



ANADOLU EFES

May 2020
INVESTOR
PRESENTATION

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.

We are better together...



People

Protect our People



Business

Sustain our Business



Communities

Support our Communities



Adapting to new normal...

Initial Measures

- Ensure health & safety
- Remote working & hygiene rules
- Suspension of all discretionary OPEX & CAPEX

Crisis Management

- Scenario planning
- Revised demand & production planning
- Alternative order taking for Sales Team
- Coverage plan for raw materials
- Increased visibility in market place

Post Crisis Recovery & Adaptation

- Leverage learnings to adapt to new normal
- Reassess brand & SKU strategy
- Reconfigure procurement & supply chain
- Zero based OPEX & Capex spend
- Capitalize on low commodity prices
- Leverage healthy Balance Sheet
- Review capital allocation to maximize recovery

Anadolu Efes At a Glance

700 mn consumers



21 Breweries* & **26** Bottling Plants

48.4 mhl brewing capacity



1.5 bn u/c bottling capacity

Europe's **5th***,
World's **10th*** largest brewer
7th largest Coca-Cola bottler



111** mhl sales volume

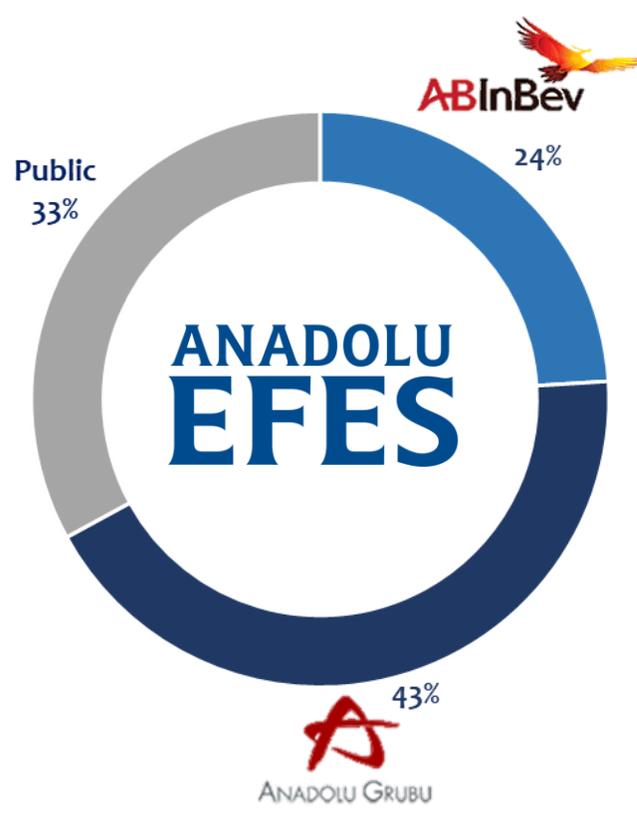
23.3** billion TL sales revenue

4.1** billion TL EBITDA

2.3** billion TL Free Cash Flow



Ownership Structure

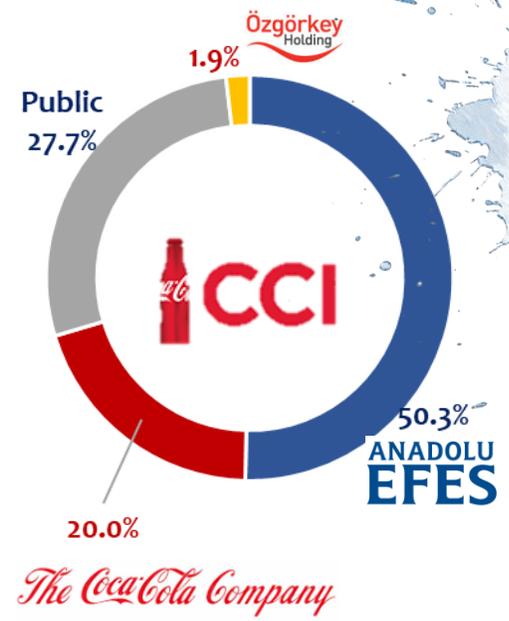


ANADOLU EFES



- Turkey Beer Operations **EFES TÜRKİYE**
- International Beer Operations (EBI)

- 50% Russia **ABInBev / EFES**
- 100% Kazakhstan **EFES KAZAKHSTAN**
- 96.9% Moldova **EFES MOLDOVA**
- 100% Georgia **EFES GEORGIA**
- 50% Ukraine **ABInBev / EFES**



Investment Theme

Diversified business model including beer and soft drinks

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

Strong brand portfolio including some of the world's best known brands and strong regional brands

