

# 3Q17 Results Investor Presentation

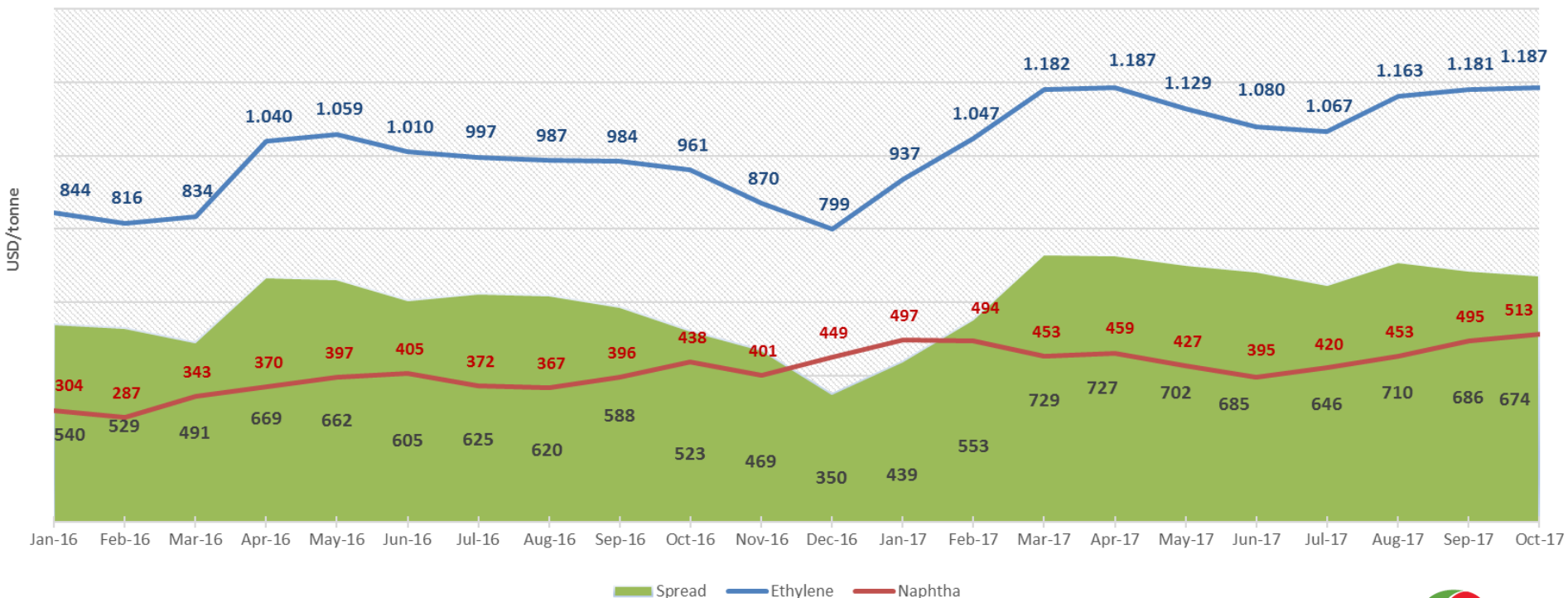


09/11/2017

# Ethylene – Naphtha spread averaged US\$ 681/ton in 3Q17

- Ethylene-naphtha spreads decreased by 3% from the average of US\$ 705/ton in the 2Q17 to US\$ 681/ton in the 3Q17.
- Spreads remained strong during the third quarter.

