



EFES

ANADOLU EFES

FY2020

**CONFERENCE CALL
PRESENTATION**

26.02.2021



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.

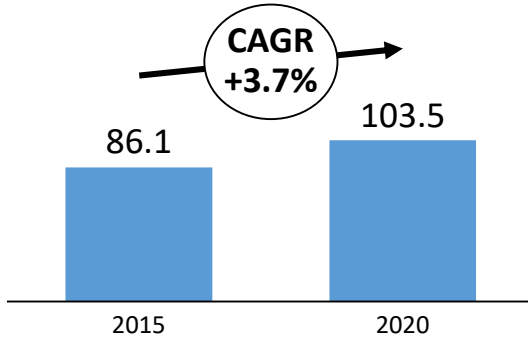


**GENERAL OVERVIEW
&
OPERATING ENVIRONMENT**
Can aka

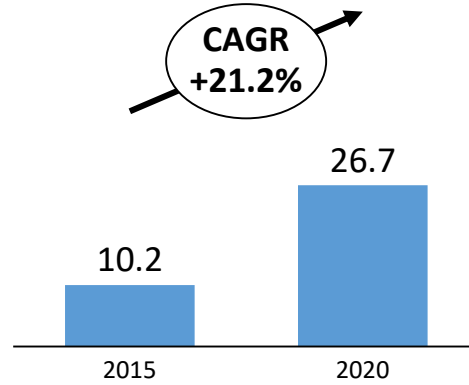


Excellent track record of profitable growth with strong cash generation...

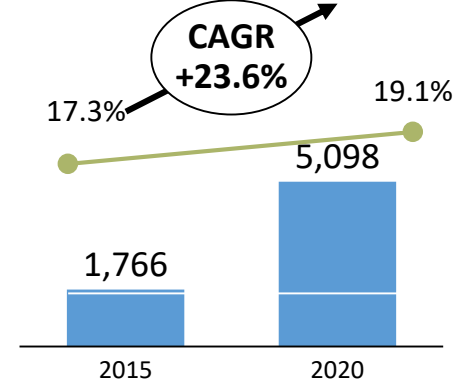
TOTAL VOLUME
mhl



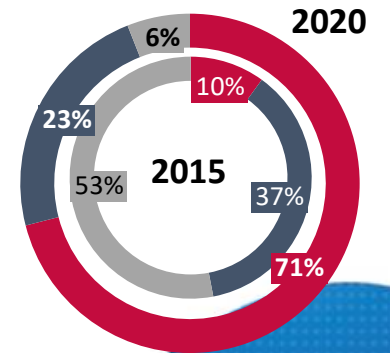
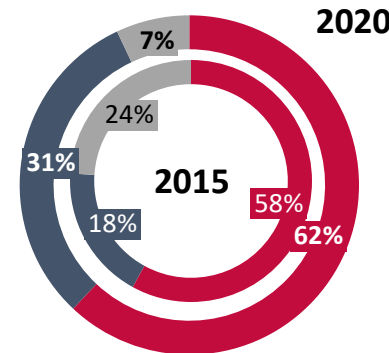
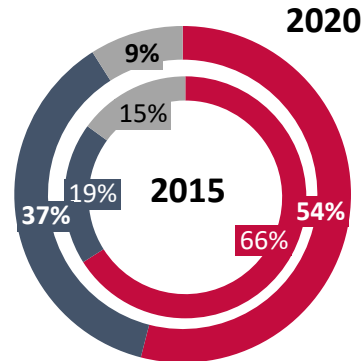
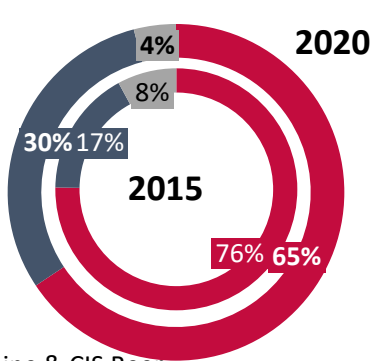
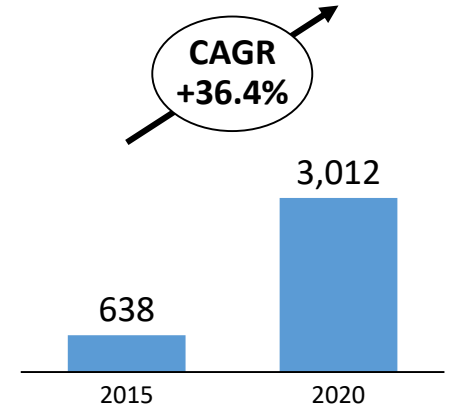
REVENUE
TL bn



