



AG ANADOLU GROUP HOLDING

Investor Presentation

August 2020

ANADOLU GROUP

OUR FOUNDING PHILOSOPHY



COLLECTIVE MIND

OUR VALUES



**WE ALWAYS FOCUS
ON HUMAN**



**WE MANAGE OUR BUSINESS
WITH A FAIR AND EGALITARIAN APPROACH**



**WE LEAD INNOVATION
WITH OUR ENTREPRENEURIAL SPIRIT**



**WE STRIVE TO PRODUCE VALUE
IN A SUSTAINABLE MANNER**



I. Strategical Overview

II. Governance Approach

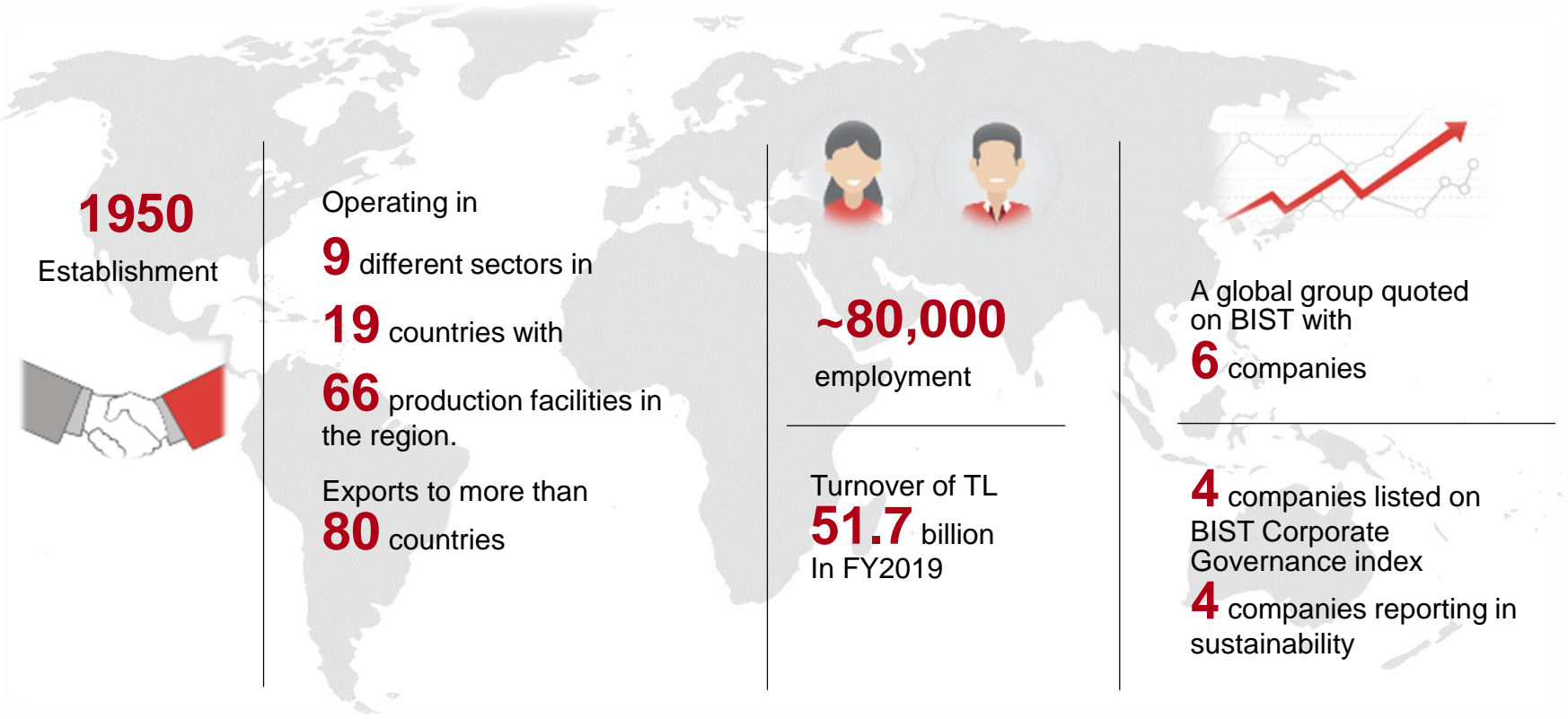
III. Investment Case

IV. 1H20 Financial Highlights

V. Segmental Operational and Financial Summary

VI. Financial Summary

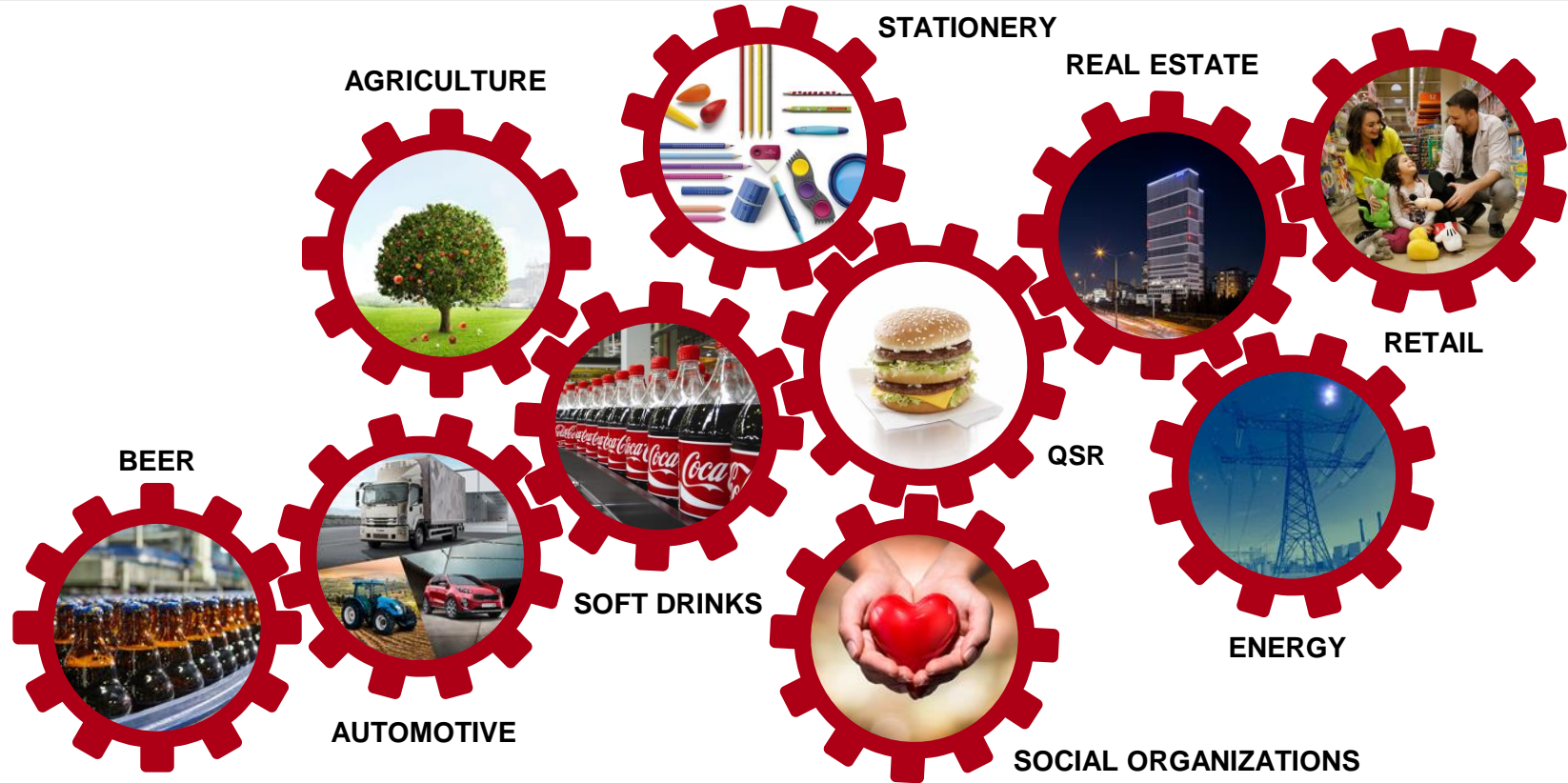
Strong roots and extensive coverage...



