

**ANADOLU
EFES**



**1H2023
INVESTOR
PRESENTATION**

Forward-Looking Statements & Disclosure



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.

Anadolu Etap Tarım financial results started to be consolidated in Anadolu Efes' financials as of April 11, 2023. 2Q2023 and 1H2023 consolidated P&L, as well as the balance sheet as of 30.06.2023 incorporate Anadolu Etap Tarım financials. Likewise, Anadolu Etap İçecek financial results started to be consolidated in soft drink operations' as of April 19, 2023. 2Q2023 and 1H2023 consolidated P&L along with the balance sheet as of 30.06.2023 include Anadolu Etap İçecek figures. All operational performance metrics presented in this earnings release are on a reported basis (including Anadolu Etap Tarım and Anadolu Etap İçecek), except indicated otherwise.



ANADOLU EFES OVERVIEW

Anadolu Efes At A Glance

TOTAL VOLUMES

123.5 mhl

REVENUE

TL 90.5 bn

EBITDA (BNRI)

TL 17.4 bn

FREE CASH FLOW

TL 6.1 bn



Serving

750 mn

Population

70+

Export Countries

Europe's **5th**

World's **9th**

Largest Brewer

ANADOLU
EFES

Among

Top 10

Largest Coca-Cola Bottlers



BEER OPERATIONS

6 countries

21 Breweries,

100+ brands

52.2 mhl brewing capacity

34.0 mhl beer volume

Strong **LEADER** positions



SOFT DRINK OPERATIONS

11 countries

30 Bottling plants

1.9 bn UC production capacity

~900 thousand sales points

1.6 bn UC sales volume

Strong **#1** or **#2** positions



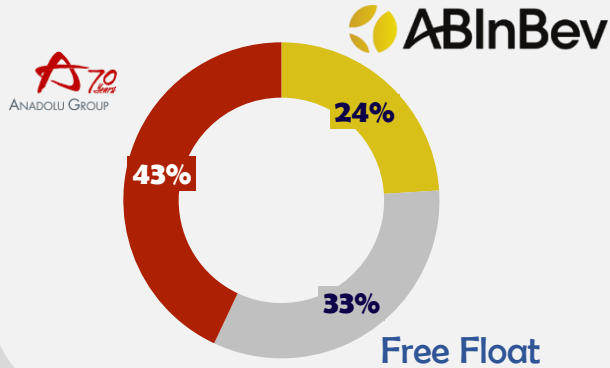
ANADOLU
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* The Barth Report 2021/2022 **Numbers are as of FY2022

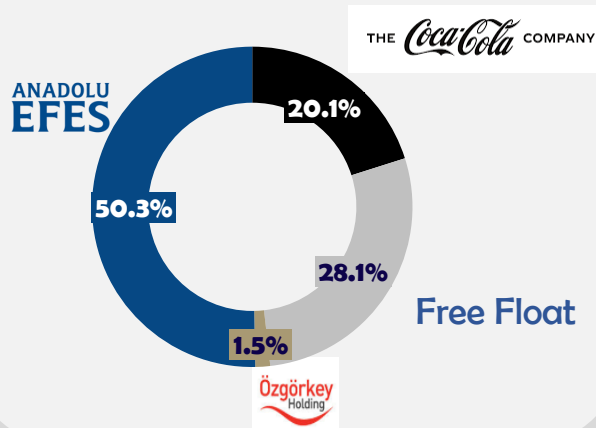
Ownership Structure & Subsidiaries



**ANADOLU
EFES**



CCI



BEER OPERATIONS



50.3%

SOFT DRINK OPERATIONS

- Türkiye
- Azerbaijan
- Kazakhstan
- Kyrgyzstan
- Jordan
- Pakistan
- Iraq
- Uzbekistan
- Syria
- Turkmenistan
- Tajikistan





OUR STRATEGY



Strategic Core Priorities

WINNING PORTFOLIO

- **Consumer First**
- Resilient mainstream **core brands**
- Smart **innovation** and NPDs to accelerate growth in **premium, non-alcohol & beyond beer**
- **Spirits alliances** (e.g. distribution)

PEOPLE

- Be the **employer of choice** inside & outside of the Company
- Unleash the potential of our **talents**
- Build the best **working culture** and environment for a **winning organization**

