



# Enerjisa Enerji Earnings Presentation

9M 2023

ENERJISA



**9M 2023**

# Executive Summary

**Strong operational and financial performance despite difficult environment in all three segments**

**9M 2023 Operational Earnings growth at 53%**

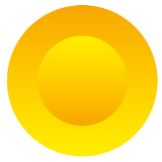
**9M 2023 Underlying Net Income (UNI) growth at 69%, outpacing operational earnings growth**

**Investments more than tripled, reaching 8.7 billion TL**

**Leverage ratio at below 1x**

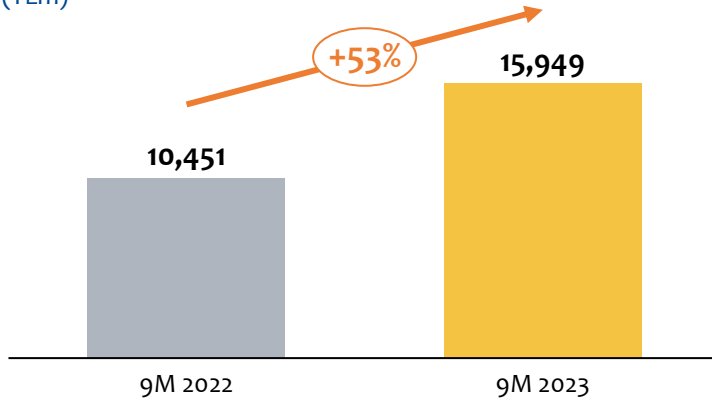
**FCF after interest and tax at - 5.2 billion TL driven by deployment of capital to profitable investments**

**Outlook re-confirmed**  
2023 UNI: 5.0 – 6.0 billion TL

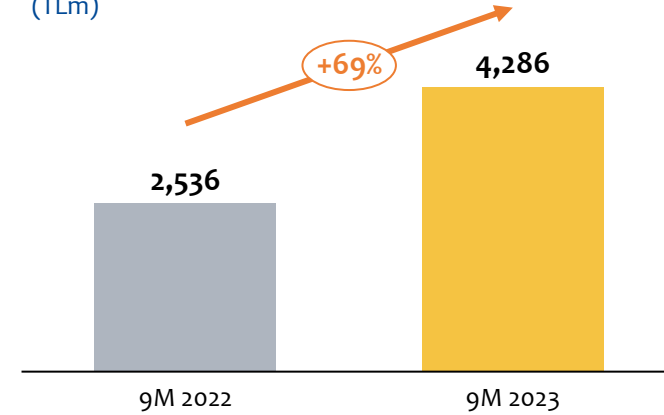


# Financial Highlights

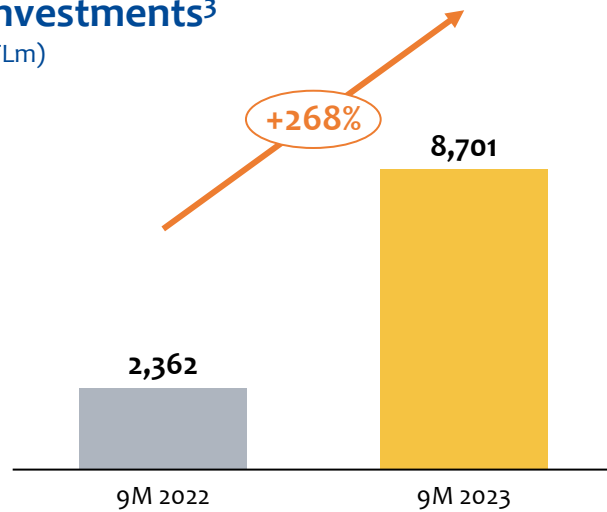
## Operational Earnings<sup>1</sup> (TLm)



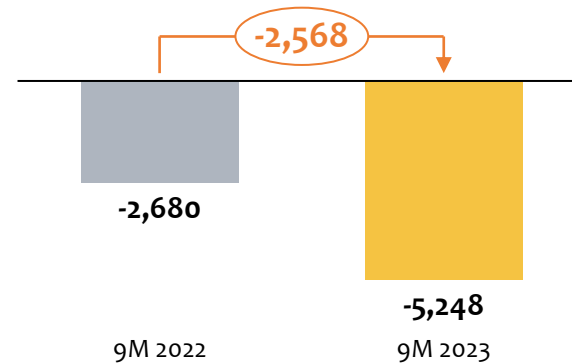
## Underlying Net Income<sup>2</sup> (TLm)



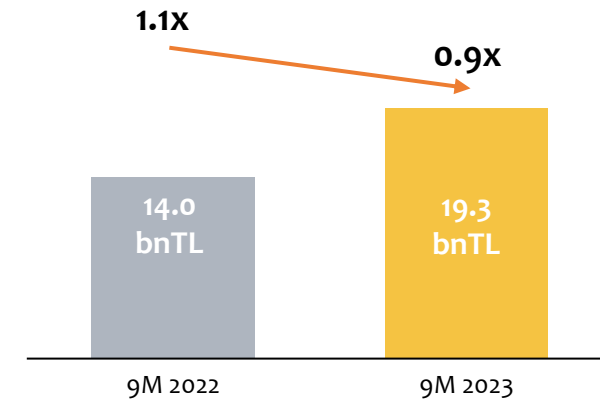
## Investments<sup>3</sup> (TLm)



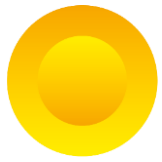
## Free Cash Flow After Interest and Tax (TLm)



## Net Financial Debt / LTM<sup>4</sup> Operational Earnings



1) Operational Earnings: EBITDA + Capex Reimbursements – Non-recurring Items  
 2) Underlying Net Income: Net Income – Non-recurring Items  
 3) Includes Distribution and Customer Solutions Investments  
 4) LTM: Last Twelve Months



