Aygaz Q3 2026 Financial Results Conference Call

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Conductors:

Ms. Zeynep Keskin, Chief Financial Officer

Mr. Kozan Nabi Çiftçi, Corporate Finance & Investor Relations

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OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Polina your Chorus Call operator. Welcome and thank you for joining the Aygaz Conference Call and Live Webcast to present and discuss the Third Quarter 2026 Financial Results.

At this time, I would like to turn the conference over to Mr. Kozan Nabi Çiftçi, Corporate Finance & Investor Relation.

Mr. Kozan Nabi Çiftçi, you may now proceed.

ÇIFTÇI K N: Thank you, Polina. Good evening everyone. Thank you for joining our earnings webcast for the Third Quarter of 2026. With me today are Zeynep Keskin, Chief Financial Officer; İlsu Neseliler, Financial Reporting and Control Manager; and Buse Karanfil, Investor Relations and Enterprise Risk Manager 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 the transcript on our website after the call.

Let us start with the key operational highlights for the Third Quarter of 2026 on slide number three. Firstly, I would like to underline that despite the negative impact on the war

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environment in regions that are critical and important for the LPG market on the global supply chain, we went through the Third Quarter with active supply and inventory management without experiencing any product supply issues as the Second Quarter. During this period, we were able to secure the products needed by our country on time while continuing our sales operations without interruption.

The latest LPG report published by Energy Market Regulatory Authority, briefly EMRA, is as of August 2026. And according to January-August volumes disclosed in the report, total Turkish LPG consumption contracted by 3% year-on-year, due mainly to the contraction in both cylinder gas and autogas markets in 2026, which were realized as 3% and 3.4% respectively 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. Aygaz's total market share was 27.6% in January-August period, and during this period, we continued to lead the LPG market in Turkey.

Aygaz's nine-month total domestic retail sales were realized as 802,000 tons, 3% above last year's level. Cylinder gas sales remained flat, autogas sales were up by 3%, and bulk gas sales were up by 7% year-on-year. Despite the overall contraction in Turkish LPG consumption, Aygaz was still able to reach 1 million tons of domestic retail sales in 2025. We see this 1 million tons of LPG volume as a critical threshold for our retail sales in Turkey and target to achieve it in 2026 as well.

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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 on our retail LPG short and terminal capacity across the country, Aygaz also traded 1,170,000 tons of wholesale and international LPG volume in the first Nine Months of 2026, which was 17% higher compared to the same period of last year.

United Aygaz LPG, our joint venture in Bangladesh, continues its cylinder and bulk gas sales activities, which started in Chittagong in in August 2022, by expanding the distribution regions to the country. In the first Nine Months of 2026, a total of 218,000 tons LPG sales were reached through 285 dealers.

In terms of the financial highlights, the consolidated EBITDA amounted as TRY3.9 billion, which is 31% higher than last year. The impact of increased LPG sales volume and inventory gains positively affected the Third Quarter results. In the first Nine Months of 2026, an inventory gain of TRY718 million indexed within the scope of inflation accounting, realized due to Sonatrach pricing impact.

The total net profit contribution of investments consolidated under the equity method amounted to TRY10.6 billion in the first Nine Months of 2026. During the first Nine Months of 2026, TRY2.8 billion in dividend payments and TRY2.1 billion in instalment payment for vessel investments were made.

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Despite these cash outflows, supporting by strong EBITDA generation and positive change in networking capital in April-September period, the consolidated net cash position stood at TRY4.5 billion at the end of September 2026.

Now, let us look at the key highlights for Aygaz's market shares and Turkish LPG market on Slide Number Five. As per August 2026 EMRA report, Aygaz achieved 42.4% and 24.7% market shares in cylinder gas and autogas markets respectively in the January-August period.

These figures represent increases of 0.7 points and 1.5 points respectively compared to the same period of last year. Together with our market share of 40% in bulk gas segment, Aygaz's total retail market share is realized as 27.6% 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 9 Months of 2026 is 802,000 tons, 3% above last year's level. Cylinder gas sales remained flat, autogas sales were up by 3%, and bulk gas sales were up by 7% year-on-year.

Total wholesale and international LPG sales were up by 17% year-on-year in the first 9 Months of 2026. As a result, Aygaz's total LPG sales in the first 9 Months of 2026 were realized as 1,972,000 tons, up by 11% year-on-year.

