

AYGAZ

Q3. 2020

Earnings Release Report

November 3, 2020





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

- EMRA's August 2020 report points to market share increases in cylinder gas and autogas segments compared to May data as well as persistence of market leadership.
- The total Turkish LPG demand tightened by 8% for the January- August period. Aygaz domestic sales contracted by 8% in line with the market, while its 9-month total sales were at the level of the previous year.
- Q3 total sales are 16% higher YoY.
- With the easing of Covid-19 measures, Q3 autogas sales gained strength and were realized close to previous year's level.

Financial

- Gross and operating profit continue to improve in Q3 after Q2.
- Inventory gain is realized in Q3.
- Net financial debt declined while strong cash position was maintained.

Operations - Quarterly

According to Q3 2019



Domestic LPG sales

308

Thousand tons

-3% YoY



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

311

Thousand tons

44% YoY



Total LPG sales (*)

619

Thousand tons

16% YoY



- Cylinder sales are 84 thousand tons (- 3% YoY)
- Autogas sales are 216 thousand tons (- 1% YoY)
- Autogas consumption increased and approached to last year's level with the mitigation of the measures taken within the framework of the Covid-19.

(*) Including Aygaz UK Q3 transactions of 47 thousand tons. (excluding financial trading)

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Operations – 9 months cumulative

According to 9M 2019



Domestic LPG sales

749

Thousand tons

-8% YoY



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

799

Thousand tons

9% YoY



Total LPG sales (*)

1,548

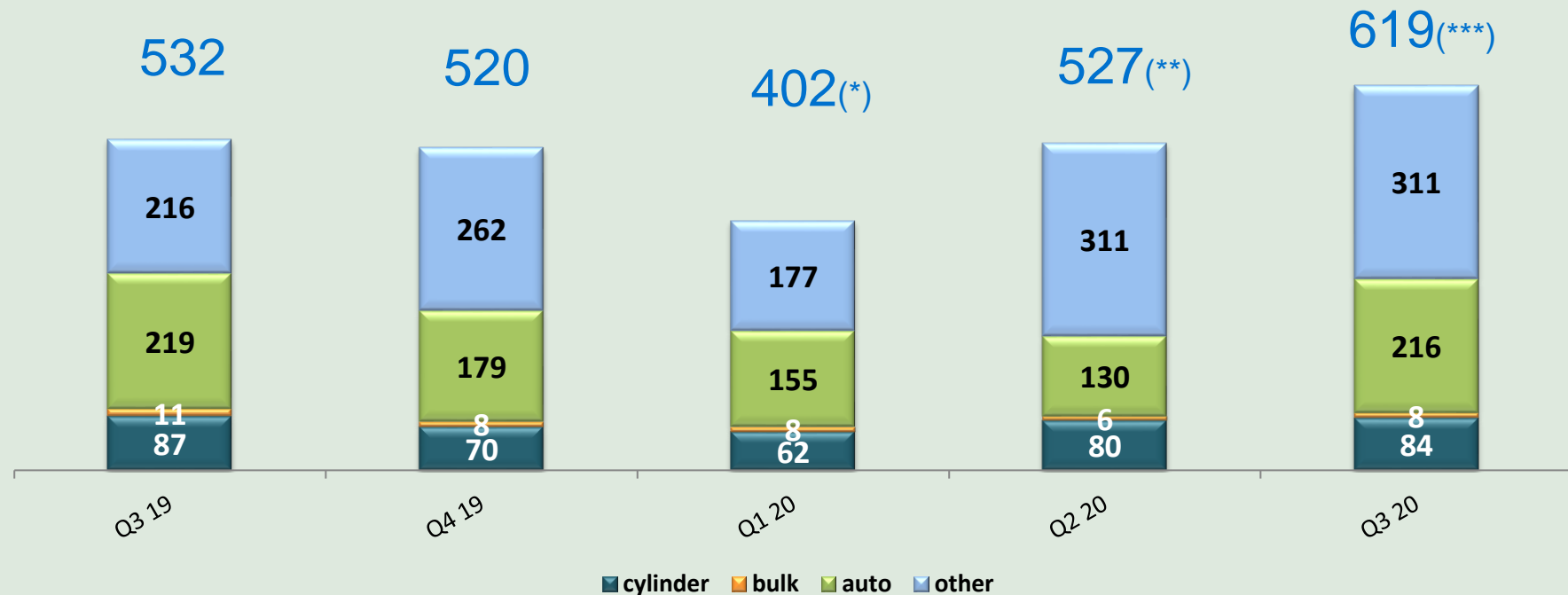
Thousand tons

no change

- Cylinder sales are 226 thousand tons (- 3% YoY)
- Autogas sales are 501 thousand tons (-10% YoY)
- Our total sales volume reached to last year's level with the positive effect of our domestic wholesale sales and trading activities.

