



Enerjisa Enerji Earnings Presentation

FY 2023

ENERJISA



FY 2023

Executive Summary

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

2023 Operational Earnings growth at 38% meeting upper end of the guidance

Also UNI targets delivered at upper end of guidance with 2023 UNI w/o Inflation Accounting (IAS29)¹ standing at 5.8 billion TL

Investments more than tripled, reaching 15.7 billion TL, even exceeding the guidance ensuring profitability in the future

FCF after interest and tax at - 12.9 billion TL driven by deployment of capital to profitable investments and temporary mismatch between energy costs and tariffs w/o P&L impact

Leverage still at moderate level below 1.5x, providing headroom for further profitable investments

Dividend proposal to AGM of 2.79 TL/share, implying a pay-out ratio of 98% UNI with IAS 29

1) Consider IAS 29 as TAS 29.

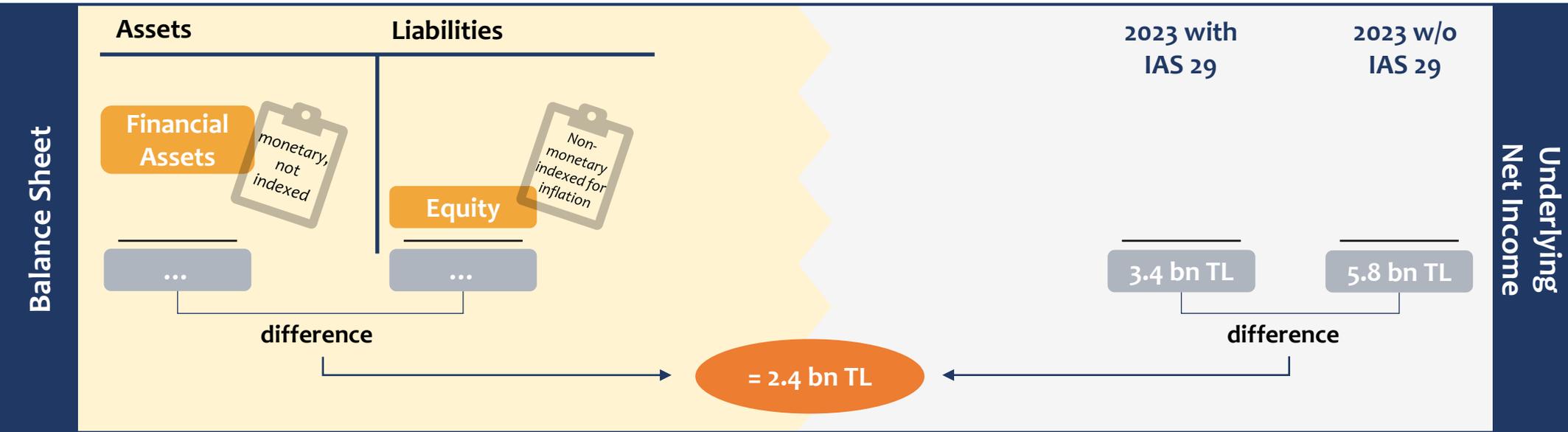
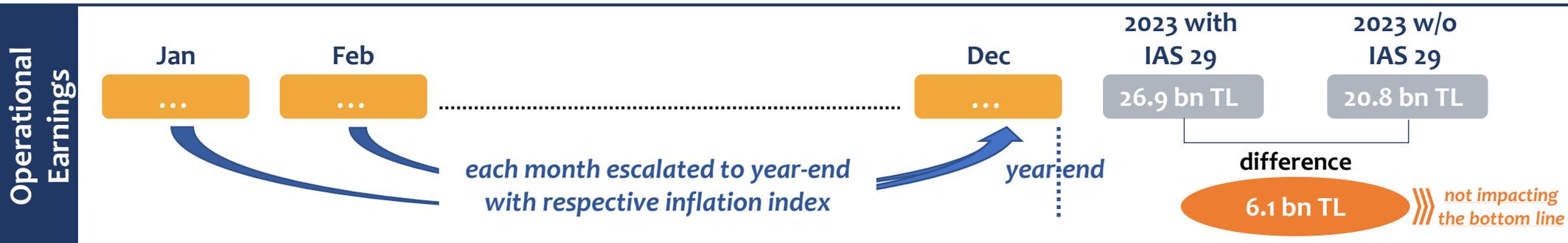
Note: Unless otherwise specified, please consider the figures as not subjected to inflation accounting.



Impact of Inflation Accounting on Enerjisa Financials (simplified)



- ❖ Values of non-monetary assets & liabilities and earnings are indexed with inflation (CPI).
- ❖ Values of monetary assets and liabilities, except equity, remain the same. This leads to a difference in the balance sheet impacting net income.

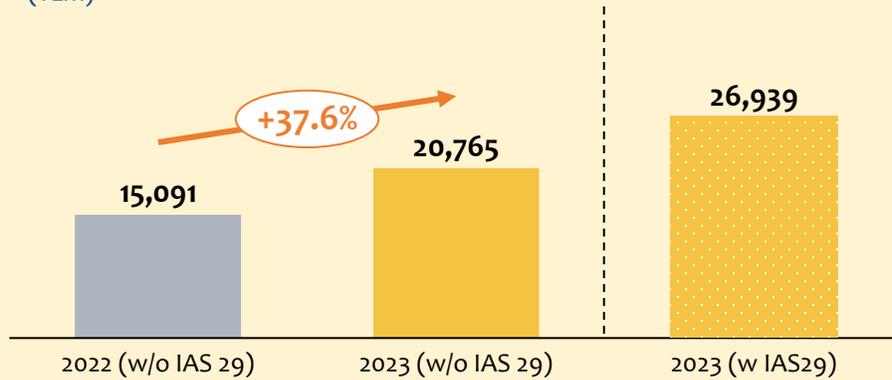




Financial Highlights

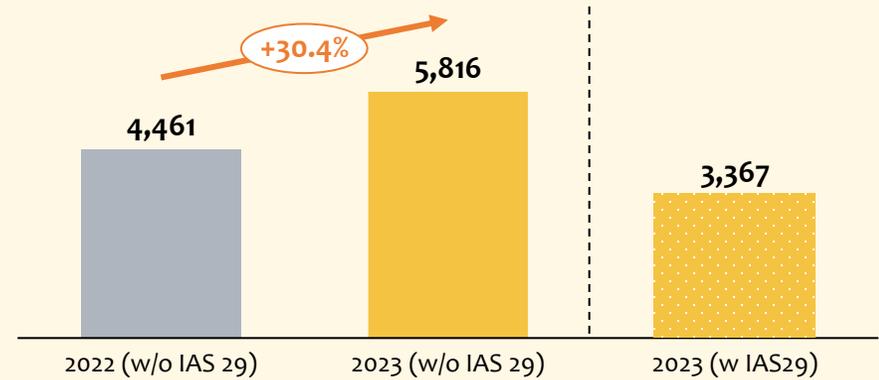
Operational Earnings¹

(TLm)