...with well-structured track...



...in numerous different sectors...



... and companies with prominent international partners.

Beer



- **Anadolu Efes (P)** (Turkey, Russia, Kazakhstan, Georgia, Moldova, Ukraine)

International Partners

ABInBev

Soft Drinks



- **Coca-Cola İçecek (P)** (Turkey, Pakistan, Kazakhstan, Iraq, Azerbaijan, Jordan, Turkmenistan, Kyrgyzstan, Tajikistan, Syria)

International Partners

Coca-Cola

Migros



- **Migros (P)** (Turkey, Kazakhstan, Macedonia)

Automotive



- **Anadolu Isuzu (P)**
- **Çelik Motor**
- **Anadolu Motor**

International Partners

ISUZU **KIA**

LOMBARDINI **HONDA MARINE** **HONDA**

Energy & Industry



- **Adel Kalemcilik (P)**
- **McDonald's**
- **Efestur**
- **Aslancık Electricity**
- **Anadolu Kafkasya**
- **AES Eletricity Trading**
- **AND Real Estate**

International Partners

FABER-CASTELL



Others



- **Anadolu Etap**
- **Anadolu Foundation**
- **Anadolu Medical Center**
- **A. Efes Sports Club**

(P) Public companies

In summary...

Global player
with strong
local presence

Expertise in
branded
consumer
products

Partnership
culture with
global brands

Strong
ownership ties
coupled with
high corporate
governance
standards



Contents



I. Strategical Overview

II. Governance Approach

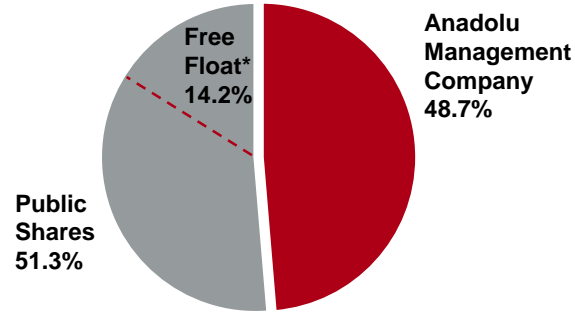
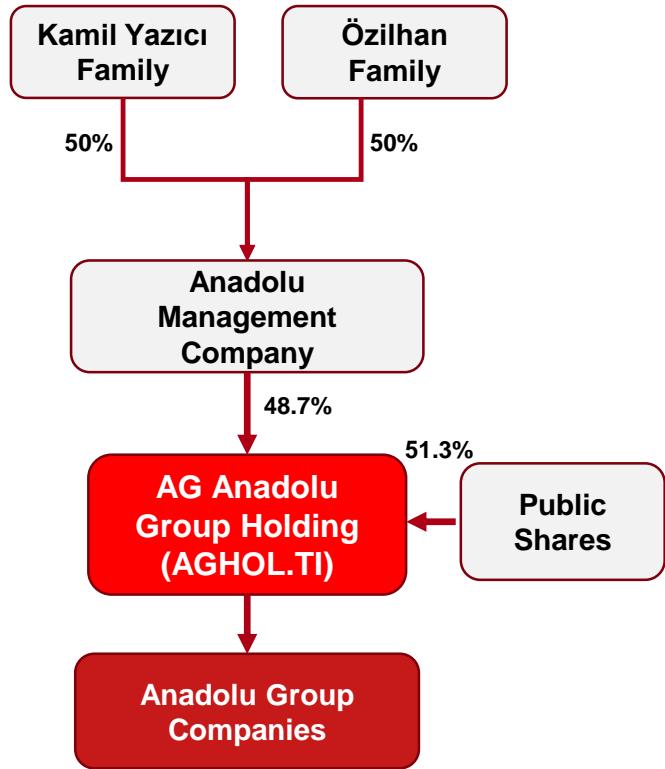
III. Investment Case

IV. 1H20 Financial Highlights

V. Segmental Operational and Financial Summary

VI. Financial Summary

Shareholding Structure



Type of Shares	Share in Paid-in Capital (TL)	Share in Paid-in Capital (%)
A-type (Bearer)	194.828	80%
B-type (Registered)	48.707	20%
Total	243.535	100%

- Equal shareholding and equal representation by the founding Kamil Yazıcı and Özilhan Families is designed in Anadolu Management Company (AMC).
- The families' aligned interests due to equal rights through AMC ensures sustainable value creation.
- Almost all wealth of the families' is invested in Anadolu Group
- 55% of free float held by international investors.
- Anadolu Management Company holds total of B-type shares and some portion of A-type shares. The portion of A-type shares that does not belong to Anadolu Management Company are held by individual family shareholders and free float.

