

11 Nov
2019



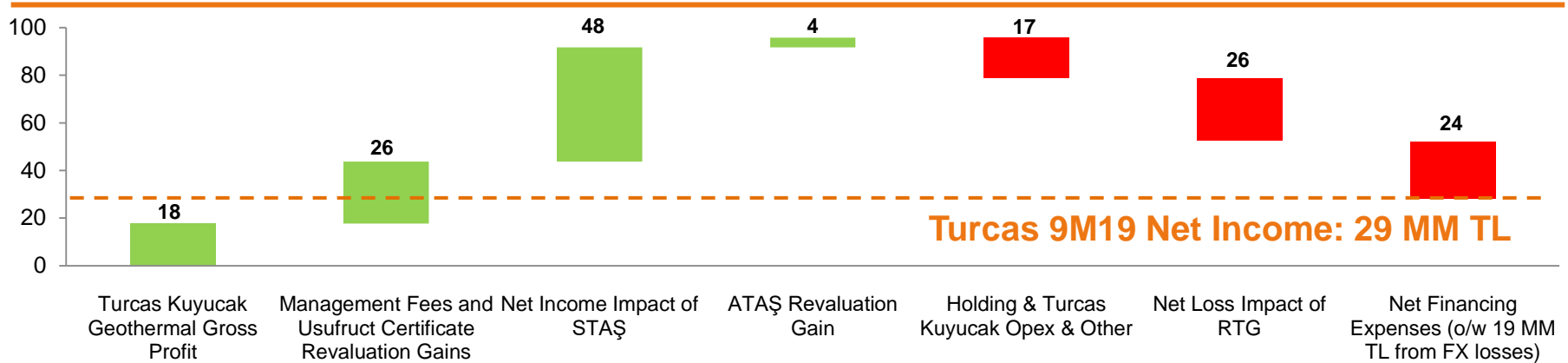
9M19 Earnings Presentation



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9M19 General Overview

Turcas Petrol IFRS Consolidated Net Income Bridging (9M19)



Message from Turcas Petrol CEO



- **Significant improvement in quarterly net income in 3Q19** (45 MM TL net income in 3Q19 vs 5 MM TL net income in 2Q19) thanks to i) **strong recovery at Shell & Turcas** (119 MM TL net income in 3Q19 vs 44 MM TL net income in 2Q19) and ii) **appreciation of Turkish Lira against EUR and USD** (FX losses of 14 MM TL in 2Q19 turned into FX gains of 28 MM TL in 3Q19)
- On a cumulative basis, **controlled operating expenses at Holding level** (only 2% y/y increase) and management fees received from Shell & Turcas are key positive drivers
- **Notable decrease in net debt position** (567 MM TL in 9M19 vs 669 MM TL in 1H19) mainly driven by dividend proceeds from Shell & Turcas

At a glance- 9M19



Shell & Turcas JV



>1 million
daily
visitors via
1,024
fuel stations



552
MM TL
EBIT



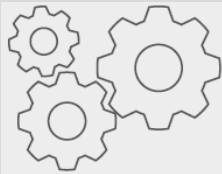
159
MM TL
Net
Income



RWE & Turcas JV



1,728
million
kWh
Generation



684
MM TL
Net Sales



6
MM TL
EBITDA



Kuyucak
Geothermal



49 million
kWh
Generation



11.8
USc/kwh
Feed -In
Tariff



23
MM TL
EBITDA



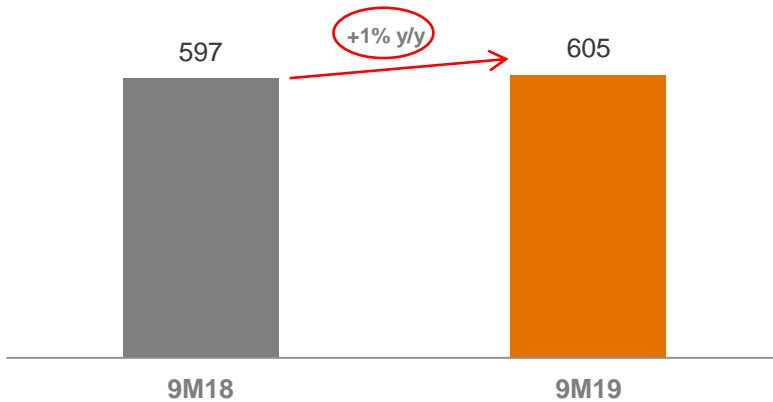
Segmental Analysis

MM TL	Oil Segment			Energy Segment					
	Shell & Turcas			RWE & Turcas			TKG		
	Revenues	EBIT	Net Income	Revenues	EBITDA	Net Loss	Revenues	EBITDA	Net Income
9M19	29,708	552	159	684	6	-87	33	23	2
9M18	20,719	443	186	611	14	-60	33	23	-73
3Q19	10,234	250	119	346	-18	-67	8	6	3
2Q19	10,465	208	44	247	33	18	11	6	-2

