



**1H2024  
ANADOLU EFES  
INVESTOR PRESENTATION**

# Forward-Looking Statements & Disclosure



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.

# Important Disclaimer Regarding TAS29



As stipulated by the decree of the Capital Markets Board, the financial statements for the FY2023 have been presented in accordance with TAS29 (Turkish Accounting Standard 29: Financial Reporting in Hyperinflationary Economies), and retrospective adjustments have been made for prior periods in alignment with the same standard.



# **ANADOLU EFES OVERVIEW**

# Anadolu Efes At A Glance



Serving **+770** mn Population

**70+** Export Countries

**21** Breweries in **6** Countries

**33** Soft Drink Facilities in **12** Countries

Europe's **5**<sup>th</sup>

World's **10**<sup>th</sup>  
Largest Brewer

**3**<sup>\*\*rd</sup>  
Largest Coca-Cola Bottler



○ Beer Operations  
● Soft Drink Operations

• The Barth Report 2022/2023  
\*\* Based on the population served



# Anadolu Efes By Operations



## BEER GROUP

**6** countries

**21** Breweries

**100+** brands

**51.8** mhl brewing capacity

**35.7** mhl beer volume

Strong **LEADER** positions



## SOFT DRINK GROUP

**12** countries

**33** Bottling plants

**2.0** bn UC production capacity

**~1.2** million sales points

**1.5** bn UC sales volume

Strong **#1** or **#2** positions

**TOTAL VOLUMES\***

122.9 mhl

**REVENUE\***

TL 159.9 bn

**EBITDA (BNRI)\***

TL 28.6 bn

**FREE CASH FLOW\***

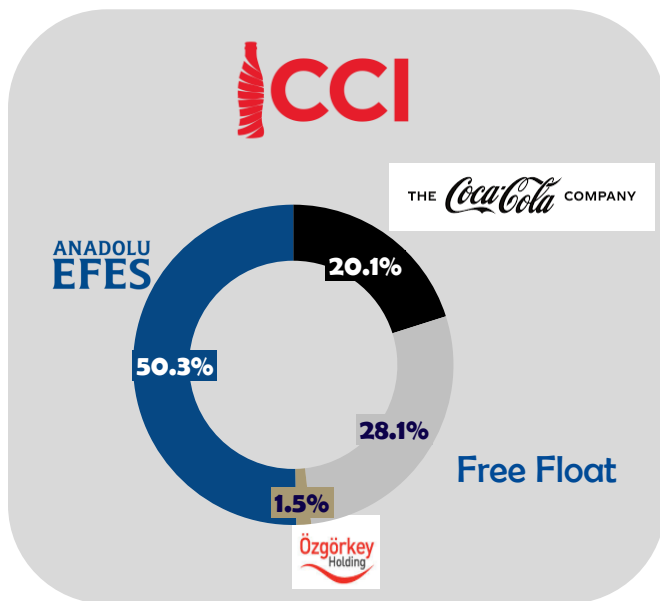
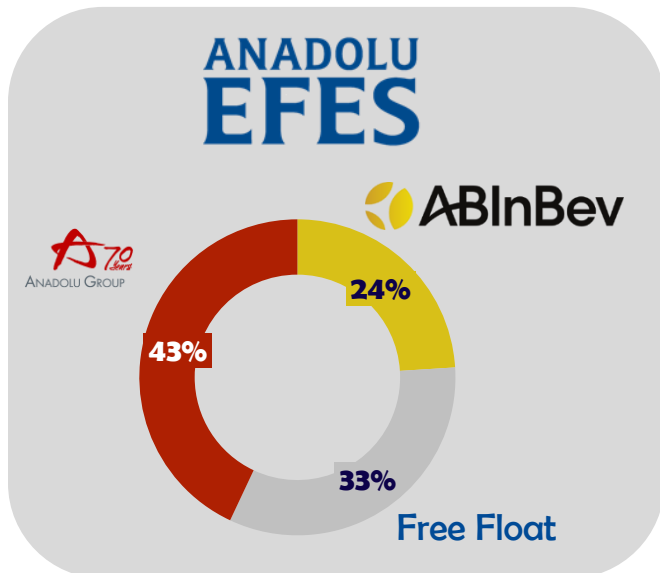
TL 9.3 bn

**NET INCOME\***

TL 22.1 bn

\*As of FY2023

# Ownership Structure & Subsidiaries



## BEER OPERATIONS



**50.3%**

## SOFT DRINK OPERATIONS



# OUR STRATEGY





# Vision, Mission & Values



## ↳ Vision

**Be the largest brewer from Adriatic to China by developing and owning social life and beer culture.**



## ↳ Mission

**We brew joy passionately and responsibly.**



## ↳ Values



PASSIONATE



AGILE



COLLABORATIVE



ACCOUNTABLE



FAIR

# Strategic Core Priorities



## 2023-2025 STRATEGIC CORE PRIORITIES

### SUSTAINABILITY

- Reduce our environmental impact throughout our operations and value chain
- Increase our support for social impact
- Continue to grow stronger through equality, diversity & inclusion

### DIGITALIZATION

- Create Seamless Omni-channel Experience
- Democratize data, disseminate data driven business analytics
- Empowered Omnidirectional Mobility

