

# ANADOLU EFES

## 1H2022 EARNINGS RELEASE

Istanbul, August 10, 2022

### 2Q2022 HIGHLIGHTS

- **Consolidated sales volume** increased by 12.9% to 37.5 mhl
- **Consolidated net sales revenue** up 136.2% to TL 24,535.7 million
- **Consolidated EBITDA Before Non-Recurring Items (BNRI)** up 139.6% to TL 4,958.5 million

### 1H2022 HIGHLIGHTS

- **Consolidated sales volume** increased by 13.4% to 64.0 mhl
- **Consolidated net sales revenue** up 131.5% to TL 38,304.7 million
- **Consolidated EBITDA Before Non-Recurring Items (BNRI)** up 158.9% to TL 7,209.4 million
- **Consolidated Free Cash Flow** was TL 4,718.7 million in 1H2022 vs. TL 1,953.4 million in 1H2021

### MANAGEMENT COMMENTS

*“We are so happy to announce very strong results following a solid 1Q performance in such an extraordinary year amid heightening global tensions and persistently rising inflation. These results are the testimony of our ability to leverage uncertainties into opportunities. Our relentless efforts to drive quality growth; ensuring balance between volume and value share, have paid off. We managed to deliver low-teens volume growth in the quarter despite the fact that Ukraine operations were halted since February 24<sup>th</sup>. Such growth enabled us to have volumes back at 2019 levels again with the recovery of trade after pandemic. Supported with the volume growth, pricing initiatives, premiumization and discount management efforts revenue growth reached 136%. The topline was also supported by FX conversion as a result of our diverse geographic footprint. We were able to expand our EBITDA (BNRI) margin in such a tough environment while managing costs and expenses are challenging than ever. On top of this, cash generation has reached historically high levels yet we expect some normalization going forward”* **commented Mr. Can Çaka, Beer Group President and Anadolu Efes CEO.**

*In our Russian operations, we have been taking price adjustment in order to cover the impacts of higher inflationary environment. Although until April consumer demand was quite strong, we have observed some softening in May and June in line with our initial expectations. Therefore, we are cautious for the rest of the year in terms of our volume outlook. Our strategy is sustained at finding the right balance between profitability and volume performance, and supported by revenue growth management initiatives as evidenced by our strong results in this quarter. In Türkiye, we significantly benefitted from on-trade recovery while consistent improvement in tourism activity has been supporting volumes. Also, I am more than happy with the promising performance of the most recent introduction to our portfolio “Bremen 1827” just one month after its initiation. I am sure this is just a beginning and looking forward to see accelerating results of our high quality lager.*

*In our announcement dated February 24<sup>th</sup>, we announced that we have suspended our operations at our three breweries in Ukraine; Chernihiv, Kharkiv and Mykolaiv. In light of the risk analysis and general evaluations which are still being conducted, we decided that the operations of our Chernihiv brewery could potentially be resumed. At the initial stage, necessary studies will be carried out so that our employees can return to work safely and our brewery will be technically ready. While we aim to start production in Chernihiv*

in 4<sup>th</sup> quarter depending on our safety & security assessment, sales and distribution will be supported by imported products until production starts.

We are cautious for the rest of the year as inflationary pressures are not expected to ease in a very near future. On the other hand, year-on-year lower commodity price points give us the opportunity to lock up most of our exposure for the rest of the year and even for 2023. Although second half of the year may be a bit more challenging than first half in terms of consumer demand, we are committed to sustain our solid momentum. With the strong results delivered in first half, we revisited our expectations for FY2022. According to our improved outlook for beer, we now expect beer group revenue to grow by high-teens on FX-neutral basis where EBITDA (BNRI) margin is foreseen to be flat or to expand by 100 bps.

I would like to congratulate every member of my team for their insistent hard-work and endless passion for navigating challenges and pushing beyond limits.

