



ANADOLU GROUP

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

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**London & New York Non-Deal Roadshow  
Investor Presentation**

**January 22-26, 2018**



# Contents

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- I. Strategical Overview
- II. The Merger
- III. Investment Case
- IV. Update on Operations
- V. Financial Summary

# I. Strategical Overview

II. The Merger

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# Strong roots and extensive coverage...



**1950**

Establishment



Operating in

**9** different sectors in

**19** countries with

**59** production facilities in  
the region.

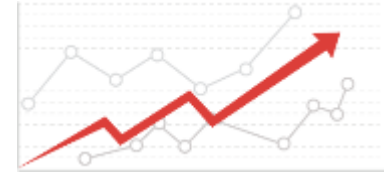
Exports to more than

**80** countries



**50,000+**

employees



A global group quoted  
on BIST with

**7** companies,

generating  
a turnover of

**25.0** billion TL  
as of 2016-end.

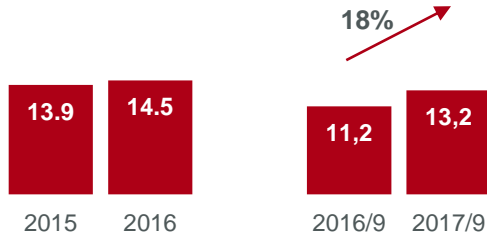
...in numerous different sectors...



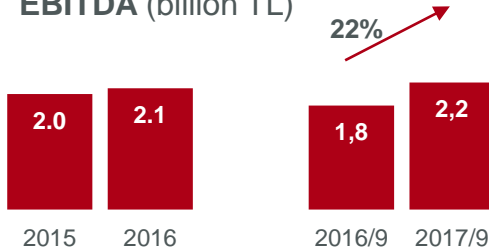
# ...with sound financial track record and dominance in beverages&retail, ...

## Consolidated results

### NET SALES (billion TL)

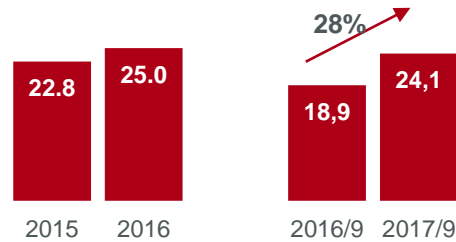


### EBITDA (billion TL)

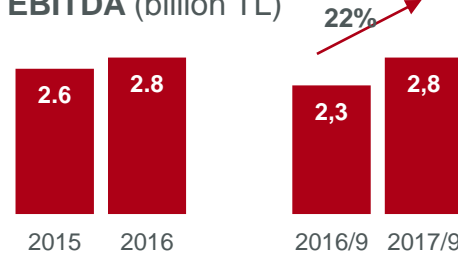


## Consolidated proforma results\*

### NET SALES (billion TL)

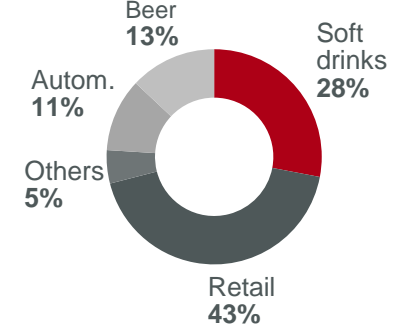


### EBITDA (billion TL)

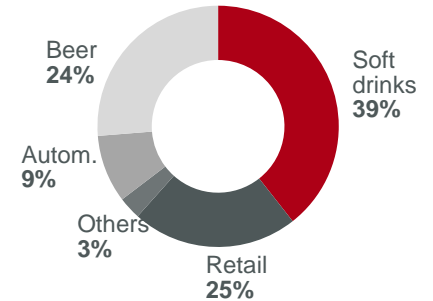


\* Proforma results include Migros as consolidated

## BREAKDOWN OF REVENUES, 2016



## BREAKDOWN OF EBITDA, 2016



# ...backed by advanced competencies

Global player  
with strong  
local presence



Partnership  
culture with  
global brands



Expertise in  
branded  
consumer  
products



Strong  
ownership ties  
coupled with  
high corporate  
governance  
standards





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I. Strategic Overview

**II. The Merger**

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# The Rationale & The Objectives

