AG Anadolu Grubu Holding

1H24 EARNINGS PRESENTATION

will begin at

16:00	14:00	09:00
ISTANBUL	LONDON	NEW YORK

August 26, 2024

IMPORTANT DISCLAIMER

In accordance with the decree of the Capital Markets Board, our financials are reported using TAS29 (Financial Reporting in Hyperinflationary Economies). The financial statements and all comparative amounts for previous periods have been adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with TAS 29 and are finally expressed in terms of the purchasing power of the Turkish lira as of June 30, 2024.

However, to supplement the information provided for the quarters, which were reported without inflation accounting, we are also presenting certain items from our financials without inflation adjustment. These unadjusted figures are clearly identified as such. Any financial figures lacking such clarification are reported in accordance with TAS29.

August 2024

1H24 Results

Operational Snapshot - I

1. Despite the geopolitical tensions and economic difficulties, we maintained our top-line growth and healthy balance sheet structure in the first half of 2024
2. Cost environment, purchasing power related challenges and tighter financials conditions are putting some pressure on margins.
3. Despite these challenges, our flexible and resilient business models, geographical and sectoral diversification, efficiency and cost-oriented structure support our results.
4. Our key focus in defensive FMCG category and a de-levered balance sheet put us in a better position for potential weakness in consumer sentiment and tighter financials conditions.
5. We raise our full year top-line growth guidance for Beer and Migros following strong and better than expected top-line performance in 1H while keeping our EBITDA margins unchanged. Despite a solid CCI operational performance in 1H24, we revise our CCI volumes and EBIT guidance lower on our cautious stance for 2H.
6. The auto segment was naturally affected by the slowing domestic automotive demand and increasing competitive conditions following last year's very strong performance. Auto segment remains a small part of our business.

1H24 Results – Operational Snapshot - II

Beer

Strong volume performance and improvement in our positioning across most of our markets in an increasingly challenging operating environment.

Pressure on profitability partially mitigated through strict management of operational expenses and effective use of risk management tools

Raising absolute EBITDA and volume guidance for the full year on strong volume performance

Soft Drinks

Volumes show some improvement in 2Q but still below our expectations primarily due to economic challenges

Despite our cautious stance on price increases, RGM combined with cost control have supported our results as we have recorded margin expansion in 1H.

Without TAS 29, EBIT margin reached 20.4% - the highest second quarter margin of the last decade.

We're cautious for 2H on lower purchasing power expectations, limited pricing actions and thus revise our volume and margin guidance lower.

Migros

Competitive pricing strategy, increased customer traffic in online & physical stores and new store openings were main drivers of sales growth and market share gains.

EBITDA has increased by 6.0%, yet net income in 1H24 was down due to rise in personnel expenses, rise in interest rates and due date charges.

Focus on balance sheet, financial discipline continues. Migros remains in net cash position and a dividend payer.

Auto

Automotive segment impacted by the slowing domestic auto demand and increasing competition following last year's very strong performance.

Revenue and EBITDA down in 1H24. The share of auto segment in total Holding revenues ~9%, EBITDA ~5%.

1H24 Results – Financial Snapshot (with TAS29 inflation accounting)

Respectable top-line growth

Consolidated sales up by
4.4%
to
TL 247.8 bn

Excluding TAS29 accounting; consolidated sales up by
77.5%
to
TL 237.4 bn

Main contributors: Soft Drinks, Beer and Retail segments

Cost pressures having an impact on margins

EBITDA declined by
9.2%
and reached
TL 24.4 bn
EBITDA margin at
9.8%

Excluding TAS29 accounting; EBITDA increased by
72.5%
to
TL 33.2 bn

Consolidated Net income of TL 24.4 bn 1H24 vs. TL 14.5 bn of 1H23

Net income attributable to parent of
TL 4.0 bn
in 1H24 vs.
TL 9.7 bn
of 1H23

Excluding TAS29 accounting and one-off* gains; net income increased by
1.9%
y-o-y to
TL 3.1 bn

Net debt/EBITDA at
0.7x
as of in 1H24 vs.
0.6x
as of YE2023;
proactive balance sheet management continous

Excluding TAS29 accounting; net debt/EBITDA ratio is at
0.5x
as of 1H24

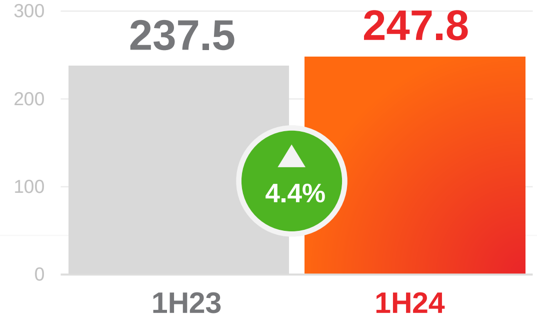
One-off gains/losses include; gains from ETAP consolidation change and Migros asset sales, losses from CCI capital decrease with a total of TL 598 mn in 1H23

Key Financial Indicators

With

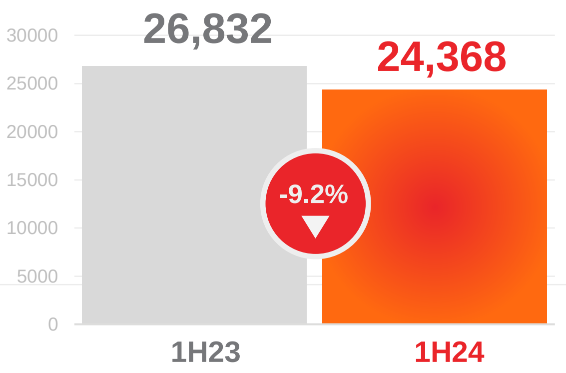
Net Sales (TL bn)

With TAS29 inflation accounting



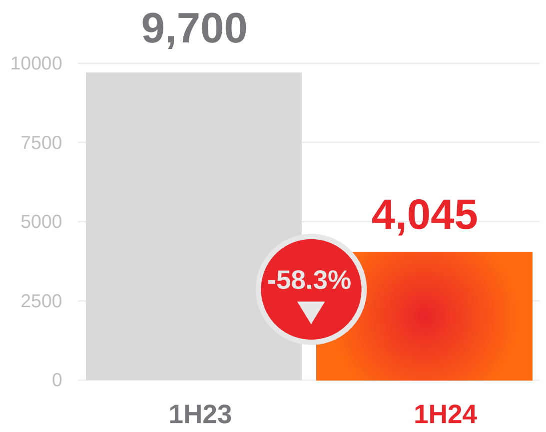
EBITDA (TL mn)

