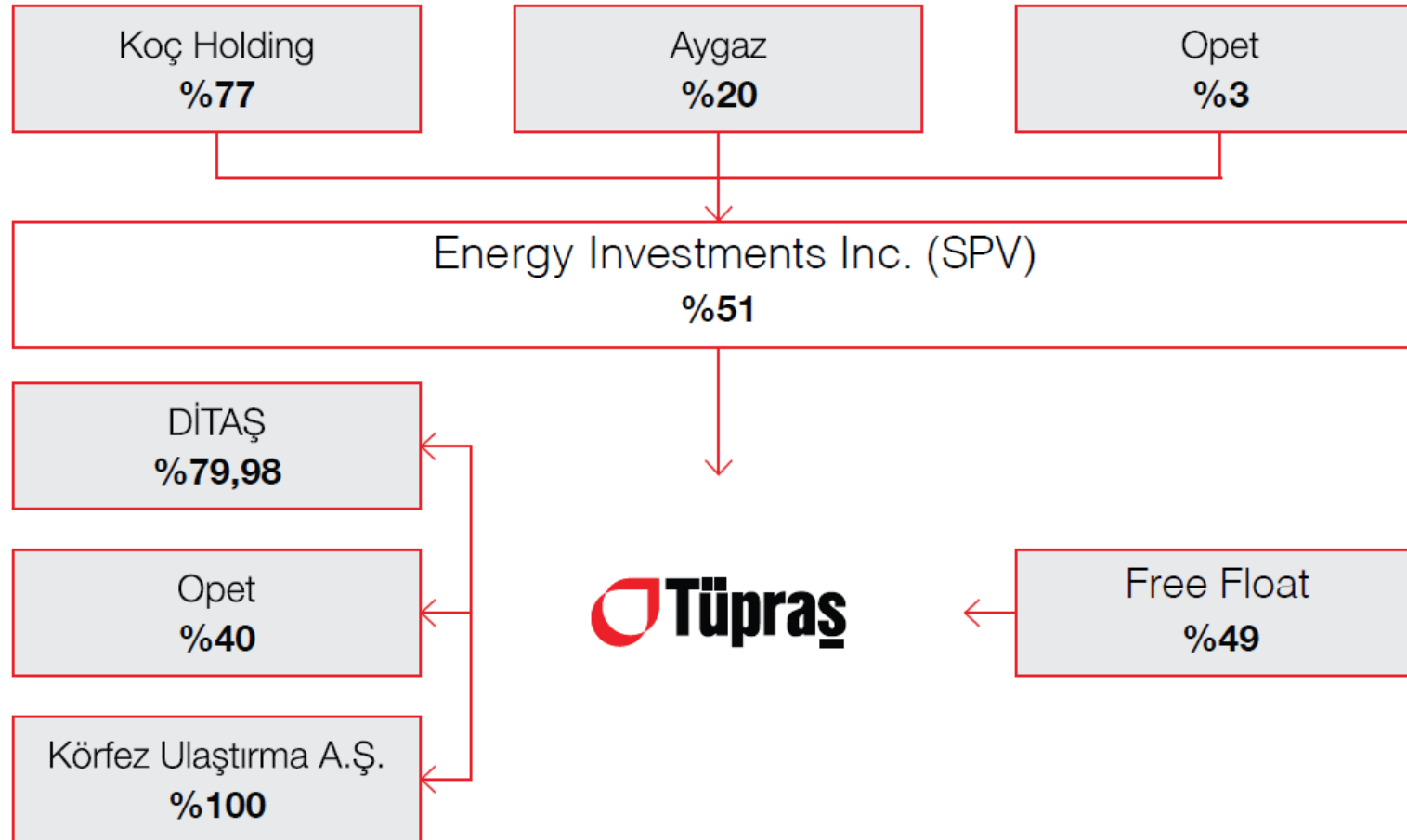


 **Tüpraş**



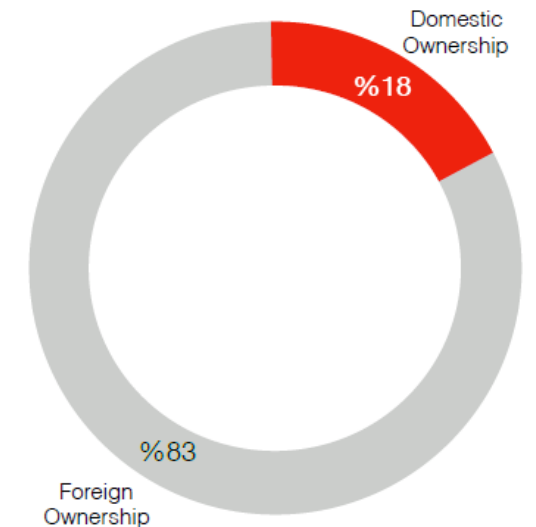
**TRADE TRIBE**

# COMPANY