

ANADOLU EFES

FY2021

**CONFERENCE CALL
PRESENTATION**

24.02.2022

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
CEO & Beer Group President

Consistent Solid Growth with Growing Share in International



6%

Volume Growth*

30%

Revenue Growth*

32%

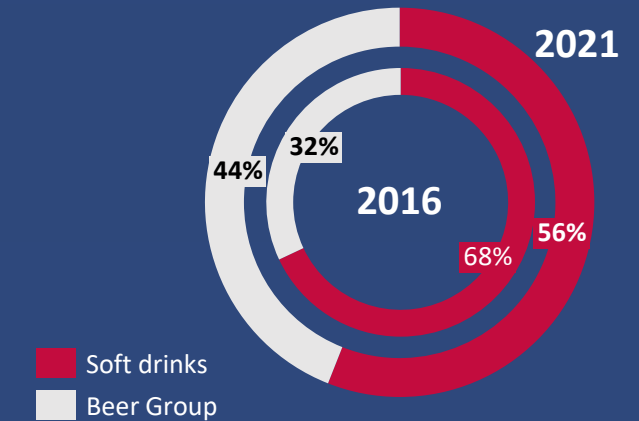
EBITDA Growth*

33%

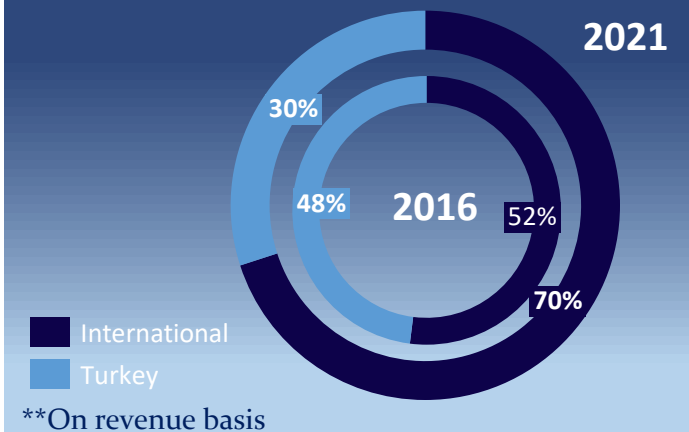
FCF Growth*

* 2016-2021 CAGR Growth on AEFES Consolidated basis

More Balanced Business Mix**



Growing International Business**



Resilient Performance in FY2021 Despite Headwinds



Revenue Growth*

Reported:

47%

Constant Currency:

28%



Robust volume performance supported by both business lines

Higher pricing, favorable mix and premiumization

Tight expense management to mitigate input cost pressure

Sustained Working Capital Management by better payables

All-time high Free Cash Flow generation

Dividend proposal of TL 1.85/share

FCF Growth*

42%
y-o-y



*Year-on-year

**ANADOLU
EFES**

Significantly Outperforming pre-Covid period...



Consolidated Volume

4Q

+13% reported
+7% organic

FY

+12% reported
+11% organic

Beer Operations

4Q

+6%

FY

+5%

International

4Q

+5%

FY

+5%

Turkey

4Q

+10%

FY

+5%

Soft Drink Operations

4Q

+18%
+7% organic

FY

+16%
+14% organic

International

4Q

+26%
+6% organic

FY

+18%
+15% organic

Turkey

4Q

+8%

FY

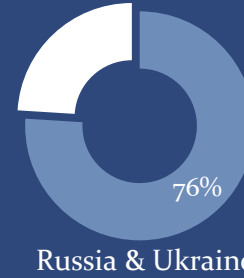
+14%

ANADOLU
EFES

Russia & Ukraine



Beer Volume Breakdown



Russia

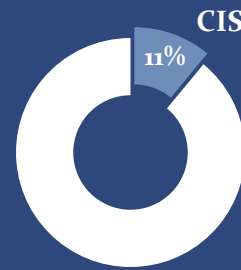
- Mid-to-high single growth in FY
- Value and volume leadership maintained; 30.3% value share in FY
- Significant increase in rev/hl; price increases & premiumization
- Strong growth by global brands; led by Bud; contributing to topline
- Expanding portfolio: especially NA, #2 Player in the segment

Ukraine

- Low-teens decline in FY due to increased competitive pressures
- Global brands' volume growth of low-teens
- Expanding portfolio: NA, Cider, #2 Player in Cider segment



Beer Volume Breakdown

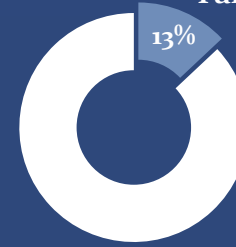


- CIS countries' volume up by mid-teens in FY
- **Kazakhstan** benefitted from eased restrictions
 - Efes Pilsener 0% was launched
 - Flavoured Beer & New Category developed
 - Miller was the leader in Super Premium category
- Strong performance in all sales channels, particularly in on-trade in **Moldova**
 - Chisinau continued to grow
 - Solid growth recorded in Super Premium and Premium segment by Corona and Efes
- Market dynamics & economic development supported volumes in **Georgia**
 - Premium Brands; i.e. Lowenbrau, Efes, Staropramen recorded double-digit growth rates

