

15 August  
2018



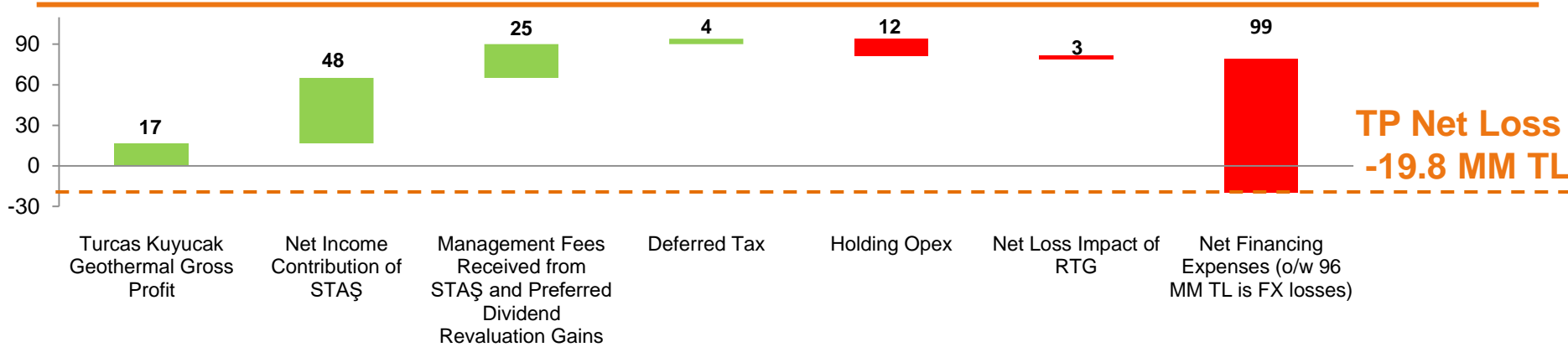
# 1H18 Earnings Presentation



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# 1H18 General Overview

## Turcas Petrol IFRS Consolidated Net Income Bridging (1H18)



## Message from Turcas Petrol CEO



- First half of 2018 marked by **positive contribution of fuel distribution** (Shell & Turcas) and **geothermal business** (Turcas Kuyucak) despite heavy FX losses
- On a quarterly basis, **improving financial performance** at all segments with natural gas power plant (RWE & Turcas) posting quarterly net income in 2Q18 (11 MM TL)

