



AYGAZ Q3 2025 Financial Results Conference Call

Monday, 3rd November 2025, 15:00 TR Time

Conductors:

Mr. Gökhan Dizemen, Chief Financial Officer

Mr. Kozan Nabi Çiftçi, Corporate Finance & Investor Relations

Conference Call Conducted by Chorus Call Hellas



CHORUS CALL HELLAS

PROVIDER OF TELECONFERENCING SERVICES

TEL: +30 210 94 27 300

FAX: + 30 210 94 27 330

Web: www.choruscall.com

OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Mina your Chorus Call operator. Welcome and thank you for joining the AYGAZ conference call and Live Webcast to present and discuss the Third Quarter 2025 Financial Results.

At this time, I would like to turn the conference over to Mr. Kozan Nabi Ciftci, Corporate Finance and Investor Relations Manager .

Mr. Kozan Nabi Ciftci, you may now proceed.

CIFTCI KOZAN NABI: Good afternoon everyone. Thank you for joining our Earnings Webcast for the Third Quarter of 2025. With me today are Gokhan Dizemen, Chief Financial Officer, Ilsu Neşeliler, Financial Reporting and Control Manager, and Billur Aslan, Corporate Governance and Financial Operations Leader of Aygaz.

Before we begin, let me remind you that our presentation and comments in the Q&A session might contain forward-looking statements and assumptions based on our business environment as we see it today, and they might be subject to change. As always, I will start with a summary of the LPG market and operational highlights together with an update on our Bangladesh investment, then continue with the financial overview. And at the end, as usual, we will have time for a Q&A session.

Please remember you can access the audio recording and transcript on our website after the call. Let us start with the key operational highlights for the Third Quarter of 2025 on

slide number three. The latest LPG report published by Energy Market Regulatory Authority, briefly EMRA, is as of August 2025, and according to the January-August volumes disclosed in the report, total Turkish LPG consumption contracted by 6% year-on-year, due mainly to the contractions in both cylindergas and autogas markets in 2025, which were realized at 6% year on year.

Historical average market contraction in the Turkish cylinder gas market resulting from the extension of the natural gas grid has been around 3% to 4% over the last 15 years. This 6% contraction in the cylinder gas market in 2025 reflects the overall economic tightening in the country.

Aygaz's total market share was 26.2% in January-August period, and during this period, we continued to lead the LPG market in Turkey. Aygaz's nine-month cylinder gas and autogas sales volumes in total declined by 2% compared to the same period of last year.

Cylinder gas sales were down by 6%, autogas sales were down by 1%, and bulk gas sales were up by 3% year-on-year. Total domestic retail sales in the first Nine Months of the year were realized as 781,000 tons, 2% below last year's level.

Despite the overall contraction in Turkish LPG consumption, Aygaz was still able to reach 1 million tons of domestic retail sales in 2024. We see these 1 million tons of LPG volume as a critical threshold for our retail sales in Turkey and target to achieve it in 2025 as well.

This retail LPG short enables Aygaz to trade additional wholesale and international sales volumes as well as to increase efficiency through economies of scale and, makes us one of the largest LPG players within the Mediterranean basin.

By leveraging our retail LPG short and terminal capacity across the country, Aygaz also traded 1 million tons of wholesale and international LPG volume in the first nine months of 2025, which was 3% higher compared to the same period of the last year. 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 of the country. In the first nine months of 2025, a total of 165,000 tons of LPG sales were reached through 240 dealers.

In terms of the financial highlights, The EBITDA of our core LPG and natural gas business line amounted as TRY 2,279 million, which is 2% higher than last year. In the first nine months of last year, an inventory gain of TRY 37 million (indexed within the scope of inflation accounting) realized due to Sonatrach price impact, while in the first nine months of 2025, there is an inventory loss of TRY 402 million. Excluding the impact of inventory gain and loss, year-on - year increase in EBITDA is 21%.

As discussed in our previous webcasts, the merger process of Sendeo with Kolay Gelsin was completed as of the end of June 2024. Accordingly, Sendeo started to be consolidated in Aygaz's financial statements using the equity method of consolidation July 2024 onwards. In this context, Sendeo's

EBITDA impact was negative TRY 719 million in the first nine months of 2024, while there was no EBITDA impact in the current year.

Consolidated EBITDA including parcel delivery business line is 50% above last year. As of the end of December, the consolidated net cash position of 1.8 billion TL increased to 3 billion TL at the end of September, with the effect of cash flow generated from operations.

Now, let us look at the key highlights for Aygaz's market shares and Turkish LPG market on slide number 5;

As per August 2025 EMRA report, Aygaz achieved 41.7% and 23.2% market shares in cylinder gas and auto gas markets, respectively, in the January-August period. Together with our market share of 39% in bulk gas segment, Aygaz's total retail market share is realized as 26.2% and Aygaz continued to be the uninterrupted leader of the Turkish LPG market.

