

AYGAZ

Q4. 2020

Earnings Release Report

February 11, 2021





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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1

Highlights

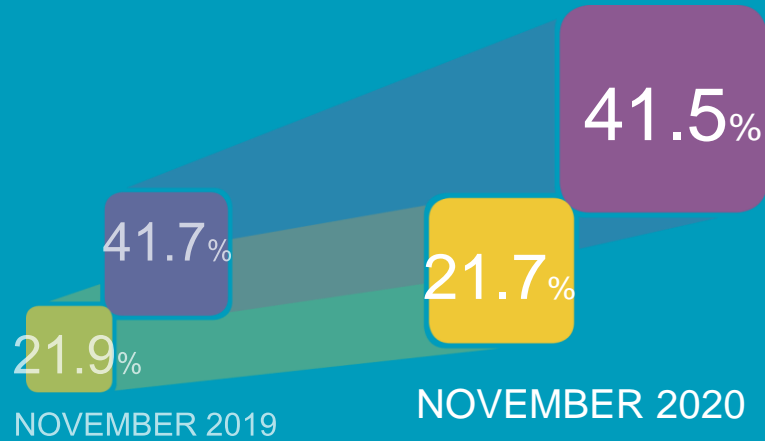
Operational

- According to EMRA's November 2020 report Aygaz autogas market share improved since August while our market leadership is sustained .
- The total Turkish LPG demand tightened by 7% for the January- November period in 2020, the year of Covid-19 pandemic. Aygaz 12-month domestic sales contracted by 8% while total LPG sales were 4% higher YoY due to soaring wholesale and trading sales.
- Due to the weekend lockdowns since December;
 - Q4 Cylinder gas sales are up by 2% YoY
 - Q4 Autogas sales contracted by 9% YoY

Financial

- Tightening sales volume had its impact both on gross and operating profit.
- After the sharp fall of commodity prices in April, the gradual upsurge in LPG prices led to consecutive inventory gains for the last three quarters of 2020.
- Strong cash position was sustained.

Market Shares



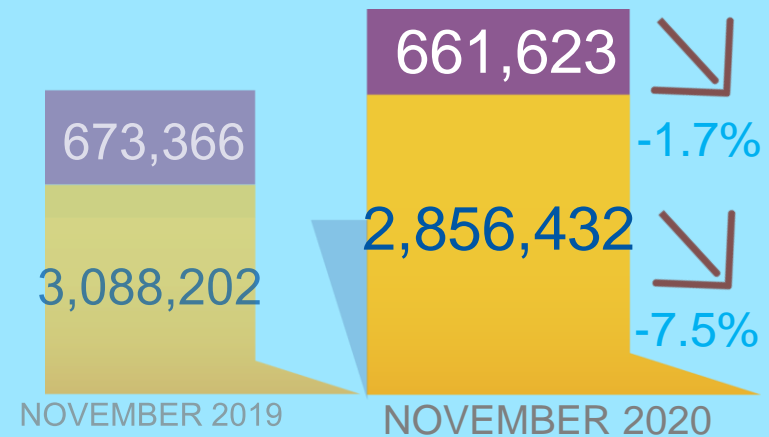
As of November 2020 EMRA report, Aygaz cylinder and autogas market shares are 41.5% and 21.7% respectively.

(41.7% and 21.9% in November 2019)

According to November 2020 EMRA report, Turkish cylinder sales volume is 661,623 tons and autogas volume is 2,856,432 tons.

2019 - 11 months:

Cylinder gas	673,366	tons
Autogas	3,088,202	tons



SALES VOLUME (Tons)

EMRA, Aygaz

Operations - Quarterly

According to Q4 2019



Domestic LPG sales

243

Thousand tons

-6% YoY



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

360

Thousand tons

37% YoY



Total LPG sales (*)

