

2020 Results - Operational Snapshot

Overview

- **Successfully mitigated the negative impact of COVID-19**
- **Managed to grow our businesses despite challenges**
- **No major disruption to production across businesses**
- **Necessary measures taken to protect the health of our employees, customers and sustainability of our operations**
- **Proactive balance sheet and risk management continued**
- **Included in Sustainability Index for the first time as of December'20**

Beer

- **Market leader position across all operations**
- **Russian volumes grew at around mid single digits in 2020**
- **Strong free cash flow generation, zero based budgeting, cost discipline**

Soft Drinks

- **Quality growth with EBITDA Growth > Revenue Growth > Volume Growth**
- **Consolidated EBITDA margin reached an all time high level in 2020**
- **FCF reached TL2bn on record high margins, tight working capital management, prudent capex**

Migros

- **Strong sales performance throughout the year**
- **Number of online customers and stores almost tripled**
- **Debt reduction continues at full pace**

2020 Results - Financial Snapshot*

➤ Strong top-line growth

- ✓ Consolidated sales up by **21.5%** to **TL 62.1 bn**
- ✓ Main contributors: Migros, Soft Drinks and Automotive segment

➤ Solid operational profitability despite challenging environment

- ✓ EBITDA increased by **21.4%** and reached **TL 8.4 bn**, EBITDA margin at **13.5%**
- ✓ Substantial contribution from Soft Drinks

➤ Net loss of TL 280 mn 2020 vs. adjusted net loss of TL 297 mn of 2019

- ✓ Adjusted net loss of TL 297 mn in 2019 excludes one-off gains of TL 862 mn related to the consolidation scope change of Migros.
- ✓ More stable bottom-line despite higher FX volatility thanks to focusing on TL financing, proactive use of derivatives

➤ Positive FCF generation continued

- ✓ Record high TL 5.4bn FCF on strong operations, prudent capex, working capital discipline

➤ Net debt/EBITDA decreased to all-time low at 1.5x as of 2020

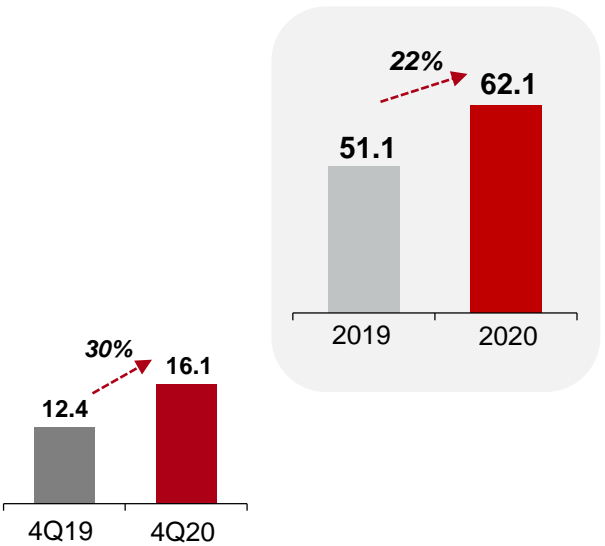
- ✓ Deleveraging is on track; net debt/EBITDA 3,1x in 2018, 2.1x in 2019 and 1.5x in 2020



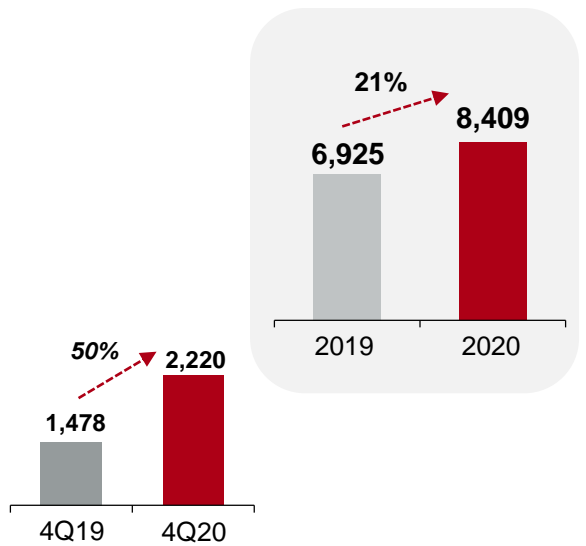
* All numbers for 2019 on this slide include Migros as fully consolidated starting from January 1st, 2019.

