

AYGAZ

Q3. 2021 Earnings Webcast

November 4, 2021





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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

Operational

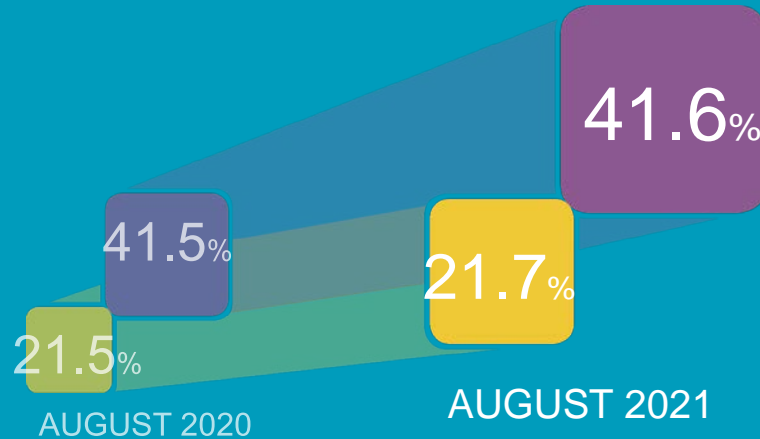
- According to EMRA's* August 2021 report, Turkish cylinder gas demand contracted by 3% YoY whereas autogas consumption in the first 8 months increased by 2% YoY. Our cylinder gas and autogas market shares improved compared to the same period of 2020 and our market leadership continued.
- Aygaz Q3;
 - domestic retail sales is up by 2% YoY,
 - wholesale, international and trading volume is up by 28% YoY,
 - total sales volume is 15% higher YoY
- The lifting of restrictions stemming from the pandemic together with holiday season and Bayram mobility during this quarter affected autogas demand positively while rising LPG prices put a pressure on demand.

*EMRA: Energy Market Regulatory Authority

Financial

- Gross profit is 433 million TL and EBITDA is 240 million TL in Q3 with the effects of increasing sales volume and inventory gain of 52 million TL due to increasing LPG prices.
- Q3 net profit is 321 million TL with a total contribution of 124 million TL from the investments accounted under equity method and one-off deferred tax income of 61 million TL from revaluation of fixed assets.

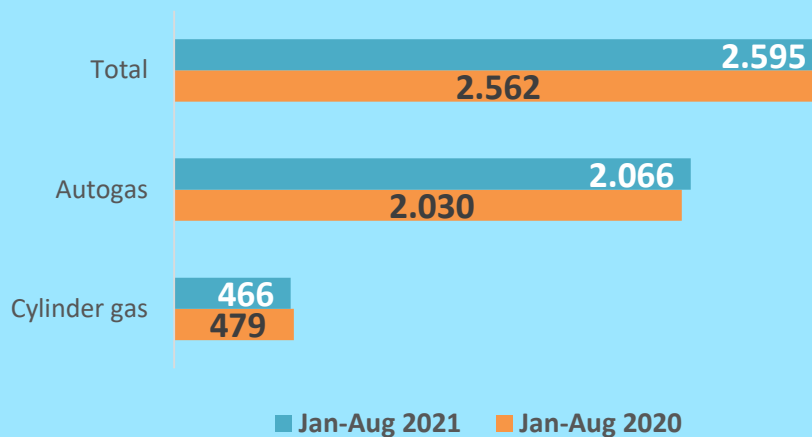
Market Shares



As of August 2021 EMRA report, Aygaz cylinder and autogas market shares are 41.6% and 21.7% respectively.

(41.5% and 21.5% in August 2020)

Turkish LPG Demand (000) tons



According to August 2021 EMRA report,

- Turkish autogas consumption and total LPG demand for the first eight months of 2021 is up by 2% and 1% YoY respectively.
- Turkish cylinder gas consumption is down by 3% YoY.

EMRA, Aygaz

Operations - Quarterly

According to Q3 2020



Domestic LPG sales

313

Thousand tons

2% YoY



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

400

Thousand tons

28% YoY



Total LPG sales (*)

712

Thousand tons

15% YoY



- Cylinder sales are 81 thousand tons (-3% YoY)
- Autogas sales are 222 thousand tons (+3% YoY)
- As international, wholesale and trading sales all hike up simultaneously, highest quarterly sales volume was reached in Q3 2021.

(*) Including Aygaz UK Q3 transaction of 95 thousand tons. (Q3 2020: 47 thousand tons)

4 Operations – 9 months cumulative

According to 9M 2020



Domestic LPG sales

763
Thousand tons

2% YoY



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

926
Thousand tons

16% YoY



Total LPG sales (*)

