

# ANADOLU EFES

## INVESTOR PRESENTATION

*November 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.



# ANADOLU EFES AT A GLANCE

ANADOLU  
**EFES**

# Regional Beverage Company With Leadership Positions



Serving  
**750 mn**  
Population  
**70+** Export  
Countries

Anadolu Efes  
Europe's **5<sup>th</sup>**  
World's **9<sup>th</sup>**  
Largest  
Brewer

CCI  
Among  
Top **10** Largest  
Coca-Cola  
Bottlers

**116 mhl**  
Sales Volume\*\*  
**39.3 bn TL**  
Sales Revenue\*\*

**7.0 bn TL**  
EBITDA\*\*  
**4.3 bn TL**  
Free Cash Flow\*\*

## BEER OPERATIONS



**6** countries  
**21** Breweries, **100+** brands  
**53.5 mhl** brewing capacity  
**37.9 mhl** beer volume  
Strong **#1** or **#2** positions

## SOFT DRINK OPERATIONS

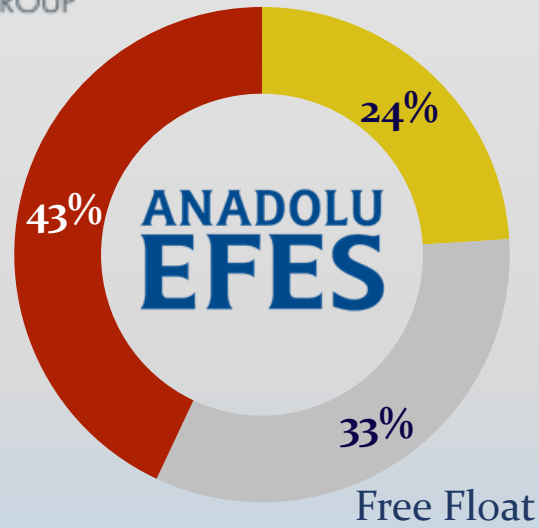


**11** countries  
**29** Bottling plants  
**1.7 bn UC** production capacity  
**~870** thousand sales points  
**1.4 bn UC** sales volume  
Strong **#1** or **#2** position