On Slide number 7, let us go over Sonatrach price, which is the benchmark price in Turkish LPG market. Sonatrach price, in short SP, increased to USD885 per ton in April 2026, driven by global developments, decreased during May-July

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period and reaching its lowest level of the year at USD468 per ton in July.

Following the recovery recorded in the Third Quarter, LPG prices accelerated their upward trend in October and November, with SP closing November at USD983 per ton. Aygaz recorded an inventory gain of around TRY675 million supported by SP volatility in the second and Third Quarter and effective inventory management during this volatile period.

On Slide number 8, we will be covering the updates regarding our joint venture, United Aygaz LPG in Bangladesh. United Aygaz continues to strengthen its infrastructure in infrastructure and market position in Bangladesh. The Chittagong terminal, currently the largest LPG facility in the country, operates with 6 sphere tanks and a total storage capacity of 16,000 tons.

The addition of 2 new sphere tanks planned for January 2027 is expected to increase total storage capacity to 21,000 tons. The second facility in Dhaka with a storage capacity of 3,000 tons commenced operations in January 2026 and its capacity is it is expected to reach 5.5 thousand tons during the First Quarter of 2027.

Supported by expanding infrastructure and distribution network, United Aygaz achieved a total LPG sales volume of 218,000 tons in the first 9 Months of 2026, operating through 285 dealers and approximately 14,500 sales points across the country. Total cylinder gas market share of the company in Bangladesh reached 12.5% as of the end of September 2026, making United Aygaz the second largest player in the Bangladesh cylinder gas market.

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The joint venture company generated a revenue of USD201 million and EBITDA of USD21 million, and as part of the equity method of consolidation, United Aygaz's net profit contribution to Aygaz's consolidated Financial Results amounted to TRY300 million in the first 9 Months of 2026.

Moving on to Slide 10, I will now walk you through the key drivers of consolidated financial performance when compared to the prior year. As we have discussed on the Slide number 7, while going over the evolution of Sonatrach prices, Aygaz incurred an inventory gain of TRY718 million indexed within the scope of inflation accounting in the first Nine Months of 2026. On the other hand, total LPG sales volumes were 23% and 11% higher in the Third Quarter and in the first Nine Months of 2026 respectively than previous year. With the effect of the increase in sales volumes and inventory gain, EBITDA in the first Nine Months of 2026 is TRY3.9 billion, which is 31% higher than the previous year.

Total net income impact of investments accounted under equity method in the First Quarter of 2026 is positive TRY10,644 million. EYAŞ positive TRY10,588 million, United Aygaz positive TRY300 million, Opet Aygaz Gayrimenkul positive TRYR52 million, and Kolay Gelsin negative TRY297 million.

The increase in net financing income is being eroded by monetary position. Net profit for the first 9 Months of 2026 amounted to TRY11,885 million, representing a 233% increase compared to the same period of the previous year. Excluding the contribution from EYAŞ, net profit increased by 7% year-on-year.

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On slide 11, you can see the quarterly evolution of our gross profit and EBITDA in the 2025 and 2026. On this slide, we just want to emphasize that the gross profit and EBITDA margins in the Third Quarter were higher than last year and last quarter.

Moving on to slide 12, you can see the balance sheet items. As of the end of September, approximately TUR1 billion of vessel installment payments, which were paid in October, were classified under trade payables. Excluding these vessel investments, our networking capital requirement was close to zero.

While cargos in transit had an increasing effect on both inventories and trade payables, the networking capital level remained broadly at break-even, supported by effective maturity management.

Total investment payment in the first 9 Months of 2026 reached approximately TRY4 billion, including installment payments for the vessel acquisition agreements, as well as investments made in connection with the relocation of the Gebze plant operations to Osmaniye. Our gross cash was TRY8 billion and total financial debt was TRY3.5 billion. Almost all financial debt consists of foreign currency loan from banks.

On slide 13, you can see our forward-looking statements for 2026. Our sales volume and market share guidance are as follows. Cylinder sales volumes range at 200,000 to 220,000 tons and autogas sales range at 750,000 tons and 790,000 tons. And our cylinder gas market share is expected to be in between 41.5% to 42.5% and our autogas market share is expected to be in between 23.5% and 24.5%.

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

ÇIFTÇI K N: Thank you for joining our webcast today and see you on next webcast. Thank you. Have a good evening.

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