With TAS29 inflation accounting



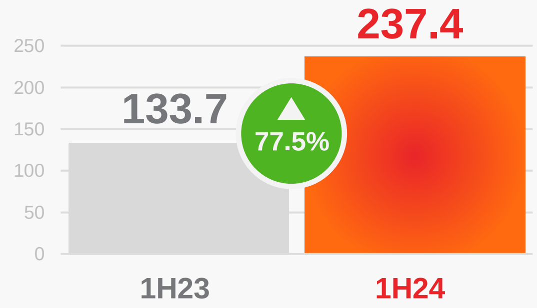
Net Income att. to parent* (TL mn)

With TAS29 inflation accounting

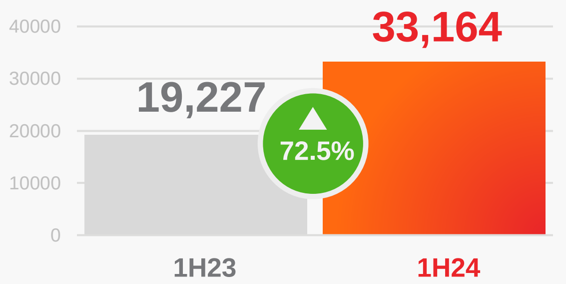


Without

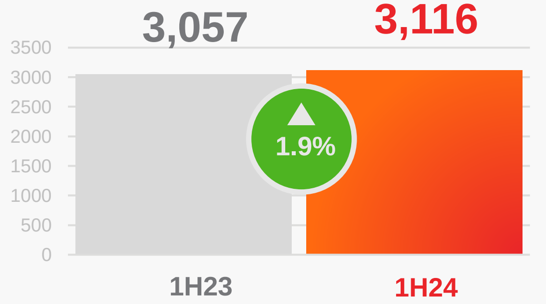
Without TAS29 inflation accounting



Without TAS29 inflation accounting



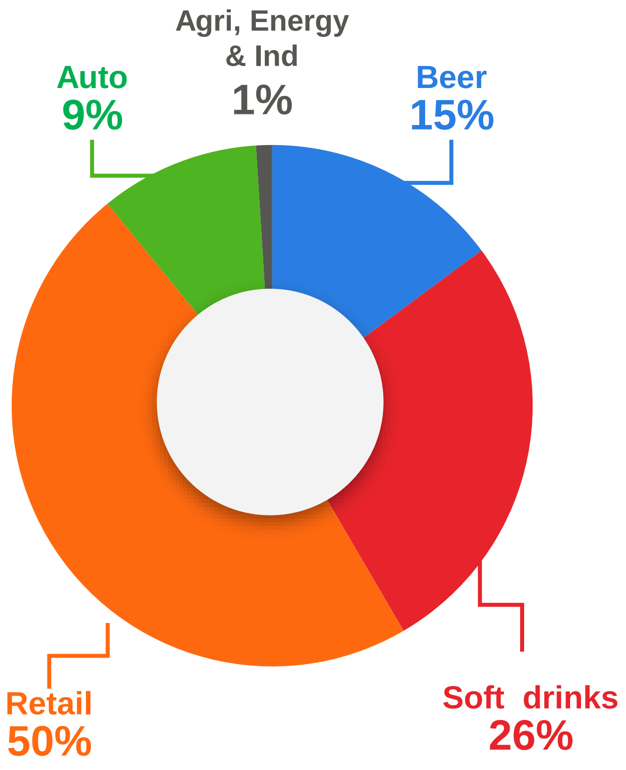
Without TAS29 inflation accounting and one-off* gains



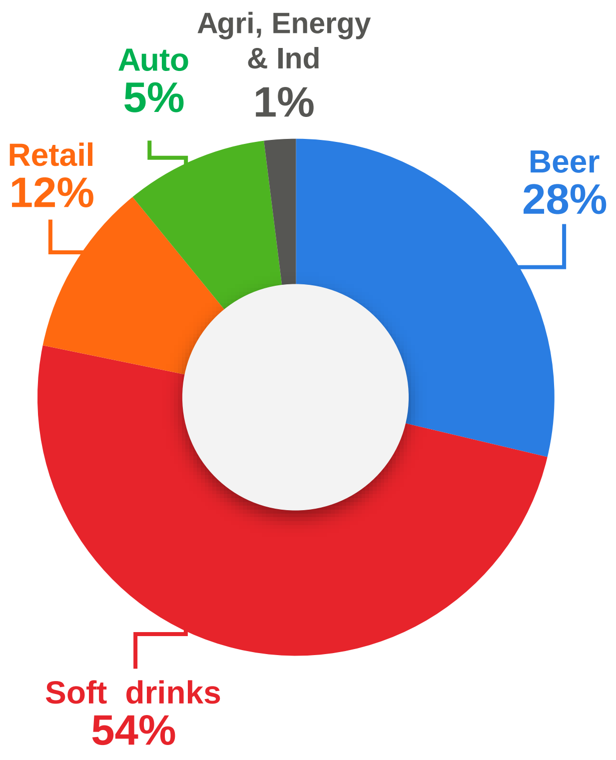
One-off gains/losses include; gains from ETAP consolidation change and Migros asset sales, losses from CCI capital decrease with a total of TL 598 mn in 1H23

