

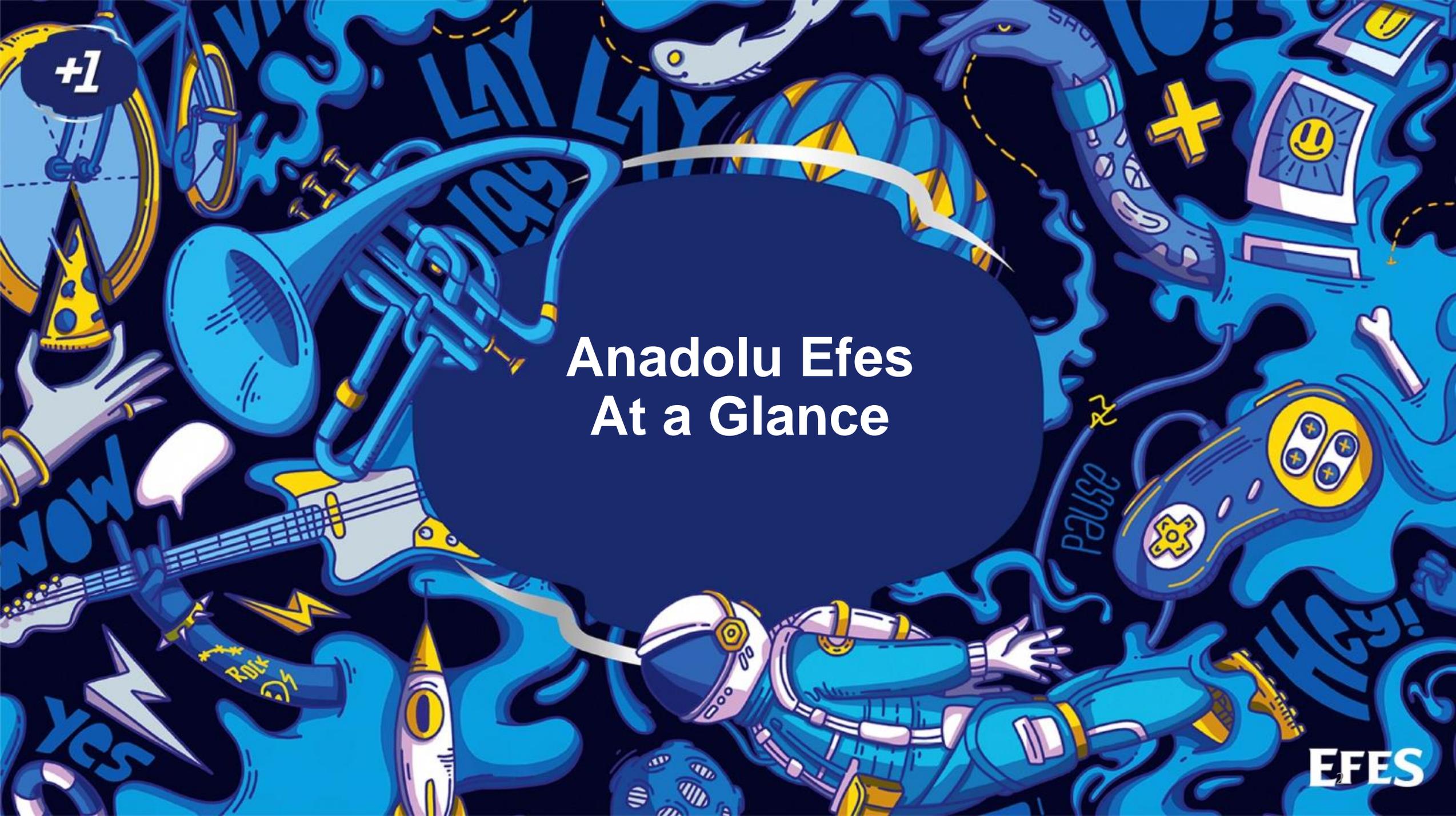


# EFES

**ANADOLU EFES**

**INVESTOR  
PRESENTATION**

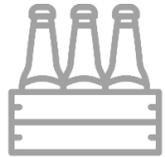
*May 2021*



# Anadolu Efes At a Glance



# A regional beverage company...



**700 mn**  
Population

**21**  
Breweries

**26**  
Bottling Plants



**54.3 mhl**  
Brewing  
Capacity

**1.7 bn u/c**  
Bottling  
Capacity



Europe's  
**5th\***

World's  
**10th\***  
Largest  
Brewer

Among  
**Top 10**  
Largest  
Coca-Cola  
Bottlers



In FY2020;

**103.5 mhl**  
Sales Volume

**26.7 bn TL**  
Sales Revenue

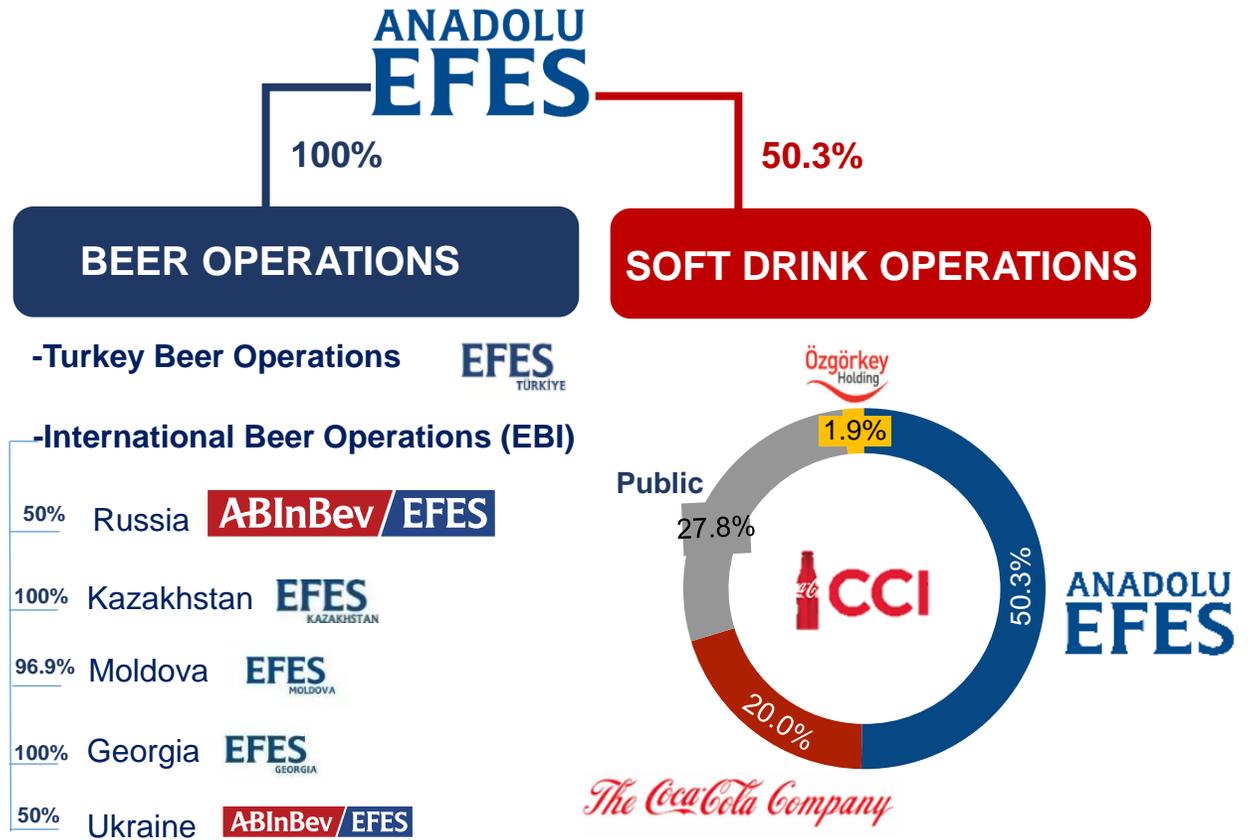
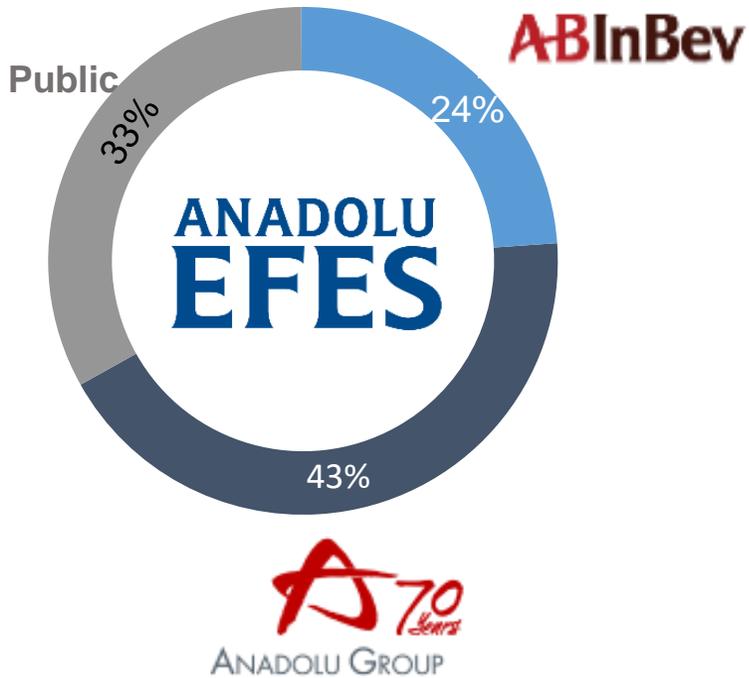
**5.1bn TL**  
EBITDA

