

AYGAZ

Q4. 2017

Earnings Release Report

February 14, 2017



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.

- Neither Aygaz nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.
- LPG market volumes and market share data is from the latest EMRA November Report for cumulative 11 months whereas Aygaz sales volumes are year end figures that are reported to EMRA.

Highlights

Operational - Quarterly

According to Q4 2016



Domestic LPG sales

253

Thousand tons

-7% YoY



**International and
wholesale LPG sales**

262

Thousand tons

8% YoY



Total LPG sales

514

Thousand tons

0.1% YoY



- LPG selling prices increased by 20% on average compared to previous year .
The contraction impact of the rising prices on domestic LPG consumption is compensated by international and wholesale sales.



Highlights

Operational– 12 Months cumulative

According to 12M 2016



Domestic LPG sales

1.125
Thousand tons

-3% YoY



International and
wholesale LPG sales

1.029
Thousand tons

+9% YoY



Total LPG sales

2.154
Thousand tons

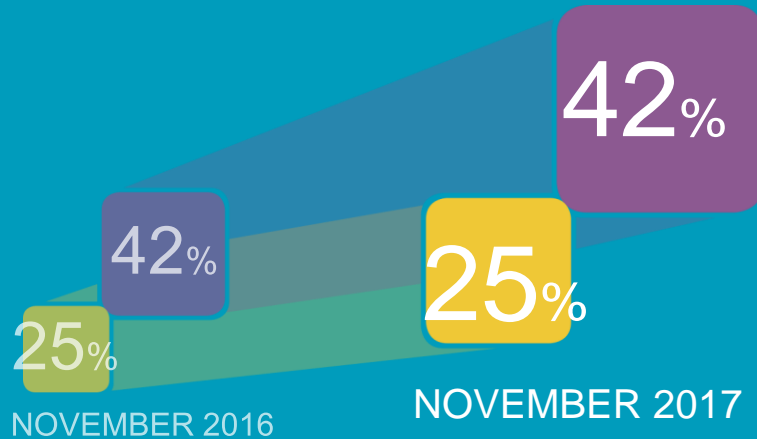
+2% YoY



- Cylinder sales are 335 thousand tons (-2% YoY)
Autogas sales are 759 thousand tons (-4% YoY)



Highlights



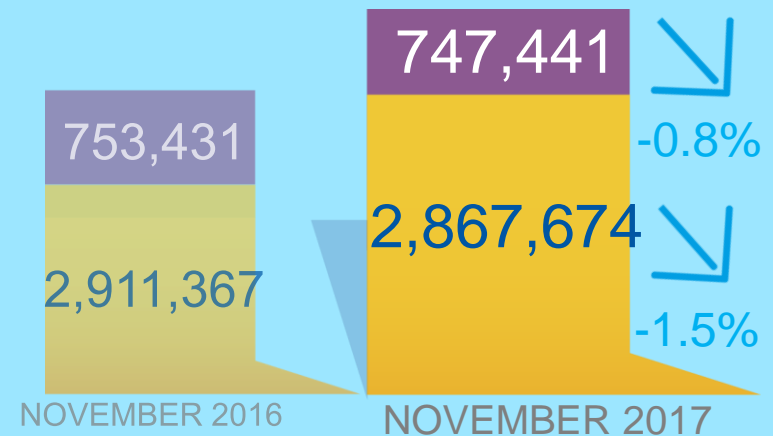
As of November 2017 EMRA report, Aygaz cylinder and autogas market shares are 42% and 25% respectively.

(42% and 25% in November 2016)

According to November 2017 EMRA report, Turkish cylinder sales volume is 747,441 tons and auto gas volume is 2,867,674 tons.

2016/11 months (*):

Cylinder gas	753,431 tons
Autogas	2,911,367 tons



SALES VOLUME (Tons)

(*)2017 EMRA Report data

EMRA, Aygaz



Highlights

Financial

QUARTERLY / (YoY)

Revenue	2,307 Million TL	+25% YoY	↑
Operating profit	46 Million TL	-40% YoY	↓
EBITDA	68 Million TL	-30% YoY	↓
Net profit	85 Million TL	-39% YoY	↓

- Domestic LPG demand decrease due to the rise in prices and unlike previous year, the underperformance of natural gas in line with the natural gas prices had an impact on profitability.



