



AG ANADOLU GRUBU HOLDING

FY 2022 Earnings Presentation
will begin at

16:30 (Istanbul)
13:30 (London)
08:30 (New York)

March 3, 2023



AG ANADOLU GRUBU HOLDING

FY 2022 Earnings Presentation

March 3, 2023

2022 Results - Operational Snapshot - I

- **Strong 2022 financials on solid operational performance, diversified operations, successful investments, balance sheet management**
- **Raised our 2022 guidances and exceeded expectations throughout the whole year.**
- **Deleveraging continues at a full pace on strong FCF, asset sales; strong improvement in bottom-line**
- **Price adjustments, strong channel product mix, disciplined opex supporting our operational performance**
- **Cost pressures on commodity prices, higher energy expenses, weaker local currencies, inflationary pressures**
- **Auto business on an impressive turnaround and benefiting from positive sector dynamics both in Turkey and int. markets**

2022 Results - Operational Snapshot - II

Beer

- Despite a very challenging geography, results far exceeded expectations on price adjustments, opex control
- Highest consolidated EBITDA margin in the last 10 years, despite facing inflationary pressures in many of our operating markets
- Robust topline growth, strong margins and solid free cash flow
- Production resumed in one of our three factories in Ukraine.

Soft Drinks

- Solid volume growth driven particularly by international markets
- Organic capacity investments in int. countries to support strong demand
- Uzbekistan integration underway. Volumes grew 32% in 2022
- Continued improvement in the on-premise channel sales and positive channel product mix
- Price adjustments, hedges, and improvement in package mix partly mitigated cost pressures

Migros

- Strong top-line growth driven by inflation, competitive pricing, market share gains despite trade down environment, recovery in large stores, new stores performance and tourism
- No hard currency exposure, Net cash position of TL 5,4 bn w/o IFRS 16 as of 2022YE
- Bottom-line in black as strong operational performance and deleveraging pays off

Auto

- Impressive turnaround with positive sector dynamics both in Turkey and int. markets
- Net debt/EBITDA ratio of the segment down to at 0.2x at 2022YE from 0.6x at 2021YE and 1.4x at 2020YE.

2022 Results - Financial Snapshot

➤ Solid top-line growth

- ✓ Consolidated sales up by **118.7%** to **TL 178.0 bn**
- ✓ Main contributors: Soft Drinks, Beer, Migros and Automotive segments

➤ Strong operational profitability despite challenging environment

- ✓ EBITDA increased by **132.7%** and reached **TL 25.3 bn**, EBITDA margin at **14.2%**

➤ Consolidated Net income of **TL 10.1 bn 2022 vs. TL 3.5 bn of 2021**

- ✓ Net income attributable to parent of TL 3.8 bn vs. TL 1.3 bn of 2021
- ✓ Adjusted net income attributable to parent of TL 3,021 mn in 2022 vs. TL 707 mn in 2021 *(excludes one-off gains and losses related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş., Migros Macedonia, Moov sales and Migros CB fine in 2021, impairment losses in our beer operations and sale of McDonald's in 2022.)*
- ✓ Solid bottom-line on strong operational performance and successful balance sheet management.

➤ Strong positive FCF generation continued

- ✓ TL 12.8 bn FCF generated in FY2022 vs. TL 6.7 bn in FY2021 on strong operations, prudent capex, working capital discipline

