

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 sky.

# Q4. 2023 Earnings Release Report

March 4, 2023

- With the Capital Markets Board of Turkey's Bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS 29 inflationary accounting provisions.
- Accordingly, this presentation on 2023 year-end financial results contain the Company's audited financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS 29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023. In addition to these, given that the guidance information and the 2023 interim financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor presentations were provided. Such supplementary information is made available only for this period, and contains unaudited financial information prepared for management reporting purposes.
- This presentation does contain forward-looking statements and figures that reflect the Company management's current views with respect to certain future events based on the base-case assumptions. Although it is believed that the expectations reflected in these statements are reasonable under current conditions, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ. Neither Aygaz nor any of its directors, managers, or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.



## LPG Market & Business

- According to Energy Market Regulatory Authority (EMRA) LPG sector December report, in January-December 2023 period; Turkish **cylinder gas and autogas markets grew by 1% and 14% respectively** YoY. Aygaz sustained its market leader position during this period with a **total market share of 25.7%**.
- In January-December 2023, **Aygaz autogas sales improved by 11% YoY**, thanks to the contribution of the **increase in LPG's economic advantage**. With the **growth in bulk gas sales** realized in the first quarter, total **domestic retail sales** reached to 1,133 thousand tons with a **growth of 13% YoY**.
- In 2023, our **wholesale and international LPG sales** were realized **18% above** the same period of the previous year, and the total sales volume reached to 1,590 thousand tons.
- **United Aygaz LPG**, our joint venture in Bangladesh, continues its cylinder gas sales activities, which started in Chittagong in August 2022, by expanding to different regions. In its first fiscal year 2023, a total of **59 thousand tons of LPG sales** were reached **through 108 dealers**.



## Financial

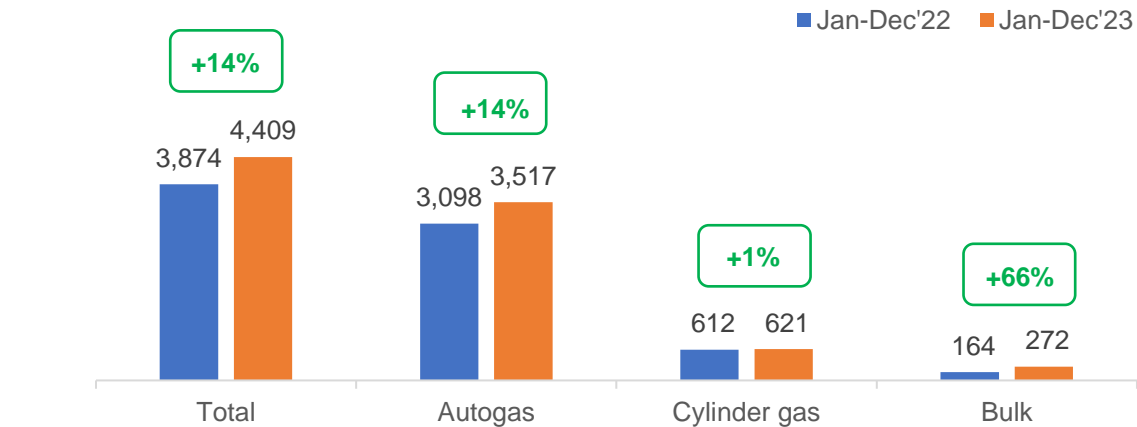
- In 2023;
- In the **LPG and natural gas business line**, increasing LPG sales volume, higher margins and inventory gain had positive impacts.
  - In the **parcel delivery business line**, Sendeo's operating loss continued as part of its growth phase.
  - **Consolidated net profit (parent)** amounted to **6 billion TL**, on the back of contribution from EYAŞ that is accounted under equity method.
  - As of December-end, **the net cash position** amount realized as **1.3 billion TL** mainly due to the increased operational profitability of LPG and natural gas business line and dividend revenue received from EYAŞ.



The background of the slide is a photograph of an industrial facility, likely a gas processing plant, during sunset. The sky is a mix of orange, red, and purple. In the foreground, there are several large, white, spherical storage tanks. One tank in the middle ground is labeled "201". Another tank to its right is labeled "203". The facility includes various pipes, structures, and lights that are illuminated against the twilight sky. A blue semi-transparent banner is overlaid on the lower part of the image, containing the title text.

# Operational Developments

## Turkish LPG Market ('000 ton)



Source: EMRA

According to EMRA LPG sector December report in January-December'23 period,

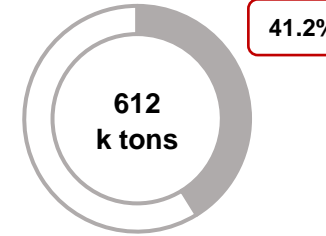
- Aygaz cylinder gas and autogas market shares are realized as 41.1% and 22.0% respectively.
- Aygaz sustained its leader position in all segments with the total market share of 25.7%.

