

AYGAZ

Q1. 2021

Earnings Release Report

May 05, 2021





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.
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Highlights

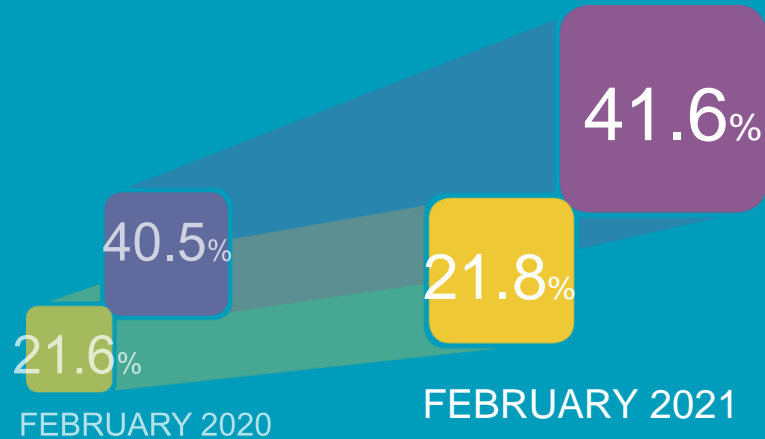
Operational

- According to EMRA's February 2021 report, Turkish cylinder gas and autogas demand contracted by 3% and 21% in the first 2 months of the year for respectively while Aygaz market shares improved for both segments compared to same periods of the previous year and our market leadership is sustained.
- During to the ongoing Covid-19 pandemic period;
 - Q1 Cylinder gas sales are up by 4% YoY thanks to domestic demand increase
 - Q1 Autogas sales contracted by 8% YoY due to mobility restrictions
- While our domestic sales volume contracted by 4%, our total sales increased by 33% due to export and trading sales.

Financial

- March Sonatrach LPG price is up by 33% compared to December 2020 and consequently inventory gain was realized in Q1 2021.
- Improving gross profit and inventory gain had their positive effects on core business operating profit.
- Financial debt increased in Q1 mainly due to increase in net working capital.

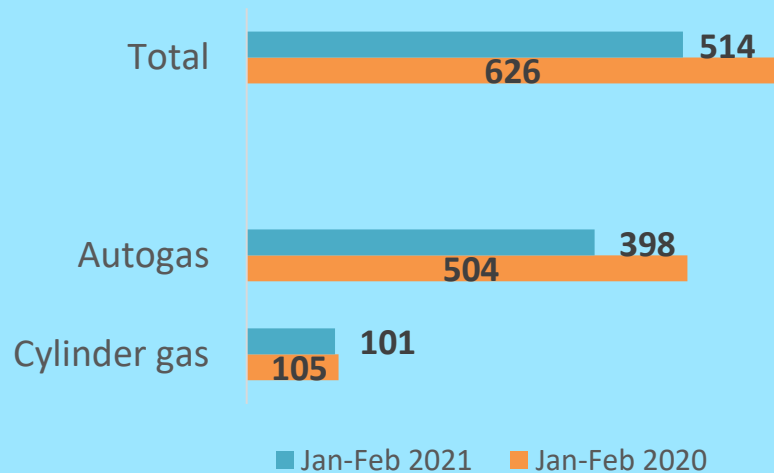
Market Shares



As of February 2021 EMRA report, Aygaz cylinder and autogas market shares are 41.6% and 21.8% respectively.

(40.5% and 21.6% in February 2020)

Turkish LPG Demand (000) tons



According to February 2021 EMRA report,

- Turkish cylinder gas consumption is down by 3%
- Turkish autogas consumption is down by 21%
- Total LPG demand is down by 18%

EMRA, Aygaz

Operations - Quarterly

According to Q1 2020



Domestic LPG sales

215
Thousand tons

-4% YoY



**International,
wholesale and trading
LPG sales (*)**

320
Thousand tons

81% YoY



Total LPG sales (*)

