

3Q24 RESULTS INVESTOR PRESENTATION

NOV 2024





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Petkim was awarded two prizes in the 2024 Europe & Emerging EMEA Equity Awards organized by Extel, being recognized as “Best Team in IR” and “Best Corporate in IR” in the SMID-Cap Basic Materials category.



3Q24

FINANCIAL HIGHLIGHTS

Sales ▼
¥17.2 BN (15%) QoQ

EBITDA ▼
(¥573) MN (3%) Margin
(175%) QoQ

Net Income ▼
(¥3) BN 1,05 TL/Share
(256%) QoQ

Cash ▼
¥3.2 BN 0,7x Current Ratio
(45%) QoQ

Net Debt ▲
¥35.9 BN 9,2x Net Debt / EBITDA*
13% QoQ

*IAS 29 is not applied to this figure.



3Q24 Highlights



01 Weak performance driven by low product margins, planned and unplanned shutdowns
Petkim's gross unit margin was **USD54/ton** and the CUR was **58%**

02 Petkim was unable to take advantage of the synergies with STAR Refinery
Petkim was unable to sell products such as C5, arom naphtha, and raffinate at favorable prices to STAR Refinery

03 The Turkish lira's overvaluation in real terms and high inflationary pressures continued to strain financial performance
The negative pressure is being mitigated with OPEX optimizations

04 As expected, STAR Refinery's performance was weak due to planned TA
Negative USD10mn net income derived in the third quarter from the equity pick-up method

05 Two awards were received at the 2024 Europe & Emerging EMEA Equity Awards organized by Extel
Winner of the «Best Team in IR» and «Best Corporate in IR» awards in the SMID-Cap Basic Materials category



INDUSTRY ENVIRONMENT

Global Petrochemical Market
Petrochemical Market in Türkiye





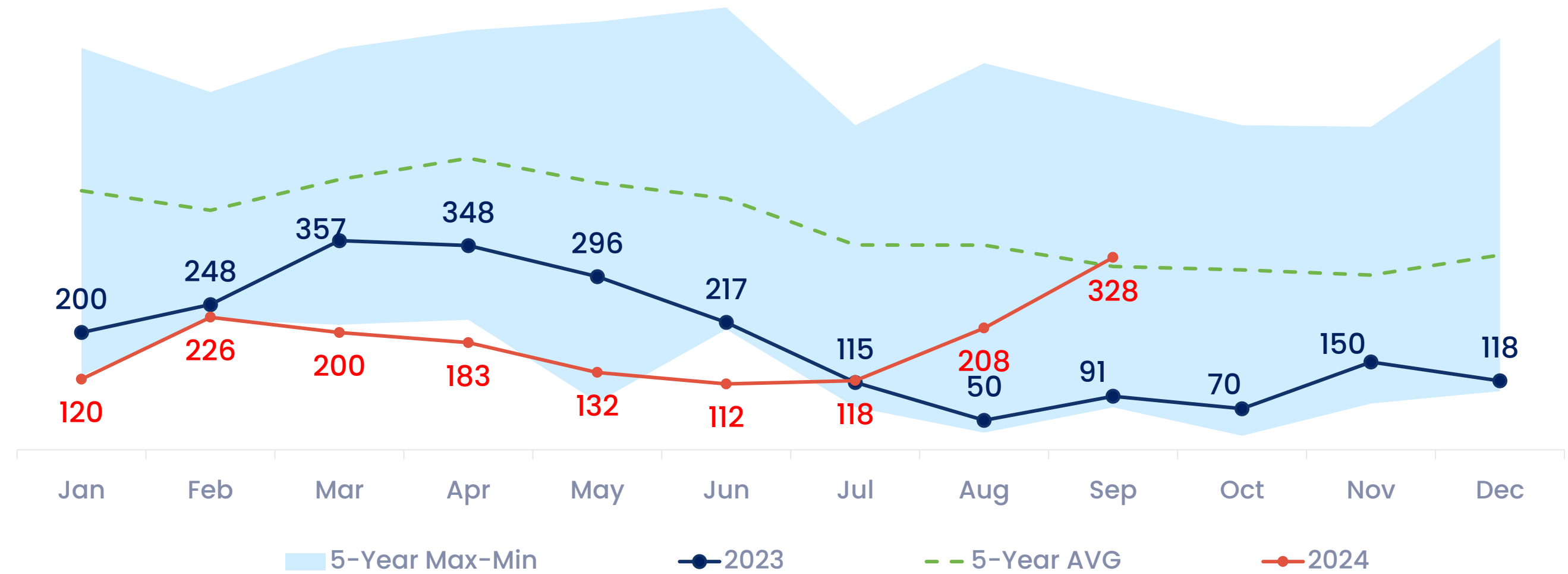
Industry Environment

+ Ethylene-naphtha spread increased by about 53% from USD142/ton in 2Q24 to USD217/ton in 3Q24

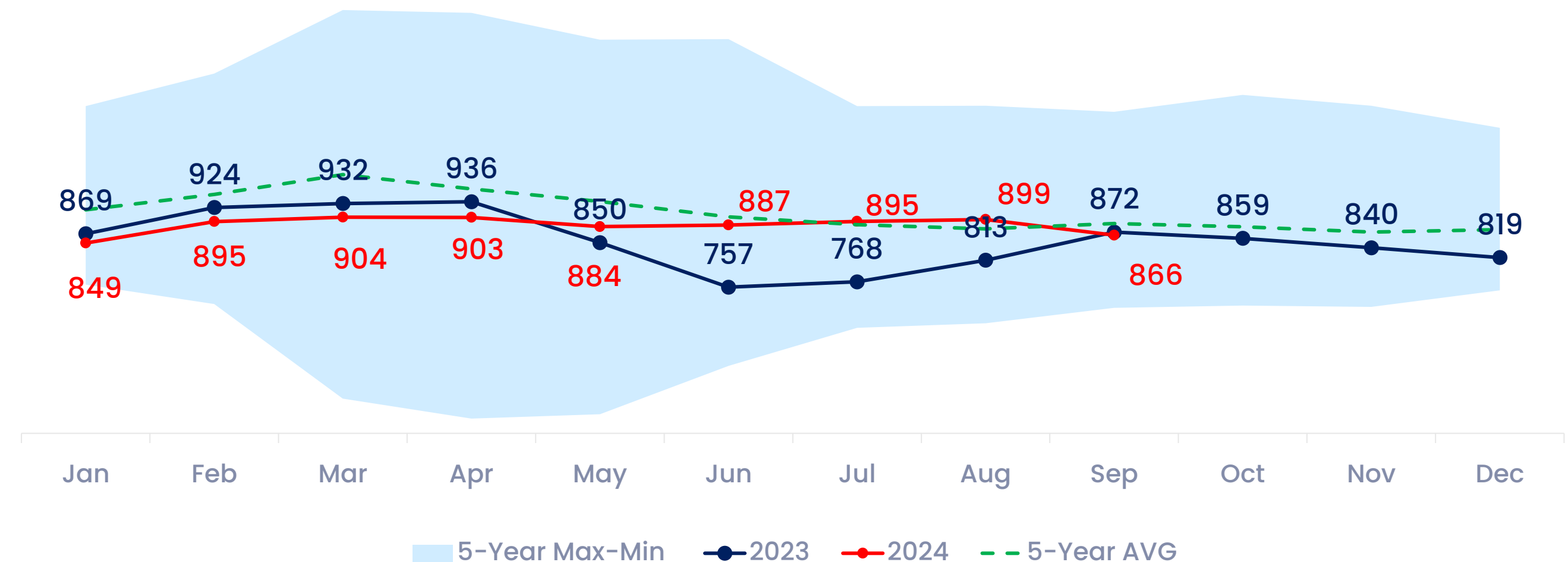
+ Although the ethylene-naphtha spread reached its 5-year average in September, no noticeable improvement was observed in the Platts index

+ There was a minor decrease of 1% in the 3Q24 PLATTS index compared to the previous quarter

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



Monthly average Platts index* USD/ton



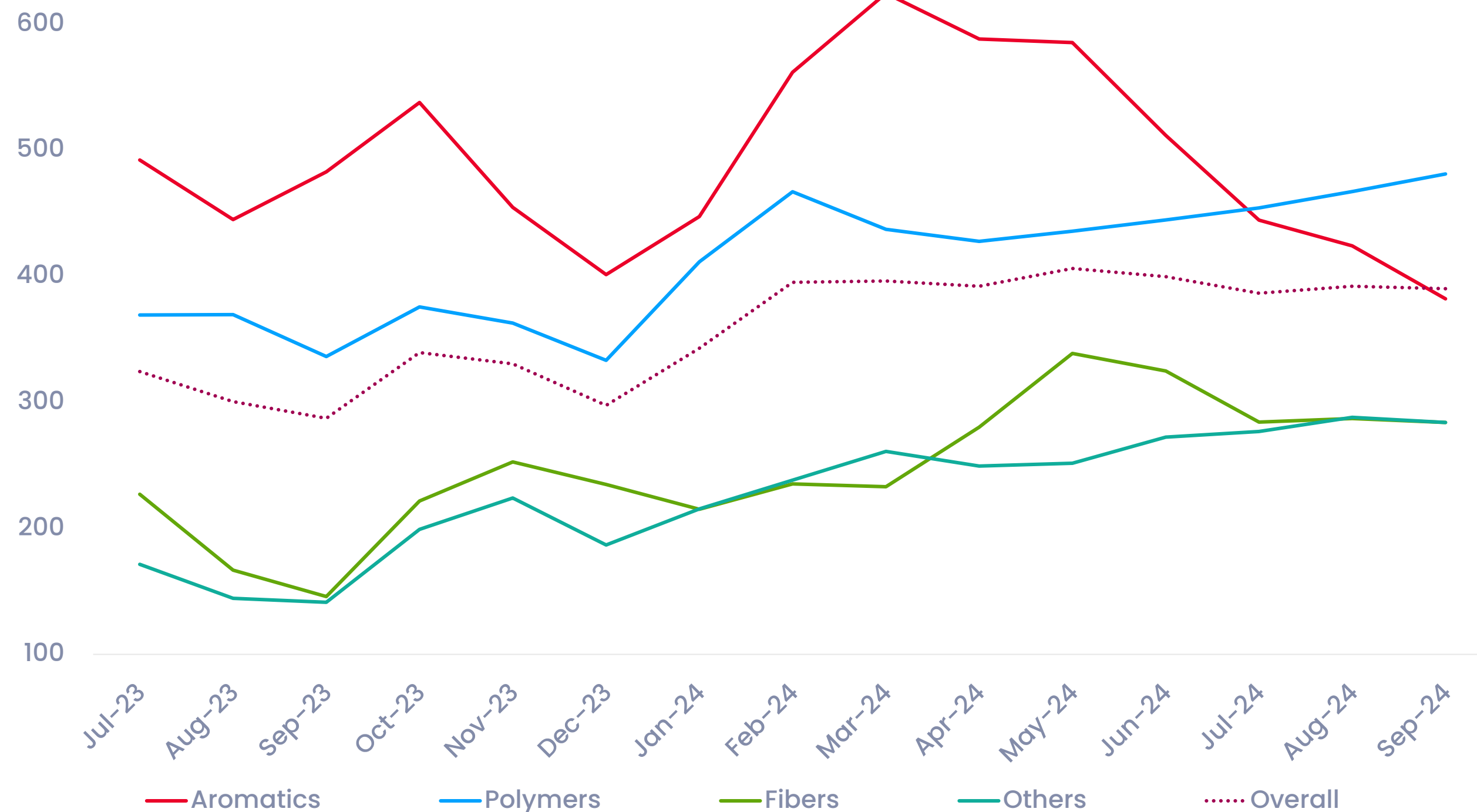
(*) compilation of ethylene, propylene, benzene, toluene, PX, LDPE and PP.



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
- + Turbulent energy costs

Profitability remains weak, settling close to that suffered in previous downturns over the last decade

- + Polymer prices showed limited softening in the third quarter but generally remained stable
- + ACN prices in Europe showed a downward trend due to low material consumption in the construction and automotive sectors during the summer holidays
- + Benzene prices have continued to decline in the global market, driven by weak naphtha prices and ongoing geopolitical tensions

