

The background of the slide is a photograph of an industrial facility, likely a refinery or gas processing plant, during sunset. The sky is a mix of orange, red, and purple. In the foreground, there are several large white storage tanks with the AYGAZ logo on them. The facility in the background is lit up with various lights, and there are power lines and towers visible against the horizon.

# Q2. 2022 Earnings Release

August 15, 2022

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## LPG Market & Business

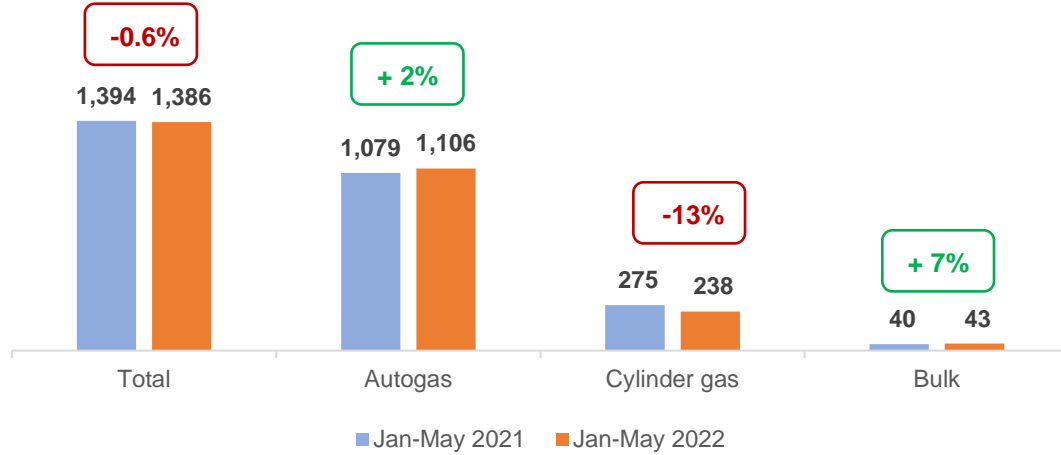
- According to Energy Market Regulatory Authority (EMRA) LPG sector May report; while Turkish autogas market grew by 2% YoY, cylinder gas demand contracted by 13% in the first five months of 2022. Accordingly, total LPG demand decreased by 0.6% YoY. Aygaz sustained its market leader position during this period.
- While Q2 Aygaz cylinder sales were suppressed by increasing end-prices and economic conditions, Q2 autogas sales are up by 12% YoY due to the growing economic advantage of autogas to gasoline and the low base effect caused by the lockdown limitations that were in effect until the end of June last year.
- Our new investment in Bangladesh, United LPG Ltd. has started cylinder gas sales as of August as the two LPG spheres constructed in Chittagong Terminal became operational and the commercial license was granted.
- After completion of expansion to 81 cities in February, Sendeo has delivered a maximum of 45,000+ daily packages in June.



## Financial

- Q2 profitability impacted from narrowing cylinder gas volumes in line with the contracting market, inventory losses caused by Sonatrach (SP) LPG price decline, as well as higher interest and exchange rate difference expenses.
- Q2 net profit (excluding non controlling interest) is realized as 1.094 million TL on the back of the high contribution (1.081 million TL) coming from EYAŞ that is accounted under equity method.

## Turkish LPG Market ('000 ton)



### According to EMRA LPG sector May report;

Aygaz's

- cylinder gas market share is 41.3% up by 0.2 points YoY.
- autogas market share is 22.1% up by 0.7 points YoY.
- total LPG market share is 25.8% at previous year's levels.

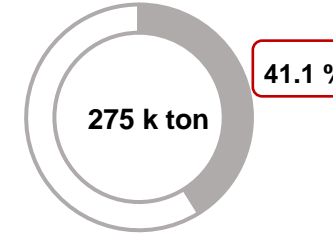
**Aygaz sustained its leader position in all segments.**

