




Q1 2024 Earnings Presentation

 Koc | 22 May 2024

www.tupras.com.tr

Disclaimer

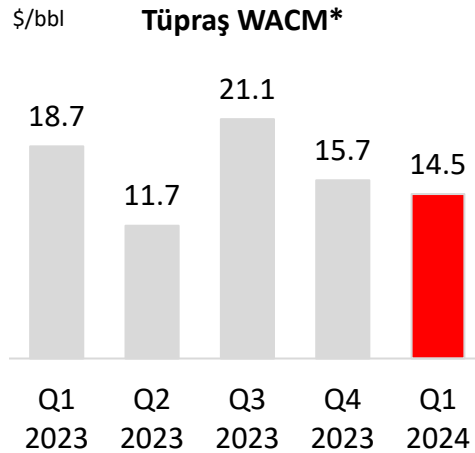
With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflation accounting provisions.

Accordingly, this presentation on 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.

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.

Q1 2024 – Tüpraş Highlights

Firm Operational Performance



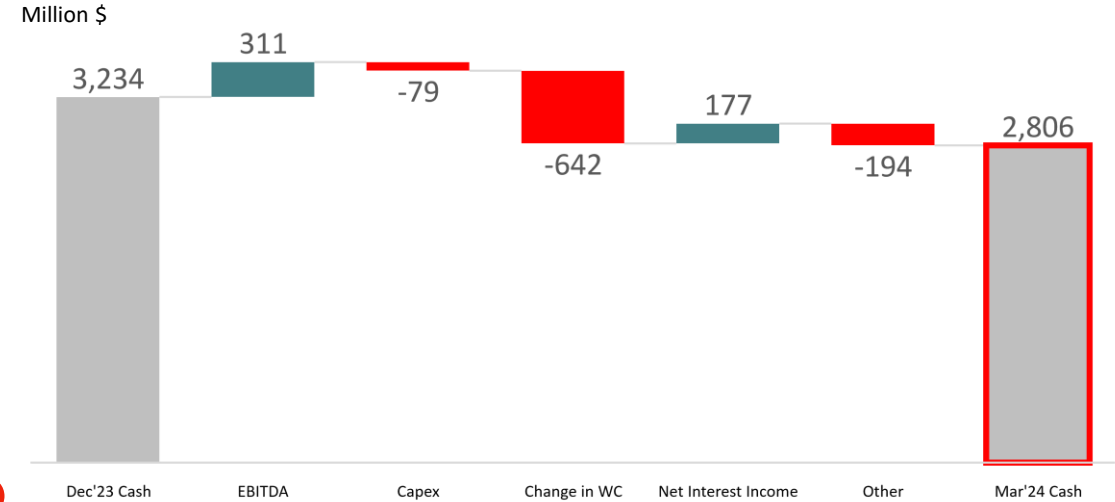
- Differentials widened compared to previous quarter, and are still better compared to long term averages while remaining below of Q1 of the previous year.
- Even though cracks are currently below the high levels of the previous year's Q1, they remain above the five-year averages, highlighting strong performance.
- Q1 WACM* is in line with the full year expectation.

Solid Step Forward in Sustainable Aviation Fuel



- Tüpraş signed a long-term agreement for the procurement of second-generation feedstock to produce Sustainable Aviation Fuel (SAF).
- This move aligns with our Strategic Transition Plan, supporting our ambitions to lead transition of Türkiye's aviation fuel space.
- A minimum of 300k tons of feedstock have been secured for a duration of 10 years following the completion of SAF Production Facility.
- From January 2025, Tüpraş will initiate feedstock trading activities through Tupras Trading UK.

Strong Cash Position



- Cash position stood at 2,8 bn USD as of Q1'24.
- Cash position is preserved as change in Working Capital is mitigated with net interest income and EBITDA generation.
- In early April, we distributed a dividend totalling 620 mn USD (equivalent to 20 bn TL).

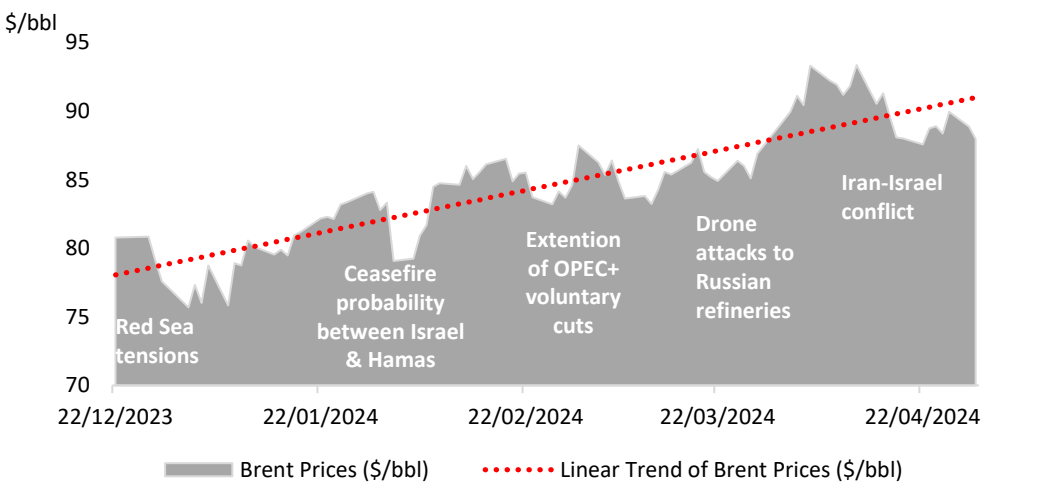


Market

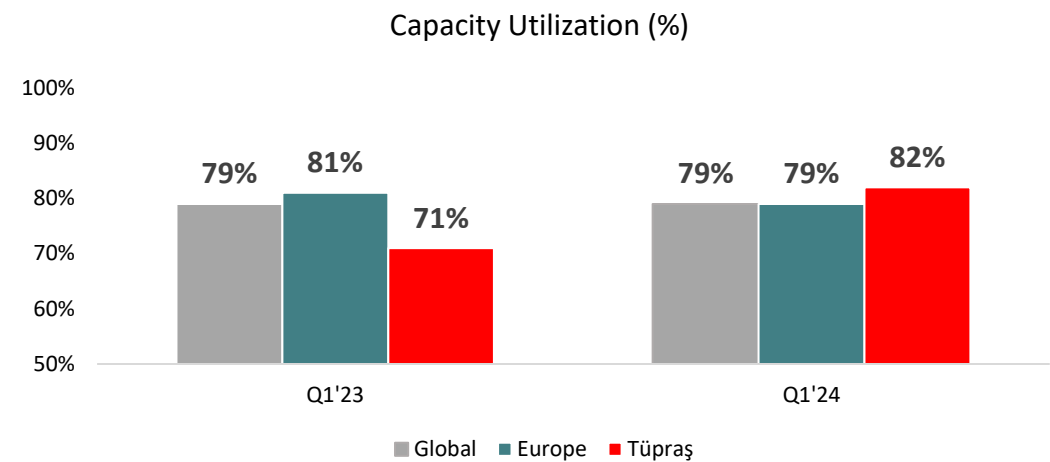
Q1 2024 – Key Market Highlights

Global Oil Market

Brent price increased due to OPEC cut decision and heightened geopolitical risk related to Red Sea tensions, Iran – Israel conflict and drone attacks on Russian refineries.