**ANADOLU  
EFES**

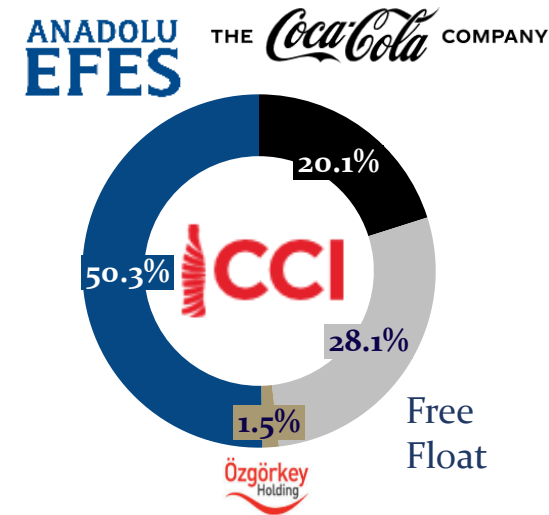
# Integrating Governance and Growth

Superior Governance and Strategic Partnership



Broad Geographical and Business Diversification

## ANADOLU EFES



# Vision, Mission & Values



## 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.

## OUR VALUES:

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**PASSIONATE**



**AGILE**



**COLLABORATIVE**



**ACCOUNTABLE**



**FAIR**



# Consistent Solid Growth with Growing Share in International



6%  
Volume Growth\*

30%  
Revenue Growth\*

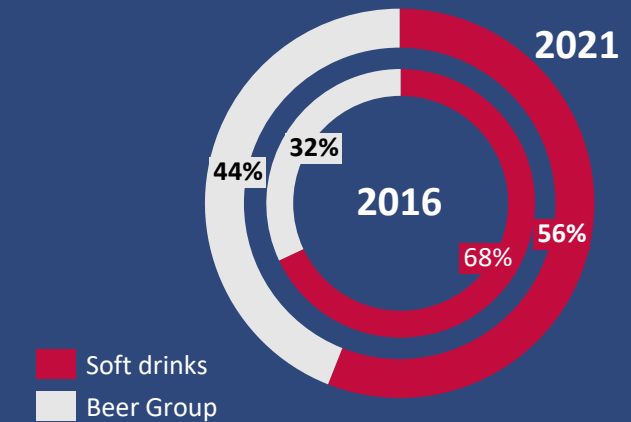
32%  
EBITDA Growth\*

33%  
FCF Growth\*

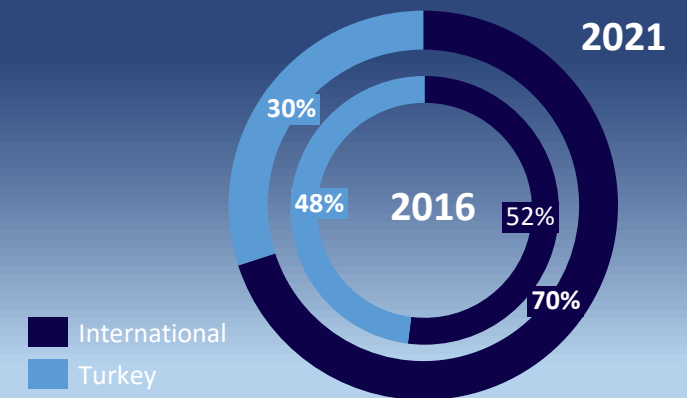


\* 2016-2021 CAGR Growth on AEFES Consolidated basis

## More Balanced Business Mix\*\*



## Growing International Business\*\*



\*\*On revenue basis

# Solid Investment Theme



**Diversified** business model including beer and soft drinks

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**Strong market positions** across all operations

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Significant potential in **demographics**

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Prudent opex & capex management by internalizing **Zero-Based Spending** culture

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

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

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**Disciplined financial management**

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**Proven track record** of expansion & growth in emerging markets





# BEER OPERATIONS



ANADOLU  
**EFES**

# Strong Positions Across the Board



**11** Breweries

**RUSSIA**



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

**54** liters per capita

**#1** Position

**30%** Market share

**63%** of Beer Volumes

**2** Breweries

**KAZAKHSTAN**



Beer market size of **6.3** mhl

**33** liters per capita

**#1** Position

**47%** Market share

**6%** of Beer Volumes

**1** Brewery

**MOLDOVA**



Beer market size of **1.1** mhl

**30** liters per capita

**#1** Position

**63%** Market share

**2%** of Beer Volumes



**3** Breweries

**TURKEY**



**11** liters per capita

**#1** Position

**52%** Market share

**13%** of Beer Volumes

**3** Breweries

**UKRAINE**



Beer market size of **18** mhl

**43** liters per capita

**#2** Position

**28%** Market share

**13%** of Beer Volumes

**1** Brewery

**GEORGIA**



Beer market size of **1.2** mhl

**33** liters per capita

**#1** Position

**42%** Market share

**3%** of Beer Volumes

# Product Portfolio Priorities



**Focus on  
Premium  
Portfolio  
Expansion**

**Ensure  
Affordability  
Play**

**Develop  
New Products  
& Make  
Innovations**

**Strengthen  
the Core  
segment**

**Expand into  
Adjacent  
Categories /  
NABLAB**

# Volumes beyond expectations in 3Q2022...



## Consolidated Volume

3Q	9M
+1%	+9%
reported	reported
-6%	+2%
organic	organic

## Beer Operations

3Q	9M
-13%	-8%
-1% excl. Ukraine	+3% excl. Ukraine

International	
3Q	9M
-19%	-12%
-6% excl. Ukraine	+1% excl. Ukraine

Türkiye	
3Q	9M
+24%	+18%

## Soft Drink Operations

3Q	9M
+8%	+16%
-3% organic	+7% organic

International	
3Q	9M
+20%	+26%
+1% organic	+9% organic

Türkiye	
3Q	9M
-8%	+4%

# Beer Group 3Q Highlights

## Russia

- Market was down by mid-single digits in 3Q
  - Impact of YTD Price increase slightly offset by good weather
  - Less number of import brands
- Own volume performance also below last year
  - Cycling a high base
- Lowenbrau and Gold Mine Beer among best performing brands
- Volume/profitability balance focused strategy on track