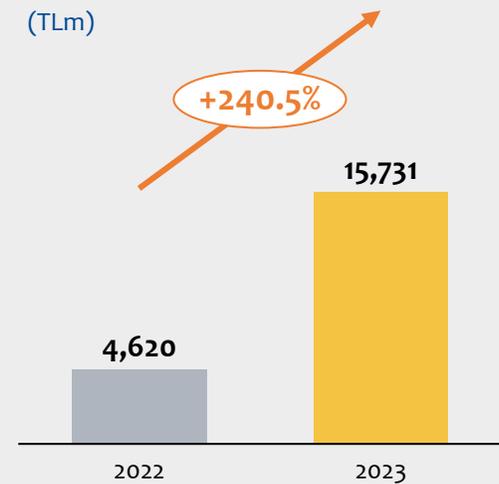
Underlying Net Income²

(TLm)

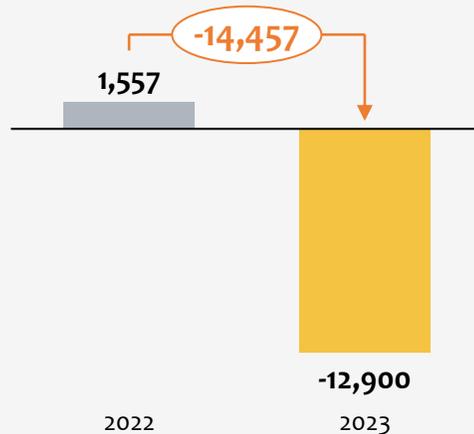


Investments³

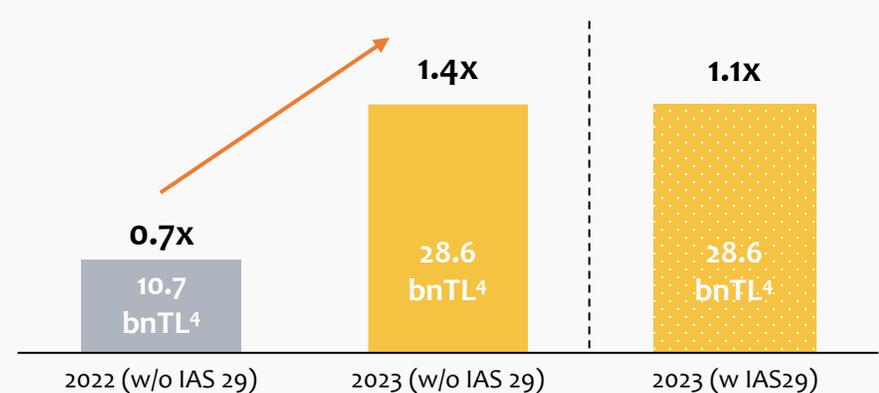
(TLm)



Free Cash Flow After Interest and Tax (TLm)



