



Enerjisa Enerji Earnings Presentation

H1 2024

ENERJISA



H1 2024 Highlights

**Strong underlying performance despite challenging environment
across all segments – fully on track for FY targets**

**Investment program
in Distribution
paying off**

**Retail sales
outpacing
competition**

**Customer Solutions
growth
momentum**

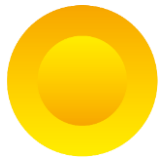
**Group Operational Earnings increased by TL 0.5bn
to TL 18.3bn YoY beating inflation**

**Decline in UNI by 46% YoY as expected due to higher financial expenses
and higher burden from inflation accounting**

**Investments decreased by 18% YoY to a normalized level of TL 3.7bn
as a result of 23 overspending**

**FCF down to TL -5.9bn mainly due to optimized Distribution Capex
overspending and the temporary mismatch of tariffs in distribution**

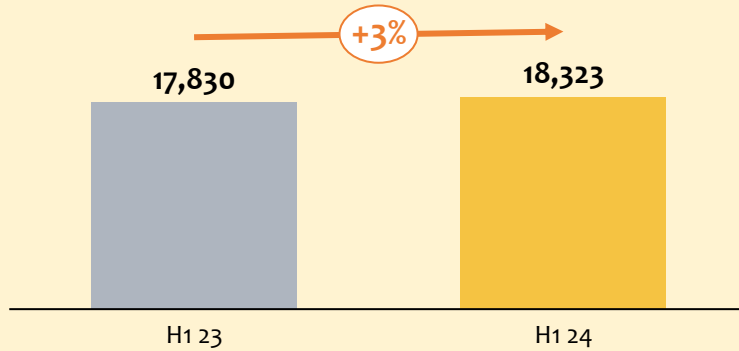
Note: Data associated with Cash Flow, Investments and tariff related impacts are shown without Inflation Accounting (IAS29)



Financial highlights of H1 2024

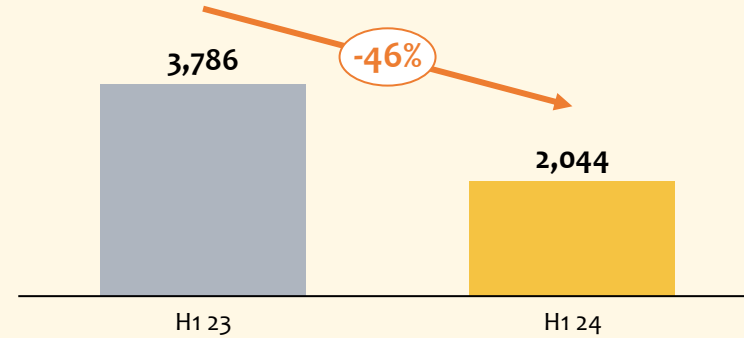
Operational Earnings¹

(TLm)



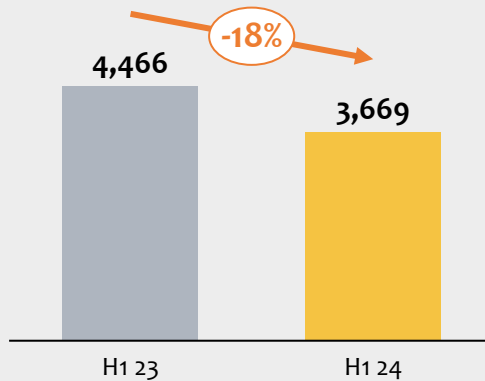
Underlying Net Income²

(TLm)



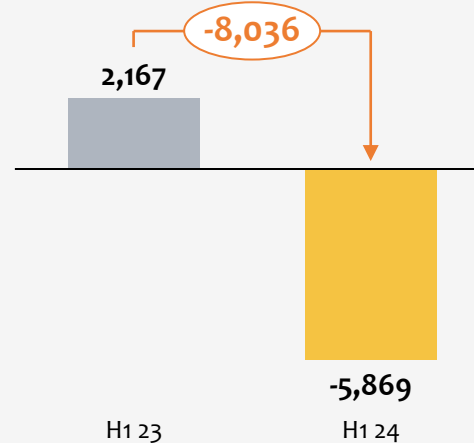
Investments³ (w/o IAS29)

(TLm)



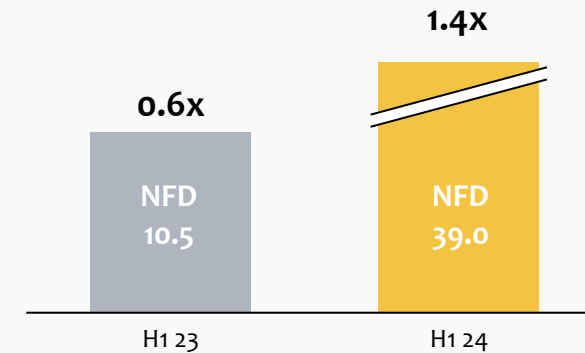
Free Cash Flow After Interest and Tax (w/o IAS29)

(TLm)



Net Financial Debt/ LTM Operational Earnings (w/o IAS29)

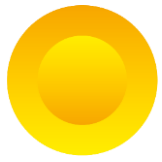
(TLbn)



