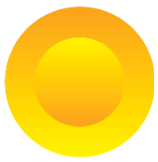




# Earnings Presentation 1H 2021

11 August 2021



# Executive Summary



## **Underlying Net Income**

- 34% YoY increase in 1H21



## **Free Cash Flow**

- Strong recovery in FCF after interest (from minus 1.1bnTL to positive 1.1bnTL)



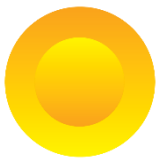
## **CAPEX**

- 95% YoY increase in 1H21



## **2021 Outlook**

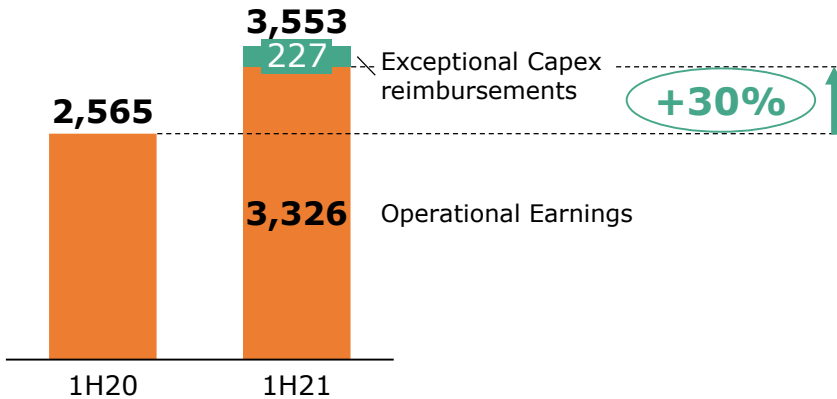
- Positive and revised upwards



# Financial Highlights

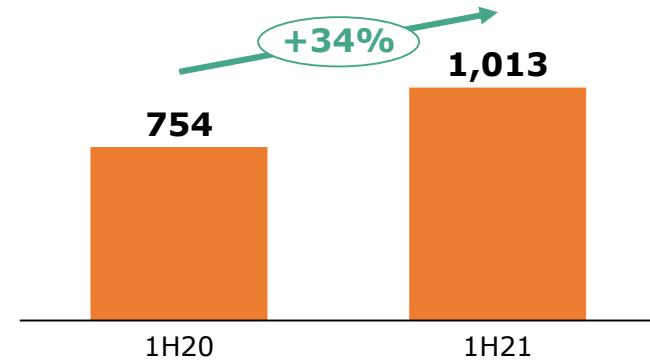
## Operational Earnings

(TLm)



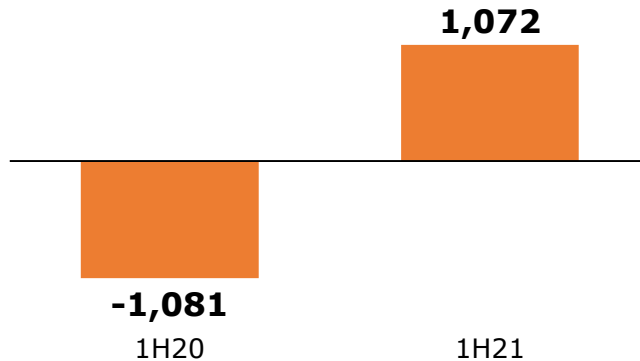
## Underlying Net Income

(TLm)

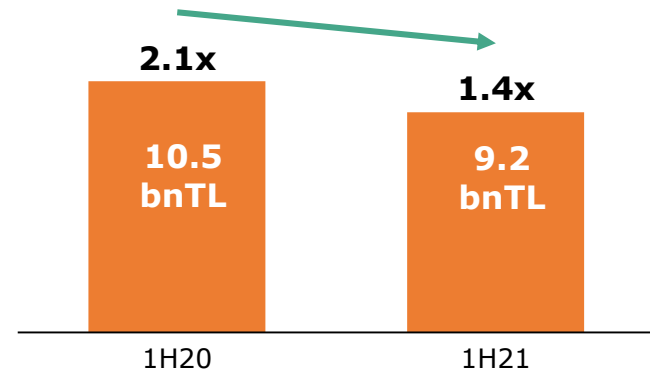


## Free Cash Flow After Interest and Tax

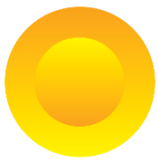
(TLm)