Key Financial Indicators* – 4Q20 & 2020FY

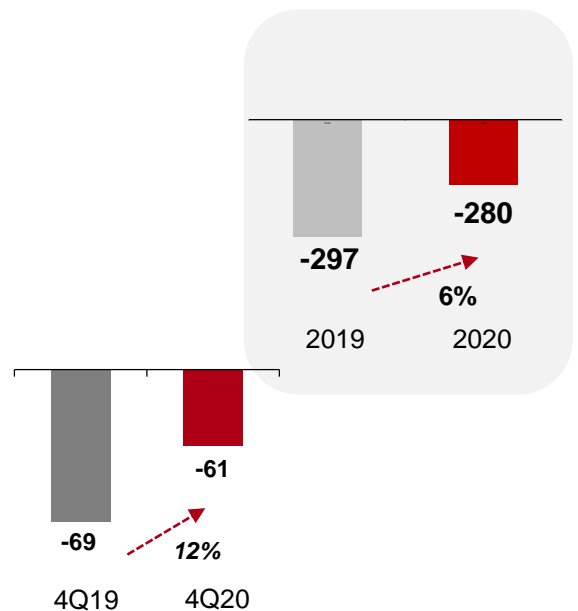
Net Sales (TL bn)



EBITDA (TL mn)



Net Income** (TL mn)

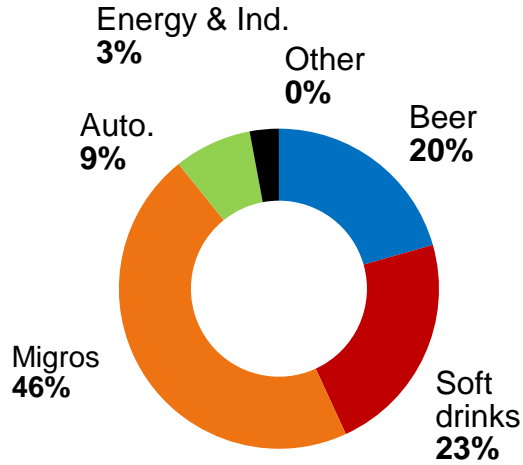


* 2019 results include Migros as fully consolidated

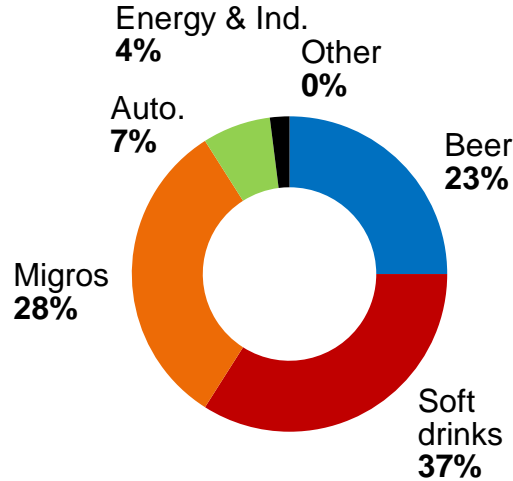
** Adjusted net loss of TL 297 mn in 2019 excludes one-off gains of TL 862 mn related to the consolidation scope change of Migros

Segmental Sales and EBITDA Breakdown

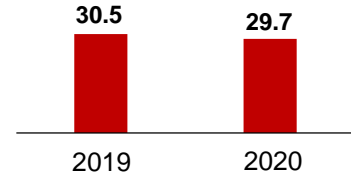
Net Sales



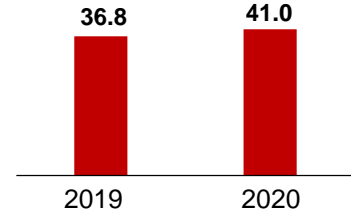
EBITDA



Share of Int. Sales (%)

