

## ANADOLU EFES

## 1H2023 EARNINGS RELEASE

Istanbul, August 8, 2023

## 2Q2023 HIGHLIGHTS

- Consolidated sales volume declined by 5.3% to 35.5 mhl
- Consolidated net sales revenue up 54.9% to TL 38,002.0 million
- Consolidated EBITDA Before Non-Recurring Items (BNRI) up 70.4% to TL 8,448.7 million

## 1H2023 HIGHLIGHTS

- Consolidated sales volume declined by 2.0% to 62.7 mhl
- Consolidated net sales revenue up 63.4% to TL 62,568.1 million
- Consolidated EBITDA Before Non-Recurring Items (BNRI) up 75.6% to TL 12,659.2 million
- Consolidated Free Cash Flow was TL 4,027.4 million in 1H2023 vs. TL 4,718.7 million in 1H2022

## MANAGEMENT COMMENTS

*"I am very proud to report another quarter with very strong results amidst dynamic operating and macroeconomic environment. Our immense focus on financial discipline nourished by our revenue growth management capabilities and zero-based expense management mindset led us to deliver net sales revenue growth of 55% and EBITDA (BNRI) growth of 70% on a consolidated basis including Anadolu Etap's<sup>1</sup> operating results; implying over 200 bps margin expansion in the second quarter. This period also marks the 6<sup>th</sup> consecutive quarter where we were able to grow our margins in beer group. We managed to maintain our leverage ratios at low levels by generating outstanding level of free cash flow amounting to TL 6.3 billion with the support of our both business lines."* **commented Mr. Can Çaka, Beer Group President and Anadolu Efes CEO.**

*Our winning portfolio together with our efficient and effective execution capabilities paved the way for very strong volume results in beer group; which registered 5% growth in the quarter. Türkiye beer operations were the main source of growth while we observed strong momentum in Kazakhstan and Georgia as well. In our soft drinks business, we witnessed softer volumes in Türkiye and Pakistan operations. Yet, it was partly offset by double-digit volume growth achieved in Central Asia.*

*Russian beer volumes were down by low-single digits; yet displayed a significant recovery compared to the last two quarters. The beer industry showed volatile trend with slight recovery in 2Q on the back of no-pricing behavior by the players and low base of last year. Our overall pricing was ahead of competition as a result of carry over effect of last year's price adjustments which will be normalizing in the rest of the year. Accelerated projects and re-implementation of several initiatives are expected to support 2H2023 volumes.*

*Türkiye beer operations had another exceptionally strong quarter. The growth momentum achieved at the beginning of the year further accelerated and volumes grew over 20% in 2Q. The overall beer market volumes were also up in the period assisted by favorable pricing and increased consumer base with higher number of international tourists.*

<sup>1</sup> Anadolu Etap İçecek financial results started to be consolidated in soft drink operations' 2Q2023 and 1H2023 consolidated P&L as of April 19, 2023, while consolidated balance sheet includes Anadolu Etap İçecek figures as of 30.06.2023. In addition, Anadolu Etap Tarım financial results started to be consolidated in 2Q2023 and 1H2023 Anadolu Efes consolidated P&L as of April 11, 2023, therefore includes May & June results, while Anadolu Efes consolidated balance sheet includes Anadolu Etap Tarım figures as of 30.06.2023. All operational performance metrics presented in this earnings release are on a reported basis, except indicated otherwise.

*This quarter is special for us also for another purpose. Anadolu Efes published its first Integrated Report for the year 2022. We have been publishing our Sustainability Report for over a decade now but this year we transformed our reporting into integrated thinking highlighting how we create value for all our stakeholders around the six capital elements. We have also included our medium and long-term goals and performance indicators for all value areas. We are very excited to be at the very start of a very long journey of integrating our Company's long-term strategy with our sustainability priorities.*

*The strong first half results gave us the encouragement to raise our volume, revenue and EBITDA margin guidance for beer group and Anadolu Efes. Despite operating environment continue to be challenging, as we performed better than expectations in first half and as we assess a balanced risk and opportunity profile with lower inflation in international markets and lower than expected COGS pressures, we are revising our year-end guidance upwards.*