### FINANCIAL DISCIPLINE

- Ensure profitable revenue growth
- Drive value out of effectively managing working capital and CAPEX
- Ensure sustainable profitability margins with zero-based expense management

### OPERATIONAL EXCELLENCE

- Quality mindset
- Focus on smart procurement plans to secure supply continuity
- Continue to improve E2E Planning Processes
- Effectively manage our product cost and efficiency



### WINNING PORTFOLIO

- Grow with a consumer-oriented brand portfolio fed with strong insights
- Keep our mainstream core brands strong in every country where we operate
- Grow with innovations in premium segment (non-alcohol, craft, hard seltzer, flavored beer)
- Evaluate expansion and growth opportunities in other potential beverage categories

### GEOGRAPHIC EXPANSION & GROWTH

- Expand geographically into potential markets through MGA

### OUR EMPLOYEES

- Become the most preferred employer brand in all the countries where we operate with a strong employee experience
- Provide employees with new / additional skills
- Protect the talents in the organization



# Investment Theme

1

**Diversified** business model including beer and soft drinks

2

**Strong market positions** across all operations

3

Significant potential in **demographics**

4

Prudent opex & capex management by internalizing **Zero-Based Spending** culture

5

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

6

**Excellent brand portfolio** with some of the world's best known brands and strong regional brands

7

**Disciplined financial management**

8

**Proven track record** of expansion & growth in emerging markets



**GENERAL  
OVERVIEW  
&  
OPERATING  
ENVIRONMENT**



## Population:

144 Million\*

**66% of total beer volume**

## Production Facilities:

11 Breweries

3 Malteries

1 Preform Production Facility

## Market Size & Per Capita:

83 mhl market size\*\*

58 liters per capita consumption\*\*

## Production Capacity:

31.7 mhl Brewing

288 000 Tons Malt

## Market Share:

29% market share\*\*\*

Market Leader\*\*\*

## Main Brands:

SMIB, Efes, Kozel, Gold Mine Beer, Lowenbrau, BUD, ABBE

\*United Nations

\*\*Globaldata

\*\*\*Company estimate Jan-Dec 2023, Avg on value basis



# Kazakhstan

## Population:

20 Million\*

**7% of total beer volume**

## Production Facilities:

2 Breweries

## Market Size & Per Capita:

6.6 mhl market size\*\*

33 liters per capita consumption\*\*

## Production Capacity:

2.6 mhl Brewing

## Market Share:

46% market share\*\*\*

Market Leader\*\*\*

## Main Brands:

Efes Pilsener, Kruzha Svezhego, Karagandinskoe, Zhigulevskoe, Slavna Praga, Bremen

\*United Nations

\*\*Globaldata

\*\*\*Nielsen Jan-Dec 2023, Avg



# Georgia



## Population:

3.7 Million\*

**3% of total beer volume**

## Production Facilities:

1 Breweries

## Market Size & Per Capita:

1.3 mhl market size\*\*

35 liters per capita consumption\*\*

## Production Capacity:

1.2 mhl Brewing and Soft Drink  
Production

## Market Share:

45% market share\*\*\*

Market Leader\*\*\*

## Main Brands:

Efes, Lowenbrau, Natakhtari, Kasris, Karva, Natakhtari CSD



# Moldova



## Population:

3.4 Million\*

**2% of total beer volume**

## Production Facilities:

1 Breweries

## Market Size & Per Capita:

0.9 mhl market size\*\*

25 liters per capita consumption\*\*

## Production Capacity:

1.5 mhl Brewing and Soft Drink  
Production

## Market Share:

59% market share\*\*\*

Market Leader\*\*\*

## Main Brands:

Efes, Chisinau, Finch, Kozel, Timisoreana , Jigulevskoe Bocikovoie

\*United Nations

\*\*Globaldata

\*\*\*Retail Audit Jan-Dec 2023, Avg





# Türkiye

## Population:

86 Million\*

**17% of total beer volume**

## Production Facilities:

3 Breweries

2 Malteries

1 Hops Processing Facility

## Market Size & Per Capita:

11.2 mhl market size\*\*

13 liters per capita consumption\*\*

## Production Capacity:

6.9 mhl Brewing

115 000 Tons Malt

## Market Share:

52% market share\*\*\*

Market Leader\*\*\*

## Main Brands:

Efes Pilsen, Efes Malt, Bremen, Bomonti, Miller, Bud, Becks





**1H2024  
OPERATIONAL  
OVERVIEW**

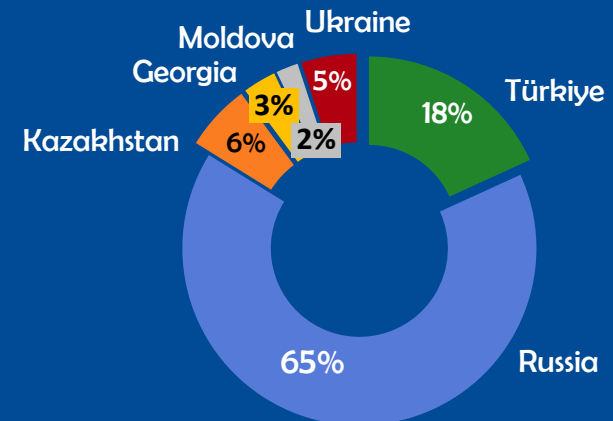


# Sustained Growth in Beer Group Volumes...



- **Consolidated beer volume up by 7.1% in 2Q2024**
  - Solid performance in **Russia, Türkiye and Moldova**
- **Türkiye beer volume up 2.8%**
- **International beer volume up 8.2%**
  - **Russian** volume grew by low-teens
  - **CIS countries'** volume down by mid-single digits on average