## Ukraine

- Resuming production in Chernigiv in 4Q



## CIS

- Volume growth of low-single digits on average
  - **Kazakhstan** grew slightly; contributed by premium & affordable segment growth
  - Low-teens decline in **Moldova**; impacted by high inflation and declining purchasing power parity
  - Mid-to-high teens growth in **Georgia**; supported by growth in both beer and CSD categories

## Türkiye

- Volumes up by 24.0% to 1.9 mhl in 3Q
  - Recovery in tourism with favorable tourist mix
  - Positive market momentum
  - Strong performance by our new brand “Bremen 1827” and core brand “Efes Malt”





# SOFT DRINKS



# Strategic Priorities to Create Value



## Accelerate “Quality” Growth

- Revenue Growth Management (RGM)
- Expand Sparkling & Stills
- Increase frequency and price mix
- Regional strategies and customized offerings



## Be the Best in FMCG Execution

- Win at the Point of Sale
- Increase outlet coverage
- Right Execution Daily
- Use of advanced data analytics
- Excellent route to market capability



## Win with Our People

- Integrated Talent Strategy
- Leadership Development
- High Performing Team
- Transformation to “OnePeople”
- Keep investing in our people



## Digital for Industry Leadership

- Digital transformation
- Building an ecosystem of solutions and infrastructure based on digital capabilities



## Win with Stakeholders

- Creating value for all the stakeholders and the planet
- Tracking sustainability targets closely
- Transforming to a more sustainable business model



# Soft Drinks 3Q Highlights



- Reported volume growth of 7.5% in 3Q (2.9% decline organically\*)
  - Uzbekistan's consolidation impact offsets the volume decline in Türkiye
- Sparkling category growth of 10.9%
  - Coca-Cola™ grew by 13.2%
  - Fanta grew by 10.9% with campaigns and festivals
- Stills category growth of 7.1%
  - Strong iced tea and energy drinks performance
- Water category declined by 14.3%
  - Small packs focus
  - Value generation strategy
- Türkiye volume declined by 7.8% in 3Q impacted by
  - Lower consumer confidence in a high inflation environment & deteriorating real disposable income
  - Less favorable weather conditions in July-August vs 2021
- International volume up 19.8% (1.1% organically\*) in 3Q
  - Pakistan up 4.6%, despite macroeconomic challenges and floods
  - Kazakhstan up 8.3%
  - Uzbekistan up 40.1%, fastest growing operation among CCI's countries

\*Organic refers to sales volume excluding the impact of Uzbekistan in 2022



9M2022  
CONSOLIDATED  
FINANCIAL  
OVERVIEW



# Exceptional profitability expansion...



	Anadolu Efes	Beer Group	
NET REVENUE	3Q +152.5% CCR*:+61.7%	3Q +147.4% CCR*:+36.6%	<ul style="list-style-type: none"> <li>Timely price adjustments</li> <li>Proactive RGM initiatives</li> <li>Favorable currency translation</li> </ul>
EBITDA BNRI %	22.6% (+257 bps)	23.7% (+937 bps)	<ul style="list-style-type: none"> <li>Strong margin expansion in beer group with,                             <ul style="list-style-type: none"> <li>Successful revenue management</li> <li>Savings in opex &amp; effective hedging</li> </ul> </li> <li>Soft drinks margin impacted by;                             <ul style="list-style-type: none"> <li>High base of last year</li> <li>Higher FX, raw material and energy costs &amp; inclusion of Uzbekistan</li> </ul> </li> </ul>
NET INCOME	TL2,082 mn (+TL1,525 mn)	TL1,171 mn (+TL1,074 mn)	<ul style="list-style-type: none"> <li>Higher operational profitability translated into net income despite;                             <ul style="list-style-type: none"> <li>Increase in net financial expenses</li> <li>Higher effective tax rate in soft drinks</li> </ul> </li> </ul>
FREE CASH FLOW	TL2,377 mn (+TL82 mn)	TL759mn (+TL324 mn)	<ul style="list-style-type: none"> <li>All-time high FCF of &gt;TL 7bn in 9M</li> <li>FCF improvement driven by beer group</li> <li>Consolidated Net Debt to EBITDA (BNRI) → 0.7x</li> </ul>