## Aygaz Market Shares

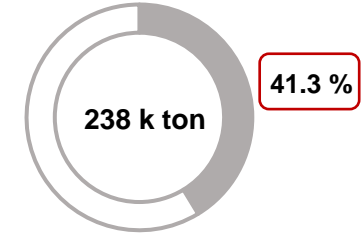
### Cylinder



May'21



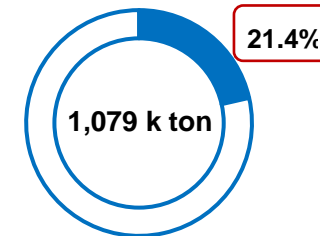
May'22



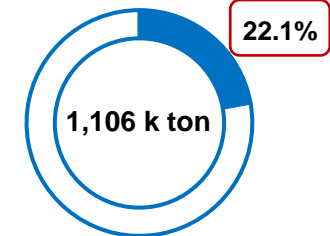
### Autogas



May'21



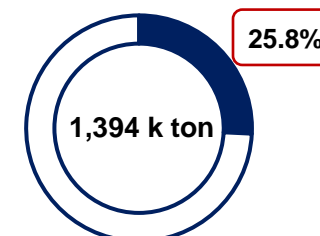
May'22



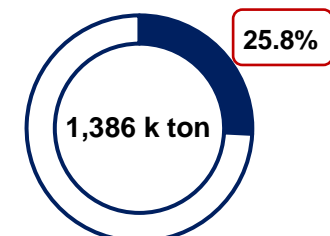
### Total



May'21



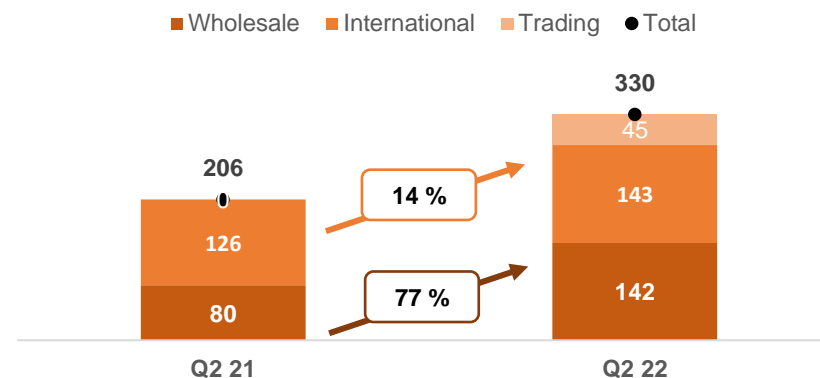
May'22



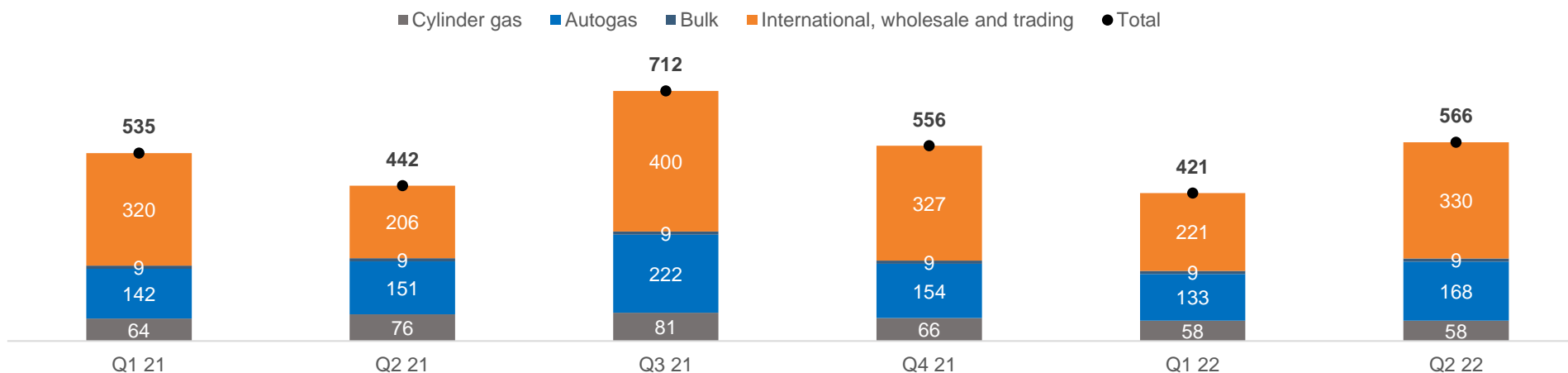
# Operations – Quarterly

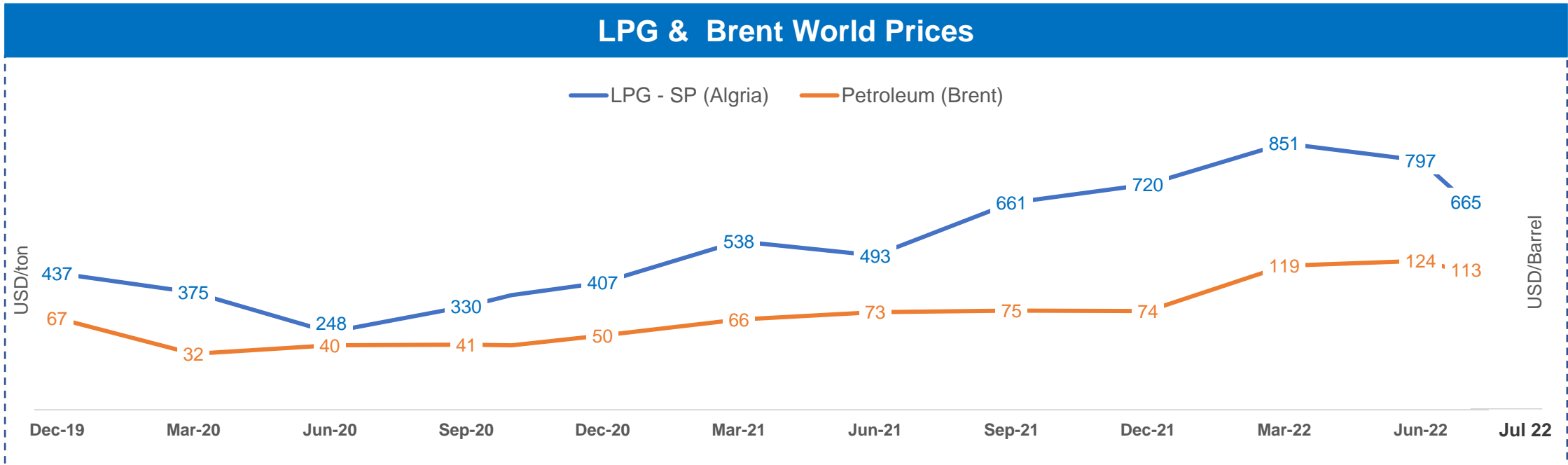
	2Q 2022 (‘000 ton)	Compared to 2Q 2021	6M 2022 (‘000 ton)	Compared to 6M 2021
<b>Domestic LPG Sales</b>	236	No change	436	-3% ↘
<b>Wholesale, International and Trading LPG Sales</b>	330	+60% ↗	551	+5% ↗
<b>Total LPG Sales</b>	566	+28% ↗	987	+1% ↗