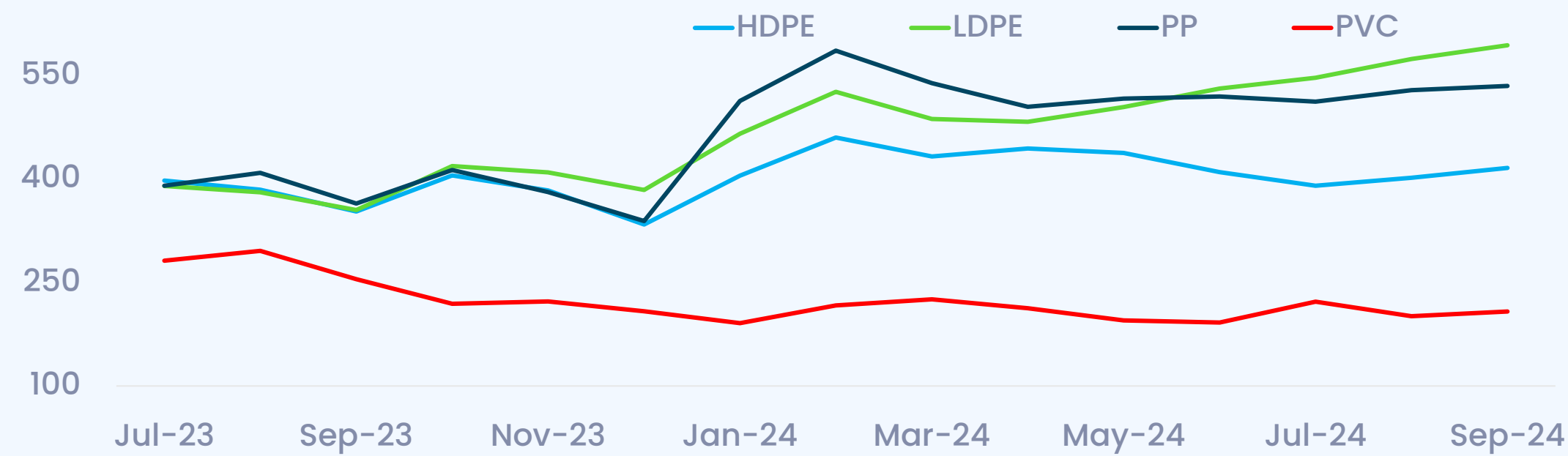


Industry Environment

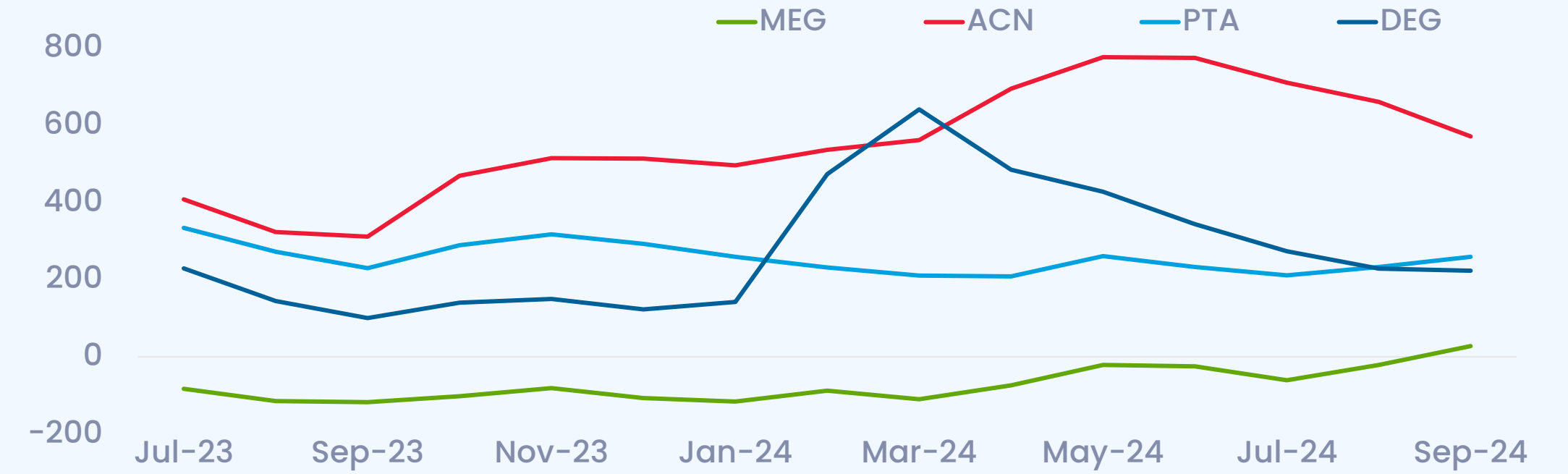


Product groups spread
(over naphtha CIF MED), USD/MT

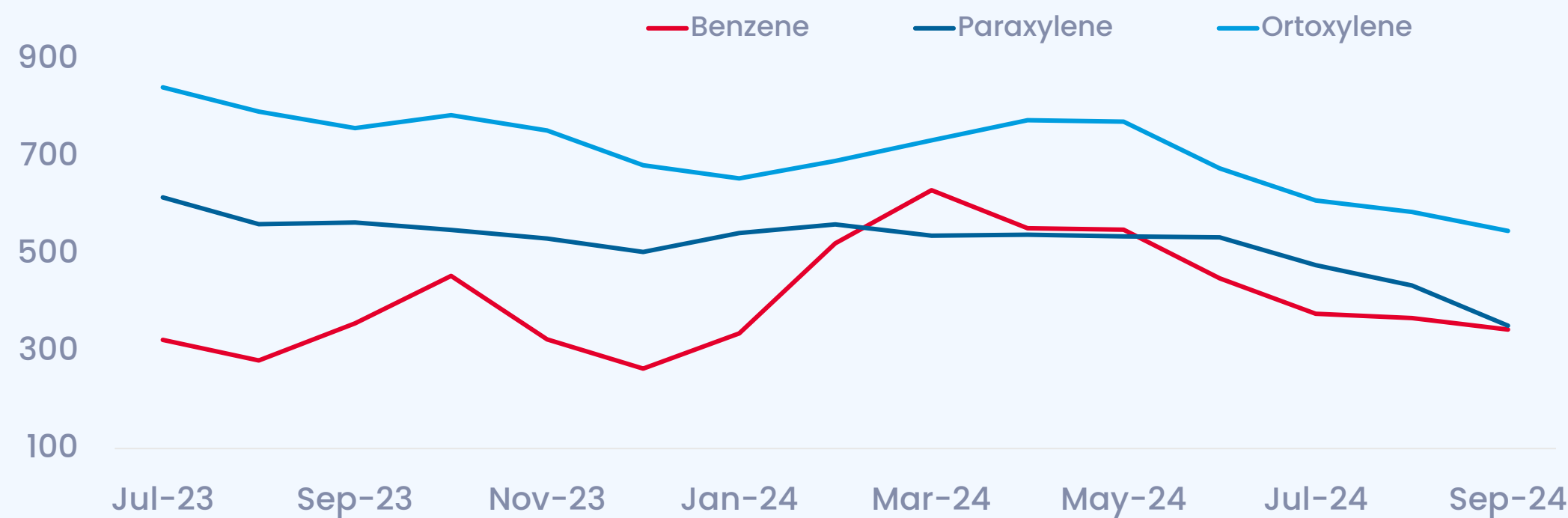
Polymers



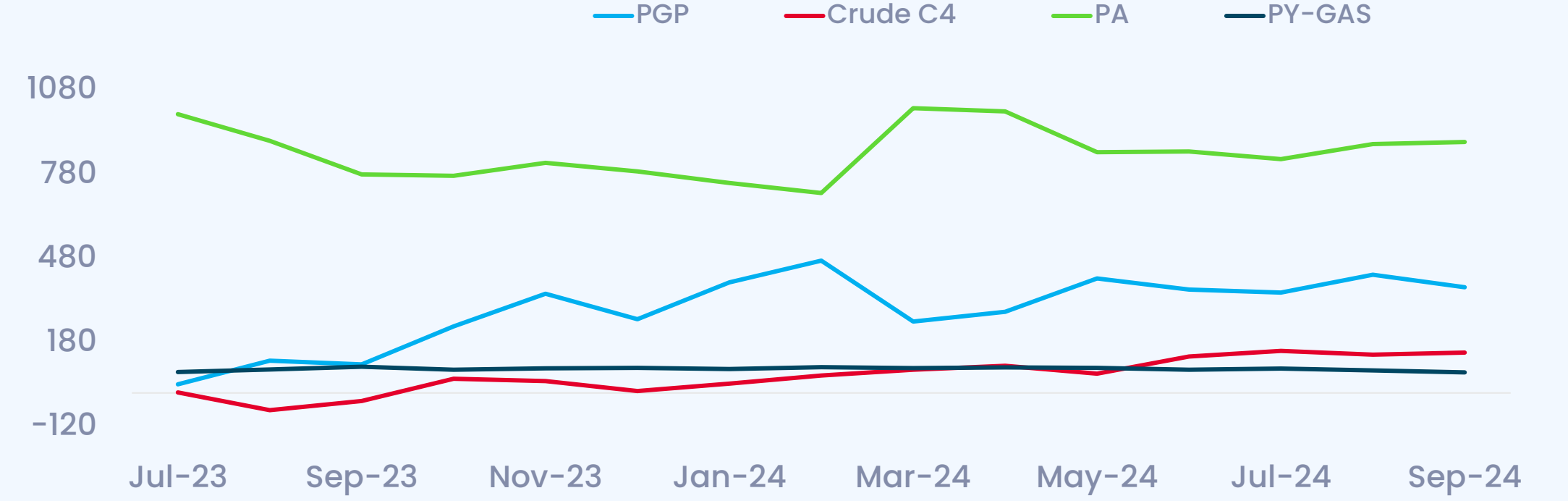
Fibers



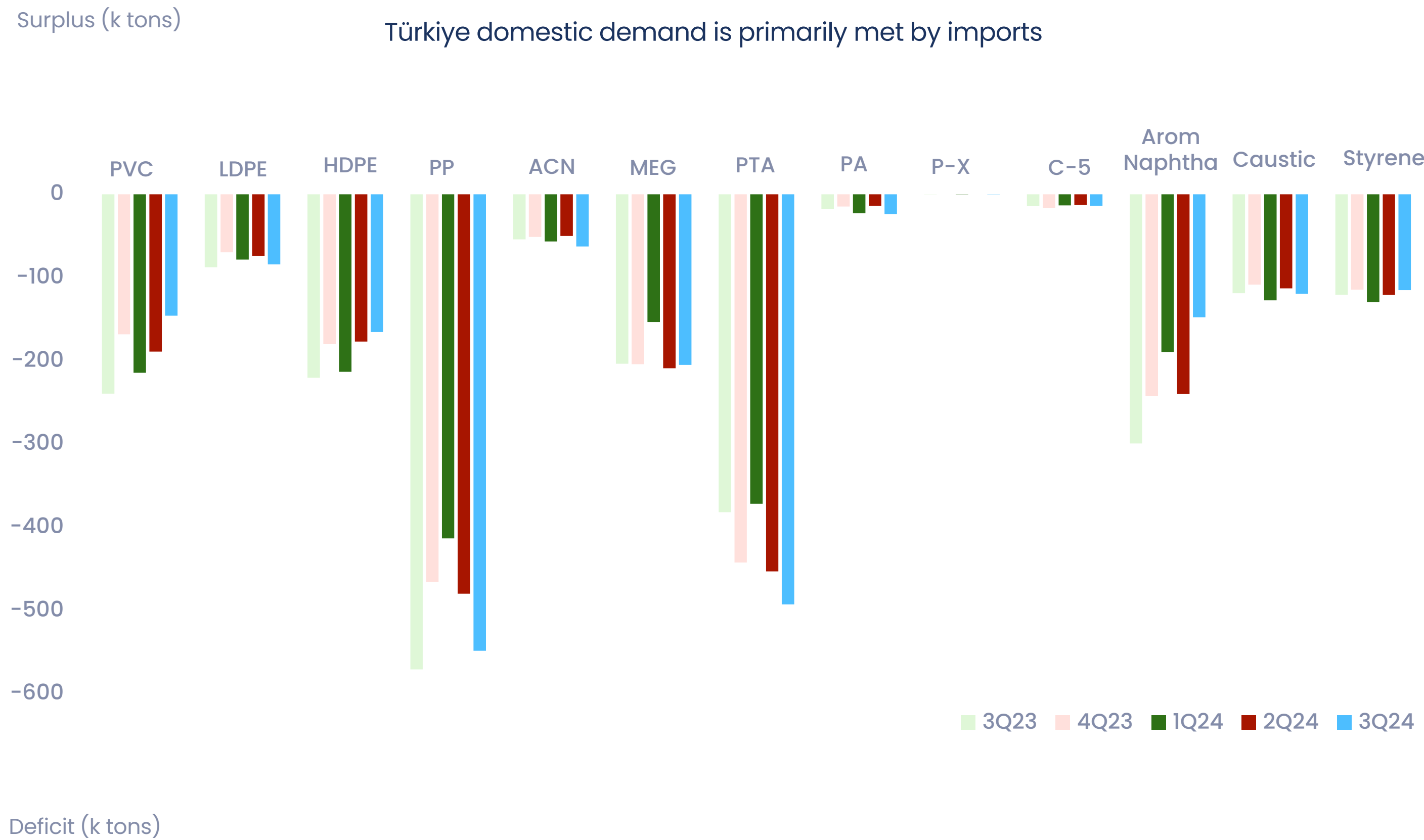
Aromatics



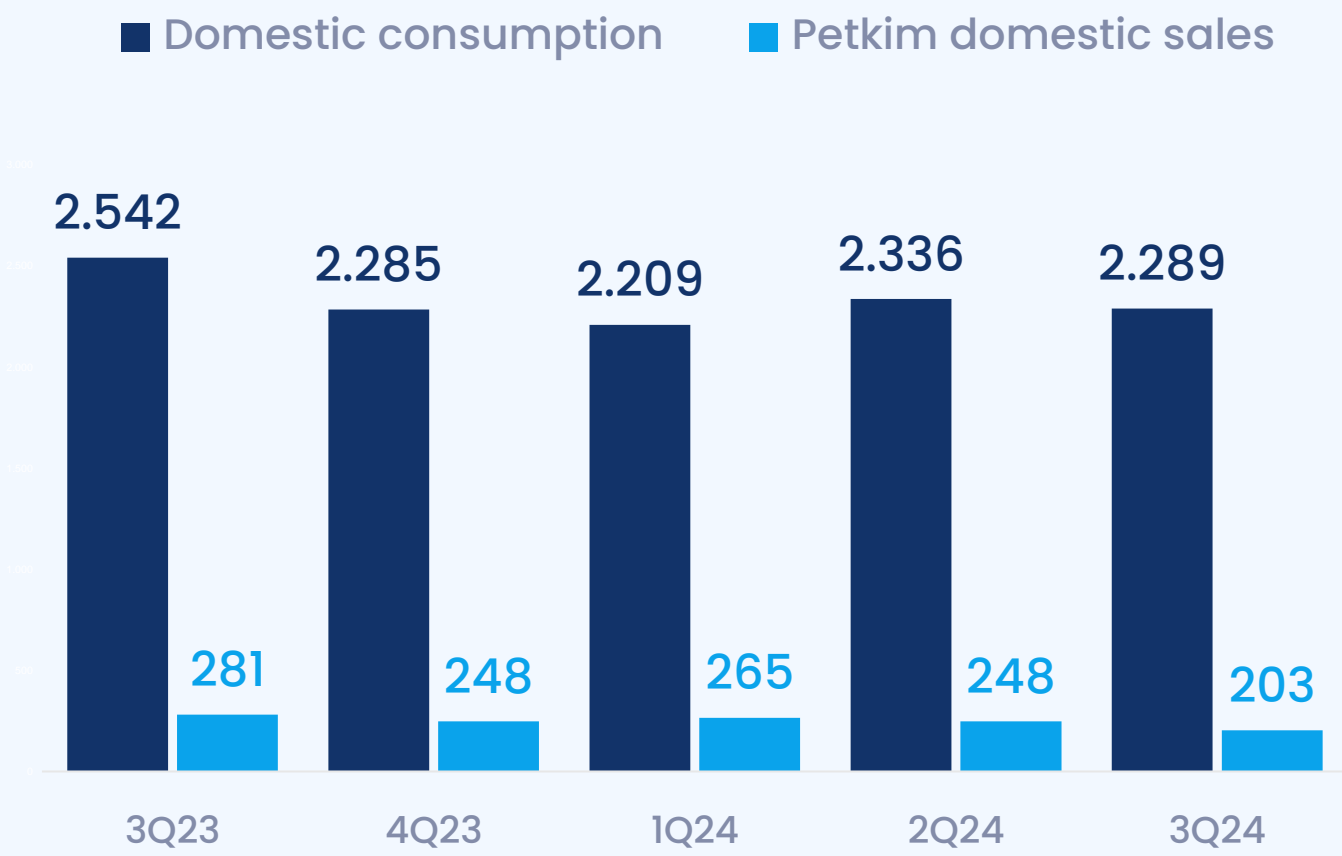
Others



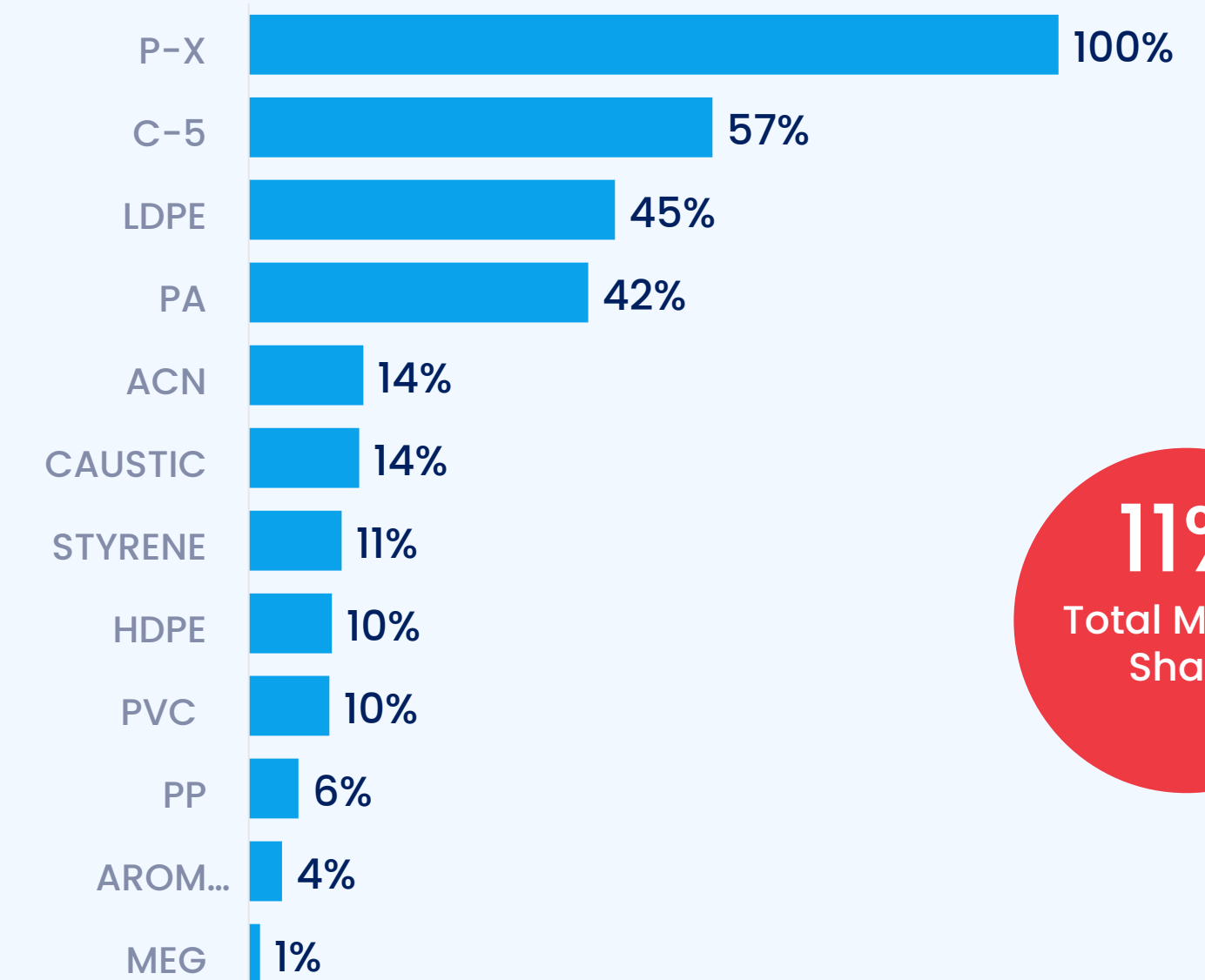
Türkiye's Petrochemical Sector Overview



Petrochemical consumption in Türkiye (k tons)