Shell & Turcas JV – 9M19 Key Highlights

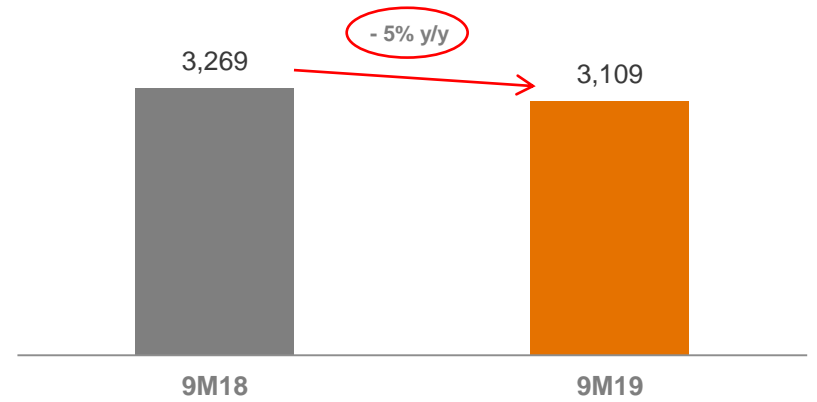
Gasoline Sales (STAŞ)

ths m³



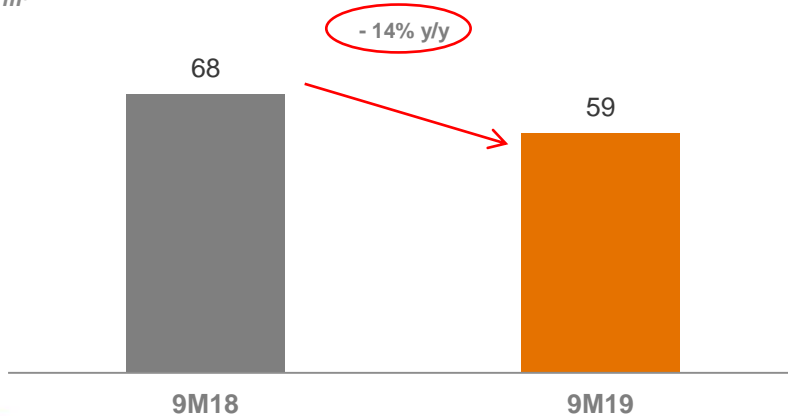
Diesel Sales (STAŞ)

ths m³

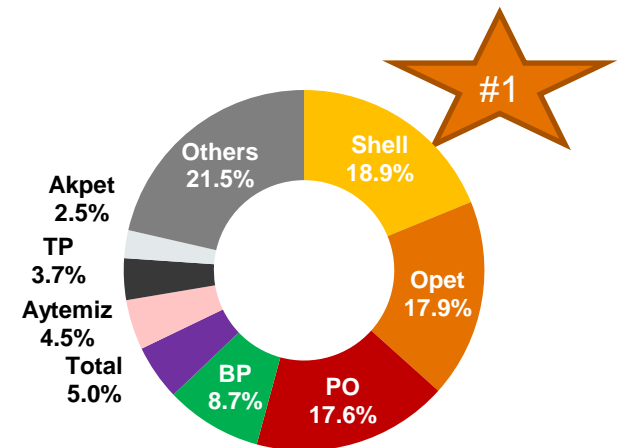


Lubricants Sales (STAŞ)

ths m³



Onsite Market Share (7M19)