## SUMMARY FINANCIALS

Consolidated (TL mn)	2Q2021	2Q2022	Change %	6M2021	6M2022	Change %
Volume (mhl)	33.2	37.5	12.9%	56.4	64.0	13.4%
Volume (mhl) (organic)**	33.2	35.3	6.4%	56.4	60.6	7.4%
Net Sales	10,387.2	24,535.7	136.2%	16,546.6	38,304.7	131.5%
Net Sales (organic)**	10,387.2	23,106.8	122.5%	16,546.6	36,129.5	118.4%
Gross Profit	3,919.3	8,824.6	125.2%	5,871.3	13,611.2	131.8%
EBIT (BNRI)	1,491.3	4,629.2	210.4%	1,597.4	5,717.1	257.9%
EBITDA (BNRI)	2,069.4	4,958.5	139.6%	2,784.5	7,209.4	158.9%
Net Income/(Loss)*	415.1	1,425.9	243.5%	710.3	1,293.9	82.2%
Net income/(Loss)* excl. impairment and losses in Ukraine	415.1	1,419.0	241.8%	710.3	1,692.6	138.3%
FCF	2,204.3	5,421.0	145.9%	1,953.4	4,718.7	141.6%
			Change (bps)			Change (bps)
Gross Profit Margin	37.7%	36.0%	-177	35.5%	35.5%	5
EBIT (BNRI) Margin	14.4%	18.9%	451	9.7%	14.9%	527
EBITDA (BNRI) Margin	19.9%	20.2%	29	16.8%	18.8%	199
Net Income Margin* excl. impairment and losses in Ukraine	4.0%	5.8%	179	4.3%	4.4%	13
Beer Group (TL mn)	2Q2021	2Q2022	Change %	6M2021	6M2022	Change %
Volume (mhl)	10.9	9.5	-12.2%	18.2	17.2	-5.2%
Volume excl. Ukraine (mhl)	9.3	9.4	0.2%	15.6	16.6	6.1%
Net Sales	4,564.2	9,842.5	115.6%	6,976.3	14,946.2	114.2%
Gross Profit	1,823.2	4,154.7	127.9%	2,515.8	6,099.6	142.5%
EBIT (BNRI)	415.3	2,182.5	425.5%	43.1	1,948.4	4420.5%
EBITDA (BNRI)	712.6	1,989.7	179.2%	665.2	2,442.4	267.1%
Net Income/(Loss)*	302.7	1,116.8	269.0%	505.2	668.4	32.3%
Net income/(Loss)* excl. impairment and losses in Ukraine	302.7	1,109.9	266.7%	505.2	1,067.1	111.2%
FCF	1,673.6	5,104.8	205.0%	1,084.2	4,998.9	361.1%
			Change (bps)			Change (bps)
Gross Profit Margin	39.9%	42.2%	227	36.1%	40.8%	475
EBIT (BNRI) Margin	9.1%	22.2%	1,307	0.6%	13.0%	1,242
EBITDA (BNRI) Margin	15.6%	20.2%	460	9.5%	16.3%	681
Net Income Margin* excl. impairment and losses in Ukraine	6.6%	11.3%	465	7.2%	7.1%	-10
CCI (TL mn)	2Q2021	2Q2022	Change %	6M2021	6M2022	Change %
Volume (mn u/c)	393	492	25.1%	674	824	22.2%
Volume (mn u/c) (organic)**	393	454	15.4%	674	764	13.4%
Net Sales	5,824	14,694	152.3%	9,571	23,359	144.1%
Net Sales (organic)**	5,824	13,265	127.8%	9,571	21,184	121.3%
Gross Profit	2,089	4,662	123.1%	3,356	7,506	123.6%
EBIT	1,072	2,446	128.1%	1,560	3,774	141.9%
EBITDA	1,356	2,969	118.9%	2,119	4,763	124.8%
Net Income/(Loss)*	721	1,233	71.0%	1,124	1,863	65.7%
FCF	727	931	28.1%	839	-212	n.m.
			Change (bps)			Change (bps)
Gross Profit Margin	35.9%	31.7%	-414	35.1%	32.1%	-293
EBIT Margin	18.4%	16.6%	-176	16.3%	16.2%	-14
EBITDA Margin	23.3%	20.2%	-308	22.1%	20.4%	-175
Net Income Margin*	12.4%	8.4%	-399	11.7%	8.0%	-377

\* Net income attributable to shareholders

\*\* Organic refers to excluding the impact of Uzbekistan in 2022

## OPERATIONAL PERFORMANCE – ANADOLU EFES CONSOLIDATED

AEFES Consolidated (TL mn)	2Q2021	2Q2022	% change	1H2021	1H2022	% change
Volume (mhl)	33.2	37.5	12.9%	56.4	64.0	13.4%
Volume (mhl) (organic)**	33.2	35.3	6.4%	56.4	60.6	7.4%
Net Sales	10,387.2	24,535.7	136.2%	16,546.6	38,304.7	131.5%
Net Sales (organic)**	10,387.2	23,106.8	122.5%	16,546.6	36,129.5	118.4%
Gross Profit	3,919.3	8,824.6	125.2%	5,871.3	13,611.2	131.8%
EBIT (BNRI)	1,491.3	4,629.2	210.4%	1,597.4	5,717.1	257.9%
EBITDA (BNRI)	2,069.4	4,958.5	139.6%	2,784.5	7,209.4	158.9%
Net Income/(Loss)*	415.1	1,425.9	243.5%	710.3	1,293.9	82.2%
Net Income/(Loss)* excl. impairment and losses in Ukraine	415.1	1,419.0	241.8%	710.3	1,692.6	138.3%
FCF	2,204.3	5,421.0	145.9%	1,953.4	4,718.7	141.6%
			Change (bps)			Change (bps)
Gross Profit Margin	37.7%	36.0%	-177	35.5%	35.5%	5
EBIT (BNRI) Margin	14.4%	18.9%	451	9.7%	14.9%	527
EBITDA (BNRI) Margin	19.9%	20.2%	29	16.8%	18.8%	199
Net Income Margin* excl. impairment and losses in Ukraine	4.0%	5.8%	179	4.3%	4.4%	13

\* Net income attributable to shareholders

\*\* Organic refers to excluding the impact of Uzbekistan in 2022

Anadolu Efes' **consolidated sales volume** in 2Q2022 exceeded its level in 2019 for the first time in two years and increased strongly by 12.9% displaying an organic growth of 6.4% despite operations in Ukraine were halted since February 24<sup>th</sup>. In beer operations, the sound performance delivered in 1Q in Türkiye and CIS operations was sustained in this quarter as well. Such performances offset lower volumes in Russia. In soft drinks, growth came from across the board; Türkiye and international operations, with high contributions from CIS region, Uzbekistan and Pakistan. Therefore, consolidated sales volume reached 64.0 mhl in 1H2022, up 13.4% year on year.

