

Investor Presentation

Sep 2020

Everywhere you live in...

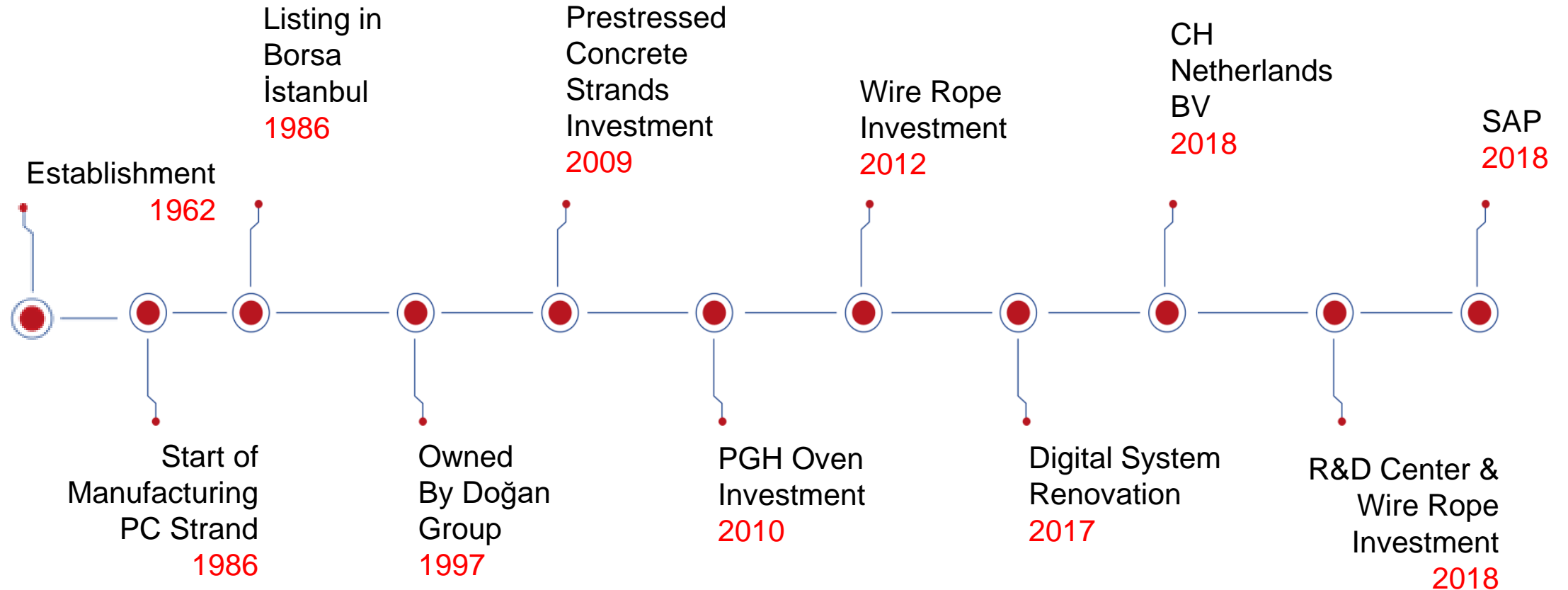
Company Profile

Founded In	: 1962
Location	: Kartepe, Kocaeli, TURKEY
Open Area	: 57,000m ²
Covered Area	: 50,000m ²
Total Area	: 107,000m ²
Production Capacity	: 76,200 Tons / Year
Products	: Steel wire ropes, prestressed concrete strand, spring wire
Listed in Borsa Istanbul	: 1986 (free-float 22%)
Major Shareholder	: Doğan Holding (75.72% as of Sep 14, 2020) ^(*)



Footsteps Of Reliability

Iconic in the sector,
with more than 55 years of
experience...