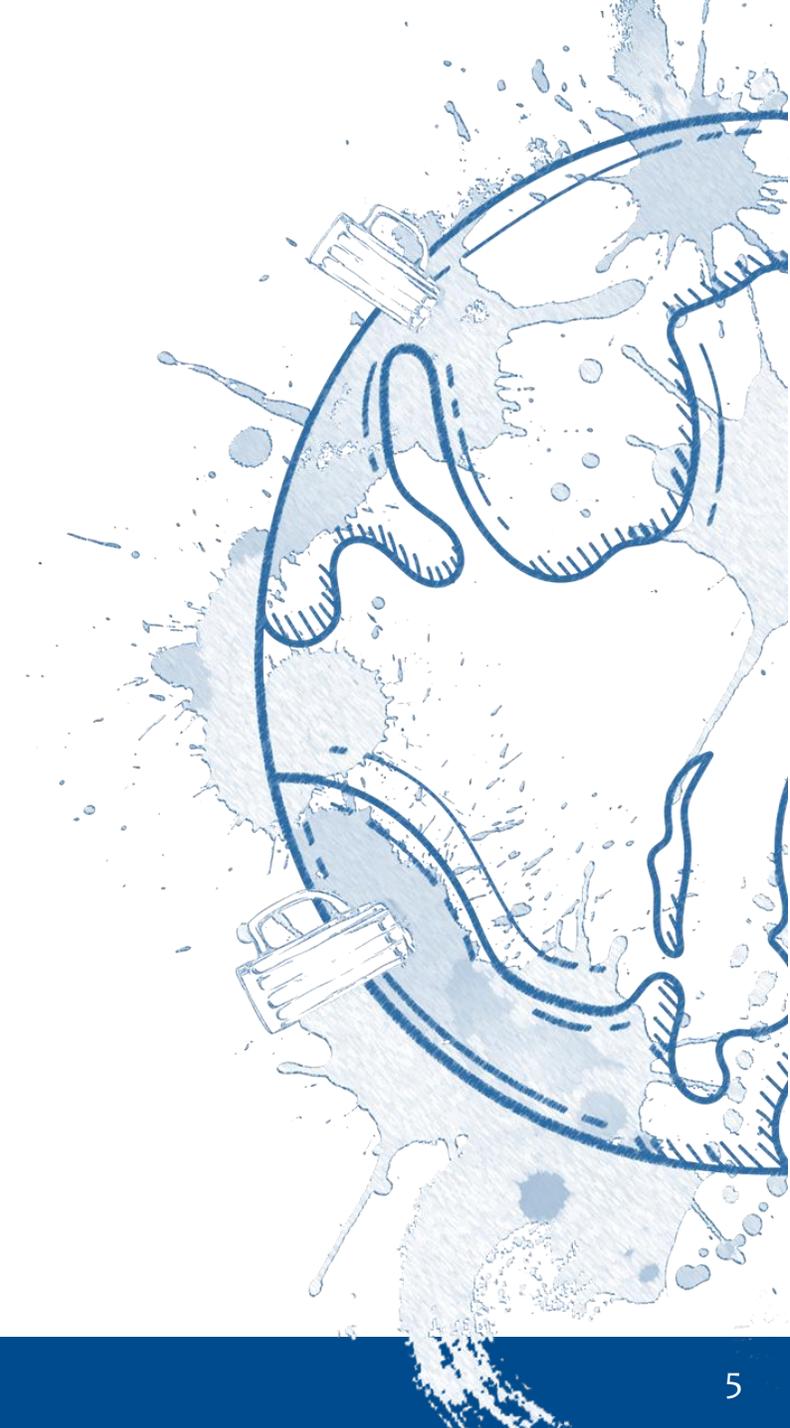
Abundant potential in demographics

Proven track record of expansion & growth in emerging markets

Strategy, Execution and People to accelerate quality growth

Expertise & Know-How in driving cost efficiencies

Solid, consistent financial performance and strong track record



International beer and soft drinks operations contributed positively to Anadolu Efes' first quarter results...

VOLUMES
+3.7%

- Strong volume growth achieved in International Beer & Soft Drinks
- Turkey beer under pressure starting from mid-March

REVENUE
+15.3%

- Higher prices per hl
- Positive currency translation

EBITDA (Margin)
-23.4%
(-337 bps)

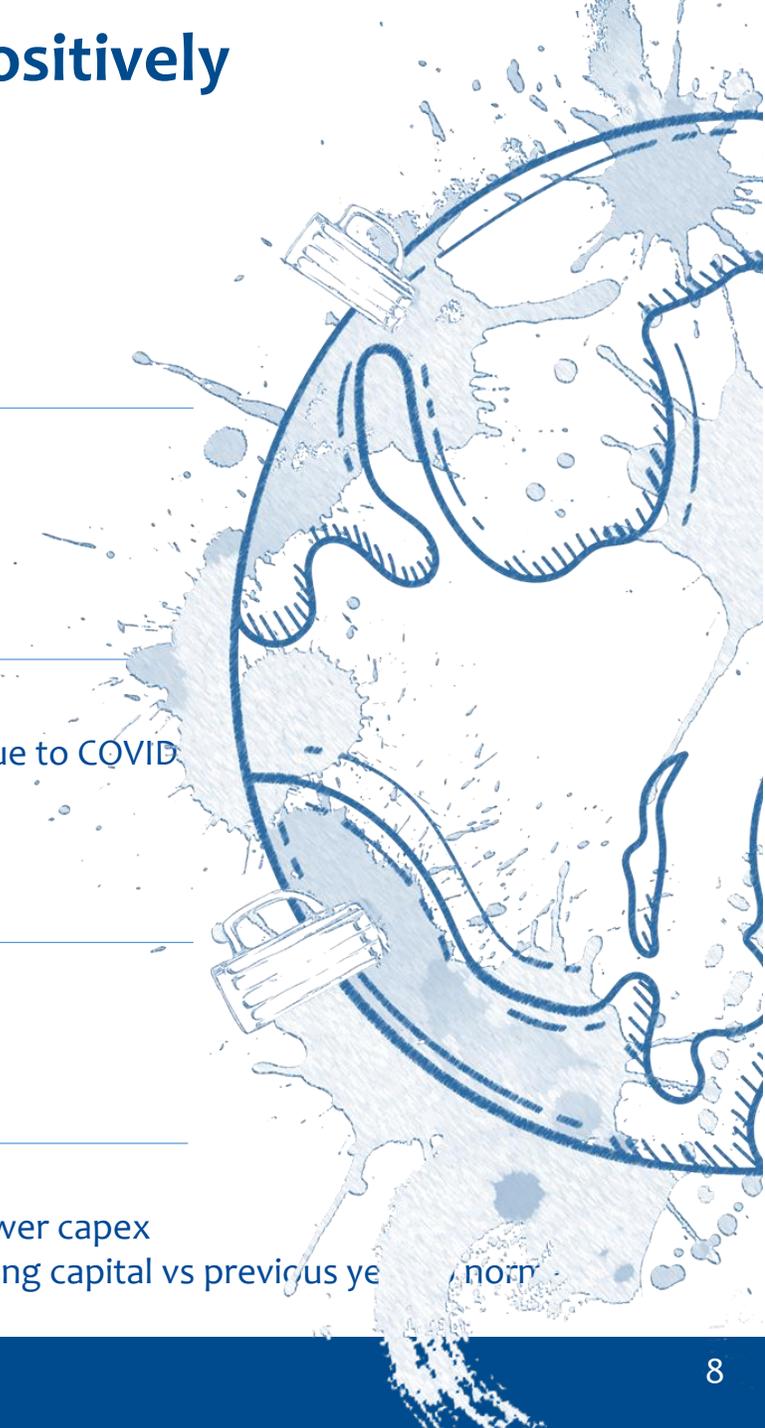
- Margin decline mainly driven by the negative EBITDA in Beer Group due to COVID
- Soft drink margins improved

Net Income
TL-84mn

- Better performance vs previous year
 - FX gains recorded as a result of repatriation of cash from EBI
 - Lower net financial expenses

Free Cash Flow
TL-1,021 mn

- Negative FCF due to seasonality but in line with or better than plan
- Turkey Beer benefitted from better working capital management & lower capex
- International Beer lower operational profitability and increase in working capital vs previous year throughout the year

