

**AYGAZ**

# Q4. 2021 Earnings Webcast

February 16, 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.
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# 1

# Highlights

## Operational

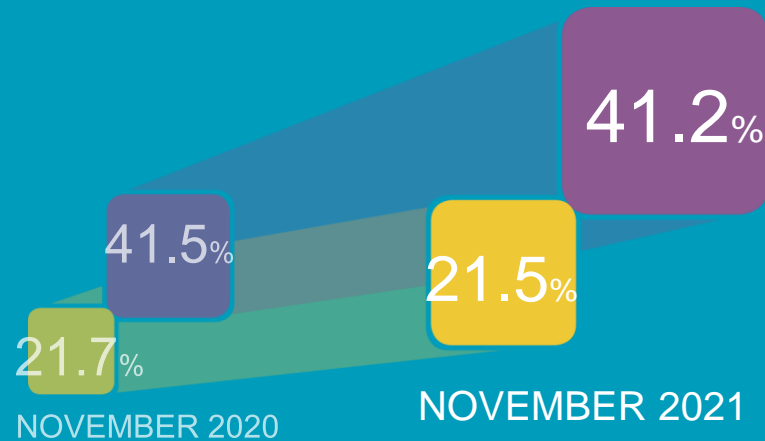
- According to EMRA's\* November 2021 report, Turkish cylinder gas demand contracted by 2% YoY whereas autogas consumption in the first 11 months increased by 2% YoY. Total LPG market grew by 1% and Aygaz sustained its market leadership.
- Q4 LPG demand was suppressed by the increasing end-prices due to global LPG price hikes and FX rates. Autogas and cylinder gas prices increased by 120% and 100% respectively during 2021.
- Q4 Aygaz domestic sales contracted accordingly due to the impact of prices.

\*EMRA: Energy Market Regulatory Authority

## Financial

- Aygaz sales revenue and gross profit in Q4 enhanced due to increasing LPG prices and FX rate despite narrowing sales volume.
- Operating profit eroded with the effect of rising operating expenses from inflation, new investments and other expenses from operations including FX losses on trade payables.
- Net profit excluding non-controlling interests is better of by 91%YoY and equal to 149 millionTL with positive contribution of 164 million TL coming from EYAŞ and Entek that are accounted under equity method.

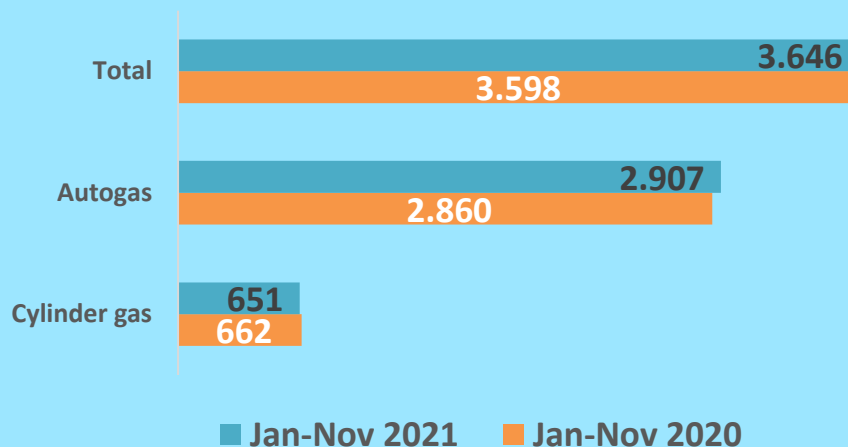
# Market Shares



As of November 2021 EMRA report, Aygaz cylinder and autogas market shares are 41.2% and 21.5% respectively.

(41.5% and 21.7% in November 2020)

Turkish LPG Demand (000) tons



According to November 2021 EMRA report,

- Turkish autogas consumption and total LPG demand for the first eleven months of 2021 is up by 2% and 1% YoY respectively.
- Turkish cylinder gas consumption is down by 2% YoY.

EMRA, Aygaz

# Operations – 12 months

According to 12M 2020



**Domestic LPG sales**

**992**

Thousand tons

No change YoY



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

**1,253**

Thousand tons

8% YoY



**Total LPG sales (\*)**

**2,245**

Thousand tons

4% YoY



- Cylinder sales are 287 thousand tons (- 3% YoY)
- Autogas sales are 668 thousand tons (+ 1% YoY)
- Our total sales are up by 4% YoY especially due to better wholesale and international sales volumes, while our domestic sales are at the same level as 2020 due to the effect of rising LPG prices on demand.

(\*) Including Aygaz UK 12M transactions of 282 thousand tons. (12M 2020: 279 thousand tons)

