



ANADOLU GROUP

The star that links Anatolia to the world and the world to Anatolia

Anadolu Group Holding
2Q18 & 1H18 Earnings Presentation

August 16, 2018

Key Takeaways of the 2Q18 Financial Results

➤ Sound top-line performance across all business lines

- Consolidated net sales up by **22.2%** to TL6.7 billion
- Proforma consolidated sales up by **20.1%** to TL11.1 billion

➤ Operational profitability gained pace in 2Q18

- EBITDA increased to TL1.1 billion, EBITDA margin at 16.3%, up by **70 bps**
- Proforma EBITDA grew by **31%** to TL1.4 billion, EBITDA margin improved by **100 bps** to 12.3%

➤ Shifting from FX to TL borrowing

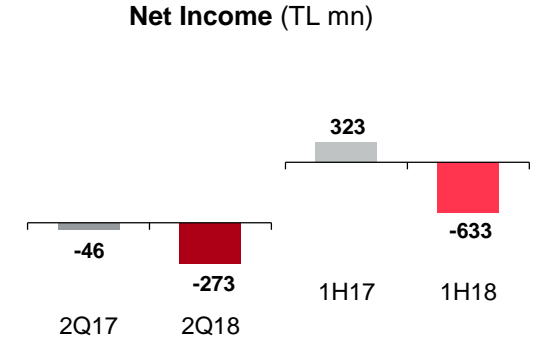
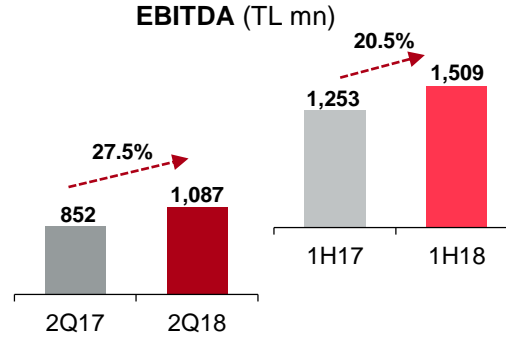
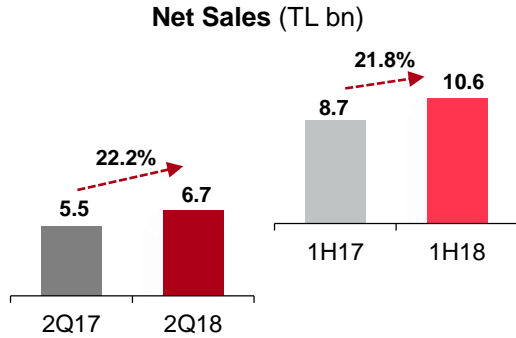
- Share of TL borrowings in total debt increased to **20%** as of 2Q18 vs **13%** as of YE2017

➤ Net debt/EBITDA at 3.5x in 2Q18 vs. 3.6x of 2Q17

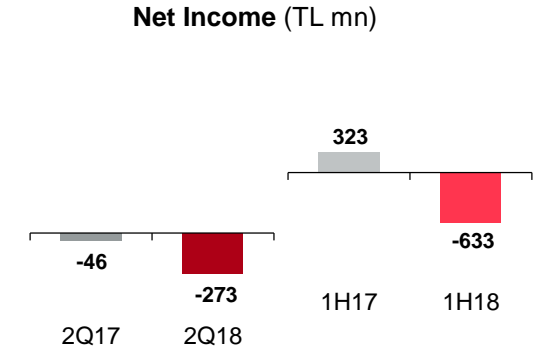
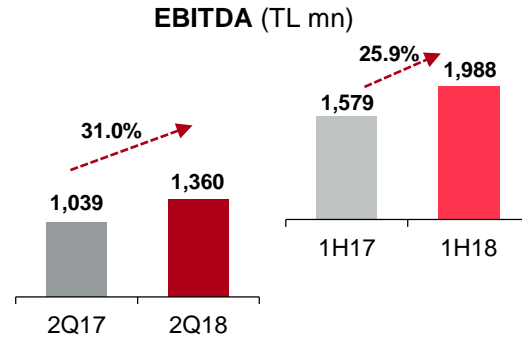
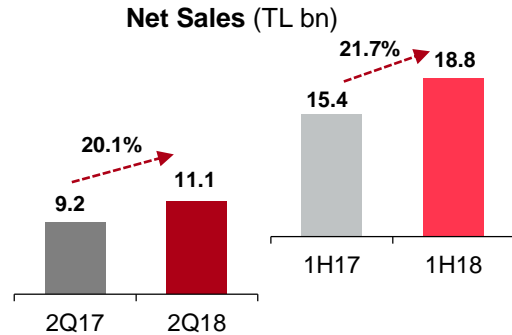
- Holding-only net debt stands at **€229 million** in 2Q18

