

AG ANADOLU GRUBU HOLDING

1H21 Earnings Presentation

August 17, 2021

1H21 Results - Operational Snapshot

Overview

- **Successfully mitigated the negative impact of COVID-19 in 2021 as well**
- **Managed to grow our businesses despite challenges**
- **Proactive balance sheet and risk management continued**
- **Recovery on Auto and QSR businesses with opening export markets and easing restrictions**
- **CCI won the privatization process of Coca-Cola Bottlers Uzbekistan**

Beer

- **Volume growth continues despite Covid-19 restrictions**
- **Strong Turkey beer performance vs. last year with double digit volume growth**
- **Some margin pressure on int. markets due to commodity prices, excise taxes, high base of last year**

Soft Drinks

- **Quality growth with EBITDA Growth > Revenue Growth > Volume Growth in both Turkey and Int. Markets**
- **Strong FCF continues on strong operational performance and disciplined working capital management**
- **Volume and revenue guidance revised higher**

Migros

- **Solid sales performance throughout the year**
- **Number of online customers and stores continue to grow at a strong pace**
- **Debt reduction continues at full pace**

1H21 Results - Financial Snapshot

➤ Strong top-line growth

- ✓ Consolidated sales up by **31.1%** to **TL 36.0 bn**
- ✓ Main contributors: Soft Drinks, Beer, Migros and Automotive segments

➤ Solid operational profitability despite challenging environment

- ✓ EBITDA increased by **43.9%** and reached **TL 4.5 bn**, EBITDA margin at **12.6%**
- ✓ Substantial contribution from Soft Drinks

➤ Net profit of TL 882 mn 1H21 vs. net loss of TL 483 mn of 1H20

- ✓ Adjusted net profit of TL 294 mn in 1H21 excludes the TL 588 mn one-off profit related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations.
- ✓ More stable bottom-line despite higher FX volatility thanks to focusing on TL financing, proactive use of derivatives

➤ Positive FCF generation continued

- ✓ TL 2.4 bn FCF on strong operations, prudent capex, working capital discipline

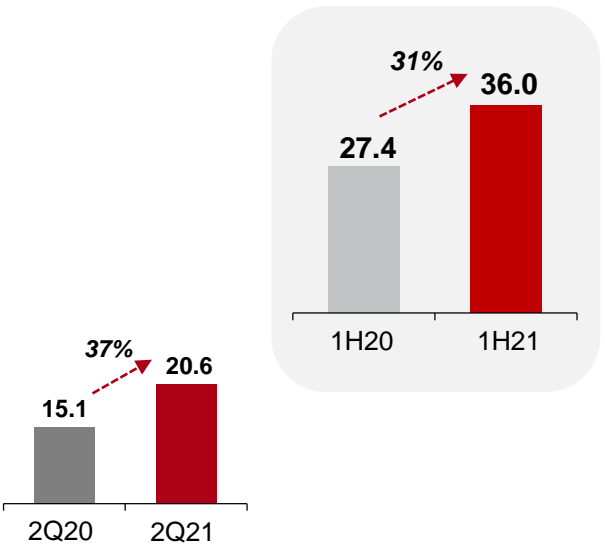
➤ Net debt/EBITDA decreased to all-time low at 1.4x as of 1H21

- ✓ Deleveraging is on track; 3.6x at end-1H18, 2.7x at end-1H19 and 2.1x at end-1H20

