

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.

# Q3. 2022 Earnings Release

November 3, 2022

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## LPG Market & Business

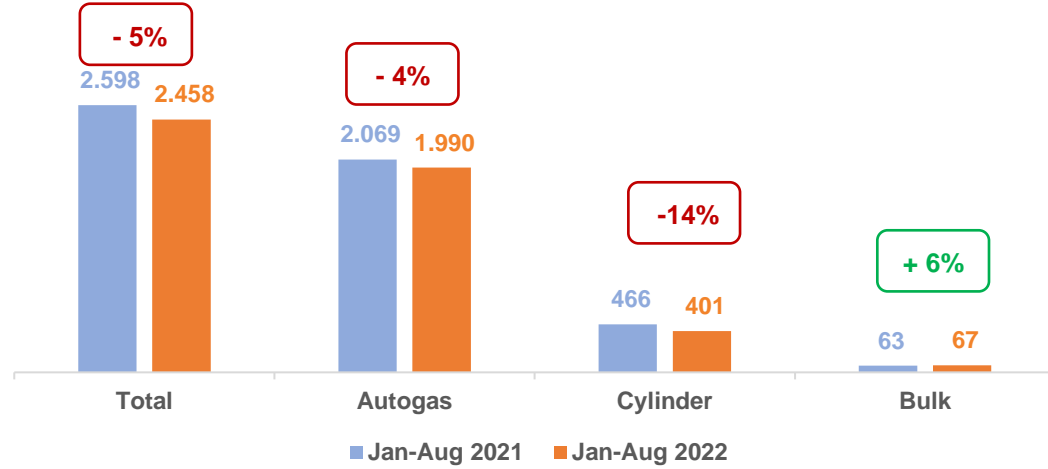
- According to Energy Market Regulatory Authority (EMRA) LPG sector August report; total LPG demand decreased by 5% YoY in the first 8 months of 2022. Turkish cylinder gas and autogas markets contracted by 14% and 4% respectively in the same period, mainly due to increasing product prices and weaker purchasing power. Aygaz sustained its market leader position.
- Despite market share gains, Aygaz cylinder and autogas sales volumes are down by 8% and 4% YoY respectively due to contracting market.
- Our joint-venture, United LPG who started its operations in Bangladesh LPG market, sold 2,300 tons of LPG as of September after getting its LPG operations license in August while completing supply of LPG from 2 different vessels to its spheres in Chittagong facility in September.
- After completion of expansion to 81 cities in February, Sendeo increased its average daily parcel amount by 7 times compared to the beginning of 2022 and reached a maximum of 80,000 daily parcel deliveries within September.



## Financial

- Q3 profitability reflects the positive impact from increasing distribution margins despite contracting sales volumes.
- Q3 net profit (excluding non controlling interest) is realized as 1.538 million TL on the back of the high contribution (1.368 million TL) coming from EYAŞ and Entek, those are accounted under equity method.
- September-end inventory is down by 17% compared to June end and net working capital is decreased by 363 million TL mainly driven by the precautions taken with regards to working capital management.
- Net financial debt is lower by 562 million TL compared to June end, consistent with decreasing working capital need and higher net free cash flow figures.

## Turkish LPG Market ('000 ton)



According to EMRA LPG sector August report;

Aygaz's

- cylinder gas market share is 41.7% up by 0.1 points YoY.
- autogas market share is 22.5% up by 0.8 points YoY.
- total LPG market share is 26.0% up by 0.4 points YoY.

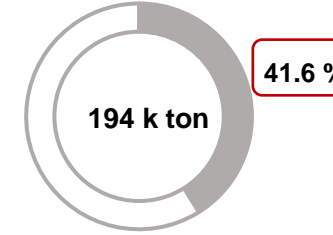
**Aygaz sustained its leader position in all segments.**