## Aygaz Market Shares

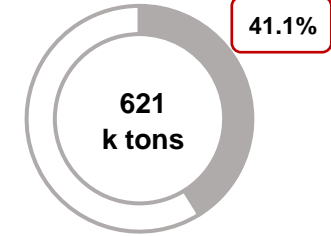
### Cylinder



December'22



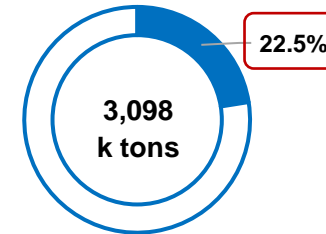
December'23



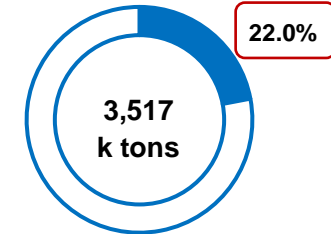
### Autogas



December'22



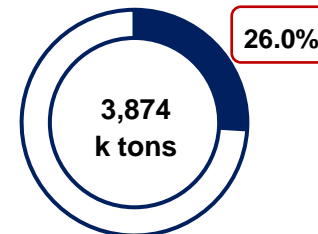
December'23



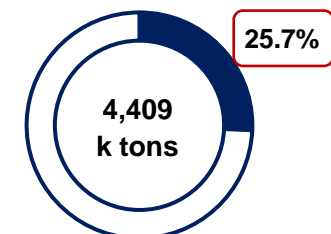
### Total



December'22



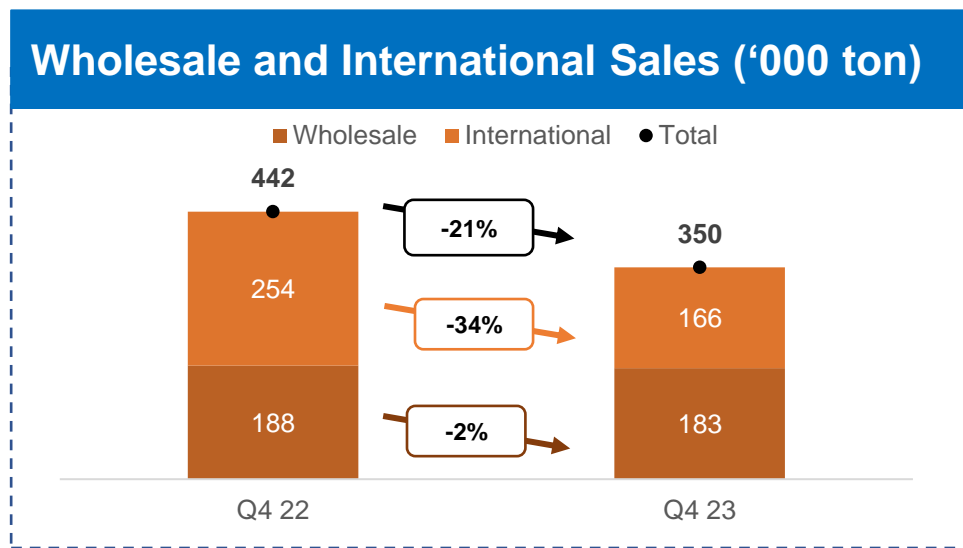
December'23



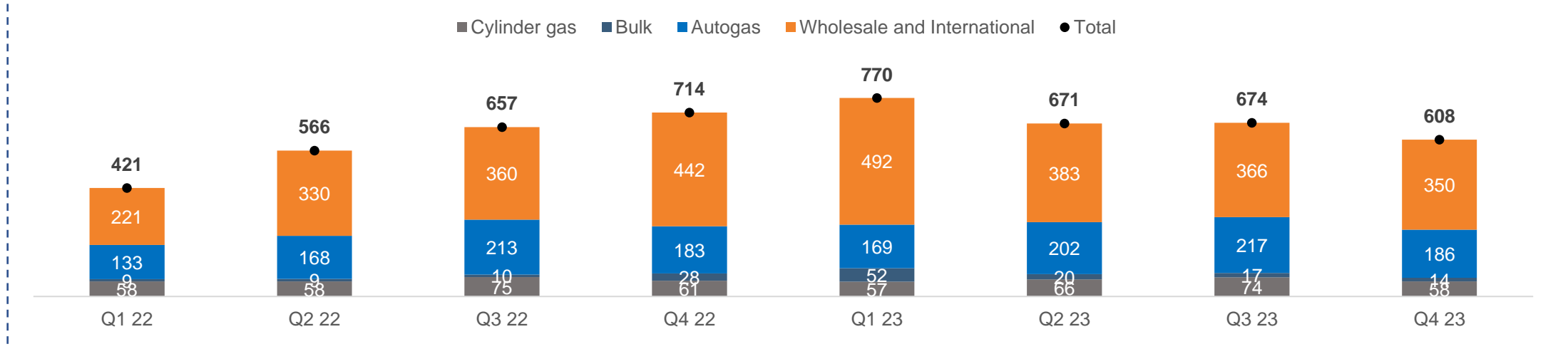
Source: EMRA

# Operational indicators – Q4 2023

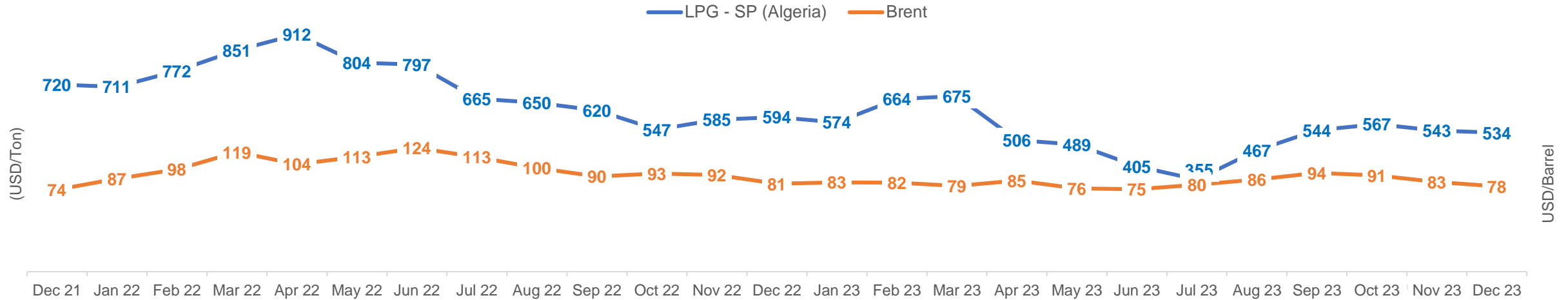
	4Q 2023 (‘000 ton)	Compared to 4Q 2022	12M 2023 (‘000 ton)	Compared to 12M 2022
Domestic Retail LPG Sales	259	-5%	1,133	13%
Wholesale and International LPG Sales	350	-21%	1,590	18%
Total LPG Sales	608	-15%	2,723	15%



## Aygaz LPG Sales Quarterly (‘000 ton)

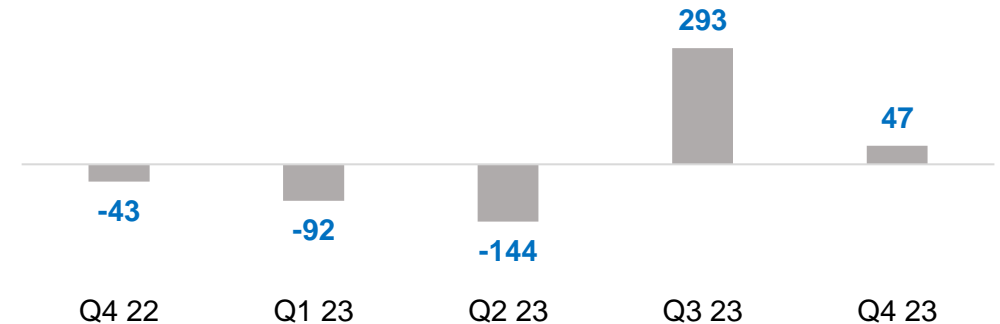


## LPG & Brent World Prices



- December 2023 Sonatrach (SP) LPG price is at 534 USD/ton, down by 10% compared to December 2022. The average 12-month LPG price for 2023 realized as 527 USD/ton.
- LPG prices decreased to 355 USD/ton in July due to the global excess supply and slowdown in consumption in the first half of 2023.
- Net inventory gain resulting from the change in SP is realized as **103 mn TL** (Jan-Dec 2022: -208 mn TL inventory loss).

## Inventory Impact of SP (mn TL)





# Bangladesh Investment: United Aygaz



61 mn USD capital

Cumulative capital contribution: 61 mn USD

Aygaz share: ~30.5 mn USD



Total 207 employees



Bangladesh LPG market, which is **1.4 million tons\***, one of the fastest growing LPG markets in the world with an **average annual growth rate of 22% in the last five years.**



**In Chittagong**, in addition to 4 LPG sphere tanks in use with a total capacity of 11,000 tons, the installation process of 2 new sphere tanks with a total capacity of 5,000 tons continues.

The necessary legal permits have been obtained and construction works have commenced for the **Dhaka** facility.



As of December-end 2023, operations are carried out with **108 dealers and ~7,000 sales points.** Bulk gas and autogas sales have been also started.

A sales volume of **59 thousand tons** was reached in **2023**, which is its **first fiscal year.**





# Parcel Delivery Business Line: Sendeo



**1,688.5 mn TL cumulative capital contribution**  
(Aygaz share: ~930 mn TL)



**Total 2,014 employees with 1,690 in the field**



**Total 4,159 customers' packages delivered**



Maximum number of daily packages delivered in November 2023 reached to **220 k**; thanks to increased e-commerce activity during that month. Since the beginning of 2023, the total number of delivered **packages is 23.7 million**.