## Net Financial Debt / LTM\* Operational Earnings



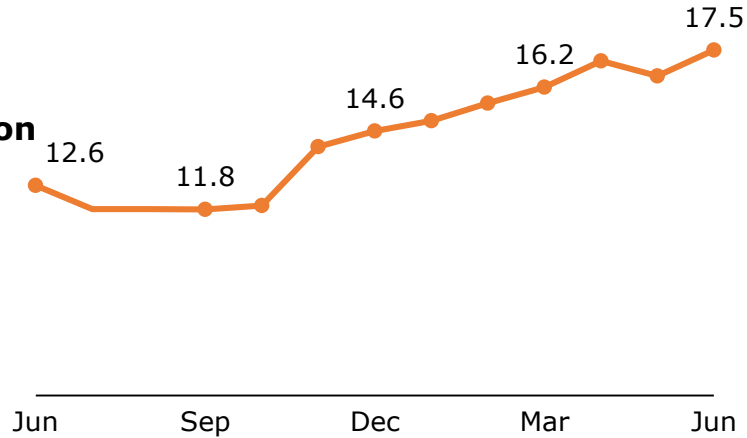
\*LTM: Last Twelve Months



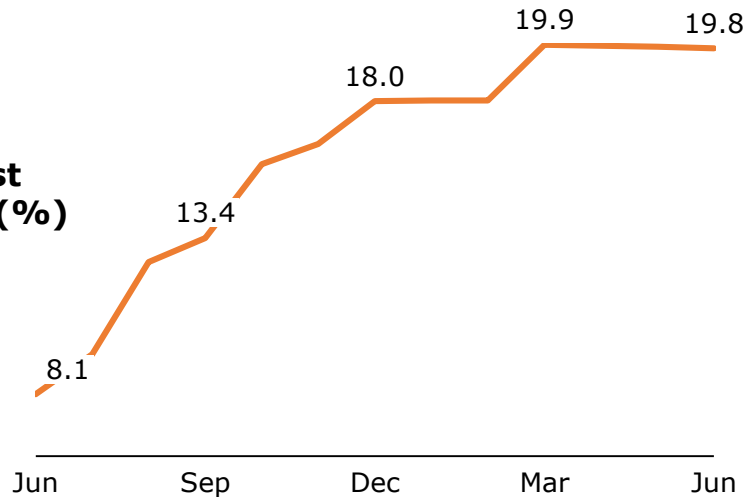
# Market environment

## Turkey

Inflation (%)

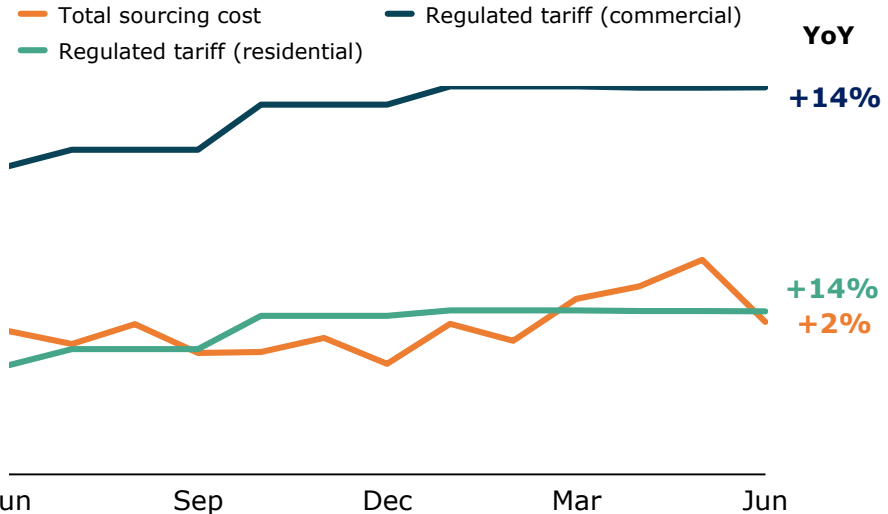


Interest rates<sup>1</sup> (%)



1 6-month TRLibor

## Sector: Regulatory Developments



**Total Sourcing Cost:** Calculated based on the blended weighted average cost of the regulated tariffs for Enerjisa.

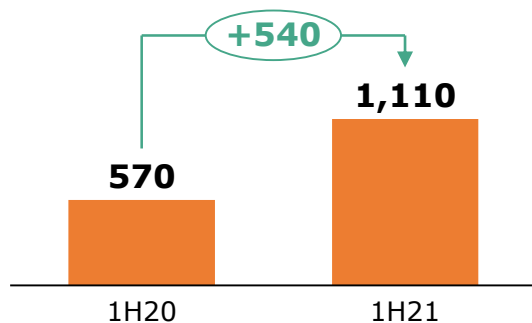
- Regulated commercial and residential tariffs increased by c. 14%, while regulated sourcing costs stayed almost flat over the last 12 months. In Q2, there is an increasing trend in sourcing costs, excluding the impacts of monthly fluctuations.
- As of July 1st 2021, regulated industrial, commercial and residential tariffs increased 17.6%, 18.1% and 19.5% respectively. Distribution tariff component increased by 7.2%. Overall, end user tariffs increased by 15% for all tariff groups.



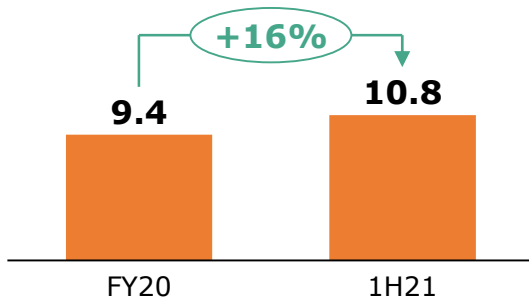
# Operations

## Distribution

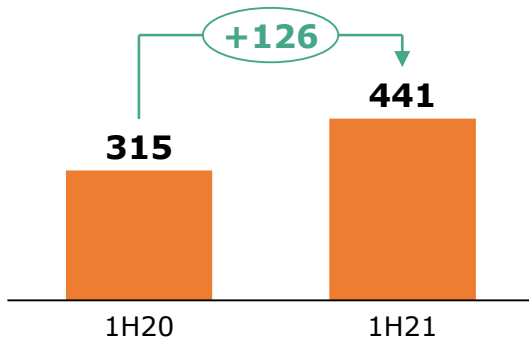
**Capex**  
(TLm)



