

4Q23 RESULTS INVESTOR PRESENTATION

MARCH 2024





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SUPPORTING SLIDES



Petkim ranked first in the Aegean Exporters' Association's "Stars of Export 2023" list, both in the general ranking and in the chemistry category this year



4Q23

(W/O IAS29)

FINANCIAL HIGHLIGHTS

Sales ▲

¥14.5 BN

10% QoQ

EBITDA ▼

¥1.497 MN

10,3% Margin
4% QoQ

Net Income ▲

¥15.1 BN

7,00 TL/Share
544% QoQ

Cash ▲

¥4 BN

0,7x Current Ratio
0,5% QoQ

Net Debt ▲

¥25.7 BN

7,8x Net Debt / EBITDA
3% QoQ



2023 Highlights



01

Solid performance since the second half of the year despite weak petrochemical markets
Petkim's average gross unit was USD89/ton

02

Optimization-focused initiatives resulted in cost efficient operations and improved profitability
Petkim's capacity utilization rate was 64%

03

Management actions continued to be taken in 4Q2023 impacted positively on EBITDA
Over 40 projects and initiatives contributed more than USD30mn to cumulative EBITDA results in 2023

04

STAR Refinery's financial impact has been reflected on Petkim financials from 4Q23 onwards
TRY3.2bn income derived from the equity pick-up method in 4Q23

05

IAS 29 has been applied to Petkim year-end financials
The largest impact on profitability stemmed from inventories and depreciation



INDUSTRY ENVIRONMENT

Global Petrochemical Market
Petrochemical Market in Türkiye

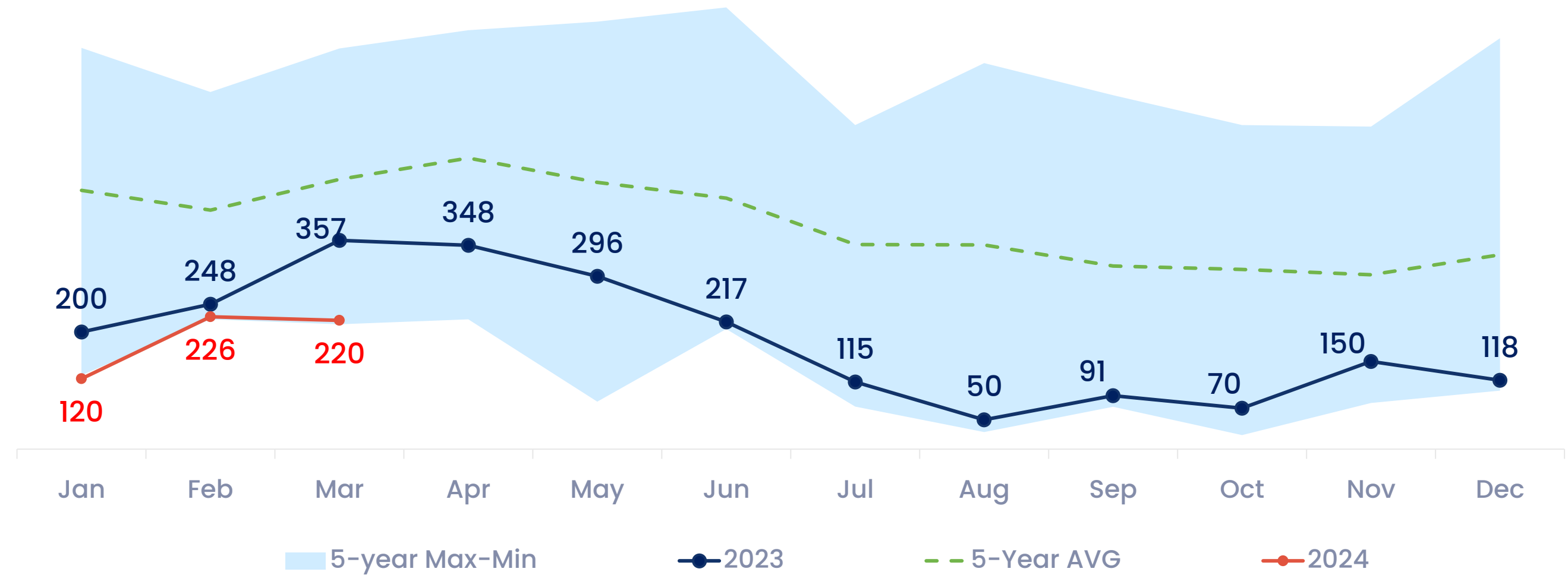




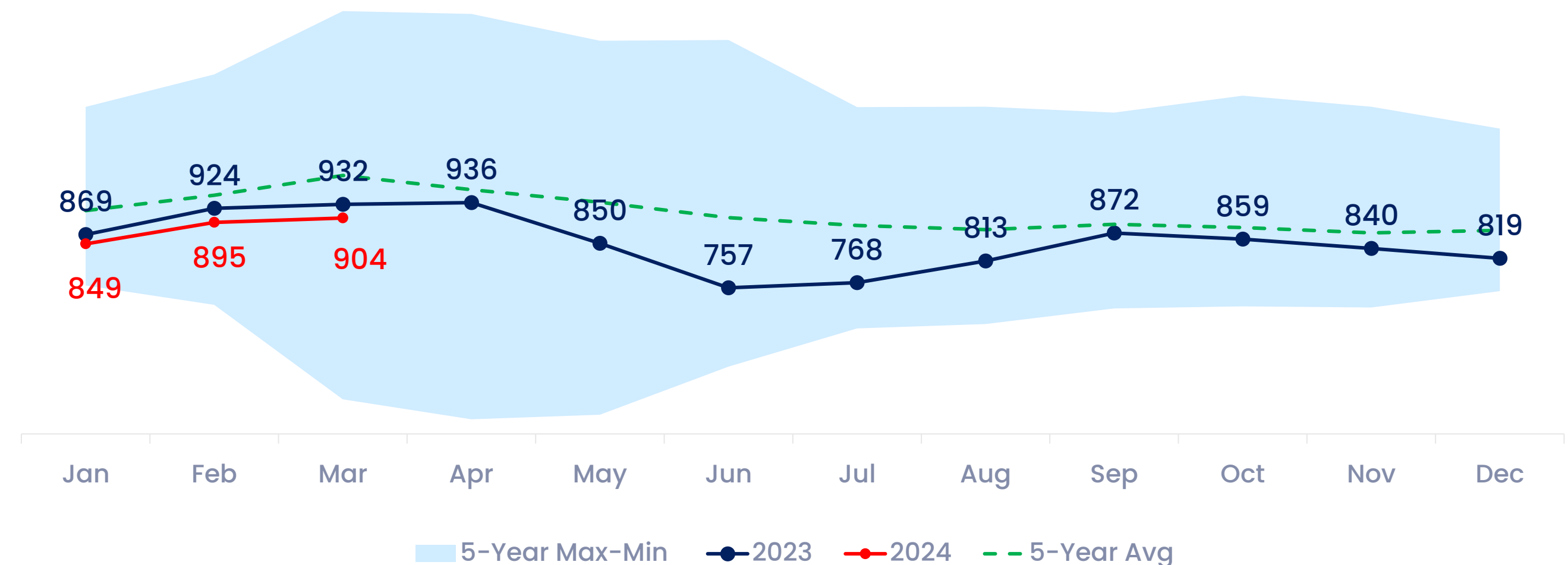
Industry Environment

- + Ethylene-naphtha spread increased by about 31% from USD86/ton in 3Q23 to USD113/ton in 4Q23
- + Prices in petrochemical markets followed the downturn in gasoline blending values at the refinery which continue to set the floor to prices in weak petrochemical markets
- + 4Q23 PLATTS index increased by approximately 3% in comparison with the previous quarter

Monthly naphtha - ethylene spread (CIF MED spot prices) USD/ton



Monthly average Platts index* USD/ton



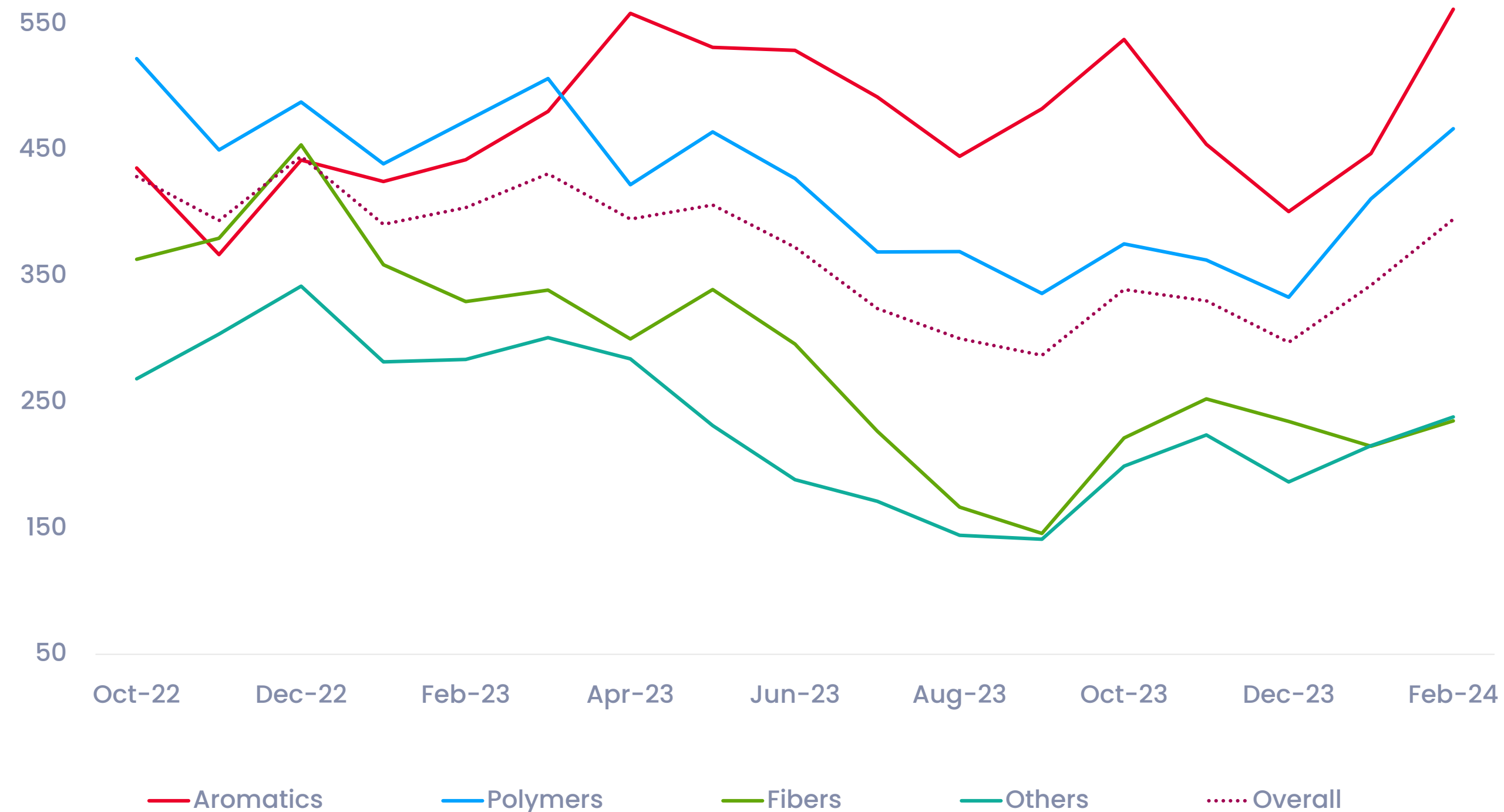
(*) compilation of ethylene, propylene, benzene, toluene, PX, LDPE and PP.



Industry Environment



Product groups spread
(over naphtha CIF MED) USD/MT



Key trends in the industry

- + Demand weakness and oversupply persists
- + Red Sea related issues impacting import availability

Markets were broadly pressured by weak demand for durable goods, which impacted margins in the product group segments

- + Polymer demand remained frail due to slack end use demand stemming from persistent weak economic climate
- + Intense cost pressure suffered by aromatics market through the summer season relaxed as gasoline values dropped around 20%
- + Pricing has been disconnected since the mid-January, between Europe and other regions – the US and Asia mainly–after disruptions to shipping through the Red Sea

