



Q4 2023 Earnings Presentation

 **Koc** | 4 March 2024

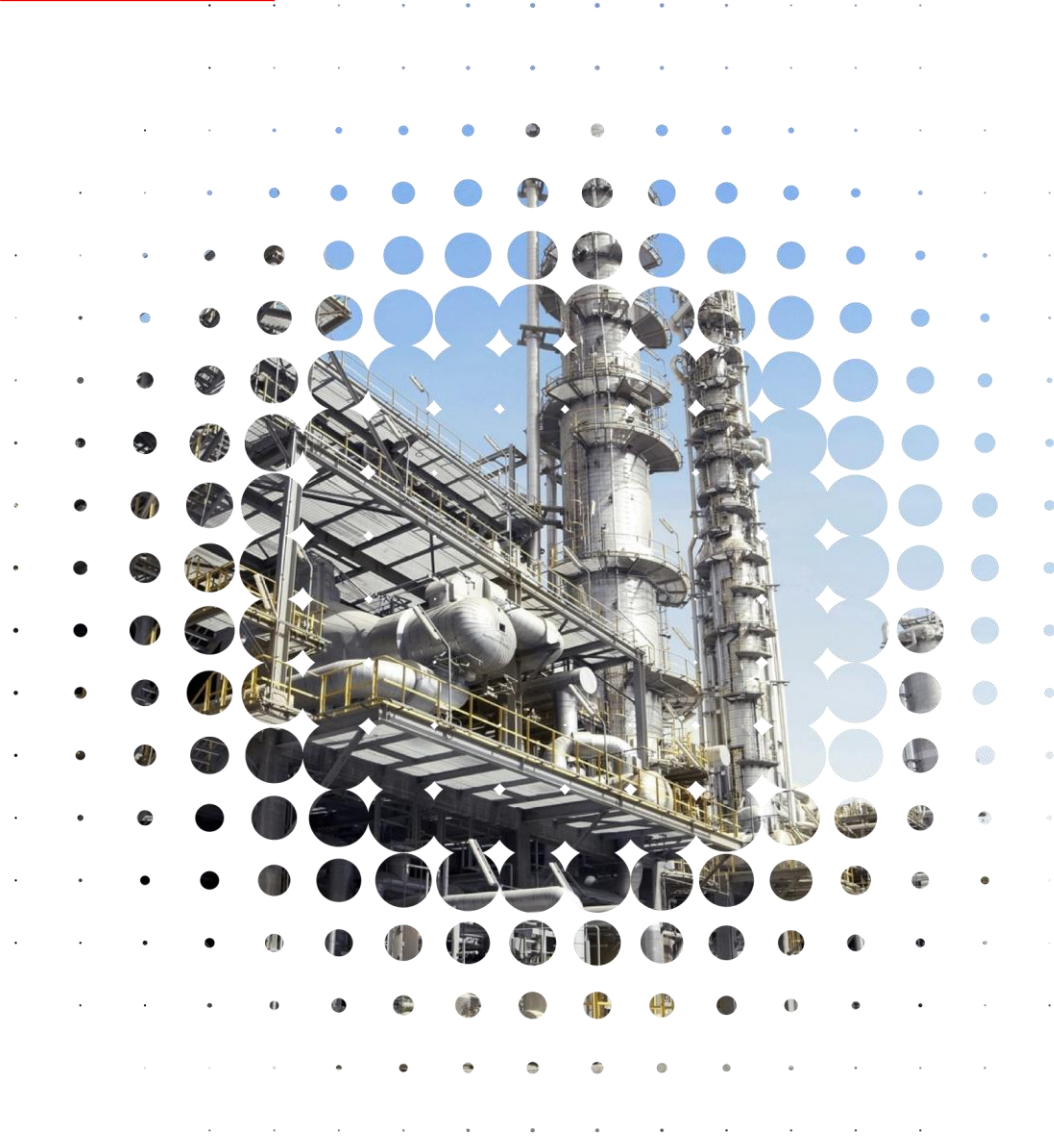
Disclaimer

With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflationary accounting provisions.

Accordingly, this presentation on 2023 year-end financial results contain the Company's audited financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023. In addition to these, given that the guidance information and the 2023 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. Such supplementary information is made available only for this period, and contains unaudited financial information prepared for management reporting purposes.

This presentation does contain forward-looking statements and figures that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither Tüpraş nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

2023 Highlights



Brent Crude Prices:

- Volatility due to macroeconomic uncertainties and OPEC+ decisions.
- Peaked to 98 \$/bbl within September, stabilized at around 78 \$/bbl by the year end.

Cracks:

- Higher than historical averages.
- Mid-distillate cracks: low inventories in Europe with the change in trading routes.
- Gasoline cracks: impact of warmer weather in 2H and improved demand dynamics.
- HSFO cracks: supported by OPEC+ cutback decisions.

Tüpraş:

- Higher utilization rates in the 2H after heavy maintenances in 1H.
- Benefited from strong crack environment.
- Sales exceeded 30 million tons with the surge in demand and enhanced performance of trading activities.

Performance & Expectation:

- 2023 NRM stood at 16.0 \$/bbl, EBITDA at 97.3 bn TL and net profit at 53.6 bn TL.

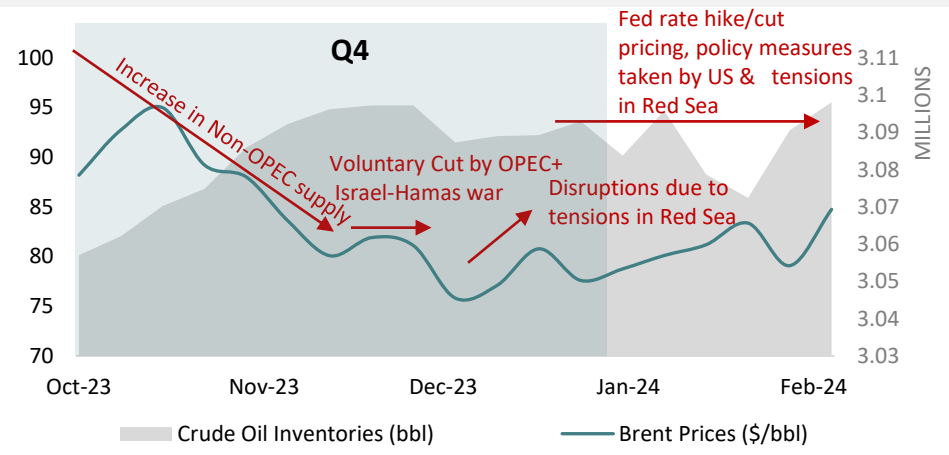


Market

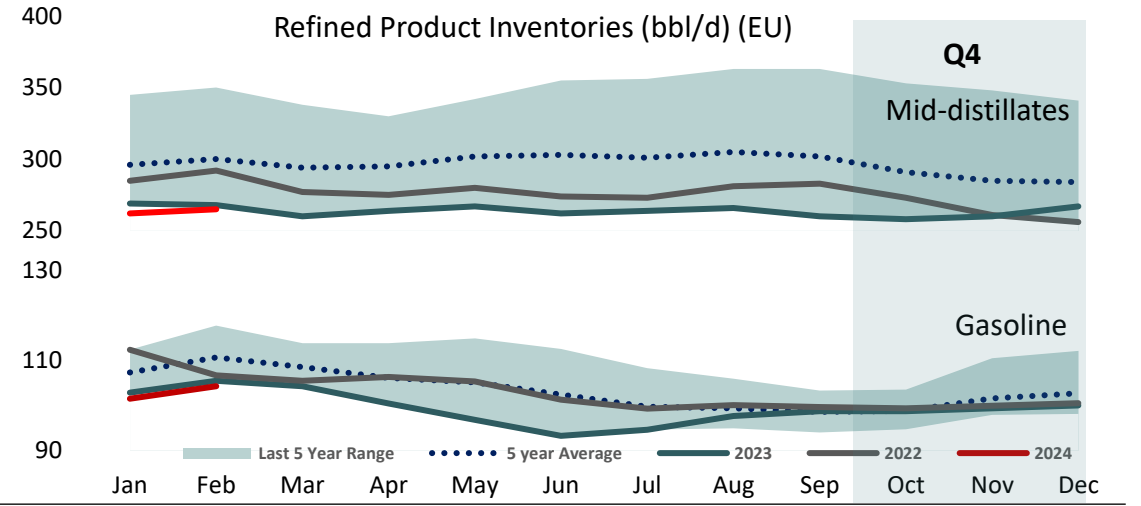
Q4 2023 – Key Market Highlights

Global Oil Market

Volatility in Brent with OPEC+ cuts and geopolitical complexities as oil markets dislocated with much longer supply chains

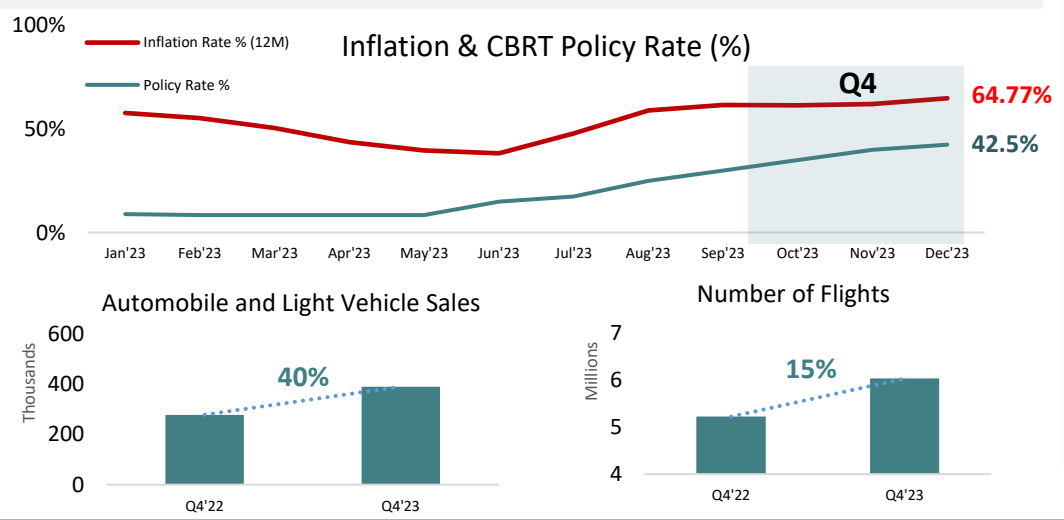


Refined product inventories kept at low-ends of last 5 year-range, and started 2024 with lower than 2023 levels due to increased distances with re-routing after escalated tensions in Red Sea

