



ANADOLU EFES

1H2022

CONFERENCE CALL PRESENTATION

11.08.2022

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.



GENERAL OVERVIEW & OPERATING ENVIRONMENT

Can aka
CEO & Beer Group President

Strong momentum maintained in 2Q...

Sound volume growth surpassing pre-Covid levels with on-trade recovery and continued consumer demand

Strong revenue performance supported by price adjustments and RGM initiatives

Robust EBITDA margin expansion in beer group with tight cost and expense management and risk-mitigation mechanisms



Well-managed commodity and currency exposure through **effective hedging**

Superior management of payables with savings in capex spending leading **record-high FCF**

Cautiously optimistic for FY2022 with **improvement in beer group guidance**

...with results beating expectations...



Consolidated Volume

2Q

+13% reported
+6% organic

1H

+13% reported
+7% organic

Beer Operations

2Q

-12%

Flat excl.
Ukraine

1H

-5%

+6% excl.
Ukraine

International

2Q

-16%

-1.6% excl.
Ukraine

1H

-8%

+5% excl.
Ukraine

Türkiye

2Q

+11%

1H

+13%

Soft Drink Operations

2Q

+25%

+15% organic

1H

+22%

+13% organic

International

2Q

+29%

+13% organic

1H

+29%

+14% organic

Türkiye

2Q

+20%

1H

+12%

Beer Group 2Q Highlights



Russia

- Market was down by low-single digits in 2Q
 - Declines in LP and SP segments
- Own volume performance in line with the market
 - High price adjustments
 - Very strong 1Q performance
- SMIB & Efes among best performing brands
- New launches – Bon Season natural apple cider, Essa Melon & Strawberry and Lowenbrau Ungefiltert (unfiltered)
- Market share gains in both volume and value terms

Ukraine

- Aiming to resume production in Chernigiv in 4Q
- Starting import business until production starts

CIS

- Volume growth of mid-single digits on average
 - **Kazakhstan** grew by low-single digit; contributed by premium growth & new launches
 - High-single digit growth in **Moldova** achieved by superior growth in non-alco & premium craft category
 - Low-teens growth in **Georgia** supported by premium segment development

Türkiye

- Volumes up by 10.8% to 1.5 mhl in 2Q
 - Recovery in on-trade sales compared to last year
 - Strong tourism season and eating-out trend
 - Superior performance by our recent introduction “Bremen 1827” in the first month of launch

Soft Drinks 2Q Highlights



- Reported volume growth of 25% in 2Q
 - 15% growth organically*
- Sparkling category growth of 25%
 - Coca-Cola™ grew by 26%
- Stills category growth of 25%
 - Strong iced tea and energy drinks performance
- Water category grew by 23%
 - Small packs focus
 - Strong mineral water performance

- Türkiye volume grew 20% in 2Q
 - High volume momentum in Ramadan period
 - Reviving tourism season
 - Increased momentum in the on-trade channel
- International volume up 29% (13% organically*) in 2Q
 - Pakistan up 18%, sustained growth momentum
 - Kazakhstan up 14%
 - Uzbekistan up 29%, continuing its integration at full speed

*Organic refers to sales volume excluding the impact of Uzbekistan in 2022

Strong Set of Results from Top to Bottom...



Anadolu Efes

NET REVENUE	EBITDA BNRI %		NET INCOME		FREE CASH FLOW		
	2Q Reported	1H Reported	2Q	1H	2Q	1H	
+136.2% CCR*	+131.5% CCR*	20.2% (+29 bps)	18.8% (+199 bps)	TL1,426 mn	TL1,294 mn	TL5,421 mn (+TL3,217 mn)	TL4,719mn (+TL 2,765 mn)
+58%	+59%						

