Company Report

Cement Sector

April 16, 2026

OYAK Cement

OYAK Cement (OYAKC.TI): We initiate coverage with an "OUTPERFORM" recommendation…

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As the market and capacity leader of the Turkish cement sector, OYAK Cement stands out among its peers with its scale advantage, extensive geographic footprint, and strong balance sheet. The Company's production network spread across Türkiye provides logistical advantages while enabling access to different demand regions; with its high capacity and flexible production structure, it creates the ability to balance between domestic market sales and exports.

This flexibility enhances operational resilience against fluctuations in demand conditions while enabling more efficient management of capacity utilization rates. In addition, the strong net cash position places the Company in a more financially resilient position in a high interest rate environment; at the same time, it provides significant strategic flexibility in investment and growth decisions.

On the operational side, the balance OYAK Cement has established between its high-margin cement operations and its volume-driven ready-mix concrete activities diversifies its revenue structure while supporting sustainable profitability. Energy transition investments, increasing use of alternative fuels, and digitalization projects in production processes offer the potential for a structural improvement in the cost base over the medium term. These factors stand out as key drivers supporting not only the Company's current performance, but also its future competitiveness.

We expect the Company's strong balance sheet, operational efficiency, and energy transition-focused investments to continue supporting profitability and valuation over the medium to long term. Based on our valuation analysis, we set a 12-month target price of TRY 33.35 for OYAK Cement, implying an upside potential of approximately 30.8% compared to the closing price as of April 15, 2026. Accordingly, we consider OYAK Cement to have outperformance potential relative to the benchmark index and initiate coverage with an "OUTPERFORM" recommendation.

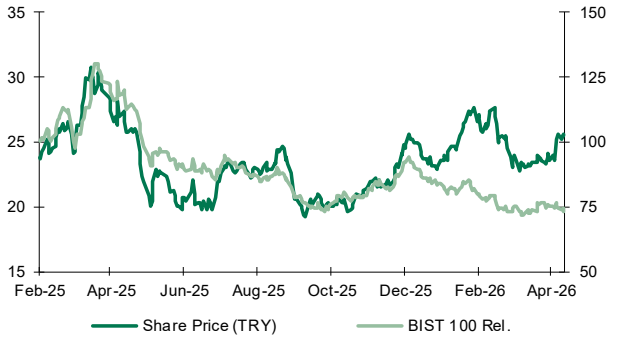
OUTPERFORM
TP: TRY 33.35
Upside: 30.8%

	TRY	US$
Close	25,50	0,57
BIST 100	14.252	319
US$/TRY (CB Bid Rate):	44,6474	
52 Week High:	27,62	0,70
52 Week Low:	19,25	0,47
Bloomberg/Reuters Ticker:	OYAKC.TI/OYAKC.IS	
Number of Shares (Mn):		4.862
	(TRY Mn)	(US$ Mn)
Current Mcap:	123.972	2.775
Free Float Mcap:	29.753	666

	1 M	YOY	YTD
TRY Return (%):	10,8	-6,9	10,7
US$ Return (%):	9,2	-20,9	6,3
BIST 100 Relative (%):	1,8	-38,7	-12,5
Avg. Daily Vol. (TRY Mn):	358,2	613,9	569,4
Avg. Daily Vol. (US$ Mn):	8,1	14,8	13,1

Beta	1,01
Volatility (Stock)	0,34
Volatility (BIST 100)	0,22

Shareholder Structure	%
TCC OYAK AMSTERDAM HOLDINGS B.V.	80,05
OTHER	19,95
Total	100,00



Investment Thesis

OYAK Cement's investment case is not based on a traditional cyclical growth story, but rather on a large-scale industrial company theme underpinned by a strong balance sheet, high operational efficiency, and sustainable cash generation. The Company's appeal is driven less by short-term price movements and more by its ability to create stable value over the medium to long term. In this respect, OYAK Cement offers a more balanced and predictable performance profile compared to aggressive growth stocks, presenting a structure that promises resilience and continuity for investors.

The strong net cash position enhances the Company's strategic flexibility, allowing it to pursue investment decisions with greater agility.

Under current conditions, one of the Company's key advantages is its strong net cash position. In a high interest rate environment, while financing costs pressure the profitability of leveraged companies, OYAK Cement's excess cash generates financial income and supports net profit. This strengthens the Company's resilience not only operationally but also financially. At the same time, the net cash position enhances the Company's strategic flexibility, enabling it to make investment decisions with greater agility and maintain a stronger stance against economic fluctuations. This structure clearly differentiates the Company from its more highly leveraged peers in the sector.

OYAK Cement stands out with profitability metrics that exceed sector averages.

On the operational side, OYAK Cement stands out with profitability metrics that exceed sector averages. The ability to maintain an EBITDA margin of 25.9% even in 2025, a period marked by intense cost pressures, highlights the Company's success in cost management and operational discipline. The Company's business model offers a balanced structure between its high-margin cement operations and its lower-margin but volume-generating ready-mix concrete activities. This enables the Company to sustain both growth and profitability simultaneously, while diversifying its revenue base beyond reliance on a single segment. In addition, its production network spread across Türkiye contributes to the optimization of logistics costs and provides flexibility against regional demand fluctuations.

At the core of the Company's medium-term investment case are energy transition and efficiency investments. Given the energy-intensive nature of cement production, energy costs play a decisive role in profitability, while OYAK Cement's renewable energy investments, waste heat recovery projects, and strategy to increase the use of alternative fuels offer the potential for a structural improvement in the cost base. With the full commissioning of these investments, energy costs are expected to decline, margins to expand, and carbon emissions to decrease. This is expected to strengthen not only the Company's financial performance but also its positioning in terms of sustainability and regulatory compliance.

Even in an environment where price increases remain limited, the growth in sales volumes highlights the Company's market strength and operational efficiency.

On the demand side, OYAK Cement's performance indicates that the Company has a resilient sales structure. Even in an environment where price increases remain limited, the growth in sales volumes highlights the Company's market strength and operational efficiency. Strong growth in the ready-mix concrete segment enables the Company to benefit from domestic demand dynamics, while the increase in export volumes supports financial performance through foreign currency-denominated revenue generation. The rising share of exports in total sales demonstrates that the Company is not solely dependent on the domestic market, instead balancing its risks through geographic diversification.

In addition, the Company's digitalization and automation initiatives represent a less visible yet critical component of the investment case. Through IoT and AI-supported

systems, it becomes possible to monitor machine performance in real time, detect potential failures in advance, and optimize maintenance processes. While such applications may have a limited impact on financials in the short term, they are expected to support profitability over the medium term through lower maintenance costs, reduced unplanned downtime, and improved production continuity.

Overall, OYAK Cement presents a compelling company profile, supported by its strong balance sheet, stable cash generation, and efficiency-driven investments. With these attributes, the Company is positioned as a more balanced option in terms of risk-return dynamics within portfolios, offering value appreciation potential over the medium term. Therefore, OYAK Cement can be considered a suitable investment alternative for investors seeking sustainable profitability and long-term value creation rather than short-term speculative gains.

Catalysts

One of the key catalysts is the improvement in energy costs and the increasing contribution of renewable energy investments to the financials.

The key catalysts that could drive value creation for OYAK Cement shares over the medium to long term are shaped around the Company's potential for cost structure improvement, gains in operational efficiency, and strengthening demand dynamics. In this context, one of the most important upside catalysts is the improvement in energy costs and the increasing contribution of the Company's renewable energy investments to the financials. Renewable energy projects, waste heat recovery investments, and the rising share of alternative fuel usage have the potential to support a gradual expansion in EBITDA margins by contributing to lower production costs. Given that energy costs represent a critical expense item in cement production, any improvement in this area is expected to have a leveraged impact on the Company's profitability.

A potential recovery in pricing power stands out as an important catalyst.

In addition, a potential recovery in pricing power stands out as an important catalyst. In an environment where inflationary pressures persist but cost increases can be more effectively passed through to selling prices, improvements in the Company's operating profit and EBITDA margins may be expected. In particular, stronger pricing discipline across the sector and a more rational competitive landscape could enable margins to trend upward again. This represents a strong catalyst that could be reflected directly and rapidly in the Company's financial performance.

On the demand side, public investments, social housing, and urban transformation projects stand out as key supporting factors for the cement sector. An acceleration in these projects or a stronger-than-expected continuation could support revenue growth by increasing the Company's sales volumes. In addition, a potential decline in mortgage rates and the resulting recovery in private sector housing demand could further strengthen domestic market dynamics. Rising demand creates a positive operating leverage effect on margins, particularly in the high fixed-cost cement industry.

The new facility investments the Company is evaluating in international markets indicate additional growth potential in total sales volumes.

Developments on the export side also constitute an important catalyst for the Company. A strengthening in global demand, a decline in freight costs, or improved access to new markets could support export volumes and contribute to an increase in foreign currency-denominated revenues. A higher share of exports in total sales would enhance revenue diversification, helping the Company build a more resilient structure against macroeconomic fluctuations. In this context, the potential contribution from new facility investments that the Company is evaluating in

international markets—particularly in nearby regions—indicates additional growth potential in total sales volumes.

The increasing reflection of digitalization and automation projects in the financials carries significant value creation potential over the medium term.

The increasing reflection of the Company's digitalization and automation initiatives in the financials also carries significant value creation potential over the medium term. Through machine health monitoring systems and IoT- and AI-supported maintenance processes, reductions in unplanned downtime, lower maintenance costs, and improved production efficiency are expected. The gradual realization of such efficiency gains stands out as a structural catalyst supporting operational profitability.

In addition, the strong cash position creates potential capital allocation catalysts for the Company. The continuation or potential increase in dividend payments over the coming years stands out as a key factor that could support investor interest. Similarly, potential mergers, acquisitions, or capacity expansion investments that the Company could undertake, supported by its strong balance sheet, may also be considered developments that could strengthen its growth story.

Developments in sustainability and ESG also stand out as factors that could have a positive impact on the Company's valuation.

Finally, developments in sustainability and ESG could also have a positive impact on the Company's valuation. Reductions in carbon emissions, improvements in energy efficiency, and stronger alignment with international ESG standards could enhance the Company's attractiveness to global investors. This, in turn, may have a positive impact on share performance, particularly through increased foreign investor interest.

Overall, the upside catalysts for OYAK Cement are not limited to cost control and improvements in operational efficiency, but are also shaped by strengthening demand dynamics alongside potential new investments, capacity expansions, and strategic growth initiatives. The simultaneous realization of these factors creates the potential for a meaningful improvement in both the Company's profitability and valuation.

Investment Risks

The cement sector is inherently cyclical and highly sensitive to macroeconomic developments.

Despite OYAK Cement's strong operational structure and solid balance sheet position, there are various risk factors that investors should consider in their decision-making process. The cement sector, in which the Company operates, is inherently cyclical and highly sensitive to macroeconomic developments. Therefore, a slowdown in economic growth—particularly a contraction in the construction sector and a potential decline in public investments—may directly affect cement demand and put pressure on sales volumes. The tight monetary policy implemented in the Turkish economy and the high interest rate environment may limit housing demand and lead to a slowdown in private sector construction activity, causing the Company's domestic market performance to fluctuate accordingly.

Potential increases in petcoke and electricity prices may directly affect the cost structure, putting pressure on margins.

One of the most significant risk factors affecting the Company's profitability is energy costs. As cement production is a highly energy-intensive process, potential increases in petcoke and electricity prices may directly impact the cost structure, putting pressure on margins. The volatility of energy prices, driven by global market dynamics, reduces cost visibility and may lead to fluctuations in operational profitability. Although the Company's investments in renewable energy and alternative fuels have the potential to mitigate this risk over the medium term, energy costs remain a key risk factor in the short term, given that the benefits of these investments will materialize gradually.

In inflationary environments, the inability to pass on cost increases to selling prices at the same pace may lead to a contraction in operating profit and EBITDA margins.

Pricing power is another key risk factor for the Company's financial performance. In inflationary environments, the inability to pass on cost increases to selling prices at the same pace may lead to a contraction in operating profit and EBITDA margins. In particular, a deterioration in pricing discipline in highly competitive regions may create additional pressure on the Company's profitability. The regional competitive structure of the cement sector may, at times, lead to intensified price competition and downward pressure on margins.

While export activities represent an important source of revenue diversification for the Company, they also entail various risks. A contraction in global demand, increases in freight costs, changes in trade policies, and fluctuations in exchange rates may affect the sustainability of export revenues. In addition, carbon regulations being implemented across various regions—particularly in the European Union—have the potential to create an additional cost burden for cement exporters. This may limit competitiveness, especially for facilities with carbon-intensive production.

The Company's high capital expenditures may also be considered a short-term financial risk. While investments focused on energy transition and capacity expansion are expected to support profitability over the long term, they may put pressure on free cash flow in the short term. This may, particularly during investment periods, lead to a limitation in dividend distribution capacity or a reduction in the cash position. Failure of these investments to deliver the expected efficiency gains or longer-than-anticipated payback periods may pose risks to the financial returns of these investments.

On the operational side, the continuity of production processes is of critical importance. Technical failures, unplanned downtime, and disruptions in maintenance processes in cement production may lead to production losses and increased costs. Although the Company's digitalization and machine health monitoring initiatives include important steps to mitigate these risks, it is not possible to eliminate operational risks entirely.

Finally, regulatory and environmental factors also constitute important risks for the sector. The tightening of carbon emission regulations may increase environmental compliance costs and create additional pressure, particularly for companies with energy-intensive production. In this context, the failure to implement timely and effective sustainability investments may adversely affect the Company's competitiveness.

Overall, while OYAK Cement has the capacity to manage a significant portion of these risks thanks to its strong balance sheet and operational resilience, macroeconomic, cost-related, and regulatory risks inherent to the sector should be taken into consideration before making an investment decision, as they will continue to be key determinants of the Company's performance.

Valuation Summary

Within the scope of our valuation analysis for OYAK Cement (OYAKC.TI), we have employed the Discounted Cash Flow (DCF) Analysis and the Market Multiples Analysis.

Under the Discounted Cash Flow (DCF) Analysis, the Company's cash flows for the 2026–2035 period have been projected and discounted to present value using the Weighted Average Cost of Capital (WACC). In the valuation assumptions, considering the tight monetary policy and the ongoing disinflation process, the risk-free rate is assumed to gradually decline; accordingly, a rate of 32% is used for 2026 and an average of 19% for the projection period. The terminal growth rate is assumed at 5%, while the market risk premium is set at 5.5% and the beta coefficient at 1.01. Within this framework, the Company's equity value is calculated at TRY 161,944 million based on the DCF analysis.

Under the Market Multiples Analysis, the valuation is based on the trading multiples of comparable domestic and international peers, with a median EV/EBITDA multiple of 10.36x applied. Based on the past twelve months financials, the Company's equity value is calculated at TRY 162,305 million.

Valuation Method	Equity Value (TRY mn)	Weighting	Weighted Equity Value (TRY mn)
Peer Multiples Analysis	162.305	50,00%	81.153
DCF Analysis	161.944	50,00%	80.972
Target Equity Value (TRY mn)			**162.124**
Paid-in Capital (TRY mn)			4.862
Target Value per Share (TRY)			**33,35**
Closing Price (TRY)			25,50
Upside Potential			**30,8%**

Based on the weighted results derived by assigning equal weight to both methodologies, the Company's 12-month target equity value is calculated at TRY 162,124 million. This implies a target price of TRY 33.35 per share, based on the Company's paid-in capital of TRY 4,862 million.

Based on the closing price of TRY 25.50 as of April 15, 2026, our target price indicates an upside potential of approximately 30.8%. We consider the current valuation level to be attractive, considering the Company's operational performance and its medium- to long-term growth outlook.

Accordingly, we regard OYAK Cement's current trading levels as a suitable entry opportunity for medium to long-term investors, and we initiate coverage with an "OUTPERFORM" recommendation.

(Our valuation analysis is presented in detail in the following sections of the report.)

1. Sector Analysis

The cement sector is characterized by a strong correlation with economic activity, a capital-intensive structure, sensitivity to energy costs, and a distinctly cyclical nature. In the case of Türkiye, the sector is influenced not only by overall growth dynamics but also directly by public investments, the housing market, urban transformation, industrial investments, and post-disaster reconstruction processes. Therefore, the sector's performance should be assessed not only through production and sales data but also in conjunction with macroeconomic and geopolitical developments.

This multi-layered structure causes demand-side fluctuations to often have delayed yet pronounced effects, which can lead to periodic volatility in company financials. In this context, the sector can exhibit rapid growth during expansion periods, supported by high-capacity utilization rates and strong pricing behavior, while during contraction periods, excess capacity risk may emerge alongside high fixed costs, increasing price competition and putting pressure on margins. In recent years, the pandemic, geopolitical developments, and the post-earthquake reconstruction process have made the sector's traditional cyclical nature more pronounced, resulting in a landscape where demand and cost dynamics have diverged periodically.

The Global Cement Sector

Demand Normalization, China-Driven Pressure, and Regional Divergence

Global production declined to 4.0 billion tons in 2024 and stabilized in the range of 3.9–4.0 billion tons as of 2025.

Over the past two years covering 2024 and 2025, the global cement sector has transitioned from the strong post-pandemic growth phase to a more subdued trajectory where downside risks have become more prominent. Global production, which stood at approximately 4.1 billion tons in 2023, declined to 4.0 billion tons in 2024 and stabilized in the range of 3.9–4.0 billion tons as of 2025. This outlook indicates that, following the robust volume growth seen in previous years, the sector has entered a new equilibrium phase where the impact of normalizing demand conditions on production is becoming more evident.

The loss of momentum on the demand side has been particularly driven by weakness in China, while growth dynamics across the sector have increasingly become dependent on regional factors. The decline in global production to 4.0 billion tons in 2024, marking a year-on-year contraction of 2.4%, signaled the early stages of this transition, while leading indicators released throughout 2025 have pointed to the continuation of this subdued trend.

