



ANADOLU EFES

1Q2018

INVESTOR PRESENTATION



**PASSIONATE
& PROUD**

We are proud with our brands and our past. We approach to the challenges with positive perspective and saying "we can do it."

**PROFESSIONAL**

We cherish accuracy, transparency and professionalism.

**NIMBLE**

We foster a culture of proactivity, forward thinking, innovation & continuous improvement and act with agility in realizing our targets.

**COLLABORATIVE**

We have authority and responsibility. We work together to success.

**SUSTAINABLE**

We contribute to the community and environment positively.

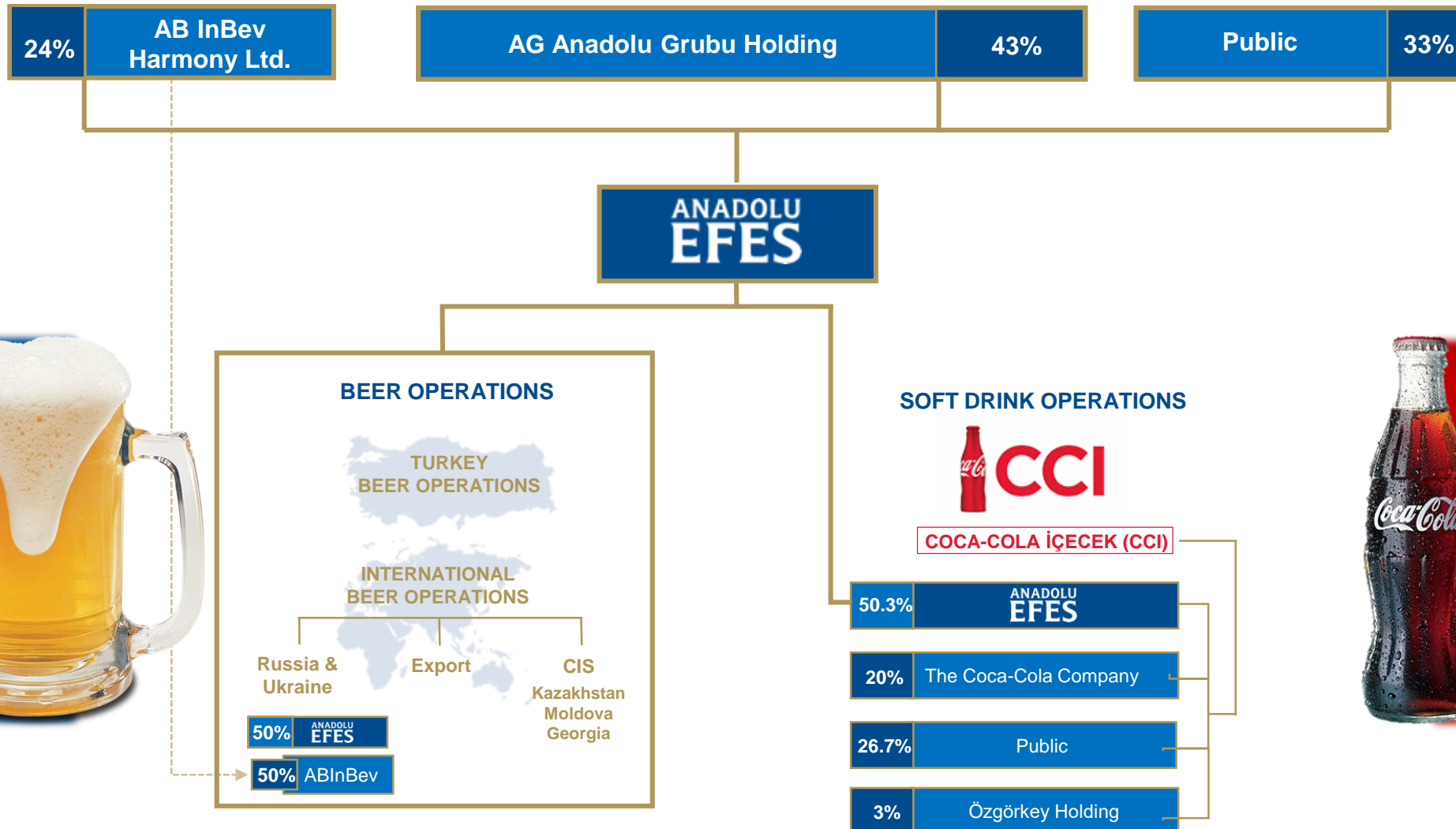
OUR VISION

Be the most admired beverage company in our markets.

OUR MISSION

Bring people together to share moments of life by enjoying our brands responsibly.

Ownership Structure



Anadolu Efes At a Glance



Serving more than **690 mn** people



16* countries; 21 Breweries & 26 Bottling Plants

Europe's **5th** largest brewer

World's **15th** largest brewer

6th largest Coca-Cola bottler in the Cola system



Operating in markets with significant growth potential with a world class brand portfolio in beer & soft drinks



