

AYGAZ

Q2. 2021 Earnings Webcast

August 11, 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.
- 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

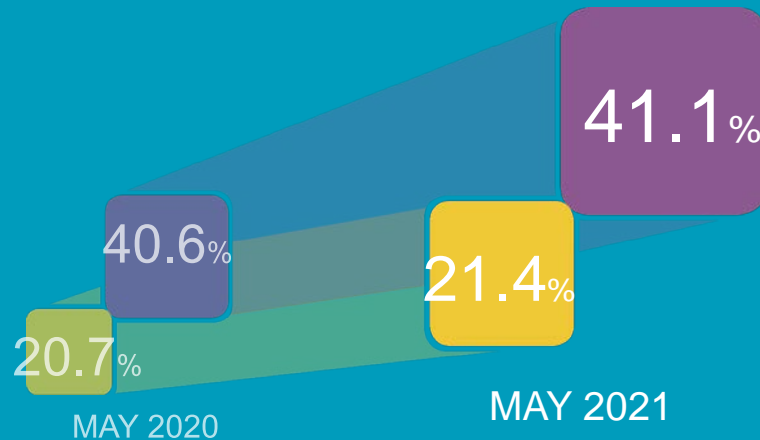
Operational

- According to EMRA's May 2021 report, Turkish cylinder gas demand contracted by 3% YoY whereas autogas consumption in the first 5 months of the year was at the same levels as the previous year.
- Aygaz market shares improved for both segments compared to same periods of the previous year and our market leadership is sustained.
- Aygaz Q2;
 - cylinder gas sales are down by 5% YoY in line with the market trend and due to the high base effect of the start of the pandemic where consumption was higher.
 - autogas sales increased by 16% YoY due to gradual normalization in early June and again with the low base effect of the start of the pandemic where there were full lock downs for a longer period of time.
 - While our domestic sales volume grew by 9% YoY, our total sales contracted by 16% YoY due to fall in export and trading sales.

Financial

- Our gross profit is 226 million TL and EBITDA is 113 million TL with an inventory gain of 13 million TL in Q2.
- Net profit increased with the positive contribution from the investments accounted under equity method.

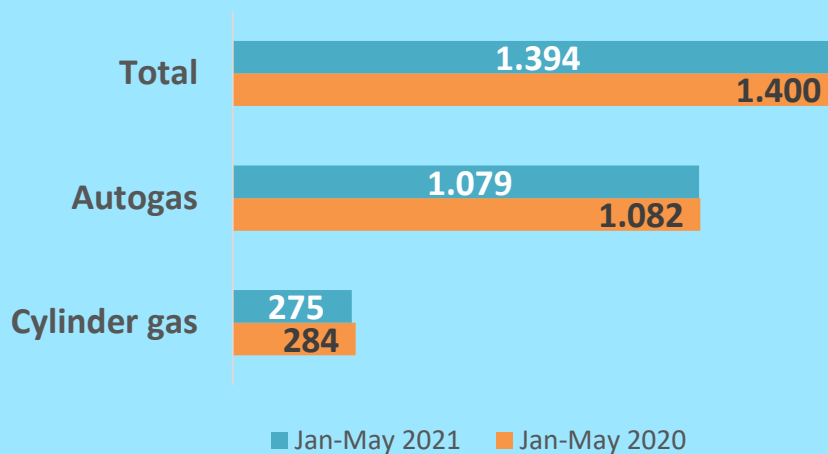
Market Shares



As of May 2021 EMRA report, Aygaz cylinder and autogas market shares are 41.1% and 21.4% respectively.

(40.6% and 20.7% in May 2020)

Turkish LPG Demand (000) tons



According to May 2021 EMRA report,

- Turkish cylinder gas consumption is down by 3%
- Turkish autogas consumption and total LPG demand for the first five months of 2021 is at the same level as the previous year.

EMRA, Aygaz

Operations - Quarterly

According to Q2 2020



Domestic LPG sales

235

Thousand tons

9% YoY



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

206

Thousand tons

-34% YoY



Total LPG sales (*)

441

Thousand tons

-16% YoY



- Cylinder sales are 76 thousand tons (-5% YoY)
- Autogas sales are 151 thousand tons (+16% YoY)
- Domestic LPG sales are up by 9% in Q2 due to the increase in autogas segment with the base effect.

(*) Aygaz UK has no 3rd party trading transactions in Q2. (Q1 2021: 139 thousand tons.
Q2 2020: 94 thousand tons)

4 Operations – 6 months cumulative

According to 6M 2020



Domestic LPG sales

451
Thousand tons

2% YoY



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

526
Thousand tons

8% YoY



Total LPG sales (*)