Turkey



Beer Volume Breakdown
Turkey

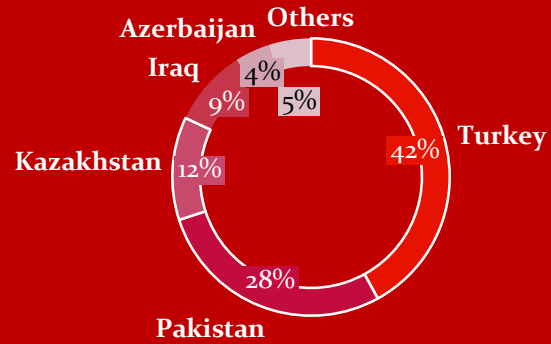


- **Turkey** total volume up by 5% in FY
 - Double-digit growth achieved in export volumes to China and MENA countries
 - Macroeconomic headwinds will be critical for 2022
- Bud has reached its highest market share
- Efes Özel Seri broke its own record in volume terms
- Innovation & Category Leadership by;
 - Efes Glutensiz
 - Efes Summer Blue
 - Efes Winter Blue

Soft Drinks



Volume Breakdown By Country*



- Volume growth of 16% in FY
 - All operations showed growth
- Turkey volume up 14%
 - Coca-Cola grew 15%
 - Sparkling category growth of 12%
 - Still category grew 22%
- International volume up 18% (15% organically**)
 - Pakistan up 17%; higher penetration, improved R-T-M and higher availability
 - Iraq up 3%, Kazakhstan up 15%



*Breakdown on combined basis

**Organic refers to sales volume excluding the impact of Uzbekistan in 4Q2021

Solid Results from Top to Bottom



Anadolu Efes

NET REVENUE*		EBITDA BNRI %		NET INCOME		FREE CASH FLOW	
4Q	FY	4Q	FY	4Q	FY	4Q	FY
+70.8%	+46.9%	17.2% (-173 bps)	17.9% (-119 bps)	-TL198 mn	TL1,068 mn	TL15 mn (-TL 102 mn)	TL4,263 mn (+TL 1,251 mn)

- Solid volume performance
- Price increases
- Premiumization
- RGM actions
- Discount management

- Gross margin pressure due to increase in raw material and commodity prices
- Increase in OpEx in 4Q relatively limited with savings in marketing expenses in Beer Group
- Accounting changes in OPEX in soft drinks

- Higher financial income
- supported by the net FX gain in soft drinks
- Losses from Anadolu Etap due to FX devaluation
- Increased tax expenses

- Strong cash generation;
 - Higher operational profitability
 - Tight WC management
 - Limited increase in capex/sales
- Net Debt to EBITDA (BNRI) → 1.5x
- Net Debt (USD) / EBITDA (BNRI) (USD) → 1.0x



FINANCIAL OVERVIEW

Gökçe Yanaşmayan
Chief Financial Officer

Financials



Anadolu Efes

mTL	4Q2021	Change	FY2021	Change
Sales Revenue	10,962	+70.8%	39,296	+46.9%
Gross Profit	3,915	+61.9%	14,154	+42.3%
EBITDA (BNRI)	1,883	+55.1%	7,024	+37.8%
Free Cash Flow	15	-102m	4,263	+1,251m
Gross Profit Margin %	35.7%	-196 bps	36.0%	-116 bps
EBITDA Margin %	17.2%	-173 bps	17.9%	-119 bps