## Wholesale, International and Trading Sales (‘000 ton)



## Aygaz LPG Sales Quarterly (‘000 ton)





- June 2022 Sonatrach (SP) based LPG price is at 797 USD/ton and up by 62% compared to June 2021 while it is 6% lower than March 2022 level.
- Average LPG price for Q2 2022 is 837 USD/ton and is 72% higher than the figure of Q2 2021 average price.
- July SP price is down by 17% on monthly basis and it is at 665 USD/ton.
  - While LPG prices in USA, North Europe and Arabian Gulf (CP) contracted on a limited basis, SP which is the price index for Turkey and the Mediterranean basin contracted by 132 USD/ton, separating SP price index from the market sharply.

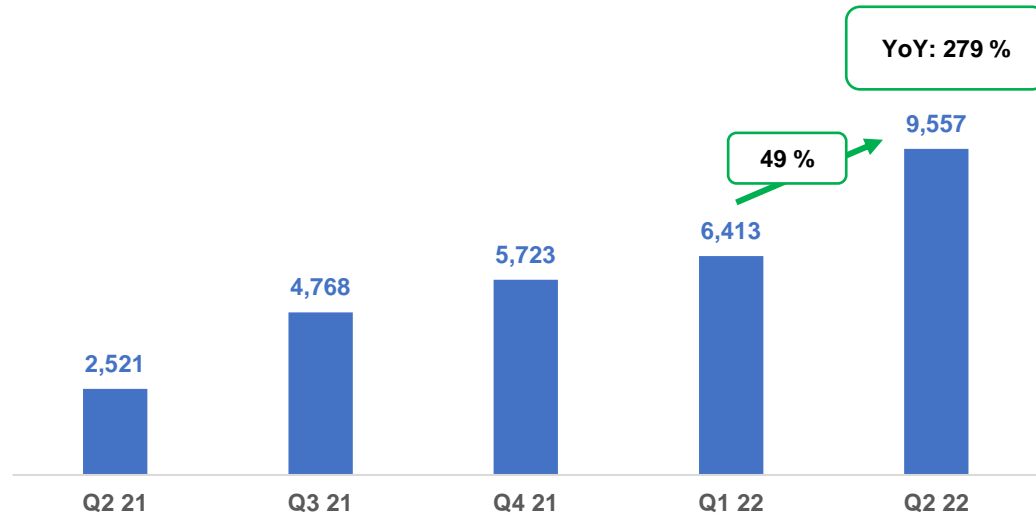
# Quarterly Financials – Q2 2022



Financials (M TL)	Q2 2022	Quarterly / YoY	6M 2022	6M / YoY
Revenue	9,557	279 %	15,970	196 %
Gross Profit	442	96 %	908	83 %
Operating Profit	(63)	-213 %	(44)	-131 %
EBITDA (excl. other op. inc/exp)	60	-18 %	243	17 %
Net Profit (excl. non cont. interests)	1,094	459%	1,295	602%

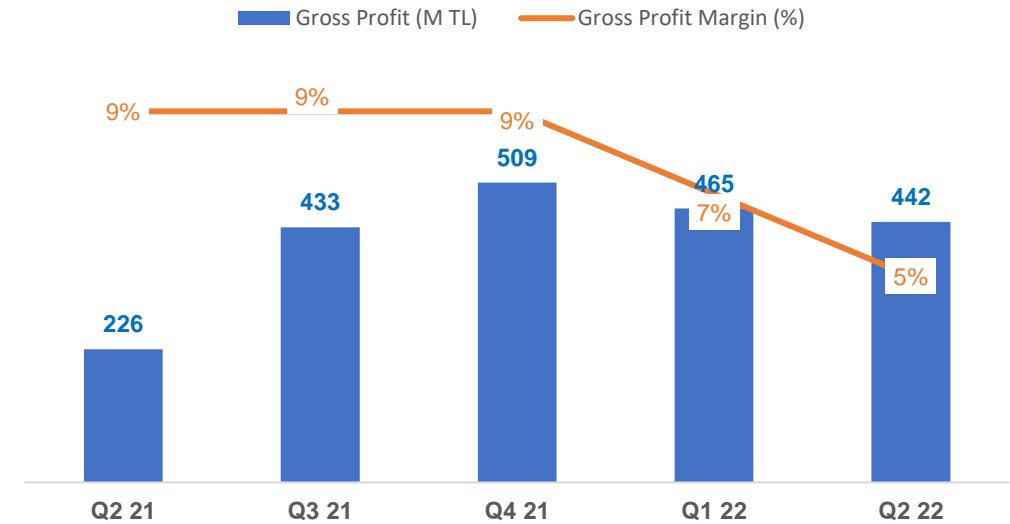
- Despite the increase in Company's gross profit YoY, higher operating expenses and FX losses that are classified under other income/(expenses) led to deterioration at operating profit level.
- Quarterly operating expenses are up by 126% YoY mainly due to increase in transportation and personnel costs as well as expenses from our new investments.
- Contributions (+1.2 billion TL) from EYAŞ and Entek, that are accounted under equity method, compensated for the negative effects of contracting operating profit and increasing net financing expenses. Consequently, net profit was realized as 1.1 billion TL.