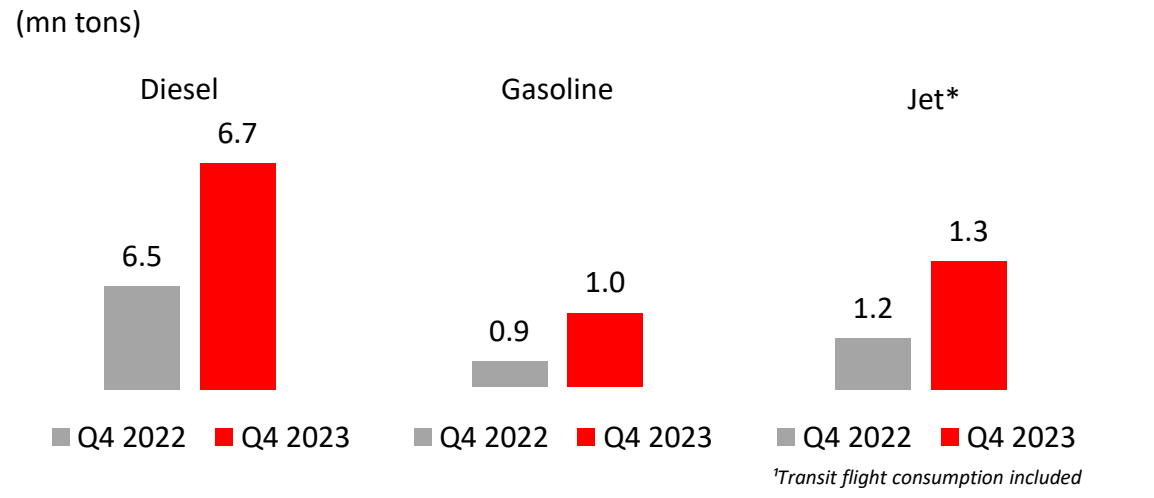


Turkish Market

Transportation market remained resilient amid volatility in macro indicators

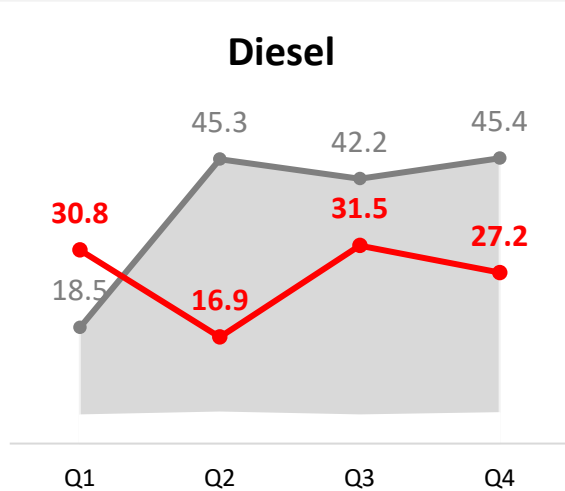


Turkish fuel demand increased by 5% y-o-y in Q4 with continued increase in land fuels and jet fuel consumption

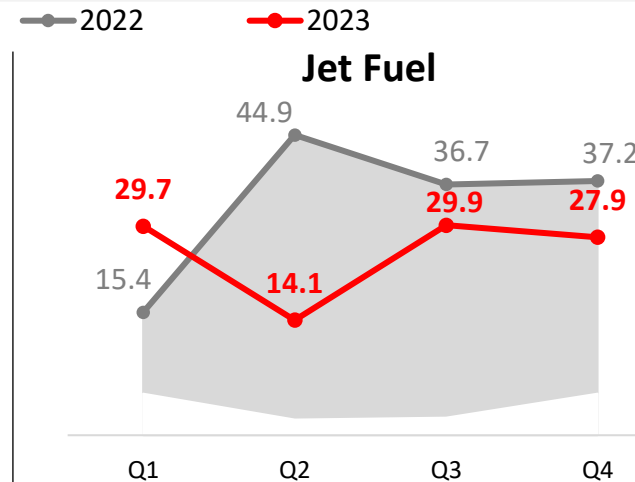


Quarterly Crack Margin Comparison (\$/bbl)

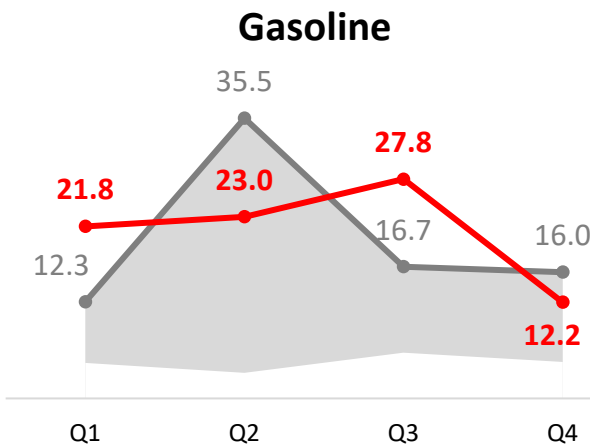
Cracks were lower compared to the high base of last year, excluding HSFO cracks which improved with OPEC+'s cut decision.



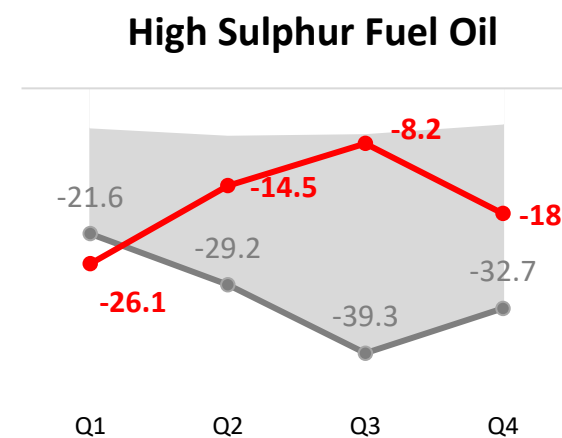
- Diesel cracks were lower mainly due to last year's high base.
- Lower energy costs, lower demand due to warmer winter conditions and slowdown in PMI figures resulted in lower crack margins.



- Similar to diesel, jet fuel cracks were lower due to high base of last year.
- + Higher number of commercial flights compared to last year continued to support jet fuel cracks.



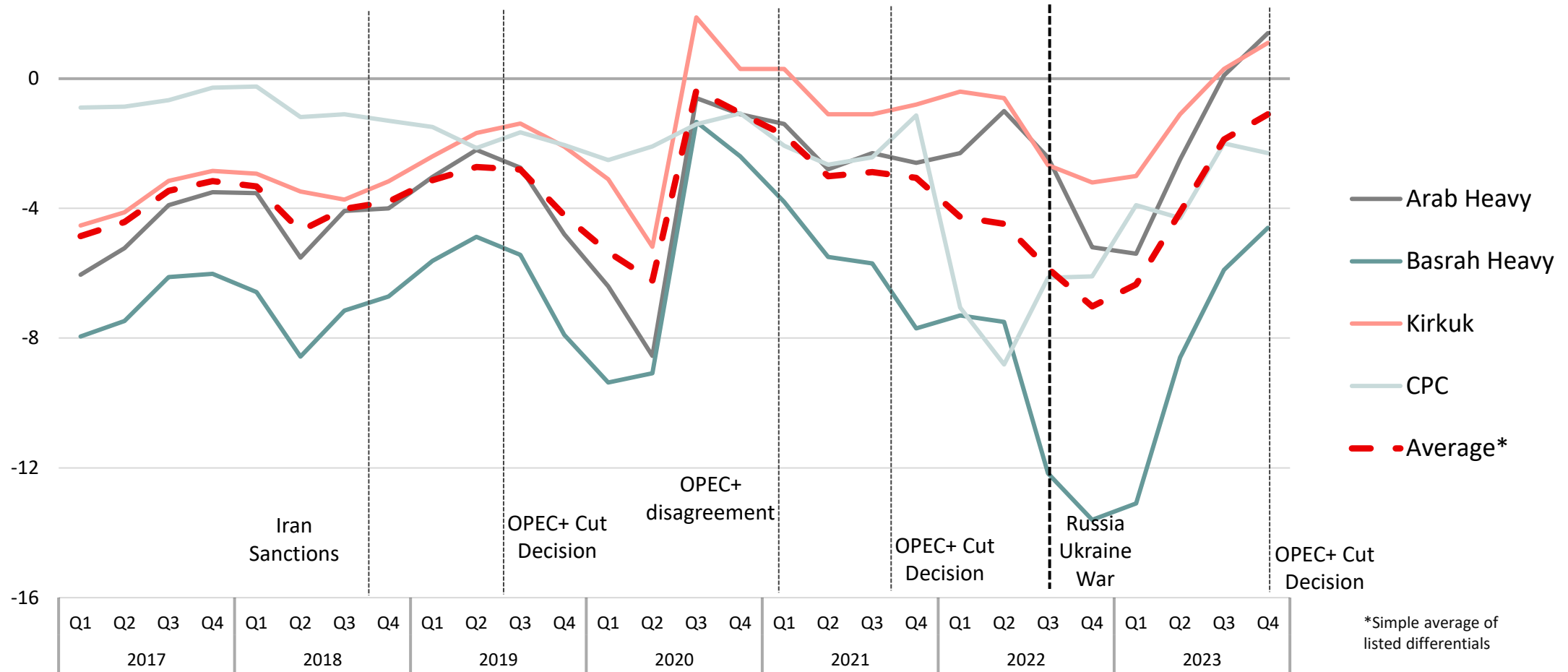
- Switching into winter grade, gasoline cracks were lower quarter on quarter with weaker demand year on year.
- + Higher demand in Asia, pushing gasoline into kerosene pool supported cracks throughout the end of the quarter.



- + HSFO cracks improved year on year with OPEC+'s cut decision and steady demand levels.