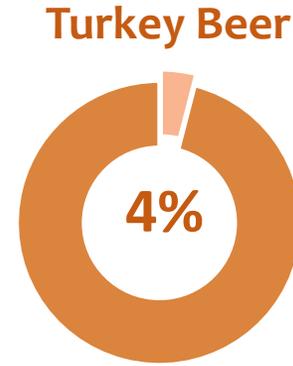


Anadolu Efes 1Q 2020 Financial Highlights

VOLUMES

20.5 mhl
up 3.7%

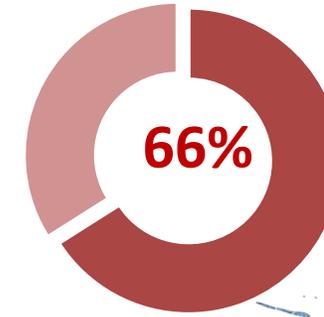
Breakdown



International Beer



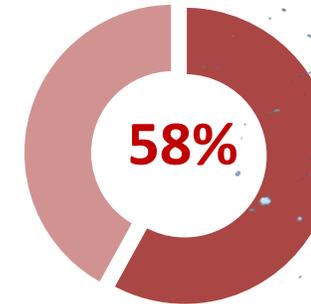
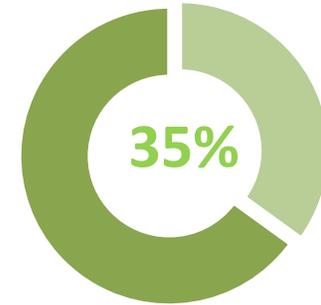
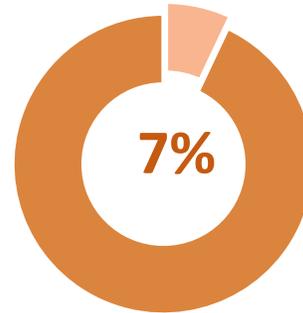
Soft Drinks



REVENUE

4.5 bn TL
up 15.3%

Breakdown



EBITDA (BNRI)

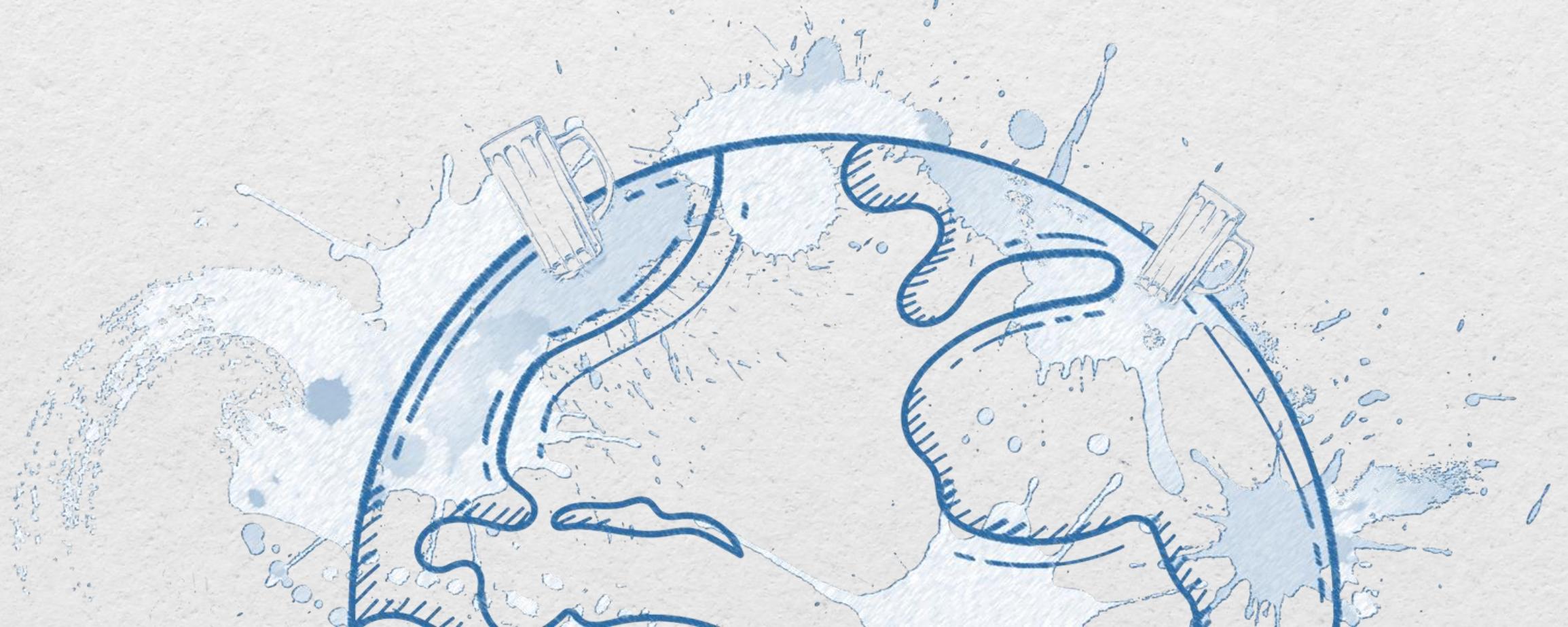
0.3 bn TL
down 23.4%
margin -337 bps



*1Q2019 financials are restated to exclude Doğadan as per the announcement made by Coca Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis.

EFES

BEER OPERATIONS



Beer Group Strategic Priorities



PEOPLE

BRANDS

OPERATIONAL EXCELLENCE

FINANCIAL DISCIPLINE & VALUE CREATION

CUSTOMERS & CONSUMERS

STAKEHOLDERS

EXPANSION & GROWTH

Nurturing our talents by establishing required tools & systems and providing great place to work

Providing choice, great taste, quality and innovation

Building competitive advantage through lean and efficient process and organization

Achieve profitable growth and maximize free cash flow to generate above average return on our investments

Enhancing Customer Dealer engagement through better collaboration and innovative solutions

Building relationships and credibility with stakeholders

Expanding our business through enhancing brand portfolio, utilizing new channels and geographical expansion

Beer Operations At a Glance



Since **1969**



World's
10th* largest player



Europe's
5th* largest player



6 operating
countries



21 breweries



Leader**
in all countries



+8,800 employees



100+ brands



70+
export countries



Strong Positions in all Operating Geography



Turkey:

- ✓ Leading brewer
- ✓ Per capita consumption of 11 liters¹



Russia:

- ✓ World's 6th largest beer market
- ✓ Per capita consumption of 53 liters¹
- ✓ #1 player



Ukraine:

- ✓ Beer market size of 18.1 mhl¹
- ✓ Per capita consumption of 41 liters¹
- ✓ #1 player



Kazakhstan:

- ✓ Beer market size of 5.9 mhl¹
- ✓ Per capita consumption of 32 liters¹
- ✓ #1 player



Moldova:

- ✓ Beer market size of 1.1 mhl¹
- ✓ Per capita consumption of 30 liters¹
- ✓ #1 player



Georgia:

- ✓ Beer market size of 1.2 mhl¹
- ✓ Per capita consumption of 31 liters¹
- ✓ #1 player