Major Financial Indicators – 2Q18 & 1H18

Consolidated results



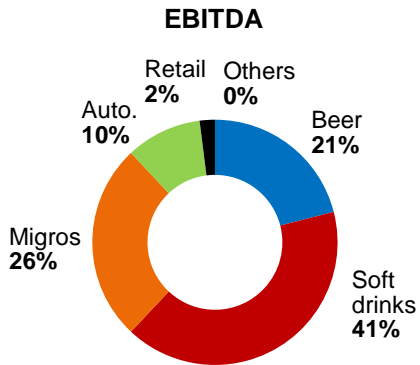
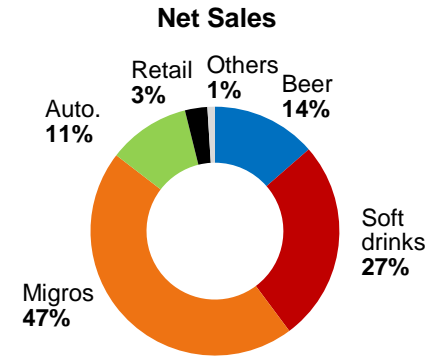
Consolidated proforma results*



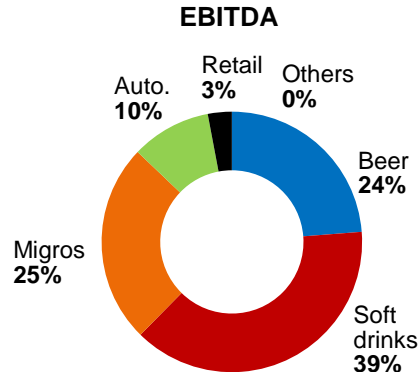
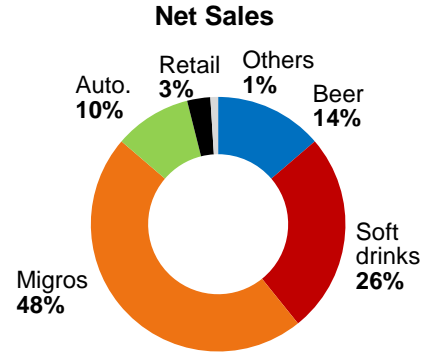
* Proforma results include Migros as consolidated

Segmental Sales and EBITDA Breakdown

Segmental Breakdown*, proforma (1H18)



Segmental Breakdown*, proforma (FY2017)

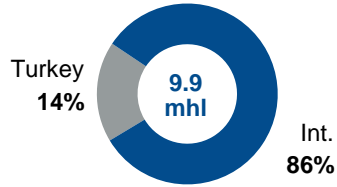


➤ All segments contributed almost proportionately to the top-line growth; no significant change in the share of any segment in total revenues

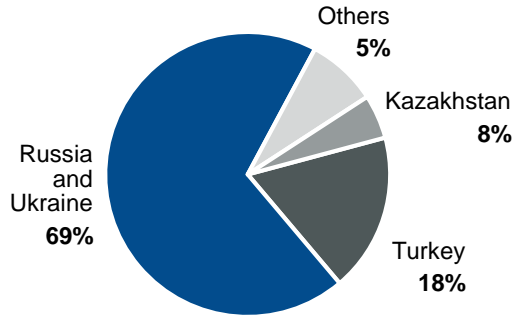
➤ EBITDA growth was mainly fuelled by the increased profitability of soft drinks and Migros operations; share of soft drinks in EBITDA was up by 2 ppt, share of Migros was up by 1 ppt, while share of beer was down by 3ppt.

