



# ANADOLU EFES

1Q2022

## CONFERENCE CALL PRESENTATION

10.05.2022

# 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

# Solid start to the year despite headwinds...



**Strong volume growth** with on-trade recovery and pre-buying behavior

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**Robust topline growth** supported by **successful Revenue Growth Management**

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**EBITDA margin expansion** with solid topline growth leading to **better operational efficiency**

**Effective use of hedging tools**

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**Superior management of payables** together with **prudent capex spending**

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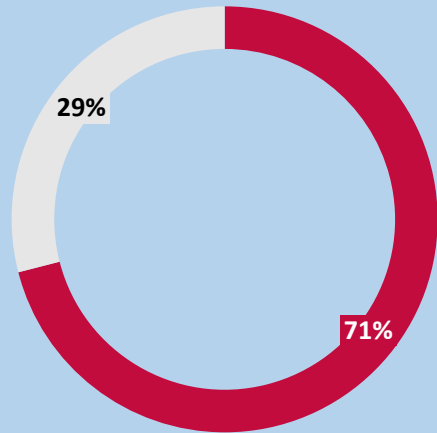
Better Free Cash Flow in beer group yet negative due to **seasonality**



# ...with volumes exceeding expectations in 1Q

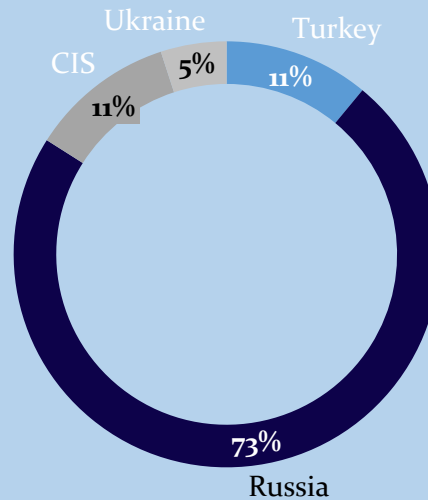
## Consolidated Volumes\*

14% reported growth  
9% organic\*\* growth



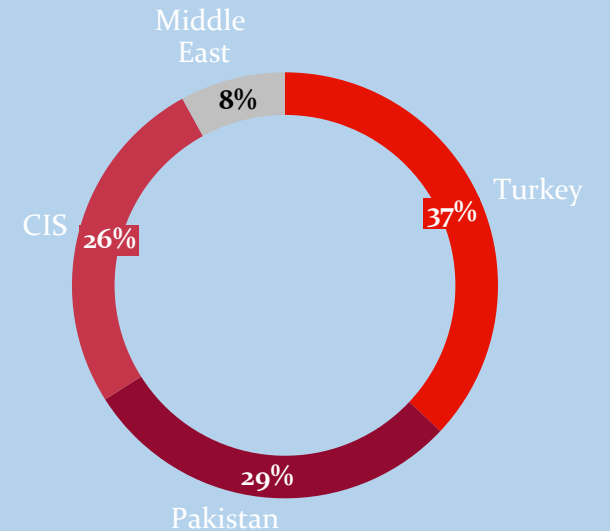
## Beer Operations' Volumes\*

5% growth  
International : +4%  
Domestic: +17%



## Soft Drink Operations' Volumes\*

18% growth  
International: +30%  
Domestic: +2%



# Beer Group 1Q Highlights



## Russia

- Own volumes up mid-teens
- Customers' pre-buying due to;
  - Expectations of subsequent significant price adjustments
  - Stock-out risks
- Solid growth in value & core segments led by Gold Mine Beer, Zhigulyovskoe and SMIB
- Growth continued in NA segment with double digits growth in kvass
- Continued to develop new categories

## Ukraine

- No production since Feb 24th

## CIS

- Volumes up by low-to-mid single digits
  - **Kazakhstan** started the year with some tension grew by low single digit y-o-y
  - Mid-single digit growth in **Moldova**
  - Strong growth of mid-to-high single digits contributed by soft drinks in **Georgia**

## Turkey

- Volumes up by 16.7% to 0.8 mhl in 1Q
  - Low base of last year with no on-trade sales first two months
  - March volumes impacted by unfavorable weather conditions and price adjustments
  - Strong growth in export volumes continued

