



ANADOLU EFES

9M2018

Investor Presentation





**PASSIONATE
& PROUD**

We are proud with our brands and our past. We approach to the challenges with positive perspective and saying "we can do it."



PROFESSIONAL

We cherish accuracy, transparency and professionalism.



NIMBLE

We foster a culture of proactivity, forward thinking, innovation & continuous improvement and act with agility in realizing our targets.



COLLABORATIVE

We have authority and responsibility. We work together to success.



SUSTAINABLE

We contribute to the community and environment positively.

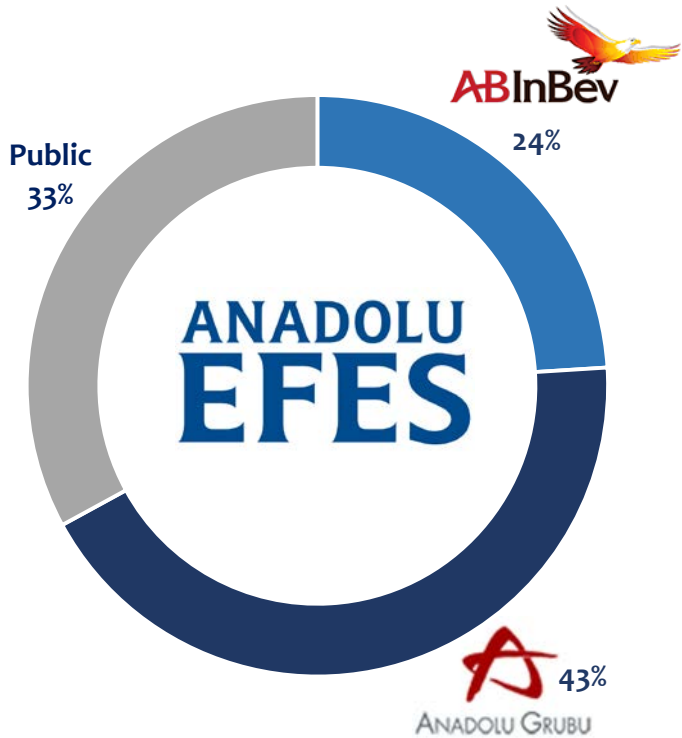
OUR VISION

Be the most admired beverage company in our markets.

OUR MISSION

Bring people together to share moments of life by enjoying our brands responsibly.

Ownership Structure



-Turkey Beer Operations **EFES TÜRKİYE**

-International Beer Operations (EBI)

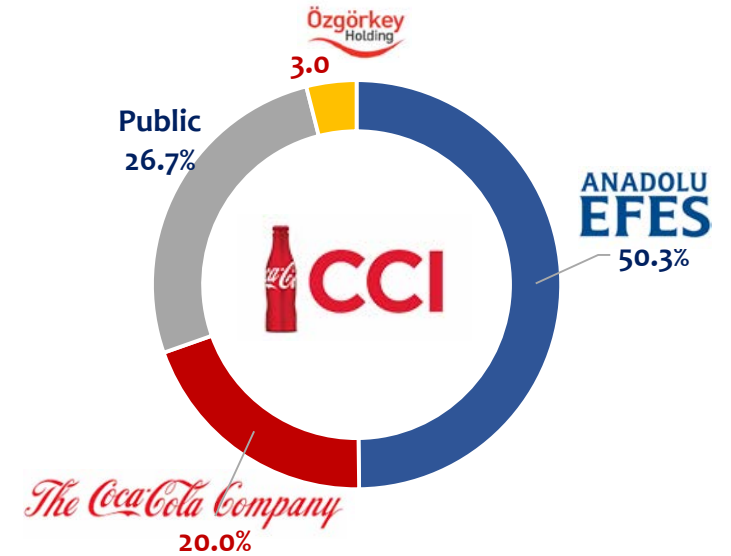
50% Russia **ABInBev / EFES**

100% Kazakhstan **EFES KAZAKHSTAN**

96.9% Moldova **EFES MOLDOVA**

100% Georgia **EFES GEORGIA**

50% Ukraine **ABInBev / EFES**



Anadolu Efes At a Glance



690 mn consumers



21 Breweries* & **26** Bottling Plants*



Europe's **5th**,
World's **15th** largest brewer



6th largest Coca-Cola bottler
Strategic partnerships with world giants

ABInBev



9.1 billion litres sales volume



12.9 billion TL sales revenue



2.2 billion TL EBITDA



1.3 billion TL Free Cash Flow

3Q2018 Highlights

THROUGHOUT THIS PRESENTATION 'PROFORMA' MEANS FIGURES INCLUDING ABI RUSSIA AND ABI UKRAINE STARTING FROM APRIL 1ST.

Volume growth of 2.7%*

- Positive contribution from all business lines, especially Turkey beer

Revenue up by 38.8%*

- Higher volumes
- Price increases
- Positive currency translation impact

EBITDA (BNRI) expanded by 37.6%*

- Flattish margin

Net loss of TL35.8 million

- non-cash FX losses

In 9M2018,

- Consolidated net debt to EBITDA (BNRI) → 1.6x
- Free Cash Flow of TL1.4 billion



