

**ANADOLU  
EFES**



**1H 2023  
CONFERENCE CALL  
PRESENTATION**

**9 August 2023**

# 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.

Anadolu Etap Tarım financial results started to be consolidated in Anadolu Efes' financials as of April 11, 2023. 2Q2023 and 1H2023 consolidated P&L, as well as the balance sheet as of 30.06.2023 incorporate Anadolu Etap Tarım financials. Likewise, Anadolu Etap İçecek financial results started to be consolidated in soft drink operations' as of April 19, 2023. 2Q2023 and 1H2023 consolidated P&L along with the balance sheet as of 30.06.2023 include Anadolu Etap İçecek figures. All operational performance metrics presented in this earnings release are on a reported basis (including Anadolu Etap Tarım and Anadolu Etap İçecek), except indicated otherwise.

**GENERAL  
OVERVIEW  
&  
OPERATING  
ENVIRONMENT**



**CAN ÇAKA**  
**CEO & Beer Group President**

# Strong momentum in 1H led to guidance upgrade...



**Robust performance** outpacing expectations

**EBITDA BNRI margin expansion** despite high base

**6 consecutive quarters of margin expansion** in beer group

**Outstanding cash generation** with higher EBIT & prudent capex

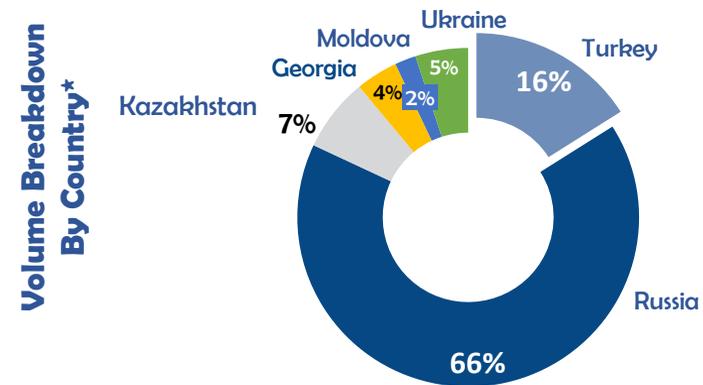
**FY2023 guidance revision** with strong 1H performance



# Accelerated performance in beer volumes...



- Beer volume up 5.3% in 2Q
  - Significantly ahead of expectations
  - Accelerated performance vs. 1Q2023
- Türkiye beer volume up by 20.6%
- International beer volume up by 2.4%
  - Russian volume down by low-single digits
  - Ukraine up; very low comparables of 2Q2022
  - CIS countries' volume up by low-single digit on total



\*Breakdown on combined basis



- **Russian beer market improved\* in 2Q vs last year;**
  - Low comparable of 2Q2022 due to supply chain constraints
  - Low-pricing environment; supporting growth
- **Premium & Value segment growth observed**
- **Russian operation volume down by low-single digit;**
  - Better momentum versus 1Q2023 & 4Q2022
  - Carry over impact of high pricing of last year
- Implementation of several initiatives support 2Q2023
- Non-alco growth ahead of market in 1H2023





# CIS



- **CIS volume up low-single digit in total**
  - Kazakhstan volume up low-to-mid single digit
  - Above 10% volume growth in Georgia
  - Moldova volume down; high inflation affecting affordability

## Türkiye

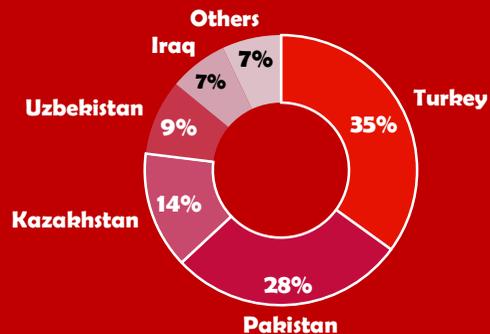
- Turkish beer market was strong in 2Q
  - Favorable pricing
  - Higher tourism activity
- Türkiye beer volume up by 20.6%
  - Continued strong demand in off-trade
  - Effective pricing
  - Diverse & affordable offerings

