




# Energy To the future

 **Tüpraş**

 **Koc** | February 2025

Investor Presentation

# Disclaimer

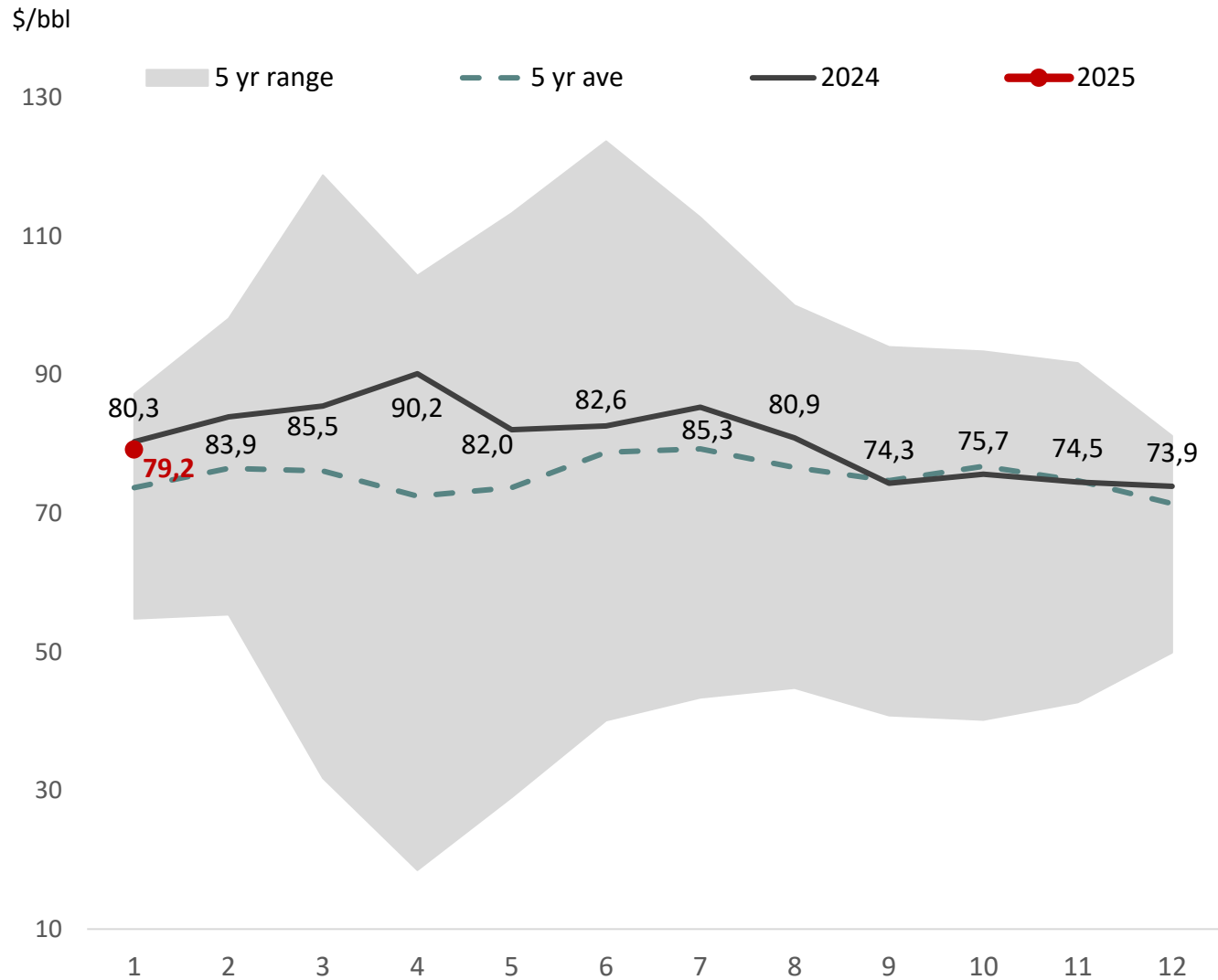
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# Refining Market

# 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)
2020	41.7
2021	70.7
2022	101.2
2023	82.6
2024	80.8

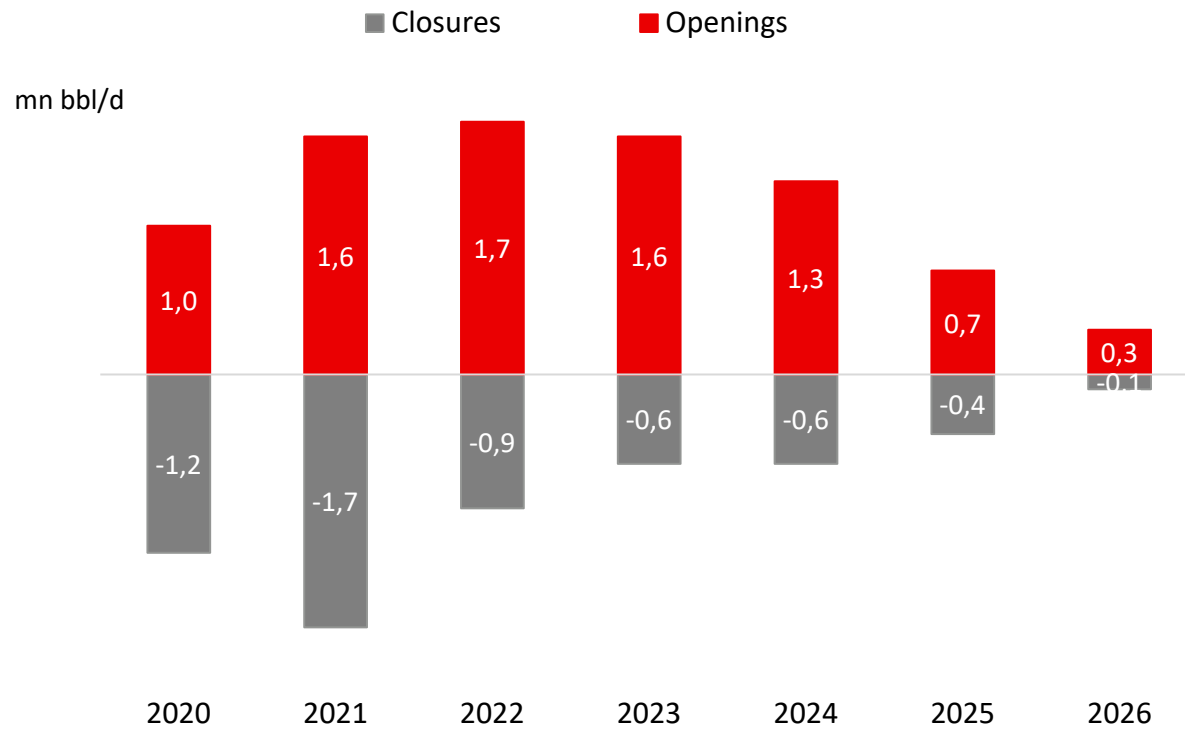
Data as of 31 January, 5 year range shows 2020-2024

# Global Refinery Capacity Changes

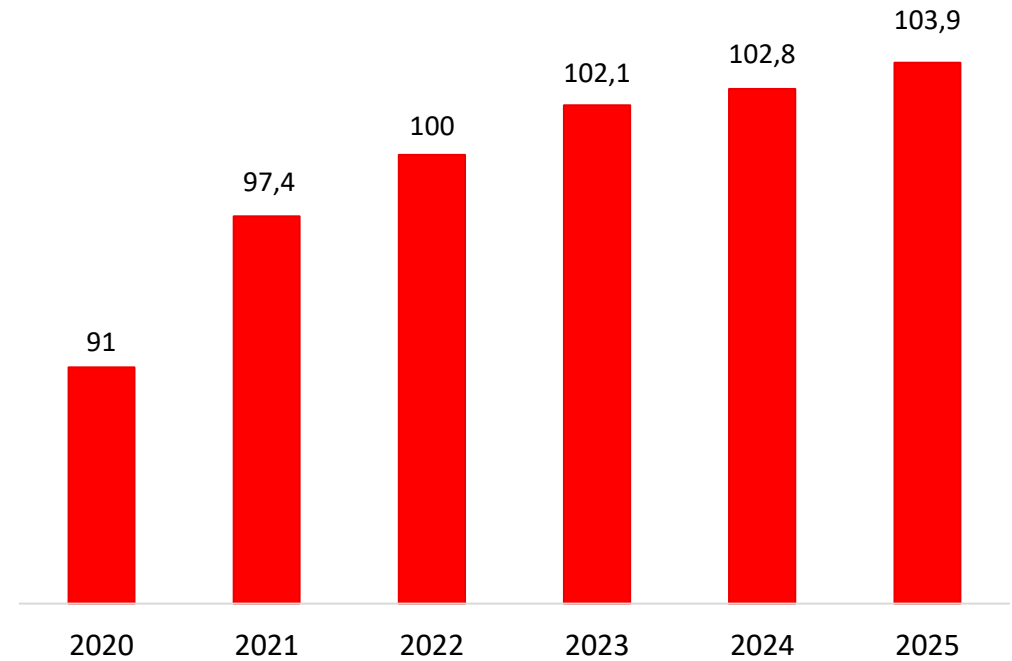
## Expectations until 2026:

- The global oil demand reached to 102.8 mn bbl/d in 2024.
- Net refining capacity additions for the years 2025 and 2026 are expected to be around 0.5 mn bbl/d.

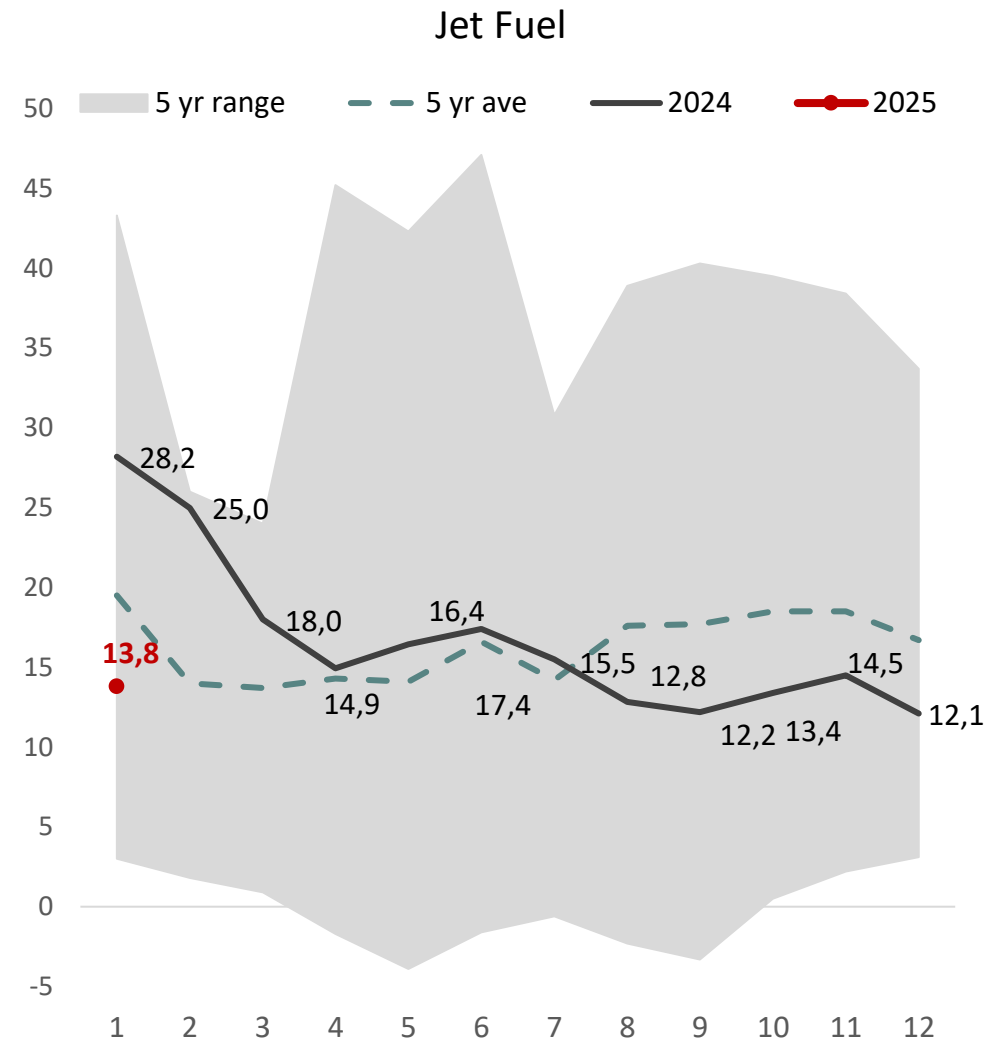
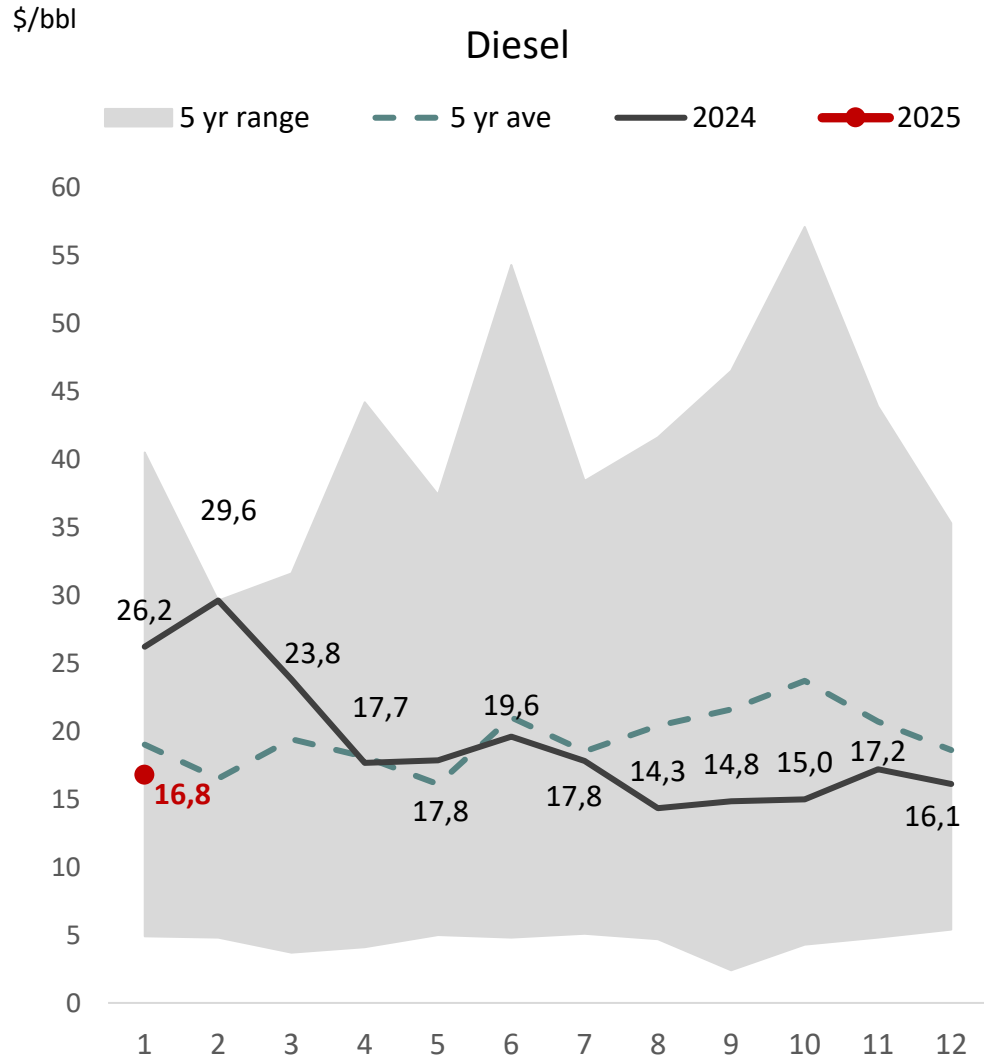
## 2020-2026 Net Refining Capacity Additions



