



ANADOLU EFES

November 2020
INVESTOR
PRESENTATION

ANADOLU EFES AT A GLANCE



Anadolu Efes At a Glance



700 mn
consumers

21
Breweries

26
Bottling Plants



48.4 mhl
Brewing
Capacity

1.5 bn u/c
Bottling
Capacity



Europe's
5th*

World's
10th*
Largest
Brewer

7th
Largest
Coca-Cola
Bottler



In FY2019;

111 mhl
Sales Volume

23.3bn TL
Sales Revenue

4.1bn TL
EBITDA

2.3bn TL
Free Cash Flow

*The Barth Report 2019/2020 **FY2019

Investment Theme



Diversified business model including beer and soft drinks



Strategic Partnership with World's leading FMCG companies; AB InBev & TCCC



Strong market positions across all operations



Strong brand portfolio including some of the world's best known brands and strong regional brands



Abundant potential in demographics



Expertise & Know-How in driving cost efficiencies



Strategy, Execution and People to accelerate quality growth

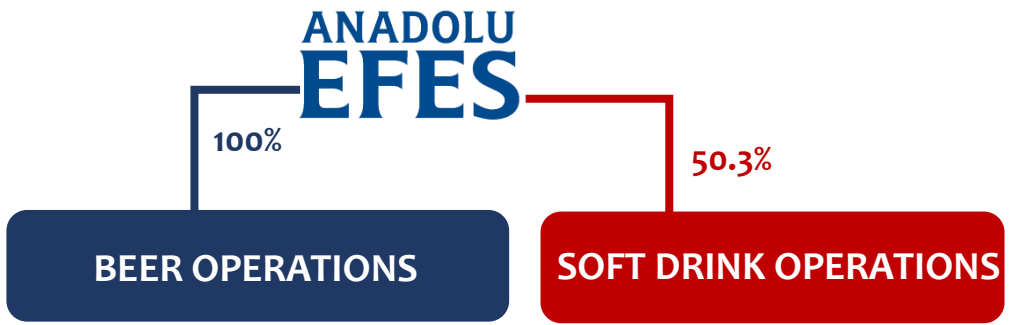
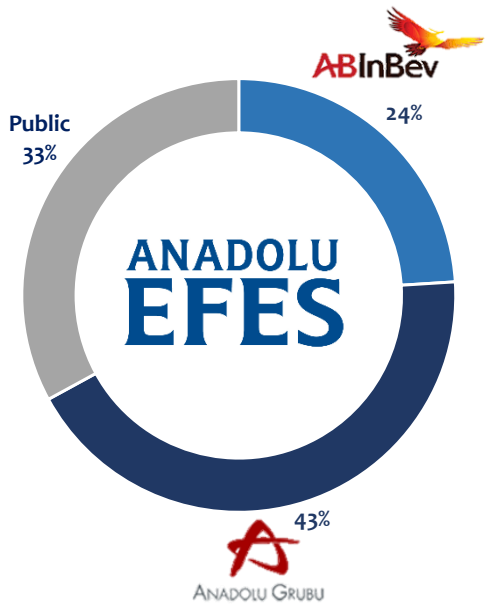


Proven track record of expansion & growth in emerging markets

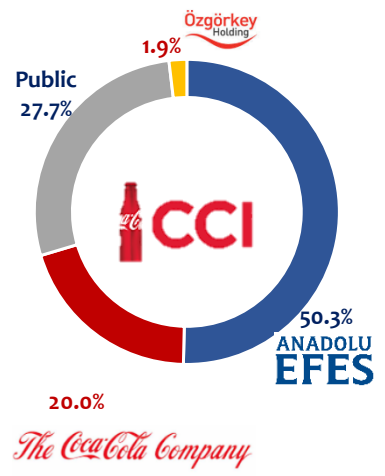


Solid, consistent financial performance and strong track record

Ownership Structure



- Turkey Beer Operations **EFES TÜRKİYE**
- International Beer Operations (EBI)
 - 50% Russia **ABInBev / EFES**
 - 100% Kazakhstan **EFES KAZAKHSTAN**
 - 96.9% Moldova **EFES MOLDOVA**
 - 100% Georgia **EFES GEORGIA**
 - 50% Ukraine **ABInBev / EFES**



