



ENERJISA

Earnings presentation 2Q 2020

11 August 2020



Executive Summary

Covid-19: Impacts only very moderate and mostly recovered

Q2 2020: Increased bottom-line earnings growth

Outlook 2020: Positive, further improved outlook



Covid-19 impact update

Impacts only very moderate and mostly recovered

Electricity
consumption
volume
decrease

- Distributed electricity volume in our regions down by maximum of 10% in April and May compared to last year. June volume is again close to last year's level.
- Retail volume of residential and SME segment unchanged compared to last year in YtD. Contraction limited to corporate segment with limited profit margins.

Electricity
price
decrease

- April spot market prices were almost half of February levels and have almost fully rebounded in June

Payment
behaviour
deterioration

- On-time collection rates (0-6 months) have only moderately deteriorated in May by around 1% compared to March levels and remain stable in June

Field
Operations

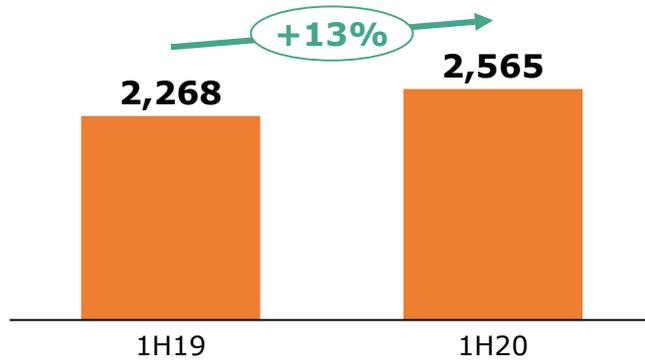
- Capex execution accelerated to compensate delays during lockdown months
- Meter reading activities back to normal



Financial Highlights

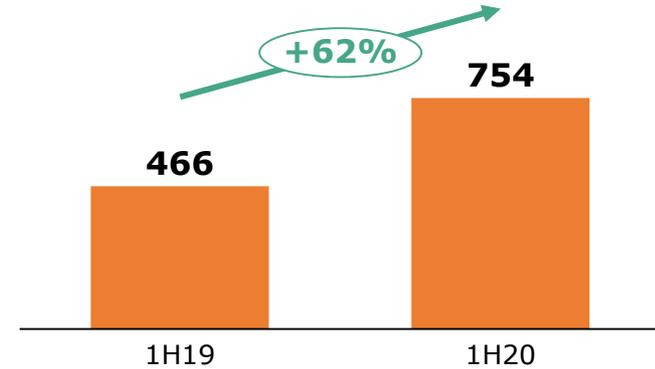
Operational earnings

(TLm)



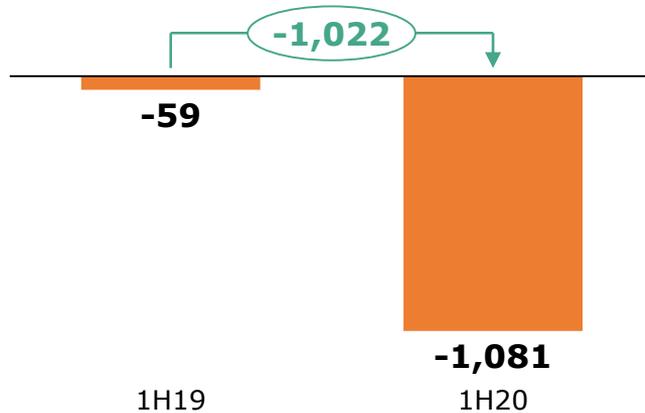
Underlying Net Income

(TLm)



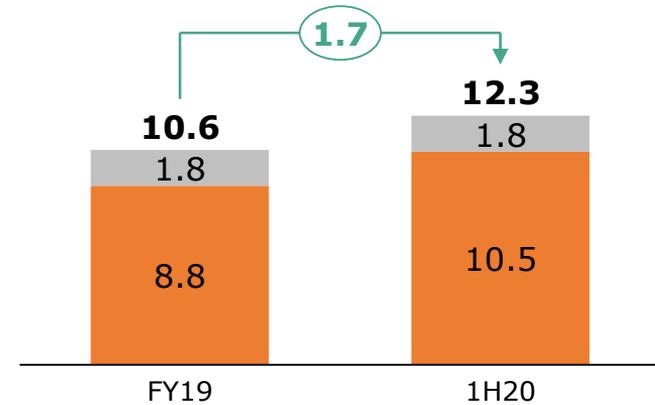
Free Cash Flow after interest and tax

(TLm)



Economic Net Debt

(TLbn)