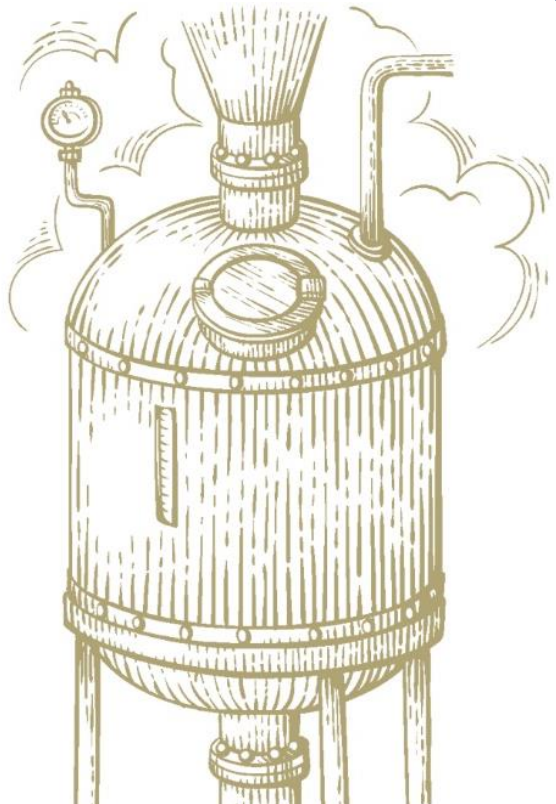
- Solid volume growth exceeding pre-Covid level
- Proactive RGM initiatives including;
 - Price adjustment
 - Favorable channel & product mix
 - Efficient discount management
- Robust margin expansion in beer group with,
 - Better operating leverage driven by strong topline growth
 - Frugal cost and expense management
 - Hedges in place
- Soft drinks margin impacted by;
 - Raw material cost pressures
 - Higher energy expenses
- Net income significantly above last year with higher operational profitability and net operating income despite;
 - Increase in net financial expenses
 - Higher effective tax rate in soft drinks
- FCF improvement in beer group;
 - Better operating profitability
 - Improvements in working capital
 - Controlled capex spending
 - Currency translation gain
- FCF in soft drinks impacted by;
 - Raw material pre-buys to mitigate supply risks & relatively higher capex
- Consolidated Net Debt to EBITDA (BNRI) → 1.1x

*CCR stands for constant currency (fx-neutral) growth





FINANCIAL OVERVIEW



Gökçe Yanařmayan
Chief Financial Officer

Financials



Anadolu Efes

mTL	2Q2022	Change	1H2022	Change
Sales Revenue	24,536	+136.2%	38,305	+131.5%
Gross Profit	8,825	+125.2%	13,611	+131.8%
EBITDA (BNRI)	4,959	+139.6%	7,209	+158.9%
Free Cash Flow	5,421	+3,217m	4,719	+2,765m
Gross Profit Margin %	36.0%	-177 bps	35.5%	+5 bps
EBITDA Margin %	20.2%	+29 bps	18.8%	+199 bps

Beer Group

mTL	2Q2022	Change	1H2022	Change
Sales Revenue	9,842	+115.6%	14,946	+114.2%
Gross Profit	4,155	+127.9%	6,100	+142.5%
EBITDA (BNRI)	1,990	+179.2%	2,442	+267.1%
Free Cash Flow	5,105	+3,431m	4,999	+3,915m
Gross Profit Margin %	42.2%	+227 bps	40.8%	+475 bps
EBITDA Margin %	20.2%	+460 bps	16.3%	+681 bps