Net Financial Debt / Operational Earnings

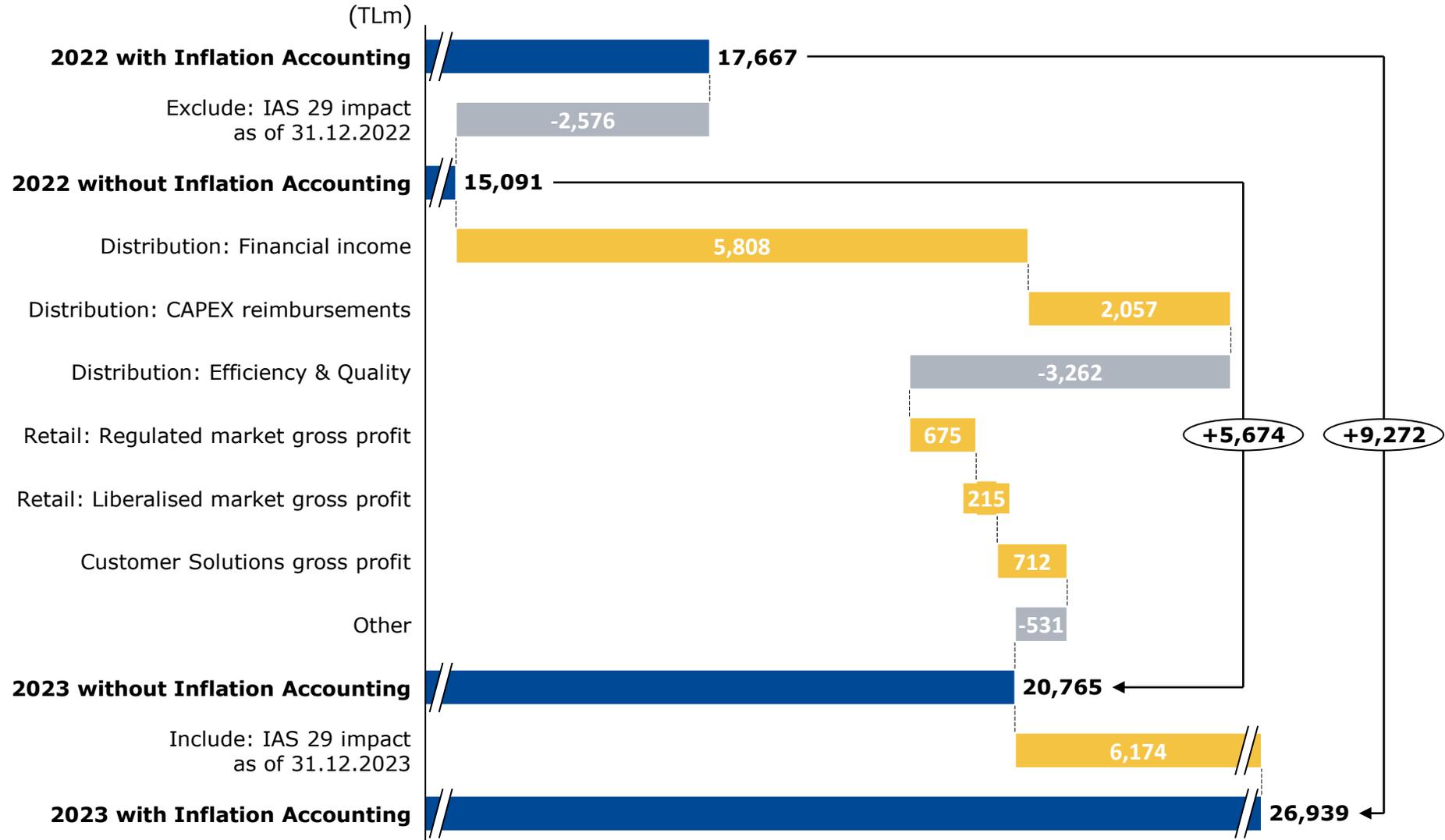


1) Operational Earnings: EBITDA + Capex Reimbursements – Non-recurring Items
 2) Underlying Net Income: Net Income – Non-recurring Items

3) Includes Distribution and Customer Solutions Investments
 4) Net Financial Debt