\*CCR stands for constant currency (fx-neutral) growth

# Financials



## Anadolu Efes

mTL	3Q2022	Change	9M2022	Change
Sales Revenue	29,767	+152.5%	68,072	+140.3%
Gross Profit	11,481	+162.8%	25,092	+145.1%
EBITDA (BNRI)	6,716	+185.0%	13,926	+170.9%
Free Cash Flow	2,377	+82m	7,095	+2,847m
Gross Profit Margin %	38.6%	+151 bps	36.9%	+72 bps
EBITDA Margin %	22.6%	+257bps	20.5%	+231 bps

## Beer Group

mTL	3Q2022	Change	9M2022	Change
Sales Revenue	12,355	+147.4%	27,301	+128.1%
Gross Profit	5,596	+188.5%	11,696	+162.5%
EBITDA (BNRI)	2,931	+309.0%	5,373	+288.8%
Free Cash Flow	759	+324m	5,758	+4,238m
Gross Profit Margin %	45.3%	+645 bps	42.8%	+562 bps
EBITDA Margin %	23.7%	+937 bps	19.7%	+814 bps



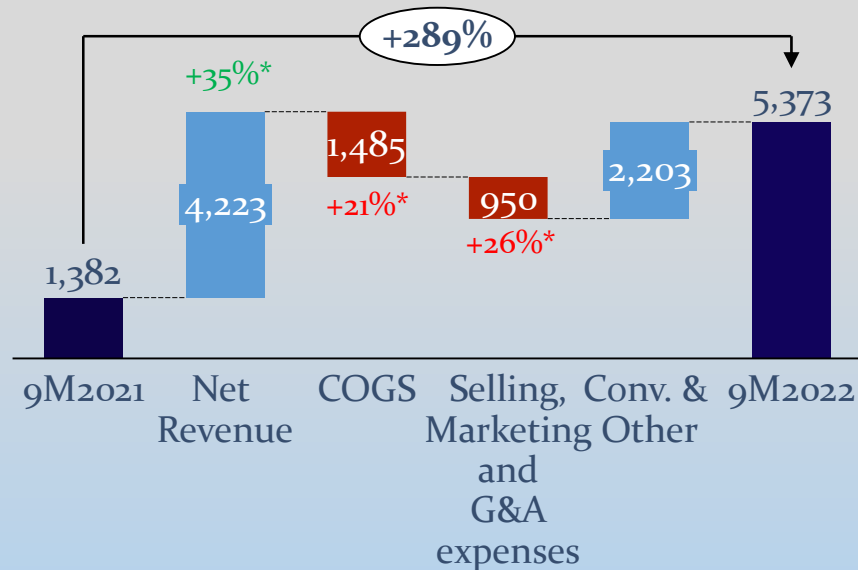
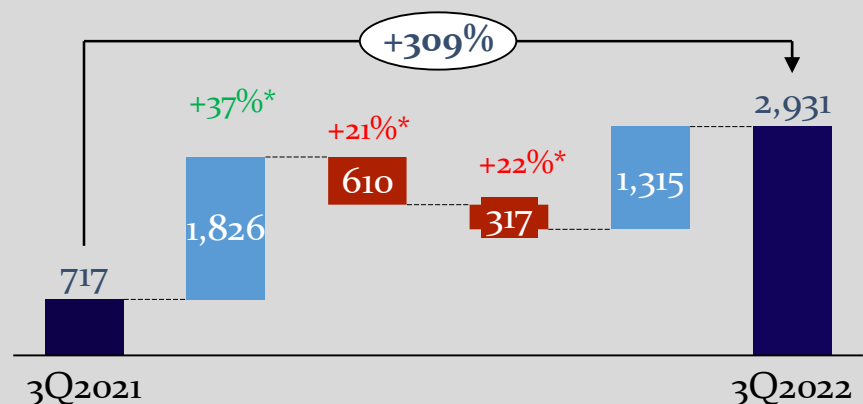
# EBITDA (BNRI) & Free Cash Flow Generation

