



# ANADOLU EFES

INVESTOR PRESENTATION

Post 1Q2017 Financials

# FORWARD-LOOKING STATEMENTS

This presentation may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.



## LIVING THE VALUES!



.....  
PASSIONATE  
& PROUD



.....  
PROFESSIONAL



.....  
ENTREPRENEURIAL

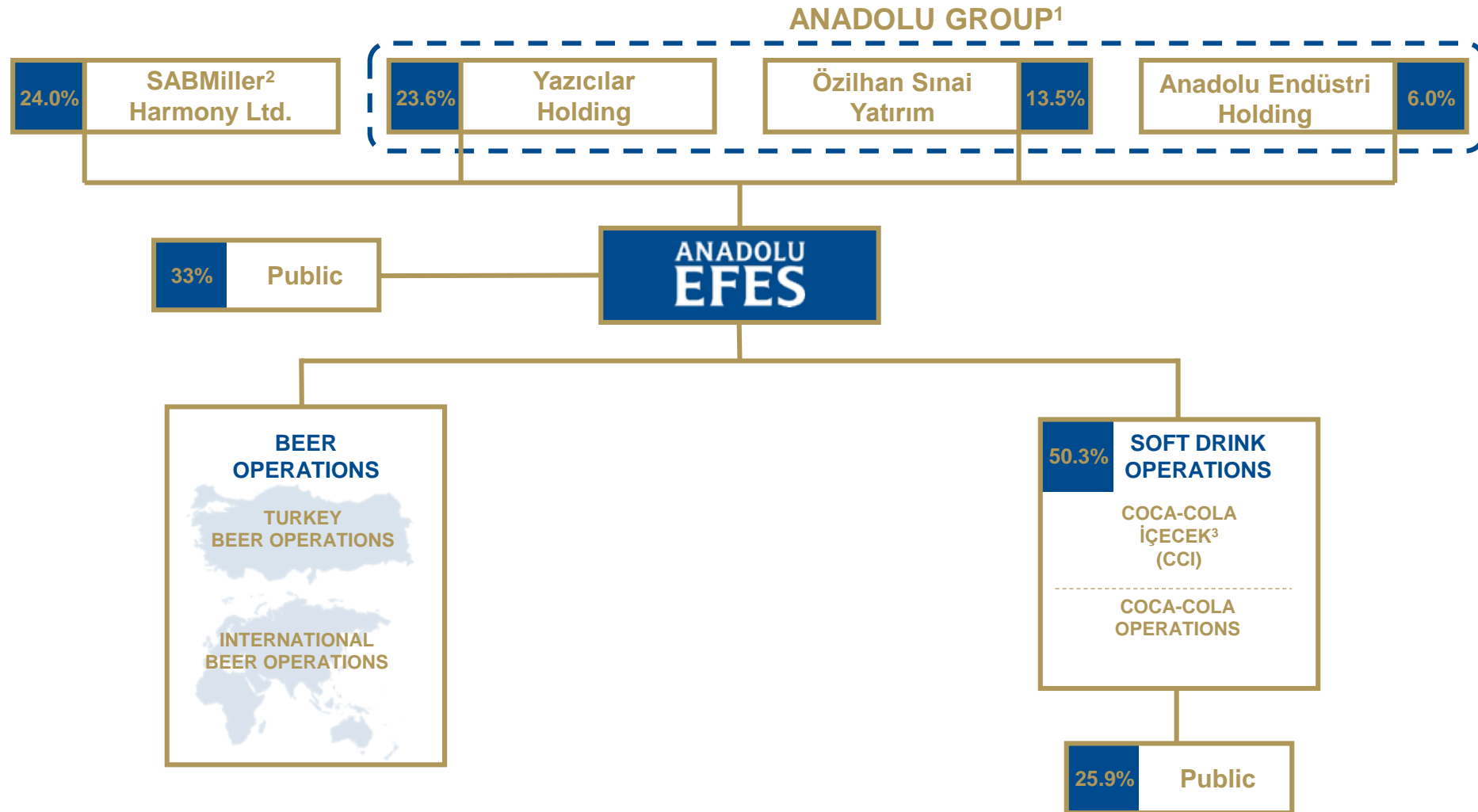


.....  
COLLABORATIVE



.....  
SUSTAINABLE

# ANADOLU EFES - OWNERSHIP STRUCTURE

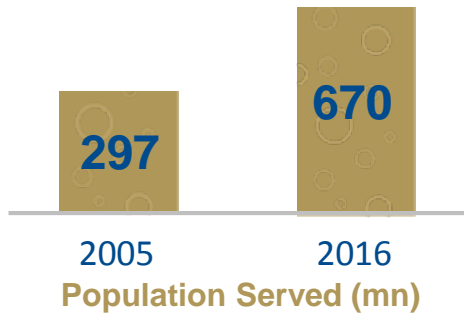
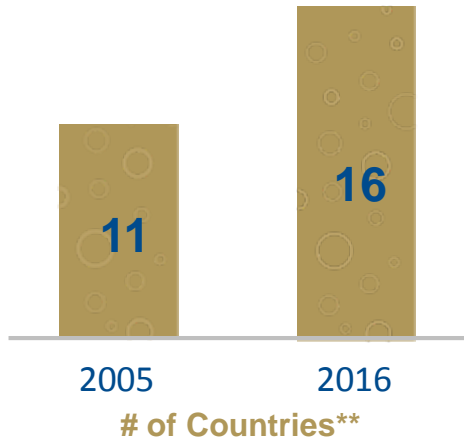


(1) Only the major subsidiaries of the Group are presented

(2) AB Inbev acquired SABMiller plc and became the new indirect shareholder in Anadolu Efes through SABMiller Harmony Ltd., as of October 12, 2016

(3) 20% held by TCCC (The Coca-Cola Export Cooperation) and 4% by Özgörkey Holding

