



EFES

9M2020

CONFERENCE CALL PRESENTATION

06.11.2020



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

+1 Solid performance continued in Q3...


 EBITDA > Revenues > Volumes

 Disciplined focus on cost and opex spending; leading to margin expansion

 Volume growth driven by both business lines

 Record low core working capital

 Beer volumes grew recovering the shortfall in 1H

 TL 1.9 bn free cash flow with positive contribution from both business lines

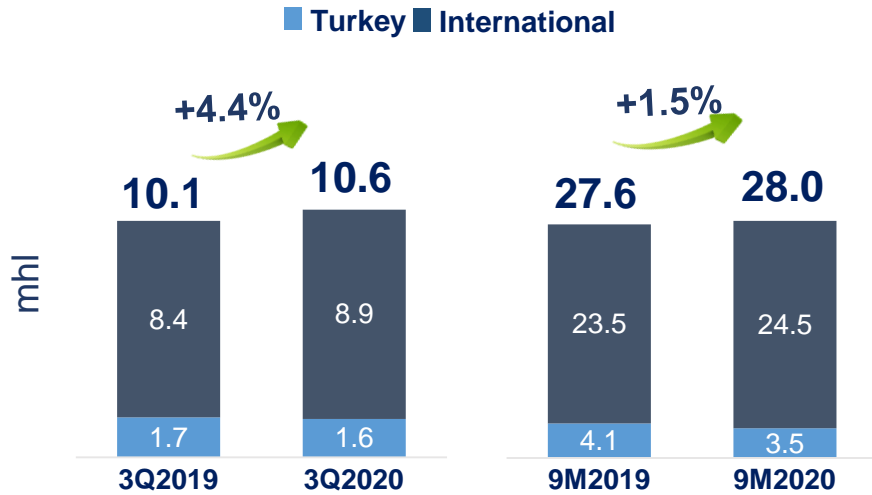
Soft drinks transitioned to a fast recovery

 Cautious for the rest of the year

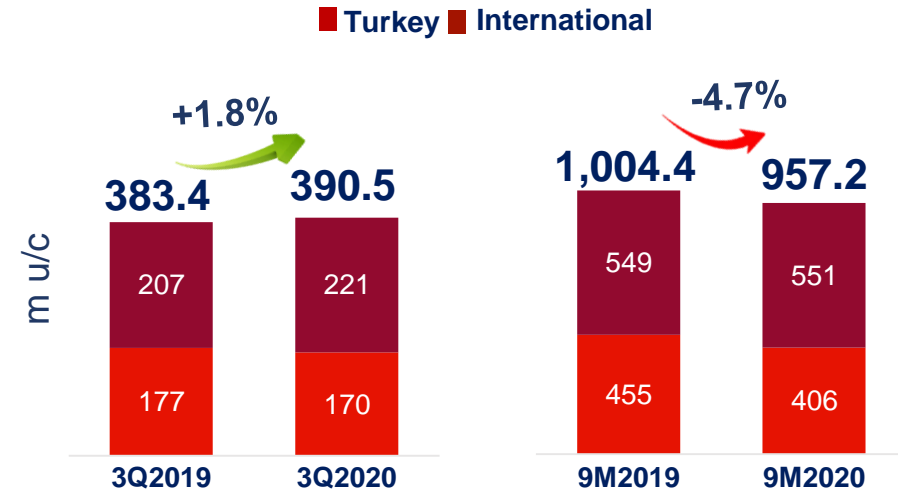


#1 Demand supported by increased mobility & favorable weather conditions...

BEER GROUP SALES VOLUME



SOFT DRINKS SALES VOLUME



Beer Operations

- ✓ Volume growth of 4.4% in the quarter
 - ✓ International beer volume up by 6.2% in 3Q
 - ✓ Russian volume grew by low-double digits
 - ✓ Turkey beer volumes much resilient vs 1H
 - ✓ CIS volumes up

