




Q3 2023 Earnings Presentation

 **Koc** | 25 October 2023

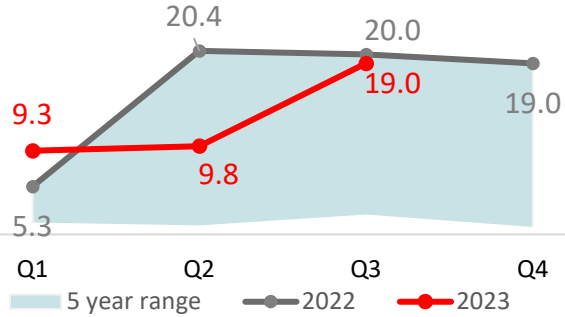
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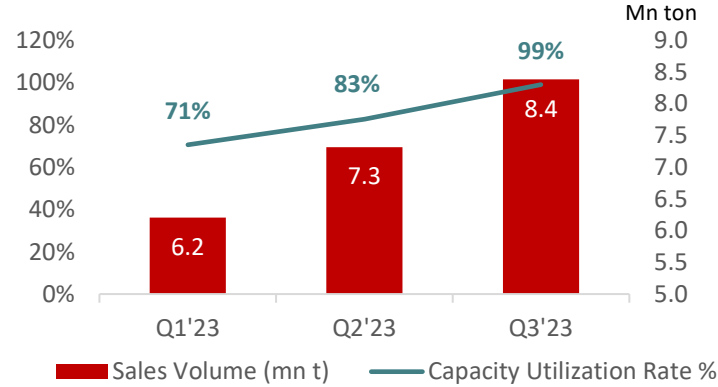
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Q3 2023 – Tüpraş Highlights

Net Refining Margin (\$/bbl)



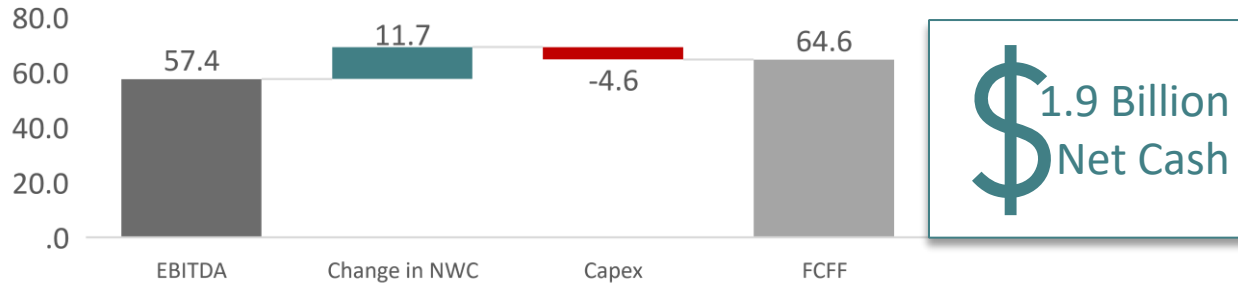
Sales Volume & Capacity Utilization



Strongest Quarter of 2023 with High Utilization Rate and Favourable Net Refining Margin

- Highest quarterly net refining margin was achieved this year with strong crack performance and strong capacity utilization rate
- Seasonally high sales volume further supported the profitability

Free Cash Flow (bn TL)



Strong Free Cash Flow Generation

- Strong Free Cash Flow generation was mainly attributable to solid operational performance and net working capital management.



Expanding Zero Carbon Electricity Portfolio

- 12.6 MW capacity in Kırıkkale Refinery, 5 MW capacity in Batman Refinery have become online
- Installations for 16.7 MW capacity in Kırıkkale are ongoing
- 54.8 MW of approved capacity is at planning phase
- Applications made for 51 MW of capacity

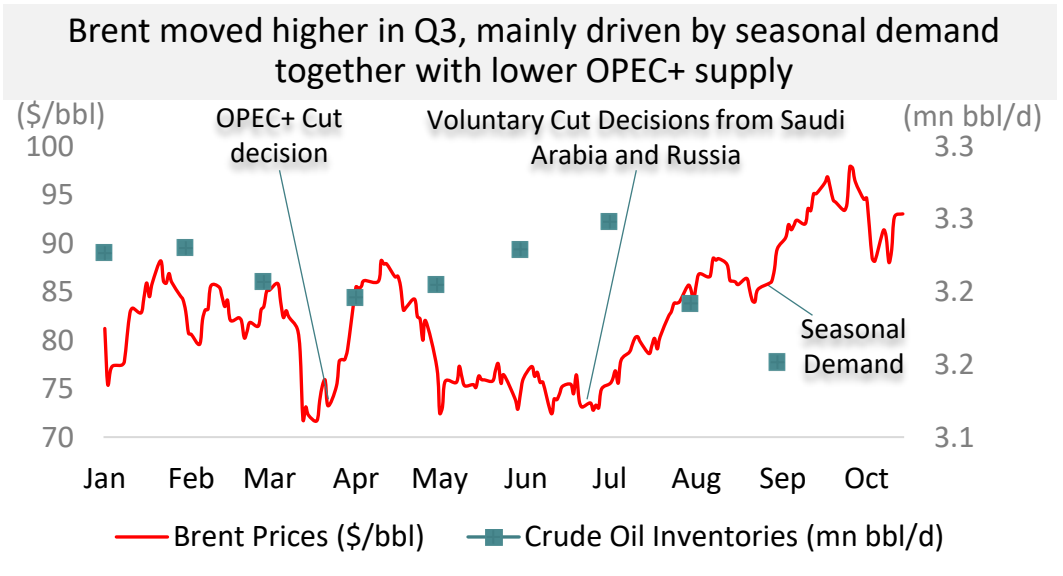




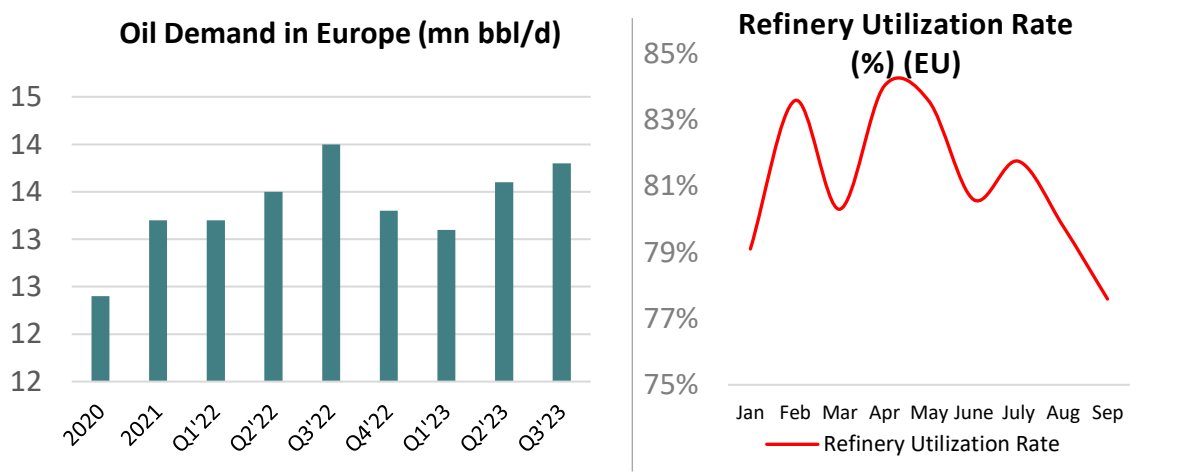
Market

Q3 2023 – Key Market Highlights

Global Oil Market

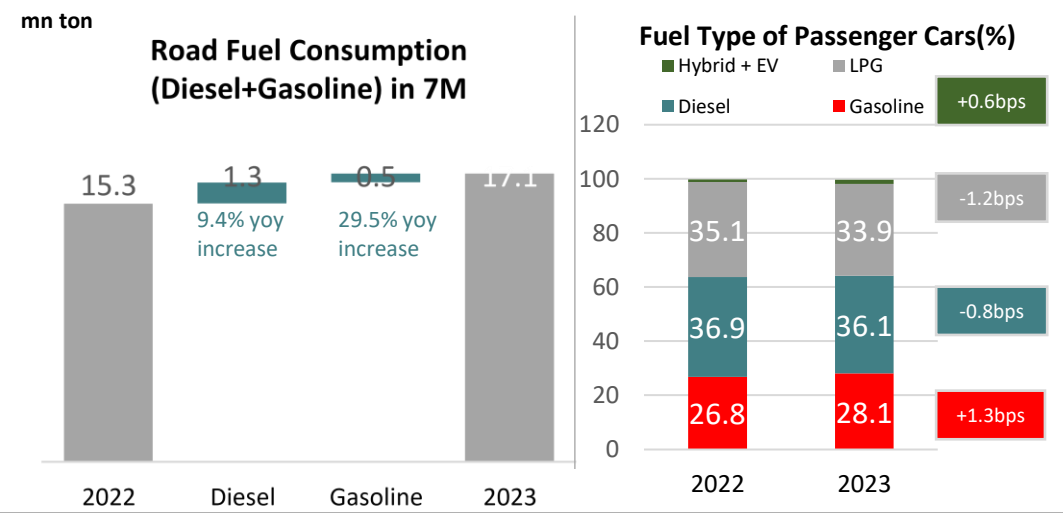


In Q3, EU refinery utilization rates hit its lowest point in 2023 while oil demand in Europe increased

