



# AG ANADOLU GRUBU HOLDING

**FY 2023 Earnings Presentation**  
will begin at

**16:00 (Istanbul)**  
**13:00 (London)**  
**09:00 (New York)**

**March 27, 2024**



# AG ANADOLU GRUBU HOLDING

## FY 2023 Earnings Presentation

March 27, 2024

## Important Disclaimer

**In accordance with the decree of the Capital Markets Board, our 2023 financials are reported using TAS29 (Financial Reporting in Hyperinflationary Economies). The financial statements and all comparative amounts for previous periods have been adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with TAS 29 and are finally expressed in terms of the purchasing power of the Turkish lira as of December 31, 2023.**

**However, to supplement the information provided for the first three quarters, which were reported without inflation accounting, we are also presenting certain items from our financials without inflation adjustment. These unadjusted figures are clearly identified as such. Any financial figures lacking such clarification are reported in accordance with TAS29.**

# 2023 Results - Operational Snapshot - I

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- **Despite many uncertainties; solid 2023 financial results achieved thanks to successful operational performance, diversified operations, strong market positioning, execution, and proactive balance sheet management.**
- **Results exceeded expectations in 2023 with upward guidance revisions on multiple segments throughout the year.**
- **Deleveraging continues; tight balance sheet management and solid FCF generation.**
- **Consumer-oriented approach, right product mix, pricing strategies, quality growth and disciplined opex, supporting our operational performance.**
- **All time high results on the automotive business on strong execution and positive sector dynamics both in Turkey and int. markets**
- **Completed Bangladesh acquisition, new formats with Migros, Togg now on the roads since March 2023.**

# 2023 Results - Operational Snapshot - II

## Beer

- Remarkable volume growth significantly outpacing our initial expectations on the back of right product mix, pricing strategies, and excellence in execution.
- Despite a very strong base of 2022, margin expansion continued in 2023 with robust profitability performance both in Türkiye and Russia.
- Outstanding cash generation with strong profitability and effective working capital management

## Soft Drinks

- In 2023, exceeded the \$4 billion mark revenues for the first time in history and margin expansion was significantly above our guidance at the beginning of the year
- Volumes impacted by natural disasters, economic challenges, and political unrest in neighboring countries
- Despite pressure on volumes, focus on quality growth continued. EBITDA margin, \$ NSR/uc, and \$ EPS without the impact of TAS reached decade high levels.
- Completed the acquisition of Coca-Cola Bangladesh Beverages Limited, the 12th country in our operating geography making CCI's operating region the third largest population served by a Coke bottler.

## Migros

- Competitive pricing strategy, increased customer traffic in online & physical stores, new formats and store openings supporting top-line growth
- Focus on balance sheet, financial discipline continues. Migros is in net cash position and recently announced a sizable increase in dividend vs. last year.

## Auto

- Strong revenue, EBITDA, bottom-line performance on positive sector dynamics in both domestic and int. markets
- Net debt/EBITDA ratio of the segment was at 0.6x at while net income increased by 196.4% to reach TL 3.2 bn
- Togg in which our company has a 23% stake started commercial sales as planned in the year

# 2023 Results - Financial Snapshot (with IAS29 inflation accounting)

## ➤ Solid top-line growth

- ✓ Consolidated sales up by **17.5%** to **TL 375.6 bn**
- ✓ Main contributors: Soft Drinks, Beer, Migros and Automotive segments

## ➤ Strong operational profitability despite challenging environment

- ✓ EBITDA increased by **10.9%** and reached **TL 36.1 bn**, EBITDA margin at **9.6%**

## ➤ Consolidated Net income of TL 49.3 bn 2023 vs. TL 37.0 bn of 2022

- ✓ Net income attributable to parent of TL 19.6 bn vs. TL 15.6 bn of 2022
- ✓ Adjusted net income attributable to parent of TL 19.0 bn in 2023 vs. TL 14.7 bn in 2022 *(Excludes impairment losses in our beer operations in and McDonald's sale in 2022 and income derived from Anadolu Etap consolidation change in 2023)*
- ✓ Solid bottom-line on strong operational performance and successful balance sheet management.