Highlights

Financial

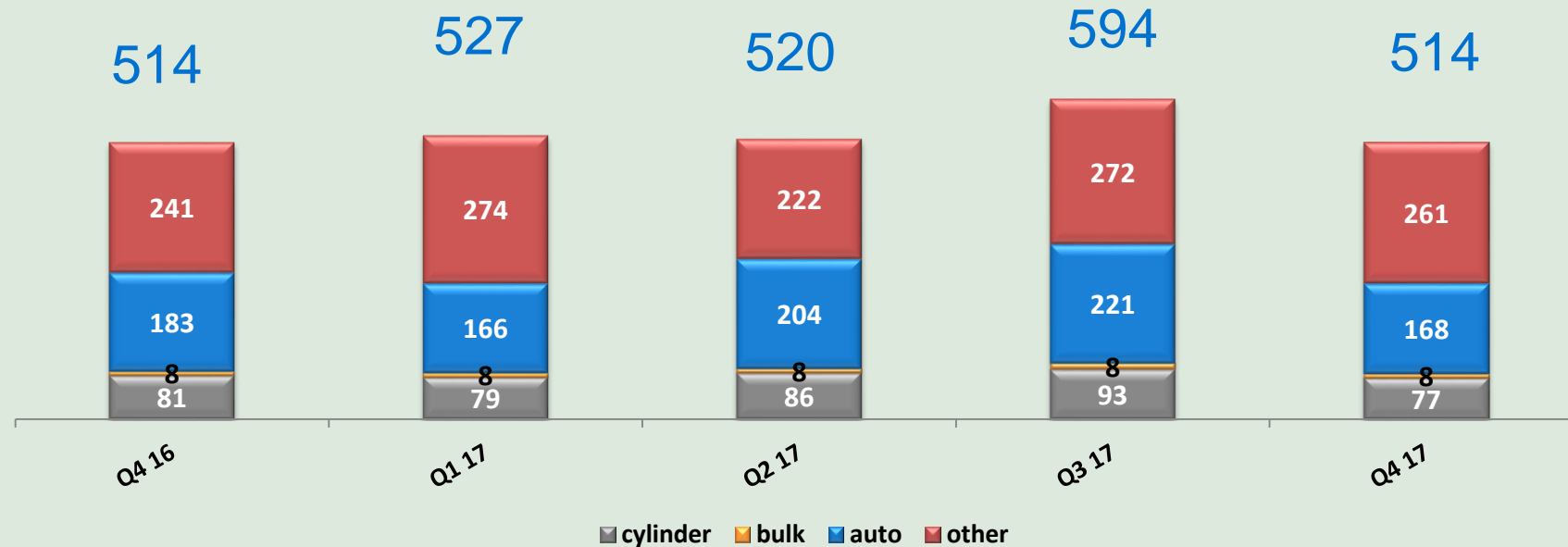
12 MONTHS CUMULATIVE / (YoY)

Revenue	8,469 Million TL	+25% YoY	↑
Operating profit	265 Million TL	-14% YoY	↓
EBITDA	352 Million TL	-11% YoY	↓
Net profit	577 Million TL	+39% YoY	↑

- Increase in contributions from investments accounted under equity method affected the net profit positively while the higher LPG prices pressured the demand side.

Aygaz LPG Sales (Quarterly)

(Thousands tons)

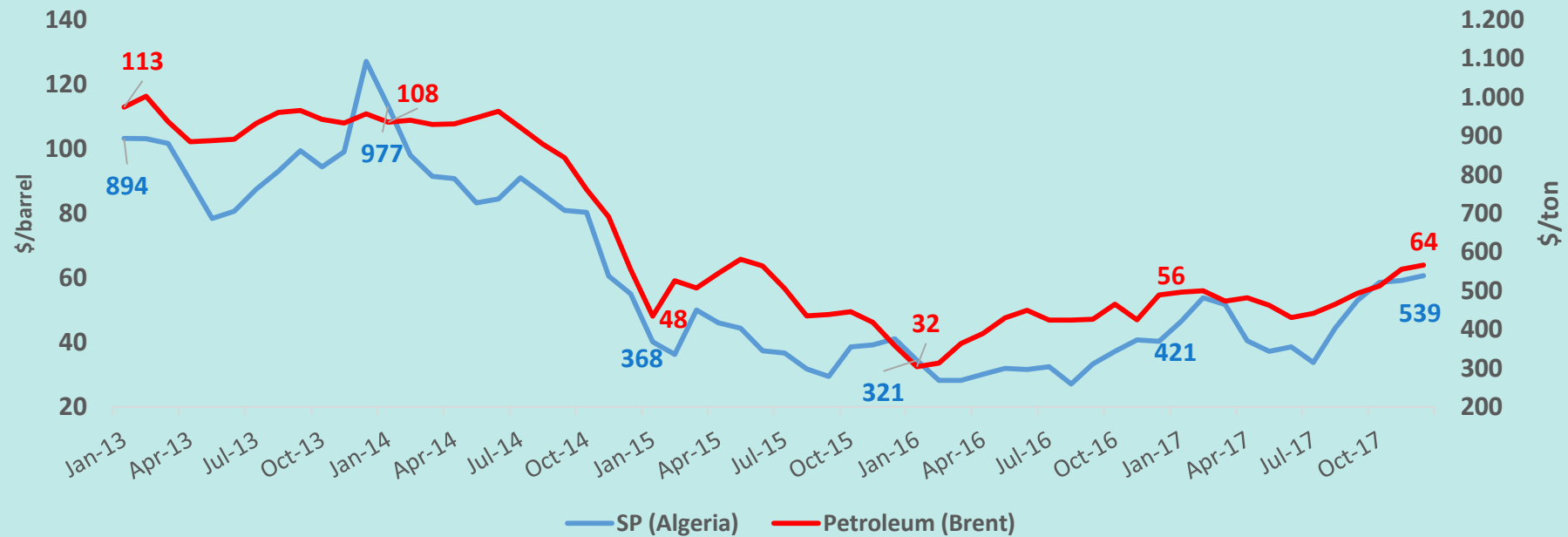


Q4 2017 sales volumes were realized as

- 168 thousand tons in Autogas (-8% YoY)
- 77 thousand tons in Cylinder Gas (-5% YoY)

