

The background features a row of condensation-covered glass bottles. On the left, there are several beer bottles with white caps. On the right, there are several Coca-Cola bottles with red caps and red labels featuring the white script logo. The bottles are set against a dark, textured background.

# ANADOLU EFES

INVESTOR PRESENTATION

Post 9M2017 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

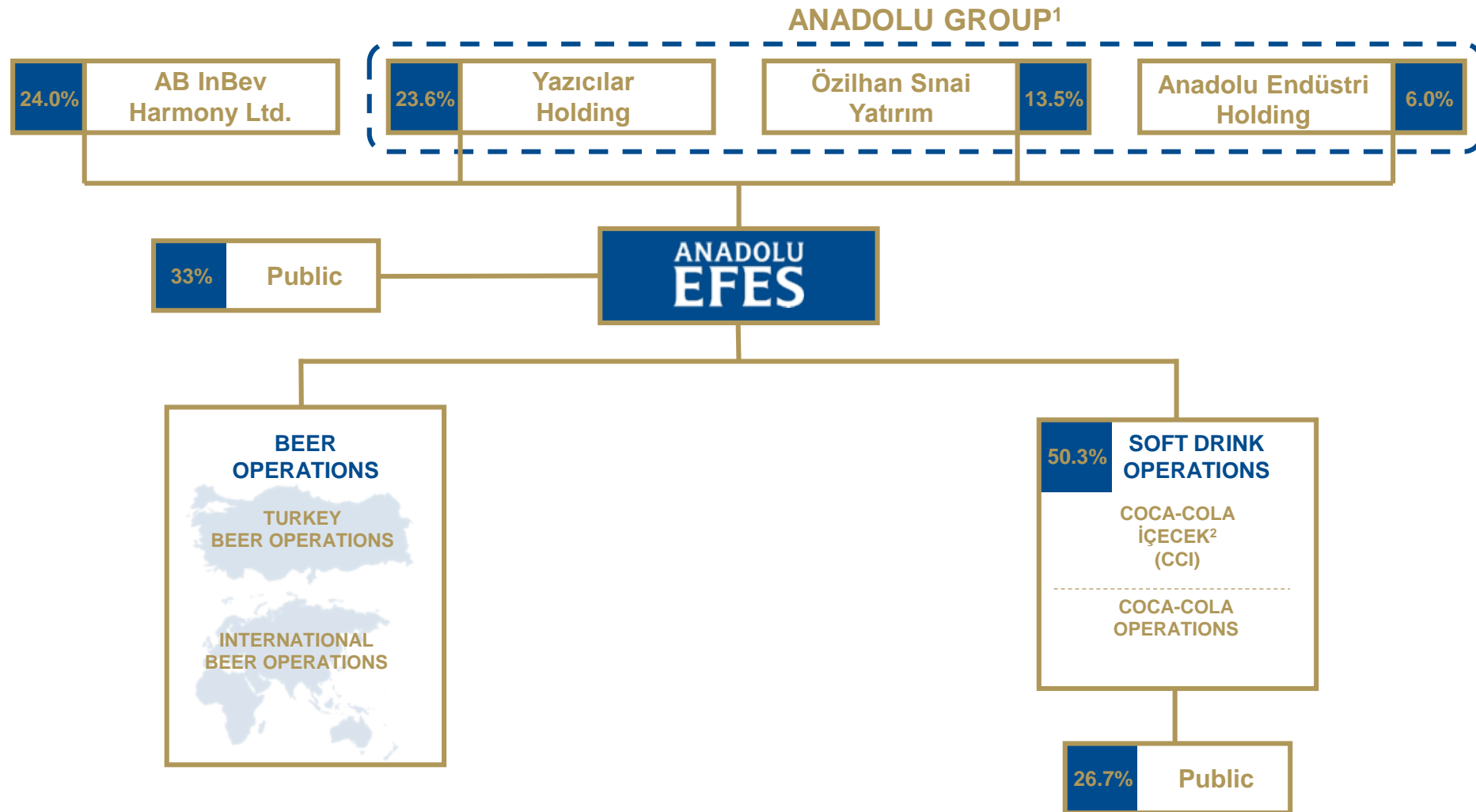


.....  
COLLABORATIVE



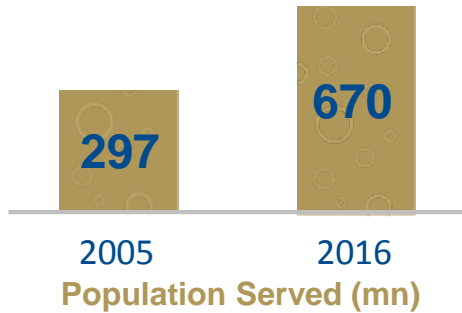
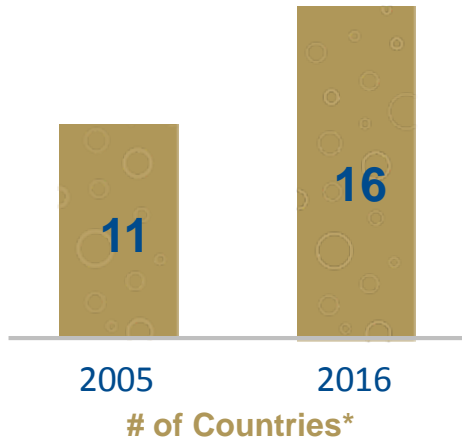
.....  
SUSTAINABLE

