



Q1 2020 Earnings Presentation

Disclaimer

This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by variables and changes in underlying assumptions that could cause actual results to differ materially.

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Q1 2020 Key Market Highlights

Global Oil Market

Mid-distillate and HSFO cracks performed weaker

Crack margins compared to Q1 2019, \$/bbl

Diesel

↓ -4.1

Jet Fuel

↓ -5.7

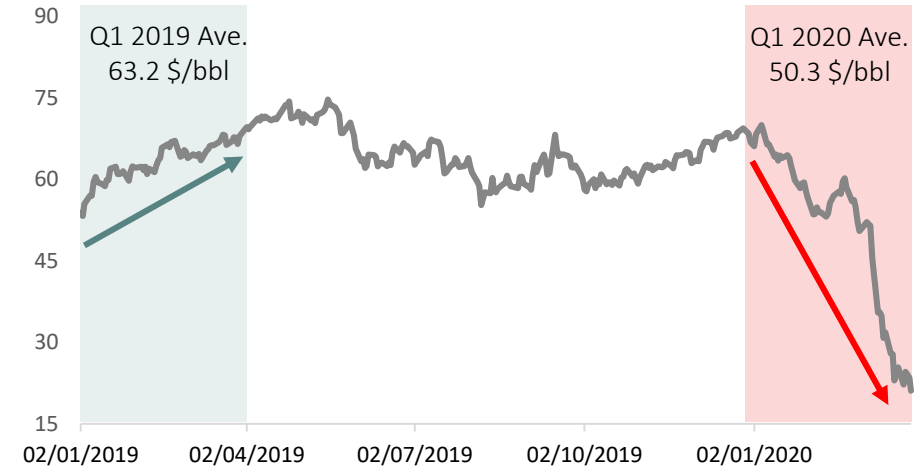
Gasoline

↑ +2.4

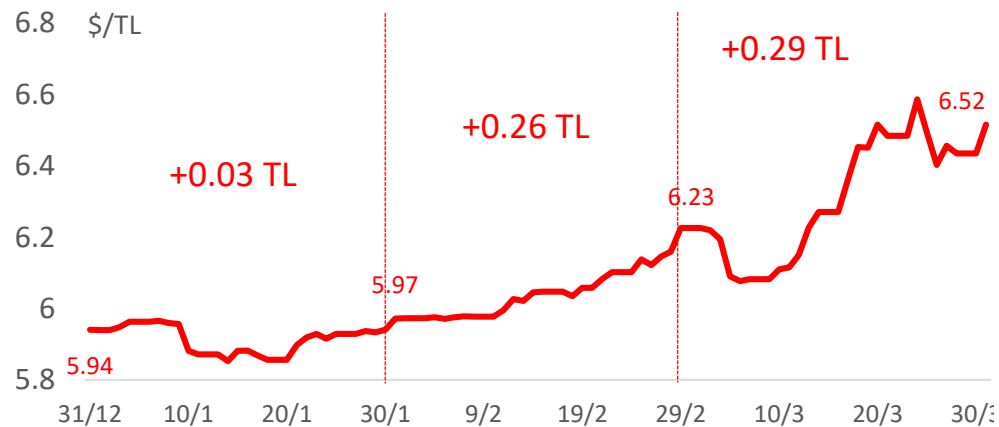
HS Fuel Oil

↓ -9.7

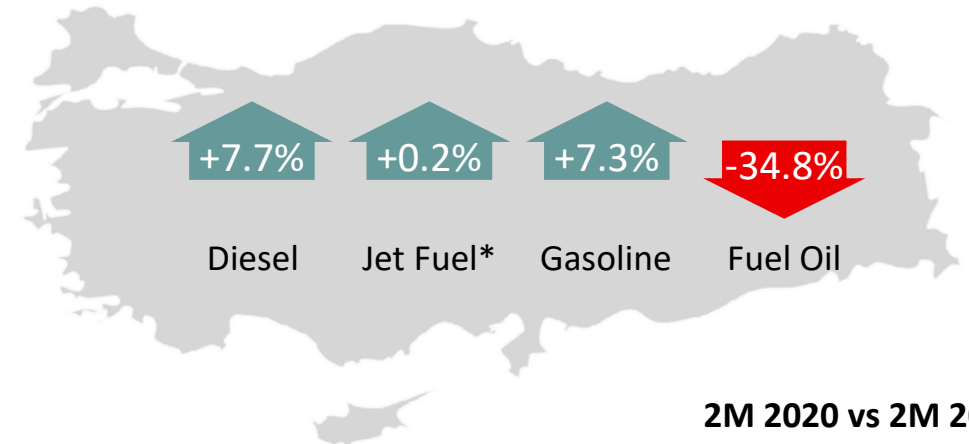
Sharp decline in Brent in Q1 2020



TL depreciation accelerated in Q1 2020



Turkey product demand not showing Covid-19 impact in first two months

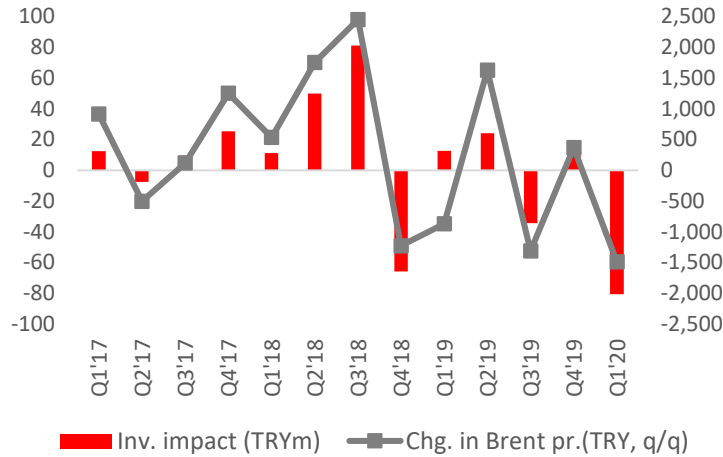


2M 2020 vs 2M 2019

*Including transit flight consumption

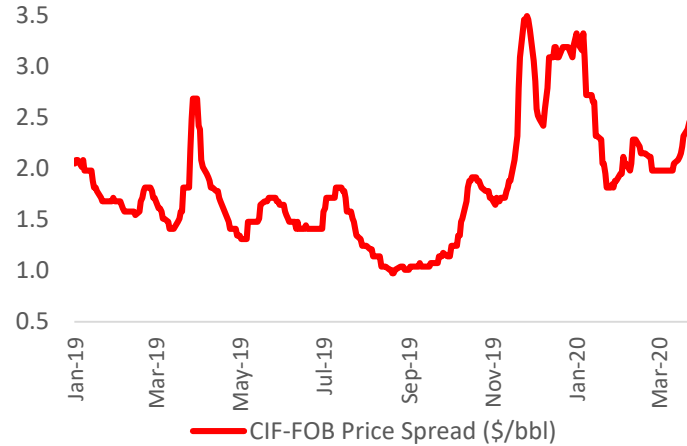
Q1 2020 Tüpraş Highlights

Sharp drop in Brent price is the lead factor behind weak results



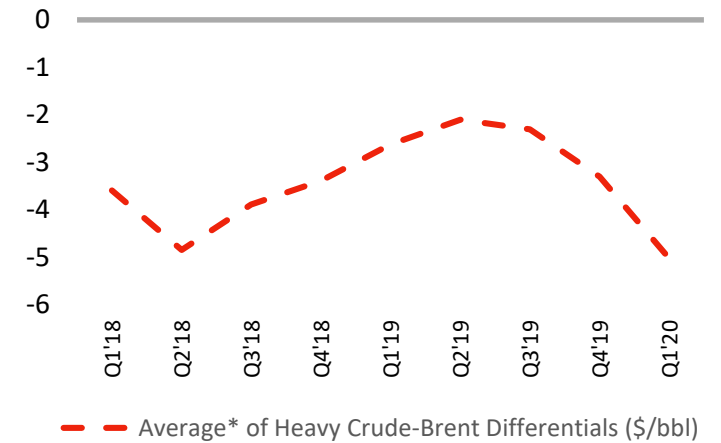
- Weak Q1 performance is largely a result of sharp drop in Brent prices.
- Looking forward, recovery in Brent prices will reflect to Tüpraş accordingly.

Being local helps in elevated freight cost environment



- Freight costs continue to rise as floating storage usage of ships continues.
- This elevation supports our competitiveness against importers.

Widening trend in differentials continues



- Widening in heavy crude differentials, which began as refiners started preparing for IMO 2020 in H2 2019, resumed in Q1 2020 as well.

* Simple average of Arab Heavy, Basrah Heavy, Kirkuk, Kuwait and Ural.

In Q1 2020

6.0
Million tons of
Total Production

6.2
Million tons of
Total Sales

-1,307
Million TL
EBITDA

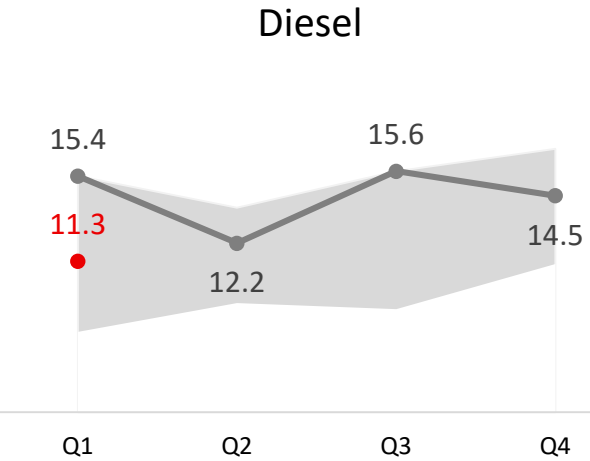


Market

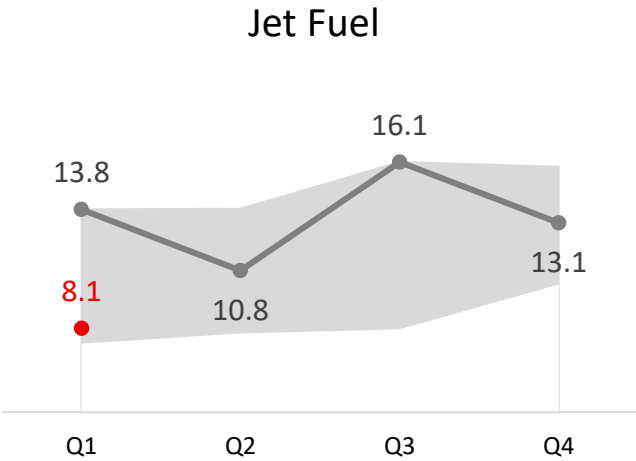
Quarterly Crack Margin Comparison (\$/bbl) in 2016 - 2020

Covid-19 impact on crack margins has started to be visible for jet and gasoline in late Q1 2020.

