BORUSAN PIPE

Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş.
1Q 2026 Earnings Announcement

Borusan Birleşik Boru Fabrikaları San. ve Tic. A.Ş. (BIST: BRSAN) ("Borusan Pipe") announced its 1Q 2026 financial results on May 7, 2026.

Management's Evaluation

«The first quarter of 2026 was marked by increasing geopolitical tensions and related uncertainties on a global scale. Despite these developments, we maintained our operational profitability across the markets in which we operate. As Borusan Pipe, we continued to effectively manage the indirect impacts arising from such developments through our diversified business model and geographically diversified production and sales network.

Although we made a relatively slower start to the year due to the periodic distribution of project delivery schedules in our Infrastructure & Project segment , our sales volume increased by 8.0% year-on-year to 279.6 thousand tons in the first quarter. Our revenues rose by 32.1% year-on-year to USD 421.6 million. While the share of revenues generated from global markets reached 88% of our total revenues, the U.S. market continued to be the key contributor to our revenue base with a 76% share.

On a segment basis, the Infrastructure & Project segment remained the largest contributor to our revenues. Due to the non-concentration of project deliveries in the first quarter, revenues in this segment declined by 23.9% quarter-on-quarter, while increasing by 144.3% year-on-year to USD 192.8 million. In the Industry & Construction segment, revenues decreased by 8.9% quarter-on-quarter and 25.8% year-on-year to USD 77.5 million. Moderate demand conditions and intense competition in the European and Turkish markets were the main factors affecting performance in this segment. In the Automotive segment, revenues increased by 13.1% quarter-on-quarter and 1.7% year-on-year to USD 51.0 million despite weak demand conditions in the European market. In the Energy segment, revenues remained stable with the normalization of pricing dynamics, increasing by 5.2% quarter-on-quarter and 17.1% year-on-year to USD 100.4 million.

During this period, in which cost pressures increased due to fluctuations in commodity and energy prices driven by geopolitical developments, we continued to implement efficiency-enhancing initiatives. In our project-based operations, fixing raw material prices at the beginning of projects provides protection and visibility against commodity price volatility. Although energy prices increased due to geopolitical developments, we effectively managed these impacts thanks to the geographical diversification of our production operations and the relatively limited share of energy costs within our total cost structure. In this period, our gross profit increased by 67.2% year-on-year to USD 27.8 million, while EBITDA rose by 50.9% year-on-year to USD 26.6 million. Our EBITDA margin improved by 0.8 percentage points year-on-year to 6.3%. In line with our financial discipline approach, improvements achieved in working capital and cash flow management led our Net Debt/EBITDA ratio to decline to 1.1x, reaching historically low levels.

During the first quarter, the transformation process aimed at consolidating our Halkalı and Bursa operations under a single campus in Gemlik continued as planned within our Türkiye operations. In parallel with the relocation process, alternatives regarding our Halkalı facility will be evaluated; however, no decision has been made at this stage.

With the approximately USD 100 million new order received in the Infrastructure & Project segment for the 2027 delivery schedule, the total amount of announced business agreements in this segment has reached USD 1.9 billion for the 2026–2027 period. These developments continue to reinforce our position in global markets while supporting our revenue visibility for the upcoming period.

Looking ahead, we expect geopolitical developments, trade policies, and commodity prices to continue playing a decisive role in the sector outlook. In the first quarter, our financial performance was in line with our expectations, in parallel with project delivery schedules. As deliveries in our Infrastructure & Project segment are expected to intensify in the later quarters of the year, we maintain our expectations for 2026 and forecast sales volume of 1.15–1.25 million tons, revenues of USD 2.1–2.3 billion, and an EBITDA margin in the range of 8%–10%"

1Q 2026 Summary of Financial Results

($ mln)	**1Q26**	**1Q25**	**YoY Δ**	**2025**	**2024**	**YoY Δ**	**4Q25**
Revenues	421.6	319.1	32.1%	1,796.1	1,689.5	6.3%	479.0
Gross Profit	27.8	16.6	67.2%	150.7	112.3	34.2%	33.4
EBITDA*	26.6	17.6	50.9%	133.1	101.9	30.5%	31.7
PBT	8.0	(6.9)	n.m.	49.7	0.6	n.m.	5.4
Net Profit	6.3	(7.9)	n.m.	31.7	(5.1)	n.m.	(6.2)

(*) 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).