## SUMMARY FINANCIALS

Consolidated (TL mn)	2Q2022	2Q2023	Change %	1H2022	1H2023	Change %
Volume (mhl)	37.5	35.5	-5.3%	64.0	62.7	-2.0%
Net Sales Revenue	24,530.5	38,002.0	54.9%	38,297.9	62,568.1	63.4%
Gross Profit	8,819.4	15,130.7	71.6%	13,604.4	24,208.5	77.9%
EBIT (BNRI)	4,629.2	6,909.2	49.3%	5,717.1	9,708.6	69.8%
EBITDA (BNRI)	4,958.5	8,448.7	70.4%	7,209.4	12,659.2	75.6%
Net Income/(Loss)*	1,425.9	2,872.1	101.4%	1,293.9	3,280.6	153.5%
FCF	5,421.0	6,331.8	16.8%	4,718.7	4,027.4	-14.7%
			Change (bps)	Change (bps)		
Gross Profit Margin	36.0%	39.8%	386	35.5%	38.7%	317
EBIT (BNRI) Margin	18.9%	18.2%	-69	14.9%	15.5%	59
EBITDA (BNRI) Margin	20.2%	22.2%	202	18.8%	20.2%	141
Net Income Margin*	5.8%	7.6%	174	3.4%	5.2%	186
Beer Group (TL mn)	2Q2022	2Q2023	Change %	1H2022	1H2023	Change %
Volume (mhl)	9.5	10.1	5.3%	17.2	17.3	0.2%
Net Sales Revenue	9,837.3	14,626.1	48.7%	14,939.4	23,637.0	58.2%
Gross Profit	4,149.5	6,980.7	68.2%	6,092.9	10,900.0	78.9%
EBIT (BNRI)	2,182.5	2,310.0	5.8%	1,948.4	2,771.9	42.3%
EBITDA (BNRI)	1,989.7	3,422.2	72.0%	2,442.3	4,725.6	93.5%
Net Income/(Loss)*	1,116.8	1,715.3	53.6%	668.4	1,605.9	140.3%
FCF	5,114.3	5,083.4	-0.6%	5,017.8	4,830.2	-3.7%
			Change (bps)	Change (bps)		
Gross Profit Margin	42.2%	47.7%	555	40.8%	46.1%	533
EBIT (BNRI) Margin	22.2%	15.8%	-639	13.0%	11.7%	-132
EBITDA (BNRI) Margin	20.2%	23.4%	317	16.3%	20.0%	364
Net Income Margin*	11.4%	11.7%	37	4.5%	6.8%	232
CCI (TL mn)	2Q2022	2Q2023	Change %	1H2022	1H2023	Change %
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Net Sales Revenue	14,693.5	23,272.5	58.4%	23,358.9	38,828.2	66.2%
Gross Profit	4,662.0	8,133.7	74.5%	7,505.8	13,293.8	77.1%
EBIT	2,445.9	4,660.1	90.5%	3,773.9	7,002.7	85.6%
EBITDA	2,968.8	5,064.2	70.6%	4,763.2	7,971.3	67.4%
Net Income/(Loss)*	1,233.1	2,388.2	93.7%	1,863.1	3,422.7	83.7%
FCF	897.0	1,469.8	63.9%	-212.1	-647.7	-205.3%
			Change (bps)	Change (bps)		
Gross Profit Margin	31.7%	34.9%	322	32.1%	34.2%	210
EBIT Margin	16.6%	20.0%	338	16.2%	18.0%	188
EBITDA Margin	20.2%	21.8%	156	20.4%	20.5%	14
Net Income Margin*	8.4%	10.3%	187	8.0%	8.8%	84

\* Net income attributable to shareholders

## OPERATIONAL PERFORMANCE – ANADOLU EFES CONSOLIDATED

AEFES Consolidated (TL mn)	2Q2022	2Q2023	% change	1H2022	1H2023	% change
Volume (mhl)	37.5	35.5	-5.3%	64.0	62.7	-2.0%
Net Sales Revenue	24,530.5	38,002.0	54.9%	38,297.9	62,568.1	63.4%
Gross Profit	8,819.4	15,130.7	71.6%	13,604.4	24,208.5	77.9%
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\* Net income attributable to shareholders

**Anadolu Efes' consolidated sales volume** declined by 5.3% to 35.5 mhl in 2Q2023; cycling a strong growth of 12.9% last year. In beer group, Türkiye operations had an outstanding performance in the quarter. Beer volumes were also supported by Kazakhstan and Georgia, more than compensating softer volumes in Russia and registering 5.3% growth year-on-year. Soft drinks operations, on the other hand, had a challenging quarter where volumes declined by 8.9% on the back of Türkiye and Pakistan despite Central Asia and Middle East operation's strong performance.

**Consolidated net sales revenue** increased by 54.9% to TL 38,002.0 million in 2Q2023. FX-Neutral growth was at 37.9%. Revenue/hl was backed by effective pricing; while some portion is attributable to positive carry over impact from last year. Channel and product mix also supported revenue per hl performance. In 1H2023, net sales revenue reached TL 62,568.1 million with a growth of 63.4%. On organic basis, excluding Anadolu Etap business, 1H2023 net sales revenue growth was at 62.3%.

**Consolidated EBITDA (BNRI)** was recorded at TL 8,448.7 million in 2Q2023 with an annual increase of 70.4%; growing ahead of revenues. Strong topline growth together with moderate increases in per liter COGS especially international operations supported gross profitability in beer group; partially reflecting into operational profitability. In soft drinks, EBITDA margin increase was driven by timely pricing actions and prudent opex management despite the pressure on gross profitability. Thus, in 1H2023, consolidated EBITDA (BNRI) expanded by 75.6% with margin increase of 141 bps year-on-year. On organic basis, excluding Anadolu Etap business, EBITDA (BNRI) growth was 74.8%.

