



EFES

ANADOLU EFES

1Q2021

**CONFERENCE CALL
PRESENTATION**

06.05.2021



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



We made a very good start to the year...



Strong **volume growth** delivered in both beer & soft drinks



Continued focus and brand investments related to “**+1 relaunch**” ahead of the high season



Robust **topline growth** with rev/hl increases across the board



Commitment to **digital transformation initiatives**



Better than expected **topline & profitability**



Better than anticipated **Free Cash Flow** generation



Calendarization of some expenses in international beer & soft drinks

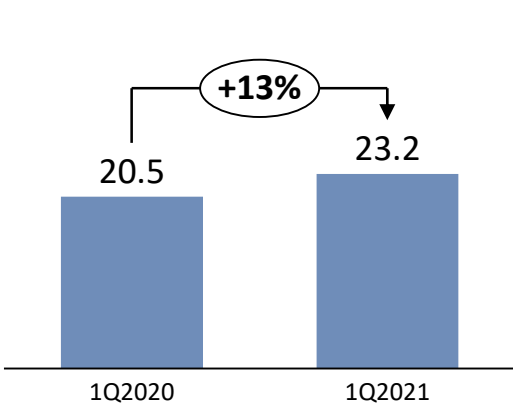


Evaluating financing opportunities, particularly in relation to the **refinancing of US\$ 2022 bonds**

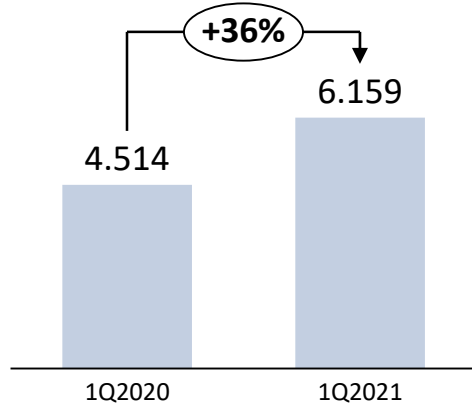


...contributed by both business segments...

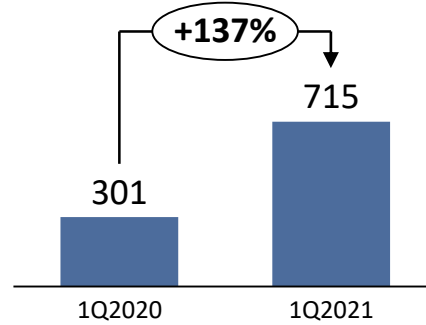
TOTAL VOLUME
mhl



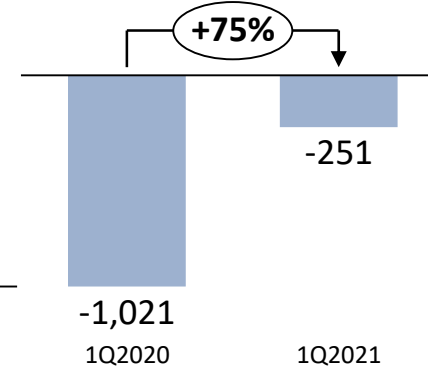
REVENUE
TL mn



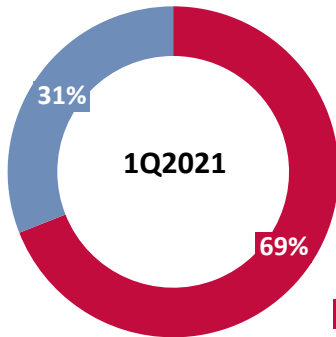
EBITDA
TL mn, bps
~+500 bps
margin increase



FREE CASH FLOW
TL mn

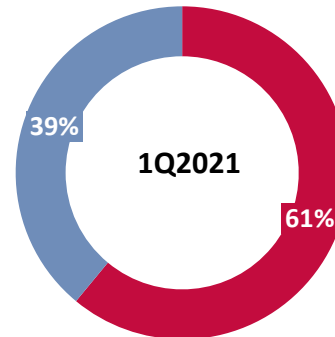


VOLUME
BREAKDOWN



Soft drinks
Beer

REVENUE
BREAKDOWN



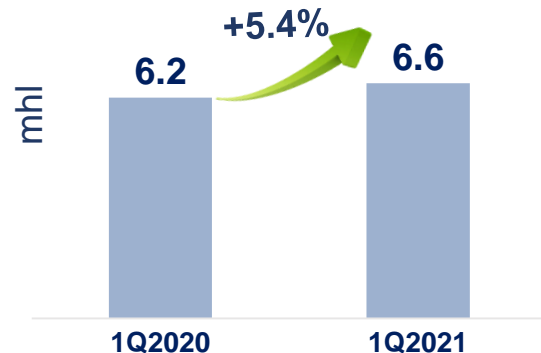


...with robust performance delivered in Russia and CIS...