EMRA, Aygaz

LPG – Brent World prices

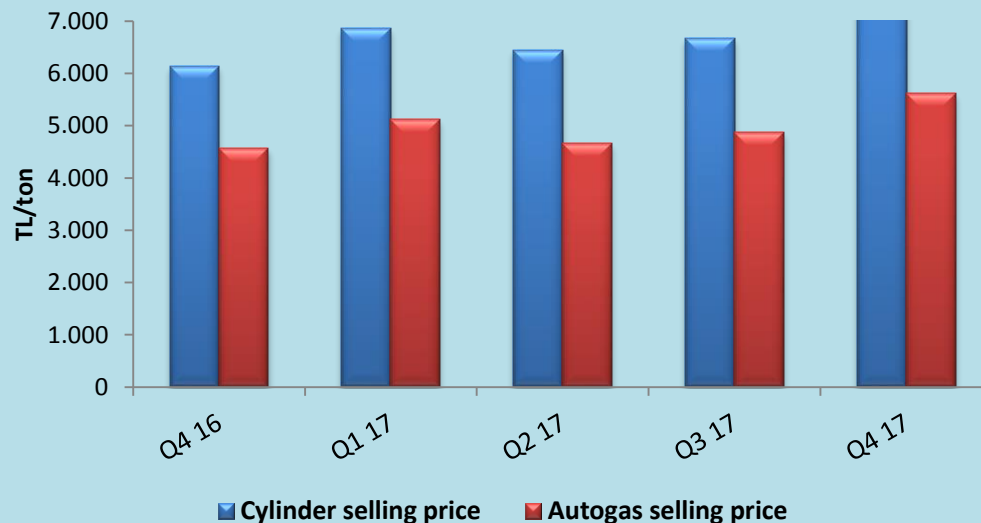


- December 2017 Sonatrach LPG price is at USD 539 and 46% higher than December 2016 price.

LPG-Price* and Tax

Excise tax amount and VAT rates are changed as of **August 1, 2017**;

- All LPG types are made subject to the same amount of excise tax, accordingly cylinder LPG's excise tax amount is increased from TL 1,210 to TL 1,778.
- VAT rate for cylinder LPG is decreased from 18% to 8% in order to limit the increase in the final selling price,



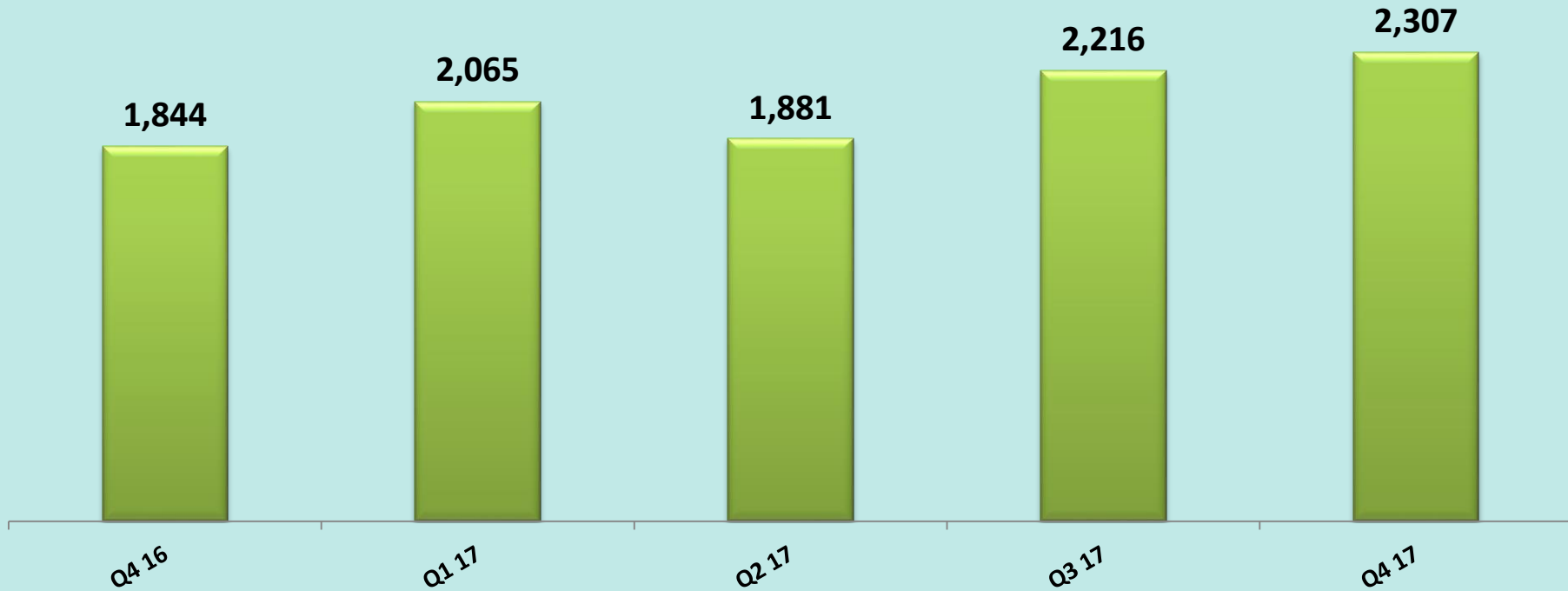
*Periodic arithmetic averages

Average listed selling prices;

- Q4 17 prices, increased by 22% and 23% YoY while they were up by 12% and 15% QoQ for cylinder and autogas respectively.
- When comparing for 12M 17, due to FX and commodity price, they are higher by 19% and 23% YoY for cylinder and autogas respectively.

