



ANADOLU EFES

August 2020
INVESTOR
PRESENTATION

Forward-Looking Statements

This presentation may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

Investment Theme



Diversified business model including beer and soft drinks



Strategic Partnership with World's leading FMCG companies; AB InBev & TCCC



Strong market positions across all operations



Strong brand portfolio including some of the world's best known brands and strong regional brands



Abundant potential in demographics



Proven track record of expansion & growth in emerging markets



Strategy, Execution and People to accelerate quality growth



Expertise & Know-How in driving cost efficiencies

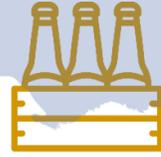


Solid, consistent financial performance and strong track record



Anadolu Efes At a Glance

700 mn consumers



21 Breweries* & **26** Bottling Plants

48.4 mhl brewing capacity



1.5 bn u/c bottling capacity

Europe's **5th***
World's **10th*** largest brewer
7th largest Coca-Cola bottler



111** mhl sales volume

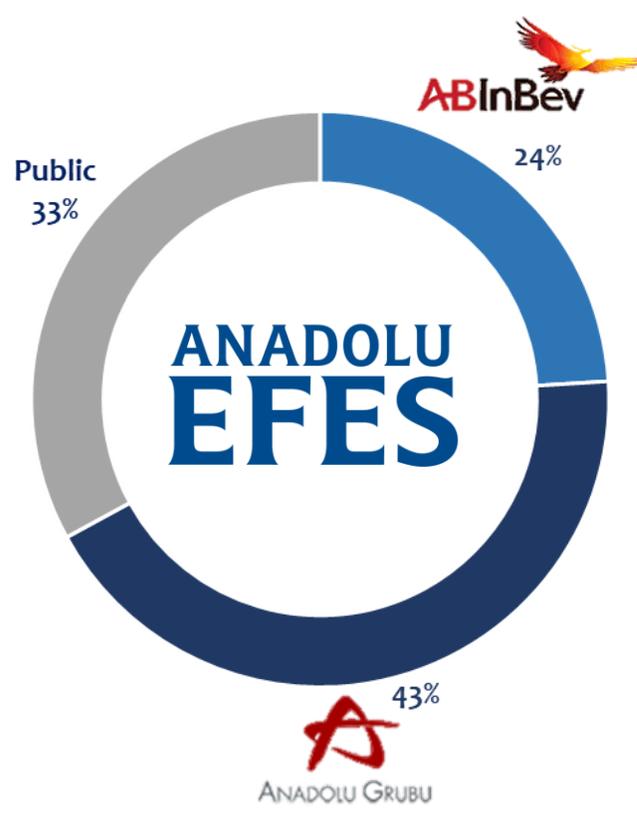
23.3** billion TL sales revenue

4.1** billion TL EBITDA

2.3** billion TL Free Cash Flow



Ownership Structure

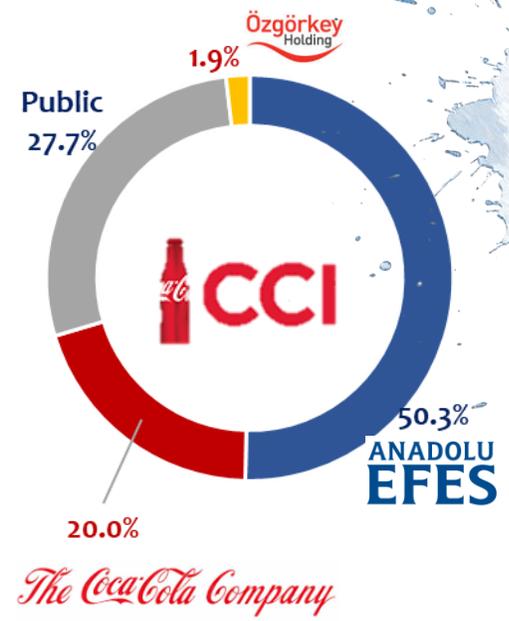


ANADOLU EFES



- Turkey Beer Operations **EFES TÜRKİYE**
- International Beer Operations (EBI)

- 50% Russia **ABInBev / EFES**
- 100% Kazakhstan **EFES KAZAKHSTAN**
- 96.9% Moldova **EFES MOLDOVA**
- 100% Georgia **EFES GEORGIA**
- 50% Ukraine **ABInBev / EFES**



Anadolu Efes 2019 Financials In a Nutshell

Volume



111 mhl

+1.9% vs PY

Revenue



23.3 bn TL

+21.7% vs PY

EBITDA (BNRI)



3.9 bn TL

+31.2% vs PY

FCF



2.3 bn TL

+122% vs PY

CWC / Revenue



-3.7%

-4.1pp vs PY

Net Debt / EBITDA (BNRI)



1.0X

-0.6x vs PY



Robust financial performance in 2Q...

VOLUMES

2Q	1H
-11.6%	-5.8%

- International beer volumes flat;
- Turkey beer & soft drinks volumes under pressure starting from mid-March

REVENUE

2Q	1H
-0.6%	+5.1%

- Higher average prices per hl
- Positive currency translation

EBITDA (Margin)

2Q	1H
+8.5%	+1.4%
(+177 bps)	(-56 bps)

- 2Q Margin expansion backed by;
 - Substantial savings in S&M expenses
 - Higher margin in CCI
- EBITDA margin decline shrank to 56 bps, at 15.5% in 1H