ÇELİK HALAT Strategy

We offer innovative, reliable, sustainable solution driven by advanced technologies



ÇELİK HALAT

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Product Showcase



**Steel
Wire Rope**



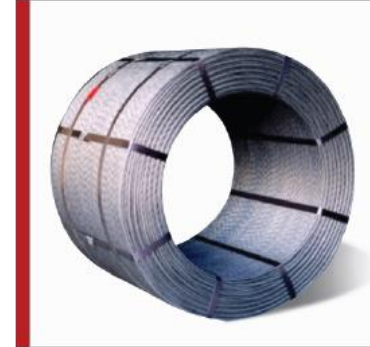
**Patented
Wire**



**Galvanized
Spring Wire**



**Mechanical
Spring Wire**



**Prestressed
Concrete Strand**

Steel Wire Rope

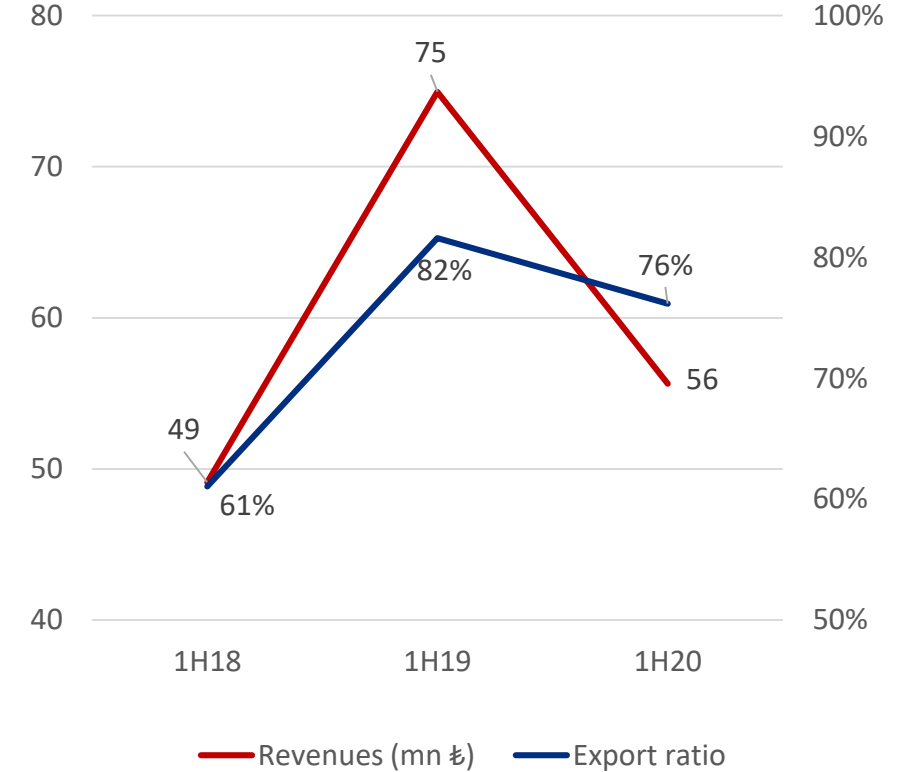


Wide range of value added products to suit requirements of mining, petroleum exploration, fishing, marine, lifting, elevator industries and general engineering



Production according to any international standards such as API (9A License No: 9A-0056) , EN, Fed. Spec., BS, JIS. Regular, Compacted, Swaged, Premium Swaged, Plastic Impregnated

EXPORT RATIO & REVENUES (TL MN)



