

AYGAZ

Q1. 2020

Earnings Release Report

May 21, 2020





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- 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 Q1 2020

Operational

- Aygaz operations run w/o any interruption during the Covid-19 period.
- The consequences of the pandemic became effective in the second half of March, resulting in the contraction of sales volumes.
(Domestic retail sales and total sales contracted by 3% and 7% respectively)
- After the second half of March as the pandemic measures are taken, domestic cylinder gas sales improved whereas commercial cylinder gas and autogas sales were pressurized.
- Aygaz continues to lead the market share according to EMRA February Report.
(Cylinder 40.5% / Autogas 21.6% / Total 25%)
- Bangladesh; an amendment to the contract is signed between the parties on March 31, 2020 that allows closing to take place on December 31, 2020 at the latest.

Financial

- Maintenance of strong cash flow structure.
- Profitability was affected by the inventory losses due to sharp fall of LPG prices including April.

Quarterly Operations

According to Q1 2019



Domestic LPG sales

225

Thousand tons

-3% YoY



International,
wholesale and trading
LPG sales

213

Thousand tons

-11% YoY



Total LPG sales

438

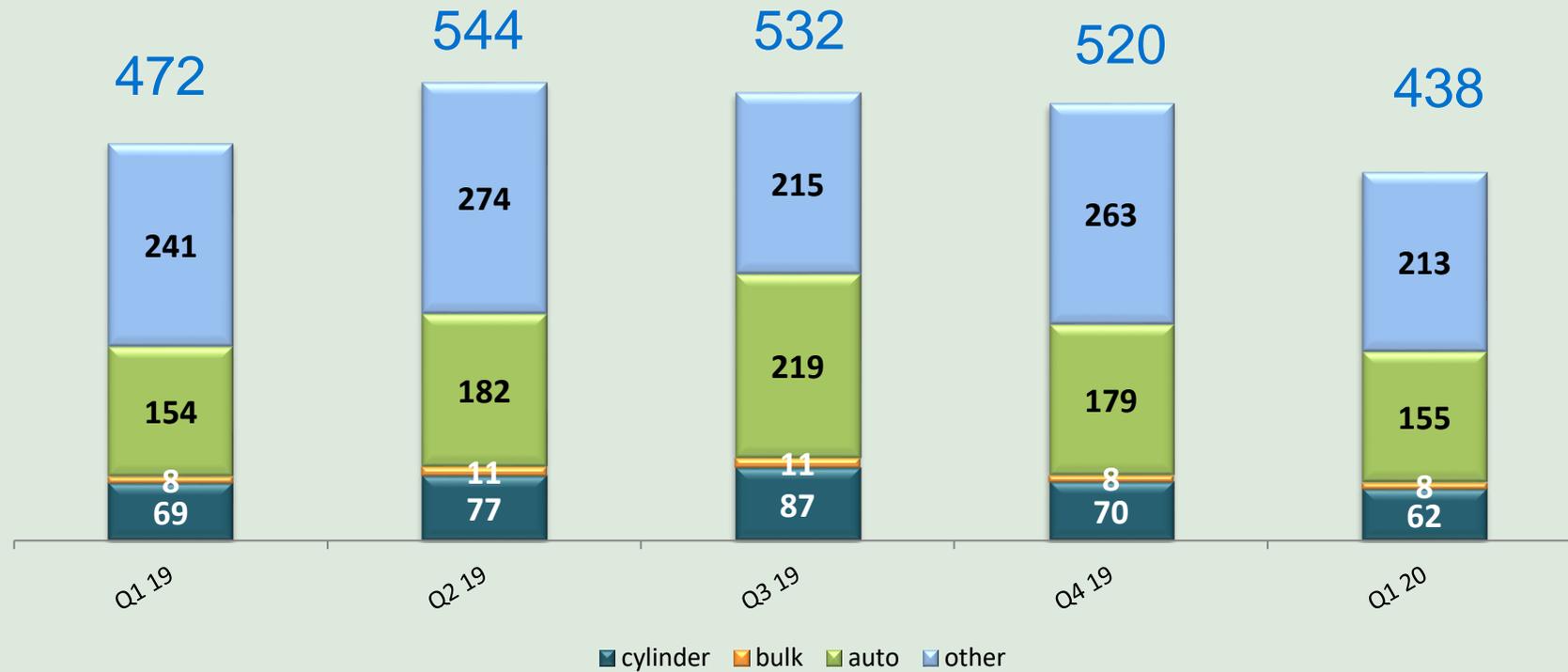
Thousand tons

-7% YoY



- Cylinder sales are 62 thousand tons (-10% YoY)
- Autogas sales are 155 thousand tons (+0.4% YoY)
- Our domestic, international and wholesale sales are affected negatively from the Covid-19 pandemic that became effective in Turkey as of the second half of March.

Aygaz LPG Sales (Quarterly) (000 tons)



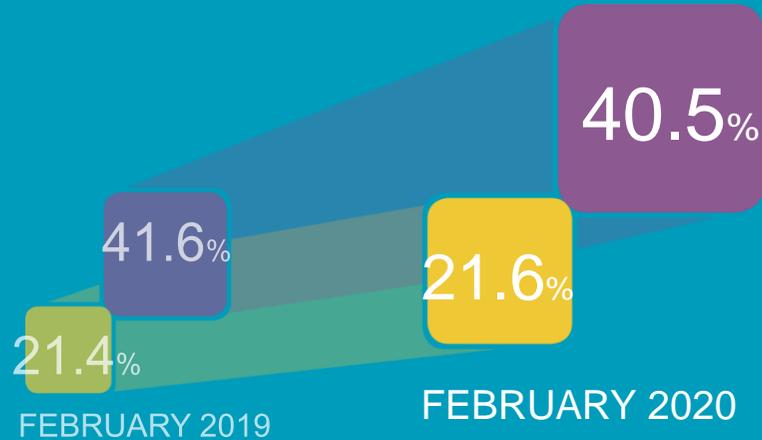
Q1 2020 sales volumes were realized as

- 155 thousand tons in Autogas (+0.4% YoY)
- 62 thousand tons in Cylinder Gas (-10% YoY)
- 438 thousand tons in Total (-7% YoY)

EMRA, Aygaz

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Market Shares



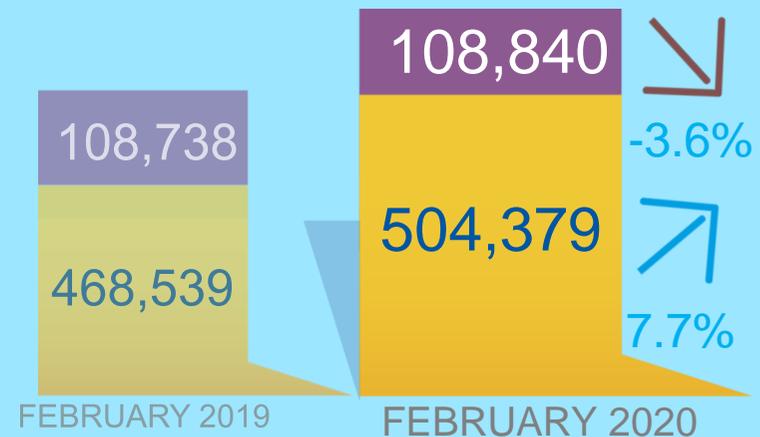
As of February 2020 EMRA report, Aygaz cylinder and autogas market shares are 40.5% and 21.6% respectively.

(41.6% and 21.4% in February 2019)

According to February 2020 EMRA report, Turkish cylinder sales volume is 104,840 thousand tons and autogas volume is 504,379 thousand tons.