535
Thousand tons

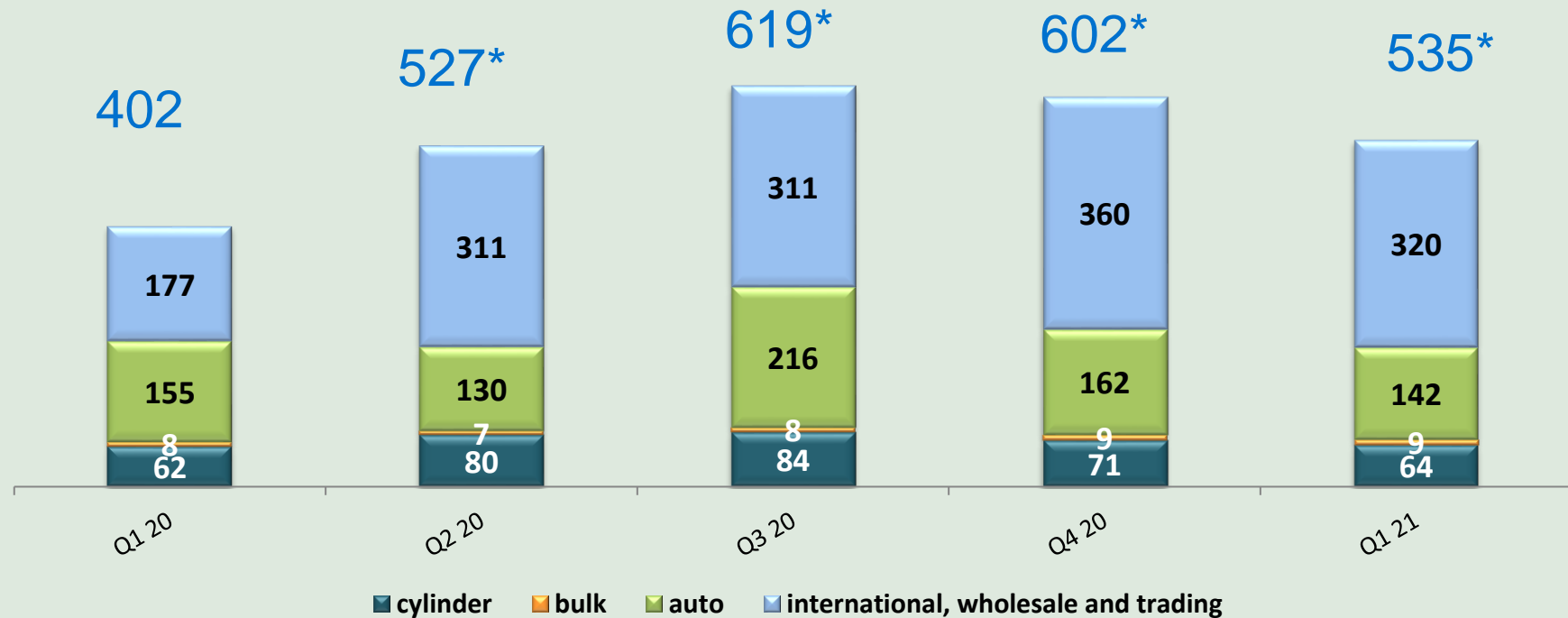
33% YoY



- Cylinder sales are 64 thousand tons (+ 4% YoY)
- Autogas sales are 142 thousand tons (- 8% YoY)
- Cylinder gas sales increased due to higher domestic usage, while autogas consumption is suppressed with the measures taken within the framework of the Covid-19.

(*) Including Aygaz UK Q1 transactions of 139 thousand tons. (Q1 2020: none)

Aygaz LPG Sales (Quarterly) (000 tons)



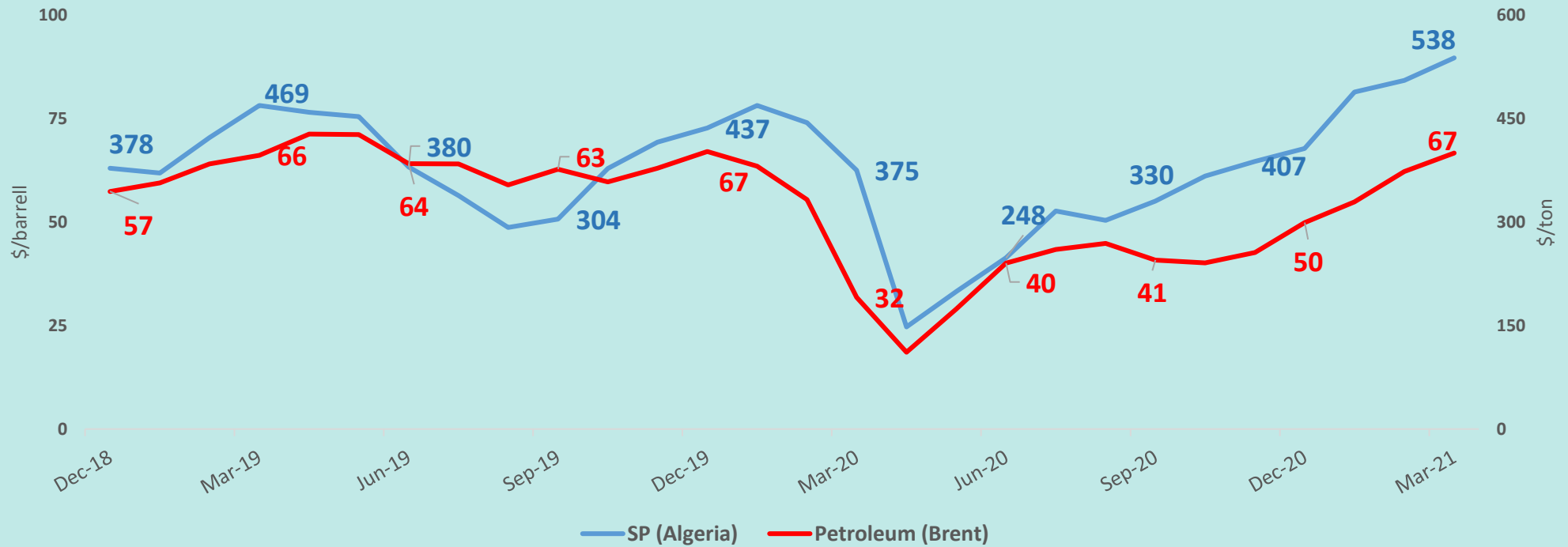
Q1 2021 sales volumes were realized as

- 142 thousand tons in Autogas (-8% YoY)
- 64 thousand tons in Cylinder Gas (+4% YoY)
- 535 thousand tons in Total (+33% YoY)

(*)Contribution from Aygaz UK: For 2020: 94 thousand tons in Q2, 47 thousand tons in Q3 and 138 thousand tons in Q4 and for 2021: 139 thousand tons in Q1

EMRA, Aygaz

LPG – Brent world prices



- March 2021 Sonatrach LPG price is at 538 USD/ton and 43% higher YoY, while it is 33% higher than December 2020 level.
 Average LPG price for Q1 2021 is 511 USD/ton and is 19% higher compared to Q1 2020 average price.