Anadolu Efes' **consolidated net profit** was TL 2,872.1 million in 2Q2023 versus TL 1,425.9 million a year ago. The year-on-year improvement is due to higher EBIT as well as a non-cash revaluation gain of TL 680 million recorded on the equity investment of Anadolu Etap Tarım in accordance with fair value assessment in step-up acquisition. With strong net income generated in the second quarter consolidated net income in 1H2023 reached TL 3,280.6 million.

Anadolu Efes' **Free Cash Flow** was recorded at exceptional levels in the quarter increasing from its already high level of TL 5,421.0 million in 2Q2022 to TL 6,331.8 million 2Q2023; with positive contribution from both beer group and soft drinks. Although there was some deterioration in working capital as a result of strong topline growth, the increase in cash generation was mainly driven by higher operational profitability as well as cautious capex spending; while capex/sales is expected to increase in 2H. **Consolidated Net Debt to EBITDA (BNRI)** was at 0.8x as of June 30, 2023.

## OPERATIONAL PERFORMANCE - BEER GROUP

Beer Group (TL mn)	2Q2022	2Q2023	% change	1H2022	1H2023	% change
Volume (mhl)	9.5	10.1	5.3%	17.2	17.3	0.2%
Net Sales Revenue	9,837.3	14,626.1	48.7%	14,939.4	23,637.0	58.2%
Gross Profit	4,149.5	6,980.7	68.2%	6,092.9	10,900.0	78.9%
EBIT (BNRI)	2,182.5	2,310.0	5.8%	1,948.4	2,771.9	42.3%
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Net Income/(Loss)*	1,116.8	1,715.3	53.6%	668.4	1,605.9	140.3%
FCF	5,114.3	5,083.4	-0.6%	5,017.8	4,830.2	-3.7%
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EBITDA (BNRI) Margin	20.2%	23.4%	317	16.3%	20.0%	364
Net Income Margin*	11.4%	11.7%	37	4.5%	6.8%	232

\*Net income attributable to shareholders

**Beer Group sales volume** increased by 5.3% to 10.1 mhl in 2Q2023. As the volume performance accelerated in the quarter versus the previous one, beer group sales volume reached 17.3 mhl in 1H2023; being 0.2% above last year.

**International beer operations'** volumes grew by 2.4% to 8.2 mhl in 2Q2023 taking up 1H2023 volumes to 14.5 mhl with 2.3% y-o-y decline. **Russian** beer market showed a better trend driven by lower comparables as 2Q2022 has been impacted with supply chain constraints and also pricing environment supporting affordability in 2Q2023. Beer volumes in Russia declined by low-single digits; while showing substantial improvement compared to last two quarters. Carry over impact of high pricing of last year and de-prioritization of some projects had still some effect on volume momentum yet will be rebalanced by some sales and marketing projects going forward. In **Ukraine**, there has been an incremental increase in volumes as Chernigiv and Mykolaiv breweries are operational. In **CIS countries**; Kazakhstan and Georgia had superior performance in the quarter registering mid-single digit growth on total volumes. Volumes in Moldova were down with decline in consumer base; high inflationary environment also affected affordability. **Türkiye** beer volume grew by 20.6% in 2Q2023, cycling a growth of 10.8% in 2Q2022. The volume momentum was accelerated compared to the first quarter of the year. Effective pricing, alternative and affordable offerings supported the demand in the market especially in the off-trade channel. Yearly volume increase is also attributable to good tourism activity in the country.

**Beer Group sales revenue** increased by 48.7% to TL 14,626.1 million in 2Q2023 with FX-Neutral growth of 29.5%. **International beer operation's revenue** reached TL 10,925.6 million with an increase of 38.0% with FX-Neutral growth of 14.1%. Carry over effect of pricing from last year in Russia as well as price adjustments taken in 1H in CIS countries contributed to revenue/hl increase of 39.4% in 2Q2023. **Türkiye beer sales revenue** grew by 94.6% to TL 3,643.8 million in 2Q2023. Revenue/hl growth was more moderate compared to previous quarter; yet still very strong, due to product mix and was recorded at 61.4% in 2Q2023. As a result, beer group revenue was recorded at TL 23,637.0 million in 1H2023 with a y-o-y growth of 58.2%.

**Beer group gross profit** grew by 68.2% to 6,980.7 million in 2Q2023 with a gross margin expansion of 555 bps. The gross margin trend of beer group was similar to 1Q with expanding margins in international operations, driven by pricing, including carry over impact and stronger than expected topline growth. Türkiye beer's gross margin declined mainly due to high inflation and pricing ability in phases. Yet, we expect a normalization in the second half with mid-year price increase following the excise and VAT adjustments.

Therefore, in 1H2023, beer group gross profit reached TL 10,900.0 million with a margin of 46.1%; 533 bps higher over last year.