China: The Key Driver Shaping Global Market Balance

The ongoing contraction in China remains a key determinant of the sector's global outlook.

The ongoing contraction in demand in China, which accounts for the largest share of global cement consumption, remains a key determinant of the sector's global outlook. Structural challenges in the real estate sector, weak household demand, and the loss of momentum in infrastructure investments have led to a multi-year decline in cement consumption. Production, which contracted by more than 20% cumulatively over the 2021–2024 period, maintained its downward trajectory in 2025, with an additional annual decline in the range of 5–8% coming to the fore.

On the policy side, restrictions on new capacity investments and regulations aimed at phasing out outdated facilities have led to a controlled contraction on the supply

side. However, these measures have proven insufficient to offset weak demand, resulting in capacity utilization rates remaining at relatively low levels compared to previous years. In this context, developments in China point beyond a cyclical slowdown to a more structural rebalancing process. As a result, China's share in global production is gradually declining, while a structural shift in the geographical distribution of the sector is becoming more prominent over the medium term.

India and Emerging Markets: The New Center of Growth

India and other emerging markets support the growth side of the sector with strong domestic demand dynamics.

In contrast to the weakness in China, India and other emerging markets support the growth side of the sector with strong domestic demand dynamics. Growth driven by infrastructure investments, urban transformation, and housing demand ensures a continued increase in production. India's annual cement production volume is expected to grow by 7.1% in 2025, supported by ongoing housing and infrastructure projects, while growth expectations in the range of 6–8% for 2026 and 2027, according to ICRA (Investment Information and Credit Rating Agency of India) reports, position the country as a key driver of global cement demand.

Meanwhile, some Asian countries, particularly Vietnam, are seeking to balance their production through exports. Vietnam's orientation toward markets in the Middle East, Africa, and Eastern Europe indicates a shift in global trade flows. This highlights that the exports have become a critical balancing mechanism, especially for countries with excess supply.

Developed Markets: Demand Pressure and Import Dynamics

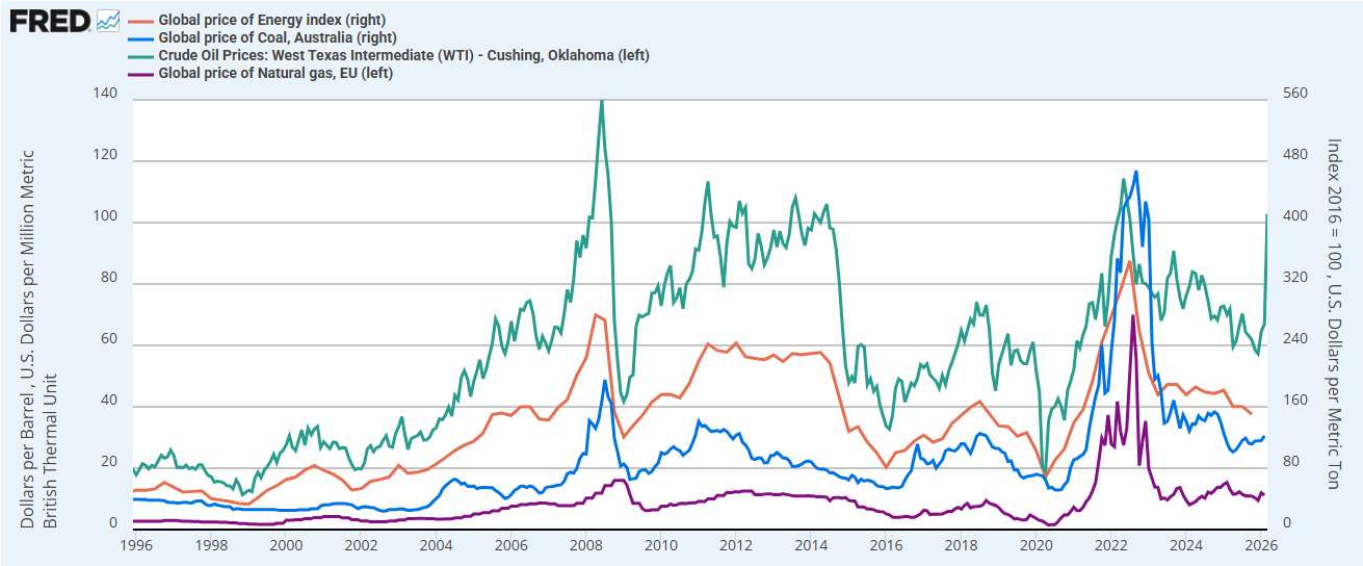
In developed markets, the high interest rate environment and weakening construction activity have continued to weigh on demand in recent years.

In developed markets, particularly in the United States and Europe, the high interest rate environment and weakening construction activity have continued to weigh on demand in recent years. In particular, the impact of tight financial conditions on residential and commercial real estate investments has led to a notable loss of momentum in cement consumption. In the United States, the decline in cement shipments and clinker production confirms weak domestic demand, while the upward trend in imports indicates that the supply-demand balance is partially being met through external sources. This environment constrains capacity utilization rates for domestic producers and puts pressure on pricing power, while creating export opportunities to the U.S. market for producers in other regions.

In Europe, high energy costs and tightening environmental regulations are putting pressure on the cost structure, while weak demand dynamics continue to weigh on the sector outlook. In some developed markets such as South Korea, the contraction in the construction sector presents a more pronounced picture, with double-digit declines observed in cement demand. In this context, while weak demand conditions persist across developed economies, sector growth is increasingly being driven by emerging markets.

Impact of Energy Costs on Cement Prices

The cement sector is inherently energy-intensive due to the nature of its production process, with energy costs accounting for a significant share of the overall cost structure. In particular, the high temperature requirements in clinker production necessitate the use of fossil fuels—primarily coal and petcoke—while electricity consumption also represents a key component of operating costs. This structure has historically made cement prices sensitive to developments in energy prices.

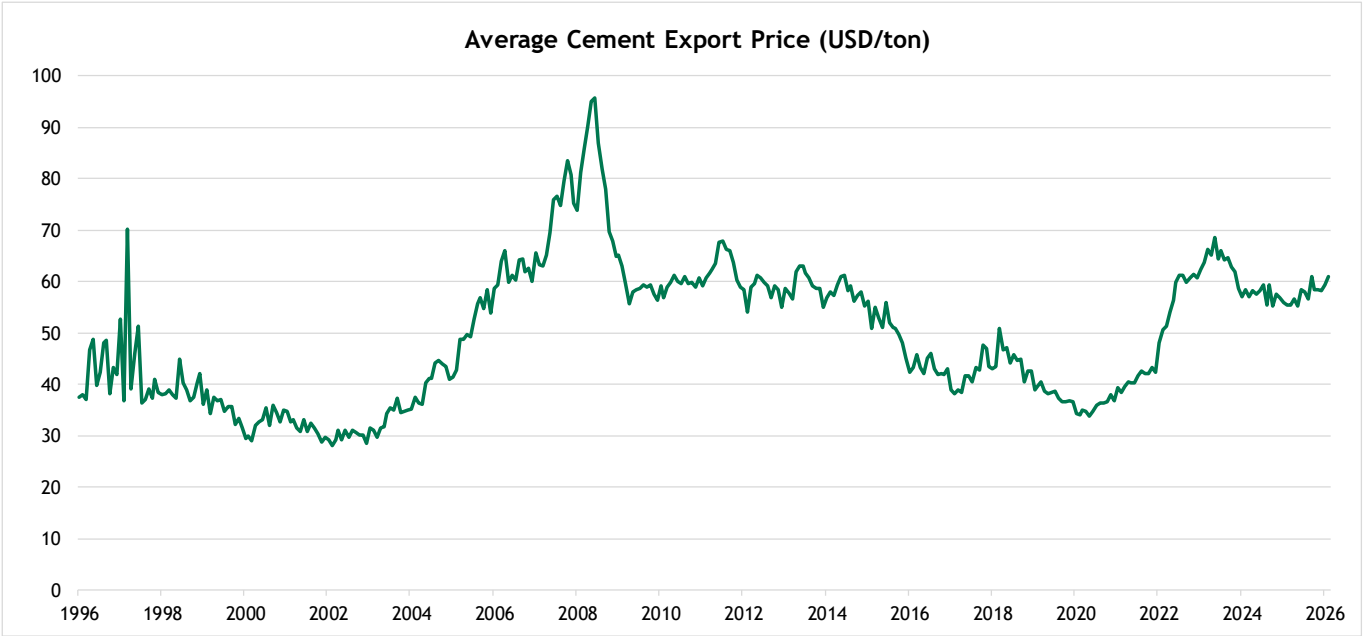


Source: *International Monetary Fund (IMF), U.S. Energy Information Administration (via FRED®)*

Cement prices track energy costs to a great extent.

There is a long-term relationship between cement export prices and global energy prices. However, this relationship does not reflect a one-to-one and simultaneous transmission mechanism; rather, it exhibits a lagged and time-varying pass-through structure. The transmission of increases in energy prices to cement prices occurs gradually over time, depending on factors such as contract structures, inventory levels, demand conditions, and competitive dynamics.

The chart above presents the evolution of the Global Price of Energy Index, global coal prices, crude oil prices, and global natural gas prices between 1996 and 2026 as indicators of global energy prices. The chart below shows Türkiye's average cement export price (including white cement) over the same period. When these two charts are assessed together, it is clearly observed that cement prices track energy costs to a great extent, although the timing and magnitude of this pass-through vary depending on demand conditions and market dynamics.



Source: *Turkish Statistical Institute (TURKSTAT), Şeker Invest Research*

The strong increase in global energy prices observed during the 2003–2008 period was reflected in a pronounced rise in cement prices. During this period, the upward

movement in oil, coal, and the overall energy index, combined with robust global demand, led cement prices to increase from around $30/ton to above $90/ton. This period stands out as a super-cycle in which rising energy costs were supported by strong demand conditions and were effectively passed through to prices.

Following the 2008 global financial crisis, the sharp decline in energy prices led to a downward correction in cement prices. However, the more limited and delayed decline in cement prices compared to energy prices indicates that contract structures and the relative resilience of demand played a role in the sector's pricing behavior. In the subsequent 2010–2015 period, with energy prices moving within a more balanced range, cement prices also exhibited a relatively stable trend in the range of $55–65/ton.

During the 2016–2020 period, weak energy prices and the loss of momentum in global demand caused cement prices to follow a downward trajectory once again. Particularly during the pandemic period, the sharp contraction in demand led cement prices to decline to approximately $35/ton. This period clearly demonstrates that, in addition to energy costs, demand conditions are also a key determinant of price dynamics.

During the 2021–2023 period, the extraordinary increase in energy prices served as a critical stress test for the cement sector. In 2022, following the Russia–Ukraine war, the sharp rise in oil, natural gas, and coal prices significantly increased production costs, while cement prices also reacted upward. However, compared to the magnitude of the increase in energy prices, the rise in cement prices remained relatively limited. This indicates that cost increases could not be fully passed through to end prices, leading to pressure on sector margins.

In the more recent period covering 2024 and 2025, the most notable development has been the resilience of cement prices despite the decline in energy prices. Although energy costs have normalized in the post-2023 period, the stabilization of cement export prices in the range of approximately $55–65/ton points to an improvement in pricing discipline across the sector. This divergence indicates that in markets with tighter supply-demand balances, producers have been able to maintain prices, demonstrating stronger pricing behavior compared to previous periods.

The impact of the conflict between the United States, Israel, and Iran on energy markets is bringing short-term cost dynamics back into focus for the cement sector.

In the recent period, rising geopolitical risks in the Middle East, and in particular the impact of the conflict between the United States, Israel, and Iran on energy markets in the first half of 2026, have brought short-term cost dynamics back into focus for the cement sector. Disruptions to oil and LNG supply through the Strait of Hormuz, driven by tensions involving Iran, have led to a significant supply shock in global energy markets and triggered sharp increases in oil and natural gas prices. In such a scenario, increases in energy costs are expected to be directly reflected in cement production costs, while the pass-through to prices is likely to remain delayed and limited, as observed in previous periods.

Overall, while energy prices remain the primary cost driver for the sector, final price formation is equally influenced by demand conditions, capacity utilization rates, competitive dynamics in export markets, and contract structures. In this context, the future trajectory of cement prices is expected to be shaped not only by developments in energy costs but also by global and regional demand dynamics.

Capacity Distribution and Supply-Demand Balance

China, with an approximate capacity of 1.5 billion tons, remains the key driver of global supply.

Global capacity dynamics indicate that the sector continues to maintain a high supply structure. In the current landscape, where total capacity has reached approximately 4.6 billion tons, China, with around 1.5 billion tons of capacity, remains the key driver of global supply. India ranks second with a capacity of approximately 490 million tons, while Türkiye's position within the top 10, with around 107 million tons of capacity, confirms its role as a significant production hub at both the regional and global levels. This structure highlights that global supply is concentrated around a limited number of major markets.

No	Country	Integrated Plants	Integrated Capacity (Mt/year)	Grinding Plants	Grinding Capacity (Mt/year)	Total Plants	Total Capacity (Mt/year)
1	China	798	1358,1	56	123,5	854	1481,6
2	India	165	362,7	106	127,8	271	490,5
3	Vietnam	79	150,1	14	12,1	93	162,2
4	United States	89	120,2	20	10,8	109	131,0
5	Russia	73	125,6	4	3,2	77	128,8
6	Indonesia	31	105,9	9	4,5	40	110,4
7	Turkey	54	102,3	15	5,1	69	107,4
8	Brazil	63	82,5	26	15,5	89	98,0
9	Iran	71	84,8	4	2,1	75	86,9
10	Egypt	24	76,0	2	2,1	26	78,1
	Others (153 Countries and Regions)	904	1456,9	420	255,3	1324	1712,1
	TOTAL	**2351**	**4025,1**	**676**	**561,9**	**3027**	**4587,0**

Source: *Global Cement Directory 2026, Şeker Invest Research*

However, in recent years, the mismatch between capacity distribution and demand dynamics has emerged as one of the sector's key vulnerabilities. In particular, despite capacity increases in markets such as Russia, Indonesia, and Egypt, weak demand has led to a more pronounced oversupply and a deterioration in pricing power in these countries. This has driven producers to shift toward exports to offset domestic market weakness, intensifying competition in global trade and putting downward pressure on margins.

Domestic demand growth continues in markets such as Türkiye, Brazil, and India.

Stronger domestic demand in markets such as Türkiye, Brazil, and India supports relatively high-capacity utilization rates and reinforces pricing discipline. In these countries, infrastructure investments and housing demand contribute to a more balanced supply-demand structure in the sector. On the other hand, ongoing infrastructure investments and accelerating urbanization trends in Africa and the Middle East continue to support cement demand. This picture clearly indicates that, in an environment where total global demand remains broadly flat, growth is shifting geographically.

In this context, the increasingly pronounced regional divergence in the global cement sector is differentiating trade flows and pricing behavior on a country basis; the balance between export-oriented strategies in countries with excess supply and domestic consumption dynamics in demand-strong markets is becoming the key determinant of the sector's overall profitability outlook.

Competitive Landscape, Consolidation Dynamics, and the Defining Role of Economies of Scale

The cement sector continues to exhibit a highly concentrated structure due to high entry barriers, its capital-intensive nature, and the defining role of economies of

The top 10 producers in the sector control approximately 1.9 billion tons of capacity.

scale. As illustrated in the table below, the top 10 producers control approximately 1.9 billion tons of capacity, highlighting that scale advantage is a critical factor in terms of pricing power, cost structure, and operational efficiency. The integrated production structures and broad geographic footprints of large-scale players provide logistical advantages and operational flexibility, supporting margin resilience. In this context, the TCC Group stands out with its global scale, while OYAK Cement stands out with the advantages provided by its leading domestic capacity position.

No	Producer	Region	Capacity (mn tons/yr)
1	CNBM	China	530,0
2	Anhui Conch	China	407,0
3	Holcim	Switzerland	203,4
4	Heidelberg Materials	Germany	186,9
5	Huaxin Cement	China	126,0
6	**Taiwan Cement**	**Taiwan**	**110,0**
7	UltraTech	India	98,5
8	CRMBT	China	93,8
9	Cemex	Mexico	86,2
10	Votorantim	Brazil	70,7
32	**OYAK**	**Turkey**	**24,2**
48	Limak	Turkey	16,0

Source: *Global Cement Directory 2026, Şeker Invest Research*

An analysis of the competitive landscape indicates that the sector is shaped along the axes of scale and consolidation. While China-based producers stand out with their large capacity, multinational companies based in Europe and the United States differentiate themselves through geographic diversification, advanced technological infrastructure, and efficiency-driven operational structures. This suggests that competition is shaped not only by capacity but also by operational quality and capital efficiency.

Recently, global players have been observed to restructure their portfolios with a more selective approach. Exiting markets with low profitability or limited growth potential, while shifting focus toward regions offering higher demand and margin potential, has become more prominent. Asset disposals, partnership structures, and regional repositioning initiatives are progressing in line with companies' objectives to enhance capital efficiency and strengthen their balance sheets. This process indicates that the sector is in a dynamic phase of consolidation.

The sustainability-driven transformation is becoming an increasingly decisive factor in shaping competitive dynamics.

On the other hand, the sustainability-driven transformation is becoming an increasingly decisive factor in shaping competitive dynamics. Investments in low-carbon production technologies, alternative fuel usage, and carbon capture solutions are of critical importance for managing regulatory risks and optimizing the long-term cost structure. In this context, producers with scale advantages are strengthening their competitive positions by financing transformation investments more effectively.

The sector's structural dependence on local demand dynamics leads pricing and profitability metrics to be largely shaped by country-specific supply-demand balances. The low unit value of cement and high transportation costs limit international trade, resulting in a structure where regional divergence remains pronounced despite a broadly flat global demand outlook.