# ANADOLU EFES - OWNERSHIP STRUCTURE



(1) Only the major subsidiaries of the Group are presented  
 (2) 20% held by TCCC (The Coca-Cola Export Cooperation) and 3% by Özgörkey Holding

# ANADOLU EFES AT A GLANCE



Serving more than **670 mn** people



16 countries; 14 Breweries & 25 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

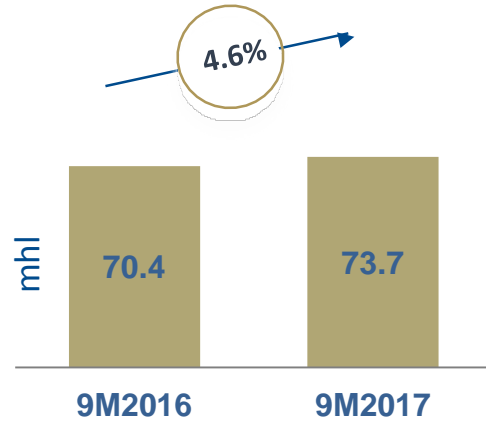


TL10.4 bn net sales revenue & TL 1.8 bn EBITDA in 2016

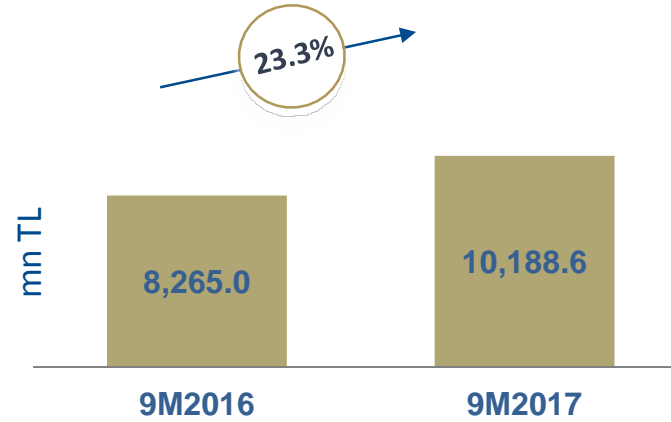


# Consolidated Performance – 9M2017

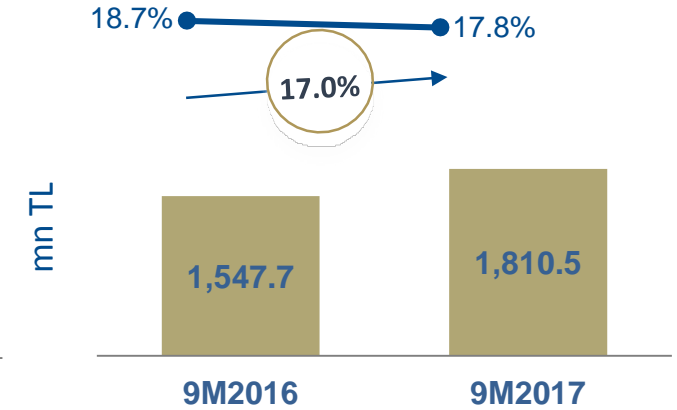
## SALES VOLUME



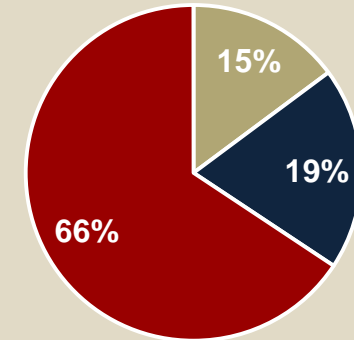
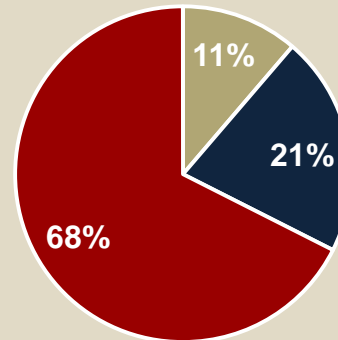
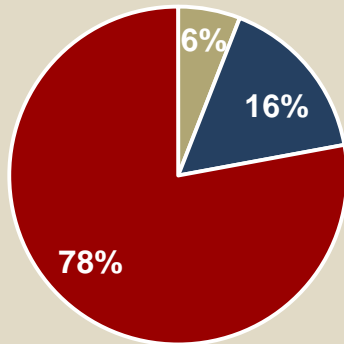
## NET SALES REVENUE



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



## BREAKDOWN\*



■ Turkey Beer   
 ■ International Beer   
 ■ Soft Drinks

\*Breakdowns are on a combined basis

# 9M2017 KEY HIGHLIGHTS

- ◉ **Volume up 4.9% in 3Q2017 and 4.6% in 9M2017 y-o-y**
  - ✓ Growth momentum continued in international beer operations and soft drinks
  - ✓ 9M2017 performance in line with our guidance of mid single digit growth
- ◉ **Revenue up 23.5% in 3Q2017 and 23.3% in 9M2017 y-o-y, outperforming volume growth**
  - ✓ Higher volumes
  - ✓ Price increases
  - ✓ Positive translation effect of local currencies of international operations into TL
- ◉ **EBITDA (BNRI) increased by 24.9% with 22 bps margin expansion in 3Q2017 and increased by 17% reaching 1,810.5 million in 9M2017**
- ◉ **Bottomline** was 343.9 million TL in 9M2017 vs 364.2 million TL in 9M2016
- ◉ **Consolidated FCF** generation strong at TL958.1 million up from TL737.3 million in 9M2016
- ◉ **Consolidated Net Debt to EBITDA (BNRI)** was 1.5x as of 9M2017