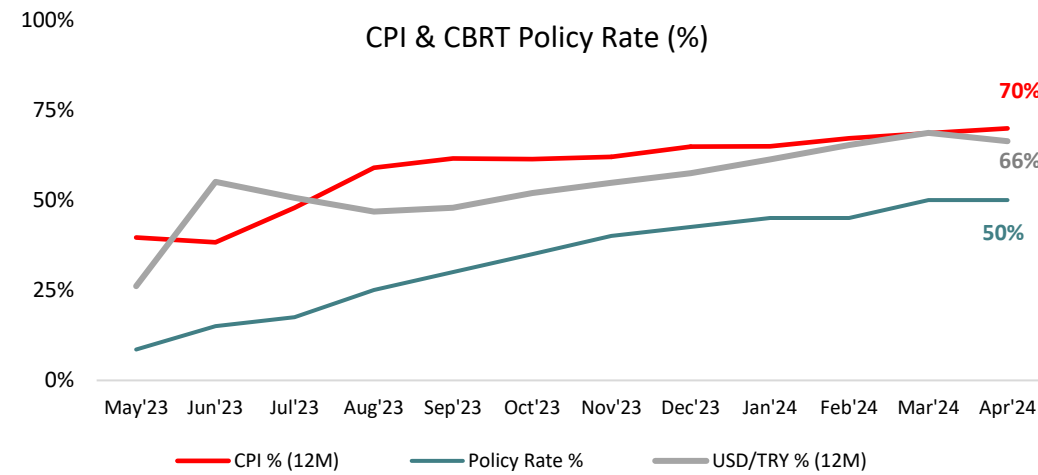


Tüpraş' capacity utilization positively diverged from European and global peers on year-on-year comparison.

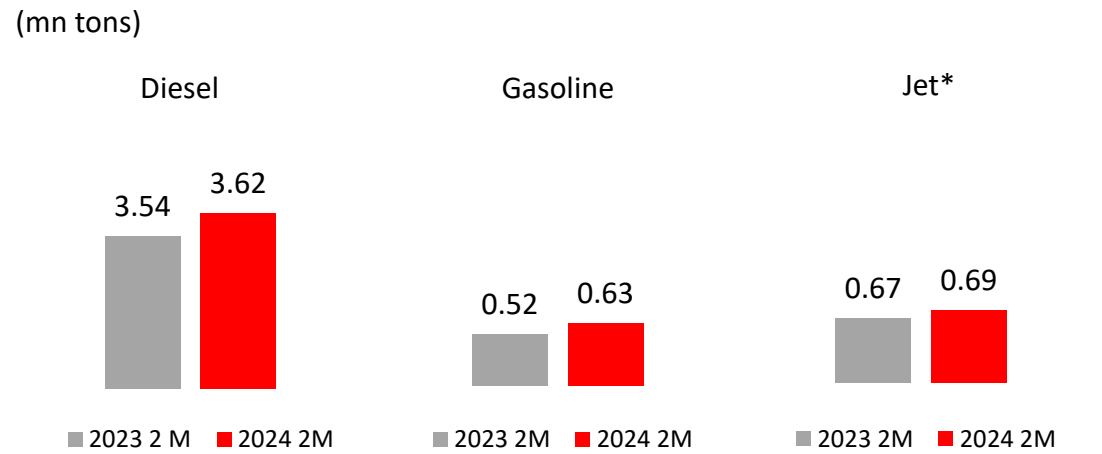


Turkish Market

Despite the rise in the policy rate, inflation persists. Concurrently, the depreciation of the TL aligned with the rate of inflation, while the policy rate is making an effort to catch up.



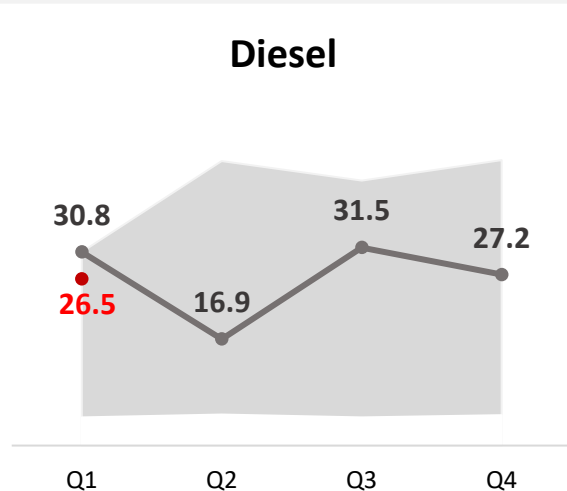
Turkish fuel demand increased by 3 % y-o-y in the first two months of 2024, following 10% annual increase in 2023 full year.



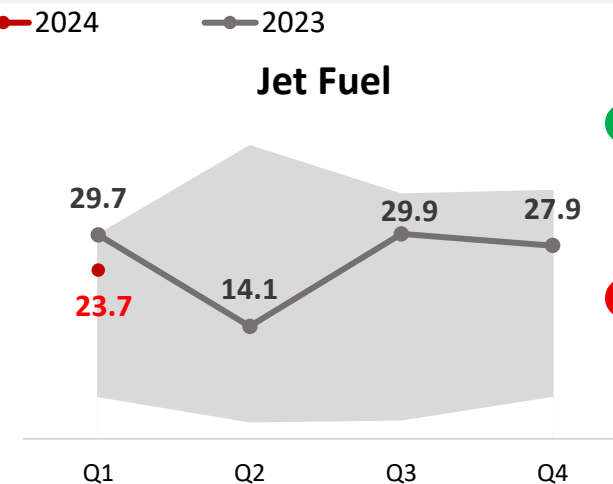
*Transit flight consumption included

Quarterly Crack Margin Comparison (\$/bbl)

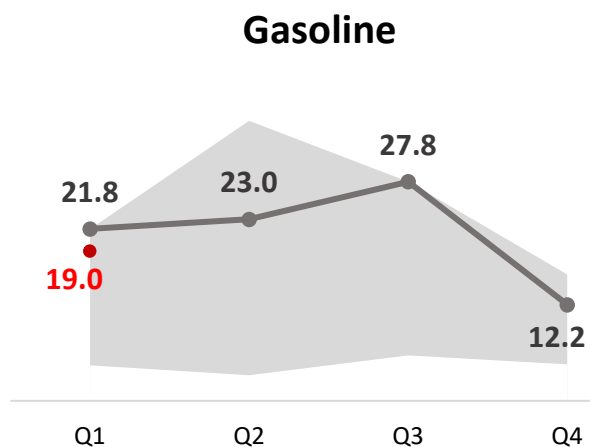
Cracks were lower compared to the high base of last year, excluding HSFO, which improved with OPEC+'s cut decision.



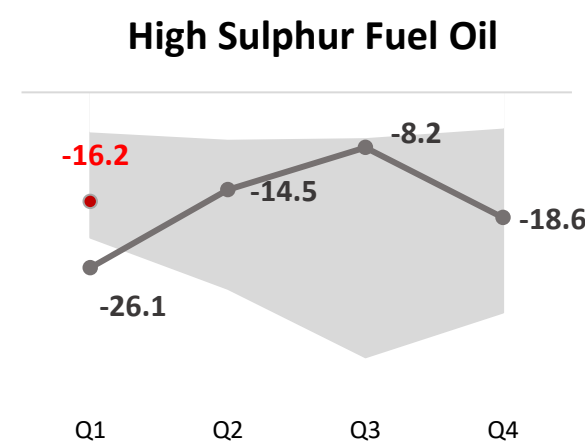
- + Geopolitical tensions in Russia with the drone attacks and Red Sea caused low inventory levels due to supply constraints. Thus, diesel cracks continue to show strong performance.
- Diesel cracks are lower y/y due to last year's high base and diminished need for heating.



- + Recovery to pre-pandemic levels in aviation continued to support jet fuel cracks.
- Similar to diesel, jet fuel cracks were lower due to high base of last year.



