

1Q24 RESULTS INVESTOR PRESENTATION

MAY 2024





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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



1Q24

FINANCIAL HIGHLIGHTS

Sales ▲
¥16.6 BN 1% YoY

EBITDA ▲
¥187.1 MN 1,1% Margin
(113%) YoY

Net Income ▲
¥833.7 MN 0,34 TL/Share
(125%) YoY

Cash ▼
¥4.2 BN 0,7x Current Ratio
(9%) QoQ

Net Debt ▲
¥30.2 BN 7,4x Net Debt / EBITDA*
88% YoY

*IAS 29 is not applied to this figure.



2024 Highlights



01

Solid performance marked by continued low volumes despite higher base chemical pricing due to restocking momentum post Red Sea related disruptions
Petkim's average gross unit margin held up well at USD160/ton

02

Low volumes reflecting optimization-focused initiatives and broadly unchanged economic environment
Petkim's capacity utilization rate was 58%

03

Trading activities was supportive during increasing price environment
USD12.7mn trading gross profit achieved

04

Robust performance from STAR Refinery, better than budgeted figures
USD22mn income derived from the equity pick-up method

05

Petkim released first Integrated Annual Report
In addition to our financial performance, we transparently demonstrate the link between our business model, strategy, management approach and our environmental, social and economic performances



INDUSTRY ENVIRONMENT

Global Petrochemical Market
Petrochemical Market in Türkiye

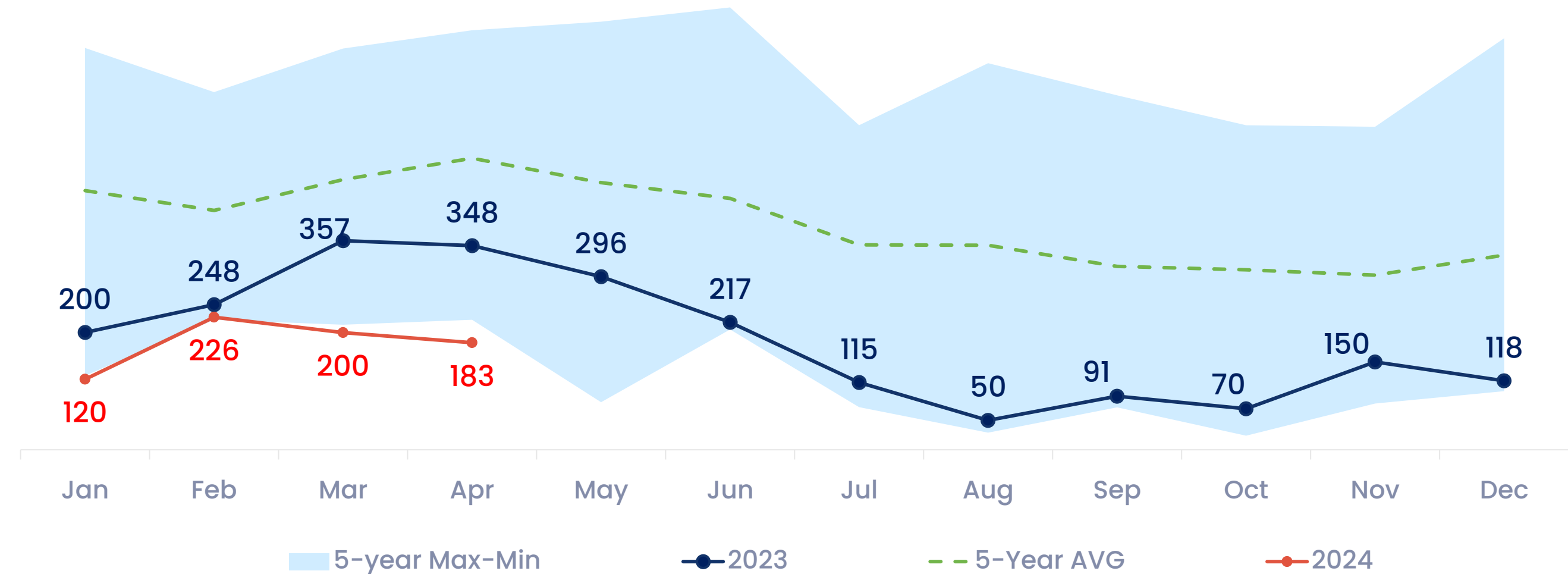




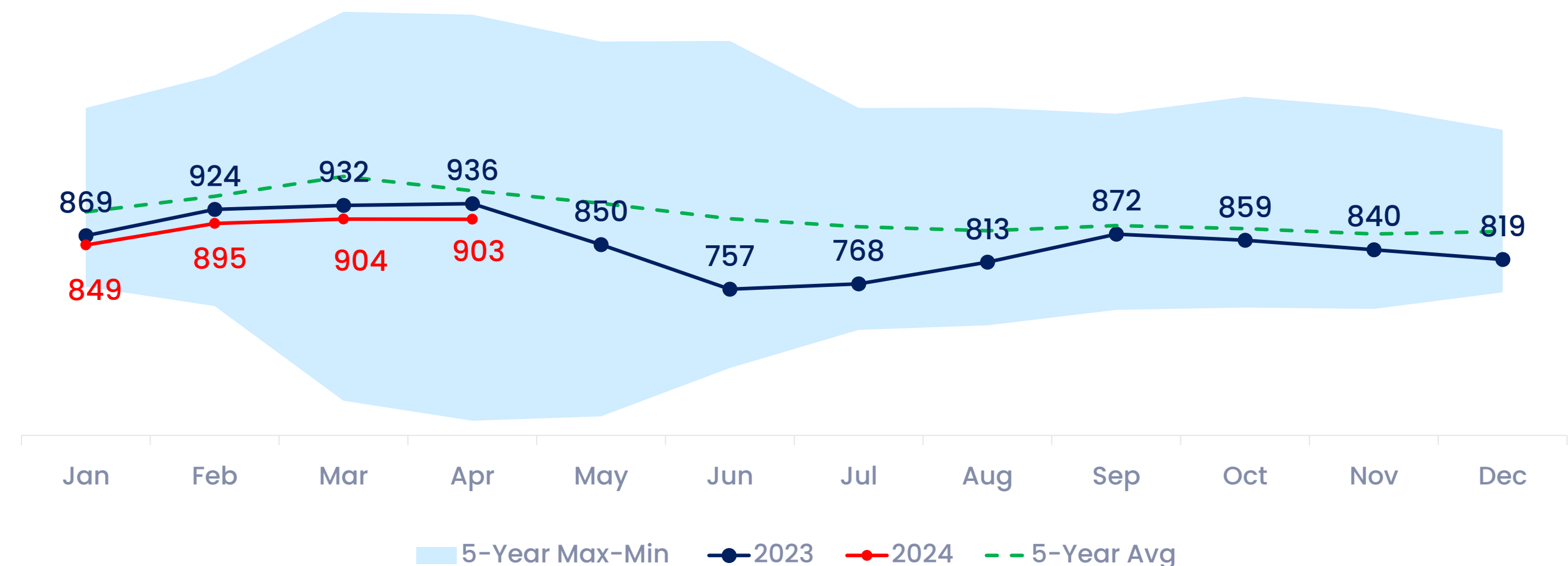
Industry Environment

- + Ethylene-naphtha spread increased by about 58% from USD113/ton in 4Q23 to USD179/ton in 1Q24
- + Ethylene-naphtha spread settled at the lower end of the seasonal range achieved in the last five years since emerging from disruption of the COVID-19 pandemic
- + The 1Q24 PLATTS index showed levels just slightly to those seen in the previous year and quarter

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



Monthly average Platts index*
USD/ton



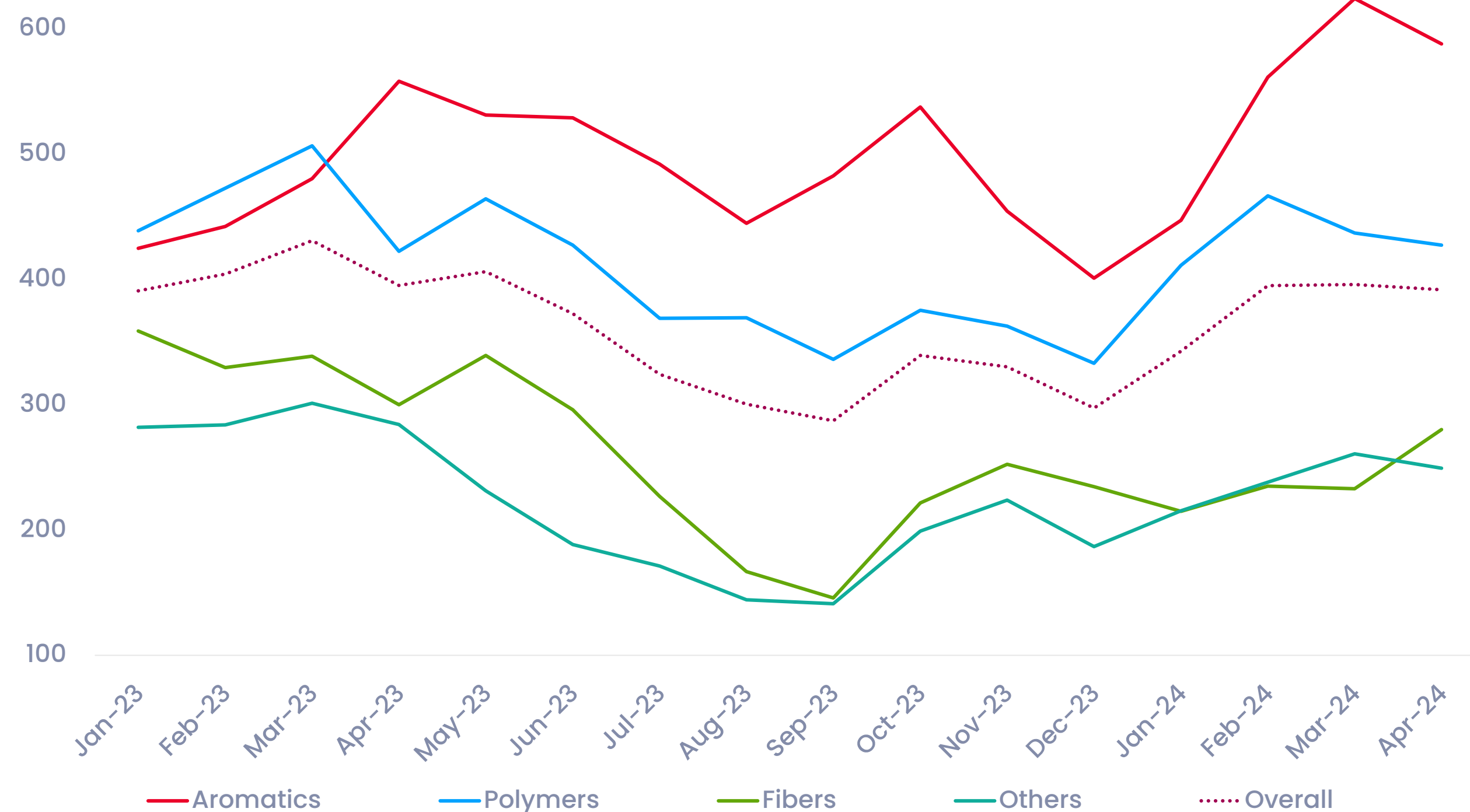
(*) compilation of ethylene, propylene, benzene, toluene, PX, LDPE and PP.



Industry Environment



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



Key trends in the industry

- + Demand weakness and oversupply persists
- + Firming naphtha costs due to pressures of geopolitical tensions in the Middle East
- + Restocking momentum post Red Sea related disruptions

Integrated producers were more exposed to a renewed upturn in upstream costs and margins settled close to average for 2023

- + Margins at the polymer unit rebounded more than **US\$130** per ton from historic lows suffered closing 2023
- + Tightening markets led PP and LDPE prices to increase more than **US\$150** per ton during the first quarter
- + Benzene prices in Western Europe climbed by February to set the ceiling to global prices

