

ANADOLU EFES FY2023 VOLUME RESULTS

Istanbul, January 8, 2024 – Anadolu Efes (BIST: AEFES.IS):

	4Q2022	4Q2023	% change	FY2022	FY2023	% change
Beer Group (mhl)	7.1	8.1	12.8%	34.0	35.7	5.0%
Türkiye Beer	1.4	1.4	1.8%	5.6	6.2	9.1%
International Beer	5.8	6.7	15.4%	28.3	29.5	4.2%
Coca-Cola İçecek (m u/c)	285	252	-11.5%	1,577	1,535	-2.6%
Türkiye	113	88	-21.8%	597	567	-5.1%
International	172	164	-4.7%	979	968	-1.1%
Anadolu Efes Consolidated (mhl)	23.3	22.4	-4.0%	123.5	122.9	-0.5%

1 hectoliter (hl) is 100 liters

1 unit case (u/c): 5.678 litres

Anadolu Efes reports another year of solid volume performance supported by the growth registered in beer operations. Anadolu Efes has proven its agility and strength of its strong brand portfolio by reporting very limited decline in volume in FY2023, despite having another year with many challenges; including high inflationary environment especially at the beginning of the year, natural disasters in Türkiye and Pakistan and intensified regional conflicts, thanks to effective route-to-market strategies and sound execution capabilities.

ANADOLU EFES CONSOLIDATED

Anadolu Efes registered a 4.0% year-on-year decline in **consolidated sales volume** in the fourth quarter of 2023, reported at 22.4 mhl. Beer group registered robust growth during this period, driven by international markets. The overall consolidated volume reached 122.9 mhl in FY2023, yielding a limited decline of 0.5%, realizing below our full year expectation due to lower-than-anticipated results in the soft drinks segment in the last quarter.

BEER GROUP

During the last quarter of the year, **Beer Group** showed robust momentum, witnessing a notable 12.8% growth and reaching 8.1 mhl. This growth was primarily driven by a strong performance in Russia, benefiting from a low base in the same period of the previous year. Additionally, Türkiye, Ukraine and Moldova made positive contributions to the growth in the quarter. For FY2023, beer group consolidated volume reached 35.7 mhl, marking a 5.0% year-on-year increase and aligning with the upper end of our full-year expectations.

The consolidated sales volume of the **International Beer Operations** increased by 15.4% to reach 6.7 mhl. The full-year volume for 2023 was reported at 29.5 mhl, demonstrating a solid growth of 4.2%.

Russian beer operations continued its improving momentum in this quarter as well and recorded a noteworthy growth in the high-teens percentages. This contributed to the overall full-year growth of low-single digit percentages. The beer industry in Russia is estimated to have registered slight increase in FY2023; surpassing our initial anticipations at the beginning of the year. Market and our performance in the second half of 2023 were relatively stronger due to lower comparable in the same period of last year. The competitive landscape remained challenging particularly in terms of pricing, however our long-standing focus on maintaining a balance between profitability and volume

performance remained consistent throughout the year. Furthermore, in 2023, we have expanded our portfolio into the entirely new category of energy drinks with “Volt Energy” brand, which rapidly have risen to become one of the top 10 brands in energy drinks category by the end of the year.

In **Ukraine**, the production continued in two breweries. However, Ukrainian beer market continued to be under pressure while the market size being more than 20%* below its levels in 2021. During the year, our focus has been stabilizing volume performance through commercial strategies; yet we have observed competitive pressures, particularly in pricing.

Across **CIS countries**, there was decline in volume during the fourth quarter. In FY2023, CIS volume was down by low-single digit percentage on average.

Kazakhstan ended the year with low-to-mid single digit percentage decline year-on-year; surpassing the overall market performance which is estimated to have declined mid-to-high single digit percentage; leading to market share gains. The primary factor putting pressure on demand was the high pricing within the industry.

In **Georgia**, the volume grew by low-to-mid single digit percentage in FY2023 on top of a very high base from the previous year. Efes Georgia continued to gain share in local on-trade and traditional trade channels while premium brands’ growth continued to outpace the rest of the portfolio. Meanwhile in CSD category, although there was stiff competition in terms of pricing, our landmark CSD brand “Natakhtari” registered volume growth in FY2023.

In **Moldova**, volume was down high-single digit percentage in FY2023, with some underperformance of the market. The main challenges faced during the year were the reduction in the consumer base attributed to population decline which was coupled with inflationary pressures. Furthermore, industry's pricing lagged behind our own pricing. Entrance of new players and intensified competition in the economy segment put further pressures on volume.

Türkiye beer sales volume recorded a 1.8% growth in 4Q2023 reaching 1.4 mhl. Growth rate in the last quarter of the year showed some deceleration compared to previous quarters; as anticipated. This can be attributed to cycling very strong base over last two years. In the last quarter, we have also witnessed some decrease in disposable income together with decline in consumer confidence compared to beginning of the year. Nevertheless, it was a highly successful year for Türkiye operations achieving a full-year growth of 9.1% totaling 6.2 mhl. Year-to-date market share is estimated to be flat to slightly up on year-on-year basis.

