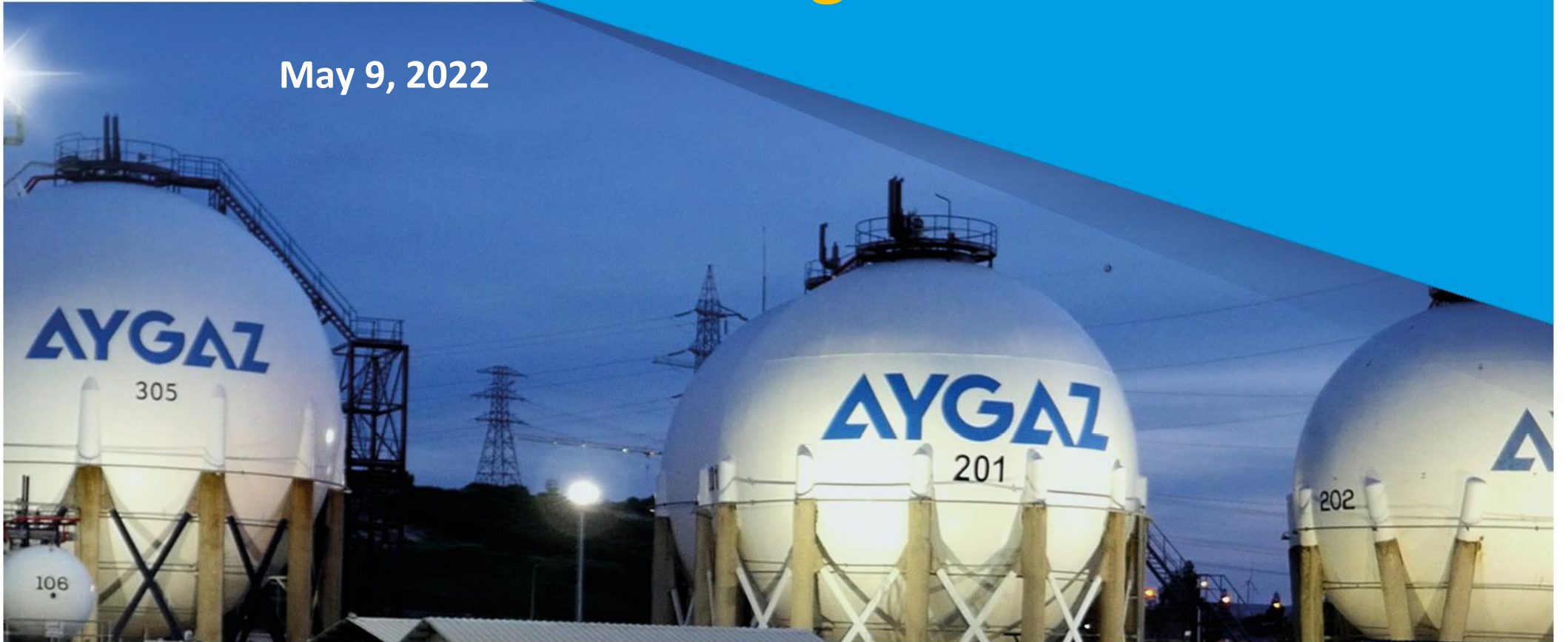


**AYGAZ**

# Q1. 2022 Earnings Release

May 9, 2022





# Disclaimer

- This presentation may contain 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 a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.
- Neither Aygaz nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.

# 1 Highlights

## Operational

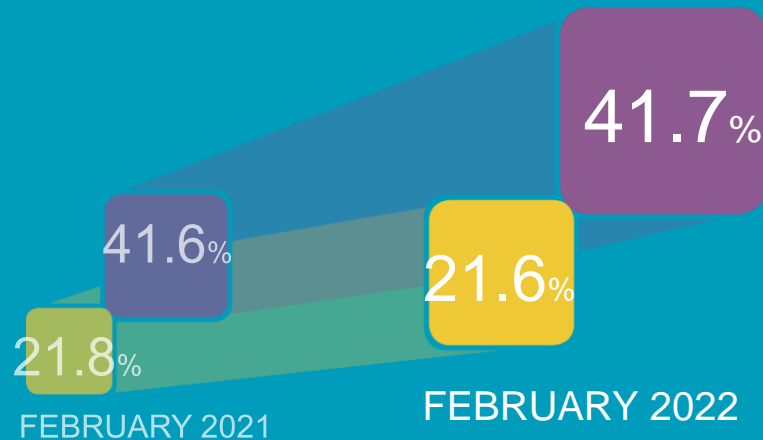
- According to EMRA's\* February 2022 report, total Turkish LPG market contracted by 2% YoY. Turkish cylinder gas demand contracted by 11% while autogas consumption stayed at previous year's levels. Aygaz sustained its market leadership with a 26% total market share.
- Increase in end-prices continued as a result of the hike in global LPG prices. Autogas and cylinder gas prices increased by 182% and 137% respectively YoY as of end of March 2022.
- Q1 Aygaz domestic retail sales are repressed on the back of high product prices and the general economic environment.

\*EMRA: Energy Market Regulatory Authority

## Financial

- Q1 sales revenue and gross profit enhanced on the back of increasing LPG prices and FX rate.
- Operating profit deteriorated due to higher operating expenses caused by inflation and new investments as well as FX losses that are classified under other income and expenses.
- Net profit excluding non-controlling interests is equal to 201 million TL with positive contribution of 193 million TL coming from EYAŞ and Entek that are accounted under equity method.

