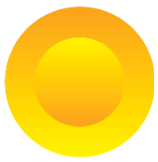




# Earnings Presentation 9M 2021

03 November 2021



# Executive Summary



## CAPEX

- 60% YoY increase in 9M21



## High Demand in Recent Corporate Bond Issuance

- In October, 800 million TL bond issuance, with two years maturity at TLREF+1.4%.



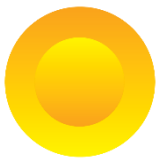
## Electricity Prices

- Increase in electricity prices globally due to higher spot natural gas and coal prices
- The impact of electricity prices on Enerjisa's earnings low, while a temporary impact on cash flow possible



## 2021 Outlook

- Adjusted the outlook



# Impacts of Electricity Price Increases

## Electricity Markets

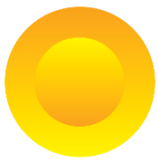
- Increases in global spot natural gas prices and coal prices
- Increase in electricity prices across markets
- In Q32021, 76% YoY increase and 49% QoQ increase in Turkish day ahead electricity prices (quarterly average prices)
- The impact of electricity prices on Enerjisa's earnings low, while a temporary impact on cash flow possible

## Distribution

- Distribution business accounts for c. 85% of Enerjisa Enerji's consolidated operational earnings
- The impact of electricity prices on distribution earnings is very limited

## Retail

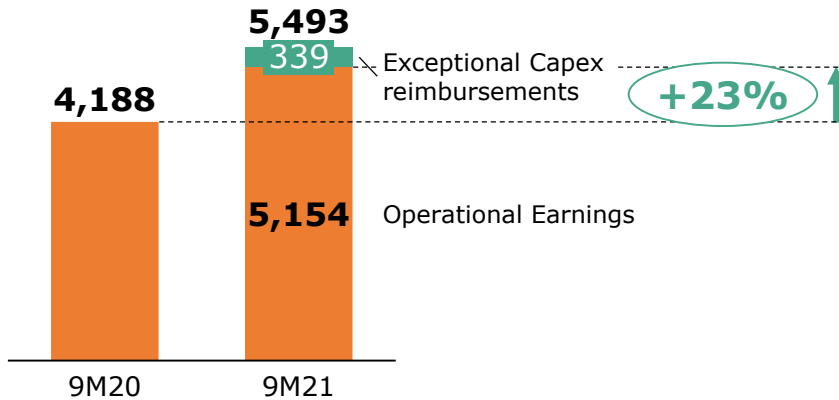
- Regulated Segment
  - Accounts for c.2/3 of retail gross profit. Gross profit in regulated segment is cost plus, with a 2.38% gross margin
  - Cash flow impact of price increases to be corrected with 2 quarters lag through price equalization mechanism without any loss of time value of money
- Liberalised Segment
  - Fixed and variable contracts account for c.50% share in liberalized segment each
  - For fixed contracts, risk management through hedges or bilateral contracts



# Financial Highlights

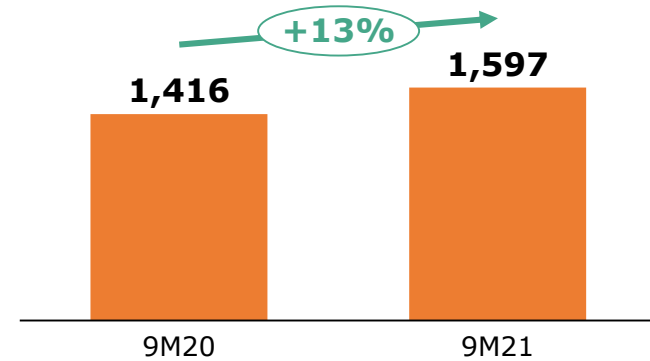
## Operational Earnings

(TLm)



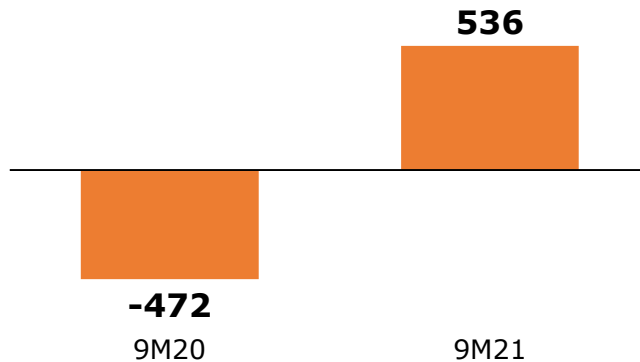
## Underlying Net Income

(TLm)

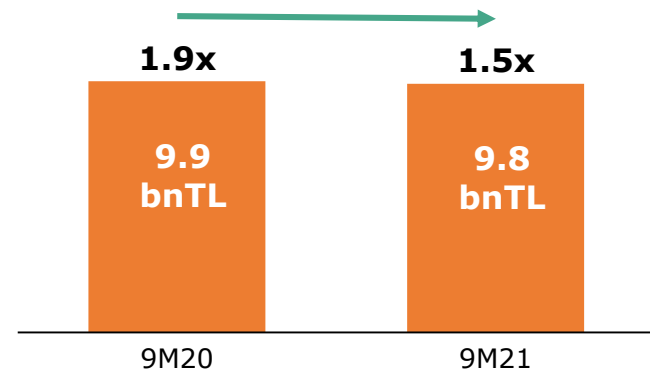


## Free Cash Flow After Interest and Tax

(TLm)

