

Company Visit Note

June 16, 2025

TACİRLER YATIRIM

Kuzey Boru A.Ş.

Kuzey Boru (KBORU) held an analyst meeting at its production facility in Aksaray on June 13, 2025. As Tacirler Yatırım, we attended the meeting, and the key highlights from the session are summarized below.

• Company Profile and General Overview

Kuzey Boru A.Ş. is an innovative and robust manufacturing company operating with a broad portfolio of plastic and composite pipes for infrastructure and superstructure projects. As the global plastic pipe industry continues to grow in response to increasing investments in critical sectors such as energy, construction, water management, and petrochemicals, Kuzey Boru is strategically aligning its investments in line with these trends.

Positioned among Turkey's leading plastic and composite pipe manufacturers, Kuzey Boru differentiates itself with high production capacity, a diverse product range, and a strong export network. Initially founded in the early 2000s under the name Debim Bilgisayar, the organization was repositioned after 2002 and began pipe production activities in Aksaray Organized Industrial Zone, with its first production taking place in 2005. As of today, the company operates across a total area of 200,000 m² with four production facilities, two accredited testing laboratories, and one R&D center, reaching an annual production capacity of 223,000 tons.

The company maintains a profitability-oriented approach due to high order volumes. Management strictly monitors cost and profitability metrics when selecting projects and shapes its capacity planning accordingly. The volume of declined orders—due to limited capacity—has reached a comparable size to the accepted ones, making investments not a discretionary decision but an operational necessity. This indicates that investment decisions are shaped with a market-driven and strategic perspective.

In terms of corporate governance, the company appointed independent board members during the IPO process and increased female representation in leadership, contributing to diversity and equitable representation. Founders have led the company's strategic decisiveness and governance quality since its inception.

KBORU TI

Share Data

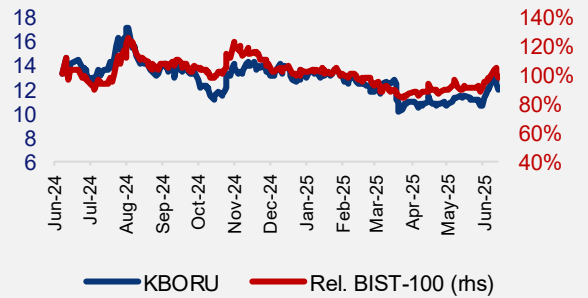
Ticker:	KBORU TI
Share Price (13 June 2025)	11.81
Share price (52 week range)	10.1 / 17.1
Market cap. (TL mn - USD mn)	7,086 - 181
# of shares outstanding (mn)	600.0
Free Float	24%
Market	Bist Main
Industry	PETROLEUM RUBBER & PLASTIC PRODUCTS

Avg. trading volume	1M	3M	12M
USD mn	3.0	2.1	2.8

Price performance	1M	3M	Y-t-D
TL	5%	-5%	-9%
USD	3%	-12%	-18%
Rel. to BIST-100	9%	10%	-4%

TL mn	2022	2023	2024
Revenues	1,479	2,954	3,955
EBITDA	245	701	452
Net Earnings	202	317	648
Net Debt	355	-332	583

Valuation	2024
P/E	23.6x
P/BV	7.5x
EV/EBITDA	13.1x
EV/Sales	2.77x
Dividend Yield	0.6%



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Rather than driven by immediate financial needs, the company prioritizes institutionalization with the aim of achieving sustainable long-term growth through transparent governance. Key components of this structural transformation include a strategic goal-tracking system initiated before the IPO, independent audit practices, and digitalization investments. In this context, Kuzey Boru's firm commitment to institutionalization positions the company as a benchmark in both operational execution and governance standards within the industry.

On the other hand, the company's strong ambition to become a global player and its corresponding strategic investments reinforce its confidence at the corporate level; it is moving forward with the goal of expanding its presence across the European, Middle Eastern, and African markets.