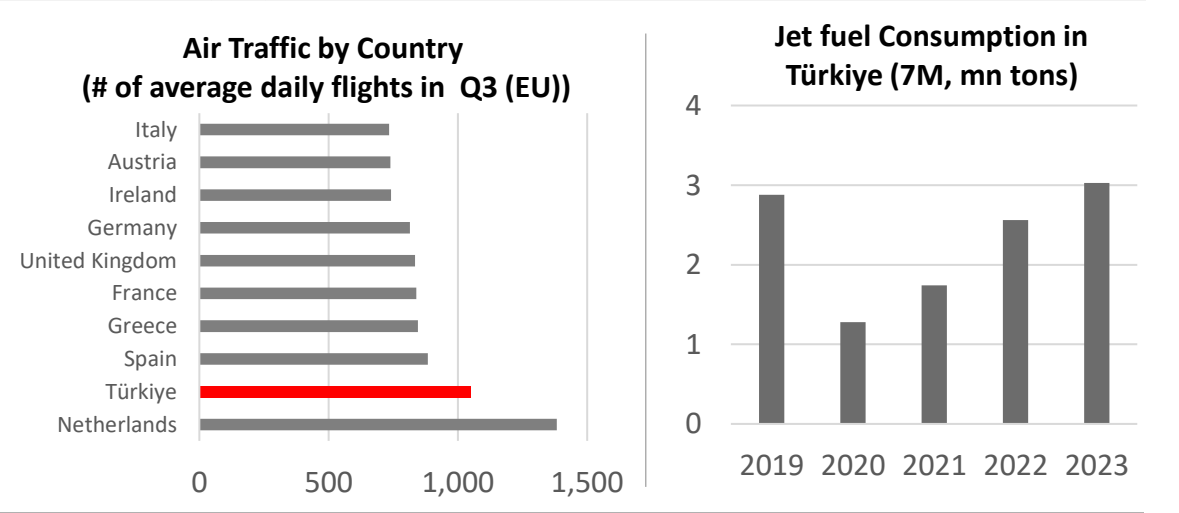


Turkish Market

Road fuel consumption increased by 12% yoy in Jan-July, as gasoline continues to increase its share in total consumption

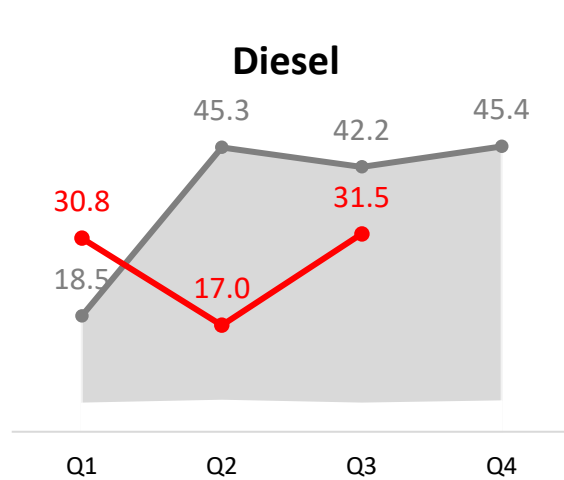


Highest jet fuel consumption was seen in July since Aug'19. Türkiye was among top 10 countries in terms of air traffic numbers in Q3

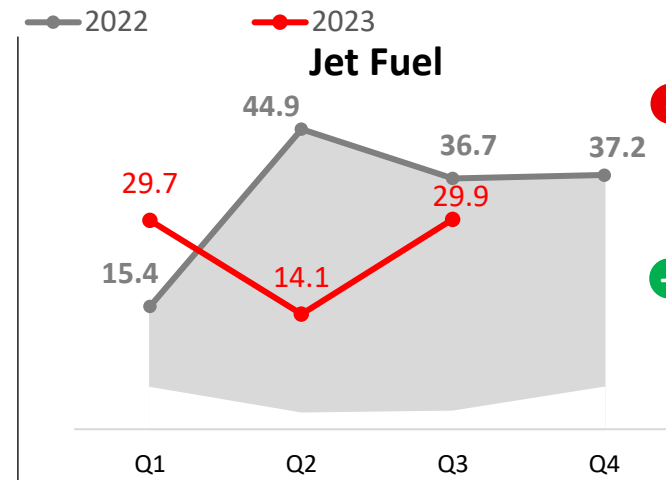


Quarterly Crack Margin Comparison (\$/bbl)

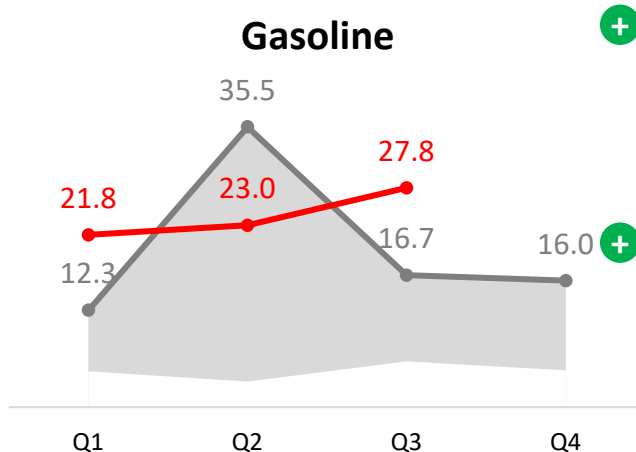
Better seasonal dynamics were supportive for cracks in Q3, as mid-distillates kept weaker year on year while gasoline and HSFO improved



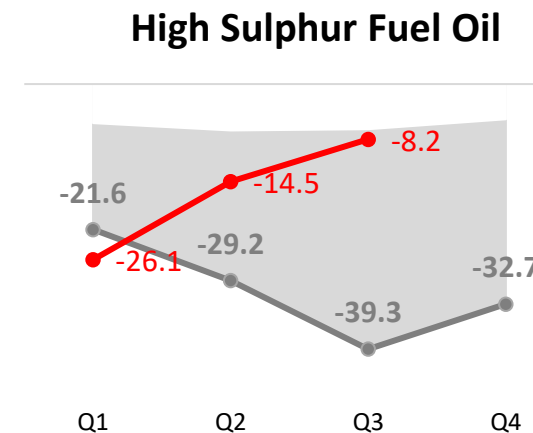
- Diesel cracks were lower compared to last year's as cracks were elevated with higher energy costs back then.
- + Lower diesel production in Europe in a seasonally high demand environment were supportive for cracks in Q3



- Jet fuel cracks moved in line with mid-distillate pool and kept lower year on year
- + Seasonal peak in jet fuel demand in Europe and increased air traffic in China were supportive for cracks



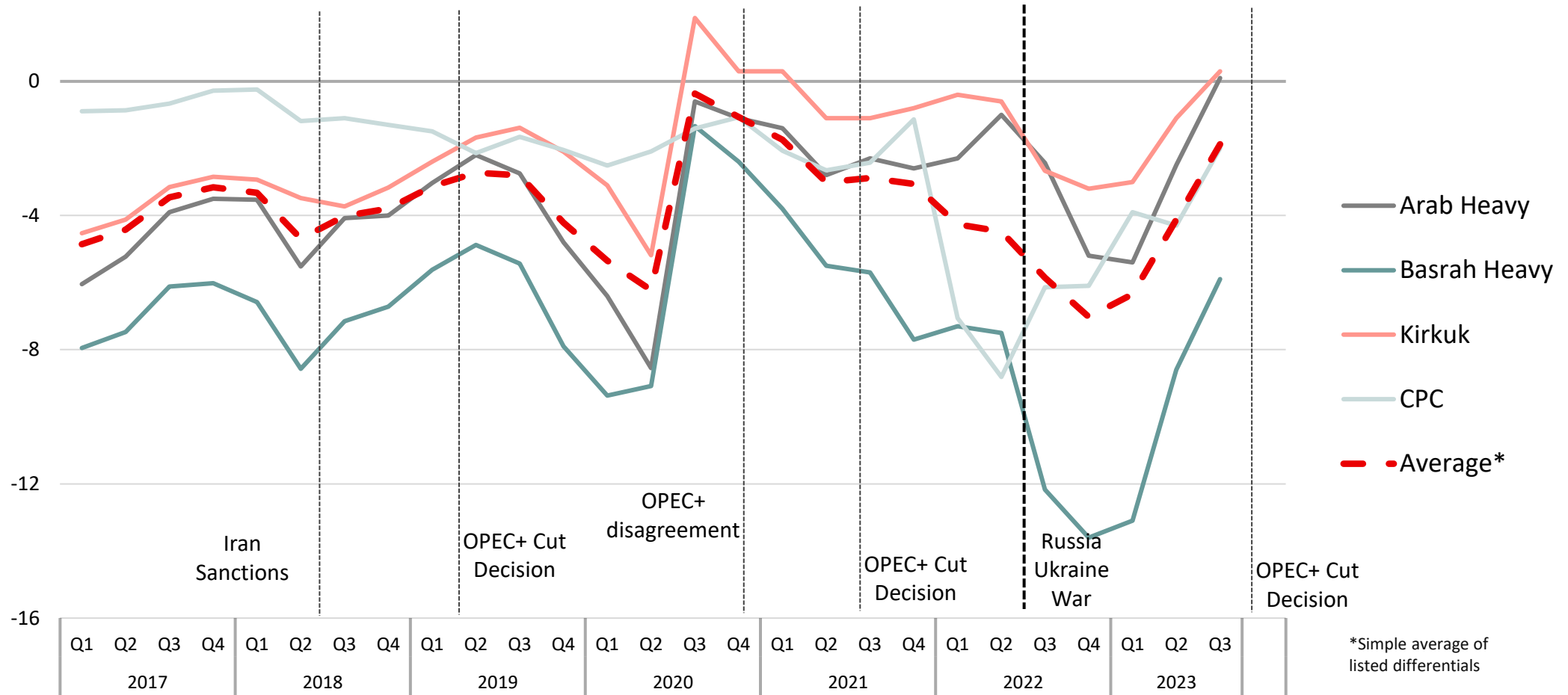
- + Switching into summer grade, gasoline cracks were higher with healthy demand during high season
- + Last year's low base effect was due to faltering demand in US



- + HSFO cracks improved year on year with OPEC's cut decision and strong feedstock demand from U.S. and Asian refineries

Heavy Crude Price Differentials to Brent (\$/bbl)

Differentials narrowed in Q3 following OPEC+'s cut decision. Basrah Heavy continued to provide wider discounts compared to the rest of the slate.