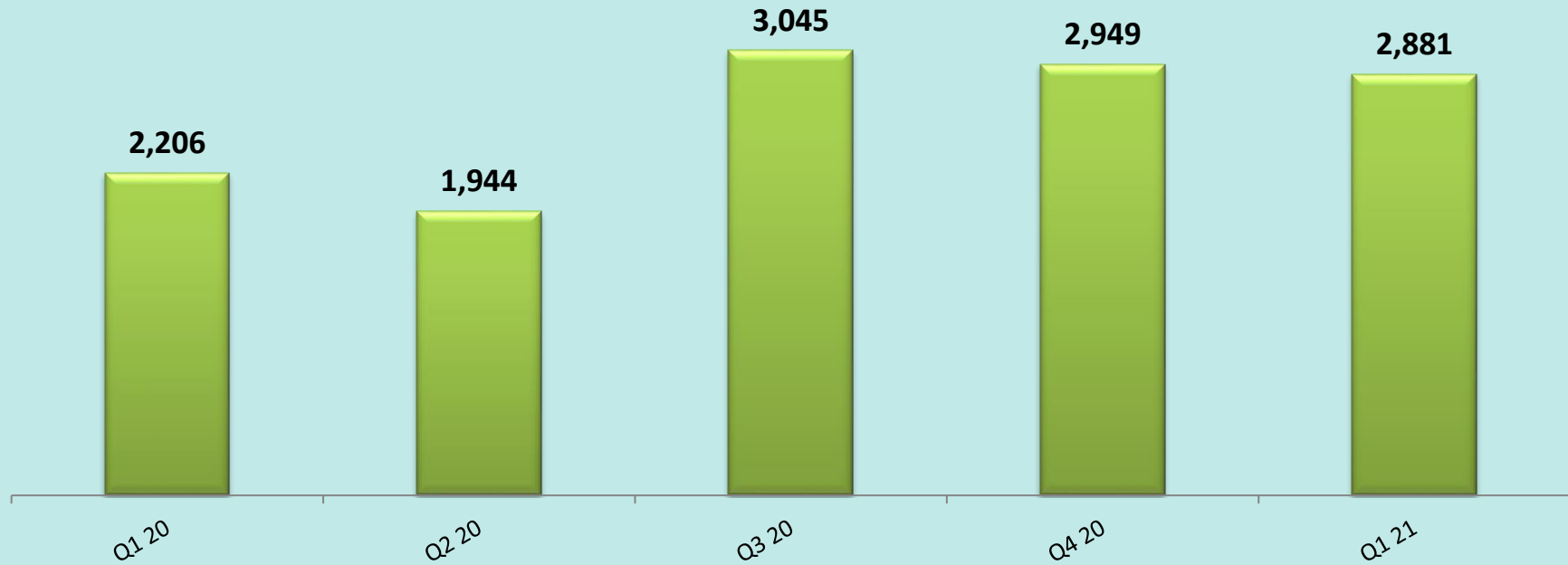
6 Quarterly Financials – Q1 2021

QUARTERLY / (YoY)

Revenue	2,881 Million TL	31%	↑
Gross profit	271 Million TL	191%	↑
Operating profit	117 Million TL	304%	↑
EBITDA (incl. other op. inc/exp)	159 Million TL	714%	↑
Net profit	-11 Million TL	95%	↑