Segmental Sales and EBITDA Breakdown

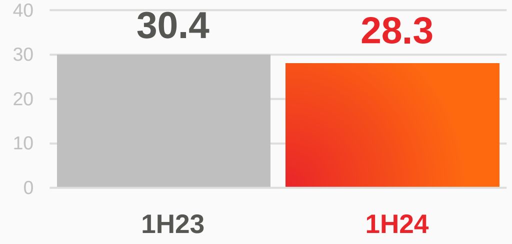
Net Sales



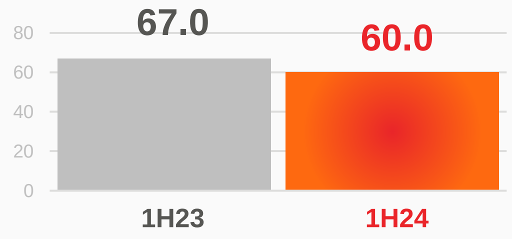
EBITDA



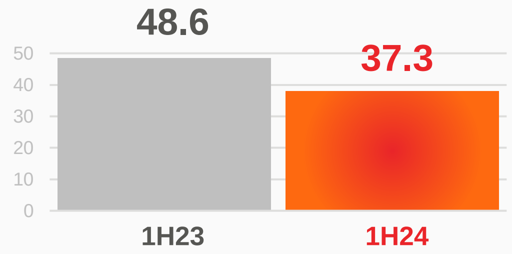
Share of Int. Sales (%)



Share of Int. EBITDA (%)



Share of Int. Net Income (%)



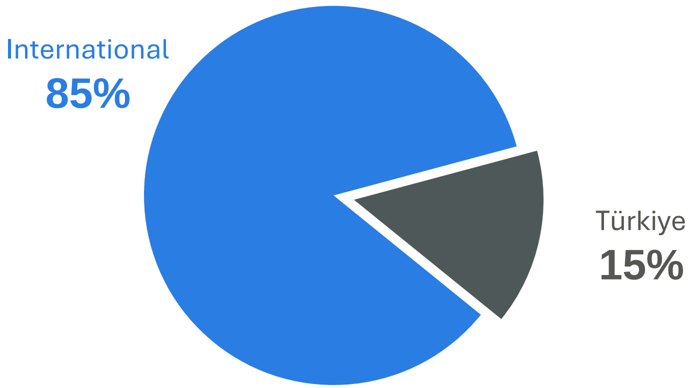
Share of international revenues was down to 28.3% in 1H24 thanks particularly to strong performance of retail segment, implementation of TAS 29 and relatively stronger performance of TL.

The share of International EBITDA and Net Income also decreased to 60.0% and 37.3% respectively as a result of positive performance of beer and soft drinks domestic operations, implementation of TAS 29 and relatively stronger TL.

ANADOLU GROUP

Beer Segment

Volume Breakdown



Strong volume performance, improvement in our positions across most of our markets in an increasingly challenging operating environment on extensive brand portfolio

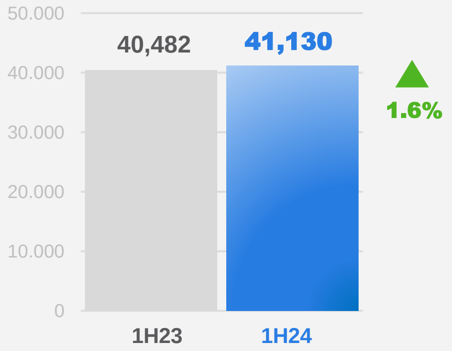
Pressure on profitability partially mitigated through strict management of operational expenses and effective use of risk management tools

Free Cash Flow generation remained robust with very tight focus on capital expenditures and working capital management

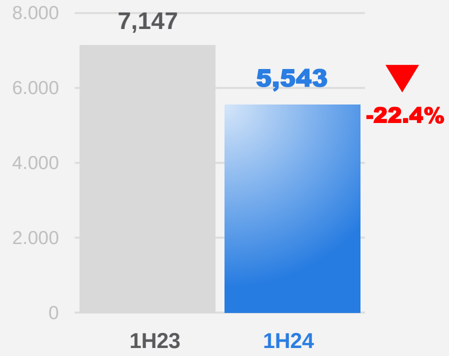
Raising absolute EBITDA and volume guidance for the FY on strong volume performance

Beer Segment Performance

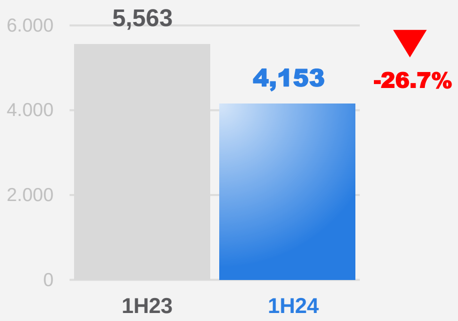
Net Sales (TL mn)



EBITDA (BNRI)(TL mn)

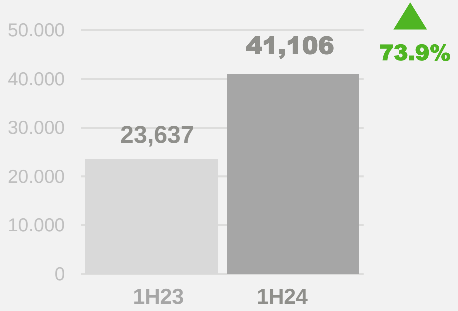


Net Income (TL mn)

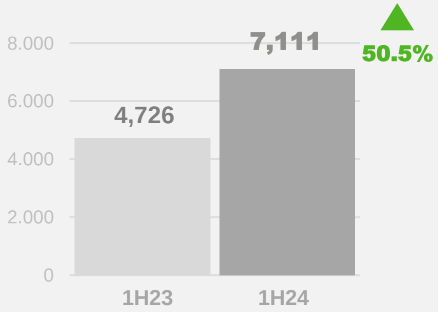


Without TAS29 inflation accounting

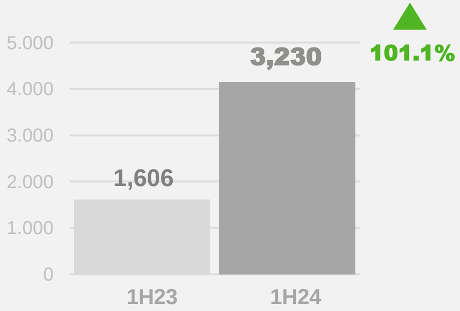
Net Sales (TL mn)



EBITDA(BNRI) (TL mn)



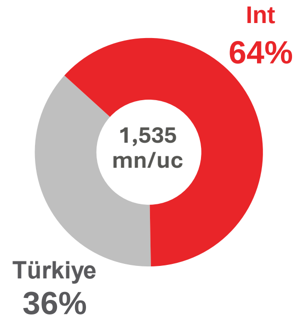
Net Income (TL mn)