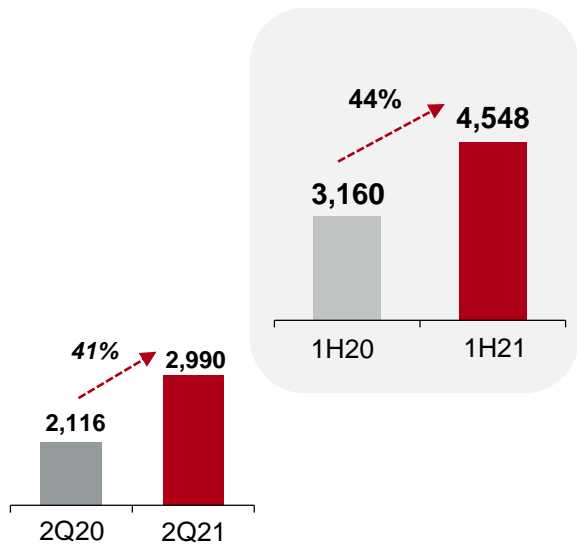


Key Financial Indicators – 2Q21 & 1H21

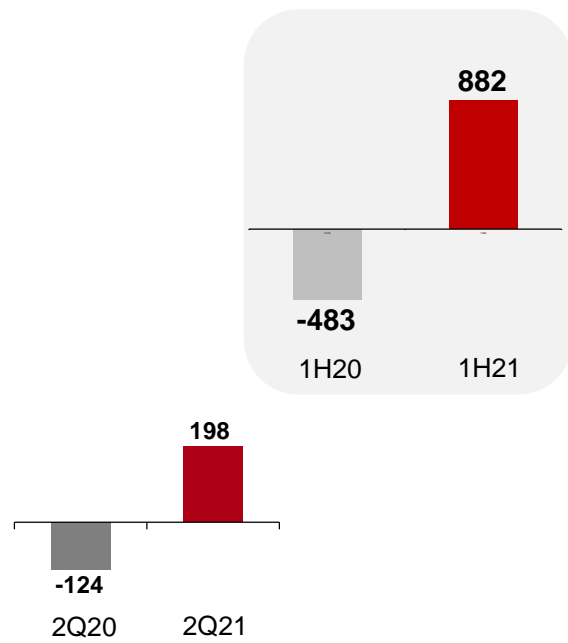
Net Sales (TL bn)



EBITDA (TL mn)



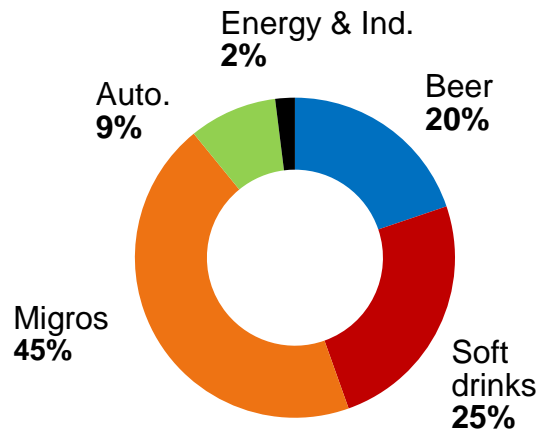
Net Income* (TL mn)



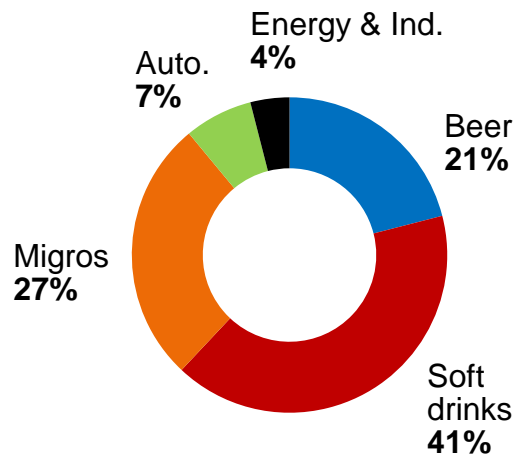
* Adjusted net income of TL 294 mn in 1H21, excludes TL 588 mn one-off profit related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations.