**3.0 bn TL**  
Free Cash Flow

\*The Barth Report 2019/2020 \*\*FY2020



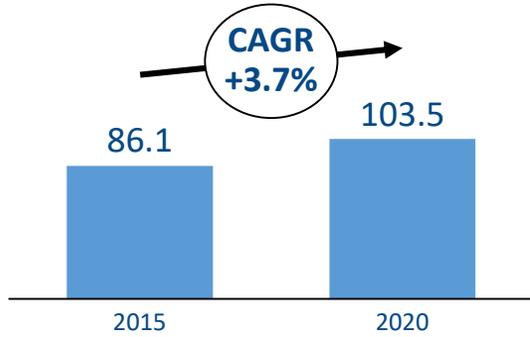
# ...through its diversified businesses...



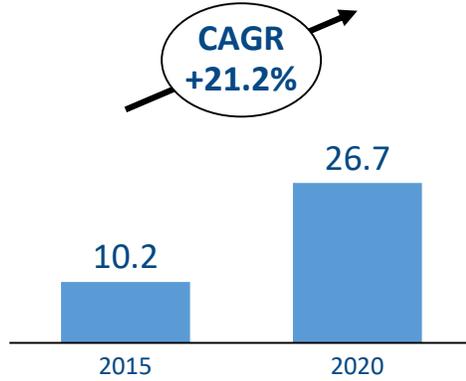


# ...with a solid track record of profitable growth...

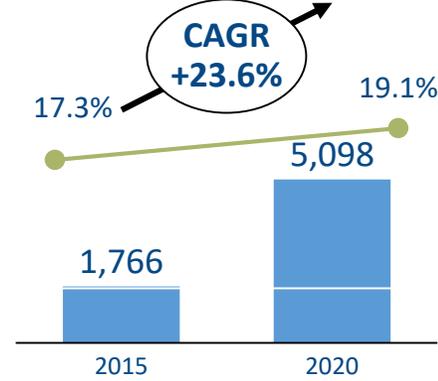
**TOTAL VOLUME**  
mhl



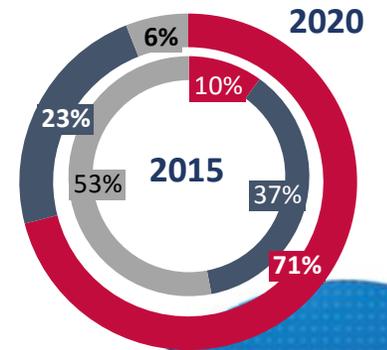
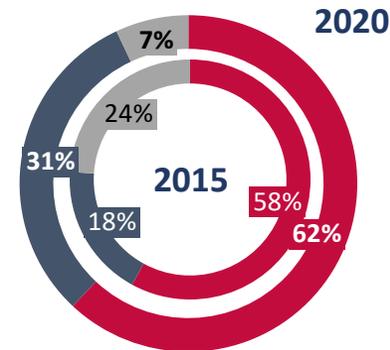
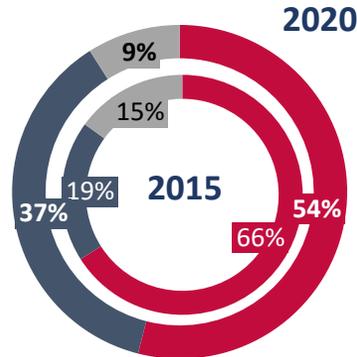
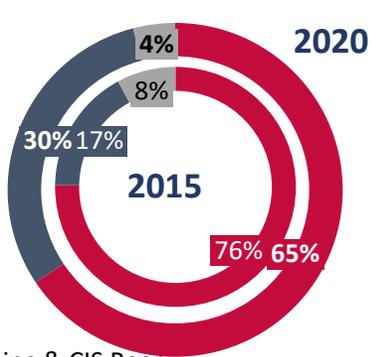
**REVENUE**  
TL bn



**EBITDA & Margin %**



**FREE CASH FLOW**  
TL mn



- Soft drinks
- Russia, Ukraine & CIS Beer
- Turkey Beer

(1) 2017 Proforma figures include ABI Russia and ABI Ukraine effect starting from April 1st.

(2) 2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st).