Products market share (cumulative)



11%
Total Market Share



OPERATING & FINANCIAL RESULTS



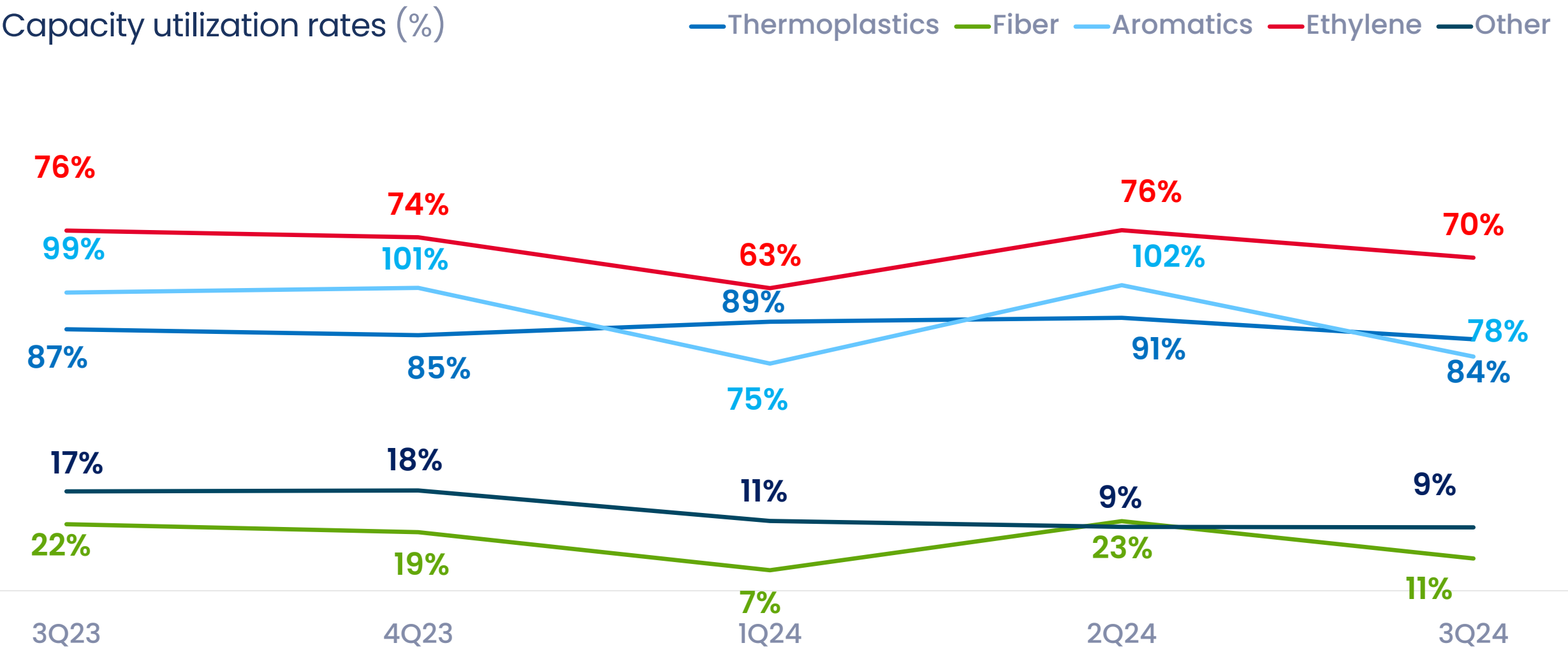


Capacity Utilization & Gross Production

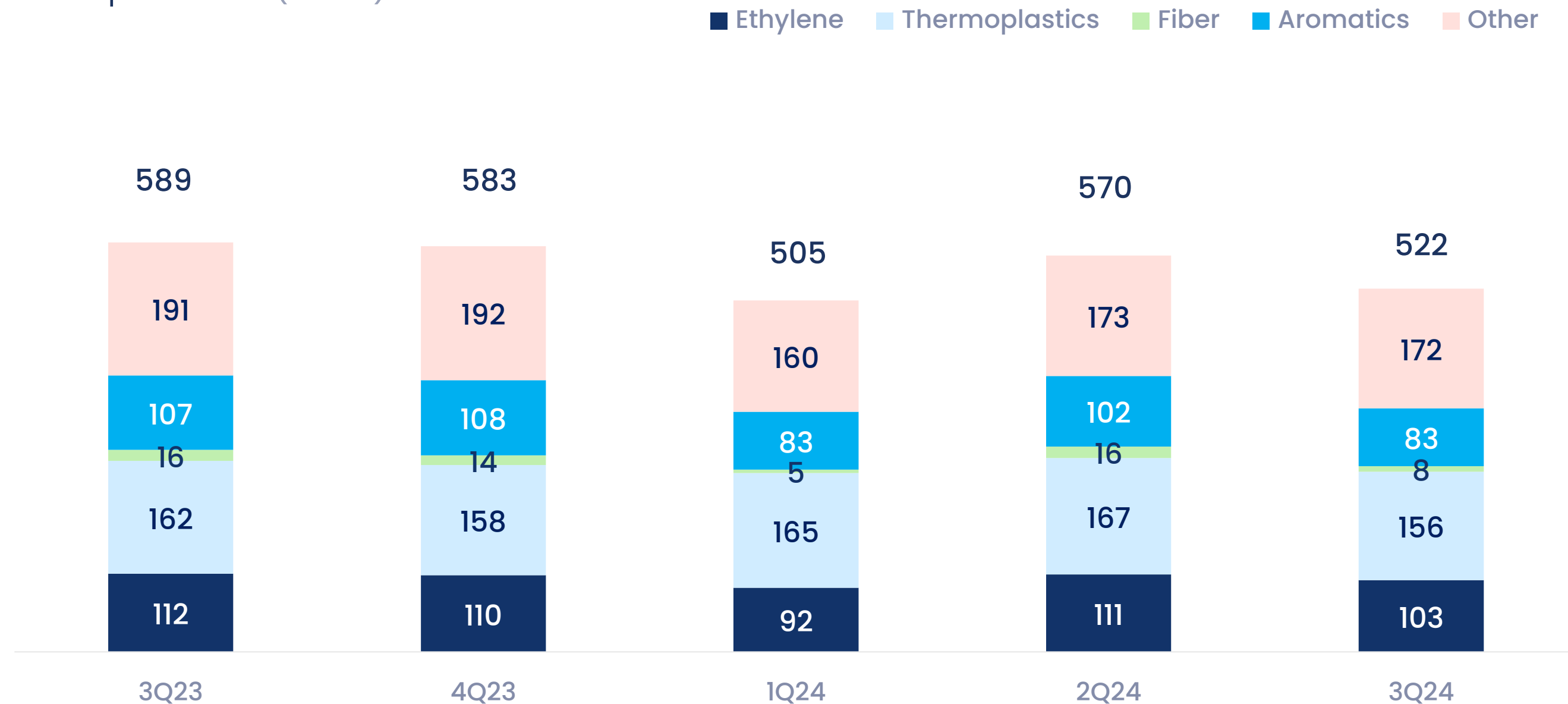
+ Temporary production disruptions and decisions made by management to optimize profitability have impacted CUR

+ Petkim generated 522k tons gross production and capacity utilization rate was 58% in 3Q24

Capacity utilization rates (%)



Gross production (k tons)