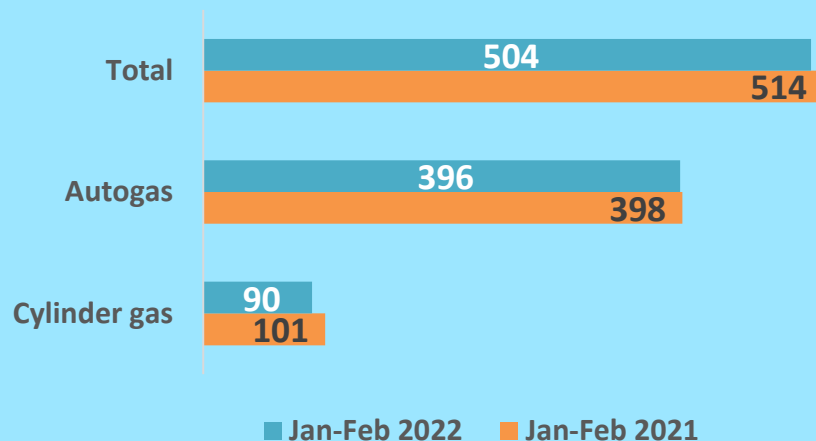
# Market Shares



As of February 2022 EMRA report, Aygaz cylinder and autogas market shares are 41.7% and 21.6% respectively.

(41.6% and 21.8% in February 2021)

## Turkish LPG Demand (000) tons



## According to February 2022 EMRA report,

- Turkish cylinder gas consumption and total LPG demand for the first two months of 2022 is down by 11% and 2% YoY respectively.
- Turkish auto gas consumption is at the same levels as previous year.

EMRA, Aygaz

# Operations - Quarterly

Compared to Q1 2021



Domestic LPG sales

**200**

Thousand tons

**-7%** YoY



International,  
wholesale and trading  
LPG sales

**221**

Thousand tons

**-31%** YoY



Total LPG sales

**421**

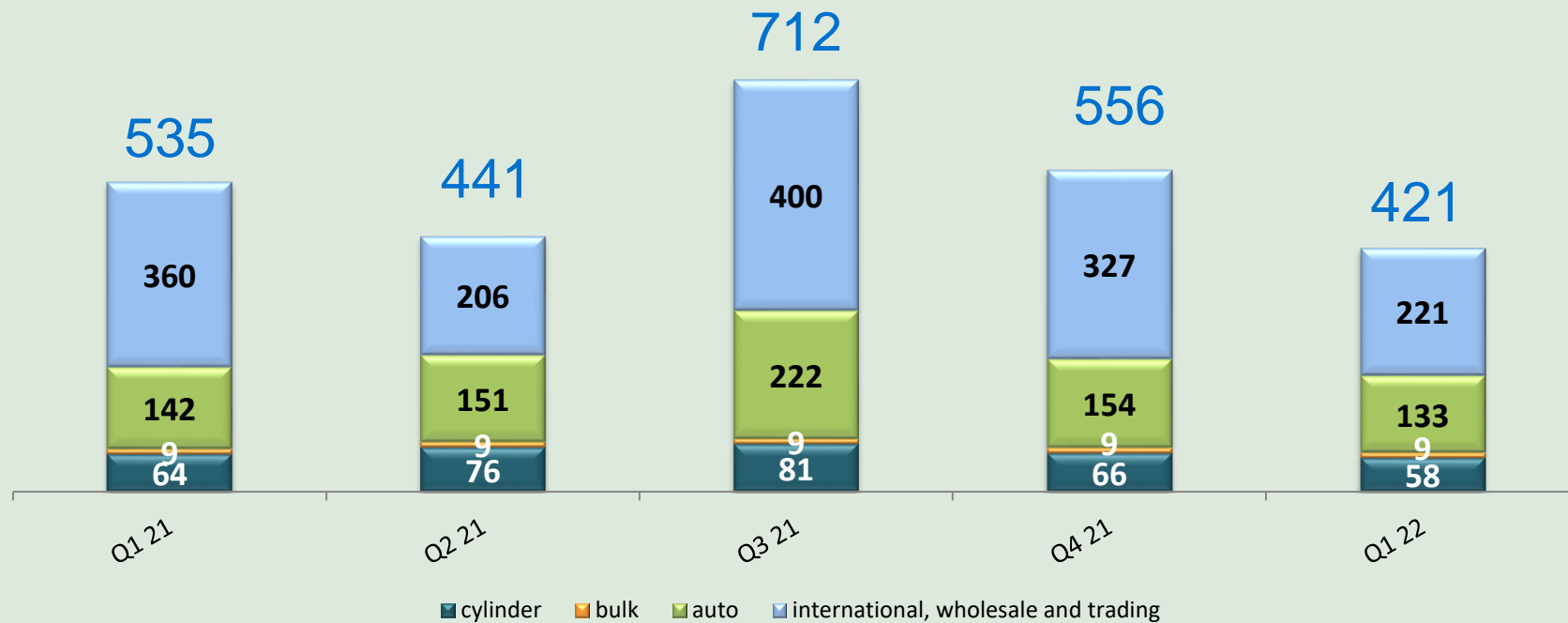
Thousand tons

**-21%** YoY



- Cylinder sales are 58 thousand tons (-10% YoY)
- Autogas sales are 133 thousand tons (-6% YoY)
- Q1 2022 wholesale sales are 65% higher YoY while international sales are trading sales are realized lower than the same period of previous year.

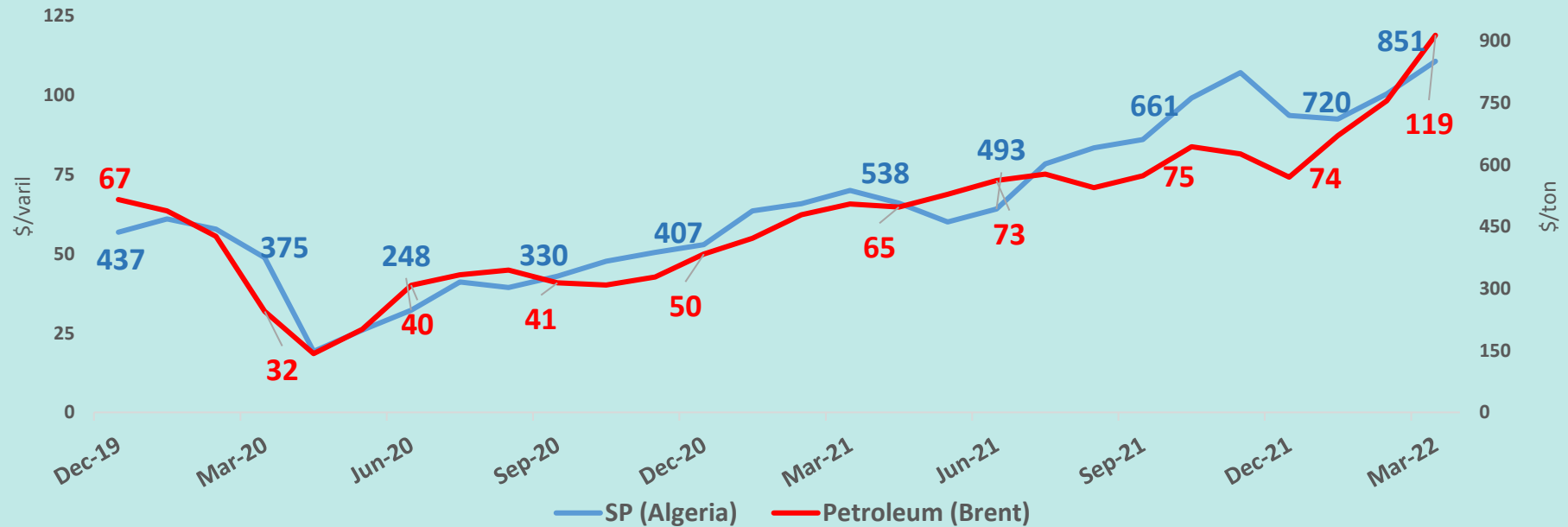
# Aygaz LPG Sales (Quarterly) (000 tons)