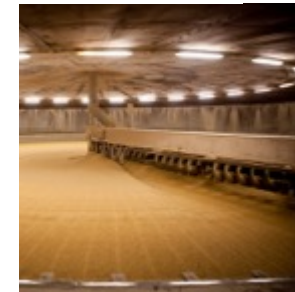
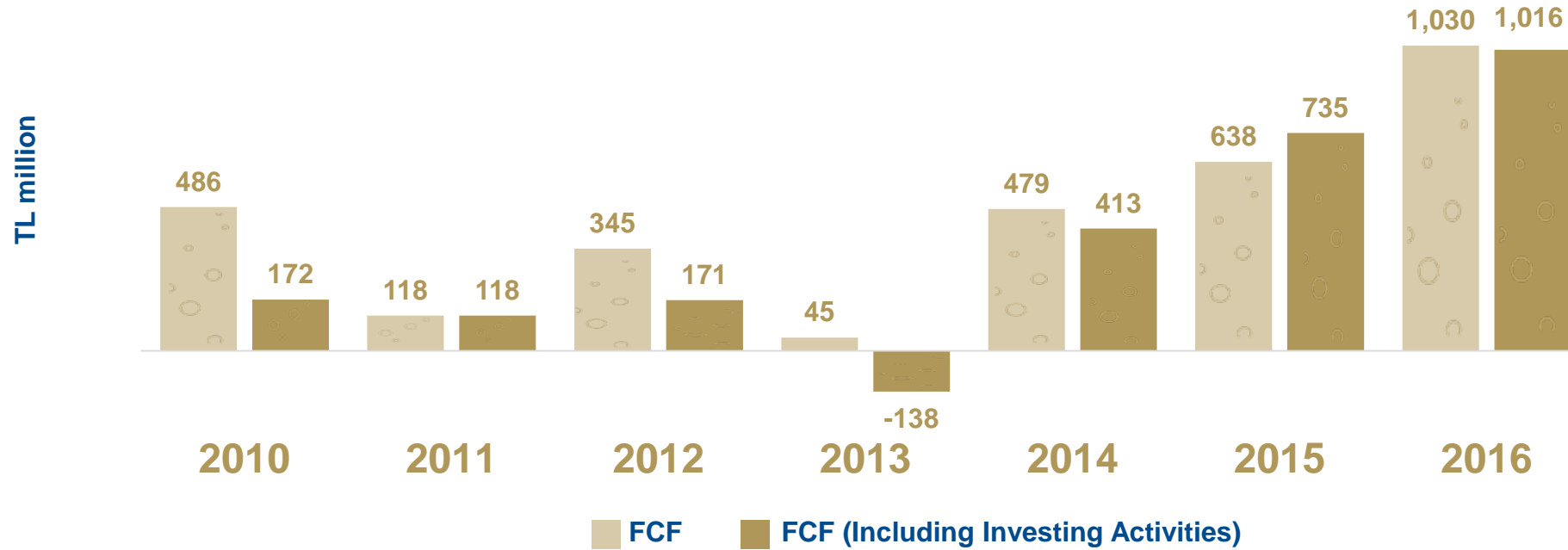