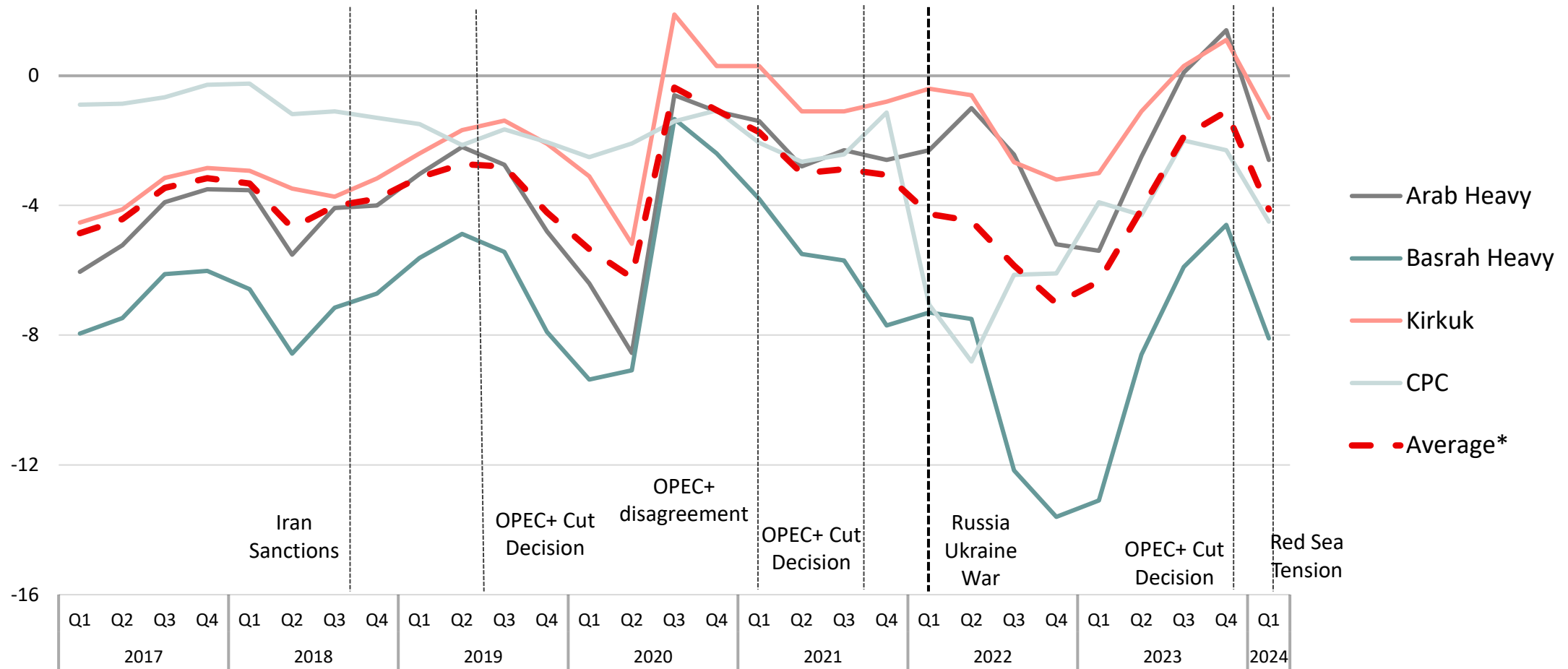
- + Higher global demand for gasoline and low utilization rate in US refineries supported the gasoline cracks even though there is a slight decline compared to last year same period.
- + Low inventory levels in Europe due to Red Sea tensions contributed the elevated gasoline cracks.



- + HSFO cracks improved year on year with OPEC+'s cut decision and disrupted supply chain.

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

Differentials widened in Q1 following the geopolitical tensions. Basrah Heavy continued to provide wider discounts compared to the rest of the slate.



*Simple average of listed differentials

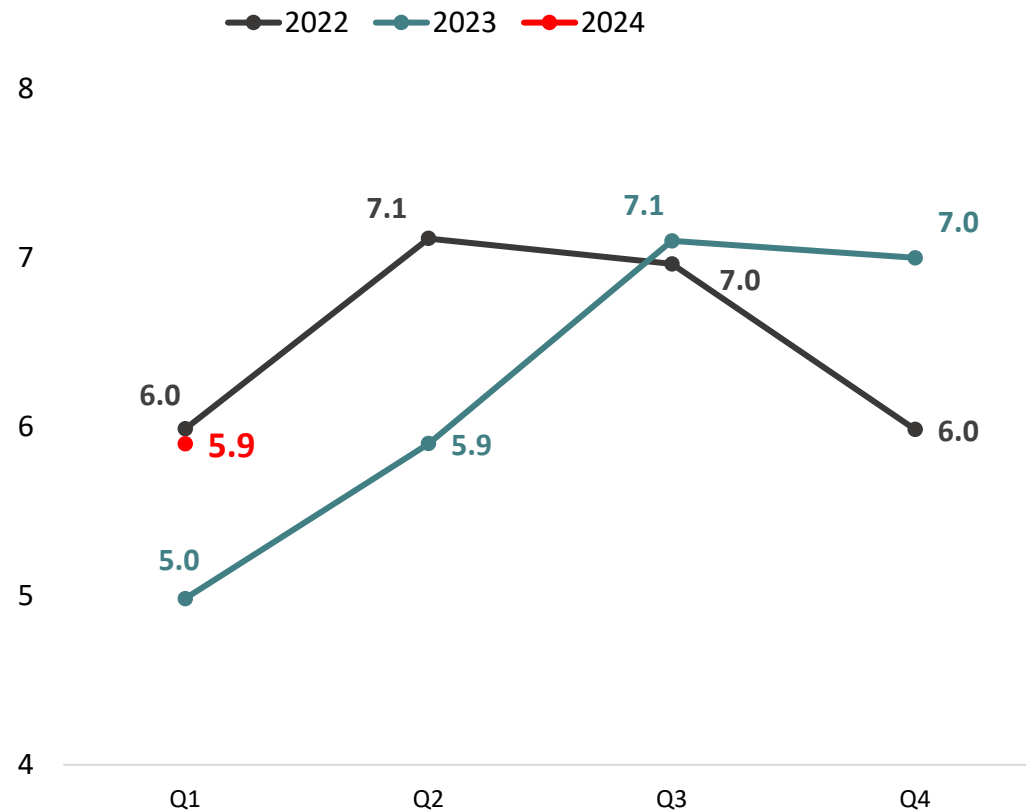


Operations

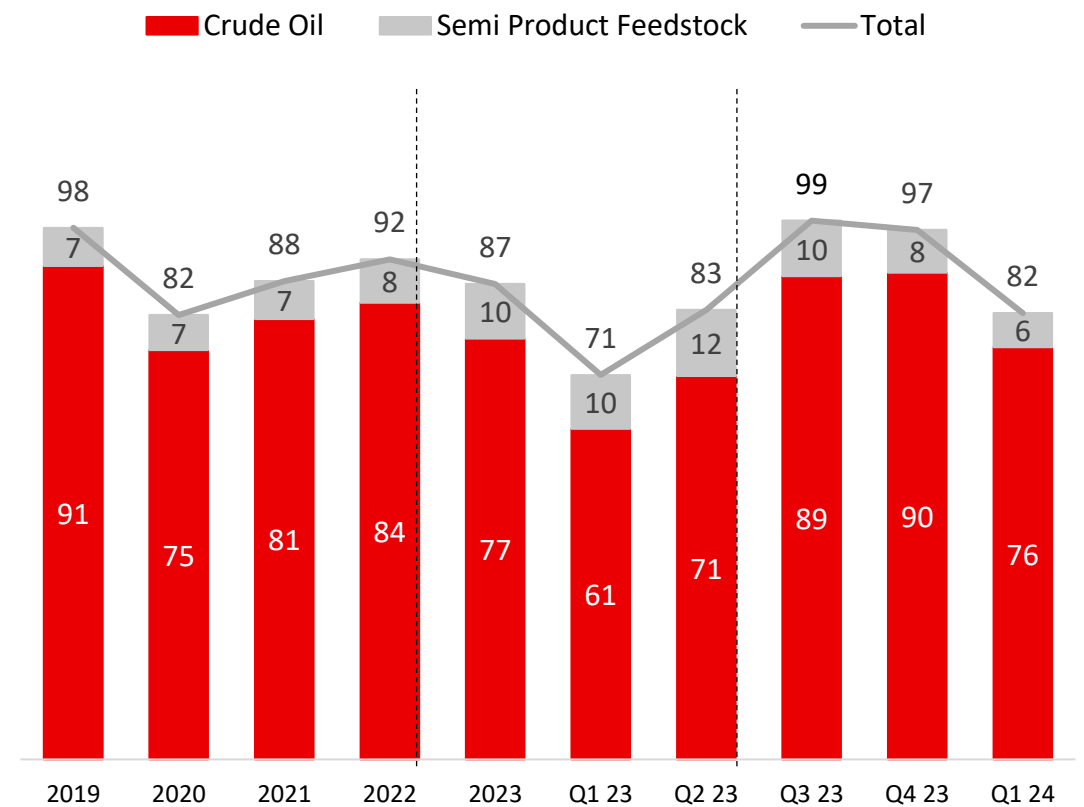
Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 5.9 million tons in Q1 2024.
- Capacity utilization for Q1 2024 was 82%, higher year on year despite RUP maintenance.