**Consolidated net sales revenue** increased by 136.2% to TL 24,535.7 million with FX-Neutral growth of 58.3% in 2Q2022. Solid volume growth and price adjustments were the main drivers of topline growth with positive contribution from favorable and channel product mix in certain countries. Consolidated net sales revenue in 1H2022 was recorded at TL 38,304.7 million with 131.5% expansion.

**Consolidated EBITDA (BNRI)** grew by 139.6% year-on-year to TL 4,958.5 million; with slight margin improvement to 20.2%. Beer group margin showed a robust expansion in the quarter driven by effective management of revenue/hl growth as well as successful cost and expense discipline. Soft drinks operations' margin was below last year cycling a high base. Although the significant pricing taken and hedges in place were important mitigants, raw material cost pressures and higher energy expenses led EBITDA margin to decline in soft drink operations.

Anadolu Efes' **net income** increased by 243.5% year-on-year and reached TL 1,425.9 million in 2Q2022 despite significant increase in net financial expenses in both business lines and higher effective tax rate in soft drink operations. Bottomline was nourished by solid expansion in operational profitability as well as the increase in net operating income on the back of higher FX-gains recorded from working capital. Accordingly, net profit in 1H2022 was up by 82.2% to TL 1,293.9 million. Excluding the impact of impairment and losses in Ukraine, net income would have been TL 1,692.6 million in 1H2022.

Anadolu Efes' **Free Cash Flow** was significantly ahead of last year and reached TL 5,421.0 million in 2Q2022. The year-on-year increase is attributable to beer group with better operational profitability and controlled capex spending where cash generation in beer group is expected to normalize in 2H. There was negative swing in soft drink operations on the back of raw material pre-buys to mitigate supply chain related risks. The improvement in free cash flow generation in the quarter brought 1H2022 level to TL 4,718.7 million and as a result consolidated **Net Debt to EBITDA (BNRI)** improved significantly compared to 1Q2022 and was realized at 1.1x as of June 30, 2022.

## OPERATIONAL PERFORMANCE - BEER GROUP

Beer Group (TL mn)	2Q2021	2Q2022	% change	1H2021	1H2022	% change
Volume (mhl)	10.9	9.5	-12.2%	18.2	17.2	-5.2%
Volume excl. Ukraine (mhl)	9.3	9.4	0.2%	15.6	16.6	6.1%
Net Sales	4,564.2	9,842.5	115.6%	6,976.3	14,946.2	114.2%
Gross Profit	1,823.2	4,154.7	127.9%	2,515.8	6,099.6	142.5%
EBIT (BNRI)	415.3	2,182.5	425.5%	43.1	1,948.4	4420.5%
EBITDA (BNRI)	712.6	1,989.7	179.2%	665.2	2,442.4	267.1%
Net Income/(Loss)*	302.7	1,116.8	269.0%	505.2	668.4	32.3%
Net income/(Loss)* excl. impairment and losses in Ukraine	302.7	1,109.9	266.7%	505.2	1,067.1	111.2%
FCF	1,673.6	5,104.8	205.0%	1,084.2	4,998.9	361.1%
			Change (bps)			Change (bps)
Gross Profit Margin	39.9%	42.2%	227	36.1%	40.8%	475
EBIT (BNRI) Margin	9.1%	22.2%	1307	0.6%	13.0%	1242
EBITDA (BNRI) Margin	15.6%	20.2%	460	9.5%	16.3%	681
Net Income Margin* excl. impairment and losses in Ukraine	6.6%	11.3%	465	7.2%	7.1%	-10

\*Net income attributable to shareholders

Excluding Ukraine, **beer group sales volume** had flat performance over last year which was better than our expectations and was recorded as 9.4 mhl in 2Q2022. After a very strong start in 1Q, Russian volumes were down in the quarter however it was more than offset by robust momentum achieved in Türkiye and CIS operations. Therefore, in 1H2022 excluding Ukraine, beer group volumes showed year-on-year increase of 6.1% where reported volumes were 17.2 mhl, yielding 5.2% year-on-year decline.

**International beer operations'** volumes declined by 15.6% to 8.0 mhl in 2Q2022 bringing 1H2022 volumes to 14.8 mhl. Excluding Ukraine, the volumes were down by only 1.6% in 2Q2022. **Russian** beer volumes decreased by low-single digits in 2Q2022 compared to a year ago. Cycling mid-teens growth in the first quarter, volumes started to decline starting from the month of May as a result of price increase in line with the predicted inflation. The market was also down by low-single digits in the period with declines in low premium and super premium segments due to lower availability of import brands in the market. SMIB and Efes were among best performing brands in the quarter. In 1H2022, we gained market share in volumes with even a better performance in value basis. **CIS countries** had another quarter with solid performance. While cooler investments, new brand launches supported the volumes in Kazakhstan, the momentum achieved in non-alco and craft category in Moldova and premium segment development in Georgia led a volume growth of mid-single digits on average in CIS operations. **Türkiye** beer volumes increased by 10.8% to 1.5 mhl in 2Q2022, bringing 1H2022 volumes to 2.4 mhl implying a performance in line with pre-Covid period. Recovery in on-trade sales compared to last year, together with a good tourism season and superior performance achieved by our newly launched brand "Bremen 1827" were the triggers of the solid performance in the quarter. Also the export volumes were beyond expectations in the period.