1,689
Thousand tons

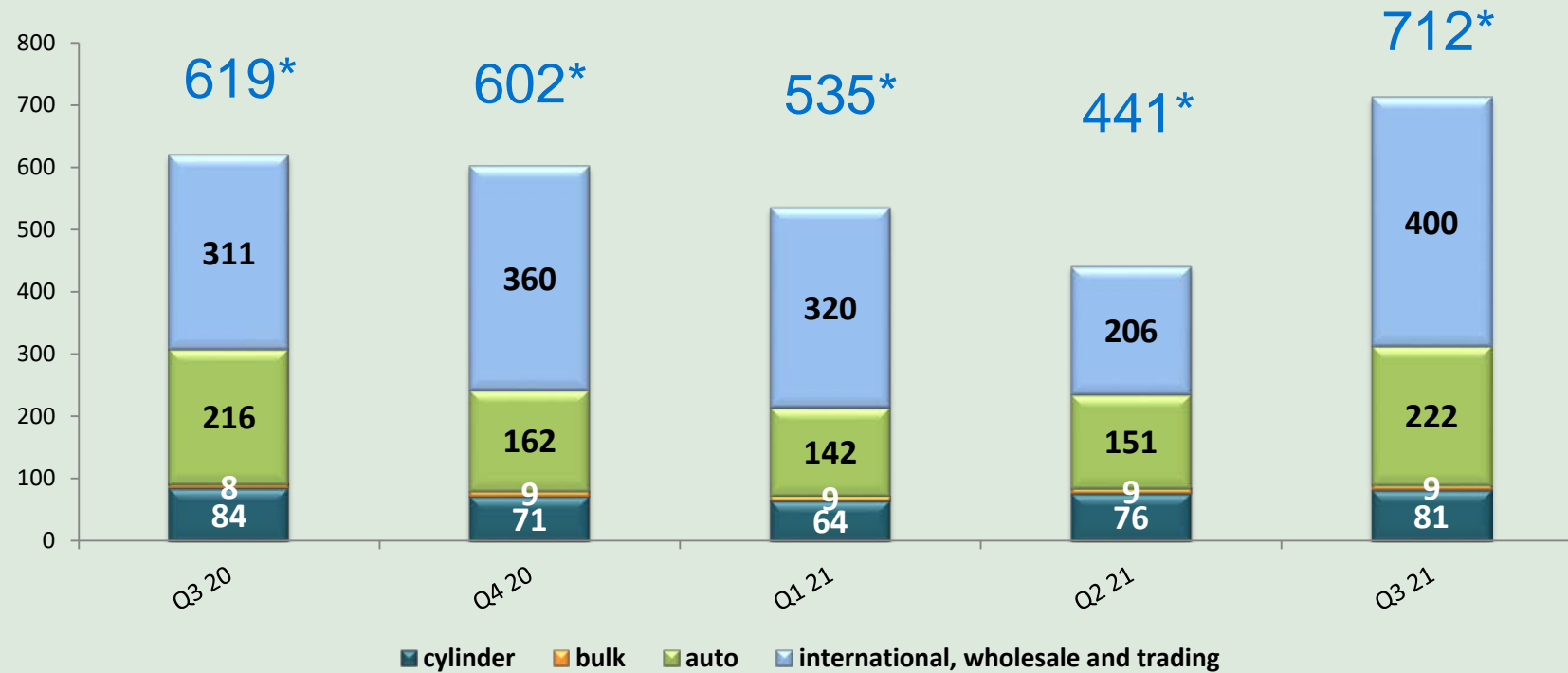
9% YoY



- Cylinder sales are 221 thousand tons (- 2% YoY)
- Autogas sales are 515 thousand tons (+ 3% YoY)
- Our total sales performance improved especially due to better trading and international sales volumes.

() Including Aygaz UK 9M transactions of 234 thousand tons. (9M 2020: 141 thousand tons)*

Aygaz LPG Sales (Quarterly) (000 tons)



Q3 2021 sales volumes were realized as;

222 thousand tons in Autogas (+3% YoY)

81 thousand tons in Cylinder Gas (-3% YoY)

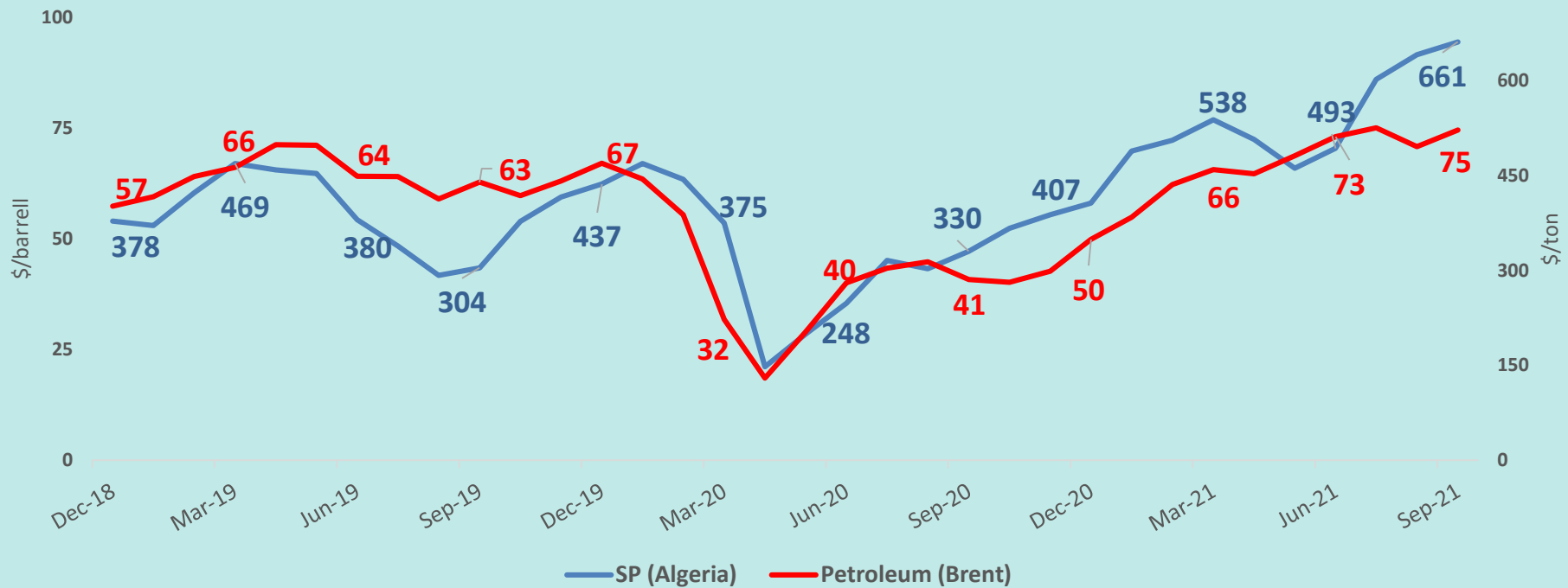
712 thousand tons in Total (+15% YoY)

(*)Contribution from Aygaz UK

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

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LPG – Brent world prices



- September 2021 Sonatrach LPG price is at 661 USD/ton doubling the September 2020 figure and 34% higher than June 2021 level.
 Average LPG price for Q3 2021 is 635 USD/ton and is 101% higher compared to Q3 2020 average price.

Quarterly Financials – Q3 2021

QUARTERLY / (YoY)

Revenue	4,768 Million TL	57%	↑
Gross profit	433 Million TL	28%	↑
Operating profit	193 Million TL	12%	↑
EBITDA (incl. other op. inc/exp)	240 Million TL	14%	↑
EBITDA (excl. other op. inc/exp)	241 Million TL	16%	↑
Net profit	321 Million TL	289%	↑

- Gross and operating profit improved due to better sales volumes and positive inventory effect arising from increasing LPG prices while net profit increased with the contribution of the investments valued under the equity method and one-off deferred tax income.