OVERVIEW



Publicly Traded

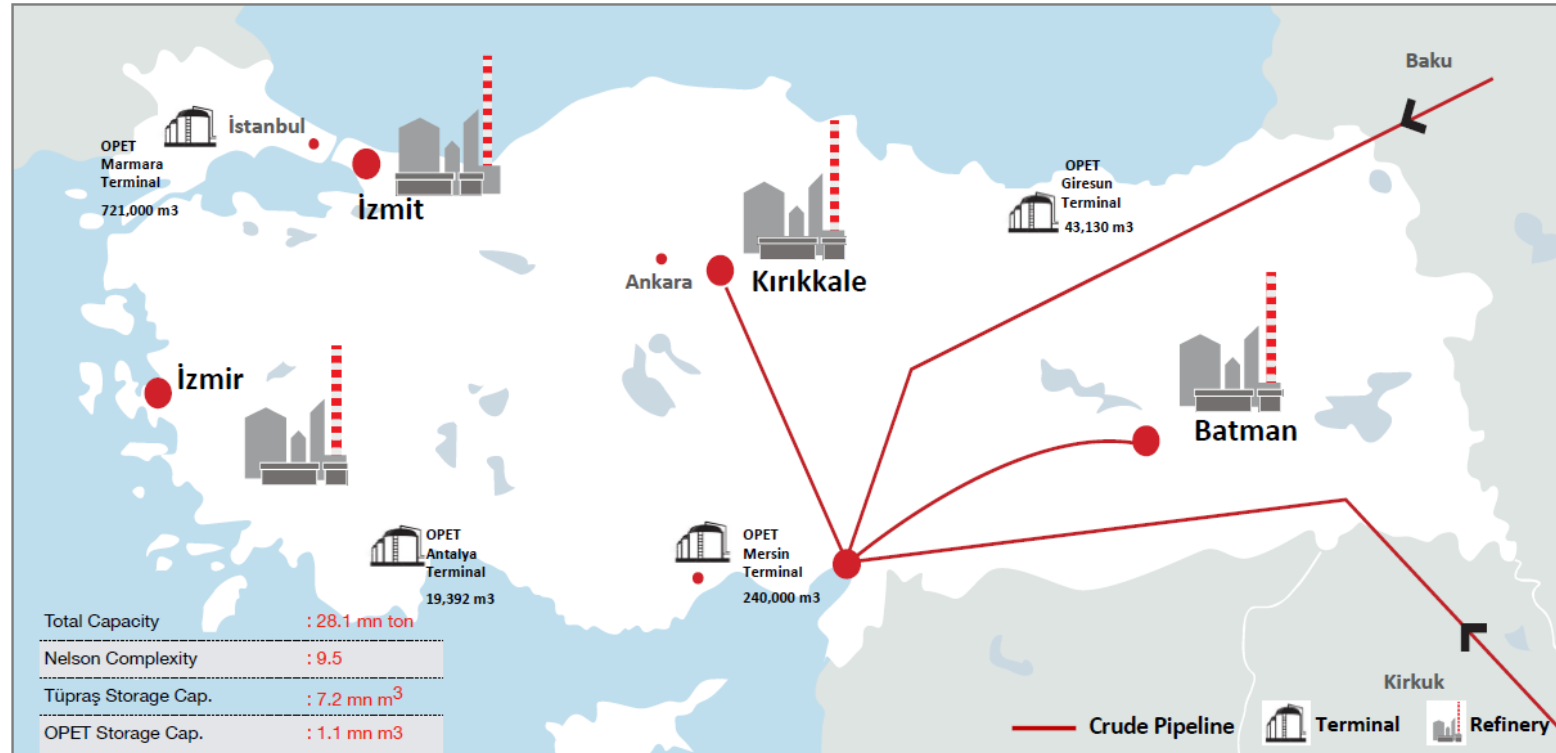
\*Distribution of Domestic/ Foreign Ownership of Tüpraş Shares



