

**ANADOLU
EFES**



**FULL YEAR
2022
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.



ANADOLU EFES OVERVIEW

Anadolu Efes At A Glance

TOTAL VOLUMES

123.5 mhl

REVENUE

TL 90.5 bn

EBITDA (BNRI)

TL 17.4 bn

FREE CASH FLOW

TL 6.1 bn



Serving

750 mn

Population

70+

Export Countries

BEER OPERATIONS

6 countries

21 Breweries,

100+ brands

52.2 mhl brewing capacity

34.0 mhl beer volume

Strong **LEADER** positions



SOFT DRINK OPERATIONS

11 countries

30 Bottling plants

1.9 bn UC production capacity

~900 thousand sales points

1.6 bn UC sales volume

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



Europe's **5th**

World's **9th**

Largest Brewer

ANADOLU
EFES

Among

Top 10

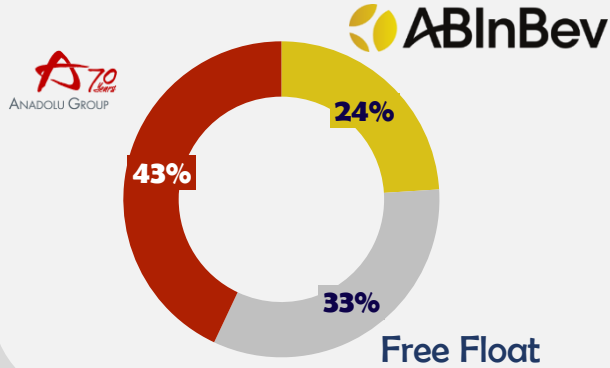
Largest Coca-Cola Bottlers



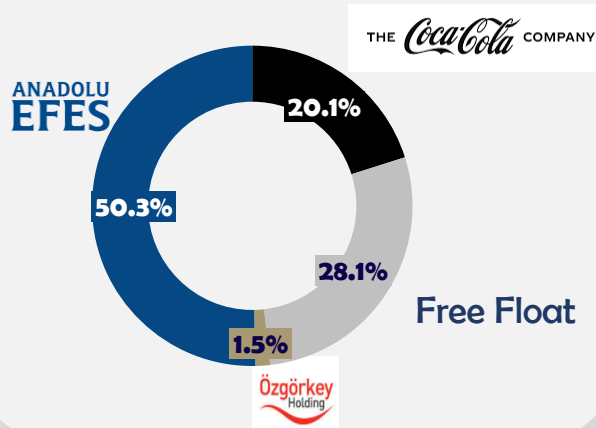
Ownership Structure & Subsidiaries



**ANADOLU
EFES**



CCI



BEER OPERATIONS



50.3%

SOFT DRINK OPERATIONS

- Türkiye
- Azerbaijan
- Kazakhstan
- Kyrgyzstan
- Jordan
- Pakistan
- Iraq
- Uzbekistan
- Syria
- Turkmenistan
- Tajikistan





OUR STRATEGY



Strategic Core Priorities

WINNING PORTFOLIO

- **Consumer First**
- Resilient mainstream **core brands**
- Smart **innovation** and NPDs to accelerate growth in **premium, non-alcohol & beyond beer**
- **Spirits alliances** (e.g. distribution)

PEOPLE

- Be the **employer of choice** inside & outside of the Company
- Unleash the potential of our **talents**
- Build the best **working culture** and environment for a **winning organization**

OPERATIONAL EXCELLENCE

- **Quality** mindset
- Focus on smart procurement plans to secure **supply continuity**
- Secure the **cost base**
- Continue to improve **E2E Planning Processes**

GEOGRAPHIC EXPANSION & GROWTH

- **Expand geographically** into potential adjacent markets through **M&A**



ACCELERATORS:

FINANCIAL DISCIPLINE

- **Profitable** revenue growth
- Drive **value** out of effectively managing working capital and CAPEX
- Be prudent in **expense management** leading to sustainable profitability margins

DIGITALISATION

- Seamless **Omni-channel** Experience
- **Data Driven** Business Analytics
- Empowered **Omnidirectional Mobility**

SUSTAINABILITY

- **Target zero** for the environment
- Increase our support for **social impact**
- Get stronger through **diversity & inclusion**



Vision, Mission & Values

OUR VALUES:



PASSIONATE



AGILE



COLLABORATIVE



ACCOUNTABLE



FAIR

OUR VISION:

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

OUR MISSION:

We brew joy passionately and responsibly.