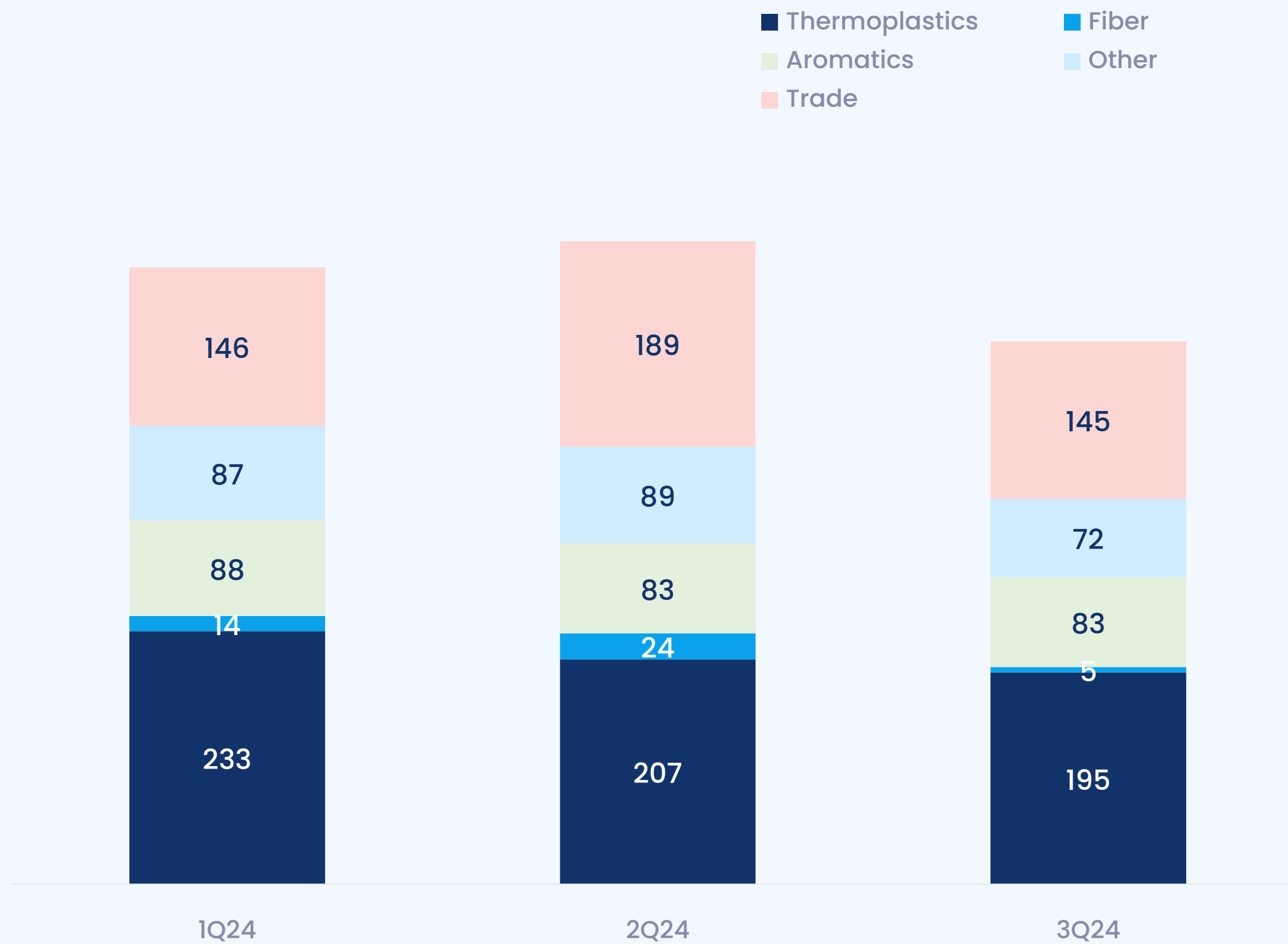




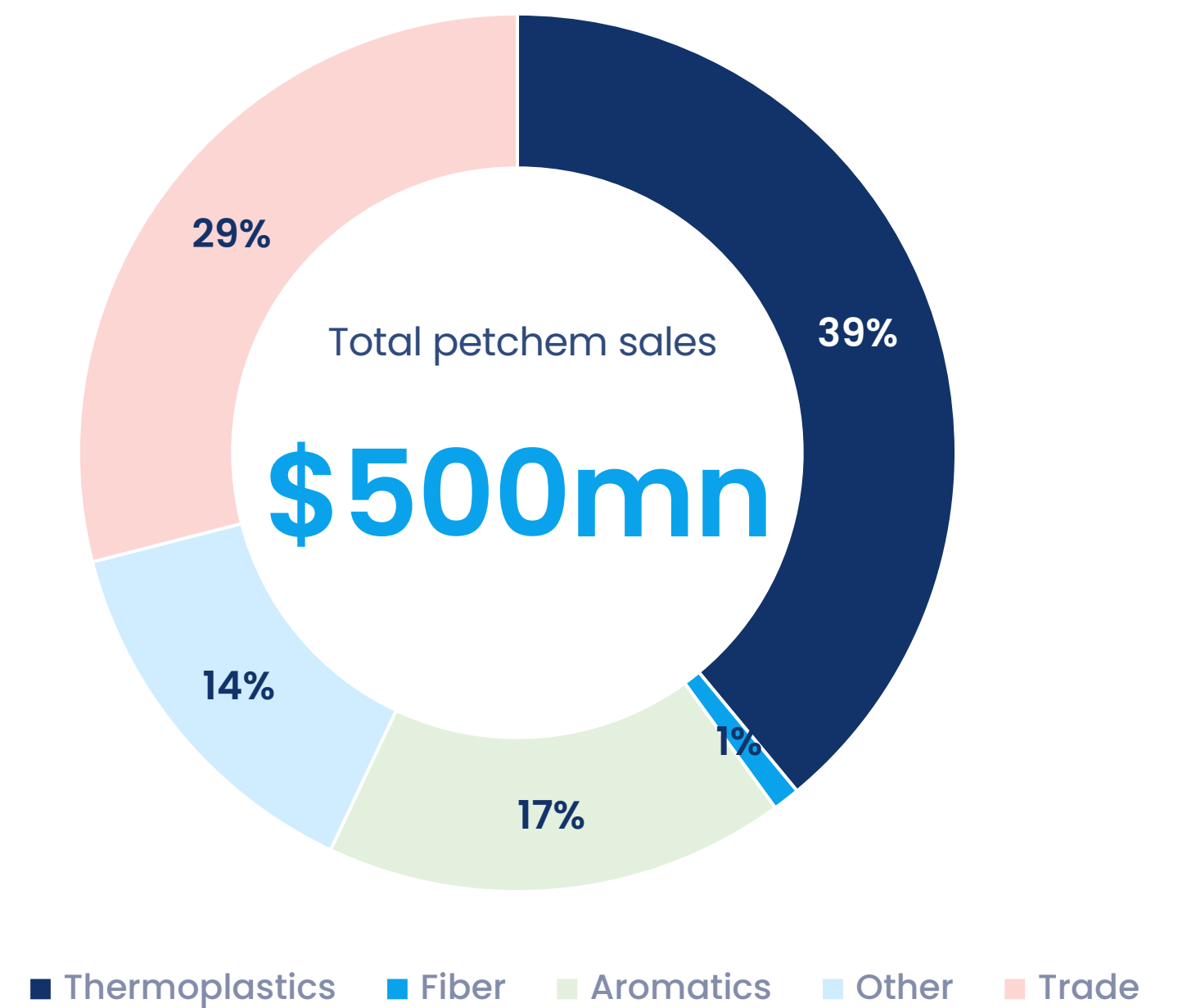
Petrochemical Product Sales



Breakdown of petchem sales (USD mn)



Breakdown by percentage in 3Q24



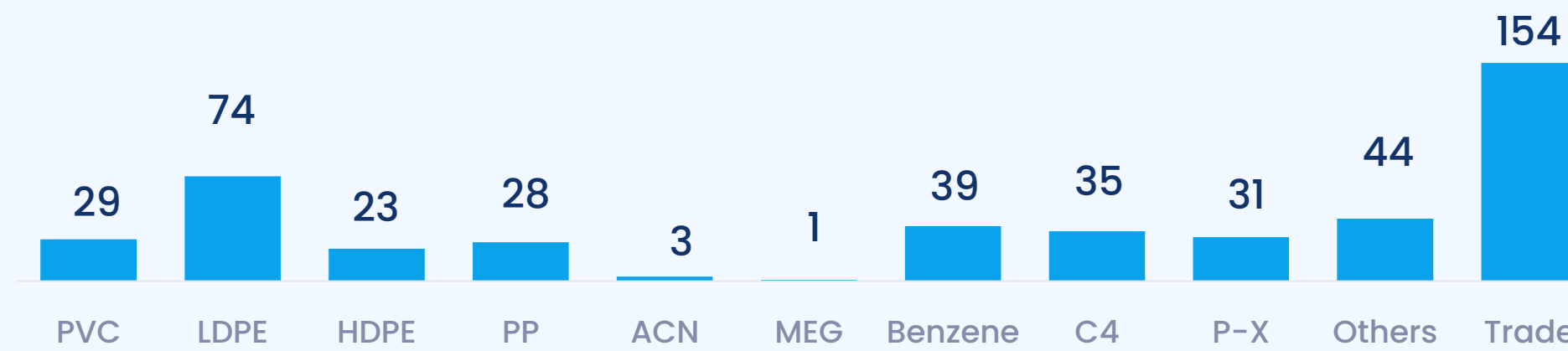
Breakdown of Sales



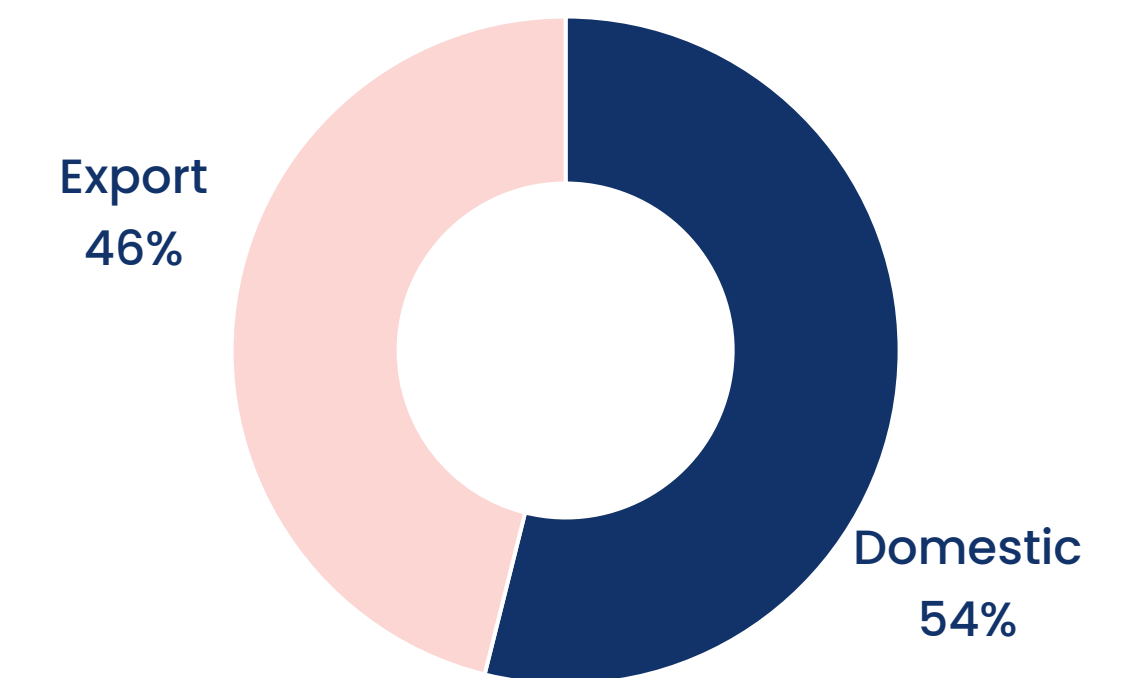
Total volume:

461k tons

Sales volume (k tons)



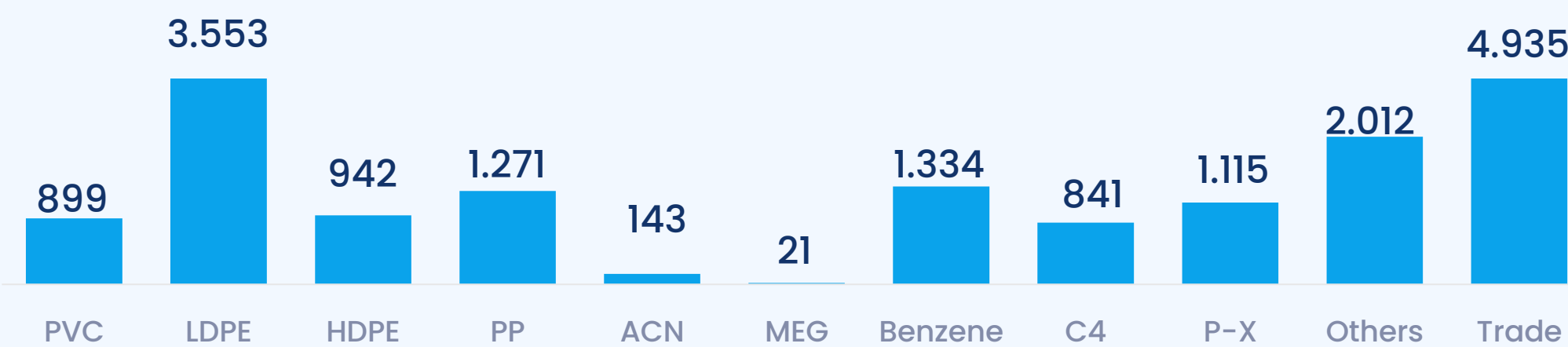
Revenue breakdown (%)



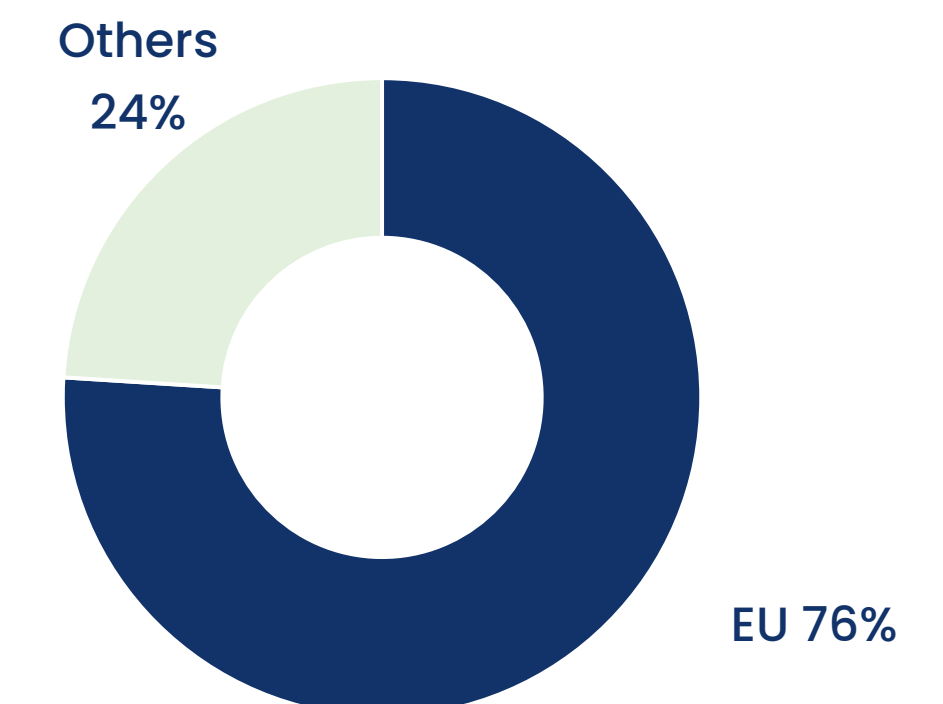
Total revenue:

₺17,064mn

Revenue (TRY mn)



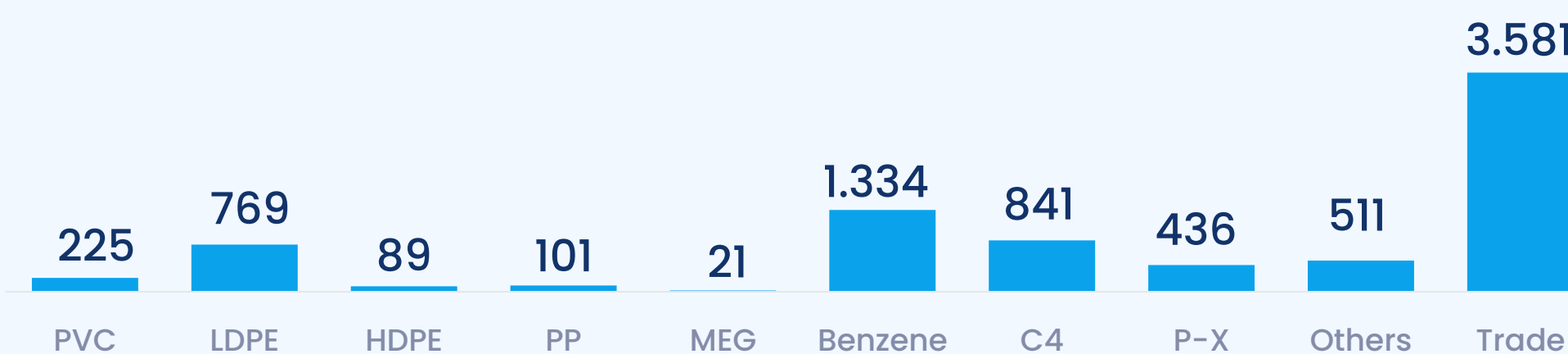
Exports breakdown as per region (%)



Total export:

₺7,906mn

Export Revenue (TRY mn)



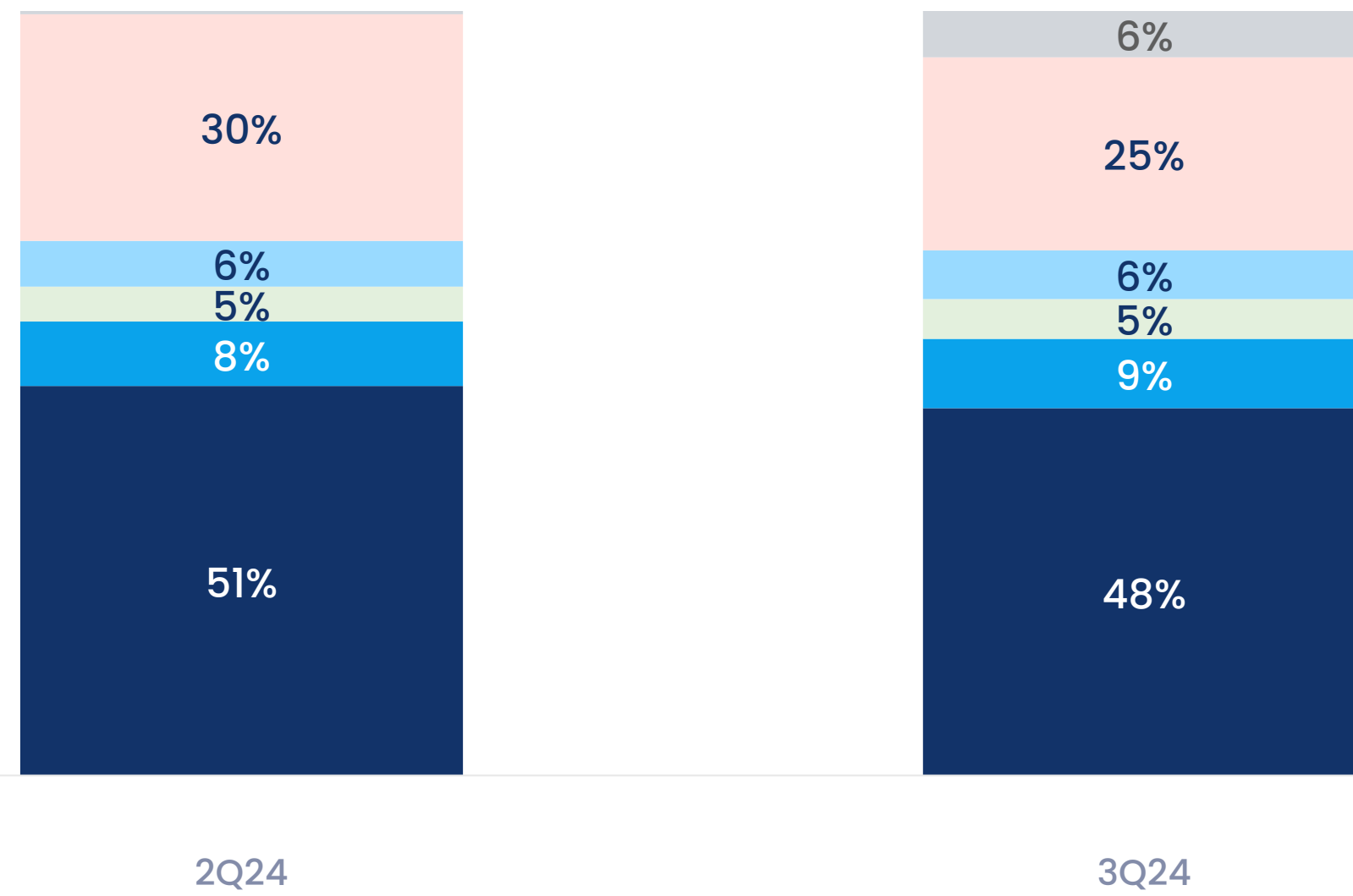


Breakdown of Total COGS

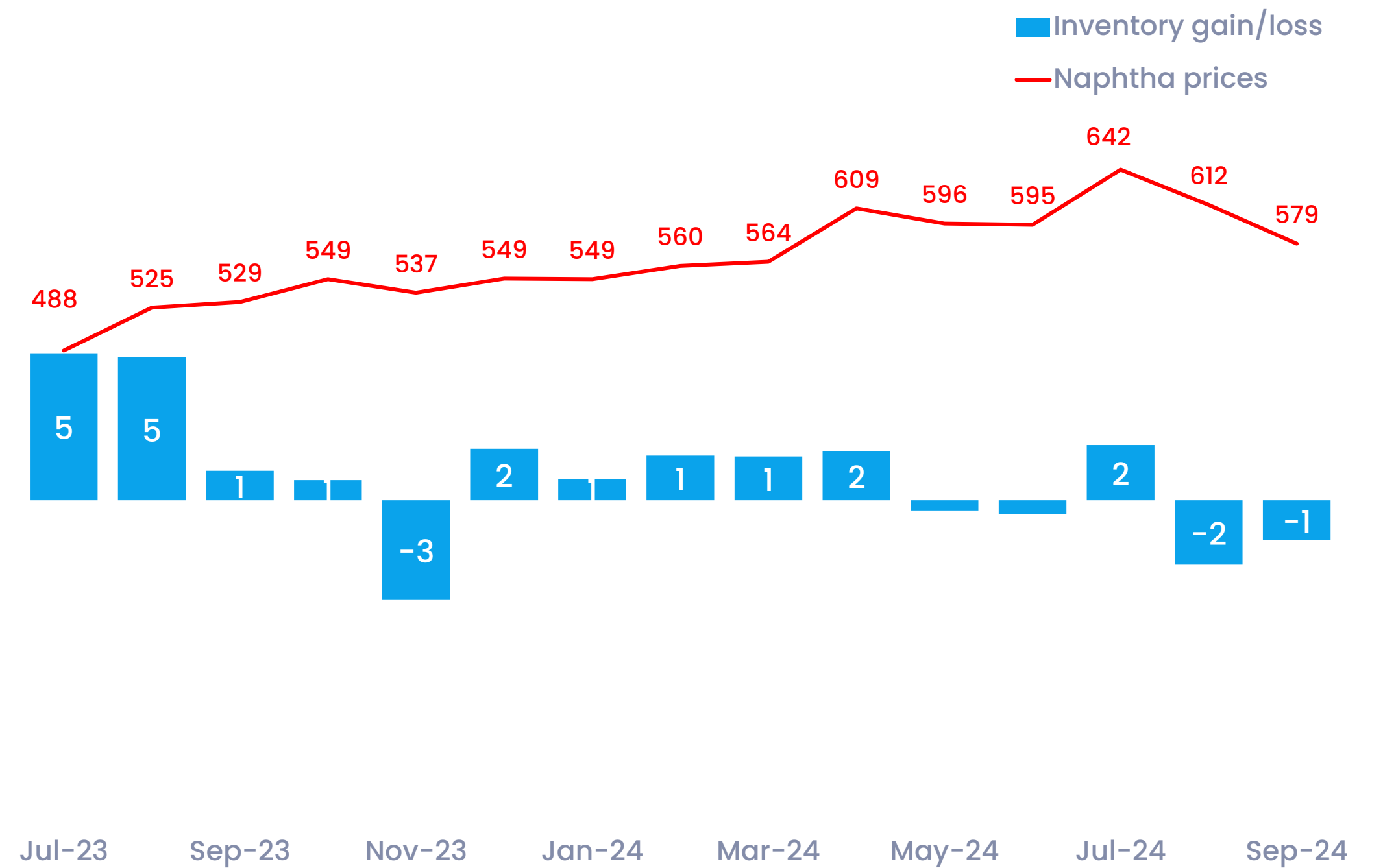


COGS breakdown (%)

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



Inventory gain/loss* (USD mn)



3Q24 total COGS

₹18,392mn

3Q24 inventory loss

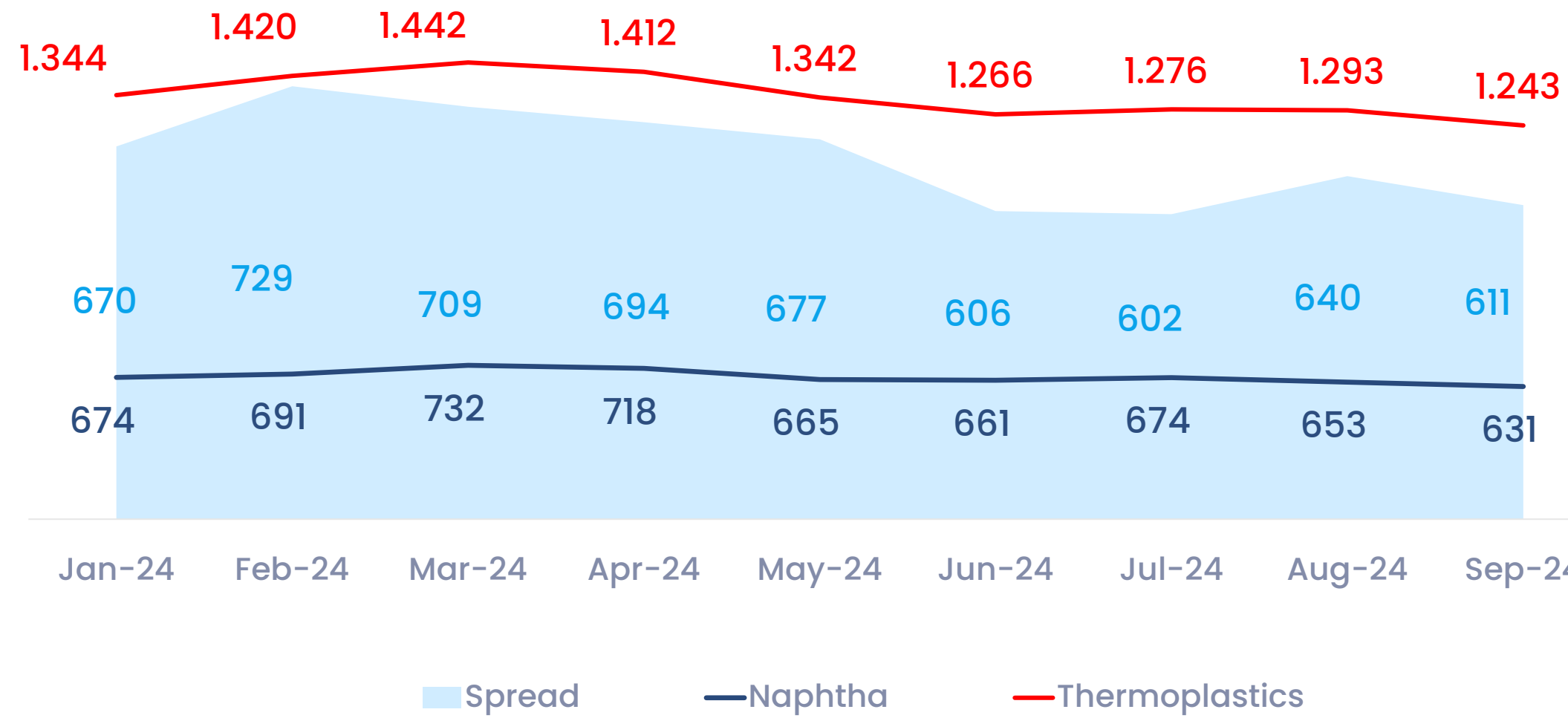
\$2mn

*IAS 29 is not applied to this figure.

