



ANADOLU EFES

1Q2019 CONFERENCE CALL PRESENTATION

09.05.2019



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

1Q2019 Highlights

Unless stated otherwise, the figures from hereon are based on proforma numbers (including the ABI merger in Russia & Ukraine for 1Q2018) and excluding IFRS16 impact for 1Q2019.

Volume growth of 12.7% on reported basis and 0.4%* on proforma basis

- Strong start to the year by international beer operations
- EBI offset softer volumes in Turkey and CCI

Revenue up by 46.5% on reported and 27.5% on proforma basis

- Price increases
- Positive currency translation impact

Strong market positions in all operating markets

- Outperformance of the markets bringing us head to head with the market leader in Ukraine and in Russia
- Undisputed market leader in all other beer operations
- Consolidated soft drinks cycling a strong base

EBITDA (BNRI) up by 11.9% on reported and 21.3% on proforma basis

- Strict expense management
- Synergies captured

Despite;

- Higher per unit input costs

Net loss of TL 170.5 million in 1Q2019

- Higher depreciation due to implementation of IFRS 3
- Higher interest expenses.

Diversified Business Yielding Growth Despite Challenges

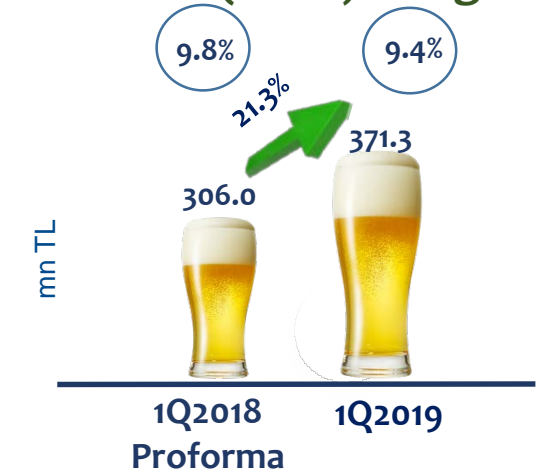
SALES VOLUME



NET SALES REVENUE



Excluding IFRS 16 EBITDA (BNRI) & EBITDA (BNRI) Margin



Share of*

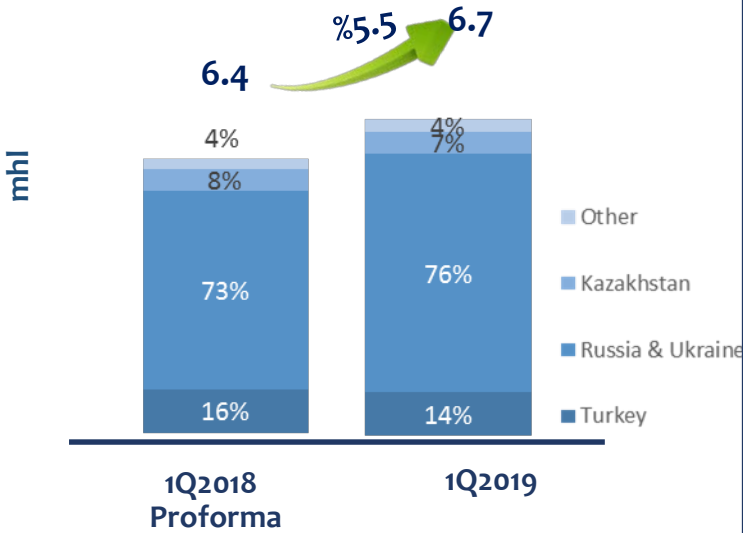
Turkey Beer	4%	9%	6%
International Beer	27%	34%	14%
Coca-Cola Icecek	68%	56%	80%

2018 proforma figures include ABI Russia and ABI Ukraine effect starting from January 1st.
Breakdowns are on a combined basis **EBITDA breakdown is based on reported figures

Solid Growth in Total Beer Volumes Through Robust Performance of International Markets