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**



Strong Positions Across the Board



RUSSIA

11 Breweries

World's **6th** largest beer market

56 liters per capita

#1 Position

29% Market share

68% of Beer Volumes



TURKEY

3 Breweries

12 liters per capita

#1 Position

52% Market share

17% of Beer Volumes



KAZAKHSTAN

2 Breweries

Beer market size of **6.7** mhl

35 liters per capita

#1 Position

46% Market share

7% of Beer Volumes



GEORGIA

1 Brewery

Beer market size of **1.3** mhl

35 liters per capita

#1 Position

44% Market share

3% of Beer Volumes



MOLDOVA

1 Brewery

Beer market size of **1.0** mhl

28 liters per capita

#1 Position

64% Market share

2% of Beer Volumes



UKRAINE

3 Breweries



Strong CAGR Growth Achieved in All Metrics...

**Volume
Growth**



**Revenue
Growth**



**EBITDA*
Growth**



**FCF
Growth**



With Solid FY2022 Results...



Sustained or strengthened leadership

Prudent OPEX and CAPEX spending during the year

Diversified borrowing portfolio by tapping into **domestic bond market**

Robust NR/ hl performance with proactive RGM initiatives

In FY2022, **highest EBITDA (BNRI) margin** achieved of the last decade

Net Debt / EBITDA of 0.7x

Effective use of FX and commodity hedging protecting against price volatility

Strong FCF generation of **TL6 bn**

Dividend proposal of TL 2.1314/share



Consolidated Volume Growth Both On Reported And Organic Basis...

Volume

FY
-10%
Flat excl.
Ukraine



FY
+15%
+7% organic



Consolidated Volume

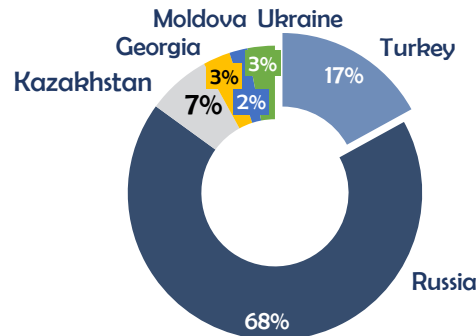
4Q -2% reported	FY +6% reported
-4% organic -1% excl Ukraine	+1% organic +5% excl Ukraine

With Resilient Beer Volumes Despite Headwinds Since Beginning Of The Year



- Consolidated beer volume down by 10% in FY
 - Excluding Ukraine; flat performance
- Türkiye beer showed exceptional performance
 - Volume up 16%
- Excl. Ukraine, International beer volume down 2.7%
 - CIS countries' volume up by mid-single digit in FY
 - Russian volume down by low single digit

**Volume Breakdown
By Country***



Russia



- **Russian beer market had flat performance** in FY2022*;
 - With growth in 1H and decline in 2H
- Our volumes down by low single digit in FY2022;
 - Good start to the year despite higher pricing
 - Softening through the end of year
 - Industry decline in 4Q & stiff competitive environment
- Market share gains in the premium segment
 - 30%** value share in FY with **value-oriented approach**
- **NABLAB & Beyond-beer segment investments continue**





Kazakhstan



- **Market remained flat*** in FY2022
 - Our volumes grew by **low-to-mid single digit** in FY2022
 - Market share of 46%*
- Efes Pilsener brand strengthened with **Efes 0.0** launch
- Kruzha Svezhego; **highest share of the market**

Moldova

- **Market was down** in FY2022
 - Our volumes were **ahead of the market**; yet
 - Declined by low-to-mid single digit in FY
- Our market share reached 64%**; highest level since 2016
- Leadership in **Premium** and **Super premium** segments
 - Efes, Corona and Kozel