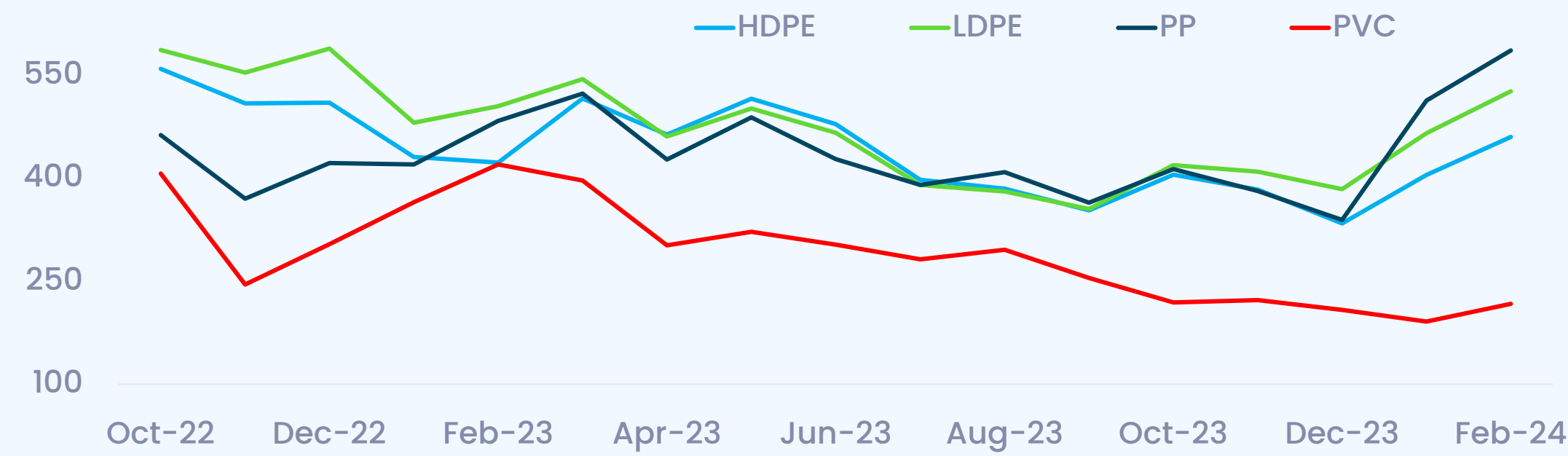


Industry Environment

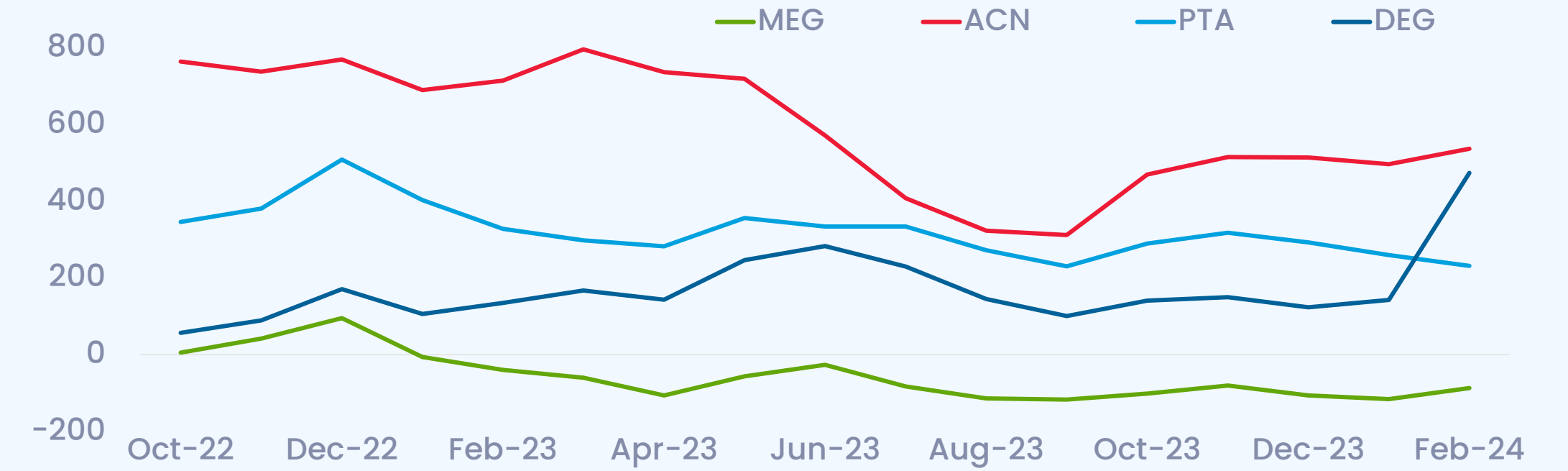


Product groups spread
(over naphtha CIF MED), USD/MT

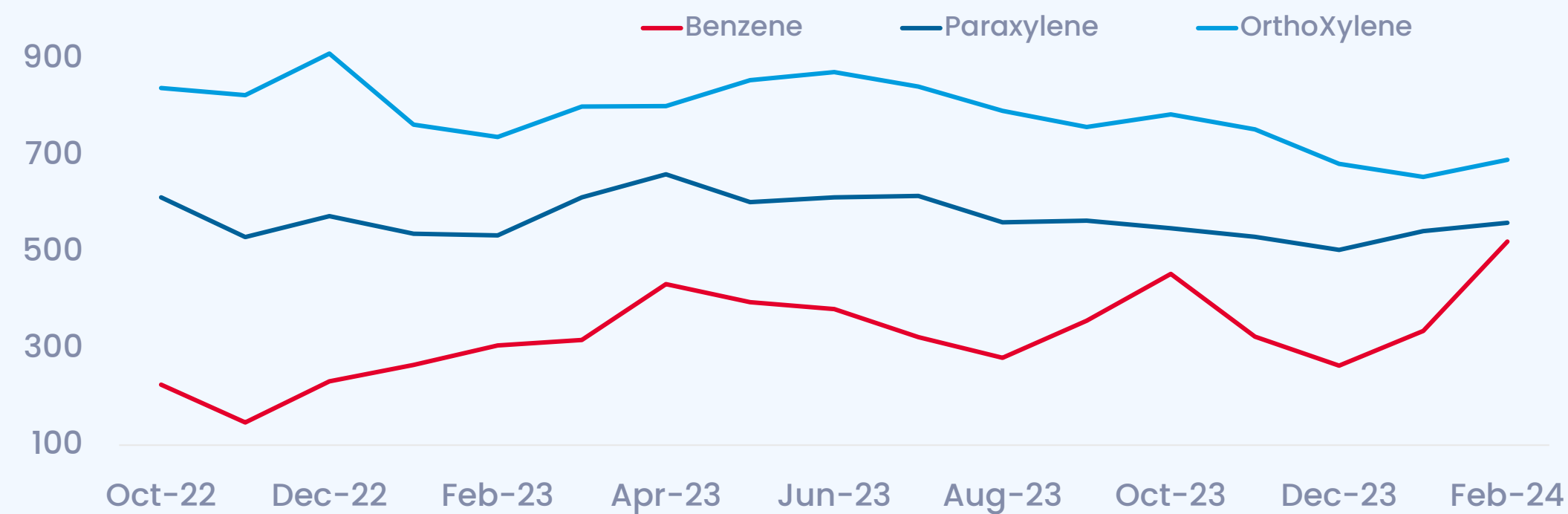
Polymers



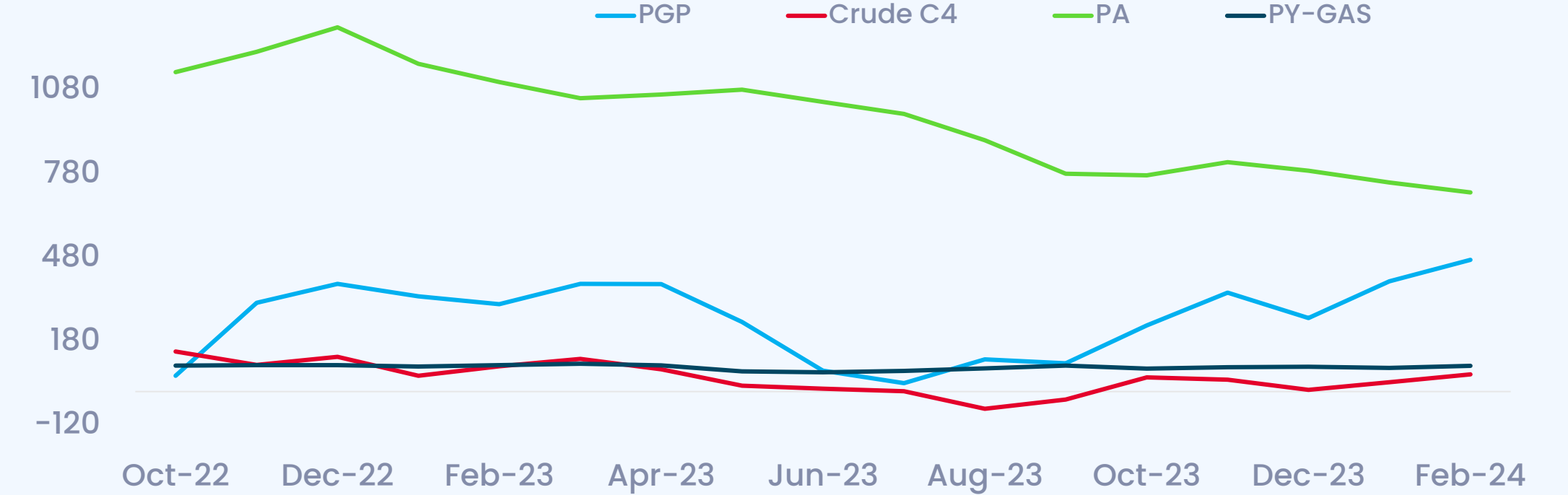
Fibers



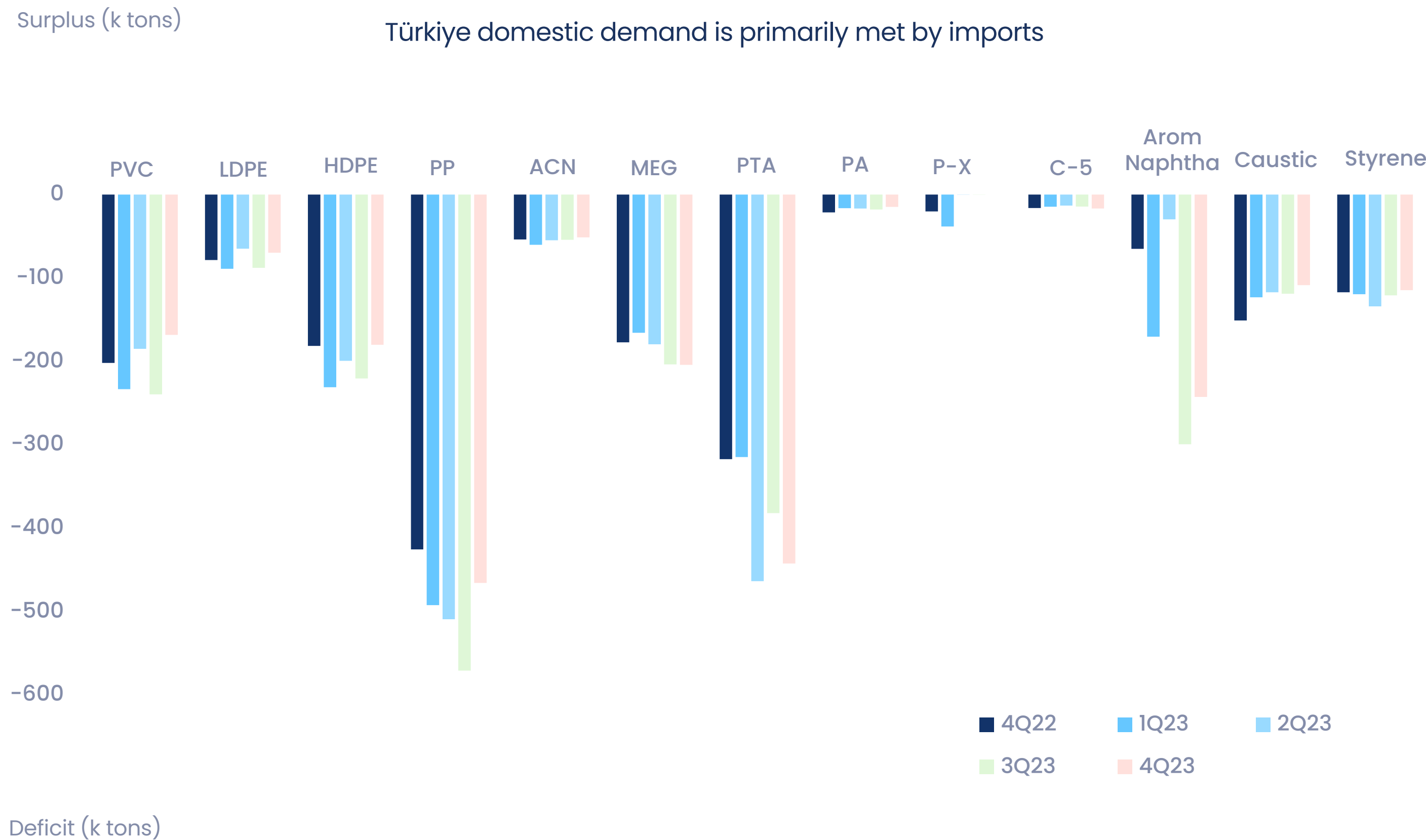
Aromatics



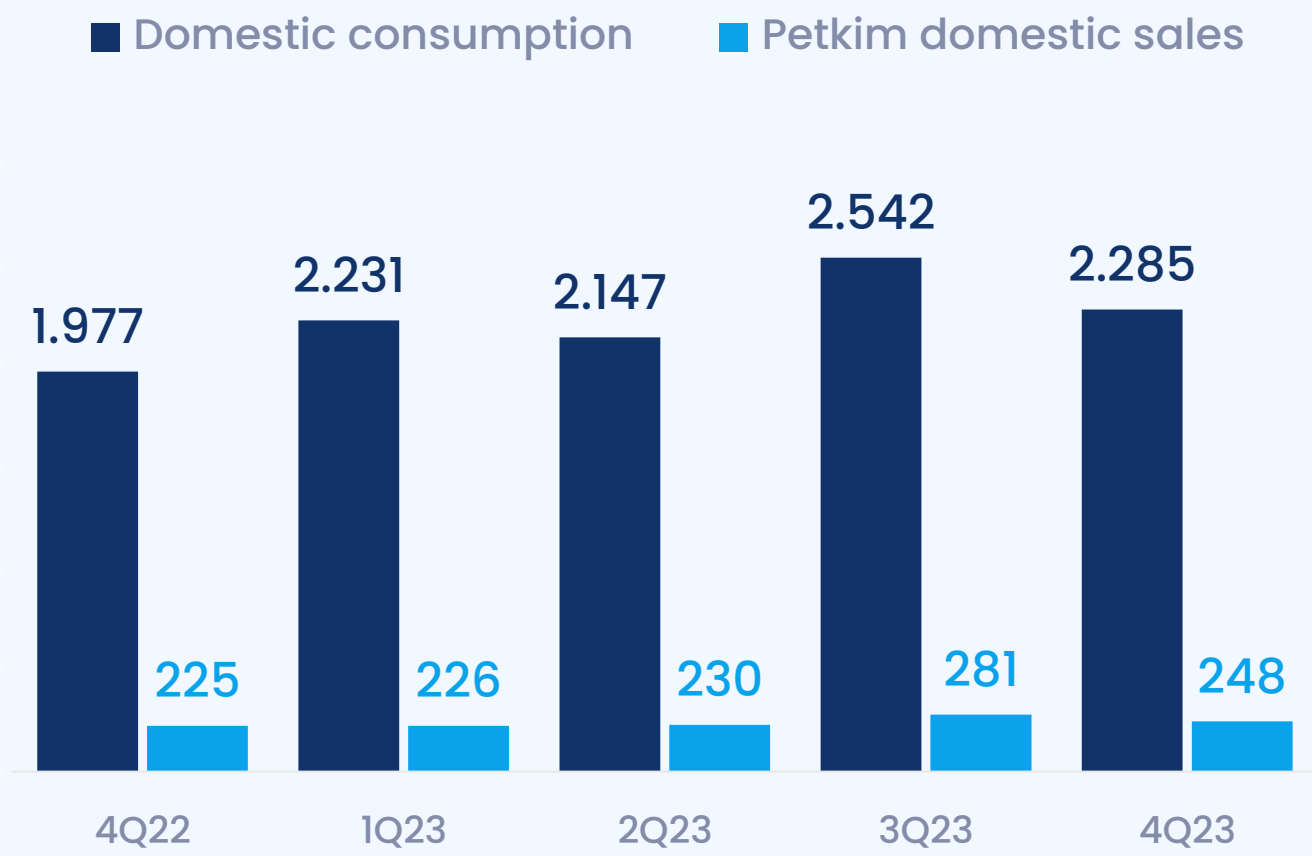
Others



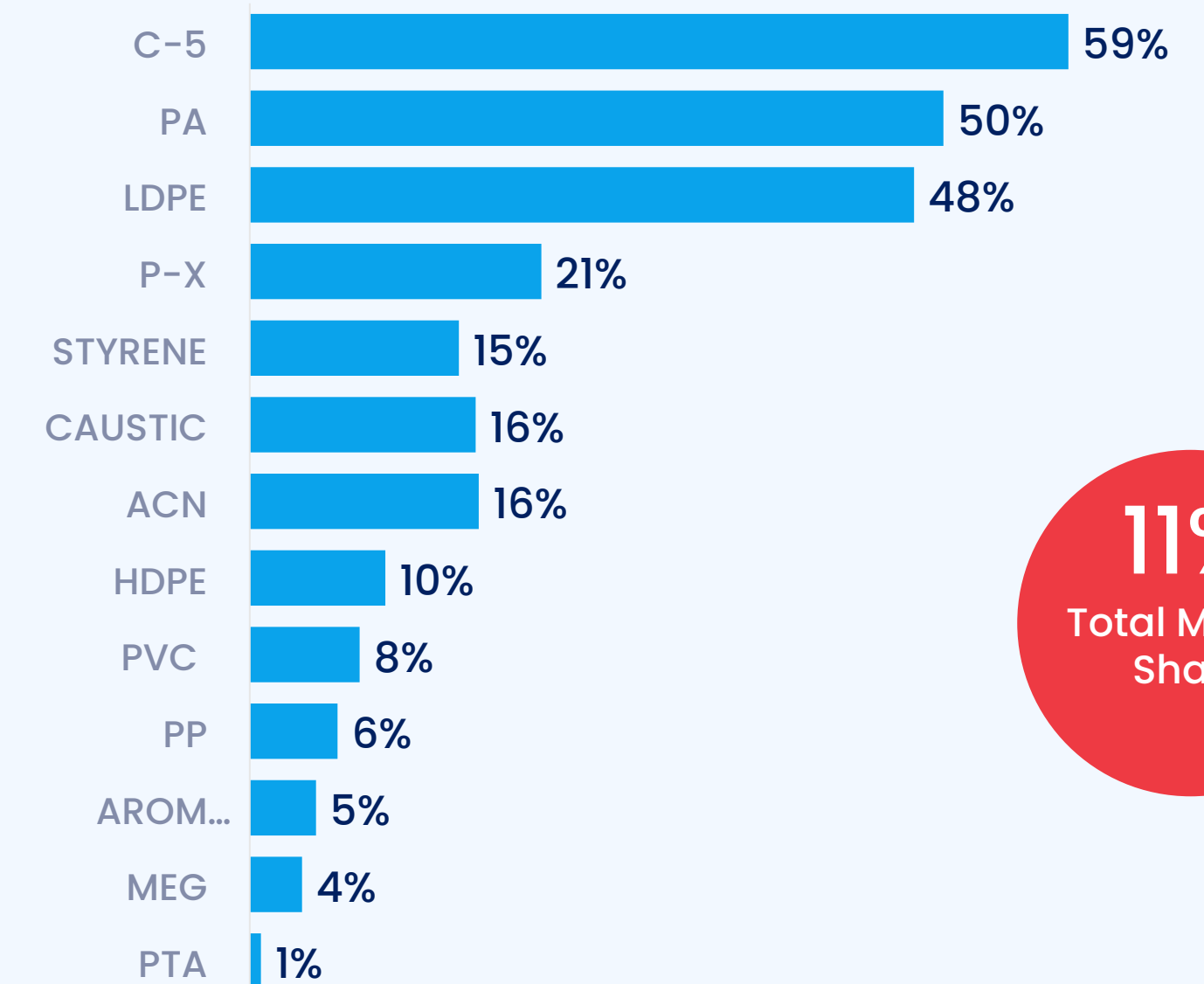
Türkiye's Petrochemical Sector Overview



Petrochemical consumption in Türkiye (k tons)



Products market share (cumulative)



