

14 March  
2019



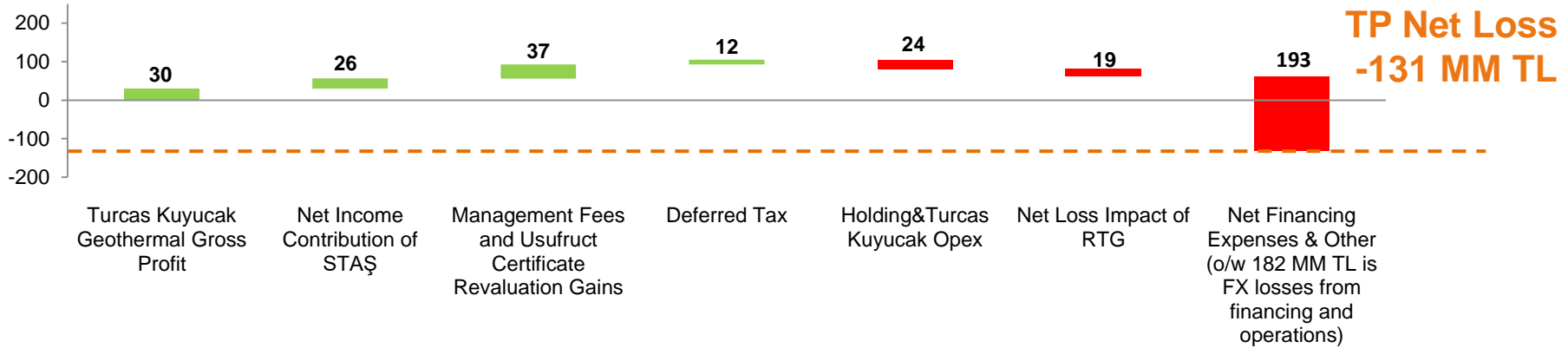
## YE18 Earnings Presentation



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# YE18 General Overview

## Turcas Petrol IFRS Consolidated Net Income Bridging (YE18)



### Message from Turcas Petrol CEO



- Positive contribution from fuel distribution and geothermal business are overshadowed by FX losses due to depreciation of TL
- On a quarterly basis, **Turcas posted 54 MM TL net income in 4Q18** driven by 107 MM TL FX gains thanks to **appreciation of TL against USD and EUR in 4Q18**
- Adjusted for the impact of FX losses, Turcas 2018 full year net income would have been 51 MM TL

# At a glance- YE18



Shell & Turcas JV



**>1 million**  
daily  
visitors via  
**1,015**  
fuel stations



**879**  
**MM TL**  
EBITDA



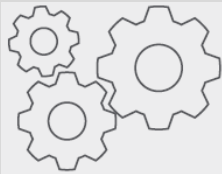
**88**  
**MM TL**  
Net  
Income



RWE & Turcas JV



**3 billion**  
**kWh**  
Generation



**967**  
**MM TL**  
Net Sales



**53**  
**MM TL**  
EBITDA



Kuyucak  
Geothermal



**80 million**  
**kWh**  
Generation



**11.8**  
**USc/kwh**  
Feed -In  
Tariff



**27**  
**MM TL**  
EBITDA



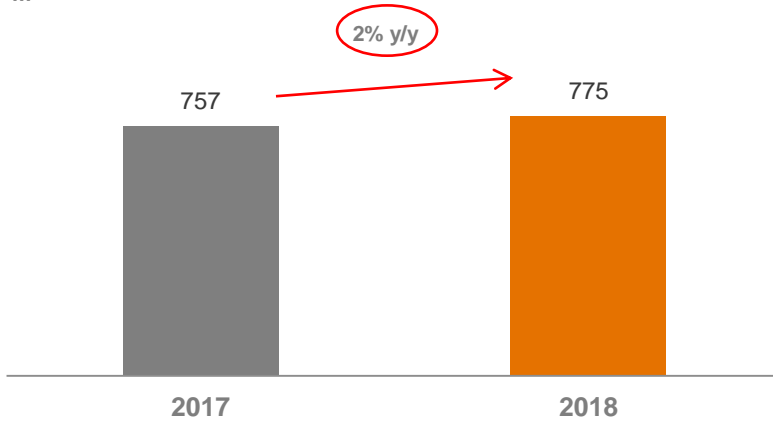
# Segmental Analysis

MM TL	Oil Segment			Energy Segment					
	Shell & Turcas			RWE & Turcas			TKG		
	Revenues	EBITDA	Net Income	Revenues	EBITDA	Net Income	Revenues	EBITDA	Net Income
YE18	32,566	879	88	967	53	-62	46	27	-42
YE17	23,975	961	321	823	79	-13	-	n.m.	n.m.