**Regulated Asset Base**  
(TLbn)

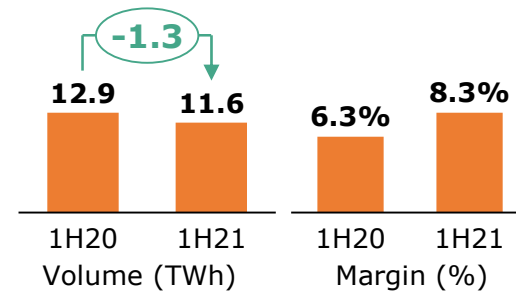


**Efficiency & Quality<sup>1</sup>**  
(TLm)

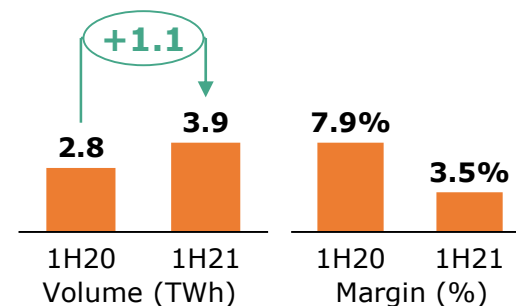


## Retail

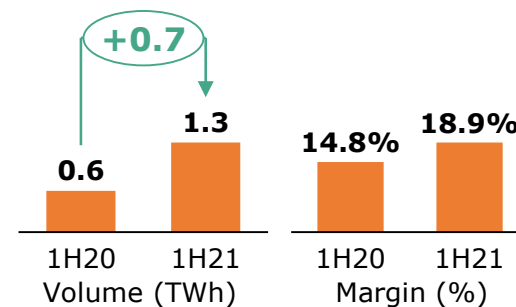
**Regulated Segment**



**Liberalized Corporate Segment**



**Liberalized Residential & SME Segment**

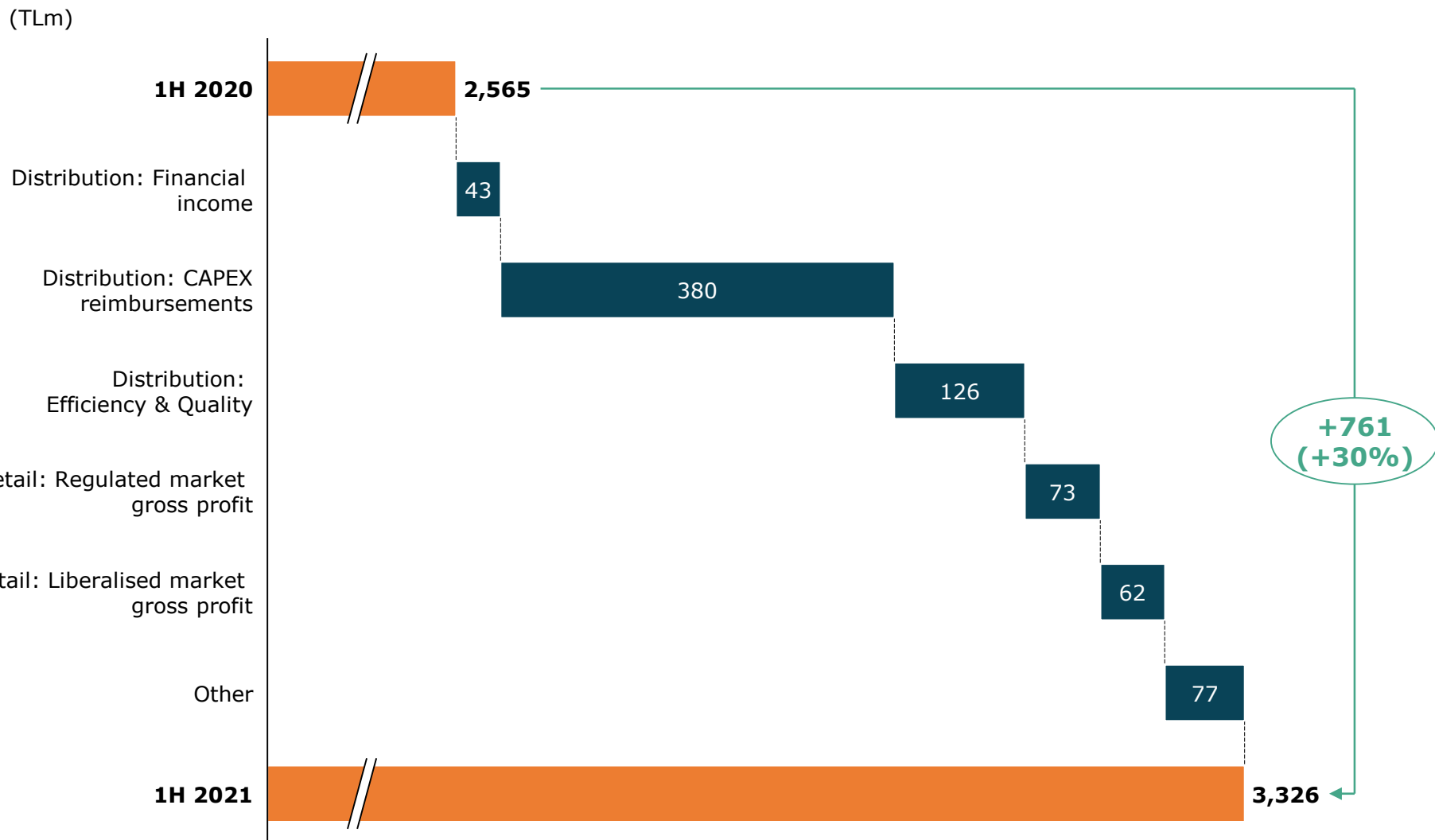


<sup>1</sup> Incl. Capex, Opex and T&L outperformances as well as theft accrual & collection and quality bonus





# Consolidated Operational Earnings Development





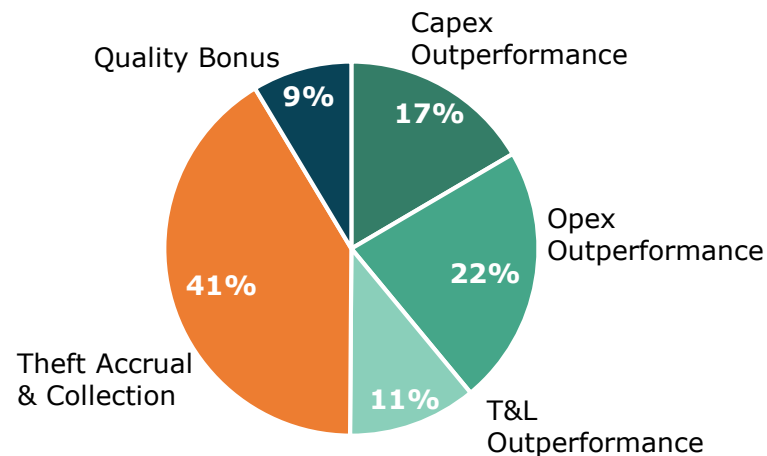
# Distribution: Operational Earnings & Cash Development

## Operational Earnings and Free Cash Flow Before Interest and Tax

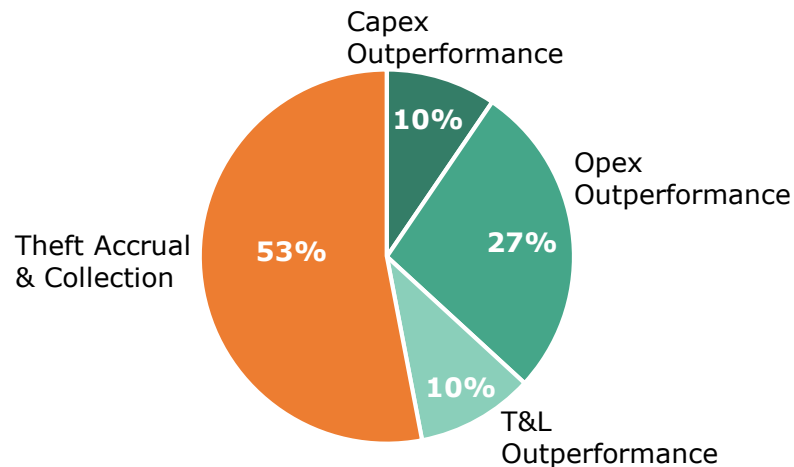
(TLm)

	1H 2020	1H 2021
Financial income	1,089	1,132
Capex reimbursements	671	1,051
