



**ANADOLU
EFES**

**Citi's Virtual GEMS
Conference
September 2020**

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 2018/2019 **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



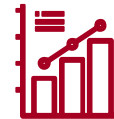
Abundant potential in demographics



Expertise & Know-How in driving cost efficiencies



Strategy, Execution and People to accelerate quality growth

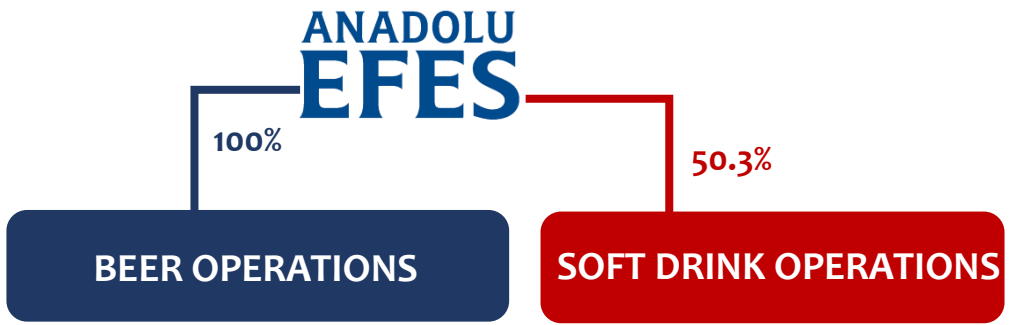
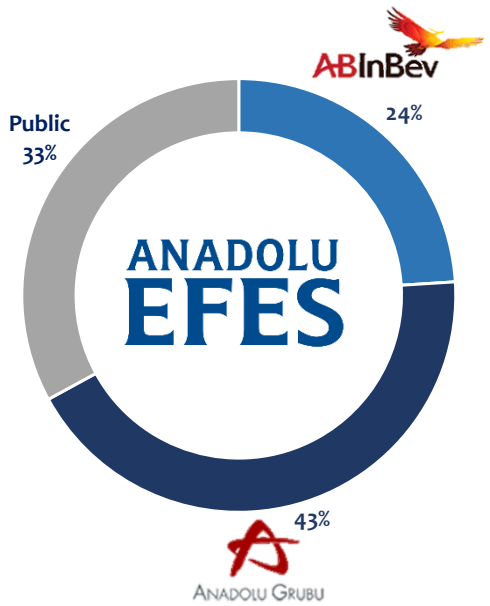


Proven track record of expansion & growth in emerging markets

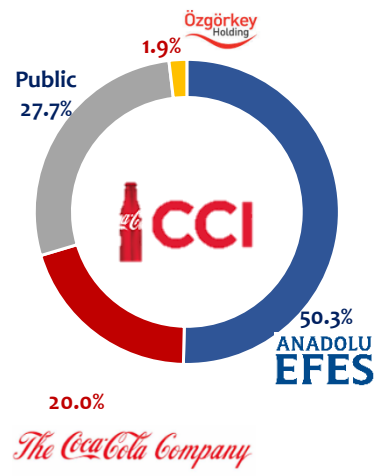


Solid, consistent financial performance and strong track record

Ownership Structure



- Turkey Beer Operations **EFES TÜRKİYE**
- International Beer Operations (EBI)
 - 50% Russia **ABInBev / EFES**
 - 100% Kazakhstan **EFES KAZAKHISTAN**
 - 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)



