

3Q18 Results Investor Presentation

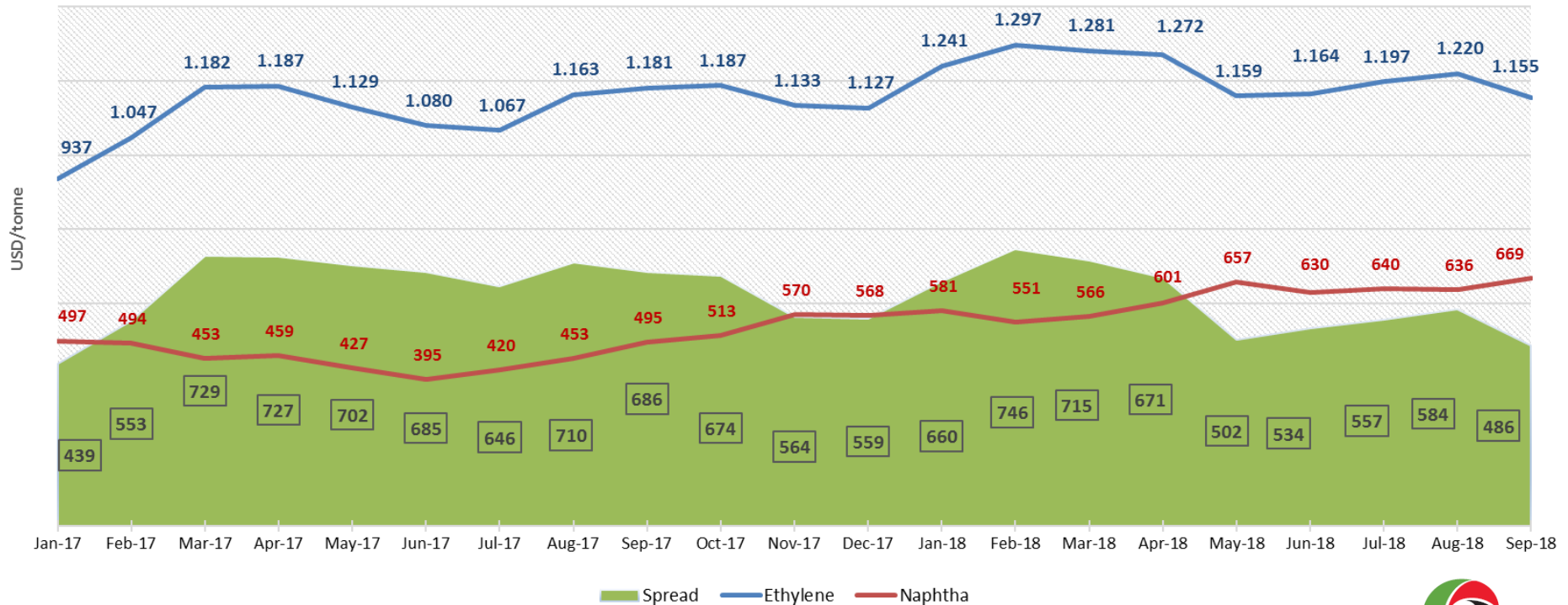


05/11/2018

Ethylene – Naphtha spread averaged US\$ 542/ton in 3Q18

- Ethylene-naphtha spreads decreased by 5% from the average of US\$ 569/ton in the 2Q18 to US\$ 542/ton.
- In July and August the spread was similar to the Q218 average however due to the decline of ethylene and rise of the naphtha prices spread narrowed to US\$ 486/ton.