*Nielsen

** Company estimate

Georgia

- Market recorded mid-single digit growth* in FY2022 with;
 - Our volumes grew by mid-to-high teens; **highest growth achieved in the last 10 years**
- Both beer and soft drink sales achieved **double digits growth**
- Solid growth recorded in
 - Premium brands by Efes and Lowenbrau
 - Mainstream brands by Natakhtari and Karva

Türkiye

- **Market grew by low teens*** in FY
 - Our volume showed exceptionally good performance
- **Türkiye beer up 16% in FY exceeding pre-pandemic levels**
- Successful launch of "**Bremen1827**" brand in early June
- Strong growth in "**Efes Malt**" and "**Efes Özel Seri**"



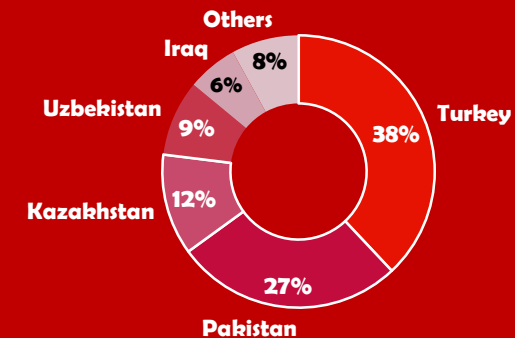


Soft Drinks



- Volume growth of 15% in FY2022; **driven by international**
- Türkiye volume up 3%
 - Sparkling category flattish & Still category up 14%
 - Energy drinks registered 60% growth
- International volume up 23% (10% organically*)
 - Pakistan up 13%; with growing NARTD market, successful regional plans, and improving execution
 - Uzbekistan up 32%; being fastest-growing operation of CCI
 - Kazakhstan up 16% by sparkling and Coca-Cola brand growth

**Volume Breakdown
By Country****



*Organic refers to sales volume excluding the impact of Uzbekistan in 2021

**Breakdown on combined basis

FINANCIAL OVERVIEW



Solid margin improvement driven by international beer...

	Anadolu Efes	Beer Group	
NET REVENUE	FY +130.4% CCR*:+57.3%	FY +113.0% CCR*:+29.2%	<ul style="list-style-type: none"> Price adjustments in place ahead of COGS pressure Proactive RGM initiatives Favorable currency translation
EBITDA BNRI %	19.2% (+137 bps)	19.8% (+621bps)	<ul style="list-style-type: none"> Significant margin improvement in international beer 137 bps improvement in FY; being above expectations
NET INCOME	TL3,429 mn (+2,361 mn)	TL1,571 mn (+TL1,291mn)	<ul style="list-style-type: none"> Solid increase in bottomline driven by higher EBIT, despite <ul style="list-style-type: none"> Significantly higher net financial losses vs. last year
FREE CASH FLOW	TL6,129 mn (+TL1,866 mn)	TL3,720 mn (+TL1,961 mn)	<ul style="list-style-type: none"> FY2022 FCF reached to TL 6bn Consolidated Net Debt to EBITDA (BNRI) → 0.7x

Financials



Anadolu Efes

mTL	4Q2022	Change	FY2022	Change
Sales Revenue	22,432	+104.8%	90,504	+130.4%
Gross Profit	7,899	+102.4%	32,992	+133.3%
EBITDA (BNRI)	3,493	+85.5%	17,419	+148.0%
Free Cash Flow	-966	-981m	6,129	+1,866m
Gross Profit Margin %	35.2%	-43 bps	36.5%	+45 bps
EBITDA Margin %	15.6%	-162 bps	19.2%	+137 bps