# Shell & Turcas JV – YE18 Key Highlights

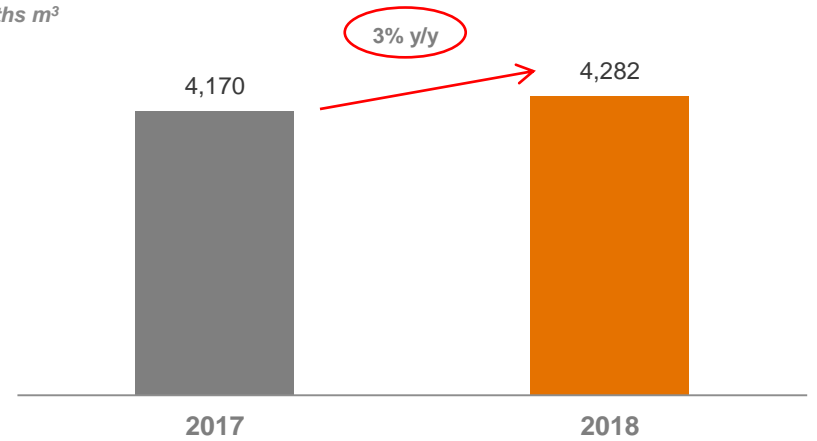
## Gasoline Sales (STAŞ)

ths m<sup>3</sup>



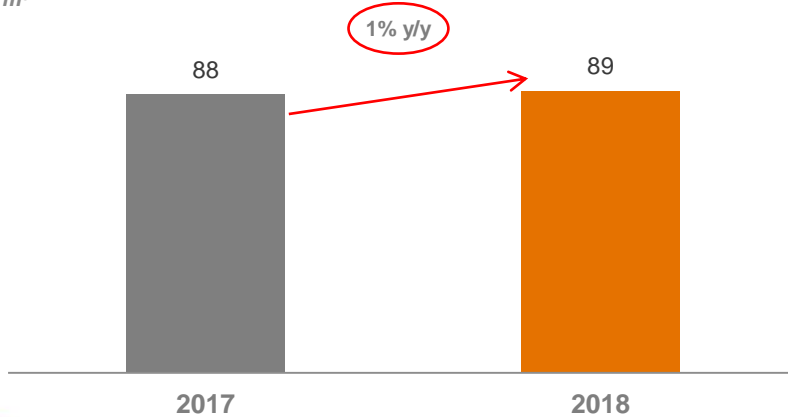
## Diesel Sales (STAŞ)