Strategic partnerships with world giants
AB InBev & The Coca-Cola Company



9.1 billion litres sales volume

TL **12.9** billion sales revenue

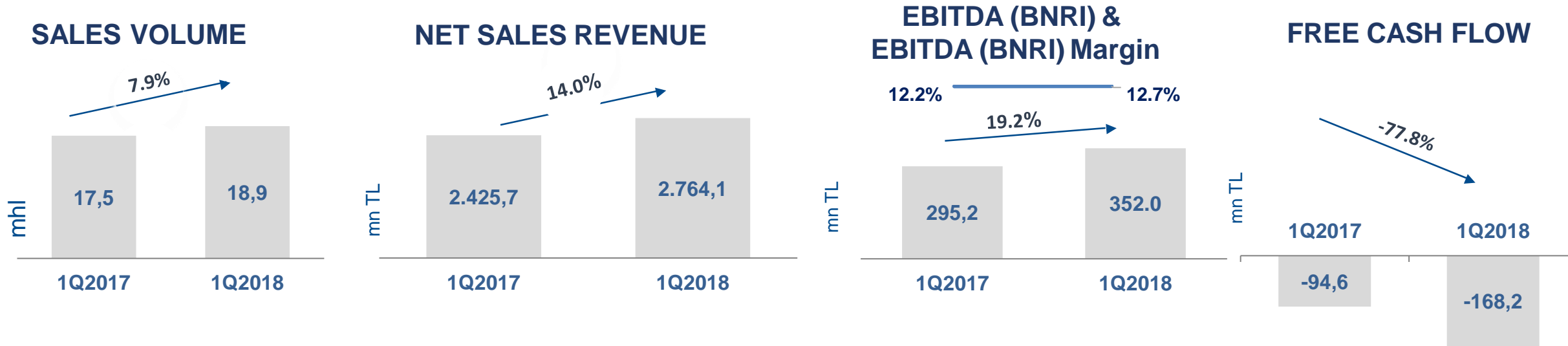
TL **2.2** billion EBITDA

1Q2018 Highlights

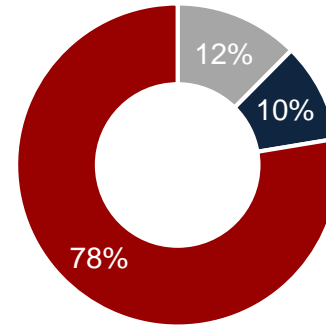
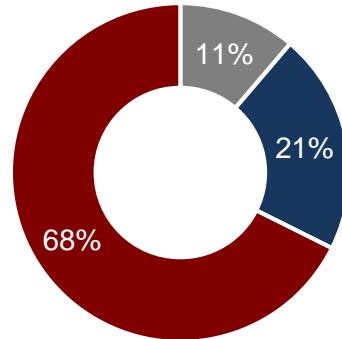
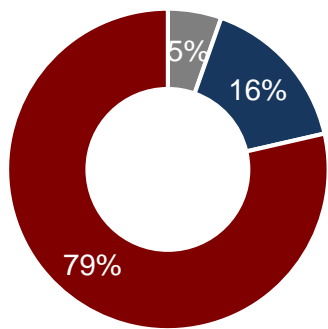
- ✓ **Strong volume growth of 7.9% y-o-y, with robust contribution from**
 - Soft drink operations
 - Kazakh and Georgian beer operations
- ✓ **Revenue up by 14.0% y-o-y**
 - Higher volumes
 - Price increases in all operations
 - Positive currency translation impact
- ✓ **EBITDA growth of 19.2% with 57 bps margin improvement y-o-y, mostly attributable to**
 - Soft drinks
 - International beer operations with the exception of Russia
- ✓ **Net loss of TL106.2 million, due to non-cash FX losses**
- ✓ **Consolidated net debt to EBITDA (BNRI) → 1.8x.**
 - On an organic basis, net debt to EBITDA → 1.5x.



