



Earnings Presentation 1Q 2021

05 May 2021



Executive Summary



Underlying Net Income: 48% YoY increase in Q121



Shareholder Return: 0.96 TL DPS (60% YoY increase) paid in April 2021

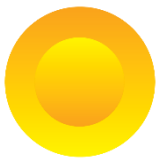


4th Regulatory Period: Stable regulatory framework supporting investments, governance and quality



2021 Outlook

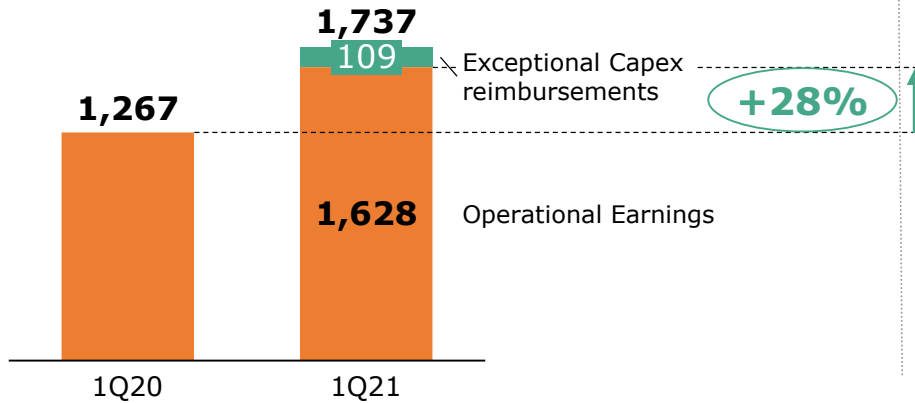
- Unchanged
- Items to assess: Corporate tax rate, Covid-19
- No significant impact expected



Financial Highlights

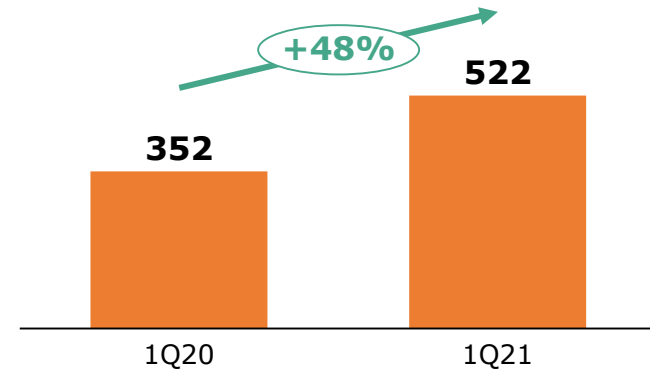
Operational earnings

(TLm)



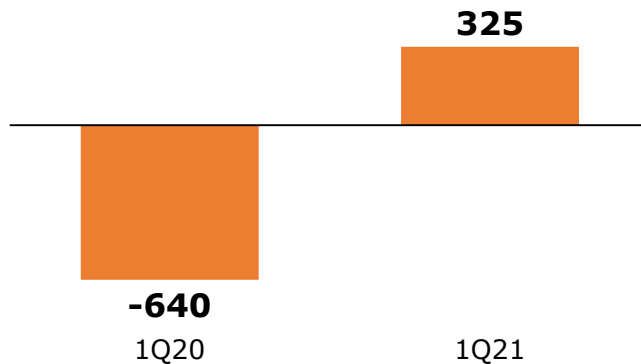
Underlying Net Income

(TLm)

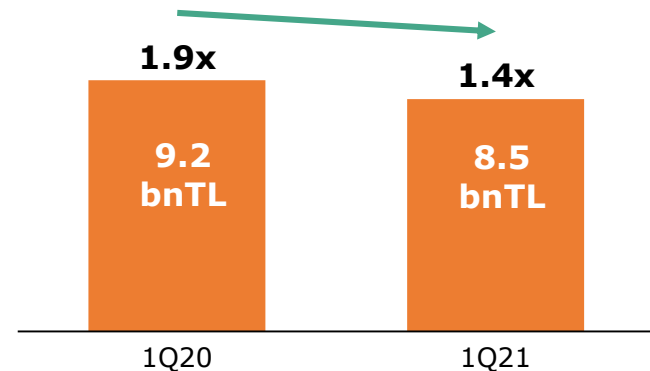


Free Cash Flow after interest and tax

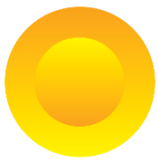
(TLm)



