

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 and numbers like 201 and 203. The facility is lit up with various lights, and there are power lines and towers in the distance.

# Q4. 2022 Earnings Release Report

February 8, 2023

- 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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## LPG Market & Business

- According to Energy Market Regulatory Authority (EMRA) LPG sector November report; Turkish cylinder gas and autogas markets contracted by 13% and 3% respectively in the first 11 months of the year mainly due to increasing product prices and weaker purchasing power. While Aygaz cylinder gas sales stayed in line with the market, **Aygaz autogas sales grew by 2%** thanks to its strong dealer network. Aygaz sustained its **market leader position** with market share gains in all segments.
- **In Q4, Aygaz autogas sales** volume is **up by 19%** YoY due to base effect and significant increase in **economic advantage of LPG**. Additionally, thanks to the cost advantage of LPG to natural gas that started as of October and still prevailing, **Aygaz bulk gas sales** volumes **increased by 209%** with the supplies made to industrial consumers.
- In 2022, Aygaz **domestic retail sales** volume is above **1 million tons** which is an important threshold in creating economies of scale. After adding wholesale and international sales, Aygaz **total LPG sales** volume is **2.4 million tons and is up by 5% YoY**.



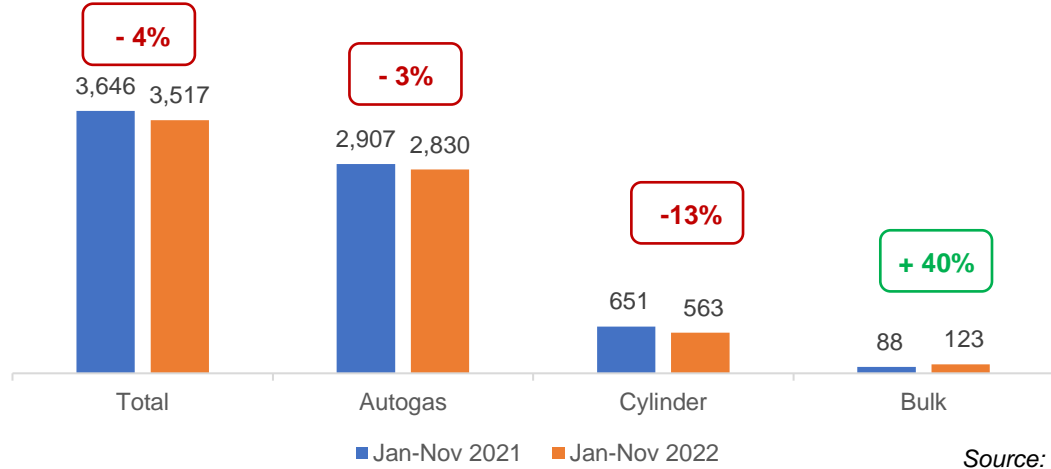
## Financial

- We are starting to present our earnings release on a **segmental basis as of Q4 2022**;
  - The positive impact of the increase in distribution margins continued to be seen in the **LPG and natural gas business line**, which is our main field of activity.
  - In the **cargo handling and distribution business line**, Sendeo's operating loss for the initial roll out and ramp up period was TL 197 million in the fourth quarter.
  - Fourth quarter **consolidated net profit** (parent) figure amounted to **1,901** million TL, on the back of contribution from EYAŞ that is accounted under equity method.

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# LPG and Natural Gas Segment

## Turkish LPG Market ('000 ton)



Source: EMRA

According to EMRA LPG sector November report;

Aygaz's

- cylinder gas market share is 41.5% up by 0.3 points YoY.
- autogas market share is 22.6% up by 1.1 points YoY.
- total LPG market share is 26.0% up by 0.6 points YoY.

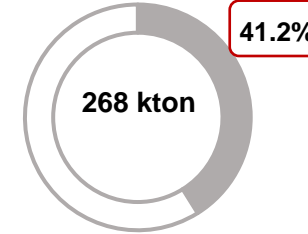
**Aygaz sustained its leader position in all segments.**