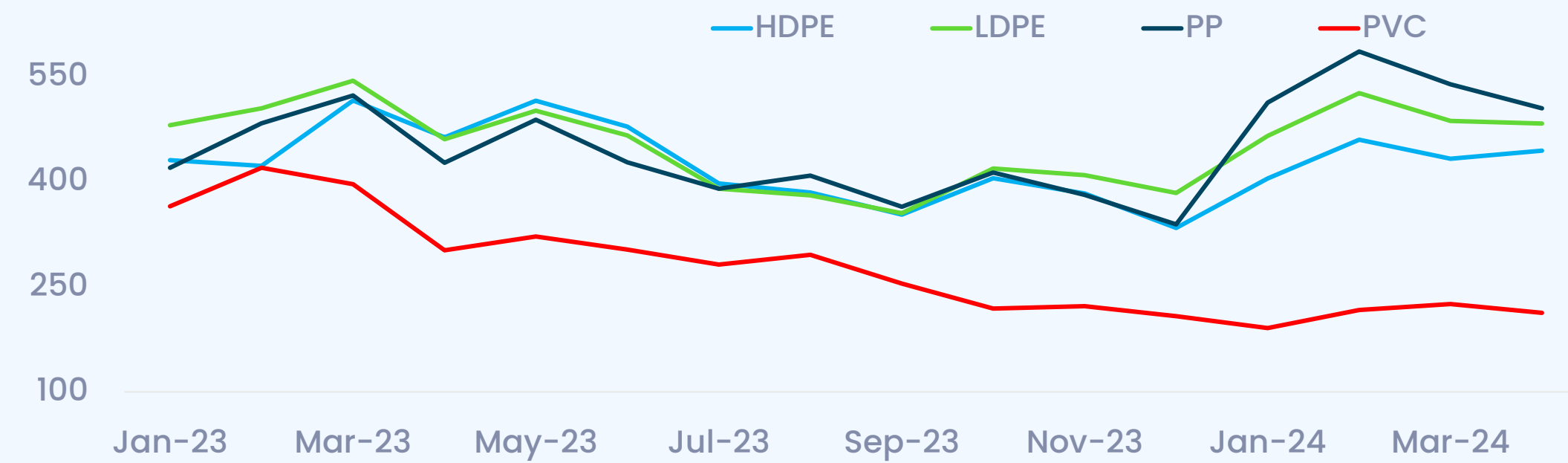


Industry Environment

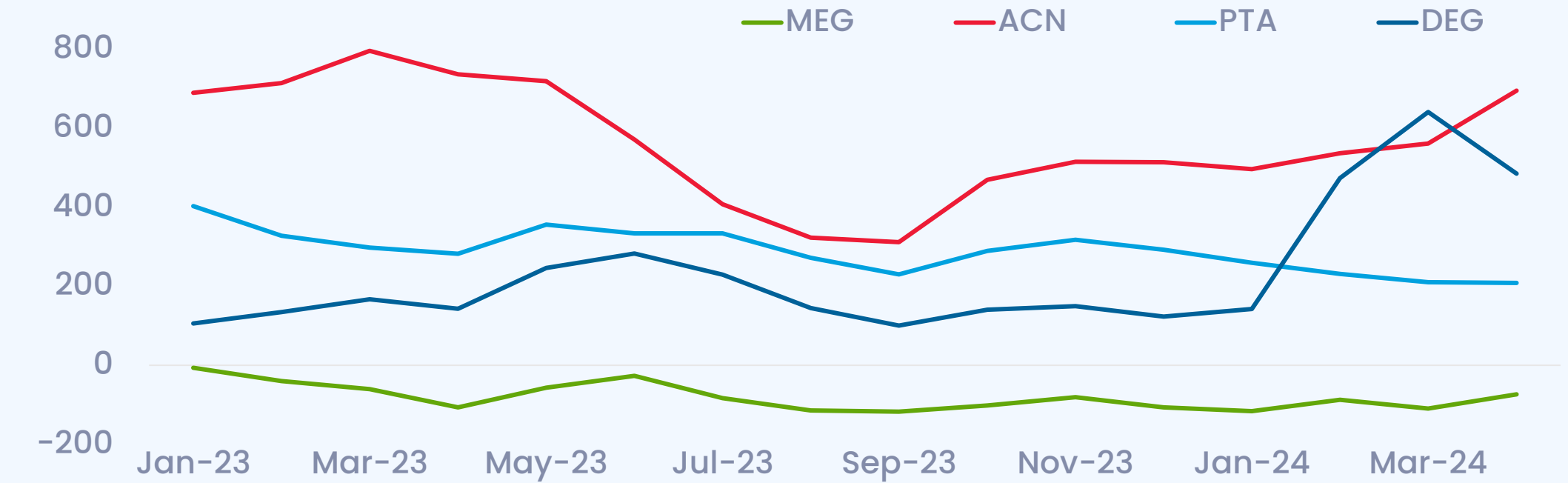


Product groups spread
(over naphtha CIF MED), USD/MT

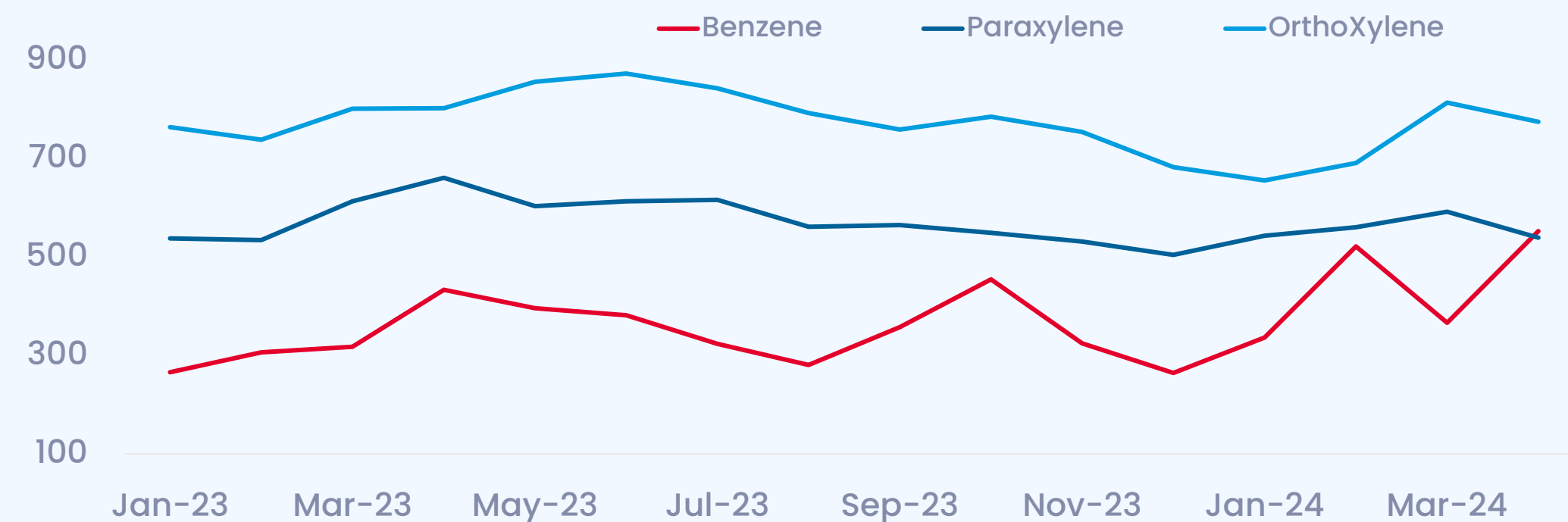
Polymers



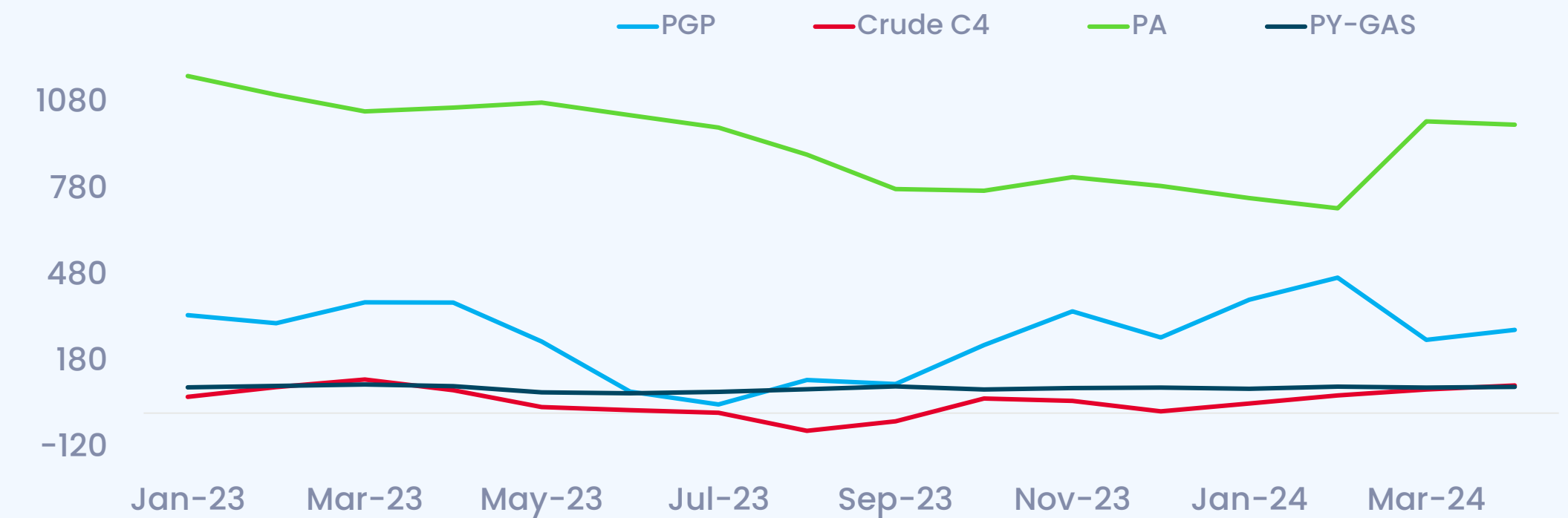
Fibers



Aromatics



Others

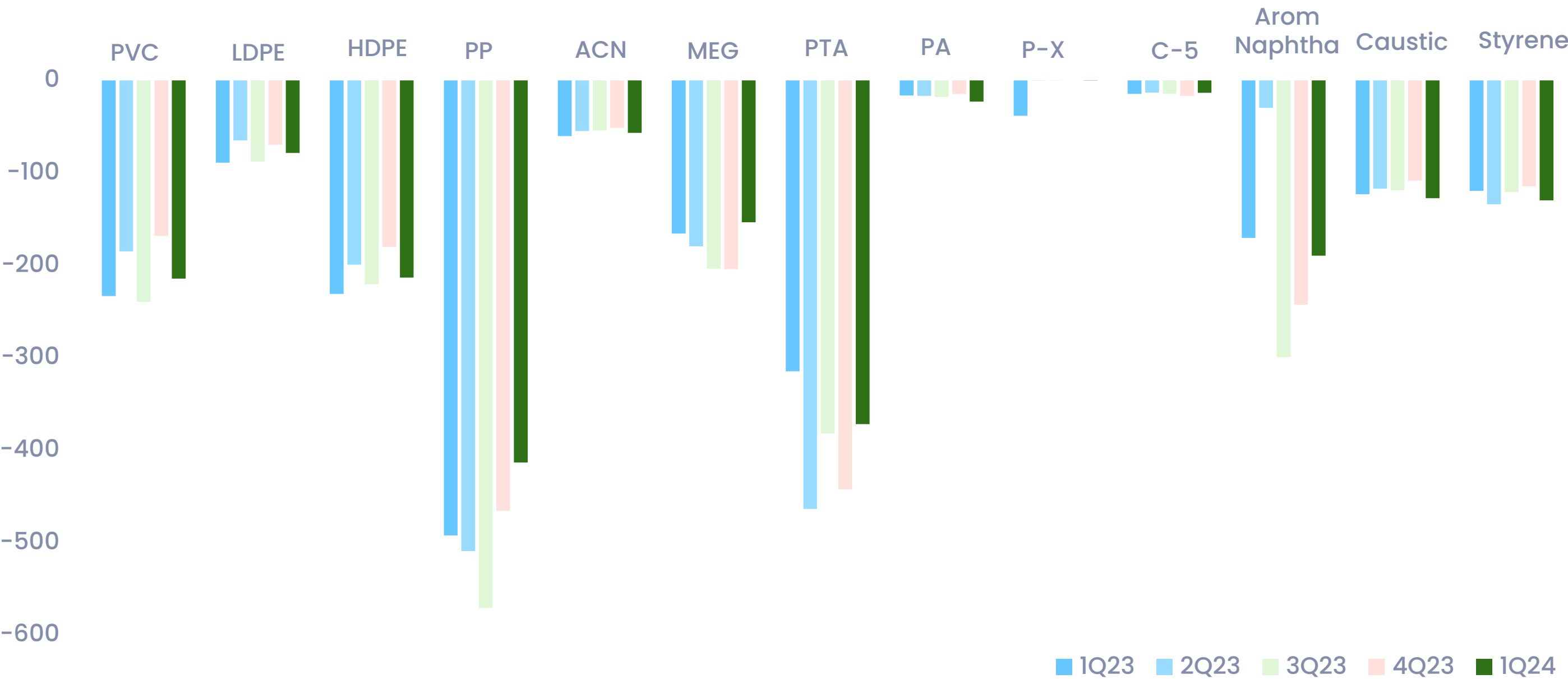


Türkiye's Petrochemical Sector Overview



Surplus (k tons)

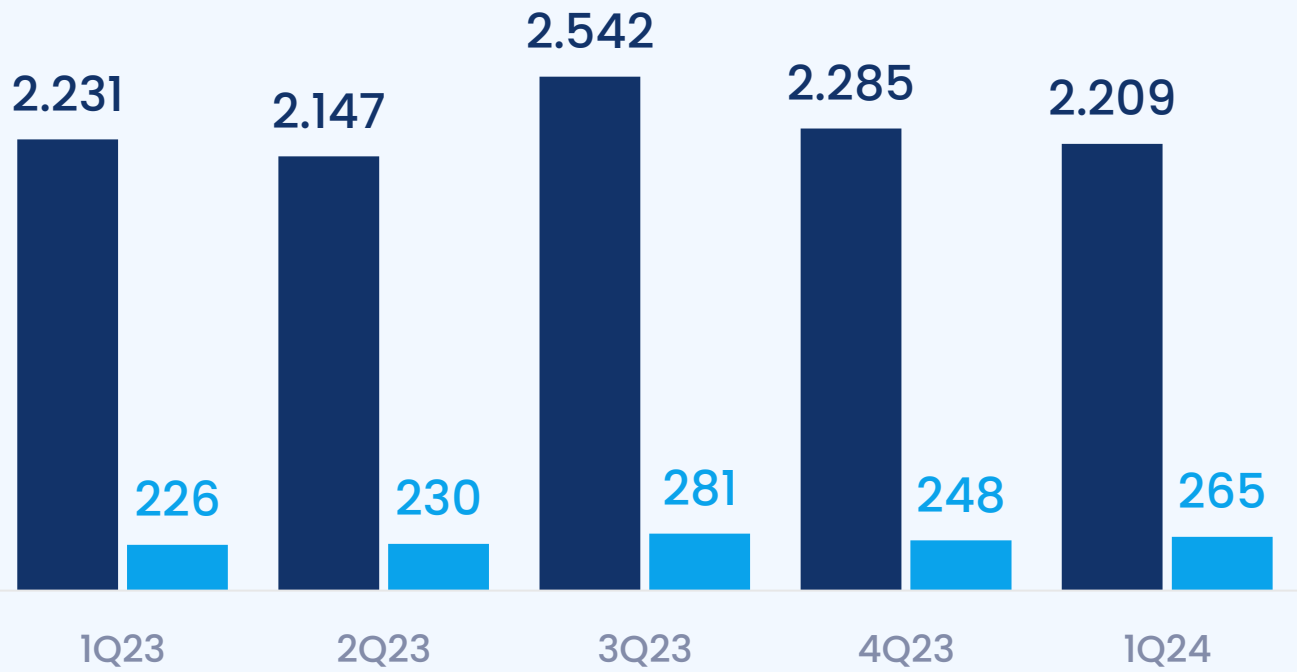
Türkiye domestic demand is primarily met by imports