Quarterly Production (Million Tons)



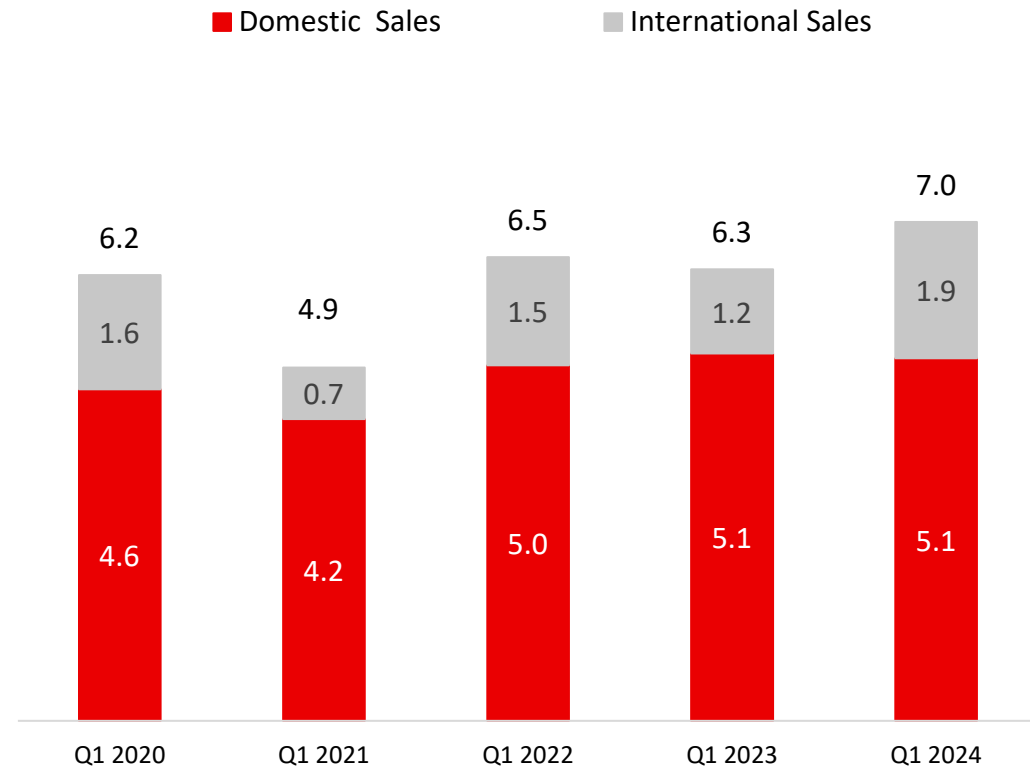
Capacity Utilization (%)



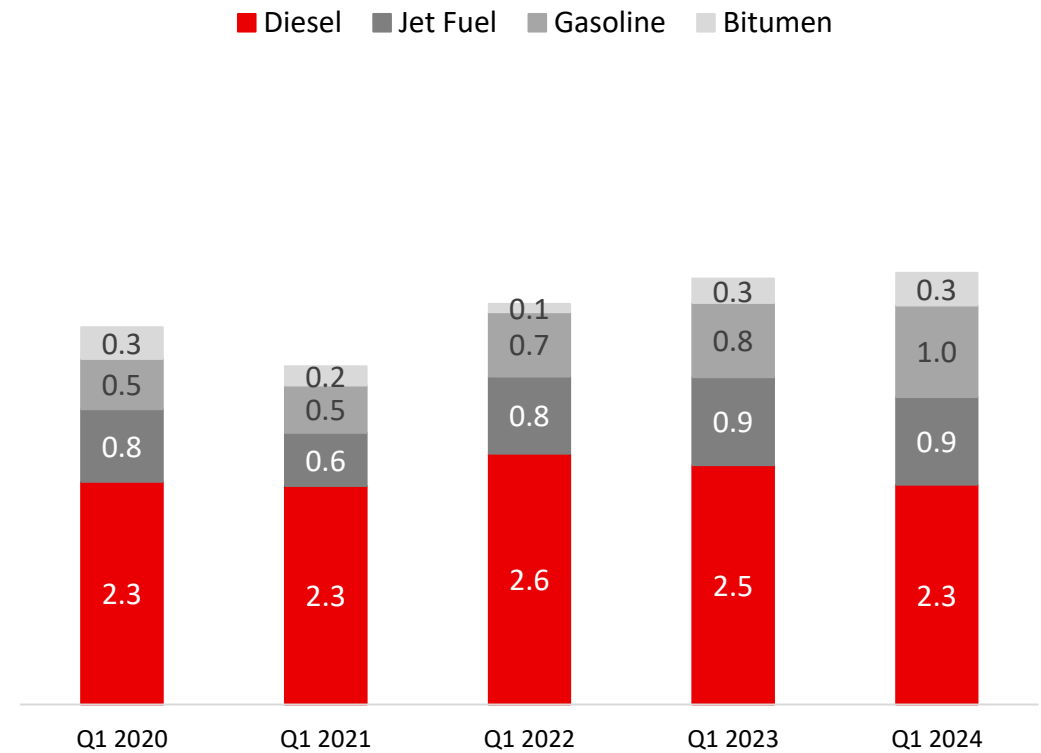
Product Sales in Q1 2024 (Million Tons)

- Tüpraş' sales are up by 10% compared to Q1 2023 reaching to 7.0 million tons in Q1 2024.
- Exports grew by 60% year on year primarily driven by gasoline and high performance of Tupras Trading UK.

Total Product Sales



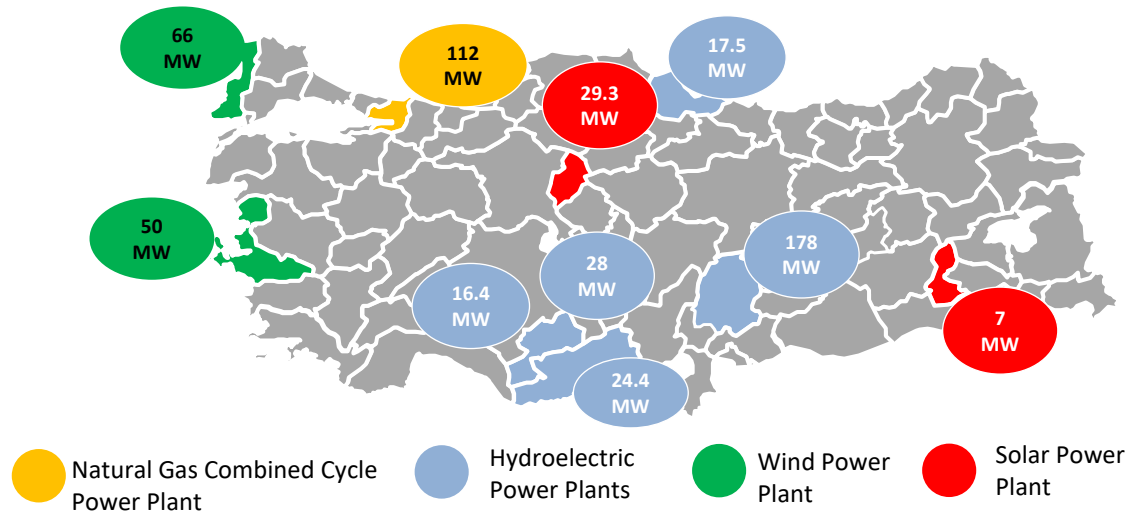
Domestic Sales of Selected Products



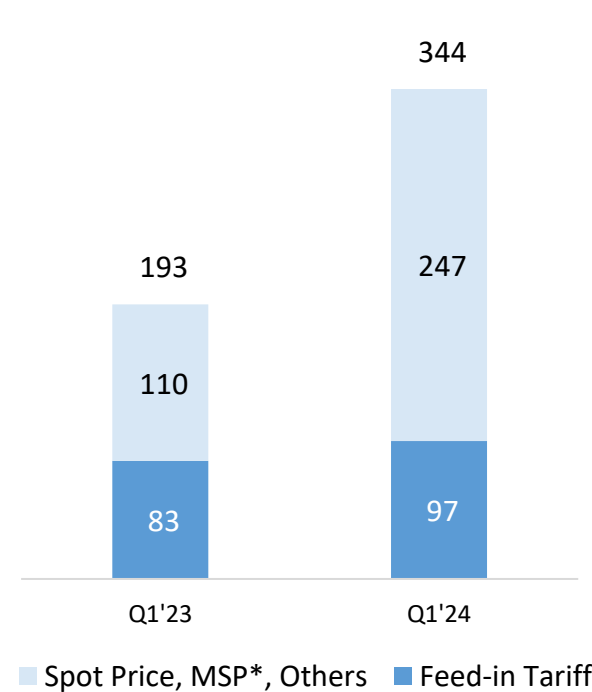
Electricity Production & Sales in Q1 2024

- 344 GWh Zero Carbon Electricity is sold in Q1'24.
- Total Zero Carbon Electricity (ZCE) sales from production increased by almost 2x y-o-y in Q1'24.
- Preliminary works on the acquired pre-license of 653 MW has started.