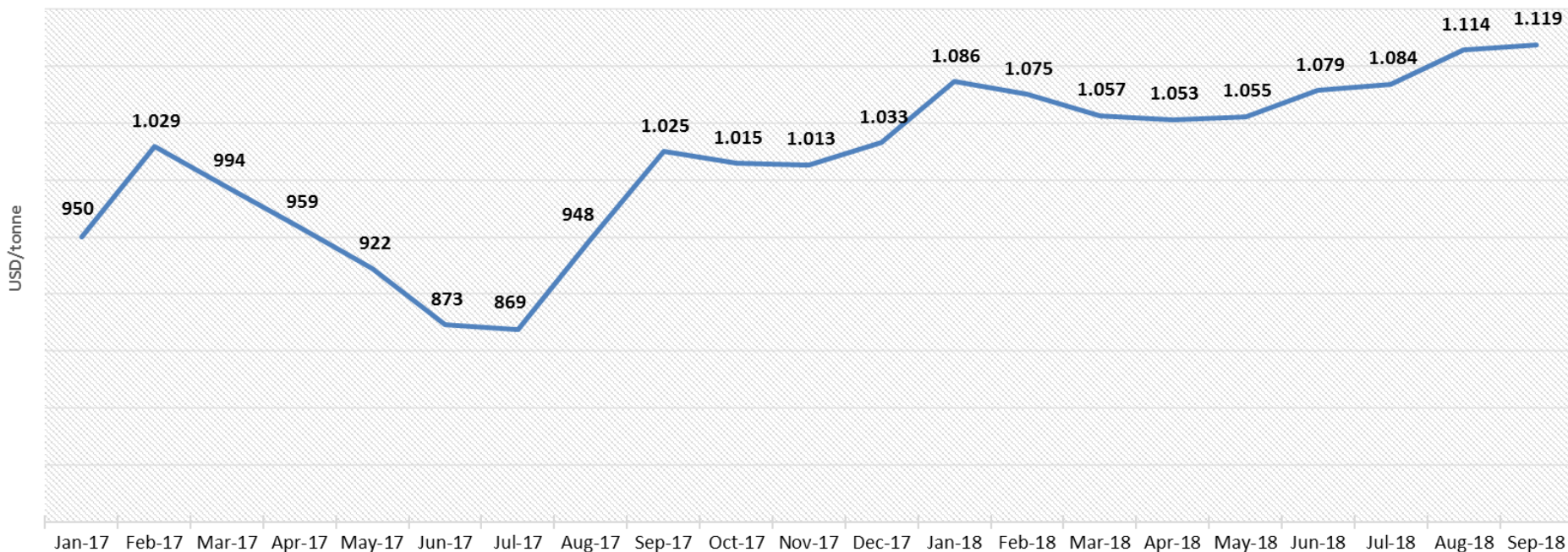
Monthly Naphtha - Ethylene Spread (CIF MED Spot Prices)



PLATT's Index averaged US\$ 1.106 per ton in 3Q18

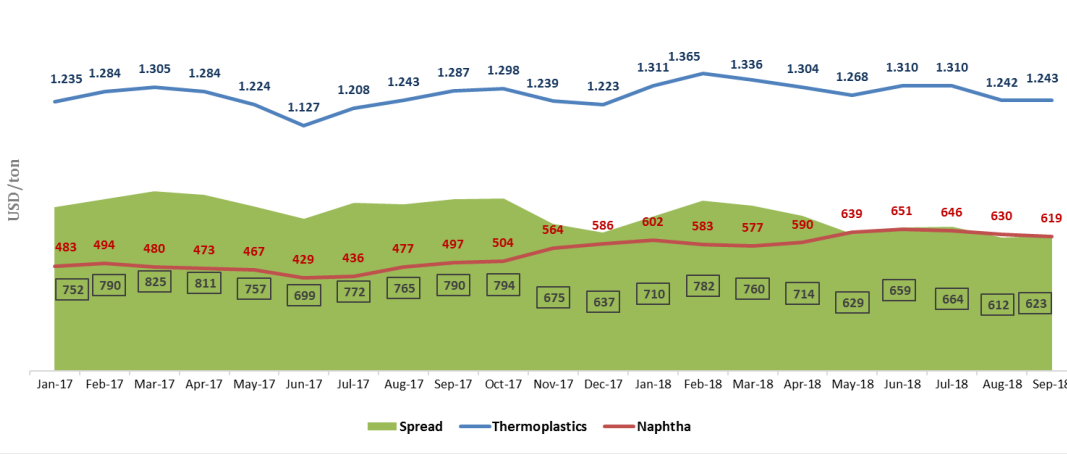
- PLATT's index increased to US\$1.106 per ton in 3Q18 from US\$1.062 per ton in 2Q18.
- In 3Q18 although average ethylene prices were nearly the same as 2Q18 on the back of rising aromatic and fiber prices PLATT's index rised around %4.
- In 3Q18 PLATT's index is %14 above 2017 average.