Beer Group

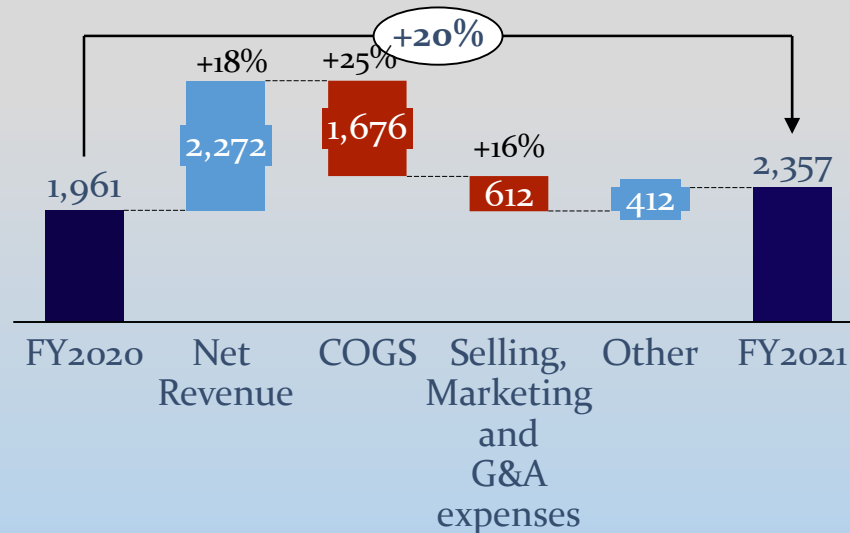
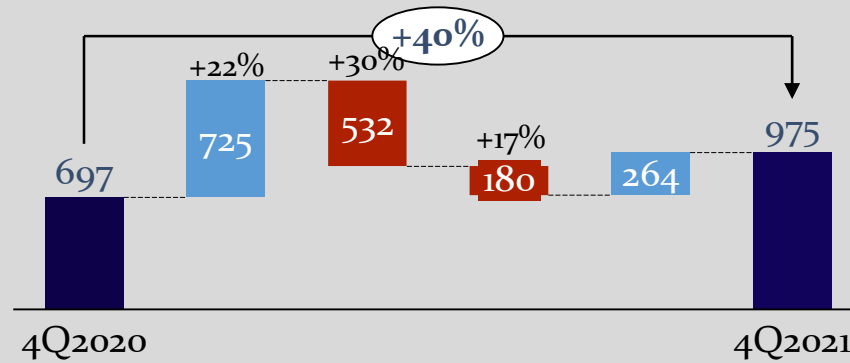
mTL	4Q2021	Change	FY2021	Change
Sales Revenue	5,398	+66.9%	17,368	+40.6%
Gross Profit	1,980	+53.2%	6,435	+31.9%
EBITDA (BNRI)	975	+39.8%	2,357	+20.2%
Free Cash Flow	240	+133m	1,759	+965m
Gross Profit Margin %	36.7%	-326 bps	37.1%	-244 bps
EBITDA Margin %	18.1%	-349 bps	13.6%	-231 bps



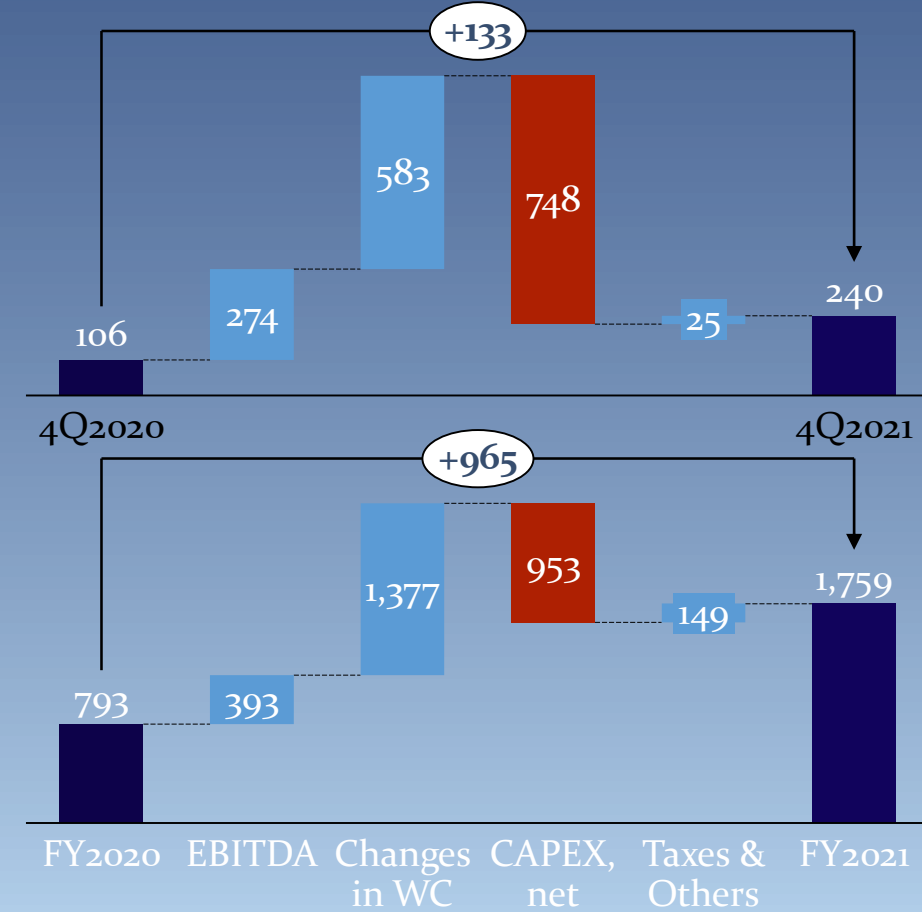
Profitability & Free Cash Flow Development

Beer Group

EBITDA (BNRI) Bridge mTL



Free Cash Flow Bridge mTL



Strong cash generation fueled by higher operating profit & superior working capital management...