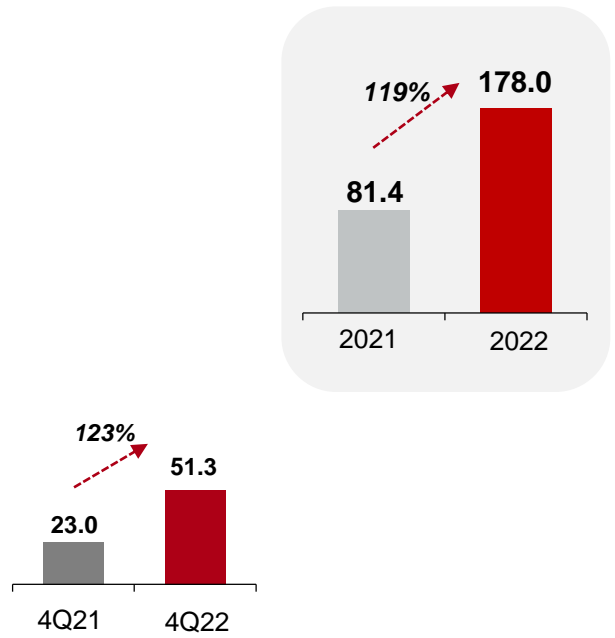
➤ Net debt/EBITDA at **0.7x** as of 2022 on strong FCF, proactive balance sheet management and asset sales

- ✓ Deleveraging on track; These ratios were 2.8x at 18YE, 2.1x at 19YE, 1.5x at 20YE and 1.7x at 21YE.

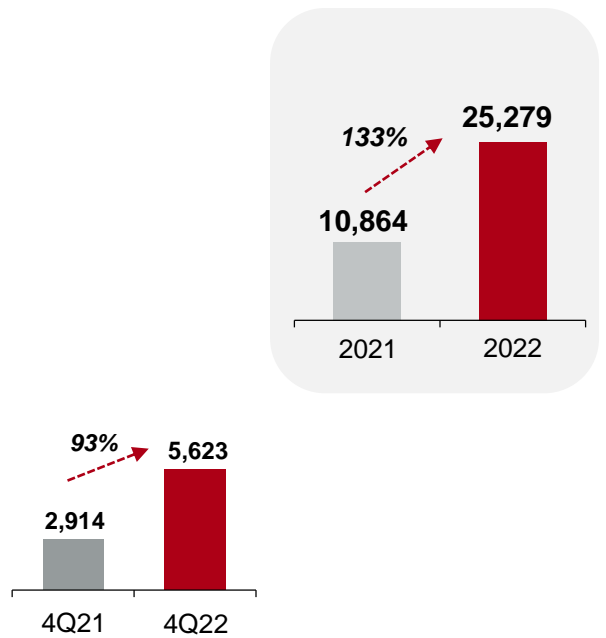


Key Financial Indicators – 4Q22 & 2022

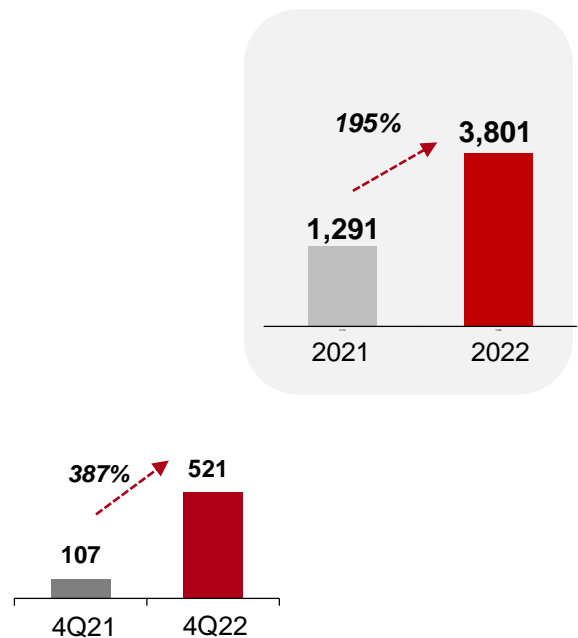
Net Sales (TL bn)



EBITDA (TL mn)



Net Income att. to parent* (TL mn)