## Rationale

### Restructuring and Strengthening of Corporate Structure of Anadolu Group

## Objectives

**Simplification and transparency** with respect to control and structure

**Clarity** with respect to the joint control and equal representation by the two families

**Enhanced corporate governance** via establishment of the general governance principles

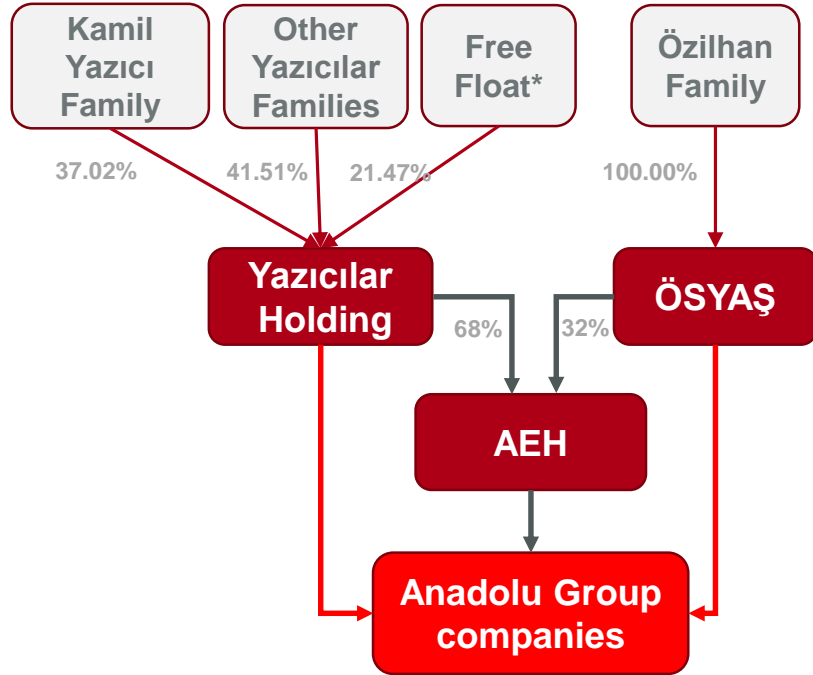
**Higher shareholder return** by delivering unlocked value within the current Group structure