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

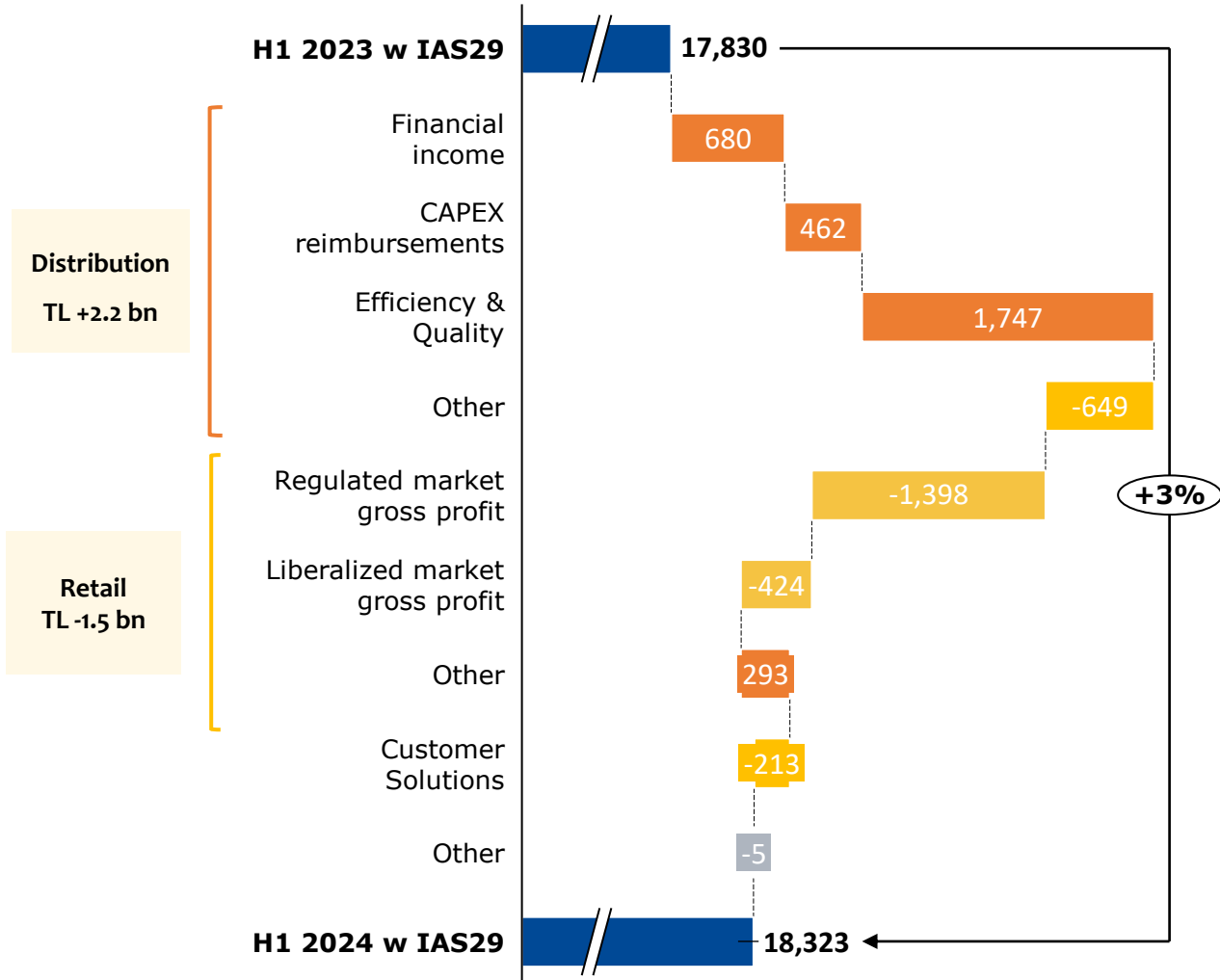
3) The majority of investments come from the distribution business and have an RAB-effective character without being subject to Inflation Accounting and are classified as Capex. Customer Solutions investments are classified as Net Working Capital in Operating Cash Flow.

Note: Data associated with Cash Flow, Investments and tariff related impacts are shown without Inflation Accounting (IAS29)



Operational Earnings strongly driven by Distribution business

Operational Earnings (TLm)



Distribution

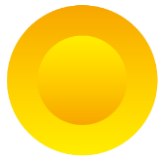
- Higher Financial income and higher Capex reimbursements driven by RAB increase
- Efficiency & Quality benefiting from an income accrual due to the expected Opex ceiling increase in 24 and higher theft accrual collection, driven by increased theft search activities
- Other: Hedging activities of FX Capex

Retail

- Regulated market: Mainly lower sourcing cost due to EUAS procurement significantly under the spot market energy cost and lower borrowing cost compensation impact. Partially offset by higher feed-in-tariff (FIT)
- Liberalized market: Lower cost base and lower income from portfolio optimization partially netted with higher liberalized volumes