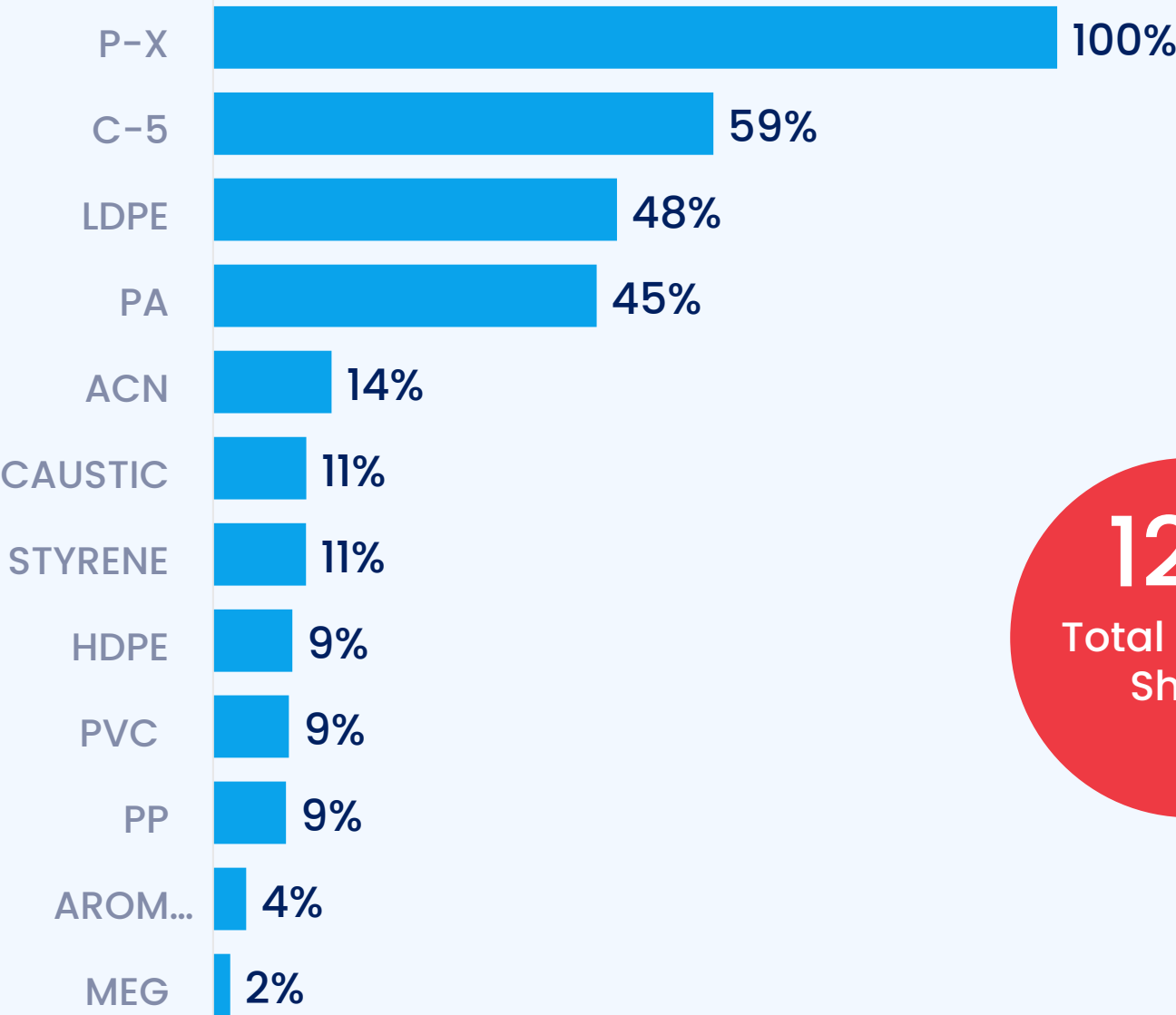
Deficit (k tons)

Petrochemical consumption in Türkiye (k tons)

Domestic consumption Petkim domestic sales



Products market share (cumulative)



12%
Total Market Share





OPERATING & FINANCIAL RESULTS





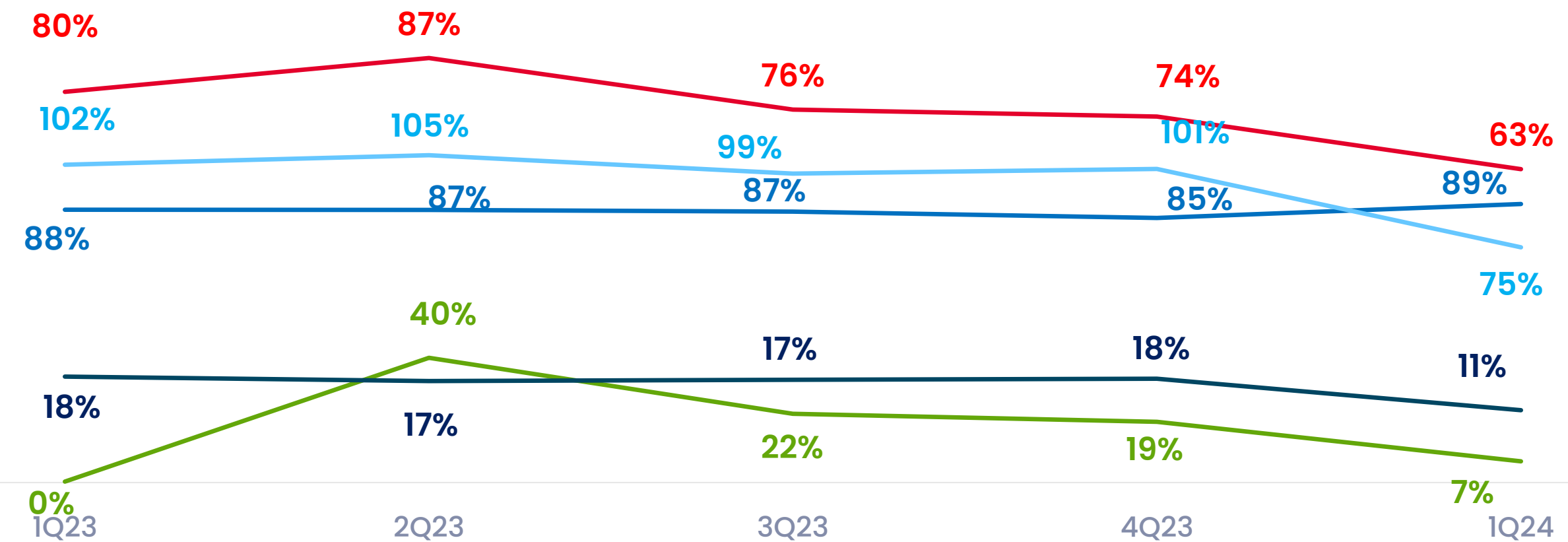
Capacity Utilization & Gross Production

+ The temporary production disruptions and decisions made by management to optimize profitability have impacted CUR

+ Petkim generated 505k tons gross production and capacity utilization rate was 58% in 1Q24

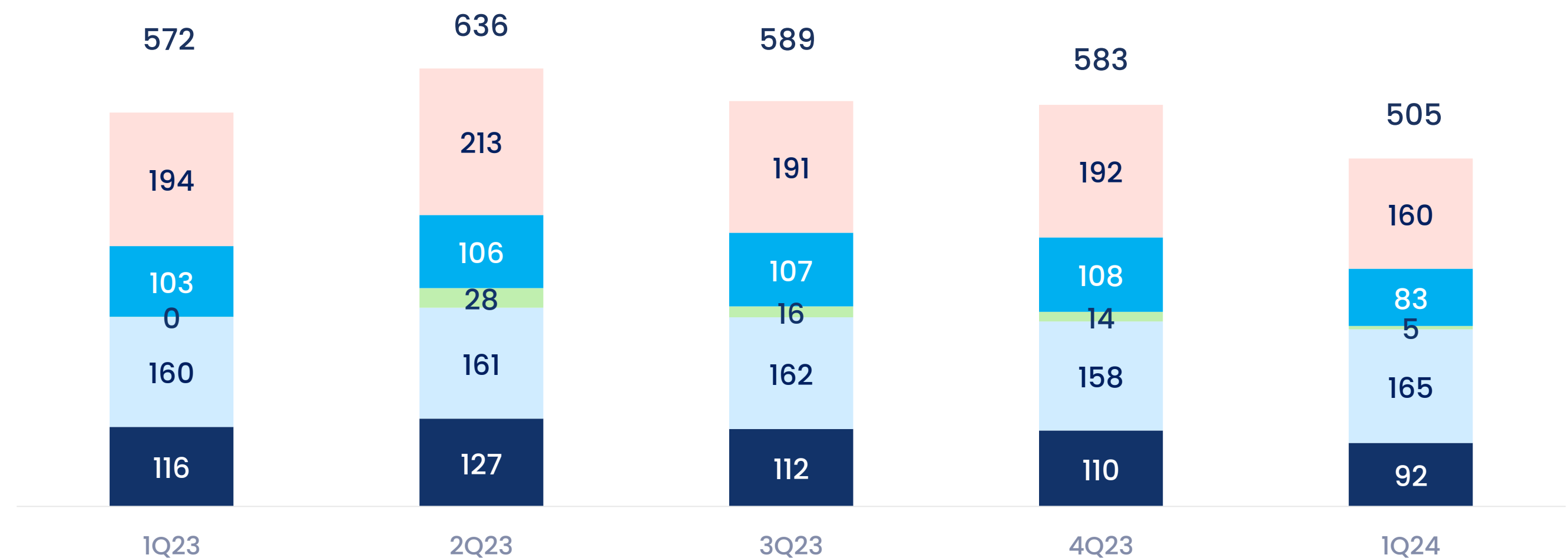
Capacity utilization rates (%)

— Thermoplastics — Fiber — Aromatics — Ethylene — Other



Gross production (k tons)