2019/2 months:

Cylinder gas	108,738	tons
Autogas	468,539	tons

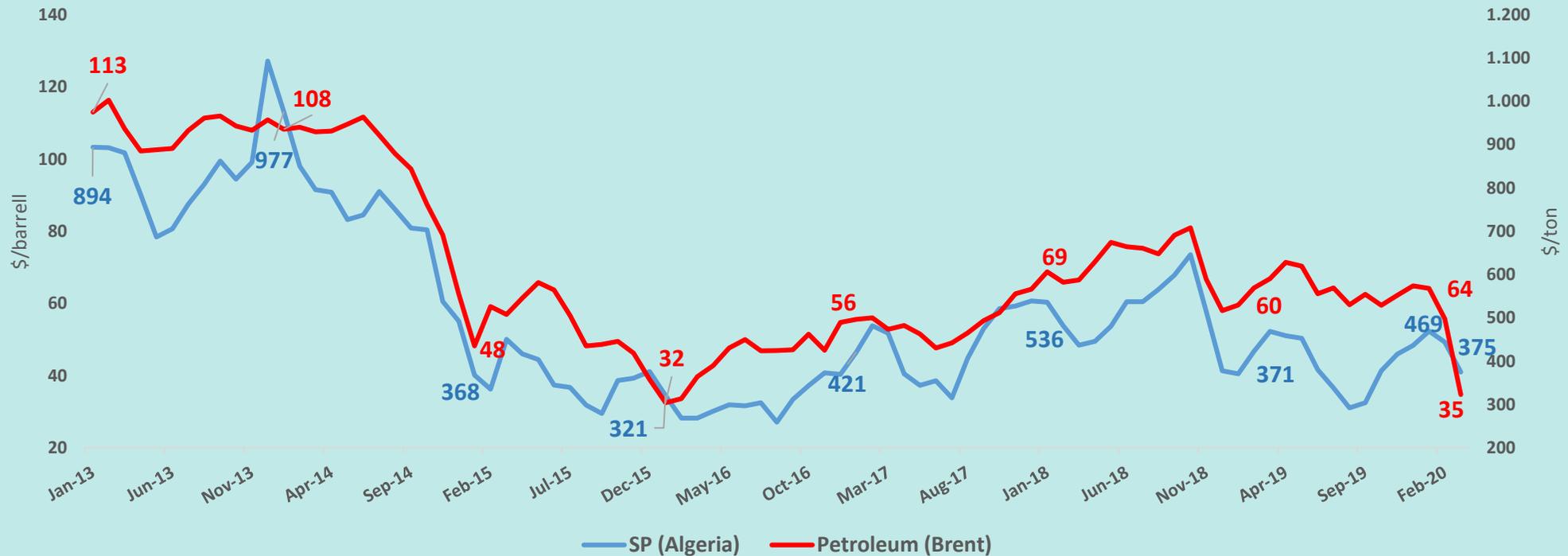


SALES VOLUME (Tons)

EMRA, Aygaz

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LPG – Brent world prices



- March 2020 Sonatrach LPG price is at USD 375 and 20% lower than March 2019 price.
- With the effects of Covid-19 pandemic, imbalance of global supply-demand the prices fell starting from the year beginning in line with petroleum. April price is 148 USD and 61% lower than March.

