



ANADOLU EFES

9M2017 CONFERENCE CALL

November 3, 2017

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.



LIVING THE VALUES!



.....
PASSIONATE
& PROUD



.....
PROFESSIONAL



.....
ENTREPRENEURIAL



.....
COLLABORATIVE



.....
SUSTAINABLE

**ANADOLU
EFES**

**GENERAL
OVERVIEW &
OPERATING
ENVIRONMENT**



Key Highlights on Consolidated Performance

Volume up 4.9% in 3Q2017 and 4.6% in 9M2017 y-o-y

- ✓ Growth momentum continued in international beer operations and soft drinks
- ✓ 9M2017 performance in line with our guidance of mid single digit growth

Revenue up 23.5% in 3Q2017 and 23.3% in 9M2017 y-o-y, outperforming volume growth ;

- ✓ Higher volumes
- ✓ Price increases
- ✓ Positive translation effect of local currencies of international operations into TL

EBITDA (BNRI) increased by 24.9% with 22bps margin expansion in 3Q2017 and increased by 17% reaching 1,810.5 million in 9M2017

Bottomline was 343.9 million TL in 9M2017 vs 364.2 million TL in 9M2016

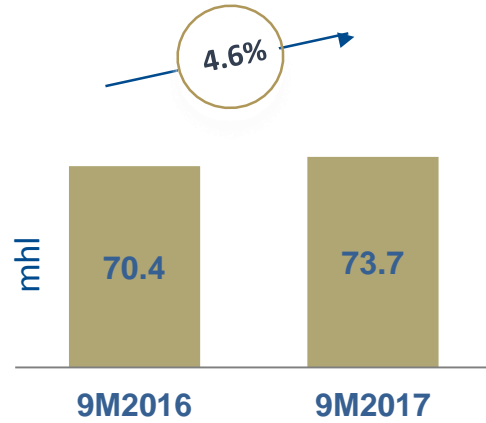
Consolidated **FCF** generation strong at TL958.1 million up from TL737.3 million in 9M2016