977
Thousand tons

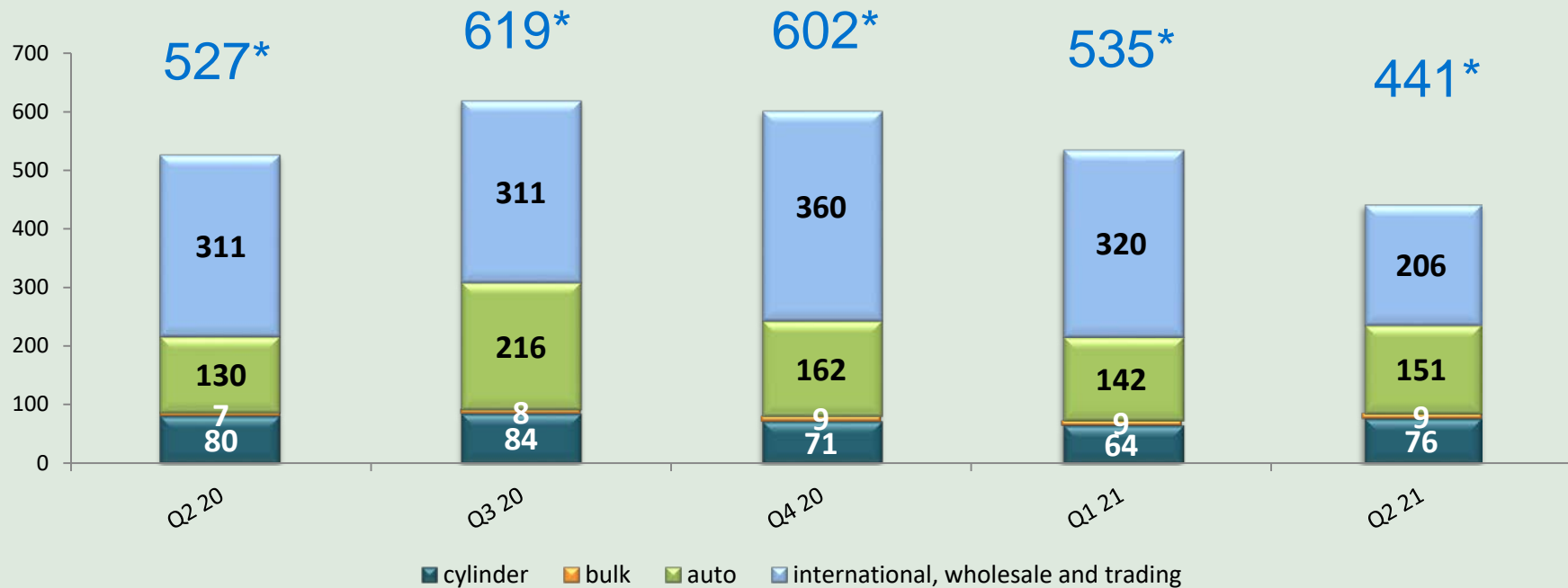
5% YoY



- Cylinder sales are 140 thousand tons (- 1% YoY)
- Autogas sales are 293 thousand tons (+ 3% YoY)
- Total sales are higher YoY thanks to the mobility and demand created in the market by the gradual normalization.

() Including Aygaz UK 6M transactions of 139 thousand tons. (6M 2020: 94 thousand tons)*

Aygaz LPG Sales (Quarterly) (000 tons)



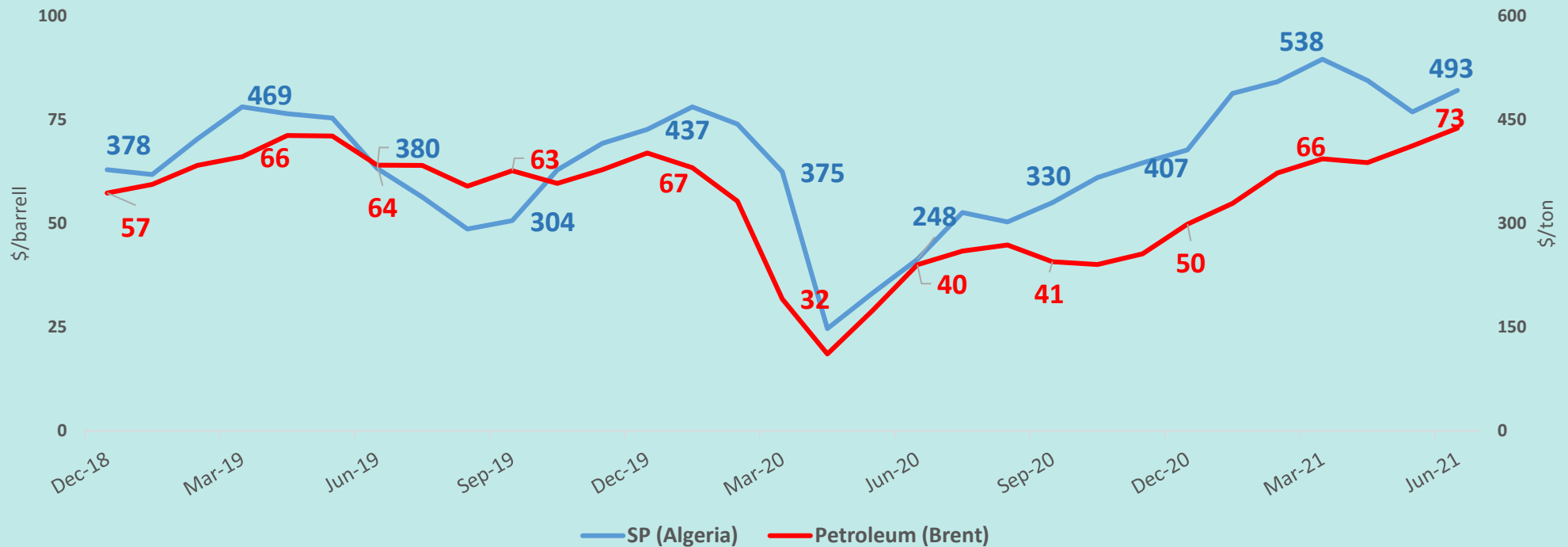
Q2 2021 sales volumes were realized as

- 151 thousand tons in Autogas (+16% YoY)
- 76 thousand tons in Cylinder Gas (-5% YoY)
- 441 thousand tons in Total (-16% 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



- June 2021 Sonatrach LPG price is at 493 USD/ton doubling the June 2020 figure of 248 USD/ton, while it is 8% lower than March 2021 level.
 Average LPG price for Q2 2021 is 487 USD/ton and is 145% higher compared to Q2 2020 average price.

Quarterly Financials – Q2 2021

QUARTERLY / (YoY)

Revenue	2,521 Million TL	30%	↑
Gross profit	226 Million TL	1%	↑
Operating profit	68 Million TL	-19%	↓
EBITDA (incl. other op. inc/exp)	113 Million TL	-13%	↓
EBITDA (excl. other op. inc/exp)	74 Million TL	-43%	↓
Net profit	196 Million TL	382%	↑

- Limited distribution margin increases due to rising LPG prices, higher operating expenses led by inflation, normalization and new investments and higher procurement costs had their negative effects on both gross and operating profit.

