



AG ANADOLU GRUBU HOLDING

FY2021 Earnings Presentation





March 3, 2022

FY 2021 Results - Operational Snapshot




Overview

-  Closely monitoring the recent developments in Russia and Ukraine
-  Benefiting from diversified country/sector breakdown and successful operational performance
-  Removal of restrictions, increased mobility, gradual normalization supporting our businesses
-  Recovery on Auto and QSR businesses with opening export markets and easing restrictions
-  Supply-side bottlenecks and inflationary pressures visible throughout the year
-  Uzbekistan integration underway




Beer

-  Solid volume performance in international operations, fourth consecutive year of growth in Russia
-  Robust topline growth, healthy margins and highest-ever free cash flow
-  Focus on premium segment, non-alcohol and flavored categories
-  Double digit volume growth in CIS

Soft Drinks

-  Solid volume growth momentum across all markets
-  TL 2 bn FCF on strong profitability combined with tight balance sheet management
-  Uzbekistan acquisition further strengthened our positioning in Central Asia

Migros

-  Resilient sales growth in online operations
-  No hard currency exposure, net cash position as end of 2021
-  Bottom-line in black as deleveraging pays off

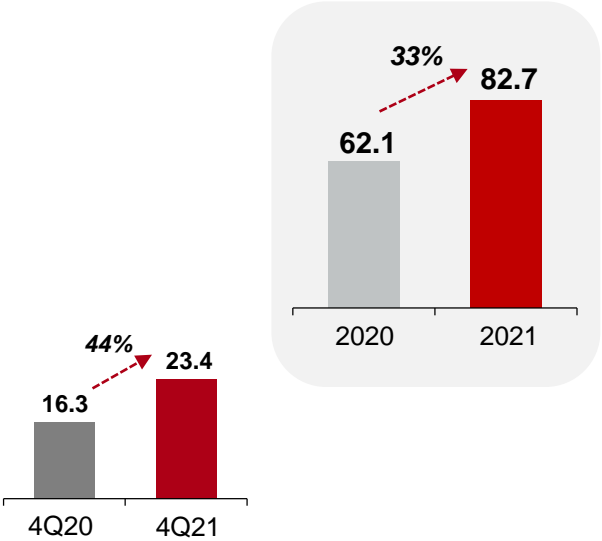
FY 2021 Results - Financial Snapshot

- **Solid top-line growth**
 - ✓ Consolidated sales up by **33.3%** to **TL 82.7 bn**
 - ✓ Main contributors: Soft Drinks, Beer, Migros and Automotive segments
- **Strong operational profitability despite challenging environment**
 - ✓ EBITDA increased by **32.9%** and reached **TL 11.1 bn**, EBITDA margin at **13.4%**
 - ✓ Soft Drinks take the lead with positive contribution from all segments
- **Net income attributable to parent of TL 1,291 mn FY 2021 vs. net loss of TL 351 mn of FY 2020**
 - ✓ Adjusted net income attributable to parent of TL 707 mn in FY 2021 excludes the TL 584 mn one-off profit/loss related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş., Migros Macedonia operations, 75% of Moov and provision of Competition Authority's monetary fine related to Migros which was paid in February 2022
 - ✓ Despite sharply weaker TL, solid bottom-line performance thanks to focus on TL financing, proactive use of derivatives
- **Strong positive FCF generation continued**
 - ✓ TL 6.7 bn FCF generated vs. TL 5.6 bn of last year on strong operations, prudent capex, working capital discipline
- **Net debt/EBITDA at 1.7x as of FY 2021 despite the Uzbekistan acquisition**
 - ✓ Deleveraging on track; 3.1x at end-2018, 2.1x at end-2019 and 1.5x at end-2020. The ratio is 1.3x excluding the acquisition