As a result, while the sector maintains its highly concentrated structure, competition is increasingly shaped within a more selective and strategic framework

centered on scale, efficiency, and capital allocation. This structure indicates that consolidation trends are likely to continue in the coming period, with competition among large players evolving toward a more disciplined environment.

Overall Assessment

Over the past two years, the global cement sector has transitioned from a high-growth phase to a more moderate growth trajectory.

Over the past two years covering 2024 and 2025, the global cement sector has transitioned from a high-growth phase to a more moderate growth trajectory. While demand contraction in China continues to weigh on global growth, India and other emerging markets continue to support the sector. At the same time, excess capacity, regional demand disparities, and intensifying export competition stand out as key determinants of the sector.

In this context, the sector's performance on the demand side in the coming period is expected to be shaped by the timing of demand recovery in China, the sustainability of growth in emerging markets—particularly India—and the direction of global trade flows.

Structural Transformation of the Sector and Sustainability Dynamics

The cement sector has entered a significant phase of structural transformation in recent years, as it is one of the most carbon-intensive industries globally. In particular, the European Union's policies aimed at reducing carbon emissions, along with mechanisms such as the Carbon Border Adjustment Mechanism (CBAM), are fundamentally reshaping the sector's competitive dynamics. These developments have become not only an environmental responsibility for cement producers but also a strategic issue with direct financial implications.

Under the European Union's carbon regulations, export activities of carbon-intensive industries are subject to additional costs. This creates a significant risk, as well as a transformation imperative, for cement producers in countries such as Türkiye that export to Europe. The pass-through of carbon costs to prices may lead to margin pressure, particularly for producers competing on low-cost advantages. As a result, competitiveness in the sector is now determined not only by production costs but also by carbon footprint.

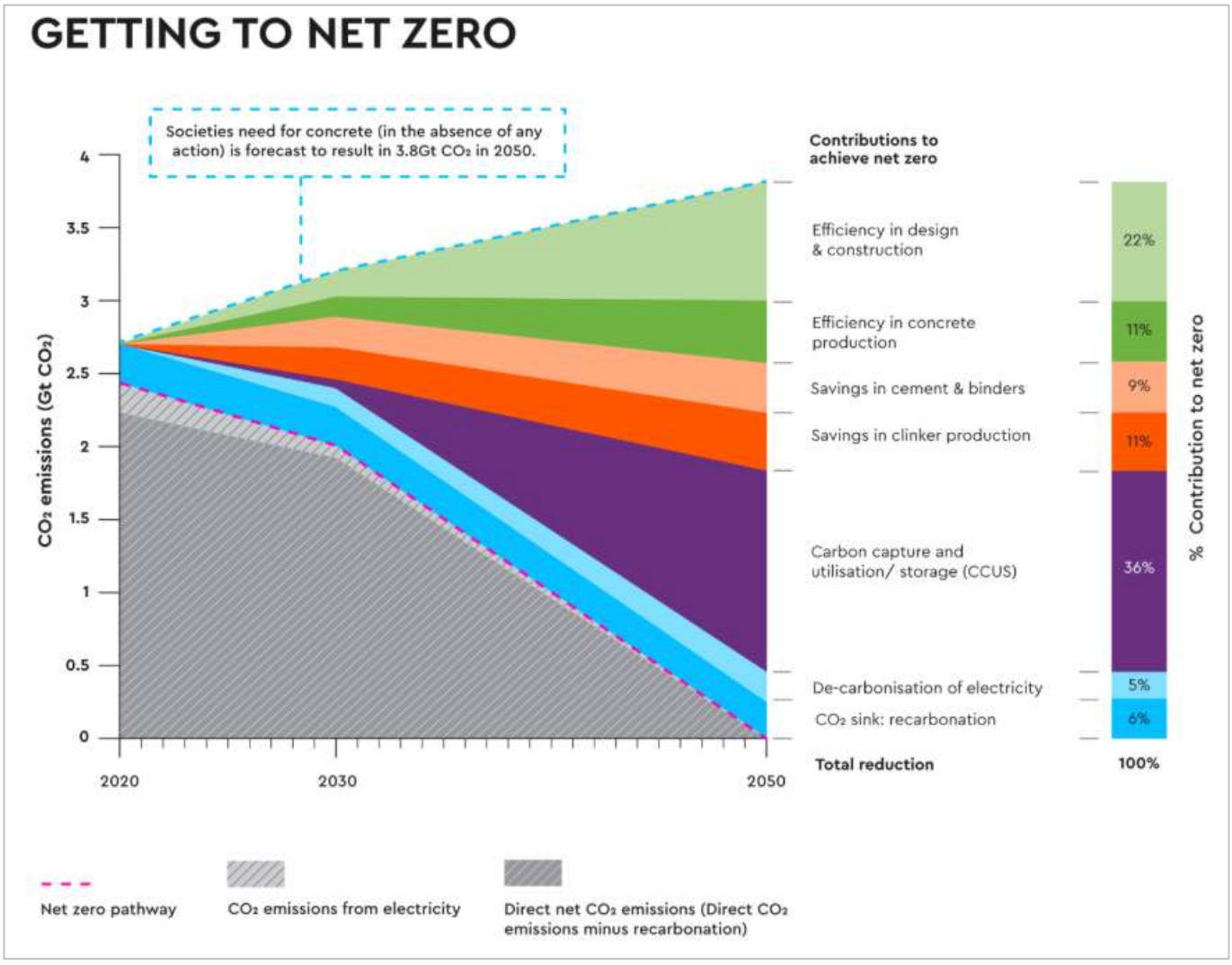
Emissions from the cement sector amount to approximately 2.5 Gt per year, accounting for around 6% of total emissions.

According to the Global Carbon Budget data published by the Global Carbon Project, while global CO_2 emissions amount to approximately 41–42 Gt per year, emissions from the cement sector are around 2.5 Gt per year, accounting for roughly 6% of total emissions. A significant portion of these emissions originates directly from calcination in the production process. Approximately 60% of total emissions stem from process emissions generated by the high-temperature decomposition of limestone during clinker production, while the remaining approximately 40% results from the combustion of fuels used in the production process. In addition, indirect emissions from electricity consumption in the sector further increase total emissions.

This structure differentiates the cement sector from many other industrial segments, as a substantial share of emissions arises from chemical processes that cannot be fully eliminated through energy efficiency measures alone. Therefore, the sector's decarbonization pathway requires a comprehensive approach that encompasses not only energy transition but also multiple levers across production technologies, fuel mix, and the broader value chain.

In the absence of any intervention, CO_2 emissions associated with global cement and concrete demand are projected to reach approximately 3.8 Gt by 2050.

The net zero roadmap for 2050 published by the Global Cement and Concrete Association (GCCA) outlines the scope of the sector's structural transformation, its key levers, and the role of each of these levers in achieving the net zero target, based on global averages. In the absence of any intervention and assuming the continuation of current trends, CO_2 emissions linked to global cement and concrete demand are projected to reach approximately 3.8 Gt by 2050. This indicates that demand growth and emission reduction targets must be managed simultaneously, and that achieving net zero cannot be accomplished solely through improvements on the production side.



Source: *Global Cement and Concrete Association (GCCA)*

The net zero roadmap indicates that emissions reduction is driven by a multi-layered structure, with the largest contribution expected to come from carbon capture, utilization, and storage (CCUS) technologies at approximately 36%, while efficiency improvements in design and construction processes are projected to represent the second most significant contribution at around 22%. In addition, improvements in clinker production and fuel usage are expected to contribute approximately 11% to emissions reduction, while changes in cement and binder composition are estimated to account for around 9%, decarbonization of electricity use for 5%, and re-carbonation for approximately 6%. These elements stand out as complementary components in overall emissions reduction.

In this context, it is evident that the sector's decarbonization pathway requires a comprehensive transformation that extends beyond production processes to encompass design, energy use, and end-use stages.

An analysis of the roadmap indicates that efficiency gains in clinker production represent one of the core components of the transformation. The use of decarbonized raw materials, energy efficiency applications, and the expansion of alternative fuel usage stand out as key elements in this context. In particular, the projected increase in the global alternative fuel usage rate from the current level of 6% to 22% and 43% in 2030 and 2050, respectively, highlights that reducing dependence on fossil fuels is a critical area of transformation for the sector. However, the fact that increased use of alternative fuels may, in some cases, lead to a limited rise in energy demand indicates that the transition process needs to be managed in a technically balanced manner.

Improvements in cement and binder composition also play a significant role in emissions reduction. Reducing the clinker ratio through the use of alternative materials such as fly ash, ground granulated blast furnace slag (GGBS), ground limestone, and calcined clay is one of the key levers for lowering carbon intensity across the sector. The projected decline in the clinker ratio within the global binder composition—from the current level of 63% to 58% and 52% in 2030 and 2050, respectively—indicates that this transformation is structural and long-term in nature. However, factors such as the availability of these materials and customer acceptance may act as constraints on the pace of this transition.

Efficiency gains in concrete production and use represent the non-production components of emissions reduction. It is anticipated that a meaningful reduction in binder demand can be achieved through the transition to industrialized processes in concrete production, mix optimization, and the effective use of admixtures. In addition, optimizations in design and construction processes have the potential to make a significant contribution to emissions reduction through reduced material usage and longer-lasting structural solutions. This indicates that demand-side applications are becoming increasingly decisive in the sector's decarbonization process.

Carbon capture, utilization, and storage (CCUS) technologies stand out as the most critical component of the sector's long-term transformation.

Carbon capture, utilization, and storage (CCUS) technologies stand out as the most critical component of the sector's long-term transformation. By 2050, approximately 1.37 billion tons of CO_2 is expected to be captured and either utilized or stored, indicating that achieving the net zero target is largely dependent on the scaling of this technology. On the energy side, indirect emissions from the sector are targeted to be reduced to zero by 2050 in line with the decarbonization of electricity generation. In addition, the re-carbonation process—referring to the absorption of CO_2 from the atmosphere over the lifecycle of concrete—is considered a complementary factor contributing to emissions reduction.

This structural transformation is also gaining momentum in the Turkish cement sector. Companies are increasing the use of alternative fuels, making investments in energy transition, and striving to enhance the efficiency of their production processes. In this context, sustainability has evolved beyond being merely a corporate social responsibility topic and has become a strategic area directly linked to cost structure, operational efficiency, and profitability.

Looking ahead, carbon regulations are expected to become increasingly stringent. This may create a competitive disadvantage for companies that fail to implement

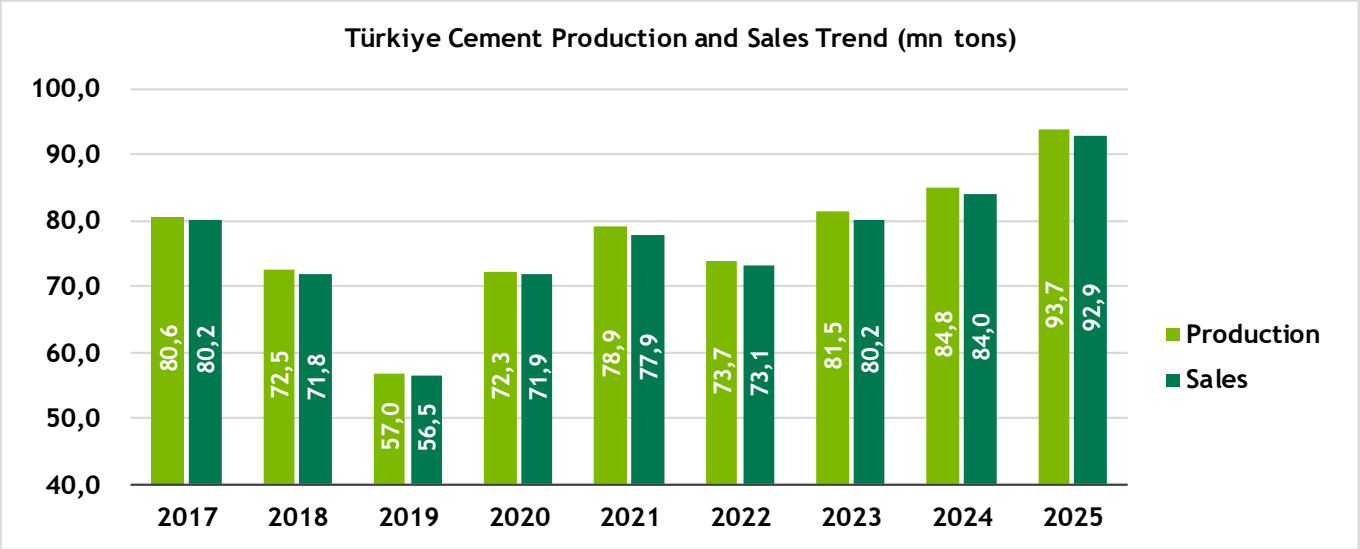
the necessary investments in a timely manner and continue to operate with carbon-intensive production. Conversely, companies that successfully complete their energy transition, reduce their carbon footprint, and align with ESG criteria are expected to gain cost advantages and become more attractive to global investors.

This transformation process is also affecting the sector's valuation dynamics. Cement companies, which have traditionally been assessed based on capacity and volume, are now increasingly evaluated on criteria such as carbon intensity, energy efficiency, and sustainability performance. Therefore, not only production capacity but also the carbon intensity and efficiency level of production will be key determinants of the sector's future.

In this context, the sustainability-driven structural transformation in the cement sector presents both risks and opportunities. While companies that fail to comply with regulations may face increased cost pressure and the risk of market share loss, those that successfully manage the transition may benefit from margin improvement and potential multiple expansion. Accordingly, the differentiation within the sector in the coming period is expected to be largely shaped by the extent to which companies can adapt to this transformation.

The Cement Sector in Türkiye

The Turkish cement sector has diverged positively in the recent period, despite global trends of demand normalization and regional divergence. Supported by strong domestic demand dynamics, ongoing urban transformation, and infrastructure investments, the sector has delivered a robust performance in terms of both production and sales volumes as of 2025. However, limited growth in global demand and increasing competition in certain regions stand out as factors that constrain pricing power—particularly through export channels—and create indirect pressure on margins. Therefore, when assessing the sector's medium-term outlook, it is critical to consider domestic demand dynamics alongside global supply-demand balances.

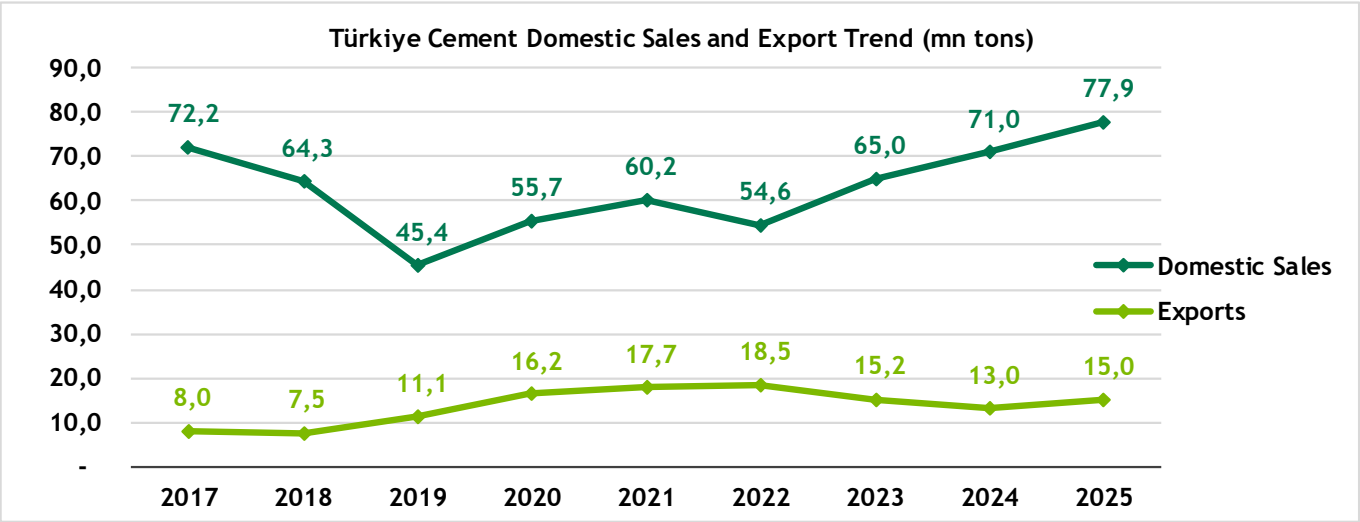


Source: *Turkish Cement Manufacturers' Association (TÜRKÇİMENTO), Şeker Invest Research*

Production and sales data in the Turkish cement sector indicate a pronounced cyclical pattern in recent years. Cement production, which stood at approximately 80.6 million tons in 2017, declined to 72.5 million tons in 2018 and further to 57.0 million tons in 2019, signaling that the sector entered a strong contraction phase. This downturn is directly linked to the financial tightening, rising interest rates, and

the sharp slowdown in housing demand in the Turkish economy during the same period. The decline in new construction project starts and the weakening investment appetite were among the key factors putting pressure on cement demand.

This contraction progressed in parallel with the sharp decline in domestic sales; domestic sales volume fell from 72.2 million tons in 2017 to 45.4 million tons in 2019. This development clearly demonstrates how quickly and strongly the sector responds to economic slowdowns. At the same time, due to the sector's high fixed-cost structure, the impact of volume contraction on profitability was felt disproportionately more severely during this period.



Source: *Turkish Cement Manufacturers' Association (TÜRKÇİMENTO), Şeker Invest Research*

As of 2020, the sector entered a recovery phase, with production exceeding 70 million tons again and reaching 72.3 million tons, followed by strong momentum in 2021 at 78.9 million tons. This recovery was driven by expansionary monetary policies implemented during the pandemic, a low interest rate environment, and an increase in credit-supported housing demand. In particular, financing opportunities provided—primarily through public banks—and the release of pent-up demand led to a strong rebound in the domestic market.