BORUSAN PIPE

Margins

	1Q26	1Q25	YoY Δ	2025	2024	YoY Δ	4Q25
Gross Margin (%)	6.6%	5.2%	*1.4 pps*	8.4%	6.6%	*1.8 pps*	7.0%
EBITDA Margin (%)	6.3%	5.5%	*0.8 pps*	7.4%	6.0%	*1.4 pps*	6.6%
Net Profit Margin (%)	1.5%	(2.5%)	*4.0 pps*	1.8%	(0.3%)	*2.1 pps*	(1.3%)

Sales Volume

('000 tons)	1Q26	1Q25	YoY Δ	2025	2024	YoY Δ	4Q25
Sales Volume	279.6	259.0	*8.0%*	1,309.0	1,167.6	*12.1%*	340.9

1Q 2026 Highlights

- In the first quarter of 2026, sales volume increased by 8.0% year-on-year to 279.6 thousand tons.
- During this period, despite weak demand conditions in Türkiye and Europe and pricing pressure stemming from intense competition, sales revenues increased by 32.1% year-on-year to USD 421.6 million.
- The share of revenues generated from global markets maintained its strong momentum and increased to 88% (1Q25: 77%). In terms of regional revenue breakdown, the U.S. market accounted for the highest share with 76%, followed by Türkiye with a 12% share. Revenues generated from other regions accounted for the remaining 12% of total sales.
- In the first quarter, the Infrastructure & Project segment made the largest contribution to consolidated revenues with a 46% share. It was followed by the Energy segment with 24%, the Industry & Construction segment with 18%, and the Automotive segment with 12%.
- Operational profitability improved year-on-year despite cost pressures in the first quarter, supported by efficiency-oriented policies, a disciplined approach to cost management, and effective pricing strategies.
- In the first quarter of 2026, EBITDA increased by 50.9% year-on-year to USD 27 million, while the EBITDA margin improved by 0.8 percentage points to 6.3% (1Q25: 5.5%).
- During this period, the Company recorded a Profit Before Tax of USD 8 million (1Q25: USD 7 million loss) and a Net Profit of USD 6 million (1Q25: USD 8 million Net Loss).
- Thanks to continued financial discipline and effective working capital management, Net Financial Debt declined to USD 160 million (1Q25: USD 251 million), while the Net Financial Debt/EBITDA ratio decreased from 3.4x in the same period of the previous year to 1.1x, reaching historically low levels.

Sectoral Outlook

- In the first quarter of 2026, average HRC (Hot Rolled Coil) prices per ton increased year-on-year by 20% in the U.S., 22% in Western Europe, and 3% in China, reaching USD 982 in the U.S., USD 413 in China, and USD 818 in Western Europe as of the end of March.[1]
- In the first quarter, the average Brent crude oil price increased by 8.2% year-on-year to USD 82.9 per barrel. As of the end of March, it stood at USD 132.7. According to the Short-Term Energy Outlook Report published by the U.S. Energy Information Administration (EIA) in April, Brent oil prices are expected to peak in the second quarter of 2026 and subsequently enter a downward trend in line with the gradual easing of production cuts. Accordingly, prices are projected to decline below USD 90 in the final quarter of 2026 and average around USD 76 throughout 2027. The report also highlights that these projections are subject to the duration of geopolitical tensions in the Middle East and their impact on energy supply.
- The global rig count[2] decreased by 90 units year-on-year to 1,791 as of the end of the first quarter of 2026. In the same period, the total number of rigs in the U.S. declined by 42 units year-on-year to 550.[3]
- According to data published by the World Steel Association (worldsteel), global crude steel production decreased by 2.3% year-on-year in the first three months of 2026, reaching approximately 459.2 million tons. In the same period, crude steel production in Türkiye increased by 5.3% to 9.7 million tons, while finished steel consumption rose by 8.9% year-on-year to 9.9 million tons.[4]
- In the first quarter of 2026, Türkiye's steel pipe exports increased by 7.3% year-on-year, reaching 540 thousand tons. Romania, the United Kingdom, and Croatia stood out as the main export markets.

(1) Data has been sourced from SteelBenchmarker.

(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.