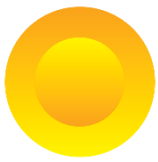


## Net Financial Debt / LTM\* Operational Earnings



\*LTM: Last Twelve Months

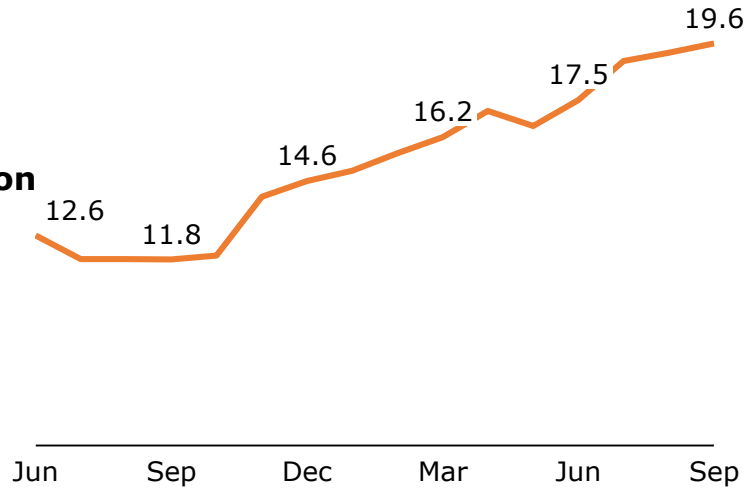




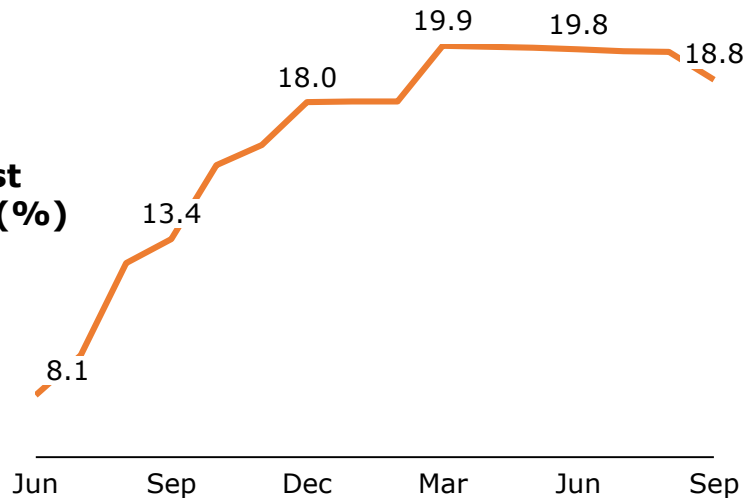
# Market Environment

## Turkey

### Inflation (%)

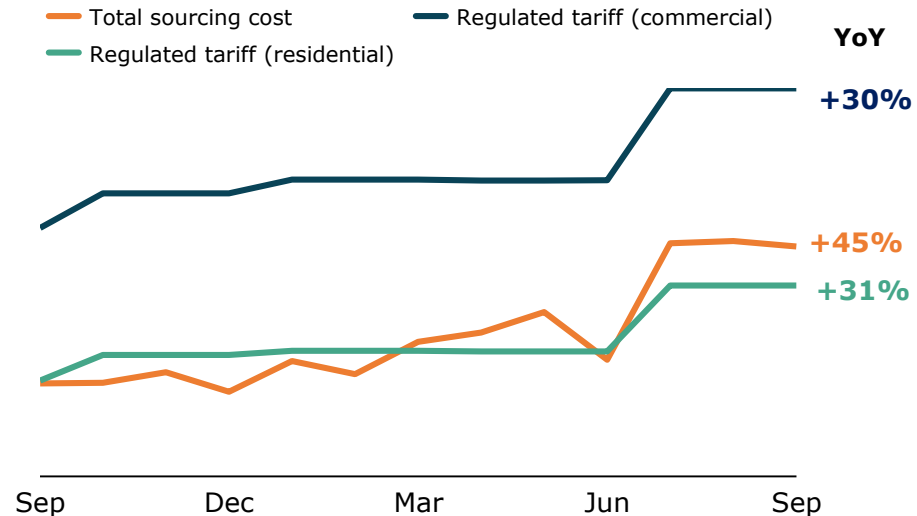


### Interest rates<sup>1</sup> (%)



1 6-month TRLibor

## Sector: Regulatory Developments



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

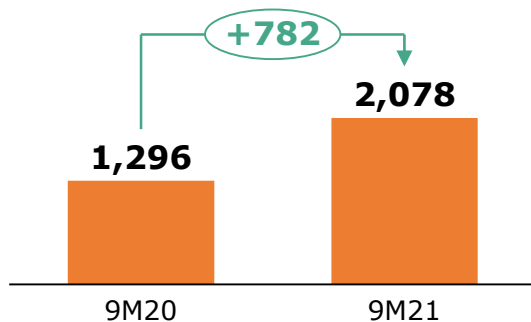
- Regulated commercial and residential tariffs increased by around 30%, while regulated sourcing costs increased by around 45% over the last 12 months.
- As of July 1<sup>st</sup> 2021, regulated industrial, commercial and residential tariffs increased 17.6%, 18.1% and 19.5% respectively. Distribution tariff component increased by 7.2%. Overall, end user tariffs increased by 15% for all tariff groups.
- Regulated tariffs has been unchanged since July 1<sup>st</sup>.