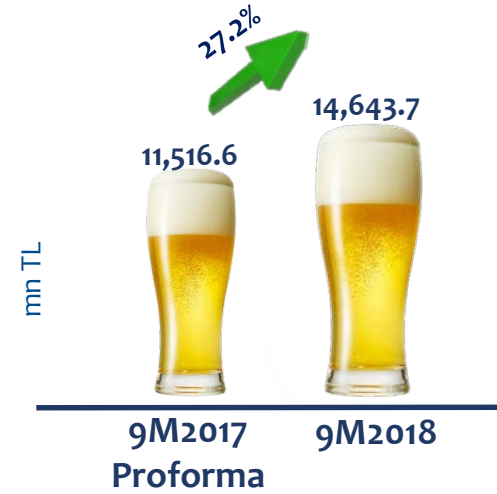
Solid 9M2018 Consolidated Performance



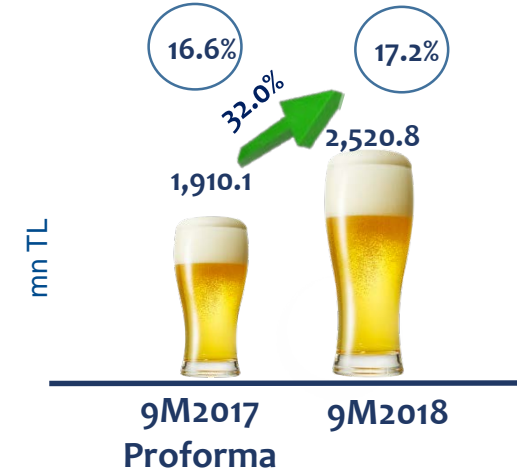
SALES VOLUME



NET SALES REVENUE



EBITDA (BNRI) & EBITDA (BNRI) Margin



Share of	9M2017 Proforma		9M2018	
	Category	Share	Category	Share
	Turkey Beer	5%	Turkey Beer	12%
International Beer	23%	International Beer	21%	
Coca-Cola Icecek	72%	Coca-Cola Icecek	67%	

Strong Competitive Advantages



Diversified business model including beer and soft drinks



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



Expertise & Know-how in driving cost efficiencies



Strong regional player powered by proven local know-how



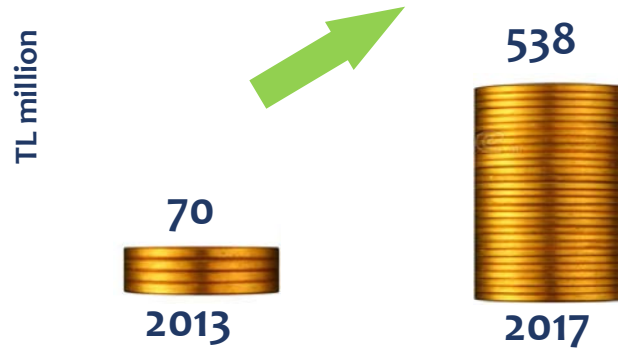
Solid, consistent financial performance and strong track record



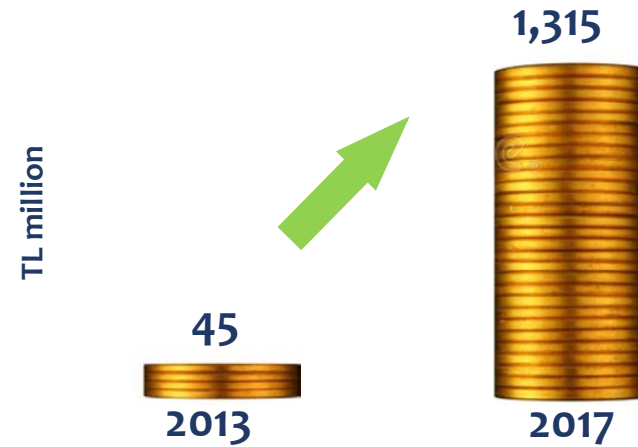
Solid Cash Flow Generation

- ✓ Focus on profitability margins
- ✓ Smart Capex Planning
- ✓ Tight Working Capital Management

Beer Group FCF



Anadolu Efes FCF



Long-term Key Priorities



Continue to generate value by margin improvement and FCF generation through our priorities



- Capitalizing on our strong brand portfolios
- Achieving optimal brand & SKU mix
- Excelling in execution
- Focusing on quality market share
- Strong cash flow generation with special focus on optimizing WC



- Accelerate revenue and margin growth
- Winning at the point of sales
- Sales force effectiveness

BEER OPERATIONS



BEER Group Strategy



Provide choice and innovation to consumers:
Grow brand love

Brands



Excell in **customer collaboration availability and point of sale activation**

Execution



Build competitive advantage through **lean and efficient operations**

Efficiency



Focus on **employees, customers, regulators, community and environment**

Relations

Efes Beer Group At a Glance



Since **1969**



15th
Largest in the World



5th
Largest in Europe



#1
in our markets
Turkey, Kazakhstan
Moldova, Georgia
(Russia #2)