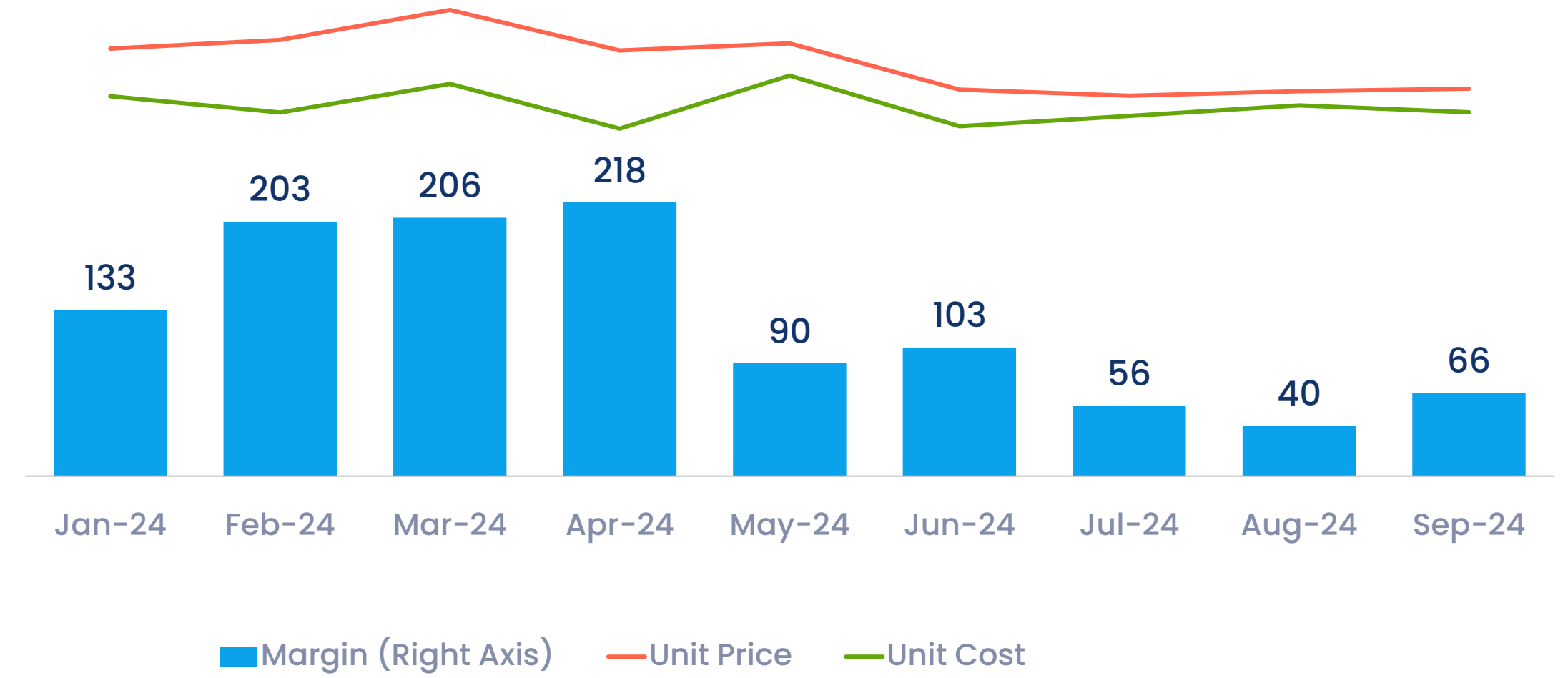


Feedstock vs. Product Prices of PETKIM

Thermoplastics and naphtha spread
USD/ton



Petchem unit margins
USD/ton



* Excluding trade

+ Petkim was unable to take advantage of the some major synergies with STAR Refinery due to planned TA in the refinery

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

+ Margins were squeezed as the co-product price dropped while raw material costs increased





PETKIM 3Q24

Income Statement



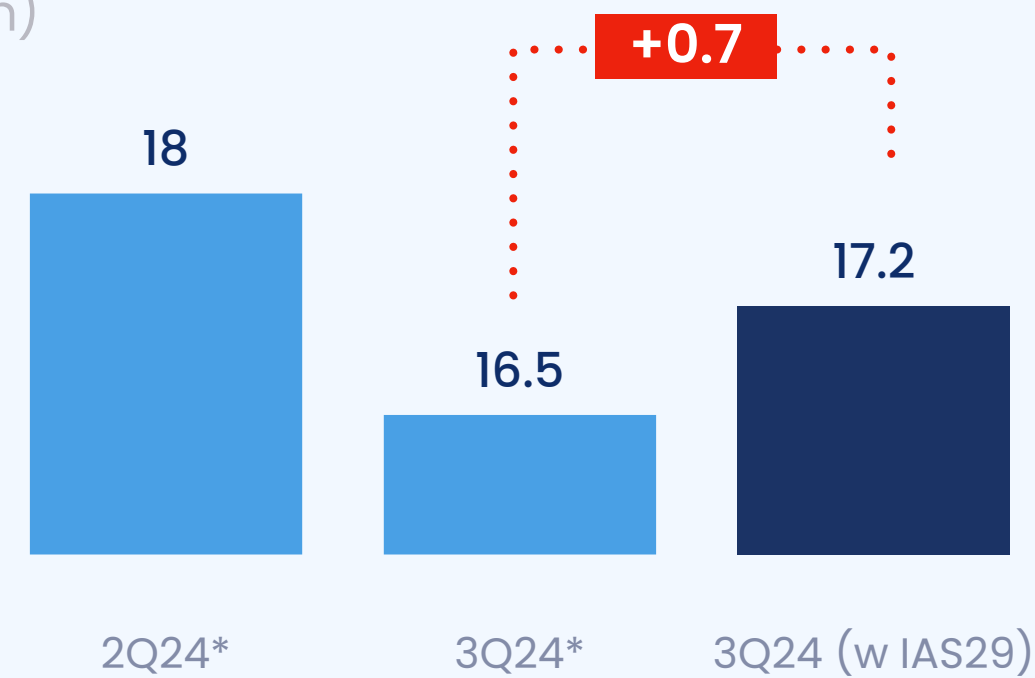
TRY mn	Q2'24*	Q3'24	QoQ Δ (%)
Sales	20,376	17,219	(15%)
Cost of sales	(19,745)	(18,392)	(7%)
Gross profit	631	(1,173)	(286%)
Gross profit %	3%	(7%)	-
Marketing and sales expenses	(361)	(298)	(18%)
General administrative expenses	(873)	(668)	(24%)
Operating profit	(603)	(2,138)	255%
Other income/ (expenses)	(769)	(1,846)	140%
Financial income	469	501	7%
Financial expenses	(1,903)	(2,370)	25%
Monetary gain / (loss)	2,464	2,380	(3%)
Profit before tax	(342)	(3,473)	916%
Income tax	-	-	-
Deferred tax	2,282	454	(80%)
Net profit / (loss)	1,940	(3,019)	(256%)
Net profit %	10%	(18%)	-
Depreciation	1,316	1,300	(1%)
EBITDA	760	(573)	(175%)
EBITDA %	4%	(3%)	-

*Adjusted with September '24's purchasing power.

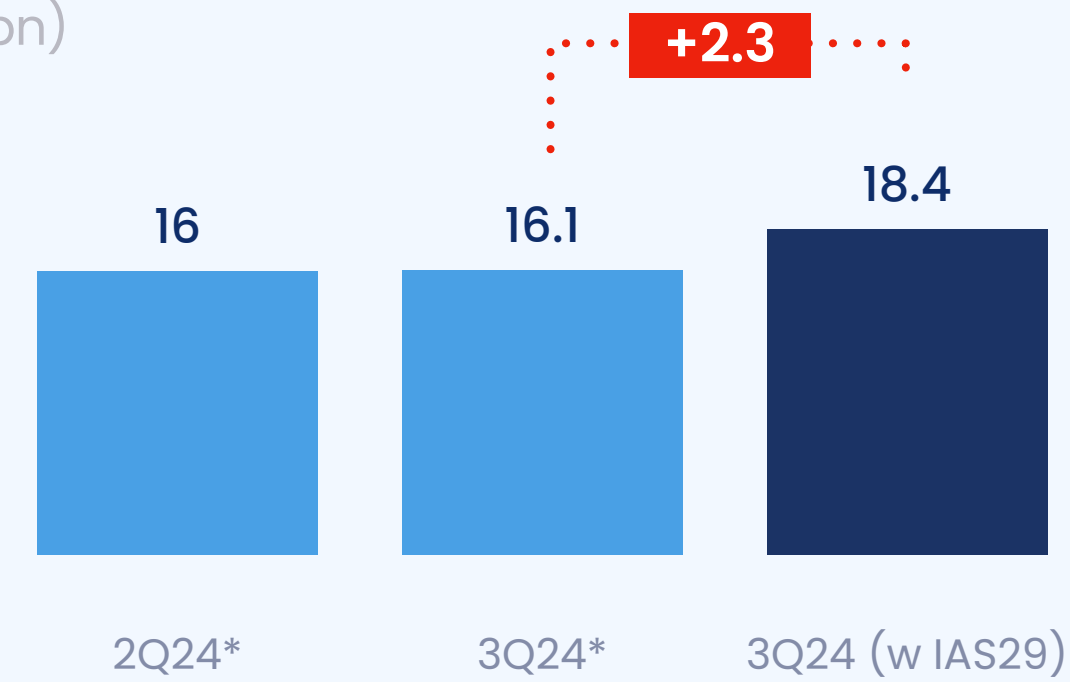


Impact of Inflation Accounting on Income Statement

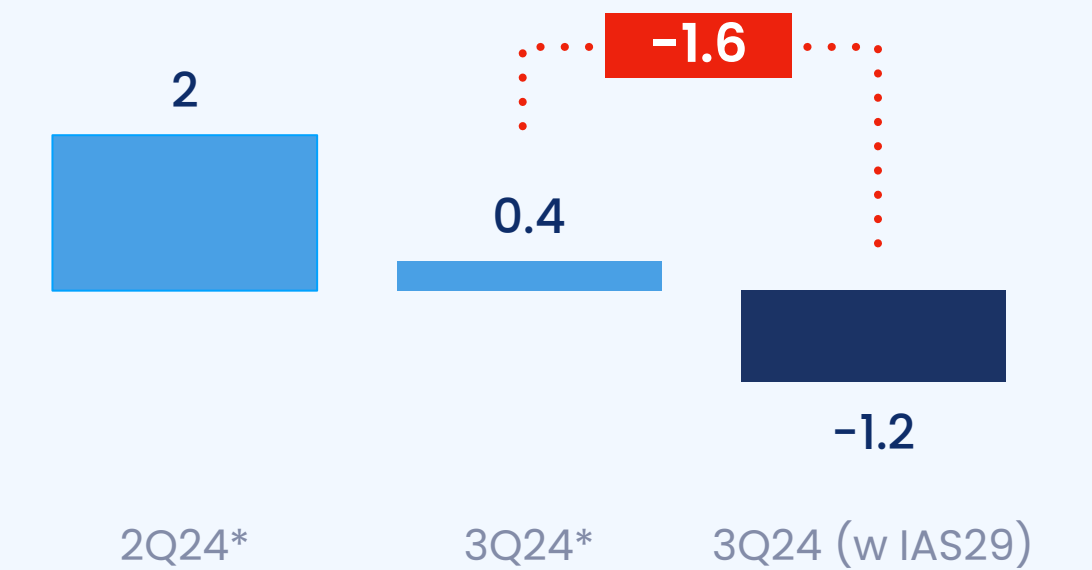
Revenues
(TRY bn)



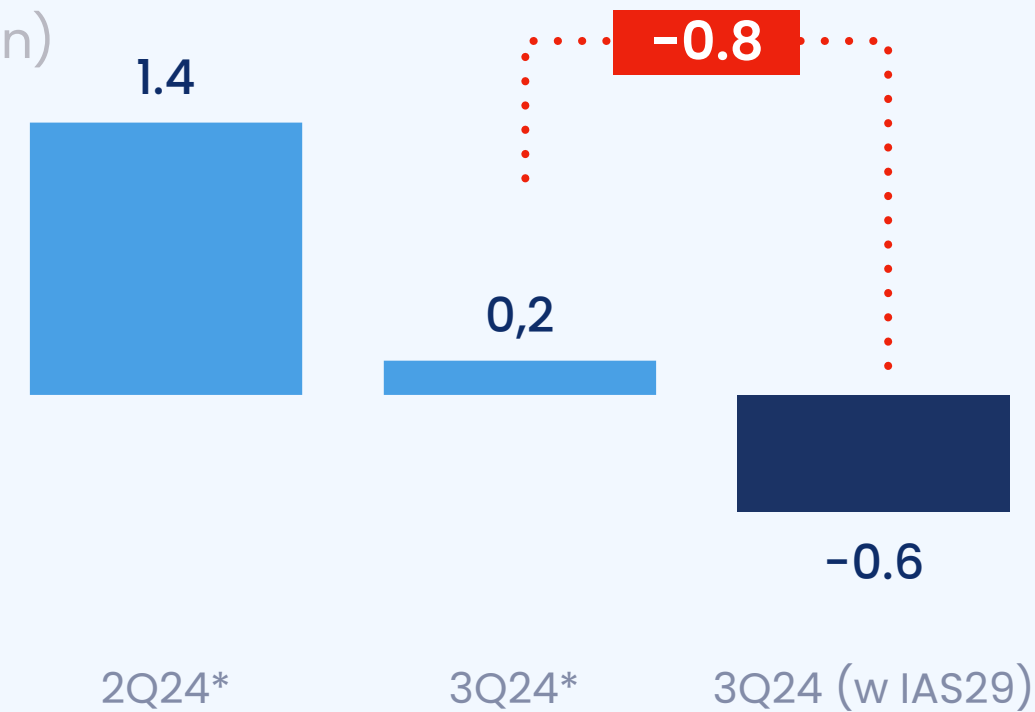
COGS
(TRY bn)