Net Income

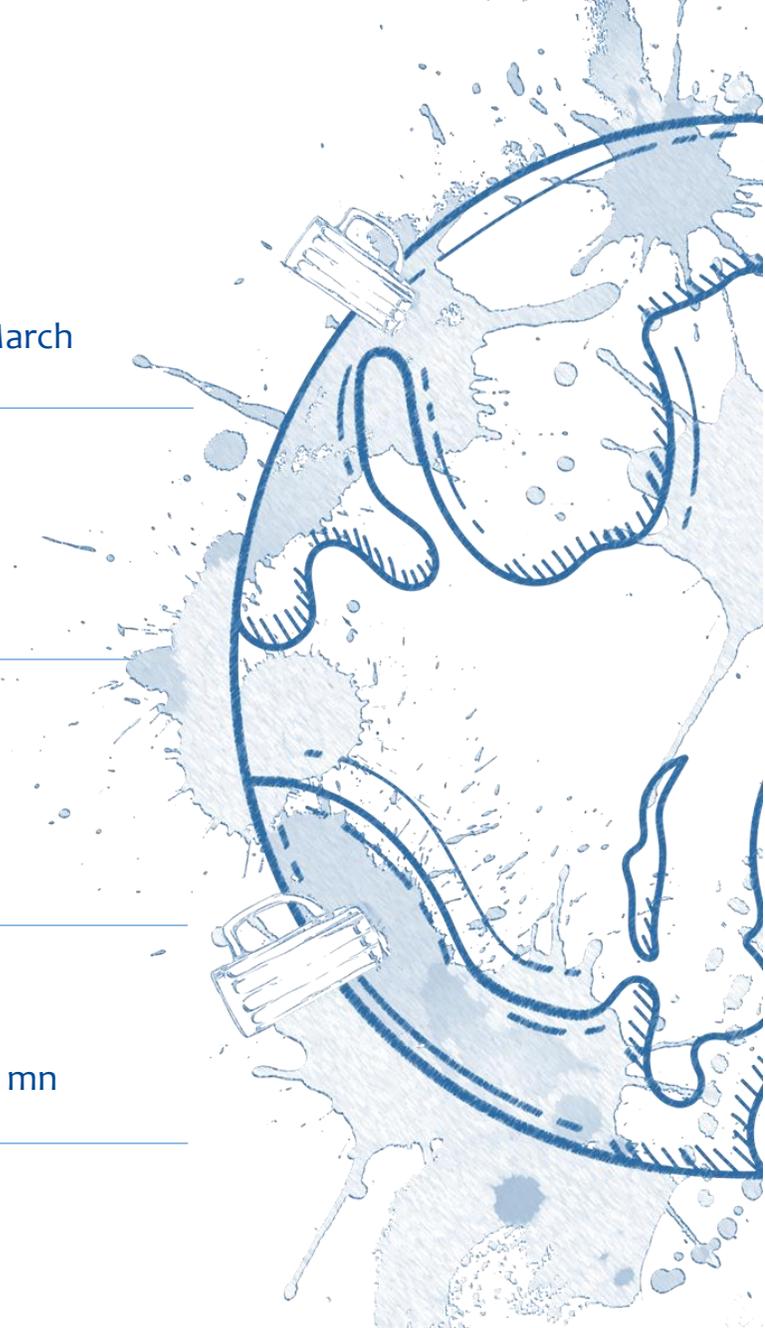
2Q	1H
TL352 mn	TL268 mn
(-18.1%)	(+6.1%)

- Supported by the improvement in operational profitability in 2Q
- 2Q2019 net income supported by one-off investment income of TL 190 mn

Free Cash Flow

2Q	1H
TL2,013 mn	TL991 mn
(+TL 1,231 mn)	(+TL 357 mn)

- Positive contribution from both business lines
- FCF in 2Q more than doubled; driven by
 - improvement in core WC & reduction in capex



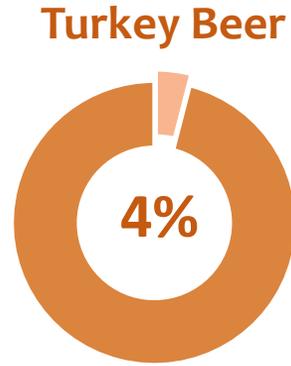
*1H2019 financials are restated to exclude Doğadan as per the announcement made by Coca Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis.

Anadolu Efes 1H 2020 Financial Highlights

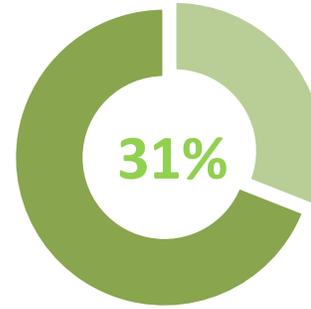
VOLUMES

49.6 mhl
down -5.8%

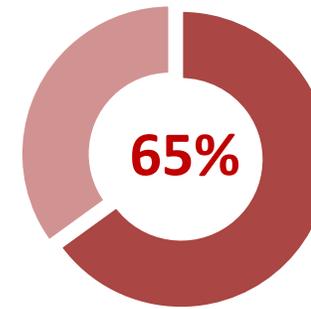
Breakdown



International Beer



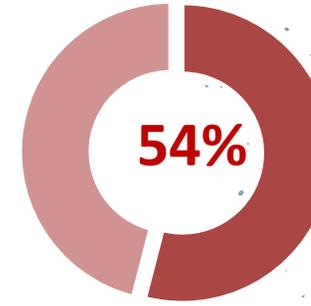
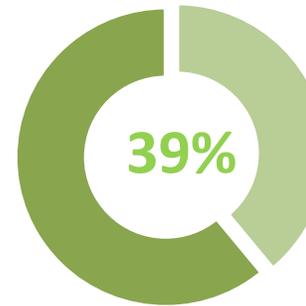
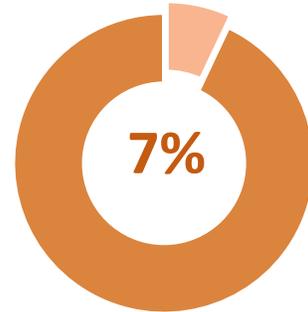
Soft Drinks



REVENUE

11.6 bn TL
up 5.1%

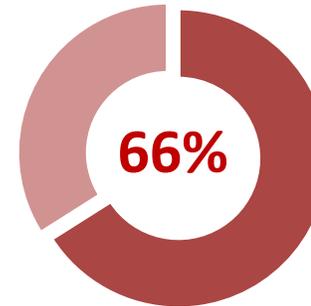
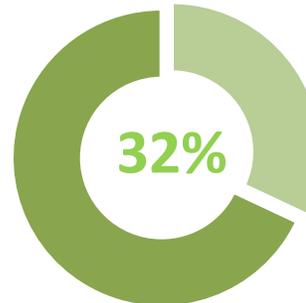
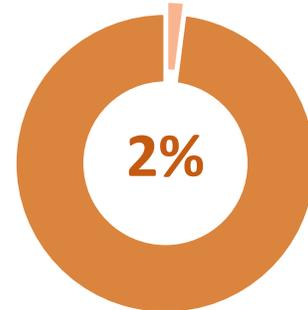
Breakdown



EBITDA (BNRI)