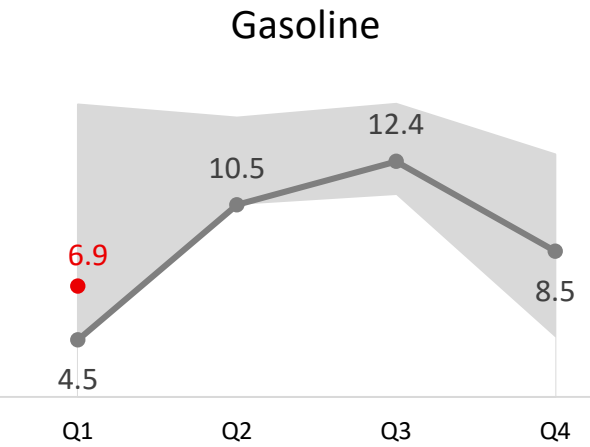
—●— 2020 —●— 2019 2016-2020 Min - Max



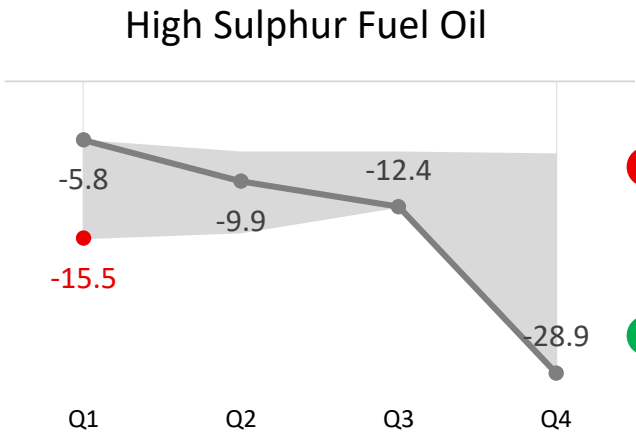
- Weak demand on the back of slowing global economy and mild winter
- + Largely resilient against Covid-19 impact as diesel is used mostly for heavy duty transport and logistics



- Severe drop in global aviation activity due to the Covid-19 outbreak
- Mild winter



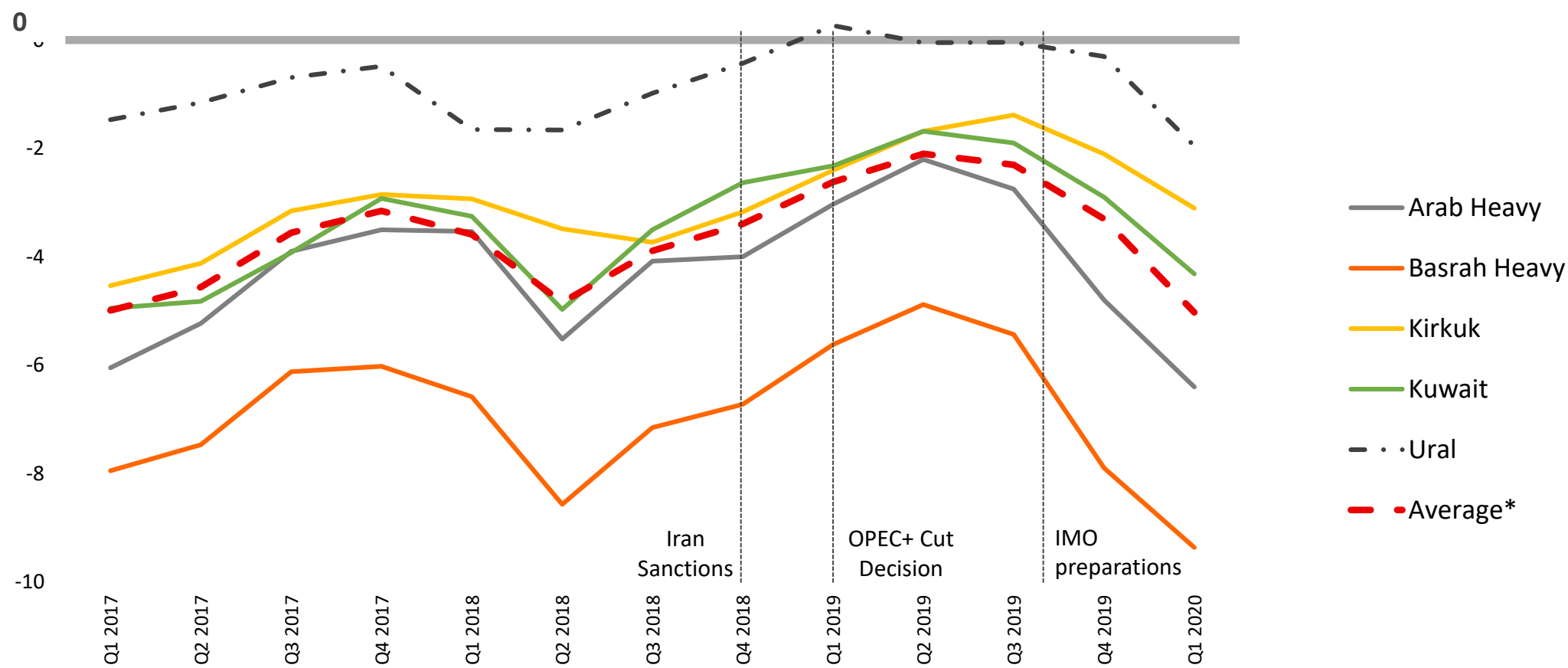
- + Usage of FCC feedstock in VLSFO production
- + Mild winter conditions supporting passenger car transport demand
- Travel lockdowns around the globe driven by the Covid-19 outbreak



- Lower demand due to IMO 2020
- + Run cuts by simple refineries reduce supply

Heavy Crude Price Differentials to Brent (\$/bbl)

In Q1 2020, differentials widened compared to Q4 2019 on the back of higher supply against weaker demand and IMO driven feedstock shift to lighter crude



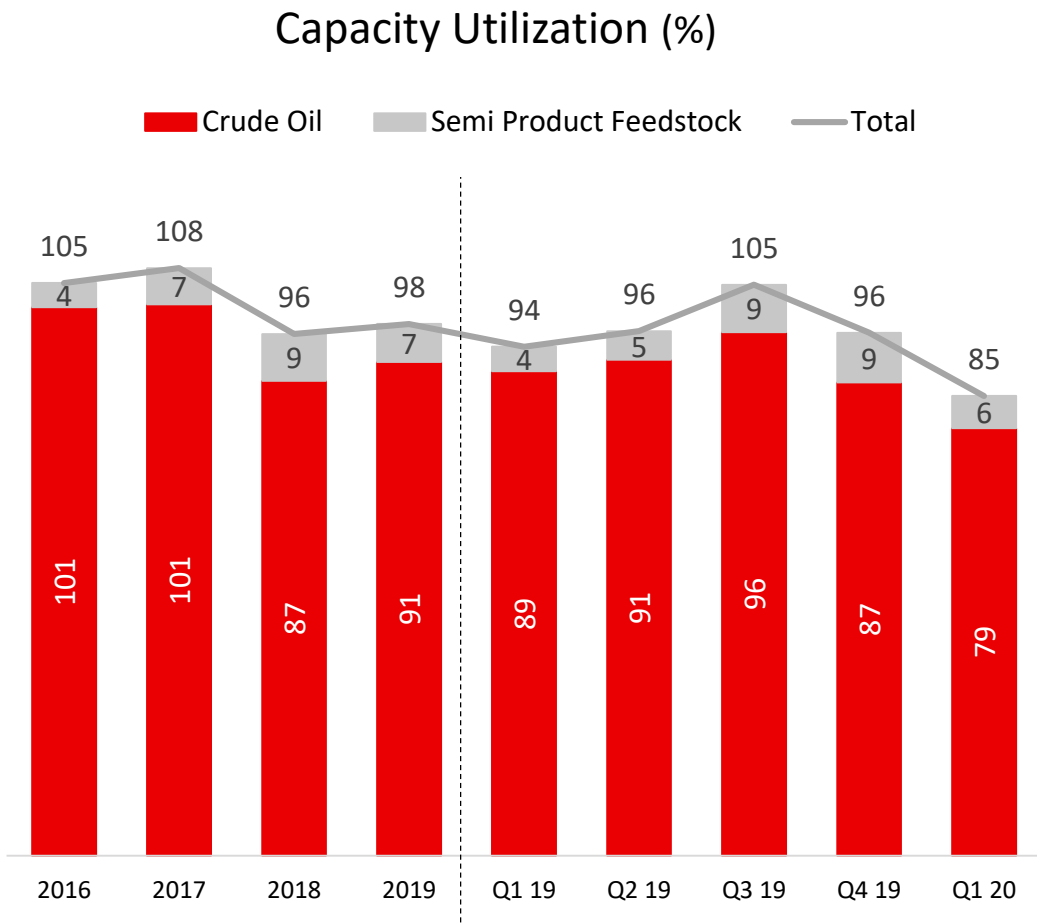
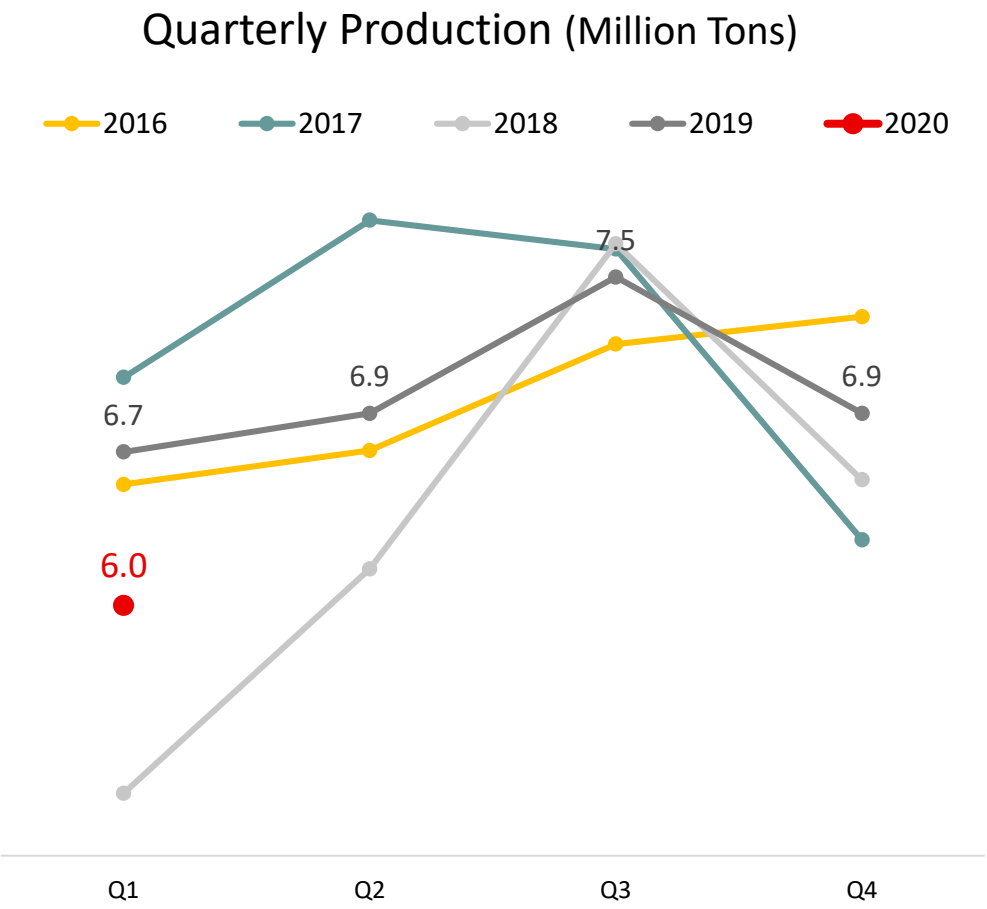
*Simple average of listed differentials



Operations

Capacity Utilization and Quarterly Production Volume

- We produced 6.0 mn tons in Q1 2020
- Capacity utilization for Q1 2020 was 85% with much higher white product yield at 86%.