**Production data and internal estimate*

SOFT DRINKS GROUP

CCI’s consolidated volume in FY2023 was down by 2.6% vs last year at 1.5 billion unit cases (“uc”). While Central Asia and Iraq operations contributed quite positively to the volume growth, with 11.9% and 10.7% y-o-y increase, respectively, Türkiye and Pakistan diluted the volume performance. Overall, international operations’ volume share reached 63.1% with 95bps increase y-o-y. In FY2023, Türkiye was hit by the most devastating earthquakes in the country’s history. Disaster impacted more than 14 million people across 11 provinces in Türkiye. Since the first moments of the devastating earthquake, we have mobilized our efforts as the Coca-Cola System to help the people in the region. On top of the repercussions of the earthquake, the elections held in 2Q impacted consumers’ willingness to spend along with all-year-long challenge of high inflation.

Consequently, we have registered 5.1% y-o-y volume decline in **Türkiye** annually and 21.8% decline in the fourth quarter. The y-o-y decline in 4Q2023 is mostly a result of lower purchasing power ahead of the salary adjustments and of intentionally reduced marketing campaigns, given lower spending appetite of consumers amid the sensitivities toward the political unrest in the Middle East.

IC package share grew by 187 bps to 33.6% in FY2023 and share of on-premise channel improved by 265 bps to 30.1%. Continued focus on low/no sugar portfolio also delivered results, as low/no sugar portfolio share among total sparkling sales jumped by 20bps y-o-y, reaching 38.8% as of FY2023.

International operations posted a slight decline of 1.1% y-o-y in FY2023 mostly due to the subdued volume generation in Pakistan. In 4Q2023, total international volume is down by 4.7% y-o-y, while sparkling decline is a tad higher with 6.3% y-o-y.

Quality mix focus continued to deliver favorable results in our international operations as well. IC package share grew by 109 bps to 23.7% in FY2023 and share of on-premise channel improved by 29 bps to 12.7%.

Pakistan experienced the most difficult macroeconomic disruptions in its history. Accordingly, consumer confidence index dipped down to the lowest figures in the second half of the year, since the start of measurement 11 years ago. Local currency Rupee against USD saw the historically highest figures and devaluated by c. 25% year on year. Inflation reached 50-year high level throughout the year, impacting the consumers' purchasing power negatively. Accordingly, CCI posted 16.4% volume decline in FY2023 (cycling 13.1% growth) and 31.7% in 4Q2023 (cycling 9.1% growth). On a positive note, CCI's performance was significantly better compared to other industry players, thereby yielding market share gain throughout the year. *(Source: Nielsen, Urban Value Share as of Nov 2023).*

Uzbekistan is again the champion for delivering the fastest growth among all CCI countries with 25.8% y-o-y surge in FY2023 and 28.7% y-o-y in 4Q2023. Establishing CCI's playbook carefully with all lenses and therefore setting up the right RTM infrastructure with focused cooler placements, Uzbekistan delivered robust set of operational results.

In **Kazakhstan**, FY2023 volume growth was 2.4% y-o-y, cycling 16.0% growth, while there was a slide in 4Q2023 with 5.8% y-o-y decline. In 4Q2023, volume generation softened on the back of quite strong base, as 4Q2022 volume growth was 32% due the temporary migration to Kazakhstan from Russia post-war. Majority of the growth in full year was derived from sparkling category with 4.7% y-o-y improvement on top of the 19.7% y-o-y realized in FY2022.

FY2024 OUTLOOK*

FY2024 outlook does not incorporate any potential impacts associated with the adoption of TAS 29 (Financial Reporting in Hyperinflationary Economies). The annual changes are based on FY2023 financials which exclude inflationary accounting impact. FY2023 financials without the impact of TAS 29 will be disclosed together with year-end results, which will include the impact of TAS 29.

Our expectations for FY2024 are as follows:

Consolidated sales volume growth is expected to be at low-to-mid single digit

Beer sales volume is expected to grow slightly. While international beer operations' volume is expected to grow slightly; Türkiye beer volume is to stay flat due to high base of 2023.

Soft drinks sales volume is to grow by mid-single digit

Türkiye soft drinks volume is to grow by mid-single digit

International soft drinks volume is to grow mid-single digit

Consolidated Net Sales Revenue growth is expected to be at low-thirties on FX-Neutral basis

Beer revenue is to grow by low-twenties on FX-Neutral basis

Soft drinks revenue is to grow by low-forties on FX-Neutral basis

Consolidated EBITDA Margin is expected to decline around 100 bps

Beer EBITDA margin is expected to decline around 200 bps with some downside risk

Soft drinks EBIT margin is to stay flat compared to last year

**2024 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.*

ABOUT ANADOLU EFES

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 18,437 employees, including both beer & soft drink operations. 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

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.

ENQUIRIES

For financial reports and further information regarding Anadolu Efes, please visit our website at <http://www.anadoluefes.com/> or you may contact

Aslı Kılıç Demirel

(Investor Relations & Risk Management Director)

tel: +90 216 586 80 72

e-mail: asli.kilic@anadoluefes.com

Nihal Tokluoğlu

(Investor Relations & Risk Management Supervisor)

tel: +90 216 586 80 09

e-mail: nihal.tokluoglu@anadoluefes.com