1.8 bn TL
up 1.4%
margin -56 bps

Breakdown



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BEER OPERATIONS



Beer Group Strategic Priorities



PEOPLE

Nurturing our talents by establishing required tools & systems and providing great place to work

BRANDS

Providing choice, great taste, quality and innovation

OPERATIONAL EXCELLENCE

Building competitive advantage through lean and efficient process and organization

FINANCIAL DISCIPLINE & VALUE CREATION

Achieve profitable growth and maximize free cash flow to generate above average return on our investments

CUSTOMERS & CONSUMERS

Enhancing Customer Dealer engagement through better collaboration and innovative solutions

STAKEHOLDERS

Building relationships and credibility with stakeholders

EXPANSION & GROWTH

Expanding our business through enhancing brand portfolio, utilizing new channels and geographical expansion

Beer Operations At a Glance



Since **1969**



World's
10th* largest player



Europe's
5th* largest player



6 operating
countries



21 breweries



Leader**
in all countries



+8,800 employees



100+ brands



70+
export countries



Strong Positions in all Operating Geography



Turkey:

- ✓ Leading brewer
- ✓ Per capita consumption of 11 liters¹



Russia:

- ✓ World's 6th largest beer market
- ✓ Per capita consumption of 53 liters¹
- ✓ #1 player



Ukraine:

- ✓ Beer market size of 18.1 mhl¹
- ✓ Per capita consumption of 41 liters¹
- ✓ #1 player



Kazakhstan:

- ✓ Beer market size of 5.9 mhl¹
- ✓ Per capita consumption of 32 liters¹
- ✓ #1 player



Moldova:

- ✓ Beer market size of 1.1 mhl¹
- ✓ Per capita consumption of 30 liters¹
- ✓ #1 player



Georgia:

- ✓ Beer market size of 1.2 mhl¹
- ✓ Per capita consumption of 31 liters¹
- ✓ #1 player