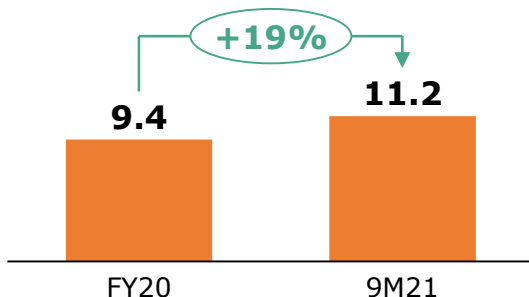
# Operations

## Distribution

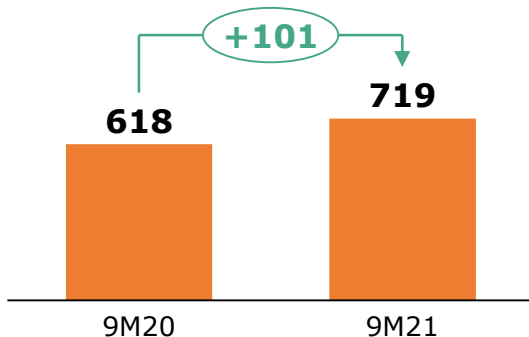
**Capex**  
(TLm)



**Regulated Asset Base**  
(TLbn)

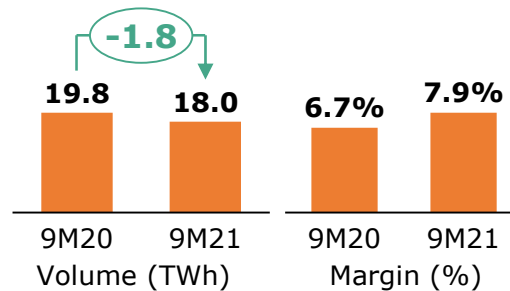


**Efficiency & Quality<sup>1</sup>**  
(TLm)

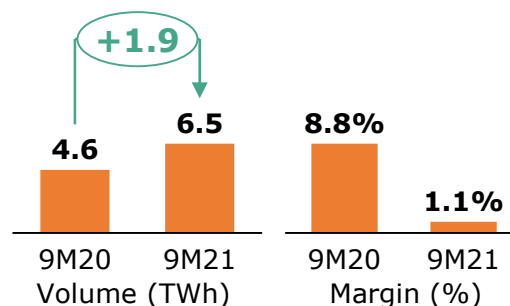


**Regulated Segment**

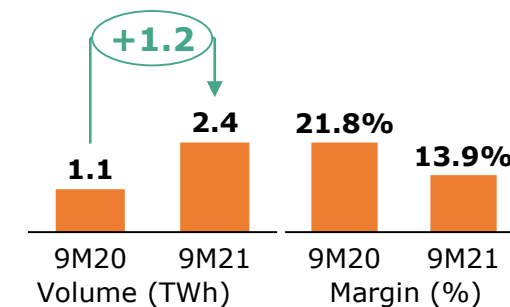
## Retail



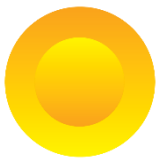
**Liberalized Corporate Segment**



**Liberalized Residential & SME Segment**

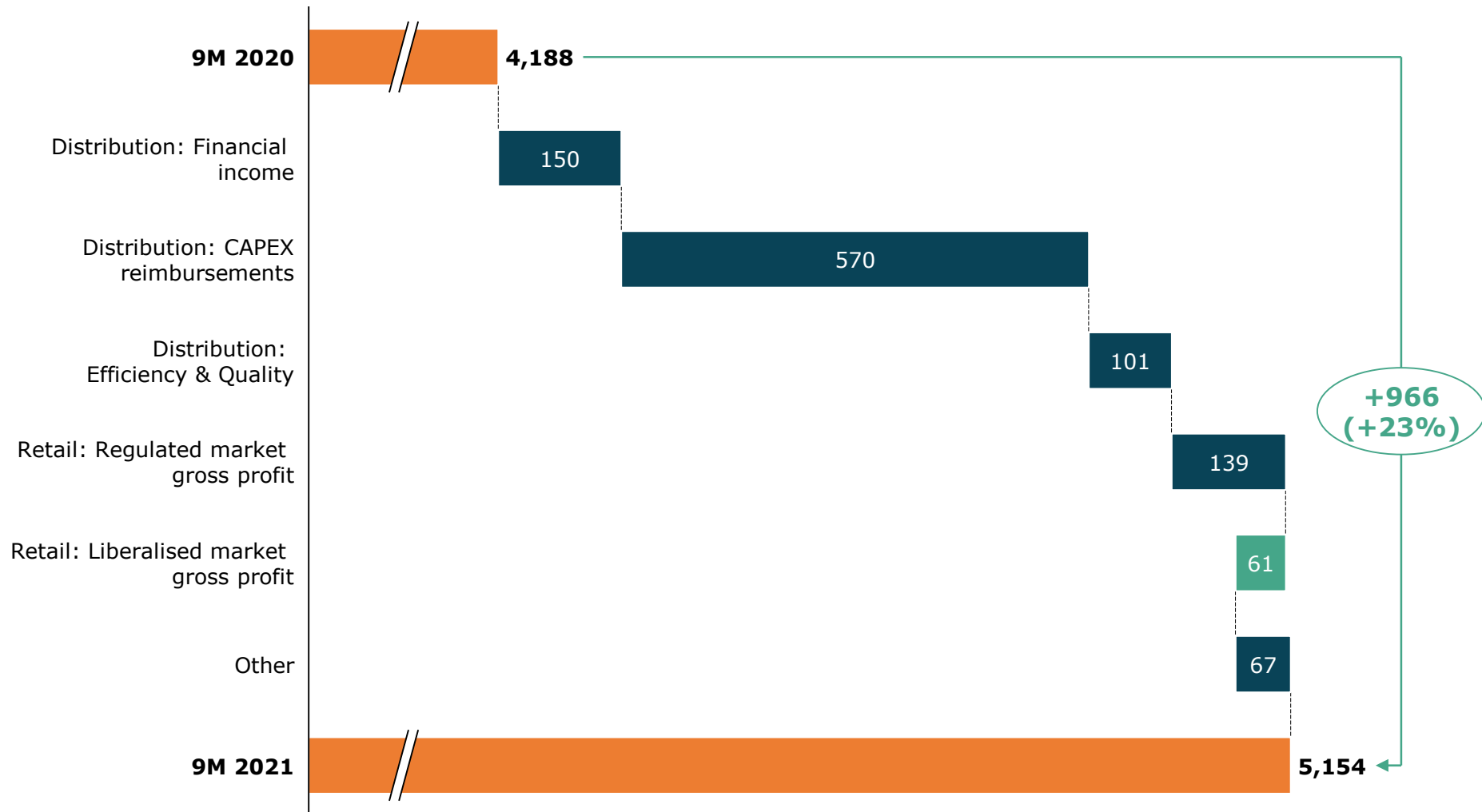


1 Incl. Capex, Opex and T&L outperformances as well as theft accrual & collection and quality bonus



# Consolidated Operational Earnings Development

(TLm)





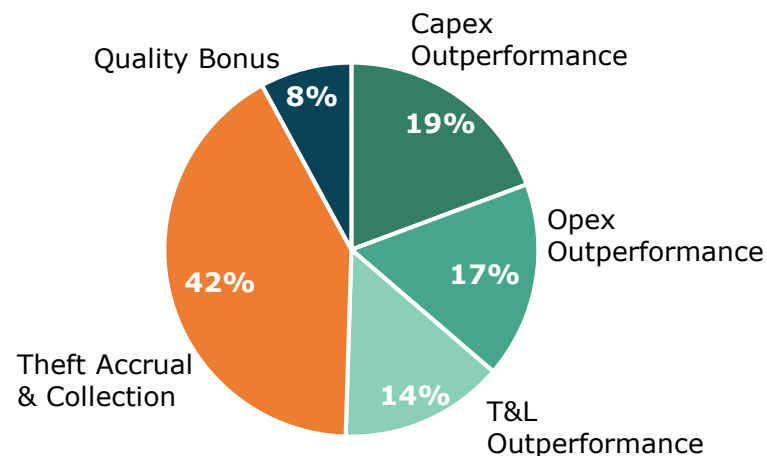