# At a glance- 1H18



Shell & Turcas JV



**>1 million**  
daily  
visitors via  
**1,014**  
fuel stations



**19%**  
under canopy/  
retail market  
share



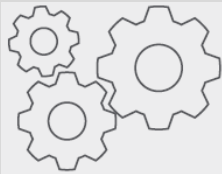
**560**  
**MM TL**  
EBITDA



RWE & Turcas JV



**1.17 billion**  
**kWh**  
Generation



**292**  
**MM TL**  
Net Sales



**19**  
**MM TL**  
EBITDA



Kuyucak  
Geothermal



**45 million**  
**kWh**  
Generation



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



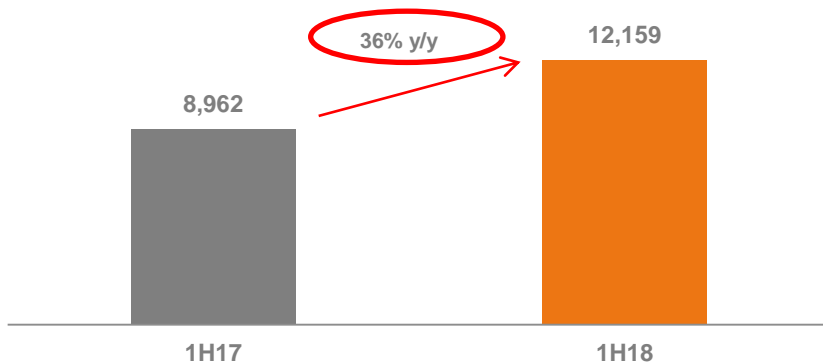
**16**  
**MM TL**  
EBITDA



# Shell & Turcas JV – 1H18 Key Highlights

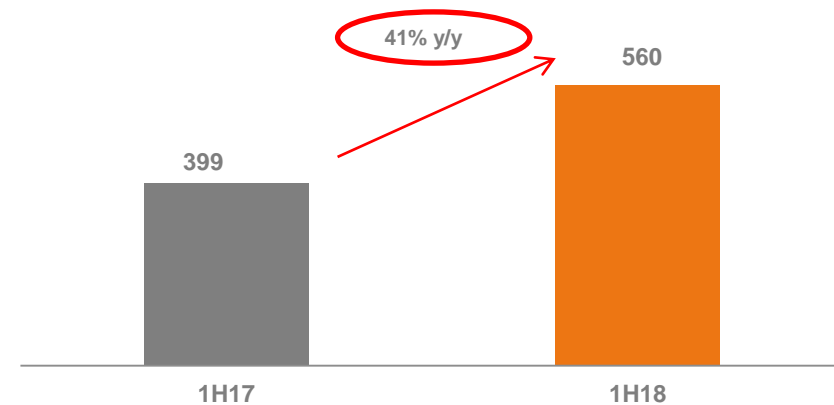
## Net Sales

MM TL



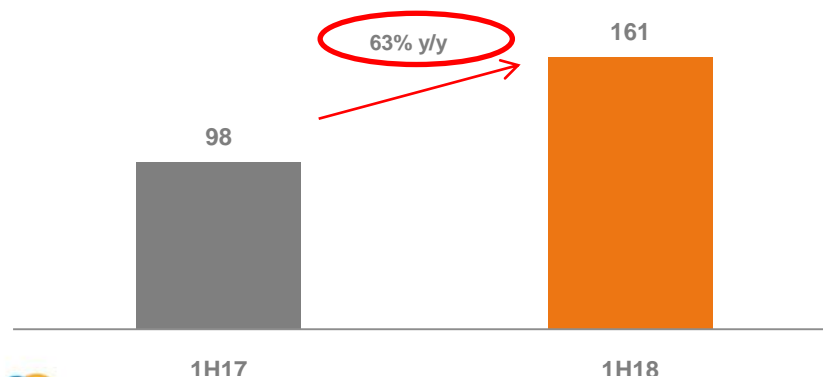
## EBITDA

MM TL



## Net Income

MM TL



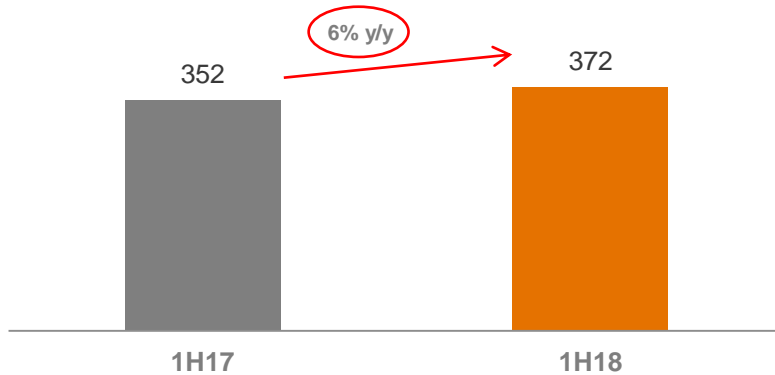
## Shell & Turcas 1H18 Highlights

- Net income almost doubled in 2Q18 (106 MM TL) vs 1Q18 (55 MM TL) driven by robust growth in net sales
- Sustained above sector volume growth
- Net Debt / EBITDA at a very healthy level 1.01x with TL denominated easy-to-roll or reduce short term loans

# Shell & Turcas JV – 1H18 Key Highlights

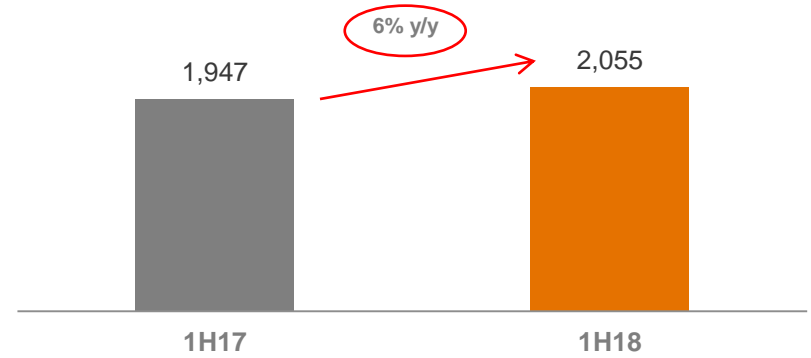
## Gasoline Sales (STAŞ)

ths m<sup>3</sup>



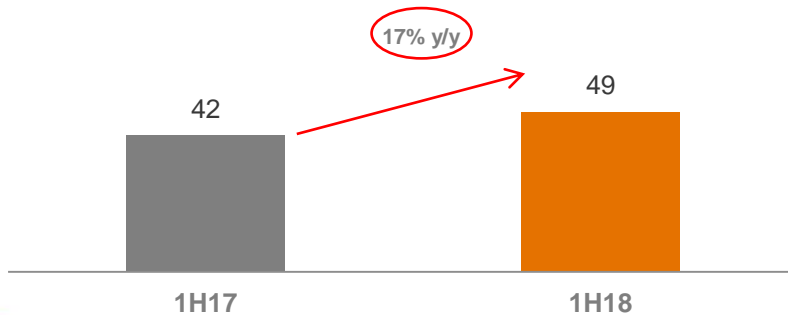
## Diesel Sales (STAŞ)