Efficiency & Quality	315	441
Tax correction	109	142
Other	27	66
<b>Operational Earnings</b>	<b>2,211</b>	<b>2,832</b>
Financial income not yet cash-effective	-633	-213
Capex outperformance	-30	-73
Net working capital and VAT	-322	381
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>1,226</b>	<b>2,927</b>
Actual allowed Capex	-570	-1,110
Capex outperformance	30	73
VAT paid	-103	-187
Unpaid and previous year Capex	-398	54
<b>Cash-effective Capex</b>	<b>-1,041</b>	<b>-1,170</b>
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>185</b>	<b>1,757</b>

## Efficiency & Quality 1H 2021\*



## Efficiency & Quality 1H 2020\*



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



# Retail: Operational Earnings & Cash Development

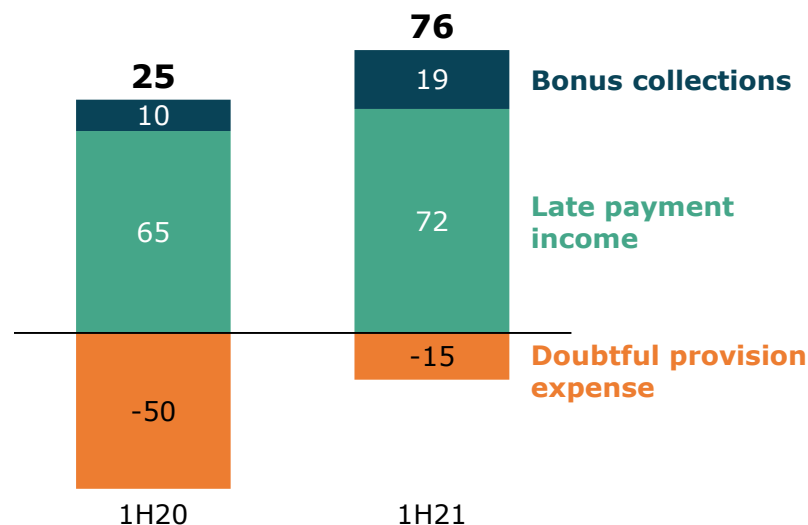
## Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

