




# Energy To the future

 **Tüpraş**

 **Koc** | December 2024

Investor Presentation

# Disclaimer

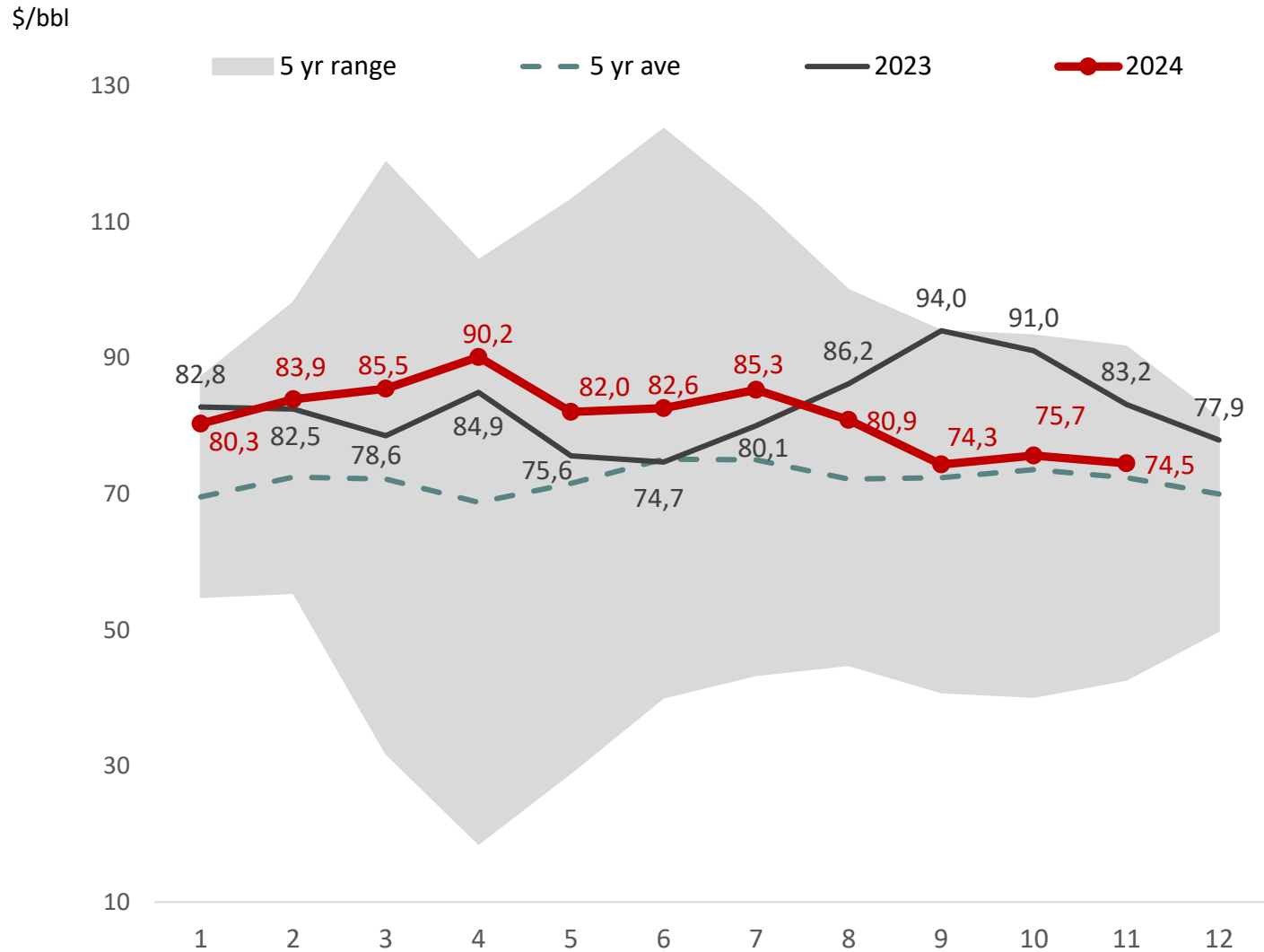
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# Refining Market

# Brent Crude Prices



- + Russian-Ukraine war
- + Impact of sanctions
- + Post-pandemic demand recovery
- + OPEC+ cut decisions
- + New trade dynamics

- Continued Non-OPEC supply
- Geopolitical tensions
- Concerns over economic slowdown

Year	Average Brent Prices (\$/bbl)
2019	64.3
2020	41.7
2021	70.7
2022	101.2
2023	82.6

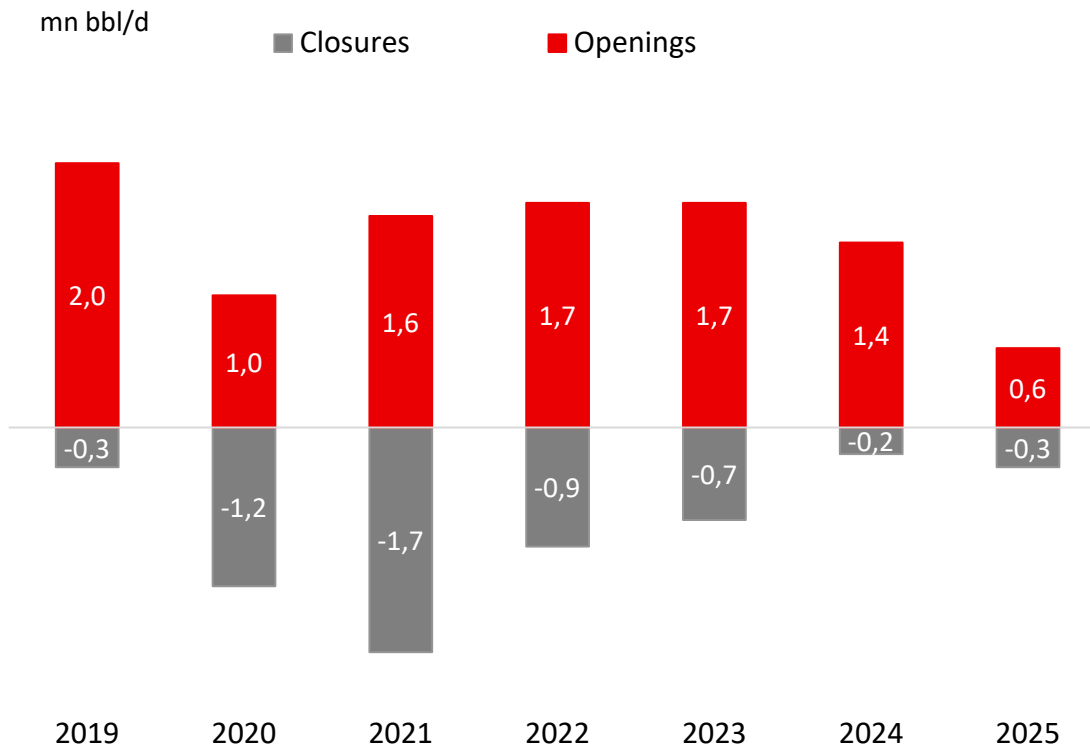
Data as of 30 November, 5 year range shows 2019-2023

# Global Refinery Capacity Changes

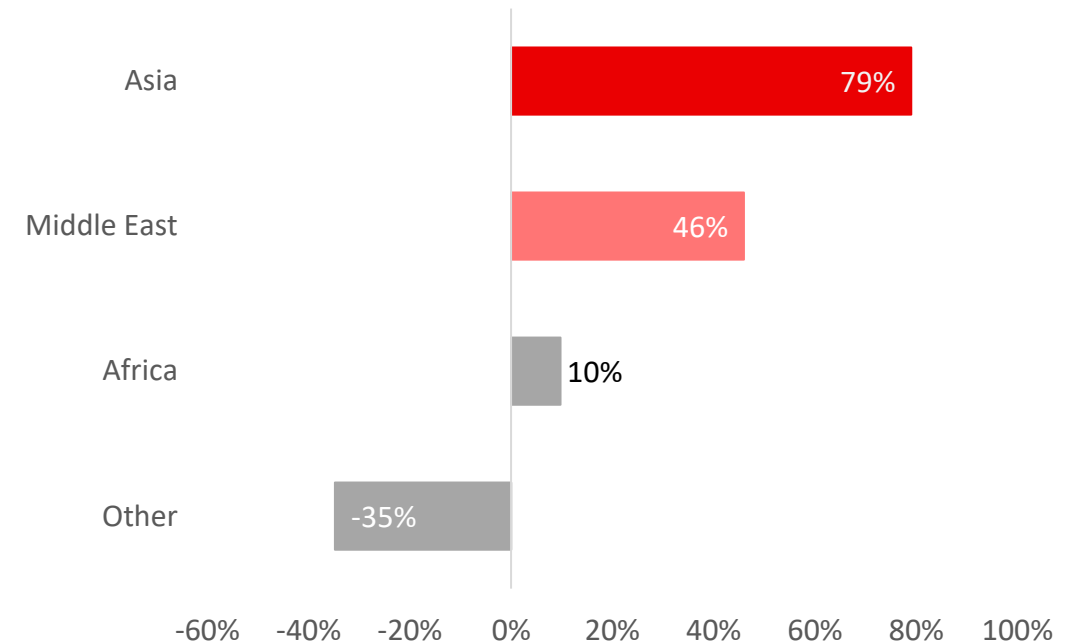
## Expectations until 2025:

- In the 2019-2025 period, 79% of the net capacity increase comes from Asia and 46 % from the Middle East Region.
- 63 % of the closures intensified after the pandemic come from the OECD region.

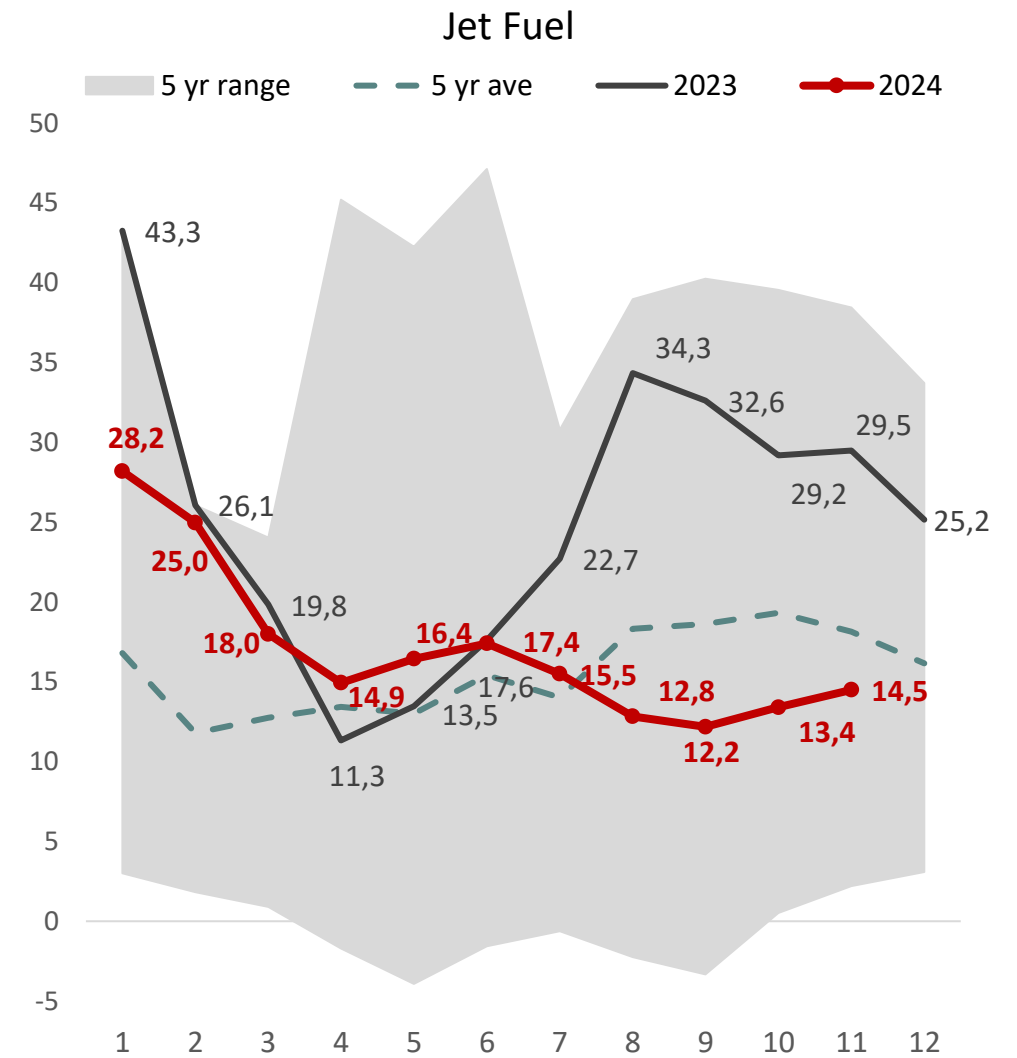
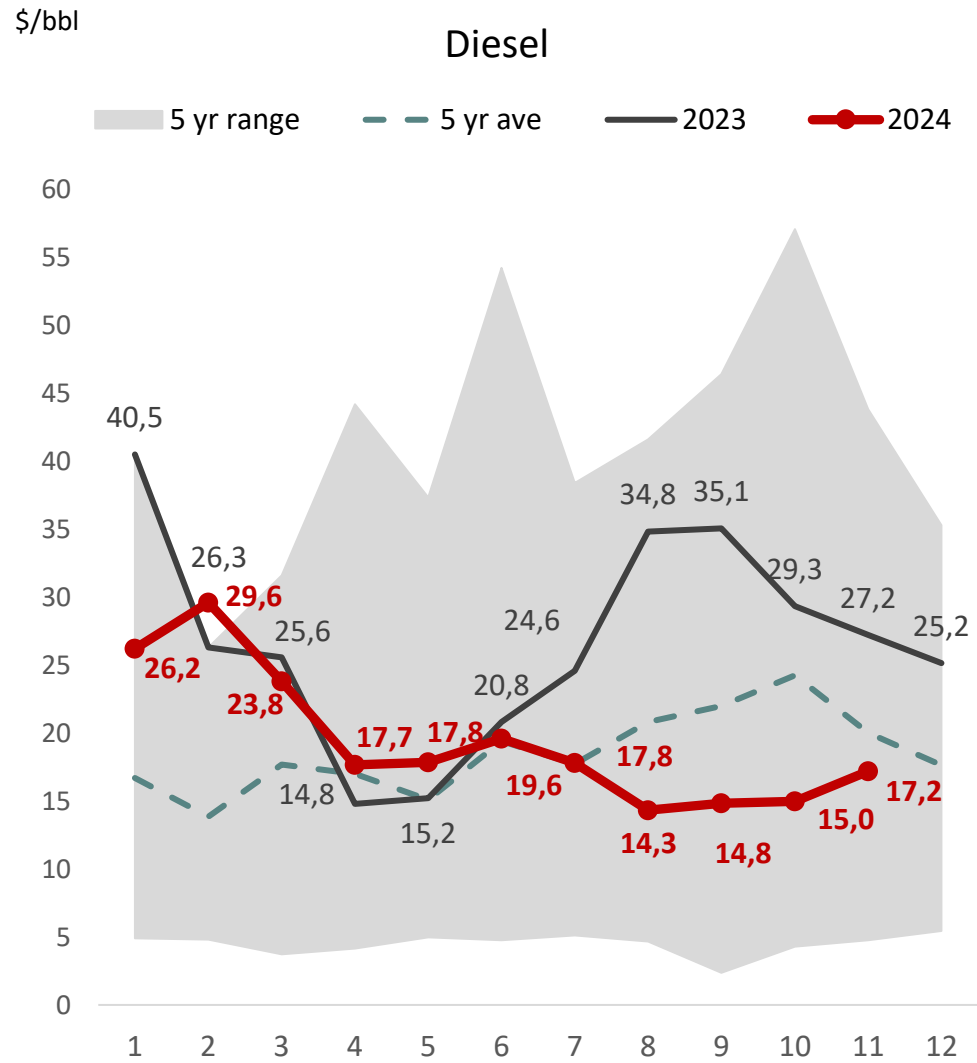
### 2019-2025 Net Capacity Additions