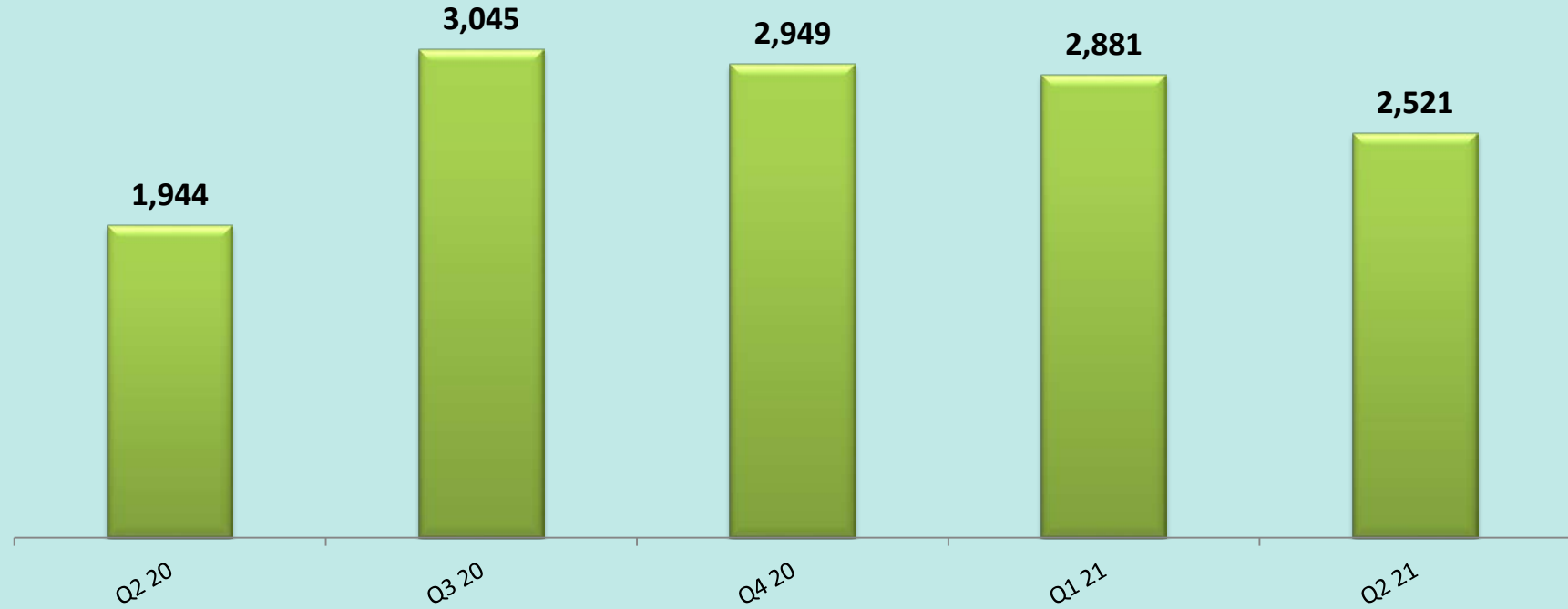
8 Financials - 6 months cumulative

6 Months / (YoY)

Revenue	5,402 Million TL	30%	↑
Gross profit	497 Million TL	57%	↑
Operating profit	186 Million TL	583%	↑
EBITDA (incl. other op. inc/exp)	272 Million TL	163%	↑
EBITDA (excl. other op. inc/exp)	208 Million TL	112%	↑
Net profit	184 Million TL	199%	↑