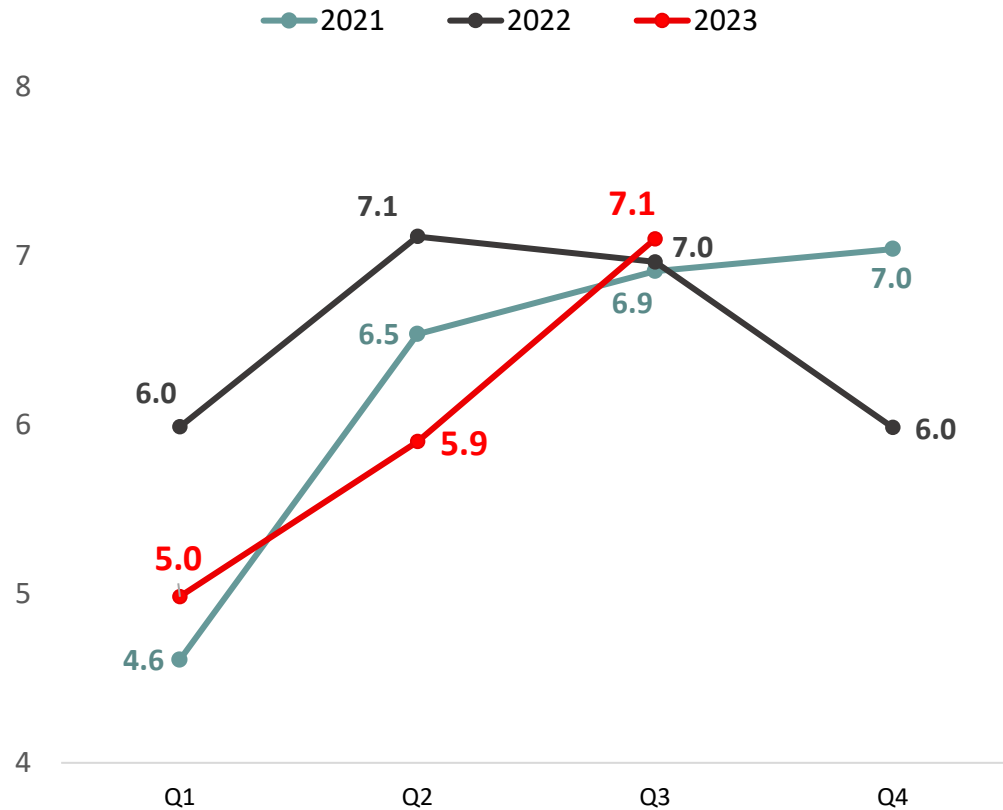


Operations

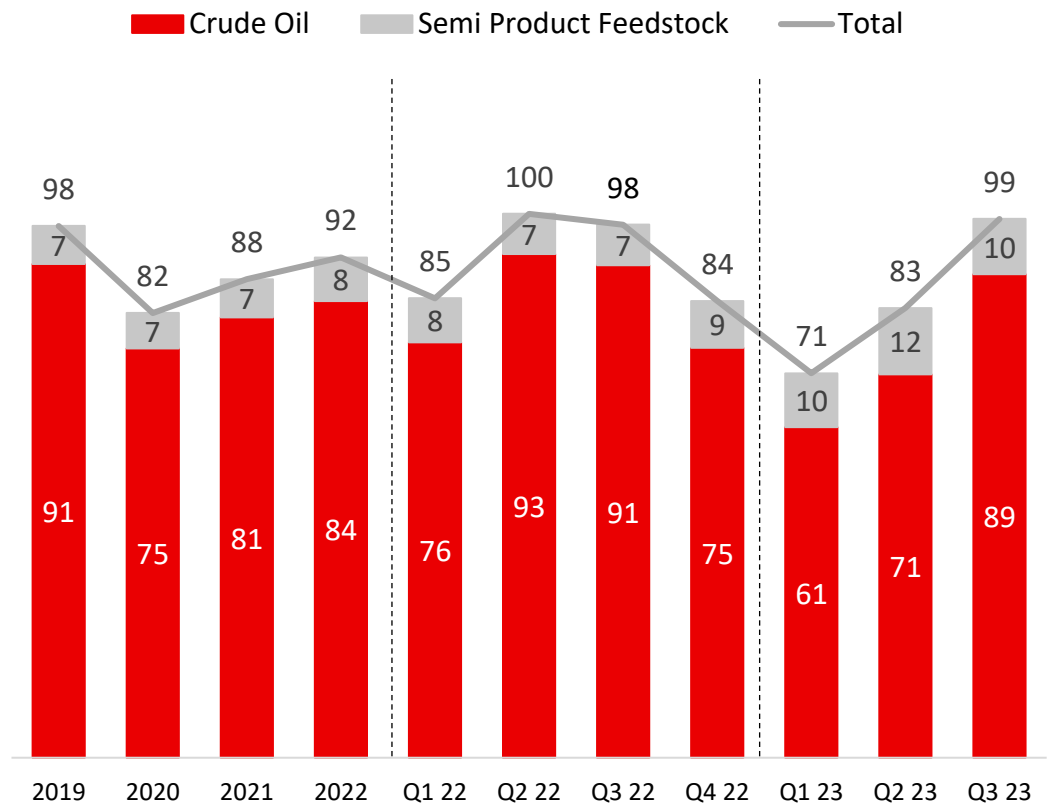
Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 7.1 million tons in Q3 2023.
- Capacity utilization for Q3 2023 reached 99% with completed maintenances

Quarterly Production (Million Tons)



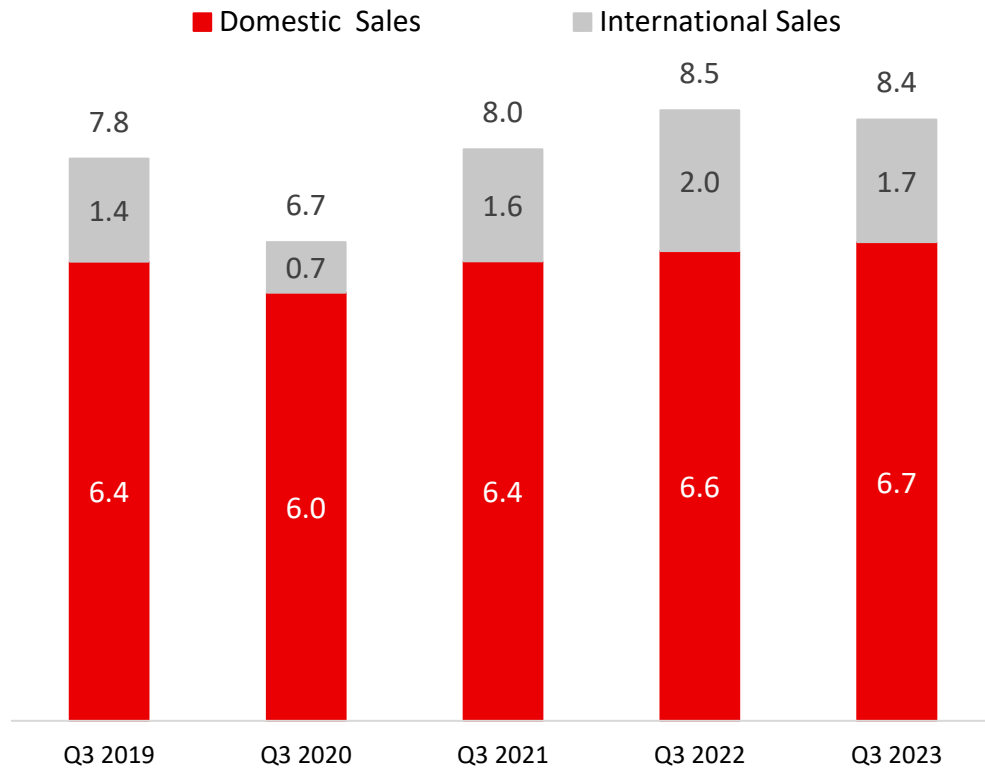
Capacity Utilization (%)



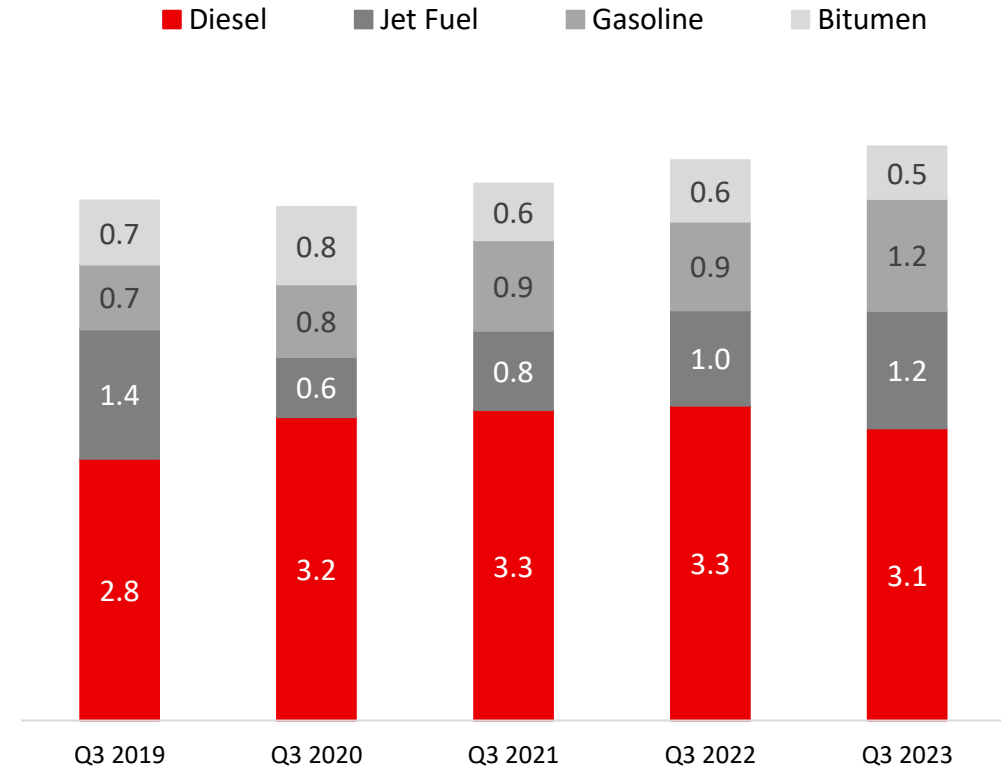
Product Sales in Q3 2023 (Million Tons)

- Tüpraş generated 8.4 million tons of sales in Q3 2023.
- Domestic sales were up by 2% year on year in Q3 2023 with higher gasoline and jet fuel sales.

