

2Q24 RESULTS INVESTOR PRESENTATION

AUG 2024





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Petkim ranked first in the Aegean Exporters' Association's "Stars of Export 2023" list, both in the general ranking and in the chemistry category this year



2Q24

FINANCIAL HIGHLIGHTS

Sales ▲

¥18.7 BN

4% QoQ

EBITDA ▲

¥698 MN

4% Margin
244% QoQ

Net Income ▲

¥1.8 BN

0,67 TL/Share
97% QoQ

Cash ▲

¥5.3 BN

0,7x Current Ratio
16% QoQ

Net Debt ▲

¥31.9 BN

6,4x Net Debt / EBITDA*
5% QoQ

*IAS 29 is not applied to this figure.



2Q24 Highlights



- 01** Solid performance marked by high co-product prices despite high raw material costs
Petkim's average gross unit margin was **USD131/ton**
- 02** Higher trade contribution with higher volume on price advantageous products
USD14.2mn trading gross profit achieved
- 03** Largely strong and stabilized Turkish lira puts negative pressure on financials
The negative pressure is being mitigated with **OPEX optimizations**
- 04** Robust performance from STAR Refinery has continued before TA
USD31mn net income derived from the equity pick-up method
- 05** Borsa Istanbul announced the changes in the Participation Index
Petkim has been included in **BIST Participation 30, BIST Participation 50, BIST Participation 100, BIST Participation All Shares and BIST Participation Sustainability Indices**



INDUSTRY ENVIRONMENT

Global Petrochemical Market
Petrochemical Market in Türkiye





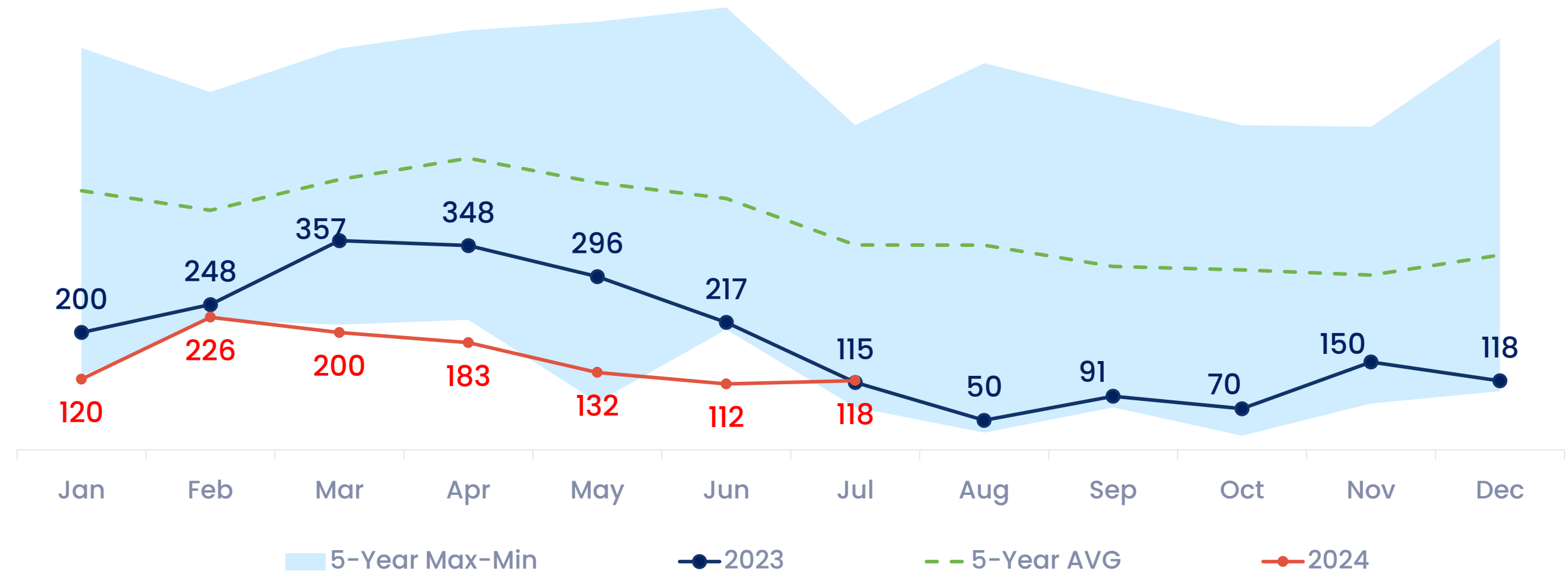
Industry Environment

+ Ethylene-naphtha spread decreased by about 21% from USD179/ton in 1Q24 to USD142/ton in 2Q24

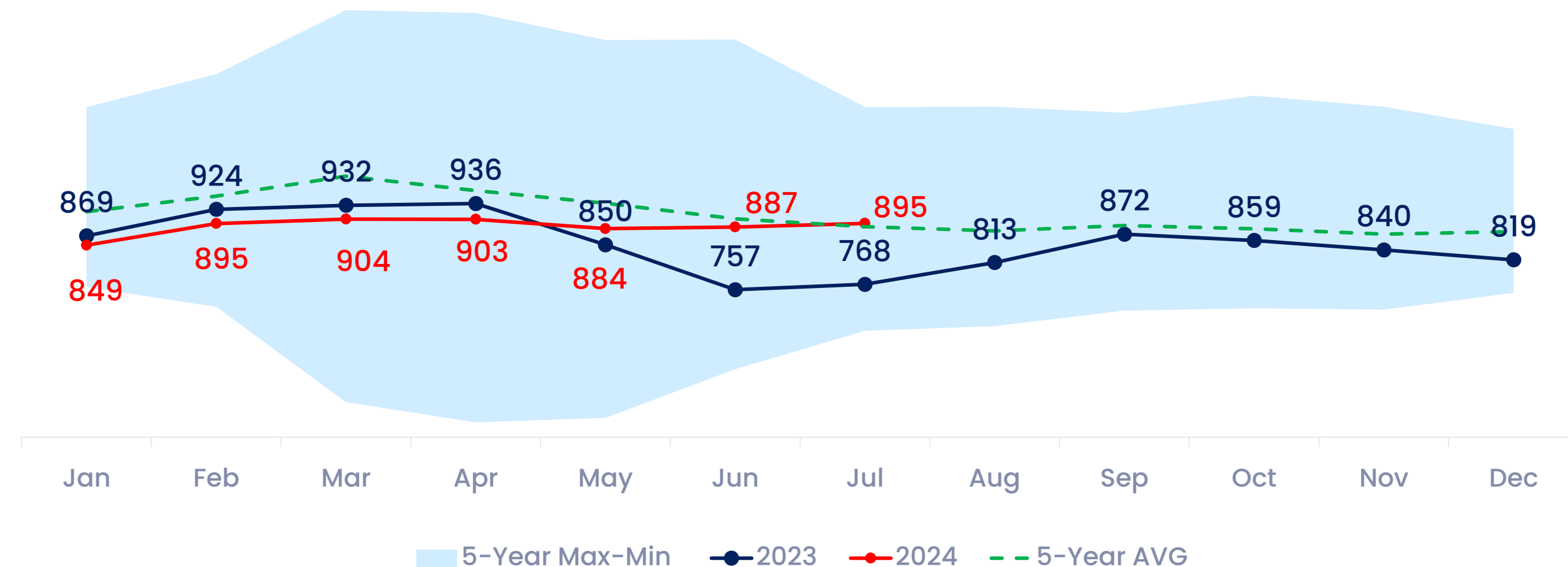
+ While Platts Index are in line with the 5-year average, margins are at their lowest levels due to high naphtha prices

+ There was a minor increase of 1,1% in the 2Q24 PLATTs index compared to the previous quarter

Monthly naphtha - ethylene spread (CIF MED spot prices) USD/ton



Monthly average Platts index* USD/ton



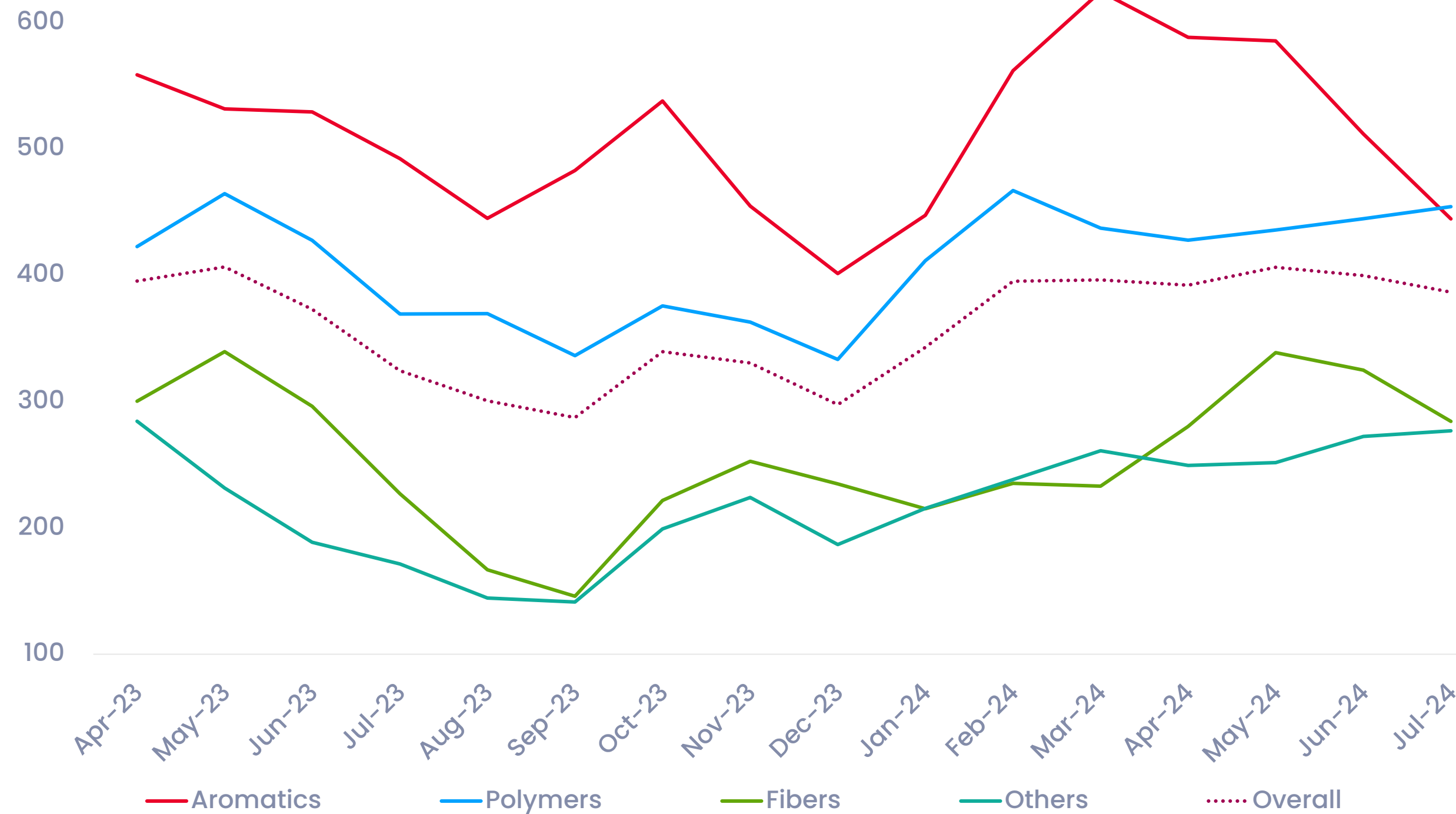
(*) compilation of ethylene, propylene, benzene, toluene, PX, LDPE and PP.



Industry Environment



Product groups spread
(over naphtha CIF MED) USD/MT



Key trends in the industry

- + Demand weakness and oversupply persists
- + Deepening geopolitical tensions in the Middle East
- + Elevated freight costs

Profitability remains thin, realigning with that suffered in previous downturns over the last decade

- + PVC demand remained weak with activity in the construction sector slow to pick up into the summer season
- + High freight rates and a lack of container availability hampered the competitiveness of imported ACN and downstream finished goods
- + After several months with a strong benzene to naphtha spread, margin erosion occurred in June as a result of increased concerns due to weak demand and difficulties in the spot market