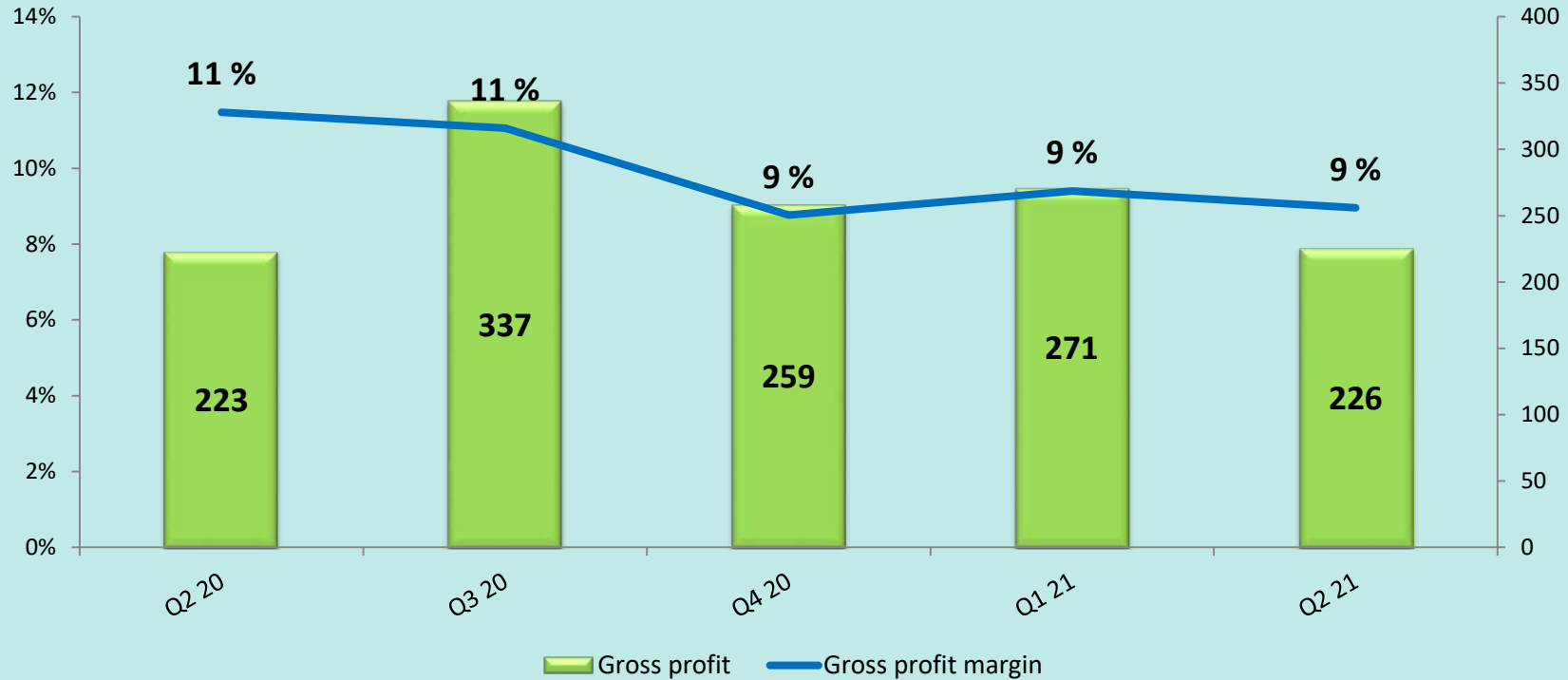
9

Net Sales (m TL)



- Consolidated sales revenue is 2,521 million TL and 30% higher YoY due to increasing LPG price and the exchange rate.

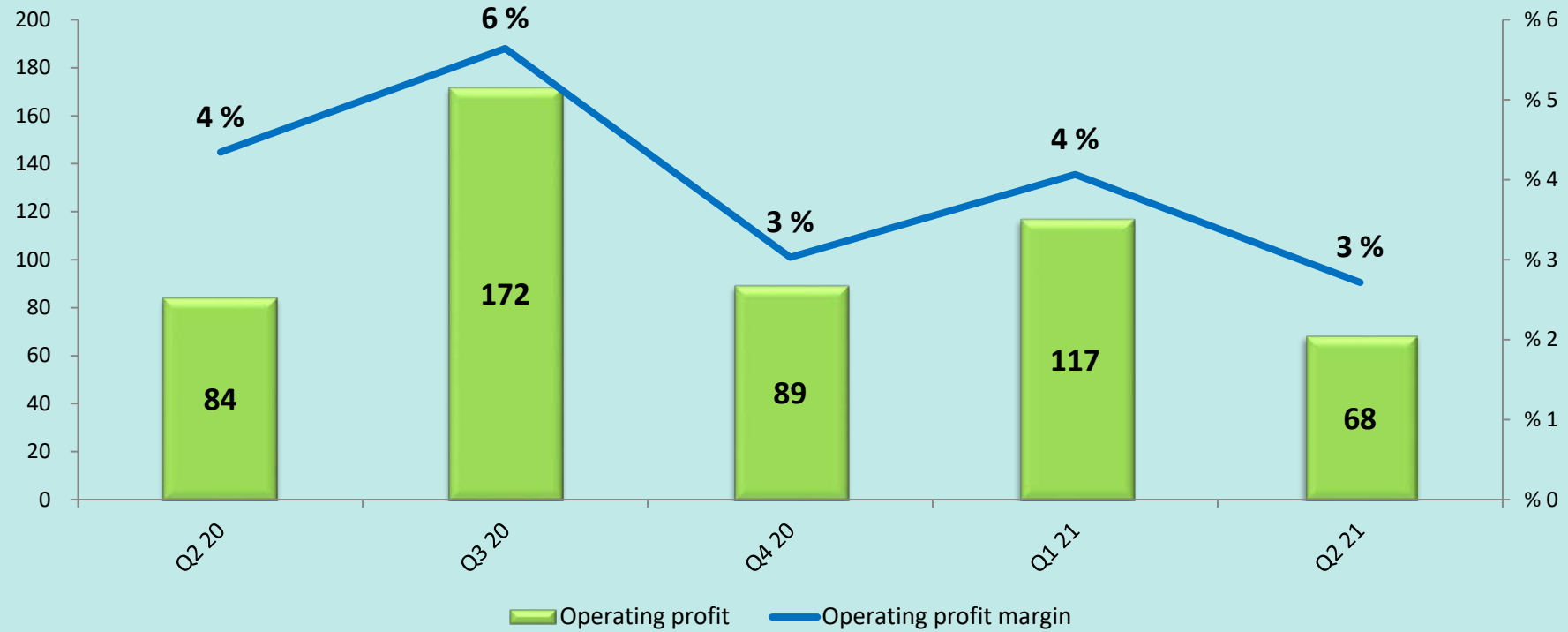
Gross Profit (m TL)



- Gross profit is affected by the limited increase in distribution margins due to higher LPG prices, higher supply costs and fall in the wholesale and transit sales volumes. Inventory gain was realized as 13 million TL in Q2 and 48 million TL in six months cumulative.