ths m<sup>3</sup>

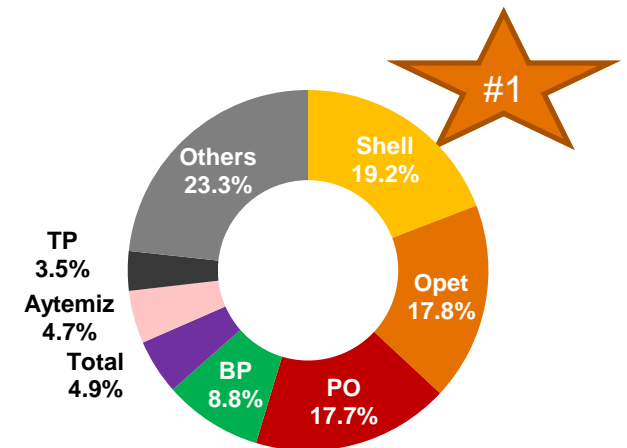


## Lubricants Sales (STAŞ)

ths m<sup>3</sup>



## Onsite Market Share (YE18)



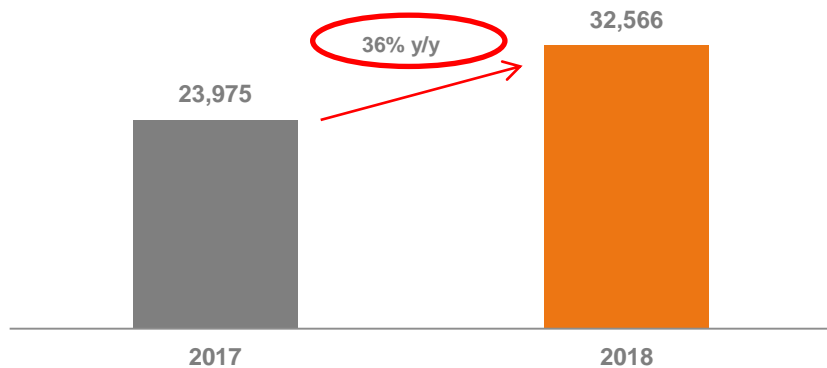
Source: PETDER. Market share info EMRA



# Shell & Turcas JV – YE18 Key Highlights

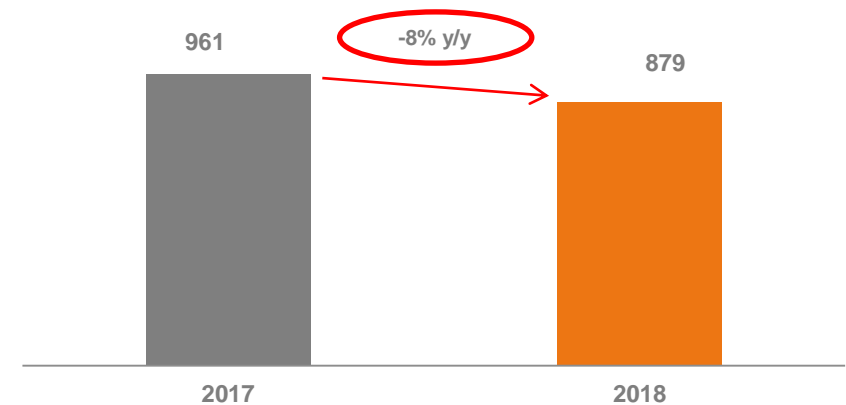
## Net Sales

MM TL



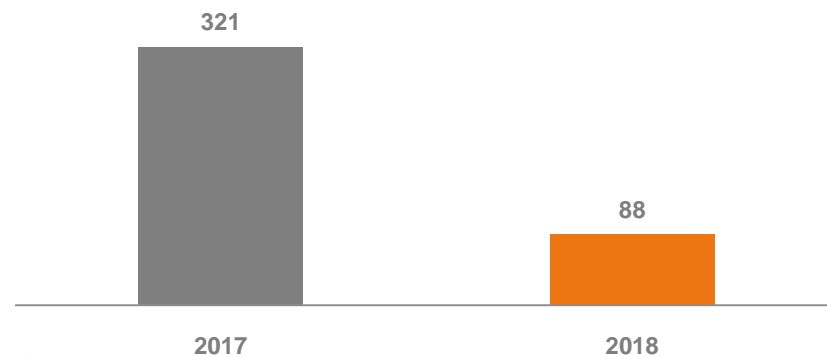
## EBITDA

MM TL



## Net Income

MM TL



## Shell & Turcas YE18 Highlights

- Sustained above sector volume growth leading to maintained leadership position
- Net income impacted by i) FX losses from product sourcing, ii) inventory losses due to oil price volatility, iii) higher interest expenses on TL denominated loans due to increase in TL borrowing rates
- Net Debt / EBITDA at a very healthy level of 0.8x (100% of debt in local currency)



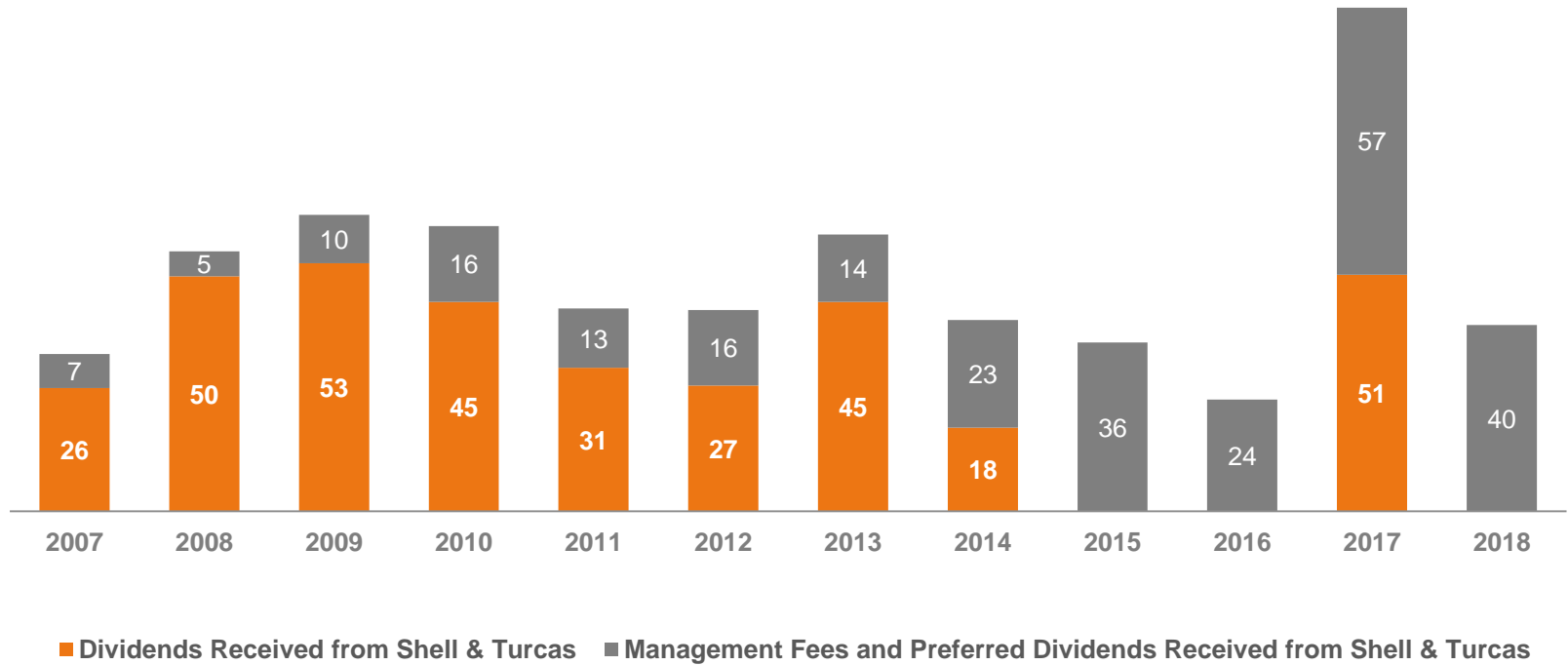
Source: STAŞ IFRS consolidated financials. EBITDA includes EBIT, depreciation, amortisation and amortisation of prepaid rent expenses