## Global Oil Demand (mn bbl/d)



# Middle Distillate Cracks

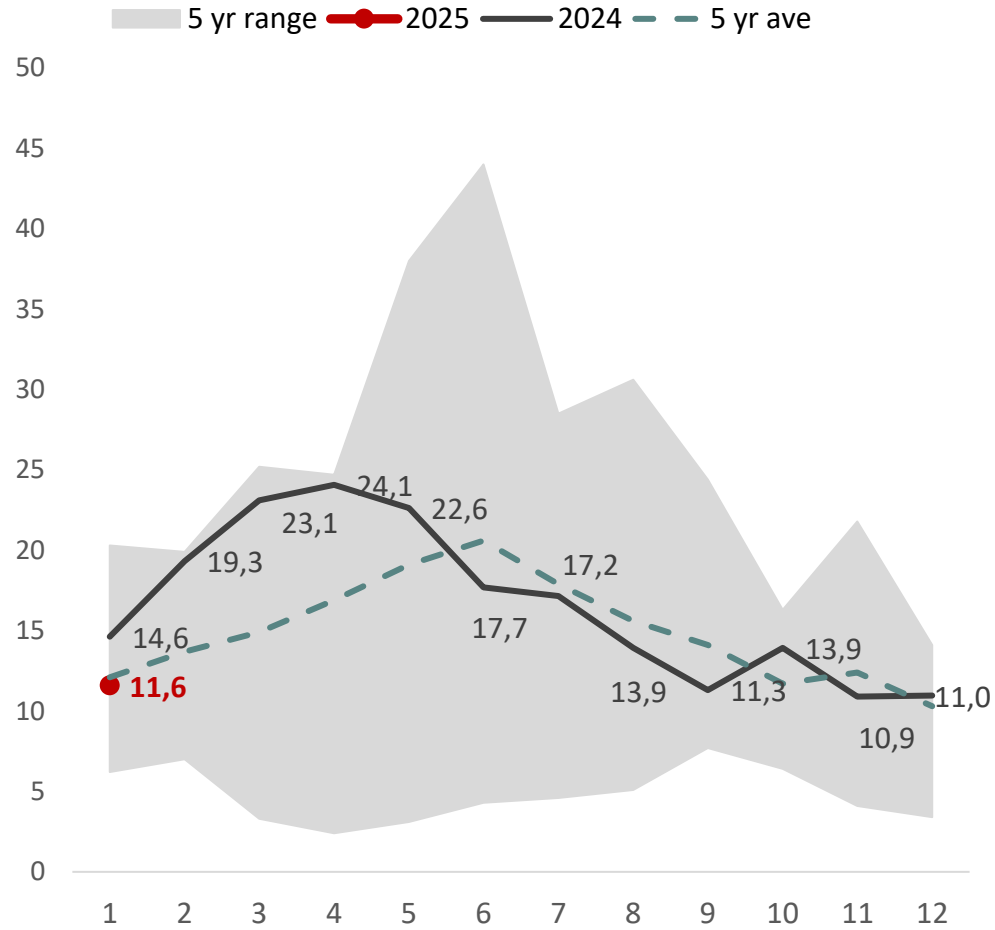


Data as of 31 January, 5 year range shows 2020-2024

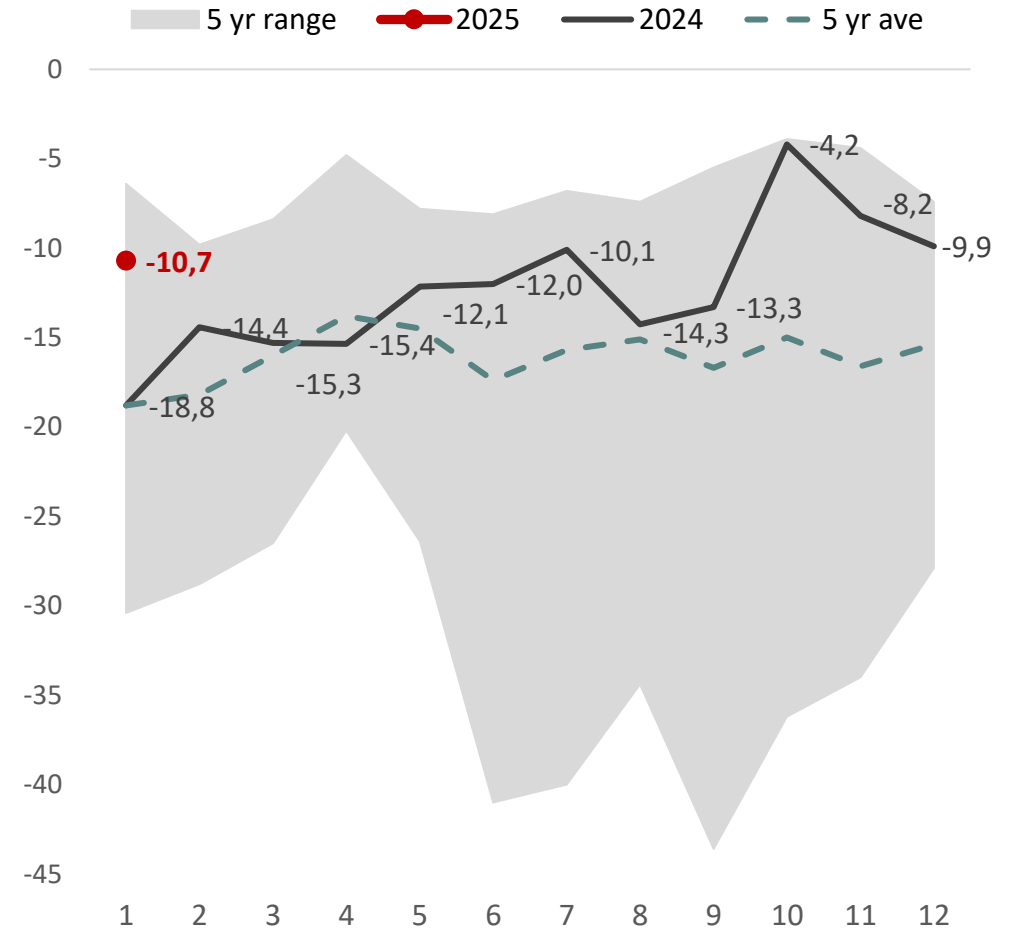
# Gasoline and High Sulphur Fuel Oil Cracks

\$/bbl

## Gasoline

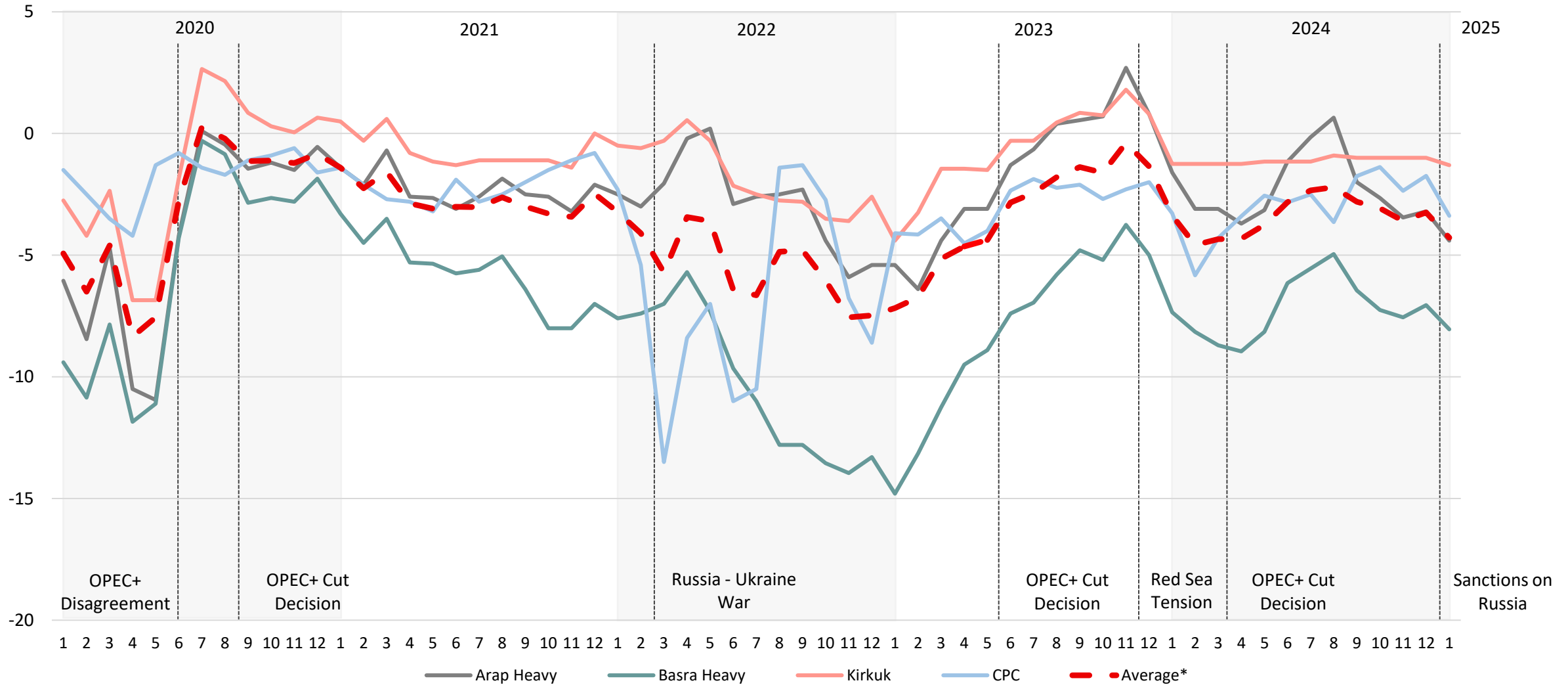


## High Sulphur Fuel Oil



Data as of 31 January, 5 year range shows 2020-2024

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

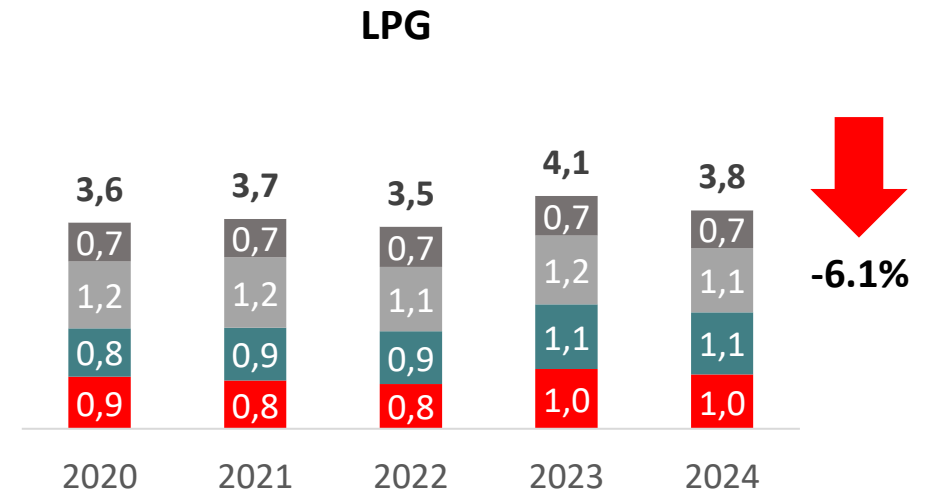
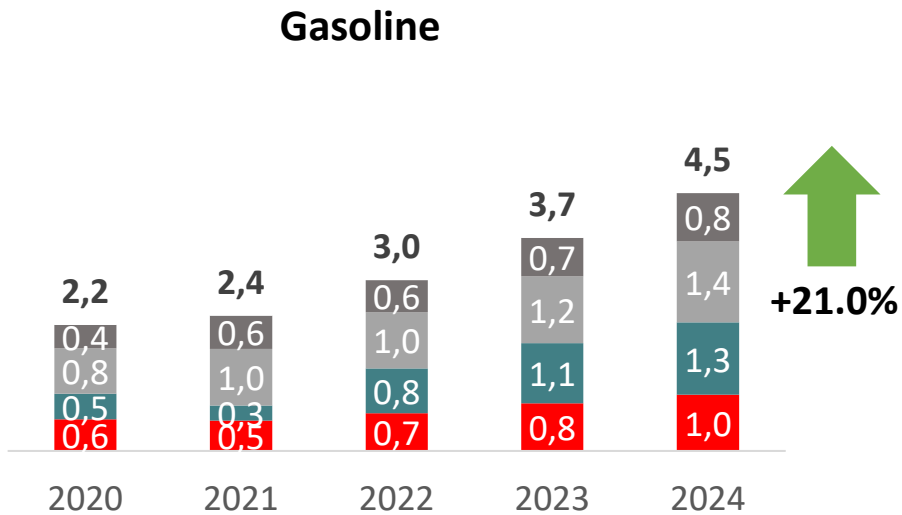
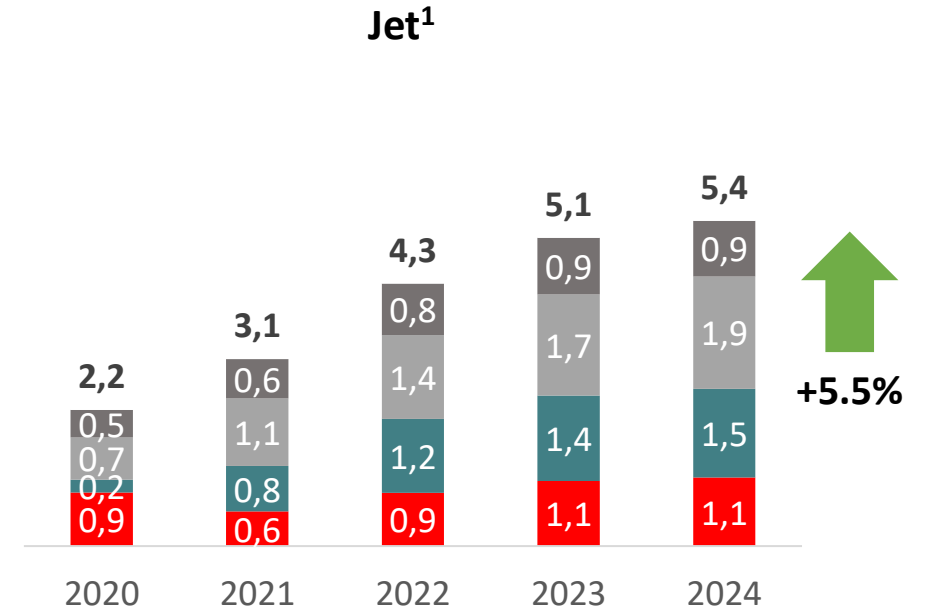
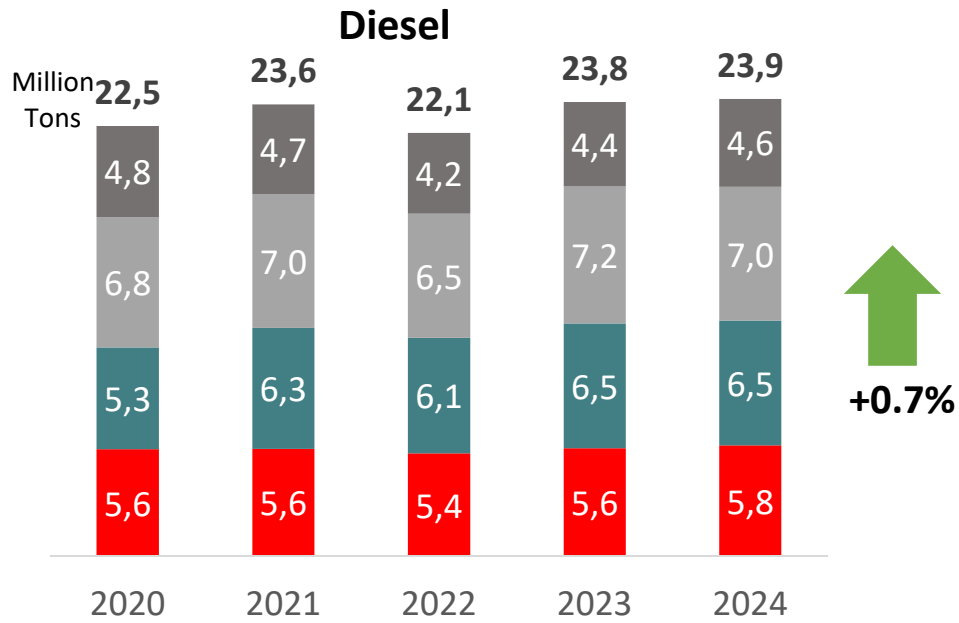


Data as of 31 January

\*Simple average of listed differentials

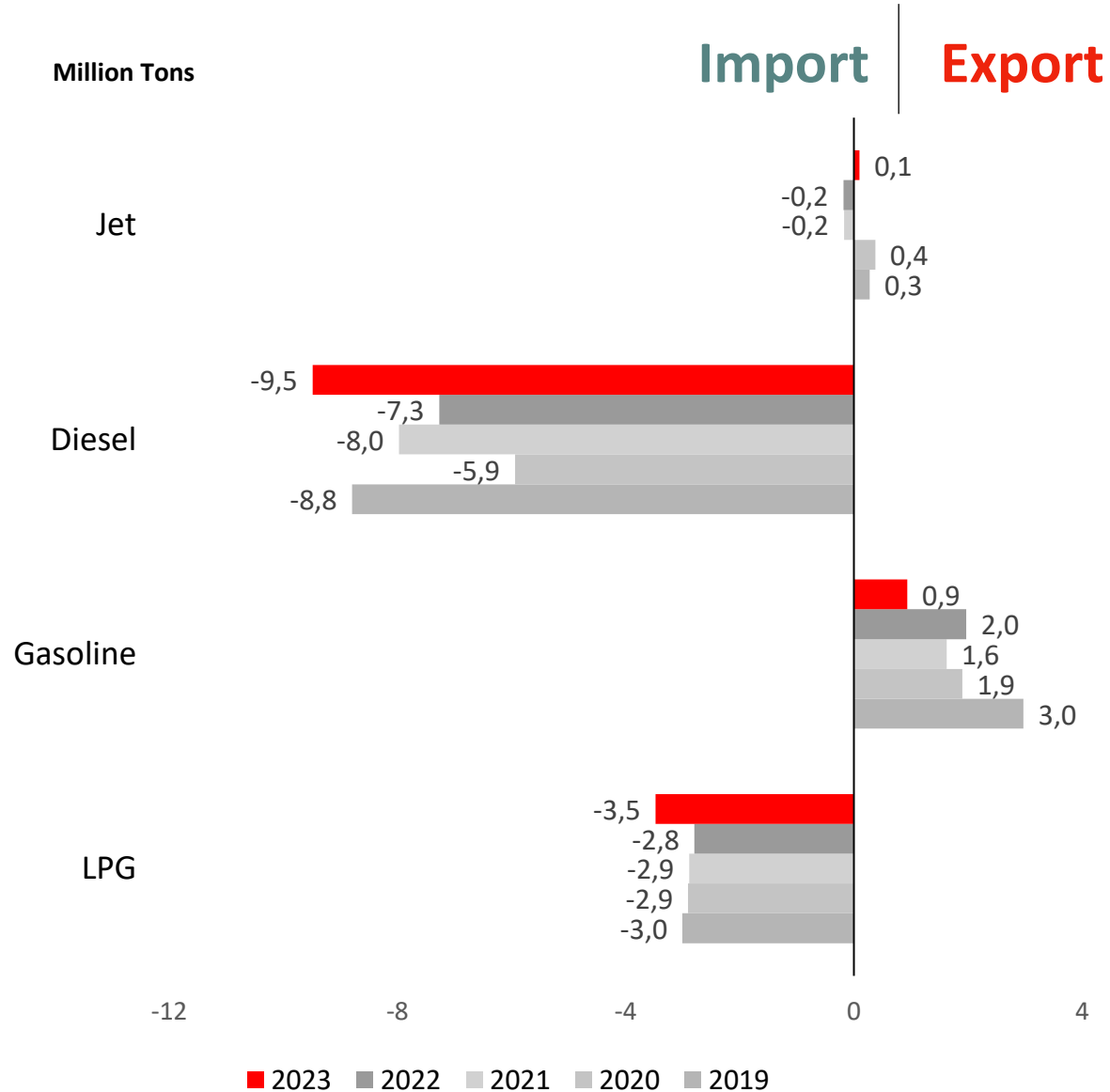
# Turkish Market, 11M 2024

Q1 Q2 Q3 Oct-Nov



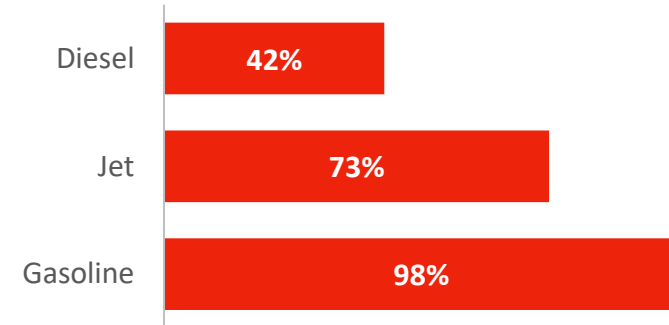
<sup>1</sup>Transit flight consumption included