On slide number 6, let us have a look at the sales performance of our company as of the September end. Our domestic retail sales volume in the first nine months is 781,000 tons, down by 2% compared to last year. In the case of cylinder gas, our nine months sales volumes declined by 6% year-on-year, due to the overall contraction in the Turkish cylinder gas market.

Total wholesale and international LPG sales were up by 3% year-on-year in 2025. As a result, Aygaz's total LPG sales in the first nine months of 2025 were realized as 1.8 million tons, up by 1% year-on-year.

On slide number 7, let us go over the Sonatrach price, which is the benchmark price in the Turkish LPG market. Sonatrach price, in short SP, started 2025 with an increasing trend but then started to decline March onwards, closed June at USD438 per ton and following a flat trend in the third quarter, closed September at USD433 per ton. Hence, due to this decline in SP during the first nine months of the year, Aygaz incurred an inventory loss of around TRY 364 million (nominal values without inflation accounting).

On slide number 8, we will be covering the updates regarding our joint venture, United Aygaz LPG in Bangladesh. Cumulative capital contribution of USD 75 million is made into the joint venture in line with the initial investment plan. Aygaz's share within this cumulative contribution corresponds to an amount of USD 37.5 million.

The total number of sphere tanks in our base terminal in Chittagong has reached 6, increasing the storage capacity to 16,000 tons and the second cylinder filling line has been commissioned in this facility. With this ongoing capacity increase and ramp-up in its sales volumes, United Aygaz is able to import larger LPG vessels to the country and benefit from higher supply advantage.

Regarding to our second facility in Dhaka, the capital of Bangladesh, construction works for establishing a LPG storage facility and cylinder filling plant have completed. Following the final approval from Ministry of Energy, operations at the facility will commence.

As for the sales performance, United Aygaz reached a total volume of 165,000 tons with 240 dealers and approximately 13,000 sales points. Total cylinder gas market share of the company across Bangladesh reached to 8.8% as of the end of September 2025. On a monthly basis, cylinder gas market share reached to 9.6% in September.

The joint venture company generated a revenue of USD123 million and an EBITDA of USD8.2 million, and as part of the equity method of consolidation, United Aygaz's net profit contribution to Aygaz's consolidated financial results amounted to TRY 65 million in January-September period.

Moving onto slide 10, I will now walk you through the key drivers of our core LPG business segment's financial performance when compared to the prior year. As we have discussed on slide 7, while going over the evolution of Sonatrach prices, Aygaz incurred an inventory gain of TRY 37 million, indexed within the scope of inflation accounting, in the first nine months of 2024 whereas there was inventory loss of TRY 402 million during the same period of this year.

On the other hand, cylinder and autogas sales volumes in the first nine months of the year were 6% and 1% lower than last year, respectively.

Inventory loss and gross profit deterioration resulting from the decrease in sales volumes have been offset by the increase in retail distribution margins, better LPG procurement costs and efficiencies in operating expenses.

As a result of the decrease in net foreign exchange losses related to trade receivables and payables, the operating

profit for the first nine months of 2025 is TRY 1,545 million, which is 22% higher than the previous year.

On Slide 11, you can see the quarterly evolution of our gross profit and EBITDA in 2024 and 2025. On this slide, we just want to emphasize that the gross profit and EBITDA margins in the third quarter were higher than both the same period of last year and the previous quarter of 2025.

Now, turning to the next slide on Page 12, we'll go over our consolidated financial performance, including Kolay Gelsin and EYAS Investments. As we informed during our previous webcasts, we completed the merger of Sendeo with Kolay Gelsin as of the end of June 2024, and Aygaz's ownership percentage in the merged entity has decreased to %27.5.

In this context, Sendeo had no financial impact on the consolidated gross profit, EBITDA, and operating profit levels for the first nine months of 2025, rather the merged entity's financial impact was solely on the net profit level in this quarter due to the equity method of consolidation.

Total net income impact of investments accounted under the equity method in the first 9 months of 2025 is positive TRY 1,656 million. EYAS positive TRY 1,860 million, Kolay Gelsin's negative TRY 273 million, Opet Aygaz Gayrimenkul positive TRY 49 million, and United Aygaz's positive TRY 65 million.

Moving on to slide 13, you can see the balance sheet items; As of September end, our net working capital requirement is at around TRY 1.45 billion. The consolidated net cash position of TRY1.8 billion as of the end of December and,

TRY 2.3 billion as of the end of June, increased to TRY 3 billion at the end of September with the effect of cash flow generated from operations.

Our gross cash was TRY 6 billion and total financial debt was TRY 3 billion. TRY 2.8 billion financial debt consists of foreign currency loss from banks. As informed on the Public Disclosure Platform, Aygaz had TRY 1 billion dividend income from EYAS and TRY 1.25 billion proceeds from the sale of its headquarters building in October. These cash inflows would also strengthen the net cash position of the company in the Fourth Quarter of 2025.