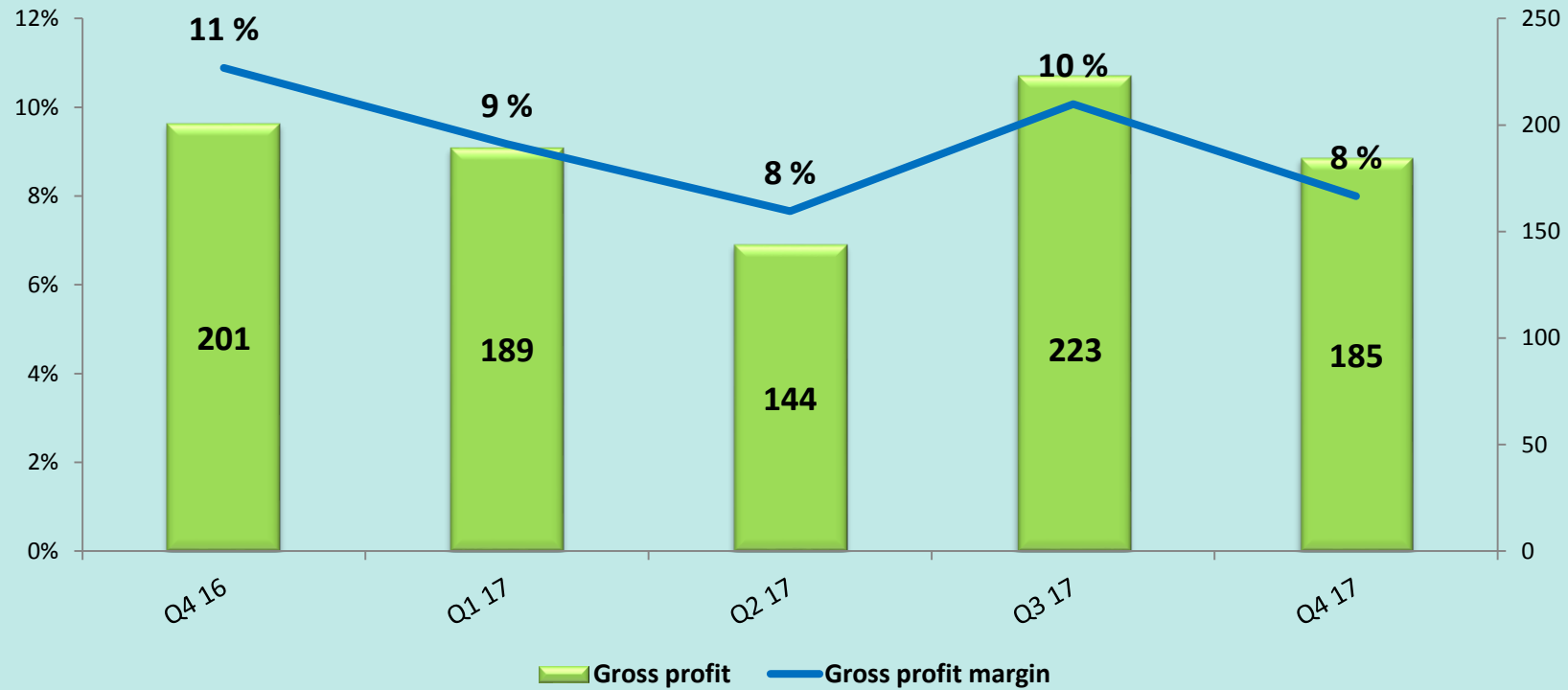
6

Net Sales (m TL)



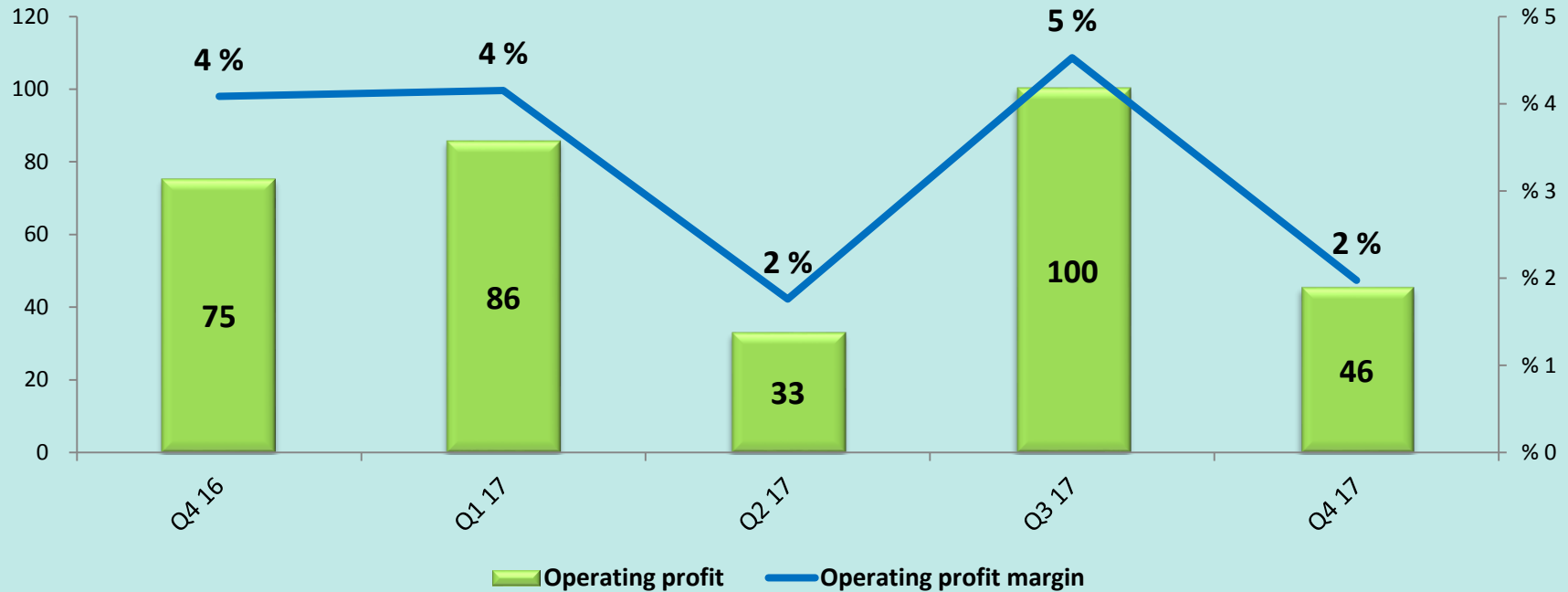
- Consolidated sales revenue is reported as 2,307 million TL up by 25% YoY with the effects of higher commodity price and rise in USD exchange rate.