# Continuous Cash inflows from Shell & Turcas

Dividends & Management Fees & Preferred Dividends Received from Shell & Turcas

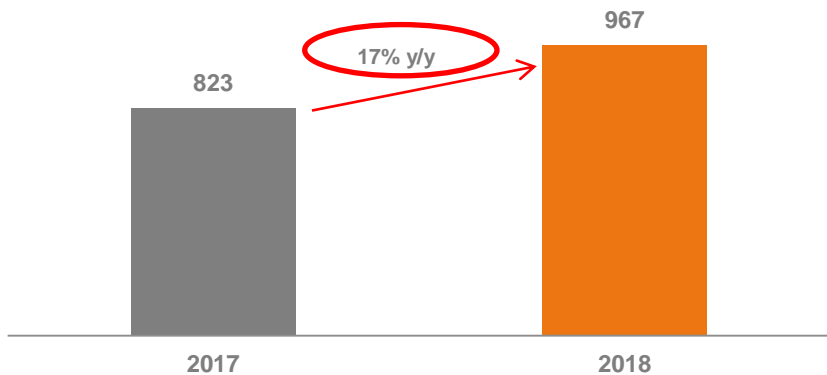
MM TL



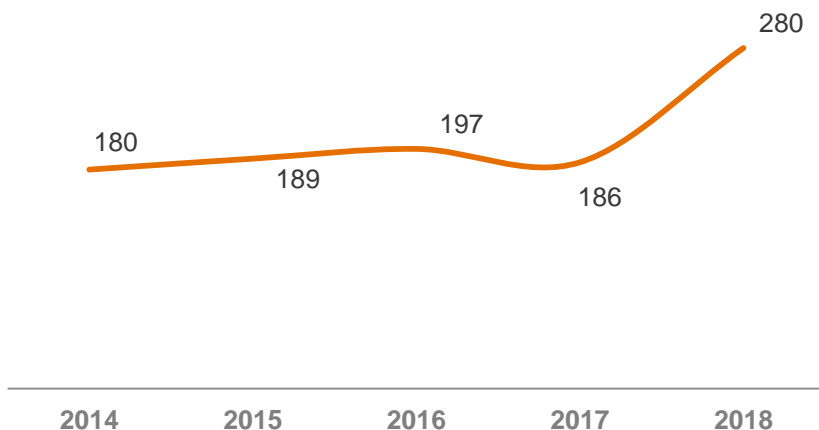
# RWE & Turcas JV – YE18 Key Highlights

## Net Sales

MM TL

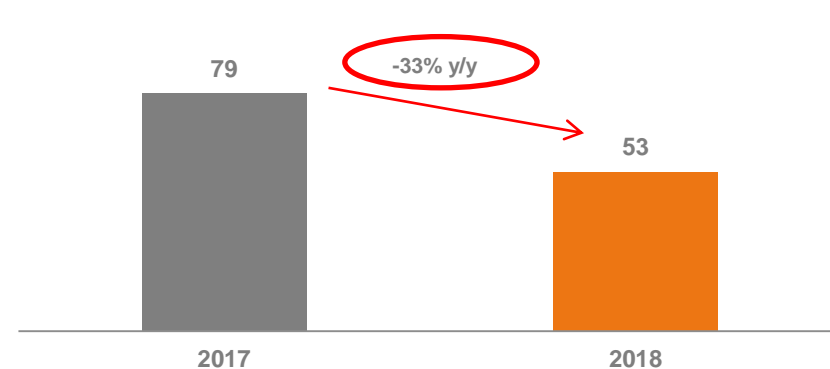


## RTG Average Electricity Sales Price (TL/MWh)



## EBITDA

MM TL



## RWE & Turcas YE18 Highlights

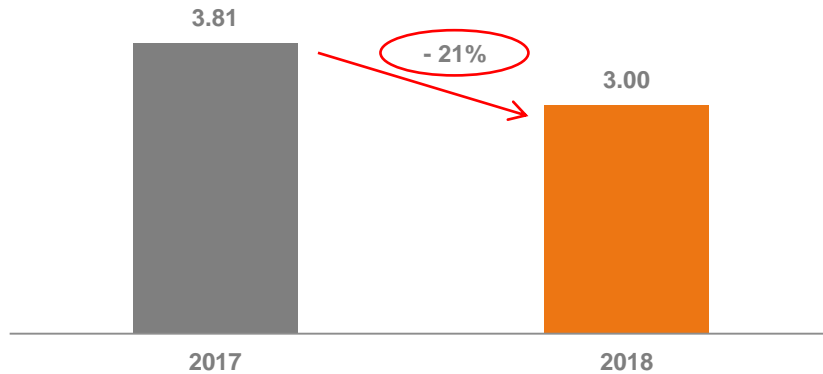
- **Highest cumulative net sales** (967 MM TL) since the start of operations, positively impacted by capacity payments
- **62 MM TL capacity payments** realized in YE18 (1Q18: 10 MM TL, 2Q18: 18 MM TL, 3Q18: 14 MM TL, 4Q18: 20 MM TL)
- Gross profit (2018: 26 MM TL, 2017: 31 MM TL) negatively impacted by **lower capacity utilization rate** despite higher average electricity sales price at RTG