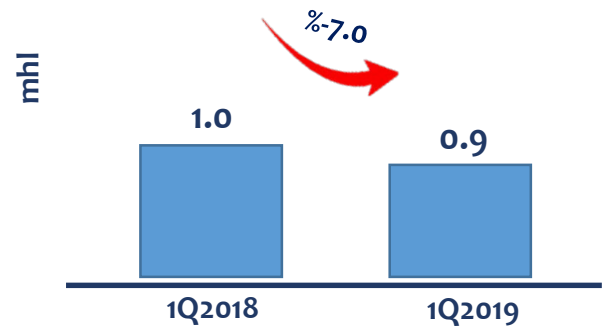


BEER GROUP



- ✓ In 1Q2019 total beer group sales volume up by
 - 65.9% on reported basis
 - 5.5% in on a proforma basis
- ✓ In 1Q, **Strong volume performance in international markets**
 - Russia
 - Ukraine
 - Moldova

TURKEY BEER



- ✓ **Total volumes down 7.0% in 1Q2019, y-o-y**
 - Higher price points
 - Deteriorated consumer sentiment
 - Unfavorable weather
 - Destocking by dealers & distributors in January
- ✓ **Focus on portfolio expansion**
- ✓ **Focus on execution**

INTERNATIONAL BEER



- ✓ In 1Q2019 EBI volumes up by;
 - 90.5% on reported and
 - 7.9% on a proforma basis
- ✓ **Positive contribution from Russia, Ukraine and Moldova**
- ✓ **Mid-single digit growth in Russian Beer market in 1Q2019**
 - Above market performance driven by intense focus on brand extensions in our core brands
 - Closed a market share gap of 4% vs the principal competitor compared to merger closure in 1Q2018
- ✓ **Low-single digit growth in Ukrainian Beer market in 1Q2019**
 - Outperformance of the market growing by double digit
- ✓ **Focus on execution**

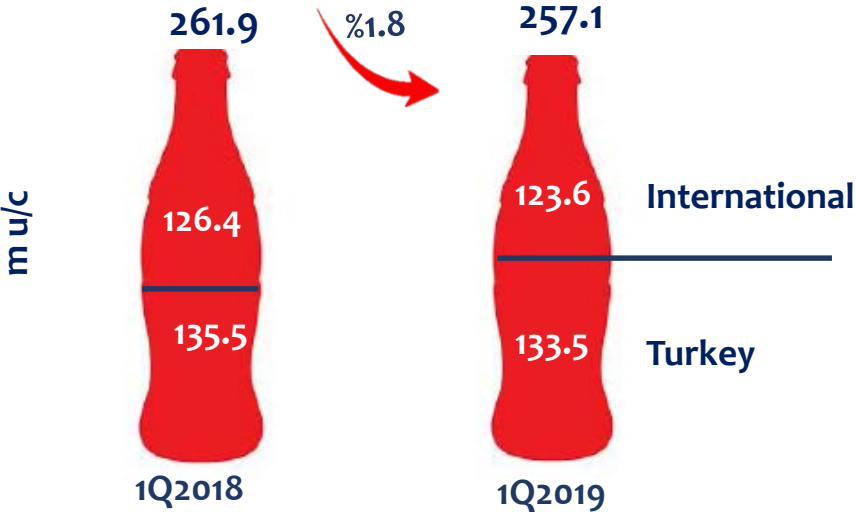
2018 proforma figures include ABI Russia and ABI Ukraine effect starting from Jan 1st.