Consolidated **Net Debt to EBITDA (BNRI)** was 1.5x as of 9M2017

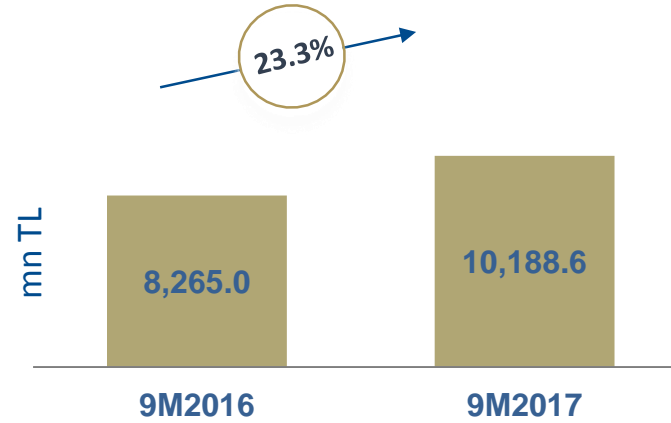


Consolidated Performance – 9M2017

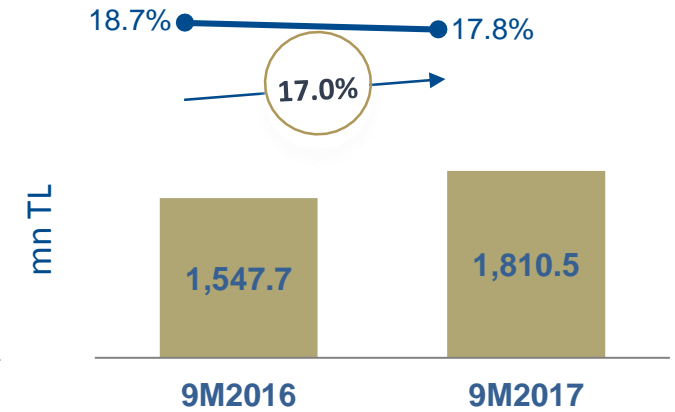
SALES VOLUME



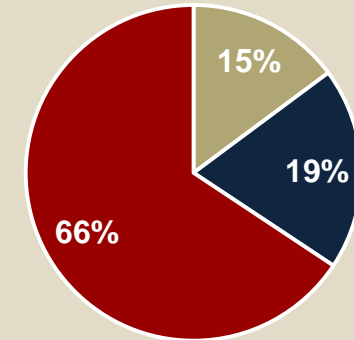
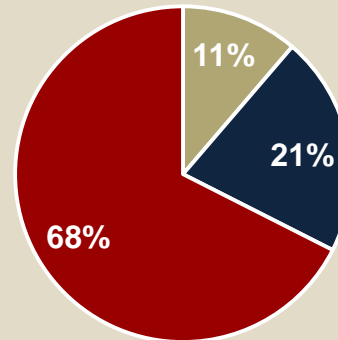
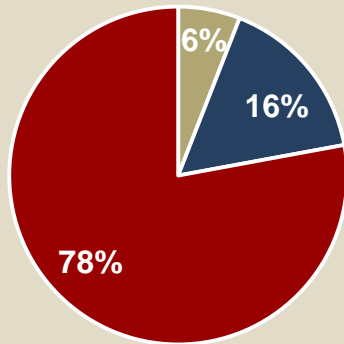
NET SALES REVENUE



EBITDA (BNRI) & EBITDA (BNRI) Margin



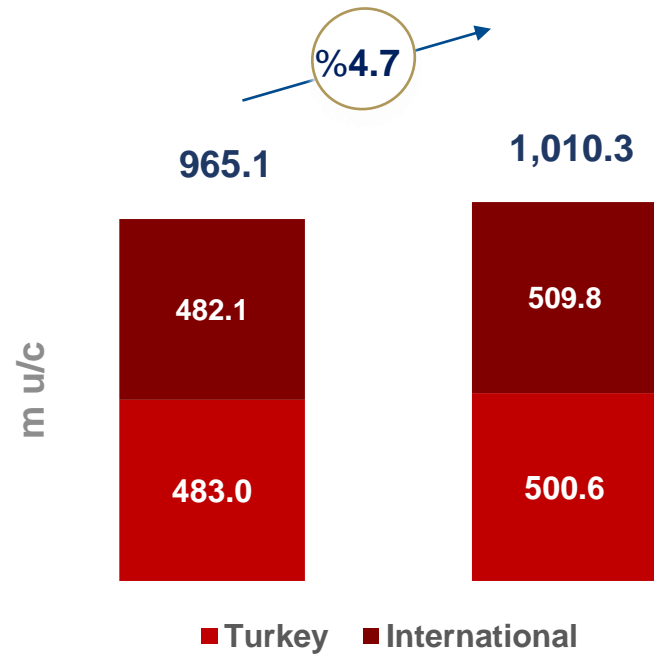
BREAKDOWN*



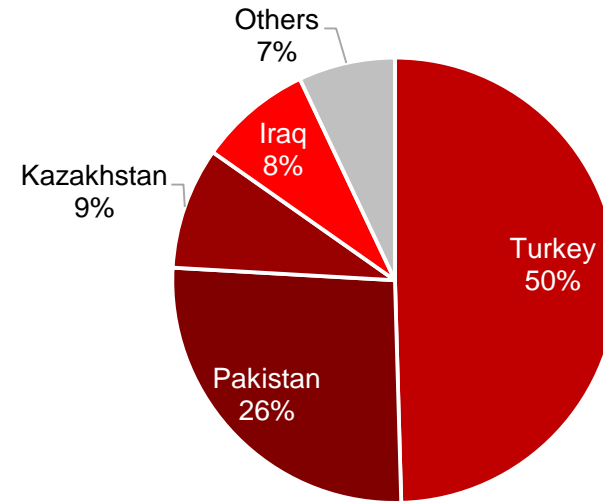
■ Turkey Beer
 ■ International Beer
 ■ Soft Drinks