Soft Drink Operations

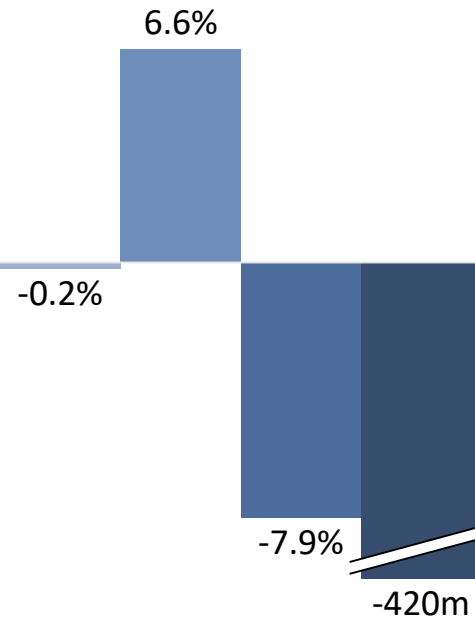
- ✓ Volume increase by 1.8% in 3Q
- ✓ Sparkling grew by 9.0%
 - ✓ 13% growth recorded in Coca-Cola brand
- ✓ Stills showed recovery vs 1H; down 8.5%
- ✓ Water recovered; yet, the weakest performer



Margin improvement and better FCF generation in Beer Group...