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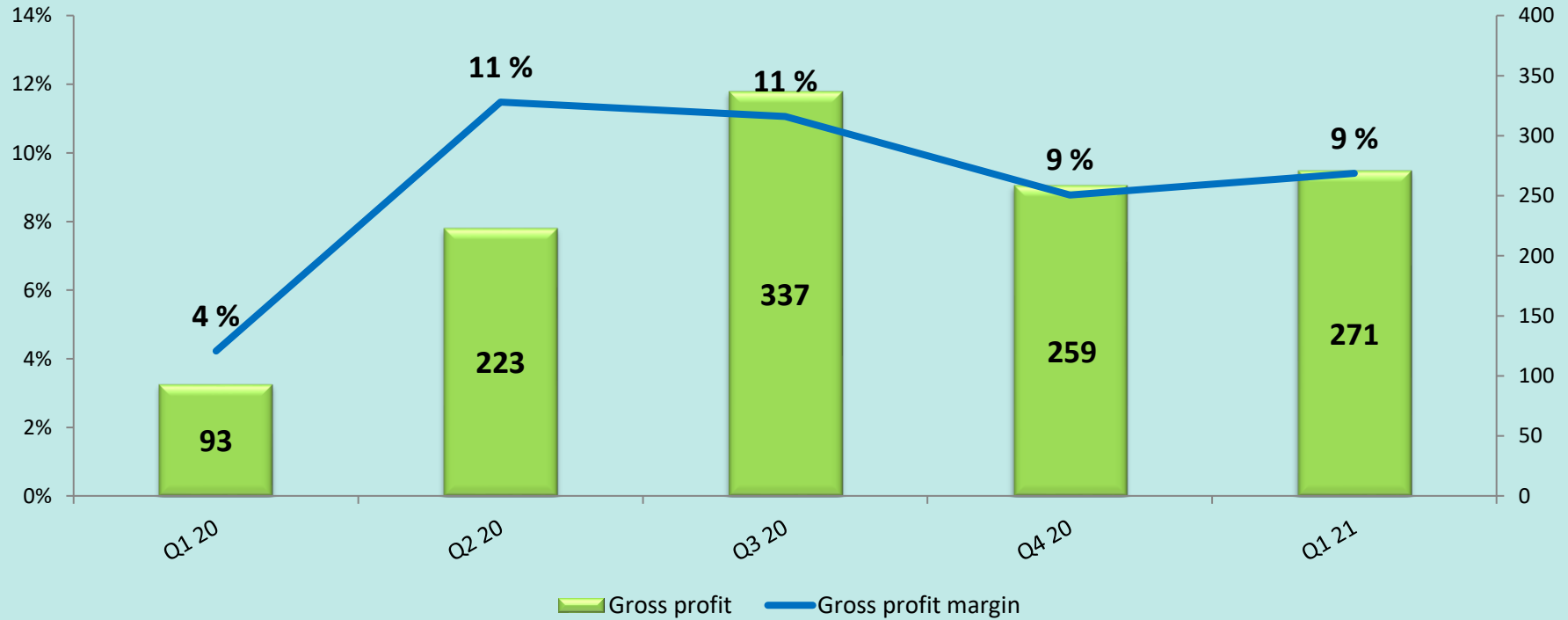
Net Sales (m TL)



- Consolidated sales revenue is 2,881 million TL and 31% higher YoY due to effects of higher sales volume and exchange rate.

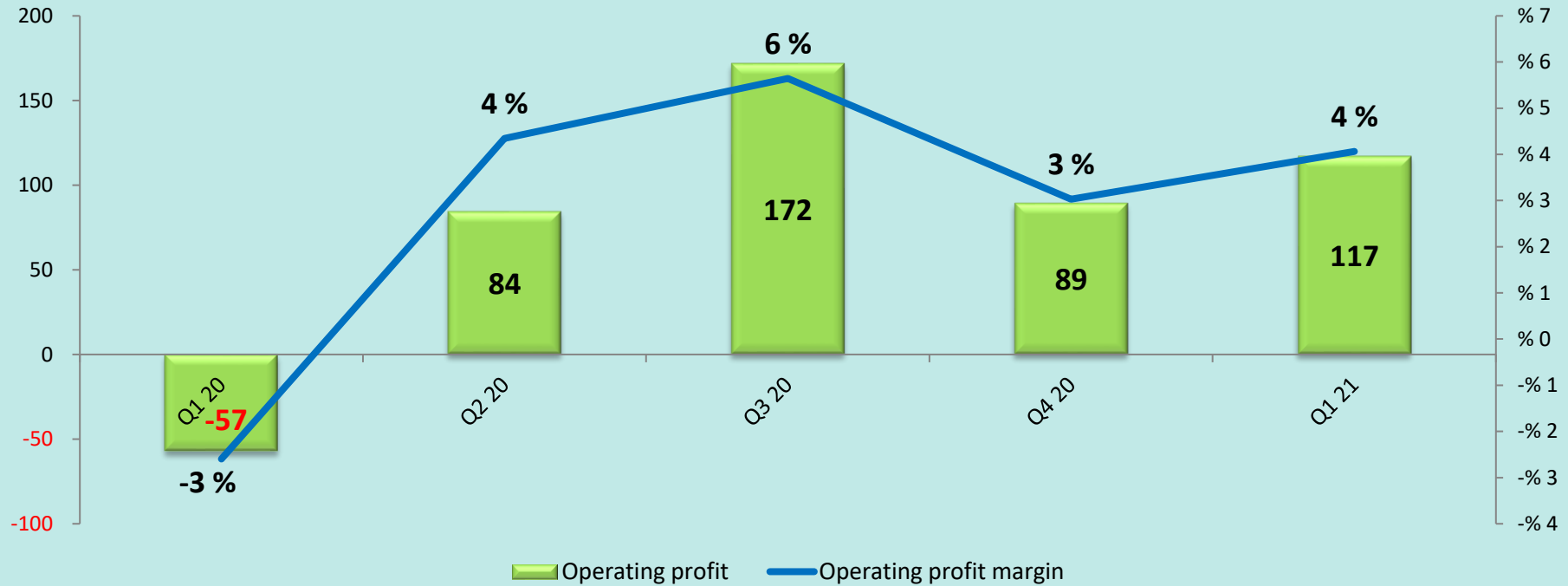
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Gross Profit (m TL)



- Gross profit is up by 191% YoY and is realized as 271 million TL while there is an inventory gain of 35 million TL in Q1.