Catalysts & Challenges



Low per capita consumption



Developing economies



Young populations



Westernization/Urbanization



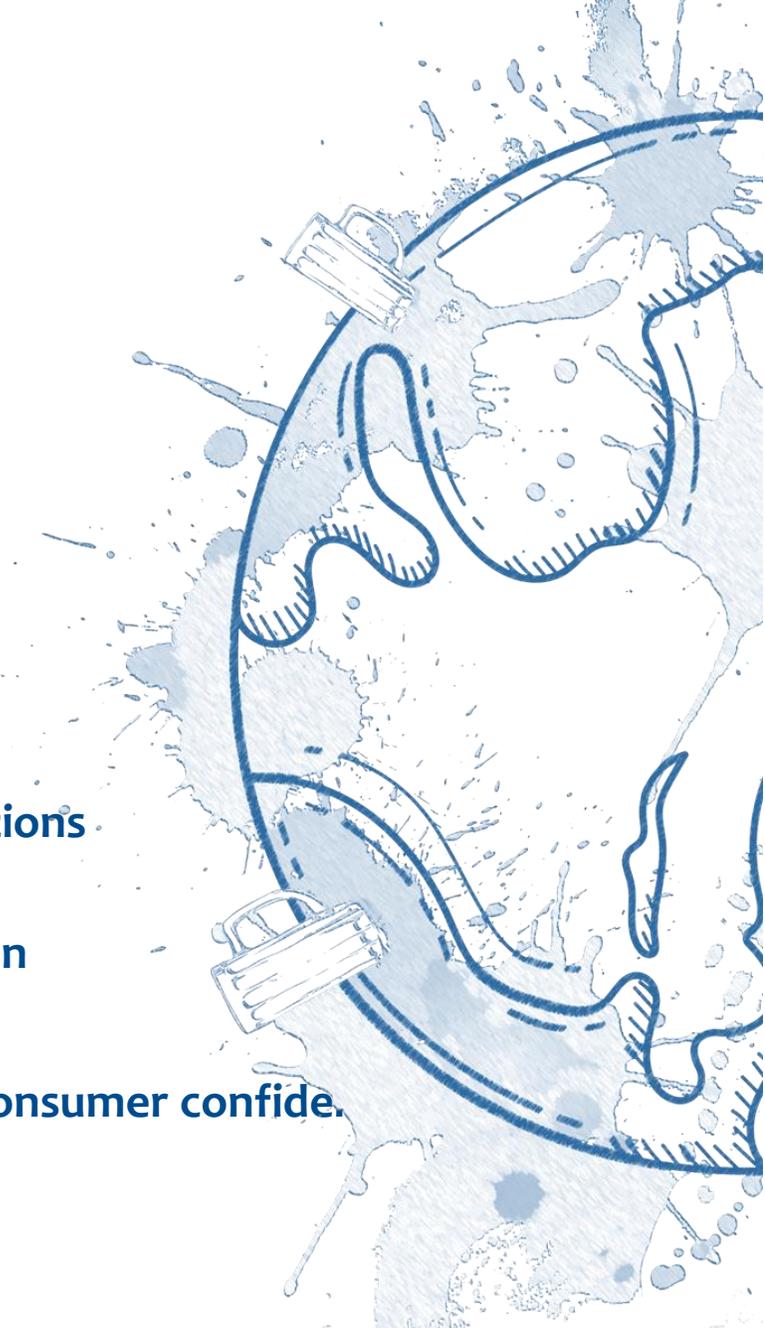
Regulations



Taxation

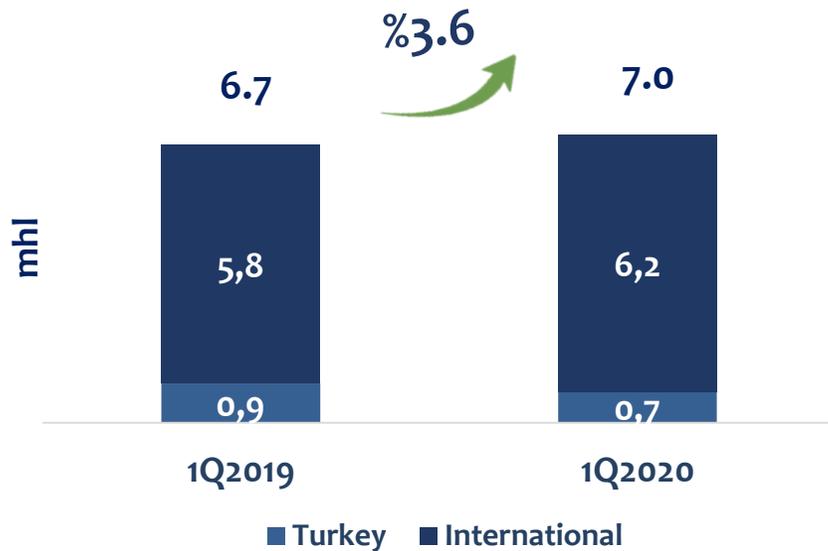


Poor consumer confidence

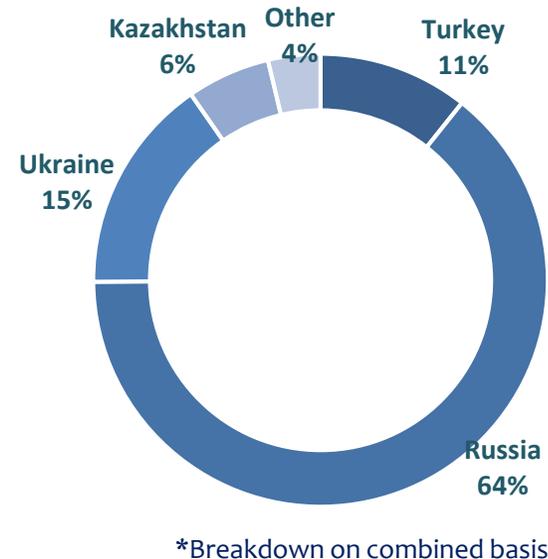


1Q 2020 Beer volume growth driven by international and compensating softer volumes in Turkey...

BEER GROUP SALES VOLUME



VOLUME BREAKDOWN* BY COUNTRY



Turkey Operations

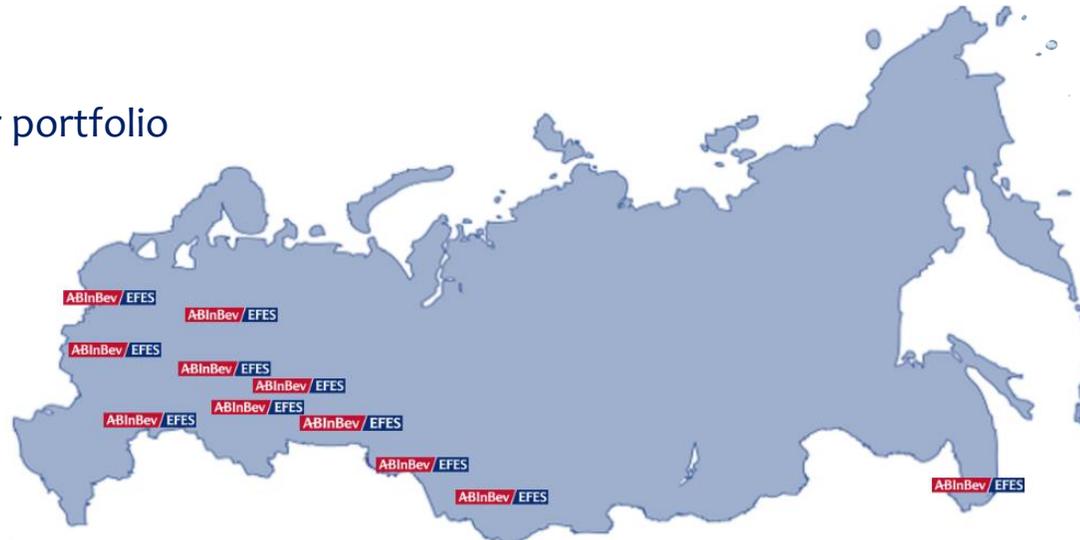
- ✓ Year started strong & parallel to expectations
- ✓ March volumes under pressure due to on-trade ban
- ✓ Stable market share since July2019