# Soft Drinks



- Consolidated volume down 8.9% in 2Q;
- Türkiye volume down 9.4%;
  - High base of last year
  - High inflationary environment
  - Lowest temperatures in last 5 years
- International volume down 8.6%;
  - Pakistan down 27.5%; macro headwinds & excise tax increase
  - Double-digit growth in Central Asia
  - Mid-single digit growth in Middle East

Volume Breakdown  
By Country\*



\*Breakdown on combined basis

# Strong bottomline performance with robust cash generation...



## Anadolu Efes

## Beer Group

NET REVENUE

**2Q**

**+54.9%**

**CCR\*:+37.9%**

**1H**

**+63.4%**

**CCR\*:+41.7%**

**2Q**

**+48.7%**

**CCR\*:+29.5%**

**1H**

**+58.2%**

**CCR\*:+29.0%**

- Effective pricing
- Carry over pricing impact from last year
- Channel & product mix
- Higher FX translation impact

EBITDA BNRI %

**22.2%**

**(+202 bps)**

**20.2%**

**(+141 bps)**

**23.4%**

**(317 bps)**

**20.0%**

**(364 bps)**

- Increased OPEX offset by higher gross profit in beer
- Lower gross profit mitigated by prudent OPEX management in soft drinks

NET INCOME

**TL2,872 mn**

**(+1,446 mn)**

**TL3,281 mn**

**(+1,987 mn)**

**TL1,715 mn**

**(+599 mn)**

**TL1,606 mn**

**(+938 mn)**

- Strong operational profitability
- Non-cash revaluation gain of TL 680 million regarding Anadolu Etap

FREE CASH FLOW

**TL6,332 mn**

**(+911 mn)**

**TL4,027 mn**

**(-691 mn)**

**TL5,083 mn**

**(-31 mn)**

**TL4,830 mn**

**(-188 mn)**

- Exceptional FCF generation with higher operational profitability and cautious capex spending
- Consolidated Net Debt to EBITDA (BNRI) → 0.8x

\* Constant currency rate



# FINANCIAL OVERVIEW

**GÖKÇE YANAŞMAYAN**  
Chief Financial Officer

# Financials



## Anadolu Efes

mTL	2Q2023	Change	1H2023	Change
<b>Sales Revenue</b>	38,002	54.9%	62,568	63.4%
<b>Gross Profit</b>	15,131	71.6%	24,209	77.9%
<b>EBITDA (BNRI)</b>	8,449	70.4%	12,659	75.6%
<b>Free Cash Flow</b>	6,332	911	4,027	-691
<b>Gross Profit Margin %</b>	39.8%	+386 bps	38.7%	+317 bps
<b>EBITDA BNRI Margin %</b>	22.2%	+202 bps	20.2%	+141 bps