**Improved sustainability** in terms of governance and structures

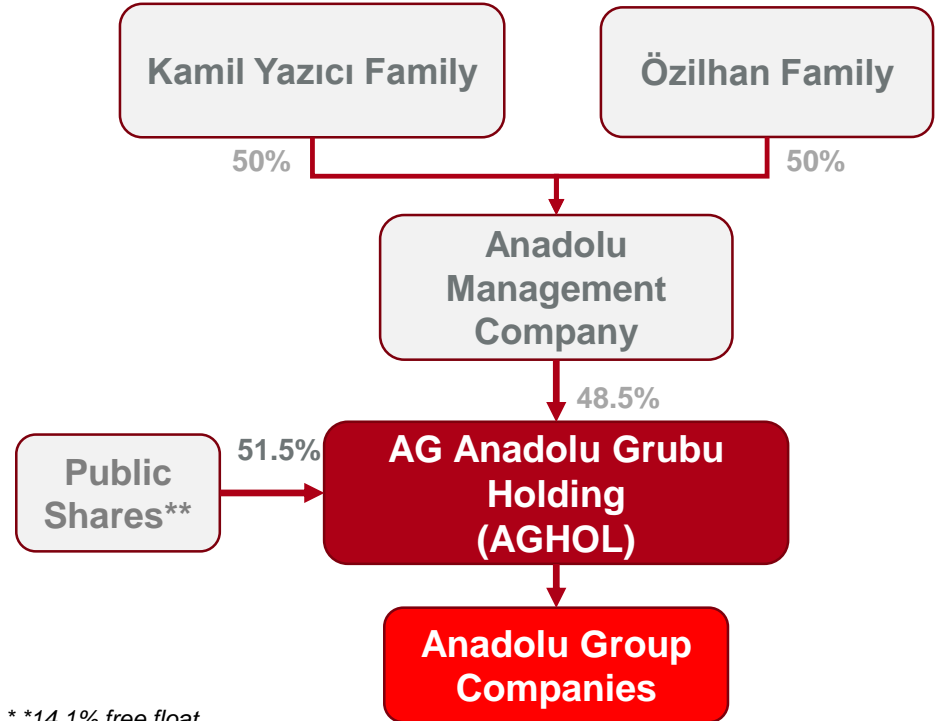
**CREATING AND  
MAXIMIZING  
SHAREHOLDER  
VALUE**

# The change in ownership structure

## Pre-merger



## Post-merger



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

\*\*14.1% free float

# The changes in participation rates & method

	Stake held by Yazıcılar Holding, %	Consolidation method	Stake held by AGHOL, %	Consolidation method
Anadolu Efes	27.66	Equity	43.05	Full
Migros	34.00	Equity	50.00	Equity*
Anadolu Isuzu	37.57	Equity	55.40	Full
Adel Kalemcilik	38.68	Full	56.89	Full
Çelik Motor	68.00	Full	100.0	Full
Anadolu Restoran	68.00	Full	100.0	Full
Anadolu Motor	67.93	Full	100.0	Full
Efestur	68.00	Full	100.0	Full
Aslancık HEPP	22.67	Equity	33.33	Equity
Georgia Urban Energy	54.58	Full	80.26	Full
Real Estate Companies	100.00	Full	100.00	Full

*\*To be fully consolidated starting with June 2019, latest.*

# Outline

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- The merger Yazıcılar Holding with ÖSYAŞ and AEH completed; the merged holding is named as **AG Anadolu Grubu Holding A.Ş. (AGHOL)**
- Equal shareholding and equal representation by the founding Kamil Yazıcı and Özilhan Families is structured in Anadolu Management Company.
- On the board of AGHOL, there are 4 board members quota for Kamil Yazıcı Family and 4 board members quota for Özilhan Family and additional 4 independent board members as required by CMB legislations.
- Share classes are reduced from 4 to 2, designated currently as A (tradeable registered shares with 80% share in paid-in-capital,) and B (non-tradeable bearer shares with 20% share in paid-in-capital); with B having the privilege of appointing 6 members out of 12 on the board of AGHOL.
- 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.

# The governance perspective

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The merger ensures alignment on:

- Kamil Yazıcı Family and Özilhan Family's joint control and equal representation at the board of every company in Anadolu Group, established through a family constitution (including a JV agreement and internal procedures),
- Family influence only through representation at the board level,
- Strong professional/independent view via having the majority of the seats at the boards of the subsidiaries from professionals/independents,
- Professional operational management for all key positions (Holding CEO, BU&Function Presidents and all GMs),
- Limited quota for junior family members for employment in Group companies.

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# Through the merger

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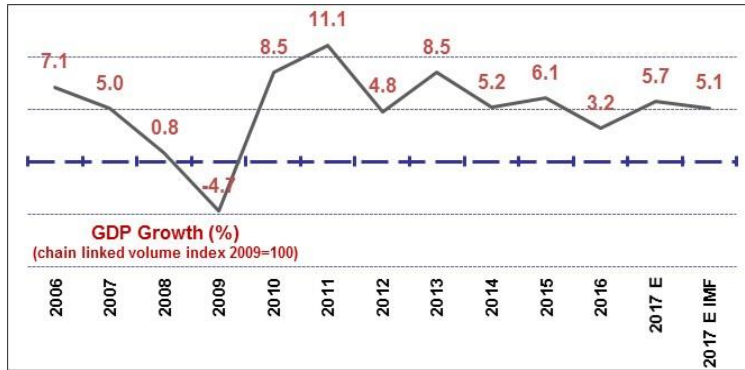
- ✓ **Better perception by financial markets** through;
  - Clarification of control
  - Increased transparency at the holding
  - More meaningful consolidated results through the full consolidation of AEFES
- ✓ **More efficient management of funds** at the holding level in line with the strategic targets of the Group
- ✓ **Easier access to new funds and strategic partnerships** through standing as a one and sizeable holding company
- ✓ **Enhanced implementation of corporate governance principles** at the holding level, as the umbrella AGHOL then being a public company.



# Through the portfolio - I

## ✓ Consumer play

Extensive range of consumer-products coverage as proxy to growing private consumption and the increase in the purchasing power of the mid-income class; as such benefiting from a resilient sector mix.