Retail	1H	1H
Financials	2020	2021
Regulated gross profit	348	418
Liberalised gross profit	145	210
Customer solutions gross profit	10	19
Opex	-170	-208
Bad debt related income and expense	25	76
Other	5	-4
<b>Operational Earnings</b>	<b>363</b>	<b>511</b>
Price equalization effects	-477	-32
Net customer deposit additions	-52	55
Delta NWC	-90	107
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>-256</b>	<b>641</b>
Capex	-22	-27
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>-278</b>	<b>614</b>

## Bad Debt Related Income and Expense\*

(TLm)



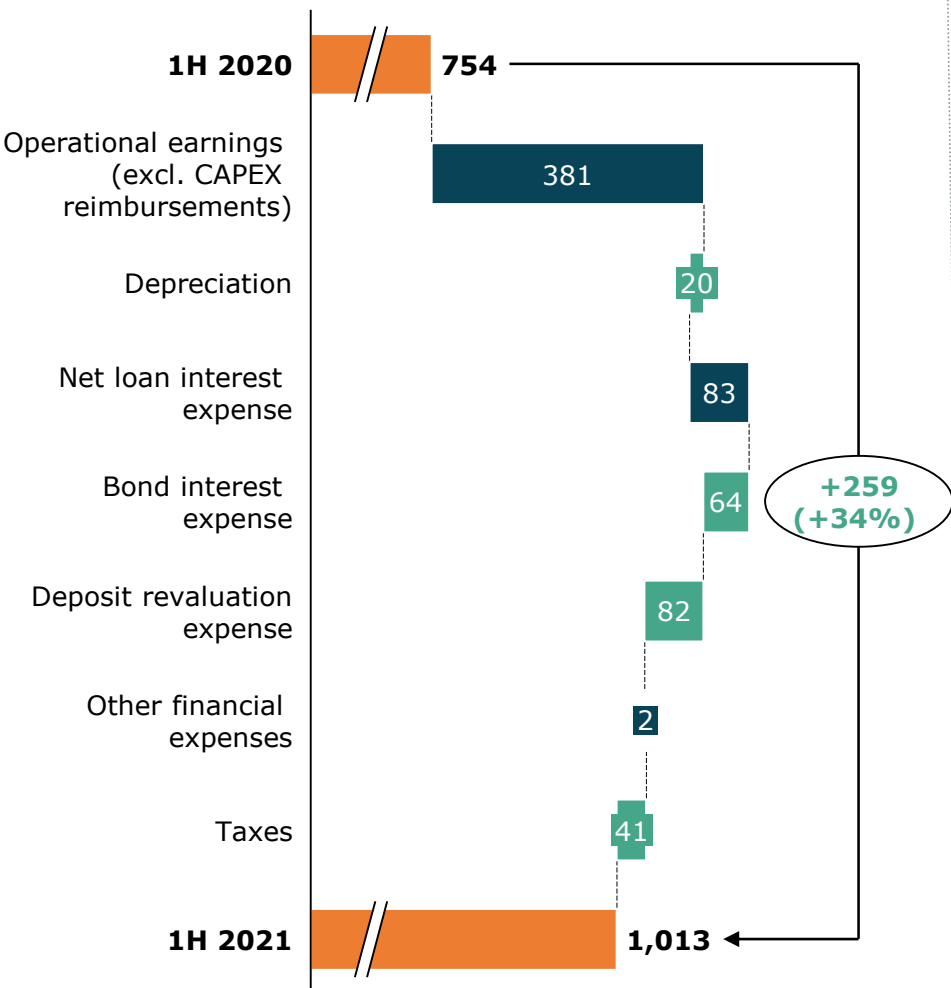
\* Figures may not sum up to 100% due to rounding