OPERATIONAL EXCELLENCE

- **Quality** mindset
- Focus on smart procurement plans to secure **supply continuity**
- Secure the **cost base**
- Continue to improve **E2E Planning Processes**

GEOGRAPHIC EXPANSION & GROWTH

- **Expand geographically** into potential adjacent markets through **M&A**



ACCELERATORS:

FINANCIAL DISCIPLINE

- **Profitable** revenue growth
- Drive **value** out of effectively managing working capital and CAPEX
- Be prudent in **expense management** leading to sustainable profitability margins

DIGITALISATION

- Seamless **Omni-channel** Experience
- **Data Driven** Business Analytics
- Empowered **Omnidirectional Mobility**

SUSTAINABILITY

- **Target zero** for the environment
- Increase our support for **social impact**
- Get stronger through **diversity & inclusion**

Vision, Mission & Values



OUR VALUES:



PASSIONATE



AGILE



COLLABORATIVE



ACCOUNTABLE



FAIR

OUR VISION:

Be the largest brewer from Adriatic to China by developing and owning social life and beer culture.

OUR MISSION:

We brew joy passionately and responsibly.



Investment Theme

- 1** **Diversified** business model including beer and soft drinks
- 2** **Strong market positions** across all operations
- 3** Significant potential in **demographics**
- 4** Prudent opex & capex management by internalizing **Zero-Based Spending** culture
- 5** **Strategic Partnerships** with World's leading FMCG companies; **AB InBev & TCCC**
- 6** **Excellent brand portfolio** with some of the world's best known brands and strong regional brands
- 7** **Disciplined financial management**
- 8** **Proven track record** of expansion & growth in emerging markets

**GENERAL
OVERVIEW
&
OPERATING
ENVIRONMENT**



Strong Positions Across the Board



RUSSIA

11 Breweries

World's **6th** largest beer market

56 liters per capita

#1 Position

29% Market share

68% of Beer Volumes



TURKEY

3 Breweries

12 liters per capita

#1 Position

52% Market share

17% of Beer Volumes



KAZAKHSTAN

2 Breweries

Beer market size of **6.7** mhl

35 liters per capita

#1 Position

46% Market share

7% of Beer Volumes



GEORGIA

1 Brewery

Beer market size of **1.3** mhl

35 liters per capita

#1 Position

44% Market share

3% of Beer Volumes



MOLDOVA

1 Brewery

Beer market size of **1.0** mhl

28 liters per capita

#1 Position

64% Market share

2% of Beer Volumes



UKRAINE

3 Breweries



Strong CAGR Growth Achieved in All Metrics...



**Volume
Growth**



**Revenue
Growth**



**EBITDA*
Growth**



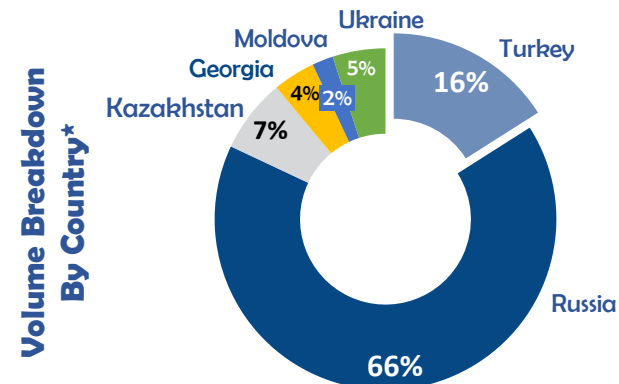
**FCF
Growth**



Beer Group 2Q Highlights:



- Beer volume up 5.3% in 2Q
 - Significantly ahead of expectations
 - Accelerated performance vs. 1Q2023
- Türkiye beer volume up by 20.6%
- International beer volume up by 2.4%
 - Russian volume down by low-single digits
 - Ukraine up; very low comparables of 2Q2022
 - CIS countries' volume up by low-single digit on total



*Breakdown on combined basis

Russia

- **Russian beer market improved* in 2Q vs last year;**
 - Low comparable of 2Q2022 due to supply chain constraints
 - Low-pricing environment; supporting growth
- **Premium & Value segment growth observed**
- **Russian operation volume down by low-single digit;**
 - Better momentum versus 1Q2023 & 4Q2022
 - Carry over impact of high pricing of last year
- Implementation of several initiatives support 2Q2023
- Non-alco growth ahead of market in 1H2023