1Q2018 Consolidated Performance



BREAKDOWN*



■ Turkey Beer ■ International Beer ■ Soft Drinks

*Breakdowns are on a combined basis

Strong Competitive Advantages



Diversified business model including beer and soft drinks



Strategic Partnership with World's leading FMCG companies; AB InBev & TCCC



Expertise & Know-how in driving cost efficiencies



Strong regional player powered by proven local know-how

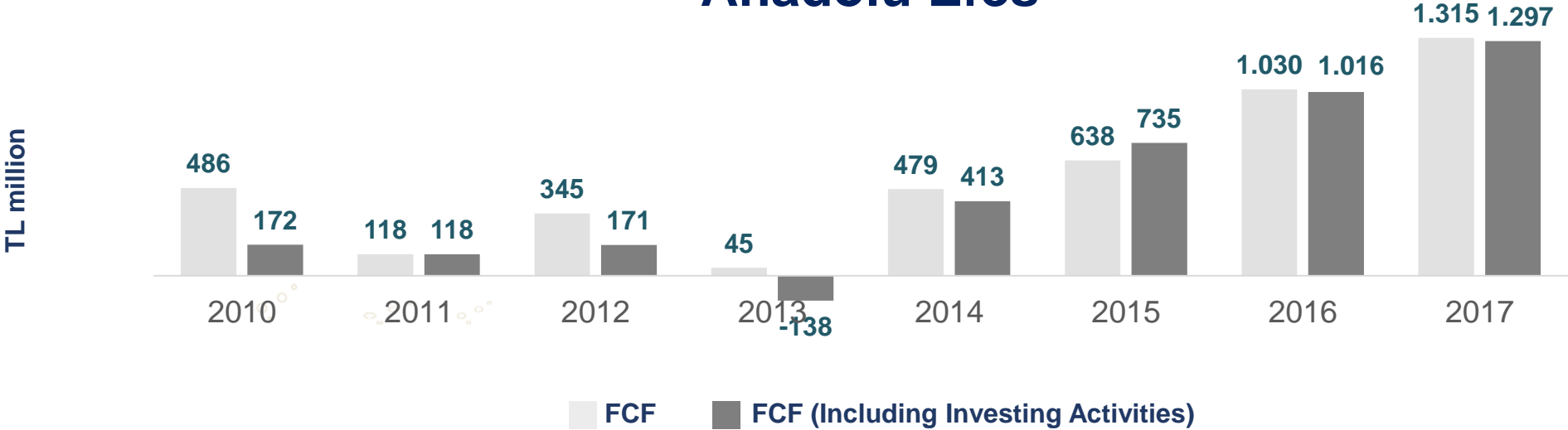


Solid, consistent financial performance and strong track record

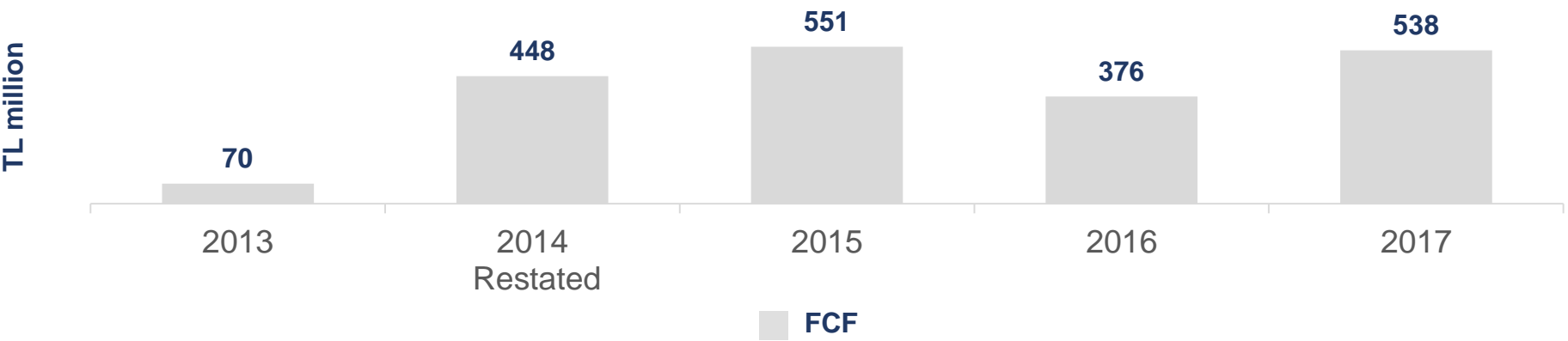
Solid Cash Flow Generation



Anadolu Efes



Beer Group



Long-term Key Priorities

Continue to generate value by margin improvement and FCF generation through our priorities



Capitalizing on our strong brand portfolios



Achieving optimal brand & SKU mix



Excelling in execution



Focusing on quality market share



Strong cash flow generation with special focus on optimizing WC



Accelerate revenue and margin growth



Winning at the point of sales



Sales force effectiveness

BEER OPERATIONS



BEER Group Strategy



Brands

Provide choice and innovation to consumers:
Grow brand love

Execution

Excell in **customer collaboration availability and point of sale activation**

Efficiency

Build competitive advantage through **lean and efficient operations**

Relations

Focus on **employees, customers, regulators, community and environment**

Efes Beer Group At a Glance



Since **1969**



15th
Largest in the World



5th
Largest in Europe



1st
#1 in our markets
Turkey, Kazakhstan
Moldova, Georgia
(Russia #2)