~ **80** brands
~ **300m** consumer



9.700+ Employees



80+
Export countries



6
Operation countries

Turkey, Russia, Kazakhstan
Moldova, Georgia, Ukraine



21
Breweries

*incl. Russia & Ukraine –
to be optimized

Beer Operations

Turkey



Russia



Kazakhstan



Moldova



Georgia



Ukraine



Markets With Low Per Capita Consumption & High Growth Potential

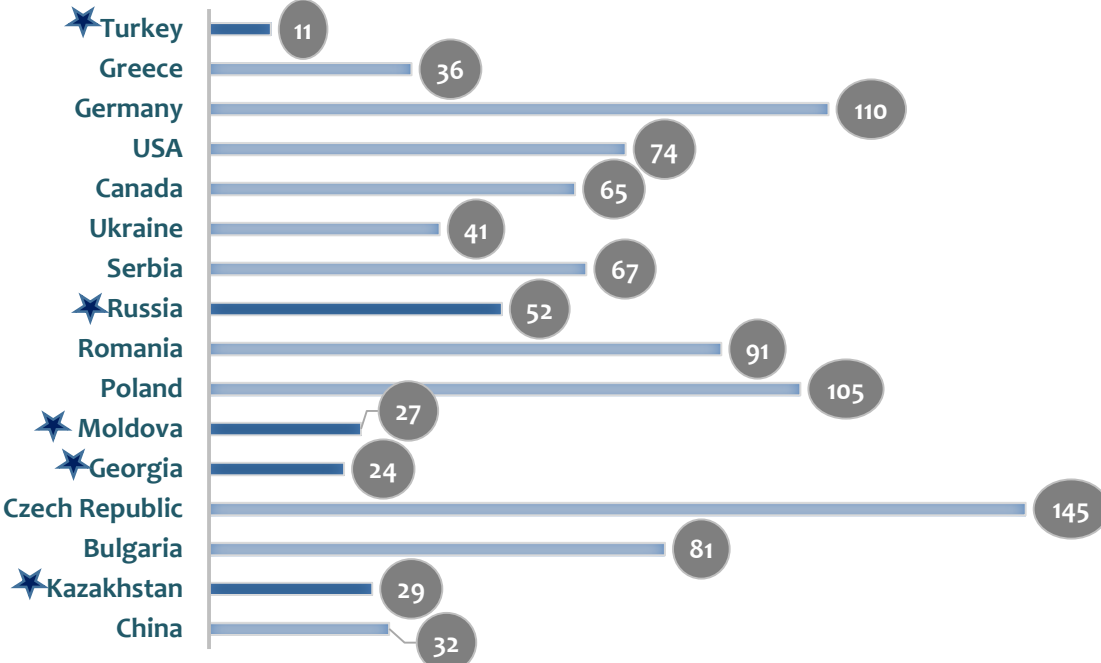


Low per capita consumption



Developing economies

Per capita consumption (litre)



Young populations



Westernization/urbanization

★ Efes operations

Turkish Beer Market & Efes Turkey



➤ Turkish Beer Market

- Low per capita consumption of 11 liters* offering a growth potential
- Growing population with 1.2% annual growth rate in 2017
 - 47% is below age 30
- Returnable market enabling higher operational profitability
 - Bottles & kegs amount to more than half of total beer market

➤ Efes Turkey

- 3 Breweries & 2 Malteries & 1 Hops Processing Facility
- 60% market share**
- 100% brand awareness for “Efes Pilsen”
- Rich portfolio of local, imported & licensed brands covering all segments
- #1 in consumer spending in Food & Beverage category – 7.0% in 2017**
- 99% penetration in Turkey***



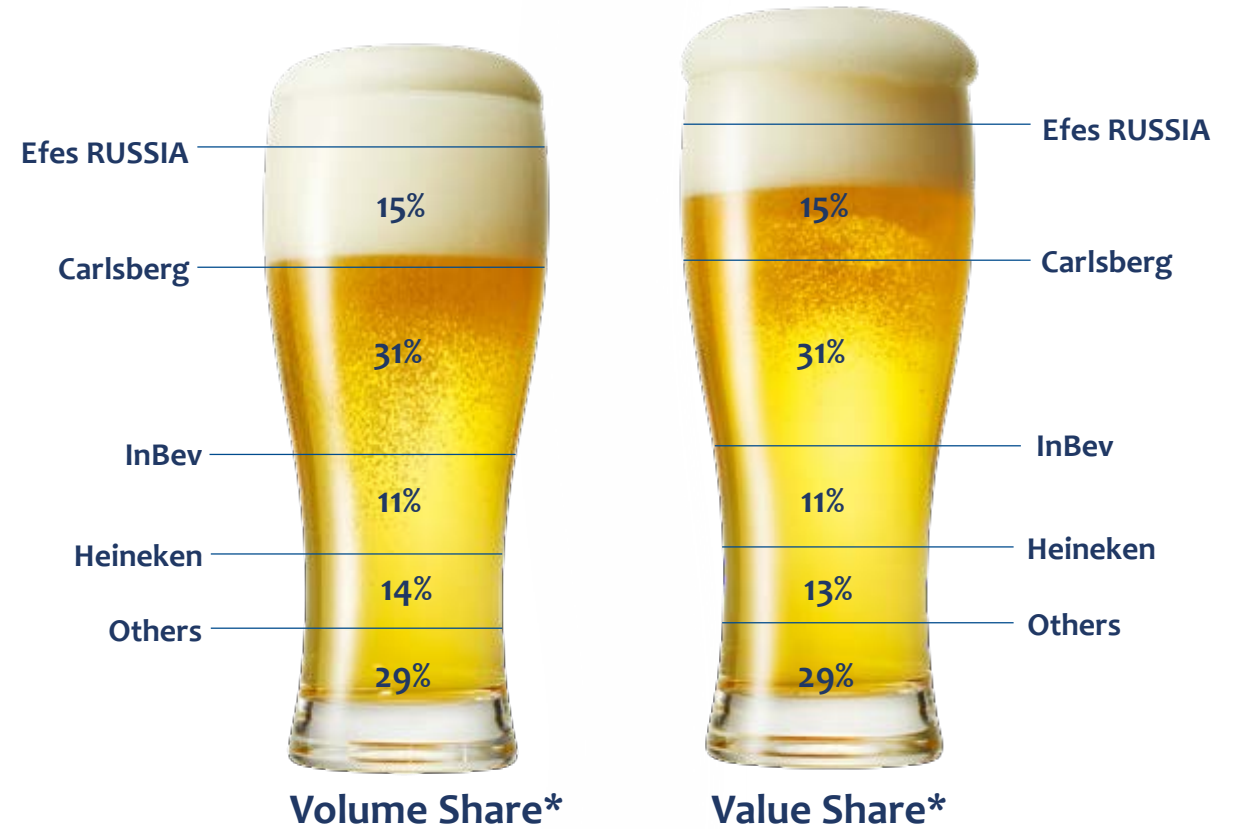
Russian Beer Market



World's **6th** largest beer market with total consumption of **~80 mhl**

Dominated by multinational brewers where top 3** accounting for ~ more than **70%** of the market