20.0% *The Coca-Cola Company*

Anadolu Efes 2019 Financials In a Nutshell



Volume



111 mhl
+1.9% vs PY

Revenue



23.3 bn TL
+21.7% vs PY

EBITDA (BNRI)



3.9 bn TL
+31.2% vs PY

FCF



2.3 bn TL
+122% vs PY

CWC / Revenue



-3.7%
-4.1pp vs PY

Net Debt / EBITDA (BNRI)



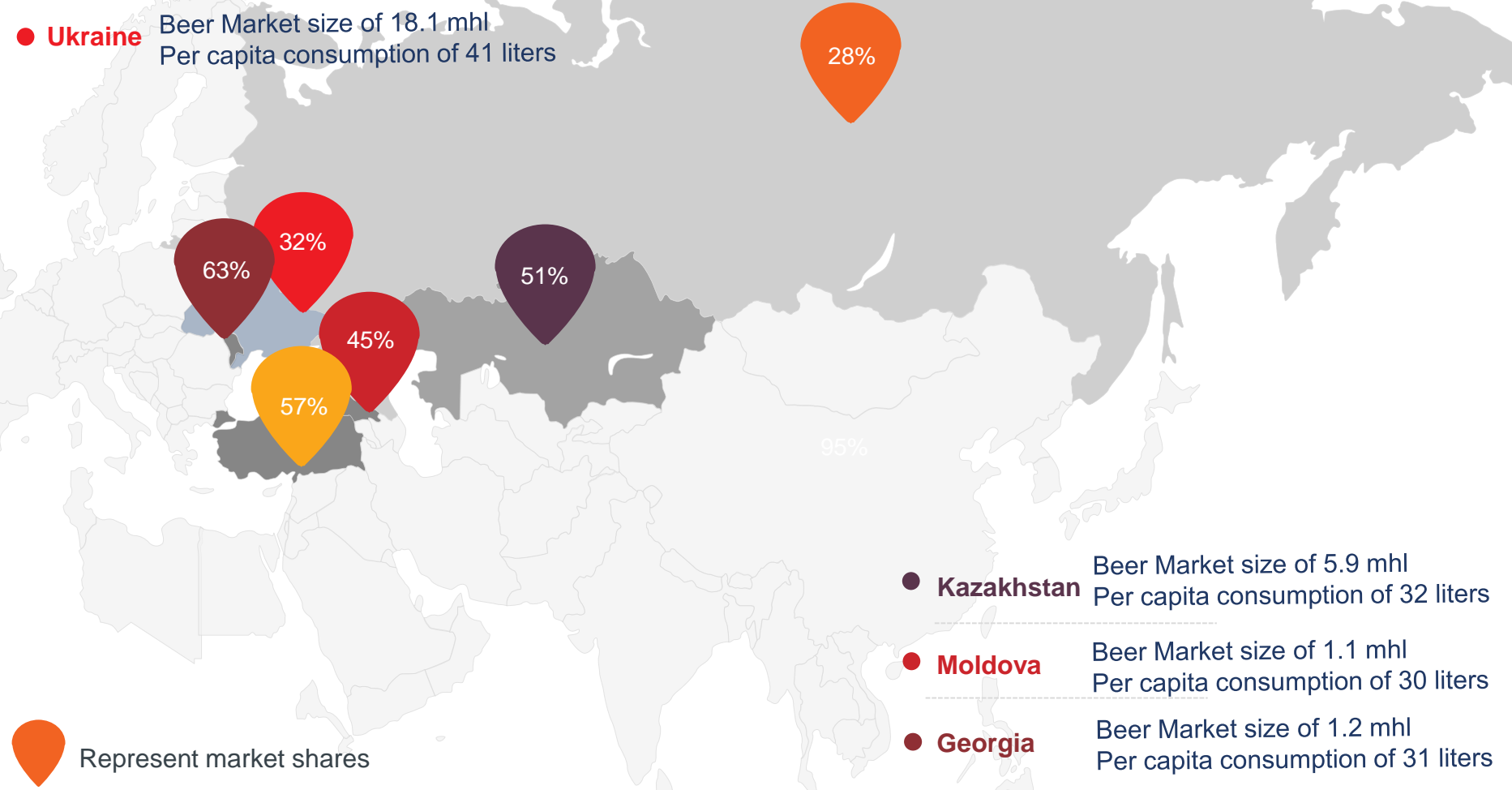
1.0x
-0.6x vs PY

BEER OPERATIONS



Beer Operations At a Glance

- **Turkey** Beer Market size of 9.0 mhl
Per capita consumption of 11 liters
- **Russia** Beer Market size of 77 mhl
Per capita consumption of 53 liters
- **Ukraine** Beer Market size of 18.1 mhl
Per capita consumption of 41 liters



● Represent market shares

- **Kazakhstan** Beer Market size of 5.9 mhl
Per capita consumption of 32 liters
- **Moldova** Beer Market size of 1.1 mhl