## ➤ Strong positive FCF generation continued

- ✓ All time high TL 16.7 bn FCF generated in FY2023 vs. TL 12.4 bn in FY2022 on strong operations, prudent capex, working capital discipline

## ➤ Net debt/EBITDA at 0.6x as of 2023 on strong FCF, proactive balance sheet management

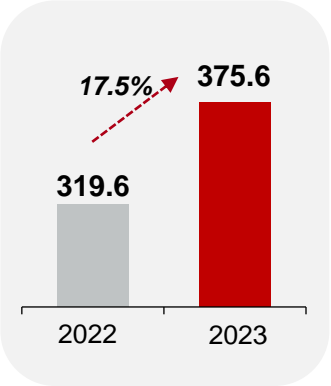
- ✓ Deleveraging on track; 0.9x at 22YE.



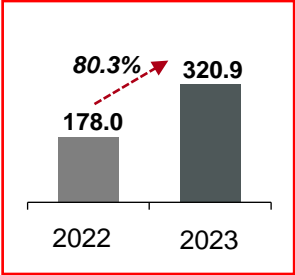
# Key Financial Indicators – FY2023

## Net Sales (TL bn)

With IAS29 inflation accounting

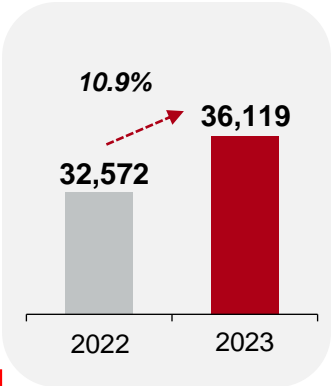


Without IAS29 inflation accounting

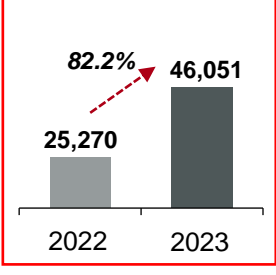


## EBITDA (TL mn)

With IAS29 inflation accounting

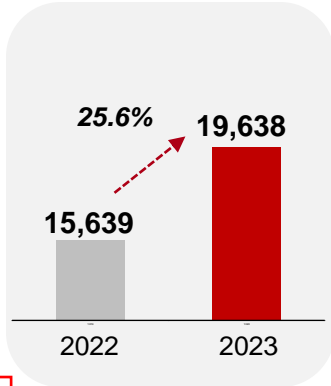


Without IAS29 inflation accounting

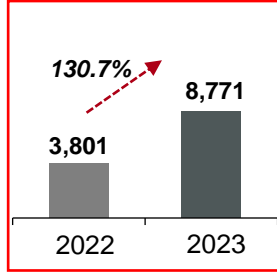


## Net Income att. to parent\* (TL mn)

With IAS29 inflation accounting



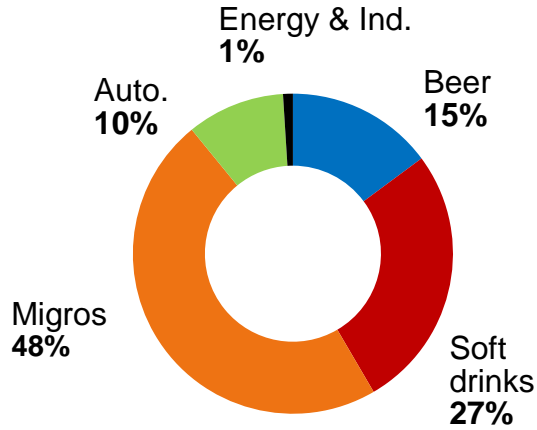
Without IAS29 inflation accounting



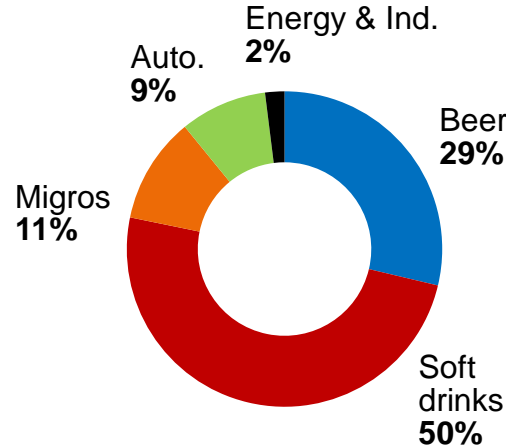
\* Adjusted net profit attributable to parent of TL 19,012 mn in 2023 vs. TL 14,740 mn in 2022 excludes one-off gains and losses related to the sale of subsidiaries, impairment losses in our beer operations and sale of McDonald's in 2022 and income derived from Anadolu Etap consolidation change in 2023.

# Segmental Sales and EBITDA Breakdown

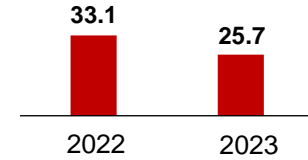