## Net Sales (M TL)



- Net sales is realized as 9.6 billion TL and it is higher both on YoY and QoQ on the back of higher exchange rates and higher sales tonnage led by enhanced LPG trade volumes.

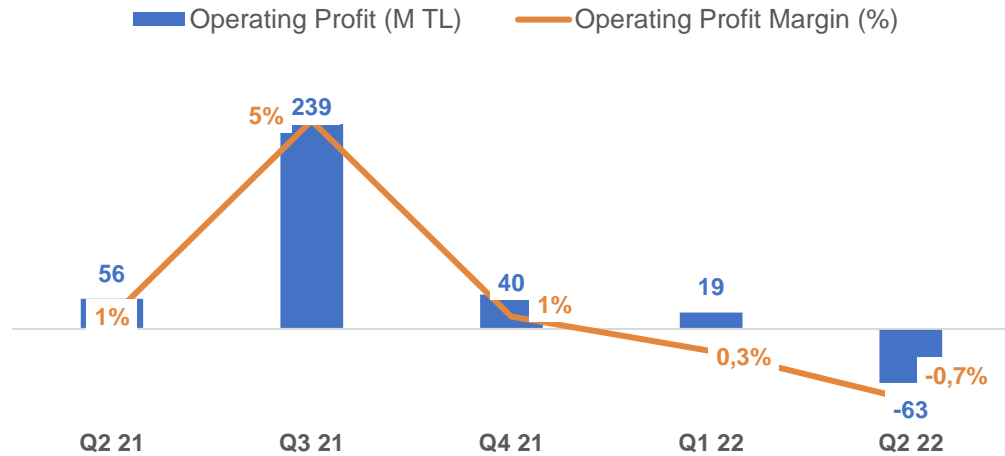
## Gross Profit & Gross Profit Margin



- Gross profit is up by 96% YoY performing a growth above the inflation even with the narrowing cylinder gas sales and the inventory loss caused by falling LPG prices.

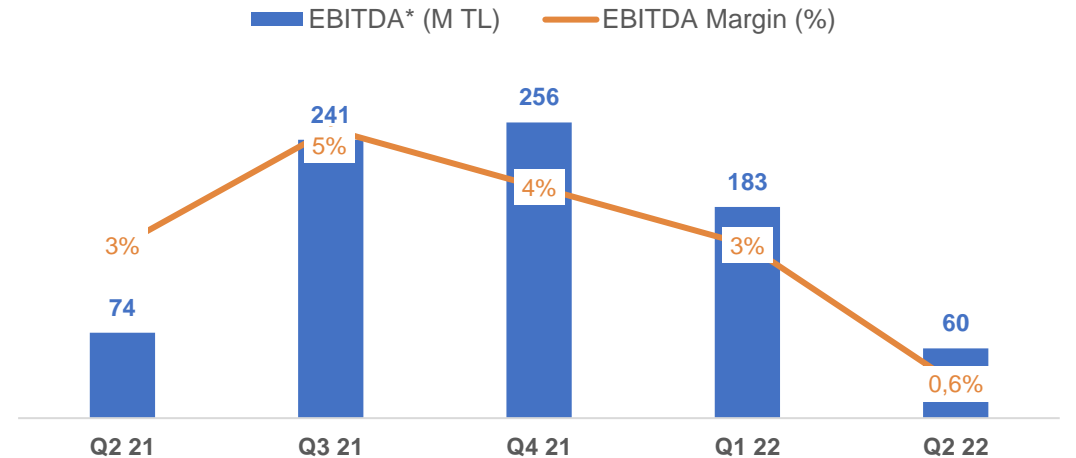


## Operating Profit & Operating Profit Margin



- With the impact of increasing operating expenses and FX losses that are classified under other income/(expenses), an operating loss of 63 million TL was realized in Q2.
- Operating expenses are higher due to increase in transportation and personnel costs, as well as expenses from our new investments.