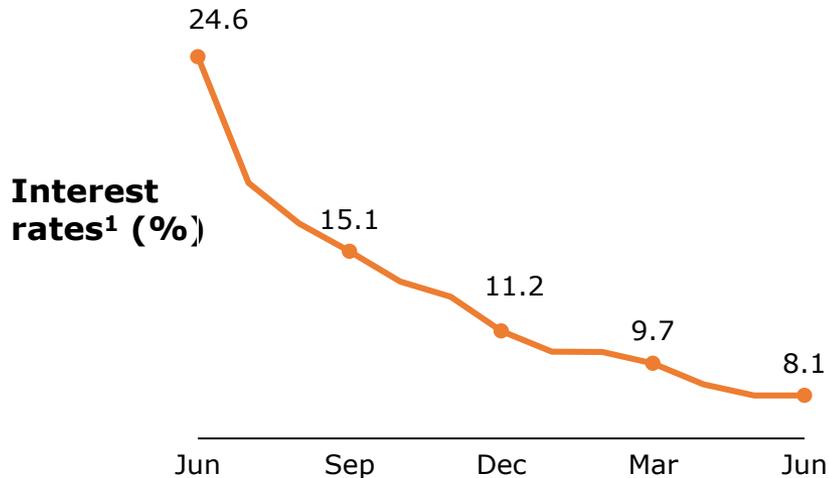
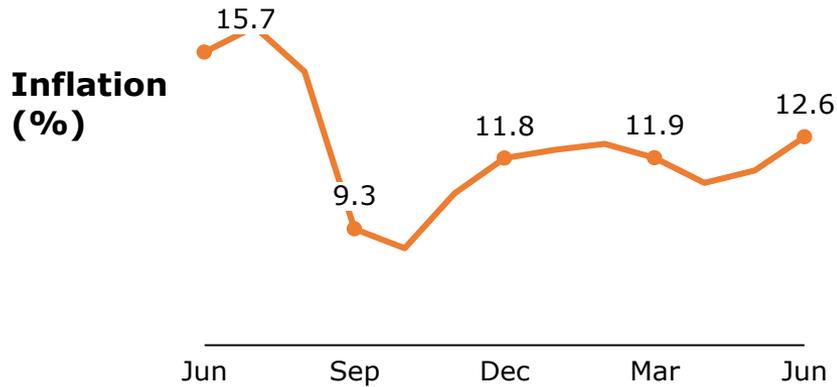
■ Non-financial net debt¹ ■ Financial net debt

¹ Incl. lease obligations (IFRS 16) as well as customer deposits



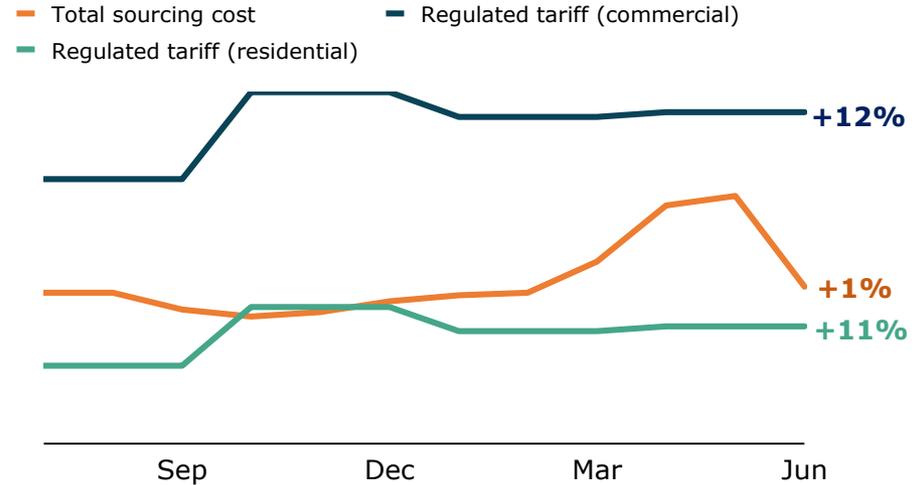
Market environment

Turkey



1 6-month TRLibor

Sector: Regulatory Developments



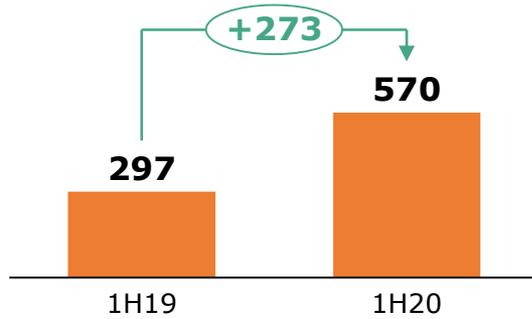
- Regulated Retail tariffs have been increased by 2.4-4.2% as of Q3 while distribution tariffs have been lowered by 6.9%, keeping end-user tariffs unchanged.
- Total sourcing costs returning to last year's levels after the Feed-in-Tariff related peak in April and May.