# STRONG COMPETITIVE ADVANTAGES

- **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



ANADOLU  
EFES

# BEEER OPERATIONS



# BEER OPERATIONS



#1 MOLDOVA  
#1 Brewer\*\*

#2 RUSSIA #2 Brewer\*  
%15 Market Share

#1 KAZAKHSTAN  
#1 Brewer\*

TURKEY #1 Brewer\*  
%62 Market Share #1

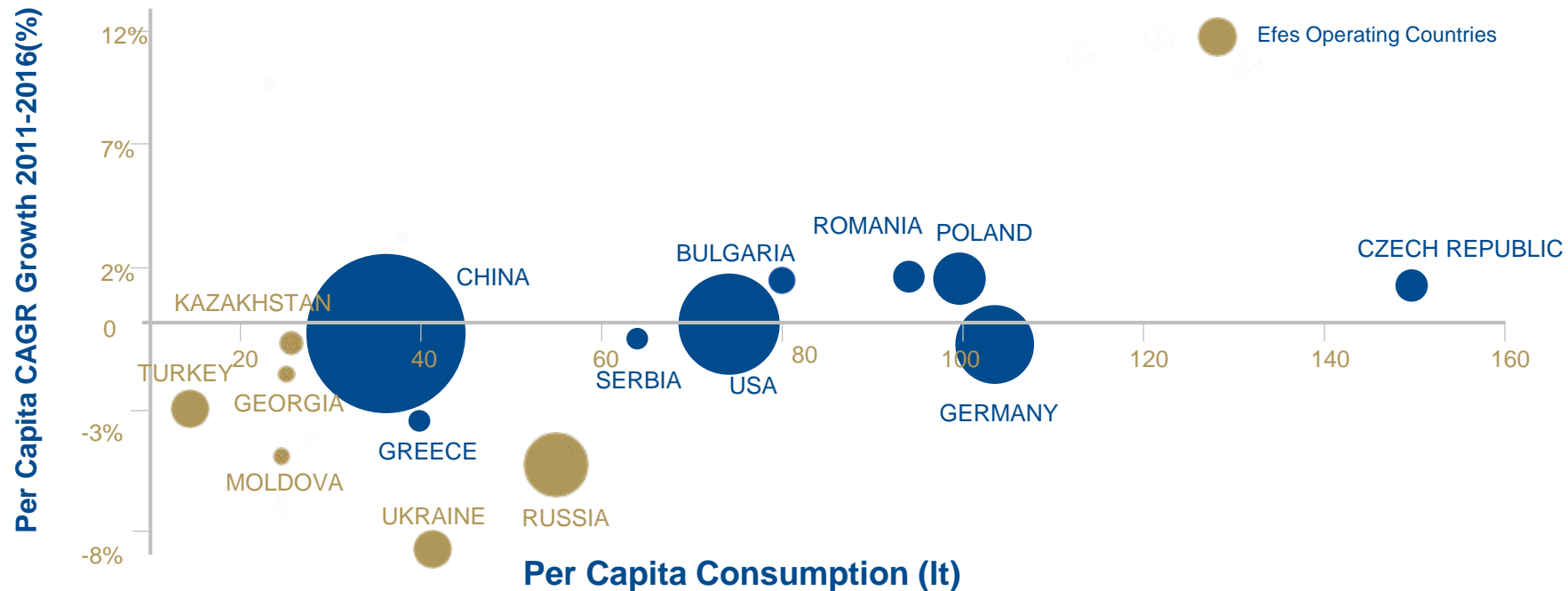
#1 GEORGIA  
#1 Brewer\*\*\*

\* Volume share, Nielsen, 9M2017  
\*\* 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 E E R

**BRANDS**  
**XECUTION**  
**FFICIENCY**  
**RELATIONS**

-  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 ~ more than **70%** 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;  
54% of total beer volumes from Russia in 9M2017
- 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**

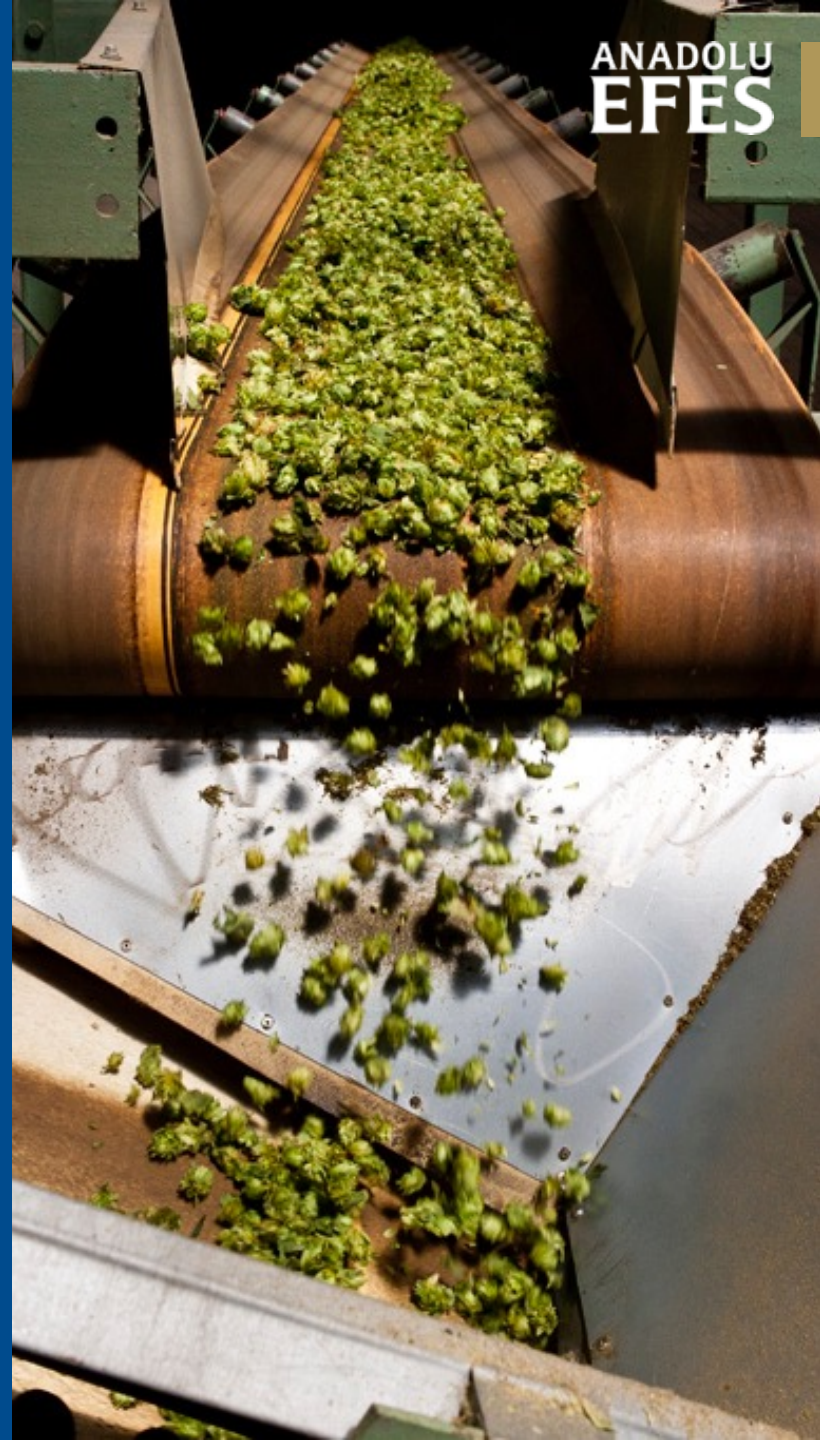
Compared to 2008, we consumed 19% less water in beer production and 24% less water in malt production. Between 2008-201, the amount of water we saved is equal to the **yearly consumption of 67.000 households**