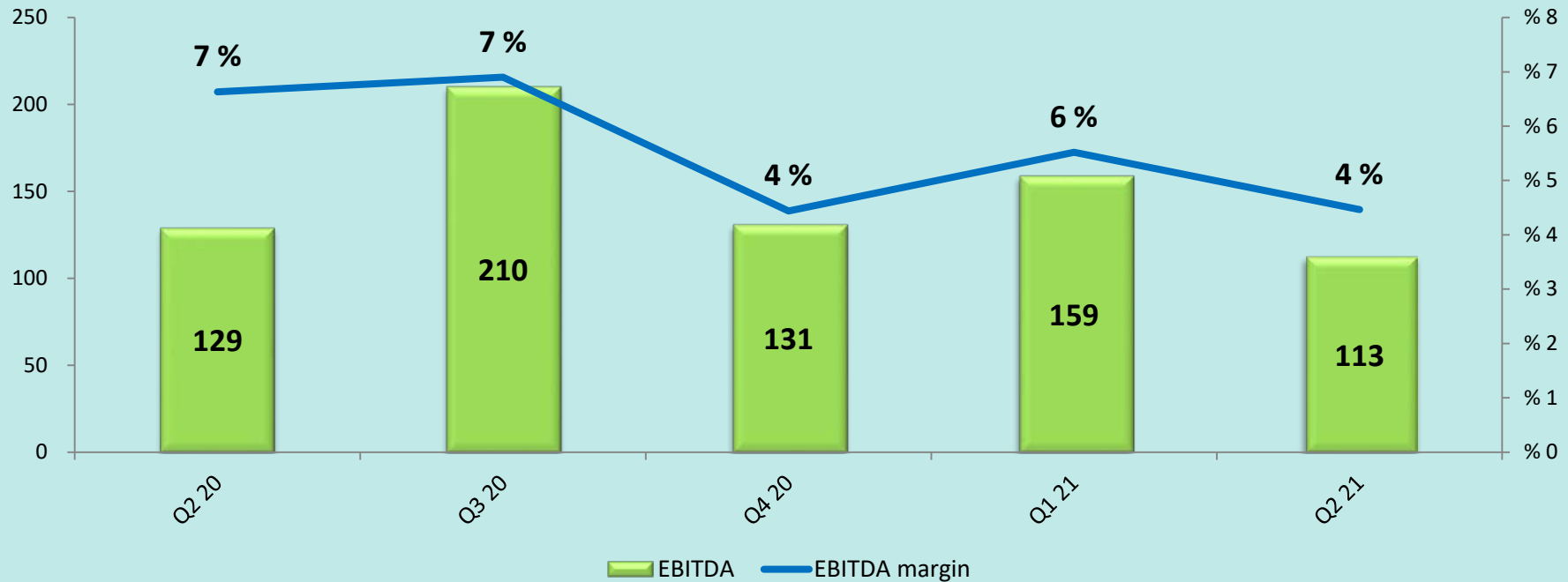
11

Operating Profit (m TL)



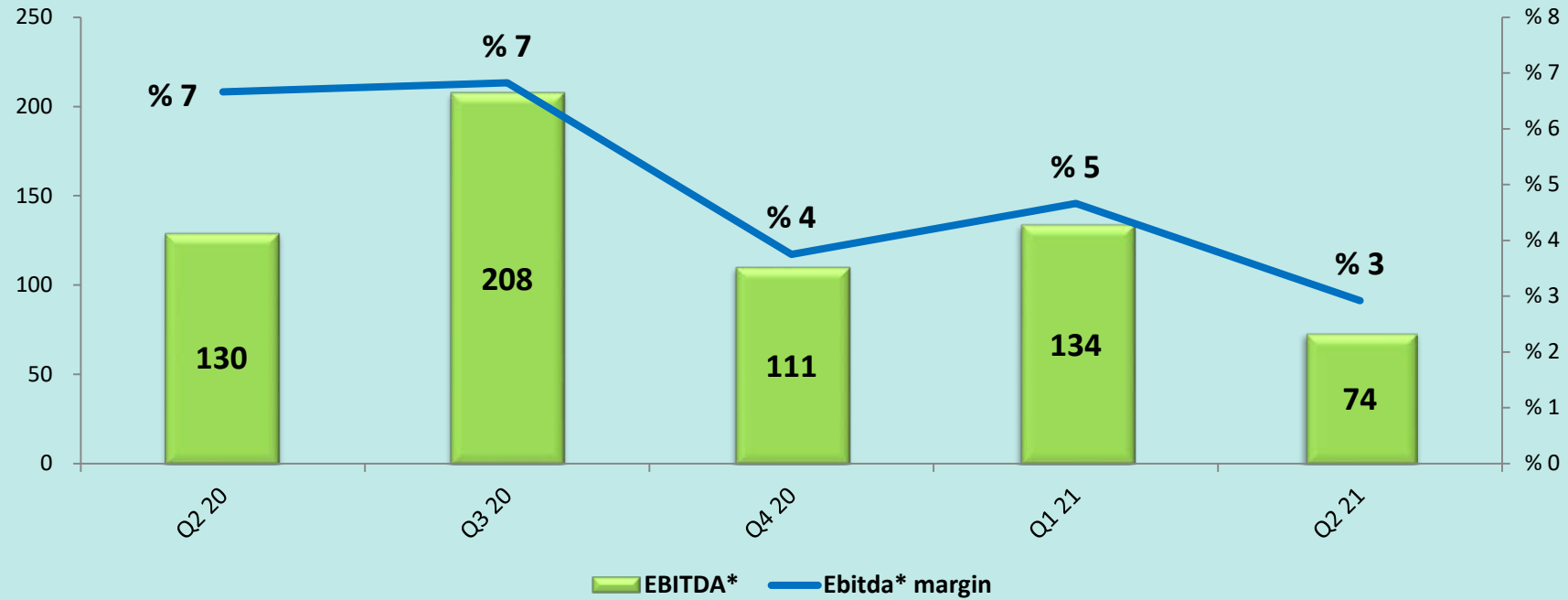
- In line with the gross profit, operating profit is 19% lower YoY and is equal to 68 million TL due to higher operational expenses stemming from the impact of inflation, the deferred expenses from 2020 and our new investments.

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



- In line with the operating profit, EBITDA figure is down by 13% YoY and is realized as 113 million TL.

