



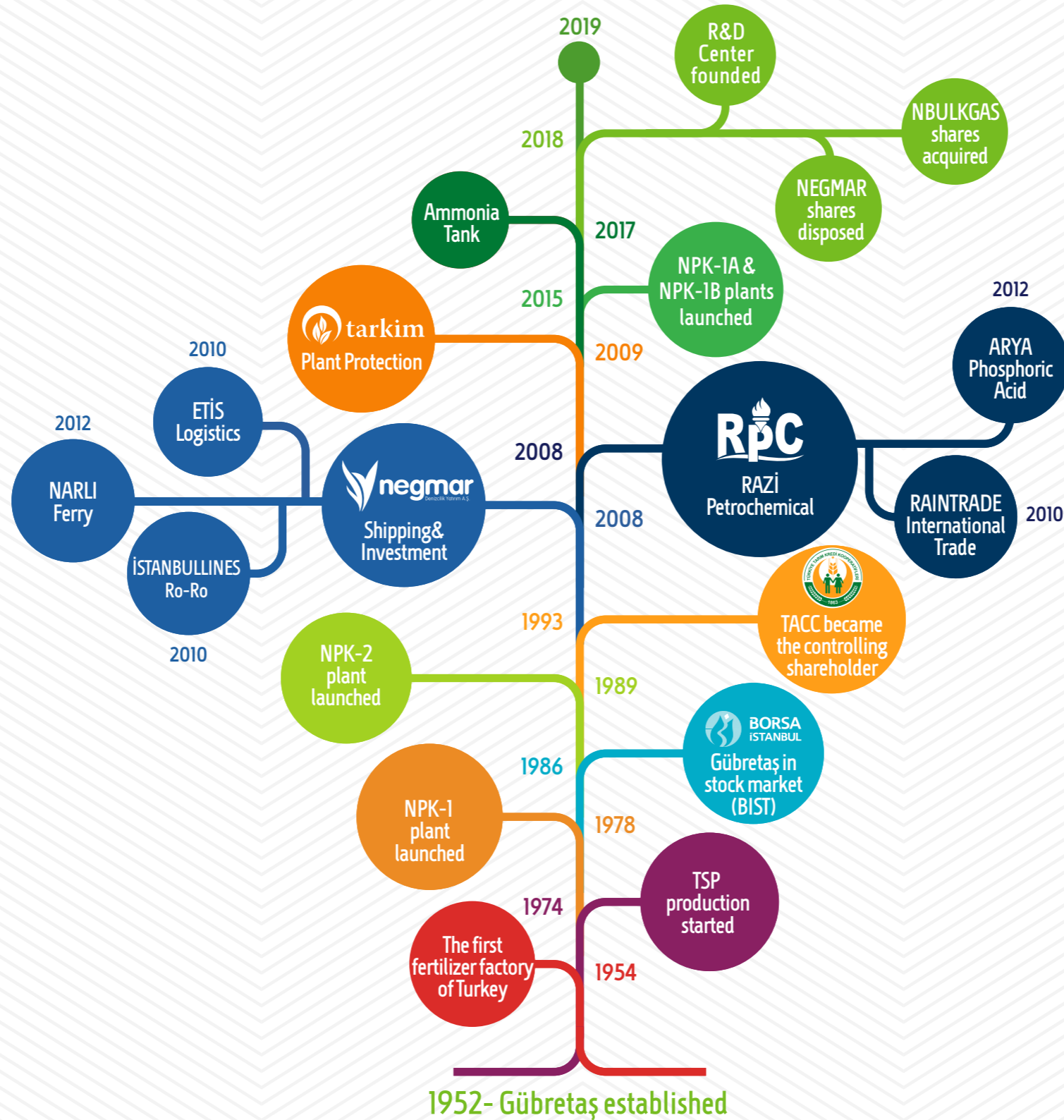
# INVESTOR PRESENTATION

JANUARY 2019



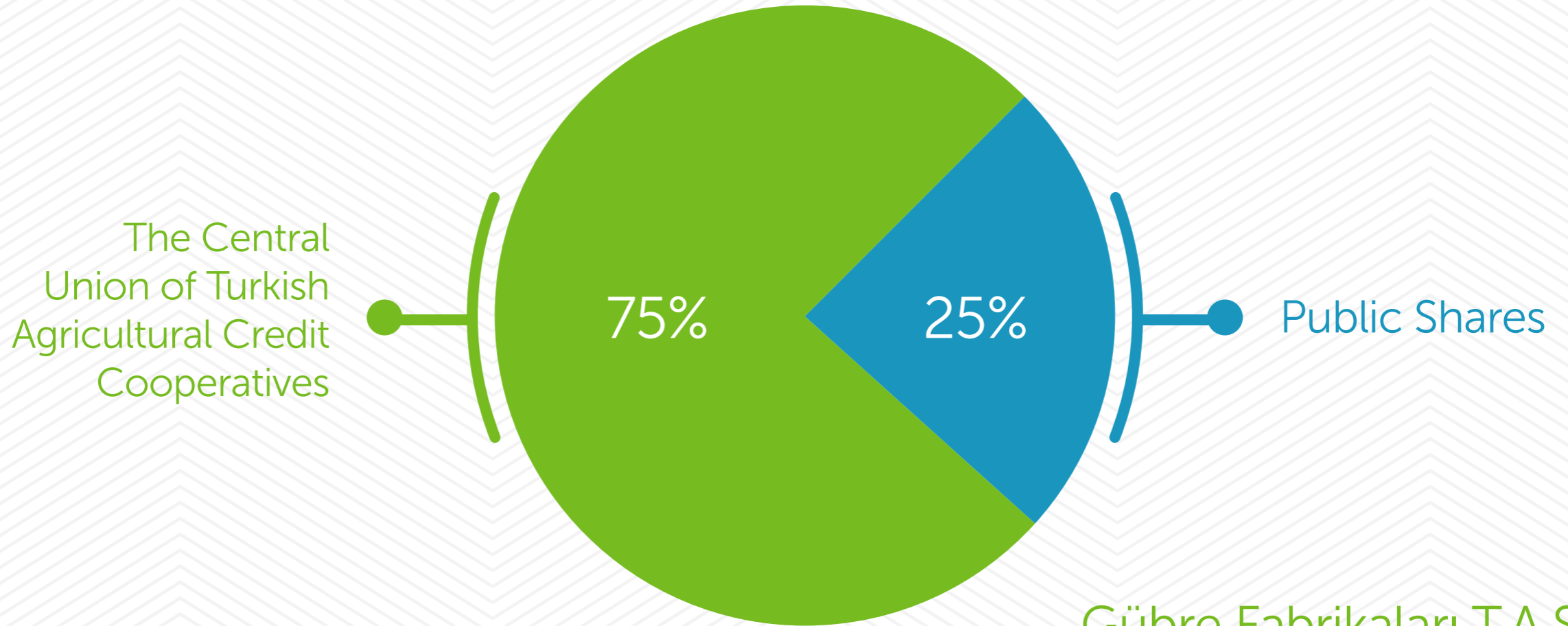
GÜBRETAŞ, A SUBSIDIARY  
OF TURKISH AGRICULTURAL  
CREDIT COOPERATIVES

# HISTORY





# SHAREHOLDER STRUCTURE



## Gübre Fabrikaları T.A.Ş.

Date of Establishment : 25.12.1952  
Paid Capital : 334.000.000 TL  
Listed in : Borsa İstanbul (BIST)  
Ticker Symbol : GUBRF

# THE CENTRAL UNION OF TURKISH AGRICULTURAL CREDIT COOPERATIVES

Leading agricultural cooperative since 1863

With 8.680 employees and 16 subsidiaries;

The leading agricultural cooperative of Turkey, which provides the commodities and services in order to meet all of the requirements of its partners in particular and Turkish farmers in general; fertilizer, seed, diesel oil, machinery and equipment, tractors etc. and markets the agricultural products of farmers

Strategic Relationship with Gübretaş

TACC procures all fertilizer needs of its partners from Gübretaş on the exclusive agreement.



**17**

Regional Unions

**1.831**

Cooperatives & Offices

**830.870**

Farmer Partners

**2.132.491**

Total Registered Farmers, 2017 (TURKEY)



# SUBSIDIARIES



Production of Fertilizer and Fertilizer Raw Materials  
GÜBRETAS' Share %48,88



International Trade  
Razi's Share %100



Phosphoric Acid Production  