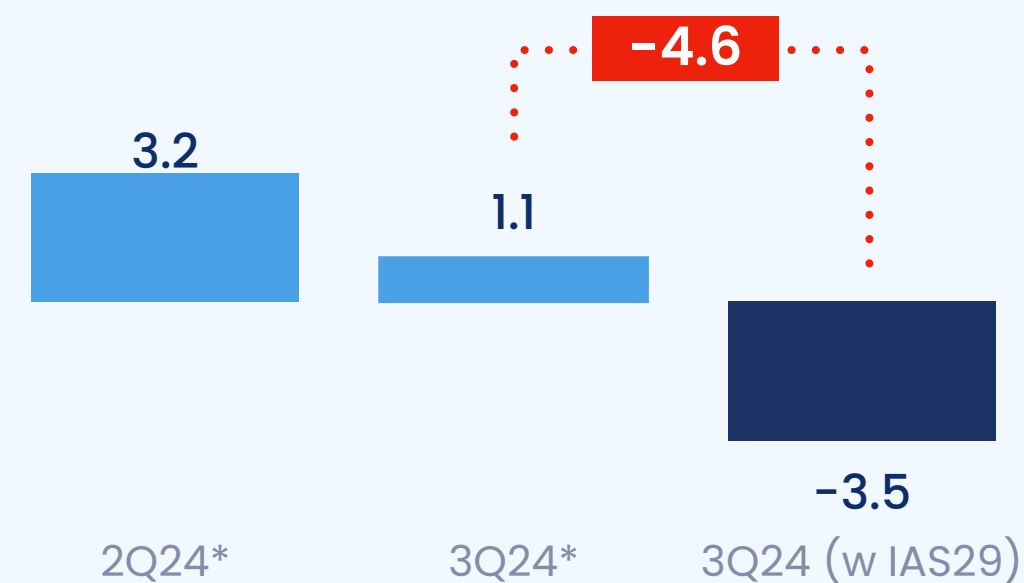
Gross Profit
(TRY bn)



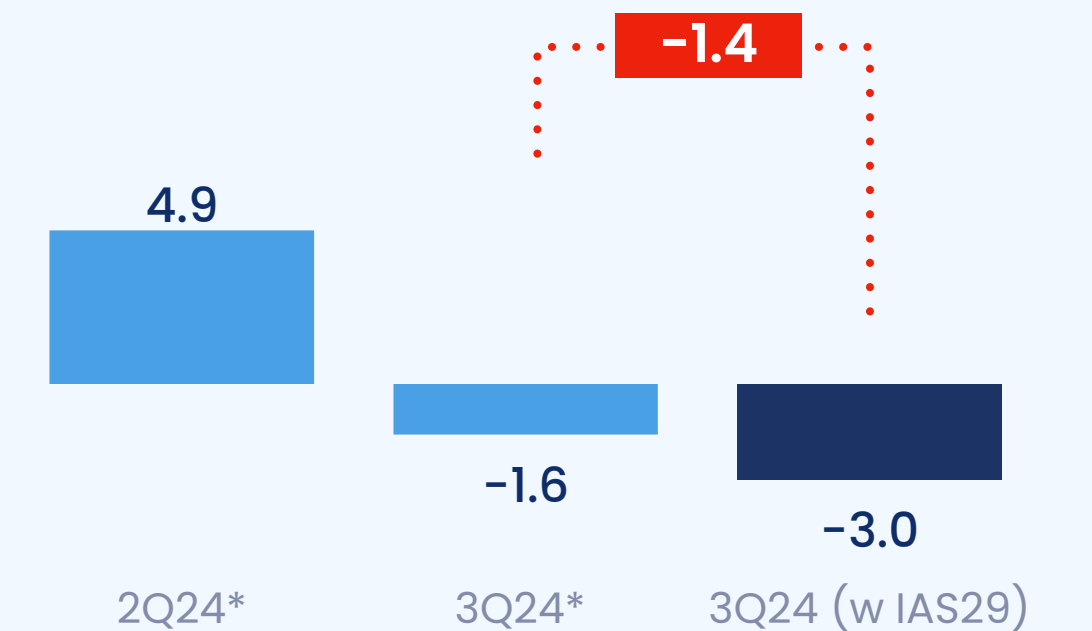
EBITDA
(TRY bn)



Profit Before Tax
(TRY bn)



Net Profit
(TRY bn)



-Δ TRY795mn depreciation

-Δ TRY126mn OPEX

+Δ TRY2.3bn monetary gain
-Δ TRY1.7bn net income from investment activities

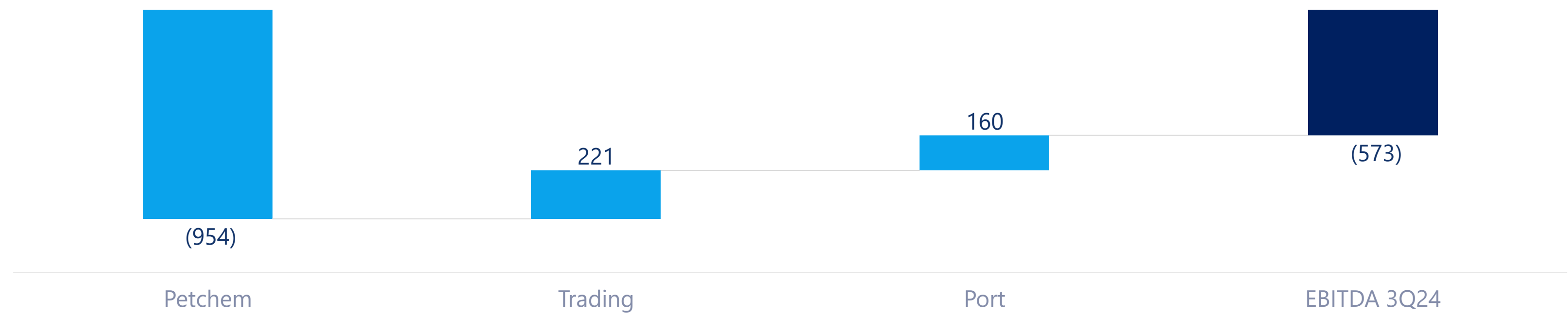
-Δ TRY247mn deferred tax

*IAS 29 is not applied to these figures.

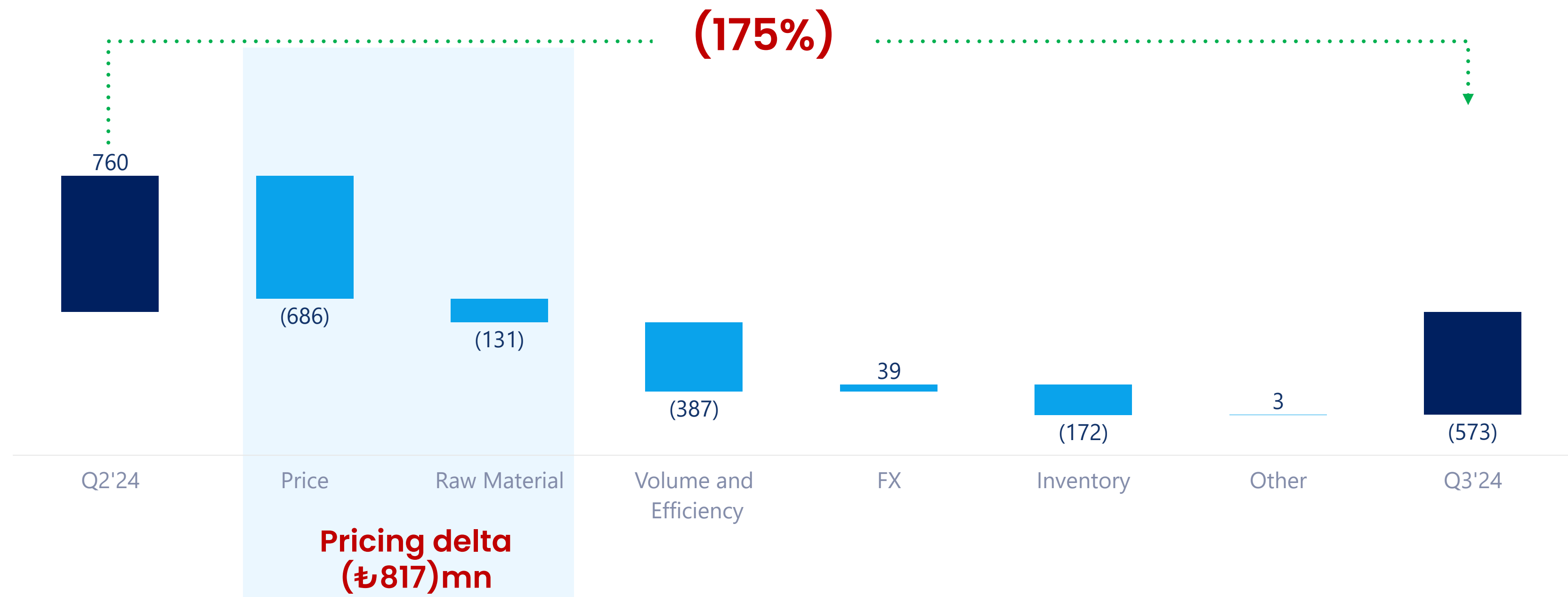


EBITDA decreased mainly due to negative pricing delta, volume & efficiency and inventories

Q3'24 segments' results (TRY mn)



Yearly change in EBITDA (TRY mn)





PETKIM 9M24

Balance Sheet

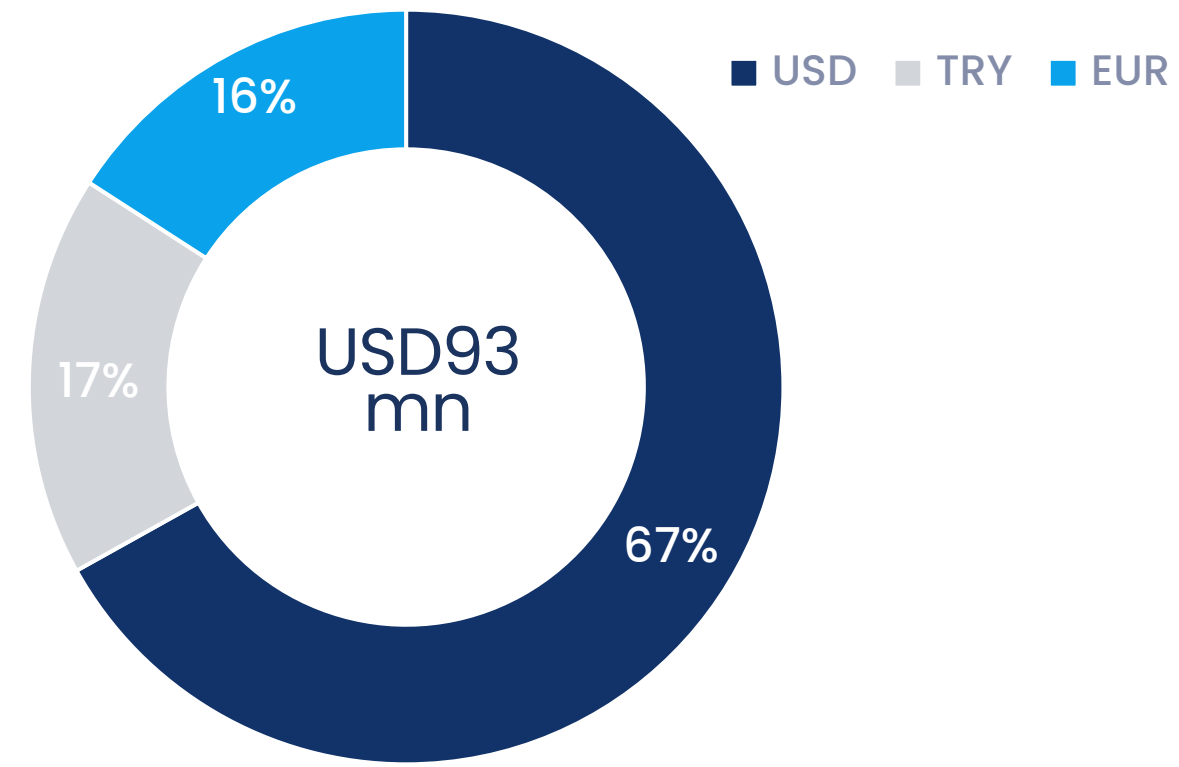
As values of non-monetary assets and liabilities are indexed to inflation, the largest impact was realized on inventories, fixed assets, right of use assets, share capital and retained earnings

TRY mn	6M'24*	9M'24	QoQ Δ (%)
Cash and cash equivalents	5,807	3,174	(45%)
Trade receivable	10,248	8,802	(14%)
Inventory	8,091	8,650	7%
Other receivables	47	12	(74%)
Other current assets	2,899	3,258	12%
Current assets	27,092	23,896	(12%)
Non current assets	98,679	95,005	(4%)
Total assets	125,771	118,901	(5%)
Short term borrowings	24,198	23,887	(1%)
Trade payables	10,617	9,965	(6%)
Other payables	1,865	2,319	24%
Current liabilities	36,679	36,171	(1%)
Long term borrowings	16,901	15,855	(6%)
Other non-current liabilities	5,023	4,593	(9%)
Shareholders' equity	67,169	62,283	(7%)
Total liabilities	125,771	118,901	(5%)

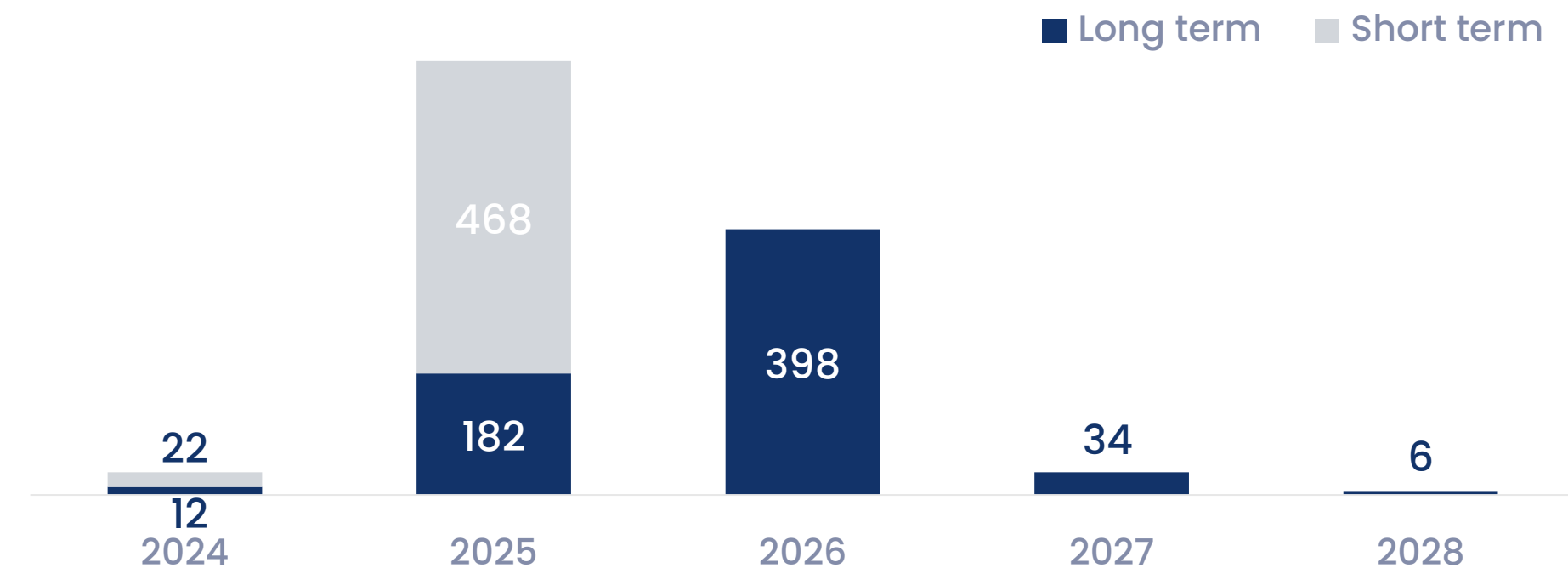
*Adjusted with September '24's purchasing power.