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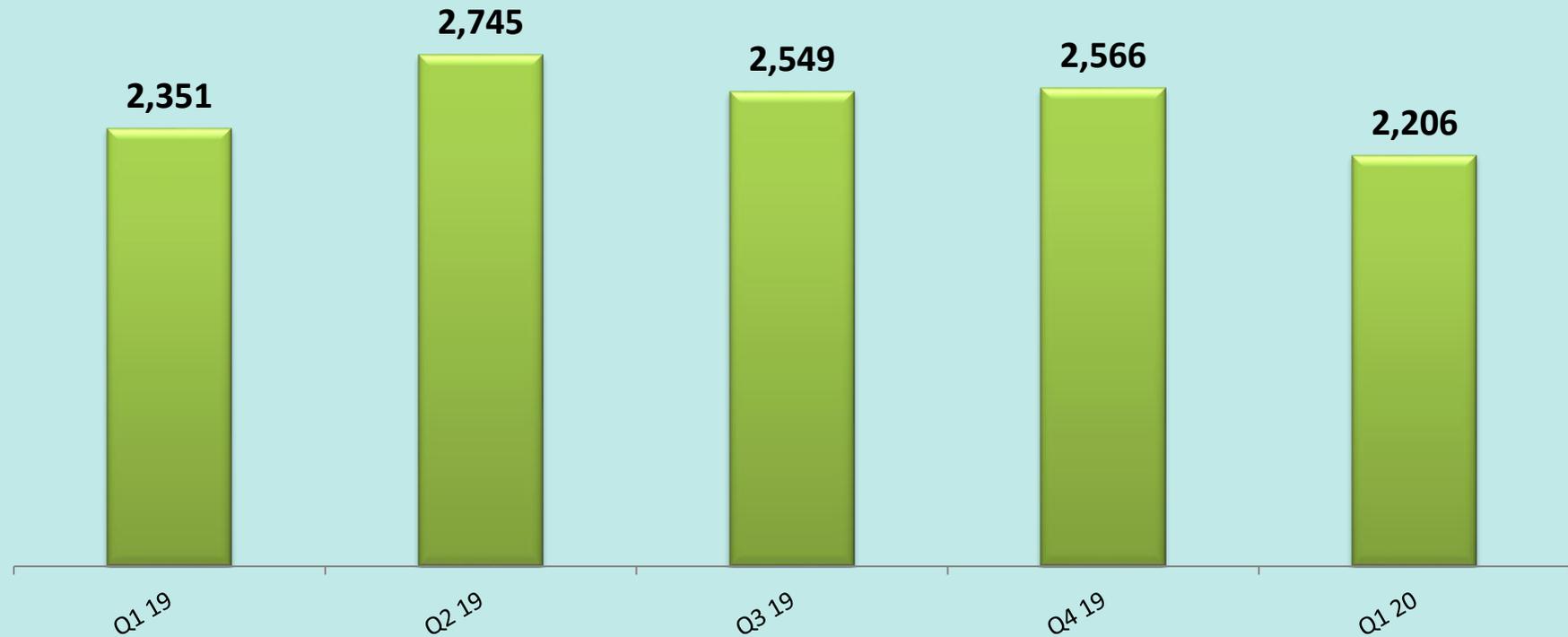
Quarterly Financials

QUARTERLY / (YoY)

Revenue	2,206 Million TL	-6%	↓
Operating profit	-57 Million TL	-184%	↓
EBITDA	-26 Million TL	-126%	↓
EBITDA (excl. other op. inc/exp)	-31 Million TL	-132%	↓
Net profit	-226 Million TL	-2345%	↓