# ANADOLU EFES AT A GLANCE\*



Serving more than **670 mn** people



16 countries; 14 Breweries & 24 Bottling Plants

- Europe's **6th** largest brewer
- World's **14th** largest brewer
- **5th** largest Coca-Cola bottler in the Cola system



World class brand portfolio in beer & soft drinks



Strategic partnerships with world giants – AB InBev & The Coca-Cola Company



Operating in markets with significant growth potential



Total consolidated sales volume of 8.7 bn lt in 2016

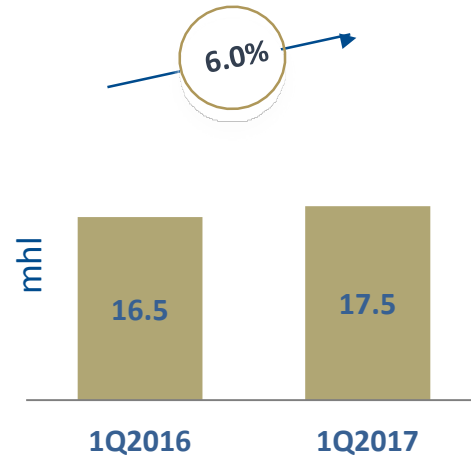


TL10.4 bn net sales revenue & TL 1.8 bn EBITDA in 2016

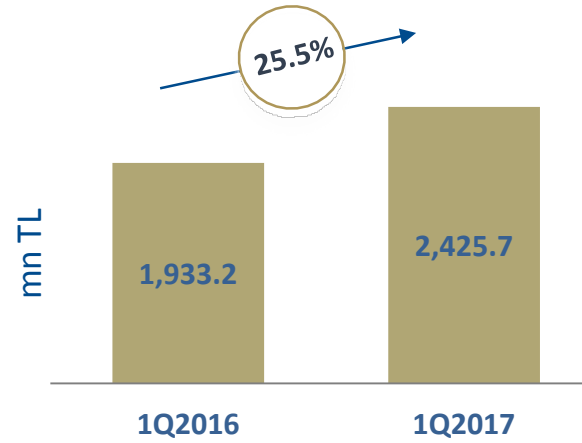


# Consolidated Performance – 1Q2017

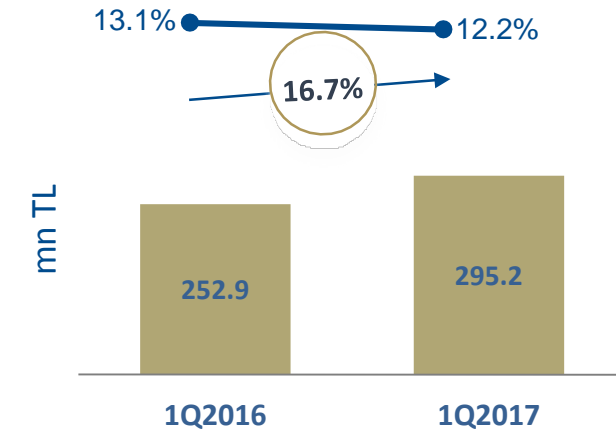
## SALES VOLUME



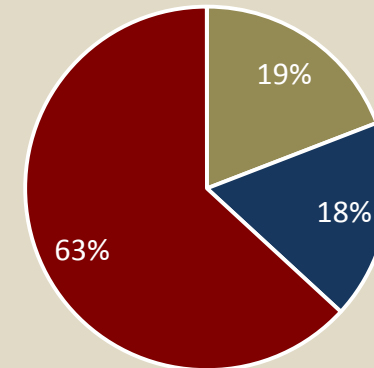
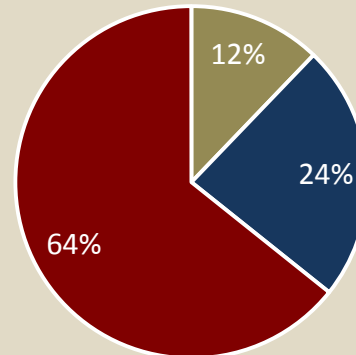
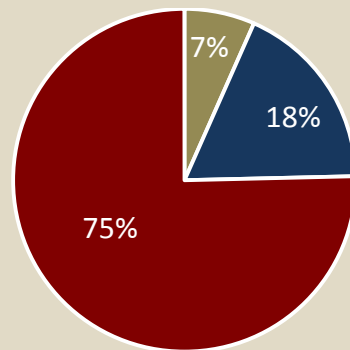
## NET SALES REVENUE



## EBITDA (BNRI) & EBITDA (BNRI) Margin



## BREAKDOWN\*



■ Turkey Beer ■ International Beer ■ Soft Drinks

\*Breakdowns are on a combined basis

# 1Q2017 KEY HIGHLIGHTS

- **Volume up 6.0% in 1Q2017 vs. 1Q2016**
  - ✓ The highest quarterly volume growth since 2014
  - ✓ Benefiting from strong performance of international beer operations and soft drinks
- **Revenue up 25.5% in 1Q2017 y-o-y, outperforming volume growth**
  - ✓ Strong volume growth
  - ✓ Local currency price increases
  - ✓ Positive translation effect of local currencies of internati
- **EBITDA (BNRI) increased by 16.7% to TL 295.2 million**
- **Bottomline was negative due to FX losses;**
  - ✓ Net loss of TL 84.9 mn in 1Q2017 vs. a net income of TL 60.3 mn in 1Q2016
- **Consolidated Net Debt to EBITDA (BNRI) was 2.1x as of 1Q2017**