ths m<sup>3</sup>

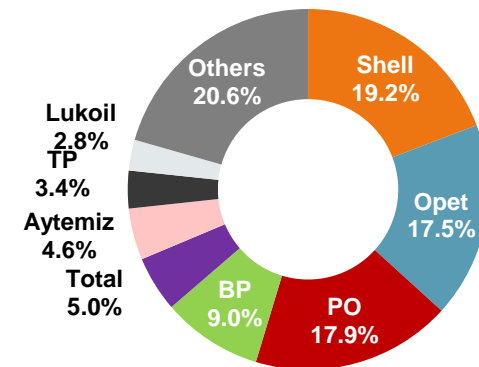


## Lubricants Sales (STAŞ)

ths m<sup>3</sup>



## Onsite Market Share (5M18)



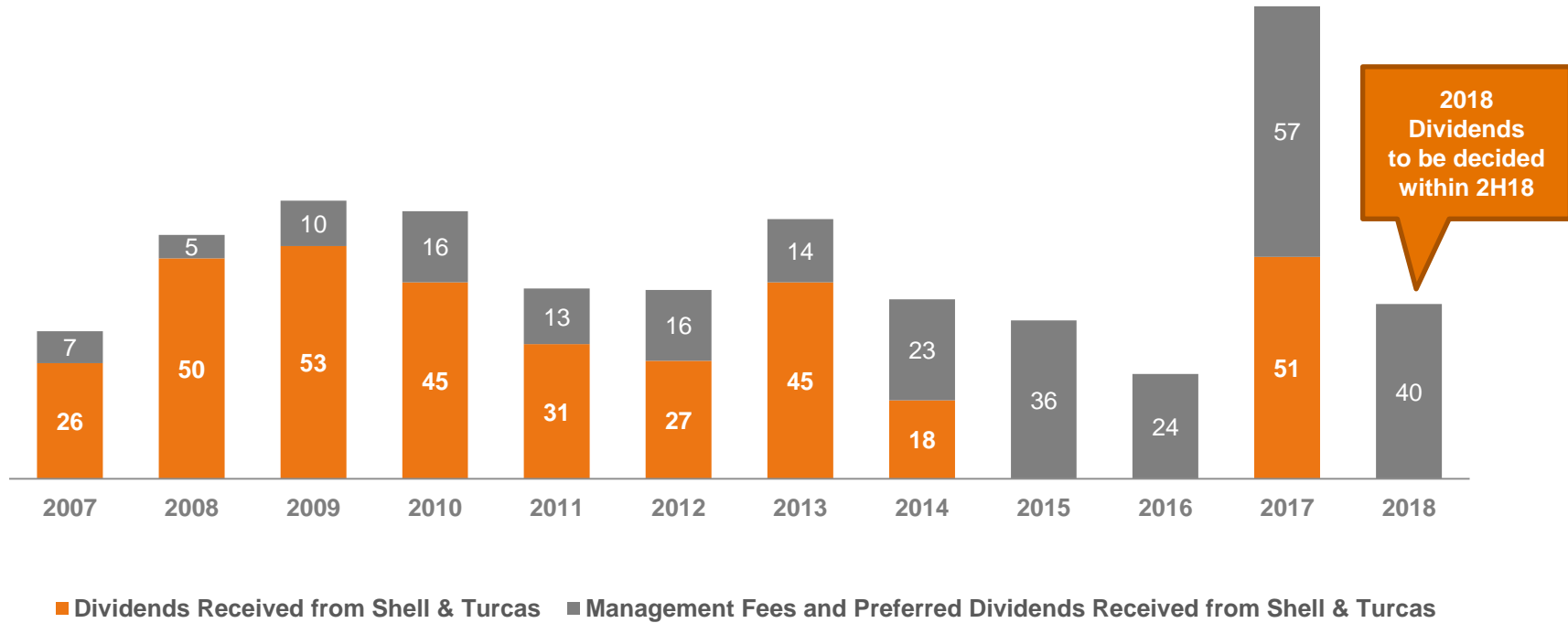
Source: PETDER. Market share info EMRA



# Continuous Cash inflows from Shell & Turcas

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

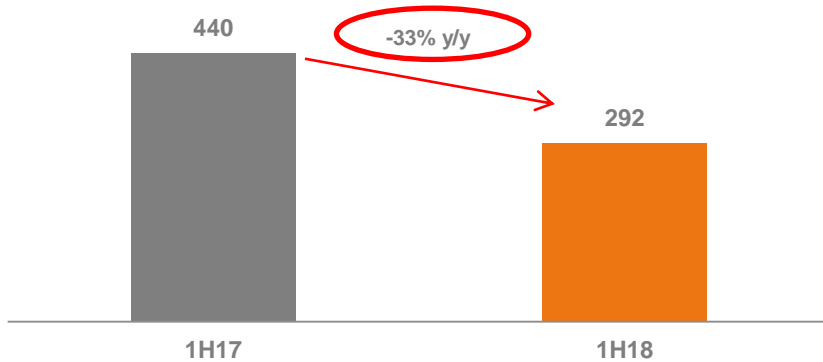
MM TL



# RWE & Turcas JV – 1H18 Key Highlights

## Net Sales

MM TL



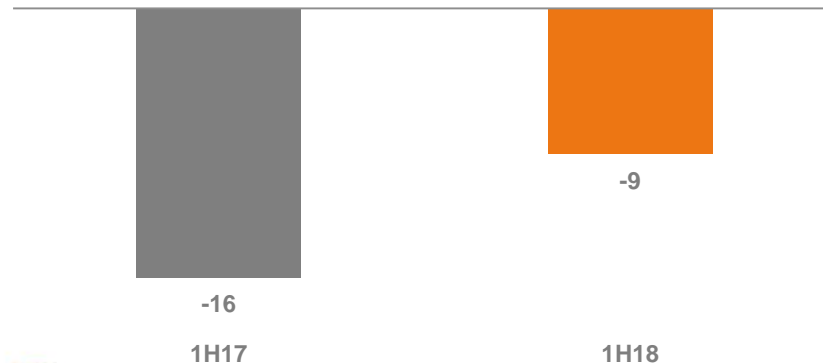
## EBITDA

MM TL



## Net Loss

MM TL



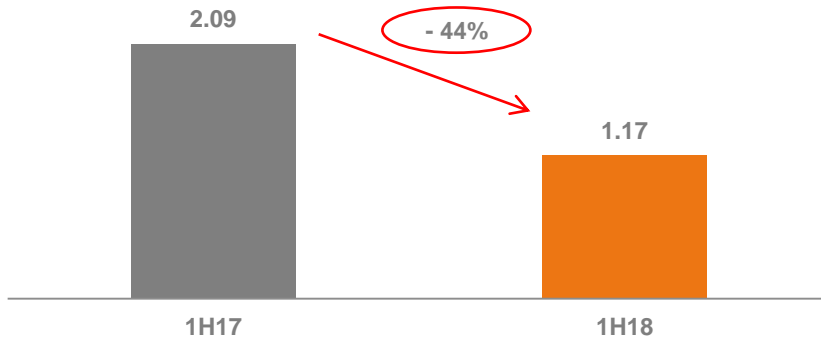
## RWE & Turcas 1H18 Highlights

- RWE & Turcas turned into profitability in 2Q18 (11 MM TL) vs 1Q18 (-20 MM TL)
- 28 MM TL Capacity Mechanism payments received in 1H18 (1Q18: 10 MM TL, 2Q18: 18 MM TL)