# Financing Developments

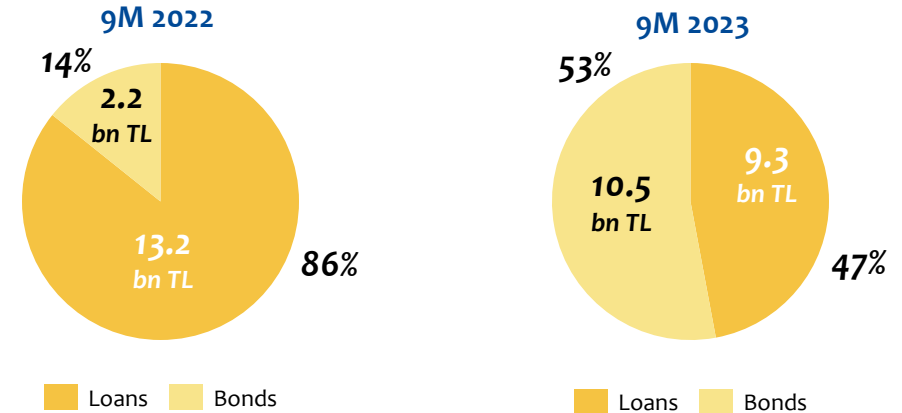
Bond Issue Amount (million TL)	Interest / Return Rate (%)	Issue Date	Redemption Date
800	TLREF + 1.40%	15.10.2021	13.10.2023
900	32.00%	21.10.2022	24.10.2023
1,500	TLREF + 16.00%	21.10.2022	18.10.2024
600	TLREF + 16.00%	21.10.2022	18.10.2024
2,500	32.50%	27.01.2023	28.02.2024
1,375	33.00%	03.03.2023	12.03.2025
950	35.00%	06.04.2023	04.04.2025
1,183	42.50%	21.06.2023	04.07.2025
3.100	42,50%	17.07.2023	17.07.2025
2.260	39,00%	09.08.2023	08.08.2025
1.000	48,00%	20.09.2023	25.09.2025
<b>16.168</b>			

Competitive advantage in raising funding driven by sustainability focused strategy:

- 15 billion TL bond ceiling approved for green bonds in Oct'23
- Recently applied for 20 billion TL conventional bond ceiling

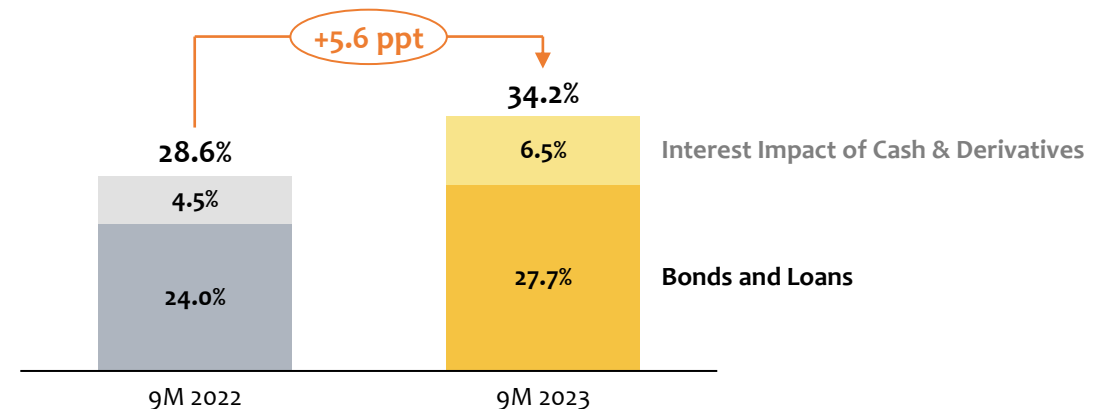
## Debt Portfolio Mix

(Average Debt Portfolio Mix<sup>1</sup>, excluding cash & derivatives)

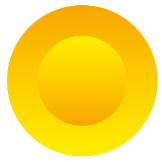


## Enerjisa Financing Rates<sup>2</sup>

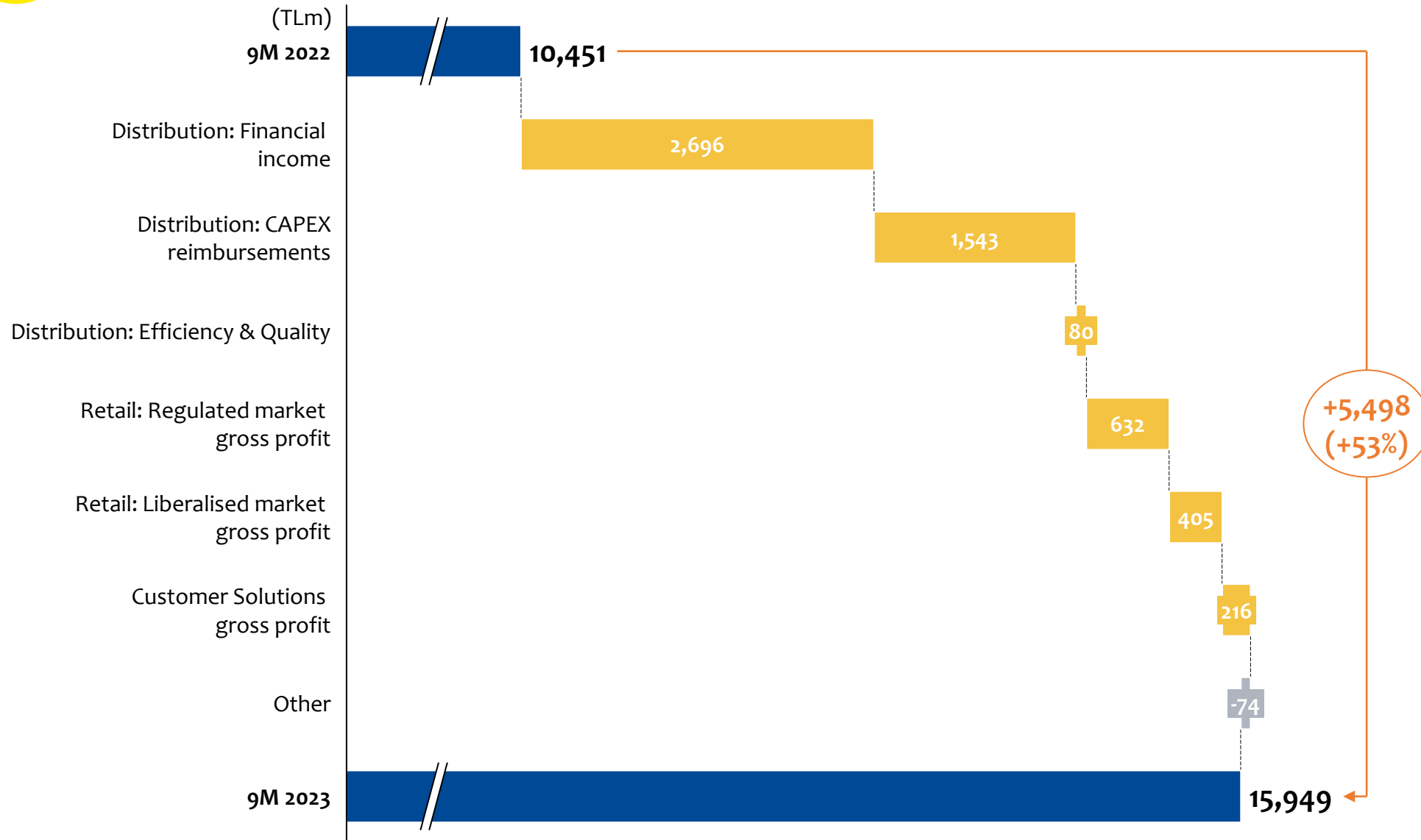
(Average Interest Rates<sup>1</sup> (%), Including Cash & Derivatives)