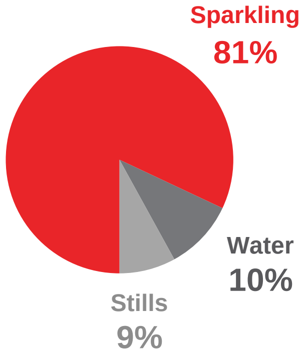


Soft Drinks Segment

Sales Volume & Category Breakdown

(1H24)





▼ Down by 1.0% vs. 1H23

Volumes show some improvement in 2Q but still below our expectations due to economic challenges

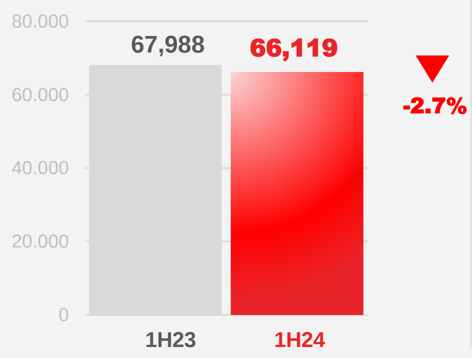
Despite our cautious stance on price increases, RGM combined with cost control have supported our results as we have recorded margin expansion in 1H despite a strong base.

Without TAS 29, EBIT margin reached 20.4% - the highest second quarter margin of the last decade.

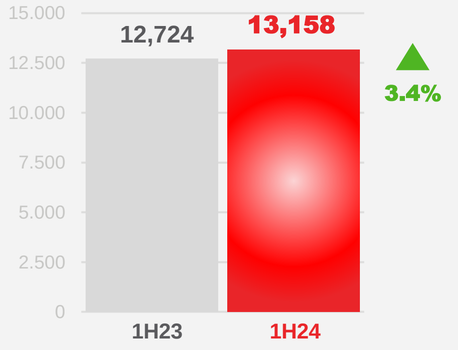
We're cautious for 2H on lower purchasing power expectations, limited pricing actions and thus revise our volumes and margin guidance

Soft Drinks Segment Performance

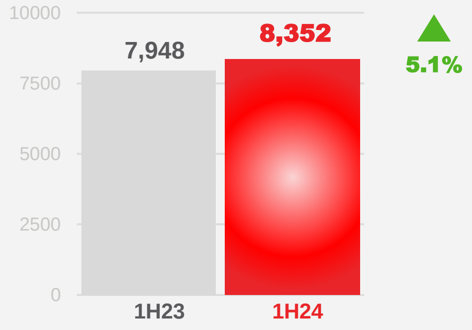
Net Sales (TL mn)



EBITDA (TL mn)

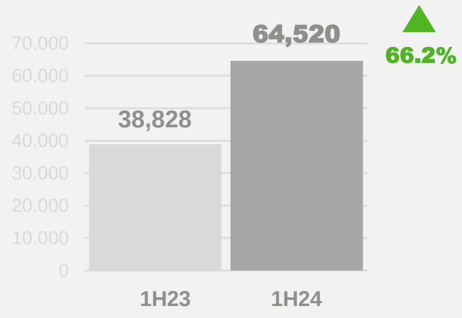


Net Income (TL mn)

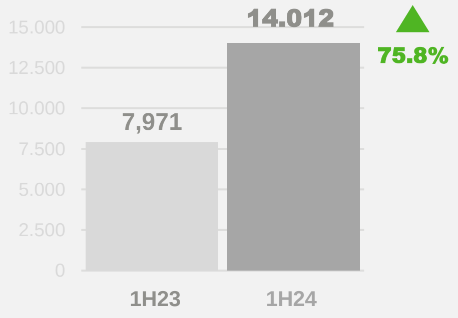


Without TAS29 inflation accounting

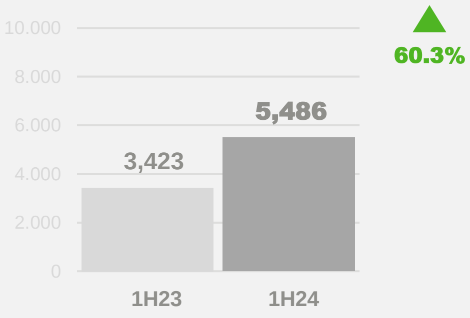
Net Sales (TL mn)



EBITDA (TL mn)



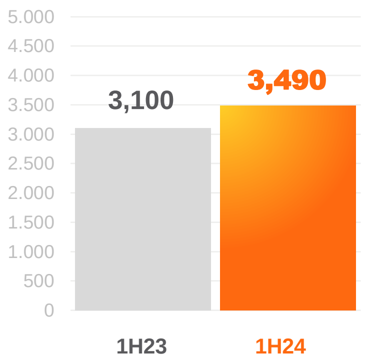
Net Income (TL mn)



Migros Operations

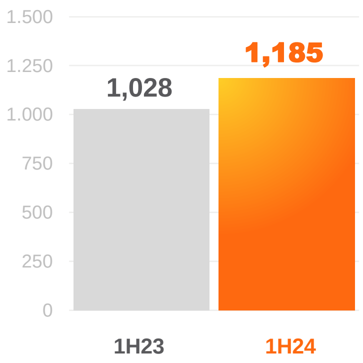
Number of Stores

+390



Online Store Services

+157



Competitive pricing strategy, increased customer traffic in online & physical stores and new store openings were main drivers of sales growth and market share gains.

EBITDA and Net Income in 1H24 were down due to rise in personnel expenses, rise in interest rates and due date charges

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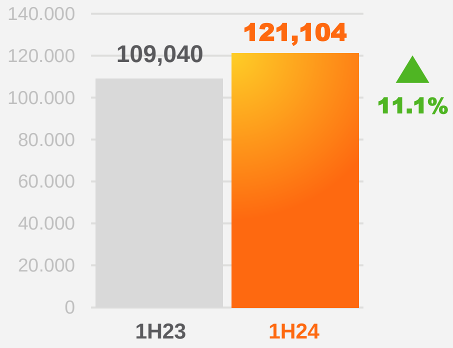
Focus on balance sheet, financial discipline continues. Migros remains in net cash position and a dividend payer.