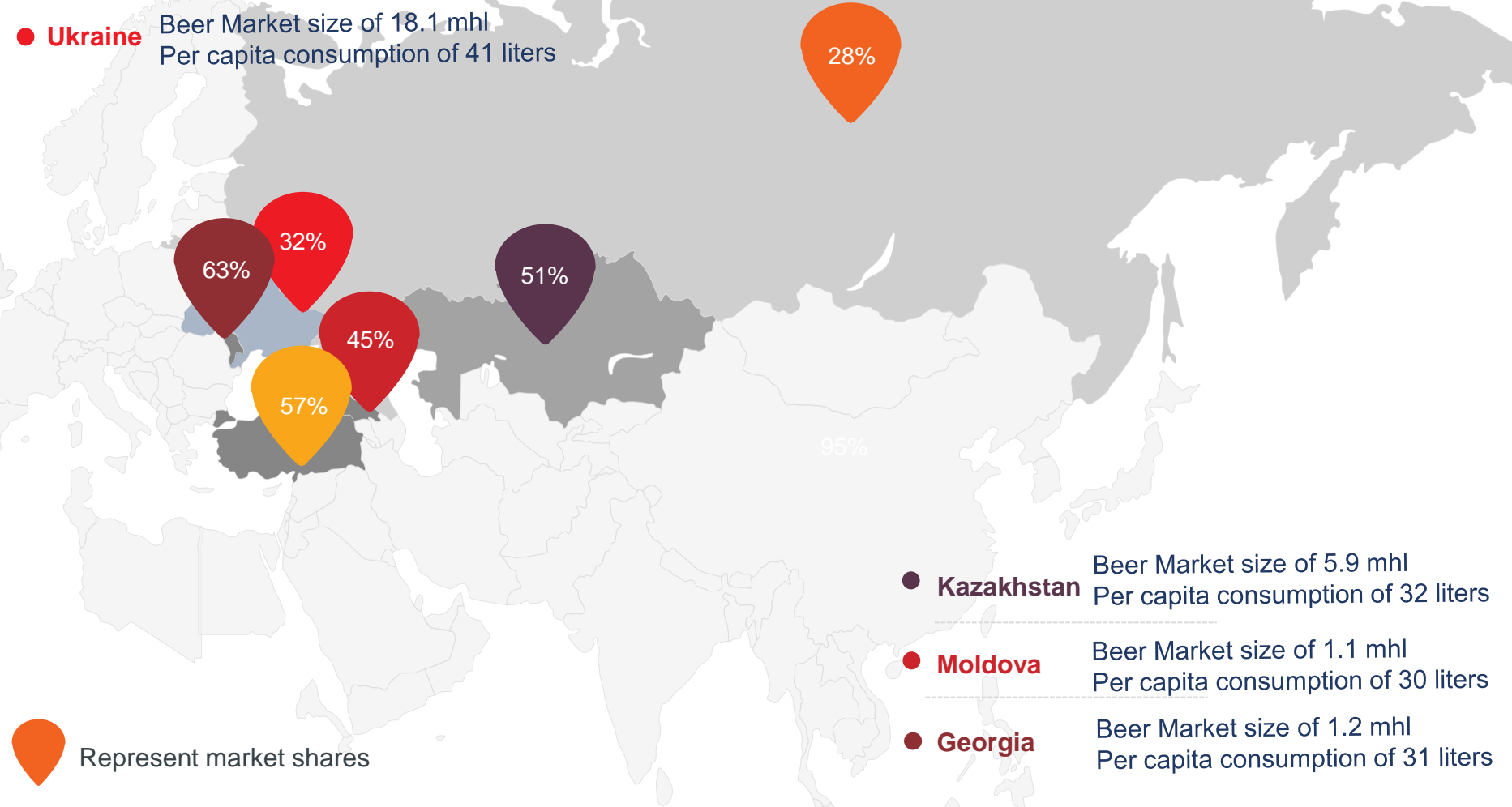
1.0x
-0.6x vs PY

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



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"

ONE CCI

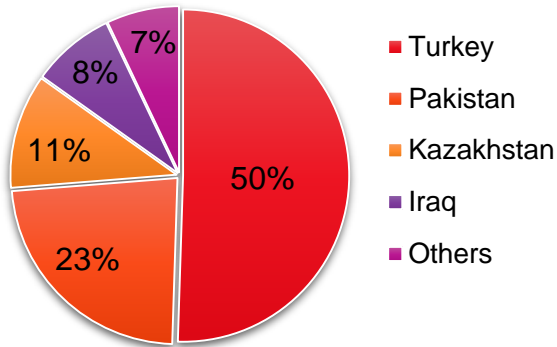


Coca-Cola Icecek in a Nutshell

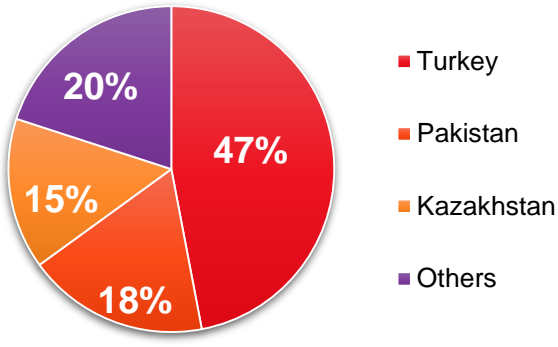
- 10 countries, ~400 mn people
- 26 production plants with 126 lines
- 1.5 bn UC(1) annual production capacity
- ~780 thousand sales points
- 1.3 bn UC sales volume
- \$ 2.2 bn revenue & \$ 403 mn EBITDA