## Aygaz Market Shares

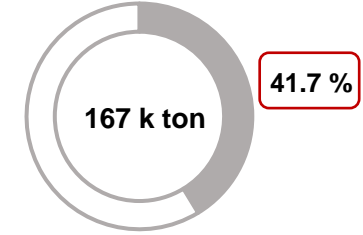
Cylinder



August'21



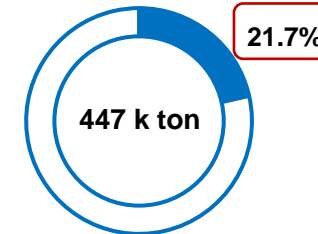
August'22



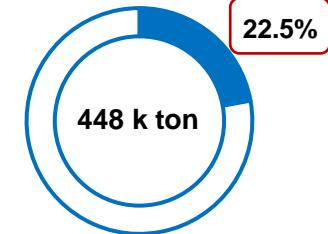
Autogas



August'21



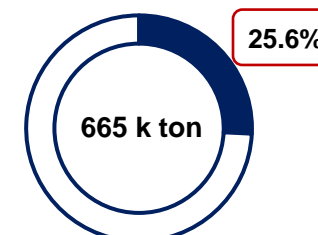
August'22



Total



August'21



August'22



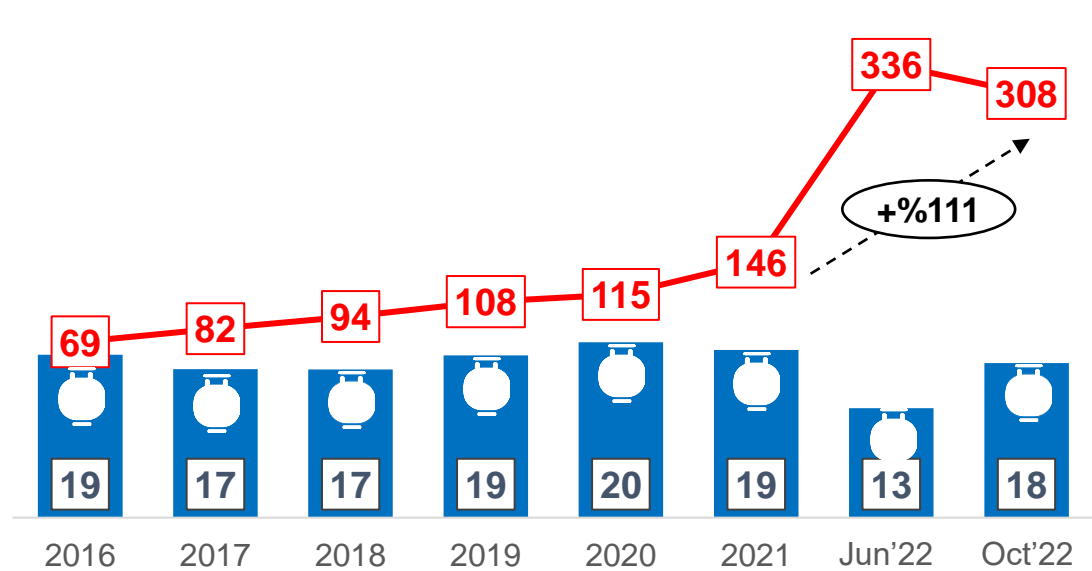
Source: EMRA, Aygaz

# Purchasing Power Comparison

## Household Cylinder Purchasing Power



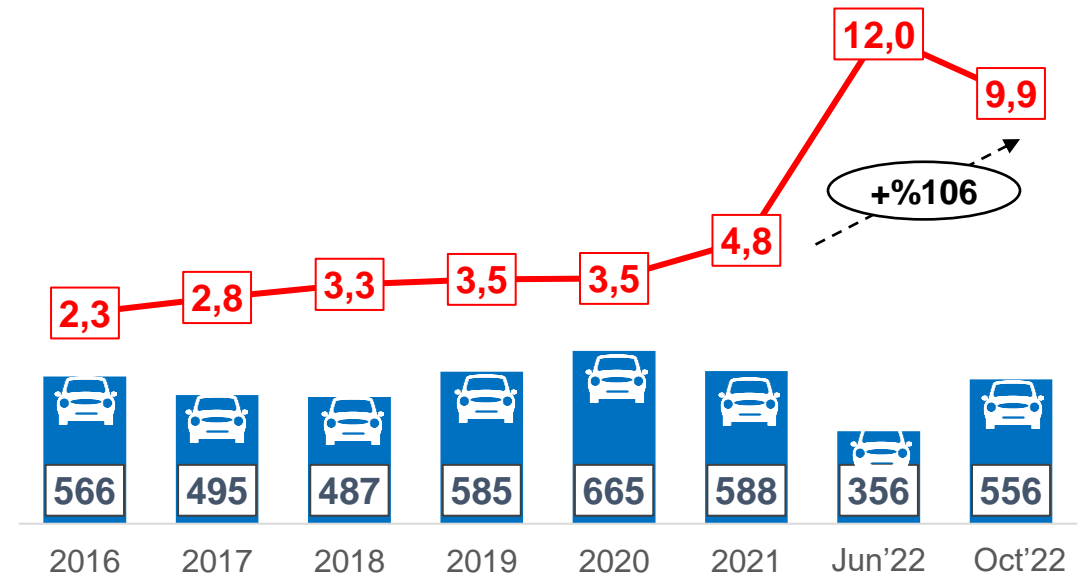
■ Cylinder can be purchased (unit)    — 12 Kg Household Cylinder Price (TL)\*



## Autogas Purchasing Power



■ Autogas can be purchased (liter)    — Autogas price per liter (TL)\*



## Monthly Net Minimum Wage (TL)

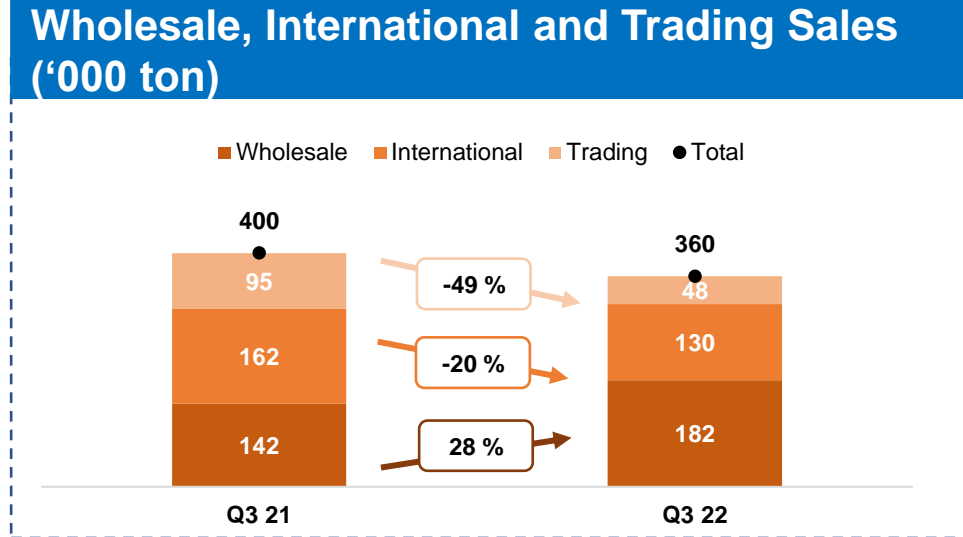
1.301	1.404	1.603	2.021	2.325	2.826	4.253	5.500
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- Purchasing power indications, which decreased in 2022, have reached previous years' average levels in October with the increase in the minimum wage and the downturn in product prices.