# Turkey's Net Import / Export Balance

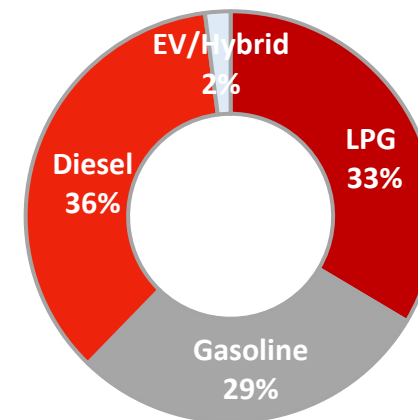


## Market Share of Tüpraş

2023 12M



## Fuel Choice of Passenger Cars 2023

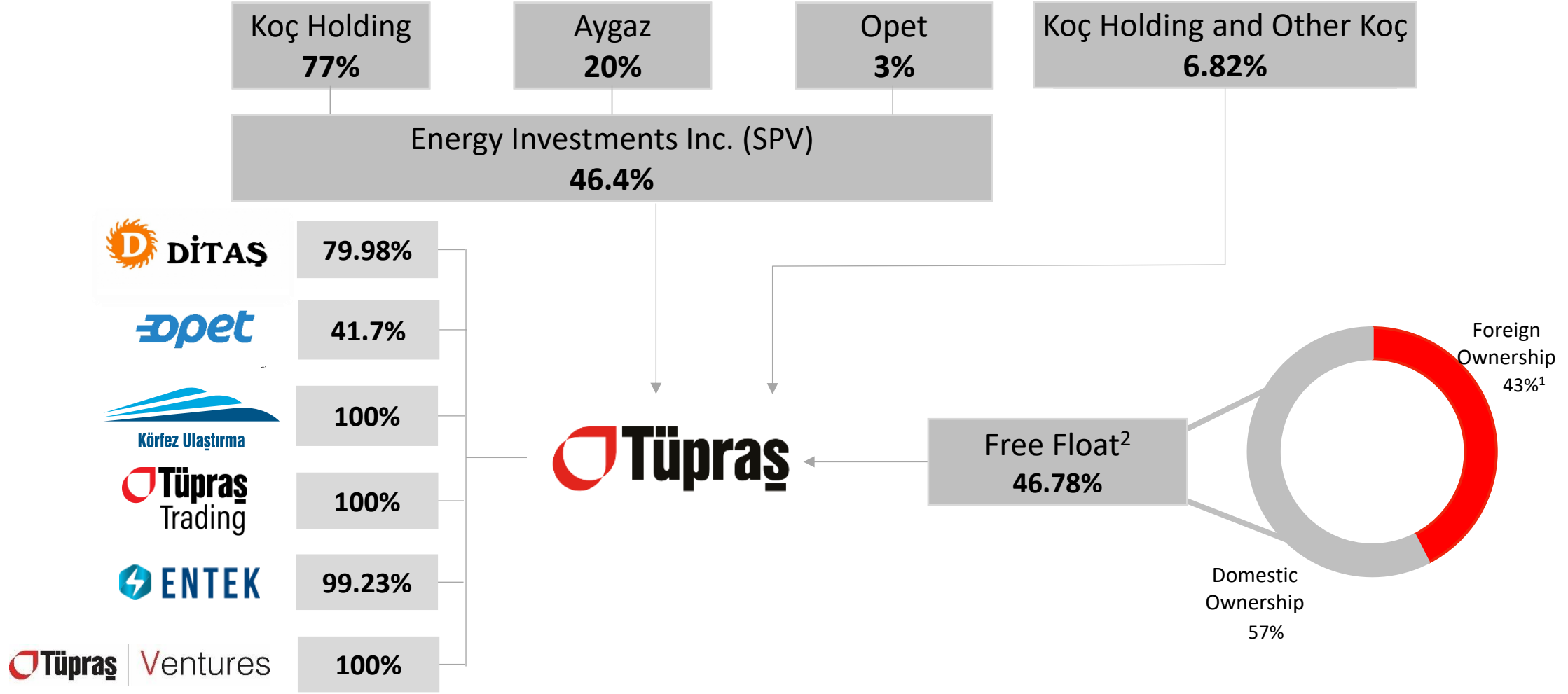




# Company Overview

# Tüpraş Shareholder Structure

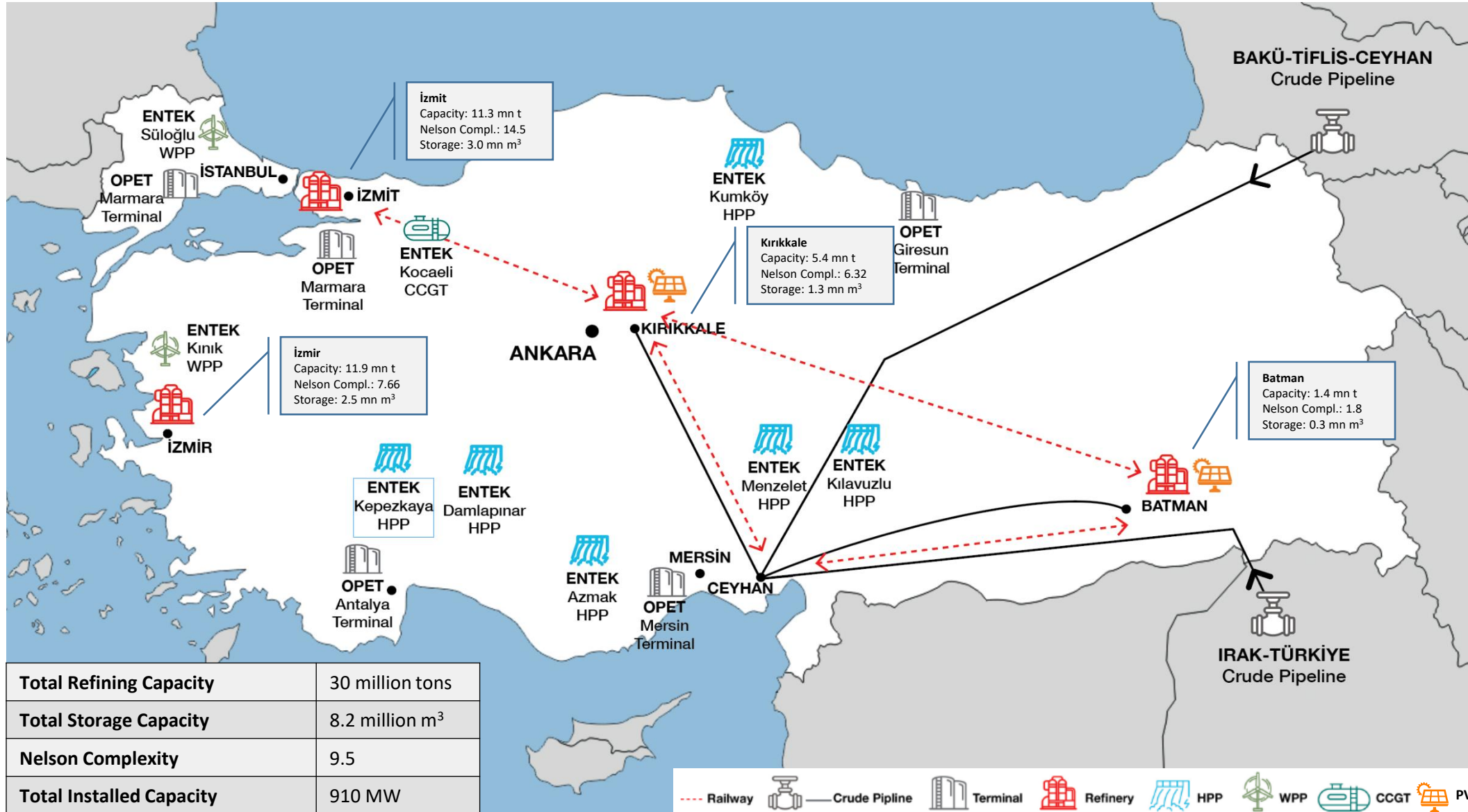
Tüpraş is Turkey's biggest industrial company and leading refiner.



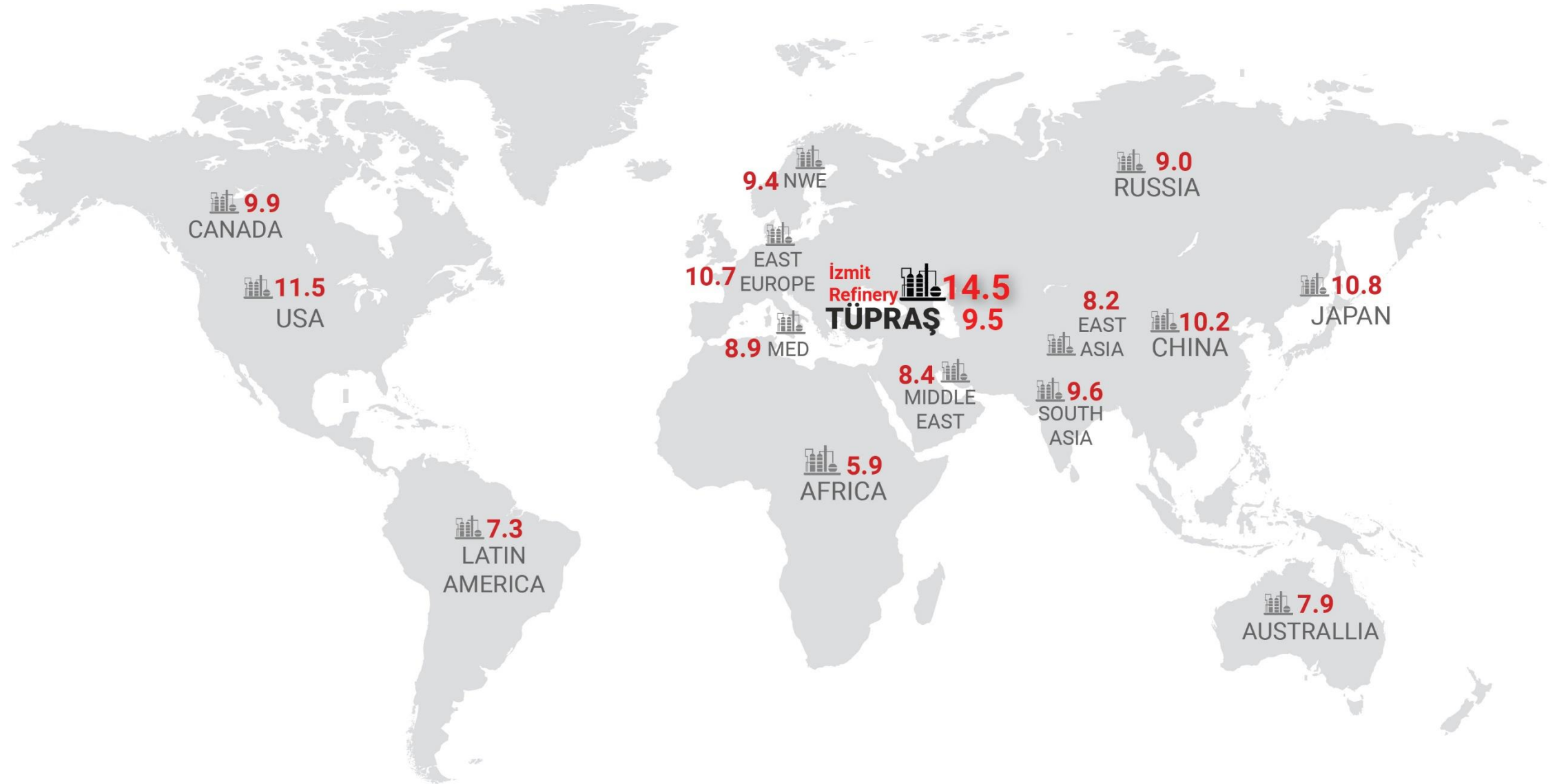
<sup>1</sup> As of December 31, 2023

<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%** White Products      **30.1%** Black Products

**1,882** 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

## DİTAŞ 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**

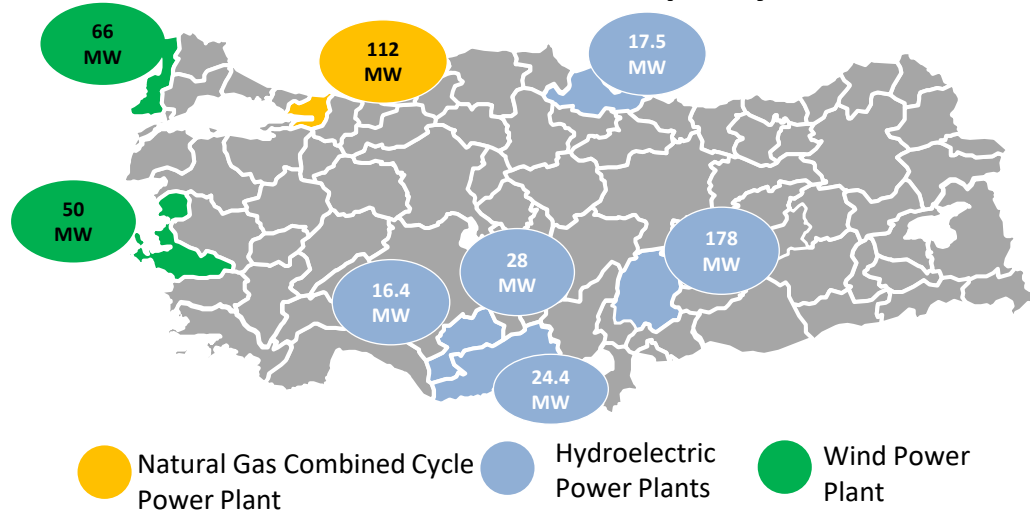
KOC GROUP COMPANIES' FIRST PRIVATE VENTURE CAPITAL INVESTMENT FUND

Energy Transformation     
 Sustainability     
 Operational Excellence

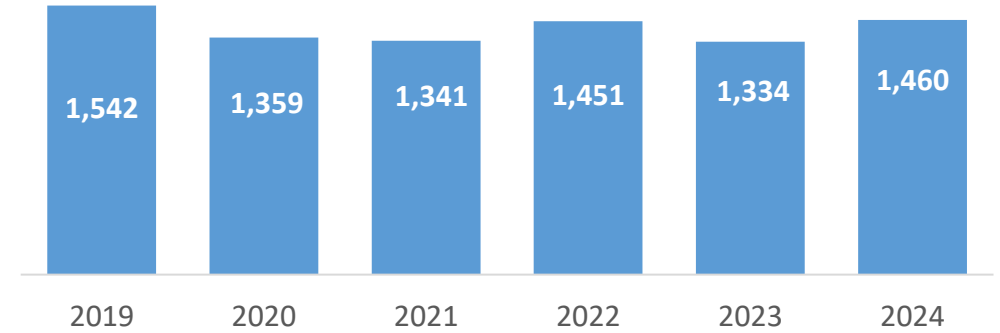
- Direct investment in 3 technological developments: **2 green hydrogen, 1 robotics.**
- Collaboration with 2 venture capital funds investing in new technology companies in USA and Europe.
- In 2023, 18 investments were undertaken.

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

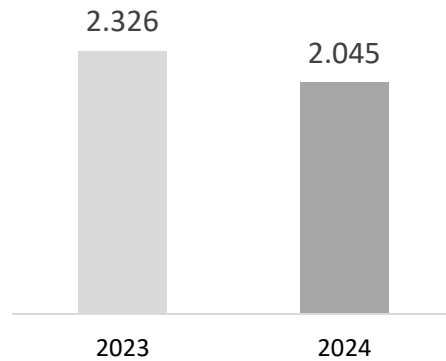
### Entek's Installed Capacity



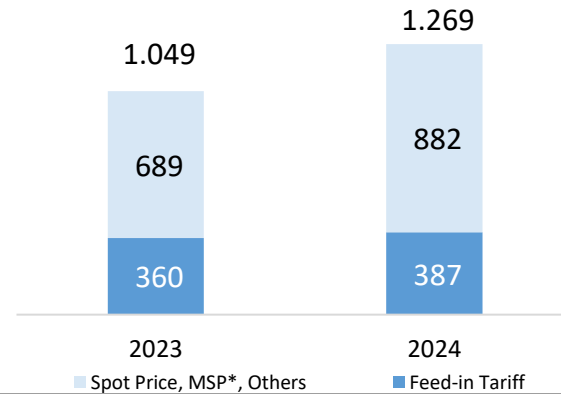
### Production (000 MWh)



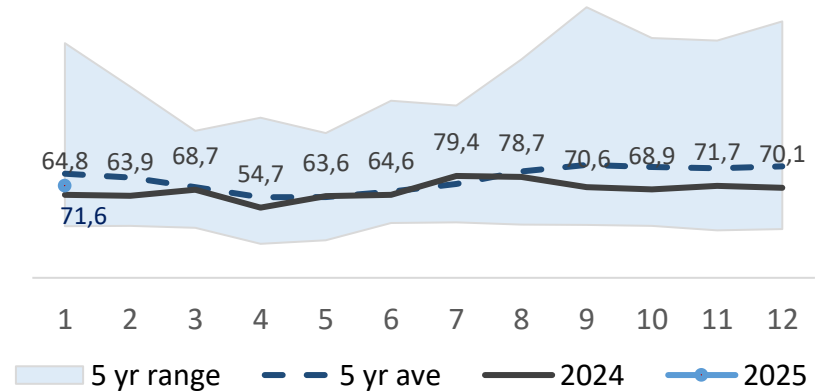
### EBITDA (Mn TL)