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

Differentials narrowed in Q4 following OPEC+'s cut decision. Basrah Heavy continued to provide wider discounts compared to the rest of the slate.



*Simple average of listed differentials

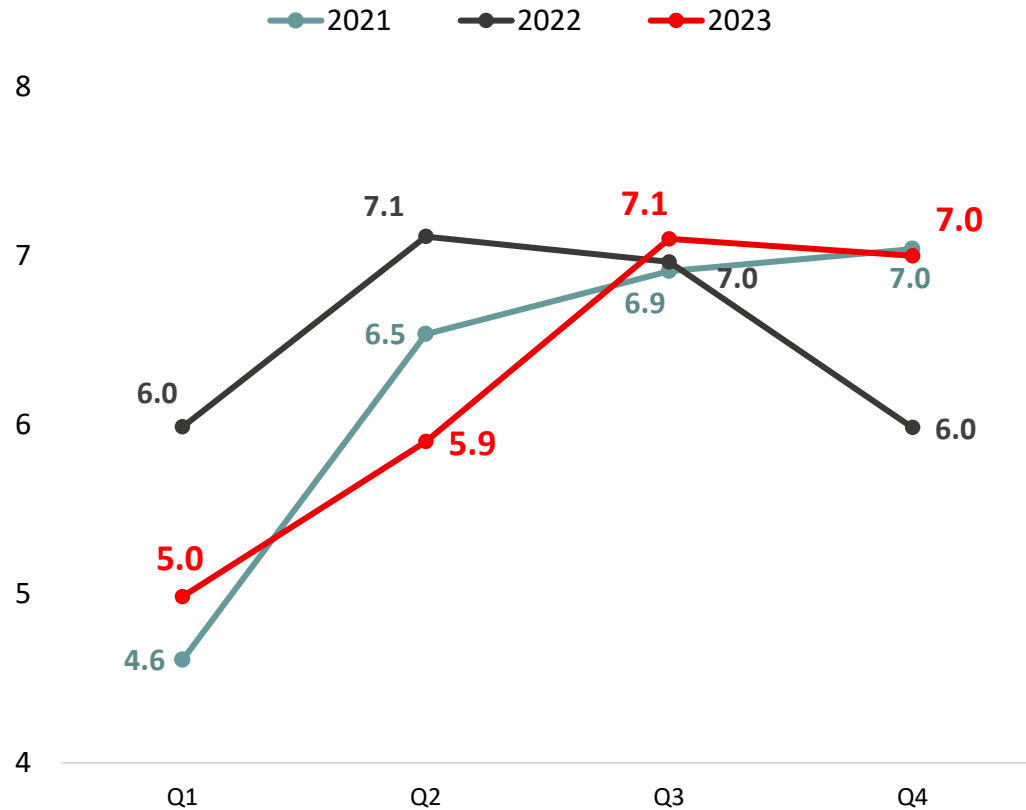


Operations

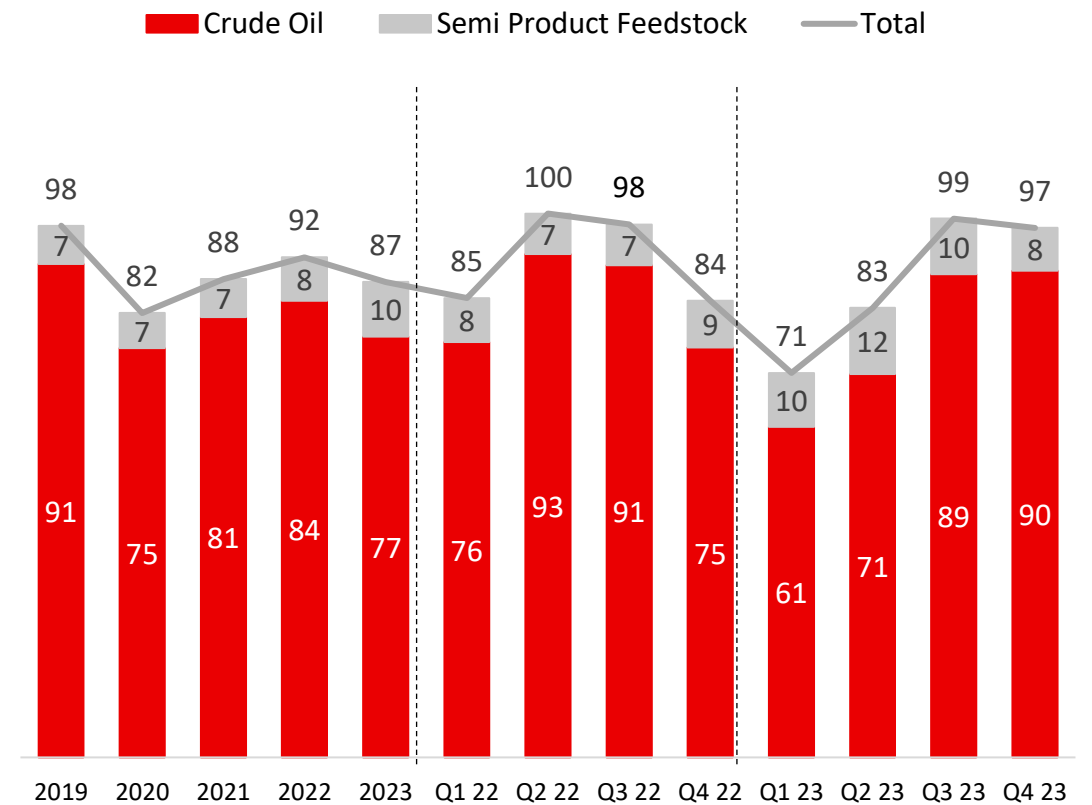
Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 7.0 million tons in Q4 2023.
- Capacity utilization for Q4 2023 was 97% continuing the strong trend in the second half of 2023.

Quarterly Production (Million Tons)



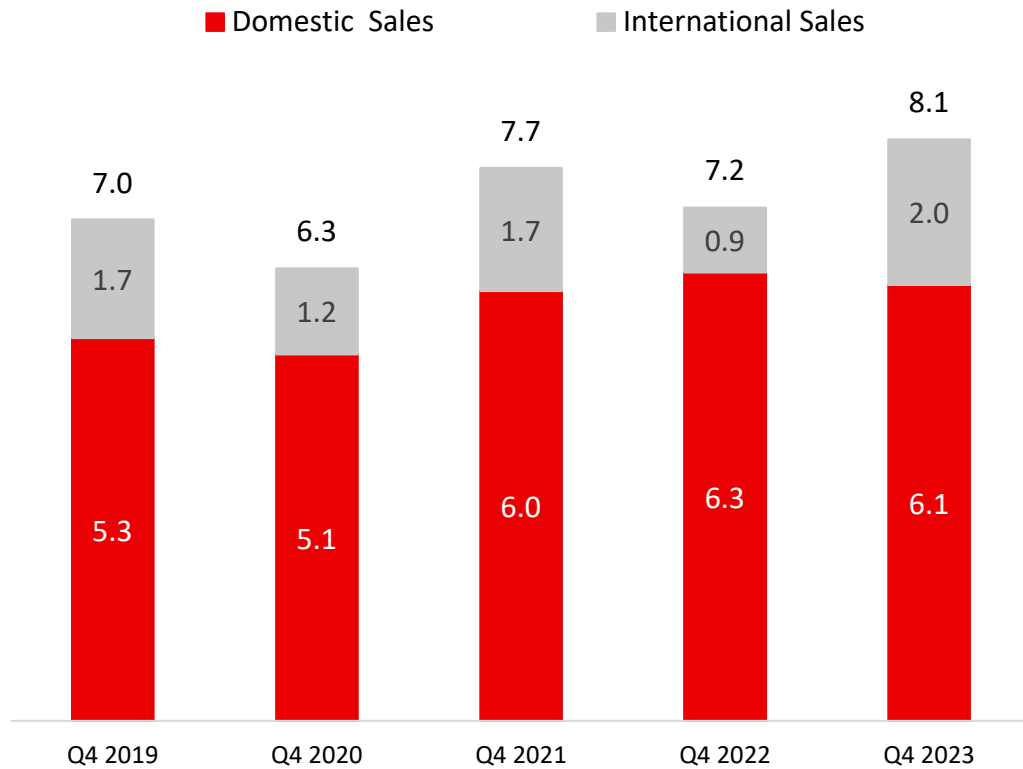
Capacity Utilization (%)



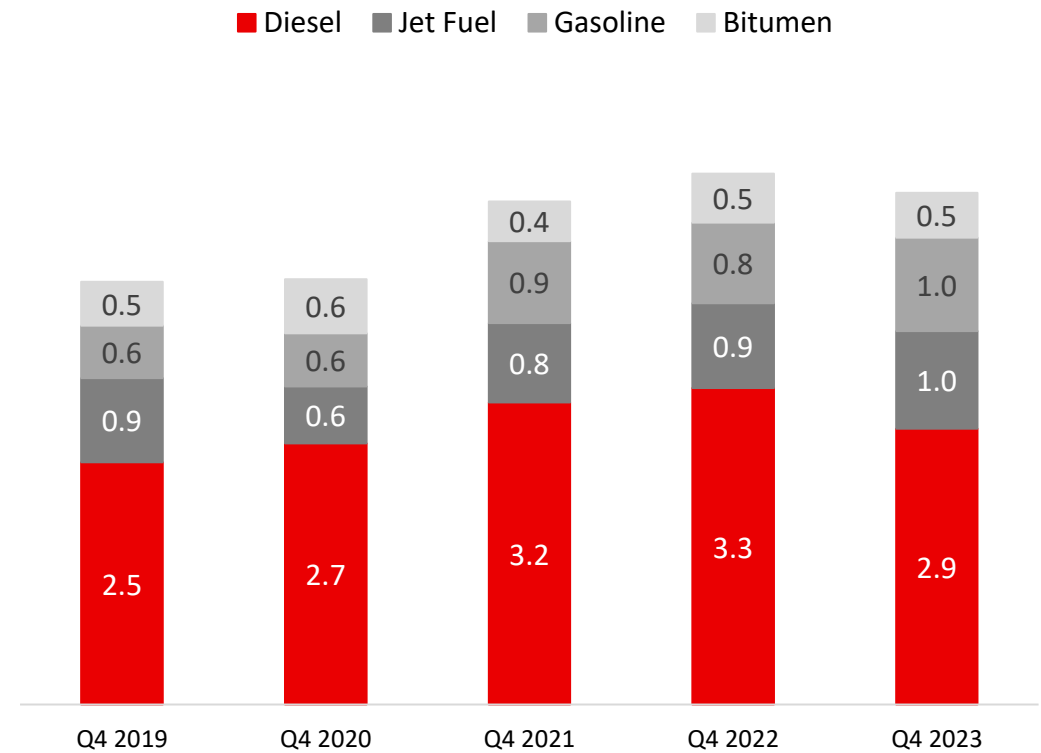
Product Sales in Q4 2023 (Million Tons)

- Tüpraş generated 8.1 million tons of sales in Q4 2023 bringing the annual to 30.1 million tons in 2023.
- Doubling exports on Q-o-Q led the growth in total sales.