Steel Wire



MECHANICAL SPRING WIRE

Widely used in various industries including automotive and agriculture

Dia. range: 0.35 – 13.00 mm

PATENTED WIRE

Medium and high tensile grades

Patented bright & galvanized wires to be further drawn

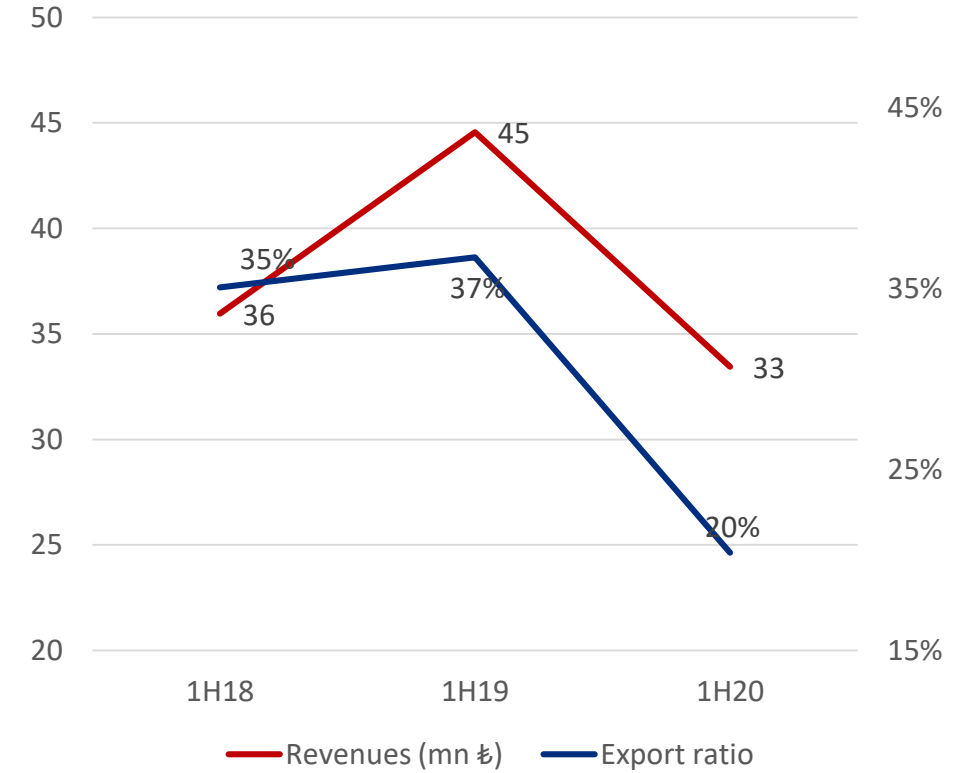


GALVANIZED SPRING WIRE

Widely used in white goods and in automotive sectors

Dia. range: 0.35 – 3.80 mm

EXPORT RATIO & REVENUES (TL MN)



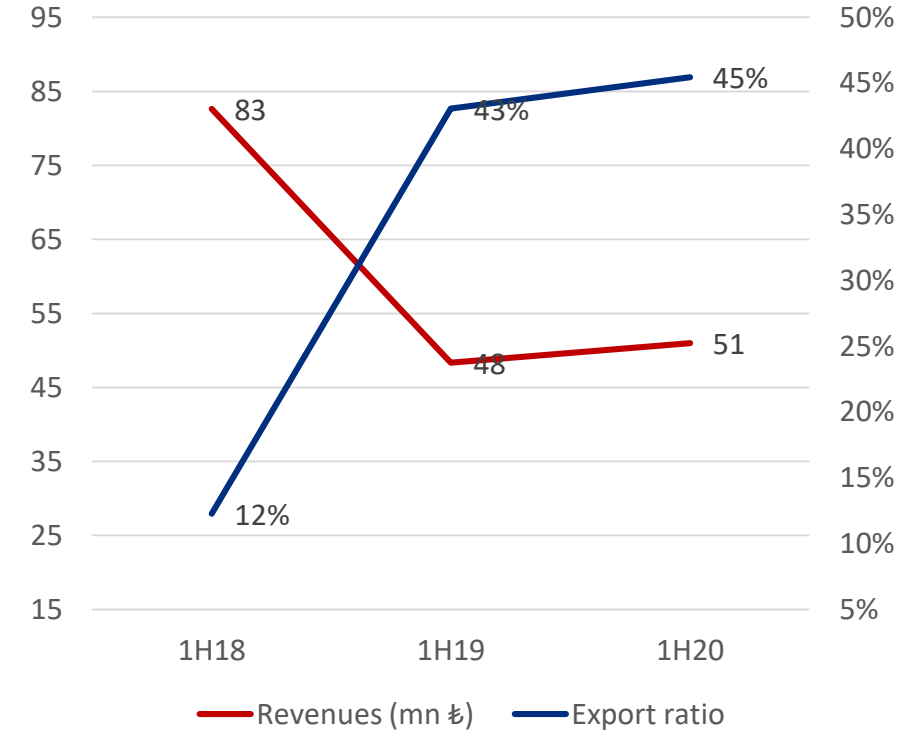
Prestressed Concrete Strand



- Production according to international standards

- Prestressed Concrete Strands are mainly used in bridge girders, constructions, anchorages and prefabricated structures.