Razi's Share %100



NBULKGAS DENİZ İŞLETMECİLİĞİ LTD. ŞTİ.

LPG Transportation  
GÜBRETAS' Share 100%

IGLC Anka & Dicle Shipping  
Nbulkgas' Share 50%



Production of Plant Protection Products  
GÜBRETAS' Share %40



Information Technologies  
GÜBRETAS' Share %15,78

Subsidiaries of Agricultural  
Credit Cooperatives



# MISSION, VISSION AND VALUES



## OUR MISSION

With the responsibility of being the pioneer in the sector, we work to produce and procure plant nutrition products with a **sustainable growth and environment-friendly** approach and to enrich this land by extending the **conscious agricultural production**

## OUR VISION

To become a global company that **provides added-value** to its stakeholders

## OUR VALUES

Fulfilling its responsibilities to the society with a **"human first"** approach,  
**Integrating moral values** with corporate identity,  
**Aiming continuous development,**  
**Transparent** and accountable,  
**Ecofriendly**



# TURKISH FERTILIZER OUTLOOK



## MAIN DRIVERS

- ◆ Input Prices
- ◆ Agricultural Product Prices
- ◆ General Financial Conditions
- ◆ Farmers' Purchasing Power
- ◆ Irrigation
- ◆ Weather Conditions
- ◆ Government's Agricultural Policies



## LACK OF NATURAL RESOURCES

- ◆ Lack of main nutrients
  - Natural Gas
  - Phosphate (P)
  - Potassium (K)