International Operations

- ✓ Volume growth of 7.7%
- ✓ Robust volume performance attributable to all international beer operations except Kazakhstan
- ✓ Market leadership maintained with further gains especially in Russia & Ukraine
- ✓ Moldova & Georgia better than expectations

Russian Beer Operations

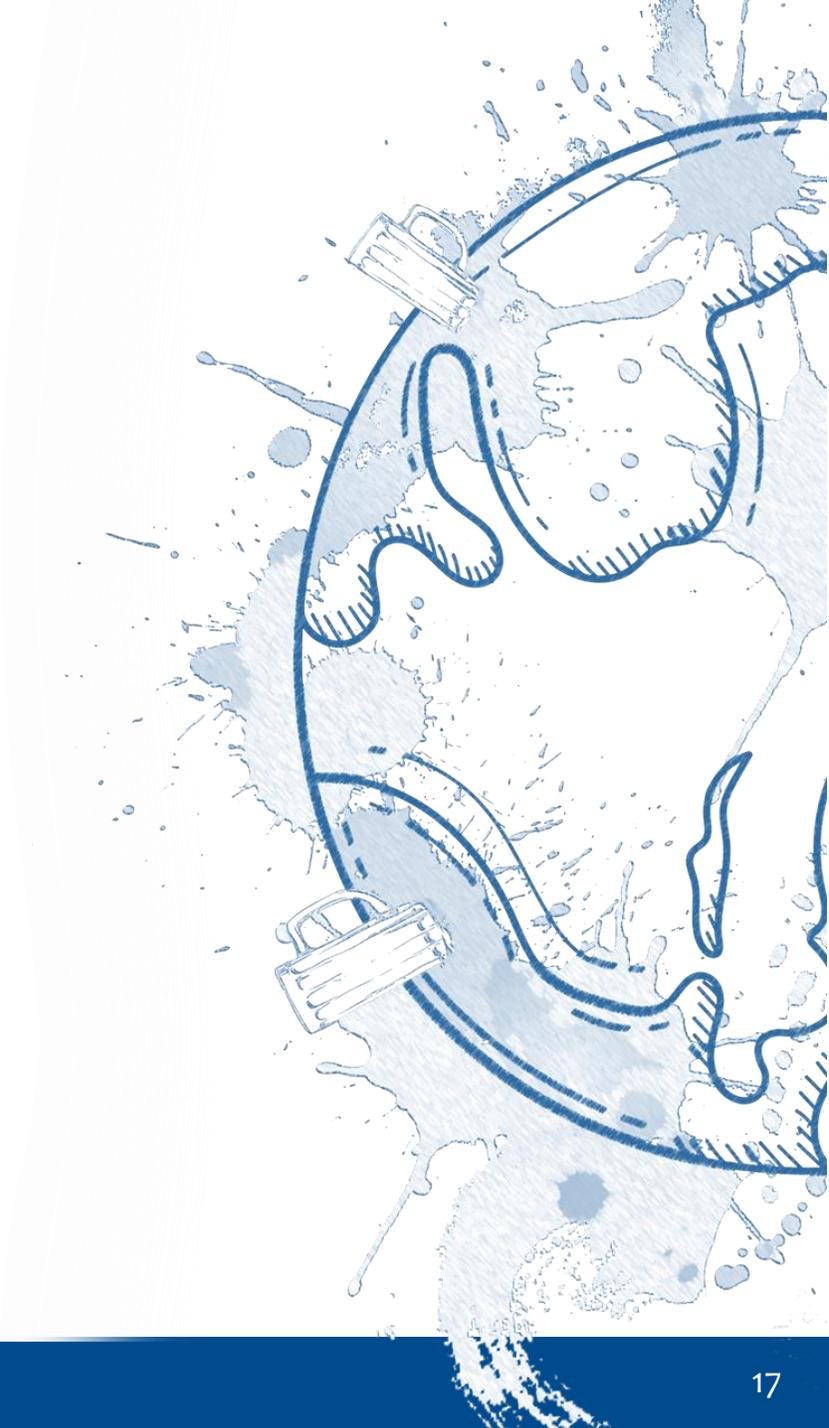
- ✓ World's 6th largest beer market* with **77 mhl market size**
- ✓ **Per capita consumption of 53 liters***
- ✓ 29.8 brewing capacity with CUR ~70%
- ✓ **ABInBev / EFES** is the market leader with **~28% market share**
- ✓ Clear market leader in Super Premium & Premium segments with upside potential in the rest
- ✓ Cross brewing should enabling wider distribution of more SKUs
- ✓ Premiumization driving value growth
- ✓ World's best known beer brands in our portfolio