Gross Profit (m TL)



- Gross profit is realized as 185 million.
- Gross profit margin is 8%.

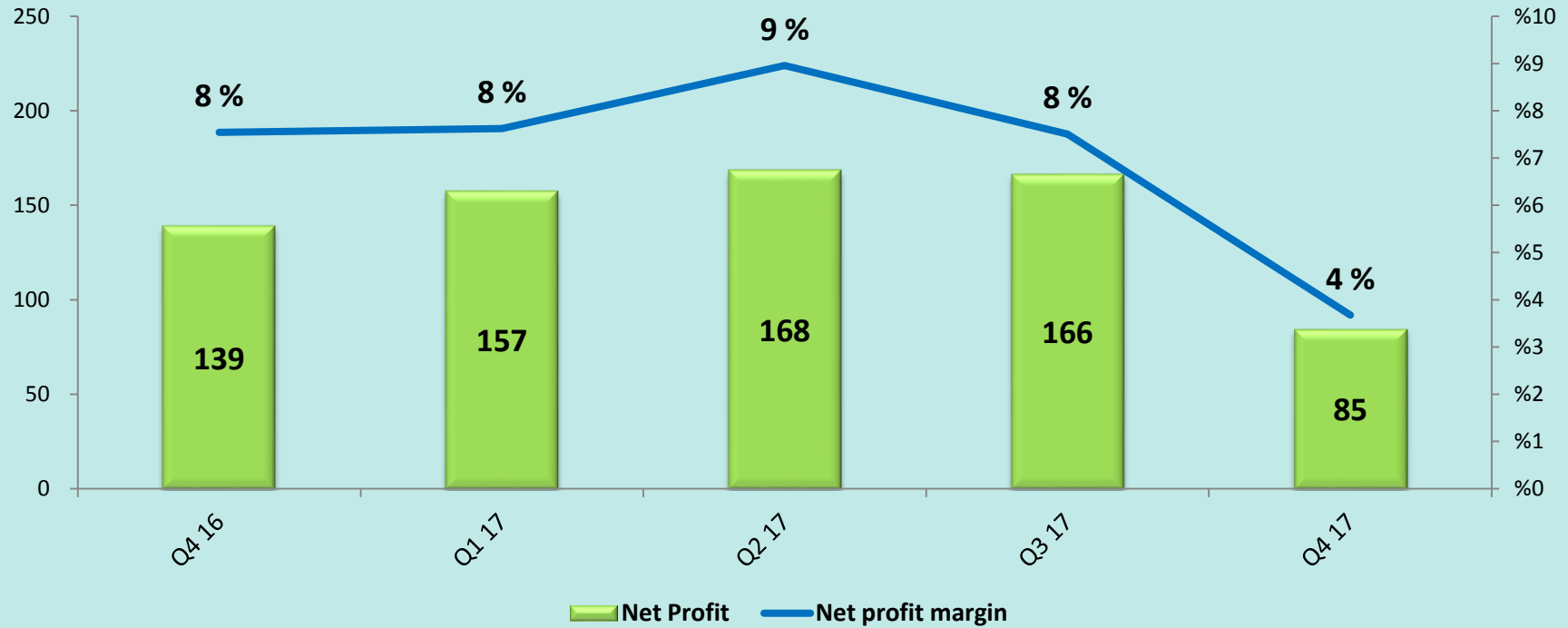
Operating Profit (m TL)



- Operating profit is 46 million TL, getting an impact from contracting domestic sales.
- Operating profit margin is 2%.