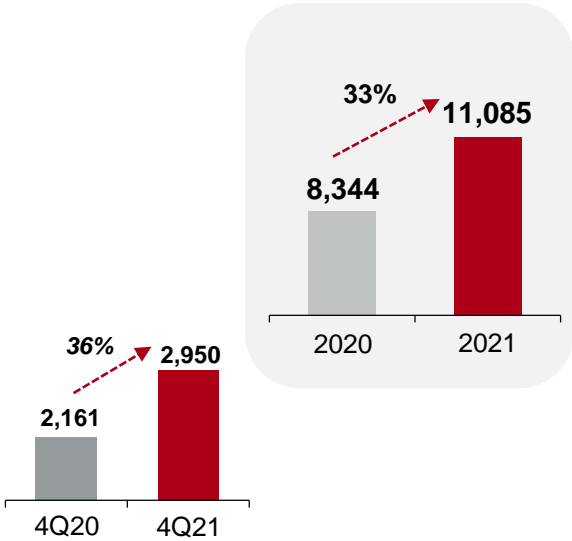


Key Financial Indicators – 4Q21 & 2021

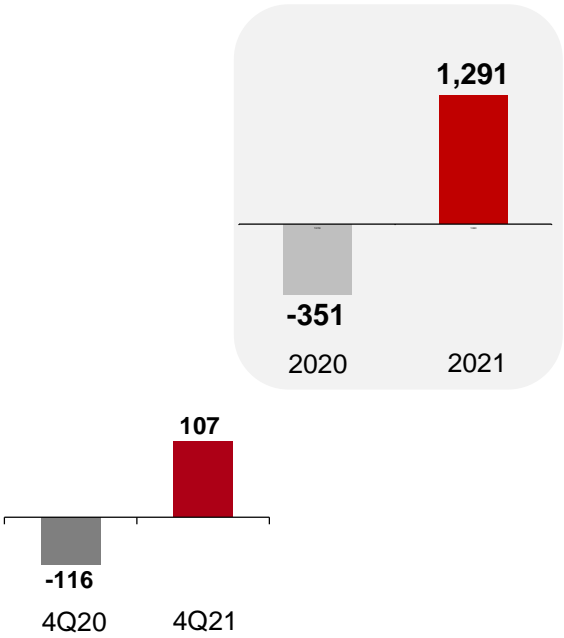
Net Sales (TL bn)



EBITDA (TL mn)



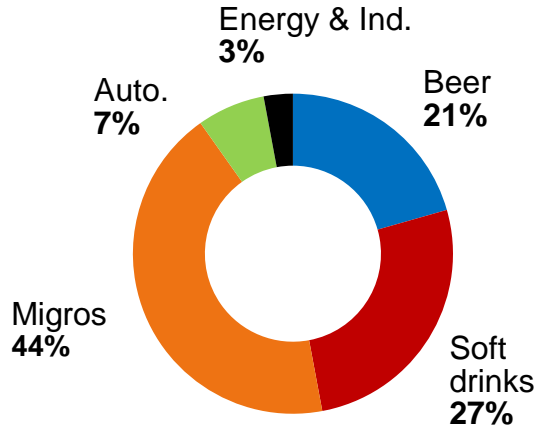
Net Income attributable to parent* (TL mn)



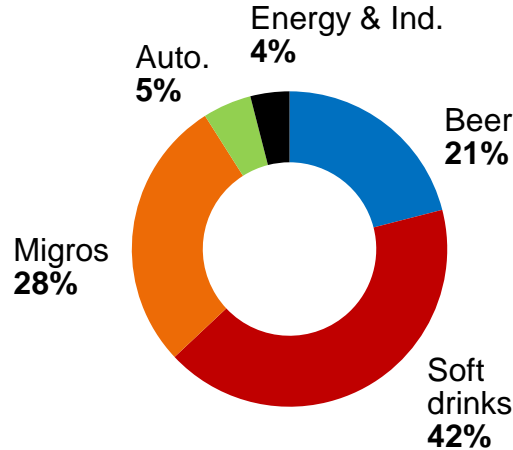
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Segmental Sales and EBITDA Breakdown

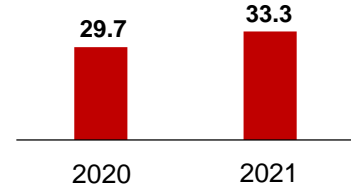
Net Sales



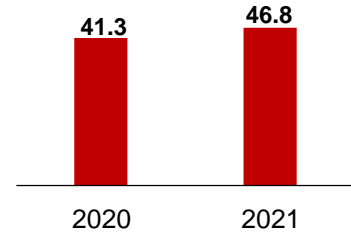
EBITDA



Share of Int. Sales (%)

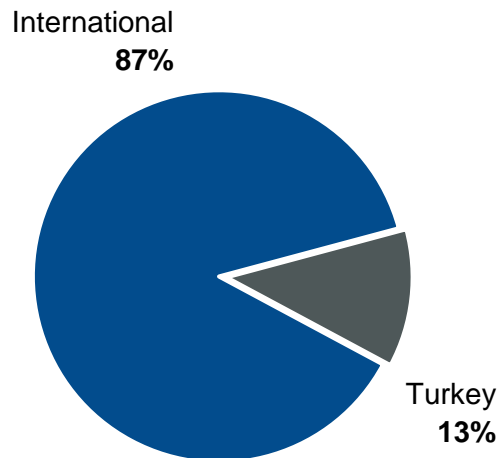


Share of Int. EBITDA (%)