() Including Aygaz UK 9M transactions of 141 thousand tons. (excluding financial trading)*

Aygaz LPG Sales (Quarterly) (000 tons)



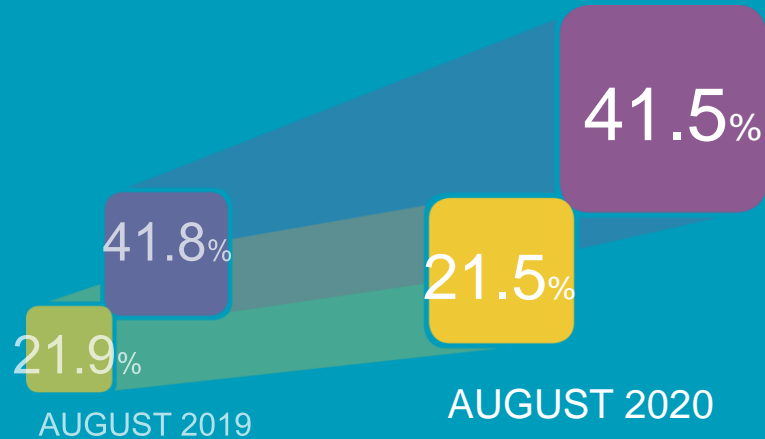
Q3 2020 sales volumes were realized as

- 216 thousand tons in Autogas (-1% YoY)
- 84 thousand tons in Cylinder Gas (-3% YoY)
- 619 thousand tons in Total (+16% YoY)

(*)Q1, excluding Aygaz UK's financial trading of 36 thousand tons. (**) Q2, including Aygaz UK trading volume of 94 thousand tons (excluding financial trading) . (***) Q3 ,including Aygaz UK trading volume of 47 thousand tons (excluding financial trading).

EMRA, Aygaz

Market Shares



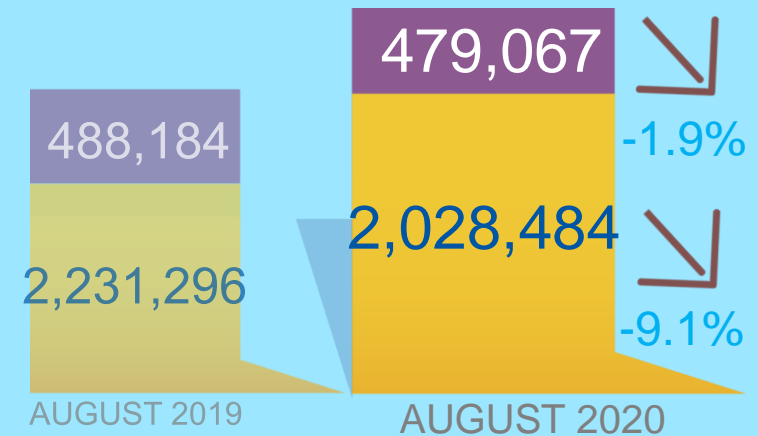
As of August 2020 EMRA report, Aygaz cylinder and autogas market shares are 41.5% and 21.5% respectively.

(41.8% and 21.9% in August 2019)

According to August 2020 EMRA report, Turkish cylinder sales volume is 479,067 tons and autogas volume is 2,028,484 tons.

2019/8 months:

Cylinder gas	488,184	tons
Autogas	2,231,296	tons

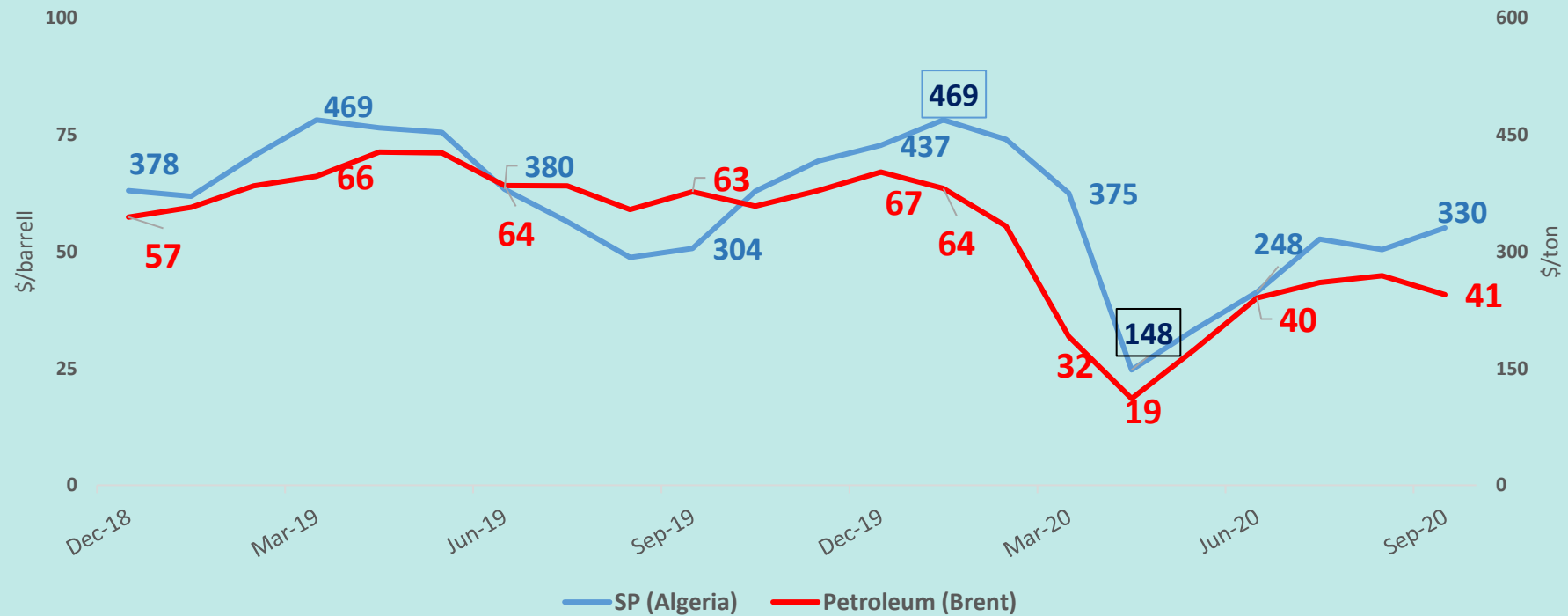


SALES VOLUME (Tons)