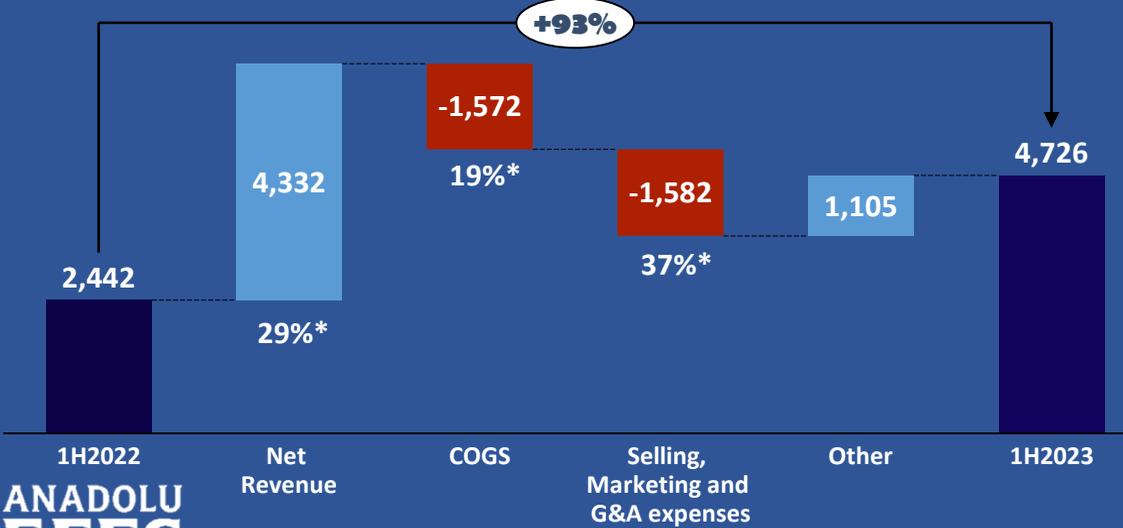
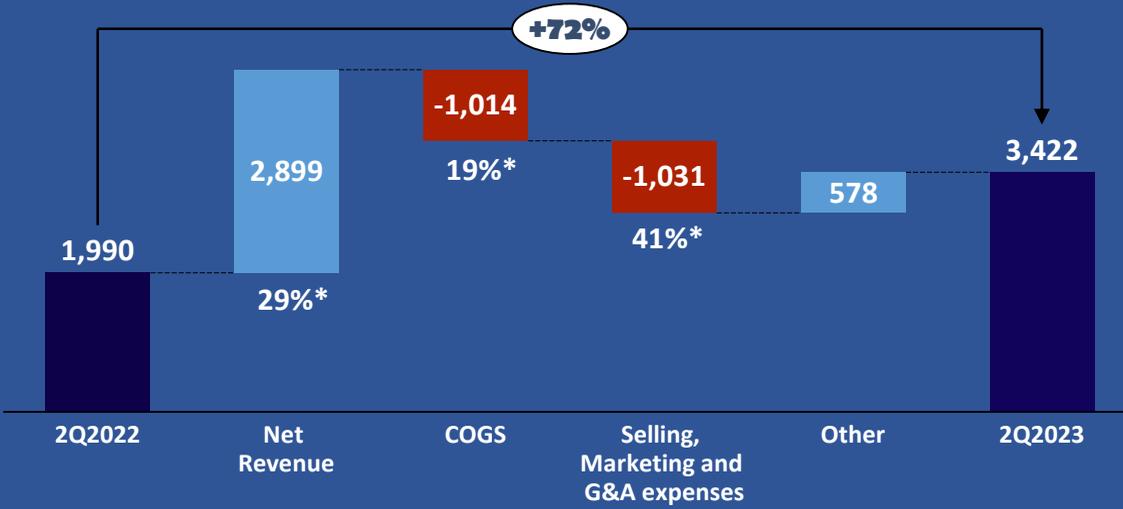
## Beer Group

mTL	2Q2023	Change	1H2023	Change
<b>Sales Revenue</b>	14,626	48.7%	23,637	58.2%
<b>Gross Profit</b>	6,981	68.2%	10,900	78.9%
<b>EBITDA (BNRI)</b>	3,422	72.0%	4,726	93.5%
<b>Free Cash Flow</b>	5,083	-31	4,830	-188
<b>Gross Profit Margin %</b>	47.7%	+555 bps	46.1%	+533 bps
<b>EBITDA BNRI Margin %</b>	23.4%	+317bps	20.0%	+364 bps