On slide 14, you can see our forward-looking statements for 2025; Our sales volume and market share guidance have not been changed since last quarter and as follows; Cylinder sales volumes ranges at 220,000 tons to 230,000 tons and autogas sales ranges at 755,000 tons and 785,000 tons.

And our cylinder gas market share is expected to be in between 41% to 43%. Our autogas market share expectation has been revised upward in the second quarter to between 22% to 23%, in line with the actual increase in the market share.

This concludes our presentation today. Thank you for your patience and now we can take your questions.

OPERATOR: We do have a question. The first question is from the line of Demirtas, Cemal with Ata Invest. Please go ahead.

DEMIRTAS C: Thank you for the presentation and congratulations for the results. My question is about the outlook for the fourth quarter. Maybe in terms of segment specific, could you give

more indication? And of course, it's very early, but about 2026, where should we see Aygaz in terms of operations, any significant improvement in operations or any, like the stable business? Thank you.

DIZEMEN G: Cemal Bey, thank you for your questions. Let me take them. This is Gokhan, the CFO of Aygaz.

First of all, in relation to the fourth quarter of this year, as discussed during the presentation, LPG market overall contracted by around 6% in the first nine months of 2025, and both cylinder gas as well as auto gas markets contracted in this period.

In the first nine months of the year, our cylinder gas sales declined by around 6% year on year and our auto gas sales declined by around 1% year on year. So, we were able to increase our market share for auto gas and we didn't see that much decrease in our auto gas sales volume compared to our cylinder gas segment.

What we observe in October is that overall, cylinder gas and auto gas sales were in line with our expectations. You can see that we have a year-end forecast that has been announced in our presentation and overall, the October sales were in line with this forecast.

And as again discussed during the presentation, what we try to achieve is to sell at least a million tons of retail volume, including cylinder gas, auto gas and bulk gas sales in the local market. If we can achieve this target of 1 million tons, then we are also able to trade additional wholesale and international sales volumes around this retail volume and to

achieve around 2.5 million tons of LPG on an annual basis. This is a significant amount of LPG handled, especially within the Mediterranean basin.

This makes us one of the most important players, not only in the region, but also around the world. And with the ramp-up of our Bangladesh volumes, we want to increase the total LPG amount that we handle. That is also one of the targets that we have going forward.

This is critical in the sense that as you increase your volumes and the fact that Turkey is an import market, we can capture more economies of scale and have much more bargaining power vis-a-vis the LPG suppliers. As part of our strategy, what we try to do is to capture additional value from the supply chain operations, especially by tapping into the shipping business.

Last year we procured a new LPG vessel, a medium-sized gas carrier, around 22,000 tons. We target to procure LPG as much FOB basis as possible, going directly to the source. And this also creates additional value for Aygaz.

In a nutshell, these are the strategies that we have for the upcoming years. Thank you for the question again.

DEMIRTAS C:

Gokhan Bey, as a follow-up, we are seeing early signals of some stability in the Middle East. I know that they are a different area. Is there any case that you can participate in any projects in the area, such as Syria or the other areas, because you have some qualifications?

I can't say. Is it just a scenario, or if we see stability in the region, would you just see something for Aygaz going forward in the region? Thank you.

DIZEMEN G: Specifically, once there is stability in the Syrian market, there could be more opportunities. But up until now, we haven't sold directly to the market directly. But going forward, depending on the opportunities that we come across there, we could always evaluate.

Our supply and trading team always evaluates all sorts of markets for our export activities. So, this will also be one of the markets that we'll be evaluating going forward, depending on the opportunities. But specifically, we don't have any current direct exposure to the country.

DEMIRTAS C: Thank you. And one last question about the similar markets. In terms of regions, do you see, especially in Turkey, domestic wise, in any region, do you see additional weakness?

I remember that in the past, the Southeast part was a little bit stronger because of the refugee issues, etc. many years ago. But do you see any trend on that or could we assume a similar rate of contraction for the several years, like 2%-3% or 1%? Do you have any picture of the regional base in terms of trends?

DIZEMEN G: There's no specific trend that we observe regionally within Turkey, especially in terms of the LPG cylinder gas market demand. But in the past, as you can imagine, it was very much dependent on the extension of the natural gas grid across the country. I mean, once the natural gas grid has

been extended, households start to use natural gas rather than cylinder gas.

And currently, all cities in Turkey have natural gas. Even some small towns started to use natural gas through the grid pipeline. But overall, there's no specific contraction or growth trend that we observe regionally across the country.

DEMIRTAS C: Thank you. I appreciate it.

DIZEMEN G: Thank you.

OPERATOR: Ladies and gentlemen, there are no further questions at this time. I will now turn the conference over to Management for any closing comments. Thank you.

DIZEMEN G: Thank you very much for joining our call. Look forward to seeing you in our next earnings webcast. Bye-bye.