Total Product Sales



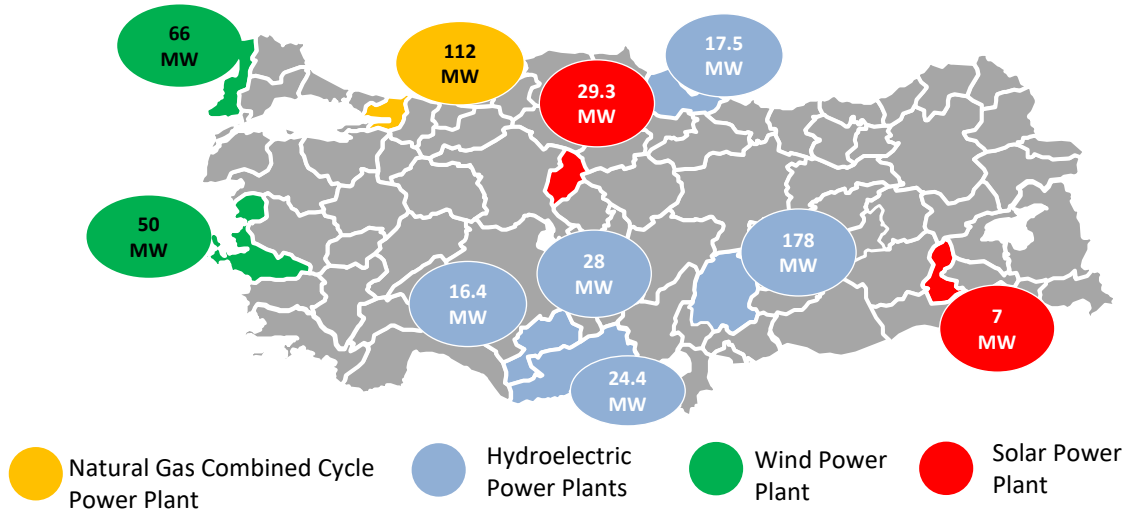
Domestic Sales of Selected Products



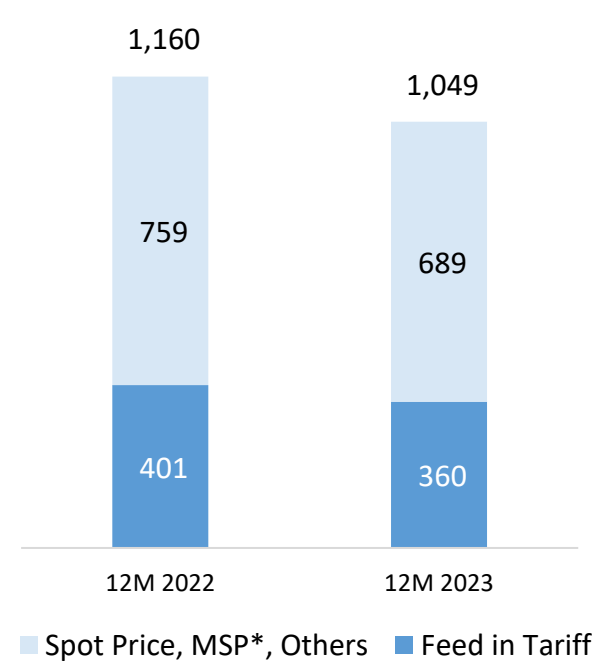
Electricity Production & Sales in 2023

- 1,049 GWh Zero Carbon Electricity is sold in 2023.
- Total Zero Carbon Electricity (ZCE) sales from production decreased by 10% y-o-y in 2023.

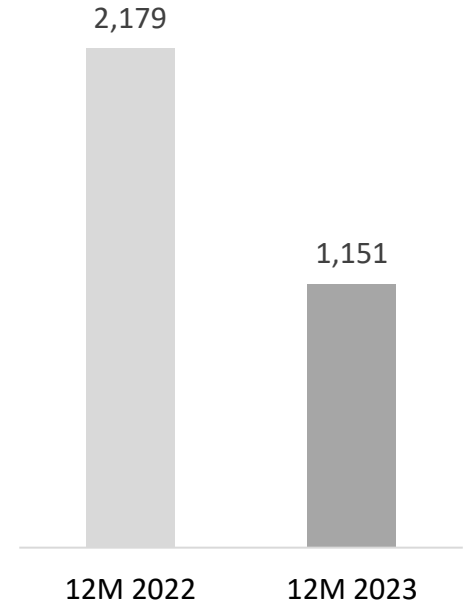
Total Installed Capacity



Total ZCE Sales from Production (GWh)



Operating Profit (million TL)





Financials

Income Statement – IAS 29 Applied (Million TL)

Million TL	2023	2022	%
Net Sales	686,529	916,751	-25%
COGS	-576,796	-803,671	-28%
Gross Profit	109,732	113,080	-3%
Operating Expenses	-19,556	-16,159	21%
Income/Loss from other operations	-16,549	-20,668	-20%
Operating Profit	73,628	76,253	-3%
Inc./Loss from investments	82	-7,548	-
Inc./Loss from Equity pick ups	1,051	-16	-
Operating Profit Before Fin. Income/Loss	74,761	68,689	9%
Financial Income /Expense	-5,194	-13,461	-61%
Monetary Gain/Loss	-11,747	13,280	-188%
Profit Before Tax	57,820	68,508	-16%
Net Profit (excluding minority interest)	53,577	61,314	-13%
EBITDA*	97,329	102,903	-5%
Inventory Gain/Loss	14,804	9,529	55%
EBITDA* CCS	82,525	93,374	-12%

IAS 29 Adjustments

The loss from investments recorded in 2022 is due to negative variance between the fair value of our lands and the inflation-adjusted value.

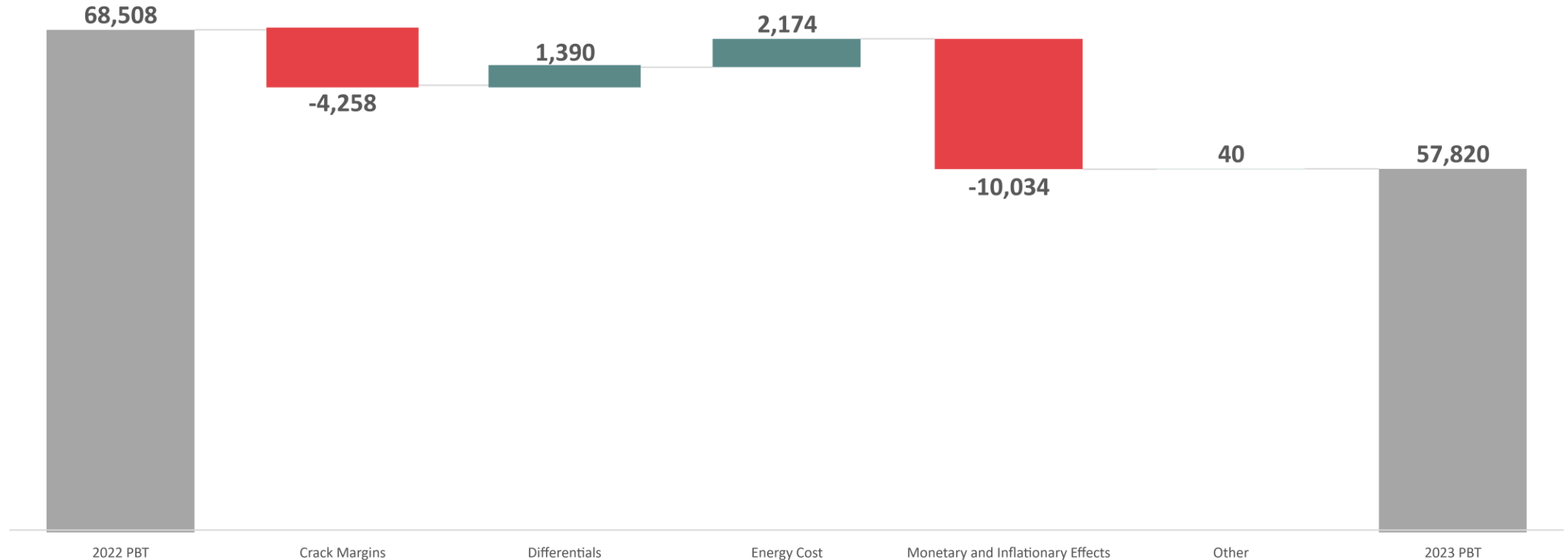
Monetary loss in 2023 is mainly due to inflation rate outpacing deposit rates.

In addition to the decrease in net refining margin between 2023 and 2022, the EBITDA figure is influenced by the mismatch between the rate of inflation and the devaluation of TL.