**2Q Volume Breakdown By Country\***



\*Breakdown on combined basis

# Russia



- **Continued growth trend in Russian beer industry**
  - **Mid to high single-digit growth\* YTD driven by:**
    - ✓ Shifts from other alcoholic beverages to beer
    - ✓ New product innovations
    - ✓ Increased market investments
- **Outperformed the industry in 2Q2024 with low-teens growth;**
  - Strong performance in premium and core segments
  - Gains in the non-alcoholic beer segment
- **Market share gains** in both value and volume terms
  - SMIB, Stella Artois, Essa, and Hoegaarden performed well during this period





- **CIS volume down by mid-single digits on average in 2Q2024**
  - **Moldova** achieved mid-teens growth
  - Softer performance observed
    - ✓ In Kazakhstan, impacted by weak industry dynamics and floods in the country
    - ✓ In Georgia, due to production bottlenecks

## Türkiye

- **Robust volume performance** in 2Q2024
- 2.8% growth in volume supported by;
  - Increased sales in HORECA channel
  - Favourable tourism season

Despite;

- Cycling a very high base
- High inflationary environment

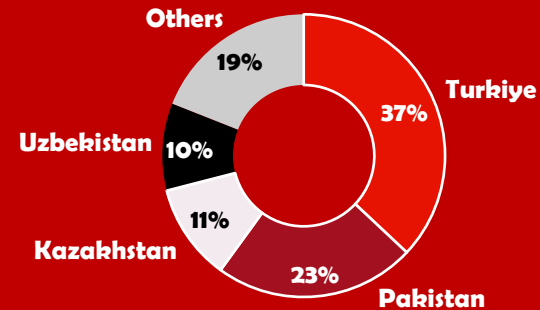


# Soft Drinks



- **Consolidated volume up by 0.7% in 2Q2024;**
- **Türkiye volume up 1.8%**
  - Effective trade promotions and active consumer marketing
  - UEFA Euro Cup activations
- **International volume up 0.1%**
  - **Iraq & Azerbaijan** delivered strong results with 15.1% and 11.5% growth, respectively
  - **Pakistan** down by 5.1%
  - **Kazakhstan** down 10.2%

**2Q Volume Breakdown  
By Country\***



\*Breakdown on combined basis

# 1H2024 FINANCIAL OVERVIEW



# Financial Priorities



## Cash Management

Ensure liquidity for operations and accelerate dividend streams

Focus on FCF

Maintain successful Working Capital levels

## Debt Management

Maintain long term sustainable leverage target of 1.0X - 2.0X

Diversify debt structure and extend liquidity

## Risk Management

Manage FX and commodity exposure

Use Working Capital and receivable guarantee solutions

Supplier base expansion and diversification

## Expense Management

Zero Based Budgeting

Cautious and Smart Spending Culture



# Strong Top & Bottom line in 1H2024...



## Anadolu Efes

## Beer Group

**NET  
REVENUE**

**2Q**

**TL60.5mn**  
**(-5.1%)**

**1H**

**TL107.7mn**  
**(-0.8%)**

**2Q**

**TL23.6mn**  
**(-2.8%)**

**1H**

**TL41.1mn**  
**(+1.6%)**

- Effective pricing
- Focus on quality mix
- Strict discount management
- Negative impact from the implementation of TAS 29

**EBITDA  
BNRI %**

**20.8%**  
**(-9 bps)**

**17.2%**  
**(-101 bps)**

**18.5%**  
**(-384 bps)**

**13.5%**  
**(-418 bps)**

- Tight control of operating expenses
- Türkiye operations' contribution both in beer & soft drink business

**NET  
INCOME**

**TL3,955 mn**  
**(-TL2,007mn)**

**TL7,360 mn**  
**(-TL1,881mn)**

**TL2,368 mn**  
**(TL-1,734 mn)**

**TL4,153 mn**  
**(-TL1,510 mn)**

- Higher interest expense
- Increased FX Losses
- Positive TAS29 Effect – Tax income

**FREE CASH  
FLOW**

**TL8,981 mn**  
**(-TL1 mn)**

**-TL499 mn**  
**(-TL3,104 mn)**

**TL7,383 mn**  
**(+178 mn)**

**TL3,023mn**  
**(-TL3,055 mn)**

- Strict working capital management
- Consolidated Net Debt to EBITDA (BNRI) → 0.8x