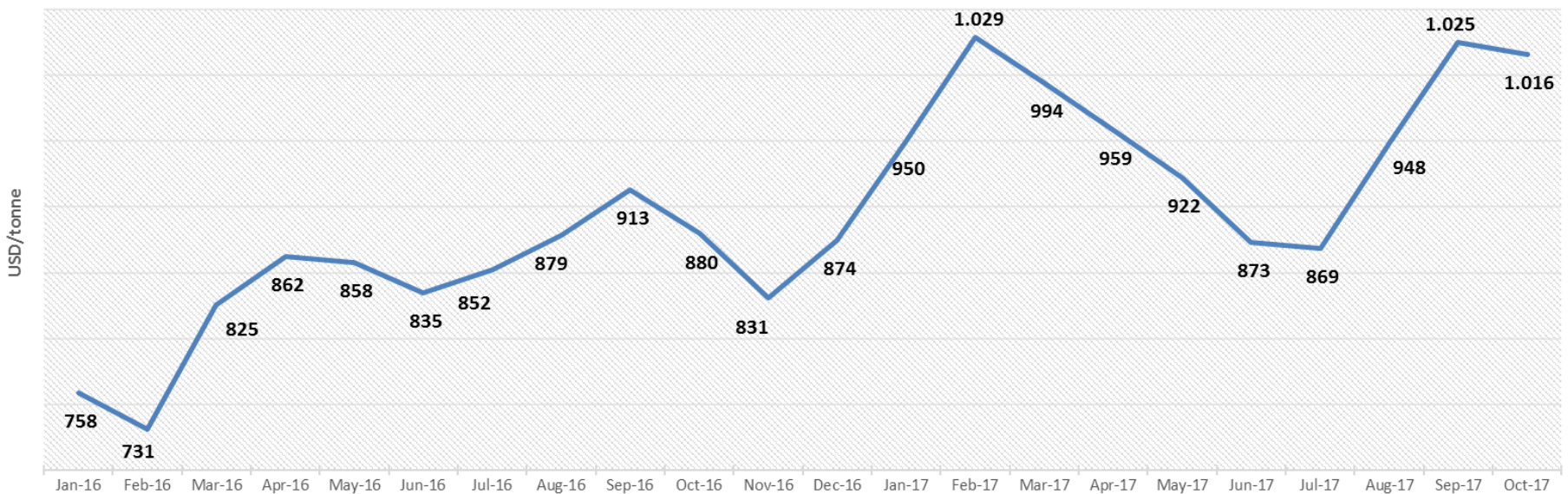
Monthly Naphtha - Ethylene Spread (CIF MED Spot Prices)



# PLATT's Index averaged US\$ 947 per ton in 3Q17

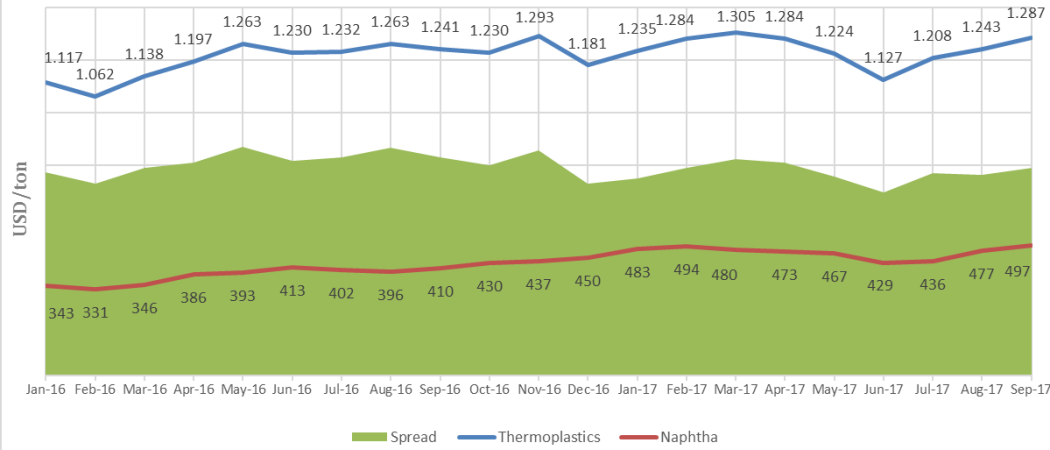
- PLATT's index increased to \$947 per ton in 3Q17 from \$918 per ton in 2Q17.
- Modest increase in petrochemical price index. Increase was mainly driven by aromatics and oil prices
- In 3Q17 PLATT's index is %12,3 above 2016 average.