### Capacity Additions by Region

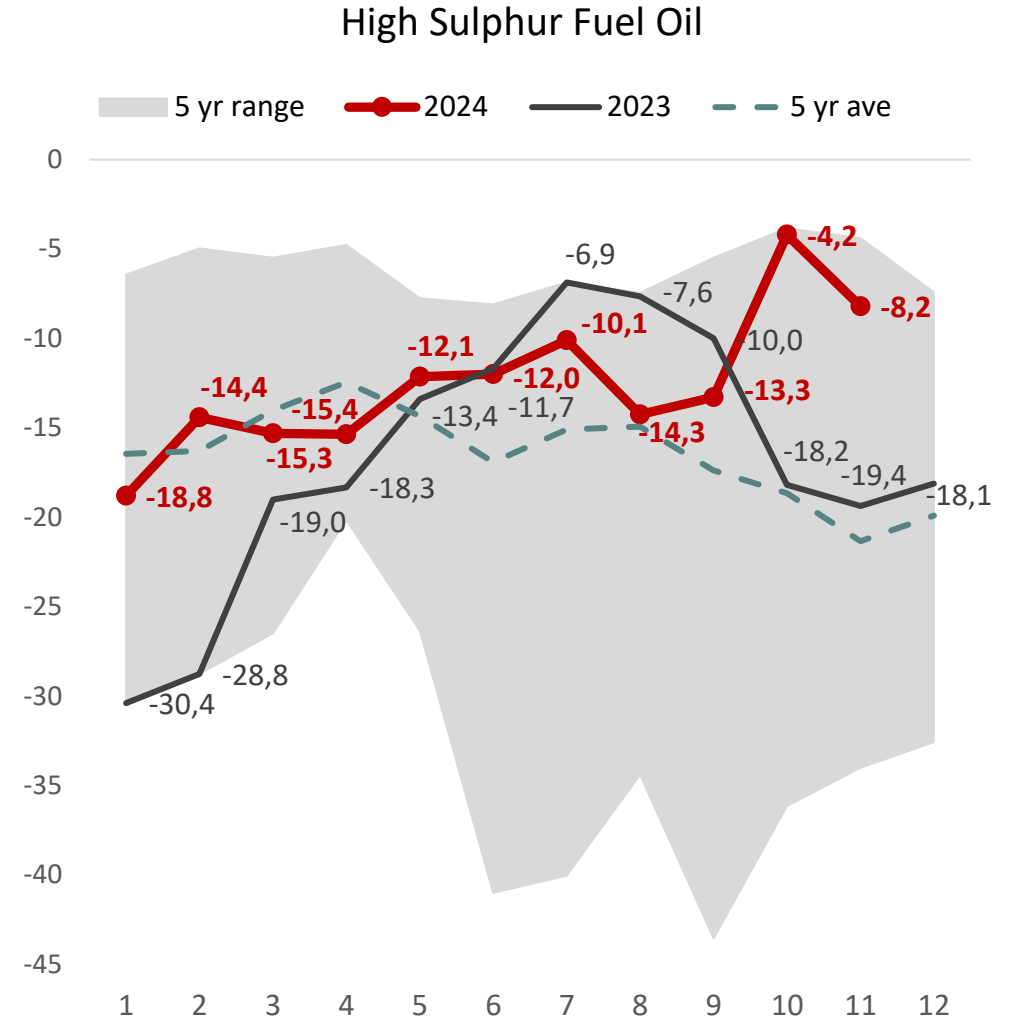
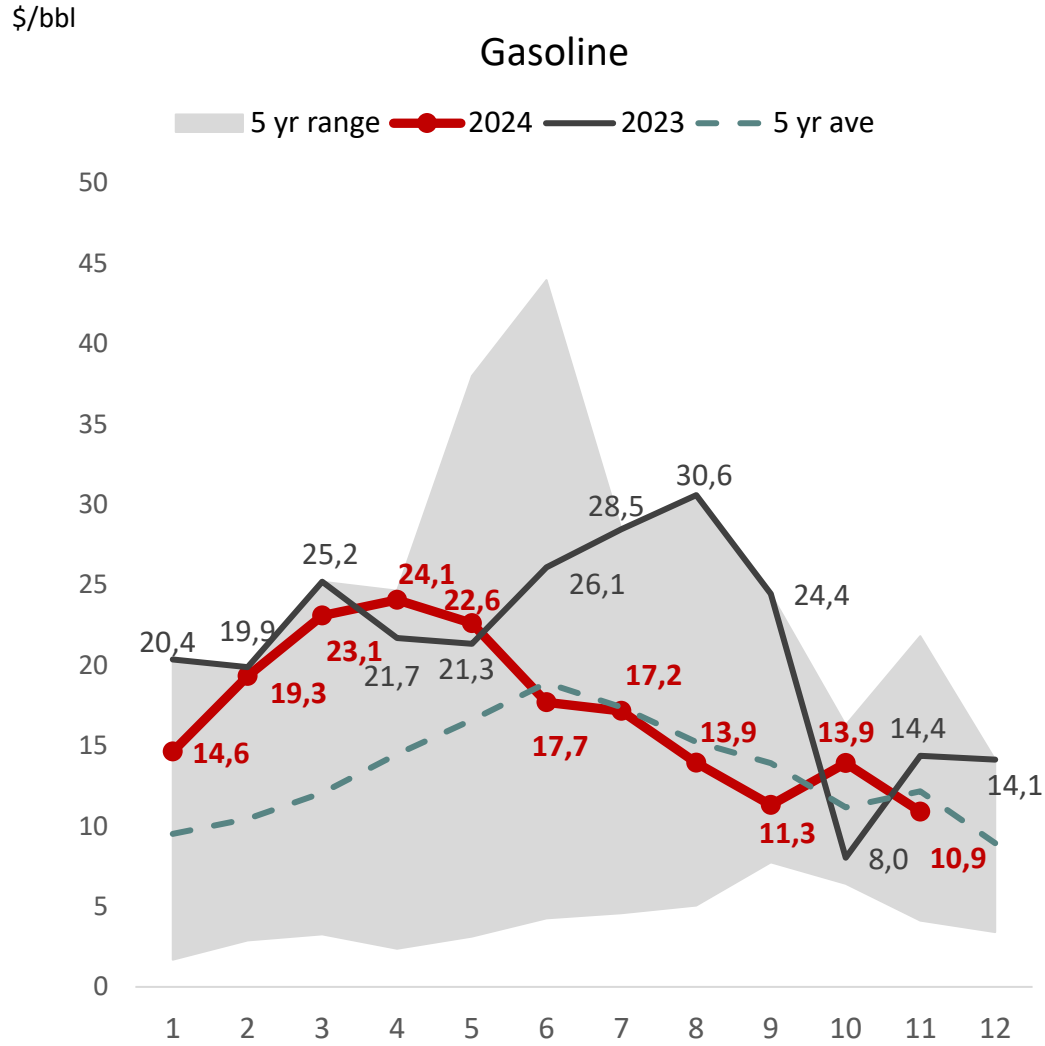


# Middle Distillate Cracks



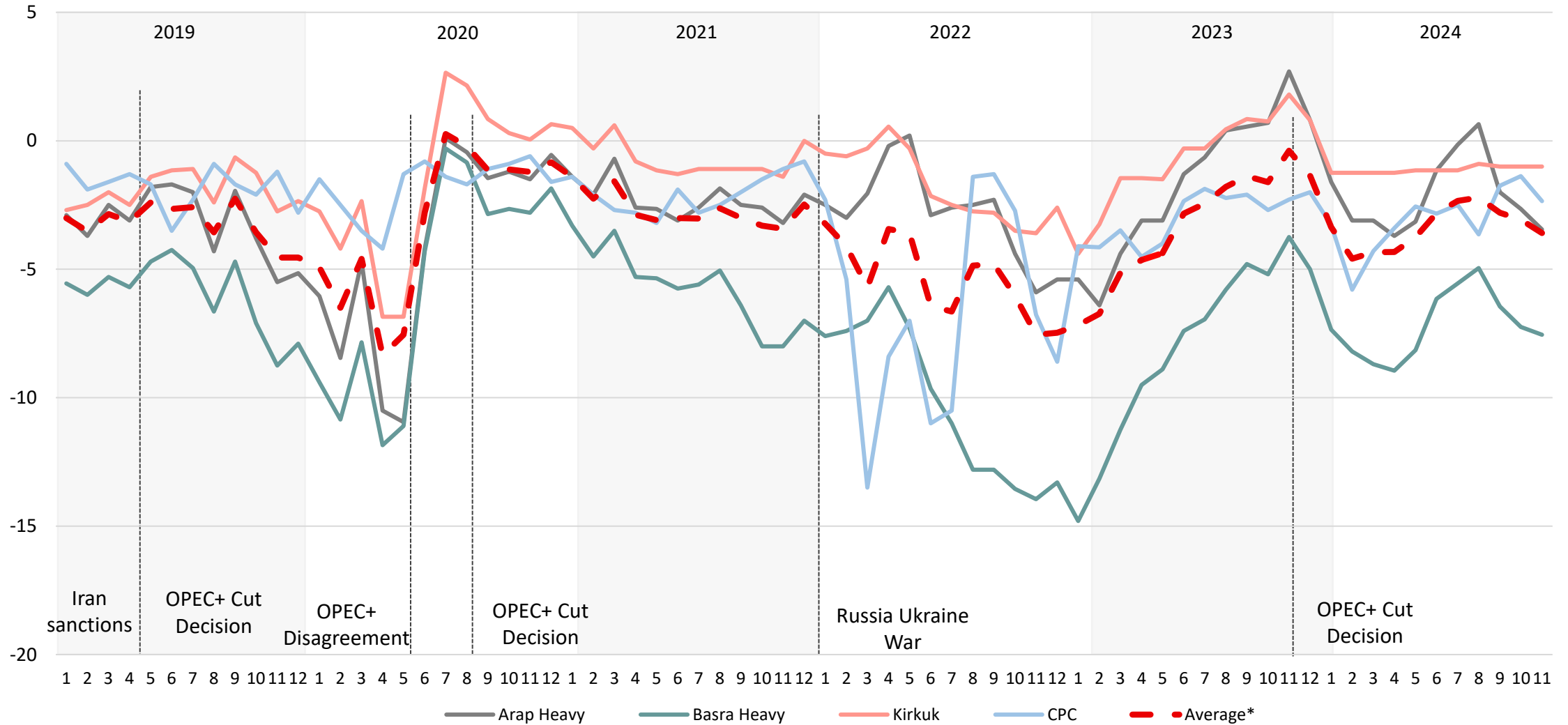
Data as of 30 November, 5 year range shows 2019-2023

# Gasoline and High Sulphur Fuel Oil Cracks



Data as of 30 November, 5 year range shows 2019-2023

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

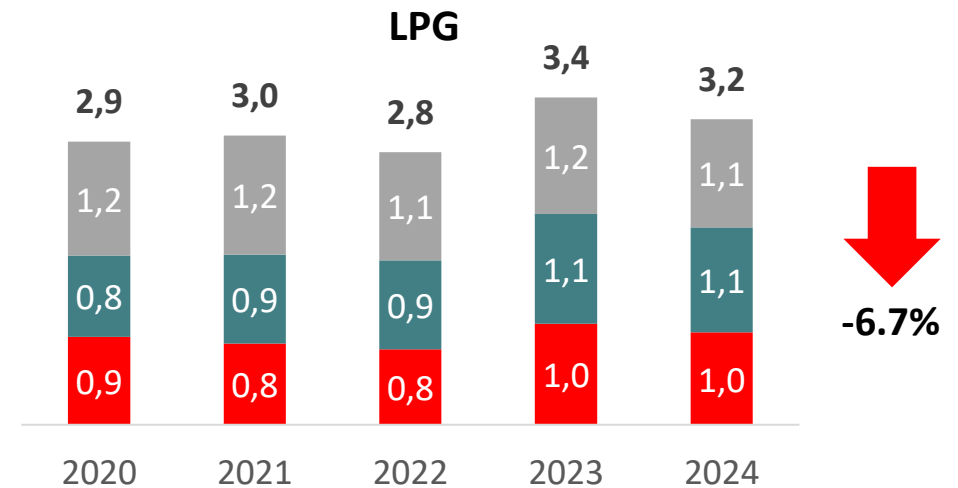
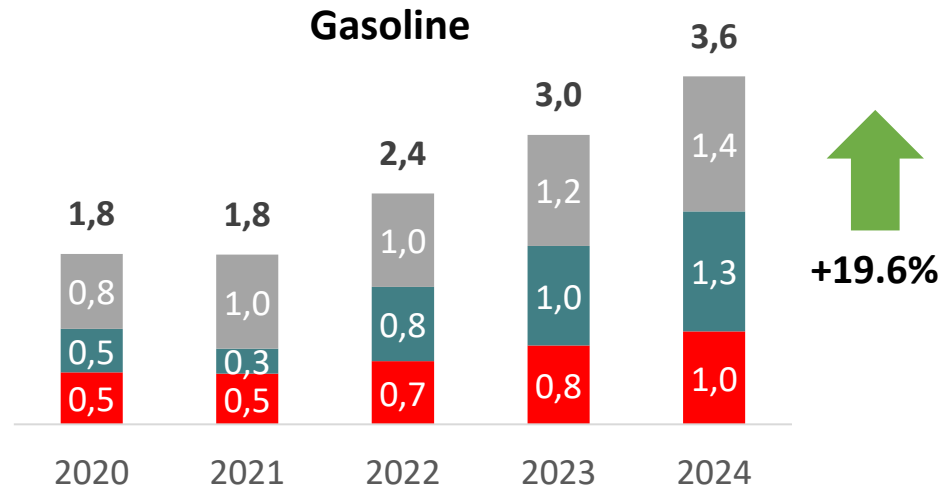
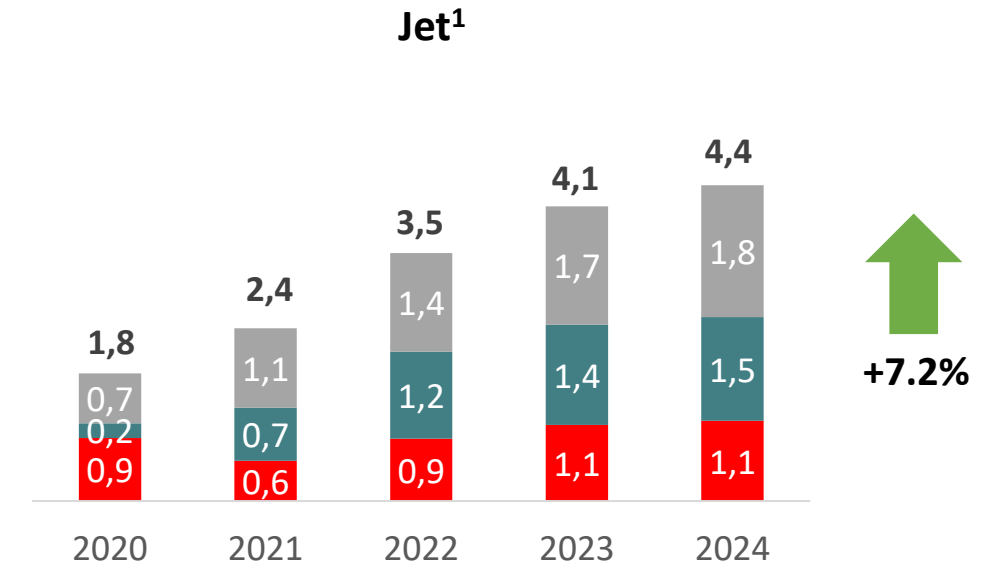
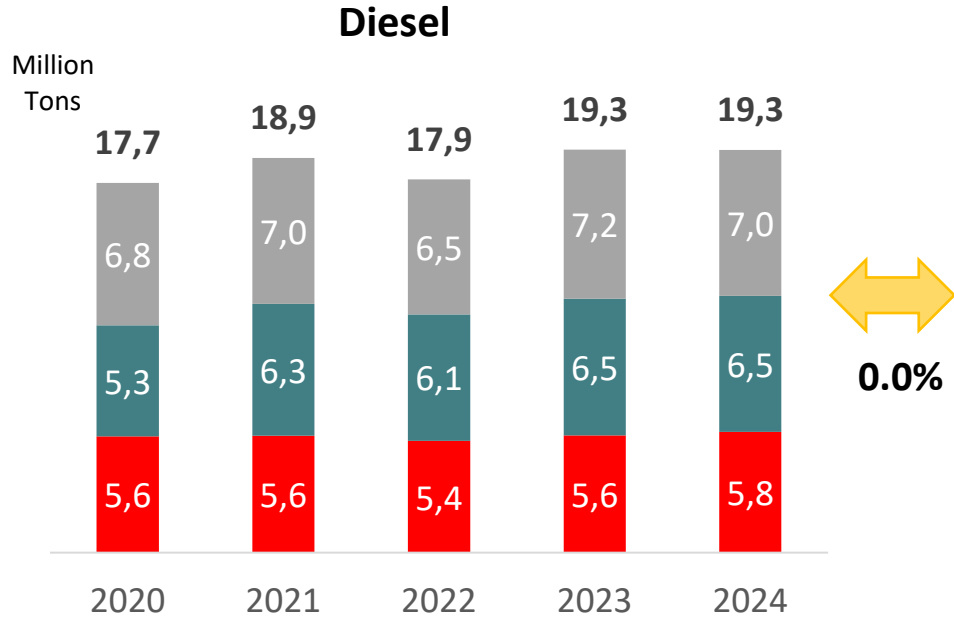


Data as of 30 November

\*Simple average of listed differentials

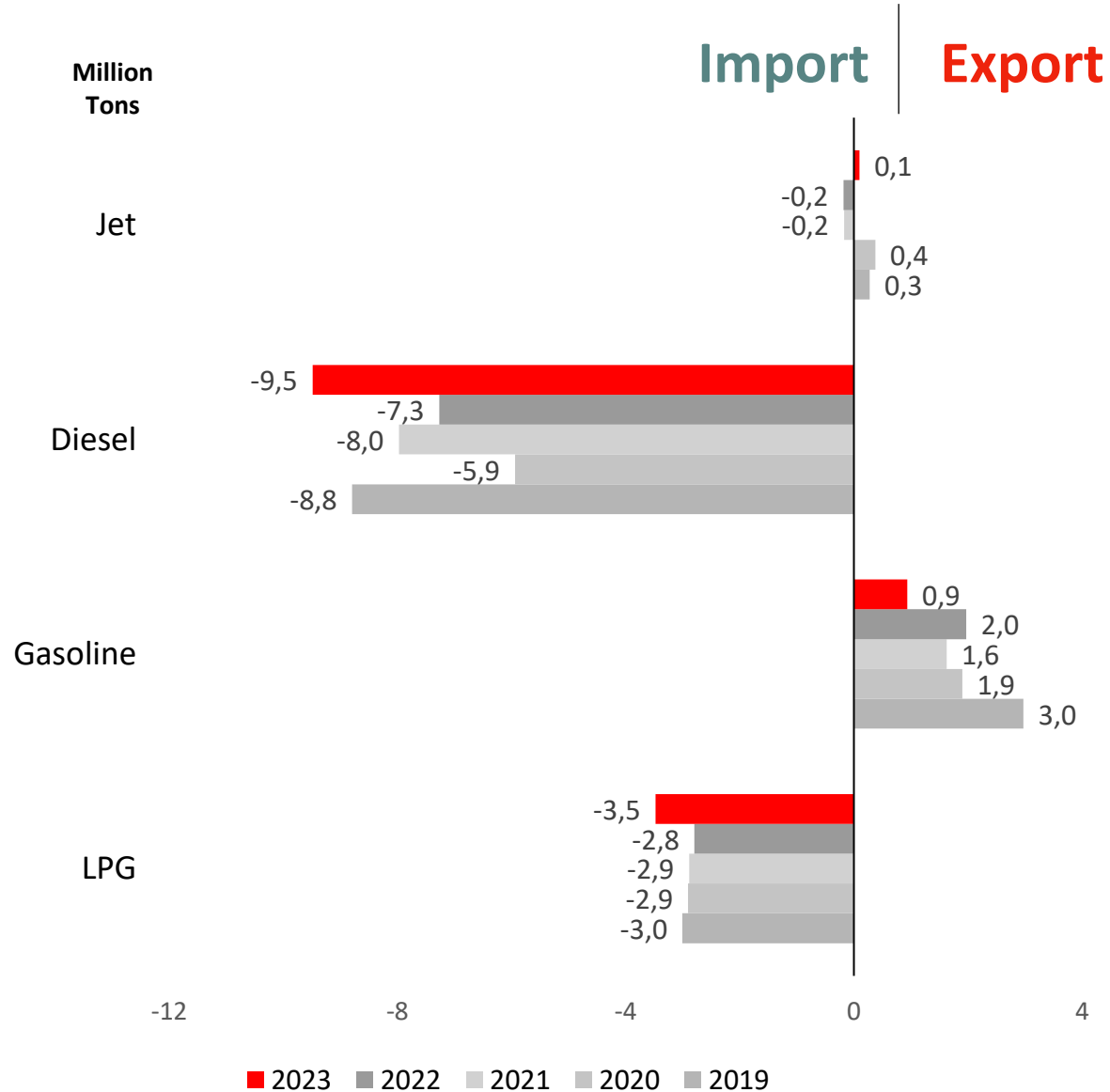
# Turkish Market, 9M 2024

■ Q1 ■ Q2 ■ Q3



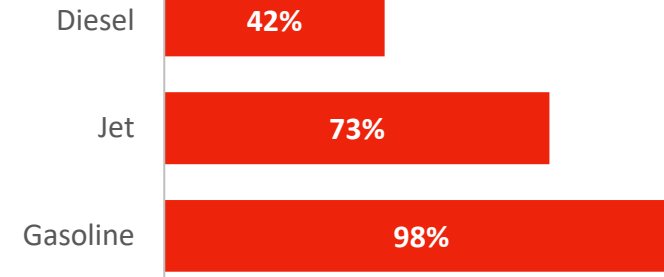
<sup>1</sup>Transit flight consumption included