Financials - 9 months cumulative

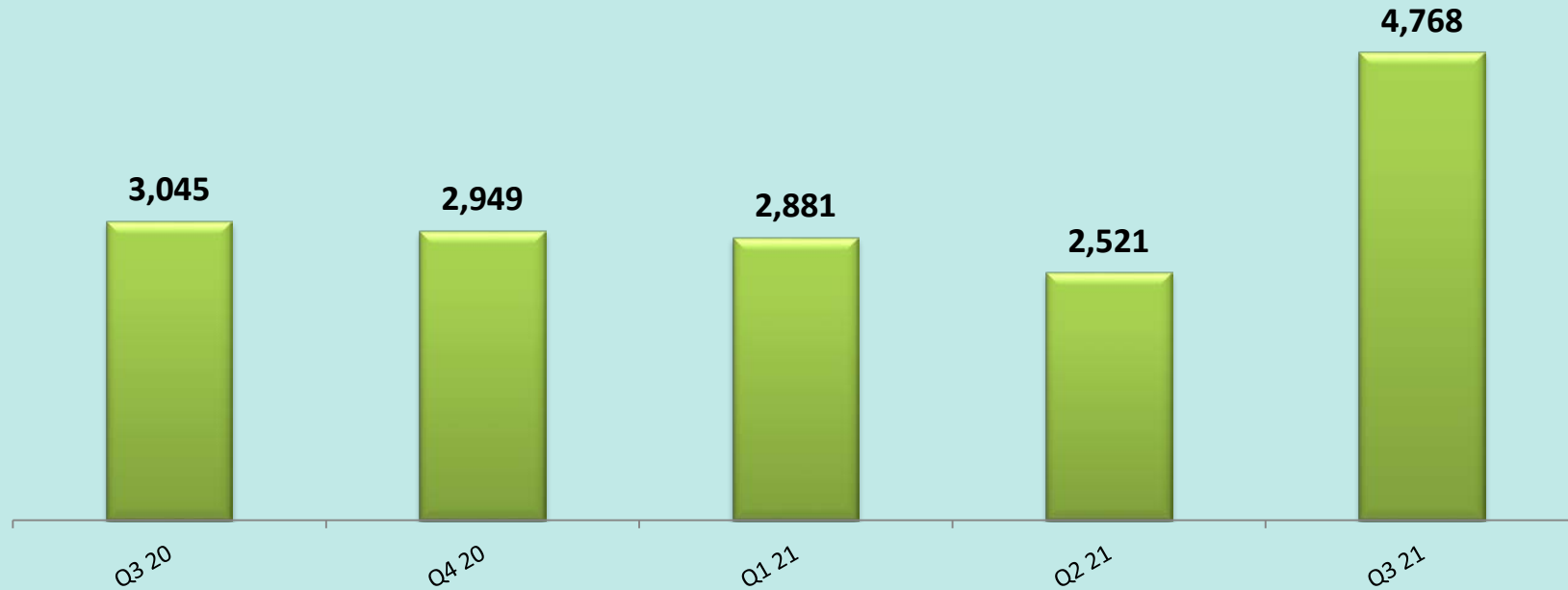
9 Months / (YoY)

Revenue	10,170 Million TL	41%	↑
Gross profit	929 Million TL	42%	↑
Operating profit	378 Million TL	90%	↑
EBITDA (incl. other op. inc/exp)	512 Million TL	63%	↑
EBITDA (excl. other op. inc/exp)	449 Million TL	47%	↑
Net profit	505 Million TL	590%	↑

- Unlike the previous year, the inventory valuation and contributions from investments accounted under equity method turned positive in 9M 2021 and together with the increase in the sales volume, an improvement was achieved in all of the profitability figures.

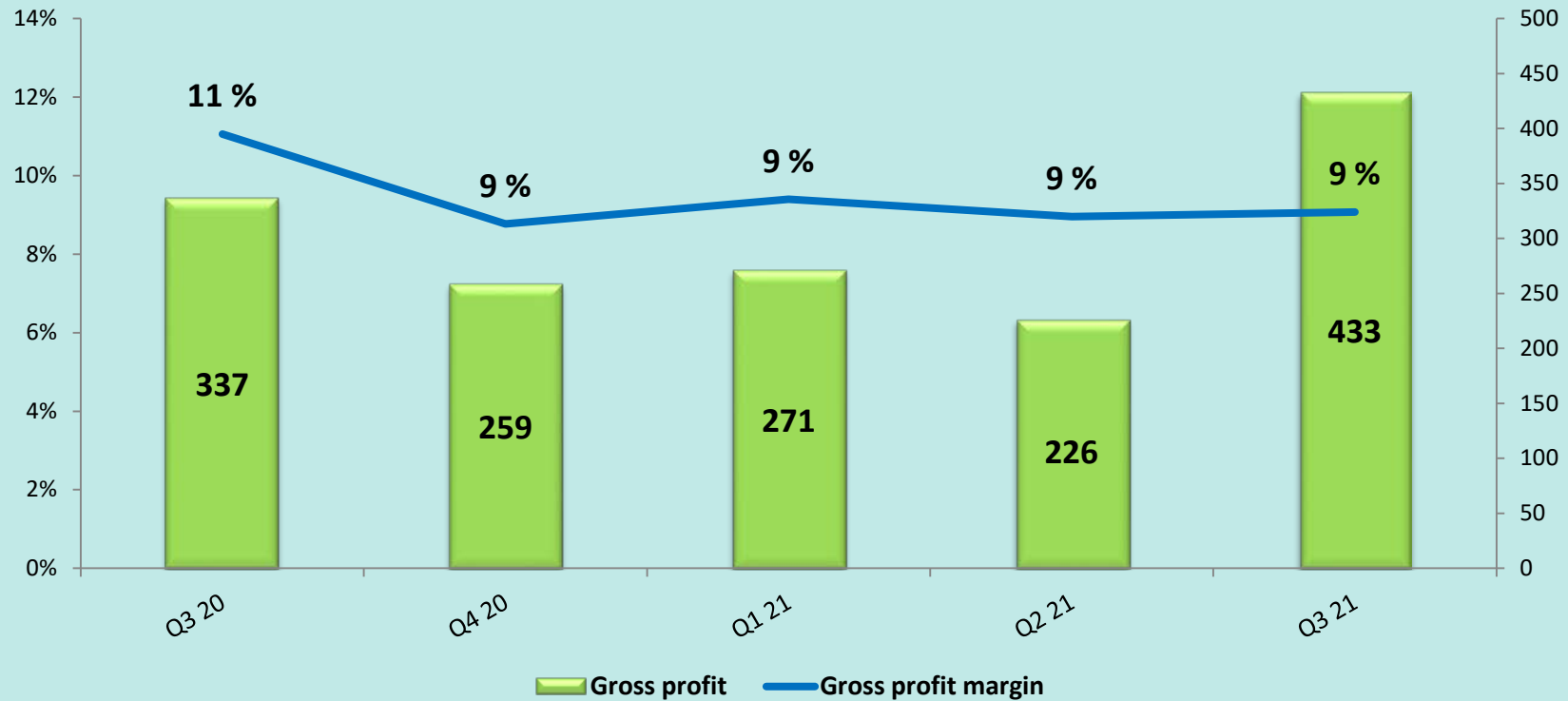
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Net Sales (m TL)