## Beer Group

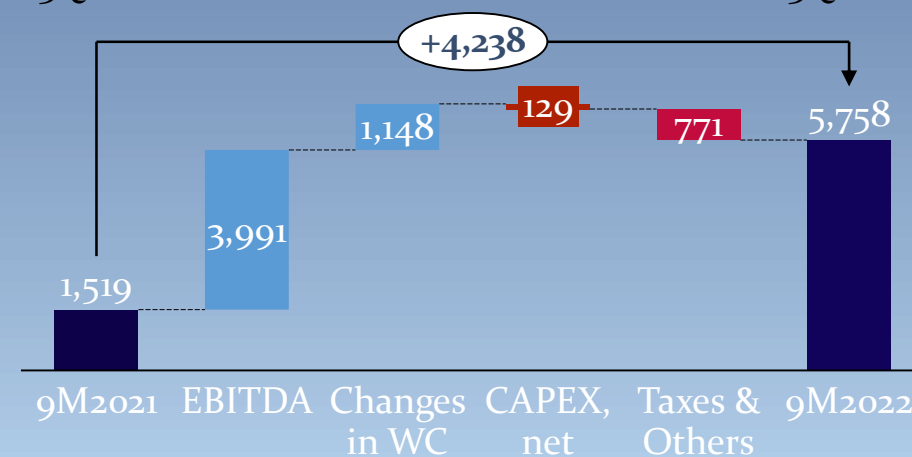
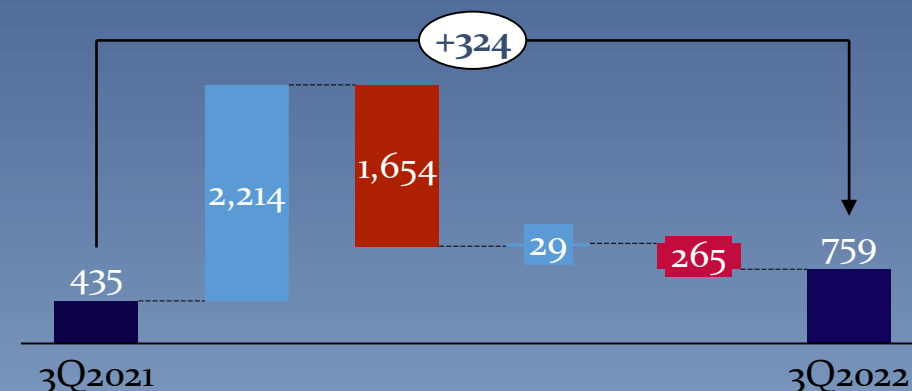
Strong momentum sustained in profitability margins with RGM initiatives, effective COGS & OPEX management

Significant improvement in FCF in 9M to be normalized by the end of year

### EBITDA (BNRI) Bridge mTL



### Free Cash Flow Bridge mTL



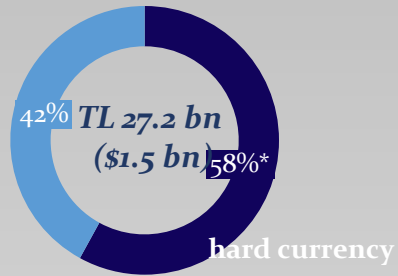
# Balance Sheet & Risk Management



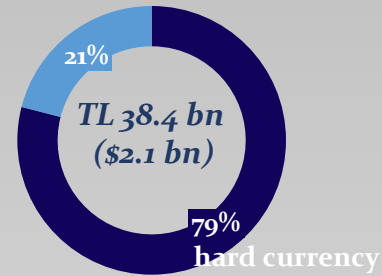
FX & commodity  
hedging  
instruments  
partly offsetting  
cost pressures...

## Anadolu Efes

### Cash Profile



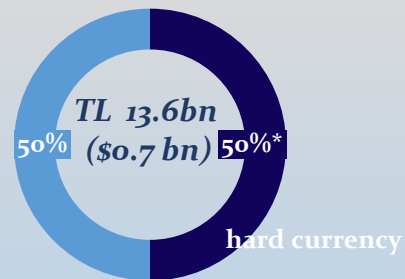
### Debt Profile



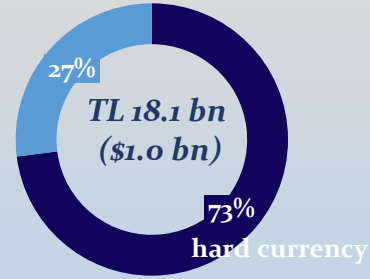
Average maturity: 3.5 years  
Net Debt/EBITDA: 0.7x