EMRA, Aygaz

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LPG – Brent world prices



- September 2020 Sonatrach LPG price is at USD 330 and 9% higher than September 2019 price. Average LPG prices for January-September period is 315 USD/ton for 2020 and -19% YoY

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Quarterly Financials – Q3 2020

QUARTERLY / (YoY)

Revenue	3,045 Million TL	19%	↑
Operating profit	172 Million TL	34%	↑
EBITDA	210 Million TL	31%	↑
EBITDA (excl. other op. inc/exp)	208 Million TL	38%	↑
Net profit	83 Million TL	22%	↑

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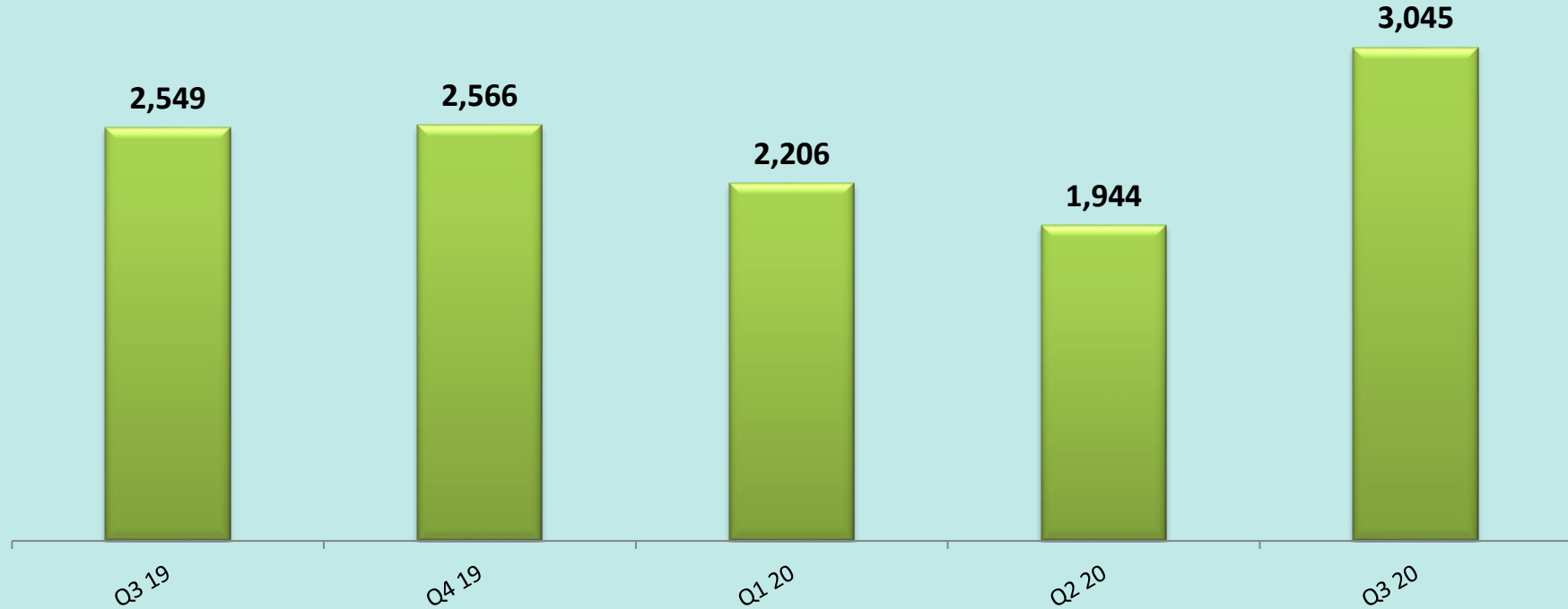
9M Financials

9 MONTHS CUMULATIVE / (YoY)

Revenue	7,195 Million TL	-6%	↓
Operating profit	199 Million TL	-21%	↓
EBITDA	313 Million TL	-9%	↓
EBITDA (excl. other op. inc/exp)	306 Million TL	-4%	↓
Net profit	-103 Million TL	-152%	↓