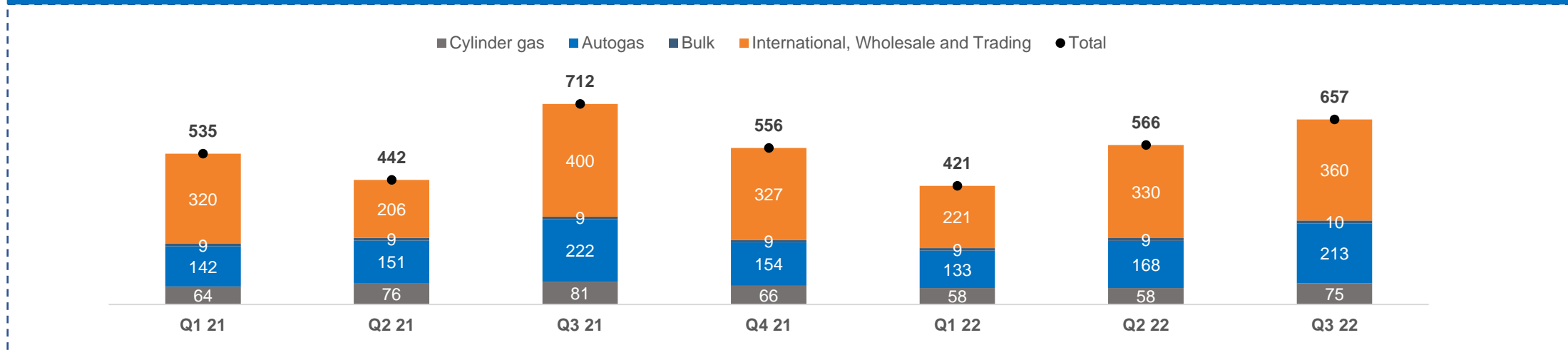
\*Average retailer price estimates for the market

# Operational indicators – Q3 and 9M 2022

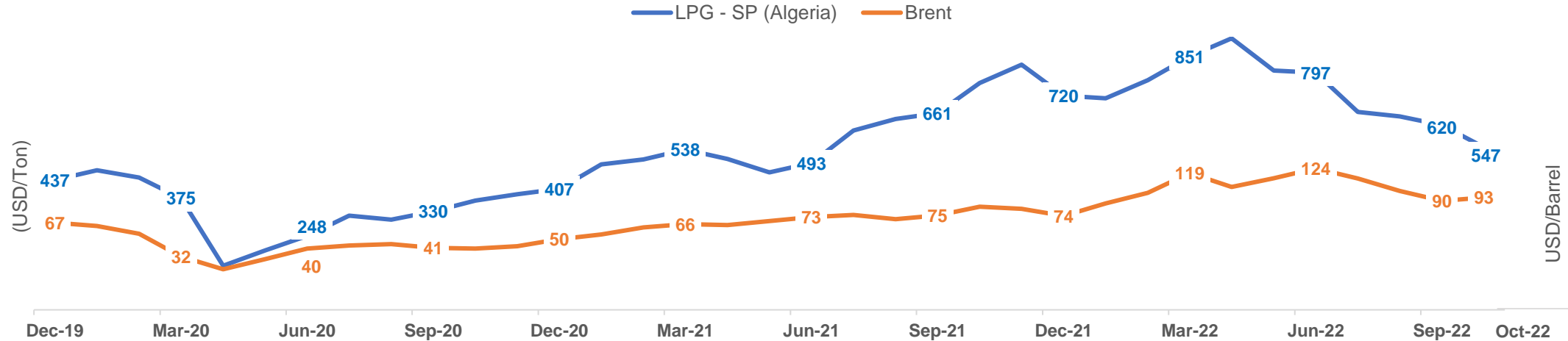
	3Q 2022 (‘000 ton)	Compared to 3Q 2021	9M 2022 (‘000 ton)	Compared to 9M 2021
<b>Domestic LPG Sales</b>	296	-5% ↘	734	-4% ↘
<b>Wholesale, International and Trading LPG Sales</b>	360	-10% ↘	911	-2% ↘
<b>Total LPG Sales</b>	657	-8% ↘	1,645	-3% ↘



## Aygaz LPG Sales Quarterly (‘000 ton)

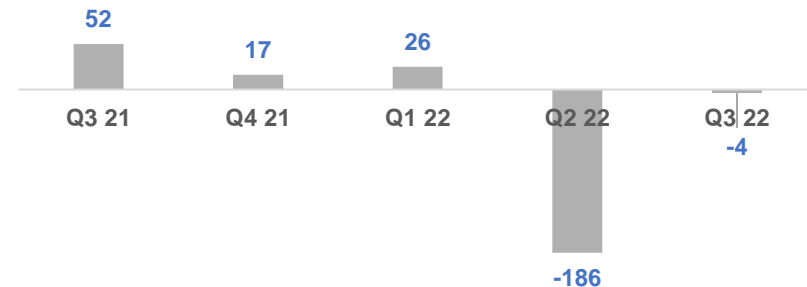


## LPG & Brent World Prices



- September 2022 Sonatrach (SP) LPG price is at 620 USD/ton and down by 6% compared to September 2021 while it is 22% lower than June 2022 level.
- Average LPG price for Q3 2022 is 645 USD/ton and is 23% lower than the figure of Q2 2022 average price on the back of decreasing Brent price due to recession concerns and expectation of global economic slow down.
- October SP price is announced as 547 USD/ton which is down by 12% on a monthly basis.
- Net inventory loss (after hedge transactions) incurred from SP price impact is 164 million TL for January-September period.