## Q1 2022 sales volumes were realized as;

108 thousand tons in wholesale	(+65% YoY)
110 thousand tons in international	( -5% YoY)
3 thousand tons in trading	( -98% YoY)

# LPG – Brent world prices



- March 2022 Sonatrach LPG price is at 851 USD/ton and up by 18% compared to December 2021 and 58% higher than March 2021 level.
- Average LPG price for Q1 2022 is 778 USD/ton and is 52% higher than the figure of Q1 2021 average price of 511 USD/ton.

# 6 Quarterly Financials – Q1 2022

QUARTERLY / (YoY)

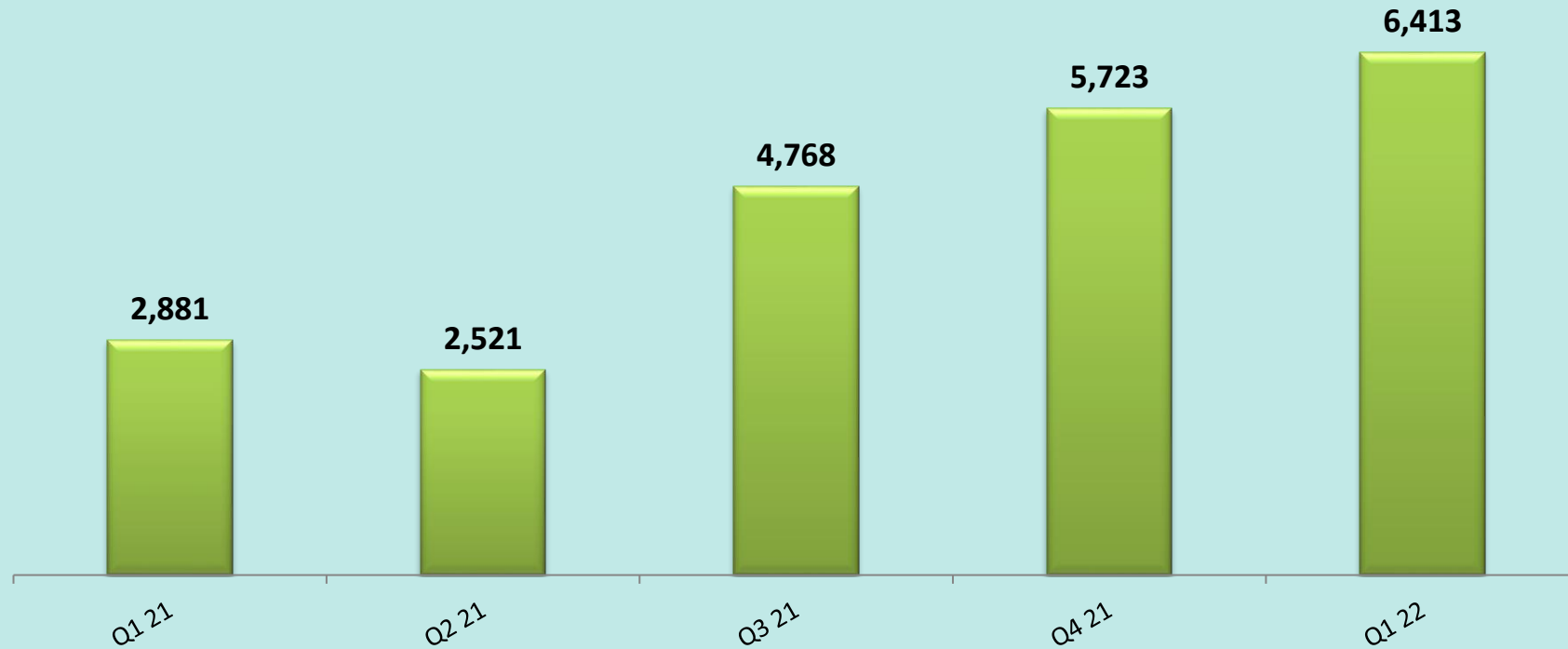
Revenue	<b>6,413</b> Million TL	<b>123%</b>	↑
Gross profit	<b>465</b> Million TL	<b>72%</b>	↑
Operating profit	<b>19</b> Million TL	<b>-77%</b>	↓
EBITDA (excl. other op. inc/exp)	<b>183</b> Million TL	<b>36%</b>	↑
Net profit (excl. non-cont. interests)	<b>201</b> Million TL	<b>N/M</b>	

- In Q1 2022, gross profit is up by 72% YoY due to higher LPG prices and FX rate; while operating profit eroded by increasing operating expenses caused by inflation and new investments as well as FX losses classified under other income and expenses from operations.