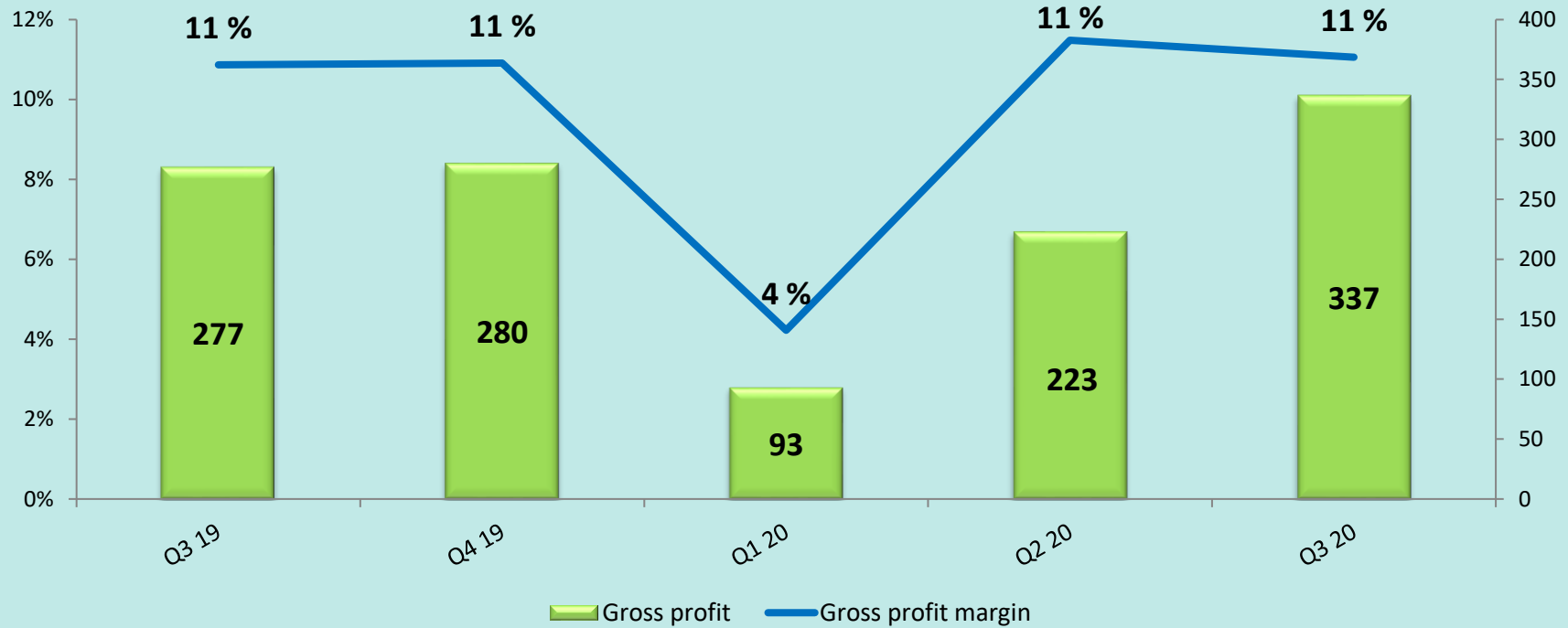
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Net Sales (m TL)



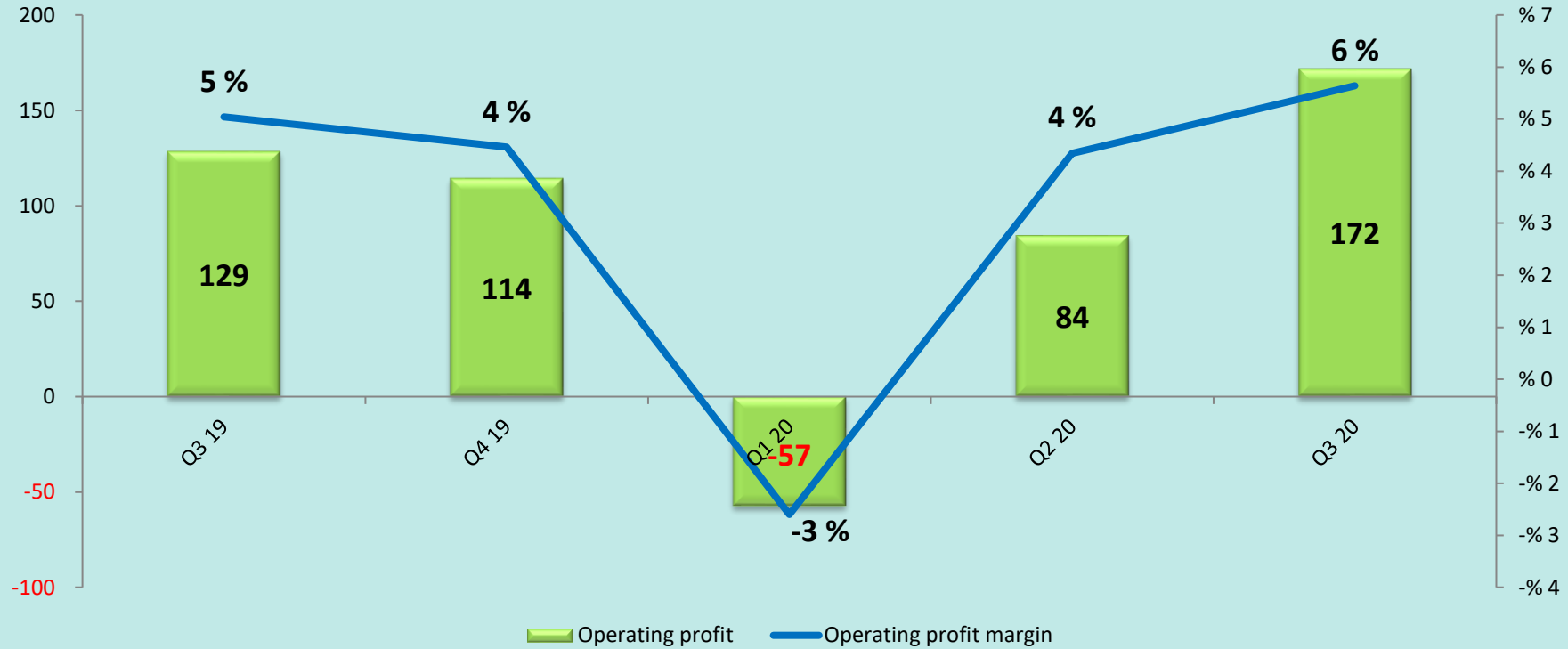
- Consolidated sales revenue is 3,045 million TL and 19% higher YoY due to rising LPG price and exchange rate (usd/try) in addition to sales volume.

Gross Profit (m TL)



- Gross profit is realized as 337 million TL, +22% YoY, due to the inventory gain of 40 million TL and the recovery in sales volume in Q3.