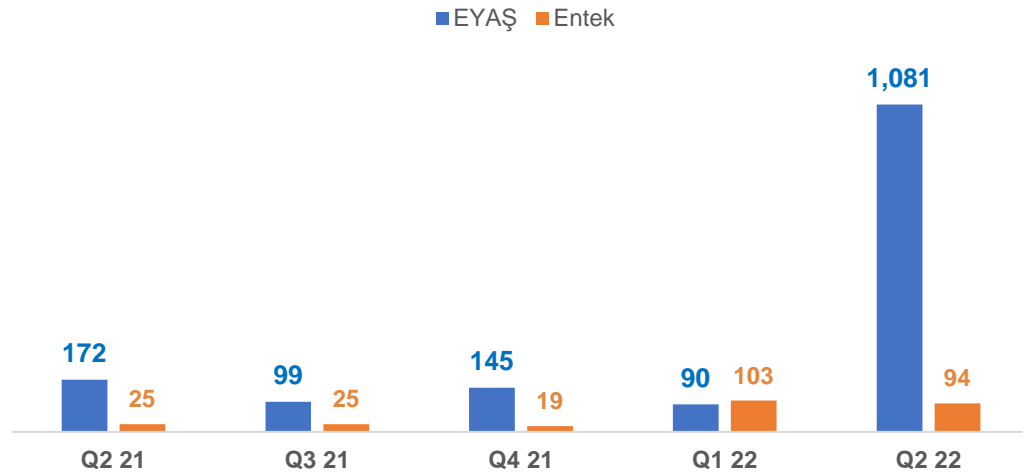
## EBITDA & EBITDA Margin



*\*excl. other inc/exp from operations*

- EBITDA is calculated as 60 million TL after eliminating the effects of other income/(expense) from operations and amortization from operating profit.
- After adjusting Sendeo's initial ramp-up period operating losses (-110 million TL) and inventory loss (-190 million TL) incurred in Q2 due to SP price decrease, Q2 EBITDA rises to 360 million TL.

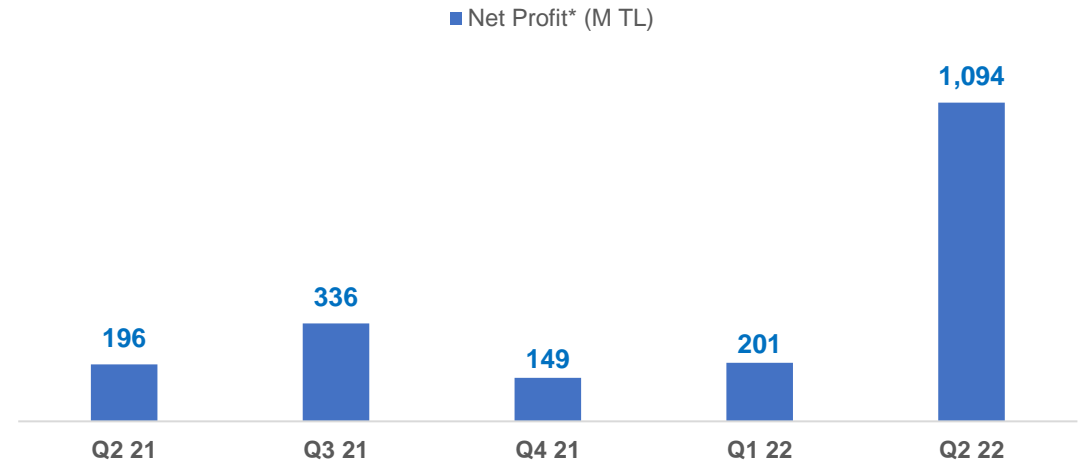
## Contribution from EYAŞ\* and Entek\*\*



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

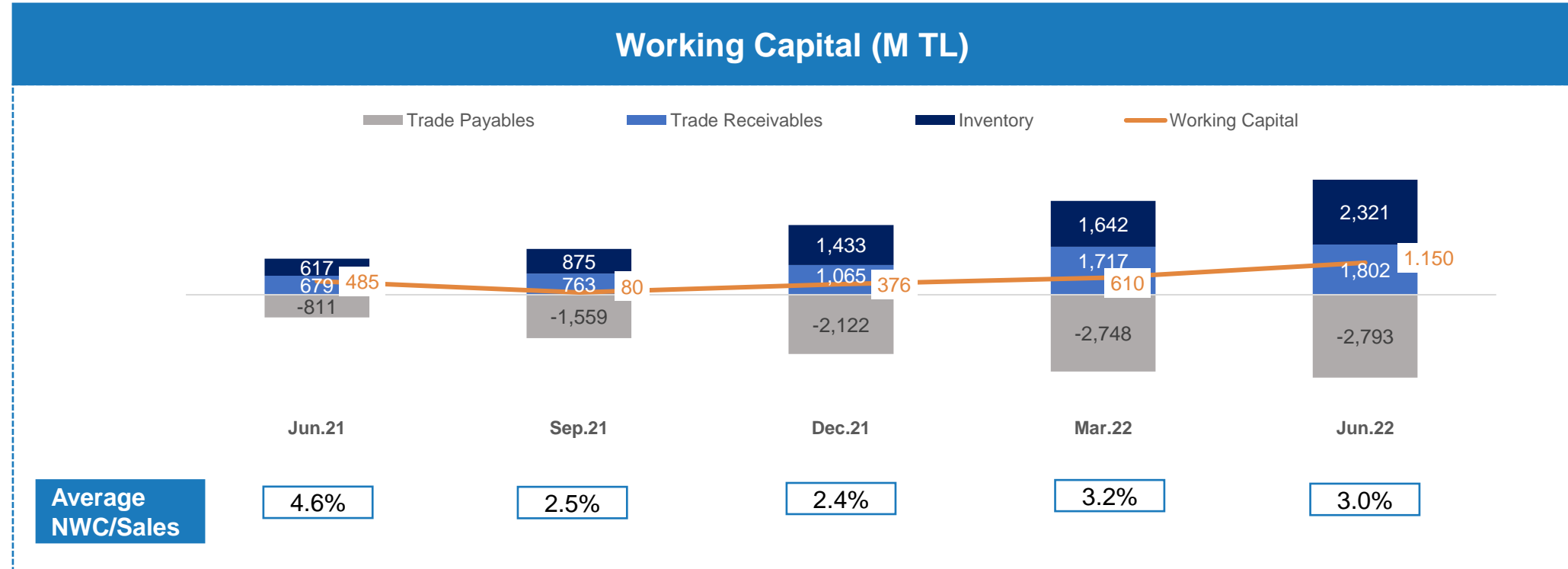
- Total contribution from EYAŞ and Entek, accounted under equity method, is realized as 1,175 million TL in Q2.