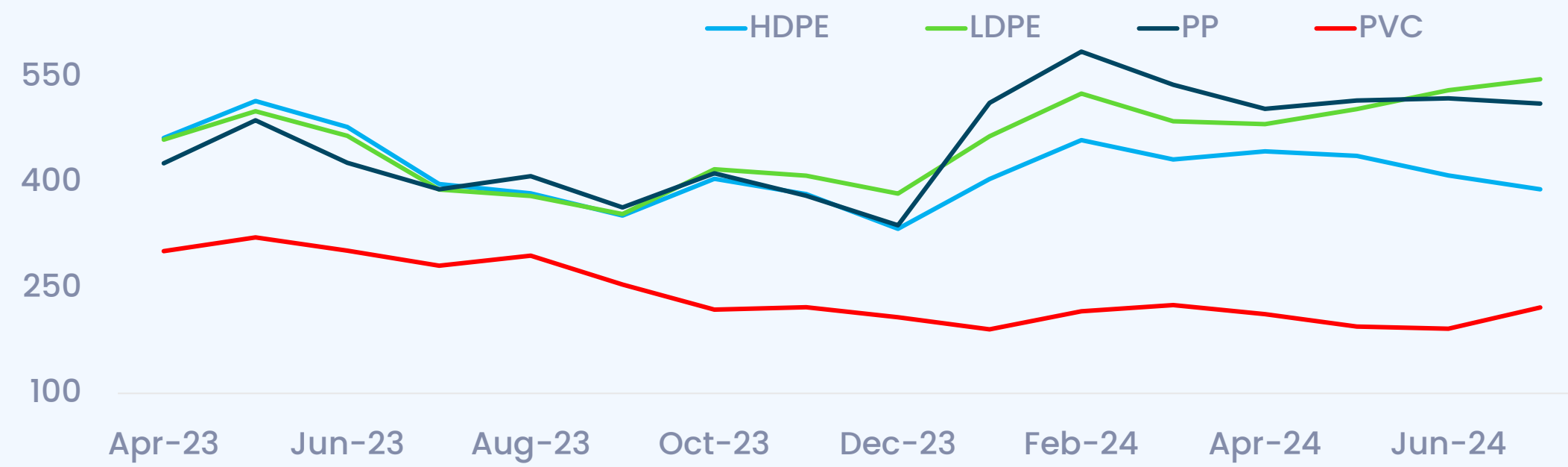


Industry Environment

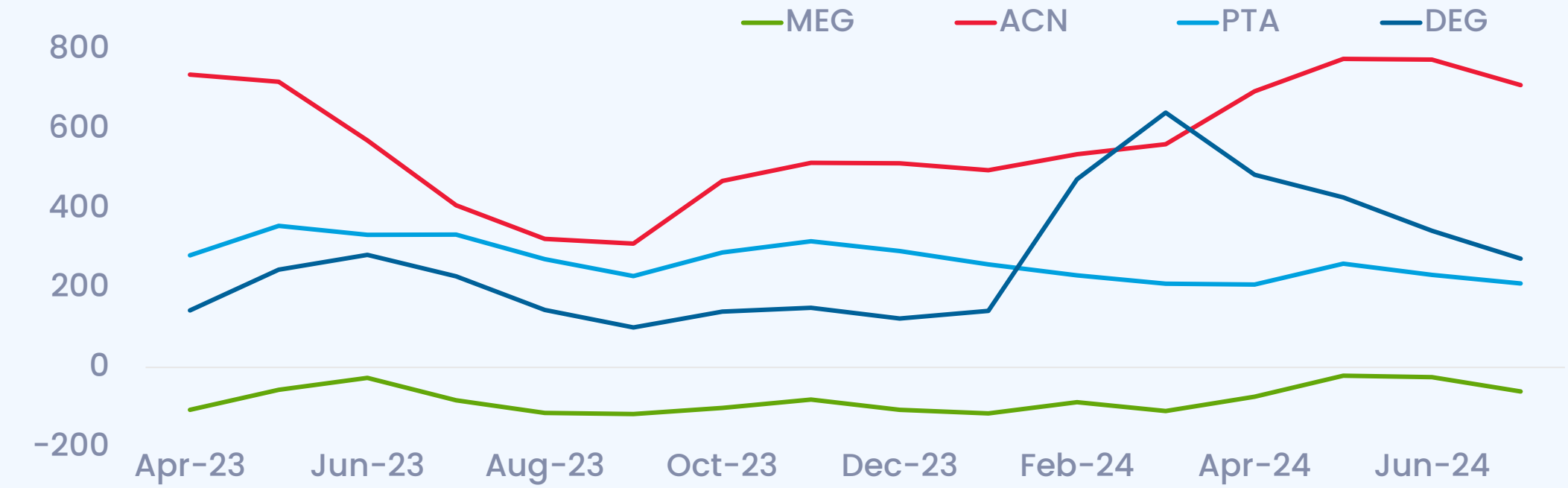


Product groups spread
(over naphtha CIF MED), USD/MT

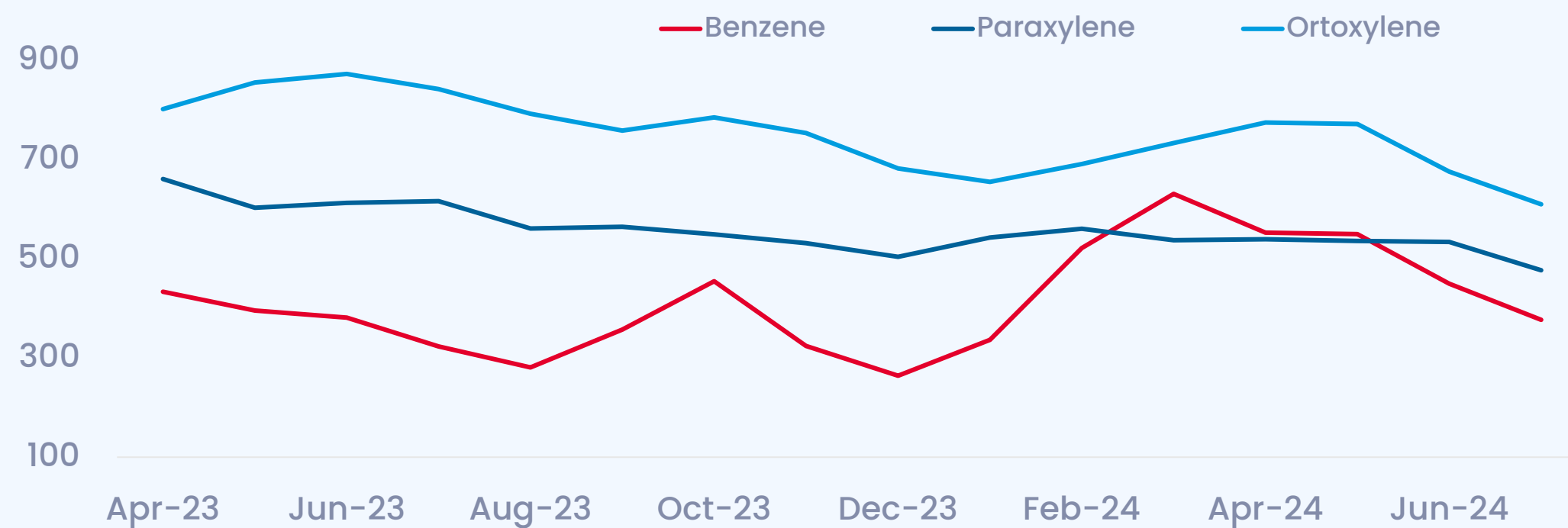
Polymers



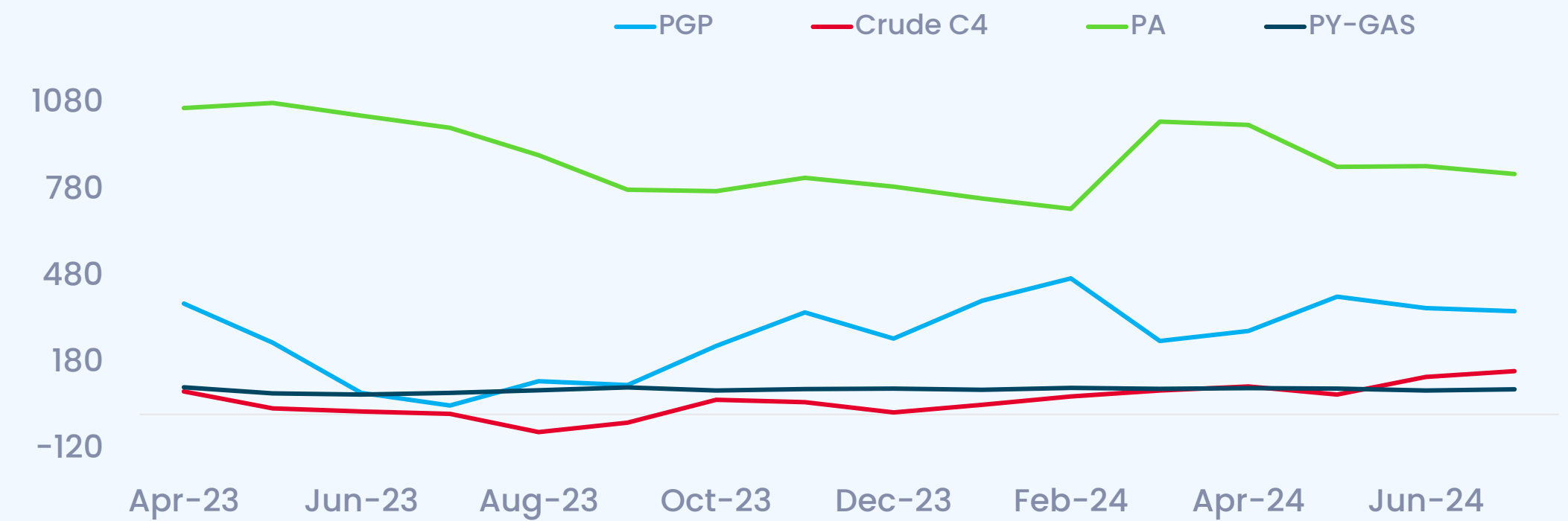
Fibers



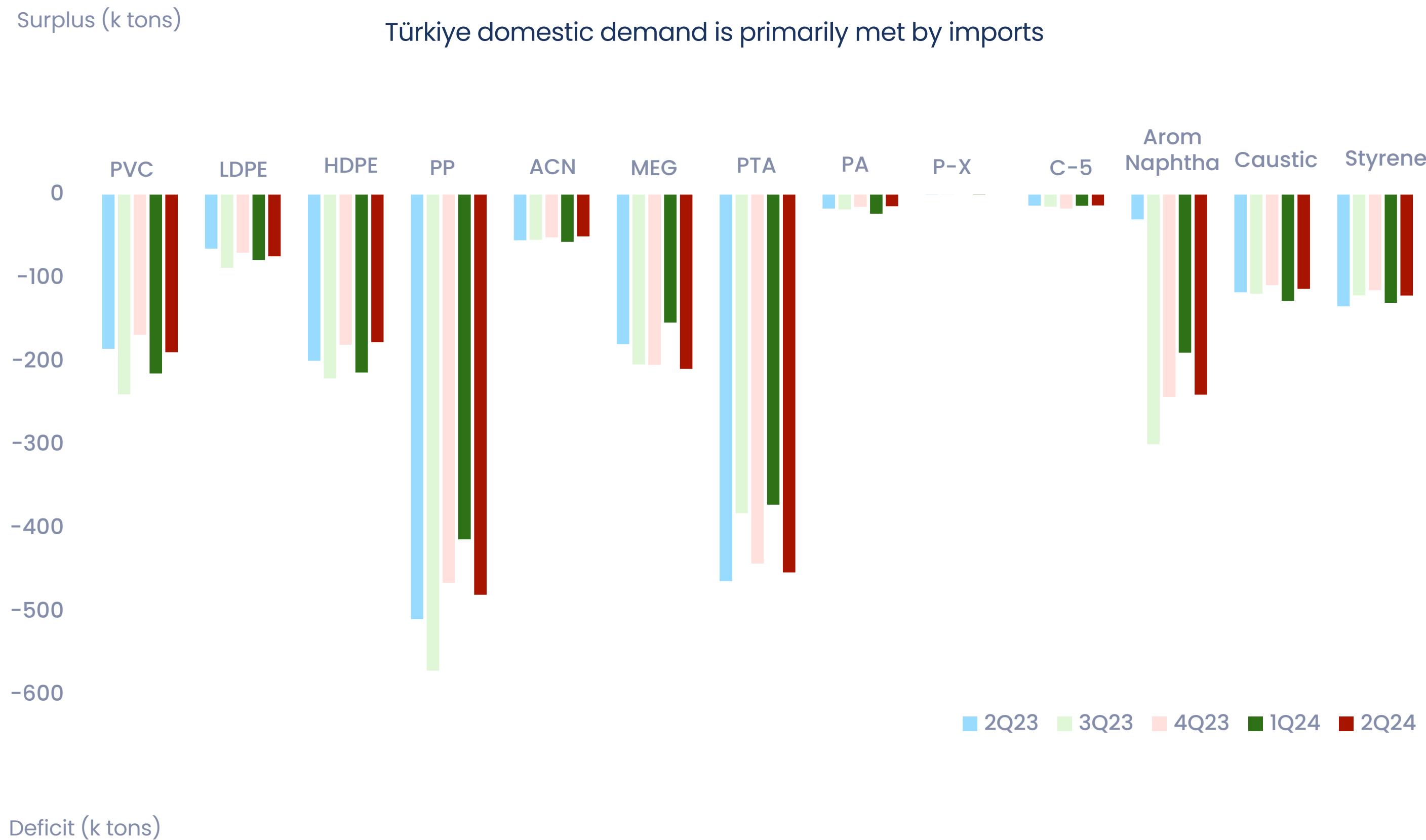
Aromatics



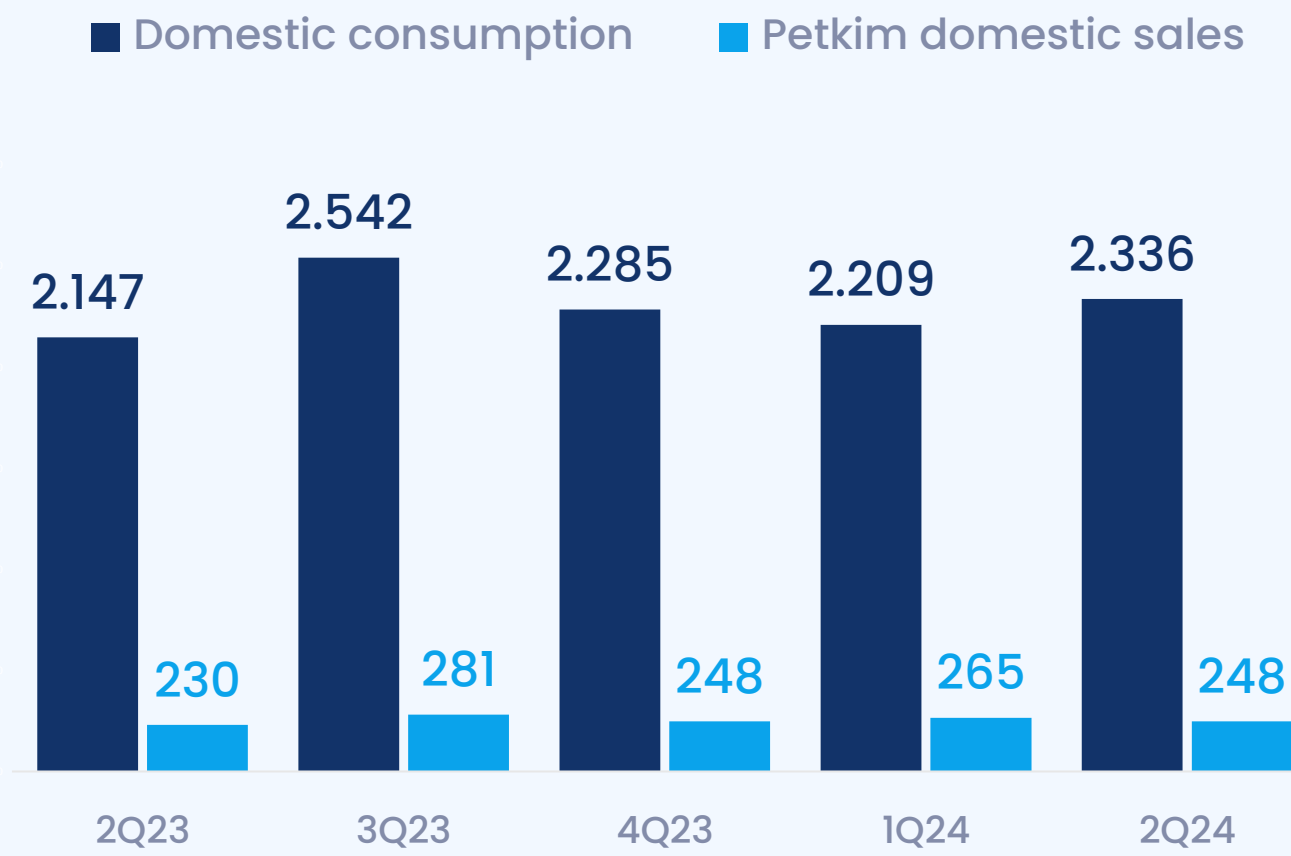
Others



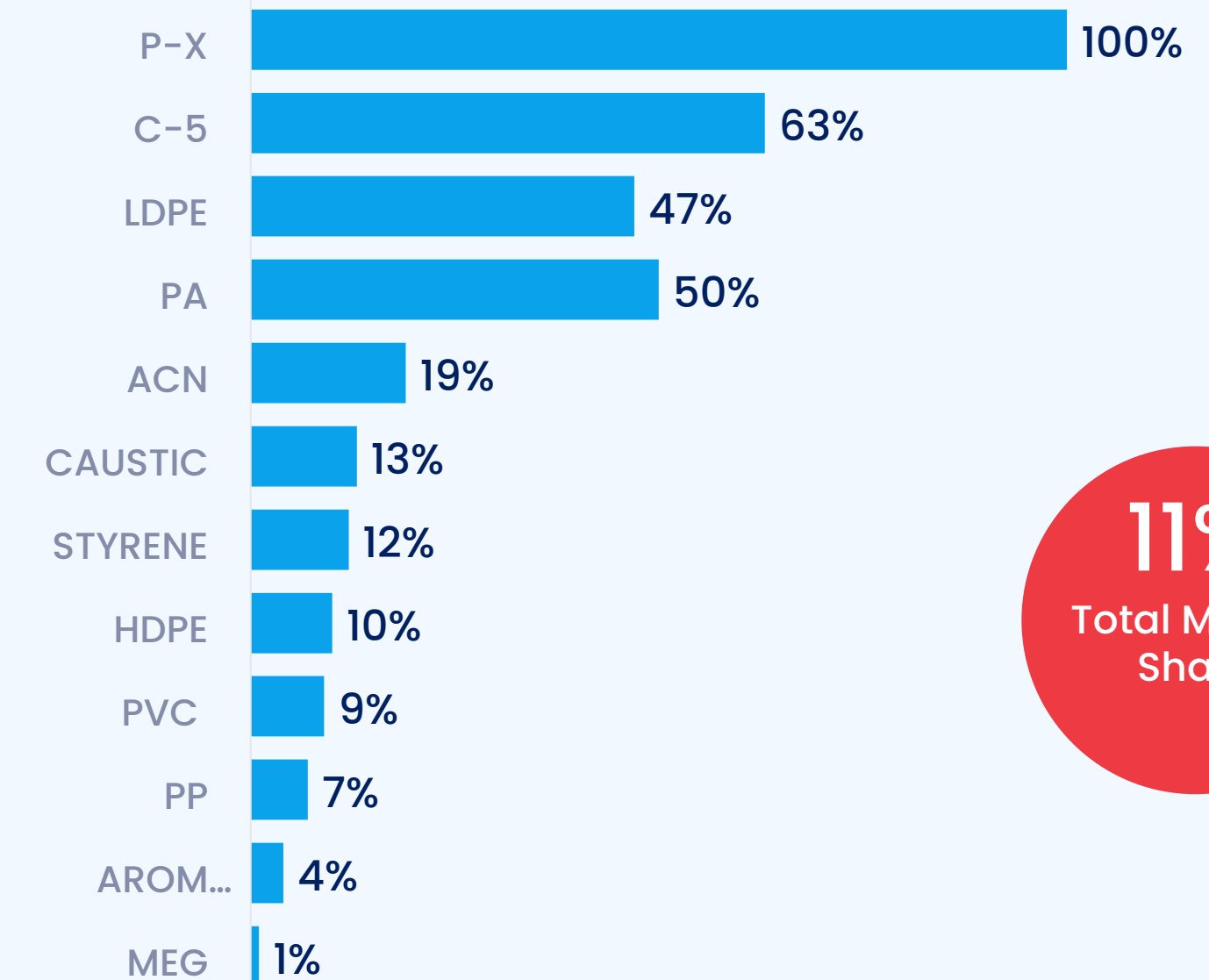
Türkiye's Petrochemical Sector Overview



Petrochemical consumption in Türkiye (k tons)