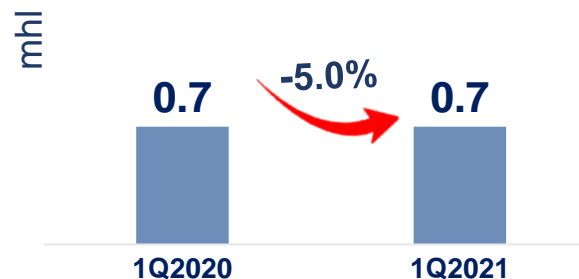
BEER GROUP SALES VOLUME



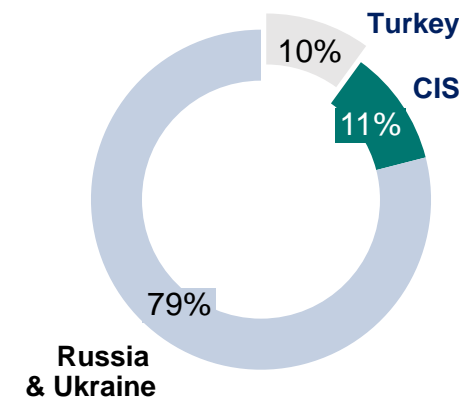
INTERNATIONAL BEER SALES VOLUME



TURKEY BEER SALES VOLUME



VOLUME BREAKDOWN*



Russia & Ukraine

- **Russia** volumes supported by favorable market
 - Volumes up high-single digits
- Market up mid-single digit
 - Value share gains in 1Q2021 vs 2020YE
- **Ukraine** volumes down
 - Competition
 - Negative industry due to COVID restrictions

CIS Countries

- **CIS countries** maintained healthy growth
 - Double-digits growth achieved in Kazakhstan and Moldova
 - Superior performance delivered in premium & mainstream brands
 - Good performance delivered by newly-launched brands

Turkey

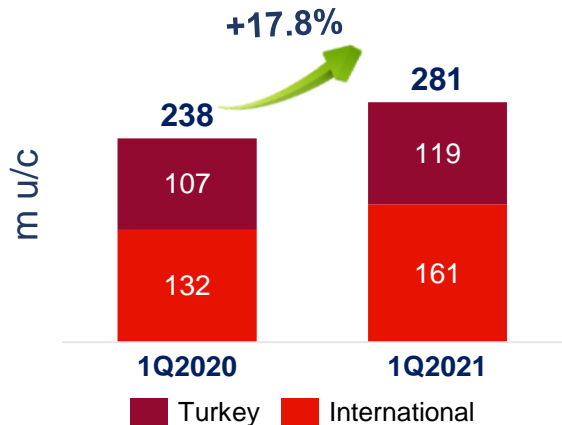
- **Turkey** volumes impacted by strict measures in Jan-Feb
- Results better than initially anticipated
 - Temporary reopening of on-trade during March
- Accelerated market activations & spending related to “+1 relaunch” ahead of the high season
 - Early signs of stabilization of our portfolio

*On a combined basis



...together with a remarkable performance in soft drinks...

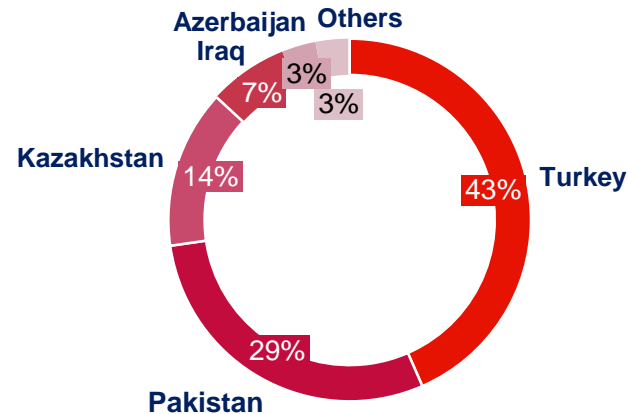
SOFT DRINKS SALES VOLUME



Turkey Operations

- Turkey volume growth of 11.8%
 - Driven by both sparkling & still
- Sparkling grew 19.7%
 - Strong core portfolio performance, timely and right execution
 - Share of immediate consumption packages down to 25% from 30%
- Still up 15.7%, water down 14.4%