## Net Profit & Net Profit Margin

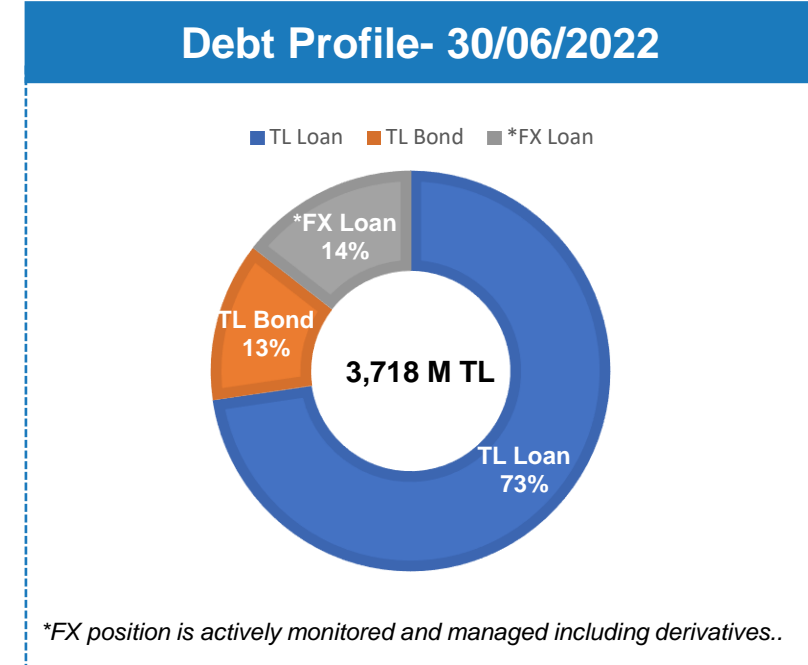
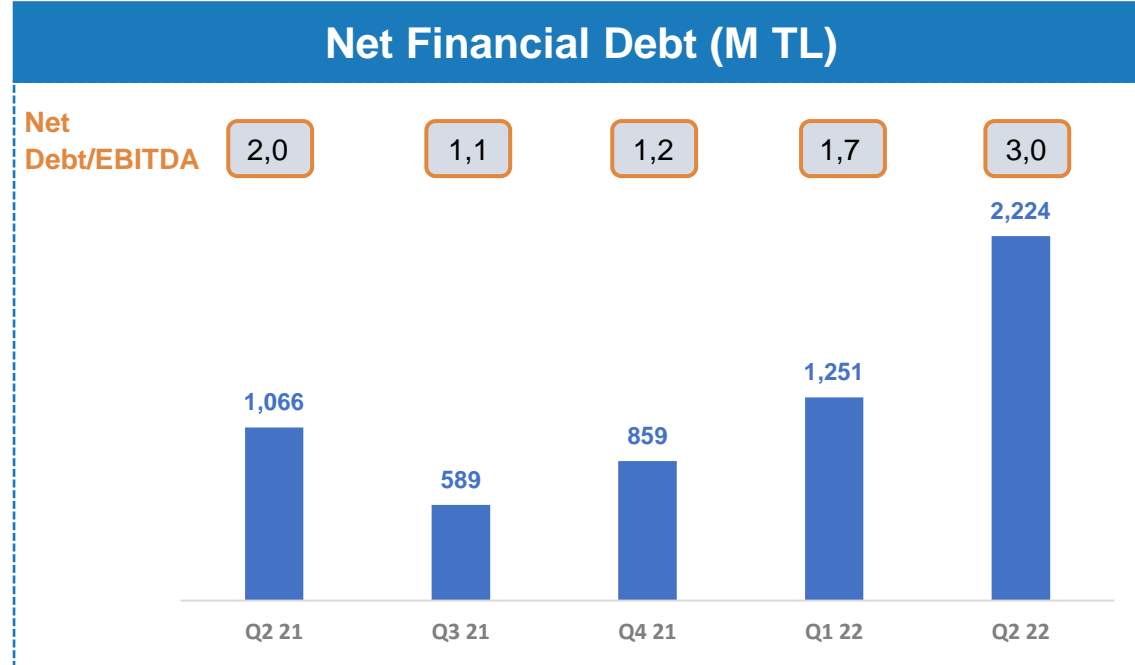


\*Parent company's share

- Net profit is equal to 1,094 million TL with the high contribution from EYAŞ.



- Compared to March end, trade receivables, trade payables and inventory are up by 5%, 8% and 41% respectively.
- As of June end, the inventories comprise of 177 thousand tons of LPG including in-transit inventory. (March end: 103 thousand tons)
- NWC/Sales ratio, calculated from average net working capital amounts, are in line with previous quarters.



- Net debt amount has risen by 973 million TL compared to March end, as a result of the rising working capital needs and the capital injections made to our new investments including Sendeo and United LPG Ltd..
- Ratio of long-term loans in total loans are 48%.
- 14% of the total debt is foreign currency denominated.