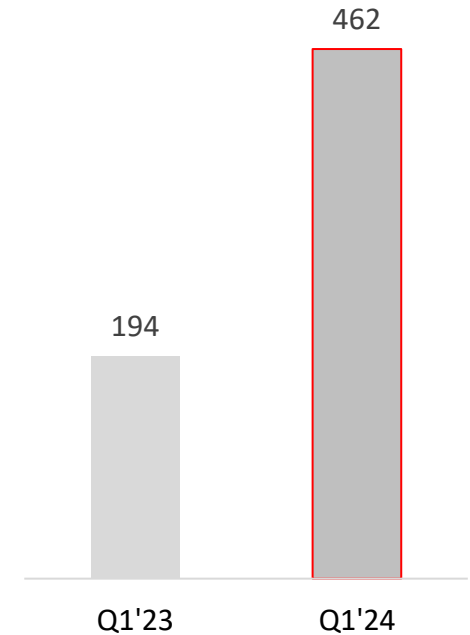
Total Installed Capacity



Total ZCE Sales from Production (GWh)



EBITDA (million TL)





Financials

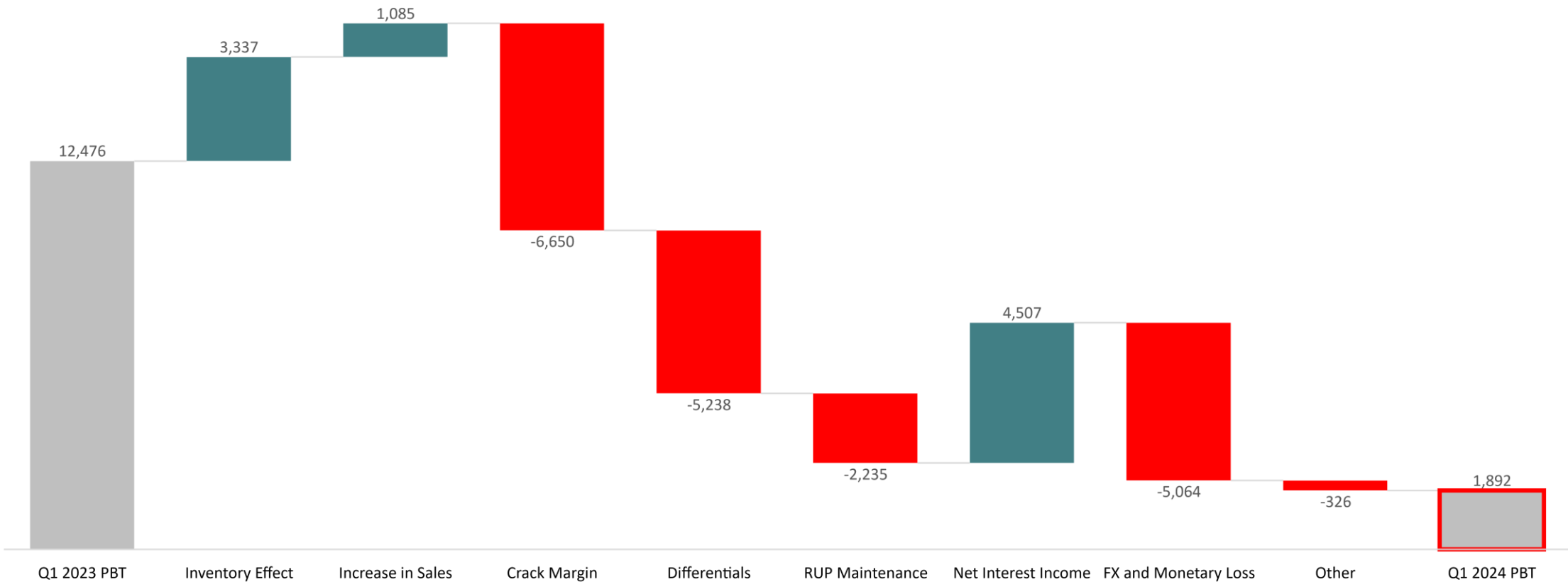
Income Statement (Million TL)

Million TL	Q1 2024	Q1 2023	%
Net Sales	165,473	160,251	3%
COGS	-152,298	-136,485	12%
Gross Profit	13,175	23,766	-45%
Operating Expenses	-5,853	-5,251	11%
Income/Loss from other operations	-3,342	-911	267%
Operating Profit	3,979	17,604	-77%
Inc./Loss from Equity pick ups	282	-413	-168%
Operating Profit Before Fin. Income/Loss	4,261	17,191	-75%
Financial Income /Expense	3,241	-1,328	-344%
Monetary Gain/Loss	-5,609	-3,387	66%
Profit Before Tax	1,892	12,476	-85%
Net Profit (excluding minority interest)	320	2,811	-89%
EBITDA*	9,585	20,069	-52%
Inventory Gain/Loss	3,312	-25	-
EBITDA* CCS	6,273	20,094	-69%

Profit Before Tax Bridge (2023 Q1 – 2024 Q1)

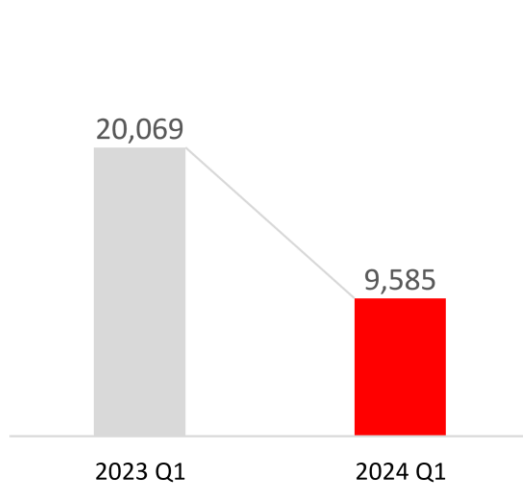
Weakened crack margins and narrowed differentials combined with scheduled RUP maintenance led to a lower PBT compared to the same period last year.