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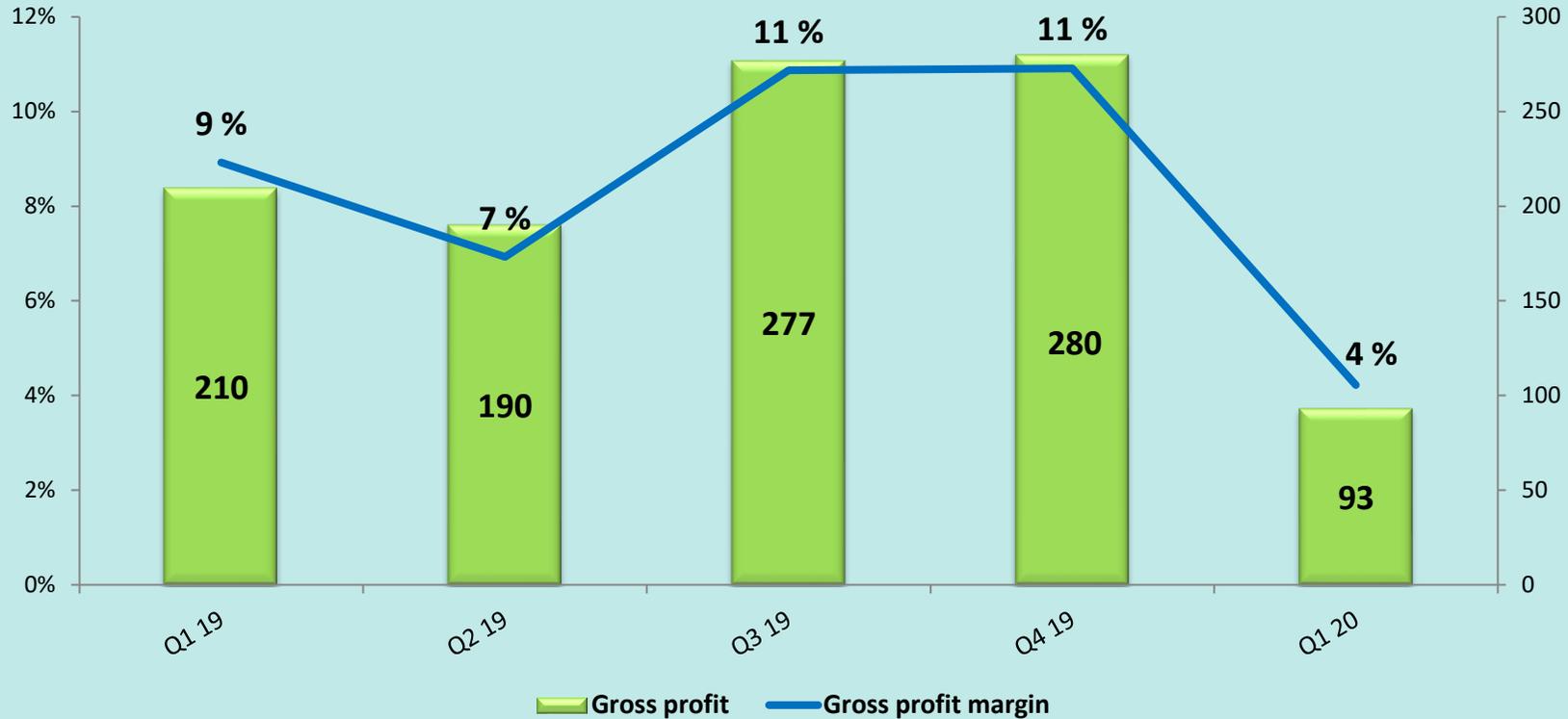
Net Sales (m TL)



- Consolidated sales revenue is 2,206 million TL and 6% lower YoY due to decreased sales volumes.

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Gross Profit (m TL)



- Gross profit is 93 million TL due to the inventory loss in Q1 and decreasing sales revenue.