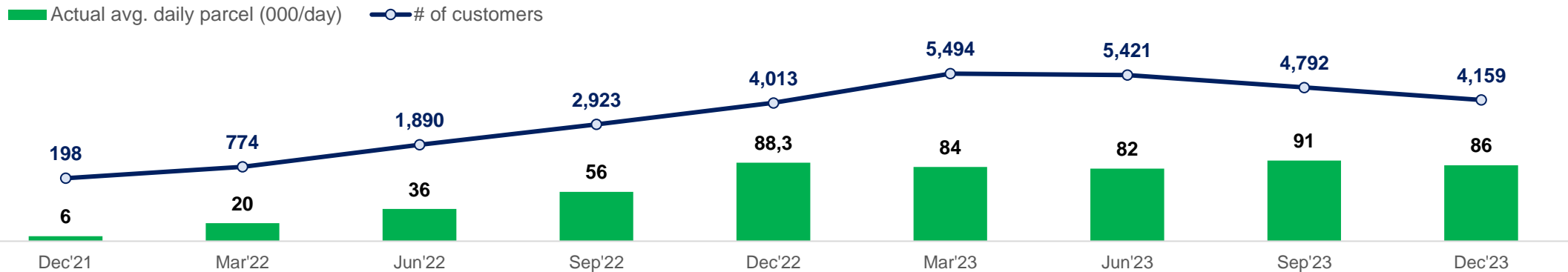


Sendeo operates with **10 transfer centers, 15 distribution centers, 424 distribution points and 1,449 active delivery points** as of December-end.



On **11 January 2024** a non-binding **Memorandum of Understanding** has been signed to express the purpose of conducting the activities of **Sendeo** and **Kolay Gelsin** with the principle of equal partnership.

## Evolution of Number of Packages and Customers



The background of the slide is a wide-angle 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, several large white storage tanks are visible, with the number "201" on one of them. A blue semi-transparent banner is overlaid on the center of the image, containing the text "Financial Results".

# Financial Results

# LPG & Natural Gas Business Line - Financials



(Based on purchasing power of Turkish Lira ("TL") as of 31 December 2023, the amounts are expressed in mn TL unless otherwise stated.)

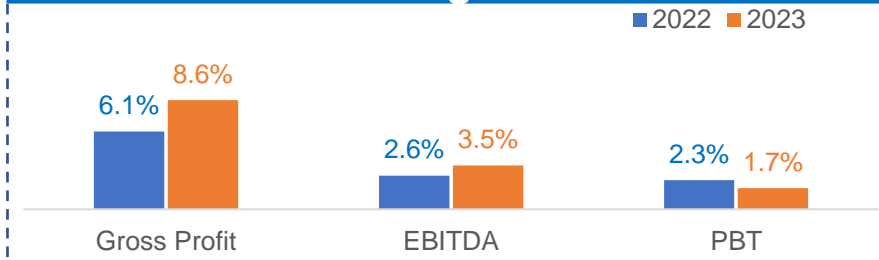
Financials (mn TL)	2022	2023	Diff. %
Revenue	70,995	63,881	(10)
Gross Profit	4,366	5,525	27
EBITDA*	1,880	2,223	18
Operating Profit	855	1,267	48
Income From Investment Activities**	39	308	688
Financial Income/(Expense)	(726)	(447)	(38)
Monetary Gain/(Loss)	1,019	338	(67)
PBT	1,187	1,466	23
Net Profit	1,043	1,387	33

- Despite a 15% increase in total LPG sales volume compared to the previous year, a notable 26% decline in average SP relative to 2022 has resulted in sales revenue falling behind last year's performance.
- The primary factors contributing positively to gross profit in comparison to the previous year include: (1) an increased sales volume, (2) improvement in distribution margins above inflation, and (3) increased inventory profit effect.
- Monetary gain realized in 2023 declined compared to 2022 due to the increase in total equity with the dividend coming from EYAŞ. Despite this negative impact, PBT increased by 23% YoY thanks to solid operating profitability and decrease in net financial expenses.

\* Excluding other operational income and expenses

\*\* Including the shares of investments valued using the equity method

## Margins





# Consolidated Financials



(Based on purchasing power of Turkish Lira ("TL") as of 31 December 2023, the amounts are expressed in mn TL unless otherwise stated.)

Financials (mn TL)	2022	2023	Diff. %
Revenue	71,288	64,835	(9)
Gross Profit	3,858	4,963	29
EBITDA*	1,029	1,165	13
Operating Profit	(28)	211	867
Income From Investment Activities**	6,242	5,393	(14)
Financial Income/(Expense)	(709)	(462)	(35)
Monetary Gain/(Loss)	989	324	(67)
PBT	6,494	5,466	(16)
Net Profit***	6,848	5,954	(13)

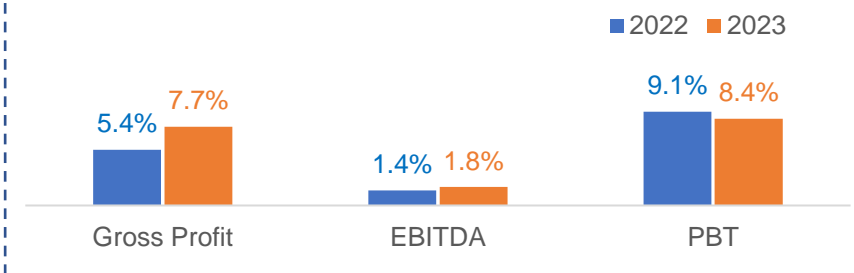
\* Excluding other operational income and expenses