### Total ZCE Sales from Production (GWh)



### Spot Price (\$/Mwh)

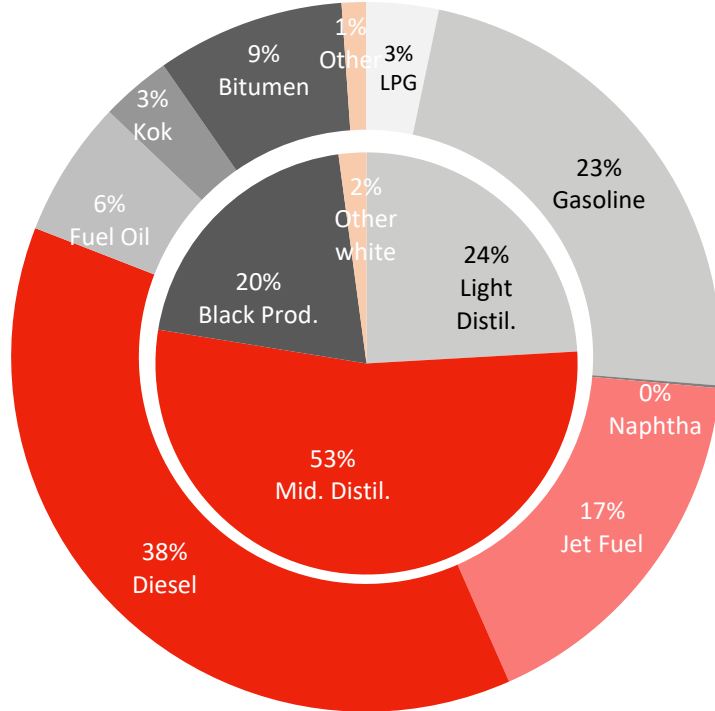




Operations

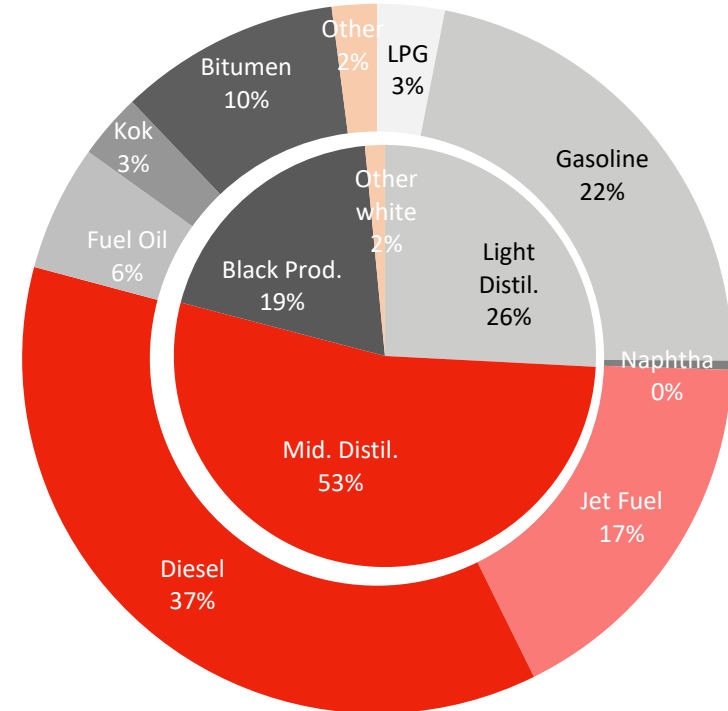
# Q4 Product Yields

Q4 2023



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

Q4 2024

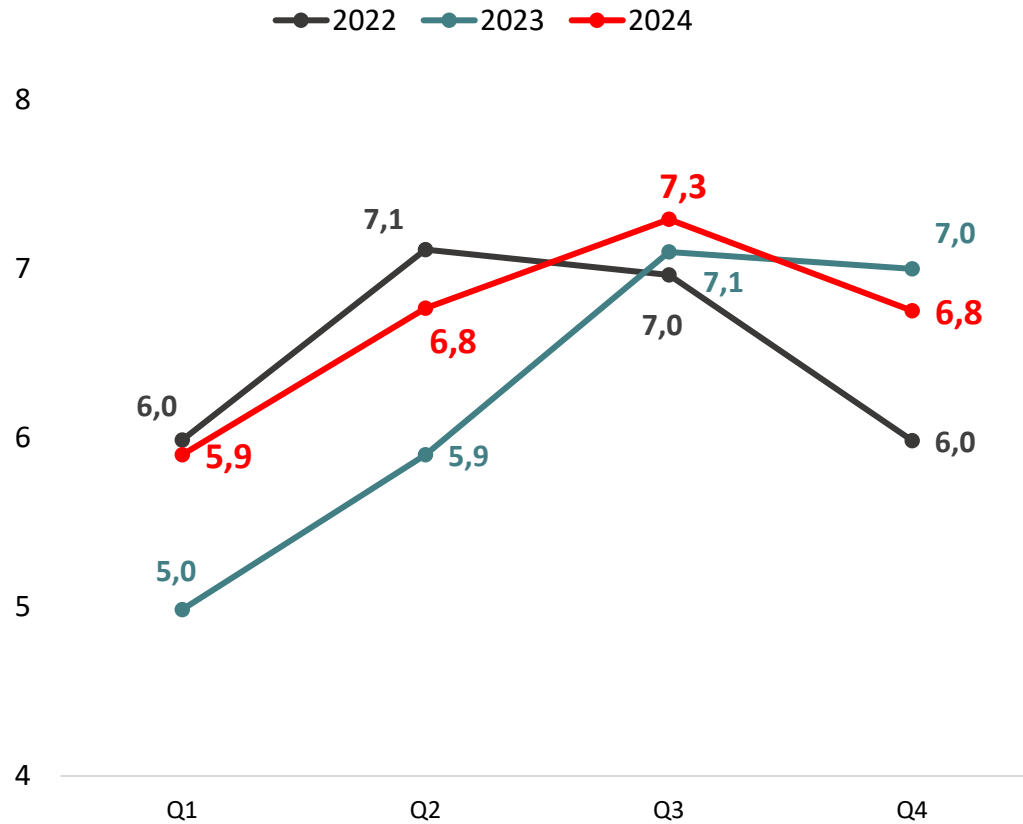


White Product Yield (%)	82.8%
Production	6.8 mn tons
API	31.2

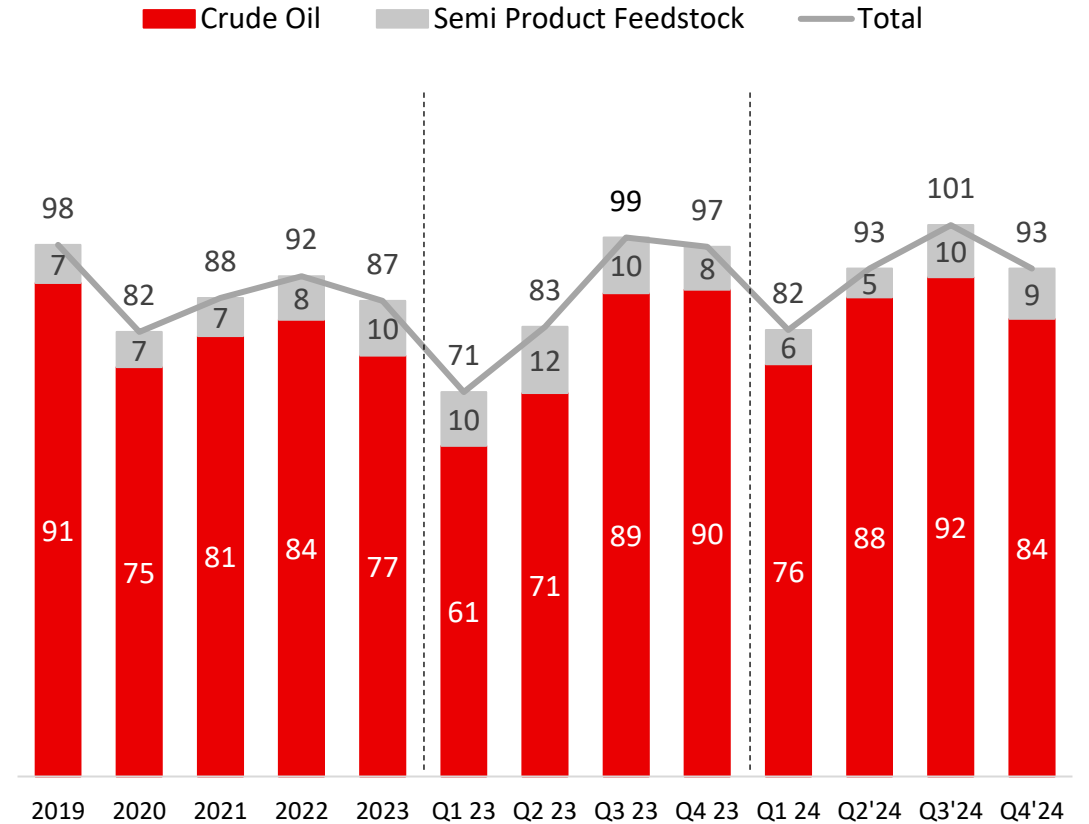
# Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 6.8 million tons in Q4 2024.
- Capacity utilization for Q4 2024 was 93.4%.

### Quarterly Production (Million Tons)

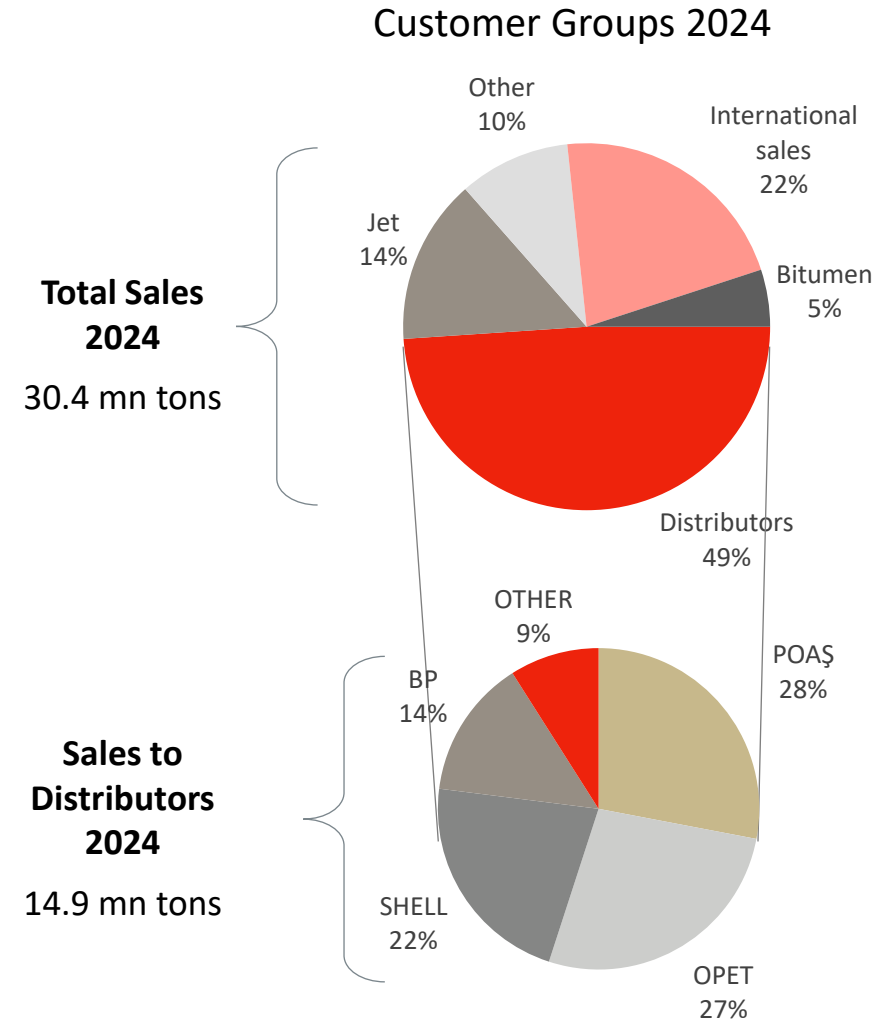
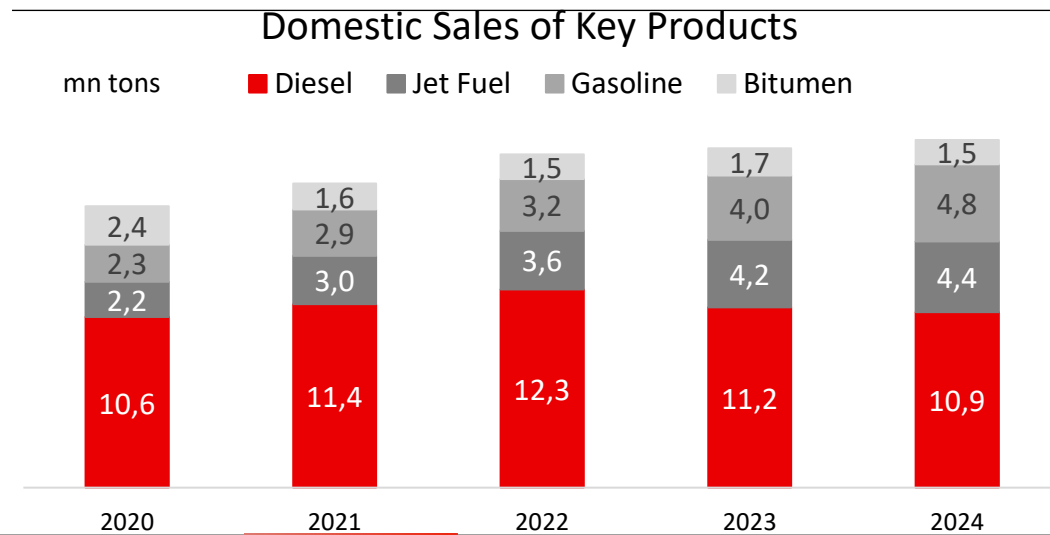
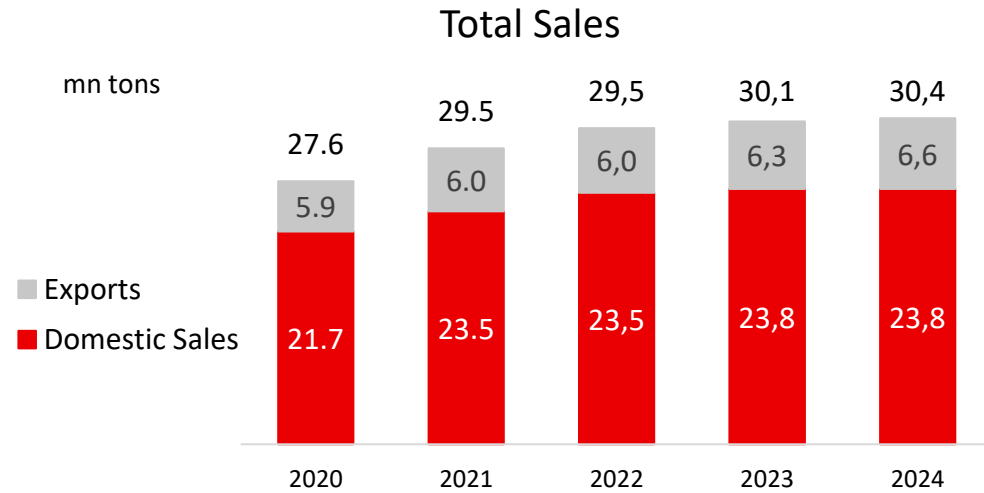


### Capacity Utilization (%)



# Sales

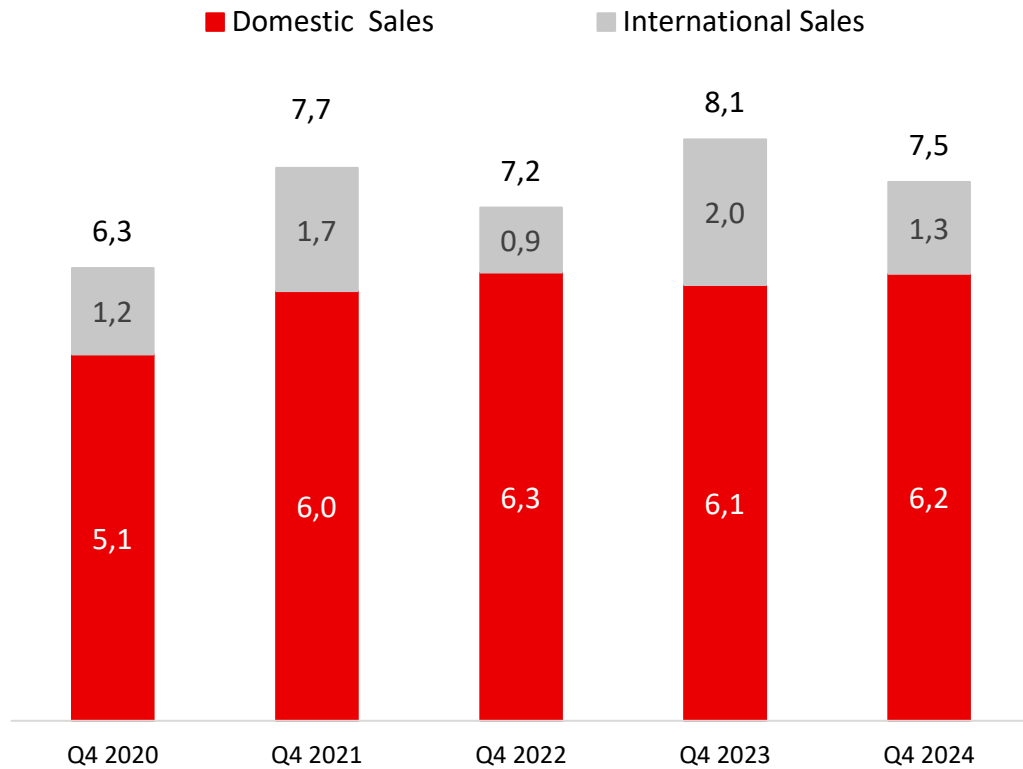
- Tüpraş generated 30.4 million tons of total sales in 2024.



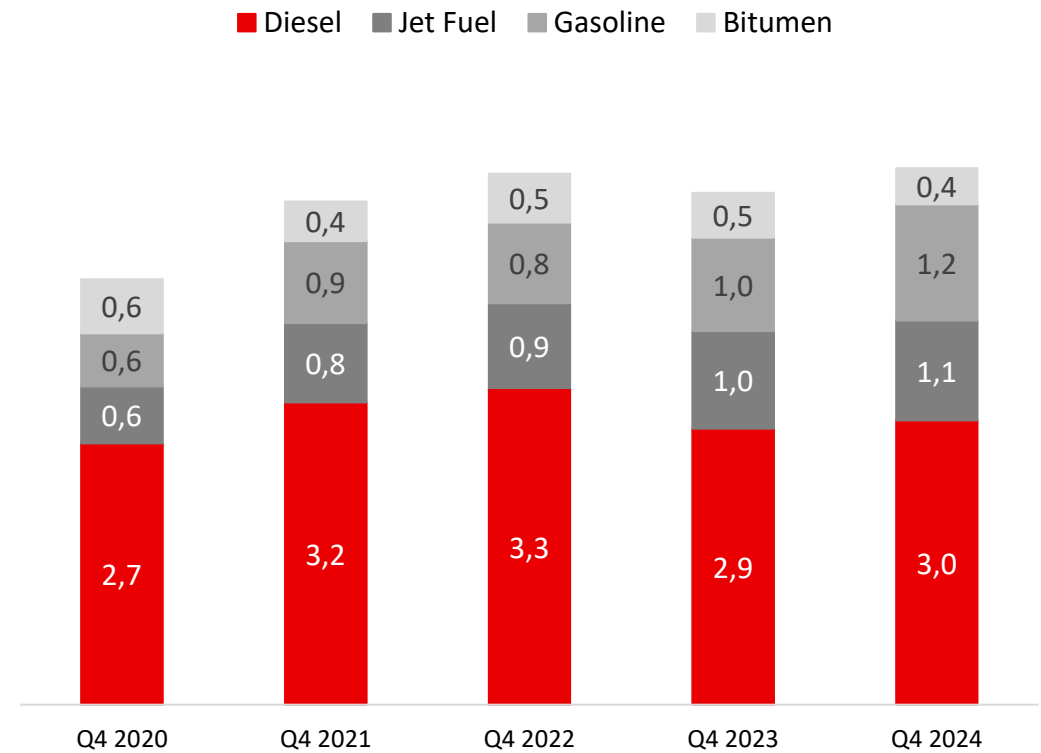
# Product Sales in Q4 2024 (Million Tons)

- Tüpraş generated 7.5 million tons of sales in Q4 2024, bringing the annual to 30.4 million tons in 2024.
- Domestic sales grew by 3% y/y with gasoline sales, up by 24% y/y with the increased demand.