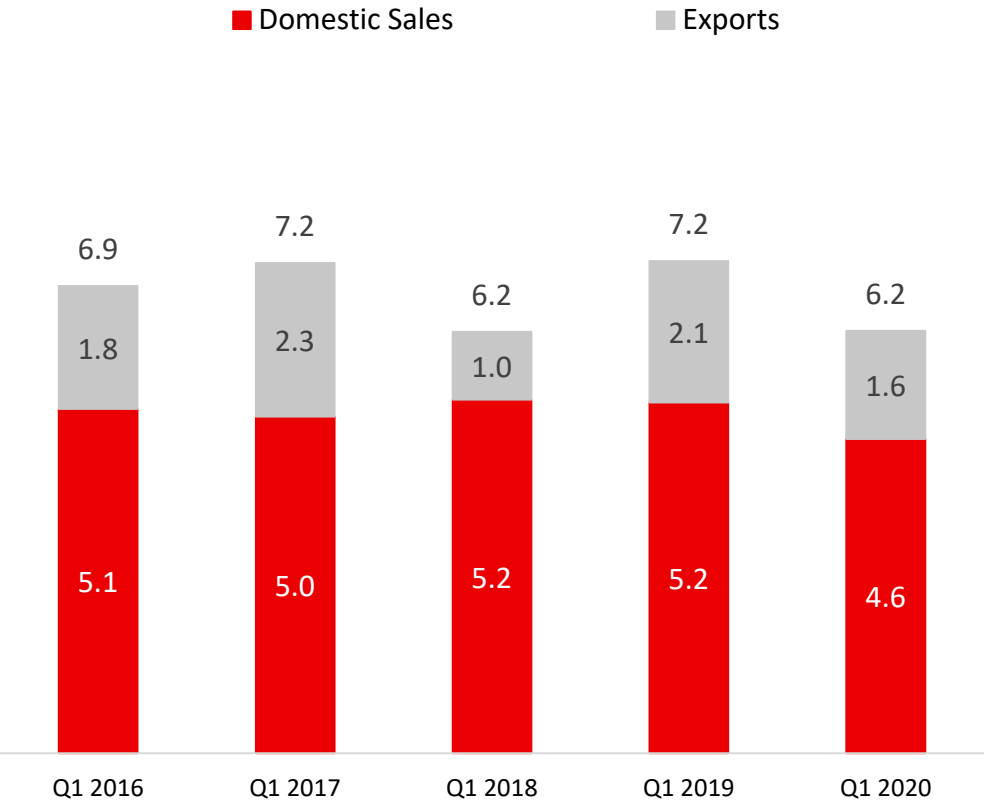


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

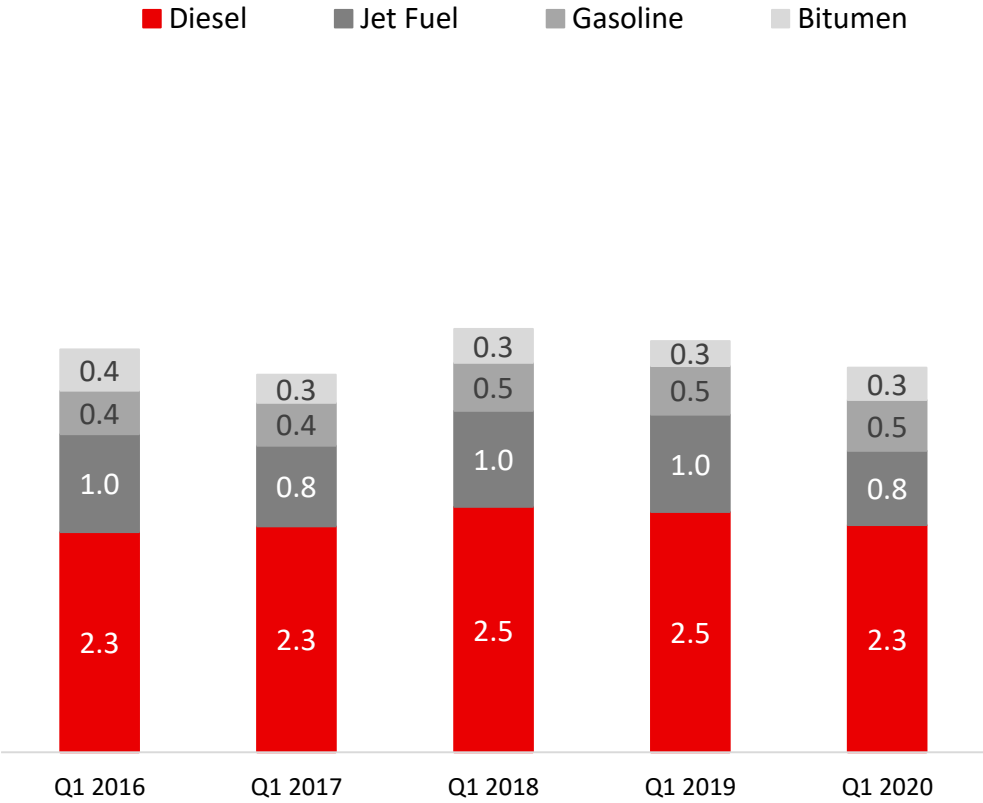
Sales in Q1 (Million Tons)

Tüpraş generated 6.2 million tons of sales in Q1 2020.

Total Sales



Domestic Sales of Selected Products





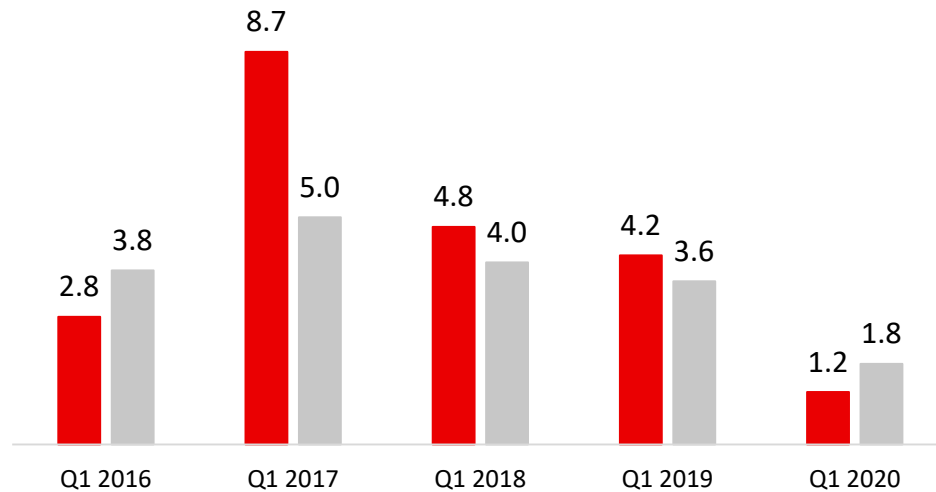
Financials

Tüpraş Net Margin and Med Complex Margin Comparison (\$/bbl)

Q1 Margins

■ Tüpraş Net

■ Med Margin



- Inventory loss and weaker crack margin environment were the main factors behind the decrease in Tüpraş net refining margin compared to Q1 2019.
- Med margin was higher than Tüpraş net refining margin mainly due to exclusion of inventory impact from its calculation.

Effect of hedging operations excluded from above calculations.

Income Statement (Million TL)

EBITDA realized as -1.3 billion TL in Q1 2020

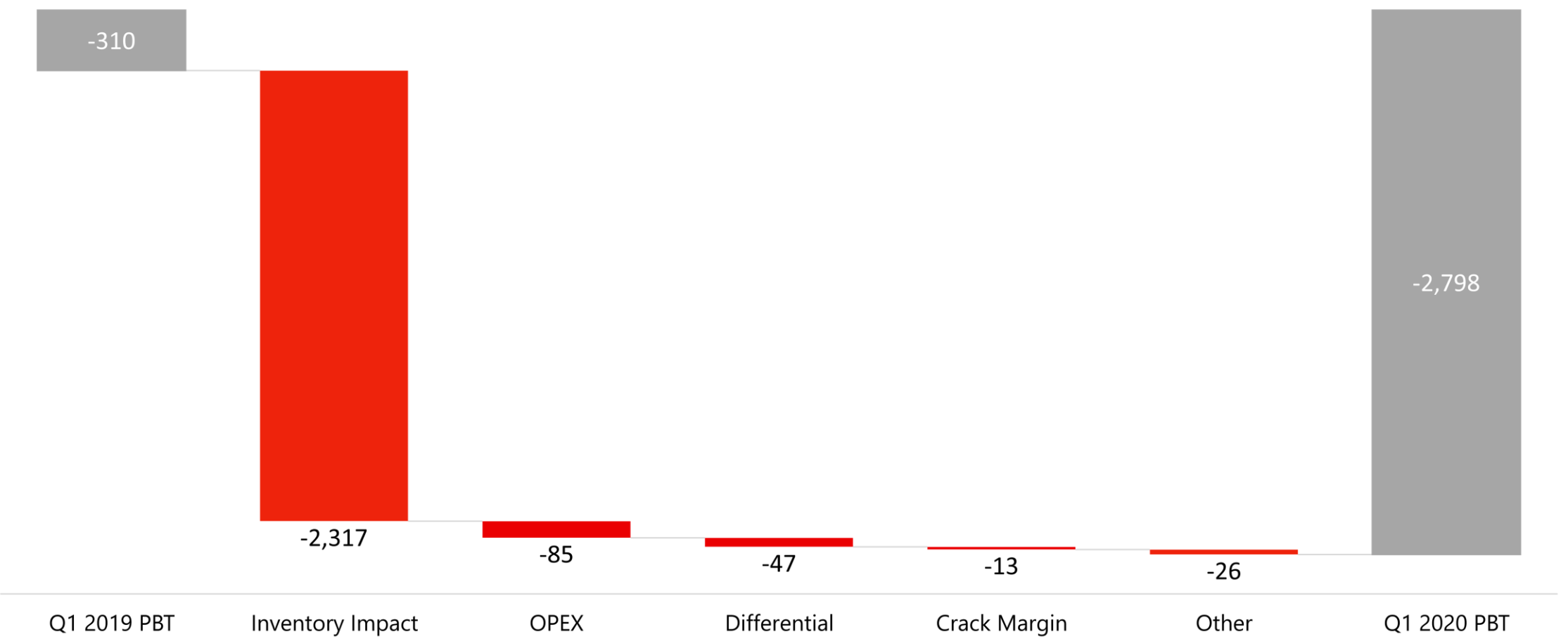
Million TL	Q1 2020	Q1 2019	%
Net Sales	16,940	20,708	-18%
COGS	-17,849	-19,717	9%
Gross Profit	-909	991	-192%
Operating Expenses	-458	-373	-23%
Income/Loss from other operations	-349	-390	10%
Operating Profit	-1,716	228	-852%
Income/Loss from equity investment	-168	63	-368%
Operating Profit Before Fin. Income/Loss	-1,885	291	-747%
Financial Income /Expense	-913	-601	-52%
Profit Before Tax	-2,798	-310	-802%
Net Profit (excluding minority interest)	-2,265	-375	-504%
EBITDA *(mn.TL)	-1,291	851	-252%
Inventory Gain/Loss	-2,016	301	-770%
EBITDA* (mn. TL) CCS	725	550	32%