11%
Total Market Share



OPERATING & FINANCIAL RESULTS

 **PETKIM**  **SOCAR**

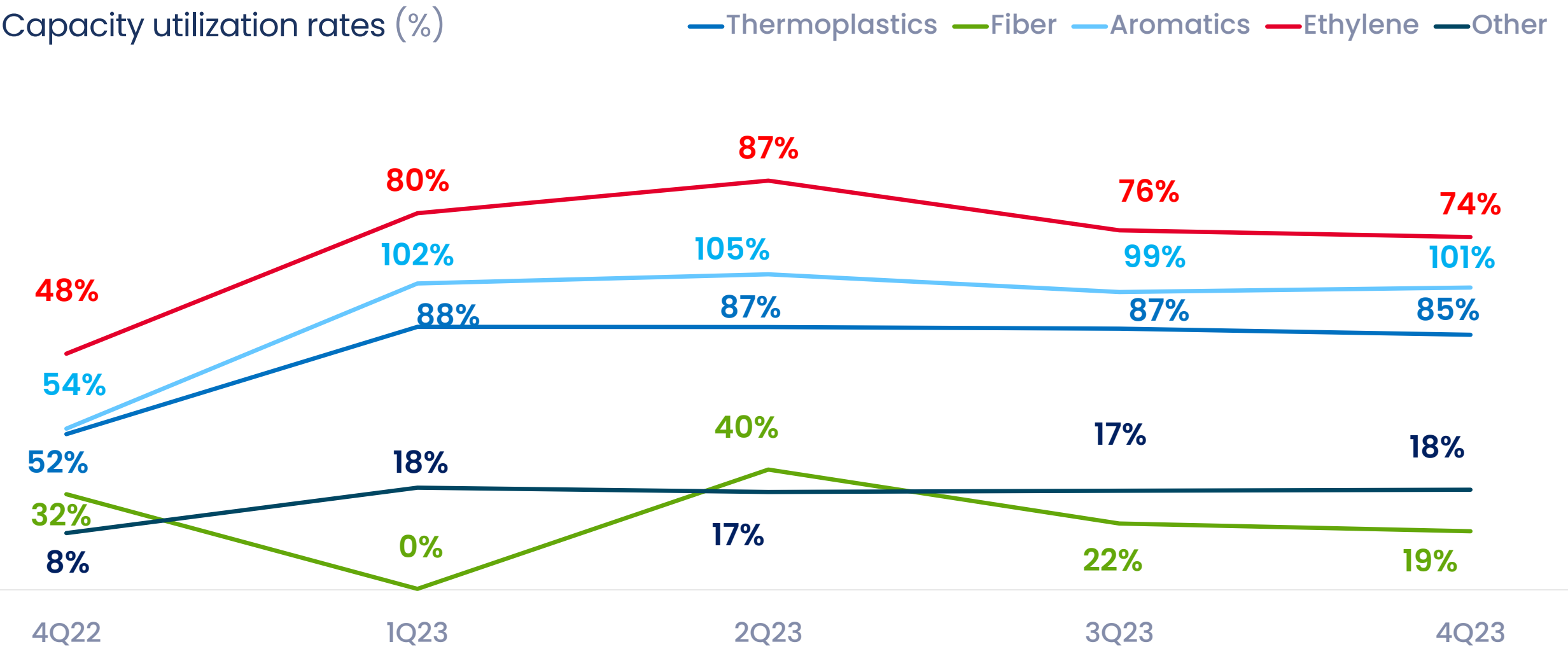


Capacity Utilization & Gross Production

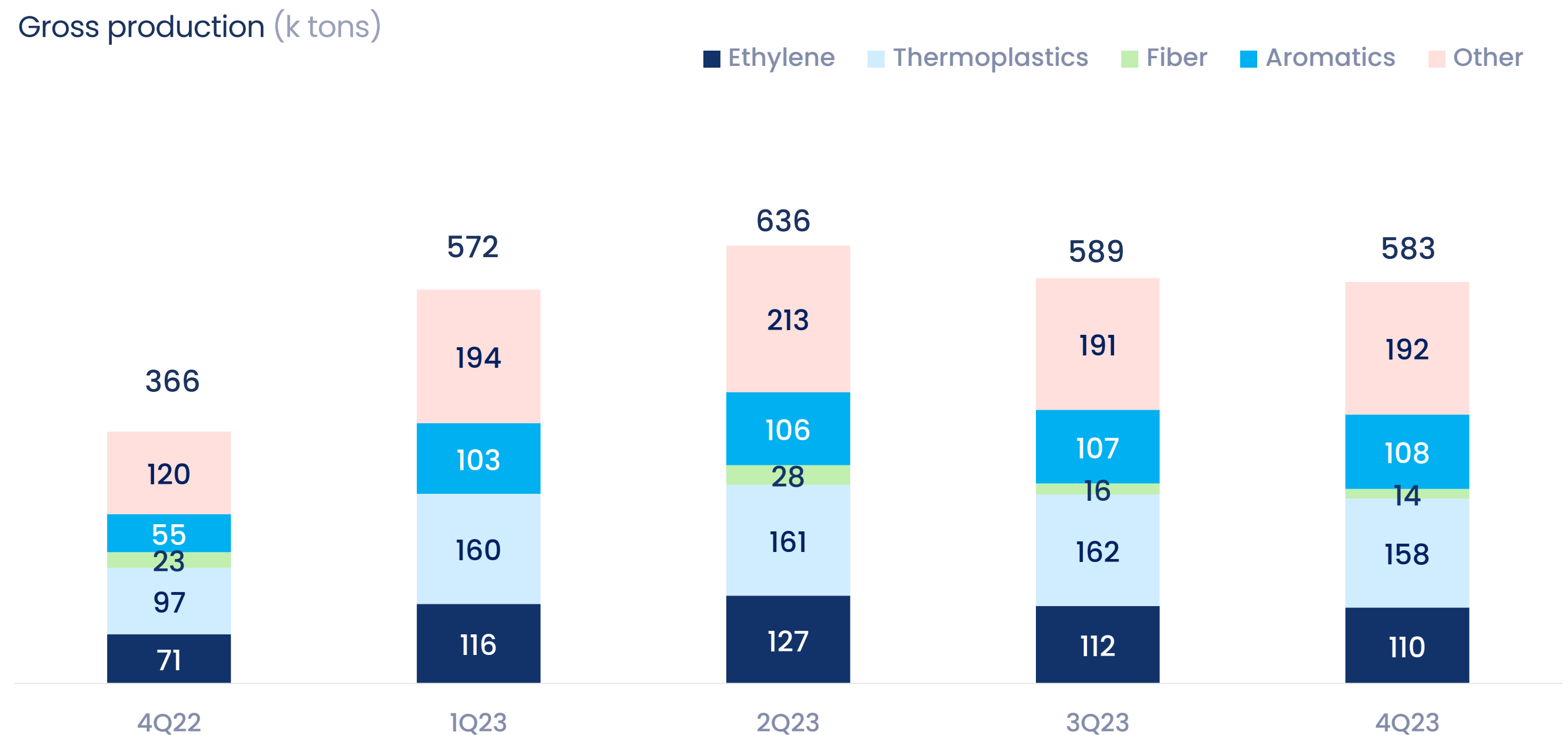
+ As part of its cost management efforts, Petkim continued to exercise control over non-economic units such as PTA and MEG by keeping them closed.

+ **Petkim generated 583ktons gross production and capacity utilization rate was 64% in 4Q23**

Capacity utilization rates (%)



Gross production (k tons)



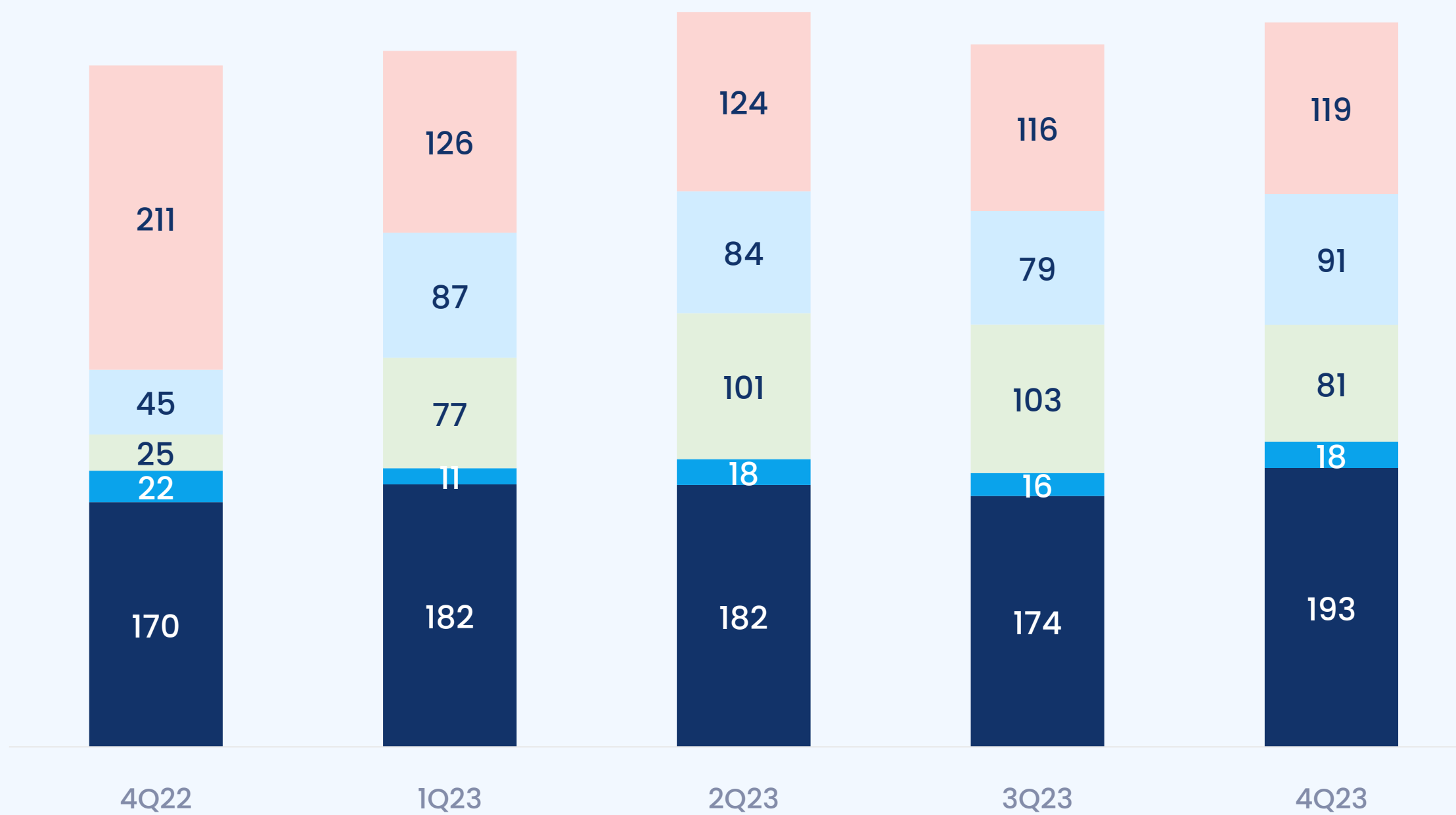


Petrochemical Product Sales

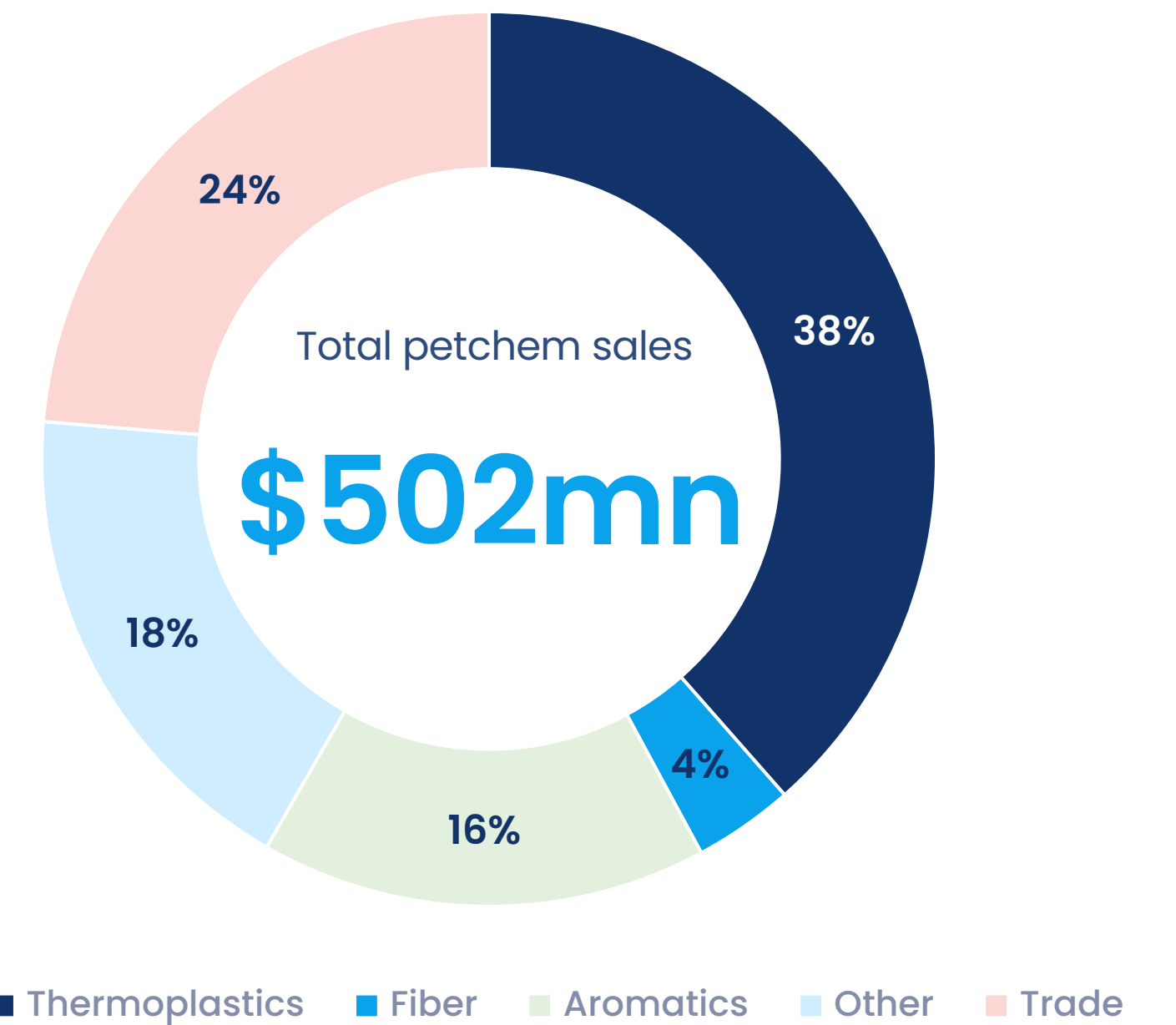


Breakdown of petchem sales (USD mn)