*Breakdowns are on a combined basis

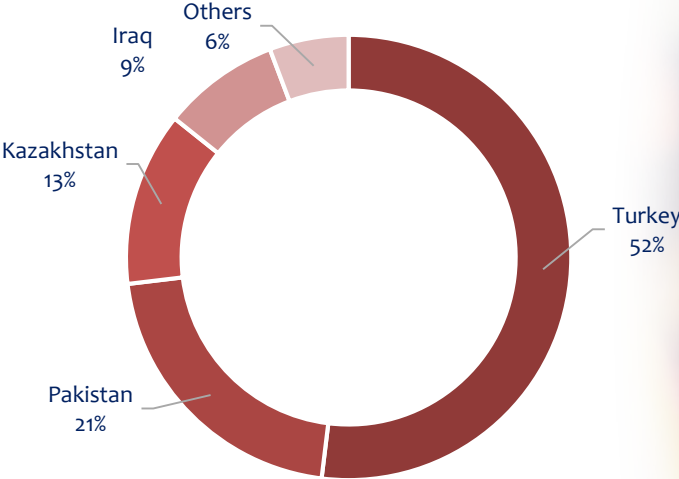


Focus on Quality Growth in a Challenging Environment

SALES VOLUME



VOLUME BREAKDOWN* BY COUNTRY



*Breakdown is on a combined basis

- ✓ **Consolidated sales volume** declined by 1.8% in 1Q2019 after cycling a strong base
- ✓ **Turkey** volumes decreased by 1.5% in 1Q cycling a 14.0% growth y-o-y;
 - ✓ Excluding NRTD Tea, volumes up by 4.1% on sparkling performance despite the high base and low sentiment
- ✓ **International operations** down by 2.1% in 1Q mainly due to weak performance in Pakistan and Middle East
 - ✓ Central Asia maintained double-digit growth by 10.5%
 - ✓ Pakistan down 8.2%, Middle East down 7.7%, due mainly to worsening macro



FINANCIAL OVERVIEW



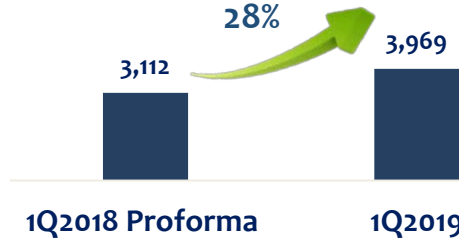
N. Orhun Köstem
Chief Financial Officer

Operational Savings and Synergies Offset Input Cost Pressures

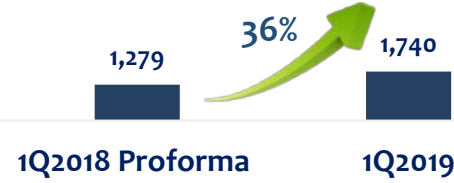


Net Sales

ANADOLU EFES



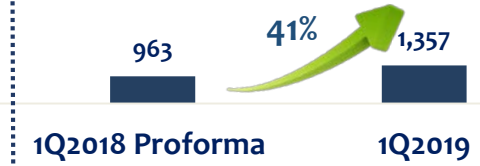
TOTAL BEER



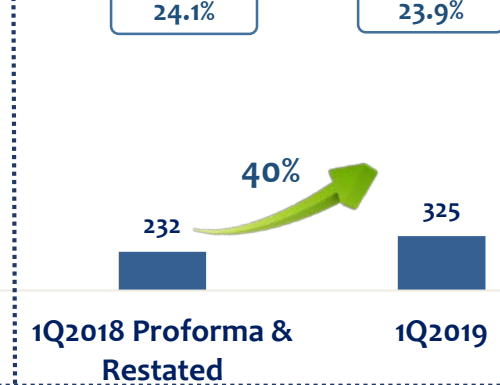
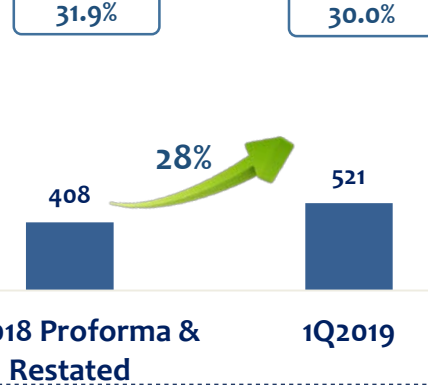
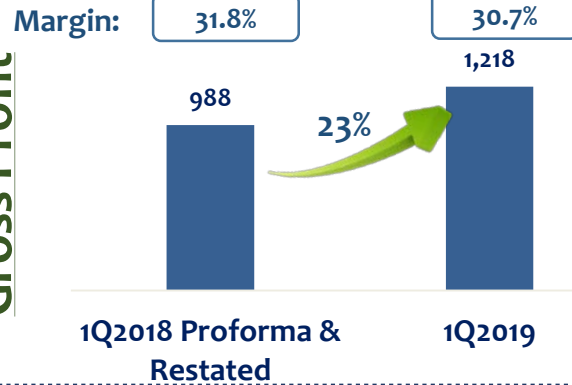
TURKEY BEER



