Earnings Update
Oil & Gas Industry

August 6, 2026

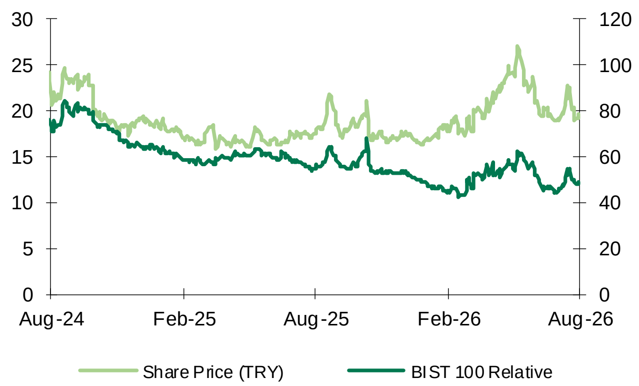
Petkim

Net Income and EBITDA Above Expectations…

Osman Furkan Ozdemir
Analyst
oozdemir@sekeryatirim.com

MARKET PERFORM
TP: 18,91 TRY
Previous TP: 18,91 TRY
Upside: -7%

	TRY	US$	
Close	20,24	0,43	
BIST 100	13.703	288	
US$/TRY (CB Bid Rate):	47,59		
52 Week High:	27,14	0,60	
52 Week Low:	16,22	0,38	
Bloomberg/Reuters Ticker:	PETKM.TI /PETKM.IS		
Number of Shares (Mn):	2.534,4		
	(TRY Mn)	(US$ Mn)	
Current Mcap:	51.296	1.080	
Free Float Mcap:	24.109	508	
	1 M	YOY	YTD
TRY Return (%):	6,9	15,1	24,7
US$ Return (%):	5,0	-1,6	12,6
BIST 100 Relative (%):	12,5	-8,9	2,5
Avg. Daily Vol. (TRY Mn):	1.620,61		
Avg. Daily Vol. (US$ Mn):	37,09		
Beta	0,81		
Volatility (Stock)	0,43		
Volatility (BIST 100)	0,23		
Shareholder Structure	%		
Socar Turkey Petrokimya	51,0		
Public Float	49,0		
Total	100,0		



Petkim (PETKM) reported net income of TRY 4,076mn in 2Q26 under inflation-adjusted financials (TAS-29 impact). The reported net income came in 67.2% above our estimate of TRY 2,438mn and 8.0% above the market median expectation of TRY 3,775mn. The company significantly improved its profitability following a net loss of TRY 769mn in 2Q25 and net income of TRY 327mn in 1Q26. The quarterly improvement was driven by the narrowing in operating loss from TRY 3,207mn to TRY 247mn, TRY 1,679mn equity-accounted income from STAR Refinery and TRY 1,375mn deferred tax income. While the TRY 4,147mn net monetary position gain supported net income, TRY 3,188mn net financial expenses and the TRY 832mn QoQ decline in the monetary gain limited the improvement.

EBITDA came in at TRY 3,377mn in 2Q26. The reported figure was 26.0% above our estimate of TRY 2,680mn and 9.5% above the market median expectation of TRY 3,083mn. The company recorded a strong recovery in operational profitability following negative EBITDA of TRY 716mn in 2Q25, while the EBITDA margin increased to 9.3% from -2.7%. The increase in the ethylene-naphtha spread to USD 485/ton from USD 214/ton in 1Q26 and in the Petkim spread to USD 492/ton from USD 298/ton supported operational performance. The USD 18.4mn gross profit generated from trading activities in 2Q26 also contributed positively to profitability. As sales volume increased only marginally to 584k tons from 583k tons QoQ, the EBITDA improvement appears to have been driven mainly by pricing and product spreads rather than volume. On the other hand, the USD 17mn inventory loss recorded in 2Q26 limited profitability.

Petkim's net sales revenues increased by 38.5% YoY and 26.1% QoQ to TRY 36,416mn in 2Q26. The reported net sales figure came in 0.9% above our estimate of TRY 36,087mn and 1.1% below the market median expectation of TRY 36,805mn, broadly in line with expectations. The 10.8% YoY increase in total sales volume to 584k tons from 527k tons in 2Q25, higher product prices and increased revenues from trading activities supported the top-line performance. The company's gross profit turned to TRY 3,123mn in 2Q26 from a gross loss of TRY 585mn in 2Q25, while the gross margin improved to 8.6% from -2.2%. The ratio of general administrative and selling, marketing and distribution expenses to net sales declined to 4.9% from 8.0%.

Production and Capacity Utilization: Petkim recorded 624k tons of gross production in 2Q26, up 12.0% YoY and 3.8% QoQ, with a capacity utilization rate of 66%. While ethylene and thermoplastics production increased, aromatics production declined and no fiber production was recorded. The product-level production mix indicates that the company maintained its selective production strategy by limiting capacity at uneconomical units.