## Total Product Sales



## Domestic Sales of Selected Products





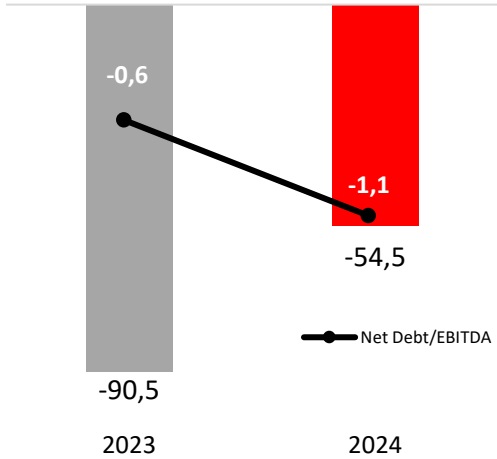
Financials

# Income Statement (Million TL)

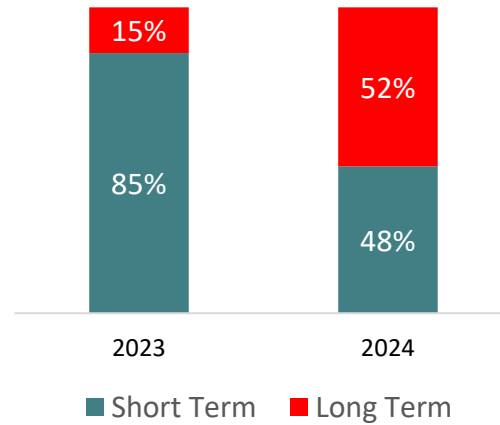
Million TL	Q4 2024	Q4 2023	%	12M 2024	12M 2023	%
Net Sales	173,475	266,622	-35%	810,386	991,203	-18%
COGS	-162,116	-228,046	-29%	-742,355	-832,772	-11%
<b>Gross Profit</b>	<b>11,359</b>	<b>38,576</b>	<b>-71%</b>	<b>68,030</b>	<b>158,431</b>	<b>-57%</b>
Operating Expenses	-5,274	-8,857	-40%	-26,942	-28,235	-5%
Income/Loss from other operations	76	-4,426	-102%	-5,378	-23,893	-77%
<b>Operating Profit</b>	<b>6,162</b>	<b>25,293</b>	<b>-76%</b>	<b>35,710</b>	<b>106,303</b>	<b>-66%</b>
Income/Loss from Equity pick ups	569	-1,022	-156%	1,426	1,637	-13%
<b>Operating Profit Before Fin. Income/Loss</b>	<b>6,730</b>	<b>24,271</b>	<b>-72%</b>	<b>37,136</b>	<b>107,940</b>	<b>-66%</b>
Financial Income/Expense	1,246	2,419	-49%	9,192	-7,499	-223%
Monetary Gain/Loss	-1,194	-3,912	-69%	-14,583	-16,961	-14%
<b>Profit Before Tax</b>	<b>6,782</b>	<b>22,779</b>	<b>-70%</b>	<b>31,746</b>	<b>83,480</b>	<b>-62%</b>
<b>Net Profit (excluding minority interest)</b>	<b>3,891</b>	<b>52,484</b>	<b>-93%</b>	<b>18,315</b>	<b>77,354</b>	<b>-76%</b>
<b>EBITDA*</b>	<b>8,851</b>	<b>31,526</b>	<b>-72%</b>	<b>51,315</b>	<b>140,522</b>	<b>-63%</b>
Inventory Gain/Loss	-1,367	6,250	-122%	5,075	21,374	-76%
<b>EBITDA CCS*</b>	<b>10,218</b>	<b>25,276</b>	<b>-60%</b>	<b>46,240</b>	<b>119,148</b>	<b>-61%</b>

# Financial Highlights

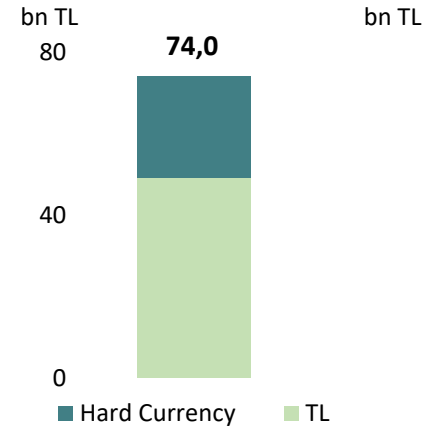
Net Debt & Net Debt / EBITDA



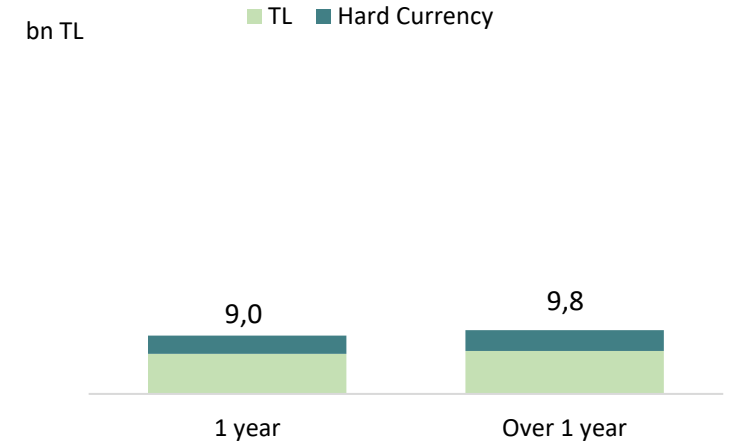
Loan Maturity Breakdown



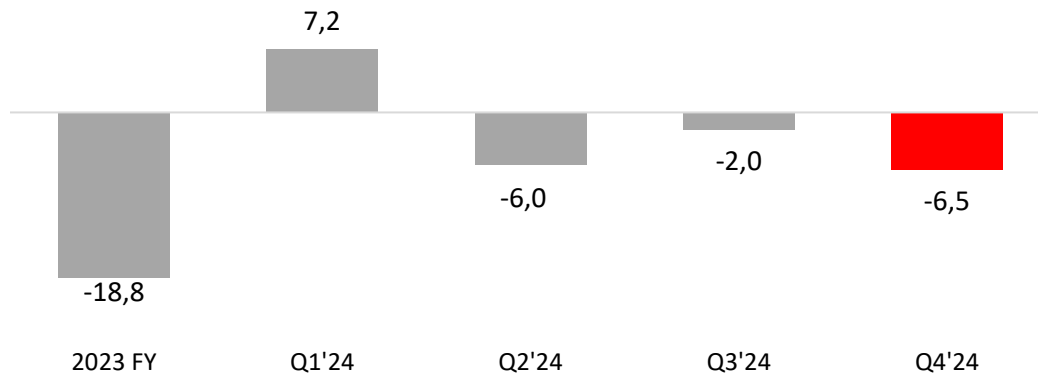
Cash Currency Breakdown



Redemption Schedule(\*\*)



Working Capital (bn TL)



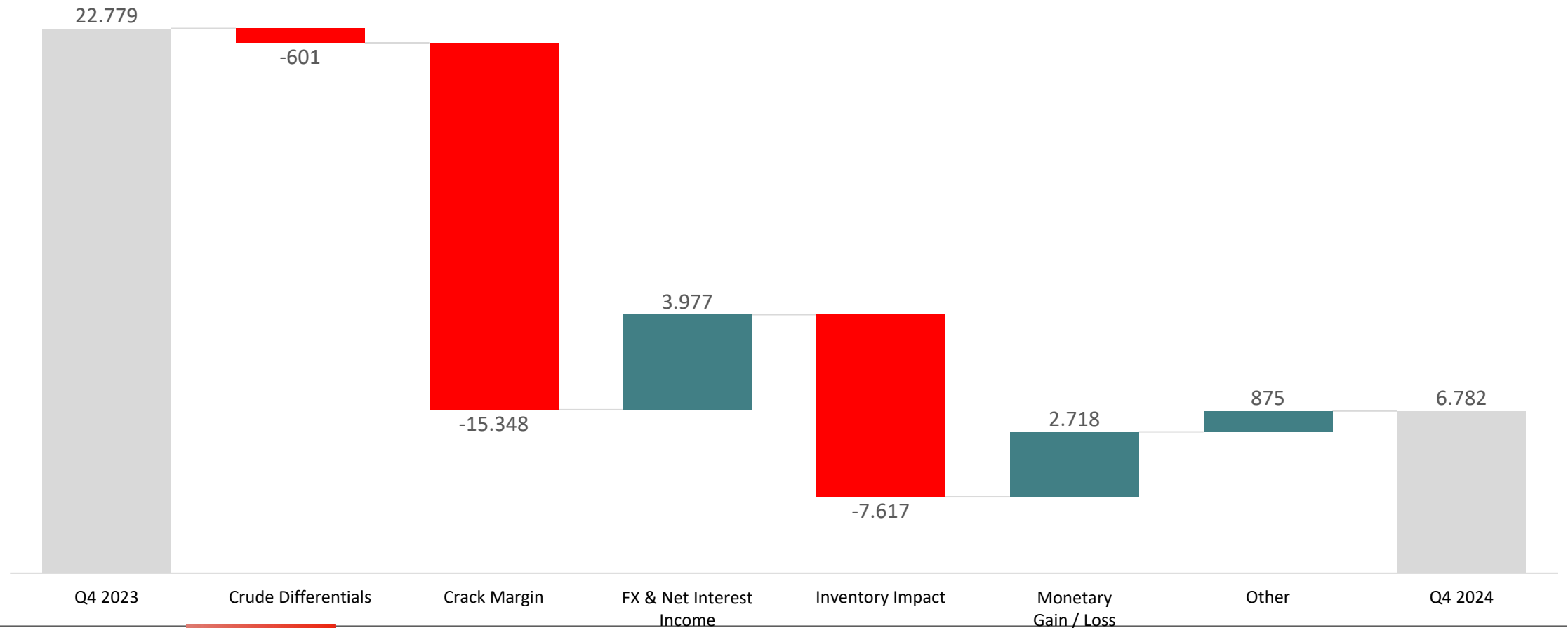
## Financial Management

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

# Profit Before Tax Bridge (Q4 2023– Q4 2024)

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

Million TL



# 2025 Expectations

**Net Refinery Margin<sup>(\*)</sup> expectation 5-6 \$/bbl**

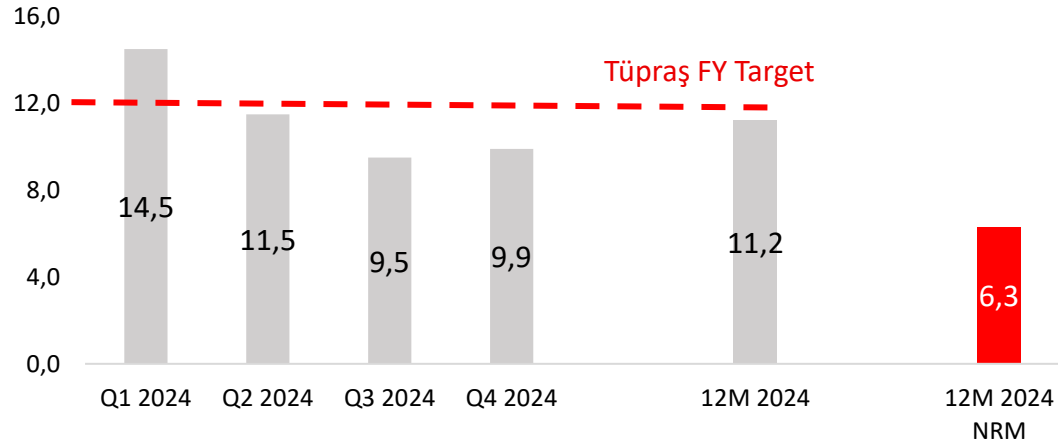
- ~26 mn tons annual production
- ~30 mn tons annual sales
- 90-95% average capacity utilization

**Consolidated Capex ~600 million \$**

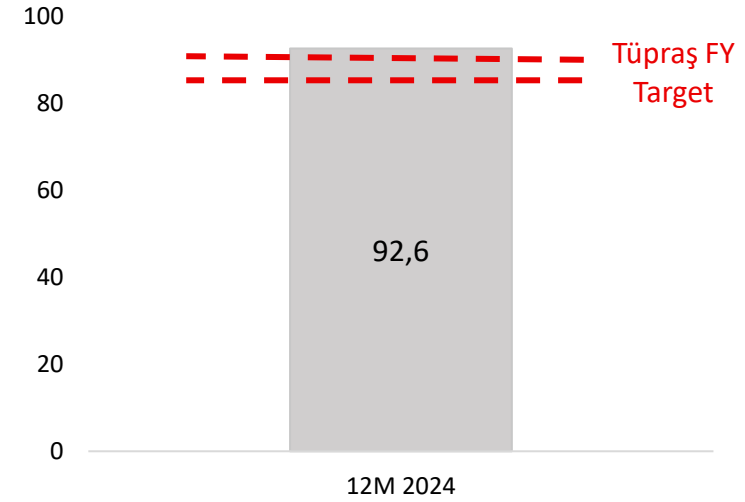
(\*) Net Refining Margin is calculated with all factors subject to inflation accounting stripped out.

# Q4 2024 Results

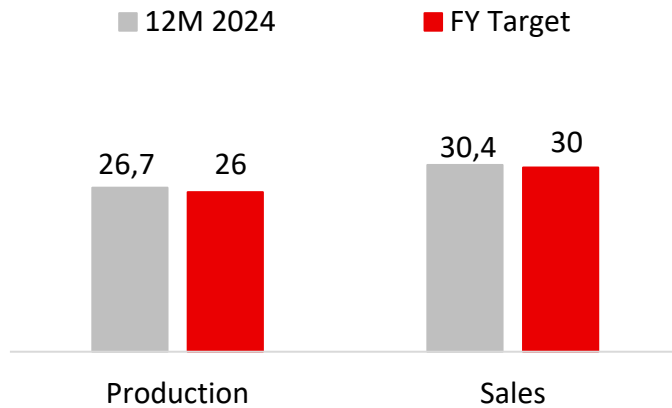
## Tüpraş Crack Margin (\$/bbl)



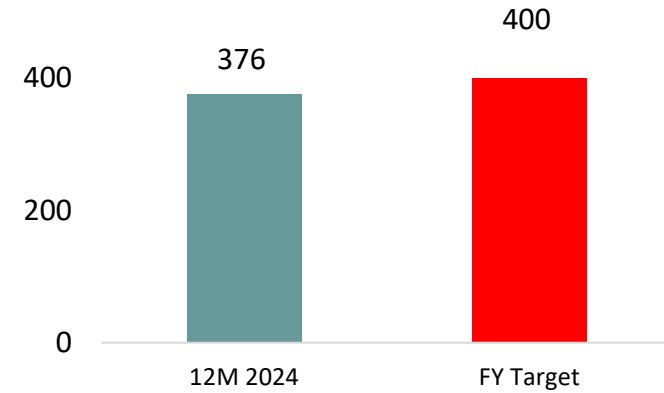
## Capacity Utilization (%)



## Operational (million tons)



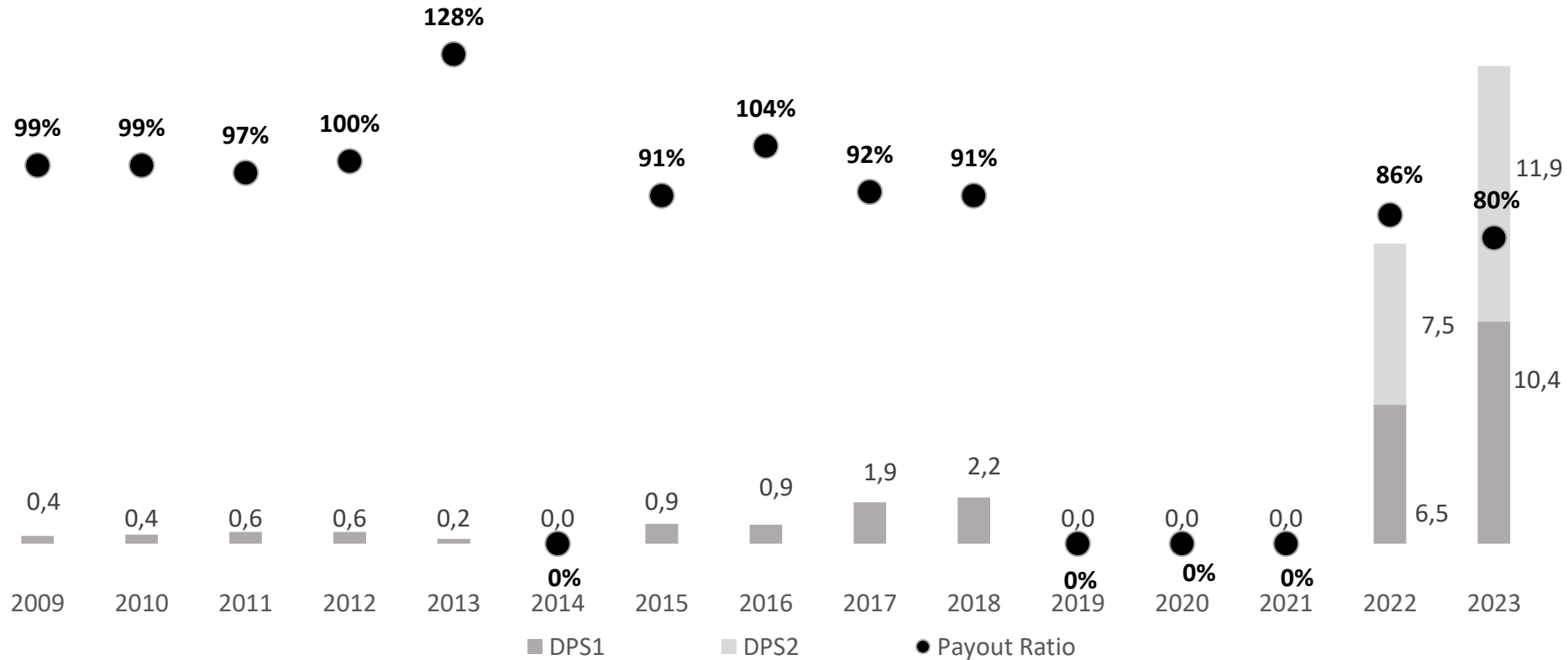
## Total Capex (mn \$)