## 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*



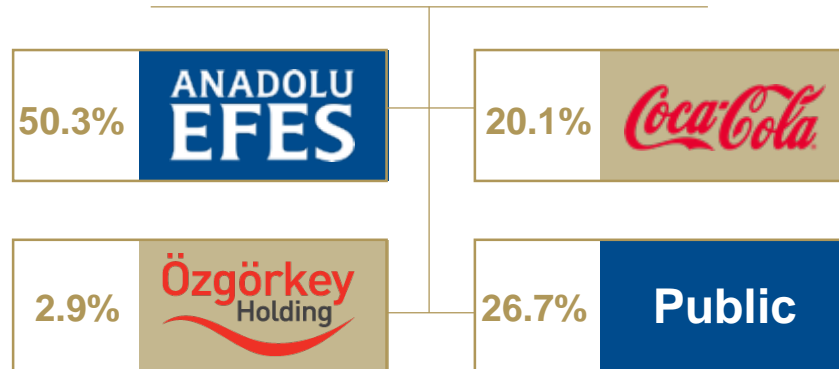
ANADOLU  
EFES

# CCI AT A GLANCE

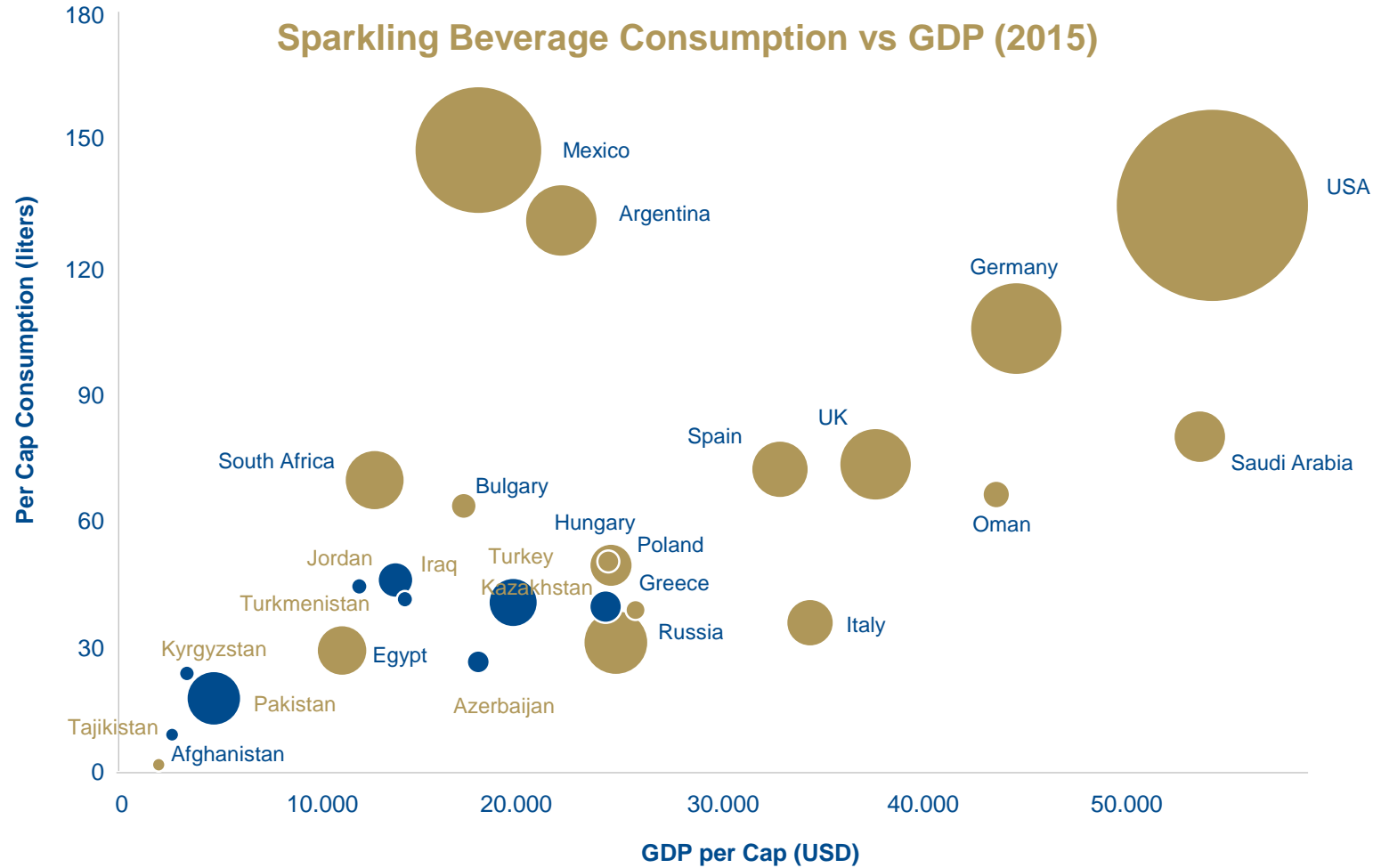
- **Market leader** in Turkey with 64% & Kazakhstan with 49% market share
- **#2 in** Pakistan with 37% market share & **#2 in** Iraq