Share of Modern Trade above **60%** - more than doubled in the last few years



*Nielsen Urban Russia, Cities 10000+, Off-Trade, YTD December 2017

**Efes and InBev are considered as one single entity

Purpose of ABI-Efes Deal in Russia & Ukraine



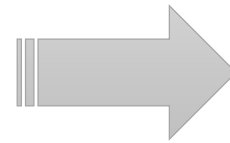
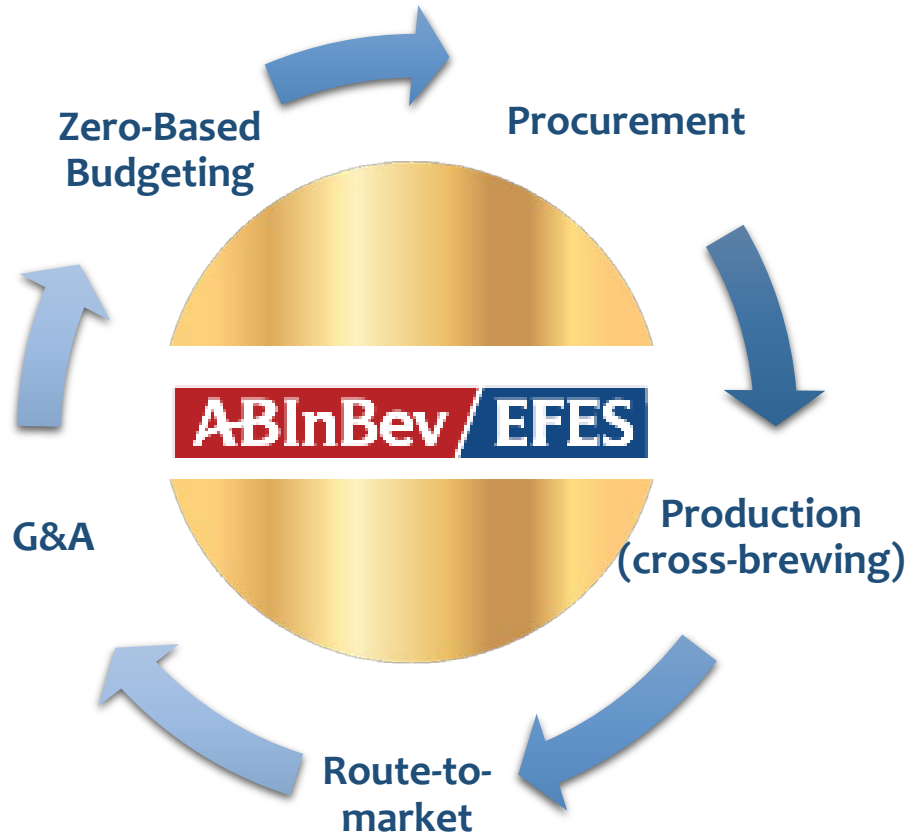
- ✓ Geographical diversification
- ✓ Being strong #2
- ✓ Further growth in Russia & Ukraine
- ✓ Potential synergies
- ✓ Opportunity to increase distribution
- ✓ Complementary strong brand portfolio
- ✓ Enhancing relationship between Anadolu Efes & AB InBev



Synergies



Main synergies to be derived from



Expected to generate **USD 80-100 million** cost synergies annually

✓ Full capture by the end of 2020



Other International Beer Operations



Kazakhstan

Market leader with **49%** share*

Moldova

Market leader with **61%** share***

Georgia

Market leader with **49%** share**

Ukraine

2nd player with **31%** share*



Commitment to Environment



ENERGY AND EMISSIONS MANAGEMENT

15%+14%

Compared to 2008, we consumed **15% less energy** and generated **14% fewer emissions per unit product**.



OPERATIONAL RELIABILITY

50 Thousand Person Hours

In 2016, we provided a total of more than **49.898 person hours of occupational health and safety training** to our employees.



WATER MANAGEMENT

36% Decrease in Total Water Consumption

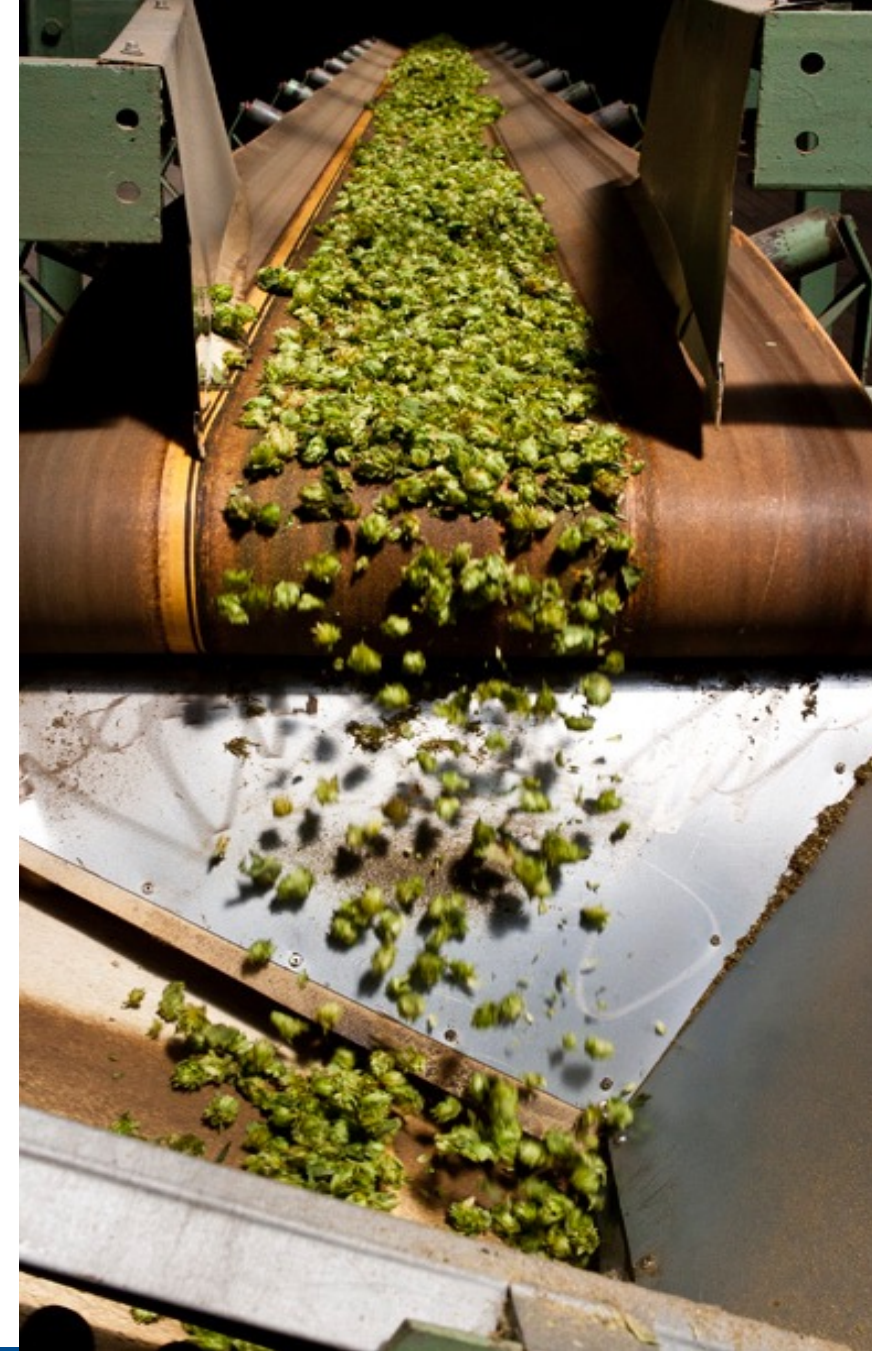
Compared to 2008, we consumed **23% less water in beer production** and **21% less water in malt production**