# Distribution: Operational Earnings & Cash Development

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

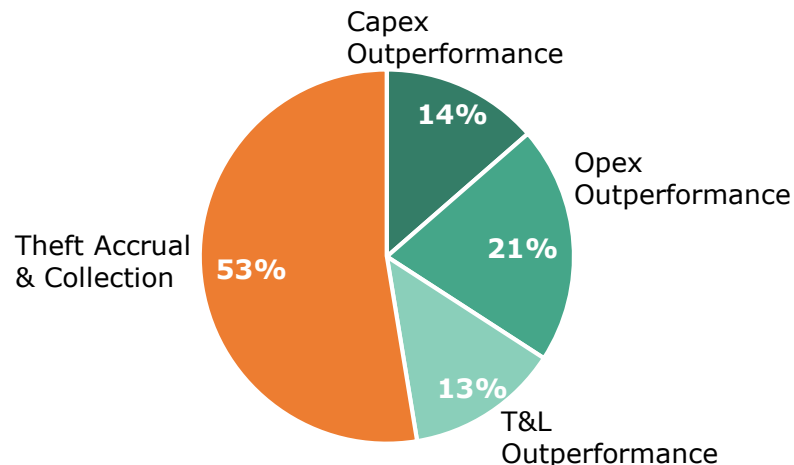
(TLm)

	9M 2020	9M 2021
Financial income	1,687	1,837
Capex reimbursements	1,006	1,576
Efficiency & Quality	618	719
Tax correction	163	212
Other	86	65
<b>Operational Earnings</b>	<b>3,560</b>	<b>4,409</b>
Financial income not yet cash-effective	-1,003	-412
Capex outperformance	-84	-139
Net working capital and other	-137	702
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>2,336</b>	<b>4,560</b>
Actual allowed Capex	-1,296	-2,078
Capex outperformance	84	139
VAT paid	-233	-349
Unpaid and previous year Capex	-207	63
<b>Cash-effective Capex</b>	<b>-1,652</b>	<b>-2,225</b>
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>684</b>	<b>2,335</b>