- 25 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**

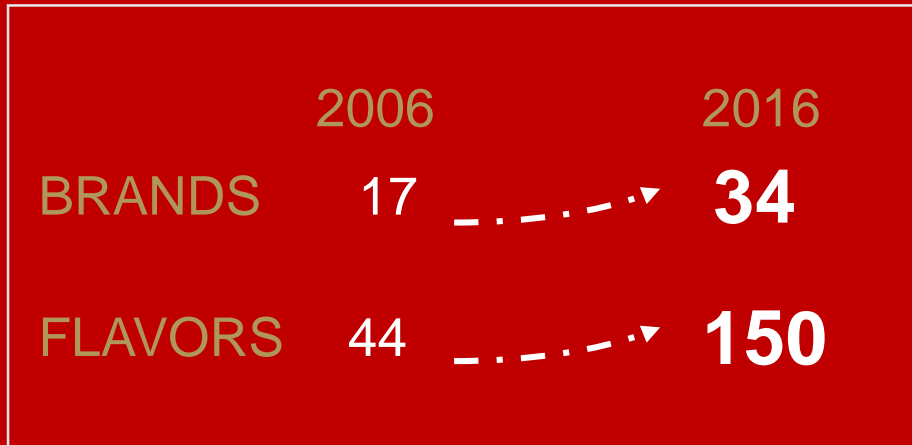


**5** Build a **World Class** Organisation

*Coca-Cola İçecek*

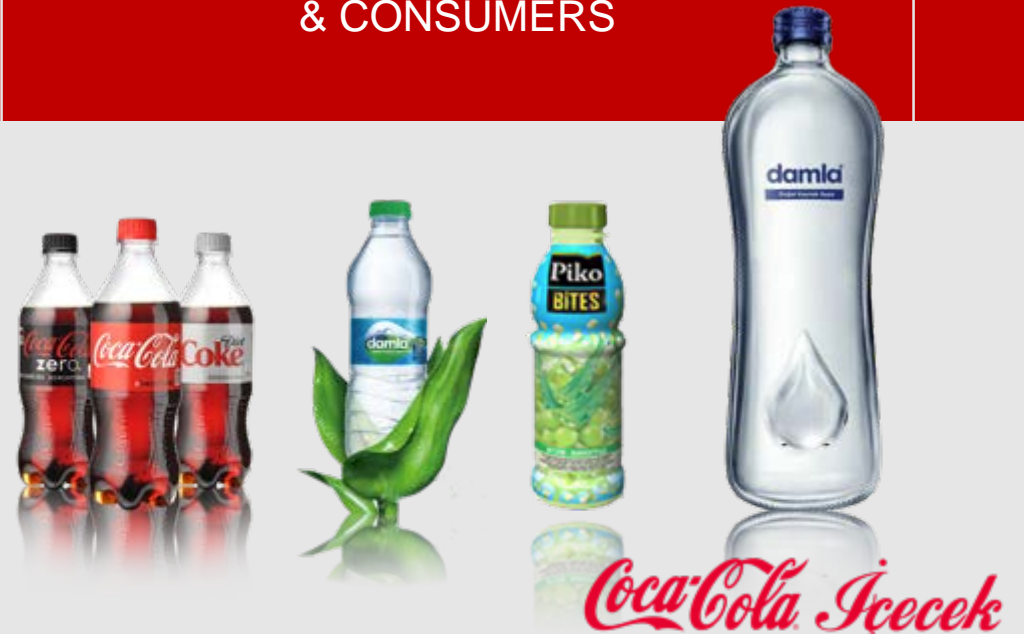
# STRONG BRAND PORTFOLIO

## BRAND & FLAVOR EXPANSION



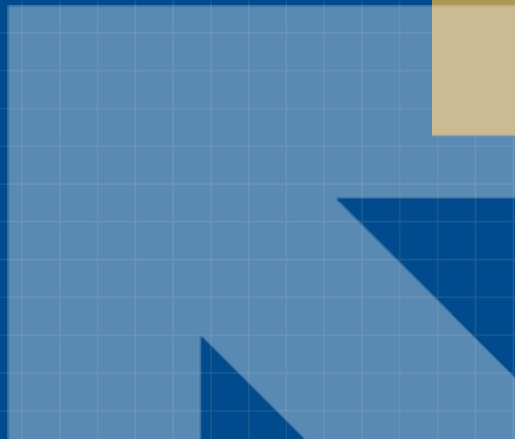
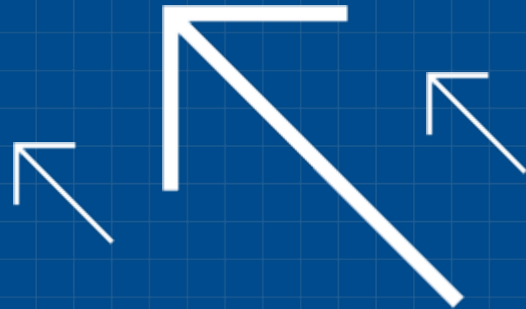
## PACKAGE INNOVATION