**Beer Group sales revenue** has significantly outperformed the volume performance and reached TL 9,842.5 million in 2Q2022 with year-on-year increase of 115.6% where FX-neutral growth was also very strong at 31.5%. **International beer operation's revenue** showed a very robust expansion of 114.3% to TL 7,923.0 in 2Q2022. The increase in FX-neutral basis was 10.4%. Apart from the positive conversion effect, timely price adjustments, effective discount management together with favorable product mix especially in CIS countries were the drivers of solid growth in revenue per hl. Also, year-on-year higher share of CIS countries which have relatively higher USD revenue/hl supported international revenues. On top of a solid performance in volumes, **Türkiye beer sales revenue** benefitted mainly from price adjustments where the latest one was implemented a few weeks earlier than planned in order to reflect excise tax hike. The year-on year revenue/hl increase was ahead of the increase in 1Q and realized at 98% in this quarter despite higher share of on-trade compared to last year. Thus, sales revenue of Türkiye beer operations increased by 119.3% year-on-year to TL 1,872.7 million in 2Q2022. Therefore, in the first half of the year beer group sales revenue increased by 114.2% year-on-year to TL 14,946.2 million.

**Beer group gross profit** was up by 127.9% to TL 4,154.7 with a margin expansion of 227 bps in 2Q2022. There has been significant inflationary pressures in the raw and packaging material prices since the beginning of the year together with a consistently upward trend in energy prices. Despite an extraordinarily fluctuating cost base, timely price adjustments implemented across all operations as well as effective use of commodity and currency hedging mechanisms yielded a solid margin expansion both in domestic and international operations. Strong volume performance in Türkiye also led to lower share of fixed costs in cost of goods sold, supporting gross profitability. On top of a very strong gross profitability performance in 1Q with the momentum achieved in 2Q, beer group gross profit reached TL 6,009.6 million in 1H2022 with a margin of 40.8%, 475 bps above last year.

**Beer group EBITDA (BNRI)** was up by %179.2 to TL 1,989.7 million in 2Q2022, yielding a margin of 20.2%, 460 bps higher than last year. The improvement in gross profitability was reflected into EBITDA margin performance with higher pace as a result of frugal opex spending across all beer operations. Despite there has been savings in selling and marketing expenses, volume performance was beyond expectations. There was controlled spending in G&A expenses as well. As a result, EBITDA (BNRI) increased by 267.1% to TL 2,442.4 million in 1H2022, while the margin was realized at 16.3%.

Net financial expenses were higher on year-on-year basis due to increased borrowing costs in Türkiye, higher TL equivalent of foreign currency interest expenses as a result of significant TL depreciation as well as the increased cost of derivative transactions in Russia. However, the increase in net financial expenses were more than compensated by year-on-year better operational profitability and higher FX gains recorded from payables in Russia due to favorable RUB rate against hard currencies which was accounted under other income. Therefore, **Beer Group net income** increased more than three times compared to a year ago and reached TL 1,116.8 million in 2Q2022. As a result, in 1H2022, net income was recorded as TL 668.4 million with an increase of 32.3% despite impairment and losses related to Ukraine. Excluding the impact of impairment and losses in Ukraine, net income would have been TL 1,067.1 million in 1H2022.

**Beer Group Free Cash Flow** increased by 205.0% to TL 5,104.8 million, a record high level, cycling a very strong quarter last year. Cash generation was attributable to higher operating profitability, improvements in working capital management primarily in payables and significant savings especially in Russia. Appreciation of Ruble against TL in the period also led to a currency translation gain incurred from exceptionally low level of working capital which is expected to normalize in the rest of the year depending on currency movements and payables performance. In 1H2022, free cash flow reached TL 4,998.9 million versus TL 1,084.2 million in 1H2021.

## OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

### MANAGEMENT COMMENTS

*Burak Basarir, CEO of Coca-Cola Icecek, commented: "Despite a volatile environment, we are pleased to deliver another successful set of results in the second quarter of 2022. We registered 25% reported and 15% organic volume growth on a consolidated basis, building on the first quarter's positive momentum across our markets. This performance was broad-based among our operations. Through leveraging our diverse brand portfolio with excellent execution capabilities, Türkiye's sales volume increased by 20%. This robust growth was achieved on the back of resilient at-home consumption and continued on-premise channel recovery. Cycling a strong 21% growth, the sales volume of international operations increased by 29% on a reported basis and by 13% on an organic basis. The newest member of our operations, Uzbekistan, continued its integration at full speed and achieved a stellar 29% volume growth. Pakistan, one of the fastest growing among our operations, registered a strong 18% increase thanks to the higher outlet reach, cooler placements, and strong recovery at on-premise and modern retail channels. This quarter's record results are a testament to CCI's relentless focus on executing effectively in volatile markets.*

*Notwithstanding the inflationary pressures across commodity, transportation and labor costs, strong volumes, favorable mix, timely price adjustments, well-managed hedging initiatives, and excellent opex management enabled us to mitigate margin pressures to some extent, and we delivered a 20% EBITDA margin in the second quarter.*

*As the year 2022 progresses, we will continue to support our consumers on various occasions in at-home channels with our diverse brand portfolio that we continuously innovate to satisfy evolving consumer needs. Our experience in managing challenging operating environments, execution capabilities and highly motivated people help us continue winning in the market.*

*We have almost complete coverage of commodities' supply for the second half of 2022. We ensured the sustainability of supply and started adding 2023 coverage using occasional opportunities in a highly volatile commodity market. However, the commodities in the year's second half come at a significantly higher cost than in the first half. Paired with the high fuel and transportation costs and other inflationary cost increases, they'll continue pressuring our margins. We will rely on timely pricing actions, efficient discount management, proactive RGM and disciplined spending to cope with the challenges ahead of us. As much as we are cautiously optimistic that with these measures we can deliver in line with our guidance, we still see some downside risk at the EBITDA margin and some upside potential at the topline.*