1H2020

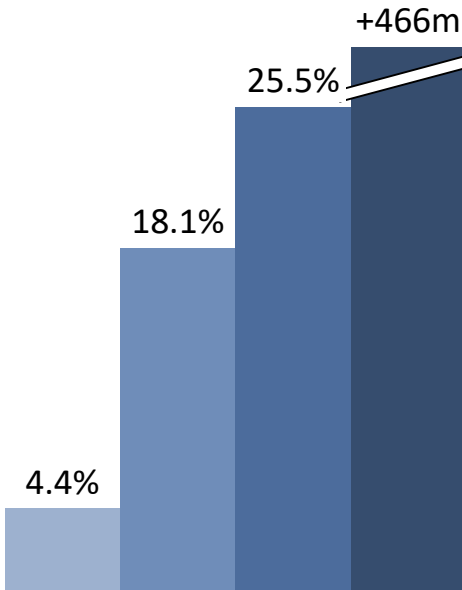
Changes vs. PY



Volume Net Sales EBITDA FCF

3Q2020

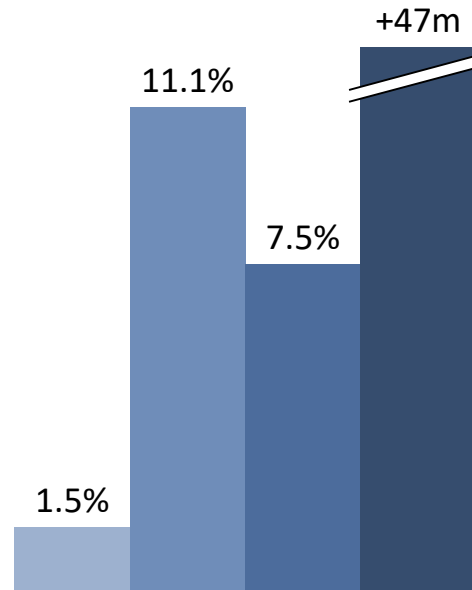
Changes vs. PY



Volume Net Sales EBITDA FCF

9M2020

Changes vs. PY

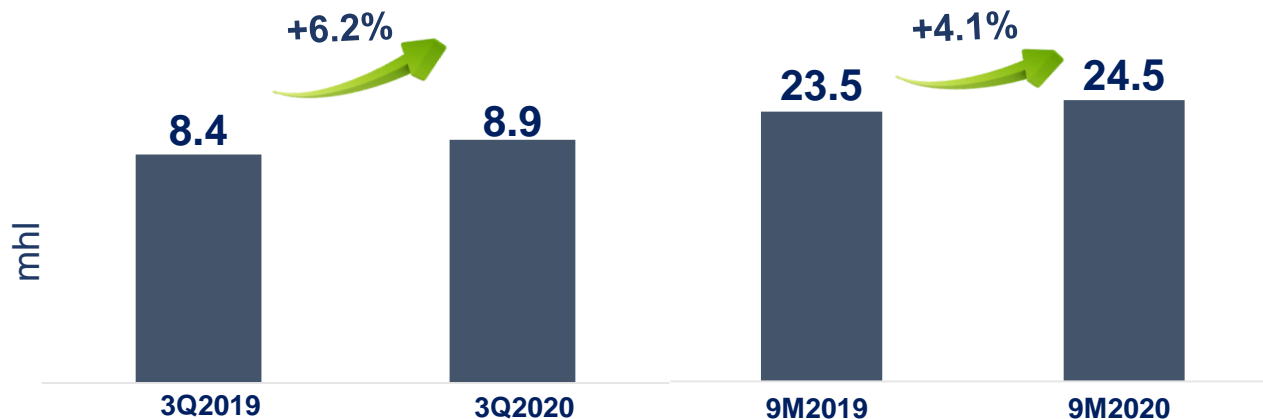


Volume Net Sales EBITDA FCF

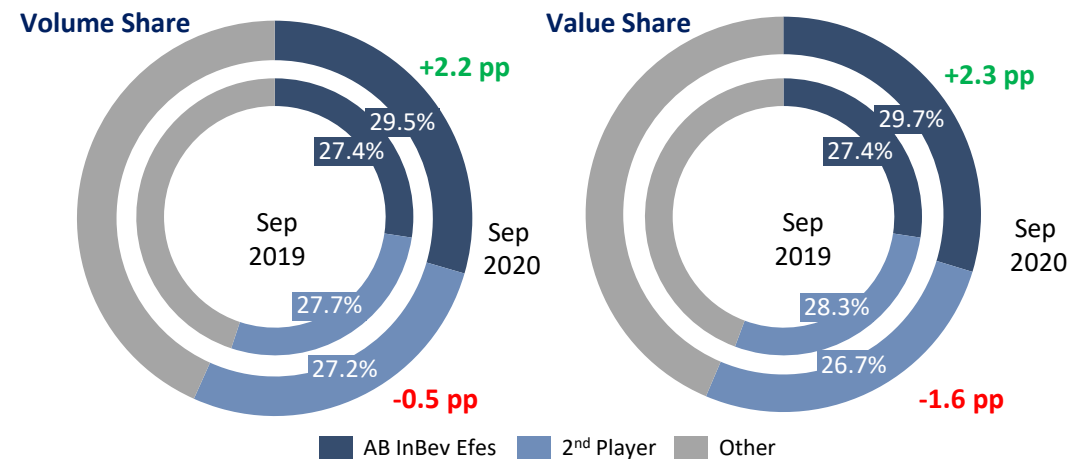


International driving volume growth, Russia still the most resilient...

INTERNATIONAL BEER SALES VOLUME



RUSSIA MARKET SHARE *



International Beer Operations

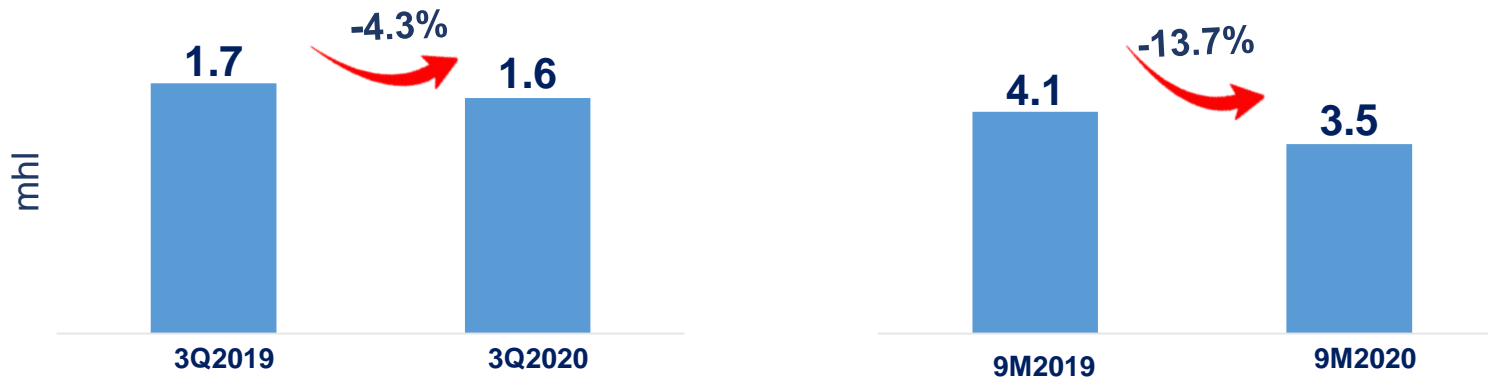
- ✓ Except for Georgia and Ukraine, all international operations posted growth
- ✓ Russian operations grew double digits; despite intense competition
 - ✓ Value share higher than volume share
- ✓ Russia industry showed strong performance in the period
 - ✓ Easing COVID-related restrictions
 - ✓ Limited Russian tourists' travelling abroad
 - ✓ Intensified promotions by competition
- ✓ Ukraine volumes under pressure
 - ✓ Slightly below the market, due to aggressive competition
- ✓ CIS countries' volumes were up; except Georgia
 - ✓ Georgia market impacted by lower tourism
- ✓ Continued brand launches and execution initiatives across all operations

*Source: AC Nielsen September 2020; Urban + Rural



A much better 3Q despite challenges...