# Forward Looking Statements for 2022



## Sales Volume



Cylinder: 250 - 260 k tons \*



Autogas: 670 - 700 k tons \*\*



## Market Share



Cylinder: 41.0% - 43.0%



Autogas: 21.5% - 22.5%

\* previously 280-290 k tons

\*\* previously 690-720 k tons

(\*), (\*\*) Our cylinder gas and autogas sales volumes have been revised due to the impact of end-price increases on demand.

# Bangladesh Investment: United AYGaz



In line with the investment plan, company's capital has reached to **37 million USD** (3.26 billion BDT) with an increase of approx. 12 million USD as of July 3, 2022.



Bangladesh LPG market, which grew by **28%** and reached **1.2 million tons** in 2020, is the fastest growing LPG market in the world with an **average annual growth rate of 52%** in the last 5 years.



After the **commercial license** issued by Bangladesh Energy Regulatory Commission (BERC), the company has **started cylinder gas sales** as of August.



Two LPG sphere tanks with a total **capacity of 6,000 tons** became operational and are **ready for LPG supply** from a vessel.



**37 M USD**  
capital



**Total 57**  
employees



Contracts with **40 dealers** are signed currently and it is aimed to **reach 60 dealers** as of year-end.



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.



After starting operations in 15 additional provinces to Istanbul in September 2021, **expansion in all 81 provinces** was completed in February 2022.



The number of **distribution points**, which was 82 at the end of 2021, reached **441** in June. **1.200 PUDO points** are active as of June.



**423.5 M TL**  
capital



**Total 1,097**  
employees with  
896 in the field



**%94 on-time**  
delivery in June



**Total 1,887**  
customers'  
packages  
delivered



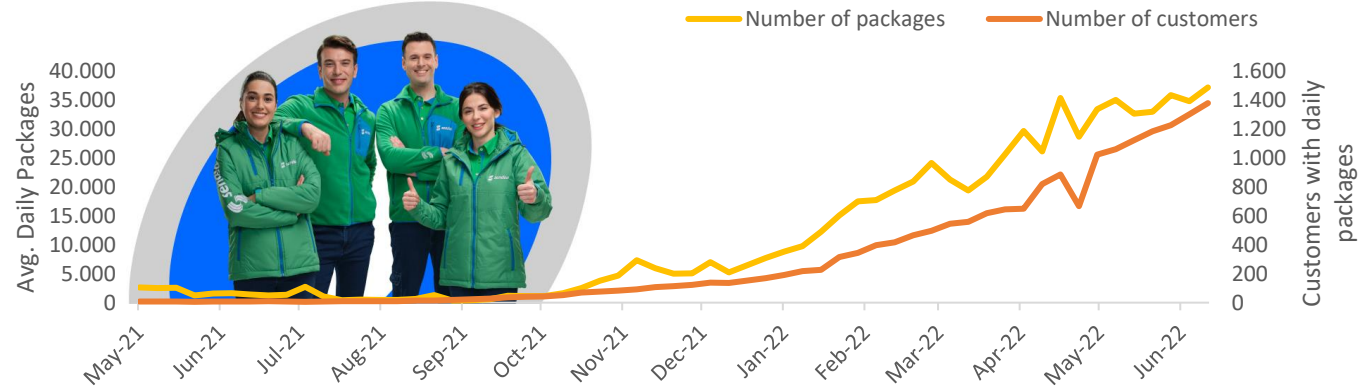
**45,000+** maximum daily package delivery is reached in June.

In 2022, the total number of delivered **packages reached to 3.2 million.**



**Commercials** were released on **digital channels** to announce the launch of operations for 81 provinces in April.

## Number of Package Development



# Income Statement Summary



Income Statement (M TL)			Y/Y					Y/Y
	Q2'22	Q2'21	(%)***	Q1'22	Q/Q (%)***	6M'22	6M'21	(%)***
Revenue	9.557	2.521	279	6.413	49	15.969	5.402	196
Gross Profit	442	226	96	465	(5)	908	497	83
Gross Profit Margin	5%	9%	(4)	7%	(2)	6%	9%	(4)
Operating Profit	(63)	56	(213)	19	(428)	(44)	139	(131)
Operating Profit Margin	-1%	2%	(3)	0,3%	(1)	-0,3%	3%	(3)
Profit Before Tax	1.011	217	366	215	370	1.226	224	448
PBT Margin	11%	9%	2	3%	8	8%	4%	4
Net Profit*	1.094	196	458	201	444	1.295	184	602
Net Profit Margin	11%	8%	4	3%	8	8%	3%	4,7
EBITDA**	60	74	(18)	183	(67)	243	208	17
EBITDA Margin	1%	3%	(2)	3%	(2)	2%	4%	(2)
Inventory Gains/Losses	-190	-25	660	26	(831)	-164	41	(500)

\*Parent company's share

\*\*Except other income and expenses

\*\*\* Y/Y and Q/Q changes in margins are in points basis.