## Beer Group

### Cash Profile



### Debt Profile



Average maturity: 3.2 years  
Net Debt/EBITDA: 0.7x

## Beer Group Hedges\*:

### Commodity:

Aluminum: 88% (2023: 50% for TR and CIS)

PET/Resin: 100%\*\*

Barley: 93%

## 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

\*\*Russian exposure

# Financial Priorities for 2022



## Profitability

Ensure necessary pricing to mitigate cost pressures

Ensure controlled OPEX increases through Zero-Based Budgeting

## Balance Sheet Management

Maintain leverage ratios at healthy levels

Ensure dividend flow from operations

## Risk Management

Manage FX and commodity price volatilities through hedges

Supplier base expansion and diversification to address supply chain bottlenecks

## Free Cash Flow

Ensure strong Free Cash Flow generation through disciplined capex spending and tight working capital management





# CAPITAL ALLOCATION PRIORITIES



# Capital Allocation Priorities



Maintaining a healthy  
balance sheet by  
keeping Net Debt /  
EBITDA between 1.0x –  
2.0x



Leverage inorganic  
growth opportunities

Penetrate and expand  
into new geographies  
through exports

Invest in brands,  
innovation, product  
diversification,  
market development,  
digitalization and  
production capacity



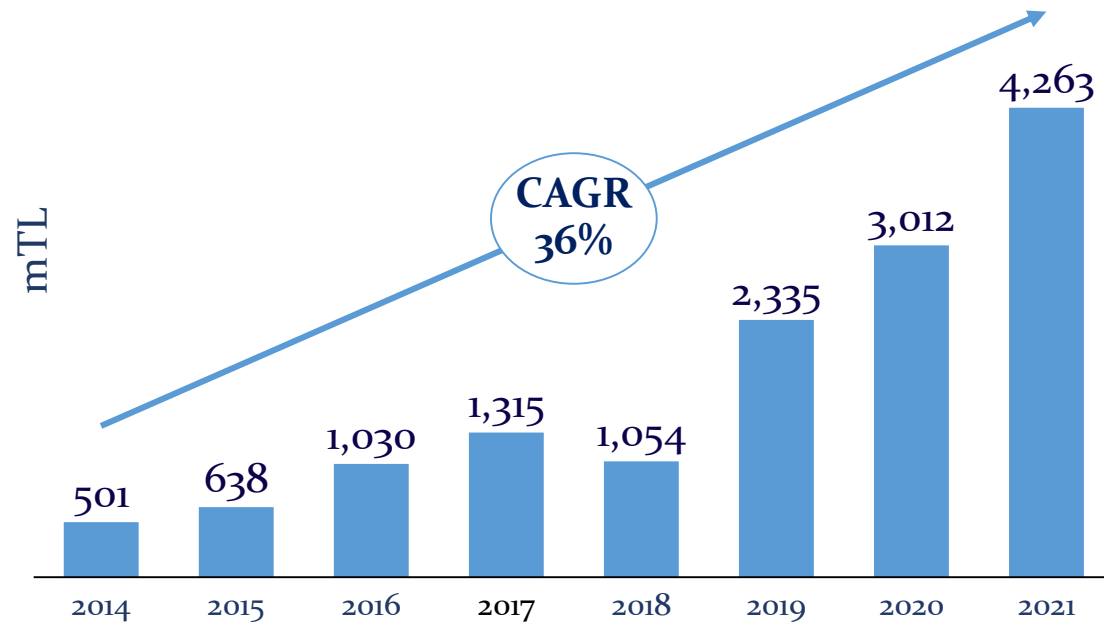
Maximizing  
shareholder value  
through dividends  
with high yield