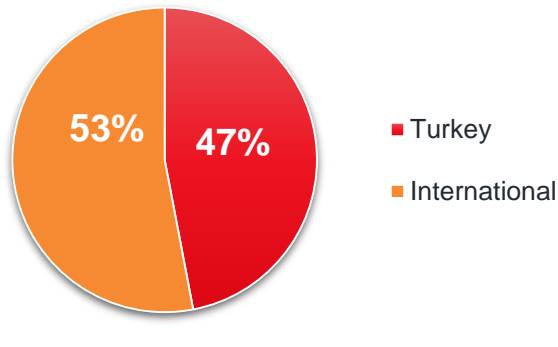
Volume Breakdown



Revenue Breakdown



EBITDA Breakdown



ADAPTING TO NEW NORMAL & RECENT PERFORMANCE



Adapting to new normal...



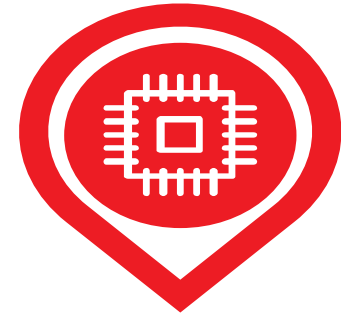
Initial Measures

- 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 2Q...

VOLUMES

2Q	1H
-11.6%	-5.8%

- International beer volumes flat;
- Turkey beer & soft drinks volumes under pressure starting from mid-March

REVENUE

2Q	1H
-0.6%	+5.1%

- Higher average prices per hl
- Positive currency translation

EBITDA (Margin)

2Q	1H
+8.5%	+1.4%
(+177bps)	(+56bps)

- 2Q Margin expansion backed by;
 - Substantial savings in S&M expenses
 - Higher margin in CCI
- EBITDA margin decline shrank to 56 bps, at 15.5% in 1H

Net Income

2Q	1H
TL352 mn	TL268 mn
(-18.1%)	(+6.1%)

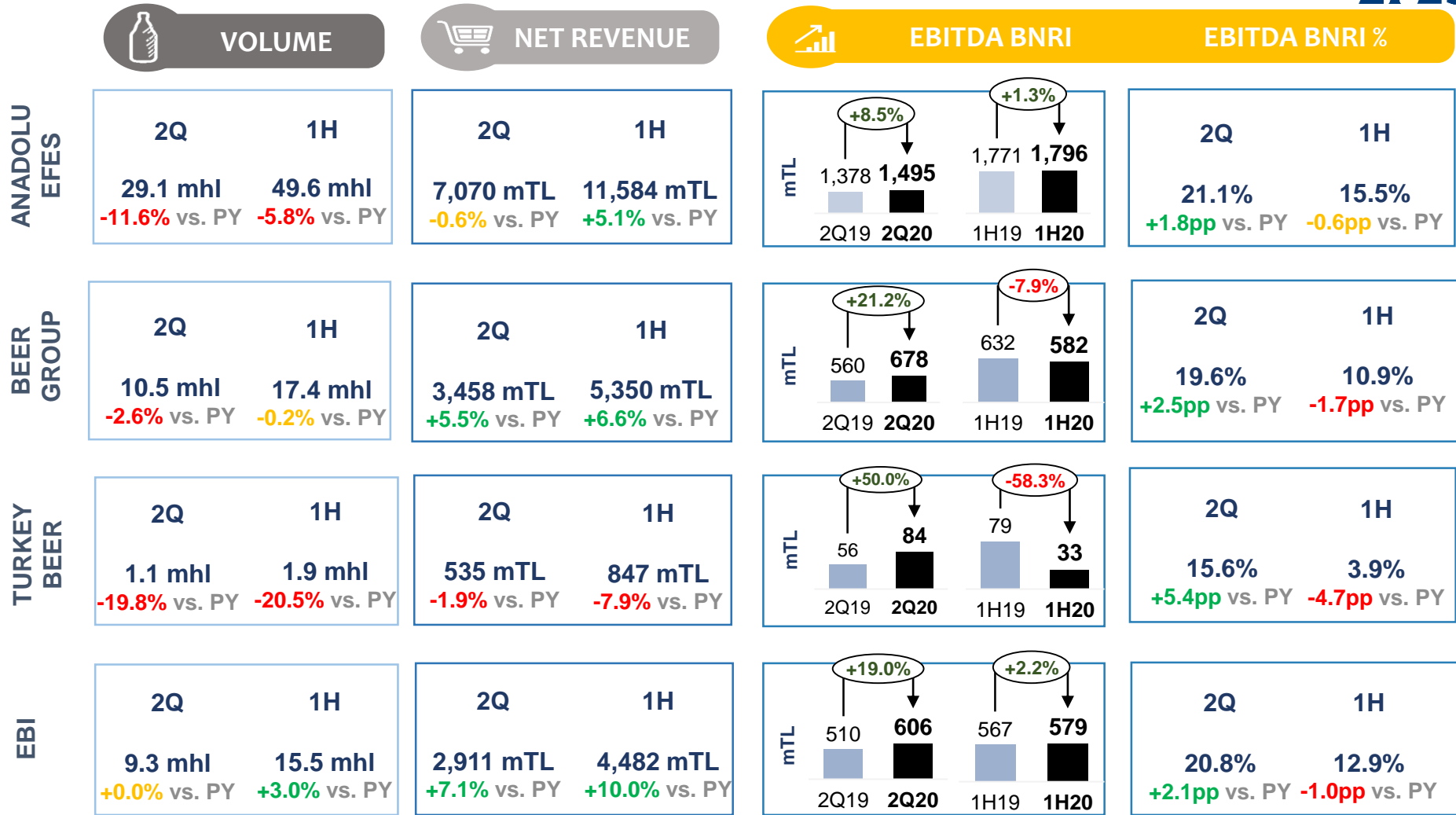
- Supported by the improvement in operational profitability in 2Q
- 2Q2019 net income supported by one-off investment income of TL 190 mn