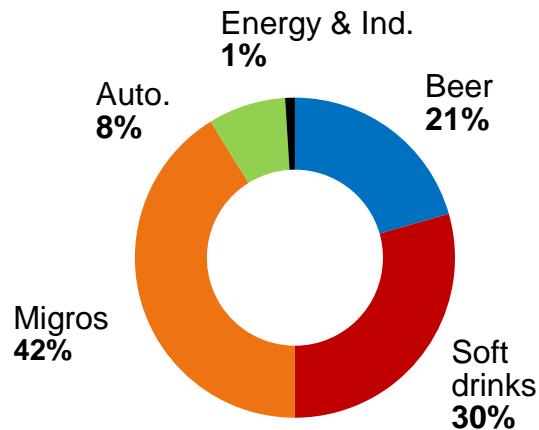


* Adjusted net profit attributable to parent of TL 3,021 mn in 2022 vs. TL 707 mn in 2021 excludes one-off gains and losses related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş., Migros Macedonia, Moov sales and CB fine in 2021, impairment losses in our beer operations and sale of McDonald's in 2022.

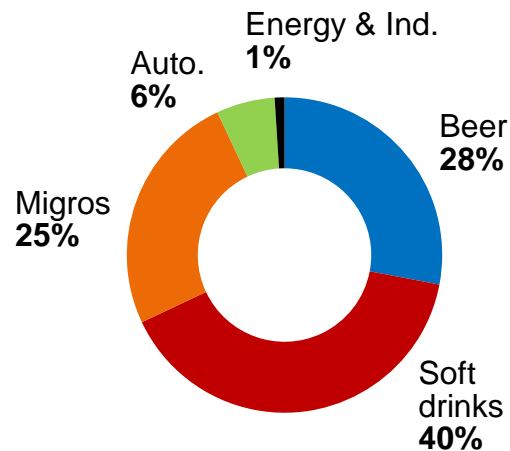


Segmental Sales and EBITDA Breakdown

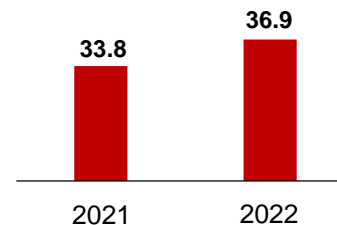
Net Sales



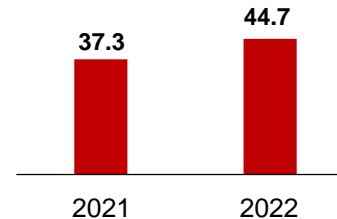
EBITDA



Share of Int. Sales (%)

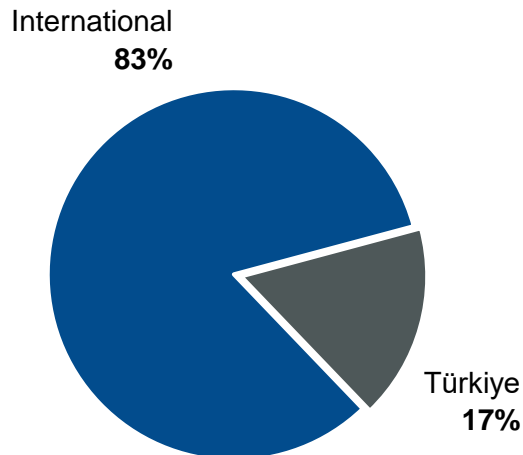


Share of Int. EBITDA (%)



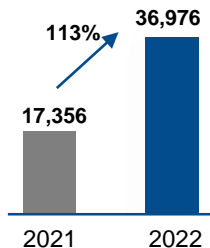
- Share of international revenues increased to 36.9% in 2022 thanks particularly to strong performance of soft drinks' and beer international operations and FX moves.
- Share of int. EBITDA increased from 37.3% in 2021 to 44.7% in 2022, with a higher increase due to the better profitability of our int. operations.