Market cap: TRY31.2bn / \$5.7bn

Enterprise value: TRY36.9bn / \$6.7bn

# REFINING ASSETS & DISTRIBUTION NETWORK



## Turkey Storage Capacity

Tüpraş	: 58%
Opet	: 9%
Other Companies	: 33%

### İzmit

- 11.0 MT Capacity
- NC: 14.5
- Storage Capacity: 3.03 mn m<sup>3</sup>

### İzmir

- 11.0 MT Capacity
- NC: 7.66
- Storage Capacity: 2.51 mn m<sup>3</sup>
- Base oil 400 k tons

### Kırıkkale

- 5.0 MT Capacity
- NC: 6.32
- Storage Capacity: 1.41 mn m<sup>3</sup>

### Batman

- 1.1 MT Capacity
- NC: 1.83
- Storage Capacity: 0.25 mn m<sup>3</sup>

# BALANCE SHEET

Million \$	31.12.2017	30.06.2018	Difference	%
<b>Current Assets</b>	<b>5,399</b>	<b>4,813</b>	<b>-586</b>	<b>-11</b>
Cash & C. Equivalents	2,334	1,291	-1,043	-45
Receivables	1,355	1,521	166	12
Derivatives	92	53	-39	-42
Inventories	1,403	1,689	286	20
Pre-paid expenses	17	32	15	93
Other Current Assets	199	227	28	14
<b>Long Term Assets</b>	<b>4,718</b>	<b>4,002</b>	<b>-717</b>	<b>-15</b>
Financial Assets & Subsidiaries	303	256	-47	-15
Fixed Assets	3,263	2,698	-566	-17
Derivatives	27	36	9	35
Pre-paid expenses	26	49	22	85
Deferred Tax	813	710	-103	-13
Other Long Term Assets	286	253	-33	-11
<b>Total Assets</b>	<b>10,118</b>	<b>8,815</b>	<b>-1,303</b>	<b>-13</b>
<b>Short Term Liabilities</b>	<b>4,686</b>	<b>4,544</b>	<b>-142</b>	<b>-3</b>
Financial Loans	1,398	795	-603	-43
Payables	2,219	2,766	547	25
Derivatives	47	56	9	20
Deferred Incomes	5	0	-5	-91
Provisions	24	25	1	5
Other ST Liabilities	993	900	-92	-9
<b>Long Term Liabilities</b>	<b>2,654</b>	<b>2,505</b>	<b>-149</b>	<b>-6</b>
Financial Loans	2,592	2,452	-140	-5
Payables & Provisions	59	50	-10	-17
Derivatives	1	3	2	201
Other LT Liabilities	1	1	0	-28
Equity	2,750	1,743	-1,007	-37
Minority Interests	28	23	-5	-18
<b>Total Liabilities</b>	<b>10,118</b>	<b>8,815</b>	<b>-1,303</b>	<b>-13</b>

# GROWING, RESILIENT, PROFITABLE

Tüpraş is a compelling investment case with strong sales growth, resilient and profitable operational and financial structure.



## GROWING

- Operating in a diesel short market (supplies 45% of the market), along with strong jet growth
- Well poised to capture future opportunities including IMO 2020 with its output Complexity
- Continuous investment in logistics, infrastructure and trading capabilities



## RESILIENT

- Strong balance sheet with no immediate rollover requirement for the rest of the year
- Secure receivables portfolio, tight working capital management
- Pricing mechanism in place to address commodity and FX fluctuations