\*\* Including the shares of investments valued using the equity method

\*\*\*Parent company shares

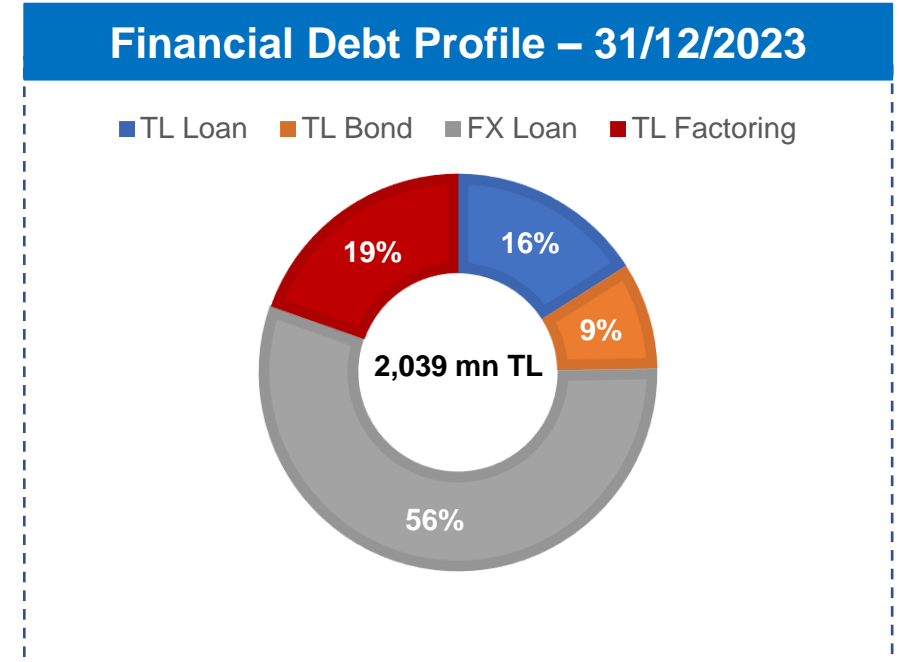
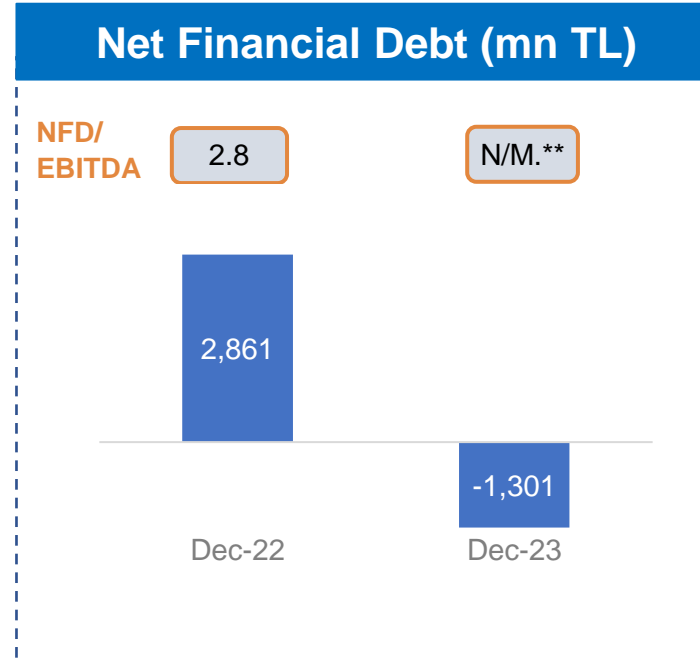
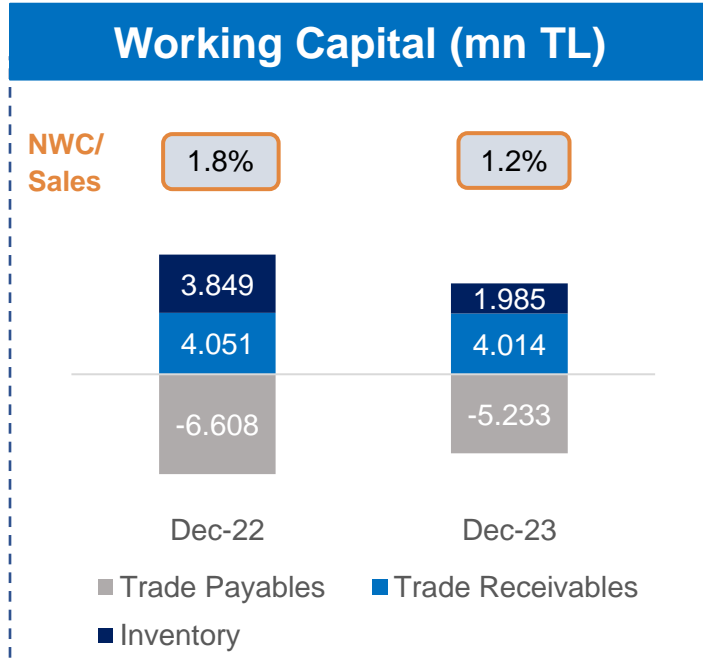
- The operating profit, realized at 1,267 mn TL in the LPG and Natural Gas segment, declines to 211 mn TL at the consolidated level due to Sendeo's operating loss of 1,054 mn TL.
- As a result of the positive contribution from the LPG and Natural Gas segment, the consolidated EBITDA for 2023 realized up by 13% YoY.
- The contribution from investments accounted under the equity method was 6,163 mn TL in 2022 (EYAŞ: 4,714 mn TL // Entek: 1,486 mn TL). This figure decreased to 5,089 mn TL in 2023 (EYAŞ: 5,077 mn TL // Entek: -).