**Beer group EBITDA (BNRI)** grew by 72.0% to TL 3,422.2 million in 2Q2023 while margin improved by 317 bps to 23.4%. The improvement in gross profitability was partially reflected into EBITDA, with increases in operational expenses in Russia since it was a low base due to low S&M expenses last year. Strong topline in Türkiye results in OPEX/sales ratio being lower on year-on-year basis; supporting operational profitability. In 1H2023, Beer Group EBITDA (BNRI) was reported as TL 4,725.6 million with a margin of 20.0%; up 364 bps versus 1H2022.

**Beer Group net income** was TL 1,715.3 million in 2Q2023 versus TL 1,116.8 million income a year ago. Bottomline was significantly above last year. Increased interest expenses were more than offset by higher operational profitability and foreign exchange gain recorded from the cash held in Russian operations. Therefore, beer group net income reached TL 1,605.9 million in 1H2023.

**Beer Group Free Cash Flow** level was almost parallel versus last year and recorded at TL 5,083.4 million in 2Q2023 despite increased capital expenditures and tax expenses year-on-year. The strong cash generation in the quarter was driven by improved operational profitability as well as increased payables especially in Russian operations bringing 1H2023 free cash flow level to TL 4,830.2 million. As a result of strong cash accumulation, **Beer Group Net Debt to EBITDA (BNRI)** significantly improved to 0.4x as of June 30, 2023.

## OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

## MANAGEMENT COMMENTS

**Burak Basarir, CEO of Coca-Cola İcecek, commented:** “Our 2Q23 financial results proved the resilience and flexibility of our business model in an operating environment characterized by extraordinary headwinds in our key geographies. In the second quarter of 2023, on an organic basis, CCI recorded 23 billion TL net sales revenues (NSR) with 56% growth, while FX-neutral growth was 41%. Including Anadolu Etap İçecek’s operational results in May and June 2023, our reported NSR growth became 58% and 43%, respectively. Thanks to the timely price adjustments, improving package mix, and prudent Opex management, EBIT grew by 90.5% to 4.7 billion TL with a 20.0% EBIT margin. Improving by 3.4 pp on a yearly basis, this was the highest second-quarter EBIT margin in CCI’s history.

In the second quarter, we faced several challenges in our operating environment, some already included in our business plans, and some were more severe than expected. Accordingly, volume declined 9.4% in Türkiye and 8.6% in international operations. In Türkiye, the softer volume performance was mainly related to the cycling of 20% growth a year ago, the lowest temperatures recorded within the last five years, fragile consumer purchasing power in Türkiye, and price increases we had to take to offset the impact of inflation and currency devaluation on the input costs.

The ongoing macroeconomic challenges in Pakistan have significantly affected the consumption patterns of households, resulting in a further decline in their consumption appetite. Moreover, the unexpected increase in excise taxes necessitated higher price increases than planned, subsequently impacting sales volume. The volume decline in Türkiye and Pakistan was partially mitigated by the double-digit volume growth achieved in Central Asia.

Accordingly, consolidated sales volume decreased by 8.9%, cycling 25% growth from a year ago. Nevertheless, we were able to deliver a robust NSR and operating profit performance, thanks to our proactive Revenue Growth Management (RGM) initiatives and prudent Opex mindset.

Despite the challenging operating environment and macroeconomic issues in the key geographies, CCI has recorded the highest NSR/UC & EBIT/UC in USD terms of the last decade with \$2.5 and \$0.5, respectively, in line with our real value generation focus. While this progress within the previous 5-year period is remarkable, we believe CCI still has ample room to grow its top line and efficiency metrics.

For the rest of 2023, we will closely monitor the rapidly changing external environment and evolving consumer preferences to support them by catering to their needs with the diverse portfolio of brands we operate. Building on our execution capabilities and dynamic marketing initiatives, we reiterate our 2023 guidance despite the setbacks faced in 2Q23. While we anticipate volume growth to be towards the lower end of our guidance, the topline growth and EBIT margin outlooks are projected to remain intact for the full year 2023.

In addition to pursuing organic growth opportunities in our existing markets, we are always looking at value-enhancing inorganic expansion opportunities in and around the geographies we operate. Accordingly, preliminary discussions have been initiated with TCCC regarding the potential acquisition of Coca-Cola Bangladesh Beverages. Thanks to the agile business model, strong talent pipeline, sound free cash flow generation, and strong balance sheet, we believe CCI is well-positioned to expand its know-how and footprint to new geographies.

On another front, Fitch Ratings upgraded CCI’s Long-Term Issuer Default Rating by one notch to 'BBB.' This recorded one of the highest spreads to sovereign ratings globally and was a testament to our resilient



financial and operational performance in a complicated macroeconomic landscape with ongoing challenges in our key markets.