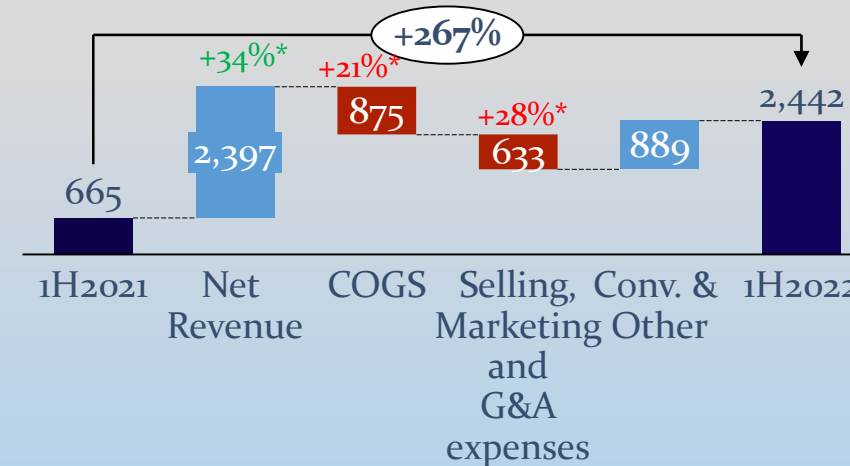
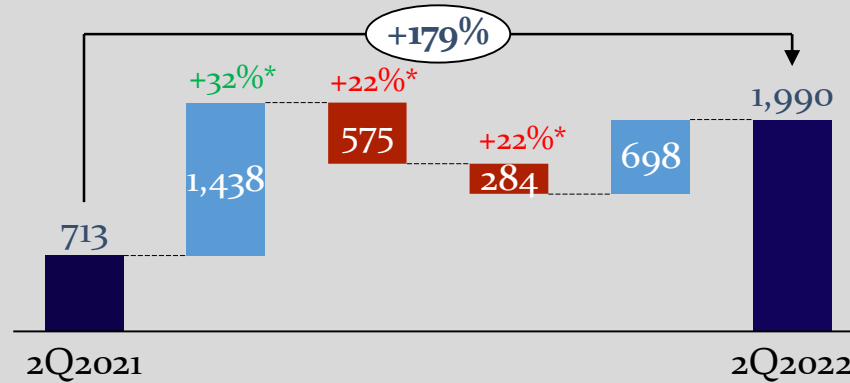
Strong Profitability & Free Cash Flow Generation

Beer Group

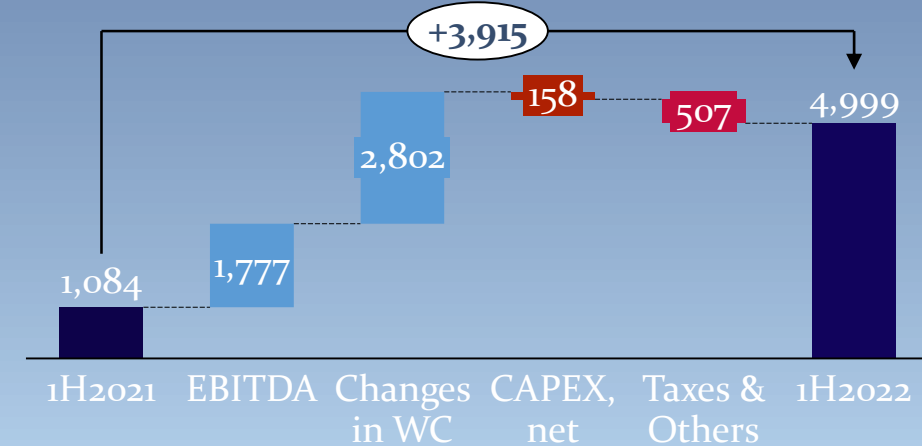
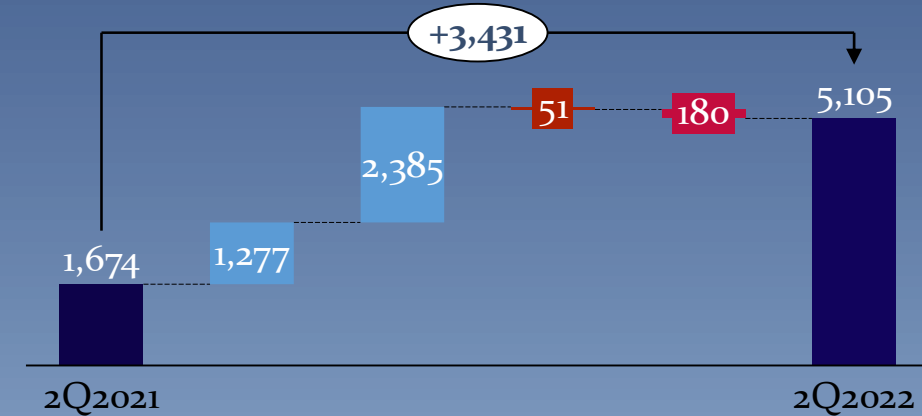
Strong EBITDA performance with cost and expense discipline

Higher FCF driven by better profitability, superior payables performance & controlled CAPEX spending

EBITDA (BNRI) Bridge mTL



Free Cash Flow Bridge mTL



*Constant currency (fx-neutral) growth

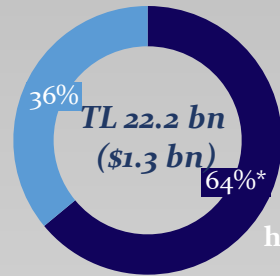
Balance Sheet & Risk Management



FX & commodity hedging offset the pressure in cost base up to a great extent...