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

1Q 2026 Business Line Developments

- In the *Infrastructure & Projects* business line, sales volume increased by 148.2% year-on-year in the first quarter despite the relatively limited project delivery schedule, supported by the low base effect of the previous year. During this period, sales revenues increased by 144.3% year-on-year to USD 193 million. The Infrastructure & Project segment maintained its position as the largest contributor to consolidated revenues with a 46% share. Project deliveries are expected to intensify starting from the second quarter.
- In the *Industrial & Construction* business line, sales volume and revenues declined year-on-year due to weak demand conditions and intense competition in Türkiye and Europe. Sales volume decreased by 36.1% year-on-year, while sales revenues declined by 25.8% to USD 77 million. The segment accounted for 18% of consolidated revenues during the period.
- In the *Automotive* business line, sales volume declined by 2.4% year-on-year mainly due to weak demand conditions in the European pipe market. Despite the weak demand environment and intense competition, sales revenues increased by 1.7% year-on-year to USD 51 million, supported by effective pricing strategies. The segment accounted for 12% of consolidated revenues during the period.
- In the *Energy* business line, sales volume increased by 4.5% year-on-year in the first quarter of 2026, while sales revenues rose by 17.1% to USD 100 million. The segment accounted for 24% of consolidated revenues during the period.

Revenue Breakdown by Business Lines

($ mln)	1Q26	1Q25	YoY ∆	2025	2024	YoY ∆	4Q25
Revenues	421.6	319.1	32.1%	1,796.1	1,689.5	6.3%	479.0
Infrastructure and Project	192.8	78.9	*144.3%*	795.4	797.1	*(0.2%)*	253.4
Industry and Construction	77.5	104.4	*(25.8%)*	410.2	301.0	*36.3%*	85.0
Automotive	51.0	50.1	*1.7%*	192.1	202.8	*(5.3%)*	45.1
Energy	100.0	85.7	*17.1%*	398.5	388.5	*2.6%*	95.4

Summary Balance Sheet Figures

($ mln)	Mar 31, 2026	Dec 31, 2025	YoY ∆
Current Assets	1,029.2	874.5	*17.7%*
Property, Plant and Equipment	767.8	746.5	*2.9%*
Total Assets	1,960.7	1,778.2	*10.3%*
Short Term Liabilities	918.4	741.2	*23.9%*
Total Liabilities	1,073.7	897.5	*19.6%*
Equity	887.1	880.7	*0.7%*

Financial Ratios

($ mln)	Mar 31, 2026	Mar 31, 2025
Current Ratio	1.12	1.23
Liquidity Ratio	0.51	0.64
Inventory Turnover Ratio	2.89	3.03
Working Capital Utilization	41.9%	46.9%
Net Financial Debt/ EBITDA**	1.1	3.4
Equity Utilization Ratio	50.2%	52.1%

Summary Cash Flow Statement

($ mln)	Mar 31, 2026	Mar 31, 2025
Cash Inflow/Outflow (-) From Operating Activities	80.4	50.1
Cash Inflow/Outflow (-) From Investing Activities	(30.3)	(5.7)
Cash Inflow/Outflow (-) From Financing Activities	15.1	(2.1)
Change in Cash and Cash Equivalents	65.2	42.3
Cash at the beginning of the Period	**127.4**	**66.8**
Cash at the end of the Period	**192.6**	**109.1**

Free Cash Flow

($ mln)	Mar 31, 2026	Mar 31, 2025
EBITDA*	**26.6**	**17.6**
Increase/Decrease (-) in Net Working Capital	38.9	32.9
Tax and Other	15.0	(0.4)
Investment, (net)	(33.6)	(7.6)
Dividend	3.3	1.8
Free Cash Flow	**50.1**	**44.4**

(*) 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.

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

2026 Guidance

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

- In the first quarter of 2026 financial and operational performance was realized in line with expectations, in parallel with project delivery schedules.
- Accordingly, no revision has been made to the Company's 2026 guidance.
- Particularly with the contribution of the expected concentration of deliveries in the Infrastructure Project segment during the later periods of the year:
  - ➢Consolidated sales volume is expected to be in the range of 1.15 – 1.25 million tons in 2026 while consolidated revenues are projected to range between USD 2.1 – 2.3 billion.
  - ➢ Supported by the continuation of operational efficiency initiatives and the increasing share of higher value- added products within the product mix, EBITDA margin is expected to improve to a range of 8%- 10% in 2026.
- Under normal circumstances, guidance is disclosed four times a year, in conjunction with quarterly financial disclosures.

Contact

Borusan Pipe (BRSAN) Investor Relations
Email: bb.investor@borusan.com
Phone: +90 212 393 57 58

Useful Links

Investor Presentations

Audit Reports

Annual Reports

Material Disclosures

Sustainability Reports

DISCLAIMER