# Turkey's Net Import / Export Balance

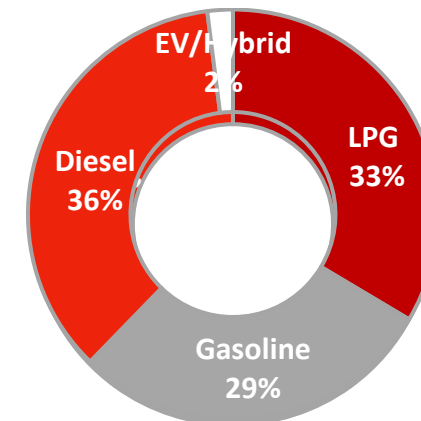


## Market Share of Tüpraş

2023 12M



## Fuel Choice of Passenger Cars 2023

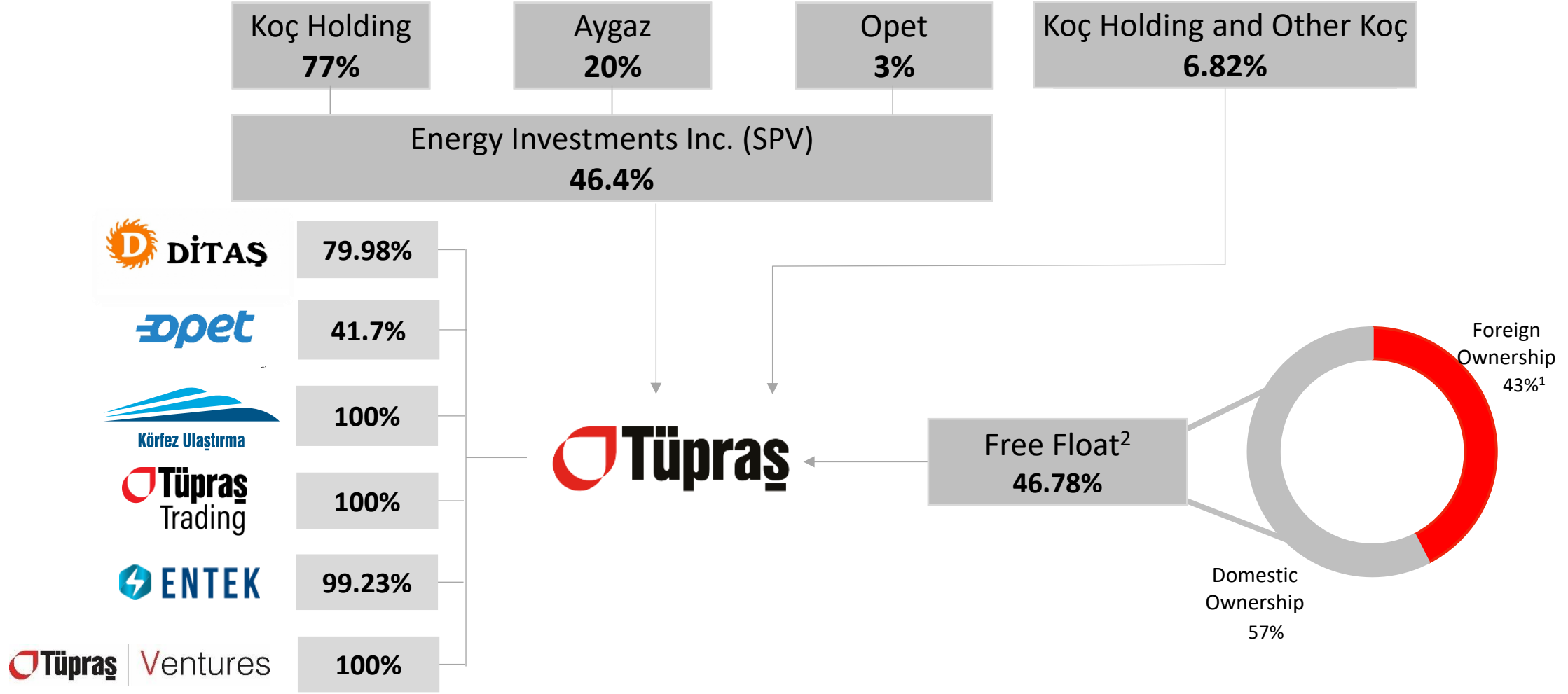




# Company Overview

# Tüpraş Shareholder Structure

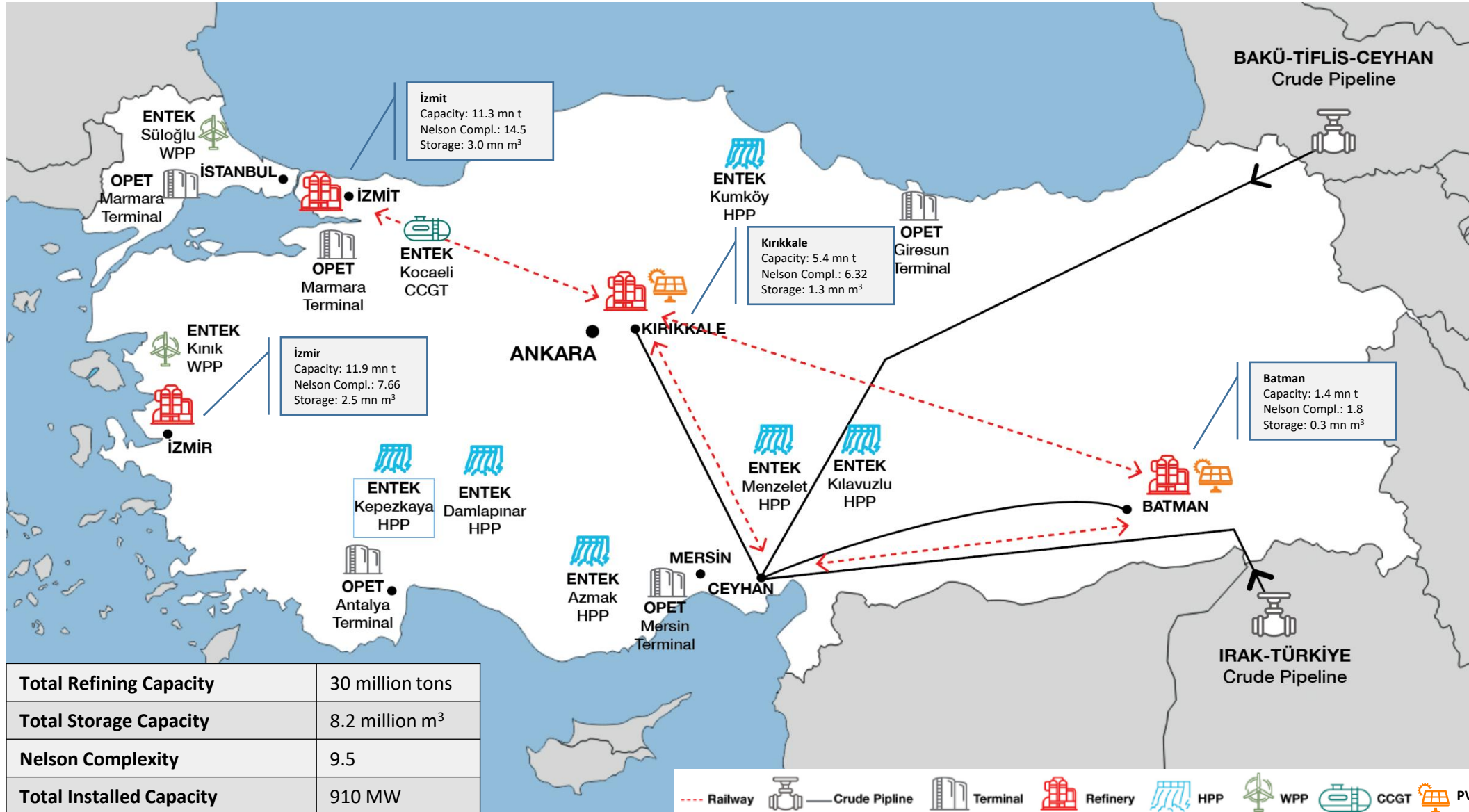
Tüpraş is Turkey's biggest industrial company and leading refiner.



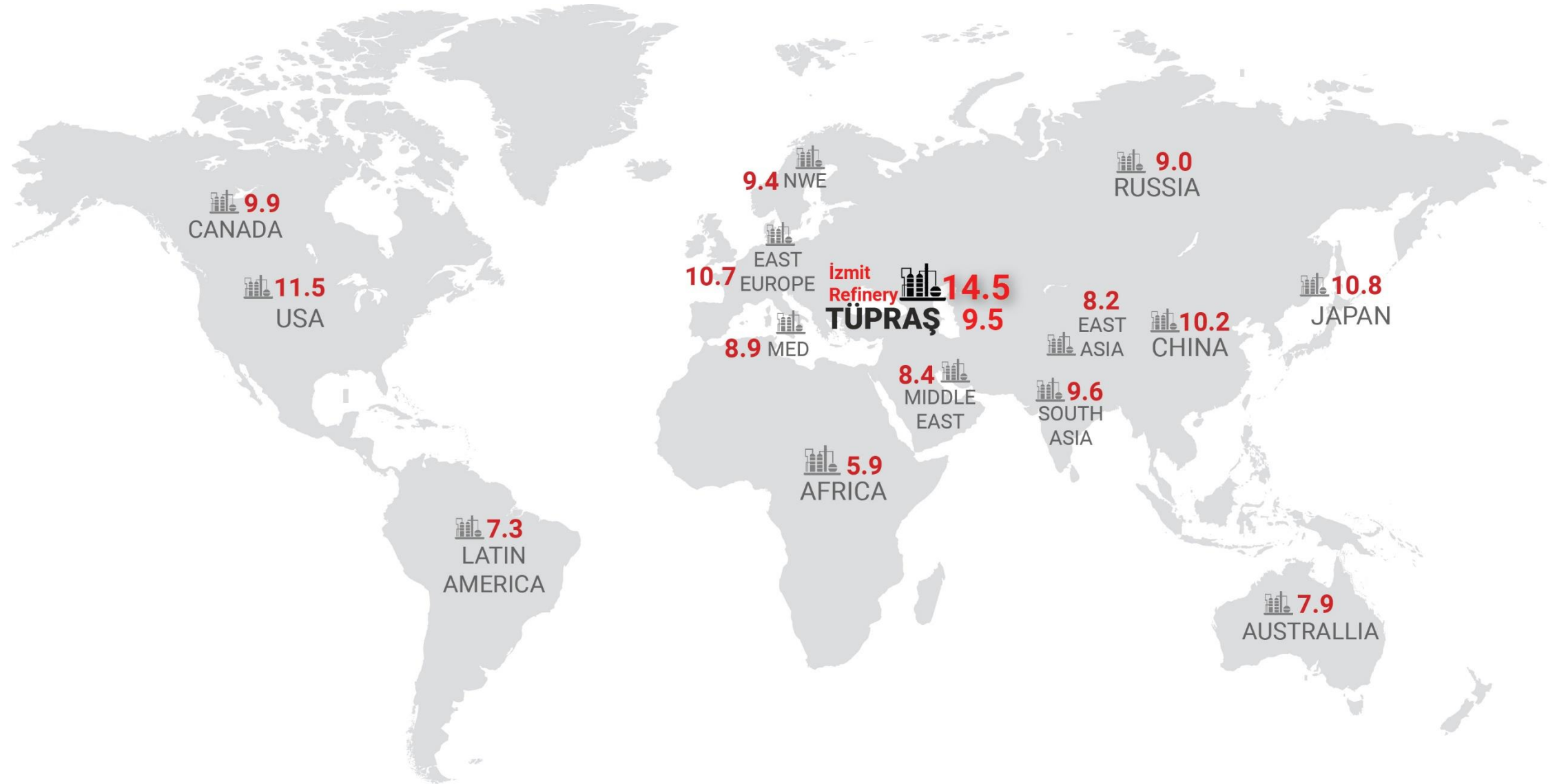
<sup>1</sup> As of December 31, 2023

<sup>2</sup> Includes %1.11 shares of Liquid Petroleum Co.

# Tüpraş' Refining Assets & Distribution Network



# Nelson Complexity of Refining Companies



# Tüpraş Subsidiaries

## OPET – Distribution (%41.7)



**Market Share:** **18.7%** **27,5%**  
**White Products** **Black Products**

**1,881** Stations  
**5** Terminals  
**1.1 million m<sup>3</sup>** Storage capacity  
**199 EV** Charging Unit  
 (11% of stations)

## Körfez Ulaştırma – Railway Transport (%100)



- ~5% share in Turkish rail freight market
- **2.2 mn ton** of product and semi-product carried in 2023
- Operates with **12 locomotives** (7 of them are hybrid) and **554 total of fuel oil and platform wagons**

## Tüpraş Trading UK – Trading (%100)



- Over **4.5 million tons** of product trade
- Over **6.5 million tons** of spot crude oil connections
- **1.3 million tons** of third party trading

## Entek Electricity– (%99.23)



- **1.3 GWs** sales from production

**492 MW**  
 Entek's Installed Capacity  
**116 MW** 2 WPP  
**112 MW** 1 CCGT  
**264 MW** 8 HPP

## DITAŞ Marine Transport (%79.98)



- Transportation of **10.8 million tons** crude cargoes and **7.2 million tons** products cargoes.

**661,787 DWT**  
 Carrying Capacity  
**470,067 DWT** 4 Crude Oil Tanker  
**61,283 DWT** 4 Bitumen Tanker  
**130,437 DWT** 8 Product Tanker

## Tüpraş Ventures (%100)

**Tüpraş Ventures**

KOC GROUP COMPANIES' FIRST PRIVATE VENTURE CAPITAL INVESTMENT FUND

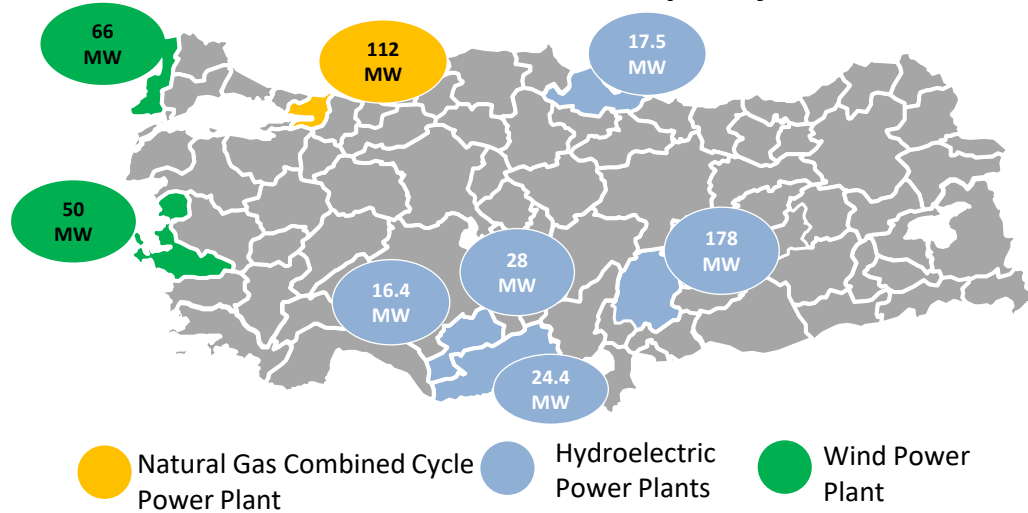
Energy Transformation Sustainability Operational Excellence

- Direct investment in 3 technological developments: **2 green hydrogen, 1 robotics.**
- Collaboration with 2 venture capital funds investing in new technology companies in USA and Europe.
- In 2023, 18 investments were undertaken.

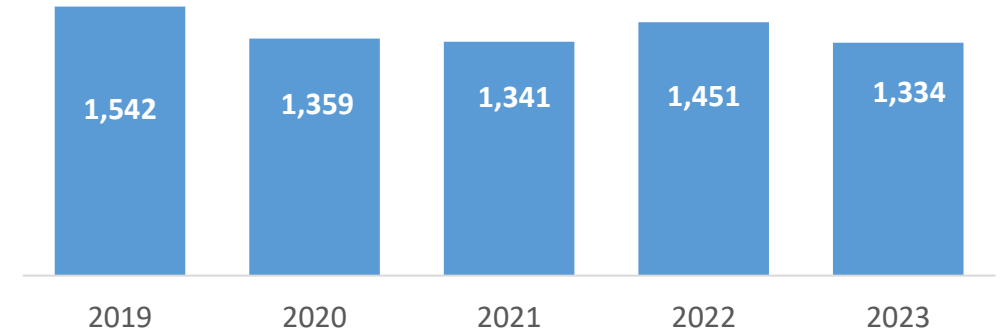
# Tüpraş Subsidiaries

## Entek - Electricity (Tüpraş Share: 99.23%)

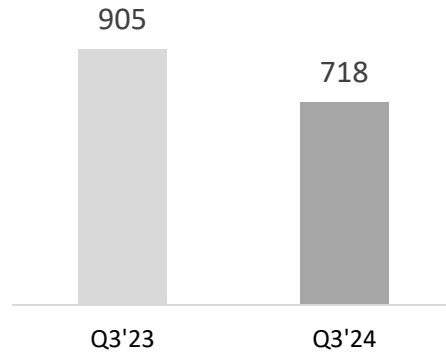
### Entek's Installed Capacity



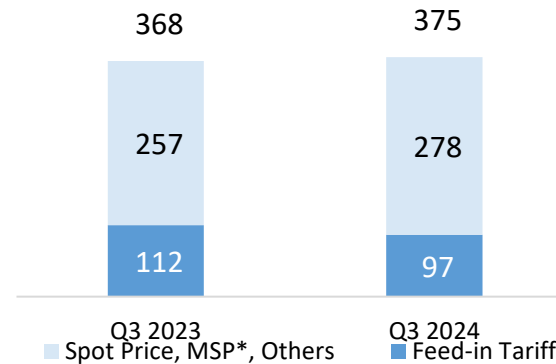
### Production (000 MWh)



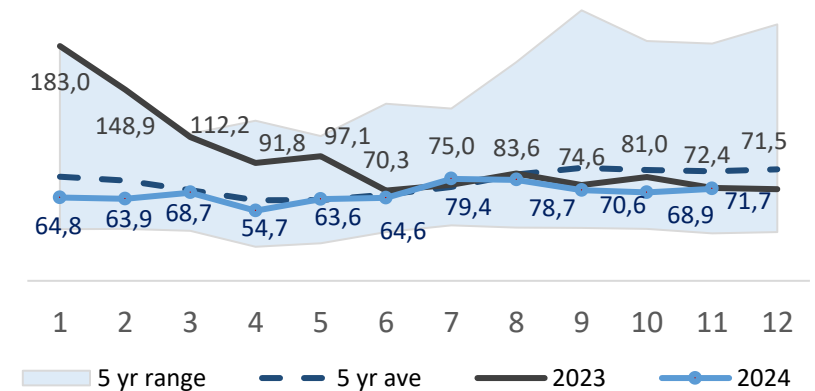
### EBITDA (Mn TL)