Beer Group

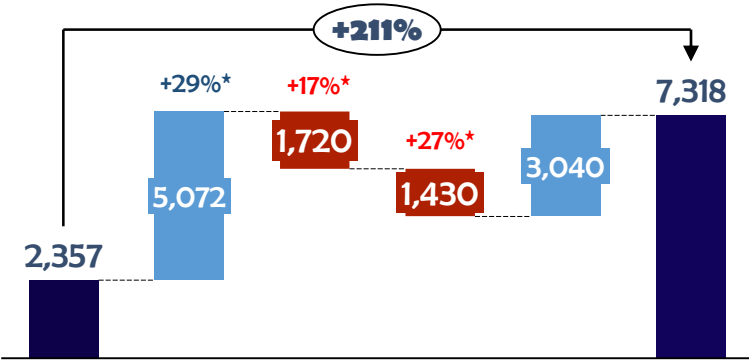
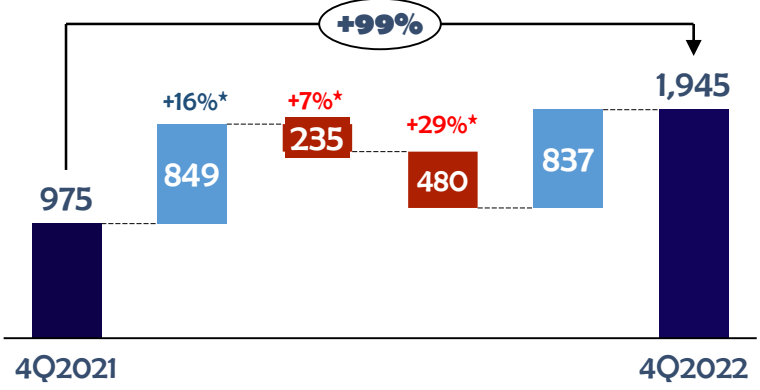
mTL	4Q2022	Change	FY2022	Change
Sales Revenue	9,675	+79.6%	36,976	+113.0%
Gross Profit	3,914	+98.9%	15,610	+143.0%
EBITDA (BNRI)	1,945	+99.5%	7,318	+210.5%
Free Cash Flow	-2,038	-2,278m	3,720	+ 1,961m
Gross Profit Margin %	40.5%	+392 bps	42.2%	+521 bps
EBITDA Margin %	20.1%	+200 bps	19.8%	+621 bps

EBITDA (BNRI) & Free Cash Flow Generation

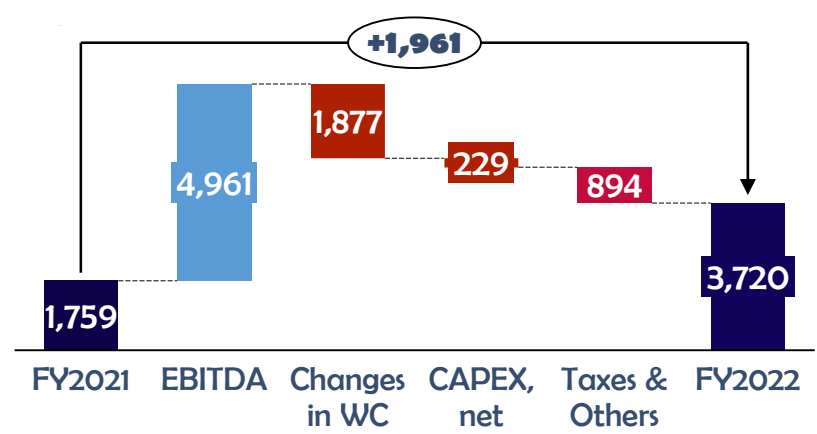
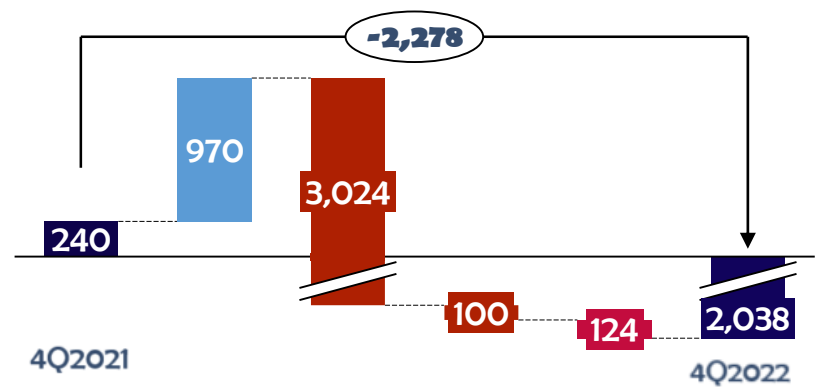