(3) 2019 Restatement represents classification of Doğadan business as discontinued operations and changes regarding the "Other Payables" account of Turkish Beer Operations as per TAS 8



# ...and a solid investment theme



**Diversified business model including beer and soft drinks**



**Strategic Partnerships with World's leading FMCG companies; AB InBev & TCCC**



**Strong market positions across all operations**



**Strong brand portfolio including some of the world's best known brands and strong regional brands**



**Significant potential in demographics**



**Expertise & Know-How in driving cost efficiencies**



**Clear priorities to accelerate quality growth**



**Proven track record of expansion & growth in emerging markets**



# Beer Operations

# #1 Beer Group in a Nutshell...

6 countries

21 Breweries, 100+ brands

54.3 mhl brewing capacity, 70+ export countries

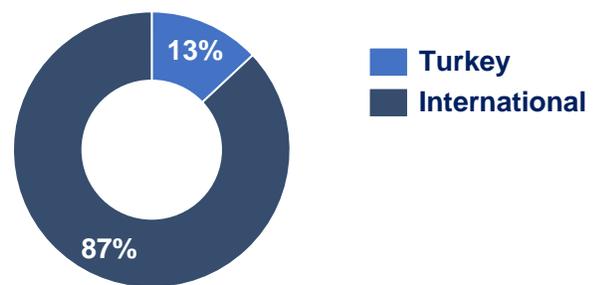
36.2 mhl beer volume

12.3 bn TL revenue\* & 1.9 bn TL EBITDA\*

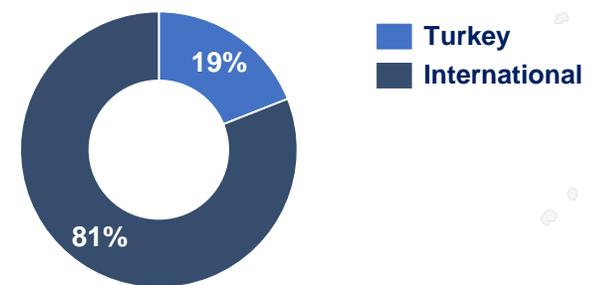
Leadership in all operations



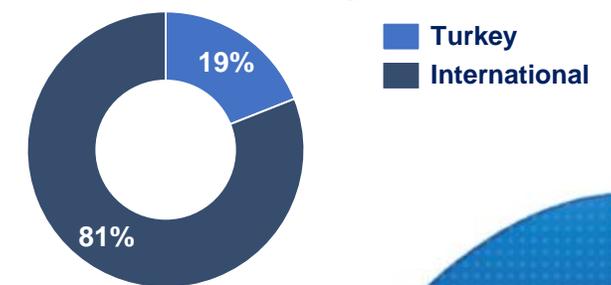
### Volume Breakdown\*



### Revenue Breakdown\*



### EBITDA Breakdown\*



\*FY2020



# ...with strategic priorities to drive value



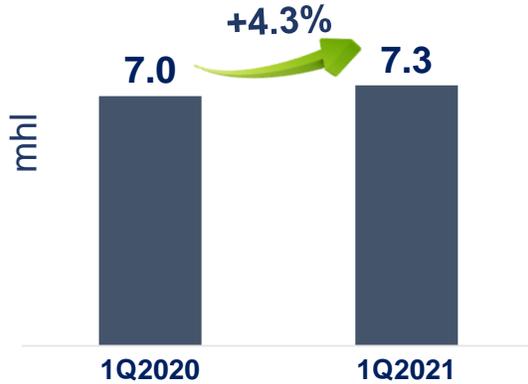
PEOPLE	BRANDS	OPERATIONAL EXCELLENCE	FINANCIAL DISCIPLINE & VALUE CREATION	CUSTOMERS & CONSUMERS	STAKEHOLDERS	EXPANSION & GROWTH
Nurturing our talents by establishing required tools & systems and providing great place to work	Providing choice, great taste, quality and innovation	Building competitive advantage through lean and efficient process and organization	Achieve profitable growth and maximize free cash flow to generate above average return on our investments	Enhancing Customer Dealer engagement through better collaboration and innovative solutions	Building relationships and credibility with stakeholders	Expanding our business through enhancing brand portfolio, utilizing new channels and geographical expansion



**1Q2021  
Beer Group  
Performance**

# **+1** Robust performance delivered in Russia and CIS in 1Q

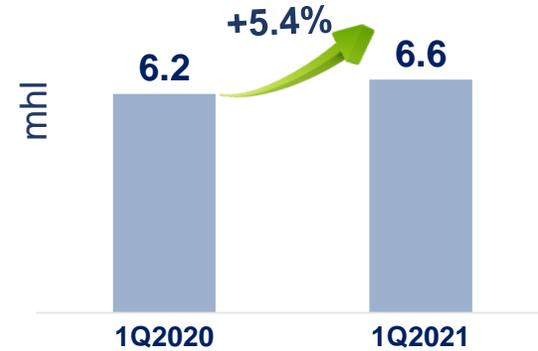
## BEER GROUP SALES VOLUME



### Russia & Ukraine

- **Russia** volumes supported by favorable market
  - Volumes up high-single digits
- Market up mid-single digit
  - Value share gains in 1Q2021 vs 2020YE
- **Ukraine** volumes down
  - Competition
  - Negative industry due to COVID restrictions

## INTERNATIONAL BEER SALES VOLUME



### CIS Countries

- **CIS countries** maintained healthy growth
  - Double-digits growth achieved in Kazakhstan and Moldova
  - Superior performance delivered in premium & mainstream brands
  - Good performance delivered by newly-launched brands

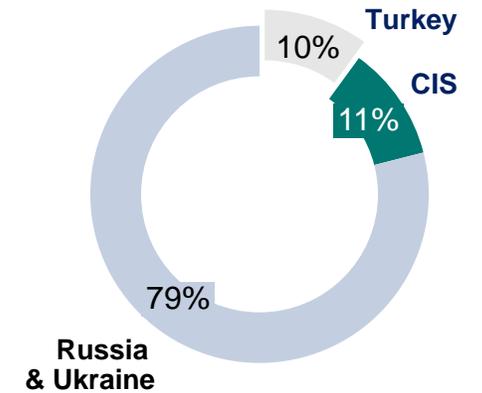
## TURKEY BEER SALES VOLUME



### Turkey

- **Turkey** volumes impacted by strict measures in Jan-Feb
- Results better than initially anticipated
  - Temporary reopening of on-trade during March
- Accelerated market activations & spending related to “+1 relaunch” ahead of the high season
  - Early signs of stabilization of our portfolio

## VOLUME BREAKDOWN\*



\*On a combined basis



# Winning brand portfolio in Russia and Ukraine

RUSSIA

Focus on Global Brands  
Growth

Super Premium & Premium  
Growth

Increasing share in  
Non-Alcohol Beer

UKRAINE

Growth in Global Brands

Expanding Non-Alcohol Beer  
Portfolio

Development of Non-Beer  
Segment



# Value generating initiatives in CIS Countries

Sustaining Market Leadership

Strengthening Core & Premium Brands

Growing Non-Alcohol Beer



New Packs & Multipacks

Digitalization

Launch of New Flavored beer



# Continued focus and brand investments in Turkey

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Stabilization of Portfolio

Premiumisation

Increasing Visibility

New Packs & Multipacks

Marketing Activations

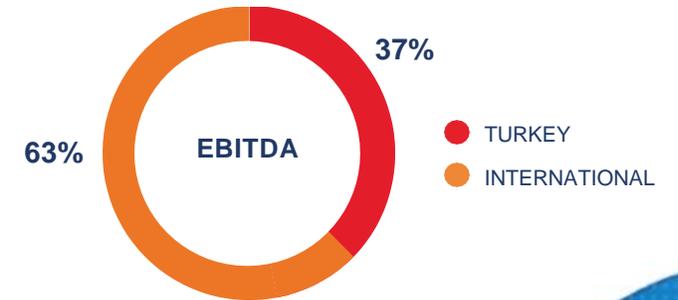
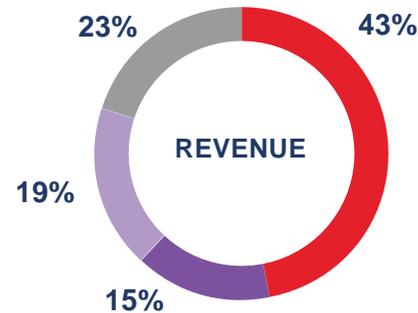
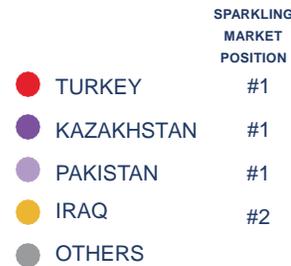
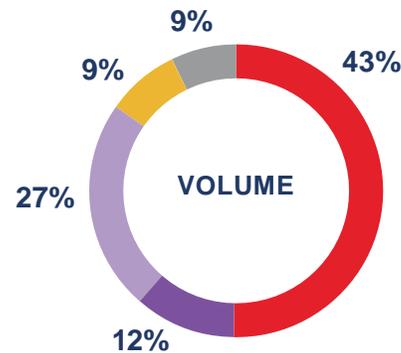
Launch of Seasonal &  
New Flavored beer