# RWE & Turcas JV – YE18 Key Highlights

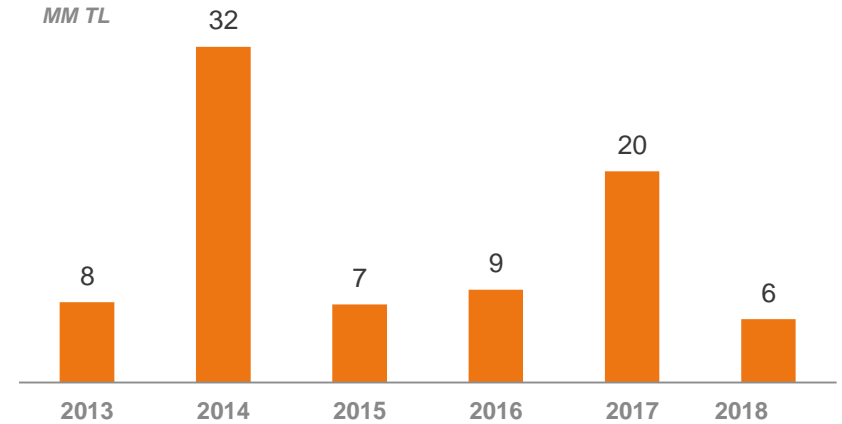
## Electricity Generation

billion kWh



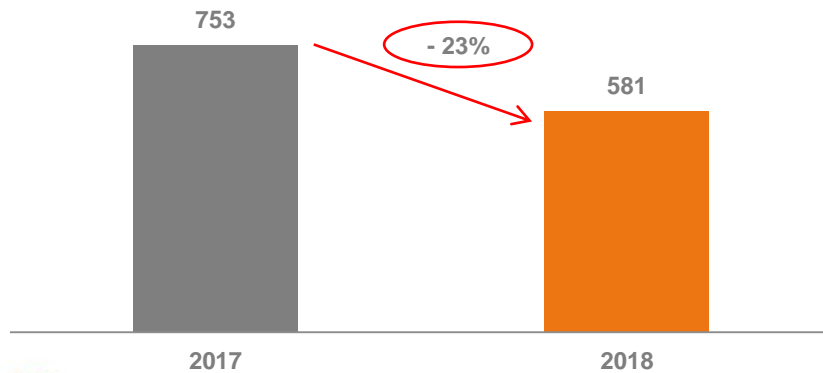
## Cash inflows to Turcas from RWE & Turcas JV (under SHL repayment)

MM TL



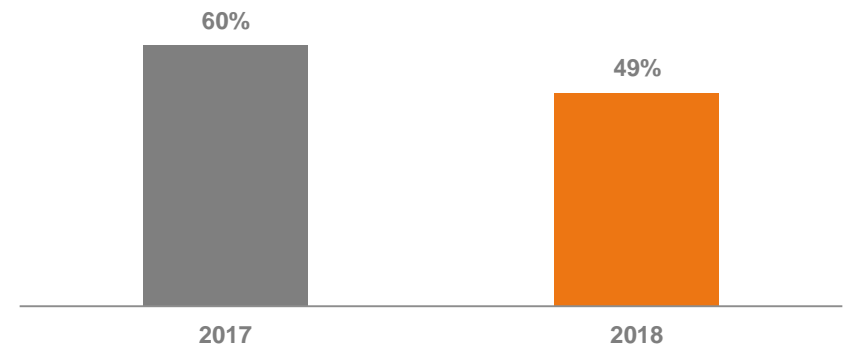
## Gas Consumption

mcm



## Capacity Utilization Rate

%



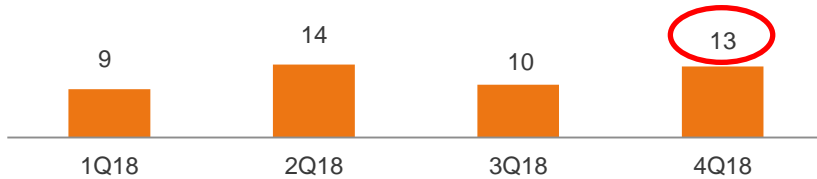
Source: RWE & Turcas IFRS consolidated financials. Cash inflows indicate shareholder loan repayments from RWE & Turcas to Turcas



# Turcas Kuyucak Geothermal (TKG) PP-YE18 Key Highlights

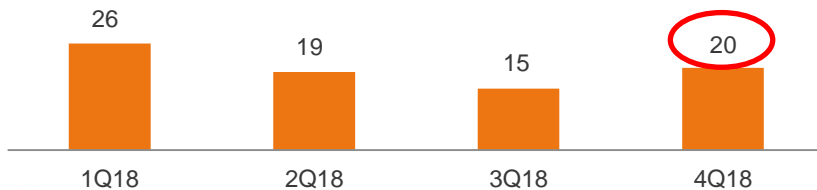
## Net Sales

MM TL



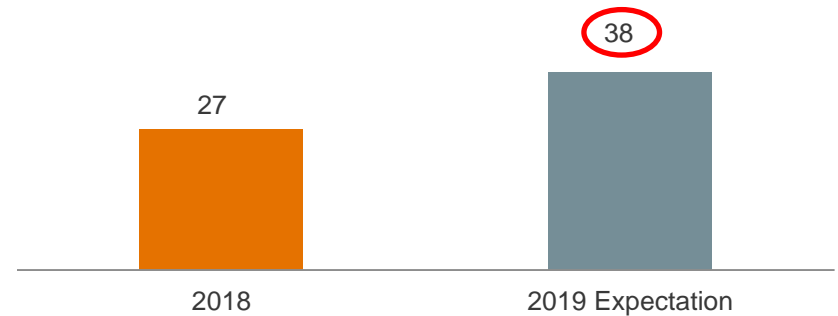
## Electricity Generation

million kWh



## EBITDA

MM TL



## Turcas Kuyucak Geothermal PP YE18 Highlights

- Turcas Kuyucak contributing positively to Turcas consolidated EBITDA driven by USD based Feed-In Tariff
- Long term project finance loan repayments serviced through free cash flow generation of TKG. 1.5 MM USD excess cash generated as of YE18