## Net Sales



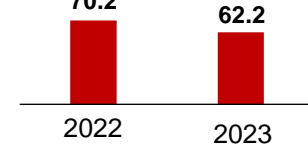
## EBITDA



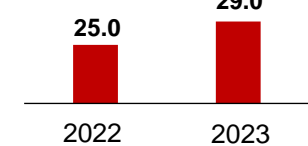
## Share of Int. Sales (%)



## Share of Int. EBITDA (%)



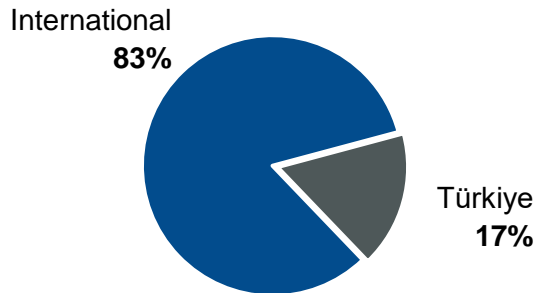
## Share of Int. Net income (%)



- Share of international revenues was at 25.7% in 2023 thanks particularly to strong domestic performance of Migros and auto segments. EBITDA share outside of Türkiye, was at 62.2% while its share in net profit was 29.0%.
- As a result of the implementation of IAS 29 only in domestic operations, the EBITDA margins of our domestic operations decreased according to reporting with inflation accounting, but the net profit margins of our domestic operations increased as a result of "monetary gain" reported under inflation accounting.
- As a result, the share of our domestic operations in total EBITDA decreased, but its share in total net profit increased

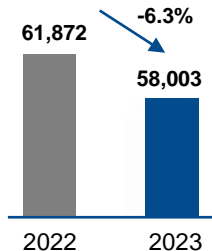


## Volume Breakdown (2023)

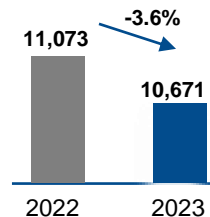


## Beer Segment Performance

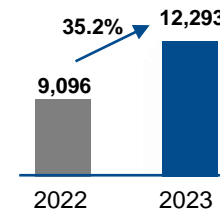
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)

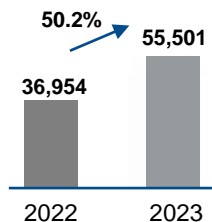


Net Income (TL mn)

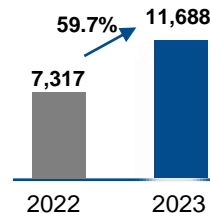


Without IAS29 inflation accounting

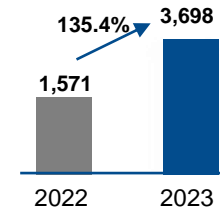
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)