~ **80** brands
~ **300m** consumer



9.700+
Employees



80+
Export countries



6
Operation countries
Turkey, Russia, Kazakhstan
Moldova, Georgia, Ukraine



21
Breweries

*incl. Russia & Ukraine –
to be optimized

Beer Operations

- #1 Brewer



Turkey



- #2 Brewer



Russia



- #1 Brewer



Kazakhstan



- #1 Brewer



Moldova



- #1 Brewer



Georgia



- #2 Brewer



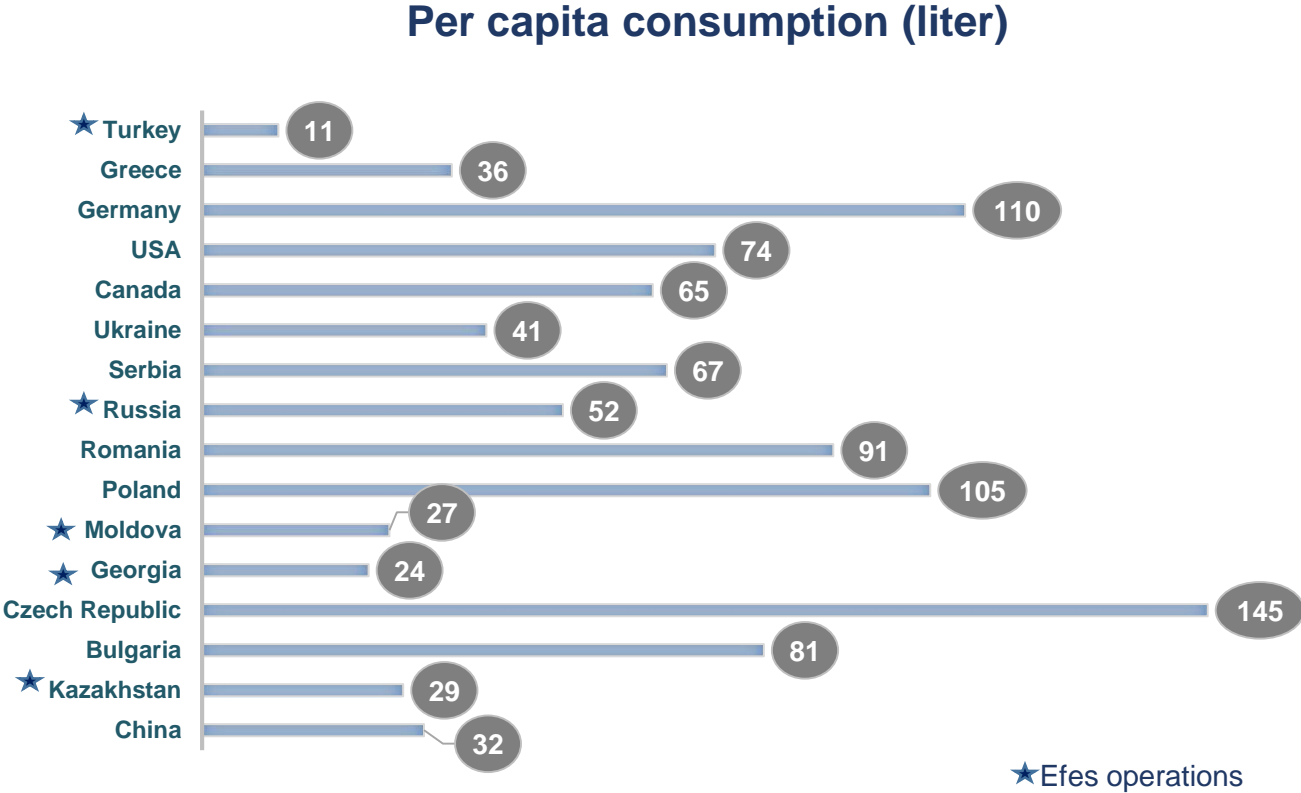
Ukraine



Markets With Low Per Capita Consumption & High Growth Potential

Operating markets with growth potential characterized by

-  Low per capita consumption
-  Young populations
-  Developing economies
-  Westernization/urbanization



Turkish Beer Market & Efes Turkey



✓ Turkish Beer Market

- Low per capita consumption of 11 liters* offering a growth potential
- Growing population with 1.2% annual growth rate in 2017
 - 47% is below age 30
- Returnable market enabling higher operational profitability
 - Bottles & kegs amount to more than half of total beer market