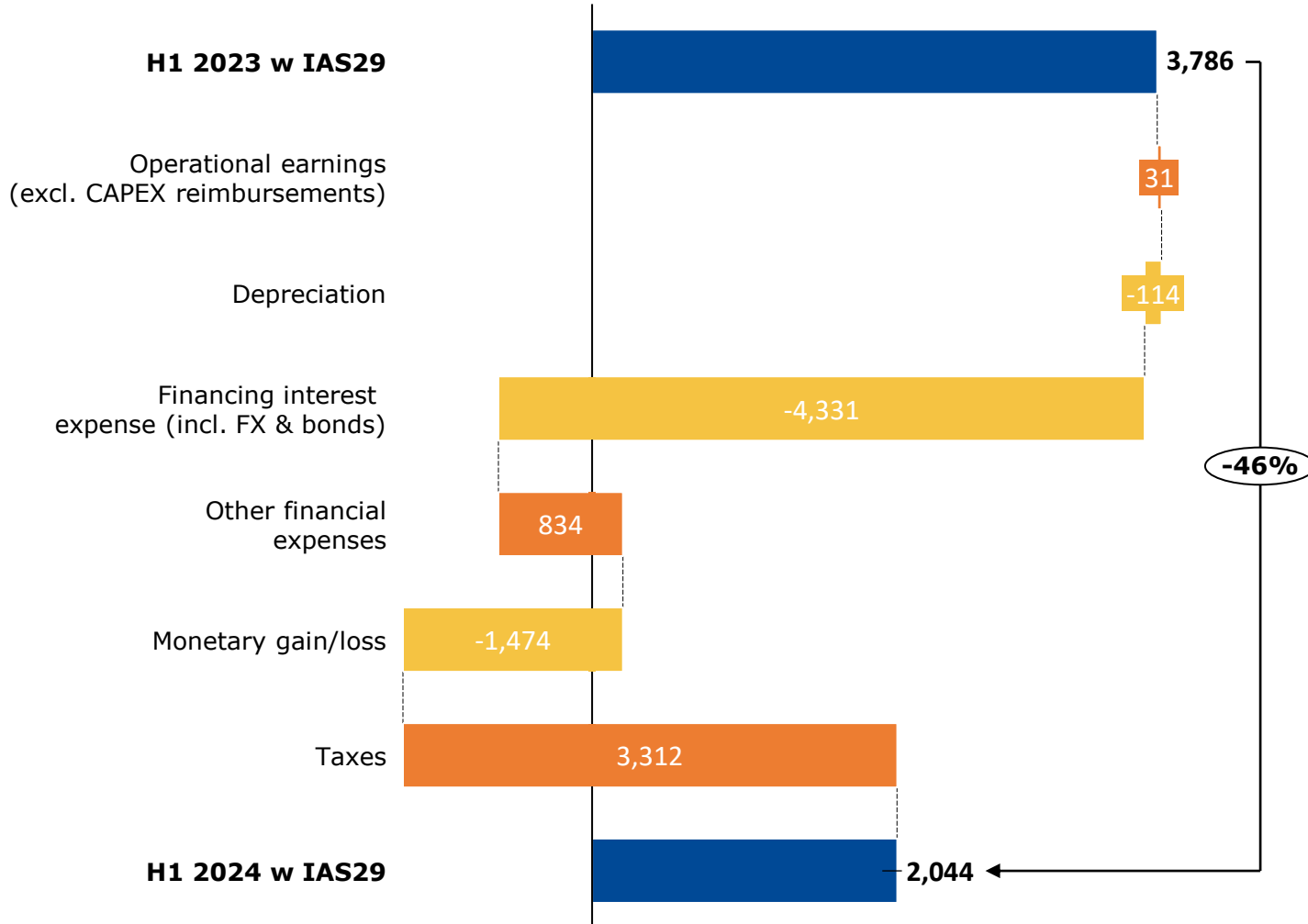
Customer Solutions

- Growth in gross margin not yet reflected on operational earnings due to higher expenses related with discounting trade receivables with today's prices and the mark-to-market valuation of FX hedging instruments for Customer Solutions Capex



Underlying Net Income on track with FY guidance

Underlying Net Income (TLm)



Main drivers

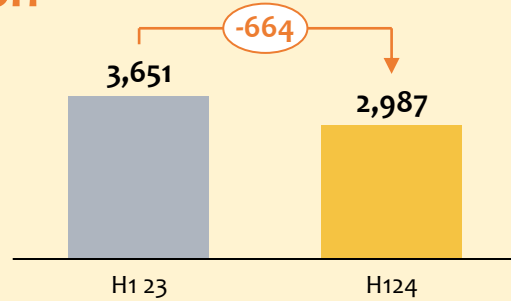
- Low contribution from Operational Earnings mainly driven by negative performance of Retail
- Higher financing net interest expenses driven by higher average financial net debt position and higher weighted average financing rates
- Lower other financial expenses due to interest income from uncollected tariff receivables
- Higher monetary losses due to increase in equity value exceeding value of non-monetary assets on the balance sheet
- Tax benefit from deferred tax income in the IFRS financial statements



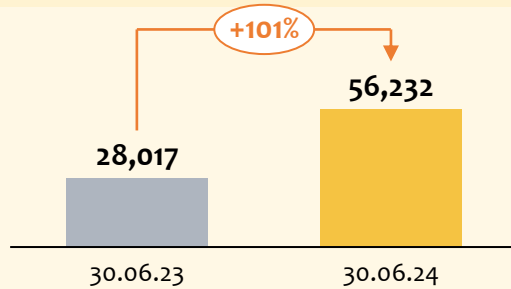
Operational robustness supports financial performance

Distribution

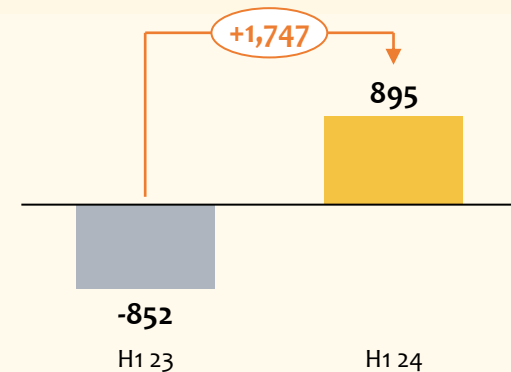
Capex
(TLm)



Regulated
Asset Base
(TLm)

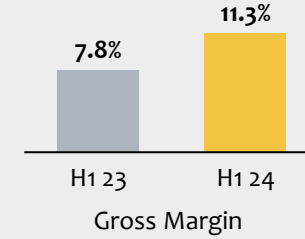
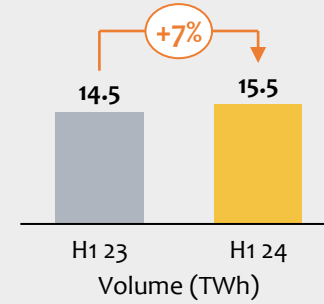


Efficiency &
Quality¹ (TLm)

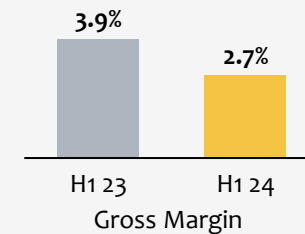
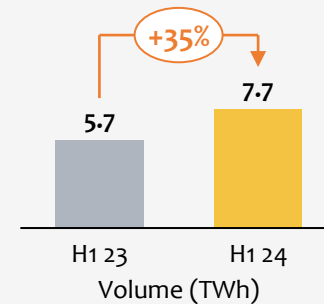