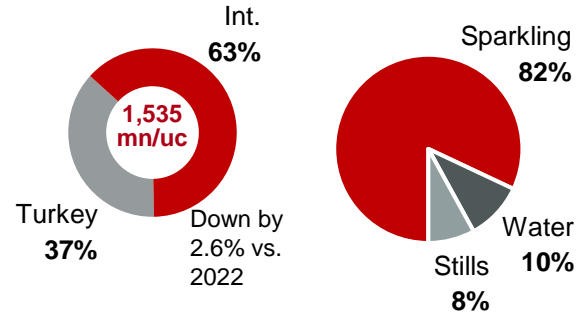


Net Income (TL mn)



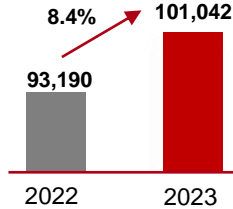
- Remarkable volume growth significantly outpacing our initial expectations on the back of right product mix, pricing strategies, and excellence in execution.
- Despite a very strong base of 2022, margin expansion continued in 2023 with robust profitability performance both in Türkiye and Russia.

## Sales Volume & Category Breakdown (2023)

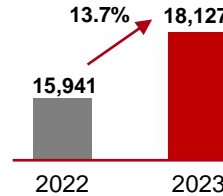


## Soft Drinks Segment Performance

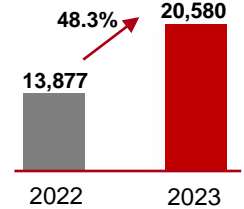
Net Sales (TL mn)



EBITDA (TL mn)

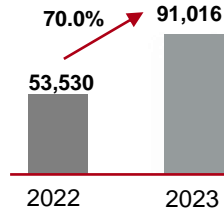


Net Income (TL mn)

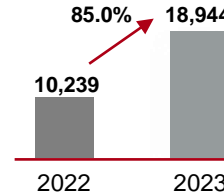


### Without IAS29 inflation accounting

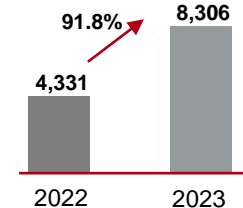
Net Sales (TL mn)



EBITDA (TL mn)

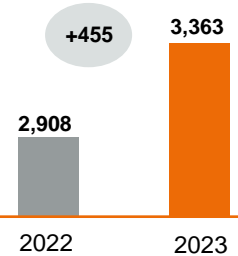


Net Income (TL mn)

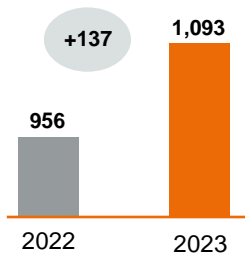


- Volumes impacted by natural disasters, economic challenges, and political unrest in neighboring countries
- Despite pressure on volumes, focus on quality growth continued. EBITDA margin, \$ NSR/uc, and \$ EPS without the impact of TAS reached decade high levels.

## Number of Stores



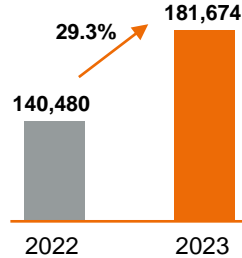
## Online Service Stores



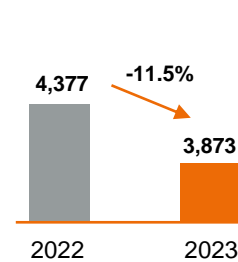
- Competitive pricing strategy, increased customer traffic in online & physical stores and new store openings were main drivers of sales growth
- Focus on balance sheet, financial discipline continues. Migros is in net cash position and recently announced a sizable increase in dividend payment vs. last year.