602

Thousand tons

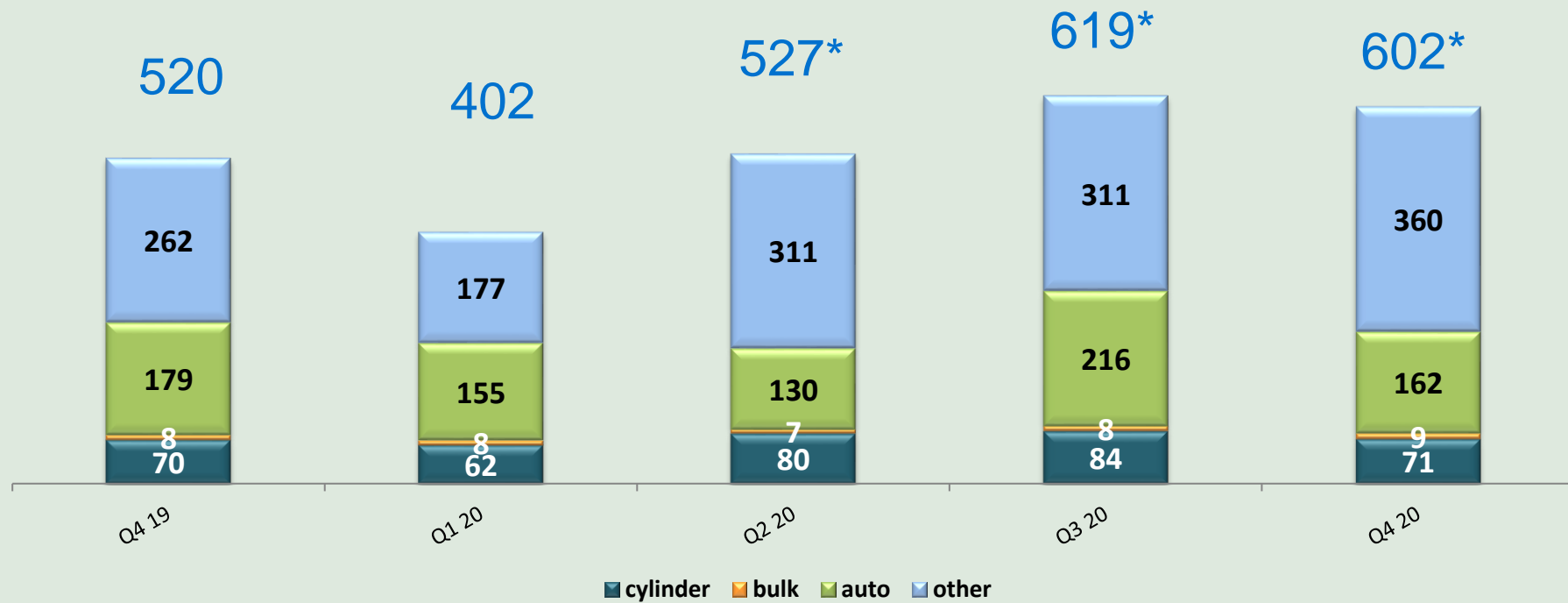
16% YoY



- Cylinder sales are 71 thousand tons (+ 2% YoY)
- Autogas sales are 162 thousand tons (- 9% YoY)
- Autogas consumption is suppressed with the measures taken within the framework of the Covid-19.

(*) Including Aygaz UK Q4 transactions of 138 thousand tons.

Aygaz LPG Sales (Quarterly) (000 tons)



Q4 2020 sales volumes were realized as

- 162 thousand tons in Autogas (-9% YoY)
- 71 thousand tons in Cylinder Gas (+2% YoY)
- 602 thousand tons in Total (+16% YoY)

(*)Contribution from Aygaz UK: 94 thousand tons in Q2, 47 thousand tons in Q3 and 138 thousand tons in Q4

EMRA, Aygaz

Operations – 12 months cumulative

According to 12M 2019



Domestic LPG sales

992

Thousand tons

-8% YoY



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

1,158

Thousand tons

17% YoY



Total LPG sales (*)

2,150

Thousand tons

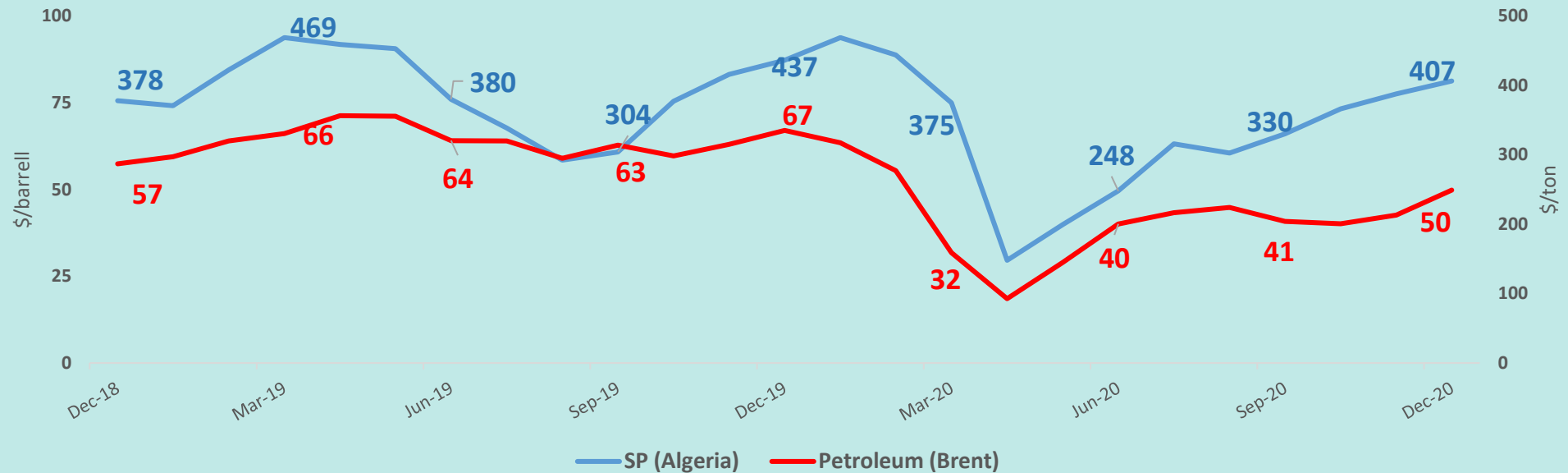
4% YoY



- Cylinder sales are 297 thousand tons (- 2% YoY)
- Autogas sales are 664 thousand tons (-10% YoY)
- Our total sales volume is 4% higher than last year's figure with the positive effect of our domestic wholesale sales and trading activities.

(*) Including Aygaz UK 12M transactions of 279 thousand tons.

LPG – Brent world prices



- December 2020 Sonatrach LPG price is at 407 USD/ton and 7% lower YoY, however it is 23% higher than September 2020 level.

Average LPG price for 2020 is 333 USD/ton and is 15% lower compared to 2019 average price.

Quarterly Financials – Q4 2020

QUARTERLY / (YoY)

Revenue	2,949 Million TL	15%	↑
Operating profit	89 Million TL	-22%	↓
EBITDA	131 Million TL	-11%	↓
EBITDA (excl. other op. inc/exp)	111 Million TL	-30%	↓
Net profit	78 Million TL	5%	↑