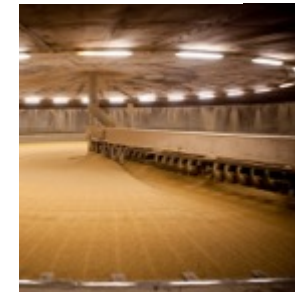
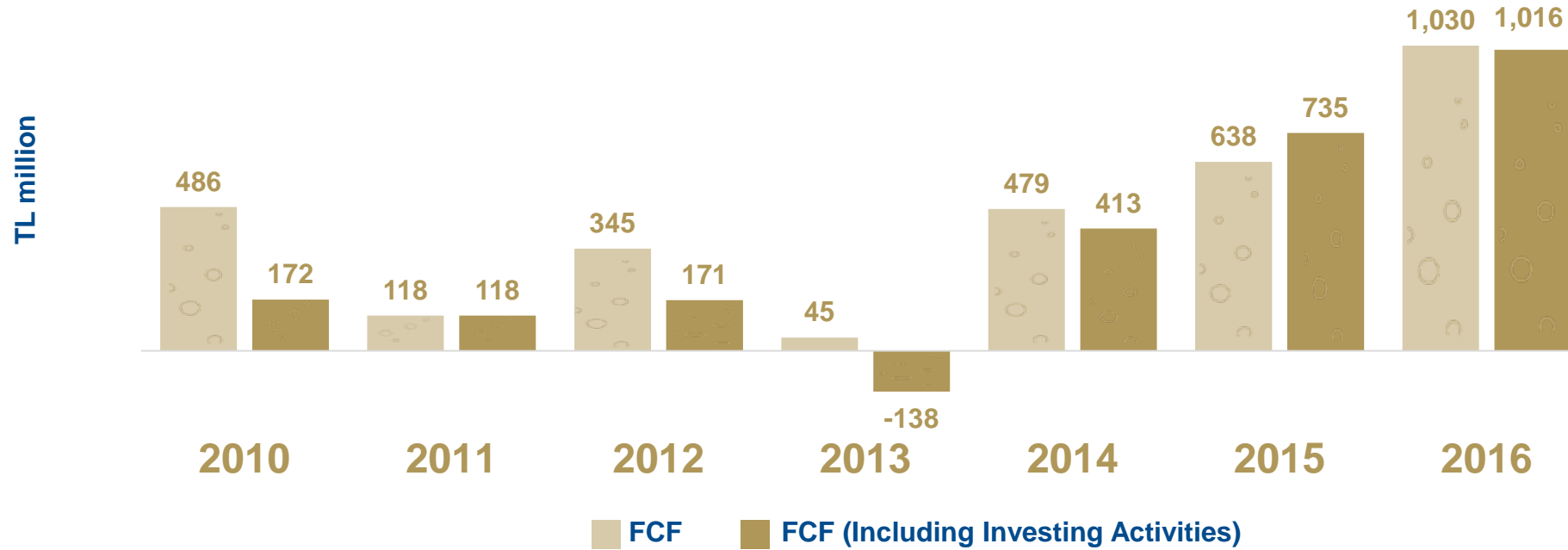


# STRONG COMPETITIVE ADVANTAGES

- **Balanced** Beer & Soft Drink Operations
- **Strategic Partnership** with AB InBev & TCCC
- **Expertise & Know-how** in driving cost efficiencies
- **Strong** regional player powered by proven local know-how



# SOLID CASH FLOW GENERATION





# LONG TERM KEY PRIORITIES

Continue to generate value by margin improvement and FCF generation through our priorities

## Beer



- Capitalizing on our strong brand portfolios
- Achieving optimal brand & SKU mix
- Excelling in execution
- Focusing on quality market share
- Strong cash flow generation with special focus on optimizing working capital

## Soft Drink



- Accelerate revenue and margin growth
- Winning at the point of sales
- Sales force effectiveness