## ✓ 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.

### Corporate Governance Ratings

AEFES 9.58

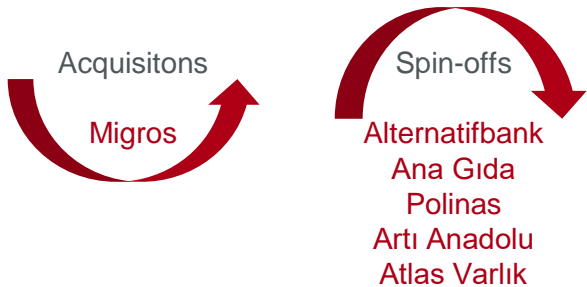
CCOLA 9.45 MGROS 9.58

AGHOL 9.20

# Through the portfolio - II

- ✓ Predictable business outlook with major spin-offs and acquisitions completed

The Group completed the sale of various non-core assets in the recent years, with the concentration focus. The acquisition of Migros was one of the biggest transactions in the history of the Group.



- ✓ Accumulated knowhow in partnership with global companies

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



- ✓ Balanced geographical risk

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

Breakdown of revenues, 2016

Turkey **78%**

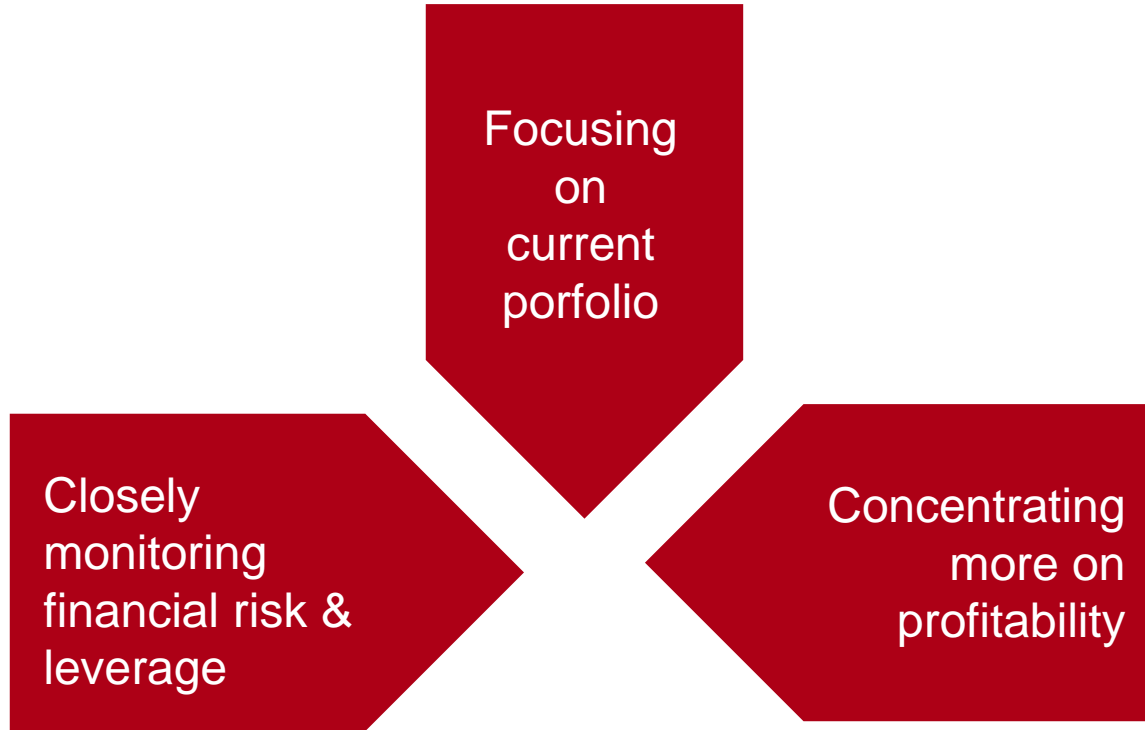


Breakdown of EBITDA, 2016

Turkey **74%**



# What's on the agenda?



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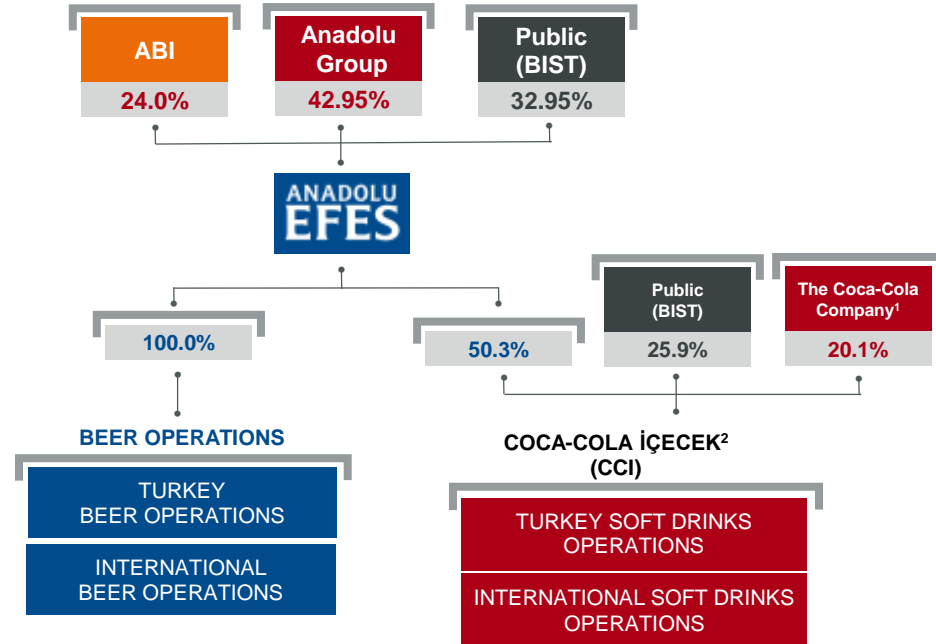
A total beverage company serving more than

**670 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 in beer and soft drinks giant TCCC in soft drinks arm as partners

First Turkish signatory company of UGC CEO Water Mandate  
Quoted in BIST Corporate Governance and Sustainability Indexes  
Only Turkish company in Vigeo Eiris EM 70 listing

## Ownership Structure



(1) Through The Coca-Cola Export Corporation  
(2) 3.7% held by Özgürkey Holding



**6<sup>th</sup>**  
largest  
in Europe

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**14<sup>th</sup>**  
largest  
In the World  