## PROFITABLE

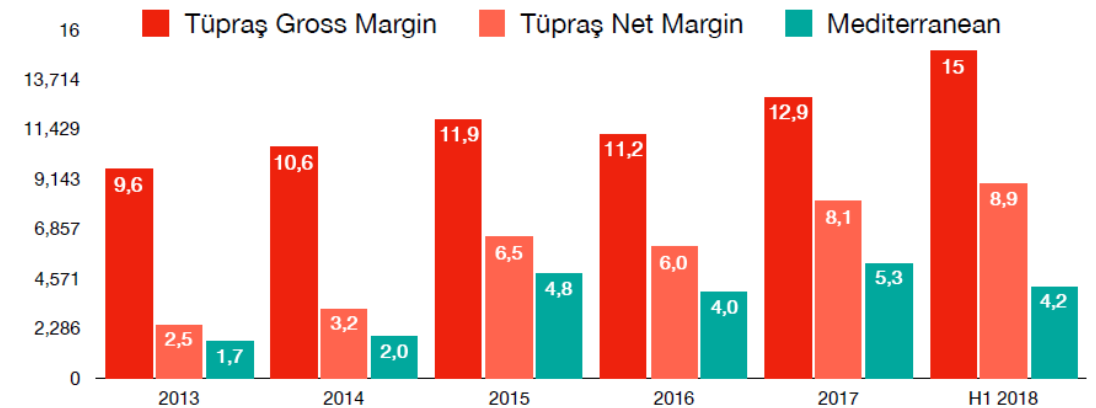
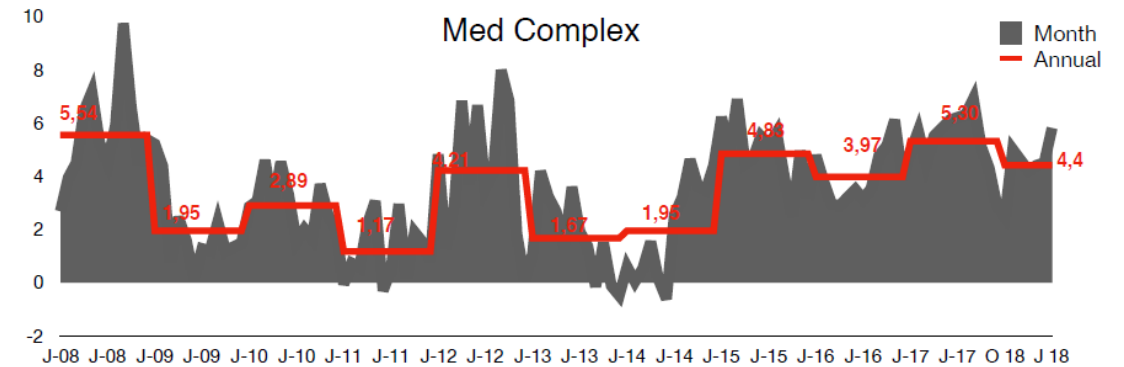
- Benefits from full system optimization given high complexity, procurement and logistics flexibility
- Prudent hedging practices to ensure stable earnings outlook
- High dividend pay-out ratio annually

## KEY INVESTMENT PILLARS

- **High-quality products basket**  
A low fuel oil yield (8%) and high diesel yield (53%) should allow Tupras to benefit from a widening light/dark products spread as IMO 2020 approaches.
- **Tupras is beneficiary of a weaker lira**  
Opex is denominated in local currency, while revenues are driven by USD.
- **Attractive FCF generation**  
We expect Tupras's EBITDA to increase by 70% from 2018 to 2020E. We expect that CAPEX will be flat. There is a great potential about FCF generation.
- **The global macro environment is supportive for the refining industry**
- **We expect global oil demand growth to remain robust**
- **We expect light-dark spread to widen into 2019E**

# MARGIN ENVIRONMENT

- Refined products deficit characteristic to the Turkish market
- Access to cheaper sources of crude oil
- Ability to use heavier and sour crudes
- Proximity to major suppliers
- Reduces transport costs
- Implemented cost reduction measures
- Capacity to produce higher value added range of refined products
- Direct pipeline connections with domestic clients
- High export capability



## KEY RISKS

- Statements regarding Iranian crude creates uncertainty
- Crude oil price fluctuations
- Weakening demand
- Possible intervention from the regulatory body on mark-ups.





THANK YOU