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EFES

# BEEER OPERATIONS



# BEER OPERATIONS



\* Volume share, Nielsen, 1Q2017

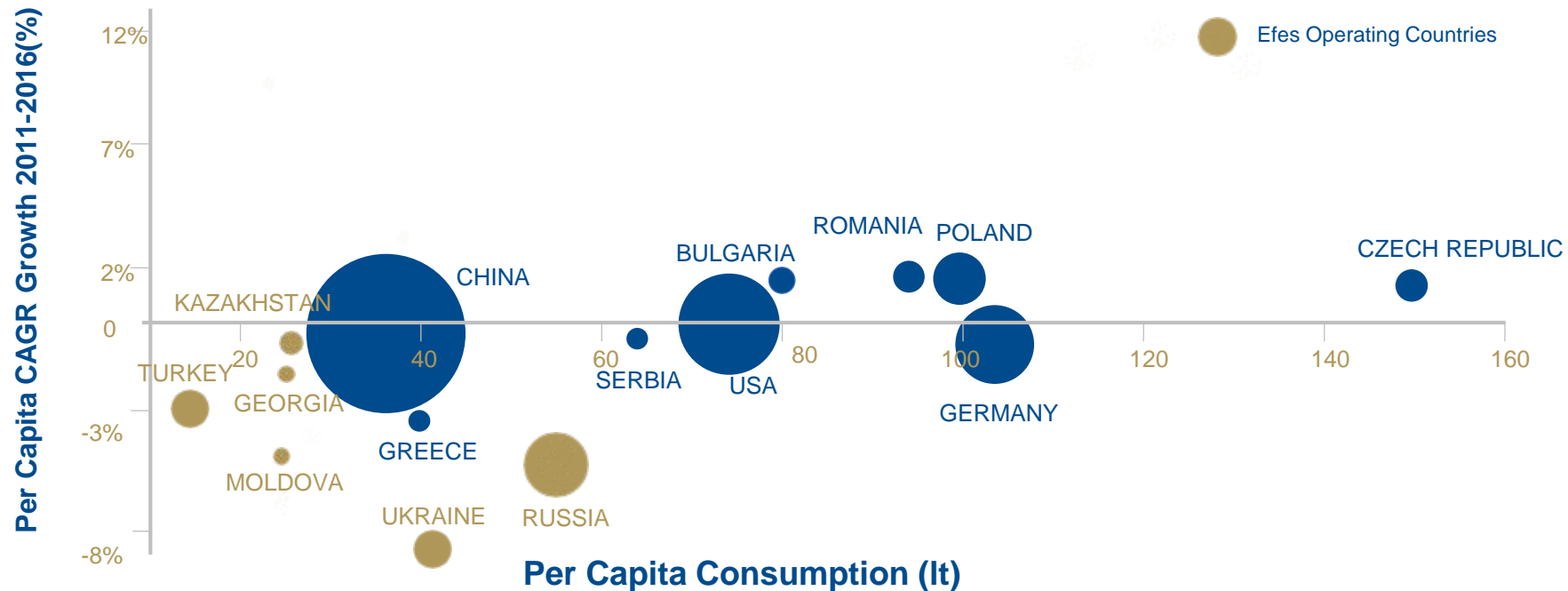
\*\* Company estimates

\*\*\* Gamma Retail Audit

# MARKETS WITH LOW PER CAPITA CONSUMPTION AND HIGH GROWTH POTENTIAL



Operating markets with growth potential characterized by

- ✓ low per capita consumption
- ✓ young populations
- ✓ developing economies
- ✓ westernization/urbanization



Source: Canadean Global Beer Trends 2016, Company Estimates  
 Note: Bubbles represent market size

# B BRANDS E XECUTION E FFICIENCY R ELATIONS

-  Provide choice and innovation to consumers:  
**Grow brand love**
-  Excell in **customer collaboration**  
**availability and point of sale activation**
-  Build competitive advantage through **lean and efficient operations**
-  Focus on **employees, customers, regulators, community and environment**

# TURKISH BEER MARKET

- ◉ Low per capita consumption of 11 liters\* offering a growth potential
- ◉ Growing population with 1.4% annual growth rate in 2016
  - ✓ 48% is below age 30
- ◉ Returnable market enabling higher operational profitability
  - ✓ Bottles & kegs amount to more than half of total beer market

## Low per capita consumption of 11 liters offering a growth potential

- ◉ **3** Breweries, **2** Malteries & **1** Hops Processing Facility
- ◉ **62%** market share\*
- ◉ **100%** brand awareness for “**Efes Pilsen**”
- ◉ Rich portfolio of local, imported & licensed brands covering all segments
- ◉ # 1 in consumer spending in Food & Beverage category – 8.8% in 2016\*\*
- ◉ **99%** penetration in Turkey\*\*
- ◉ **153** Dealers & **25** Distributors



# RUSSIAN BEER MARKET

- ◉ World's 5th largest beer market with total consumption of **~80 mhl**
- ◉ Expected compounded annual growth rate of **2%\*** between 2017-2021
- ◉ Dominated by multinational brewers
  - ✓ Top 4 accounting for **~ 72%** of the market
- ◉ Share of Modern Trade above **60%** - more than doubled in the last few years





## #2 player with;

- 6 Breweries – 21.7 mhl total brewing capacity
- 4 Malteries & 1 Preform Plant
- AEFES' largest beer market;  
58% of total beer volumes from Russia in 1Q2017
- 15% overall market share\*
- #1 position in Premium category



# OTHER INTERNATIONAL BEER OPERATIONS

- ◉ Market leader in
  - ✓ Kazakhstan
  - ✓ Georgia
  - ✓ Moldova



# COMMITMENT TO ENVIRONMENT



## ENERGY AND EMISSIONS MANAGEMENT

**10%+10%**

Compared to 2008, we consumed **10% less energy** and generated **10% fewer emissions per unit product**. Between 2008-2013 the amount of energy we saved is equal to the **yearly consumption of 200.000 households**



## OPERATIONAL RELIABILITY

**22 Thousand Hours**

In 2013, we provided a total of more than **22.000 hours of occupational health and safety** training to our employees. We recycled **94.6%** of solid waste and by-products generated during the production of beer and malt