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

Corporate Governance

- **Families' joint control is in effect through all legal aspects;**
 - Kamil Yazıcı Family and Özilhan Family's joint control and equal representation at the board of every company in Anadolu Group is established through a family constitution (including a JV agreement and internal procedures).
- **Families only assume board level responsibility;**
 - On the board of AGHOL, there are 4 board members-quota for Kamil Yazıcı Family and 4 board-members quota for Özilhan Family. There are additional 4 independent board members as required by CMB legislations.
 - Strong professional/independent view is enabled via having the majority of the seats at the boards of the subsidiaries from professionals/independents,
 - There is limited quota for family members for employment in Group companies.
- **Professional top management is secured;**
 - Professional operational management is required for all key positions (Holding CEO, BU&Function Presidents and all GMs).
 - The highly experienced and recognized top management with broad vision ensures the sustainability of the Group and focuses on the shareholder value creation.
 - The management is incentivised through certain KPI's, including ST targets mainly concentrated on net income, FCF and long-term targets based on shareholder value creation linked to Equity Value and stock performance.

Contents



I. Strategical Overview

II. Governance Approach

III. Investment Case

IV. 1H20 Financial Highlights

V. Segmental Operational and Financial Summary

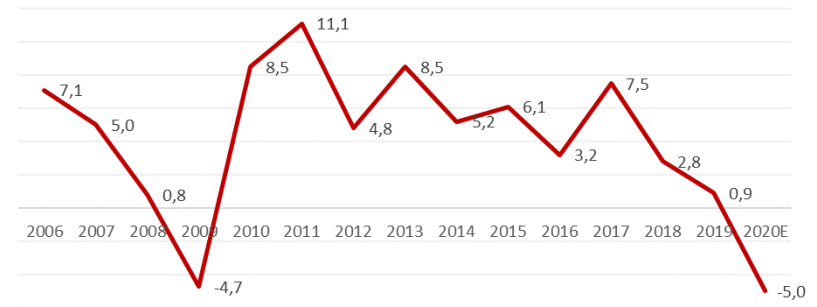
VI. Financial Summary

Investment Case - I

✓ Dominant consumer play

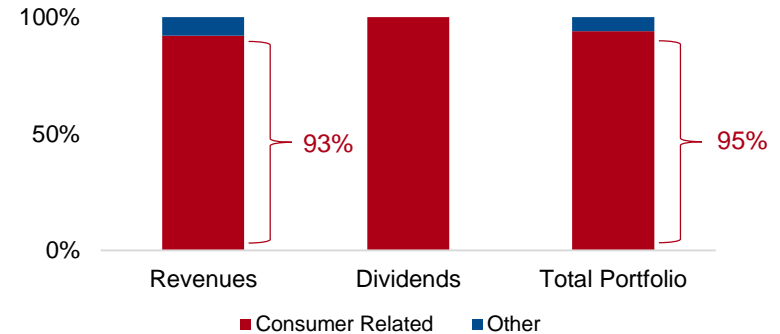
- Extensive range of consumer-products coverage benefiting from a resilient sector mix.
- Young and dynamic population with an average age of around 30.
- Domestic know-how driving international growth.
- Far-reaching distribution network (through beer, soft drinks and automotive operations) and wide-range customer database analytics (through Migros) to enhance productivity, business gains and create competitive advantage.

Annual GDP Growth (%)



Source: IMF Expectations

Share of Consumer Related Segments

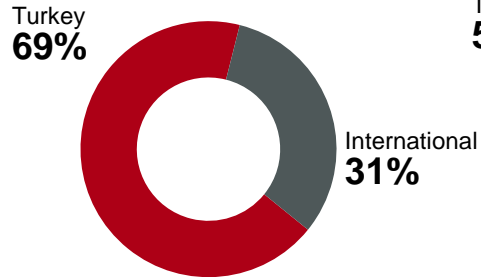


Investment Case - II

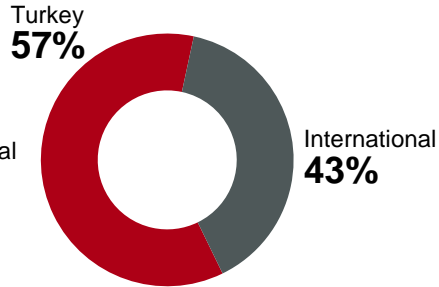
✓ Balanced Geographical Risk

Geographical diversity ensures protection from macroeconomic and political imbalances in the operating region.

Net Sales, 2019



EBITDA, 2019



✓ Accumulated Knowhow in Partnership with Global Companies

The Group's long-dated experience in its operations coupled with the know-how from the global partner companies enhances operational excellence.



Investment Case - III

✓ Efficient portfolio management

The Group completed the sale of various non-core assets in recent years; yet still continuously keeps a close eye on opportunities, with the aim of maximizing portfolio efficiency. Migros acquisition was one of the biggest transactions in the Group history.

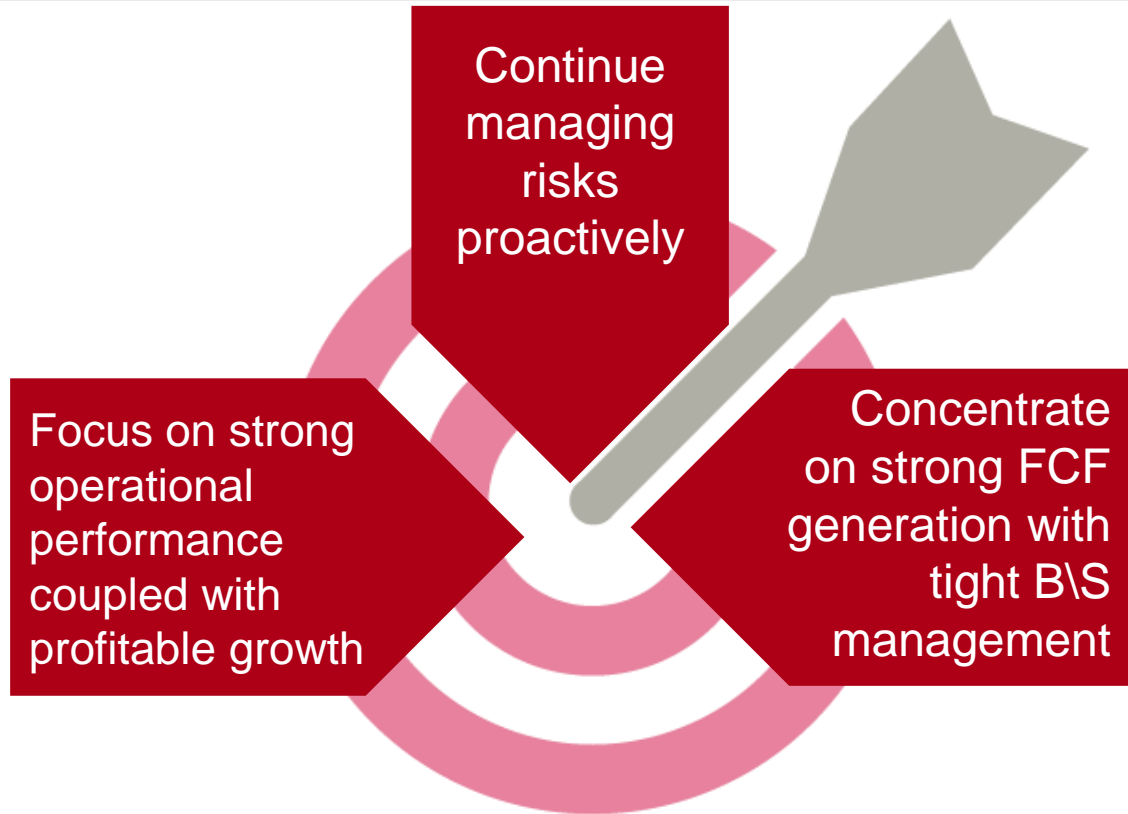


✓ Well-governed portfolio play

Access to various number of sectors, ranging from industrial to retail and services, which are well managed and professionally run; as such, a well-governed proxy to Turkey’s high growth economy.