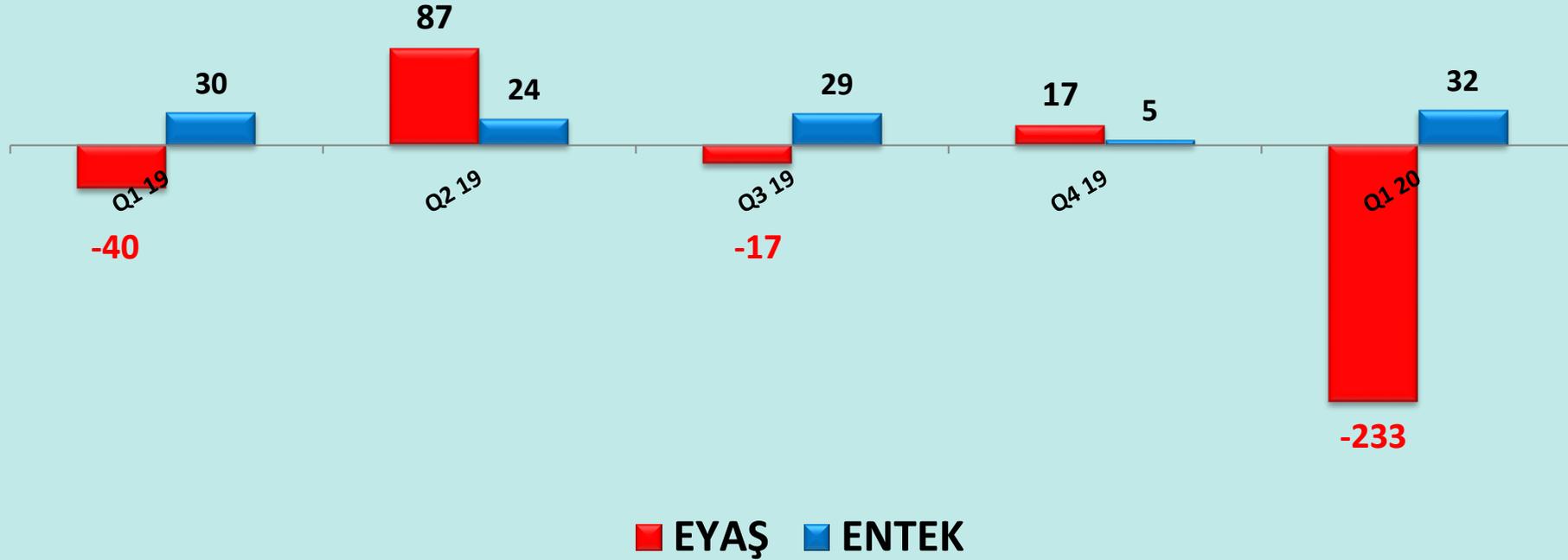
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Operating Profit (m TL)



- Despite the contraction in expenses, fall in LPG prices had a negative inventory effect on operating profit in line with gross profit

10 Contributions from EYAŞ and Entek (m TL)



- Total contribution from EYAŞ(*) and Entek(**) is -201 million TL in Q1 2020.
(Q1 2019: -10 million TL)

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

11 Entek

Entek, who positively contributed to Aygaz net profit in Q1 2020 as in all quarters of 2019;

- operates one natural gas cycling plant with capacity of 97 MW in Kocaeli and eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 265 MW in total reaching aggregate capacity of **362 MW**.

(m TL)	12M 2019	12M 2018
Revenues	1,196	498
Operating profit*	377	106
EBITDA	422	144

**Excluding FX gains/losses and credit finance income/charges on trade receivables and payables

Net Profit (m TL)



- While the negative contribution from EYAŞ deteriorated net profit, one-off profits coming from the sale of idle land and the termination fee received from Unicredit made some compensation.

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EBITDA (m TL)