## WATER MANAGEMENT

**67 Thousand Households**

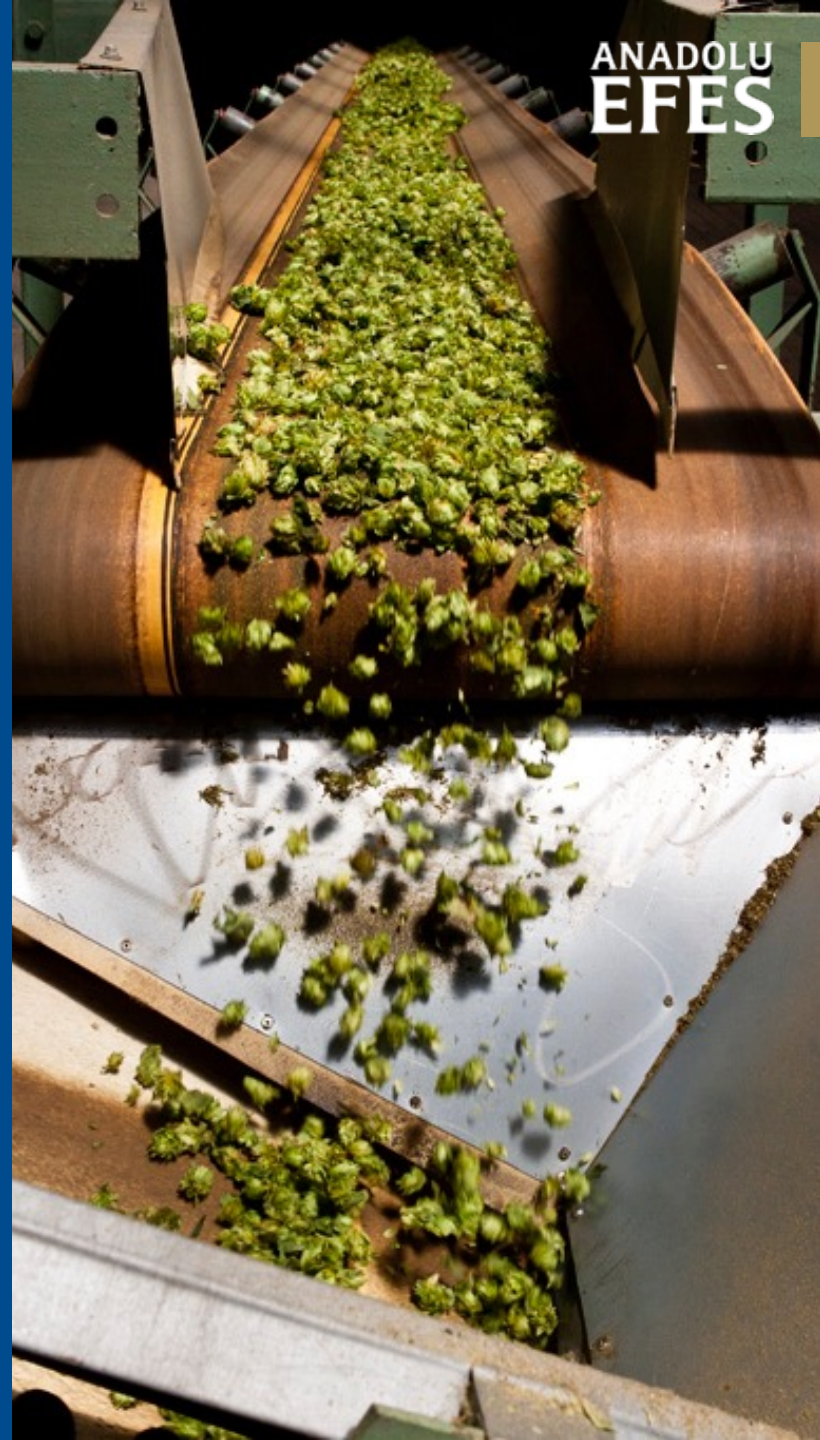
Compared to 2008, we consumed 19% less water in beer production and 24% less water in malt production. Between 2008-201, the amount of water we saved is equal to the **yearly consumption of 67.000 households**



## PACKAGING MANAGEMENT

**178 Great Wall of China**

Compared to 2012, the weight of one-way packaging waste reclaimed is **increased by 22%**. Between 2008 2013, Preference of returnable bottles resulted in saving enough glass bottles to create a line stretching **178 times longer than Great Wall of China**.



*Coca-Cola*  
*İçecek*



ANADOLU  
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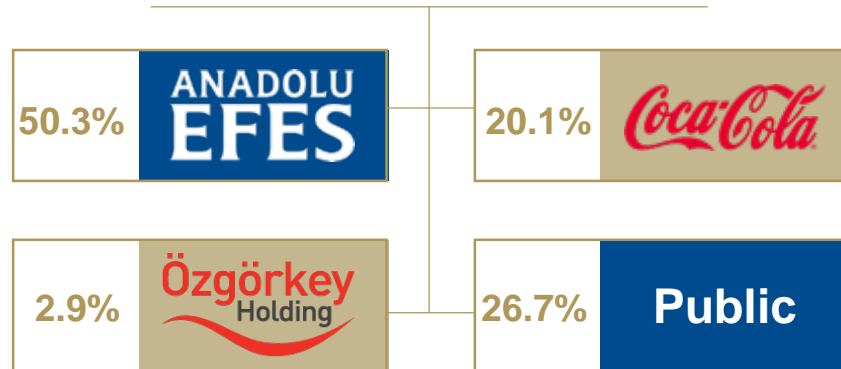