Net Financial Debt / LTM* Operational Earnings



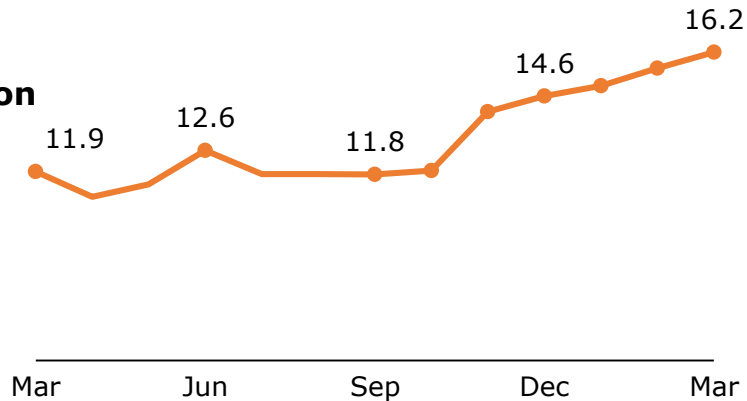
*LTM: Last Twelve Months



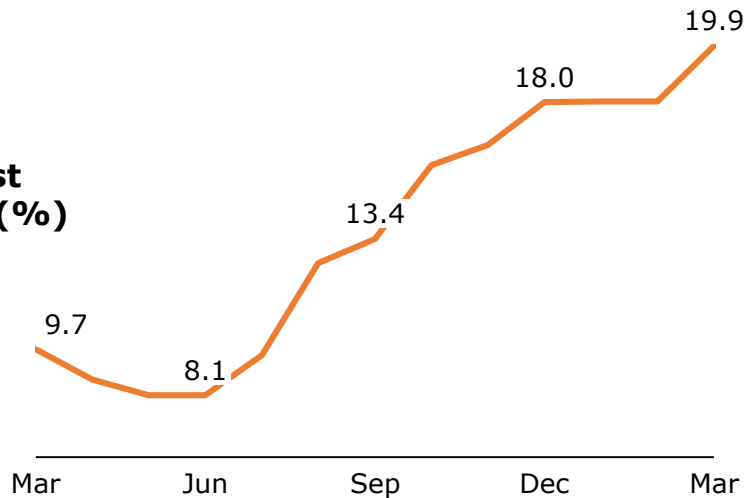
Market environment

Turkey

Inflation (%)

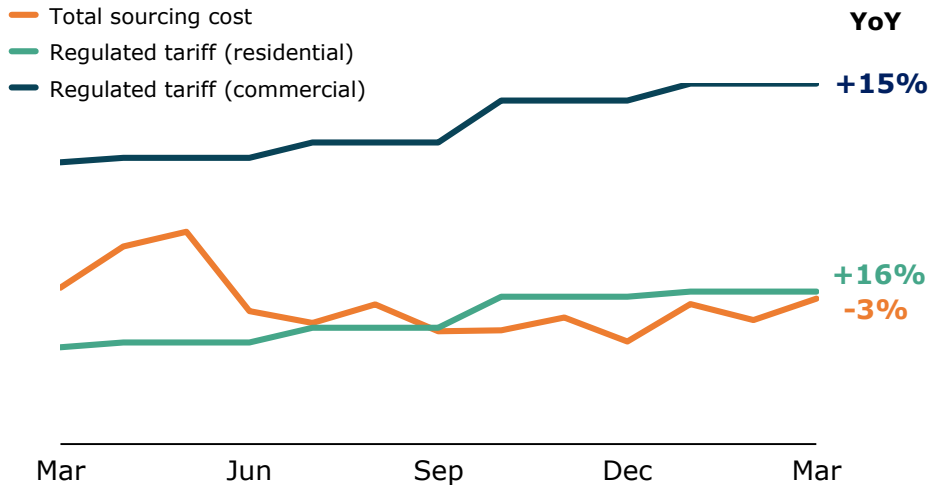


Interest rates¹ (%)



1 6-month TRLibor

Sector: Regulatory Developments



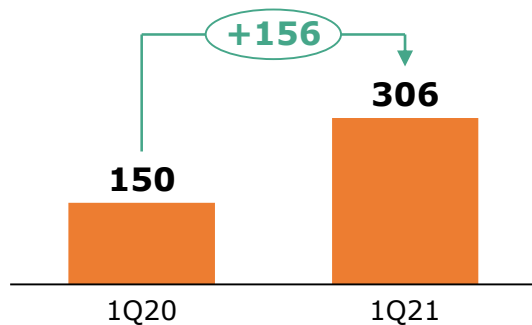
- Regulated industrial, commercial and residential tariffs increased by around 15-16% year-over-year, while sourcing costs decreased by 3%.
- In Q1, sourcing costs started to increase quarter-over-quarter driven by FX rate changes impacting feed-in-tariffs.
- As of 1st April 2021 regulated industrial, commercial and residential tariffs decreased by 0.1-0.2%. Distribution tariff component increased by around 0.4%. In net, end user tariffs stayed flat for all tariff groups.
- Meanwhile EÜAŞ cost decreased from 205 TL/MWh in Q1 to 169 TL/MWh in Q2.



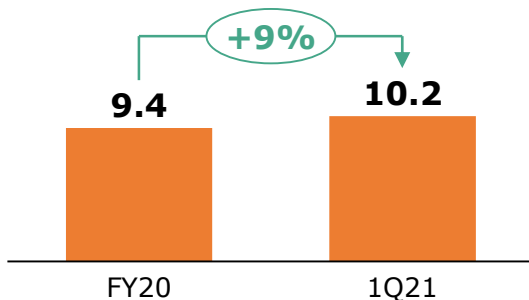
Operations

Distribution

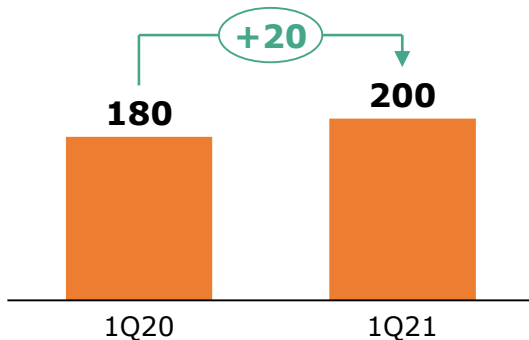
Capex
(TLm)