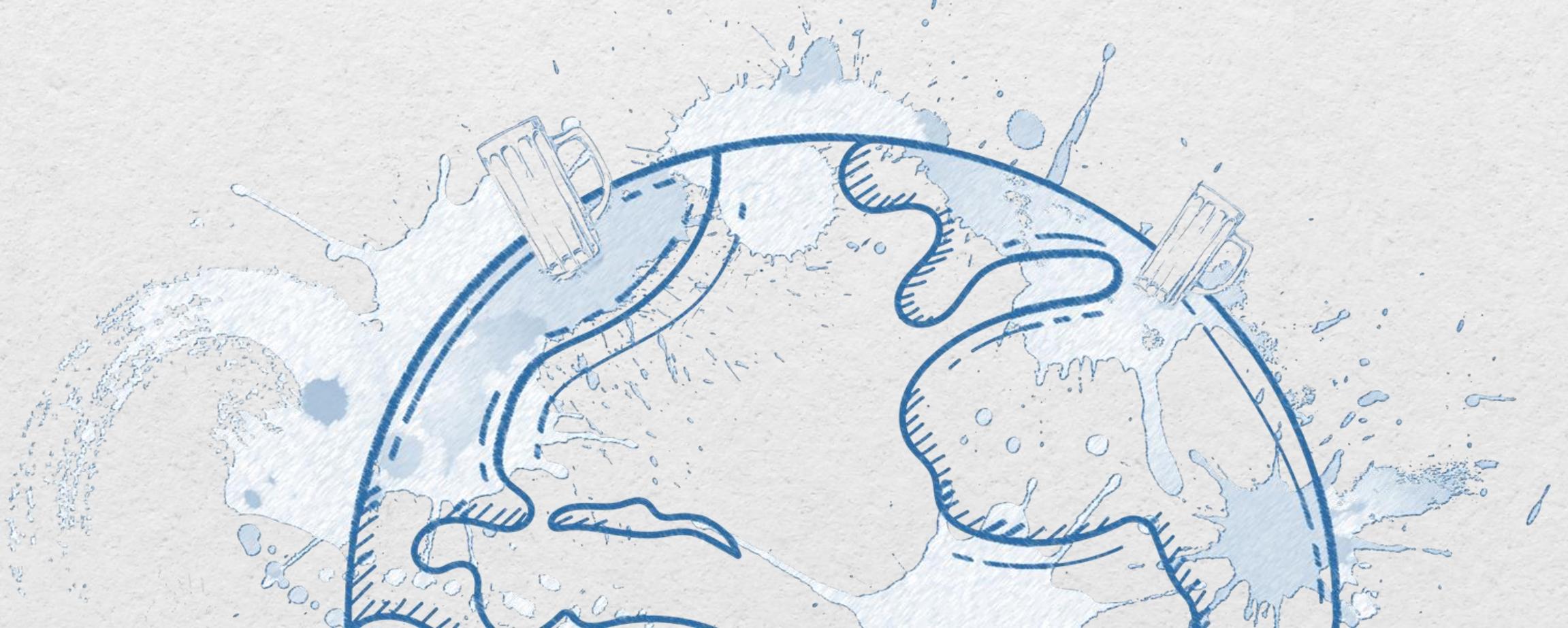
* GlobalData , 2019

Turkey Beer Operations

- ✓ Low **per capita consumption of 11 liters*** offering a growth potential
- ✓ Growing population with **1.4% annual growth rate in 2019**
- ✓ **Leading brewer**** in the market
- ✓ 3 Breweries with **7.0 mhl capacity**
- ✓ 2 Malteries & 1 Hops Processing Facility enabling vertical integration for key raw materials
- ✓ 100% brand awareness for “Efes Pilsen”
- ✓ Rich portfolio of local, imported & licensed brands covering all segments
- ✓ #1 in consumer spending in Food & Beverage category
- ✓ 99% penetration in alcohol selling stores in Turkey**



SOFT DRINK OPERATIONS



Strategic priorities in core business to create value

Accelerate Growth



- Full-beverage portfolio
- Revenue Growth Management (RGM)
- Expand Sparkling & Stills
- Increase frequency
- Regional strategies

Win at the Point of Sale



- Increase outlet coverage
- Increase cooler penetration
- Right Execution Daily
- E-commerce
- Future-proof RTM

Exercise Financial Discipline



- Productivity savings
- Working capital improvements
- Healthy FCF
- Optimum leverage
- Effective FX management

Win with People



- Integrated Talent Strategy
- Leadership Development
- High Performing Team
- Transformation to “OnePeople”

ONE CCI

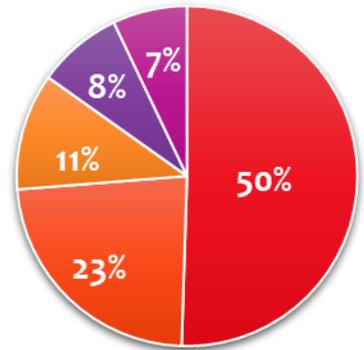


A multinational beverage company – Coca-Cola Icecek

- 10 countries, ~400 mn people
- 26 production plants with 126 lines
- 1.5 bn UC(1) annual production capacity
- ~780 thousand sales points
- 1.3 bn UC sales volume
- \$ 2.2 bn revenue & \$ 403 mn EBITDA



Volume Breakdown

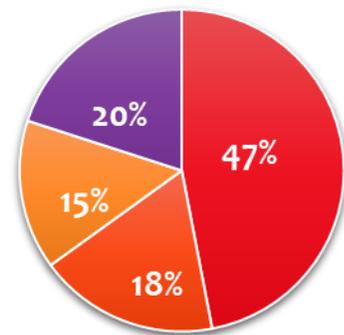


Sparkling Market Position

- #1
- #2
- #1
- #2

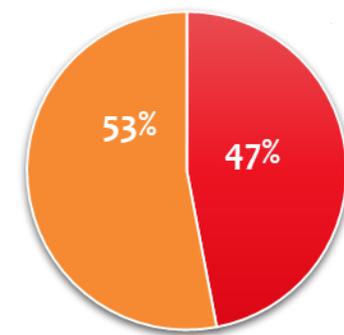
- Turkey
- Pakistan
- Kazakhstan
- Iraq
- Others

Revenue Breakdown



- Turkey
- Pakistan
- Kazakhstan
- Others

EBITDA Breakdown



- Turkey
- International

Figures reflect FY 2019 numbers unless otherwise stated
 (1) Unit case, 1 UC equals 5,678 liters

Successful track record of growth, with the right focus and excellence in execution



VOLUME



11%

CAGR 2005-2019

REVENUE



18%

CAGR 2005-2019

EBITDA



19%

CAGR 2005-2019

Single country in
2005...

Expanding into Central Asia and North
Iraq in 2006-2007...

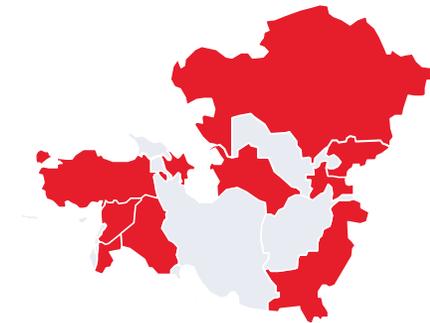
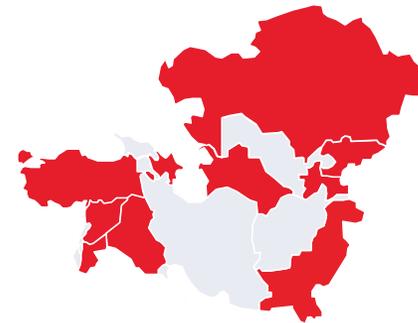
JV in Pakistan in
2008...

South Iraq in
2012...

A regional bottler today...