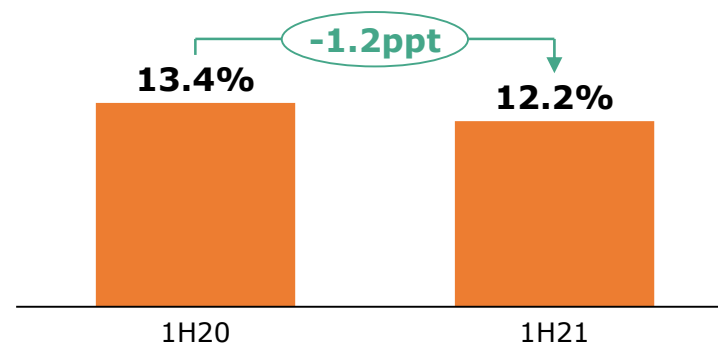


# Consolidated Underlying Net Income Development

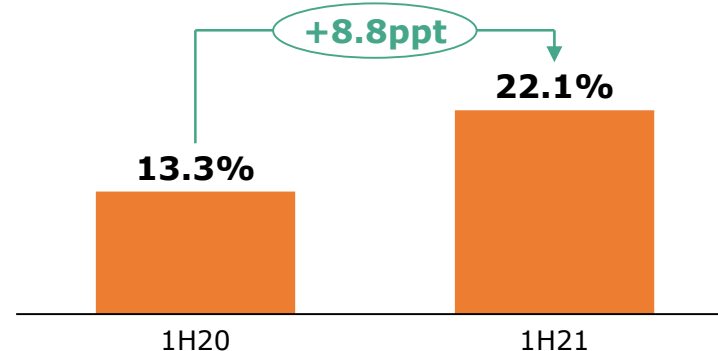
## Underlying Net Income Development YoY (TLm)



## Weighted Average Loan Interest Rates



## Weighted Average Bond Interest Rates (CPI and TLREF linked)

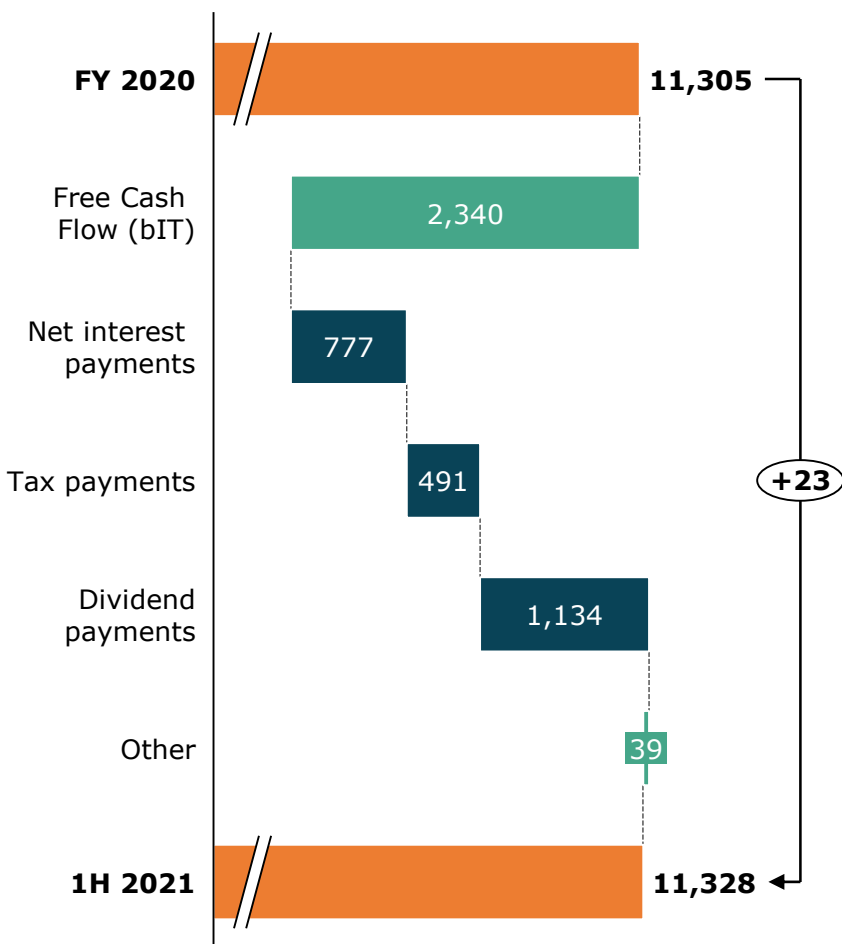


Note: For reconciliation from Net Income to Underlying Net Income please refer to table on slide 13