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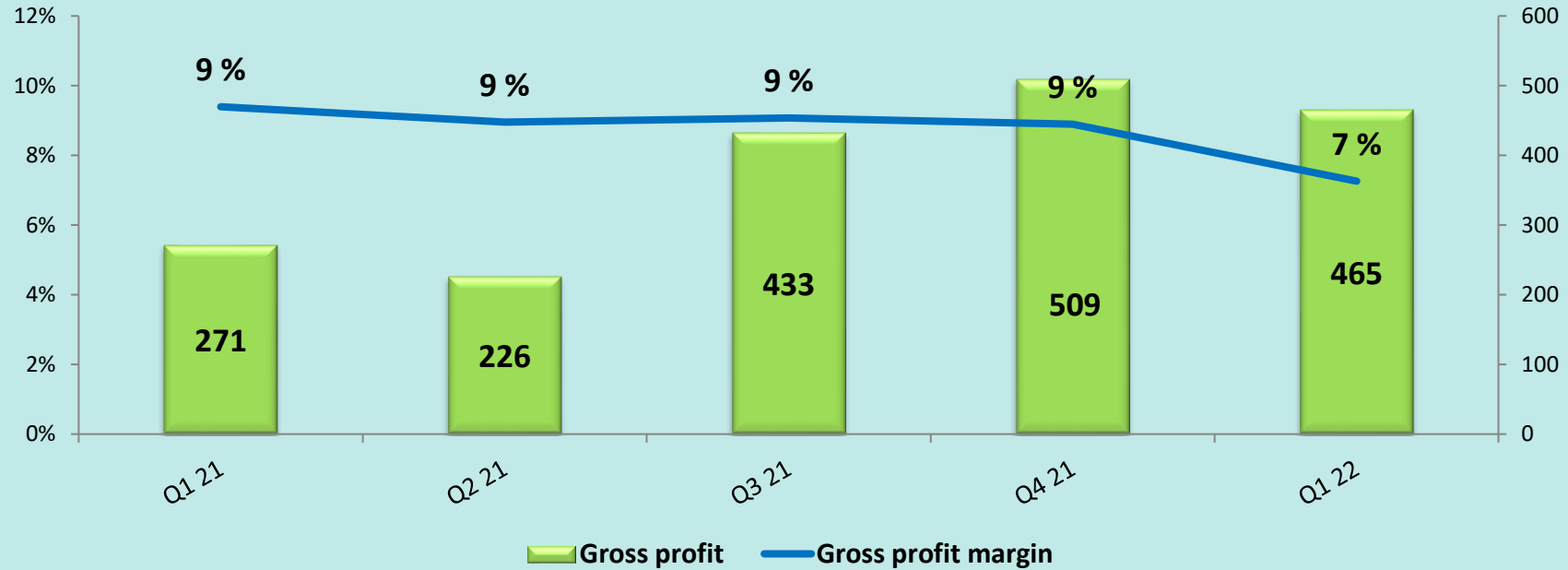
## Net Sales (m TL)



- Consolidated sales revenue is 6,4 billion TL on the back of increasing LPG price and the exchange rate.

## 8

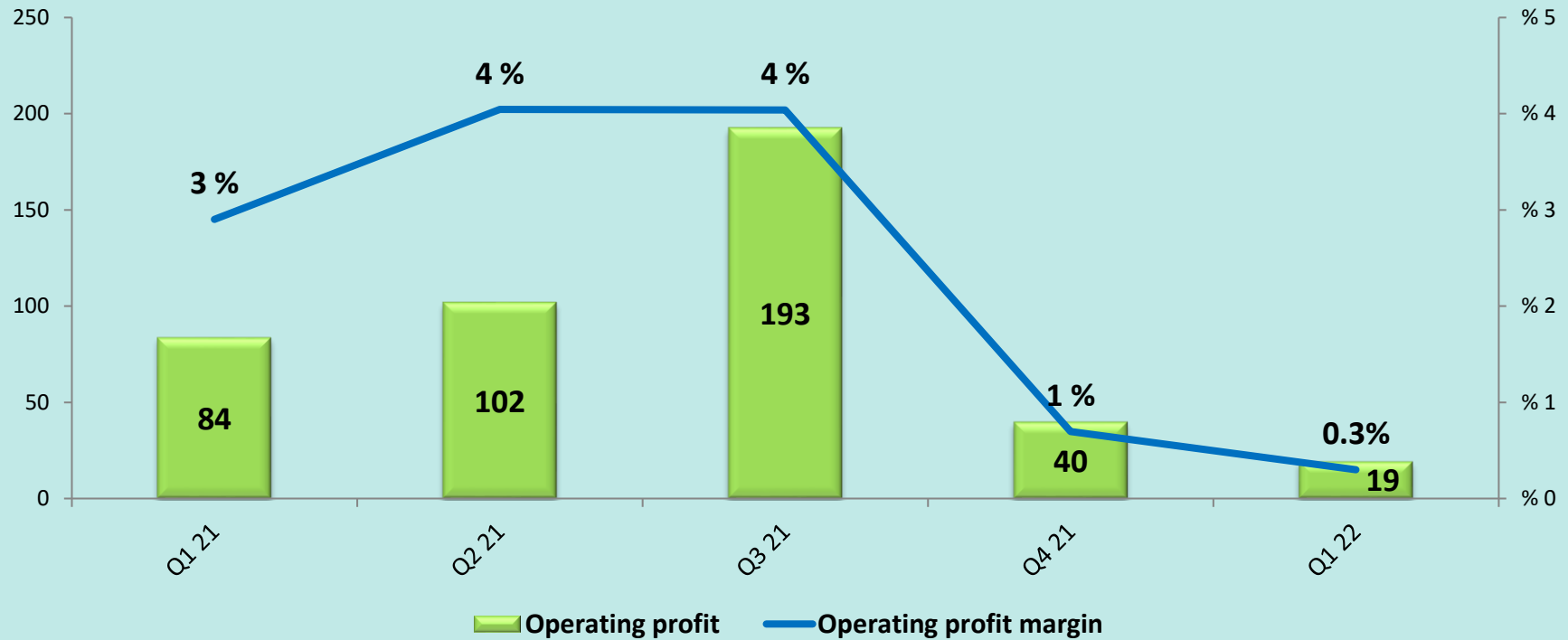
# Gross Profit (m TL)