# Tüpraş Balance Sheet (Million TL)

	31.12.2024	31.12.2023	Diff.	Diff. (%)
<b>Current Assets</b>	<b>185,591</b>	<b>290,418</b>	<b>-104,826</b>	<b>-36</b>
Cash & C. Equivalents	73,534	141,525	-67,991	-48
Trade Receivables	37,072	58,386	-21,314	-37
Derivatives	1,469	2,980	-1,511	-51
Inventories	60,278	64,197	-3,919	-6
Pre-paid expenses	1,770	1,845	-75	-4
Other Current Assets	11,468	21,484	-10,016	-47
<b>Long Term Assets</b>	<b>268,536</b>	<b>239,156</b>	<b>29,381</b>	<b>12</b>
Financial Assets & Subsidiaries	13,697	12,479	1,218	10
Tangible & Intangible Fixed Assets	233,149	200,379	32,770	16
Derivatives	47	53	-6	-11
Pre-paid expenses	3,999	2,620	1,379	53
Deferred Tax	889	9,336	-8,446	-90
Other Long-term Assets	16,755	14,288	2,467	17
<b>Total Assets</b>	<b>454,128</b>	<b>529,573</b>	<b>-75,446</b>	<b>-14</b>
<b>Short Term Liabilities</b>	<b>148,768</b>	<b>224,179</b>	<b>-75,410</b>	<b>-34</b>
Financial Loans	9,054	43,268	-34,214	-79
Trade Payables	103,880	141,428	-37,548	-27
Derivatives	2,838	769	2,069	269
Provisions	2,312	1,771	541	31
Other ST Liabilities	30,684	36,943	-6,259	-17
<b>Long Term Liabilities</b>	<b>19,111</b>	<b>12,391</b>	<b>6,721</b>	<b>54</b>
Financial Loans	9,935	7,736	2,199	28
Payables & Provisions	1,665	2,995	-1,330	-44
Derivatives	448	677	-230	-34
Other LT Liabilities	7,064	983	6,082	619
<b>Total equity attributable to equity holders of the parent</b>	<b>282,215</b>	<b>289,860</b>	<b>-7,645</b>	<b>-3</b>
<b>Minority Interests</b>	<b>4,032</b>	<b>3,144</b>	<b>889</b>	<b>28</b>
<b>Total Liabilities &amp; Equity</b>	<b>454,128</b>	<b>529,573</b>	<b>-75,446</b>	<b>-14</b>

# Dividend (TL)



## Strategic Transition Dividend Plan

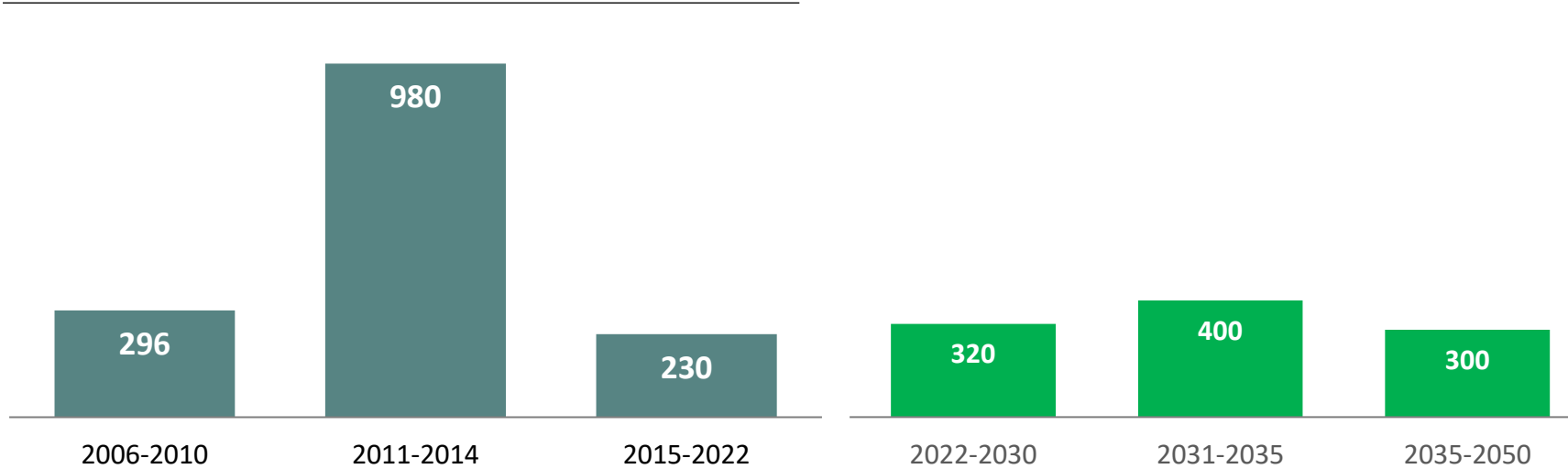
Our new business model enables us to pay ~80% average dividends and we will remain as a high dividend payer

\*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\$

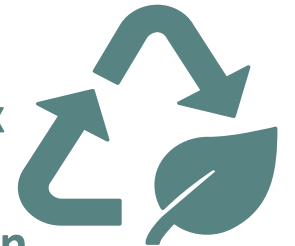


## CURRENT PROJECTS

- 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

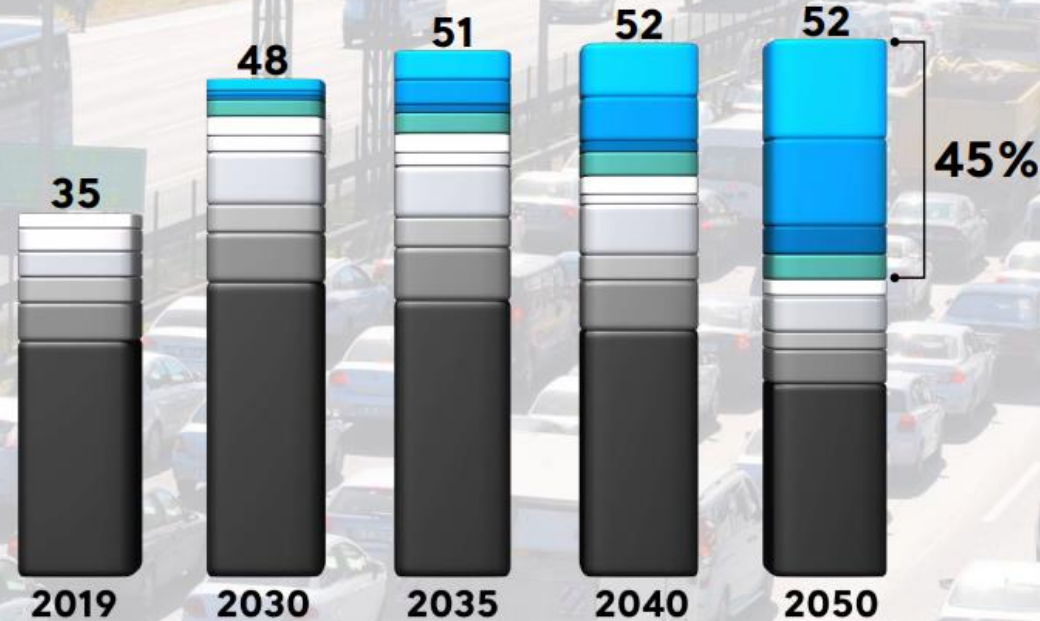


Strategy

# 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

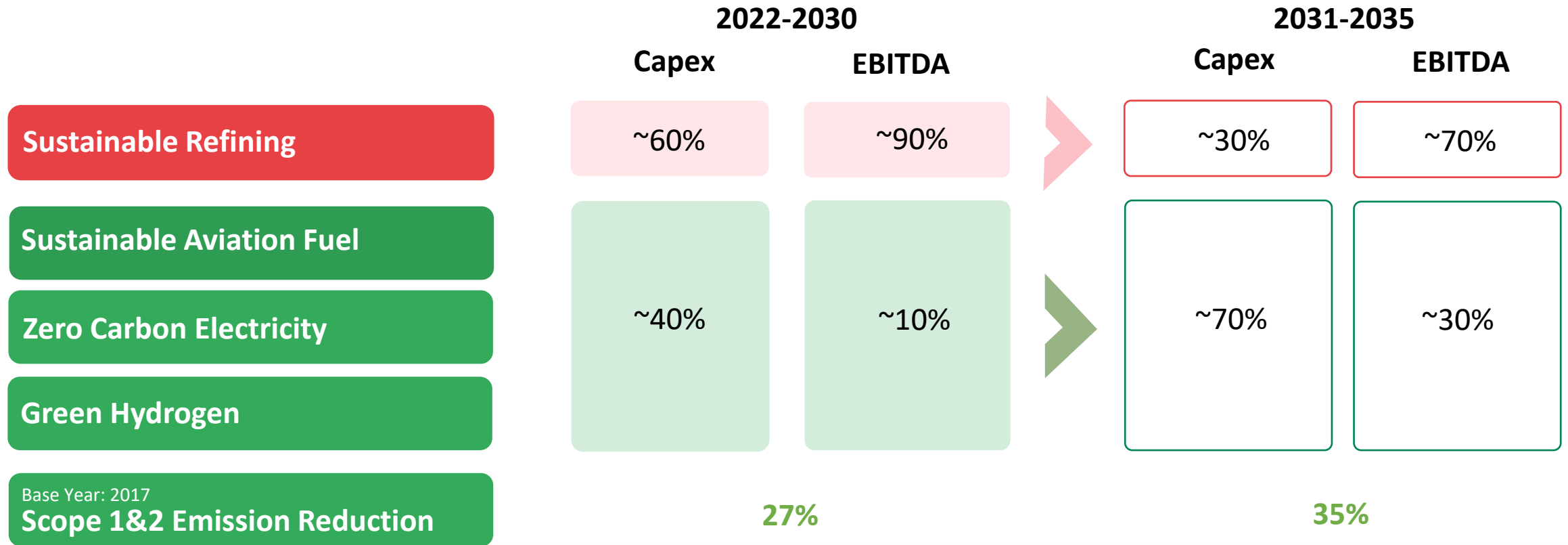


**H<sub>2</sub>** to enter a rapid growth phase from 2030



**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

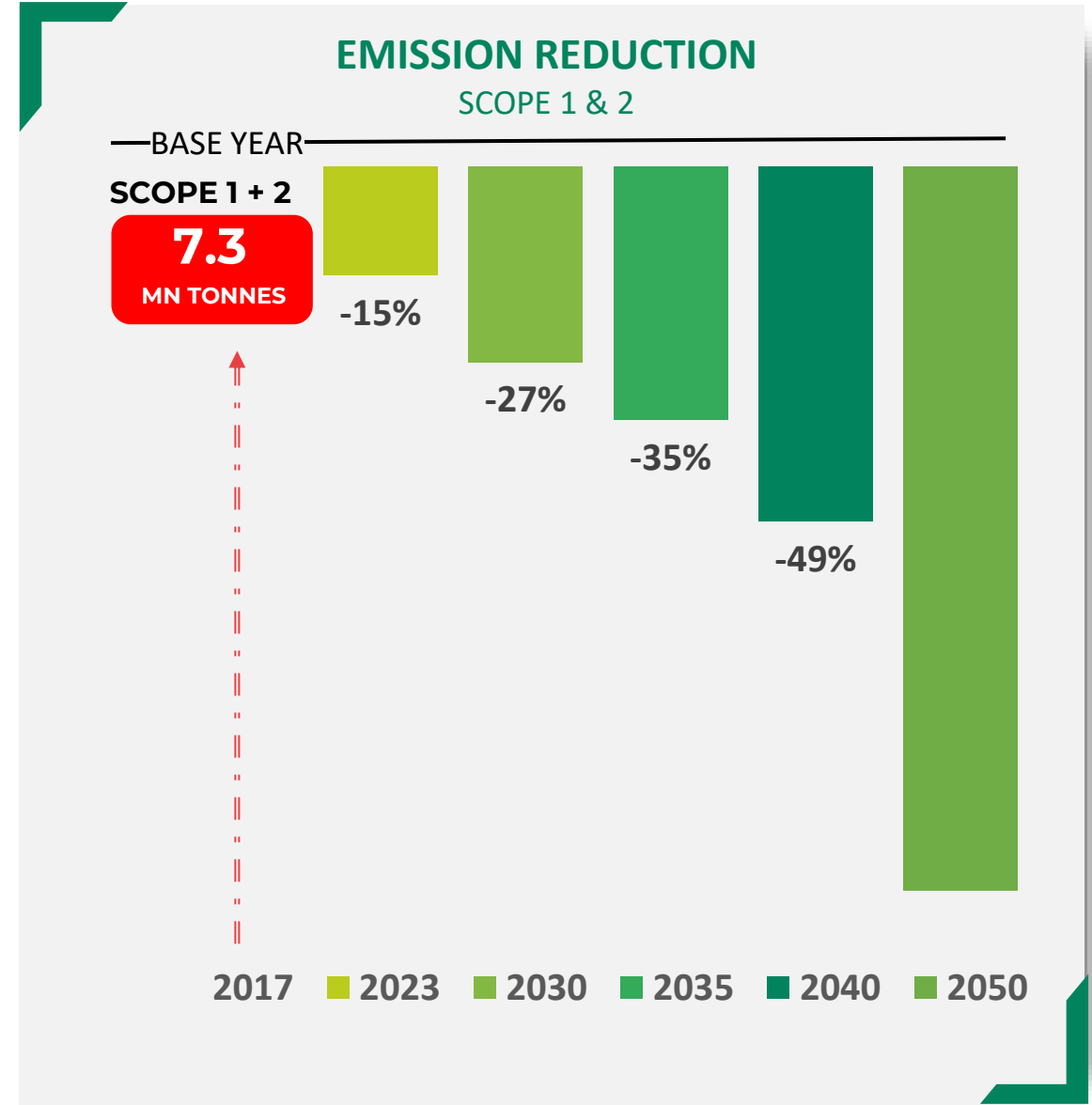
### Reducing Refining Emissions

- 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.

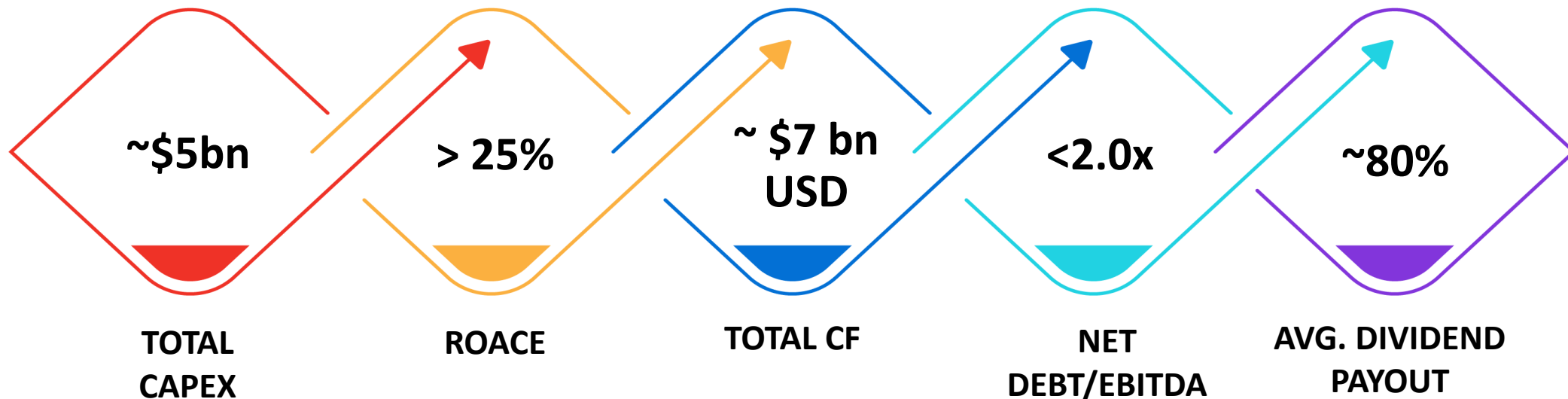
Will **eliminate our scope 1 & 2 emissions by 2050** while executing our plan and achieving these results.