PACKAGING MANAGEMENT

98% Waste Recovery

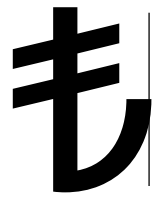
Compared to the previous year, in 2016, the returnable glass bottle rate increased to **15.1%** from **14.9%**, and aluminum cans to **21.8%** from **21.6%**. Steel keg and returnable glass bottle rate increased to **23.1%**.



SOFT DRINK OPERATIONS



Coca-Cola İçecek in a Nutshell



8.5 billion annual revenue
1.4 billion annual EBITDA



26 plants ⁽¹⁾, 124 production lines ⁽¹⁾



9 thousand employees



1.2 billion UC ⁽²⁾
sales volume



10 countries



28 billion annual servings to
400 million people
Annual production capacity of



1.5 billion UC
~800K sales points



Data as of 2017, unless otherwise stated
(1) As of 2018 (2) Unit case, 1 UC equals 5,678 liters

Coca-Cola İçecek – Opportunities



400 MILLION
CONSUMERS



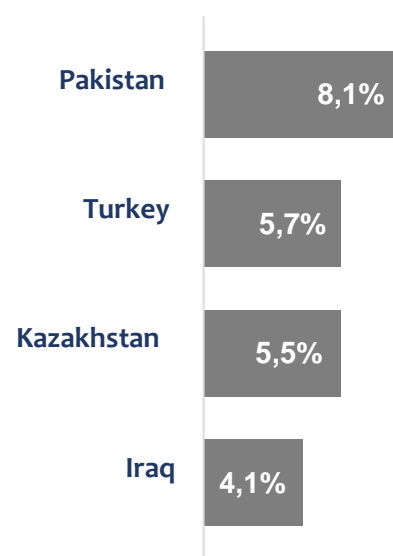
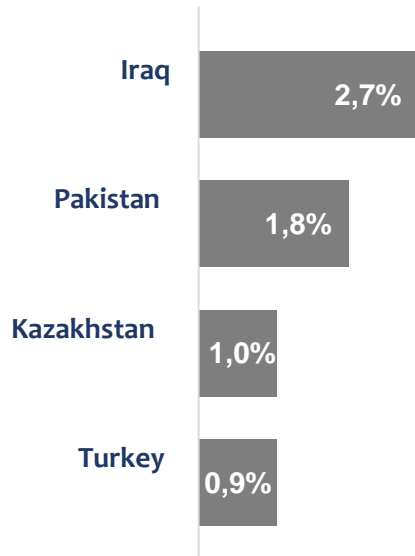
20 MILLION
NEW CONSUMERS BY
2021

53% will consist of **urban middle class**

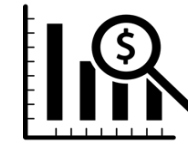
More than **60%** will be **below 30**

Population Growth
(CAGR 2018-2021)

GDP Growth*
(CAGR 2018-2021)



Population



GDP

Average CCI
Growth
(CAGR 2018-2021)

1.7%

6.0%

Coca-Cola İçecek – Strategic Priorities



Accelerating Growth

- Full Beverage Portfolio
- Revenue Growth Management
- Increase Frequency
- Grow Sparkling & Stills
- Regional Strategies



Win at the Point of Sale

- Increase cooler penetration
- Increase outlet coverage
- Improve commercial capabilities
- Future proof RTM



Exercise Financial Discipline

- Productivity Savings
- WC improvements
- Healthy FCF
- Optimum Leverage
- Effective FX management



FINANCIALS & OUTLOOK



9M2018 Financial Highlights



	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		BEER GROUP (TL mn)		CCI (TL mn)	
	9M2018	vs 9M2017	9M2018	Vs Proforma 9M2017	9M2018	vs Proforma 9M2017	9M2018	vs 9M2017
Volume (mhl)	4.3	-1.8%	19.4	0.9%	23.7	0.4%	1,086.4	7.5%
Net Sales	1,343.0	17.2%	4,532.6	30.2%	5,905.3	26.9%	8,738.6	27.3%
Gross Profit	751.4	12.5%	1,877.4	26.8%	2,658.8	22.7%	3,070.2	30.4%
EBIT (BNRI)	157.9	11.1%	137.2	-1.9%	259.7	3.7%	1,272.1	53.1%
EBITDA (BNRI)	305.0	11.7%	525.5	14.7%	797.4	13.7%	1,723.4	42.6%
Net Income**	-1,051.2	-3,347.8%	-3.2	-102.6%	-36.1	-124.0%	178.5	-53.8%
	Change (bps)		Change (bps)		Change (bps)		Change (bps)	
Margins								
Gross Profit	55.9%	-231	41.4%	-109	45.0%	-154	35.1%	83
EBIT (BNRI)	11.8%	-64	3.0%	-99	4.4%	-98	14.6%	245
EBITDA (BNRI)	22.7%	-110	11.6%	-157	13.5%	-157	19.7%	211
Net Income**	-78.3%	-8,109	-0.1%	-364	-0.6%	-385	2.0%	-358