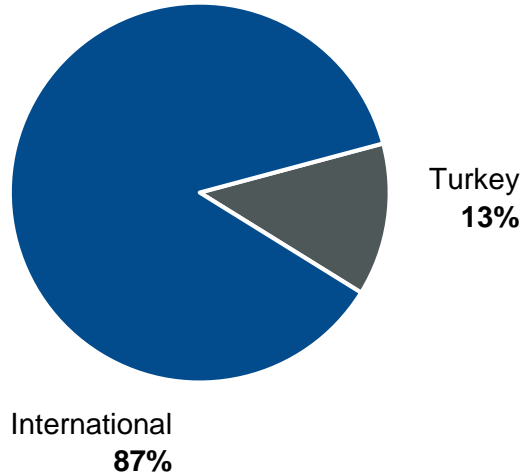


Share of Int. EBITDA (%)



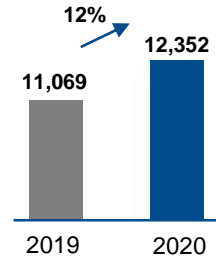
- Share of international revenues declined slightly to 29.7% mostly due to strong domestic Migros sales performance.
- Share of int. EBITDA increased from 36.8% in 2019 to 41.0% in 2020 on the back of strong performance on Soft Drinks and Beer Segments on international countries.

Volume Breakdown (2020)

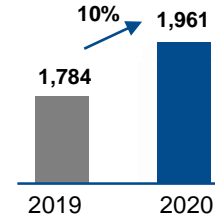


Beer Segment Performance

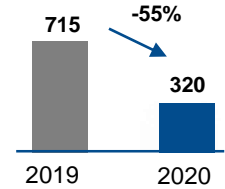
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)

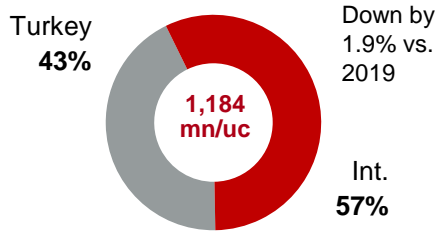


Net Income (TL mn)

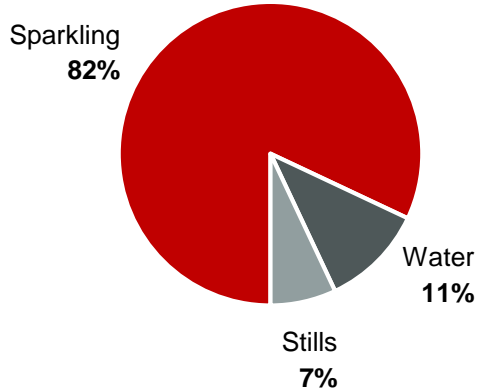


- Positive FCF generation of TL 794 mn in total, contributed both by Turkey and int. operations
- Total beer volume sales remain unchanged at 36.2 mhl in 2020
- Volume growth on int. markets in 2020 despite the negative impact of COVID-19
- Focus on operational expenses to mitigate the negative impact of increasing competition and pricing

Soft Drinks Sales Volume (2020)

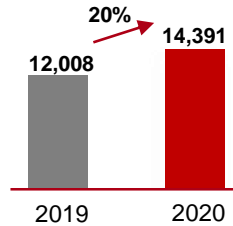


Category Breakdown (2020)

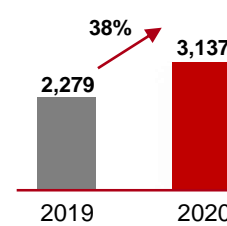


Soft Drinks Segment Performance

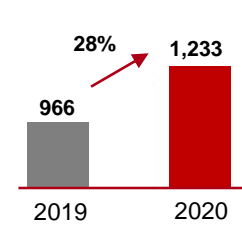
Net Sales (TL mn)



EBITDA (TL mn)

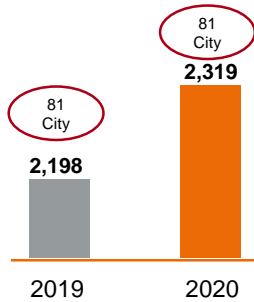


Net Income (TL mn)

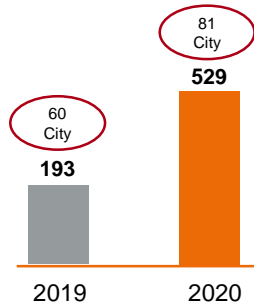


- Strong market execution, lower exposure to the on-premise channel and higher share of the sparkling category resulted with solid international volume performance.
- Record high margins both in Turkey and international markets
- TL 2bn FCF in 2020, on solid margins, lower capex, tight working capital management.