Total Product Sales

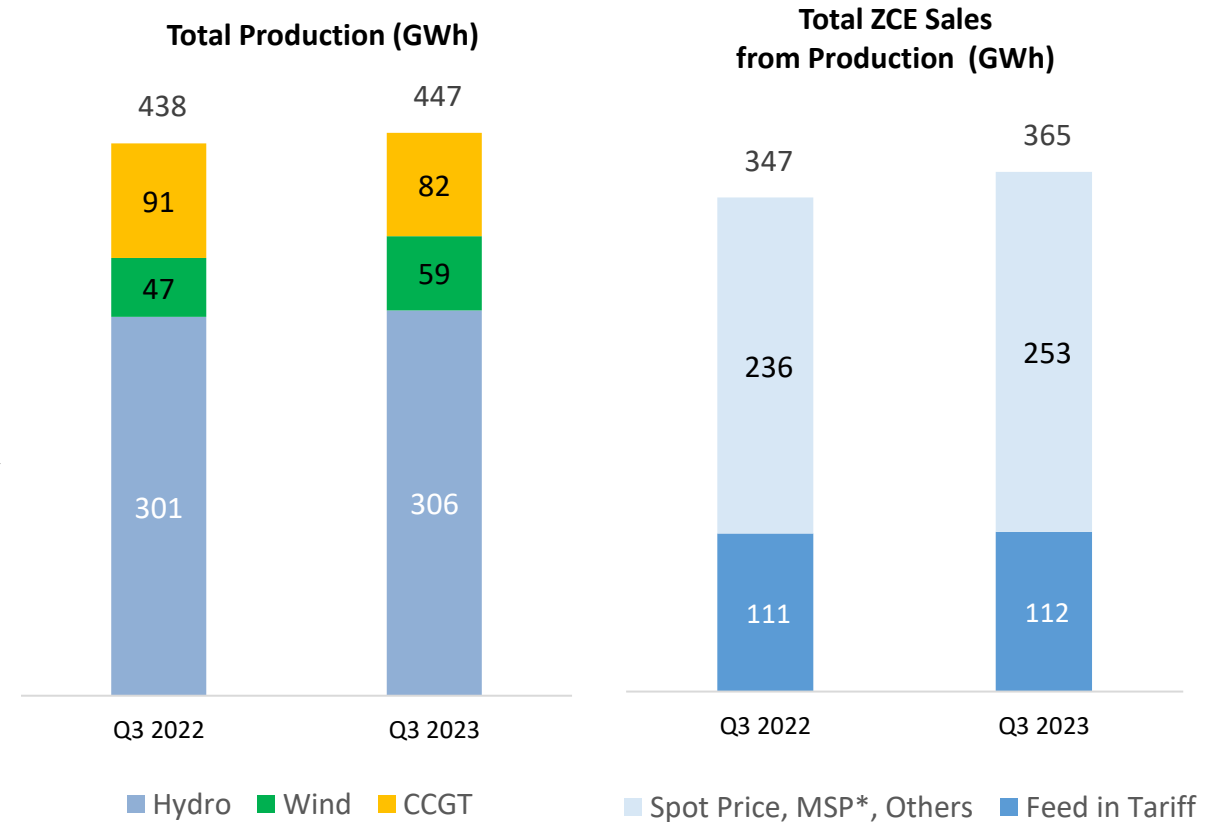
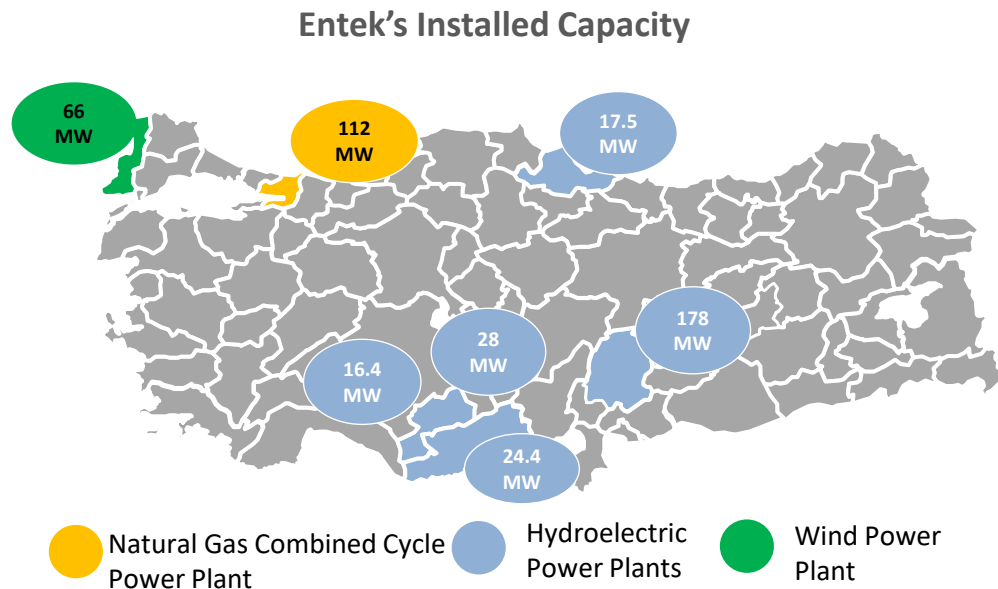


Domestic Sales of Selected Products



Electricity Production & Sales in Q3 2023

- Entek generated 447 GWh electricity in Q3 2023.
- Total Zero Carbon Electricity (ZCE) sales from production increased by 5% y-o-y in Q3 2023





Financials

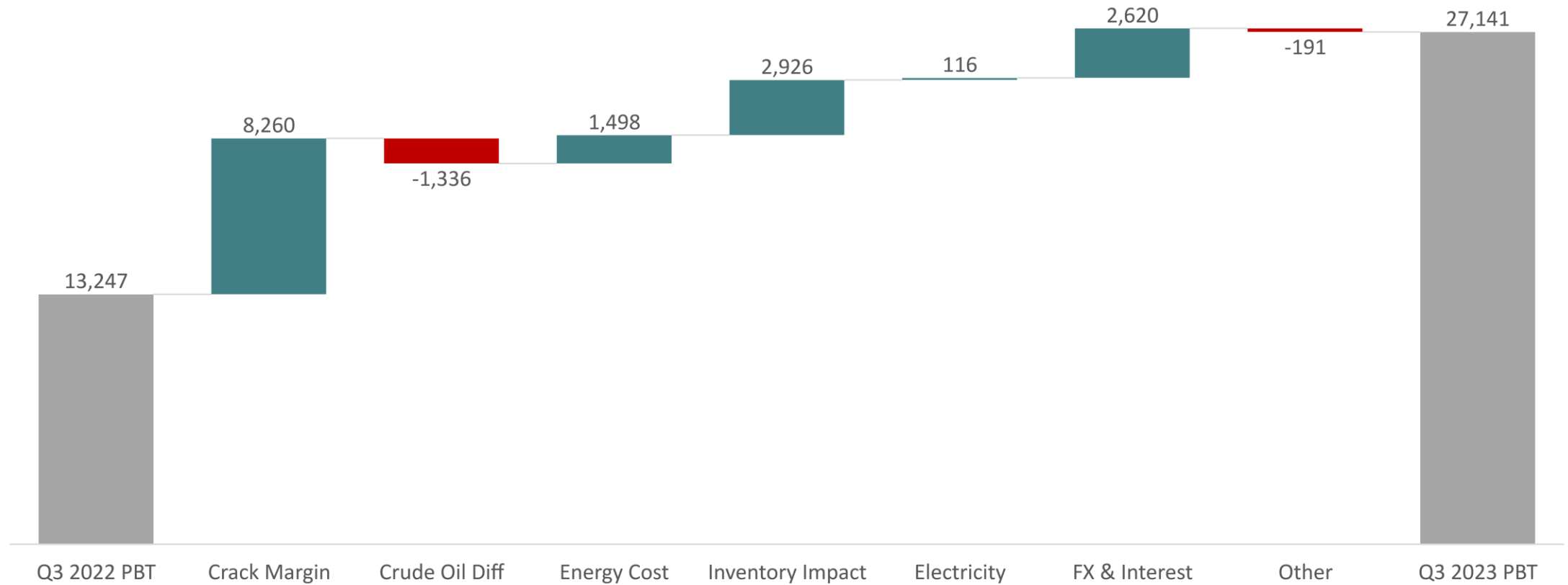
Income Statement (Million TL)

Million TL	Q3 2023	Q3 2022	%	9M 2023	9M 2022	%
Net Sales	185.137	150.609	23%	382.369	365.739	5%
COGS	-152.334	-131.111	-16%	-318.095	-322.428	1%
Gross Profit	32.803	19.498	68%	64.274	43.311	48%
Operating Expenses	-3.752	-1.989	-89%	-8.601	-5.150	-67%
Income/Loss from other operations	-2.161	-3.775	43%	-9.190	-8.836	-4%
Operating Profit	26.890	13.734	96%	46.483	29.325	59%
Inc./Loss from Equity pick ups	1.007	310	225%	1.545	677	128%
Operating Profit Before Fin. Income/Loss	27.897	14.043	99%	48.028	30.001	60%
Financial Income /Expense	-756	-796	5%	-3.664	-4.242	14%
Profit Before Tax	27.141	13.247	105%	44.365	25.759	72%
Net Profit (excluding minority interest)	21.306	11.554	84%	35.272	23.456	50%
EBITDA *(mn. TL)	30.096	17.766	69%	57.436	39.221	46%
Inventory Gain/Loss (mn. TL)	3.342	416	703%	7.975	7.450	7%
EBITDA* (mn. TL) CCS	26.753	17.350	54%	49.460	31.771	56%

Profit Before Tax Bridge (Q3 2022 – Q3 2023)