## Aygaz Market Shares

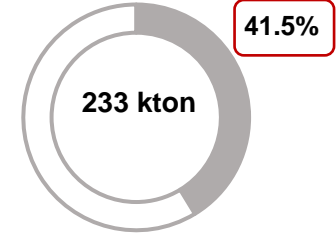
Cylinder



November'21



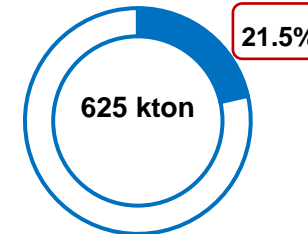
November'22



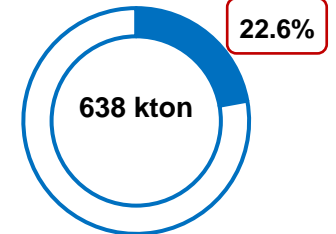
Autogas



November'21



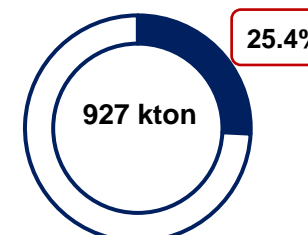
November'22



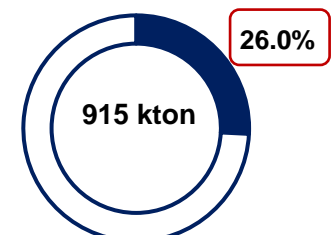
Total



November'21



November'22

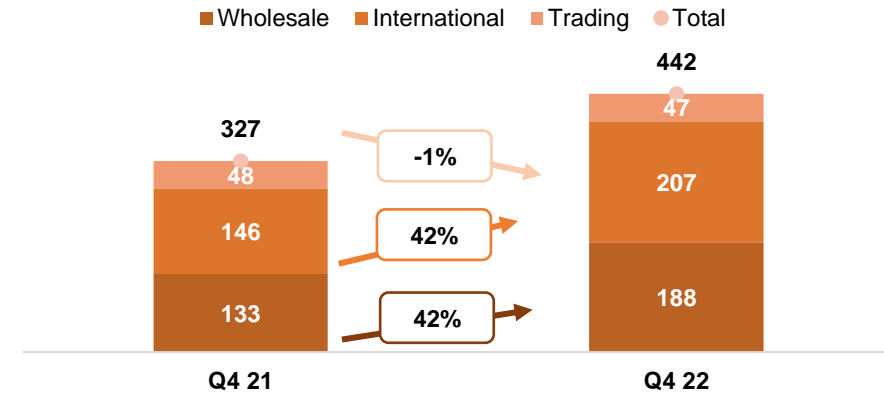


Source: EMRA

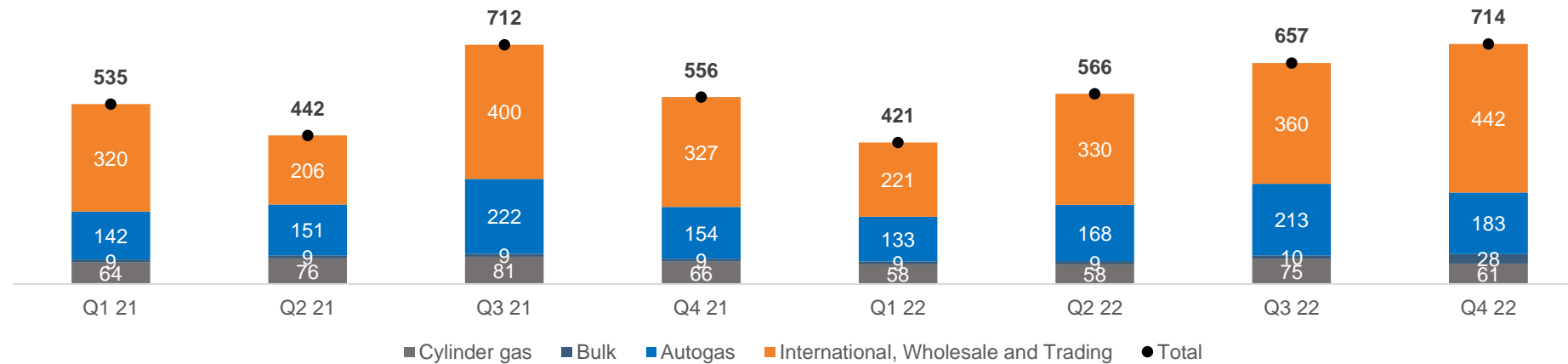
# Operational indicators – Q4 and 12M 2022

	4Q 2022 (‘000 ton)	Compared to 4Q 2021	12M 2022 (‘000 ton)	Compared to 12M 2021
Domestic LPG Sales	272	19%	1,005	1%
Wholesale, International and Trading LPG Sales	442	36%	1,353	8%
Total LPG Sales	714	29%	2,358	5%

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



## Aygaz LPG Sales Quarterly (‘000 ton)



# Bangladesh Investment: United AYGaz



49 M USD  
capital

**Cumulative Capital Contribution:** 49 million USD\*  
**Aygaz Share:** ~24.5 million USD



Total 122  
employees



Bangladesh LPG market, which grew by **13% in 2021 and reached 1.4 million tons**, is one of the fastest growing LPG markets in the world with an **average annual growth rate of 32% in the last 6 years.**



In addition to the 2 LPG sphere tanks with a capacity of 6,000 tons, the installation process of 2 new sphere tanks with a capacity of 5,000 tons continues in **Chittagong**. The permit process for the **Dhaka** facility, which we aim to make operational in 2023, continues.



After the **sales operations that started as of August 2022**, a sales volume of approximately **8,000 tons** (126 million TL turnover) was reached as of the end of the year.

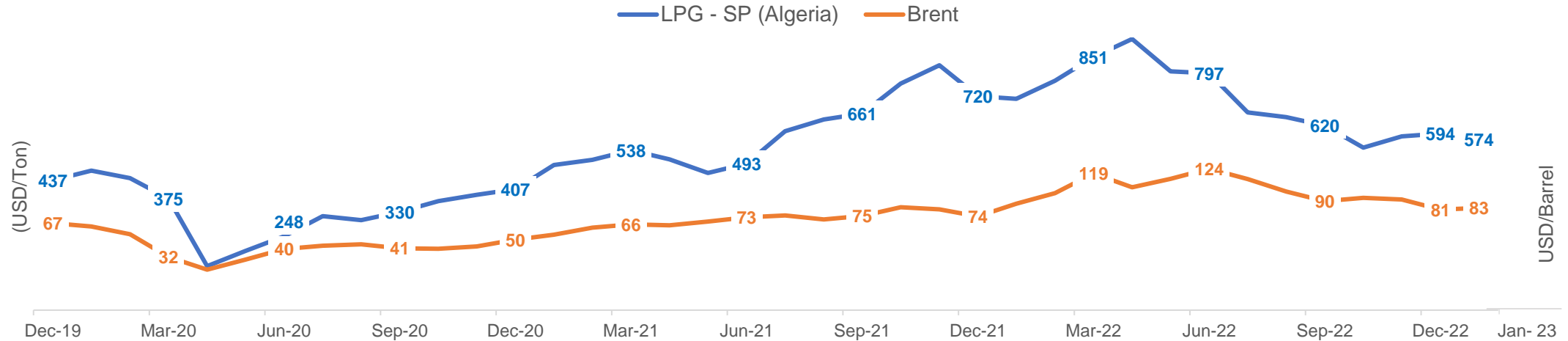


As of the end of the year, physical work is carried out with **60 dealers** and it is aimed to exceed **100 dealers** in the first quarter of 2023.