## Inventory Impact of SP (M TL)



# Financials – Q3 and 9M 2022

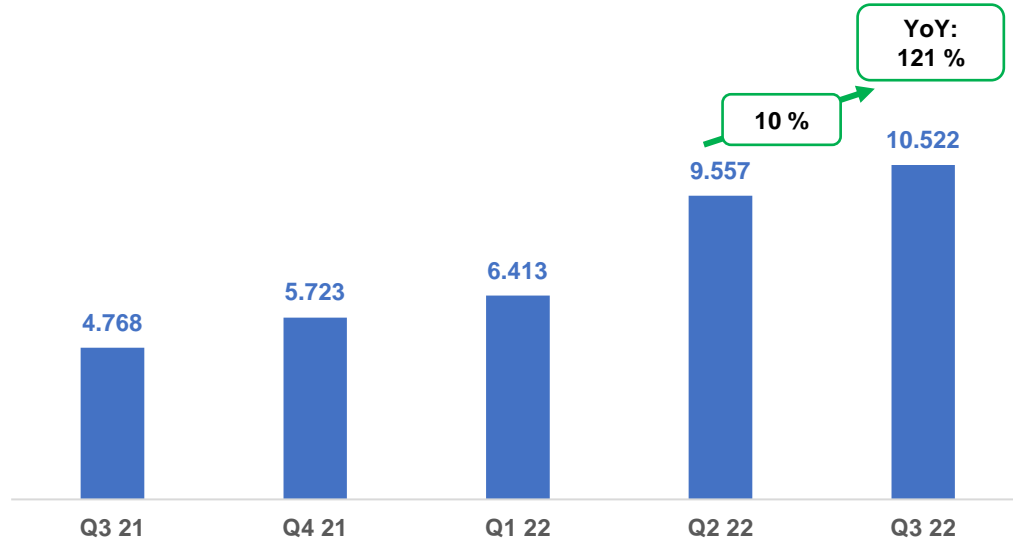


Financials (M TL)	Q3 2022	Quarterly / YoY	9M 2022	6M / YoY
Revenue	10,522	121 %	26,491	160 %
Gross Profit	706	63 %	1,614	74 %
Operating Profit	314	67 %	270	-18 %
EBITDA (excl. other op. inc/exp)	269	12 %	512	14 %
Net Profit (excl. non cont. interests)	1,538	357%	2,833	444%

- In Q3 2022, all main income statement items are realized higher both on YoY and QoQ terms.
- The negative impacts of Sendeo's ramp up period operating loss, inventory loss due to SP impact, higher expenses due to inflation/fuel and increase in financing expenses on the profitability of 2022; were significantly offset by margin increases and an EBITDA of 512 million TL was generated in the first 9 months.
- 9-months operating profit excluding Sendeo is 553 million TL and 69% higher than the previous year.

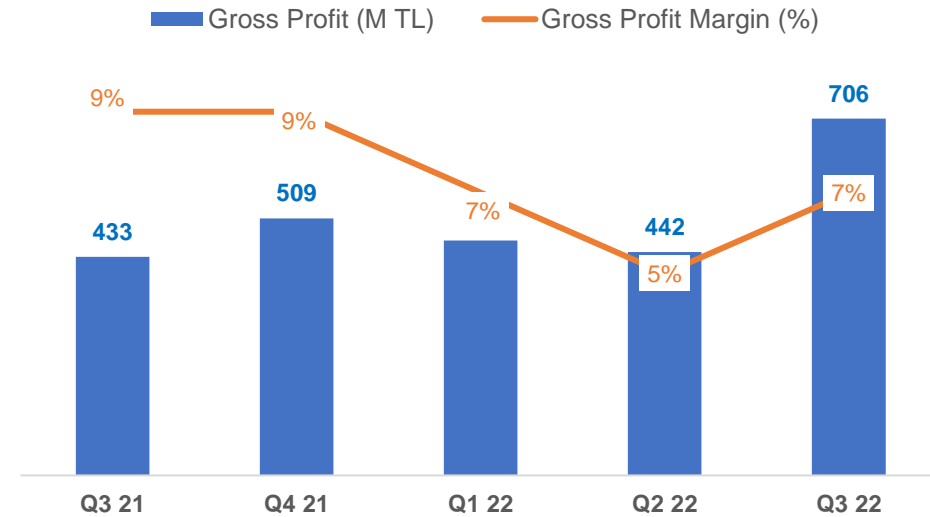


## Net Sales (M TL)



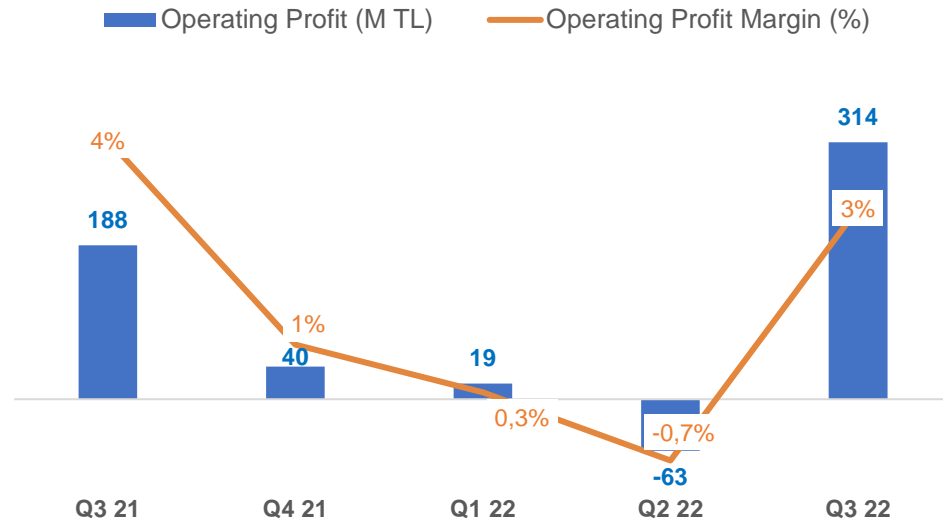
- Net sales is realized as 10.5 billion TL and higher both on YoY and QoQ mostly on the back of the increase in exchange rates.
- Average USD/TL exchange rate in Q3 is up by 110% YoY and 14% QoQ.

