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FINANCIAL RESULT BULLETIN

2021
1st Quarter

2021 / 1st Quarter Highlights



585% Jump in Net Profit



189% Increase in EBITDA



107% Rise in Sales Revenues



28% Growth in Revenue per Ton



Controlled Increase in Bank Loans in line with Growth in Sales Revenues and Operations



Positive Impact of Our New Products on Sales Revenues



Positive Effect of New Cooperations on Sales Revenues



Positive Impact of New Branches as well as Increased Employment on Sales Revenues



Substantially Completed Investments & Increased Capacity



Works for Initiation of Export Operations

585% Increase in Net Profit

Our Company's net profit increased to approximately TRY 13,7 Million from approximately TRY 2,0 Million by 585% in the first quarter of 2021 compared to the first quarter of 2020, which indicates approximately 6.9 times jump in the first quarter of 2021 compared to the same period of the previous year.

The positive trend in Net Profit, which began in the 4th quarter of 2020, evolved positively thanks to increasing sales revenues during the 1st quarter of 2021. Main reasons for the increase in net profit are as follows: (1) Our Company's success in supply chain management compared to its competitors; (2) increasing number of branches and employees; (3) impact of newly developed products and (4) expanded market share.

Our Net Profit Margin, which declined to 4,7% in the first quarter of 2020, increased to 15,5% in the first quarter of 2021. In addition to the developments summarized above rising global steel prices also had a positive impact on this increase in Net Profit Margin.

189% Increase in EBITDA

Although the increase in exchange rates caused an increase in our Company's costs, EBITDA increased by 189% and reached TRY 13,5 Million in the first quarter of 2021 compared to TRY 4,7 Million registered in the first quarter of 2020. Accordingly, nominal EBITDA nearly tripled in the first quarter of 2021 compared to the same period of previous year.

The EBITDA margin, which was 11,0% in the first quarter of 2020, increased to 15,3% in the first quarter of 2021

Our EBITDA Margin, which was negatively impacted from "the Syrian War and regional geopolitical risks", particularly during the fourth quarter of 2019 and the first quarter of 2020, missed the normalization opportunity afterwards due to COVID-19 pandemic and its measures taken. As of the fourth quarter of 2020, on the back of a relative reduction in these negative effects, our Company's EBITDA Margin started to normalize and increase during the fourth quarter of 2020 and then in the first quarter of 2021.

Provided that no new events occur in the global economies or in our country's economy that may adversely impact our Company's operations, we anticipate strong increase in EBITDA Margin during the second and third quarters of 2021 (as in the first quarter of 2021) compared to the same periods of the previous year.

In addition to all these, our Company is "a net profit oriented" company and focused on net profit increase rather than EBITDA margin. Within this concept, we take actions and measures to increase Net Profit throughout 2021.

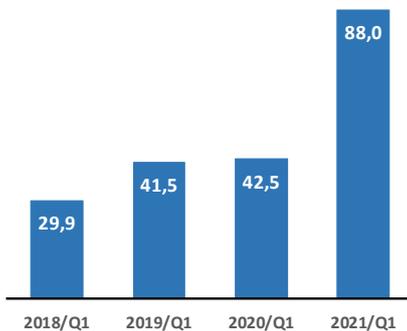
107% Rise in Sales Revenues

In the first quarter of 2021, our sales revenues increased by 107% compared to the first quarter of 2020, to TRY 88,0 Million from TRY 42,5 Million. Our market share growth majorly contributed that increase.

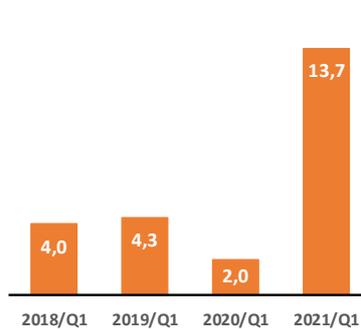
Financial Indicators (TRY Million)

	2021/Q1	2020/Q1
Sales Revenues	88,0	42,5
EBITDA	13,5	4,7
EBITDA Margin	15,3%	11,0%
Gross Profit	17,1	6,8
Net Profit	13,7	2,0
Net Profit Margin	15,5%	4,7%
Equity	167,8	142,8

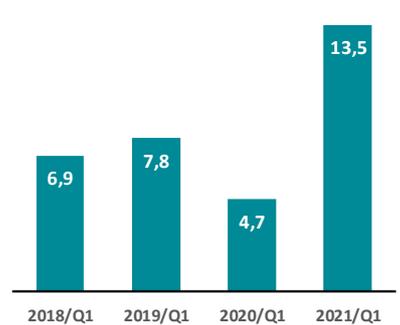
Sales Revenues (TRY Million)



Net Profit (TRY Million)



EBITDA (TRY Million)



28% Increase in Revenue per Ton

The revenue per ton, which was TRY 7.328 in 2020, increased by about 28% and reached TRY 9.372 in 2021.