Catalysts & Challenges



Low per capita consumption



Developing economies



Young populations



Westernization/Urbanization



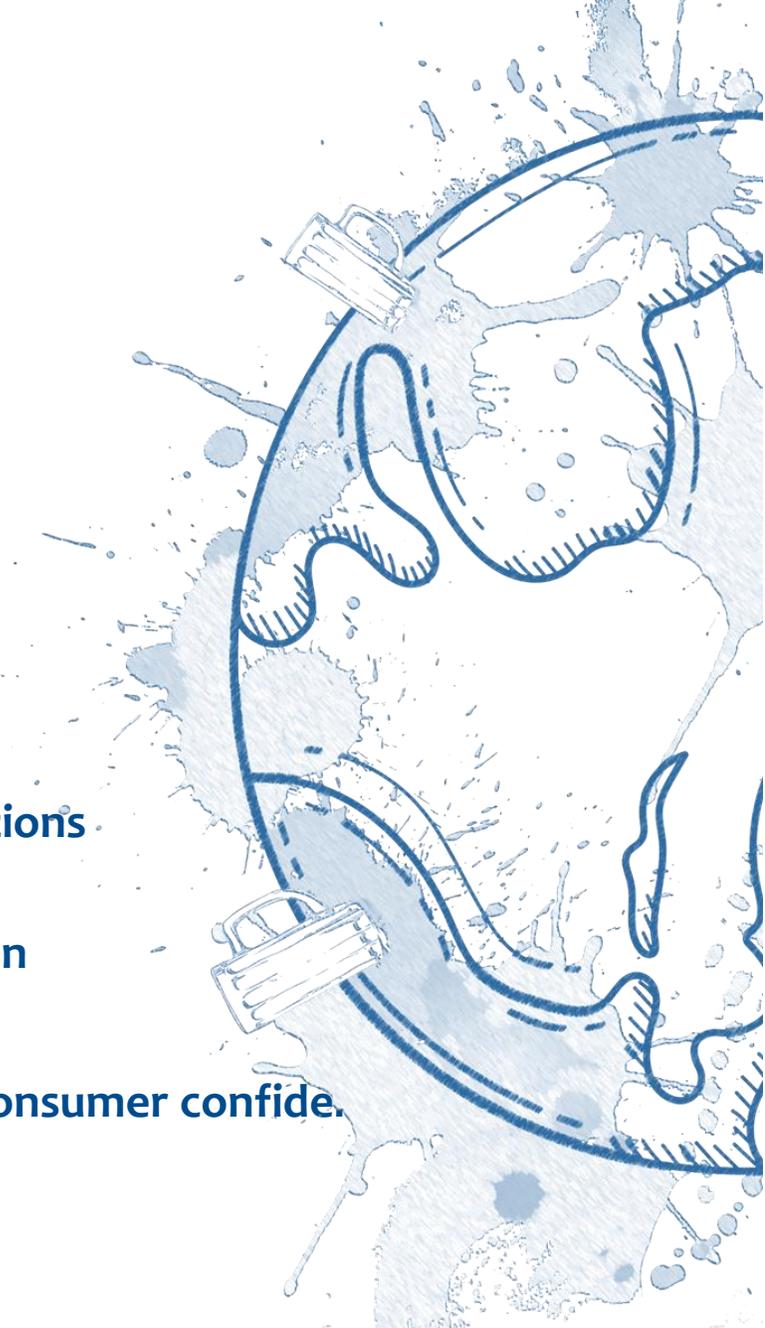
Regulations



Taxation



Poor consumer confidence



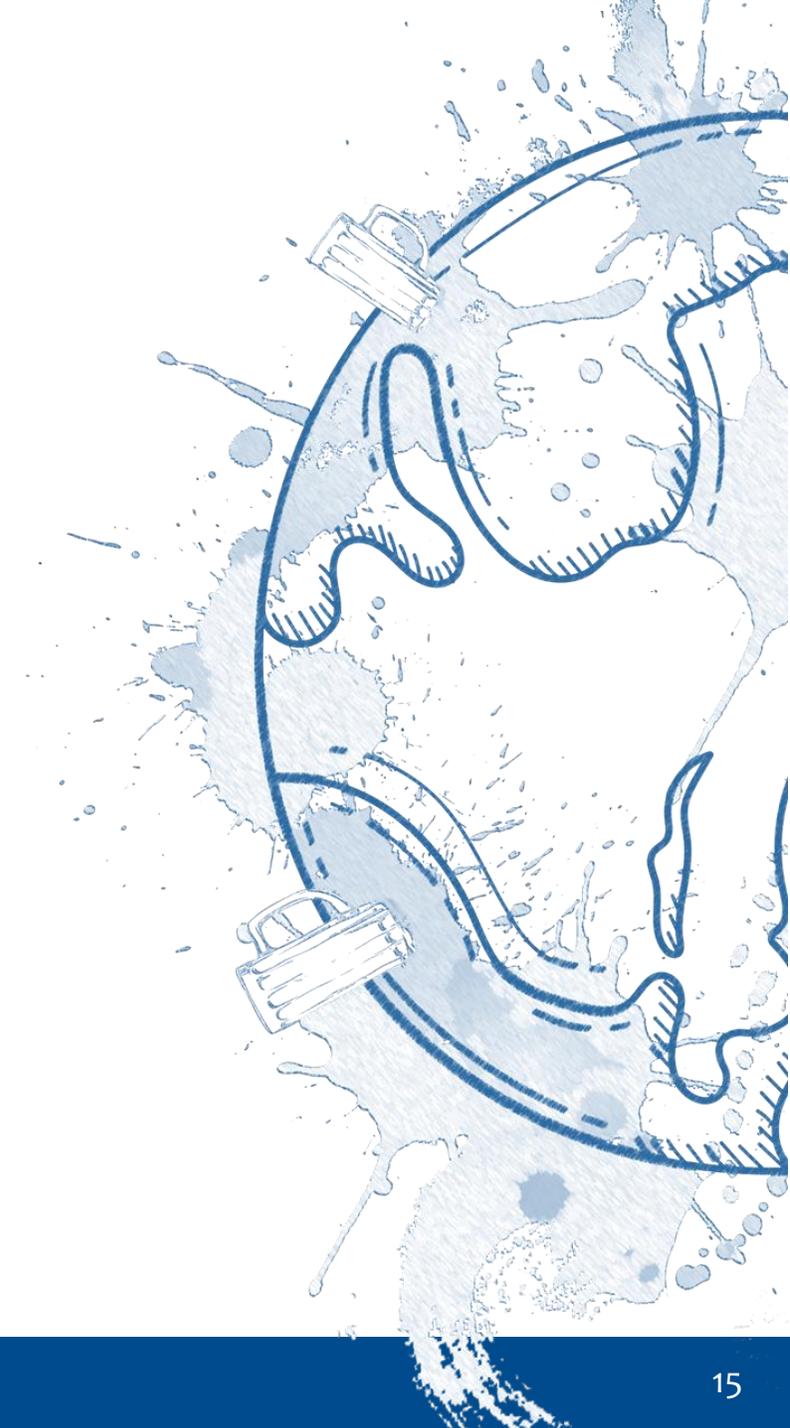
Russian Beer Operations

- ✓ World's 6th largest beer market* with **77 mhl** market size
- ✓ **Per capita consumption of 53 liters***
- ✓ 29.8 brewing capacity with CUR ~70%
- ✓ **ABInBev / EFES** is the market leader with **~28% market share**
- ✓ Increasing share in 1H & clear market leader in Super Premium & Premium segments with upside potential in the rest
- ✓ Successful integration & focus on net revenue growth
- ✓ Focus on premium brands while keeping pricing strategy for all segments
- ✓ Strong portfolio of growing brands in all price segments, that allows us to meet consumer needs in different channels and occasions

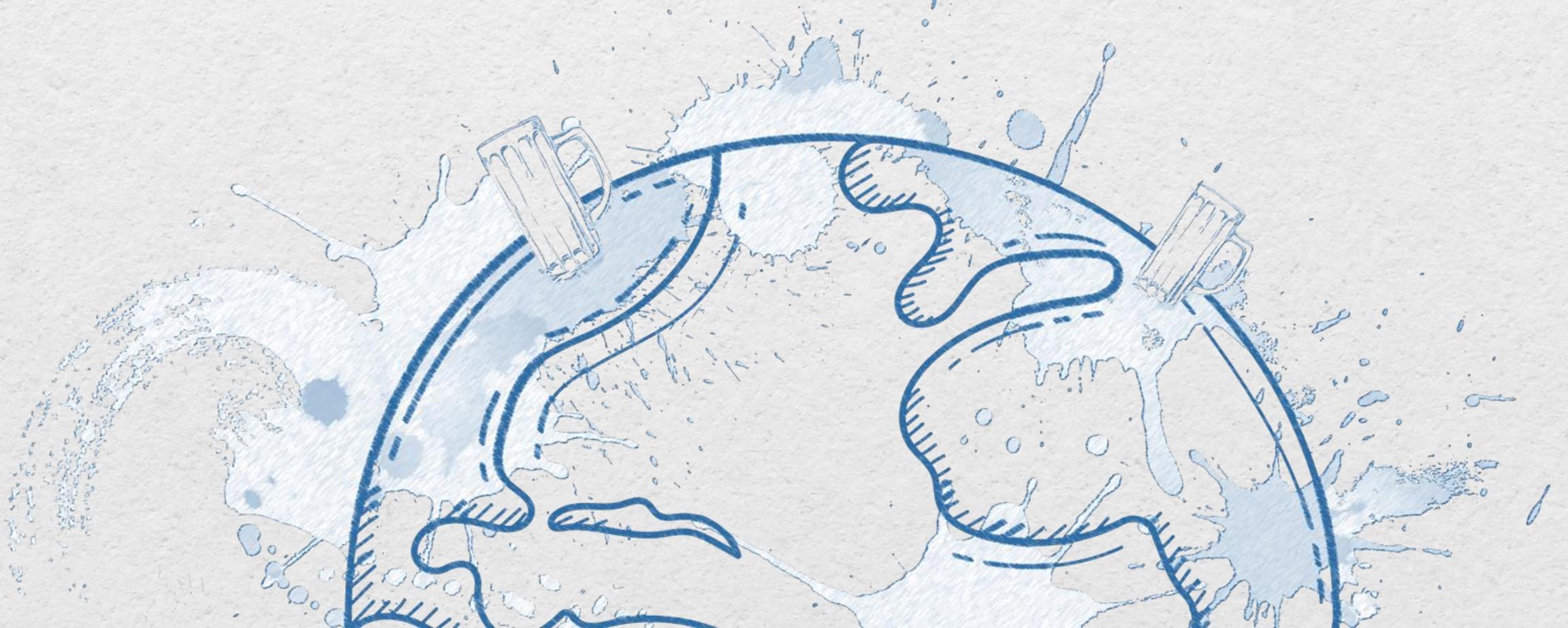


Turkey Beer Operations

- ✓ Low **per capita consumption of 11 liters*** offering a growth potential
- ✓ Growing population with **1.4% annual growth rate in 2019**
- ✓ **Leading brewer with 57% market share **** in the market
- ✓ 3 Breweries with **7.0 mhl capacity**
- ✓ 2 Malteries & 1 Hops Processing Facility enabling vertical integration for key raw materials
- ✓ 100% brand awareness for “Efes Pilsen”
- ✓ Rich portfolio of local, imported & licensed brands covering all segments
- ✓ #1 in consumer spending in Food & Beverage category
- ✓ 99% penetration in alcohol selling stores in Turkey***