* mn unit case

** Net income attributable to shareholders

Gross & Net Debt

Anadolu Efes Consolidated

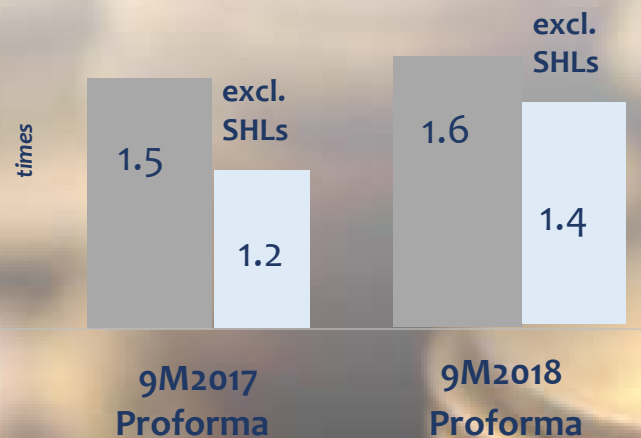
<i>mn USD</i>	9M2017	9M2018
Gross Debt	2,293.4	2,313.4
Net Debt	861.4	823.3

73% of cash is held as hard currency

87% of debt is in hard currency

83% of debt has fixed interest

Net Leverage Ratio: Net Debt / EBITDA (BNRI)



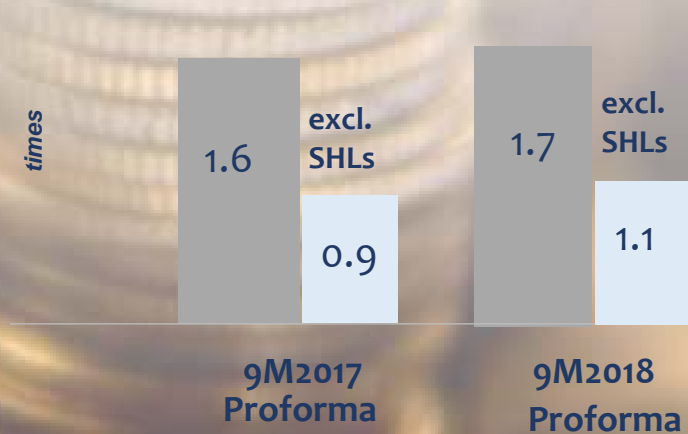
Beer Group

<i>mn USD</i>	9M2017	9M2018
Gross Debt	715.5	890.0
Net Debt	317.8	318.2

63% of cash is held as hard currency

80% of debt is in hard currency

81% of debt has fixed interest



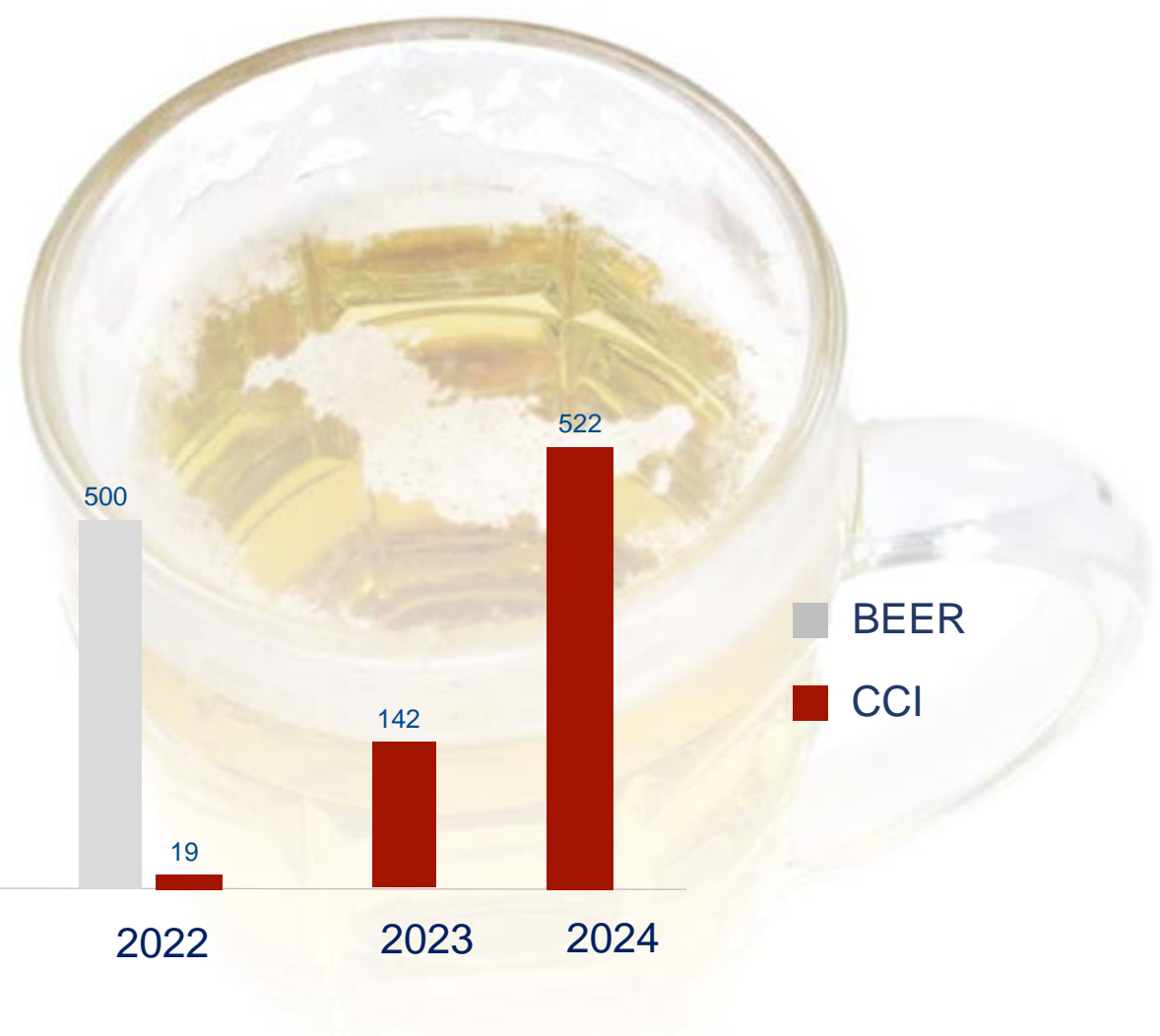
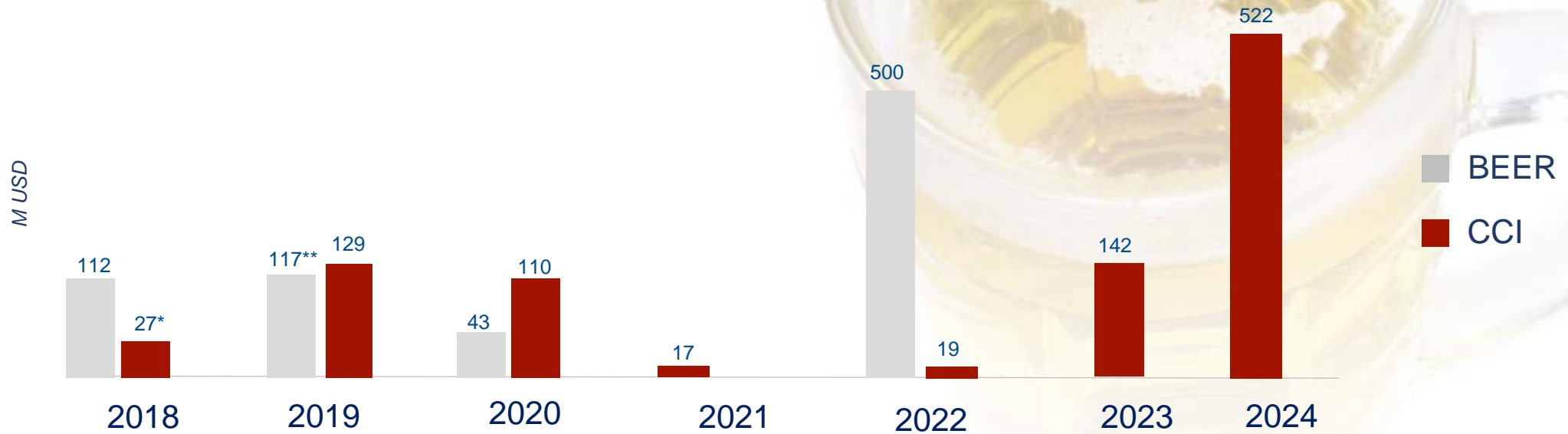
Strong Liquidity Profile