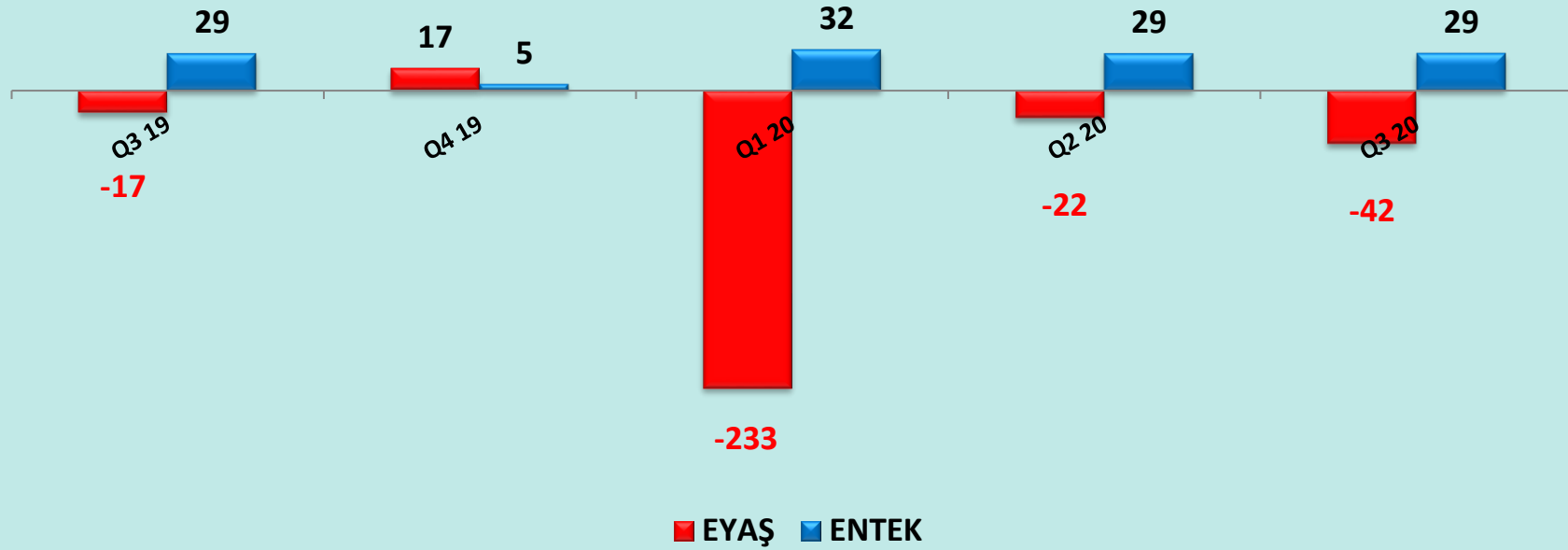
11 Operating Profit (m TL)



- In line with the improvement in gross profit, operating profit is 172 million TL ,103% and 34% higher QoQ and YoY respectively.

The positive impact of the ongoing savings on costs and investment expenditures can be observed.

12 Contributions from EYAŞ and Entek (m TL)



- Total contribution from EYAŞ(*) and Entek(**) is -12 million TL in Q3 2020.
(Q3 2019: +12 million TL)

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

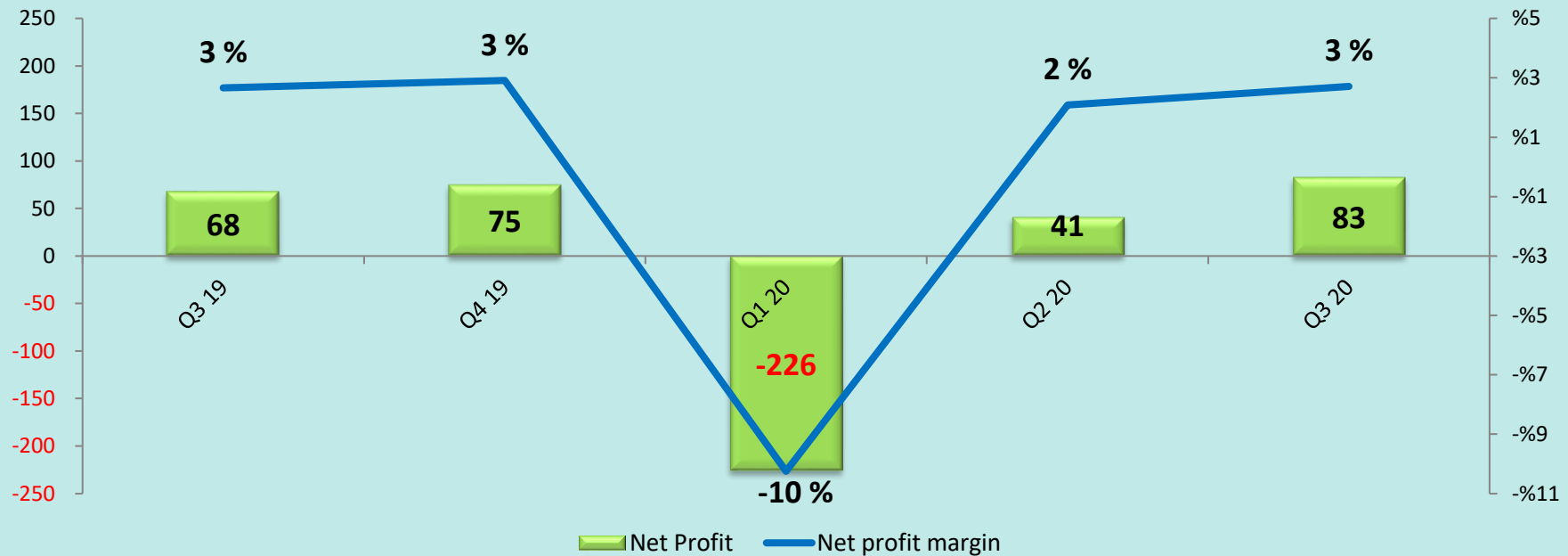
13 Entek

Entek, who positively contributed to Aygaz net profit in all three quarters of 2020;

- 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**.