Products market share (cumulative)



11%
Total Market Share





OPERATING & FINANCIAL RESULTS



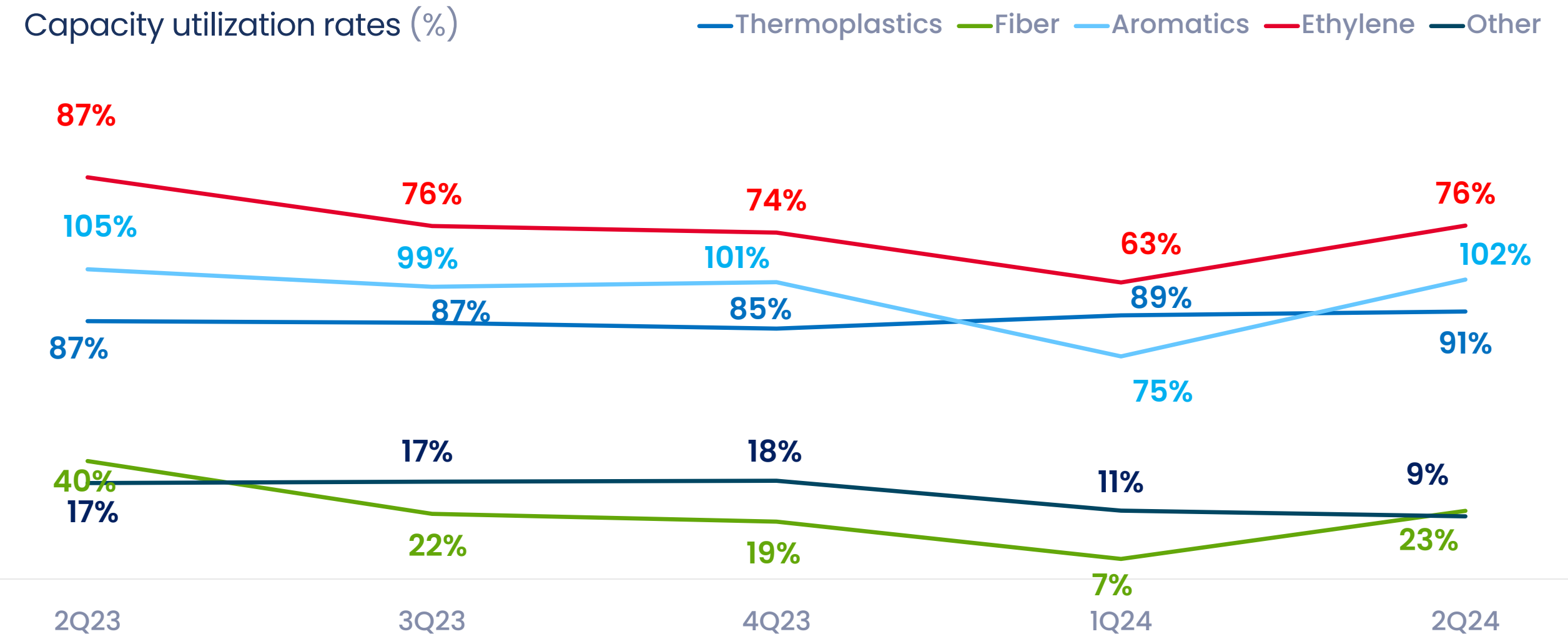


Capacity Utilization & Gross Production

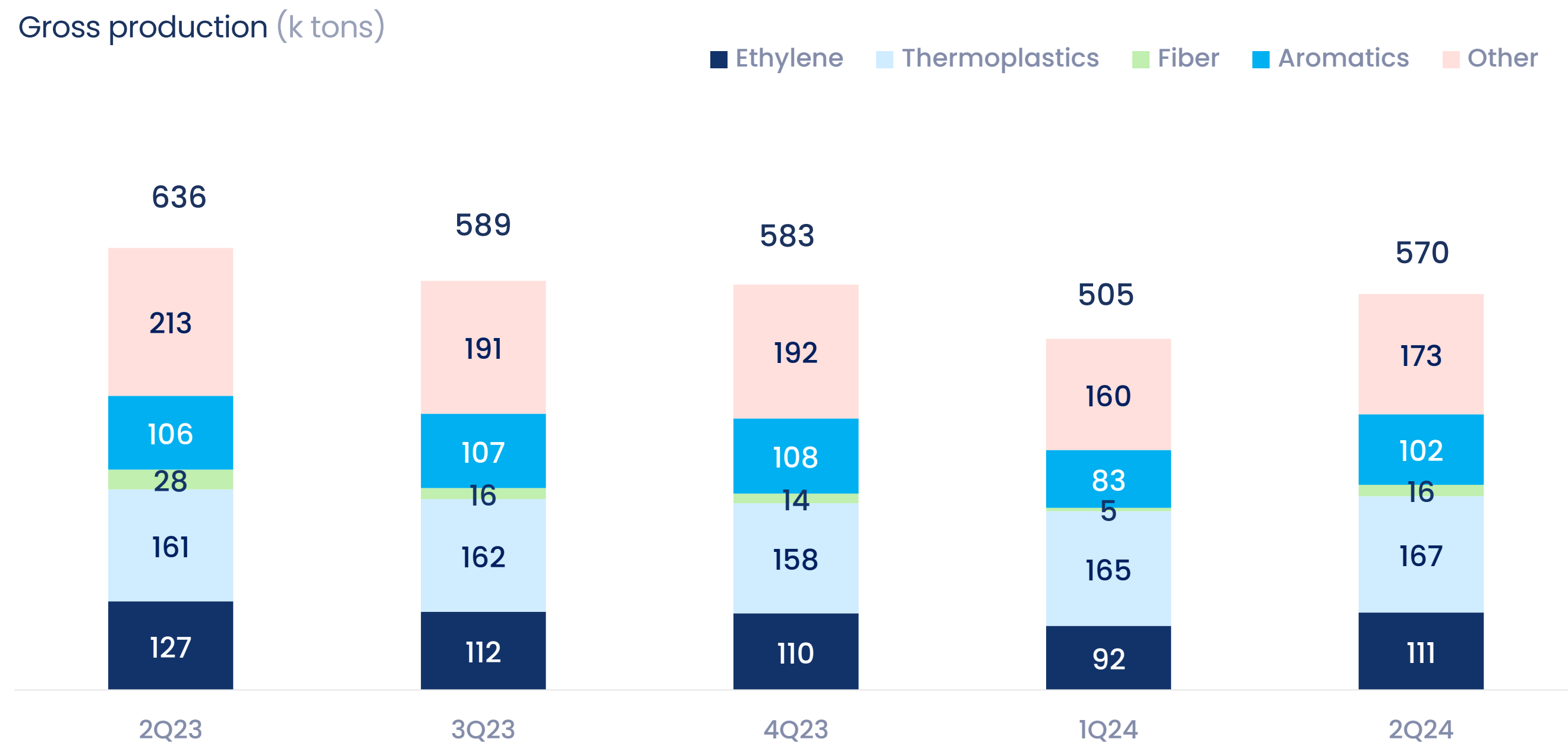
+ With the resolution of temporary production disruptions, the optimal capacity utilization range was achieved

+ Petkim generated 570k tons gross production and capacity utilization rate was 66% in 2Q24

Capacity utilization rates (%)



Gross production (k tons)