# Operations - Quarterly

According to Q4 2020



**Domestic LPG sales**

**229**

Thousand tons

**-6%** YoY



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

**327**

Thousand tons

**-9%** YoY



**Total LPG sales (\*)**

**556**

Thousand tons

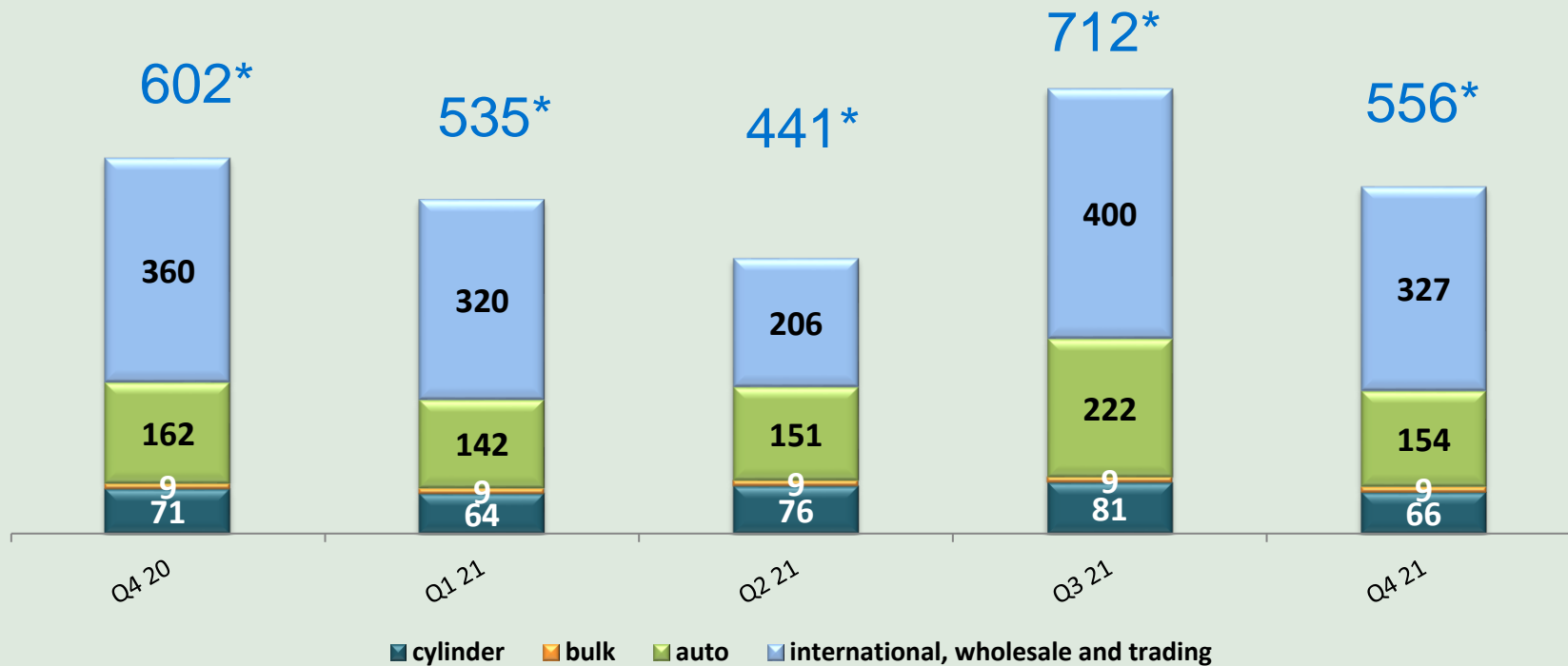
**-8%** YoY



- Cylinder sales are 66 thousand tons (-7% YoY)
- Autogas sales are 154 thousand tons (-5% YoY)
- Q4 2021 wholesale and international sales are higher YoY while greater portion of trading sales are realized for Aygaz's supply and trading with third parties are lower YoY.

(\*) Including Aygaz UK Q4 transaction of 48 thousand tons. (Q4 2020: 138 thousand tons)

# Aygaz LPG Sales (Quarterly) (000 tons)



## Q4 2021 sales volumes were realized as;

154 thousand tons in Autogas (-5% YoY)

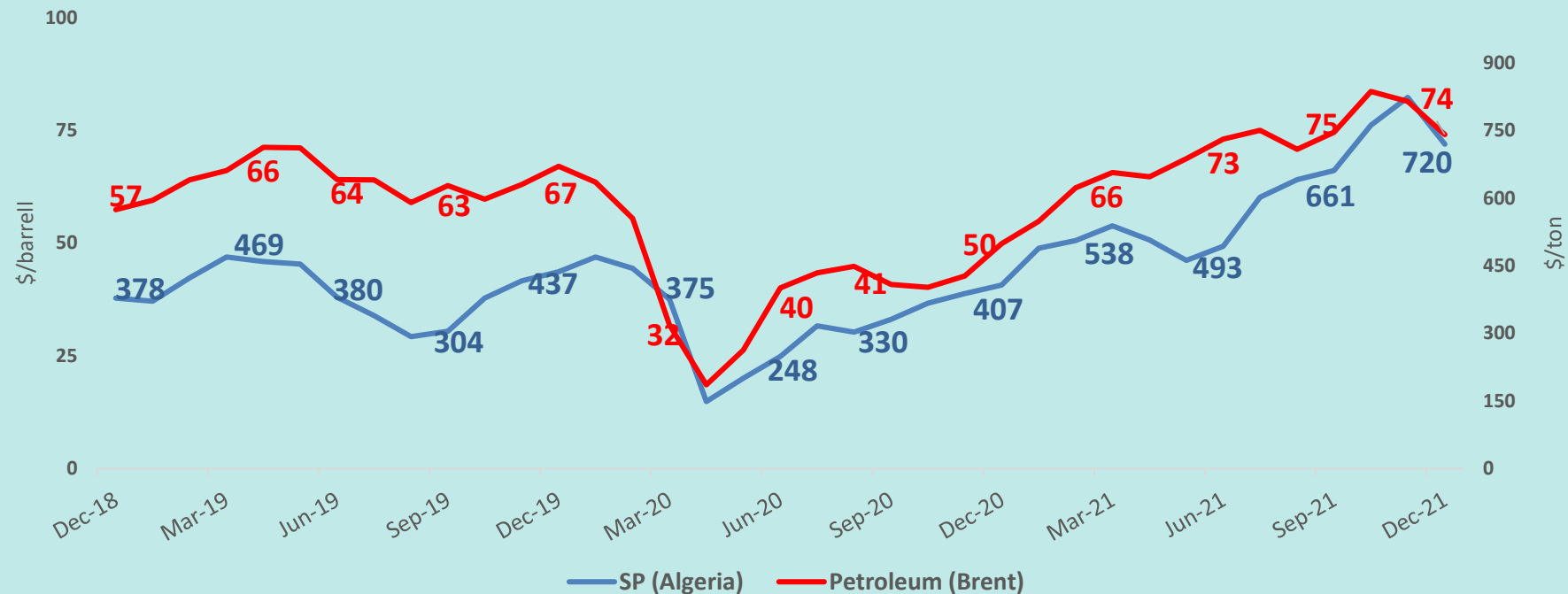
66 thousand tons in Cylinder Gas (-7% YoY)

556 thousand tons in Total (-8% YoY)

(\*)Contribution from Aygaz UK

(000 tons)	Q1	Q2	Q3	Q4
2020	-	94	47	138
2021	139	-	95	48

# LPG – Brent world prices



- December 2021 Sonatrach LPG price is at 720 USD/ton and up by 9% compared to September 2021 and 77% higher than December 2020 level.  
 Average LPG price for Q4 2021 is 768 USD/ton and is nearly twice the figure of Q4 2020 average price.