*We characterize CCI as a purpose-driven, customer-focused, diverse ecosystem to create value as we are in everything we do. While acknowledging the challenges our geographies pose, we believe the opportunities to create value are far greater. I am confident that our digitally enabled omnichannel strategy, strong execution capabilities, and innovative product pipeline will continue accelerating our quality growth in the coming periods. Once again, I sincerely thank our people for having an agile mindset and being highly motivated in this journey as we strive to realize our vision to be the best FMCG execution player in our geographies.”*

Coca-Cola İçecek (TL mn)	2Q2022	2Q2023	% change	1H2022	1H2023	% change
Volume (mn u/c)	492.0	448.0	-8.9%	823.8	800.6	-2.8%
Net Sales Revenue	14,693.5	23,272.5	58.4%	23,358.9	38,828.2	66.2%
Gross Profit	4,662.0	8,133.7	74.5%	7,505.8	13,293.8	77.1%
EBIT	2,445.9	4,660.1	90.5%	3,773.9	7,002.7	85.6%
EBITDA	2,968.8	5,064.2	70.6%	4,763.2	7,971.3	67.4%
Net Income/(Loss)*	1,233.1	2,388.2	93.7%	1,863.1	3,422.7	83.7%
FCF	897.0	1,469.8	63.9%	-212.1	-647.7	-205.3%
	Change (bps)			Change (bps)		
Gross Profit Margin	31.7%	34.9%	322	32.1%	34.2%	210
EBIT Margin	16.6%	20.0%	338	16.2%	18.0%	188
EBITDA Margin	20.2%	21.8%	156	20.4%	20.5%	14
Net Income Margin*	8.4%	10.3%	187	8.0%	8.8%	84

\* Net income attributable to shareholders

For the full text of Coca-Cola İçecek’s 1H2023 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)

## FY2023 REVISED OUTLOOK

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We revisited our outlook for FY2023, following strong first half results predominantly in our beer operations. Volumes in Türkiye beer operations have significantly improved and outpaced our initial expectations for the first half yielding an improvement for full year expectations. In the meanwhile, we continue to be cautious for second half of the year especially for the last quarter on the back of high base of last year as well as macro-economic factors like sticky inflation and declining consumer confidence in the country. International beer volumes were also above expectations, demand being more resilient than our primary anticipations especially in Russia.

Solid margin performance in beer group in the period was related to modest increases in COGS/hl despite strong pricing while it was also attributable to our hedging mechanisms in place utilized to mitigate the impact of yearly cost increases. Yet, we expect second half beer group margins to soften mainly driven by the normalized comparables in rev/hl versus last year.

In light of these, we cautiously improve our beer group and Anadolu Efes guidance for FY2023 while keeping soft drinks' expectations intact.

We now expect;

**Consolidated sales volume** is to grow by mid-single digit (*previously: grow by low-to-mid single digit*)

**Total Beer volume** is to grow by low-single digit versus last year (*previously: decline by low-single digit*). We expect both our international beer and Türkiye beer operations' volume to grow by low-single digits compared to 2022.

**Consolidated Soft Drinks sales volume** to grow mid to high-single digit (no change)

**Türkiye soft drinks:** Flat to mid-single digit growth (no change)

**International soft drinks:** High single to low double-digit growth in the international operations (no change)

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

**Total Beer revenue** is to grow by low-twenties on FX-Neutral basis (*previously: high-teens on FX-Neutral basis*)

**Total Soft Drinks revenue** is expected to grow by high 40s to low 50s percentage on FX-Neutral basis (no change)

**Consolidated EBITDA Margin** is expected to decline around 100 bps (*previously: decline around 100-200 bps*)

**Total Beer EBITDA margin** is expected to decline around 100 bps (*previously: decline around 300 bps*)

**Total Soft Drinks EBIT margin:** Flat to a slight expansion compared to last year (no change)

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



**Free Cash Flow:** Postponed payments continues to support FCF generation this year as well, leading to improved expectations for year-end. Yet, FY2023 cash generation will be slightly below than its historically highest level achieved in FY2022.

*\*FY2023 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.*

*\*\*The FY2023 Outlook above includes Anadolu Efes Beer Group and Soft Drinks Group operations and does not include the performance of "Anadolu Etap Tarım" and "Anadolu Etap İçecek".*

## ANADOLU EFES CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	1H2022	1H2023
Profit/loss from Operations	5,325.3	9,708.6
Depreciation and amortization	1,888.9	2,363.3
Provision for retirement pay liability	80.0	119.0
Provision for vacation pay liability	65.8	120.5
Foreign exchange gain/loss from operating activities	-558.4	315.6
Rediscount interest income/expense from operating activities	4.0	2.0
Other	12.0	30.2
<b>EBITDA</b>	<b>6,817.6</b>	<b>12,659.2</b>
<b>EBITDA (BNRI*)</b>	<b>7,209.4</b>	<b>12,659.2</b>

\* Non-recurring items amounted to TRL 391.9 million in 1H2022 which also includes impairments and losses related to Ukraine Beer Operations.