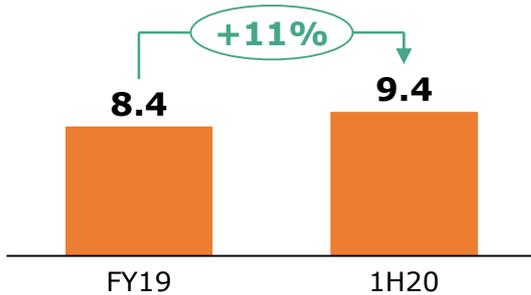
Operations

Distribution

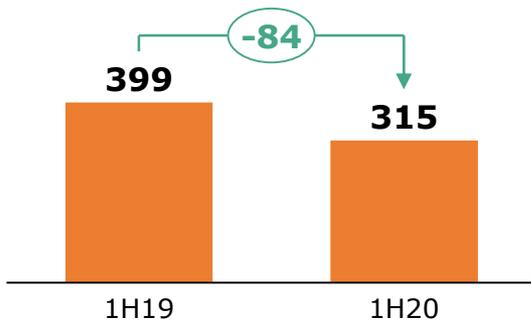
Capex
(TLm)



RAB
(TLbn)

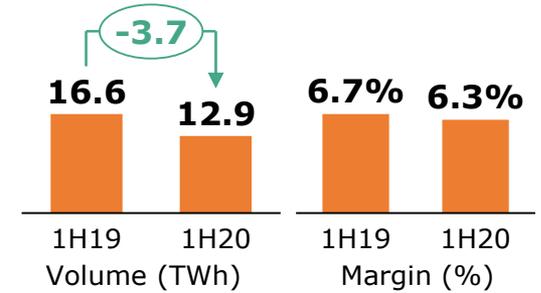


Efficiency & Quality¹
(TLm)