In 2022, a limited contraction was observed in the sector, as rising financing costs and macroeconomic uncertainties put pressure on domestic demand. However, the supply shortages in Europe following the Russia-Ukraine war supported Türkiye's exports, thereby limiting a potentially sharper contraction in total volumes.

Total cement production in the Turkish cement sector reached 93.7 million tons in 2025, marking a historical peak.

Following 2023, the sector has re-entered a strong growth phase. Production, which stood at 81.5 million tons in 2023 and 84.8 million tons in 2024, reached 93.7 million tons in 2025, marking a historical peak. The main driver of this growth has been the acceleration of reconstruction activities in the aftermath of the 2023 earthquake. Increased housing and infrastructure investments in the affected regions have strongly supported domestic demand, while ongoing public investments and the acceleration of urban transformation projects have further reinforced demand dynamics.

Sales data confirms a similar trend. After declining to approximately 56.5 million tons in 2019, total cement sales have shown a steady increase in the following years, reaching 92.9 million tons in 2025. This indicates that the sector has not only

recovered but has also established a stronger volume balance, supported by the emergence of new demand dynamics.

The composition of this growth indicates that domestic demand has become the primary driver in recent years. Domestic sales, which bottomed out at 45.4 million tons in 2019, reached a historical peak of 77.9 million tons in 2025. This increase has been driven by post-earthquake reconstruction activities, the acceleration of social housing projects, and the rise in public infrastructure investments. In addition, the momentum in urban transformation projects and the gradual release of pent-up housing demand have also supported domestic demand. This development indicates that the main driver of sector growth has shifted back to the domestic market.

On the other hand, exports have continued to function as a balancing mechanism for the sector. During the 2019–2022 period, when domestic demand was weak, cement exports increased significantly, reaching a peak of approximately 18.5 million tons in 2022. During this period, Türkiye's competitive cost structure, favorable exchange rate dynamics, and supply shortages—particularly in the European market—supported strong export performance. However, following the recovery in domestic demand after 2023, the share of exports in total sales declined, with total exports amounting to approximately 15.0 million tons in 2025. This decline was driven by the redirection of production toward the domestic market and the higher margins available in domestic sales. This dynamic, highlights the sector's flexibility in demand management and its ability to optimize capacity utilization across different markets.

Total exports amounted to approximately 15.0 million tons in 2025.

The sector's recent performance has been shaped not only by demand dynamics but also by global and local macroeconomic developments. During this period, macro conditions have made the sector's traditional cyclical structure more complex, leading to a divergence between volume and profitability dynamics at times. While rising energy costs have pushed production costs higher, strong demand conditions and export opportunities have enabled companies to maintain high-capacity utilization rates. This highlights that the sector should be assessed not only from a demand perspective but also in terms of cost structure and pricing discipline. In particular, during periods of cost shocks, companies' pricing power and operational flexibility have become key determinants, contributing to increased performance differentiation within the sector.

The year 2023 stands out for the sector with a distinct dynamic. Although the major earthquake in Türkiye caused disruptions in production and logistics in the short term, it provided strong demand support to the sector over the medium term. In particular, the reconstruction of damaged housing stock in the earthquake-affected regions, infrastructure investments, and projects led by the public sector led to a rapid and significant increase in cement demand.

The demand contribution driven by the earthquake-affected regions, which has persisted since 2023, is expected to gradually decline starting from 2026.

The post-earthquake reconstruction process resulted in a notable increase in domestic sales, especially from the second half of 2023, with the impact becoming more pronounced in 2024 and 2025. However, it should be noted that this demand increase is largely temporary in nature, and as the reconstruction process is substantially completed, the contribution to demand is expected to gradually decline starting from 2026.

In this context, sector demand is expected to transition from a disaster-driven temporary growth phase to a more balanced and sustainable structure. At this point,

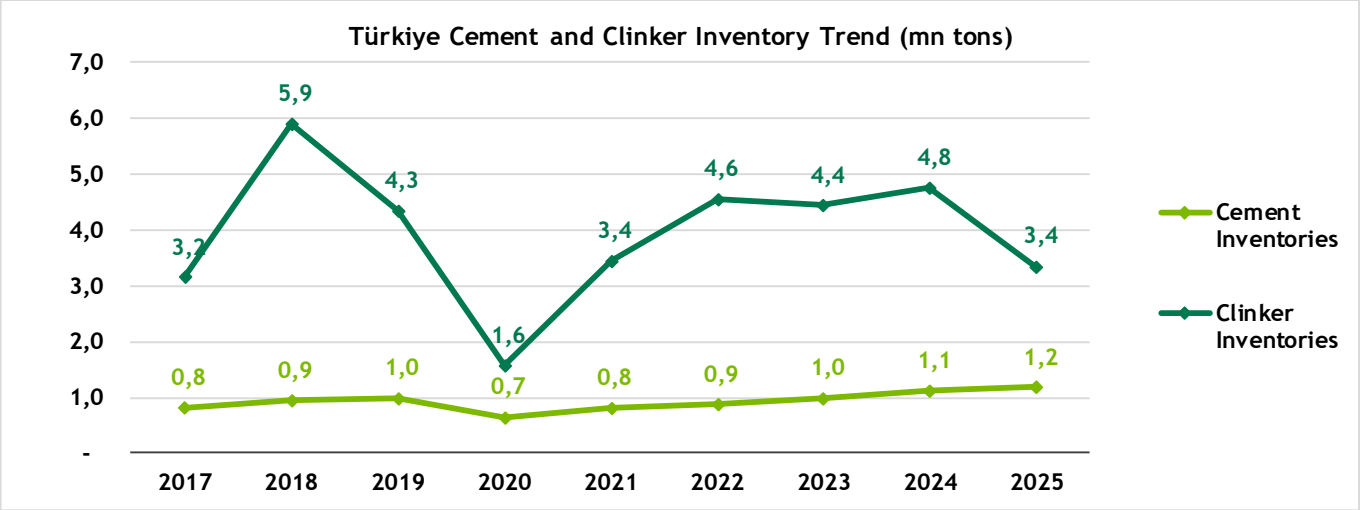
social housing projects and public-supported investments, which have recently gained momentum, are creating a more sustainable foundation for sector demand.

One of the most significant structural risk factors facing the sector is energy costs.

One of the most significant structural risk factors facing the sector is energy costs. The increase in energy prices in the post-Russia-Ukraine war period has intensified cost pressures in cement production and tested companies' pricing power. In particular, rising costs in key inputs such as petcoke, coal, and electricity—widely used in the production process—have been a major determinant of the overall cost structure. As a result, despite the increase in production volumes, margins have not expanded at the same pace.

Moreover, even during periods of strong demand, the inability to fully pass on cost inflation to prices has remained a key factor putting pressure on profitability. Therefore, the sector's current outlook should be assessed not only in terms of volume growth but also through the lens of cost structure, energy efficiency, and pricing discipline.

In this context, alternative fuel usage, waste heat recovery systems, and renewable energy investments have begun to create a clear competitive advantage among companies, and players that are more effective in managing energy costs are expected to positively differentiate in terms of margin performance.



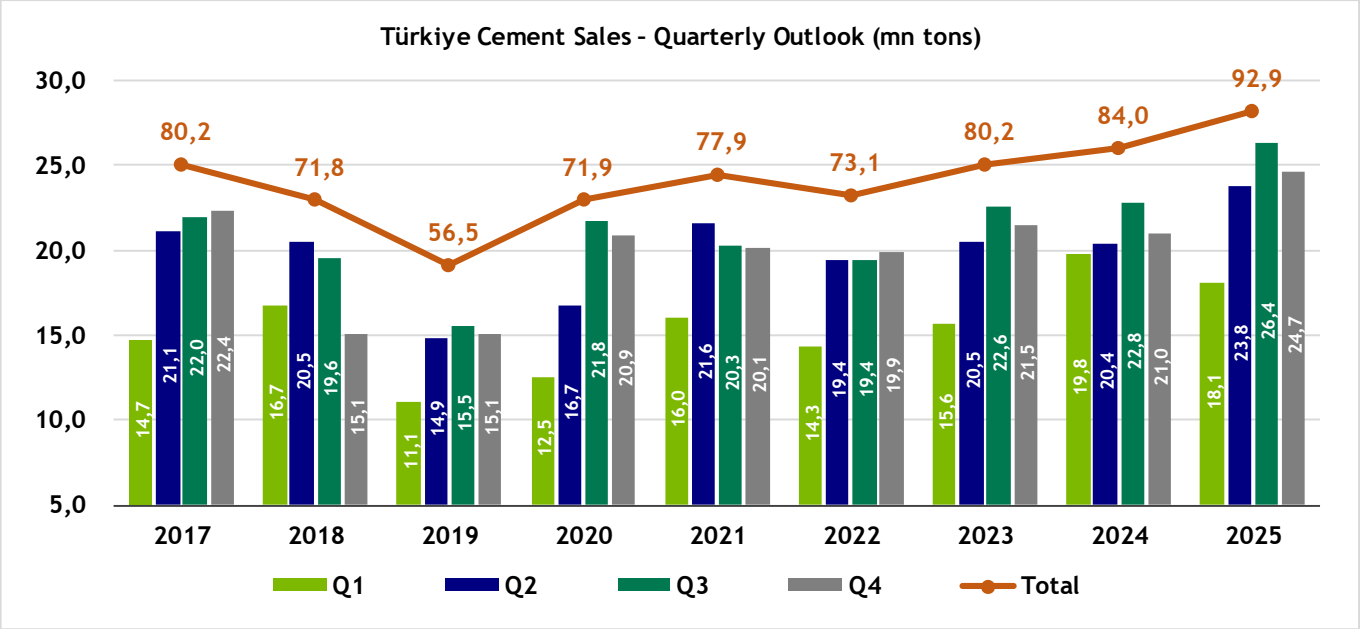
Source: *Turkish Cement Manufacturers' Association (TÜRKÇİMENTO), Şeker Invest Research*

Inventory levels provide important signals in terms of supply-demand balance. The fact that cement inventories have recently remained within a relatively low and controlled range of 0.7-1.2 million tons indicates that supply on the finished product side has remained balanced. In contrast, the fluctuation of clinker inventories within a wider range of 1.6 to 5.9 million tons suggests that adjustments on the production side are largely managed through intermediate products.

This indicates that, due to its nature as an intermediate product, clinker is more sensitive to production planning and allows for sharper adjustments in inventory levels depending on demand conditions. In particular, the observed volatility in clinker inventories points to the absorption of periodic supply-demand imbalances on the production side and reflects the sector's operational flexibility. In this context, inventory dynamics suggest that the supply-demand balance is not fully tight and that pricing power may be constrained at times.

Quarterly sales volumes indicate that seasonality remains a strong and recurring dynamic in the cement sector. While the first quarter traditionally stands out with lower sales volumes, a notable increase in volumes is observed in the second and particularly the third quarters as construction activity accelerates, with demand stabilizing at a more balanced level in the final quarter of the year.

However, it is noteworthy that the impact of seasonality has started to structurally weaken in recent years. In particular, the fact that first-quarter sales have been realized at higher levels compared to historical periods, especially after 2023, suggests that demand is becoming more evenly distributed throughout the year. This development has been driven by the continuity of post-earthquake reconstruction activities, the spread of public investments across the year, and the uninterrupted progress of social housing projects.

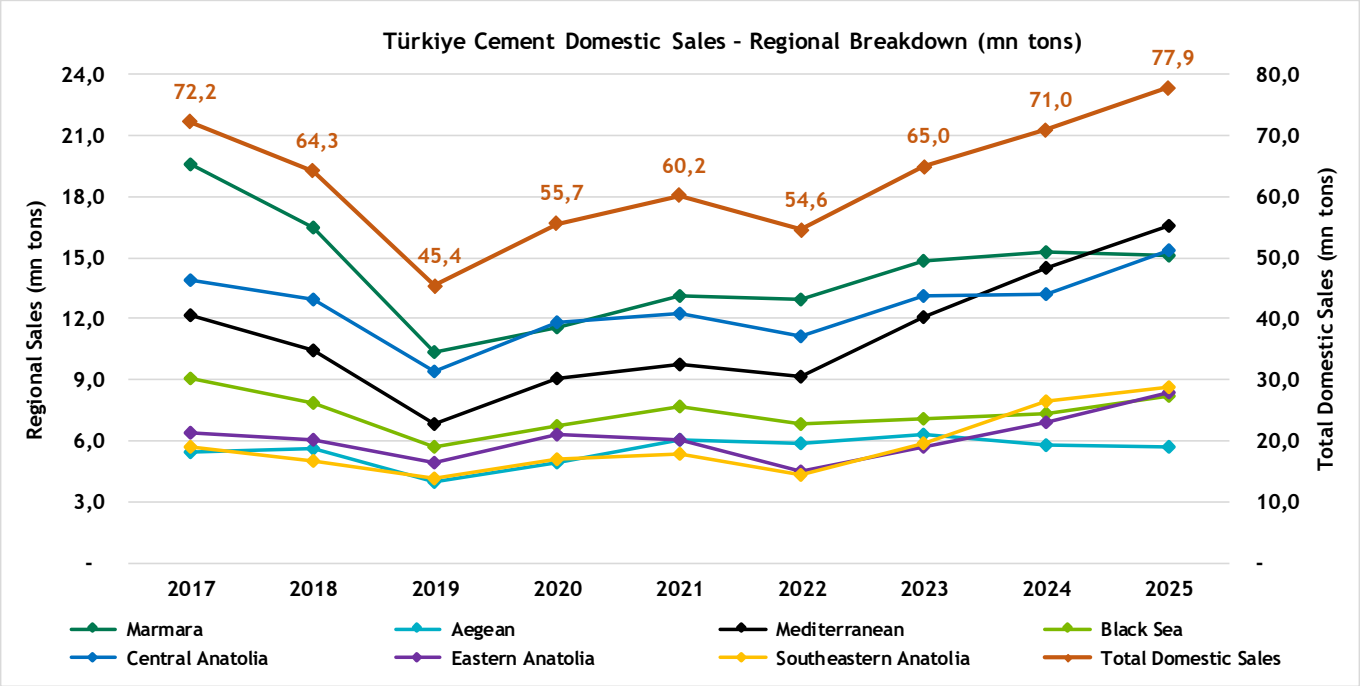


Source: *Turkish Cement Manufacturers' Association (TÜRKÇİMENTO), Şeker Invest Research*

The third quarter stands out as the strongest period for the sector.

That being said, the third quarter stands out as the strongest period for the sector, and the high quarterly volumes reached in 2025 indicate that the sector is driven not only by seasonal fluctuations but also by a rising base level. In this context, sector dynamics are evolving into a structure where traditional seasonality persists, while the intra-year distribution becomes more balanced with the expansion of the demand base. Accordingly, when assessing financial performance, it is essential to consider not only quarterly fluctuations but also the new demand equilibrium created by the increasing base level.

Demand dynamics in the sector show a clear regional divergence, and this differentiation provides a critical indicator for understanding overall sector performance. While the Mediterranean and Marmara regions stand out in terms of production and exports, Central Anatolia draws attention with strong domestic demand



Source: *Turkish Cement Manufacturers' Association (TÜRKÇİMENTO), Şeker Invest Research*

In the Marmara region, domestic sales declined to 10.4 million tons in 2019, before gradually recovering to 15.2 million tons in 2024 and stabilizing at 15.1 million tons in 2025. In contrast, the Mediterranean region recorded the strongest growth performance, with volumes rising from 6.9 million tons in 2019 to 16.6 million tons in 2025. This increase has been driven by the concentration of reconstruction activities along the Mediterranean corridor—which includes provinces directly affected by the earthquake—as well as the region's critical role in both production and logistics.

Central Anatolia also exhibited a steady and strong increase in demand, rising from 9.4 million tons to 15.3 million tons, supported by its central position in serving a broad geographic demand base and its role within a domestic demand-oriented distribution network. By contrast, the Aegean and Black Sea regions have shown a more limited and stable trend, while the recent increase observed in Eastern and Southeastern Anatolia reflects the regional impact of post-earthquake reconstruction and public investments.

In particular, the Mediterranean region's leading position in exports, supported by its port access, highlights the importance of geographical advantages in shaping sector competition. This underscores that the location of production facilities is not only an operational factor but also a strategic competitive element, pointing to a structure where regional demand differences have a direct impact on companies' growth and capacity utilization performance.

Overall, the Turkish cement sector has exhibited a multi-dimensional outlook in recent years, shaped by the simultaneous impact of demand and cost dynamics. While the post-pandemic recovery, geopolitical developments, and post-earthquake reconstruction activities have driven sector volumes to historically high levels, this growth has not been fully reflected in profitability, with cost pressures remaining a key determinant. This indicates that the sector should be assessed not only in terms of volume growth but also through pricing discipline, cost management, and operational efficiency.

While domestic demand remains strong, a shift toward a more balanced demand composition is being observed.

Under the current outlook, domestic demand remains strong, although a transition toward a more balanced demand composition is becoming evident. While demand driven by earthquake-related reconstruction is expected to gradually normalize, social housing projects and public investments are emerging as the primary demand drivers. On the other hand, the persistence of a high interest rate environment may constrain housing demand driven by the private sector. A potential easing in monetary policy, however, could support demand through the mortgage channel.

Looking ahead, the key factors shaping sector performance will be the pace of this transition on the demand side, the trajectory of energy costs, the process of compliance with carbon regulations, and competitive conditions in export markets. In particular, the European Union's carbon regulations stand out as a major factor transforming the sector's production structure and creating additional investment requirements, with low-carbon production capabilities becoming an increasingly critical competitive factor.