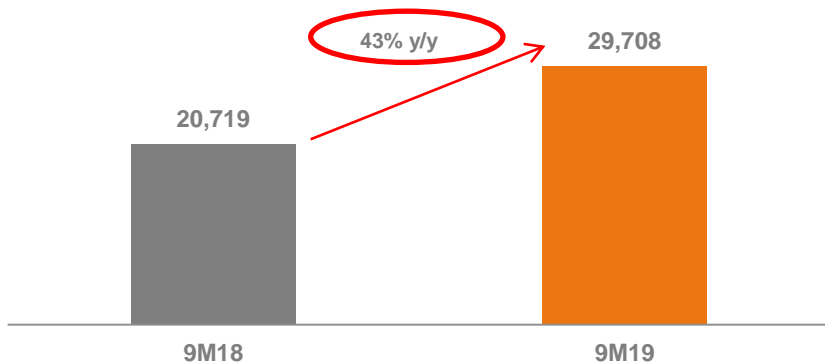
Source: PETDER. Market share info EMRA



Shell & Turcas JV – 9M19 Key Highlights

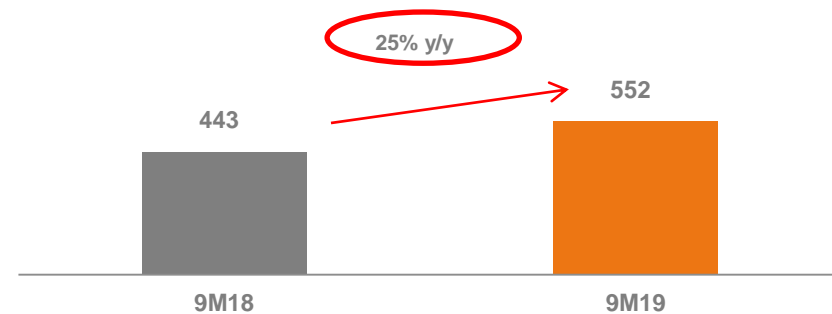
Net Sales

MM TL



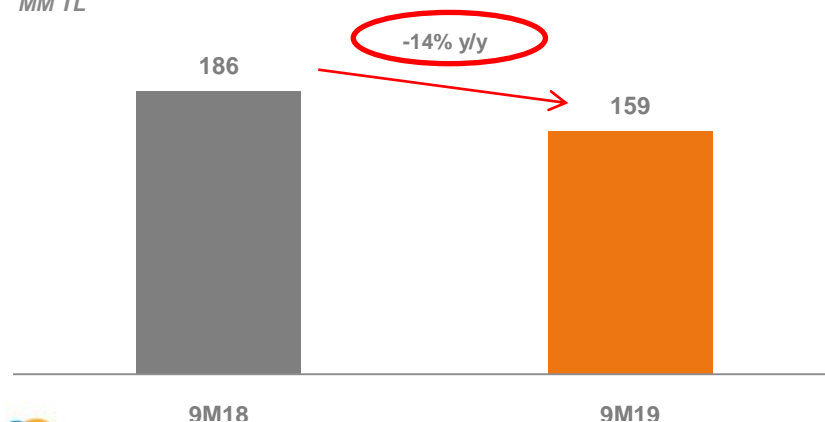
EBIT

MM TL



Net Income

MM TL



Shell & Turcas 9M19 Highlights

- **Significant increase (+43% y/y) in net sales** driven by higher prices although white product volume growth is down by 4% y/y
- **EBIT up by 25% y/y** driven by lower FX losses from product sourcing compared to 9M18
- Decline in net income on an annual basis due to i) **increase in operating expenses impacted by inflation**, ii) **higher financing expenses** (including IFRS 16 impact)