Beer Group

EBITDA (BNRI) Bridge
mTL



Free Cash Flow Bridge
mTL



Cash & Debt Management



Anadolu Efes

Gross Debt

USD 2.1 bn

74%

held in Hard Currency

Cash

USD 1.3 bn

54%

held in Hard Currency

44%

held in Eurozone

Average maturity

3.5 yrs

Net Debt/EBITDA

0.7x

Beer Group

Gross Debt

USD 0.9 bn

59%

held in Hard Currency

Cash

USD 0.5 bn

41%

held in Hard Currency

33%

held in Eurozone

Average maturity

3.4 yrs

Net Debt/EBITDA

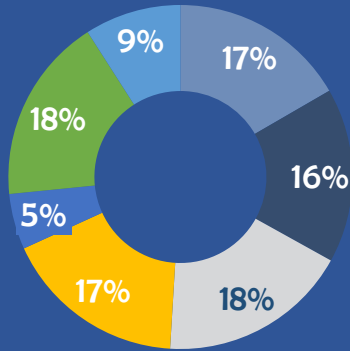
1.0 x



Risk Management

Beer Group

COGS Split for 2022:



Beer Group Hedges for 2023:

Commodity :

Aluminum: **80% for TR & CIS**
Barley: **70% for TR**



FX Exposure :

Russia: **100% Hedged**
TR: **91% Hedged**



Total FX Exposure of Beer Group is 27% of COGS + OPEX.

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



**CAPITAL
ALLOCATION
PRIORITIES
&
2023
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 between 1.0x – 2.0x



Maximize

Shareholder value through dividends with high yield



Penetrate & Expand

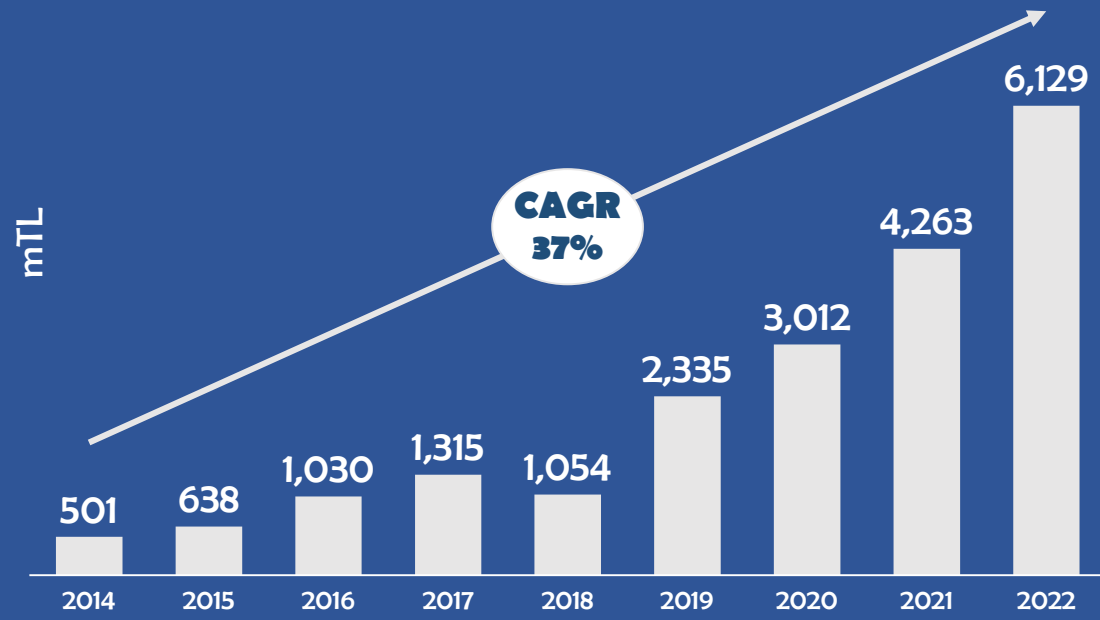
Into new geographies through inorganic expansion & exports