# Financials - 12 months

12 Months / (YoY)

Revenue	<b>15,893</b> Million TL	<b>57%</b>	↑
Gross profit	<b>1,438</b> Million TL	<b>58%</b>	↑
Operating profit	<b>418</b> Million TL	<b>74%</b>	↑
EBITDA (excl. other op. inc/exp)	<b>705</b> Million TL	<b>69%</b>	↑
Net profit (excl. non-cont. interests)	<b>670</b> Million TL	<b>N/M</b>	↑

- Net profit is positively affected from the 423 million TL contribution from investments accounted under equity method in contrary with previous year's contribution. Annual inventory impact on gross profit is 360 million TL due to increasing commodity prices and FX rate in 2021 whereas it was equal to -66 million TL in 2020.

# Quarterly Financials – Q4 2021

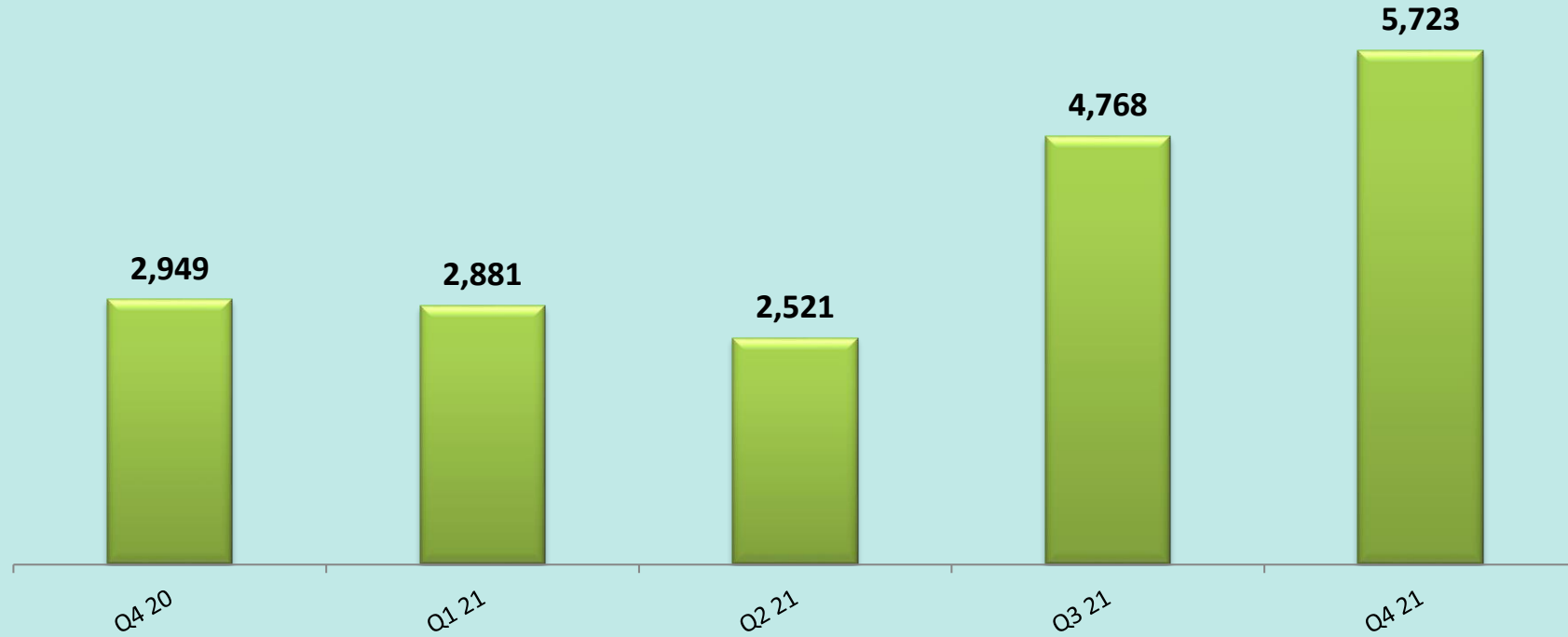
QUARTERLY / (YoY)

Revenue	<b>5,723</b> Million TL	94%	↑
Gross profit	<b>509</b> Million TL	97%	↑
Operating profit	<b>40</b> Million TL	-5%	↓
EBITDA (excl. other op. inc/exp)	<b>256</b> Million TL	132%	↑
Net profit (excl. non-cont. interests)	<b>149</b> Million TL	91%	↑

- Gross profit had the positive effect from the inventory impact arising from higher LPG prices and FX rate; while operating profit eroded by increasing operating expenses stemming from new investments and other expenses from operations including FX losses on trade payables.