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
 (4) Net income attributable to shareholders



...demonstrated by exceptional results in a challenging year...



Robust **topline growth**; with healthy rev/hl increase



Record-high **Free Cash Flow Generation**



EBITDA margin expansion - highest level in 8 years



Record-low **working capital**



Zero Based Spending & further cost cutting initiatives yielding 177 bps opex reduction vs PY



Healthy leverage ratio **below 1.0x**



Leadership in all markets of operation

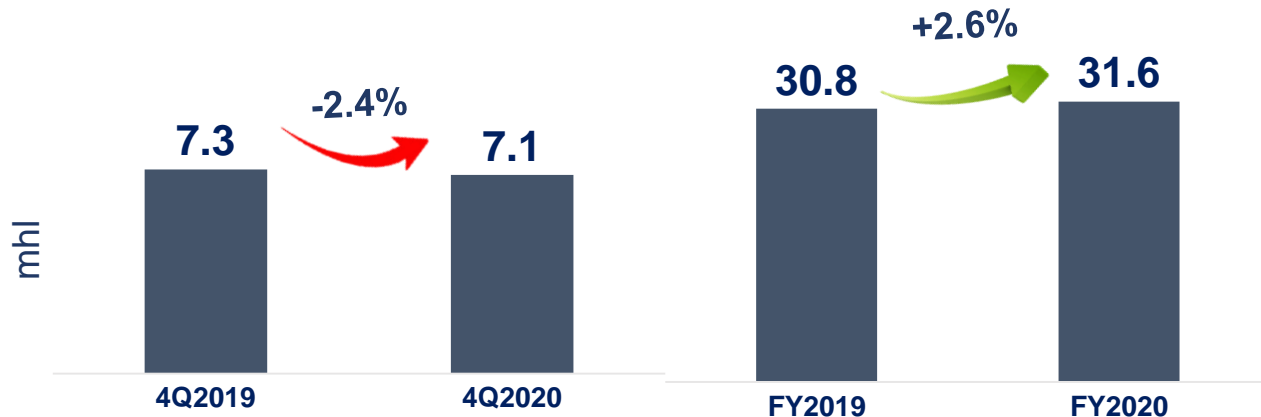


Investments on infrastructure and **digital capabilities** on track

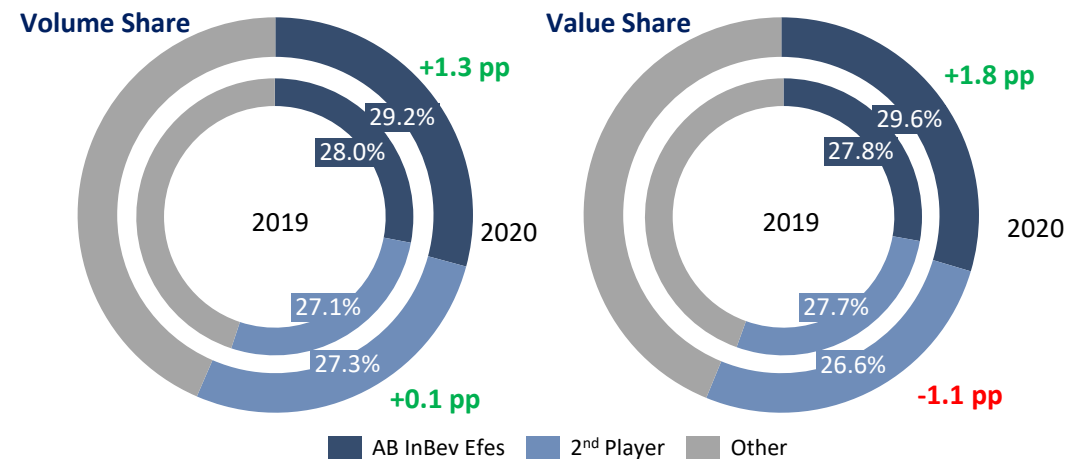


...with Russia maintaining its growth momentum in 2020...

INTERNATIONAL BEER SALES VOLUME



RUSSIA MARKET SHARE *



International Beer Operations

- ✓ **Russia** volume grew mid-single digit in FY2020, maintaining leadership