## Migros Performance

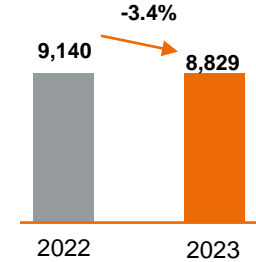
### Net Sales (TL mn)



### EBITDA (TL mn)

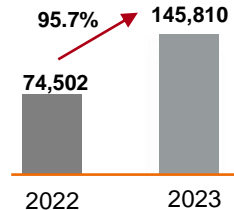


### Net Income (TL mn)

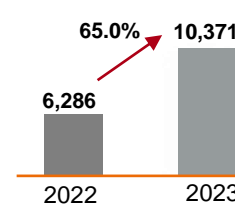


### Without IAS29 inflation accounting

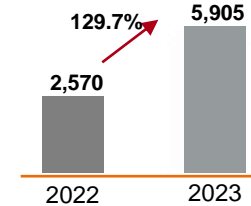
### Net Sales (TL mn)



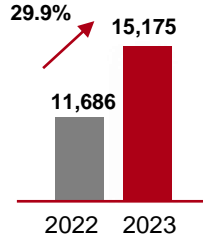
### EBITDA (TL mn)



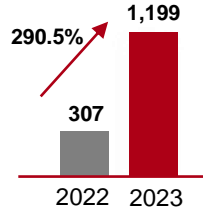
### Net Income (TL mn)



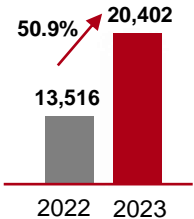
**Anadolu Isuzu**  
**Net Sales (TL mn)**



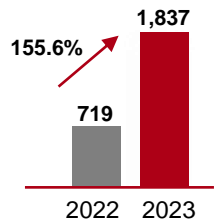
**Anadolu Isuzu**  
**EBITDA (TL mn)**



**Çelik Motor**  
**Net Sales (TL mn)**

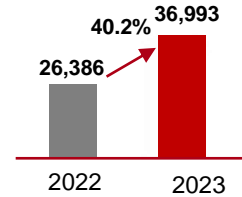


**Çelik Motor**  
**EBITDA (TL mn)**

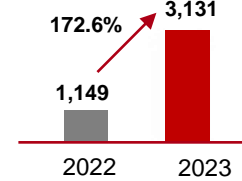


## Automotive Segment Performance

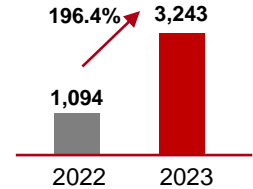
**Net Sales (TL mn)**



**EBITDA (TL mn)**

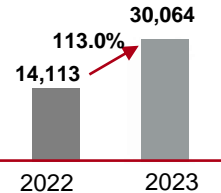


**Net Income (TL mn)**

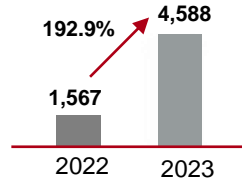


*Without IAS29 inflation accounting*

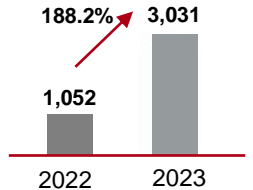
**Net Sales (TL mn)**



**EBITDA (TL mn)**



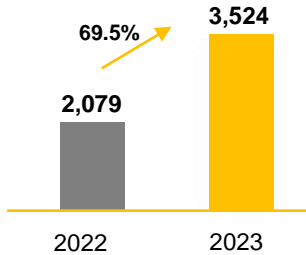
**Net Income (TL mn)**



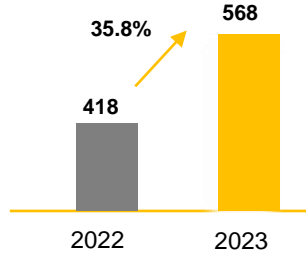
- Strong revenue, EBITDA, bottom-line performance on positive sector dynamics in both domestic and int. markets
- Net debt/EBITDA ratio of the segment was at 0.6x at while net income increased by 196.4% to reach TL 3.2 bn

## Agri, Energy & Industry Segment Performance

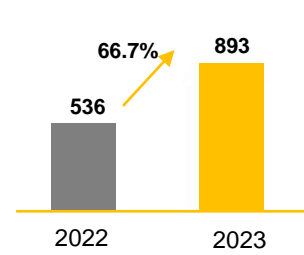
Net Sales (TL mn)