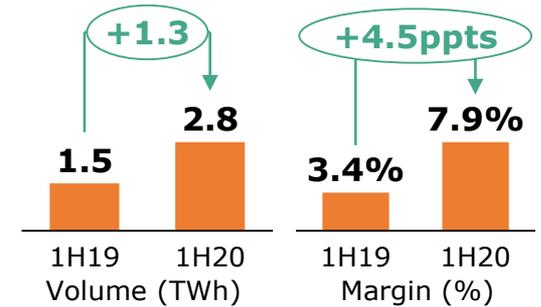


Retail

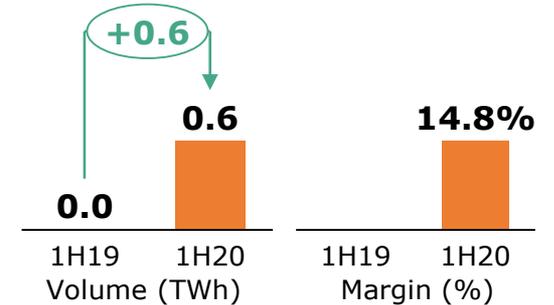
Regulated Segment



Liberalized Corporate Segment



Liberalized Residential & SME Segment

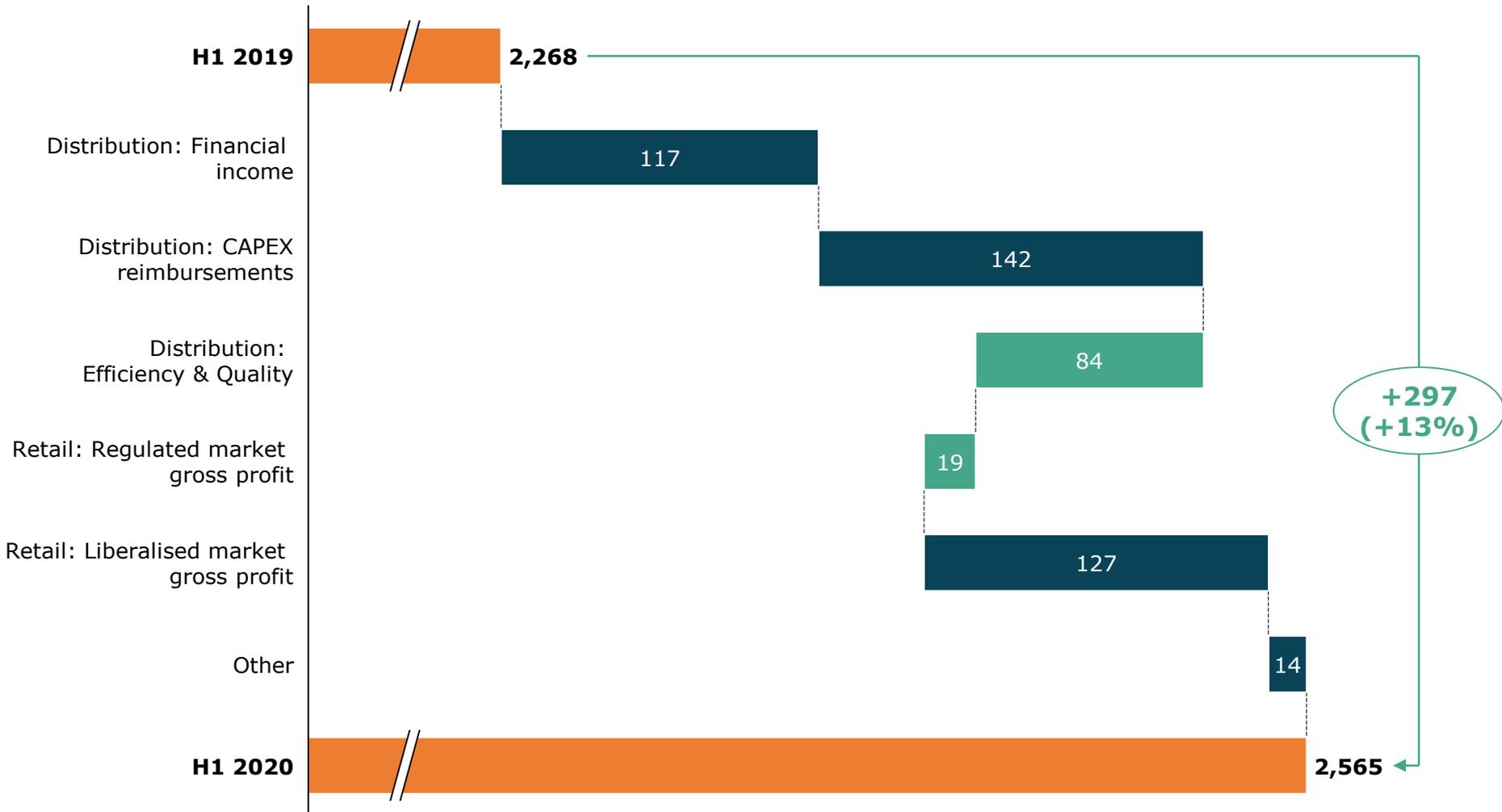


1 Incl. Capex, Opex and T&L outperformances as well as theft accrual & collection and quality bonus



Consolidated Operational Earnings Development

(TLm)





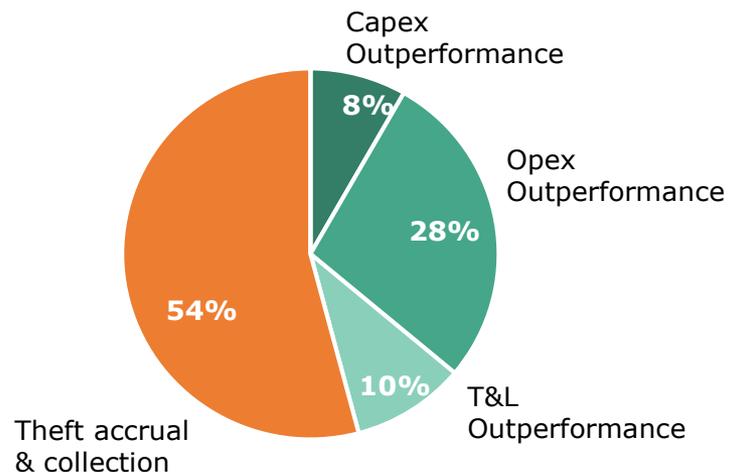
Distribution: Operational Earnings & Cash Development

Operational Earnings and Free Cash Flow Before Interest and Tax

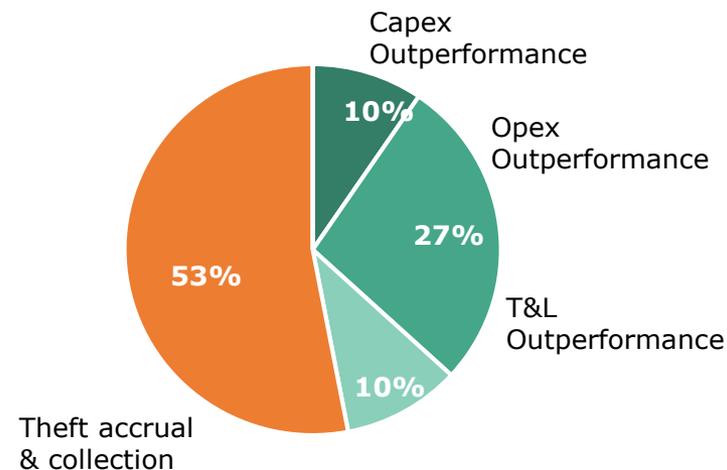
(TLm)

	H1 2019	H1 2020
Financial Income	972	1,089
Capex reimbursements	529	671
Efficiency & Quality	399	315
Tax correction	87	109
Other	-5	27
Operational Earnings	1,982	2,211
Financial income not yet cash-effective	-582	-633
Capex outperformance	-33	-30
Net VAT received/paid	247	264
Other (non-cash NWC)	-973	-586
Operating Cash Flow (before interest & tax)	641	1,226
Actual allowed Capex	-297	-570
Capex outperformance	33	30
VAT paid	-53	-103
Unpaid and previous year Capex	-593	-398
Cash-effective Capex	-910	-1,041
Free Cash Flow (before interest & tax)	-269	185