What's on the agenda?



Contents



I. Strategical Overview

II. Governance Approach

III. Investment Case

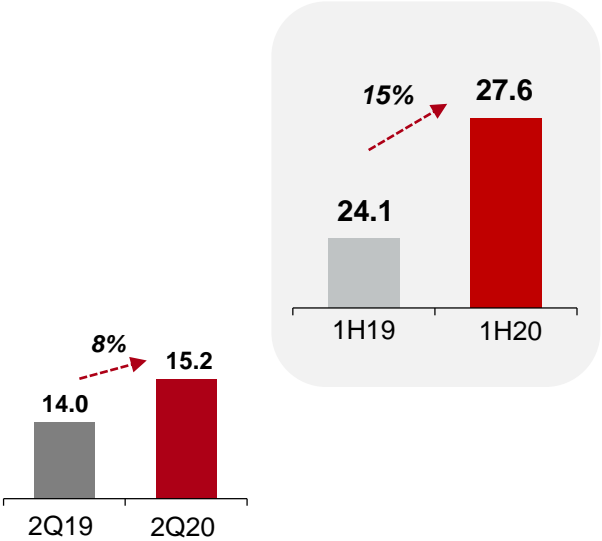
IV. 1H20 Financial Highlights

V. Segmental Operational and Financial Summary

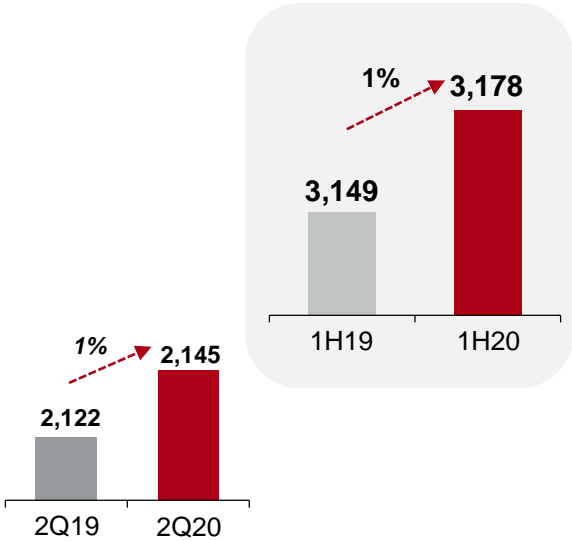
VI. Financial Summary

Key Financial Indicators* – 2Q20 & 1H20

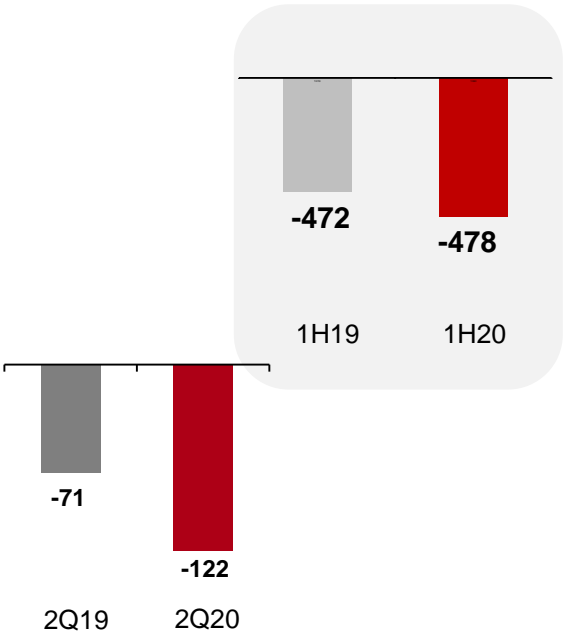
Net Sales (TL bn)



EBITDA (TL mn)



Net Income** (TL mn)

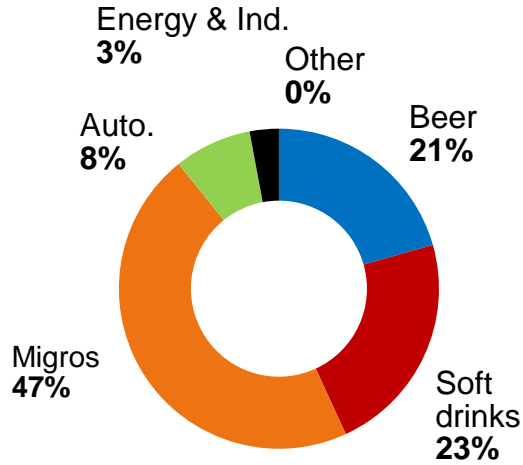


* 2019 results include Migros as fully consolidated

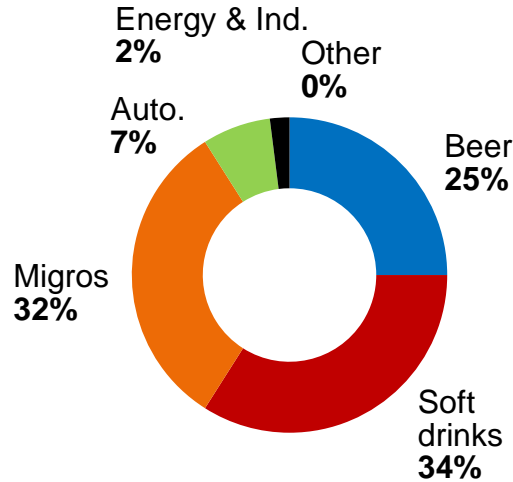
** Adjusted net loss of TL 472 mn in 1H19 excludes one-off gains of TL 711 mn related to the consolidation scope change of Migros

Segmental Sales and EBITDA Breakdown

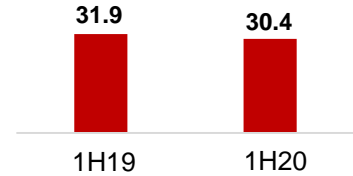
Net Sales



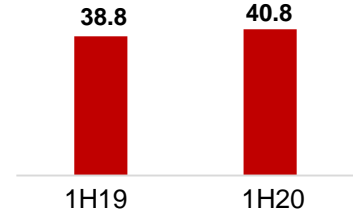
EBITDA



Share of Int. Sales (%)



Share of Int. EBITDA (%)



- Share of international revenues declined slightly to 30.4% mostly due to strong domestic Migros sales performance.
- Share of int. EBITDA increased from 38.8% in 1H19 to 40.8% on the back of strong performance on soft drinks and beer segments.