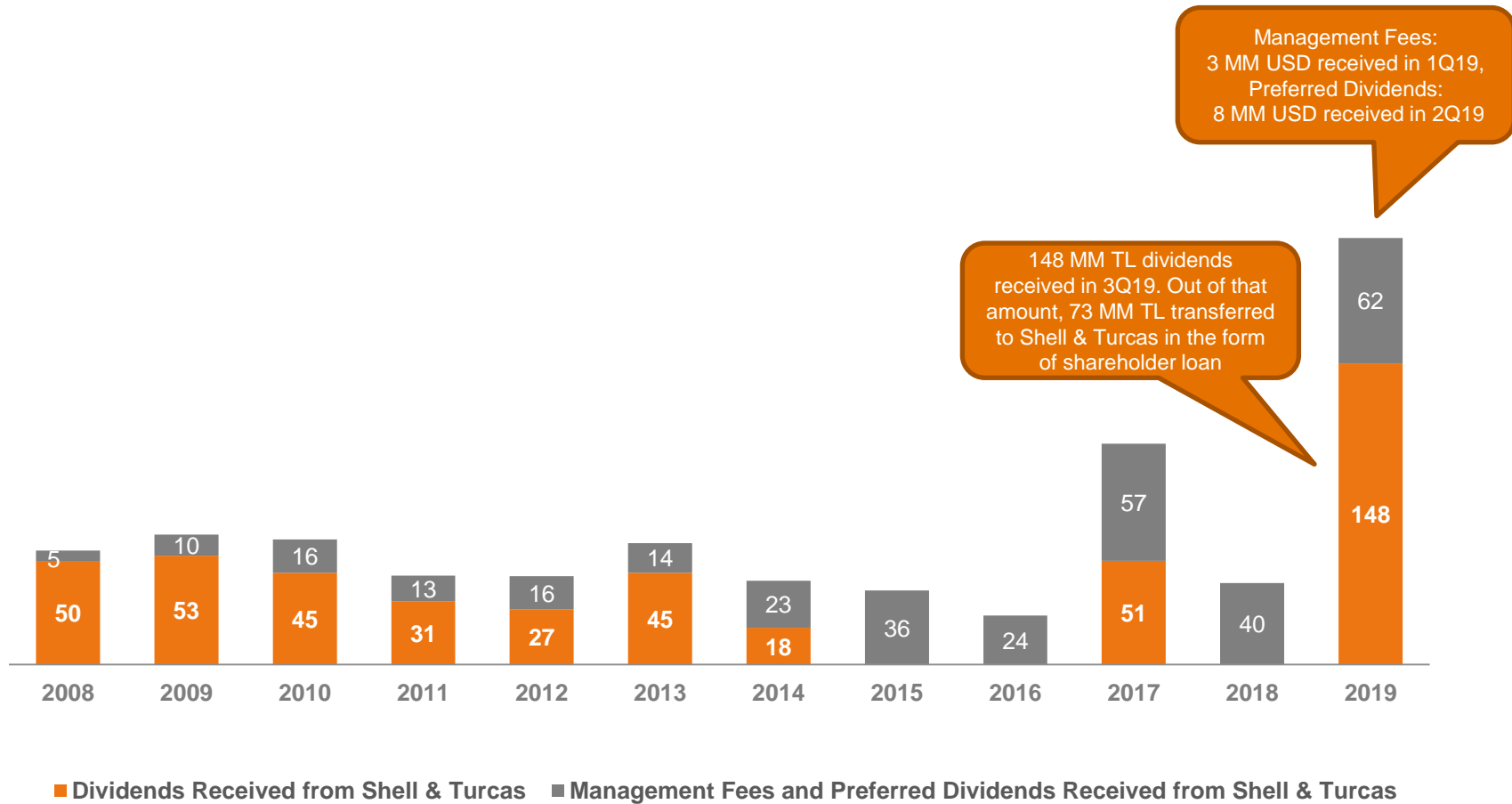
Source: STAŞ IFRS consolidated financials



