



# EFES

**ANADOLU EFES**

**1H2021**

**CONFERENCE CALL  
PRESENTATION**

*13.08.2021*



# Forward-Looking Statements

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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.





**GENERAL OVERVIEW  
&  
OPERATING ENVIRONMENT**

**Can aka**  
CEO & Beer Group President



# **+1** Volume momentum in 2Q yielded better than expected results...



Volumes exceeded **pre-pandemic levels** in 1H



**Robust revenue performance** assisted by revenue management initiatives & discount management



**Increased OPEX** in line with plans



Strong **Free Cash Flow** generation leading to healthy balance sheet



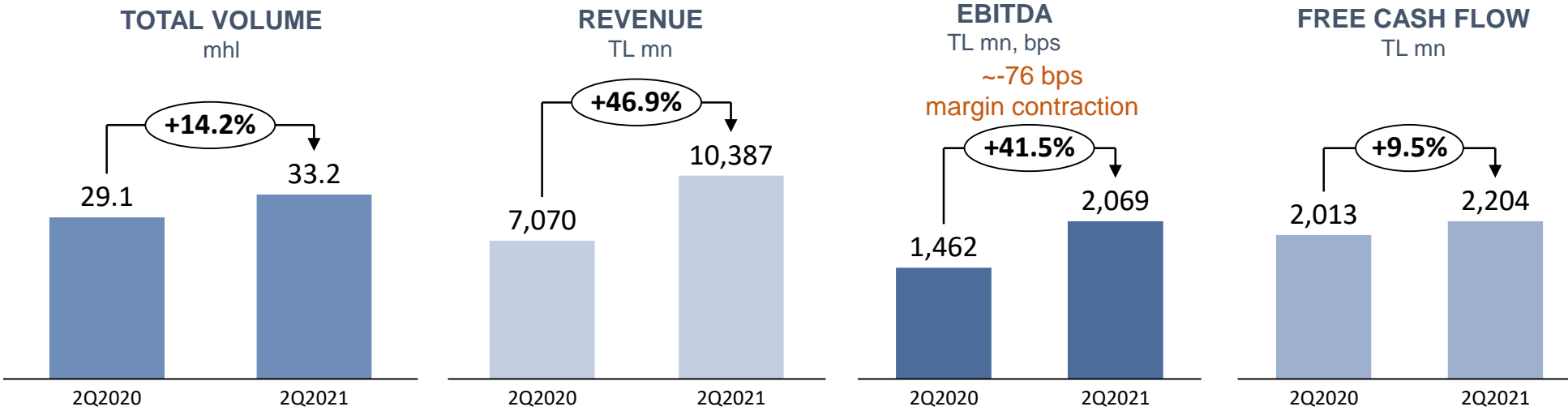
**USD 500 million with 7-year maturity Eurobonds**  
**USD 319.6 million tender offer settled**



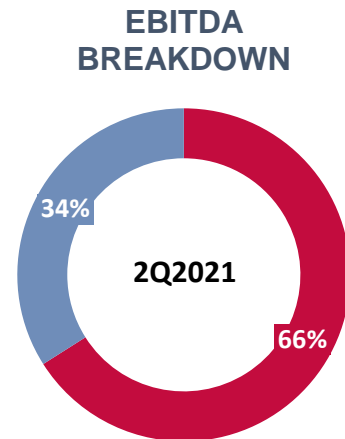
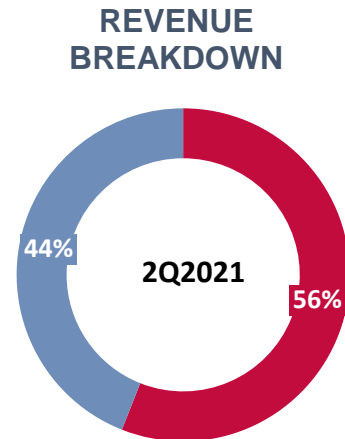
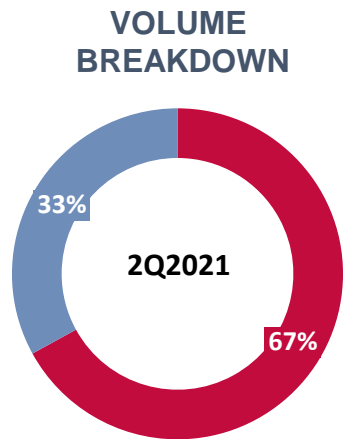
**Sustainability** roadmap and commitments set for a sustainable future



