



# EFES

**ANADOLU EFES**

**9M2021**

**CONFERENCE CALL  
PRESENTATION**

*05.11.2021*



# Forward-Looking Statements

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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**  
CEO & Beer Group President



# **+1 Sustained solid momentum in the most important quarter...**



**Solid volume performance** with eased restrictions & increased mobility



**Robust growth in per unit prices**



**Rising COGS pressure** following commodity price increases



**Pricing** ahead of year-end



**Tight OPEX management** to mitigate COGS pressure



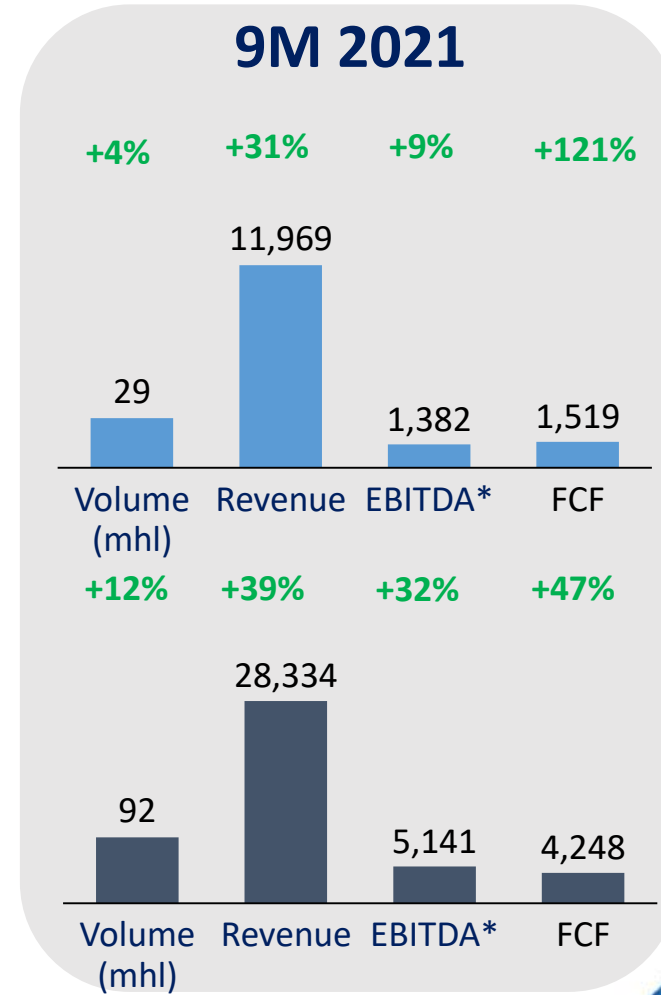
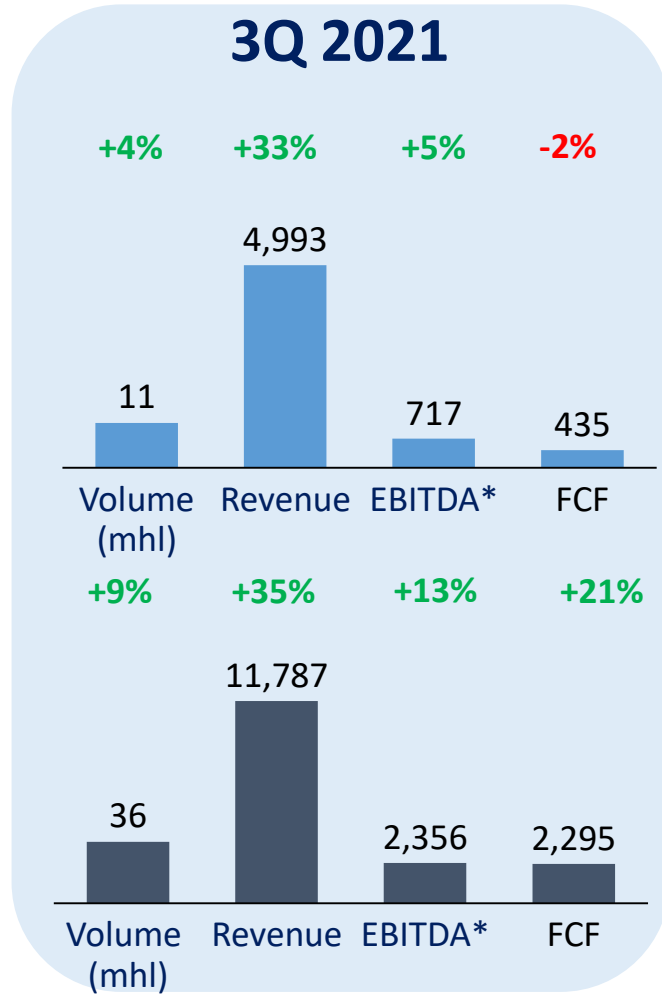
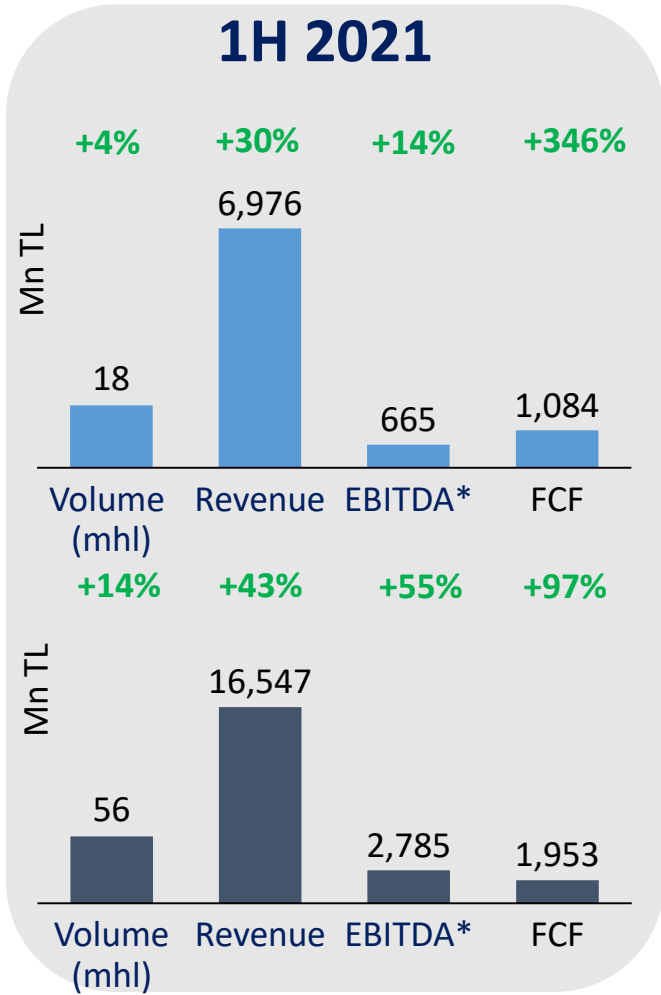
**Successful Working Capital Management** by payables performance leading **strong Free Cash Flow** generation