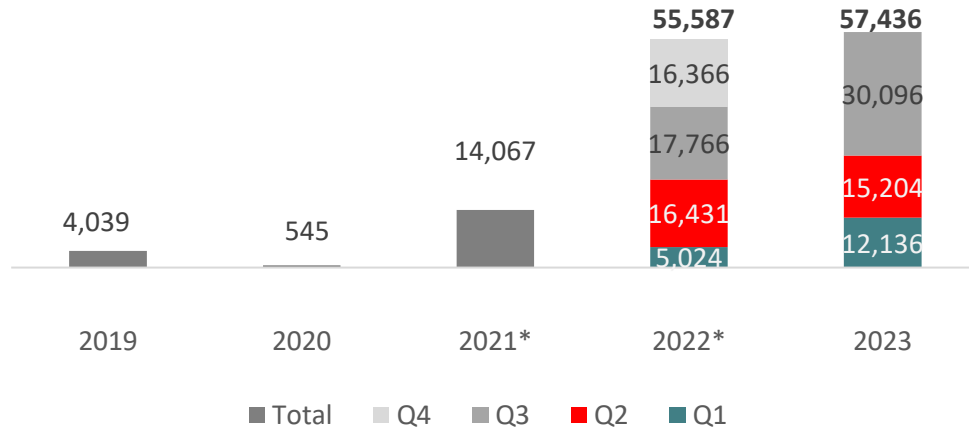
Strong cracks, higher inventory and positive net fx & interest impact boosted PBT, while differentials were relatively weak

Million TL

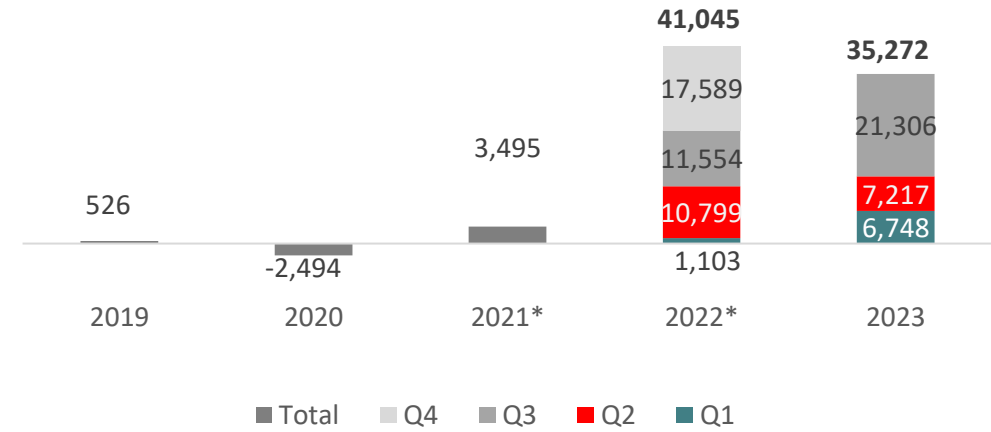


Financial Highlights

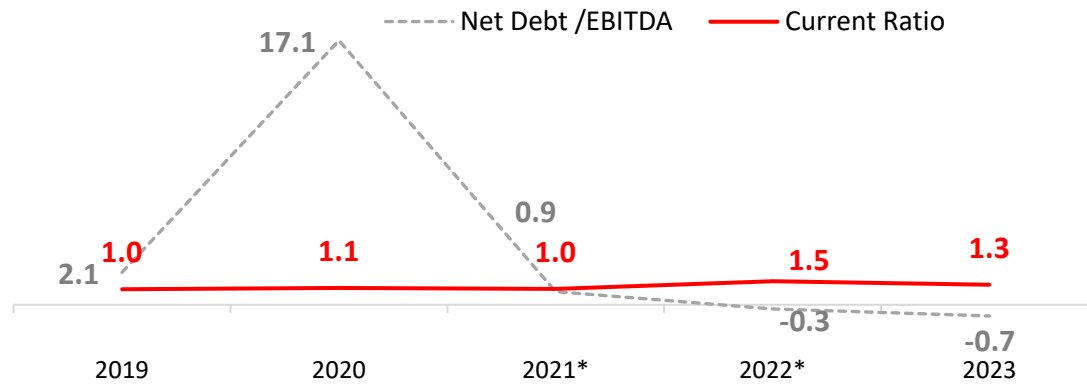
EBITDA (mn TL)



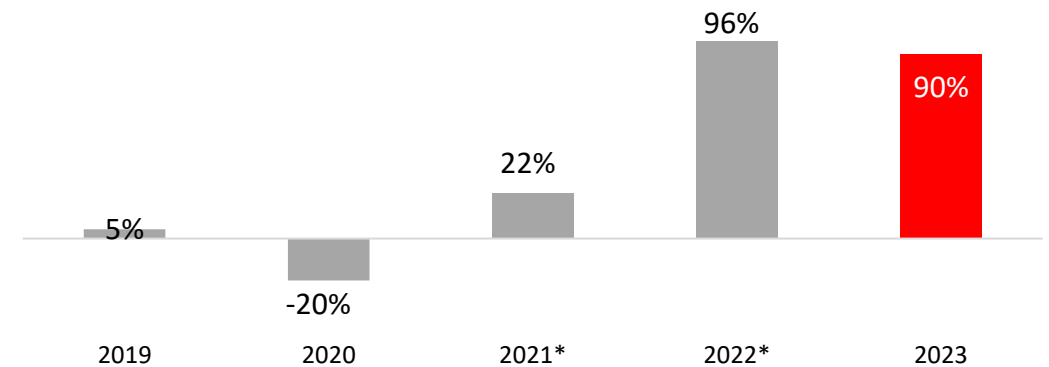
Net Income¹ (mn TL)



Current Ratio & Net Debt / EBITDA

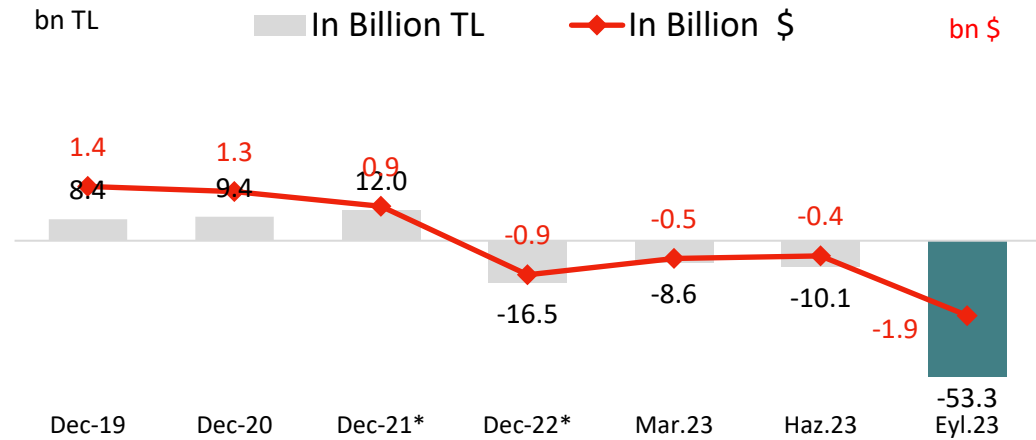


Return on Average Equity (%)

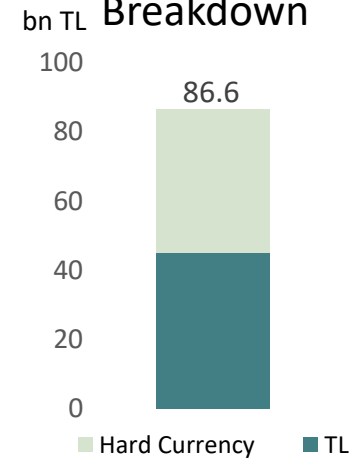


Balance Sheet Analysis

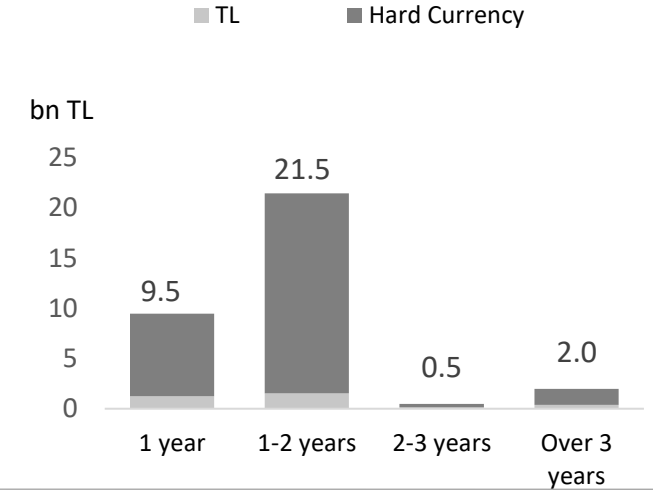
Net Debt/Cash



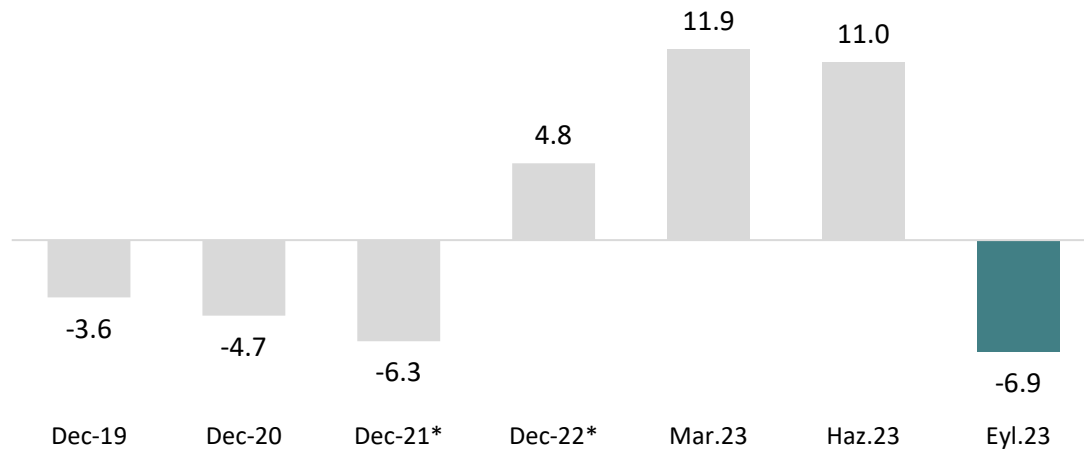
Cash Currency Breakdown



Redemption Schedule



Working Capital Requirement (Billion TL)



Financial Management

- Working Capital Requirement turned into negative with less volatility in prices and better inventory turnover
- Net cash position continued with strong operating cashflow generation.