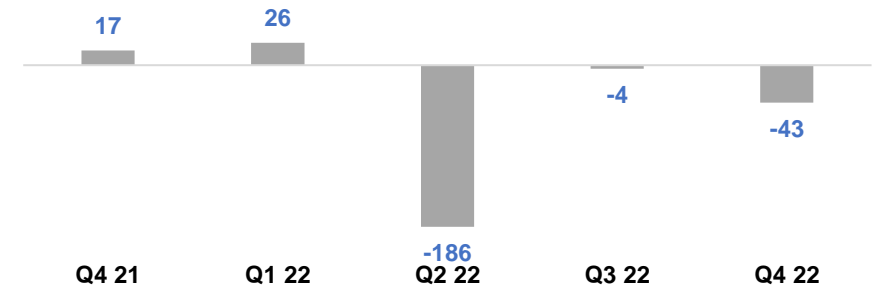
\* Includes the capital increase of approximately 12 m USD announced on Public Disclosure Platform on 06.02.2023. The related payment is planned to be completed by 31.03.2023.

## LPG & Brent World Prices



- December 2022 Sonatrach (SP) LPG price is at 594 USD/ton and down by 17% compared to December 2021 while it is 4% lower than September 2022 level. The average LPG price in Q4 2022 is 575 USD/ton, 11% behind the previous quarter.
- While the SP price is realized as 574 USD/ton with a 3% decrease on a monthly basis in January, it diverged from the crude oil price and became 664 USD/ton with an increase of 90 USD in February. In the first quarter of 2023, it is anticipated that the increasing heating demand, product access limitations and the use of LPG as a substitute for natural gas will have an increasing effect on the SP price.
- Net inventory loss (after hedge transactions) incurred from SP price impact is 207 million TL for Jan-Dec period 2022. (Jan-Dec 2021: +110 million TL)

## Inventory Impact of SP (M TL)





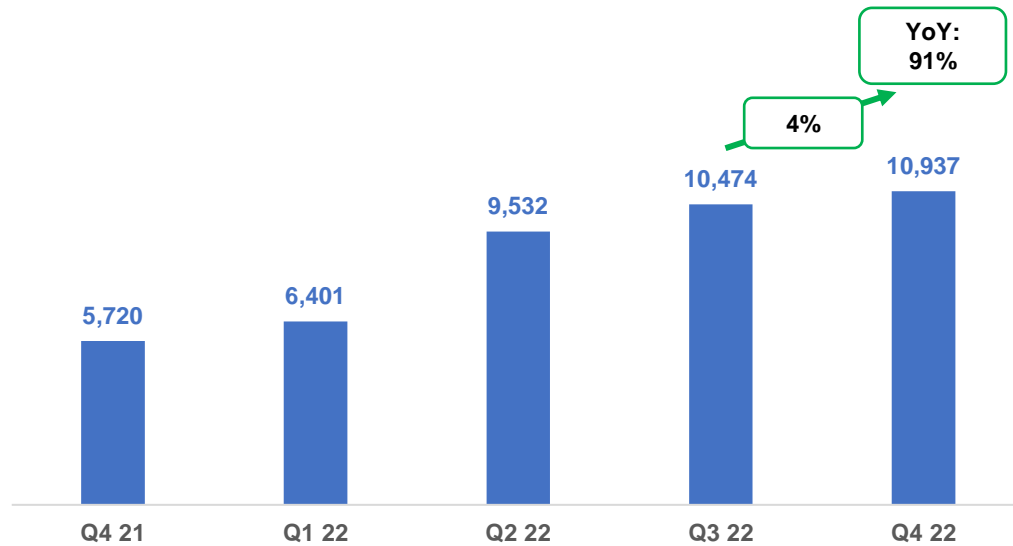
# LPG & Natural Gas Financials – Q4 and 12M 2022



Financials (M TL)	Q4 2022	Quarterly / YoY	12M 2022	12M / YoY
Revenue	10,937	91%	37,344	135%
Gross Profit	737	41%	2,503	71%
Operating Profit	271	77%	815	58%
EBITDA (excl. other op. inc/exp)	218	-31%	995	25%
Net Profit	216	1000%	456	51%

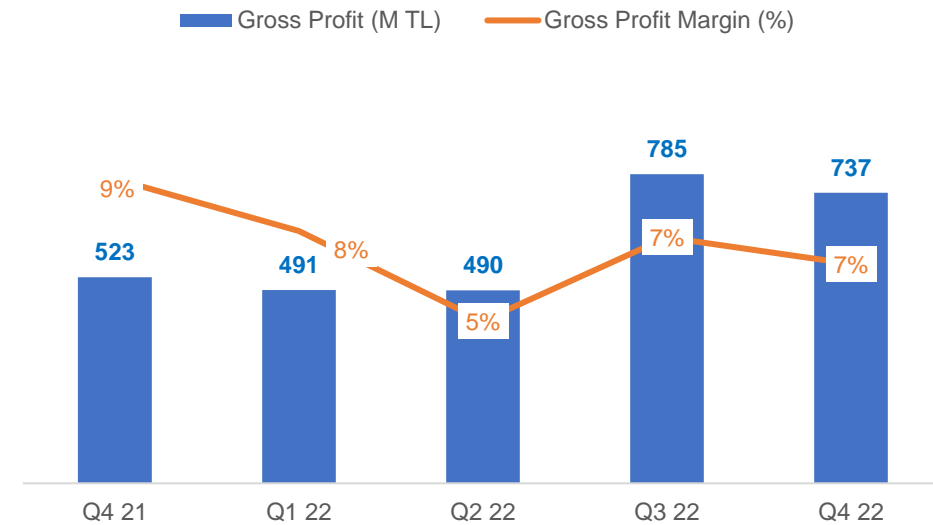
- In Q4 2022, higher sales volume (29% YoY) and increase in average exchange rate (67% YoY) led to stronger sales revenue, while gross profit increased by 41% with improvements in distribution margins.
- The negative impacts of SP inventory impact, higher expenses due to inflation/fuel and increase in financing expenses on the profitability were significantly offset by margin increases and increasing profitability of natural gas business. As a result, an EBITDA of 995 million TL was generated in 2022.
- Within the scope of the contract of Aygaz Doğalgaz, the provision for the price revision process was revised as 19 million USD (31 December 2021: 34 million USD) in the best estimates of the Company management and 272 million TL of provision reversal is classified under other income from operations.