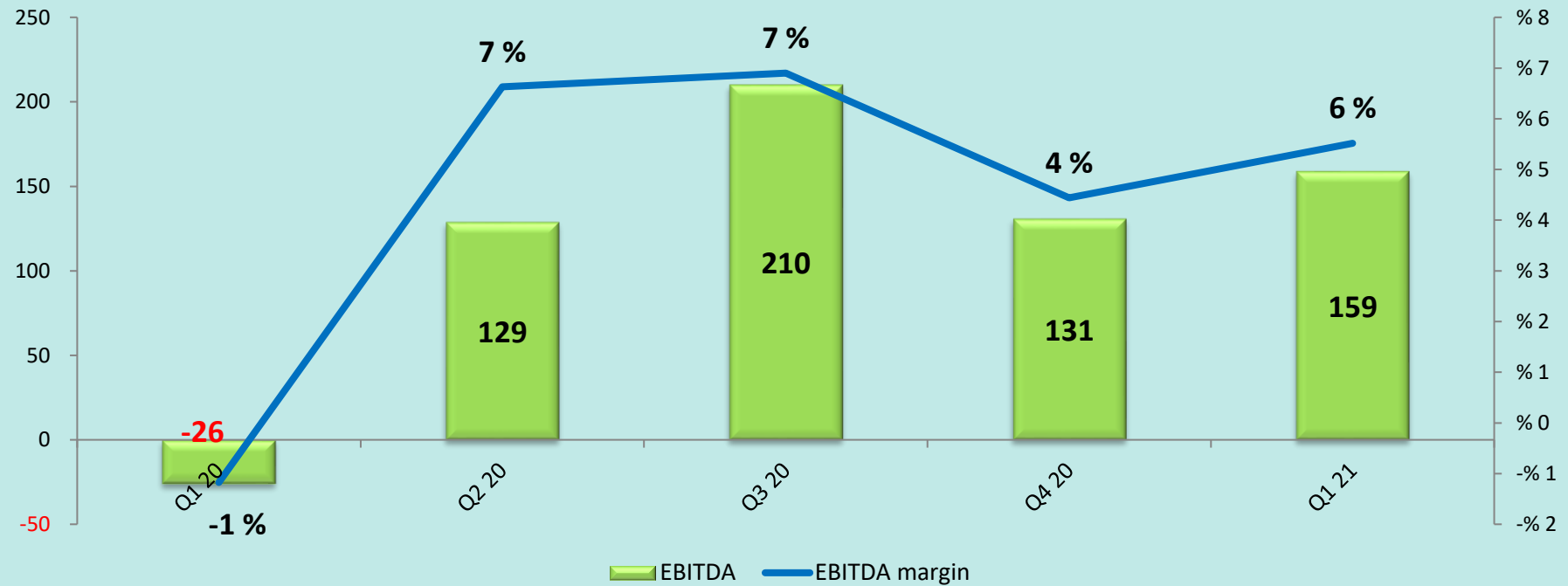
Operating Profit (m TL)



- Operating profit increased by 304% YoY and 31% QoQ and is equal to 117 million TL in line with the improving gross profit.

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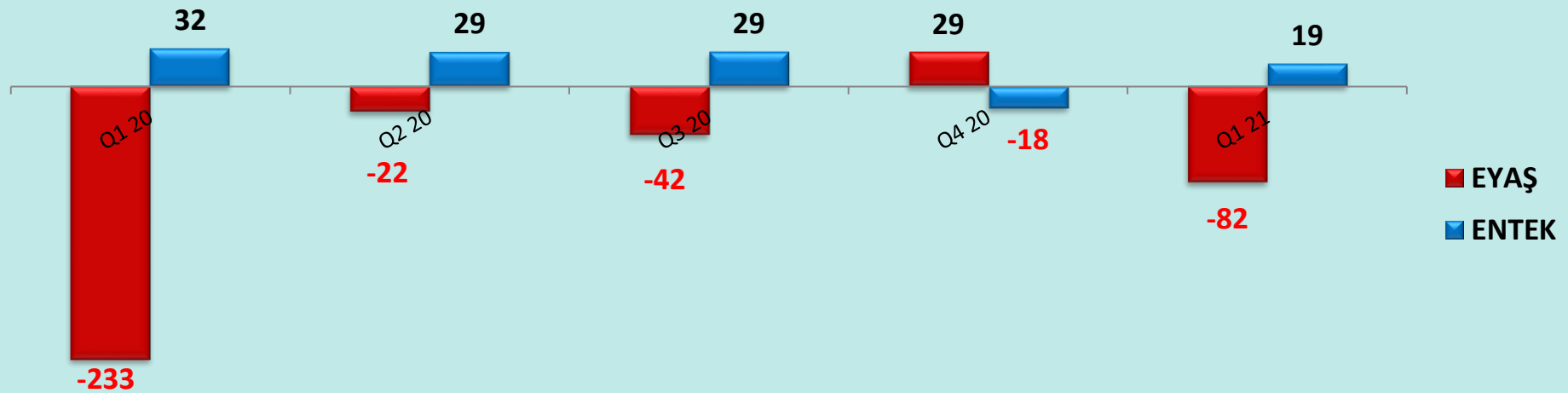
EBITDA (incl. other op. inc/exp) (m TL)



- EBITDA figure improved both YoY and QoQ and is realized as 159 million TL.