### Total ZCE Sales from Production (GWh)



### Spot Price (\$/Mwh)

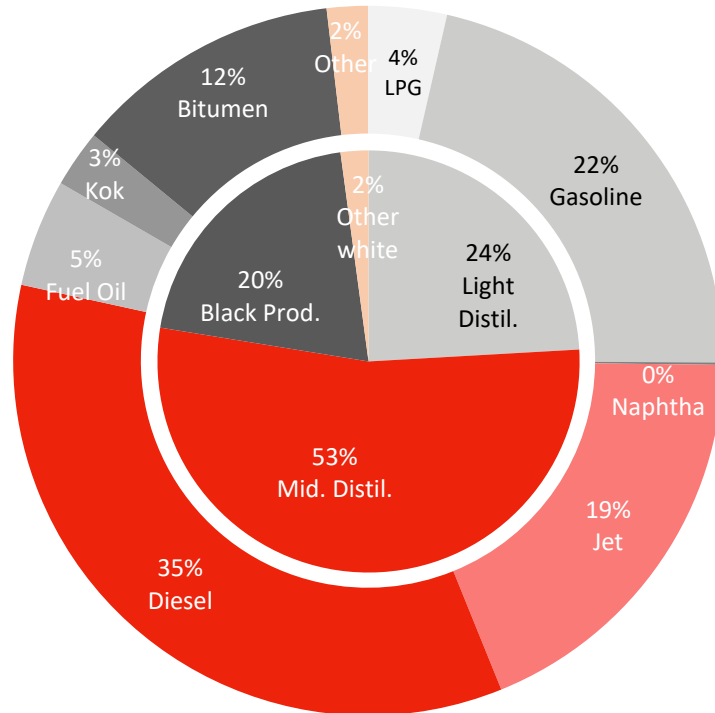




Operations

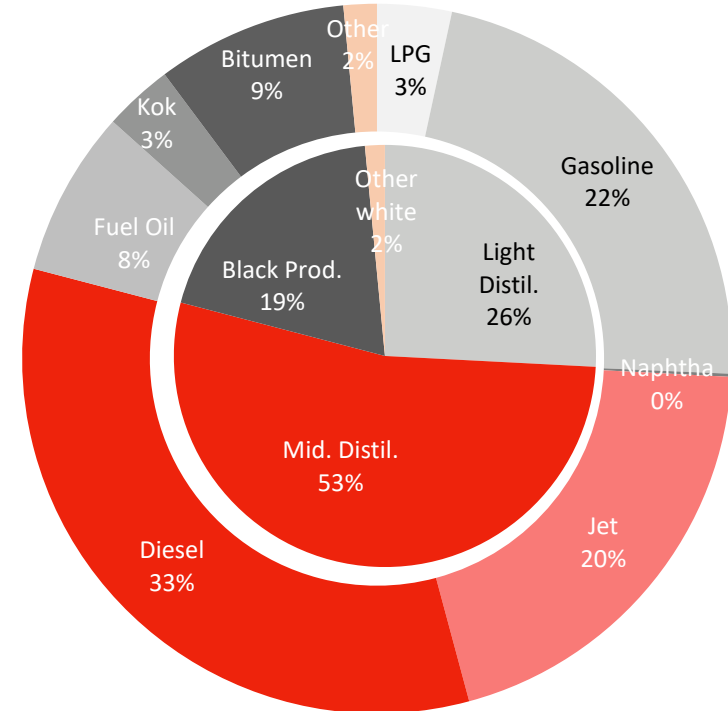
# Q3 Product Yields

Q3 2023



White Product Yield (%)	79.1%
Production	7.0 mn tons
API	31.4

Q3 2024

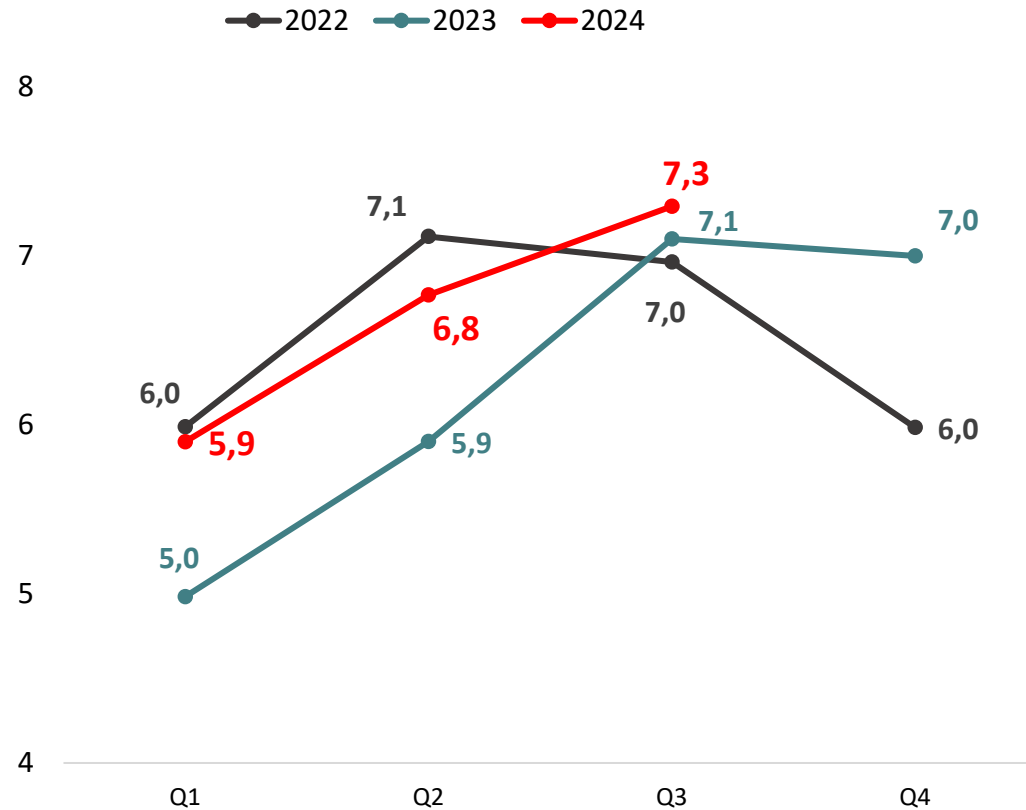


White Product Yield (%)	79.5%
Production	7.3 mn tons
API	31.5

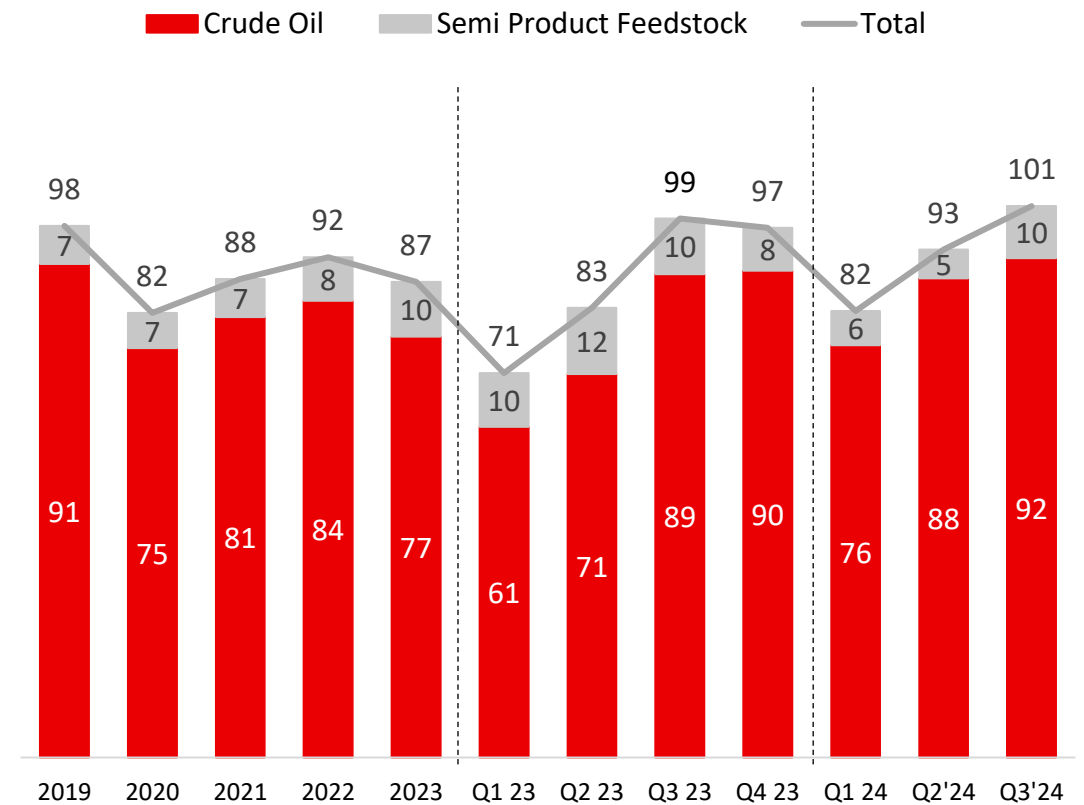
# Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 7.3 million tons in Q3 2024.
- Capacity utilization for Q3 2024 was 101%, highest level achieved since Q3 2019.

Quarterly Production (Million Tons)



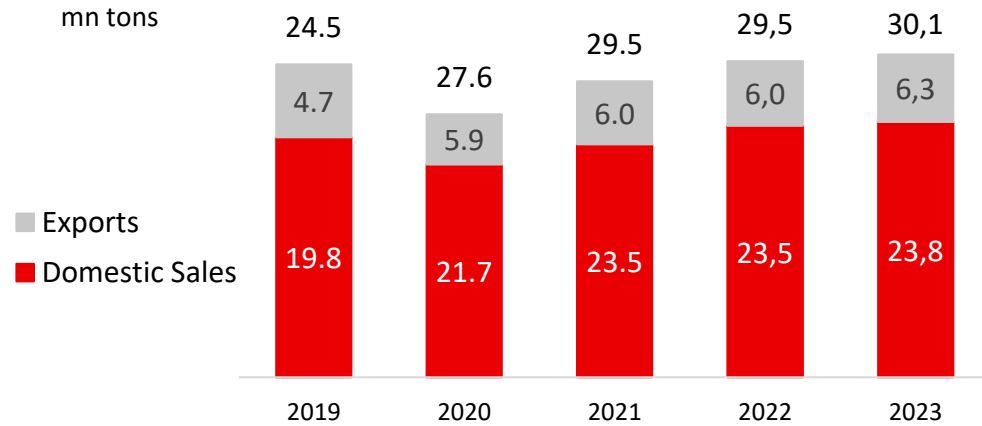
Capacity Utilization (%)



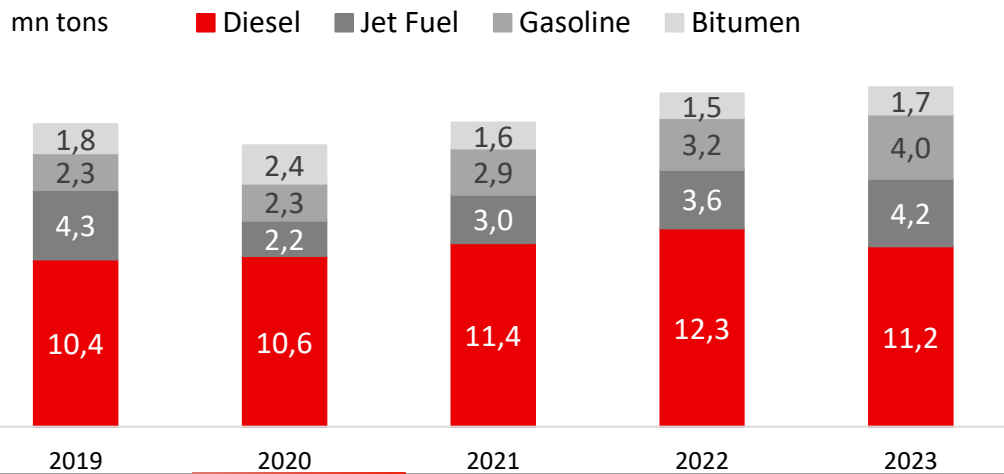
# Sales

- Tüpraş generated 30.1 million tons of total sales in 2023.

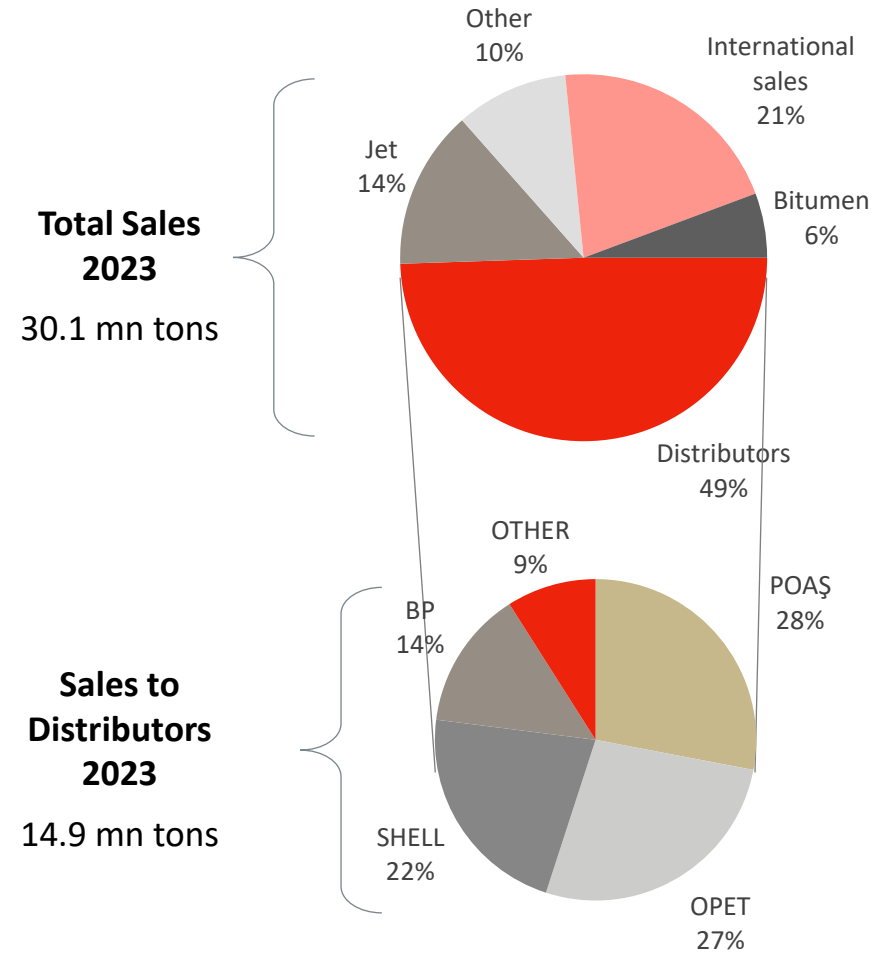
### Total Sales



### Domestic Sales of Key Products



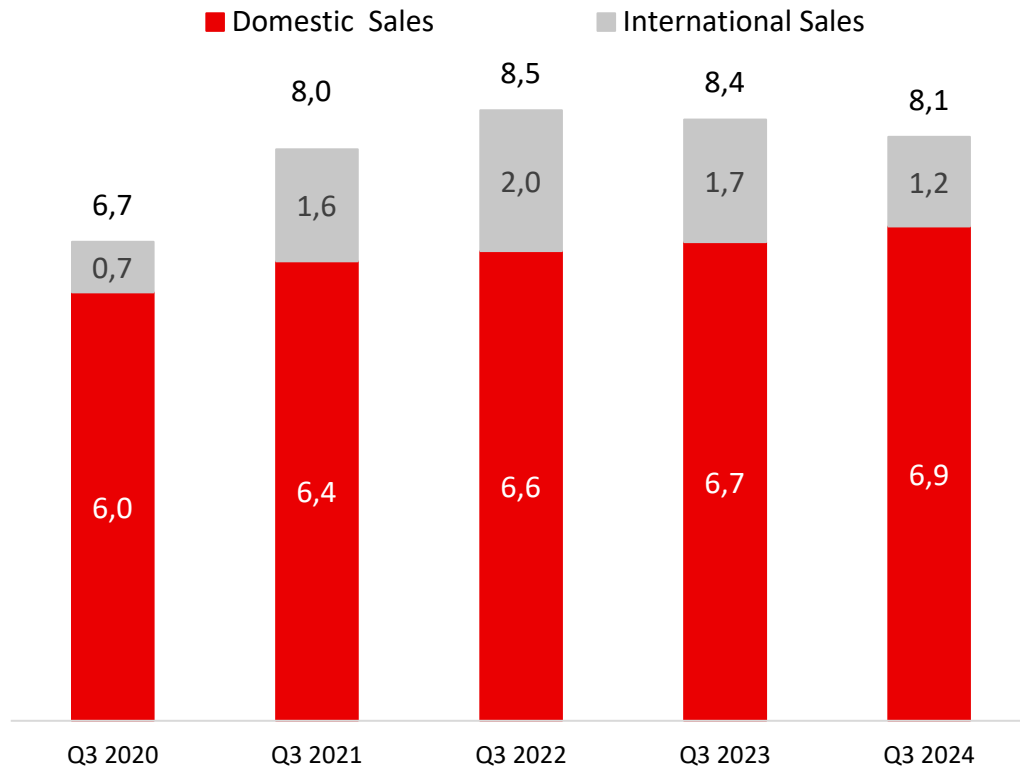
### Customer Groups 2023



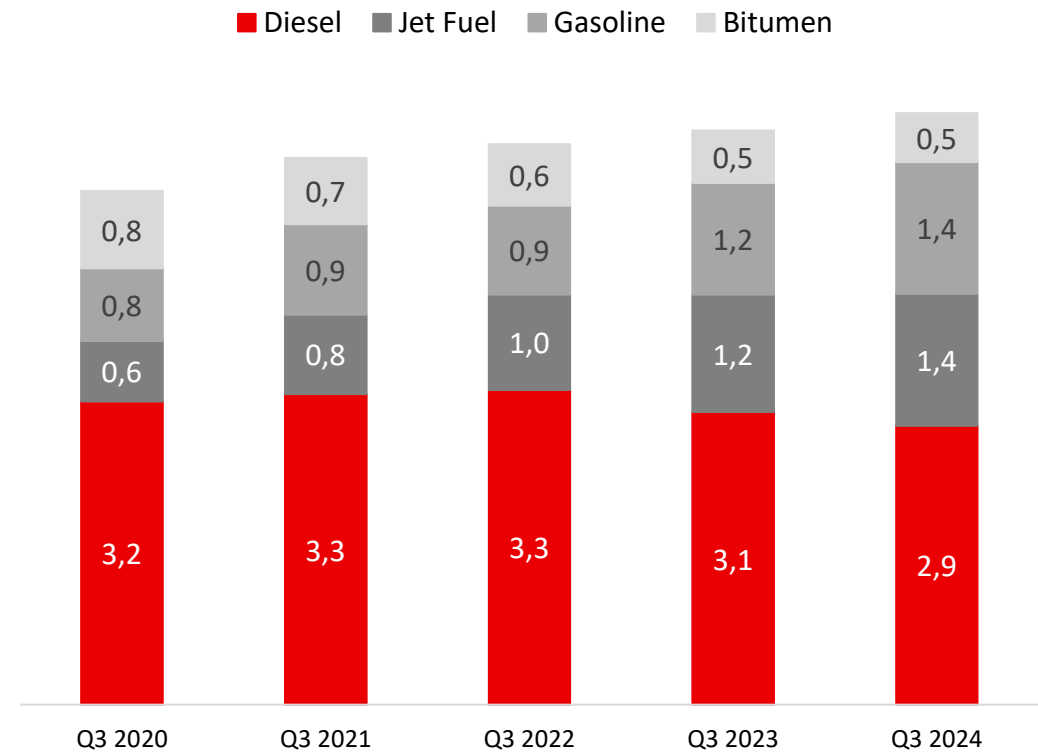
# Product Sales in Q3 2024 (Million Tons)

- Tüpraş' sales were 8.1 million tons in Q3 2024.
- Domestic sales grew by 3% y/y driven by gasoline. Gasoline sales are up by 18% y/y with the increased demand.

