing of the Mannok acquisition, while the leverage ratio was 2.38x. Considering Mannok's full-year EBITDA contribution, the leverage ratio stands at 1.81x.
- From the acquisition date until the end of the relevant reporting period, Mannok contributed €73.4 million to the Company's consolidated revenue, €13.9 million to EBITDA, and €7.9 million to net profit. (Had Mannok been included in the scope of consolidation as of January 1, 2024, its contribution to the Group's consolidated revenue, EBITDA, and net profit, excluding one-off expenses, would have been €299.1 million, €60.4 million, and €38.5 million, respectively.)

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## Investments and Strategic Developments:

- With the closing transaction on October 2, 2024, effective as of October 1, 2024, 94.7% of the issued share capital of Mannok Holdings Designated Activity Company (Mannok) was acquired, granting control over Mannok, which qualifies as a business under IFRS 3 Business Combinations Standard. In line with Çimsa's strategy to grow in sustainable building materials markets, the acquisition of Mannok, headquartered in the Republic of Ireland, Mannok engages in the production and sale of cement, downstream cement products (such as roof tiles and precast concrete), insulation materials, and recycled plastic packaging products, serves the purposes of sustaining growth in existing businesses and creating joint synergies by entering new business lines, as well as increasing the share of foreign currency denominated revenues.
- In line with our Company's strategy to grow in the sustainable building materials sector and expand the capacity of value-added products, our Board of Directors decided to increase the capacity of the CAC (Calcium Aluminate Cement) at our Mersin plant with a budget of USD 31,750,000 and to submit applications for the necessary permits and to commence the investment in the fourth quarter of 2024. This investment, aimed at serving our value-added growth strategy by further strengthening our strong global position in the CAC business, is expected to be completed by the first half of 2026.
- Our company signed a green loan agreement with International Finance Corporation ("IFC"), on 1 November 2024 for a total of 70 million USD with a 5-year maturity, including a 2-year grace period for principal repayment. The proceeds from the green loan will be used to finance renewable energy, alternative fuels, alternative raw materials, product transformation and other efficiency investments at our Mersin, Eskişehir and Afyon plants.

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## Summary of Financial Results - Restated due to Inflation Accounting and Business Combination:

Çimsa Çimento Financial Results	YE 2024	YE 2023	Change %
Revenue	28,151	29,604	-5%
Gross Profit (MTL)	6,044	5,818	4%
Gross Profit %	21%	20%	1.82pp
Gross Profit (MTL) - excluding depreciation	7,695	6,857	12%
Gross Profit %	27%	23%	4.17pp
Operating Profit (MTL) (excluding other income /expenses)	3,127	3,640	-14%
Operating Profit (%)	11%	12%	-1.19pp
Operating Profit (MTL) (including other income /expenses)	3,547	4,858	-27%
Operating Profit (%)	13%	16%	-3.81pp
Depreciation (MTL)	1,959	1,647	19%
One-off Expenses(MTL)	(474)	0	n.m
EBITDA (MTL) (excluding other income /expenses)*	5,560	5,287	5%
EBITDA %	20%	18%	1.89pp
Income from Investing Activities (MTL)	187	600	-69%
Net Profit (MTL)	3,054	4,445	-31%
Net Profit %	11%	15%	-4.16pp
Net Profit (MTL)-excluding one-off impacts	3,490	4,445	-21%
Net Profit %	12%	15%	-2.62pp
One-off Expenses (MTL) - EBITDA	(474)	0	n.m
One-off Expenses (MTL) - Net Profit	(436)	0	n.m

\*excluding one-off impacts

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