Source: Turcas Kuyucak financials



# Potential Project Pipeline

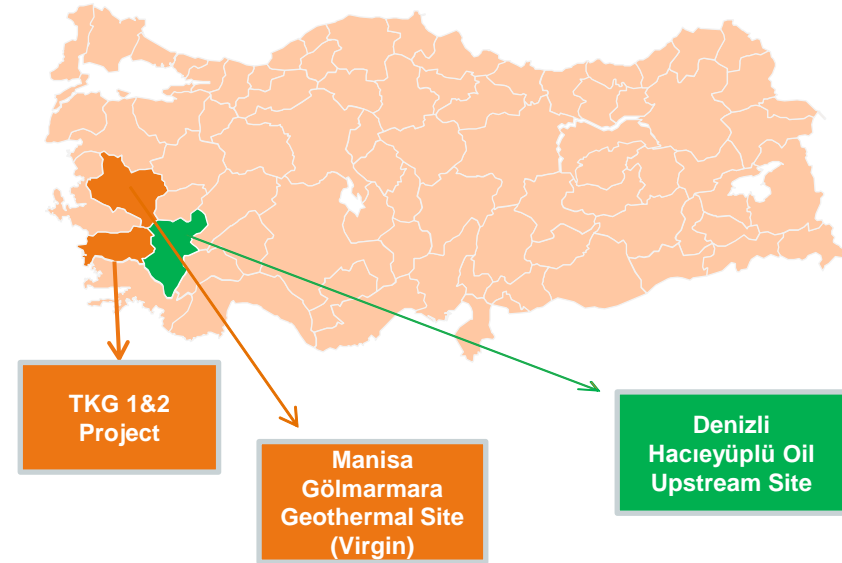
## Geothermal Energy

Turcas plans to grow in geothermal energy with the following projects:

- 1. Existing TKG Plant (TKG-1):** TKG successfully drilled an additional re-injection well (3rd one) and a successful additional production well (7th one) with the goal of maximizing the generation capacity and thus the EBITDA at this existing plant.
- 2. Potential New Plant (TKG-2) at our Existing TKG Concession Zone:** The ultimate goal is to increase the installed base or add new modular plants taking advantage of the attractive Feed-In Tariff and the sustainable production capacity of our concession area, however, before proceeding with new drillings and further investment, TKG will wait for the official announcement of the Ministry of Energy and Natural Resources related to the details of the Feed-In Tariff Mechanism to be applied to Geothermal investments for the period after 2020 and study the sustainability of the reservoir.
- 3. Manisa Concession Zone:** Turcas is developing another geothermal energy project on a 4,958.68 hectares concession zone in Manisa Gölarmara in Western Turkey. TP drilled an exploratory well in Q2 2018 and obtained operation license for 30 years, however, before proceeding with new drillings and further investment, TP will wait for the official announcement of the Ministry of Energy and Natural Resources related to the details of the Feed-In Tariff Mechanism to be applied to Geothermal investments for the period after 2020.

## Oil Upstream (Denizli)

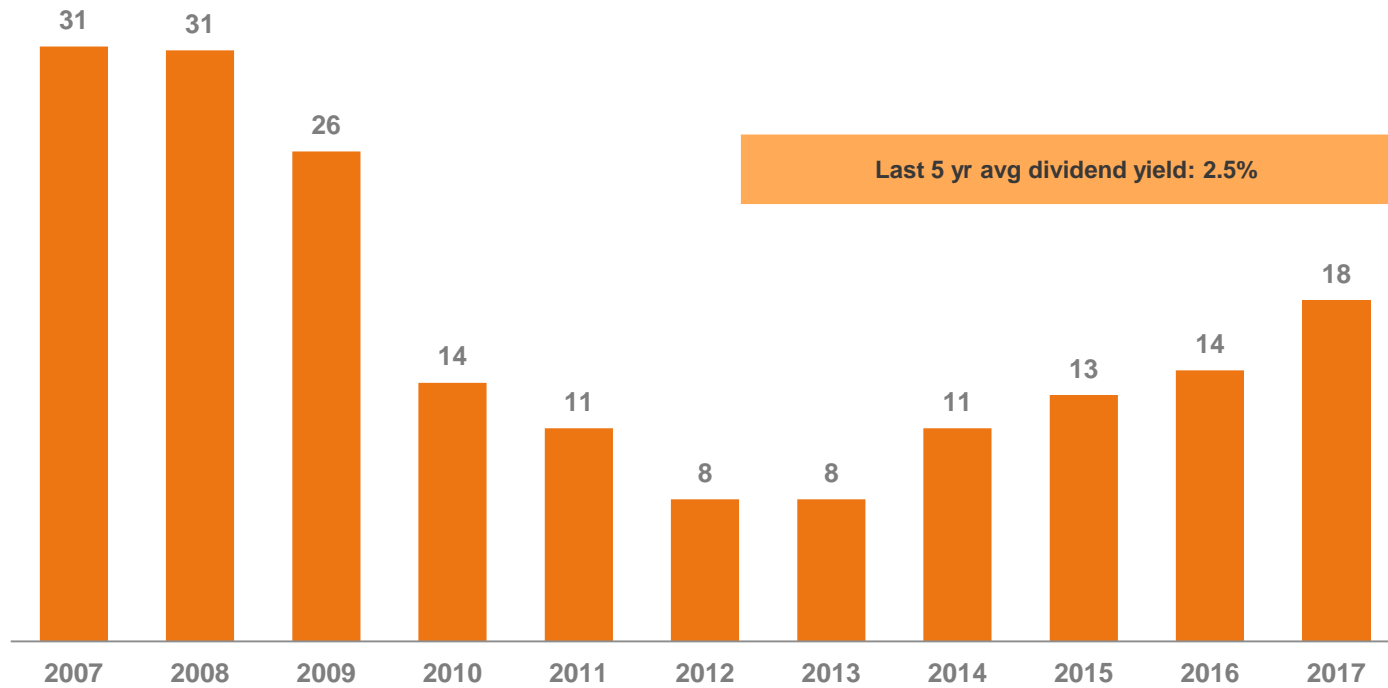
- Our 2,600m deep geothermal well (drilled 1Q-2017) in Denizli Hacıyüplü did not yield enough thermal heat for power generation but encountered oil findings around 700 to 900 meters depth, TP plans to drill a new (shallow) well here for oil exploration in 2020 following Gravity-Magnetics, Seismic and other detailed studies. We obtained the required Oil Exploration License from the Government Authorities on 02.05.2018.