# ...yielding growth in almost all metrics...

BEER GROUP

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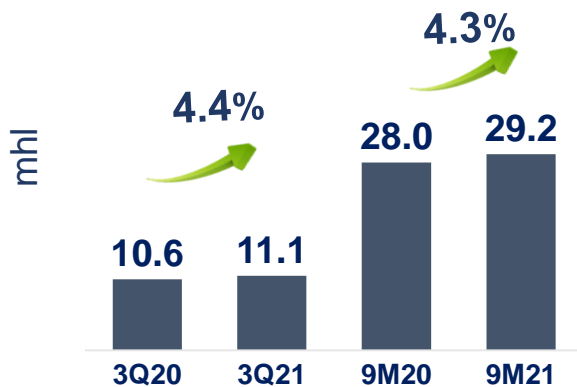


\*BNRI

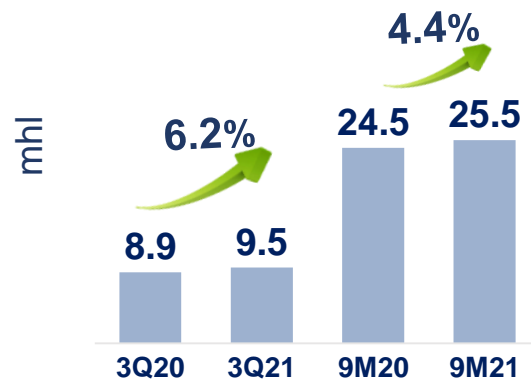


# ...with robust volume performance in international beer...

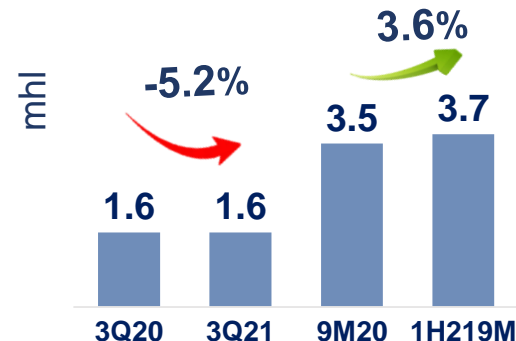
## BEER GROUP SALES VOLUME



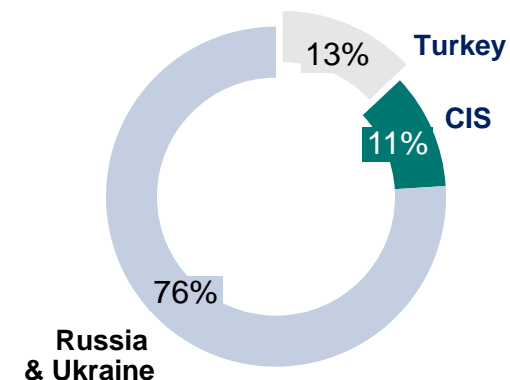
## INTERNATIONAL BEER SALES VOLUME



## TURKEY BEER SALES VOLUME



## VOLUME BREAKDOWN\*



### Russia & Ukraine

- **Russia** volumes grew by almost double digit despite the high base of last year;
  - Solid growth in premium & non-beer segments
  - High demand in the market as well as exports
- **Ukraine** volumes down;
  - Unfavorable weather conditions
  - Higher pricing compared to competition

### CIS Countries

- **CIS countries** contributed strongly;
  - Double digit growth in Georgia, mid-single digits growth in Kazakhstan & Moldova
  - Increased communication in all touchpoint
  - Improvements in route-to-market

### Turkey

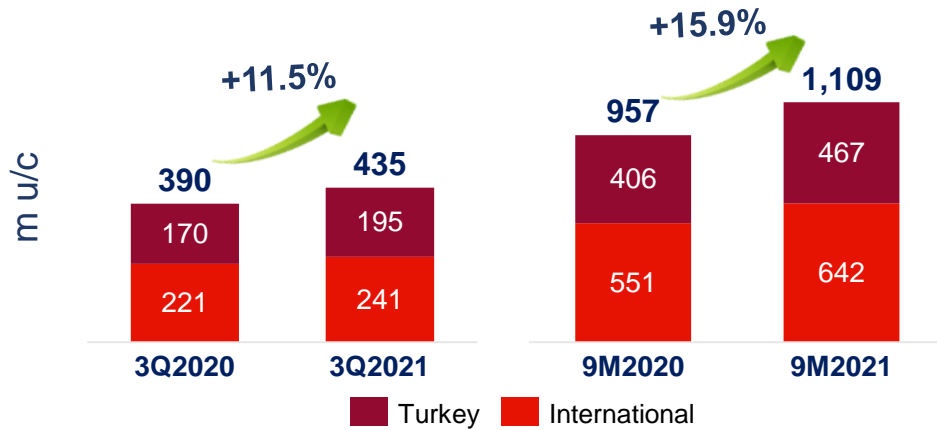
- **Turkey** volumes declined by 5.2% following a strong 2Q;
  - Higher demand in on-trade
  - Traditional trade impacted by the forest fires
- Increased engagement with consumers at local festivals and events
- Launch of Efes Glutensiz, first gluten-free beer in Turkey