- Consolidated sales revenue is 4,768 million TL and 57% higher YoY due to higher sales volumes and increasing LPG price and the exchange rate.

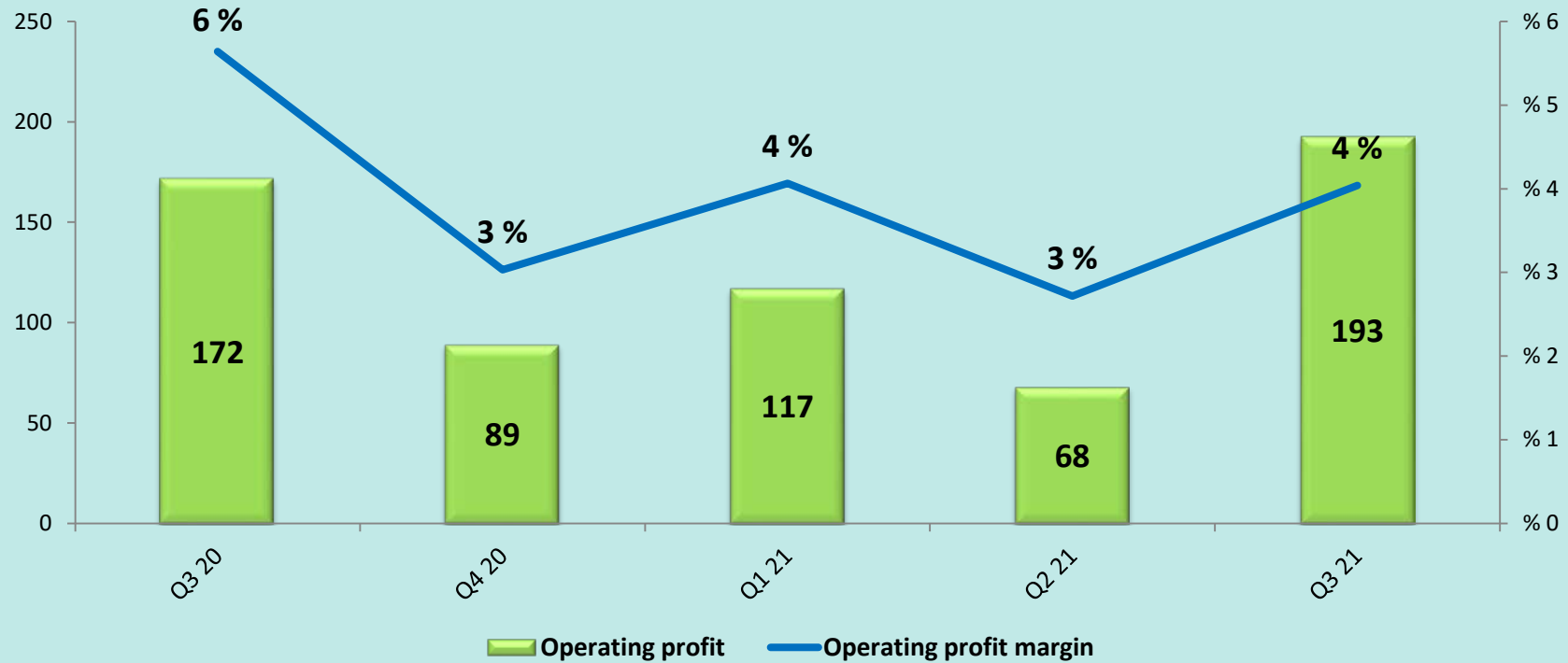
Gross Profit (m TL)



- Gross profit is up by 28% YoY and 92% QoQ due to the increasing sales volume and the inventory gain of 52 million TL in Q3.
(Inventory effect of Q3 2020: +40 million TL)

