AYGAZ Q2 2026 Financial Results Conference Call

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Conductors:

Ms. Zeynep Keskin, Chief Financial Officer

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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 Second 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: Thank you, Polina. Good afternoon, everyone. Thank you for joining our Earnings Webcast for the Second Quarter of 2026. With me today are Zeynep Keskin, Chief Financial Officer; İlsu Neseliler, Financial Reporting and Control Manager; and Billur Aslan, Investor Relations 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 the change.

In addition, as previously announced, we have moved our headquarters to the Buyaka Tower 1 building in Umraniye and said goodbye to our iconic AYGAZ building, which had been our home for about 50 years. We wanted to commemorate the building by featuring it one last time on the cover page of our presentation.

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.

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Let us start with the key operational highlights for the Second Quarter of 2026 on Slide number 3. Firstly, I would like to underline that despite the negative impact of the war environment in regions that are critically important for the LPG markets on the global supply chain, we went through the Second Quarter with active supply and inventory management without experiencing any product supply issues.

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 May 2026, and according to the January-May volumes disclosed in the report, total Turkish LPG consumption contracted by 2% year-on-year, due mainly to the contraction in both cylinder gas and autogas markets in 2026, which were realized as 4% and 1.5% 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 27.3% in January-May period, and during this period, we continued to lead the LPG market in Turkey. AYGAZ's 6-month total domestic retail sales were realized as 506,000 tons, 2% above last year's level. Cylinder gas sales were down by 3%, autogas sales were up by 4%, and bulk gas sales were up by 2% 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 716,000 tons of wholesale and international LPG volume in the First Half of 2026, which was 6% 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 August 2022, by expanding to different regions of the country.

In the First Half of 2026,, a total of 145,000 tons of LPG sales were reached through 281 dealers. In terms of the financial highlights, the consolidated EBITDA amounted to TRY2 billion, which is 25% higher than last year. The impact of increased LPG sales volume and inventory gains positively affected the Second Quarter results.

In the First Half of 2026, an inventory gain of TRY364 million, indexed within the scope of inflation accounting, realized due to Sonatrach price impact. The total net profit contribution of investments consolidated under equity method amounted to TRY4.1 billion in the First Half of 2026.

KESKIN Z: Let me continue. As of the end of December 2025 the consolidated net cash position of TRY5.4 billion decreased to TRY1.1 billion at the end of March 2026 due to the dividend payment, instalment payments made for vessel investments, and impacts of net working capital, and subsequently, it

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increased to TRY4 billion by the end of June, supported by the strong EBITDA generation and the positive change in networking capital during the April-June period.

Now, let us look at the key highlights for AYGAZ market shares and Turkish LPG markets on slide number 5. As per May 2026, EMRA reports AYGAZ achieved 42.1% and 24.6% market shares in cylinder gas and autogas markets respectively in the January-May period. These figures represent increases of 1.3% and 1.6% respectively compared to the same period of last year.

Together with our market share of 36.7% in bulk gas segment, AYGAZ's total retail market share is realized as 27.3%, 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 June end. Our domestic retail sales volume in the First Half of 2026 is 506,000 tons, 2% above last year's level. Cylinder gas sales were down by 3%, autogas sales were up by 4%, and bulk gas sales were up by 2% year-on-year.

Total wholesale and international LPG sales were up by 6% year-on-year in the First Half of 2026. As a result, AYGAZ's total LPG sales in the First Half of 2026 were realized as 1,222,000 tons, up by 5% 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 closed December 2025 at $481 per ton. Following a flat trend in the first quarter of 2026, LPG prices rose to $885 per ton in April due to global developments. With the price declines

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recorded in May and June, the average LPG price for the first six months of 2026 stood at $632 per ton.

The SP decreased to $468 per ton in July, driven by global development in June. The inventory loss impacts of the price decrease in July is reflected through a provision in the Second Quarter. Despite the provision booked for the July price decrease, AYGAZ recorded an inventory gain of 349 million TL , supported by SP volatility in the Second Quarter and effective inventory management during this volatile period.