EBITDA (TL mn)



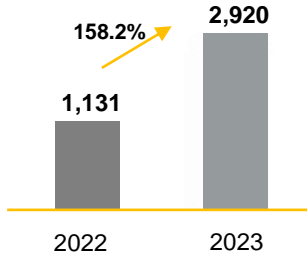
Net Income (TL mn)



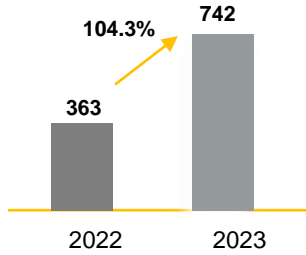
- Segment constituents: Anadolu Etap Tarım, Adel and Energy
- Adel both top-line and margins on a recovery with better pricing, cost efficiencies strong orders from organized channels
- Anadolu Etap Tarım consolidated with the segment in 2Q23. No change in Anadolu Grubu Holding's ownership share in Anadolu Etap Tarım, thus no impact on the consolidated Anadolu Grubu net profit besides the one-off re-valuation gain and tax expenses in 2Q23.

Without IAS29 inflation accounting

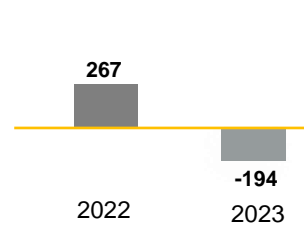
Net Sales (TL mn)



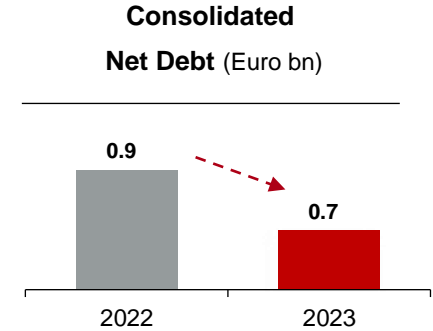
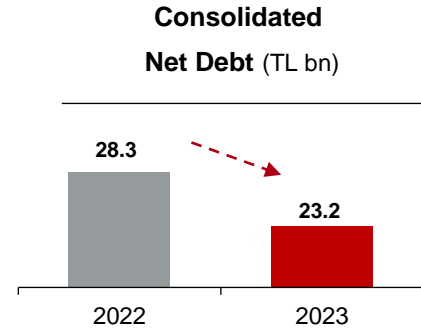
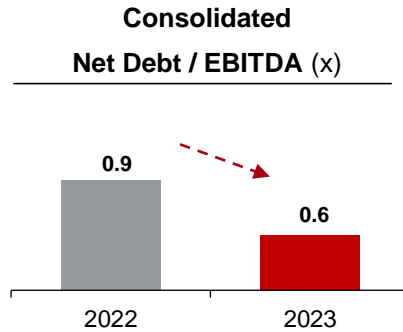
EBITDA (TL mn)



Net Income (TL mn)

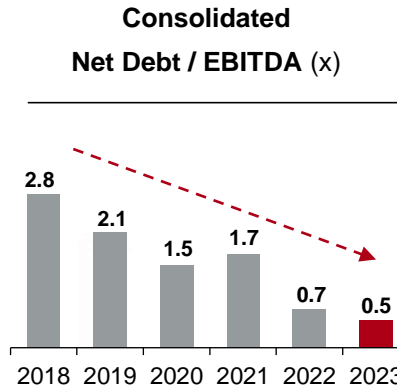


# Financial Priorities I: Deleveraging on track



➤ Significant improvement in indebtedness ratios thanks to;