## Net Sales (M TL)



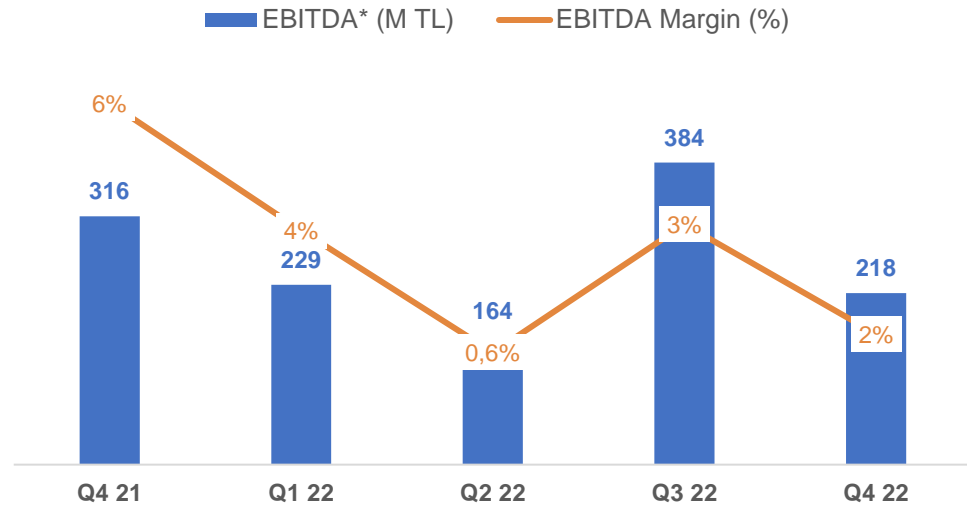
- Q4 net sales reached 11 billion TL, almost double the level of the same period of the previous year, on the back of increasing volume and price.

## Gross Profit & Gross Profit Margin



- Gross profit is up by 41% YoY with the improvement of distribution margins and the increasing contribution of Aygaz Doğalgaz, despite the negative inventory impact.
- Gross profit margin is around 7%.

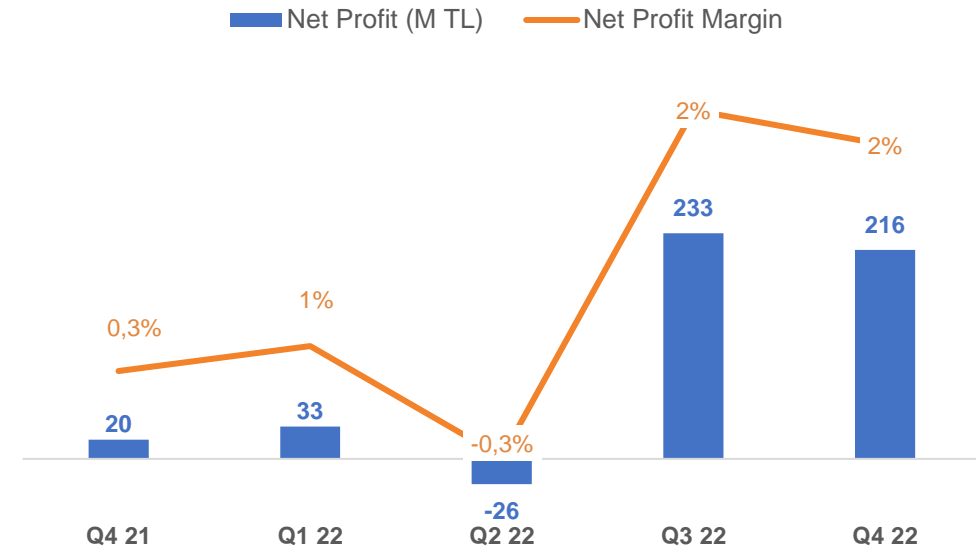
## EBITDA & EBITDA Margin



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

- Q4 EBITDA decreased YoY, due to the inventory impact, lower cylinder gas sales volume and higher operating expenses.

## Net Profit & Net Profit Margin



- Q4 net profit is higher YoY, on the back of the reduction of the provision (classified under other income from operations) for the price revision arbitration process of Aygaz Doğalgaz and the positive effect of the deferred tax (due to the revaluation of fixed assets on statutory financials).

The background image shows an industrial facility, likely a refinery or gas processing plant, at sunset. The sky is a mix of orange, red, and purple. In the foreground, there are several large white storage tanks. One tank on the left has the AYGAZ logo and the number "203" on it. Another tank in the middle has the number "201". The facility is filled with pipes, valves, and structures, with some lights on. In the distance, there are hills and power lines.