# CCI AT A GLANCE

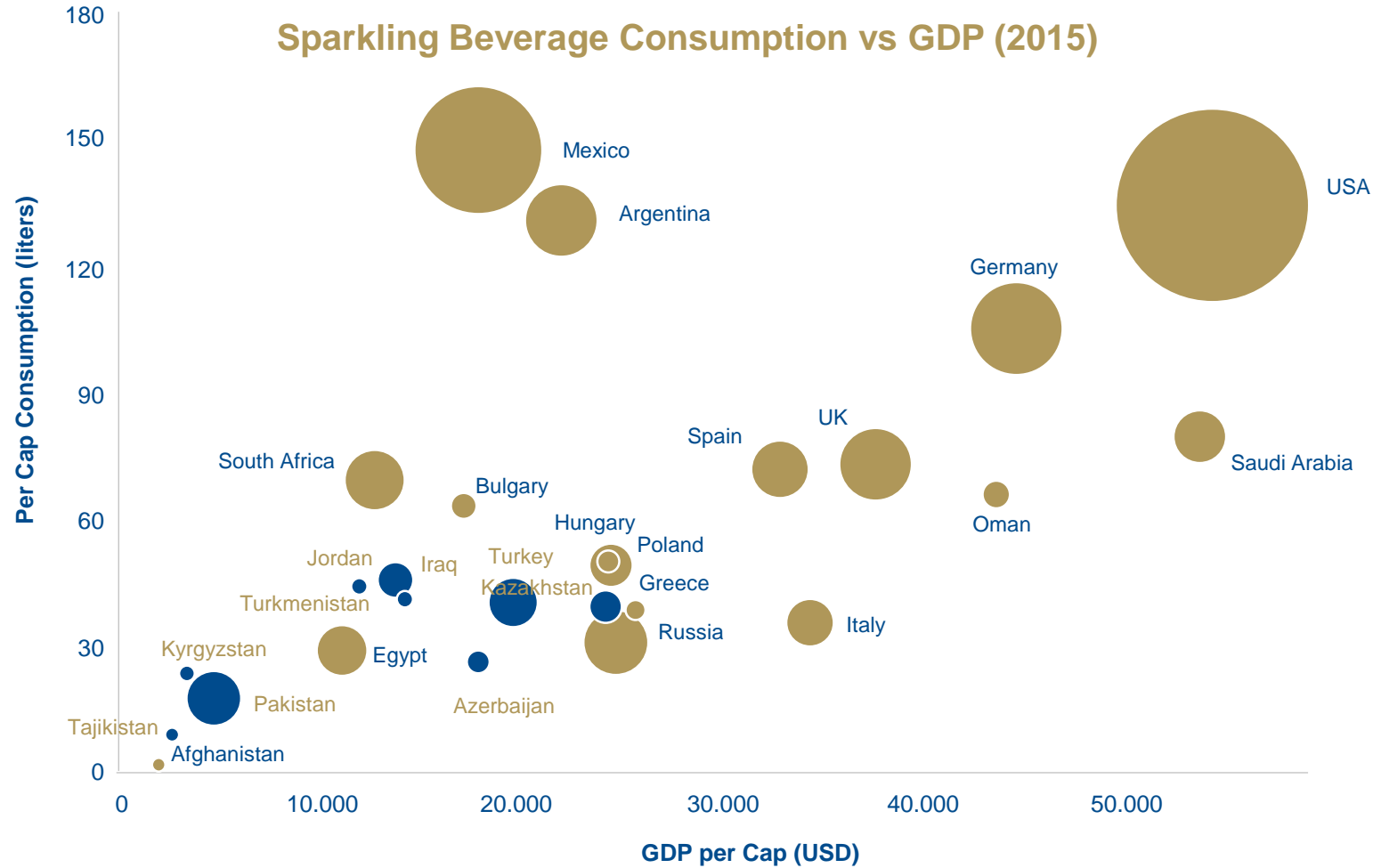
- **Market leader** in Turkey with 64% & Kazakhstan with 49% market share
- **#2 in** Pakistan with 37% market share & **#2 in** Iraq

- 24 Bottling Plants in 10 Countries
- 5th largest Coca-Cola bottler in Cola system
- Annual capacity of 1.4bn uc
- 1.2bn uc sales volume
- 26bn annual servings

*Coca-Cola İçecek*



# CCI AT A GLANCE



CCI territory  
Total population:  
380 million

Sources: IMF (GDP) and TCCC and CCI best estimates based on Nielsen and own market intelligence.  
Note: Bubbles represent market size