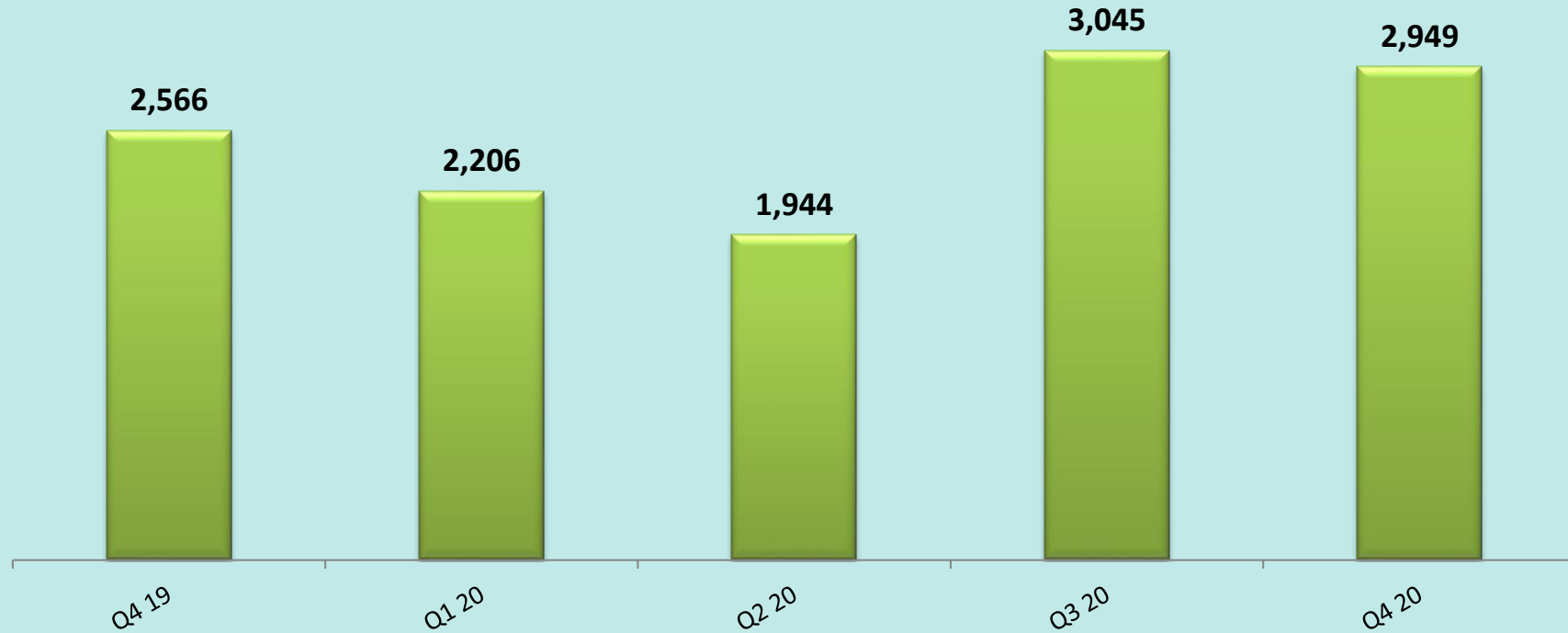
12M Financials

12 MONTHS CUMULATIVE / (YoY)

Revenue	10,145 Million TL	-1%	↓
Operating profit	288 Million TL	-21%	↓
EBITDA	444 Million TL	-10%	↓
EBITDA (excl. other op. inc/exp)	416 Million TL	-12%	↓
Net profit	-25 Million TL	-109%	↓

9

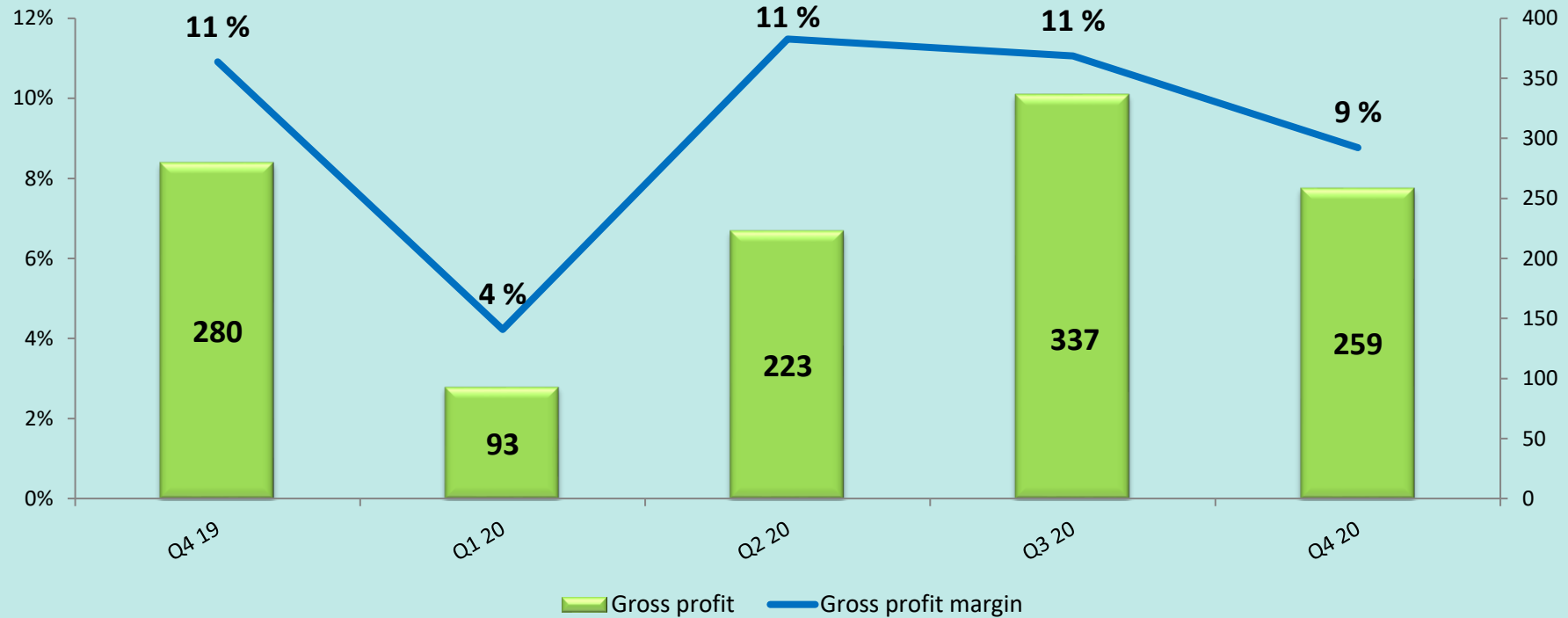
Net Sales (m TL)



- Consolidated sales revenue is 2,949 million TL and 15% higher YoY due to effects of higher sales volume and exchange rate.