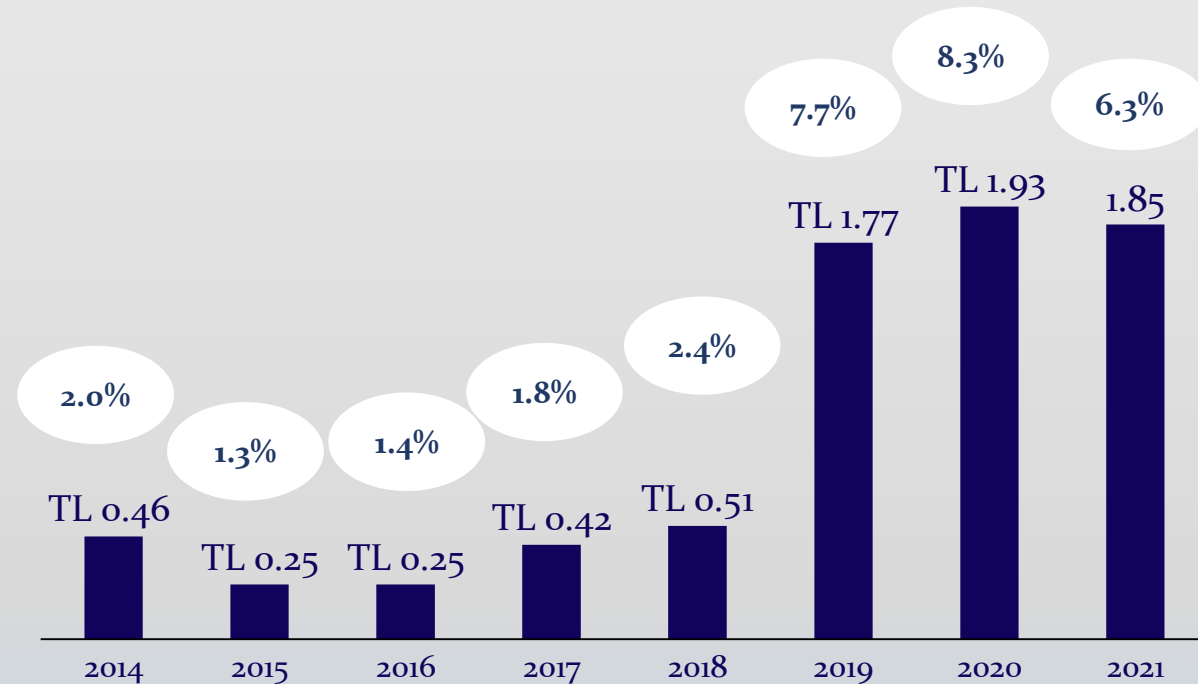
# Sustainable Shareholder Return

## Sustainable Free Cash Flow Generation

Anadolu Efes



## Leading to High Dividend Yields\*



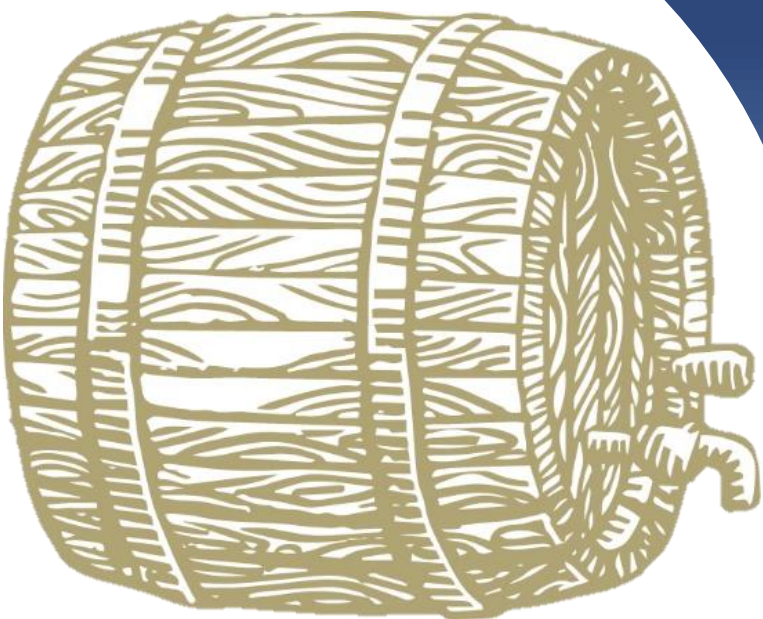
Gross Dividend per Share (TL per 100 shares)

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

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EFES**



# Revised 2022 OUTLOOK



# Improvements in beer group outlook reflected in our consolidated guidance...



*With the strong results achieved in 3Q we make further improvements in our beer group outlook being also reflected into Anadolu Efes' guidance.*