- ✓ 4Q volumes under pressure,
 - ✓ Cycling a high base of high-single growth in 4Q2019
 - ✓ Increased restrictions & intense competition
- ✓ Premium segment focus, expansion in the core segment and non-alcoholic segment
- ✓ **Ukraine** volume slightly down in FY2020
 - ✓ 4Q volumes up high-single digit, despite industry negatively impacted by increasing number of COVID cases
- ✓ **CIS** volume down low-to-mid single digit in FY2020
 - ✓ Consumer shift to economy segment

*Source: AC Nielsen YTD December 2020; Urban + Rural



...driven by our winning brand portfolio...

RUSSIA

Focus on Global Brands Growth

Super Premium & Premium Growth

Increasing share in Non-Alcohol Beer

UKRAINE

Growth in Global Brands

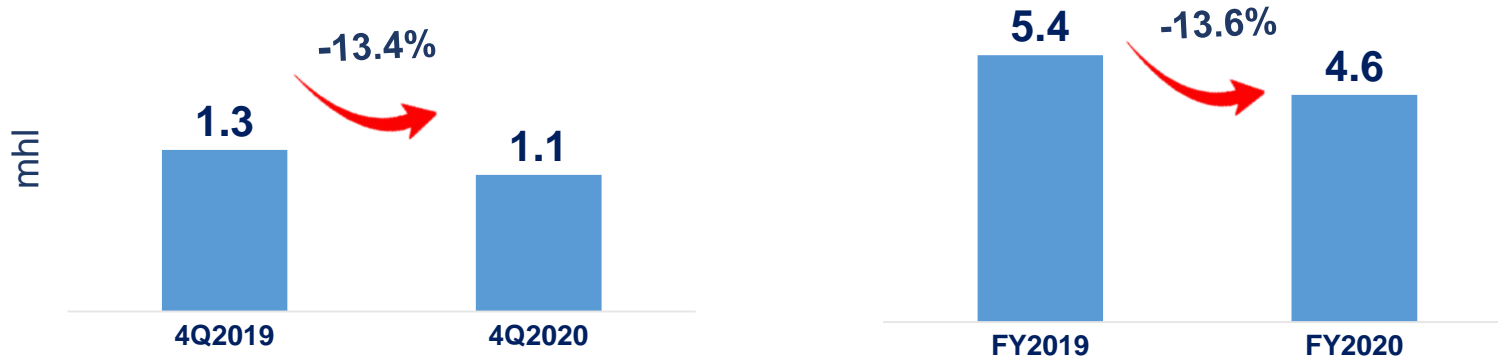
Expanding Non-Alcohol Beer Portfolio

Development of Non-Beer Segment



...despite a weak quarter in Turkey due to tighter restrictions...

