

Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş.
2025 Earnings Announcement

Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. (BIST: BRSAN) (“Borusan Pipe”) announced its 2025 full-year financial results on February 26, 2026.

Management’s Evaluation

«2025 was a period in which changes in trade policies, regional demand divergences, and cost pressures became more pronounced in the global steel pipe industry. Developments in tariff practices and the momentum in energy infrastructure investments in the U.S., the weak demand outlook in Europe, and rising production costs in Türkiye necessitated a more agile, disciplined, and strategic management approach across all geographies in which we operate.

As Borusan Pipe, during this period, we sustained our growth by rapidly adapting to changing conditions, supported by our diversified business model and global production network. We increased our sales volume by 12% to 1.31 million tons and our revenues by 6% to USD 1.8 billion. The share of revenues generated from global markets reached 85% of total revenues, confirming the structural resilience created by our geographic diversification. The U.S. market continued to be our main source of revenue with a 73% share, while project-driven businesses remained a defining component of our revenue mix. On a segment basis, the Infrastructure and Project segment generated revenues of USD 795 million despite the high base of the previous year, maintaining its position as the largest segment with a 44% share of total revenues. Supported by the commissioning of the SRM line in the U.S., revenues in the Industry and Construction segment increased by 36.3% year-on-year to USD 410 million. The Energy segment revenues reached USD 399 million, representing a 2.6% annual increase, despite the normalization of the favorable pricing environment observed in the second and third quarters during the fourth quarter. In the Automotive segment, revenues declined by 5.3% year-on-year to USD 192 million due to weaker demand conditions and pricing pressure resulting from intense competition.

During this period of intensified cost pressures, we further strengthened our focus on operational excellence. Through efficiency-enhancing programs implemented across all our facilities, improvements in capacity utilization, and optimization in production planning, we achieved a notable increase in operational profitability. Gross profit increased by 34% to USD 151 million, while EBITDA rose by 30.5% to USD 133 million, with an EBITDA margin of 7.4%. In line with our financial discipline approach, the steps taken in working capital and cash flow management reduced our Net Debt/EBITDA ratio from 2.8x in the previous year to 1.3x. Our strengthened balance sheet provides a solid foundation for executing our strategic priorities.

In 2025, we signed USD 1.8 billion worth of contracts in the U.S. under large-scale steel pipe projects, enhancing our financial visibility with deliveries extending into 2027. These agreements confirm that our global production capabilities and engineering strength are preferred at an international scale.

In 2026, our focus will be on further strengthening our simplified organizational structure and sustainably enhancing operational efficiency. The transformation process aimed at consolidating our Halkalı and Gemlik facilities under a single campus structure in Türkiye seeks to improve our cost structure, optimize resource utilization, and enhance competitiveness. With our strengthened order backlog and structural transformation initiatives, we move into the coming period with increased visibility. Our priority remains to expand value-added production, further strengthen our position in global markets, and manage growth alongside sustainable profitability. While demand outlook, trade regulations, raw material prices, and exchange rate movements will continue to impact our performance, the strategic and structural steps we have taken further reinforce Borusan Pipe’s long-term value creation capacity.”

2025 Summary of Financial Results

(\$ mln)	2025	2024	YoY Δ	4Q25	4Q24	YoY Δ	3Q25
Revenues	1,796.1	1,689.5	6.3%	479.0	350.3	36.7%	542.6
Gross Profit	150.7	112.3	34.2%	33.4	9.3	259.0%	53.3
EBITDA*	133.1	101.9	30.5%	31.7	6.0	431.0%	47.9
PBT	49.7	0.6	n.m.	5.4	(18.5)	n.m.	27.1
Net Profit	31.7	(5.1)	n.m.	(6.2)	(15.6)	60.2%	23.0

Margins

	2025	2024	YoY Δ	4Q25	4Q24	YoY Δ	3Q25
Gross Margin (%)	8.4%	6.6%	1.8 pps	7.0%	2.7%	4.3 pps	9.8%
EBITDA Margin (%)	7.4%	6.0%	1.4 pps	6.6%	1.7%	4.9 pps	8.8%
Net Profit Margin (%)	1.8%	(0.3%)	2.1 pps	(1.3%)	(4.5%)	3.2 pps	4.2%

(*) EBITDA is calculated including Net Operating Income, Income from Investment Activities, excluding Extraordinary Income (Expense) and FX Gains/Losses.