# Soft Drink Operations

# CCI Coca-Cola Icecek in a nutshell...

- 10 countries, ~400 mn people
- 26 production plants with 126 lines
- 1.7 bn UC(1) annual production capacity
- ~780 thousand sales points
- 1.2 bn UC sales volume
- 14.4 bn TL revenue & 3.1 bn TL EBITDA
- Higher contribution from international operations



Figures reflect FY2020 numbers unless otherwise stated  
 (1) Unit case, 1 UC equals 5,678 liters



### Accelerate Growth

- Full-beverage portfolio
- Revenue Growth Management (RGM)
- Expand Sparkling & Stills
- Increase frequency
- Regional strategies



### Win at the Point of Sale

- Increase outlet coverage
- Increase cooler penetration
- Right Execution Daily
- E-commerce
- Future-proof RTM



### Exercise Financial Discipline

- Productivity savings
- Working capital improvements
- Healthy FCF
- Optimum leverage
- Effective FX management

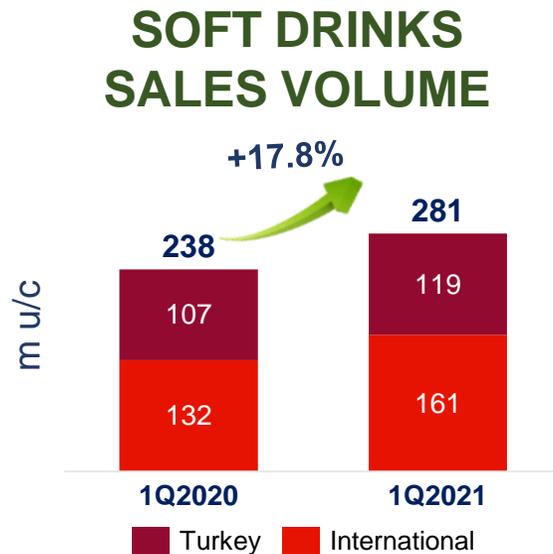


### Win with People

- Integrated Talent Strategy
- Leadership Development
- High Performing Team
- Transformation to “OnePeople”



1Q2021  
Soft Drink  
Performance



## Turkey Operations

- Turkey volume growth of 11.8%
  - Driven by both sparkling & still
- Sparkling grew 19.7%
  - Strong core portfolio performance, timely and right execution
  - Share of immediate consumption packages down to 25% from 30%
- Still up 15.7%, water down 14.4%

### VOLUME BREAKDOWN\*

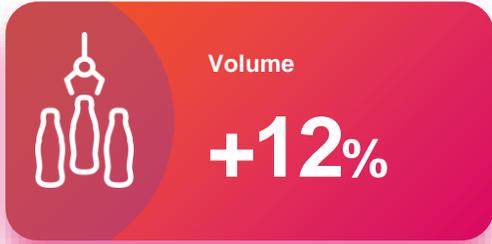


## International Operations

- International operations volume growth of 22.6%
- All international operations grew without exception
- Pakistan volume up by 40.7%
  - Consumer and shopper initiatives, regional acceleration plans & optimal resource allocation
- Middle East volumes up 8.9%, Central Asia up 8.1%

\*On combined basis

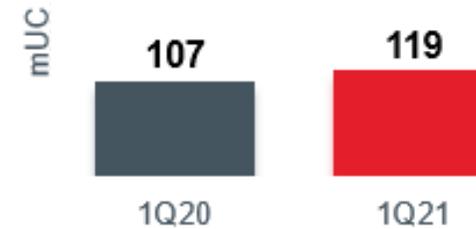
# CCI ... with solid performance in Turkey despite continued lock downs...



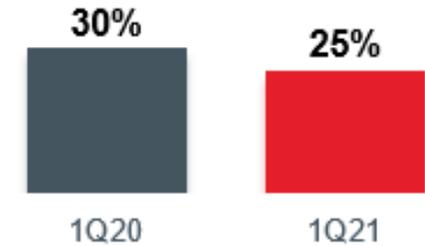
## Channel Performance



## Volume



## IC Share



## Sparkling



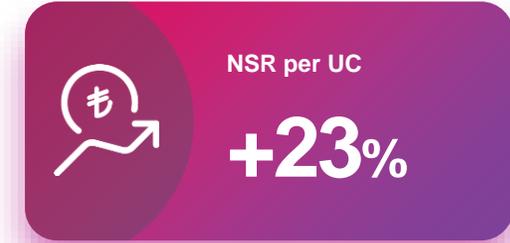
## Stills



## Water



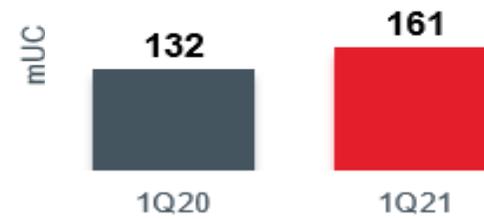
# CCI ...robust profitable growth across the board in international operations



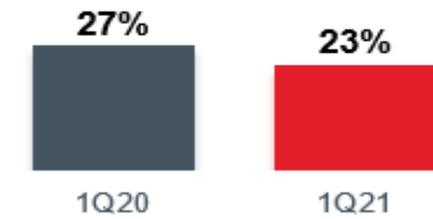
## Channel Performance



## Volume



## IC Share



## Sparkling



## Stills



## Water







# We made a very good start to the year...

NET REVENUE

**+36.5%**

EBITDA BNRI

**+137.5%**

EBITDA BNRI%

**11.6%**

**(+494 bps)**

NET INCOME

**TL295 mn**

FREE CASH FLOW

**-TL251 mn**

**(+TL 771 mn)**

## REVENUE

- Price increases
- Favorable mix & better discount management
- Positive currency translation

## EBITDA MARGIN

- Calendarization of some expenses in international beer and soft drinks
- Higher opex in Turkey beer due to accelerated trade marketing ahead of season

## NET INCOME

- Better operational profit and higher FX gain
- Net FX gain recorded as a result of the repatriated cash from EBI
- Gain from the sale of Lüleburgaz land

## FREE CASH FLOW

- Negative FCF due to seasonality, yet y-o-y improvement
  - Improved operational profitability and better working capital
- Consolidated Net Debt to EBITDA (BNRI) → 1.0x