Million TL

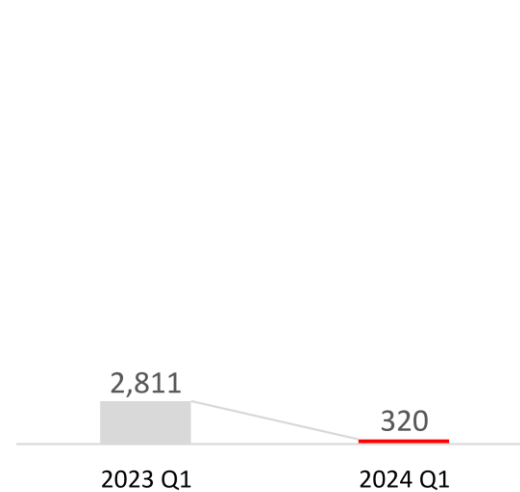


Financial Highlights

EBITDA (mn TL)

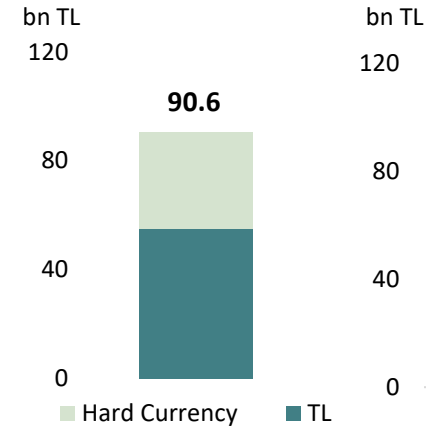


Net Income* (mn TL)

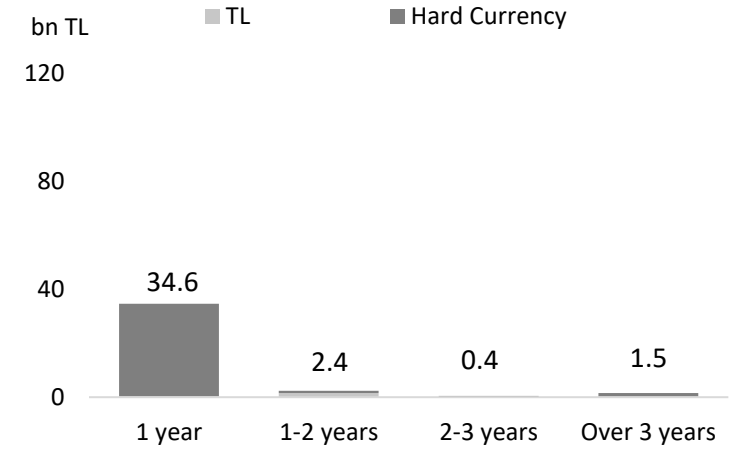


* Excluding minority interest

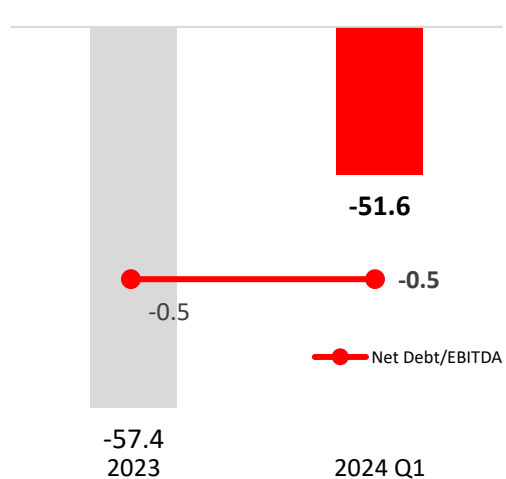
Cash Currency Breakdown



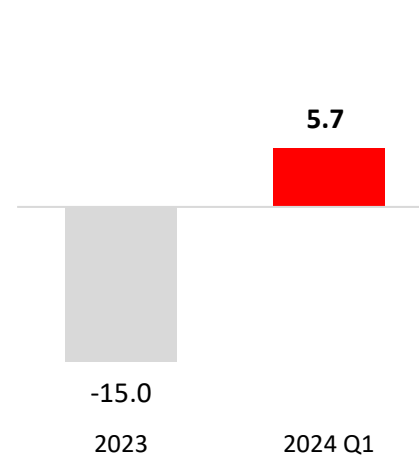
Redemption Schedule



Net Debt & Net Debt / EBITDA



Working Capital



Financial Management

- As the Red Sea tensions lengthen the cargo durations, the build-up in inventory led to an increase in Working Capital Requirement.
- 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		Ongoing
	FCC	Q2	6	Periodic Maintenance	Ongoing
İzmir	FCC	Q3&Q4	21	Revamp	Planned
	Crude Oil , Vacuum, HYC	Q1	7	Periodic Maintenance	Completed
Batman	Crude Oil & Vacuum	Q2&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

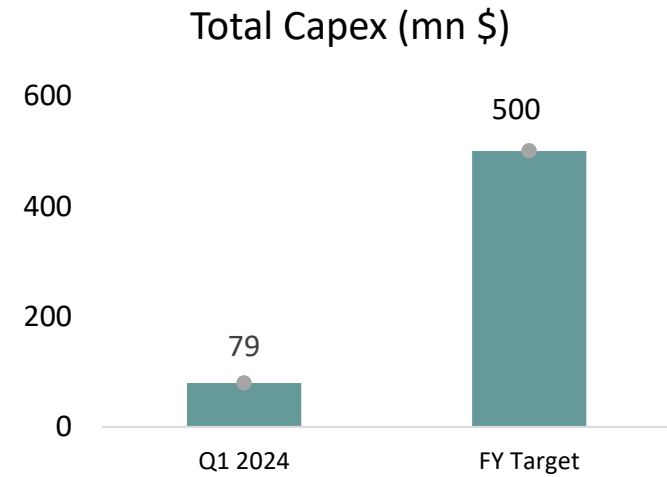
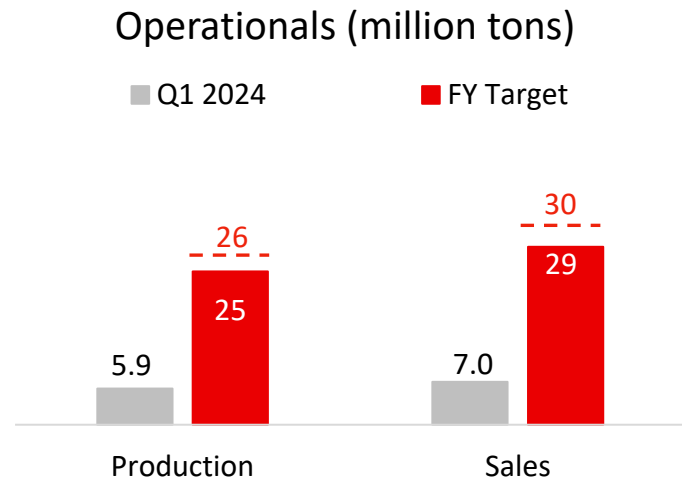
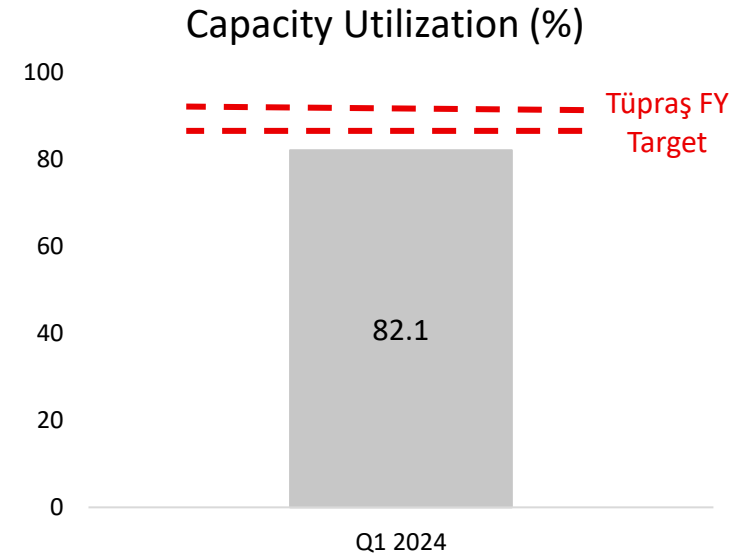
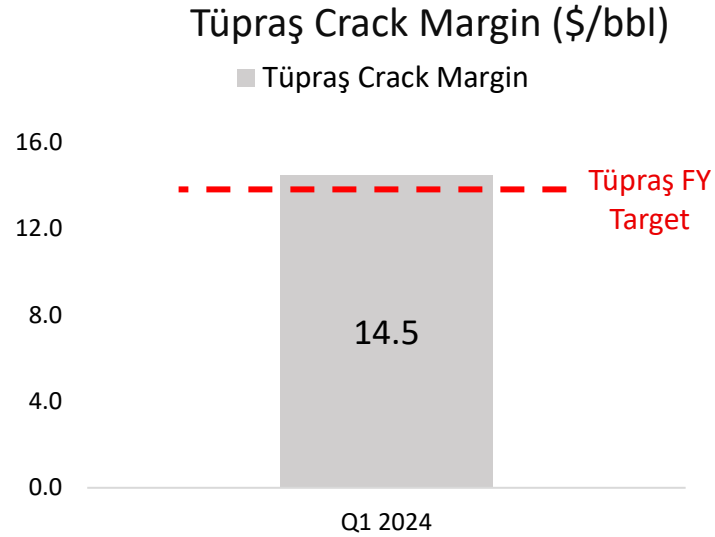
2024 Expectations