	ANADOLU EFES	BEER GROUP	SOFT DRINKS GROUP
VOLUME	Low-to-mid single digit growth (previously: low-single digit growth)	Low-teens decline on a reported basis (previously: mid-teens decline) Low-single digit decline (excl. Ukraine) (previously: mid-single digit decline)	High-single-digit to low-teens growth (no change)
SALES REVENUE <i>FX-Neutral basis</i>	Low-forties growth (previously: mid-thirties growth)	Low-to-mid twenties growth (previously: high-teens growth)	Low-to-mid forties growth (no change)
EBITDA (BNRI) Margin	Flat to 100 bps expansion (previously: flat)	Improve around 400 bps vs. 2021 (previously: flat to 100 bps expansion)	Flat to 100 bps contraction (no change)
CAPEX	As a percentage of sales high single digits on a consolidated basis (no change)		
FREE CASH FLOW	FCF generation will be comparable to previous year.		



# SUSTAINABILITY



# Our Commitments – Road to 2030



## ESG PRIORITIES

Targeting Zero  
for the environment



Increasing  
our support for  
social impact



Getting Stronger  
through  
Diversity  
& Inclusion



## GOALS

- Become **carbon neutral** in all our operations by 2030
  - Become a certified **zero-waste** beer producer by 2030
  - Continue to reduce plastic usage
- 
- Our Focus Areas: Culture & art, local development & women empowerment, basketball, sustainable agriculture & farmer empowerment, start up ecosystem & young entrepreneurs
- 
- 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





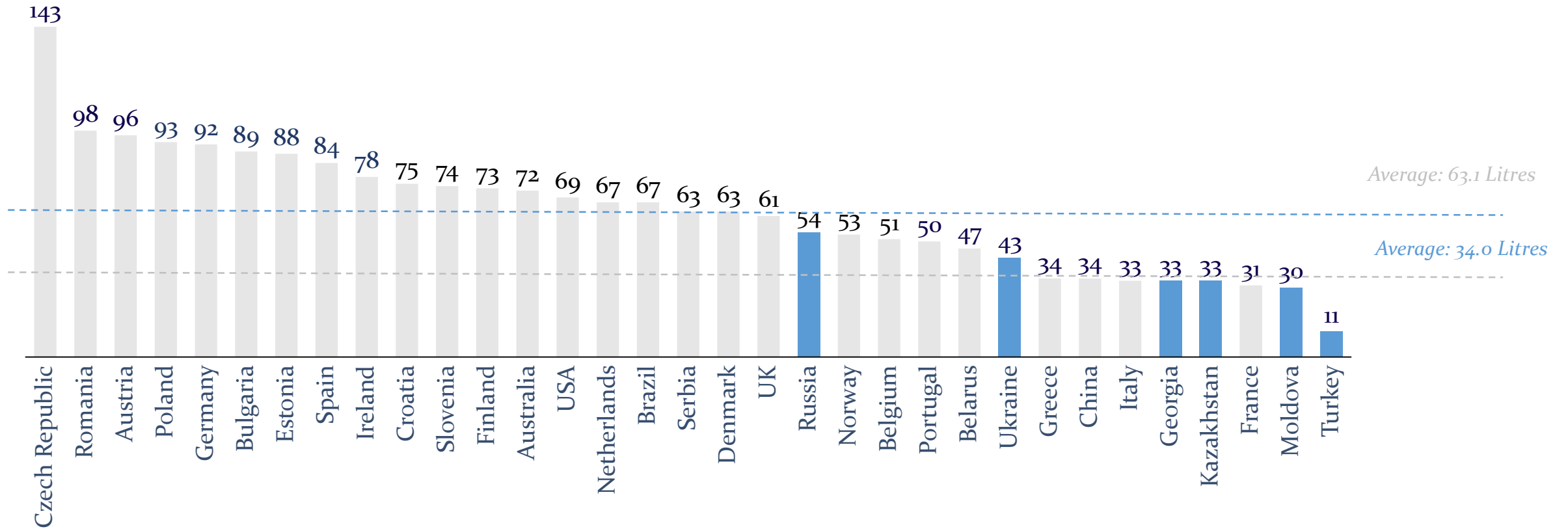
# APPENDIX



# More Room for Growth with Lower Per Caps



Beer Consumption Per Capita in 2021 (in liters)<sup>2</sup>



Source: Euromonitor for Russia & Ukraine, GlobalData 2021 for all other counties

 Anadolu Efes Beer Operations

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**THANK YOU**