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

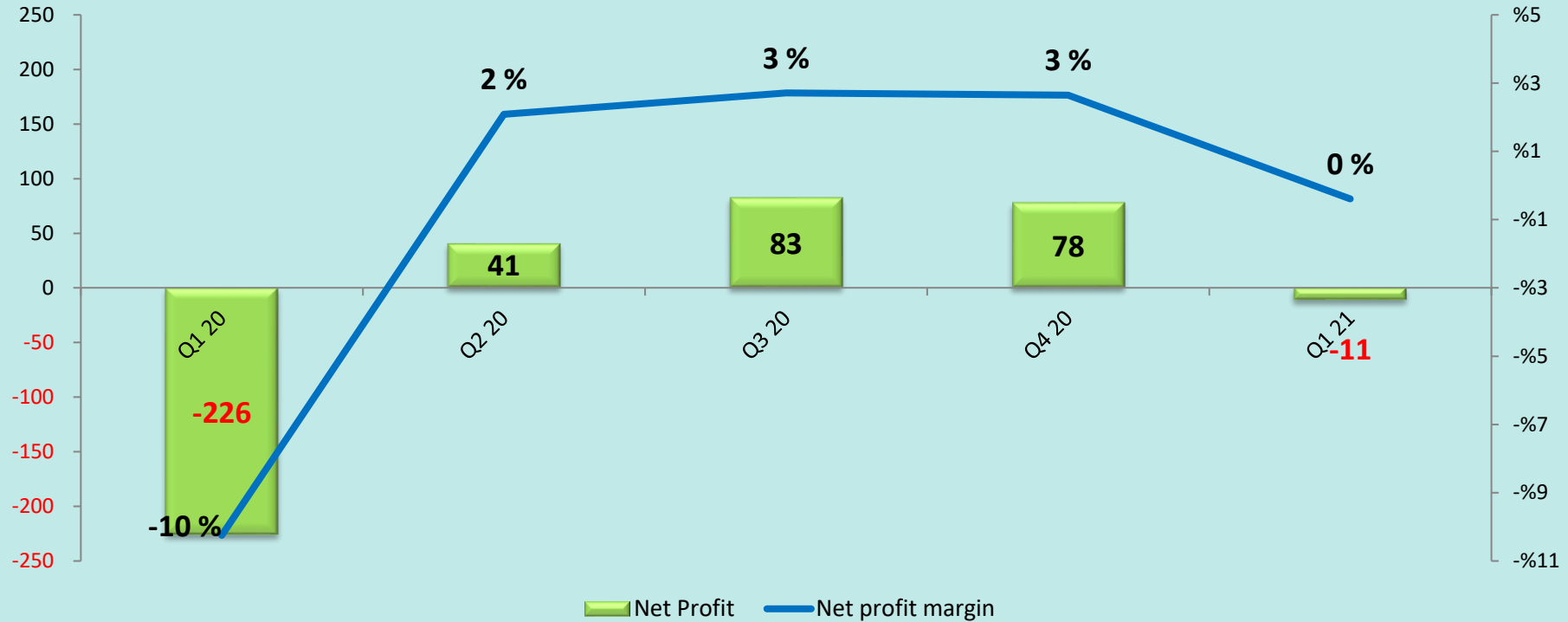
- Even though the total contribution from investments accounted under equity method improved by 70% YoY, their total contribution was realized as -62 million TL.



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

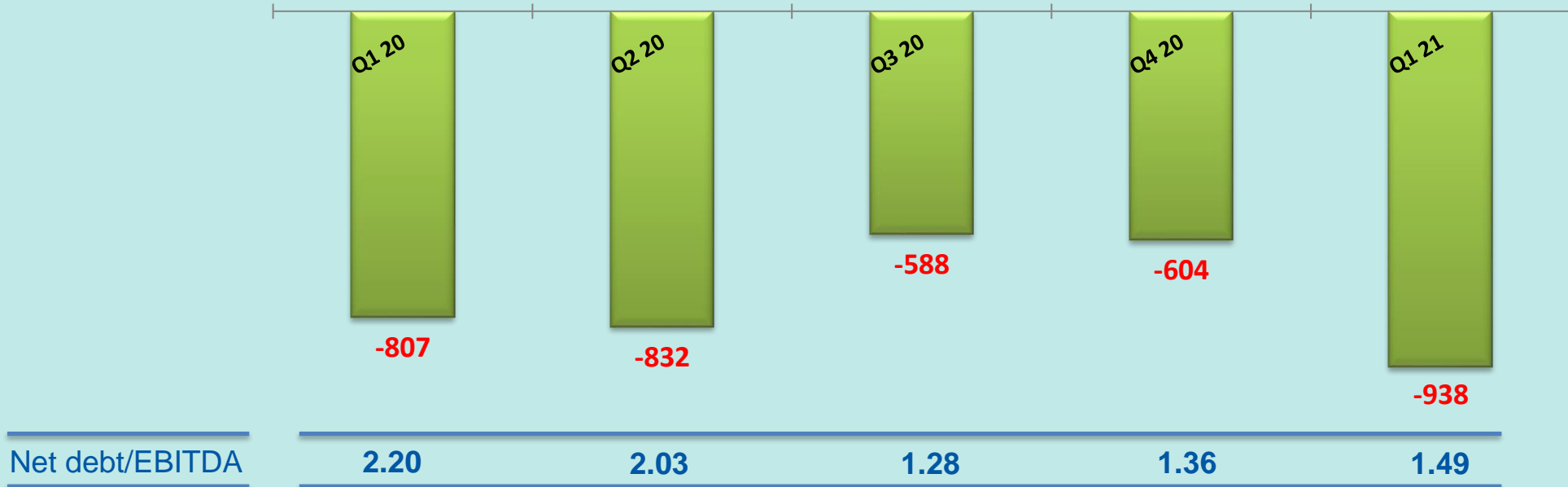
- Entek** operates natural gas cycling plant with capacity of 112 MW in Kocaeli and eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 265 MW in total reaching an aggregate capacity of **377 MW**.