Efficiency & quality 1H 2019



Efficiency & quality 1H 2020





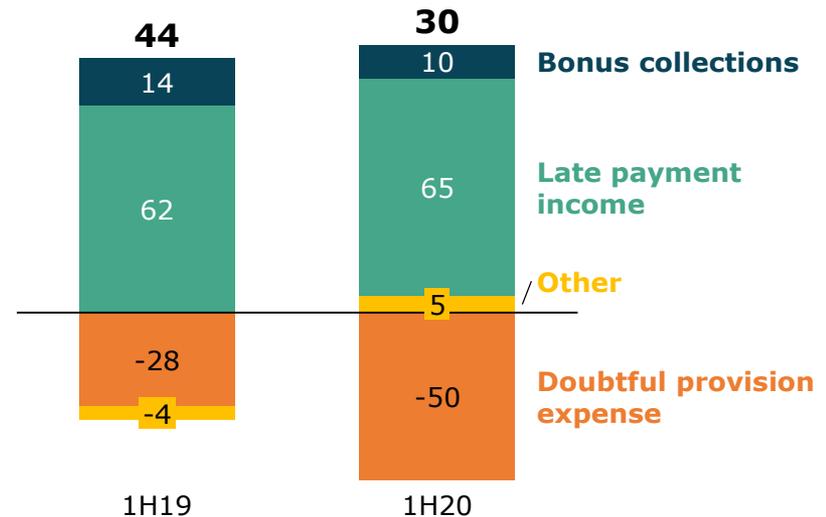
Retail: Operational Earnings & Cash Development

Operational Earnings and Free Cash Flow Before Interest and Tax

(TLm)

Retail	H1	H1
Financials	2019	2020
Regulated gross profit	367	348
Liberalised gross profit	18	145
Customer solutions gross profit	8	10
Opex	-146	-170
Bad debt related income and expense	44	30
Operational Earnings	291	363
Price equalization effects	330	-477
Net deposit additions	57	-52
Delta NWC	434	-90
Operating Cash Flow (before interest & tax)	1,112	-256
Capex	-27	-22
Free Cash Flow (before interest & tax)	1,085	-278

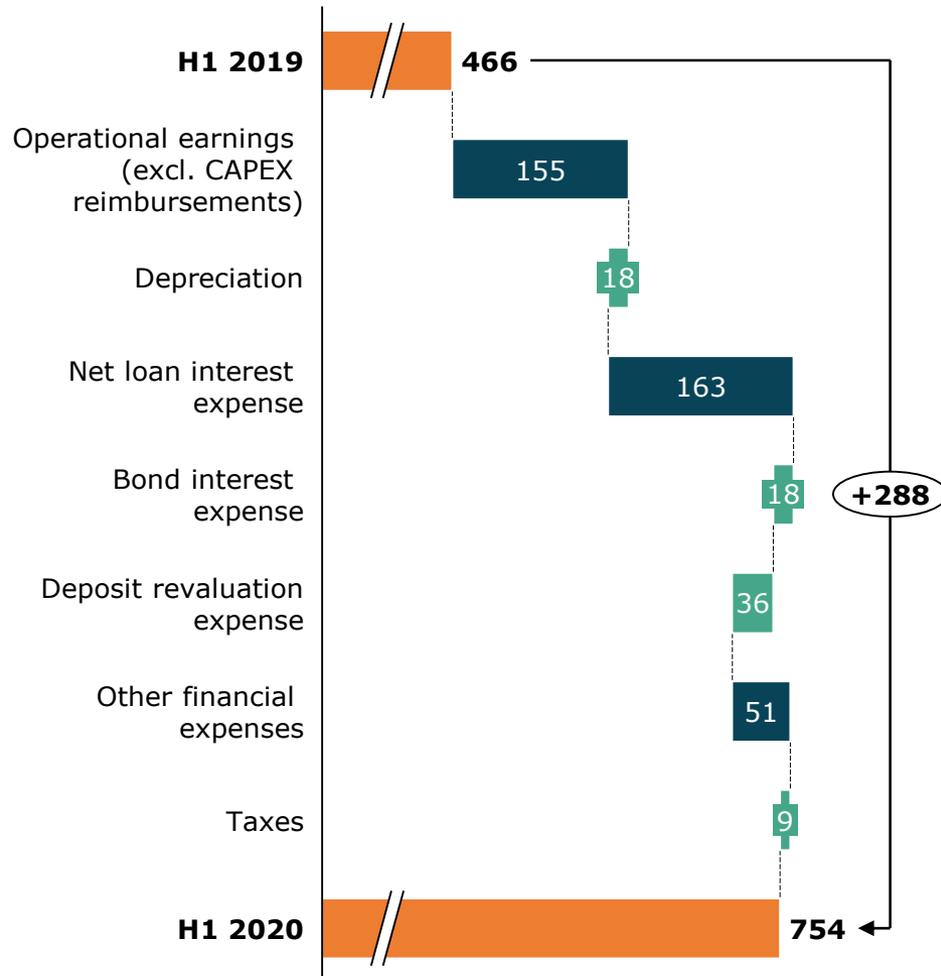
Bad debt related income and expense (TLm)