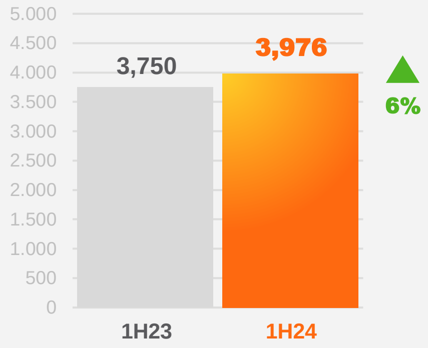
Migros Performance

MiGROS

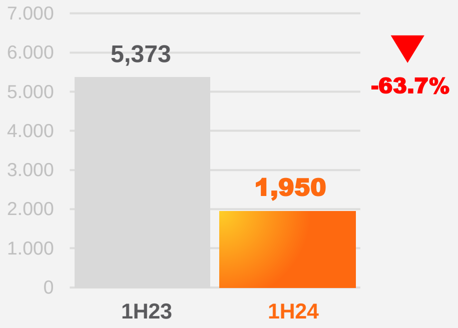
Net Sales (TL mn)



EBITDA (TL mn)

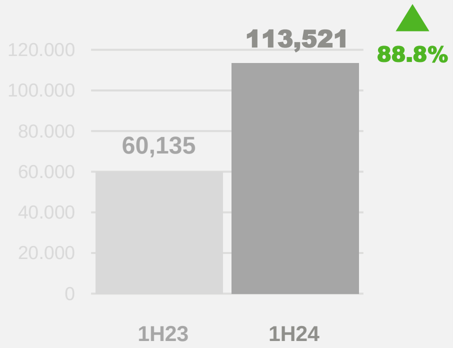


Net Income (TL mn)

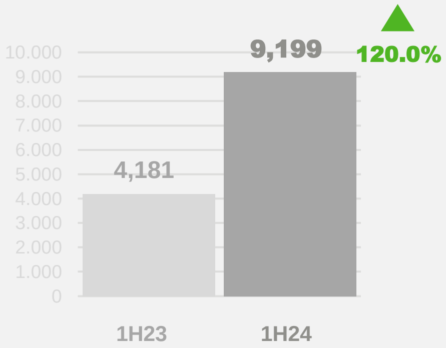


Without TAS29 inflation accounting

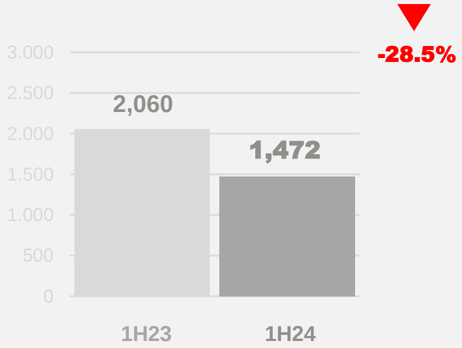
Net Sales (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

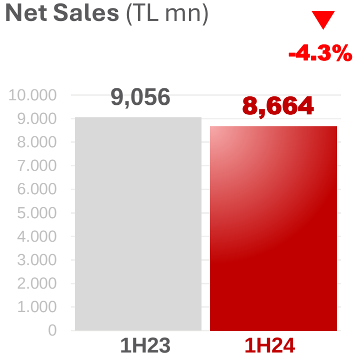


Automotive Segment

KIA ANADOLU ISUZU ÇELİK MOTOR ANADOLU MOTOR

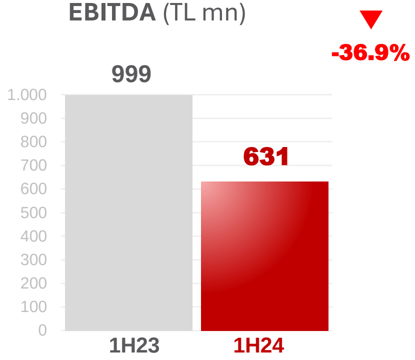
Anadolu Isuzu

Net Sales (TL mn)



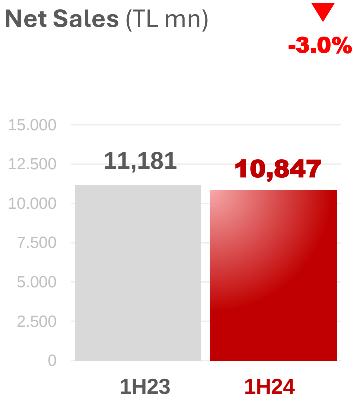
Anadolu Isuzu

EBITDA (TL mn)



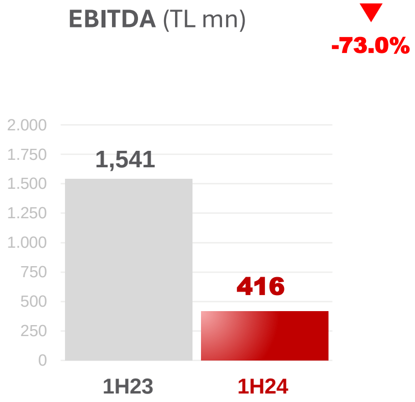
Çelik Motor

Net Sales (TL mn)



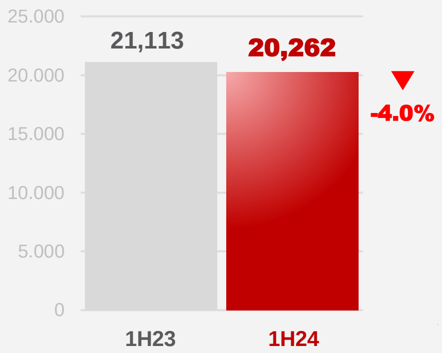
Çelik Motor

EBITDA (TL mn)

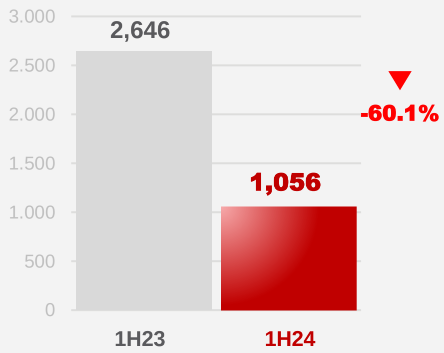


Automotive Segment Performance

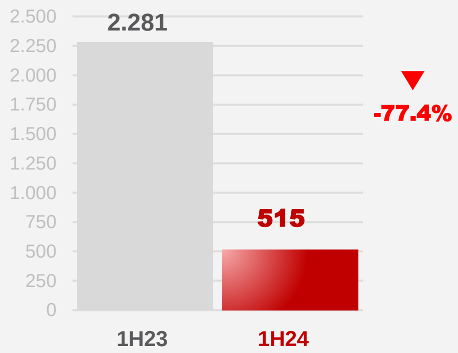
Net Sales (TL mn)