DIFFERENTIATED  
PACKAGE SEGMENTATION  
ACROSS CHANNELS, CUSTOMERS  
& CONSUMERS





# FINANCIALS AND OUTLOOK



# FINANCIAL HIGHLIGHTS

	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		CCI (TL mn)	
	9M2017	vs 9M2016	9M2017	vs 9M2016	9M2017	vs 9M2016
Volume (mhl)	4.4	-5.7%	11.9	8.1%	1,010.3*	4.7%
Net Sales	1,146.4	3.5%	2,153.5	47.6%	6,864.7	21.0%
Gross Profit	667.8	1.8%	911.7	36.3%	2,355.1	19.0%
EBIT (BNRI)	142.1	-27.4%	159.8	33.0%	830.9	25.2%
EBITDA (BNRI)	272.9	-14.3%	358.7	36.0%	1,208.8	21.3%
Net Income**	32.4	-62.7%	153.2	-6.7%	386.2	16.4%
<b>Margins</b>		<b>Change (bps)</b>		<b>Change (bps)</b>		<b>Change (bps)</b>
Gross Profit	58.3%	-92	42.3%	-349	34.3%	-57
EBIT (BNRI)	12.4%	-526	7.4%	-81	12.1%	41
EBITDA (BNRI)	23.8%	-494	16.7%	-142	17.6%	5
Net Income**	2.8%	-501	7.1%	-413	5.6%	-22

\* mn u/c

\*\*Net income attributable to shareholders

# GROSS & NET DEBT

## Anadolu Efes Consolidated

9M2016	9M2017	
5,418	8,147	TOTAL FINANCIAL DEBT (m TL)
2,264	5,087	TOTAL CASH & EQUIVALENTS (m TL)
3,154	3,060	NET DEBT (m TL)
1,053	861	NET DEBT (m USD)

## Turkey Beer

9M2016	9M2017	
1,936	2,289	TOTAL FINANCIAL DEBT (m TL)
214	313	TOTAL CASH & EQUIVALENTS (m TL)
1,722	1,976	NET DEBT (m TL)
575	556	NET DEBT (m USD)

## Beer Group

9M2016	9M2017	
2,179	2,541	TOTAL FINANCIAL DEBT (m TL)
1,023	1,413	TOTAL CASH & EQUIVALENTS (m TL)
1,156	1,129	NET DEBT (m TL)
386	318	NET DEBT (m USD)

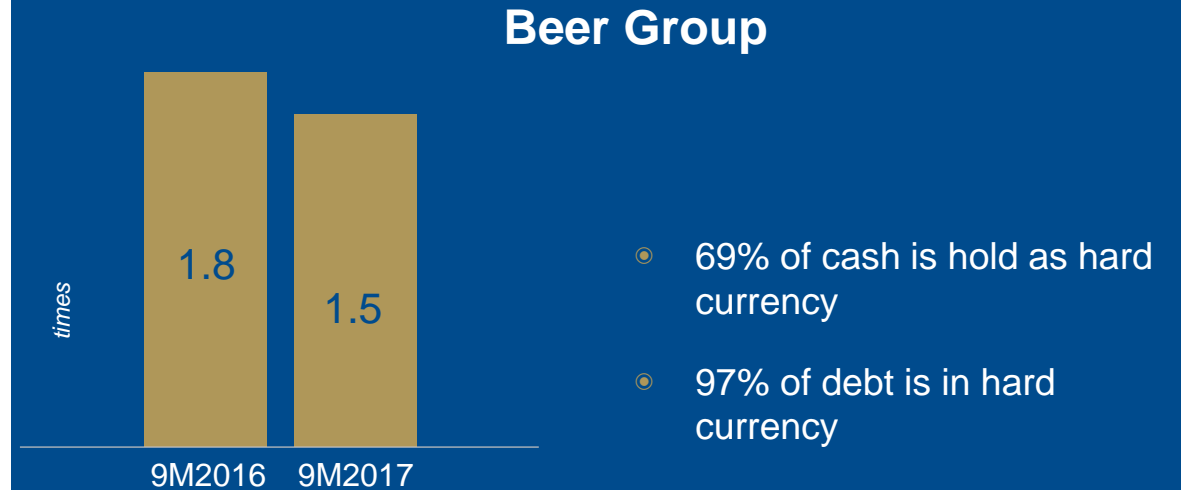
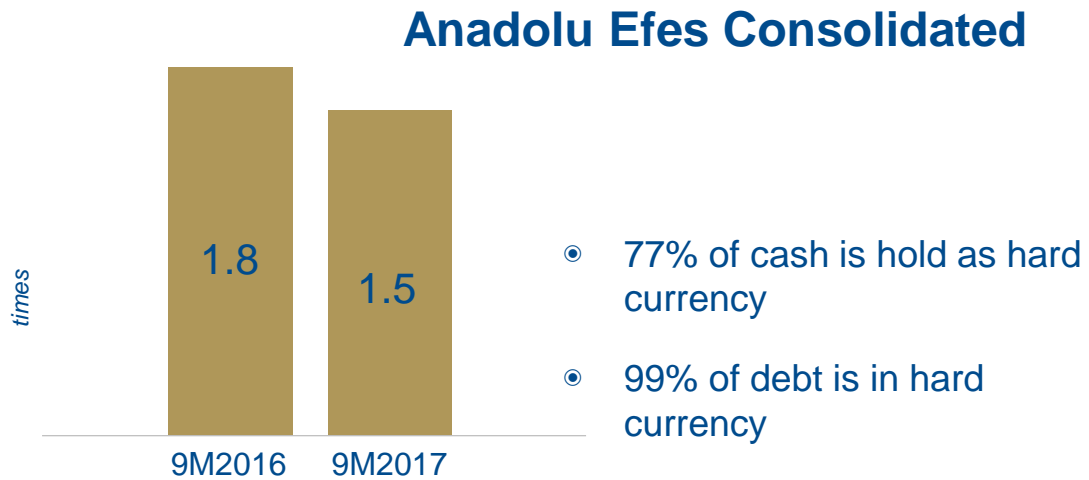
## EBI