* Based on Nielsen data

CIS



- CIS volume up low-single digit in total;
 - Kazakhstan volume up low-to-mid single digit
 - Above 10% volume growth in Georgia
 - Moldova volume down; high inflation affecting affordability

Türkiye

- Turkish beer market was strong in 2Q
 - Favorable pricing
 - Higher tourism activity
- Türkiye beer volume up by 20.6%
 - Continued strong demand in off-trade
 - Effective pricing
 - Diverse & affordable offerings

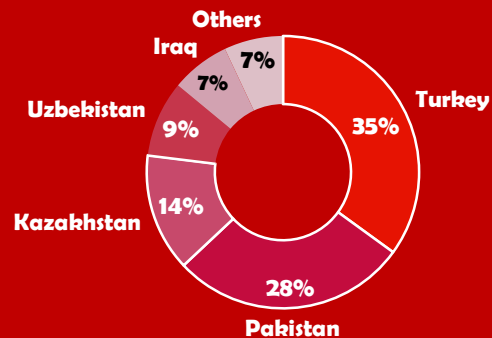
Soft Drinks 2Q Highlights:



- Consolidated volume down 8.9% in 2Q;
- Türkiye volume down 9.4%;
 - High base of last year
 - High inflationary environment
 - Lowest temperatures in last 5 years
- International volume down 8.6%;
 - Pakistan down 27.5%; macro headwinds & excise tax increase
 - Double-digit growth in Central Asia
 - Mid-single digit growth in Middle East



Volume Breakdown
By Country*



*Breakdown on combined basis

**1H2023
CONSOLIDATED
FINANCIAL
OVERVIEW**



Strong bottomline performance with robust cash generation...



Anadolu Efes

Beer Group

NET REVENUE

2Q

+54.9%

CCR*:+37.9%

1H

+63.4%

CCR*:+41.7%

2Q

+48.7%

CCR*:+29.5%

1H

+58.2%

CCR*:+29.0%

- Effective pricing
- Carry over pricing impact from last year
- Channel & product mix
- Higher FX translation impact

EBITDA BNRI %

22.2%

(+202 bps)

20.2%

(+141 bps)

23.4%

(317 bps)

20.0%

(364 bps)

- Increased OPEX offset by higher gross profit in beer
- Lower gross profit mitigated by prudent OPEX management in soft drinks

NET INCOME

TL2,872 mn

(+1,446 mn)

TL3,281 mn

(+1,987 mn)

TL1,715 mn

(+599 mn)

TL1,606 mn

(+938 mn)

- Strong operational profitability
- Non-cash revaluation gain of TL 680 million regarding Anadolu Etap

FREE CASH FLOW

TL6,332 mn

(+911 mn)

TL4,027 mn

(-691 mn)

TL5,083 mn

(-31 mn)

TL4,830 mn

(-188 mn)

- Exceptional FCF generation with higher operational profitability and cautious capex spending
- Consolidated Net Debt to EBITDA (BNRI) → 0.8x

* Constant currency rate

Financials



Anadolu Efes

mTL	2Q2023	Change	1H2023	Change
Sales Revenue	38,002	54.9%	62,568	63.4%
Gross Profit	15,131	71.6%	24,209	77.9%
EBITDA (BNRI)	8,449	70.4%	12,659	75.6%
Free Cash Flow	6,332	911	4,027	-691
Gross Profit Margin %	39.8%	+386 bps	38.7%	+317 bps
EBITDA BNRI Margin %	22.2%	+202 bps	20.2%	+141 bps