## Margins



# Consolidated Financial Highlights

(Based on purchasing power of Turkish Lira ("TL") as of 31 December 2023, the amounts are expressed in mn TL unless otherwise stated.)



- As of 31 December 2023, net working capital requirement is 766 mn TL (31.12.2022: 1,292 mn TL).
- As of December-end, **the net cash position** amount realized as **1.3 billion TL** mainly due to the increased operational profitability of LPG and natural gas business and dividend revenue received from EYAŞ.

\*As of December-end

\*\*N/M: Net cash position

# Forward Looking Statements for 2024



## Sales Volume



Cylinder: 240 - 250 k tons



Autogas: 770 - 800 k tons



## Market Share



Cylinder: 41.0% - 43.0%



Autogas: 21.5% - 22.5%



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. 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. A blue semi-transparent banner is overlaid on the bottom right of the image, containing the word "Appendix" in white text.

# Appendix

# Financial Highlights – Without IAS 29 inflation accounting

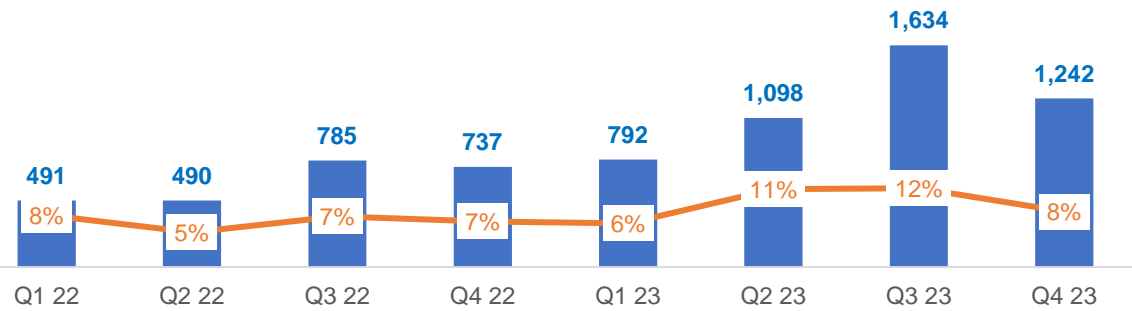


## Gross Profit & Gross Profit Margin

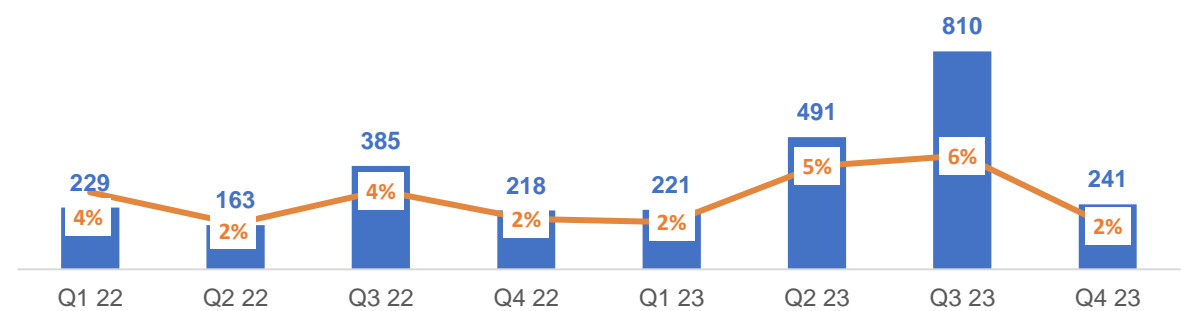
## EBITDA & EBITDA Margin

### LPG and Natural Gas

■ Gross Profit (mn TL)    — Gross Profit Margin (%)