TURKEY BEER SALES VOLUME



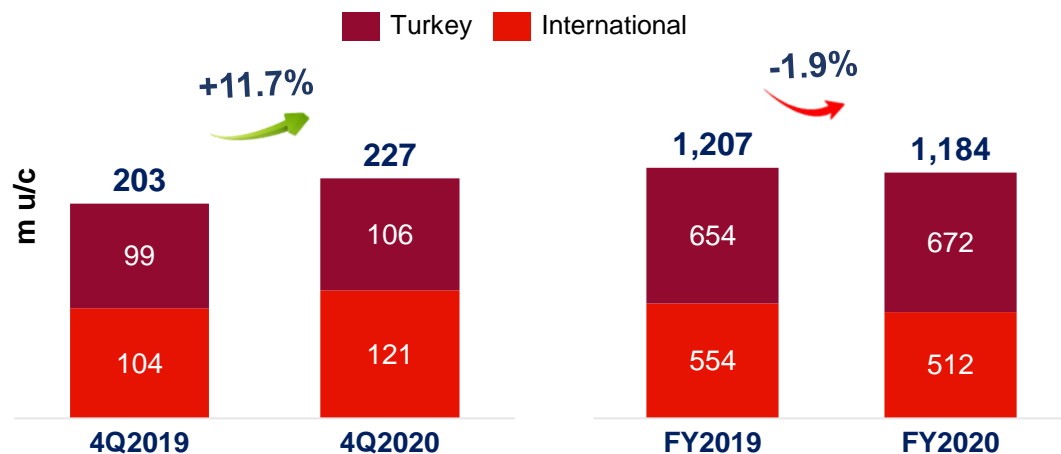
Turkey Beer Operations

- ✓ First half of 4Q more resilient volumes
- ✓ Sales limitations & weekend lockdowns put pressure on the second half of 4Q
 - ✓ Multipack offerings supported home consumption yielding a better performance than 1Q & 2Q
- ✓ Better export volumes supported performance
- ✓ Accelerated market activations & spending related to +1 relaunch

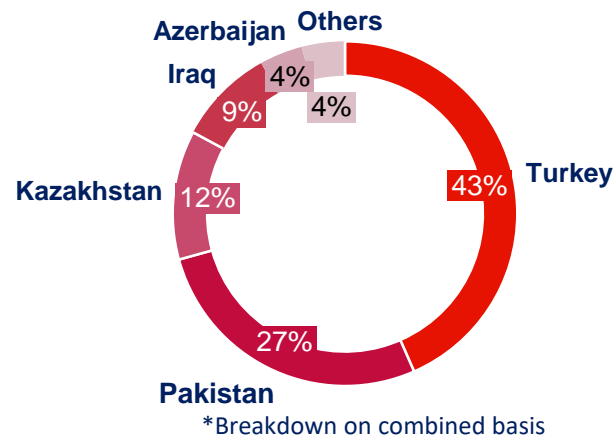


...with solid growth achieved in soft drinks in international markets...

SOFT DRINKS SALES VOLUME



Volume Breakdown By Country*



Turkey Operations

- ✓ Volume decline of 7.5% in FY2020
 - ✓ improvement in 4Q with volumes up 7.3%
- ✓ Sparkling grew 18.1%
 - ✓ Increased consumer communication, promotion, and in-store activations.
- ✓ Share of immediate consumption packages down to 25% from 33%

International Operations

- ✓ International operations volume up 2.8%
 - ✓ Up 15.8% in 4Q
- ✓ Pakistan volume up by 6.2% in FY2020
 - ✓ Focus on at-home consumption, consumer promotions and regional focus
- ✓ Middle East volumes down -1.8%, Central Asia up 1.8%

*FY2020

+1 ...resulted in strong performance with significant margin expansion...