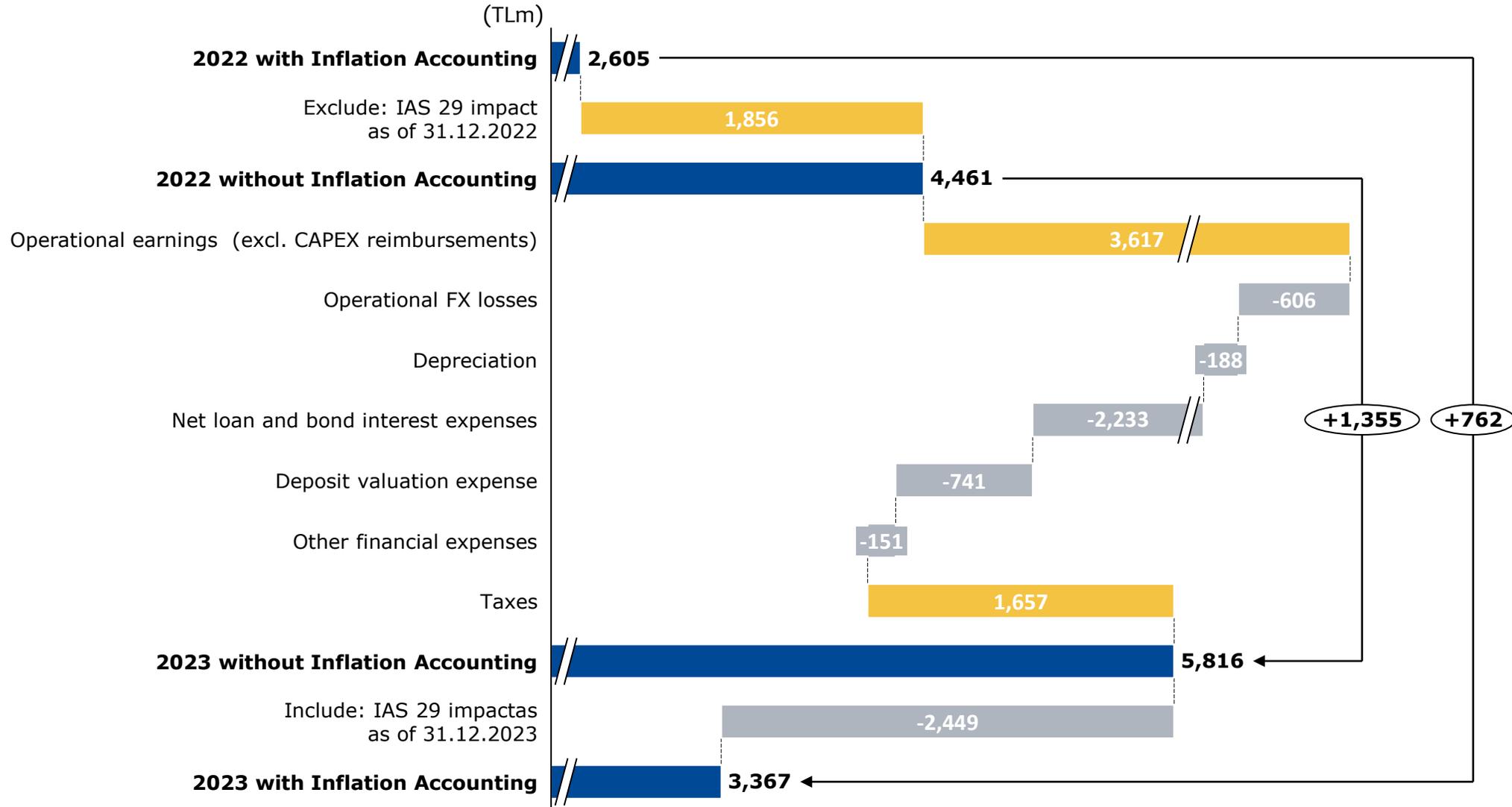


Operational Earnings Development





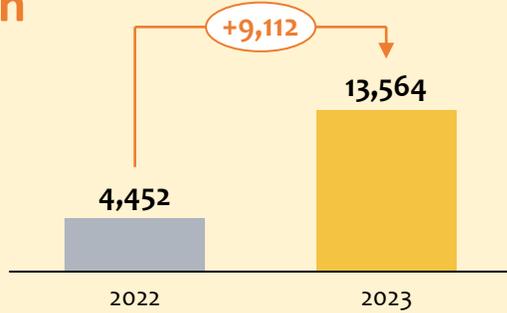
Underlying Net Income Development



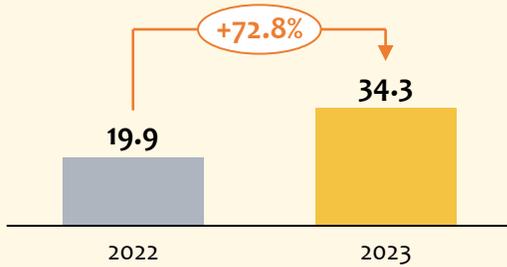
Operations

Distribution

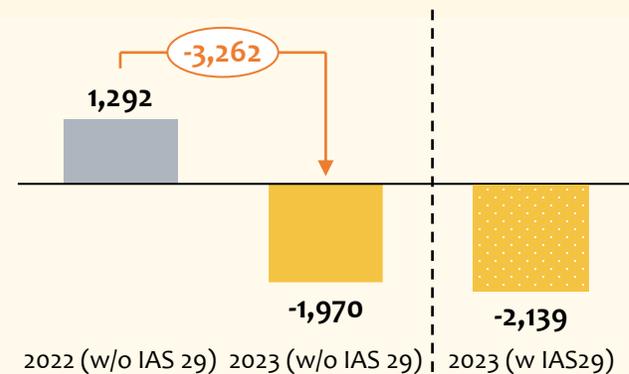
Capex
(TLm)



Regulated
Asset Base
(TLbn)

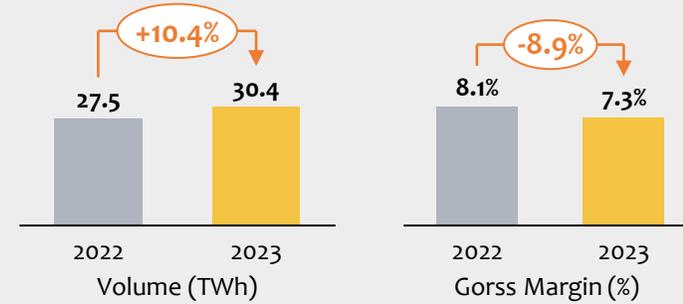


Efficiency &
Quality¹ (TLm)



Retail and Customer Solutions

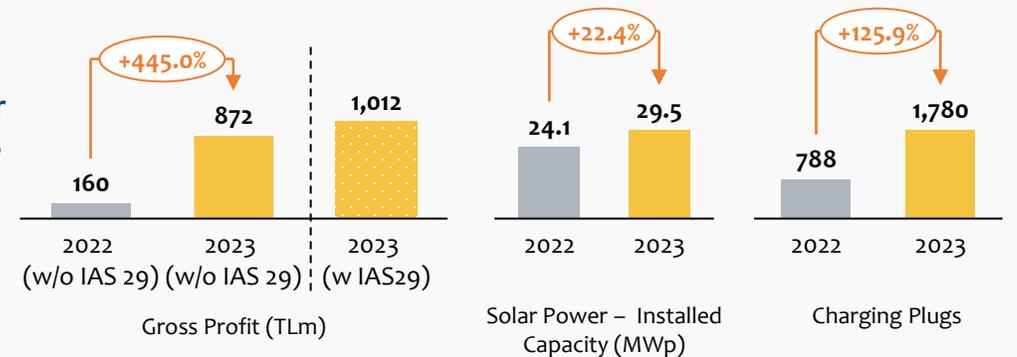
Regulated
Segment



Liberalized
Segment



Customer
Solutions

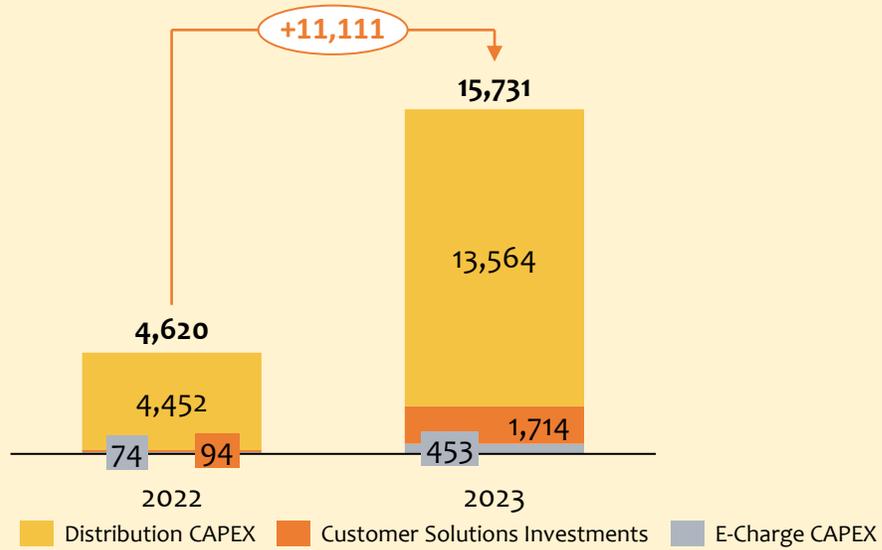


1) Includes Capex, Opex and T&L outperformances as well as theft accrual & collection related outperformance and quality bonus.