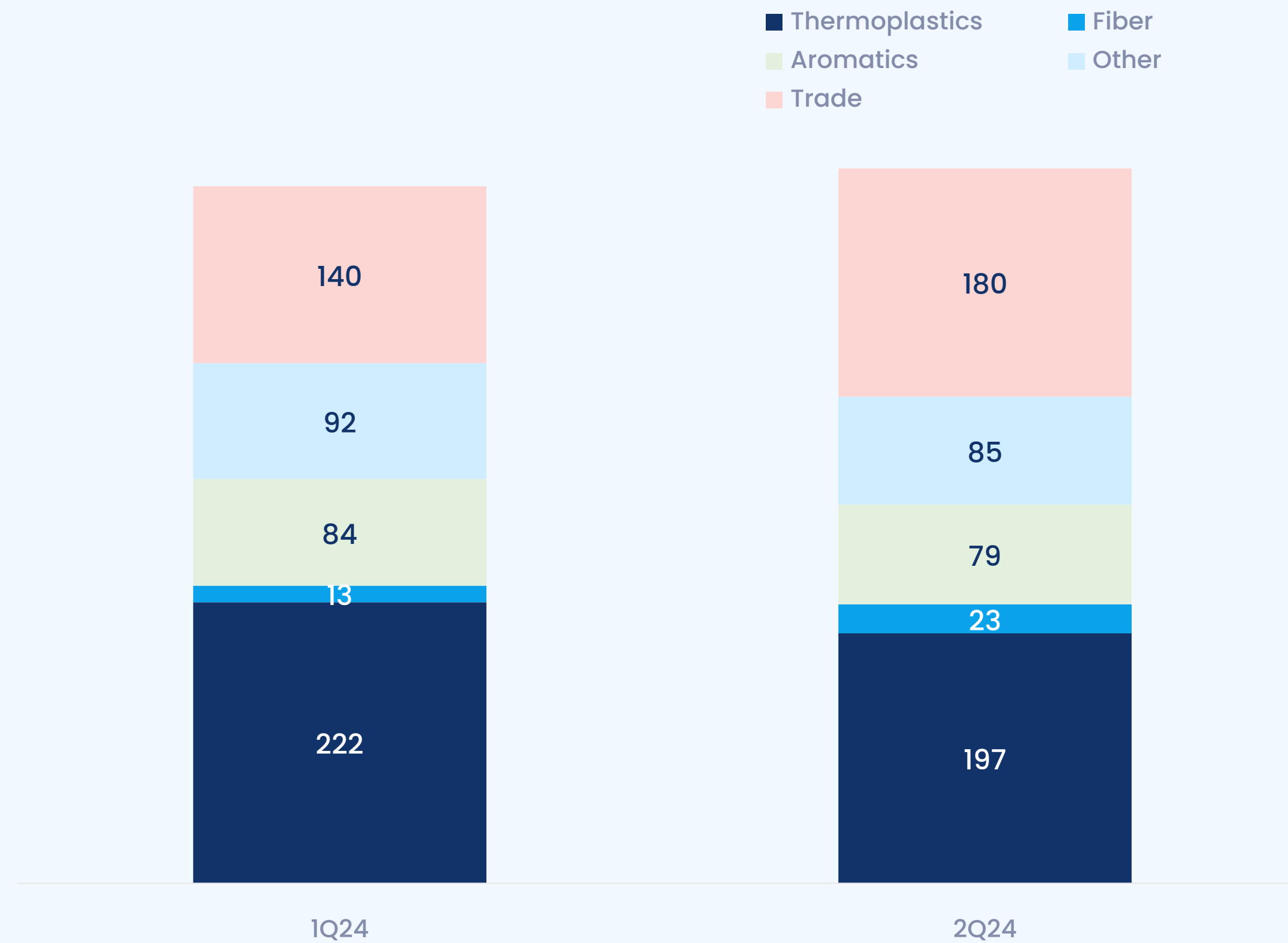




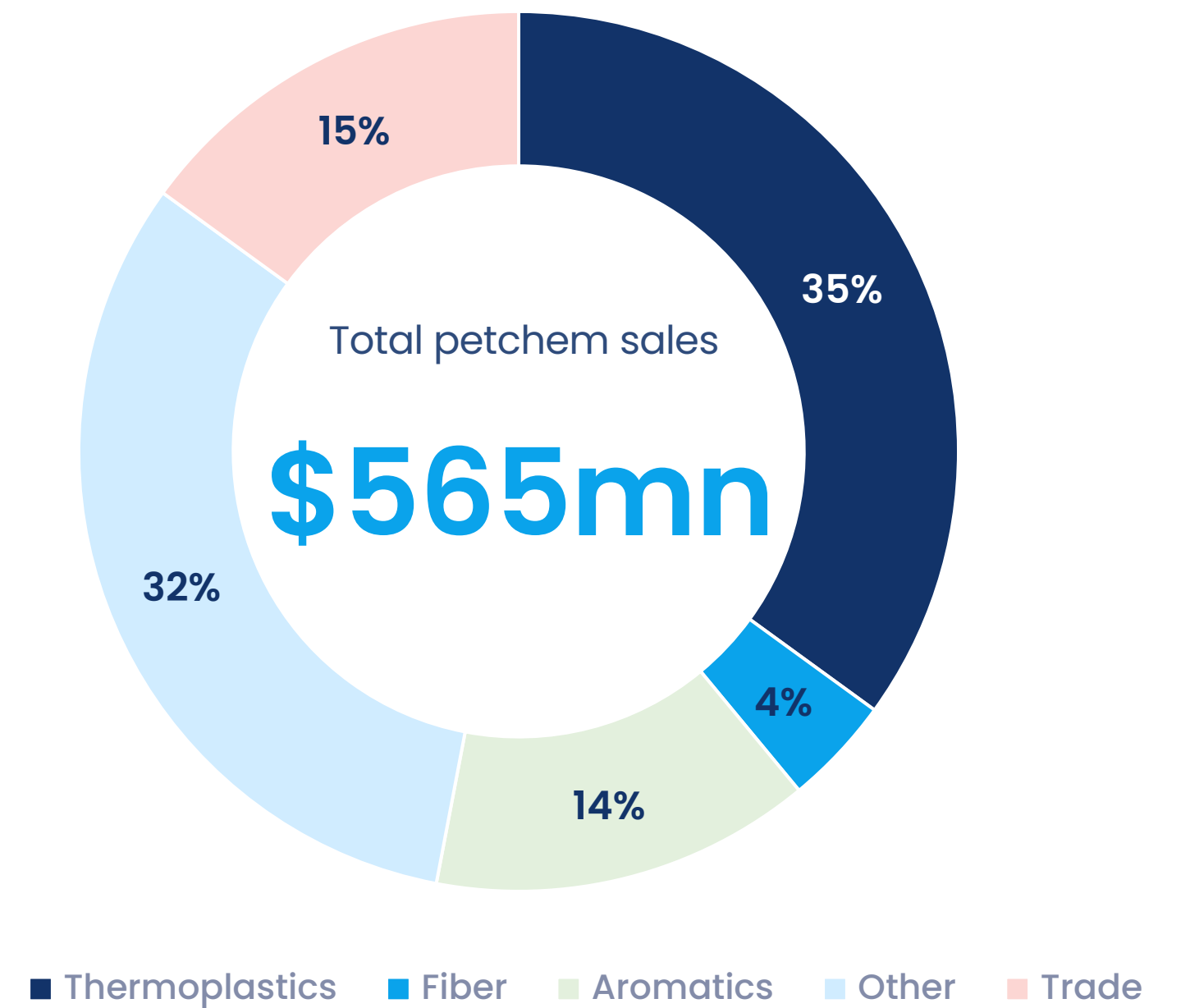
Petrochemical Product Sales



Breakdown of petchem sales (USD mn)



Breakdown by percentage in 2Q24





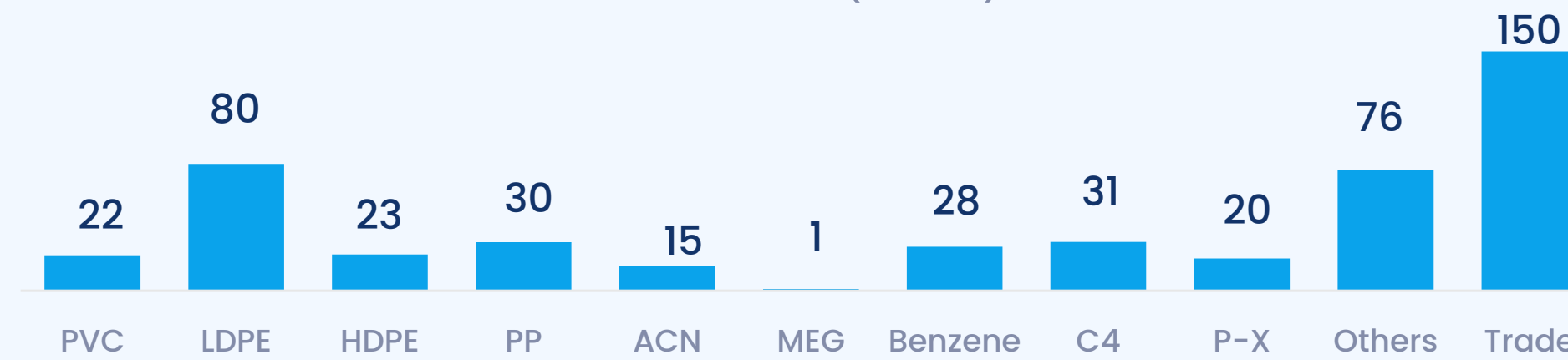
Breakdown of Sales



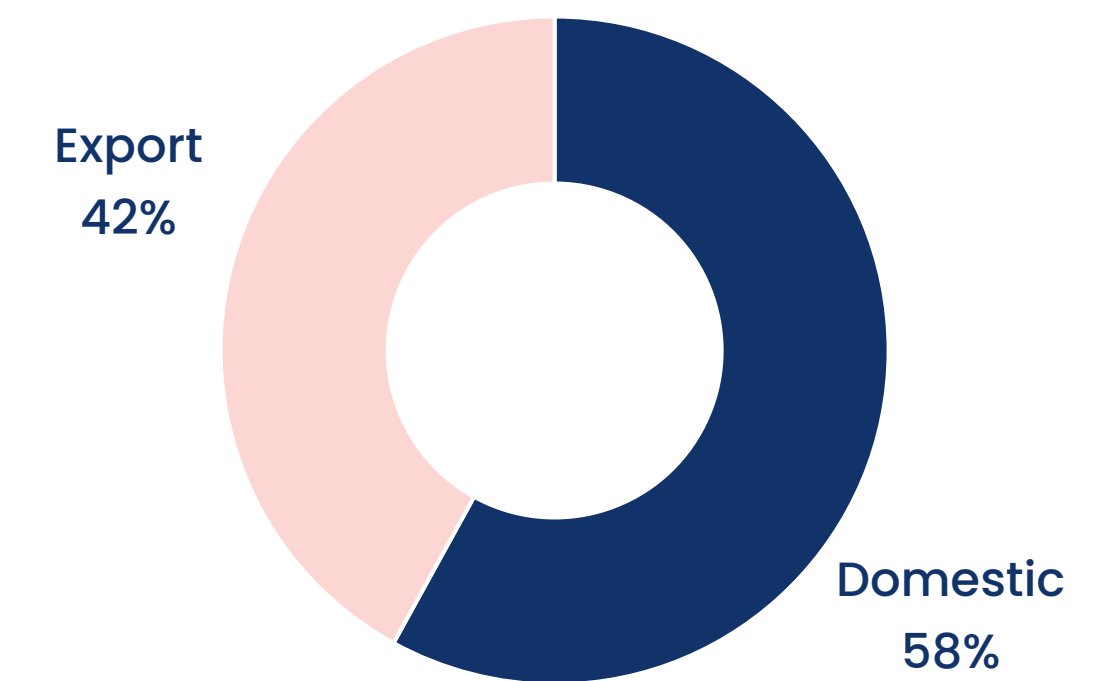
Total volume:

476k tons

Sales volume (k tons)



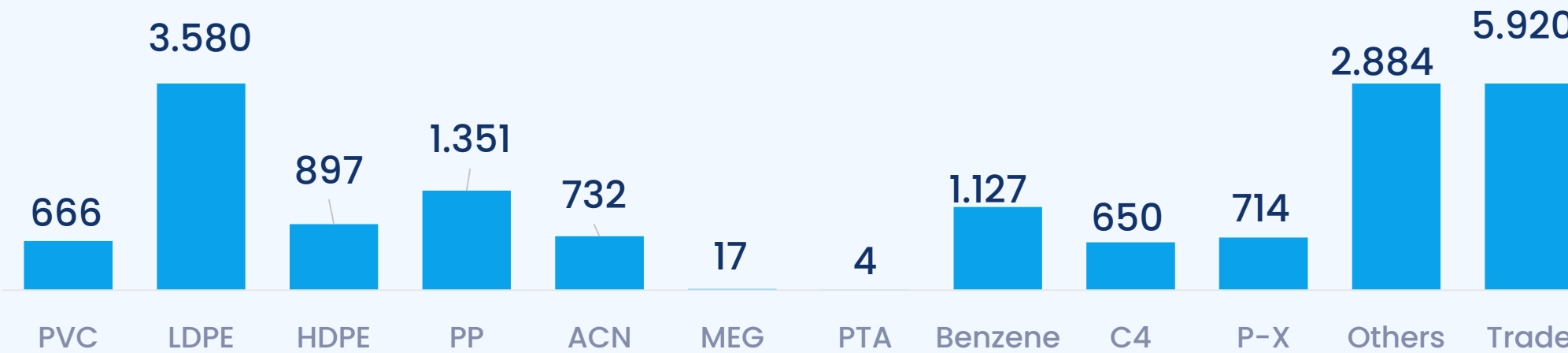
Revenue breakdown (%)



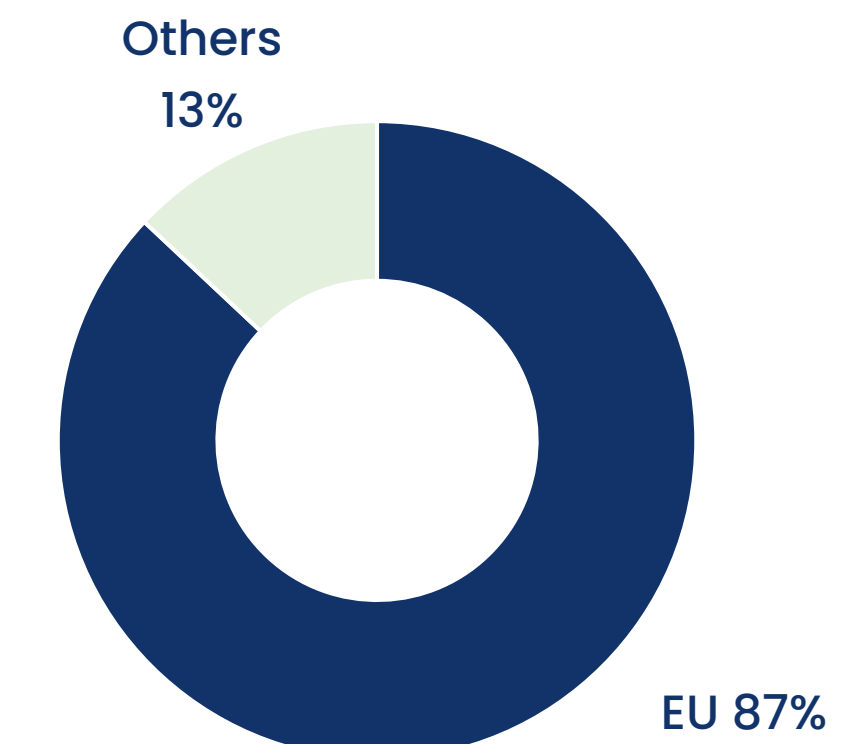
Total revenue:

₺18,542mn

Revenue (TRY mn)



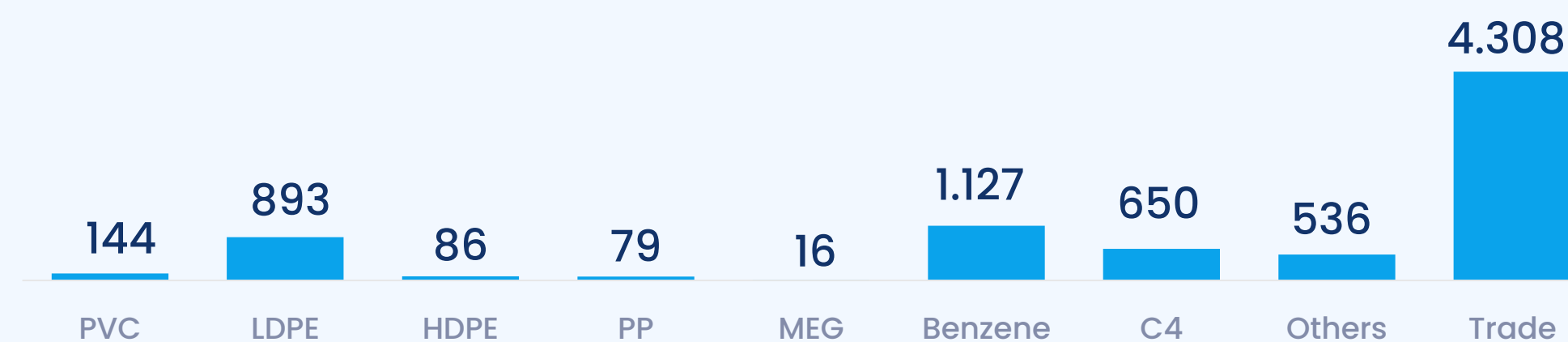
Exports breakdown as per region (%)



Total export:

₺7,841mn

Export Revenue (TRY mn)