*On CMB reports. EBIT includes extra items such as FX impacts of trade receivables and payables. In our EBITDA calculation. FX related items are excluded from EBIT as customary in international practices.

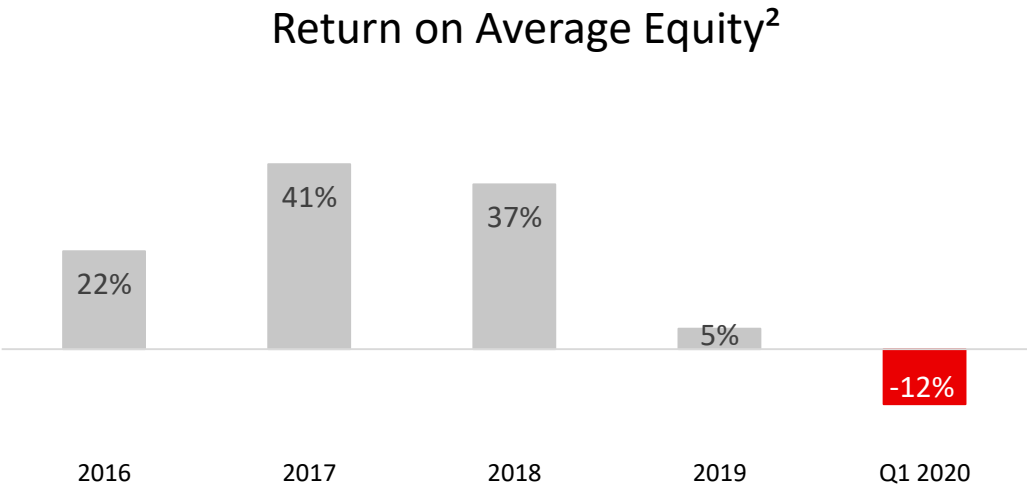
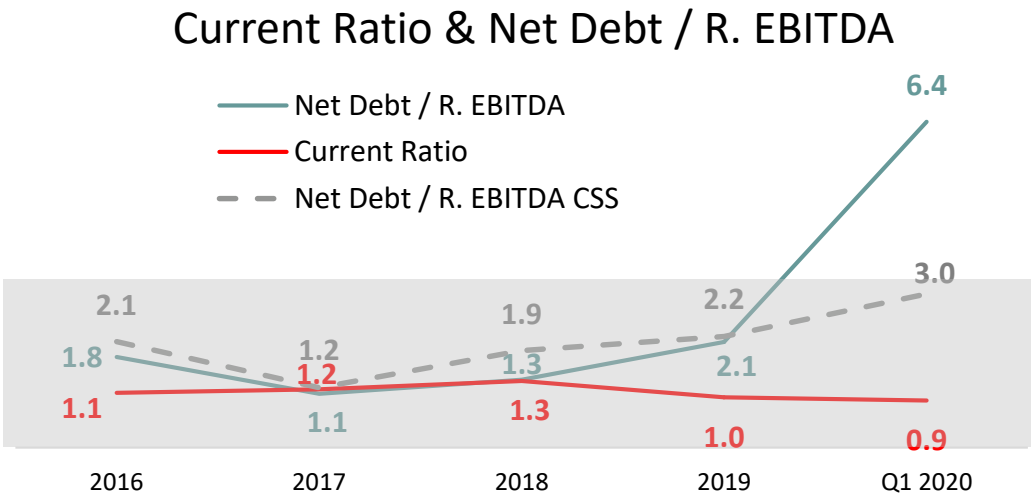
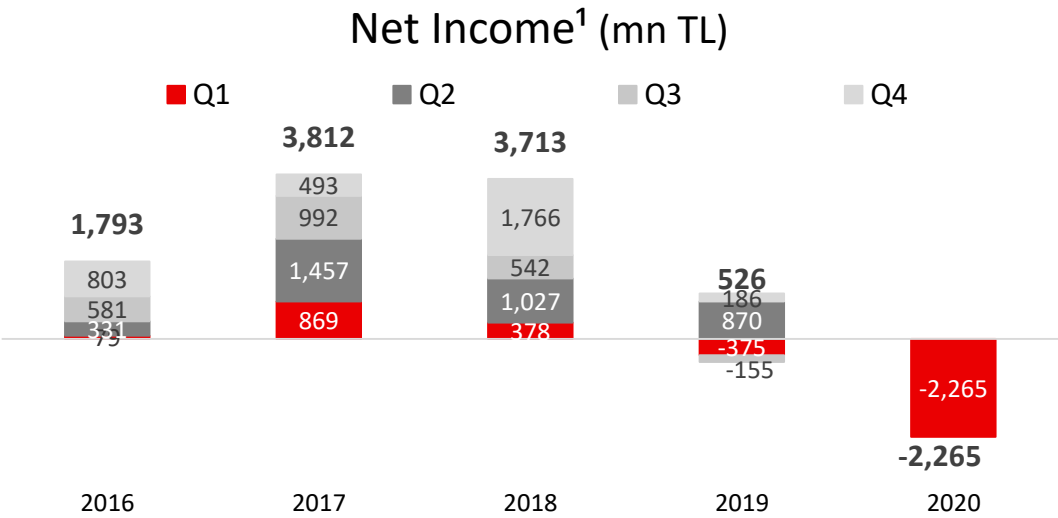
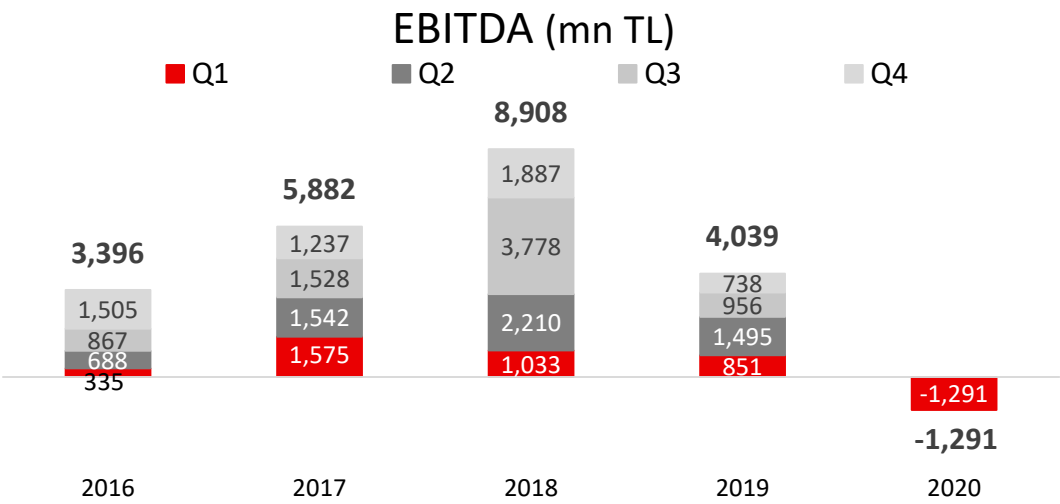
Q1 Profit Before Tax Bridge (2019-2020)

Decline in Profit Before Tax was driven by inventory loss due to sharp drop in Brent Price.

Million TL

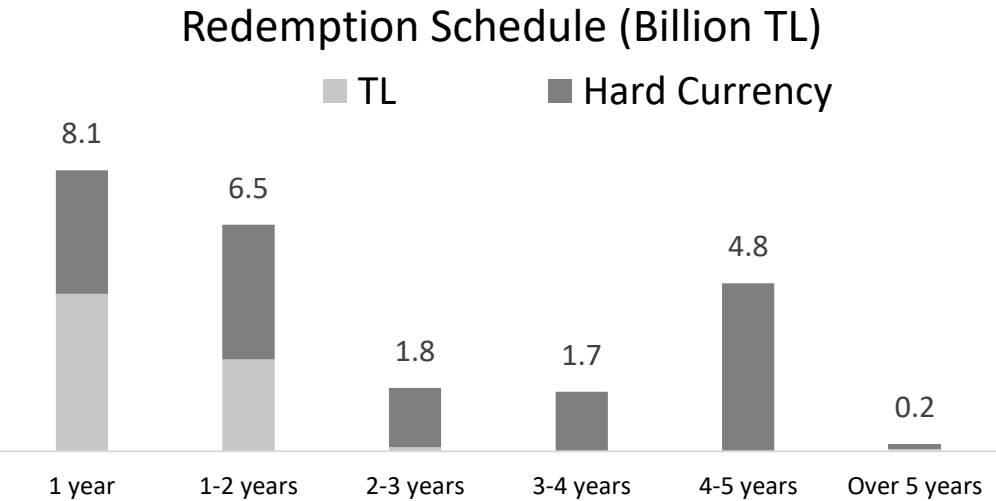
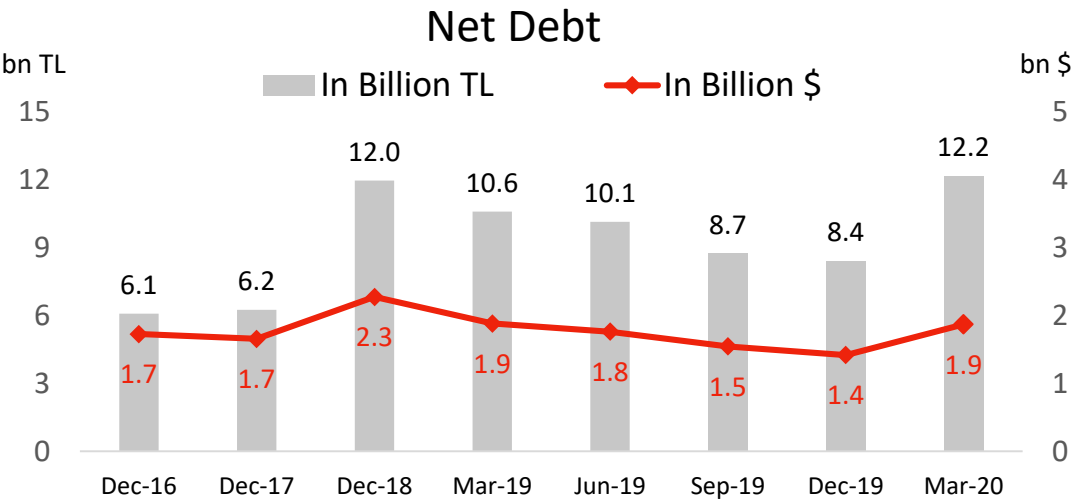