\*On a combined basis as of 9M2021

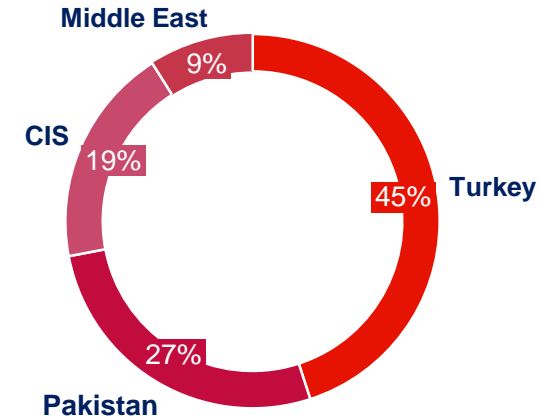


# ...and continued topline growth in soft drinks...

## SOFT DRINKS SALES VOLUME



## VOLUME BREAKDOWN\*



### Turkey Operations

- Turkey volume growth of 14.6% in 3Q;
  - Focused and segmented marketing campaigns & effective promotions, seasonal refreshments, e-commerce availability
  - Sparkling grew 12.7% & Coca-Cola™ grew by 13.9%
  - Immediate consumption packages share of 32% with re-opening of on-trade channel

### International Operations

- International operations volume growth of 9.1% in 3Q;
- Superior performance in Pakistan and Kazakhstan
- Pakistan volume up by 8%
  - Increased outlet reach, better route-to-market
  - CIS volumes up 19.7%, Middle East down 4.7%

\*3Q2021, on combined basis



# ...mitigating the pressure from commodity hikes, up to a great extent

## NET REVENUE

<b>3Q</b>	<b>9M</b>
+34.9%	+39.4%

## EBITDA BNRI

<b>3Q</b>	<b>9M</b>
+12.8%	+32.3%

## EBITDA BNRI %

<b>3Q</b>	<b>9M</b>
20.0%	18.1%
(-390 bps)	(-97 bps)

## NET INCOME

<b>3Q</b>	<b>9M</b>
TL556 mn	TL1,267 mn

## FREE CASH FLOW

<b>3Q</b>	<b>9M</b>
TL2,295 mn	TL4,248 mn
(+TL 391 mn)	(+TL 1,353 mn)

### NET REVENUE

- Solid volume performance & price increases in both business lines
- Favorable mix & premiumization in beer group
- RGM actions and better discount management in soft drinks

### EBITDA MARGIN

- Increase in raw material and commodity prices
- High base effect
- Increase in direct marketing expenses in soft drinks

### NET INCOME

- Despite y-o-y higher financial expenses & non-cash provision for spare parts amortization in CCI
- Improvement in operational profitability
- Gain on land sale in CCI

### FREE CASH FLOW

- Strong FCF generation; flat versus last year in 3Q
- Significant improvement in working capital in both business lines
- Tight capex management in soft drinks
- Consolidated Net Debt to EBITDA (BNRI) improvement slightly to 0.8x (1H: 0.9x)