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 \$

1Q 2024 Results



 **Tüpraş**

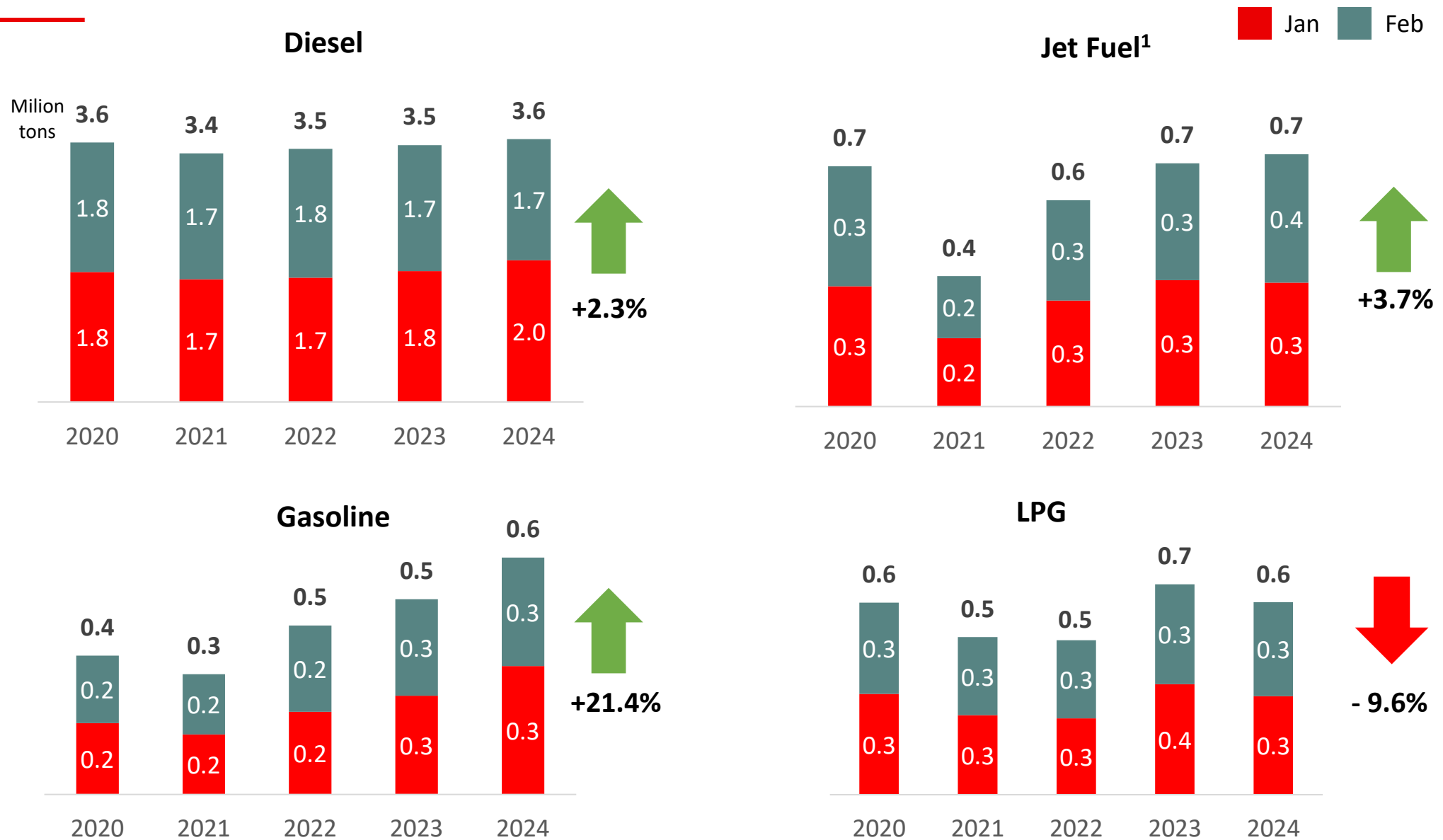
 **Koç**

www.tupras.com.tr



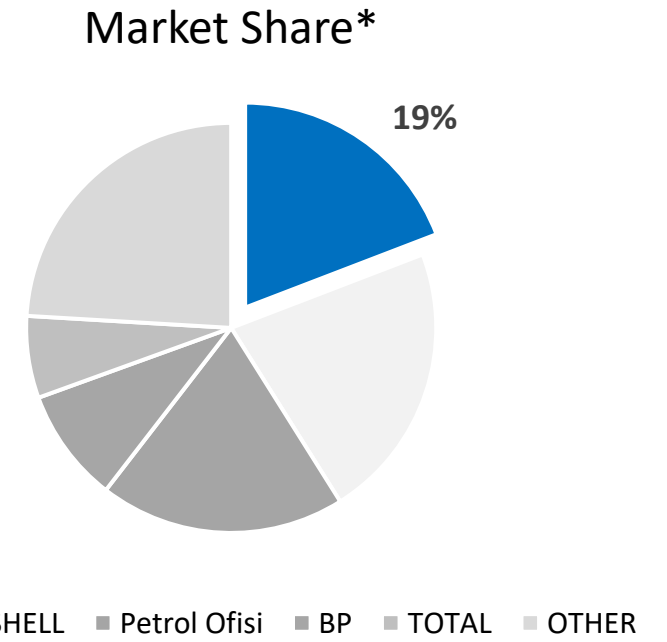
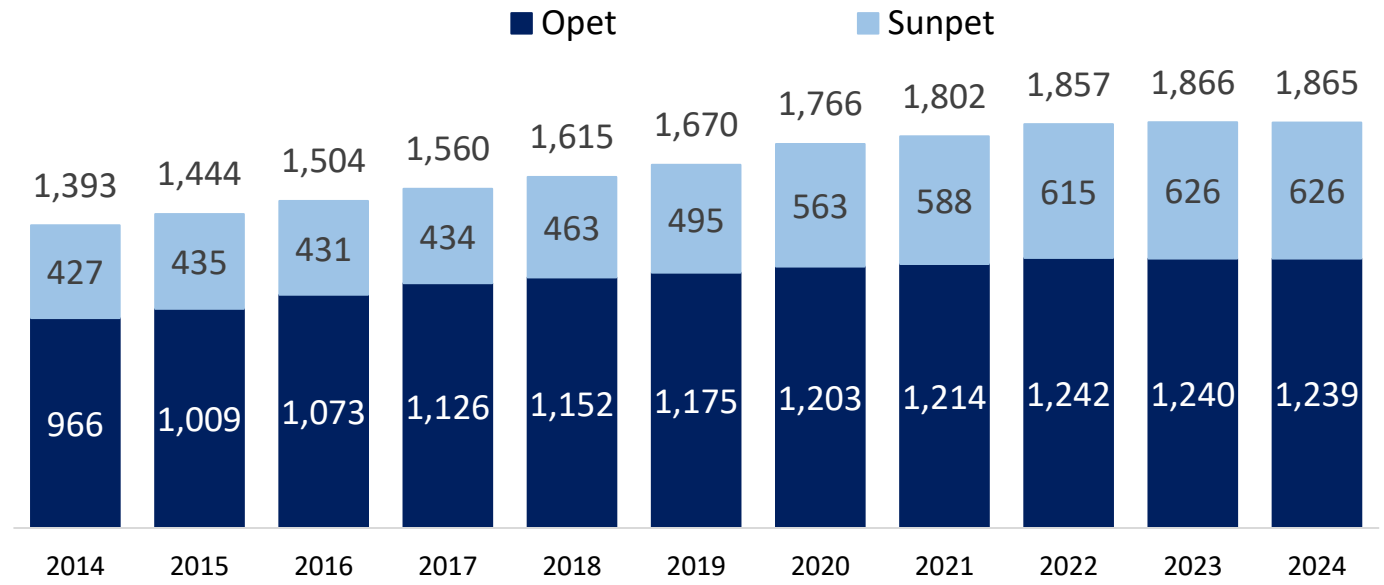
Appendix