# RWE & Turcas JV – 1H18 Key Highlights

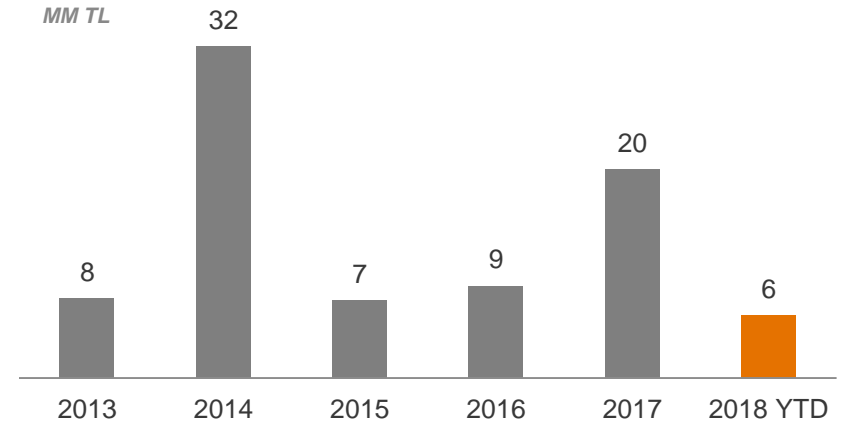
## Electricity Sales

billion kWh



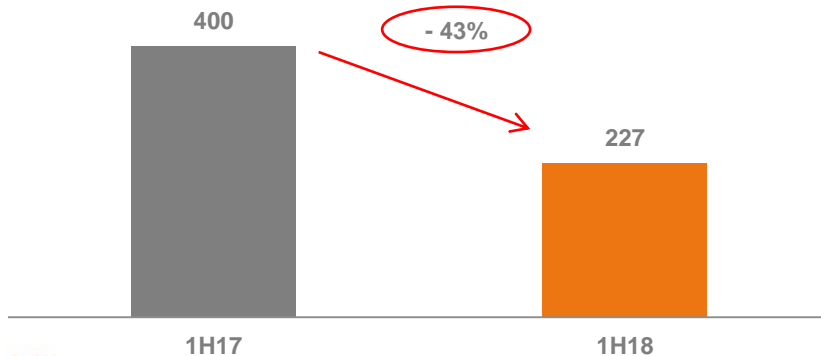
## Cash inflows to Turcas from RWE & Turcas JV (under SHL repayment)

MM TL



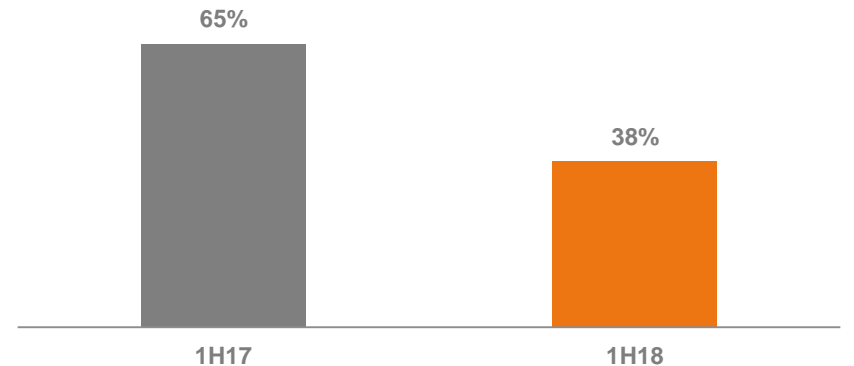
## Gas Consumption

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-1H18 Key Highlights

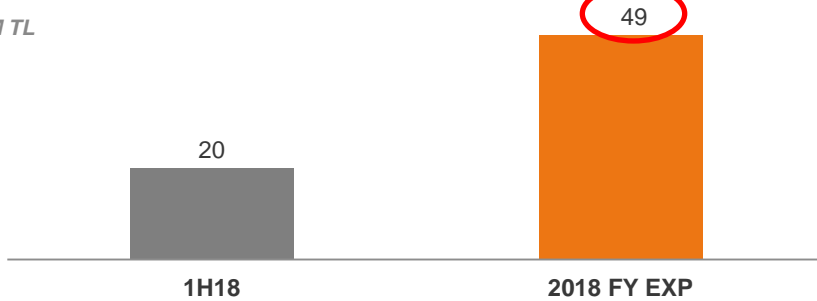
## Net Sales

Generation  
Feed-In Tariff

45 million kWh  
Usc 11.8/kWh

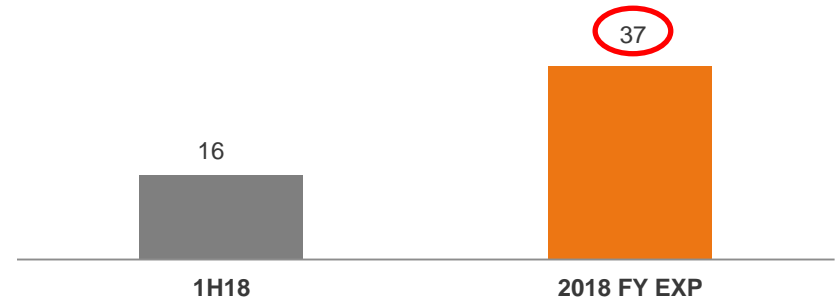
97 million kWh  
Usc 11.8/kWh

MM TL



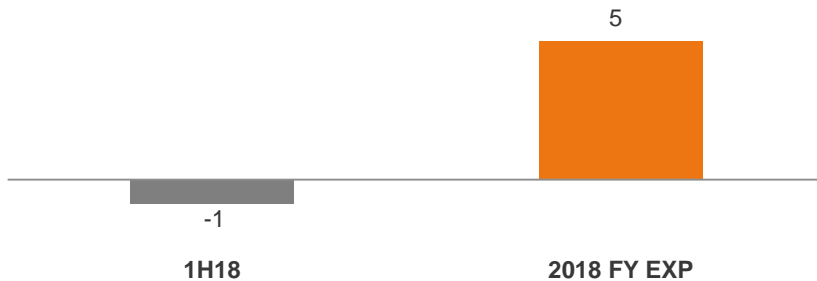
## EBITDA

MM TL



## Net Income

MM TL



## Turcas Kuyucak Geothermal PP 1H18 Highlights

- Turcas Kuyucak contributing positively to Turcas consolidated financials driven by USD based Feed-In Tariff
- Long term project finance loan's first repayment has already been made to our lender in Jun'18 leaving yet excess cash in SPV accounts