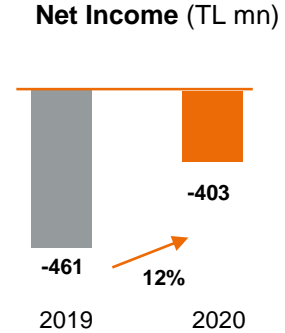
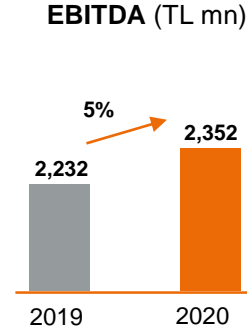
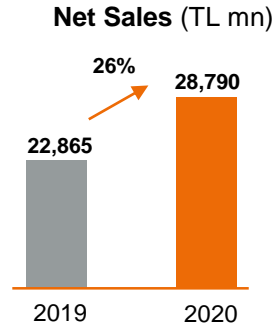
Number of Stores



Online Service Stores

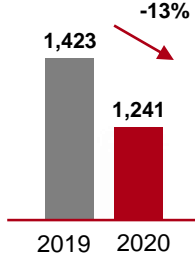


Migros Performance

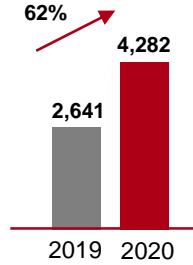


- Solid revenue growth throughout the year
- Exceptional growth in online business
- Gross Euro debt decreased to € 95 mn as of 2020YE from € 611 as of 2018YE
- Net debt to EBITDA down to 1.5x in 2020
- EBITDA growth at 26% yoy, EBITDA margin flat at 5.3% in 2020 (*adjusted for IFRS 16 change and due date expense*)

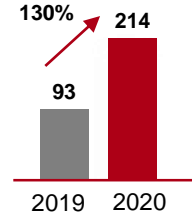
Anadolu Isuzu Net Sales (TL mn)



Çelik Motor Net Sales (TL mn)

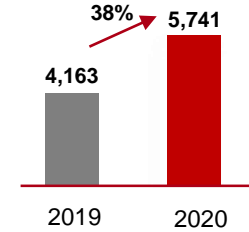


Anadolu Motor Net Sales (TL mn)

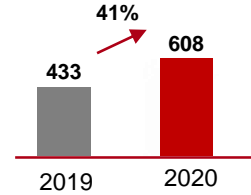


Automotive Segment Performance

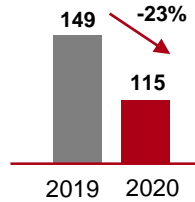
Net Sales (TL mn)



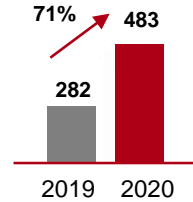
EBITDA (TL mn)



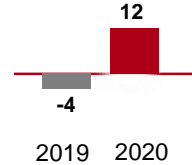
Anadolu Isuzu EBITDA (TL mn)



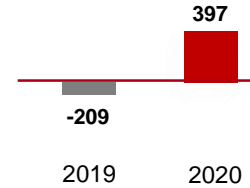
Çelik Motor EBITDA (TL mn)



Anadolu Motor EBITDA (TL mn)

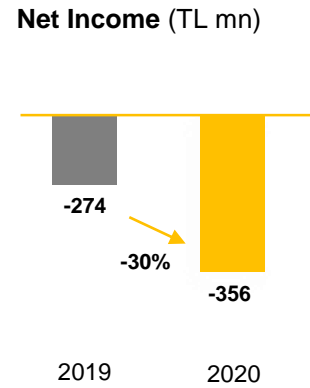
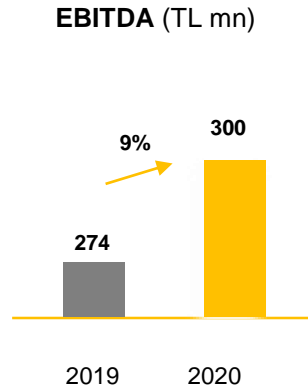
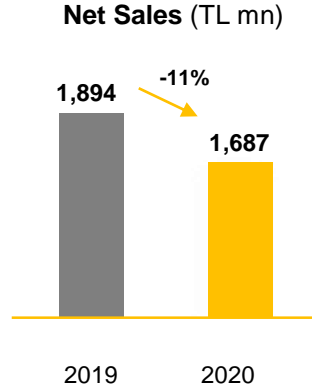