Controlled Increase in Bank Loans in line with Growth in Sales Revenues and Operations

Our company has continued to grow significantly since 2016 and increased its market share. Specifically during the first quarter of 2021, in line with our increasing sales revenues and net profits, increasing the resources requirement has arisen in order to keep growing.

Our bank loans reached TRY 25,8 Million in the first quarter of 2021, which was TRY 4,1 Million as of 2020 year-end, and so our Company was provided with a resource to support its growth. During the rest of 2021 (as long as growth continues), there will be an increase in our bank loans in a controlled manner due to the fact that our company procures its raw materials both in cash and short-term payments, days in inventory and production are long, and the financing requirement of the sales on account.

Company Management is highly experienced in the securing and managing bank loans, due to the loans utilized in previous years prior to the IPO. In order to sustain its growth, our company has made available bank loan limit in domestic banks, amounting approximately TRY 300 Million, in order to utilize short, medium and long term loans when it requires. On the other hand, it is not anticipated that we will need such high amount of loans thanks to our increasing EBITDA and Net Profit Margin figures. We utilize the required loans in a controlled manner, in line with our growth in sales revenues and operations, and make our repayments in accordance with our cash flow without any problems. We already hold trade receivables, which are secured with credit insurance and Direct Debiting System, far above the bank loans utilized, and any of these trade receivables have been assigned for the loans. In addition, no mortgage or similar pledge has been warranted for these bank loans. Our Company holds the credibility to ensure majority of its bank loans without any pledge or guarantee.

Positive Impact of Our New Products on Sales Revenues

We are planning to elaborate on the positive revenue impact of our company's recently developed products 'CM79', 'X44' and 'Stronq.14' as well as the cooperation with the Mechanical and Chemical Industry Company ("MKEK") in our Financial Results Bulletin for the fourth quarter of 2021. It is expected that these new products and our cooperation with MKEK will have a positive impact on our sales revenues significantly in the first half of 2021 and this effect will improve in the second half of the year.

Positive Impact of New Branches as well as Increased Employment on Sales Revenues

Our Company has been increasing its number of branches and employees since the beginning of 2020. Our new branches and employees improve our regional sales, particularly in the relevant locations they operate, and increase our profit margin. We will elaborate on the financial contributions of new branches and increased number of employees in our Financial Results Bulletin for 2021 year-end.

Completion Process of Investments

As of 31.03.2021, TRY 18,2 Million of the investment of TRY 19,6 Million allocated from the public offering revenues has been spent and 93% of the investment has been realized. The remaining investments are planned to be completed by the end of 2021 at the latest. In addition, it is aimed to increase the capacity four times by completing a capacity increase of 300% on 31 December 2021 (compared to 31 December 2019).

Other Processes Regarding Our Company

General Assembly Meeting

If The official authority does not take a decision to the contrary, the General Assembly of our company will be held on May 20, 2021 with the agenda published on the "Public Disclosure Platform" (including the cash dividend distribution proposal and the amendment of the articles of association) and the relevant decisions will be taken following the necessary negotiations are made on all matters concerning the company.

Initiation of Export Operations

The necessary infrastructure works have been completed to a great extent in order to initiate export operations. Our new department established in this field is targeted to contribute our sales revenues growth slightly in the last quarter of 2021, through the increase in the number of employees as well as the inclusion of experts into our team.

The initiation of export operations proceeds at a slower rate than expected, due to the fact that face-to-face meetings as well as client visits abroad cannot be done and it becomes impossible to participate in the planned fairs and difficult to access new clients owing to pandemic conditions. In order to present and promote our Company, which is not quite well-known in targeted international markets, face-to-face visits should be done by the potential customers in our premises and the necessary auditing processes must be carried out and sample product studies must be completed. These procedures are progressing extremely slowly due to international travel restrictions and pandemic measures. It may be possible to access our targets quickly in export operations following the positive developments in the pandemic conditions. However, in spite of the aforementioned circumstances, our export operations will continue and our export revenues will be increased as much as possible in the period of 2021-2022 through our new portfolio-owner domestic / foreign employees who will join our team in this field.