TURKEY BEER SALES VOLUME



Turkey Beer Operations

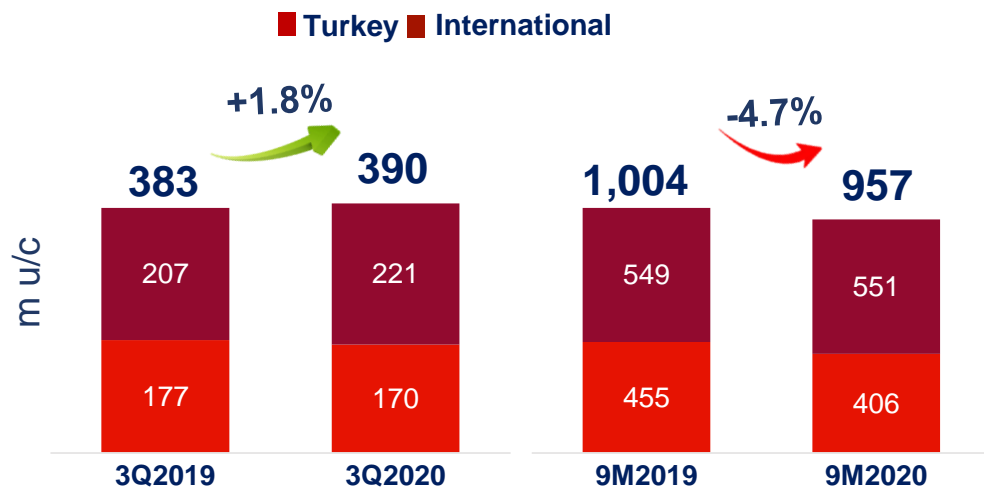
- ✓ 3Q volumes significantly improved vs 1H, down 4.3%
- ✓ Volume growth posted in July and August; despite
 - ✓ Lower touristic activity, continued restrictions in certain on-trade points & low consumer confidence
- ✓ September volumes slowed down, impacted by;
 - ✓ Price increases following the excise tax hike, increasing number of COVID cases & unfavorable macro-economic outlook
- ✓ Increasing brand love scores as well as the uplift in quality and taste perception following “+1” relaunch of Efes family





Sparkling category continued to be strong...

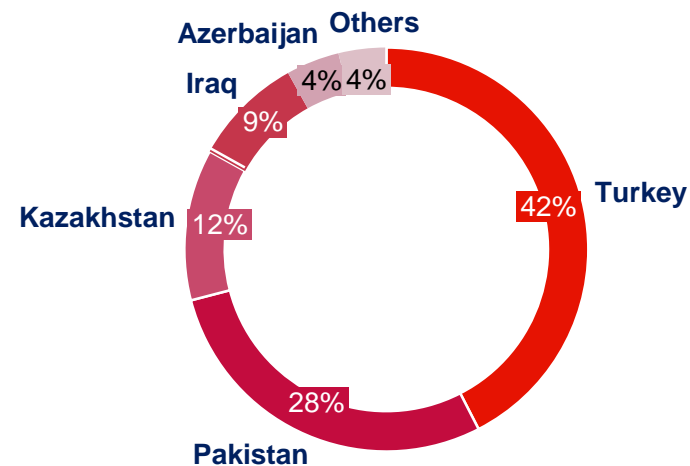
SOFT DRINKS SALES VOLUME



Turkey Operations

- ✓ Volume decline of 4.0%, with gradual recovery in volumes
 - ✓ Re-opening of on-trade, favorable weather, well-managed promotions
- ✓ Sparkling continued to be the most resilient and up by 4%
- ✓ Share of IC packages in total portfolio improved to 29% in 3Q20, from 16% in 2Q

VOLUME BREAKDOWN* BY COUNTRY



*Breakdown on combined basis

International Operations

- ✓ International operations volume growth of 6.8%
 - ✓ All countries' grew except for Kazakhstan and Azerbaijan
- ✓ Pakistan grew 12.8%, one of the best performers assisted by
 - ✓ Re-opening of on-premise & low base of last year
- ✓ Middle East volumes increased by 4.8% with superior performance in Jordan