•Monthly Average Platts Index

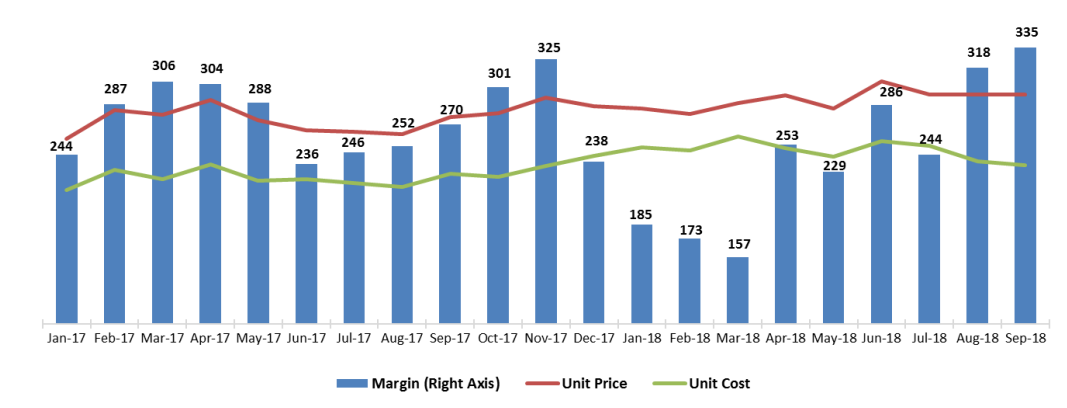


Feedstock vs. Product Prices in 3Q18

Petkim - Thermoplastics & Naphtha Spread



Petkim Naphtha Margins

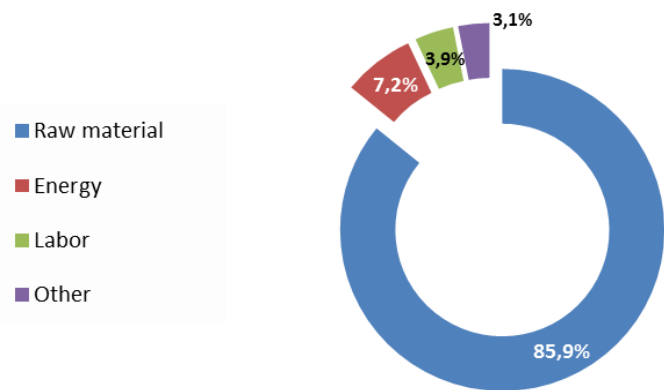


- There has been a limited decline in unit thermoplastic margins due to rise of naphtha and lower thermoplastic prices in 3Q18. After the rise of margins in June and July in August we have witnessed a limited downturn.
- As a naphtha based producer Petkim utilized high aromatic and fiber prices more than ethane based producers due to the difference in product yield.
- Despite the volatility in the local market, unit margins were high reflecting the benefits from TL depreciation.
- Positive reaction to the TL depreciation can be seen clearly with the increase of Petkim margins in August and September
- Ethylene capacity utilization rate was % 100 and 20 kton inventory was built for the turn around period.