Source: Turcas Kuyucak financials

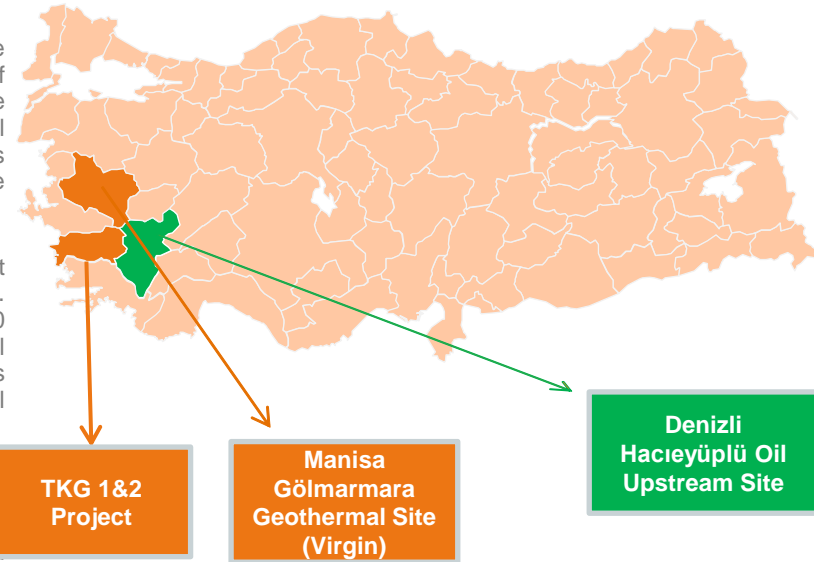


# Potential Project Pipeline

## Geothermal Energy

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

- 1. Existing TKG Plant (TKG-1):** We successfully drilled an additional re-injection well (3rd one) for operational and technical excellence already in 2018 and recently started drilling an additional production well (7th one) with expected completion by September-end. These are financed from the existing PF Line as well as operational cash flow at SPV, not from Turcas the parent. Our first goal is to achieve our technical maximum capacity of 18 MW and maximize the EBITDA at this existing plant
- 2. Potential New Plant (TKG-2) at our Existing TKG Concession Zone:** Our ultimate goal is to increase our installed base or add new modular plants taking advantage of the attractive Feed-In Tariff and the Provenness of our Zone, however, before proceeding with new drillings and further investment, we 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
- 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. We drilled an exploratory well in Q2 2018 and obtained operation license for 30 years, however, before proceeding with new drillings and further investment, we 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, we plan to drill a new (shallow) well here for oil exploration in 2019 following Seismic and other detailed studies. We obtained the required Oil Exploration License from the Government Authorities on 02.05.2018

## Others

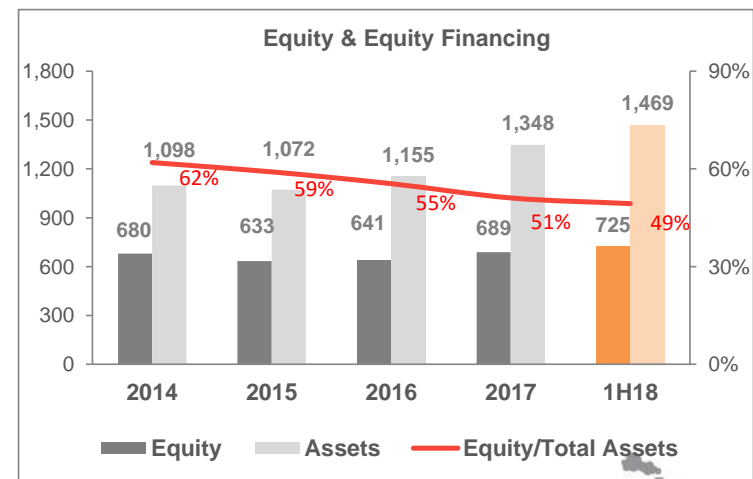
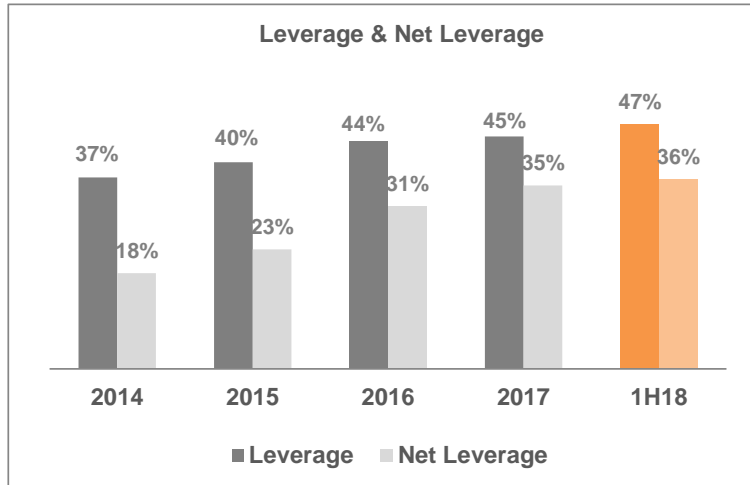
- Turcas may evaluate opportunistic/distressed wind, solar and hydro based energy generation assets or projects both in and outside Turkey in regions where the hard currency FX-based Feed-In-Tariffs are attractive