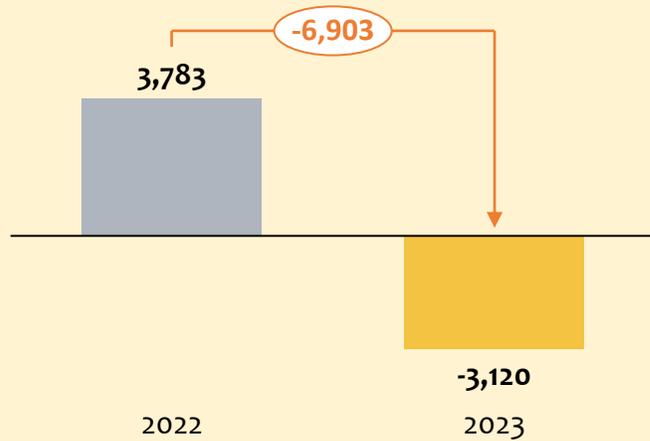


Free Cash Flow

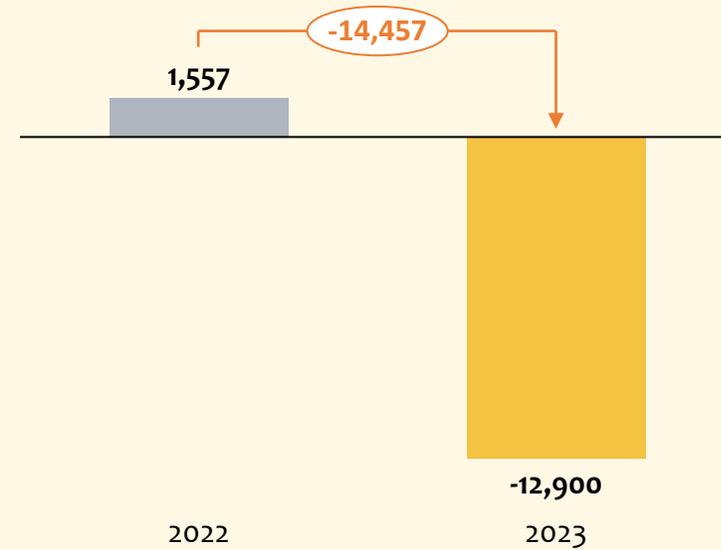
Investments by Business Segments (TLm)



Tariff Related Impact (TLm)



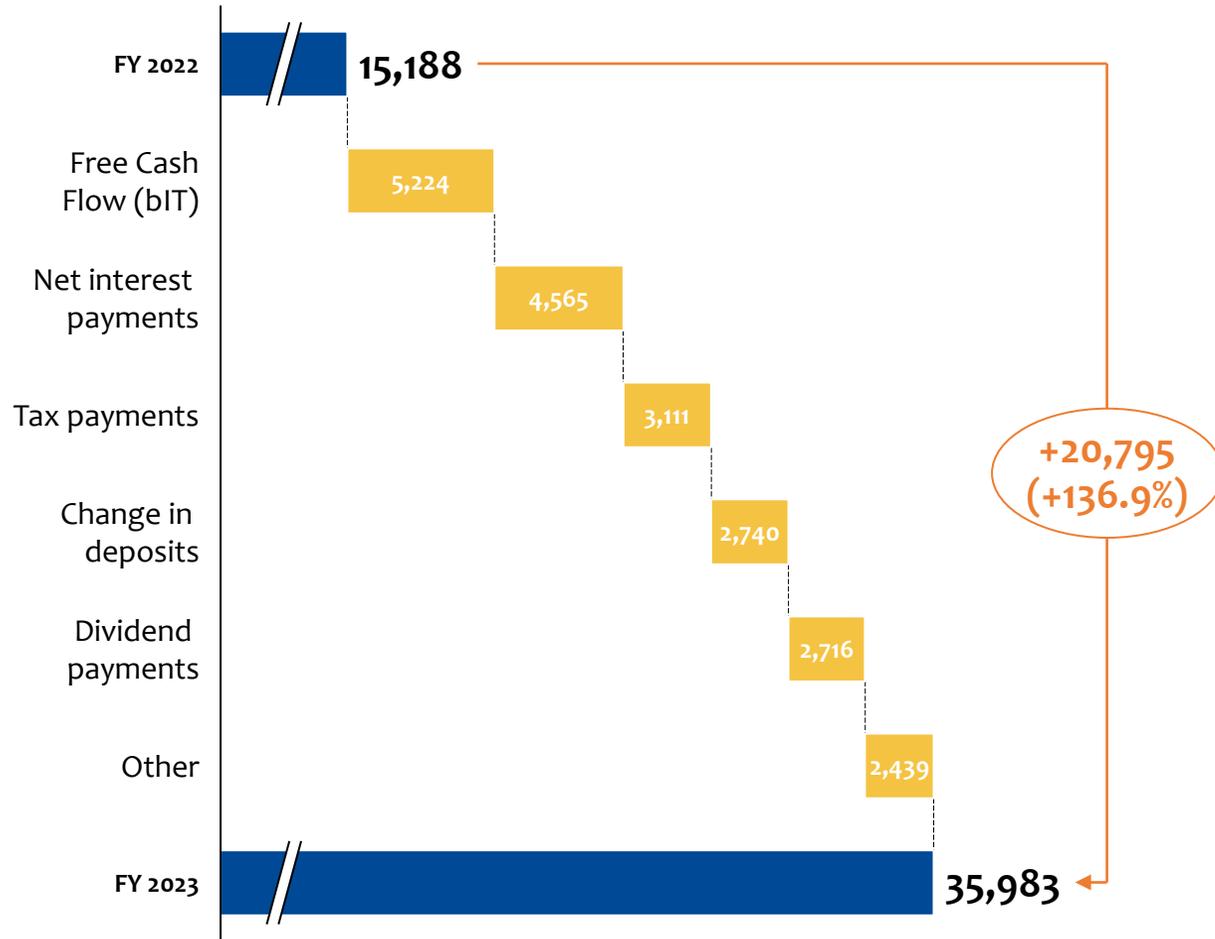
Free Cash Flow After Interest and Tax (TLm)