Continuous Cash inflows from Shell & Turcas

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

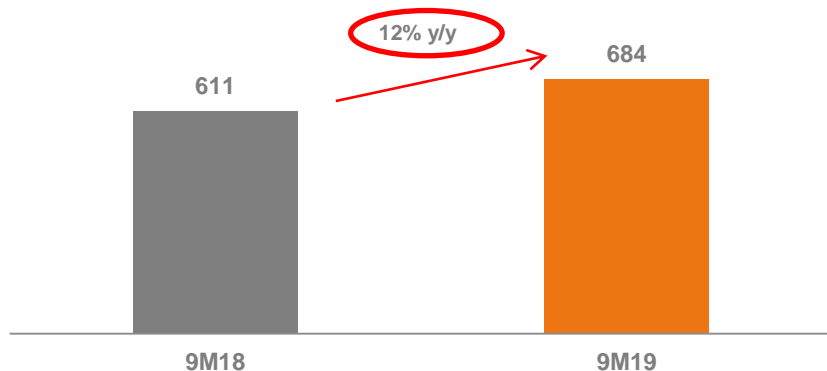
MM TL



RWE & Turcas JV – 9M19 Key Highlights

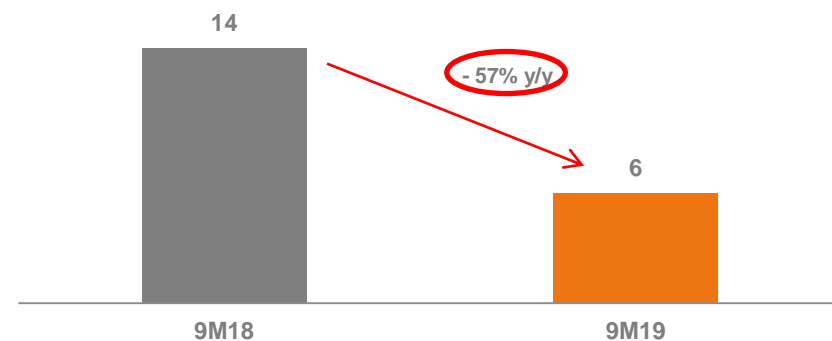
Net Sales

MM TL



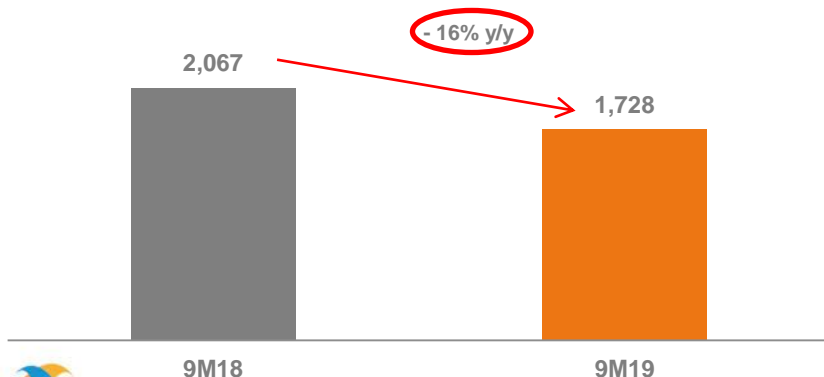
EBITDA

MM TL



Electricity Generation

gWh



RWE & Turcas 9M19 Highlights

- **Increase in net sales*** (12% y/y) supported by higher electricity prices in 9M19 compared to 9M18 despite lower electricity generation
- **41 MM TL capacity payments** received in 9M19 (1Q19: 13 MM TL, 2Q19: 18 MM TL, 3Q19: 10 MM TL)
- EBITDA declined by 57% y/y due to fulfilling take-or-pay obligations to state-run gas importer BOTAŞ
- Capacity utilization realized at 40% as of 9M19 (vs 45% in 9M18)

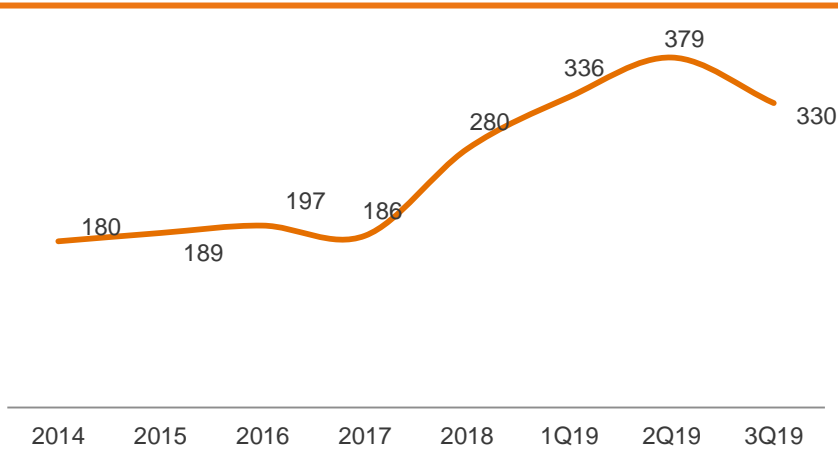


Source: RWE & Turcas IFRS consolidated financials.
* Net sales include capacity payments