318 mn UC



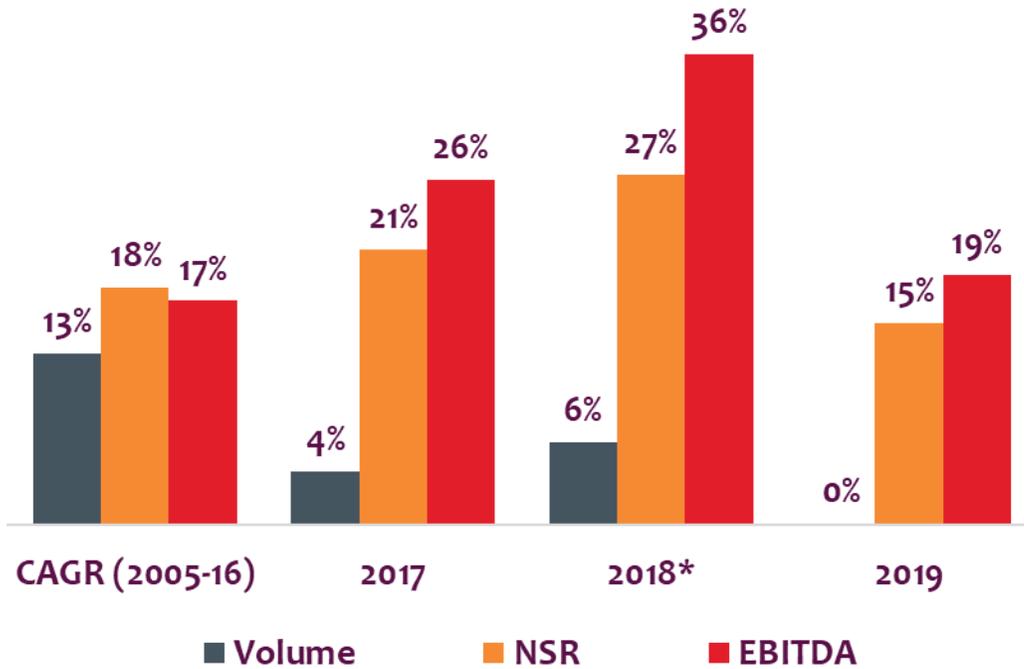
1,316 mn UC

Rising performance...



Maintaining Quality Growth

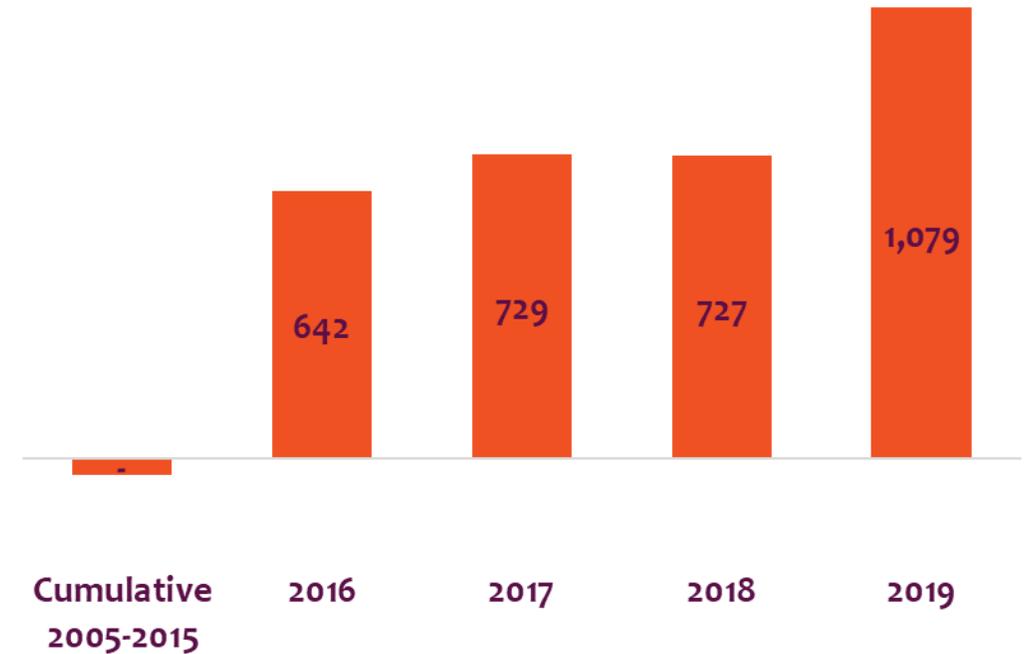
Growth



2019: Continuation of quality growth algorithm

Solid Free Cash Flow

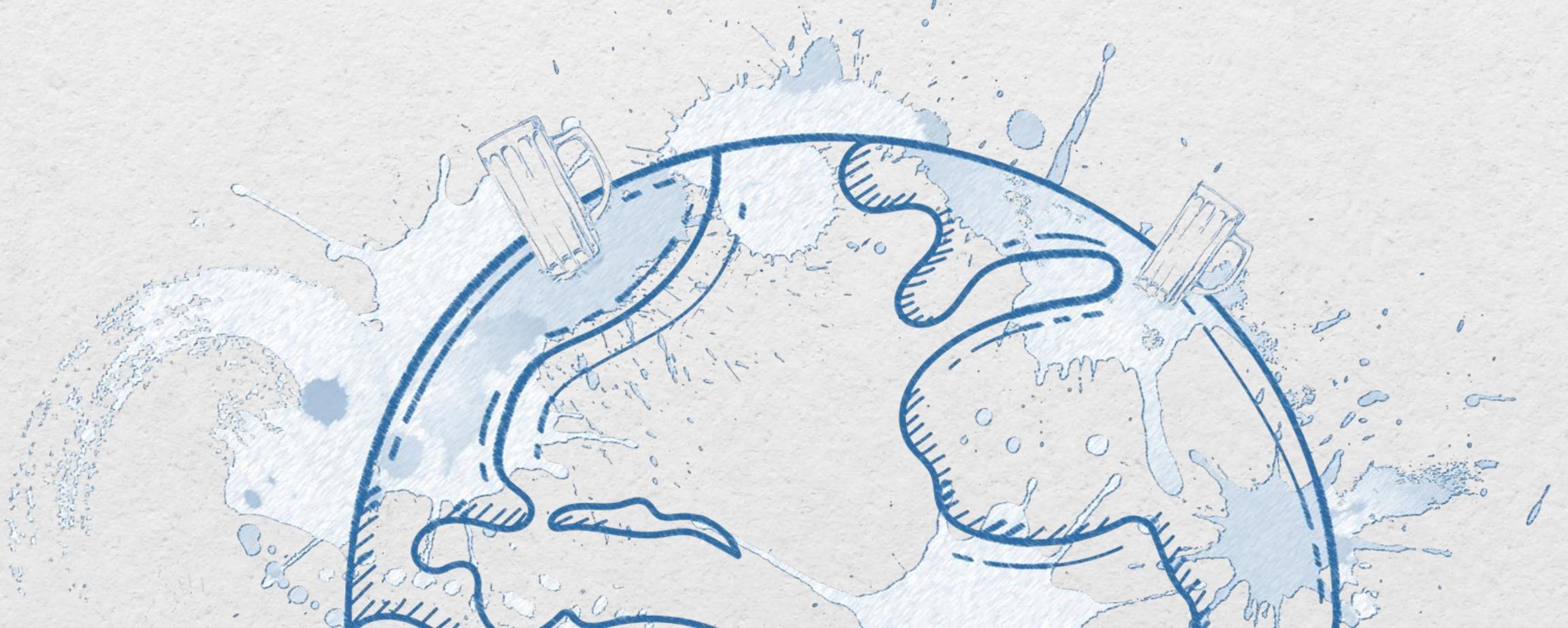
TL million



2019: Highest free cash flow

*Includes TFRS 15 adjustments

FINANCIAL OVERVIEW



Balance Sheet & Risk Management



Cash Management

- Current cash balances cover short term financial debt obligations due in next 12 months
- 78% of cash held in hard currency