## TRANSPARENT MARKET

- ◆ Intensive Competition



## GROWTH POTENTIAL

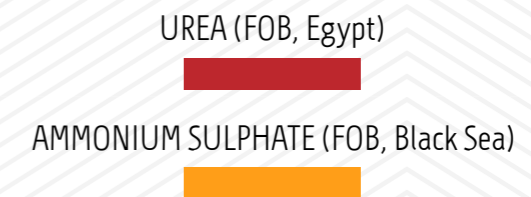
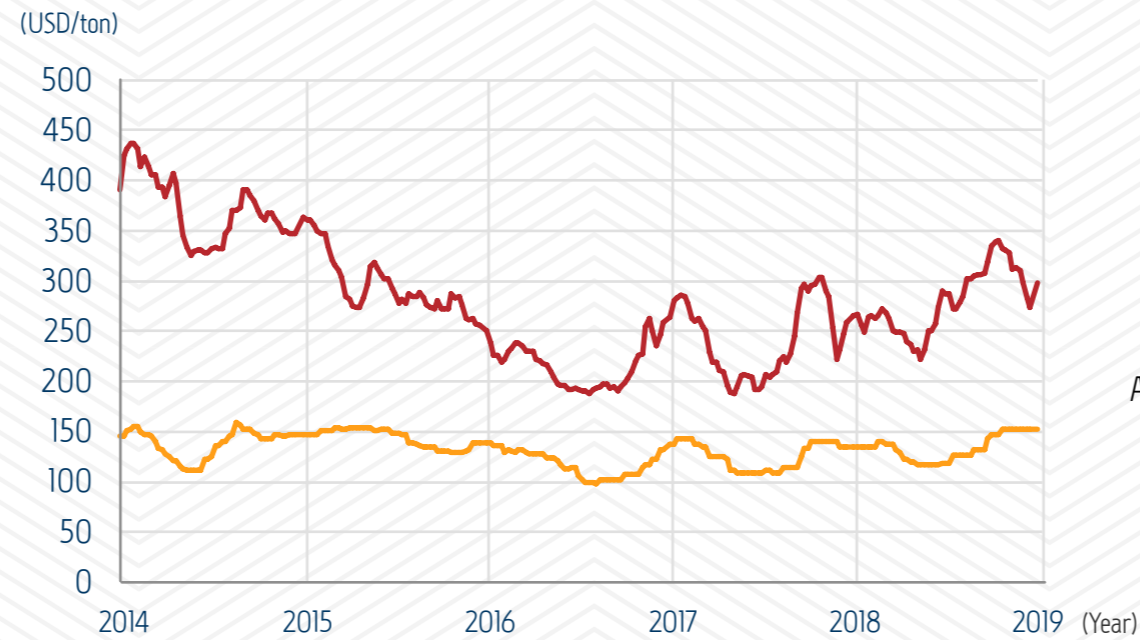
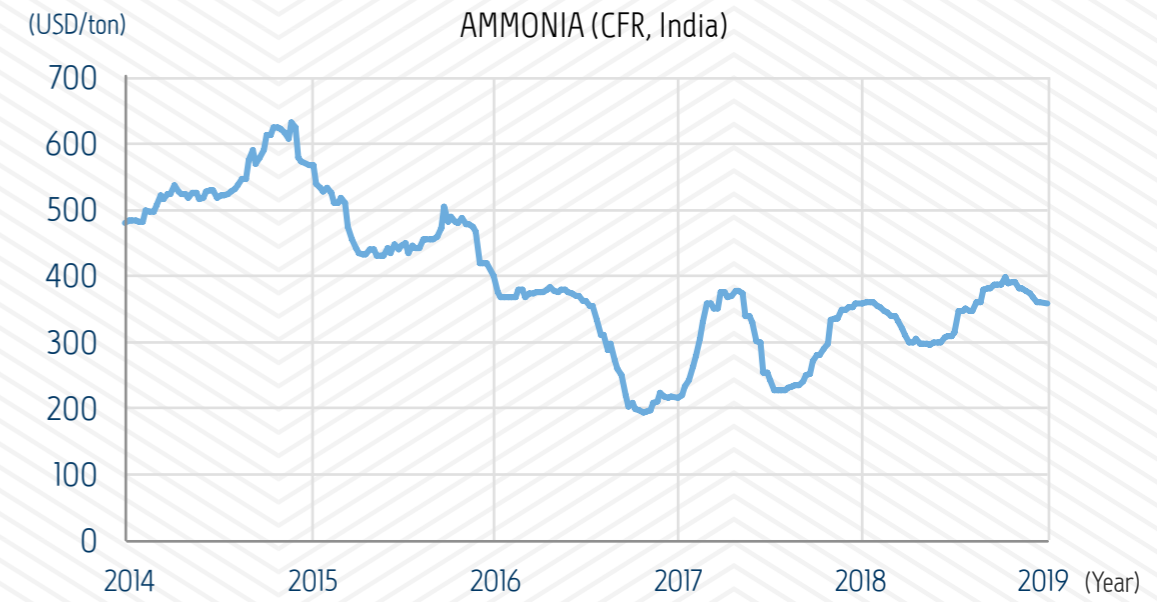
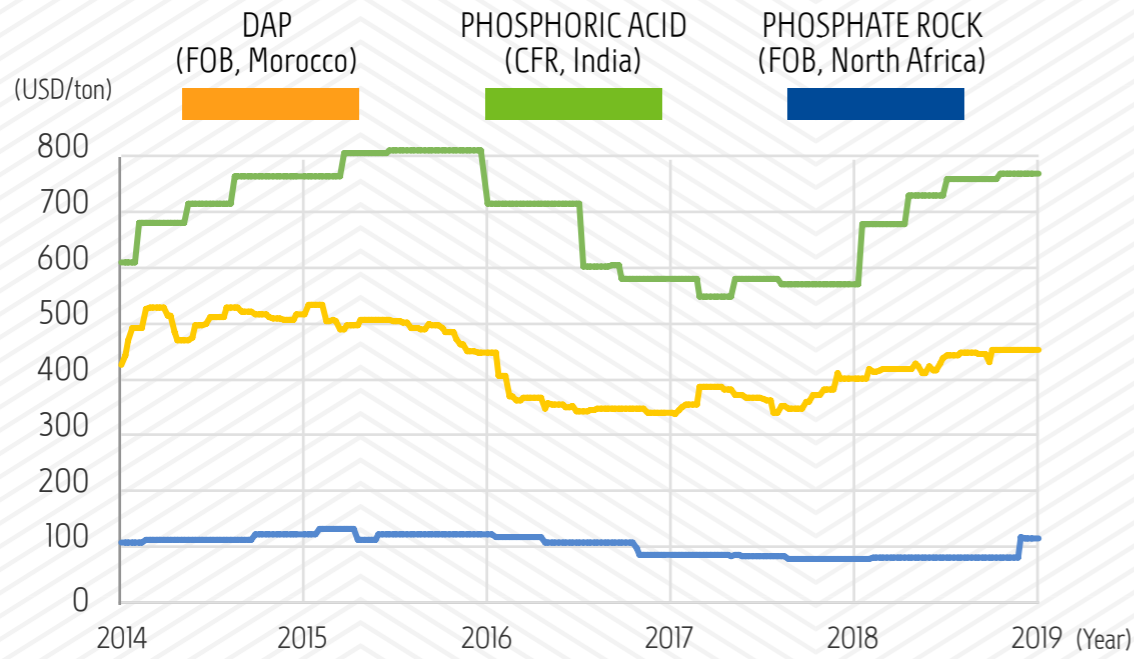
- ◆ Fertilizer (nutrient based) use per hectare of arable land
  - World Average\* (2013-2015); 137,6 kg
  - Turkey\* (2013-2015); 106,7 kg
  - Turkey\*\* (2016); 118,4 kg
  - Turkey\*\* (2017); 113 kg