Financial Highlights

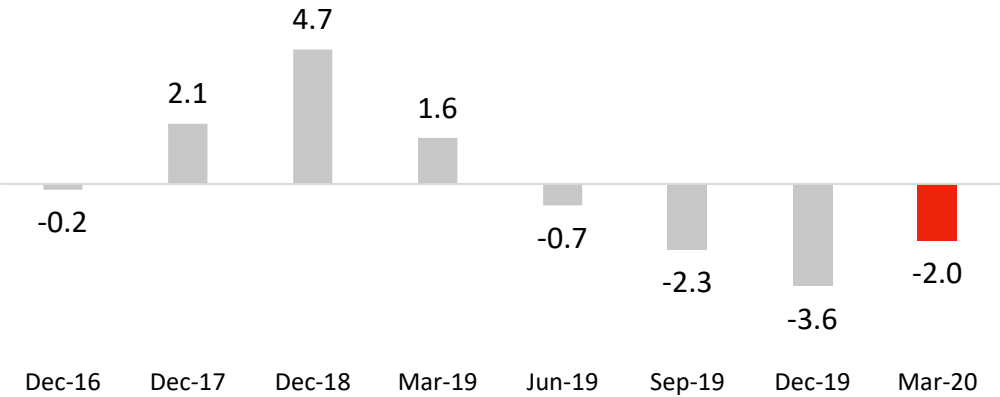


1) Excluding minority interest 2) Calculation based on rolling net income

Balance Sheet Analysis (Billion TL)



Working Capital Requirement (Billion TL)

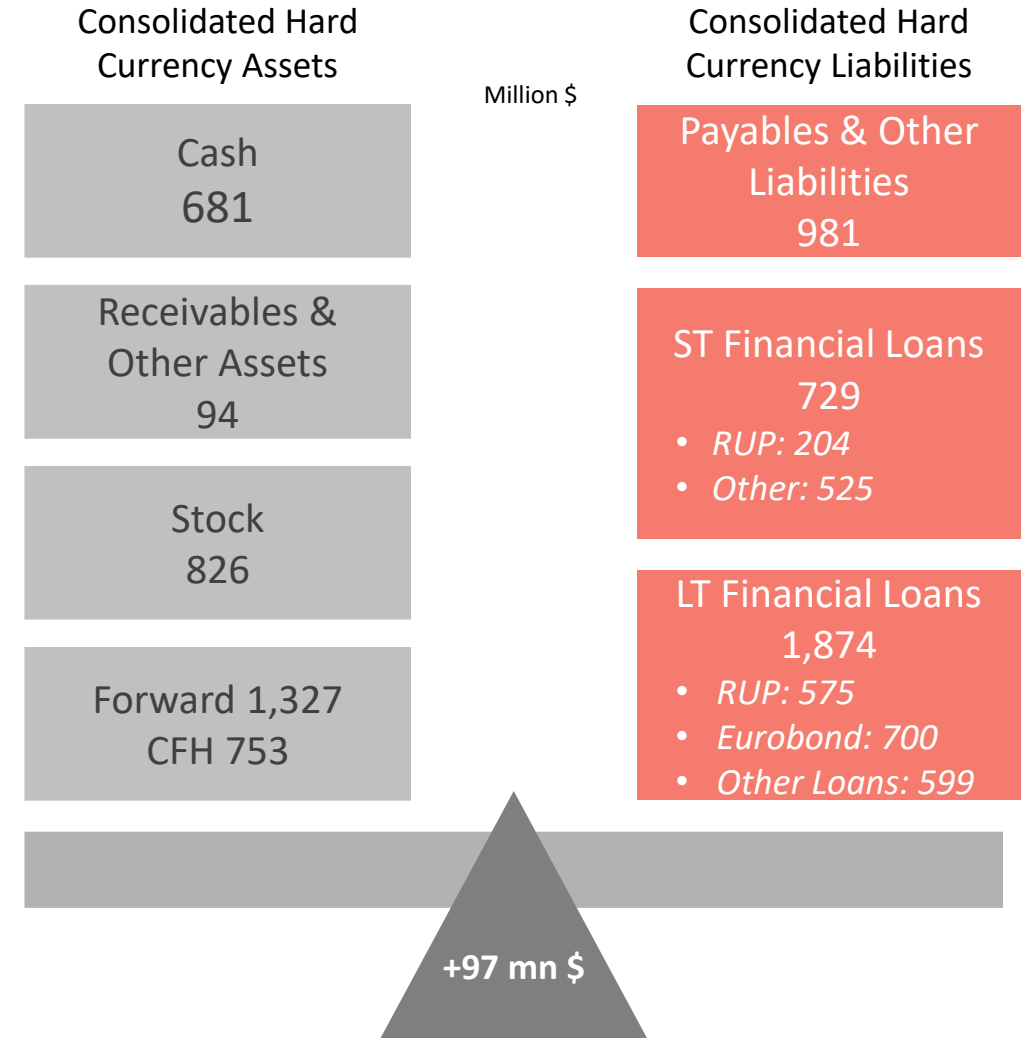


Proactive Financial Management

- Net debt increased due to lower working capital contribution and TL depreciation
- Dynamic liquidity management ensures optimal cash and receivables management

FX Exposure Management (31 March 2020)

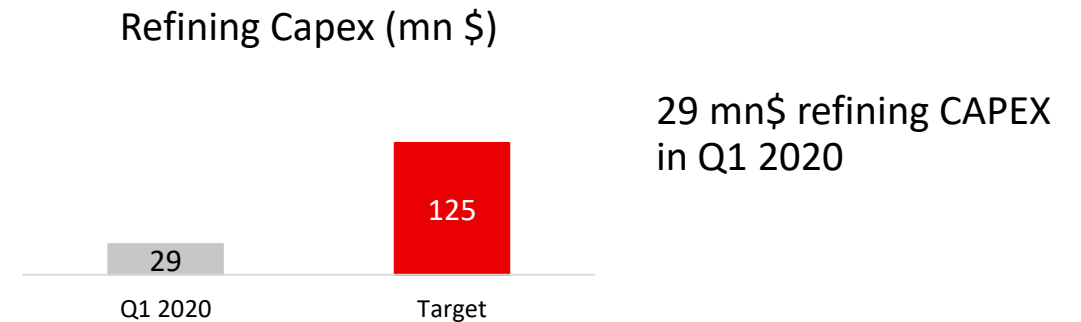
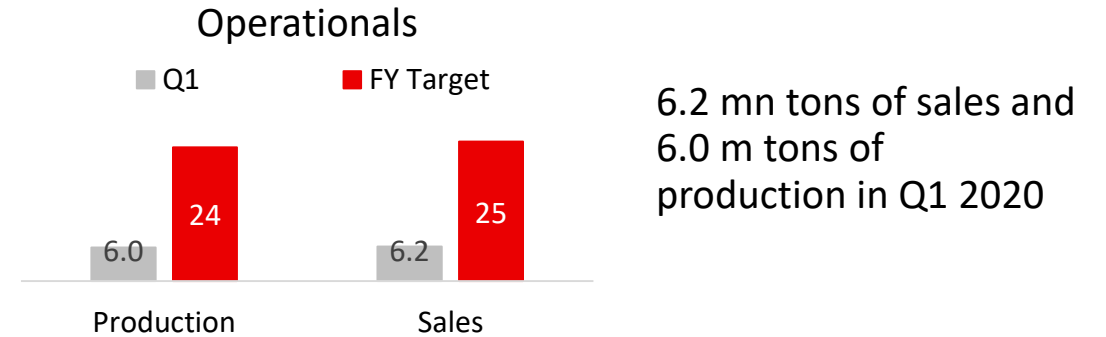
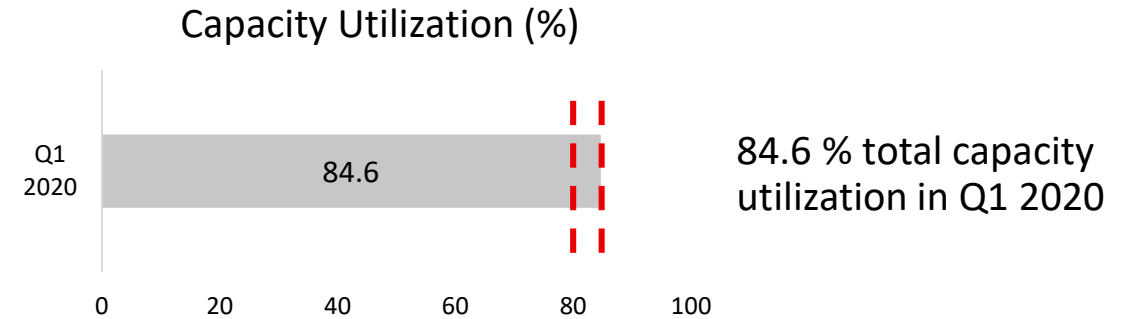
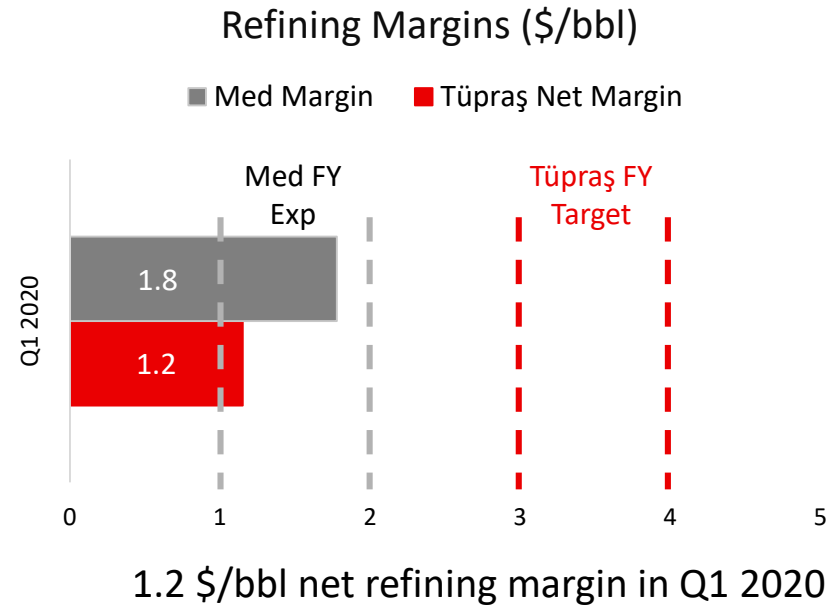
Tüpraş continues to employ strict FX policies to mitigate currency risks stemming from volatility.