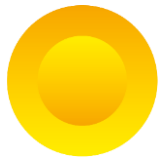


1) Average from December to September 2) Excluding Operational FX Losses

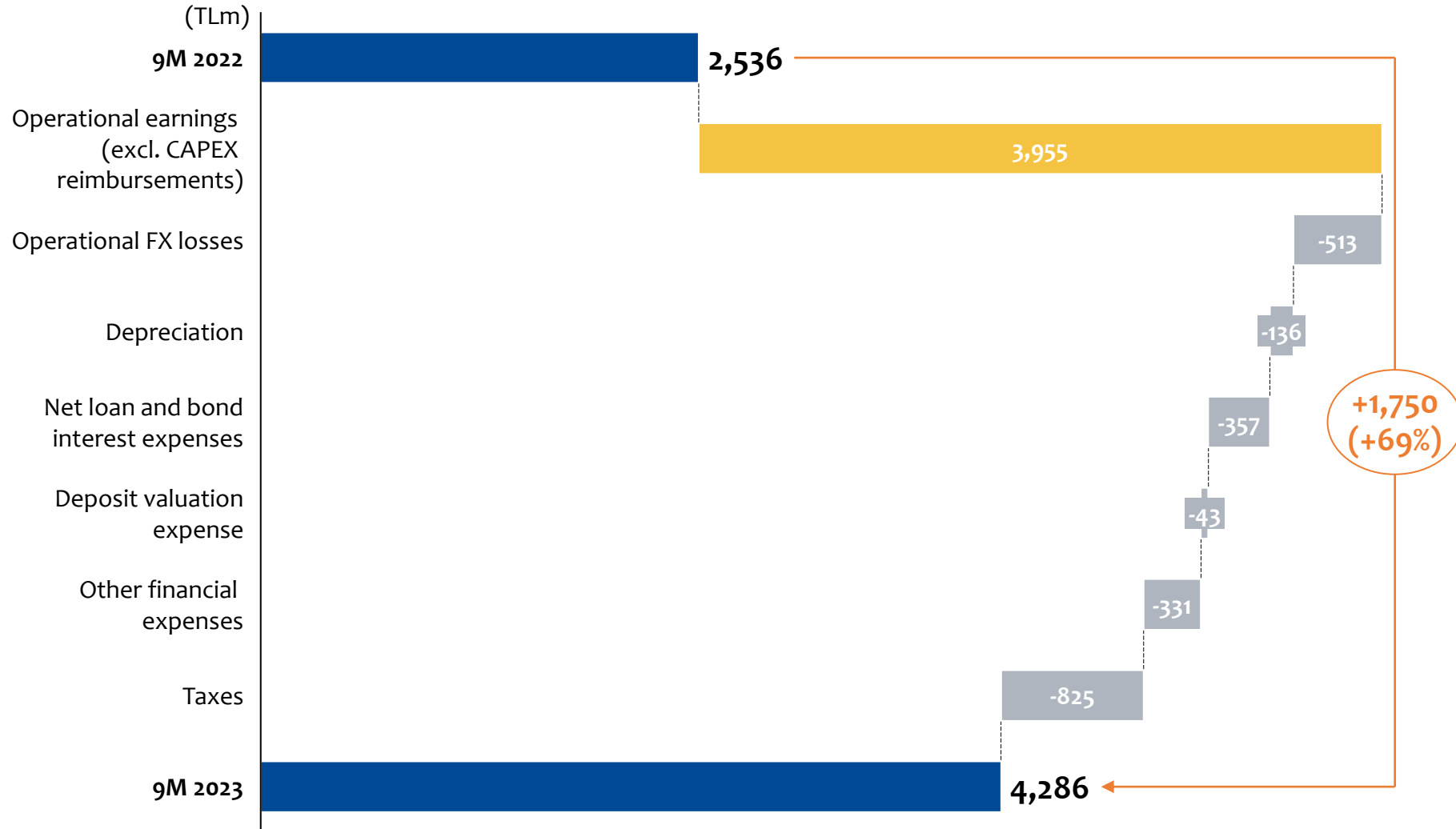


# Operational Earnings Development



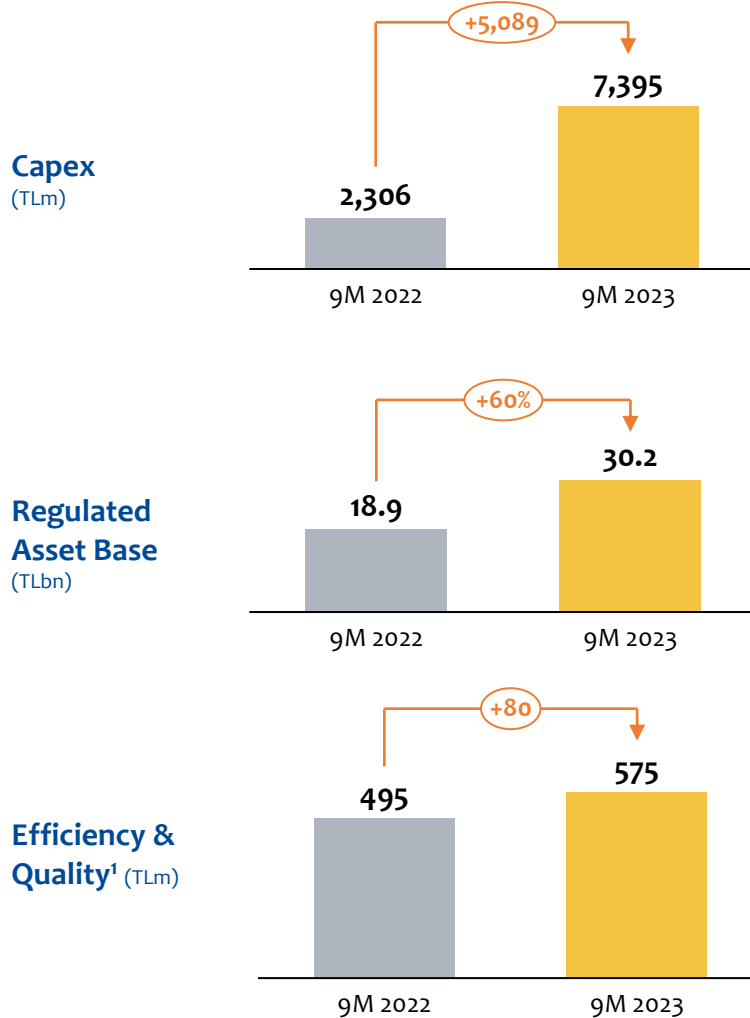


# Underlying Net Income Development



# Operations

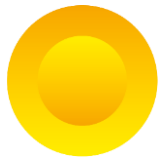
## Distribution



## Retail and Customer Solutions

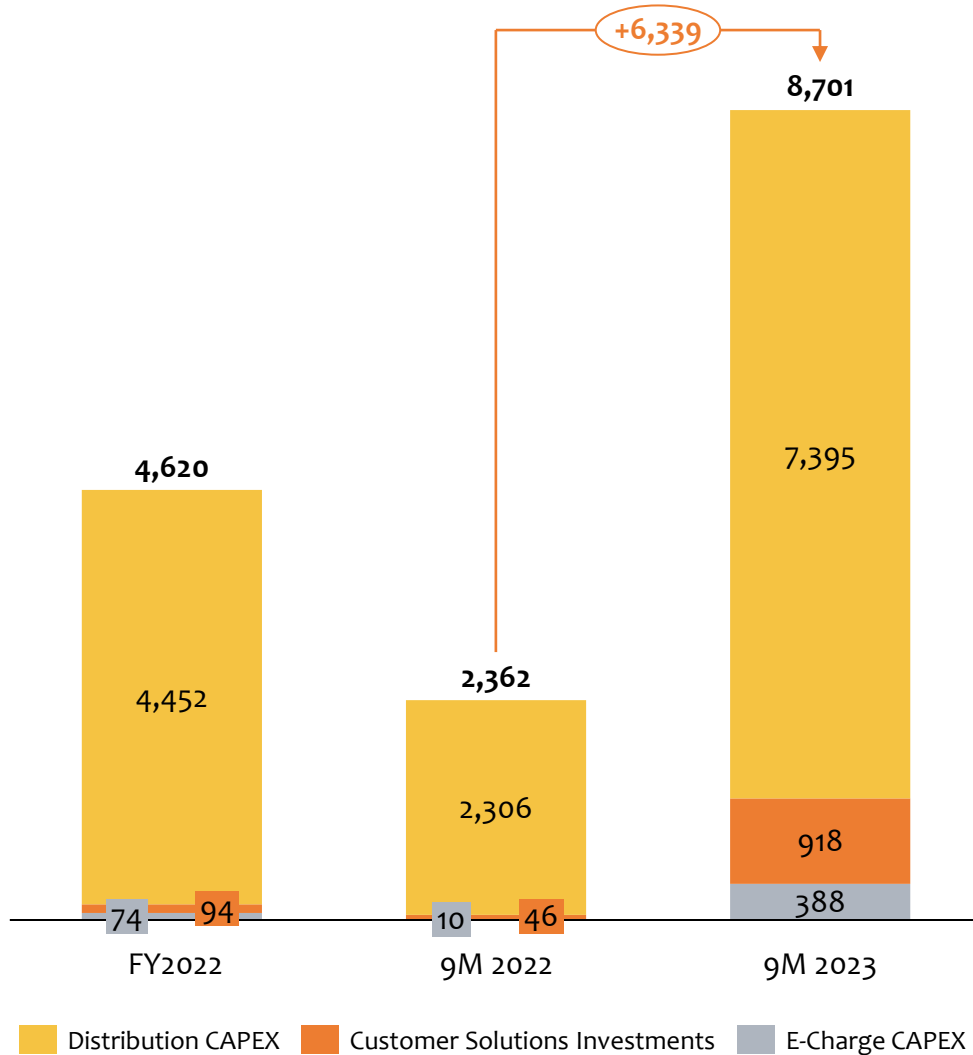


1) Includes Capex, Opex and T&L outperformances as well as theft accrual & collection related outperformance and quality bonus.