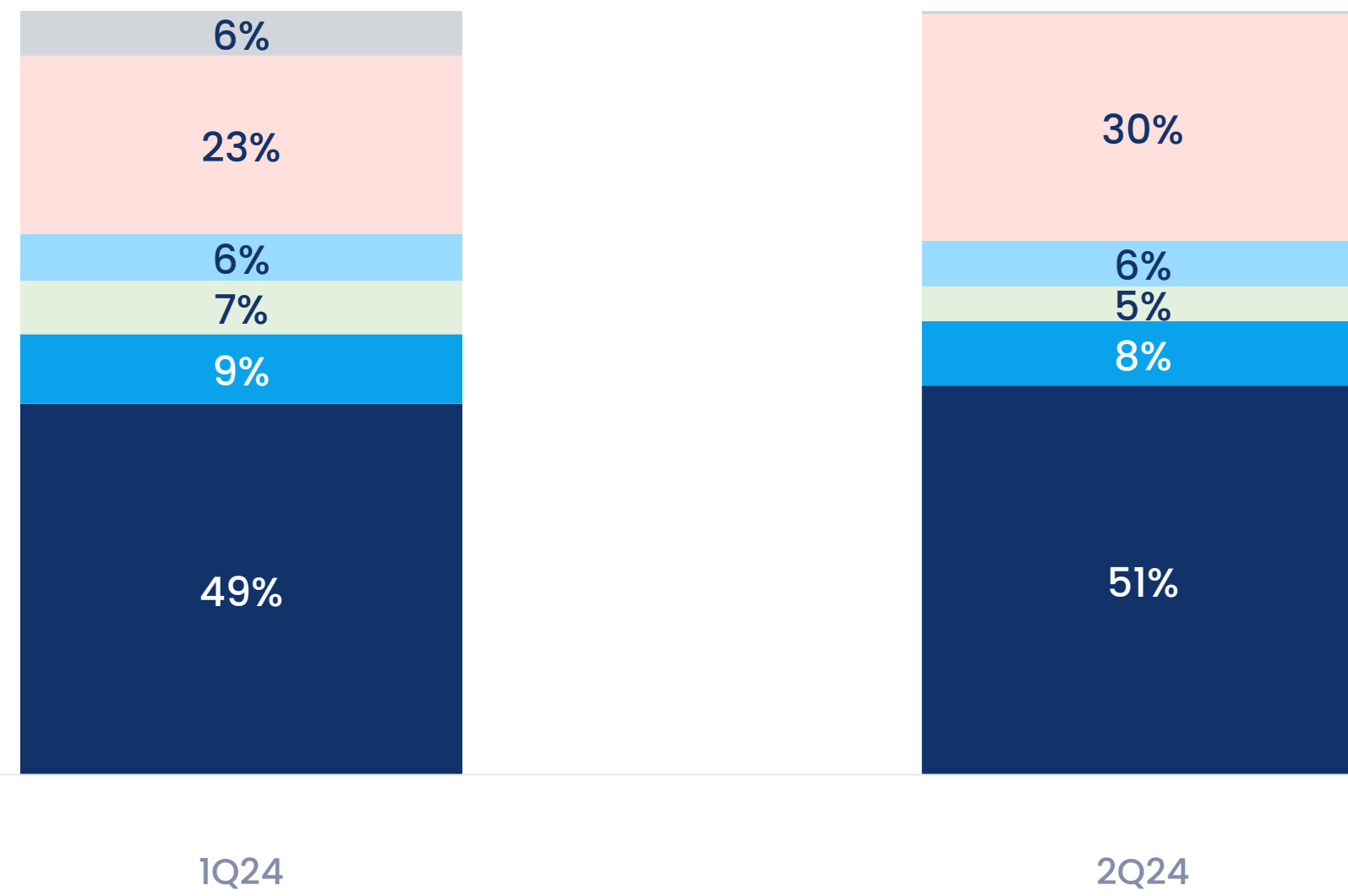


Breakdown of Total COGS

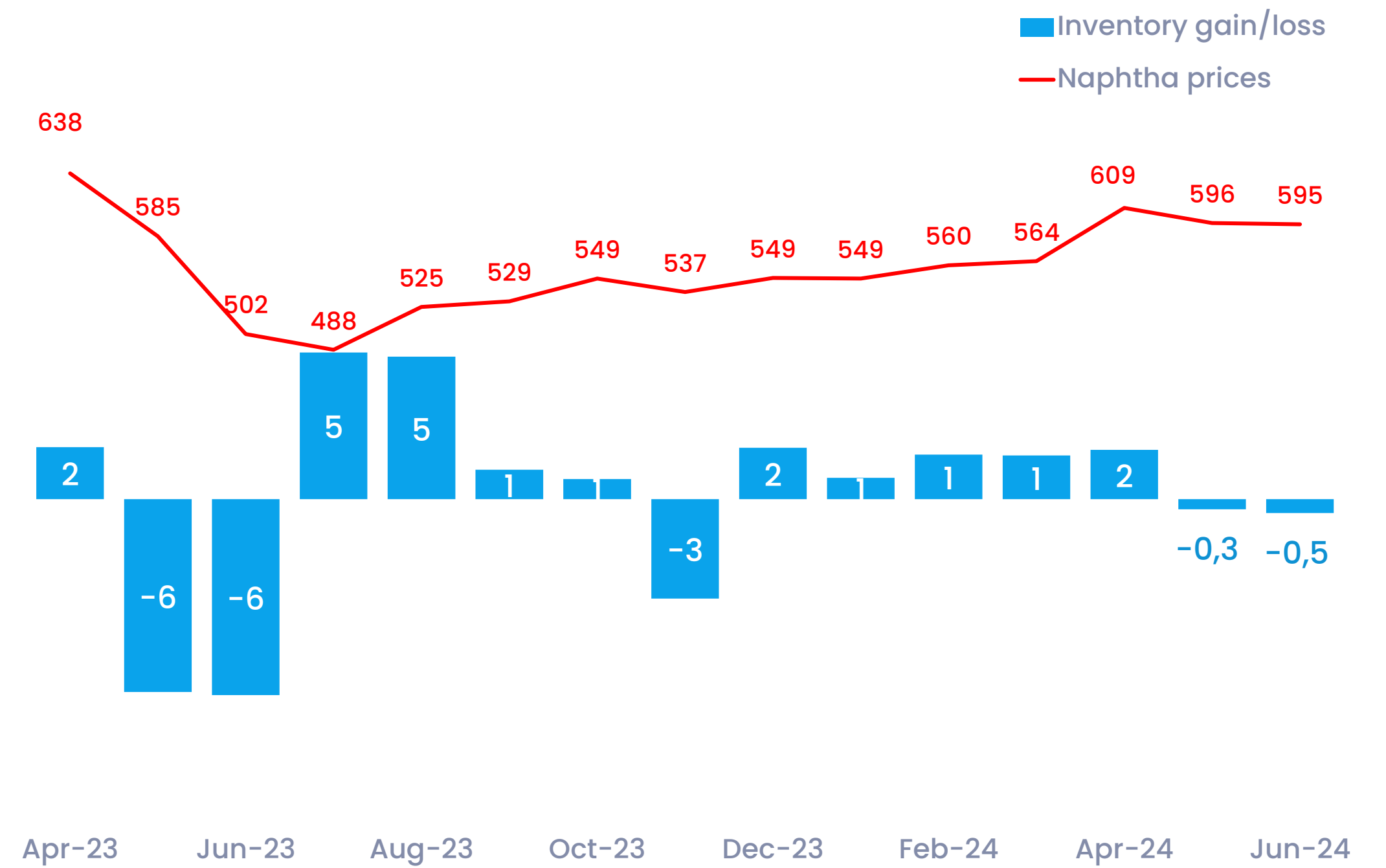


COGS breakdown (%)

- Other
- Trade
- Depreciation
- Labour costs
- Energy
- Raw materials



Inventory gain/loss* (USD mn)



2Q24 total COGS

₹18,128mn

2Q24 inventory gain

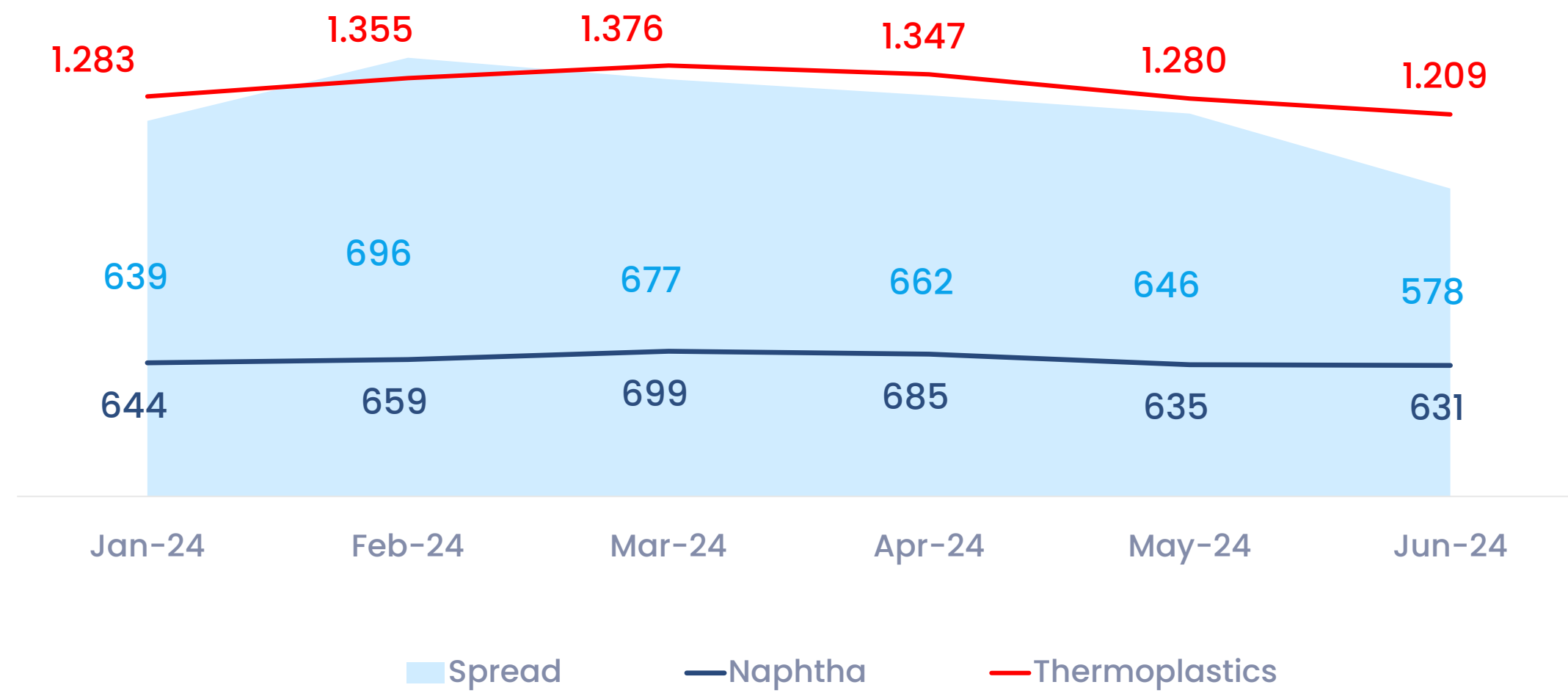
\$1mn

*IAS 29 is not applied to this figure.

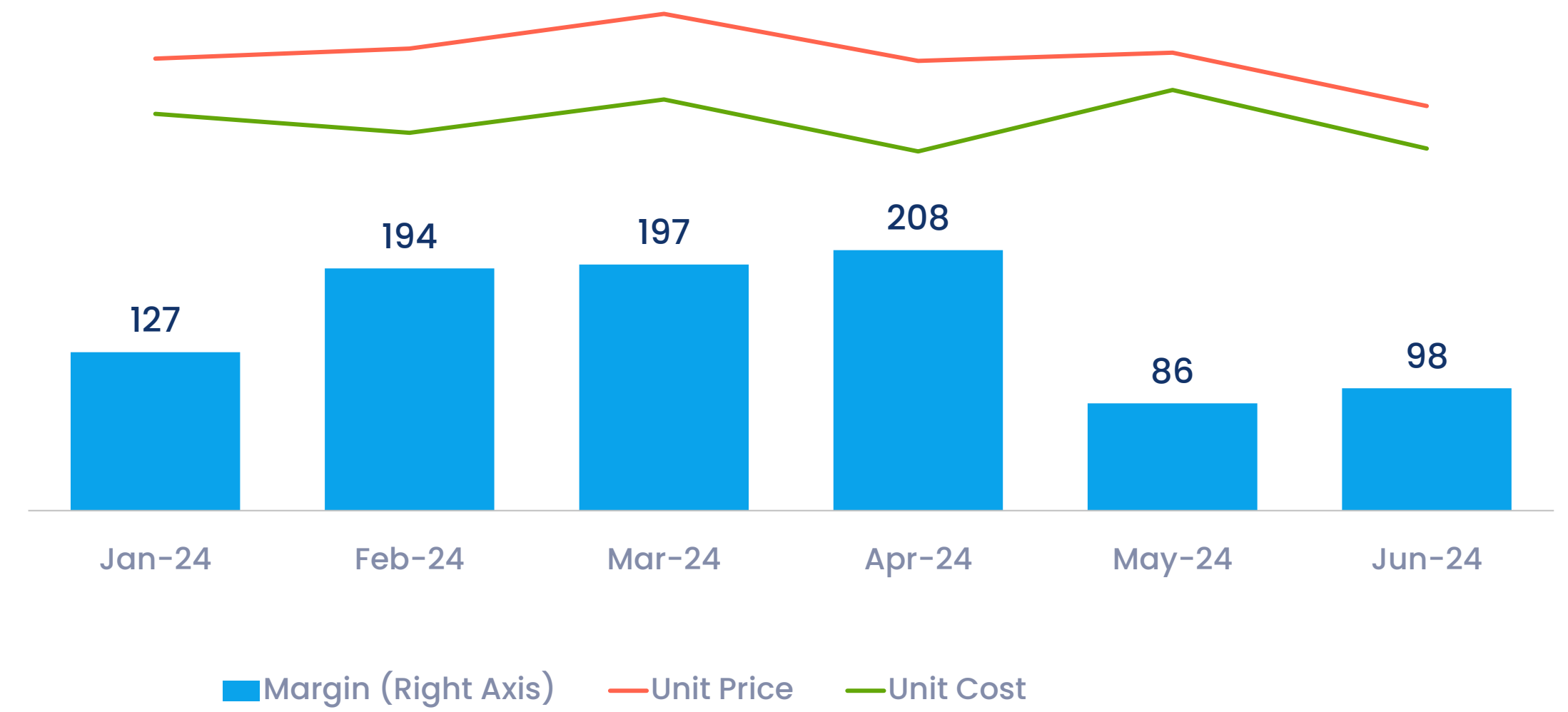


Feedstock vs. Product Prices of PETKIM

Thermoplastics and naphtha spread
USD/ton



Petchem unit margins
USD/ton



* Excluding trade

+ As the ethylene-naphtha spread fell to historic lows, this exerted negative pressure on thermoplastics margins