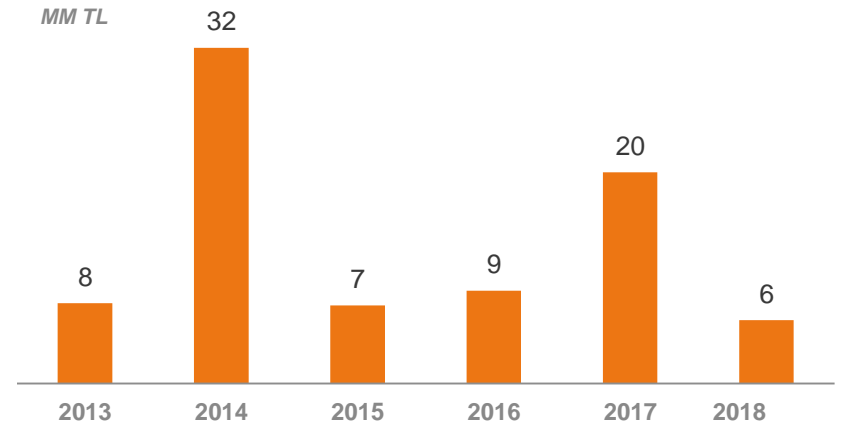


RWE & Turcas JV – 9M19 Key Highlights

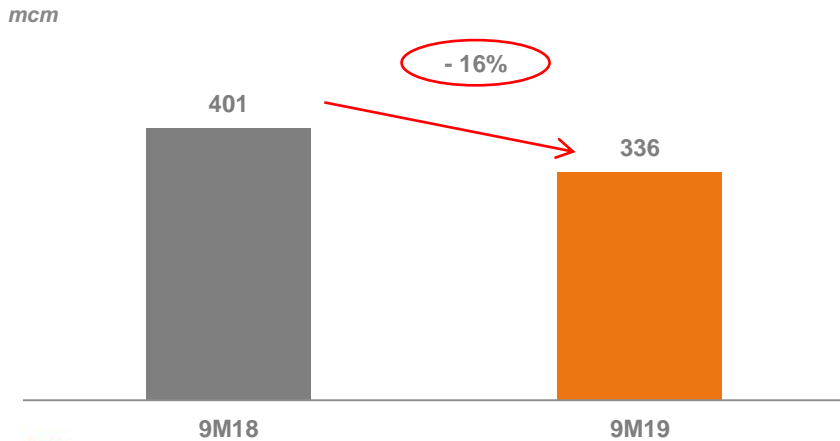
RTG Average Electricity Sales Price (TL/MWh)



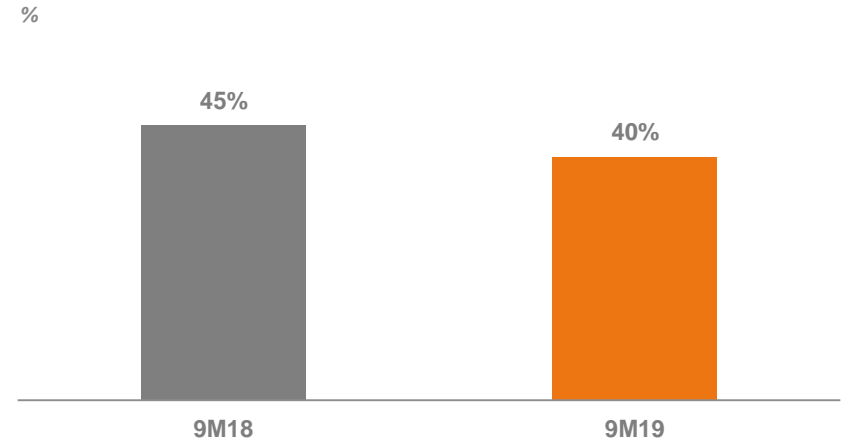
Cash inflows to Turcas from RWE & Turcas JV (under SHL repayment)



Gas Consumption



Capacity Utilization Rate



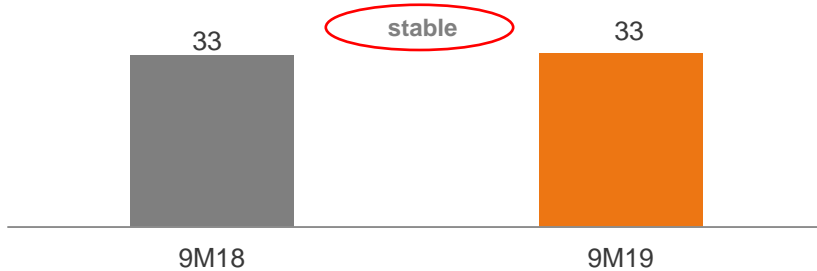
Source: RWE & Turcas IFRS consolidated financials. Cash inflows indicate shareholder loan repayments from RWE & Turcas to Turcas