EXPORT RATIO & REVENUES (TL MN)



Çelik Halat in Brief

Market-Leading Position; and well-known brand

- Domestic leader with more than 55 years of experience & strong customer profile
- Globally well-known brand with international foot print
- Leading exporter in high value added steel wire rope, wire and Prestressed concrete strand (PC Strand) to 42+ countries with 51% export ratio.
- Logistic and distribution center in Amsterdam with Celik Halat Netherlands B.V.

Strong Operational Performance

- Make to order strategy seeking high operational efficiency
- 100% of revenues based in € and \$; hedged against currency fluctuations
- Ability to reflect raw material price hikes to its prices



Çelik Halat in Brief

Further Growth Potential

- New investments will support growth in Revenues & EBITDA
- R&D and Test center investments will lead to further value added product developments and efficiency.
- Commitment for growth with high value added products driven by accumulated engineering know-how, with R&D center approved by government in 2018.

Solid Financial Structure & Cash inflow

- Minimum receivable risk as most of the receivables insured by Coface
- Minimum working capital need

Anchor Shareholder «Doğan Group»

- One of the leading conglomerates in Turkey, operating in energy, industry, automotive marketing, financial services and other various segments



Çelik Halat in Brief

First R&D certificate of the Sector – 846th R & D Center as of April.18

Projects:

- 14 projects in 2019 (four supported by TEYDEB)
- 11 projects in 2020 (four supported by TEYDEB)

University Cooperation Protocols;

- Kocaeli University
- Sakarya University
- Istanbul Technical University
- Middle East Technical University
- Germany Dresden Technical University

International Congress;

4 congress participation and presentation

New high Value Added Product Projects

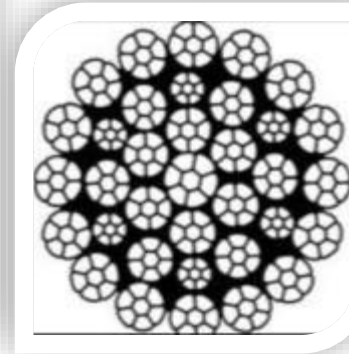
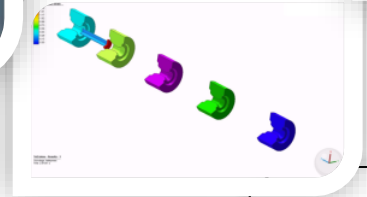
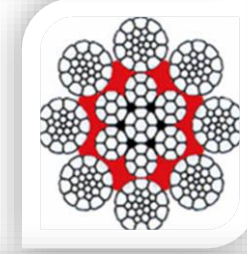
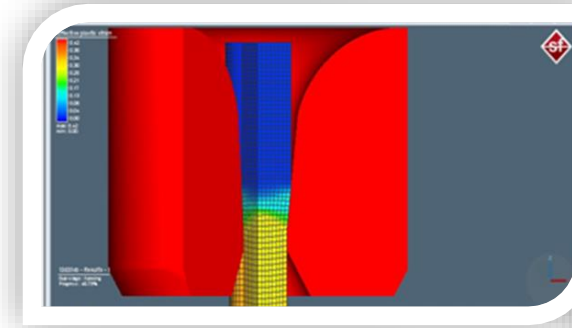
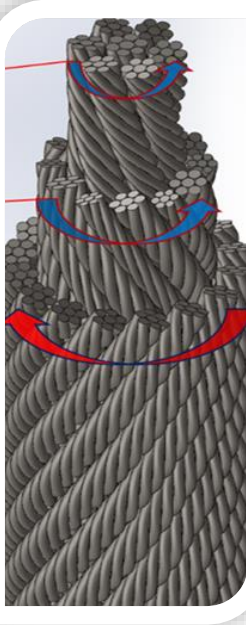
- Composite core high strength wire rope
- Multistrand non-rotating wire ropes
- Polymer impregnated hybrid wire ropes
- New generation coated wire ropes for fishing industry