10

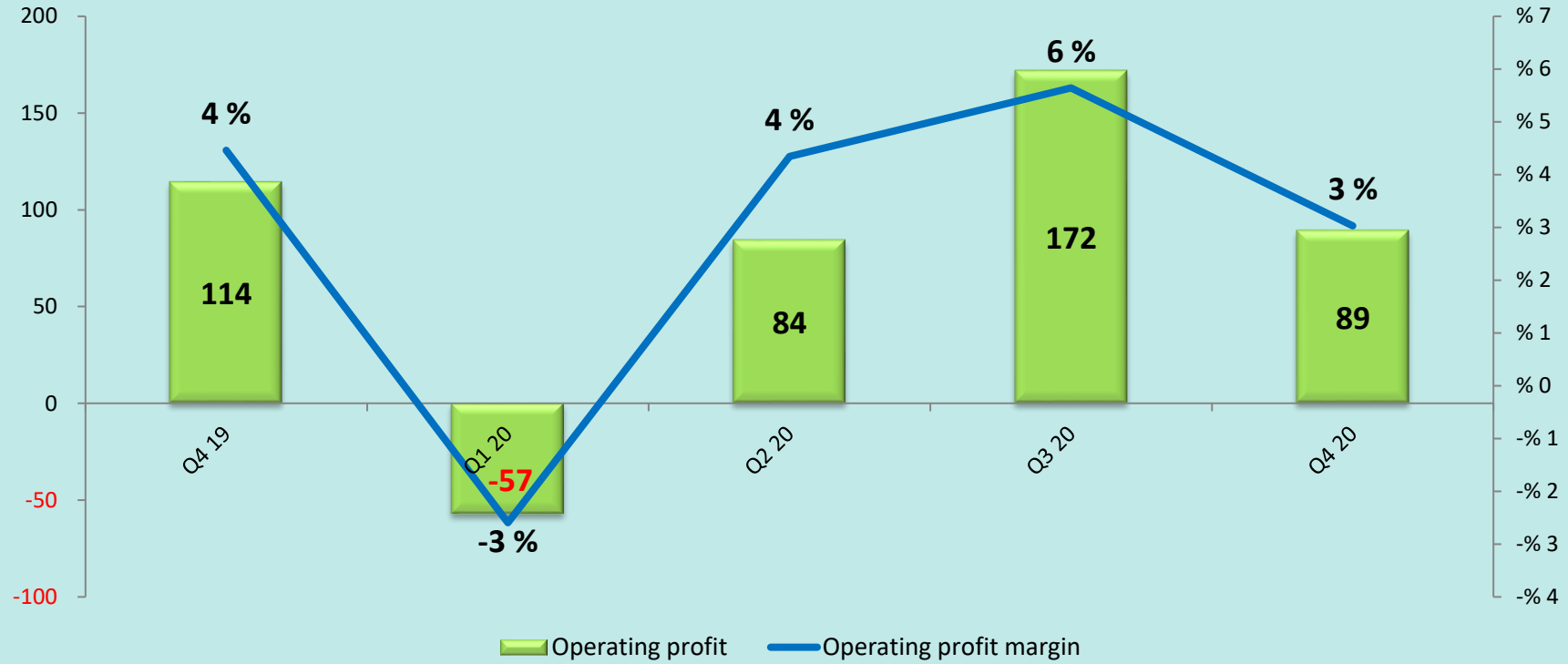
Gross Profit (m TL)



- Restrictions imposed under Covid-19 were particularly effective on autogas consumption. Consequently, falling sales volume had its impact on gross profit. Gross profit is down by 8% YoY and is realized as 259 million TL while there is an inventory gain of 26 million TL in Q4.

11

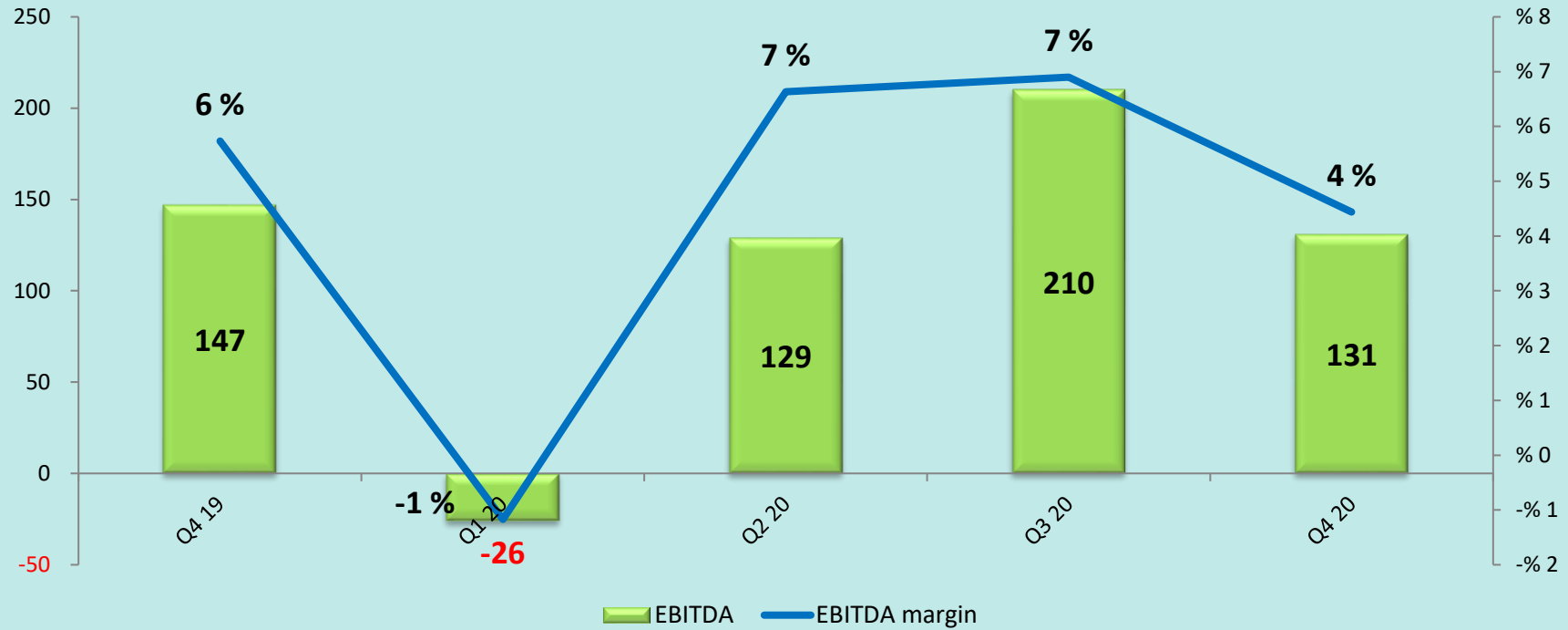
Operating Profit (m TL)



