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Petkim

Wider-than-Expected Net Loss…

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MARKET PERFORM
TP: 15,75 TL
Previous TP: 21,53 TL
Upside: %-9

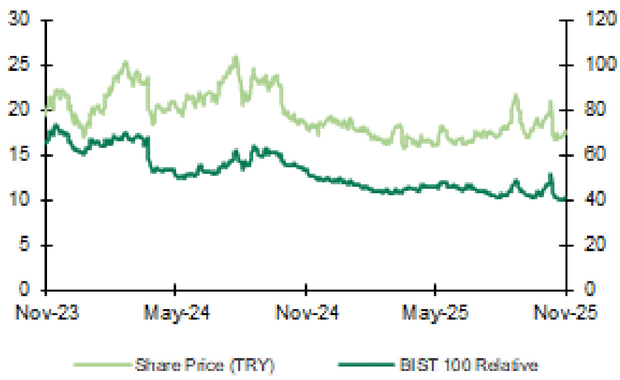
Petkim reported a net loss of TL -1,214 mn in 3Q25 based on inflation-adjusted (TMS-29) financial statements, below the market median estimate of TL 504 mn. Compared to the same period last year, the loss narrowed by around 70% (3Q24: TL -3,997 mn). The wider-than-expected loss was mainly driven by higher financial and tax expenses. Nevertheless, the decline in net debt and strong FX liquidity continued to support balance sheet resilience.

In 3Q25, Petkim reported an EBITDA of TL -63 mn, outperforming the market median estimate of TL -188 mn (3Q24: TL 1,126 mn). The EBITDA margin improved from -4.9% to -0.3% YoY. During the quarter, the ethylene-naphtha spread increased 2% to USD 277/ton, while stable naphtha prices helped contain feedstock cost pressures. The company recorded a modest inventory gain of USD 1 mn (2Q25: -USD 3 mn), which, together with capacity optimization initiatives, supported a partial recovery in operating profitability. Despite ongoing oversupply, weak demand, and geopolitical risks across the petrochemical sector, Petkim's continued focus on efficiency and cost discipline helped prevent deeper margin erosion.

Petkim generated total revenues of TL 22,230 mn in 3Q25, broadly in line with the market median estimate of TL 22,130 mn, but 3% lower YoY (3Q24: TL 22,952 mn). Total sales volume stood at 538 thousand tons. Export revenues accounted for TL 9,822 mn (44% of total sales), with 87% of exports directed to EU countries.

Selling expenses rose 3% QoQ to USD 544 mn (2Q25: USD 526 mn). Despite subdued global demand and a flat product price environment leading to a mild contraction in revenue, stable domestic demand and a more balanced product mix provided partial support to topline performance.

	TRY	US$	
Close	17,32	0,41	
BIST 100	11.073	263	
US$/TRY (CB Bid Rate):	42,12		
52 Week High:	21,84	0,56	
52 Week Low:	15,81	0,40	
Bloomberg/Reuters Ticker:	PETKM.TI /PETKM.IS		
Number of Shares (Mn):	2.534,4		
	(TRY Mn)	(US$ Mn)	
Current Mcap:	43.896	1.044	
Free Float Mcap:	20.631	491	
	1 M	YOY	YTD
TRY Return (%):	-8,4	-5,1	-4,3
US$ Return (%):	-9,5	-22,6	-19,8
BIST 100 Relative (%):	-11,2	-24,0	-15,0
Avg. Daily Vol. (TRY Mn):	1.061,03		
Avg. Daily Vol. (US$ Mn):	27,56		
Beta	1,05		
Volatility (Stock)	0,34		
Volatility (BIST 100)	0,25		
Shareholder Structure	%		
Socar Turkey Petrokimya	51,0		
Public Float	49,0		
Total	100,0		



Production and Capacity Utilization: Petkim produced 581 thousand tons in 3Q25, with a capacity utilization rate of 63%. This reflected temporary shutdowns and cost-optimization measures in low-margin units. Profitability in LDPE and HDPE segments remained weak, while rising feedstock costs pressured margins in PP. The company aims to enhance efficiency by temporarily curtailing output in non-economic units.