Turcas Kuyucak Geothermal (TKG) PP-9M19 Key Highlights

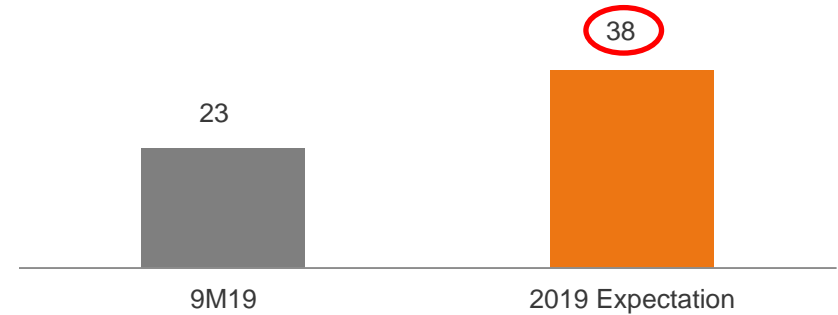
Net Sales

MM TL



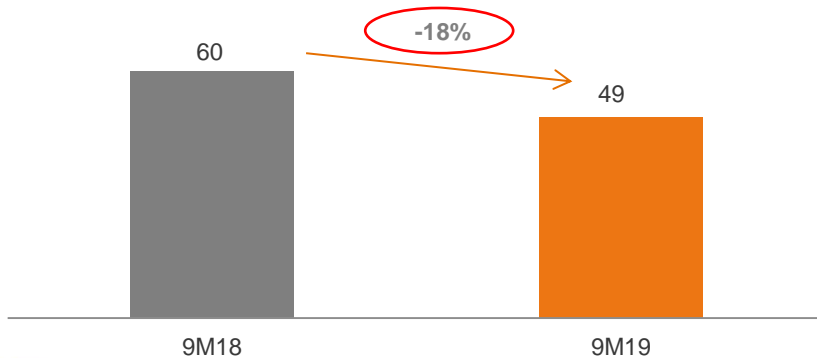
EBITDA

MM TL



Electricity Generation

million kWh



Turcas Kuyucak Geothermal PP 9M19 Highlights

- Turcas Kuyucak contributing positively to Turcas consolidated EBITDA driven by USD based Feed-In Tariff
- Long term project finance loan repayments continued to be serviced through free cash flow generation of TKG
- Additional production well to be drilled with the goal of increasing generation and maximizing EBITDA



Potential Project Pipeline

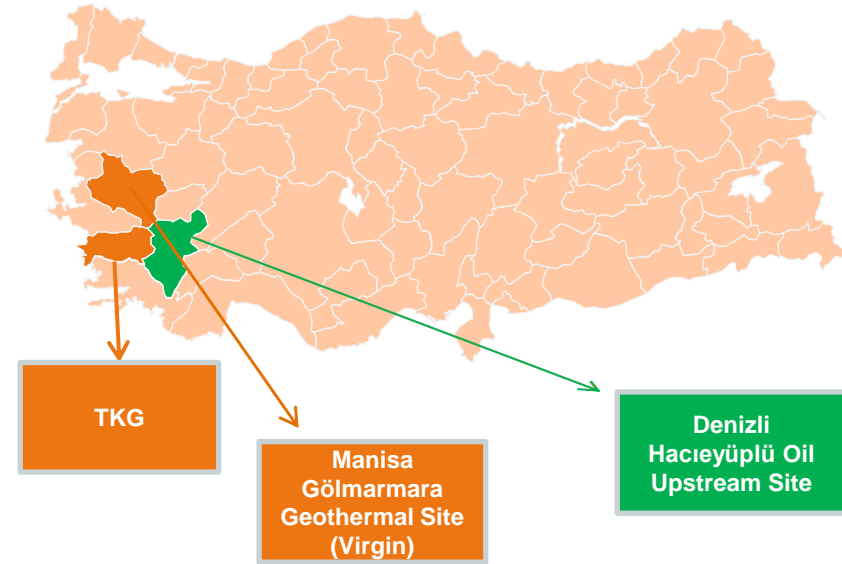
Geothermal Energy

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

- 1. Existing TKG Plant :** TKG starts to drill an additional production well (8th production well) with the goal of maximizing the generation capacity and thus the EBITDA at the existing plant.
- 2. Manisa Concession Zone:** Turcas is developing another geothermal energy project on a 4,958.68 hectares concession zone in Manisa Gölü 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 2,600 m 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 completed the geological and geophysical studies in 2018 and plans to move forward with seismic studies and to drill a new (shallow) well here for oil exploration in 2020. Turcas obtained the required Oil Exploration License from the Government Authorities on 02.05.2018.