Segmental Sales and EBITDA Breakdown

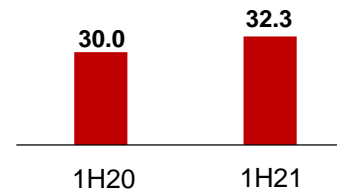
Net Sales



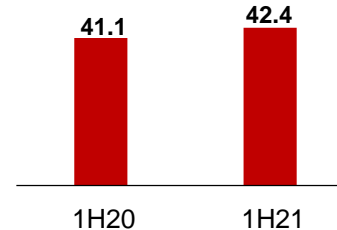
EBITDA



Share of Int. Sales (%)

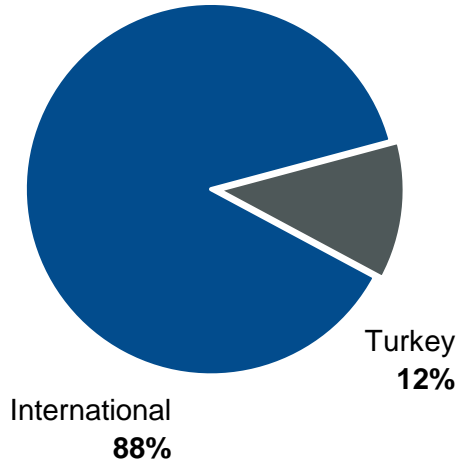


Share of Int. EBITDA (%)



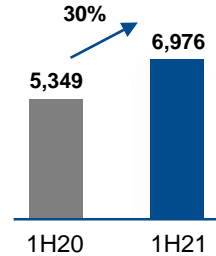
- Share of int. revenues increased to 32.3% in 1H21 thanks particularly to strong performance of Soft Drinks' international operations.
- Share of int. EBITDA increased from 41.1% in 1H20 to 42.4% in 1H21 on the back of strong performance on Soft Drinks Segment in international countries.

Volume Breakdown (1H21)

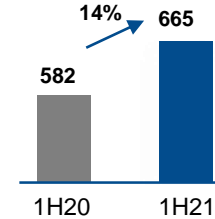


Beer Segment Performance

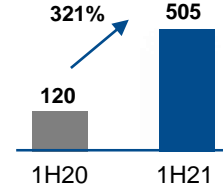
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)

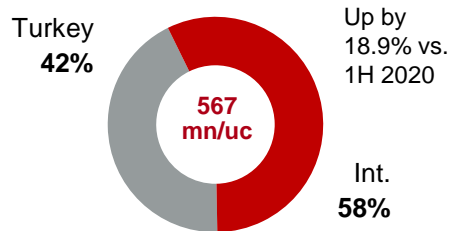


Net Income (TL mn)

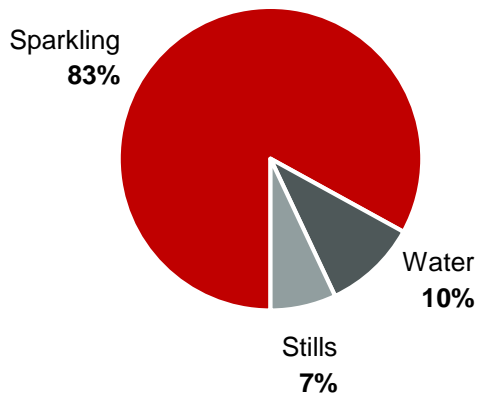


- Despite Covid-19 restrictions, respectable beer volume growth in 1H21 mostly driven by the Turkish operations
- Turkey volumes increased by 22.0% year-on-year in 2Q21 (11.3% in 1H21) outperforming expectations
- Some pressure on margins due to commodity prices, the excise increase in Russia, high base of last year.
- Free cash flow in 1H21 reached TL 1,084 mn versus TL 243 mn a year ago on strong performance regarding payables and drop in capex.