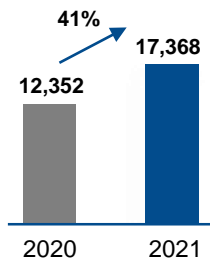
- Share of international revenues increased to 33.3% in 2021 thanks particularly to strong performance of soft drinks' international operations and FX moves.
- Share of int. EBITDA increased from 41.3% in 2020 to 46.8% in 2021 on the back of strong performance of Soft Drinks Segment in international countries and FX

Volume Breakdown (2021)

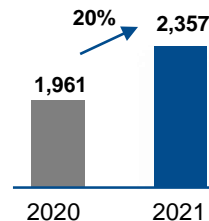


Beer Segment Performance

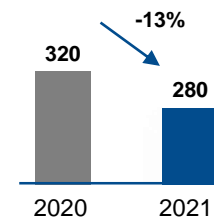
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)

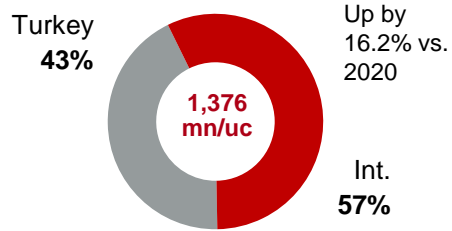


Net Income (TL mn)

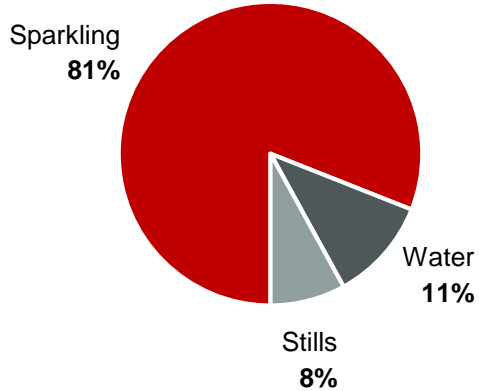


- Another successful performance in International Beer Operations with volumes up by 4.6% in 2021 driven by strong performance in global brands, non-alcohol and premium segments
- Turkey beer total sales volume up 5.2% in 2021 supported by double-digit growth in export volumes to China and MENA countries
- Increases in input costs negatively impacted margins
- Solid top-line growth, strong working capital management, prudent capex resulted with a strong TL 1,8 bn FCF more than doubling its level a year ago

Soft Drinks Sales Volume (2021)

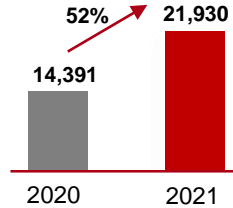


Category Breakdown (2021)

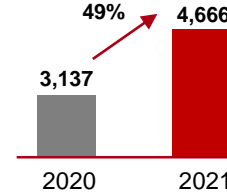


Soft Drinks Segment Performance

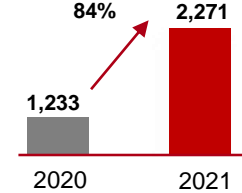
Net Sales (TL mn)



EBITDA (TL mn)

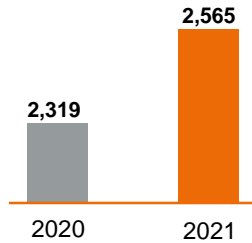


Net Income (TL mn)

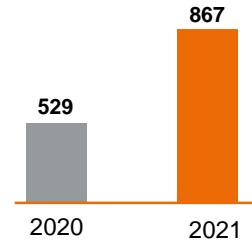


- Broad-based volume growth among all operations
- Channel mix improving with vaccinations, increased mobility, and partial recovery in tourism (on-premise 29.5% in 4Q21, 21.0% in 4Q20)
- Despite ongoing commodity price pressures, flattish gross margin thanks to timely price adjustments, hedges, and improvement in package mix.
- Strong top-line growth, profitability combined with tight balance sheet management led to over TL 2bn FCF.