- Gross profit is up by 72% YoY mainly due to inventory gains caused by increasing LPG prices and exchange rate.  
(Inventory effect of Q1 2022: +104 million TL and Q1 2021: +35 million TL)

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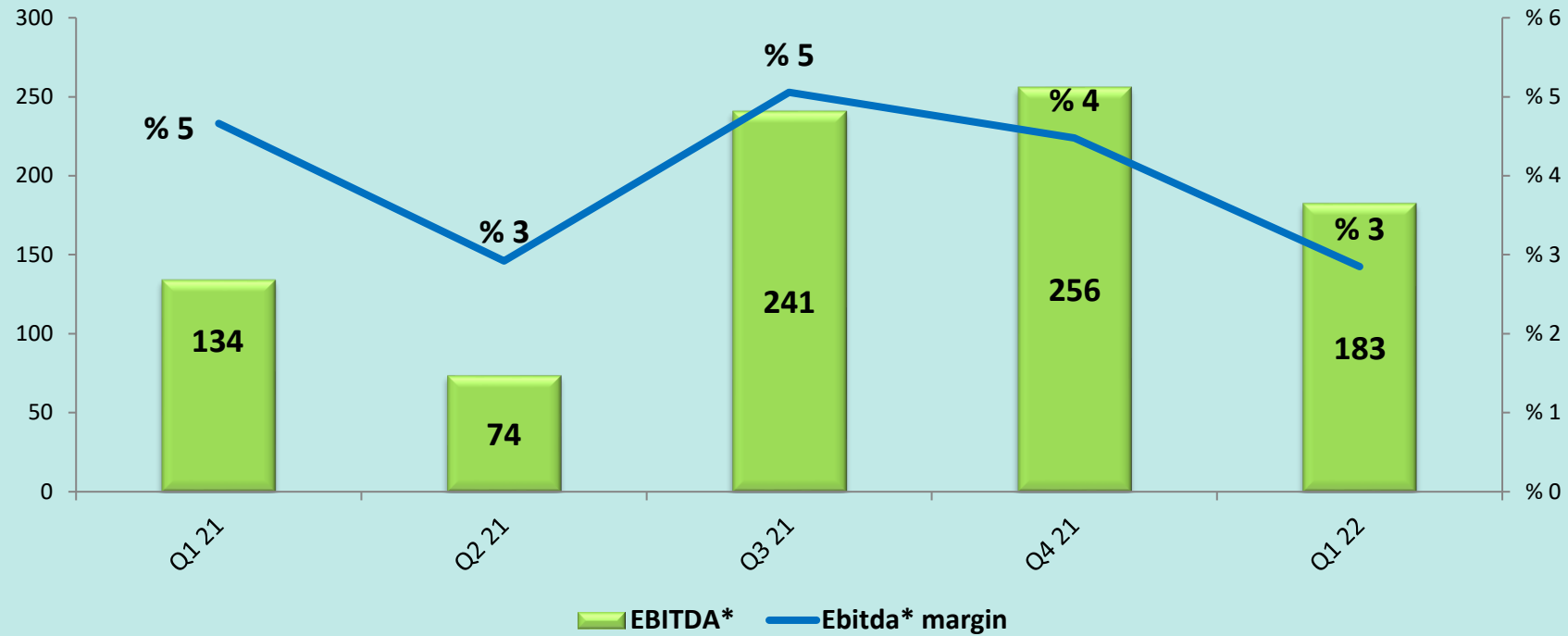
# Operating Profit (m TL)



- Operating profit excluding other income/expense from operations (Q1 2022: -110 million TL and Q1 2021: -9 million TL) is equal to 129 million TL and up by 40% YoY.

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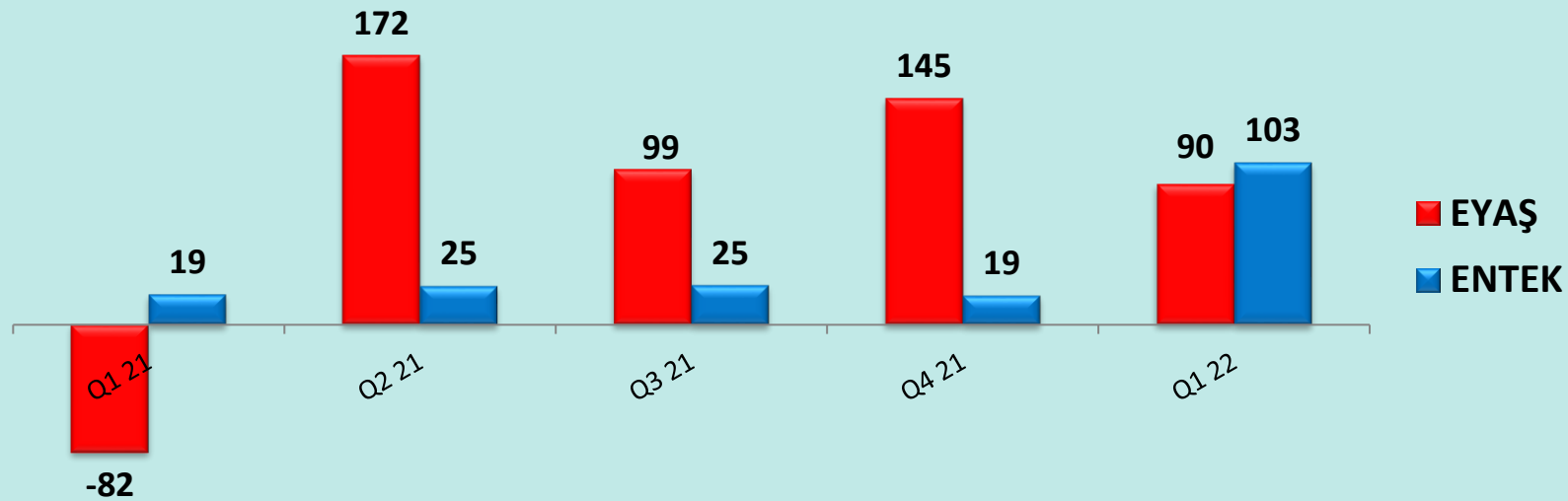
# EBITDA (excl. other inc/exp from operations) (m TL)



- Excluding Sendeo (our subsidiary in cargo business which is in the business roll out phase) related expenses EBITDA is realized as 229 million TL.