Soft Drinks Sales Volume (1H21)

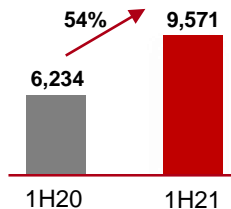


Category Breakdown (1H21)

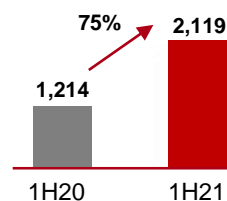


Soft Drinks Segment Performance

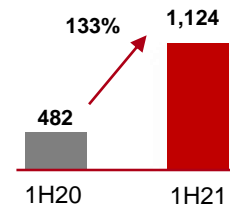
Net Sales (TL mn)



EBITDA (TL mn)

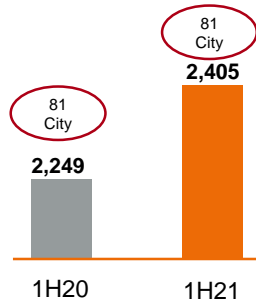


Net Income (TL mn)

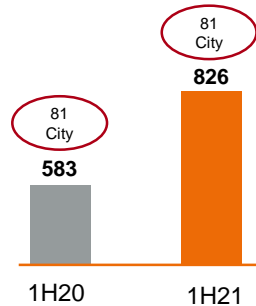


- Solid performance in both Turkey and International markets
- Margins continue to improve on price adjustments, positive category mix, contained input cost pressures on hedging initiatives and disciplined opex
- FCF of TL 839 mn in 1H21 vs TL 625 mn a year ago on solid improvement in operational performance and discipline in the working capital management
- 133% increase at the bottom-line thanks to higher operating profit and FX gains due to net long position
- Volume and revenue guidance revised higher (volume 4-6% growth to high single digits, Revenue growth low teens to high teens to low to mid-twenties)

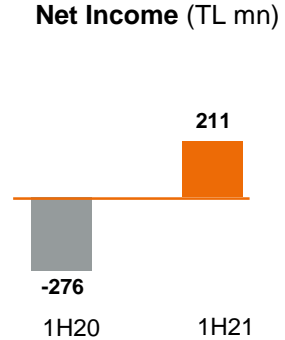
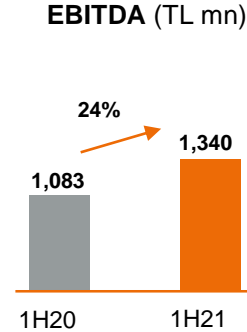
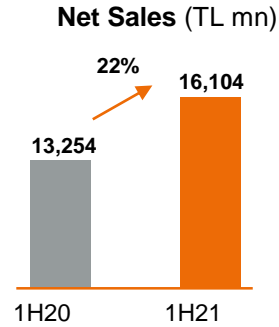
Number of Stores



Online Service Stores

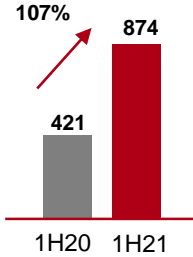


Migros Performance

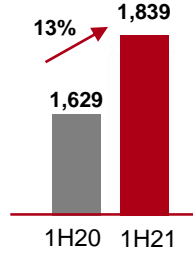


- Healthy top-line growth in the first half of the year
- Strong performance in street stores & online business
- 176 new store openings in the first seven months of 2021
- No hard currency exposure and significant reduction in total TL debt
- Net debt to EBITDA down to 1.3x in 1H21 vs. 1.6x in 1H20
- EBITDA growth at 24% yoy, EBITDA margin improved to 8.3% in 1H21 (*EBITDA: 5.6% adjusted for IFRS 16 change*)

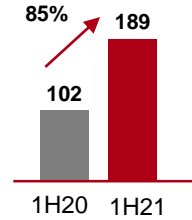
Anadolu Isuzu Net Sales (TL mn)



Çelik Motor Net Sales (TL mn)

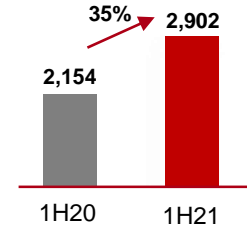


Anadolu Motor Net Sales (TL mn)