*Our Company's purpose is to create value for our stakeholders in everything we do, while placing sustainability at the center of our strategies. Serving to this purpose, we proudly published our second integrated report in its most straightforward, uncomplicated, and transparent form. Inspired by Rumi, our 2021 report's theme is "As We Are" and we are happy to share our achievements, areas of development, and pioneering initiatives with our stakeholders through our Integrated Report. We build a better future for our customers & consumers, people and society by focusing on the acceleration of quality growth, leveraging our diverse portfolio. Within our digitally enabled omnichannel platforms, we will keep innovating our product pipeline to serve our consumers and respond to evolving preferences and consumption occasions. I sincerely*

*thank our people for having an agile mindset and being highly motivated in this infinite journey as we dream and act to be the best FMCG player in our geographies.”*

Coca-Cola İçecek (TL mn)	2Q2021	2Q2022	% change	1H2021	1H2022	% change
Volume (mn u/c)	393	492	25.1%	674	824	22.2%
Volume (mn u/c) (organic)**	393	454	15.4%	674	764	13.4%
Net Sales	5,824	14,694	152.3%	9,571	23,359	144.1%
Net Sales (organic)**	5,824	13,265	127.8%	9,571	21,184	121.3%
Gross Profit	2,089	4,662	123.1%	3,356	7,506	123.6%
EBIT	1,072	2,446	128.1%	1,560	3,774	141.9%
EBITDA	1,356	2,969	118.9%	2,119	4,763	124.8%
Net Income/(Loss)*	721	1,233	71.0%	1,124	1,863	65.7%
FCF	727	931	28.1%	839	-212	n.m.
			Change (bps)			Change (bps)
Gross Profit Margin	35.9%	31.7%	-414	35.1%	32.1%	-293
EBIT Margin	18.4%	16.6%	-176	16.3%	16.2%	-14
EBITDA Margin	23.3%	20.2%	-308	0.0%	0.0%	0
Net Income Margin*	12.4%	8.4%	-399	11.7%	8.0%	-377

\* Net income attributable to shareholders

\*\* Organic refers to excluding the impact of Uzbekistan in 2022

For the full text of Coca-Cola İçecek’s 1H2022 Earnings Release, please refer to the link below:

[www.cci.com.tr/en/investor-relations/financial-information/financial-results](http://www.cci.com.tr/en/investor-relations/financial-information/financial-results)

## 2022 REVISED OUTLOOK

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2022 continue to be challenging while containing uncertainties. First half of the year has been robust in terms of consumer demand which may soften in the rest of the year with persistent inflationary pressures which may result in declining disposable income and purchasing power. Thanks to our timely pricing actions and effective use of risk mitigating tools, we had a quite strong first half from top to bottom where we were able to more than offset these inflationary pressures. While being cautious for the rest of the year, with the strong results delivered in the first half of the year, we make some improvements in our beer group outlook as a result of continued momentum achieved in our topline numbers and profitability margins. The improvement in beer group outlook is also reflected into Anadolu Efes outlook while soft drink guidance is reiterated as announced in January.

As a result,

**Consolidated sales volume** is expected to grow low-single digits (*no change*)

**Total Beer volume** is expected to decline by mid-teens on a reported basis while excluding the impact of Ukraine, our volume decline expectation remains at mid-single digits. (*no change*)

**Consolidated Net Sales Revenue** is expected to grow by mid-thirties on FX-Neutral basis (*previously: low-thirties growth*)

**Total Beer revenue** is expected to grow by high-teens on FX-Neutral basis (*previously: mid-teens growth*)

**Consolidated EBITDA Margin** is expected to stay flat (*previously: decline around 100 bps*)

**Total Beer EBITDA margin** is expected to be flat to 100 bps expansion versus 2021 (*previously: decline around 100 bps*)

**Capex:** As a percentage of sales high single digits on a consolidated basis (*no change*)

**Free Cash Flow** generation will continue to be strong yet will be stronger than our initial expectations as a result of better operational profitability outlook.

*2022 outlook reflects management expectations and is based upon currently available data. Actual results are subject to future events and uncertainties including but not limited to macro-economic, financial, geopolitical and political risks, which could materially impact the Company's actual performance.*



**ANADOLU EFES CONSOLIDATED FINANCIAL PERFORMANCE**

<b>EBITDA (TL mn)</b>	<b>1H2021</b>	<b>1H2022</b>
Profit/loss from Operations	1,596.6	5,325.3
Depreciation and amortization	1,096.5	1,888.9
Provision for retirement pay liability	24.8	80.0
Provision for vacation pay liability	34.5	65.8
Foreign exchange gain/loss from operating activities	23.9	-558.4
Rediscount interest income/expense from operating activities	2.3	4.0
Other	5.1	12.0
<b>EBITDA</b>	<b>2,783.7</b>	<b>6,817.6</b>

<b>EBITDA (BNRI*)</b>	<b>2,784.5</b>	<b>7,209.4</b>
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\* Non-recurring items amounted to TRL 0.8 million in 1H2021 and TRL 391.9 million in 1H2022 which also includes impairments and losses related to Ukraine Beer Operations.