- Thermoplastics
- Aromatics
- Trade
- Fiber
- Other



Breakdown by percentage in 4Q23



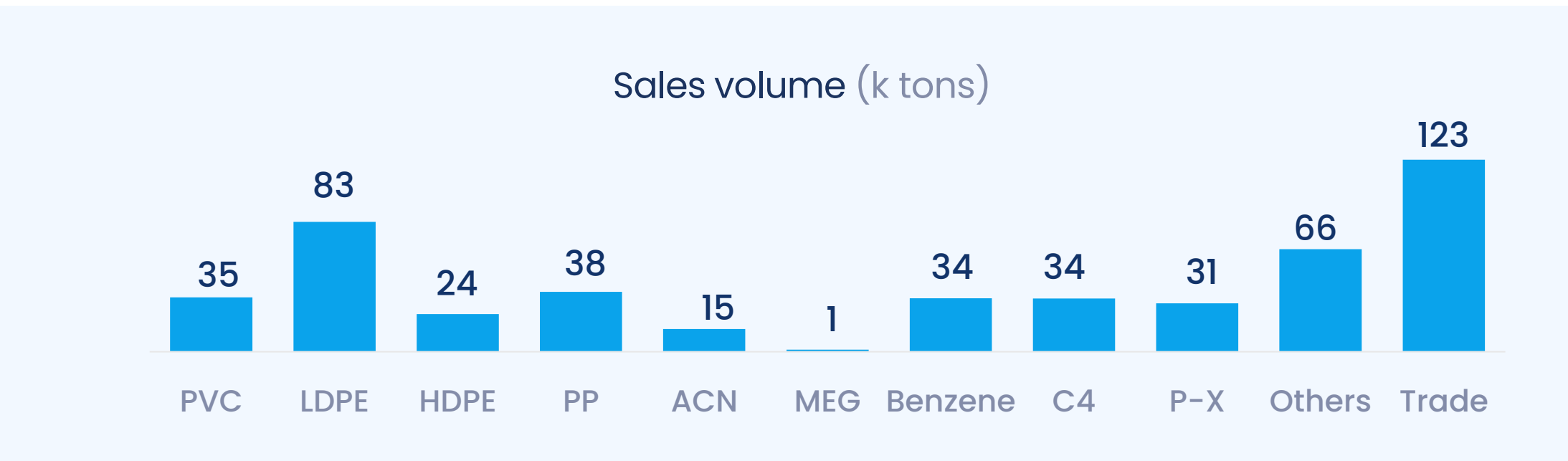
*IAS29 is not applied to these figures



Breakdown of Sales



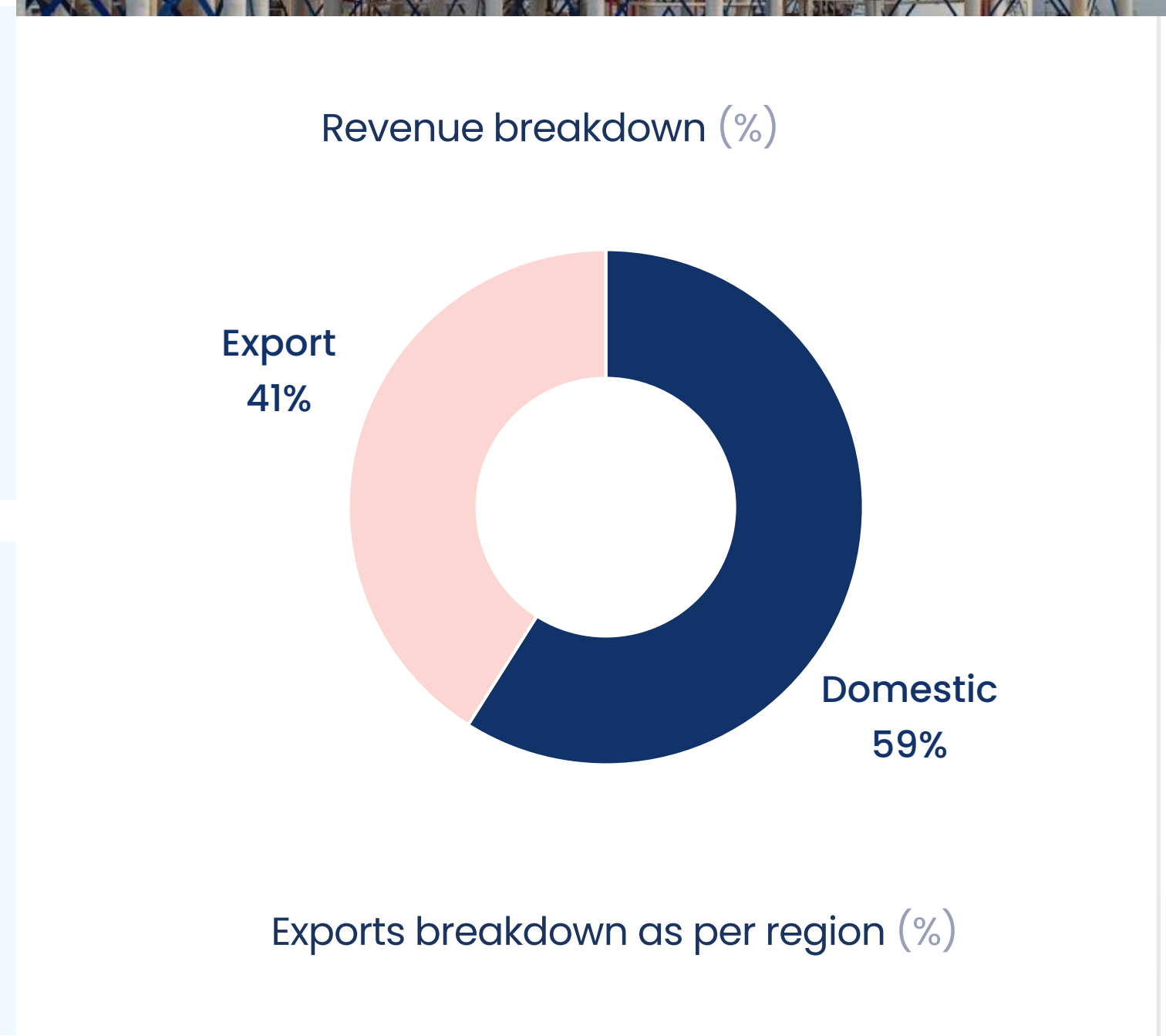
Total volume:
486k tons



Total revenue:
₺14,312mn



Total export:
₺5,958mn



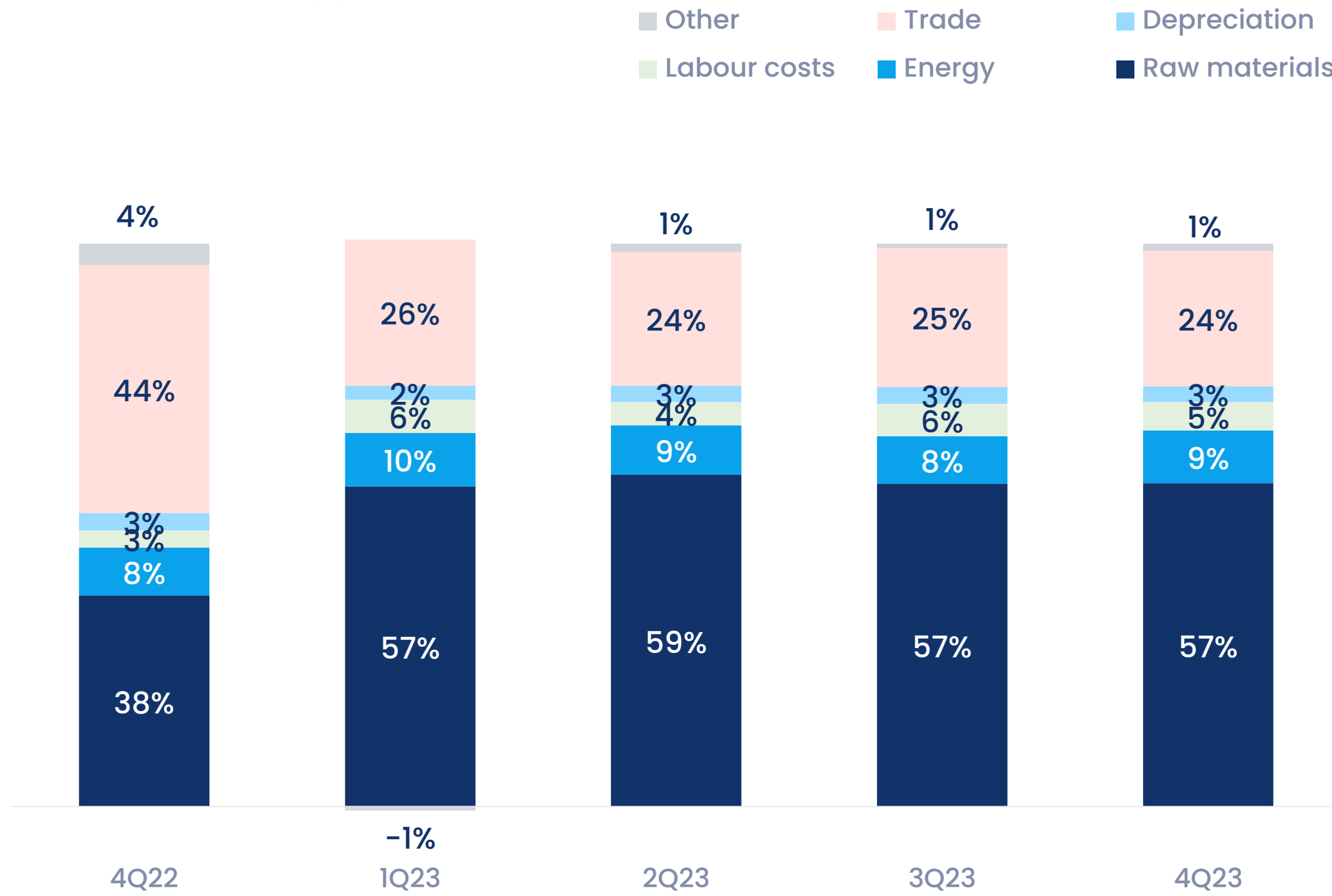
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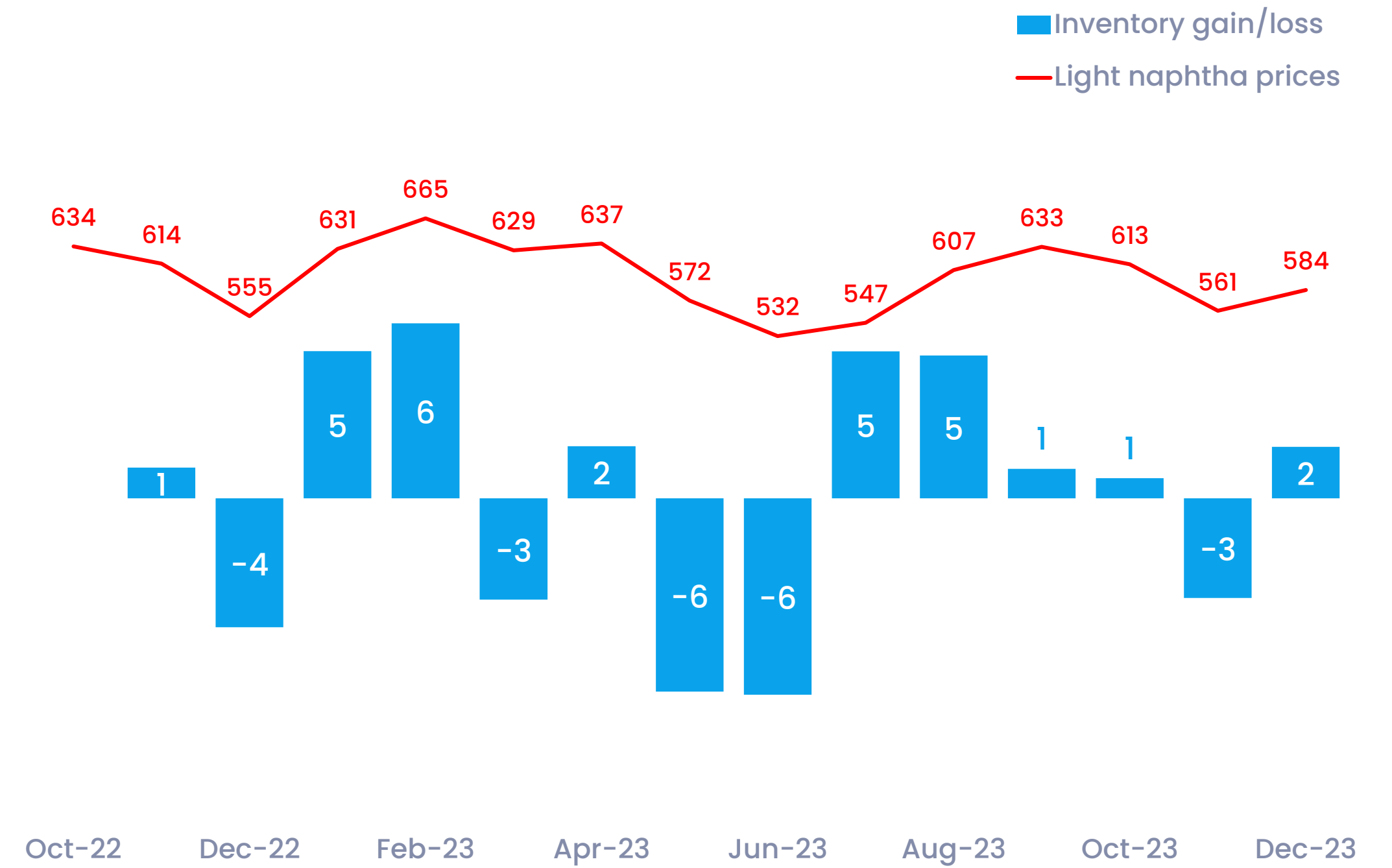
Breakdown of Total COGS



COGS breakdown (%)



Inventory gain/loss (USD mn)



4Q23
total COGS

₹13,167mn

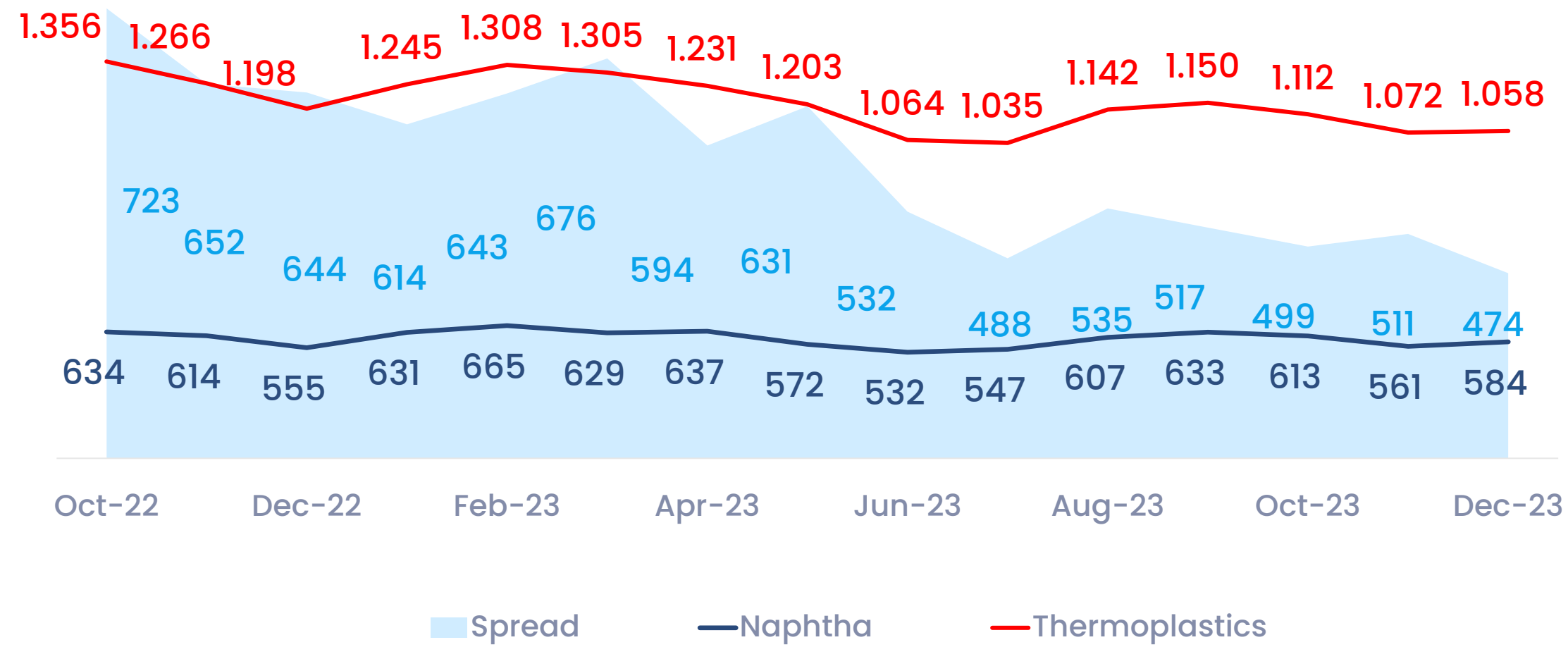
4Q23
inventory loss

\$1mn

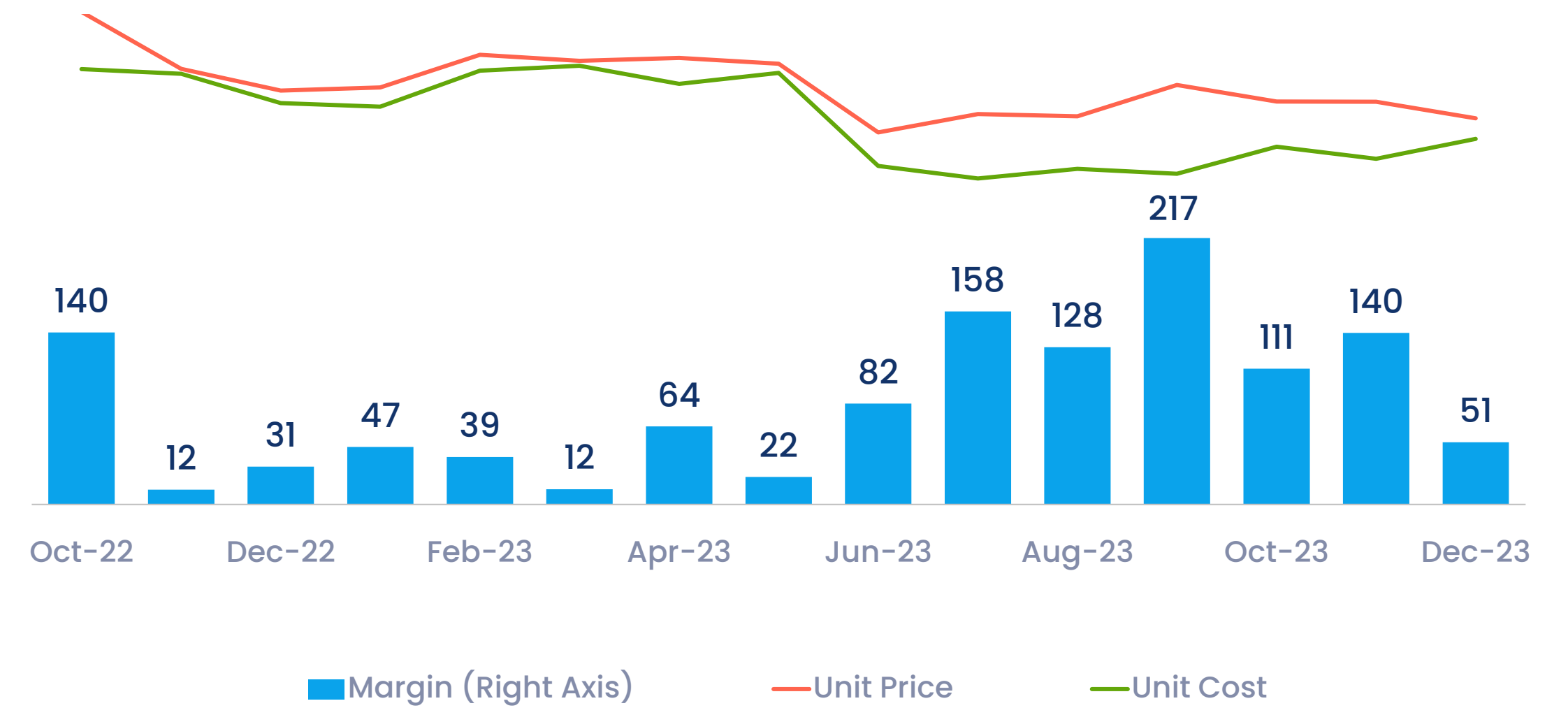


Feedstock vs. Product Prices of PETKIM

Thermoplastics and naphtha spread
USD/ton



Petchem unit margins*
USD/ton



* Excluding trade

+ Management continued to take several initiatives during Q423 to mitigate ongoing negative market environment