- Entek contributed 32 m TL, 29 m TL and 29 m TL in Q1, Q2 and Q3 respectively in 2020 to Aygaz net profit through our share ownership of 49.62% while the contributions were 30 m TL, 24 m TL and 29 m TL in Q1, Q2 and Q3 of 2019 respectively.

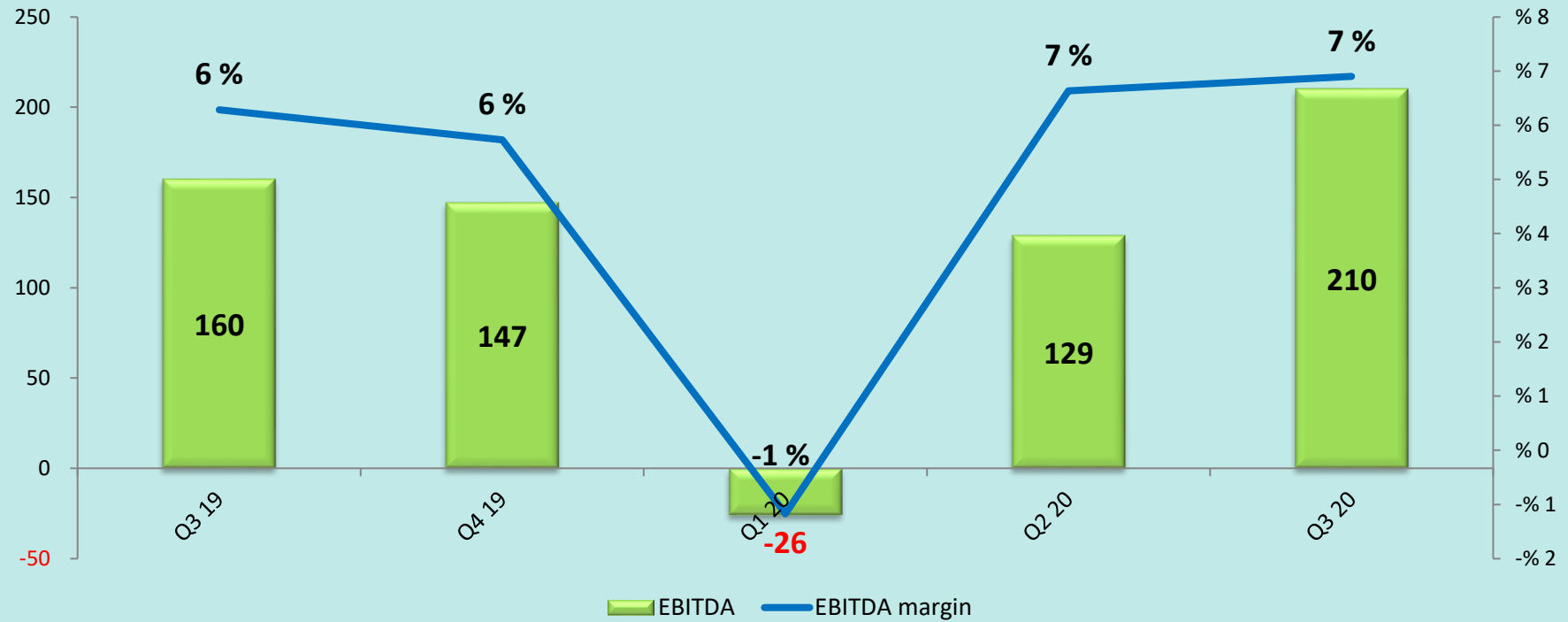
Net Profit (m TL)



- Net profit is 83 million TL with the effect of improvement in gross profit and operating profit. Net profit is 22% higher YoY despite the contribution from investments accounted under equity method is negative this year and below the same period last year.