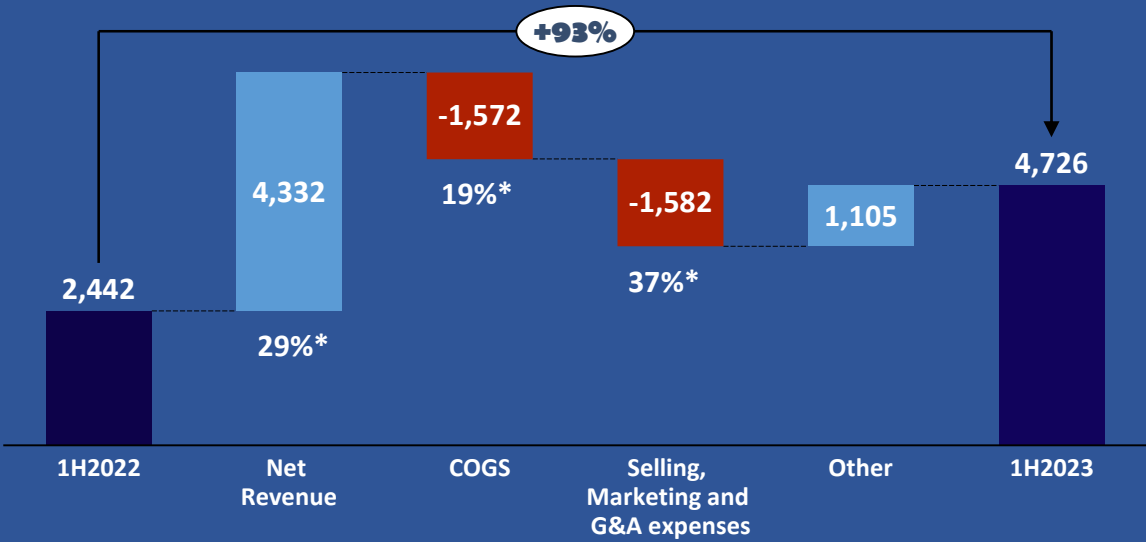
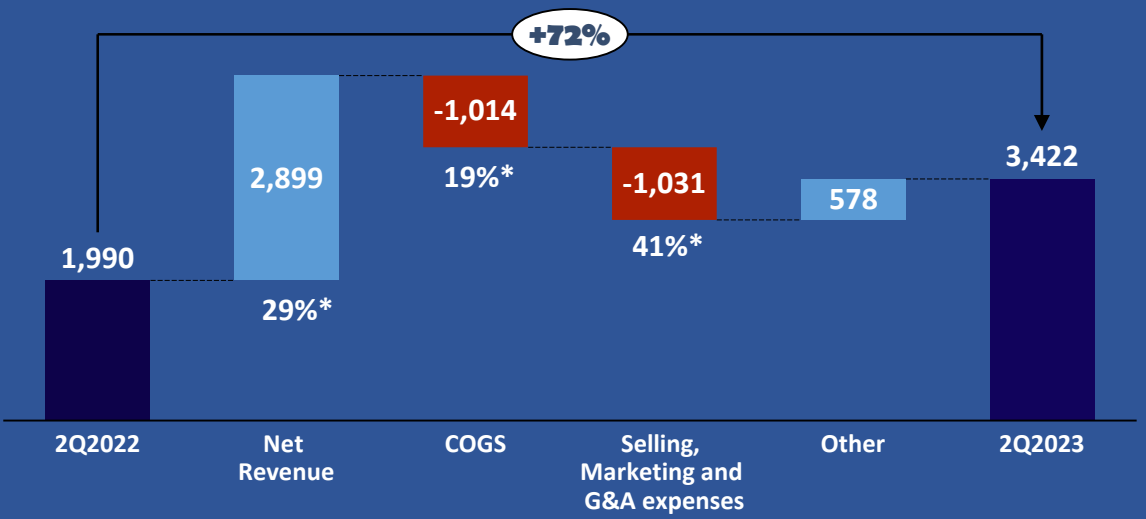
Beer Group

mTL	2Q2023	Change	1H2023	Change
Sales Revenue	14,626	48.7%	23,637	58.2%
Gross Profit	6,981	68.2%	10,900	78.9%
EBITDA (BNRI)	3,422	72.0%	4,726	93.5%
Free Cash Flow	5,083	-31	4,830	-188
Gross Profit Margin %	47.7%	+555 bps	46.1%	+533 bps
EBITDA BNRI Margin %	23.4%	+317bps	20.0%	+364 bps