\* Constant currency rate

# Financials



## Anadolu Efes

mTL	2Q2024	Change	1H2024	Change
<b>Sales Revenue</b>	60,508	-5.1%	107,731	-0.8%
<b>Gross Profit</b>	24,774	1.7%	41,685	5.2%
<b>EBITDA (BNRI)</b>	12,582	-5.5%	18,557	-6.4%
<b>Net Income/(Loss)*</b>	3,955	-33.7%	7,360	-20.4%
<b>Free Cash Flow</b>	8,981	0.0%	-499	n.m
<b>Gross Profit Margin %</b>	40.9%	271 bps	38.7%	221 bps
<b>EBITDA BNRI Margin %</b>	20.8%	-9 bps	17.2%	-101 bps
<b>Net Income Margin*</b>	6.5%	-282 bps	6.8%	-167 bps

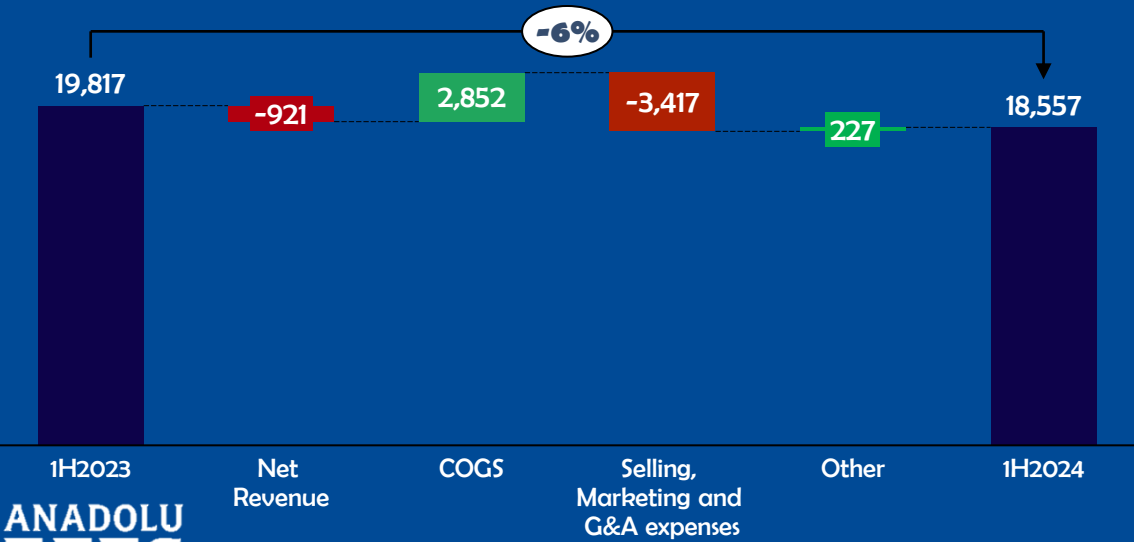
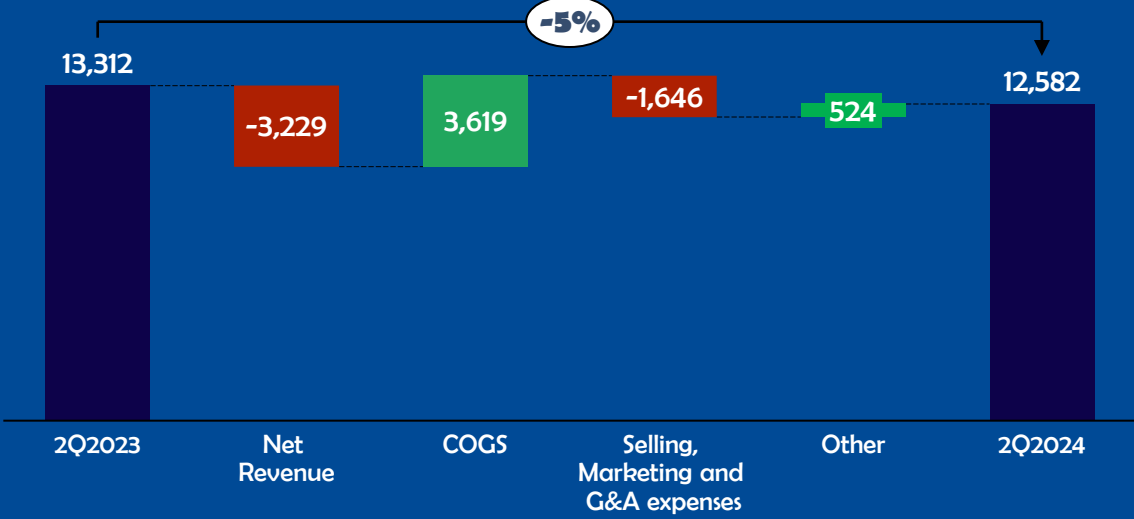
## Beer Group

mTL	2Q2024	Change	1H2024	Change
<b>Sales Revenue</b>	23,564	-2.8%	41,130	1.6%
<b>Gross Profit</b>	10,629	-3.6%	18,054	1.6%
<b>EBITDA (BNRI)</b>	4,356	-19.5%	5,543	-22.4%
<b>Net Income/(Loss)*</b>	2,368	-42.3%	4,153	-26.7%
<b>Free Cash Flow</b>	7,383	2.5%	3,023	-50.3%
<b>Gross Profit Margin %</b>	45.1%	-39 bps	43.9%	-1 bps
<b>EBITDA BNRI Margin %</b>	18.5%	-384 bps	13.5%	-418 bps
<b>Net Income Margin*</b>	10.0%	-688 bps	10.1%	-389 bps

