



9<sup>th</sup> January 2023

### Credit Rating

**Long-term (National):**  
**(TR) AA-**

**Outlook:**  
**Stable**

**Short-term (National):**  
**(TR) A1+**

**Outlook:**  
**Stable**

### Expiry Date:

9<sup>th</sup> January 2024

#### Naturelgaz Sanayi ve Ticaret A.Ş.

Esentepe Mahallesi Büyükdere  
Caddesi 193 Apt. Blok No: 193/2  
34394 Şişli / İstanbul

Tel: +90 (212) 613 70 80  
Fax: +90 (212) 567 32 33  
<http://www.naturelgaz.com/>

## Naturelgaz San. ve Tic. A.Ş.

### Rating Summary

Naturelgaz Sanayi ve Ticaret A.Ş. ("Naturelgaz", "the Company") was established in 2004 to operate in the Compressed Natural Gas (CNG) industry. The main field of activity of the Company is the purchase, compression and delivery of natural gas for the off-grid compressed natural gas market, and the purchase, transportation and delivery of gas in the Liquefied Natural Gas (LNG) industry. In 2020, shares with a nominal value of TL 79.9 million representing all of Socar Turkey LNG Satış A.Ş. ("Socar LNG") shares owned by Socar Turkey Petrol Enerji Dağıtım Sanayi A.Ş. were transferred to Naturel Doğal Gaz Yatırımları A.Ş., in which Global Yatırım Holding A.Ş. has 100% shareholding. The merger and transfer process were completed with Naturelgaz's acquisition of Socar LNG and Naturel Doğal Gaz Yatırımları A.Ş. with all its assets and liabilities.

The Company has 4 main business lines: Bulk (Industrial) CNG and LNG, Citygas, Auto CNG, and Well CNG. Off-grid CNG and LNG systems are used to meet the natural gas demand in regions that have no pipeline access. As of September 30<sup>th</sup>, 2022, Naturelgaz continues its nationwide operations with 12 industrial filling facilities, 6 Auto CNG stations, more than 60 thousand CNG cylinders, LNG stock tanks and tankers.

The Company's shares are traded in Borsa İstanbul with the ticker symbol "NTGAZ" as of April 2021. The main shareholder of Naturelgaz is Global Yatırım Holding A.Ş. with a 70.0% share.

Following our comparative analysis of the sector and examination of financial/operational risks carried by the Company, as well as its domestic market position, Naturelgaz's long term-rating of (TR) AA- and its short-term rating of (TR) A1+ is hereby confirmed.

### Outlook

The main field of activity of the Company, which was established in 2004, is the purchase, compression and delivery of natural gas for CNG in the off-grid natural gas market, and the purchase, transportation and delivery of gas in the Liquefied Natural Gas ("LNG") industry. Naturelgaz operates in the off-grid natural gas sector with Industrial CNG and LNG products.

The Company's sales in 2021 reached TL 696.4 million (2020: TL 453.4 million), an increase of 53.6% compared to the previous year. Within the same period, the gross profit increased by 14.8% to TL 137.0 million (2020: TL 119.4 million). As of end-2021, the Company's net profit decreased by 71.0% compared to the end of the previous year to TL 26.2 million (2020: TL 90.2

million). Excluding the base effect, the net profit decreased by 25.8% due to the net one-time merger gain of TL 54.9 million following the acquisition of Socar LNG in 2020. Compared to the previous year, quantitative sales volume of the Company grew by 17.0% by the end of 2021.

The company reflects the increase in its natural gas acquisition costs directly to its sales prices (pass-through). Accordingly, the end of the 2<sup>nd</sup> quarter of 2022<sup>1</sup>, the Company's cost of goods sold increased by a factor of 4.4 compared to the same period of the previous year, resulting in TL 938,3 million, while sales increased by a factor of 4.3 compared to the same period of the previous year to TL 1.2 billion. The Company's gross profit increased by a factor of 4.2 to TL 303.3 million, and its net profit by a factor of 30 to TL 182.2 million. In the same period, the Company's sales volume in quantitative terms increased by 30.4% (2021 Q2: 29.3%).

The gross profitability (Gross Profit/Sales Quantity) monitored as a performance indicator by the Company was 2.62 TL/Sm<sup>3</sup> at the end of the 2<sup>nd</sup> quarter of 2022 (2021: 0.65 TL/Sm<sup>3</sup>)

The Company's operational cash flow covers its continuing investments after which a positive free cash flow is generated. The Company has a cash surplus of TL 12.8 million as of end 2021 and has a net financial liability of TL 47.4 million as of the 2<sup>nd</sup> quarter of 2022.

<sup>1</sup> Financial statements for the 2<sup>nd</sup> quarter of 2022 have been partially audited.

The net foreign currency position of the Company, which operates exclusively in the domestic market, was (+) TL 122,000 as of June 2022. As of our reporting date, the Company bears no currency risk against prospective fluctuations.

In addition to all these factors, taking into account its market standing, shareholding structure and industry experience, the Company's both short and long-term outlook has been determined as "Stable".

## Methodology

---

SAHA's credit rating methodology is composed of quantitative and qualitative sections contributing to the final grade with specific weights. The quantitative analysis components consist of the Company's performance compared to industry peers, analysis of the financial risks, and the assessment of cash flow projections. Comparative performance analysis determines the relative position of the Company as compared with industry peers' financial performances and industry averages. The financial risk analysis of our methodology covers the evaluation of the Company's financial ratios on the basis of objective criteria. Liquidity, leverage, asset quality, profitability, volatility and concentration are treated as sub-headings in this analysis. Finally, scenario analysis evaluates the Company's performance with respect to its capability to fulfill its obligations under the future projections of a base and a stress scenario.