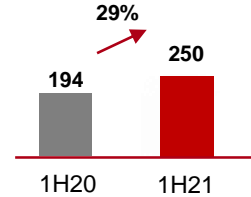


Automotive Segment Performance

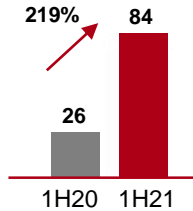
Net Sales (TL mn)



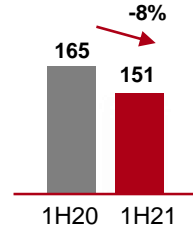
EBITDA (TL mn)



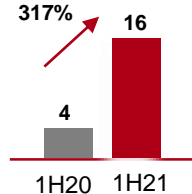
Anadolu Isuzu EBITDA (TL mn)



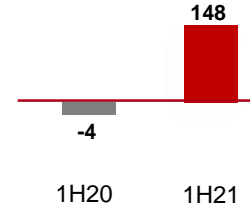
Çelik Motor EBITDA (TL mn)



Anadolu Motor EBITDA (TL mn)

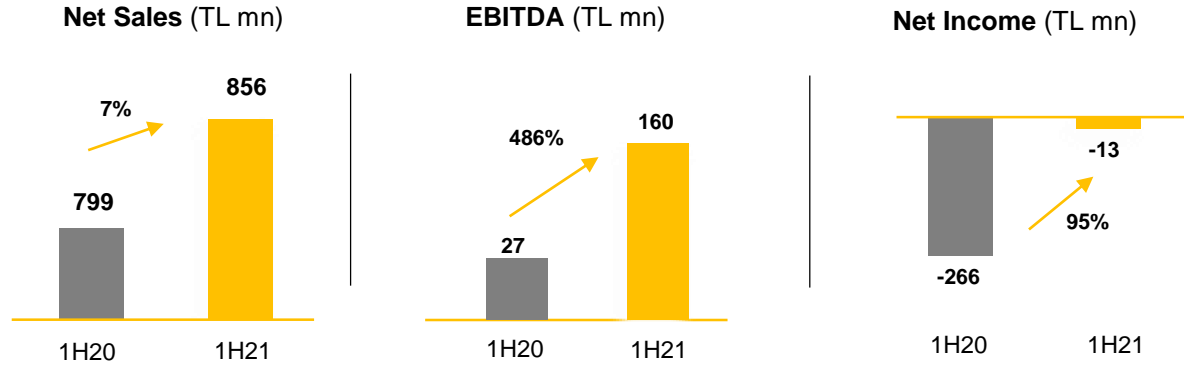


Net Income (TL mn)



- Solid domestic and export sales performance of Anadolu Isuzu
- Strong demand for Honda marine motors and diesel engines, Anadolu Motor EBITDA more than tripled
- Çelik Motor fleet optimization; fleet size down to 1.2K as of end-1H21 vs. 5.4K as of end-1H20

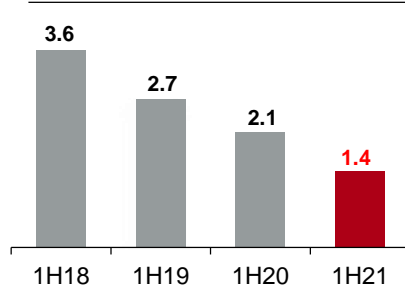
Energy & Industry Segment Performance



- Segment constituents: Adel, McDonalds, Energy and Real Estate
- Segment profitability was under pressure due to Covid-19, restrictions mainly related to QSR business.
- McDonald's operations on a strong rebound starting in the first half of the year
- Solid Margins on the energy segment. 100% of the electricity produced at GUE sold to Georgia

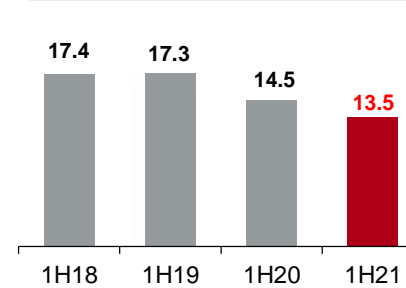
Financial Priorities I: Deleveraging on track