■ Ethylene ■ Thermoplastics ■ Fiber ■ Aromatics ■ Other

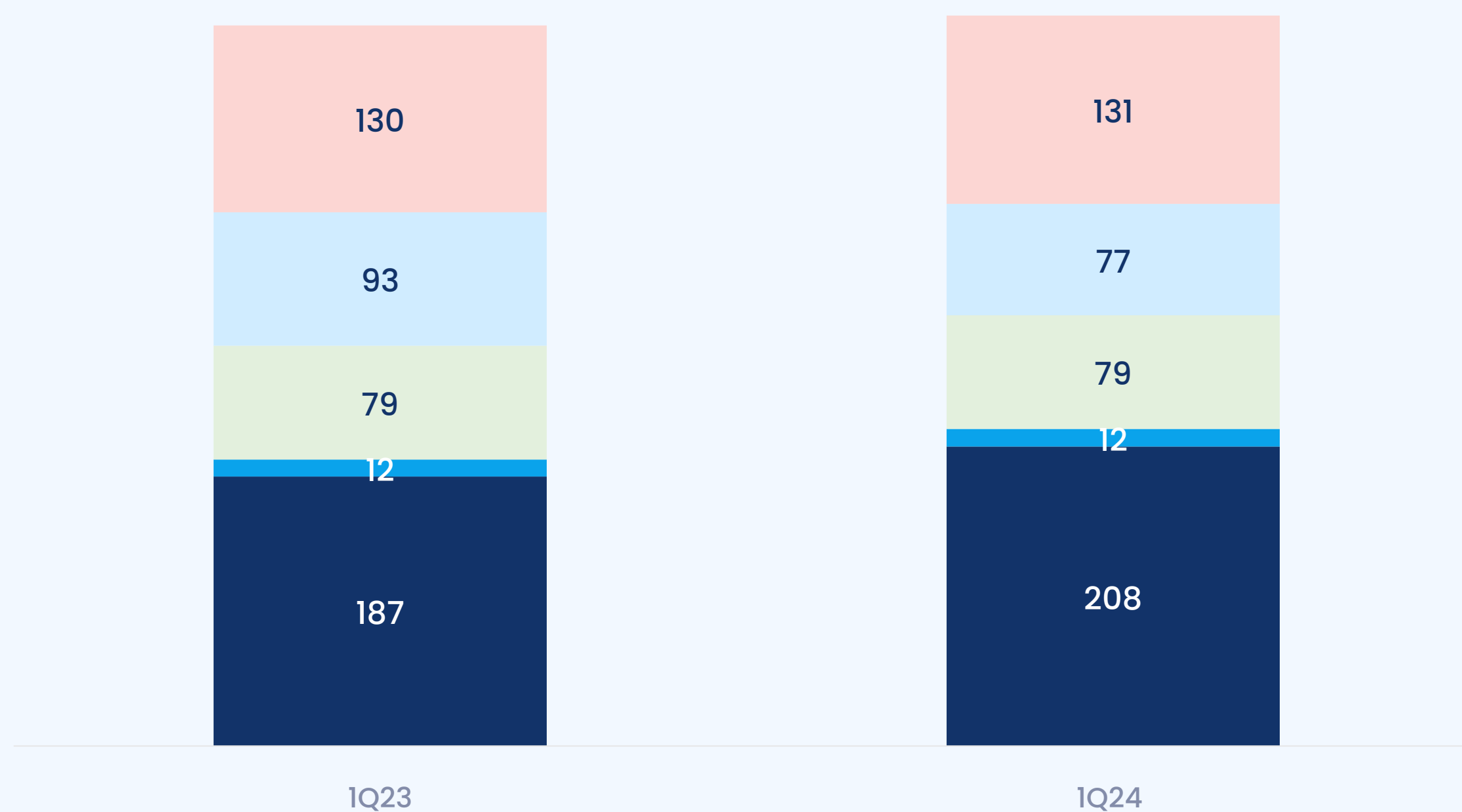




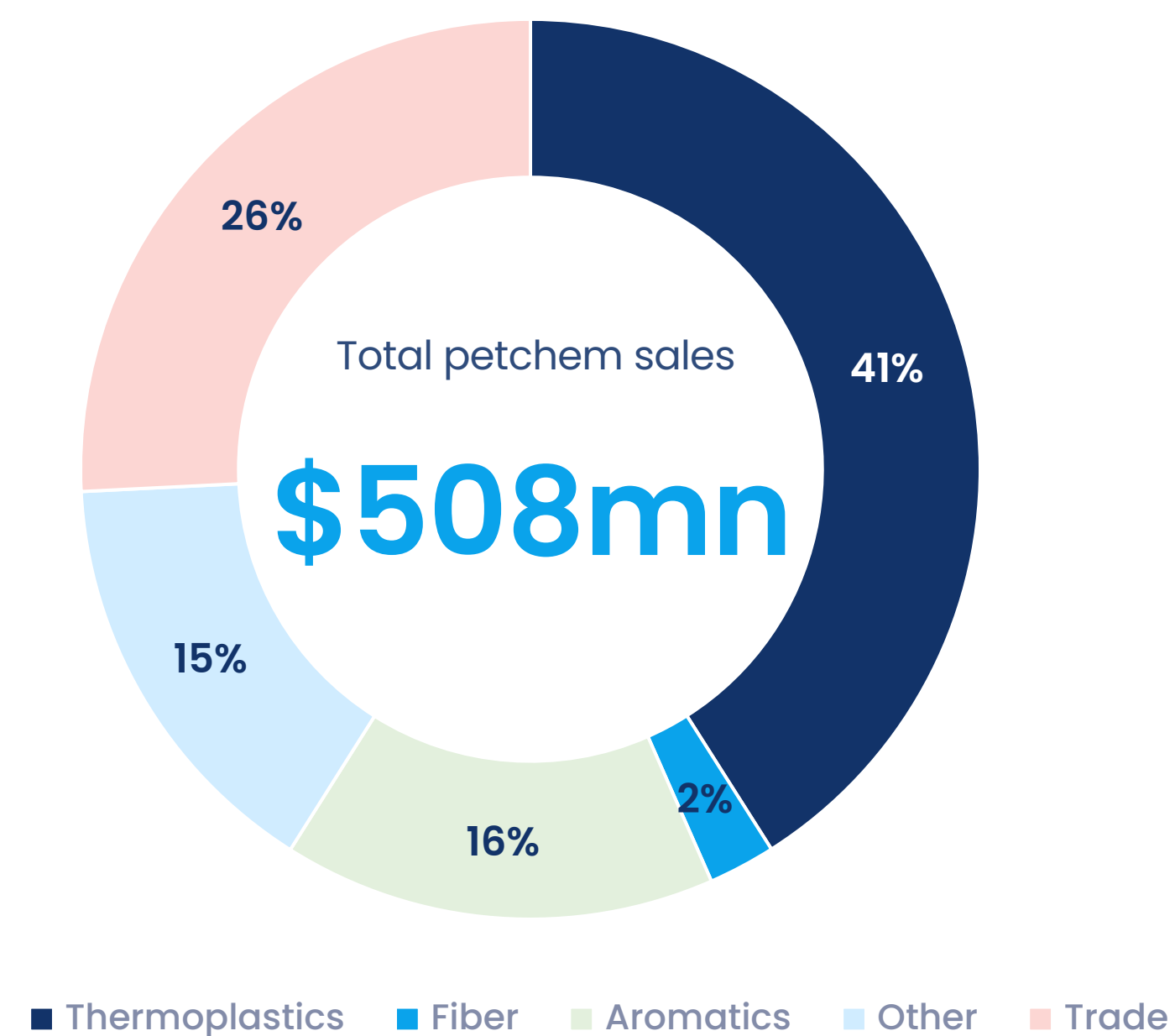
Petrochemical Product Sales

Breakdown of petchem sales (USD mn)

■ Thermoplastics ■ Fiber
■ Aromatics ■ Other
■ Trade



Breakdown by percentage in 1Q24

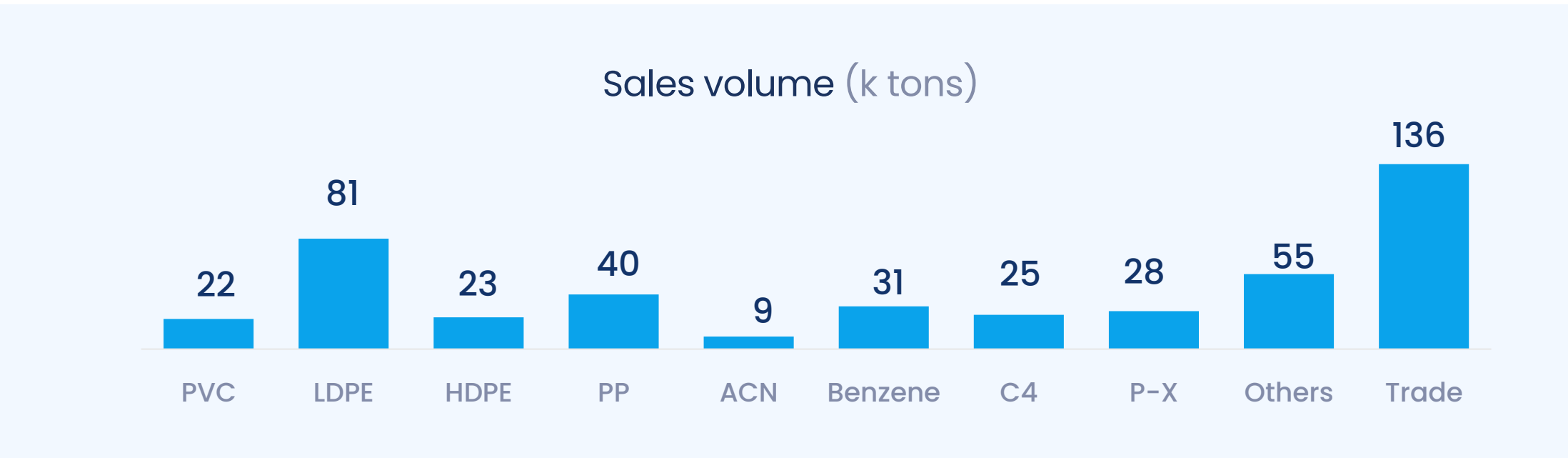


Breakdown of Sales



Total volume:

452k tons



Total revenue:

₺16,401mn

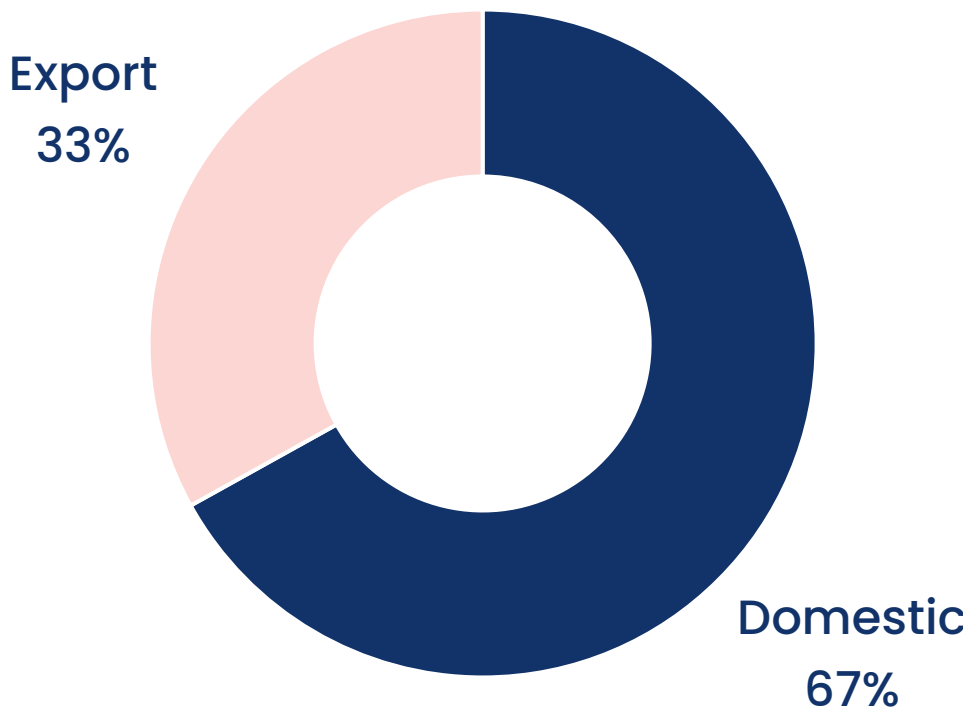


Total export:

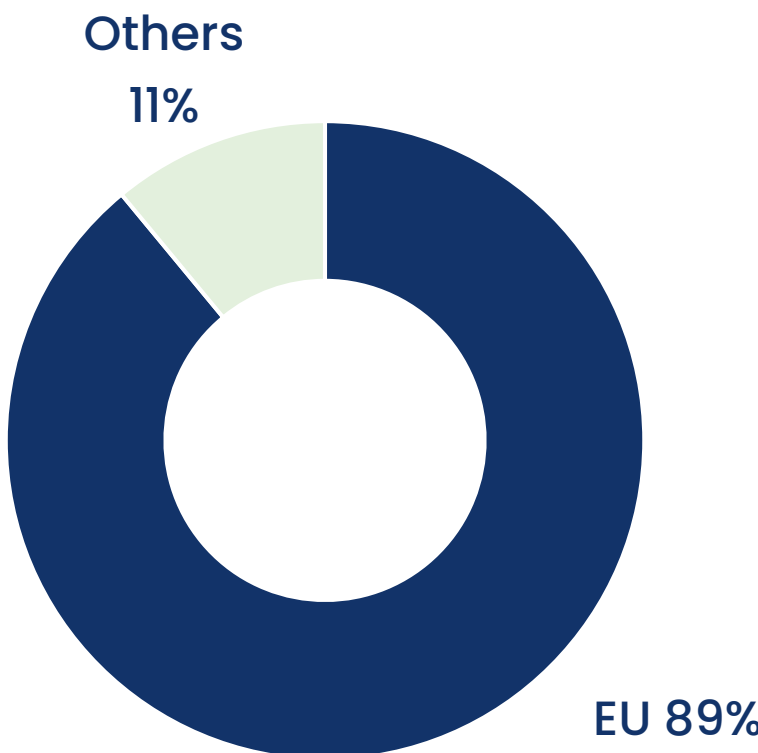
₺5,478mn



Revenue breakdown (%)



Exports breakdown as per region (%)

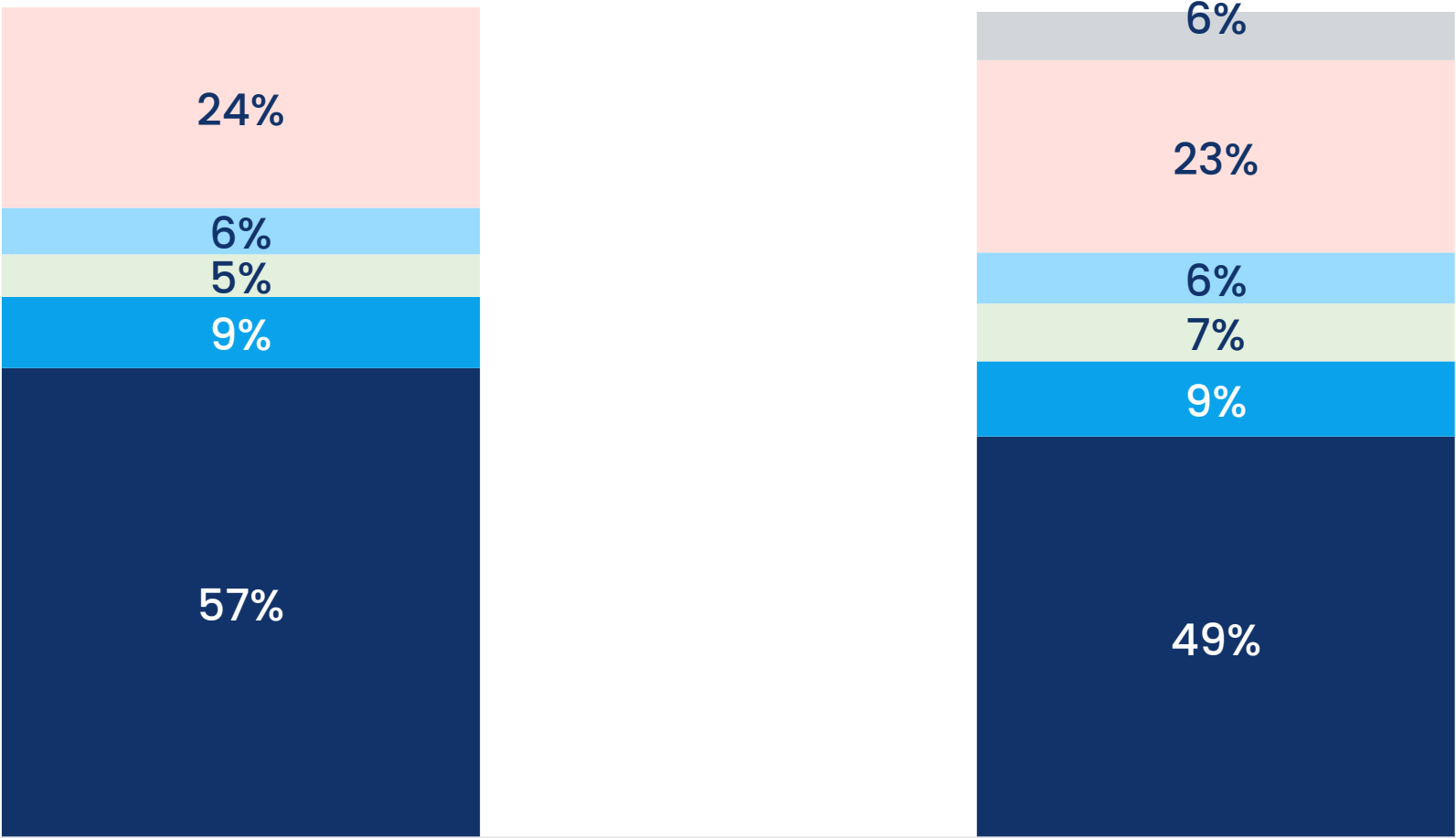




Breakdown of Total COGS

COGS breakdown (%)