SOFT DRINK OPERATIONS



Strategic priorities in core business to create value

Accelerate Growth



- Full-beverage portfolio
- Revenue Growth Management (RGM)
- Expand Sparkling & Stills
- Increase frequency
- Regional strategies

Win at the Point of Sale



- Increase outlet coverage
- Increase cooler penetration
- Right Execution Daily
- E-commerce
- Future-proof RTM

Exercise Financial Discipline



- Productivity savings
- Working capital improvements
- Healthy FCF
- Optimum leverage
- Effective FX management

Win with People



- Integrated Talent Strategy
- Leadership Development
- High Performing Team
- Transformation to “OnePeople”

ONE CCI

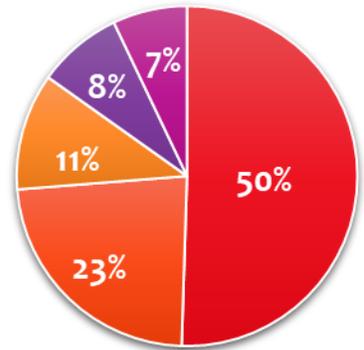


A multinational beverage company – Coca-Cola Icecek

- 10 countries, ~400 mn people
- 26 production plants with 126 lines
- 1.5 bn UC(1) annual production capacity
- ~780 thousand sales points
- 1.3 bn UC sales volume
- \$ 2.2 bn revenue & \$ 403 mn EBITDA

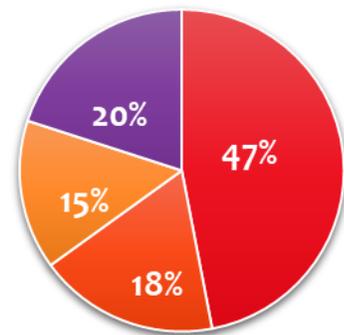


Volume Breakdown



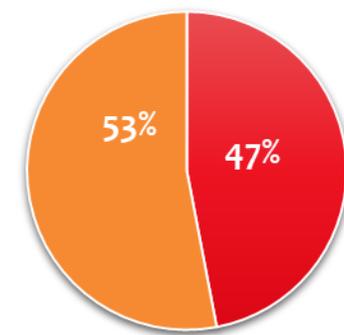
■ Turkey #1 ■ Pakistan #2 ■ Kazakhstan #1
 ■ Iraq #2 ■ Others

Revenue Breakdown



■ Turkey ■ Pakistan
 ■ Kazakhstan ■ Others

EBITDA Breakdown



■ Turkey ■ International

Sparkling Market Position

Figures reflect FY 2019 numbers unless otherwise stated
 (1) Unit case, 1 UC equals 5,678 liters

Successful track record of growth, with the right focus and excellence in execution



VOLUME



11%

CAGR 2005-2019

REVENUE



18%

CAGR 2005-2019

EBITDA



19%

CAGR 2005-2019

Single country in
2005...

Expanding into Central Asia and North
Iraq in 2006-2007...

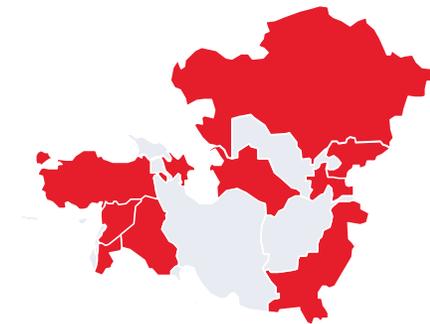
JV in Pakistan in
2008...

South Iraq in
2012...

A regional bottler today...



318 mn UC



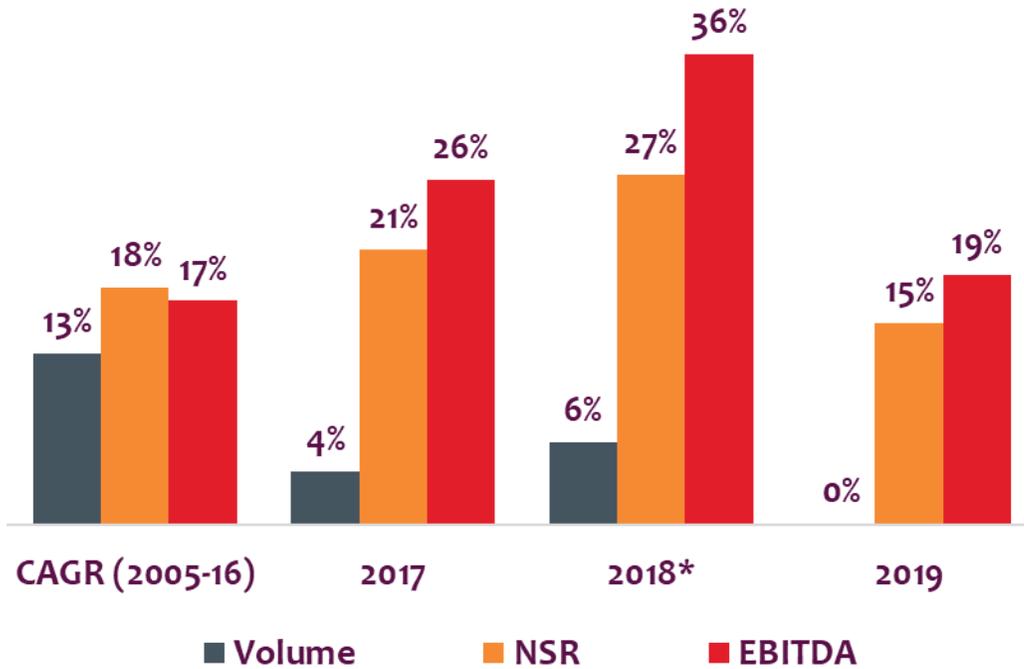
1,316 mn UC

Rising performance...