Sustainable Shareholder Return

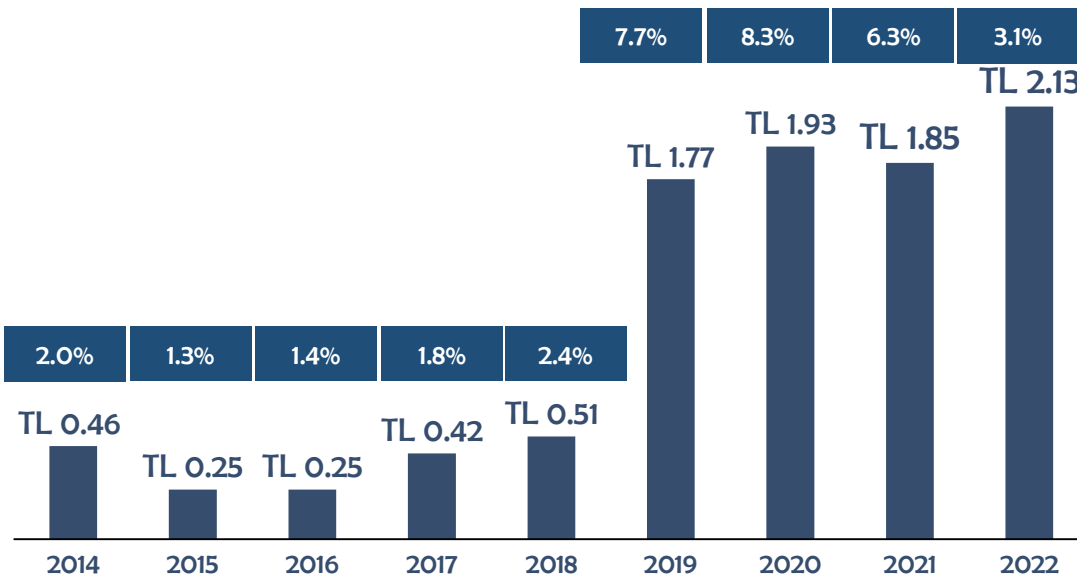


Sustainable Free Cash Flow Generation

Anadolu Efes



Leading to High Dividend Yields*



Gross Dividend per Share (TL per 100 shares)

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

FY2023 Expectations



	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
VOLUME	Low-to-mid-single digit growth	Low-single digit decline	Mid to high-single digit growth
SALES REVENUE <i>FX-Neutral basis</i>	Low-thirties growth	High-teens growth	High forties to low fifties growth
EBITDA Margin	Decline around 100-200 bps	Decline around 300 bps	Flat to a slight expansion

CAPEX As a percentage of sales high single digits on a consolidated basis

FREE CASH FLOW Will be under pressure starting from the beginning of the year mainly due to phasing of some payables in international beer operations to following year.



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

		FY2021	FY2022	Δ%
USD/TL	AVG	8.87	16.57	86.7%
	PE	13.33	18.70	40.3%
EUR/TL	AVG	10.46	17.38	66.2%
	PE	15.09	19.93	32.1%
TL/RUB	AVG	8.30	4.14	-50.2%
	PE	5.57	3.76	-32.5%
TL/KZT	AVG	48.02	27.82	-42.1%
	PE	32.39	24.74	-23.6%
TL/UAH	AVG	3.08	1.95	-36.5%
	PE	2.05	1.96	-4.4%
TL/MDL	AVG	1.99	1.14	-42.7%
	PE	1.33	1.02	-23.0%
TL/GEL	AVG	0.36	0.18	-51.5%
	PE	0.23	0.14	-37.8%

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