Retail and Customer Solutions

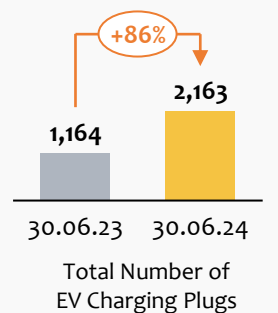
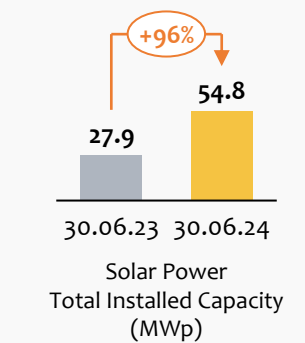
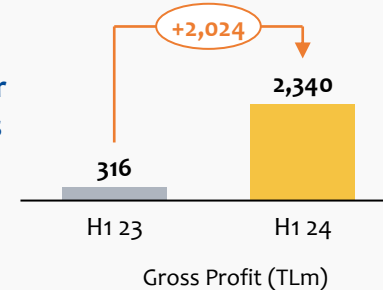
Regulated
Segment



Liberalized
Segment



Customer
Solutions

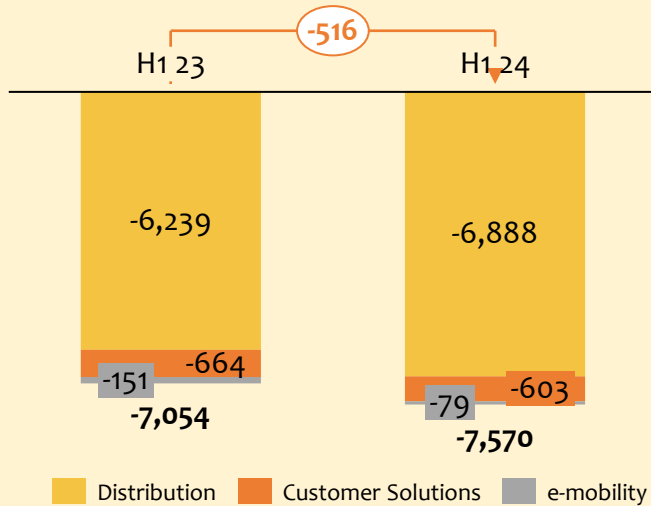


1) Includes Capex, Opex and T&L outperformances as well as theft accrual & collection related outperformance and quality bonus.
Note: Data associated with Cash Flow, Investments and tariff related impacts are shown without Inflation Accounting (IAS29)

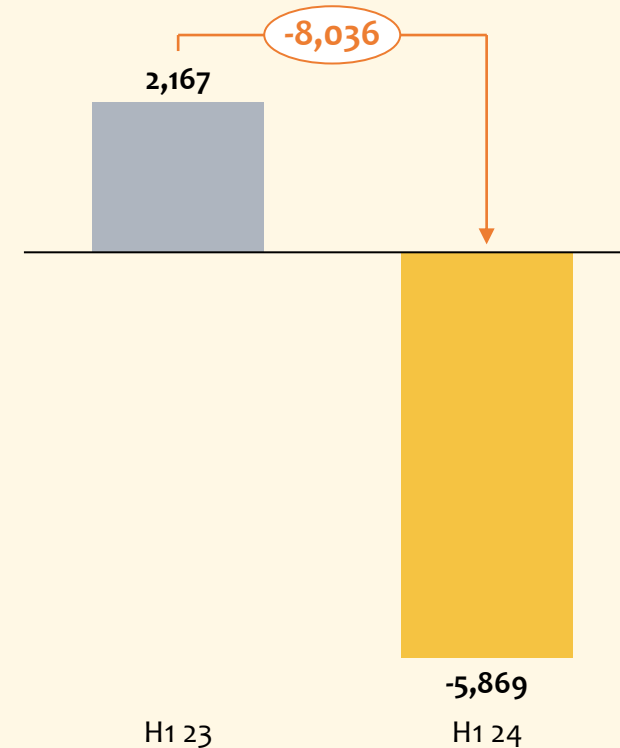


Free Cash Flow temporarily impacted by investment overspending in 2023 and tariff burden

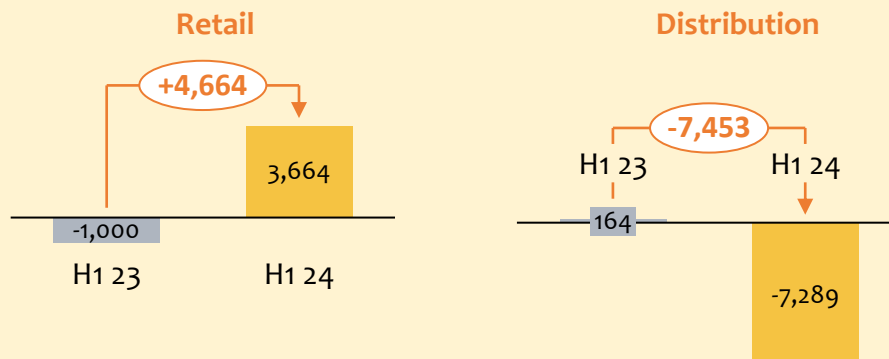
Cash Effective Investments by Business Segments¹ (TLm)



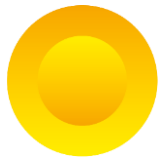
Free Cash Flow After Interest and Tax (TLm)



Tariff Related Cash Impact (TLm)