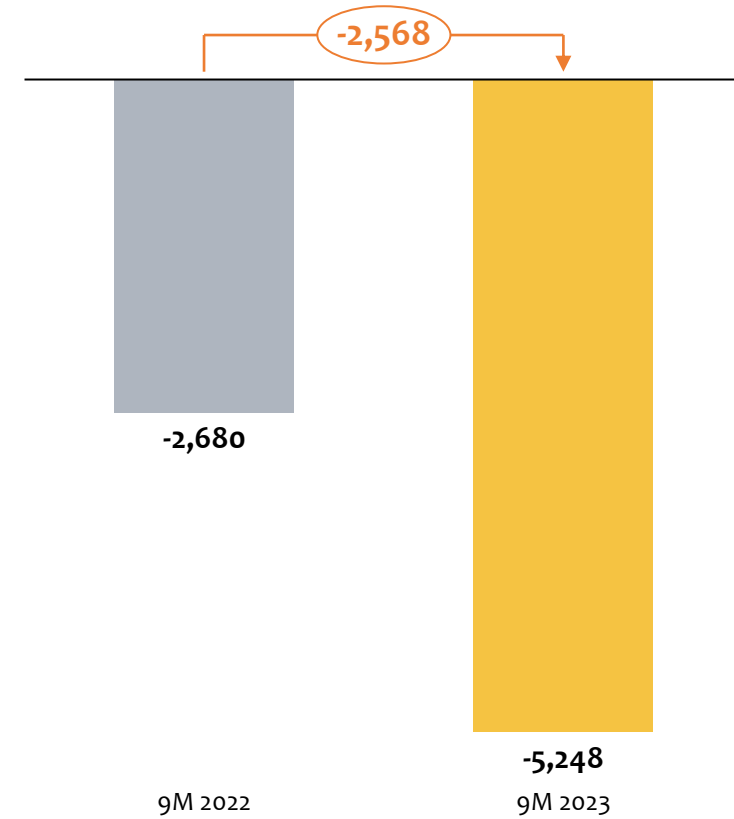


# Investments & Free Cash Flow

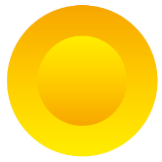
Investments by Business Segments (TLm)



Free Cash Flow After Interest and Tax (TLm)