*Breakdowns are on a combined basis

Soft Drinks Volume Development



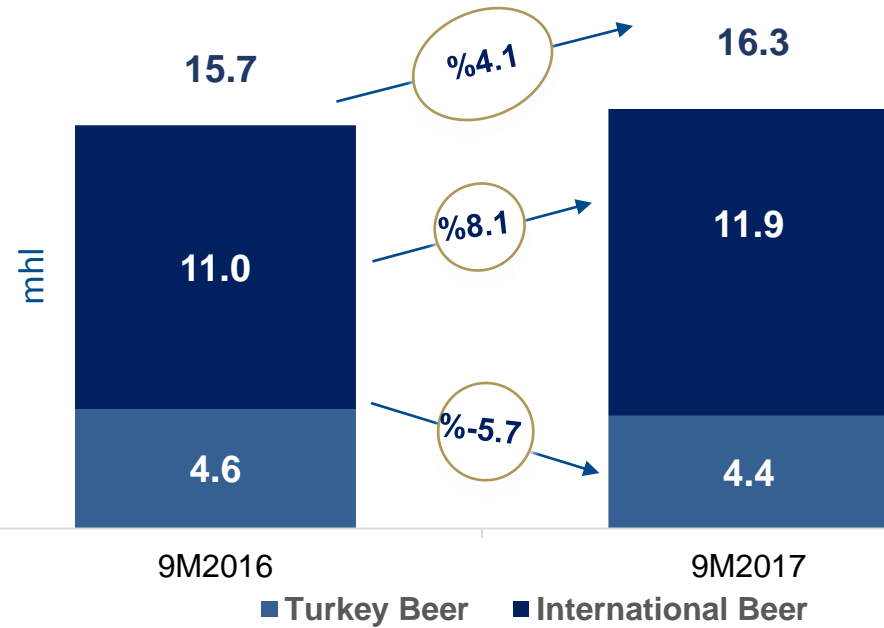
Volume Breakdown by Country*



*Breakdown is on a combined basis

- ✓ **Turkey** delivered 5.0% volume growth in 3Q2017 with sparkling recording its highest 3Q in the last 5 years
- ✓ 9M2017 volume growth in **Turkey** was 3.7%
- ✓ **International operations** delivered 6.3% volume growth in 3Q2017, driven mainly Pakistan & Central Asia
 - ✓ 3.6% growth in **Pakistan** cycling 15.4% growth in 3Q2016
 - ✓ **Central Asia** maintained momentum with 8.4% growth in 3Q2017
 - ✓ Mid-twenties volume growth in Kazakhstan and Azerbaijan
 - ✓ **Iraq** with accelerated growth of 10.0% in 3Q2017 driven by sparkling
- ✓ 9M2017 volume growth in **international operations** was 5.7%

Beer Volume Development

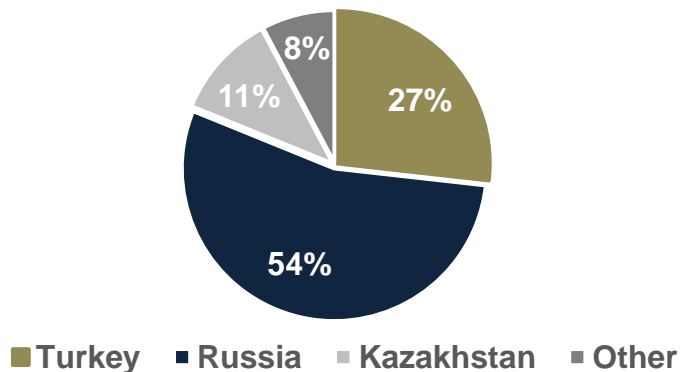


Total beer group sales volume up by 2.2% in 3Q2017 and 4.1% in 9M2017

Russian beer market estimated to be down mid-single digit in 9M2017;

- ✓ Ongoing effects of PET regulation and downsizing
- ✓ Weak consumer sentiment and negative disposable income growth
- ✓ Cold summer weather