# SOFT DRINKS BUSINESS STRATEGIC PRIORITIES



**1** Accelerate **Revenue** and **Margin Growth**



**2** Grow **Sparkling** Category and Per Caps



**3** Selectively **Expand** Profitable **Still** Portfolio



**4** Continue to Build and Enhance Our **Reputation**

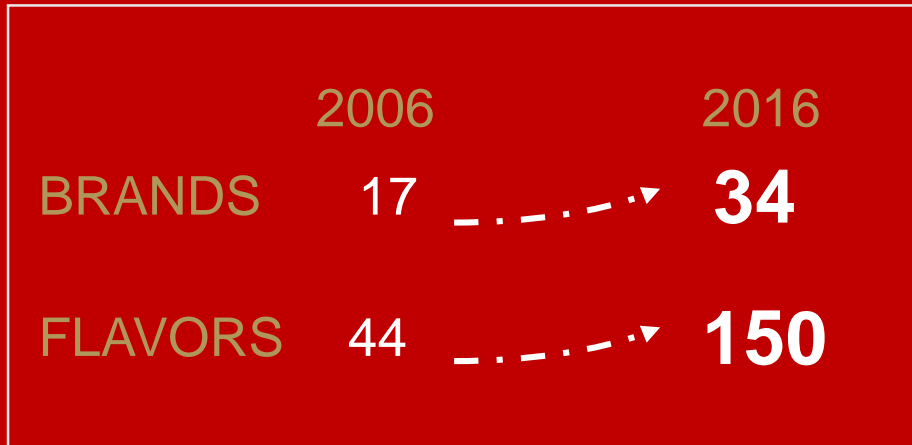


**5** Build a **World Class** Organisation

*Coca-Cola İçecek*

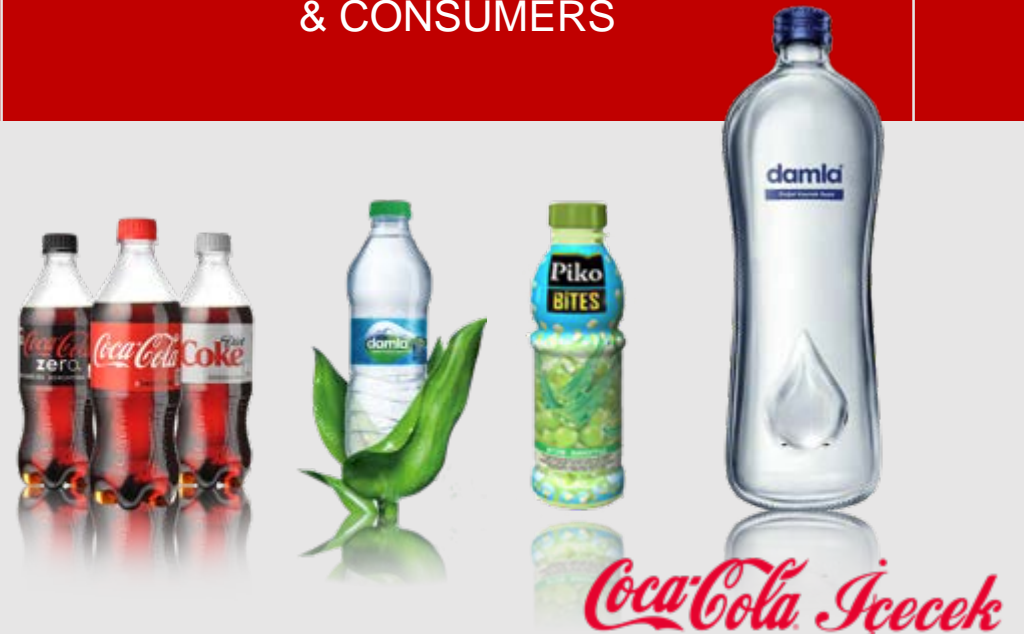
# STRONG BRAND PORTFOLIO

## BRAND & FLAVOR EXPANSION



## PACKAGE INNOVATION

DIFFERENTIATED  
PACKAGE SEGMENTATION  
ACROSS CHANNELS, CUSTOMERS  
& CONSUMERS





The background features a dark blue grid pattern. Several large, stylized arrows are scattered across the page. A large, light blue arrow points from the top-left towards the center. A large, dark blue arrow points from the top-right towards the center. A large, gold arrow points from the bottom-right towards the center. A large, light blue arrow points from the bottom-left towards the center. Smaller white arrows are also present, pointing in various directions. The text 'FINANCIALS AND OUTLOOK' is centered in the middle of the page.

**FINANCIALS  
AND OUTLOOK**

# FINANCIAL HIGHLIGHTS

	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		CCI (TL mn)	
	1Q2017	vs 1Q2016	1Q2017	vs 1Q2016	1Q2017	vs 1Q2016
Volume (mhl)	1.2	-3.6%	3.2	14.8%	233.0*	5.1%
Net Sales	294.8	4.0%	570.3	65.9%	1,555.7	19.5%
Gross Profit	160.1	1.7%	226.1	45.9%	481.4	15.3%
EBIT (BNRI)	16.1	-31.4%	-9.3	-41.7%	69.3	54.6%
EBITDA (BNRI)	58.7	-10.7%	54.3	28.6%	193.6	24.5%
Net Income**	-59.9	n.m.	33.6	55.4%	-86.0	n.m.
<b>Margins</b>		<b>Change (bps)</b>		<b>Change (bps)</b>		<b>Change (bps)</b>
Gross Profit	54.3%	-124	39.6%	-543	30.9%	-114
EBIT (BNRI)	5.5%	-282	-1.6%	28	4.5%	101
EBITDA (BNRI)	19.9%	-328	9.5%	-275	12.4%	49
Net Income**	-20.3%	-3,453	5.9%	-40	-5.5%	-779

\* mn u/c

\*\*Net income attributable to shareholders

# GROSS & NET DEBT

## Anadolu Efes Consolidated

1Q2016	1Q2017	
5,271	6,425	TOTAL FINANCIAL DEBT (m TL)
1,709	2,683	TOTAL CASH & EQUIVALENTS (m TL)
3,562	3,742	NET DEBT (m TL)
1,257	1,028	NET DEBT (m USD)

## Turkey Beer

1Q2016	1Q2017	
1,750	2,234	TOTAL FINANCIAL DEBT (m TL)
323	369	TOTAL CASH & EQUIVALENTS (m TL)
1,427	1,865	NET DEBT (m TL)
504	513	NET DEBT (m USD)

## Beer Group

1Q2016	1Q2017	
2,009	2,524	TOTAL FINANCIAL DEBT (m TL)
843	1,296	TOTAL CASH & EQUIVALENTS (m TL)
1,166	1,228	NET DEBT (m TL)
411	337	NET DEBT (m USD)

## EBI

1Q2016	1Q2017	
252	281	TOTAL FINANCIAL DEBT (m TL)
486	922	TOTAL CASH & EQUIVALENTS (m TL)
-234	-641	NET DEBT (m TL)
-83	-176	NET DEBT (m USD)