## Efficiency & Quality 9M 2021\*



## Efficiency & Quality 9M 2020\*



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





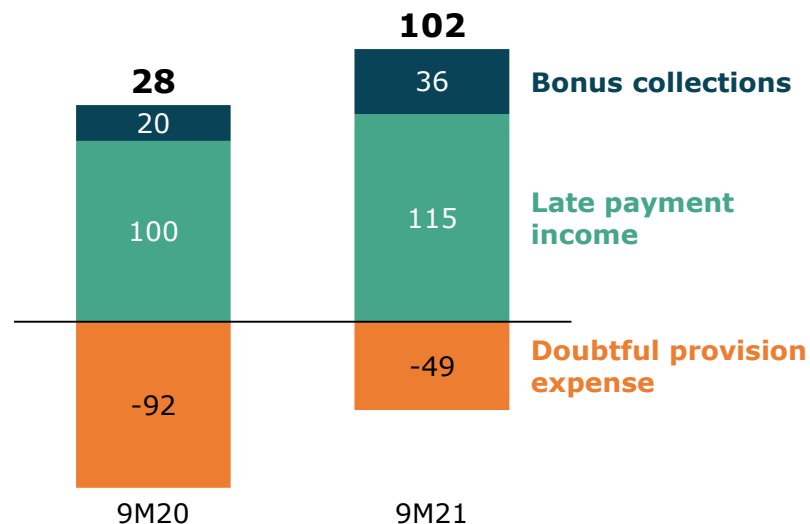
# Retail: Operational Earnings & Cash Development

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

(TLm)

Retail	9M	9M
Financials	2020	2021
Regulated gross profit	554	693
Liberalised gross profit	306	245
Customer solutions gross profit	15	66
Opex	-262	-315
Bad debt related income and expense	28	102
Other	3	-18
<b>Operational Earnings</b>	<b>644</b>	<b>773</b>
Price equalization effects	-376	-542
Net deposit additions	-40	30
Delta NWC	17	59
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>245</b>	<b>320</b>
Capex	-31	-48
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>214</b>	<b>272</b>

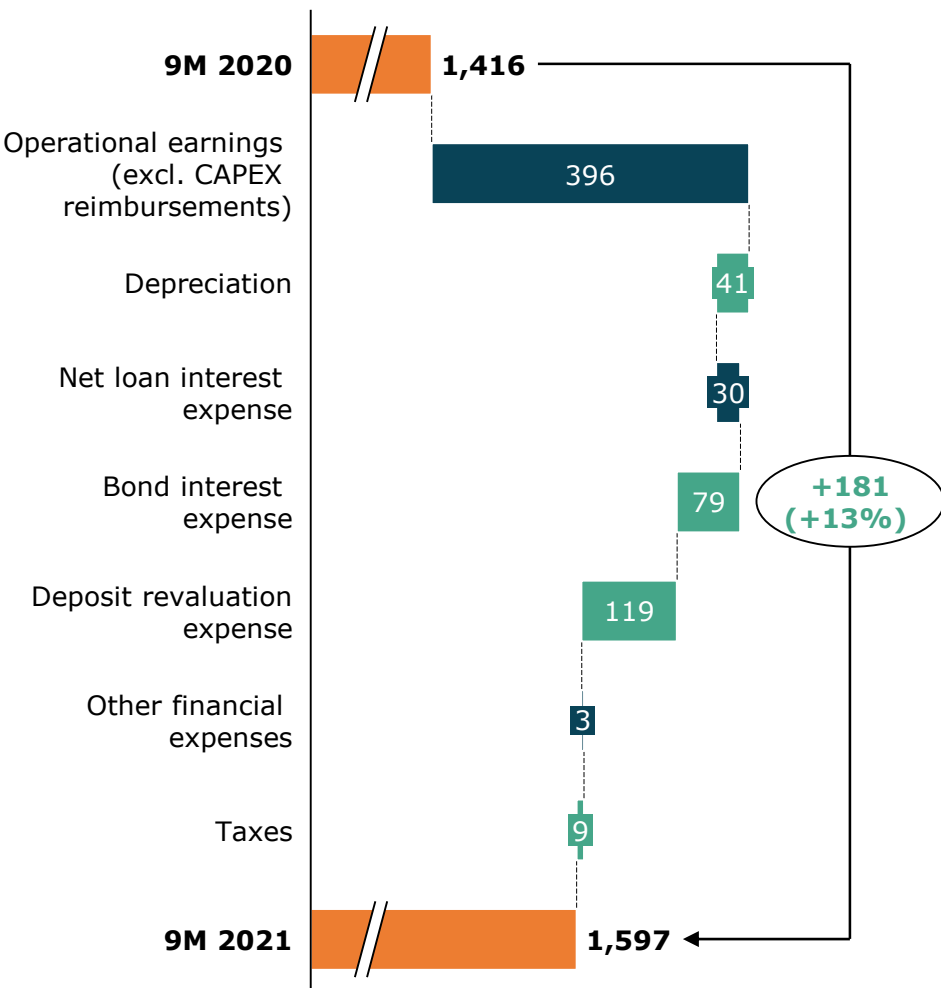
## Bad Debt Related Income and Expense (TLm)