*Breakdowns are calculated based on 12M trailing data

Beer Sales Volume (2Q18)

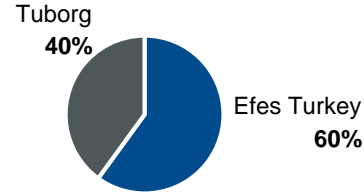


Volume Breakdown by Country (1H18)

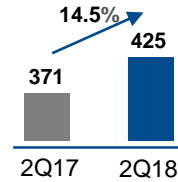


Domestic Beer Operations

Market Shares

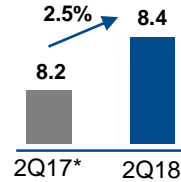


Revenues (TL mn)

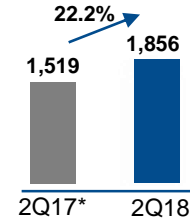


Int. Beer Operations

Sales Volume (mhl)

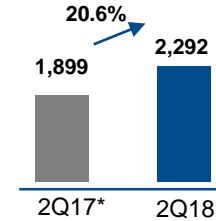


Revenues (TL mn)

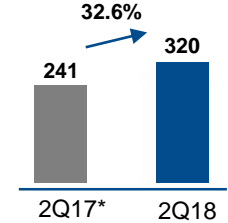


Beer Segment Performance

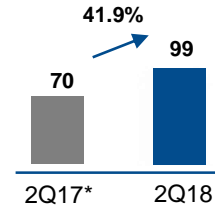
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)



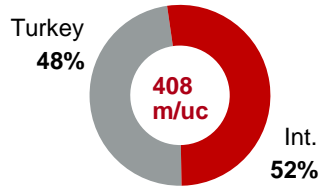
Net Income (TL mn)



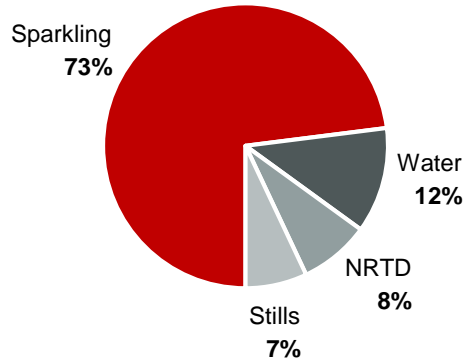
- Total beer group sales volume increased by 1.5% y-o-y to **9.9 mhl** in 2Q18; 1H18 sales volume at **13.9 mhl**.
- International beer markets delivered **solid growth in 2Q**, thanks to strong volumes during World Cup.
- **Market share improvements** in the last two months in domestic market.
- Significant **increase in operating profitability** at 32.6% in 2Q18 .

*2017 Proforma figures include ABI Russia and ABI Ukraine effect starting from April 1st

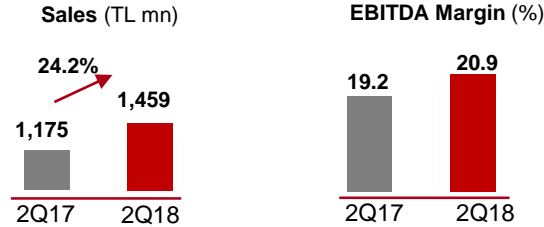
Soft Drinks Sales Volume (2Q18)