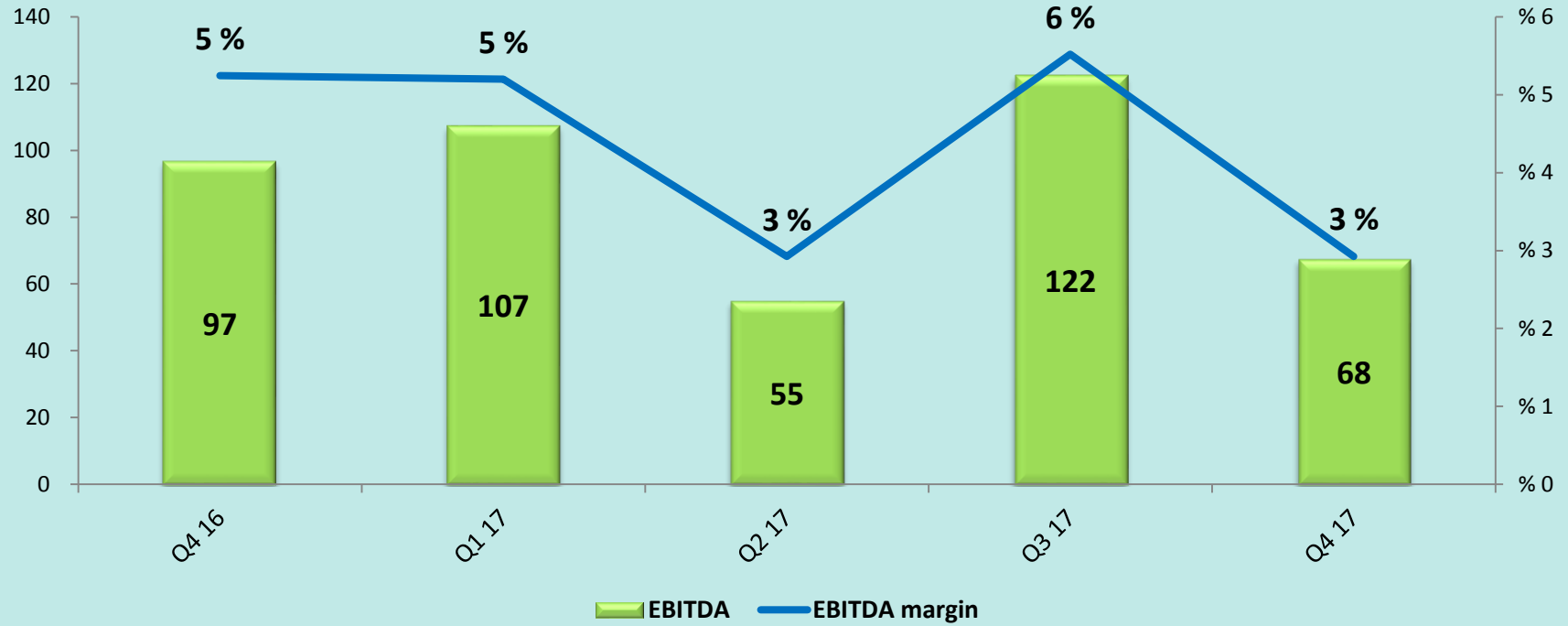
9

Net Profit (m TL)



- Net Profit is 85 million TL.
- Net profit margin is 4%.

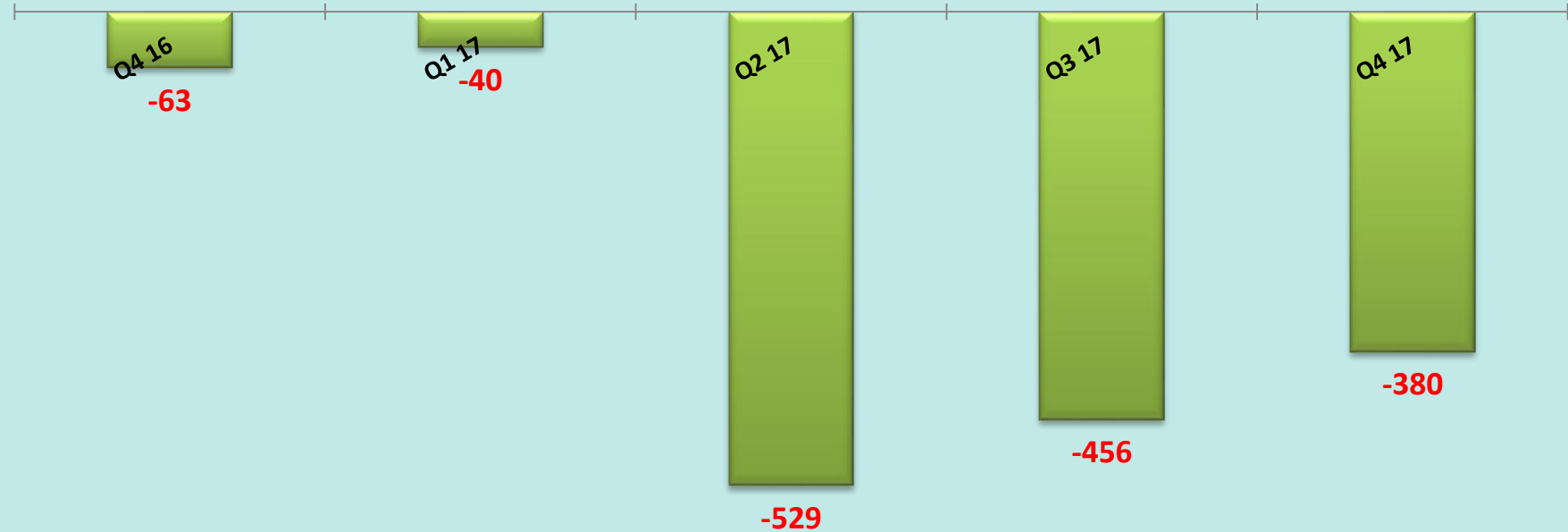
EBITDA (m TL)



- EBITDA is 68 million TL.
- EBITDA margin is 3%.