## Monthly Average Platts Index



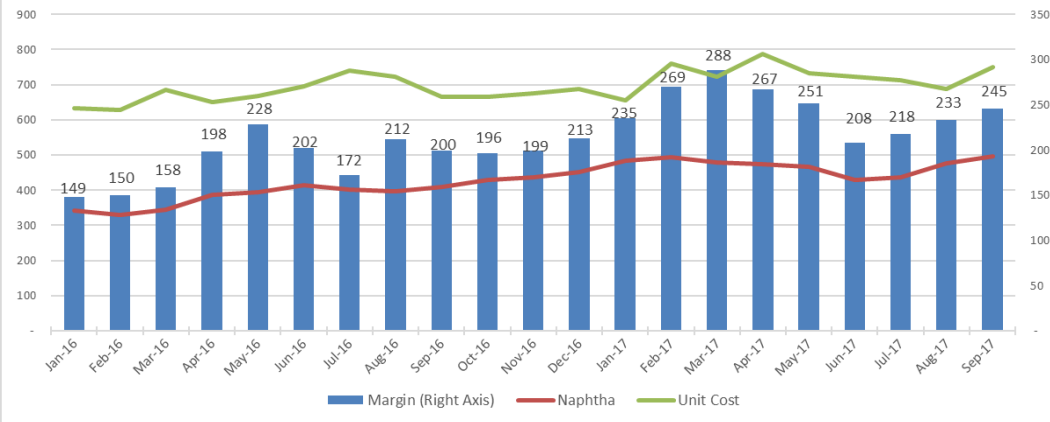
# Feedstock vs. Product Prices in 3Q17

**Petkim - Thermoplastics & Naphtha Spread**



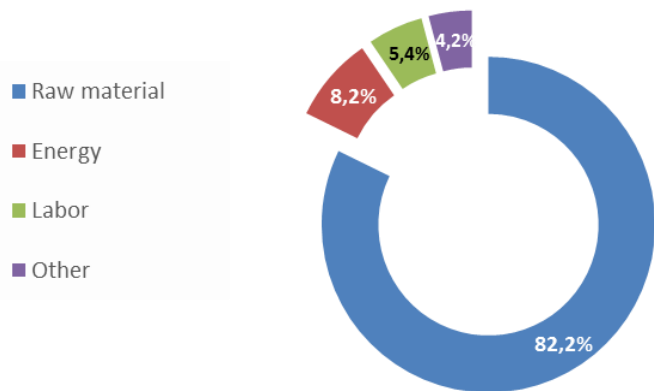
- The relative price of crude oil (naphtha/lpg) and natural gas (ethane) has the biggest impact on feedstock competitiveness
- Co-product values such as propylene, c4 and pygas also impact unit cost margins
- Thermoplastics price remain high and provided strong margin contribution from the polymer part of value chain.
- The result for the quarter and nine months reflects an improved margin environment thanks to better capacity utilization, supportive market conditions, ongoing efficiency and operational/commercial excellence programs.
- Petkim, again with significant production performance, reached %102 ethylene capacity utilization rate which is reflected to high volume of sales from production.