# ...supported by both businesses...



~76 bps margin contraction

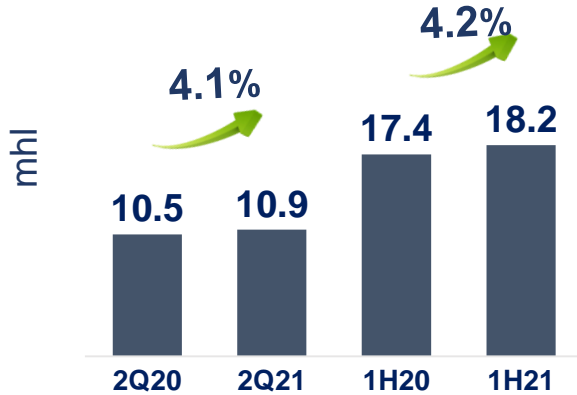


Soft drinks Beer

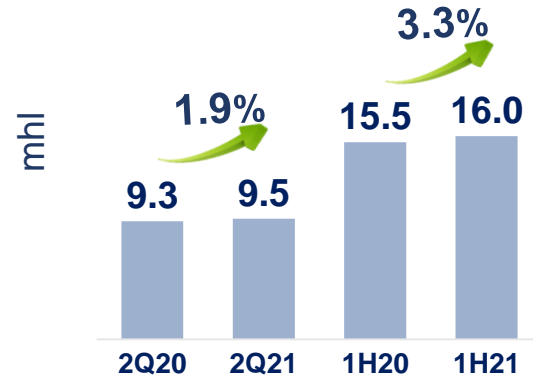


# ...with double digit growth rates in Turkey and CIS...

## BEER GROUP SALES VOLUME



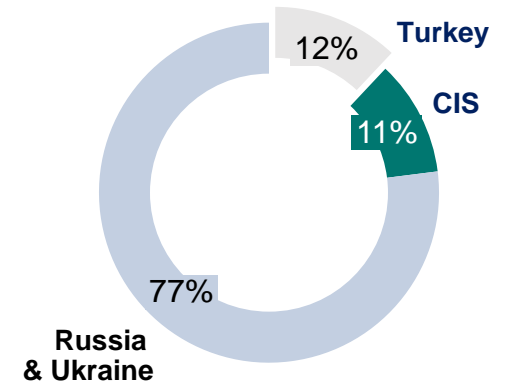
## INTERNATIONAL BEER SALES VOLUME



## TURKEY BEER SALES VOLUME



## VOLUME BREAKDOWN\*



### Russia & Ukraine

- **Russia** volumes continued growing momentum;
  - despite the tightened restrictions
  - solid growth in core & premium segments
- **Ukraine** volumes down;
  - continued impact of price increase in line with volume & value balance strategy

### CIS Countries

- **CIS countries** contributed strongly;
  - Double-digits growth in Georgia and Moldova
  - High-single digit growth in Kazakhstan
  - Improving consumer engagement and investing on brand equities

### Turkey

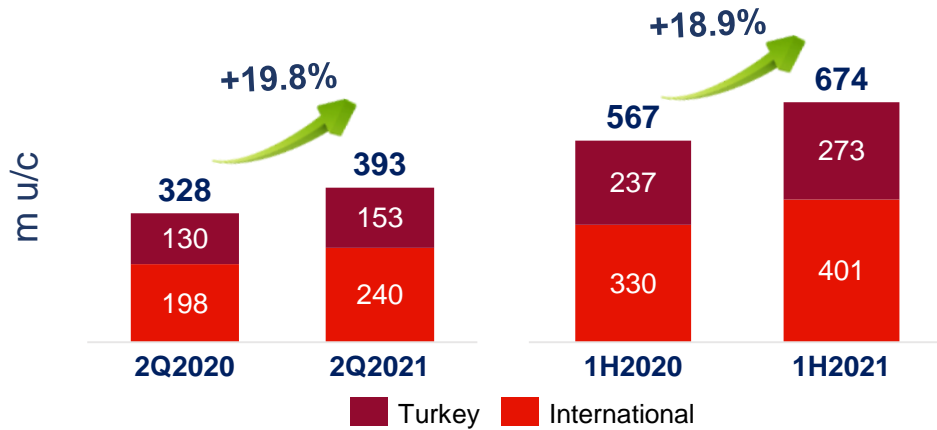
- **Turkey** volumes increased by 22.0% year-on-year
  - despite the strict restrictions & curfews during April-May period
- Outperformed our expectations;
  - Benefitted from the low-base of last year
  - Growth in traditional trade channel