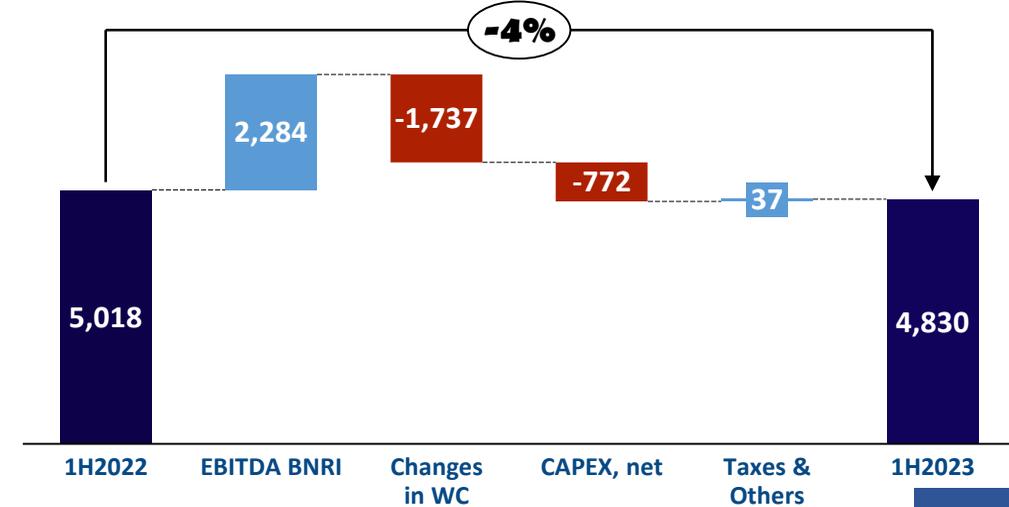
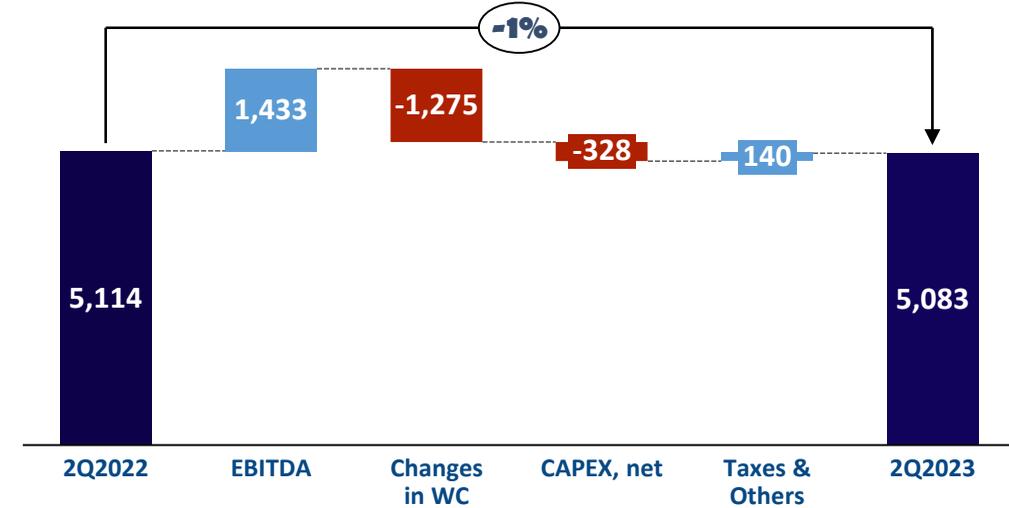