Profit Before Tax Bridge (2022 – 2023)

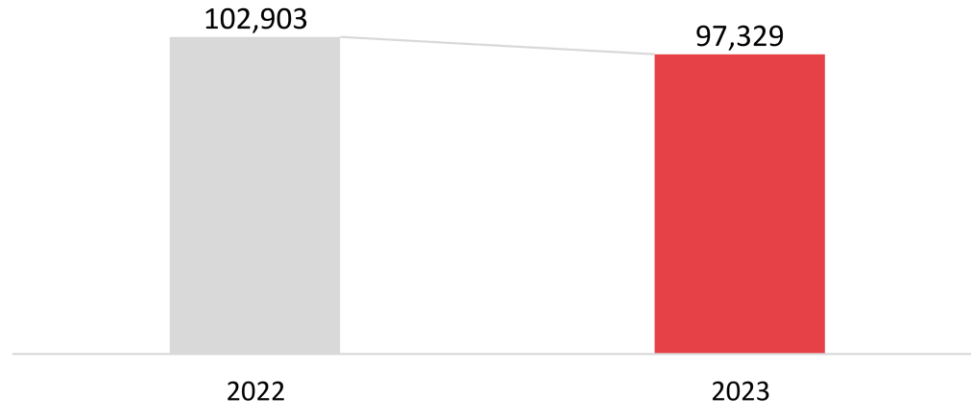
Lower energy costs and wider differentials were not able to compensate monetary and inflationary adjustments and weakness in crack margins. As a result, 2023 PBT ended lower than 2022 PBT.

Million TL

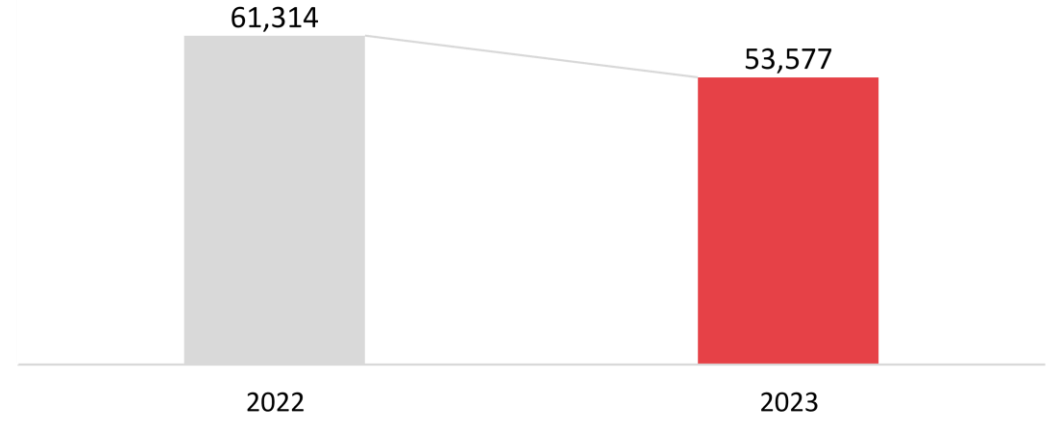


Financial Highlights

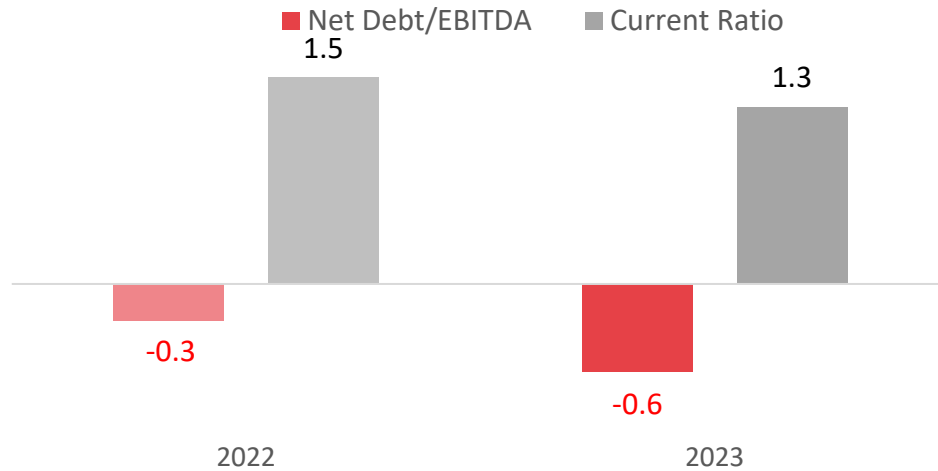
EBITDA (mn TL)



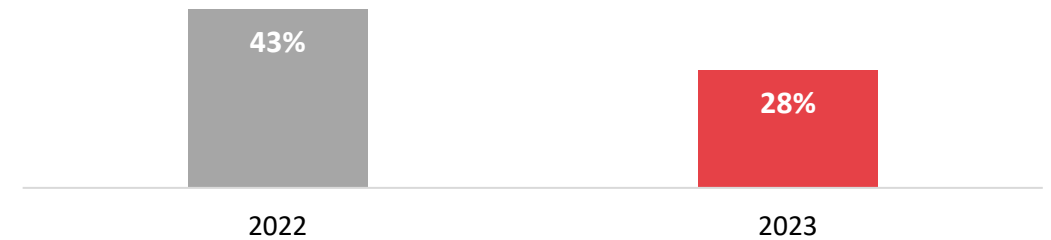
Net Income* (mn TL)



Current Ratio & Net Debt / EBITDA

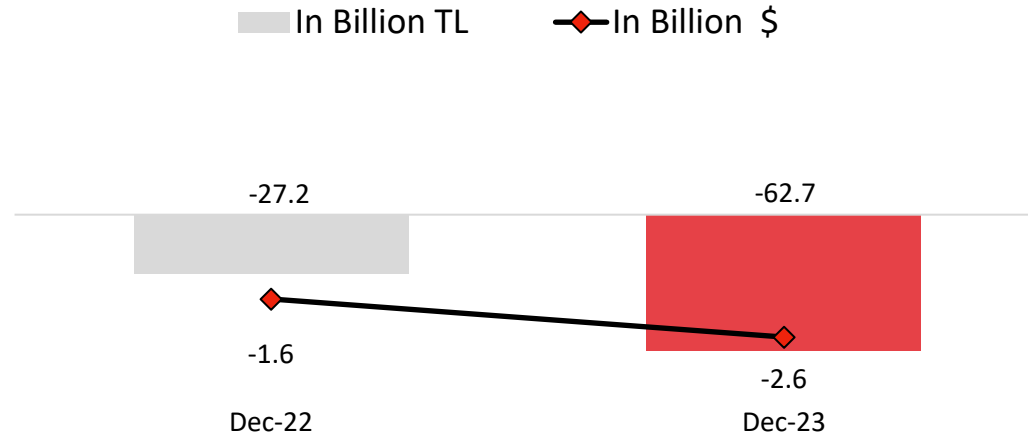


Net Return on Average Equity (%)

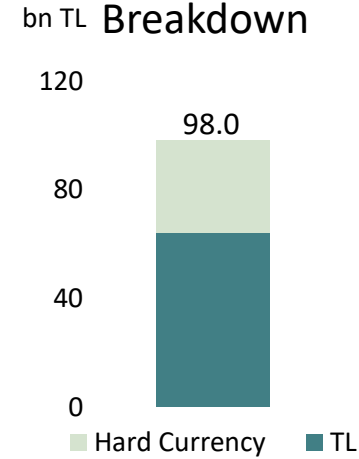


Balance Sheet Analysis

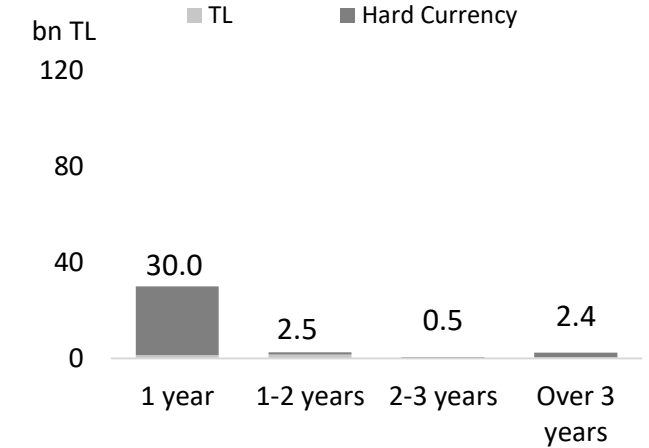
Net Debt (Cash)



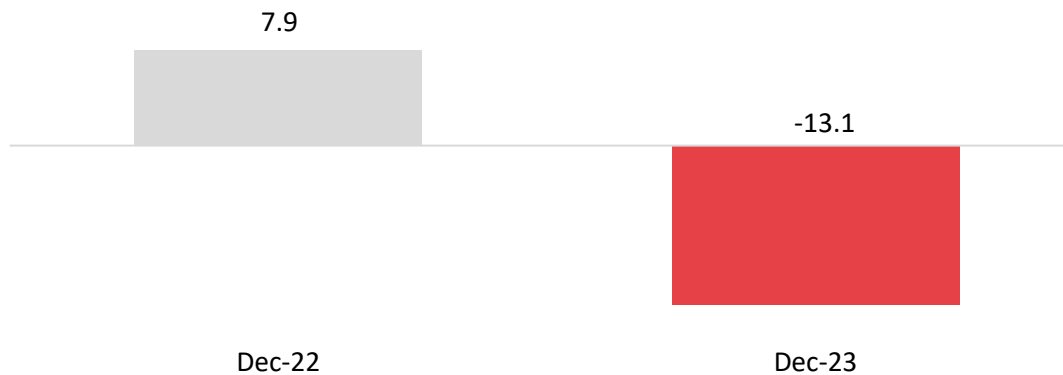
Cash Currency Breakdown



Redemption Schedule



Working Capital Requirement (Billion TL)



Financial Management

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



Outlook for 2024

2024 Refinery Maintenance Schedule

Refinery	Unit	Starting Quarter	Duration (weeks)	Purpose	Planned
İzmit	Crude Oil & Vacuum	Q4	5	Periodic Maintenance	Planned
	Desulphurizer	Q4	5		Planned
	RUP	Q1	13		Planned
	FCC	Q2	6	Periodic Maintenance	Planned
İzmir	FCC	Q3-Q4	21	Revamp	Planned
	Crude Oil , Vacuum, HYC	Q1	7	Periodic Maintenance	Ongoing
Batman	Crude Oil & Vacuum	Q4	4	Seasonal	Planned

RUP Maintenance

Preparation and planning phase: 2022

Maintenance start: March 1

- Catalyst changes
- Checks and maintenance on distillation columns, heat exchangers, furnaces and flare.
- Detailed planned maintenance