\*On a combined basis as of 1H2021

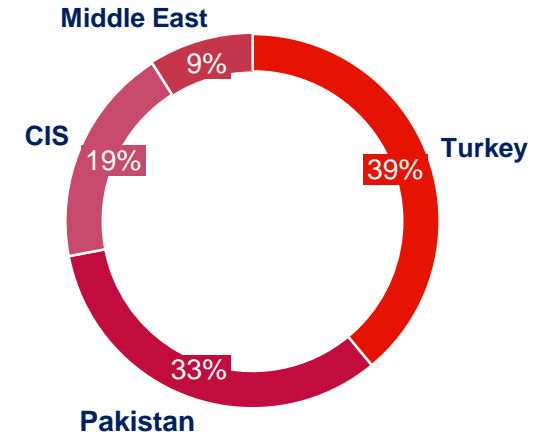


# ...and continued robust performance in soft drinks...

## SOFT DRINKS SALES VOLUME



## VOLUME BREAKDOWN\*



### Turkey Operations

- Turkey volume growth of 18.0%;
  - Focus on core brands, consumer communications, effective promo management
- Sparkling grew 12.6%
  - Coca-Cola™ grew by 18.1%
  - Immediate consumption packages share of 25%

### International Operations

- International operations volume growth of 20.9%
- Strong contribution of all countries
- Pakistan volume up by 20.1%
  - Increased outlet reach, efficient execution & consumer campaigns
- CIS volumes up 26.9%, Middle East volumes up 11.8%

\*2Q2021, on combined basis



# ...yielding y-o-y better net income and FCF

## NET REVENUE

<b>2Q</b> +46.9%	<b>1H</b> +42.8%
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## EBITDA BNRI

<b>2Q</b> +41.5%	<b>1H</b> +55.0%
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## EBITDA BNRI%

<b>2Q</b> 19.9% (-76 bps)	<b>1H</b> 16.8% (+132 bps)
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## NET INCOME

<b>2Q</b> TL415 mn	<b>1H</b> TL710 mn
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## FREE CASH FLOW

<b>2Q</b> TL2,204 mn (+TL 191 mn)	<b>1H</b> TL1,953 mn (+TL 962 mn)
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## REVENUE

- Solid volume performance
- Price increases & premiumization & tight discount management
- SKU prioritization especially in soft drink operations

## EBITDA MARGIN

- Calendarization of some expenses to 2Q
- Higher marketing spending in line with plans
- Controlled spending & savings in soft drinks

## NET INCOME

- Year-on-year improved operational profitability
- Higher FX-gains recorded in CCI

## FREE CASH FLOW

- Strong FCF with the contribution of both beer and soft drink operations
  - Better operational profitability and improved working capital
  - Contributed by the very limited increase in capex margin
- Consolidated Net Debt to EBITDA (BNRI) → 0.9x