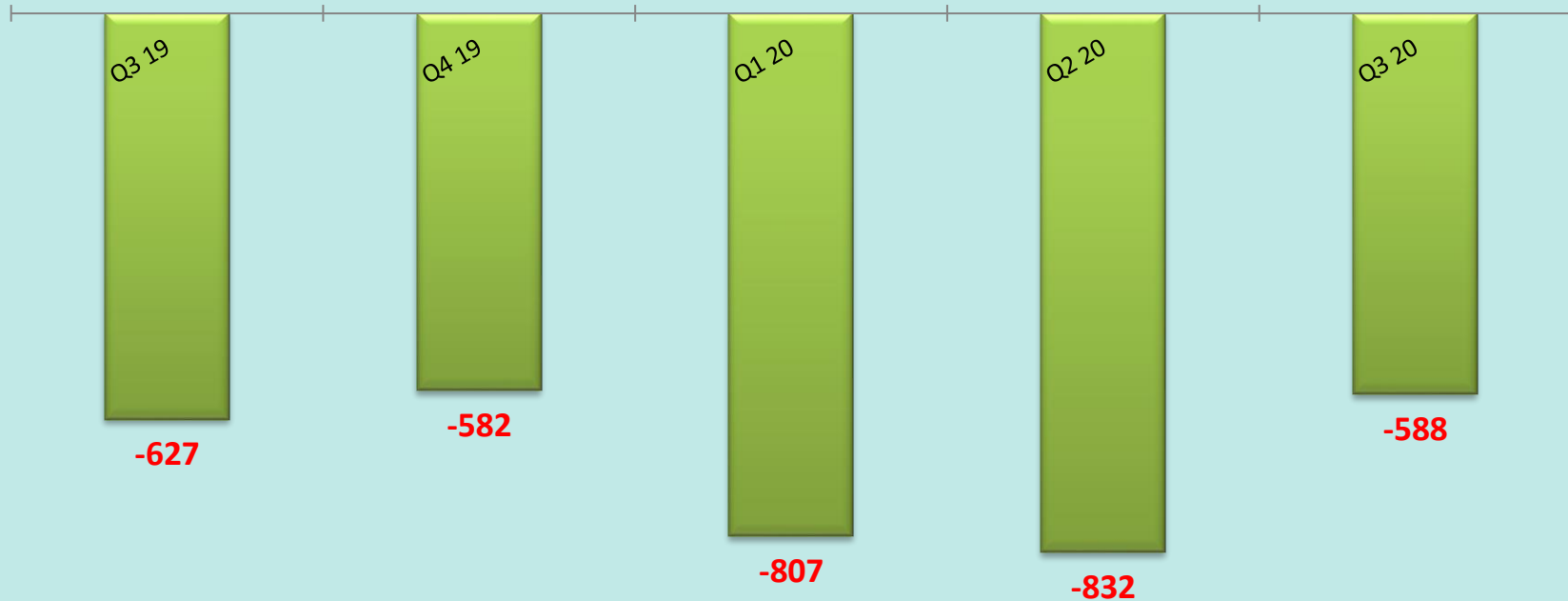
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EBITDA (m TL)



■ EBITDA figure improved in line with the operating profit.

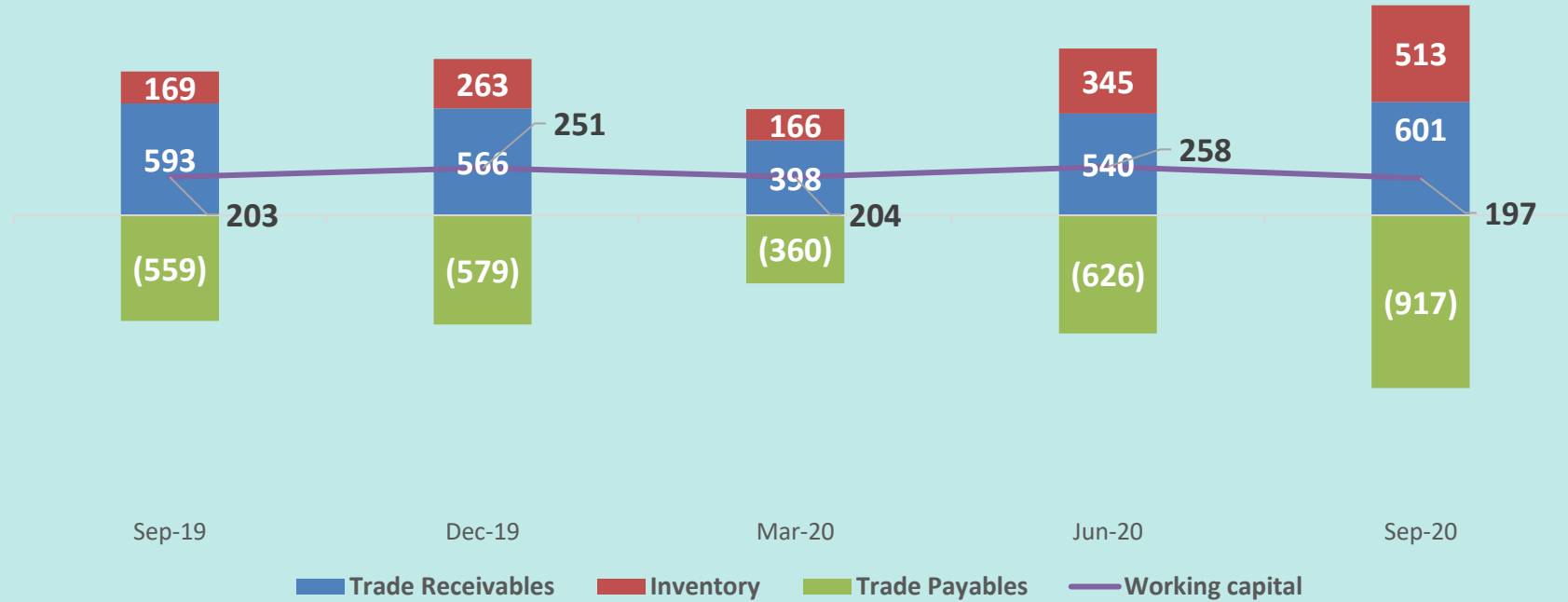
Net Cash (m TL)



- Short-term financial borrowings, current portion of long-term financial borrowings and interest payments are met by cash and cash equivalents.
- Liquidity is preserved against the Covid-19 impacts
- Current Ratio is 1.12

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Working Capital (m TL)

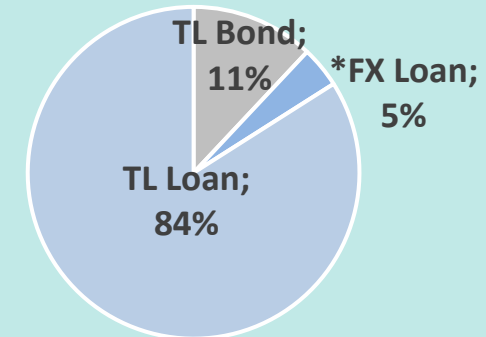


- Effective management and follow-up of the structure and size of the working capital is ensured in this period. Receivables risk is monitored closely and kept under control.