Easily manageable debt repayment schedule



Weighted average maturity of debt for Beer Group is ca. 3 years and Anadolu Efes is ca. 4* years



Figures represent principal amounts

*Excluding CCI's early refinance of USD 500 mn Eurobond

**Excluding shareholder loans

Actively Managing Headwinds...



Hedging short term FX exposures

80% coverage in Turkey for 4Q2018

Proactively hedging 2019 exposure for all countries



Forward contracts to hedge commodities



Net Investment Hedge

Since Jan 1, 2018 → USD 500 million

Since April 1, 2018 → EUR 100 million



No hard currency debt repayment for Beer Group in the next 4 quarters



2018 Guidance



Our 2018 guidance reflects proforma financials as if both businesses were operating together with Anadolu Efes' Russian operations starting **from April 1st 2017 and 2018**. Below, we provide 2017 proforma financials which is the base for our 2018 full year guidance.

2017 Proforma (9-month ABI Impact)	Beer Group	Anadolu Efes
Sales Volume (mhl)	31.5	101.7
Net Sales Revenue (m TL)	6,362.9	14,883.9
EBITDA BNRI (m TL)	1,067.8	2,446.5
EBITDA BNRI Margin (%)	16.8%	16.4%

Sales Volume:

Low-to-mid single digit growth **on a consolidated basis**

 **Total Beer:** Low-single digit decline on a proforma basis

 **Turkish beer market:** Flattish-to-low single digit growth


Turkey own beer: Low-single digit decline

 **Russian beer market:** Flattish

Russian own beer: In line with market


 **Consolidated Soft Drinks:** 4%-6% growth

 **Turkey soft drinks:** 2%-4% growth

 **International soft drinks:** 8%-10% growth

Revenue:

 Outperform sales volume **in all business lines**

 **Total Beer:** Mid to high teens growth on a proforma basis, solid local currency revenue growth for **EBI** & low-teens growth for **Turkey Beer**

 **Soft Drinks:** 10%-12% on a consolidated basis (FX-neutral)

EBITDA :

 Low teens growth in EBITDA with a slight decline in margin **on a consolidated basis**

 Mid-to-high single digit growth in EBITDA with margin decline **for beer group**

 Slight improvement in EBITDA margin **for soft drinks**

Capex:

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

FCF:

 Positive FCF in **both beer and soft drinks**

Financial Priorities



Efficiency improvements via savings



Managing impact of F/X volatility on operations

Grow consolidated cash flows through;



- Focus on WC optimization
 - Optimized capex policy
 - Sticking to tight BS management
-



Deleveraging with commitment to Credit Ratings

APPENDIX



FY2017 Financial Highlights



	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		BEER GROUP (TL mn)		CCI (TL mn)	
	FY2017	vs FY2016	FY2017	vs FY2016	FY2017	vs FY2016	FY2017	vs FY2016
Volume (mhl)	5.8	-3.2%	15.2	9.3%	21.1	5.6%	1,237.5*	4.1%
Net Sales	1,588.4	10.4%	2,806.8	47.5%	4,425.9	31.3%	8,521.1	20.9%
Gross Profit	940.5	10.2%	1,177.7	41.7%	2,142.6	25.4%	2,901.3	21.3%
EBIT (BNRI)	228.5	-7.3%	220.4	71.4%	407.8	28.3%	874.0	36.4%
EBITDA (BNRI)	401.1	-1.8%	487.4	49.8%	849.7	25.1%	1,378.7	26.2%
Net Income**	-8.2	93.6%	98.7	38.0%	61.2	n.m.	237.6	n.m.
		Change (bps)		Change (bps)		Change (bps)		Change (bps)
Margins								
Gross Profit	59.2%	-12	42.0%	-171	48.4%	-142	34.0%	11
EBIT (BNRI)	14.4%	-276	7.9%	110	9.2%	-419	10.3%	117
EBITDA (BNRI)	25.3%	-313	17.4%	27	19.2%	-387	16.2%	68
Net Income**	-0.5%	845	3.5%	-485	1.4%	-451	2.8%	319
						0		