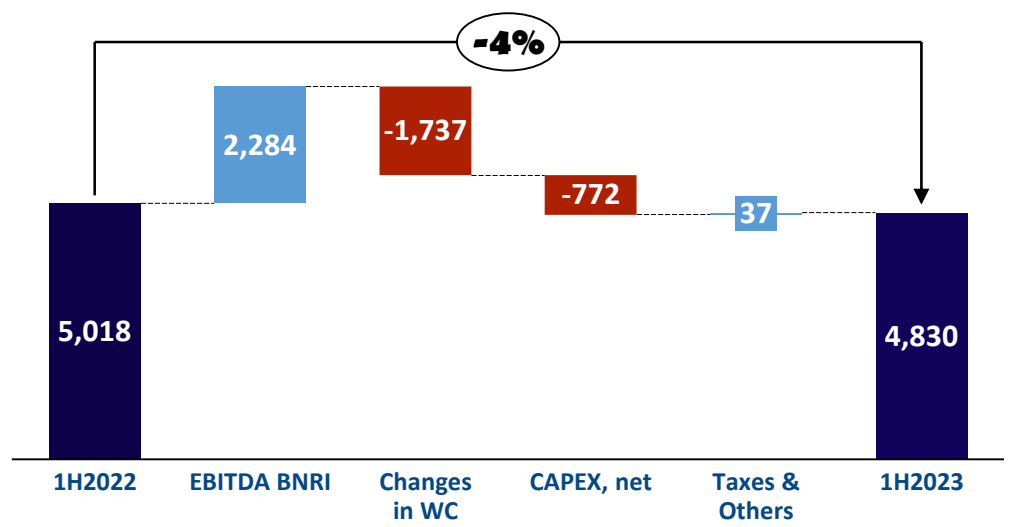
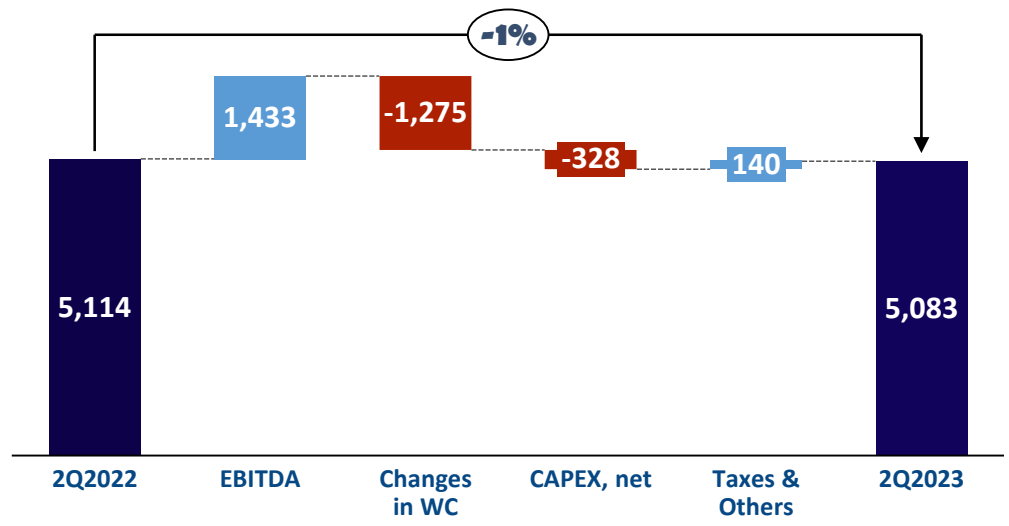


Beer Group EBITDA (BNRI) & FCF Generation

EBITDA (BNRI) Bridge mTL



Free Cash Flow Bridge mTL



*Constant currency (fx-neutral) growth

Cash & Debt Management



Anadolu Efes

Gross Debt

USD 2.1 bn

71%

held in Hard Currency

Cash

USD 1.4 bn

53%

held in Hard Currency

34%

held in Eurozone

Average maturity

3.4 yrs

Net Debt/EBITDA

0.8x

Beer Group

Gross Debt

USD 0.85 bn

63%

held in Hard Currency

Cash

USD 0.7 bn

46%

held in Hard Currency

23%

held in Eurozone

Average maturity

3.3 yrs

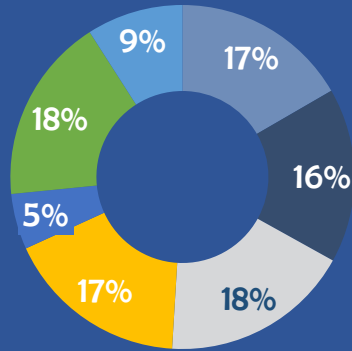
Net Debt/EBITDA

0.4 x



Risk Management

Beer Group COGS Split for 2022:



Beer Group Hedges for 2023*:

Commodity :

Aluminum: 97% for TR & CIS*



*For 2024: 10% for TR & CIS

FX Exposure :

Russia: 100% Hedged

TR: 90% Hedged



Total FX Exposure of Beer Group is 27% of COGS + OPEX.