Volume Breakdown (2022)

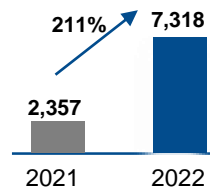


Beer Segment Performance

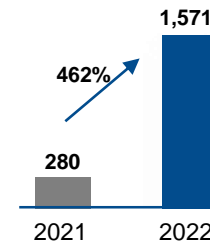
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)

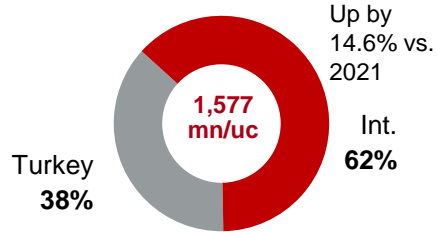


Net Income (TL mn)

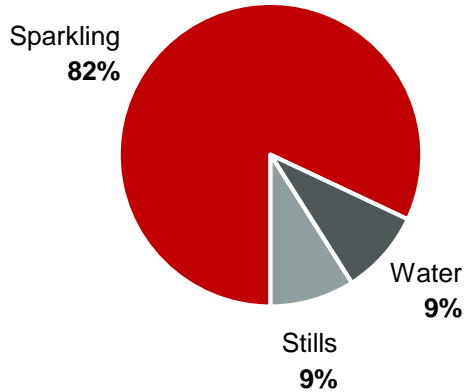


- Despite a very challenging geography and volume pressures in 2H of the year, beer segment performance far exceeded expectations throughout the year.
- Highest consolidated EBITDA margin in the last 10 years, despite facing inflationary pressures in many of our operating markets
- Price adjustments, strong channel product mix, disciplined opex resulted with sharp improvement in margins.
- Production resumed in one of our three factories in Ukraine.
- Some normalization in margins and challenging volume outlook ahead

Soft Drinks Sales Volume (2022)

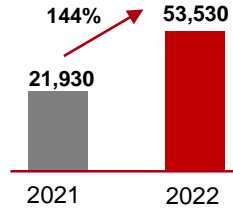


Category Breakdown (2022)

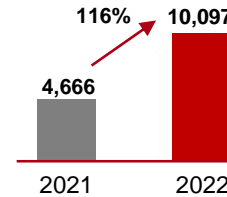


Soft Drinks Segment Performance

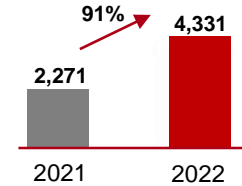
Net Sales (TL mn)



EBITDA (TL mn)

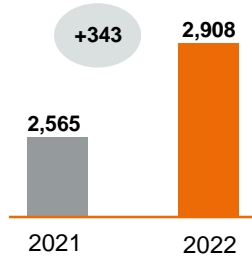


Net Income (TL mn)

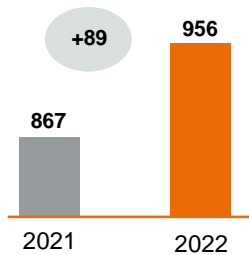


- 15% consolidated FY volume growth on reported basis and 8% on the proforma basis in 2022 ahead of our guidance.
- Despite substantial cost challenges solid revenue and EBITDA growth in both domestic and int. operations
- Despite price adjustments, hedges, and improvement in package mix, margins somewhat under pressure due to persistent raw material inflation, significantly higher energy costs, and weaker local currencies
- Successful Uzbekistan integration (32% volume growth in 2022).
- New plant investments in Pakistan, Azerbaijan, Kazakhstan, and Uzbekistan.
- Expecting solid volume performance to continue in 2023 (Mid to high single-digit volume growth)

Number of Stores

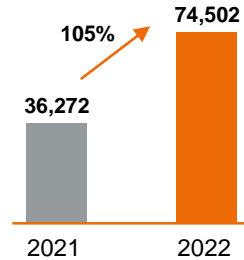


Online Service Stores

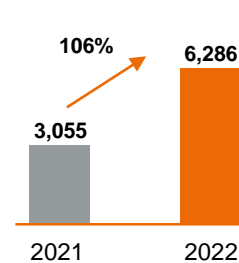


Migros Performance

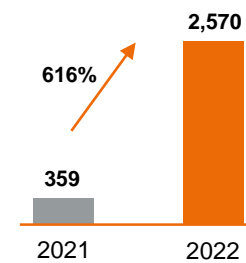
Net Sales (TL mn)