Completion:
92 days

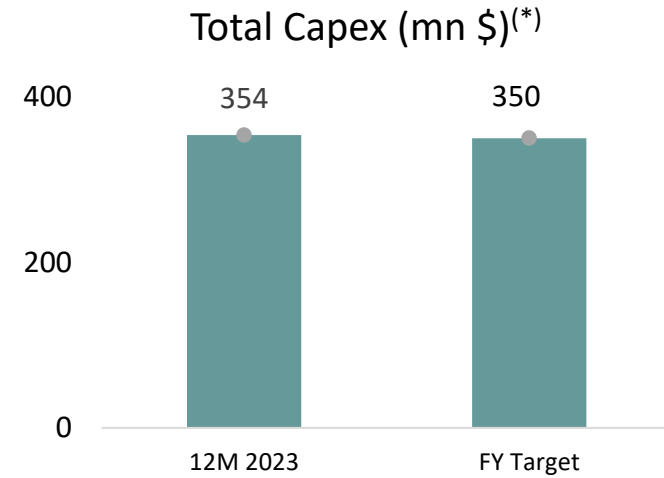
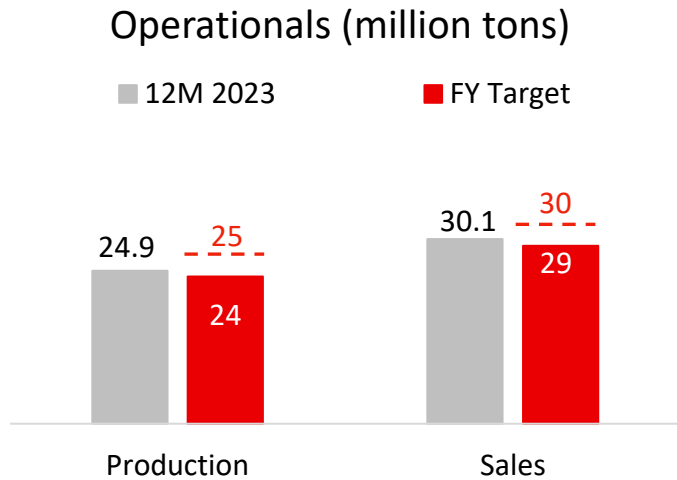
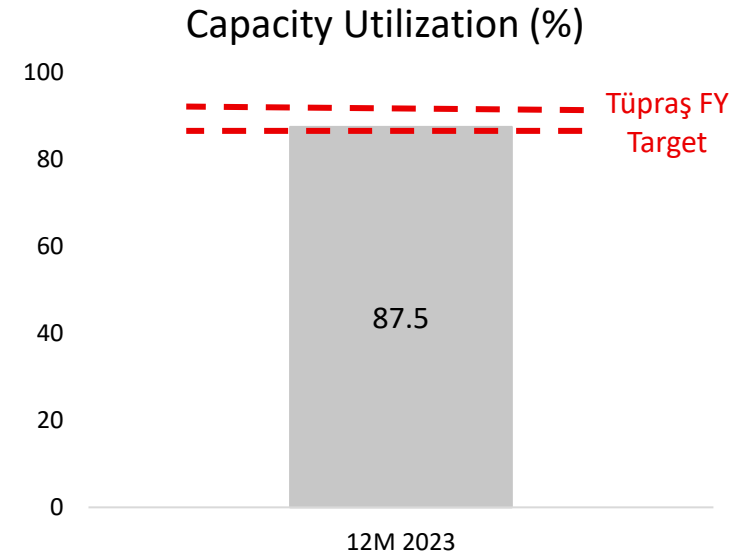
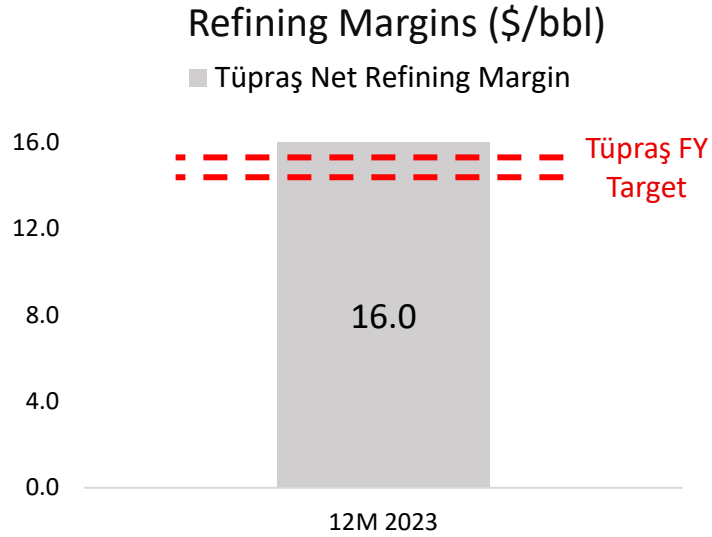
2024 Expectations

Tüpraş Crack Margin expectation ~14 \$/bbl

- ~26 mn tons annual production, ~30 mn tons annual sales and 85-90% average capacity utilization

Consolidated Capex ~500 million \$*

2023 Results



 **Tüpraş**

 **Koç**

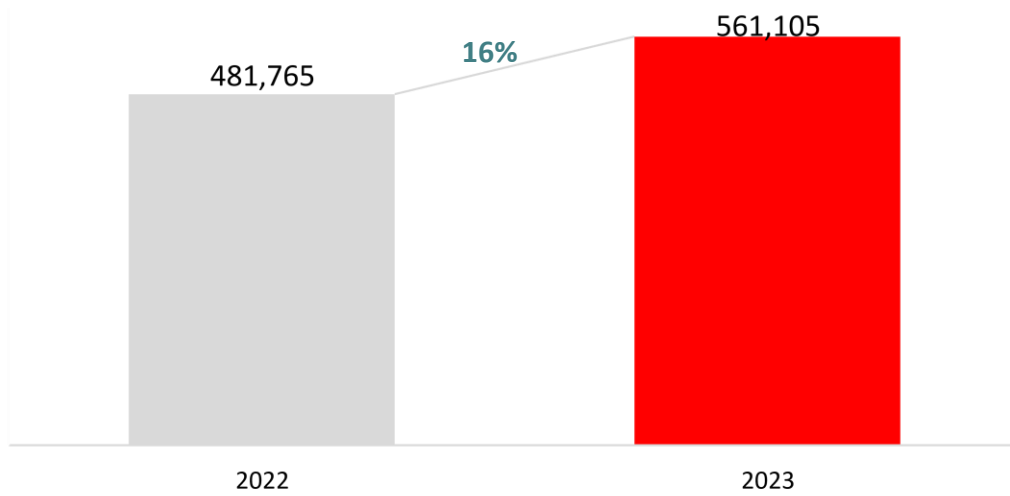
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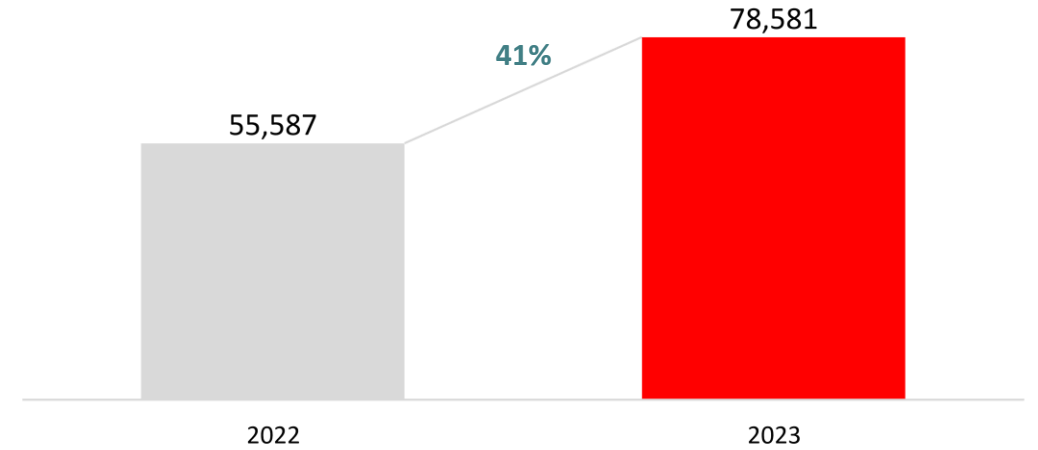
Appendix

Financial Highlights (without IAS 29 impact)

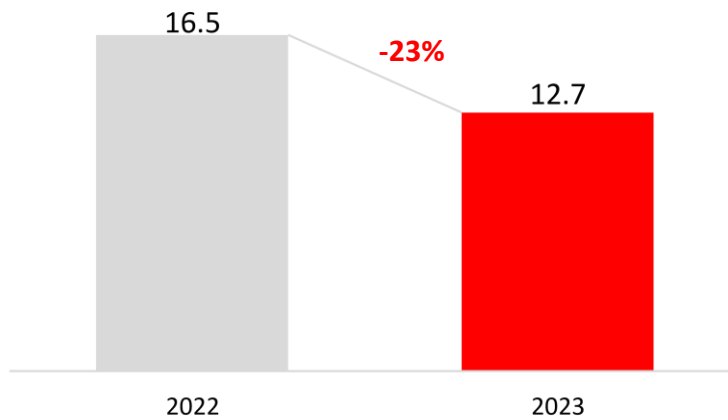
Revenue (mn TL)



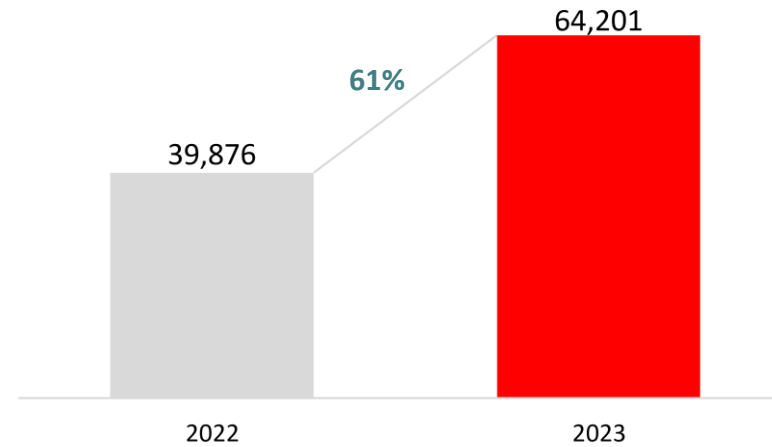
EBITDA (mn TL)