<b>Financial Income / (Expense) Breakdown (TL mn)</b>	<b>1H2021</b>	<b>1H2022</b>
Interest income	105.2	197.5
Interest expense	-439.2	-1,222.5
Foreign exchange gain /(loss)	296.2	424.4
Other financial expenses (net)	-49.0	-113.0
Gain/(loss) on derivative transactions	-67.3	-342.2
<b>Net Financial Income /(Expense)</b>	<b>-154.1</b>	<b>-1,055.8</b>

<b>Free Cash Flow (TL mn)</b>	<b>1H2021</b>	<b>1H2022</b>
EBITDA (BNRI)	2,784.5	7,209.4
Change in Working Capital	766.6	1,006.9
Income Taxes & Employee Benefits Paid	-422.7	-872.9
Payments of Lease Liabilities	-90.9	-101.1
CAPEX, net	-1,025.5	-2,148.9
Net Financial Income /(Expense)	-58.5	-374.9
<b>FCF</b>	<b>1,953.4</b>	<b>4,718.7</b>
Other investing activities (Acquisitions, Disposals, Minority Buy-Out and Share Capital Increases)	-87.0	-323.2
<b>FCF (after investing activities)</b>	<b>1,866.4</b>	<b>4,395.5</b>

	<b>Consolidated Gross Debt</b>	<b>Cash &amp; Cash Equivalents</b>	<b>Net Cash/(Debt) Position</b>
AEFES Consolidated (TL mn)	34,667.0	22,237.5	-12,429.5
Beer Group (TL mn)	16,075.4	11,172.2	-4,903.3
Turkey Beer (TL mn)	14,140.3	823.6	-13,316.7
EBI (TL mn)	1,935.0	10,324.9	8,389.9
CCI (TL mn)	18,621.0	11,066.0	-7,555.0

<b>Net Debt / EBITDA (BNRI)</b>	<b>1H2021</b>	<b>1H2022</b>
Anadolu Efes Consolidated	0.9	1.1
Beer Group	1.9	1.2

**PLEASE CLICK TO ACCESS ALL TABLES IN EXCEL FORMAT**

**ANADOLU EFES**

Consolidated Income Statements for the Six-Months Period Ended 30.06.2021 and 30.06.2022

Prepared in accordance with TAS/TFRS as per CMB Regulations

(TL mn)

	2021/06	2022/06
<b>SALES VOLUME (mhl)</b>	<b>56.4</b>	<b>64.0</b>
<b>SALES REVENUE</b>	<b>16,546.6</b>	<b>38,304.7</b>
Cost of Sales (-)	-10,675.3	-24,693.5
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>5,871.3</b>	<b>13,611.2</b>
Selling, Distribution and Marketing Expenses (-)	-3,132.4	-6,260.6
General and Administrative Expenses (-)	-1,171.1	-2,441.7
Other Operating Income /Expense (net)	28.8	416.4
<b>EBIT (BNRI)</b>	<b>1,597.4</b>	<b>5,717.1</b>
Income /Expense from Investing Activities (net)	573.2	-388.2
Income / (Loss) from Associates	-172.3	-62.3
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	<b>1,997.4</b>	<b>4,874.8</b>
Financial Income / Expense (net)	-154.1	-1,055.8
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>1,843.3</b>	<b>3,819.0</b>
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-517.4	-1,403.0
- Deferred Tax Expense (-) / Income	10.3	-157.0
<b>INCOME/(LOSS) FOR THE PERIOD</b>	<b>1,336.2</b>	<b>2,258.9</b>
Attributable to:		
Non-Controlling Interest	625.9	965.0
<b>EQUITY HOLDERS OF THE PARENT</b>	<b>710.3</b>	<b>1,293.9</b>
<b>EBITDA (BNRI)*</b>	<b>2,784.5</b>	<b>7,209.4</b>

\*Non-recurring items amounted to TL 0.8 million in 1H2021 and TL 391.9 million in 1H2022.

Note: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit from Operations.

**ANADOLU EFES**  
Consolidated Balance Sheets as of 31.12.2021 and 30.06.2022  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	2021/12	2022/06
Cash & Cash Equivalents	10,260.4	21,214.6
Financial Investments	73.6	1,022.9
Derivative Instruments	100.6	47.8
Trade Receivables from Third Parties	4,644.7	11,755.0
from Related Parties	472.4	732.2
Other Receivables	158.3	461.9
Inventories	5,903.3	10,622.9
Other Current Assets	3,050.6	2,599.4
<b>TOTAL CURRENT ASSETS</b>	<b>24,663.9</b>	<b>48,456.7</b>
Trade Receivables	0.0	2.6
Financial Investments	0.8	0.8
Property, Plant and Equipment (incl. inv properties)	21,297.1	28,363.6
Right of Use Assets	431.2	588.8
Other Intangible Assets	30,162.1	41,438.2
Goodwill	6,506.6	11,007.1
Deferred Tax Assets	2,031.7	3,140.9
Other Non-Current Assets	419.5	627.2
<b>TOTAL NON-CURRENT ASSETS</b>	<b>60,849.0</b>	<b>85,170.1</b>
<b>TOTAL ASSETS</b>	<b>85,512.9</b>	<b>133,626.8</b>
	<b>2021/12</b>	<b>2022/06</b>
Short-term Borrowings	2,679.0	6,557.3
Short term lease obligations (IFRS 16)	0.2	0.1
Current portion of long term borrowings	3,701.5	6,558.2
Current portion of term lease obligations (IFRS 16)	94.2	161.5
Derivative Instruments	444.1	1,390.3
Current Trade Payables to Third Parties	11,911.8	20,760.8
to Related Parties	790.1	1,823.6
Other Current Payables	3,542.2	7,164.9
Provision for Corporate Tax	178.8	632.0
Provisions	675.3	1,009.8
Other Liabilities	504.1	674.0
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,521.4</b>	<b>46,732.3</b>
Long-term Borrowings	14,362.1	20,910.9
Long term lease obligations (IFRS 16)	409.5	508.1
Non Current Trade Payables	2.1	2.5
Deferred Tax Liability	5,291.8	7,415.0
Derivative Instruments	708.7	775.6
Other Non Current Liabilities	884.8	1,013.6
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>21,659.0</b>	<b>30,625.7</b>
<b>TOTAL EQUITY</b>	<b>39,332.5</b>	<b>56,268.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>85,512.9</b>	<b>133,626.8</b>