Patent, Utility Model Applications (2019)

- New design rotation resistant wire rope (patent)
- Coil handling auxiliary equipment manufacturer model
- Parallel design swaged wire rope (patent / 2020)
- High performance wire rope (patent / 2020)



High design capability and Numerical simulation methods in processes



Developing processes to improve the performance of products

Investments and International Footprint

- Investment in wire rope production, consists of purchasing of 18 wire rope machines, production started in 4Q18

This will lead to: Diversification in high value added wire rope production and increasing the share of high tech wires:

- Max.18 tons range wire rope
- Non rotating ropes with 24-35 strands
- Pre stretched elevator wire rope

anticipated to have a positive impact on gross margin and EBITDA margin in upcoming periods.

- New sales, marketing and distribution company CH Netherlands BV was established in 2018

This will lead to ; Improving lead times and being closer to the customers with additional margin



Certificates and Memberships

- API (API 9A License No: 9A-0056- American Petroleum Institute)
- Lloyd's Register
- ISO 9001 / 2015
- ISO 14001 / 2004
- ISO 18001 / 2008

Memberships

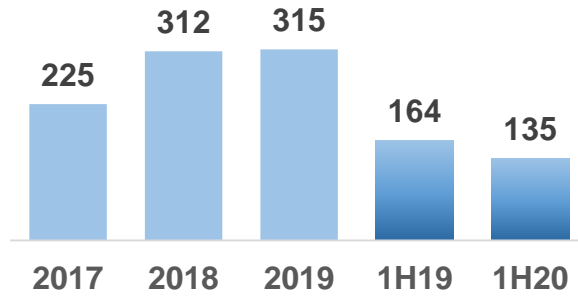
- EWRIS (European Federation of Steel Wire Rope Industries)
- CET* (European Wire Manufacturers Committee)
- ESIS* (European PC Strand Manufacturers Association)
- TAYSAD (Turkish Automotive Supply Industry Association)
- AWRF* (Associated Wire Rope Fabricators)
- IST* (Institute of Spring Technology)

(*): Unique member from Turkey

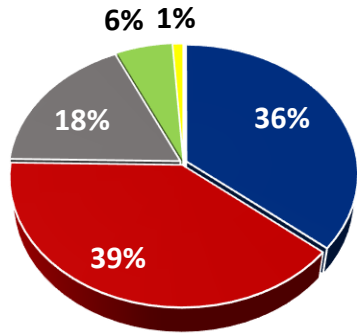


Financial Highlights

Revenues (TL mn)

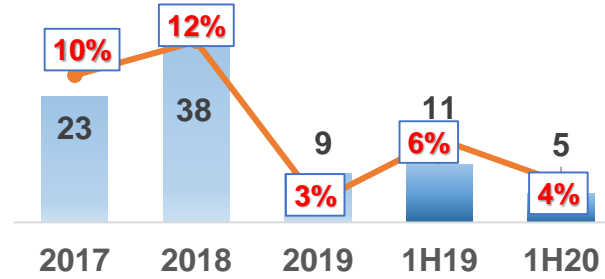


Revenues by Product (1H20)