Turkish Market, 2M 2024



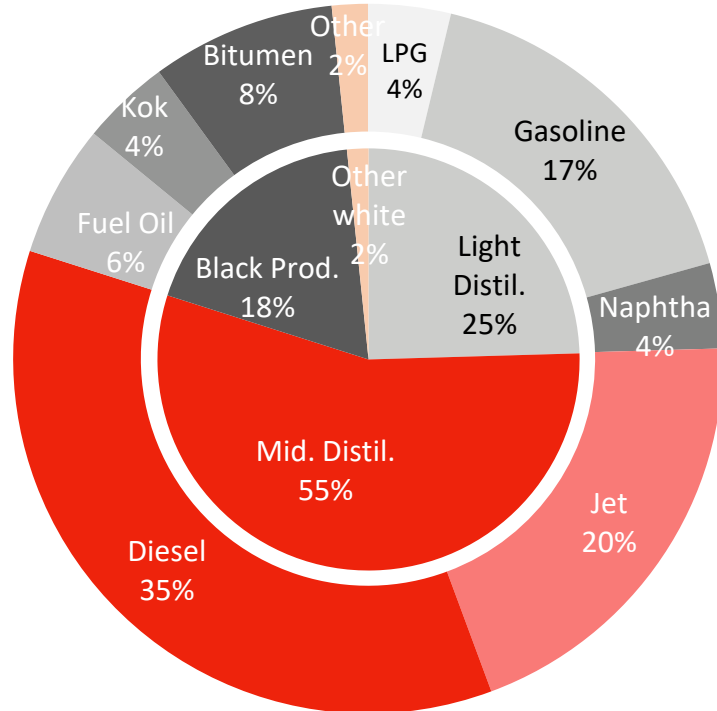
¹Transit flight consumption included

Opet has 1,865 fuel stations as of March 2024 end. 6% of the fuel stations have EV chargers installed.



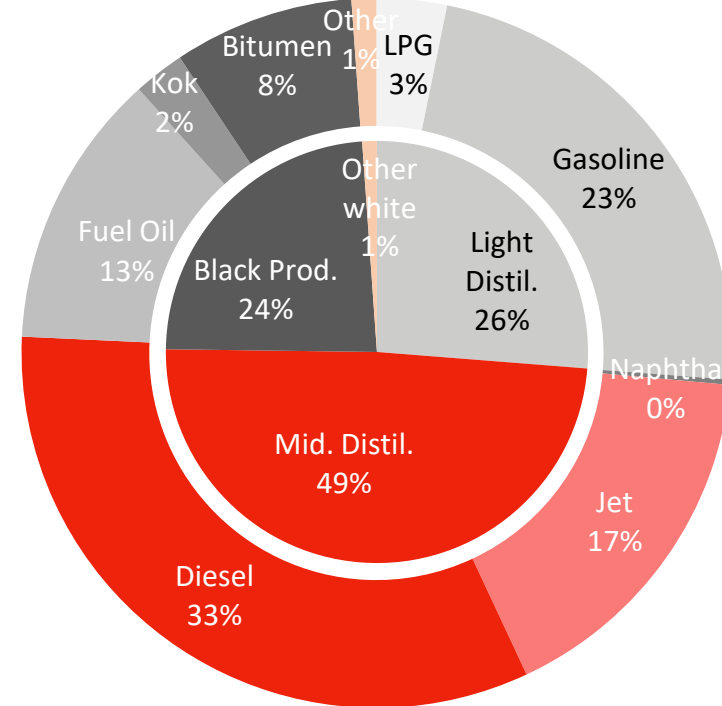
Q1 Product Yields

Q1 2023



White Product Yield (%)	80.2%
Production	5.0 mn tons
API	31.1

Q1 2024



White Product Yield (%)	75.3%
Production	5.9 mn tons
API	32.4

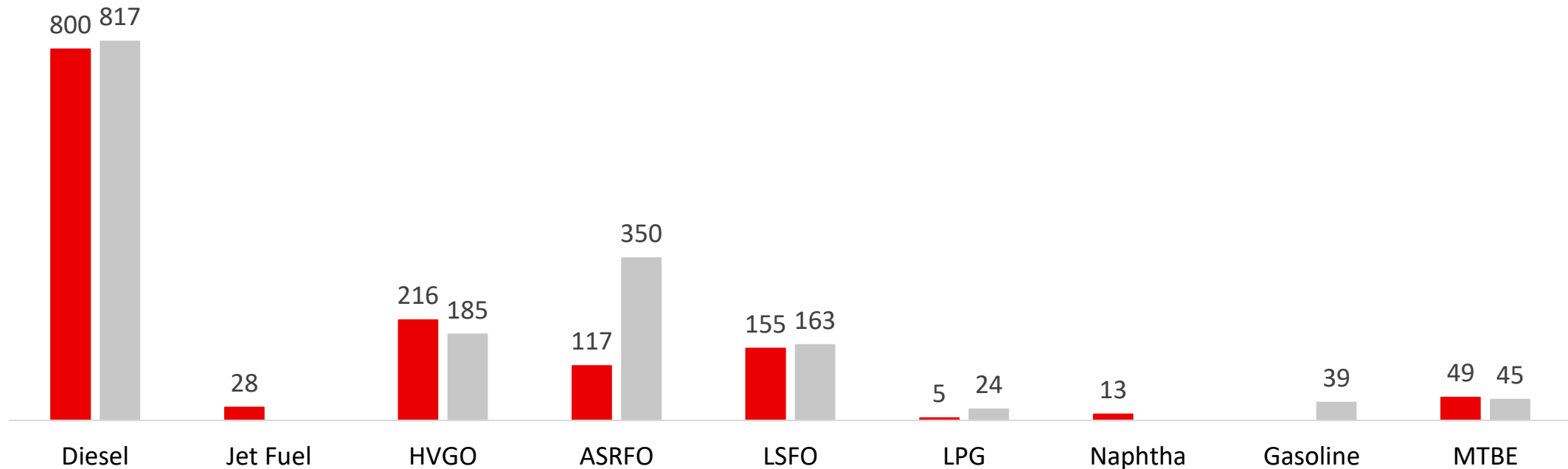
Tüpraş Balance Sheet (Million TL)

	31.03.2024	31.12.2023	Diff.	Diff. (%)
Current Assets	212,345	231,451	-19,105	-8
Cash & C. Equivalents	90,587	112,790	-22,203	-20
Trade Receivables	38,753	46,531	-7,778	-17
Derivatives	1,978	2,375	-397	-17
Inventories	62,304	51,162	11,142	22
Pre-paid expenses	1,525	1,471	54	4
Other Current Assets	17,198	17,121	77	0
Long Term Assets	191,139	190,597	542	0
Financial Assets & Subsidiaries	9,597	9,945	-349	-4
Tangible & Intangible Fixed Assets	159,069	159,694	-625	0
Derivatives	62	42	19	45
Pre-paid expenses	2,504	2,088	416	20
Deferred Tax	7,931	7,440	491	7
Other Longterm Assets	11,976	11,387	589	5
Total Assets	403,484	422,047	-18,563	-4
Short Term Liabilities	165,291	178,661	-13,370	-7
Financial Loans	34,582	34,482	99	0
Trade Payables	95,339	112,712	-17,373	-15
Derivatives	5,293	613	4,680	764
Provisions	2,289	1,411	878	62
Other ST Liabilities	27,788	29,442	-1,654	-6
Long Term Liabilities	7,976	9,875	-1,898	-19
Financial Loans	4,358	6,165	-1,807	-29
Payables & Provisions	2,214	2,387	-172	-7
Derivatives	465	540	-75	-14
Other LT Liabilities	939	783	156	20
Total equity attributable to equity holders of the parent	227,569	231,006	-3,437	-1
Minority Interests	2,648	2,506	143	6
Total Liabilities & Equity	403,484	422,047	-18,563	-4

Finished Product and Semi Product Imports (Thousand Tons)

Product Imports

■ Q1 2024 ■ Q1 2023



 **Tüpraş**

 **Koç**

www.tupras.com.tr