

Limak Doğu Anadolu Cement

Plant Visit Notes

Notes from the plant visit to the Şanlıurfa Cement Plant and Refuse-Derived Fuel (RDF) Facility organized by Limak Doğu Anadolu Cement (LMKDC.TI) on Friday, October 16, 2026...

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On October 16, 2026, we attended an analyst visit to Limak Doğu Anadolu Cement's Şanlıurfa cement plant and refuse-derived fuel (RDF) facility.

The Company, part of Limak Cement Group, operates in Türkiye's Southeastern and Eastern Anatolia regions through two integrated cement plants in Şanlıurfa and Ergani and two ready-mix concrete plants. The Company completed its initial public offering in February 2024, and its shares trade on Borsa İstanbul's Star Market under the ticker "LMKDC". The shares have been included in the BIST 100 Index since October 1, 2026.

The management presentation focused on preserving profitability margins, improving the cost structure through alternative fuel and energy investments, advancing sustainability targets, and capturing growth opportunities in the Syrian market.

OPERATIONAL PERFORMANCE AND 2026 OUTLOOK

• **Production capacity:** The Company has total annual production capacities of 2.4 million tons of clinker and 3.6 million tons of cement. The Şanlıurfa plant accounts for a substantial share of operations, with annual capacities of 1.6 million tons of clinker and 2.2 million tons of cement.

• **First-half results:** In 1H26, the Company recorded cement and clinker sales volumes of 953 thousand tons, revenue of TRY 3.8 billion, and EBITDA of TRY 1.13 billion. The EBITDA margin stood at 32% in 2Q26 and 30% in 1H26, with the first-half margin remaining significantly above the domestic peer average of 16%. Nevertheless, first-half sales volumes declined by 324 thousand tons year-on-year, while the EBITDA margin contracted by 8 percentage points.

• **Full-year guidance:** Management maintained its guidance for sales volumes of 2.3 million tons, an EBITDA margin of 30-33%, capital expenditure of USD 30 million, and a net working capital-to-revenue ratio of 15-20%.

ALTERNATIVE FUELS, ENERGY INVESTMENTS AND SUSTAINABILITY

Sustainability was highlighted as a strategic priority in transforming production processes and maintaining long-term competitiveness. Increasing alternative fuel usage, investing in renewable energy, and expanding the adoption of low-carbon products constitute the key pillars of this approach.

• **RDF facility:** Management stated that the Şanlıurfa RDF facility, which processes household waste, had obtained a provisional operating permit and is operated within Limak Cement. The Company's alternative fuel usage rate reached 8% in 1H26, against a year-end target range of 10-15% and a 2030 target of above 50%.

• **Renewable energy:** As of 1H26, the solar power plant commissioned at the Şanlıurfa cement plant, with an installed capacity of 7.72 MW, covers approximately 9% of the plant's annual electricity consumption. Together with the alternative fuel feeding systems, it supports energy cost management and emissions reduction.

	TRY	US\$
Close	22,04	0,45
BIST 100	11.722	237
US\$/TRY (CB Bid Rate):	49,45	
52 Week High:	35,67	0,79
52 Week Low:	20,22	0,42
Bloomberg/Reuters Ticker:	LMKDC.TI / LMKDC.IS	

Number of Shares (Mn):	516,2	
	(TRY Mn)	(US\$ Mn)
Current Mcap:	11.377	230
Free Float Mcap:	3.413	69

	1 M	YOY	YTD
TRY Return (%):	9,0	-6,6	-17,6
US\$ Return (%):	7,3	-20,9	-28,4
BIST 100 Relative (%):	22,0	-17,3	-20,8
Avg. Daily Vol. (TRY Mn):	164,00		
Avg. Daily Vol. (US\$ Mn):	3,67		

Beta	0,62
Volatility (Stock)	0,39
Volatility (BIST 100)	0,24

Shareholder Structure	%
LİMAK ÇİMENTO SANAYİ VE TİCARET A. Ş.	73,19
OTHER	26,81
Total	100,00



- **Carbon emissions:** The Company's sustainability roadmap targets a reduction in carbon emissions per ton of cement from 785 kg in 2024 to below 700 kg in 2026 and below 600 kg by 2030. Management also highlighted that Limak Cement Group's emissions reduction targets have been validated by the Science Based Targets initiative (SBTi).

- **Lower clinker content:** Management's target to reduce the clinker-to-cement ratio to 76% by year-end 2026 is important for making more effective use of existing clinker capacity and reducing carbon emissions per unit of production.

SYRIAN MARKET OUTLOOK

Management stated that exports to Syria had increased and that this trend was expected to continue. Limited operational production capacity in the country, coupled with the expectation that domestic production will take time to recover, reinforces the Şanlıurfa plant's geographical advantage. The pace of reconstruction activity and developments in payment and banking infrastructure will be monitored to assess how export opportunities translate into sales.

FINANCIAL POSITION AND OVERALL ASSESSMENT

As of June 30, 2026, the Company held a net cash position of TRY 751 million. This provides important support for its investment programme and dividend policy. Given management's statement that planned capital expenditure for 2026 was concentrated in the first half, the extent to which operating cash generation strengthens the balance sheet in the second half will be important. Key areas to monitor include sales volume trends, the conversion of alternative fuel and energy investments into tangible cost savings, working capital requirements, and free cash flow generation.

Based on the information shared during the visit, we believe the Company's focus on preserving profitability margins rather than pursuing volume growth supports operational resilience amid fluctuations in demand. Increased alternative fuel usage, renewable energy investments, and efforts to reduce the clinker-to-cement ratio are expected to contribute to lower unit production costs and support margins over the medium term. Beyond their cost benefits, these investments are also important for achieving the Company's sustainability targets and transitioning towards low-carbon production.

The Şanlıurfa plant's proximity to the Syrian market is considered a significant advantage in meeting potential demand arising from reconstruction in the region. However, the extent to which this opportunity translates into sales volumes and profitability margins will depend on the pace of reconstruction in the country, the recovery of domestic production, and developments in payment infrastructure. Accordingly, we view demand growth from Syria as a medium-term, rather than a near-term growth opportunity.

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