# Soft Drinks 1Q Highlights



- Volume growth of 18% reported
  - 10% growth organically\*
- Sparkling category growth of 16%
  - Coca-Cola™ grew by 15%
- Stills category growth of 27%
  - Strong juice and iced tea, energy and sports drink
- Water category grew by 28% with small packs focus & on-trade recovery

- Turkey volume grew by 2%
  - Highest ever 1Q RTD beverages performance
  - Juice and iced tea growth, recovery at on-trade channel & segmented marketing campaigns
- International volume up 30% (17% organically\*)
  - Pakistan up 20%; all time high daily average sales volume achieved

\*Organic refers to sales volume excluding the impact of Uzbekistan in 1Q2022

# Well-balanced topline & profitability performance



Anadolu Efes

## NET REVENUE

1Q

TL 13,769 mn

+124%

## EBITDA BNRI (%)

1Q

TL 2,251 mn

Margin: 16.3%  
(+474 bps)

## NET INCOME

1Q

TL -132 mn

(Excl. Impairment: TL 273.6m )

## FREE CASH FLOW

1Q

TL -702 mn

- Strong volume performance
- RGM initiatives including
  - Price adjustment
  - Favorable mix
  - Tighter discount management

- Robust gross profitability;
  - Timely price adjustments
  - Operational efficiency
  - Effective use of hedging
- OPEX margin reduction
  - Saving in OPEX
  - Calendarization of some expenses

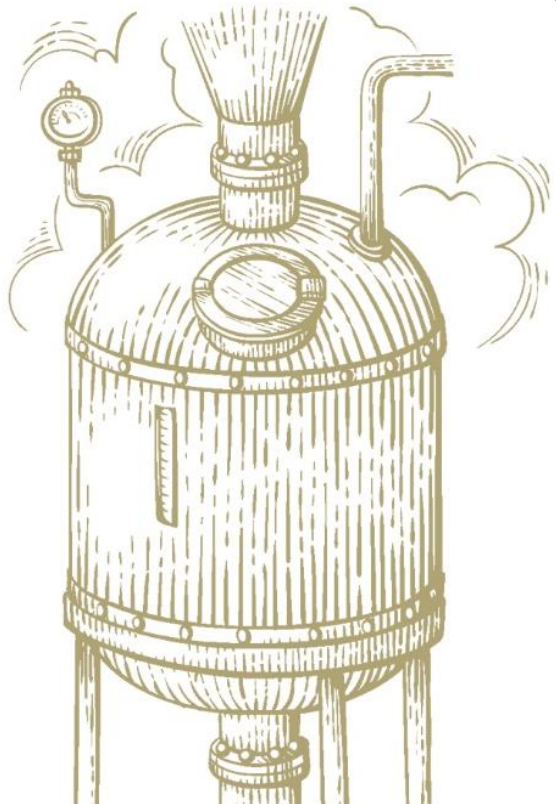
- In beer group, impairment losses of TL 981 million (before tax & minority) related to Ukraine operations;
  - Partially mitigated by y-o-y higher FX gains
- In soft drinks, limited improvement in bottomline;
  - One-off Eurobond related charges
  - Increased FX loss & borrowing costs

- FCF improvement in beer group;
  - Better working capital
  - Prudent capex spending
- Lower FCF in soft drinks,
  - Raw material pre-buys to mitigate supply risks
- Consolidated Net Debt to EBITDA (BNRI) → 1.6x





# FINANCIAL OVERVIEW



**Gökçe Yanaşmayan**  
Chief Financial Officer

# Financials



## Anadolu Efes

mn TL	1Q2021	1Q2022	Change
Sales Revenue	6,159	13,769	123.5%
Gross Profit	1,952	4,787	145.2%
EBITDA (BNRI)	715	2,251	214.7%
Free Cash Flow	-251	-702	-451 mn
Gross Profit Margin %	31.7%	34.8%	307 bps
EBITDA Margin %	11.6%	16.3%	474 bps