Financial Income / (Expense) Breakdown (TL mn)	1H2022	1H2023
Interest income	197.5	652.2
Interest expense	-1,222.5	-2,241.2
Foreign exchange gain /(loss)	424.4	588.7
Other financial expenses (net)	-113.0	-453.6
Gain/(loss) on derivative transactions	-342.2	301.7
<b>Net Financial Income /(Expense)</b>	<b>-1,055.8</b>	<b>-1,152.2</b>

Free Cash Flow (TL mn)	1H2022	1H2023
EBITDA (BNRI)	7,209.4	12,659.2
Change in Working Capital	1,006.9	-2,521.3
Income Taxes & Employee Benefits Paid	-872.9	-1,504.4
Payments of Lease Liabilities	-101.1	-225.1
CAPEX, net	-2,148.9	-3,832.9
Net Financial Income /(Expense)	-374.9	-548.8
<b>FCF</b>	<b>4,718.7</b>	<b>4,027.4</b>

Other investing activities (Acquisitions, Disposals, Minority Buy-Out and Share Capital Increases)	-79.9	126.2
<b>FCF (after investing activities)</b>	<b>4,638.8</b>	<b>4,153.6</b>

	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated (TL mn)	53,789.5	36,173.7	-17,615.7
Beer Group (TL mn)	21,200.6	17,453.2	-3,747.4
Türkiye Beer (TL mn)	20,612.3	2,311.0	-18,301.3
EBI (TL mn)	588.3	15,093.3	14,505.0
CCI (TL mn)	31,873.8	18,473.9	-13,399.9
<b>Net Debt / EBITDA (BNRI)</b>	<b>1H2022</b>	<b>1H2023</b>	
Anadolu Efes Consolidated	1.1	0.8	
Beer Group	1.2	0.4	

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

**ANADOLU EFES**

Consolidated Income Statements for the Six-Months Period Ended 30.06.2022 and 30.06.2023

Prepared in accordance with TAS/IFRS as per CMB Regulations

(TL mn)

	2022/6	2023/6
<b>SALES VOLUME (mhl)</b>	<b>64.0</b>	<b>62.7</b>
<b>SALES REVENUE</b>	<b>38,297.9</b>	<b>62,568.1</b>
Cost of Sales (-)	-24,693.5	-38,359.6
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>13,604.4</b>	<b>24,208.5</b>
Selling, Distribution and Marketing Expenses (-)	-6,253.9	-10,155.3
General and Administrative Expenses (-)	-2,441.7	-4,090.3
Other Operating Income /Expense (net)	416.4	-254.3
<b>EBIT (BNRI)</b>	<b>5,717.1</b>	<b>9,708.6</b>
Income /Expense from Investing Activities (net)	-388.2	1,146.0
Income / (Loss) from Associates	-62.3	-134.6
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	<b>4,874.8</b>	<b>10,720.0</b>
Financial Income / Expense (net)	-1,055.8	-1,152.2
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>3,819.0</b>	<b>9,567.8</b>
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-1,403.0	-2,347.0
- Deferred Tax Expense (-) / Income	-157.0	-1,173.8
<b>INCOME/(LOSS) FOR THE PERIOD</b>	<b>2,258.9</b>	<b>6,047.0</b>
Attributable to:		
Non-Controlling Interest	965.0	2,766.4
<b>EQUITY HOLDERS OF THE PARENT</b>	<b>1,293.9</b>	<b>3,280.6</b>
<b>EBITDA (BNRI)*</b>	<b>7,209.4</b>	<b>12,659.2</b>

\*Non-recurring items amounted to 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 31.12.2022 and 30.06.2023  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	2022/12	2023/6
Cash & Cash Equivalents	23,867.2	34,714.2
Financial Investments	760.3	1,459.6
Derivative Instruments	22.1	536.5
Trade Receivables from Third Parties	7,056.7	20,091.3
from Related Parties	826.7	1,437.5
Other Receivables	776.1	221.1
Inventories	14,095.8	20,949.0
Other Current Assets	4,140.7	5,513.2
<b>TOTAL CURRENT ASSETS</b>	<b>51,545.6</b>	<b>84,922.2</b>
Trade Receivables	1.9	4.1
Financial Investments	0.8	0.9
Investments in Associates	0.8	0.6
Property, Plant and Equipment (incl. inv properties)	28,329.4	37,845.0
Right of Use Assets	781.1	1,230.9
Other Intangible Assets	39,713.3	48,636.6
Goodwill	9,163.6	10,148.9
Deferred Tax Assets	2,990.5	4,288.5
Derivative Instruments	15.2	50.5
Other Non-Current Assets	815.2	1,524.1
<b>TOTAL NON-CURRENT ASSETS</b>	<b>81,811.9</b>	<b>103,730.1</b>
<b>TOTAL ASSETS</b>	<b>133,357.5</b>	<b>188,652.3</b>
	2022/12	2023/6
Short-term Borrowings	7,484.9	13,950.8
Current portion of long term borrowings	4,179.6	3,884.4
Current portion of term lease obligations (IFRS 16)	275.5	391.5
Derivative Instruments	305.1	167.4
Current Trade Payables to Third Parties	18,804.3	31,775.1
to Related Parties	1,228.6	1,401.3
Other Current Payables	7,129.8	14,336.7
Provision for Corporate Tax	274.0	1,020.4
Provisions	1,308.4	1,764.4
Other Liabilities	1,041.3	1,020.0
<b>TOTAL CURRENT LIABILITIES</b>	<b>42,031.4</b>	<b>69,712.0</b>
Long-term Borrowings	25,073.2	34,381.7
Long term lease obligations (IFRS 16)	628.9	1,020.1
Non Current Trade Payables	0.1	0.7
Deferred Tax Liability	6,907.7	8,184.0
Derivative Instruments	545.3	382.4
Other Non Current Liabilities	1,589.1	1,149.1
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>34,744.3</b>	<b>45,118.0</b>
<b>TOTAL EQUITY</b>	<b>56,581.8</b>	<b>73,822.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>133,357.5</b>	<b>188,652.3</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 30.06.2022 and 30.06.2023  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	2022/6	2023/6
Sales Volume (mhl)	17.2	17.3
Sales Revenue	14,939.4	23,637.0
Cost of Sales (-)	-8,846.5	-12,737.1
Gross Profit from Operations	6,092.9	10,900.0
EBIT (BNRI)	1,948.4	2,771.9
Operating Profit Before Finance Income/(Expense)	1,227.9	3,031.4
Profit Before Tax from Continuing Operations	706.1	3,313.2
Income/(Loss) for the Period	510.5	2,586.6
Equity Holders of the Parent	668.4	1,605.9
EBITDA (BNRI)*	2,442.3	4,725.6