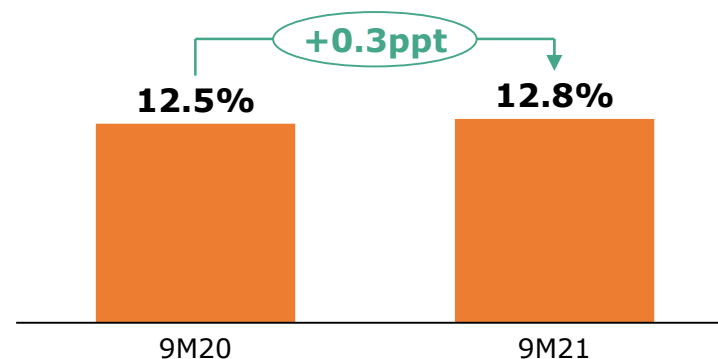


# Consolidated Underlying Net Income Development

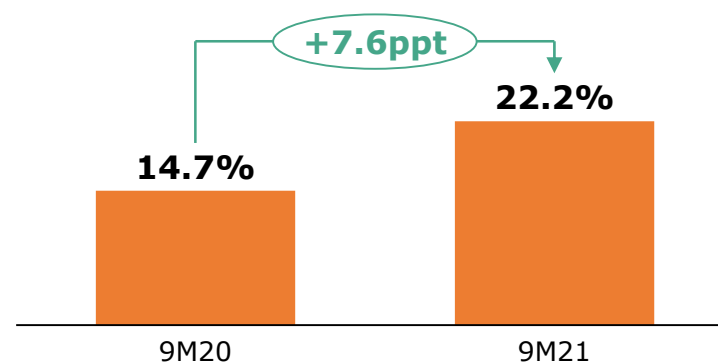
## Underlying Net Income Development YoY (TLm)



## Weighted Average Loan Interest Rates



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

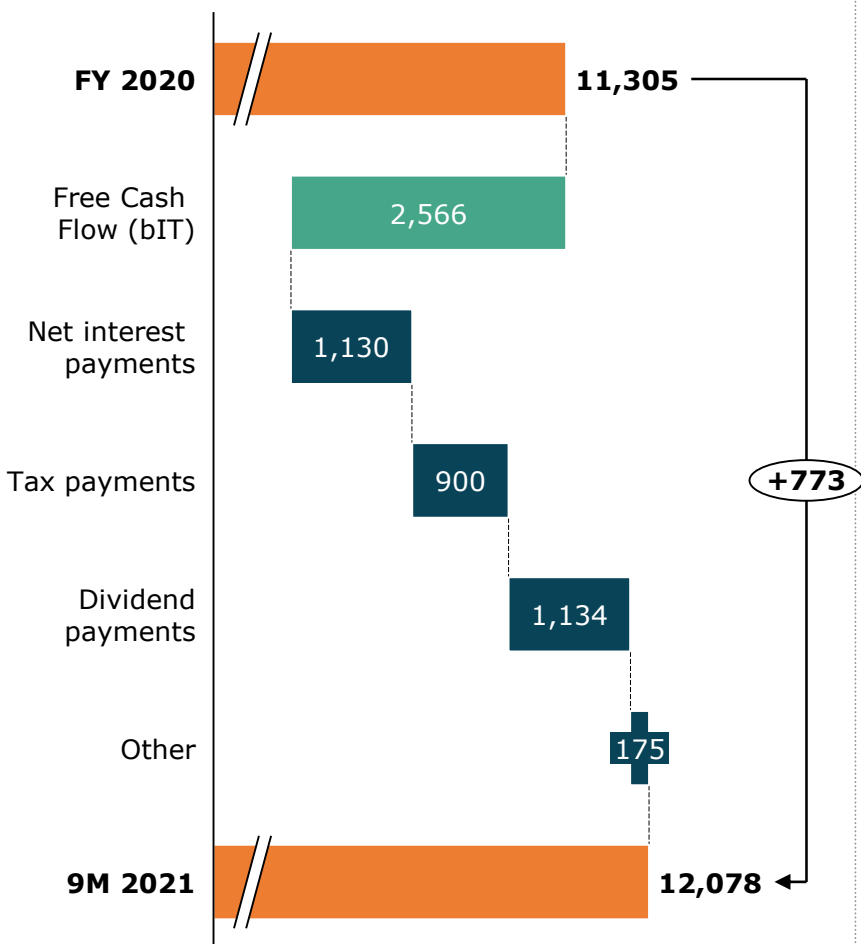


Note: For reconciliation from Net Income to Underlying Net Income please refer to table on slide 14