Regulated Asset Base
(TLbn)

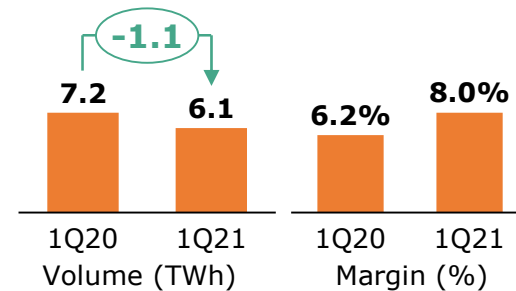


Efficiency & Quality¹
(TLm)

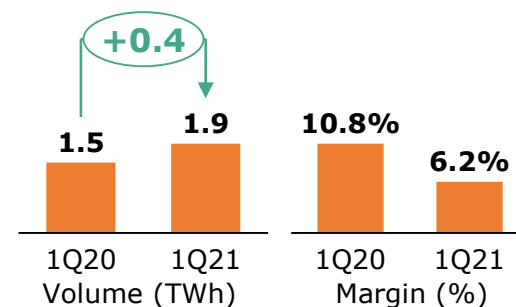


Retail

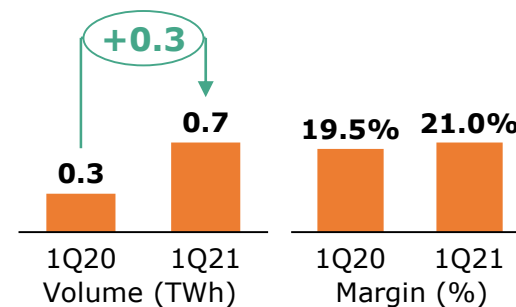
Regulated Segment



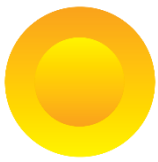
Liberalized Corporate Segment



Liberalized Residential & SME Segment

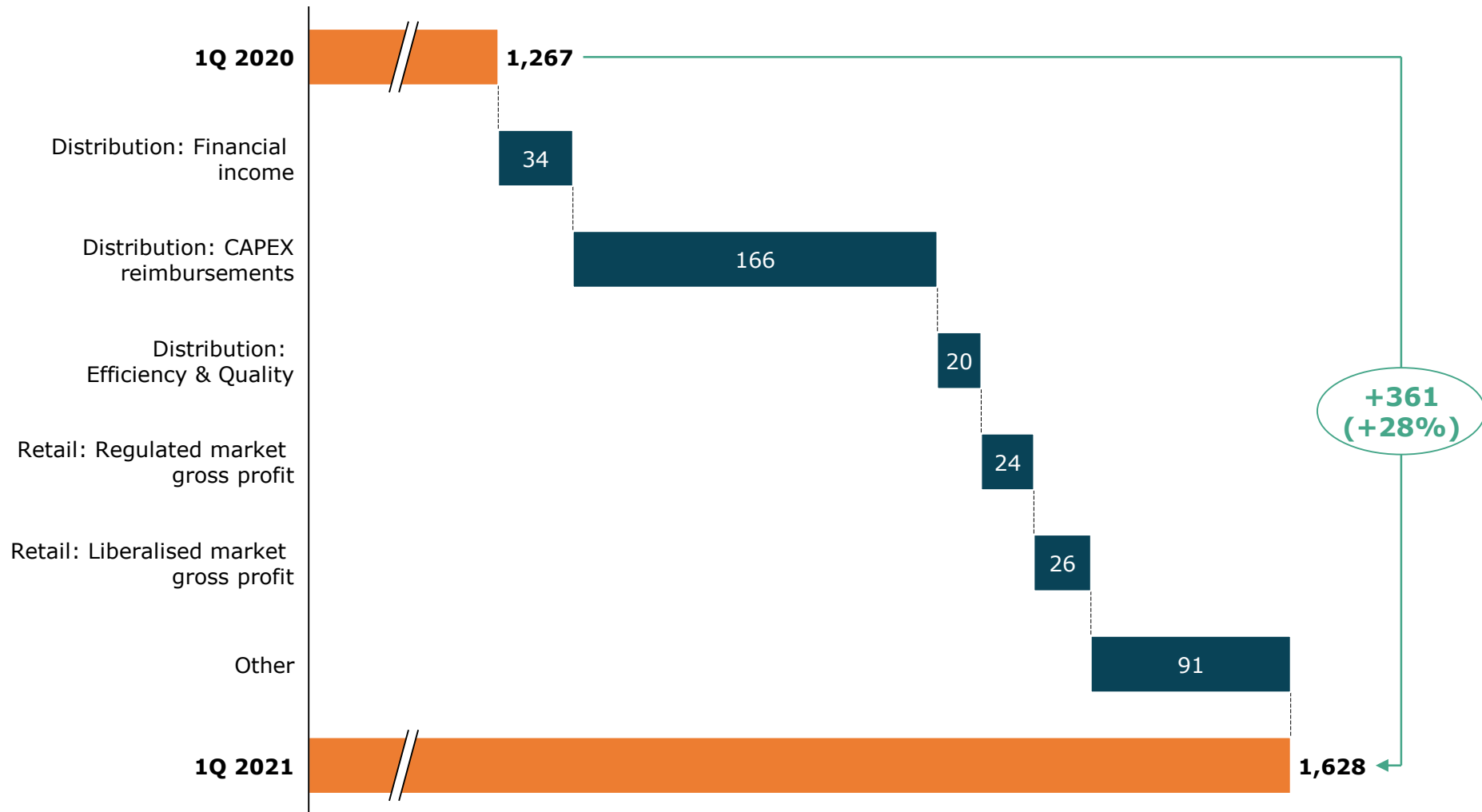


1 Incl. Capex, Opex and T&L outperformances as well as theft accrual & collection and quality bonus



Consolidated Operational Earnings Development

(TLm)