In this context, despite strong volume dynamics, the sector presents a structure that requires a selective approach. Companies that can effectively leverage operational efficiency, cost management, energy transition, and regional positioning advantages are expected to demonstrate more resilient performance under evolving macro and sectoral conditions. OYAK Cement stands out with its scale, geographic footprint, and financial strength, as well as its high operational efficiency and profitability metrics above sector averages, positioning it among companies with the potential to maintain strong margins and deliver relative outperformance in volatile market conditions.

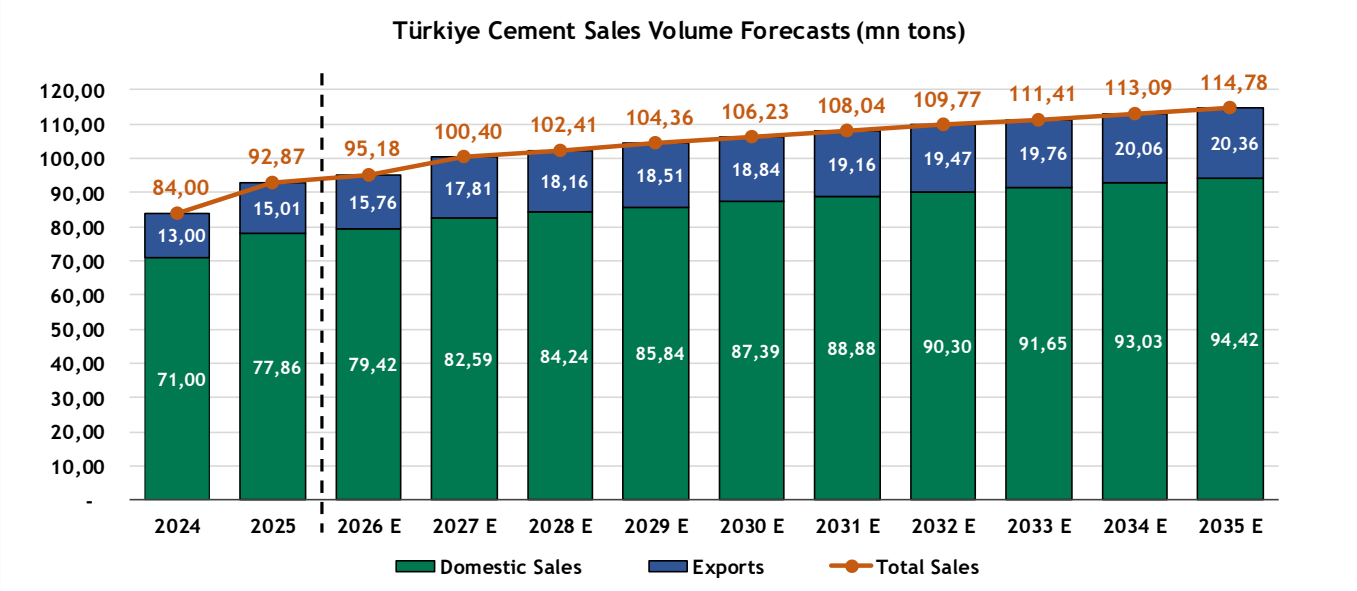
Sector Outlook and Forecasts

The performance of the Turkish cement sector in the coming period will be shaped in the short term by changes in demand composition, cost dynamics, and financial conditions, while structural transformation, regulations, and the pace of technological adaptation will be the key determinants in the medium to long term. The fact that production and domestic sales have reached historical peak levels as of 2025 indicates that the sector is currently in a strong volume phase. However, following this elevated level, the sector is expected to shift toward a more balanced, predictable, and sustainable growth trajectory. In this context, the composition and quality of growth—rather than its pace—will come to the forefront in the period ahead.

On the demand side, the impact of post-earthquake reconstruction activities—one of the key drivers in recent years—is expected to gradually diminish. While the initial phase of reconstruction progressed rapidly and generated a strong increase in demand, the contribution is likely to weaken over time, leading to a normalization in demand composition. At this point, public-supported housing projects, social housing investments, and infrastructure spending are expected to remain the primary sources of demand for the sector.

Accordingly, sector demand is anticipated to transition from a temporary, reconstruction-driven growth phase to a more structured and sustained pattern led by public investments. However, the current high interest rate environment may continue to constrain housing demand driven by the private sector. Therefore, in the short term, demand dynamics are expected to be largely driven by public investments. On the other hand, a potential easing in monetary policy—through

lower mortgage rates and improved financing conditions—could unlock pent-up demand, providing an additional boost to the sector via the housing segment.



Source: *Turkish Cement Manufacturers' Association (TÜRKÇİMENTO), Şeker Invest Estimates*

In 2026, the increase in total sales volume is likely to be more limited compared to 2025.

In this context, when the outlook for the sector's sales volumes is assessed together with our projections summarized in the chart above, growth in total sales volumes in 2026 is likely to be more limited compared to 2025, under current assumptions, due to geopolitical risks, rising energy costs, and tight financial conditions. However, there are no indications that this outlook points to a structural contraction; on the contrary, demand is expected to maintain a certain base level. As reflected in our projections, 2027 stands out as a year in which a more pronounced recovery in sales volumes could emerge, supported by both domestic and export-driven dynamics, alongside a favorable base effect.

On the domestic side, a potential easing in monetary policy, a decline in mortgage rates, and pre-election measures aimed at supporting economic activity could stimulate housing demand and provide an additional boost to cement demand.

In addition, geopolitical developments related to the Middle East and Ukraine are expected to have potential impacts on regional production and supply chains, which may strengthen Türkiye's position as an alternative supplier and support its export performance. However, the persistence of this momentum may vary depending on the trajectory of financial conditions and the global demand outlook.

Accordingly, while the chart points to a relatively stronger growth potential in the 2027–2028 period, it also reflects a normalization scenario in which growth is likely to moderate in the following years. In this context, our projections imply a CAGR of 2.14% in Türkiye's total cement sales volume over the 2026–2035 period, indicating a transition from a high-growth phase to a more balanced and sustainable growth trajectory.

We project Türkiye's total cement sales volume to grow at a CAGR of 2.14% over the 2026-2035 period.

This outlook is broadly in line with the medium- to long-term global demand projections presented by the Global Cement and Concrete Association (GCCA) and the International Energy Agency (IEA), and is consistent with the expected global cement demand growth in the range of 1–3%.

On the cost side, the sector's outlook remains largely dependent on the trajectory of energy prices. Cement production is inherently energy-intensive, and the increase in energy costs in recent years has created significant pressure on sector margins. While a gradual normalization in energy prices could support a recovery in profitability going forward, the persistence of a high-cost environment would keep pricing discipline and effective cost management critically important.

In this context, increasing the use of alternative fuels, investing in renewable energy, and implementing waste heat recovery (WHR) systems not only provide cost advantages but also play a strategic role in ensuring compliance with carbon regulations. Accordingly, companies that effectively manage the energy transition are expected to clearly differentiate in terms of cost structure and margin sustainability.

On the export side, the sector maintains its flexible structure and continues to play a balancing role depending on domestic demand cycles. During periods of strong domestic demand, the share of exports in total sales remains limited, whereas in the event of a slowdown in demand, exports emerge as a supporting mechanism for the sector.

While current projections suggest that exports could deliver stronger performance in the short term due to geopolitical developments, the medium-term outlook will continue to be shaped by global growth trends, regional demand conditions, freight costs, and trade policies. In this context, demand conditions in the European market and carbon regulations are of critical importance for the Turkish cement sector, and the impact of carbon costs on exports is expected to become more pronounced in the period ahead.

In the medium to long-term outlook, sustainability and carbon transition stand out as the key defining factors for the sector. Global carbon reduction policies—particularly the European Union's Carbon Border Adjustment Mechanism (CBAM)—are making investments aimed at reducing carbon intensity in cement production increasingly necessary. In this context, alternative fuel usage, clinker substitution, the use of low-carbon binders, carbon capture technologies (CCUS), waste heat recovery systems, and renewable energy investments emerge as the main levers of the sector's transformation.

This transformation process is expected to lead to a clear differentiation within the sector, given its high capital requirements and long payback periods. Companies with strong low-carbon production capabilities are likely to gain cost advantages and manage regulatory risks more effectively, while those unable to adapt to the transition may face increasing margin pressure and the risk of market share loss.

On the financial side, a further divergence is expected in parallel with this transformation process. The high interest rate environment creates financial expense pressure on highly leveraged companies, while those with strong balance sheets and net cash positions will be better positioned to finance transformation investments and demonstrate greater resilience in volatile market conditions. In this context, balance sheet strength is becoming one of the key factors driving competitive advantage in the period ahead.

On the supply side, considering the current capacity structure and inventory levels, the sector does not appear to face a significant supply contraction in the short term. However, capacity utilization rates may fluctuate periodically depending on demand

dynamics. This outlook suggests that pricing power has not been fully eroded, but neither is it unlimited; therefore, the sector needs to manage the balance between volume and profitability in a more disciplined manner.

Overall, the Turkish cement sector is expected to transition from a high-growth phase to a more balanced, selective, and quality-driven normalization process. While public investments, urban transformation, and social housing projects are expected to continue supporting demand, energy costs, pricing discipline, and sustainability investments will remain the key determinants of profitability dynamics. In this context, companies with scale advantages, broad geographic footprints, strong export capabilities, low-carbon production structures, and effective energy transition strategies are expected to clearly differentiate and deliver stronger performance within the sector.

2. Company Analysis: OYAK Cement

General Information About the Company

OYAK Cement's cement capacity stands at approximately 24 million tons, while its ready-mix concrete capacity is 14.5 million cubic meters and its aggregate capacity is 7.8 million tons.

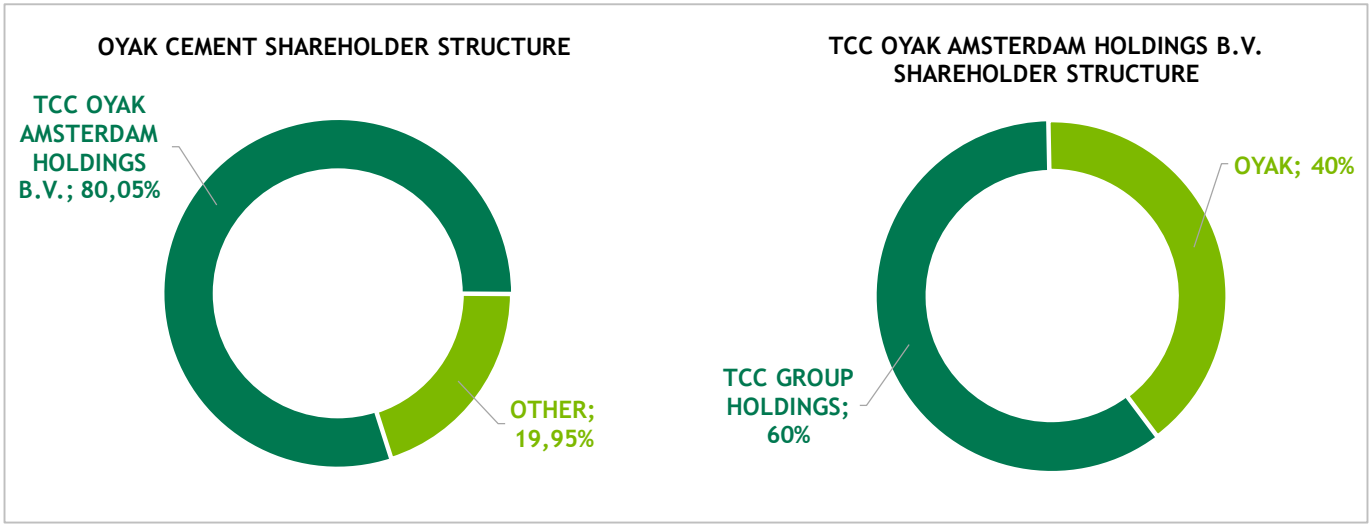
As the capacity and market leader in the Turkish cement industry, OYAK Cement operates across nearly all regions of Türkiye with 7 integrated plants, 3 grinding and packaging facilities, 60 ready-mix concrete plants, 5 aggregate quarries, 1 lime plant, and 1 marble processing facility.

The Company's core activities include the production and sale of cement and clinker, as well as the production, marketing, and distribution of ready-mix concrete, aggregates, and lime, all carried out within the framework of integrated building materials production.

The Group's cement capacity stands at approximately 24 million tons, while its ready-mix concrete capacity is 14.5 million cubic meters and its aggregate capacity is 7.8 million tons. This scale reflects not only the Company's high production capacity but also its geographically diversified footprint and well-balanced product mix.

Capital and Shareholder Structure

OYAK Cement has a paid-in capital of TRY 4,861,655,783, with a registered capital ceiling of TRY 20,000,000,000. In the Company's shareholder structure, TCC OYAK Amsterdam Holdings B.V. holds an 80.05% stake. Considering the ownership structure of TCC OYAK Amsterdam Holdings B.V. (60% TCC Group Holdings and 40% OYAK), the ultimate controlling shareholder is TCC Group Holdings with a 48.03% stake, while OYAK is the other main shareholder with a 32.02% stake.



Source: *OYAK Cement, PDP, Şeker Invest Research*

This ownership structure indicates that the Company benefits from strong support from its major shareholders in strategic decision-making processes. In the cement sector, large-scale investments in energy, modernization, and environmental initiatives often require a strong balance sheet and group backing. Considering OYAK Cement's recent investment program focused on solar energy (GES), waste heat recovery (WHR), alternative fuels, and modernization, it can be argued that shareholder support and group synergies have relatively mitigated the Company's investment risk.

Actual Shares Outstanding

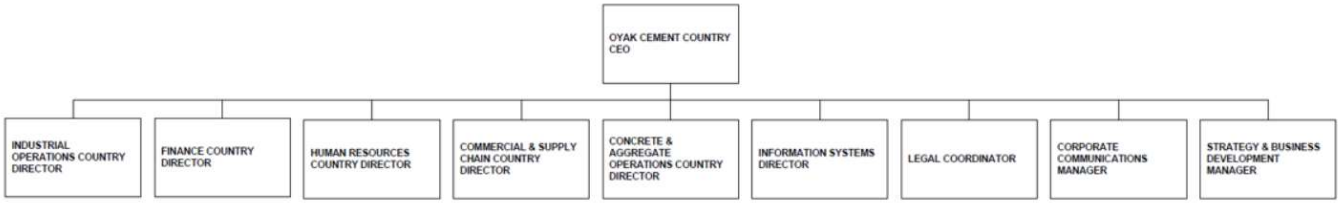
Ticker	Actual Shares Outstanding (TRY)	Actual Outstanding Shares Ratio (%)	Foreign Ownership in Free Float (%)
OYAKC.TI	968.695.285,15	19,93%	5,39

Source: *Finnet, PDP, Şeker Invest Research*

The Company's shares are traded on Borsa İstanbul's Star Market under the ticker OYAKC, with a free float ratio of 19.95% as of 31.12.2025. The actual free float stands at 19.93%, while the share of foreign investors within the free float is at 5.39%.

Organizational Structure

OYAK Cement's organizational structure consists of functional directorates and departments operating under the Country CEO. In this context, the organization includes the following units.



Source: *OYAK Cement Board of Directors' Report*

On the employment side, the Group's average number of employees increased to 3,243 in 2025 (compared to 2,890 in 2024), consisting of 914 white-collar and 2,329 blue-collar employees. The increase in headcount can be interpreted as an indirect indicator not only of the expansion in production scale but also of broader investment and operational activities. However, from an efficiency standpoint, the more critical factor is not the employee headcount alone, but rather the evolution of capacity utilization and cost per ton. Considering the Company's digitalization and maintenance automation initiatives, productivity per employee is expected to improve over the medium term.

On December 23, 2025, CIMPOR Yapı Malzemeleri A.Ş. was established as a wholly owned subsidiary of the Company as part of the restructuring of its building materials production and sales activities. This step can be viewed not merely as an organizational change, but as a strategic transformation aimed at enhancing group synergies, strengthening market-oriented flexibility, and improving operational efficiency.

List of Subsidiaries

Company Title	Place of Operations	Fields of Activity	Shareholding Rate (%)
Northern Cyprus Cimpor San. Ltd.	Cyprus	Sales of cement, clinker and ready mixed concrete	100,00
Northern Cyprus Cimpor Free Port Trading Ltd.	Cyprus	Sales of cement, clinker and ready mixed concrete	100,00
Cimpor Romania Terminal SRL	Romania	Sales of cement	100,00
Marmara Madencilik San. Tic. Ltd. Şti.	Türkiye	Mining	98,90
T1C3 Teknoloji ve Yazılım Geliştirme A.Ş.	Türkiye	Information technology	100,00
CIMPOR Yapı Malzemeleri A.Ş.	Türkiye	Manufacturing and trading of construction and building materials	100,00

Source: *PDP, Şeker Invest Research*

Historical Overview of the Company

OYAK Çimento A.Ş. was established on November 25, 2015, as a subsidiary of the Ordu Yardımlaşma Kurumu (OYAK), and on December 3, 2015, it acquired OYAK's shares in Mardin Çimento Sanayii ve Ticaret A.Ş. The OYAK Group is a corporate entity operating under private law, functioning as a mutual assistance and pension fund for members of the Turkish Armed Forces, with a diversified portfolio spanning industrial, financial, and service sectors.

In order to strengthen OYAK Group's positioning in the cement industry, the merger of publicly listed companies—Aslan Çimento, Adana Çimento, Bolu Çimento, and Ünye Çimento—under Mardin Çimento was completed in 2020. Following this consolidation, the Company's name was changed to OYAK Çimento Fabrikaları A.Ş.