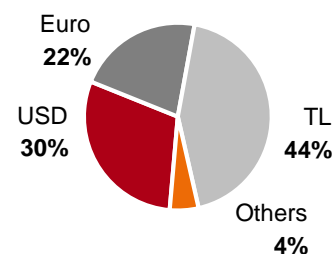
Financial Priorities: Deleveraging on track

As of 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	7,315	2,991	4,324	1.9
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	n.m.
Consolidated	26,163	11,027	15,136	2.2
Consolidated (€ mn)	3,394	1,431	1,964	2.2
Consolidated (excl. IFRS16)	22,123	11,027	11,096	1.9

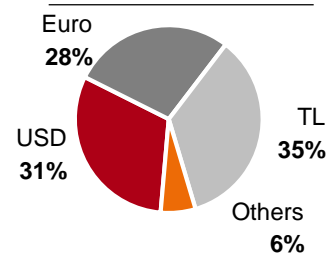
As of 1H19 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	4,968	2,865	2,103	1.5
Soft Drinks	5,255	1,932	3,323	1.6
Migros	7,932	2,154	5,777	2.7
Automotive	2,650	279	2,371	5.6
Energy & Industry	2,243	101	2,142	7.8
Other (incl. Holding)	2,105	427	1,678	n.m.
<i>Holding-only</i>	2,105	387	1,717	n.m.
Consolidated	25,039	7,758	17,281	2.7
Consolidated (€ mn)	3,822	1,184	2,638	2.7
Consolidated (excl. IFRS16)	21,102	7,758	13,344	2.5

*Including IFRS16, excl. hedging instruments

Breakdown of Gross Debt* (1H20)

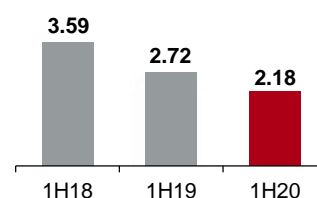


Breakdown of Gross Debt (2019)



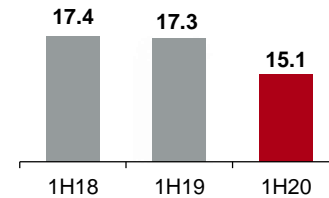
Consolidated

Net Debt / EBITDA (x)



Consolidated

Net Debt (TL bn)



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

- The share of FX debt at the Holding-only level after the derivatives and cash at hand ;
- 2018YE 83%,
 - 2019YE 41%
 - 1H20 20%

Financial risk metrics

Low debt ratios despite TL depr.

- ✓ Net debt /EBITDA at 2.2x as of 1H20-end vs. 2.7x as of 1H19-end

Long-term maturity debt

- ✓ Average consolidated debt maturity of 25 months

Holding -only Cash and Debt

- ✓ Cash TL 505 mn
- ✓ Gross debt TL 3.2 bn, 74% Euro
- ✓ Net debt at TL 2.7 bn. (Excl. div. received from AEFES of TL 452 mn in July'20)
- ✓ LT (National) credit rating (TR) AAA, ST (National) credit rating (TR) A1+

Natural hedge in place

- ✓ Share of International sales at 30%, EBITDA at 41%
- ✓ Benefiting from successful geographical diversification

Deleveraging in progress

- ✓ Evaluation of idle assets
- ✓ Efficient use of assets
- ✓ Focus on FCF

Financial Priorities

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

Contents



I. Strategical Overview

II. Governance Approach

III. Investment Case

IV. 1H20 Financial Highlights

V. Segmental Operational and Financial Summary

VI. Financial Summary

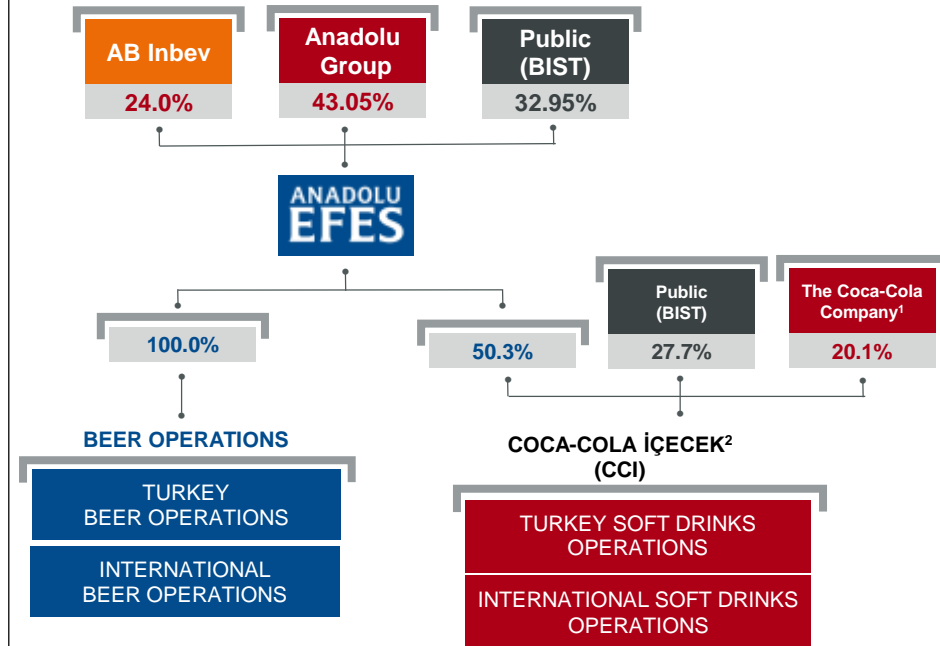
A total beverage company serving more than

690 mn consumers in **16** countries

- ❑ A world class brand portfolio, balanced between beer and soft drink operations
- ❑ Operating in countries with significant growth potential indicated by low per capita consumption levels
- ❑ Through an experienced and financially strong organization
- ❑ Having world's largest brewer ABI Inbev and soft drinks giant TCCC in soft drinks arm as partners
- ❑ New operating structure in Russia & Ukraine through collaboration of ABI Inbev and Anadolu Efes