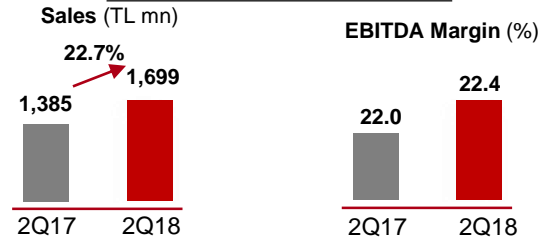
2Q18 Volume Breakdown



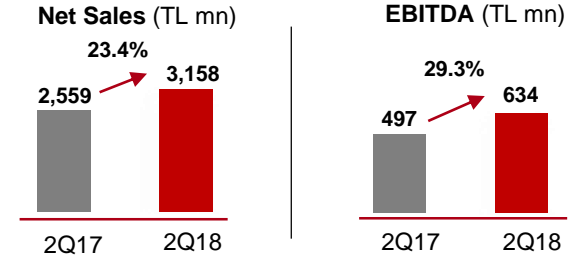
Domestic Soft Drink Operations



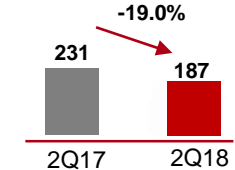
Int. Soft Drink Operations



Soft Drinks Segment Performance

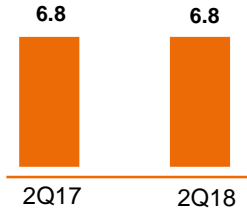


Net Income (TL mn)

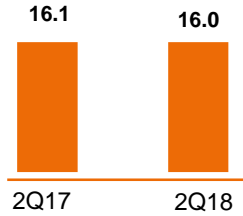


- **Robust performance** in 2Q18.
- **Highest quarterly Sparkling** growth since 2011.
- **Double-digit unit case volume growth** across all major markets.
- Net income **supported by EBITDA** growth.

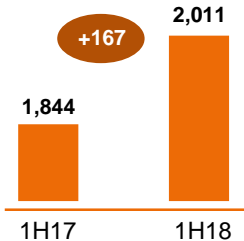
Total FMCG Market Shares (%)



Modern FMCG Market Shares (%)



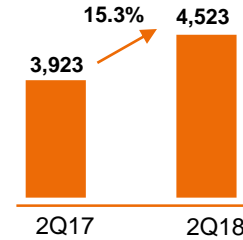
Number of Stores (%)



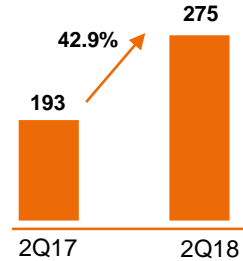
- **Strong growth momentum** despite high base of last year.
- Migros **maintained its market share**.
- **83** new store openings in 2Q18, **134** new openings in 1H18
- **42.9%** EBITDA increase in 2Q18

Migros Performance

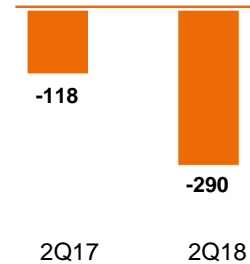
Net Sales (TL mn)



EBITDA (TL mn)



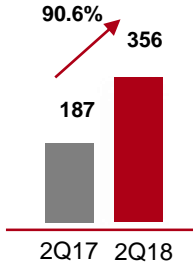
Net Income (TL mn)



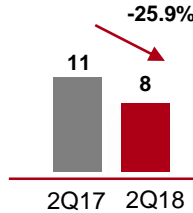
Automotive Segment



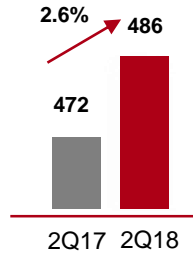
Isuzu Net Sales (TL mn)



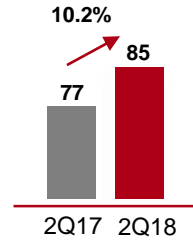
Isuzu EBITDA (TL mn)



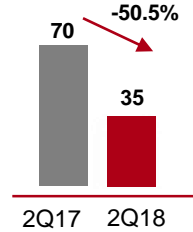
Çelik Motor Net Sales (TL mn)



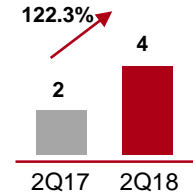
Çelik Motor EBITDA (TL mn)



Anadolu Motor Net Sales (TL mn)

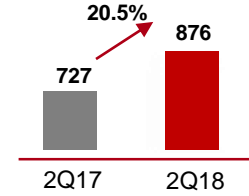


Anadolu Motor EBITDA (TL mn)

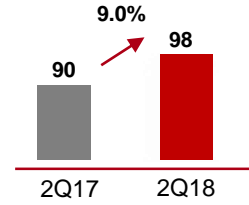


Automotive Segment Performance

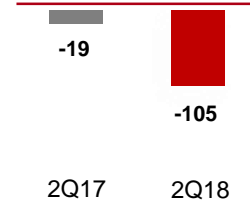
Net Sales (TL mn)