Outlook for 2023

2023 Refinery Maintenance Schedule

Refinery	Unit	Starting Quarter	Duration (weeks)	Purpose	Planned
Batman	Crude Oil & Vacuum	Q1	7	Seasonal	Completed
	Crude Oil & Vacuum	Q4	9		Planned
İzmir	FCC	Q1	7	Revamp	Completed
	Crude Oil, Vacuum, CCR, Isom.	Q1	9		Completed
	Lube Complex	Q1	9		Completed
	Crude Oil , Vacuum	Q4	5	Periodic Maintenance	Postponed
	HYC	Q4	6		Postponed
İzmit	Crude Oil & Vacuum	Q1	7	Periodic Maintenance	Completed
	Desulphurizer	Q1	18		Completed
	CCR	Q1	9		Completed
	FCC	Q2	11	Opportunity Maintenance	Completed
Kırıkkale	Battery Shut Down	Q1	7	Periodic Maintenance	Completed

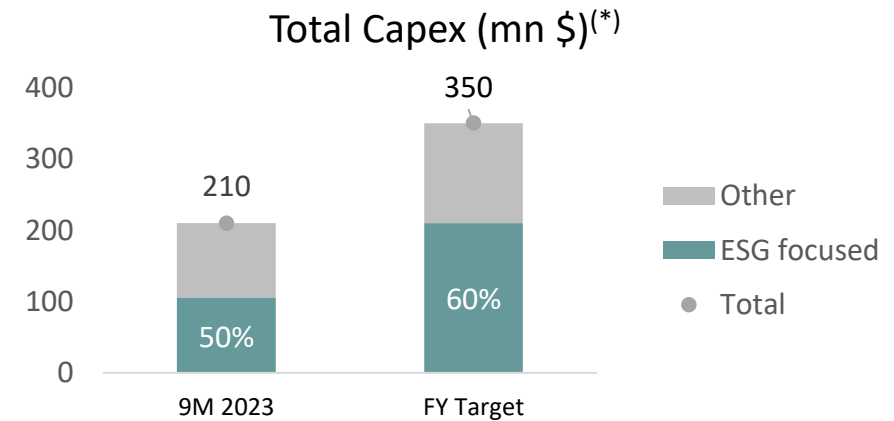
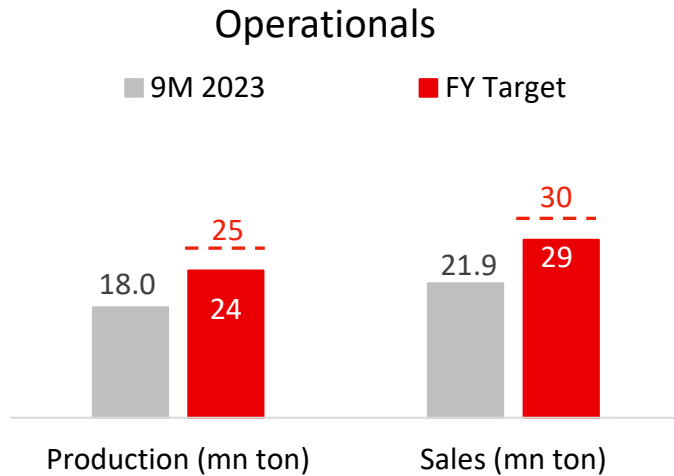
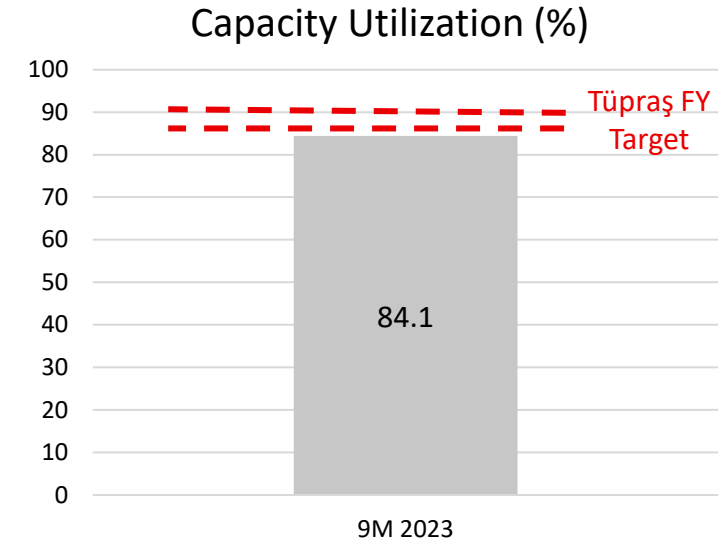
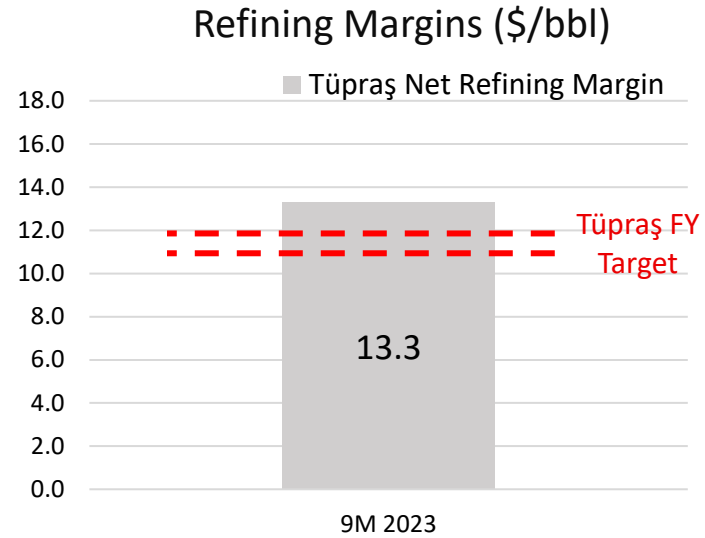
Tüpraş Net Refining Margin **11\$/bbl -12\$/bbl**

- 24-25 mn tons annual production, 29-30 mn tons annual sales and 85 - 90% average capacity utilization

Consolidated Capex **~350 million \$**

- ~60% of capex for sustainability focused energy efficiency and environmental projects

9M 2023 Results



 **Tüpraş**

 **Koç**

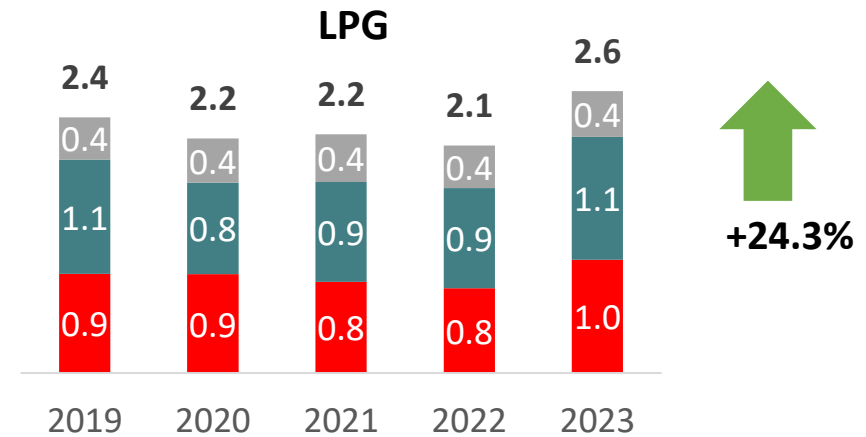
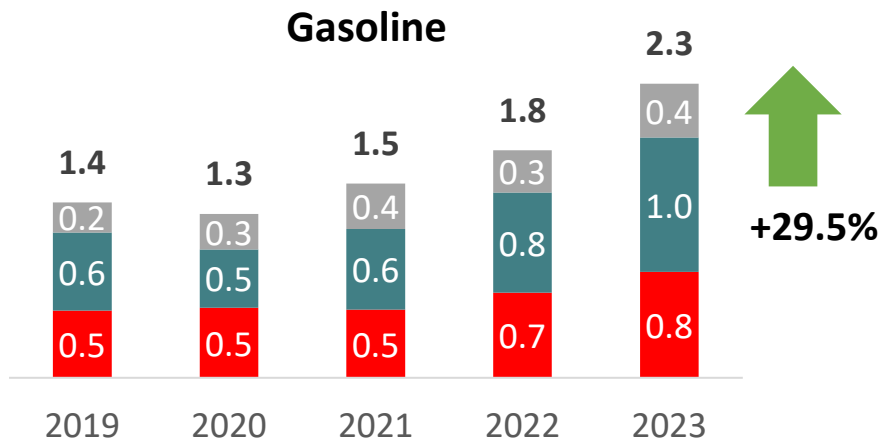
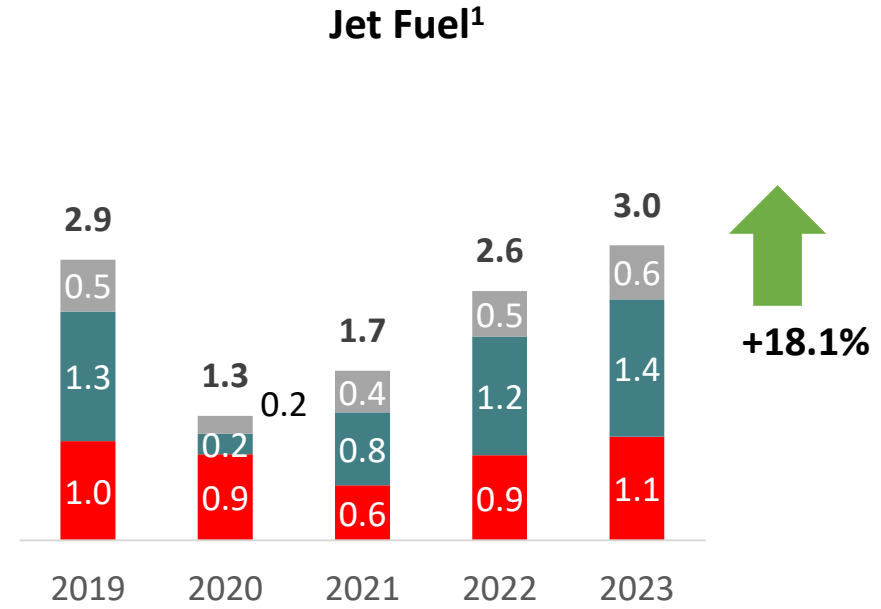
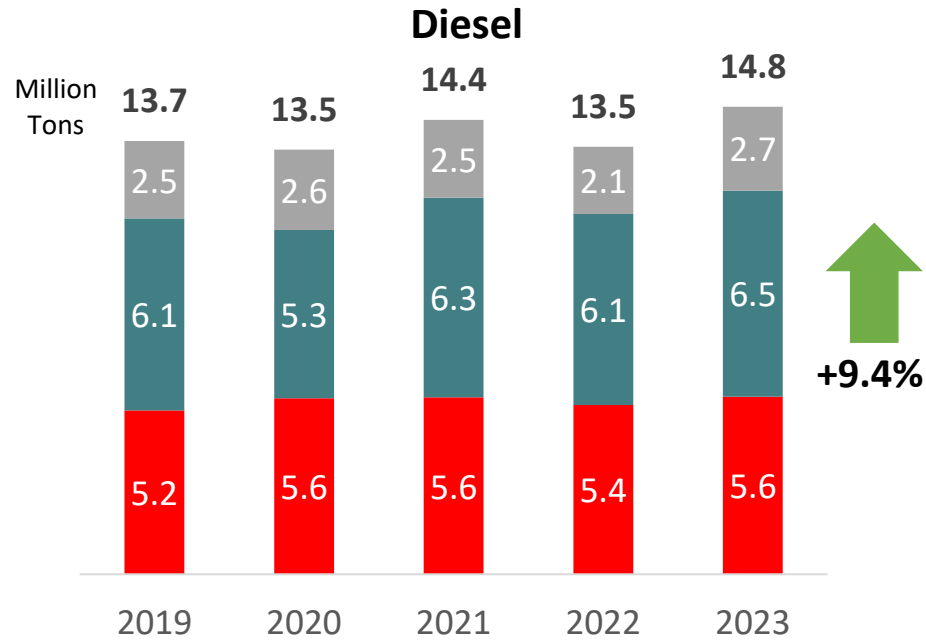
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Appendix