\* World Bank Data

\*\* TSI, the Ministry of Agriculture and Forestry Data



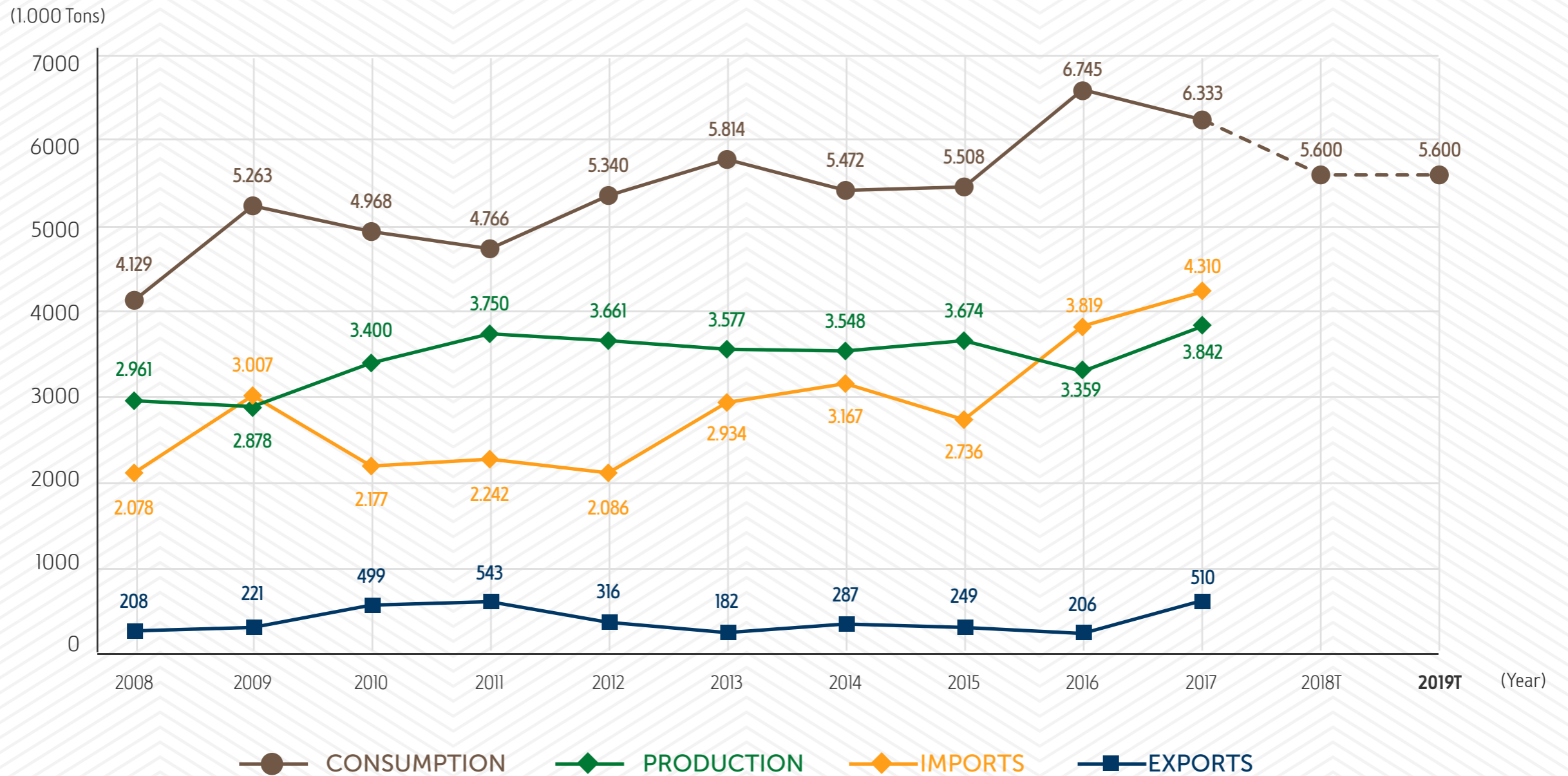
# WORLD FERTILIZER PRICES





# MARKET OVERVIEW

## TURKISH SOLID FERTILIZER SECTOR



“2018 and 2019 consumption data are estimated values and will be clarified after the data of the Ministry of Agriculture and Forestry.”



# OPERATIONS IN TURKEY & IRAN





# PRODUCTS

*“industry leader with a broad range of products”*

## 110

### Type of Products

**SOLID  
FERTILIZERS**



**DRIP IRRIGATION and LEAF  
FERTILIZERS**

**Powder-Crystal**



**Liquid**



**ORNAMENTAL PLANTS AND  
GRASS AREA NUTRIENTS**





# PRODUCTION FLOW CHART

YARIMCA - KOCAELİ

İZMİR

## MAIN INPUTS

PHOSPHORIC ACID  
PHOSPHATE ROCK  
UREA  
AMMONIA  
AMMONIUM SULPHATE  
SULPHURIC ACID  
POTASSIUM CHLORIDE

## MAIN PRODUCTS

COMPOUND  
FERTILIZERS  
&  
TSP

ALL TYPES OF  
POWDER-CRYSTAL  
AND LIQUID FORM  
FERTILIZER



TON/YEARS



# NEW INVESTMENTS

*“eco-friendly and modern infrastructure for production”*

In Yarımca facilities, the first phase of the port enlargement project will be started.

In Yarımca facilities, revamp works will be started in NPK-2 facilities.

In Yarımca facilities, phosphoric acid tank construction will be started.

In İskenderun facilities, 100.000-ton warehouse will be commissioned.



In TSP facilities, which are the main pillar of our export activities, flue gas improvement works will be started, thus, more environmentally friendly production will be possible.

In the scope of our R & D project supported by TAGEM, investments will be realized for the production of new liquid fertilizers in our İzmir facilities.

In our subsidiary, Razi Petrochemical Co., efficiency-increasing investments will continue.