Maintaining Quality Growth

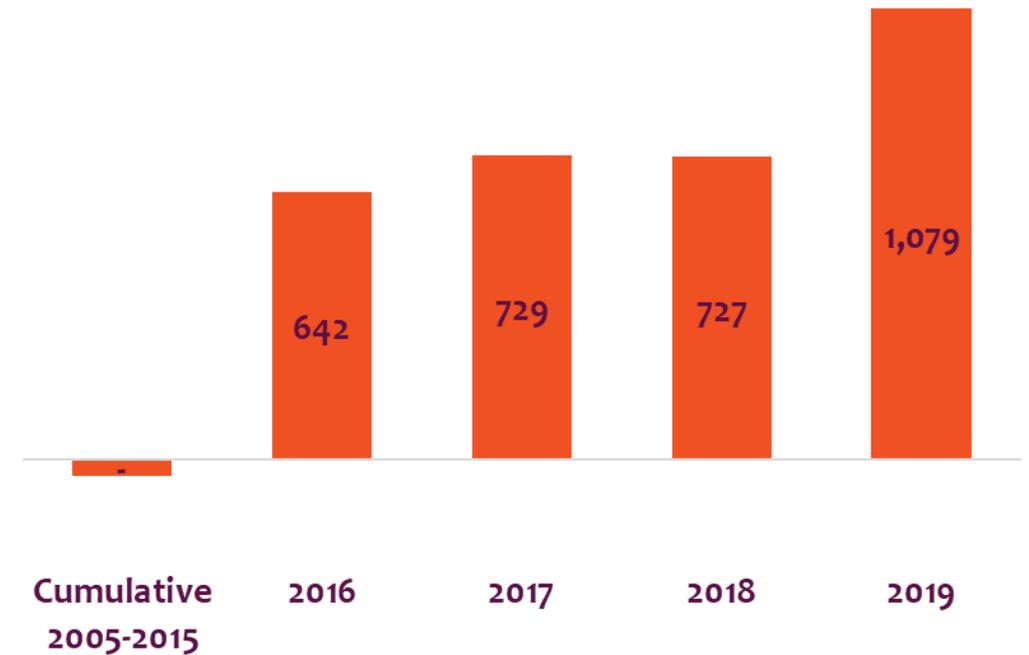
Growth



2019: Continuation of quality growth algorithm

Solid Free Cash Flow

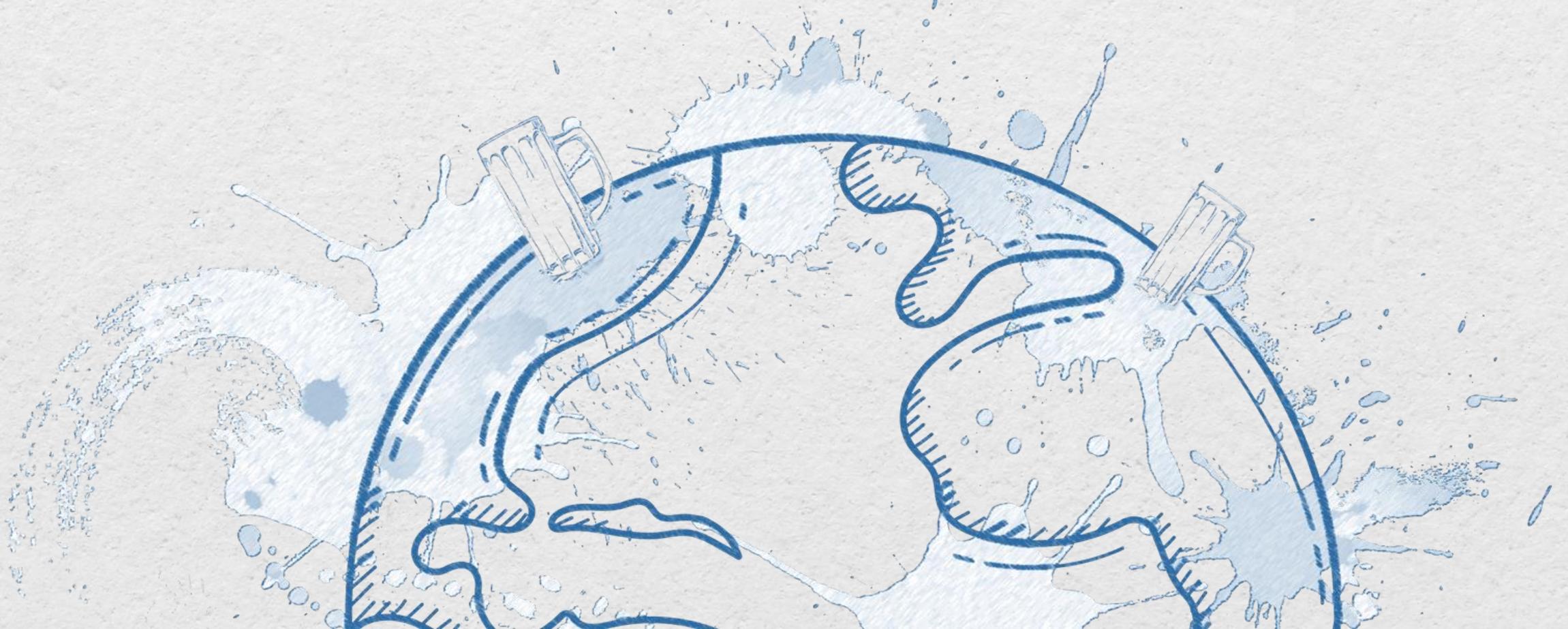
TL million



2019: Highest free cash flow

*Includes TFRS 15 adjustments

FINANCIAL OVERVIEW



Balance Sheet & Risk Management

Beer G Net Debt / EBITDA @ **1.2x** (1H2019: 1.4x)
AEFES Net Debt / EBITDA @ **1.1x** (1H2019: 1.5x)



Maintained **dual investment grade ratings** from Fitch and S&P

No long term refinancing needs in 2020



Currency **92% Hedged** (2020)
Aluminium **92% Hedged** (2020)

~60% of cash held in hard currency



Started long term **commodity hedges**

Current cash balances cover short term financial debt obligations due in next **12 months**



Kicked off **post COVID financial strategies**

A rollercoaster first half...