# FINANCIAL OVERVIEW

Gökçe Yanaşmayan  
Chief Financial Officer





# Robust topline growth in a challenging cost environment...

## VOLUME

## NET REVENUE

## EBITDA BNRI

## EBITDA BNRI%

## FREE CASH FLOW

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3Q

9M

35.8 mhl  
+9.2% vs. PY

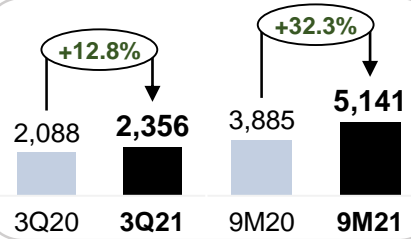
92.2 mhl  
+11.9% vs. PY

3Q

9M

11,787 mTL  
+34.9% vs. PY

28,334 mTL  
+39.4% vs. PY



3Q

9M

20.0%  
-3.9pp vs. PY

18.1%  
-1.0pp vs. PY

3Q

9M

2,295 mTL  
+391m vs. PY

4,248 mTL  
+1,353m vs. PY

BEER  
GROUP

3Q

9M

11.1 mhl  
+4.4% vs. PY

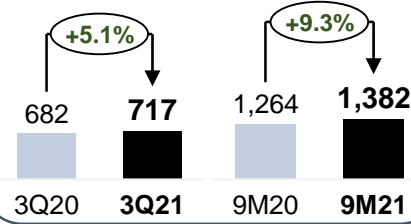
29.2 mhl  
+4.3% vs. PY

3Q

9M

4,993 mTL  
+32.5% vs. PY

11,969 mTL  
+31.3% vs. PY



3Q

9M

14.4%  
-3.8pp vs. PY

11.5%  
-2.3pp vs. PY

3Q

9M

435 mTL  
-9m vs. PY

1,519 mTL  
+832m vs. PY

SOFT DRINKS  
GROUP

3Q

9M

435 mu/c  
+11.5% vs. PY