Outlook for 2020

Q1 2020 Results



2020 Refinery Maintenance Schedule

Refinery	Unit	Quarter	Duration (weeks)	Status
Batman	Plt 100/1100 Crude Oil & Vacuum	Q1	10-12	Completed
İzmir	U-100 Crude	Q1	9*	Completed
	U-4000 FCC	Q4	6	
	U-9200 CCR	Q1	3	Completed
	U-9200 CCR	Q4	7	Postponed to 2021
	U-9600 Isomerization	Q4	8	Postponed to 2021
	U-9900 MQD	Q4	7	Postponed to 2021
İzmit	Plt-6 Desulphurizer	Q4	4	Postponed to 2021
Kırıkkale				

* This activity had started in Q4-19. Duration figure indicates the portion carried out in 2020

2020 Expectations(*)

Med Complex Refining Margin 1.0-2.0 \$/bbl

- Ural-Brent differential widening compared to 2019
- Weak outlook for jet fuel and gasoline

Tüpraş Net Refining Margin 3.0-4.0 \$/bbl

- Weak outlook for jet fuel and gasoline cracks
- Resilient diesel and strong HSFO cracks
- Heavy crude differentials to widen
- **~24 mt production, ~25mt sales and 80 - 85% capacity utilization**

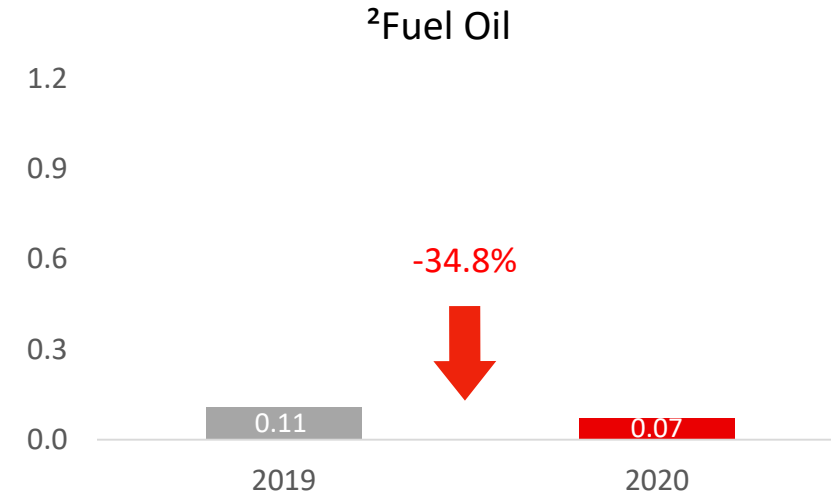
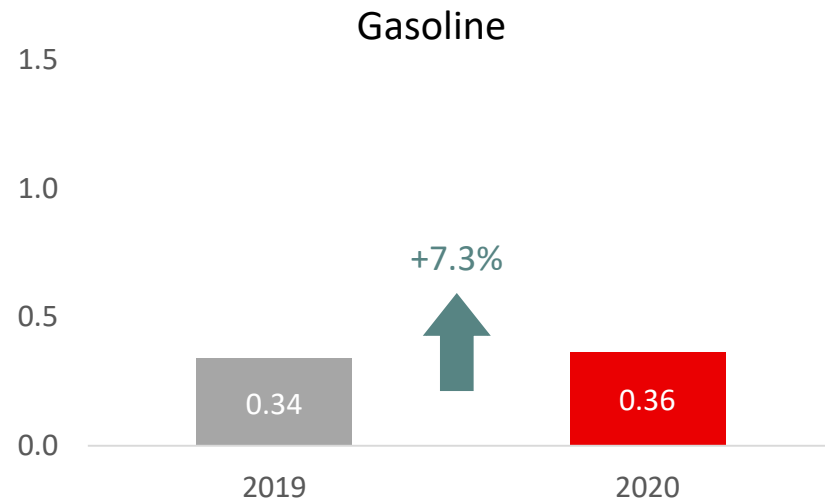
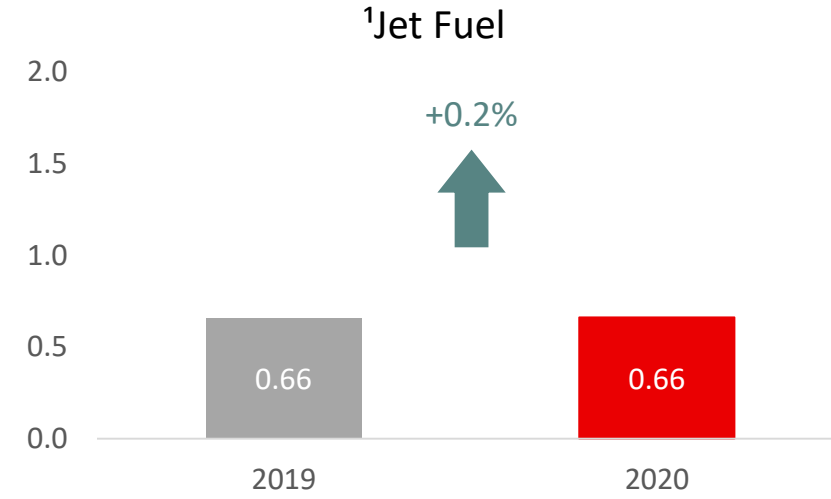
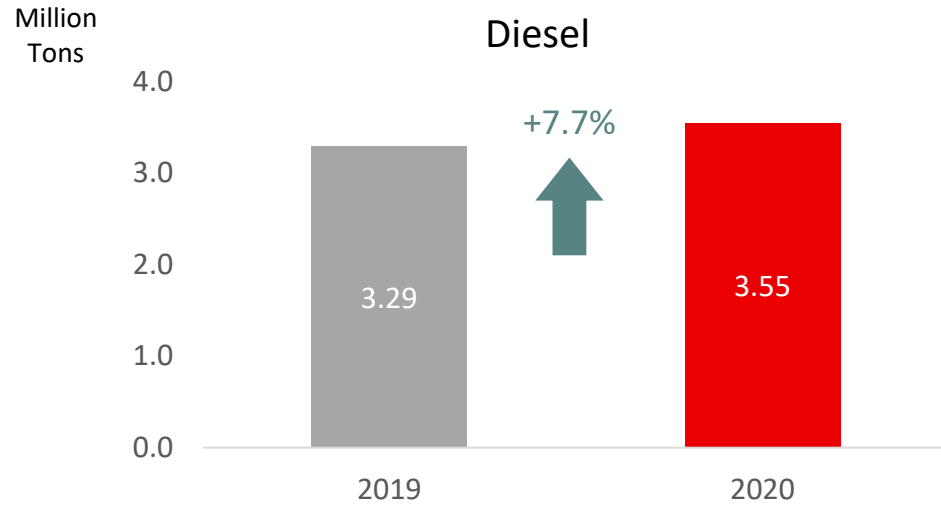
Refining Capex ~125 million \$

- Sulphur treatment units, improvement in storage units

* During preparation of the revised 2020 expectations, it has been assumed that Covid-19's negative impact on crude oil and petroleum products demand will began to decrease by June and normal economic activity will resume starting from August.

Appendix

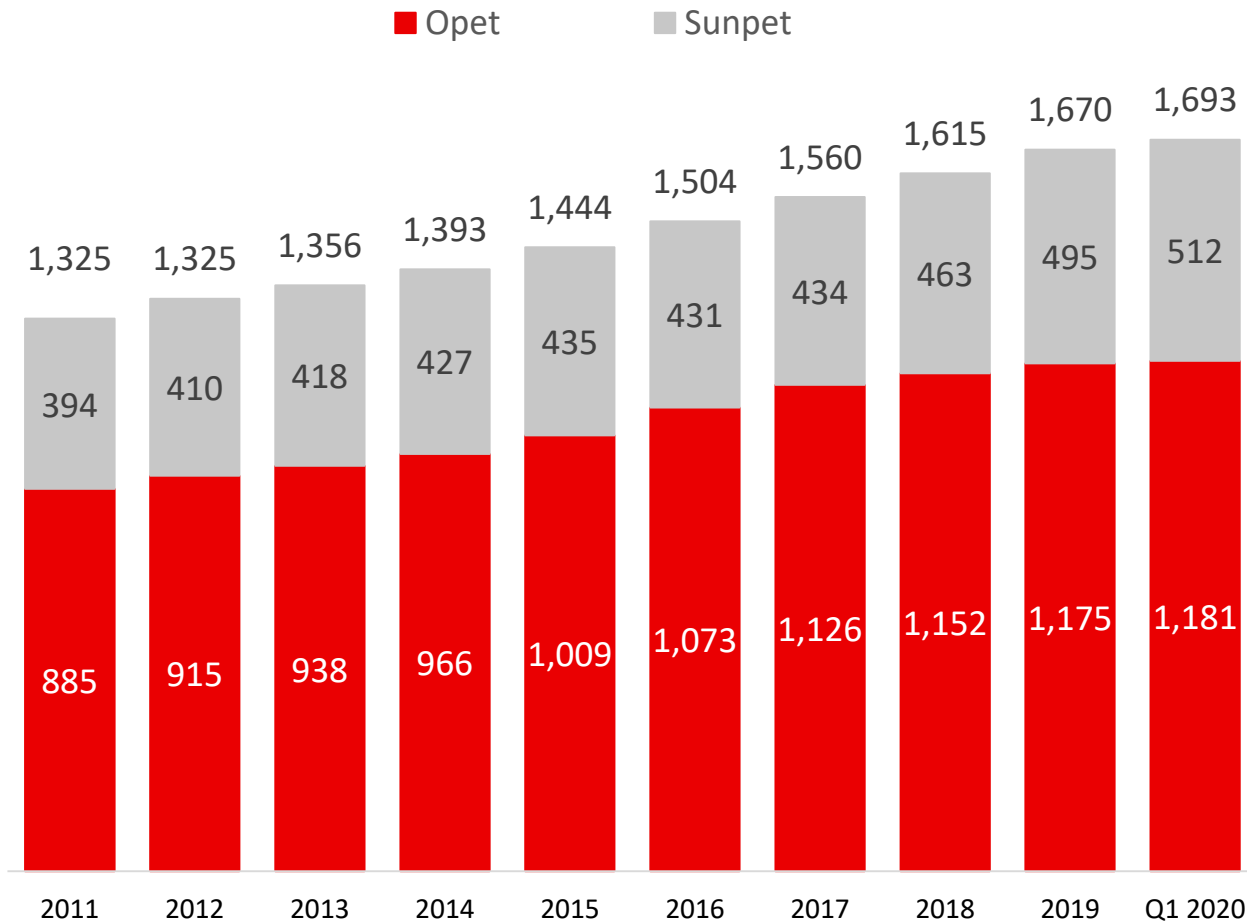
Turkish Market, Jan-Feb 2019/20 (Million tons)



¹Transit flight consumption included

²Bunker excluded

Opet has 1,693 fuel stations as of March 2020.