• Product Portfolio and Areas of Application

The company's core product portfolio includes HDPE, corrugated, PPR, and PE-RT pipes, alongside composite solutions such as Glass Fiber Reinforced Polyester (GRP) and polypropylene-based systems. Plastic pipes are widely used in water transmission lines, sewage systems, natural gas infrastructures, wastewater drainage, and indoor plumbing systems. Composite pipes, on the other hand, are preferred in more demanding applications such as seawater desalination, industrial liquid transportation, and aggressive chemical lines. All products are manufactured in compliance with international standards.



Source: Kuzey Boru A.Ş. Analyst Meeting Presentation

• Market Share and Competitive Advantages

The Turkish plastic pipe market has reached a total size of approximately TRY 280 billion, with 189 companies operating in the sector. Kuzey Boru holds a significant share of this market, accounting for 23% of total production in the Central Anatolia Region with an annual capacity of 223,000 tons. Additionally, as one of only three companies operating in the composite pipe segment, the company benefits from a limited competitive environment. Kuzey Boru also maintains a strong position in exports, selling to 105 countries, with 63% of its international sales directed to the European market.

Müşteri Grubu



Müşteri Grubu



Kamu Kurumları

- DSİ
- TOKİ
- İller Bankası
- İl Özel İdareleri
- Karayolları
- Belediyeler

Yurt içinde faaliyet gösteren inşaat Şirketleri ve Müteahhitler



105

Ülkeye İhracat

31.12.2024 tarihi itibarıyla yurtdışı satışlarının %63'ünü Avrupa, %27'sini Asya ve %8'ini Afrika ülkeleri oluşturmaktadır.

Source: Kuzey Boru A.Ş. Analyst Meeting Presentation

• Strategic Investment Plans

Kuzey Boru has outlined significant investment plans for the 2025–2028 period:

Thermoplastic Pipe Investments: A total of USD 30 million in investments is planned, including USD 7 million in the Aegean region, USD 8 million in the Inner Aegean, USD 6 million in the Black Sea region, USD 6.5 million in Southeastern Anatolia, and USD 2.5 million for the Aksaray PPR facility. **Composite Pipe Investments:** The Malatya GRP facility commenced operations in September 2024. A machinery investment of EUR 5.4 million has been made to increase capacity by 70%, and it is projected to contribute approximately USD 40 million in annual revenue. In total, USD 25 million has been allocated for composite pipe investments. **International Investments:** The company plans to invest USD 10 million in a production facility in Egypt and aims to expand its sales and marketing networks in Romania and Dubai.

• Digitalization and R&D Initiatives

Kuzey Boru identifies digital transformation as one of its core competitive advantages. The company is actively engaged in projects such as ERP and CRM system optimization, AI-based process integrations, and cloud-based data management. Its R&D Center became operational in July 2024 and targets two patent and utility model applications by 2025 through ongoing projects. As of March 2025, R&D expenditures totaled TRY 6.6 million, and the center employs 23 specialized personnel.

- **Financial Performance and Targets**

For 2025, the company has set a revenue target of TRY 5 billion. Total revenues are projected to rise from USD 125 million in 2025 to USD 410 million by 2028. EBITDA margins are expected to increase from the current 12–14% range to 17–19%. Financial results for Q1 2025 indicate strong performance, with a gross profit margin of 27%, a net profit margin of 18.60%, and an EBITDA margin of 21.27%. The company's net working capital stands at a positive TRY 1.46 billion.

- **Sustainability Approach**

In line with its sustainable production goals, the company is investing in land-based solar power plants (SPPs) to generate a significant portion of its energy consumption in-house. This initiative holds strategic importance in terms of lowering production costs and reducing the company's carbon footprint.

- **Corporate Structure and Social Responsibility**

Following its public offering, Kuzey Boru has aligned with corporate governance principles by establishing independent audit, risk management, and sustainability committees. Women represent 14% of the board of directors and 38% of senior management. The company actively supports social responsibility initiatives, notably by sponsoring women's volleyball.