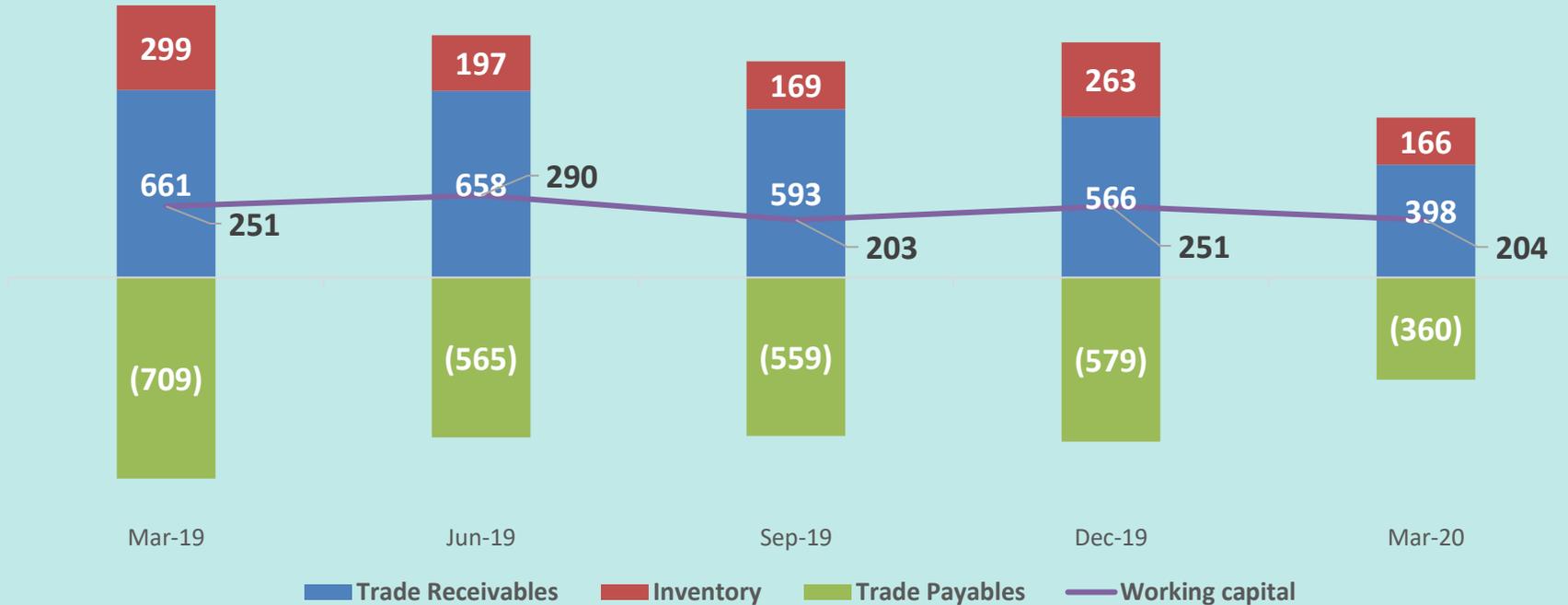
- In line with the operating profit, inventory valuation had its impact on EBITDA.

Net Cash (m TL)



- While dividend payment was made in March, new loans were taken in order to prevent any liquidity risk.
- Short-term financial borrowings, current portion of long-term financial borrowings and interest payments are met by cash and cash equivalents.

Working Capital (m TL)

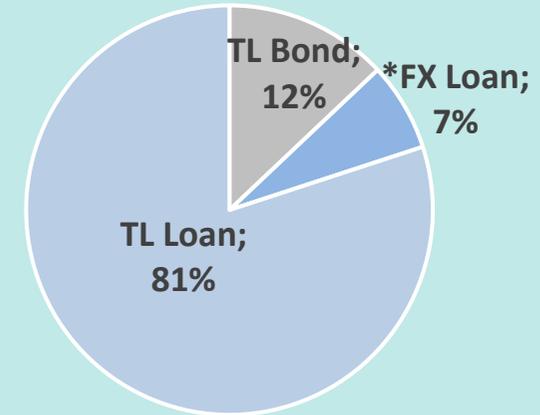


- Effective management and follow-up of the structure and size of the working capital is also ensured in this period.

Debt Profile

(m TL)	3M 2020	12M 2019
ST Borrowings	78	65
Current portion of LT Borrowings	261	418
LT Borrowings	1,138	764
Total Debt	1,477	1,247
Cash and cash equivalents (-)	670	665
= Net Debt	807	582

Debt Profile as of 31/03/2020



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

- In the first quarter of 2020, within the framework of cash outflow due to the dividend payment and the uncertainty created by Covid-19, new loans were utilized against any possible liquidity risk .

- **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 21, 2019.