The qualitative analysis covers operational issues such as industry and company risk as well as administrative risks in the context of corporate governance practices. The industry analysis evaluates factors like the nature and rate of growth of the industry, its competitive structure, structural analysis of customers and creditors, and sensitivity of the sector to risks at home and abroad. The company analysis evaluates market share and efficiency, trends and volatilities in key performance indicators, cost structure, service quality, organizational stability, access to domestic and foreign funding sources, off-balance sheet liabilities, accounting practices, and parent / subsidiary company relationships if any.

Corporate governance plays an important role in our methodology. Our methodology consists of four main sections; shareholders, public disclosure and transparency, stakeholders, and board of directors. The corporate governance methodology of SAHA can be accessed at [www.saharating.com](http://www.saharating.com).

## Rating Definitions

Our long-term credit ratings reflect our present opinion regarding the mid to long term period of one year and above; Our short-term credit ratings reflects our opinion regarding a period of one year. Our long-term credit rating results start from AAA showing the highest quality grade and continue downward to the lowest rating of D (default). Plus (+) and minus (-) signs are used to make a more detailed distinction within categories AA to CCC.

Companies and securities rated with long-term AAA, AA, A, BBB and short-term A1 +, A1, A2, A3 categories should be considered "investment worthy" by the market.

Short Term	Long Term	Rating Definitions
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	The highest credit quality. Indicates that ability to meet financial obligations is extremely high. For securities, it is an indication of no more than a slight additional risk as compared to risk-free government bonds.
(TR) A1	(TR) A+ (TR) A	Credit quality is very high. Very high ability to fulfill financial obligations. Sudden changes at the company level and/or economic and financial conditions may increase investment risk, but not significantly.
(TR) A2	(TR) A- (TR) BBB+	High ability to fulfill financial obligations, but may be affected by adverse economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Sufficient financial ability to fulfill its obligations, but carries more risk in adverse economic conditions and changes. If securities; has adequate protection parameters, but issuer's capacity to fulfill its obligations may weaken in face of adverse economic conditions and changes.

Companies and securities rated with long-term BB, B, CCC, and short-term B1, B2, C categories should be considered "speculative" by the market.

(TR) B1	(TR) BB+ (TR) BB (TR) BB-	Carries minimum level of speculative features. Not in danger in the short term, but faces negative financial and economic conditions. If securities; below investment level, but on-time payments prevail, or under less danger than other speculative securities. However, if the issuer's capacity to fulfill its obligations weakens, serious uncertainties may unfold.
(TR) B2	(TR) B+ (TR) B (TR) B-	Currently has the capacity to fulfill financial obligations, but highly sensitive to adverse economic and financial conditions. If securities; there is a risk in due payment. Financial protection factors can show high fluctuations depending on the conditions of the economy, the sector, and the issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Well below investment grade. In considerable danger of default. Fulfillment of its financial obligations depends on the positive performance of economic, sectoral and financial conditions. If securities; there are serious uncertainties about the timely payment of principal and interest.
(TR) D	(TR) D	Event of default. The company cannot meet its financial obligations or cannot pay the principal and/or interest of the relevant securities.

## Disclaimer

---

This Credit Rating Report has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) in collaboration with Çinigaz Doğalgaz Dağıtım Sanayi ve Ticaret A.Ş. and is based on information disclosed to the public by Çinigaz Doğalgaz Dağıtım Sanayi ve Ticaret A.Ş.

This report, edited by SAHA A.Ş. analysts based on their best intentions, knowledge base and experience, is the product of an in-depth study of the available information which is believed to be correct as of this date. It is a final opinion about the overall credibility of the institutions and/or debt instruments they have issued. The contents of this report and the final credit rating should be interpreted neither as an offer, solicitation or advice to buy, sell or hold securities of any companies referred to in this report nor as a judgment about the suitability of that security to the conditions and preferences of investors. SAHA A.Ş. makes no warranty, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment decisions or other purposes.

SAHA A.Ş. has embraced and published the IOSCO (International Organization of Securities Commissions) Code of Conduct for Credit Rating Agencies on its web site ([www.saharating.com](http://www.saharating.com)) and operates on the basis of independence, objectivity, transparency, and analytic accuracy.

©2023, Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. All rights reserved. This publication or parts thereof may not be republished, broadcast, or redistributed without the prior written consent of Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. and Çinigaz Doğalgaz Dağıtım Sanayi ve Ticaret A.Ş.

### **Contacts:**

#### **Report Prepared by / Rating Specialist:**

Tuba Altuntaş

[taltuntas@saharating.com](mailto:taltuntas@saharating.com)

#### **Rating Committee Members**

S.Suhan Seçkin

[suhan@saharating.com](mailto:suhan@saharating.com)

S.Mehmet İnhan

[minhan@saharating.com](mailto:minhan@saharating.com)

Ali Perşembe

[apersembe@saharating.com](mailto:apersembe@saharating.com)

#### **Saha Corporate Governance and Credit Rating Services, Inc.**

Valikonağı Cad., Hacı Mansur Sok., Konak Apt. 3/1, Nişantaşı, İstanbul

Tel: (0212) 291 97 91, Fax: (0212) 291 97 92 • [info@saharating.com](mailto:info@saharating.com) • [www.saharating.com](http://www.saharating.com)