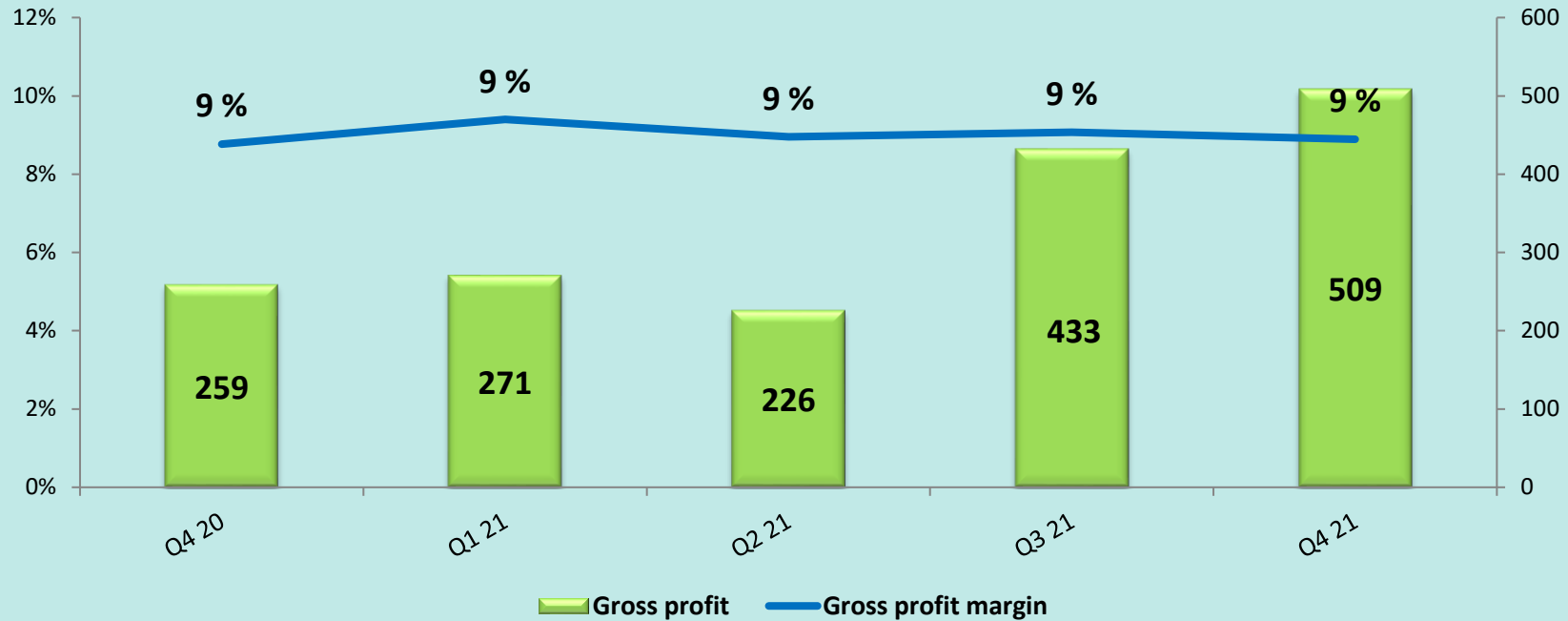
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## Net Sales (m TL)



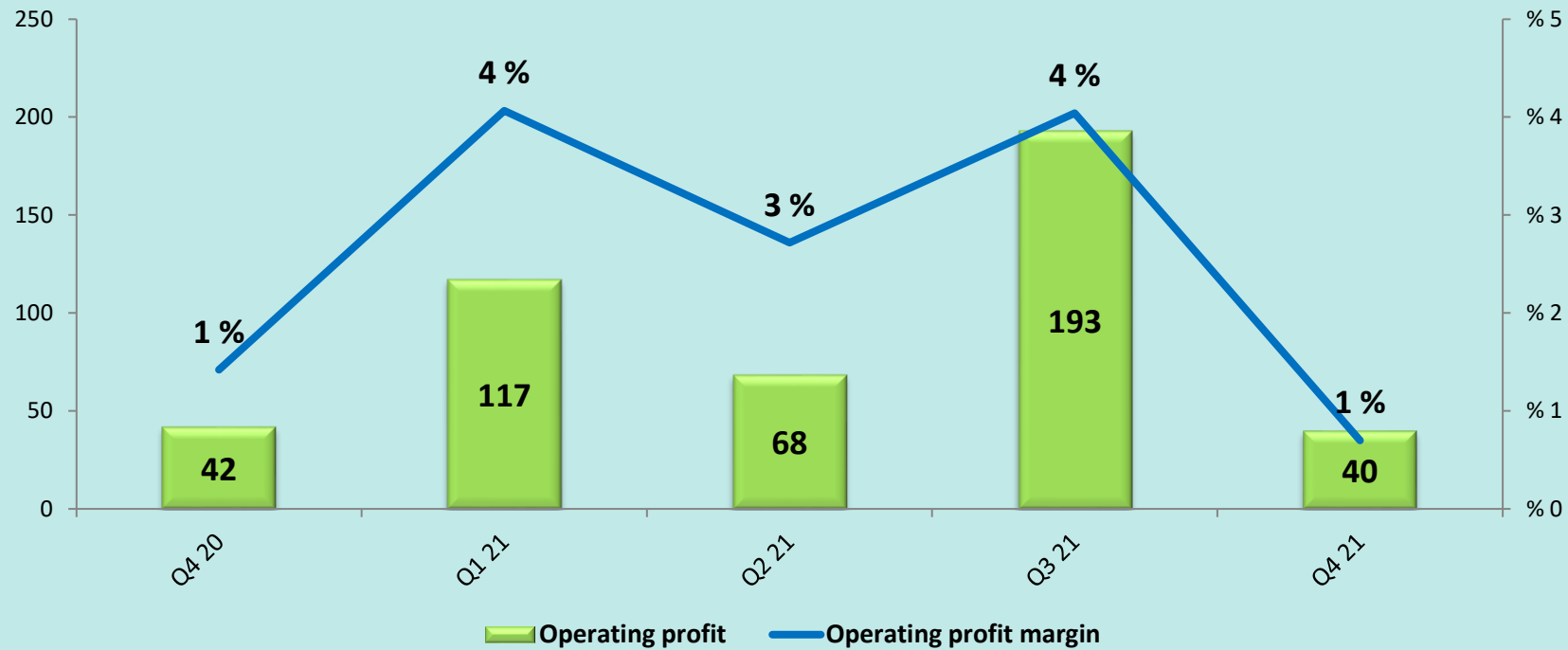
- Consolidated sales revenue is 5,7 billion TL due to increasing LPG price and the exchange rate.