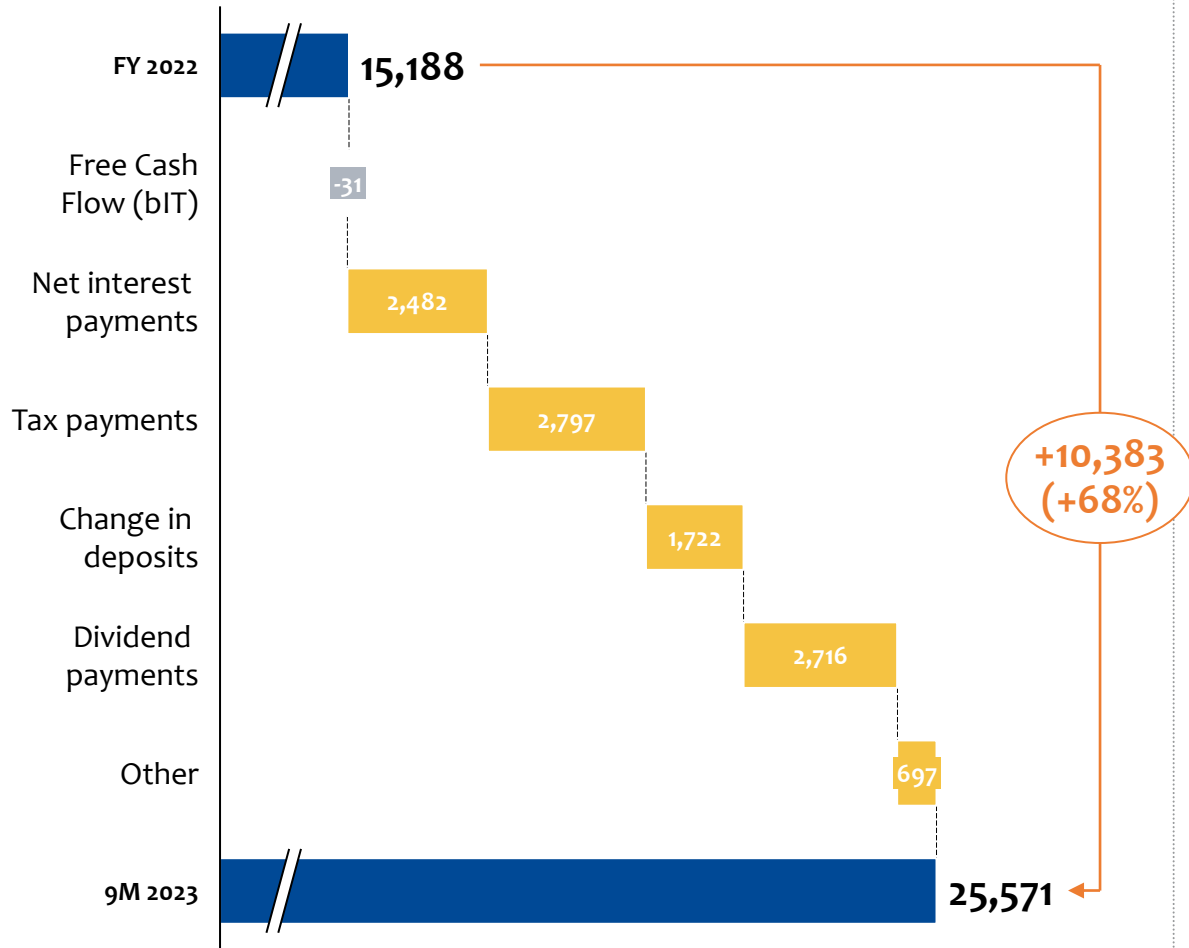




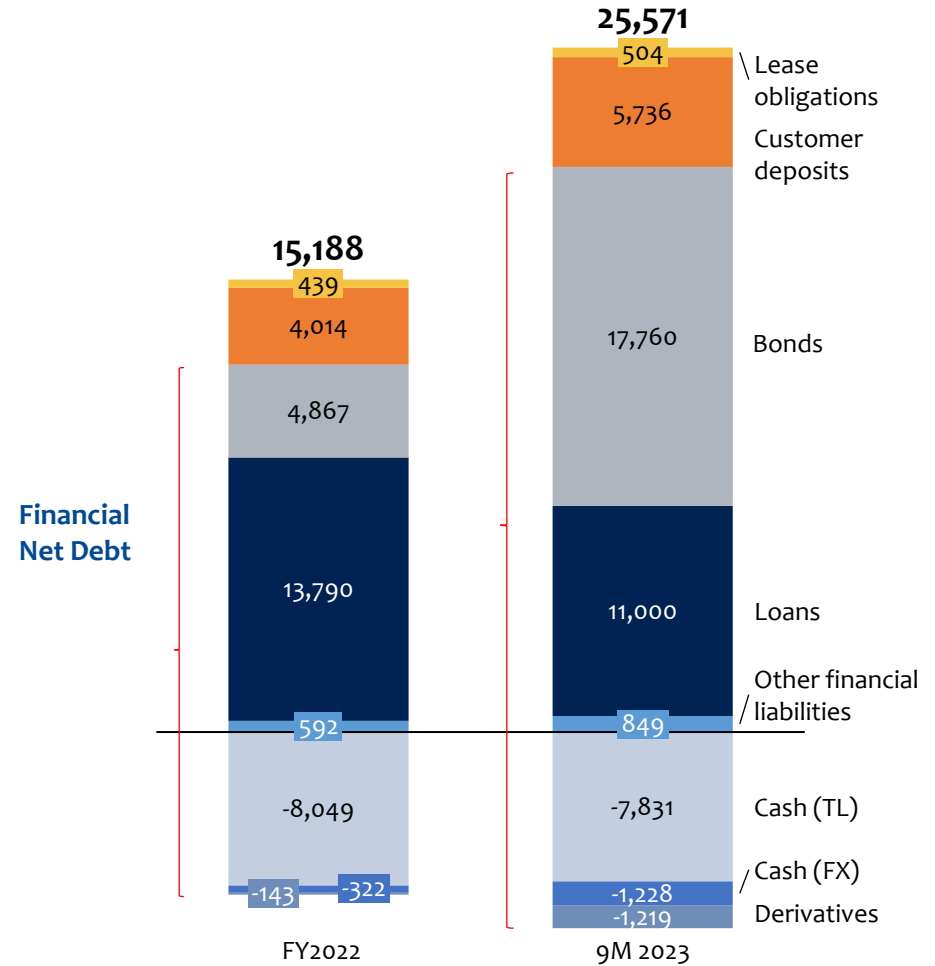


# Economic Net Debt

Economic Net Debt Development (TLm)



Economic Net Debt Composition (TLm)





# Guidance – reiterated and enhanced

## 2023 Guidance

Operational Earnings 2023 of 20 – 24 bn TL

Underlying Net Income 2023 of 5.0 – 6.0 bn TL

Regulated Asset Base (RAB) 2023 of 30 – 35 bn TL

Investments<sup>1</sup> 2023 of 11 – 15 bn TL

**2023 guidance reiterated (since Q2 UNI expected at the upper part of the initial guidance range)**

## Mid-term Outlook

Operational Earnings 2022-2025 CAGR<sup>2</sup> of 30% – 40%