9M2016	9M2017	
235	243	TOTAL FINANCIAL DEBT (m TL)
767	1,094	TOTAL CASH & EQUIVALENTS (m TL)
-531	-851	NET DEBT (m TL)
-177	-240	NET DEBT (m USD)

# BALANCE SHEET FLEXIBILITY

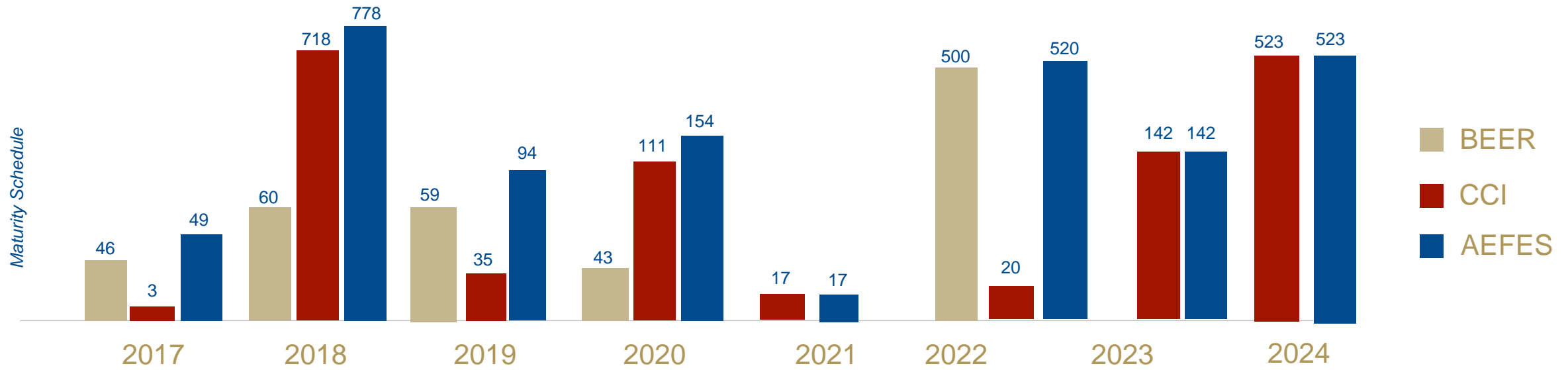
- 9M2017 Net Leverage Ratios are within comfortable area

Net Leverage Ratio: Net Debt / EBITDA (BNRI)



# BORROWING MIX & LIQUIDITY PROFILE

- Easily manageable debt repayment schedule
- Weighted average maturity of debt for
  - ✓ Beer Group is app. 4.0 years and
  - ✓ Anadolu Efes is app. 3.7 years



\*Figures represent principal amounts

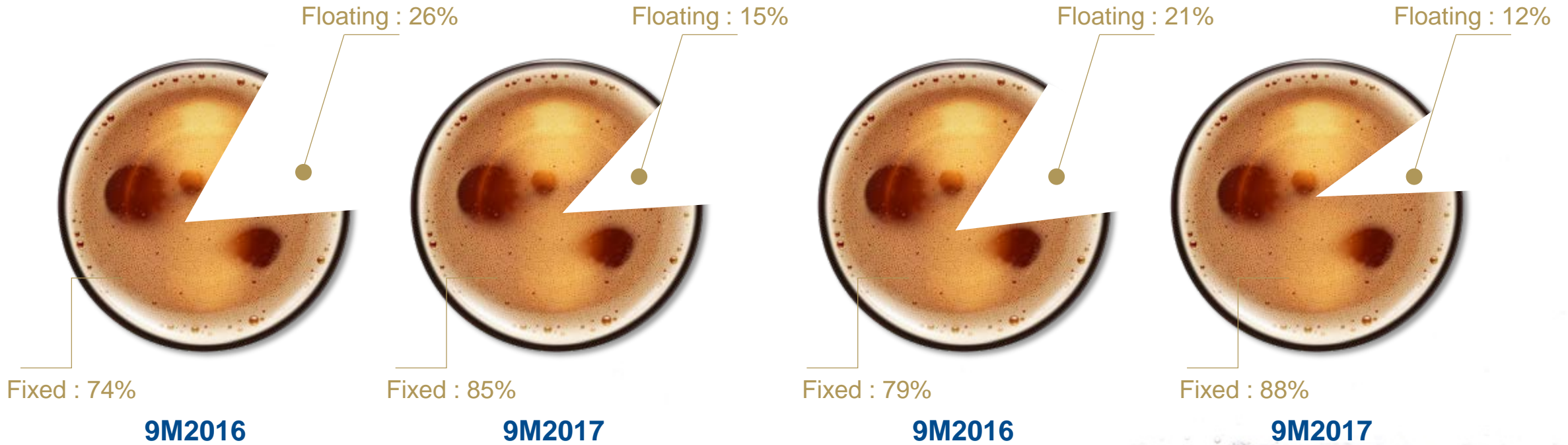


# INTEREST BREAKDOWN

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

## ANADOLU EFES

## BEER GROUP



# 2017 GUIDANCE

## Sales Volume:

Mid-single digits growth on a consolidated basis

**Total Beer:** Mid-single digit growth

**Turkish beer market:** Flattish

**Turkey own beer:** Down low-single digit

**Russian beer market:** Down low-single digit

**Russian own beer:** Outperformance of 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**

- Slightly lower margin **for beer group**
- 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	n.m.
<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

\* mn unit case

\*\* Net income attributable to shareholders