The financial results presented here have been prepared in accordance with the Turkish Financial Reporting Standards (TFRS).

Sales Volume

('000 tons)	2025	2024	YoY Δ	4Q25	4Q24	YoY Δ	3Q25
Sales Volume	1,309.0	1,167.6	12.1%	340.9	214.2	59.2%	383.5

2025 Highlights

- In 2025, sales volume increased by approximately 12.1% compared to the previous year, reaching 1.31 million tons.
- During this period, despite weak demand conditions particularly in export markets and pricing pressure driven by competition, sales revenues increased by 6.3% year-on-year to USD 1,796.1 million.
- The share of revenues generated from global markets maintained its strong momentum and increased to 85% (2024: 81%). In terms of regional revenue breakdown, the U.S. market accounted for the highest share at 73%, followed by Türkiye with a 15% share. Sales to other regions represented 12% of total revenues.
- In 2025, the Infrastructure & Project segment made the largest contribution to consolidated revenues with a 44% share. It was followed by Industry & Construction with a 23% share, Energy with a 22% share, and Automotive with an 11% share.
- On the operational profitability front, a notable improvement was achieved, supported by higher capacity utilization and the contribution of efficiency programs implemented throughout the year.
- In 2025, EBITDA increased by 30.5% year-on-year to USD 133 million, while the EBITDA margin improved by 1.4 percentage points to 7.4% (2024: 6.0%).
- During the period, USD 50 million in Profit Before Tax (2024: USD 1 million) and USD 32 million in Net Profit (2024: USD 5 million Net Loss) were recorded.
- Thanks to strong financial discipline and effective working capital management, Net Financial Debt declined to USD 178 million (2024: USD 280 million), while the Net Financial Debt/EBITDA ratio decreased from 2.8x in the previous year to 1.3x.

Sectoral Outlook

- In the fourth quarter of 2025, the average HRC (Hot Rolled Coil) price per ton remained broadly flat on a quarterly basis in the U.S. and China, while increasing in Western Europe, reaching USD 835 in the U.S., USD 402 in China, and USD 706 in Western Europe as of the end of December. For the full year 2025, HRC prices increased by 13% in the U.S. and by 3% in Western Europe compared to the previous year, while declining by 7% in China.¹
- In 2025, the average Brent crude oil price per barrel decreased by 15% year-on-year to USD 70. As of the end of December, Brent crude stood at USD 62.7 per barrel. According to the Short-Term Energy Outlook Report published in February by the U.S. Energy Information Administration ("EIA"), global oil production is expected to continue exceeding demand, with Brent crude prices projected to average USD 58 per barrel in 2026 and USD 53 per barrel in 2027.
- The global rig count² declined by 82 units year-on-year to 1,783 as of year-end 2025. In the U.S., the total rig count decreased by 43 units compared to the same period of the previous year, falling to 546 as of year-end 2025.³
- According to data published by the World Steel Association (worldsteel), global crude steel production in 2025 decreased by 2.0% year-on-year to 1,803.8 million tons. During the same period, crude steel production in Türkiye increased by 3.3% to 38.1 million tons, while final finished steel consumption rose by 2.6% year-on-year to 39.3 million tons.⁴
- In 2025, Türkiye's steel pipe exports increased by 0.6% compared to the previous year, reaching 2.2 million tons. Romania, the United Kingdom, and Morocco stood out as the main export markets.

(1) Data has been sourced from SteelBenchmark.

(2) It shows the total number of gas, oil, and other rigs.

(3) Data has been sourced from Baker Hughes.

(4) Data has been sourced from Turkish Steel Producers Association.

2025 Business Line Developments

- In the *Infrastructure and Projects* business line, sales volume maintained its strong momentum throughout the year, increasing by 11.8% year-on-year, despite the base effect created by high-volume projects completed in the previous year. During the period, revenues amounted to USD 795 million. The segment accounted for 44% of consolidated revenues, maintaining its position as the largest segment. Ongoing project deliveries in the U.S. and the order backlog extending into 2027 support financial and operational visibility in this segment.
- In the *Industrial and Construction* business line, both sales volume and revenues increased significantly, supported by the contribution of the SRM line commissioned in the U.S. in the third quarter of 2024. In 2025, sales volume increased by 26.7% year-on-year, while revenues rose by 36.3% to USD 410 million. The segment represented 23% of consolidated revenues.
- In the *Automotive* business line, sales volume declined by 4.5% compared to the same period of the previous year, mainly due to weak demand conditions in the European pipe market. Revenues decreased by 5.3% to USD 192 million as a result of pricing pressure driven by intense competition. The segment accounted for 11% of consolidated revenues.
- In the *Energy* business line, sales volume increased by 1.1% year-on-year in 2025. Despite the normalization in the fourth quarter of the favorable pricing environment observed in OCTG products during the second and third quarters, segment revenues increased by 2.6% year-on-year to USD 399 million. As of 2025, the segment accounted for 22% of consolidated revenues.