**Petkim Naphtha Cost and Margins**

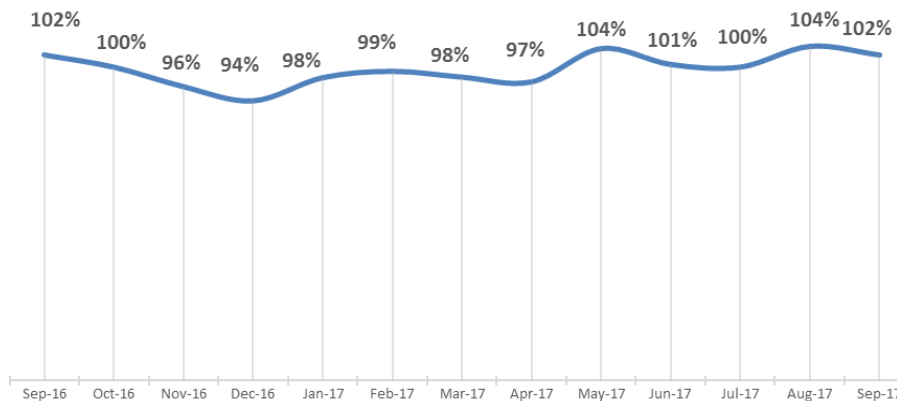


# Costs and Operational Efficiency in 3Q17

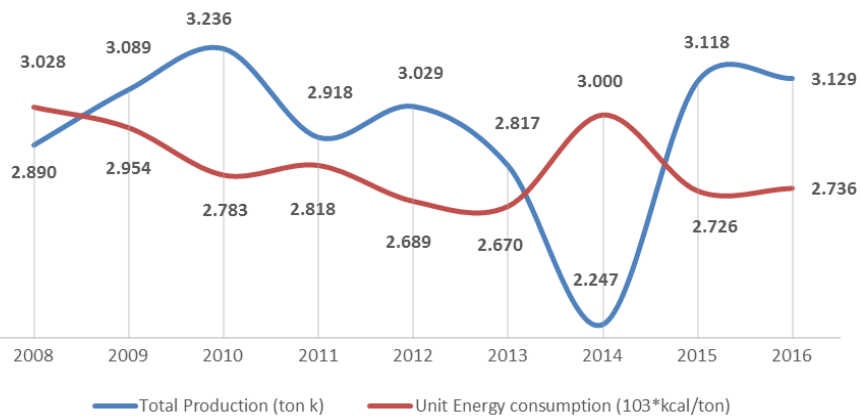
## Plant Cost Base Breakdown 3Q17



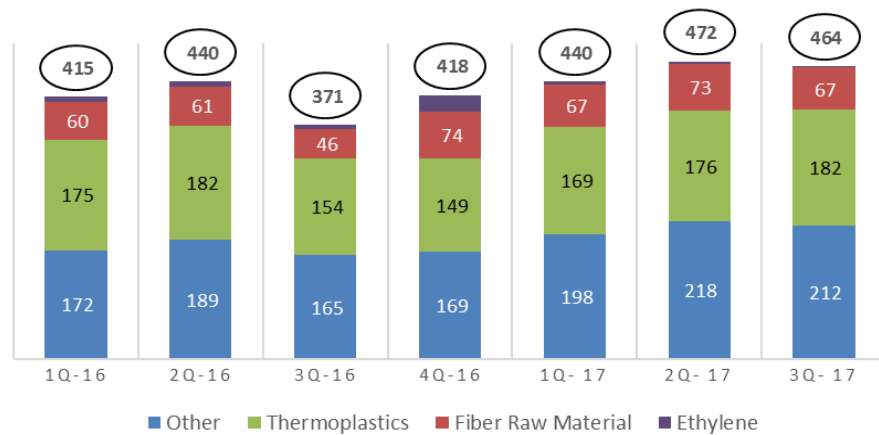
## Ethylene Facility Capacity Utilization Rate



## Total Production & Energy Consumption



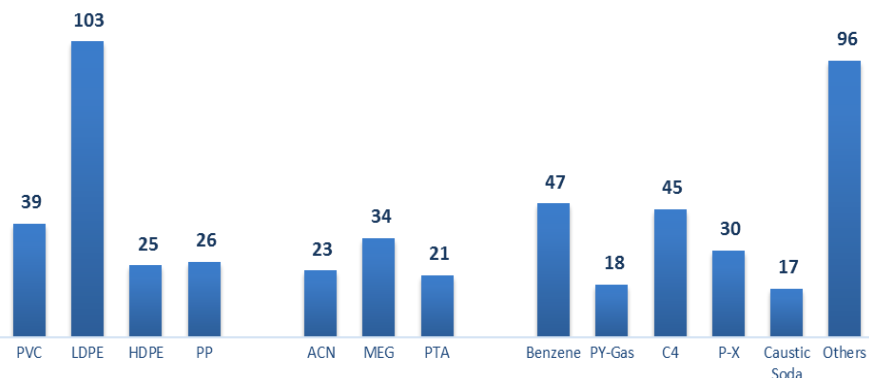
## Sales from Production (Ton K)