# FINANCIAL OVERVIEW

Gökçe Yanaşmayan  
Chief Financial Officer





# Solid financial results with strong FCF from both operations...

## VOLUME

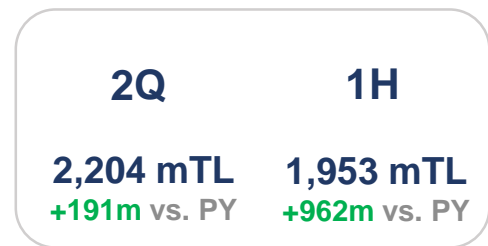
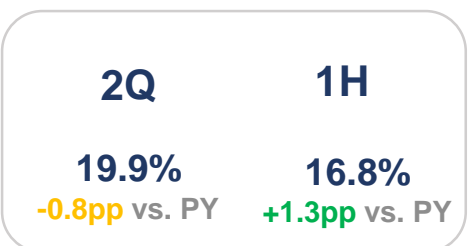
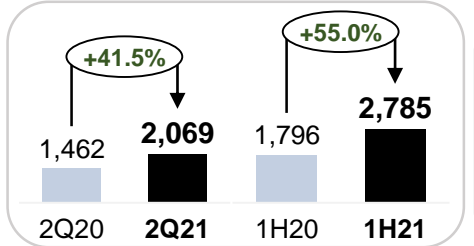
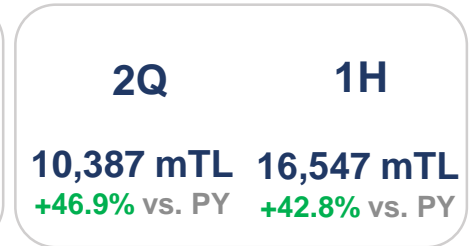
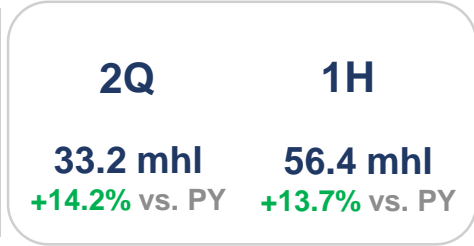
## NET REVENUE

## EBITDA BNRI

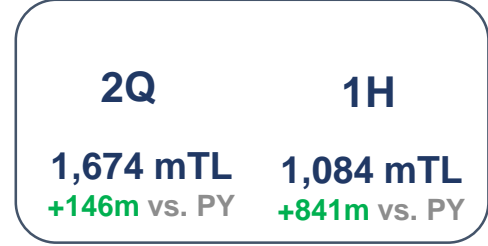
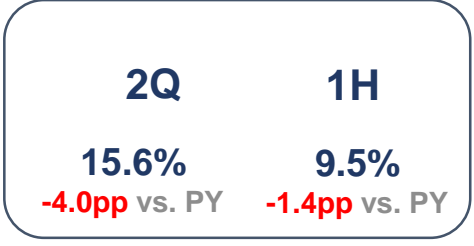
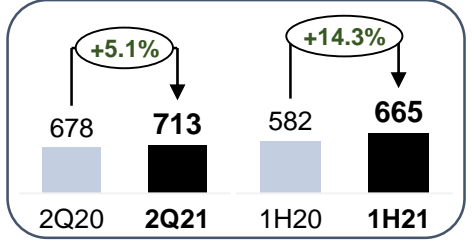
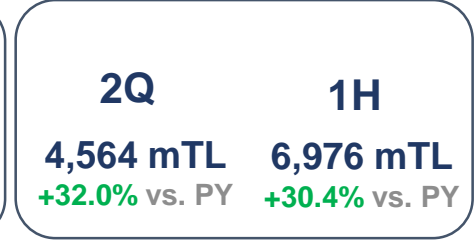
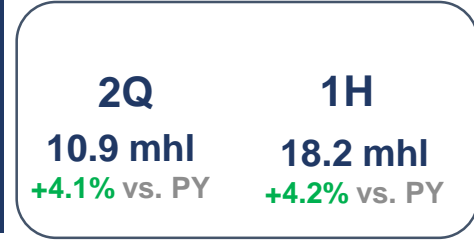
## EBITDA BNRI%