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

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

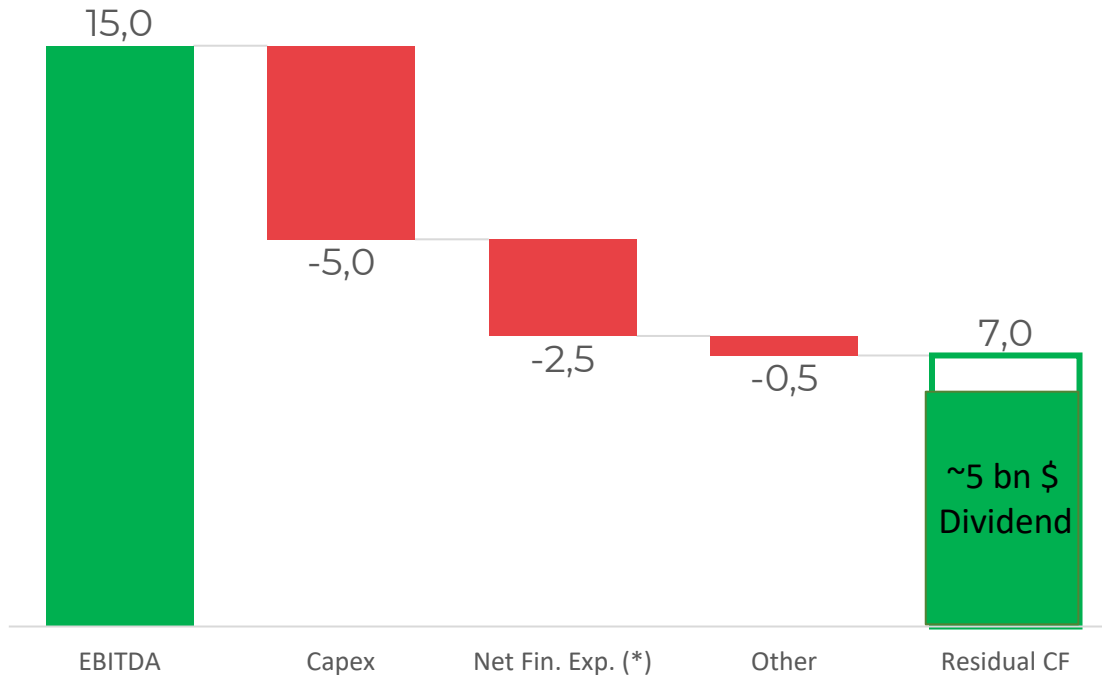
With ample CF, **Net Debt / EBITDA** will be below **<2.0x**

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



# Strategic Transition Plan - Financials

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



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

## Sound Financial Plan

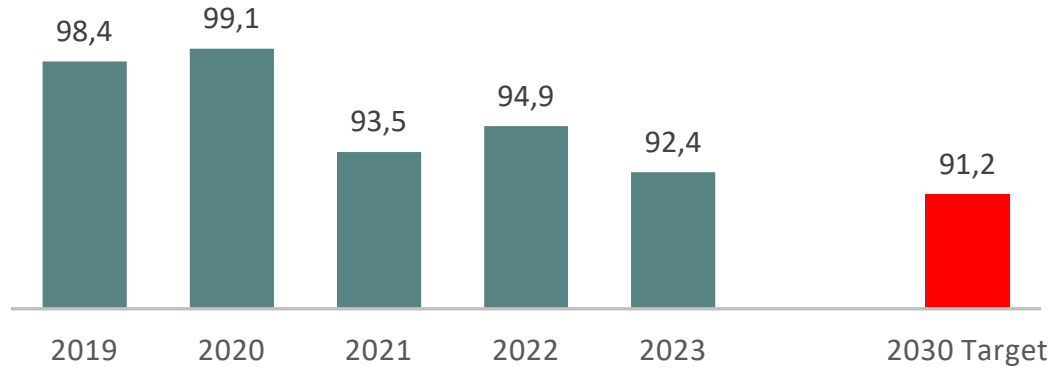
- Superior EBITDA generation and disciplined capex plan leads to very low external funding requirement.
- Strong FCF generation ensures strong dividend potential
- 80% dividend payout on average according to our new business model
- Net Debt / EBITDA will remain below 2x



ESG

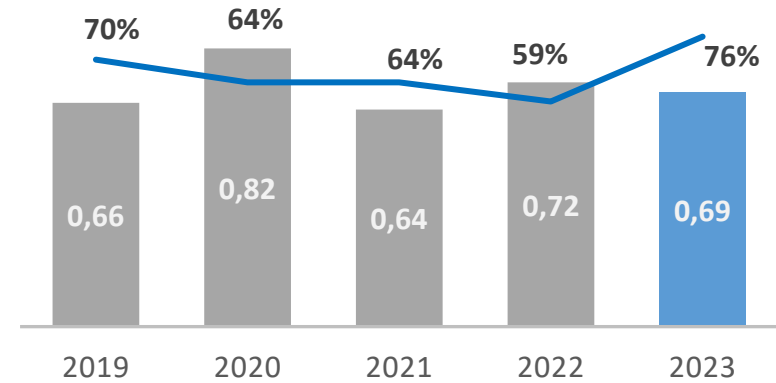
# Tüpraş's Environmental Highlights

### Energy Intensity Achievements

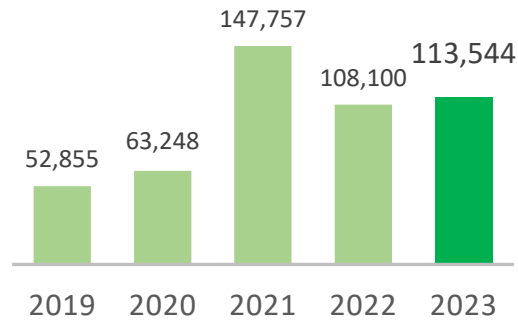


### Water Consumption per processed crude oil (m3/ton)

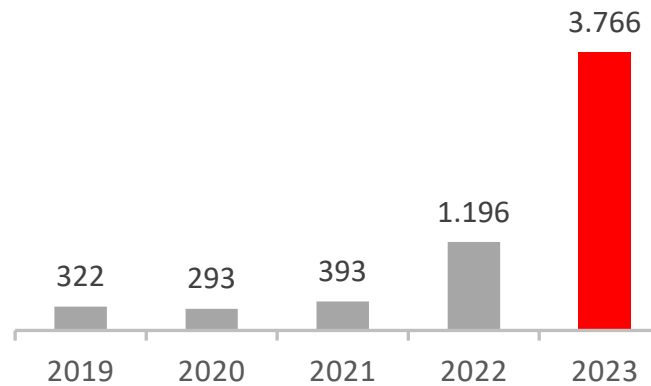
### Ratio of recovered water to total water consumption (%)



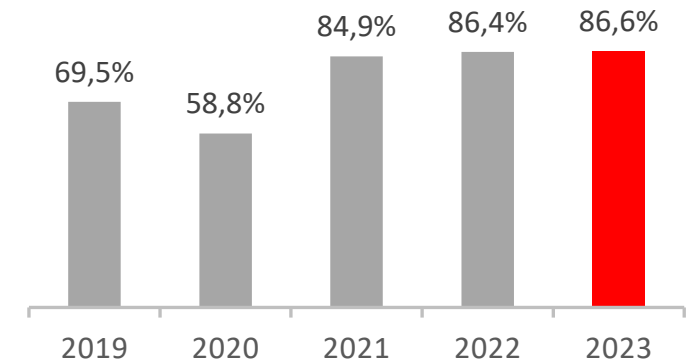
### Levelized Greenhouse Gas Emissions Reductions through Energy Efficiency Projects (tons CO2e)



### Environmental Investment and Operational Expenditures (MTL)



### Waste recycling rate



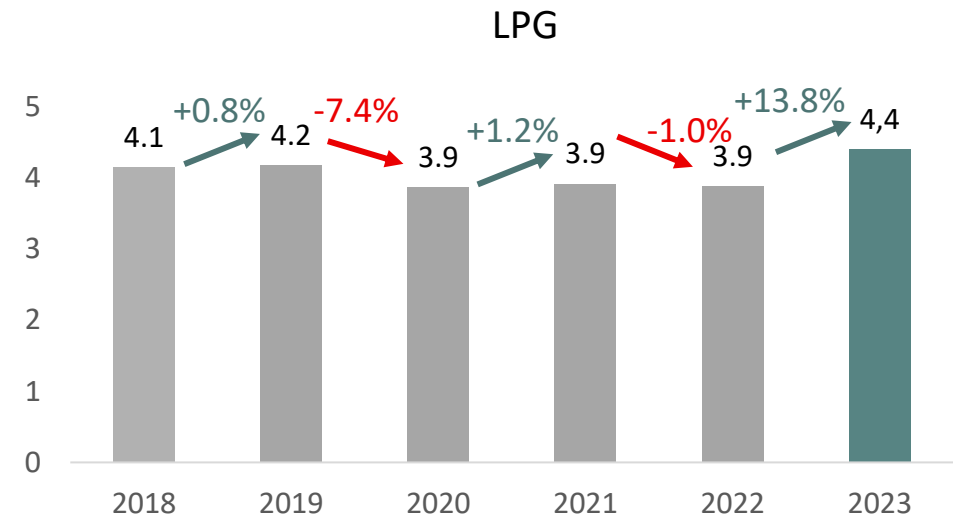
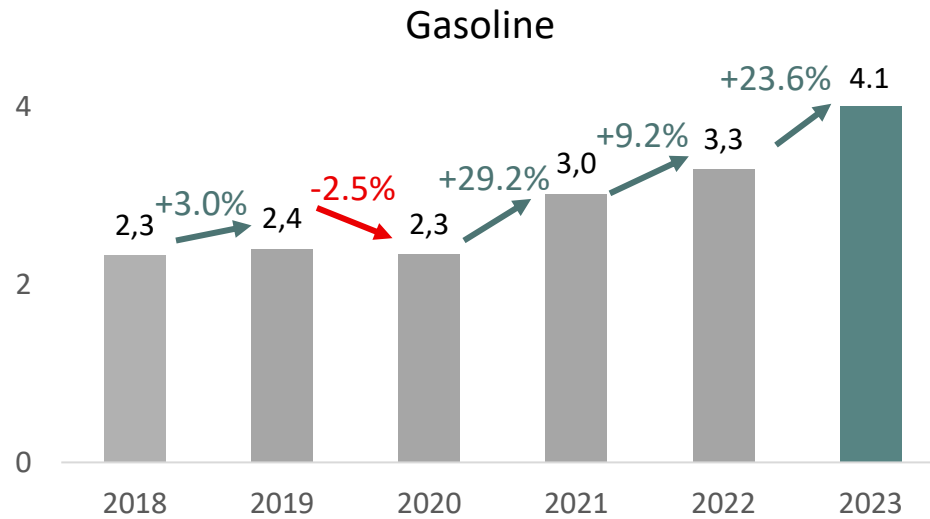
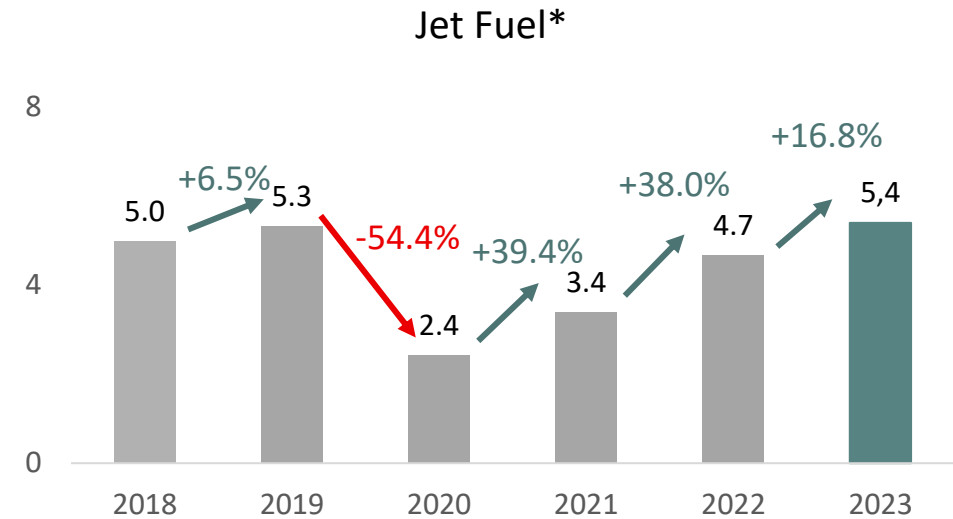
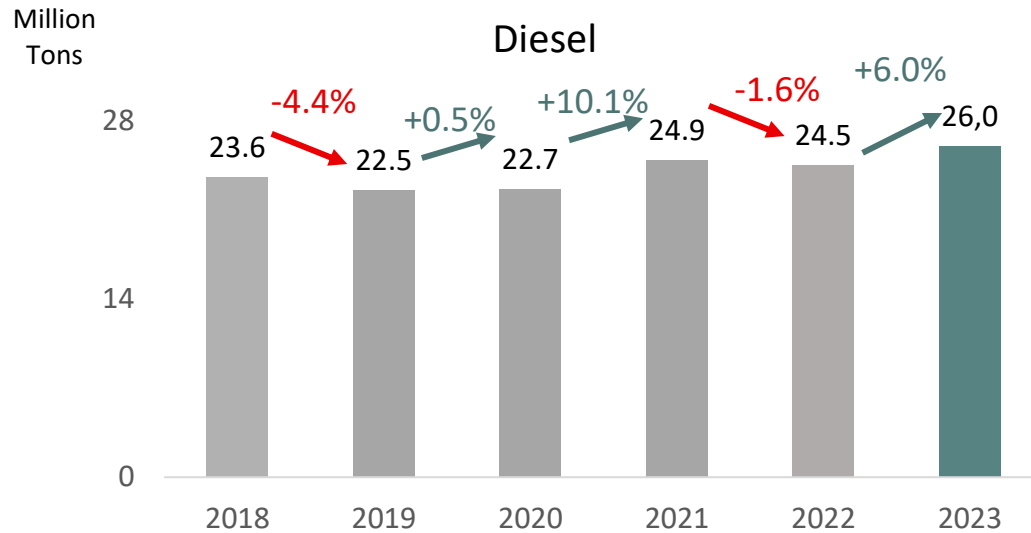


# Appendix

# 2025 Refinery Maintenance Schedule

Refinery	Unit	Starting Quarter	Duration (weeks)	Purpose	Planned
İzmit	Vacuum & Desulphurizer	Q1	5	Periodic Maintenance	Planned
İzmir	FCC	Q1&Q2&Q3	28	Revamp	Ongoing
Batman	Crude Oil & Vacuum	Q1	10	Seasonal	Ongoing
	Crude Oil & Vacuum	Q4	10	Seasonal	Planned

# Turkish Market Fuel Consumption 2018-2023



# 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**

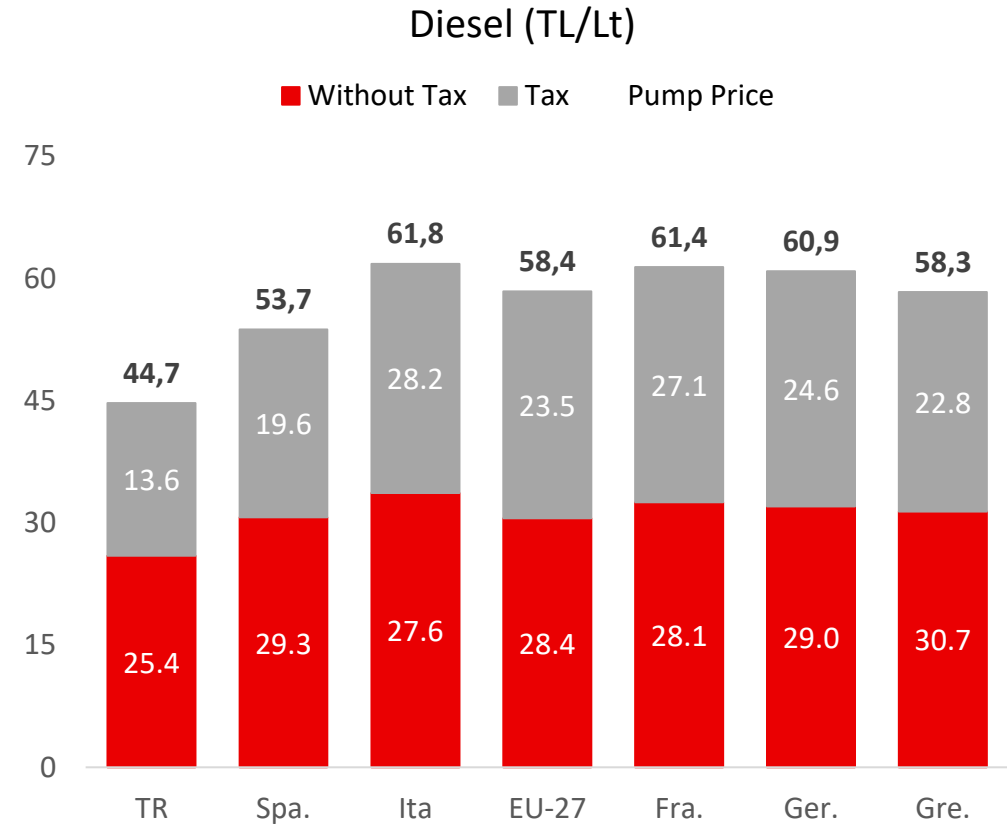
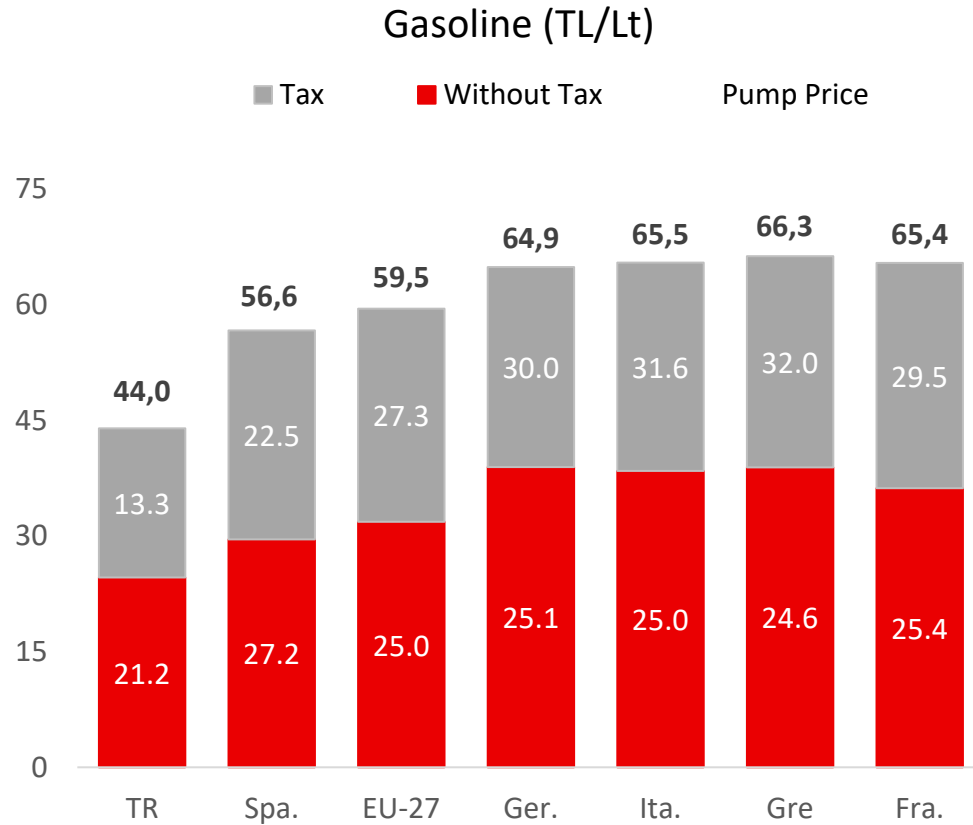
## Black Sea



**15 Refineries ~1.5 mbd**

# European Pump Price Comparison

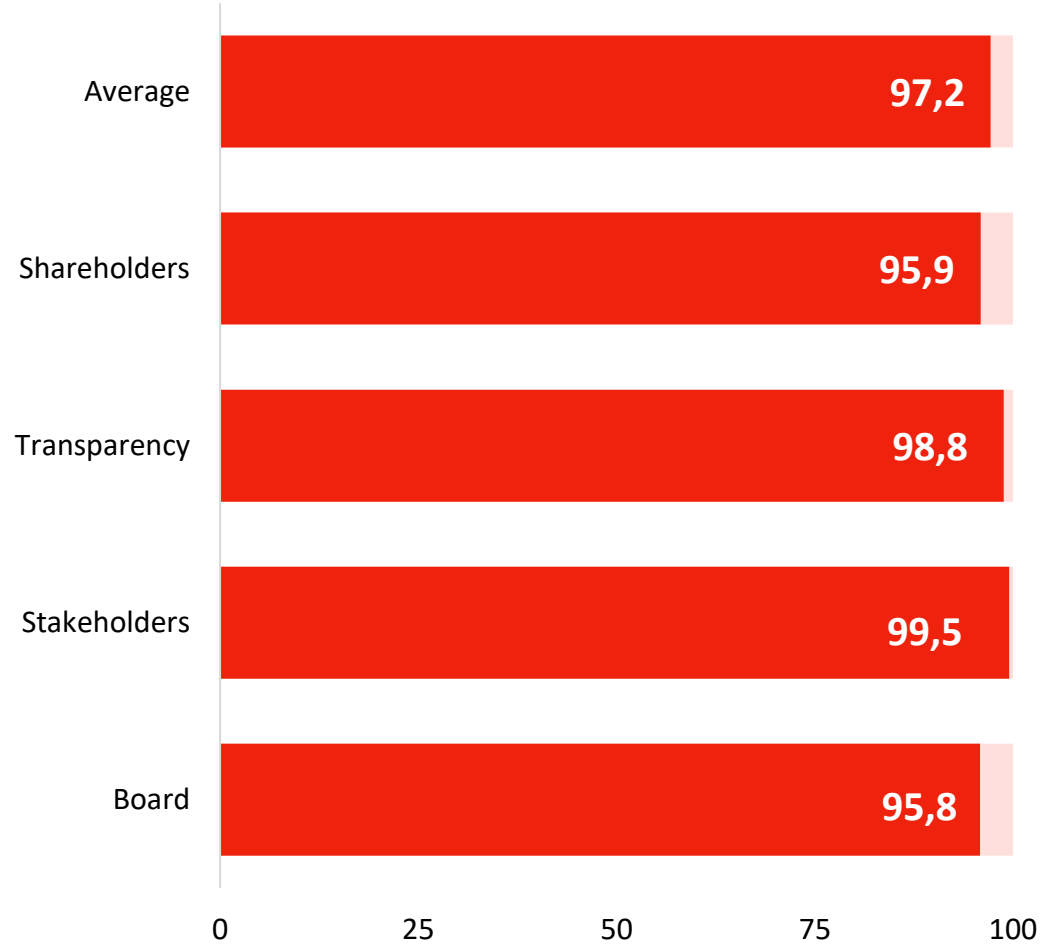
Turkish fuel prices are highly competitive with other European countries.