NET REVENUE

+15.9%

EBITDA BNRI

+25.5%

EBITDA BNRI%

19.1%

(+146 bps)

NET INCOME

TL815 mn

(-21.2%)

FREE CASH FLOW

TL3,012 mn

(+TL 677 mn)

REVENUE

- Higher sales prices
- Revenue growth management initiatives
- Positive currency translation

EBITDA MARGIN

- EBITDA margin up by 146 bps year-over-year to 19.1%, highest level since 2012
 - Prudent cost and expense management

NET INCOME

- Significant expansion in operational profitability however, bottomline declined;
 - y-o-y lower contribution from idle asset sales
 - non-cash spare parts amortization adjustment and Iraq put option revaluation expense recorded by CCI

FREE CASH FLOW

- Record-high Free Cash Flow of TL 3.0 billion in FY2020
- Capex savings and sale of idle assets helped cash generation
- Consolidated Net Debt to EBITDA (BNRI) → 0.7x

FINANCIAL OVERVIEW

Orhun Köstem

Chief Financial Officer



Prudent OPEX and working capital management driving strong performance...

	VOLUME	NET REVENUE	EBITDA BNRI	EBITDA BNRI%	FREE CASH FLOW																																						
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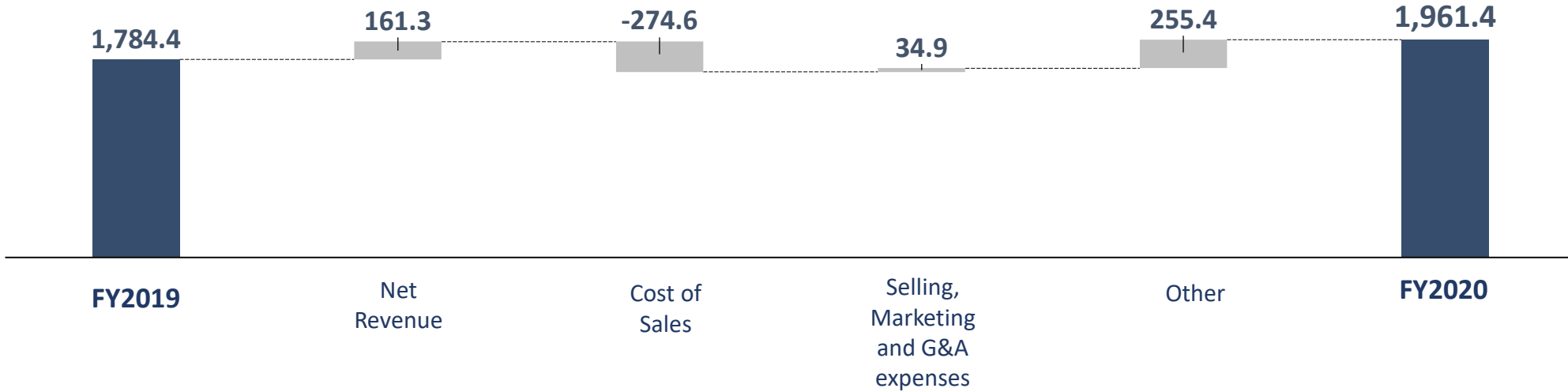
*2019 financials are restated to exclude Doğadan as per the announcement made by Coca Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis.