EBITDA (TL mn)

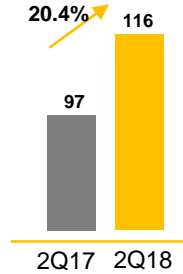


Net Income (TL mn)

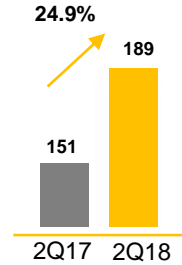


- Healthy top-line increase of **20.5%** to TL 876 million with a **gross margin expansion of 1.8 ppt** in 2Q18.
- Yearly EBITDA growth of **9%** to TL 98 million

Adel Net Sales (TL mn)



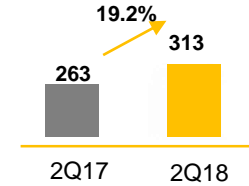
McDonald's Net Sales (TL mn)



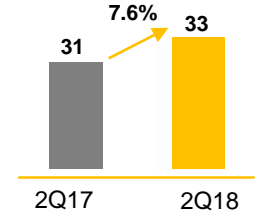
- Solid top-line growth of **19.2%**
- Contraction at operating level due to increase in rediscount expenses booked under other expenses; **seasonality**.
- **100% TL** denominated borrowings

Retail Segment Performance

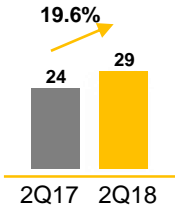
Net Sales (TL mn)



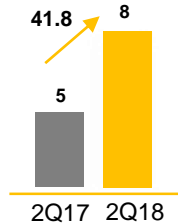
EBITDA (TL mn)



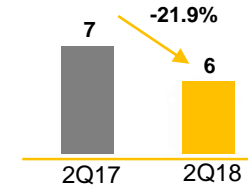
Adel EBITDA (TL mn)



McDonald's EBITDA (TL mn)



Net Income (TL mn)



Others

Others (TL mn)	2Q17	2Q18	Change
Net Sales	63	71	11.6%
Gross Profit	24	35	47.6%
EBITDA	1	10	n.m.
Net Income	-89	-216	n.m.
Gross Profit Margin	37.2%	49.2%	12.0
EBITDA Margin	0.9%	13.7%	12.8
Net Profit Margin	n.m.	n.m.	n.m.

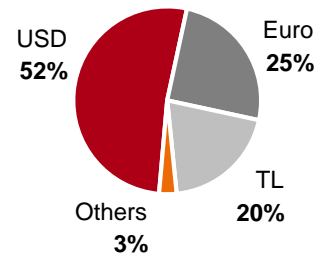
- Holding, energy and real estate companies are under consolidated under the other segment.
- Net sales revenues of the other segment increased by 11.6% to TL 71 million driving the 1H18 top-line to TL 140 million,
- AND Kozyatağı, which has a total leasable area of 31.5K sqm after the sale indicated above, has an occupancy rate of around 75% as of 1H18-end. Meanwhile, the pre-sales rate of AND Pastel residential project, which is being developed in Istanbul Kartal, was at 58% for the same period. Delivery of the residential units will commence in the second half of the year.
- Due to equity consolidation method used for Migros, its contribution is booked under “other gains from investments accounted through equity” in the other segment

Consolidated and Segmental Indebtedness

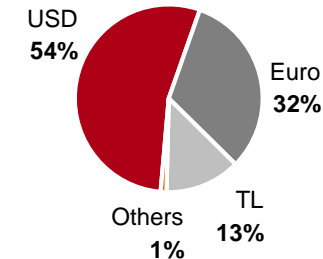
As of 1H18-end (Euro mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	760	430	330	1,6
Soft Drinks	1.265	704	561	1,8
Automotive	683	44	639	8,8
Retail	81	8	73	4,3
Other (Holding incl.)	501	44	458	n.m.
<i>Holding only</i>	253	24	229	n.m.
Consolidated	3.290	1.230	2.060	3,7
Migros	767	256	511	2,7
Proforma Consolidated	4.057	1.486	2.571	3,5