■ Operating profit is 89 million TL in line with the contraction in gross profit

12

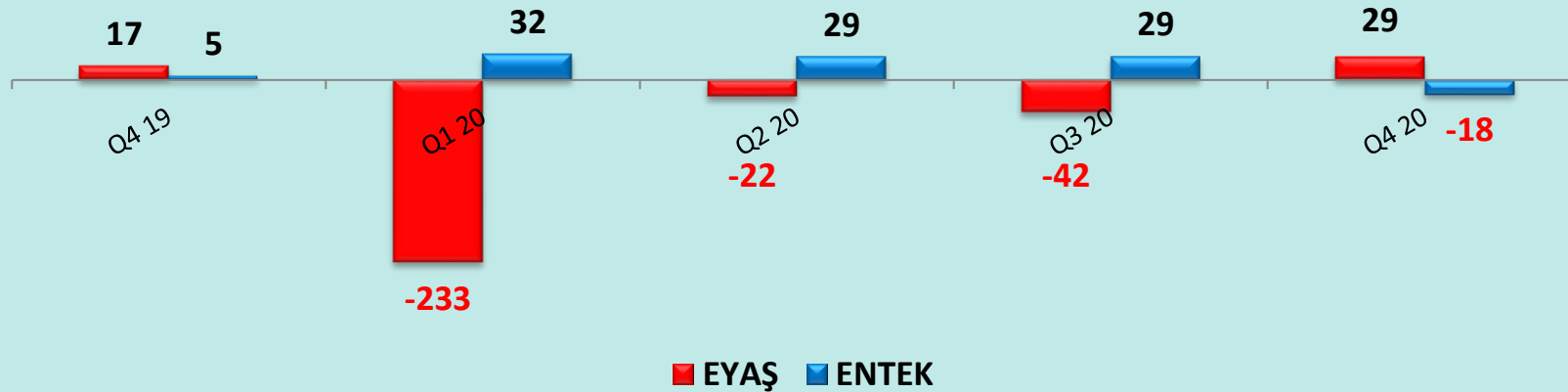
EBITDA (m TL)



■ EBITDA figure is down by 11% YoY.

13 Contributions from EYAŞ and Entek (m TL)

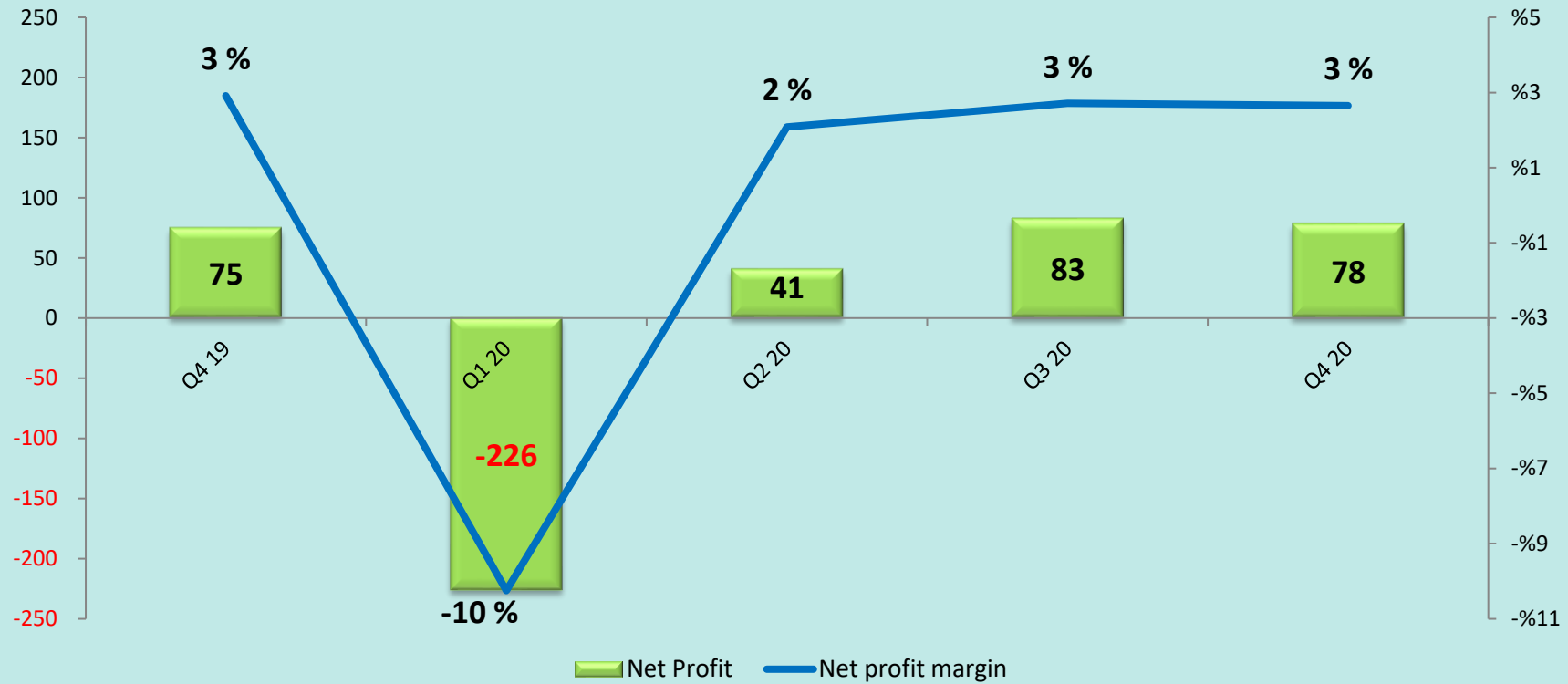
- EYAŞ*'s contribution was positive in Q4 and its total contribution was realized as -267 million TL. Contribution from Entek** was 72 million TL in 2020. Their total impact was 11 million TL in Q4 and -195 million TL for the year.