Market Share
as of February 2020

20.10 %

White
Product

20.21 %

Black
Product

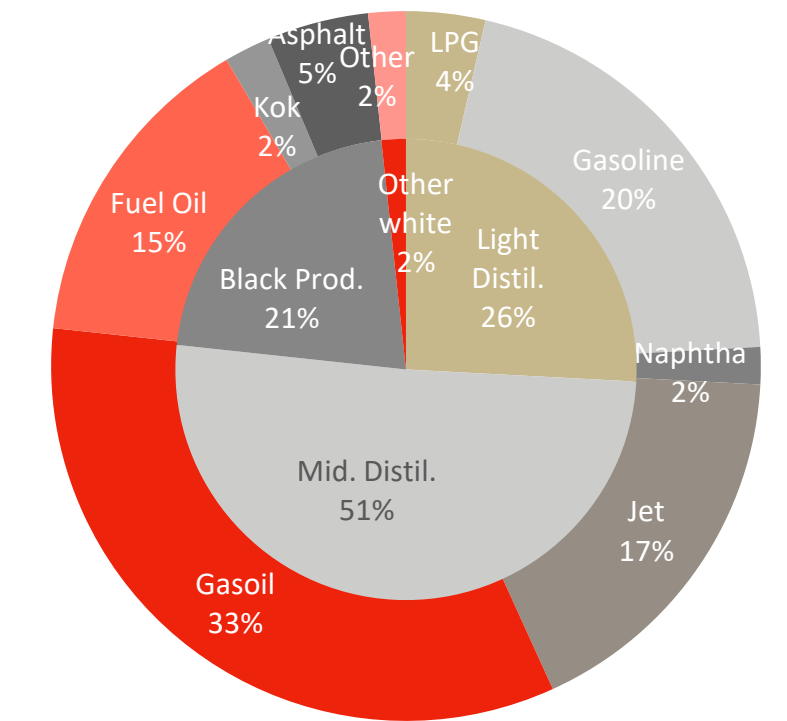
Crack Margin Effect on Tüpraş in Q1 (FOB Italy Prices)

Product	Product Price (\$/ton)		Tüpraş 2020 Production Yields	Crack Margin (\$/bbl)	
	2020 Q1	2019 Q1		2020 Q1	2019 Q1
LPG	429	421	5.0%	-12.0	-25.7
Gasoline	464	550	21.4%	6.9	4.5
Naphtha	381	473	1.0%	-7.3	-9.8
Jet Fuel	458	605	17.3%	8.1	13.8
Diesel	458	585	39.2%	11.3	15.4
Diesel 1000	448	570	1.5%	10.0	13.4
Fuel Oil 1%	345	394	0.9%	3.0	-2.5
Fuel Oil 3.5%	225	372	0.7%	-15.5	-5.8
Others	162	430	8.2%	-14.5	-8.6
Dated Brent (\$/bbl)	50.3	63.2	95.2%		

Total Crack Margin (\$/bbl)			Total Processed 2020 Q1 (mn bbl)	Total Effect (mn \$)	Total Effect (mn TL)
2020 Q1	2019 Q1	Difference			
5.5	5.6	-0.05	44.6	-2.2	-13

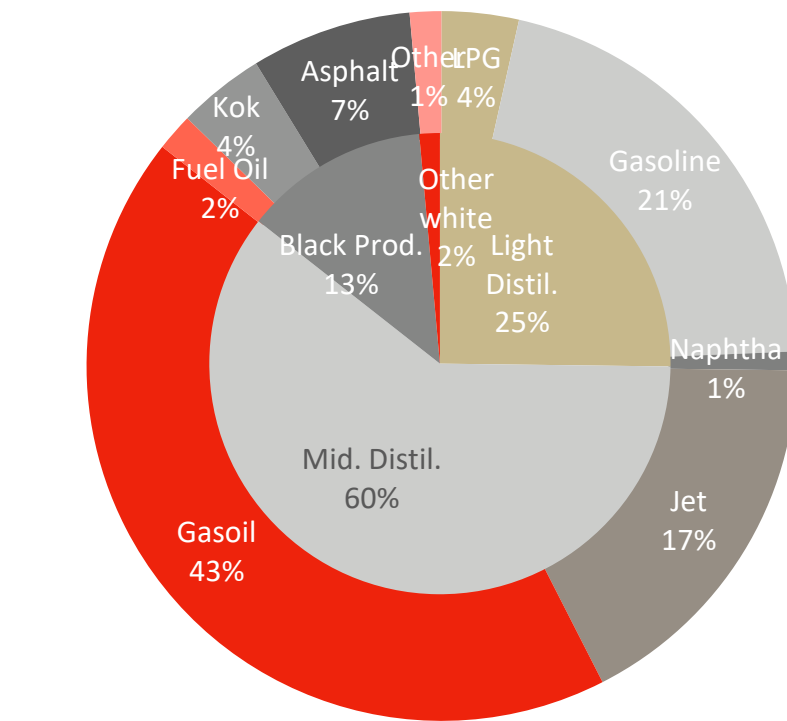
Q1 Product Yields

2019 Q1



White Product Yield (%)	77.4%
Production	6.7 mn tons
API	32.4

2020 Q1

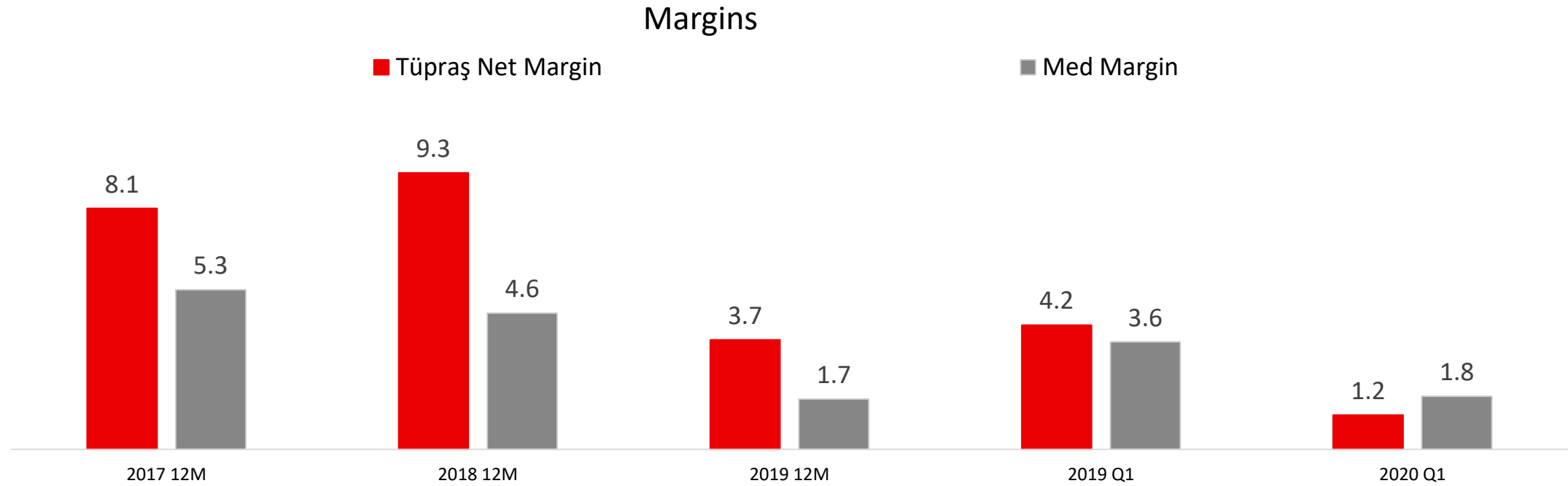


White Product Yield (%)	85.7%
Production	6.0 mn tons
API	32.1

Tüpraş Balance Sheet (Million TL)