- **Conclusion and Investor Outlook**

With its broad product portfolio, strategic investment plans, robust financial structure, and strong focus on digitalization and sustainability, Kuzey Boru stands out as a leading player in Turkey's plastic and composite pipe industry. Investments in high value-added and low-competition segments such as composite pipes enhance the company's potential to improve its margin structure. As a company with substantial global growth potential, Kuzey Boru represents a noteworthy opportunity for investors seeking long-term value.

Balance Sheet	2022	2023	2024	Income statement	2022	2023	2024
Cash	24	1,015	389	Revenues	1,479	2,954	3,955
Accounts receivables	219	647	1,145	Gross profit	339	920	792
Inventory	222	563	1,080	Operating expenses	128	276	445
Other current assets	16	53	362	Operating profit	212	644	347
Current assets	481	2,278	2,976	EBITDA	245	701	452
Financial investments	0	0	0	Other income, net	-8	11	-51
Net fixed assets	616	1,423	2,867	Financial income, net	-7	-364	207
Intangible assets	1	1	4	Earnings before taxes	197	290	503
Other non-current assets	1	0	115	Tax expense	-5	-26	-145
Non-current assets	618	1,425	2,986	Net earnings - Parent	202	317	648
Total assets	1,099	3,703	5,962				
				Cashflow statement			
Short-term financial loans	316	578	358	EBITDA	245	701	452
Accounts payables	35	196	1,054	Taxes on EBIT	-5	-58	-100
Other short-term payables	103	357	183	Capital expenditures	119	279	1,288
Current liabilities	454	1,130	1,595	Chg. in NWC	283	392	639
Long-term financial loans	63	105	615	Free cashflows to firm	-152	89	-1,375
Other long-term payables	3	52	425				
Non-current liabilities	66	157	1,040	Growth & margins			
Shareholders' equity	579	2,416	3,327	Revenues		100%	34%
Parent company	579	2,416	3,327	EBITDA		187%	-36%
Minorities	0	0	0	Net earnings		57%	105%
Total liabilities & equity	1,099	3,703	5,962				
				Gross margin	22.9%	31.1%	20.0%
Net debt	355	-332	583	Operating margin	14.3%	21.8%	8.8%
Net working capital	319	711	1,350	EBITDA margin	16.5%	23.7%	11.4%
Net working capital (Operating)	407	1,015	1,171	Net margin	13.7%	10.7%	16.4%
Invested Capital	936	2,136	4,221	Free cashflow margin	13.7%	10.7%	16.4%
Ratios				Per share (TL)			
Profitability				EPS	0.34	0.53	1.08
ROE	58.0%	21.1%	22.6%	BVPS	0.97	4.03	5.55
Net margin	13.7%	10.7%	16.4%	DPS	0.00	0.00	0.09
Asset turnover	2.1x	1.2x	0.8x				
Leverage	2.0x	1.6x	1.7x	Valuation			
ROA	28.3%	13.2%	13.4%	P/E			23.6x
ROIC	29.5%	33.5%	8.7%	P/BV			7.5x
				EV/EBITDA			13.1x
Leverage				EV/Sales			2.8x
Financial debt/Total assets	34%	18%	16%	Dividend Yield			1%
Net debt/Equity	0.61	-0.14	0.18	Free cashflow yield			-15%
Net debt/EBITDA	1.45	-0.47	1.29				

Source: Bloomberg, Tacirler Investment

* All figures are stated in millions of TL unless otherwise stated.