Revenue Breakdown by Business Lines

(\$ mln)	2025	2024	YoY Δ	4Q25	4Q24	YoY Δ	3Q25
Revenues	1,796.1	1,689.5	6.3%	479.0	350.3	36.7%	542.6
<i>Infrastructure and Project</i>	795.4	797.1	(0.2%)	253.4	127.0	99.6%	272.6
<i>Industry and Construction</i>	410.2	301.0	36.3%	85.0	77.6	9.5%	113.9
<i>Automotive</i>	192.1	202.8	(5.3%)	45.1	46.4	(2.9%)	46.8
<i>Energy</i>	398.5	388.5	2.6%	95.4	99.2	(3.8%)	109.3

Summary Balance Sheet Figures

(\$ mln)	Dec 31, 2025	Dec 31, 2024	YoY Δ
Current Assets	874.5	697.6	25.4%
Property, Plant and Equipment	746.5	741.8	0.6%
Total Assests	1,778.2	1,571.4	13.2%
Short Term Liabilities	741.2	538.9	37.5%
Total Liabilities	897.5	718.2	25.0%
Equity	880.7	853.2	3.2%

Financial Ratios

(\$ mln)	Dec 31, 2025	Dec 31, 2024
Current Ratio	1.18	1.29
Liquidity Ratio	0.57	0.64
Inventory Turnover Ratio	3.65	4.47
Working Capital Utilization	36.2%	29.7%
Net Financial Debt/ EBITDA**	1.3	2.8
Equity Utilization Ratio	53.4%	52.1%

Summary Cash Flow Statement

(\$ mln)	Dec 31, 2025	Dec 31, 2024
Cash Inflow/Outflow (-)		
From Operating Activities	222.1	18.6
Cash Inflow/Outflow (-)		
From Investing Activities	(83.9)	(29.0)
Cash Inflow/Outflow (-)		
From Financing Activities	(77.6)	(52.2)
Change in Cash and Cash Equivalents	60.7	(62.6)
Cash at the beginning of the Period	66.8	129.4
Cash at the end of the Period	127.4	66.8

Free Cash Flow

(\$ mln)	Dec 31, 2025	Dec 31, 2024
EBITDA*	133.1	101.9
Increase/Decrease (-) in Net Working Capital	90.8	(75.1)
Tax and Other	(1.7)	(8.3)
Investment, (net)	(85.7)	(94.8)
Dividend	1.9	1.9
Free Cash Flow	138.3	(10.4)

(*) EBITDA is calculated including Net Operating Income, Income from Investment Activities, excluding Extraordinary Income (Expense) and FX Gains/Losses.

(**) Net Financial Debt/EBITDA ratios are calculated using EBITDA for the last twelve months.

2026 Guidance

	2025		2026
	Guidance	Actual	Guidance
Sales Volume (mln tons)	1.20 – 1.35	1.31	1.15 – 1.25
Revenue (\$ billion)	1.7 – 1.9	1.8	2.1 – 2.3
EBITDA Margin (%)	6% – 8%	7.4%	8% – 10%

- In 2025, sales volume reached 1.31 million tons, revenues amounted to USD 1.8 billion, and the EBITDA margin stood at 7.4%, in line with expectations.
- For 2026:
 - Supported particularly by contracts signed in the Infrastructure and Project segment, sales volume is expected to range between 1.15–1.25 million tons, while revenues are projected to be in the range of USD 2.1–2.3 billion.
 - With the continuation of operational efficiency initiatives and a higher share of value-added products in the product mix, the EBITDA margin is expected to increase to a range of 8%–10%.
- Under normal circumstances, guidance is disclosed four times a year, in conjunction with quarterly financial disclosures.

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