VOLUME

NET REVENUE

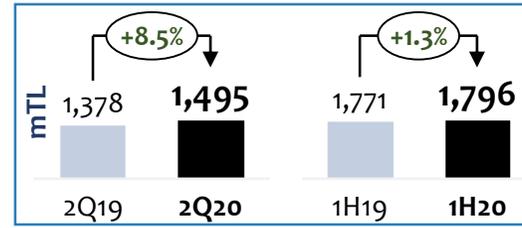
EBITDA BNRI

EBITDA BNRI %

ANADOLU
EFES

2Q	1H
29.1 mhl	49.6 mhl
-11.6% vs. PY	-5.8% vs. PY

2Q	1H
7,070 mTL	11,584 mTL
-0.6% vs. PY	+5.1% vs. PY

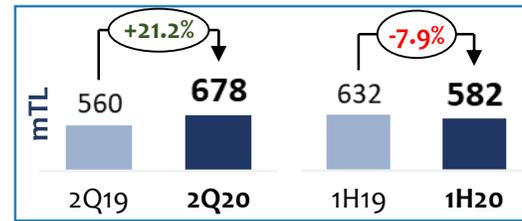


2Q	1H
21.1%	15.5%
+1.8pp vs. PY	-0.6pp vs. PY

BEER
GROUP

2Q	1H
10.5 mhl	17.4 mhl
-2.6% vs. PY	-0.2% vs. PY

2Q	1H
3,458 mTL	5,350 mTL
+5.5% vs. PY	+6.6% vs. PY

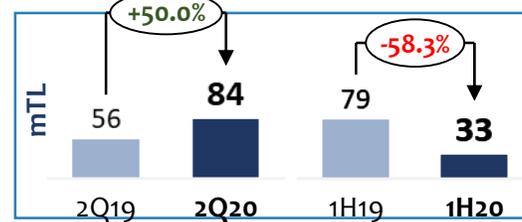


2Q	1H
19.6%	10.9%
+2.5pp vs. PY	-1.7pp vs. PY

TURKEY
BEER

2Q	1H
1.1 mhl	1.9 mhl
-19.8% vs. PY	-20.5% vs. PY

2Q	1H
535 mTL	847 mTL
-1.9% vs. PY	-7.9% vs. PY

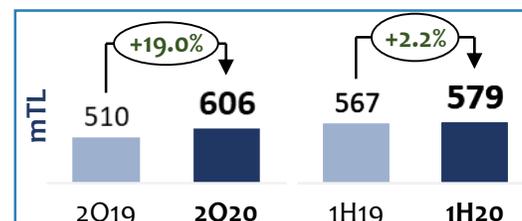


2Q	1H
15.6%	3.9%
+5.4pp vs. PY	-4.7pp vs. PY

EBI

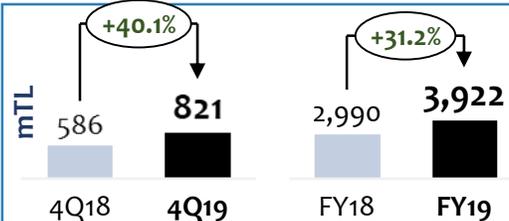
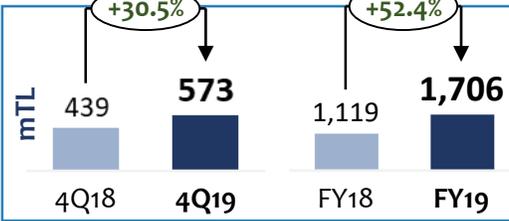
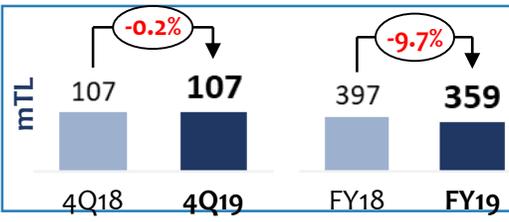
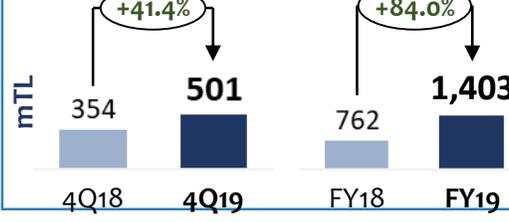
2Q	1H
9.3 mhl	15.5 mhl
+0.0% vs. PY	+3.0% vs. PY

2Q	1H
2,911 mTL	4,482 mTL
+7.1% vs. PY	+10.0% vs. PY



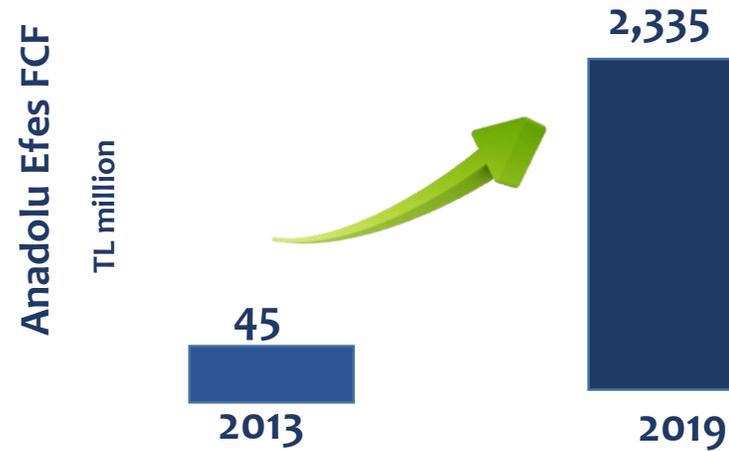
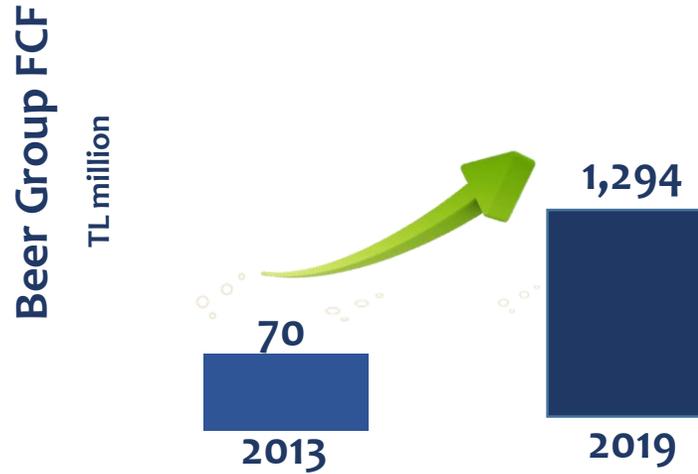
2Q	1H
20.8%	12.9%
+2.1pp vs. PY	-1.0pp vs. PY