EBITDA (TL mn)

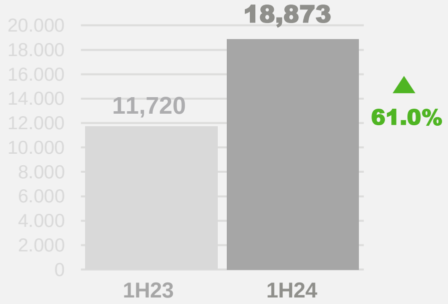


Net Income (TL mn)

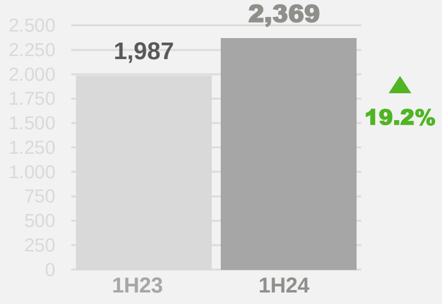


Without TAS29 inflation accounting

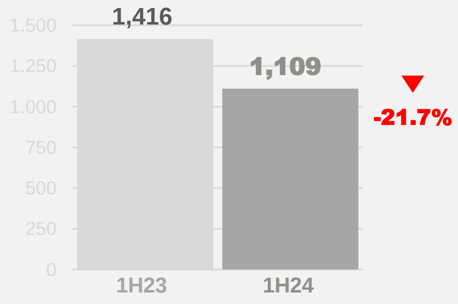
Net Sales (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



Automotive segment naturally affected by the slowing domestic auto demand and increasing competition following last year's very strong performance

Revenue and EBITDA down by 4.0% and 60.1% in 1H24. The share of auto segment in total Holding revenues and EBITDA down to only 9% and 5% respectively.

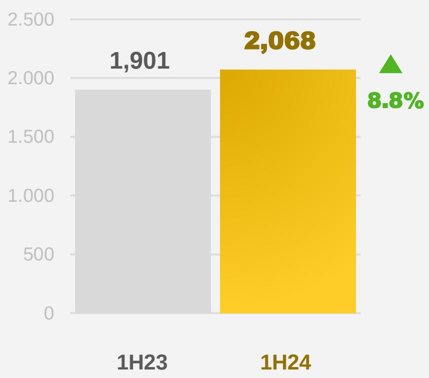
Agri, Energy, Industry Segment

Segment constituents: Anadolu Etap Tarım, Adel and Energy

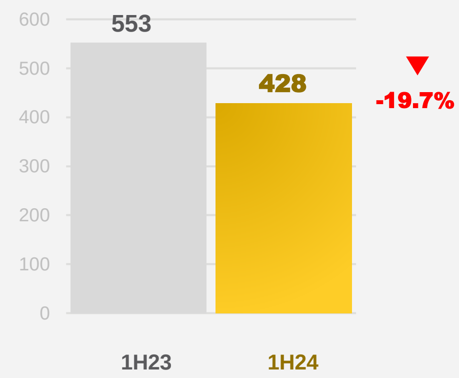
Anadolu Etap Tarım consolidated with the segment in 2Q23. No change in Anadolu Grubu Holding's ownership share in Anadolu Etap Tarım, thus no impact on the consolidated Anadolu Grubu net profit besides the one-off re-valuation gain and tax expenses in 2Q23.

Agri, Energy, Industry Segment Performance

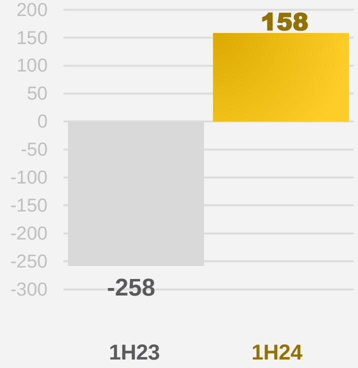
Net Sales (TL mn)



EBITDA (TL mn)

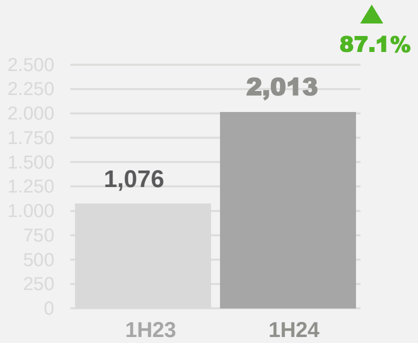


Net Income (TL mn)

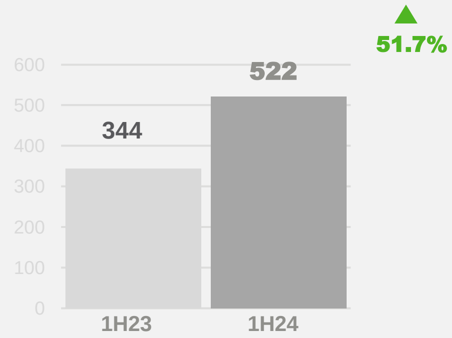


Without TAS29 inflation accounting

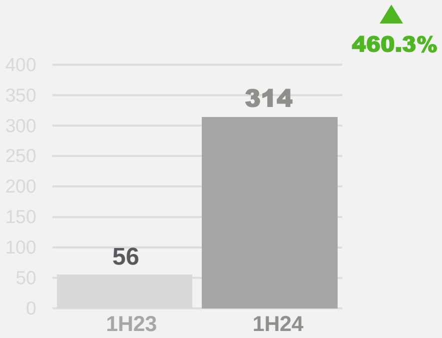
Net Sales (TL mn)



EBITDA (TL mn)