# Cargo Handling and Delivery Segment



In line with the investment plan, company's capital is increased to **753.5 million TL** as of December 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 **449** in December. **1.451 PUDO points** are active as of December.



**753.5 M TL** capital contribution



**Total 1,905** employees with 1,589 in the field



**93% on-time** delivery



**Total 4,013** customers' packages delivered

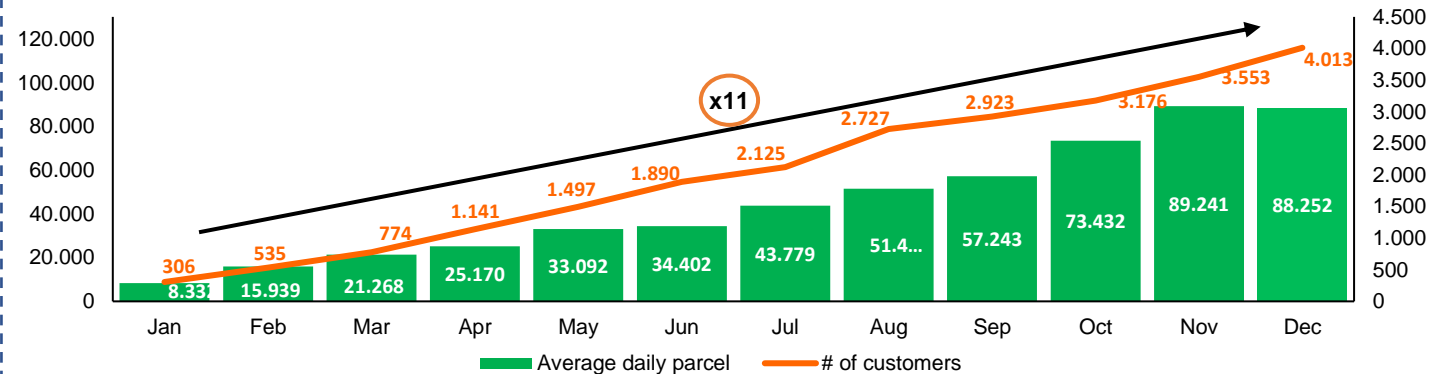


**105,000 maximum** daily package delivery is reached in December. In 2022, the total number of delivered **packages reached to 12 million.**



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

## Number of Package Development



# Cargo Handling and Delivery Financials

## Q4 and 12M 2022



Financials (M TL)	Q4 2022	Quarterly / YoY	12M 2022	12M / YoY
Revenue	79	NM*	163	NM
Gross Profit	-129	NM	-280	NM
Operating Profit	-197	NM	-471	NM
EBITDA (excl. other op. inc/exp)	-193	NM	-458	NM
Net Profit	-116	NM	-376	NM

*\*Not meaningful*

- After starting its Istanbul operations in May 2021, Sendeo, which became operational in 81 provinces in less than a year, continues its growth period.
- EBITDA generated within the scope of initial roll out and ramp up period in 2022 is -458 million TL.

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# Consolidated Financials

# Consolidated Financials – Q4 and 12M 2022

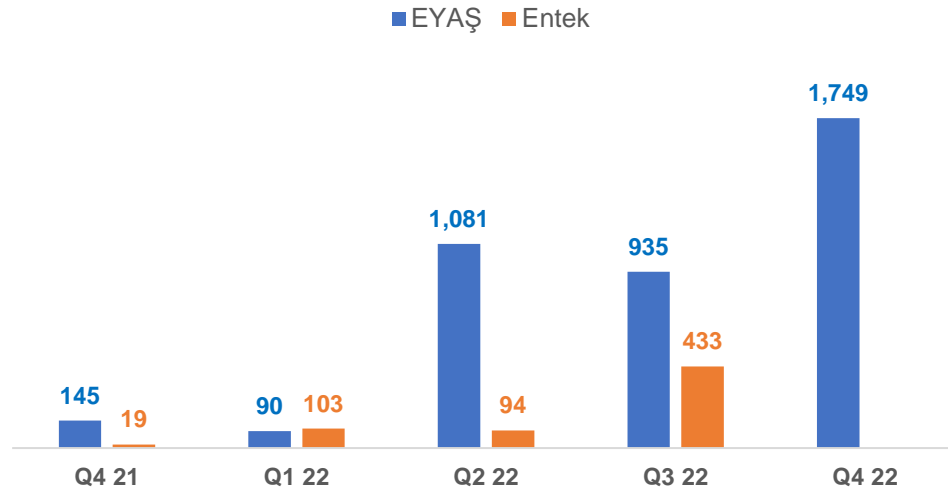


Financials (M TL)	Q4 2022	Quarterly / YoY	12M 2022	12M / YoY
Revenue	11,016	92%	37,507	136%
Gross Profit	609	20%	2,223	55%
Operating Profit	73	-20%	343	-18%
EBITDA (excl. other op. inc/exp)	25	-90 %	537	-24%
Net Profit (parent company's shares)	1,901	1,172%	4,733	606%

- The positive performance of the LPG and natural gas segment compensated for the operating loss effect of Sendeo's initial roll out and ramp up period, resulting in an EBITDA of TL 25 million in Q4.
- Consolidated net profit in Q4 is 1.9 billion TL with the high contribution from EYAŞ.