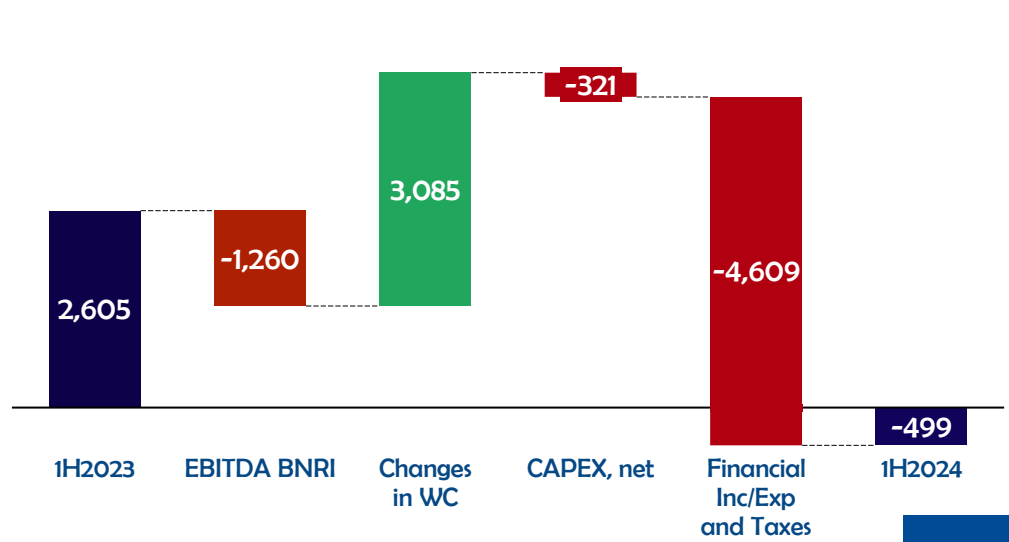
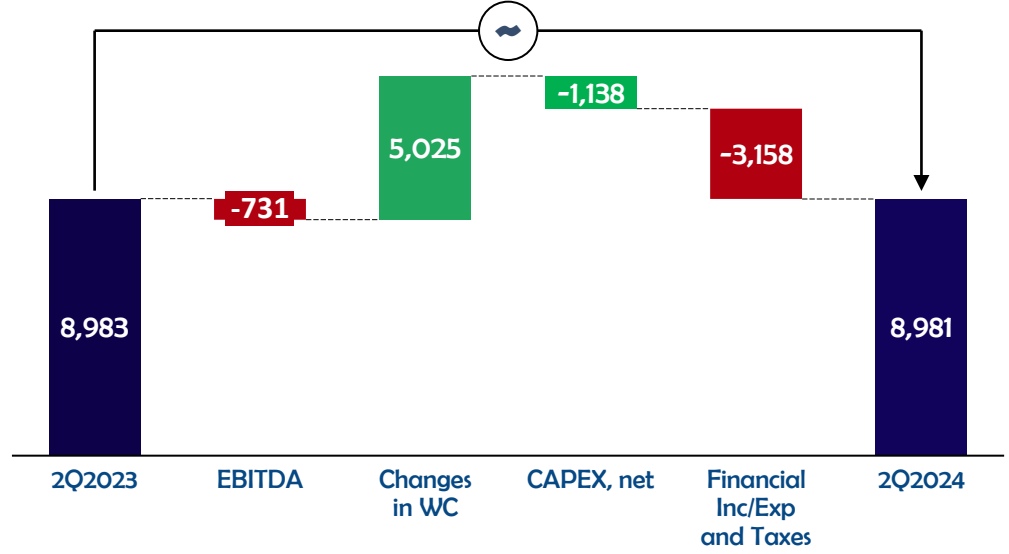