## Gross Profit & Gross Profit Margin

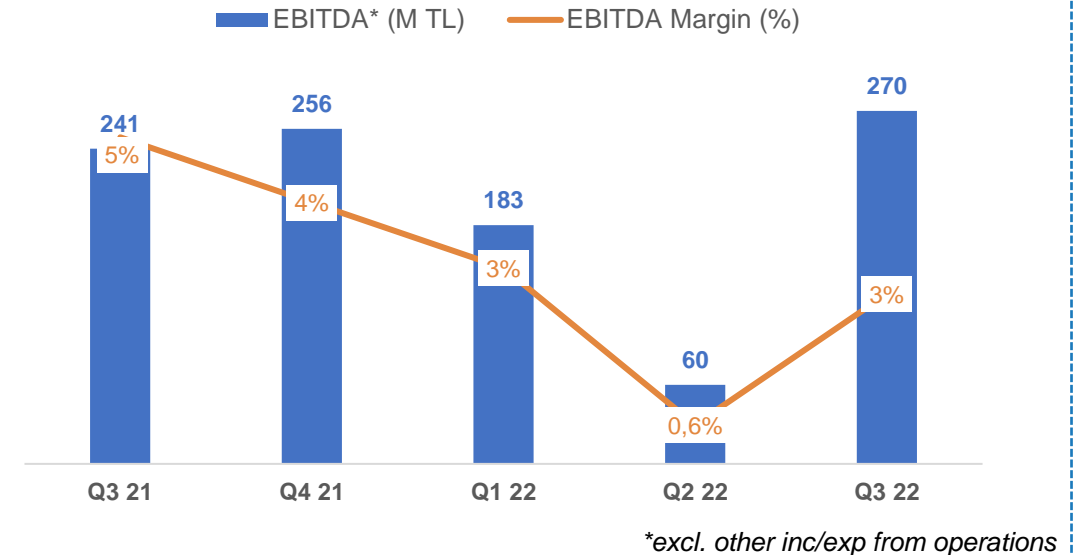


- Gross profit is up by 63% YoY with the improvement of distribution margins despite contracting domestic retails sales due to lower purchasing power.

## Operating Profit & Operating Profit Margin

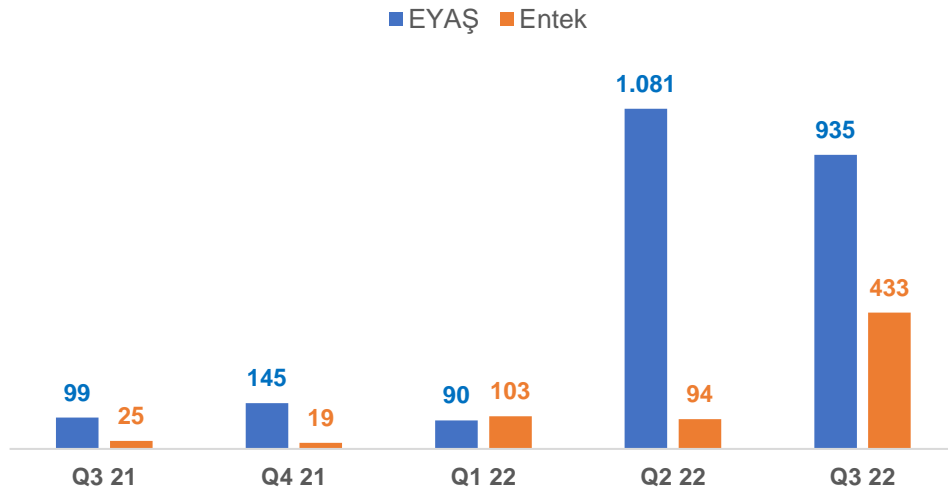


## EBITDA & EBITDA Margin



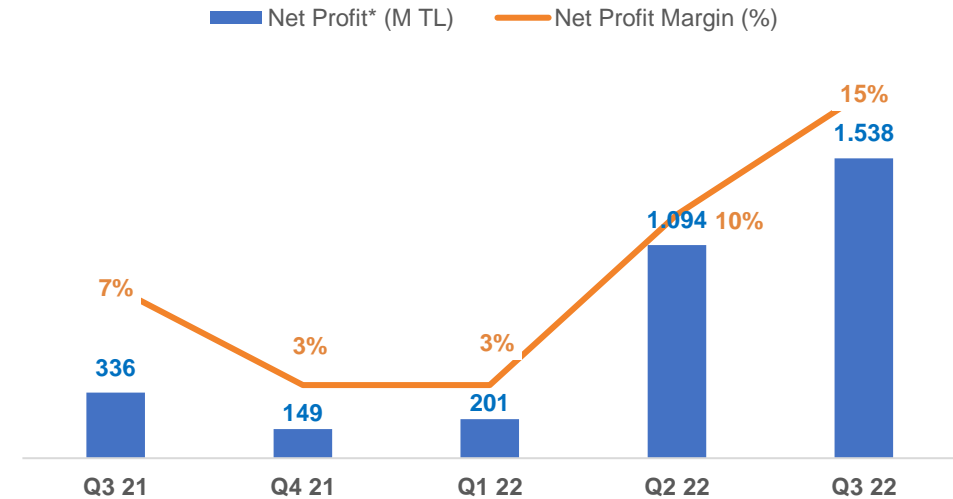
- Q3 profitability compared to previous quarter, reflects the positive impact from higher sales volumes and lower SP related inventory loss.
- After adjusting Sendeo’s initial ramp-up period operating losses (-122 million TL), Q3 operating profit rises to 436 million TL.
- Within the scope of the contract of Aygaz Doğalgaz, the provision for the price revision arbitration process was revised as 24 million USD (31 December 2021: 34 million USD) in the best estimates of the Company management and 189 million TL of provision reversal is classified under other income from operations.