Volume Breakdown by Country* 9M2017



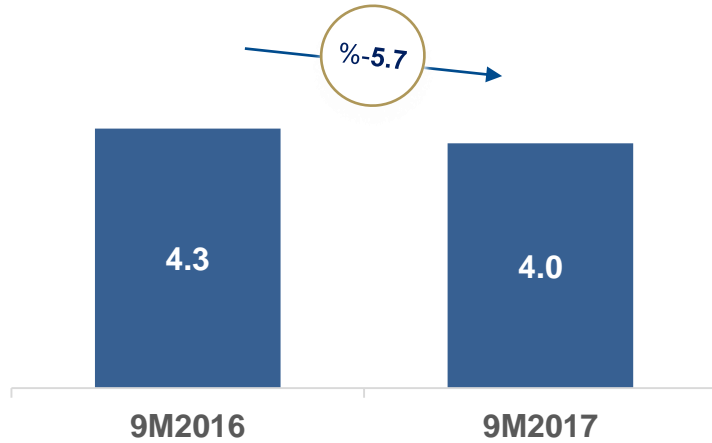
Turkey beer market was flattish in 9M2017;

- ✓ High prices pressure affordability
- ✓ Recovery in tourism, though lower than expected
- ✓ Challenges in 1H2017 continued into 3Q2017

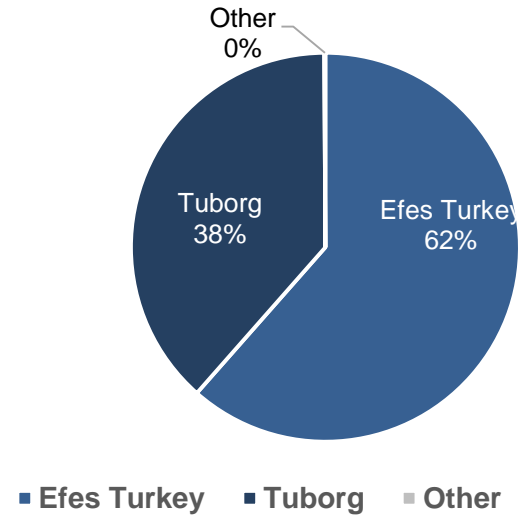
*Breakdown is on a combined basis

Turkey Beer Operations

DOMESTIC SALES VOLUME



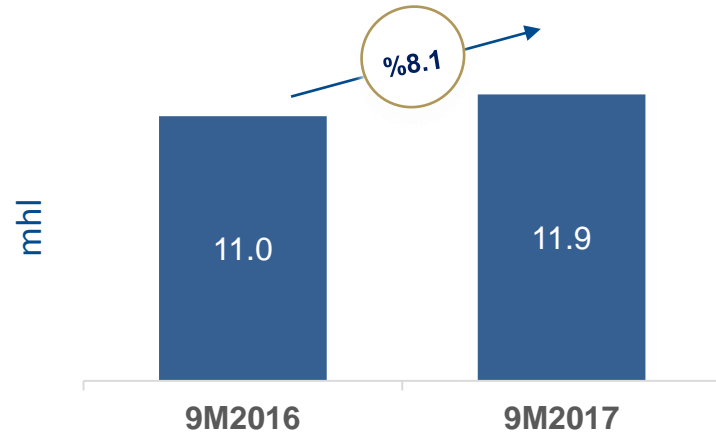
MARKET SHARE*



- ✓ Turkey beer market is estimated to be flat in 3Q2017
- ✓ Domestic volumes recorded a slight growth of 0.6% in 3Q2017 helped by;
 - ✓ Successful execution post the relaunch of Efes Pilsen
 - ✓ Some recovery in tourism