# Turcas Financial Overview

## IFRS Consolidated Financial Statements & Financing Ratios

Balance Sheet , million TL	2017	1H18	Ytd
Cash & Cash Equivalents	126	150	18%
S - T Rec. From Rel.Parties (mostly from RTG)	19	24	26%
L - T Rec. From Rel.Parties (mostly from RTG)	61	55	-10%
Associates (STAS & RTG)	793	889	12%
Fixed Assets (TKJ Capex Investments)	251	263	5%
Financial Assets (FMV of Usufruct Certificates)	78	61	-22%
<b>Total Assets</b>	<b>1,348</b>	<b>1,469</b>	<b>9%</b>
S - T Financial Liabilities (PF Loans for Denizli&Kuyucak)	91	116	28%
L - T Financial Liabilities (PF Loans for Denizli&Kuyucak)	510	574	12%
Equity	689	725	5%
<b>Total Liabilities &amp; Equity</b>	<b>1,348</b>	<b>1,469</b>	<b>9%</b>
<b>Net Debt</b>	<b>474</b>	<b>534</b>	<b>13%</b>

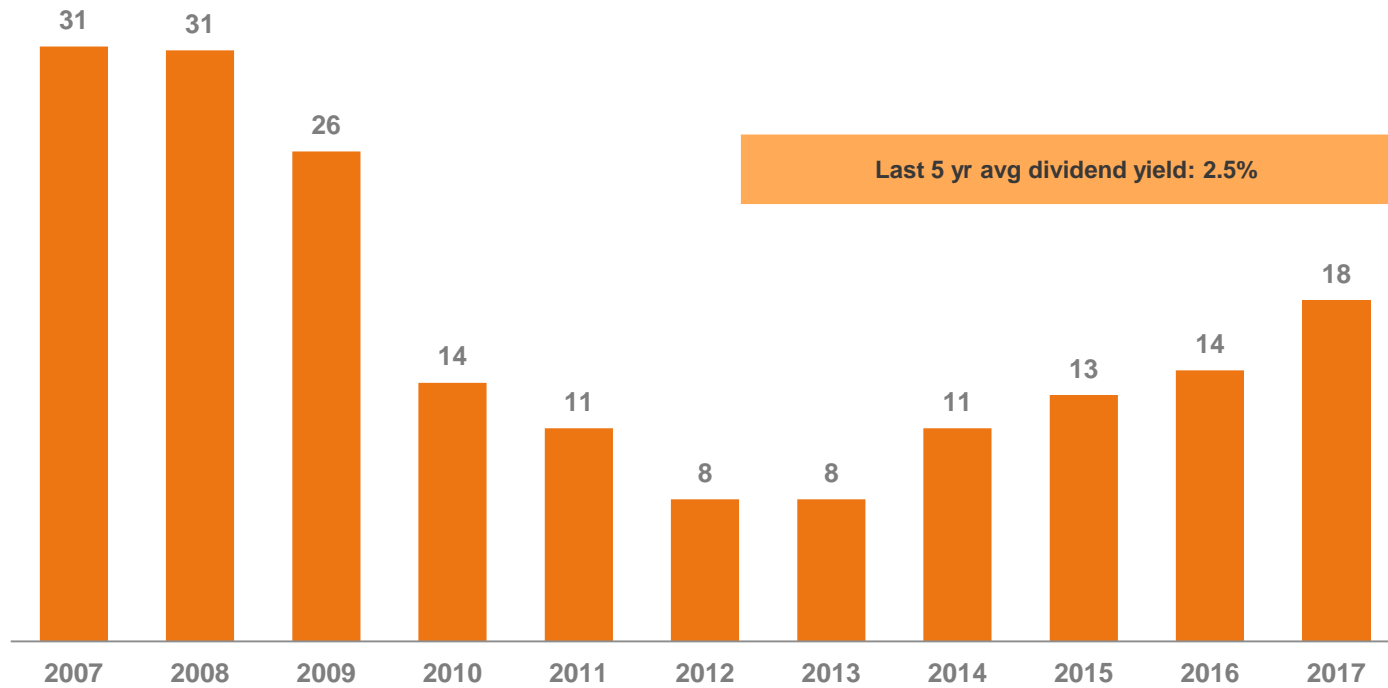
Income Statement, million TL	1H17	1H18	Y/Y
Revenues (Electricity Sales)	0	23	n.a
Other Operational Income (Net)	1	-3	n.a
Operating Expenses	12	12	7%
<b>Operating Profit</b>	<b>-11</b>	<b>1</b>	<b>n.a</b>
<b>Income from Investments</b>	<b>0</b>	<b>21</b>	<b>n.a.</b>
<b>Income from Subsidiaries</b>	<b>25</b>	<b>46</b>	<b>85%</b>
Shell & Turcas	30	48	64%
RWE & Turcas	-5	-3	-46%
<b>Earnings Before Financing &amp; Tax</b>	<b>14</b>	<b>68</b>	<b>380%</b>
Net Financial Losses	-29	-92	221%
FX Losses	-29	-89	207%
<b>Net Income Before Tax</b>	<b>-14</b>	<b>-24</b>	<b>64%</b>
Tax	-6	4	n.a
<b>Net Income</b>	<b>-20</b>	<b>-20</b>	<b>-2%</b>