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

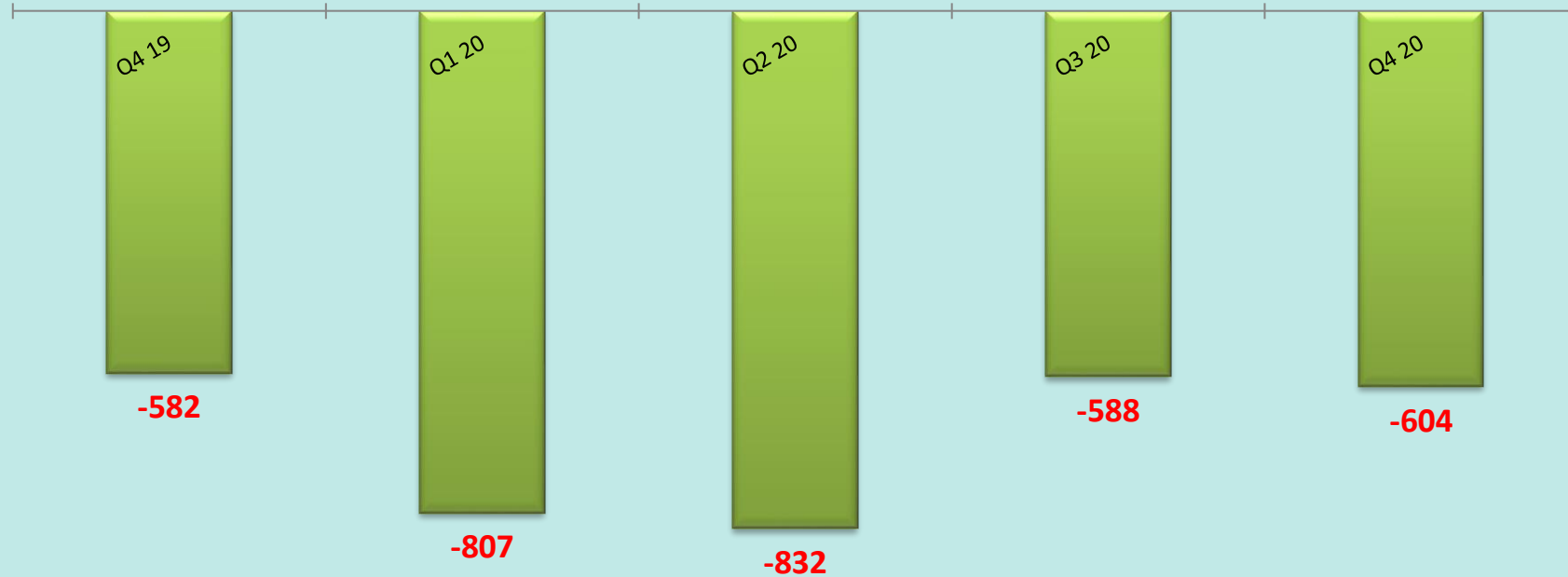
- **Entek** operates natural gas cycling plant with capacity of 112 MW in Kocaeli and eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 265 MW in total reaching an aggregate capacity of **377 MW**.

Net Profit (m TL)



Net profit is 5% higher YoY and is 78 million TL.

Net Financial Debt (m TL)

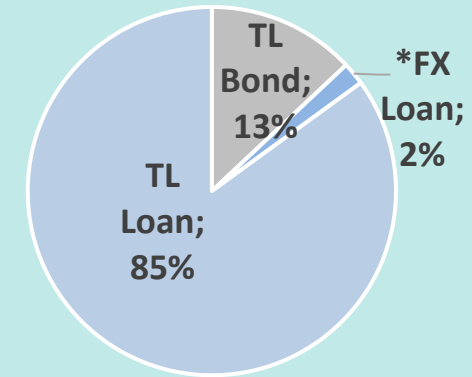


- Short-term financial borrowings, current portion of long-term financial borrowings and interest payments are met by cash and cash equivalents.
- Liquidity is preserved against the Covid-19 impacts
- Current Ratio is 1.18

Debt Profile

(m TL)	12M 2020	12M 2019
ST Borrowings	221	65
Current portion of LT Borrowings	346	418
LT Borrowings	997	764
Total Debt	1,564	1,247
Cash and cash equivalents (-)	961	665
= Net Debt	604	582