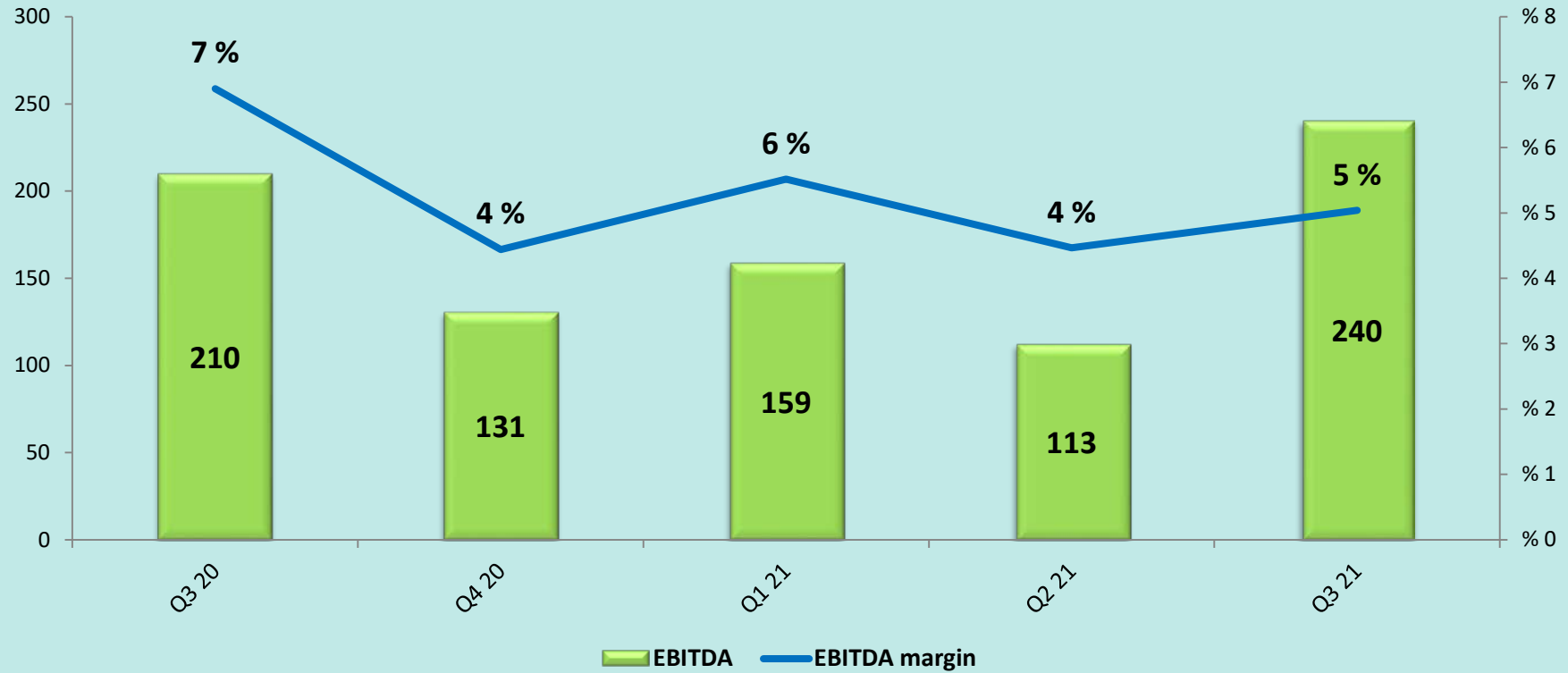
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Operating Profit (m TL)



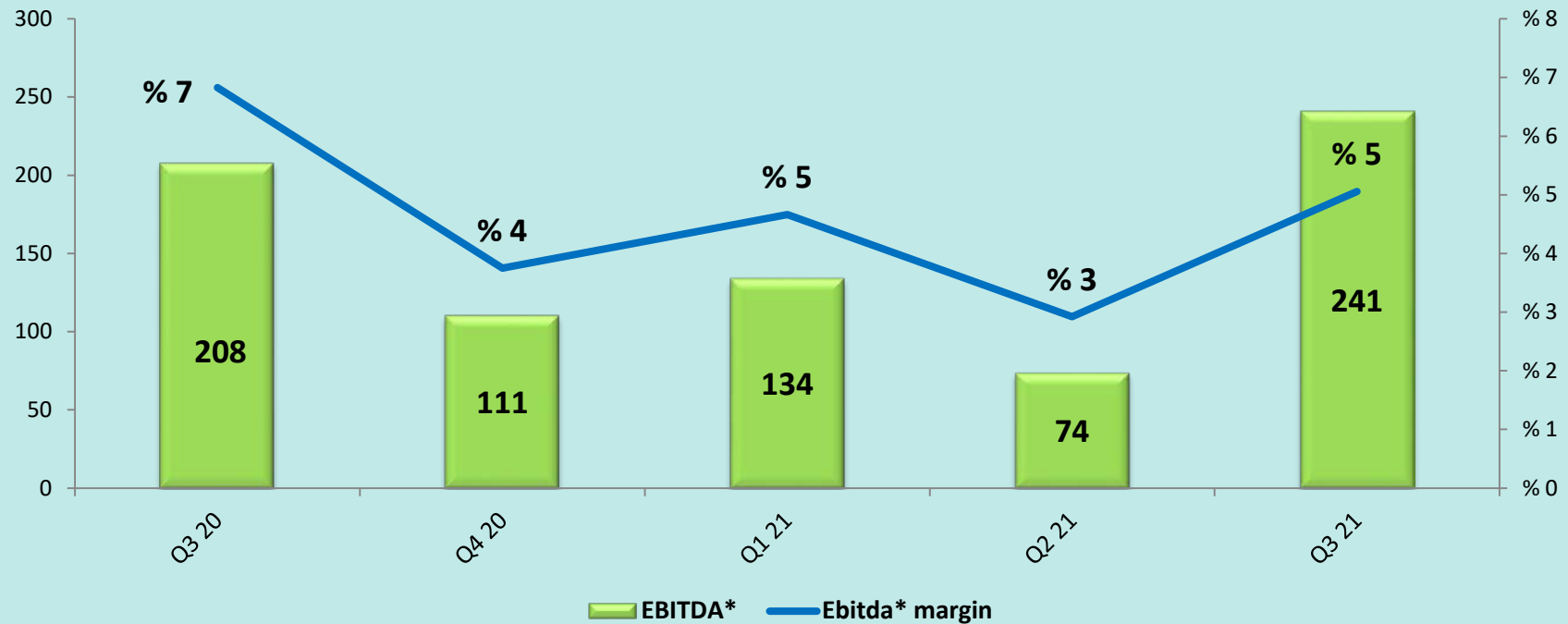
- Operating profit was realized as 193 million TL, 12% higher YoY and 181% higher QoQ despite increasing operating expenses due to normalization process, inflation and expenses related to our new investments.

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



- EBITDA figure is up by 14% YoY and is realized as 240 million TL.