Underlying Net Income 2022-2025 CAGR<sup>2</sup> of 25% – 35%

**Mid-term Outlook reiterated**

1) Distribution investments classified as CAPEX. Customer Solutions investments classified as Net Working Capital in Operating Cash Flow.

2) CAGR stands for compounded annual growth rate. Enerjisa's mid-term outlook indicates the average growth rate over the period 2022-2025.

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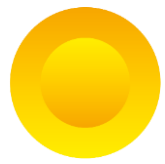
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# Appendix





# Distribution: Operational Earnings & Cash Development

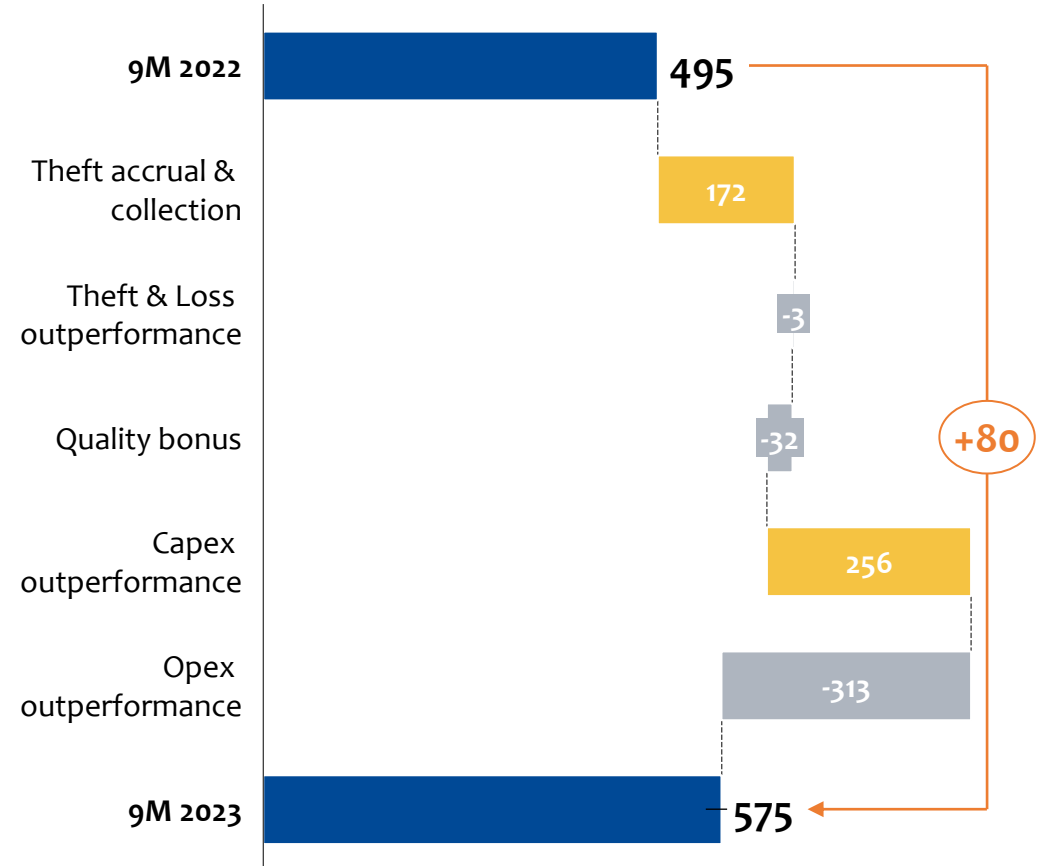
## Operational Earnings (TLm)