## Total Product Sales



## Domestic Sales of Selected Products





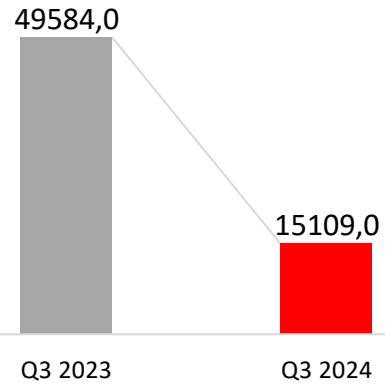
Financials

# Income Statement (Million TL)

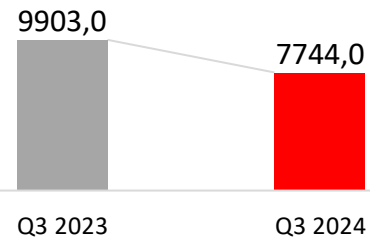
Million TL	Q3 2024	Q3 2023	%	9M 2024	9M 2023	%
Net Sales	196,223	292,612	-33%	599,332	681,835	-12%
COGS	-177,438	-239,814	-26%	-546,005	-569,051	-4%
<b>Gross Profit</b>	<b>18,875</b>	<b>52,798</b>	<b>-64%</b>	<b>53,327</b>	<b>112,784</b>	<b>-53%</b>
Operating Expenses	-6,006	-6,299	-5%	-20,390	-18,234	12%
Income/Loss from other operations	-1,195	-4,881	-76%	-5,132	-18,319	-72%
<b>Operating Profit</b>	<b>11,583</b>	<b>41,617</b>	<b>-72%</b>	<b>27,805</b>	<b>76,231</b>	<b>-64%</b>
Income/Loss from Equity pick ups	477	1,495	-68%	807	2,502	-68%
<b>Operating Profit Before Fin. Income/Loss</b>	<b>12,061</b>	<b>43,112</b>	<b>-72%</b>	<b>28,612</b>	<b>78,733</b>	<b>-64%</b>
Financial Income/Expense	2,451	-3,636	-167%	7,477	-9,333	-180%
Monetary Gain/Loss	-3,049	-7,251	-58%	-12,599	-12,279	3%
<b>Profit Before Tax</b>	<b>11,463</b>	<b>32,226</b>	<b>-64%</b>	<b>23,491</b>	<b>57,121</b>	<b>-59%</b>
<b>Net Profit (excluding minority interest)</b>	<b>7,744</b>	<b>9,903</b>	<b>-22%</b>	<b>13,573</b>	<b>23,403</b>	<b>-42%</b>
<b>EBITDA*</b>	<b>15,109</b>	<b>49,584</b>	<b>-70%</b>	<b>39,959</b>	<b>102,566</b>	<b>-61%</b>
Inventory Gain/Loss	2,153	5,496	-61%	6,138	14,232	-57%
<b>EBITDA CCS*</b>	<b>12,956</b>	<b>44,088</b>	<b>-71%</b>	<b>33,820</b>	<b>88,334</b>	<b>-62%</b>

# Financial Highlights

EBITDA (mn TL)

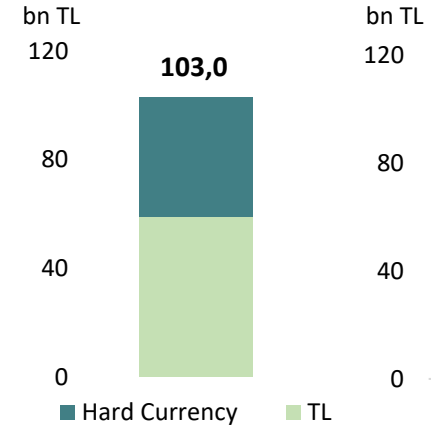


Net Income\* (mn TL)

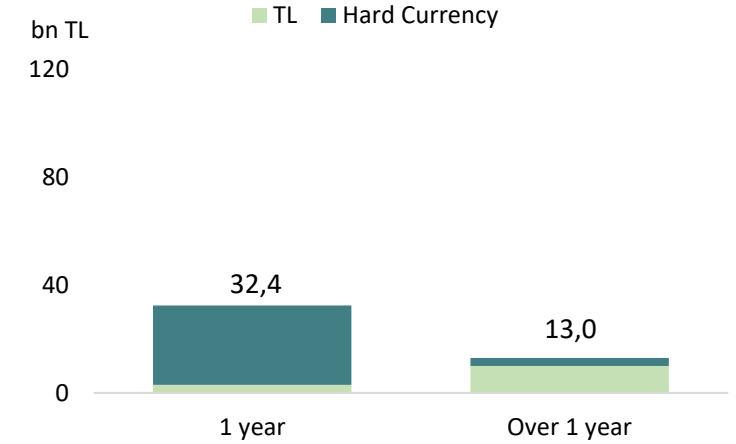


\* Excluding minority interest

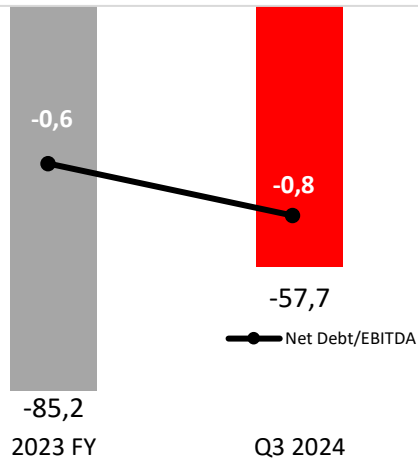
Cash Currency Breakdown



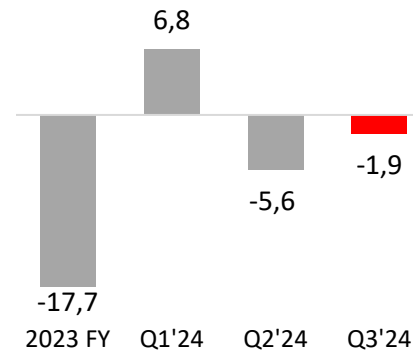
Redemption Schedule(\*\*)



Net Debt & Net Debt / EBITDA



Working Capital (bn TL)



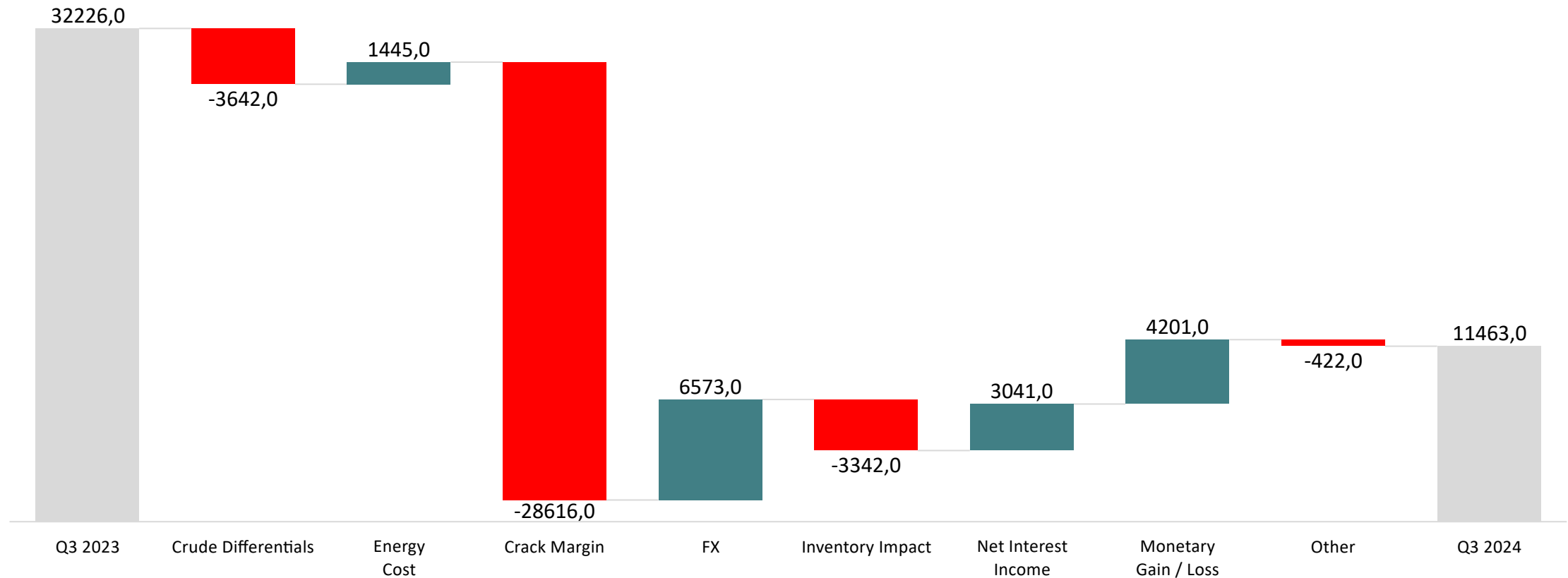
## Financial Management

- Working capital buffer was maintained with efficient cash management.
- Net cash position continued with strong operating cashflow.

# Profit Before Tax Bridge (Q3 2023– Q3 2024)

Lower energy expenses and strong net FX gains and interest income supported the PBT despite lower crack margins and narrow differentials.

Million TL



# 2024 Expectations

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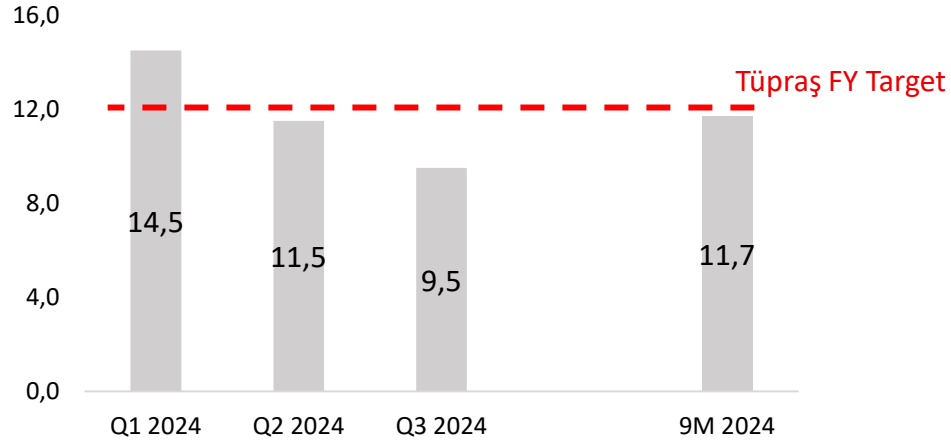
Tüpraş Crack Margin expectation ~12 \$/bbl

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

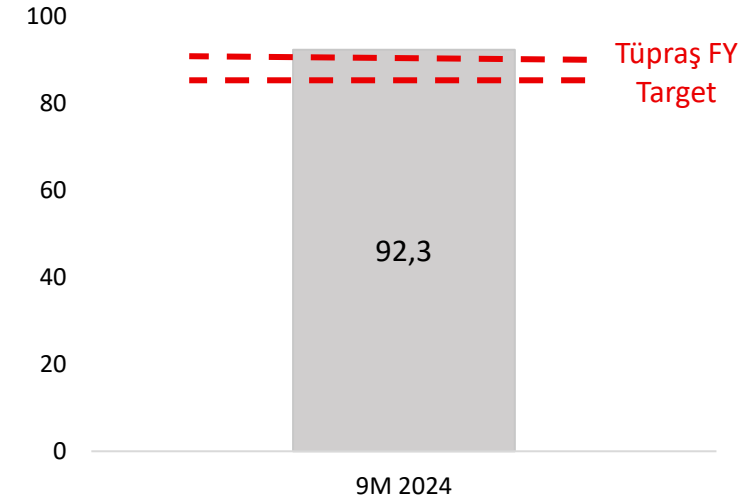
Consolidated Capex ~400 million \$

# Q3 2024 Results

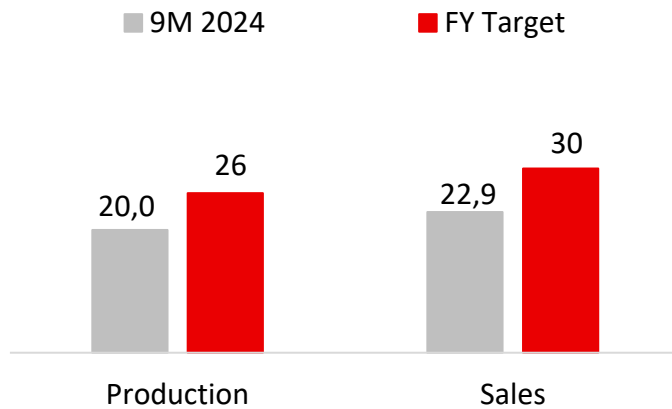
## Tüpraş Crack Margin (\$/bbl)



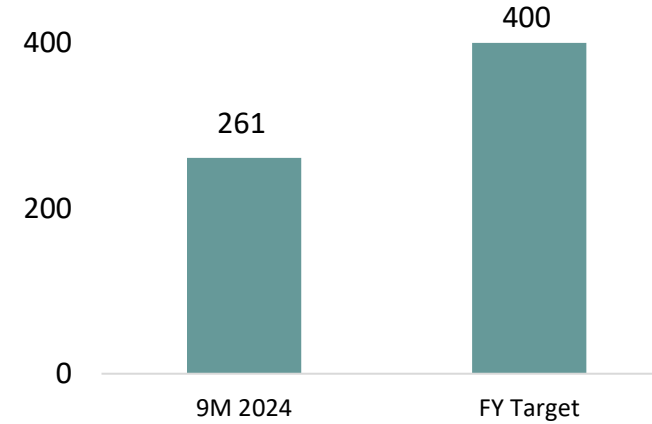
## Capacity Utilization (%)



## Operational (million tons)



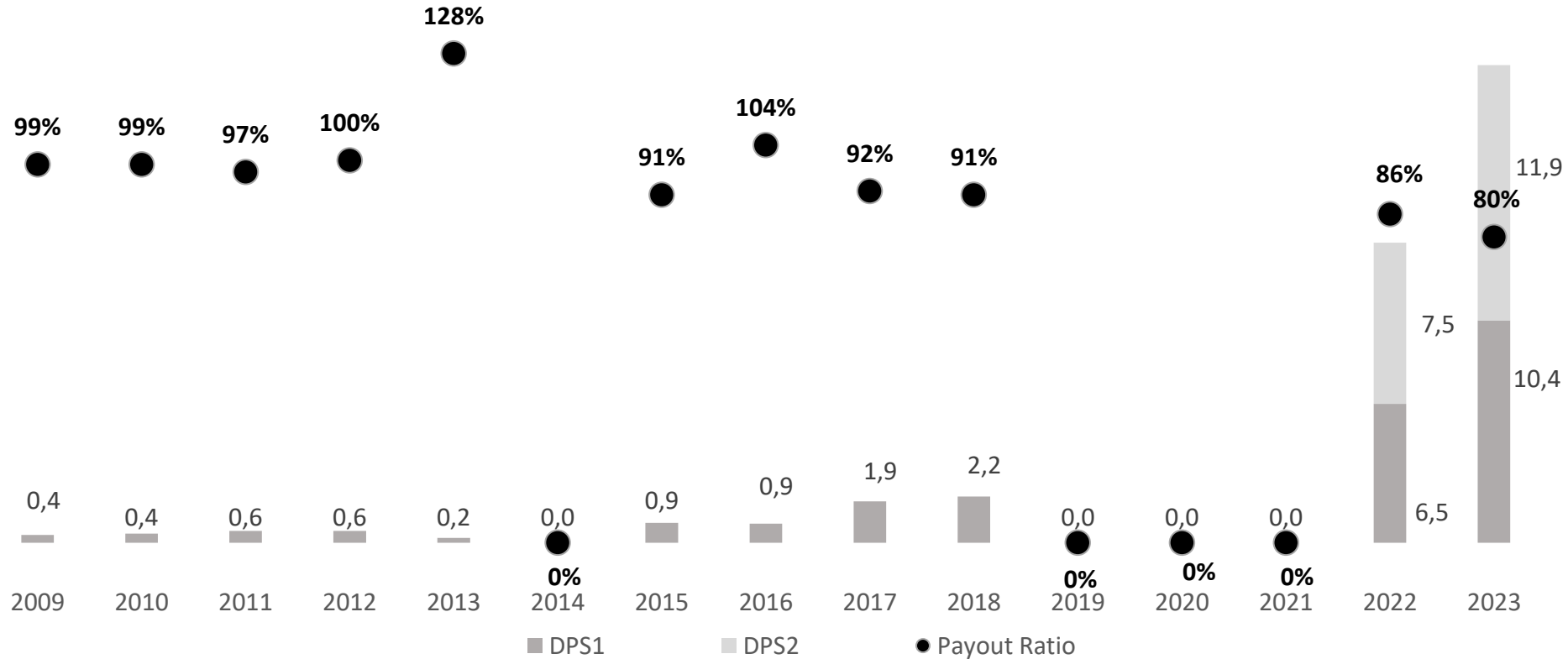
## Total Capex (mn \$)



# Tüpraş Balance Sheet (Million TL)

	30.09.2024	31.12.2023	Diff.	Diff. (%)
<b>Current Assets</b>	<b>230,879</b>	<b>273,282</b>	<b>-42,402</b>	<b>-16</b>
Cash & C. Equivalents	103,039	133,175	-30,136	-23
Trade Receivables	40,361	54,941	-14,580	-27
Derivatives	3,997	2,805	1,192	43
Inventories	63,775	60,409	3,366	6
Pre-paid expenses	2,517	1,736	781	45
Other Current Assets	17,190	20,216	-3,026	-15
<b>Long Term Assets</b>	<b>221,707</b>	<b>225,044</b>	<b>-3,337</b>	<b>-1</b>
Financial Assets & Subsidiaries	11,664	11,743	-78	-1
Tangible & Intangible Fixed Assets	188,053	188,556	-503	0
Derivatives	28	50	-22	-44
Pre-paid expenses	4,080	2,465	1,615	65
Deferred Tax	2,203	8,785	-6,582	-75
Other Long-term Assets	15,678	13,445	2,233	17
<b>Total Assets</b>	<b>452,587</b>	<b>498,326</b>	<b>-45,739</b>	<b>-9</b>
<b>Short Term Liabilities</b>	<b>190,711</b>	<b>210,951</b>	<b>-20,240</b>	<b>-10</b>
Financial Loans	32,412	40,715	-8,302	-20
Trade Payables	106,048	133,083	-27,035	-20
Derivatives	971	724	248	34
Provisions	4,282	1,666	2,615	157
Other ST Liabilities	46,997	34,763	12,234	35
<b>Long Term Liabilities</b>	<b>16,767</b>	<b>11,659</b>	<b>5,107</b>	<b>44</b>
Financial Loans	12,971	7,279	5,692	78
Payables & Provisions	1,902	2,818	-916	-33
Derivatives	444	638	-193	-30
Other LT Liabilities	1,450	925	525	57
<b>Total equity attributable to equity holders of the parent</b>	<b>241,709</b>	<b>272,757</b>	<b>-31,048</b>	<b>-11</b>
<b>Minority Interests</b>	<b>3,400</b>	<b>2,958</b>	<b>442</b>	<b>15</b>
<b>Total Liabilities &amp; Equity</b>	<b>452,587</b>	<b>498,326</b>	<b>-45,739</b>	<b>-9</b>