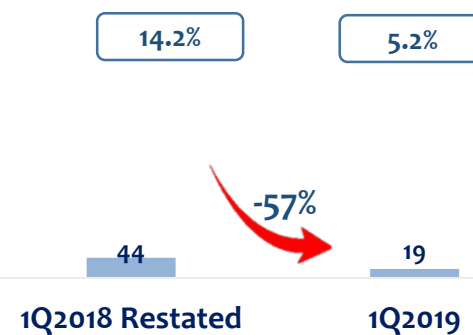
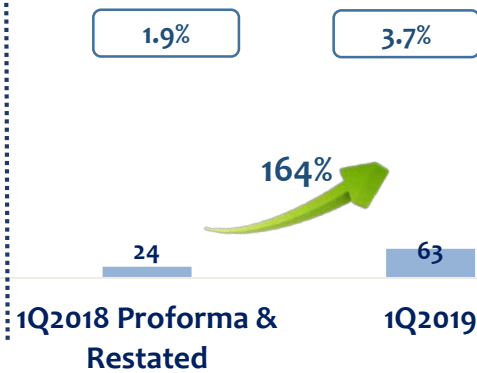
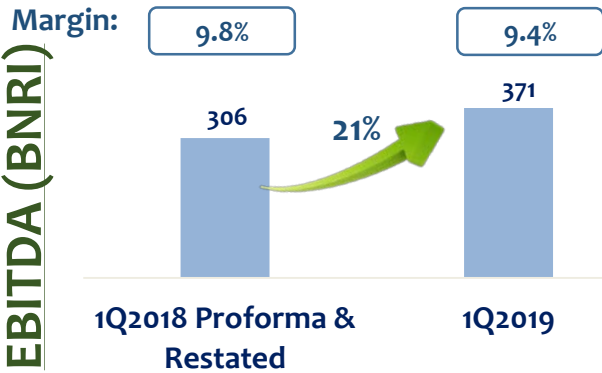
EBI



Gross Profit



EBITDA (BNRI)