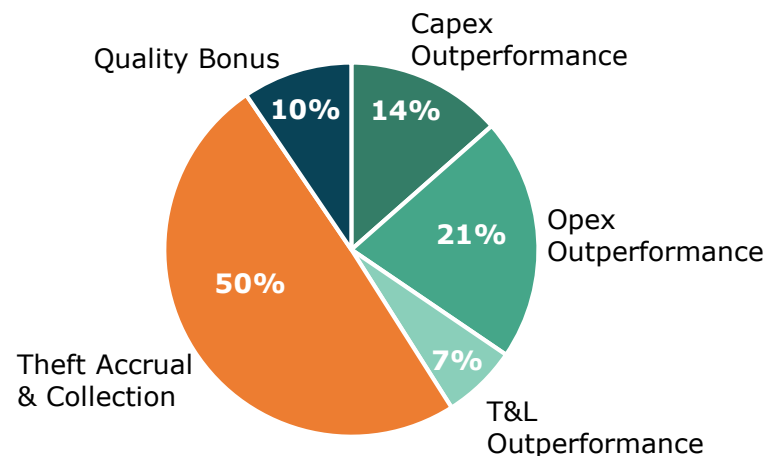
Distribution: Operational Earnings & Cash Development

Operational Earnings and Free Cash Flow Before Interest and Tax

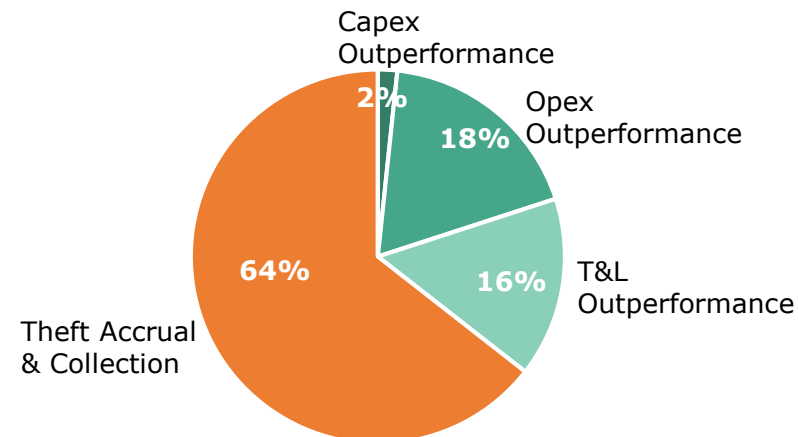
(TLm)

	1Q 2020	1Q 2021
Financial Income	511	545
Capex reimbursements	336	502
Efficiency & Quality	180	200
Tax correction	54	68
Other	1	51
Operational Earnings	1,082	1,366
Financial income not yet cash-effective	-283	-91
Capex outperformance	-3	-27
Net working capital and VAT	-202	26
Operating Cash Flow (before interest & tax)	594	1,274
Actual allowed Capex	-150	-306
Capex outperformance	3	27
VAT paid	-27	-55
Unpaid and previous year Capex	-513	-312
Cash-effective Capex	-687	-646
Free Cash Flow (before interest & tax)	-93	628

Efficiency & Quality 1Q 2021*



Efficiency & Quality 1Q 2020*



* Figures may not sum up to 100% due to rounding



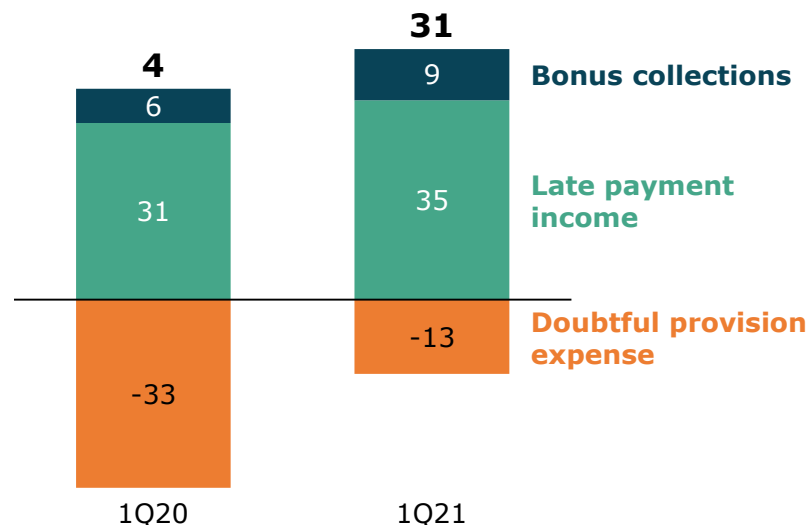
Retail: Operational Earnings & Cash Development

Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

Retail	1Q	1Q
Financials	2020	2021
Regulated gross profit	182	206
Liberalised gross profit	102	128
Customer solutions gross profit	5	10
Opex	-96	-109
Bad debt related income and expense	4	31
Other	-9	5
Operational Earnings	188	271
Price equalization effects	-51	87
Net deposit additions	-37	22
Delta NWC	4	135
Operating Cash Flow (before interest & tax)	104	515
Capex	-12	-19
Free Cash Flow (before interest & tax)	92	496

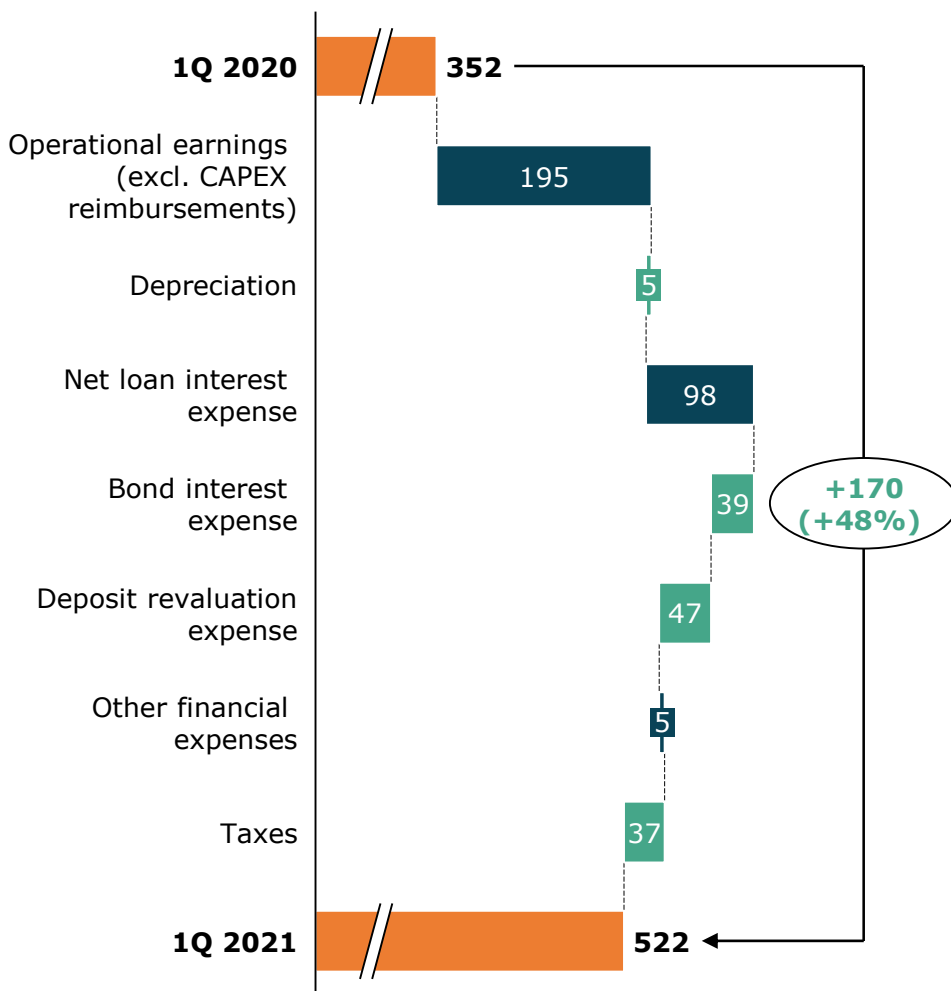
Bad debt related income and expense (TLm)



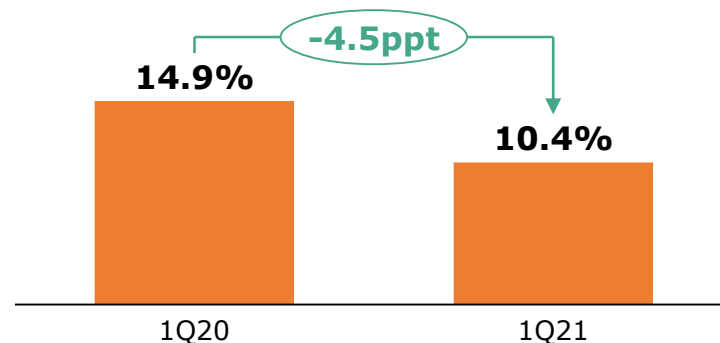


Consolidated Underlying Net Income Development

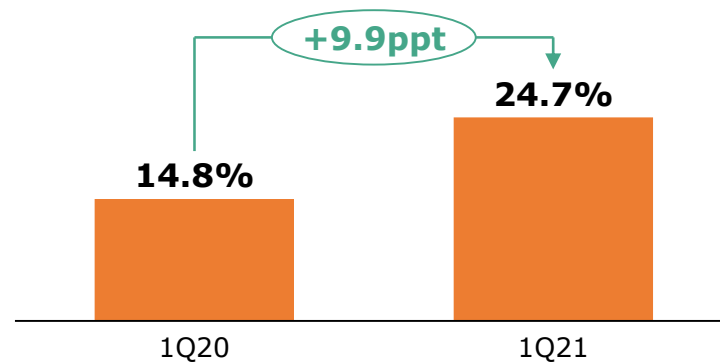
Underlying net income development YoY (TLm)