Sales Breakdown: Domestic sales accounted for 50% of revenues in 2Q26, while exports represented 48% and other revenues 2%, with export revenues reaching TRY 17,423mn. Despite the increase in Türkiye's domestic petrochemical consumption to 2,294k tons in 2Q26 from 1,948k tons in 1Q26, Petkim's domestic sales volume declined to 257k tons from 276k tons, indicating that the recovery in domestic demand did not translate into a similar improvement for the company and that import competition remained strong. The fact that 89% of exports were directed to EU countries also points to high regional concentration in export sales.

Sector Outlook: Oversupply and weak end-demand in the global petrochemical industry continue to pressure margins. While the strong margins in 2Q26 were supported by geopolitical developments and regional supply disruptions rather than a lasting recovery in demand, stronger polymer margins and the performance of aromatics and liquid products contributed positively to operational profitability. Given the significant narrowing in spreads in July, we expect operational profitability to normalize below 2Q26 levels in the second half of the year.

STAR Refinery Impact: STAR Refinery, which Petkim accounts for under the equity method, contributed TRY 1,679mn to financial results in 2Q26. In addition to its earnings contribution, the refinery's operation at a 99% capacity utilization rate was supportive for Petkim in terms of feedstock supply security and its integrated production structure.

Balance Sheet and Cash Flow: Petkim's net debt declined slightly to USD 1.030bn in 2Q26 from USD 1.036bn at the end of 1Q26. The company generated USD 33mn cash from operating activities in 2Q26, while cash generation remained positive after USD 10mn of capital expenditures. On the working capital side, the decline in trade receivables and the increase in trade payables supported cash generation, while higher inventories partially offset this contribution.

2026 Guidance: In its 2Q26 investor presentation, the company provided 2026 assumptions of an average annual Petkim spread of approximately USD 402/ton, production volume of 2.6mn tons, sales volume of 2.1mn tons, approximately USD 100mn EBITDA including the TAS-29 impact, approximately USD 100mn capital expenditures mainly consisting of maintenance investments, and a capacity utilization rate of 60-65%. Despite the strong performance in the first half, the annual EBITDA target remaining at USD 100mn indicates that management expects margins to normalize in the second half of the year. The significant decline in spreads in July is also consistent with this cautious outlook.

Overall Assessment: We assess Petkim's 2Q26 results as slightly positive, given the stronger-than-expected EBITDA and net income and the strong recovery in operational profitability. Nevertheless, the fact that the operational improvement was mainly supported by supply-side conditions rather than a lasting recovery in demand, together with the inventory loss recorded during the quarter, leads us to maintain our cautious stance regarding the sustainability of the performance. In addition, net income was supported not only by the operational recovery but also by the contribution from STAR Refinery and non-cash items such as the monetary position gain and deferred tax income, while elevated financial expenses persisted. Therefore, we do not believe that the strong 2Q26 results alone are sufficient to justify a material upward revision to our medium-term forecasts and valuation.

Following the company's 2Q26 financial results, we maintain our 12-month target price for Petkim at TRY 18.91 per share. While our target price implies a 6.6% negative return potential compared to the current market price, we maintain our "Market Perform" recommendation.

Figure 1: Financials (Including IAS -29)

TRY Million	1H25	1H26	YoY	2Q25	2Q26	YoY
Revenues	51.036	65.303	28,0%	26.289	36.416	38,5%
Gross Profit	-1.969	3.127	N.M.	-585	3.123	N.M.
Gross Profit Margin	-3,9%	4,8%		-2,2%	8,6%	
EBIT	-5.803	-368	N.M.	-2.698	1.354	N.M.
EBIT Margin	-11,4%	-0,6%		-10,3%	3,7%	
EBITDA	-2.055	3.552	N.M.	-716	3.377	N.M.
EBITDA Margin	-4,0%	5,4%		-2,7%	9,3%	
Net Profit	-4.377	4.403	N.M.	-769	4.076	N.M.
Net Profit Margin	-8,6%	6,7%		-2,9%	11,2%	