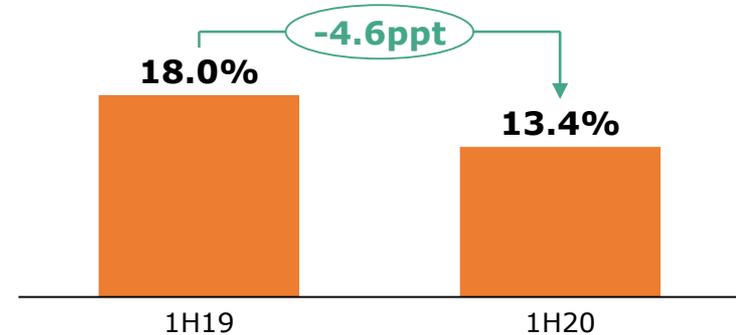


Consolidated Underlying Net Income Development

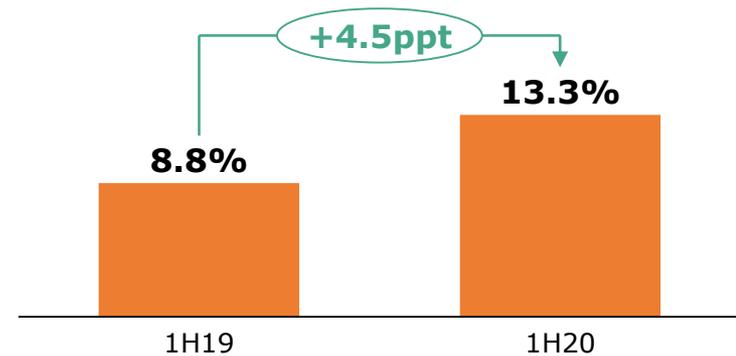
Underlying net income development (TLm)



Weighted average loan interest rates



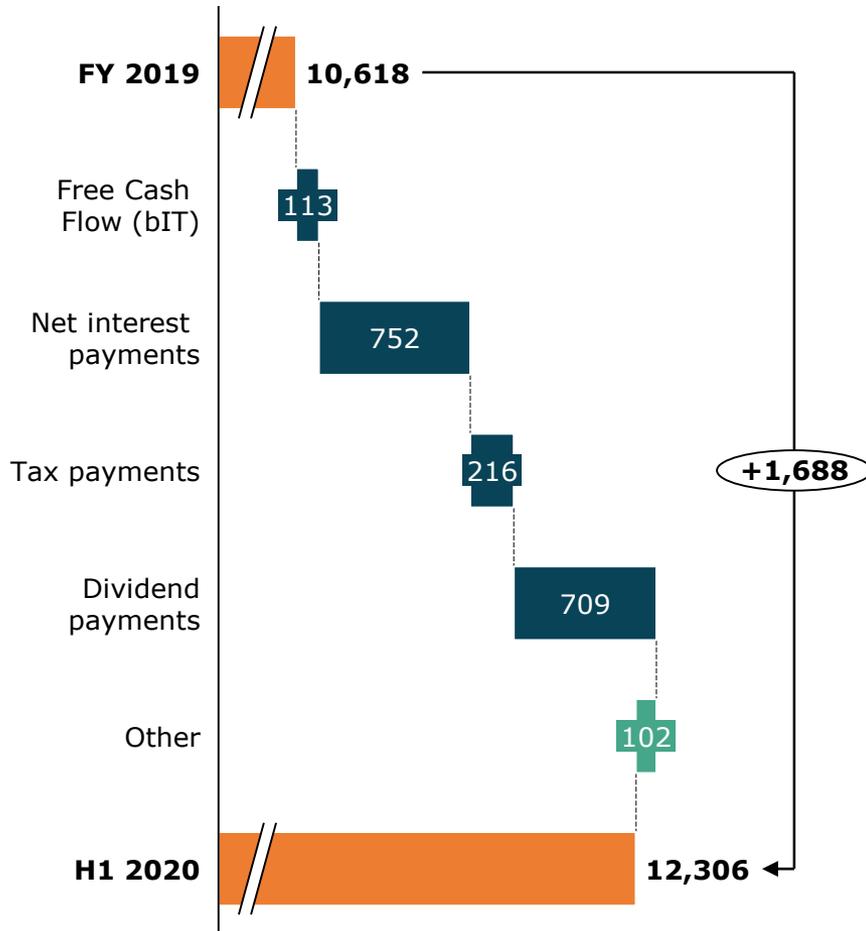
Weighted average bond interest rates (CPI-linked)