In the following period, various mergers, acquisitions, and restructuring transactions were carried out within the Company and its subsidiaries. In December 2020, OYAK Beton San. ve Tic. A.Ş. was also incorporated into the Company with all its assets and liabilities. In June 2023, the name of OYAK Çimento—one of the Company's main shareholders—was changed to OYAK Denizli Çimento A.Ş., followed by the completion of a simplified merger with Denizli Çimento Sanayii Türk A.Ş. In December 2023, OYAK Denizli Çimento A.Ş. was merged into OYAK Çimento Fabrikaları A.Ş. with all its assets and liabilities. As a result of this transaction, Cimpor Global Holdings B.V. (CGH), which was the 100% shareholder of OYAK Denizli Çimento A.Ş., became the controlling shareholder with a 75.81% stake.

Prior to this merger, in November 2023, a preliminary agreement was reached between OYAK and TCC Group Holdings (TCC) regarding the transfer of 20% of the shares. Binding agreements were signed in December 2023, and the official approval processes were initiated. Founded in 1946, TCC operates in cement, ready-mix concrete production, renewable energy, energy storage, high-efficiency battery technologies, and carbon black production, and has been listed on the Taiwan Stock Exchange since February 1962.

The Company's ultimate ownership structure is composed of 48.03% TCC Group Holdings and 32.02% OYAK.

Following the completion of the share transfer process, Cimpor Global Holdings' stake was transferred to TCC OYAK Amsterdam Holdings B.V. After the mandatory tender offer process announced to the public in March 2024, this stake increased to 80.05%. Considering the ownership structure of TCC OYAK Amsterdam Holdings B.V. (60% TCC Group Holdings and 40% OYAK), the ultimate ownership distribution of the Company is 48.03% TCC Group Holdings and 32.02% OYAK.

In the subsequent period, changes were made to the names and areas of activity of certain subsidiaries. In 2024, the name of OYAK Çimento Enerji A.Ş. was changed to T1C3 Teknoloji ve Yazılım Geliştirme A.Ş., and the company was restructured as an R&D entity.

In 2025, the names of certain subsidiaries in Northern Cyprus were reorganized under the Cimpor brand. In July 2025, the name of Adana Çimento Sanayi ve Ticaret Ltd was changed to "Northern Cyprus Cimpor Sanayi Ltd," while Adana Çimento Free Port Ltd was renamed "Northern Cyprus Cimpor Free Port Trading Ltd."

In December 2025, CIMPOR Yapı Malzemeleri A.Ş. was established as a wholly owned subsidiary of the Company, with the aim of enhancing the management of building materials production and sales activities, improving operational efficiency, and supporting sustainable growth.

Operational Structure, Capacity, and Product Segmentation

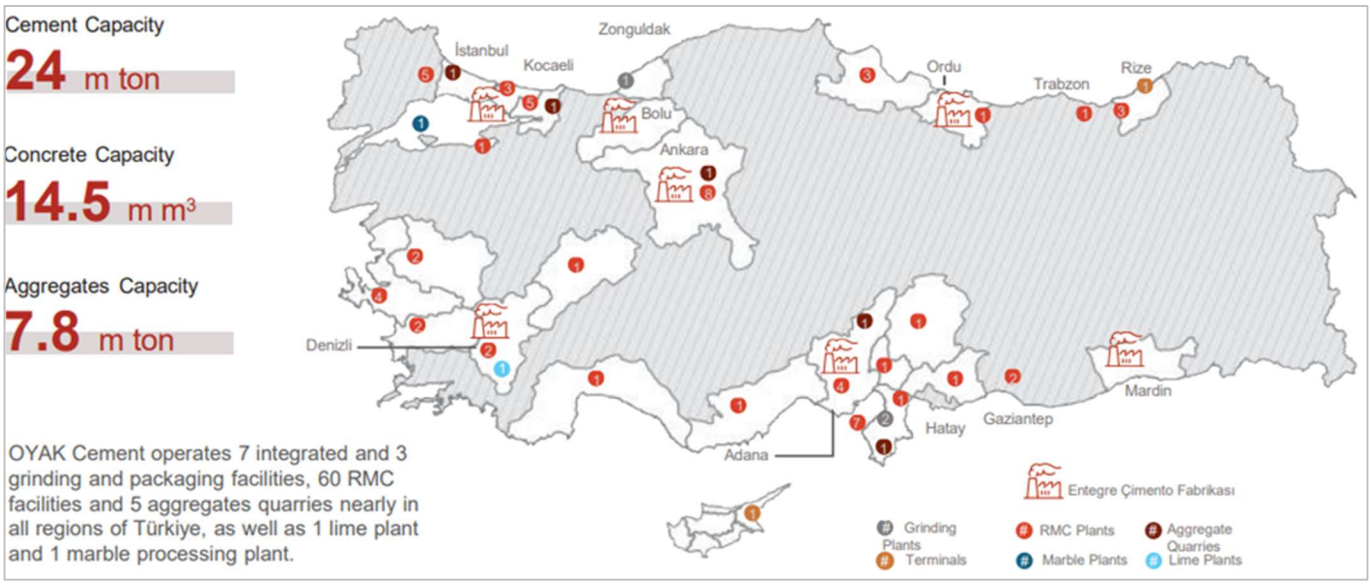
Operational Footprint and Capacity

The Company operates 7 integrated cement plants and 3 grinding and packaging facilities. In addition, it has 60 ready-mix concrete plants, 5 aggregate quarries, 1 lime plant, and 1 marble processing facility. Cement capacity stands at 24 million tons per year, while ready-mix concrete capacity is 14.5 million cubic meters per year and aggregate capacity is 7.8 million tons per year.

The operational scope and capacity details of the Group's branches and facilities are summarized in the table above, while their locations are presented in detail on the map below.

FACILITY LOCATIONS	FACILITY ACTIVITY AREAS	Cement Production Capacity (ton/year)	Clinker Production Capacity (ton/year)	Grinding Capacity (ton/year)	Cement Storage Capacity (ton/year)	Concrete Production Capacity (m3/year)	Aggregate Production Capacity (ton/year)	Lime Production Capacity (ton/year)	Marble and Waste Rock Production Capacity (m3/year)
Adana Cement Plant	Cement-clinker production and sales	3.5 million	3 million						
Iskenderun Facility-I	Cement-ground slag production and sales			1 million					
Iskenderun Facility-II	Cement-ground slag production and sales			1 million					
Turkish Rep. of Northern Cyprus	Storage and Sales				8 thousand				
Bolu Cement Plant	Cement-clinker production and sales	2.5 million	1.4 million						
Eregli Plant	Cement and ground slag production and sales			1 million					
Ankara Plant	Cement-clinker production and sales	1.75 million	1.3 million						
Aslan Cement Plant	Cement-clinker production and sales	3.3 million	1.8 million						
Unye Cement Plant	Cement-clinker production and sales	2.75 million	1.6 million						
Rize/Cayeli	Cement Filling and Packaging Facility				21 thousand				
Romania Facility	Cement Filling and Packaging Facility				8 thousand				
Mardin Cement Plant	Cement-clinker production and sales	2.7 million	1.85 million						
Denizli Cement Plant	Cement-clinker production and sales	3 million	1.65 million						
Ready-Mix Concrete Plants (Mersin, Adana, Hatay, Osmaniye, Gaziantep, Kahramanmaras, Zonguldak, Kocaeli, Istanbul, Samsun, Ordu, Rize, Izmir, Aydin, Manisa, Denizli, Antalya, Ankara, Afyon)	Ready-mix concrete production and sales					14.5 million			
Aggregate Production Facilities (Ayas, Cerkesli, Cendere, Akcakir)	Aggregate production						7.8 million		
Denizli Lime Production Facility	Lime production							132 thousand	
Marmara Island Marble Facility	Marble and waste rock production								330 thousand

Source: *OYAK Cement Board of Directors' Report, Şeker Invest Research*

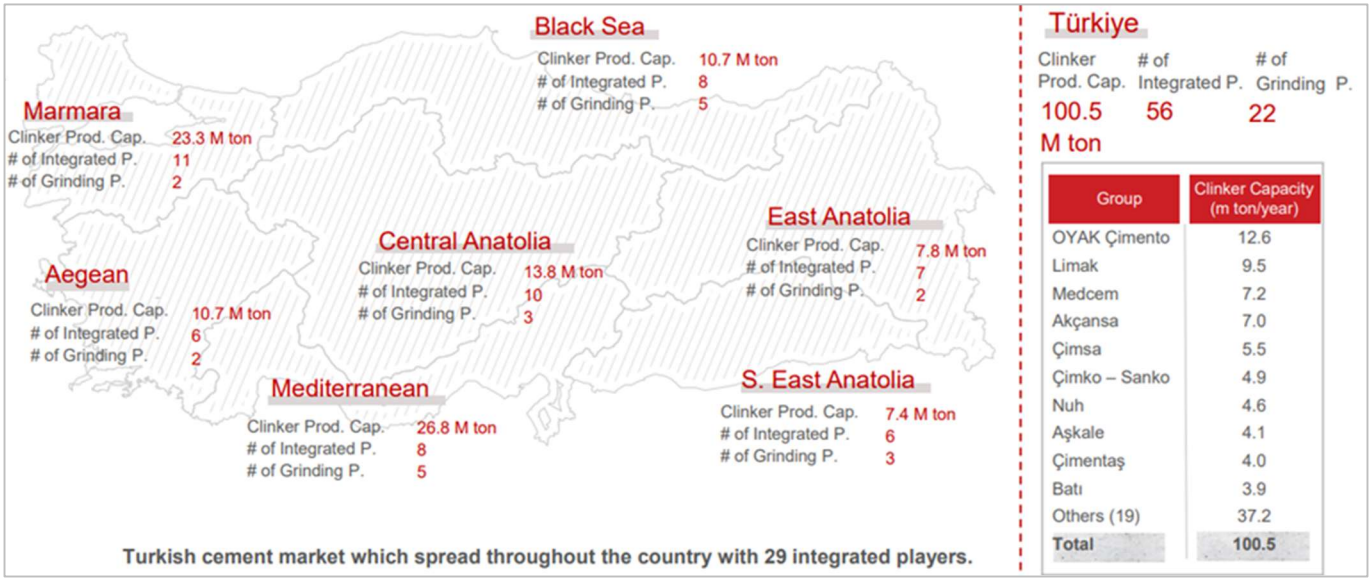


Source: *OYAK Cement Investor Presentation*

OYAK Cement operates across multiple locations, including Adana, İskenderun, Bolu, Ankara, Kocaeli, Ordu, Mardin, Denizli, Zonguldak, and Northern Cyprus. This regional footprint indicates that the Company has an effective presence across Türkiye's Marmara, Mediterranean, Central Anatolia, Black Sea, and Southeastern corridors. Such geographic diversification provides a significant competitive advantage in a product like cement, where logistics costs are high and pricing is largely regional. As transportation distances increase, profit margins erode rapidly; therefore, proximity of production facilities to demand centers is of critical importance.

OYAK Cement's group clinker capacity, at 12.6 million tons per year, ranks at the top among its peers in Türkiye.

OYAK Cement's group clinker capacity stands at 12.6 million tons per year, ranking first among its peers in Türkiye. It is followed by Limak with 9.5 million tons, Medcem with 7.2 million tons, Akçansa with 7.0 million tons, and Çimsa with 5.5 million tons of capacity. This confirms that OYAK Cement not only has a broad asset base but also operates at a scale consistent with sector leadership.



Group	Clinker Capacity (m ton/year)
OYAK Çimento	12.6
Limak	9.5
Medcem	7.2
Akçansa	7.0
Çimsa	5.5
Çimko – Sanko	4.9
Nuh	4.6
Aşkale	4.1
Çimentaş	4.0
Batı	3.9
Others (19)	37.2
Total	100.5

Source: *OYAK Cement Investor Presentation*

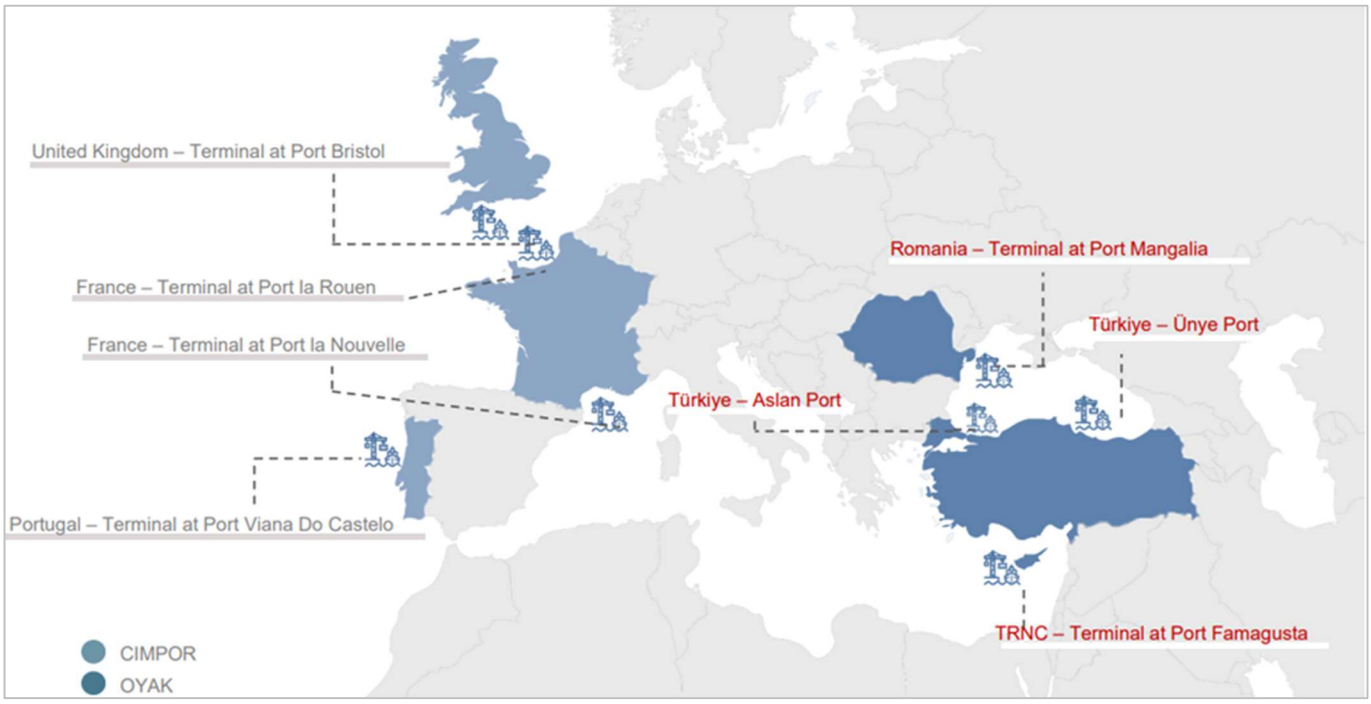
Capacity leadership does not always translate into higher profitability; however, when managed effectively, it provides three key advantages. First, it allows fixed costs to be spread over larger volumes. Second, it offers portfolio flexibility against regional demand shifts. Third, it enables the Company to allocate production between export markets and the domestic market.

In 2025, exports accounted for approximately 9% of OYAK Cement's total sales. The fact that the Company increased its total cement sales volume by 3% year-on-year while expanding export volumes by 23% demonstrates that this flexibility is effectively utilized in practice.

Export Distribution Channels

The distribution illustrated in the map below indicates that the Company has established a balanced logistics network across the Mediterranean and European corridors through its port terminals. In particular, connections in Türkiye (Aslan and Ünye), Romania (Mangalia), and Northern Cyprus (Famagusta) strengthen access to the Eastern Mediterranean and Black Sea regions, while CIMPOR's terminals in France, the United Kingdom, and Portugal provide direct access to Western European markets.

This structure enhances export flexibility by enabling the Company to redirect volumes toward alternative markets in periods of demand weakness, while also creating a significant competitive advantage in terms of optimizing freight costs and ensuring operational continuity.



Source: *OYAK Cement Investor Presentation*

Product Segmentation and Revenue Structure

The most accurate way to understand OYAK Cement's consolidated financials is to view the Company not merely as a "cement producer," but as a structure composed of complementary business lines with different margin profiles. Within this structure, three main economic segments stand out: cement, clinker, and ready-mix concrete.

In 2025, the EBITDA margin of cement operations stood at 37.9%, while the EBITDA margin of ready-mix concrete and aggregate operations was 6.2%.

Among the Company's operations, the cement segment stands out as the high value-added and high-margin business. In 2025, the EBITDA margin of cement operations was 37.9%, while the EBITDA margin of ready-mix concrete and aggregate operations stood at 6.2%. This significant gap explains why consolidated margins may come under pressure even when sales volumes increase. While growth in the ready-mix concrete segment supports market access and volume continuity, the majority of consolidated profit is generated by the cement segment.

The Company increased its ready-mix concrete volumes by 25% year-on-year in 2025.

The relatively lower margin profile of ready-mix concrete does not imply that this segment is insignificant. On the contrary, particularly during periods of strong local construction activity, companies with an extensive ready-mix concrete network can increase market penetration, establish more direct customer relationships, and support cement sales. In this regard, OYAK Cement's presence across all seven regions of Türkiye with 60 ready-mix concrete plants represents a strategic advantage. The Company increased its ready-mix concrete volumes by 25% year-on-year in 2025; this growth helped sustain the revenue base in a year when pricing remained below inflation.

The clinker segment serves as a buffer in terms of capacity management and exports. During periods when domestic demand remains relatively weak, clinker and

OYAK Cement increased its export volume by 23% in 2025, raising the share of exports in total sales to 9%.

cement exports enable higher capacity utilization and generate foreign currency revenues. OYAK Cement's 23% growth in export volumes in 2025, along with the increase in the share of exports to 9% of total sales, demonstrates that the Company has effectively utilized this buffer.

Product Portfolio

The Company's product portfolio indicates a balanced and diversified range covering various cement types under the EN 197 standard, addressing different application areas. On the grey cement side, CEM II-type products (CEMENTUM, NOVOCEM) are preferred in general construction and infrastructure projects requiring both early and final strength, supported by their relatively high clinker content, and constitute the main driver of volume-based sales. In contrast, CEM II/B and composite-type products (COMPOSITE CEMENT, ALFACEM), with higher additive content, reduce the clinker factor and stand out in terms of cost optimization and lower carbon emissions.