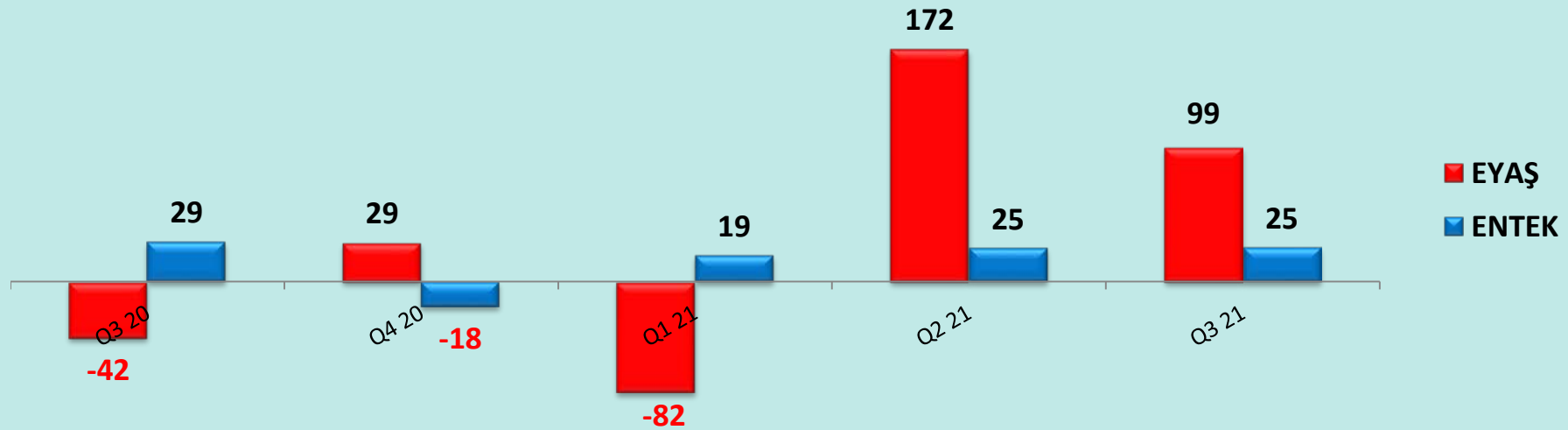
EBITDA* (excl. other op. inc/exp) (m TL)



- EBITDA figure excluding other operational income and expenses is up by 16% YoY and is realized as 241 million TL.

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

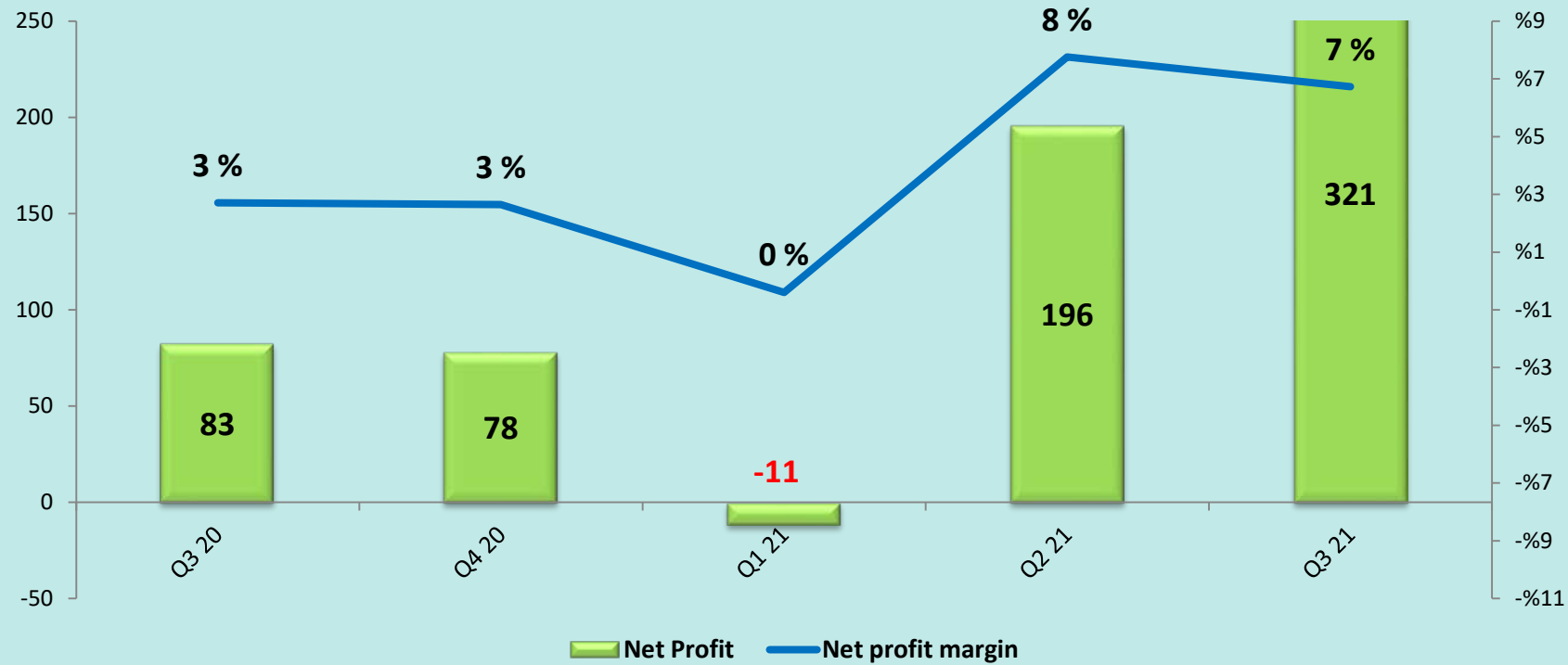
- Total contribution from Eyaş and Entek in Q3 ,accounted under equity method, is realized as 124 million TL whereas it was -12 million TL in Q3 2020.