STAR Refinery Impact: STAR Refinery continued to operate at a high utilization rate of 122% during the quarter, generating TL 101,572 mn in revenue from 3.3 mn tons of product sales. This strong performance supported Petkim's feedstock security and operational continuity.

Balance Sheet and Liquidity: As of 9M25, Petkim's net debt stood at USD 983 mn, down 2% from USD 1,003 mn in 1H25. The advance payment received from STAR Refinery for land use rights strengthened liquidity and helped bring net debt below the USD 1 bn mark. The company faces debt repayments of USD 53 mn (long-term) and USD 29 mn (short-term) in 2025, USD 682 mn in 2026 (USD 229 mn long-term, USD 453 mn short-term), USD 404 mn in 2027, and USD 4 mn in 2028. While the majority of maturities are clustered around 2026, Petkim's declining net-debt trend and robust FX liquidity suggest no material short-term liquidity risk.

Overall Assessment: Despite persistently weak global demand, Petkim's 3Q25 results indicate that the company was able to limit operating losses, improve efficiency, and reduce net debt. Management remains focused on profitability and cost discipline and is likely to gradually increase capacity utilization once sector conditions improve.

Following the 3Q25 financial results and revisions in our macroeconomic assumptions, we revise our 12-month target price for Petkim to TL 15.75 per share (previously TL 21.53). Our new target implies a 9% downside potential over the last closing price, and we maintain our "Market Perform" recommendation for Petkim shares.

Figure 1: Financials (Including IAS -29)

TRY Million	9M24	9M25	YoY	3Q24	3Q25	YoY
Revenues	76.188	63.760	-16,3%	22.952	22.230	-3,1%
Gross Profit	-901	-1.521	N.M.	-1.563	82	N.M.
Gross Profit Margin	-1,2%	-2,4%		-6,8%	0,4%	
EBIT	-5.495	-6.280	N.M.	-2.850	-1.557	N.M.
EBIT Margin	-7,2%	-9,8%		-12,4%	-7,0%	
EBITDA	-286	-1.735	N.M.	-1.126	-63	N.M.
EBITDA Margin	-0,4%	-2,7%		-4,9%	-0,3%	
Net Profit	-170	-4.776	N.M.	-3.997	-1.214	N.M.
Net Profit Margin	-0,2%	-7,5%		-17,4%	-5,5%	

Source: Finnet, Seker Invest Research

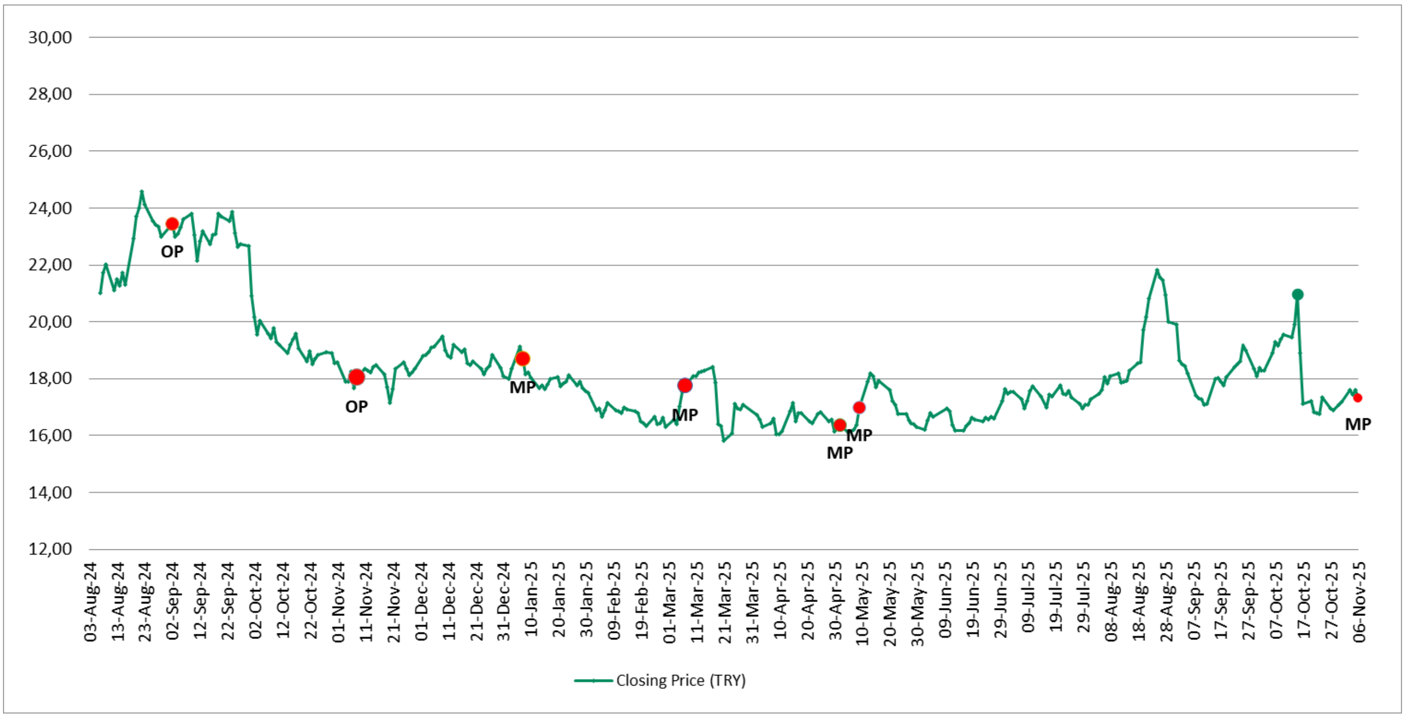
Figure 2: Key Financials (Including IAS-29)