Debt Profile

(m TL)	9M 2020	12M 2019
ST Borrowings	221	65
Current portion of LT Borrowings	436	418
LT Borrowings	1,014	764
Total Debt	1,672	1,247
Cash and cash equivalents (-)	1,084	665
= Net Debt	588	582

Debt Profile as of 30/09/2020



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

■ Net Debt declined to its 2019 year-end level while the proportion of debt structure remained unchanged.

■ **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.

Income Statement – Summary

Million TL	Q3 20	Q2 20	Change	Q3 20	Q3 19	Change
Revenues	3,045	1,944	57%	3,045	2,549	19%
Gross Profit	337	223	51%	337	277	22%
Operating Profit	172	84	103%	172	129	34%
Profit Before Tax	116	50	133%	116	80	46%
Net Profit	83	41	103%	83	68	22%
EBITDA	210	129	63%	210	160	31%
MARGINS						
Gross Profit M.	11%	11%	-	11%	11%	-
Operating Profit M.	6%	4%	2	6%	5%	1
Profit Before Tax M.	4%	3%	1	4%	3%	1
Net Profit M.	3%	2%	1	3%	3%	-
EBITDA M.	7%	7%	-	7%	6%	1

Balance Sheet- Summary

Million TL	9M 20	12M 19
Cash & Cash Eq.	1,084	665
Trade Receivables	601	566
Inventories	513	263
Prop.Plant&Equipment	694	713
Participations	1,801	2,059
Total Assets	5,412	4,955
Financial Debt	1,672	1,247
Trade Payables	917	579
Total Equity	2,059	2,478
Total Liabilities & Equity	5,412	4,955
Net Cash (Debt)	-588	-582
Working Capital	197	251

Forward looking statements for 2020

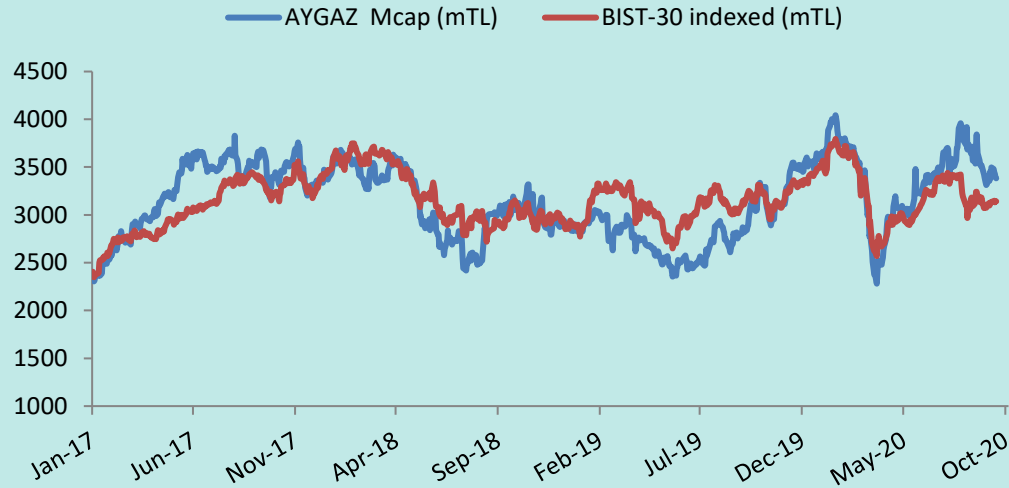
Sales volume

- Cylinder: 285-300 thousand tons
- Autogas: 660-700 thousand tons

Market share

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

Aygaz Share Value



BIST Code: **AYGAZ**

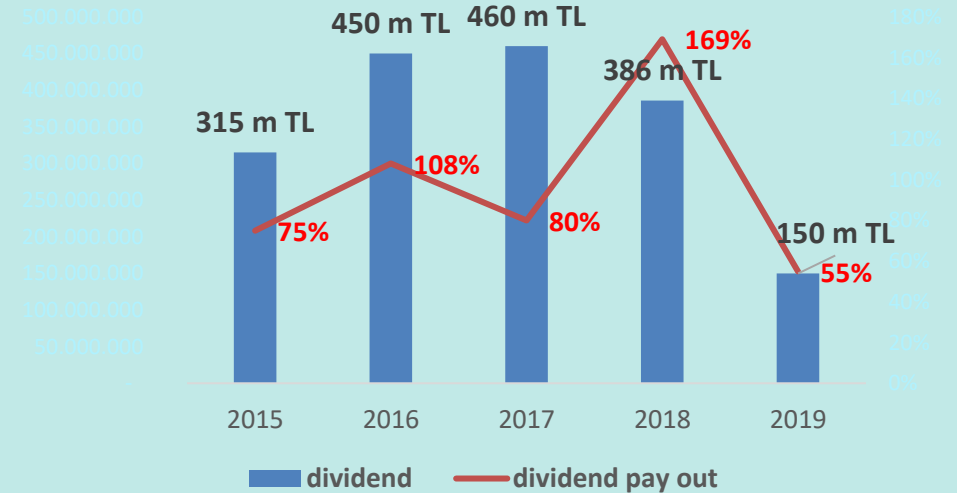
Bloomberg Code: **AYGAZ.TI**

Reuters Code: **AYGAZ.IS**

IPO Date: **13.01.1988**

Free float rate: **24.3%**

- Aygaz market value is down by 7% since the 2019 year end and is 3.4 billion TL as of 30.09.2020.
- In the same period BIST 30 is down by 8% while BIST 100 is at the same level.



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