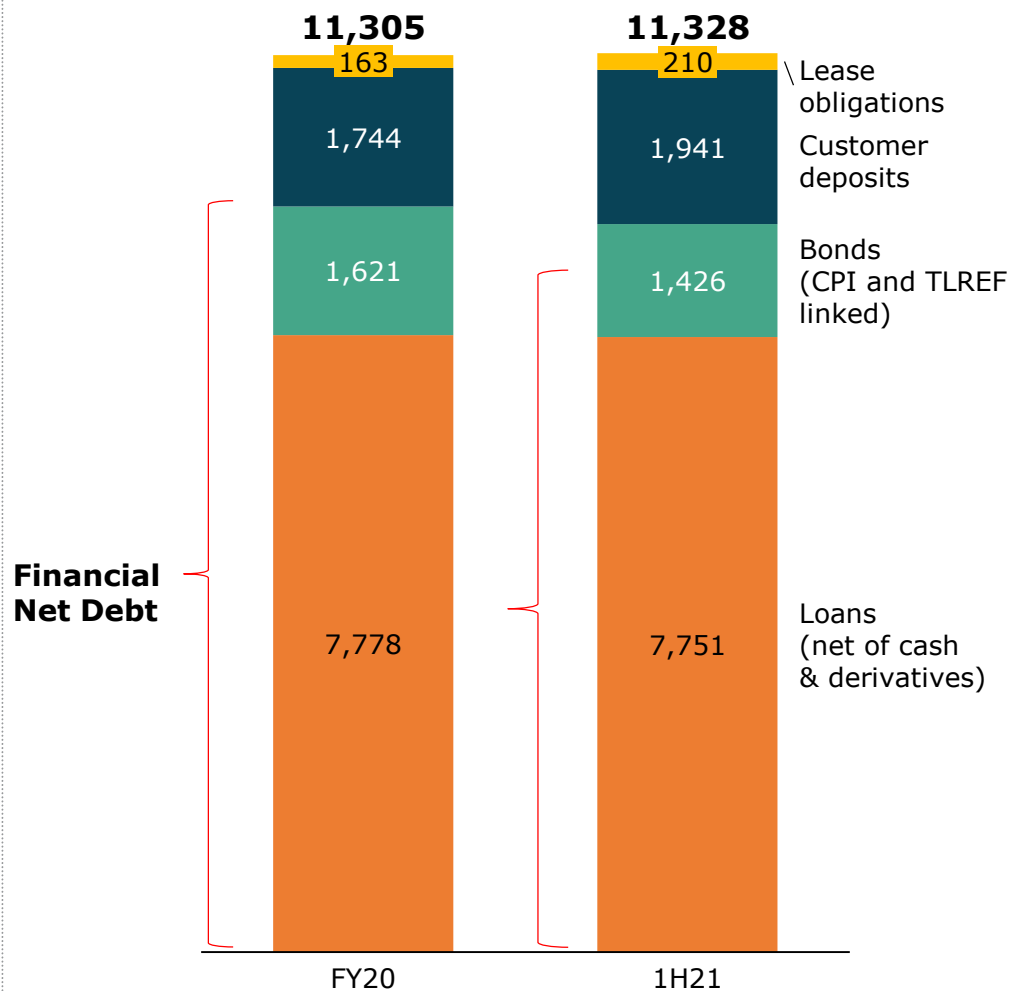


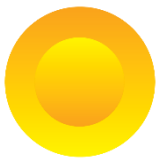
# Economic Net Debt

## Economic Net Debt Development (TLm)



## Economic Net Debt Composition (TLm)





# Outlook 2021

Revised upwards

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## Operational Earnings

15%-20% growth  
(previous: double digit growth)

## Regulated Asset Base

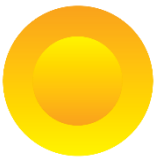
At least 11.2bnTL  
(previous: at least 10.9bnTL)

## Underlying Net Income

Around 2.0bnTL  
(previous: at least 1.9bnTL)

## Free Cash Flow (after interest and tax)

At least 1.8bnTL  
(previous: at least 1.7bnTL)



# Appendix



# Summary Financial Statements

## Consolidated Income Statement

	1 January 30 June	1 January 30 June
(TLm)	2020	2021
Sales Revenue	11,105	11,965
Cost of Sales	-8,050	-8,510
<b>Gross Profit</b>	<b>3,055</b>	<b>3,455</b>
OPEX	-1,170	-1,399
Other Income/(Expense)	-219	-145
<b>Operating profit before finance income/(expense)</b>	<b>1,666</b>	<b>1,911</b>
Financial Income/(Expense)	-750	-624
<b>Profit before tax</b>	<b>916</b>	<b>1,287</b>
Taxation	-208	-317
<b>Net Income</b>	<b>708</b>	<b>970</b>

	1 January 30 June	1 January 30 June
(TLm)	2020	2021
<b>Operating profit before finance income/(expense)</b>	<b>1,666</b>	<b>1,911</b>
Adjustment of depreciation and amortization	199	219
Adjustments related to operational fx gains and losses	15	40
Adjustments related to valuation difference arising from deposits	60	142
Interest income related to revenue cap regulation	-20	-25
<b>EBITDA</b>	<b>1,920</b>	<b>2,287</b>
CAPEX Reimbursements	671	1,051
<b>EBITDA+CAPEX Reimbursements</b>	<b>2,591</b>	<b>3,338</b>
Non-recurring (income) / expense	-26	-12
<b>Operational earnings</b>	<b>2,565</b>	<b>3,326</b>

<b>Net Income</b>	<b>708</b>	<b>970</b>
Non-recurring (income) / expense	-20	-10
Tax rate change	0	53
Non-recurring refinancing transactions fees	66	0
<b>Underlying Net Income</b>	<b>754</b>	<b>1,013</b>

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	30 June 2021
Cash and Cash Equivalents	589	380
Financial Investments	126	0
Financial Assets	2,348	2,451
Trade Receivables	2,944	3,210
Derivative financial instruments	36	96
Other Current Assets	810	1,284
<b>Current Assets</b>	<b>6,853</b>	<b>7,421</b>
Financial Assets	9,122	9,061
Tangible and Intangible Assets	7,400	7,325
Derivative financial instruments	0	9
Other Non-Current Assets	1,301	1,016
<b>Non-Current Assets</b>	<b>17,823</b>	<b>17,411</b>
<b>TOTAL ASSETS</b>	<b>24,676</b>	<b>24,832</b>
Short-Term Financial Liabilities	2,672	5,117
Other Financial Liabilities	69	79
Trade Payables	1,914	2,107
Derivative financial instruments	140	15
Other Current Liabilities	3,493	3,867
<b>Current Liabilities</b>	<b>8,288</b>	<b>11,185</b>
Long-Term Financial Liabilities	7,090	4,307
Other Financial Liabilities	340	353
Derivative financial instruments	2	1
Other Non-current Liabilities	1,803	1,874
<b>Long-Term Liabilities</b>	<b>9,235</b>	<b>6,535</b>
Share Capital	1,181	1,181
Adjustment to share capital	2,416	1,954
Other Equity Items	424	755
Retained Earnings	3,132	3,222
<b>Equity</b>	<b>7,153</b>	<b>7,112</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>24,676</b>	<b>24,832</b>