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



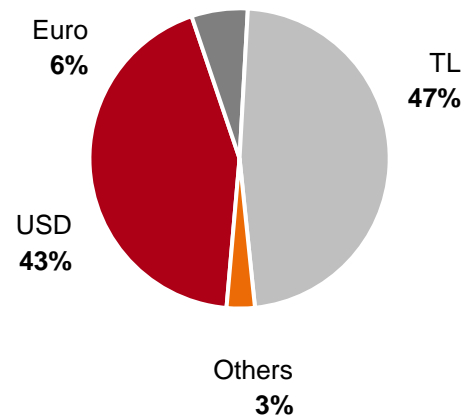
Without IAS29 inflation accounting

# Financial Priorities II: Deleveraging on track

FY2023 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	22,613	19,466	3,148	0.3
Soft Drinks	37,040	22,130	14,909	0.8
Migros	10,270	12,817	-2,547	-0.7
Automotive	7,589	5,634	1,956	0.6
Agri, Energy & Industry	4,178	1,025	3,153	5.5
Other (incl. Holding)	5,157	2,434	2,724	n.m.
<i>Holding-only</i>	5,028	2,150	2,878	n.m.
Consolidated	86,717	63,506	23,211	0.6
Consolidated (€ mn)	2,657	1,946	711	0.6

FY2022 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	27,727	16,244	11,483	1.1
Soft Drinks	34,345	24,336	10,010	0.6
Migros	12,284	13,292	-1,007	-0.2
Automotive	4,975	4,447	528	0.5
Energy & Industry	3,735	594	3,141	7.5
Other (incl. Holding)	6,734	2,519	4,215	n.m.
<i>Holding-only</i>	6,649	2,347	4,302	n.m.
Consolidated	89,692	61,431	28,261	0.9
Consolidated (€ mn)	2,749	1,883	866	0.9






Breakdown of Gross Debt\* (2023)



\*Including IFRS16, excl. hedging instruments

# 2024 Financial Priorities

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



# Closing Remarks

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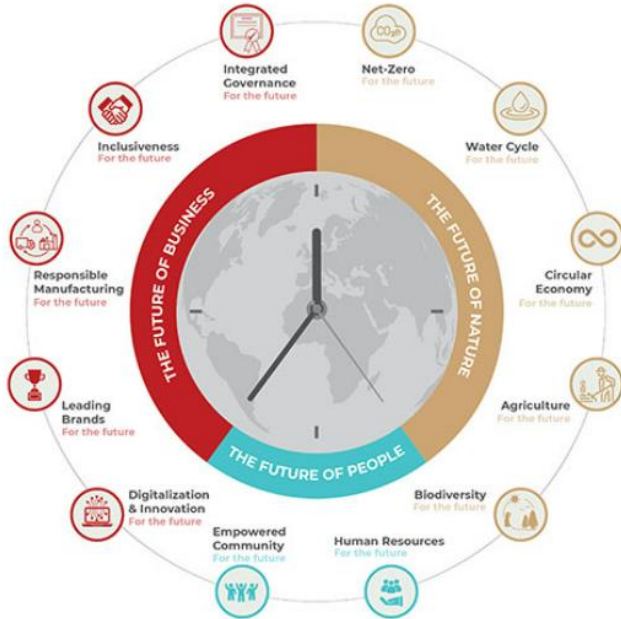
- ✓ **Proactively managing our businesses through the inflationary headwinds**
- ✓ **Closely monitoring the recent developments in Russia and Ukraine**
- ✓ **Respectable sales growth**
- ✓ **Strong operational performance with focus on costs and profitability**
- ✓ **Operational & Financial priorities defined and disciplined**
- ✓ **Strong FCF generation with tight B/S management**
- ✓ **Manage risks proactively**
- ✓ **Dividend payment of TL 700 mn announced yesterday**

# Key Focus Areas Going Forward

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- ✓ **Continue with our Consumer-centric approach in our businesses**
- ✓ **Focus on Sustainability and Digitalization**
- ✓ **Being Innovative and Pioneer in all areas**
- ✓ **Continue generating FCF**
- ✓ **Focus on growth opportunities**
- ✓ **Continue to focus on sustainability programs**

## 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**.

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



## Q&A

## Thank you...

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