As of 2017-end (Euro mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	558	356	202	1,1
Soft Drinks	1.327	862	465	1,5
Automotive	712	42	670	8,3
Retail	47	12	35	1,7
Other (Holding incl.)	482	37	445	n.m.
<i>Holding only</i>	253	16	237	n.m.
Consolidated	3.125	1.308	1.817	3,1
Migros	866	361	506	2,6
Proforma Consolidated	3.992	1.669	2.323	3,0

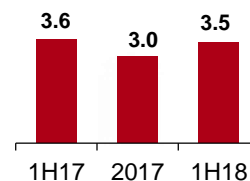
Breakdown of Net Debt (1H18)



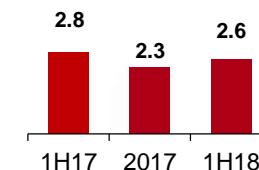
Breakdown of Net Debt (FY2017)



Consolidated Net Debt / EBITDA (x)



Consolidated Net Debt (€ bn)



- Holding-only net debt stands at € 229 mn
- Net debt /EBITDA at 3.5x as of end of June'18 vs. 3.6x of June'17-end

The star that links Anatolia to the world and the world to Anatolia



Q&A

Thank you...

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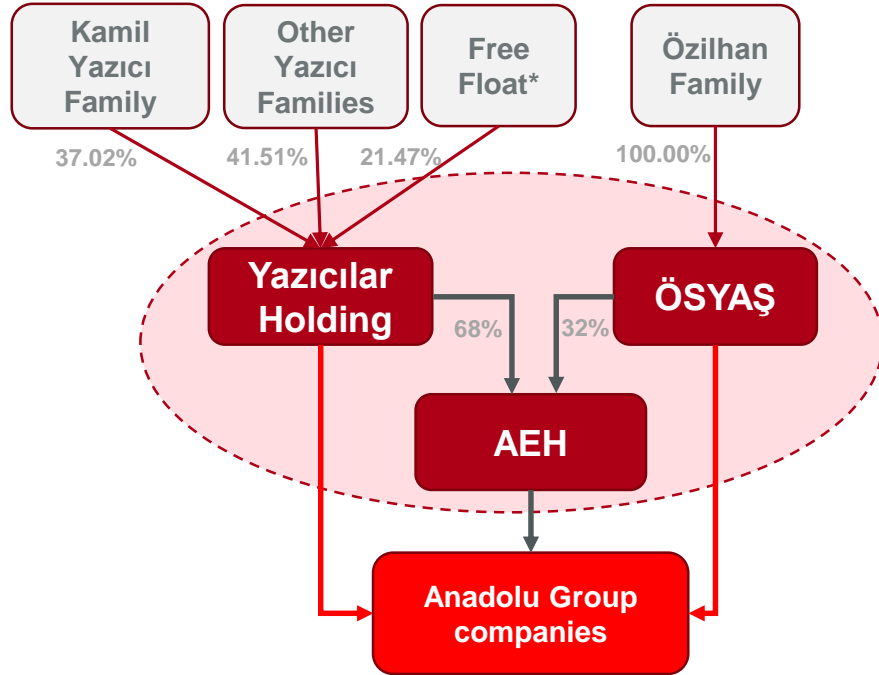
- I. Segmental Financial Data
- II. Ownership Structure
- III. Participation Rates & Method