International Beer Operations



EFES RUSSIA MARKET SHARE*



- ✓ EBI volumes up by 3.3% in 3Q2017 despite cycling a strong base of 11%;
 - ✓ Strong performance in Kazakhstan and Georgia
 - ✓ Growth momentum maintained in Russia
- ✓ Efes Rus cont'd to grow volumes in a declining market in 9M2017
 - ✓ 15.0% market share in 9M2017 up from 13.6% in 9M2016*
 - ✓ well represented in growth channels;
 - strong position in MT channel on the back of our premium portfolio
 - appropriate participation in DIOT
 - ✓ reinforced presence in Upper Mainstream and Premium segments

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

B BRANDS E XECUTION E FFICIENCY R ELATIONS

-  Provide choice and innovation to consumers:
Grow brand love
-  Excell in **customer collaboration**
availability and point of sale activation
-  Build competitive advantage through **lean and efficient operations**
-  Focus on **employees, customers, regulators, community and environment**



**ANADOLU
EFES**

**FINANCIAL
OVERVIEW**



Anadolu Efes Consolidated Performance – 9M2017



ANADOLU EFES CONSOLIDATED (TL mn)			
	9M2016	9M2017	Change (%)
Volume (mhl)	70.4	73.7	4.6%
Net Sales	8,265.0	10,188.6	23.3%
Gross Profit	3,311.0	3,951.2	19.3%
EBIT (BNRI)	934.5	1,090.6	16.7%
EBITDA (BNRI)	1,547.7	1,810.5	17.0%
Net Income*	364.2	343.9	-5.6%
Margins			Change (bps)
Gross Profit	40.1%	38.8%	-128
EBIT (BNRI)	11.3%	10.7%	-60
EBITDA (BNRI)	18.7%	17.8%	-96
Net Income*	4.4%	3.4%	-103

*Net income attributable to shareholders

Beer Group Performance – 9M2017

(TL mn)	TURKEY BEER		INTERNATIONAL BEER		BEER GROUP	
	9M2017	vs 9M2016	9M2017	vs 9M2016	9M2017	vs 9M2016
Volume (mhl)	4.4	-5.7%	11.9	8.1%	16.3	4.1%
Net Sales	1,146.4	3.5%	2,153.5	47.6%	3,324.0	28.3%
Gross Profit	667.8	1.8%	911.7	36.3%	1,598.0	19.3%
EBIT (BNRI)	142.1	-27.4%	159.8	33.0%	270.5	-4.2%
EBITDA (BNRI)	272.9	-14.3%	358.7	36.0%	601.7	9.2%
Net Income*	32.4	-62.7%	153.2	-6.7%	179.5	-17.4%
Margins	Change (bps)		Change (bps)		Change (bps)	
Gross Profit	58.3%	-92	42.3%	-349	48.1%	-364
EBIT (BNRI)	12.4%	-526	7.4%	-81	8.1%	-276
EBITDA (BNRI)	23.8%	-494	16.7%	-142	18.1%	-318
Net Income*	2.8%	-501	7.1%	-413	5.4%	-299