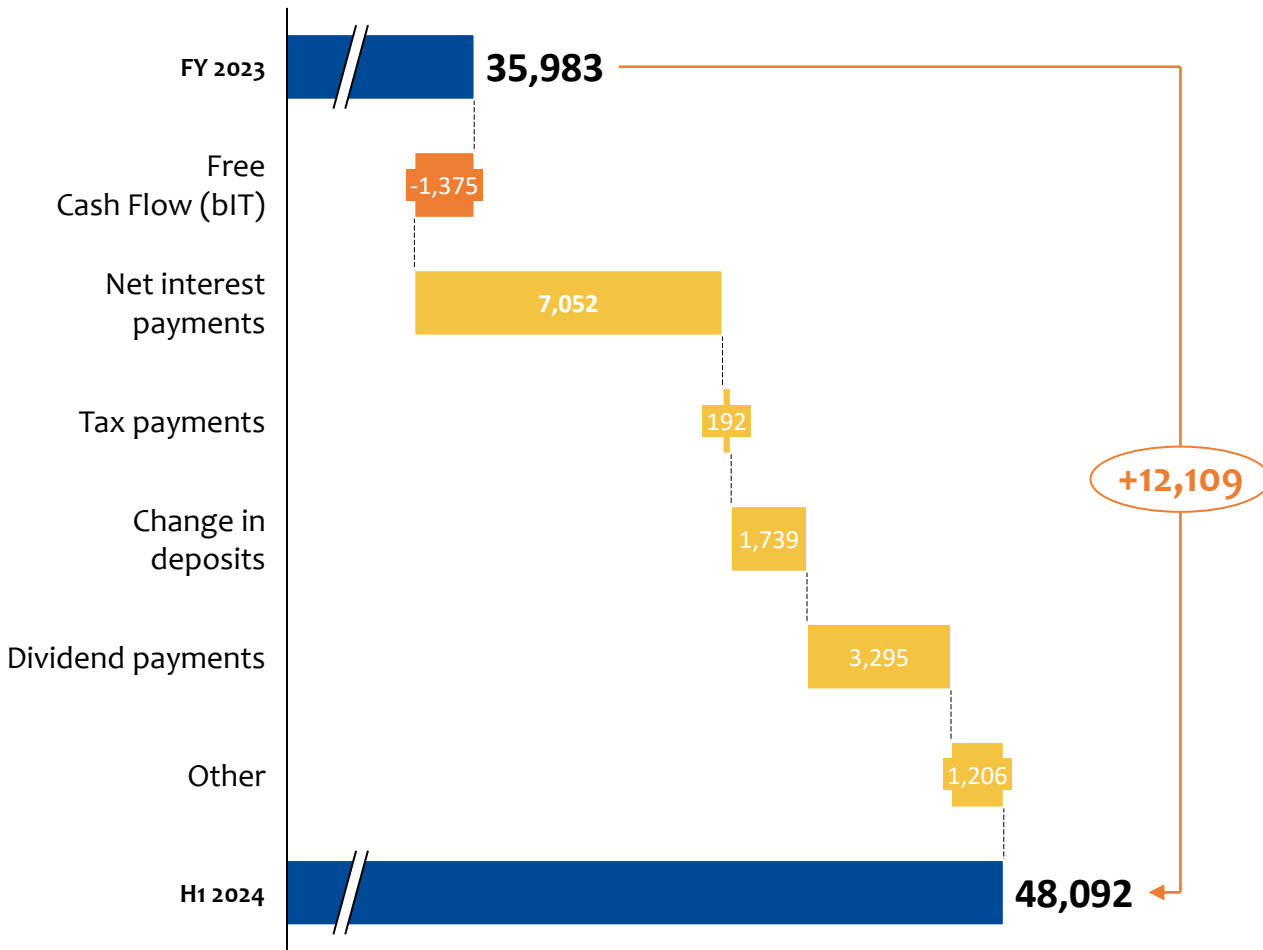


¹) Numbers do not include Retail and HoldCo. Customer Solutions investments are classified as Net Working Capital in Operating Cash Flow
 Note: Data associated with Cash Flow, Investments and tariff related impacts are shown without Inflation Accounting (IAS29)

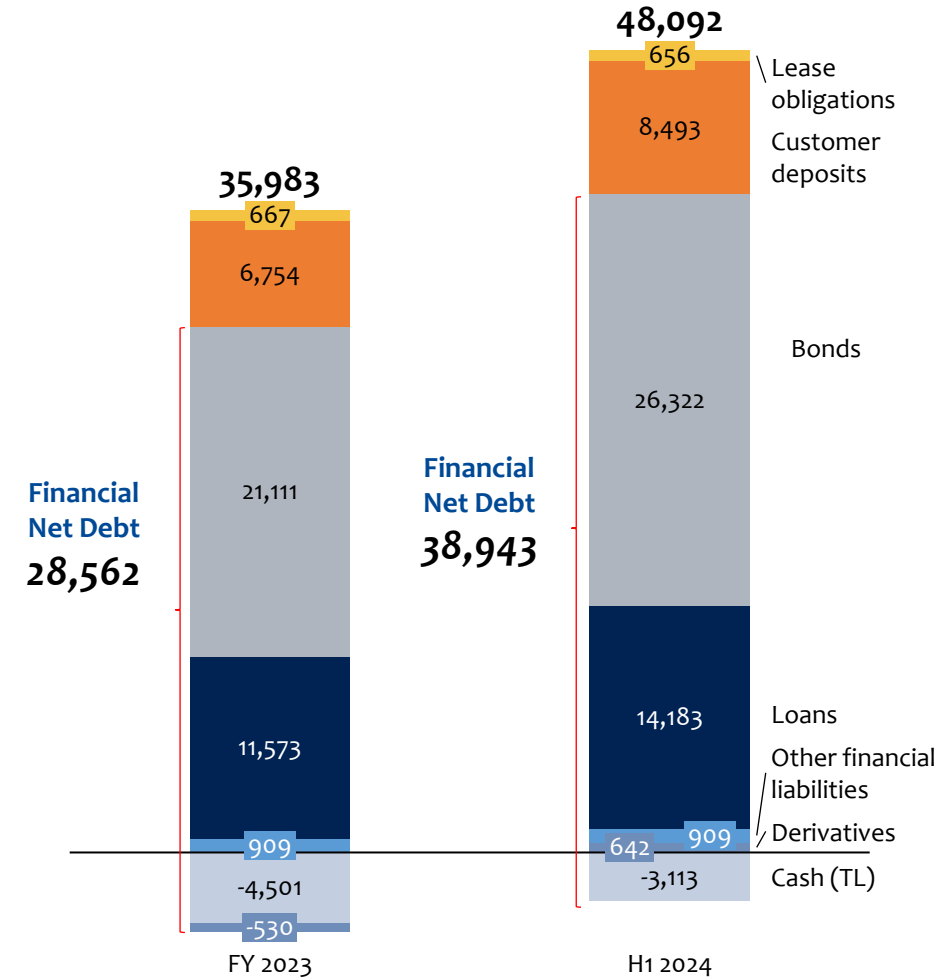


Economic Net Debt increases less than Regulated Asset Base

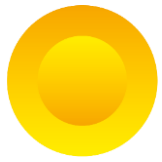
Economic Net Debt Development (TLm)