Prices of Europe and Turkey, as of December 31, 2024

# Tüpraş - Ratings

## Tüpraş BIST Corporate Governance Rating Score

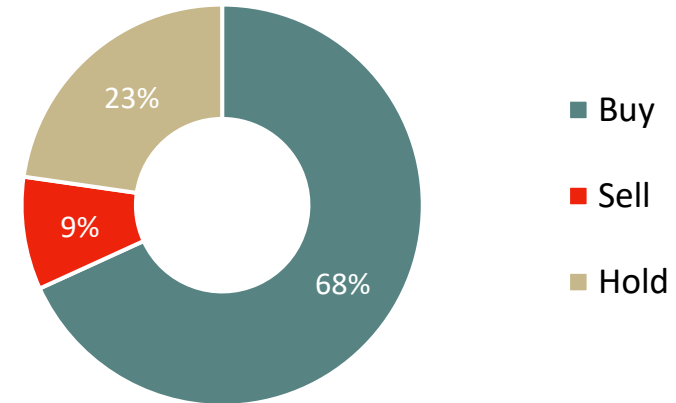


Source: SAHA Corporate Governance and Rating Services Inc. (October 2024)

## 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

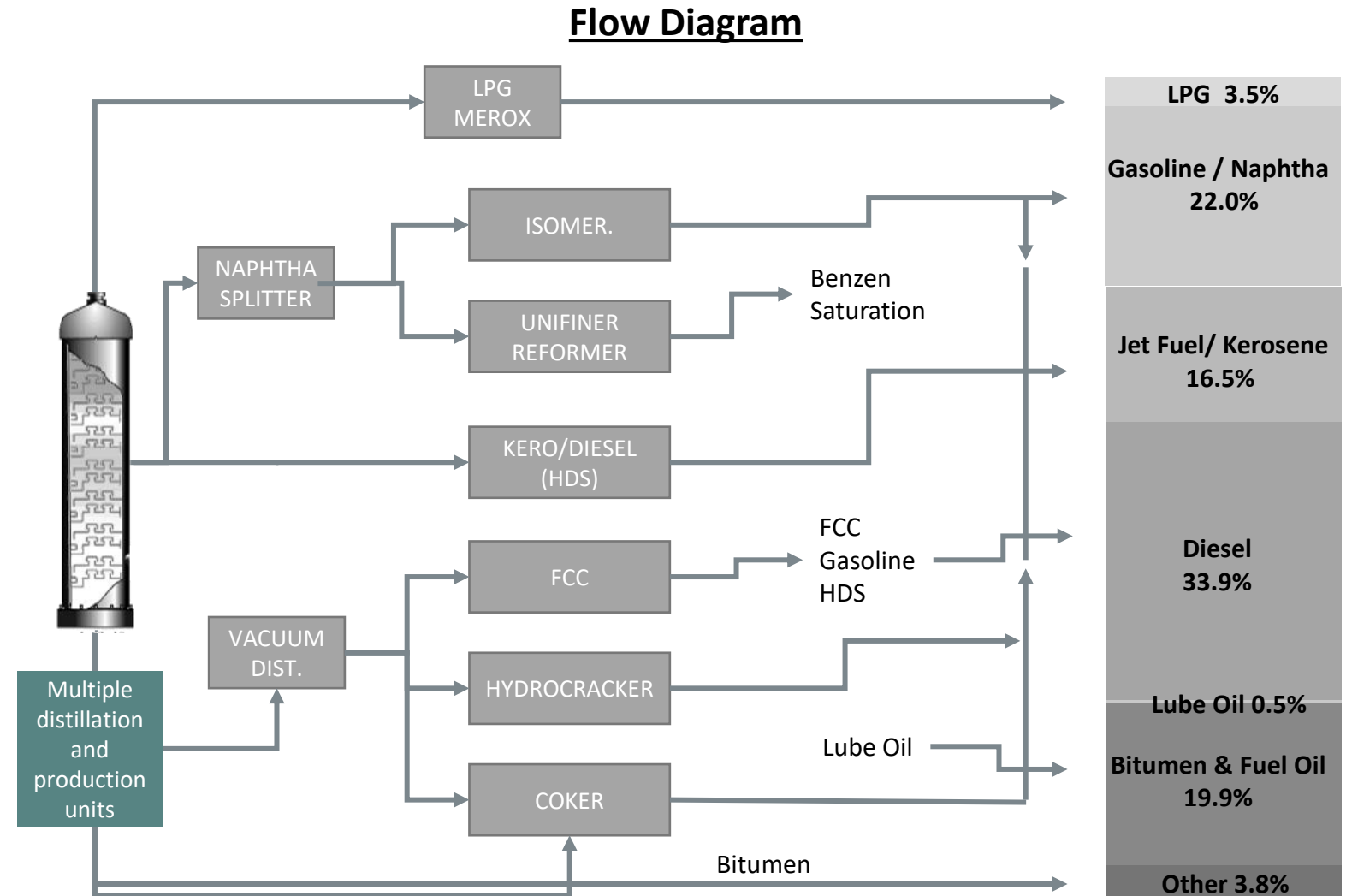


Source: Bloomberg\*  
\*data as of Dec'24

# Tüpraş Production Flow and Yield Breakdown

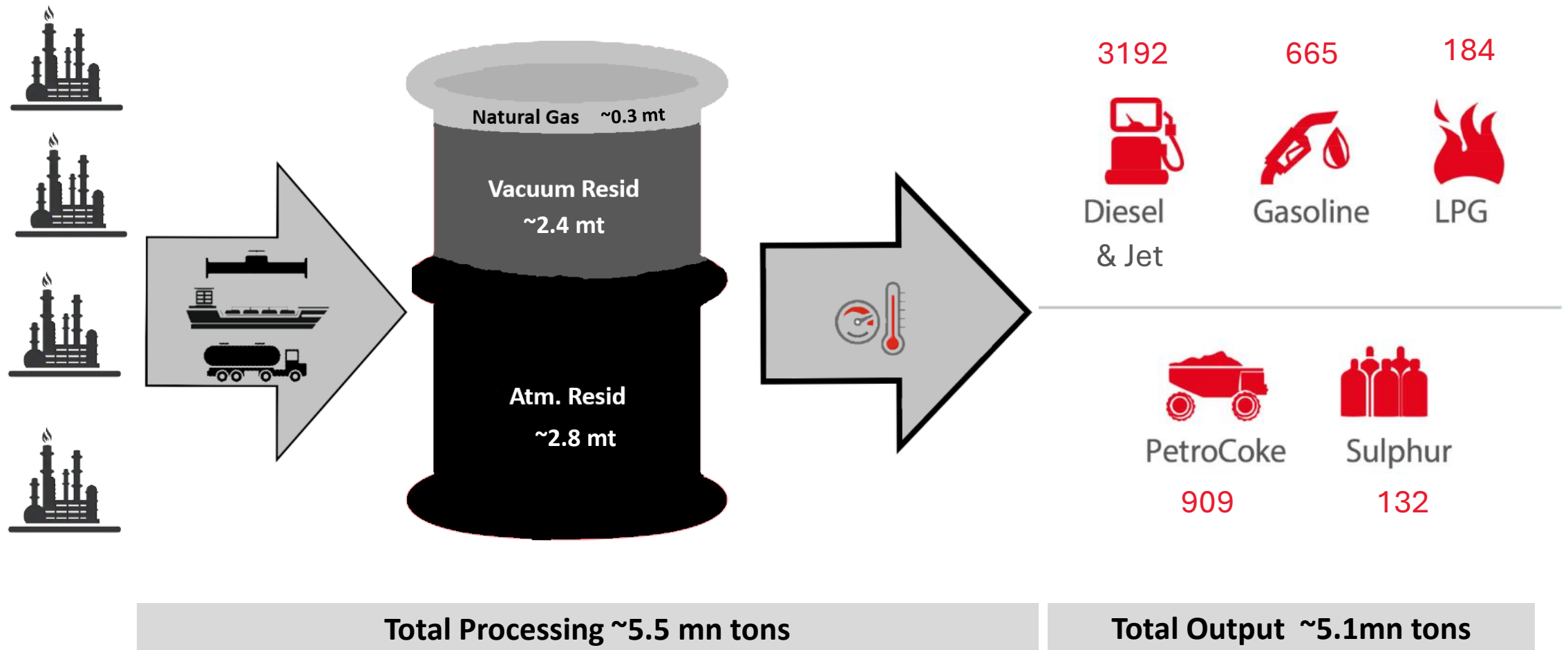
- Tüpraş has 30 million tons of production capacity
- Tüpraş operates 4 refineries with an integrated system optimization program

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	



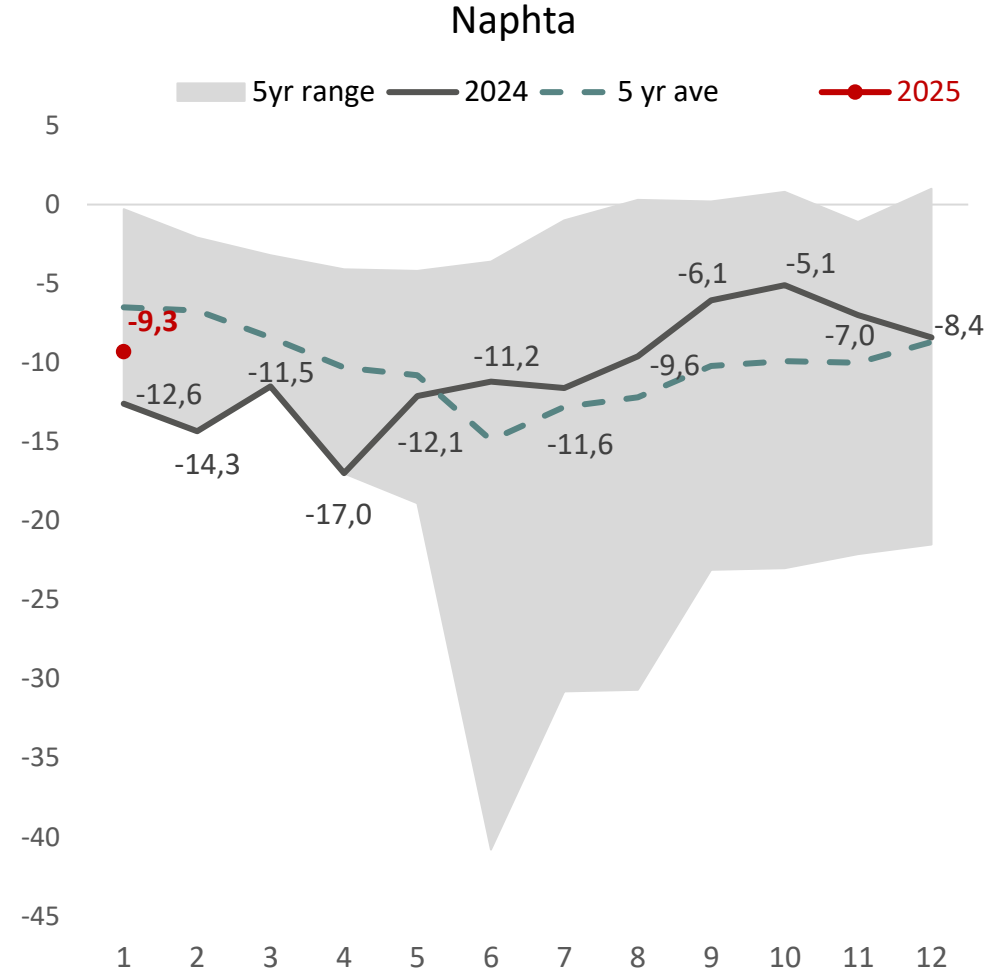
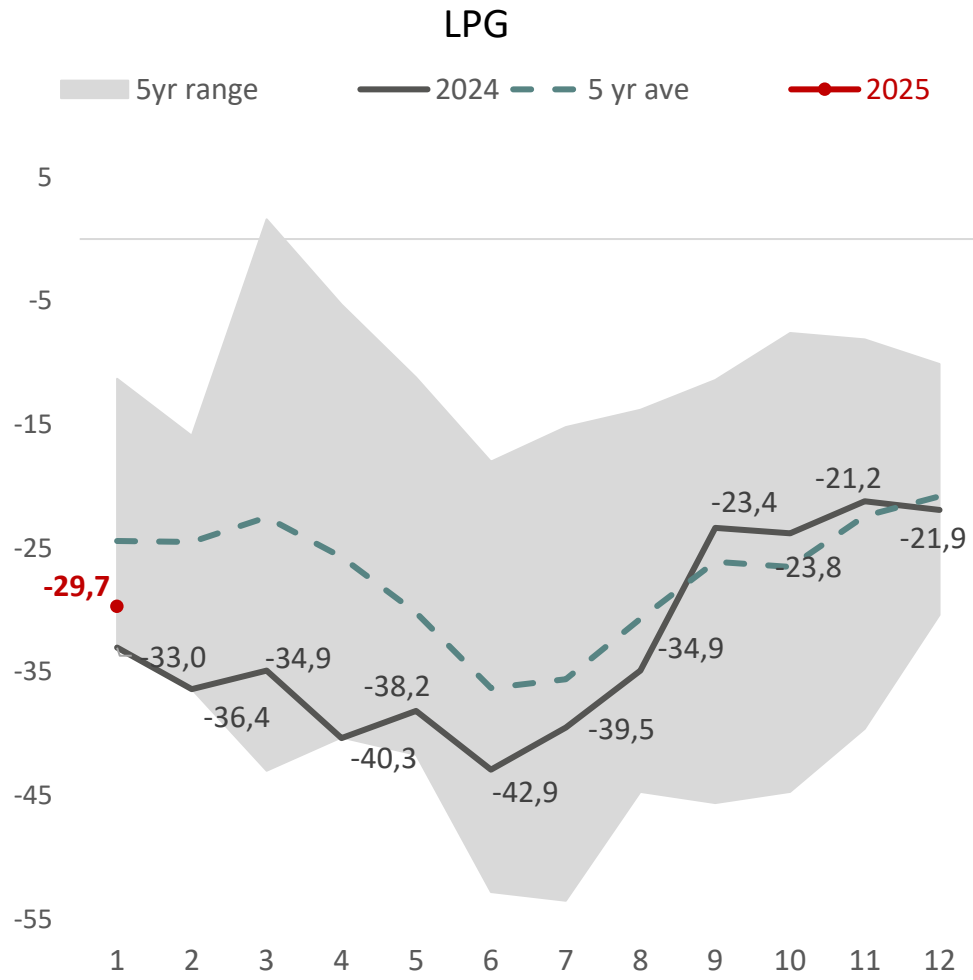
# RUP Feedstock and Production

- 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

\$/bbl



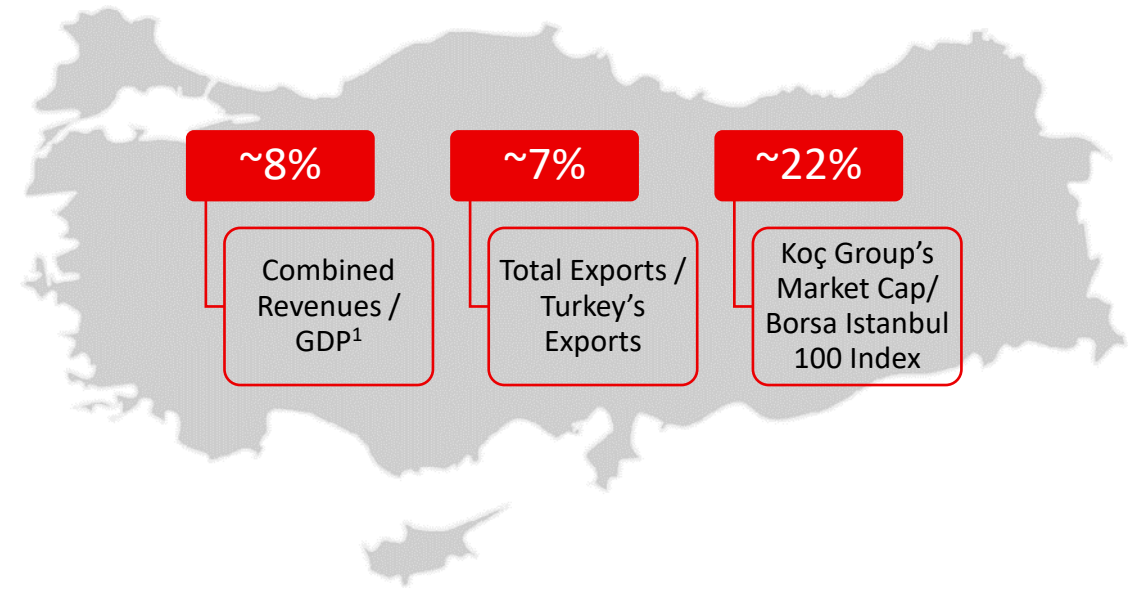
Data as of 31 January, 5 year range shows 2020-2024

## 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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