# Dividend (TL)



## Strategic Transition Dividend Plan

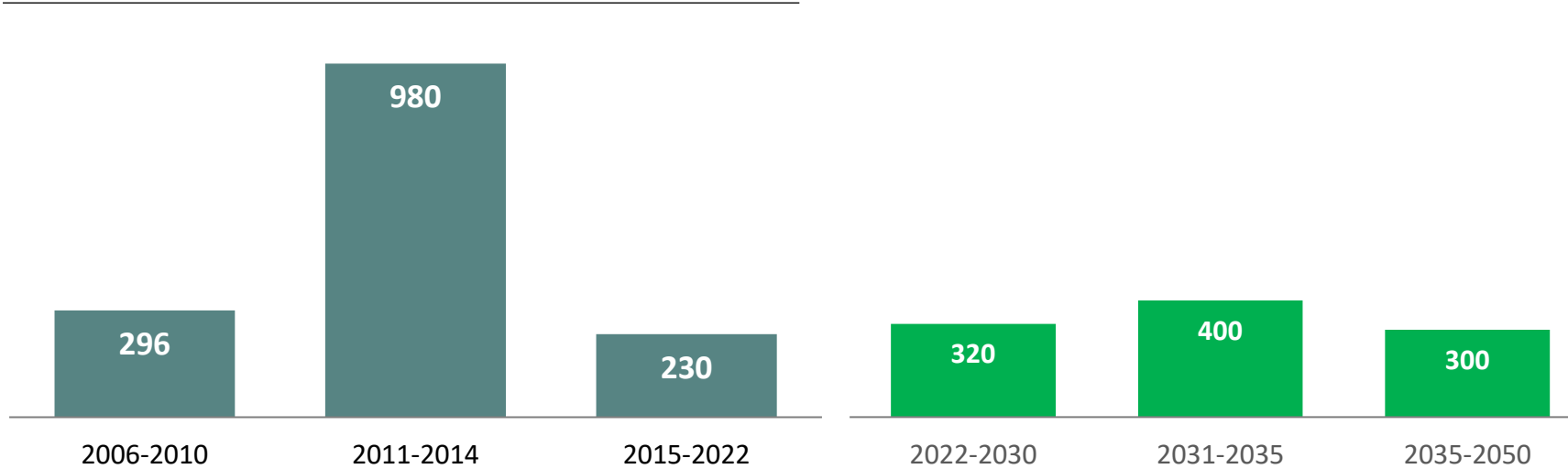
Our new business model enables us to pay ~80% average dividends and we will remain as a high dividend payer

\*2009-2023 dividend payout ratio, which is calculated according to distributable net income based on statutory accounts

# Investments (Million \$)


Avg. 460 Mn\$

Avg. 350 Mn\$



## CURRENT PROJECTS

- FCC Modernization in İzmir
- New Sulphur Recovery Unit in Kırıkkale
- Solar Power Plant in Kırıkkale
- Firefighting System Modernization in Kırıkkale
- Wind Power Plant in İzmir

7+   
After privatization  
Billion \$ investment

~50%  
of total capex  
ESG related  
investments in  
2022



# Financial Policy

**Financial Discipline:** Risk management policies focusing on areas such as leverage, liquidity, counterparty risk, commodity, interest rate and currency exposure.

## Leverage & Liquidity

### Liquidity risk management & targets/limits for financial ratios:

- Net financial debt/EBITDA
- Net financial debt/Equity
- Current ratio
- Share of long-term debt

## Counterparty Risk Policy

Deposit is kept within bank-based limits:

- Credit rating assessment and strong capital base.
- Cap on the maximum deposit allocated to a single bank.
- Cap for deposits subject to banks shareholders' equity

## Interest Rate & Fx

- The fixed/floating profile of financial debt.
- Management of FX risk with derivative instruments
- Zero FX exposure target on daily basis.

## Commodity Hedging Policy

### Inventory Hedging Policy:

- Operational hedge: Optimum stock policy & forward pricing mechanism.
- Financial hedge: Cargo based hedging to match the pricing period of purchases with sales.

### Crack Margin Hedging Policy:

- Financial hedge: Crack margin (gasoline, diesel, jet fuel, fuel oil) risk mitigation by using derivatives.
- Hedge ratio between %0-%50 with up to 1 year hedge tenor



Strategy

# Turkey's Transportation Energy Demand

## Turkey's Transportation Energy Demand

in million tonnes of oil equivalent (mtoe)



## OUR PROJECTIONS



Turkey's fossil fuel consumption to peak in 2030



**Diesel** to be partially replaced by **H<sub>2</sub>**, for commercial vehicles existing domestic refining capacity will still be well positioned



In passenger cars, **EVs** to lead new sales starting early 2030s and become the dominant powertrain before 2040

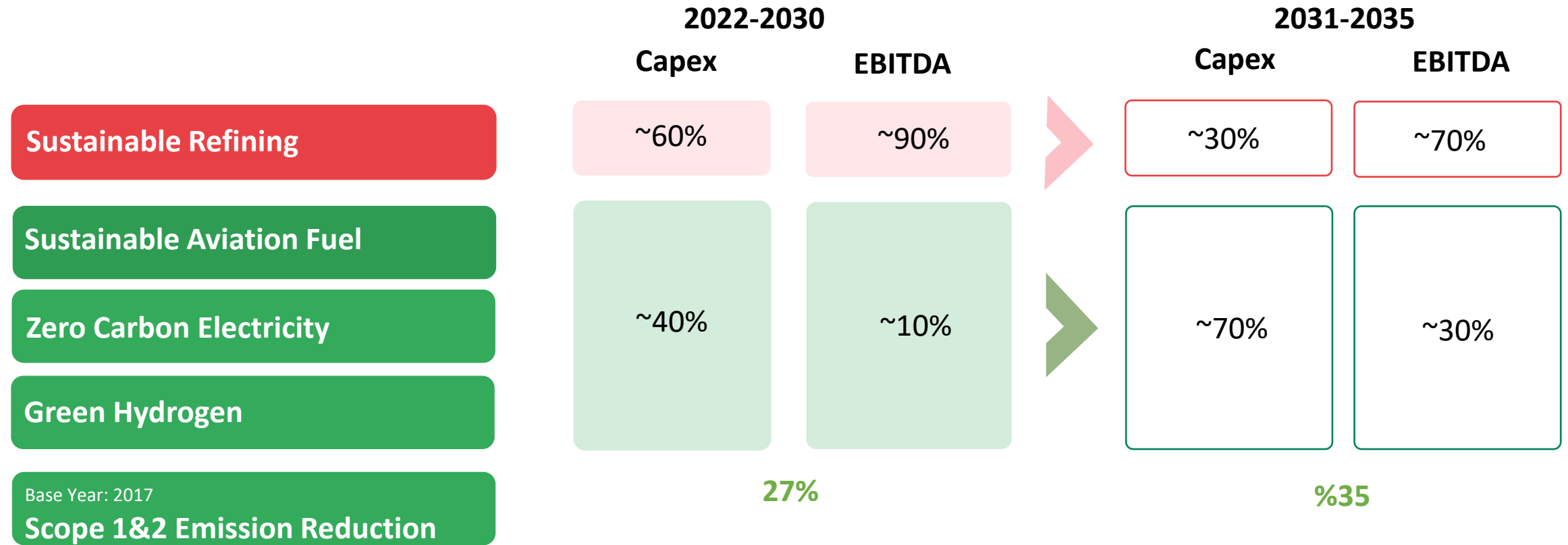


**H<sub>2</sub>** to enter a rapid growth phase from 2030



**Sustainable Aviation Fuel** to cover ~10% of aviation fuel by 2030

# Strategic Transition Plan



## Sustainable & Profitable Tüpraş

2035

Average EBITDA  
**> \$1 Billion / Year**

Average Capex  
**~ \$350 Million /Year**

ROACE  
**> 25%**

Net Debt/  
EBITDA  
**<2.0x**

Average Pay-Out Ratio  
**~ 80%**

# Strategic Transition Plan – Investment Areas



## SUSTAINABLE REFINING

### Energy Efficiency and Decarbonization Projects

- Remain as a **Major EBITDA Contributor**
- **Improve energy efficiency** to drive up profitability
- **Diversify product portfolio** through lighter chemicals
- Within **2022-2035**;
  - **~2.3 bn USD capex, ~13 bn USD Cumulative EBITDA**



## ZERO CARBON ELECTRICITY

### Integrating Zero Carbon Electricity to produce Green H<sub>2</sub>

- Ensure affordable **green H<sub>2</sub> production, capturing electrification demand**
- **Primarily supply zero carbon electricity for H<sub>2</sub> production, remaining portion to be sold**
- Within **2022-2035**;
  - **~1.3 bn USD capex , ~400 MUSD Cumulative EBITDA**



## BIOFUELS

### Becoming the Lead SAF Supplier in Turkey

- Capture changing market for **liquid fuels, ensure long term profitability in aviation sector.**
- **Conversion of existing unit** in İzmir to produce **Sustainable Aviation Fuel (SAF)**
- Within **2022-2035**;
  - **~600 MUSD capex, ~1.1 bn USD Cumulative EBITDA**



## GREEN HYDROGEN

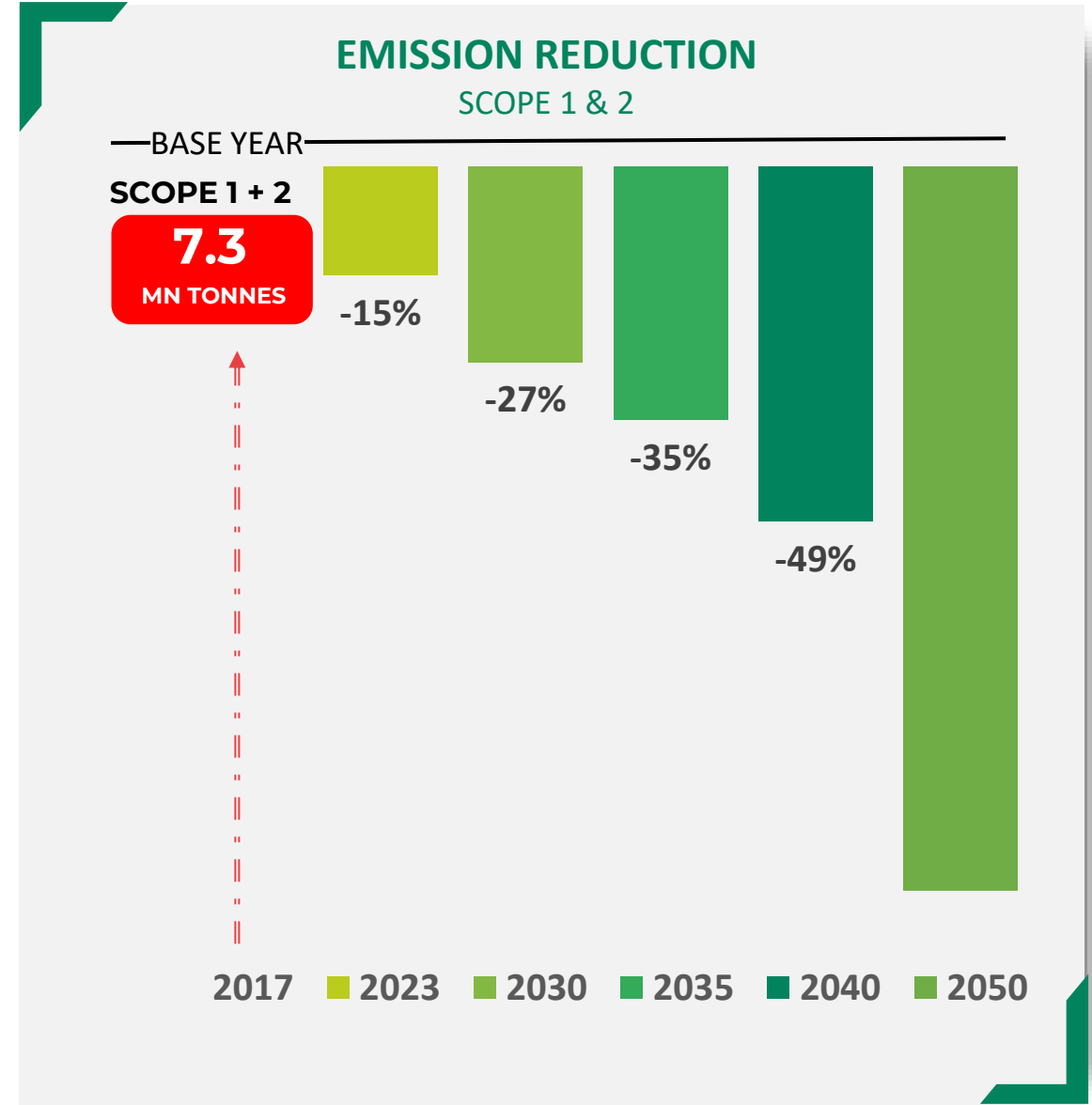
### Reducing Refining Emissions

- Capture changing market for **land transportation, reduce refining emissions.**
- **Reduce Scope 1-2 emissions** of refineries. Followed by **H<sub>2</sub> sales**, starting from 2030.
- Within **2022-2035**;
  - **~690 MUSD capex, ~640 MUSD Cumulative EBITDA**

# Strategic Transition Plan – Emission Reduction



**We will invest in energy efficiency & decarbonization Projects, green hydrogen & zero carbon electricity usage in refining to reduce scope 1 & 2 emissions**



# Strategic Transition Plan - Financials

We are  
sustainable  
and  
profitable.

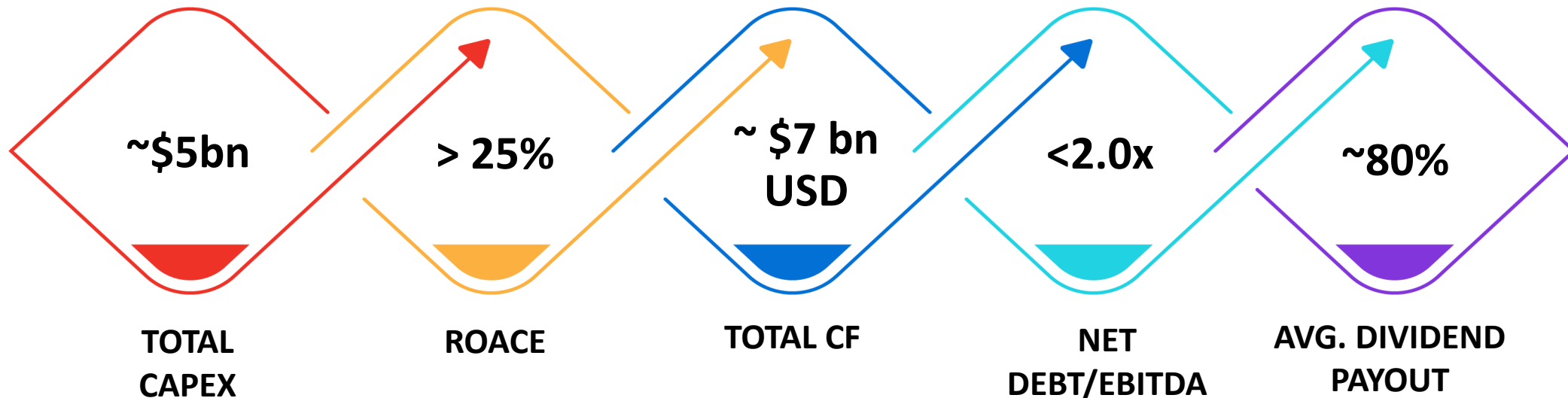
Will **eliminate our scope 1 & 2 emissions by 2050** while executing our plan and achieving these results.

**\$350mn** average CAPEX until 2035, totalling **\$5 bn.**

ROACE will remain above 25% creating **~\$7bn total CF** until 2035

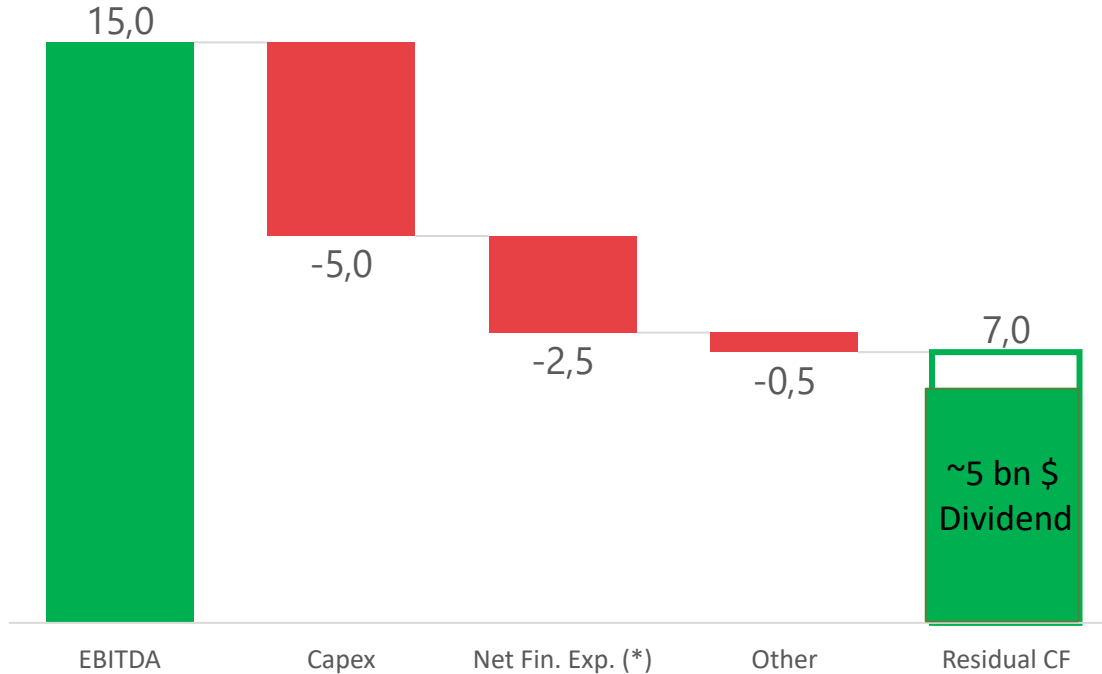
With ample CF, **Net Debt / EBITDA** will be below **<2.0x**

Will remain a **high dividend payer**, average **~80% dividend pay-out**



# Strategic Transition Plan - Financials

Cumulative Cash Flow Bridge (2022-35, \$ bn)



## Sound Financial Plan

- Superior EBITDA generation and disciplined capex plan leads to very low external funding requirement.
- Strong FCF generation ensures strong dividend potential
- 80% dividend payout on average according to our new business model
- Net Debt / EBITDA will remain below 2x