# 11 Contributions from EYAŞ(\*) and Entek(\*\*) (m TL)

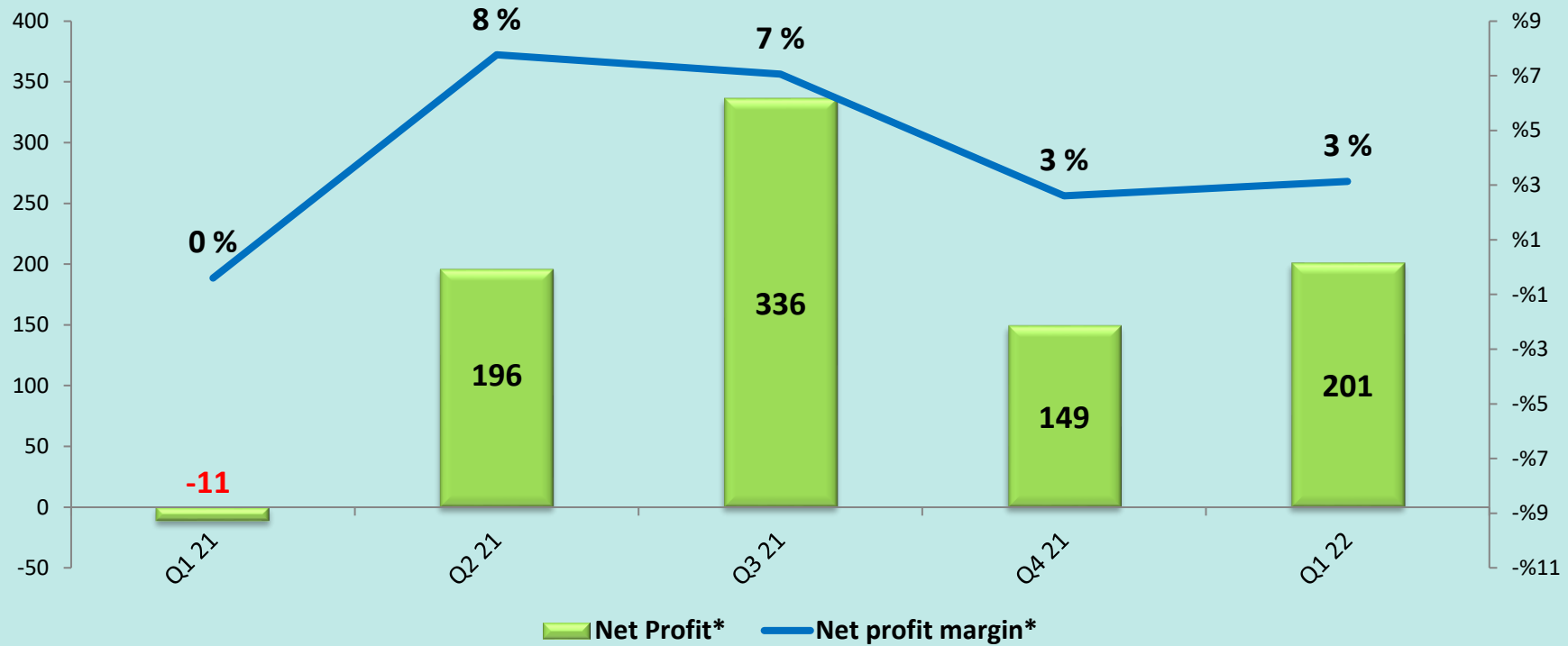
- Total contribution from Eyaş and Entek in Q1, accounted under equity method, is realized as 193 million TL whereas it was -62 million TL in Q1 2021.



\*EYAŞ: Enerji Yatırımları A.Ş. \*\*Entek: Entek Elektrik Üretimi A.Ş.

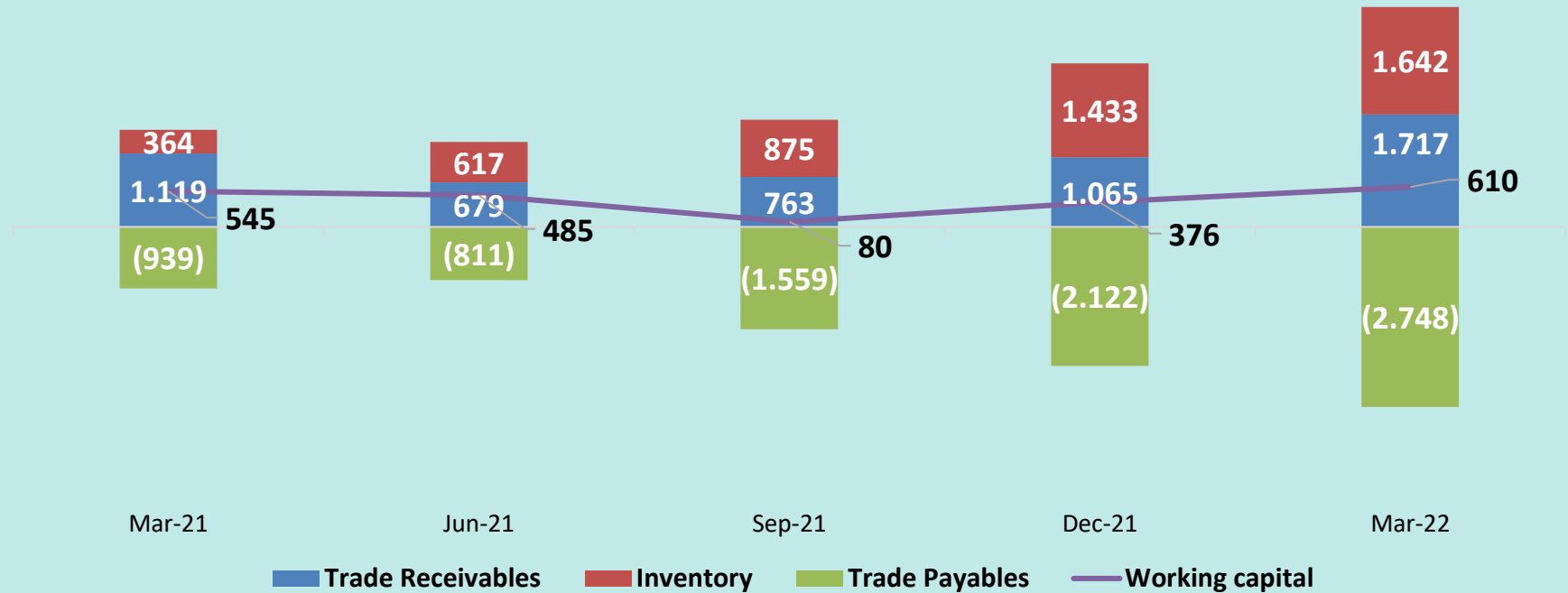
- **Entek** has a total capacity of **436 MW** with eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 264 MW, one wind power plant with 60 MW installed capacity located in Edirne and one natural gas cycling plant with capacity of 112 MW in Kocaeli.