EBITDA (TL mn)

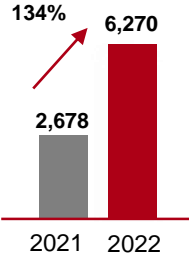


Net Income (TL mn)

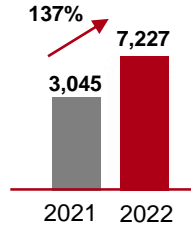


- Solid top-line growth in 2022 driven not only by inflation, on-line business, store expansion but also competitive pricing, market share gains, strong recovery of large stores located at malls and succesful performance of new stores
- Online share in total revenues at 15.6%, similar to last year's levels
- Accelerated store expansion; 343 new stores YoY, 7% increase in sales area
- Net cash to EBITDA at 0.1x in 2022YE vs. net debt to EBITDA of 0.8x at 2021YE with IFRS 16
- Net cash position of TL 5,4 bn w/o IFRS 16 as of 2022 YE
- No hard currency exposure
- Positive bottom-line performance; Excl. TL 1.0 bn deferred tax income, still a solid TL1.6 bn bottom-line 2022

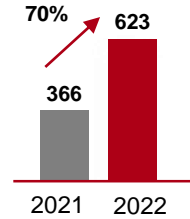
Anadolu Isuzu Net Sales (TL mn)



Çelik Motor Net Sales (TL mn)

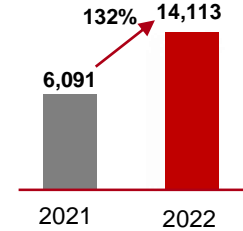


Anadolu Motor Net Sales (TL mn)

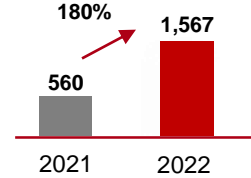


Automotive Segment Performance

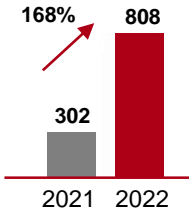
Net Sales (TL mn)



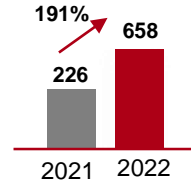
EBITDA (TL mn)



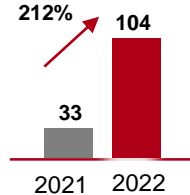
Anadolu Isuzu EBITDA (TL mn)



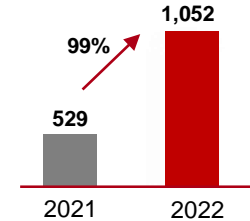
Çelik Motor EBITDA (TL mn)



Anadolu Motor EBITDA (TL mn)

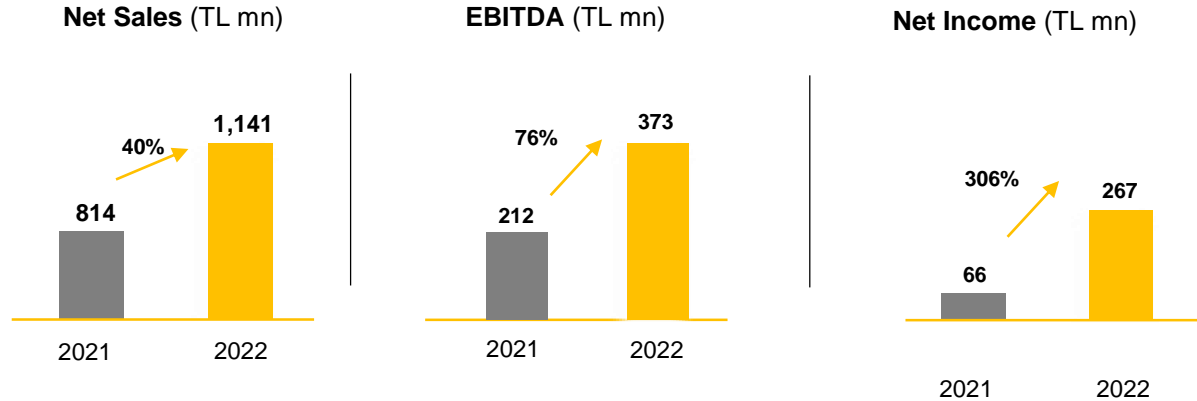


Net Income (TL mn)