BALANCE SHEET (TRY Mn)	2024/12K	2025/09K	Chg%
PP&E	50.244	47.580	(5)
Intangibles	661	630	(5)
Other Non-Current Assets	71.289	68.451	(4)
Trade Receivables	10.504	13.191	26
Cash&Equivalents	10.246	9.420	(8)
Other Current Assets	13.281	12.355	(7)
Total Assets	**156.226**	**151.627**	**(3)**
Long Term Debt	24.455	17.665	(28)
Other Non current liabilities	7.629	12.989	70
Short Term Debt	31.200	33.770	8
Trade Payables	16.916	17.646	4
Other Current Liabilities	2.871	2.557	(11)
Total Liabilities	83.071	84.627	2
Total Equity	73.155	67.000	(8)
Total Equity&Liabilities	**156.226**	**151.627**	**(3)**

INCOME STATEMENT (TRY Mn)	2024/09K	2025/09K	Chg%
Net Sales	76.188	63.760	(16)
COGS	77.089	65.281	(15)
Gross Profit/(Loss)	(901)	(1.521)	N.M.
Operating Expenses	4.594	4.759	4
Operating Profit/(Loss)	(5.229)	(8.758)	N.M.
Net Other Operational Gain/(Loss)	266	(2.478)	N.M.
Income/(Loss) from Investing Activities	(4.493)	542	N.M.
Financial Income/(Expense)	(7.902)	(8.501)	N.M.
Monetary Gain/Loss	12.288	12.402	1
Share of profit of equity accounted investments	2.064	619	(70)
Profit Before Tax (Loss)	**(3.272)**	**(3.697)**	**N.M.**
Tax	(3.147)	1.104	N.M.
Net Profit/(Loss)	**(125)**	**(4.801)**	**N.M.**
Minority Interest	45	(25)	N.M.
Parent Equity	(170)	(4.776)	N.M.

PETKM *Source: Finnet, Seker Invest*

Historical Recommendations and Target Price



Date	Recommendation	Target Price (TRY)
2-Sep-24	Outperform (OP)	28,30
8-Nov-24	Outperform (OP)	26,00
7-Jan-25	Market Perform (MP)	25,44
7-Mar-25	Market Perform (MP)	25,44
2-May-25	Market Perform (MP)	21,53
9-May-25	Market Perform (MP)	21,53
6-Nov-25	Market Perform (MP)	15,75

Basis for 12m equity ratings

Outperform: The total return is expected to exceed the return of the BIST 100 by more than 10%.
Underperform: The total return is expected to fall below the return of the BIST 100 by more than 10%.
Market Perform: The total return is expected to be in line with the return of the BIST 100.

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