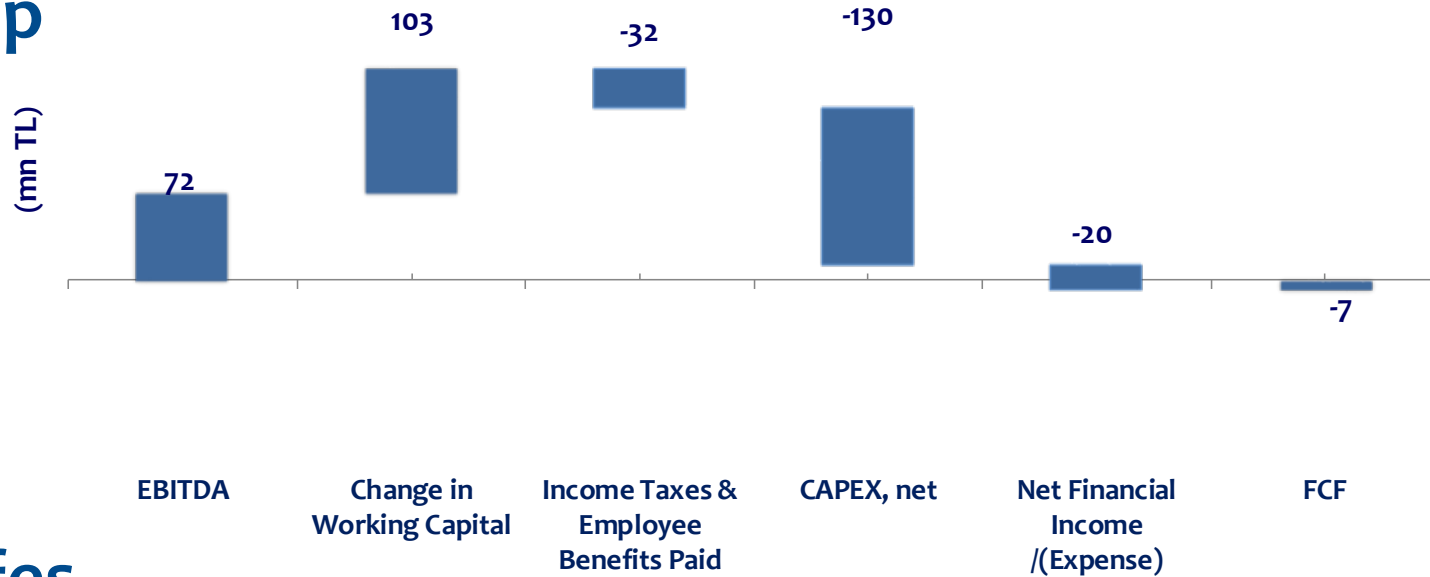


*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore proforma 2018 restated results include 3 months of operation of combined business. In addition to actual results, 1Q2018 figures also include the incremental depreciation charge in 1Q2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