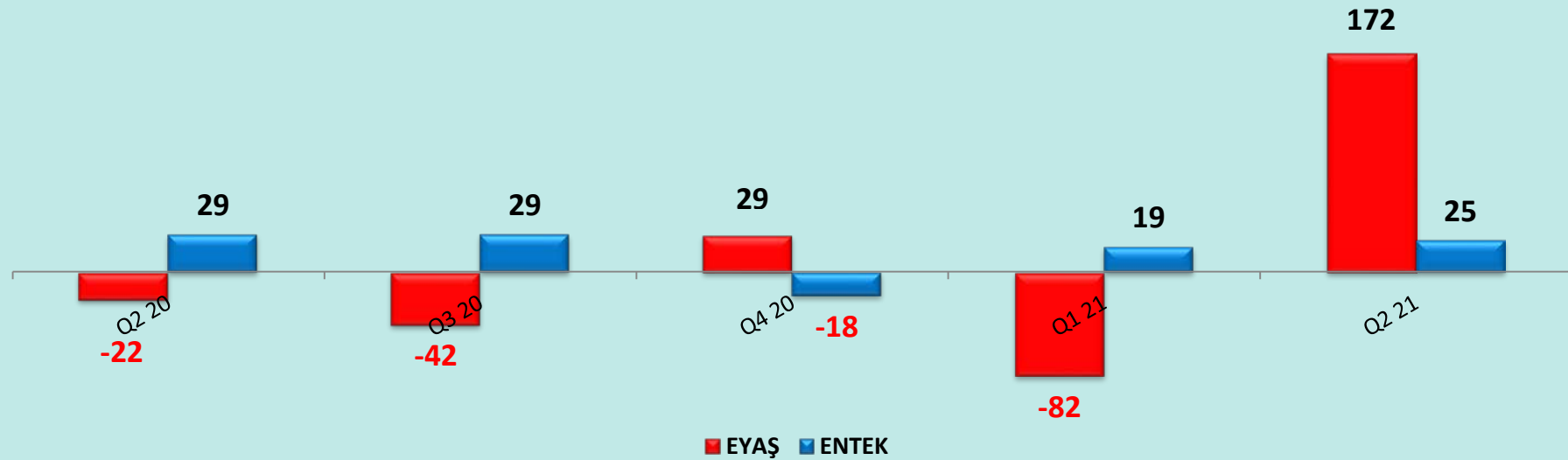
EBITDA* (excl. other op. inc/exp) (m TL)



- EBITDA figure excluding other operational income and expenses is down by 43% YoY and is realized as 74 million TL.

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

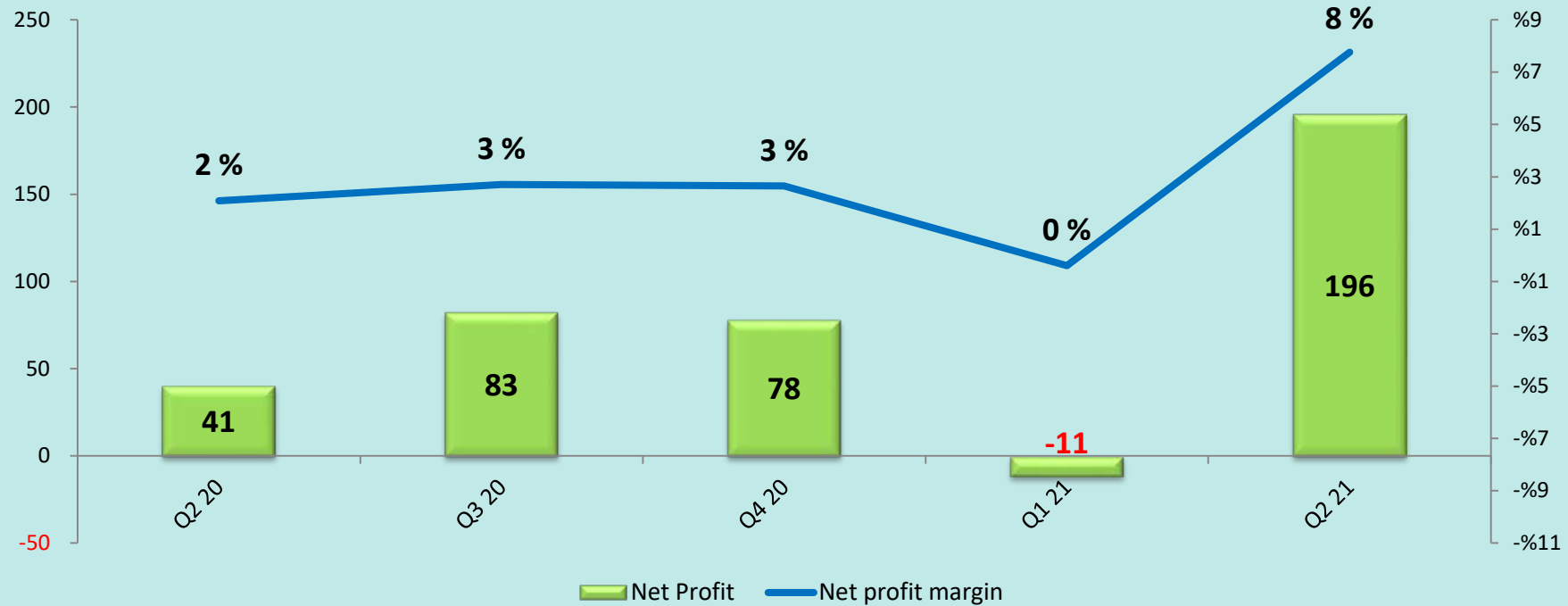
- Total contribution from investments accounted under equity method in Q2 is realized as 198 million TL, with the increasing contribution from EYAŞ.