+ Petkim has continued to provide feedstock price advantage thanks to its flexibility in naphtha procurement

+ Firming feedstock costs for naphtha were offset by strengthening co-product revenue headed by benzene





PETKIM 2Q24

Income Statement

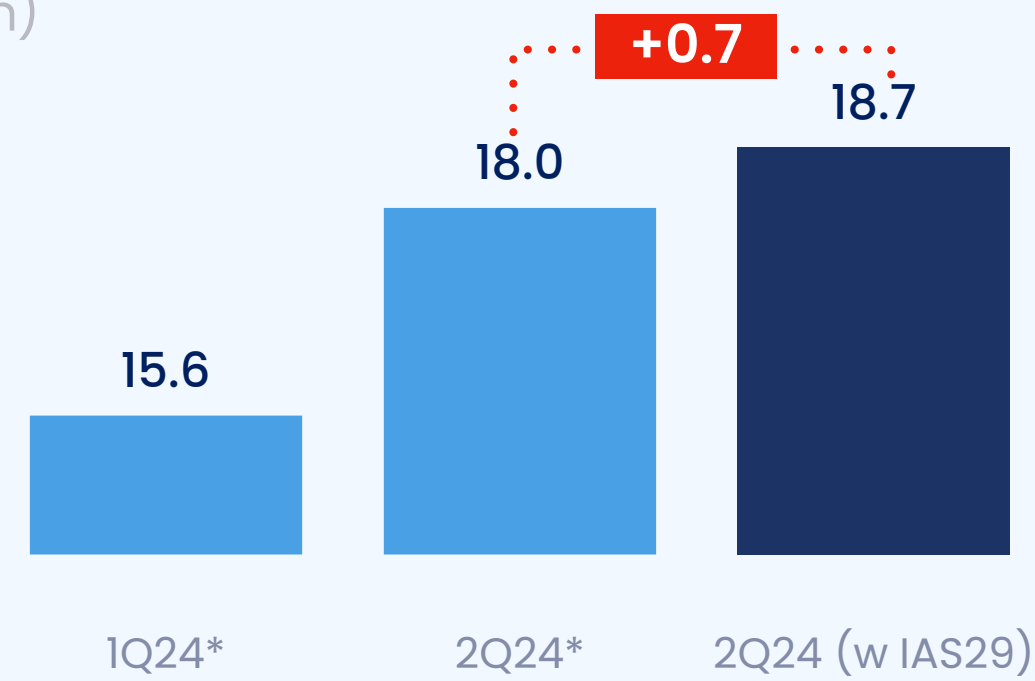


TRY mn	Q1'24	Q2'24	QoQ Δ (%)
Sales	17,961	18,708	4%
Cost of sales	(18,084)	(18,128)	0%
Gross profit	(123)	579	(571%)
Gross profit %	(1%)	3%	-
Marketing and sales expenses	(296)	(332)	12%
General administrative expenses	(850)	(801)	(6%)
Operating profit	(1,268)	(554)	(56%)
Other income/ (expenses)	910	(706)	(178%)
Financial income	633	430	(32%)
Financial expenses	(3,043)	(1,747)	(43%)
Monetary gain / (loss)	4,017	2,262	(44%)
Profit before tax	1,248	(314)	(125%)
Income tax	-	-	-
Deferred tax	(344)	2,095	(708%)
Net profit / (loss)	904	1,781	97%
Net profit %	5%	10%	-
Depreciation	1,270	1,208	(5%)
EBITDA	203	698	244%
EBITDA %	1%	4%	-

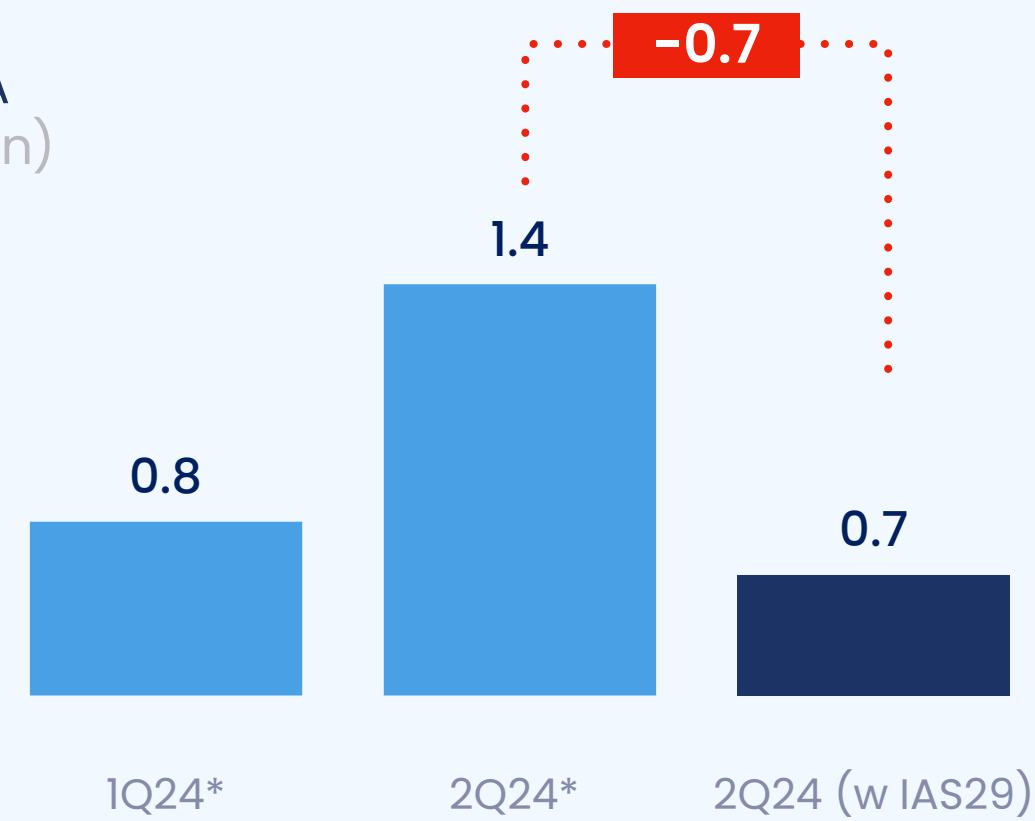


Impact of Inflation Accounting on Income Statement

Revenues
(TRY bn)

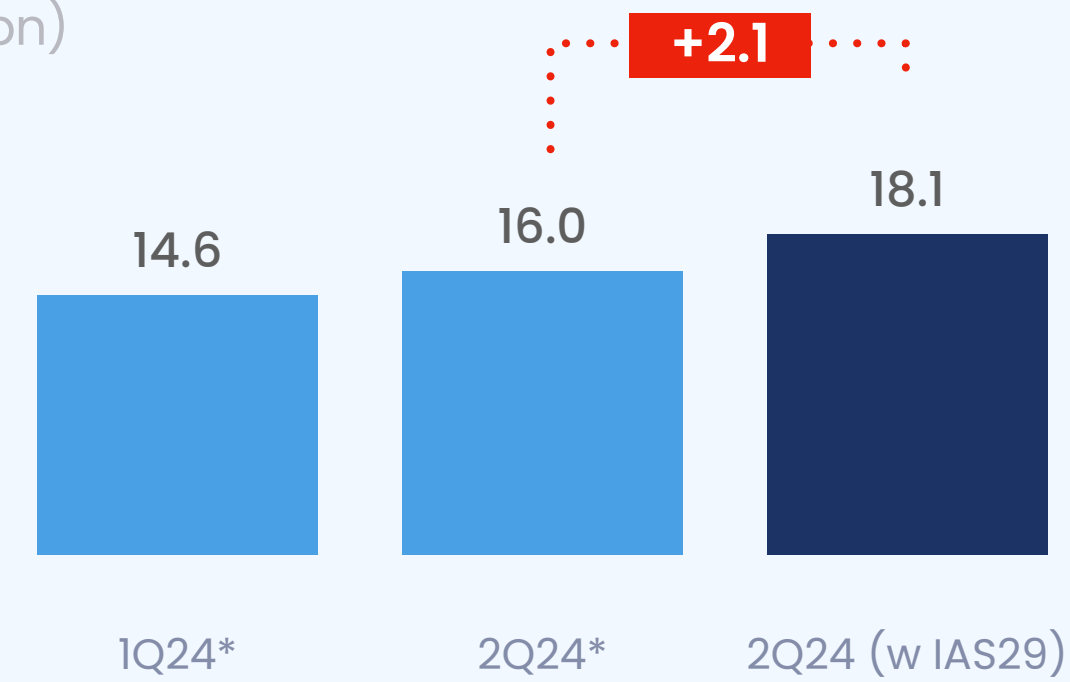


EBITDA
(TRY bn)



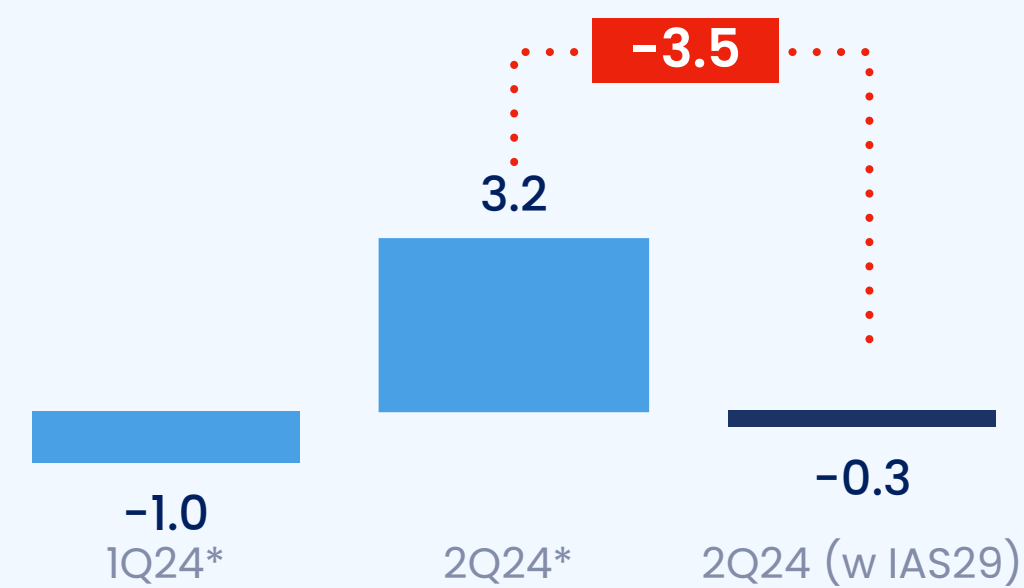
-TRY107mn OPEX

COGS
(TRY bn)



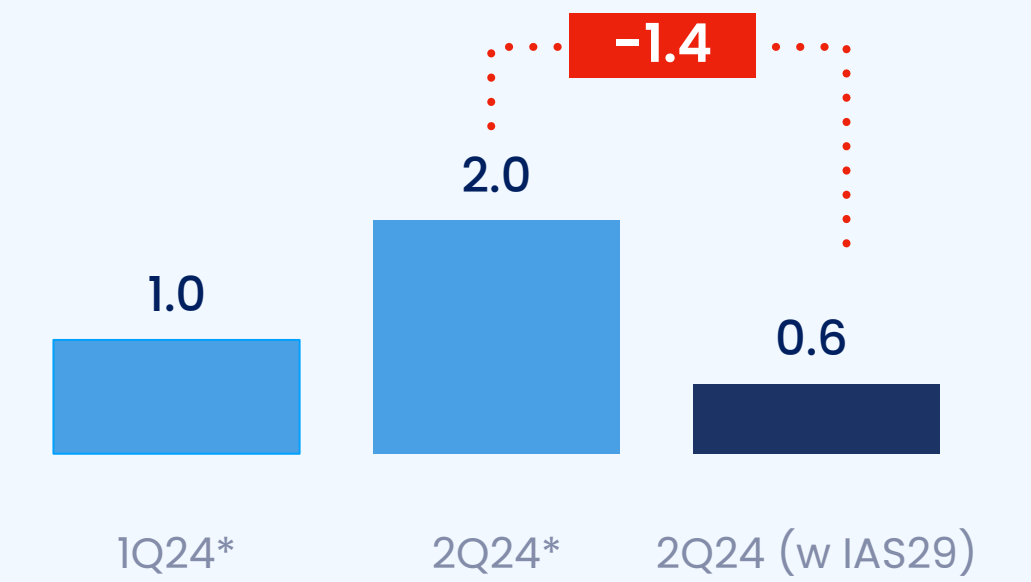
-TRY729mn depreciation

Profit Before Tax
(TRY bn)

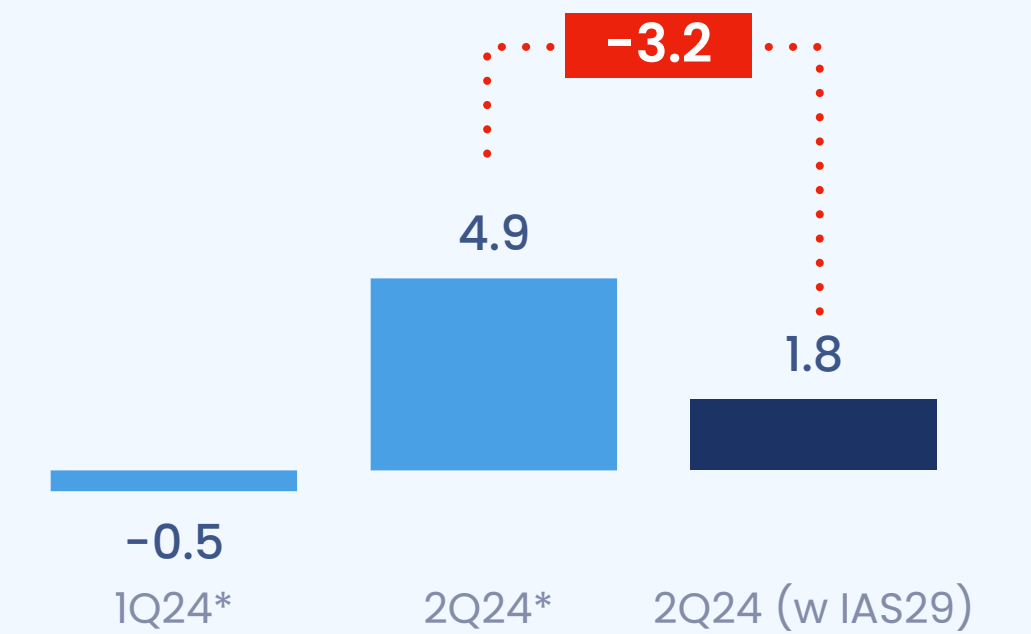


+TRY2.3bn monetary gain
-TRY1.3bn net financial expense

Gross Profit
(TRY bn)



Net Profit
(TRY bn)



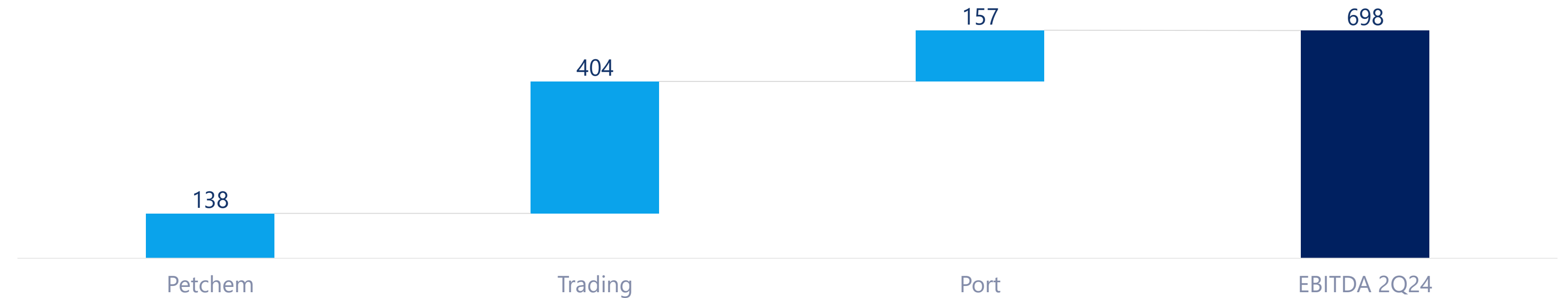
-TRY389mn deferred tax

*IAS 29 is not applied to these figures.