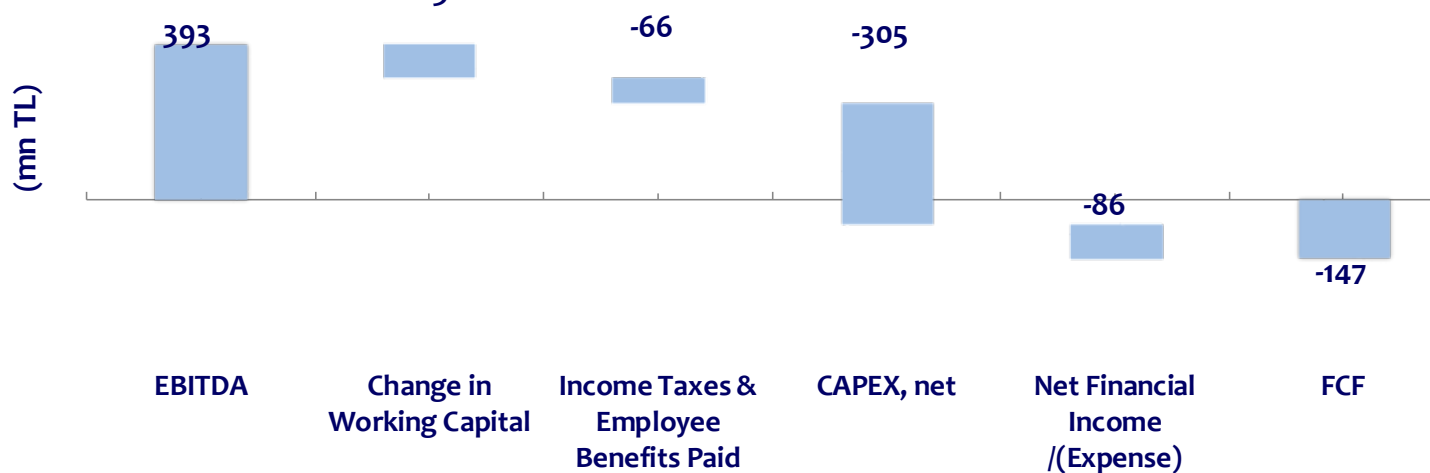
Free Cash Flow



Beer Group



Anadolu Efes



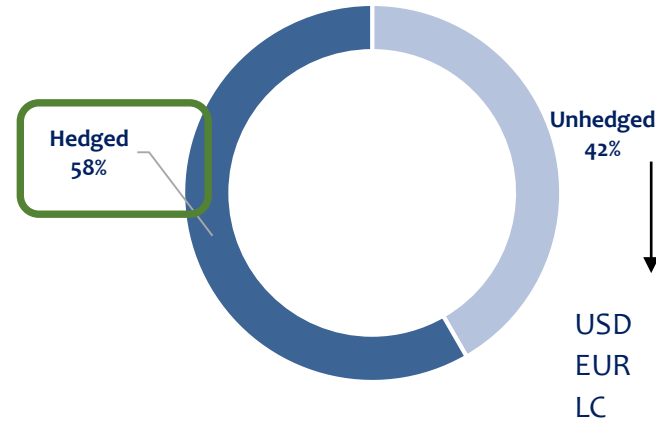
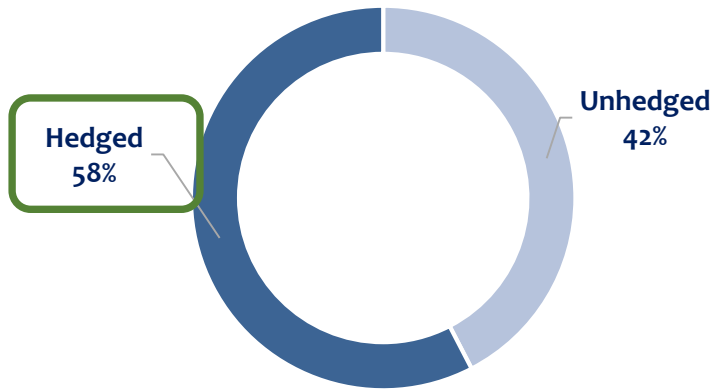
Balance Sheet FX Exposure Mitigated...

Hedged majority of outstanding debt via various instruments; both at Anadolu Efes & Beer Group level

December 2018

March 2019

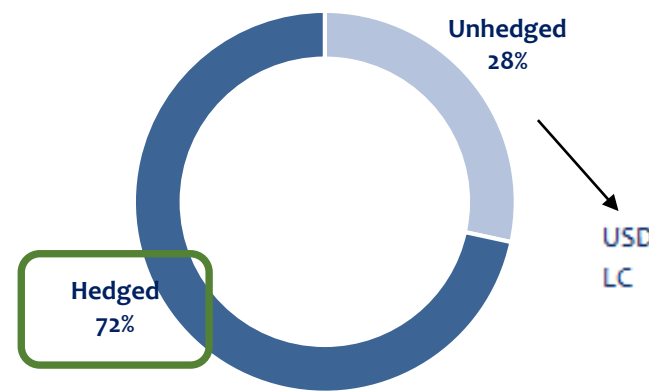
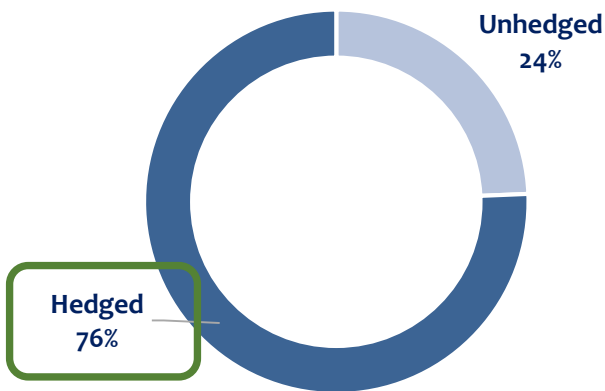
Anadolu Efes



58% of our debt is hedged through Net Investment Hedge and CCS as of 1Q2019

USD	13.3%
EUR	10.0%
LC	18.4%

Beer Group



72% of our debt is hedged through Net Investment Hedge as of 1Q2019

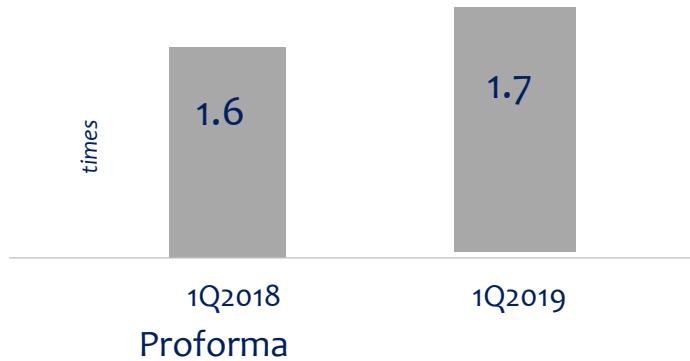
USD	9%
LC	19%

Leverage ratios at healthy levels despite currency devaluations.