Per capita consumption of 30 liters
- **Georgia** Beer Market size of 1.2 mhl
Per capita consumption of 31 liters

Beer Group Strategic Priorities



PEOPLE

BRANDS

OPERATIONAL EXCELLENCE

FINANCIAL DISCIPLINE & VALUE CREATION

CUSTOMERS & CONSUMERS

STAKEHOLDERS

EXPANSION & GROWTH

Nurturing our talents by establishing required tools & systems and providing great place to work

Providing choice, great taste, quality and innovation

Building competitive advantage through lean and efficient process and organization

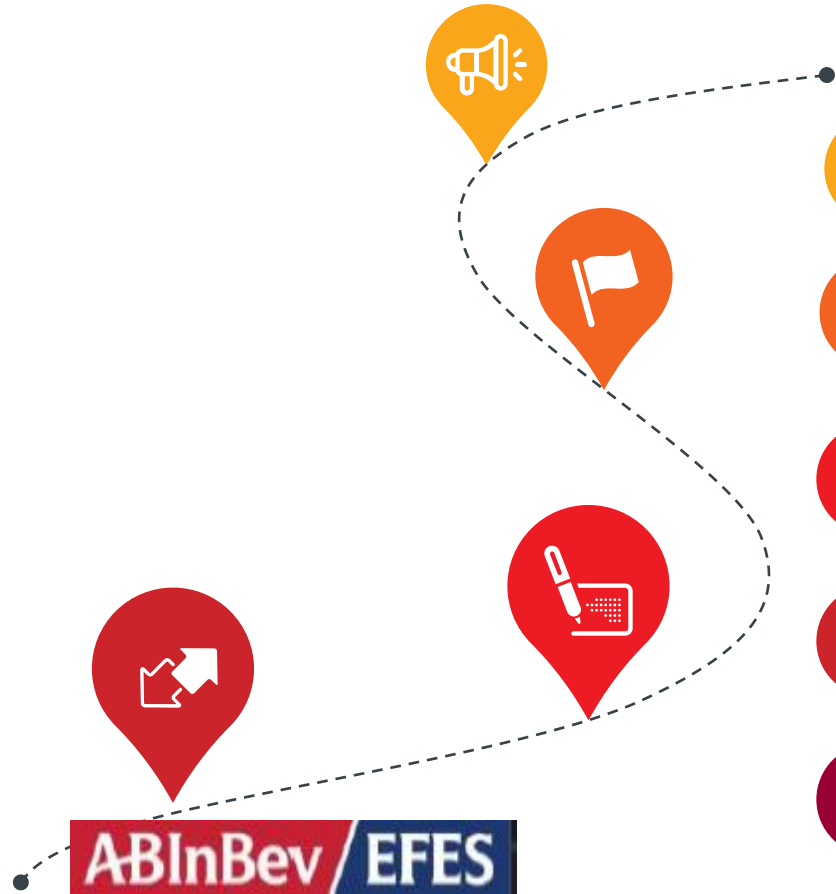
Achieve profitable growth and maximize free cash flow to generate above average return on our investments

Enhancing Customer Dealer engagement through better collaboration and innovative solutions