* mn unit case

** Net income attributable to shareholders

12-Month Proforma Financials



- ✓ Valuation is made based on DCF of future projected cash flows by independent investment banks
- ✓ Certain working capital & net debt adjustments at closing

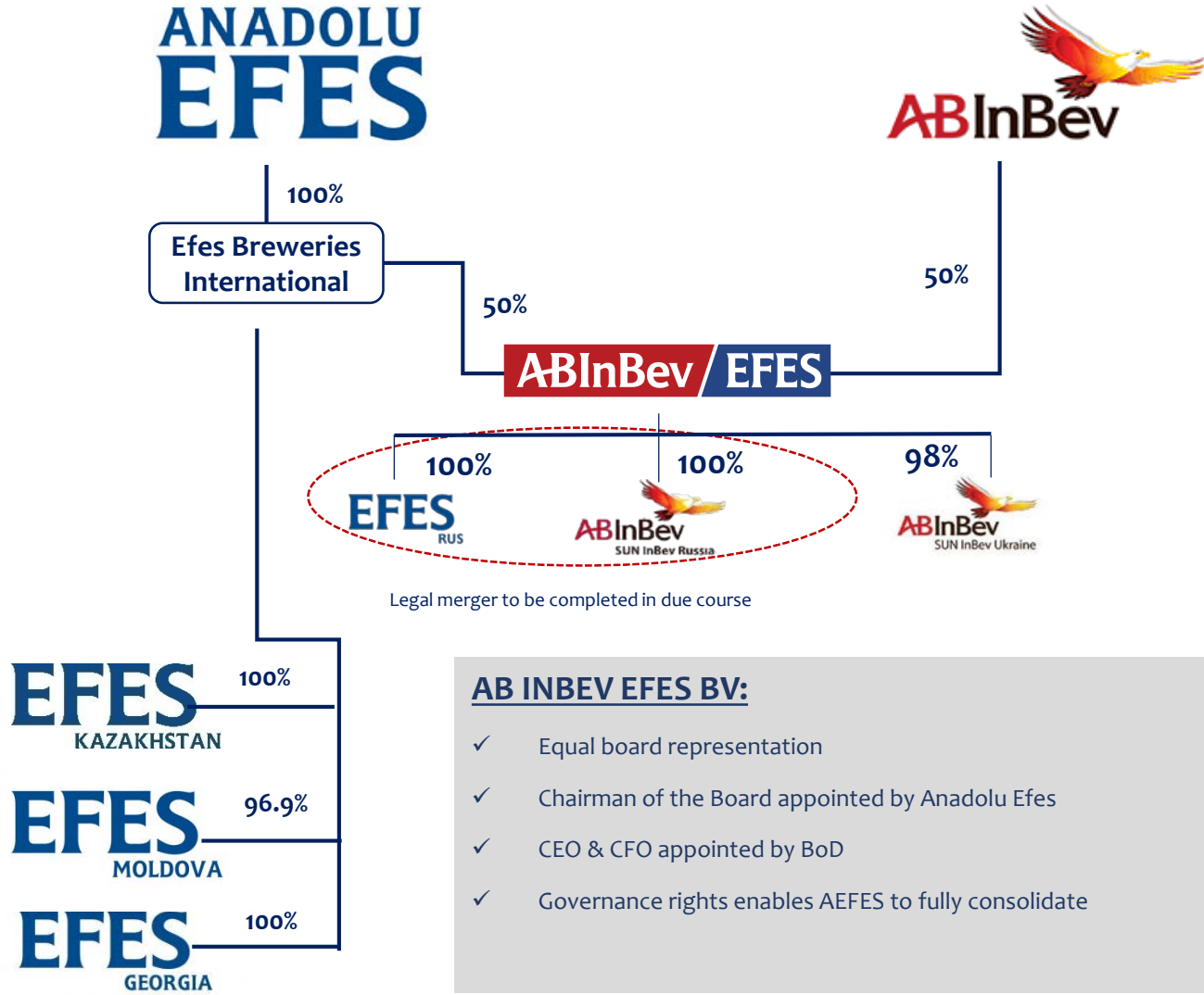
2016	Beer Group Reported	Beer Group Proforma
Sales Volume (mhl)	19.9	33.6
Net Sales Revenue (m TL)	3,370.1	5,136.6
EBITDA BNRI (m TL)	679.1	888.5
EBITDA BNRI Margin (%)	20.1%	17.3%

2017	Beer Group Reported	Beer Group Proforma
Sales Volume (mhl)	21.1	33.9
Net Sales Revenue (m TL)	4,425.9	6,810.6
EBITDA BNRI (m TL)	849.2	1,062.5
EBITDA BNRI Margin (%)	19.2%	15.6%

Beer group proforma figures are provided for 2016 & 2017, which include the results of AB InBev's Russian and Ukrainian beer businesses in full as if both businesses were operating together with Anadolu Efes' Russian operations starting from January 1st 2016 and 2017.

The revenue and EBITDA calculations of ABI operations are reclassified as per Efes accounts and certain expenses are adjusted according to the terms of the new company and may therefore be different than as reported by ABI.

Corporate Structure



AB INBEV EFES BV:

- ✓ Equal board representation
- ✓ Chairman of the Board appointed by Anadolu Efes
- ✓ CEO & CFO appointed by BoD
- ✓ Governance rights enables AEFES to fully consolidate

*indirectly through subsidiaries

THANK YOU