+1 Robust performance in Q3; mostly recovered the challenges in 1H

VOLUMES

3Q	9M
+2.5%	-2.7%

- Volume growth driven by both business segments
- International beer volumes grew by 6.2%; mostly driven by Russia
- Turkey beer volume showed a significant improvement compared to 1H

REVENUE

3Q	9M
+24.2%	+12.5%

- Price increases & revenue growth management initiatives
- Higher volumes
- Positive currency translation

EBITDA & MARGIN

3Q	9M
+47.8%	+22.0%
(+382 bps)	(+149 bps)

- Significant margin expansion in 3Q, backed by;
 - Robust volumes growth in both businesses
 - Prudent cost and expense management
- EBITDA margin up by 149 bps to 19.1% in 9M

NET INCOME

3Q	9M
TL460 mn	TL728 mn
(-21.4%)	(-13.1%)

- Higher operational profitability in 3Q however, bottomline declined;
 - Investment income in 3Q2019 related to FX gains supported bottomline

FREE CASH FLOW

3Q	9M
TL1,904 mn	TL2,896 mn
(+TL 1,104 mn)	(+TL 1,460 mn)

- Both business segments reported positive free cash flow
- FCF in 3Q more than doubled; driven by
 - Significant improvement in core working capital & savings in capex



FINANCIAL OVERVIEW

N. Orhun Köstem
Chief Financial Officer



September 2020 – Income Statement

ANADOLU
EFES



VOLUME

3Q	9M
32.8 mhl +2.5% vs. PY	82.4 mhl -2.7% vs. PY

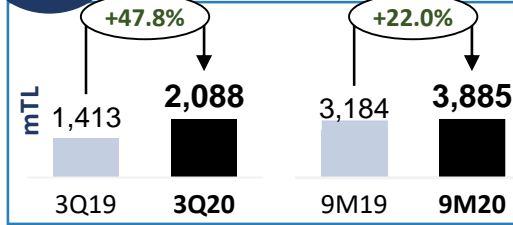


NET REVENUE

3Q	9M
8,740 mTL +24.2% vs. PY	20,324 mTL +12.5% vs. PY



EBITDA BNRI



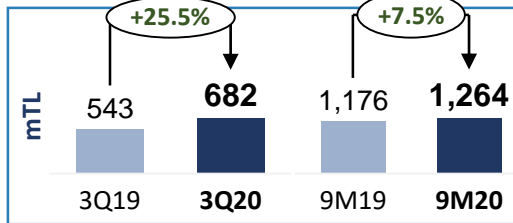
EBITDA BNRI %

3Q	9M
23.9% +3.8pp vs. PY	19.1% +1.5pp vs. PY

BEER
GROUP

3Q	9M
10.6 mhl +4.4% vs. PY	28.0 mhl +1.5% vs. PY

3Q	9M
3,768 mTL +18.1% vs. PY	9,117 mTL +11.1% vs. PY

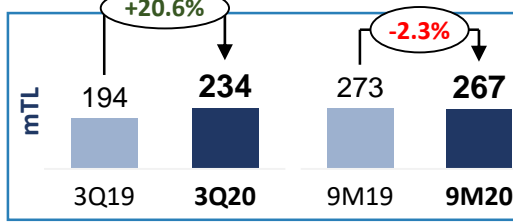


3Q	9M
18.1% +1.1pp vs. PY	13.9% -0.5pp vs. PY

TURKEY
BEER

3Q	9M
1.6 mhl -4.3% vs. PY	3.5 mhl -13.7% vs. PY

3Q	9M
833 mTL +12.3% vs. PY	1,680 mTL +1.2% vs. PY

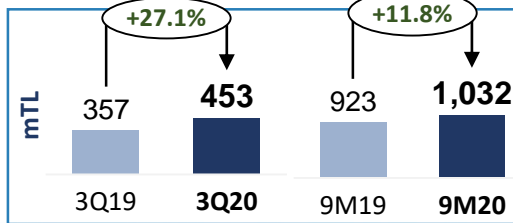


3Q	9M
28.1% +1.9pp vs. PY	15.9% -0.6pp vs. PY

EBI

3Q	9M
8.9 mhl +6.2% vs. PY	24.5 mhl +4.1% vs. PY

3Q	9M
2,917 mTL +19.9% vs. PY	7,340 mTL +13.7% vs. PY



3Q	9M
15.5% +0.9pp vs. PY	13.9% -0.2pp vs. PY



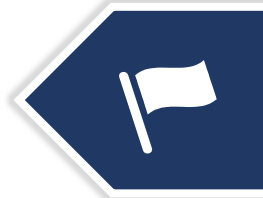
Balance Sheet & Risk Management

Beer G Net Debt / EBITDA @ **1.3x** (9M2019: 1.3x)
AEFES Net Debt / EBITDA @ **0.8x** (9M2019: 1.2x)