+ Petkim has gained significant flexibility in terms of feedstock procurement and was able to switch to low-cost naphtha sources thanks to revised agreement with STAR Refinery

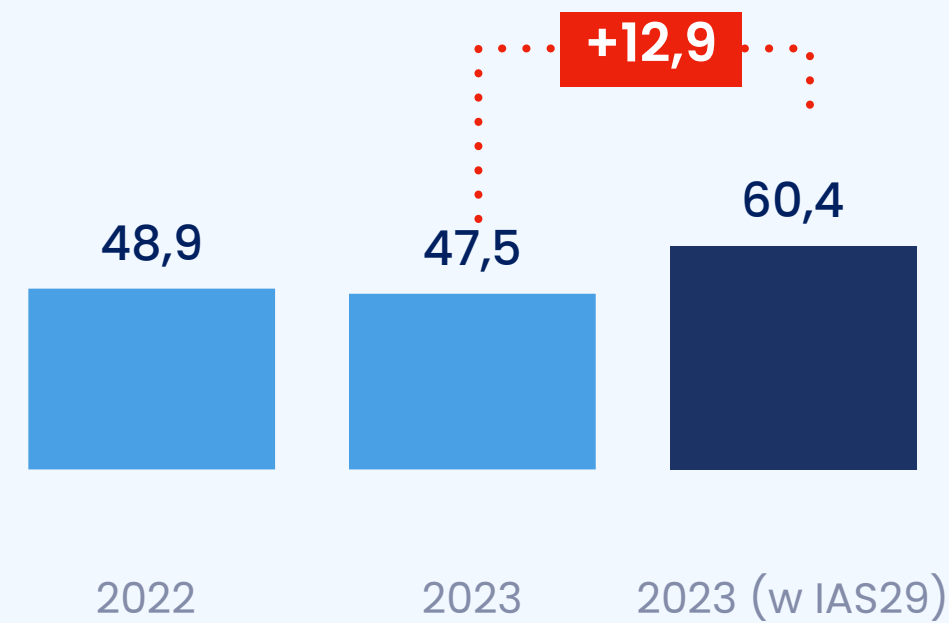
+ Seasonal pressures on demand towards the end of the year worsened margins



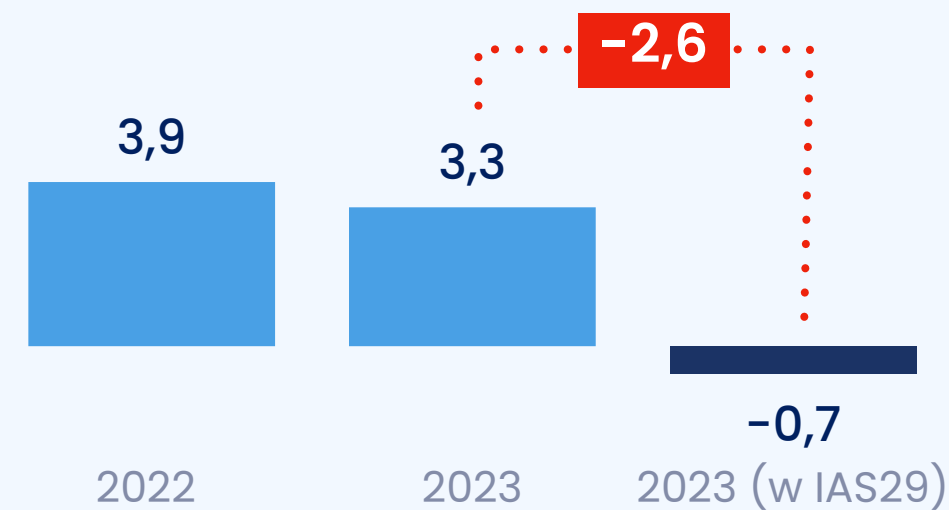


Impact of Inflation Accounting on Income Statement

Revenues
(TRY bn)

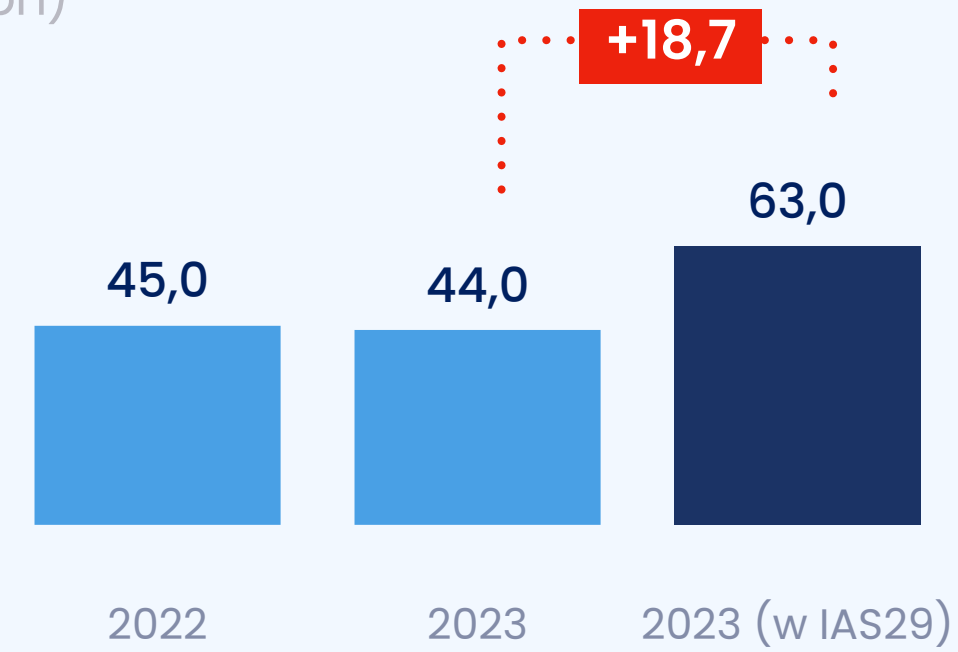


EBITDA
(TRY bn)

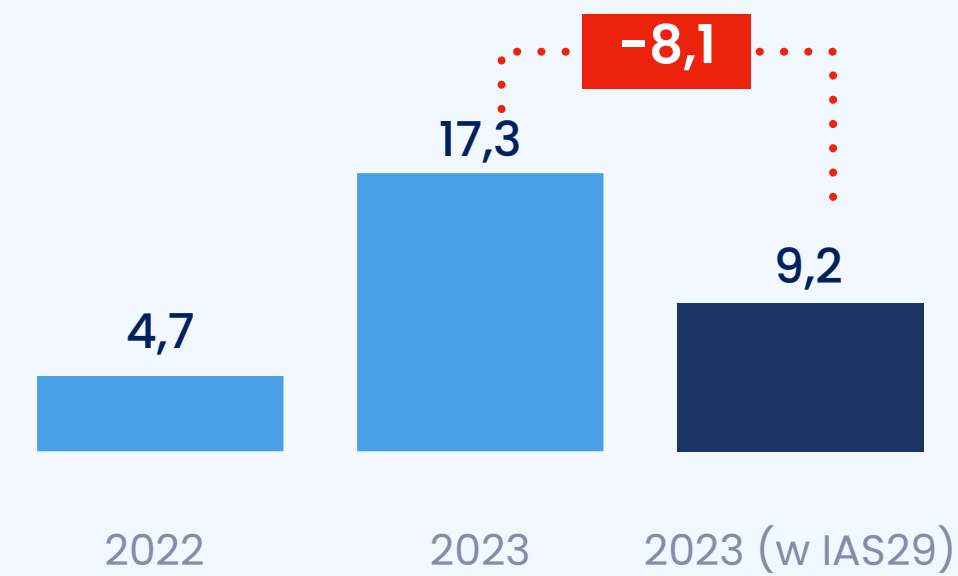


-TRY1bn OPEX
+TRY2,8bn depreciation

COGS
(TRY bn)

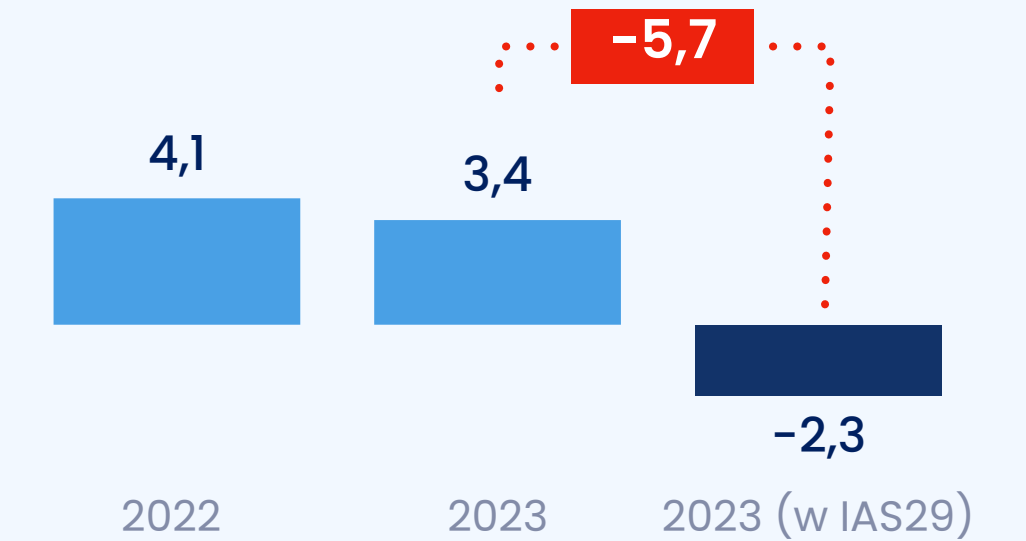


Profit Before Tax
(TRY bn)

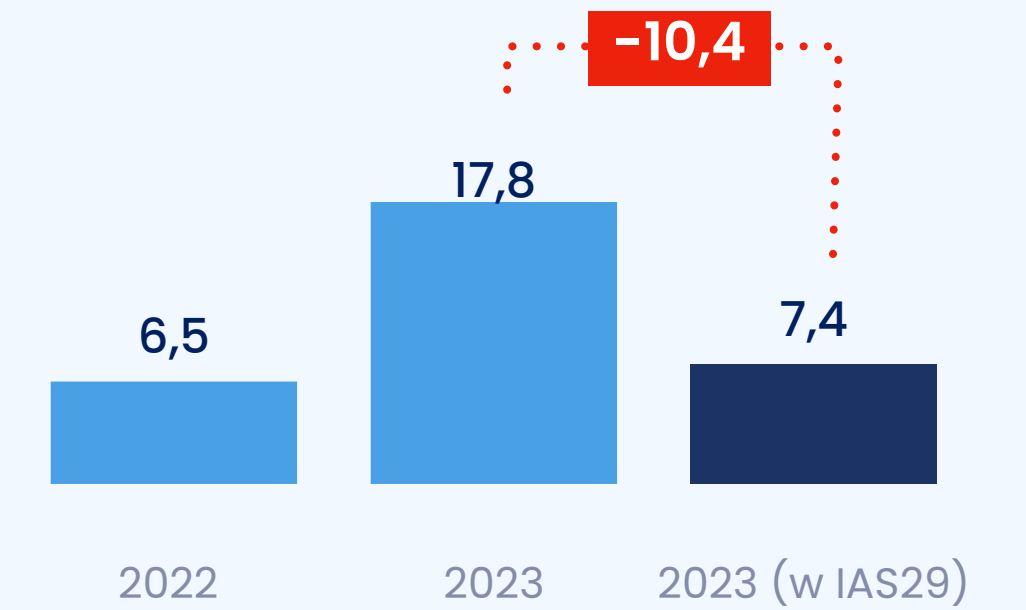


+TRY1bn other operating income
-TRY3,5bn income from investing activities
-TRY1,4bn net financial expense

Gross Profit
(TRY bn)



Net Profit
(TRY bn)



-TRY2,3bn deferred tax



PETKIM 4Q23 Balance Sheet

(IAS29 comparison)

As values of non-monetary assets and liabilities are indexed with inflation, the largest impact was realized on tangible fixed assets and right of use assets, share capital and retained earnings

TRY mn	12M'23	12M'23(IAS29)
Cash and cash equivalents	4,040	4,040
Trade receivable	7,546	7,546
Inventory	5,560	6,141
Other receivables	123	123
Other current assets	2,468	2,485
Current assets	19,737	20,334
Non current assets	58,294	75,457
Total assets	78,031	95,791
Short term borrowings	16,866	16,866
Trade payables	8,257	8,257
Other payables	1,596	1,629
Current liabilities	26,719	26,753
Long term borrowings	13,627	13,627
Other non-current liabilities	(140)	4,023
Shareholders' equity	37,825	51,338
Total liabilities	78,031	95,791



PETKIM

4Q23

Income Statement

(w/o IAS29)

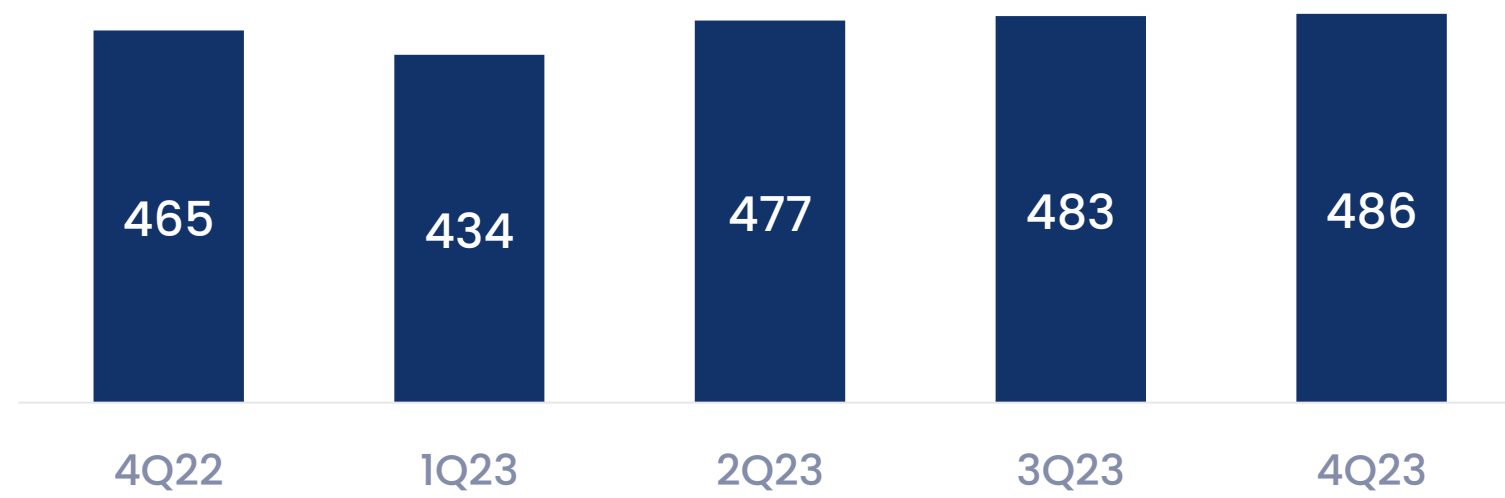


TRY mn	Q4'22	Q4'23	YoY Δ (%)	Q3'23	Q4'23	QoQ Δ (%)
Sales	8,908	14,525	%63	13,189	14,525	%10
Cost of sales	(8,846)	(13,168)	%49	(11,462)	(13,168)	15%
Gross profit	62	1,357	2091%	1,727	1,357	(21%)
Gross profit %	1%	9%	-	%13	9%	-
Marketing and sales expenses	(166)	(286)	%73	(245)	(286)	%17
General administrative expenses	(371)	(585)	%58	(602)	(585)	(%3)
Operating profit	(475)	487	(202%)	880	487	(45%)
Other income/ (expenses)	829	16,019	%1832	2,324	16,019	%589
Financial income	384	431	%12	1,589	431	(%73)
Financial expenses	(963)	(2,076)	%115	(2,721)	(2,076)	(%24)
Profit before tax	(226)	14,861	(6689%)	2,072	14,861	617%
Deferred tax	990	251	(%75)	273	251	(%8)
Net profit / (loss)	765	15,111	1876%	2,346	15,111	544%
Net profit %	9%	104%	-	18%	104%	-
Other	338	621	%84	333	621	%87
Depreciation	326	390	%20	353	390	11%
EBITDA	189	1,497	690%	1,566	1,497	(4%)
EBITDA %	2%	10%	-	12%	10%	-