\*Non-recurring items amounted to 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 31.12.2022 and 30.06.2023  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	2022/12	2023/6
Cash & Cash Equivalents	9,858.2	17,453.2
Financial Investments	0.0	0.0
Derivative Instruments	10.8	536.0
Trade Receivables	4,145.2	8,067.5
Other Receivables	734.8	129.5
Inventories	7,419.3	8,048.3
Other Current Assets	1,305.2	1,963.1
<b>TOTAL CURRENT ASSETS</b>	<b>23,473.5</b>	<b>36,197.7</b>
Trade Receivables	1.9	4.1
Financial Investments	0.8	0.9
Investments in Associates	598.3	598.1
Property, Plant and Equipment (incl. inv properties)	11,623.7	13,622.7
Right of Use Assets	384.3	394.1
Other Intangible Assets	16,940.8	19,005.2
Goodwill	6,221.4	6,433.6
Deferred Tax Assets	2,415.4	3,031.4
Other Non-Current Assets	434.1	768.9
<b>TOTAL NON-CURRENT ASSETS</b>	<b>38,620.7</b>	<b>43,858.9</b>
<b>TOTAL ASSETS</b>	<b>62,094.2</b>	<b>80,056.6</b>
Current portion of long term borrowings	937.3	2,344.3
Short-term Borrowings	5,054.1	5,512.6
Current portion of term lease obligations (IFRS 16)	170.8	198.0
Derivative Instruments	209.3	61.7
Current Trade Payables	11,795.5	15,944.9
Other Current Payables	5,371.7	10,819.7
Provision for Corporate Tax	108.6	144.5
Provisions	528.3	666.0
Other Liabilities	658.9	545.5
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,834.5</b>	<b>36,237.1</b>
Long-term Borrowings	10,387.3	12,847.3
Long term lease obligations (IFRS 16)	277.8	298.5
Deferred Tax Liability	3,238.0	3,574.3
Other Non Current Liabilities	990.3	1,072.4
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>14,893.5</b>	<b>17,792.5</b>
<b>TOTAL EQUITY</b>	<b>22,366.2</b>	<b>26,027.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>62,094.2</b>	<b>80,056.6</b>



**SOFT DRINK OPERATIONS (CCI)**

Consolidated Income Statements For the Six-Months Period Ended 30.06.2022 and 30.06.2023

Prepared in accordance with TAS/IFRS as per CMB Regulations

(TL mn)

	2022/6	2023/6
<b>SALES VOLUME (UC millions)</b>	<b>823.8</b>	<b>800.6</b>
<b>SALES REVENUE</b>	<b>23,358.9</b>	<b>38,828.2</b>
Cost of Sales (-)	-15,853.1	-25,534.4
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>7,505.8</b>	<b>13,293.8</b>
Selling, Distribution and Marketing Expenses (-)	-3,003.0	-5,124.2
General and Administrative Expenses (-)	-809.2	-1,409.8
Other Operating Income /Expense (net)	80.2	242.9
<b>EBIT</b>	<b>3,773.9</b>	<b>7,002.7</b>
Income / Expense From Investing Activities (net)	206.7	458.1
Income / (Loss) from Associates	-1.7	-11.1
<b>OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)</b>	<b>3,978.9</b>	<b>7,449.7</b>
Financial Income / Expenses (net)	-534.0	-1,432.5
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>3,444.9</b>	<b>6,017.2</b>
-Deferred Tax Income/(Expense)	-251.2	-811.3
-Current Period Tax Expense	-1,120.0	-1,617.9
<b>INCOME/(LOSS) FOR THE PERIOD</b>	<b>2,073.7</b>	<b>3,588.0</b>
<b>Profit/(Loss) Attributable to:</b>		
Non-Controlling Interest	-210.5	-165.3
Equity Holders of the Parent	1,863.1	3,422.7
<b>EBITDA</b>	<b>4,763.2</b>	<b>7,971.3</b>