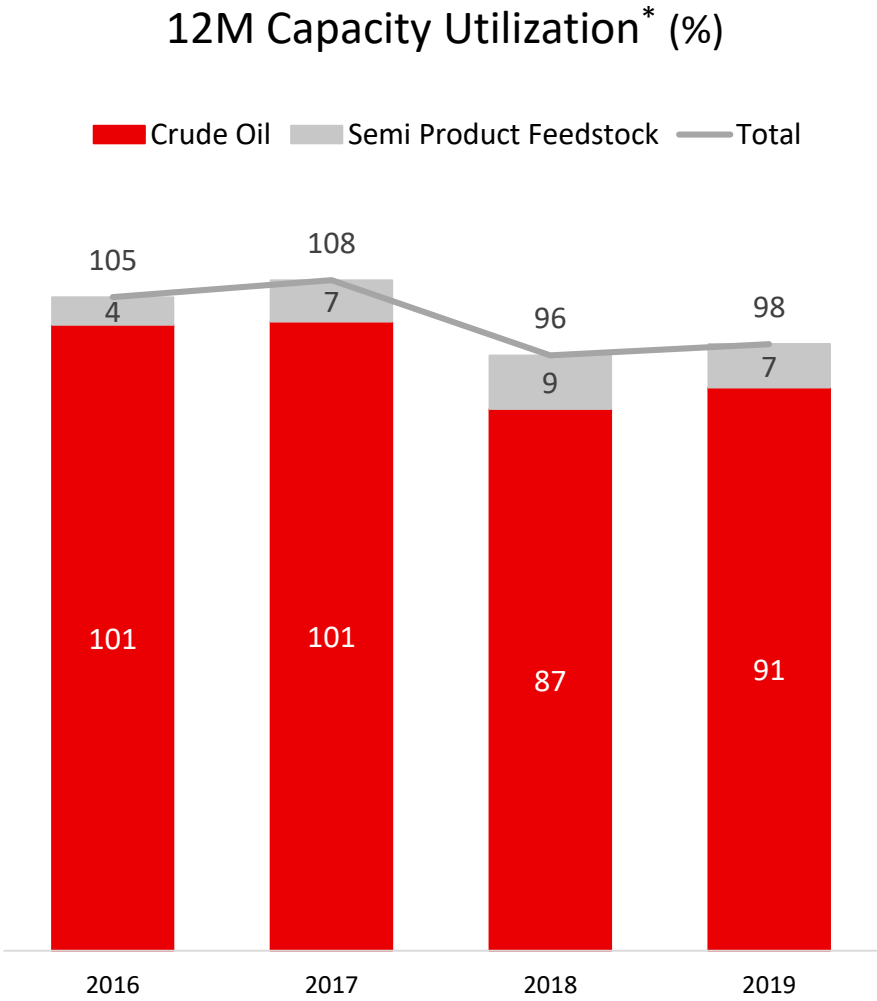
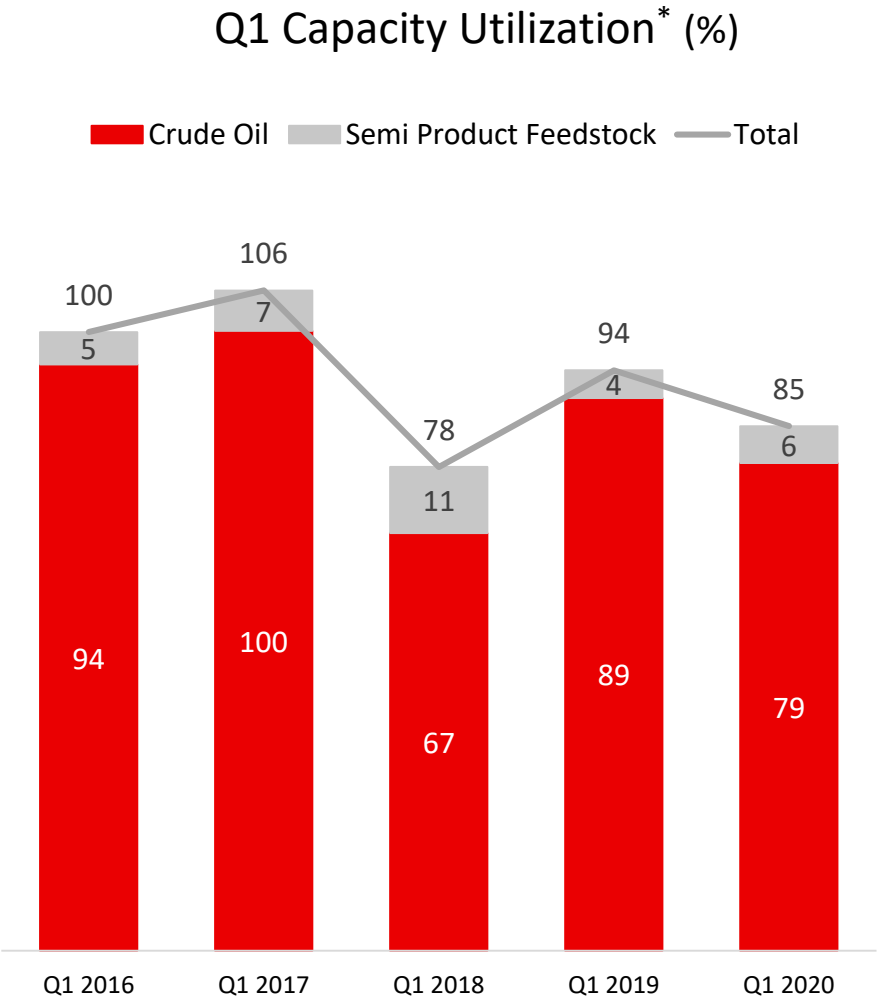
	31.03.2020	31.12.2019	Diff.	Diff. (%)
Current Assets	22,939	27,919	-4,980	-18
Cash & C. Equivalents	10,995	10,652	343	3
Trade Receivables	4,423	4,788	-365	-8
Derivatives	756	304	452	149
Inventories	5,300	9,469	-4,168	-44
Pre-paid expenses	97	237	-140	-59
Other Current Assets	1,368	2,470	-1,102	-45
Long Term Assets	28,018	27,593	425	2
Financial Assets & Subsidiaries	1,084	1,363	-279	-20
Fixed Assets	20,752	20,587	164	1
Derivatives	105	99	6	6
Pre-paid expenses	172	199	-27	-13
Deferred Tax	4,341	3,768	573	15
Other Long Term Assets	1,565	1,578	-13	-1
Total Assets	50,956	55,512	-4,555	-8
Short Term Liabilities	24,707	28,120	-3,413	-12
Financial Loans	8,076	5,178	2,899	56
Trade Payables	11,704	17,816	-6,112	-34
Derivatives	231	79	151	191
Provisions	178	117	61	52
Other ST Liabilities	4,517	4,930	-413	-8
Long Term Liabilities	15,458	14,255	1,203	8
Financial Loans	15,102	13,898	1,204	9
Payables & Provisions	315	316	-1	0
Derivatives	32	32	0	0
Other LT Liabilities	9	9	1	6
Total equity attributable to equity holders of the parent	10,615	12,963	-2,348	-18
Minority Interests	176	174	3	2
Total Liabilities & Equity	50,956	55,512	-4,555	-8

Tüpraş and Med Margins (\$/bbl)



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin
2019 Q1	9.9	0.8	9.0	3.2	4.2	3.6
2019 12M	9.2	0.1	9.1	3.6	3.7	1.7
2020 Q1	7.1	-2.7	9.8	3.9	1.2	1.8

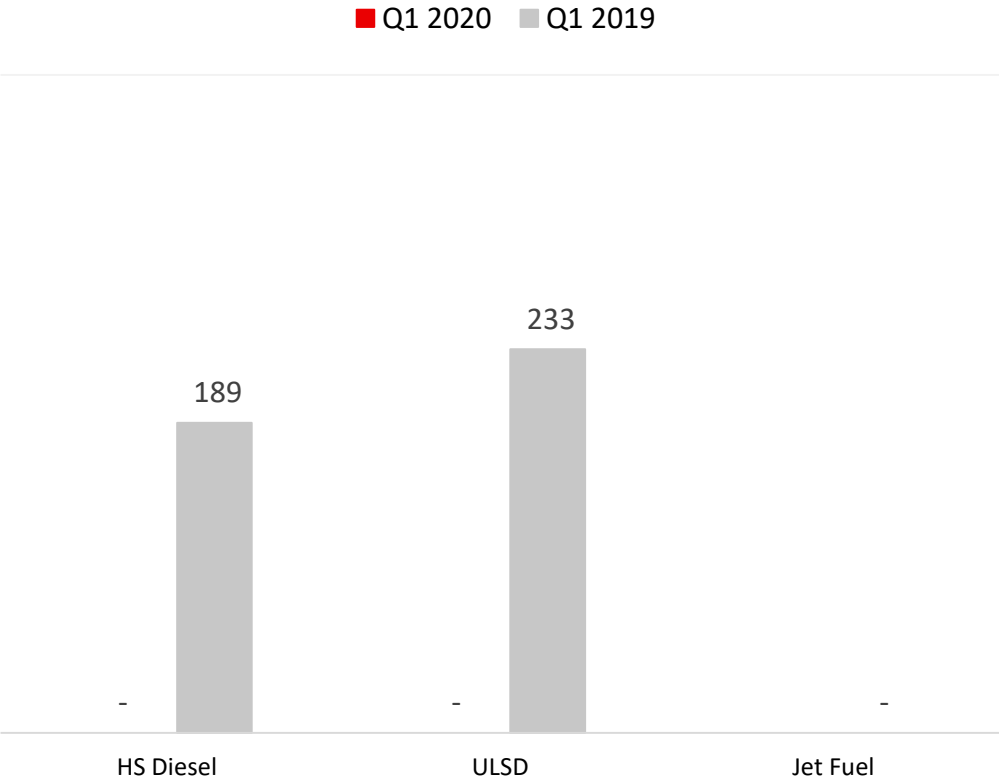
Capacity Utilization (%)



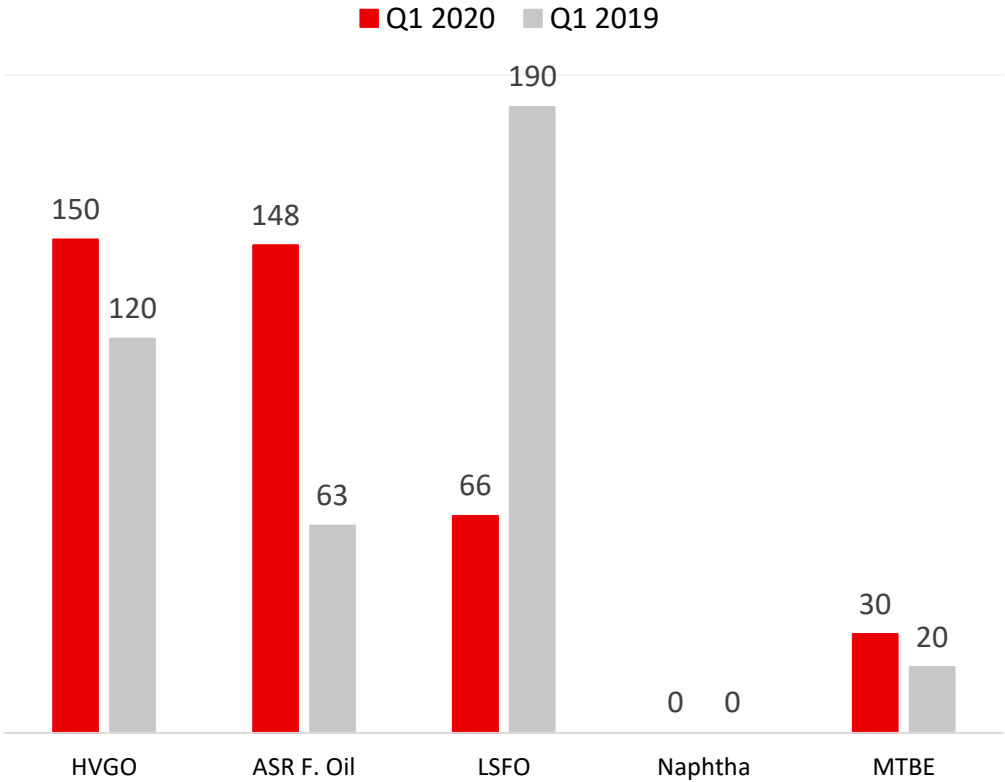
*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards. Nameplate capacity calculated by standard 330 days of operations.

Finished Product and Semi Product Imports

Product Imports (Thousand Tons)



Intermediate Imports (Thousand Tons)





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