VOLUME BREAKDOWN*



International Operations

- International operations volume growth of 22.6%
- All international operations grew without exception
- Pakistan volume up by 40.7%
 - Consumer and shopper initiatives, regional acceleration plans & optimal resource allocation
- Middle East volumes up 8.9%, Central Asia up 8.1%

*On combined basis



...yielding better than anticipated results in 1Q

NET REVENUE

+36.5%

EBITDA BNRI

+137.5%

EBITDA BNRI%

11.6%

(+494 bps)

NET INCOME

TL295 mn

FREE CASH FLOW

-TL251 mn
(+TL 771 mn)

REVENUE

- Price increases
- Favorable mix & better discount management
- Positive currency translation

EBITDA MARGIN

- Calendarization of some expenses in international beer and soft drinks
- Higher opex in Turkey beer due to accelerated trade marketing ahead of season

NET INCOME

- Better operational profit and higher FX gain
- Net FX gain recorded as a result of the repatriated cash from EBI
- Gain from the sale of Lüleburgaz land

FREE CASH FLOW

- Negative FCF due to seasonality, yet y-o-y improvement
 - Improved operational profitability and better working capital
- Consolidated Net Debt to EBITDA (BNRI) → 1.0x

FINANCIAL OVERVIEW

Orhun Köstem

Chief Financial Officer



Outstanding financial performance in the smallest quarter...

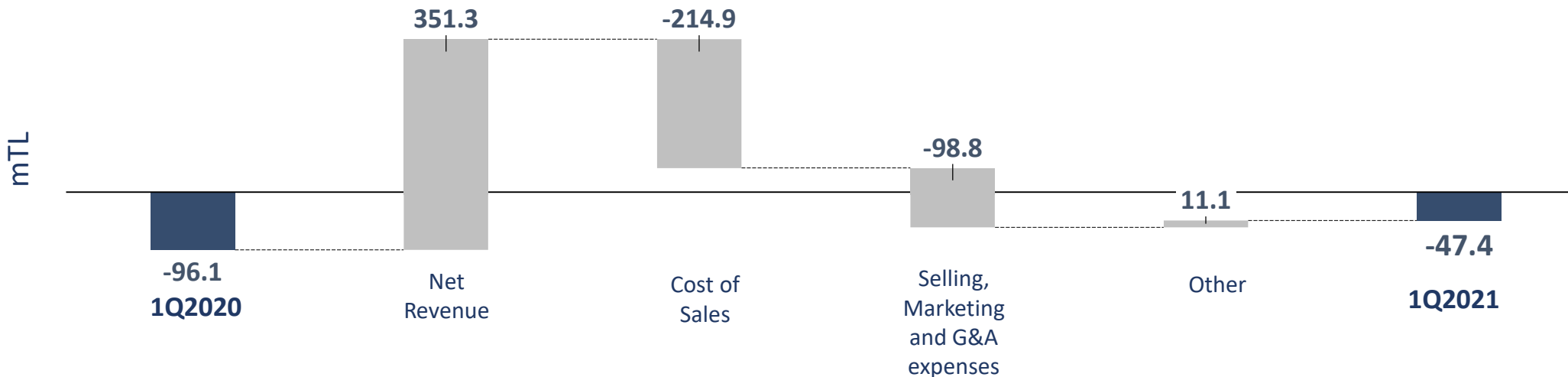
	VOLUME	NET REVENUE	EBITDA BNRI	EBITDA BNRI%	FREE CASH FLOW
ANADOLU EFES	23.2 mhl +13.2% vs. PY	6,159 mTL +36.5% vs. PY	715 mTL +137.5% vs. PY	11.6% +5.0pp vs. PY	-251 mTL +771m vs. PY
BEER GROUP	7.3 mhl +4.3% vs. PY	2,412 mTL +27.5% vs. PY	-47 mTL +50.7% vs. PY	-2.0% +3.1pp vs. PY	-589 mTL +695m vs. PY
SOFT DRINKS GROUP	281 mn u/c +17.8% vs. PY	3,747 mTL +42.9% vs. PY	763 mTL +92.1% vs. PY	20.4% +5.2pp vs. PY	117 mTL +98m vs. PY