Other Trade Depreciation
Labour costs Energy Raw materials



1Q23

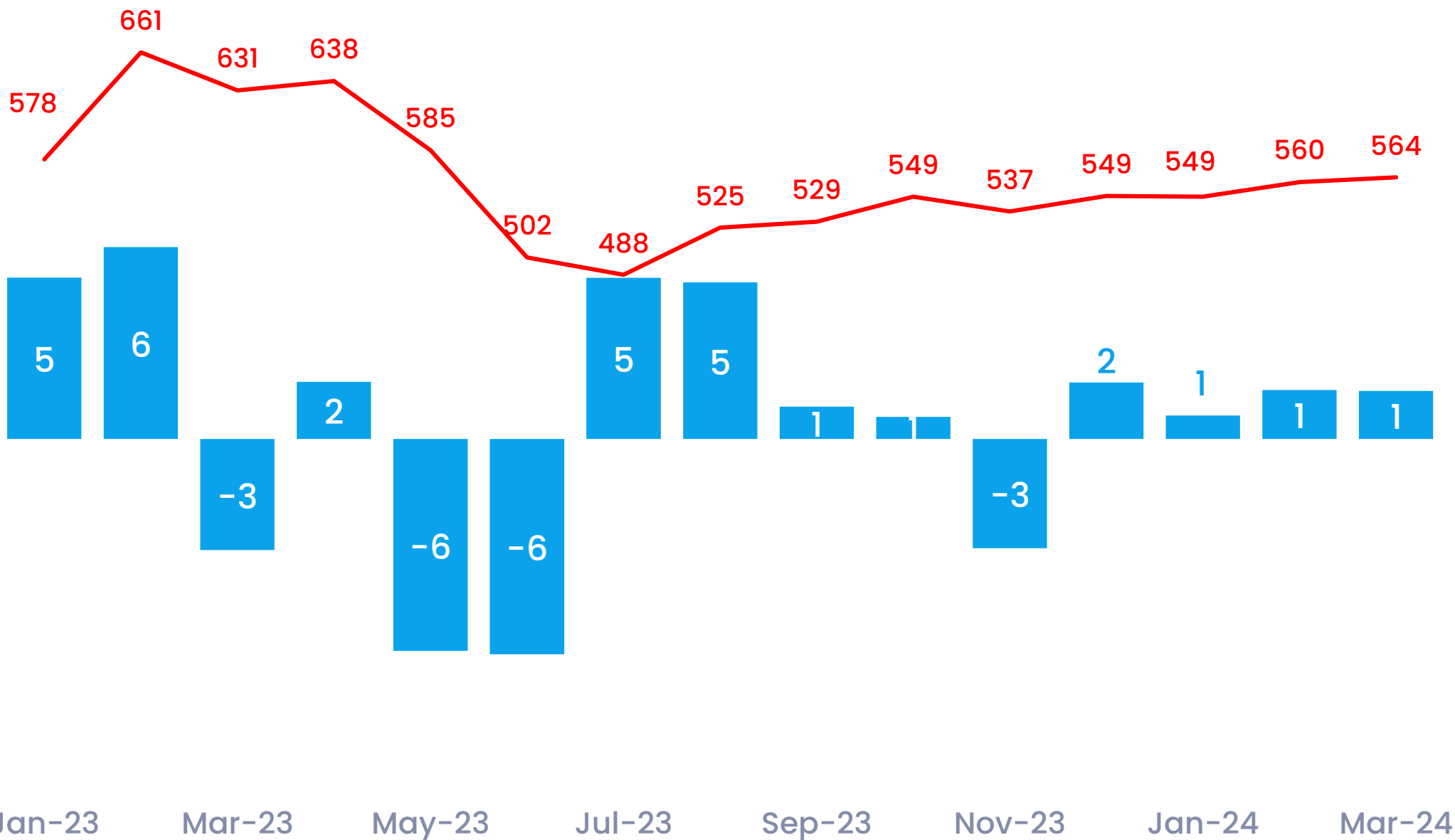
1Q24

1Q24
total COGS

₹16,681mn

Inventory gain/loss (USD mn)

Inventory gain/loss
Naphtha prices



Jan-23

Mar-23

May-23

Jul-23

Sep-23

Nov-23

Jan-24

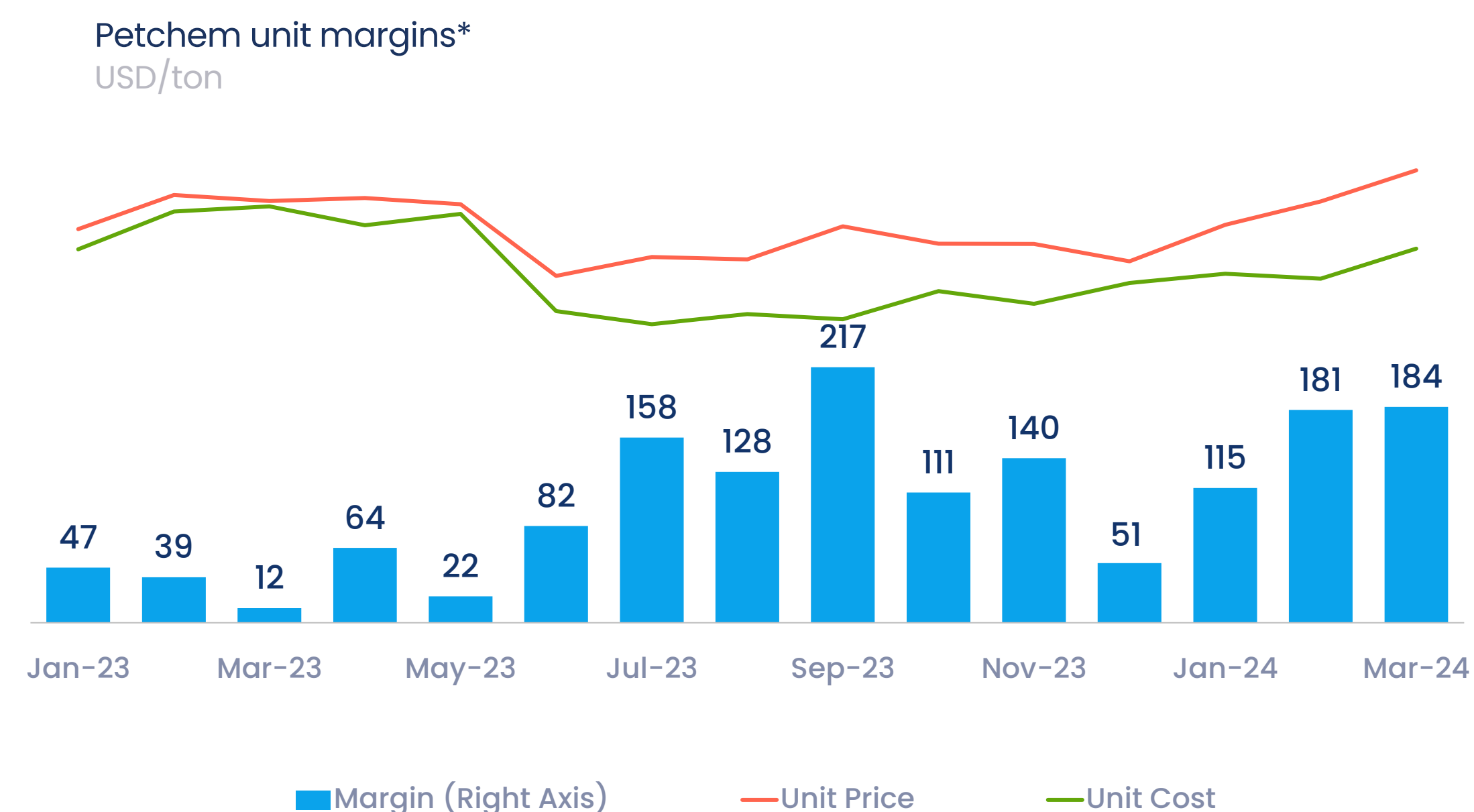
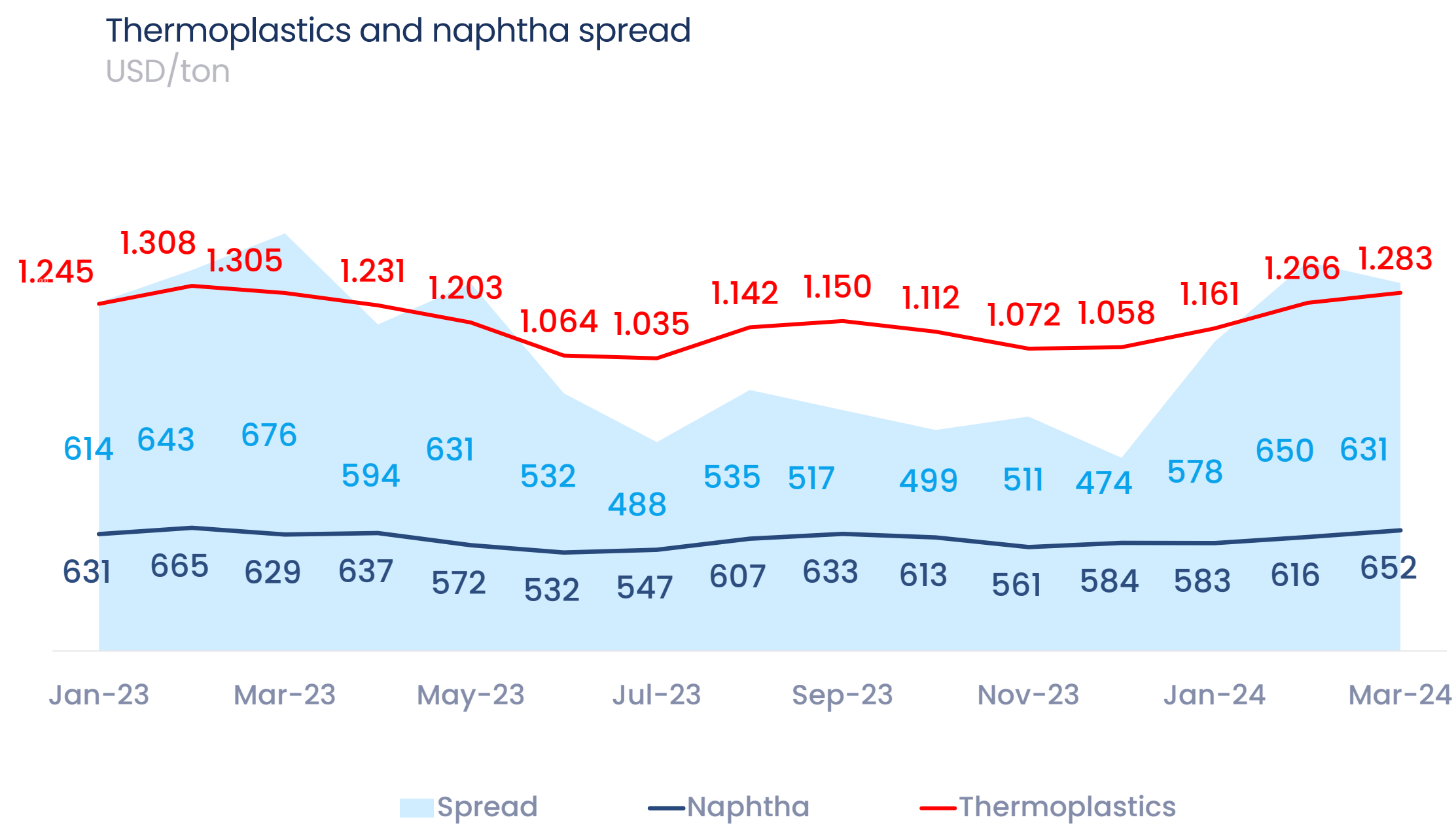
Mar-24

1Q24 inventory
gain

\$4mn



Feedstock vs. Product Prices of PETKIM



* Excluding trade

- + Petkim benefited increased margins in termoplastics mainly due ro shortened supply regarding the shipping attacks in the Red Sea
- + Petkim has continued to provide feedstock price advantage thanks to its flexibility in naphtha procurement
- + Firming feedtock costs for naphtha were offset by strengthening co-product revenue headed by benzene



*IAS 29 is not applied to these figures



PETKIM 1Q24

Income Statement

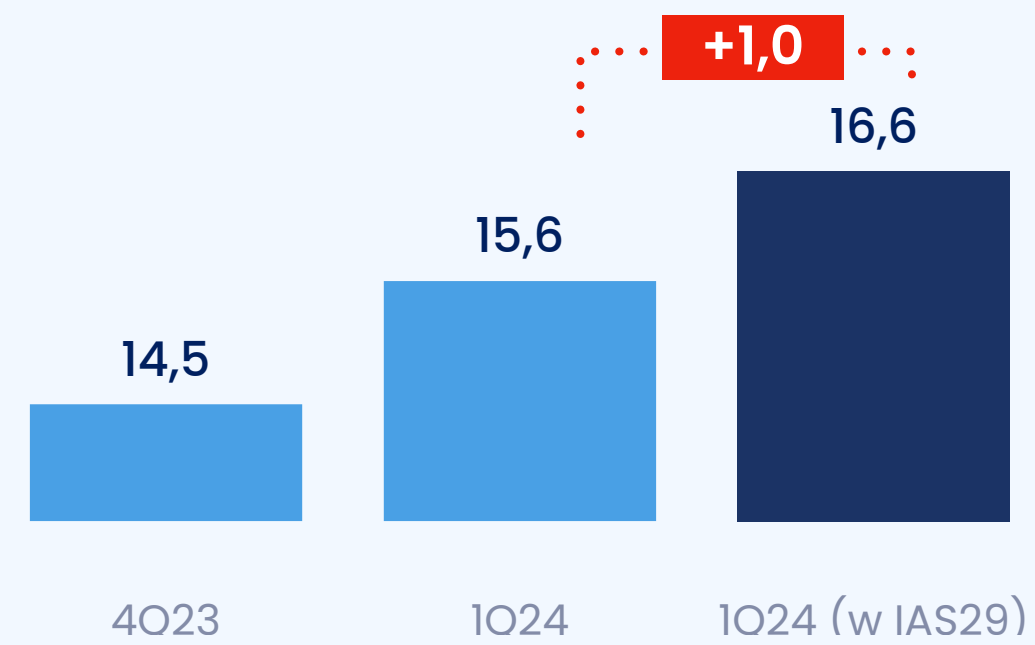


TRY mn	Q1'23	Q1'24	YoY Δ (%)
Sales	16,349	16,568	1%
Cost of sales	(17,937)	(16,681)	(7%)
Gross profit	(1,588)	(114)	%93
Gross profit %	(10%)	(1%)	-
Marketing and sales expenses	(306)	(273)	(11%)
General administrative expenses	(738)	(784)	6%
Operating profit	(2,631)	(1,170)	56%
Other income/ (expenses)	812	840	3%
Financial income	992	584	(41%)
Financial expenses	(1,966)	(2,807)	43%
Monetary gain / (loss)	(76)	3,705	4957%
Profit before tax	(2,869)	1,151	140%
Income tax	(27)	-	(100%)
Deferred tax	(454)	(318)	30%
Net profit / (loss)	(3,349)	834	125%
Net profit %	(20%)	5%	-
Depreciation	1,246	1,172	(6%)
EBITDA	(1,450)	187	113%
EBITDA %	(9%)	1%	-