Source: *OYAK Cement Investor Presentation*

Premium products such as DURACEM, DURACEM+, and STARCEM, positioned in the upper segment, typically feature higher strength classes (42.5–52.5) and specialized performance characteristics. With properties such as sulfate resistance, low heat of hydration, and durability under aggressive environmental conditions, these products are primarily used in infrastructure and large-scale projects. Compared to standard grey cement, this product group offers stronger pricing power and contributes more meaningfully to margins.

In the white cement segment, products such as Super White, Pro White, and SnoWhite are preferred in architectural concrete and decorative applications, occupying a strategic position within the portfolio due to their high value-added nature. Complementary products such as Hydrated Calcium Lime further enhance product diversity and support access to a broader range of applications.

The Company's portfolio offers a balanced mix between high-volume standard products and high-margin specialty products.

Overall, the Company's portfolio offers a balanced mix between high-volume standard products and high-margin specialty products, enhancing its ability to adapt to varying demand conditions. In addition, the presence of composite cement products enables a reduction in clinker ratios in line with tightening carbon regulations, providing a meaningful advantage in terms of long-term competitiveness.

Digitalization and Operational Efficiency (Cement 4.0 Applications)

OYAK Cement's digital transformation initiatives aimed at enhancing operational efficiency are of critical importance for the Company's medium to long-term profitability dynamics. In this context, the "Cement 4.0" approach is designed to strengthen data-driven decision-making mechanisms across production processes.

Under the project carried out in collaboration with FİZİX, the first phase of the system—comprising a total of 10,600 sensors—was commissioned in 2025 at the Ankara plant with 885 sensors.

One of the most notable projects in this area is the Machine Health Monitoring Project implemented in collaboration with FİZİX. Within the scope of the project, sound, vibration, and temperature data—representing the operating behavior of machinery—are analyzed through IoT infrastructure and AI-supported software, enabling real-time monitoring of equipment performance. The first phase of the system, consisting of a total of 10,600 sensors, was commissioned in the first half of 2025 at the Ankara plant with 885 sensors, followed by implementation at the Ünye and Denizli plants in the second half of the year.

The primary objective of this system is to analyze equipment behavior before failures occur, allowing potential issues to be detected at an early stage. This is expected to reduce unplanned downtime, enable more effective maintenance planning, and enhance production continuity. Upon full implementation, the project is anticipated to deliver lower maintenance costs, reduced downtime, and optimization in spare parts inventory costs.

In addition, improvements in equipment efficiency and the reduction of energy losses caused by failures are expected to lead to an indirect improvement in carbon emissions. In this respect, the project contributes not only to operational performance but also to environmental outcomes.

Another key digitalization initiative, the Automation Upgrade Project, has been completed across all production sites except the Adana plant, enabling production processes to become more stable, traceable, and optimizable. These modernization efforts contribute to lower error rates in production lines and more efficient energy management.

Machine health monitoring and automation investments offer meaningful margin improvement potential over the medium term.

Machine health monitoring and automation investments are considered initiatives that may not have an immediate impact on financials in the short term but offer meaningful margin improvement potential over the medium term. Particularly in high fixed-cost industries such as cement, reducing unplanned downtime and improving equipment efficiency can create a strong operating leverage effect on EBITDA margins.

In this context, OYAK Cement's investments in digitalization and operational efficiency not only support cost control but also strengthen the Company's competitive advantage in terms of operational risk management and sustainable production.

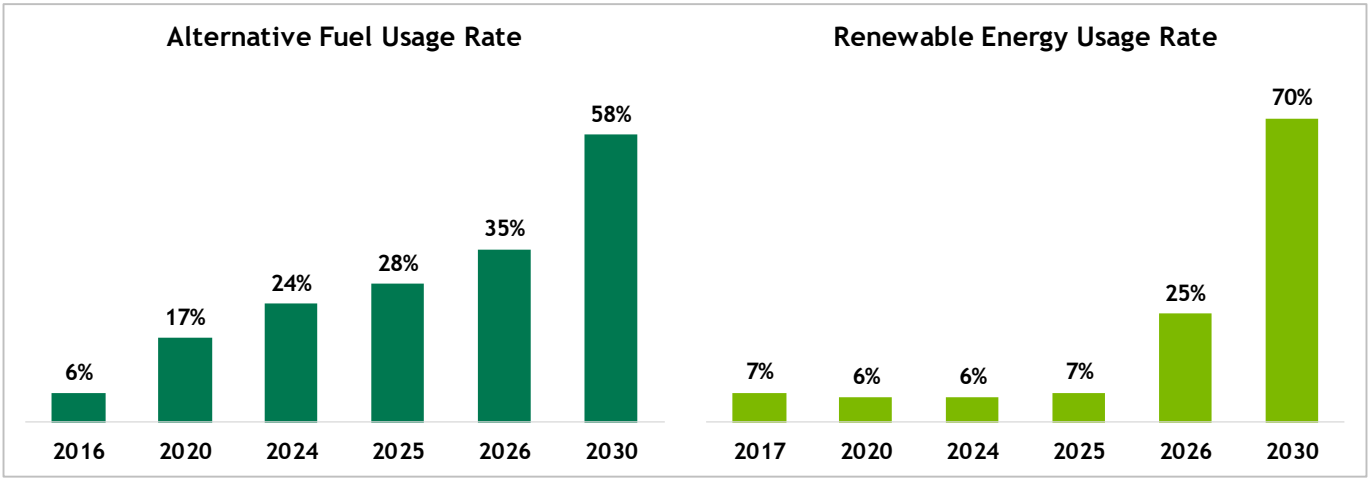
Sustainability, Energy Transition and ESG

OYAK Cement, which carries out leading practices in sustainability within the sector, continues its efforts in line with its 2050 roadmap centered on climate change risks. The Company is the first cement producer in Türkiye to commit to a Net-Zero target aimed at limiting global temperature increase to 1.5°C, and this commitment was validated by the Science Based Targets Initiative (SBTi) in 2023.

In this context, OYAK Cement aims to reduce its direct and energy-related carbon emissions by 22.8% by 2030, based on 2021 levels.

OYAK Cement's alternative fuel usage rate reached 28% as of year-end 2025.

As shown in the chart below, OYAK Cement's alternative fuel usage rate reached 28% as of year-end 2025. The Company targets an alternative fuel usage rate of 35% in 2026 and 58% by 2030. On the sustainable energy side, the Company aims to increase its renewable energy usage rate from 7% at the end of 2025 to 20% in 2026 and 70% by 2030. In line with its goal of reaching a 70% renewable energy usage rate by 2030—an important milestone in its carbon-neutral journey—investments in solar energy and waste heat recovery (WHR) continue.



Source: *OYAK Cement, Şeker Invest Research*

The Beypazarı solar power plant investment was commissioned at full capacity on April 15, 2026.

In its PDP disclosure dated April 15, 2026, the Company announced that the Ankara Beypazarı solar power plant investment, with an installed capacity of 115.5 MWp and an annual electricity generation capacity of 180,000 MWh, has been successfully completed and commissioned at full capacity. It is anticipated that this project, which will provide a substantial advantage in terms of energy costs within operational expenses, will increase the share of renewable energy in the total energy consumption of OYAK Cement to approximately 25%.

At the Mardin plant, a 10 MWp solar power plant was commissioned in February 2025, with an annual generation capacity of 16,200 MWh. Meanwhile, the Company continues its waste heat recovery (WHR) investment project with a total installed capacity of 13.5 MW across its Adana, Mardin, and Ankara plants.

These metrics are not only ESG indicators reported for disclosure purposes but also represent drivers with direct economic impact. Energy costs constitute a significant portion of total costs in cement production. Therefore, increasing the use of alternative fuels and meeting a larger share of electricity demand through renewable sources can have a structurally positive impact on margins. In other words, OYAK Cement's sustainability investments can be viewed not only as an operational necessity but also as initiatives with the potential to improve the cost curve.

In recent periods, the visibility of the Company's sustainability initiatives has increased notably. While LSEG (London Stock Exchange Group) submissions have been completed, the ESG score was disclosed at 76.96. Ranking 13th among 135 global building materials companies, OYAK Cement was also included in the BIST Sustainability and Sustainability 25 indices in 2025.

Corporate Governance and Credit Ratings

On the corporate governance side, in August 2025, an agreement was signed with SAHA Corporate Governance and Credit Rating Services Inc. for a corporate governance compliance rating. The Company's Corporate Governance Rating was assigned at 9.44 (94.39), and its shares were included in the BIST Corporate Governance Index during 2025.

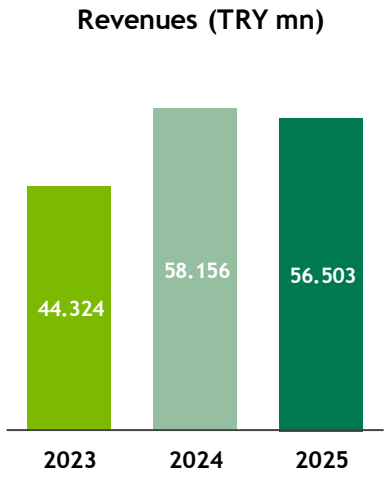
On the credit rating side, in September 2025, JCR Eurasia affirmed the Company's long-term national credit rating at AAA / Stable, while its long-term international foreign and local currency ratings were maintained at BBB- / Stable. The short-term national credit rating was also confirmed at J1+ / Stable.

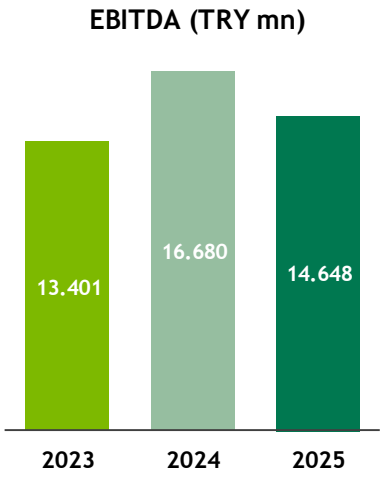
FY2025 Financial Results

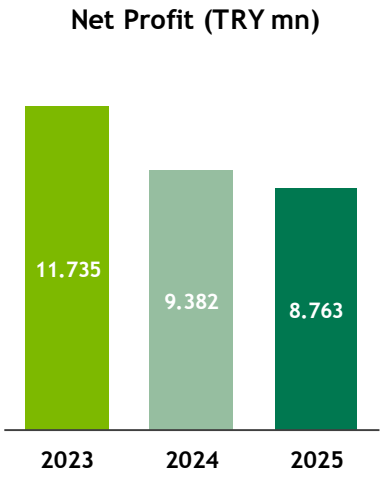
Net sales amounted to TRY 56.50 billion in 2025.

The Company's FY2025 financial results indicate strong year-on-year growth in sales volumes, while price increases lagged inflation, leading to margin compression; nevertheless, balance sheet quality was preserved.

In 2025, net sales declined by 2.8% year-on-year from TRY 58.16 billion to TRY 56.50 billion, while cost of sales remained largely flat, resulting in a decrease in gross profit from TRY 16.53 billion to TRY 15.08 billion. Operating profit declined from TRY 14.26 billion to TRY 11.35 billion, EBITDA from TRY 16.68 billion to TRY 14.65 billion, and net profit from TRY 9.38 billion to TRY 8.76 billion.







TRY mn (Including TAS 29 Effects)	2023	2024	2025	Change %	4Q24	4Q25	Change %
Revenues	**44.324**	**58.156**	**56.503**	**-2,8%**	**14.622**	**14.210**	**-2,8%**
Gross Profit	**13.390**	**16.534**	**15.084**	**-8,8%**	**4.404**	**3.850**	**-12,6%**
Gross Profit Margin	*30,2%*	*28,4%*	*26,7%*	*-1,7 pp*	*30,1%*	*27,1%*	*-3,0 pp*
EBIT	**11.489**	**13.245**	**11.152**	**-15,8%**	**3.310**	**2.749**	**-16,9%**
EBIT Margin	*25,9%*	*22,8%*	*19,7%*	*-3,0 pp*	*22,6%*	*19,3%*	*-3,3 pp*
EBITDA	**13.401**	**16.680**	**14.648**	**-12,2%**	**4.182**	**3.646**	**-12,8%**
EBITDA Margin	*30,2%*	*28,7%*	*25,9%*	*-2,8 pp*	*28,6%*	*25,7%*	*-2,9 pp*
Net Profit	**11.735**	**9.382**	**8.763**	**-6,6%**	**1.965**	**1.163**	**-40,8%**
Net Profit Margin	*26,5%*	*16,1%*	*15,5%*	*-0,6 pp*	13,4%	*8,2%*	*-5,3 pp*

Source: *Finnet, Şeker Invest Research*

Cement volumes increased by 3% year-on-year, while ready-mix concrete volumes grew by 25% and export volumes by 23%.

The decline in annual revenue was primarily driven by pricing rather than volume. In 2025, price increases in cement and ready-mix concrete in the domestic market lagged inflation, putting pressure on revenues, while volume growth partially offset this impact. Cement volumes increased by 3% year-on-year, while ready-mix concrete volumes grew by 25% and export volumes by 23%. Therefore, 2025 was not characterized by weakening demand; rather, it was a year in which inflation-driven cost pressures could not be fully passed on to prices, while market share and sales continuity were preserved.

On the margin side, the gross margin declined from 28.4% to 26.7%, the operating margin from 24.5% to 20.1%, and the EBITDA margin from 28.7% to 25.9%. Although a limited weakening in margins was observed in 2025, OYAK Cement's EBITDA margin remained above its peers, indicating that the Company was able to preserve its relative outperformance even in a year when sector-wide margins declined.

On the net profit side, key supportive factors were finance income and income from investing activities. Thanks to its net cash position and effective working capital management, the Company benefited from increased finance income, while also generating income from investment activities, both of which positively supported net profitability. In a high interest rate environment where net debt positions have put pressure on peers through higher financing costs, OYAK Cement's net cash position provided a protective effect on its financial results. Therefore, it is not surprising that while operating profitability declined, net profit showed a relatively more limited decrease.

Robust Balance Sheet and Financial Flexibility

As of December 31, 2025, total assets stood at TRY 80.30 billion, total liabilities at TRY 17.35 billion, and total equity at TRY 62.95 billion. Current assets amounted to TRY 32.62 billion, while non-current assets reached TRY 47.68 billion. Property, plant, and equipment totaled TRY 35.46 billion, and intangible assets stood at TRY 7.53 billion. Cash and cash equivalents were recorded at TRY 13.82 billion, financial investments at TRY 953 million, inventories at TRY 8.17 billion, and trade receivables at TRY 8.90 billion.

This balance sheet highlights two key strengths: liquidity and equity strength. First, the Company's total short-term liabilities stand at TRY 14.53 billion, which is largely covered by cash and cash equivalents alone; when financial investments are included, the liquidity buffer becomes even more pronounced. Second, the equity base of TRY 62.95 billion indicates that the Company's financial structure is primarily funded by equity rather than leverage. This reduces interest rate risk and helps limit balance sheet volatility during periods of significant investment.

The Company's net cash position stands at TRY 10.59 billion.

The increase in total financial liabilities from TRY 291 million in 2024 to TRY 4.18 billion in 2025 may appear notable at first glance. However, as the Company's cash and cash equivalents remained at significantly higher levels over the same period, its strong net cash position has been preserved. According to the notes to the financial statements as of December 31, 2025, the Company's net cash position stands at TRY 10.59 billion. In this context, interpreting this increase as a deterioration in leverage would be misleading. A more accurate assessment is that the Company manages its investment and financing structure flexibly while maintaining a low balance sheet risk profile.

Operational Results by Segment

(Amounts are expressed in terms of the purchasing power of the Turkish Lira as of December 31, 2025.)

Ready-mixed Concrete (RMC)

TRY (thousands)	2024	2025	Change (%)
Revenue	**19.565.148**	**20.755.765**	**6,1%**
Cost of Sales (-)	-18.314.208	-19.963.419	**9,0%**
GROSS PROFIT	**1.250.940**	**792.346**	**-36,7%**
General Administrative Expenses (-)	-246.806	-280.915	**13,8%**
Marketing Expenses (-)	-86.421	-75.401	**-12,8%**
Research and Development Expenses (-)	-172.629	-181.813	**5,3%**
Other Income from Operating Activities	317.645	106.249	**-66,6%**
Other Expenses from Operating Activities (-)	-60.575	-41.951	**-30,7%**
PROFIT (LOSS) FROM OPERATING ACTIVITIES	**1.002.154**	**318.515**	**-68,2%**

Cement

TRY (thousands)	2024	2025	Change (%)
Revenue	**38.591.042**	**35.746.836**	**-7,4%**
Cost of Sales (-)	-23.307.545	-21.455.100	**-7,9%**
GROSS PROFIT	**15.283.497**	**14.291.736**	**-6,5%**
General Administrative Expenses (-)	-2.437.343	-3.065.435	**25,8%**
Marketing Expenses (-)	-334.851	-318.688	**-4,8%**
Research and Development Expenses (-)	-11.812	-10.215	**-13,5%**
Other Income from Operating Activities	1.665.362	1.204.991	**-27,6%**
Other Expenses from Operating Activities (-)	-906.534	-1.072.908	**18,4%**
PROFIT (LOSS) FROM OPERATING ACTIVITIES	**13.258.319**	**11.029.481**	**-16,8%**

Source: *PDP, Şeker Invest Research*

Currency Breakdown of Time Deposits

Time deposits with a maturity of less than three months (31.12.2025)

Currency	Foreign Currency Amount (thousands)	Gross Interest Rate (%)	Turkish Lira Equivalent (TRY thousands)
Turkish Lira (TRY)	9.770.408	33,00%-40,80%	9.770.408
Euro (EUR)	39.890	2,00%-%2,80%	2.005.909
US Dollars (USD)	26.511	2,25%-%3,75%	1.135.874
Romanian Leu (RON)	22.842	4,68%-6,60%	224.132
Total	-	-	**13.136.323**

Source: *PDP, Şeker Invest Research*

Time deposits with a maturity of less than three months (31.12.2024)

Currency	Foreign Currency Amount (thousands)	Gross Interest Rate (%)	Turkish Lira Equivalent (TRY thousands)
Turkish Lira (TRY)	7.236.881	40,00%-50,25%	7.236.881
Euro (EUR)	2.063	1,50%	99.190
US Dollars (USD)	15.315	2,50%-%3,50%	707.250
Romanian Leu (RON)	12.798	4,49%	123.005
Total	-	-	**8.166.326**

Source: *PDP, Şeker Invest Research*

As of 2025, the Company's time deposits with maturities of less than three months reached TRY 13.1 billion. The deposit composition is largely denominated in Turkish Lira, and high interest rates in the range of 33.0%–40.8% have strongly supported deposit yields.