## Beer Group

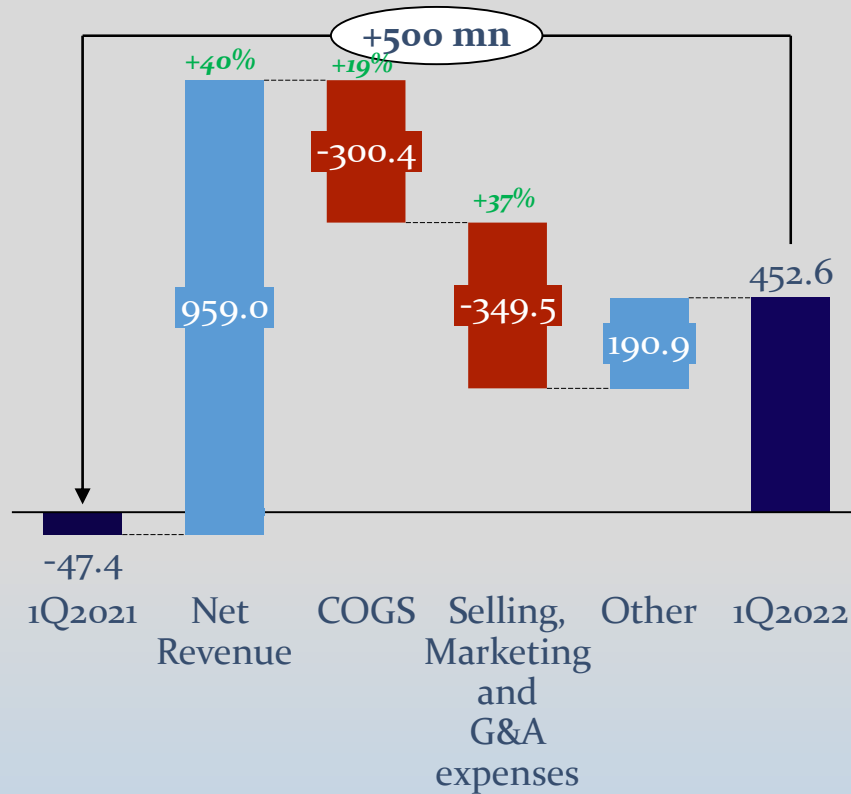
mn TL	1Q2021	1Q2022	Change
Sales Revenue	2,412	5,104	111.6%
Gross Profit	693	1,945	180.8%
EBITDA (BNRI)	-47	453	n.m.
Free Cash Flow	-589	-106	483 mn
Gross Profit Margin %	28.7%	38.1%	940 bps
EBITDA Margin %	-2.0%	8.9%	1,083 bps