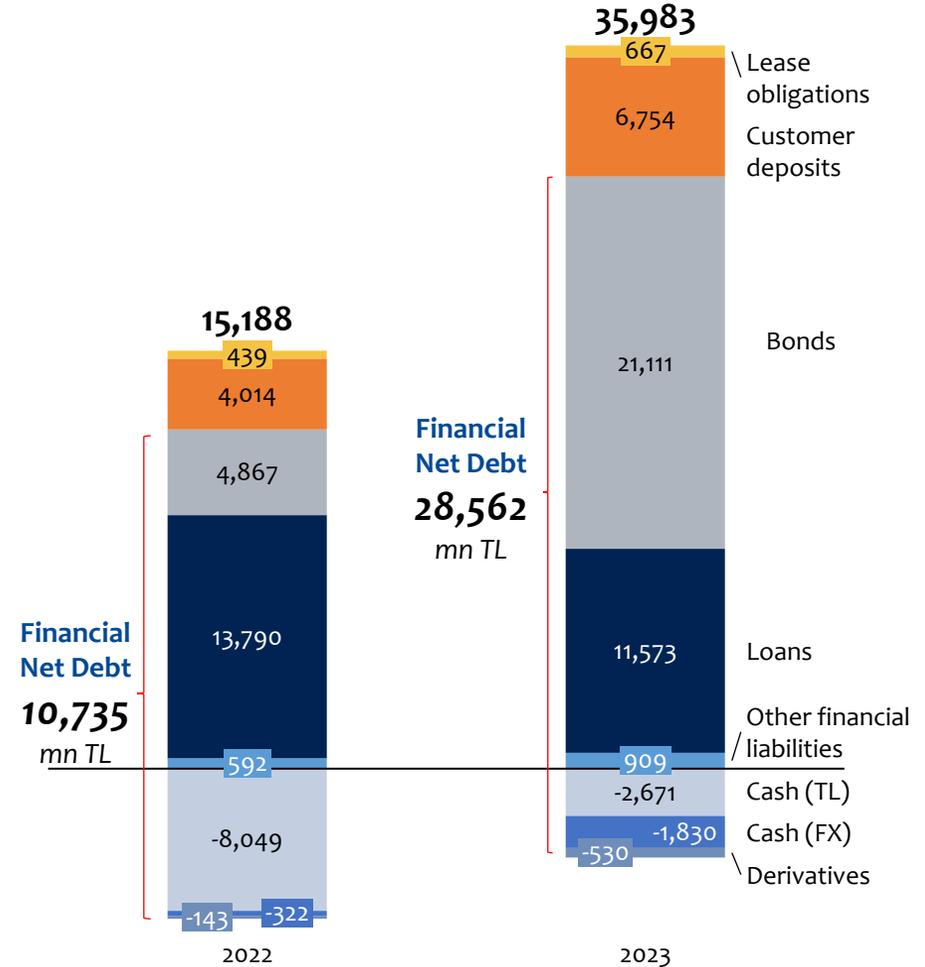


Economic Net Debt

Economic Net Debt Development (TLm)



Economic Net Debt Composition (TLm)



FY 2022: As of 31 December 2022, FY 2023: As of 31 December 2023

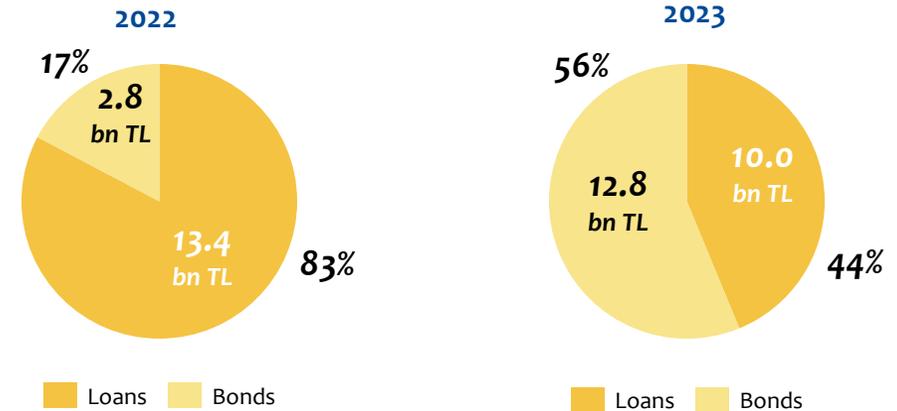


Financing Developments

Bond Issue Amount (million TL)	Interest / Return Rate (%)	Issue Date	Redemption Date
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
2,600	49.50%	02.10.2023	08.10.2025
2,000	48.00%	25.10.2023	17.01.2025
16,968			

Debt Portfolio Mix

(Average Debt Portfolio Mix¹, excluding cash & derivatives)

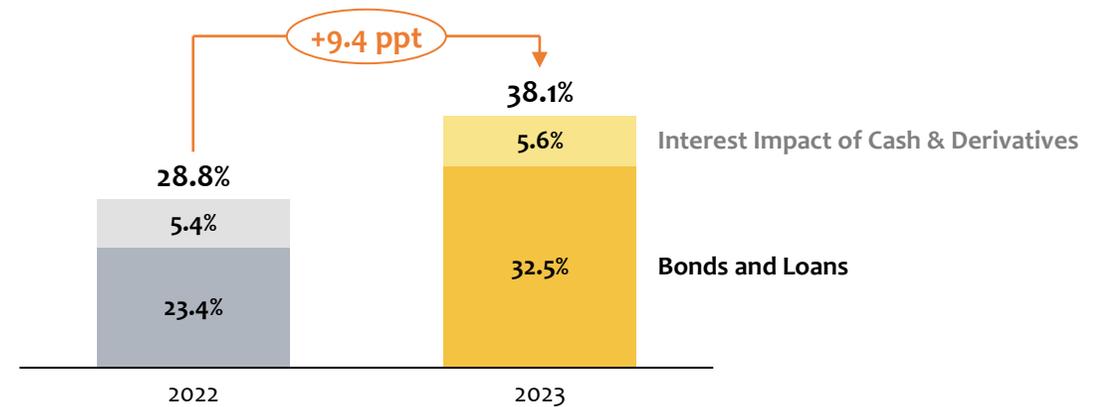


Competitive advantage in raising funding driven by sustainability focused strategy:

- ❖ 15 billion TL bond ceiling approved for green bonds in Oct'23, of which 2 billion TL utilized.
- ❖ 20 billion TL bond ceiling approved for conventional bonds in Dec'23, of which 5.5 billion TL utilized.
- ❖ 100 mn USD equivalent TL earthquake funding secured from EBRD indexed to TLREF.

Enerjisa Financing Rates²

(Average Interest Rates¹ (%), Including Cash & Derivatives)



1) Average from December to December

2) Excluding Operational FX Losses



2023 targets delivered

2023 Guidance (w/o IAS 29)	Actuals (w/o IAS 29)	Actuals (w/ IAS 29)
Operational Earnings 2023 of 20 – 24 bn TL	20.8 bn TL ✓	26.9 bn TL
Underlying Net Income 2023 of 5.0 – 6.0 bn TL	5.8 bn TL ✓	3.4 bn TL
Regulated Asset Base (RAB) 2023 of 30 – 35 bn TL	34.3 bn TL ✓	34.3 bn TL → 
Investments ¹ 2023 of 11 – 15 bn TL	15.7 bn TL ✓	16.9 bn TL

Dividend proposal² to AGM of 2.79 TL per share implying a pay-out ratio of 98% of the UNI with IAS 29 and 57% of the UNI without inflation accounting.

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

2) Subject to AGM's approval.