Dividend Distribution Trackrecord

Dividends Paid by Turcas

MM TL

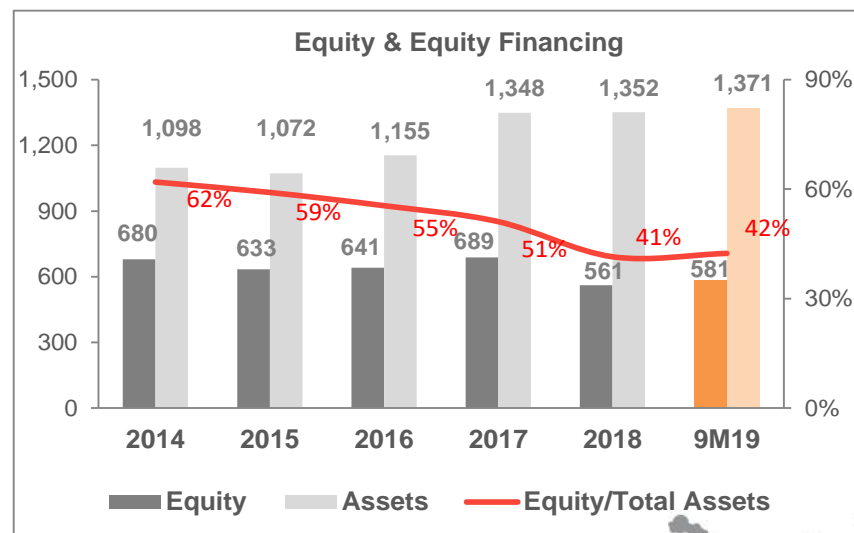
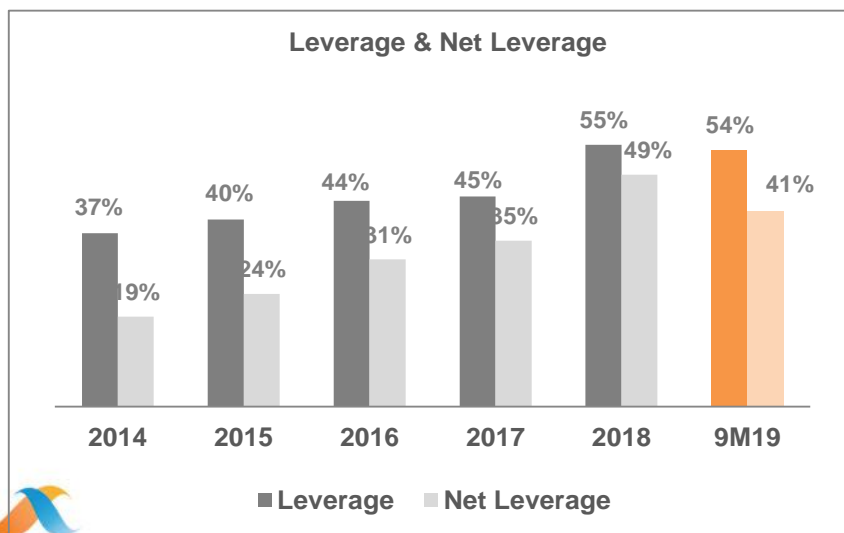


Turcas Consolidated IFRS Summary BS & PL

IFRS Consolidated Financial Statements & Financing Ratios

Balance Sheet , million TL	2018	9M19	Ytd
Cash & Cash Equivalents	86	178	108%
S -T Rec. From Rel.Parties <small>(from RTG and STAS)</small>	19	31	61%
L -T Rec. From Rel.Parties <small>(from RTG & STAS)</small>	70	148	111%
Investments <small>(STAS & RTG)</small>	806	681	-16%
Fixed Assets <small>(TKJ Capex Investments)</small>	264	261	-1%
Financial Assets <small>(FMV of Usufruct Certificates)</small>	74	39	-48%
Total Assets	1,352	1,371	1%
S - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	135	109	-19%
L - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	615	636	3%
Equity	561	581	4%
Total Liabilities & Equity	1,352	1,371	1%
Net Debt	664	567	-15%

Income Statement, million TL	9M18	9M19	Y/Y
Revenues (Electricity Sales)	33	33	1%
Gross Profit	23	18	-23%
Other Operational Income (Net)	-1	16	n.m.
Operating Expenses	18	18	2%
Operating Profit	5	16	241%
Income from Investments	42	15	-65%
Income from Subsidiaries	38	22	-43%
<i>Shell & Turcas</i>	56	48	-14%
<i>RWE & Turcas</i>	-18	-26	n.m.
Earnings Before Financing & Tax	85	52	-38%
Net Financial Losses	-287	-24	n.m.
<i>FX Losses</i>	-279	-19	n.m.
Net Income Before Tax	-202	29	n.m.
Tax	18	0	n.m.
Net Income/Loss	-184	29	n.m.





Thank you!

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