Yatırım Merkezlerimiz

Genel Müdürlük

Nispetiye Cad. B-3 Blok Kat: 9 Akmerkez Etiler - İSTANBUL
0 212 355 46 46

Adana	Cemal Paşa Mah. Gazipaşa Bul. Cemal Uğurlu Apt. Kat: 1 D: 4	(0 322) 457 77 55
Akatlar İrtibat Bürosu	Esentepe Mahallesi Büyükdere Caddesi Levent N199 İç Kapı N16 Şişli - İstanbul	(0 212) 355 46 46
Alsancak	Şehit Nevres Bulvarı Eczacıbaşı Apartmanı No: 7 Kat: 2 Daire: 5 Pasaport Alsancak - Konak	(0 232) 241 24 50
Ankara	Remzi Oğuz Arık Mah. Tunalı Hilmi Cad. Yaprak Apt. No: 94 Kat: 2 D: 9 Kavaklıdere Çankaya	(0 312) 435 18 36
Antalya	Şirinyalı Mah. İsmet Gökşen Cad. Özden Apt. No:82/6 Muratpaşa	(0 242) 248 45 20
Bakırköy	İstanbul Cad. Bakırköy İş Merkezi No: 6 Kat: 4 D: 14 Bakırköy	(0 212) 570 52 59
Bodrum	Konacık Mahallesi, Atatürk Bulvarı, Arbor-Abdullah Ünal Çabuk İş Merkezi No: 285/1-A6 Bodrum	(0 212) 355 46 46
Bursa	Konak Mah. Barış (120) Sokak , Ofis Artı Binası, Dış kapı No:3 Daire:33 Nilüfer-BURSA	(0 224) 225 64 10
Çankaya	Çankaya Mahallesi Cinnah Caddesi Cinnah Apartmanı No: 55 D: 7-8 Çankaya / ANKARA	(0 212) 355 46 46
Çukurambar	Kızılırmak Mah.Ufuk Üniversitesi Cad. Next Level Loft Ofis No: 4/65 Kat: 24 Söğütözü Çankaya	(0 312) 909 87 70
Denizli	Urhan İş Merkezi 2. Ticari Yol Daire 26 Kat: 6 Bayramyeri	(0 258) 265 87 85
Erenköy	Bağdat Cad. Çubukçu Apt. No: 333 Kat: 2 D: 4 Kadıköy	(0 216) 348 82 82
Gaziantep	İncilipinar Mah. Gazimuhtarpaşa Bul. Kepkepzade Park İş Merkezi B Blok No: 18 Kat: 1 D: 5	(0 342) 232 35 35
Girne	Ziya Rızık Cad. Şehit Necati Gürkaya Sok. Kat: 1 D: 1 Gime - KKTC	(0 392) 815 14 55-0533 889 15 51
İzmir	Kültür Mahallesi, Cumhuriyet Bulvarı No:137 Cumhuriyet Apt. K:5 D:12 Konak – İzmir	(0 232) 445 01 61
İzmit	Hürriyet Cad. Kaya İşhanı No: 39/5 İzmit	(0 262) 323 11 33
İzmit İrtibat Bürosu	Ömerağa Mah. Alemdar Cad. İ. Kolaylı Apt. No: 8 Kat: 2 İzmit	(0 262) 260 01 01
Karadeniz Ereğli	Bağlık Mahallesi Karanfil Sokak No:16/A Karadeniz Ereğli – Zonguldak	(0 372) 316 40 50
Karşıyaka	Yalı Mahallesi Ahmet Kemal Baysak Bulvarı No:42 D:11	(0 232) 241 19 24
Kartal	Üsküdar Cad. Cevat Kayacan Apt. No: 26 Kat: 4 D: 8 Kartal	(0 216) 306 22 71-306 22 06
Kayseri	Hunat Mah. Nuh Mehmet Baldöktü Sok. Gürcüoğlu Plaza No: 5 K: 3 D: 11 Melikgazi	(0 352) 221 08 68-222 82 51
Marmaris İrtibat Bürosu	Kemeraltı Mah. Orgeneral Mustafa Muğlalı Cad. Güven Apt. No: 22 D: 2 Marmaris	(0 252) 321 08 00
Merkez Şube	Akat Mahallesi Meydan Caddesi B Blok No: 16 D: 7 (Eski No D: 9) Beşiktaş	(0 212) 355 46 46
Mersin	İnönü Mah. 1401 Sok. No:32 Pozcu Evo Kat:2 No:10-11 Yenişehir Mersin	(0 324) 238 11 89
Trabzon İrtibat Bürosu	Kemerkaya Mahallesi Halkevi Cad. Mandıralı İş Merkezi No: 4 Daire: 4 Ortahisar	(0 462) 432 24 50

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