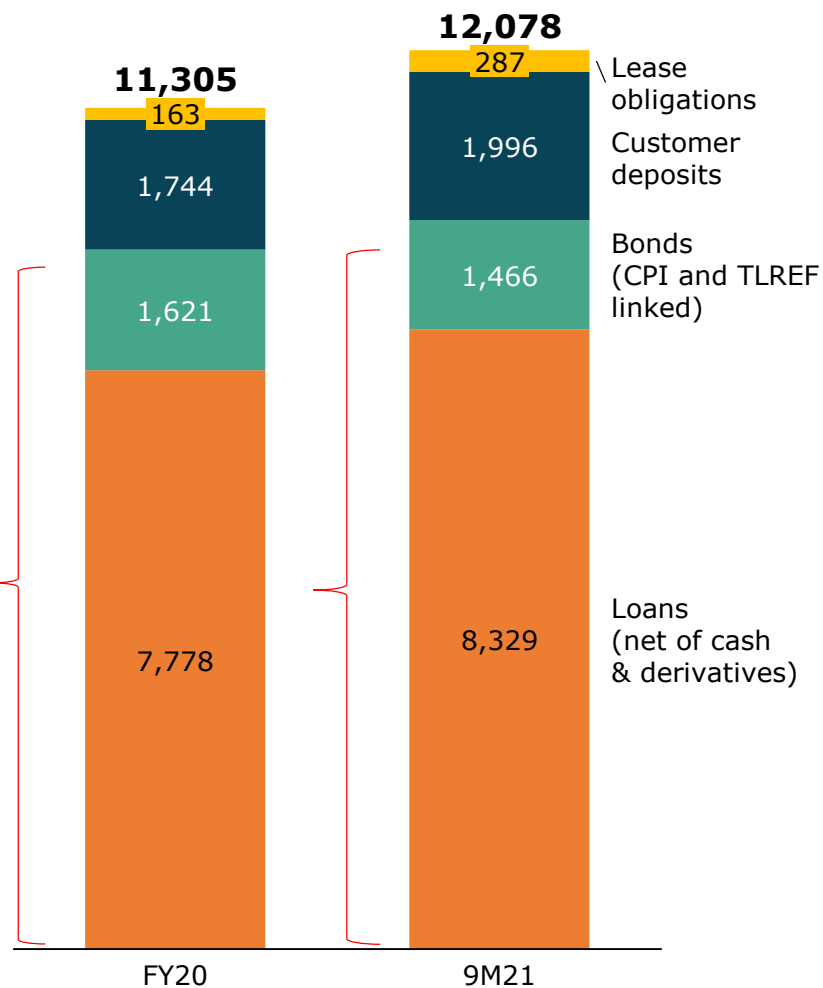


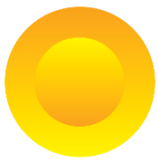
# Economic Net Debt

## Economic Net Debt Development (TLm)



## Economic Net Debt Composition (TLm)





## Outlook 2021

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### **Operational Earnings**

18%-20% growth  
(previous: 15%-20% growth)

### **Regulated Asset Base**

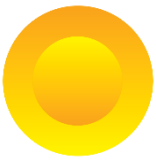
At least 11.2bnTL  
(unchanged)

### **Underlying Net Income**

Around 2.0bnTL  
(unchanged)

### **Free Cash Flow** (after interest and tax)

Between 1.5-1.8bnTL  
(previous: at least 1.8bnTL)



# Appendix



# Summary Financial Statements

## Consolidated Income Statement

	1 January 30 September	1 January 30 September
(TLm)	2020	2021
Sales Revenue	16,887	20,360
Cost of Sales	-12,220	-14,826
<b>Gross Profit</b>	<b>4,667</b>	<b>5,534</b>
OPEX	-1,761	-2,236
Other Income/(Expense)	-127	-280
<b>Operating profit before finance income/(expense)</b>	<b>2,779</b>	<b>3,018</b>
Financial Income/(Expense)	-1,047	-1,003
<b>Profit before tax</b>	<b>1,732</b>	<b>2,015</b>
Taxation	-385	-511
<b>Net Income</b>	<b>1,347</b>	<b>1,504</b>

	1 January 30 September	1 January 30 September
(TLm)	2020	2021
<b>Operating profit before finance income/(expense)</b>	<b>2,779</b>	<b>3,018</b>
Adjustment of depreciation and amortization	301	342
Adjustments related to operational fx gains and losses	34	45
Adjustments related to valuation difference arising from deposits	103	222
Interest income related to revenue cap regulation	-31	-37
<b>EBITDA</b>	<b>3,186</b>	<b>3,590</b>
CAPEX Reimbursements	1,006	1,576
<b>EBITDA+CAPEX Reimbursements</b>	<b>4,192</b>	<b>5,166</b>
Non-recurring (income) / expense	-4	-12
<b>Operational earnings</b>	<b>4,188</b>	<b>5,154</b>