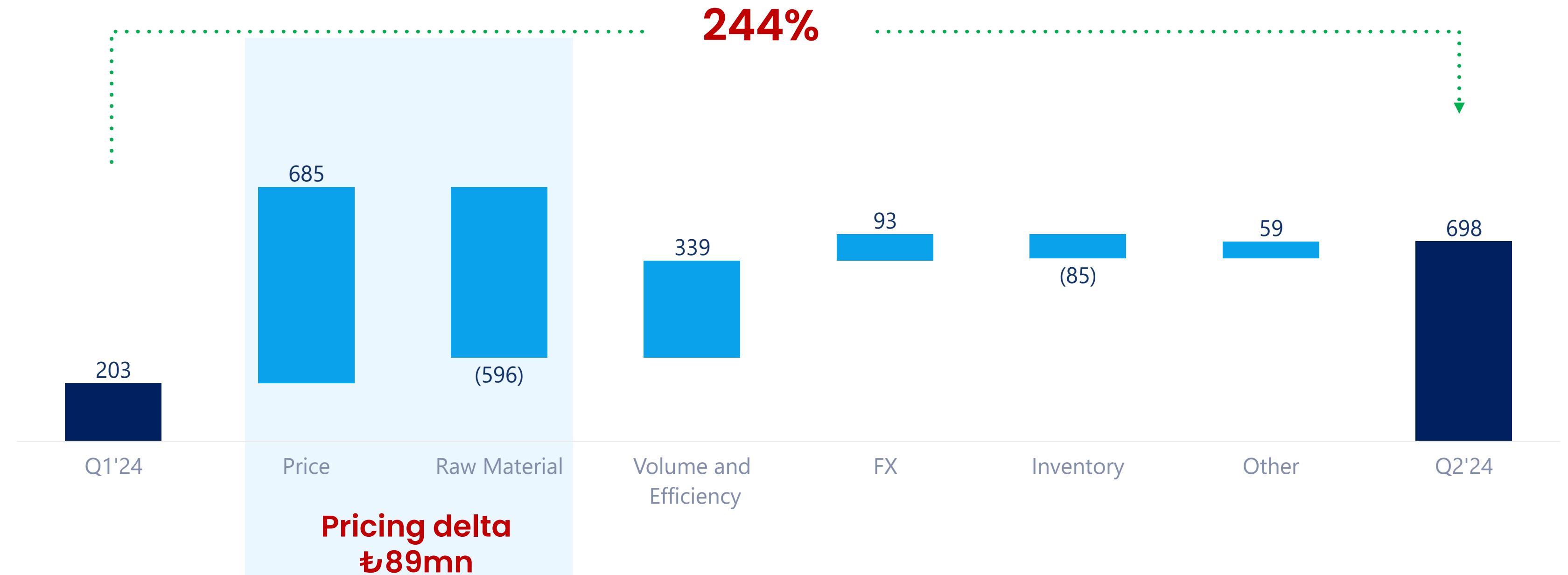


EBITDA improved mainly due to positive pricing delta, FX and volume & efficiency

Q224 segments' results (TRY mn)



Yearly change in EBITDA (TRY mn)





PETKIM 6M24

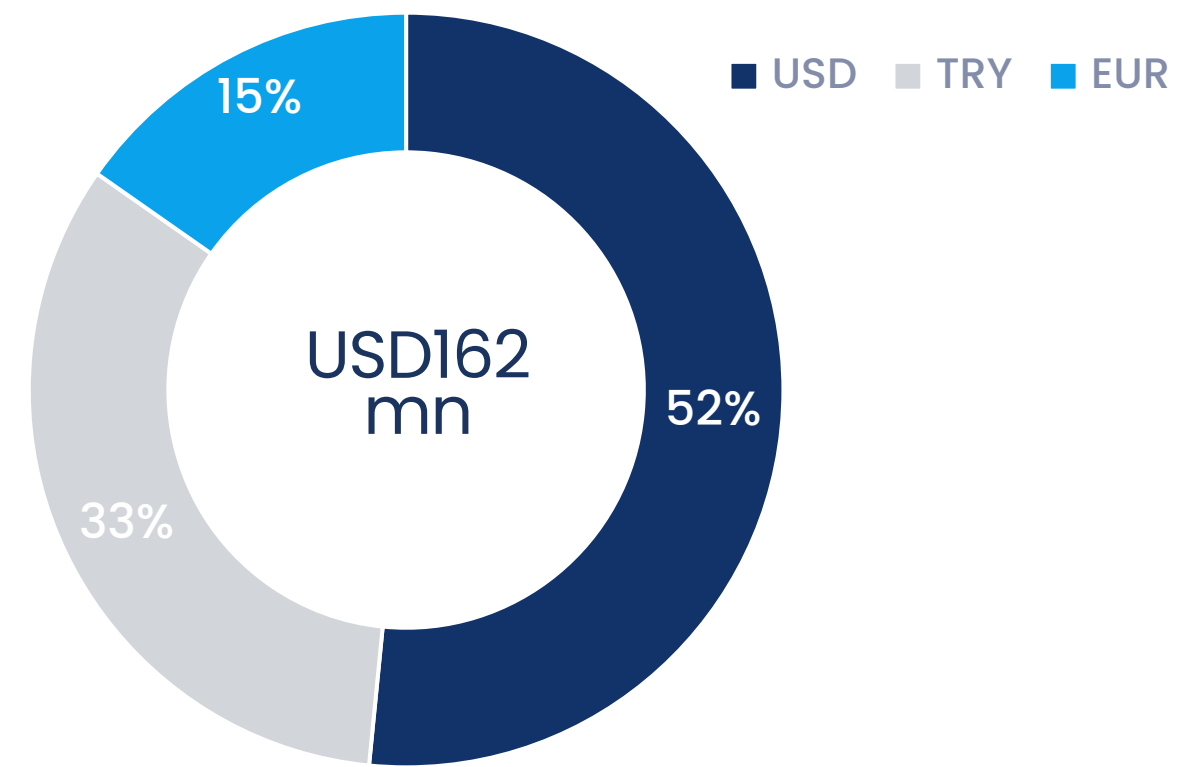
Balance Sheet

As values of non-monetary assets and liabilities are indexed to inflation, the largest impact was realized on inventories, fixed assets, right of use assets, share capital and retained earnings

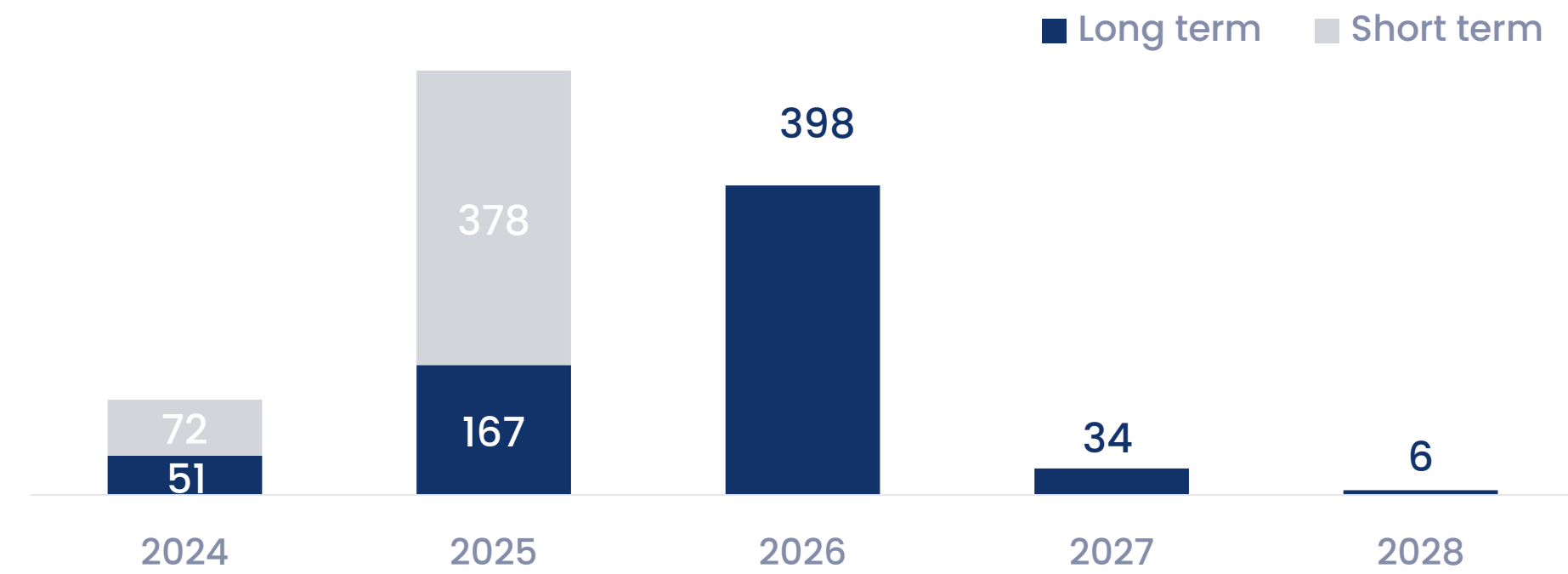
TRY mn	3M'24	6M'24	QoQ Δ (%)
Cash and cash equivalents	4,581	5,332	16%
Trade receivable	9,637	9,409	(2%)
Inventory	6,448	7,428	15%
Other receivables	104	43	(59%)
Other current assets	2,916	2,661	(9%)
Current assets	23,686	24,873	5%
Non current assets	92,417	90,598	(2%)
Total assets	116,102	115,471	(1%)
Short term borrowings	22,125	22,216	0%
Trade payables	8,398	9,747	16%
Other payables	2,244	1,712	(24%)
Current liabilities	32,767	33,675	3%
Long term borrowings	15,772	15,517	(2%)
Other non-current liabilities	5,303	4,611	(13%)
Shareholders' equity	62,260	61,668	(1%)
Total liabilities	116,102	115,471	(1%)