# Gross Profit (m TL)



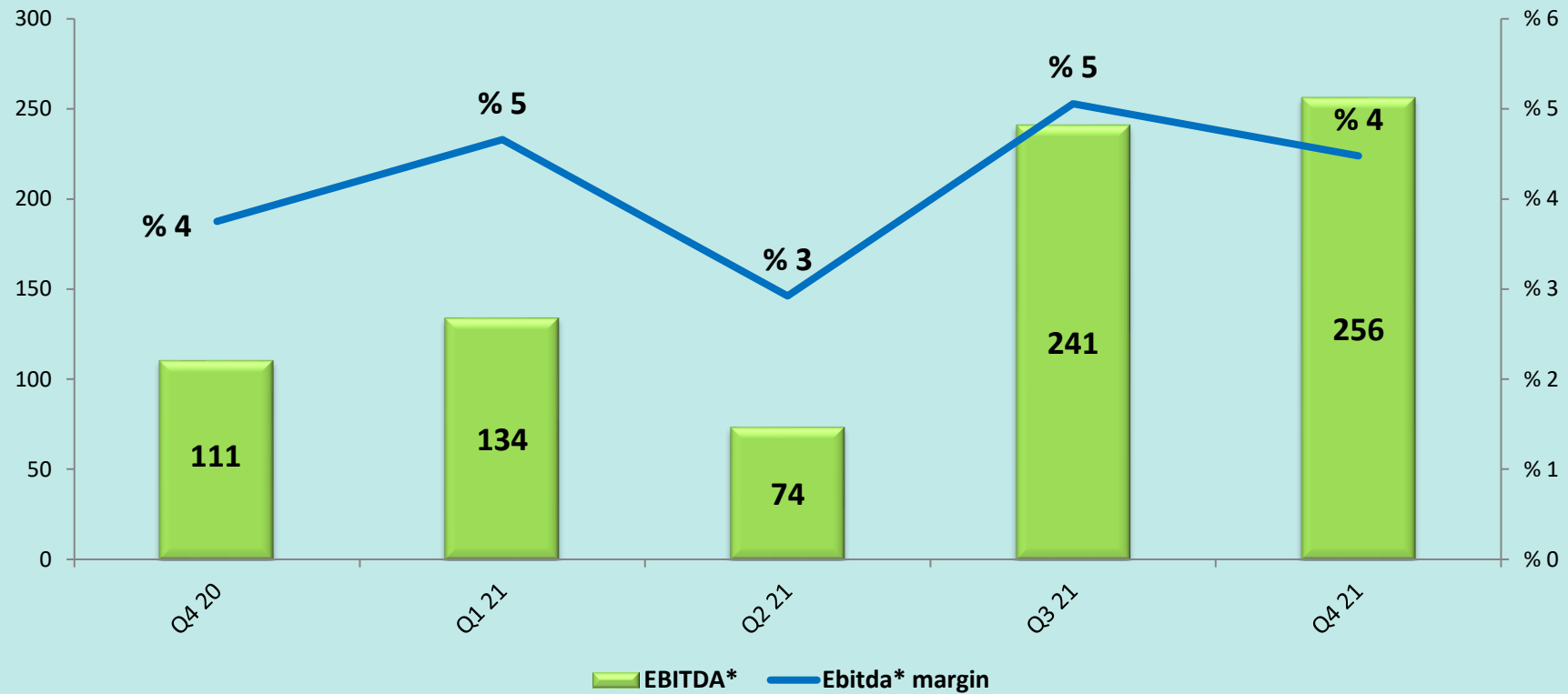
- Gross profit is up by 97% and 18% YoY and QoQ respectively due to inventory impact caused by increasing LPG prices and exchange rate.  
(Inventory effect of Q4 2021: +260 million TL and Q4 2020: +26 million TL)

# 11 Operating Profit (m TL)



- Operating profit is deteriorated with the effects of rising operating expenses from new investments and other expenses from operations including FX losses on trade payables.

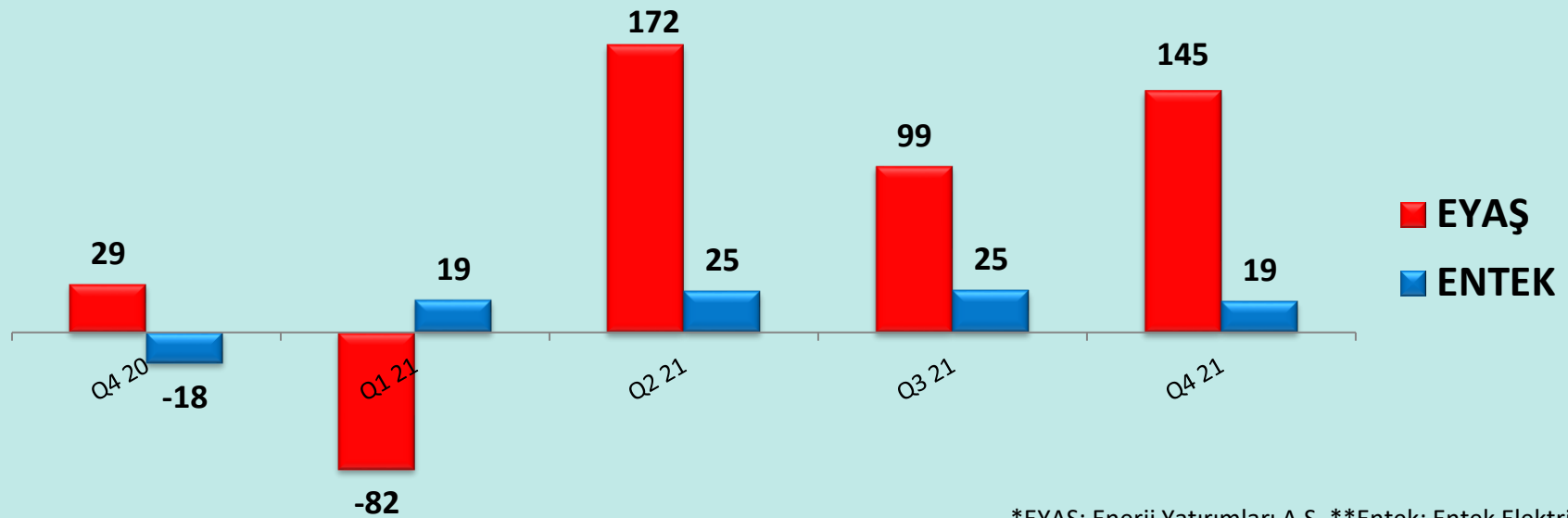
# EBITDA\* (\*excl. other inc/exp from operations) (m TL)