# In 3Q17 Petkim recorded TL 1.750mn sales via 526k ton volume

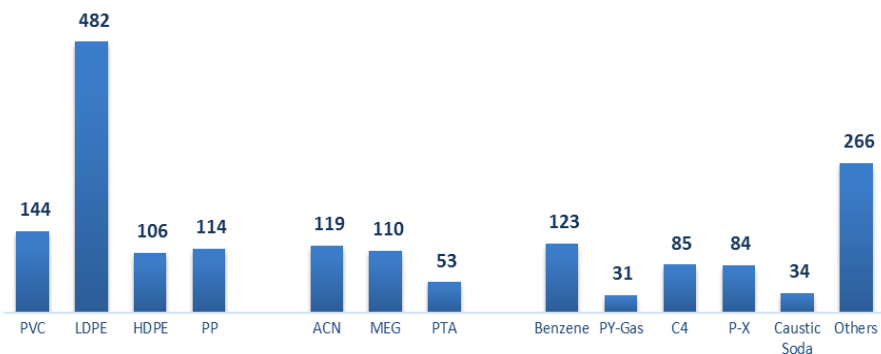
Sales Volume (ton k)- 3Q17

3Q17 Volume: 526k ton



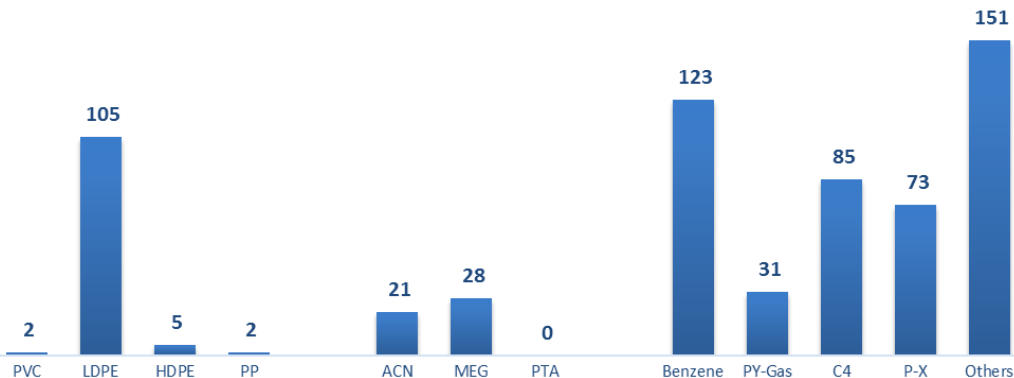
Revenue (TL mn)- 3Q17

3Q17 Revenue: TL1.750mn



Export Revenue (TL mn)- 3Q17

3Q17 Export Revenue: TL625mn



# PETKIM 3Q17 Income Statement



# PETKIM 3Q17 Balance Sheet





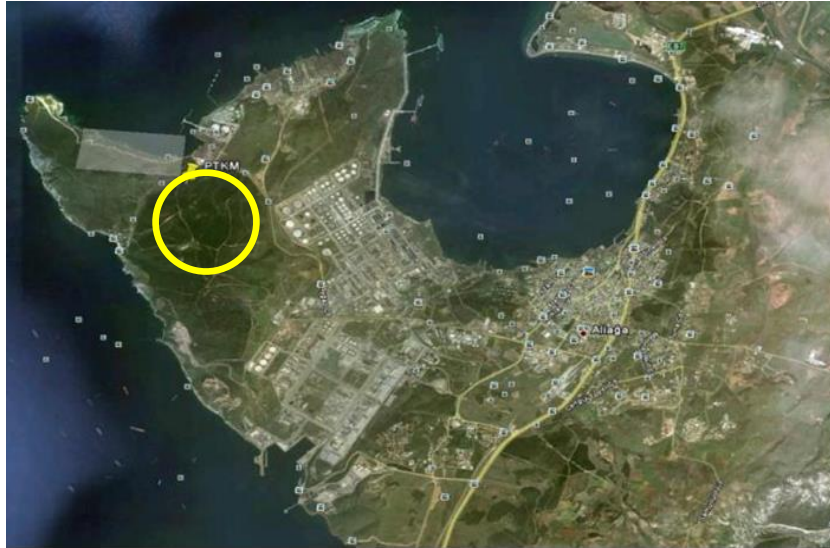
# PETLIM – Operations Commenced in December 2016



- 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.
- Our partner in port operations, APMT (group company of Maersk Group) paid US\$ 25mn in July 2013, as the first installment of US\$ 65mn upfront fees for the Operation Rights.
- 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