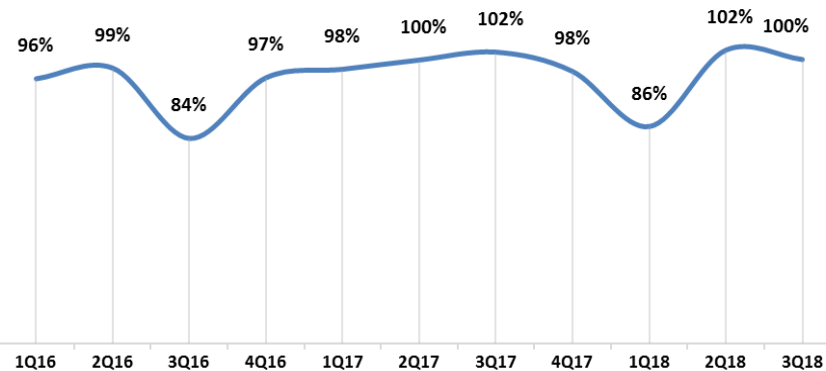


Costs and Operational Efficiency in 3Q18

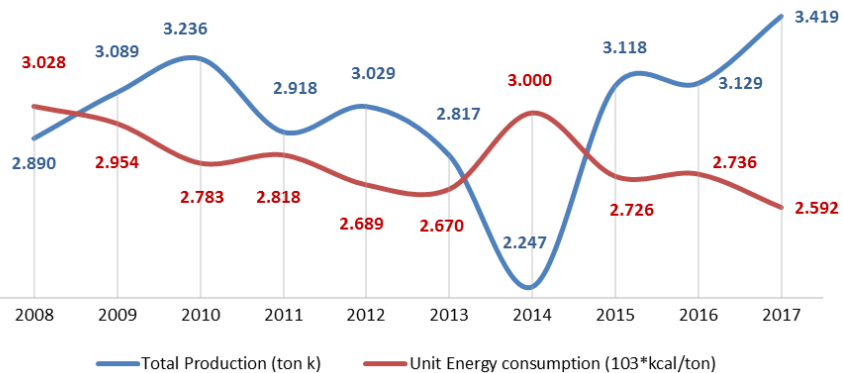
Plant Cost Base Breakdown 2Q18



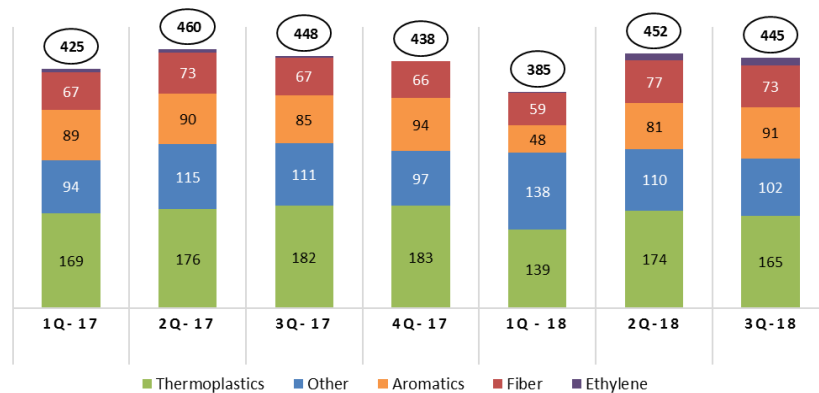
Ethylene Facility Capacity Utilization Rate



Total Production & Energy Consumption



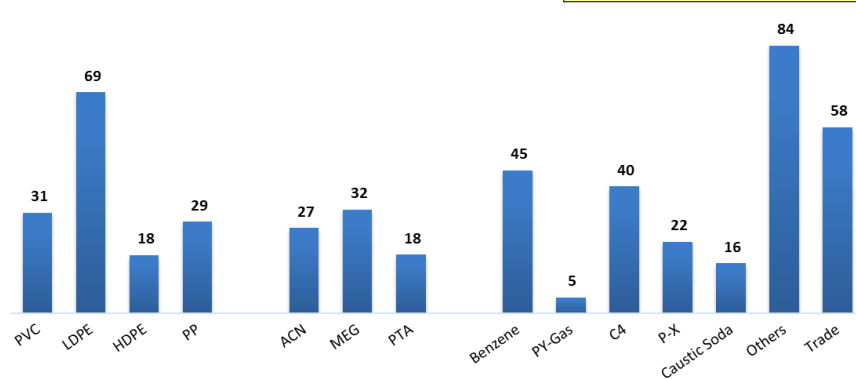
Sellable Production (Ton K)