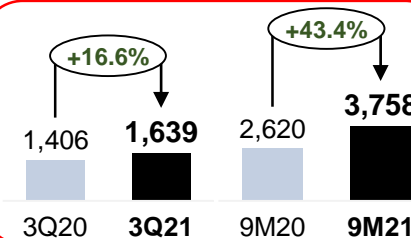
1,109 mn u/c  
+15.9% vs. PY

3Q

9M

6,794 mTL  
+36.6% vs. PY

16,365 mTL  
+46.0% vs. PY



3Q

9M

24.1%  
-4.1pp vs. PY

23.0%  
-0.4pp vs. PY

3Q

9M

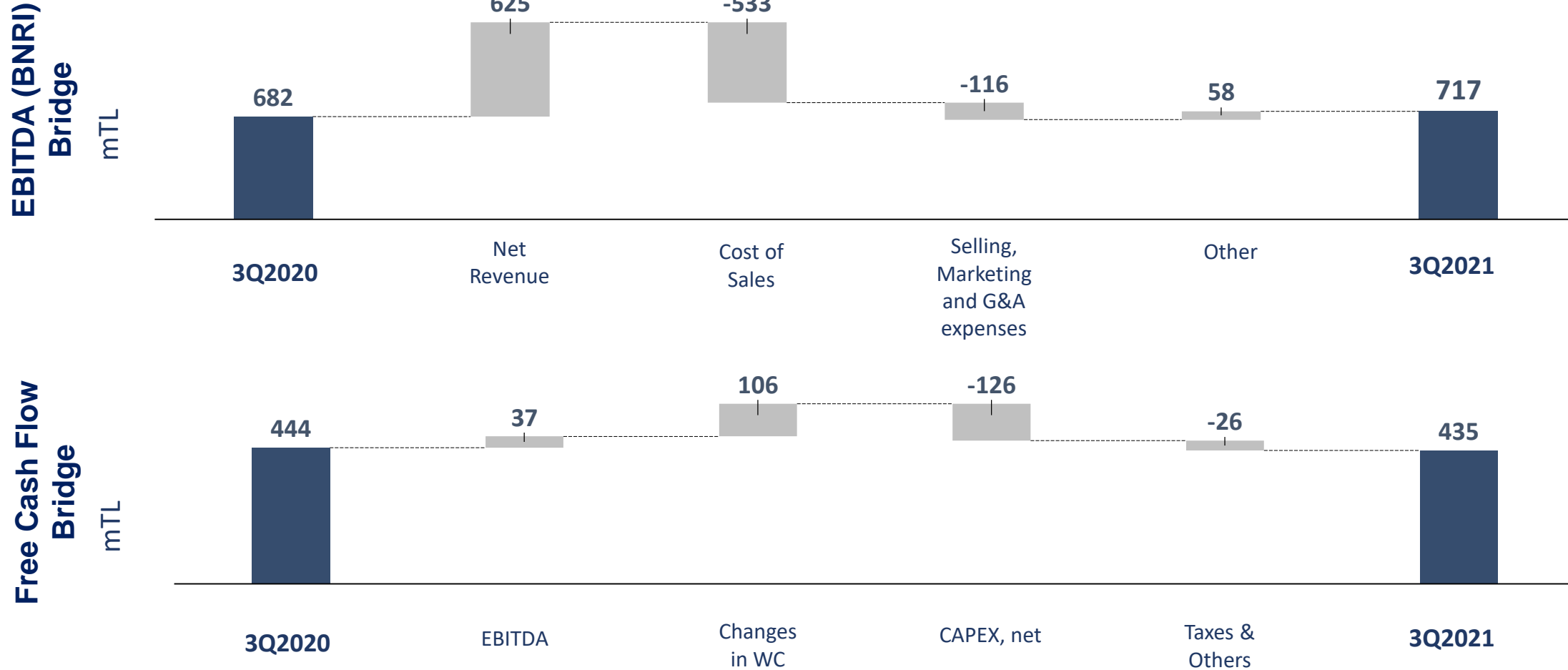
1,660 mTL  
+367m vs. PY

2,499 mTL  
+581m vs. PY



...with a successful cash generation despite a high base...

### Beer Group





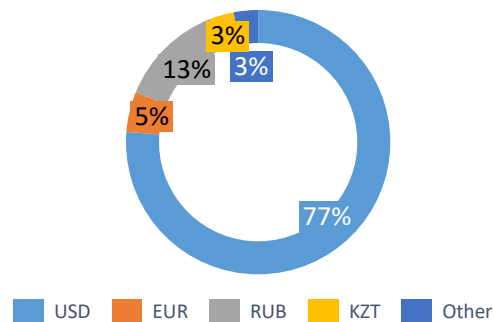


# ...by sticking to prudent financial policy...

BEER GROUP

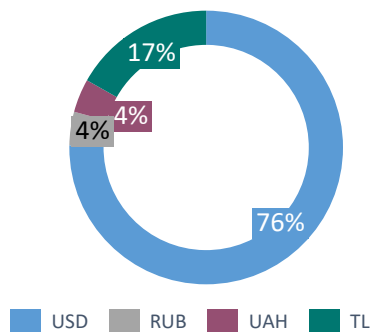
### Cash Profile

TL 4.7 bn (USD 530 mn)



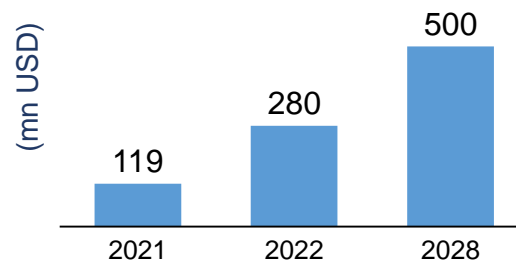
### Debt Profile

TL 8.2 bn (USD 899 mn)

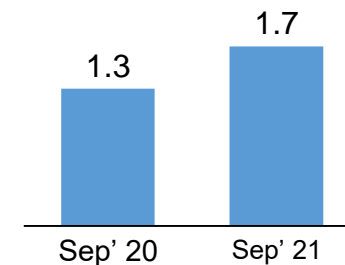


### Debt Maturity Profile

Weighted Ave. Maturity: 4.1 yrs



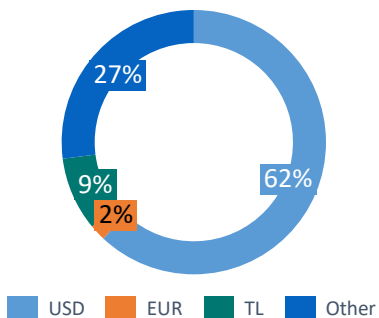
### Net Debt / EBITDA



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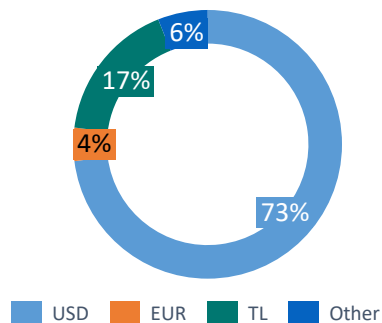
### Cash Profile