Note 1: "Financial Investments" in Current Assets includes the time deposits with a original maturity more than three months.

**BEER GROUP**

Consolidated Income Statements for the Six-Months Period Ended 30.06.2021 and 30.06.2022  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	<b>2021/06</b>	<b>2022/06</b>
Sales Volume (mhl)	18.2	17.2
Sales Revenue	6,976.3	14,946.2
Cost of Sales (-)	-4,460.5	-8,846.5
Gross Profit from Operations	2,515.8	6,099.6
EBIT (BNRI)	43.1	1,948.4
Operating Profit Before Finance Income/(Expense)	781.8	1,227.9
Profit Before Tax from Continuing Operations	534.0	706.1
Income/(Loss) for the Period	450.1	510.5
Equity Holders of the Parent	505.2	668.4
<b>EBITDA (BNRI)*</b>	<b>665.2</b>	<b>2,442.4</b>

\*Non-recurring items amounted to TL 0.8 million in 1H2021 and TL 391.9 million in 1H2022.

Note: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit from Operations

**BEER GROUP**

Consolidated Balance Sheets as of 31.12.2021 and 30.06.2022  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	<b>2021/12</b>	<b>2022/06</b>
Cash & Cash Equivalents	6,118.7	11,087.8
Financial Investments	0.0	84.4
Derivative Instruments	59.5	32.0
Trade Receivables	3,260.4	6,426.9
Other Receivables	135.4	422.5
Inventories	3,402.6	5,200.5
Other Current Assets	987.8	1,000.4
<b>TOTAL CURRENT ASSETS</b>	<b>13,964.4</b>	<b>24,254.6</b>
Trade Receivables	0.0	2.6
Financial Investments	0.8	0.9
Investments in Associates	597.5	598.5
Property, Plant and Equipment (incl. inv properties)	9,022.4	13,251.0
Right of Use Assets	178.6	316.4
Other Intangible Assets	11,817.2	20,530.9
Goodwill	4,110.5	8,242.2
Deferred Tax Assets	1,696.1	2,572.4
Other Non-Current Assets	256.4	394.5
<b>TOTAL NON-CURRENT ASSETS</b>	<b>27,679.5</b>	<b>45,909.3</b>
<b>TOTAL ASSETS</b>	<b>41,643.9</b>	<b>70,163.9</b>
Current portion of long term borrowings	3,220.0	3,782.3
Short-term Borrowings	1,848.8	3,711.9
Current portion of term lease obligations (IFRS 16)	48.7	111.1
Derivative Instruments	292.5	1,301.8
Current Trade Payables	8,747.0	14,523.9
Other Current Payables	2,182.2	5,322.9
Provision for Corporate Tax	62.9	235.9
Provisions	359.1	505.9
Other Liabilities	301.9	400.2
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,063.1</b>	<b>29,895.9</b>
Long-term Borrowings	6,602.5	8,266.3
Long term lease obligations (IFRS 16)	164.8	232.8
Deferred Tax Liability	2,269.1	4,020.9
Other Non Current Liabilities	648.9	759.2
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9,685.3</b>	<b>13,279.1</b>
<b>TOTAL EQUITY</b>	<b>14,895.5</b>	<b>26,988.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>41,643.9</b>	<b>70,163.9</b>

**SOFT DRINK OPERATIONS (CCI)**

Consolidated Income Statements For the Six-Months Period Ended 30.06.2021 and 30.06.2022

Prepared in accordance with TAS/IFRS as per CMB Regulations

(TL mn)

	2021/06	2022/06
<b>SALES VOLUME (UC millions)</b>	<b>674</b>	<b>824</b>
<b>SALES REVENUE</b>	<b>9,571</b>	<b>23,359</b>
Cost of Sales (-)	-6,215	-15,853
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>3,356</b>	<b>7,506</b>
Selling, Distribution and Marketing Expenses (-)	-1,400	-3,003
General and Administrative Expenses (-)	-397	-809
Other Operating Income /Expense (net)	0	80
<b>EBIT</b>	<b>1,560</b>	<b>3,774</b>
Income / Expense From Investing Activities (net)	23	207
Income / (Loss) from Associates	-3	-2
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	<b>1,579</b>	<b>3,979</b>
Financial Income / Expenses (net)	93	-534
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>1,673</b>	<b>3,445</b>
-Deferred Tax Income/(Expense)	18	-251
-Current Period Tax Expense	-443	-1,120
<b>INCOME/(LOSS) FOR THE PERIOD</b>	<b>1,248</b>	<b>2,074</b>
<b>Profit/(Loss) Attributable to:</b>		
Non-Controlling Interest	-124	-211
Equity Holders of the Parent	1,124	1,863
<b>EBITDA</b>	<b>2,119</b>	<b>4,763</b>