Debt Profile as of 31/12/2020

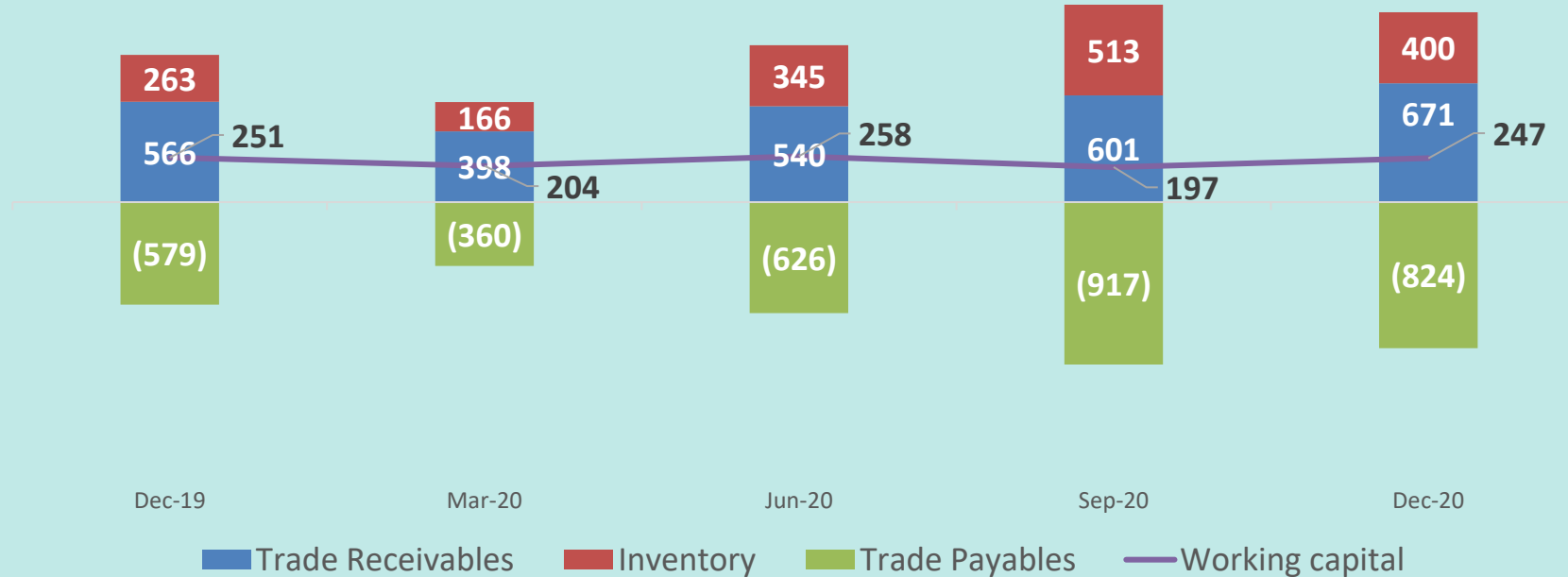


** FX position is actively monitored and managed including derivatives.*

- Net Debt remained close to 2019 year-end and the proportion of FX Loan in the debt profile is reduced.

- 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.

Working Capital (m TL)



- Working capital is at previous years' levels.

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.

Income Statement – Summary

Million TL	Q4 20	Q3 20	Change	Q4 20	Q4 19	Change
Revenues	2,949	3,045	-3%	2,949	2,566	15%
Gross Profit	259	337	-23%	259	280	-8%
Operating Profit	89	172	-48%	89	114	-22%
Profit Before Tax	95	116	-18%	95	89	7%
Net Profit	78	83	-5%	78	75	5%
EBITDA	131	210	-38%	131	147	-11%
MARGINS						
Gross Profit M.	9%	11%	-2	9%	11%	-2
Operating Profit M.	3%	6%	-3	3%	4%	-1
Profit Before Tax M.	3%	4%	-1	3%	3%	-
Net Profit M.	3%	3%	-	3%	3%	-
EBITDA M.	4%	7%	-3	3%	6%	-2

Balance Sheet- Summary

Million TL	12M 20	12M 19
Cash & Cash Eq.	961	665
Trade Receivables	671	566
Inventories	400	263
Prop.Plant&Equipment	696	713
Participations	1,847	2,059
Total Assets	5,395	4,955
Financial Debt	1,564	1,247
Trade Payables	824	579
Total Equity	2,317	2,478
Total Liabilities & Equity	5,395	4,955
Net Cash (Debt)	-604	-582
Working Capital	247	251

