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STEEL PIPE INDUSTRY'S GLOBAL GIANT BORUSAN MANNESMANN GROWS EVEN STRONGER IN THE U.S.

Established in 1958 by Borusan Group as its first industrial venture, Borusan Mannesmann has recently finalized an acquisition in the United States, scaling up its driven presence in the global market. Through a transaction of 162 million U.S. Dollars, the company has acquired 100% of Berg Pipe, one of the leading corporations in the United States, manufacturing large-diameter line pipes of the highest quality with the largest capacity. Borusan Mannesmann will now become a key player in the North American energy pipes industry market, following this giant leap it has taken as part of its strategy to become a local player across the global markets.

Established 65 years ago by Borusan Group -one of Türkiye's leading conglomerates- as its first industrial venture, Borusan Mannesmann has recently finalized an acquisition in the United States, scaling up its driven presence in the global market. Moving forward in international markets thanks to its global growth strategy in line with its goal of gaining competitive leverage by grasping local manufacturing opportunities in target markets, Borusan Mannesmann has recently acquired Berg Pipe, a corporation operating in the U.S. for the past 44 years with its two facilities located in Florida and Alabama.

Borusan Mannesmann has been operating sturdily in the United States since 2014, with a facility located in Texas. With this acquisition and a second facility located in Baytown, where production will start in 2023, the company will own four facilities in the United States. The company's total manufacturing capacity in the United States will reach as high as 1 million tons, and its U.S. turnover, around 1 billion U.S. Dollars. Giving impetus to its global growth strategy with its latest purchase worth 162 million U.S. Dollars, Borusan Mannesmann will have 11 facilities located in Türkiye, Italy, Romania, and the United States, as well as a production capacity of nearly 2 million tons, and 2.800 staff members, by the end of 2023.

"Our focus is sustainable growth."

Noting that Borusan Mannesmann has added sustainable value to Türkiye since its inception, Borusan Group CEO Erkan Kafadar commented on the acquisition that was carried out in line with Borusan Mannesmann's strategy of localization across global markets:

Pipe manufacturing, the first industrial field across which we operate as Borusan Holding, and its first industrial venture Borusan Mannesmann has been adding value to our country for the past 65 years. It contributes to the country's economy thanks to its exports to the global markets. For so long, as Türkiye's number one brand in its sector, our company has been focusing on global markets to promote sustainable growth. Having scaled up its driven presence -since the early 2000s- across different pipe segments with its facilities operating in Italy, the U.S., and most recently, in Romania, Borusan Mannesmann's recent acquisition of Berg Pipe soon make the company a key player in the North American energy pipes market, which we believe holds great potential. In addition, Borusan Mannesmann happens to be one

of the largest Turkish industrial investors in the United States. As part of its sustainable growth strategy, our company will continue to take all opportunities that would help increase its claim across target and potential markets."

A new era for Borusan Mannesmann

Borusan Mannesmann started its strides across the European automotive market after it acquired the Vobarno precision pipe plant in Italy in 2001, its first international investment. Suggesting that today the company is the number one manufacturer in the automotive segment in Europe, thanks to additional investment in Gemlik facilities in 2018, Kafadar said, "In line with our sustainable growth and globalization strategy, we achieved remarkable success over the course of 9 years after operationalizing a facility in 2014 with an investment of 150 million U.S. Dollars in the United States energy pipe market. With our Texas-Baytown facility in the United States, where we manufacture drilling pipers and line pipes for petroleum and natural gas, we received the 'Pipe Manufacturer of the Year' award three times from the American Metal Market, one of the most prestigious pipe industry publications in the United States. Thanks to the investment we launched, which will be finalized by the end of this year, we are now a local manufacturer in this market across the construction and general industry segments after expanding our existing drilling pipe and line pipe manufacturing operations. And the latest acquisition marks the beginning of a new era for our company".

It will be a local player in the U.S.

Suggesting that Borusan Mannesmann is the single and most prestigious brand with a capacity to export large-diameter line pipes from Türkiye to the United States for the energy pipe industry, Kafadar explained that, following the acquisition of Berg Pipe, the company was now considered a "local player" in large diameter pipes market: "Berg Pipe owns two facilities, one in Florida, where longitudinal seam-welded pipes are manufactured, and one in Alabama, where spiral seam-welded large-diameter pipes are manufactured. Having championed remarkable growth in the energy sector recently, the company stands out as the supplier of all major pipeline projects in the United States -a country that has evolved from its role of an importer to that of an exporter, which holds great potential. By acquiring Berg Pipe, a company with a total manufacturing capacity of 550 thousand tons, we aim to secure a strategic position in large-diameter pipes."