Consolidated
Net Debt / EBITDA (x)



- Significant improvement in indebtedness ratios due to;
 - Operational performance,
 - FCF generation
 - Balance sheet management, risk mitigation tools

Consolidated
Net Debt (TL bn)



- Despite sharply weaker TL, significant decline in indebtedness of the Holding during the last couple of years
- 100% of FX debt at the Holding-only level is protected

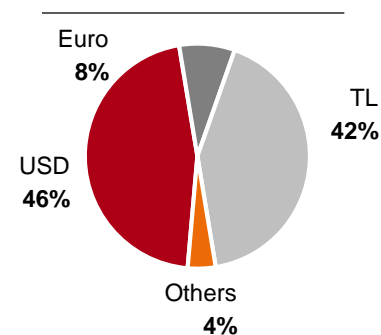
Financial Priorities II: Deleveraging on track

As of end-1H21 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	11,119	7,337	3,782	1.9
Soft Drinks	6,481	4,870	1,611	0.4
Migros	5,791	2,468	3,323	1.3
Automotive	1,222	507	716	1.1
Energy & Industry	1,908	148	1,760	4.2
Other (incl. Holding)	3,495	1,135	2,360	n.m.
<i> Holding-only</i>	3,468	1,078	2,391	<i>n.m.</i>
Consolidated	29,956	16,465	13,491	1.4
Consolidated (€ mn)	2,896	1,595	1,301	1.4

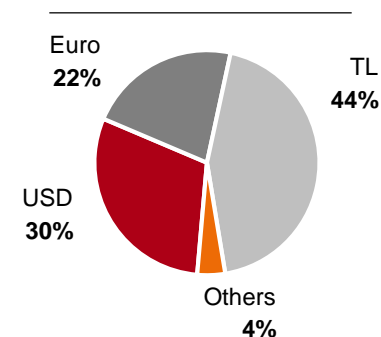
As of end-1H20 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	5,675	3,661	2,014	1.2
Soft Drinks	5,832	3,305	2,526	1.1
Migros	6,673	2,991	3,682	1.6
Automotive	1,752	391	1,361	3.0
Energy & Industry	2,382	125	2,257	14.5
Other (incl. Holding)	3,280	553	2,727	n.m.
<i> Holding-only</i>	3,241	505	2,735	<i>n.m.</i>
Consolidated	25,521	10,683	14,494	2.1
Consolidated (€ mn)	3,314	1,387	1,882	2.1

*Including IFRS16, excl. hedging instruments






Breakdown of Gross Debt* (1H21)



Breakdown of Gross Debt* (1H20)



2021 Financial Priorities remain unchanged

-  **Tight B/S management**
-  **FCF generation**
-  **Profitability & Efficiency improvements**
-  **Proactive risk management**
-  **Deleveraging**

Closing Remarks

- ✓ **Utmost importance for consumers and changes in trends**
- ✓ **Continue to manage the negative impact of COVID-19**
- ✓ **Respectable sales growth**
- ✓ **Strong operational performance with focus on costs and profitability**
- ✓ **Operational & Financial priorities defined and disciplined**
- ✓ **Strong FCF generation with tight B/S management**
- ✓ **Manage risks proactively**

Key Focus Areas Going Forward

- ✓ **Continue with our Consumer-centric approach in our businesses**
- ✓ **Focus on Sustainability and Digitalization**
- ✓ **Being Innovative and Pioneer in all areas**
- ✓ **Increase FCF generation**
- ✓ **Prepare for a post-covid world with increasing vaccination**
- ✓ **Balance growth opportunities with a strong balance sheet**
- ✓ **Continue to focus on sustainability programs**

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



Q&A

Thank you...

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