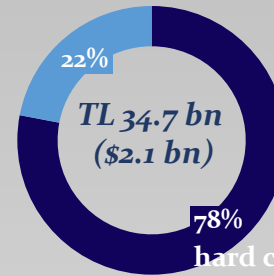
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Cash Profile



hard currency

Debt Profile

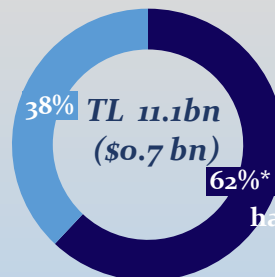


hard currency

Average maturity: 3.7 years
Net Debt/EBITDA: 1.1x

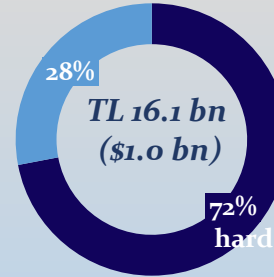
Beer Group

Cash Profile



hard currency

Debt Profile



hard currency

Average maturity: 3.4 years
Net Debt/EBITDA: 1.2x

Beer Group Hedges*:

Commodity:

Aluminum: 87% (2023: 40% for TR and CIS)

PET/Resin: 100%**

Barley: 89%

FX Exposure:

	FX Share in Beer Group COGS + OPEX	Hedged
RU + UKR	21%	91%
TUR	6%	98%
CIS	3%	31%
Total	30%	86%

*For FY2022 exposure

**Russian exposure



Revised 2022 OUTLOOK



Can aka
CEO & Beer Group President

Remaining cautious for FY, beer group outlook is improved...



We make some improvements in our beer group outlook and the improvement in beer group outlook is also reflected into Anadolu Efes outlook while soft drink guidance is reiterated as announced in January.

	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
VOLUME	Low-single digit growth <i>(no change)</i>	Mid-teens decline on a reported basis <i>(no change)</i> Mid-single digit decline <i>(excl. Ukraine)</i> <i>(no change)</i>	High-single-digit to low-teens growth <i>(no change)</i>
SALES REVENUE <i>FX-Neutral basis</i>	Mid-thirties growth <i>(previously: low-thirties growth)</i>	High-teens growth <i>(previously: mid-teens growth)</i>	Low-to-mid forties growth <i>(no change)</i>
EBITDA (BNRI) Margin	Flat <i>(previously: close to 100 bps decline)</i>	Flat to 100 bps expansion <i>(previously: close to 100 bps decline)</i>	Flat to 100 bps contraction <i>(no change)</i>
CAPEX	As a percentage of sales high single digits on a consolidated basis		
FREE CASH FLOW	Free Cash Flow remains strong on a consolidated basis; yet will be stronger than our initial expectations as a result of better operational profitability outlook		



CLOSING REMARKS



Can aka
CEO & Beer Group President



Q&A SESSION



Can aka
CEO & Beer Group President

Göke Yanařmayan
Chief Financial Officer

FX Rates

		1H2021	1H2022	Δ%
USD/TL	AVG	7.88	14.85	88.6%
	PE	8.68	16.66	91.9%
EUR/TL	AVG	9.49	16.22	70.8%
	PE	10.32	17.37	68.2%
TL/RUB	AVG	9.43	5.14	-45.5%
	PE	8.34	3.07	-63.2%
TL/KZT	AVG	53.86	30.29	-43.8%
	PE	49.28	27.91	-43.4%
TL/UAH	AVG	3.53	1.95	-44.8%
	PE	3.13	1.76	-43.9%
TL/MDL	AVG	2.24	1.24	-44.6%
	PE	2.07	1.15	-44.6%
TL/GEL	AVG	0.42	0.21	-51.2%
	PE	0.36	0.18	-51.7%

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