# Net Profit (\*excl. non controlling interest)(m TL)



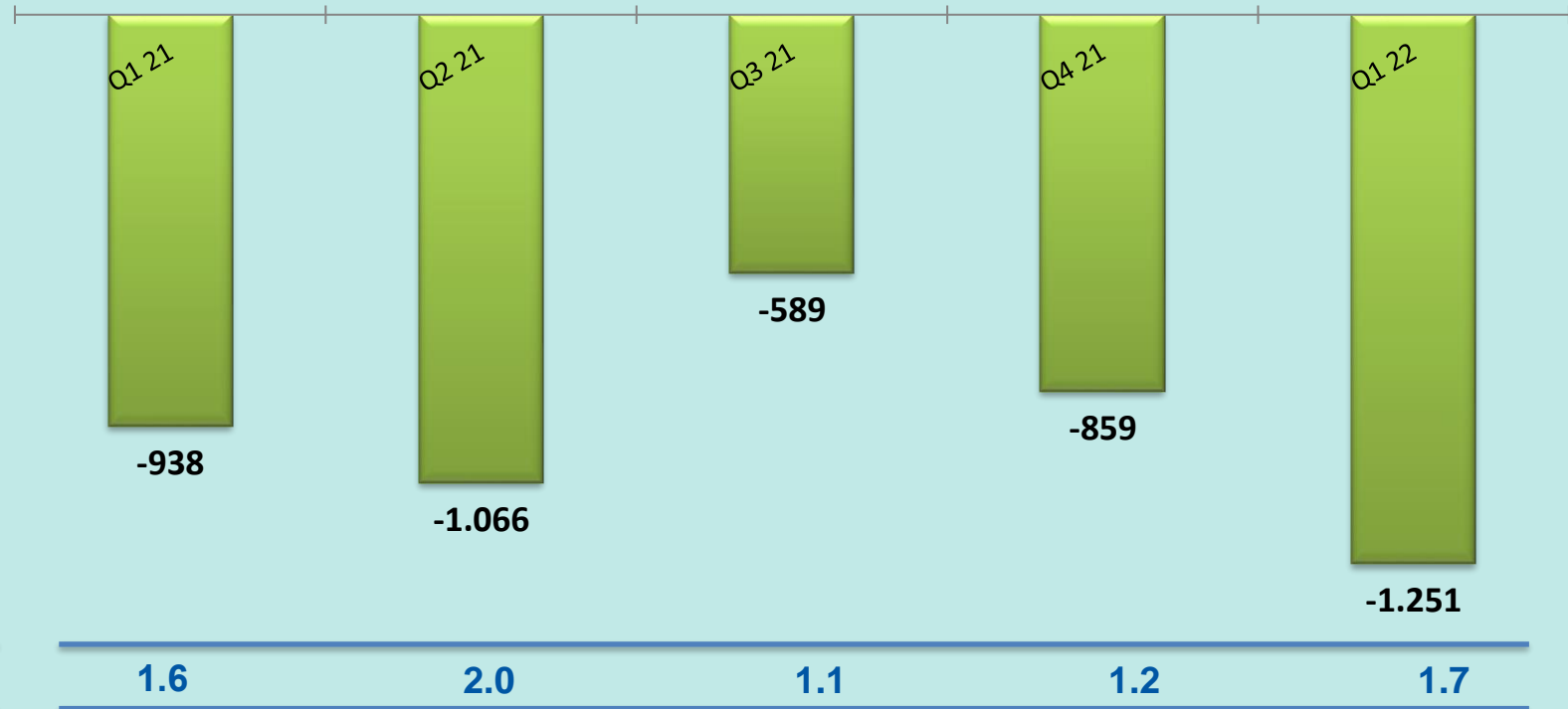
- Net profit is 201 million TL with the positive contribution of 193 million TL from EYAŞ and Entek.

# Working Capital (m TL)



- All components of working capital increased due to higher FX rate and commodity prices. Compared to 2021 year-end, trade receivables, trade payables and inventory are up by 61%, 29% and 15% respectively.

# Net Financial Debt (m TL)



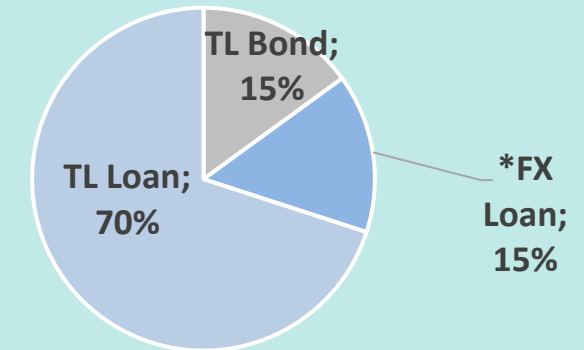
- Net financial debt increased due to the rising working capital needs caused by FX rate and LPG price hikes.  
Net debt/EBITDA ratio is equal to 1.7



# Debt Profile

(m TL)	3M 2022	3M 2021	12M 2021
ST Borrowings	630	240	112
Current portion of LT Borrowings	1,120	432	955
LT Borrowings	1,445	1,079	1,486
Total Financial Debt	3,196	1,751	2,553
Cash and cash equivalents (-)	1,944	813	1,693
= Net Debt	1,251	938	860

Debt Profile as of 31/03/2022



*\* FX position is actively monitored and managed including derivatives.*

- Cash and cash equivalents are up by 251 million TL while total financial debt and net debt increased by 643 million TL and 391 million TL respectively compared to 2021 year-end.
- Considering the projected cash outflows related to new investments and general financing needs, Aygaz keeps its focus on strong cash position and evaluates different borrowing alternatives.