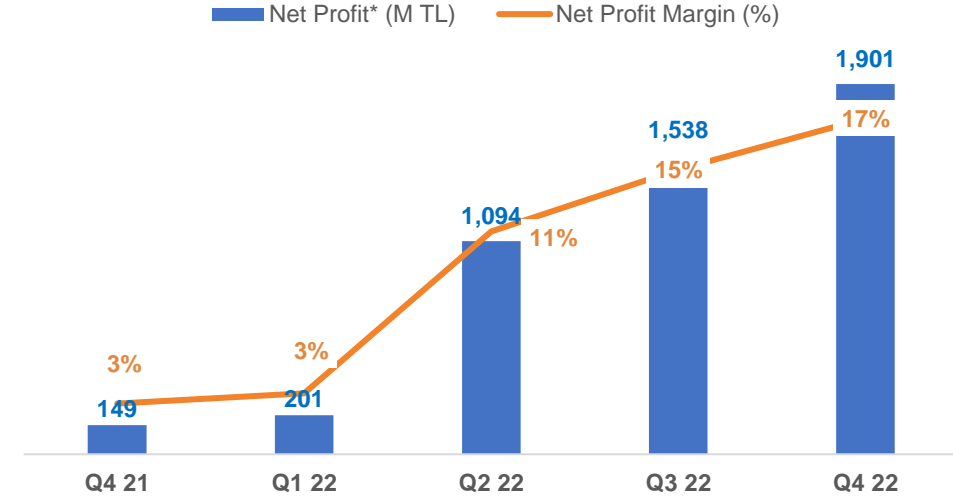


## Contribution from EYAŞ\* and Entek\*\*



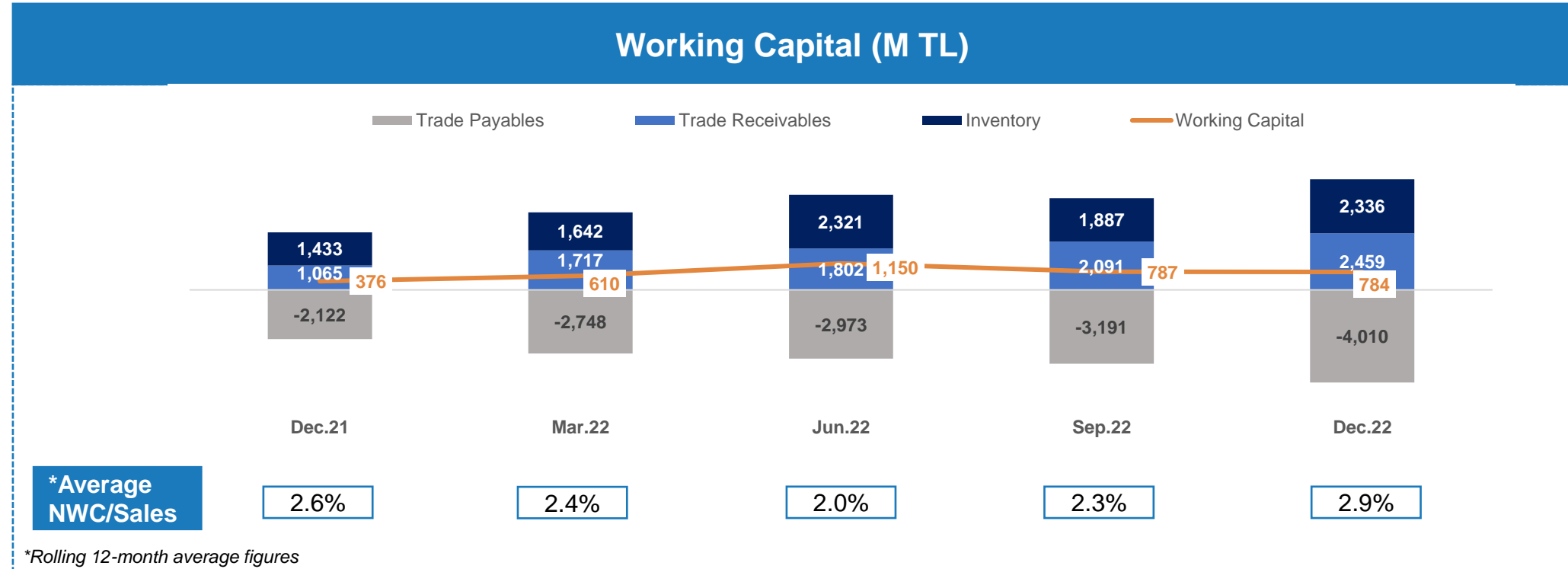
\*EYAŞ: Enerji Yatırımları A.Ş. \*\*Entek: Entek Elektrik Üretimi A.Ş.