Distribution	9M 2022	9M 2023
Financial Income	4,014	6,710
Capex reimbursements	3,089	4,632
Efficiency & Quality	495	575
Tax correction	364	182
Other	520	465
<b>Operational Earnings</b>	<b>8,482</b>	<b>12,564</b>

## Free Cash Flow Before Interest and Tax (TLm)

Distribution	9M 2022	9M 2023
<b>Operational Earnings</b>	<b>8,482</b>	<b>12,564</b>
Financial income not yet cash-effective	-1,571	-4,842
Capex outperformance	161	-95
Net working capital and other	246	5,538
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>7,318</b>	<b>13,165</b>
Actual allowed Capex	-2,306	-7,395
Capex outperformance	-161	95
VAT paid	-322	-1,365
CAPEX related working capital effect	-711	-1,766
<b>Cash-effective Capex</b>	<b>-3,500</b>	<b>-10,431</b>
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>3,818</b>	<b>2,734</b>

## Efficiency & Quality 9M 2023 (TLm)





# Retail and Customer Solutions: Operational Earnings & Cash Development

## Operational Earnings (TLm)

Retail	9M 2022	9M 2023
Regulated gross profit	2,266	2,898
Liberalised gross profit	543	948
Opex	-580	-1,283
Bad debt related income and expense	128	-38
Other	-386	246
<b>Operational Earnings</b>	<b>1,971</b>	<b>2,771</b>

## Free Cash Flow Before Interest and Tax (TLm)

Retail	9M 2022	9M 2023
<b>Operational Earnings</b>	<b>1,971</b>	<b>2,771</b>
Price equalization effects	-4,160	-8,281
Net deposit additions	345	290
Delta NWC	-1,623	4,505
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>-3,467</b>	<b>-715</b>
Capex	-59	-161
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>-3,526</b>	<b>-876</b>

## Operational Earnings (TLm)

Customer Solutions	9M 2022	9M 2023
Revenue	130	555
Cost of Sales	-26	-235
<b>Gross Profit (exc, depreciation)</b>	<b>104</b>	<b>320</b>
OPEX	-47	-227
Doubtful provision expense	-3	-4
Other	13	603
<b>Operational Earnings</b>	<b>67</b>	<b>692</b>

## Free Cash Flow Before Interest and Tax (TLm)

Customer Solutions	9M 2022	9M 2023
<b>Operational Earnings</b>	<b>67</b>	<b>692</b>
Delta NWC	-196	-1,988
<b>Operating Cash Flow (before interest &amp; tax)</b>	<b>-129</b>	<b>-1,296</b>
Capex	-34	-493
<b>Free Cash Flow (before interest &amp; tax)</b>	<b>-163</b>	<b>-1,789</b>



# Summary Financial Statements - Balance Sheet

	31 December	30 September
(TLm)	2022	2023
Cash and Cash Equivalents	8,371	9,059
Financial Assets	3,342	5,754
Trade Receivables	5,688	15,581
Derivative financial instruments	234	1,230
Other Current Assets	4,356	13,376
<b>Current Assets</b>	<b>21,991</b>	<b>45,000</b>
Financial Assets	11,790	16,982
Trade Receivables	109	233
Tangible and Intangible Assets	8,118	8,997
Derivative financial instruments	12	21
Deferred tax assets	12,371	20,064
Other Non-Current Assets	4,798	3,365
<b>Non-Current Assets</b>	<b>37,198</b>	<b>49,662</b>
<b>TOTAL ASSETS</b>	<b>59,189</b>	<b>94,662</b>
Short-Term Financial Liabilities	15,171	14,247
Other Financial Liabilities	83	123
Trade Payables	6,772	18,460
Derivative financial instruments	103	32
Other Current Liabilities	9,125	10,403
<b>Current Liabilities</b>	<b>31,254</b>	<b>43,265</b>
Long-Term Financial Liabilities	3,925	15,017
Other Financial Liabilities	509	726
Deferred tax liabilities	775	1,005
Other Non-current Liabilities	1,154	2,603
<b>Long-Term Liabilities</b>	<b>6,363</b>	<b>19,351</b>
Share Capital	1,181	1,181
Adjustment to share capital	1,776	1,393
Other Equity Items	872	1,256
Retained Earnings	17,743	28,216
<b>Equity</b>	<b>21,572</b>	<b>32,046</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>59,189</b>	<b>94,662</b>

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



# Summary Financial Statements - Income Statement

(TLm)	9M 2022	9M 2023
Sales Revenue	62,748	98,227
Cost of Sales	-54,708	-83,107
<b>Gross Profit</b>	<b>8,040</b>	<b>15,120</b>
OPEX	-2,274	-4,878
Other Income/(Expense)	399	-1,306
<b>Operating profit before finance income/(expense)</b>	<b>6,165</b>	<b>8,936</b>
Financial Income/(Expense)	-2,901	-3,436
<b>Profit before tax</b>	<b>3,264</b>	<b>5,500</b>
Taxation	-888	7,431
<b>Net Income</b>	<b>2,376</b>	<b>12,931</b>

(TLm)	9M 2022	9M 2023
<b>Operating profit before finance income/(expense)</b>	<b>6,165</b>	<b>8,936</b>
Adjustment of depreciation and amortization	404	540
Adjustments related to operational fx gains and losses	250	763
Adjustments related to valuation difference arising from deposits	1,389	1,432
Adjustments related to interest income related to tariff receivables	-770	-617
<b>EBITDA</b>	<b>7,438</b>	<b>11,054</b>
CAPEX Reimbursements	3,089	4,632
<b>EBITDA+CAPEX Reimbursements</b>	<b>10,527</b>	<b>15,686</b>
Non-recurring (income) / expense related to previous years	0	-479
Non-recurring (income)/expense	-76	742
<b>Operational earnings</b>	<b>10,451</b>	<b>15,949</b>