Financial Priorities



Cash Management

Ensure liquidity for operations and accelerate dividend streams

Focus on FCF

Maintain successful Working Capital levels

Debt Management

Maintain long term sustainable leverage target of 1.0X - 2.0X

Diversify debt structure and extend liquidity

Risk Management

Manage FX and commodity exposure

Use Working Capital and receivable guarantee solutions

Supplier base expansion and diversification

Expense Management

Zero Based Budgeting

Cautious and Smart Spending Culture



**CAPITAL
ALLOCATION
PRIORITIES
&
2023
EXPECTATIONS**

Capital Allocation Priorities



Invest in

Brands, Innovation, Product Diversification, Market Development, Digitalization and Production Capacity



Maintain

Healthy balance sheet by keeping Net Debt / EBITDA between 1.0x – 2.0x



Maximize

Shareholder value through dividends with high yield



Penetrate & Expand

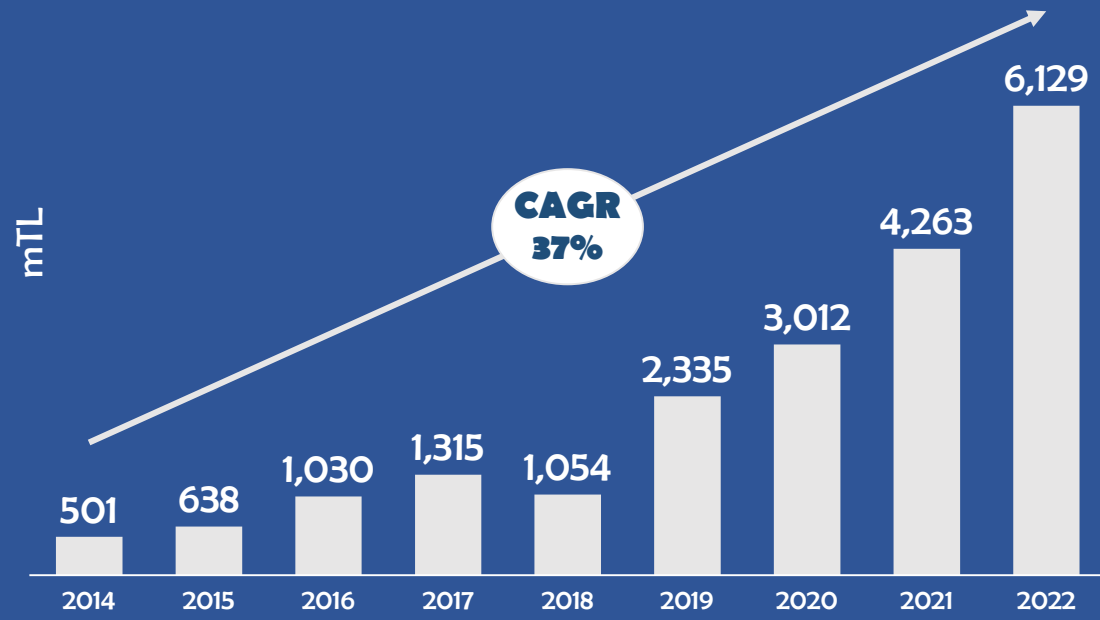
Into new geographies through inorganic expansion & exports

