
Akçansa Çimento San. Tic. A.Ş.

Q1 2025 Financial Results

Earnings Release

29 April 2025

Akçansa partially mitigated the impact of the market headwinds and inflationary pressures through disciplined financial management and favorable energy prices

This Bulletin regarding the financial results of the first quarter of 2025 is based on the inflation-adjusted financial data of our Company, which applies Turkish Accounting/Financial Reporting Standards in accordance with the Capital Markets Board's Decision dated 2023, December 28 in accordance with the provisions of TAS 29.

According to the financial results prepared in this context, Akçansa's sales revenue and EBITDA totaled TL 4.3 billion and TL 186.3 million, respectively, in the first quarter of 2025.

Akçansa CEO Vecih Yılmaz shared the following in his general assessment: *"We maintained our commitment to a sustainable future for our country by continuing to leverage our integrated production system, effective operational business network, and focus on business excellence. Despite facing sluggish markets and adverse weather conditions resulting in a decline in volumes for cementitious materials and ready-mix concrete, Akçansa partially mitigated the volume decline within a challenging pricing environment with lower energy expenses and disciplined financial management. Inflation-related cost pressures posed challenges; however operational measures such as efficient fixed asset management and reduced rediscount expenses, supported Akçansa's overall financial performance and contributed to its strong balance sheet. Akçansa anticipates a gradual normalization in the upcoming periods."*

Financial Highlights, 1Q25:

- Sales revenue totaled TL 4.3 billion.
 - Weather disruptions, Eid break and subdued demand in Akçansa's core regions resulted in decline in volumes YoY.
 - Cementitious materials and Ready-Mix Concrete (RMC) volumes dropped by 14% and 29%, respectively.
- EBITDA amounted to 186.3 million TL, while a net loss of 176.9 million TL was recorded.
 - Market headwinds, including inflation-driven cost increases, weighed on EBITDA performance.
 - Domestic pricing pressure and labor cost increases, driven by 44% inflation, led to a negative price-over-cost development.
 - However, lower energy expenses YoY partially offset the decline in gross margin.
- Despite the EBITDA decline, disciplined financial management helped to limit the impact on net income. CPI-driven inflation accounting implementation increased the value of fixed assets, leading to higher depreciation expenses, assuming unchanged asset lifetime.
- Lower rediscount expenses and calendarization of donations supported other income and expense.
- Net financial expense in 1Q24 turned into net financial income in 1Q25, driven by stronger returns from investment funds and TL/FX deposits, supporting the net income.
- Corporate income tax expense was 42.8 million TL lower YoY.
- As a result of effective working capital management, Trade Working Capital to Sales ratio was realized around 8.4%, outperforming the previous year's performance despite the current inflationary market conditions. (1Q24: 9.2%)
- Akçansa maintained its net cash position despite a total dividend payment of 1.2 billion TL at the end of 1Q25.

Strategic Highlights:

- As of January 2025, the increased construction activity in the earthquake-affected regions had a positive impact on total domestic demand despite 3.9% decline in Akçansa's core regions (Marmara, Aegean, and Black Sea). Cement exports were down by 4.2% YoY in March, but clinker exports were up by 39% overall in Turkey. Increase in clinker exports were mainly driven by higher demand in Italy and West African countries e.g. Ivory Coast and Cameroon. As a result, total cementitious exports increased by %7 in 1Q25 YoY.
- On March 24-26, 2025, a total dividend of 1.2 billion TL was distributed in cash from the 2024 profit.
- As of April 2025, Akçansa ranked first among 129 international construction materials companies with a score of 88 in the environmental, social, and governance (ESG) assessment conducted by the international sustainability rating agency LSEG (formerly Refinitiv).
- Akçansa 2024 Integrated Annual Report has been prepared in accordance with the Turkish Sustainability Reporting Standards (TSRS S1–S2) and has received independent assurance audit. The report is also compliant with GRI standards and observes compliance with the European Sustainability Reporting Standards.

Akçansa Çimento Financial Results (*)	1Q 2025	1Q 2024	Change
Gross Profit (MTL)	177,6	599,5	-70,4%
Gross profit (%)	4,1%	10,0%	-5,9%
Operating profit (MTL) (excl. other inc./exp.)	-170,7	306,1	-155,8%
Operating profit (%)	-4,0%	5,1%	-9,1%
Operating profit (MTL) (incl. other inc./exp.)	-215,9	178,2	-221,2%
Operating profit (%)	-5,0%	3,0%	-8,0%
Depreciation (MTL)	357,0	342,6	4,2%
EBITDA (MTL) (excl. other inc./exp.)	186,3	648,6	-71,3%
EBITDA (%)	4,3%	10,8%	-6,5%
EBITDA (MTL) (incl. other inc./exp.)	141,0	520,7	-72,9%
EBITDA (%)	3,3%	8,7%	-5,4%
Net profit (MTL)	-176,9	2,2	-8096,6%
Net profit (%)	-4,1%	12,7%	-16,8%

(*) Figures are presented on the basis of purchasing power as of 31 March 2025.

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This document is an accompanying part of financial statements available in Investor Relations section of Akçansa Çimento San. Tic. A.Ş. website and public disclosure platform.

The Company's financial statements dated 31.03.2025, which were disclosed to public on April 29th, 2025, have been subject to inflation accounting within the framework of the "Financial Reporting in Hyperinflationary Economies Standard" (IAS 29). Financial figures given in this financial report is not comparable with the financial figures that were not subject to inflation adjustment which were disclosed to public by the Company in its financial statements and various investor information materials prepared for the same period in the previous year.