First Turkish signatory company of UGC CEO Water Mandate
Quoted in BIST Corporate Governance and Sustainability Indexes

Ownership Structure



(1) Through The Coca-Cola Export Corporation
(2) 2.0% held by Özgörkey Holding



5th
largest
in Europe

10th
largest
In the World
In terms
of sales
volume

Exports
to more than
70
countries

21
Breweries

5
Malt complexes

1
Hops processing
facility

1
Preform Plant

in **6**
countries:
Turkey
Russia
Kazakhstan
Ukraine
Georgia
Moldova

Annual
48.4 mhl
beer,

344 k
tons malt
production
capacity

FY2019 revenues:
TL11.1 bn

FY2019 EBITDA:
TL 1.7 bn
with EBITDA margin
15.4%

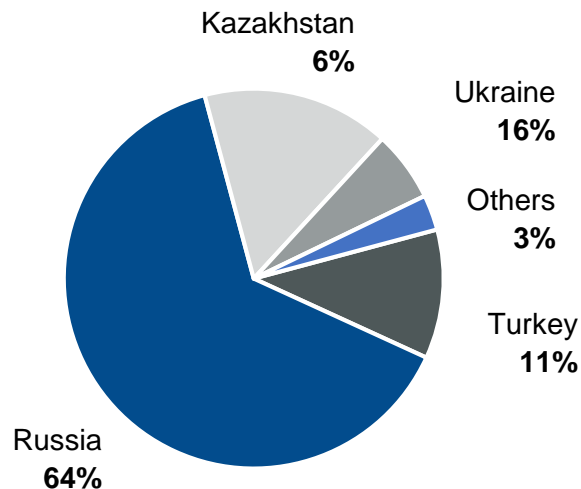
Leader in the Turkish market

Market Leadership achieved in Russia & Ukraine

Strongly positioned in CIS countries

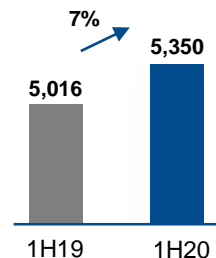
Leader in Kazakhstan, Moldova, Georgia

Volume Breakdown (1H20)

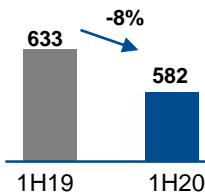


Beer Segment Performance

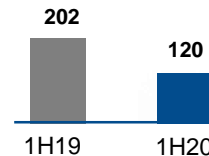
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)



Net Income (TL mn)



- Positive FCF generation of TL 244 mn in total, contributed both by Turkey and international operations
- Market share across all segments sustained or improved
- Total beer volume merely decreased by 0.2% YoY to 17.4 mhl in 1H20
- Volume growth on int. markets in 1H20 despite the negative impact of COVID-19
- Focus on operational expenses to mitigate the negative impact of input cost pressures



7th
largest bottler
In Coca-Cola system

~920 thousand
sales points

Serving **400 mn**
people

Annual production
capacity
1.6 bn u/c

2019 sales volume
1.32 bn u/c

A total of
26
plants in
10
countries:
Turkey, Pakistan,
Kazakhstan,
Azerbaijan,
Turkmenistan,
Kyrgyzstan, Iraq
Jordan, Tajikistan,
Syria

FY2019 revenues:
TL 12.2 bn

FY2019 EBITDA:
TL2.3 bn

Strong market positions in Sparkling

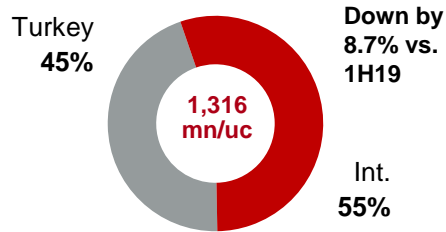
TURKEY	#1
66%	
PAKISTAN	#2
48%	
KAZAKHSTAN	#1
51%	
AZERBAIJAN	#1
86%	
KYRGYZSTAN	#1
70%	
IRAQ	#2
42%	
JORDAN	#2
20%	

Quoted in BIST Corporate Governance
and Sustainability Indexes

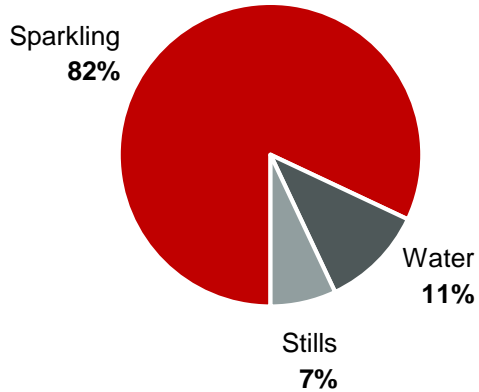
The first & only Turkish company
to be quoted in the UNGC
Compact 100 Index

Honored with the Climate Leadership
Award by CDP Turkey in performance and
transparency categories three times

Soft Drinks Sales Volume (1H20)

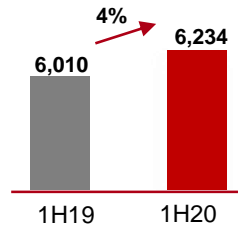


Category Breakdown (1H20)

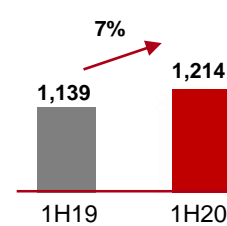


Soft Drinks Segment Performance

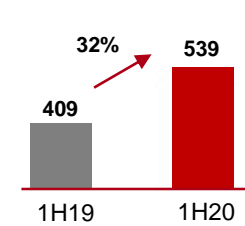
Net Sales (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



- Better sales performance in international markets, lower share of on trade sales
- Strong focus on costs and margins improved YoY in 1H20 despite a very strong base and COVID-19
- FCF was TL 585 million in 1H20, thanks to solid profitability, decreasing net working capital needs, and lower capital expenditure



The pioneer of organized retail
in Turkey

17.0%
share in modern FMCG

8.8%
share in total FMCG

A total of
2,231 stores
covering app.

1.5 mn m²

Active Loyalty Card holders

12 mn, reaching
5.8 mn active
households in Turkey

FY2019 revenues:
TL23.2 bn

FY2019 EBITDA:
TL 1.5 bn
with EBITDA margin
6.6%

Complementary operations in Kazakhstan
and Macedonia with **43** Ramstores and **1**
Macrocenter.