# Continuous Dividend Distribution

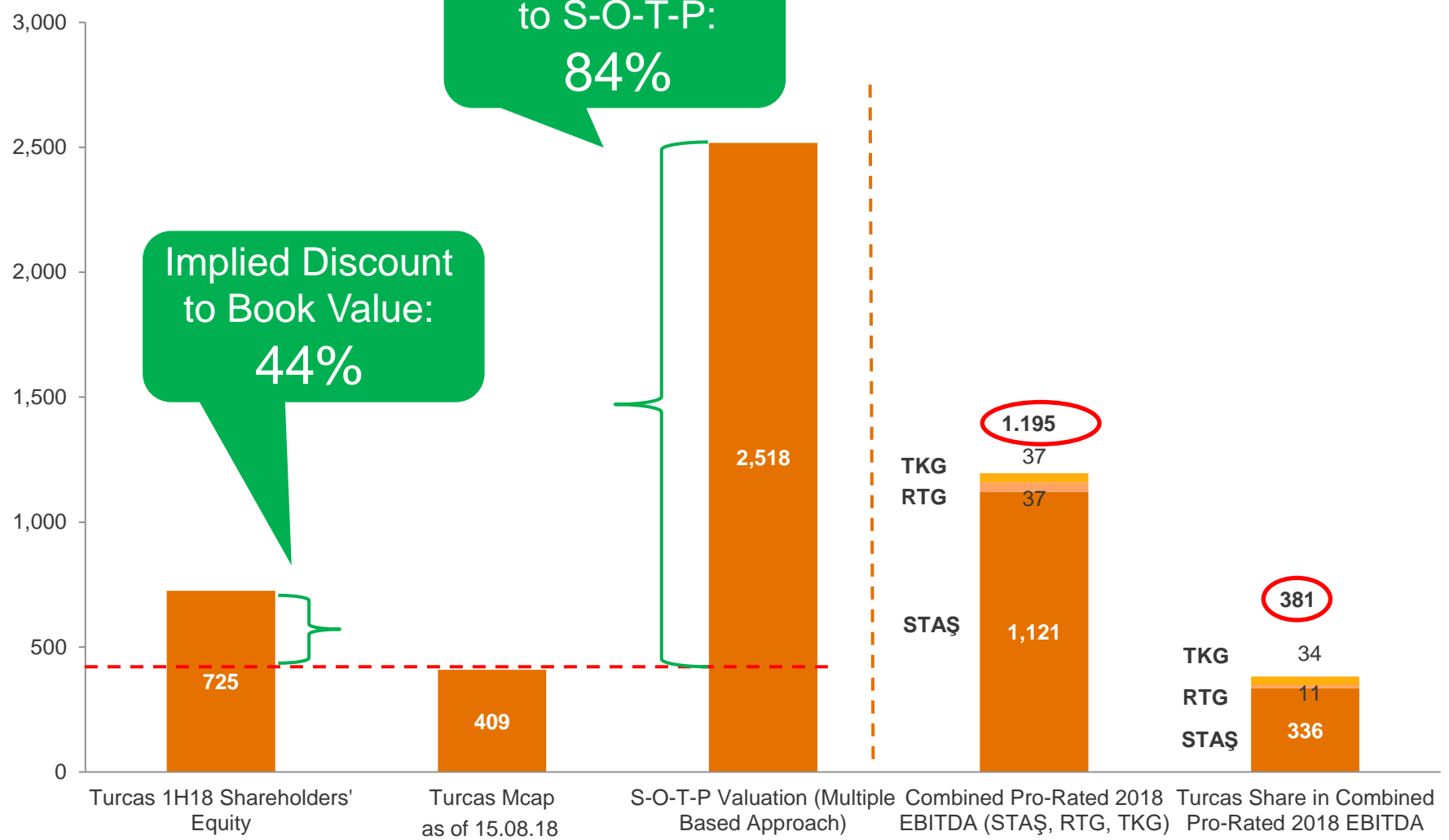
Dividends Paid by Turcas

MM TL



# From Valuation Perspective..

MM TL



Note-1: 2018 EBITDA expectation used for TKG. 1H18 Actual EBITDA is annualised (pro-rated) for STAŞ and RTG  
 Note-2: Multiple based approach is utilised for S-O-T-P (Sum-of-the-Parts) Valuation. 8X EBITDA multiple is utilised and Turcas net debt is deducted



# Why invest in Turcas?

Exposure to **resilient**, **ever growing** and **stable** fuel distribution business

Sustained **dividend distribution**

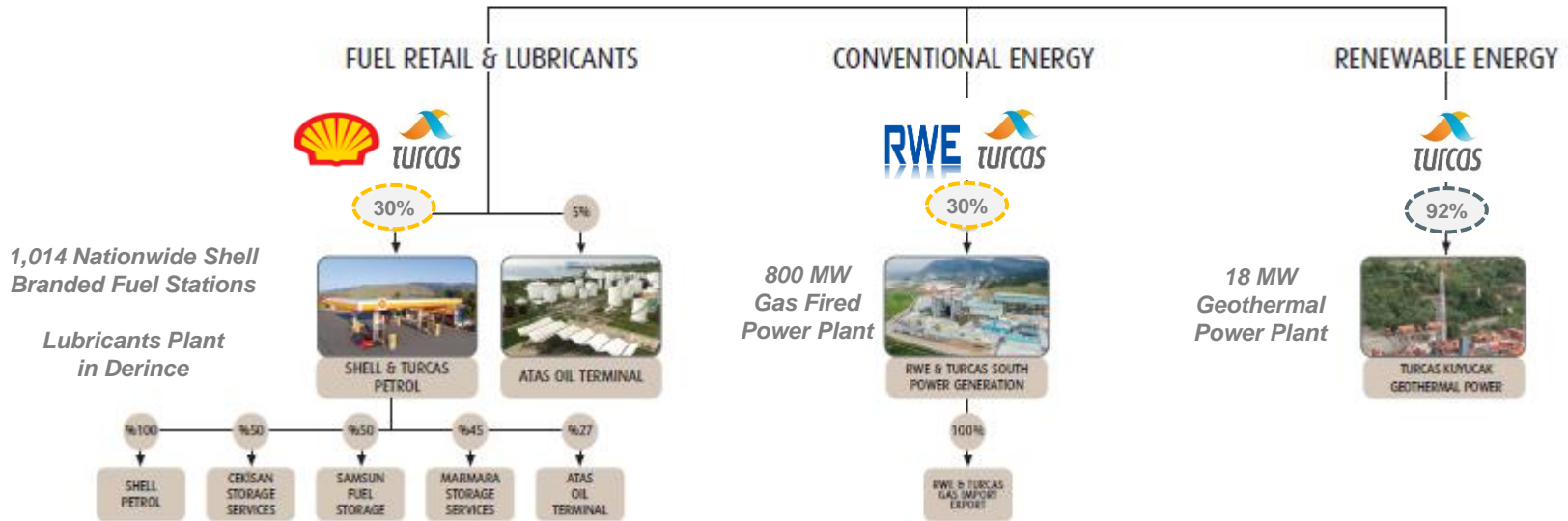
Presence and extensive know-how in **Power Generation** with focus on the attractive **Geothermal** business