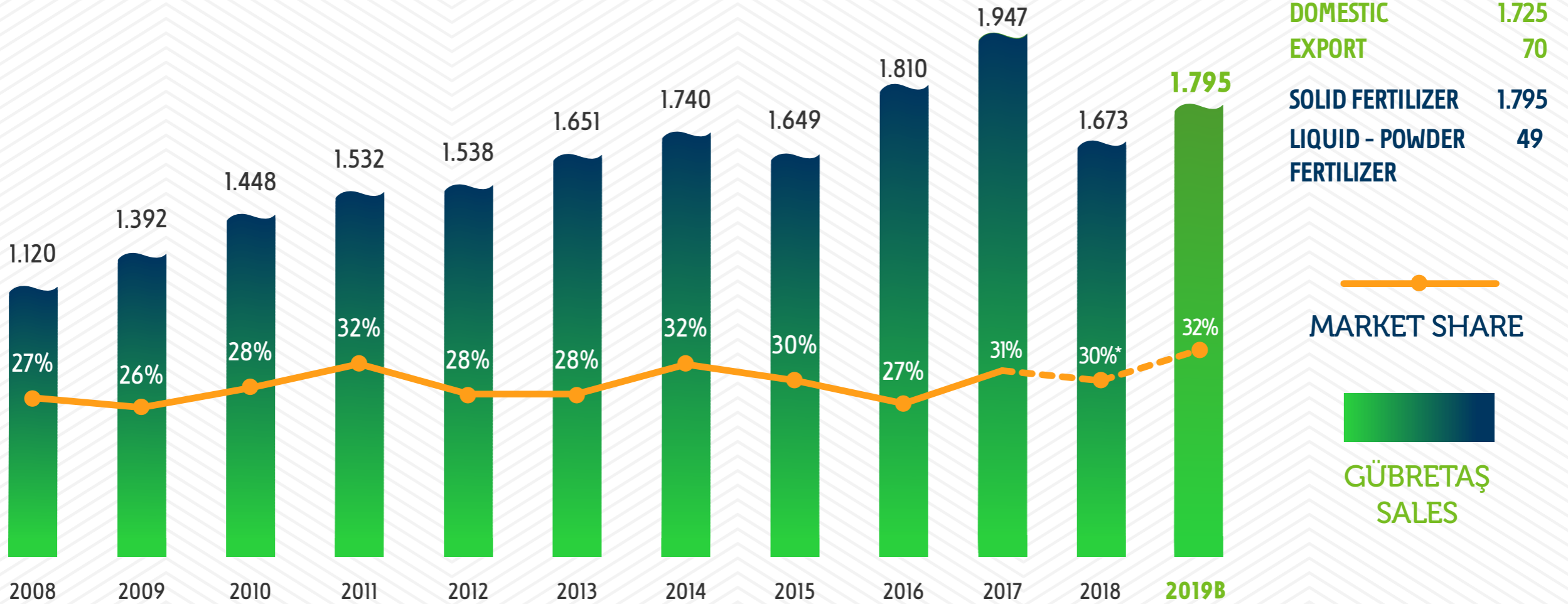


# MARKET SHARE

*“pioneer and leader”*

SOLID FERTILIZER SALES (1.000 Tons)

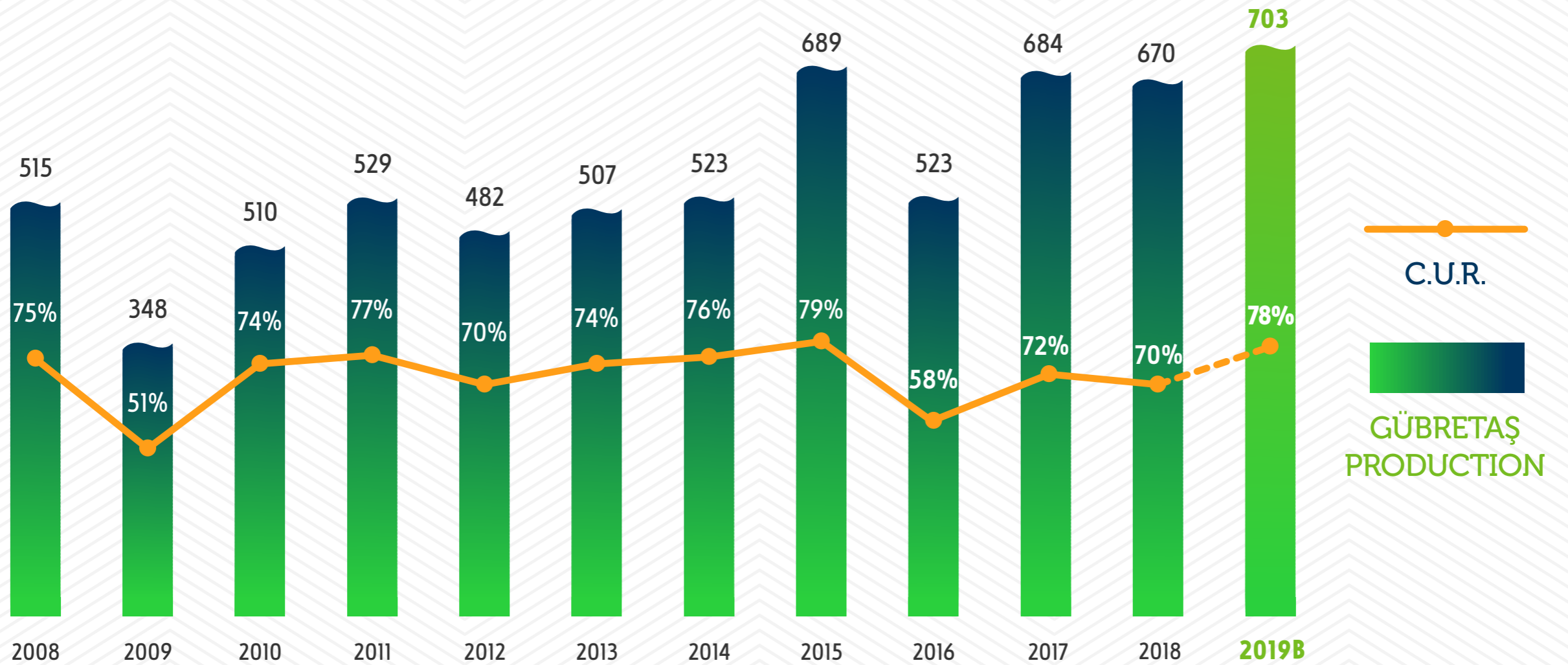
(1.000 Tons)



“Market share data for 2018 and 2019 are estimated values and will be clarified after the consumption data of the Ministry of Agriculture and Forestry.”

# PRODUCTION AND C.U.R.

SOLID FERTILIZER PRODUCTION (1.000 Tons)





# RAZI PETROCHEMICAL CO.

*“from local leadership to being a global player”*



The consortium led by Gübretaş acquired the majority shares of Razi Petrochemical Co. from the Iranian Privatization Organization in 2008. This acquisition left Gübretaş' mark in history as the biggest foreign investment by a Turkish company.

## Advantages

Fully integrated production plant

Access to sour and sweet gas

In accordance with our strategy to realize investments in raw-material rich countries, the search for new partnerships continues.