## Net Profit & Net Profit Margin

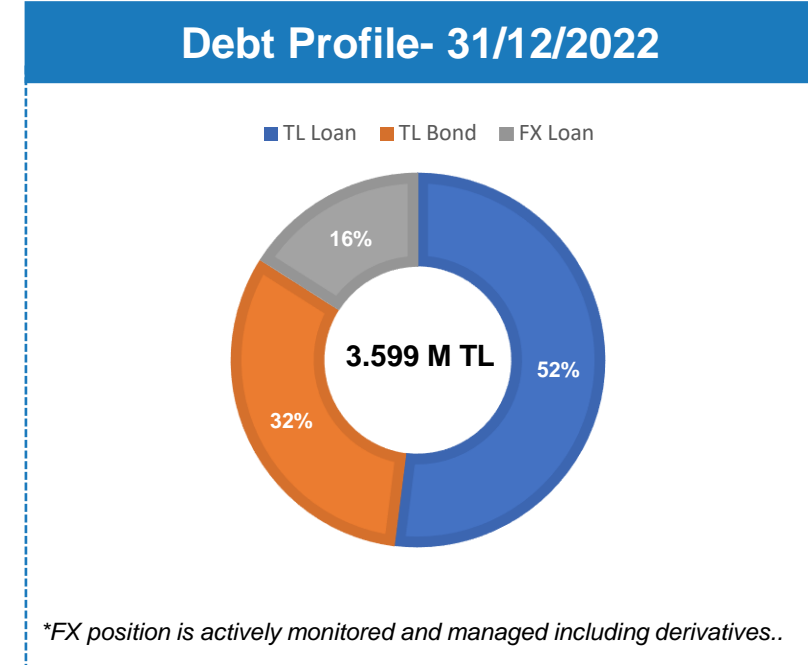
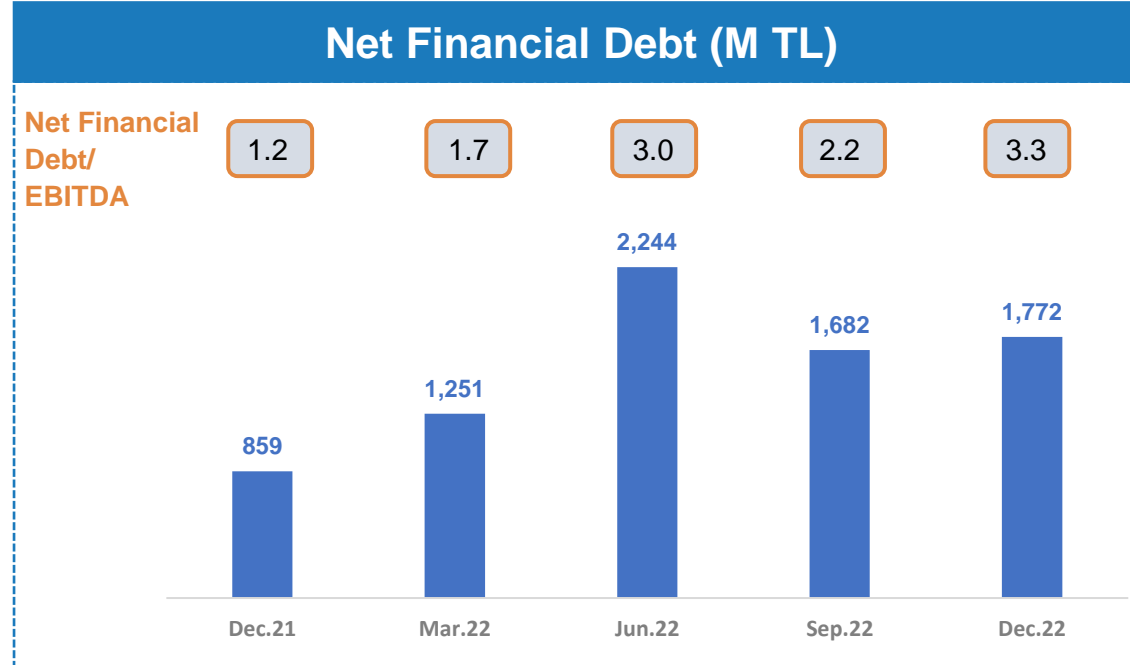


\*Parent company's share

- Total contribution from EYAŞ, accounted under equity method, is approximately 12 times higher than the same period of the previous year in Q4.
- Entek contribution to Aygaz financials is recorded until end of August due to partial demerger transaction.
- Net profit is equal to 1,901 million TL in 2022 with the high contribution from EYAŞ.



- As of the end of December, trade payables, trade receivables and inventory increased by 26%, 18% and 24%, respectively, compared to the end of September, and the net working capital was realized at the same level as 784 million TL.
- As of December end, the inventories comprise of 180 thousand tons of LPG including in-transit inventory. (September end: 143 thousand tons)



- Due to favorable pricings, bond issuances amounting to 500 million TL were realized in the October-December period.
- Net financial debt amount increased by 90 million TL compared to the end of September.
- NFD/EBITDA ratio is 3.3x as of December end. The ratio comes down to 1.8x excluding Sendeo's negative EBITDA impact (-458 million TL) of the initial roll out and ramp up period.

# Forward Looking Statements for 2023



## Sales Volume



Cylinder: 245 - 255 k tons



Autogas: 700 - 730 k tons



## Market Share



Cylinder: 41.0% - 43.0%



Autogas: 22.0% - 23.0%

# Income Statement Summary



Income Statement (M TL)	Q4		Y/Y	Q3		12M		Y/Y
	Q'22	Q'21	(%)***	Q'22	Q/Q (%)***	12M'22	12M'21	(%)***
Revenue	11,016	5,723	92	10,522	5	37,507	15,893	136
Gross Profit	609	509	20	706	(14)	2,223	1,438	55
Gross Profit Margin	6%	9%	(3)	7%	(1)	6%	9%	(3)
Operating Profit/Loss	73	91	(20)	314	(77)	343	418	(18)
Operating Profit Margin	1%	2%	(1)	3,0%	(2)	1%	3%	(2)
Profit Before Tax	1,719	176	878	1,553	11	4,498	697	545
PBT Margin	16%	3%	13	15%	1	12%	4%	8
Net Profit*	1,901	149	1,172	1,538	24	4,733	670	606
Net Profit Margin	17%	3%	14	15%	2	13%	4%	9
EBITDA**	25	256	(90)	269	(91)	537	705	(24)
EBITDA Margin	0%	4%	(4)	3%	(3)	2%	4%	(2)
Inventory Gains/Losses	-43	17	-353	-4	-975	-207	110	(288)