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

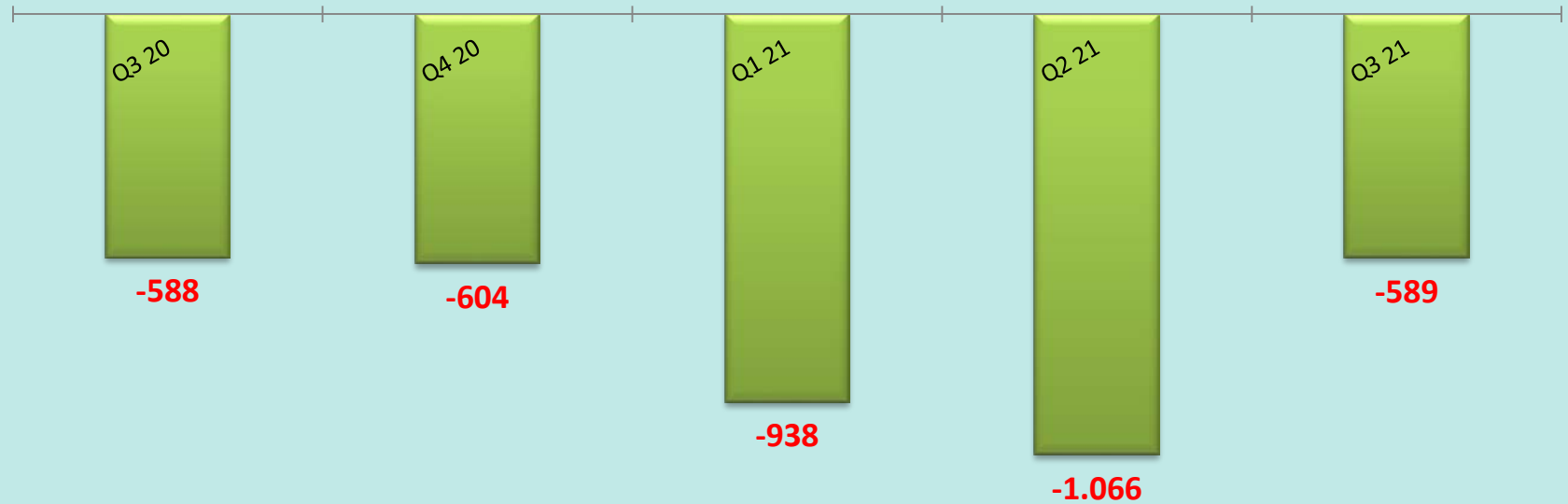
- Entek** reached a total capacity of **436 MW** with eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 264 MW, one wind power plant with 60 MW installed capacity located in Edirne and one natural gas cycling plant with capacity of 112 MW in Kocaeli.

Net Profit (m TL)



- Net profit increased YoY and QoQ and reached to 321 million TL as a result of the improvements in gross profit and operating profit together with the positive contribution from EYAŞ and Entek and the one-off deferred tax income.

Net Financial Debt (m TL)



Net debt/EBITDA

1.3

1.4

1.5

1.7

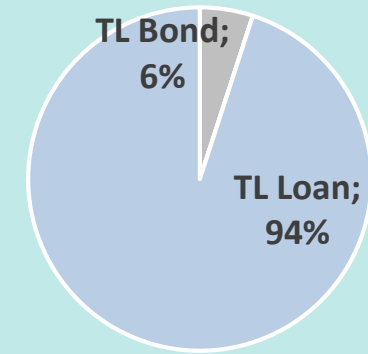
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- Net financial debt decreased due to the extended payment terms of 2 LGC cargoes that are procured by Aygaz UK.

Debt Profile

(m TL)	9M 2021	6M 2021	3M 2021	12M 2020
ST Borrowings	108	94	240	221
Current portion of LT Borrowings	966	862	432	346
LT Borrowings	824	845	1,079	997
Total Financial Debt	1,898	1,801	1,751	1,564
Cash and cash equivalents (-)	1,308	734	813	961
= Net Debt	589	1,066	938	604

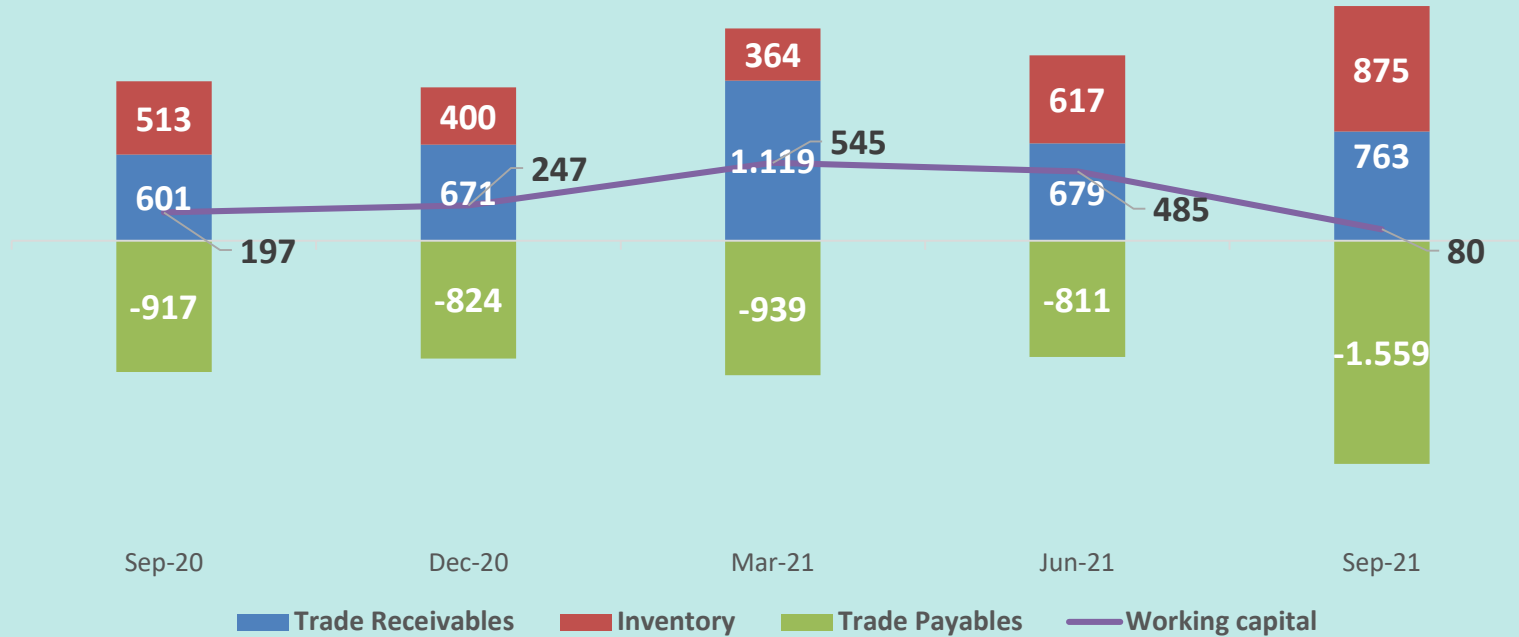
Debt Profile as of 30/09/2021



- While Total Financial Debt increased by TL 97 million compared to the second quarter, the amount of Net Debt decreased by TL 477 million due to the high liquidity held. Aygaz preserves its strong cash position. Current ratio: 1.05