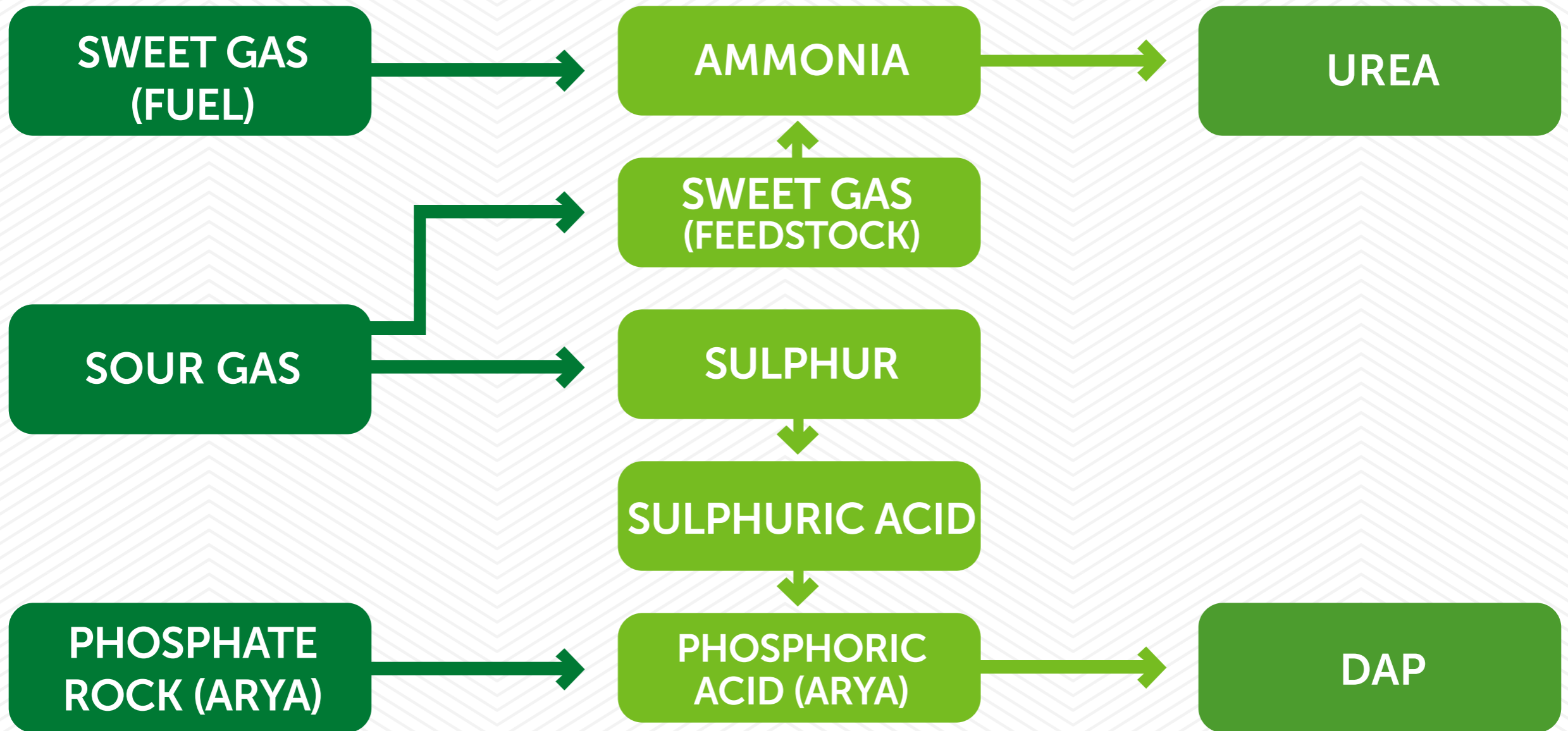
PLANT	NUMBER OF PLANTS	CAPACITY (Ton)
AMMONIA	3	1.336.000
UREA	1	594.000
DAP	2	450.000
SULPHURIC ACID	2	627.000
SULPHUR	1	508.000
PHOSPHORIC ACID (ARYA)	1	126.000
<b>TOTAL</b>	<b>10</b>	<b>3.641.000</b>