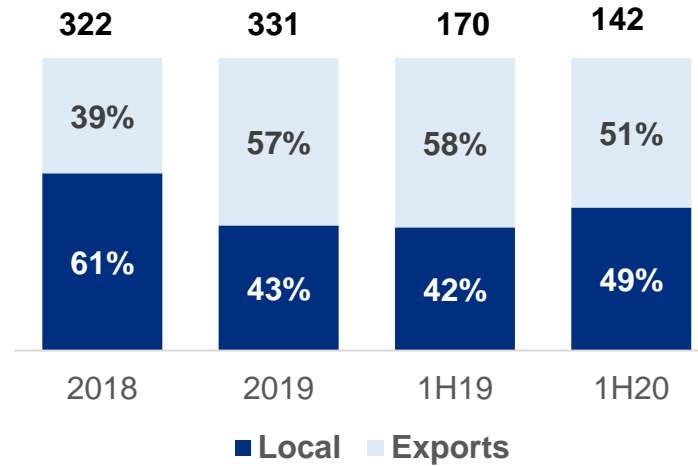


- Prestressed Concrete strand
- Steel Wire Rope
- Spring Wire
- Galvanized Spring Wire
- Others

EBITDA (TL mn) § EBITDA Margin (%)



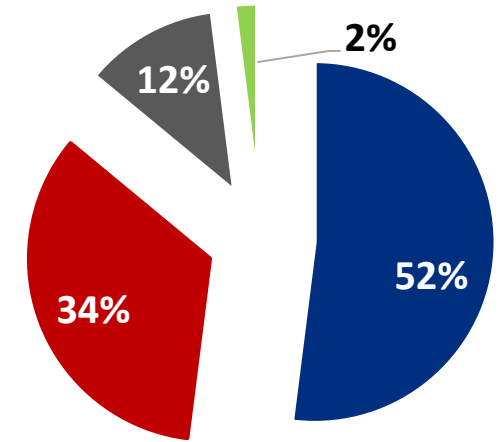
Revenue Breakdown



* Breakdown of gross revenues

Within the scope of the struggle to prevent the spread of the COVID-19 epidemic, company suspended production temporarily between April 1 and May 4, 2020 in order to protect the health of employees and ensure occupational safety. Due to high fixed costs, this period had negative reflections on Revenues and EBITDA

EXPORT SHARE BY CONTINENT



- Europe
- America
- Asia
- Africa



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Outlook

- Focusing on maintaining increase in sales volume in main business lines
- Growth in revenues owing to high value added sales mix, price positioning and volume increase
- Better operational performance expected with the contribution of new investments
- R&D and Kaizen center will help productivity and effectiveness
- Solid financial structure expected to continue

Commitment for growth and Sustainable value creation



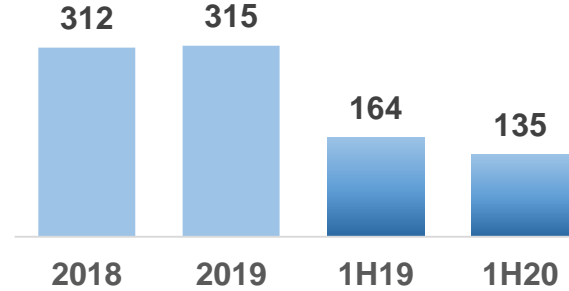
1H20 Financial Review

1H20 Results in Brief

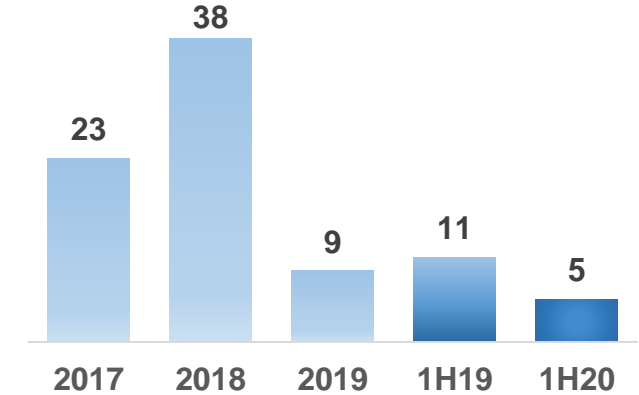
- Revenues decreased by 17,6 % in 1H20, yoy.
- EBITDA decreased by 50% yoy in 1H20 to TL 5 mn.