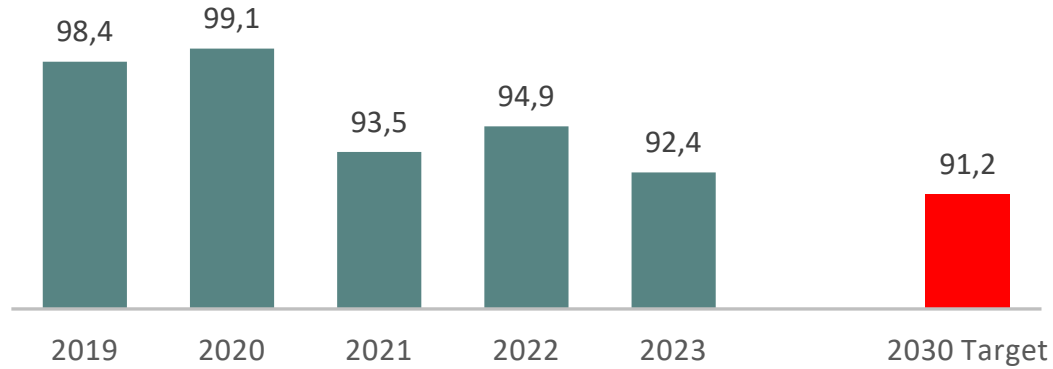
(\*) Consists of net additional funding and related financial expenses



ESG

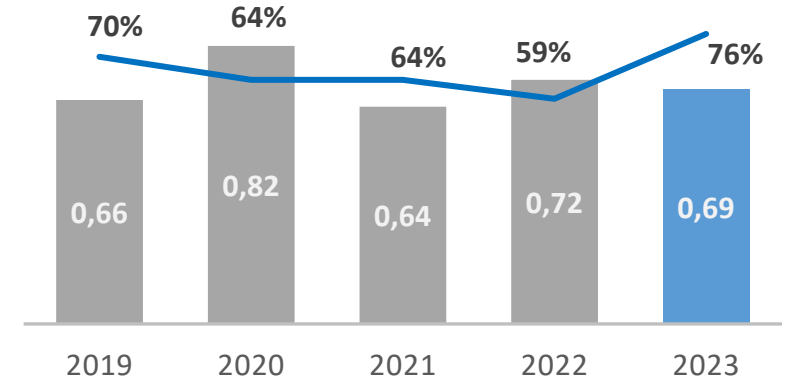
# Tüpraş's Environmental Highlights

### Energy Intensity Achievements

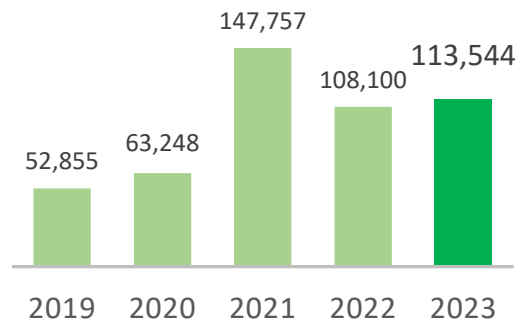


### Water Consumption per processed crude oil (m3/ton)

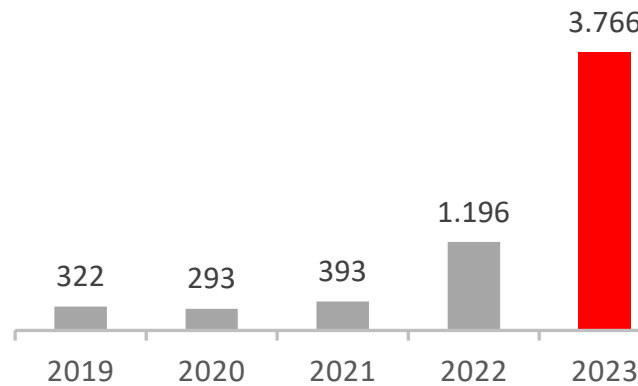
### Ratio of recovered water to total water consumption (%)



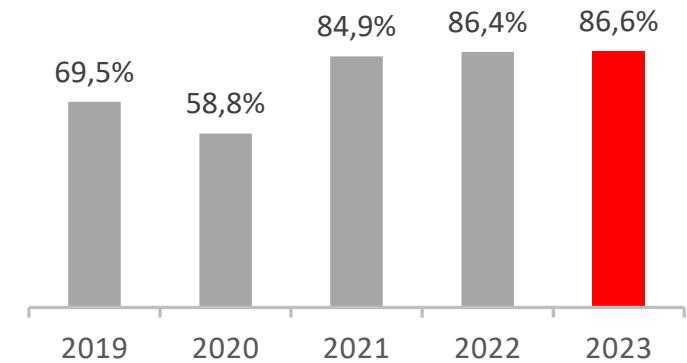
### Levelized Greenhouse Gas Emissions Reductions through Energy Efficiency Projects (tons CO2e)



### Environmental Investment and Operational Expenditures (MTL)



### Waste recycling rate



A photograph of an industrial worker in a dark uniform, white hard hat, and green safety glasses. The worker is wearing yellow gloves and is operating a large, silver, handwheel valve on a large, cylindrical industrial vessel. The vessel has some handwritten markings, including "40w" and "33-15 8". In the background, another worker in a dark uniform with reflective yellow stripes is visible, but they are out of focus. The scene is set in an industrial environment with various pipes and machinery.

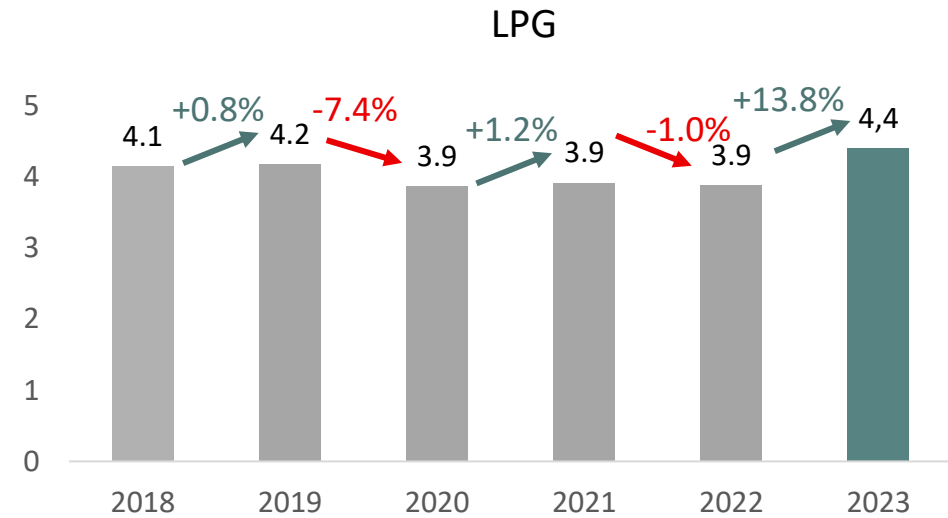
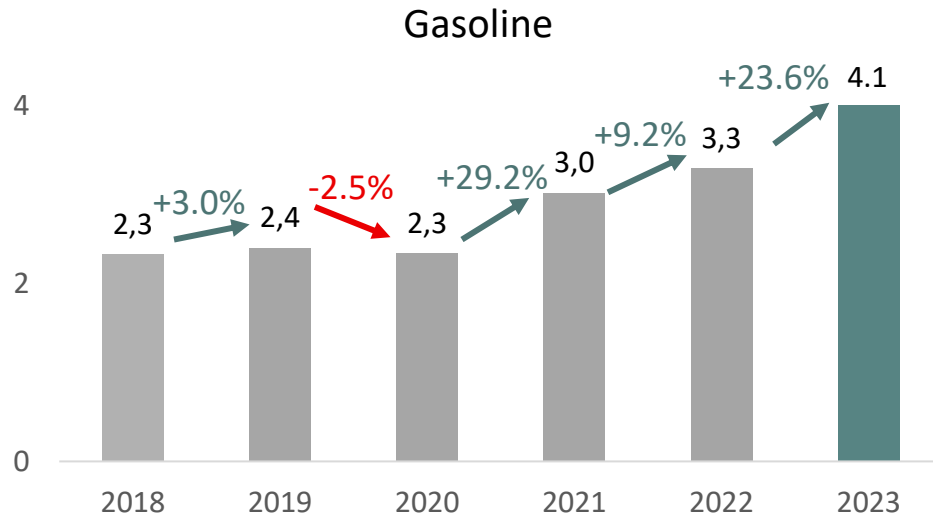
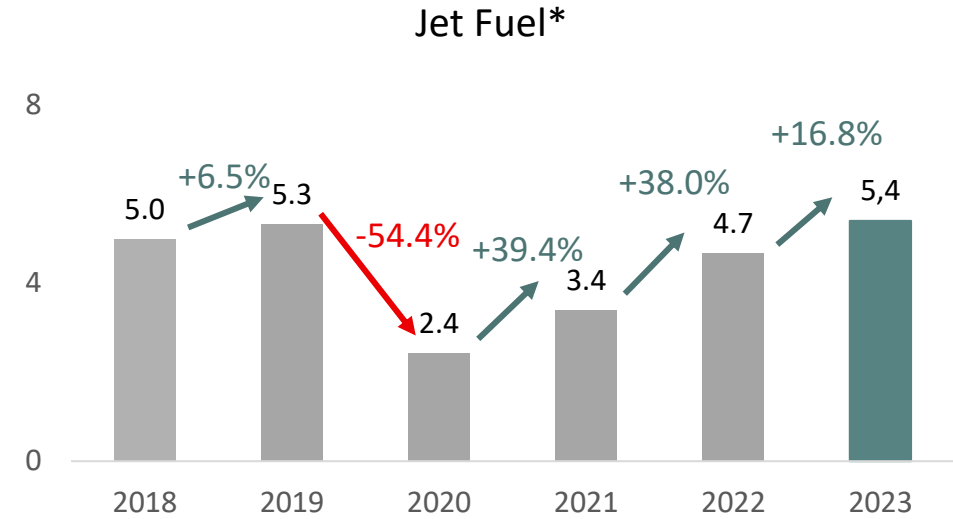
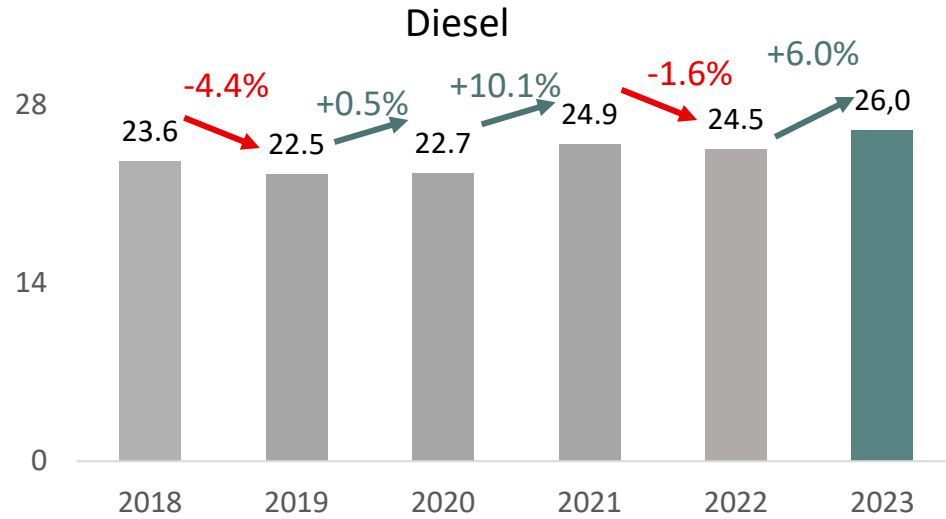
Appendix

# 2024 Refinery Maintenance Schedule

Refinery	Unit	Starting Quarter	Duration (weeks)	Purpose	Planned
İzmit	Crude Oil & Vacuum	Q4	5	Periodic Maintenance	Postponed
	Desulphurizer	Q4	5		Postponed
	RUP	Q1	13		Completed
	FCC	Q2	6	Periodic Maintenance	Completed
İzmir	FCC	Q3&Q4	21	Revamp	Ongoing
	Crude Oil , Vacuum, HYC	Q1	7	Periodic Maintenance	Completed
Batman	Crude Oil & Vacuum	Q2&Q4	10	Seasonal	Ongoing

# Turkish Market Fuel Consumption 2018-2023

Million  
Tons



# Competition - STAR Refinery

## Timeline



- Feasibility studies began in 2010 and construction kicked off in 2011
- Goldman Sachs has acquired a 13% stake in SOCAR Turkey for \$1.3 billion.
- Total investment size 6.3 bn USD, with 3.3 bn USD credit agreement.
- Following the completion of construction late 2018, reached full capacity utilization in August 2019
- Star reached to 13 mn tons of capacity

## Turkish Market Structure (mn tons, 2023)

Turkey Demand	Tüpraş	STAR	Total	Turkish Market Demand*	Balance
LPG	0.9	0.2	1.1	4.4	<b>-3.3</b>
Petchem F.	0.2	1.7	1.9		
Gasoline	5.1		5.1	4.1	<b>1.0</b>
Jet Fuel	4.6	1.3	5.9	5.4	<b>2.1</b>
Diesel	8.9	6.9	15.7	26.0	<b>-9.3</b>
Fuel Oil	1.3		1.3	0.3	<b>1.0</b>
Bitumen	2.6		2.6		
Pet coke	0.8	0.9	1.7		
<b>Total</b>	<b>~30</b>	<b>~13</b>	<b>~43</b>		

\* Source: EMRA

# Competition - Regional Competition

- Tüpraş competes with 69 refineries in the Mediterranean and Black Sea markets.
- Mediterranean regional product balance is also affected from Middle East, North West Europe and Asia flows

## Mediterranean



**54 Refineries ~7.7 mbd**

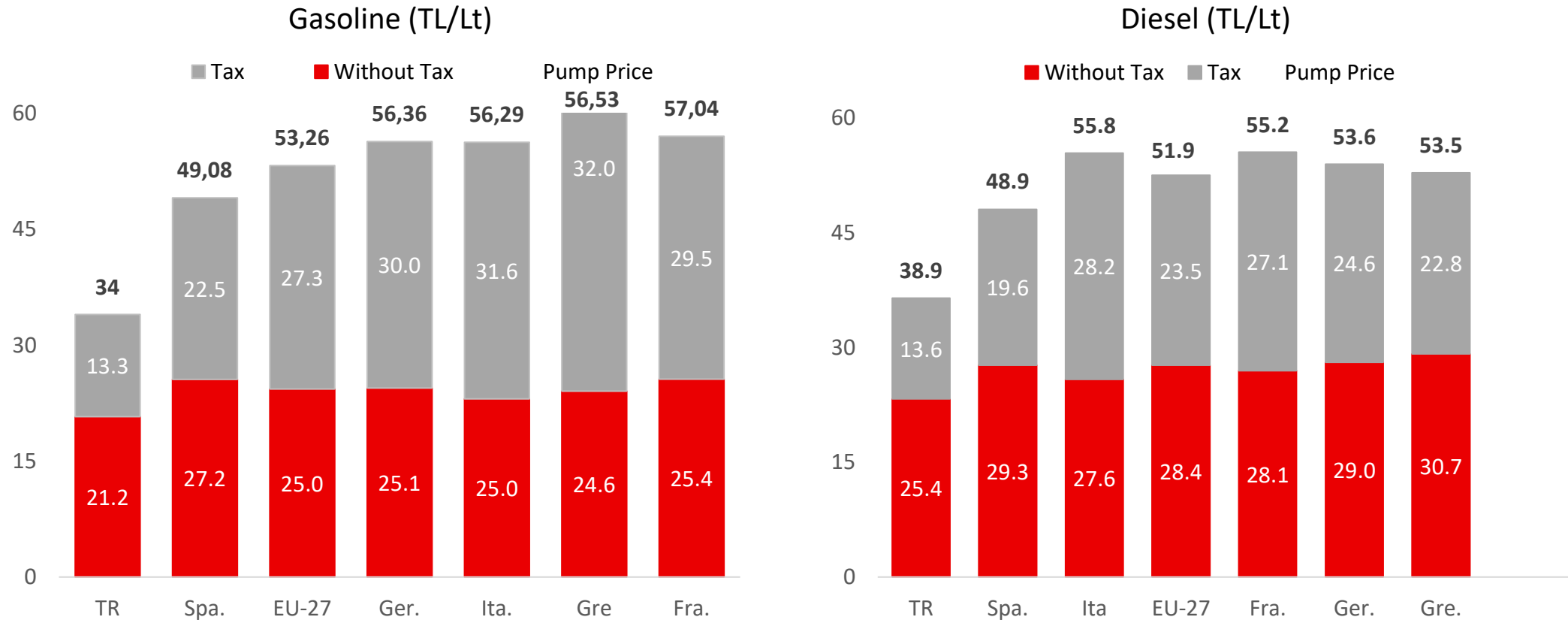
## Black Sea



**15 Refineries ~1.5 mbd**

# European Pump Price Comparison

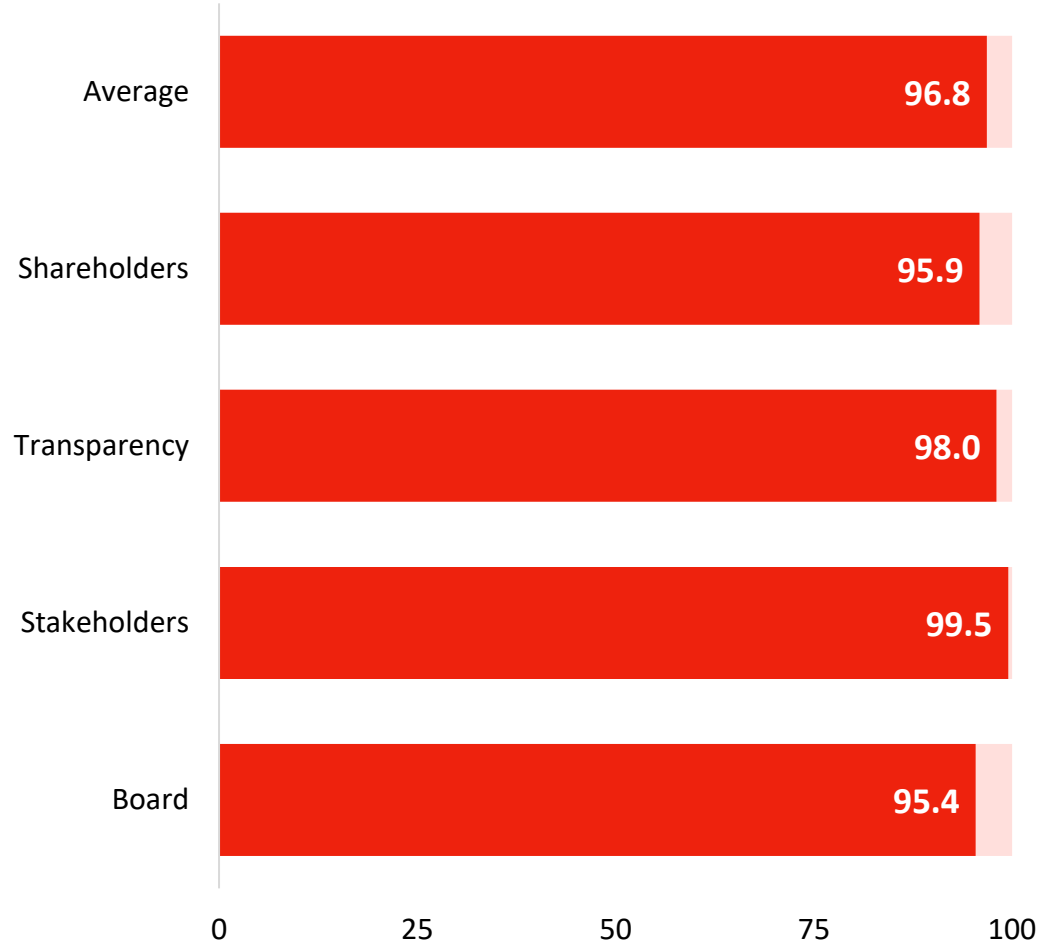
Turkish fuel prices are highly competitive with other European countries.