Net Debt / EBITDA (BNRI)

Anadolu Efes Consolidated

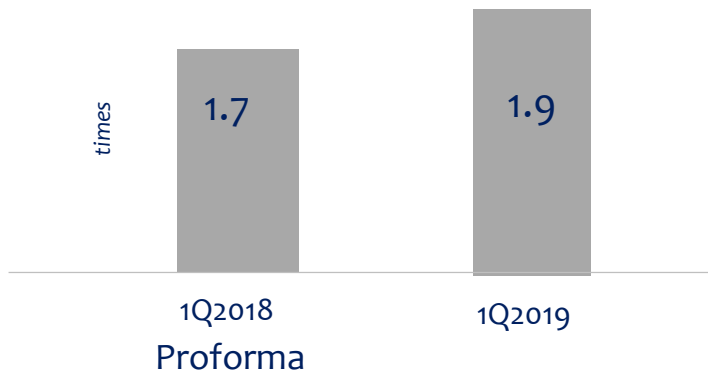


-65% of cash is hold as hard currency

-82% of debt is in hard currency
(58% of our debt is hedged through Net Investment Hedge and CCS)

-79% of debt has fixed interest

Beer Group

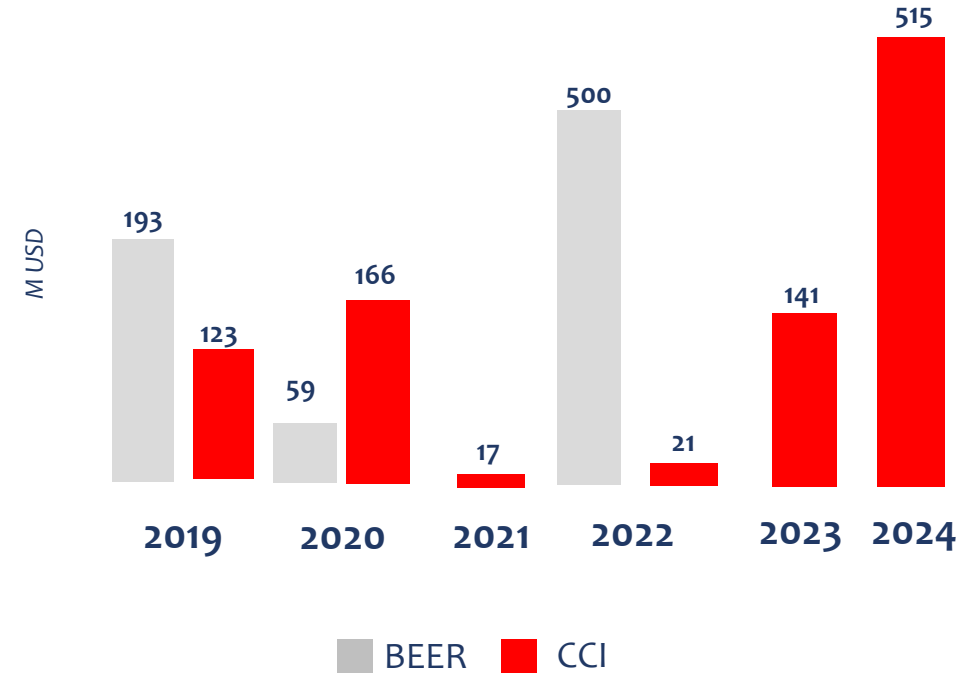


-69% of cash is hold as hard currency

-81% of debt is in hard currency
(72% of our debt is hedged through Net Investment Hedge)

-81% of debt has fixed interest

Maturity Schedule*



Easily manageable debt repayment schedule

Weighted average maturity of debt for

Beer Group is 2.6* years and

Anadolu Efes is 3.3* years

For the purposes of Net Debt to EBITDA calculation, EBITDA(BNRI) excluding IFRS 16 impact was used.