Number of Stores

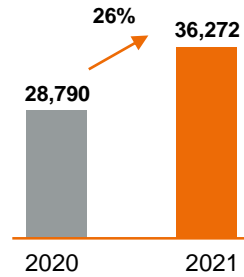


Online Service Stores

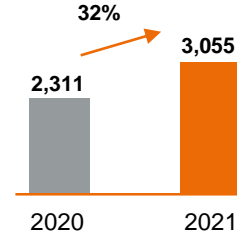


Migros Performance

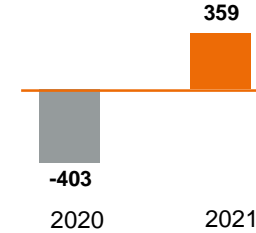
Net Sales (TL mn)



EBITDA (TL mn)

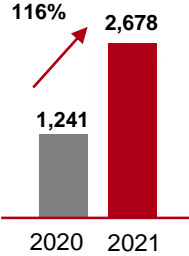


Net Income (TL mn)

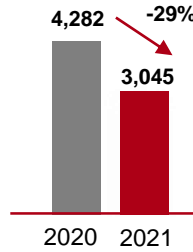


- Solid top-line growth in FY 2021 driven by on-line business, store expansion, inflation
- Resilient sales growth in online operations; online share in total sales reached 15.5%
- Accelerated store expansion; 307 new stores in 2021
- Net debt to EBITDA down to 0.8x in 2021YE vs. 1.5x in 2020YE with IFRS 16
- Net cash position of TL 660 mn w/o IFRS 16 as of 2021YE
- No hard currency exposure
- Positive bottom-line performance

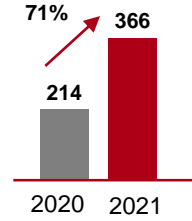
Anadolu Isuzu Net Sales (TL mn)



Çelik Motor Net Sales (TL mn)

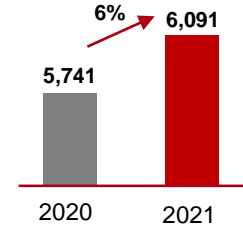


Anadolu Motor Net Sales (TL mn)

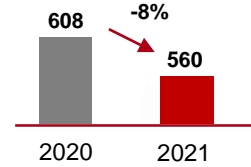


Automotive Segment Performance

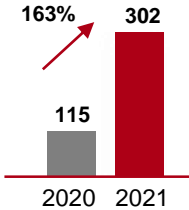
Net Sales (TL mn)



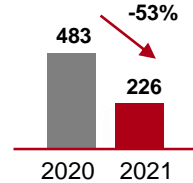
EBITDA (TL mn)



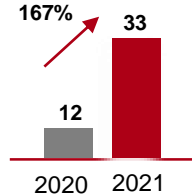
Anadolu Isuzu EBITDA (TL mn)



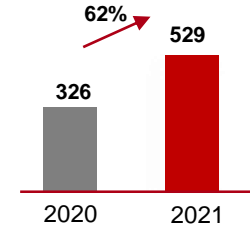
Çelik Motor EBITDA (TL mn)



Anadolu Motor EBITDA (TL mn)

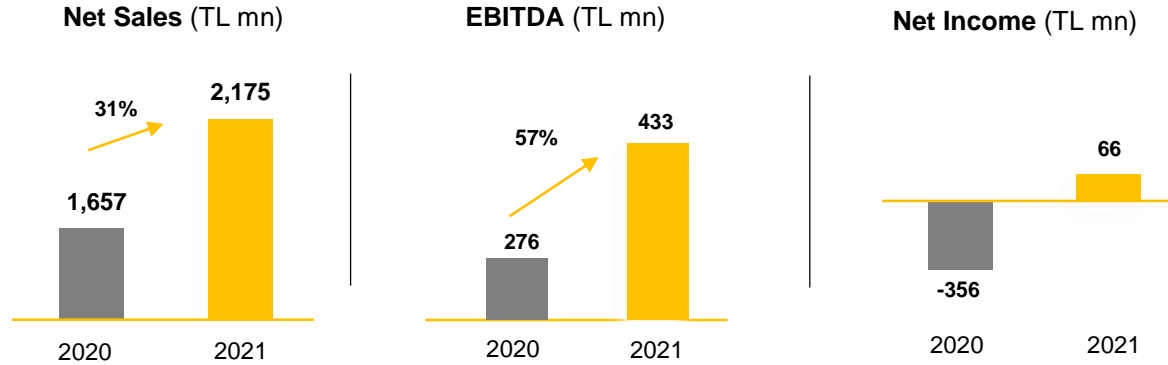


Net Income (TL mn)



- Solid Anadolu Isuzu results across the board with solid top-line growth, margins, FCF, bottom-line
- Anadolu Motor EBITDA almost tripled
- Excluding the auto rental business, auto segment revenues and EBITDA up by 49% and 88% respectively in 2021.
- Sale of Moov shares in 4Q positively impacted the bottom-line