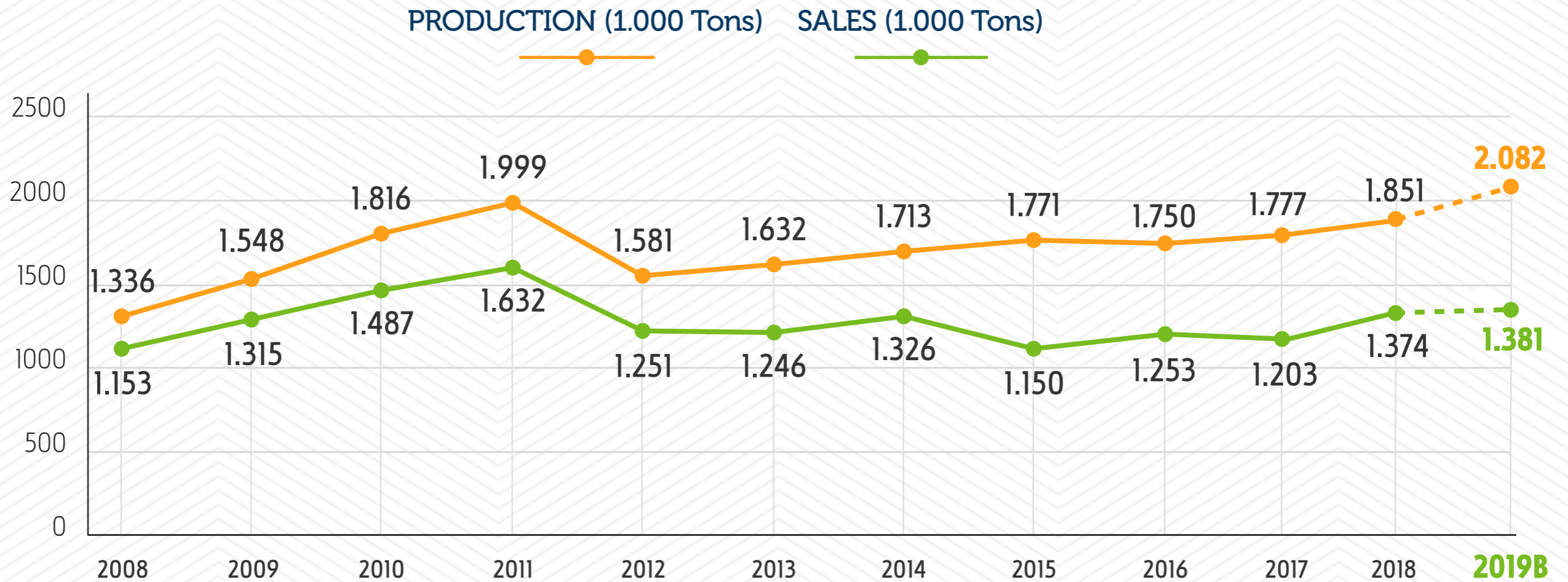
# PRODUCTION CHART

*“fully integrated production”*





# PRODUCTION - SALES



\* Being a fully integrated facility, the reason of difference between production and sales is the internal consumption as some of the products are used as intermediary products.

# 2019 OBJECTIVES

## PRODUCTION ESTIMATES (TONS)

PRODUCT	C.U.R.	2019E
AMMONIA	% 69	920.000
UREA	% 74	440.000
SULPHUR	% 50	253.000
SULPHURIC ACID	% 49	308.000
DAP	% 18	80.000
PHOSPHORIC ACID (ARYA)	% 64	81.000
<b>TOTAL</b>	<b>% 57</b>	<b>2.082.000</b>

## SALES ESTIMATES (TONS)

PRODUCT	2019E
AMMONIA	623.600
UREA	440.000
SULPHUR	148.280
SULPHURIC ACID	48.000
DAP	80.000
PHOSPHORIC ACID (ARYA)	41.000
<b>TOTAL</b>	<b>1.380.880</b>



# 2019 OPERATIONAL OBJECTIVES

PRODUCTION (1.000 TONS)	2018 Budget	2018 Actual	2019 Budget	YoY
TURKEY	761	670	703	4,98%
IRAN	2.113	1.851	2.082	12,49%
CONSOLIDATED	2.874	2.521	2.785	10,49%

SALES (1.000 TONS)	2018 Budget	2018 Actual	2019 Budget	YoY
TURKEY	2.050	1.673	1.795	7,32%
IRAN	1.415	1.374	1.381	0,47%
CONSOLIDATED	3.465	3.047	3.176	7,78%



# 2019 OBJECTIVES

2019	TURKEY	IRAN	CONSOLIDATED
PRODUCTION (1.000 TONS)	703	2.082	2.785
SALES (1.000 TONS)	1.795	1.381	3.176
EBITDA MARGIN	%12	%25	%16,5
INVESTMENT (MILLION TRY)	149	177	326





# OBJECTIVES

*“2019, better results”*



## MARKET OBJECTIVES

- Along with maintaining approach of the customer-oriented seamless communication; It is aimed to sustain our leadership in the sector with timely supply, timely delivery of products and services with our quality.
- Liquid-powder fertilizer market and export growth is planned.



## INVESTMENT OBJECTIVES

- It is aimed to complete rapidly the renewal investments initiated in order to increase our current production power and diversity.
- Storage capacity will be increased with the logistics investments to be completed.
- With our new facilities, both more production and employment are provided and a more environmentally friendly infrastructure is established.



## VISIONARY OBJECTIVES

- With the projects such as GÜBRETAS R & D Center and Agricultural Academy, it is aimed to lead innovation in the sector.
- Developing recently with an increasing trend, new strategies are being created on the subject organic agriculture and relatedly organic and microbial fertilizers, which we consider as a complementary to industrial agriculture and not as an alternative.



## FINANCIAL OBJECTIVES

- A proactive approach against financial costs and risks is developed through procurement optimization.
- It is aimed to increase our operating profitability and to ensure sustainable growth.



# THANK YOU

## INVESTOR RELATIONS

Phone : +90 216 468 50 50

Fax : +90 216 407 10 11

Web Site : [www.gubretas.com.tr](http://www.gubretas.com.tr)

E-mail : [ir@gubretas.com.tr](mailto:ir@gubretas.com.tr)

Address : Nida Kule, Göztepe Kavşağı  
34732 Kadıköy İstanbul

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