Within the scope of the struggle to prevent the spread of the COVID-19 epidemic, company suspended production temporarily between April 1 and May 4, 2020 in order to protect the health of employees and ensure occupational safety. Due to high fixed costs, this period had negative reflections on Revenues and EBITDA

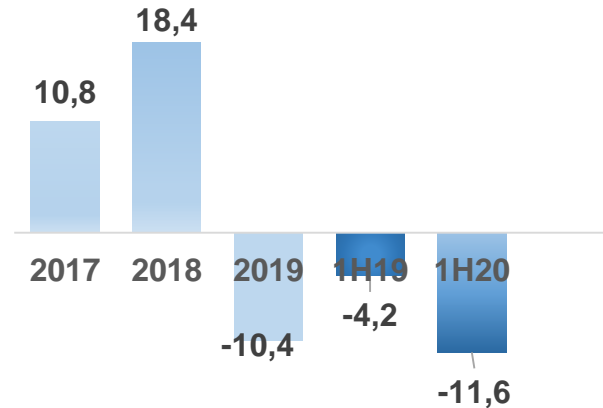
REVENUES (TL MN)



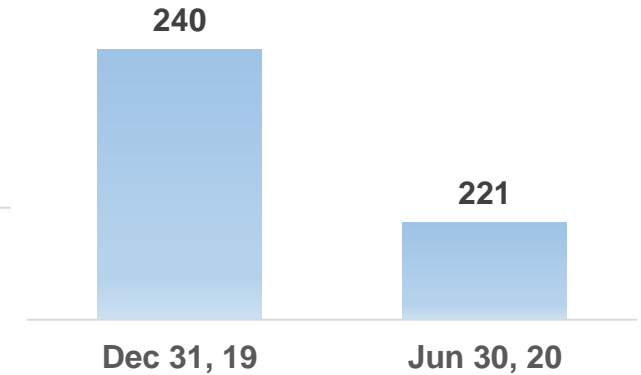
EBITDA (TL MN)



NET INCOME (TL MN)



TOTAL ASSETS (TL MN)



Doğan Group at a Glance

Doğan Group, founded by Aydın Doğan in 1959, is one of the leading groups in Turkey with more than 60 years of experience.

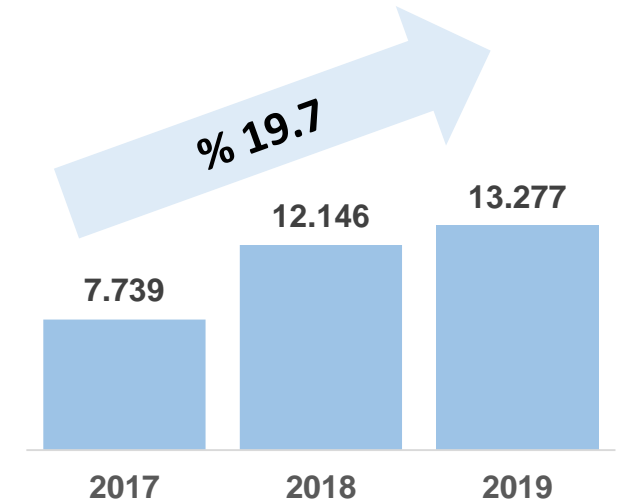
Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding"), was established in 1980 by Doğan Family.

Driven by its innovative vision, Doğan Group has played a pioneering role in a wide range of sectors - from energy to industry, finance, tourism, automotive and real estate - for the past 60 years

Doğan Holding is registered with the Capital Markets Board and its shares have been quoted on Borsa İstanbul since June 21, 1993. Doğan Holding **<DOHOL>** is currently BIST 30 & BIST Sustainability Index member.

Doğan Holding is the major shareholder of Çelik Halat since 1997.

Doğan Holding's Consolidated Revenues (TL mn)



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Çelik Halat registered in Turkey maintain its books of account and prepare its statutory financial statements in accordance with the principles and obligations published by the CMB, Turkish Commercial Code, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance.

US Dollar and/or Euro amounts shown in the presentation have been included solely for the convenience of the reader and are translated from TL as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TL exchange rates

Thank You

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