Income Statement – Summary

Million TL	Q1 20	Q4 19	Change	Q1 20	Q1 19	Change
Revenues	2,206	2,566	-14%	2,206	2,351	-6%
Gross Profit	93	280	-67%	93	210	-56%
Operating Profit	-57	114	-150%	-57	68	-184%
Profit Before Tax	-231	89	-358%	-231	15	-1627%
Net Profit	-226	75	-402%	-226	10	-2345%
EBITDA	-26	147	-118%	-26	99	-126%
MARGINS						
Gross Profit M.	4%	11%	-7	4%	9%	-5
Operating Profit M.	-3%	4%	-7	-3%	3%	-6
Profit Before Tax M.	-10%	3%	-13	-10%	1%	-11
Net Profit M.	-10%	3%	-13	-10%	0.4%	-10.4
EBITDA M.	-1%	6%	-7	-1%	4%	-5

Balance Sheet- Summary

Million TL	3M 20	12M 19
Cash & Cash Eq.	670	665
Trade Receivables	398	566
Inventories	166	263
Prop.Plant&Equipment	710	713
Participations	1,845	2,059
Total Assets	4,555	4,955
Financial Debt	1,477	1,247
Trade Payables	360	579
Total Equity	2,095	2,478
Total Liabilities & Equity	4,555	4,955
Net Cash (Debt)	-807	-582
Working Capital	204	251

Forward looking statements for 2020

Sales volume

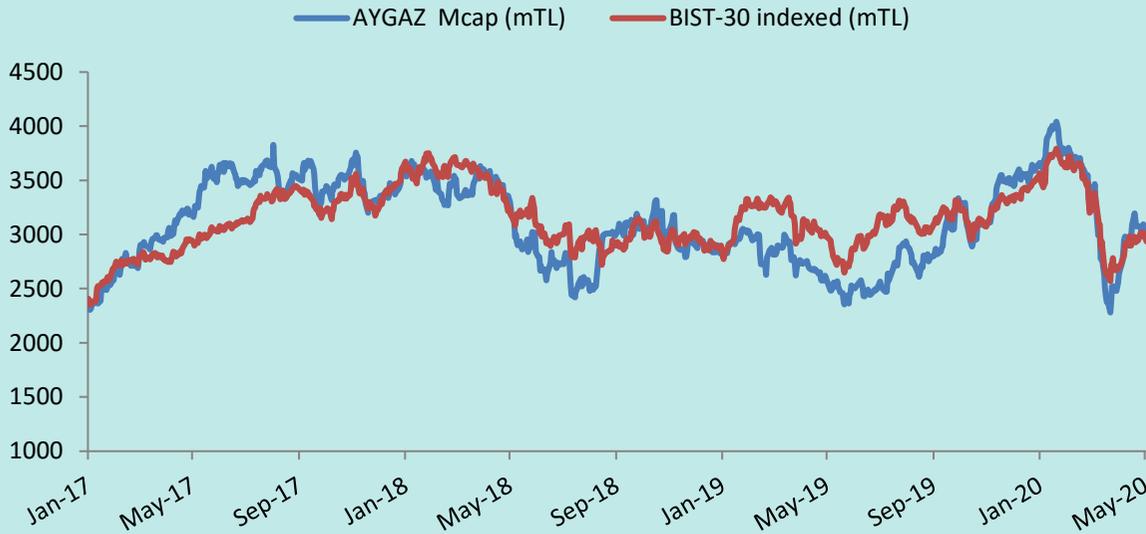
- Cylinder: 285-300 thousand tons
- *(Previous: 290-305 thousand ton)*
- Autogas: 590-630 thousand tons
- *(Previous: 740-780 thousand tons)*

Market share

- Cylinder: 41.5%-43.5%
- Autogas: 21.4%-22.6%

* Our sales volume expectations have been updated due to changing market conditions as a result of the Covid-19 epidemic.

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 down by 31% and is 2.5 billion TL as of 31.03.2020.
- In the same period BIST 100 and BIST 30 are down by 23% and 24% respectively.



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