Net Profit (m TL)



- Although gross and operating profit improved in Q1, the negative contribution coming from EYAŞ, our investments accounted under equity method, had its impact on net profit.

Net Financial Debt (m TL)

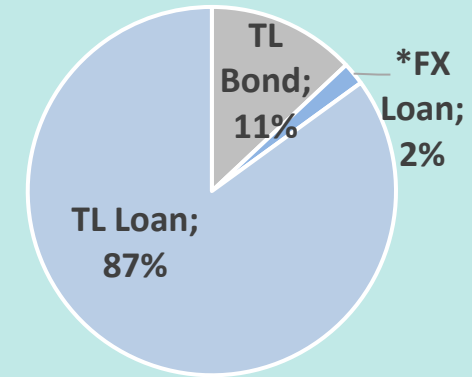


- Net financial debt increased due to the temporary rise in working capital need in Q1 21.
- Short-term financial borrowings, current portion of long-term financial borrowings and interest payments are met by cash and cash equivalents. Current Ratio is 1.14

Debt Profile

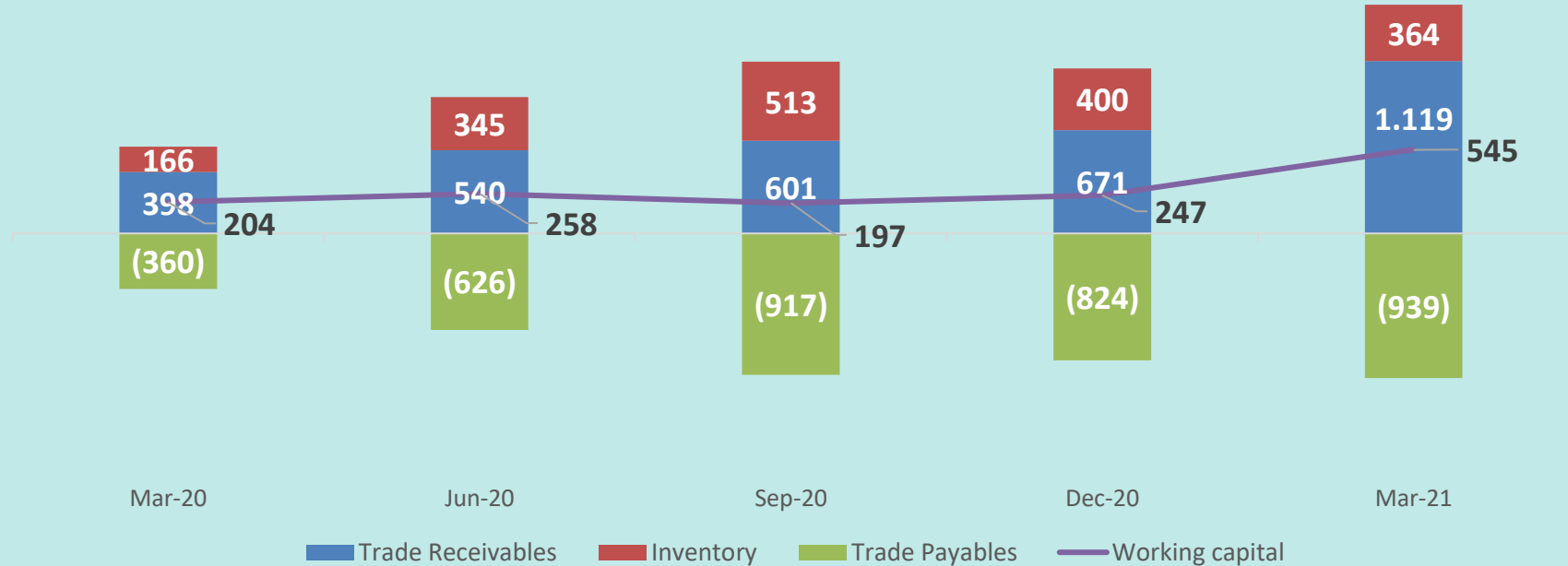
(m TL)	3M 2020	12M 2020
ST Borrowings	240	221
Current portion of LT Borrowings	432	346
LT Borrowings	1,079	997
Total Debt	1,751	1,564
Cash and cash equivalents (-)	813	961
= Net Debt	938	604

Debt Profile as of 31/03/2021



- Total gross debt increased by 187 million TL in Q1, taking into account the cost and liquidity. We preserve our strong cash position while overlooking our liquidity needs of Q2 that consist of loan repayments, dividend payments and the capital injections to subsidiaries.
- **Credit Rating:** Following the comparative analysis of the sector and examination of financial/operational risks carried by the Company, as well as its domestic market position by SAHA Corporate Governance and Credit Rating Services, AYGAZ's long term rating of (TR) AAA and a short term rating of (TR) A1+ and outlook as stable is confirmed on June 22, 2020.