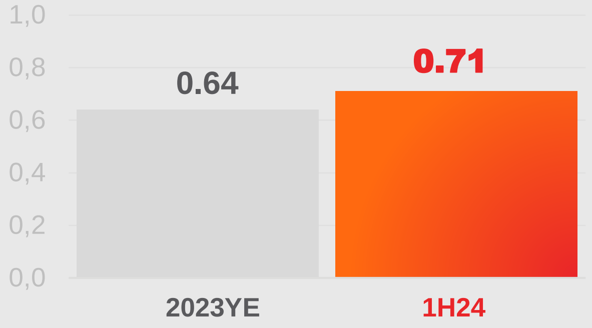
Net Income (TL mn)



Financial Priorities I: **Deleveraging on track**

Consolidated

Net Debt /EBITDA (x)

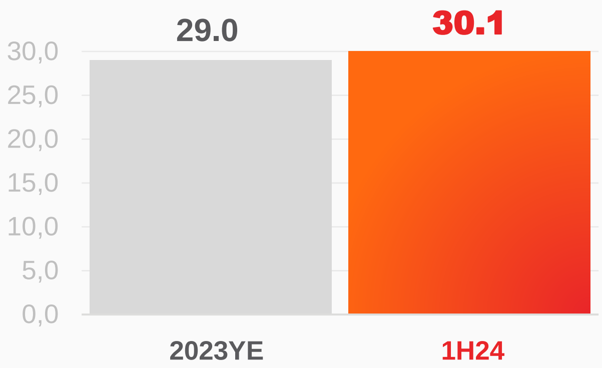


Significant improvement in indebtedness ratios thanks to;

- FCF Generation
- Balance sheet management, risk mitigation tools
- Asset sales

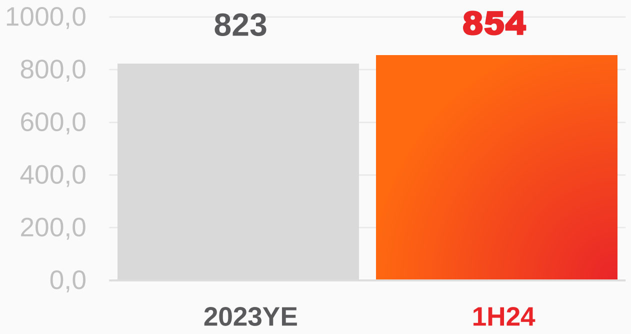
Consolidated

Net Debt (TL Bn)



Consolidated

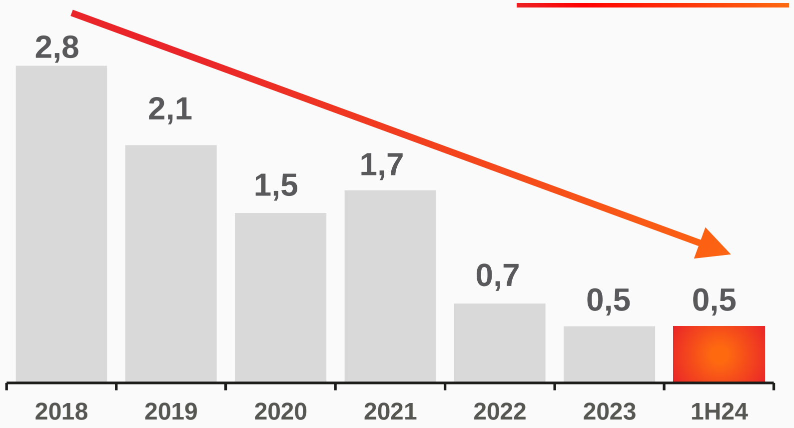
Net Debt (Euro Mn)



Consolidated

Net Debt /EBITDA (x)

Without TAS29 inflation accounting



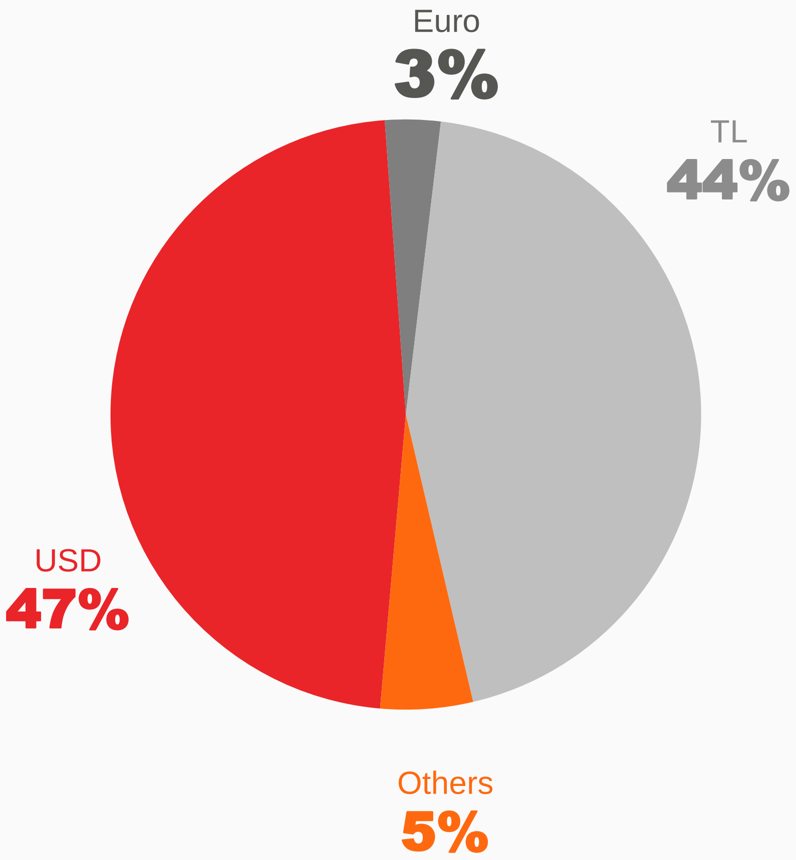
Financial Priorities II: **Deleveraging on track**

1H24 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	26,864	26,956	-92	0.0
Soft Drinks	46,692	25,522	21,170	0.9
Migros	14,530	16,568	-2,038	-0.4
Automotive	7,749	2,561	5,189	2.2
Agri, Energy & Industry	4,940	542	4,399	7.3
Other (incl. Holding)	3,352	1,605	1,747	n.m.
Holding-only	*3,350*	*1,319*	*2,031*	*n.m.*
Consolidated	**103,822**	**73,753**	**30,069**	**0.7**
Consolidated (€ mn)	**2,950**	**2,096**	**854**	**0.7**