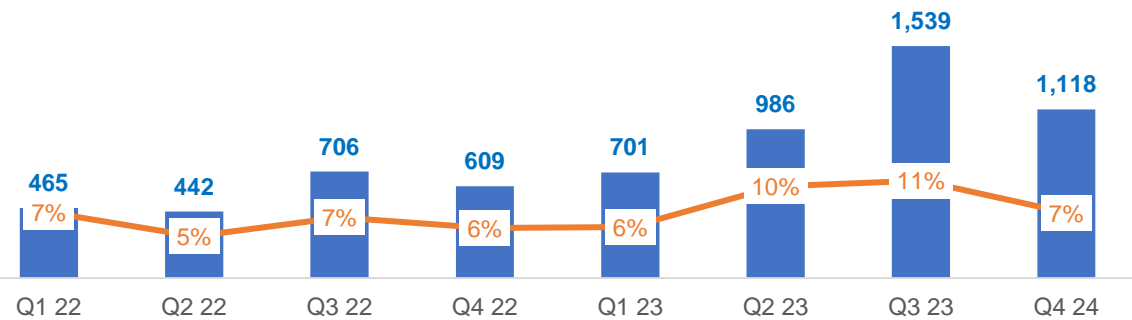


■ EBITDA\* (mn TL)    — EBITDA Margin (%)

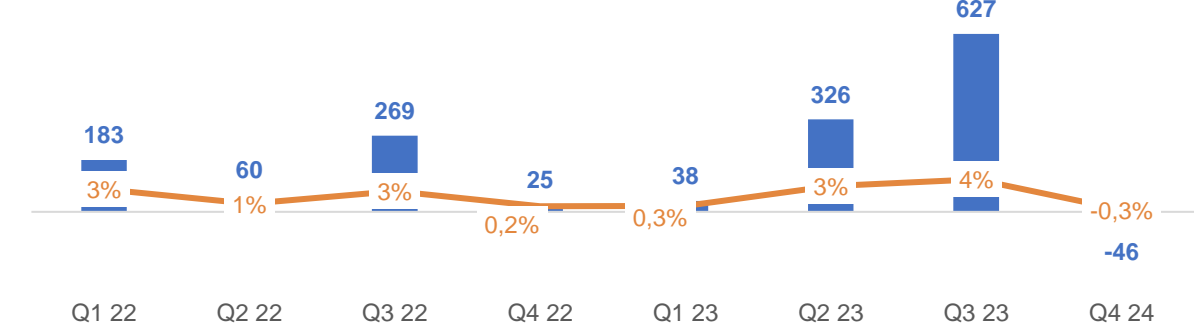


### Aygaz Group Consolidated

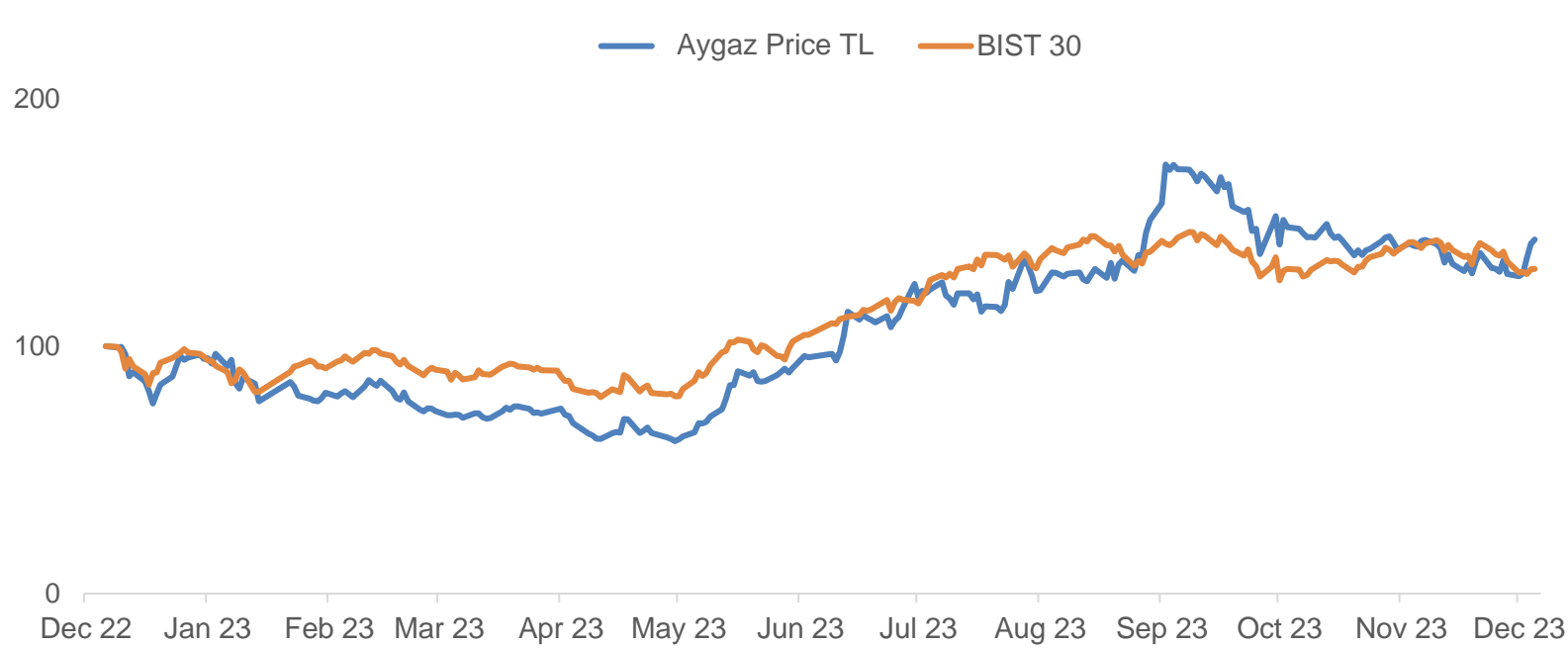
■ Gross Profit (mn TL)    — Gross Profit Margin (%)