# Continuous Dividend Distribution

Dividends Paid by Turcas

MM TL

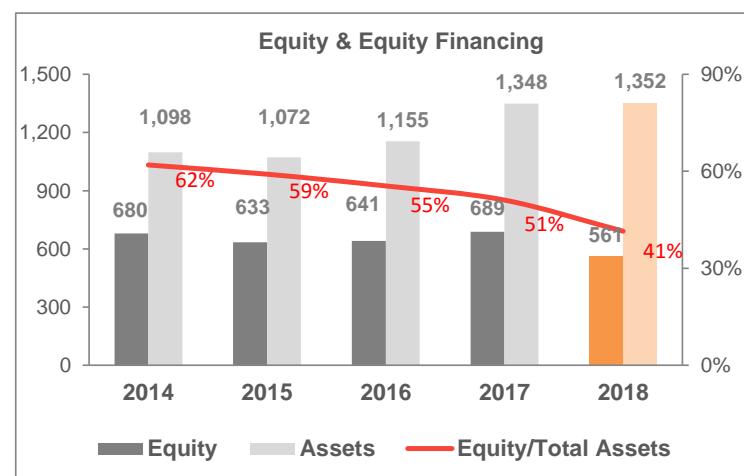
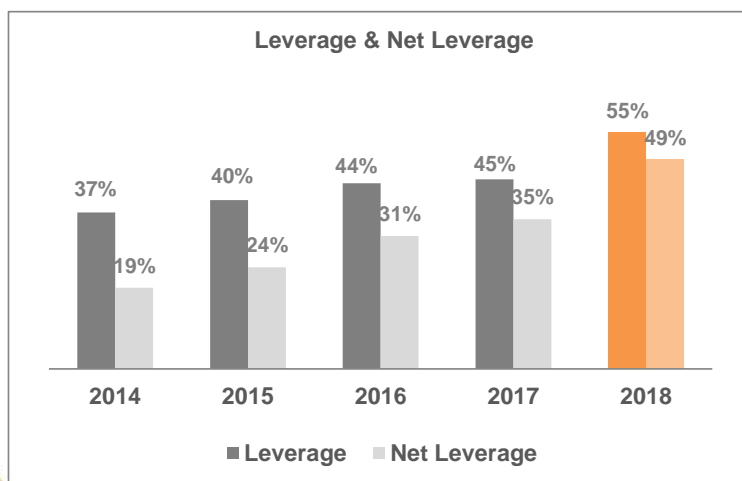


# Turcas Consolidated IFRS Summary BS & PL

## IFRS Consolidated Financial Statements & Financing Ratios

Balance Sheet , million TL	2017	2018	Ytd
Cash & Cash Equivalents	126	86	-32%
S -T Rec. From Rel.Parties <small>(mostly from RTG)</small>	19	19	0%
L -T Rec. From Rel.Parties <small>(mostly from RTG)</small>	61	70	15%
Investments <small>(STAS &amp; RTG)</small>	793	806	2%
Fixed Assets <small>(TKJ Capex Investments)</small>	251	264	5%
Financial Assets <small>(FMV of Usufruct Certificates)</small>	78	74	-5%
<b>Total Assets</b>	<b>1,348</b>	<b>1,352</b>	<b>0%</b>
S - T Financial Liabilities <small>(PF Loans for RTG &amp; TKG)</small>	91	135	49%
L - T Financial Liabilities <small>(PF Loans for RTG &amp; TKG)</small>	510	615	21%
Equity	689	561	-19%
<b>Total Liabilities &amp; Equity</b>	<b>1,348</b>	<b>1,352</b>	<b>0%</b>
<b>Net Debt</b>	<b>475</b>	<b>664</b>	<b>40%</b>