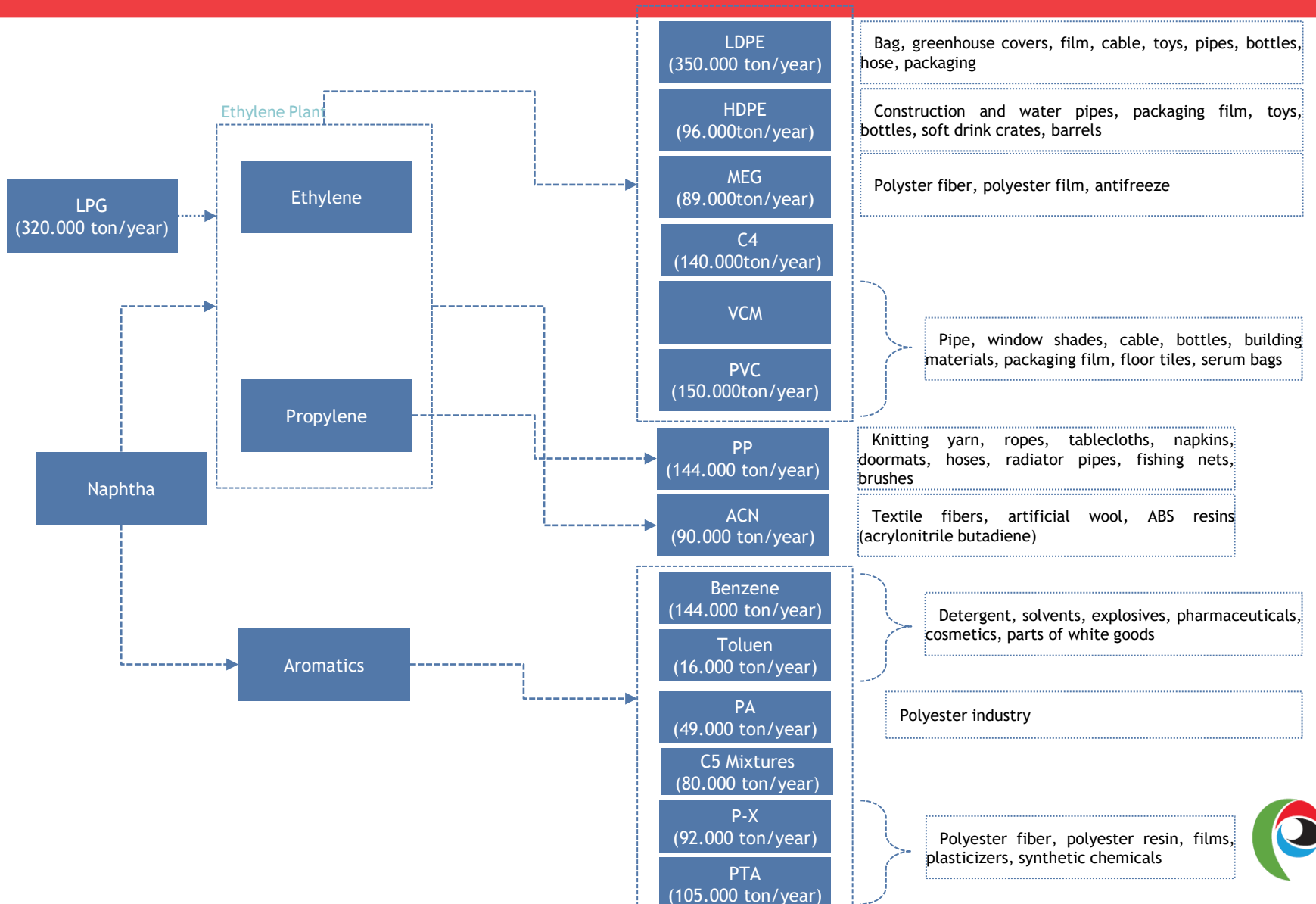


# STAR Refinery



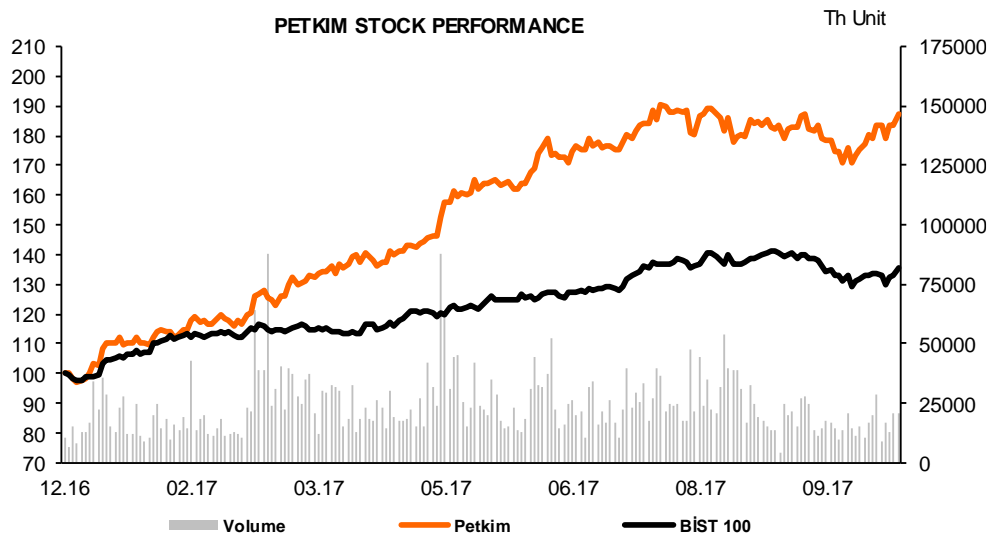
- STAR Refinery will have 10 million tons /year crude oil refining capacity.
- Petkim signed a 20-year off-take agreement with STAR Rafineri A.Ş to offtake 270,000 tonnes mixed-xylene and 1,600,000 tonnes naphtha annually.
  - Naphtha price will be set as the Platts' FOB MED spot market price plus US\$ 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