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





# Summary Financial Statements

## Consolidated Cash Flow

(Tlm)	1 January 30 June 2020	1 January 30 June 2021
Profit for the period	708	970
Adjustments to reconcile net profit for the period	593	412
Changes in operating assets and liabilities	-1,501	-55
Other inflows (incl. Capex reimbursements)	1,152	2,214
<b>Cash Flows from Operating Activities (before interest and tax)</b>	<b>952</b>	<b>3,541</b>
Tax payments	-216	-491
<b>Cash Flows from Operating Activities (before interest, after tax)</b>	<b>736</b>	<b>3,050</b>
CAPEX	-1,065	-1,201
Interest received	5	95
Cash receipt from sale of debt instruments	0	126
<b>Cash Flows from Investing Activities</b>	<b>-1,060</b>	<b>-980</b>
Cash in-flows and out-flows from borrowings	1,849	-209
Interest paid	-757	-872
Payments of finance lease liabilities	-53	-64
<b>Cash Flows from Financing Activities</b>	<b>330</b>	<b>-2,279</b>
Increase in cash and cash equivalents	6	-209
Cash and cash equivalents at the beginning of the period	470	589
<b>Cash and cash equivalents at the end of the period</b>	<b>476</b>	<b>380</b>

(Tlm)	1 January 30 June 2020	1 January 30 June 2021
Cash Flows from Operating Activities (before interest and tax)	952	3,541
CAPEX	-1,065	-1,201
<b>Free cash flow (before interest and tax)</b>	<b>-113</b>	<b>2,340</b>
Tax payments	-216	-491
Interest received	5	95
Interest paid	-757	-872
<b>Free cash flow (after interest and tax)</b>	<b>-1,081</b>	<b>1,072</b>

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



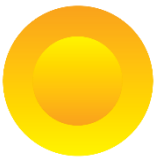
# Retail: Income statement

	1 January 30 June	1 January 30 June
(TLm)	2020	2021
Sales Revenue (net)	7,109	7,785
<i>Regulated</i>	5,550	5,100
<i>Liberalised</i>	1,548	2,644
<i>Customer solutions</i>	11	41
Cost of Sales (-)	-6,677	-7,124
<i>Regulated</i>	-5,201	-4,670
<i>Liberalised</i>	-1,473	-2,429
<i>Customer solutions</i>	-3	-25
<b>Gross Profit</b>	<b>432</b>	<b>661</b>
OPEX	-194	-234
Other Income/(Expense)	44	-74
<b>Operating profit before finance income/(expense)</b>	<b>282</b>	<b>353</b>
Adjustment of depreciation and amortization	26	28
Adjustments related to valuation difference arising from deposits	60	142
<b>EBITDA</b>	<b>368</b>	<b>523</b>
Non-recurring (income) / expense	-5	-12
<b>Operational earnings</b>	<b>363</b>	<b>511</b>



# Distribution: Income statement

	1 January 30 June 2020	1 January 30 June 2021
<b>(TLm)</b>		
Sales Revenue	3,996	4,180
<i>Financial income</i>	1,089	1,132
<i>Distribution revenue</i>	2,039	2,111
<i>Pass-through transmission revenue</i>	711	742
<i>Lighting sales revenue</i>	157	195
Cost of Sales	-1,373	-1,386
<i>Energy purchases (Lighting, T&amp;L)</i>	-662	-644
<i>Pass-through transmission cost</i>	-711	-742
<b>Gross Profit</b>	<b>2,623</b>	<b>2,794</b>
OPEX	-863	-1,045
Other Income/(Expense)	-260	-67
<b>Operating profit before finance income/(expense)</b>	<b>1,500</b>	<b>1,682</b>
Adjustment of depreciation and amortization	66	84
Adjustments related to operational fx gains and losses	15	40
Interest income related to revenue cap regulation	-20	-25
<b>EBITDA</b>	<b>1,561</b>	<b>1,781</b>
CAPEX Reimbursements	671	1,051
<b>EBITDA+CAPEX Reimbursements</b>	<b>2,232</b>	<b>2,832</b>
Non-recurring (income) / expense	-21	0
<b>Operational earnings</b>	<b>2,211</b>	<b>2,832</b>



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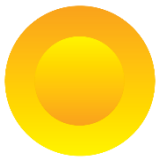
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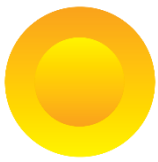


# Financial calendar 2021

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## Earnings Call

3.11. — 3Q/9M 2021  
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