- EBITDA is realized as 256 million TL with the inventory impact that is caused by increasing LPG prices and exchange rate.

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

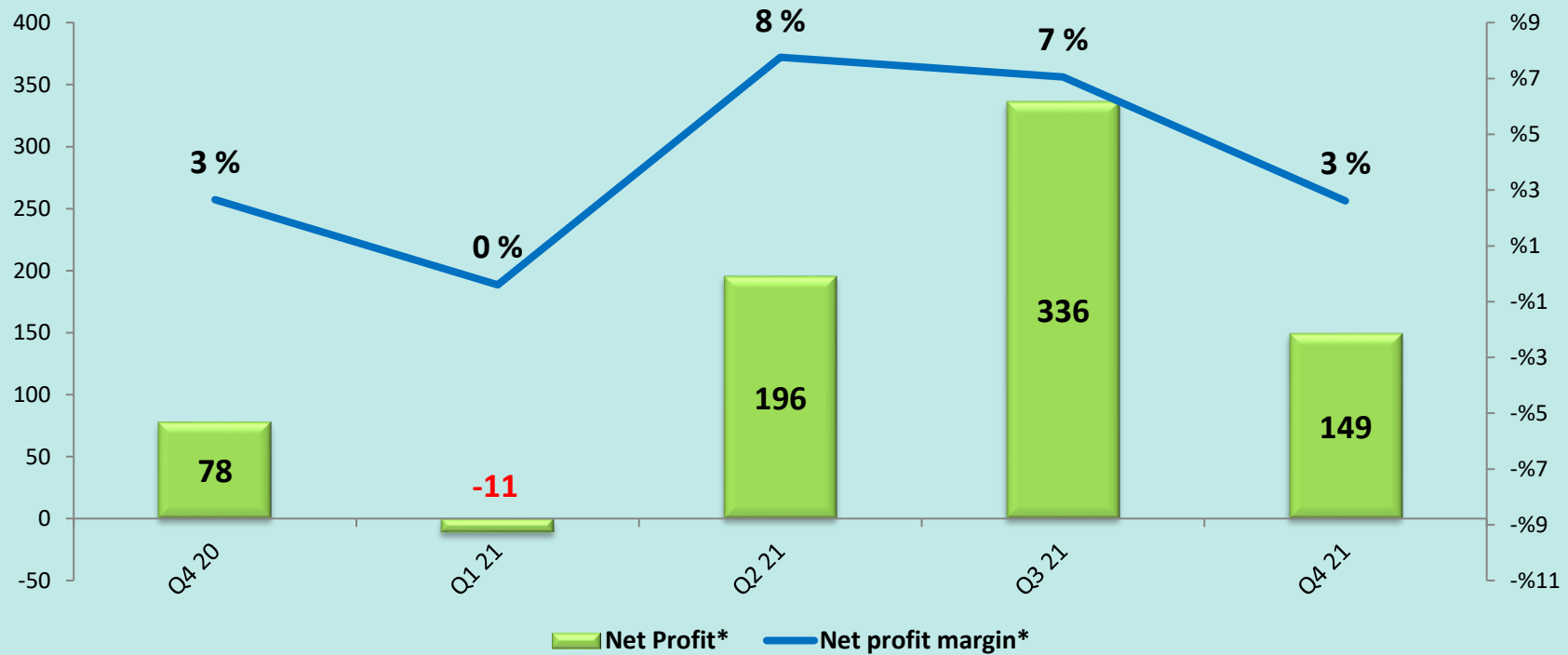
- Total contribution from Eyaş and Entek in Q4, accounted under equity method, is realized as 164 million TL whereas it was 11 million TL in Q4 2020.



\*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.