TL 9.3 bn (USD 1.1 bn)



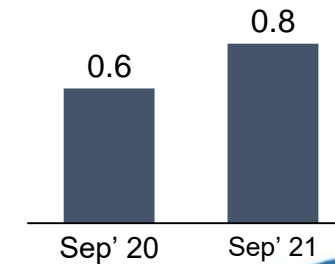
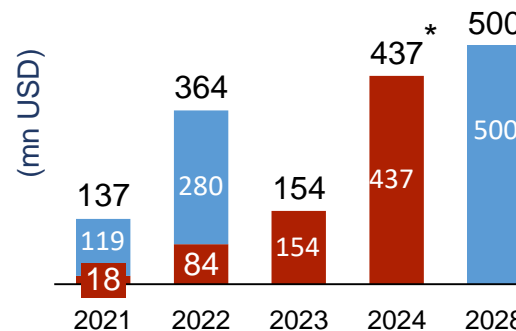
### Debt Profile

TL 14.6 bn (USD 1.6 bn)



### Debt Maturity Profile

Weighted Ave. Maturity: 3.3 yrs



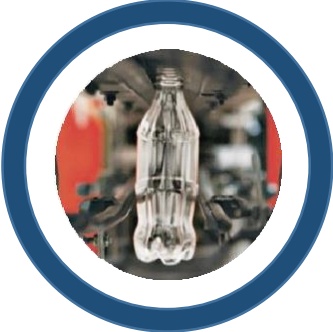
\* After accounting for XCCY adjustment for \$150 mn on CCI's 2024 Eurobond (the effect amounts to ca. -\$86 mn)

# ...benefitting from effective risk management

Commodity Hedges



2021\*: 100%  
2022\*: 29%



2021\*: 100%  
2022\*: 76%



2021\*: 100%  
2022\*: 64%

FX Hedges



**Turkey**  
2021\*: 78%  
2022\*: 50%

\*As of October 2021





# OUTLOOK

Can aka

CEO & Beer Group President





## VOLUME

*continuing impact of pandemic*

**Consolidated:**

Mid-to-high  
single digits

*(previously: mid-  
single digit)*

**Beer Group:**

Low-single  
digit  
growth

**Soft Drinks:**

Low-to-mid teens  
digit growth

*(previously: high-  
single digits)*

## SALES REVENUE

*FX-Neutral basis*

**Consolidated:**

High-teens to low  
twenties growth

*(previously: high-  
teens)*

**Beer Group:**

Low-teens  
growth

**Soft Drinks:**

High twenties to  
low thirties growth

*(previously: low-to-  
mid twenties)*

## EBITDA MARGIN

**Consolidated:**

Slight  
decline

**Beer Group:**

Ca. 200 bps  
decline

**Soft Drinks:**

**Slightly dilutive**

## 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**

**Göke Yanařmayan**

**Chief Financial Officer**



# **+1** FX Rates

		9M2020	9M2021	Δ%
USD/TL	AVG	6.71	8.10	20.6%
	PE	7.81	8.88	13.7%
EUR/TL	AVG	7.56	9.68	28.1%
	PE	9.13	10.29	12.8%
TL/RUB	AVG	10.54	9.14	-13.3%
	PE	10.21	8.20	-19.7%
TL/KZT	AVG	60.92	52.46	-13.9%
	PE	55.01	47.94	-12.8%
TL/UAH	AVG	3.95	3.40	-14.1%
	PE	3.62	2.99	-17.4%
TL/MDL	AVG	2.59	2.19	-15.5%
	PE	2.17	1.99	-8.4%
TL/GEL	AVG	0.46	0.40	-11.7%
	PE	0.42	0.35	-16.5%