# Anadolu Efes EBITDA (BNRI) & FCF Generation

### EBITDA (BNRI) Bridge mTL



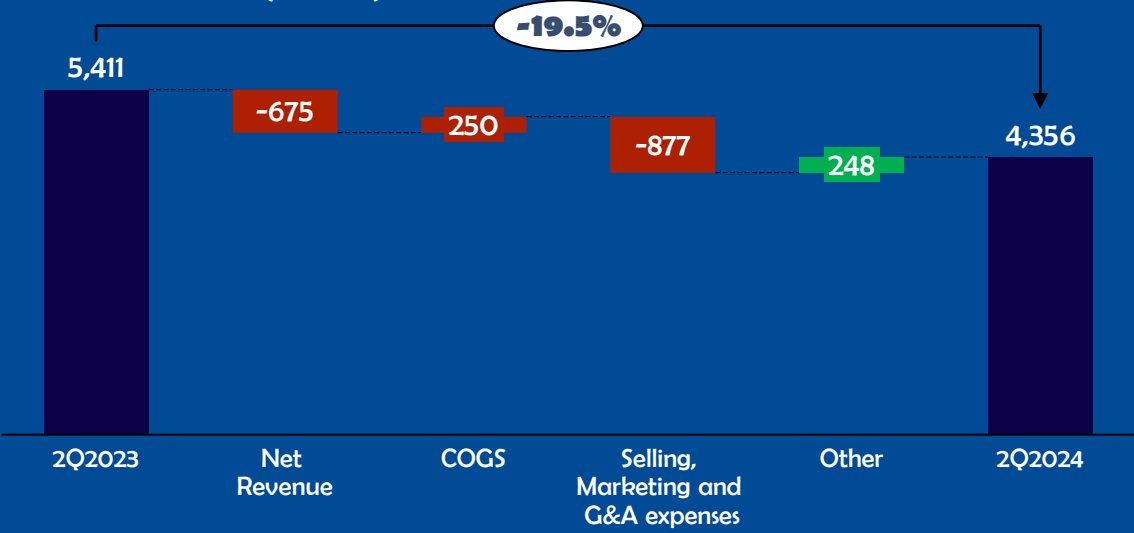
### Free Cash Flow Bridge mTL



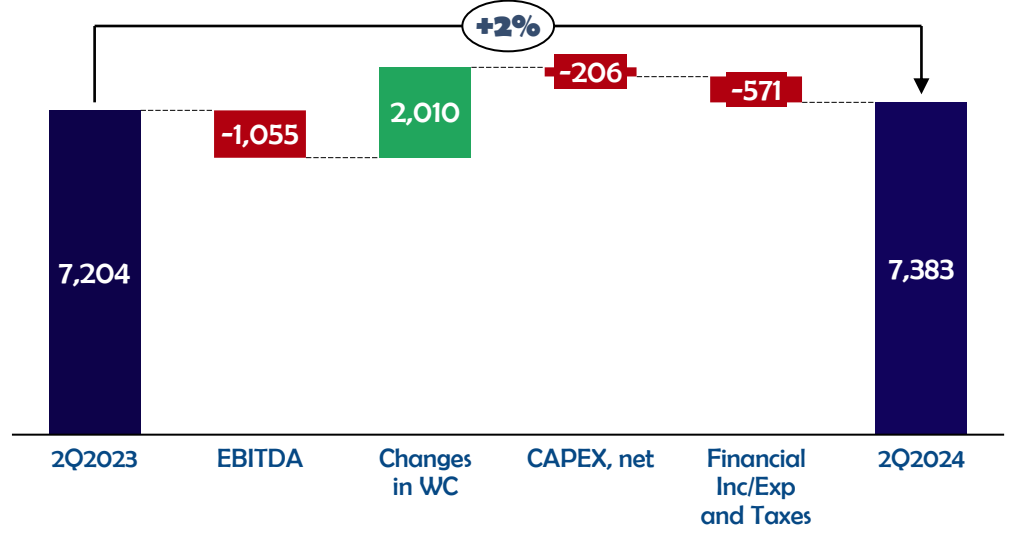


# Beer Group EBITDA (BNRI) & FCF Generation

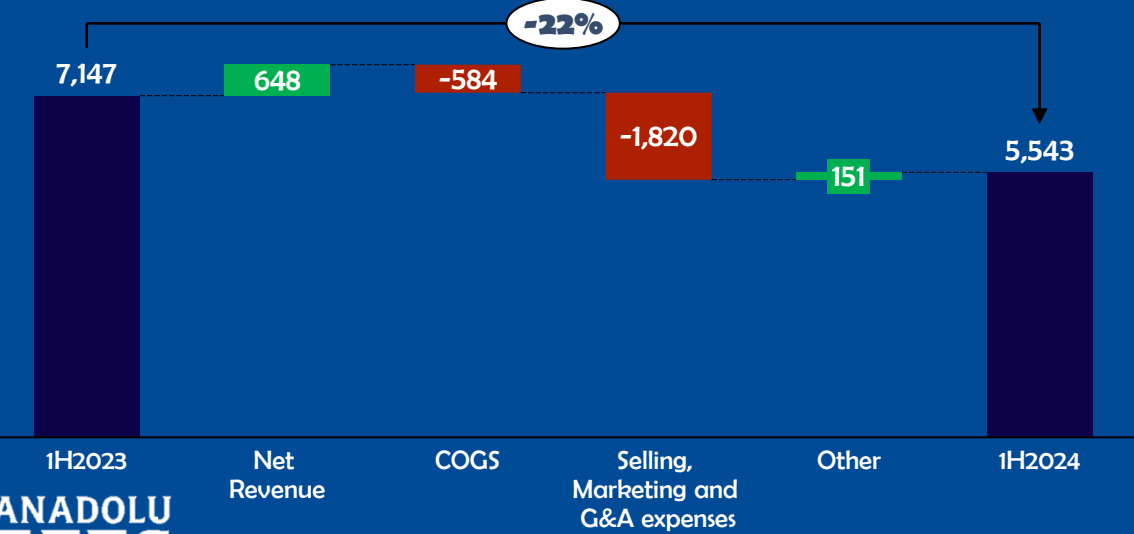
**EBITDA (BNRI) Bridge mTL**



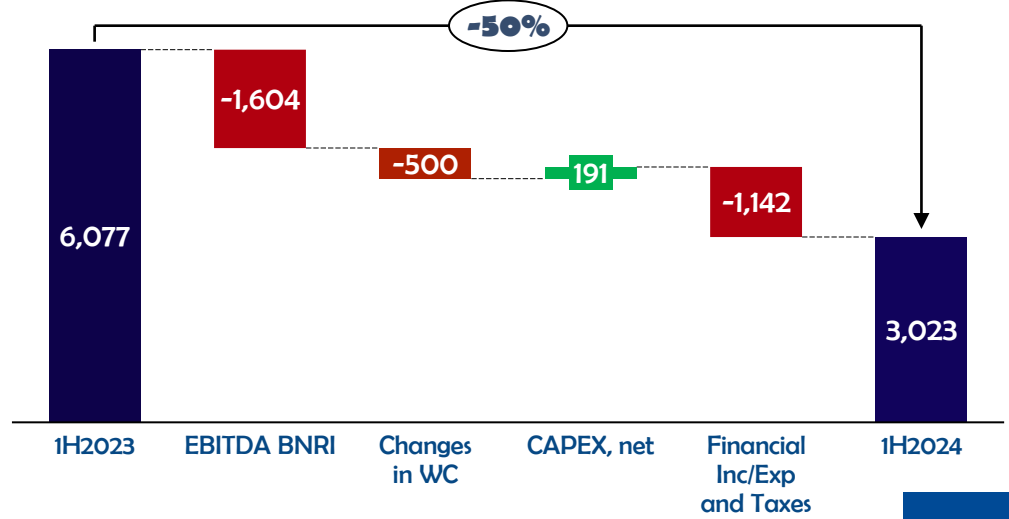
**Free Cash Flow Bridge mTL**



**-22%**



**-50%**





## Anadolu Efes

### Gross Debt

USD 2.3 bn

**68%**

held in Hard Currency

### Cash

USD 1.6 bn

**60%**

held in Hard Currency

**23%**

held in Eurozone

**Average maturity**

2.9 yrs

**Net Debt/EBITDA**

0.8x

## Beer Group

### Gross Debt

USD 0.8 bn

**66%**

held in Hard Currency

### Cash

USD 0.8 bn

**57%**

held in Hard Currency

**10%**

held in Eurozone

**Average maturity**

2.9 yrs

**Net Debt/EBITDA**

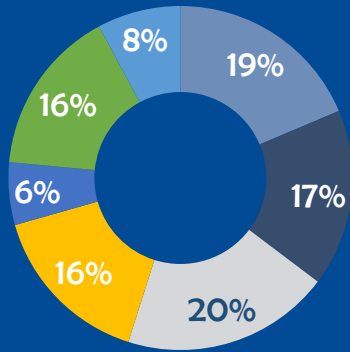
-0.01x

# Risk Management



## Beer Group

### COGS Split for 2023:



### Commodity :

Aluminum: 89% for TR & CIS @\$2.350



\*For 2025: 28% for TR & CIS @\$2,389

### FX Exposure :

Russia: 100% Hedged

(USD/RUB: 96.97 ;EUR/RUB: 104.48)



TR: 94% Hedged

(USD/TRY: 25.37; EUR/TRY: 30.43)

Total FX Exposure of Beer Group is 23% of COGS + OPEX.

A person wearing a blue and orange plaid shirt and a brown leather apron is shown from the chest down. They are holding a large handful of golden-brown grain, likely malted barley, in their cupped hands. Below their hands is a blue plastic bag that is partially filled with the same grain. The bag is resting on a wooden surface. The background is a blurred industrial setting, possibly a brewery or distillery, with various pipes and machinery visible.

**CAPITAL  
ALLOCATION  
PRIORITIES  
&  
2024  
EXPECTATIONS**

# Capital Allocation Priorities



## Invest in

Brands, Innovation, Product Diversification, Market Development, Digitalization and Production Capacity