*Net income attributable to shareholders

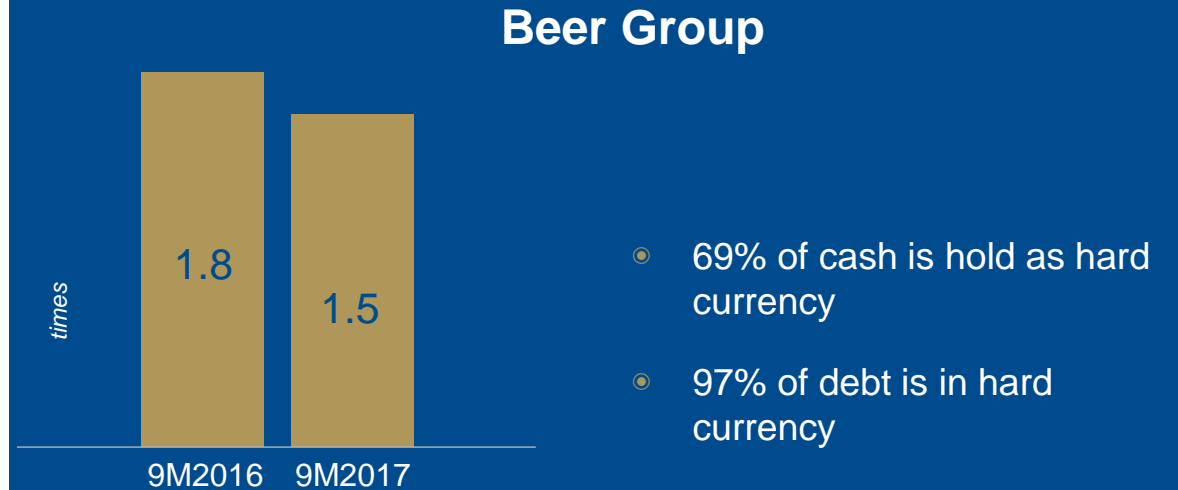
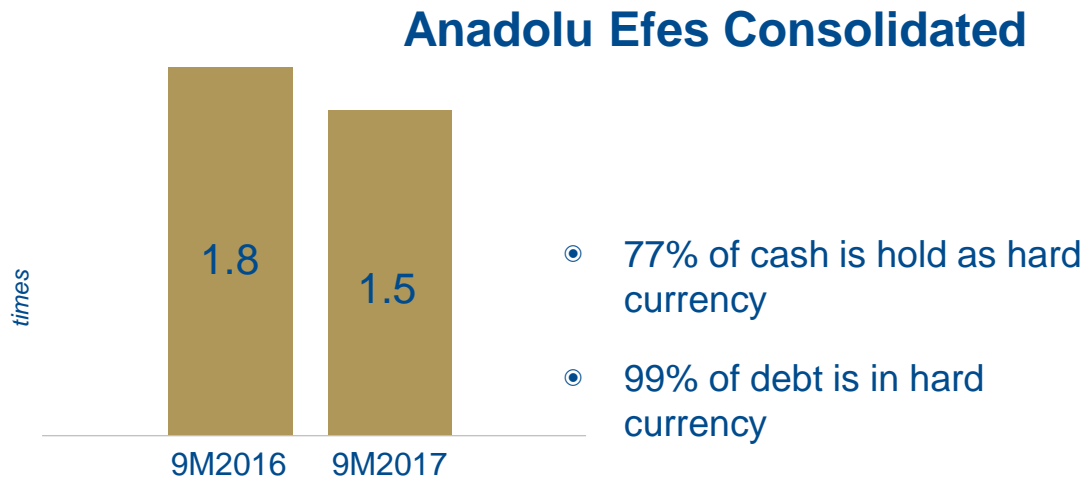
Beer Group Free Cash Flow – 9M2017

Beer Group Free Cash Flow (TL mn)	9M2016	9M2017
EBITDA	548.2	593.1
Change in Working Capital	-171.2	-78.3
Income Taxes & Employee Benefits Paid	-47.0	-51.5
CAPEX, net	-144.6	-210.7
Net Financial Income /(Expense)	1.7	2.4
FCF	187.1	255.0
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-14.1	-18.0
FCF (after investing activities)	173.1	237.0