■ EBITDA\* (mn TL)    — EBITDA Margin (%)

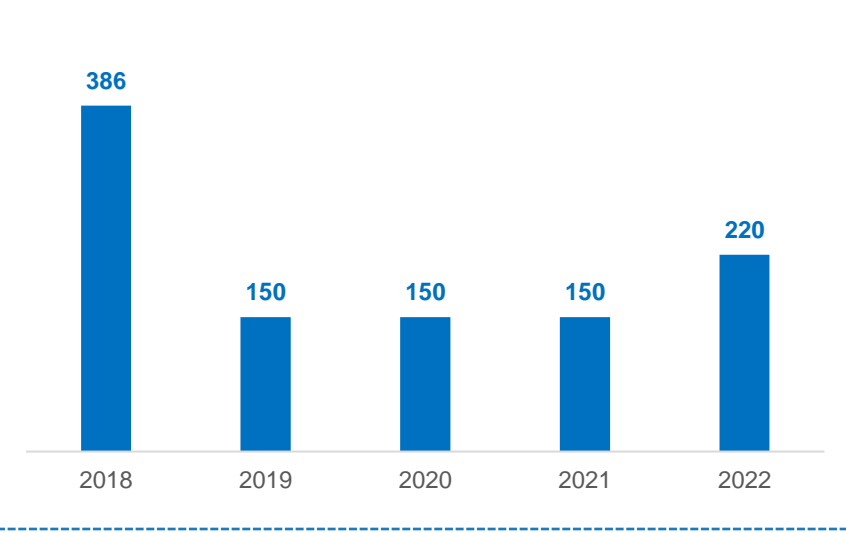


## Aygaz Share Price



- As of 2023 December-end, Aygaz's company value has increased by 43% in the last 1 year, reaching 29.7 billion TL (1 billion USD).
- In the same period BIST 30 and BIST 100 are up by 31% and 32% respectively.

## Dividend (mn TL)



BIST Code:	AYGAZ
Bloomberg Code:	AYGAZ.TI
Reuters Code:	AYGAZ.IS
IPO Date:	13.01.1988
Free float rate:	24.3 %



# Consolidated Income Statement - Summary

(Based on purchasing power of Turkish Lira ("TL") as of 31 December 2023, the amounts are expressed in mn TL unless otherwise stated.)

Income Statement (mn TL)	2022	2023	Diff (%)***
Revenue	71,288	64,835	(9)
Gross Profit	3,858	4,963	29
<i>Gross Profit Margin</i>	<i>5.4%</i>	<i>7.7%</i>	<i>2.3</i>
Operating Profit/Loss	(28)	211	867
<i>Operating Profit Margin</i>	<i>-0.04%</i>	<i>0.3%</i>	<i>0.3</i>
Profit Before Tax	6,494	5,466	(16)
<i>PBT Margin</i>	<i>9.1%</i>	<i>8.4%</i>	<i>(0.7)</i>
Net Profit*	6,848	5,954	(13)
<i>Net Profit Margin</i>	<i>9.6%</i>	<i>9.2%</i>	<i>(0.4)</i>
EBITDA**	1,029	1,165	13
<i>EBITDA Margin</i>	<i>1.4%</i>	<i>1.8%</i>	<i>0.4</i>
Inventory Gains/Losses	(208)	103	150

\*Parent company's share

\*\*Excluding other income and expenses

\*\*\* Margins include point changes

# Consolidated Balance Sheet - Summary




(Based on purchasing power of Turkish Lira ("TL") as of 31 December 2023, the amounts are expressed in mn TL unless otherwise stated.)

Balance Sheet (mn TL)	31.12.2022	31.12.2023	Diff.	Diff (%)
Cash & Cash Eq.	3,069	3,521	452	(87)
Trade Receivables	4,051	4,014	(37)	(101)
Inventories	3,849	1,985	(1,864)	(194)
Prop. Plant & Equip.	4,487	4,382	(104)	(102)
Participations	25,477	27,929	2,452	(91)
<b>Total Assets</b>	<b>45,771</b>	<b>46,189</b>	<b>418</b>	<b>(99)</b>
Financial Debt	5,930	2,220	(3,710)	(267)
Trade Payables	6,608	5,233	(1,374)	(126)
Total Equity	30,861	36,523	5,663	(84)
<b>Total Liabilities &amp; Equity</b>	<b>45,771</b>	<b>46,189</b>	<b>418</b>	<b>(99)</b>
<b>Net Cash (Debt)</b>	<b>2,861</b>	<b>(1,301)</b>	<b>(4,162)</b>	<b>(220)</b>
<b>Net Workin Capital</b>	<b>1,292</b>	<b>766</b>	<b>(527)</b>	<b>(169)</b>

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