In terms of sales  
volume

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Exports  
to more than  
**70**  
countries

**14**  
breweries

**6**  
Malt factories

**1**  
Hops processing  
facility

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

Annual  
**39.5 mhl**  
beer,

**248 k**  
tons malt production  
capacity

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Leader in the Turkish  
market

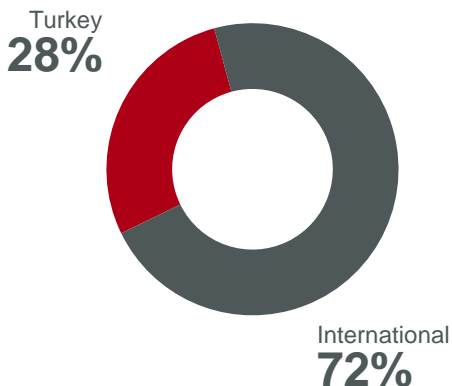
Solidified its market position  
in Russia

Strongly positioned  
in CIS countries

## Market shares & market positions, 9M2017

TURKEY	#1
62%	
RUSSIA	#2
15%	
KAZAKHSTAN	#1
GEORGIA	#1
MOLDOVA	#1

## BREAKDOWN OF BEER VOLUME, 2017



2017 sales volume  
**21.1 mhl**

12M2016 revenues:  
**3.4 bn TL**

12M2016 EBITDA:  
**0.7 bn TL**



**5<sup>th</sup>**  
largest bottler  
In Coca-Cola system

**26 bn**  
annual servings to  
**380 mn**  
people

Annual production  
capacity  
**1.4 bn u/c**

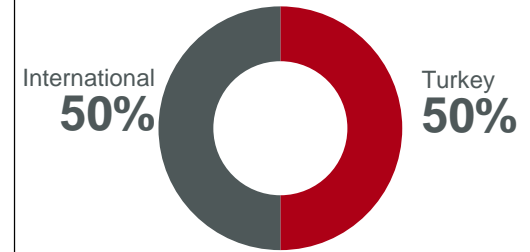
2017 sales volume  
**1.24 bn u/c**

A total of  
**25**  
plants in  
**10**  
countries:  
Turkey, Pakistan,  
Kazakhstan,  
Azerbaijan,  
Turkmenistan,  
Kyrgyzstan, Iraq  
Jordan, Tajikistan,  
Syria

**12M2016** revenues:  
**7.1 bn TL**

**12M2016** EBITDA:  
**1.1 bn TL**

## BREAKDOWN OF SOFT DRINKS VOLUME, 2017



Quoted in BIST Corporate  
Governance and Sustainability  
Indexes

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

Among Turkey's climate change  
leaders within the scope of CDP's  
Climate Change Report.