# ...together with an outstanding financial performance in the smallest quarter...

	VOLUME	NET REVENUE	EBITDA BNRI	EBITDA BNRI%	FREE CASH FLOW
ANADOLU EFES	23.2 mhl +13.2% vs. PY	6,159 mTL +36.5% vs. PY	715 mTL +137.5% vs. PY	11.6% +5.0pp vs. PY	-251 mTL +771m vs. PY
BEER GROUP	7.3 mhl +4.3% vs. PY	2,412 mTL +27.5% vs. PY	-47 mTL +50.7% vs. PY	-2.0% +3.1pp vs. PY	-589 mTL +695m vs. PY
SOFT DRINKS GROUP	281 mn u/c +17.8% vs. PY	3,747 mTL +42.9% vs. PY	763 mTL +92.1% vs. PY	20.4% +5.2pp vs. PY	117 mTL +98m vs. PY

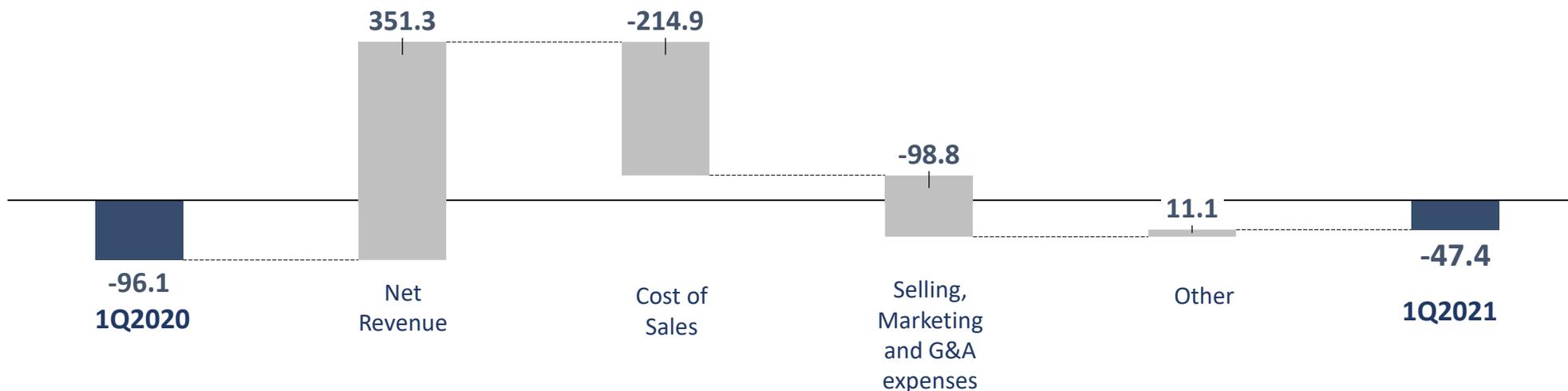


# ...with y-o-y improvement in both operational profitability and cash generation...

## Beer Group

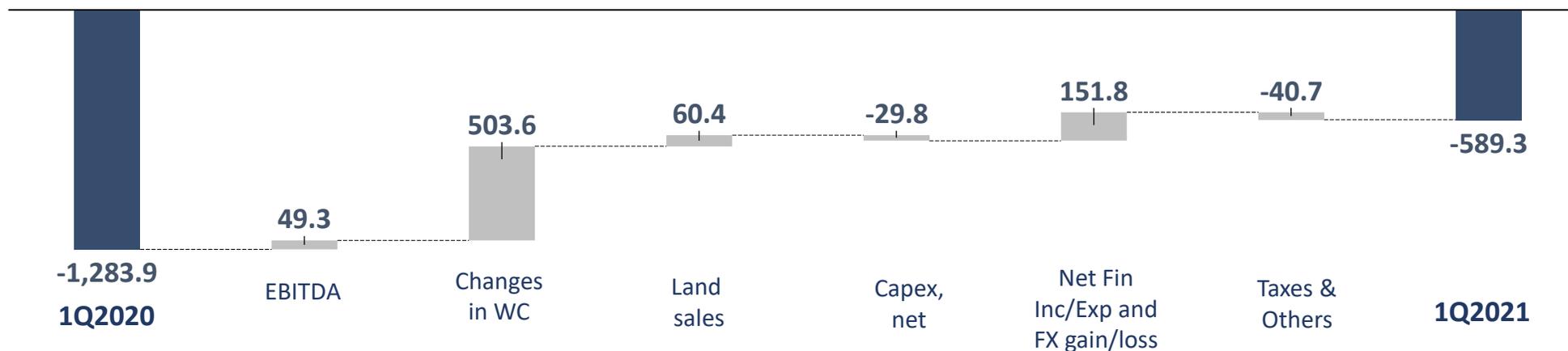
### EBITDA Bridge

mTL



### Free Cash Flow Bridge

mTL

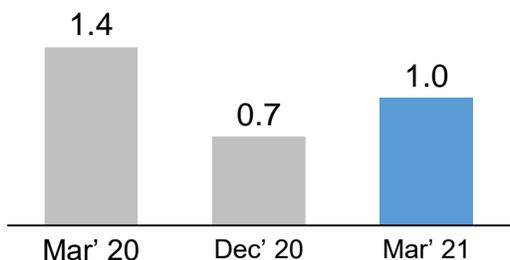




# ...leading to low leverage ratios...

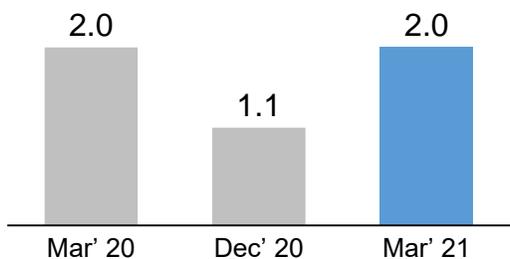
## Net Debt / EBITDA (BNRI)<sup>1</sup>

### Anadolu Efes



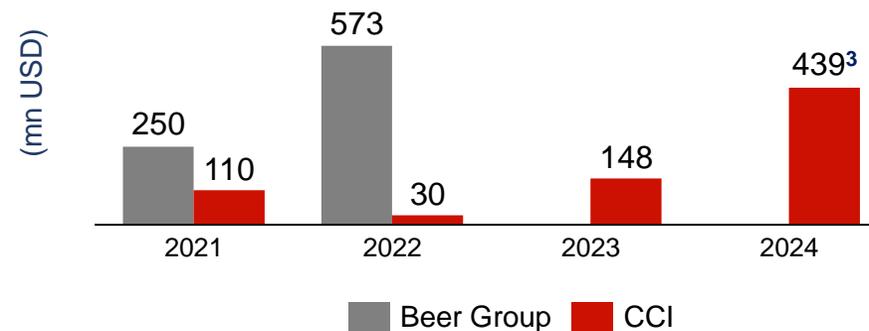
- 81% of cash is hold as hard currency
- 70% of debt is in hard currency
- 93% of debt is fixed

### Beer Group



- 92% of cash is hold as hard currency
- 61% of debt is in hard currency
- 100% of debt is fixed

## Maturity Schedule<sup>2</sup>



Weighted average maturity of debt for

- Beer Group is 1.1 years and
- Anadolu Efes is 1.8 years

<sup>1</sup>As of end of March 2021, trailing 12 month EBITDAs include ABI Russia and ABI Ukraine effect for the whole 12 month period.