\*Parent company's share

\*\*Excluding other income and expenses

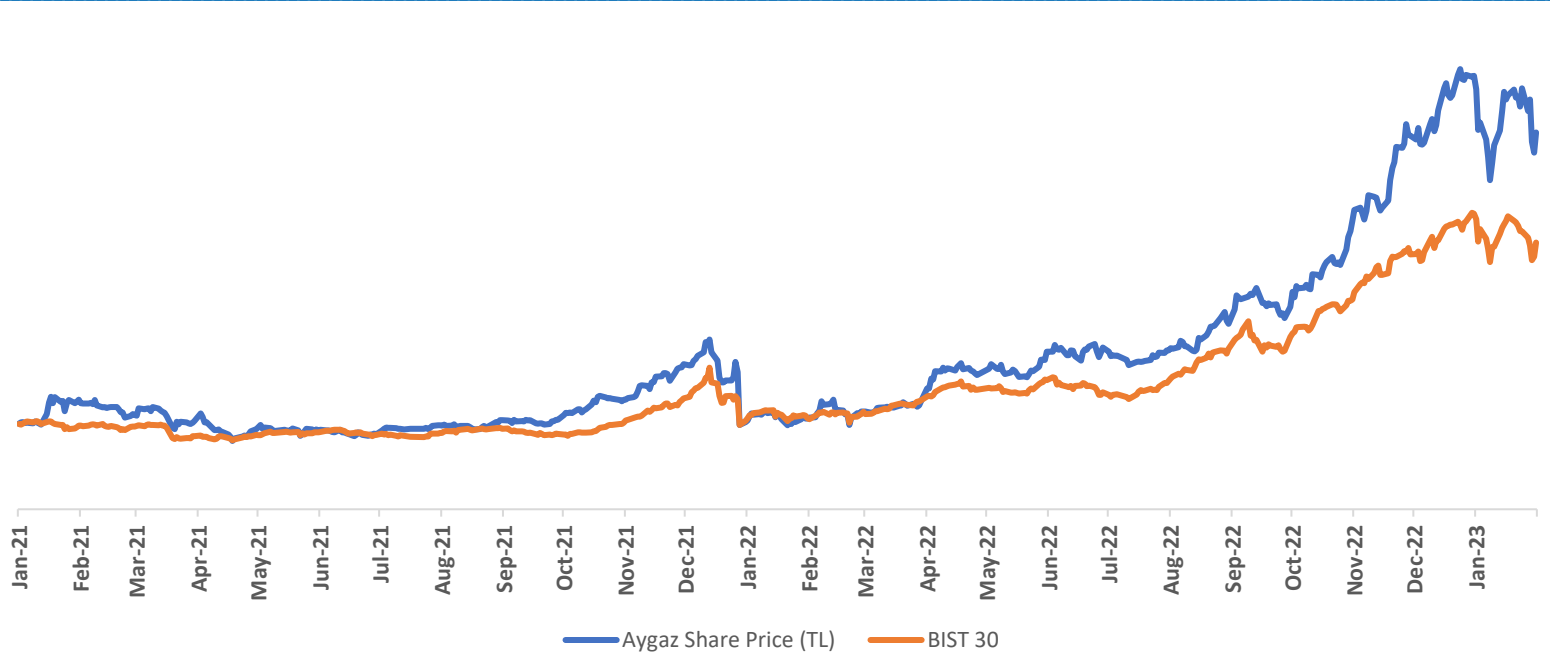
\*\*\* Y/Y and Q/Q changes in margins are in points basis.

# Balance Sheet Summary



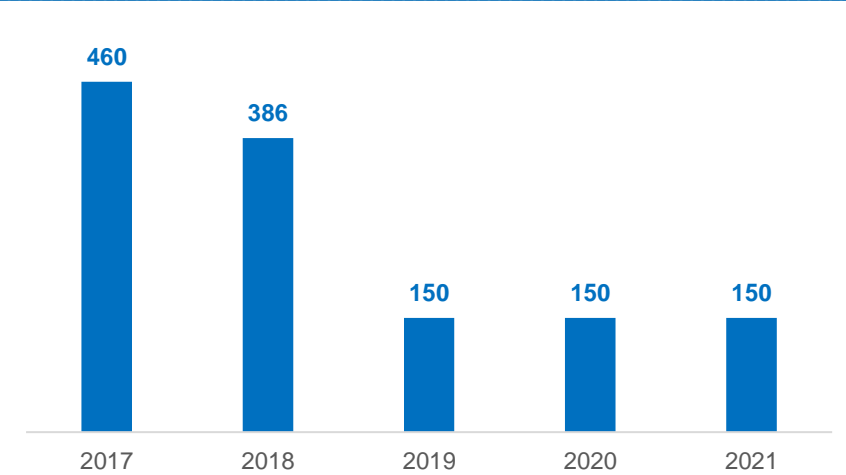
Balance Sheet (M TL)	12M'22	12M'21	Diff.	Diff. %
Cash & Cash Eq.	1.827	1.693	134	8
Trade Receivables	2.459	1.065	1.394	131
Inventories	2.336	1.433	903	63
Prop. Plant & Equip.	984	772	212	28
Participations	6.262	2.161	4.101	190
<b>Total Assets</b>	<b>16.648</b>	<b>8.333</b>	<b>8.314</b>	<b>100</b>
Financial Debt	3.599	2.552	1.047	41
Trade Payables	4.010	2.122	1.888	89
Total Equity	7.728	2.698	5.030	186
<b>Total Liabilities &amp; Equity</b>	<b>16.648</b>	<b>8.333</b>	<b>8.314</b>	<b>100</b>
Net Cash (Debt)	(1.772)	(859)	(913)	106
Net Workin Capital	784	376	408	109

## Aygaz Share Price



- Aygaz market value is up by 217% since the 2021-year end and is 21 billion TL (1.1 billion USD) as of December 31, 2022.
- In the same period BIST 30 and BIST 100 are up by 194% and 197% respectively.

## Dividend (M TL)



BIST Code:

AYGAZ

Bloomberg Code:

AYGAZ.TI

Reuters Code:

AYGAZ.IS

IPO Date:

13.01.1988


Free float rate:

24.3 %

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