Disclaimer



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This presentation additionally contains financial information not adjusted to inflation accounting, prepared under the responsibility of our Board of Directors and the Executives responsible for financial reporting for the only purpose of ensuring a consistent holistic overview for our investors in respect to previous guidances provided and such financial information was not audited by an independent auditor. The said financial information was disclosed in the form of a material event disclosure at Public Disclosure Platform on Friday, 08.03.2024.

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.



Appendix





Distribution: Operational Earnings & Cash Development

Operational Earnings (TLm)

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
Distribution	2022	2022	2023
Financial Income	7,218	11,893	14,666
Capex reimbursements	4,753	7,832	8,496
Efficiency & Quality	1,495	2,463	-2,139
Tax correction	566	933	-
Other	453	747	717
Operational Earnings	14,485	23,868	21,740

Free Cash Flow Before Interest and Tax (TLm)

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
Distribution	2022	2022	2023
Operational Earnings	14,485	23,868	21,740
IAS 29 impacts	-6,882	-11,339	-4,910
Financial income not yet cash-effective	-2,906	-4,789	-9,578
Capex outperformance	811	1336	-105
Net working capital and other	1,480	2,438	8,995
Operating Cash Flow (before interest & tax)	6,988	11,514	16,142
IAS 29 impacts	-3,190	-5,258	-3,402
Actual allowed Capex	-2,702	-4,452	-13,564
Capex outperformance	-811	-1336	105
VAT paid	-575	-947	-2,373
Unpaid and previous year Capex	370	610	3,245
Cash-effective Capex	-6,908	-11,383	-15,989
Free Cash Flow (before interest & tax)	80	131	153



Retail: Operational Earnings & Cash Development

Operational Earnings (TLm)

Retail	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	2022	2022	2023
Regulated gross profit	3,474	5,724	4,609
Liberalised gross profit	1,140	1,878	1,568
Opex	-1,094	-1,803	-2,496
Bad debt related income and expense	271	447	208
Other	-539	-888	336
Operational Earnings	3,252	5,358	4,225

Free Cash Flow Before Interest and Tax (TLm)

Retail	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	2022	2022	2023
Operational Earnings	3,252	5,358	4,225
IAS 29 impacts	-1,047	-1,724	-857
Price equalization effects	6,711	11,058	-8,663
Net deposit additions	324	534	321
Delta NWC	-4,353	-7,173	2,532
Operating Cash Flow (before interest & tax)	4,887	8,053	-2,442
IAS 29 impacts	-24	-40	-62
Capex	-133	-219	-219
Free Cash Flow (before interest & tax)	4,730	7,794	-2,723



Customer Solutions: Operational Earnings & Cash Development

Operational Earnings (TLm)

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
Customer Solutions	2022	2022	2023
Revenue	268	442	1,634
Cost of Sales	-80	-132	-622
Gross Profit (exc, depreciation)	188	310	1012
OPEX	-94	-155	-438
Other	-70	-115	597
Operational Earnings	24	40	1171

Free Cash Flow Before Interest and Tax (TLm)

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
Customer Solutions	2022	2022	2023
Operational Earnings	24	40	1171
IAS 29 impacts	-734	-1,210	-1,435
Delta NWC	-201	-331	-3,060
Operating Cash Flow (before interest & tax)	-911	-1,501	-3,324
IAS 29 impacts	9	14	47
Capex	-90	-148	-576
Free Cash Flow (before interest & tax)	-992	-1,635	-3,853



Summary Financial Statements – Balance Sheet

(TLm)	with IAS 29		
	with 2022 pp 31 December 2022	with 2023 pp 31 December 2022	with 2023 pp 31 December 2023
Cash and Cash Equivalents	8,371	13,793	4,501
Financial Assets	3,342	5,507	5,959
Trade Receivables	5,688	9,372	15,533
Other Receivables	1,863	3,069	5,481
Derivative financial instruments	235	387	570
Inventory	1,881	3,100	3,947
Other Current Assets	951	1,567	4,695
Current Assets	22,331	36,795	40,686
Financial Assets	11,790	19,427	25,799
Trade Receivables	109	180	823
Tangible and Intangible Assets	25,623	42,220	41,264
Derivative financial instruments	12	19	5
Deferred tax assets	11,874	19,565	21,031
Other Non-Current Assets	4,805	7,918	2,488
Non-Current Assets	54,213	89,329	91,410
TOTAL ASSETS	76,544	126,124	132,096
Short-Term Financial Liabilities	15,171	24,998	20,170
Other Financial Liabilities	83	136	140
Trade Payables	6,772	11,159	16,209
Derivative financial instruments	103	170	45
Other Current Liabilities	9,126	15,038	11,440
Current Liabilities	31,256	51,501	48,004
Long-Term Financial Liabilities	3,924	6,465	13,181
Other Financial Liabilities	509	839	769
Derivative financial instruments	-	-	-
Deferred tax liabilities	3,992	6,577	7,915
Other Non-current Liabilities	1,156	1,904	4,453
Long-Term Liabilities	9,580	15,785	26,318
Share Capital	1,181	1,181	1,181
Adjustment to share capital	4,985	8,979	8,979
Share Premium	13,520	22,277	21,716
Other Equity Items	2,427	3,999	2,529
Retained Earnings	13,596	22,402	23,369
Equity	35,709	58,838	57,774
TOTAL LIABILITIES AND EQUITY	76,544	126,124	132,096

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



Summary Financial Statements – Income Statement

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December 2022	1 January 31 December 2022	1 January 31 December 2023
(TLm)			
Sales Revenue	99,113	163,312	168,665
Cost of Sales	-85,033	-140,112	-143,110
Gross Profit	14,080	23,200	25,555
OPEX	-5,571	-9,179	-11,501
Other Income/(Expense)	2,277	3,752	842
Operating profit before finance income/(expense)	10,786	17,773	14,896
Financial Income/(Expense)	-4,649	-7,660	-7,581
Monetary Gain / (Loss)	-3,607	-5,943	-2,047
Profit before tax	2,530	4,170	5,268
Taxation	9,993	16,465	-751
Net Income	12,523	20,635	4,517