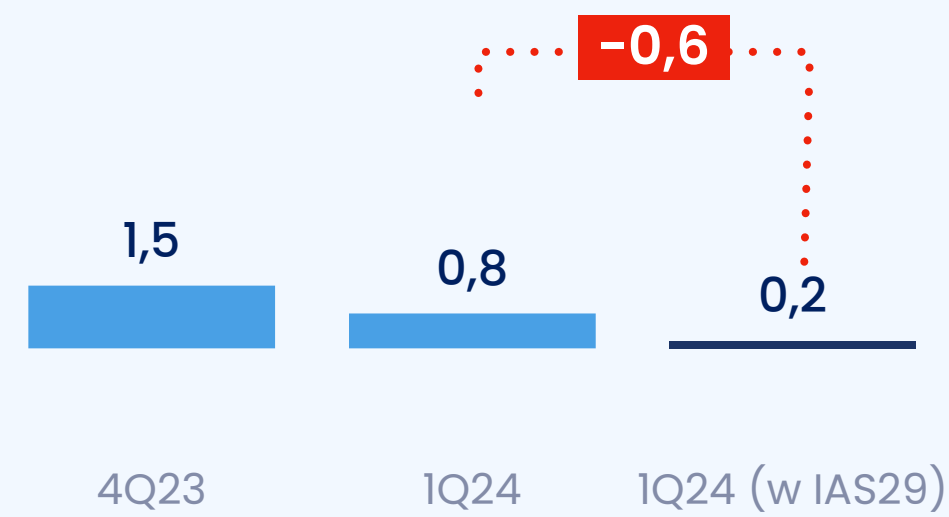


Impact of Inflation Accounting on Income Statement

Revenues
(TRY bn)

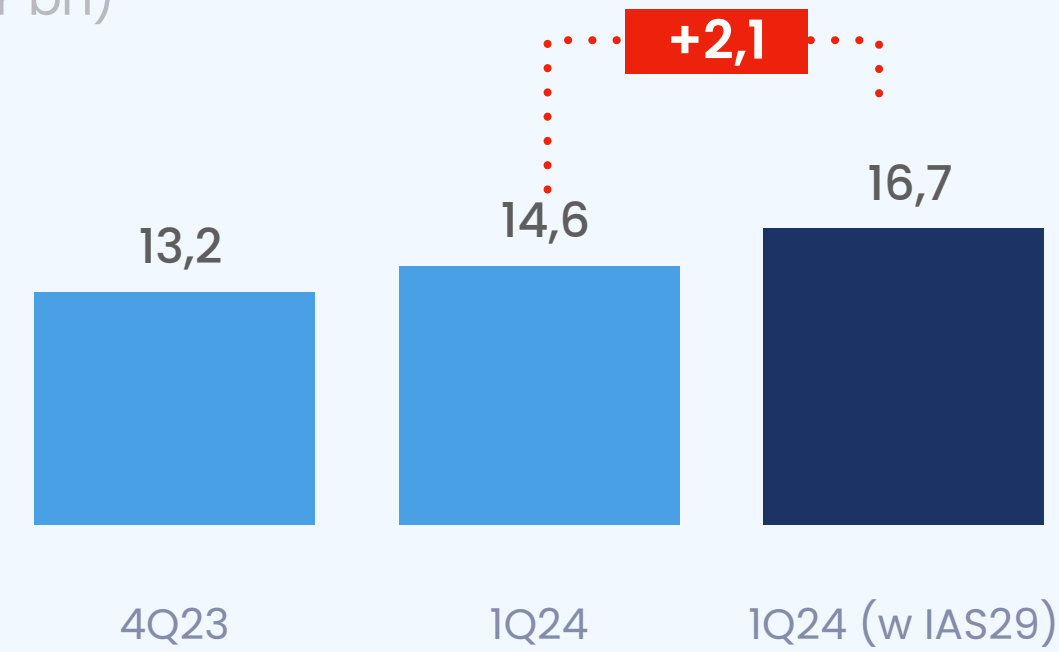


EBITDA
(TRY bn)



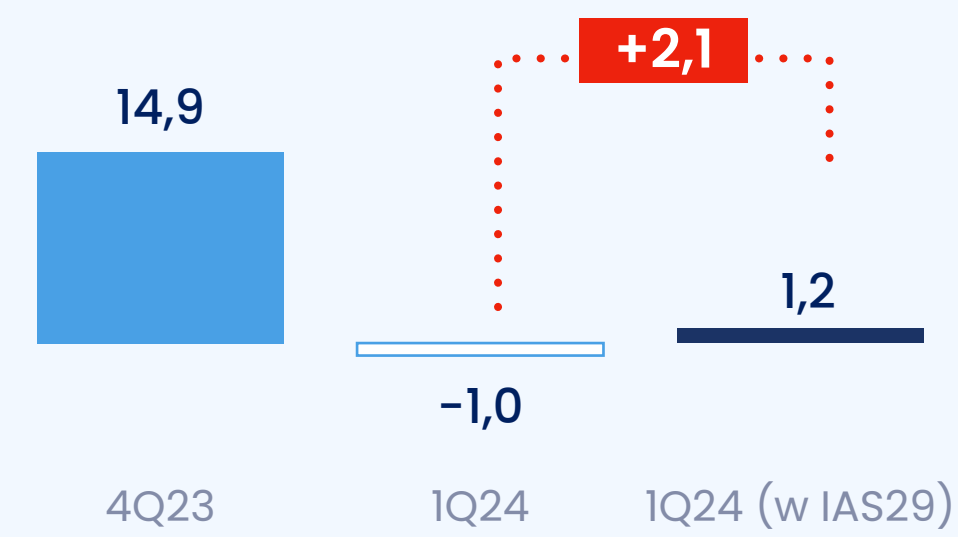
-TRY118mn OPEX

COGS
(TRY bn)



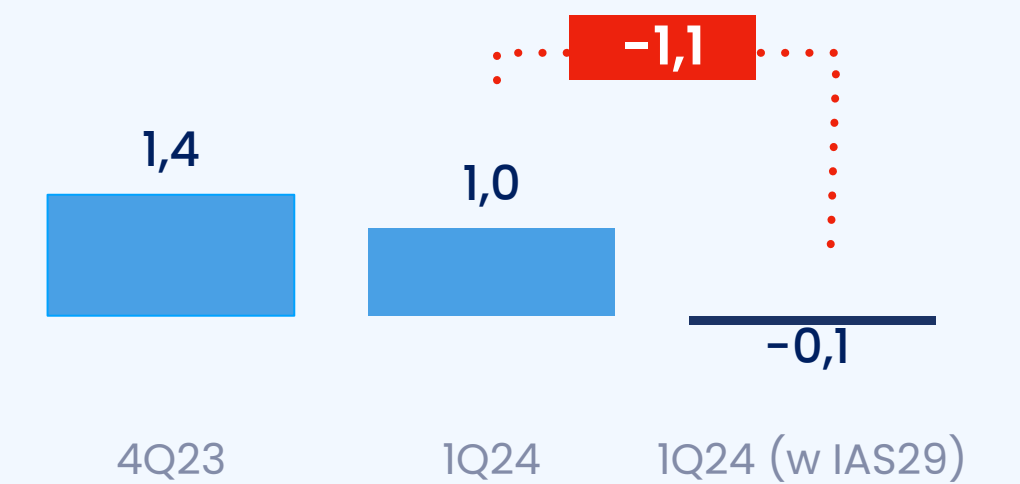
-TRY700mn depreciation

Profit Before Tax
(TRY bn)

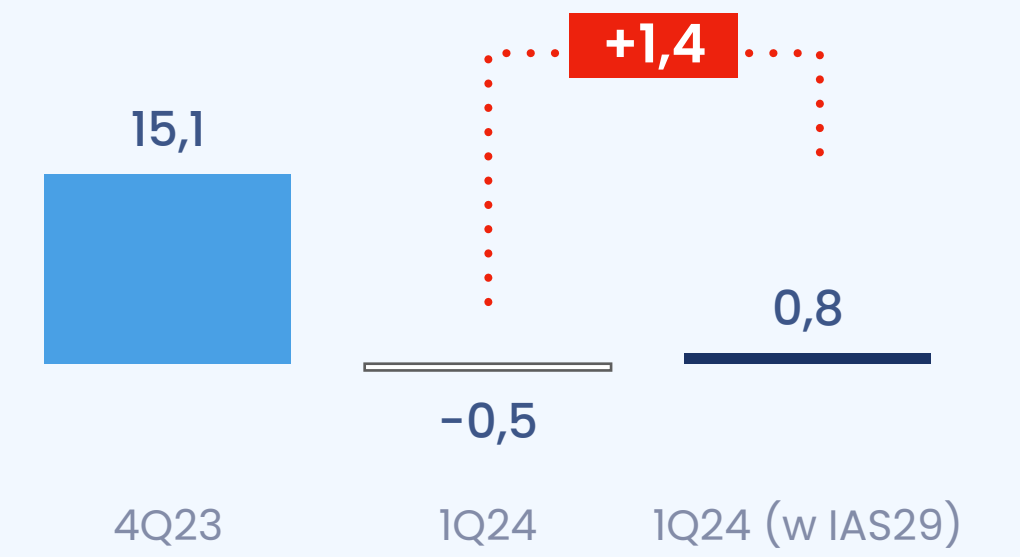


+TRY3,7bn monetary gain
-TRY156mn net financial expense

Gross Profit
(TRY bn)



Net Profit
(TRY bn)



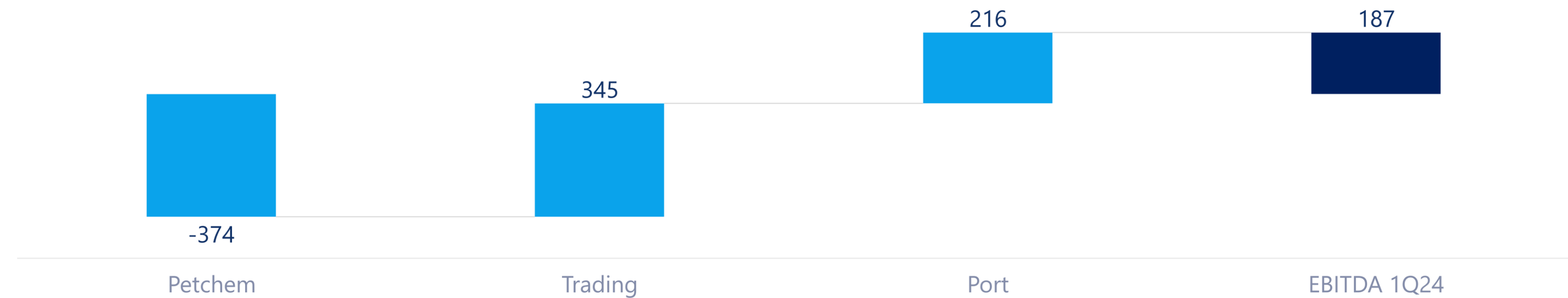
-TRY750mn deferred tax

*IAS 29 is not applied to these figures

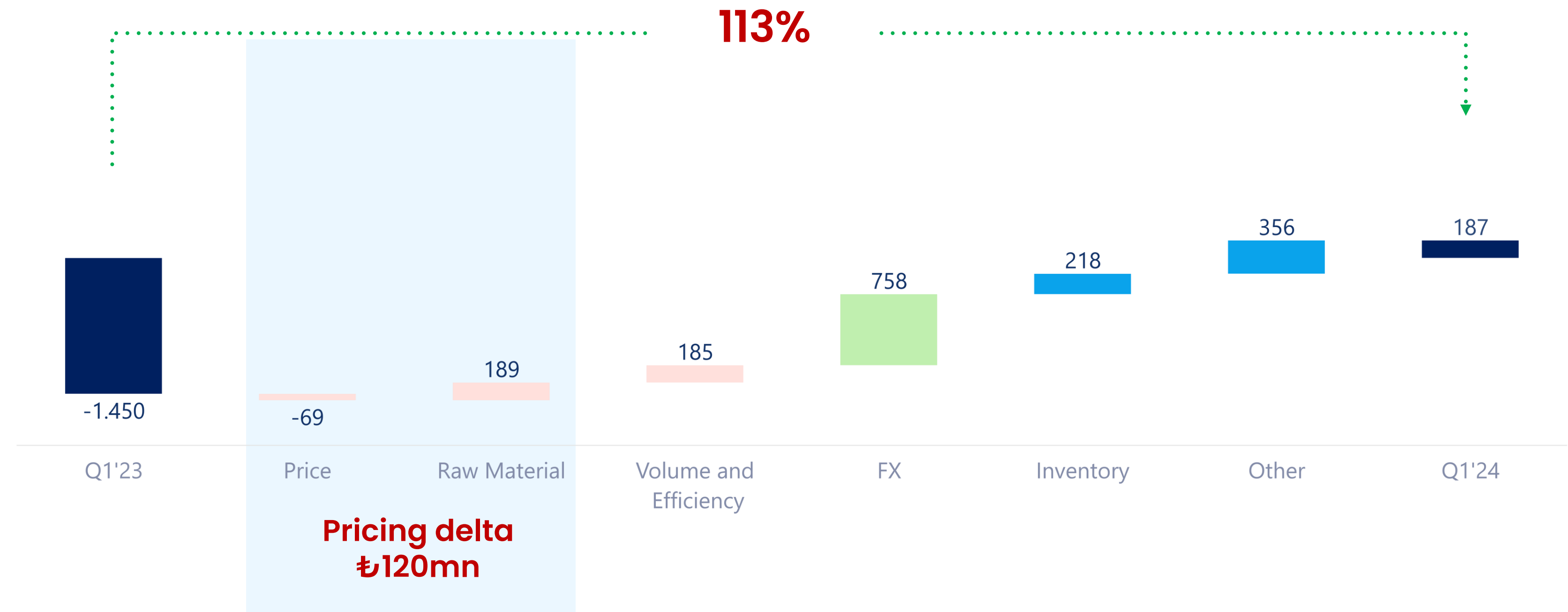


Petkim's Naturally Currency Hedged Position Led to an Improvement in YoY EBITDA

Q124
segments'
results
(TRY mn)