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



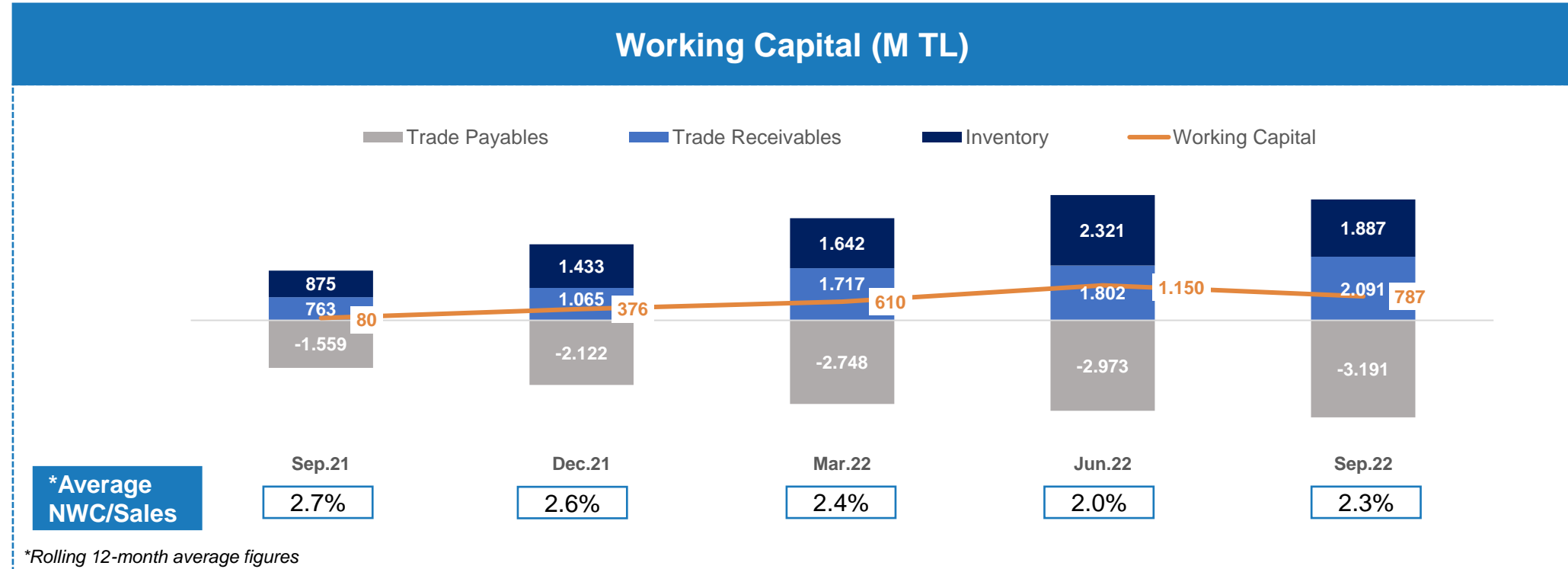
\*EYAŞ: Enerji Yatırımları A.Ş. \*\*Entek: Entek Elektrik Üretimi A.Ş.

## Net Profit & Net Profit Margin

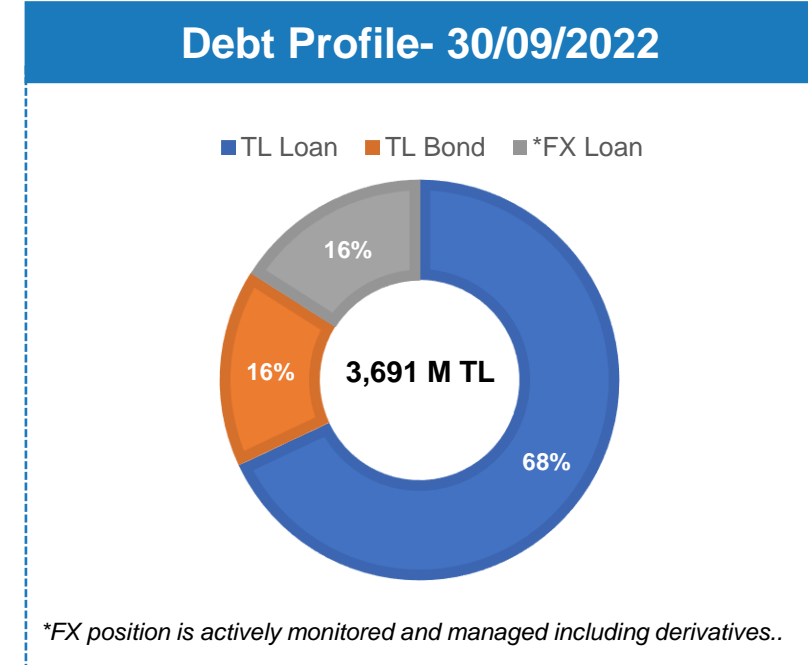
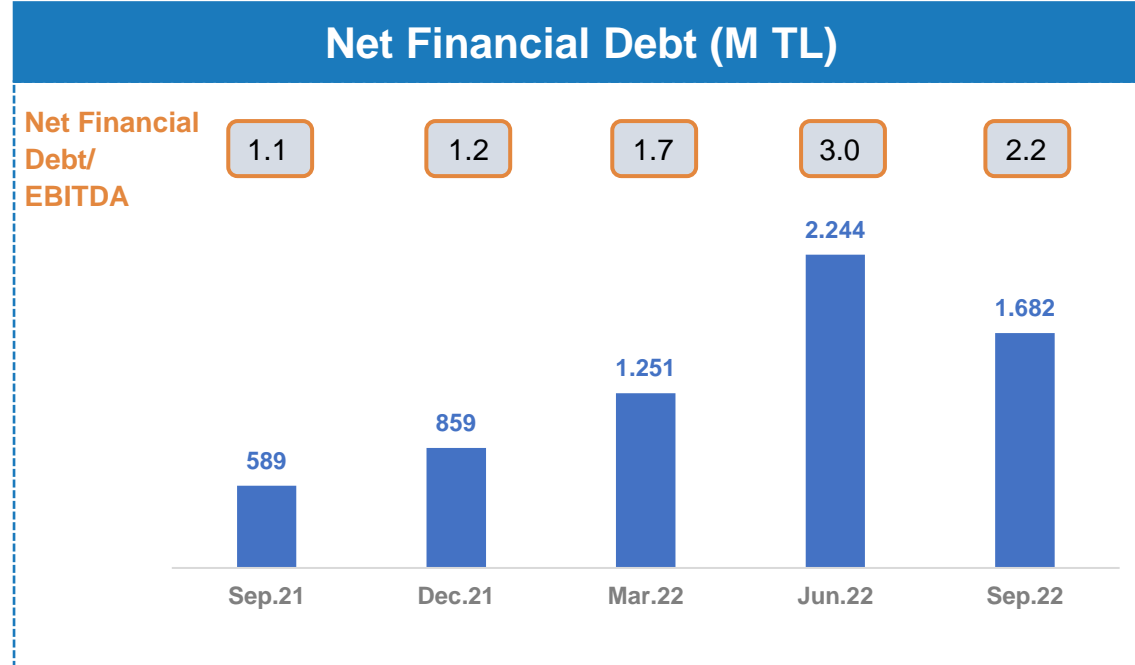