Weighted average loan interest rates



Weighted average bond interest rates (CPI and TLREF linked)

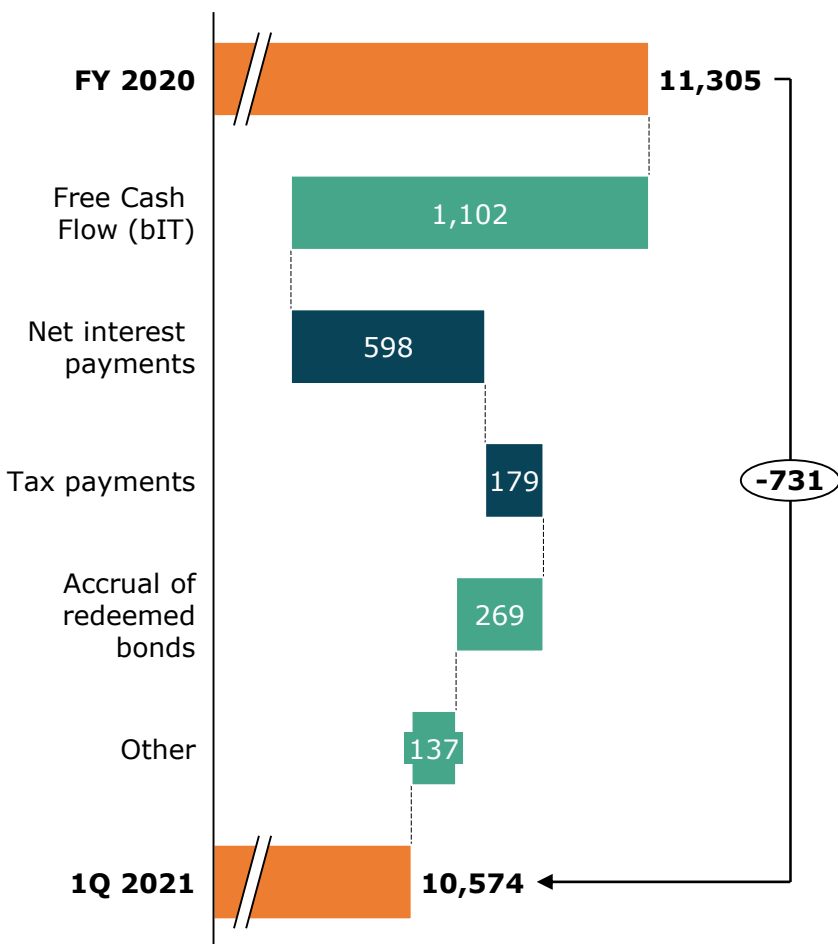


Note: For reconciliation from Net Income to Underlying Net Income please refer to table on slide 13