- 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)



- Trade payables increased by 748 million TL compared to the previous quarter due to the increased exchange rate, commodity prices and 2 LGC cargoes of Aygaz UK with extended payment terms at quarter end, whereas commodity price and FX rate had an impact on inventory as well.

Forward looking statements for 2021

Sales volume

- Cylinder: 285-295 thousand tons
- Autogas: 670-700 thousand tons
(previous 690-720 thousand tons*)

Market share

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

()Our autogas sales volume expectations are updated due to the impact of increased end prices on demand, which reflect the rising commodity prices and the exchange rate.*

20 Bangladesh Investment – United-Aygaz LPG

- Bangladesh LPG market reached 1.2 million tons in 2020 up by 28% YoY which makes it the fastest growing LPG market in the world with a CAGR growth rate of 52% for the previous 5 years.
- Initial facility investment in Chittagong including sphere and cylindrical tanks, LPG filling systems and equipment that started in May 2021 is ongoing as planned. Shipment of 100 thousand cylinders out of 200 thousand cylinders ordered to Aygaz Gebze Plant have been completed.
- Work towards forming a dealer network is carried out in Chittagong and Dhaka and we have agreed with 8 dealers for the initial roll out of cylinder business. It is targeted to start cylinder filling and sales operations in the last quarter of this year



Bangladesh



United-Aygaz Chittagong Facility Land



21 Parcel Delivery- Sendeo Dağıtım Hizmetleri A.Ş.

(previous title: Aygaz Aykargo Dağıtım Hizmetleri A.Ş.)



- On September 2, 2021, the title of Aykargo was changed to Sendeo Dağıtım Hizmetleri A.Ş. ("Sendeo"), and its capital has been increased to 143.5 million TL.
- Following Istanbul operations started in early May, business roll out have been completed in 16 cities as of September 2021.
- In the first quarter of 2022, expansion to 81 cities is aimed to be completed.
- Official website of the Company (www.sendeo.com.tr) has been launched and the call center started to serve for 7/24. Total number of employees including office and field reached 400.
- Sendeo primarily targets B2C segment customers. Renting of five distribution centers and six delivery depots are completed.



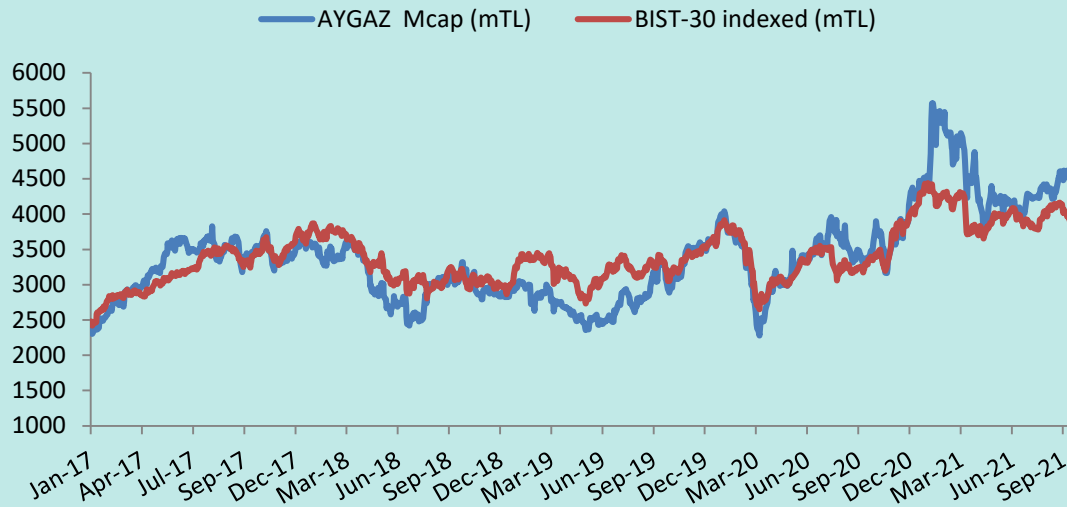
Income Statement – Summary

Million TL	Q3 21	Q2 21	Change	Q3 21	Q3 20	Change
Revenues	4,768	2,521	89%	4,768	3,045	57%
Gross Profit	433	226	92%	433	337	28%
Operating Profit	193	68	181%	193	172	12%
Profit Before Tax	298	217	37%	298	116	156%
Net Profit	321	196	64%	321	83	289%
EBITDA	240	113	113%	240	210	14%
MARGINS						
Gross Profit M.	9%	9%	-	9%	11%	-2
Operating Profit M.	4%	3%	+1	4%	6%	-2
Profit Before Tax M.	6%	9%	-3	6%	4%	+2
Net Profit M.	7%	8%	-1	7%	3%	+4
EBITDA M.	5%	4%	+1	5%	7%	-2

Balance Sheet- Summary

Million TL	9M 21	12M 20
Cash & Cash Eq.	1,308	961
Trade Receivables	763	671
Inventories	875	400
Prop.Plant&Equipment	728	696
Participations	2,171	1,847
Total Assets	6,881	5,395
Financial Debt	1,898	1,564
Trade Payables	1,559	824
Total Equity	2,617	2,317
Total Liabilities & Equity	6,881	5,395
Net Cash (Debt)	-589	-604
Working Capital	80	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 5% since the 2020 year end and is 4.6 billion TL as of 30.09.2021.
- In the same period BIST 30 and BIST 100 are down by 8% and 5% respectively.



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