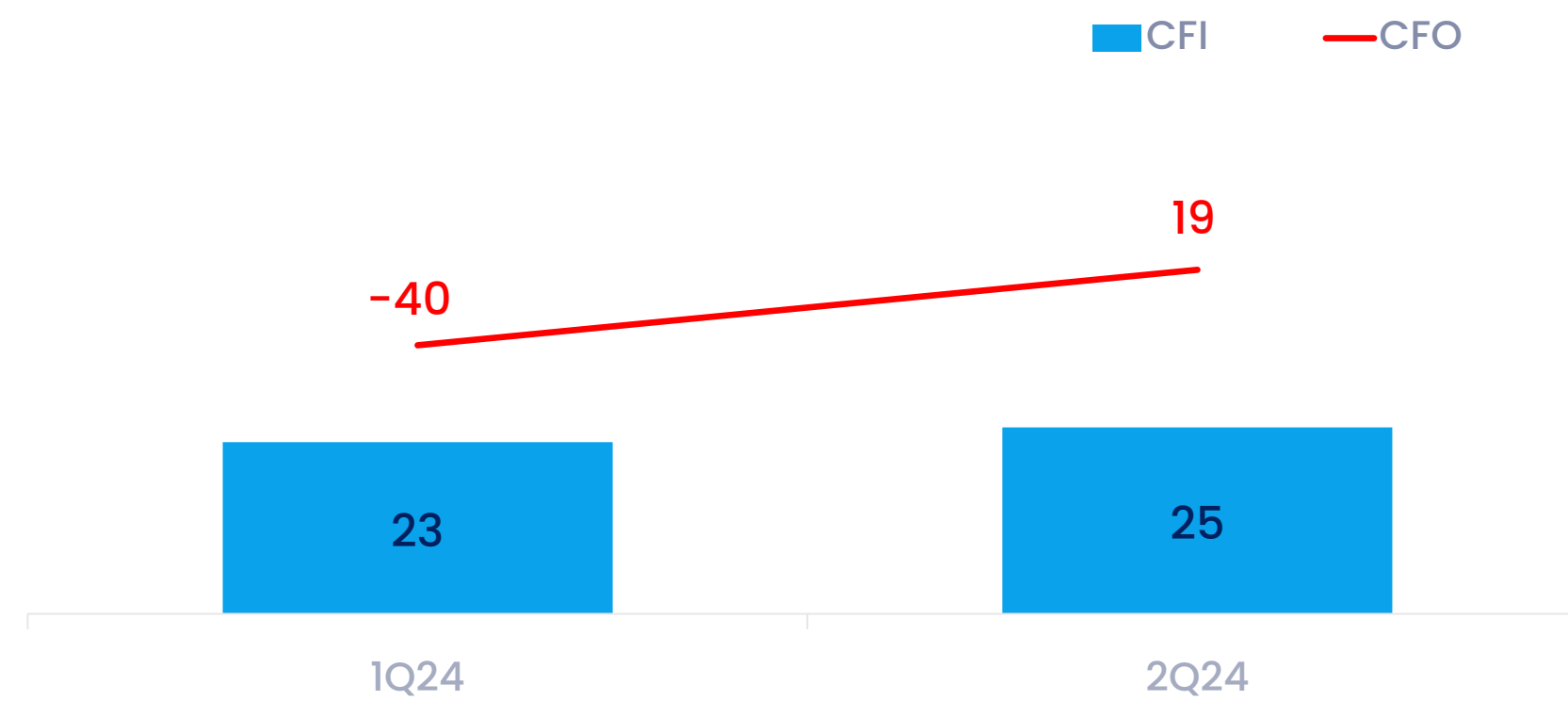
Liquidity Highlights



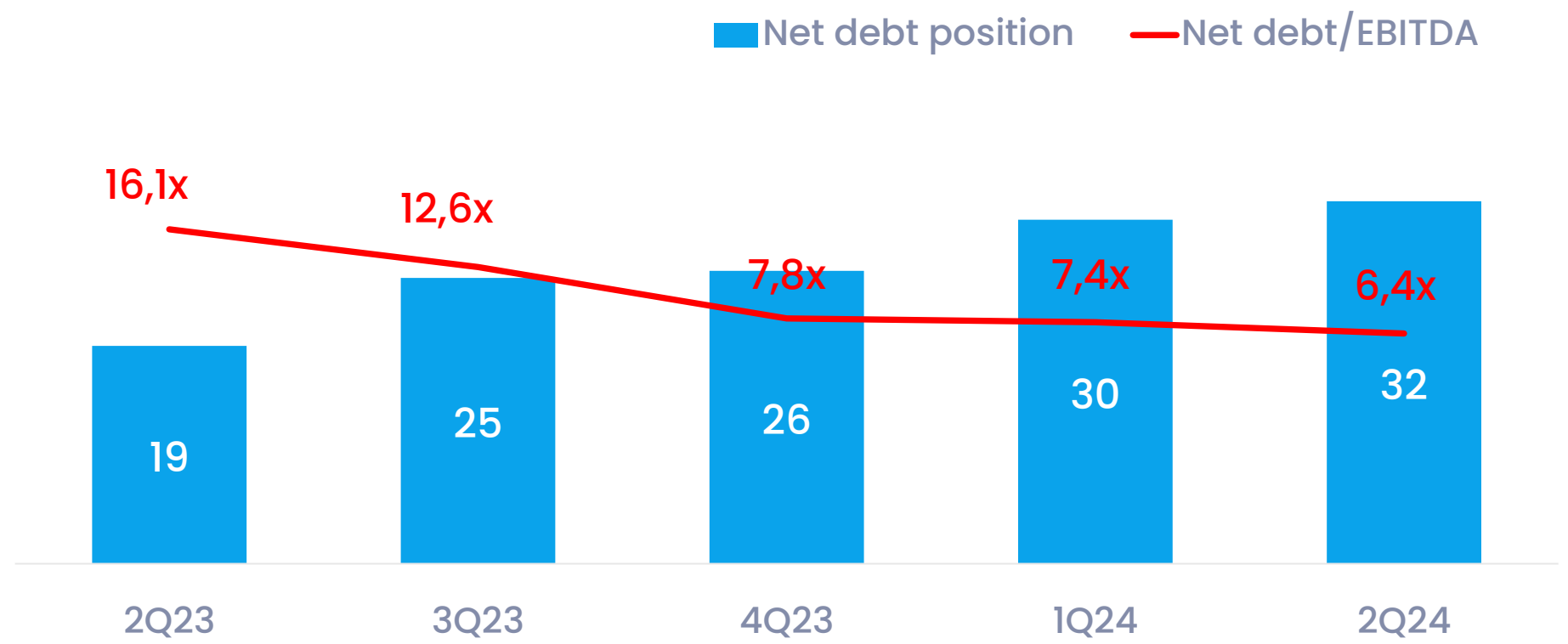
Maturity profile (USD mn)



Cash flow from operations and investment activities (USD mn)



Net debt position* (TRY bn)



*IAS 29 is not applied to this figure.



STAR REFINERY





STAR Refinery Operating and Financial Highlights

Q2 2024 Figures

Capacity utilization

113%

Crude processed (yearly)

13mn tons

Product sales

2,9mn tons

Domestic sales

43%



STAR Refinery completed the quarter with a net income of USD273mn, particularly with a positive net income impact in 2Q2024

USD (mn)

Q1 2024

Q2 2024

Revenue

2.274

2.054

Net income

181

273

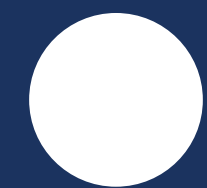
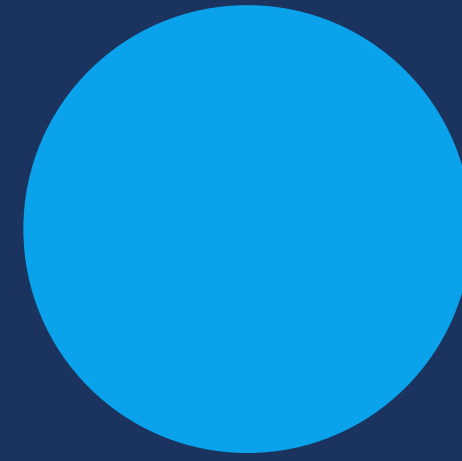
Net debt

1.001

1.304

STAR Refinery is exempt from the application of IAS 29 because it maintains its balance sheet in foreign currency.

SUSTAINABILITY & ESG





Our Sustainability Strategy Will be Built on Two Pillars - Climate/CO2 Targets



Decarbonization

Short-term²

2021-2025

- Implement energy efficiency, electrification, resource management and flare management initiatives to decrease CO2 emission intensity in R&P BU

Mid-term

2025-2030

- Develop internal carbon pricing approach for future investments to effectively integrate decarbonization aspiration and mitigate risks caused by potential regulations
- Consider decarbonization initiatives under strategic investments

Long-term

2030 onwards

- Achieve long term decarbonization targets for decreased emissions:
 - 40% reduction by 2035 for Scope 1 & 2¹
 - Carbon neutral by 2050 for Scope 1 & 2¹
- Collaborate with alternative energy start-ups through CVC with know-how gained in short and mid-term

Improve capabilities and know-how for potential alternative energies (e.g., bio-naphtha, SAF, etc.)



Circular economy

Develop relations and potentially partnerships with recycling players to address projected business opportunity and capture sustainability impact

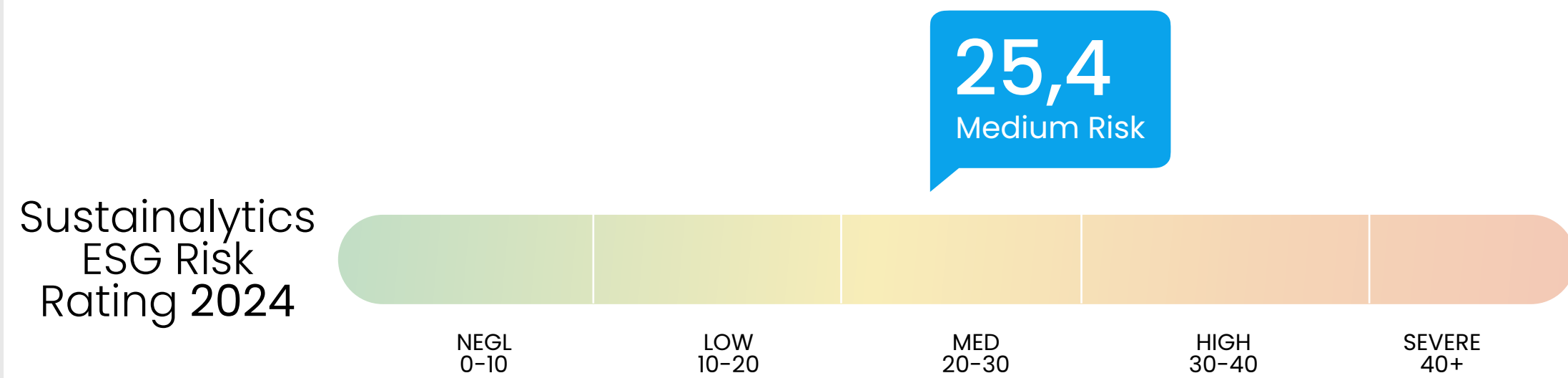
Invest in plastic recycling to be one of the leading companies in Türkiye recycling industry capacity



Scope 1: Direct emissions (e.g. production processes), Scope 2: Indirect emissions (e.g. electricity and heat), No major capex needed in the short term. Base year is 2017



Petkim's ESG Risk Rating Score is 25,4



Emissions, Effluents and Waste

- Environmental Policy
- Environmental Management System
- EMS Certification
- Emergency Response Programme



Business Ethics

- Political Involvement Policy
- Lobbying and Political Expenses
- Animal Testing Programme and Policy



Occupational Health and Safety

- Health and Safety Management System
- Health & Safety Certifications
- LTIR Trend
- Employee Fatality Rate
- Contractor Safety Programme



Best Corporate Governance
World Finance
2023



WORLD FINANCE
CORPORATE GOVERNANCE AWARDS
2023

Best Corporate Governance

Petkim Petrochemical Holding, SOCAR Türkiye



Europe & Emerging EMEA
Equity Award
Best IR Team in Basic Materials
Institutional Investor
2023



You can access our article on World Finance Magazine on pages 138-139 through QR code



SUPPORTING SLIDES





Diversified Business Profile Through Ancillary Infrastructure **Energy Investments**



- Türkiye's first privately constructed refinery
- Target processing capacity of 13mn tons p.a.
- Owned 48% by SOCAR Türkiye, and 40% by Azerbaijan Ministry of Economy and Industry and 12% by Petkim
- Total investment amounts to USD6.7bn
- Lower naphtha procurement costs
- Replacement of some of the heavy naphtha feedstock with reformat / mixed-xylene
- Increased stability and quality of feedstock, supply security, and reduced inventory costs
- Upside from sharing services such as maintenance, safety, security, waste disposal and tug boat services
- STAR Refinery expected to become a stable dividend payer over the medium-term



- The largest container sea port in Western Türkiye with a 1.5mn TEU container handling capacity
- Total construction costs amount to c.USD400m
- Petlim has signed a 28-year (+4) concession agreement with Port Operator
- Owned 93% by Petkim and 7% by STEAS
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



- Wind farm located in the Aliğa Peninsula licensed to generate 43,8MW of electricity
 - ▶ Petkim has applied for a new license allowing generation at full capacity of 51 MW
- The construction of 17 new turbines, each able to generate 3 MW of electricity, was completed in Sep-2017
- Total investment in the wind farm amounts to EUR55mn
- Contributes to revenue diversification
- Plan is to sell the electricity generated to Türkiye's national grid, with a guaranteed tariff
- The wind farm provides a 22% increase in Petkim's electricity generating capacity
- Expected to reduce carbon emissions by 120kt per year



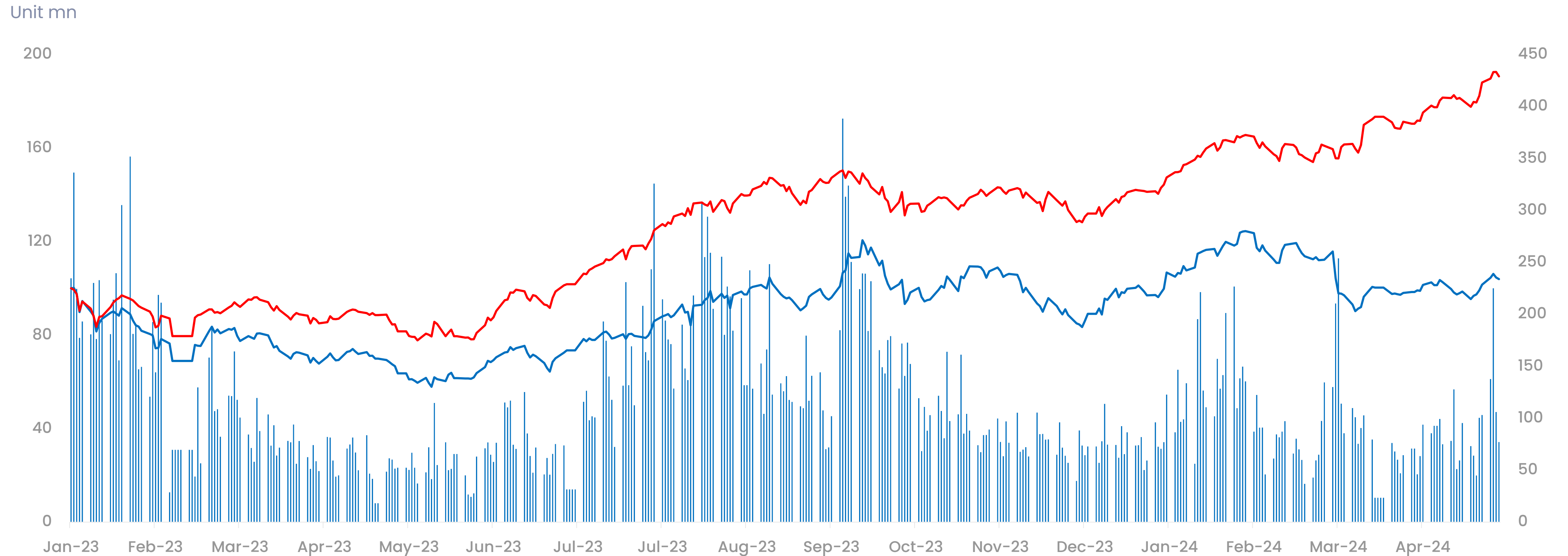
Petrochemical Complex Flow Chart

Petkim has fully integrated operations





PETKIM Stock Performance



Closing price
(TRY/share) / (USD/share)

₺23.54 / \$0.69

Market capitalization
(TRY mn) / (USD mn)

₺59,660 / \$1,755

Free float
(%)

49.0%

*As the date of 26 Aug 2024



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The Capital Markets Board, with its Bulletin dated 28.12.2023 and numbered 2023/81, announced to the public that issuers subject to financial reporting regulations and capital market institutions must prepare their annual financial statements ending on 31.12.2023 and thereafter in accordance with IAS29 inflation accounting.

As of March 31, 2024, in accordance with the adjustments required by IAS 29, financial statements prepared in a hyperinflationary currency must be presented in the purchasing power of the currency as of the balance sheet date, and amounts from previous periods must be similarly restated.

The indexing process used the coefficient derived from the Consumer Price Index (CPI) published by the Turkish Statistical Institute (TUIK). Figures from previous reporting periods have been restated using the general price index to ensure that comparative financial statements are presented in the measurement unit valid at the end of the current reporting period. Information for previous periods is also shown in the measurement unit valid at the end of the reporting period.

Additionally, some items in our financials are presented without inflation adjustment for informational purposes, to provide our investors with a consistent and comprehensive overview of previous periods. These unaudited figures are clearly marked where applicable. All other financial figures are reported in accordance with IAS 29.

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