FY2023 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	28,206	24,280	3,926	0.3
Soft Drinks	46,201	27,604	18,597	0.8
Migros	12,810	15,987	-3,177	-0.7
Automotive	9,466	7,027	2,439	0.6
Energy & Industry	5,212	1,279	3,933	5.5
Other (incl. Holding)	6,433	3,036	3,397	n.m.
Holding-only	*6,272*	*2,682*	*3,590*	*n.m.*
Consolidated	**108,166**	**79,214**	**28,952**	**0.6**
Consolidated (€ mn)	**3,074**	**2,251**	**823**	**0.6**

Breakdown of Gross Debt*

(1H24)



***Including IFRS16, excl. hedging instruments**

2024 Financial Priorities

- Tight B/S management
- FCF Generation
- Profitability & Efficiency Improvements
- Proactive Risk Management
- Deleveraging

Closing Remarks

- Proactively managing our businesses through the inflationary headwinds, economic challenges
- Closely monitoring the consumer environment in Türkiye following sharp increase in interest rates
- Respectable sales growth with tight B/S management
- Challenging environment on margins on cost pressures and limited price actions
- Operational & Financial priorities defined and financial discipline in place
- Manage risks proactively

Key Focus Areas Going Forward

Prioritize creating value for all our stakeholders

Continue to focus on quality growth

Remain dedicated to achieving our sustainability goals

Continue to drive the digitalization of our enterprise

Maintain financial discipline

Ongoing investment in our people

Anadolu Group Sustainability Strategy

Goals

The Future of Nature

By 2030, reducing greenhouse gas emissions in scope 1 and 2 by 50% compared to 2020, working with the vision of becoming a net-zero company by 2050

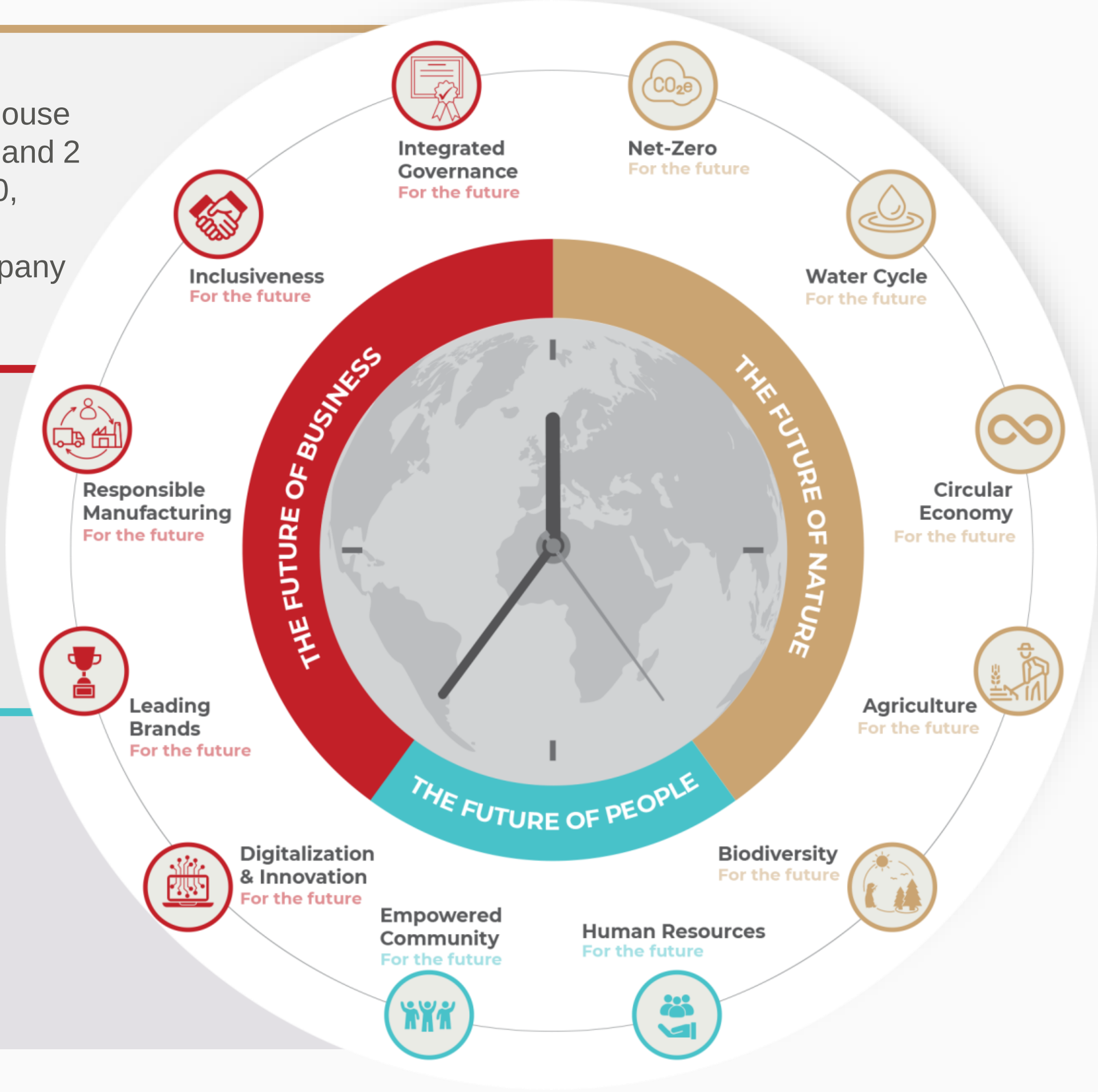
The Future Of Business

To be traceable in 50% of operations by 2030 and 100%* by 2050 .

*Limited to private label products for Migros

The Future of People

Aim to increase the rate of women executives 35% by 2030 and 50% by 2050



As Anadolu Group, we gathered our environmental, social and governance activities under our sustainability strategy, which we call

"From Anadolu to the Future"

We implement our strategy in twelve focus areas in three pillars:

The Future of Nature

The Future Of Business

The Future of People

Q&A

August 2024