**Strong Financial Position, Corporate Governance** and **Human Resource** at all levels of operation; **Ready for Growth**

# Annex: Turcas Group Structure



Bloomberg Ticker: TRCAS.TI  
Reuters Ticker: TRCAS.IS  
Free Float: 28%



\* ATAS appears twice on the Group Structure due to both direct and indirect shareholdings which in total make Turcas ownership at ATAS 13.1%.

\*\* Turcas Petrol also owns 100% of a power trading / wholesale company (Turcas Power Trading) that doesn't appear on the Group Structure due to inactivity



Equity Pick Up Consolidation under IFRS

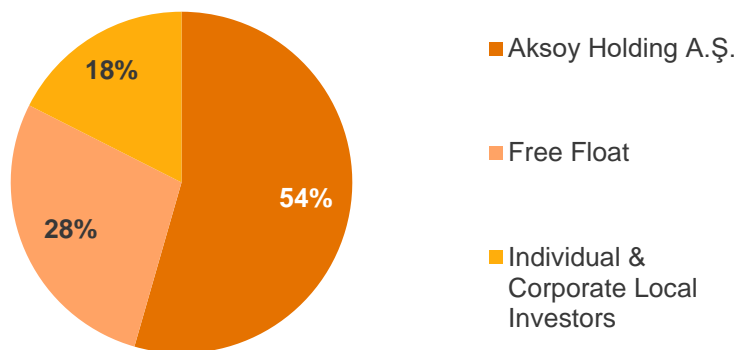


Full Consolidation under IFRS

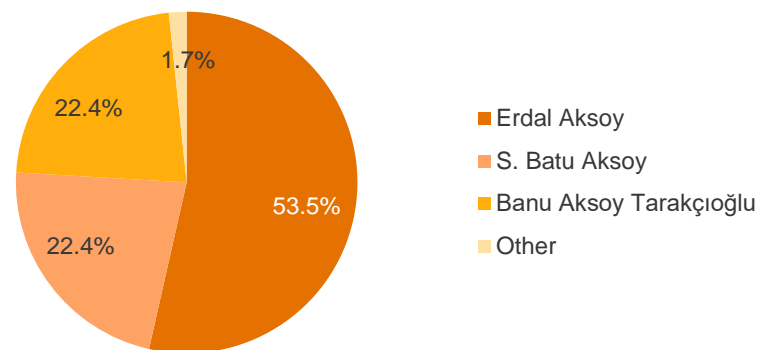


# Annex: Shareholding Structure & Stock Information

## Shareholding Structure of Turcas Petrol

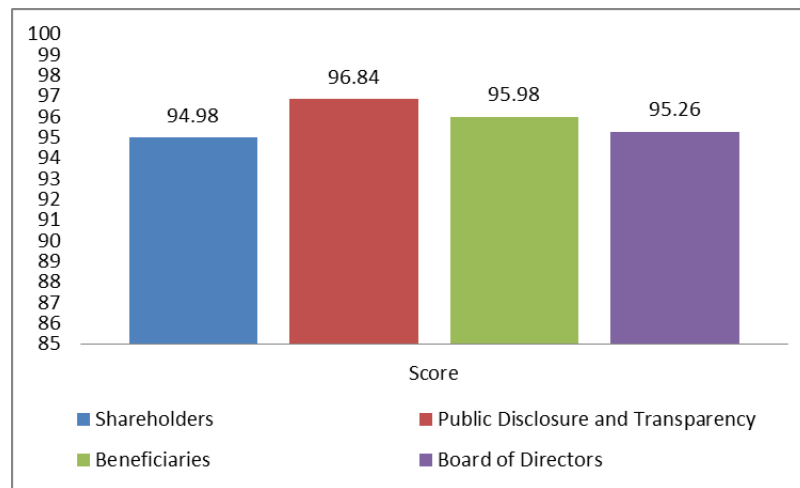


## Shareholding Structure of Aksoy Holding



Stock Information	
BIST Ticker	TRCAS
Bloomberg Ticker	TRCAS TI
Reuters Ticker	TRCAS IS
IPO Date	06/04/1992
Listed Exchanges	Borsa İstanbul (BIST)
Listed Indices	BIST 100, BIST CORPORATE GOVERNANCE, BIST HOLDING, BIST NATIONAL BIST ISTANBUL, BIST ALL
Share Price (13/08/2018)	1.59 TL
Market Cap. (13/08/2018)	406 MM TL

## Turcas Corporate Governance Rating – 9,57/10,0







# Thank you!

## Contact Information

**Erkan İLHANTEKİN**

*CFO*

*E-mail: [erkan.ilhantekin@turcas.com.tr](mailto:erkan.ilhantekin@turcas.com.tr)*

*Phone: +90 212 259 00 00 / Ext: 1270*

**Pınar SAATCIOĞLU**

*Head of Investor Relations*

*E-mail: [pinar.ceritoglu@turcas.com.tr](mailto:pinar.ceritoglu@turcas.com.tr)*

*Phone: +90 212 259 00 00 / Ext: 1287*