In contrast, the share of foreign currency time deposits remains limited, while the distribution across EUR, USD, and RON appears more balanced. This indicates that the Company primarily allocates its liquidity to TRY-denominated instruments, focusing on maximizing interest income.

Cash Flow Quality

Cash and cash equivalents increased to TRY 13.72 billion at period-end.

The cash flow statement for FY2025 confirms the quality of OYAK Cement's balance sheet. Cash and cash equivalents increased to TRY 13.72 billion at period-end. While net cash inflow from financing activities amounted to TRY 1.06 billion, the Company paid TRY 4.83 billion in dividends. Notably, interest income of TRY 2.75 billion stands out, indicating that the net cash position is not only reflected on the balance sheet but also effectively contributes to the income statement and cash flows.

A key point here is that the Company was able to increase its cash position despite a high investment phase and significant dividend outflows. This suggests the combined effect of three factors: strong operating cash generation, finance income, and effective working capital management. In the cement sector, inventory and receivables management are critical, given large volumes, heavy logistics, and project-based variability in collection periods. OYAK Cement's emphasis on "effective working capital management" is well supported by the quality of its 2025 financials.

Quality of Earnings

During a period when price increases lagged inflation, the Company achieved strong volume growth.

The decline in EBITDA margin to 25.9% in 2025 should not be viewed as a weak indicator. What matters is the context in which this level was generated. In a period where price increases lagged inflation, the Company achieved strong volume growth. In this regard, the lower margin is better explained by cost pressures and product mix effects rather than a loss of demand. In particular, the 25% growth in ready-mix concrete volumes supported consolidated revenues but diluted margins, as the concrete segment carries significantly lower margins compared to cement operations.

Assessing OYAK Cement's 2025 performance solely on the basis of margin compression would be incomplete. A more accurate interpretation is that operational quality has been preserved despite margin pressure. Even under these conditions, the Company maintained a relatively strong margin position compared to its peers, limited the decline in net profitability, increased its net cash position, and successfully navigated a period of elevated capital expenditures.

Investment Program and Capital Expenditures

The Company recorded capital expenditures (CAPEX) of TRY 6.9 billion in 2025.

The Company recorded capital expenditures (CAPEX) of TRY 6.9 billion in 2025. This figure indicates that, while OYAK Cement operates with an established operational structure, it is not a company that refrains from investing; on the contrary, it is an active industrial player funding its transformation process. In the cement sector, CAPEX plays a dual role: it is necessary due to environmental and energy regulations, while also offering the potential to improve margins through efficiency gains.

The Company holds investment incentive certificates related to various projects across its operations. In terms of key investment areas in 2025, TRY 358.8 million of investment tax credit was utilized for the Beypazarı solar power plant project, with an equivalent amount available for future use. For the İskenderun clinker grinding capacity expansion project, TRY 525.7 million of investment tax credit was utilized, with additional carry-forward benefits. Other notable projects include the Mardin solar power plant investment, the Ünye alternative fuel facility, the modernization of the Aslan Cement clinker line, and energy efficiency investments. In total, the tax contribution utilized from investment-related gains in 2025 amounted to TRY 971 million, while TRY 754,688,305 remains available for use in future periods.

This picture conveys two key messages to investors. First, capital expenditures are not solely directed toward capacity expansion, but are largely focused on energy efficiency, alternative fuels, modernization, and renewable energy. Second, incentives and tax contributions effectively reduce the overall cost of investments.

Valuation

Discounted Cash Flow (DCF) Analysis (Income Approach)

Within the scope of the Discounted Cash Flow (DCF) analysis, the Company's cash flows for the 2026–2035 period have been projected and discounted to present value using the Weighted Average Cost of Capital (WACC). Considering the tight monetary policy implemented in Türkiye and the ongoing disinflation process, a gradual decline in bond yields is anticipated in line with the expected decrease in inflation in the coming period. Accordingly, the risk-free rate is assumed to follow a downward trajectory after 2026; it is set at 32% for 2026 and at an average of 19% over the projection period. The terminal value, calculated using a 5% terminal growth rate, has been discounted back to present value using the discount factor for 2035. The corporate tax rate is assumed to remain constant at 25% throughout the projection period, while a market risk premium of 5.5% and a beta of 1.01 are used in the valuation.

Based on our model assumptions, we project the Company's net sales to reach TRY 74,378 million in 2026. Over the same period, EBITDA is expected to be TRY 17,479 million, implying an EBITDA margin of 23.5%, primarily reflecting macroeconomic factors such as inflation, exchange rate movements, and volatility in raw material and energy costs. In the following years, we expect margins to gradually improve, reaching up to 31.6%, supported by gains in operational efficiency and normalization on the cost side.

DCF (TRY Mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Net Sales	74.378	97.324	122.664	149.868	178.068	207.372	237.172	266.312	293.427	317.199
EBITDA	17.479	25.800	34.582	44.780	56.216	65.450	74.837	84.011	92.544	100.018
EBITDA margin	23,50%	26,51%	28,19%	29,88%	31,57%	31,56%	31,55%	31,55%	31,54%	31,53%
Tax	3.705	5.585	7.793	10.321	13.123	15.336	17.545	19.658	21.565	23.165
Capex	10.413	12.166	6.133	7.493	8.903	10.369	11.859	13.316	14.671	15.860
Change in Working Capital	922	2.713	2.890	2.982	2.957	3.576	3.663	3.617	3.413	3.053
Free Cash Flow to Firm	2.439	5.336	17.765	23.983	31.232	36.170	41.770	47.421	52.894	57.940
Risk free rate	32,0%	26,0%	22,0%	20,0%	18,0%	16,0%	16,0%	14,0%	14,0%	12,0%
Beta	1,01	1,01	1,01	1,01	1,01	1,01	1,01	1,01	1,01	1,01
Market Risk Premium	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%	5,5%
Ke	37,6%	31,6%	27,6%	25,6%	23,6%	21,6%	21,6%	19,6%	19,6%	17,6%
Tax Rate	25,0%	25,0%	25,0%	25,0%	25,0%	25,0%	25,0%	25,0%	25,0%	25,0%
Kd*(1-Tax)	26,4%	21,5%	18,2%	16,5%	14,9%	13,2%	13,2%	11,6%	11,6%	9,9%
%Dept	12,4%	16,9%	16,8%	16,6%	16,4%	16,4%	16,3%	16,1%	15,2%	14,9%
%Equity	87,6%	83,1%	83,2%	83,4%	83,6%	83,6%	83,7%	83,9%	84,8%	85,1%
WACC	36,2%	29,9%	26,0%	24,1%	22,1%	20,2%	20,2%	18,3%	18,3%	16,4%
Discounted Free Cash Flows	1.957	3.298	8.715	9.484	10.113	9.744	9.362	8.986	8.470	7.969

PV of Cash Flows	78.097
Perpetual Growth	5,0%
Terminal Value	532.596
PV of Terminal FCF	73.252
Net Financial Debt	(10.594)
Target Mcap (DCF)	**161.944**

Based on the Discounted Cash Flow (DCF) Analysis, the Company's equity value is calculated at TRY 161,944 million.

Peer Multiples Analysis (Market Approach)

In OYAK Cement's valuation based on the peer comparison method, the EV/EBITDA, EV/Sales, and P/E multiples of domestic and international peers operating in the same field of activity were examined in detail. In the valuation, the EV/EBITDA multiple was taken as the primary reference, as it was considered to best reflect comparability with peer companies. The EV/EBITDA multiple was preferred because it reflects the Company's operating profitability independently of its capital structure and is one of the most widely used valuation indicators across the sector. In this context, the trailing EV/EBITDA multiples of peer companies were taken into consideration. Forward-looking estimates were excluded from the valuation due to market volatility and limited visibility, and the valuation was based on realized figures that most accurately reflect current operating performance.

		EV/EBITDA			EV/SALES			P/E		
COMPANY NAME	COUNTRY	Trailing 12M	2026E	2027E	Trailing 12M	2026E	2027E	Trailing 12M	2026E	2027E
AKCANSA CIMENTO	TURKEY	9,00x	6,74x	5,34x	1,29x	1,00x	0,81x	~~51,12x~~	17,21x	10,57x
ASIA CEMENT CORP	TAIWAN	13,67x	14,22x	13,68x	2,42x	2,42x	2,37x	11,91x	11,59x	11,29x
BUZZI SPA	ITALY	6,76x	6,67x	6,31x	1,84x	1,79x	1,72x	9,74x	10,74x	10,08x
CEMENTIR HOLDING NV	ITALY	5,11x	5,48x	5,13x	1,36x	1,33x	1,25x	12,21x	13,16x	12,26x
CEMENTOS ARGOS SA	COLOMBIA	14,65x	12,18x	10,97x	3,15x	2,95x	2,73x	~~31,85x~~	25,34x	21,68x
CEMEX SAB-CPO	MEXICO	10,36x	7,08x	6,64x	1,47x	1,39x	1,34x	~~44,15x~~	14,79x	13,60x
CIMENTS DU MAROC	MOROCCO	12,57x	7,89x	7,26x	5,29x	3,54x	3,23x	23,25x	15,74x	14,21x
CIMSA CIMENTO SANAYI VE TIC	TURKEY	8,97x	7,12x	-	1,68x	1,30x	-	16,16x	10,69x	-
DALMIA BHARAT LTD	INDIA	13,37x	12,55x	11,10x	2,63x	2,56x	2,33x	~~54,22x~~	~~32,58x~~	28,54x
GCC SAB DE CV	MEXICO	7,09x	6,65x	6,06x	2,45x	2,32x	2,16x	12,27x	12,39x	11,01x
HANIL CEMENT CO LTD/NEW	SOUTH KOREA	8,24x	8,06x	7,16x	1,24x	1,23x	1,15x	16,42x	14,13x	11,69x
HEIDELBERG MATERIALS AG	GERMANY	9,44x	8,33x	7,76x	1,91x	1,84x	1,74x	16,86x	14,14x	12,75x
JK LAKSHMI CEMENT LTD	INDIA	8,78x	9,08x	7,74x	1,39x	1,37x	1,23x	27,56x	18,77x	15,55x
RAMCO CEMENTS LTD/THE	INDIA	20,44x	18,18x	15,06x	3,21x	3,07x	2,73x	~~87,03x~~	~~68,06x~~	~~40,69x~~
SAUDI CEMENT	SAUDI ARABIA	9,30x	8,93x	8,69x	3,32x	3,17x	3,02x	14,75x	13,85x	12,88x
SHREE CEMENT LTD	INDIA	18,02x	18,18x	16,29x	4,16x	4,03x	3,69x	~~80,23x~~	~~49,82x~~	~~41,23x~~
SIAM CEMENT PCL/THE	THAILAND	16,76x	12,40x	11,33x	1,20x	1,12x	1,07x	18,24x	26,71x	19,30x
STAR CEMENT LTD	INDIA	11,93x	10,52x	9,57x	2,56x	2,51x	2,24x	~~52,59x~~	23,81x	21,32x
TITAN AMERICA SA	BELGIUM	8,62x	7,78x	7,11x	1,95x	1,89x	1,75x	16,13x	14,03x	12,54x
ULTRATECH CEMENT LTD	INDIA	24,82x	22,21x	18,36x	4,35x	4,22x	3,79x	~~57,40x~~	~~42,02x~~	~~32,15x~~
VICAT	FRANCE	5,73x	5,49x	5,24x	1,15x	1,11x	1,08x	10,71x	10,34x	9,23x
WEST CHINA CEMENT LTD	CHINA	11,10x	5,42x	4,40x	2,48x	2,05x	1,74x	13,46x	8,62x	6,27x
YAMAMA CEMENT CO	SAUDI ARABIA	10,57x	9,51x	8,45x	4,55x	4,23x	3,80x	10,19x	11,39x	10,45x
MEDIAN		**10,36x**	**8,33x**	**7,75x**	**2,42x**	**2,05x**	**1,95x**	**14,75x**	**14,03x**	**12,54x**
AVERAGE		**11,53x**	**10,03x**	**9,08x**	**2,48x**	**2,28x**	**2,13x**	**15,32x**	**15,13x**	**13,96x**
OYAK CIMENTO FABRIKALARI	**TURKEY**	**7,51x**	**5,81x**	**4,61x**	**2,01x**	**1,55x**	**1,25x**	**14,23x**	**8,98x**	**6,91x**
PREMIUM/DISCOUNT (-)		**-27%**	**-30%**	**-40%**	**-17%**	**-24%**	**-36%**	**-4%**	**-36%**	**-45%**

Source: *Bloomberg, Şeker Invest Research*

Based on trailing twelve-month data, OYAK Cement trades at a discount of 27% on an EV/EBITDA basis, 17% on an EV/Sales basis, and 4% on a P/E basis compared to the median multiples of its peers. (Companies with a P/E above 30x were considered outliers and excluded from the median and average calculations.)

In calculating the Company's equity value, net cash and EBITDA figures as of the 31.12.2025 period were taken into account. The median EV/EBITDA multiple applied in the valuation stands at 10.36x.

Valuation Based on Peer EV/EBITDA Multiple	
Peer Median EV/EBITDA Multiple	10.36x
EBITDA - 2025/12 (TRY mn)	14,648
Enterprise Value (TRY mn)	151,711
Net Cash Position - 2025/12 (TRY mn)	10,594
Equity Value (TRY mn)	**162.305**

Based on the peer EV/EBITDA multiple valuation, the Company's equity value is calculated at TRY 162,305 million.

Valuation Result

Valuation Method	Equity Value (TRY mn)	Weighting	Weighted Equity Value (TRY mn)
Peer Multiples Analysis	162.305	50,00%	81.153
DCF Analysis	161.944	50,00%	80.972
Target Equity Value (TRY mn)			**162.124**
Paid-in Capital (TRY mn)			4.862
Target Value per Share (TRY)			**33,35**
Closing Price (TRY)			25,50
Upside Potential			**30,8%**

In our valuation of OYAK Cement, both the Discounted Cash Flow (DCF) Analysis and the Peer Multiples Analysis were used in determining the Company's equity value, with equal weighting assigned to each method. This approach provides a more balanced and comprehensive valuation framework by incorporating both the Company's future cash generation potential and its relative positioning among peers.

Based on the weighted outcomes of these methodologies, the Company's 12-month target equity value is calculated at TRY 162,124 million. This implies a target price of TRY 33.35 per share, based on the Company's paid-in capital of TRY 4,862 million.

Based on the closing price of TRY 25.50 as of April 15, 2026, our 12-month target price implies an upside potential of approximately 30.8%. Considering the Company's strong operational structure, sustainable cash generation capacity, and growth potential aligned with sector dynamics, we believe current levels offer an attractive entry point for medium- to long-term investors. Accordingly, we initiate coverage on OYAK Cement (OYAKC.TI) with an "OUTPERFORM" recommendation.

Financial Highlights (Including TAS 29 Impact)

BALANCE SHEET (TRY Mn)	2024/12	2025/12	Change %
PP&E	30.427	35.461	16,5%
Intangibles	7.290	7.534	3,4%
Other Non-Current Assets	6.514	4.685	-28,1%
Trade Receivables	9.082	8.898	-2,0%
Cash&Equivalents	8.315	13.820	66,2%
Other Current Assets	12.243	9.899	-19,1%
Total Assets	**73.871**	**80.297**	**8,7%**
Long Term Debt	146	1.413	869,6%
Other Non current liabilities	1.456	1.405	-3,6%
Short Term Debt	0	0	N.M.
Trade Payables	7.941	7.444	-6,3%
Other current liabilities	4.613	7.084	53,6%
Total Liabilities	14.156	17.345	22,5%
Total Equity	59.715	62.952	5,4%
Total Equity&Liabilities	**73.871**	**80.297**	**8,7%**

INCOME STATEMENT (TRY Mn)	2024/12	2025/12	Change %
Revenues	58.156	56.503	-2,8%
COGS	41.622	41.419	-0,5%
Gross Profit/(Loss)	16.534	15.084	-8,8%
Operating Expenses	3.290	3.932	19,5%
Operating Profit/(Loss)	13.245	11.152	-15,8%
Net Other Ope. Rev./(Exp.)	1.016	196	-80,7%
Net Investing Activities Gain/(Loss)	655	1.221	86,4%
Financial Income/(Expense)	2.102	1.111	-47,1%
Gains (losses) on net monetary positions	-2.440	-1.959	N.M.
Profit Before Tax (Loss)	**14.577**	**11.721**	**-19,6%**
Tax	-5.196	-2.958	N.M.
Net Profit (Loss)	**9.382**	**8.763**	**-6,6%**
Minority Interest	0	0	N.M.
Majority Interest	**9.382**	**8.763**	**-6,6%**

Source: *Finnet, Şeker Invest Research*

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