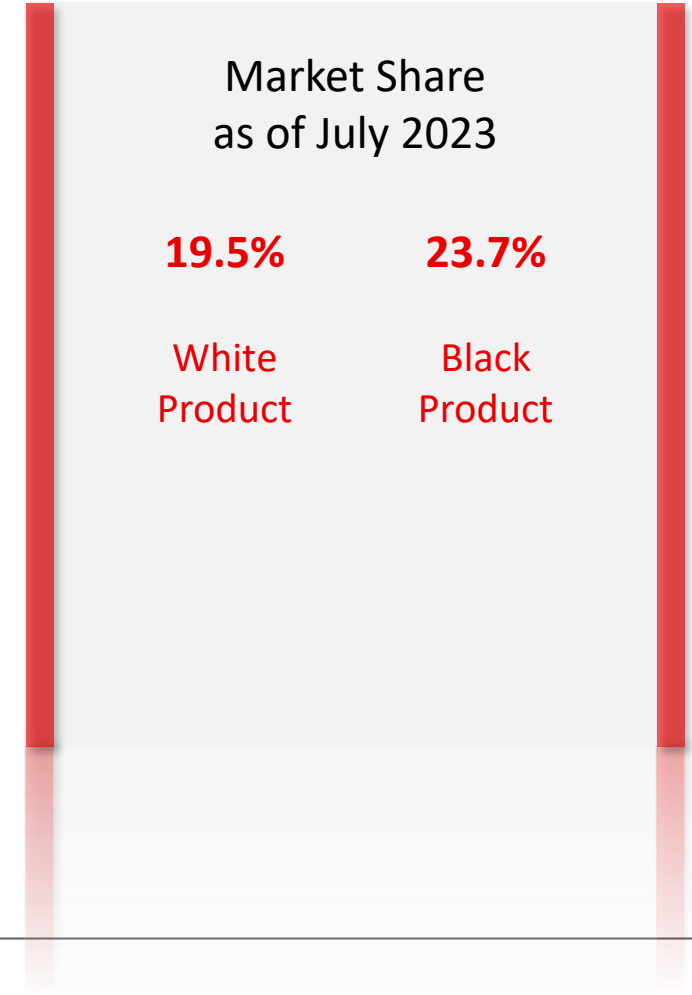
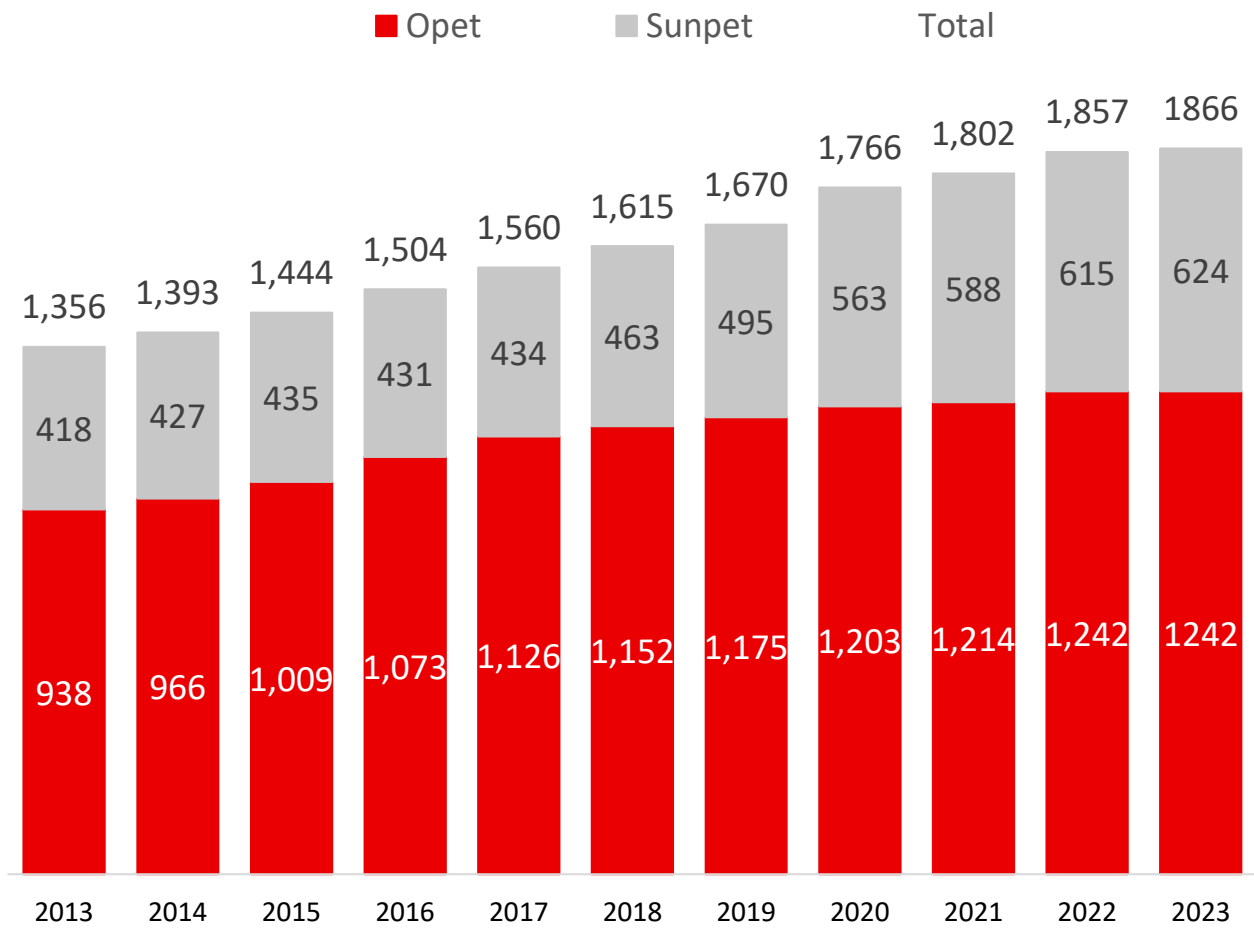
Turkish Market, 7M 2023

■ Q1 ■ Q2 ■ July



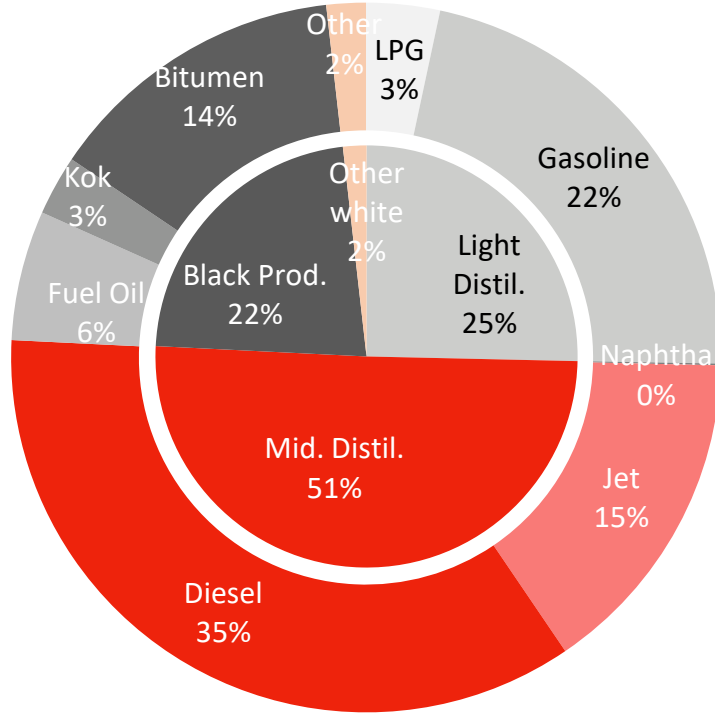
¹Transit flight consumption included

Opet has 1,866 fuel stations as of September 2023 end.