Debt Management

- No long term refinancing needs in 2020
- Ave. maturity 1.9 years for Beer Group & 2.6 years for AEFES
- Secured liquidity under worst case scenario
- Available uncommitted credit lines, RCFs & other funding sources



Liquidity & Leverage

- Beer Group Net Debt / EBITDA ratio 2.0x
- AEFES Net Debt / EBITDA ratio 1.5x



Risk Management

- High hedge coverage for short term FX exposure
 - More than 90% in Turkey
 - 100% in Russia and Ukraine
- ALU exposure hedged financially
 - 60% in Turkey
 - 40% in Kazakhstan
 - 100% in Russia and Ukraine
- 100% of collections from dealers & distributors under guarantee across all operations

Beer profitability impacted pricing & calendarization of OPEX

1Q20

Net Sales

ANADOLU EFES



BEER GROUP



TURKEY BEER



EBI



Margin:

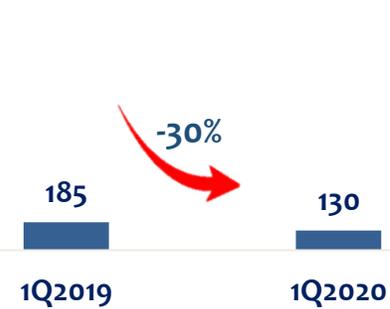
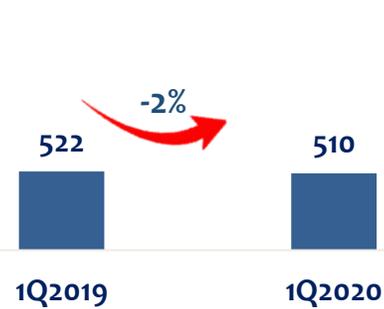
31.0% 29.9%

30.0% 27.0%

49.4% 41.6%

23.9% 23.4%

Gross Profit



Margin:

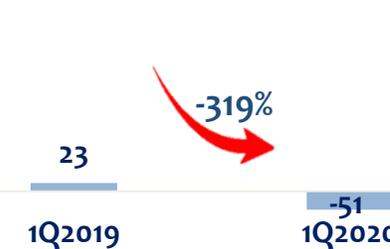
10.0% 6.7%

4.2% -5.1%

6.2% -16.3%

4.2% -1.7%

EBITDA (BNRI)



*1Q2019 financials are restated to exclude Doğadan as per the announcement made by Coca-Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis for Anadolu Efes and CCI throughout the earnings release.

EBITDA margin expanded & recorded highest FCF

FY19

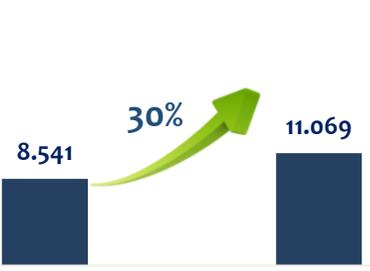
Net Sales

ANADOLU EFES



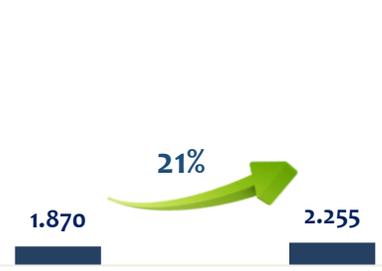
2018 Proforma 2019

BEER GROUP



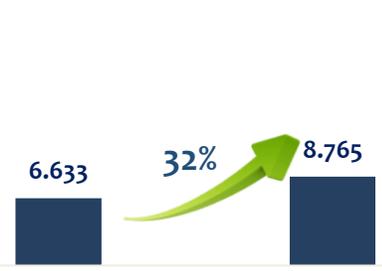
2018 Proforma 2019

TURKEY BEER



2018 2019

EBI



2018 Proforma 2019

Margin: 35.4% 37.7%

38.1% 41.4%

56.4% 54.2%

32.6% 37.7%

Gross Profit



2018 Proforma & Restated 2019



2018 Proforma & Restated 2019



2018 Reclassed 2019



2018 Proforma & Restated 2019

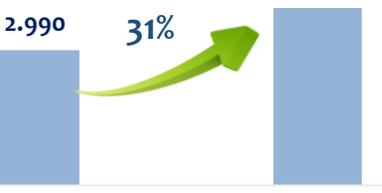
Margin: 15.6% 16.8%

13.1% 15.4%

21.3% 15.9%

11.5% 16.0%

EBITDA (BNRI)



2018 Proforma & Restated 2019



2018 Proforma & Restated 2019



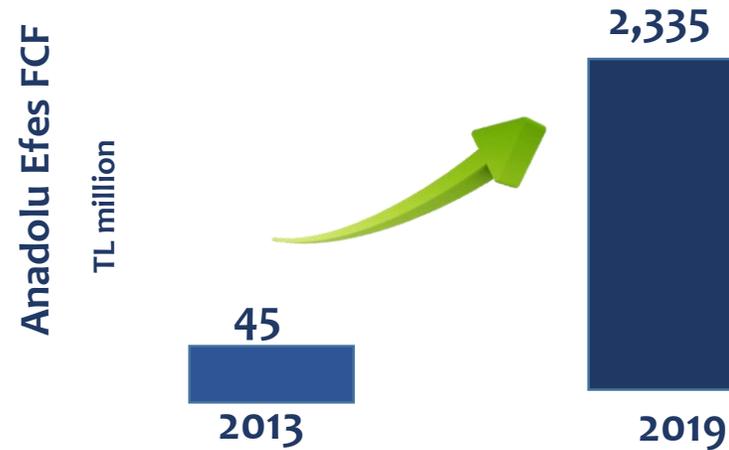
2018 Reclassed 2019



2018 Proforma & Restated 2019

*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 9 months of operation of combined business. In addition to actual results, 2018 figures also include the incremental depreciation charge in 2019 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

Solid Cash Flow Generation



2020 Beer Group Outlook

- Given the uncertainties, 2020 guidance withdrawn
- Second quarter results critical to give a more concrete and detailed guidance

Decline by low-
double digits
on annual basis

Volumes



EBITDA margin
contraction in FY
to be less than 1Q

EBITDA
Margin



Will not exceed
previous year's
level

Capex /
Net Sales



THANK YOU