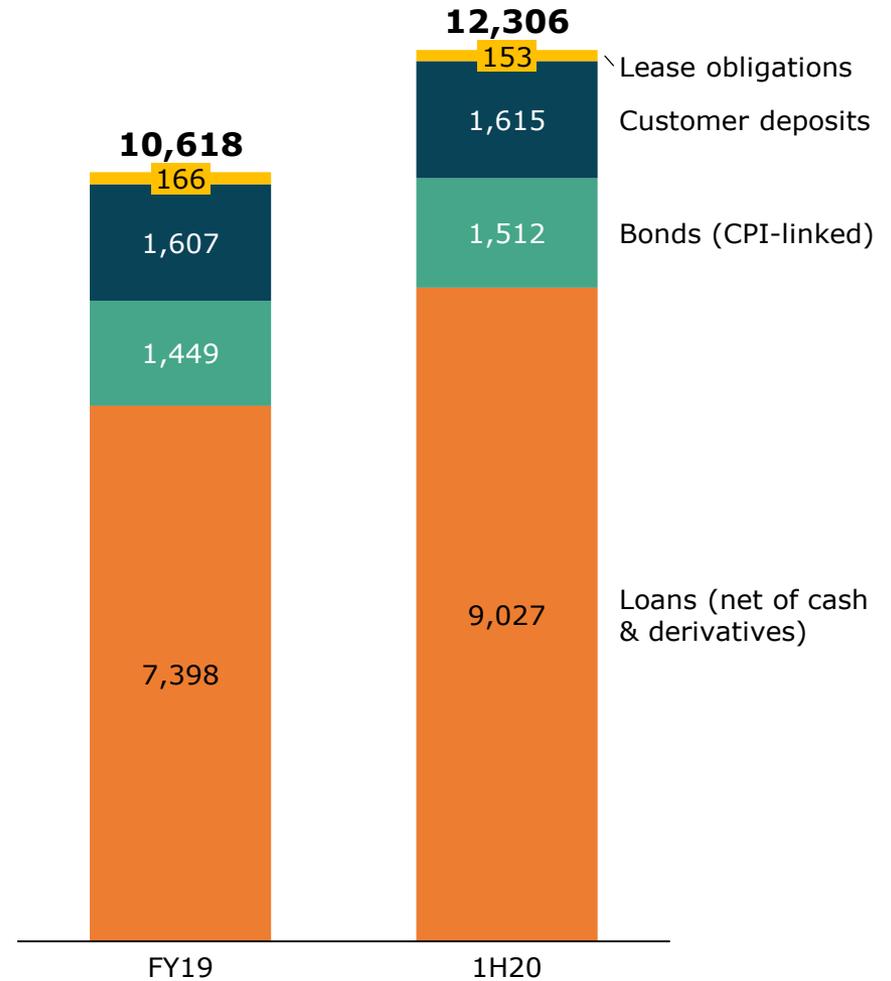


Economic Net Debt

Economic Net Debt development (TLm)



Economic Net Debt composition (TLm)





Outlook 2020

Positive trend continues

Operational Earnings

Outlook 2020 reiterated:
>inflation growth

Regulated Asset Base

Outlook 2020 specified:
~10bnTL

Underlying Net Income

Outlook 2020 revised upwards:
>30% growth

Free Cash Flow

(after interest and tax)

Outlook 2020 reiterated:
>0



Appendix



Summary Financial Statements

Consolidated Income Statement

	1 January 30 June	1 January 30 June
(TLm)	2019	2020
Sales Revenue	9,327	11,105
Cost of Sales	-6,611	-8,050
Gross Profit	2,716	3,055
OPEX	-991	-1,170
Other Income/(Expense)	-201	-219
Operating profit before finance income/(expense)	1,524	1,666
Financial Income/(Expense)	-855	-750
Profit before tax	669	916
Taxation	-210	-208
Net Income	459	708

	1 January 30 June	1 January 30 June
(TLm)	2019	2020
Operating profit before finance income/(expense)	1,524	1,666
Adjustment of depreciation and amortization	181	199
Adjustments related to operational fx gains and losses	8	15
Adjustments related to fair value difference arising from deposits	24	60
Interest income related to revenue cap regulation	-6	-20
EBITDA	1,730	1,920
CAPEX Reimbursements	529	671
EBITDA+CAPEX Reimbursements	2,259	2,591
Fair value changes of financial assets	9	0
Unrealized (temporary) MtM gains	0	-26
Operational earnings	2,268	2,565

Net Income	459	708
Fair value changes of financial assets	7	0
Unrealized (temporary) MtM gains	0	-20
Non-recurring refinancing transactions fees	0	66
Underlying Net Income	466	754

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



Summary Financial Statements

Consolidated Balance Sheet

	31 December	30 June
(TLm)	2019	2020
Cash and Cash Equivalents	470	476
Financial Assets	1,099	1,739
Trade Receivables	3,009	3,439
Derivative financial instruments	8	190
Other Current Assets	1,196	1,278
Current Assets	5,782	7,122
Financial Assets	9,445	9,336
Tangible and Intangible Assets	7,177	7,076
Derivative financial instruments	1	0
Other Non-Current Assets	991	1,193
Non-Current Assets	17,614	17,605
TOTAL ASSETS	23,396	24,727
Short-Term Financial Liabilities	3,692	3,636
Other Financial Liabilities	51	58
Trade Payables	2,612	1,874
Derivative financial instruments	67	0
Other Current Liabilities	909	835
Current Liabilities	7,331	6,403
Long-Term Financial Liabilities	5,378	7,339
Other Financial Liabilities	303	325
Other Non-current Liabilities	3,549	3,745
Long-Term Liabilities	9,230	11,409
Share Capital	1,181	1,181
Adjustment to share capital	2,627	2,416
Other Equity Items	250	565
Retained Earnings	2,777	2,753
Equity	6,835	6,915
TOTAL LIABILITIES AND EQUITY	23,396	24,727