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

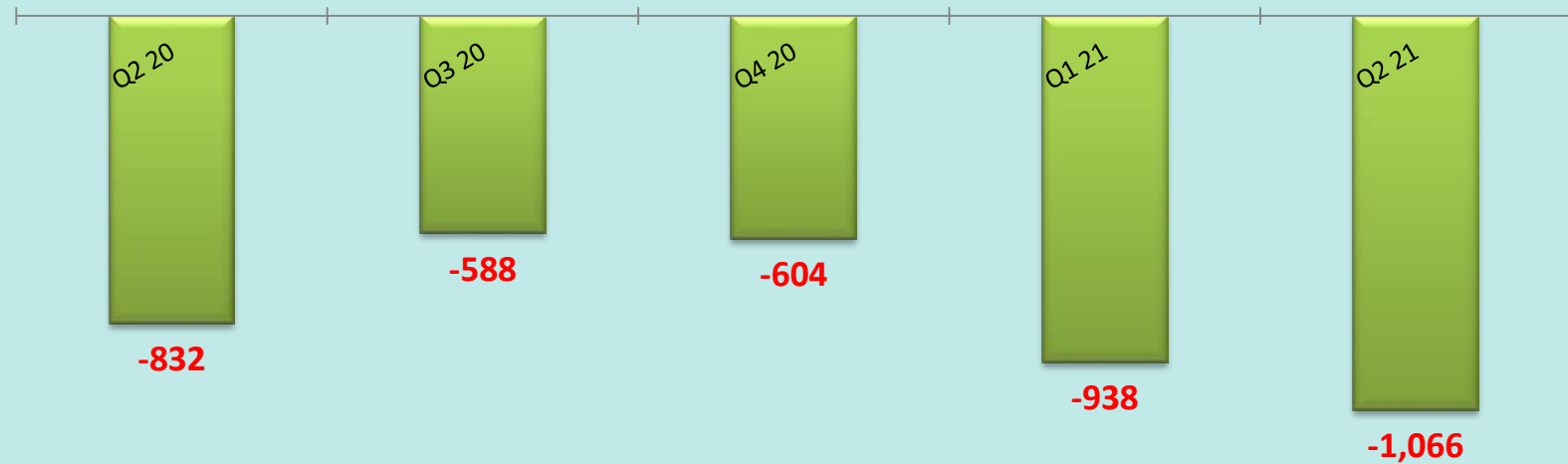
- Entek** reached a total capacity of **436 MW** with eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 264 MW, one wind power plant with 60 MW installed capacity located in Edirne and one natural gas cycling plant with capacity of 112 MW in Kocaeli.

Net Profit (m TL)



- Net profit increased with the high contribution coming from EYAŞ, and the net profit margin came up to 8%.

Net Financial Debt (m TL)



Net debt/EBITDA

2.03

1.28

1.36

1.49

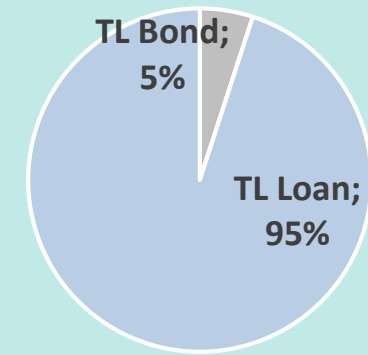
1.74

- Net financial debt increased by 14% compared to Q1 21 basically due to the dividend payment realized in April.

Debt Profile

(m TL)	6M 2020	3M 2021	12M 2020
ST Borrowings	94	240	221
Current portion of LT Borrowings	862	432	346
LT Borrowings	845	1,079	997
Total Debt	1,801	1,751	1,564
Cash and cash equivalents (-)	734	813	961
= Net Debt	1,066	938	604

Debt Profile as of 30/06/2021

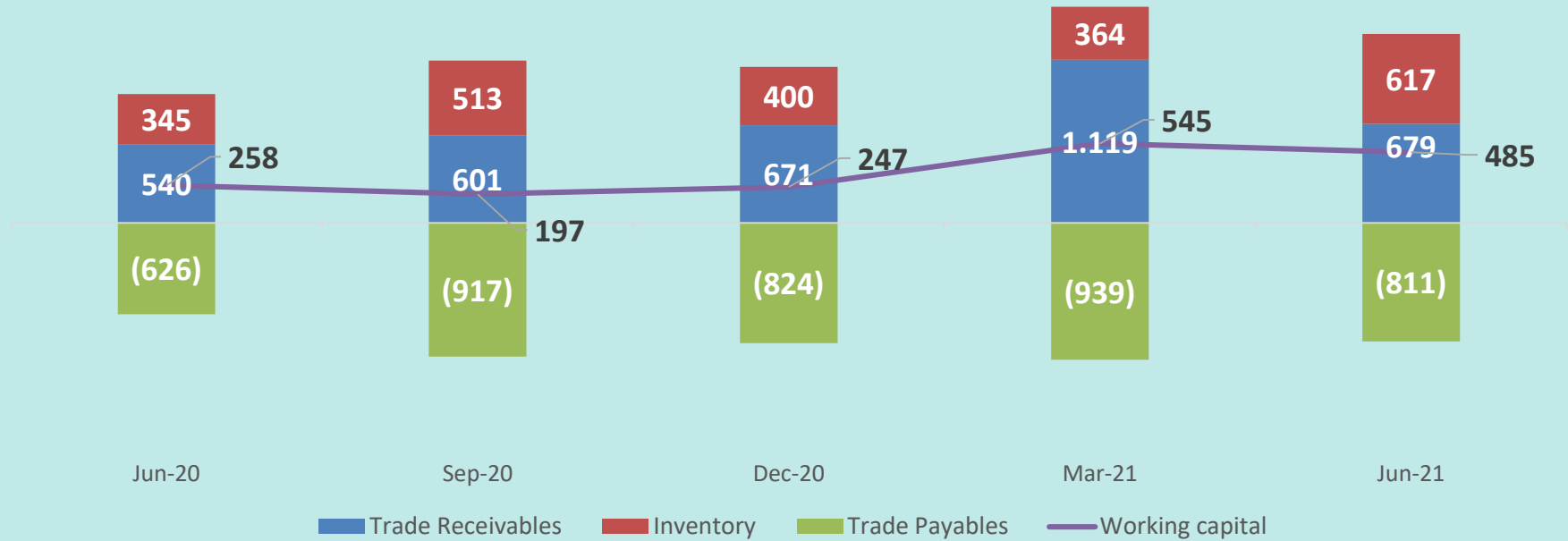


- While total debt increased by 50 m TL in Q2, net debt increased by 128 m TL with the effects of decreasing liquidity with regards to the dividend payments, cash requirement of our new investments and the working capital need.