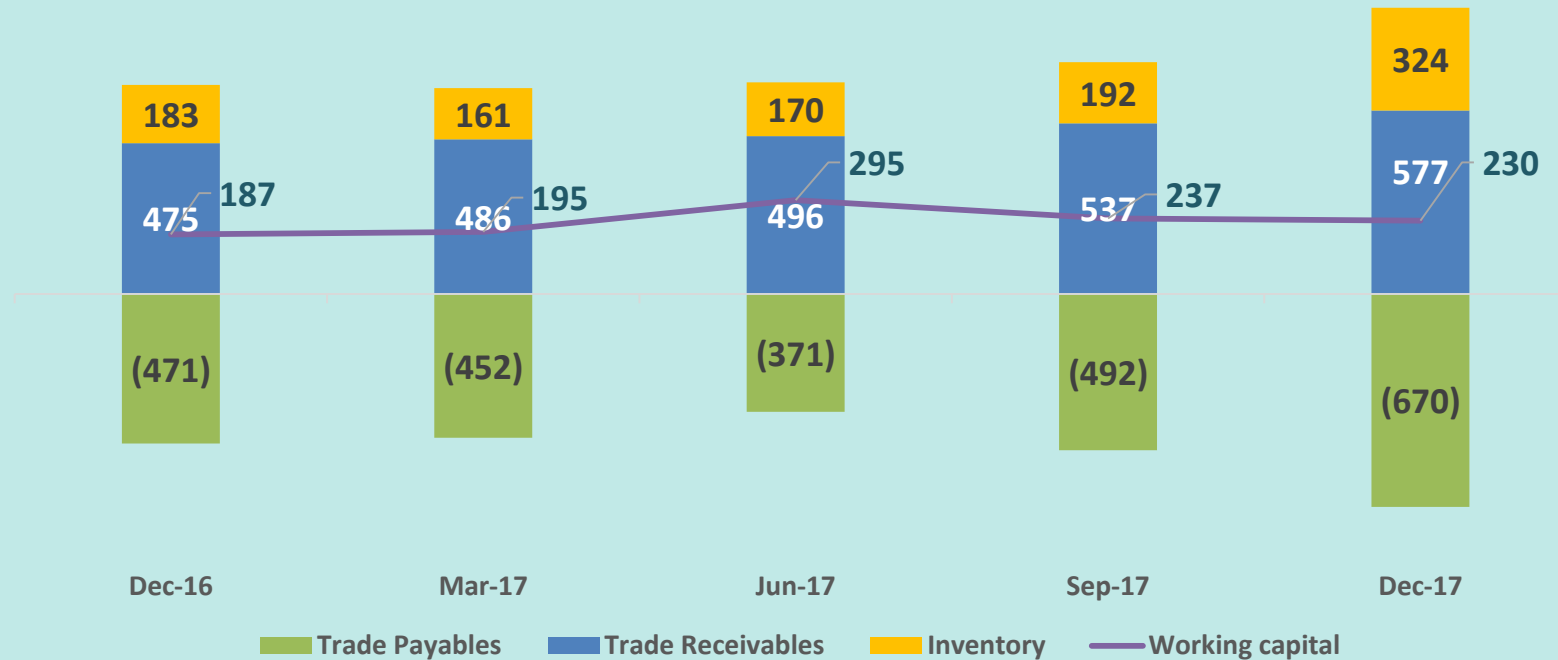
11

Net Cash (m TL)



- As of 31 December 2017 net debt is 380 million TL.
- After Q1 17, the rise in net debt in line with the working capital need of the company due to LPG price upsurge, the natural gas inventory, dividend payment and contributions for capital increases of the participations was partially recovered by the improvement in liquidity in Q3 and Q4 17.

Working Capital (m TL)

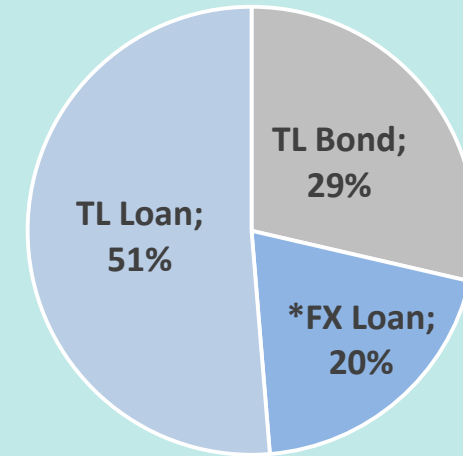


- Excise tax amount included in inventory and short term provisions are netted out and inventory figures are revised downwards retrospectively. This move had no impact on previous years' profits and losses.

Debt Profile

(m TL)	2016	12M 2017
ST Borrowings	1	85
Current portion of LT Borrowings	229	305
LT Borrowings	400	583
Total Debt	630	973
Cash and cash equivalents (-)	568	593
= Net Debt	63	380

Debt Profile as of 31/12/2017



- Maturity structures of the debts are wide-range and long term.
- FX position is actively monitored and managed including derivatives.

- **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 received a long term rating of (TR) AAA and a short term rating of (TR) A1+ and outlook as stable on June 22, 2017.