Economic Net Debt Composition (TLm)



FY 23: As of 31 December 23 with 23 purchasing power parity, H1 24: As of 30 June 24
 Note: Data associated with Cash Flow, Investments and tariff related impacts are shown without Inflation Accounting (IAS29)



Enerjisa continues financing below today's interest rates

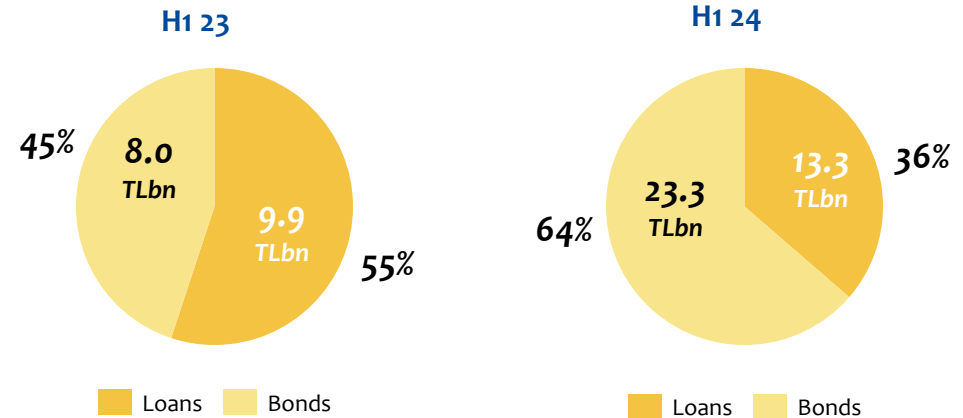
Bond Issue Amount (TLm)	Interest / Return Rate (%)	Issue Date	Redemption Date
600	TLREF + 16%	21.10.22	18.10.24
1,375	33%	3.03.23	12.03.25
950	35%	6.04.23	4.04.25
1,183	43%	21.06.23	4.07.25
3,100	43%	17.07.23	17.07.25
2,260	39%	9.08.23	9.08.25
1,000	48%	23.09.23	25.09.25
2,600	50%	2.10.23	8.10.25
2,000 ⁴	48%	25.10.23	17.01.25
2,000	TLREF + 4.75%	3.01.24	2.01.26
3,500	TLREF + 4.25%	8.02.24	5.02.26
1,100	53%	8.04.24	7.04.25
1,600	52%	6.05.24	5.05.25
1,000	50%	14.05.24	13.05.25
3,255	TLREF + 1.00%	26.07.24	24.07.26
1,000	TLREF + 1.00%	30.07.24	24.07.26
28,523			

Competitive advantage through sustainable financing 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 13.5 billion TL utilized
- 100 million USD equivalent TL earthquake funding utilized in Q2 with EBRD indexed to TLREF³

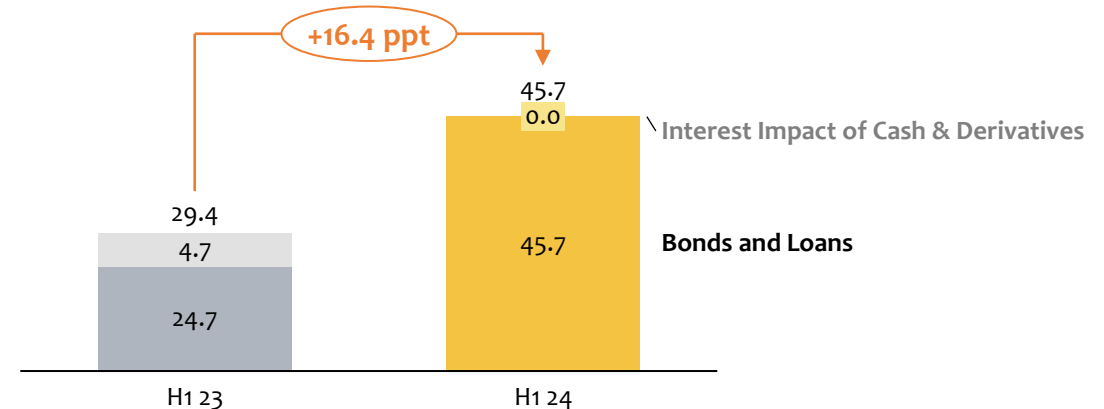
Debt Portfolio Mix¹

(Average Debt Portfolio Mix¹, excluding Cash & Derivatives)

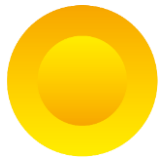


Enerjisa Financing Rates²

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



1) Average from 31.12.23 to 30.06.24 2) Excluding operational FX-losses. 3) At the end of January 24, a 5-year loan agreement amounting to USD 100 million was signed with EBRD to support investments in the Toroslar Region affected by the earthquake. The loan was fully utilized in Q2 24. The said amount is not included in the Bond Issue Table. 4) Green bond.



Enerjisa fully on track with 2024 guidance

Guidance	FY 23	FY 24 targets	
Operational Earnings	26.9 bn TL	40 – 45 bn TL	
Underlying Net Income	3.4 bn TL	3.5 – 4.5 bn TL	
Investments ¹	15.7 bn TL	15-17 bn TL	Not subject to Inflation Accounting
Regulated Asset Base (RAB) ²	34.3	55-60 bn TL	

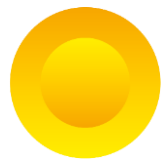
Targeted dividend pay-out ratio of at least 80% of Underlying Net Income with IAS 29

1) The majority of investments come from the distribution business and have an RAB-effective character without being subject to Inflation Accounting and are classified as Capex. Customer Solutions investments are classified as Net Working Capital in Operating Cash Flow.
2) Regulated Asset Base is revalued annually as per regulatory mechanism.