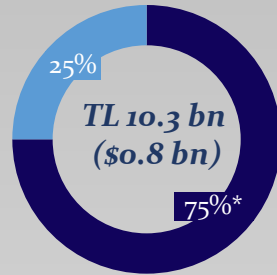
Balance Sheet & Risk Management



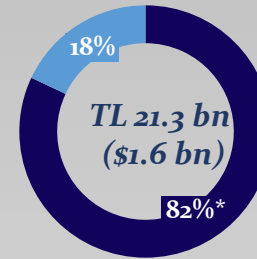
Healthy
Leverage Ratios
with extended
maturities...

Anadolu Efes

Cash Profile



Debt Profile



*hard currency

Average maturity: 3.1 years

Net Debt/EBITDA: 1.5x

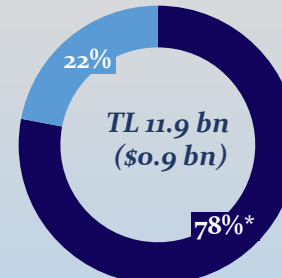
Net Debt (USD) / EBITDA (BNRI) (USD): 1.0x

Beer Group

Cash Profile



Debt Profile



*hard currency

Average maturity: 4 years

Net Debt/EBITDA: 2.5x

Net Debt (USD) / EBITDA (BNRI) (USD): 1.6x

Beer Group Hedges:

Commodity:

Aluminum: 64%

PET/Resin: 95%

Barley: 82%

FX Exposure :

	FX Share in Beer Group COGS + OPEX	Hedged
RU + UKR	29%	91%
TUR	6%	98%
CIS	3%	24%
Total	38%	87%

Financial Priorities for 2022



Profitability

Ensure necessary pricing to mitigate cost pressures

Ensure controlled OPEX increases through Zero-Based Budgeting

Balance Sheet Management

Maintain leverage ratios at healthy levels

Ensure dividend flow from operations

Risk Management

Manage FX and commodity price volatilities through hedges

Supplier base expansion and diversification to address supply chain bottlenecks

Free Cash Flow

Ensure strong Free Cash Flow generation through disciplined capex spending and tight working capital management



2022 PRIORITIES & OUTLOOK

Can aka
CEO & Beer Group President

Product Portfolio Priorities



**Focus on
Premium
Portfolio
Expansion**

**Ensure
Affordability
Play**

**Strengthen
Core
Segment**

**Expand into
Adjacent
Categories /
NABLAB**

Capital Allocation Priorities



Maintaining a healthy
balance sheet by
keeping Net Debt /
EBITDA between 1.0x –
2.0x



Leverage inorganic
growth opportunities

Penetrate and expand
into new geographies
through exports

Invest in brands,
innovation, product
diversification,
market development,
digitalization and
production capacity



Maximizing
shareholder value
through dividends
with high yield



FY2022 Outlook



	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
VOLUME	Mid-single digit growth <i>(low-single digit on a proforma basis)</i>	Mid-single digit decline	High-single-digit to low-teens growth <i>(mid-single digit on a proforma basis)</i>
SALES REVENUE <i>FX-Neutral basis</i>	Low-thirties growth contributed by the price increases	Mid-teens growth	Low-to-mid forties growth
EBITDA Margin	Close to 100 bps decline	Close to 100 bps decline	Flat to 100 bps contraction

CAPEX As a percentage of sales high single digits on a consolidated basis

FREE CASH FLOW Free Cash Flow remains strong on a consolidated basis; yet will be slightly lower than its 2021 level due to higher CAPEX spending in absolute terms as a result of year-on-year higher FX rates



CLOSING REMARKS

Can aka
CEO & Beer Group President



Q&A SESSION

Can aka

CEO & Beer Group President

Göke Yanařmayan

Chief Financial Officer

FX Rates

		FY2020	FY2021	Δ%
USD/TL	AVG	7.00	8.87	26.7%
	PE	7.34	13.33	81.6%
EUR/TL	AVG	8.01	10.46	30.5%
	PE	9.01	15.09	67.5%
TL/RUB	AVG	10.30	8.30	-19.4%
	PE	10.06	5.57	-44.6%
TL/KZT	AVG	59.02	48.02	-18.6%
	PE	57.31	32.39	-43.5%
TL/UAH	AVG	3.85	3.08	-20.1%
	PE	3.85	2.05	-46.9%
TL/MDL	AVG	2.47	1.99	-19.4%
	PE	2.35	1.33	-43.2%
TL/GEL	AVG	0.44	0.36	-18.2%
	PE	0.45	0.23	-47.9%

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