<b>Net Income</b>	<b>1,347</b>	<b>1,504</b>
Non-recurring (income) / expense	3	-10
Tax rate change	0	103
Non-recurring refinancing transactions fees	66	0
<b>Underlying Net Income</b>	<b>1,416</b>	<b>1,597</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 September 2021
Cash and Cash Equivalents	589	318
Financial Investments	126	0
Financial Assets	2,348	2,577
Trade Receivables	2,944	4,206
Derivative financial instruments	36	55
Other Current Assets	810	1,610
<b>Current Assets</b>	<b>6,853</b>	<b>8,766</b>
Financial Assets	9,122	9,510
Tangible and Intangible Assets	7,400	7,356
Derivative financial instruments	0	17
Other Non-Current Assets	1,301	1,031
<b>Non-Current Assets</b>	<b>17,823</b>	<b>17,914</b>
<b>TOTAL ASSETS</b>	<b>24,676</b>	<b>26,680</b>
Short-Term Financial Liabilities	2,672	6,372
Other Financial Liabilities	69	78
Trade Payables	1,914	2,191
Derivative financial instruments	140	35
Other Current Liabilities	3,493	3,977
<b>Current Liabilities</b>	<b>8,288</b>	<b>12,653</b>
Long-Term Financial Liabilities	7,090	3,662
Other Financial Liabilities	340	320
Derivative financial instruments	2	3
Other Non-current Liabilities	1,803	2,408
<b>Long-Term Liabilities</b>	<b>9,235</b>	<b>6,393</b>
Share Capital	1,181	1,181
Adjustment to share capital	2,416	1,954
Other Equity Items	259	443
Retained Earnings	3,297	4,056
<b>Equity</b>	<b>7,153</b>	<b>7,634</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>24,676</b>	<b>26,680</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 September 2020	1 January 30 September 2021
Profit for the period	1,347	1,504
Adjustments to reconcile net profit for the period	750	665
Changes in operating assets and liabilities	-1,306	-670
Other inflows (incl. Capex reimbursements)	1,768	3,345
<b>Cash Flows from Operating Activities (before interest and tax)</b>	<b>2,559</b>	<b>4,844</b>
Tax payments	-271	-900
<b>Cash Flows from Operating Activities (before interest, after tax)</b>	<b>2,288</b>	<b>3,944</b>
CAPEX	-1,686	-2,278
Interest received	18	99
Cash receipt from sale of debt instruments	-128	126
<b>Cash Flows from Investing Activities</b>	<b>-1,796</b>	<b>-2,053</b>
Cash in-flows and out-flows from borrowings	1,540	307
Interest paid	-1,092	-1,229
Dividend paid	-709	-1,134
Payments of finance lease liabilities	-79	-106
<b>Cash Flows from Financing Activities</b>	<b>-340</b>	<b>-2,162</b>
Increase in cash and cash equivalents	152	-271
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>622</b>	<b>318</b>

(TLm)	1 January 30 September 2020	1 January 30 September 2021
Cash Flows from Operating Activities (before interest and tax)	2,559	4,844
CAPEX	-1,686	-2,278
<b>Free cash flow (before interest and tax)</b>	<b>873</b>	<b>2,566</b>
Tax payments	-271	-900
Interest received	18	99
Interest paid	-1,092	-1,229
<b>Free cash flow (after interest and tax)</b>	<b>-472</b>	<b>536</b>

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



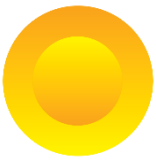
# Retail: Income statement

	1 January 30 September	1 January 30 September
(TLm)	2020	2021
Sales Revenue (net)	10,960	13,654
<i>Regulated</i>	8,314	8,727
<i>Liberalised</i>	2,629	4,810
<i>Customer solutions</i>	17	117
Cost of Sales (-)	-10,237	-12,633
<i>Regulated</i>	-7,760	-8,022
<i>Liberalised</i>	-2,472	-4,556
<i>Customer solutions</i>	-5	-55
<b>Gross Profit</b>	<b>723</b>	<b>1,021</b>
OPEX	-298	-355
Other Income/(Expense)	63	-146
<b>Operating profit before finance income/(expense)</b>	<b>488</b>	<b>520</b>
Adjustment of depreciation and amortization	40	43
Adjustments related to valuation difference arising from deposits	103	222
<b>EBITDA</b>	<b>631</b>	<b>785</b>
Non-recurring (income) / expense	13	-12
<b>Operational earnings</b>	<b>644</b>	<b>773</b>



# Distribution: Income statement

	1 January 30 September	1 January 30 September
(TLm)	2020	2021
Sales Revenue	5,925	6,706
<i>Financial income</i>	1,687	1,837
<i>Distribution revenue</i>	2,994	3,421
<i>Pass-through transmission revenue</i>	1,016	1,145
<i>Lighting sales revenue</i>	228	303
Cost of Sales	-1,983	-2,193
<i>Energy purchases (Lighting, T&amp;L)</i>	-967	-1,048
<i>Pass-through transmission cost</i>	-1,016	-1,145
<b>Gross Profit</b>	<b>3,942</b>	<b>4,513</b>
OPEX	-1,291	-1,694
Other Income/(Expense)	-181	-130
<b>Operating profit before finance income/(expense)</b>	<b>2,470</b>	<b>2,689</b>
Adjustment of depreciation and amortization	102	136
Adjustments related to operational fx gains and losses	34	45
Interest income related to revenue cap regulation	-31	-37
<b>EBITDA</b>	<b>2,575</b>	<b>2,833</b>
CAPEX Reimbursements	1,006	1,576
<b>EBITDA+CAPEX Reimbursements</b>	<b>3,581</b>	<b>4,409</b>
Non-recurring (income) / expense	-21	0
<b>Operational earnings</b>	<b>3,560</b>	<b>4,409</b>



## Investor Relations contacts

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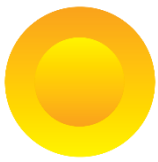
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