FY19: EBITDA margin expanded & recorded highest FCF

	 VOLUME	 NET REVENUE	 EBITDA BNRI	EBITDA BNRI %												
ANADOLU EFES	<table border="1"> <thead> <tr> <th>4Q</th> <th>FY</th> </tr> </thead> <tbody> <tr> <td>21.7 mhl <small>+2.4% vs. PY</small></td> <td>110.9mhl <small>+1.9% vs. PY</small></td> </tr> </tbody> </table>	4Q	FY	21.7 mhl <small>+2.4% vs. PY</small>	110.9mhl <small>+1.9% vs. PY</small>	<table border="1"> <thead> <tr> <th>4Q</th> <th>FY</th> </tr> </thead> <tbody> <tr> <td>5,082 mTL <small>+17.5% vs. PY</small></td> <td>23,314 mTL <small>+21.7% vs. PY</small></td> </tr> </tbody> </table>	4Q	FY	5,082 mTL <small>+17.5% vs. PY</small>	23,314 mTL <small>+21.7% vs. PY</small>		<table border="1"> <thead> <tr> <th>4Q</th> <th>FY</th> </tr> </thead> <tbody> <tr> <td>16.2% <small>+2.6pp vs. PY</small></td> <td>16.8% <small>+1.2pp vs. PY</small></td> </tr> </tbody> </table>	4Q	FY	16.2% <small>+2.6pp vs. PY</small>	16.8% <small>+1.2pp vs. PY</small>
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*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 9 months of operation of combined business. In addition to actual results, 2018 figures also include the incremental depreciation charge in 2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

Solid Cash Flow Generation



Adapting to new normal...

Initial Measures

- Ensure health & safety
- Remote working & hygiene rules
- Suspension of all discretionary OPEX & CAPEX

Crisis Management

- Scenario planning
- Revised demand & production planning
- Alternative order taking for Sales Team
- Coverage plan for raw materials
- Increased visibility in market place

Post Crisis Recovery & Adaptation

- Leverage learnings to adapt to new normal
- Reassess brand & SKU strategy
- Reconfigure procurement & supply chain
- Zero based OPEX & Capex spend
- Capitalize on low commodity prices
- Leverage healthy Balance Sheet
- Review capital allocation to maximize recovery

2020 Beer Group Outlook

- Strong second quarter results better than our initial outlook at the beginning of the crisis

Mid-single digit decline

Volumes



Less contraction vs. 1H

EBITDA Margin



Not exceed 2019

Capex / Net Sales



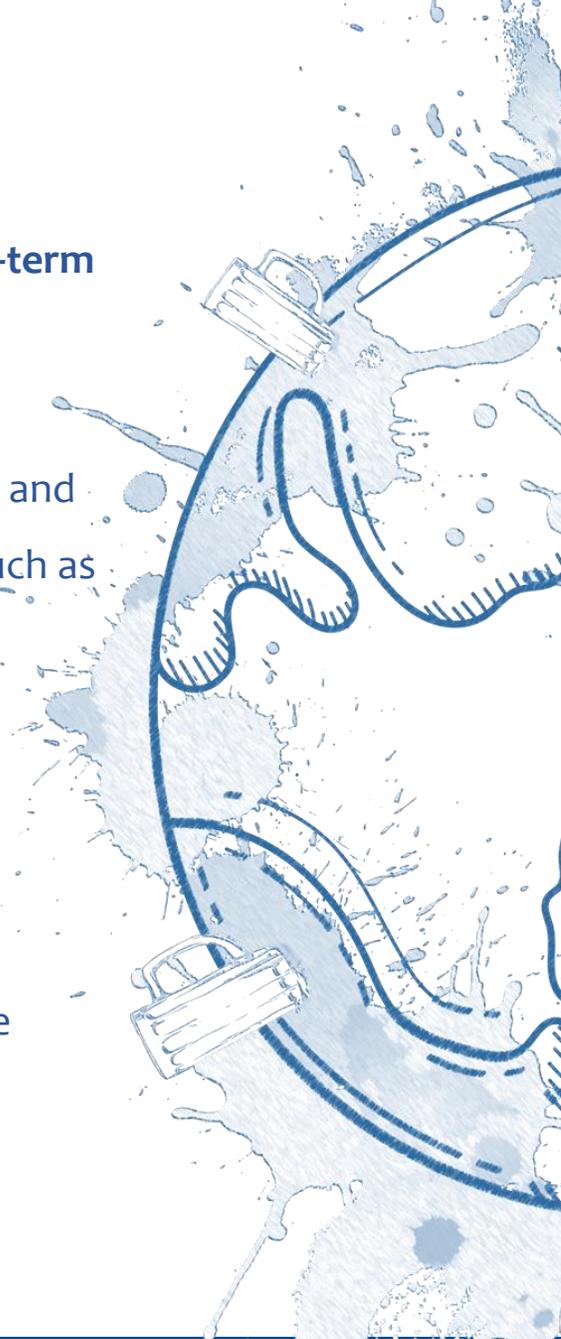
Positive Free Cash Flow

Free Cash Flow



ESG - Highlights of 2019

- ✓ Joined the Business Plastic Initiative
- ✓ Focused on creating added value for our employees, society, the environment, and the value chain in accordance with the **Positive Impact Plan**
- ✓ Achieved **energy savings** of 37,126 MWh, prevented the emission of 613 tons of CO₂
- ✓ Reduced carbon emissions per cooler by 66% compared to 2011 level
- ✓ **Water saving** of 220,000 m³ water and \$160,000
- ✓ Enriching the community as the key to **long-term success**
- ✓ Continued to support sports, culture & arts and entrepreneurs through various platforms such as Accelerate 2030 and ITU Cekirdek
- ✓ Received the Platinum Award for the **“Accelerate 2030”** program
- ✓ Published the Gender Equality Guide to raise awareness on female participation in the workforce and gender equality



THANK YOU