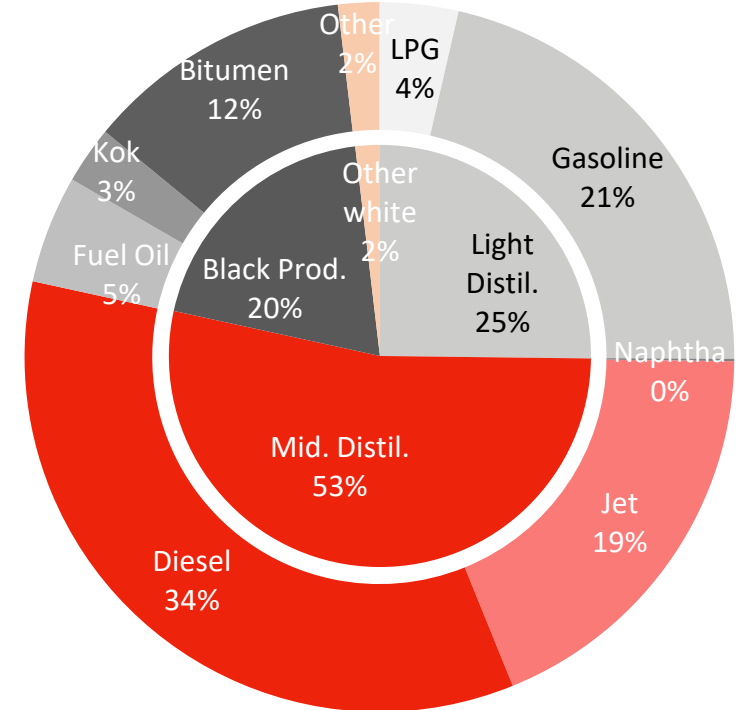
Q3 Product Yields

Q3 2022



White Product Yield (%)	76.4%
Production	7.0 mn tons
API	30.9

Q3 2023



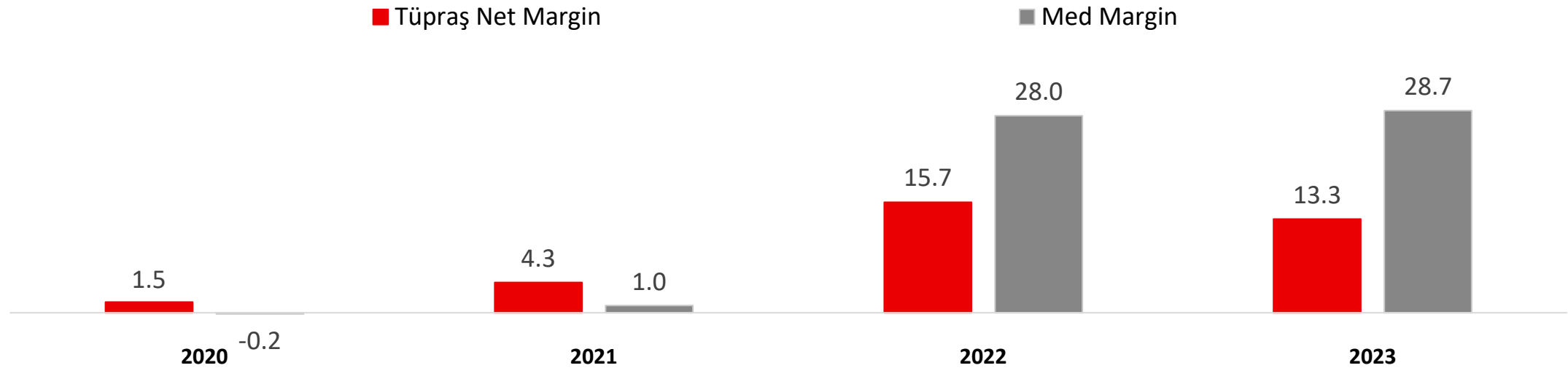
White Product Yield (%)	79.1%
Production	7.1 mn tons
API	31.6

Tüpraş Balance Sheet (Million TL)

	30.09.2023	31.12.2022*	Diff.	Diff. (%)
Current Assets	196.666	119.711	76.955	64
Cash & C. Equivalents	86.621	49.770	36.850	74
Trade Receivables	42.096	21.418	20.679	97
Derivatives	1.958	3.597	-1.639	-46
Inventories	52.182	36.046	16.136	45
Pre-paid expenses	1.513	749	764	102
Other Current Assets	12.295	8.131	4.164	51
Long Term Assets	54.433	49.182	5.252	11
Financial Assets & Subsidiaries	4.590	3.029	1.561	52
Tangible & Intangible Fixed Assets	37.270	33.680	3.589	11
Derivatives	62	57	5	8
Pre-paid expenses	1.264	618	646	104
Deferred Tax	7.665	9.196	-1.530	-17
Other Longterm Assets	3.583	2.601	982	38
Total Assets	251.099	168.892	82.207	49
Short Term Liabilities	152.675	78.895	73.780	94
Financial Loans	9.470	11.994	-2.525	-21
Trade Payables	101.225	52.699	48.526	92
Derivatives	5.228	995	4.233	426
Provisions	1.816	531	1.286	242
Other ST Liabilities	34.936	12.677	22.259	176
Long Term Liabilities	25.859	22.811	3.048	13
Financial Loans	23.885	21.274	2.611	12
Payables & Provisions	1.468	1.190	278	23
Derivatives	428	298	130	44
Other LT Liabilities	77	48	29	60
Total equity attributable to equity holders of the parent	71.854	66.743	5.111	8
Minority Interests	711	442	269	61
Total Liabilities & Equity	251.099	168.892	82.207	49

Tüpraş and Med Margins(*) (\$/bbl)

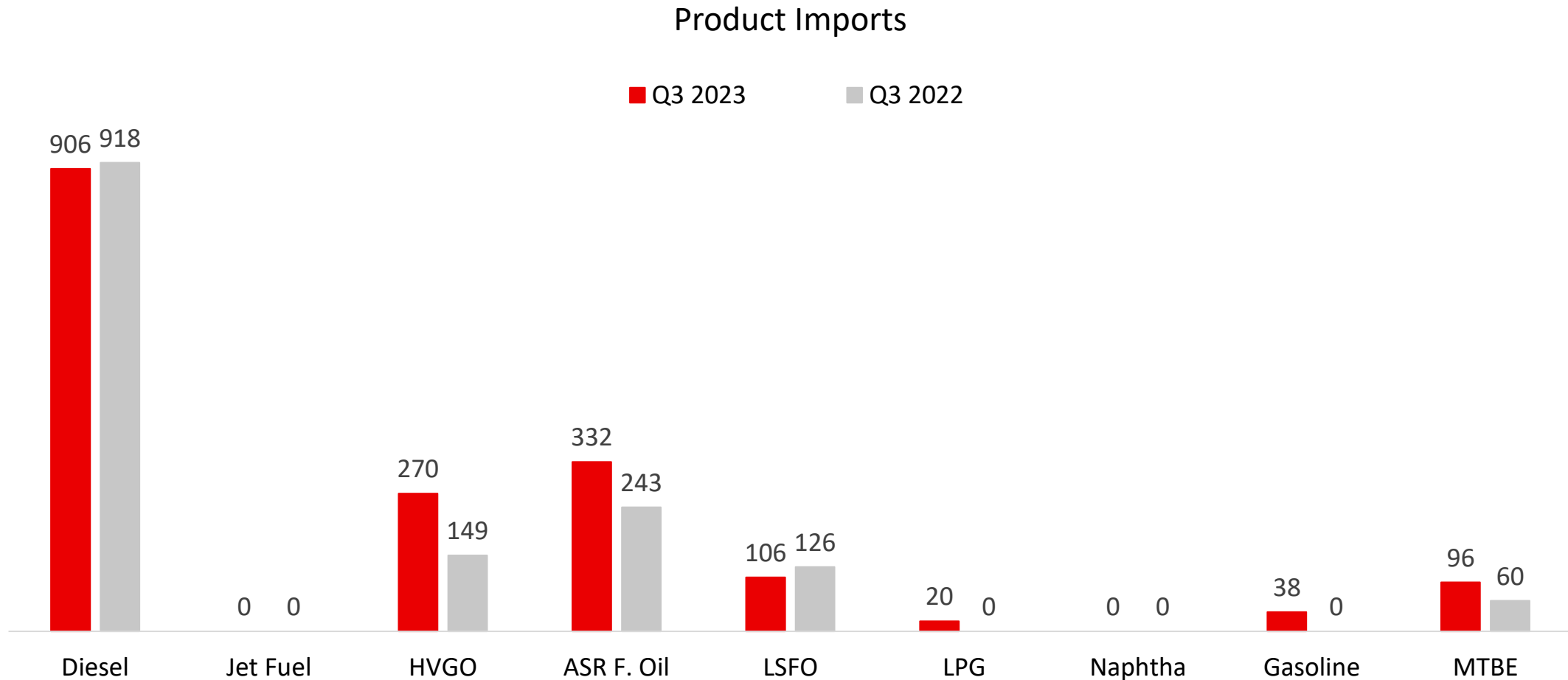
Average Margins



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin	Processed Barrel
Q3 2023	24.3	1.1	23.2	17.8	19.0	29.5	54.5
9M 2023	21.1	1.1	20.0	12.2	13.3	28.7	137.6
Q3 2022	24.8	-1.5	26.4	19.8	18.3	29.8	53.1
9M 2022	21.2	0.9	20.3	14.0	14.9	28.0	153.3

(*) Net Refining Margin calculation includes crude oil inventory hedging effect starting as of Q1 2022 as our new hedging methodology has a material impact on inventory effect for the operating period. Effect of hedging operations were excluded in the previous periods' data.

Finished Product and Semi Product Imports (Thousand Tons)



 **Tüpraş**

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