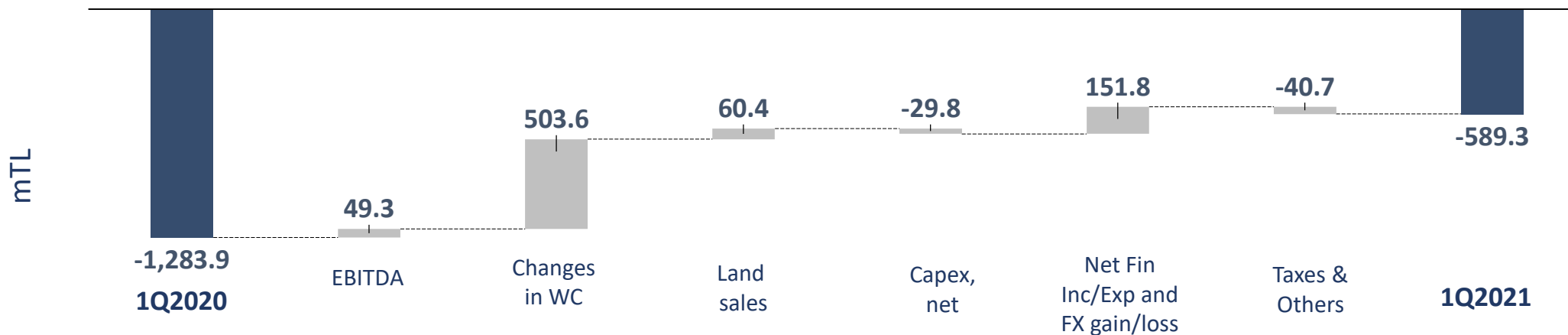
...with y-o-y improvement in both operational profitability and cash generation...

Beer Group

EBITDA Bridge



Free Cash Flow Bridge

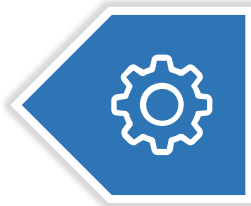


+1 ... with clear priorities for balance sheet management



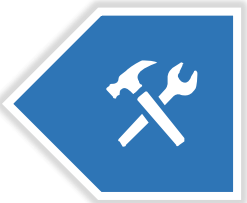
Reducing FX exposure

- No FX debt exposure other than Eurobond



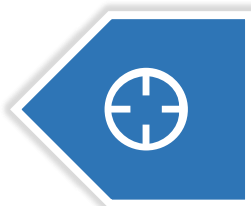
Extending Debt Maturity

- Particularly in relation to the refinancing of US\$ 2022 bonds



Ensuring Capital Efficiency

- Beer Group: **2.0x** (1Q2020: 2.0x)
- Anadolu Efes: **1.0x** (1Q2020: 1.5x)



Effective risk management

- Cash Designation
- Commodity Hedges
- Net Investment Hedge



OUTLOOK

Can Çaka

CEO & Beer Group President



Despite a very strong quarter outlook maintained due to uncertainties ahead...

VOLUME

continuing impact of pandemic

Consolidated:

Low-to-mid-
single digit
growth

Beer Group:

Low-single digit
growth

Soft Drinks:

Range of
4% to 6%
growth

SALES REVENUE

FX-Neutral basis

Consolidated:

Mid-teens
growth

Beer Group:

Low-teens
growth

Soft Drinks:

High-teens
growth

EBITDA MARGIN

Consolidated:

Slight
decline

Beer Group:

Ca. 200 bps
decline

Soft Drinks:

Flattish

CAPEX & FREE CASH FLOW

Normalized **CAPEX** to
Sales ratio of high single
digits

Continue to
deliver strong
Free Cash Flow



CLOSING REMARKS

Can aka

CEO & Beer Group President



**Q&A
SESSION**

Can aka

CEO & Beer Group President

Orhun Kstem

Chief Financial Officer

+1 FX Rates

		1Q2020	1Q2021	Δ%
USD/TL	AVG	6.09	7.38	21.2%
	PE	6.52	8.33	27.8%
EUR/TL	AVG	6.72	8.90	32.4%
	PE	7.22	9.77	35.4%
TL/RUB	AVG	10.90	10.07	-7.6%
	PE	11.93	9.09	-23.8%
TL/KZT	AVG	64.18	56.88	-11.4%
	PE	68.76	50.97	-25.9%
TL/UAH	AVG	4.11	3.79	-7.9%
	PE	4.31	3.35	-22.2%
TL/MDL	AVG	2.89	2.37	-17.9%
	PE	2.79	2.16	-22.4%
TL/GEL	AVG	0.48	0.45	-6.5%
	PE	0.50	0.41	-18.7%