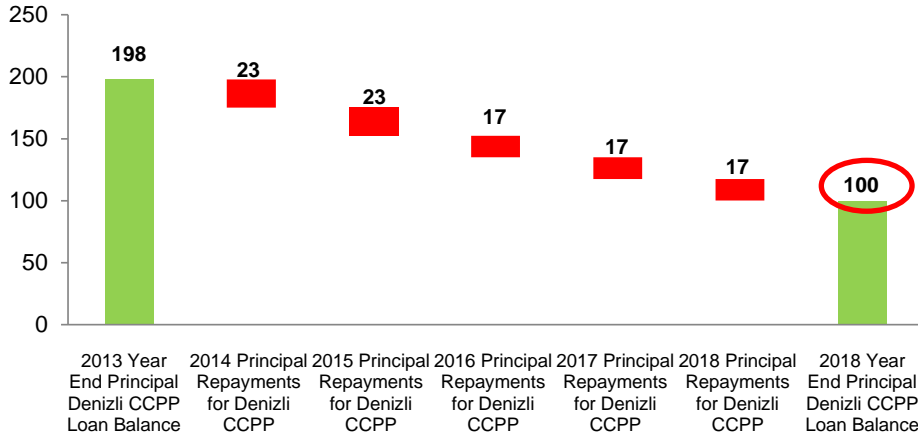
Income Statement, million TL	2017	2018	Y/Y
Revenues (Electricity Sales)	0	46	n.a
Gross Profit	0	30	n.a
Other Operational Income (Net)	30	-10	n.a
Operating Expenses	26	24	-7%
<b>Operating Profit</b>	<b>3</b>	<b>-4</b>	<b>n.a</b>
<b>Income from Investments</b>	<b>76</b>	<b>33</b>	<b>-56%</b>
<b>Income from Subsidiaries</b>	<b>94</b>	<b>8</b>	<b>-92%</b>
<i>Shell &amp; Turcas</i>	98	26	-73%
<i>RWE &amp; Turcas</i>	-4	-19	n.a.
<b>Earnings Before Financing &amp; Tax</b>	<b>173</b>	<b>37</b>	<b>-79%</b>
Net Financial Losses	-86	-180	109%
<i>FX Losses</i>	-79	-172	118%
<b>Net Income Before Tax</b>	<b>87</b>	<b>-143</b>	<b>n.a.</b>
Tax	-22	12	n.a.
<b>Net Income/Loss</b>	<b>65</b>	<b>-131</b>	<b>n.a.</b>



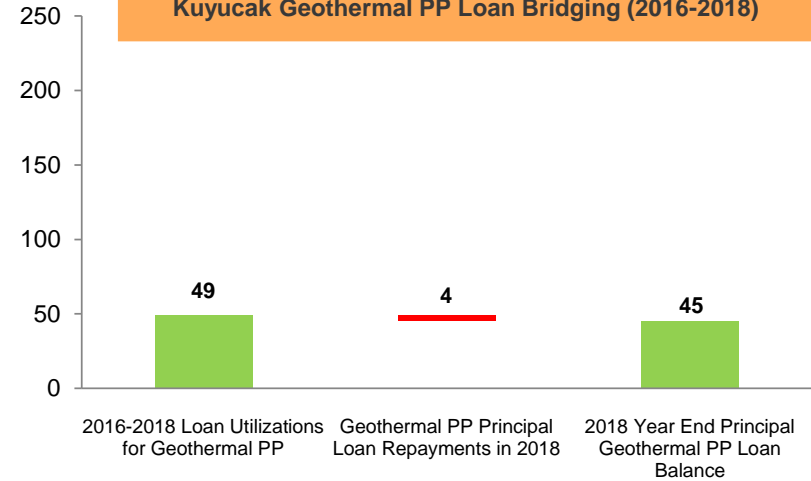
# Long - Term Evolution of Bank Loans (MM USD)

(Cash Basis)

Denizli CCPP Loan Bridging (2013-2018)

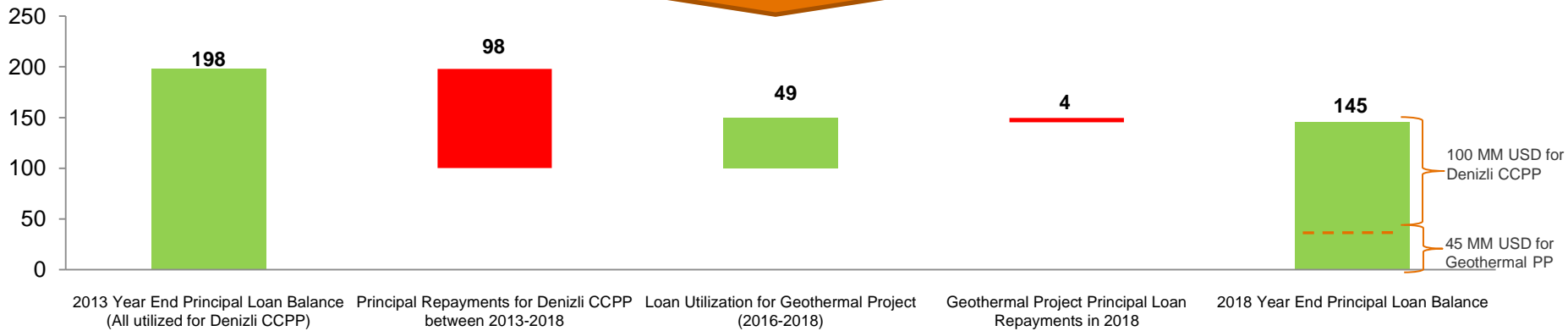


Kuyucak Geothermal PP Loan Bridging (2016-2018)



*Decline in consolidated outstanding loan balance mainly driven by on-track repayments of Denizli CCPP loan*

Consolidated



Note: Loan for Geothermal PP has a tenor of 11 years. Loan for Denizli CCPP has a tenor of 6 years





# Thank you!

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