On Slide number 8, we will be covering the update regarding our joint venture, United AYGAZ LPG in Bangladesh. As we mentioned in our previous webcast, cumulative capital contribution of $75 million is made into the joint venture in line with the initial investment plan. AYGAZ's share with this cumulative contribution corresponds to an amount of $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. The total capacity is expected to reach at 21,000 tons by adding 2 more sphere tanks by the end of 2026.

Regarding our second facility in Dhaka, the capital of Bangladesh, construction works for establishing an LPG storage facility and cylinder filling plant have completed and commenced its operations in January 2026.

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As for the sales performance, United AYGAZ reached a total volume of 145,000 tons with 281 dealers and approximately 14,500 sales points.

Total cylinder gas market share of the company across Bangladesh reached to 12.2% as of the end of June 2026, making United AYGAZ the third largest player in Bangladesh. On a monthly basis, cylinder gas market share reached to 12.6% in June.

The joint venture company generated a revenue of $134 million and an EBITDA of $19.5 million, and as a part of equity method of consolidation, United AYGAZ's net profit contribution to AYGAZ's consolidated financial results amounted to TRY329 million in the First Half of 2026.

Moving on to slide 10, I will now walk through the key drivers of consolidated 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 TRY364 million in the First Half of 2026.

On the other hand, total LPG sales volumes in the First Half of 2026 were 5% higher than last year.

With the effect of the increase in gross profit, the operating profit for 2026 is TRY1,165 million, which is 22% higher than the previous year.

Total net income impact of investments accounted under equity method in the first quarter of 2026 is TRY4,138 million. EYAŞ positive TRY4,057 million, Kolay Gelsin negative TRY281 million, Opet AYGAZ positive TRY33 million, and United AYGAZ positive TRY329 million.

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The increase in net financing income is being eroded by monetary position. Despite the increase in monetary losses, the net profit for the First Half of 2026 amounted to TRY4,423 million, which is 243% higher than the same period of last year. Excluding the contribution from EYAŞ, net profit increased by 14% year-on-year.

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

Moving on to slide 12, you can see the balance sheet items.

As of March end, our networking capital requirement is around TRY1.1 billion. The consolidated net cash position of TRY5.4 billion as of the end of December 2025, decreased to TRY1.1 billion at the end of March 2026, with the effect of dividend payment, vessel investment, and networking capital, and subsequently increased to TRY4 billion by the end of June, supported by the strong EBITDA generation and positive change in networking capital during the April-June period.

Our gross cash was TRY7.1 billion and total financial debt was TRY3.1 billion. Almost all financial debt consists of foreign currency loans from banks.

Total investment payment in the First Half of 2026 reached approximately to TRY2.3 billion, including instalment payments for the vessel acquisition agreements disclosed to the public in January and April, as well as investments made in connection with the relocation of the Gebze plant’s operations to Osmaniye.

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On slide 13, you can see our forward-looking statements for 2026. Our sales volume and market share guidance are as follows:

Cylinder sales volume ranges at 200,000 to 220,000 tons, and autogas sales ranges at 750,000 tons to 790,000 tons. And our cylinder gas market share is expected to be in between 41.5% to 42.5%. Our autogas market share expectation has been revised upward in the Second Quarter to be in between 23.5% to 24.5% 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: Ladies and gentlemen, there are no audio questions at this time. We will now move on to written questions from the webcast participants. Our first question is from our webcast participant is from Emir Bilge with Info Yatirim. "The tension between Iran and United States, how will affect the LPG market in the next months?"

KESKIN Z: Thank you for the question. As Hormuz choke point is critical for LPG market as well as other oil products. 30% of the LPG trade is done through this choke point.

But we have already faced I think the hardest part of the war, and as we mentioned before, our long-term contracts with our suppliers is effective and we didn't face any supply concern in this period. So as AYGAZ, we do not expect any negative impact about the war.

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.

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ÇIFTÇI K: Thank you for joining our webcast and sorry for the change of the presentation and technical issues. See you on our next webcast. Thank you.

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