# Improved Profitability & Free Cash Flow Generation

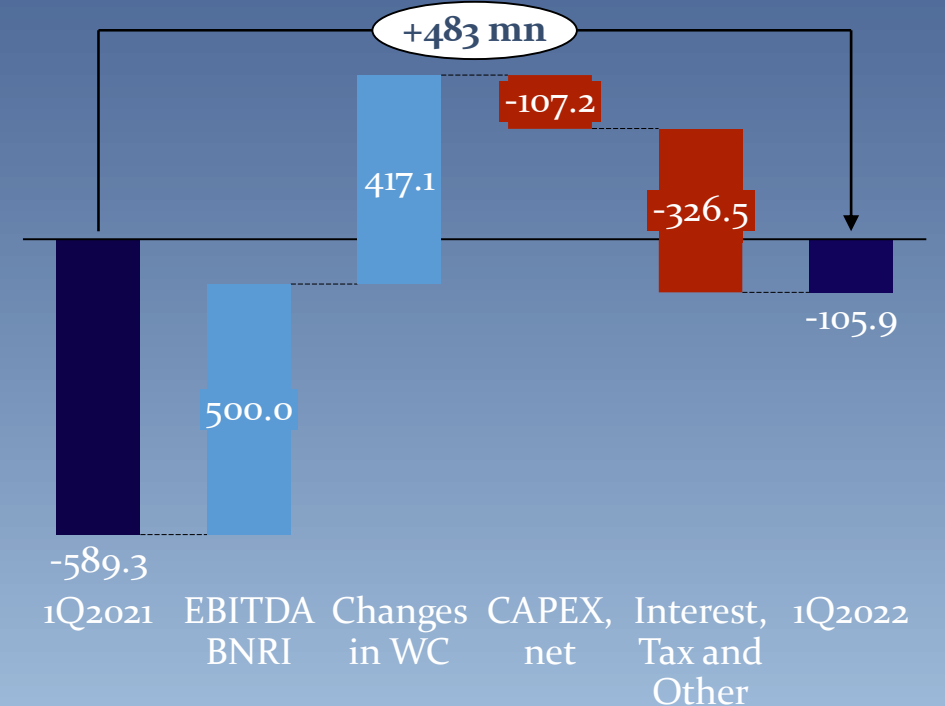
Beer Group

Improvement in cash generation driven by higher profitability, superior payables performance & prudent CAPEX spending...

EBITDA (BNRI) Bridge  
mn TL



Free Cash Flow Bridge  
mn TL

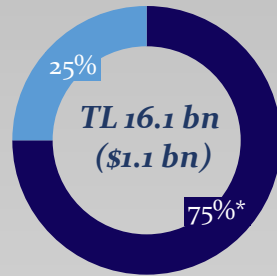


# Balance Sheet & Risk Management

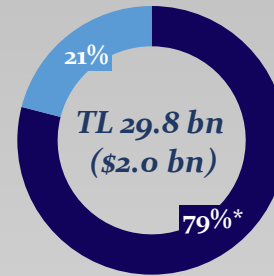


## Anadolu Efes

### Cash Profile



### Debt Profile

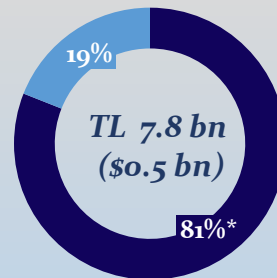


\*hard currency

Average maturity: 3.9 years  
Net Debt/EBITDA: 1.6x

## Beer Group

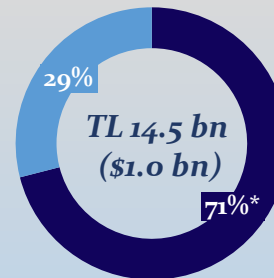
### Cash Profile



\*hard currency

Average maturity: 3.5 years  
Net Debt/EBITDA: 2.3x

### Debt Profile



## Beer Group Hedges\*\*:

### Commodity:

Aluminum: 67%

PET/Resin: 92%

Barley: 84%

### FX Exposure:

	FX Share in Beer Group COGS + OPEX	Hedged
RU + UKR	21%	91%
TUR	6%	98%
CIS	3%	31%
<b>Total</b>	<b>30%</b>	<b>86%</b>

\*\*For FY2022 exposure

Effective use of hedging tools mitigate the impact of volatilities in FX & commodities



# Revised 2022 OUTLOOK



**Can aka**  
CEO & Beer Group President

# Despite uncertainties ahead, guidance is largely maintained...



Despite lost volumes from UKRAINE, our revenue and EBITDA margin guidance stays the same, as a result of higher price adjustments than previously planned.

	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
VOLUME	Low-single digit growth <i>(Previously: mid-single digit growth)</i>	Mid-teens decline on a reported basis <i>(Previously: mid-single digit decline)</i> Mid-single digit decline <i>(excluding the impact of Ukraine)</i>	High-single-digit to low-teens growth
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



# 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

		1Q2021	1Q2022	Δ%
USD/TL	AVG	7.38	13.94	88.8%
	PE	8.33	14.64	75.8%
EUR/TL	AVG	8.90	15.64	75.7%
	PE	9.77	16.29	66.7%
TL/RUB	AVG	10.07	6.17	-38.7%
	PE	9.09	5.74	-36.8%
TL/KZT	AVG	56.88	32.79	-42.4%
	PE	50.97	31.30	-38.6%
TL/UAH	AVG	3.79	2.05	-45.9%
	PE	3.35	2.00	-40.3%
TL/MDL	AVG	2.37	1.30	-45.2%
	PE	2.16	1.25	-42.1%
TL/GEL	AVG	0.45	0.22	-50.2%
	PE	0.41	0.21	-48.3%

**ANADOLU  
EFES**