BALANCE SHEET FLEXIBILITY

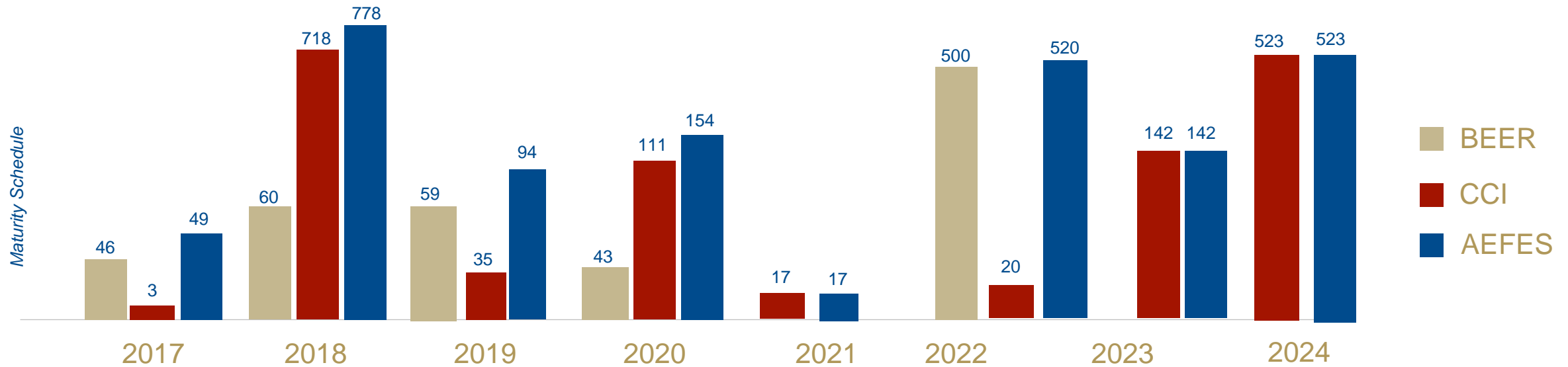
- 9M2017 Net Leverage Ratios are within comfortable area

Net Leverage Ratio: Net Debt / EBITDA (BNRI)



BORROWING MIX & LIQUIDITY PROFILE

- Easily manageable debt repayment schedule
- Weighted average maturity of debt for
 - ✓ Beer Group is app. 4.0 years and
 - ✓ Anadolu Efes is app. 3.7 years



*Figures represent principal amounts

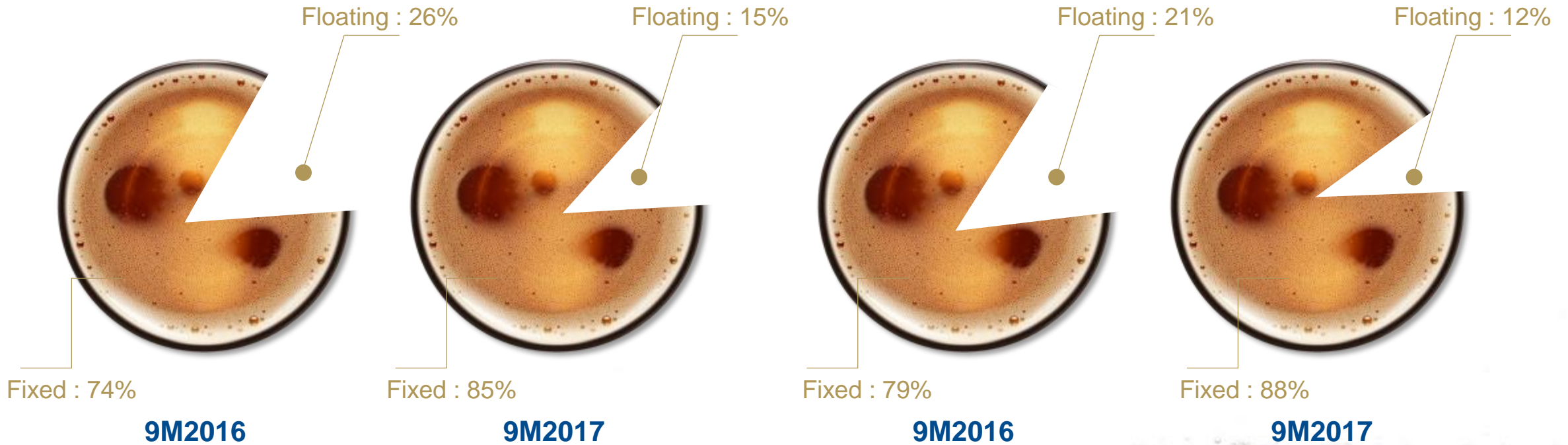


INTEREST BREAKDOWN

- Significant portion of debt is fixed, minimized interest rate risk

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BEER GROUP



AEFES Consolidated Financial Income/(Expense) – 9M2017

Financial Income / (Expense) Breakdown	9M2016	9M2017
Interest income	53.5	79.4
Interest expense	-153.4	-179.5
Foreign exchange gain /(loss)	-66.5	-192.3
Other financial expenses (net)	-18.3	-17.2
Gain/(loss) on derivative transactions	-5.7	0.0
Net Financial Income /(Expense)	-190.5	-309.7