Prices of Europe and Turkey, as of December 31, 2023

# Tüpraş - Ratings

## Tüpraş BIST Corporate Governance Rating Score

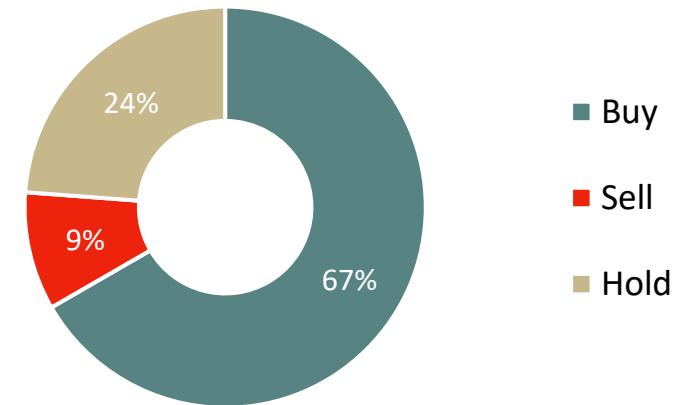


Source: SAHA Corporate Governance and Rating Services Inc. (November 2023)

## Credit Rating Scores

Foreign Currency Long Term	FitchRatings	MOODY'S	S&P Global Ratings
Tüpraş	BB- (Stable)	Ba3 (Positive)	
Turkey	BB- (Stable)	B1 (Positive)	BB- (Stable)
Koç Holding		Ba3 (Positive)	BB+(Stable)

## Analyst Recommendations

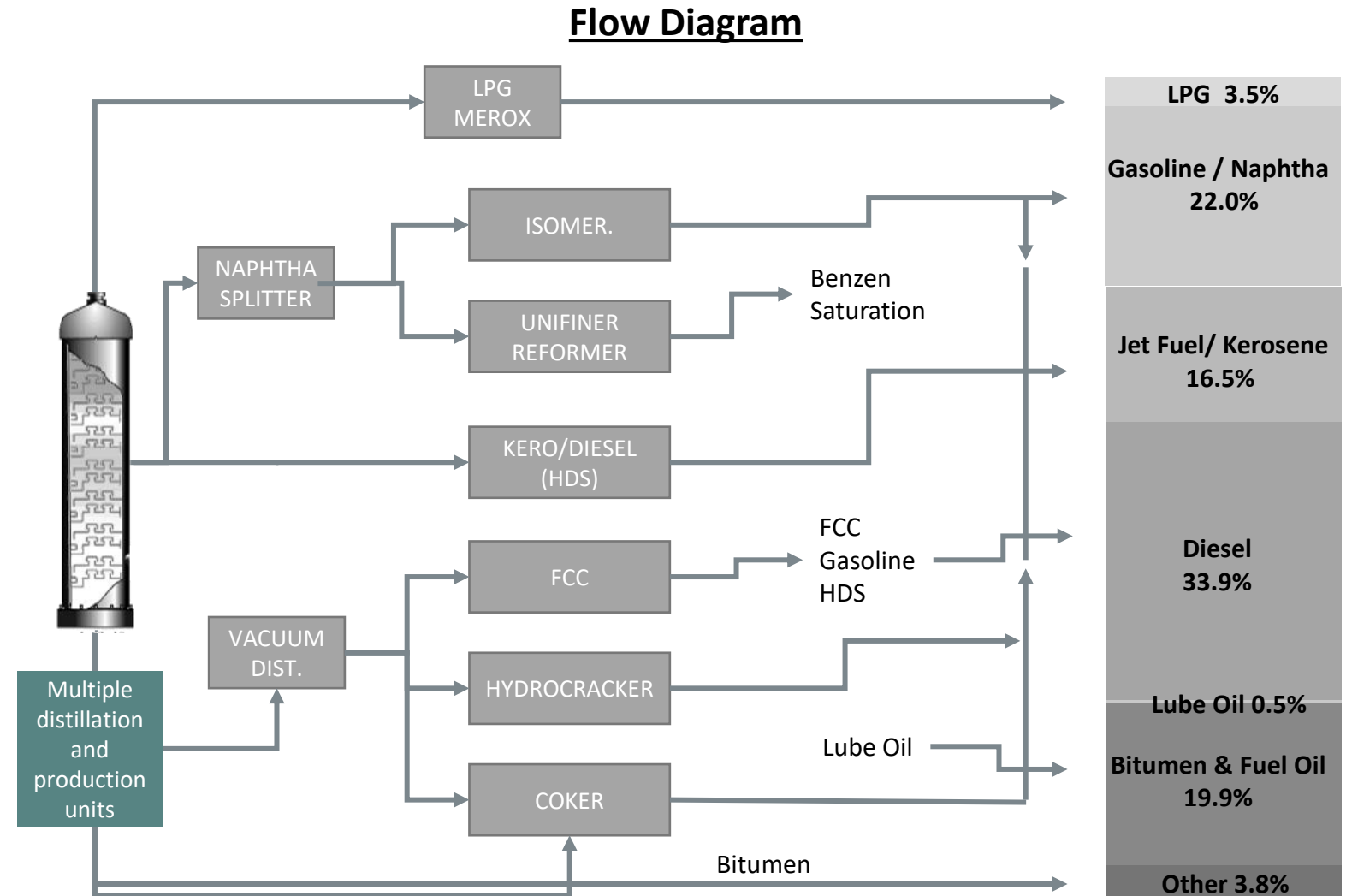


Source: Bloomberg\*  
\*data as of Nov'24

# Tüpraş Production Flow and Yield Breakdown

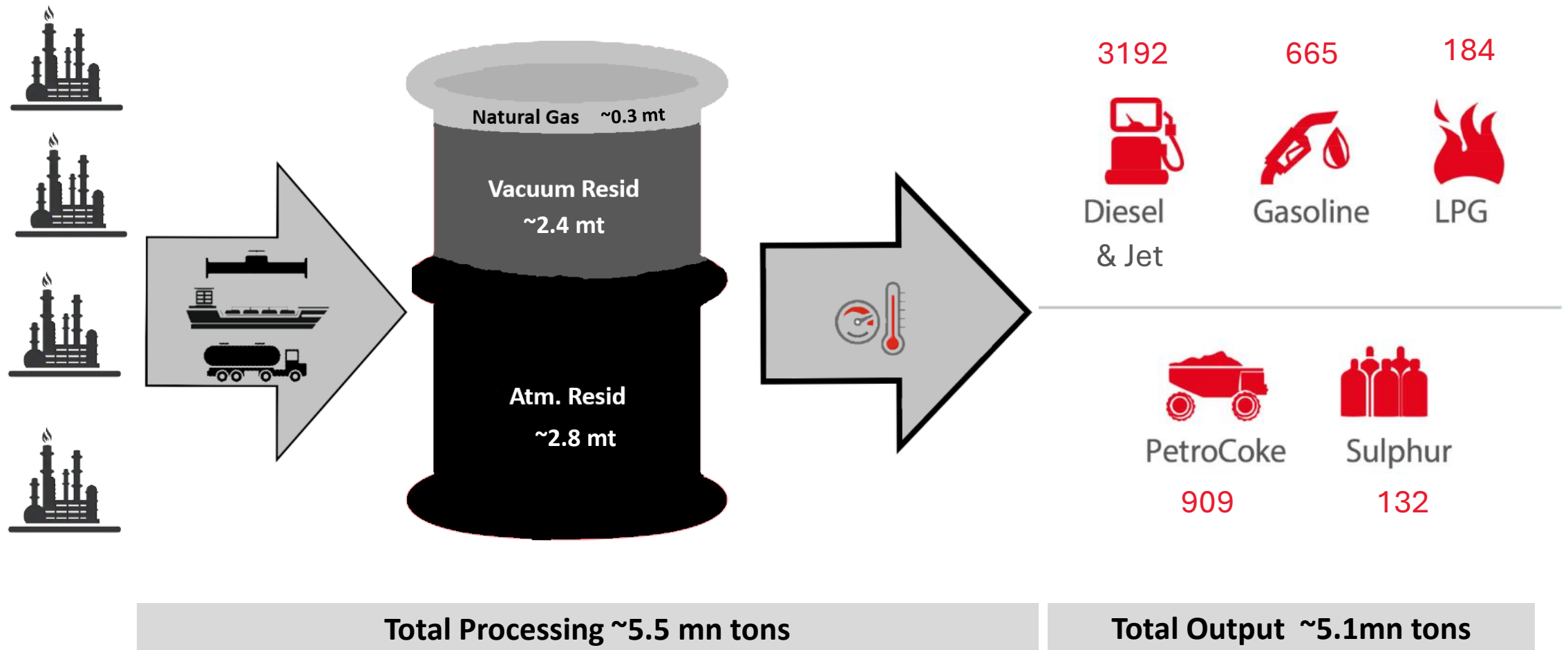
- Tüpraş has 30 million tons of production capacity
- Tüpraş operates 4 refineries with an integrated system optimization program

Key Units	# of Units	Capacity (m <sup>3</sup> /d)
CRUDE OIL	8	99,420
VACUUM DIST.	8	42,752
HYDROCRACKER	4	18,032
ISOMERATION	3	7,804
UNIFINER REFORMER	5	16,225
KERO/DIESEL (HDS)	9	37,265
FCC	2	4,650
COKER	1	9000
NAPHTA SPLITTER	8	
LPG MEROX	6	

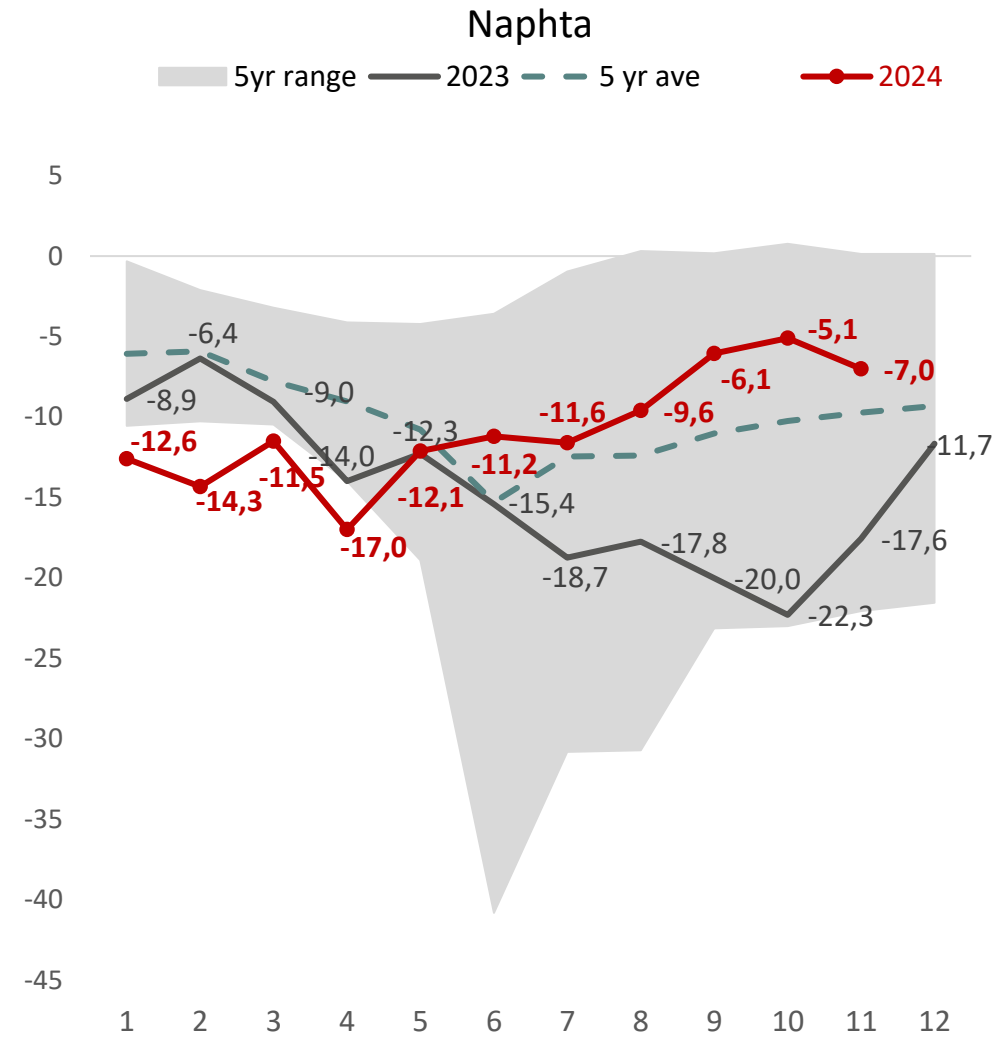
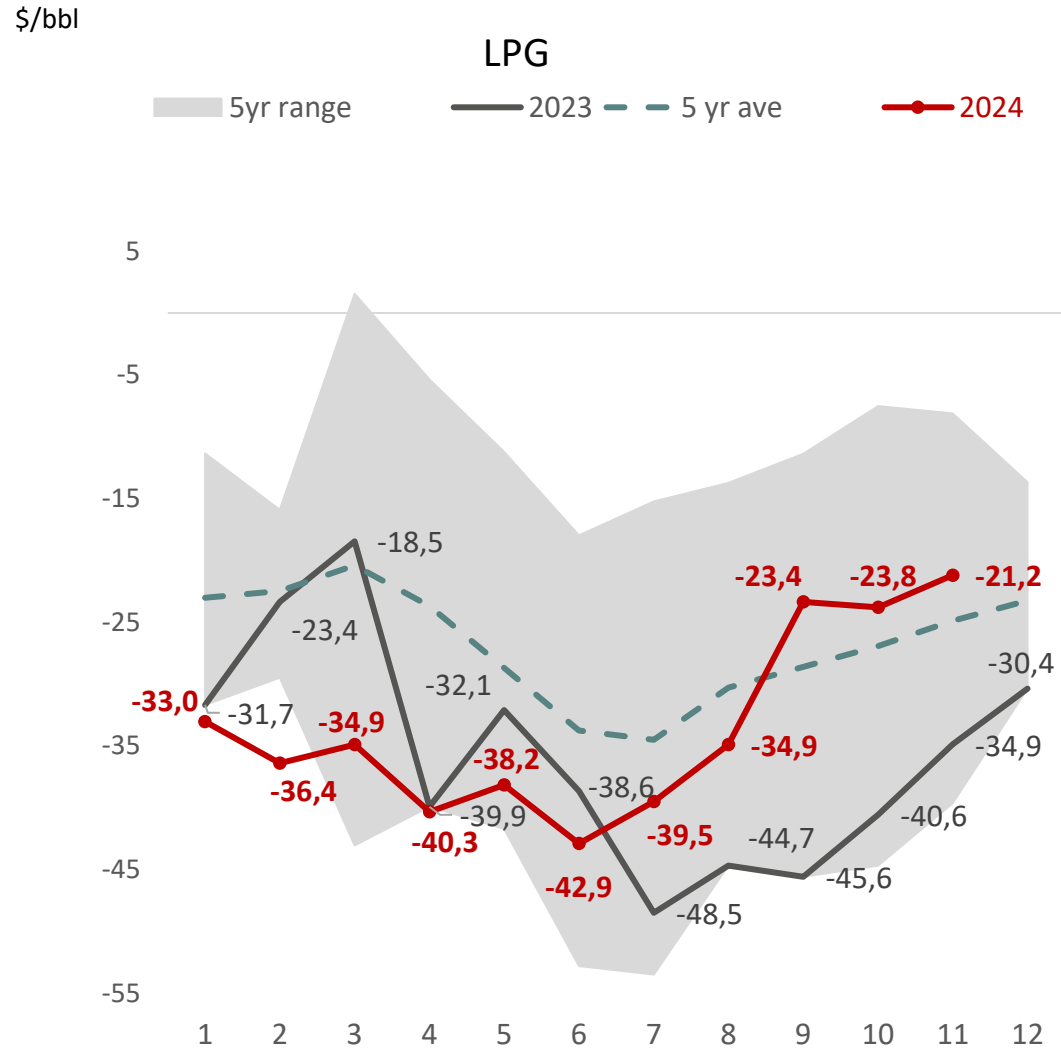


# RUP Feedstock and Production

- Residuum Upgrade Plant (RUP) was completed in 2015 and it is the main conversion unit of Tüpraş.
- The second scheduled maintenance is completed in 1H 2024.



# LPG and Naphta Cracks



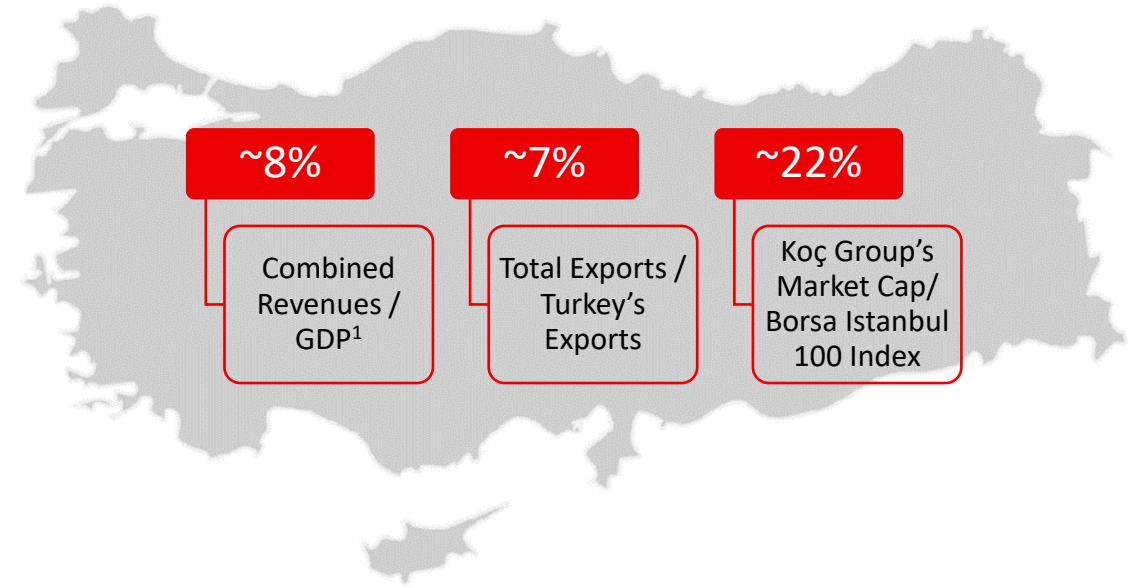
Data as of 30 November, 5 year range shows 2019-2023

## Turkey's Leading Investment Holding Company

- Koç Holding is Turkey's largest industrial and services group
- The only Turkish company in Fortune Global 500<sup>2</sup>.

## Pioneer in its Sectors

- Leading positions with clear competitive advantages in sectors with long-term growth potential such as energy, automotive, consumer durables and finance.



Notes : Data as of YE23

(1) 2023 Report (based on consolidated revenues)

(2) 2023 report (based on consolidated revenues)

 **Tüpraş**

 **Koç**



Investor  
Presentation

Latest Webcast



2023 Integrated  
Annual Report

Strategic  
Transition Plan



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