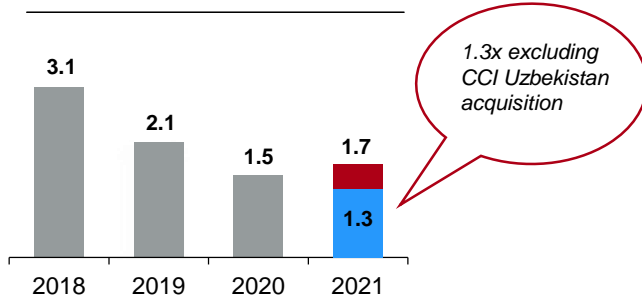
Energy & Industry Segment Performance



- Segment constituents: Adel, McDonald's, Energy and Real Estate
- Strong McDonald's operational performance with removal of restrictions, delivery business
- Solid results at GUE, 100% of the electricity produced sold to Georgia
- Adel results on a recovery as schools re-opened with face-to-face classes in 2H
- Sharp turnaround at the bottom-line in 2021, segment reported net income of TL 66mn in 2021 vs. 356mn TL loss in 2020

Financial Priorities I: Deleveraging on track

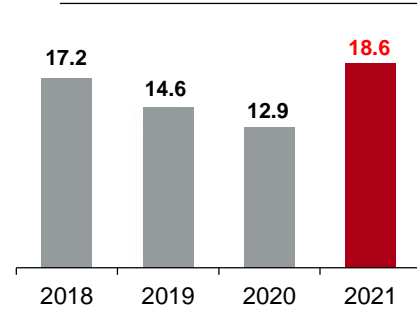
Consolidated
Net Debt / EBITDA (x)



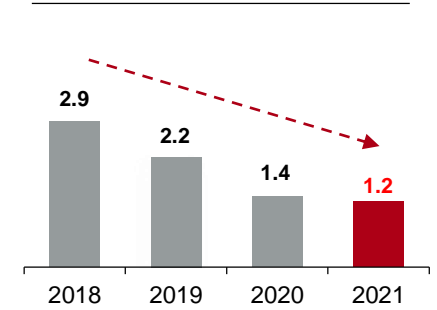
➤ Significant improvement in indebtedness ratios thanks to;

- Operational performance,
- FCF generation
- Balance sheet management, risk mitigation tools
- Idle asset sales

Consolidated
Net Debt* (TL bn)



Consolidated
Net Debt (Euro bn)



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

*incl. IFRS16

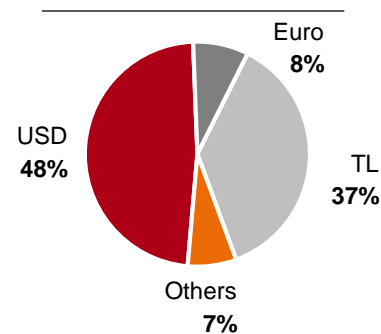
Financial Priorities II: Deleveraging on track

FY2021 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	11,885	6,119	5,766	2.5
Soft Drinks	9,391	4,215	5,176	1.1
Migros	6,080	3,635	2,445	0.8
Automotive	1,150	806	344	0.6
Energy & Industry	2,295	497	1,798	4.1
Other (incl. Holding)	4,122	1,022	3,100	n.m.
<i> Holding-only</i>	4,121	901	3,220	<i>n.m.</i>
Consolidated	34,863	16,294	18,569	1.7
Consolidated (€ mn)	2,307	1,078	1,229	1.7

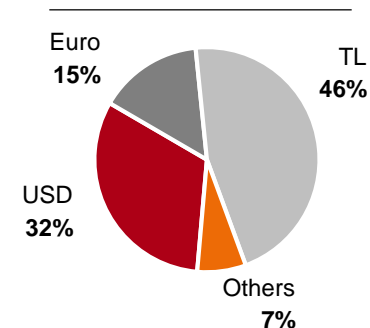
FY2020 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	6,034	3,880	2,154	1.1
Soft Drinks	6,160	4,684	1,477	0.5
Migros	6,772	3,237	3,536	1.5
Automotive	1,340	459	881	1.4
Energy & Industry	2,491	348	2,143	7.1
Other (incl. Holding)	3,068	335	2,733	n.m.
<i> Holding-only</i>	3,068	288	2,780	<i>n.m.</i>
Consolidated	25,797	12,942	12,854	1.5
Consolidated (€ mn)	2,864	1,437	1,427	1.5

*Including IFRS16, excl. hedging instruments






Breakdown of Gross Debt* (2021)



Breakdown of Gross Debt* (2020)



2022 Financial Priorities

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

Closing Remarks

- ✓ **Closely monitoring the recent developments in Russia and Ukraine, our priority is always to ensure the safety of our employees**
- ✓ **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**
- ✓ **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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