In 3Q18 Petkim achieved TL 3.041mn sales via 495k ton volume

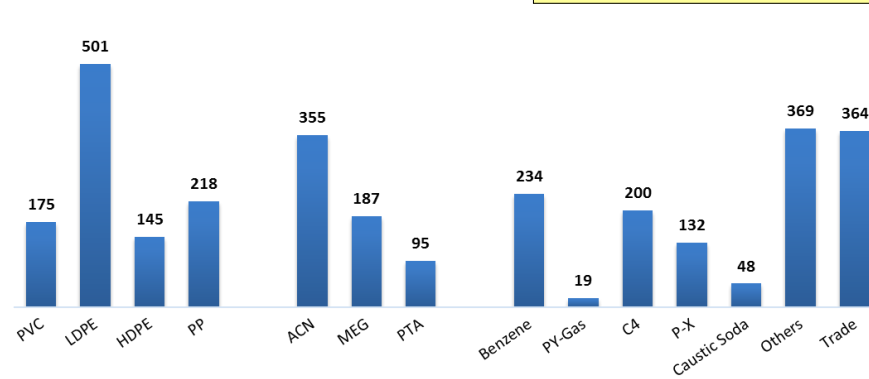
Sales Volume (ton k)- 3Q18

3Q18 Volume: 495k ton



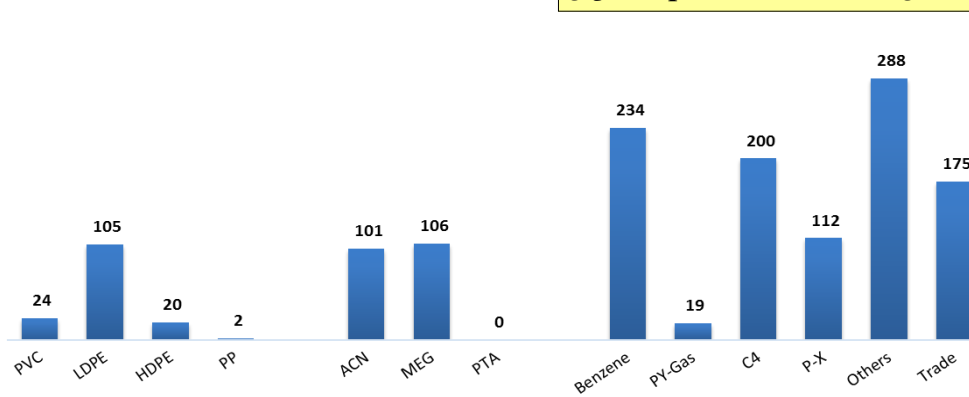
Revenue (TL mn)-3Q18

3Q18 Revenue: TL3.041mn



Export Revenue (TL mn)- 3Q18

3Q18 Export Revenue: TL1.386mn



PETKIM 3Q18 Income Statement

TL mn	9M'17	9M'18
Sales	5.401,9	7.282,6
Cost of sales	(4.022,9)	(5.762,7)
Gross Profit	1.379,0	1.519,9
Gross profit %	25,5%	20,9%
Marketing and sales expenses	(43,4)	(56,6)
General admin. Expenses	(147,8)	(202,4)
R&D Expenses	(12,2)	(16,5)
Operating profit	1.175,6	1.244,5
Other income / (expenses)	100,3	88,8
Financial income	383,5	3.451,6
Financial expense	(432,1)	(3.673,5)
Profit before tax	1.227,4	1.111,4
Income tax	(177,0)	(150,2)
Deferred tax	(23,3)	(87,9)
Net Profit / (loss)	1.027,1	873,2
Net profit %	19,0%	12,0%
Severance	21,8	29,1
Depreciation	133,3	176,6
EBITDA	1.330,7	1.450,2
EBITDA %	24,6%	19,9%