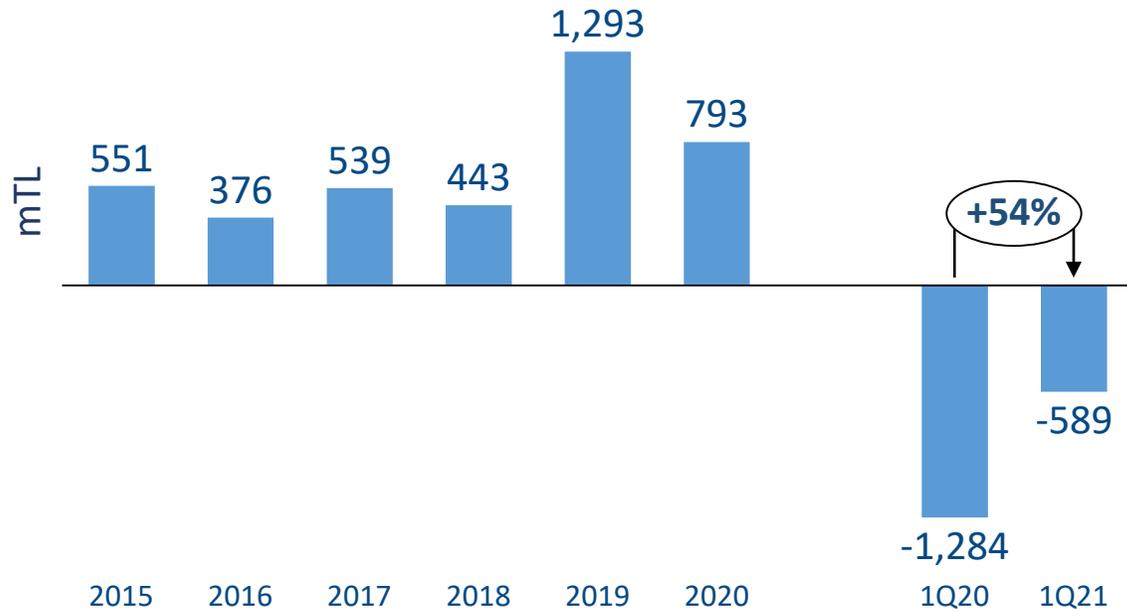
<sup>2</sup> Figures represent principal amounts as of end of March 2021.

<sup>3</sup> After accounting for XCCY adjustment for \$150 mn on CCI's 2024 Eurobond (the FX effect amounts to ca. -\$82 mn as of March-end)