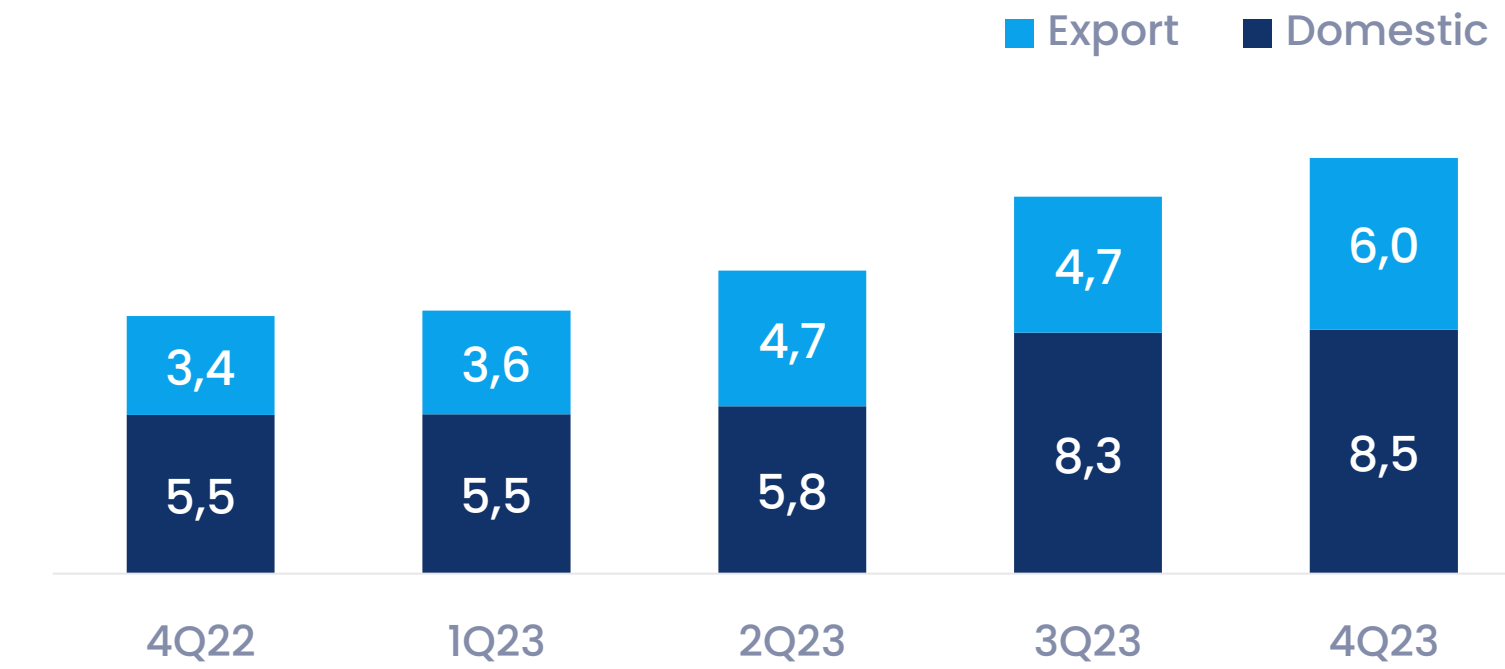


Financial Highlights

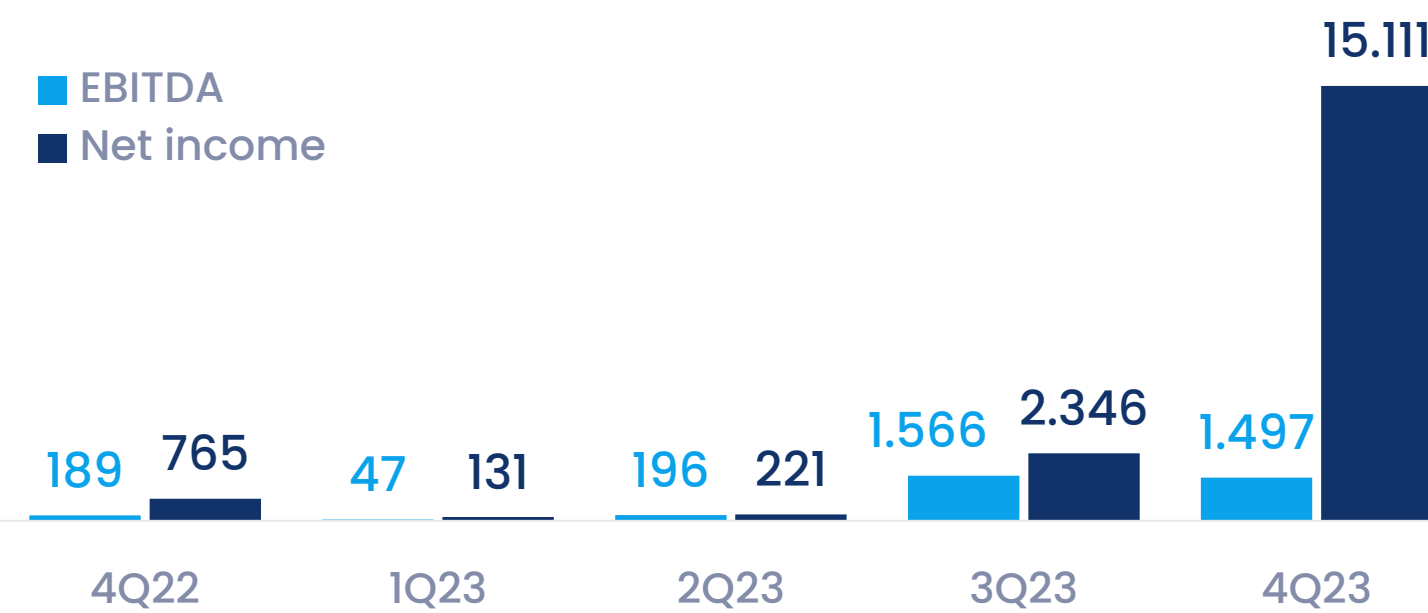
Sales tons (k tons)



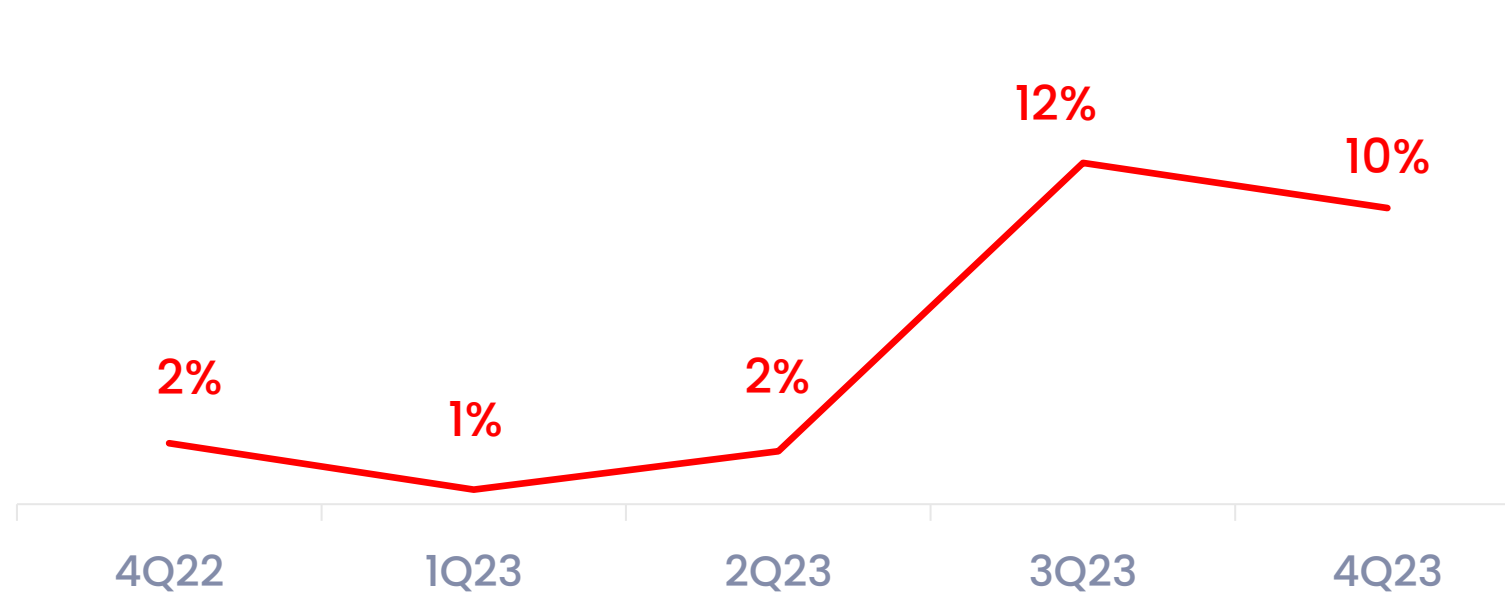
Revenue (TRY bn)



EBITDA and net income (TRY mn)



EBITDA Margin (%)



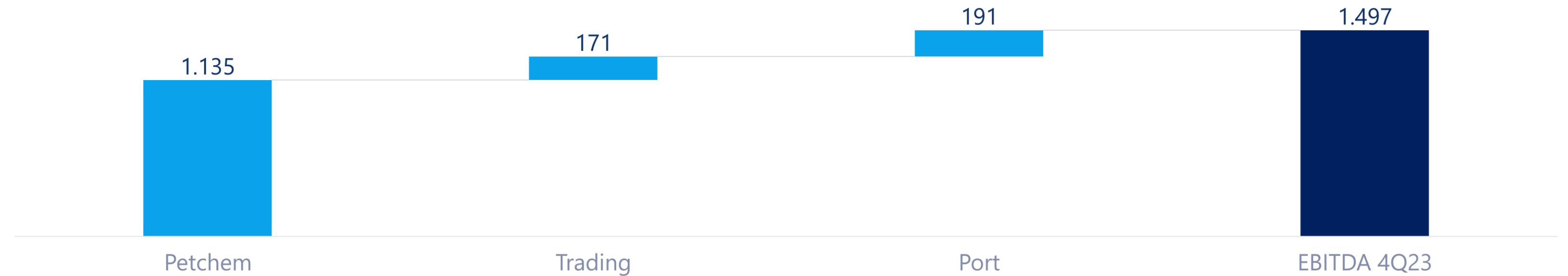
*IAS29 is not applied to these figures



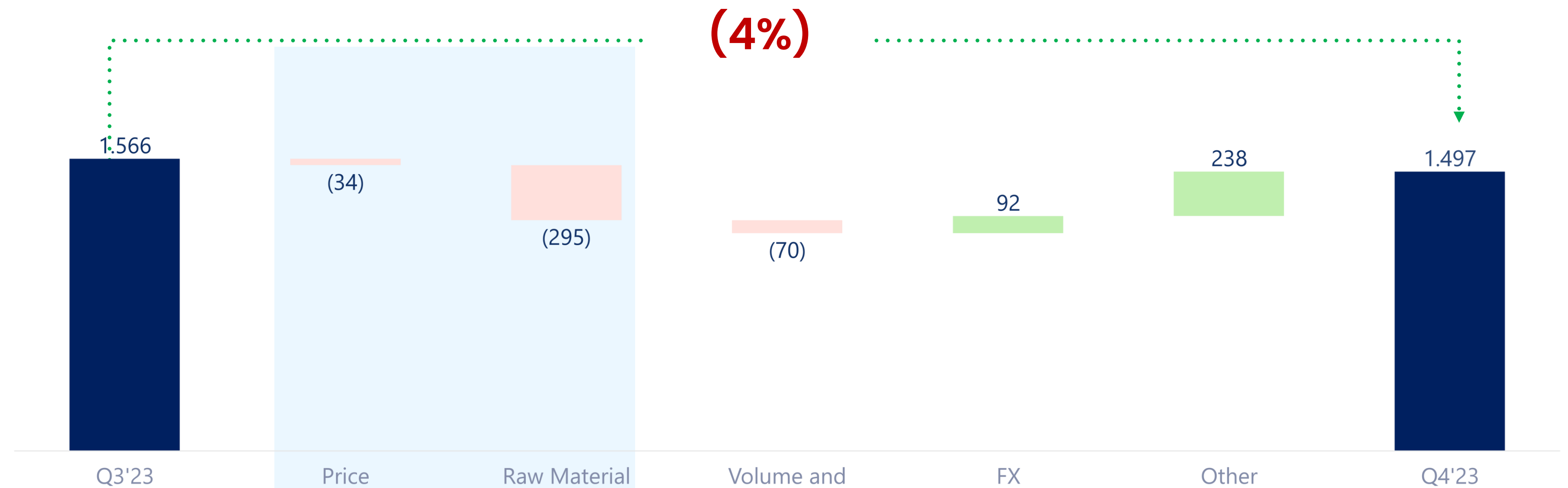


EBITDA Slightly Decreased due to Negative Pricing Delta and Inventory

Q423 segments' results (TRY mn)



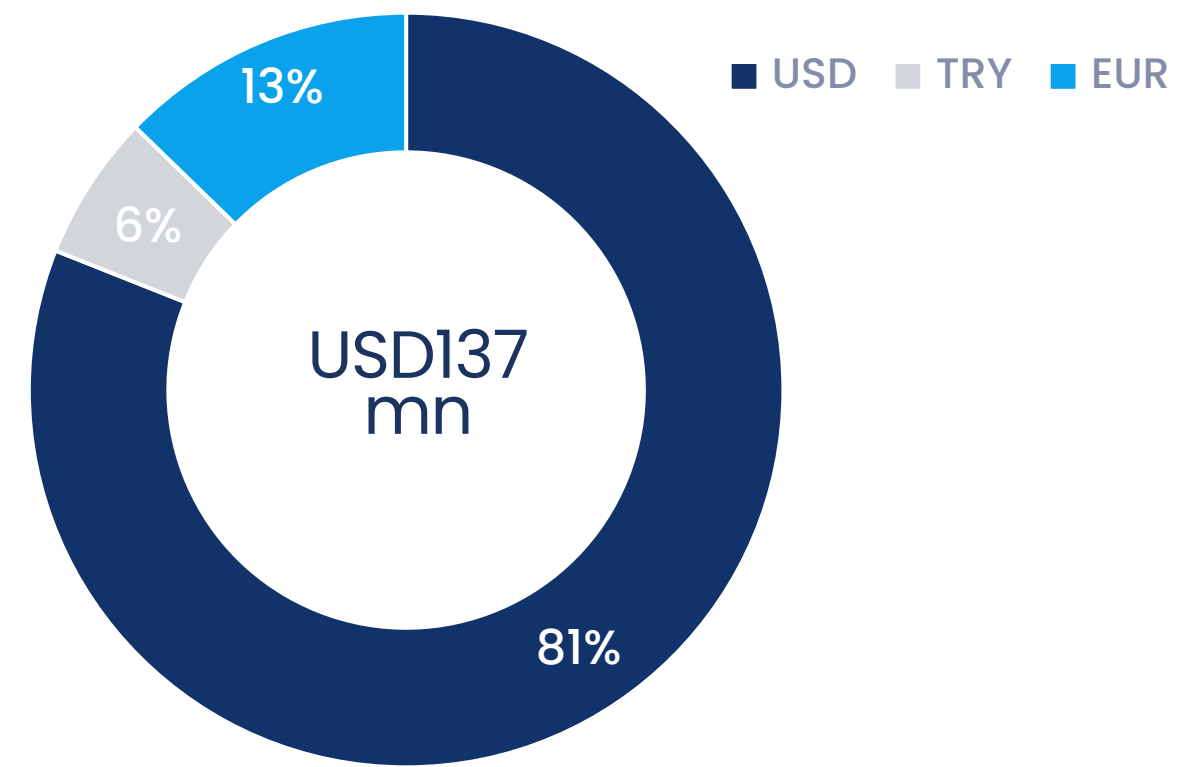
Quarterly change in EBITDA (TRY mn)