PETKIM 3Q18 Balance Sheet

TL mn	12M17	9M18
Cash and cash equivalents	1.460,4	3.441,0
Trade receivables	918,8	1.457,8
Inventory	893,6	1.432,9
Other receivables	837,4	46,1
Other current assets	98,2	3.085,0
Current assets	4.208,4	9.462,8
Non current assets	3.580,5	4.496,2
Total Assets	7.788,9	13.959,0
Short term borrowings	1.602,6	3.472,8
Trade payables	540,3	790,5
Other payables	204,1	232,4
Current liabilities	2.346,9	4.495,7
Long term borrowings	1.356,2	4.980,7
Other non-current liabilities	231,6	306,2
Shareholders' equity	3.854,1	4.176,5
Total liabilities	7.788,9	13.959,0
<i>Net debt position</i>	-700	-2.801
<i>Working Capital</i>	1.312	-65
<i>Days sales outstanding</i>	46	58
<i>Days payable outstanding</i>	89	151
<i>Days sales of inventory</i>	59	72



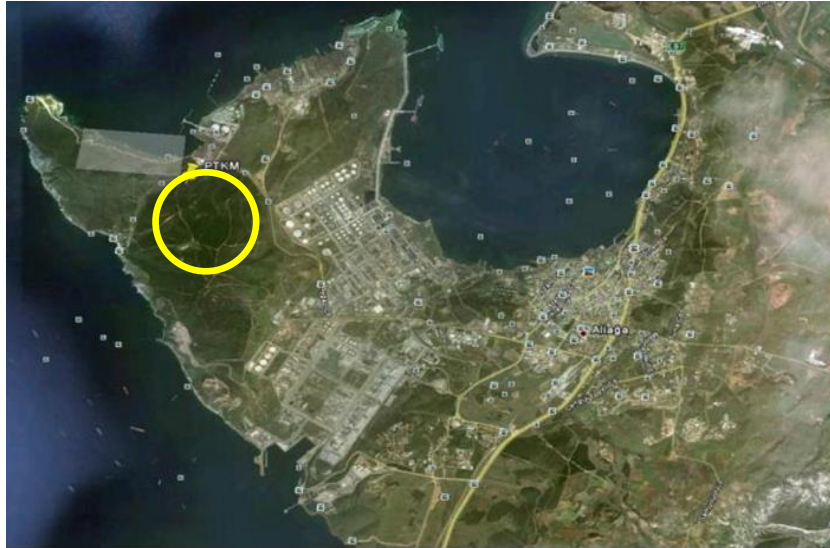
PETLIM – Operations Commenced in December 2016



- PETLIM Port Project has 1.5 million TEU container handling capacity, 42 hectare main port area, 8 hectare off-dock service area terminal port.
- APMT and Petkim's 70% subsidiary PETLIM has a revenue sharing agreement for the 28 years (+4 years option) of the operational period.
- Goldman Sachs has purchased 30% stake in Petlim for a total consideration of US\$ 250mn.
- PETLIM Port's Phase 1 with 800.000 TEU capacity has been completed and port commenced its operations in December 2016.



Petkim - Wind Power Plant



- Petkim is setting up a wind power plant with a total capacity of 51MW at the Petkim Peninsula.
- The WPP is planned to generate 200GWh electricity per annum.
- Construction phase of the investment has been completed. WPP has started its operation with existing 25MW capacity WPP license from Energy Market Regulatory Authority (EMRA). An application to amend the existing WPP capacity license to 51 MW is made. Upon the amendment of the EMRA license, WPP will operate as 51 MW.