# Beer Group EBITDA (BNRI) & FCF Generation

## EBITDA (BNRI) Bridge mTL



## Free Cash Flow Bridge mTL



# Cash & Debt Management



## Anadolu Efes

### Gross Debt

USD 2.1 bn

**71%**

held in Hard Currency

### Cash

USD 1.4 bn

**53%**

held in Hard Currency

**34%**

held in Eurozone

**Average maturity**

3.4 yrs

**Net Debt/EBITDA**

0.8x

## Beer Group

### Gross Debt

USD 0.85 bn

**63%**

held in Hard Currency

### Cash

USD 0.7 bn

**46%**

held in Hard Currency

**23%**

held in Eurozone

**Average maturity**

3.3 yrs

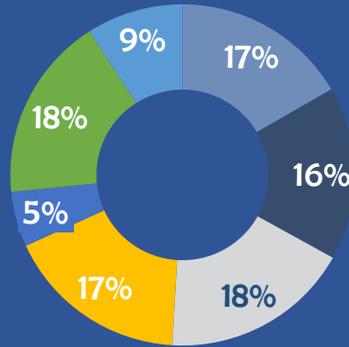
**Net Debt/EBITDA**

0.4 x



# Risk Management

## Beer Group COGS Split for 2022:



## Beer Group Hedges for 2023:

### Commodity :

Aluminum: 97% for TR & CIS\*



\*For 2024: 38% for TR & CIS

### FX Exposure :

Russia: 100% Hedged

TR: 90% Hedged



Total FX Exposure of Beer Group is 27% of COGS + OPEX.



# **FY2023 EXPECTATIONS**

# FY2023 Revised Expectations

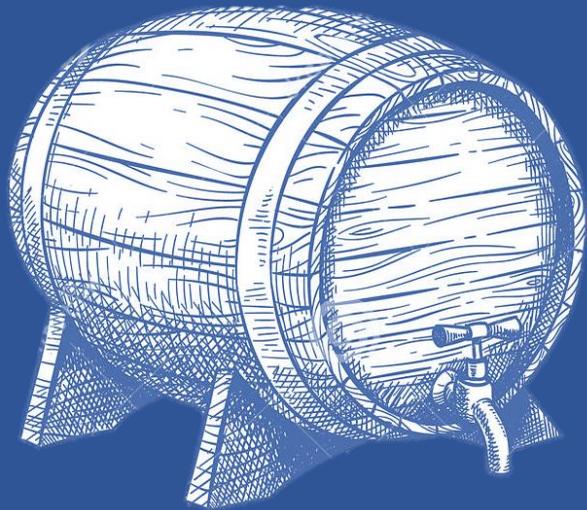


Following strong first half results, we cautiously improve our beer group and Anadolu Efes guidance for FY2023

	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
<b>VOLUME</b>	<p>Mid-single digit growth</p> <p><i>Previously: Low-to-mid-single digit growth</i></p>	<p>Low-single digit growth</p> <p><i>Previously: Low-single digit decline</i></p>	<p>Mid to high-single digit growth</p> <p><i>No change</i></p>
<b>SALES REVENUE</b> <i>FX-Neutral basis</i>	<p>High-thirties growth</p> <p><i>Previously: Low-thirties growth</i></p>	<p>Low-twenties growth</p> <p><i>Previously: High-teens growth</i></p>	<p>High forties to low fifties growth</p> <p><i>No change</i></p>
<b>EBITDA Margin</b>	<p>Decline around 100 bps</p> <p><i>Previously: Decline around 100-200 bps</i></p>	<p>Decline around 100 bps</p> <p><i>Previously: Decline around 300 bps</i></p>	<p>Flat to a slight expansion</p> <p><i>No change</i></p>

**CAPEX** As a percentage of sales high single digits on a consolidated basis

**FREE CASH FLOW** Postponed payments continues to support FCF generation this year as well, leading to improved expectations for year-end. Yet, FY2023 cash generation will be slightly below than its historically highest level achieved in FY2022.



**Q&A SESSION**

# FX Rates

		1H2022	1H2023	Δ%
USD/TL	AVG	14.85	19.86	33.7%
	PE	16.66	25.82	55.0%
EUR/TL	AVG	16.22	21.47	32.4%
	PE	17.37	28.15	62.1%
TL/RUB	AVG	5.14	3.87	-24.6%
	PE	3.07	3.37	9.8%
TL/KZT	AVG	30.29	22,75	-24.9%
	PE	27.91	17,59	-37.0%
TL/UAH	AVG	1.95	1.84	-5.4%
	PE	1.76	1.42	-19.3%
TL/MDL	AVG	1.24	0.93	-25.5%
	PE	1.15	0.71	-38.3%
TL/GEL	AVG	0.21	0.13	-36.4%
	PE	0.18	0.10	-42.3%

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