Sustainable Shareholder Return

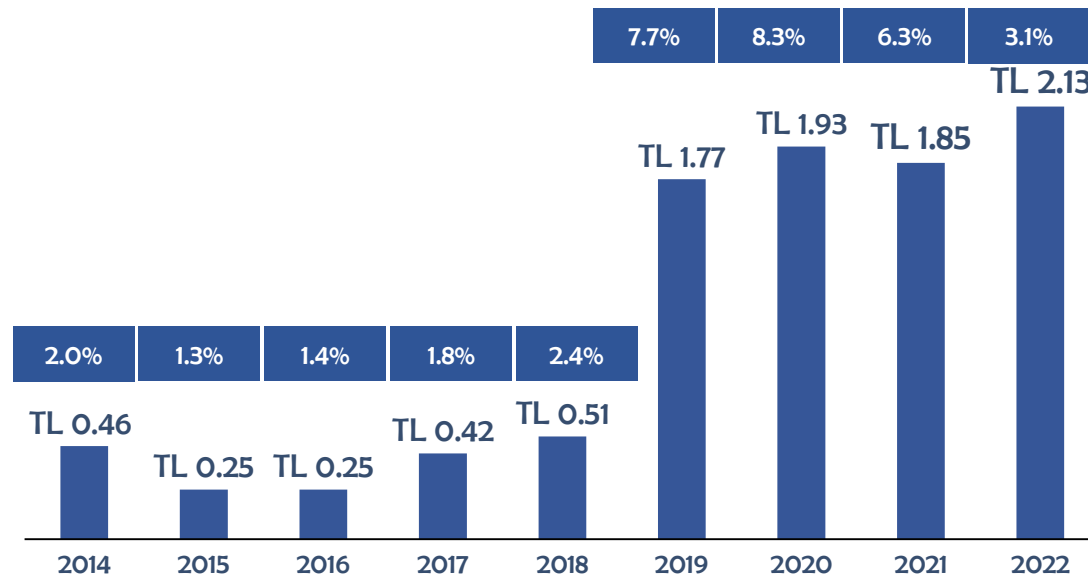


Sustainable Free Cash Flow Generation

Anadolu Efes



Leading to High Dividend Yields*



Gross Dividend per Share (TL per 100 shares)

* Anadolu Efes Dividend Yield = Gross Dividend / Anadolu Efes Year-end Market Capitalization

FY2023 Revised Expectations



Following strong first half results, we cautiously improve our beer group and Anadolu Efes guidance for FY2023

	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
VOLUME	<p>Mid-single digit growth</p> <p><i>Previously: Low-to-mid-single digit growth</i></p>	<p>Low-single digit growth</p> <p><i>Previously: Low-single digit decline</i></p>	<p>Mid to high-single digit growth</p> <p><i>No change</i></p>
SALES REVENUE <i>FX-Neutral basis</i>	<p>High-thirties growth</p> <p><i>Previously: Low-thirties growth</i></p>	<p>Low-twenties growth</p> <p><i>Previously: High-teens growth</i></p>	<p>High forties to low fifties growth</p> <p><i>No change</i></p>
EBITDA Margin	<p>Decline around 100 bps</p> <p><i>Previously: Decline around 100-200 bps</i></p>	<p>Decline around 100 bps</p> <p><i>Previously: Decline around 300 bps</i></p>	<p>Flat to a slight expansion</p> <p><i>No change</i></p>

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

FREE CASH FLOW Postponed payments continues to support FCF generation this year as well, leading to improved expectations for year-end. Yet, FY2023 cash generation will be slightly below than its historically highest level achieved in FY2022.



SUSTAINABILITY

Road to 2030



Targeting Zero for the environment



Become **carbon neutral** in all our operations by 2030

Become a certified **zero-waste** beer producer by 2030

Continue to reduce plastic usage



Increasing our support for social impact



Our Focus Areas:

Culture & art

Local development & women empowerment

Basketball

Sustainable agriculture & farmer empowerment

Start up ecosystem & young entrepreneurs



Getting Stronger through Diversity & Inclusion



Increase the representations of women in our organization **from 30% to 51%** by 2030

Become certified in **gender equality** in all operations by 2023

Implement gender equality programs to meet specific standards and ensure certification for gender equality

FX Rates

		1H2022	1H2023	Δ%
USD/TL	AVG	14.85	19.86	33.7%
	PE	16.66	25.82	55.0%
EUR/TL	AVG	16.22	21.47	32.4%
	PE	17.37	28.15	62.1%
TL/RUB	AVG	5.14	3.87	-24.6%
	PE	3.07	3.37	9.8%
TL/KZT	AVG	30.29	22,75	-24.9%
	PE	27.91	17,59	-37.0%
TL/UAH	AVG	1.95	1.84	-5.4%
	PE	1.76	1.42	-19.3%
TL/MDL	AVG	1.24	0.93	-25.5%
	PE	1.15	0.71	-38.3%
TL/GEL	AVG	0.21	0.13	-36.4%
	PE	0.18	0.10	-42.3%

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