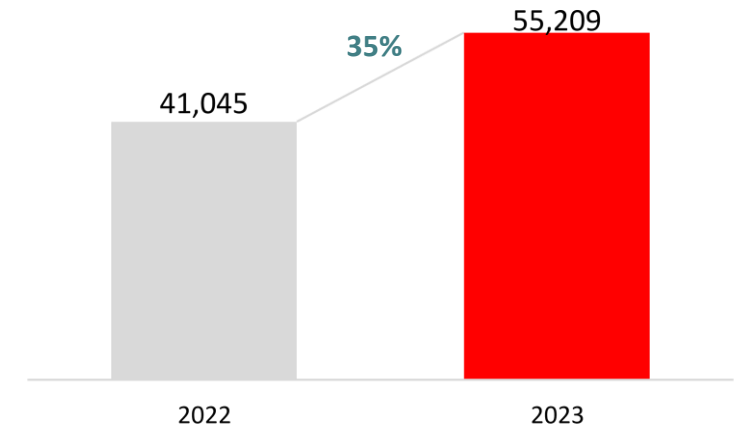
NRM (\$/bbl)



Profit Before Tax (mn TL)

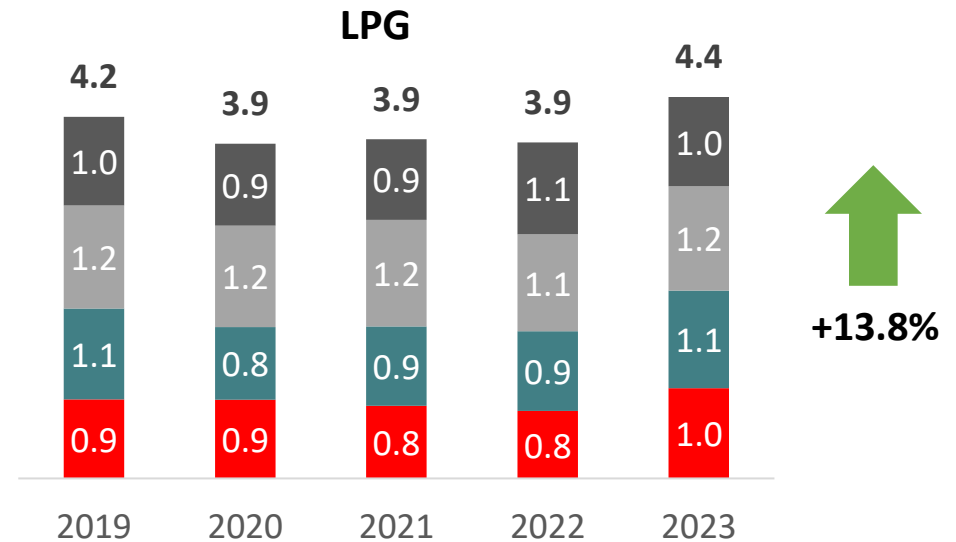
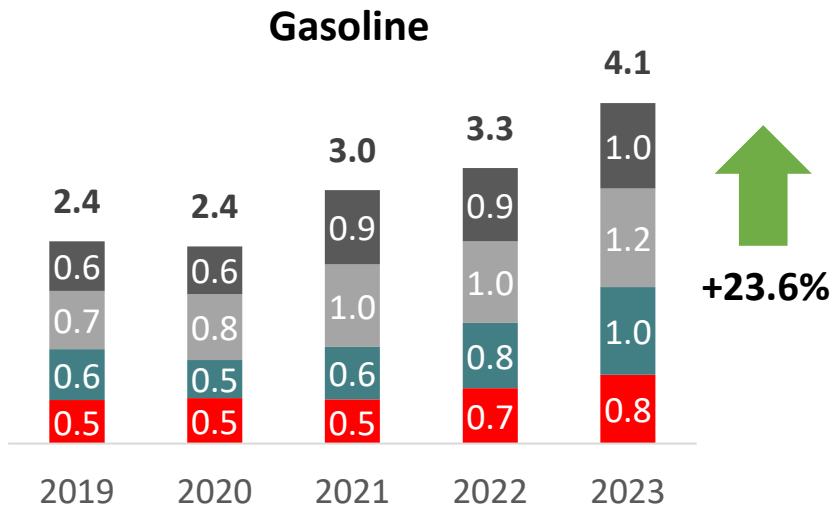
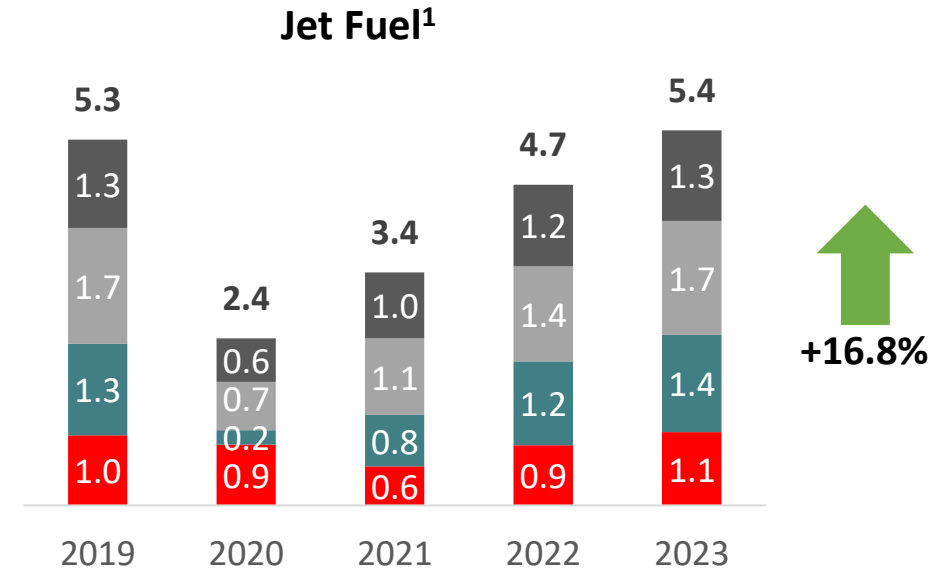
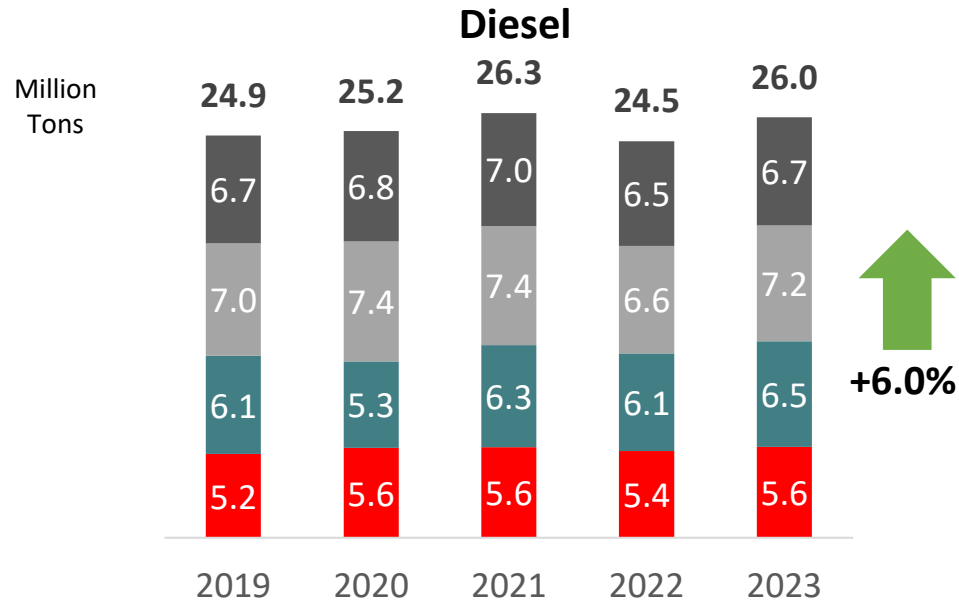


Net Income* (mn TL)