Free Cash Flow

2Q	1H
TL2,013 mn	TL991 mn
(+TL 1,231 mn)	(+TL 357 mn)

- Positive contribution from both business lines
- FCF in 2Q more than doubled; driven by
 - improvement in core WC & reduction in capex

A rollercoaster first half...

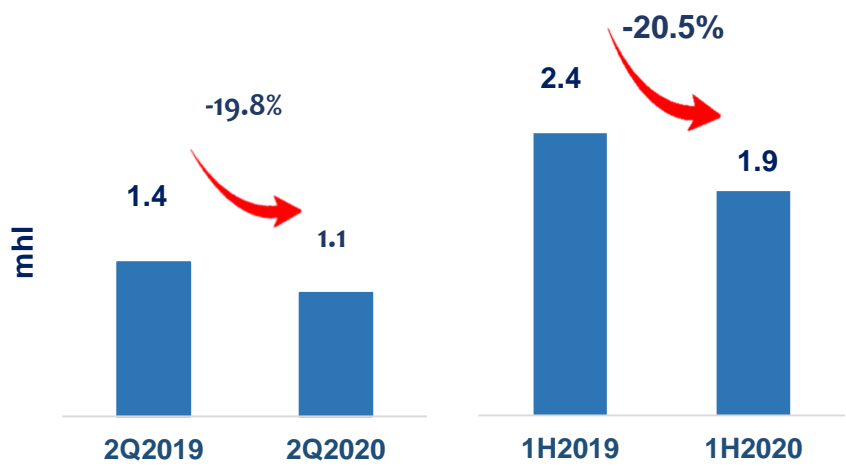


*1H2019 financials are restated to exclude Doğadan as per the announcement made by Coca-Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis for Anadolu Efes and CCI throughout the earnings release.

Beer Group rebounded strongly in May and June



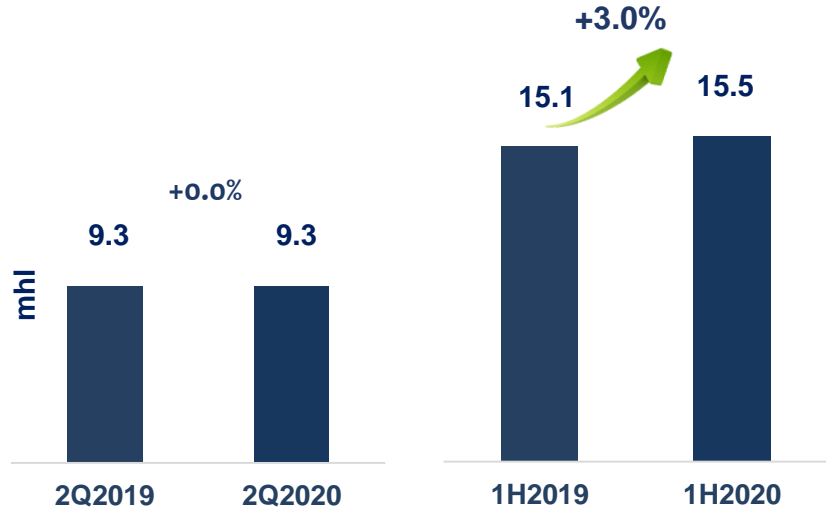
TURKEY BEER SALES VOLUME



Turkey Operations

- ✓ Volume down due to higher share of on-trade, however 2Q better than anticipated
- ✓ Gradual easing of mobility restrictions and on-trade ban
- ✓ Consumer demand shifting to new normal
- ✓ “+1” Relaunch of Efes Family
- ✓ Seasonal and craftsmanship offerings appreciated