# Soft Drinks



## Strong market positions in sparkling, 2016

TURKEY	#1
64%	
PAKISTAN	#2
37%	
KAZAKHSTAN	#1
49%	
AZERBAIJAN	#1
61%	
TURKMENISTAN	#1
63%	
KYRGYZSTAN	#1
69%	
IRAQ	#2
JORDAN	#2

## Brand & Flavor Expansion



## Package Innovation





The pioneer of organized retail in Turkey

**17.4%**  
share in modern FMCG

**7.2%**  
share in total FMCG

A total of  
**1,863** stores  
covering app.

**1.4 mn** m<sup>2</sup>

Active Loyalty Card holders

**9.3 mn**, reaching  
**6.7 mn** households in  
Turkey

**12M2016** revenues:  
**11.1 bn TL**

**12M2016** EBITDA:  
**686 mn TL**  
with EBITDA margin  
**6.2%**

Complementary operations in Kazakhstan and Macedonia with **39** Ramstores.

Over **20** years retail experience abroad

Recently Acquired **Tesco-Kipa** business in Turkey-**162** stores.

Best retailer of the Country Award for 13 years in a row

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



## Joint Venture

with Cutrale and Özgörkey families

**7**

farms

**25,000**

da land

**1**

packing  
house

**240,000**

tons fruit  
processed

in **3**

production plants  
in **2017**

The largest fruit  
grower and fruit  
juice producer  
in Turkey

**3.5 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





## ANADOLU ISUZU

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

Export to more than  
**60**  
countries  
since **1994**

**12M2016** revenues:  
**830 mn TL**

The record export of the  
last 23 years in 2017

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 owner across Europe

## ÇELİK MOTOR

Distribution of  
Kia-branded  
vehicles and  
operational  
leasing activities



**12M2016** revenues:  
**1.8 bn TL**

**2017-end** market  
share in passenger cars:  
**1.56%**

All car rental  
& leasing  
solutions under  
one powerful  
umbrella brand

Garenta Pro  
fleet size  
**26,800**

Garenta Day  
fleet size  
**5,400**



ikinciye.com, the leading  
**second-hand automotive e-commerce platform** in  
Turkey sold **17.938 cars** in  
2017. With app. **200k  
members**, the platform **daily**  
brings together more than  
**100 cars** with their new  
owners.

## ADEL KALEMCİLİK

**Leader**

of the Turkish  
Stationery Sector

**5000**

Product varieties in  
Stationery and Toy

**50**

Export Countries

**12M2016**  
revenues:

**272 mn TL**

**Newest**

Production Plant in Europe

**36.000** m<sup>2</sup>

**300** mn pcs/year

**Unique Ability**

to produce **1350** different  
products requiring different  
production techniques

**Environmental**

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

**1995**

Partnership with Faber-Castell

**2011**

“**LLC Faber-Castell Anadolu**”  
JV is established. Territory:  
Russia, Kyrgyzstan, Belarus,  
Kazakhstan

**2015**

Introduction of World Class  
Toy Brands in Turkey



# Quick Service Restaurant



**254**  
restaurants

More than  
**5,000**  
employees

**49**  
Franchisee

**74**  
Franchisee  
restaurants

Serving around  
**110 mn**  
customers  
in Turkey  
annually

Turkish  
suppliers  
provide  
**95%**  
of the  
**600**  
items used in  
McDonald's  
restaurants

**12M2016**  
revenues:  
**549 mn TL**

McDonald's Child  
Charity has reached  
**200 k**  
children, delivering  
funds of USD  
**1.5 mn**

# Energy

## 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

**PARAVANI**  
HEPP

**12M2016**

revenues:

**USD 18.2 mn**

## Kheledula HEPP

New project in Georgia under construction

**50MW** installed capacity

**254 mn** annual electricity output



## Aslancık HEPP

The first investment of Anadolu Group in the energy sector

Installed capacity:

**120 MW**

**12M2016**

revenues:

**TL 87 mn**

 **ASLANCIK**  
ELEKTRİK ÜRETİM A.Ş.

Undertaken jointly with the Doğan and Doğuş Groups

Annual Electricity Output:

**418 mn**

kWh





# Other Companies



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

**21,000 m<sup>2</sup>**

Production, factory, office areas

More than

**400,000**

gas and diesel engines manufactured

Production capacity of

**20,000**

units in one shift

**ANADOLU  
LANDINI**

Tractor production under Landini brand

The first project of AND Gayrimenkul in Istanbul:  
**AND Kozyatağı**

Highest achieved rent on the Asian side of Istanbul

**A+** Office Tower

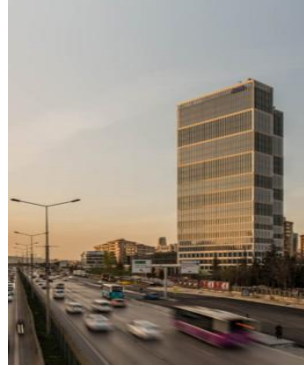
**75,000 m<sup>2</sup>**  
construction area

**35,000 m<sup>2</sup>**  
GLA

**8** International award winner

Completed in  
**2015**

**AND**  
GAYRİMENKUL



New Project by **AND Ankara**

Commercial-oriented project to be developed on a revenue sharing basis

Game-changer in the residential market:  
**AND Pastel**

Residential oriented mixed-use project in Kartal-Istanbul

**250,000 m<sup>2</sup>**  
construction area,

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

**8** International award winner

Recently launched in  
**2016**

# Social Organizations



ANADOLU VAKFI

Projects mainly focusing on education and health

**27,000** Scholarships

**22,000 +** hours  
Mentoring Support

Celebrating its  
**38<sup>th</sup>**  
year in **2017**

Social Entrepreneurship  
Seminars for **50,000 +**  
teachers

**500,000 +**  
free of charge health  
services provided

Book and Materials  
Support for **37,000 +**  
disadvantaged students

**50**  
educational institutions,  
hospitals built

## ANADOLU<sup>H</sup>

In Affiliation with  
JOHNS HOPKINS MEDICINE

Strategic partnership with **Johns  
Hopkins Medicine International**

**Bone Marrow Transplant Center**  
Transplanted bone marrow to more than  
**1,600** patients

Anadolu Medical Center is in the  
**third place of the Top 500  
corporations in Turkey** in the  
healthcare category for the services it  
exported in 2016



**1**  
Koraç Cup  
**1996**

**13**  
Turkish League  
Championships

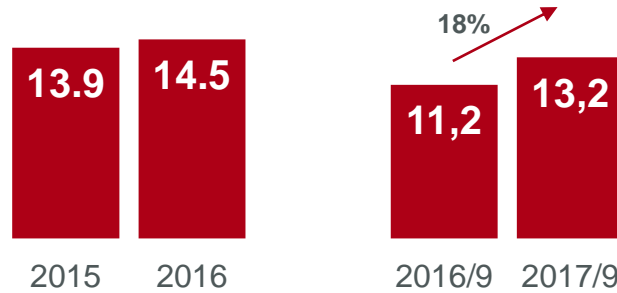
**10**  
Turkish  
Cups  
and  
**10**  
Presidential  
Cups

**First place**  
in 3 Euroleague  
Devotion Marketing  
Awards

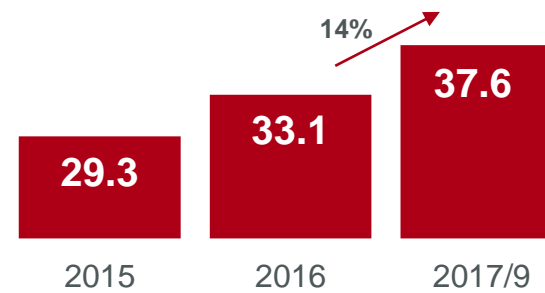
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# Anadolu Group Consolidated Results

NET SALES (billion TL)



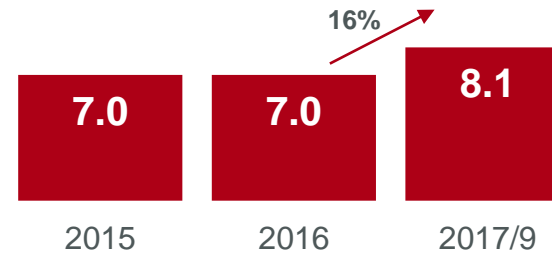
ASSETS (billion TL)



EBITDA (billion TL)