Appendix





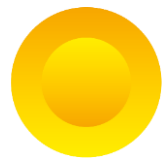
Distribution: Operational Earnings & Cash Development

Operational Earnings (TLm)

Distribution	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	H1 23	H1 23	H1 24
Financial Income	4.821	8.273	8.953
Capex reimbursements	3.271	5.613	6.075
Efficiency & Quality	-496	-852	895
Tax correction	3	5	-
Other	311	534	-110
Operational Earnings	7.910	13.573	15.813

Free Cash Flow Before Interest and Tax (TLm)

Distribution	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	H1 23	H1 23	H1 24
Operational Earnings	7.910	13.573	15.813
IAS 29 impacts	-341	-585	-1.064
Financial income not yet cash-effective	-2.940	-5.045	-5.217
Capex outperformance	-48	-83	0
Net working capital and other	5.181	8.892	-4.253
Operating Cash Flow (before interest & tax)	9.762	16.752	5.279
IAS 29 impacts	-284	-488	-482
Actual allowed Capex	-3.651	-6.266	-2.987
Capex outperformance	47	80	0
VAT paid	-649	-1.113	-597
Unpaid and previous year Capex	-1.986	-3.406	-3.303
Cash-effective Capex	-6.523	-11.193	-7.369
Free Cash Flow (before interest & tax)	3.239	5.559	-2.090



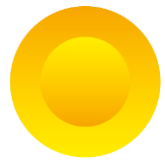
Retail: Operational Earnings & Cash Development

Operational Earnings (TLm)

Retail	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	H1 23	H1 23	H1 24
Regulated gross profit	1.981	3.399	2.001
Liberalised gross profit	592	1.016	592
Opex	-821	-1.408	-1.475
Bad debt related income and expense	12	21	587
Other	188	323	117
Operational Earnings	1.952	3.351	1.822

Free Cash Flow Before Interest and Tax (TLm)

Retail	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	H1 23	H1 23	H1 24
Operational Earnings	1.952	3.351	1.822
IAS 29 impacts	-105	-180	-144
Price equalization effects	-1.299	-2.229	4.396
Net deposit additions	279	478	70
Delta NWC	3.310	5.679	-1.449
Operating Cash Flow (before interest & tax)	4.137	7.099	4.695
IAS 29 impacts	-5	-8	-8
Capex	-78	-135	-117
Free Cash Flow (before interest & tax)	4.054	6.956	4.570



Customer Solutions: Operational Earnings & Cash Development

Operational Earnings (TLm)

Customer Solutions	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	H1 23	H1 23	H1 24
Revenue	324	556	3.647
Cost of Sales	-140	-240	-1.307
Gross Profit (exc, depreciation)	184	316	2.340
Opex	165	-283	-241
Other	533	915	-1.364
Operational Earnings	552	948	735

Free Cash Flow Before Interest and Tax (TLm)

Customer Solutions	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	H1 23	H1 23	H1 24
Operational Earnings	552	948	735
IAS 29 impacts	-10	-18	-48
Delta NWC	-1.480	-2.540	-1.431
Operating Cash Flow (before interest & tax)	-938	-1.610	-744
IAS 29 impacts	-24	-40	-126
Capex	-153	-263	-67
Free Cash Flow (before interest & tax)	-1.115	-1.913	-937



Summary Financial Statements – Balance Sheet

	with IAS 29		
	with 23 pp 31 December 2023	with 24 pp 31 December 2023	with 24 pp 30 June 2024
(TLm)			
Cash and Cash Equivalents	4.501	5.615	3.113
Financial Assets	5.959	7.434	8.689
Trade Receivables	15.533	19.375	25.878
Other Receivables	5.481	6.836	4.916
Derivative financial instruments	570	711	33
Inventory	3.947	4.923	3.481
Other Current Assets	4.695	5.856	2.259
Current Assets	40.686	50.750	48.369
Financial Assets	25.799	32.180	25.455
Trade Receivables	823	1.026	2.621
Tangible and Intangible Assets	41.264	51.470	50.484
Derivative financial instruments	5	6	-
Deferred tax assets	21.031	26.233	23.597
Other Non-Current Assets	2.488	3.105	5.954
Non-Current Assets	91.410	114.020	108.111
TOTAL ASSETS	132.096	164.770	156.480
Short-Term Financial Liabilities	20.170	25.159	23.599
Other Financial Liabilities	140	175	157
Trade Payables	16.209	20.219	14.815
Derivative financial instruments	45	56	675
Other Current Liabilities	11.440	14.269	15.204
Current Liabilities	48.004	59.878	54.450
Long-Term Financial Liabilities	13.181	16.441	17.562
Other Financial Liabilities	769	960	752
Deferred tax liabilities	7.915	9.873	9.562
Other Non-current Liabilities	4.453	5.554	8.895
Long-Term Liabilities	26.318	32.828	36.771
Share Capital	1.181	1.181	1.181
Adjustment to share capital	8.979	11.492	11.492
Share Premium	21.716	27.087	25.690
Other Equity Items	2.529	3.155	2.687
Retained Earnings	23.369	29.149	24.209
Equity	57.774	72.064	65.259
TOTAL LIABILITIES AND EQUITY	132.096	164.770	156.480

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)	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June 2023	1 January 30 June 2023	1 January 30 June 2024
Sales Revenue	61.612	105.725	74.302
Cost of Sales	-52.422	-89.954	-56.214
Gross Profit	9.190	15.771	18.088
Opex	-4.068	-6.980	-6.904
Other Income / (Expense)	-183	-315	-254
Operating profit before finance income / (expense)	4.939	8.476	10.930
Financial Income / (Expense)	-1.748	-2.999	-8.408
Monetary Gain / (Loss)	-351	-603	-2.075
Profit before tax	2.840	4.874	447
Taxation	-3.344	-5.739	-3.420
Net Income	-504	-865	-2.973