Yearly
change in
EBITDA
(TRY mn)





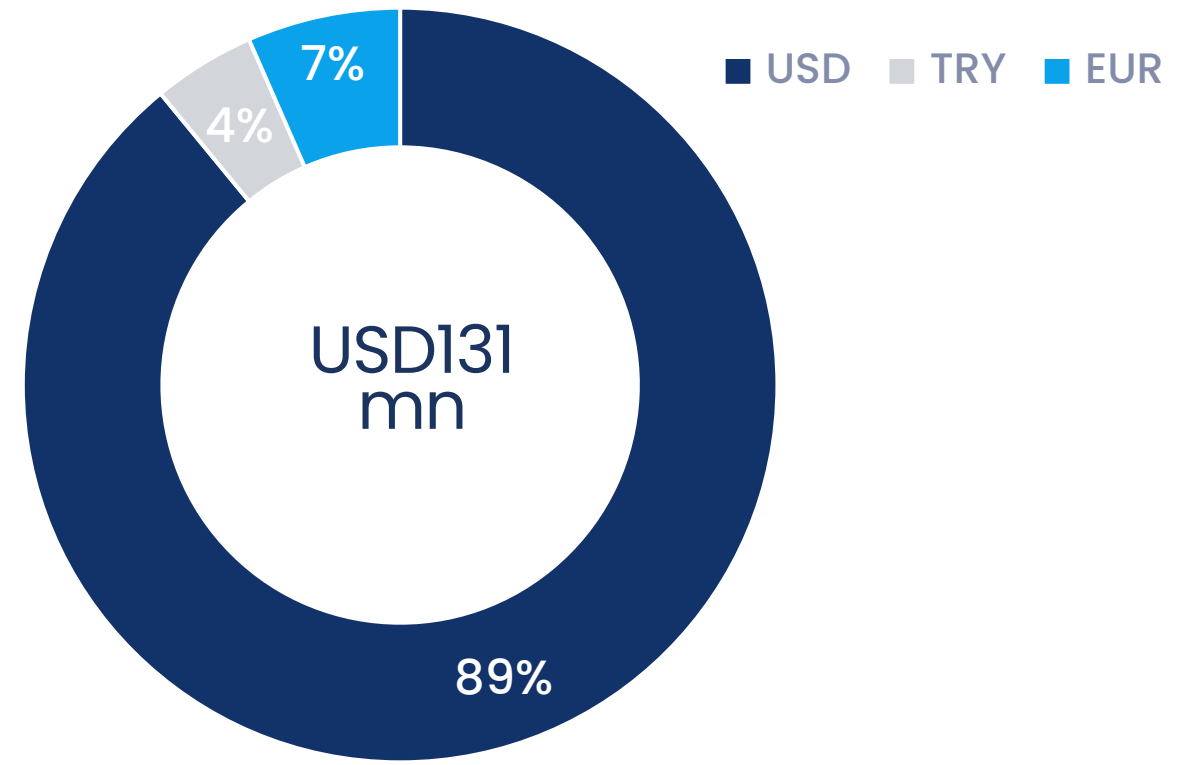
PETKIM 3M24

Balance Sheet

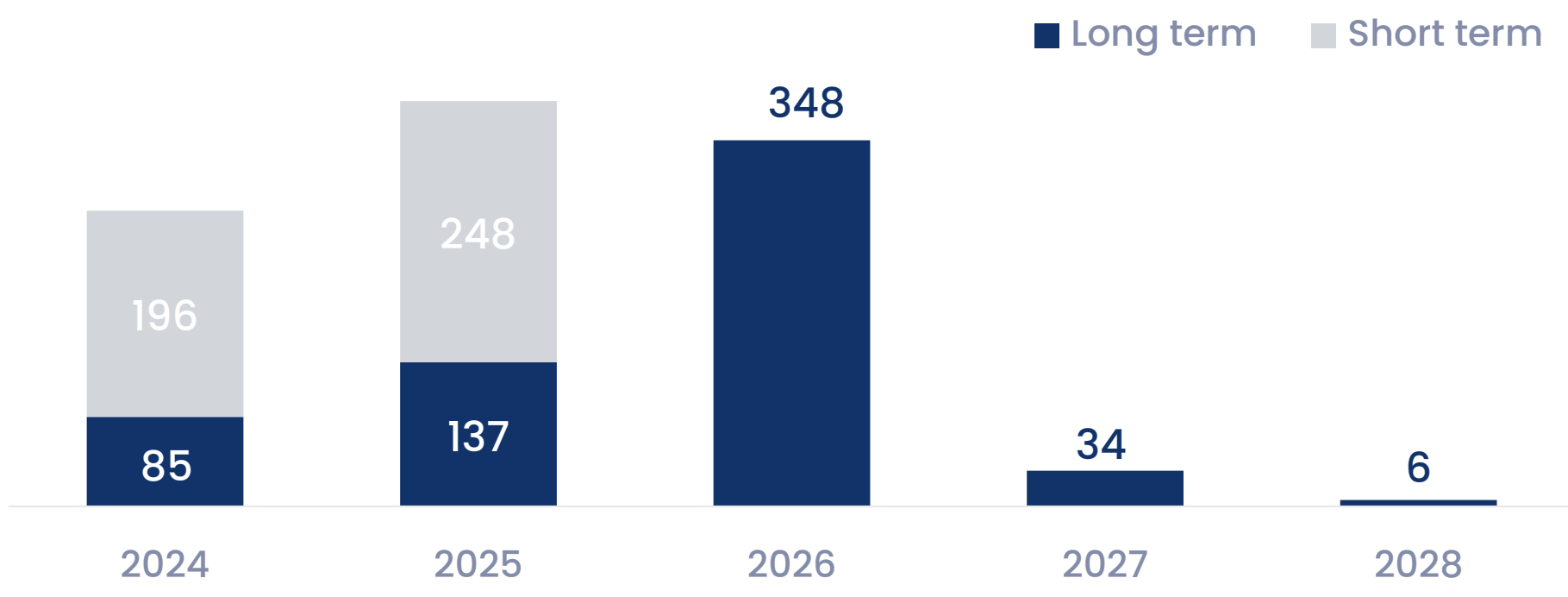
As values of non-monetary assets and liabilities are indexed to inflation, the largest impact was realized on inventories, fixed assets, right of use assets, share capital and retained earnings

TRY mn	12M'23	3M'24	QoQ Δ (%)
Cash and cash equivalents	4,648	4,226	(9%)
Trade receivable	8,683	8,890	2%
Inventory	7,066	5,948	(16%)
Other receivables	141	96	(32%)
Other current assets	2,859	2,690	(6%)
Current assets	23,397	21,849	(7%)
Non current assets	86,823	85,251	(2%)
Total assets	110,220	107,101	(3%)
Short term borrowings	19,407	20,410	21%
Trade payables	9,501	7,747	(6%)
Other payables	1,875	2,070	10%
Current liabilities	30,783	30,227	(2%)
Long term borrowings	15,679	14,549	(7%)
Other non-current liabilities	4,629	4,892	6%
Shareholders' equity	59,129	57,433	(3%)
Total liabilities	110,220	107,101	(3%)

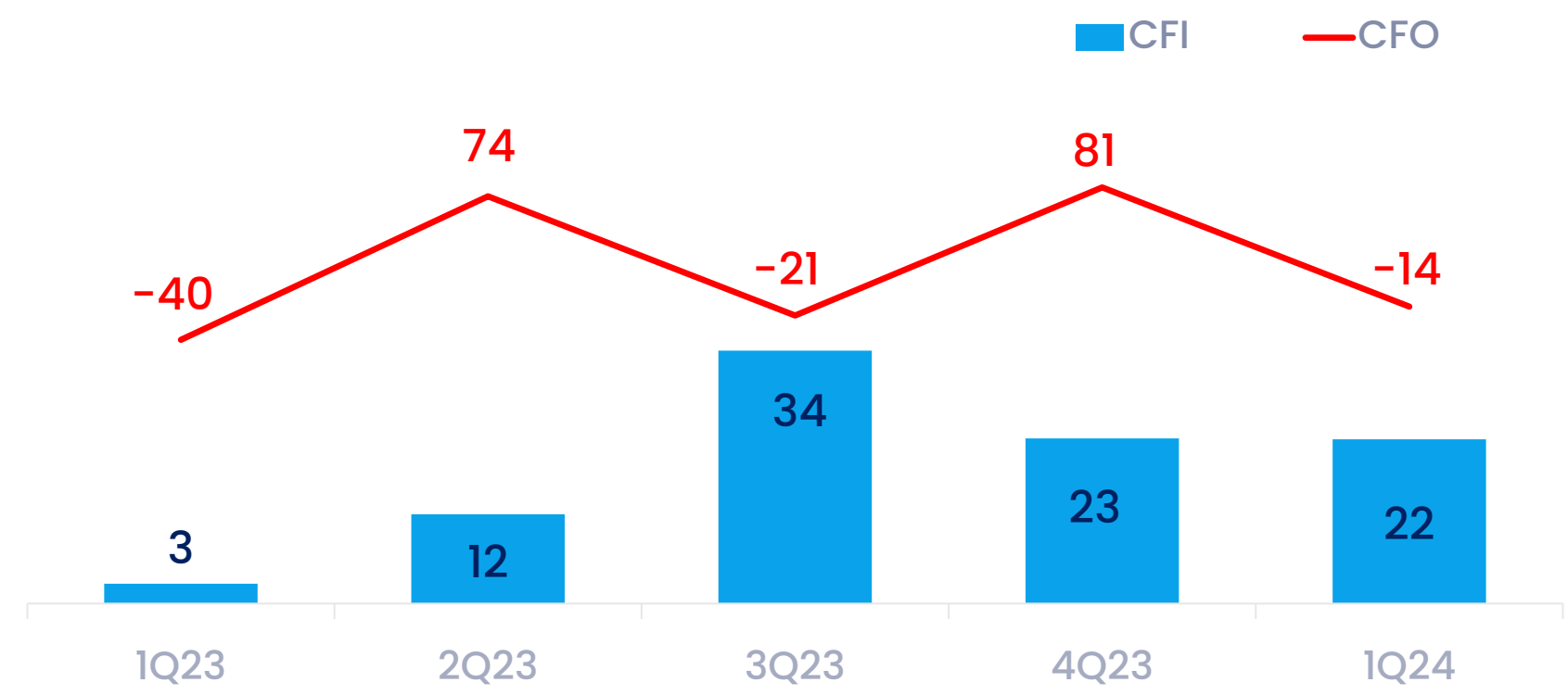
Liquidity Highlights



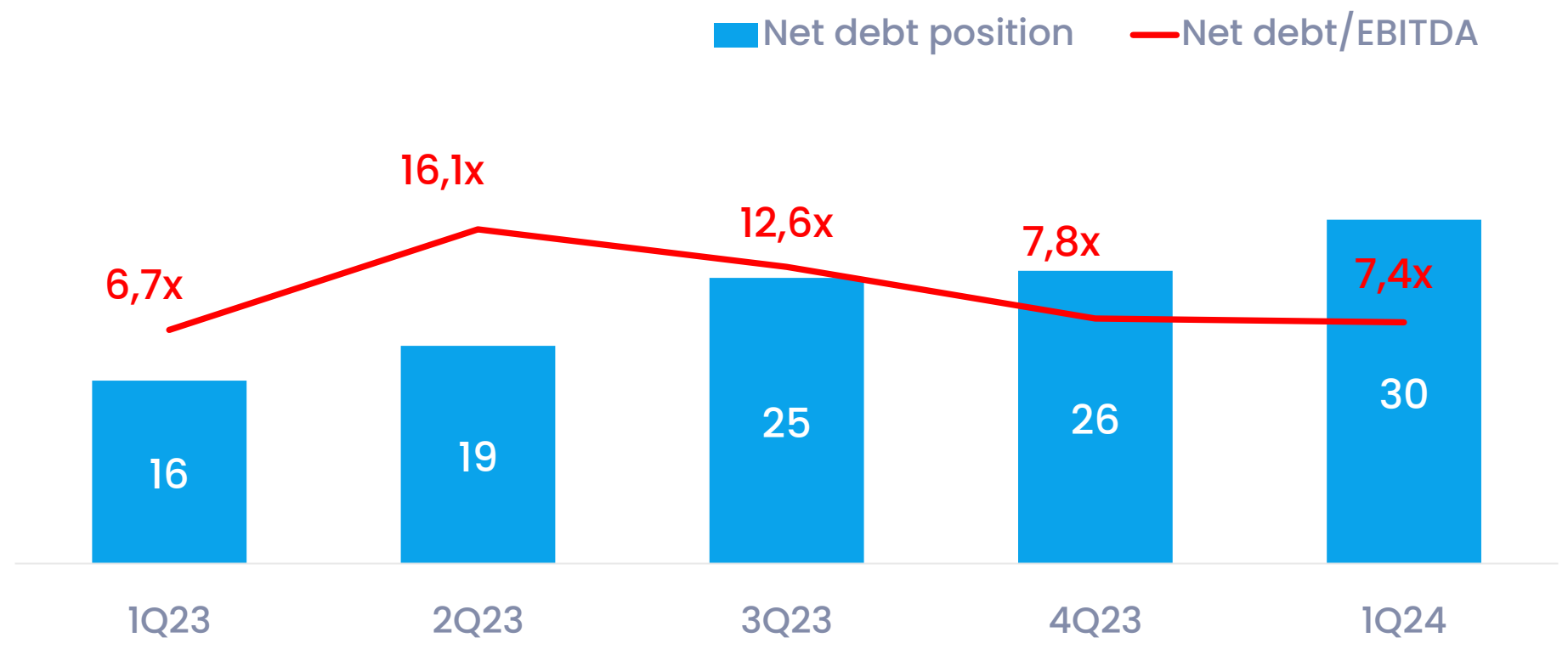
Maturity profile (USD mn)