- Strong revenue, EBITDA, bottom-line performance on positive sector dynamics in both domestic and int. markets.
- Solid Anadolu Isuzu results across the board with strong top-line growth, margins and bottom-line
- Çelik Motor benefiting from solid domestic auto demand and pricing.
- Net debt/EBITDA ratio of the segment down to at 0.2x at 2022YE from 0.6x at 2021YE and 1.4x at 2020YE.

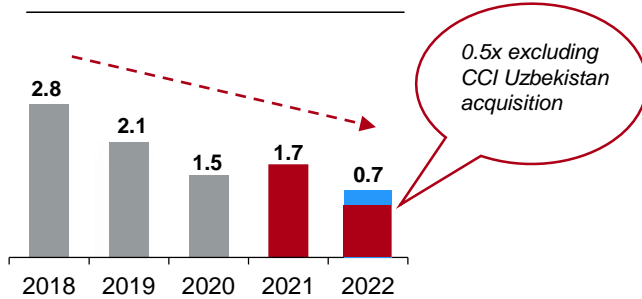
Energy & Industry Segment Performance



- Segment constituents: Adel and Energy
- Completed the sale Anadolu Restaurant, which operates the franchise management of McDonald's restaurants, for USD 54.5 mn.
- Solid results at GUE
- Adel both top-line and margins on a recovery as schools re-opened with face-to-face classes

Financial Priorities I: Deleveraging on track

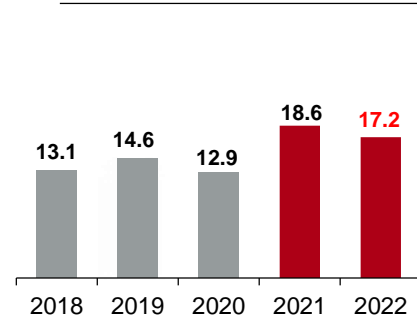
Consolidated
Net Debt / EBITDA (x)



➤ Significant improvement in indebtedness ratios thanks to;

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

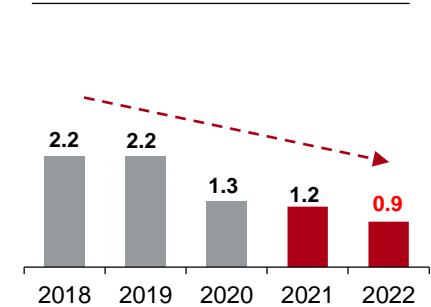
Consolidated
Net Debt* (TL bn)



*incl. IFRS16

- Despite sharply weaker TL, significant decline in indebtedness of the Holding during the last couple of years
- No FX debt at the Holding-only level

Consolidated
Net Debt (Euro bn)



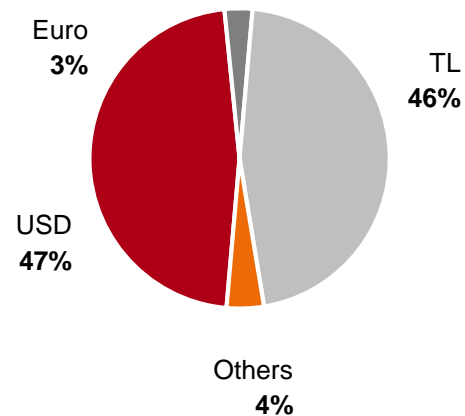
Financial Priorities II: Deleveraging on track