Record low core working capital

Average debt maturity is 1.7 years



Currency **97% Hedged** (2020)
Aluminium **95% Hedged** (2020)

67% of cash held in hard currency

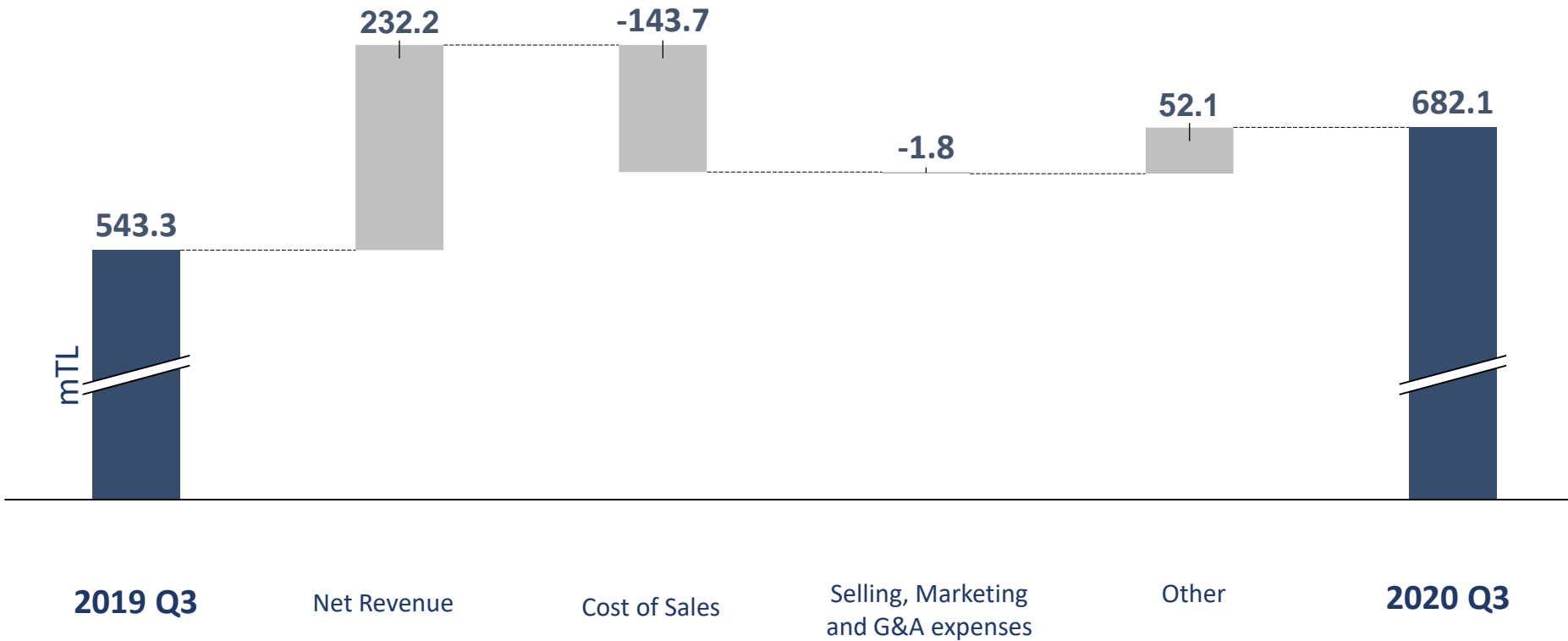


Reducing FX debt exposure



Pillars of Beer Group EBITDA Growth

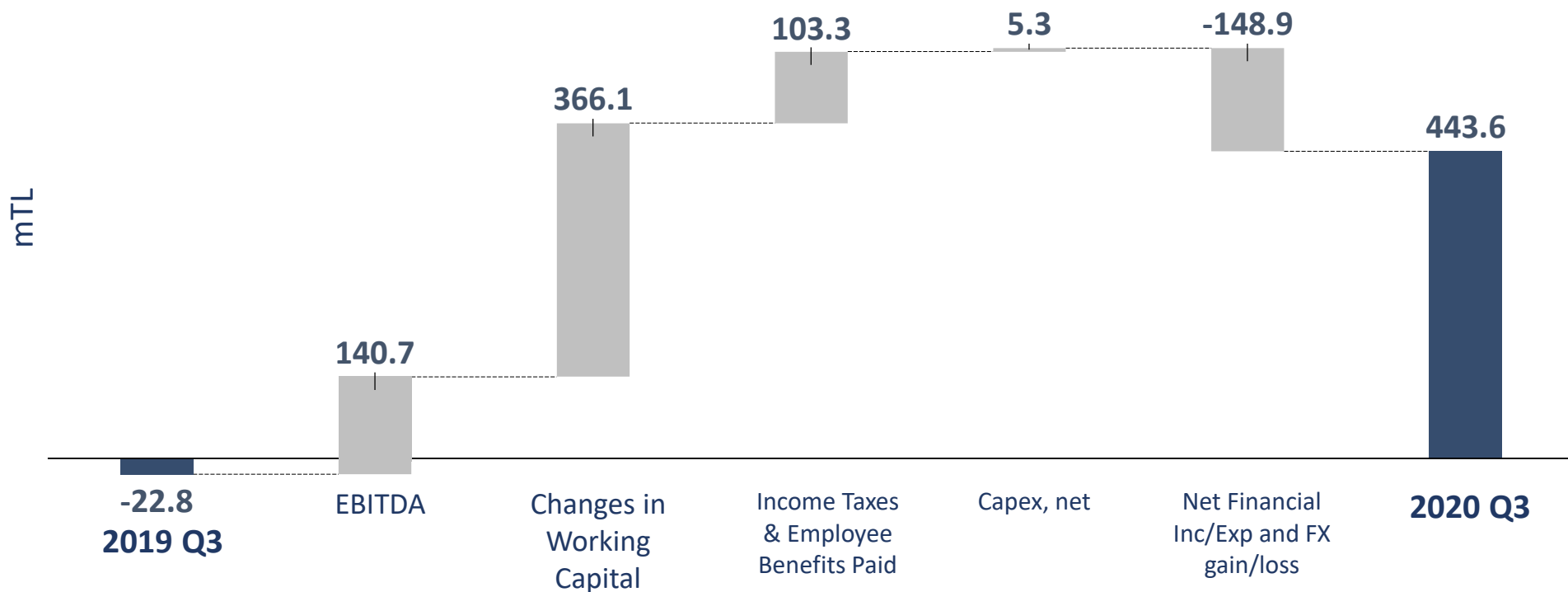
Strong EBITDA performance continued in 3Q driven by OPEX savings...





Beer Group FCF Breakdown

- Increase in Beer Group FCF vs last year is due to;
 - Higher operational profitability
 - Significant improvement in core working capital





CLOSING REMARKS

Can aka

CEO & Beer Group President



2020 Beer Group Outlook Unchanged...

- Being cautious for the rest of the year due to accelerating number of COVID-cases across the board
- Reiterating our 2020 beer group outlook

Mid-single digit decline

Volumes



Less contraction vs. 1H

EBITDA Margin




Not exceed 2019

Capex / Net Sales



Positive Free Cash Flow

Free Cash Flow





**Q&A
SESSION**

Can aka

CEO & Beer Group President

N. Orhun Kstem

Chief Financial Officer

FX Rates

		9M2019	9M2020	Δ%
USD/TL	AVG	5.63	6.71	19.2%
	PE	5.66	7.81	38.0%
EUR/TL	AVG	6.33	7.56	19.4%
	PE	6.18	9.13	47.6%
TL/RUB	AVG	11.55	10.54	-8.7%
	PE	11.38	10.21	-10.3%
TL/KZT	AVG	67.72	60.92	-10.0%
	PE	68.50	55.01	-19.7%
TL/UAH	AVG	4.68	3.95	-15.6%
	PE	4.26	3.62	-14.8%
TL/MDL	AVG	3.13	2.59	-17.2%
	PE	3.13	2.17	-30.7%
TL/GEL	AVG	0.49	0.46	-7.7%
	PE	0.52	0.42	-19.4%