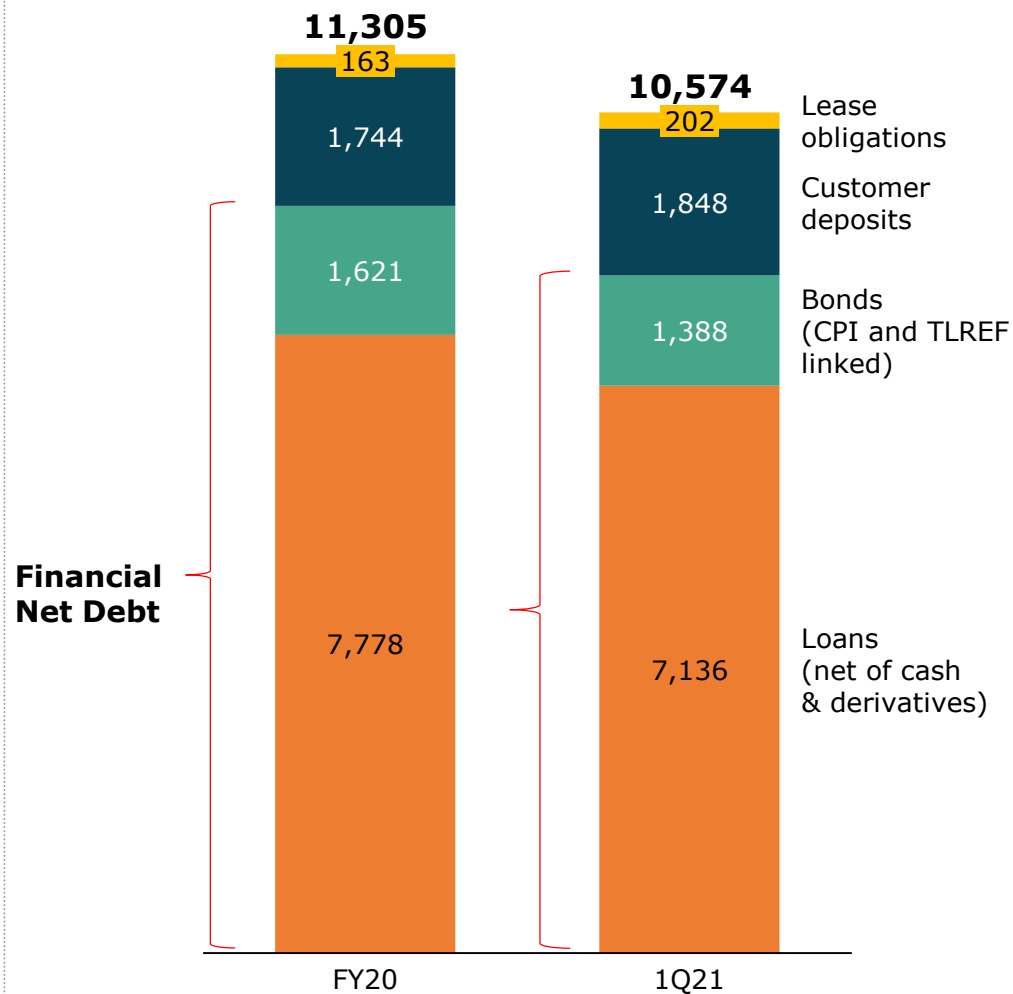


Economic Net Debt

Economic Net Debt development (TLm)



Economic Net Debt composition (TLm)





Macro-economic sensitivities

Inflation

Overall net long position

- (+) Revenue items are indexed for inflation (i.e. WACC + inflation, Capex reimbursement and some opex allowances)
- (+) Regulated Asset Base revalued with inflation as well
- (-) Higher revaluation expenses for deposits and CPI linked bonds

FX

Limited exposure

- (broadly neutral) Loans are either directly TL-based or swapped/hedged to TL
- (marginally negative) Part of material procurement is in FX or linked to FX. The risks are mitigated by escalation of Capex unit prices and cash flow hedges

Demand

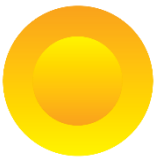
Business largely demand insensitive, esp. on full year basis

- A relevant earnings driver only in the Retail business
- Distribution business is overall insensitive to demand changes in the short-term

Interest

Interest rate exposure on the balance sheet, but fixed rate loans mitigate the impact

- Average effective financing cost will increase up with refinancings
- Marginal financing cost in comparison to WACC determines investment return spread for new Capex



Appendix



Summary Financial Statements

Consolidated Income Statement

	1 January 31 March	1 January 31 March
(TLm)	2020	2021
Sales Revenue	5,779	5,889
Cost of Sales	-4,215	-4,173
Gross Profit	1,564	1,716
OPEX	-607	-685
Other Income/(Expense)	-125	-91
Operating profit before finance income/(expense)	832	940
Financial Income/(Expense)	-400	-275
Profit before tax	432	665
Taxation	-91	-133
Net Income	341	532

	1 January 31 March	1 January 31 March
(TLm)	2020	2021
Operating profit before finance income/(expense)	832	940
Adjustment of depreciation and amortization	100	105
Adjustments related to operational fx gains and losses	6	23
Adjustments related to valuation difference arising from deposits	35	82
Interest income related to revenue cap regulation	-10	-12
EBITDA	963	1,138
CAPEX Reimbursements	336	502
EBITDA+CAPEX Reimbursements	1,299	1,640
Non-recurring (income) / expense	-32	-12
Operational earnings	1,267	1,628

Net Income	341	532
Non-recurring (income) / expense	-25	-10
Non-recurring refinancing transactions fees	36	0
Underlying Net Income	352	522

Note: Consolidated numbers include the Business Units Distribution and Retail as well as the legal holding entity.



Summary Financial Statements

Consolidated Balance Sheet

(TLm)	31 December 2020	31 March 2021
Cash and Cash Equivalents	589	1,213
Financial Investments	126	0
Financial Assets	2,348	2,219
Trade Receivables	2,944	3,175
Derivative financial instruments	36	166
Other Current Assets	810	1,118
Current Assets	6,853	7,891
Financial Assets	9,122	9,051
Tangible and Intangible Assets	7,400	7,383
Derivative financial instruments	0	7
Other Non-Current Assets	1,301	1,030
Non-Current Assets	17,823	17,471
TOTAL ASSETS	24,676	25,362
Short-Term Financial Liabilities	2,672	3,721
Other Financial Liabilities	69	75
Trade Payables	1,914	1,666
Derivative financial instruments	140	1
Other Current Liabilities	3,493	4,975
Current Liabilities	8,288	10,438
Long-Term Financial Liabilities	7,090	5,971
Other Financial Liabilities	340	344
Derivative financial instruments	2	0
Other Non-current Liabilities	1,803	1,890
Long-Term Liabilities	9,235	8,205
Share Capital	1,181	1,181
Adjustment to share capital	2,416	1,954
Other Equity Items	424	800
Retained Earnings	3,132	2,784
Equity	7,153	6,719
TOTAL LIABILITIES AND EQUITY	24,676	25,362

Note: Consolidated numbers include the Business Units Distribution and Retail as well as the legal holding entity.