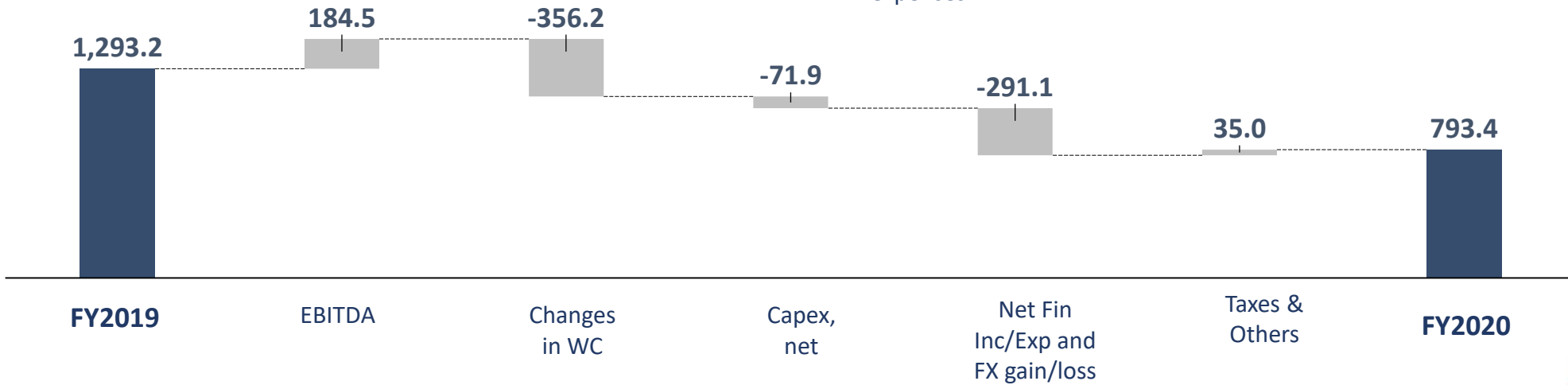
...in both operational profitability and cash generation...

Beer Group

EBITDA
Bridge
mTL



Free Cash Flow
Bridge
mTL





... with commitment to financial discipline...

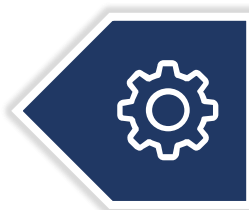


Healthy leverage ratio

Beer Group: **1.1x** (2019: 1.0x)
Anadolu Efes: **0.7x** (2019: 1.1x)

Idle asset sales program supporting cash generation

Moscow land sale
Lüleburgaz land sale

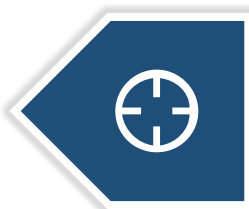


Record low working capital

Lowest ever working capital in Turkey Beer

Effective use of Zero Based Spending Program

Expanded categories and footprint

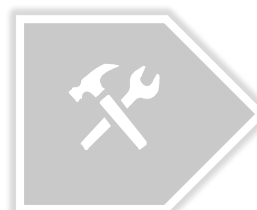


Effective risk management

Reduced FX-debt exposure
Net Investment Hedge
Commodity and currency hedges in P&L

Average debt maturity below 2 years

Eurobond maturing in 2022





**2021
PRIORITIES & OUTLOOK**

Can aka

CEO & Beer Group President



Right balance to sustain profitable leadership



Market Investments

- Cooler investments
- Distribution effectiveness
- Digitalization

Brand Investments

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



Revenue / hl Drivers

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

Cost and Expense Management

- Zero Based Spending
 - New categories
 - New geographies





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



CLOSING REMARKS

Can aka

CEO & Beer Group President



**Q&A
SESSION**

Can aka

CEO & Beer Group President

Orhun Kstem

Chief Financial Officer

FX Rates

		FY2019	FY2020	Δ%
USD/TL	AVG	5.67	7.00	23.5%
	PE	5.94	7.34	23.6%
EUR/TL	AVG	6.35	8.01	26.2%
	PE	6.65	9.01	35.4%
TL/RUB	AVG	11.41	10.30	-9.7%
	PE	10.42	10.06	-3.4%
TL/KZT	AVG	67.51	59.02	-12.6%
	PE	64.17	57.31	-10.7%
TL/UAH	AVG	4.56	3.85	-15.5%
	PE	3.99	3.85	-3.4%
TL/MDL	AVG	3.10	2.47	-20.2%
	PE	2.90	2.35	-19.1%
TL/GEL	AVG	0.50	0.44	-10.7%
	PE	0.48	0.45	-7.5%