| FY2022 (TL mn) | Consolidated Total Debt | Cash and Cash Equivalents | Net Debt | Net Debt/EBITDA* |
|-----------------------|-------------------------|---------------------------|--------------|------------------|
| Beer | 16,827 | 9,858 | 6,969 | 1.0 |
| Soft Drinks | 20,844 | 14,769 | 6,075 | 0.6 |
| Migros | 7,455 | 8,067 | -611 | -0.1 |
| Automotive | 3,019 | 2,699 | 320 | 0.2 |
| Energy & Industry | 2,267 | 361 | 1,906 | 5.1 |
| Other (incl. Holding) | 4,087 | 1,529 | 2,558 | n.m. |
| <i> Holding-only</i> | <i>4,085</i> | <i>1,425</i> | <i>2,661</i> | <i>n.m.</i> |
| Consolidated | 54,434 | 37,282 | 17,151 | 0.7 |
| Consolidated (€ mn) | 2,731 | 1,867 | 855 | 0.7 |






| 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 | 8.5 |
| Other (incl. Holding) | 4,122 | 1,022 | 3,100 | n.m. |
| <i> Holding-only</i> | <i>4,121</i> | <i>901</i> | <i>3,220</i> | <i>n.m.</i> |
| Consolidated | 34,863 | 16,294 | 18,569 | 1.7 |
| Consolidated (€ mn) | 2,311 | 1,078 | 1,227 | 1.7 |

*Including IFRS16, excl. hedging instruments

Breakdown of Gross Debt*
(2022)



2023 Financial Priorities

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

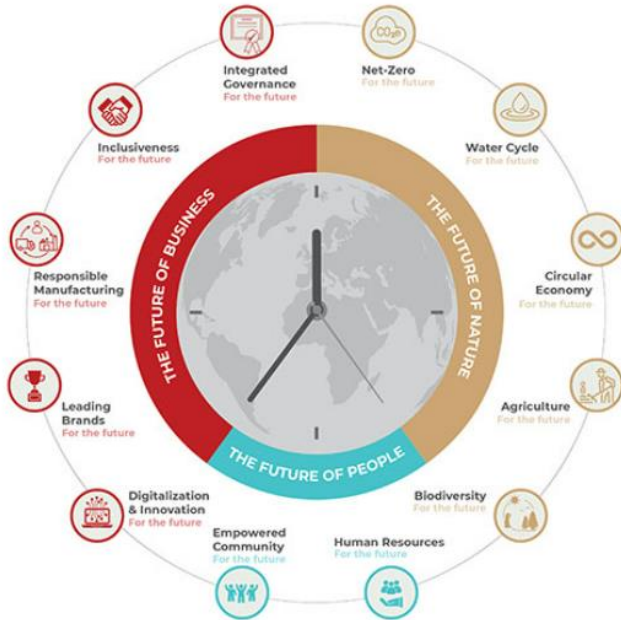
Closing Remarks

- ✓ **Supporting our communities post Earthquake: financial contributions, in-kind contributions, employee involvement and volunteerism and product donations.**
- ✓ **Proactively managing our businesses through the inflationary headwinds, FX volatilities and uncertainties in the region**
- ✓ **Raised our guidances and exceeded expectations multiple times throughout 2022**
- ✓ **Strong operational performance with focus on costs and profitability**
- ✓ **Strong FCF generation, utilization of idle assets and deleveraging with tight B/S management**
- ✓ **Managing risks proactively**

Key Focus Areas Going Forward

- ✓ **Continue to support post Earthquake efforts**
- ✓ **Continue with our Consumer-centric approach in our businesses**
- ✓ **Focus on Sustainability and Digitalization**
- ✓ **Being Innovative and Pioneer in all areas**
- ✓ **Continue to focus on FCF and deleveraging despite increase in capex**
- ✓ **Focus on growth opportunities**

Act today for a better future



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** and **The Future of People**.