<b>Net Income</b>	<b>2,376</b>	<b>12,931</b>
Non-recurring income related to previous years	0	-208
Non-recurring (income) / expense	-61	556
Tax rate change	221	-2,876
Impact of asset revaluation	0	-6,117
<b>Underlying Net Income</b>	<b>2,536</b>	<b>4,286</b>

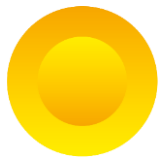




# Summary Financial Statements - Cash Flow

(Tlm)	9M 2022	9M 2023
Profit for the period	2,376	12,931
Adjustments to reconcile net profit for the period	1,886	-7,496
Changes in operating assets and liabilities	-6,957	-541
Other inflows (incl. Capex reimbursements)	6,351	6,230
<b>Cash Flows from Operating Activities (before interest and tax)</b>	<b>3,656</b>	<b>11,124</b>
Tax payments	-530	-2,797
Interest received	413	0
Interest paid	0	-429
<b>Cash Flows from Operating Activities</b>	<b>3,539</b>	<b>7,898</b>
CAPEX	-3,598	-11,093
Interest received	130	1,191
<b>Cash Flows from Investing Activities</b>	<b>-3,468</b>	<b>-9,902</b>
Cash in-flows and out-flows from borrowings	5,590	8,894
Interest paid	-2,751	-3,246
Interest received	0	2
Dividend paid	-1,465	-2,716
Payments of finance lease liabilities	-148	-242
<b>Cash Flows from Financing Activities</b>	<b>1,226</b>	<b>2,692</b>
Increase in cash and cash equivalents	1,297	688
Cash and cash equivalents at the beginning of the period	412	8,371
<b>Cash and cash equivalents at the end of the period</b>	<b>1,709</b>	<b>9,059</b>

(Tlm)	9M 2022	9M 2023
Cash Flows from Operating Activities (before interest and tax)	3,656	11,124
CAPEX	-3,598	-11,093
<b>Free cash flow (before interest and tax)</b>	<b>58</b>	<b>31</b>
Tax payments	-530	-2,797
Interest received	543	1,193
Interest paid	-2,751	-3,675
<b>Free cash flow (after interest and tax)</b>	<b>-2,680</b>	<b>-5,248</b>



# Distribution: Income statement

(TLm)	9M 2022	9M 2023
Sales Revenue	15,256	34,494
Financial income	4,014	6,710
Distribution revenue	5,705	11,969
Pass-through transmission revenue	1,540	4,941
Lighting sales revenue	1,644	3,378
Investment revenue	2,306	7,395
Other	47	101
Cost of Sales	-8,722	-23,125
Energy purchases (Lighting, T&L)	-2,295	-4,412
Investment costs	-2,306	-7,395
Pass-through transmission cost	-1,540	-4,941
Other	-2,581	-6,377
<b>Gross Profit</b>	<b>6,534</b>	<b>11,369</b>
OPEX	-1,365	-3,051
Other Income/(Expense)	-91	-617
<b>Operating profit before finance income/(expense)</b>	<b>5,078</b>	<b>7,701</b>
Adjustment of depreciation and amortization	184	278
Adjustments related to operational fx gains and losses	167	700
Adjustments related to interest income related to tariff receivables	40	-806
<b>EBITDA</b>	<b>5,469</b>	<b>7,873</b>
CAPEX Reimbursements	3,089	4,632
<b>EBITDA+CAPEX Reimbursements</b>	<b>8,558</b>	<b>12,505</b>
Non-recurring (income)/expense	-76	59
<b>Operational earnings</b>	<b>8,482</b>	<b>12,564</b>



# Retail & Customer Solutions: Income statement

<b>Retail (TLm)</b>	<b>9M 2022</b>	<b>9M 2023</b>
Sales Revenue (net)	47,361	63,178
<i>Regulated</i>	31,425	40,352
<i>Liberalised</i>	15,936	22,826
Cost of Sales (-)	-45,956	-59,732
<i>Regulated</i>	-29,159	-37,542
<i>Liberalised</i>	-16,797	-22,190
<b>Gross Profit</b>	<b>1,405</b>	<b>3,446</b>
OPEX	-634	-1,367
Other Income/(Expense)	483	-1,280
<b>Operating profit before finance income/(expense)</b>	<b>1,254</b>	<b>799</b>
Adjustment of depreciation and amortization	54	84
Adjustments related to operational fx gains and losses	84	63
Adjustments related to interest income related to tariff receivables	-810	189
Adjustments related to valuation difference arising from deposits	1,389	1,432
<b>EBITDA</b>	<b>1,971</b>	<b>2,567</b>
Non-recurring (income) / expense	0	204
<b>Operational earnings</b>	<b>1,971</b>	<b>2,771</b>

<b>Customer Solutions (TLm)</b>	<b>9M 2022</b>	<b>9M 2023</b>
Sales Revenue (net)	130	555
Cost of Sales (-)	-31	-250
<b>Gross Profit</b>	<b>99</b>	<b>305</b>
OPEX	-47	-227
Other Income/(Expense)	10	598
<b>Operating profit before finance income/(expense)</b>	<b>62</b>	<b>676</b>
Adjustment of depreciation and amortization	5	16
<b>EBITDA</b>	<b>67</b>	<b>692</b>
<b>Operational earnings</b>	<b>67</b>	<b>692</b>

# Investor Relations Team



**Cem Gökmen Gökkaya**

Treasury, Risk, Investor Relations and Tax Director



**Pınar Saatçioğlu**

Investor Relations Manager

+90 216 579 0932



**Burak Şimşek**

Investor Relations Process Leader

+90 216 579 0931



**Delal Alver**

Investor Relations Process Leader

+90 216 579 0931