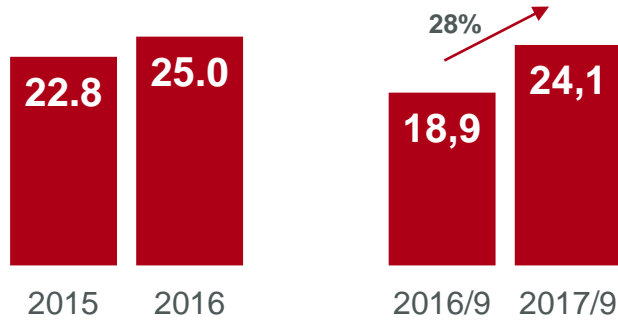


NET DEBT (billion TL)

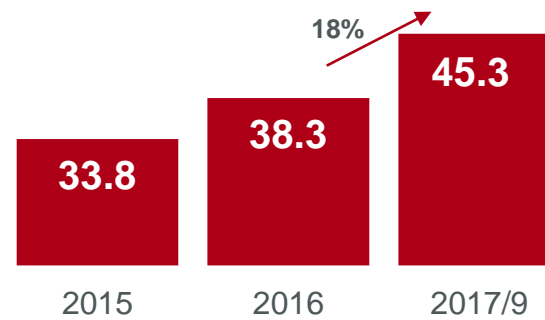


# Anadolu Group Consolidated Results – Proforma\*

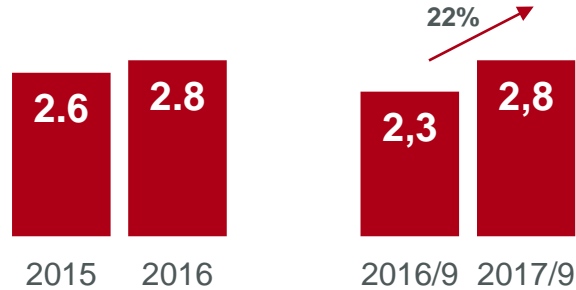
**NET SALES** (billion TL)



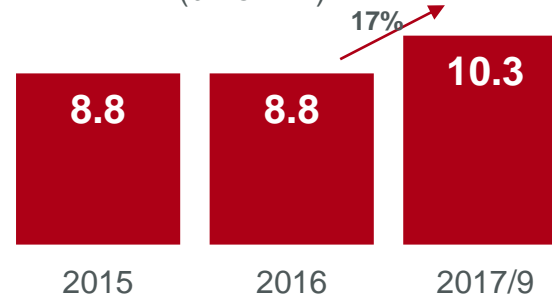
**ASSETS** (billion TL)



**EBITDA** (billion TL)



**NET DEBT** (billion TL)



\* Proforma results include Migros as fully consolidated

# Comparative results

TL mn	Yazıcılar Holding Consolidated		Anadolu Group Consolidated		Anadolu Group Consolidated (proforma*)	
	12M2015	12M2016	12M2015	12M2016	12M2015	12M2016
<b>Net Sales</b>	2,592	3,030	13,913	14,471	22,833	25,017
<b>EBITDA</b>	259	299	2,042	2,086	2,644	2,772
<b>Total Assets</b>	8,841	9,348	29,329	33,095	33,823	38,282
<b>Net Debt</b>	3,288	3,258	7,044	7,008	8,793	8,815

\* Proforma results include Migros as fully consolidated

# Segmental Financial Data

TL mn	Beer		Soft Drinks		Migros		Automotive		Retail		Others		Consolidated (proforma*)	
	12M2015	12M2016	12M2015	12M2016	12M2015	12M2016	12M2015	12M2016	12M2015	12M2016	12M2015	12M2016	12M2015	12M2016
<b>Net Sales</b>	3,481	3,370	6,724	7,050	9,390	11,059	2,545	2,821	1,130	1,189	187	206	22,833	25,017
<b>EBITDA</b>	688	668	1,051	1,093	602	686	245	260	99	96	(41)	(45)	2,644	2,772
<b>Total Assets</b>	7,008	8,717	8,946	10,456	5,761	6,337	3,372	3,572	828	727	5,051	5,092	33,934	38,282
<b>Net Debt</b>	1,120	1,134	2,372	2,293	1,750	1,807	1,603	2,293	235	232	1,723	1,057	8,793	8,815

\* Proforma results include Migros as fully consolidated

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



*Thank you...*

## Disclaimer Statement

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