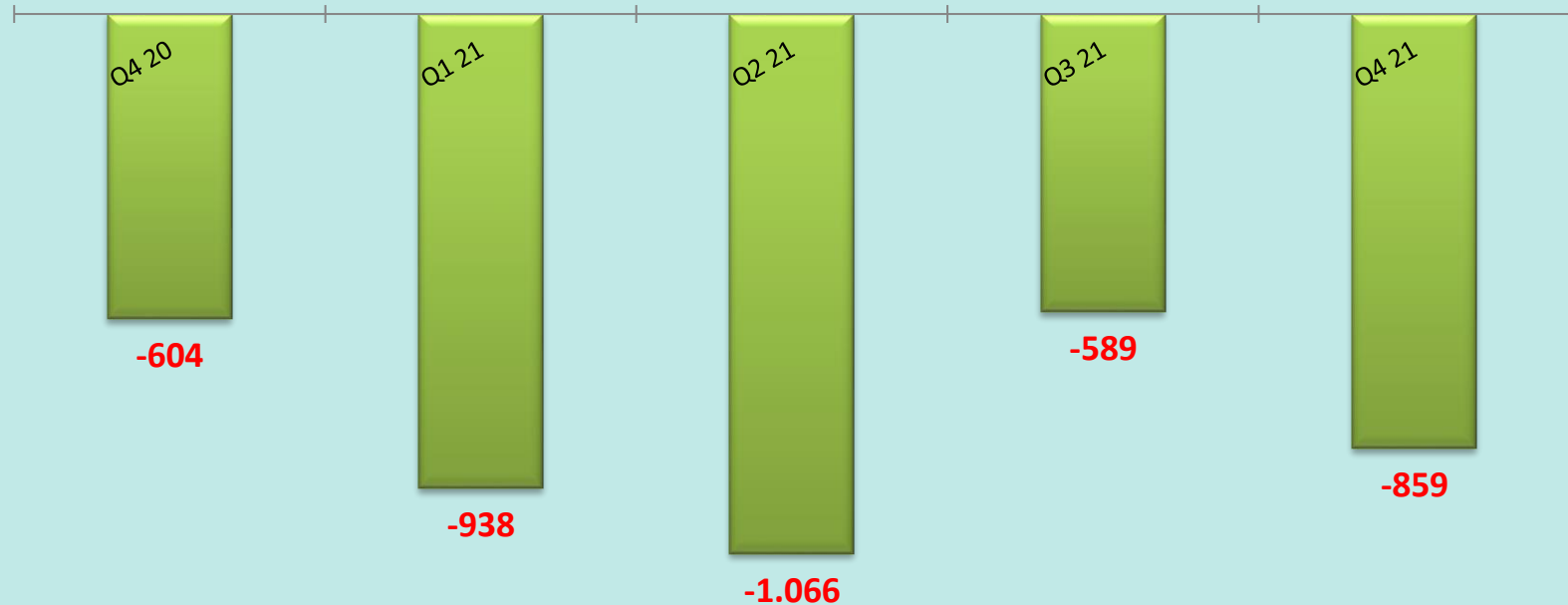
# Net Profit (excl. non controlling interest)(m TL)



- Net profit is 149 million TL and up by 91% YoY as a result of the the positive contribution from EYAŞ and Entek.



# Net Financial Debt (m TL)



Net debt/EBITDA

1.4

1.5

1.7

0.9

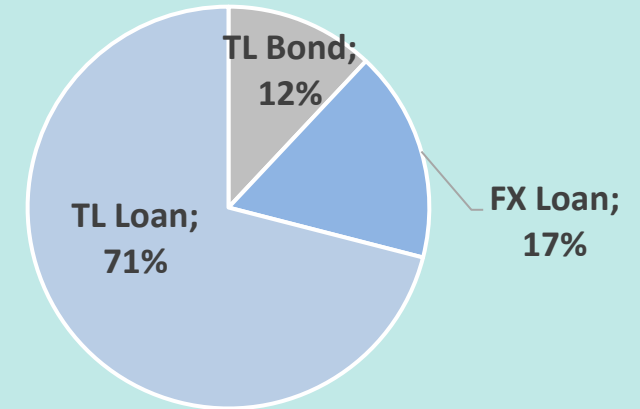
1.4

- Net financial debt increased due to the payment of two Aygaz UK cargoes that were extended from Q3 to Q4 and the rising working capital needs with FX rate and LPG price hikes. Net debt/EBITDA ratio is equal to 1.4 in line with previous year figure.

# Debt Profile

(m TL)	12M 2021	9M 2021	12M 2020
ST Borrowings	112	108	221
Current portion of LT Borrowings	955	966	346
LT Borrowings	1,486	824	997
Total Financial Debt	2,553	1,898	1,564
Cash and cash equivalents (-)	1,693	1,308	961
= Net Debt	860	589	604

Debt Profile as of 31/12/2021

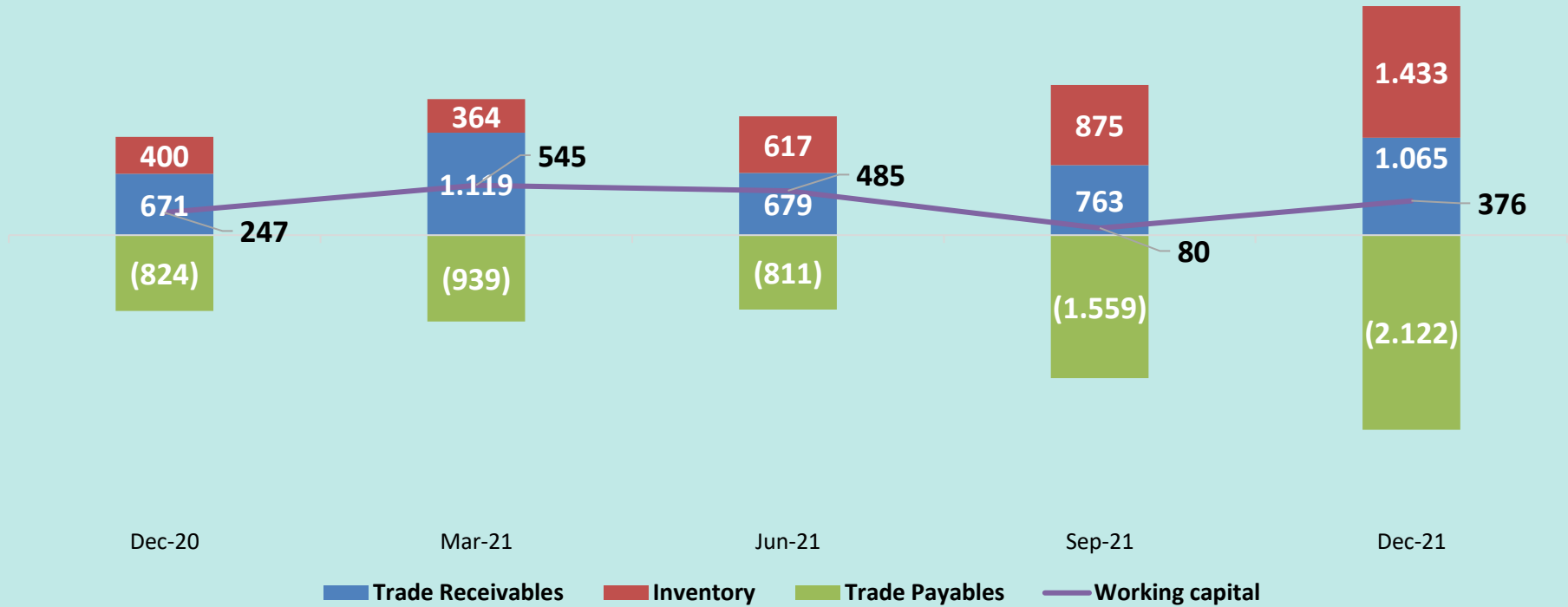


- Within the frame of projected capital expenditures related to our new investments and financing needs, Aygaz focused on strengthening its gross cash position in Q4 by raising additional FX loans and TL bond issuance.