AEFES Consolidated Free Cash Flow – 9M2017

Anadolu Efes Free Cash Flow (TL mn)	9M2016	9M2017
EBITDA	1,544.8	1,801.9
Change in Working Capital	-183.6	-156.7
Income Taxes & Employee Benefits Paid	-85.8	-80.3
CAPEX, net	-489.4	-584.8
Net Financial Income /(Expense)	-48.7	-22.0
FCF	737.3	958.1
Other investing activities (Acq., Disp., Min. Buy-Out and SC Increases)	-14.1	-17.8
FCF (after investing activities)	723.2	940.3

FINANCIAL PRIORITIES

- Sustain consolidated cash flows through;
 - ✓ focus on working capital optimization
 - ✓ optimized capex policy
 - ✓ sticking to tight balance sheet management
- Deleveraging
- Efficiency improvements via savings
- Managing impact of F/X volatility on operations
- Commitment to Investment Grade Ratings



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**CLOSING
REMARKS**



LONG TERM KEY PRIORITIES

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

Beer



- 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 working capital

Soft Drink



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



2017 GUIDANCE

Sales Volume:

Mid-single digits growth on a consolidated basis

Total Beer: Mid-single digit growth

Turkish beer market: Flattish

Turkey own beer: Down low-single digit

Russian beer market: Down low-single digit

Russian own beer: Outperformance of beer market

Consolidated Soft Drinks: Mid-single digit growth

Turkey soft drinks: Low-single digit growth

International soft drinks: High-single digit growth

Revenue:

Outperform sales volume **in all business lines**

EBITDA Margin:

Flattish **on a consolidated basis**

- Slightly lower margin **for beer group**
- Flat to 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**

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Q&A SESSION



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APPENDIX



GROSS & NET DEBT

Anadolu Efes Consolidated

9M2016	9M2017	
5,418	8,147	TOTAL FINANCIAL DEBT (m TL)
2,264	5,087	TOTAL CASH & EQUIVALENTS (m TL)
3,154	3,060	NET DEBT (m TL)
1,053	861	NET DEBT (m USD)

Turkey Beer

9M2016	9M2017	
1,936	2,289	TOTAL FINANCIAL DEBT (m TL)
214	313	TOTAL CASH & EQUIVALENTS (m TL)
1,722	1,976	NET DEBT (m TL)
575	556	NET DEBT (m USD)

Beer Group

9M2016	9M2017	
2,179	2,541	TOTAL FINANCIAL DEBT (m TL)
1,023	1,413	TOTAL CASH & EQUIVALENTS (m TL)
1,156	1,129	NET DEBT (m TL)
386	318	NET DEBT (m USD)

EBI

9M2016	9M2017	
235	243	TOTAL FINANCIAL DEBT (m TL)
767	1,094	TOTAL CASH & EQUIVALENTS (m TL)
-531	-851	NET DEBT (m TL)
-177	-240	NET DEBT (m USD)

FX RATES

		9M2016	9M2017	Δ%
USD/TL	AVG	2.93	3.59	22.6%
	PE	3.00	3.55	18.6%
EUR/TL	AVG	3.27	4.00	22.2%
	PE	3.36	4.19	24.7%
USD/RUB	AVG	68.37	58.33	-14.7%
	PE	63.16	58.02	-8.1%
USD/KZT	AVG	344.57	323.27	-6.2%
	PE	334.93	341.19	1.9%
USD/UAH	AVG	25.48	26.46	3.9%
	PE	25.91	26.52	2.4%
USD/MDL	AVG	19.89	18.87	-5.1%
	PE	19.76	17.61	-10.9%
USD/GEL	AVG	2.32	2.48	6.7%
	PE	2.33	2.48	6.3%