Income Statement – Summary

Million TL	Q4 17	Q3 17	Change	Q4 17	Q4 16	Change
Revenues	2,307	2,216	4%	2,307	1,844	25%
Gross Profit	185	223	-17%	185	201	-8%
Operating Profit	46	100	-55%	46	75	-40%
Profit Before Tax	97	183	-47%	97	158	-38%
Net Profit	85	166	-49%	85	139	-39%
EBITDA	68	122	-45%	68	97	-30%
MARGINS						
Gross Profit M.	8%	10%	-2	8%	11%	-3
Operating Profit M.	2%	5%	-3	2%	4%	-2
Profit Before Tax M.	4%	8%	-4	4%	9%	-5
Net Profit M.	4%	8%	-4	4%	8%	-4
EBITDA M.	3%	6%	-3	3%	5%	-2

Income Statement – Summary

Million TL	12M 17	12M 16	Change
Revenues	8,469	6,749	25%
Gross Profit	741	787	-6%
Operating Profit	265	308	-14%
Profit Before Tax	621	469	32%
Net Profit	577	416	39%
EBITDA	352	394	-11%
MARGINS			
Gross Profit M.	9%	12%	-3
Operating Profit M.	3%	5%	-2
Profit Before Tax M.	7%	7%	-
Net Profit M.	7%	6%	+1
EBITDA M.	4%	6%	-2

Balance Sheet- Summary

Million TL	12M 17	12M 16
Cash & Cash Eq.	593	568
Trade Receivables	577	475
Inventories	324	183
Prop.Plant&Equipment	678	658
Participations	2,273	1,922
Total Assets	4,966	4,231
Financial Debt	973	630
Trade Payables	670	471
Total Equity	2,923	2,740
Total Liabilities & Equity	4,966	4,231
Net Cash (Debt)	-380	-63
Working Capital	230	187

17 Forward looking statements for 2018

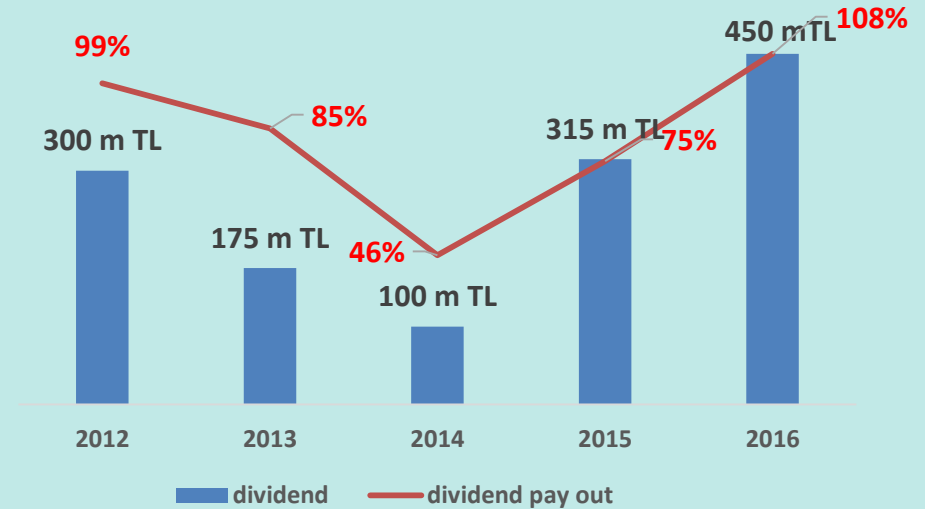
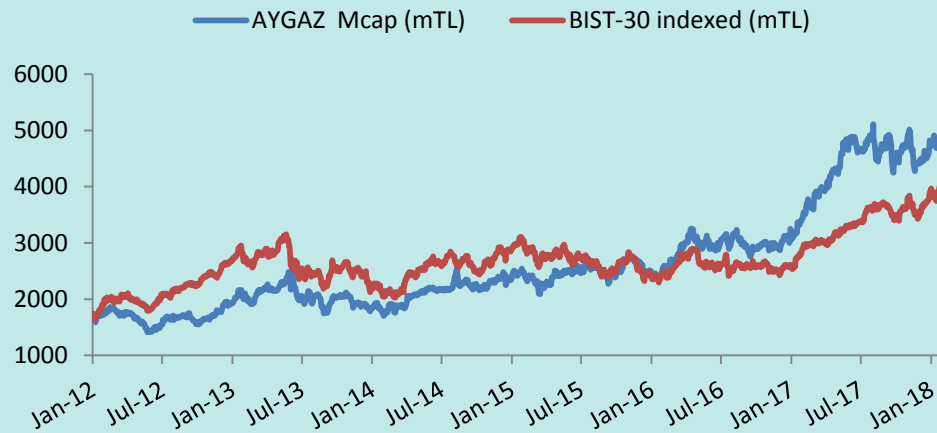
Sales volume

- Cylinder: 320-335 thousand tons
- Autogas: 750-785 thousand tons

Market share

- Cylinder: 41.5%-43.5%
- Autogas: 24.2%-25.4%

Aygaz Share Value



BIST Code: **AYGAZ**

Bloomberg Code: **AYGAZ.TI**

Reuters Code: **AYGAZ.IS**

IPO Date: **13.01.1988**

Free float rate: **24.3%**

- Sustainable operating profitability from core business; LPG
- Resistant to economic fluctuations and crisis
- High dividend payments
- Corporate governance practices at international standards

Contacts

investor@aygaz.com.tr

Ferda Erginođlu, CFO

ferda.erginoglu@aygaz.com.tr
+90 212 354 1764

Ŗebnem Yücel, Finance Manager

sebnem.yucel@aygaz.com.tr
+90 212 354 1510

Selin Sanver, Investor Relations Manager

selin.sanver@aygaz.com.tr
+90 212 354 1659

www.aygaz.com.tr