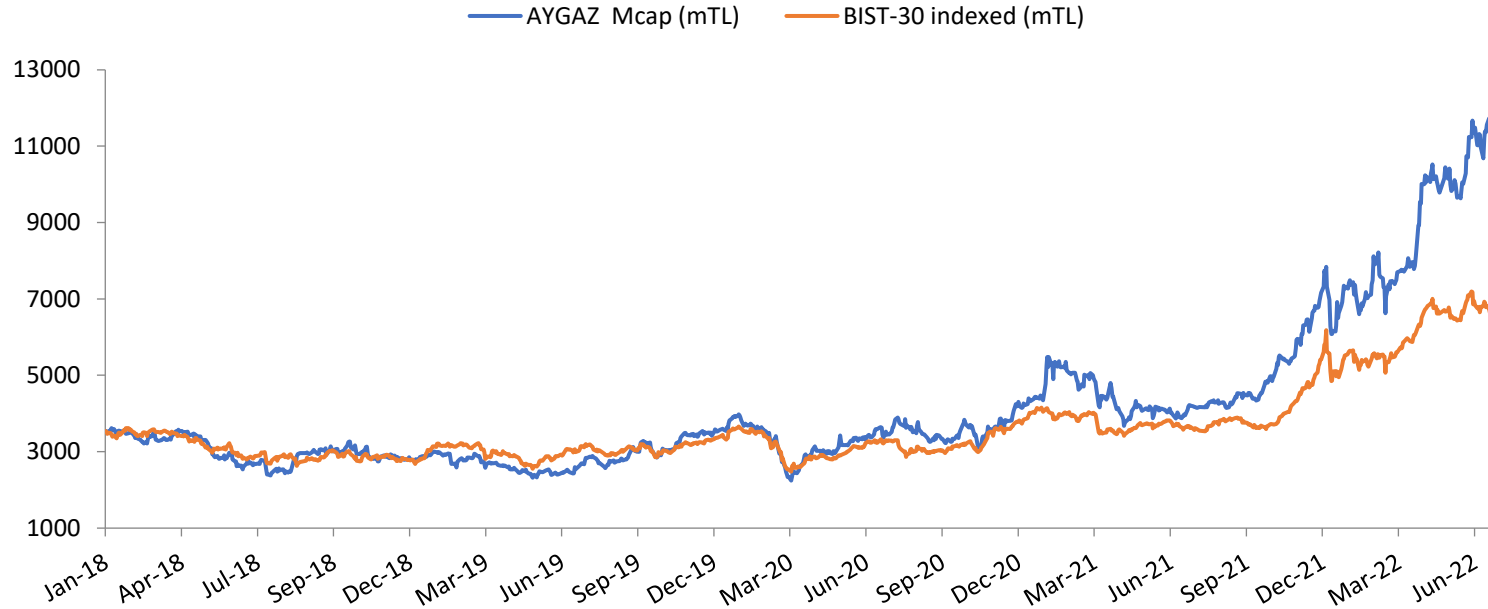


# Balance Sheet Summary



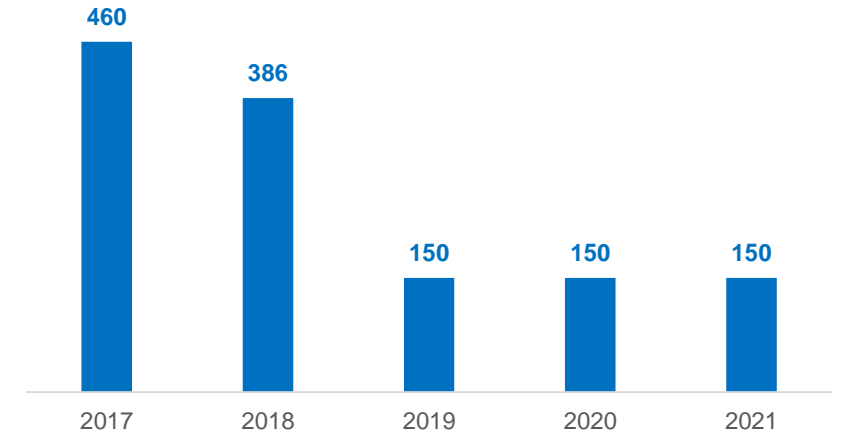
Balance Sheet (M TL)	6M'22	12 M'21	Diff.	Diff. %
Cash & Cash Eq.	1.475	1.693	(219)	(13)
Trade Receivables	1.802	1.065	737	69
Inventories	2.321	1.433	888	62
Prop. Plant & Equip.	828	772	56	7
Participations	3.625	2.161	1.464	68
<b>Total Assets</b>	<b>5.403</b>	<b>3.696</b>	<b>1.707</b>	<b>46</b>
Financial Debt	3.718	2.552	1.166	46
Trade Payables	2.973	2.122	851	40
Total Equity	3.912	2.719	1.193	44
<b>Total Liabilities &amp; Equity</b>	<b>5.403</b>	<b>3.696</b>	<b>1.707</b>	<b>46</b>
Net Cash (Debt)	(2.244)	(859)	(1.385)	161
Net Workin Capital	1.150	376	774	206

## Aygaz Market Cap



- Aygaz market value is up by 69% since the 2021-year end and is 11.4 billion TL (637 million USD) as of June 30,2022.
- In the same period BIST 30 and BIST 100 are both up by 29%.

## Dividend (M TL)



BIST Code: **AYGAZ**

Bloomberg Code: **AYGAZ.TI**

Reuters Code: **AYGAZ.IS**

IPO Date: **13.01.1998**

Free float rate: **24.3 %**


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