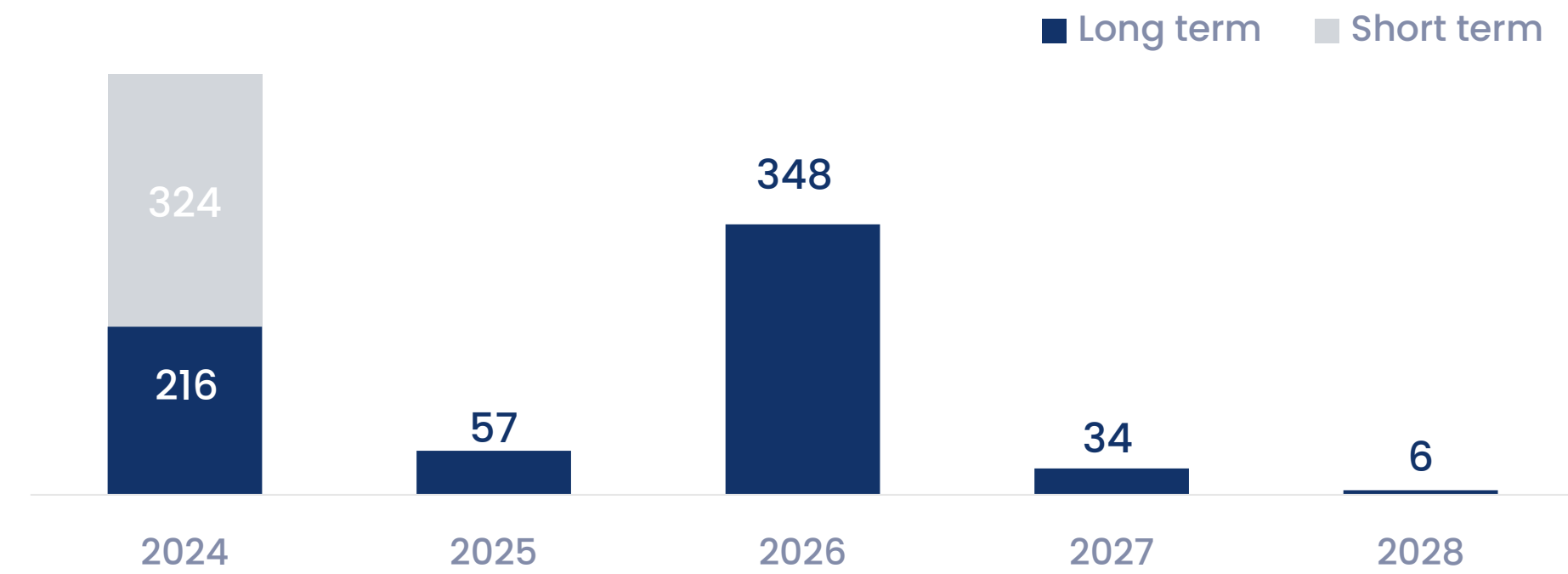
*IAS29 is not applied to these figures



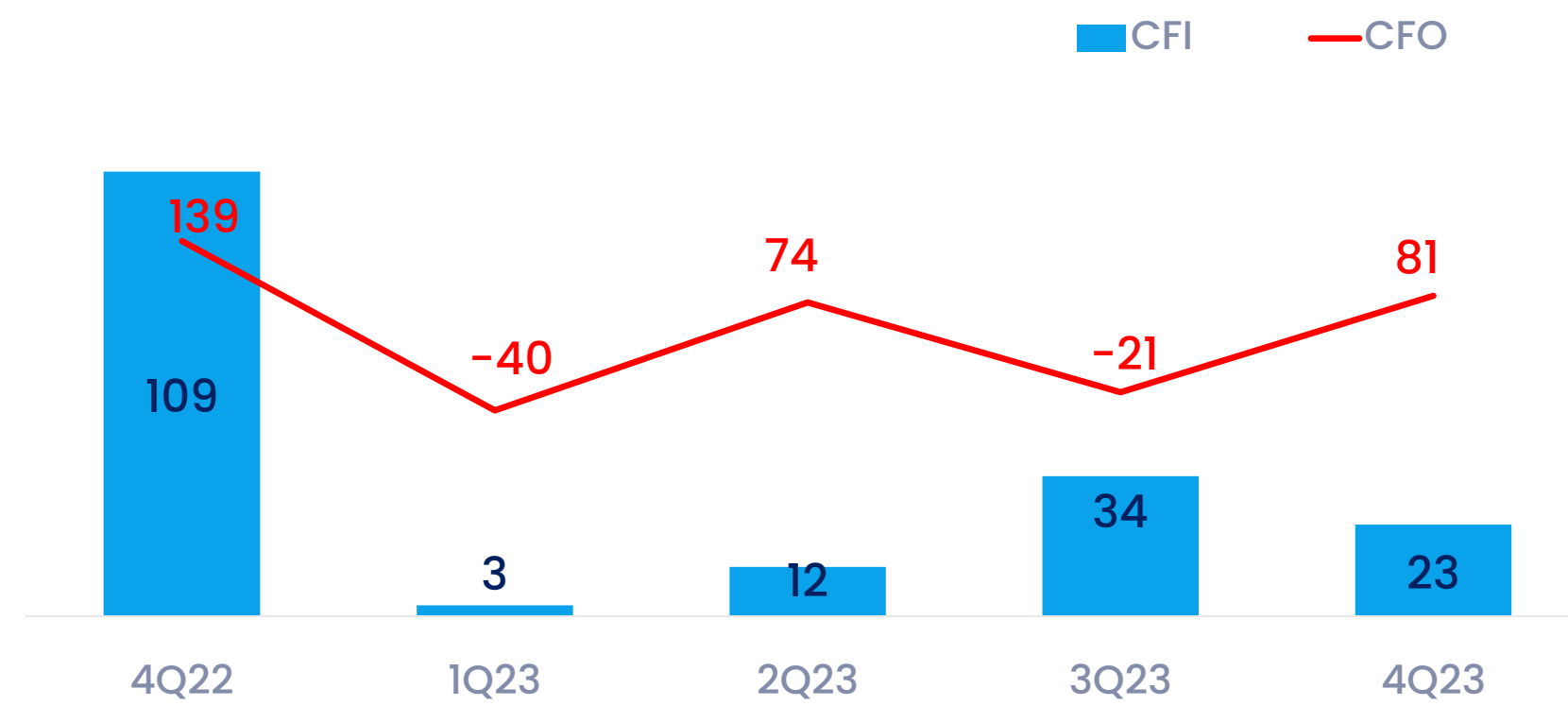
Liquidity Highlights



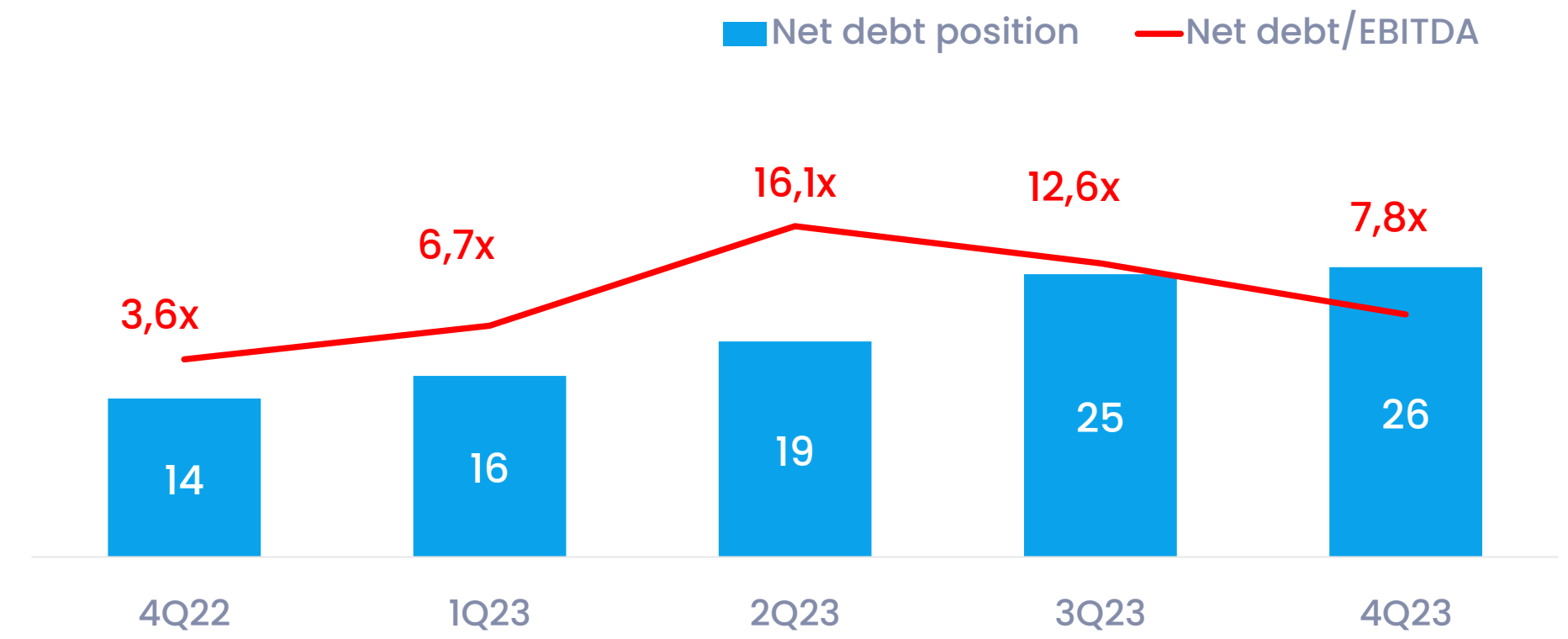
Maturity profile (USD mn)



Cash flow from operations and investment activities (USD mn)



Net debt position (TRY bn)