CLOSING REMARKS



Can aka

CEO & Beer Group President

Priorities for 2019 and Beyond



- Efficient revenue management to offset volume pressures resulting in solid growth in all business lines
- Leverage on our **FINANCIAL DISCIPLINE** and continue managing our balance sheet to deliver robust free cash flow generation
- Invest in:
 - ✓ **PEOPLE**
 - ✓ **BRANDS**
 - ✓ **CORPORATE WISDOM**



Q&A SESSION



Can aka

CEO & Beer Group President

N. Orhun Kstem

Chief Financial Officer

APPENDIX



Detailed 2019 Guidance



There is no change to our previous outlook for the time being.

Our 2019 guidance reflects reported financials where 2018 numbers include 9-months ABI-Efes impact and 2019 expected numbers include 12-months. Reference to “proforma” means 12 month ABI-Efes impact in 2018.



	REPORTED	PROFORMA
SALES VOLUME		
Consolidated	low to mid-single digit growth	low to mid single digit growth
Total Beer	mid single digit growth	flat
Turkey Beer	Flattish	
Russia	low single digit growth	declining slightly in line with market
International Beer	mid to high single digit increase	flat
Soft Drinks	3-5% growth	
Turkey Soft Drinks	flat	
International Soft Drinks	6-8%	
NET SALES REVENUE		
Consolidated	outperform sales volume	
Total Beer	low forties growth	low thirties
Turkey Beer	high twenties growth	
International Beer	low forties growth	low thirties
Soft Drinks	16-18% growth on a consolidated basis (FX neutral)	
EBITDA MARGIN		
Consolidated	slight improvement	
Total Beer	flat-slight positive	higher than reported
Turkey Beer	decline slightly	
International Beer	improve	
Soft Drinks	slight improvement	
FCF		
	continue to deliver strong FCF in both beer and soft drinks	
CAPEX		
	as a percentage of sales high single digits on a consolidated basis	

FX Rates



		1Q2018	1Q2019	Δ%
USD/TL	AVG	3.81	5.36	40.8%
	PE	3.95	5.63	42.5%
EUR/TL	AVG	4.68	6.09	30.2%
	PE	4.87	6.32	29.8%
TL/RUB	AVG	14.94	12.33	-17.5%
	PE	14.50	11.50	-20.7%
TL/KZT	AVG	84.91	70.50	-17.0%
	PE	80.61	67.52	-16.2%
TL/UAH	AVG	7.17	5.09	-29.0%
	PE	6.72	4.84	-28.0%
TL/MDL	AVG	4.40	3.20	-27.3%
	PE	4.17	3.08	-26.3%
TL/GEL	AVG	0.65	0.50	-23.8%
	PE	0.61	0.48	-21.8%

IFRS 16 IMPLEMENTATION

- Adoption of IFRS 16 “Lease” starting from 01.01.2019 with simplified approach
 - 1Q2018 figures has not been restated, as permitted under the simplified transition approach
 - For purposes of comparison this presentation is based on 1Q2019 figures excluding IFRS 16 adjustments making them comparable with 1Q2018
- Majority of our operating leases are related to vehicles, office buildings, warehouses and IT equipments
- Lease liabilities of TL 373.3 million and Right of Use Asset of TL 308.8million brought on the balance sheet as of 31 March 2019

IFRS 3 & BUSINESS COMBINATION REPRESENTATION

- “Proforma” figures for 1Q2018 assume;
 - the combined operation in Russia and Ukraine became operational as of January 1st 2018 as opposed to actual case of April 1st 2018
 - fixed assets revaluation in these operations as per **IFRS 3** requirements, creating additional depreciation charges
 - TL 53.4 million was one-off in 1Q2019