# BALANCE SHEET FLEXIBILITY

- 1Q2017 Net Leverage Ratios are within comfortable area

Net Leverage Ratio: Net Debt / EBITDA (BNRI)  
times

## Anadolu Efes Consolidated



- 74% of cash is hold as hard currency
- 99% of debt is in hard currency

## Beer Group



- 70% of cash is hold as hard currency
- 100% of debt is in hard currency

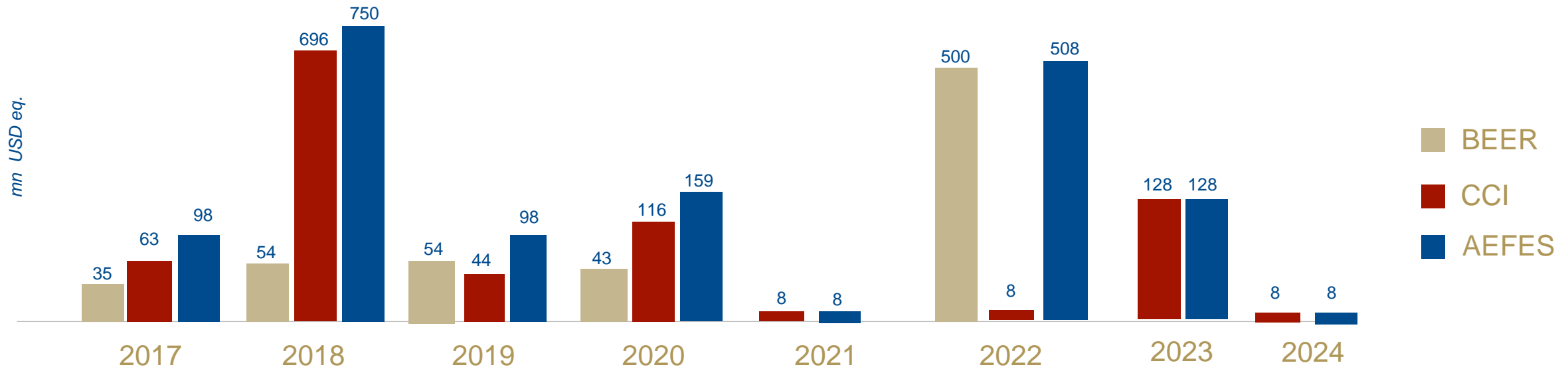
# BORROWING MIX & LIQUIDITY PROFILE

- Easily manageable debt repayment schedule\*

- Average maturity of debt for

- ✓ Beer Group is app. 4.6 years and

- ✓ Anadolu Efes is app. 3.1 years



\*Only principal amounts

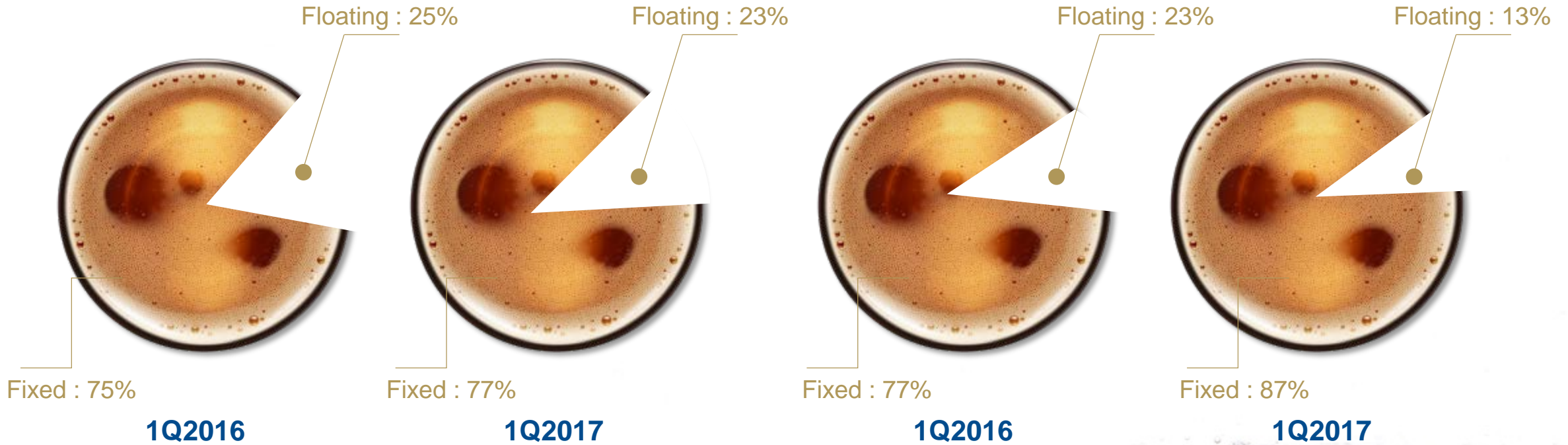


# INTEREST BREAKDOWN

- Significant portion of debt is fixed, minimized interest rate risk

## ANADOLU EFES

## BEER GROUP



# 2017 GUIDANCE

Since first quarter is relatively a small quarter, we cautiously reiterate our guidance for Anadolu Efes.

## Sales Volume:

Low-to-mid single digit growth on a consolidated basis

- **Total Beer:** low single digit growth
- **Turkey beer:** flattish vs a flattish market
- **Russian beer:** outperformance of flattish beer market

Consolidated Soft Drinks: mid-single digit growth

- **Turkey soft drinks:** low-single digit growth
- **International soft drinks:** high-single digit growth

## Revenue:

Outperform sales volume **in all business lines**

## EBITDA Margin:

Flattish **on a consolidated basis**

- Flattish EBITDA (BNRI) margin for **beer group** despite the growing share of structurally lower margin international beer business
- Flat to slight improvement in EBITDA margin **for soft drinks**

Capex: As a percentage of net sales at high single digits **on a consolidated basis**

FCF: Positive FCF in **both beer and soft drinks**

# FINANCIAL PRIORITIES

- Sustain consolidated cash flows through;
  - ✓ focus on working capital optimization
  - ✓ optimized capex policy
  - ✓ sticking to tight balance sheet management
- Deleveraging
- Efficiency improvements via savings
- Managing impact of F/X volatility on operations
- Commitment to Investment Grade Ratings





# FINANCIAL HIGHLIGHTS – FY2016

	TURKEY BEER (TL mn)		INTERNATIONAL BEER (USD mn)		CCI (TL mn)	
	FY2016	vs FY2015	FY2016	vs FY2015	FY2016	vs FY2015
Volume (mhl)	6.0	-9.9%	13.9	-0.9%	1,189.1**	3.2%
Net Sales	1,438.6	-3.1%	630.6	-13.0%	7,050.2	4.9%
Gross Profit	853.5	-6.0%	275.4	-20.3%	2,392.5	2.5%
EBIT (BNRI)	246.6	-15.4%	42.6	36.4%	640.7	0.2%
EBITDA (BNRI)	408.3	-6.8%	107.8	-9.0%	1,092.9	3.9%
Net Income*	-129.0	-162.9%	52.8	n.m.	-28.4	a.d.
<b>Margins</b>		<b>Change (bps)</b>		<b>Change (bps)</b>		<b>Change (bps)</b>
Gross Profit	59.3%	-183	43.7%	-401	33.9%	-78
EBIT (BNRI)	17.1%	-249	6.8%	245	9.1%	-42
EBITDA (BNRI)	28.4%	-111	17.1%	75	15.5%	-14
Net Income*	-9.0%	-566	8.4%	1,523	-0.4%	-215

\*Net income attributable to shareholders

\*\* mn unit case