\*Parent company's share

- Total contribution from EYAŞ and Entek, accounted under equity method, is realized as 1,368 million TL in Q3.
- Entek contribution to Aygaz financials is recorded until end of August due to partial demerger transaction.
- Net profit is equal to 1,538 million TL with the high contribution from both EYAŞ and Entek.



- September end inventory is down by 17% compared to June end and net working capital decreased by 363 million TL due to the precautions taken with regards to working capital management.
- As of September end, the inventories comprise of 143 thousand tons of LPG including in-transit inventory. (June end: 177 thousand tons)
- Compared to June end, trade payables and trade receivables are up by 7% and 16% respectively.



- Net financial debt is lower by 562 million TL compared to June end, consistent with decreasing working capital need and higher net free cash flow figures.
- NFD/EBITDA ratio is down to 2.2 as of September end.

# 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%

# Bangladesh Investment: United AYGaz



37 M USD capital

Cumulative Capital Contribution: 37 million USD  
Aygaz Share: ~19 million USD



Total 58 employees



After receiving the **LPG operations license** issued by Bangladesh Energy Regulatory Commission (BERC), more than **2,000 tons of LPG** was sold as of September.



Two LPG sphere tanks with a total **capacity of 6,000 tons** became operational and **LPG supply** of 4,200 tons from 2 different vessels is completed as of September.



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 53%** in the last 5 years.



Physical work is carried out with **33 dealers** currently and it is aimed to **reach 40 dealers** as of year-end.



# Bangladeş - United Aygaz



AYGAZ  
৩৬ বছর পূর্তে

৬০ বছরের বেশি অভিজ্ঞতা নিয়ে  
বিশ্বখ্যাত আইগ্যাস ইউনাইটেড  
এখন চট্টগ্রাম বিভাগে

চট্টগ্রাম







In line with the investment plan, company's capital is increased to **503.5 million TL** as of September 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 **447** in September. **10** transfer centers and **6** distribution centers and **1.441** PUDO points are active as of September.



**503.5 M TL** capital



**Total 1,577** employees with **1,303** in the field



**92% on-time** delivery



**Total 2,923** customers' packages delivered

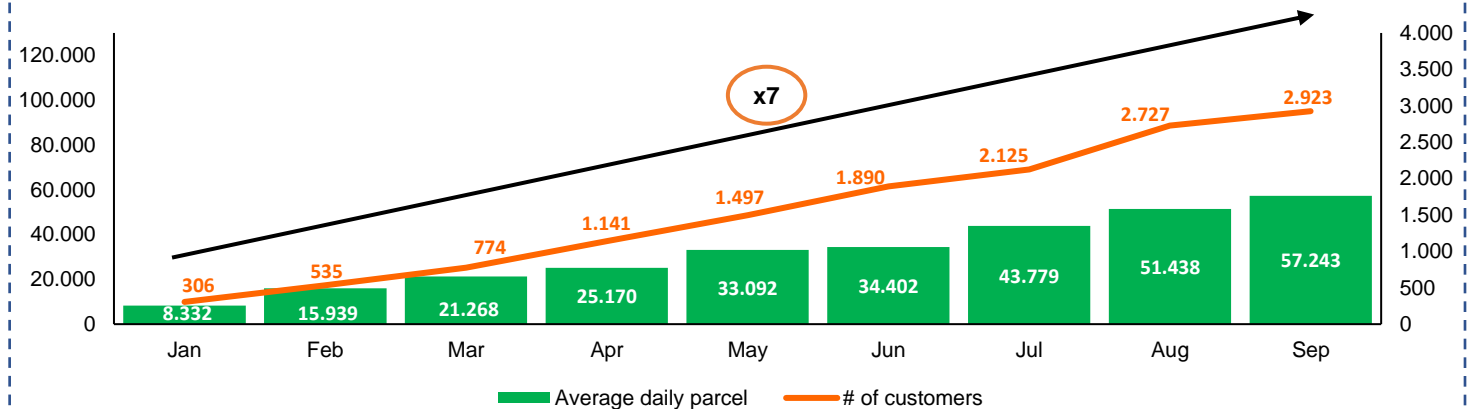


**80,000 maximum** daily package delivery is reached in September. In 2022, the total number of delivered **packages reached to 6.4 million.**