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



Summary Financial Statements

Consolidated Cash Flow

	1 January 30 June 2019	1 January 30 June 2020
(TLm)	2019	2020
Profit for the period	459	708
Adjustments to reconcile net profit for the period	699	593
Changes in operating assets and liabilities	-258	-1,501
Other inflows (incl. Capex reimbursements)	874	1,152
Cash Flows from Operating Activities (before interest and tax)	1,774	952
Tax payments	-225	-216
Cash Flows from Operating Activities (before interest, after tax)	1,549	736
CAPEX	-947	-1,065
Interest received	92	5
Cash Flows from Investing Activities	-855	-1,060
Cash in-flows and out-flows from borrowings	1,509	1,849
Interest paid	-753	-757
Dividend paid	-472	-709
Payments of finance lease liabilities	-43	-53
Cash Flows from Financing Activities	241	330
Increase in cash and cash equivalents	935	6
Cash and cash equivalents at the beginning of the period	562	470
Cash and cash equivalents at the end of the period	1,498	476

	1 January 30 June 2019	1 January 30 June 2020
(TLm)	2019	2020
Cash Flows from Operating Activities (before interest and tax)	1,774	952
CAPEX	-947	-1,065
Free cash flow (before interest and tax)	827	-113
Tax payments	-225	-216
Interest received	92	5
Interest paid	-753	-757
Free cash flow (after interest and tax)	-59	-1,081

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



Retail: Income statement

	1 January 30 June 2019	1 January 30 June 2020
(TLm)	2019	2020
Sales Revenue (net)	6,017	7,109
<i>Regulated</i>	5,452	5,550
<i>Liberalised</i>	556	1,548
<i>Customer solutions</i>	9	11
Cost of Sales (-)	-5,626	-6,677
<i>Regulated</i>	-5,085	-5,201
<i>Liberalised</i>	-538	-1,473
<i>Customer solutions</i>	-3	-3
Gross Profit	391	432
OPEX	-165	-194
Other Income/(Expense)	20	44
Operating profit before finance income/(expense)	246	282
Adjustment of depreciation and amortization	21	26
Adjustments related to fair value difference arising from deposits	24	60
EBITDA	291	368
Unrealized (temporary) MtM gains	0	-5
Operational earnings	291	363



Distribution: Income statement

	1 January	1 January
	30 June	30 June
(TLm)	2019	2020
Sales Revenue	3,307	3,996
<i>Financial income</i>	972	1,089
<i>Distribution revenue</i>	1,705	2,039
<i>Pass-through transmission revenue</i>	495	711
<i>Lighting sales revenue</i>	135	157
Cost of Sales	-985	-1,373
<i>Energy purchases (Lighting, T&L)</i>	-490	-662
<i>Pass-through transmission cost</i>	-495	-711
Gross Profit	2,322	2,623
OPEX	-711	-863
Other Income/(Expense)	-223	-260
Operating profit before finance income/(expense)	1,388	1,500
Adjustment of depreciation and amortization	54	66
Adjustments related to operational fx gains and losses	8	15
Interest income related to revenue cap regulation	-6	-20
EBITDA	1,444	1,561
CAPEX Reimbursements	529	671
EBITDA+CAPEX Reimbursements	1,973	2,232
Fair value changes of financial assets	9	0
Unrealized (temporary) MtM gains	0	-21
Operational earnings	1,982	2,211



Investor Relations contacts



Ilkay Demirdağ
Head of Investor Relations

T +90 (0) 216 579 0932
investorrelations@enerjisa.com



Burak Şimşek
Investor Relations

T +90 (0) 216 579 0931
investorrelations@enerjisa.com



Delal Altunterim
Investor Relations

T +90 (0) 216 579 0931
investorrelations@enerjisa.com



Özde Ünsal
Investor Relations

T +90 (0) 216 579 0931
investorrelations@enerjisa.com



Financial calendar 2020

Earnings releases

4.11. — 3Q/9M 2020
↓



Disclaimer

This presentation contains information relating to Enerjisa Enerji A.Ş. (“Enerjisa”) that must not be relied upon for any purpose and may not be redistributed, reproduced, published, or passed on to any other person or used in whole or in part for any other purpose. By accessing this document you agree to abide by the limitations set out in this document as well as any limitations set out on the webpage of Enerjisa on which this presentation has been made available.

This document is being presented solely for informational purposes. It should not be treated as giving investment advice, nor is it intended to provide the basis for any evaluation or any securities and should not be considered as a recommendation that any person should purchase, hold or dispose of any shares or other securities.

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Enerjisa management and other information currently available to Enerjisa. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Enerjisa does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

Neither Enerjisa nor any respective agents of Enerjisa undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any information or to correct any inaccuracies in any such information.

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.