Building relationships and credibility with stakeholders

Expanding our business through enhancing brand portfolio, utilizing new channels and geographical expansion

Russian Beer Operations



- 01 Russian beer market was almost flat in 2019 & our volumes grew by low-double digits.
- 02 Became market leader with ~30% market share & clear market leader in Super Premium & Premium segments
- 03 Successful integration & focus on net revenue growth
- 04 Focus on premium brands while keeping pricing strategy for all segments
- 05 Strong portfolio of growing brands in all price segments, that allows us to meet consumer needs in different channels and occasions

Turkey Beer Operations



Low per capita consumption of 11 liters* offering a growth potential

Growing population with 1.4% annual growth rate in 2019


Leading brewer with 57% market share**



3 Breweries with 7.0 mhl capacity

2 Malteries & 1 Hops Processing Facility enabling vertical integration for key raw materials

100% brand awareness for “Efes Pilsen”



Rich portfolio of local, imported & licensed brands covering all segments

#1 in consumer spending in Food & Beverage category

99% penetration in alcohol selling stores in Turkey**

SOFT DRINK OPERATIONS



Strategic Priorities In Core Business to Create Value...



Accelerate Growth



- Full-beverage portfolio
- Revenue Growth Management (RGM)
- Expand Sparkling & Stills
- Increase frequency
- Regional strategies

Win at the Point of Sale



- Increase outlet coverage
- Increase cooler penetration
- Right Execution Daily
- E-commerce
- Future-proof RTM

Exercise Financial Discipline



- Productivity savings
- Working capital improvements
- Healthy FCF
- Optimum leverage
- Effective FX management

Win with People



- Integrated Talent Strategy
- Leadership Development
- High Performing Team
- Transformation to “OnePeople”

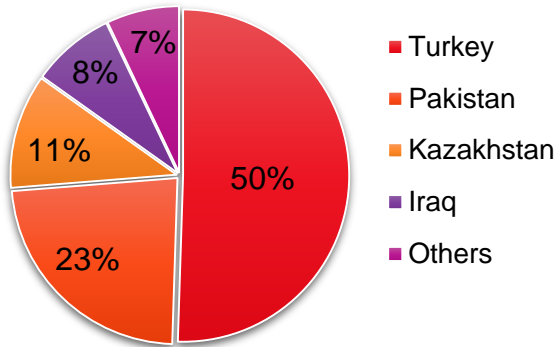


Coca-Cola Icecek in a Nutshell

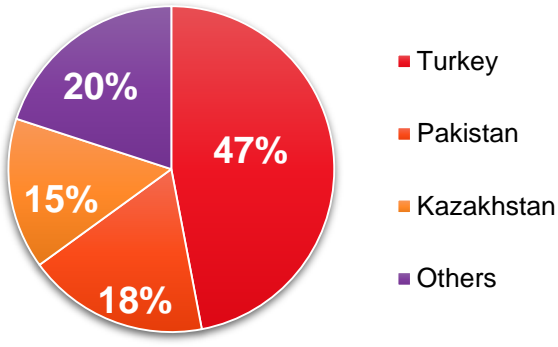
- 10 countries, ~400 mn people
- 26 production plants with 126 lines
- 1.5 bn UC(1) annual production capacity
- ~780 thousand sales points
- 1.3 bn UC sales volume
- \$ 2.2 bn revenue & \$ 403 mn EBITDA



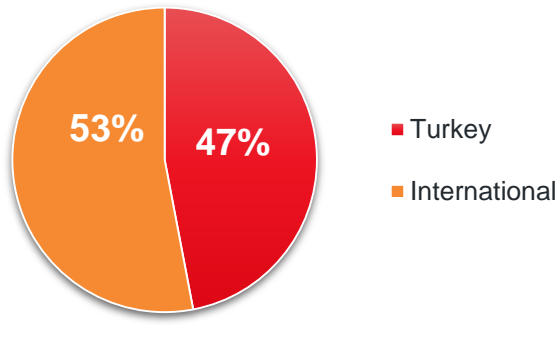
Volume Breakdown



Revenue Breakdown



EBITDA Breakdown



Figures reflect FY 2019 numbers unless otherwise stated
 (1) Unit case, 1 UC equals 5,678 liters

ADAPTING TO NEW NORMAL & RECENT PERFORMANCE



Adapting to new normal...