**SOFT DRINK OPERATIONS (CCI)**

Consolidated Balance Sheets as of 31.12.2022 and 30.06.2023  
Prepared in accordance with TAS/IFRS as per CMB Regulations  
(TL mn)

	2022/12	2023/6
Cash and Cash Equivalents	14,009.0	17,014.4
Investments in Securities	760.0	1,459.6
Derivative Financial Instruments	11.0	0.4
Trade Receivables	3,716.0	13,412.5
Other Receivables	81.0	91.5
Inventories	6,677.0	12,819.0
Prepaid Expenses	1,266.0	2,130.0
Tax Related Current Assets	466.0	74.1
Other Current Assets	1,104.0	1,134.9
<b>TOTAL CURRENT ASSETS</b>	<b>28,090.0</b>	<b>48,136.4</b>
Derivative Financial Instruments	15.0	50.5
Other Receivables	106.0	115.3
Right of Use Asset	397.0	510.1
Property, Plant and Equipment	16,433.0	23,237.3
Intangible Assets	9,912.0	13,406.5
Goodwill	2,924.0	3,696.5
Prepaid Expenses	275.0	592.1
Deferred Tax Asset	565.0	1,021.4
Other Non Current Asset	0.0	47.7
<b>TOTAL NON-CURRENT ASSETS</b>	<b>30,627.0</b>	<b>42,677.4</b>
<b>TOTAL ASSETS</b>	<b>58,717.0</b>	<b>90,813.8</b>
	<b>2022/12</b>	<b>2023/6</b>
Short-term Borrowings	2,431.0	8,253.9
Current Portion of Long-term Borrowings	3,242.0	1,507.5
Financial lease payables	115.0	165.0
Trade Payables	8,284.0	17,065.9
Payables Related to Employee Benefits	170.0	199.5
Other Payables	1,713.0	3,515.6
Derivative Financial Instruments	96.0	105.7
Provision for Corporate Tax	166.0	749.5
Current Provisions	780.0	1,098.4
Other Current Liabilities	228.0	257.4
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,225.0</b>	<b>32,918.3</b>
Long-term Borrowings	14,686.0	21,537.6
Financial lease payables	370.0	439.2
Trade and Other Payables	2.0	1.1
Provision for Employee Benefits	544.0	633.4
Deferred Tax Liability	2,496.0	3,437.5
Derivative Financial Instruments	543.0	372.3
Other Non-Current Liabilities	56.0	41.2
Equity of the Parent	20,171.0	27,892.0
Minority Interest	2,625.0	3,541.1
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>18,696.0</b>	<b>26,462.4</b>
<b>TOTAL EQUITY</b>	<b>22,796.0</b>	<b>31,433.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>58,717.0</b>	<b>90,813.8</b>

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

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## REGARDING ANADOLU ETAP

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Anadolu Etap Tarım is Türkiye's first large-scale fruit growing company and currently is the largest fruit growing company in Türkiye. Anadolu Etap Tarım has generated more than 50% of its revenue through exports to a vast geography ranging from Europe to Far Asia, Middle East and India. The Company has been investing in its operations in Türkiye, where it currently runs eight farms with a total area of 30,000 decares where 5 million trees are planted. Anadolu Etap Tarım considers social, economic, and environmental sustainability as its most important values and supports local economic development in all areas of its operations. In this respect, Anadolu Etap Tarım was the first agricultural Company in Türkiye to publish and commit itself to Sustainable Agriculture Principles in 2014.

Anadolu Etap İçecek is one of Türkiye's main fruit and vegetable juice concentrate and puree production companies. Anadolu Etap İçecek was separated from the parent company Anadolu Etap Tarım in August 2022 and now operates as a separate business under 100% ownership of Anadolu Etap Tarım. Anadolu Etap İçecek owns and operates three fruit juice plants. 70% of Anadolu Etap İçecek's sales are exported.

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## 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 18,724 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.

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## 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.

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## ACCOUNTING PRINCIPLES

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The consolidated financial statements of Anadolu Efes are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") 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 30.06.2022 and 30.06.2023 as well as the balance sheets as of 31.12.2022 and 30.06.2023.

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' 1H2023 RESULTS PRESENTATION & WEBCAST**

Anadolu Efes - 1H2023 Results Presentation will be held on Wednesday 9<sup>th</sup> of August 2023 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 devices 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 from our website at [www.anadoluefes.com](http://www.anadoluefes.com).

**ENQUIRIES**

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

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