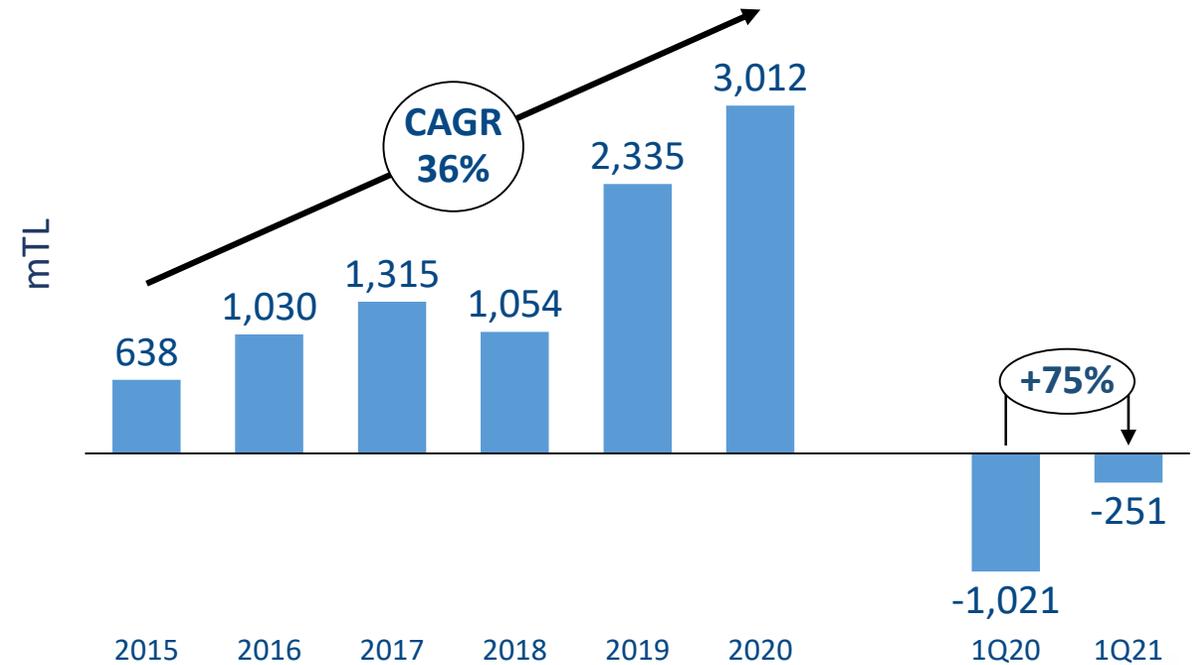


# ...by sustainable improvement in free cash flow...

### Beer Group



### Anadolu Efes



# +1 ... with clear priorities for balance sheet management



## Reducing FX exposure

- No FX debt exposure other than Eurobond



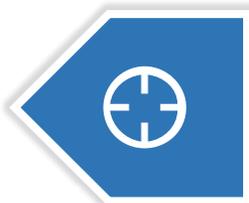
## Extending Debt Maturity

- Particularly in relation to the refinancing of US\$ 2022 bonds



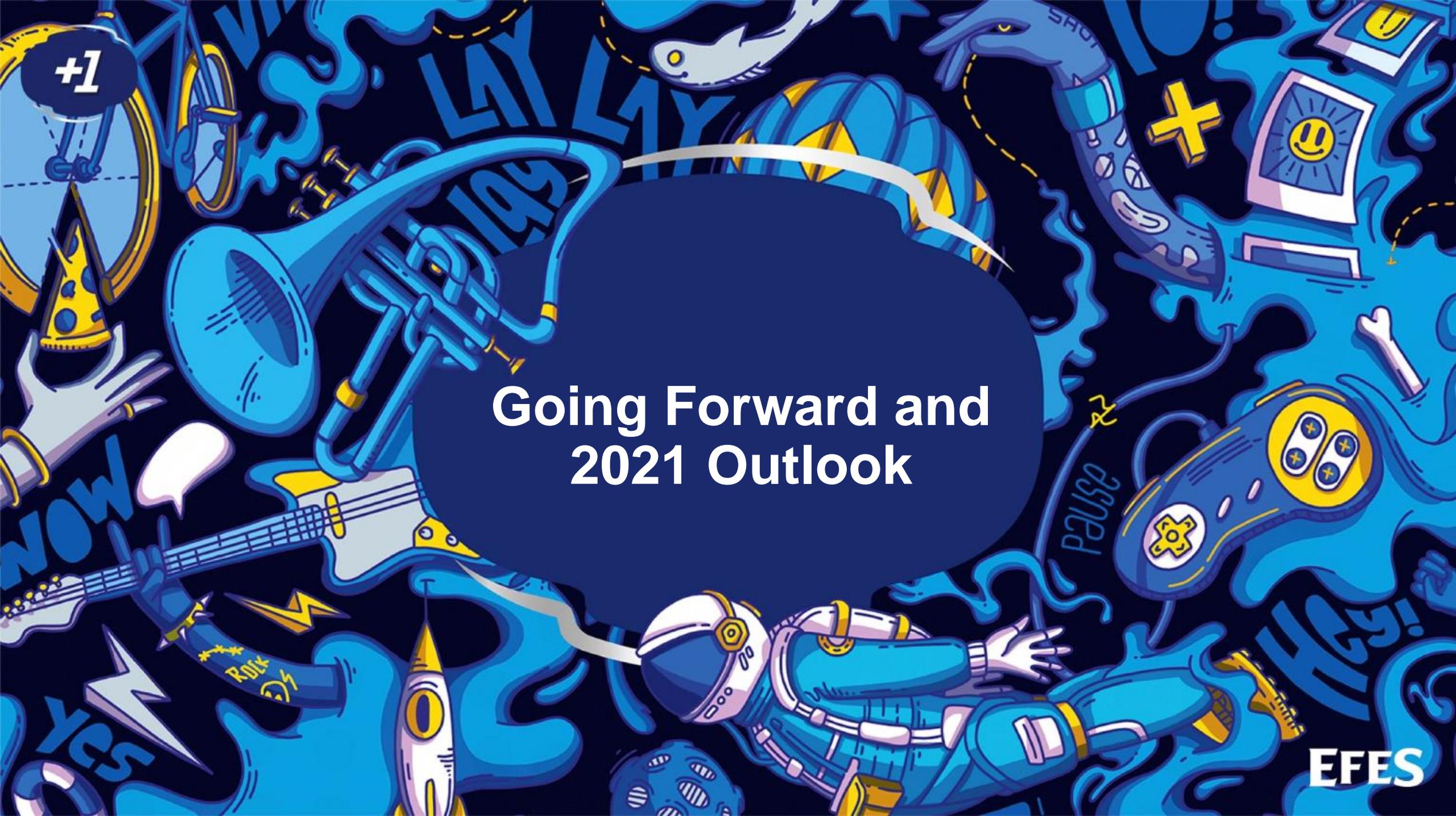
## Ensuring Capital Efficiency

- Beer Group: **2.0x** (1Q2020: 2.0x)
- Anadolu Efes: **1.0x** (1Q2020: 1.5x)



## Effective risk management

- Cash Designation
- Commodity Hedges
- Net Investment Hedge



# Going Forward and 2021 Outlook



# Maximizing value of our business...



## Maximizing organic growth

Invest in brands, market and capacity



## Maintaining a healthy balance sheet

Net Debt/EBITDA: 1.0x - 2.0x



## Maximizing shareholder value

Dividend pay-out ratio of min. 40%



## Investing in inorganic growth

Leverage acquisition opportunities



**Capital Allocation Priorities**



# ...driven by commitment to sustain profitable leadership



## Market Investments

- Cooler investments
- Distribution effectiveness
- Digitalization

## Brand Investments

- Investments on existing brands
- New launches
- Expansion to new categories



**Market Share  
Drivers**



## Revenue / hl Drivers

- Price increases
- Premiumization
- Discount management
- Right portfolio mix & channel mix

## Cost and Expense Management

- Zero Based Spending
  - New categories
  - New geographies



**Profitability  
Drivers**

# **#1** Despite a very strong quarter outlook maintained...

## **VOLUME**

*continuing impact of pandemic*

### **Consolidated:**

Low-to-mid-  
single digit  
growth

### **Beer Group:**

Low-single digit  
growth

### **Soft Drinks:**

Range of  
4% to 6%  
growth

## **SALES REVENUE**

*FX-Neutral basis*

### **Consolidated:**

Mid-teens  
growth

### **Beer Group:**

Low-teens  
growth

### **Soft Drinks:**

High-teens  
growth

## **EBITDA MARGIN**

### **Consolidated:**

Slight  
decline

### **Beer Group:**

Ca. 200 bps  
decline

### **Soft Drinks:**

Flattish

## **CAPEX & FREE CASH FLOW**

Normalized **CAPEX** to  
Sales ratio of high single  
digits

Continue to  
deliver strong  
**Free Cash Flow**



# Sustainability



## Targeting Zero For the environment.

We love the Earth. We're aiming **zero environmental impact** considering our carbon emissions and waste.



## Increasing Our support for social impact

We are **investing in the society** for a sustainable future by focusing on our social impact.



## Getting Stronger Through diversity & inclusion

We believe in **diversity & equality** through awareness and our inclusive culture.

Our goal is to increase the representations of women in our organization from 30% to 50%.



# #1 International makes up more than 80% of beer group...



**RUSSIA**  
 - 11 Breweries  
 - 33.5 mhl Brewing Capacity  
 - Beer Market Size: 73 mhl  
 - Per Capita Beer Consumption: 51 Liters  
 - 29% Market Share  
 - Market Leader



**UKRAINE**  
 - 3 Breweries  
 - 7.7 mhl Brewing Capacity  
 - Beer Market Size: 16.4 mhl  
 - Per Capita Beer Consumption: 41 Liters  
 - 32% Market Share  
 - Market Leader



**KAZAKHSTAN**  
 - 2 Breweries  
 - 2.6 mhl Brewing Capacity  
 - Beer Market Size: 5.3 mhl  
 - Per Capita Beer Consumption: 28 Liters  
 - 47% Market Share  
 - Market Leader



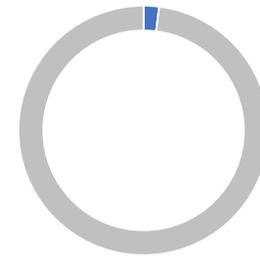
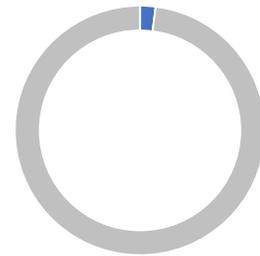
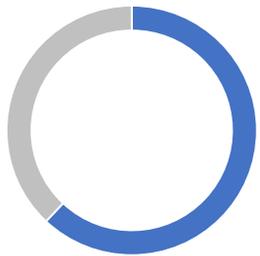
**GEORGIA**  
 - 1 Brewery  
 - 2.0 mhl Brewing Capacity  
 - Beer Market Size: 1.1 mhl  
 - Per Capita Beer Consumption: 30 Liters  
 - 32% Market Share  
 - Market Leader



**MOLDOVA**  
 - 1 Brewery  
 - 1.5 mhl Brewing Capacity  
 - Beer Market Size: 1.0 mhl  
 - Per Capita Beer Consumption: 28 Liters  
 - 61% Market Share  
 - Market Leader



**TURKEY**  
 - 3 Breweries  
 - 7.0 mhl Brewing Capacity  
 - Beer Market Size: 8.7 mhl  
 - Per Capita Beer Consumption: 11 Liters  
 - 55% Market Share  
 - Market Leader