Summary Financial Statements

Consolidated Cash Flow

	1 January 31 March	1 January 31 March
(TLm)	2020	2021
Profit for the period	341	532
Adjustments to reconcile net profit for the period	338	152
Changes in operating assets and liabilities	-566	47
Other inflows (incl. Capex reimbursements)	572	1,039
Cash Flows from Operating Activities (before interest and tax)	685	1,770
Tax payments	-80	-179
Cash Flows from Operating Activities (before interest, after tax)	605	1,591
CAPEX	-700	-668
Interest received	6	65
Cash receipt from sale of debt instruments	0	126
Cash Flows from Investing Activities	-694	-477
Cash in-flows and out-flows from borrowings	1,241	204
Interest paid	-551	-663
Dividend paid	0	0
Payments of finance lease liabilities	-27	-31
Cash Flows from Financing Activities	663	-490
Increase in cash and cash equivalents	574	624
Cash and cash equivalents at the beginning of the period	470	589
Cash and cash equivalents at the end of the period	1,044	1,213

	1 January 31 March	1 January 31 March
(TLm)	2020	2021
Cash Flows from Operating Activities (before interest and tax)	685	1,770
CAPEX	-700	-668
Free cash flow (before interest and tax)	-15	1,102
Tax payments	-80	-179
Interest received	6	65
Interest paid	-551	-663
Free cash flow (after interest and tax)	-640	325

Note: Consolidated numbers include the Business Units Distribution and Retail as well as the legal holding entity.



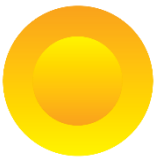
Retail: Income statement

	1 January 31 March	1 January 31 March
(TLm)	2020	2021
Sales Revenue (net)	3,764	3,828
<i>Regulated</i>	2,941	2,583
<i>Liberalised</i>	818	1,220
<i>Customer solutions</i>	5	25
Cost of Sales (-)	-3,486	-3,459
<i>Regulated</i>	-2,759	-2,365
<i>Liberalised</i>	-725	-1,079
<i>Customer solutions</i>	-2	-15
Gross Profit	278	369
OPEX	-108	-121
Other Income/(Expense)	-23	-61
Operating profit before finance income/(expense)	147	187
Adjustment of depreciation and amortization	14	14
Adjustments related to valuation difference arising from deposits	35	82
EBITDA	196	283
Non-recurring (income) / expense	-8	-12
Operational earnings	188	271



Distribution: Income statement

	1 January 31 March	1 January 31 March
(TLm)	2020	2021
Sales Revenue	2,015	2,060
<i>Financial income</i>	511	545
<i>Distribution revenue</i>	1,049	1,043
<i>Pass-through transmission revenue</i>	367	362
<i>Lighting sales revenue</i>	88	110
Cost of Sales	-730	-713
<i>Energy purchases (Lighting, T&L)</i>	-363	-351
<i>Pass-through transmission cost</i>	-367	-362
Gross Profit	1,285	1,347
OPEX	-444	-504
Other Income/(Expense)	-101	-29
Operating profit before finance income/(expense)	740	814
Adjustment of depreciation and amortization	34	39
Adjustments related to operational fx gains and losses	6	23
Interest income related to revenue cap regulation	-10	-12
EBITDA	770	864
CAPEX Reimbursements	336	502
EBITDA+CAPEX Reimbursements	1,106	1,366
Non-recurring (income) / expense	-24	0
Operational earnings	1,082	1,366



Investor Relations contacts



Ilkay Demirdağ

Head of Investor Relations

T +90 (0) 216 579 0932
investorrelations@enerjisa.com



Burak Şimşek

Investor Relations

T +90 (0) 216 579 0931
investorrelations@enerjisa.com



Delal Alver

Investor Relations

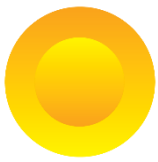
T +90 (0) 216 579 0931
investorrelations@enerjisa.com



Özde Ünsal

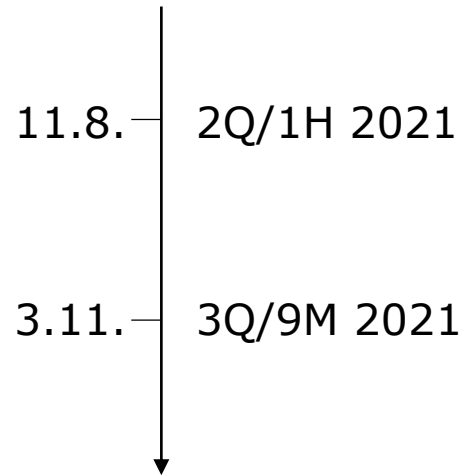
Investor Relations

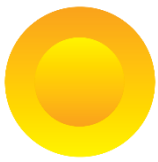
T +90 (0) 216 579 0931
investorrelations@enerjisa.com



Financial calendar 2021

Earnings Call





Disclaimer

This presentation contains information relating to Enerjisa Enerji A.Ş. ("Enerjisa") that must not be relied upon for any purpose and may not be redistributed, reproduced, published, or passed on to any other person or used in whole or in part for any other purpose. By accessing this document you agree to abide by the limitations set out in this document as well as any limitations set out on the webpage of Enerjisa on which this presentation has been made available.

This document is being presented solely for informational purposes. It should not be treated as giving investment advice, nor is it intended to provide the basis for any evaluation or any securities and should not be considered as a recommendation that any person should purchase, hold or dispose of any shares or other securities.

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Enerjisa management and other information currently available to Enerjisa. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Enerjisa does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

Neither Enerjisa nor any respective agents of Enerjisa undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any information or to correct any inaccuracies in any such information.

Certain numerical data, financial information and market data (including percentages) in this presentation have been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or interim totals or differences or if numbers are put in relation) in this presentation may not correspond in all cases to the amounts contained in the underlying (unrounded) figures appearing in the consolidated financial statements. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.