## FREE CASH FLOW

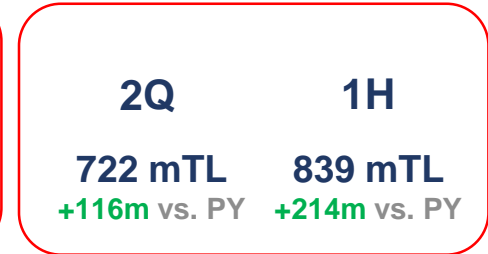
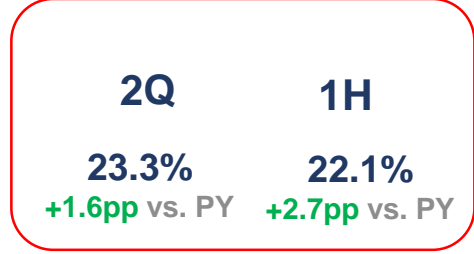
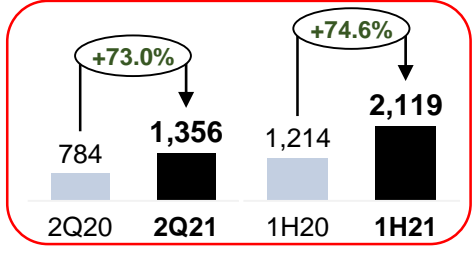
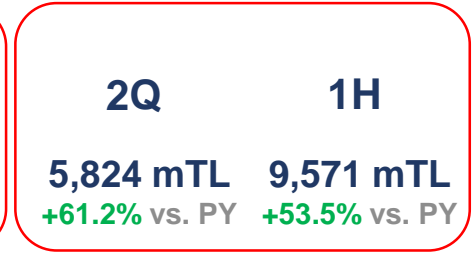
ANADOLU  
EFES