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December 2022	1 January 31 December 2022	1 January 31 December 2023
(TLm)			
Operating profit before finance income/(expense)	10,786	17,773	14,896
Adjustment of depreciation and amortization	1,826	3,008	3,328
Adjustments related to operational fx gains and losses	334	550	1,165
Adjustments related to interest income related to tariff receivables	-1,148	-1,892	-1,258
EBITDA	11,798	19,439	18,131
CAPEX Reimbursements	4,753	7,832	8,496
EBITDA+CAPEX Reimbursements	16,551	27,271	26,627
Non-recurring (income) / expense related to previous years	-	-	-
Non-recurring (income)/expense	1,116	1,839	312
Operational earnings	17,667	29,110	26,939
Net Income	12,523	20,635	4,517
Non-recurring income related to previous years	-	-	-
Non-recurring (income) / expense	887	1,462	-1,051
Tax rate change	311	512	-1,478
Impact of asset revaluation	-11,116	-18,316	1,379
Underlying Net Income	2,605	4,293	3,367



Summary Financial Statements – Cash Flow

(TLm)	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December 2022	1 January 31 December 2022	1 January 31 December 2023
Profit for the period	12,523	20,635	4,517
Adjustments to reconcile net profit for the period	-8,871	-14,617	-1,775
Changes in operating assets and liabilities	-2,023	-3,334	-4,814
Other inflows (incl. Capex reimbursements)	9,827	16,194	12,344
Cash Flows from Operating Activities (before interest and tax)	11,456	18,878	10,272
Tax payments	-718	-1,183	-3,149
Interest received	1027	1692	0
Interest paid	0	0	-653
Cash Flows from Operating Activities	11,765	19,387	6,470
CAPEX	-7,162	-11,801	-16,870
Interest received	290	478	2,376
Cash Flows from Investing Activities	-6,872	-11,323	-14,494
Cash in-flows and out-flows from borrowings	9,561	15,753	15,479
Interest paid	-4,288	-7,066	-6,887
Dividend paid	-1,959	-3,228	-3,978
Payments of finance lease liabilities	-247	-407	-460
Cash Flows from Financing Activities	3,067	5,052	4,154
Increase in cash and cash equivalents	7,960	13,116	-3,870
Cash and cash equivalents at the beginning of the period	677	1,115	13,793
Inflation impact on cash and cash equivalents (-)	-266	-438	-5,422
Cash and cash equivalents at the end of the period	8,371	13,793	4,501

(TLm)	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December 2022	1 January 31 December 2022	1 January 31 December 2023
Cash Flows from Operating Activities (before interest and tax)	11,456	18,878	10,272
CAPEX	-7,162	-11,801	-16,870
Free cash flow (before interest and tax)	4,294	7,077	-6,598
Tax payments	-718	-1,183	-3,149
Interest received	1,317	2,170	2,376
Interest paid	-4,288	-7,066	-7,540
Free cash flow (after interest and tax)	605	998	-14,911



Distribution: Income Statement

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December	1 January 31 December	1 January 31 December
(TLm)	2022	2022	2023
Sales Revenue	28,611	47,142	64,413
<i>Financial income</i>	7,218	11,893	14,666
<i>Distribution revenue</i>	10,703	17,635	17,468
<i>Pass-through transmission revenue</i>	2,496	4,112	8,730
<i>Lighting sales revenue</i>	3,347	5,515	6,039
<i>Investment revenue</i>	4,777	7,871	17,342
<i>Other</i>	70	116	168
Cost of Sales	-17,008	-28,023	-45,285
<i>Energy purchases (Lighting, T&L)</i>	-4,348	-7,164	-7,757
<i>Investment costs</i>	-5,588	-9,207	-17,342
<i>Pass-through transmission cost</i>	-2,496	-4,112	-8,730
<i>Other</i>	-4,576	-7,540	-11,456
Gross Profit	11,603	19,119	19,128
OPEX	-3,055	-5,033	-6,339
Other Income/(Expense)	-466	-768	-629
Operating profit before finance income/(expense)	8,082	13,318	12,160
Adjustment of depreciation and amortization	569	937	1231
Adjustments related to operational fx gains and losses	230	379	1068
Adjustments related to interest income related to tariff receivables	-214	-353	-1,266
EBITDA	8,667	14,281	13,193
CAPEX Reimbursements	4,753	7,832	8,496
EBITDA+CAPEX Reimbursements	13,420	22,113	21,689
Non-recurring (income)/expense	1065	1755	51
Operational earnings	14,485	23,868	21,740



Retail: Income Statement

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December 2022	1 January 31 December 2022	1 January 31 December 2023
(TLm)			
Sales Revenue (net)	70,235	115,729	102,617
<i>Regulated</i>	43,114	71,041	62,435
<i>Liberalised</i>	27,121	44,688	40,182
Cost of Sales (-)	-67,927	-111,926	-97,149
<i>Regulated</i>	-39,692	-65,402	-57,947
<i>Liberalised</i>	-28,235	-46,524	-39,202
Gross Profit	2,308	3,803	5,468
OPEX	-1,229	-2,025	-2,742
Other Income/(Expense)	2,817	4,642	886
Operating profit before finance income/(expense)	3,896	6,420	3,612
Adjustment of depreciation and amortization	135	222	245
Adjustments related to operational fx gains and losses	104	171	98
Adjustments related to interest income related to tariff receivables	-934	-1,539	9
EBITDA	3,201	5,274	3,964
Non-recurring (income) / expense	51	84	261
Operational earnings	3,252	5,358	4,225



Customer Solutions: Income Statement

	with IAS 29		
	with 2022 pp	with 2023 pp	with 2023 pp
	1 January 31 December	1 January 31 December	1 January 31 December
(TLm)	2022	2022	2023
Sales Revenue (net)	268	442	1,634
Cost of Sales (-)	-99	-163	-676
Gross Profit	169	279	958
OPEX	-94	-155	-438
Other Income/(Expense)	-70	-115	597
Operating profit before finance income/(expense)	5	9	1,117
Adjustment of depreciation and amortization	19	31	54
EBITDA	24	40	1,171
Non-recurring (income) / expense	0	0	0
Operational earnings	24	40	1,171

Investor Relations Team



Cem Gökmen Gökkaya

Treasury, Risk, Investor Relations and Tax Director



Burak Şimşek

Investor Relations Process Leader

+90 216 579 0931



Çiğdem Armağan Asil

Investor Relations Process Leader

+90 216 579 0931