Source: Finnet, Seker Invest Research

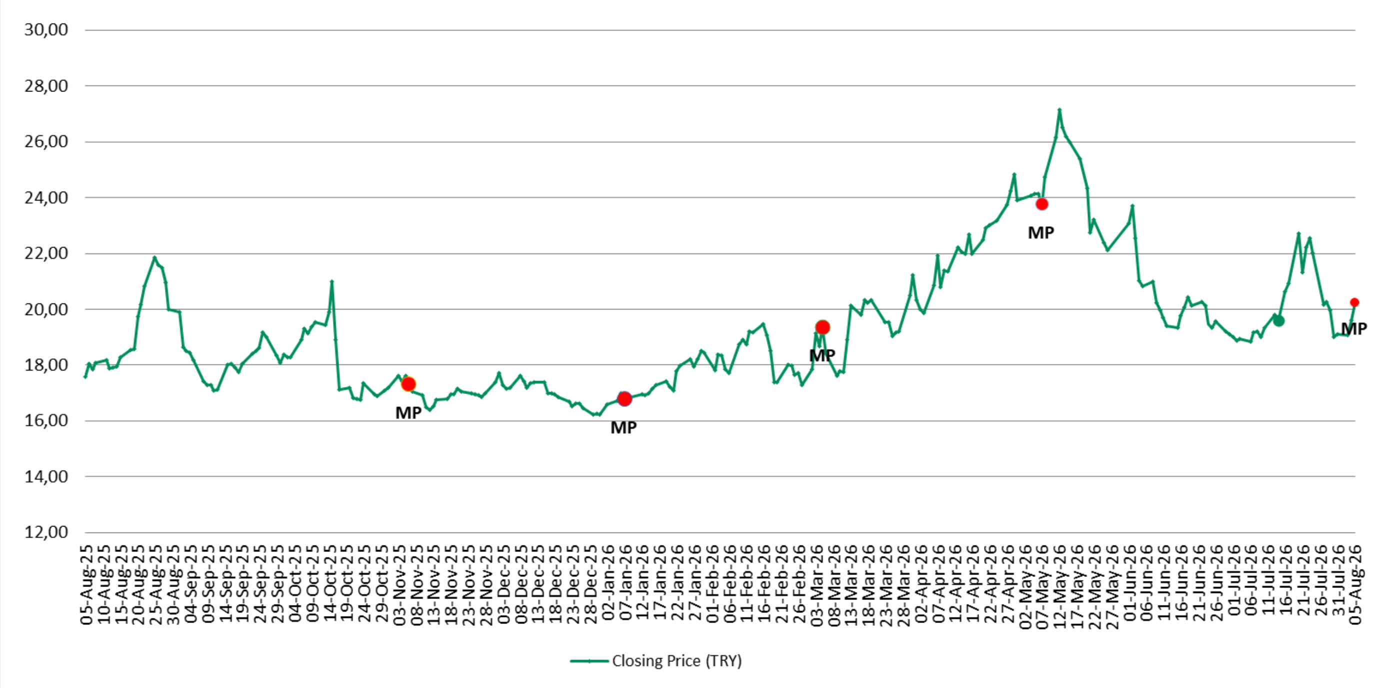
Figure 2: Key Financials (Including IAS-29)

BALANCE SHEET (TRY Mn)	2025/12K	2026/06K	Chg%
PP&E	54.476	51.397	(6)
Intangibles	2.416	2.812	16
Other Non-Current Assets	85.002	85.487	1
Trade Receivables	15.760	17.235	9
Cash&Equivalents	5.012	6.226	24
Other Current Assets	15.539	18.278	18
Total Assets	**178.205**	**181.436**	**2**
Long Term Debt	21.357	19.853	(7)
Other Non current liabilities	16.752	15.963	(5)
Short Term Debt	39.191	36.233	(8)
Trade Payables	23.793	32.438	36
Other Current Liabilities	1.792	1.712	(4)
Total Liabilities	102.884	106.199	3
Total Equity	75.321	75.237	(0)
Total Equity&Liabilities	**178.205**	**181.436**	**2**

INCOME STATEMENT (TRY Mn)	2025/06K	2026/06K	Chg%
Net Sales	51.036	65.303	28
COGS	53.005	62.176	17
Gross Profit/(Loss)	(1.969)	3.127	N.M.
Operating Expenses	3.834	3.495	(9)
Operating Profit/(Loss)	(6.950)	(3.454)	N.M.
Net Other Operational Gain/(Loss)	(1.147)	(3.086)	N.M.
Income/(Loss) from Investing Activities	347	493	42
Financial Income/(Expense)	(7.324)	(5.941)	N.M.
Monetary Gain/Loss	9.699	9.127	(6)
Share of profit of equity accounted investments	(206)	3.379	N.M.
Profit Before Tax (Loss)	**(4.434)**	**3.603**	**N.M.**
Tax	(27)	(799)	N.M.
Net Profit/(Loss)	**(4.407)**	**4.403**	**N.M.**
Minority Interest	(30)	-	N.M.
Parent Equity	(4.377)	4.403	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
7-Jan-26	Market Perform (MP)	15,90
5-Mar-26	Market Perform (MP)	18,91
7-May-26	Market Perform (MP)	18,91
5-Aug-26	Market Perform (MP)	18,91

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.

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
Buyukdere Cad. No:171 Metrocity
A Blok Kat 4-5 34330 SİSLİ /IST
TURKEY

TEL: +90 (212) 334 33 33
Fax: +90 (212) 334 33 34
E-mail: research@sekeryatirim.com
Web: http://www.sekeryatirim.com/english/index.aspx

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com
Burak Demirbilek	Utilities	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com
A. Can Tuglu	Food & Bev., Retail, Auto, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com
Başak Kamber	Glass, Defense Industry, Telecoms, Cons. Dur.	+90 (212) 334 33 33-	bkamber@sekeryatirim.com
Yusuf Kemal Erdekli	Cement, Conglomerates, Real Estate	+90 (212) 334 33 33-115	yerdekli@sekeryatirim.com
M. Mucahid Yıldırım	Banks	+90 (212) 334 33 33-150	myildirim@sekeryatirim.com
O. Furkan Ozdemir	Iron & Steel, Oil & Gas	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com

Economy & Politics

Abdulkadir Dogan	Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com

Institutional Sales

Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com
M. Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

DISCLAIMER

I, Osman Furkan Ozdemir, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest). The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.