BEER  
GROUP



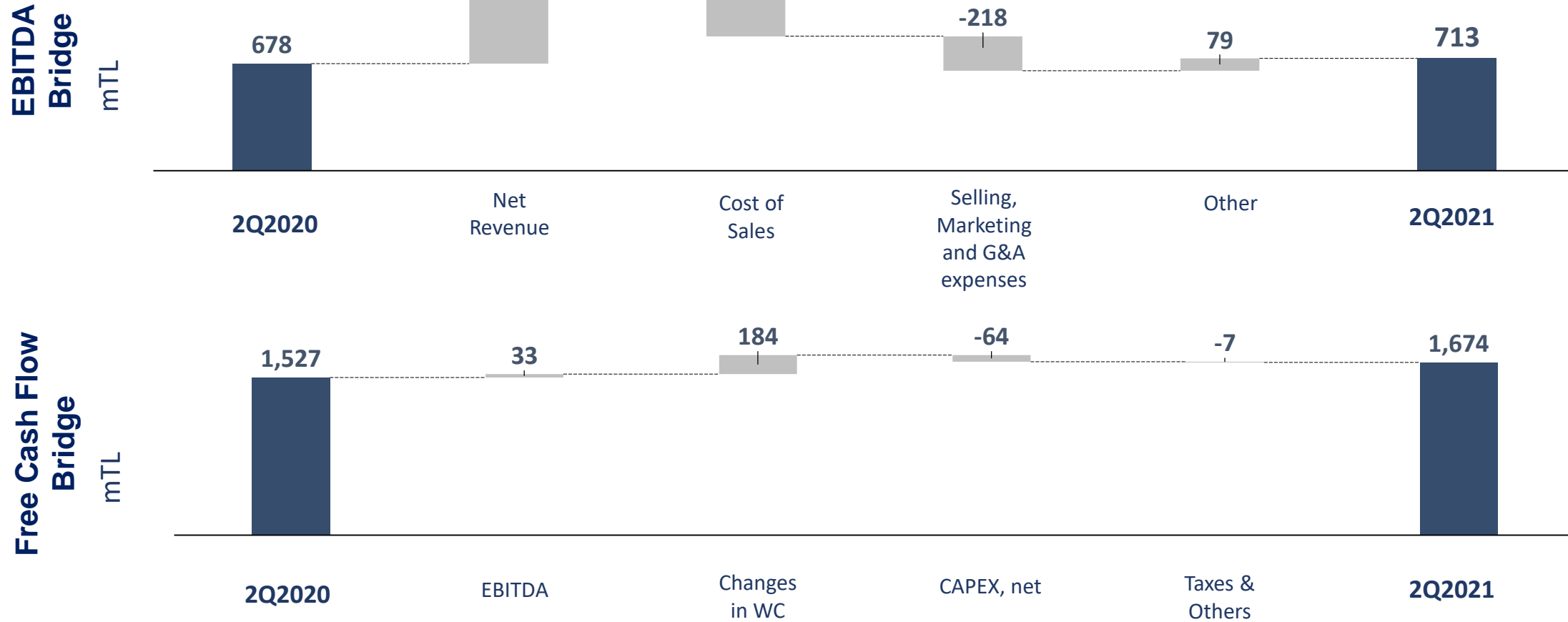
SOFT DRINKS  
GROUP





# ...with improvement in operational profitability and working capital...

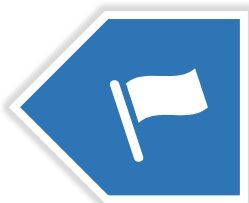
## Beer Group







# ... by sticking to disciplined financial policy



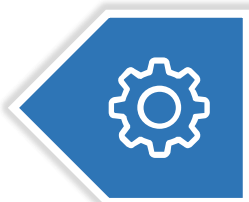
## Record-low Core Working Capital

- Expected to be normalized in 2H



## Investment grade rating maintained

- After latest review of Fitch



## Extended Debt Maturity

- 500 m\$ Eurobond issuance with 7Y tenor
- 320 m\$ tender offer



~75%\* of cash held in hard currency in Beer G  
No hard currency debt other than Eurobond



## Effective risk management in place

- Cash Designation
- Commodity Hedges
- Net Investment Hedge





# OUTLOOK & SUSTAINABILITY

Can aka

CEO & Beer Group President

EFES



# **+1** Topline guidance upgraded with better than expected 1H...

## **VOLUME**

*continuing impact of pandemic*

**Consolidated:**  
Mid-single digit  
*(Previously: Low-to-mid-single digit growth)*

**Beer Group:**  
Low-single digit growth

**Soft Drinks:**  
High single digit growth  
*(Previously: Range of 4% to 6% growth)*

## **SALES REVENUE**

*FX-Neutral basis*

**Consolidated:**  
High-Teens growth  
*(Previously: Mid-teens growth)*

**Beer Group:**  
Low-teens growth

**Soft Drinks:**  
Low-to-mid twenties growth  
*(Previously: High-teens growth)*

## **EBITDA MARGIN**

**Consolidated:**  
Slight decline

**Beer Group:**  
Ca. 200 bps decline

**Soft Drinks:**  
Flattish

## **CAPEX & FREE CASH FLOW**

Normalized **CAPEX** to Sales ratio of high single digits

Continue to deliver strong **Free Cash Flow**



# +1 Our Commitments – Road to 2030



We love the Earth. We're aiming zero environmental impact considering our carbon emissions and waste.

- ❑ Become **carbon neutral** in all our operations by 2030.
- ❑ Become a certified **zero-waste** beer producer in all our operations by 2030.
- ❑ Continue to reduce plastic usage.



We will increase our social impact through mid and long term community investment projects in cooperation with credible NGOs.

- ❑ Our focus areas: Culture & art, local development and women empowerment, basketball, sustainable agriculture & farmer empowerment, start up ecosystem & young entrepreneurs



We believe in diversity & equality through awareness and our inclusive culture. We value all our employees equally and provide equal opportunities to all.

- ❑ Increase the representations of women in our organization **from 30% to 51%** by 2030.
- ❑ Become certified in **gender equality** in all our operations by 2023.
- ❑ Implement gender equality programs to meet specific standards and ensure certification for gender equality.





# CLOSING REMARKS

Can aka

CEO & Beer Group President





**Q&A  
SESSION**

**Can aka**  
CEO & Beer Group President

**Göke Yanařmayan**  
Chief Financial Officer



# **+1** FX Rates

		1H2020	1H2021	Δ%
USD/TL	AVG	6.47	7.88	21.7%
	PE	6.84	8.68	26.9%
EUR/TL	AVG	7.13	9.49	33.1%
	PE	7.71	10.32	33.9%
TL/RUB	AVG	10.72	9.43	-12.0%
	PE	10.22	8.34	-18.4%
TL/KZT	AVG	62.50	53.86	-13.8%
	PE	59.02	49.28	-16.5%
TL/UAH	AVG	4.01	3.53	-12.1%
	PE	3.90	3.13	-19.7%
TL/MDL	AVG	2.73	2.24	-17.9%
	PE	2.52	2.07	-17.8%
TL/GEL	AVG	0.47	0.42	-10.0%
	PE	0.45	0.36	-18.5%