Net Income (TL mn)



- Second hand car, consignment and KIA sales boosted the top-line of Çelik Motor
- Çelik Motor fleet optimization; fleet size down to only 2.4K as of 2020YE vs. 9K as of 2019YE
- Anadolu Isuzu export sales were under pressure due to pandemic

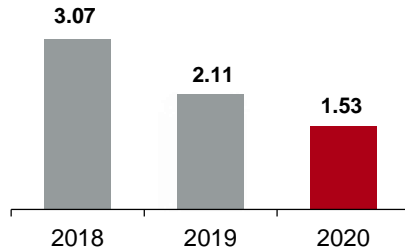
Energy & Industry Segment Performance



- Segment constituents: Adel, McDonalds, Energy, Real Estate and Efestur
- Segment profitability was under pressure due to Covid-19, restrictions mainly related to QSR business
- Solid Margins on the energy segment. 100% of the electricity produced at GUE sold to Georgia
- Non binding agreement was signed for the sale of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş.

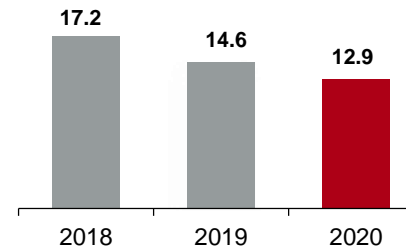
Financial Priorities I: Deleveraging on track

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)



- The share of FX debt at the Holding-only level after the derivatives and cash at hand ;
 - 2018: 83%,
 - 2019: 41%
 - 2020: 8%

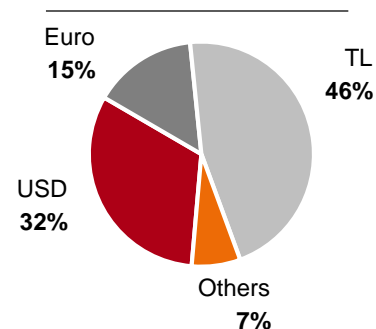
Financial Priorities II: Deleveraging on track

As of 2020 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	6,034	3,864	2,169	1.1
Soft Drinks	6,160	4,684	1,477	0.5
Migros	6,772	3,237	3,536	1.5
Automotive	1,340	459	881	1.4
Energy & Industry	2,491	348	2,143	7.1
Other (incl. Holding)	3,068	335	2,733	n.m.
<i>Holding-only</i>	3,068	288	2,780	n.m.
Consolidated	25,797	12,927	12,870	1.5
Consolidated (€ mn)	2,864	1,435	1,429	1.5
Consolidated (excl. IFRS16)	22,192	12,927	9,265	1.3

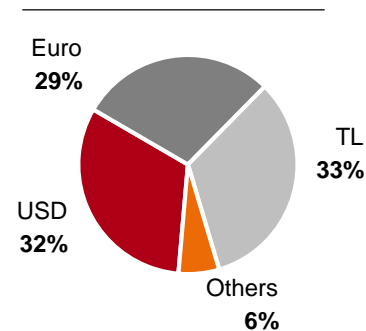
As of 2019 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	5,088	3,262	1,826	1.0
Soft Drinks	5,491	2,933	2,559	1.1
Migros	6,837	2,348	4,489	2.0
Automotive	1,991	488	1,503	3.5
Energy & Industry	2,145	75	2,070	7.5
Other (incl. Holding)	2,482	238	2,244	n.m.
<i>Holding-only</i>	2,482	200	2,282	n.m.
Consolidated	23,956	9,344	14,612	2.1
Consolidated (€ mn)	3,602	1,405	2,197	2.1
Consolidated (excl. IFRS16)	20,589	9,344	11,245	1.9

*Including IFRS16, excl. hedging instruments






Breakdown of Gross Debt* (2020)



Breakdown of Gross Debt (2019)



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**
- ✓ **Successfully managed 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**

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



Q&A

Thank you...

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