Working Capital (m TL)



- Working capital temporarily increased in Q1 as a result of higher trade receivables figure that was caused by the delay of Aygaz UK export cargos due to bad weather conditions in USA.
- The structure and size of working capital, especially the risk of receivables, are regularly monitored and managed.

Forward looking statements for 2021

Sales volume

- Cylinder: 285-295 thousand tons
- Autogas: 700-730 thousand tons

Market share

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

17 Bangladesh Investment – United-Aygaz LPG

- ✓ Executive Management team (CEO and CFO level) were appointed as of February 2021 following the signing of Shareholders Agreement.
- ✓ Start of first phase of terminal investment in Chittagong (biggest port city of Bangladesh) is planned in May 2021.
- ✓ Preparatory initial work has started on the field regarding the first phase of investment, including sphere, bullet tank and cylinder filling equipment.



United-Aygaz Chittagong Facility Land





Assignments of CEO and N-1 level have been completed. Aygaz and Aykargo teams work together to create the organizational structure and to complete internal and external recruitment.



Istanbul operations started in early May 2021. In the first quarter of 2022, expansion to 81 cities is aimed to be completed.



Aykargo primarily targets B2C segment customers. Alternative Delivery Point (PUDO) contracts were signed with 1,300 Aygaz dealers ; two transfer centers and two distribution depots are rented in İstanbul.



Long term strategic plan of Aygaz

NEW BUSINESS MODELS

To develop new business lines through utilizing Aygaz brand and platform



TURKEY LPG SUPPLY&DISTRIBUTION

To create sustainable value while sustaining our leadership in Turkish LPG market

OVERSEAS LPG SUPPLY&DISTRIBUTION

To become an international LPG player

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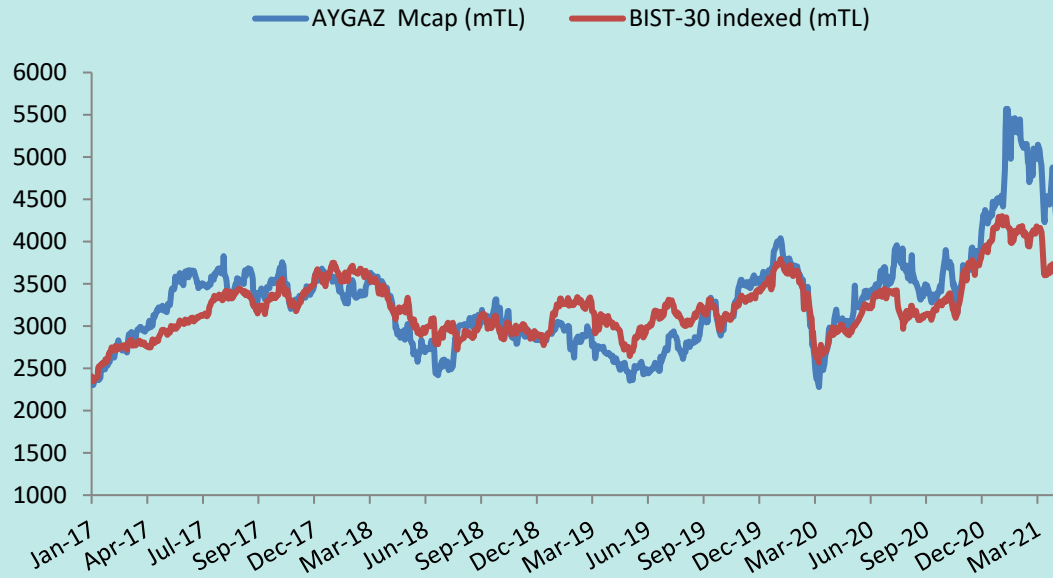
Income Statement – Summary

Million TL	Q1 21	Q4 20	Change	Q1 21	Q1 20	Change
Revenues	2,881	2,949	-2%	2,881	2,206	31%
Gross Profit	271	259	5%	271	93	191%
Operating Profit	117	89	31%	117	-57	304%
Profit Before Tax	6	95	-93%	6	-231	103%
Net Profit	-11	78	-115%	-11	-226	95%
EBITDA	159	131	21%	159	-26	714%
MARGINS						
Gross Profit M.	9%	9%	-	9%	4%	+5
Operating Profit M.	4%	3%	+1	4%	-3%	+7
Profit Before Tax M.	0.2%	3%	-2.8	0.2%	-10%	+10.2
Net Profit M.	-0.4%	3%	-3.4	-0.4%	-10%	+9.6
EBITDA M.	6%	4%	+2	6%	-1%	+7

Balance Sheet- Summary

Million TL	3M 20	12M 20
Cash & Cash Eq.	813	961
Trade Receivables	1,119	671
Inventories	364	400
Prop.Plant&Equipment	702	696
Participations	1,776	1,847
Total Assets	5,550	5,395
Financial Debt	1,751	1,564
Trade Payables	939	824
Total Equity	2,034	2,317
Total Liabilities & Equity	5,550	5,395
Net Cash (Debt)	-938	-604
Working Capital	545	247

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 1% since the 2020 year end and is 4.4 billion TL as of 31.03.2021.
- In the same period BIST 30 and BIST 100 are down by 13% and 6% respectively.



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