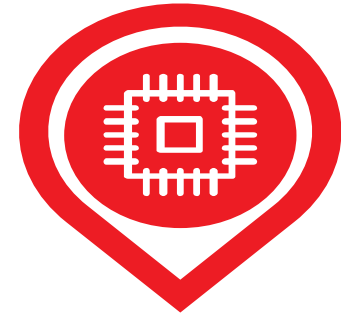
Initial Measures

- Ensure health & safety
- Remote working & hygiene rules
- Suspension of all discretionary OPEX & CAPEX



Crisis Management

- Scenario planning
- Revised demand & production planning
- Alternative order taking for Sales Team
- Coverage plan for raw materials
- Increased visibility in market place



Post Crisis Management & Adaptation

- Leverage learnings to adapt to new normal
- Reassess brand & SKU strategy
- Reconfigure procurement & supply chain
- Zero based OPEX & Capex spend
- Capitalize on low commodity prices
- Leverage healthy Balance Sheet
- Review capital allocation to maximize recovery

Robust financial performance in 3Q...

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%
(+382bps)	(+149bps)

- 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 1,104mn)	(+TL 1,460mn)

- 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

September 2020 – Income Statement



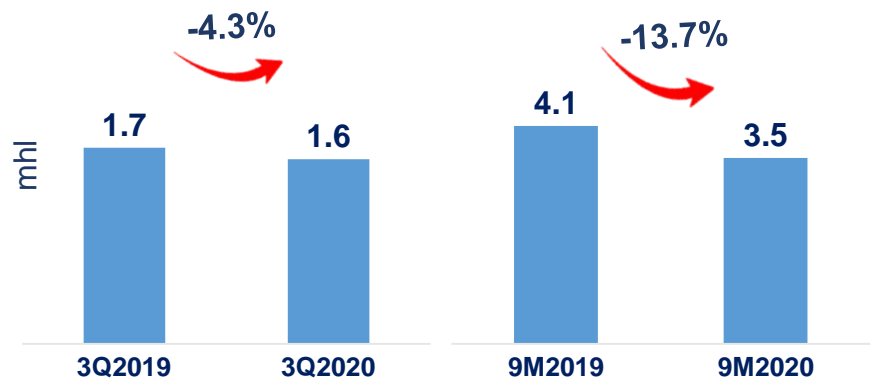
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*2019 financials are restated to exclude Doğadan as per the announcement made by Coca-Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis for Anadolu Efes and CCI throughout the earnings release.

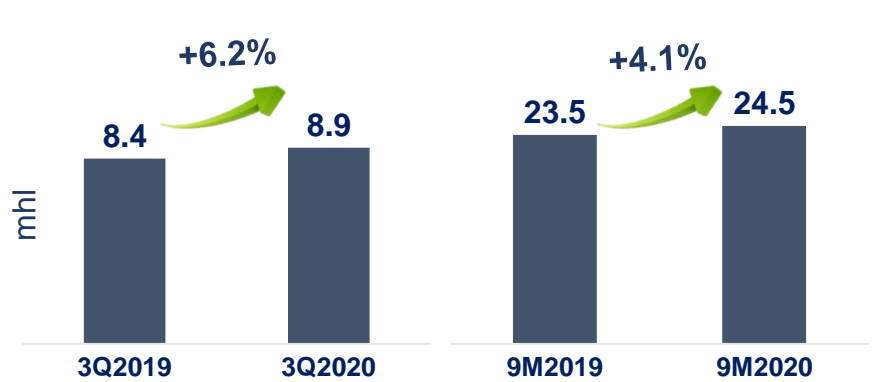
International driving volume growth despite challenges...