*IAS29 is not applied to these figures



STAR REFINERY

 **PETKİM**  **SOCAR**



STAR Refinery At a Glance

Operational highlights

13mn tons
REFINING CAPACITY

9,2
NELSON COMPLEXITY INDEX

1.129
EMPLOYEES

30–36 API
PROCESSING RANGE

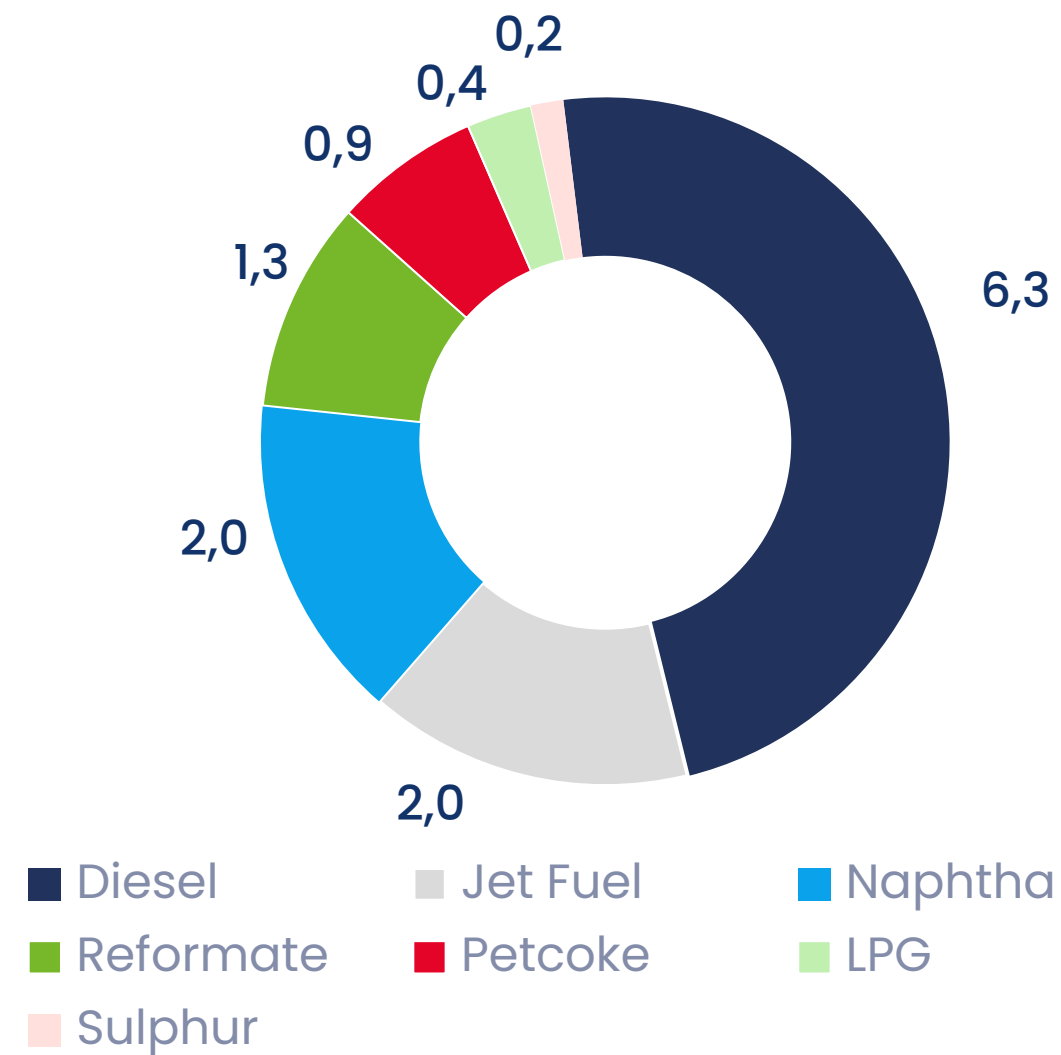
1.96mn m³
STORAGE CAPACITY

\$6,7bn
TOTAL INVESTMENT VALUE

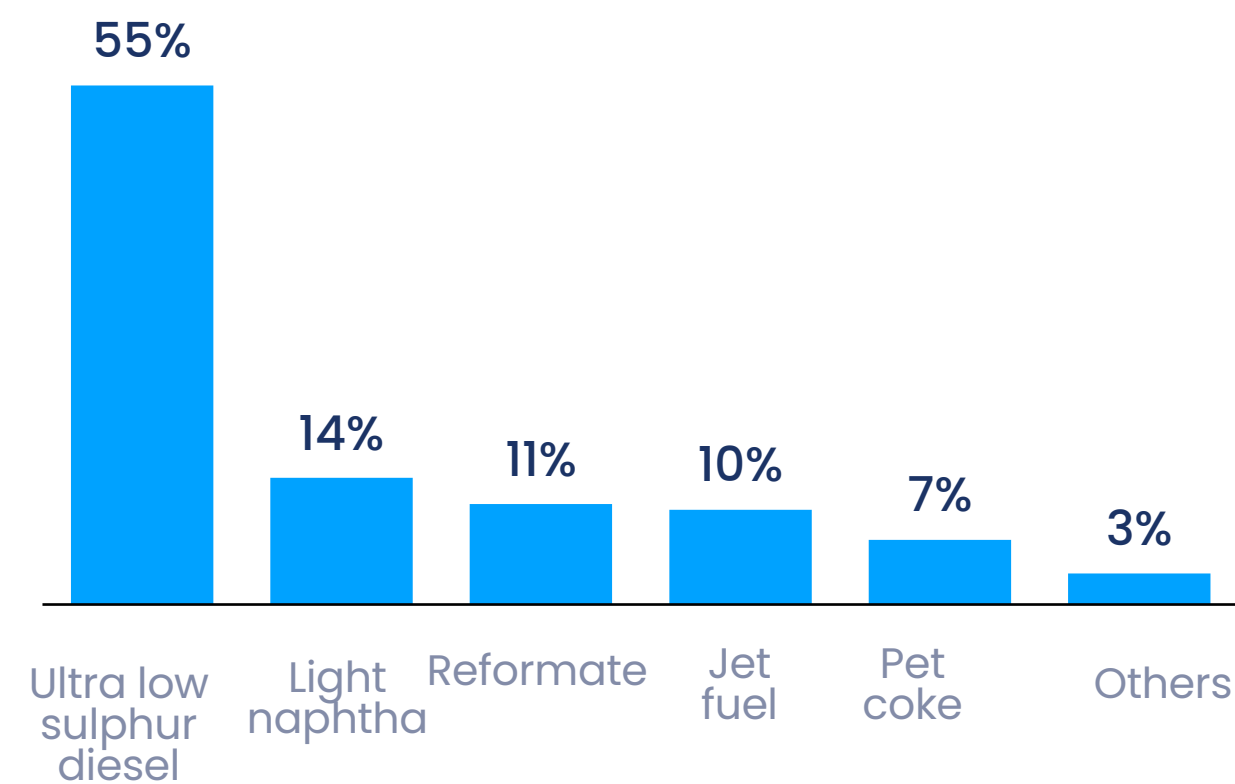
~20%
TÜRKİYE MARKET SHARE

~88%
WHITE PRODUCT YIELD

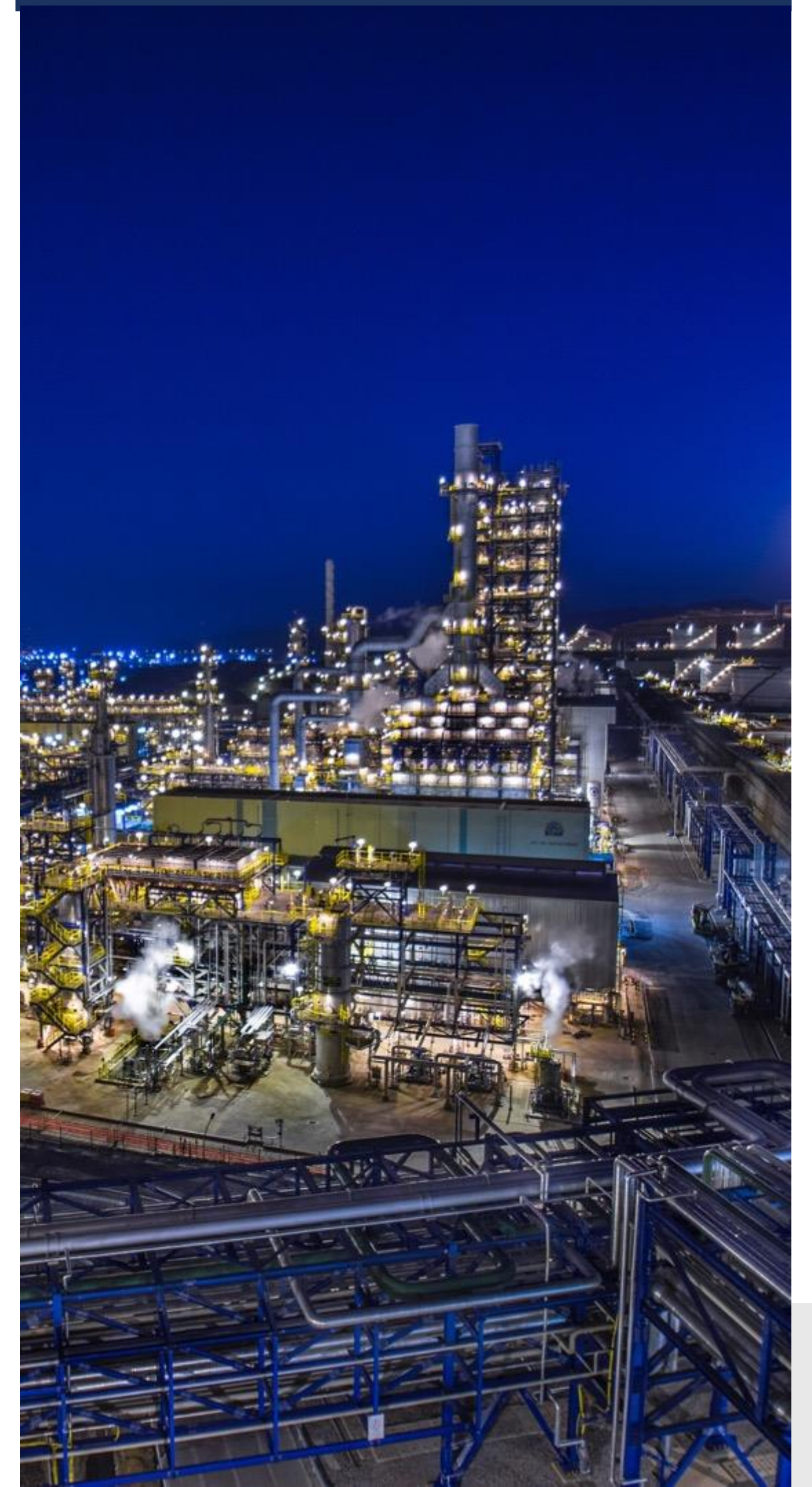
Production Capacity (mn tons)



Production Yields (2023)



One of the most digitalized refinery in the world





STAR Refinery Operating and Financial Highlights

2023 Figures

Capacity utilization

117%

Crude processed

13mn tons

Product sales

12mn tons

Domestic sales

55%



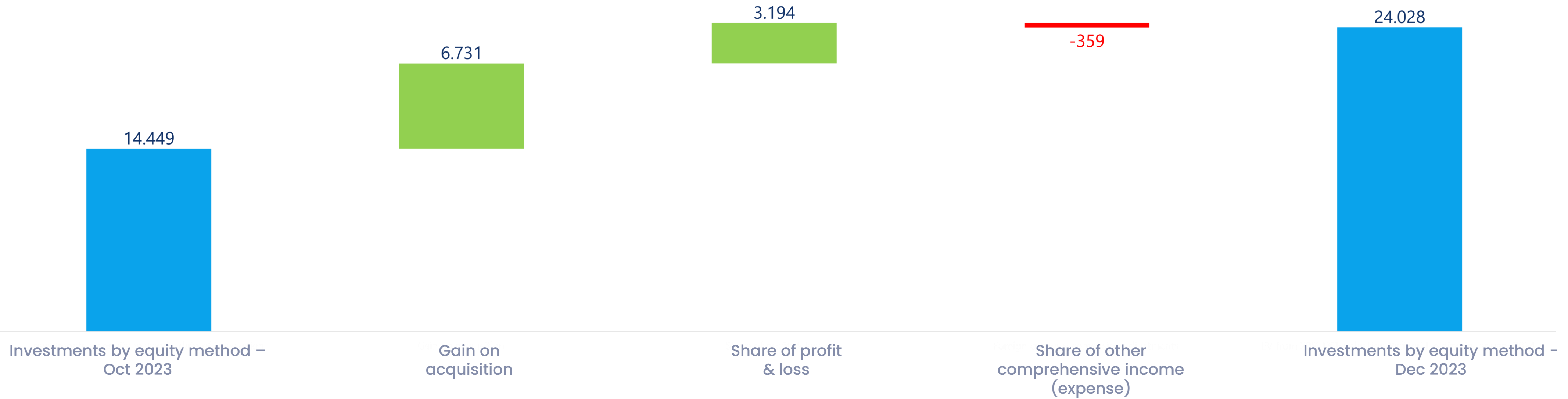
STAR Refinery completed the year with a net income of USD893mn, particularly with a positive net income impact in 4Q2023

USD (mn)	Q4 2023	2023
Revenue	2.483	9.444
Net income	935	893
Net debt	1.148	1.148

STAR Refinery is exempt from the application of IAS 29 because it maintains its balance sheet in foreign currency.



Highlights of Rafineri Holding Share Acquisitions

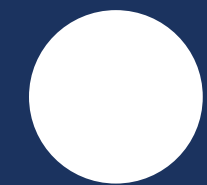
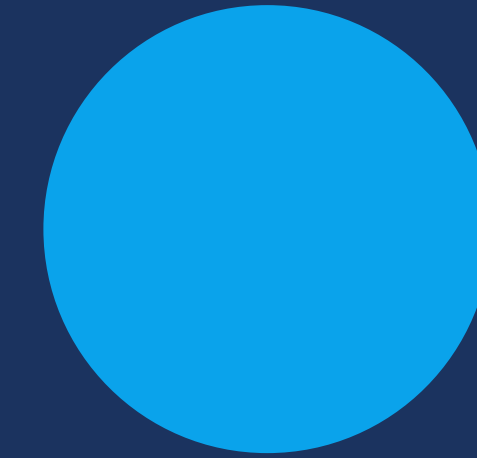


+ TRY14.5bn corresponds the agreed-upon share transfer price of USD480mn in 2018

+ TRY6.7bn gain on acquisition comes from Deloitte's Purchase Price Allocation report as of the transaction date, 2 October 2023 (one-off item)

+ TRY3.2bn item indicates 20% of Rafineri Holding's net income (indirectly %12 of the net income from STAR Refinery)

SUSTAINABILITY & ESG



 **PETKIM**  **SOCAR**



Our Sustainability Strategy Will be Built on Two Pillars - Climate/CO2 Targets



Decarbonization

Short-term²

2021-2025

- Implement energy efficiency, electrification, resource management and flare management initiatives to decrease CO2 emission intensity in R&P BU

Mid-term

2025-2030

- Develop internal carbon pricing approach for future investments to effectively integrate decarbonization aspiration and mitigate risks caused by potential regulations
- Consider decarbonization initiatives under strategic investments

Long-term

2030 onwards

- Achieve long term decarbonization targets for decreased emissions:
 - 40% reduction by 2035 for Scope 1 & 2¹
 - Carbon neutral by 2050 for Scope 1 & 2¹
- Collaborate with alternative energy start-ups through CVC with know-how gained in short and mid-term

Improve capabilities and know-how for potential alternative energies (e.g., bio-naphtha, SAF, etc.)



Circular economy

Develop relations and potentially partnerships with recycling players to address projected business opportunity and capture sustainability impact

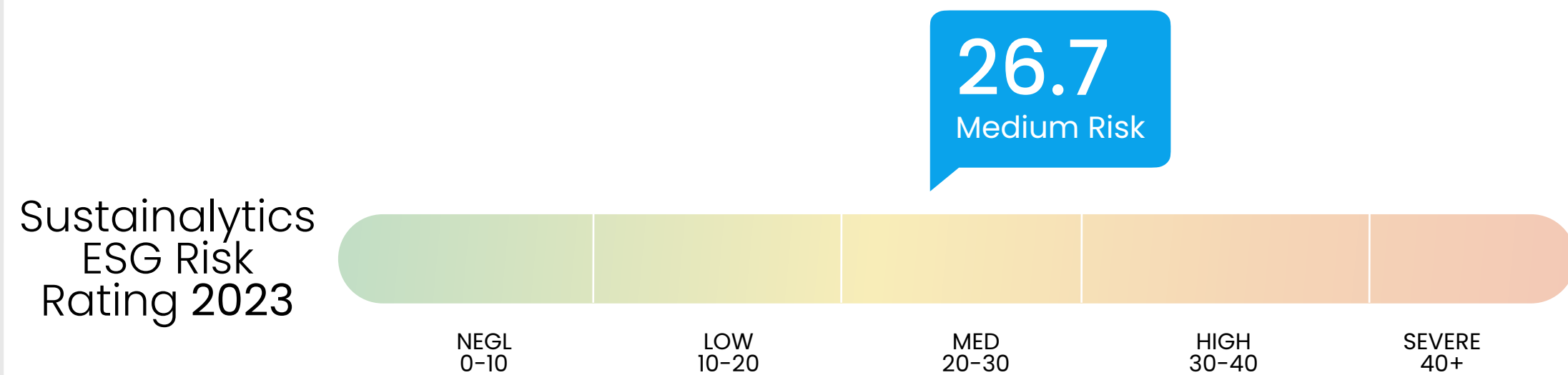
Invest in plastic recycling to be one of the leading companies in Türkiye recycling industry capacity



Scope 1: Direct emissions (e.g. production processes), Scope 2: Indirect emissions (e.g. electricity and heat), No major capex needed in the short term. Base year is 2017



Petkim Completed the Assessment with a Score of 26.7



Emissions, Effluents and Waste

- Environmental Policy
- Environmental Management System
- EMS Certification
- Emergency Response Programme



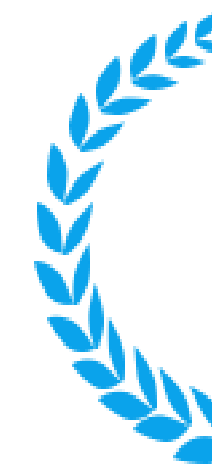
Business Ethics

- Political Involvement Policy
- Lobbying and Political Expenses
- Animal Testing Programme and Policy



Occupational Health and Safety

- Health and Safety Management System
- Health & Safety Certifications
- LTIR Trend
- Employee Fatality Rate
- Contractor Safety Programme



Best Corporate Governance
World Finance
2023



Europe & Emerging EMEA
Equity Award
Best IR Team in Basic Materials
Institutional Investor
2023



You can access our article on World Finance Magazine on pages 138-139 through QR code



SUPPORTING SLIDES



Diversified Business Profile Through Ancillary Infrastructure **Energy Investments**



- Türkiye's first privately constructed Refinery
- Target processing capacity of 13m tons p.a.
- Owned 48% by SOCAR Türkiye, and 40% by Azerbaijan Ministry of Economy and Industry and 12% by Petkim
- Total investment amounts to USD6.7bn
- Lower naphtha procurement costs
- Replacement of some of the heavy naphtha feedstock with reformat / mixed-xylene
- Increased stability and quality of feedstock, supply security, and reduced inventory costs
- Upside from sharing services such as maintenance, safety, security, waste disposal and tug boat services
- STAR Refinery expected to become a stable dividend payer over the medium-term



- The largest container sea port in Western Türkiye with a 1.5m TEU container handling capacity
- Total construction costs amount to c.USD400m
- Petkim has signed a 28-year (+4) concession agreement with Port Operator
- Owned 93% by Petkim and 7% by STEAS
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



- Wind farm located in the Aliağa Peninsula licensed to generate 43,8MW of electricity
 - ▶ Petkim has applied for a new license allowing generation at full capacity of 51 MW
- The construction of 17 new turbines, each able to generate 3 MW of electricity, was completed in Sep-2017
- Total investment in the windfarm amounts to EUR55m
- Contributes to revenue diversification
- Plan is to sell the electricity generated to Türkiye's national grid, with a guaranteed tariff
- The windfarm provides a 22% increase in Petkim's electricity generating capacity
- Expected to reduce carbon emissions by 120kt per year



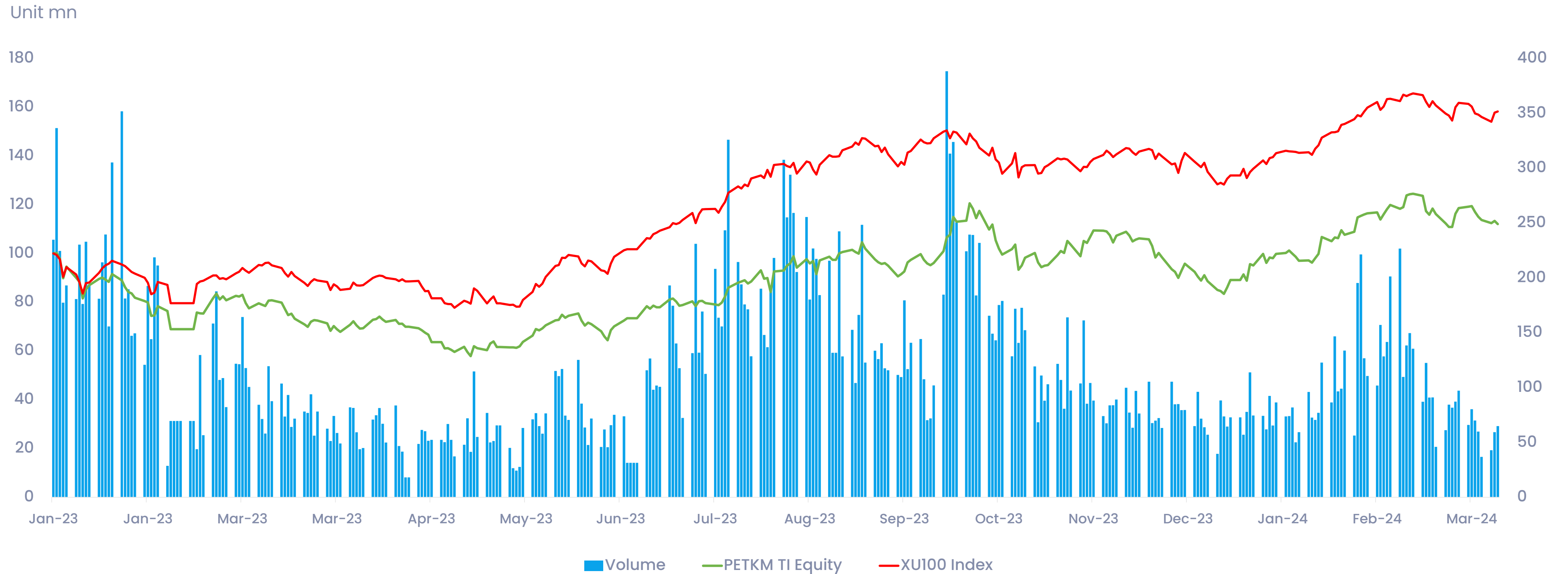
Petrochemical Complex Flow Chart

Petkim has fully integrated operations





PETKIM Stock Performance



Closing price
(TRY/share) / (USD/share)

₺22,9 / \$0,71

Market capitalization
(TRY mn) / (USD mn)

₺58,038 / \$1,792

Free float
(%)

49.0%

*As the date of 20 Mar 2024



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