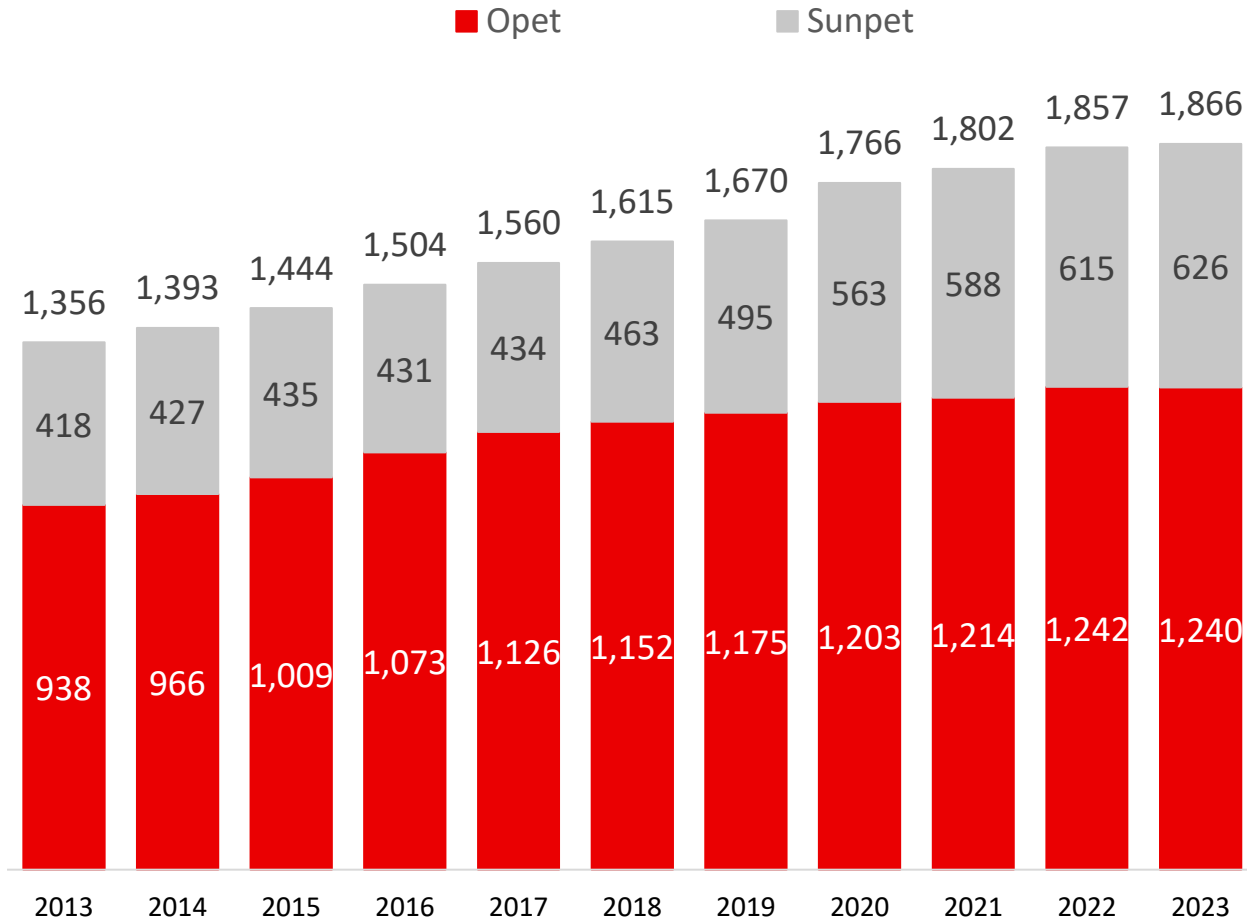


Turkish Market, 12M 2023

Q1 Q2 Q3 Q4



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



Market Share as of December 2023

19.0%

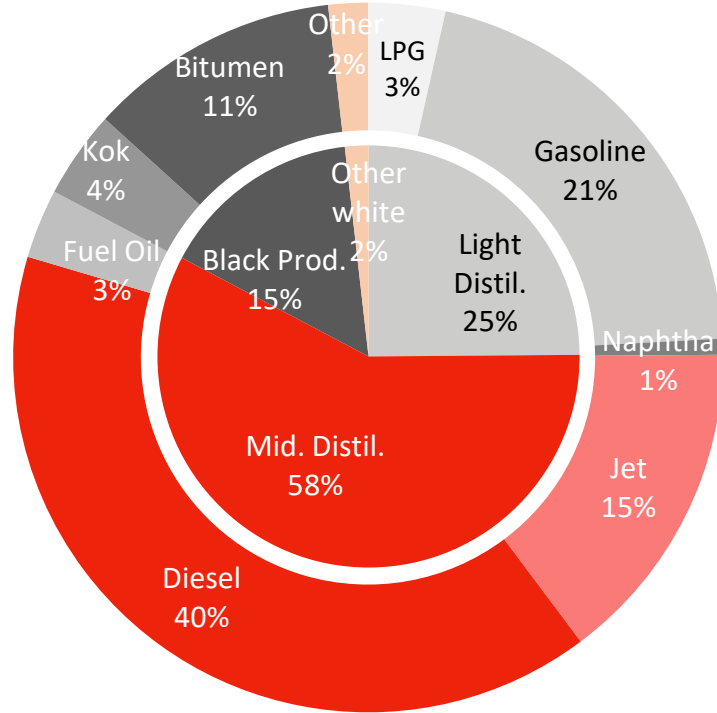
White Product

28.4%

Black Product

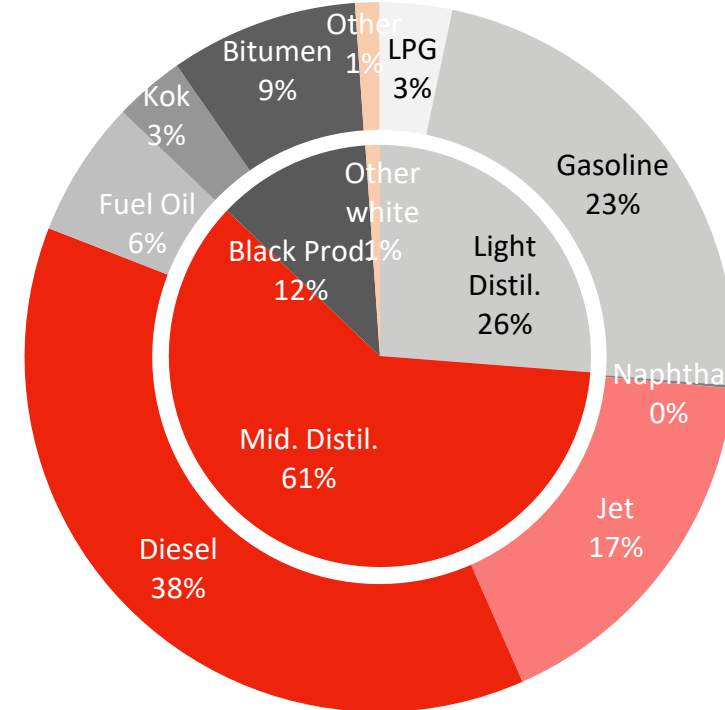
Q4 Product Yields

Q4 2022



White Product Yield (%)	80.3%
Production	5.9 mn tons
API	30.8

Q4 2023



White Product Yield (%)	80.8%
Production	7.0 mn tons
API	31.5

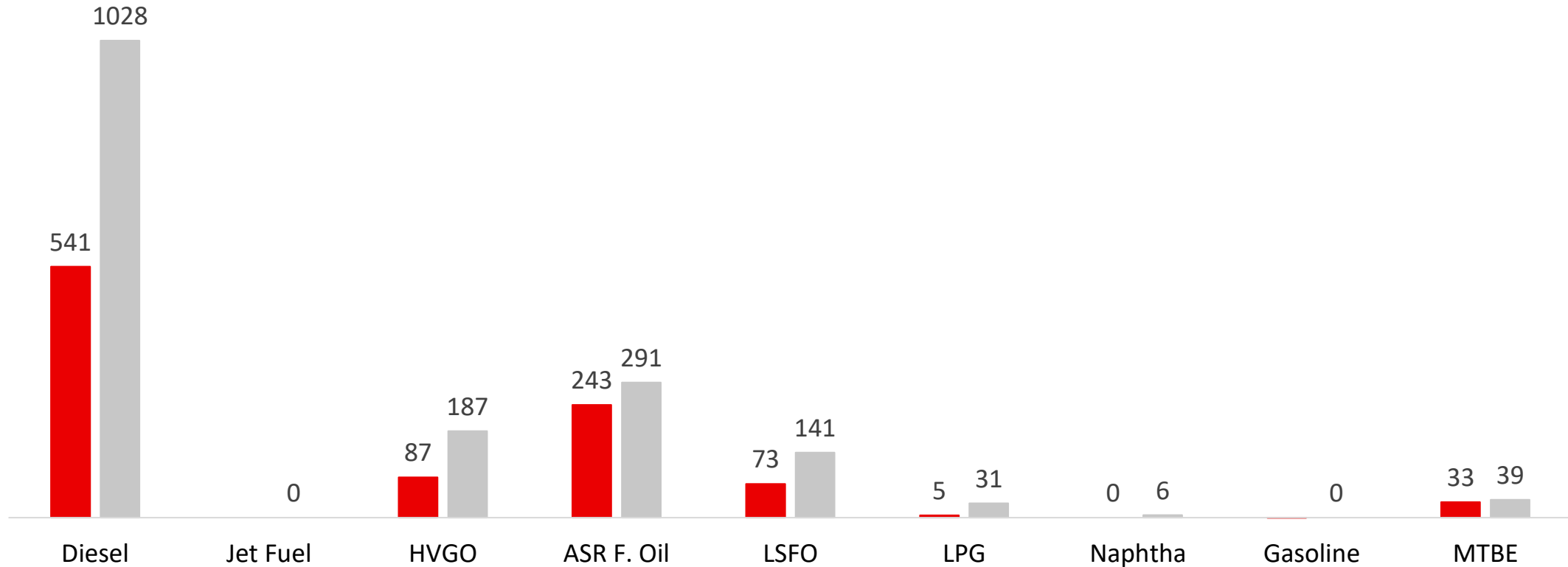
Tüpraş Balance Sheet (Million TL)

	31.12.2023	31.12.2022*	Diff.	Diff. (%)
Current Assets	201,149	197,510	3,639	2
Cash & C. Equivalents	98,024	82,008	16,016	20
Trade Receivables	40,439	35,290	5,149	15
Derivatives	2,064	5,927	-3,863	-65
Inventories	44,464	59,453	-14,989	-25
Pre-paid expenses	1,278	1,433	-155	-11
Other Current Assets	14,880	13,399	1,481	11
Long Term Assets	165,644	150,191	15,454	10
Financial Assets & Subsidiaries	8,643	7,701	942	12
Tangible & Intangible Fixed Assets	138,787	132,068	6,719	5
Derivatives	37	94	-57	-61
Pre-paid expenses	1,815	1,119	695	62
Deferred Tax	6,466	706	5,760	815
Other Longterm Assets	9,896	8,502	1,395	16
Total Assets	366,794	347,700	19,093	5
Short Term Liabilities	155,271	130,004	25,267	19
Financial Loans	29,968	19,764	10,204	52
Trade Payables	97,956	86,839	11,117	13
Derivatives	533	1,639	-1,106	-67
Provisions	1,226	874	352	40
Other ST Liabilities	25,588	20,888	4,699	22
Long Term Liabilities	8,582	38,284	-29,702	-78
Financial Loans	5,358	35,055	-29,696	-85
Payables & Provisions	2,074	1,961	113	6
Derivatives	469	491	-22	-4
Other LT Liabilities	681	777	-97	-12
Total equity attributable to equity holders of the parent	200,763	177,884	22,879	13
Minority Interests	2,178	1,528	649	42
Total Liabilities & Equity	366,794	347,700	19,093	5

Finished Product and Semi Product Imports (Thousand Tons)

Product Imports

■ Q4 2023 ■ Q4 2022



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