Aygaz preserves its strong cash position.

- 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)



- While trade receivables are back to its normal levels after the temporary increase in Q1, inventories are higher due to LPG prices and seasonal impacts.
- 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: 690-720 thousand tons
(previous 700-730 thousand tons*)

Market share

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

**Our autogas sales volume expectations are updated due to the Covid-19 related limitations partly in effect during Q2.*

20 Bangladesh Investment – United-Aygaz LPG

- ✓ After the appointment of United-Aygaz LPG executive management team (CEO & CFO) as of February 2021, further appointments to complete the organizational structure are proceeding.
- ✓ Based on initial business plan, market expansion is planned in three regions (i.e. Chittagong, Dhaka and Mongla). First facility investment in Chittagong has been started in May 2021.
- ✓ Pre-construction on site started in May for the first phase investment covering the sphere, cylindrical tank, filling equipment and equipment. Initial order for cylinders has been placed.
- ✓ It was decided to increase company's capital on July 1, 2021 and corresponding share of Aygaz which was approximately 6 million USD was paid in early July.



Bangladesh



United-Aygaz Chittagong Facility Land





Koç Holding acquired 45% of Aykargo shares with a cash price of TL approx. 16 million and it is resolved to participate in the capital increases up to TL 110 million in 2021 in the ratio of their shareholding in Aykargo.



Istanbul operations started in early May 2021 with an average daily cargo delivery of 1.250.



Aykargo primarily targets B2C segment customers. Renting of two distribution centers and two delivery depots in İstanbul is completed. Alternative Delivery Point (PUDO) contracts were signed with 1,400 Aygaz dealers.



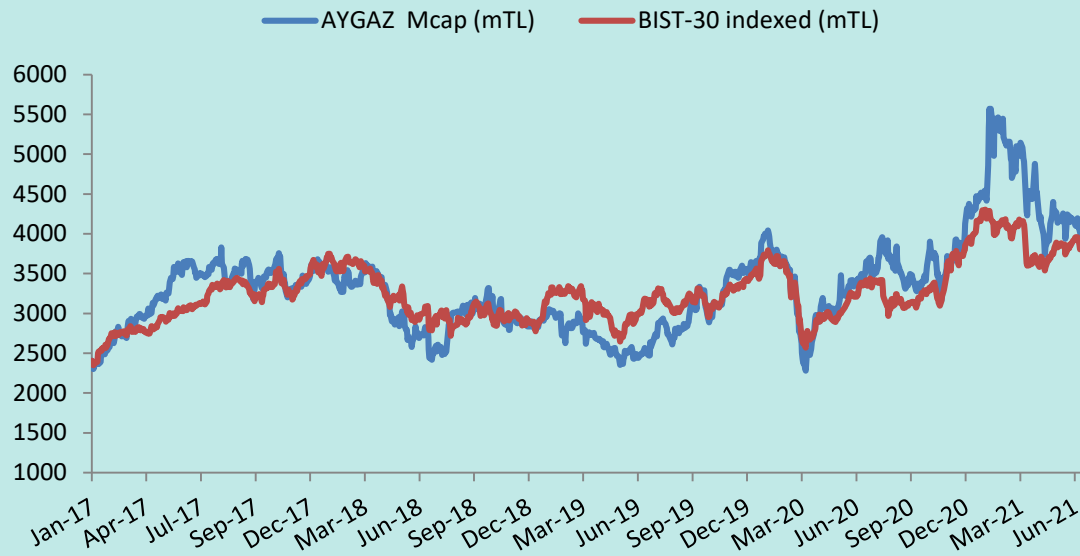
Income Statement – Summary

Million TL	Q2 21	Q1 21	Change	Q2 21	Q2 20	Change
Revenues	2,521	2,881	-13%	2,521	1,944	30%
Gross Profit	226	271	-17%	226	223	1%
Operating Profit	68	117	-42%	68	84	-19%
Profit Before Tax	217	6	3244%	217	50	335%
Net Profit	196	-11	1823%	196	41	382%
EBITDA	113	159	-29%	113	129	-13%
MARGINS						
Gross Profit M.	9%	9%	-	9%	11%	-2
Operating Profit M.	3%	4%	-1	3%	4%	-1
Profit Before Tax M.	9%	0.2%	+8,8	9%	3%	+6
Net Profit M.	8%	-0.4%	+8,4	8%	2%	+6
EBITDA M.	4%	6%	-2	4%	7%	-3

Balance Sheet- Summary

Million TL	6M 21	12M 20
Cash & Cash Eq.	734	961
Trade Receivables	679	671
Inventories	617	400
Prop.Plant&Equipment	719	696
Participations	1,978	1,847
Total Assets	5,545	5,395
Financial Debt	1,801	1,564
Trade Payables	811	824
Total Equity	2,220	2,317
Total Liabilities & Equity	5,545	5,395
Net Cash (Debt)	-1,066	-604
Working Capital	485	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 down by 9% since the 2020 year end and is 4 billion TL as of 30.06.2021.
- In the same period BIST 30 and BIST 100 are down by 11% and 8% respectively.



Contacts

investorrelations@aygaz.com.tr

Gökhan Dizemen, CFO

gokhan.dizemen@aygaz.com.tr
+90 212 354 1764

Şebnem Yücel, Finance and Risk Director

sebnem.yucel@aygaz.com.tr
+90 212 354 1510

Selin Sanver, Investor Relations Manager

selin.sanver@aygaz.com.tr
+90 212 354 1659

www.aygaz.com.tr