Accordingly, cash and cash equivalents are up by 385 million TL while total financial debt increased by 655 million TL.

- 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)".

# Working Capital (m TL)



- Net working capital normalized at the end of the year following the payment of trade payables that were extended from Q3 to Q4 whereas all components of working capital increased due to higher FX rate and commodity prices.

# 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%

# 19 Bangladesh Investment – *United-Aygaz LPG*

- Initial facility investment in Chittagong is ongoing as planned;
  - ✓ Sphere tank assemblies have been completed; cylinder filling system and the conveyor line became operational.
  - ✓ Production of all 200 k cylinders were completed by Aygaz Gebze Plant and reached to Chittagong. Negotiations continue with local manufacturers for the procurement of 800 k new cylinders needed for 2022.
  - ✓ Approval from the Chittagong Port Authority in relation to berthing operations of LPG vessels was received in December 2021
- Work towards forming a dealer network is carried out in Chittagong and Dhaka.
- As of the end of December, the number of employees of United Aygaz has reached to 42.
- 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.





- After starting operations of 16 cities in September 2021, expansion to all 81 cities is targeted in 2022.
- Sendeo is currently delivering 15,000+ daily packages through 8 transfer centers and 5 distribution depots.
- Sendeo is serving its customers 7/24 through its official website "[sendeo.com.tr](https://sendeo.com.tr)" and call center.
- Total office and field staff reached 580 as of end of December 2021.
- 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.



# Income Statement – Summary

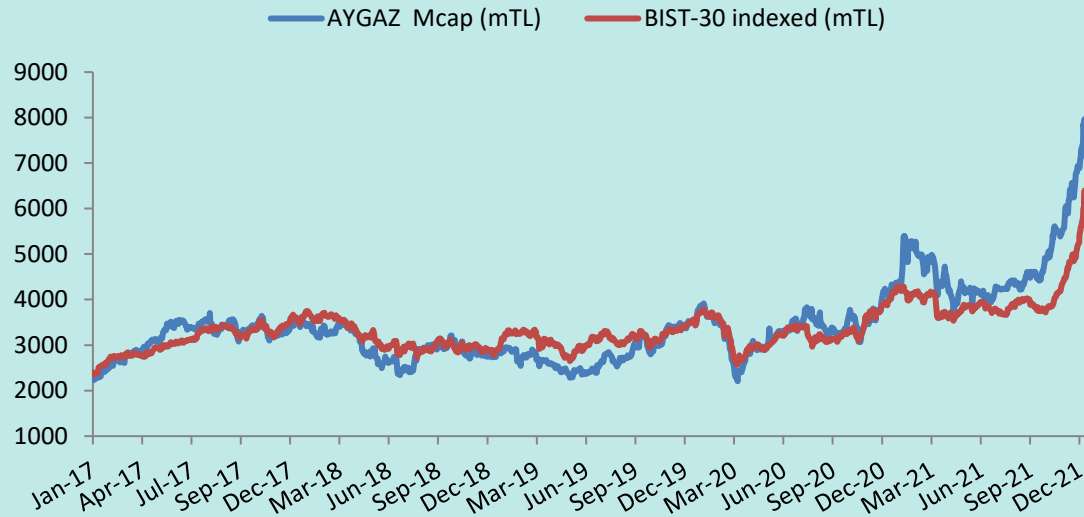
Million TL	Q4 21	Q3 21	Change	Q4 21	Q4 20	Change
Revenues	<b>5,723</b>	4,768	20%	<b>5,723</b>	2,949	94%
Gross Profit	<b>509</b>	433	18%	<b>509</b>	259	97%
Operating Profit	<b>40</b>	193	-79%	<b>40</b>	42	-5%
Profit Before Tax	<b>176</b>	298	-41%	<b>176</b>	95	84%
Net Profit (excl. non-cont. int.)	<b>149</b>	336	-56%	<b>149</b>	78	91%
EBITDA (excl. other op. inc/exp)	<b>256</b>	241	6%	<b>256</b>	111	132%
<b>MARGINS</b>						
Gross Profit M.	<b>9%</b>	9%	-	<b>9%</b>	9%	-
Operating Profit M.	<b>1%</b>	4%	-3	<b>1%</b>	1%	-
Profit Before Tax M.	<b>3%</b>	6%	-3	<b>3%</b>	3%	-
Net Profit M.	<b>3%</b>	7%	-4	<b>3%</b>	3%	-
EBITDA M.	<b>4%</b>	5%	-1	<b>4%</b>	4%	-

# Balance Sheet- Summary

	Million TL	12M 21	12M 20
Cash & Cash Eq.		1,693	961
Trade Receivables		1,065	671
Inventories		1,433	400
Prop.Plant&Equipment		772	696
Participations		2,153	1,847
<b>Total Assets</b>		<b>8,326</b>	<b>5,395</b>
Financial Debt		2,553	1,564
Trade Payables		2,122	824
Total Equity		2,690	2,317
<b>Total Liabilities &amp; Equity</b>		<b>8,326</b>	<b>5,395</b>
Net Cash (Debt)		-860	-604
Working Capital		376	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 58% since the 2020 year end and is 6.7 billion TL as of 31.12.2021.
- In the same period BIST 30 and BIST 100 are up by 24% and 26% respectively.



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