**SOFT DRINK OPERATIONS (CCI)**

Consolidated Balance Sheets as of 31.12.2021 and 30.06.2022  
Prepared in accordance with TAS/TFRS as per CMB Regulations  
(TL mn)

	2021/12	2022/06
Cash and Cash Equivalents	4,142	10,127
Investments in Securities	74	939
Derivative Financial Instruments	41	16
Trade Receivables	1,870	6,059
Other Receivables	23	40
Inventories	2,501	5,422
Prepaid Expenses	1,221	866
Tax Related Current Assets	337	132
Other Current Assets	506	601
<b>TOTAL CURRENT ASSETS</b>	<b>10,713</b>	<b>24,201</b>
Other Receivables	94	103
Right of Use Asset	253	272
Property, Plant and Equipment	12,003	14,846
Intangible Assets	7,427	8,982
Goodwill	1,902	2,153
Prepaid Expenses	69	130
Deferred Tax Asset	326	558
<b>TOTAL NON-CURRENT ASSETS</b>	<b>22,073</b>	<b>27,044</b>
<b>TOTAL ASSETS</b>	<b>32,786</b>	<b>51,246</b>

	2021/12	2022/06
Short-term Borrowings	830	2,845
Current Portion of Long-term Borrowings	481	2,776
Financial lease payables	56	61
Trade Payables	3,957	8,061
Payables Related to Employee Benefits	77	82
Other Payables	1,333	1,822
Derivative Financial Instruments	152	88
Provision for Corporate Tax	116	396
Provision for Employee Benefits	316	504
Other Current Liabilities	163	210
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,483</b>	<b>16,846</b>
Long-term Borrowings	7,760	12,645
Financial lease payables	263	294
Trade and Other Payables	2	2
Provision for Employee Benefits	236	260
Deferred Tax Liability	1,364	1,625
Derivative Financial Instruments	708	770
Equity of the Parent	13,055	16,377
Minority Interest	1,915	2,427
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,334</b>	<b>15,596</b>
<b>TOTAL EQUITY</b>	<b>14,970</b>	<b>18,804</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>32,786</b>	<b>51,246</b>

\* Details about the restatement were explained in the footnote 2 of the financial statements.  
Totals may not foot due to rounding differences

## REGARDING ANADOLU ETAP

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Anadolu Etap is currently Türkiye's largest fruit growing and fruit juice processing company. The Company currently generates more than 60% of its revenues through exports to a wide geography ranging from Europe to Middle East & Africa, CIS countries to South East Asia. The Company has been investing in its operations in Türkiye where it currently runs 8 farms with a total area of 30,000 decares where 5 million trees are planted.

Anadolu Etap has two lines of business, one is production of fruit concentrate and second is the fresh fruit plantation and sales. The fresh fruit plantation line of the Company required continuous investment in the initial years of operation and the return is generated after trees come to a certain maturity. Anadolu Etap is estimated to have passed the initial investment period and the trees have already reached 90% of maturity.

The company has TL 1.1 billion revenues as of 31.12.2021 where fruit concentrate business currently makes up close to 90% of EBITDA. Fruit sales have a relatively lower margin which is expected to increase going forward. The company has completed the phase of investment and capex requirement is expected to be limited with maintenance expenses within 1-2 years.

## ABOUT ANADOLU EFES

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Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Türkiye, Russia, the CIS countries, Central Asia and the Middle East with a total of 18,457 employees. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Türkiye beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI that manages international beer operations, and is the largest shareholder of CCI which manages the soft drink business in Türkiye and international markets.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This document 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.

## ACCOUNTING PRINCIPLES

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The consolidated financial statements of Anadolu Efes are prepared in accordance with International Financial Reporting Standards ("IFRS") as per regulations of the Capital Markets Board of Türkiye ("CMB").

The attached financial statements in this announcement comprise the income statements for the period ended 30.06.2021 and 30.06.2022 as well as the balance sheets as of 31.12.2021 and 30.06.2022. Figures in 1H2021 and 1H2022 are presented in the reporting currencies of each business division.

Anadolu Efes and its subsidiaries in which Anadolu Efes holds the majority stake; including Efes Pazarlama (marketing, sales & distribution of beer products in Türkiye) and EBI (international beer operations), are fully consolidated in the financials. According to the Shareholder's Agreement regarding the governance of CCI, in which Anadolu Efes holds 50.3% stake, Anadolu Efes also fully consolidates CCI.



**BEER OPERATIONS' 1H2022 RESULTS PRESENTATION & WEBCAST**

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Anadolu Efes - Beer Operations' 1H2022 Results Presentation will be held on Thursday 11<sup>th</sup> of August 2022 at 16:00 (Istanbul) 14:00 (London) 09:00 (New York).

The meeting will be held via Teams Live Event.

We kindly recommend you to test your access to the link below prior to the call.

**Webcast:**

[Please click to Join](#)

Audio connection will not be available; however, you are more than welcomed to join the call with your mobile phones via the link above.

**Replay:** The replay link will be available in our website.

A copy of the presentation will be available prior to the conference call in our website at [www.anadoluefes.com](http://www.anadoluefes.com).

**ENQUIRIES**

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For financial reports and further information regarding Anadolu Efes, please visit our website at [http://www.anadoluefes.com/](http://www.anadoluefes.com) or you may contact;

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