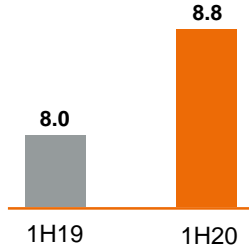
Over **20** years retail experience abroad

350 Online service stores

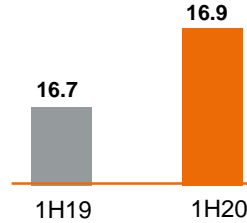
Best retailer of the Country Award for
14 years in a row

Quoted BIST Corporate Governance Index
and the first & only retail company quoted
in BIST Sustainability Index

Total FMCG Market Shares (%)

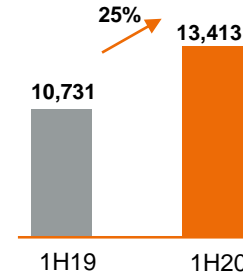


Modern FMCG Market Shares (%)

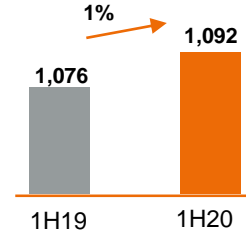


Migros Performance

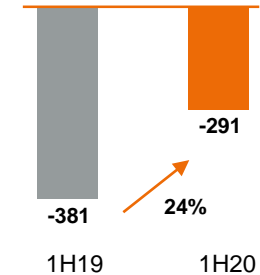
Net Sales (TL mn)



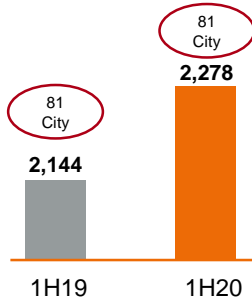
EBITDA (TL mn)



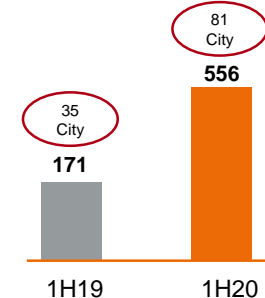
Net Income (TL mn)



Number of Stores



Online Service Stores



- Strong growth in 2Q20 despite lockdowns in May & high base of 2Q19
- Exceptional growth in online business
- # of online business customers increased by 2.5x
- Strong FCF generation

ÇELİK MOTOR

Distribution of Kia-branded vehicles and operational leasing activities

FY2019 revenues:
TL 2.6 bn

Leasing revenues: **36%**

Second-hand Sales: **40%**

Car and spare parts sales: **24%**

1H20-end market share
in passenger cars:
2.1%

Garenta Pro
fleet size
3,700

Garenta Day & Moov
fleet size **1,700**



All car rental & leasing solutions under one powerful umbrella brand

ikinciye.com:
the leading **second-hand automotive e-commerce** platform in Turkey **sold over 20.000** cars in 2019. With app. **400k members**, the platform daily brings together more than **100 cars** with their new owners.



MOOV by Garenta gives drivers the freedom and convenience of renting a vehicle only when they need one and paying only for the time that they actually drive it.



ANADOLU ISUZU

More than
170 k
vehicles
produced
in **34**
years

FY2019 revenues:
TL 1.4 bn

Exports to around
60 countries

The record exports of
USD **144** mn in 2019



The first Japanese
automotive partnership
in Turkey, with Isuzu and
Itochu

Turkey's one and only pick-
up locally manufactured,
recently refreshed with its
new generation 1.9lt motor
and new face- D-MAX

Patent Leader **R&D** in its
segment awarded by its
designs

6-16t trucks market leader

One and only IMM (Isuzu
Manufacturing
Management) Certificate,
for bus segment, owner
across Europe

ANADOLU MOTOR

Production, import and
distribution of wide-range
of industrial engines

21,000 m²
Production, factory,
office areas

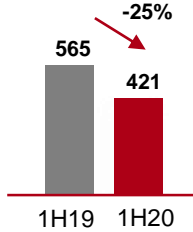
More than
400,000
gas and diesel
engines manufactured

Production capacity of
20,000
units in one shift

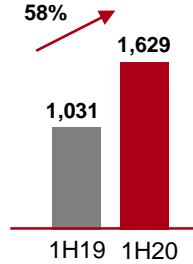
Automotive Segment



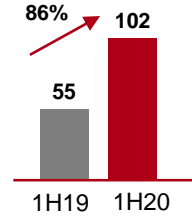
Anadolu Isuzu Net Sales (TL mn)



Çelik Motor Net Sales (TL mn)

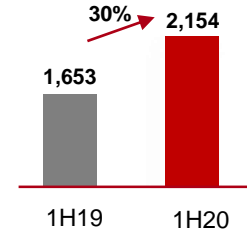


Anadolu Motor Net Sales (TL mn)

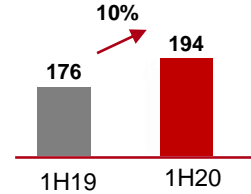


Automotive Segment Performance

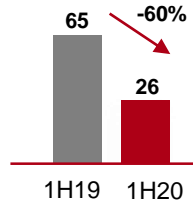
Net Sales (TL mn)



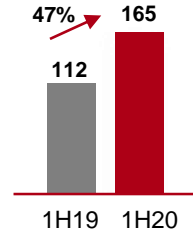
EBITDA (TL mn)



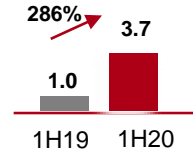
Anadolu Isuzu EBITDA (TL mn)



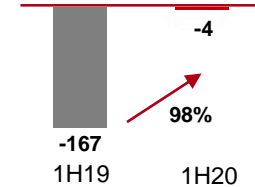
Çelik Motor EBITDA (TL mn)



Anadolu Motor EBITDA (TL mn)



Net Income (TL mn)



- Anadolu Isuzu export sales were under pressure due to Covid-19
- Second hand car sales, consignment sale and KIA sales boosted the top-line for Çelik Motor
- Çelik Motor fleet optimization; fleet size at ~5.5K as of 1H20



ADEL KALEMCİLİK

Leader
of the Turkish
Stationery Sector

4.500
Product varieties in
Stationery and Toy

50
Export Countries

FY2019
revenues:
TL 347 mn

Newest
Production Plant in Europe
36.000 m²
300 mn pcs/year

Unique Ability
to produce around **1000**
different products requiring
different production techniques

Environmental
60% of natural gas need
provided from waste wood dust

1995
Partnership with Faber-Castell

2015
Introduction of World Class
Toy Brands in Turkey

2018
Licensed toy and stationery
producer for Turkish Radio and
Television Association (TRT)





253
restaurants

Around
7,000
employees

Serving more than
100 mn
customers
in Turkey
annually

FY2019
revenues:
TL 994 mn

40
Franchisee

59
Franchisee
restaurants

Turkish
suppliers
provide
93%
of the
450
items used in
McDonald's
restaurants

McDonald's Turkey won
24 awards in 2019
including
"Circle of Excellence"

The first project of AND
Gayrimenkul in Istanbul:

AND Kozyatağı

Highest achieved rent
on the Asian side
of Istanbul

A+ Office Tower

75,000 m²
construction area

31,500 m²
GLA

~70% occupancy rate

8 International
award winner

Completed in
2015



Game-changer in the
residential market:

AND Pastel

Residential oriented
mixed-use project in Kartal-
Istanbul

250,000 m²
construction area,

7 blocks,
approx. **1,200**
residential units

Deliveries started as of 3Q18
and **72%** sales completed

8 International
award winner

Launched in
2016

Paravani HEPP*

The first energy project undertaken by a Turkish company in Georgia since October 2014

90 MW

installed capacity

Annual electricity output:

410 mn kWh

80%

of the electricity produced is exported to Turkey

FY2019 revenues:
TL 80.0 mn



*Sale of 13.51% portion of our shares in Anadolu Kafkasya for an amount of USD 10 mn was completed in 2018; sale of another 14.19% portion for an amount of USD 10.5 mn was finalized in November 2019. Effective shareholding in Anadolu Kafkasya is 61,49%

Aslancik HEPP

The first investment of Anadolu Group in the energy sector

Installed capacity:

120 MW

FY2019

revenues:

TL 140 mn

Undertaken jointly with the Doğan and Doğuş Groups

Annual Electricity Output:

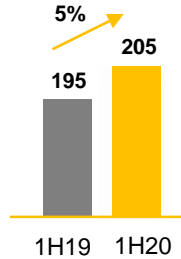
418 mn kWh



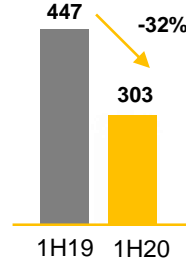
Energy & Industry Segment



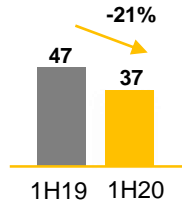
Adel Net Sales (TL mn)



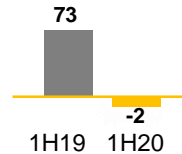
McDonald's Net Sales (TL mn)



Adel EBITDA (TL mn)



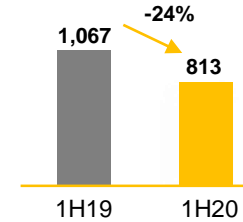
McDonald's EBITDA (TL mn)



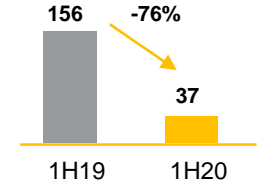
- New segment: Adel, McDonalds, Energy, Real Estate and Efestur
- Segment profitability remained under pressure due to Covid-19, restrictions mainly related to QSR business
- Paravani HEPP generated TL 51 mn revenues in 1H20. 100% of the electricity produced at Paravani HEPP sold to Georgia
- Operational performance of this segment to normalize driven by easing Covid-19 restrictions for the restaurant business

Energy & Industry Segment Performance

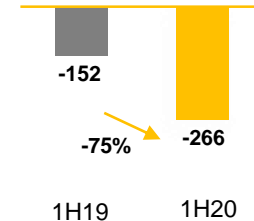
Net Sales (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



Other - Agriculture



8
farms
30,000
da land
1
packing
house

240,000
tons fruit
processed
in **3**
production plants
in **2019**

The largest fruit
grower and fruit
juice producer
in Turkey

5 mn
Fruit trees

Launched the first
fruit brand of Turkey
in Dec. 2015: **Doal**
Created a new natural
sugar category with **Doal**
Meyveden Şeker in 2017



Social Organizations



ANADOLU VAKFI

Projects mainly focusing on education and health

29,000+ Scholarships

42,000 + hours
Mentoring Support

Celebrating its
40th
year in **2019**

Social Entrepreneurship
Seminars for **~80,000**
teachers

637,000
free of charge health
services provided

Book and Materials
Support for **55,000 +**
disadvantaged students

50+
educational institutions,
hospitals built

ANADOLU^H

In Affiliation with
JOHNS HOPKINS MEDICINE

Strategic partnership with **Johns
Hopkins Medicine International**

Bone Marrow Transplant Center
Transplanted bone marrow to more than
2,250 patients

The center employs state-of-the-art
technology in its **urologic-
oncology, bone marrow
transplant**, and **breast-health**
units in the provision of services that
focus largely on **oncology-related**
issues.



1
Koraç Cup
1996

11
Turkish
Cups
and

12
Presidential
Cups

14
Turkish League
Championships

Gold Awards

3 Euroleague
Devotion Marketing
Awards, 1 EuroLeague
One Team CSR Award

Silver Award

1 EuroLeague
Devotion Marketing
Award

Sustainability at Anadolu Group

316 projects/applications are related to one or more Sustainable Development Goals (SDG).

32 PROJECTS



15 PROJECTS



52 PROJECTS



79 PROJECTS ★



30 PROJECTS



16 PROJECTS



15 PROJECTS



192 PROJECTS ★



83 PROJECTS ★



68 PROJECTS



32 PROJECTS



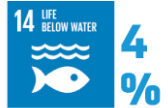
151 PROJECTS ★



74 PROJECTS



13 PROJECTS



11 PROJECTS



16 PROJECTS



135 PROJECTS ★



★ UN Sustainable Development Goals that Anadolu Group has mainly contributed.



Anadolu Group published **GRI confirmed 2019 Sustainability Report**.

<https://bit.ly/SustainabilityReport2019>

316
Projects and Applications

Contents



I. Strategical Overview

II. Governance Approach

III. Investment Case

IV. 1H20 Financial Highlights

V. Segmental Operational and Financial Summary

VI. Financial Summary

Segmental Financial Data* – 1H20

<i>TL mn</i>	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit	Yearly Change
Beer	5.350	7%	1.962	2%	582	-8%	120	-41%
Soft Drinks	6.234	4%	2.110	2%	1.214	7%	539	32%
Migros	13.413	25%	3.544	21%	1.092	1%	-291	24%
Automotive	2.154	30%	310	11%	194	10%	-4	98%
Energy and Industry	813	-24%	82	-60%	37	-76%	-266	-75%
Other	74	3%	59	23%	9	-42%	-261	8%
Consolidated	27.596	15%	8.063	15%	3.178	1%	-478	<i>n.m.</i>

*Yearly changes are calculated as Migros fully consolidated in 1H19 for 6 months

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



Disclaimer Statement:

AG Anadolu Grubu Holding has prepared this document for the sole purpose of providing information which may include forward looking projections and statements about the Company. All opinions and estimates contained in this document constitute Company's judgement as of the date of this document and are subject to change without notice. The company does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or contents. This document cannot be copied, disclosed or distributed to any person other than the person to whom the document and/or information delivered or sent by AG Anadolu Grubu Holding.