TURKEY BEER SALES VOLUME



INTERNATIONAL BEER SALES VOLUME



Turkey Operations

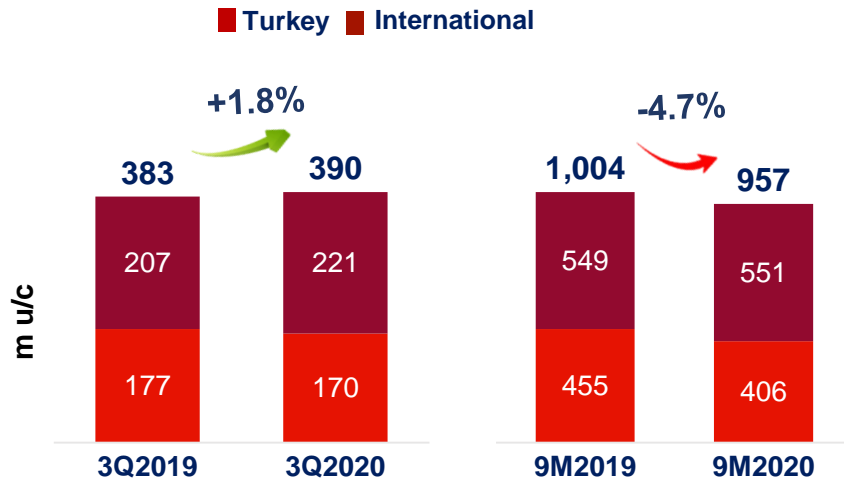
- ✓ 3Q volumes significantly improved vs 1H, down 4.3%
- ✓ Volume growth posted in July and August despite lower tourism, continued restrictions & low consumer confidence
- ✓ September volumes slowed down,
 - ✓ impacted by price increases, COVID cases & unfavorable macro-economic outlook
- ✓ Increasing brand love scores following “+1” relaunch of Efes family

International Operations

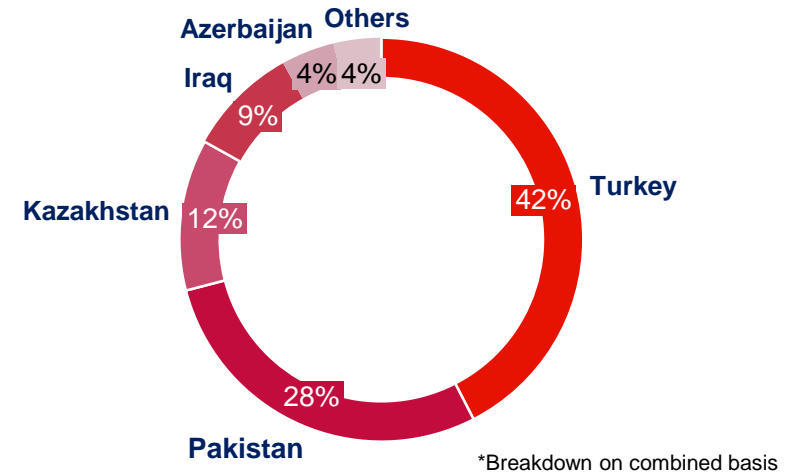
- ✓ All international operations posted growth, except for Georgia and Ukraine
- ✓ Russian operations grew double digits despite intense competition
- ✓ Russia industry showed strong performance as a result of easing restrictions and less tourism abroad
- ✓ Ukraine volumes under pressure slightly below the market
- ✓ Continued brand launches and execution initiatives

Sparkling category continued to be strong...

Soft Drinks Sales Volume



Volume Breakdown* By Country



Turkey Operations

- ✓ Volume decline of 4.0%, with gradual recovery
 - ✓ 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

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

Balance Sheet & Risk Management



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



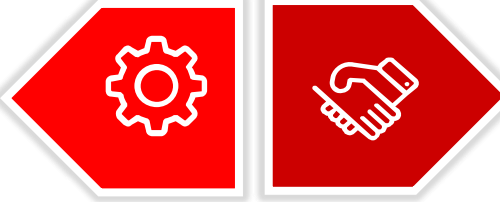
Record low core working capital

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

2020 EXPECTATIONS



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

Volumes

Decline by mid-single digit on annual basis

EBITDA Margin

EBITDA margin contraction in FY to be less than 1H

Capex / Net Sales

Will not exceed previous year's level

Free Cash Flow

Positive Free Cash Flow