**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)	Q3'22		Y/Y	Q2'22		9M'22		Y/Y
	Q3'22	Q3'21	(%)***	Q2'22	Q/Q (%)***	9M'22	9M'21	(%)***
Revenue	10.522	4.768	121	9.557	10	26.491	10.170	160
Gross Profit	706	433	63	442	60	1.614	929	74
Gross Profit Margin	7%	9%	(2)	5%	2	6%	9%	(3)
Operating Profit/Loss	314	188	67	(63)	397	270	327	(18)
Operating Profit Margin	3%	4%	(1)	-1%	4	1%	3%	(2)
Profit Before Tax	1.553	298	421	1.011	54	2.779	522	433
PBT Margin	15%	6%	9	11%	4	11%	5%	4
Net Profit*	1.538	336	357	1.094	41	2.833	521	444
Net Profit Margin	15%	7%	8	11%	4	11%	5%	6
EBITDA**	269	241	12	60	345	512	449	14
EBITDA Margin	3%	5%	(2)	1%	2	2%	4%	(2)
SP Inventory Impact	-4	52	(92)	-186	98	-164	93	(76)

\*Parent company's share

\*\*Excluding other income and expenses

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

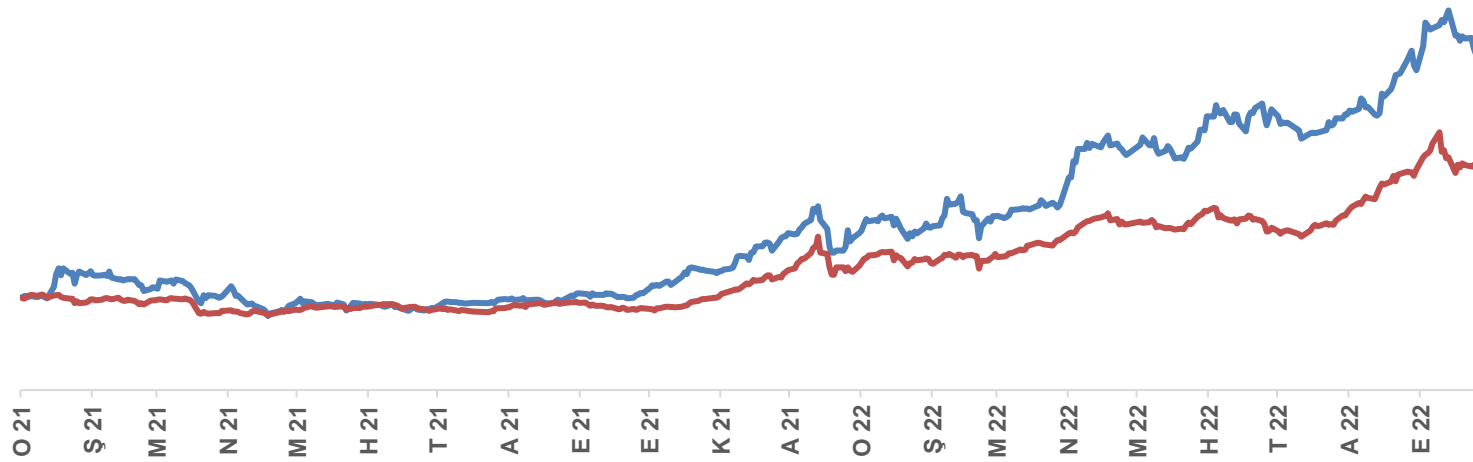
# Balance Sheet Summary



Balance Sheet (M TL)	9M'22	12 M'21	Diff.	Diff. %
Cash & Cash Eq.	2.009	1.693	316	19
Trade Receivables	2.091	1.065	1.026	96
Inventories	1.887	1.433	454	32
Prop. Plant & Equip.	880	772	108	14
Participations	4.593	2.161	2.434	113
<b>Total Assets</b>	<b>13.390</b>	<b>8.333</b>	<b>5.059</b>	<b>61</b>
Financial Debt	3.691	2.552	1.139	45
Trade Payables	3.191	2.122	1.069	50
<b>Total Equity</b>	<b>5.315</b>	<b>2.698</b>	<b>2.619</b>	<b>97</b>
<b>Total Liabilities &amp; Equity</b>	<b>13.390</b>	<b>8.333</b>	<b>5.059</b>	<b>61</b>
<b>Net Cash (Debt)</b>	<b>(1.682)</b>	<b>(859)</b>	<b>(823)</b>	<b>96</b>
<b>Net Working Capital</b>	<b>787</b>	<b>376</b>	<b>411</b>	<b>109</b>

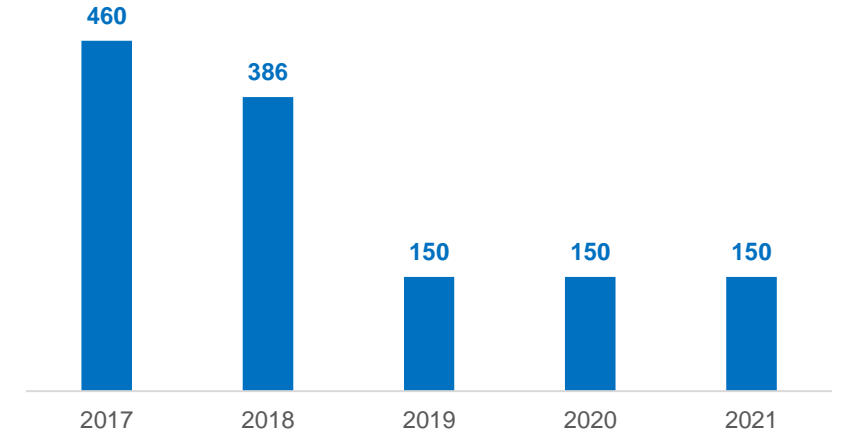
## Aygaz Share Price

— Aygaz Share Price TL — BIST 30



- Aygaz market value is up by 44% since the 2021-year end and is 9.8 billion TL (529 million USD) as of September 30,2022.
- In the same period BIST 30 and BIST 100 are up by 64% and 65% respectively.

## 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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