INTERNATIONAL BEER SALES VOLUME

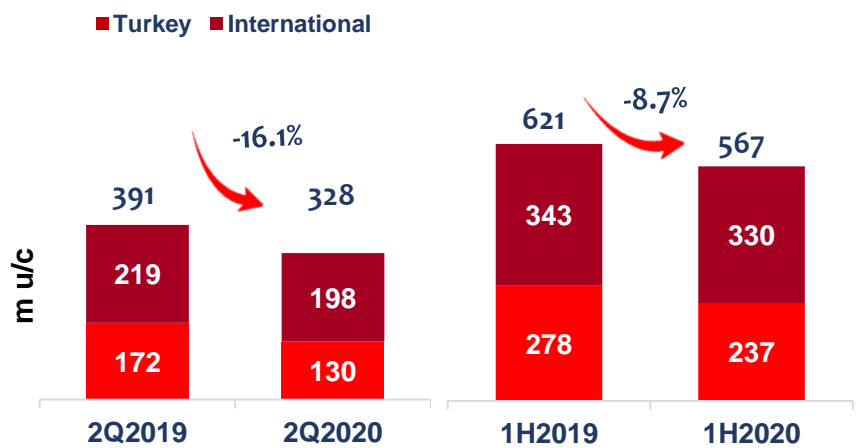


International Operations

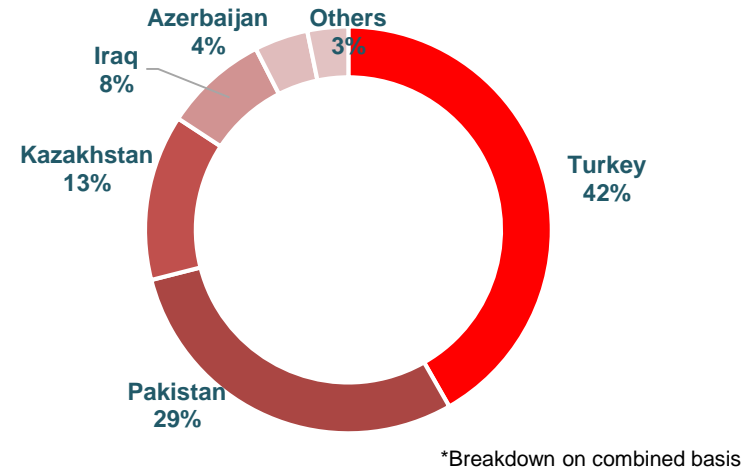
- ✓ Volumes flat in 2Q, despite challenging environment
- ✓ Russian volumes up in the quarter where the industry grew slightly
- ✓ Ukraine volumes under pressure while Industry declined
- ✓ Soft volumes in CIS countries mitigated by strong profitability



Soft Drinks Sales Volume



Volume Breakdown* By Country



Turkey Operations

- ✓ 2Q volumes down 24.5%; cycling 4.2% growth
- ✓ Gradual recovery in volume trend in 2Q
- ✓ Sparkling category relatively resilient
- ✓ Share of IC packages down driven by shutdown of on-trade

International Operations

- ✓ International operations volume down 9.5%
- ✓ Lower exposure in on-trade
- ✓ Central Asia was the most resilient
- ✓ Pakistan impacted by the on-trade ban & curfews
- ✓ Middle East volumes down however sparkling was up

Balance Sheet & Risk Management



Beer G Net Debt / EBITDA @ **1.2x** (1H19: 1.4x)
AEFES Net Debt / EBITDA @ **1.1x** (1H19:1.5x)



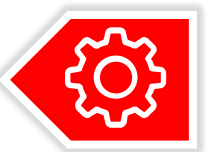
Maintained **dual investment grade ratings** from Fitch and S&P

No long term refinancing needs in 2020



Currency **92% Hedged** (2020)
Aluminium **92% Hedged** (2020)

~60% of cash held in hard currency



Started long term **commodity hedges**

Current cash balances cover short term financial debt obligations due in next **12 months**



Kicked off **post COVID financial strategies**

2020 EXPECTATIONS



2020 Beer Group Outlook

- Strong second quarter results better than our initial outlook at the beginning of the crisis

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