Segmental Financial Data

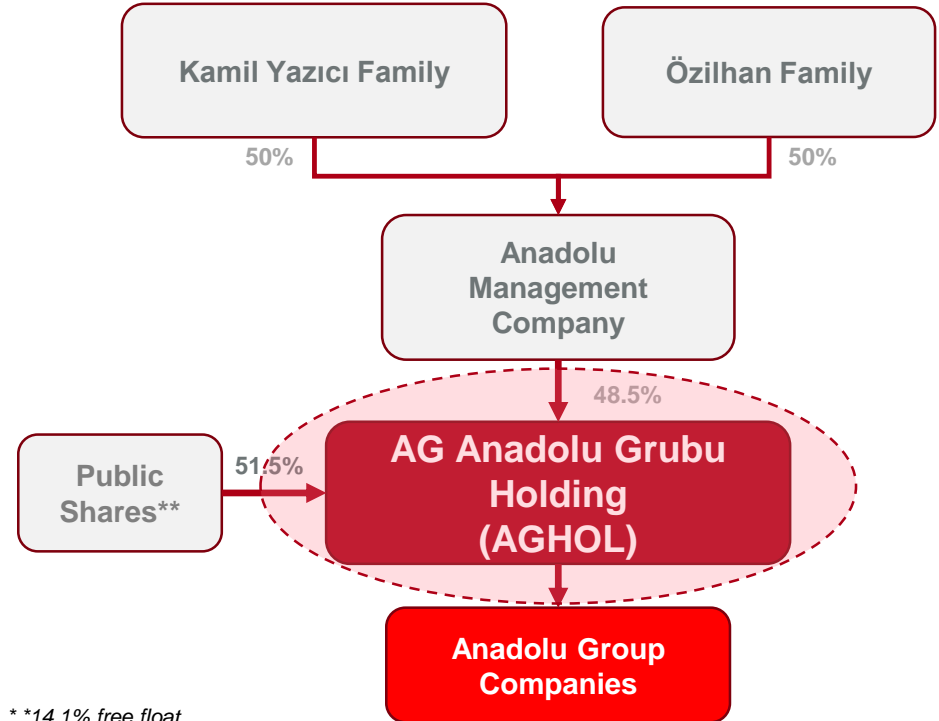
million TL	Beer	Soft Drinks	Automotive	Retail	Other	Consolidated	Migros	Proforma Consolidated
Net Sales	3.190	5.024	1.705	622	140	10.607	8.463	18.809
<i>y-o-y</i>	15%	22%	34%	18%	16%	22%	20%	22%
Gross Profit	1.431	1.771	326	140	78	3.679	2.338	5.996
<i>y-o-y</i>	13%	26%	39%	10%	52%	22%	28%	24%
Operating Profit	1	661	112	38	-299	506	129	895
<i>y-o-y</i>	-99%	50%	-4%	-18%	a.d.	-50%	a.d.	37%
EBITDA	336	924	177	63	9	1.509	486	1.988
<i>y-o-y</i>	0%	34%	13%	-1%	40%	20%	40%	26%
PBT	5	257	-240	14	-465	-536	-502	-779
<i>y-o-y</i>	-82%	-5%	160%	-49%	-233%	a.d.	a.d.	a.d.
Net Income	17	141	-199	7	-433	-633	-528	-633
<i>y-o-y</i>	-43%	-3%	163%	-64%	a.d.	a.d.	a.d.	-296%
Net Debt	1.754	2.982	3.396	389	2.442	10.962	2.719	13.681
<i>y-o-y</i>	-10%	28%	17%	32%	52%	21%	18%	20%
<i>Gross Margin</i>	44,9%	35,3%	19,1%	22,6%	56,1%	34,7%	27,6%	31,9%
<i>EBITDA Margin</i>	10,5%	18,4%	10,4%	10,1%	6,5%	14,2%	5,7%	10,6%
<i>Net Margin</i>	0,5%	2,8%	-11,7%	1,1%	-309,9%	-6,0%	-6,2%	-3,4%

The Merger

Pre-merger



Post-merger



*Free float is presented based on non-family held public shares.

**14.1% free float

The Participation Rates & Method

	Pre-merger Consolidation method	Stake held by AGHOL, %	Current Consolidation method	Proforma* Consolidation method
Anadolu Efes	Equity	43.05	Full	Full
Migros	Equity	50.00	Equity	Full
Anadolu Isuzu	Equity	55.40	Full	Full
Adel Kalemcilik	Full	56.89	Full	Full
Çelik Motor	Full	100.0	Full	Full
Anadolu Restoran	Full	100.0	Full	Full
Anadolu Motor	Full	100.0	Full	Full
Efestur	Full	100.0	Full	Full
Aslancık HEPP	Equity	33.33	Equity	Equity
Anadolu Kafkasya**	Full	89.19	Full	Full
Real Estate Companies	Full	100.00	Full	Full

*Proforma results include Migros as fully consolidated latest by June 2019.

**Anadolu Kafkasya holds 90% of our energy company GUE and 100% of other project company