Forward looking statements for 2021

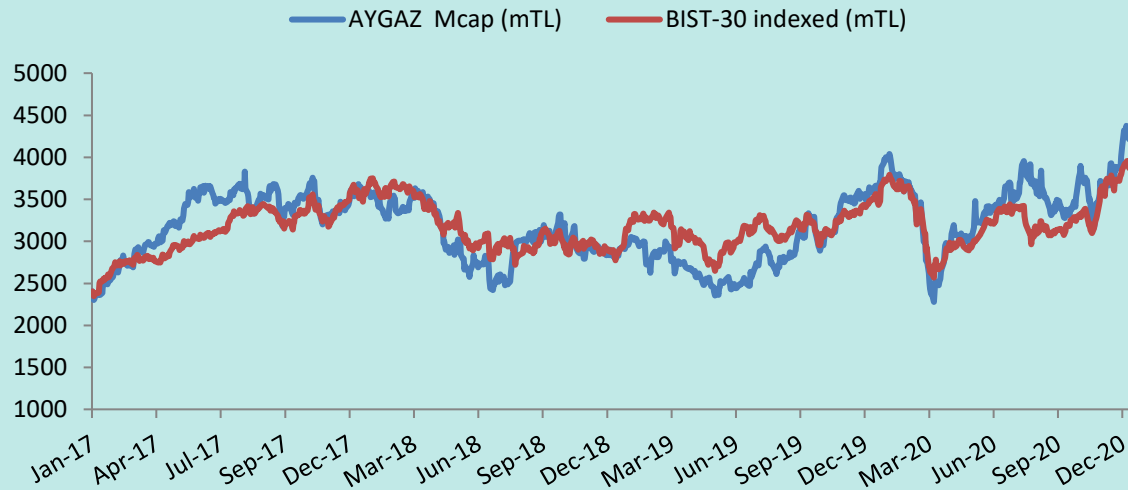
Sales volume

- Cylinder: 285-295 thousand tons
- Autogas: 700-730 thousand tons

Market share

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

Aygaz Share Value



BIST Code: **AYGAZ**

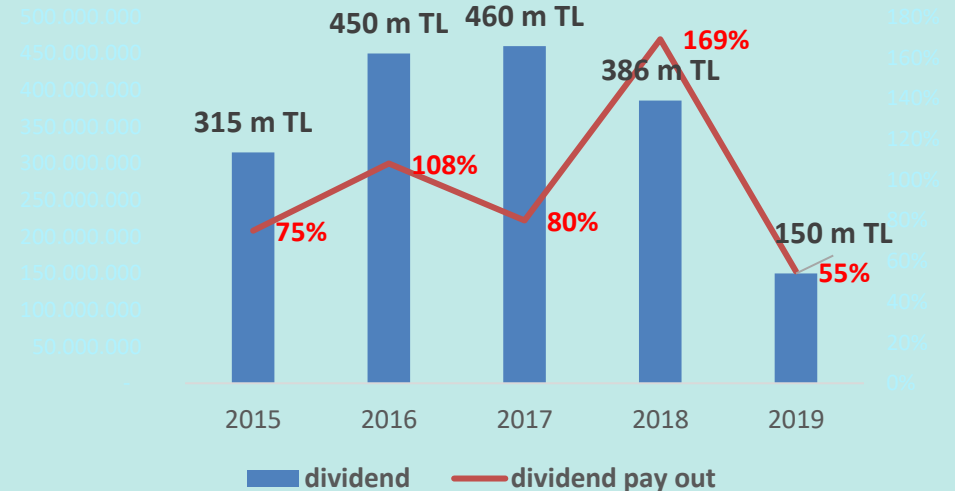
Bloomberg Code: **AYGAZ.TI**

Reuters Code: **AYGAZ.IS**

IPO Date: **13.01.1988**

Free float rate: **24.3%**

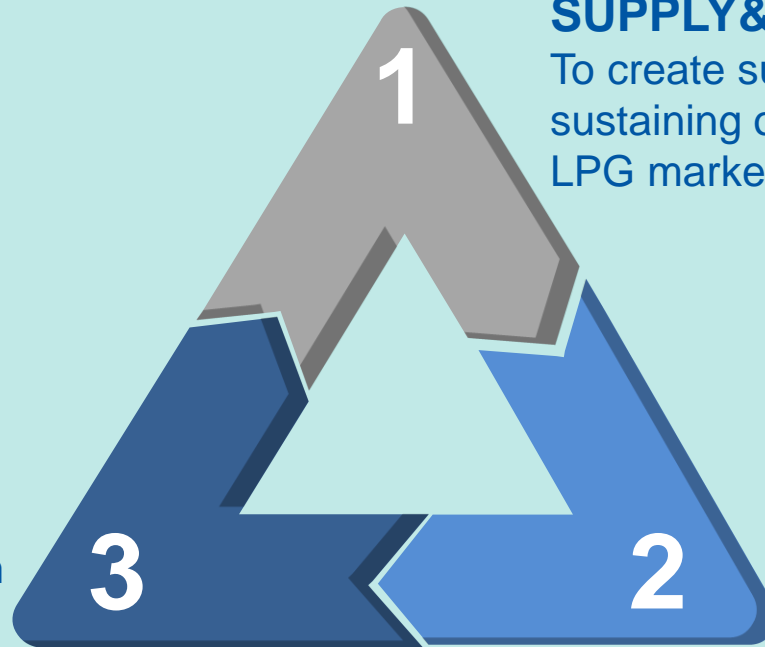
- Aygaz market value is up by 21% since the 2019 year end and is 4.4 billion TL as of 31.12.2020.
- In the same period BIST 30 and BIST 100 are up by 18% and 29% respectively.



Long term strategic plan of Aygaz

NEW BUSINESS MODELS

To develop new business lines through utilizing Aygaz brand and platform



TURKEY LPG SUPPLY&DISTRIBUTION

To create sustainable value while sustaining our leadership in Turkish LPG market

OVERSEAS LPG SUPPLY&DISTRIBUTION

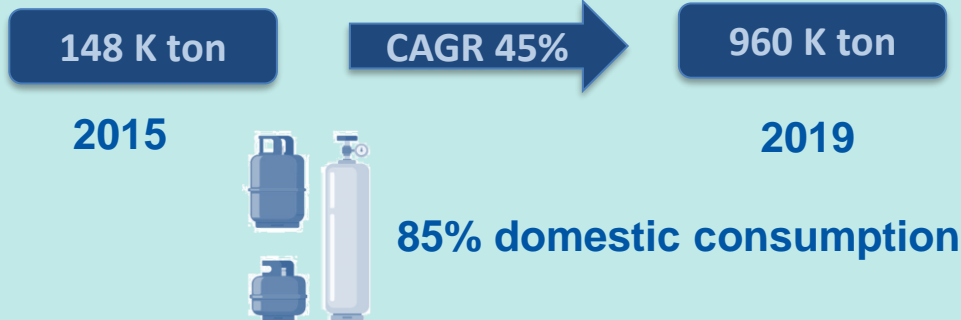
To become an international LPG player

23 Bangladesh Investment - *United Aygaz LPG Ltd.*

- Bangladesh average GDP growth rate between 2015-2019 is 7% and it is one of the most densely populated countries in the world.



Bangladesh LPG Market



- Aygaz's partner, **United Enterprises & Co. Ltd.** (UECL) was established in 1978 and has become one of the pioneering companies in the country. UECL has a diverse investment portfolio spanning from power generation to healthcare, education, real-estate, construction, port, yarn spinning, specialized services, shipping, mineral oil distribution and logistics among others.
- The critical success factors for Aygaz within this investment stand out to be its **60 years** of expertise in the sector, brand power and the supply and operational advantages that are planned to be created.

WLPGA , World Bank

24 Cargo Business - Aygaz Aykargo Dağıtım Hizmetleri



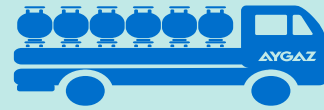
- Turkish e-commerce sector had grown by **35%** on average between 2015 and 2019. In 2019 sector growth reached 39% YoY. During the first 6 months of 2020 it is further up by **64% YoY** with the impacts of the pandemic.
- Cargo distribution business, which continues to grow rapidly in line with the e-commerce, is a business line where Aygaz aims to create additional value by utilizing its current assets. These assets can be listed as its **brand power**, **widespread dealer network**, **facility infrastructure** and **home delivery expertise** that is currently reaching 50 thousand houses on daily basis.



*Facility
infrastructure*



*Strong dealer
network*



*Home delivery expertise
reaching 50,000 houses daily*



- **McKinsey's** involvement as a partner, who has world wide access to current and competent sector practices, is critical in achieving the targets of the most advanced digital capabilities and operational excellence.
- Aykargo is primarily planning to focus on **B2C** segment which is expected to increase its portion in cargo sector in line with the growing e-commerce.

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