## Maintain

Healthy balance sheet by keeping Net Debt / EBITDA btw 1.0x – 2.0x



## Maximize

Shareholder value through dividends with high yield



## Penetrate & Expand

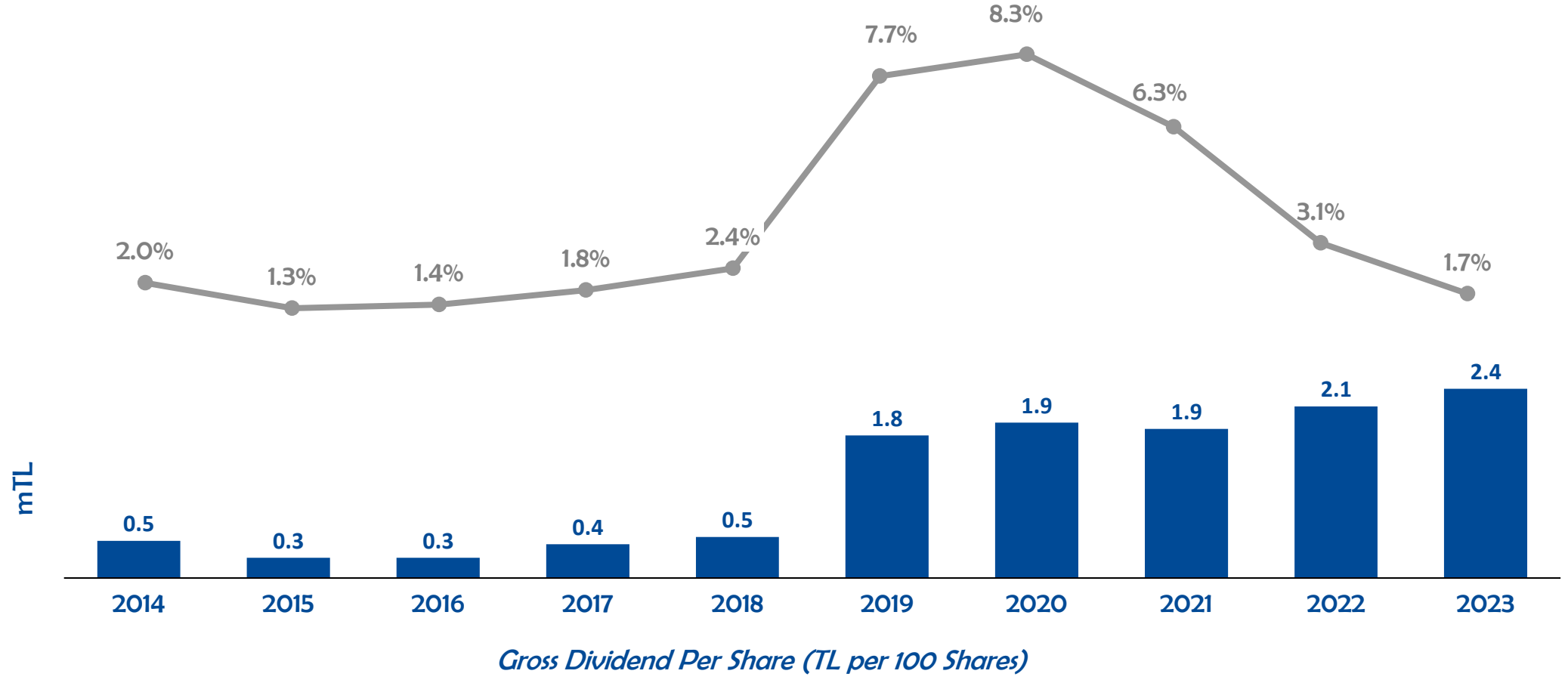
Into new geographies through inorganic expansion & exports



# Sustainable Shareholder Return



- Consistent Dividend Distribution with Sustainable Free Cash Flow Generation



 Gross Dividend per Share  
 Dividend Yield

\* Anadolu Efes Dividend Yield = Gross Dividend / Anadolu Efes Year-end Market Capitalization

# FY2024 Revised Expectations



Considering the first half performances of the operations and upcoming challenges that lies ahead in the rest of the year, we have revised our FY2024 guidance

	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
<b>VOLUME</b>	<p>Low-single digit growth</p> <p><i>Previously: Low-to-mid-single digit growth</i></p>	<p>Mid-single digit growth</p> <p><i>Previously: Grow slightly</i></p>	<p>Flat or to low-single digit growth</p> <p><i>Previously: Mid-single digit growth</i></p>
<b>SALES REVENUE</b> <i>FX-Neutral basis</i>	<p>Low-thirties growth</p> <p><i>No change</i></p>	<p>Low-thirties growth</p> <p><i>Previously: Low-twenties growth</i></p>	<p>Low thirties growth</p> <p><i>Previously: Low- forties growth</i></p>
<b>EBITDA Margin</b>	<p>Decline around 100 bps</p> <p><i>No change</i></p>	<p>Decline around 200 bps</p> <p><i>No change</i></p>	<p>Decline slightly or to stay flat</p> <p><i>Previously: Flat</i></p>



**SUSTAINABILITY**

# Road to 2030



## Targeting Zero for the environment



Become **carbon neutral** in all our operations by 2030

Become a certified **zero-waste** beer producer by 2030

Continue to reduce plastic usage



## Increasing our support for social impact



### Our Focus Areas:

- Culture & art
- Local development & women empowerment
- Basketball
- Sustainable agriculture & farmer empowerment
- Start up ecosystem & young entrepreneurs



## Getting Stronger through Diversity & Inclusion



Increase the representations of women in our organization **from 30% to 51%** by 2030

Become certified in **gender equality** in all operations by 2023

Implement gender equality programs to meet specific standards and ensure certification for gender equality

# FX Rates



		1H2023	1H2024	Δ%
USD/TL	AVG	19.86	31.60	59.1%
	PE	25.82	32.83	27.1%
EUR/TL	AVG	21.47	34.17	59.1%
	PE	28.15	35.13	24.8%
TL/RUB	AVG	3.87	2.87	-25.9%
	PE	3.37	2.61	-22.5%
TL/KZT	AVG	22.75	14.21	-37.6%
	PE	17.59	14.36	-18.3%
TL/UAH	AVG	1.84	1.23	-33.0%
	PE	1.42	1.23	-12.8%
TL/MDL	AVG	0.93	0.56	-39.3%
	PE	0.71	0.55	-22.8%
TL/GEL	AVG	0.13	0.09	-34.5%
	PE	0.10	0.09	-15.6%

**ANADOLU  
EFES**