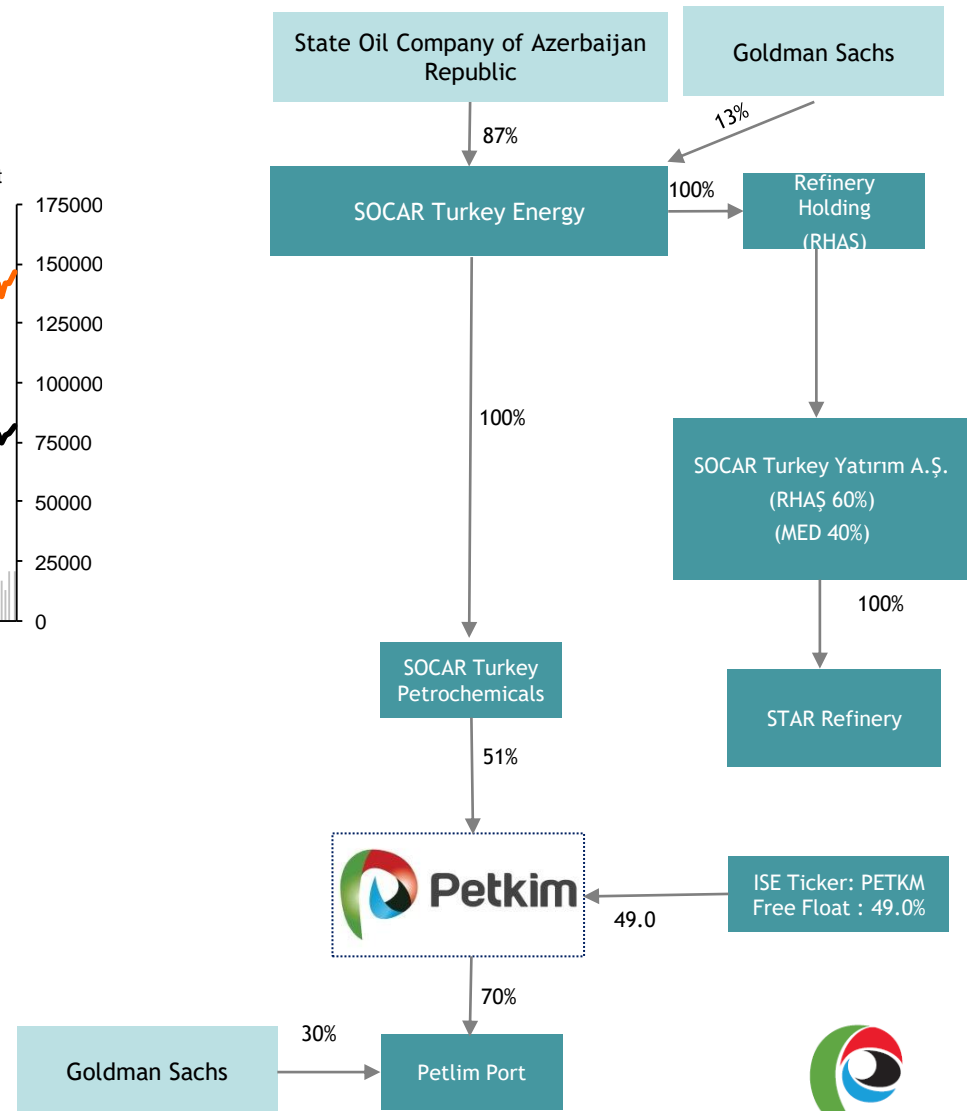


# Appendix 2. PETKIM's Ownership Structure

Petkim Stock Performance



|  |          |
|--|----------|
| Closing Price as of 29 Sept 2017 (TRY/Share) | TL 5.98  |
| Market Cap (TRY mn)                          | TL 8,970 |
| Free Float (%)                               | 49.0%    |



# Investor Relations

We welcome your questions, comments and suggestions. Our corporate headquarters office address is:

Petkim Petrochemical Holding Corp. PO. Box.12  
Aliğa, 35800 İzmir/ TURKEY

To contact us with respect to shareholding relations for individual and corporate investors, please call directly or send an e-mail to:

Semih ATALAY

SOCAR Turkey Investor Relations Manager

Phone: +90 (212) 305 0142

Email: semih.atalay@socar.com.tr

Mustafa AĐATAY

PETKIM IR Coordinator

Phone: +90 (232) 616 12 40 ext.2501

Email: mcagatay@petkim.com.tr

Also, please visit our web site at [www.petkim.com.tr](http://www.petkim.com.tr) for further information and queries.



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