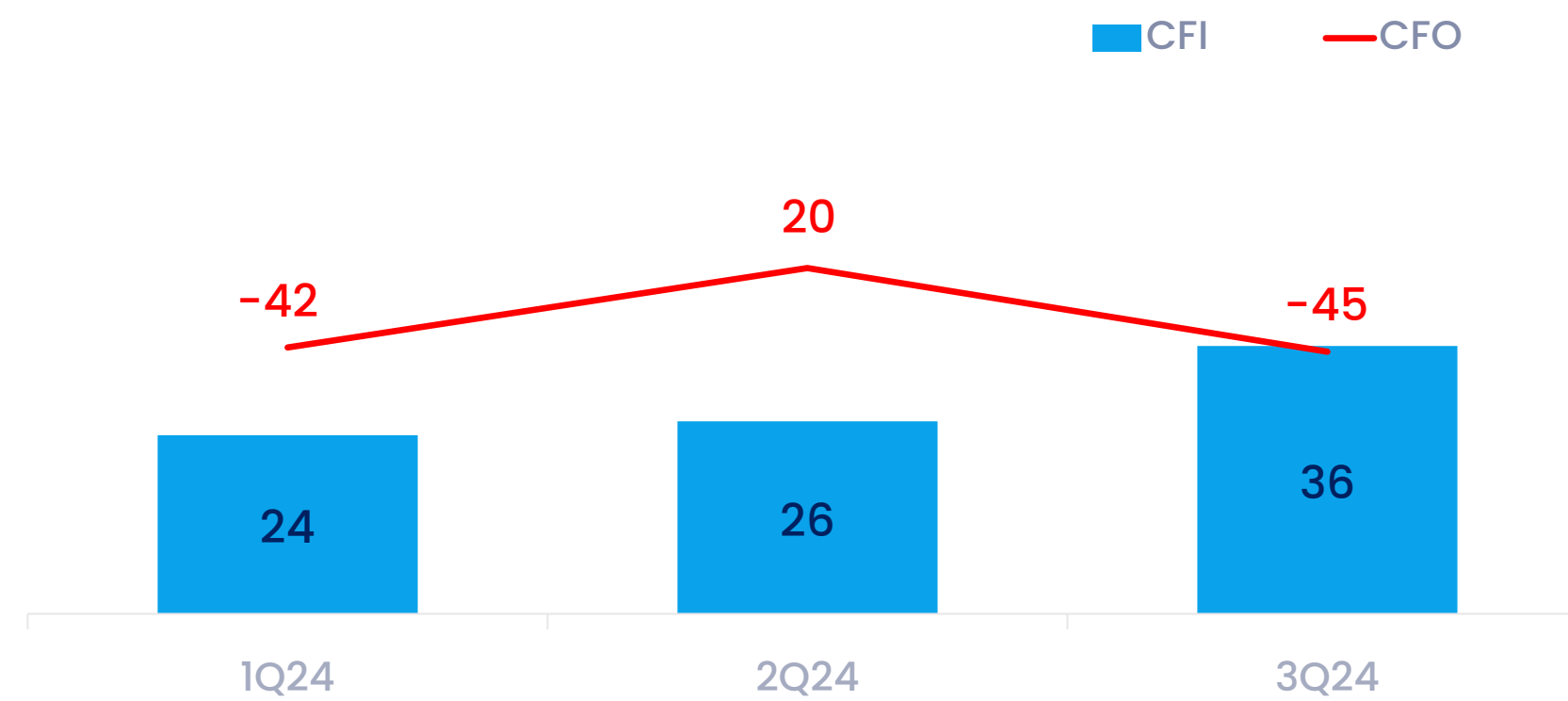
Liquidity Highlights



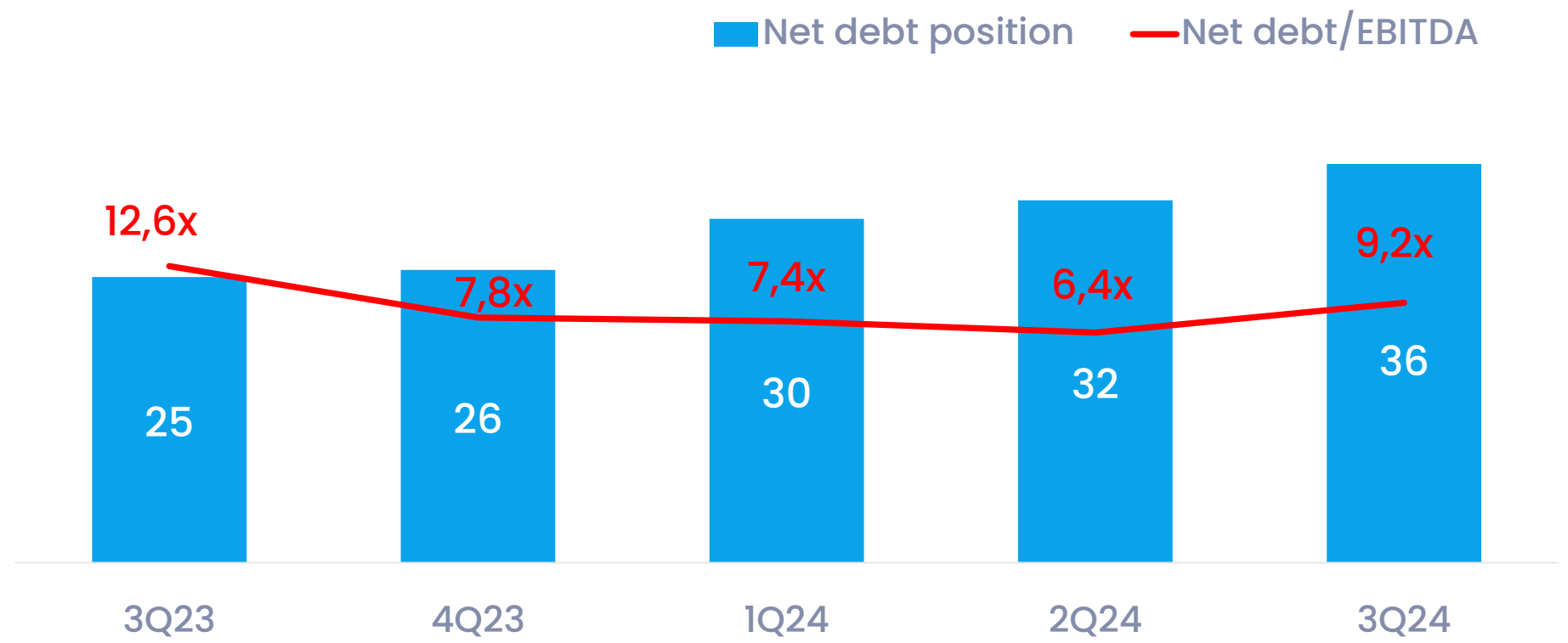
Maturity profile (USD mn)



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

Q3 2024 Figures

Capacity utilization

62%

Crude processed (yearly)

13mn tons

Product sales

2mn tons

Domestic sales

60%



In September, STAR Refinery initiated its first planned shutdown, which lasted approximately 2 months, and the TA was successfully completed at the end of the October

USD (mn)

Q2 2024

Q3 2024

Revenue

2.054

1.351

Net income

273

(32)

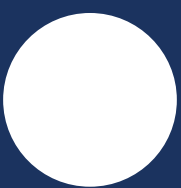
Net debt

1.304

1.590

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

Mid-term

Long-term

2021-2025

2025-2030

2030 onwards

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

- 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

- 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

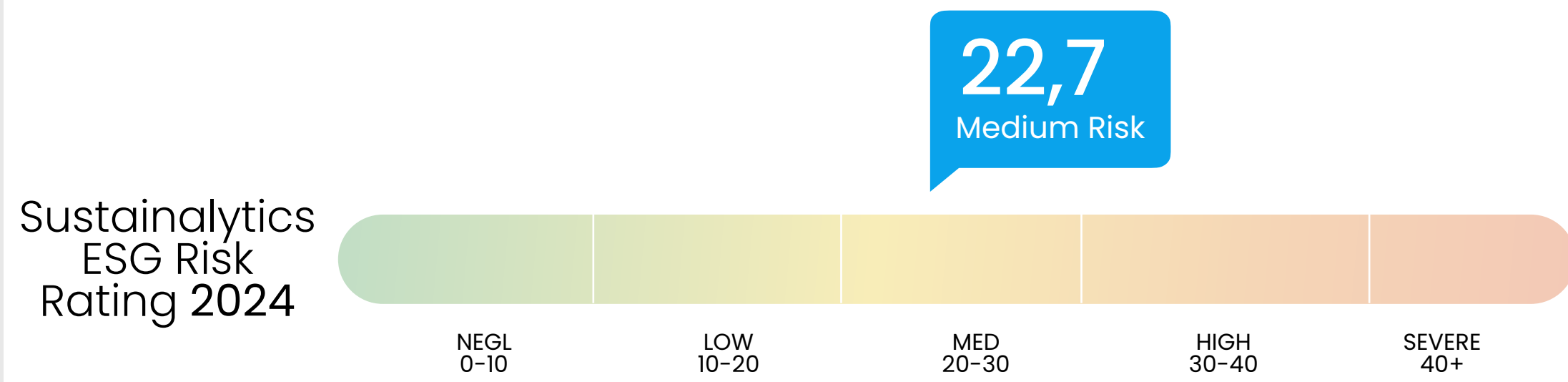
Invest in plastic recycling to be one of the leading companies in Türkiye recycling industry capacity



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 22,7



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
2024



Europe & Emerging EMEA
Equity Award
Best IR Team and
Best Corporate in IR
in Basic Materials
Extel
2024



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



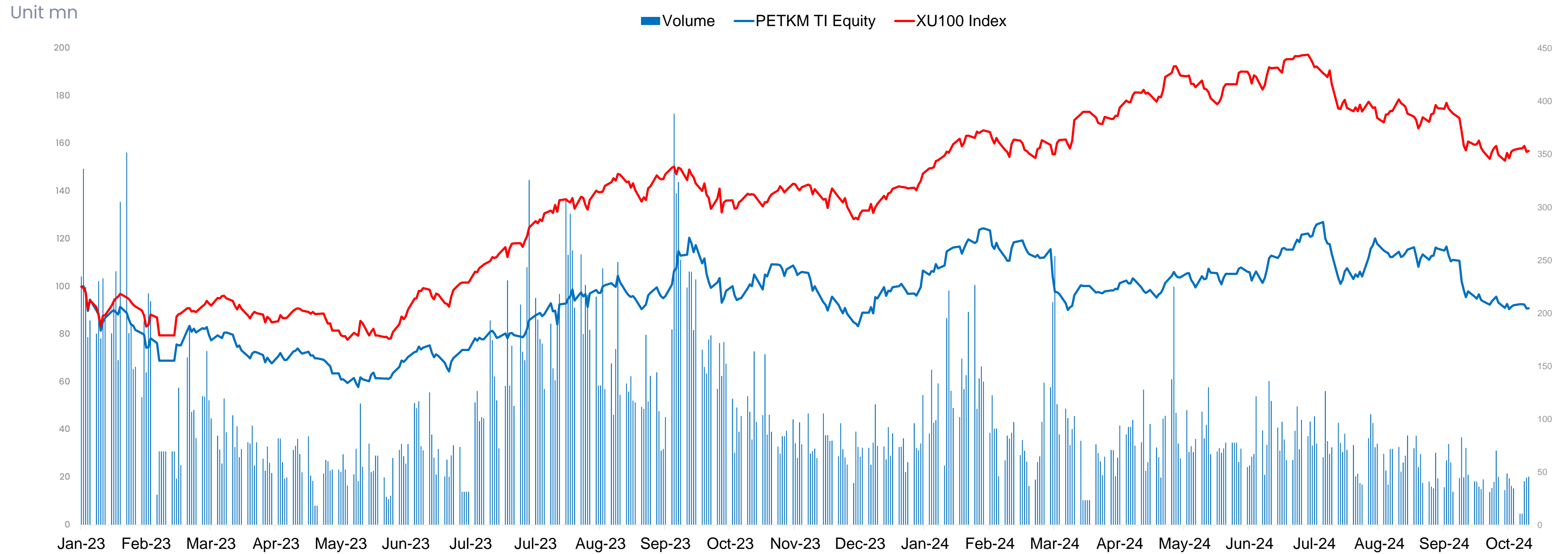
Petrochemical Complex Flow Chart

Petkim has fully integrated operations





PETKIM Stock Performance



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

₺18.58 / \$0.54

Market capitalization
(TRY mn) / (USD mn)

₺47,089 / \$1,371

Free float
(%)

49.0%

*As the date of 01 Nov 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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