Cash flow from operations and investment activities* (USD mn)



Net debt position* (TRY bn)



*IAS 29 is not applied to these figures



STAR REFINERY

 **PETKİM**  **SOCAR**



STAR Refinery Operating and Financial Highlights

Q1 2024 Figures

Capacity utilization
113%

Crude processed (yearly)
13mn tons

Product sales
3mn tons

Domestic sales
42%



+ STAR Refinery completed the quarter with a net income of USD181mn, particularly with a positive net income impact in 1Q2024

USD (mn)	Q4 2023	Q1 2024
Revenue	2.483	2.274
Net income	935	181
Net debt	1.148	1.001

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

SUSTAINABILITY & ESG



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

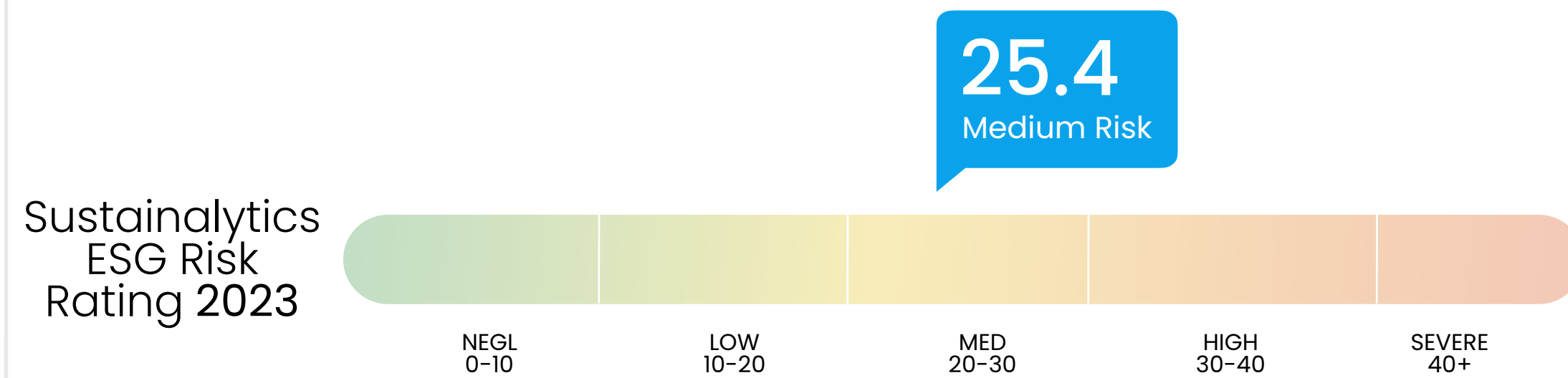
Invest in plastic recycling to be one of the leading companies in Türkiye recycling industry capacity



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's ESG Risk Rating Score is 25.4



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



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SUPPORTING SLIDES

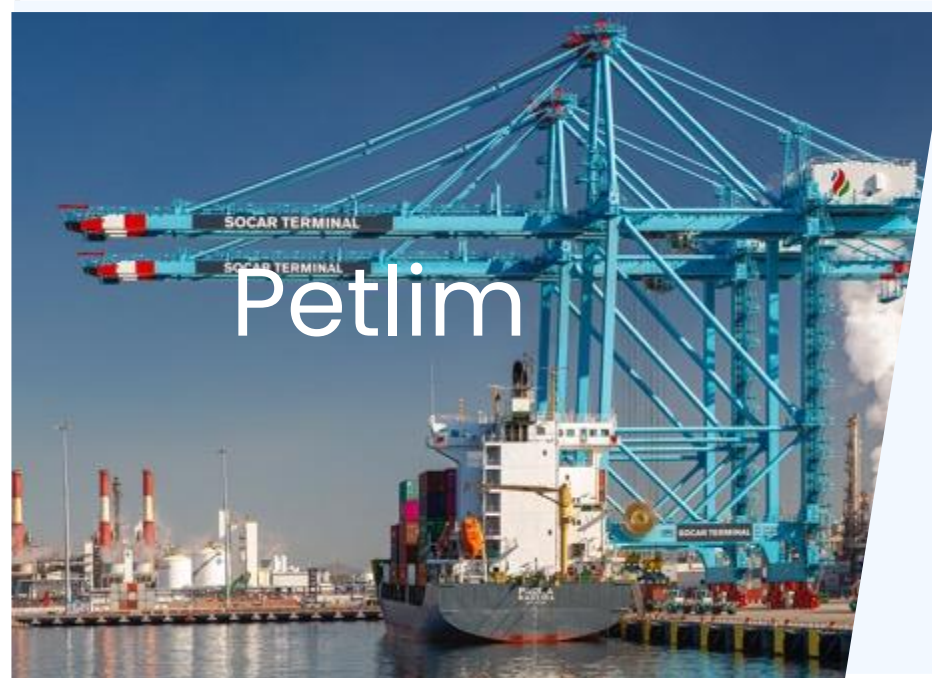


Diversified Business Profile Through Ancillary Infrastructure **Energy Investments**



STAR
Refinery

- ◉ 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



Petlim

- ◉ 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



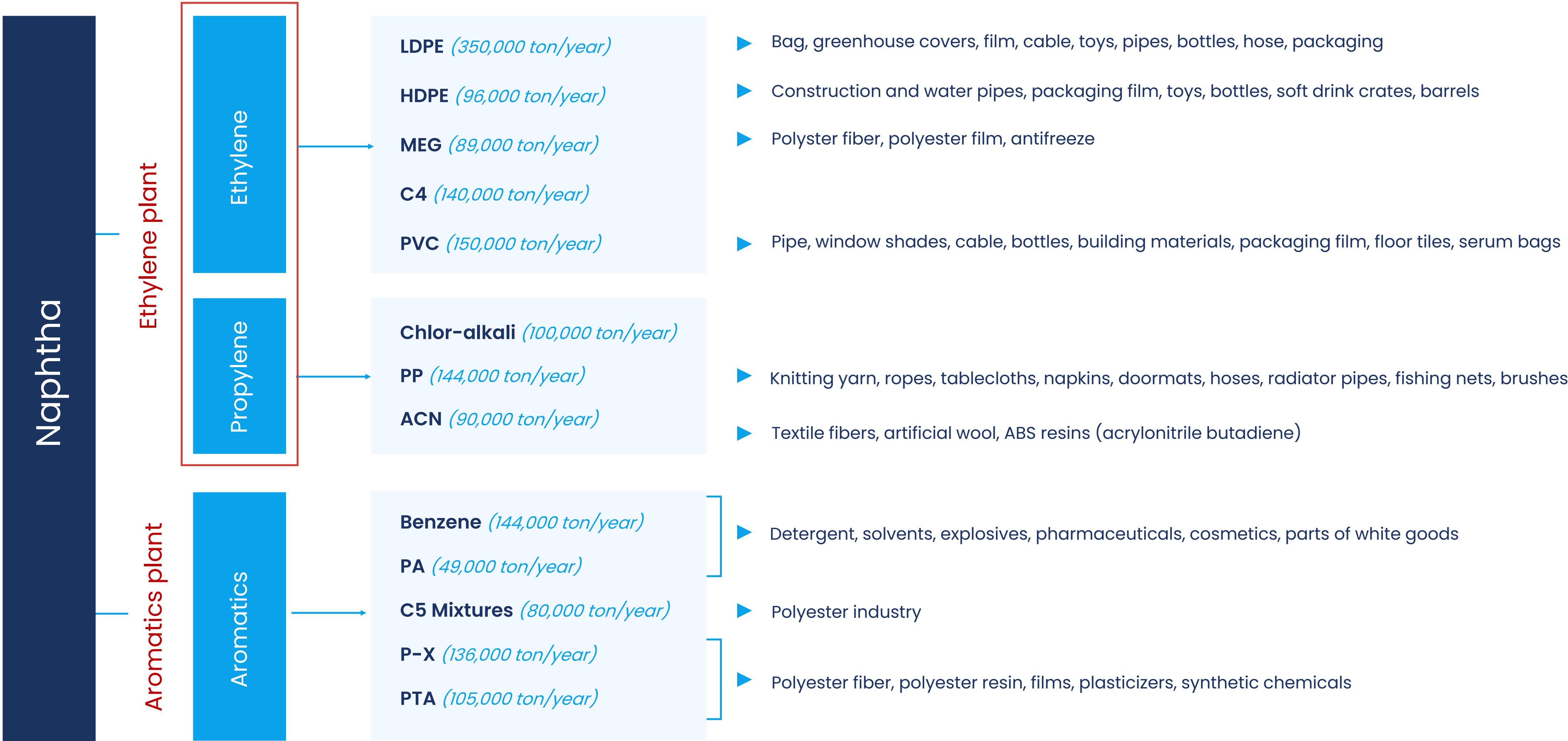
Windfarm

- ◉ 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



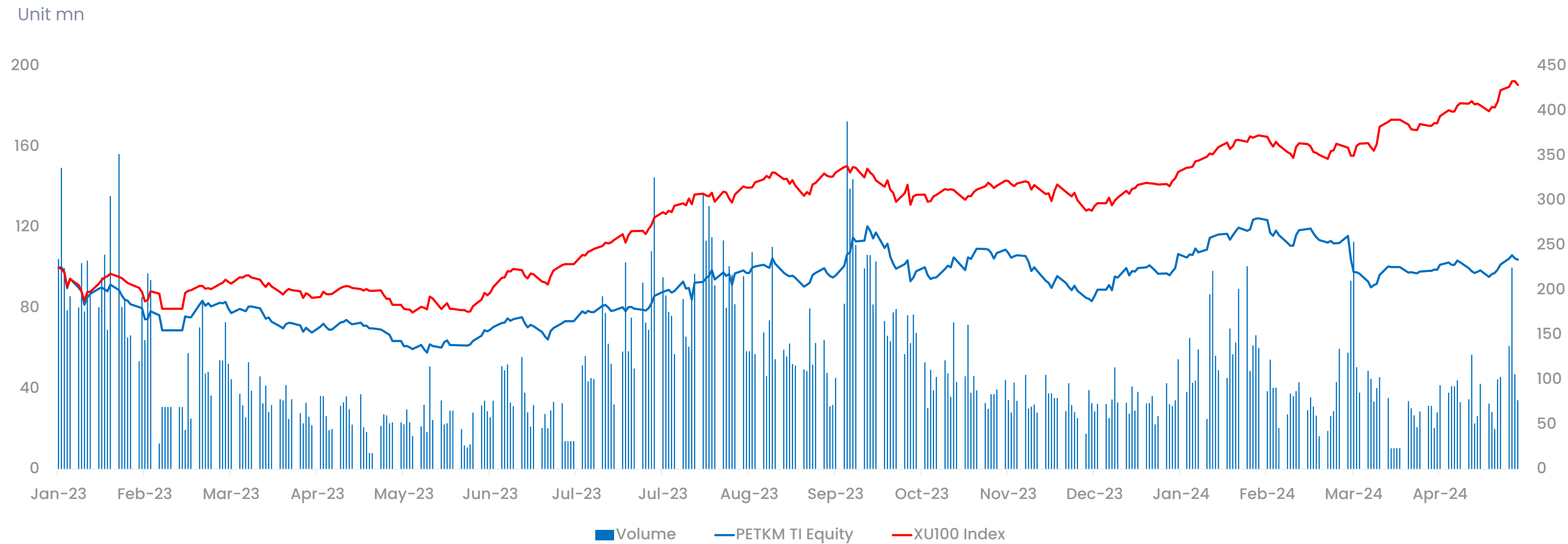
Petrochemical Complex Flow Chart

Petkim has fully integrated operations





PETKIM Stock Performance



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

₺21,24 / \$0,66

Market capitalization
(TRY mn) / (USD mn)

₺53,831 / \$1,672

Free float
(%)

49.0%

*As the date of 23 May 2024

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The Capital Markets Board, with its Bulletin dated 28.12.2023 and numbered 2023/81, announced to the public that issuers subject to financial reporting regulations and capital market institutions must prepare their annual financial statements ending on 31.12.2023 and thereafter in accordance with IAS29 inflation accounting.

As of March 31, 2024, in accordance with the adjustments required by IAS 29, financial statements prepared in a hyperinflationary currency must be presented in the purchasing power of the currency as of the balance sheet date, and amounts from previous periods must be similarly restated.

The indexing process used the coefficient derived from the Consumer Price Index (CPI) published by the Turkish Statistical Institute (TUIK). Figures from previous reporting periods have been restated using the general price index to ensure that comparative financial statements are presented in the measurement unit valid at the end of the current reporting period. Information for previous periods is also shown in the measurement unit valid at the end of the reporting period.

Additionally, some items in our financials are presented without inflation adjustment for informational purposes, to provide our investors with a consistent and comprehensive overview of previous periods. These unaudited figures are clearly marked where applicable. All other financial figures are reported in accordance with IAS 29.

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