- **Credit Rating:** Our company's credit rating process carried out by JCR Eurasia Rating has been completed and following ratings has been assigned; the Long-Term National Rating "AA+ (Trk) / ( Stable Outlook)", the Short-Term National Rating "A-1+ (Trk) / (Stable Outlook)", the Long-Term International (foreign and local currency) Rating "BB / (Stable Outlook)" and the Short-Term International (foreign and local currency) Rating "B / (Stable Outlook)".

# Forward looking statements for 2022

## Sales volume

- Cylinder: 280-290 thousand tons
- Autogas: 690-720 thousand tons

## Market share

- Cylinder: 41.0%-43.0%
- Autogas: 21.5%-22.5%

- Bangladesh LPG market, which grew by 28% and reached 1.2 million tons in 2020, is the fastest growing LPG market in the world with an average annual growth rate of 52% in the last 5 years.
- In line with the investment plan, company's capital is increased from 1.120 billion Bangladesh Taka ("BDT") up to 2.140 billion BDT (approx. 25 million USD) in February 2022.
- Initial facility investment in Chittagong is ongoing as planned;
  - Final CPA (Port Authority) permit, which is critical for LPG supply at the facility, is obtained.
  - It is planned to put the 2 spheres into use by June.
  - After the inspection of the facilities by government authorities, it is planned to obtain the final operation license and start filling operations at full capacity.
- As of the end of March, the number of employees of United Aygaz has reached to 54.



# 18 Sendeo Dağıtım Hizmetleri A.Ş.



- In line with the investment plan, company's capital is increased from 143.5 million TL up to 423.5 million TL in February 2022.
- After starting Istanbul operations in May 2021, expansion to all 81 cities is completed in February 2022.
- Sendeo delivered more than 40.000+ daily packages in April through 8 transfer centers and 5 distribution depots. As a result, total number of packages distributed in the first three months of 2022 surpassed 2 million.
- Total office and field staff reached 815 as of end of March 2022.



# Income Statement – Summary

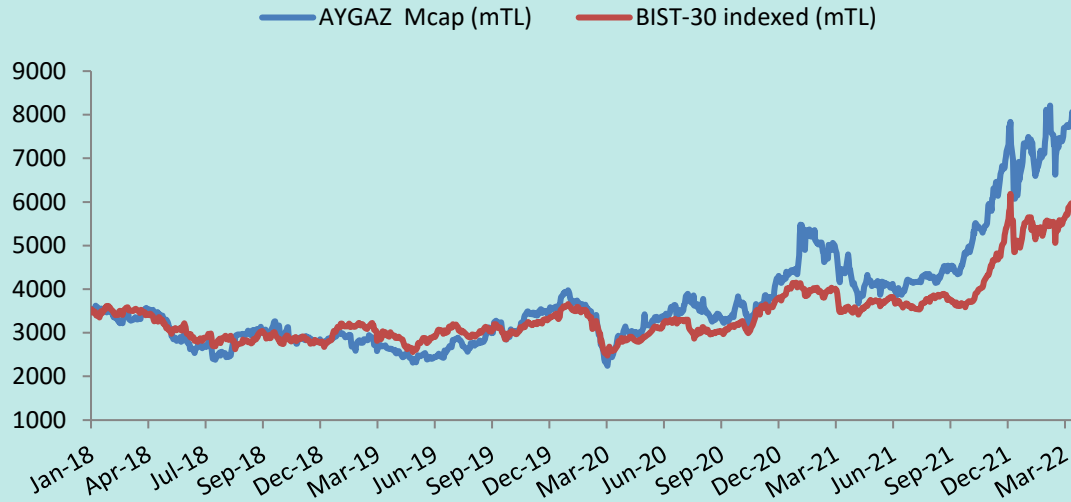
Million TL	Q1 22	Q4 21	Change	Q1 22	Q1 21	Change
Revenues	6,413	5,723	12%	6,413	2,881	123%
Gross Profit	465	509	-9%	465	271	72%
Operating Profit	19	40	-52%	19	84	-77%
Profit Before Tax	215	176	22%	215	6	n/m
Net Profit (excl. non-cont. int.)	201	149	34%	201	-11	n/m
EBITDA (excl. other op. inc/exp)	183	256	-29%	183	134	36%
<b>MARGINS</b>						
Gross Profit M.	7%	9%	-2	7%	9%	-2
Operating Profit M.	0%	1%	-1	0%	3%	-3
Profit Before Tax M.	3%	3%	-	3%	0%	+3
Net Profit M.	3%	3%	-	3%	0%	+3
EBITDA M.	3%	4%	-1	3%	5%	-2



# Balance Sheet- Summary

	Million TL	3M 22	12M 21
Cash & Cash Eq.		1,944	1,693
Trade Receivables		1,717	1,065
Inventories		1,642	1,433
Prop.Plant&Equipment		793	772
Participations		2,182	2,161
<b>Total Assets</b>		<b>9,740</b>	<b>8,333</b>
Financial Debt		3,196	2,553
Trade Payables		2,748	2,122
Total Equity		2,624	2,719
<b>Total Liabilities &amp; Equity</b>		<b>9,740</b>	<b>8,333</b>
Net Cash (Debt)		-1,251	-860
Working Capital		610	376

# Aygaz Share Value



BIST Code: **AYGAZ**

Bloomberg Code: **AYGAZ.TI**

Reuters Code: **AYGAZ.IS**

IPO Date: **13.01.1988**

Free float rate: **24.3%**

- Aygaz market value is up by 19% since the 2021 year end and is 7.9 billion TL as of 31.03.2022.
- In the same period BIST 30 and BIST 100 are up by 22% and 20% respectively.



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