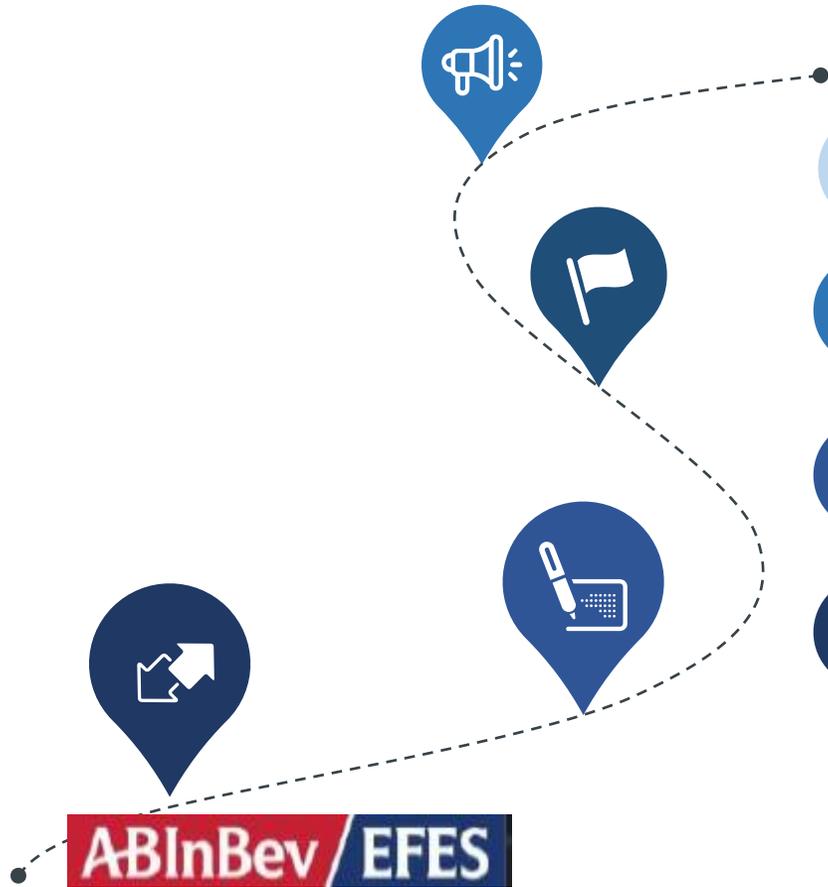


■ Share in Beer Group Volume, FY2020

1 GlobalData 2020  
 2 Nielsen, 2020



# Russian Beer Operations



01

World's 5th\* largest beer market with 73 mhl market size;  
Russian beer market grew by low single\*\* digit in 2020 & our volumes grew by mid-single digit

02

Sustained both volume and value leadership & clear market leader in Super Premium & Premium segments

03

Focus on premium brands while keeping pricing strategy for all segments

04

Strong portfolio of growing brands in all price segments, that allows us to meet consumer needs in different channels and occasions



\*Global Data 2020

\*\*Rosstat, 2020

# **#1** Turkey's largest brewer



Low per capita consumption of 11 liters\* offering a growth potential

Growing population with 1.2% CAGR in 2015-2020

Leading brewer with 55%\*\* market share



Rich portfolio of local, imported & licensed brands covering all segments

#1 in consumer spending in Food & Beverage category

99% penetration in alcohol selling stores in Turkey\*\*



3 Breweries with 7.0 mhl capacity

2 Malteries & 1 Hops Processing Facility enabling vertical integration for key raw materials

100% brand awareness for "Efes Pilsen"



\* Internal estimation

\*\* Volume share, Nielsen 2020

# #1 Effective management of Commodity & FX exposures...

- **Cash flow hedge** via designation & derivatives



78%\*

FX exposure in  
COGS&OPEX&Interest hedged  
in Turkey for 2021

100%

Hedged in Russia & Ukraine

**Derivative contracts to**  
hedge commodities

Hedged positions for  
2021\*

68%\*\*

43%\*\*\*

100%

Hedged positions for  
2022\*

13%\*\*

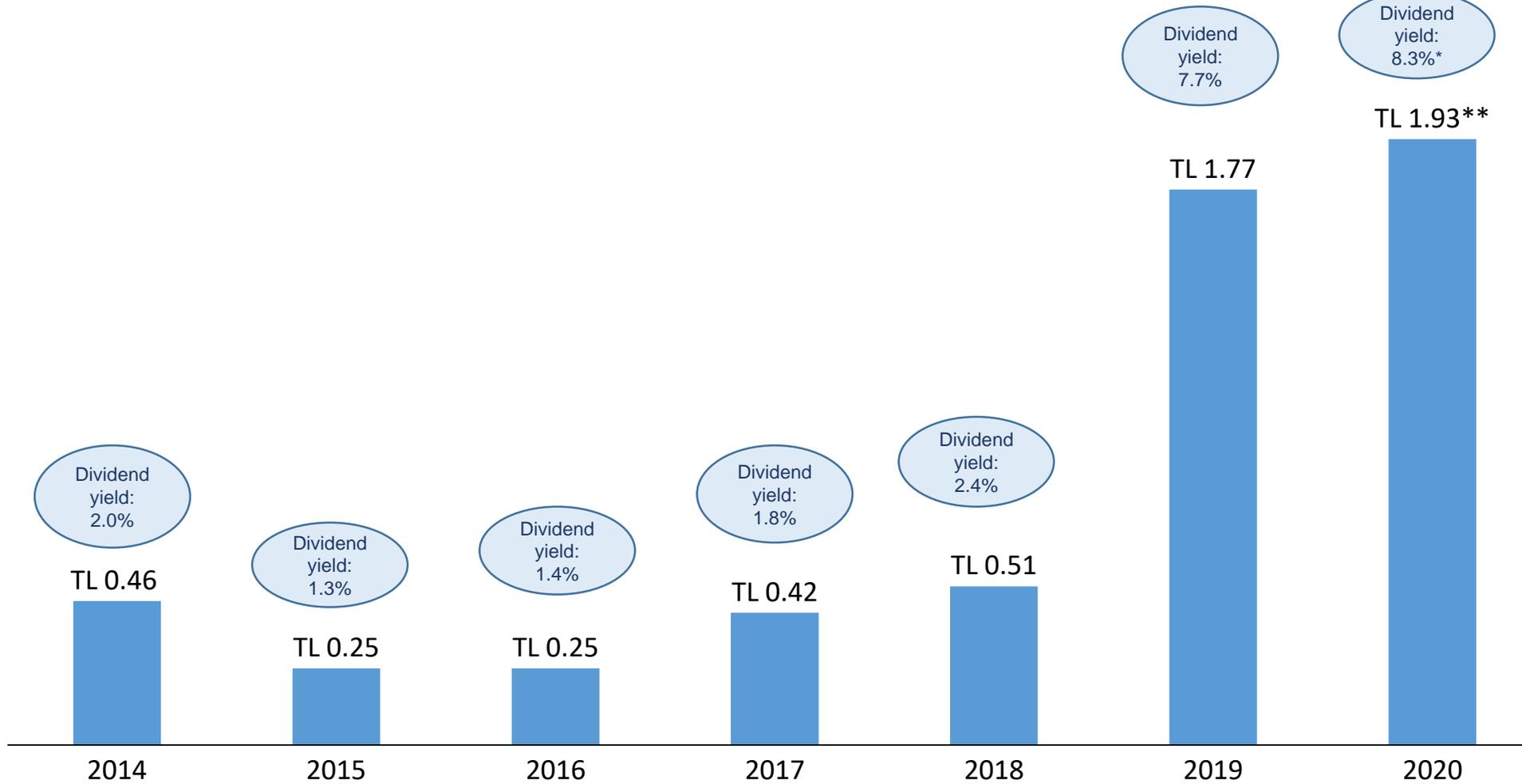
Turkey's 2021 local  
barley procurement  
is completed

\*As of May 2021  
\*\* Excluding Russia & Ukraine  
\*\*\* Including Moldova & Georgia



# Increasing dividend yields

Gross Dividend per Share (TL per 100 shares)



(\*) Anadolu Efes Dividend Yield = Gross Dividend / Anadolu Efes Year-end Market Capitalization  
Anadolu Efes Market Capitalization as at 31st of December, 2020

(\*\*) The distribution is subject to the approval of AGM