(TLm)	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June 2023	1 January 30 June 2023	1 January 30 June 2024
Operating profit before finance income/(expense)	4.939	8.476	10.930
Adjustment of depreciation and amortization	1.192	2.045	2.159
Adjustments related to operational fx gains and losses	682	1.170	116
Adjustments related to interest income related to tariff receivables	-47	-81	-936
EBITDA	6.766	11.610	12.269
Capex Reimbursements	3.271	5.613	6.075
EBITDA+Capex Reimbursements	10.037	17.223	18.344
Non-recurring (income)/expense	354	607	-21
Operational earnings	10.391	17.830	18.323
Net Income	-504	-865	-2.973
Non-recurring (income) / expense	421	723	-22
Impact of asset revaluation	2.289	3.928	5.039
Underlying Net Income	2.206	3.786	2.044



Summary Financial Statements – Cash Flow

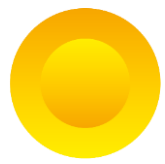
	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June 2023	1 January 30 June 2023	1 January 30 June 2024
(TLm)			
Profit for the period	-504	-865	-2.973
Adjustments to reconcile net profit for the period	3.782	6.490	6.785
Changes in operating assets and liabilities	4.514	7.746	-3.917
Other inflows (incl. Capex reimbursements)	5.013	8.602	9.460
Cash Flows from Operating Activities (before interest and tax)	12.805	21.973	9.355
Tax payments	-1.884	-3.233	-195
Interest received	-332	-570	613
Cash Flows from Operating Activities	10.589	18.170	9.773
Capex	-6.785	-11.644	-7.705
Interest received	901	1.546	1.045
Cash Flows from Investing Activities	-5.884	-10.098	-6.660
Cash in-flows and out-flows from borrowings	-1.535	-2.634	8.485
Interest paid	-2.267	-3.889	-9.240
Dividend Paid	-2.892	-4.962	-3.462
Payments of finance lease liabilities	-166	-285	-285
Cash Flows from Financing Activities	-6.860	-11.770	-4.502
Increase in cash and cash equivalents	-2.155	-3.698	-1.389
Cash and cash equivalents at the beginning of the period	10.026	17.205	5.615
Inflation impact on cash and cash equivalents (-)	-1.655	-2.840	-1.113
Cash and cash equivalents at the end of the period	6.216	10.667	3.113

	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June 2023	1 January 30 June 2023	1 January 30 June 2024
(TLm)			
Cash Flows from Operating Activities (before interest and tax)	12.805	21.973	9.355
Capex	-6.785	-11.644	-7.705
Free cash flow (before interest and tax)	6.020	10.329	1.650
Tax payments	-1.884	-3.233	-195
Interest received	569	976	1.658
Interest paid	-2.267	-3.889	-9.240
Free cash flow (after interest and tax)	2.438	4.183	-6.127



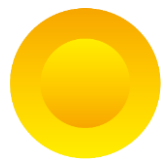
Distribution: Income Statement

	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June 2023	1 January 30 June 2023	1 January 30 June 2024
(TLm)			
Sales Revenue	21.026	36.079	31.874
<i>Financial income</i>	4.821	8.273	8.953
<i>Distribution revenue</i>	6.388	10.962	11.613
<i>Pass-through transmission revenue</i>	3.335	5.722	5.356
<i>Lighting sales revenue</i>	2.496	4.283	2.644
<i>Investment revenue</i>	3.915	6.718	3.205
<i>Other</i>	71	121	103
Cost of Sales	-14.340	-24.605	-18.569
<i>Energy purchases (Lighting, T&L)</i>	-2.928	-5.024	-3.739
<i>Investment costs</i>	-3.868	-6.637	-3.205
<i>Pass-through transmission cost</i>	-3.335	-5.722	-5.356
<i>Other</i>	-4.209	-7.222	-6.269
Gross Profit	6.686	11.474	13.305
Opex	-2.319	-3.980	-3.883
Other Income/(Expense)	-666	-1.143	-113
Operating profit before finance income/(expense)	3.701	6.351	9.309
Adjustment of depreciation and amortization	428	735	838
Adjustments related to operational fx gains and losses	635	1.089	112
Adjustments related to interest income related to tariff receivables	-391	-671	-627
EBITDA	4.373	7.504	9.632
Capex Reimbursements	3.271	5.613	6.075
EBITDA+Capex Reimbursements	7.644	13.117	15.707
Non-recurring (income)/expense	266	456	106
Operational earnings	7.910	13.573	15.813



Retail: Income Statement

	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June 2023	1 January 30 June 2023	1 January 30 June 2024
(TLm)			
Sales Revenue (net)	40.263	69.090	38.782
<i>Regulated</i>	25.147	43.152	17.715
<i>Liberalised</i>	15.116	25.938	21.067
Cost of Sales (-)	-37.927	-65.082	-36.291
<i>Regulated</i>	-23.258	-39.910	-15.713
<i>Liberalised</i>	-14.669	-25.172	-20.578
Gross Profit	2.336	4.008	2.491
Opex	-910	-1.561	-1.630
Other Income/(Expense)	-43	-73	1.239
Operating profit before finance income/(expense)	1.383	2.374	2.100
Adjustment of depreciation and amortization	89	153	154
Adjustments related to operational fx gains and losses	47	81	5
Adjustments related to interest income related to tariff receivables	344	591	-310
EBITDA	1.863	3.199	1.949
Non-recurring (income) / expense	89	152	-127
Operational earnings	1.952	3.351	1.822



Customer Solutions: Income Statement

	with IAS 29		
	with 23 pp	with 24 pp	with 24 pp
	1 January 30 June	1 January 30 June	1 January 30 June
(TLm)	2023	2023	2024
Sales Revenue (net)	324	556	3.647
Cost of Sales (-)	-156	-268	-1.355
Gross Profit	168	288	2.292
Opex	-165	-283	-241
Other Income/(Expense)	527	905	-1.361
Operating profit before finance income/(expense)	530	910	690
Adjustment of depreciation and amortization	22	38	45
EBITDA	552	948	735
Non-recurring (income) / expense	-	-	-
Operational earnings	552	948	735

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