Picture above is presented for only representative purposes

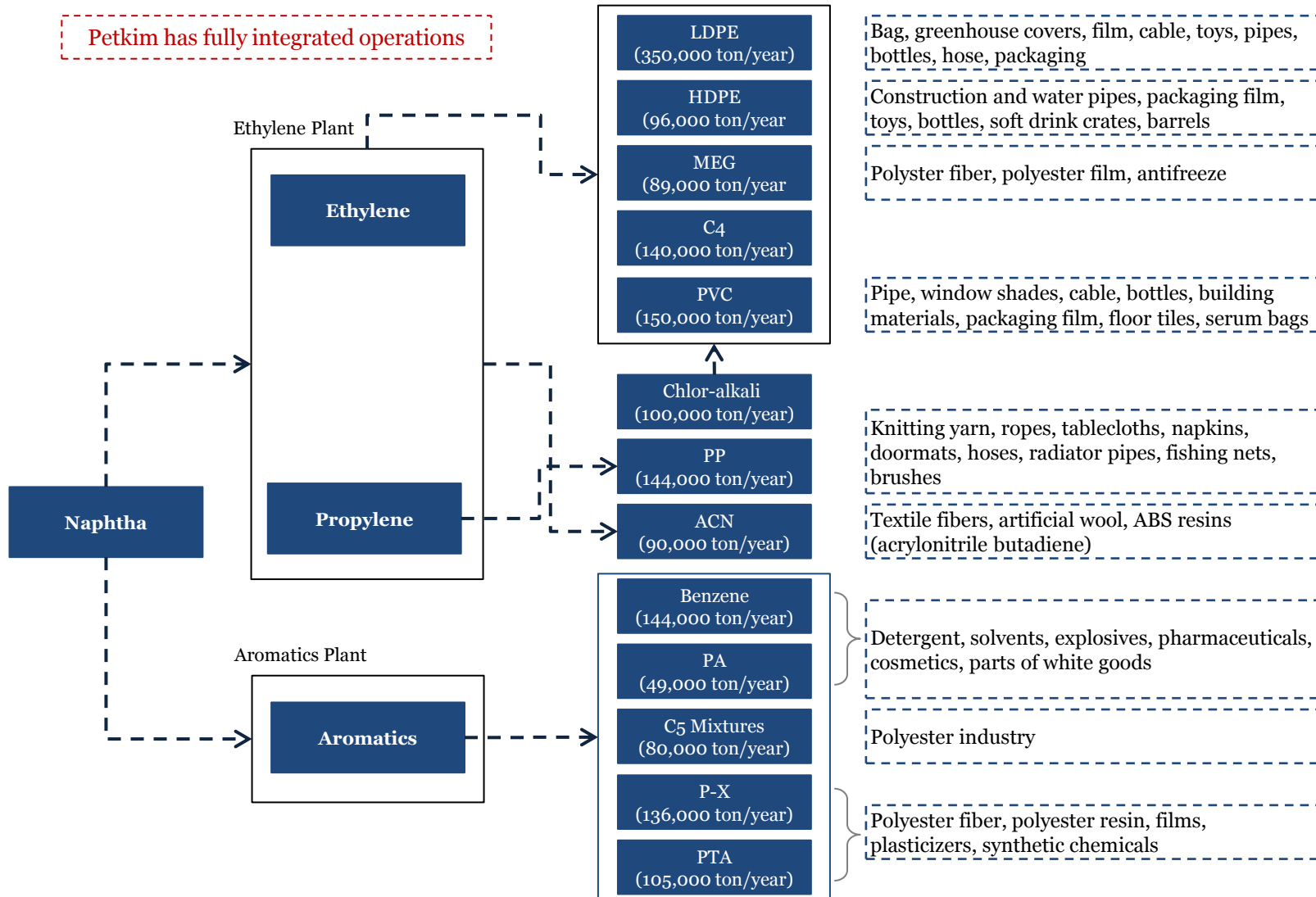


STAR Refinery

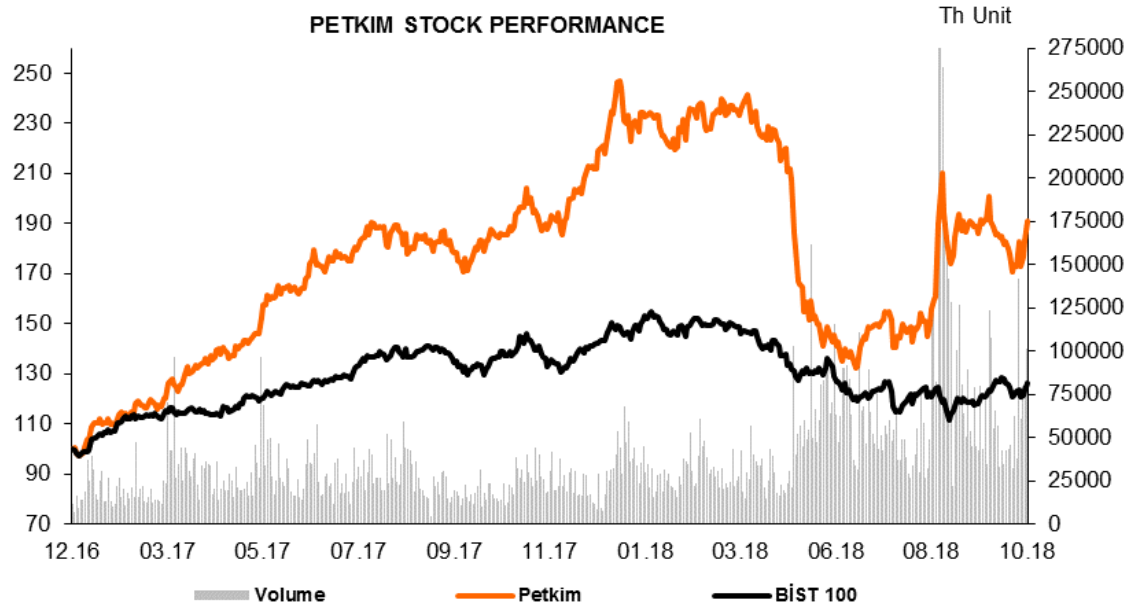


- STAR Refinery will have 10 million tons /year crude oil refining capacity.
- Petkim signed a 20-year off-take agreement with STAR Rafineri A.Ş to offtake 270,000 tonnes mixed-xylene and 1,600,000 tonnes naphtha annually.
 - Naphtha price will be set as the Platts' FOB MED spot market price plus US\$ 6 margin per tonne and mixed-xylene price will be based on ICIS's Rotterdam Paraxylene Spot Price multiplied by 0.74.
 - It is expected that PETKIM's feedstock cost will be reduced US\$ 30 per ton as a result of this agreement. The offtake pricing terms in the agreement are in line with the market prices.
 - Other than the logistics cost savings, as a result of the synergies created by the refinery and the petrochemicals integration, there will be significant cost benefits for Petkim including quality standardization and stabilization, and the reduction in inventory costs.
- The aggregate investment amount will reach US\$ 5.7bn.
- On May 30th 2014, US\$ 3,290 million project finance portion of the STAR Refinery investment has been signed with a number of 23 local and international financial institutions including Export Credit Agencies (ECAs), commercial banks and development banks.
- US\$ 2,690 million of the project finance has a maturity of 18 years with 4 years grace period, while the remaining US\$ 600 million has a maturity of 15 years with 4 years grace period.

Appendix 1. Petrochemical Complex Flow Chart



Appendix 2. PETKIM Stock Performance



Closing Price as of 28 June 2018 (TRY/Share)	TL 5.35
Market Cap (TRY mn)	TL 8,827
Free Float (%)	49.0%



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