✓ Efes Turkey

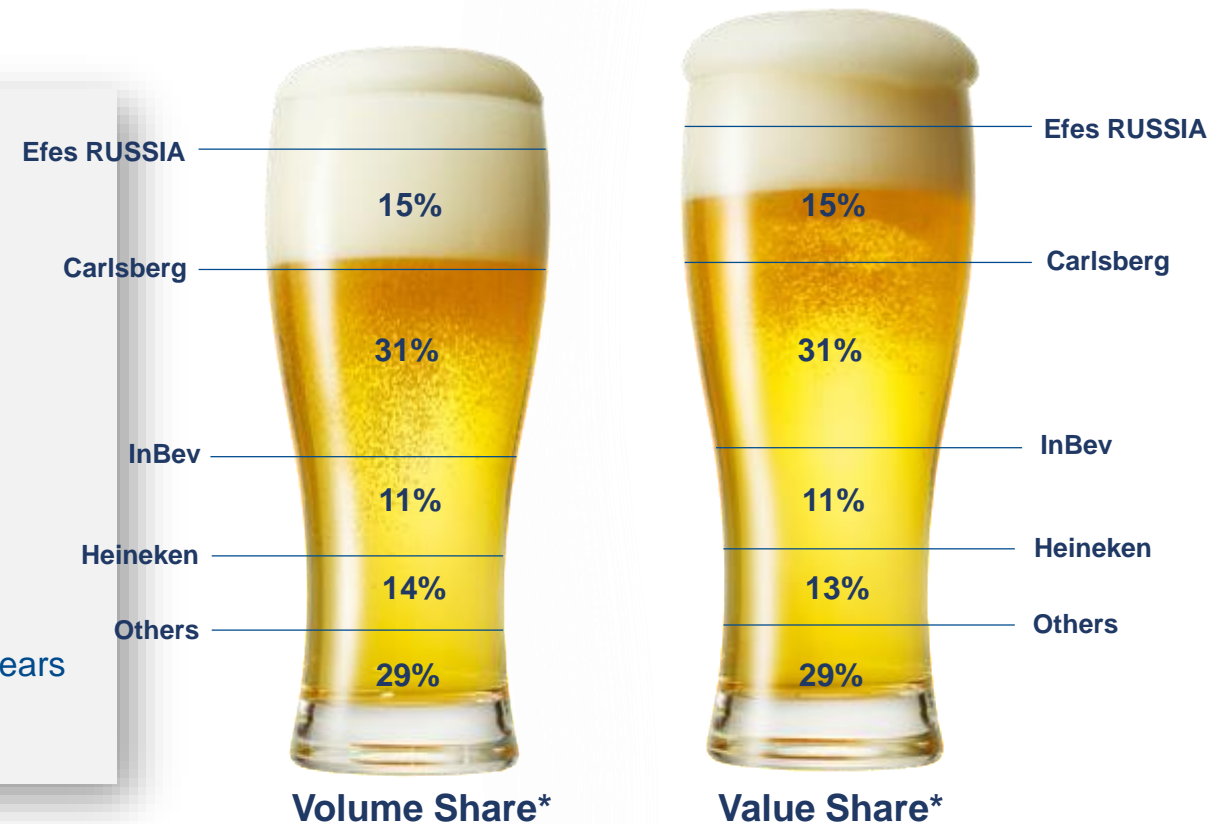
- 3 Breweries & 2 Malteries & 1 Hops Processing Facility
- 60% market share**
- 100% brand awareness for “Efes Pilsen”
- Rich portfolio of local, imported & licensed brands covering all segments
- #1 in consumer spending in Food & Beverage category – 7.0% in 2017**
- 99% penetration in Turkey***



Russian Beer Market

✓ Russian Beer Market

- World's 6th largest beer market with total consumption of **~80 mhl**
- Dominated by multinational brewers
 - Top 3** accounting for ~ more than **70%** of the market
- Share of Modern Trade above **60%** - more than doubled in the last few years



Purpose of ABI-Efes Deal in Russia & Ukraine



Increase geographical diversification, in line with Anadolu Efes' strategy



Create a strong #2 player in Russia, the World's 6th largest beer market



Potential for further growth in Russia and Ukraine



Bring together a largely complementary strong brand portfolio



Opportunity to capture synergies from combined efficiencies in Russia and Ukraine



Opportunity to increase distribution of key Anadolu Efes brands on the strong AB InBev route

to market platform in Ukraine



Enhance existing relationship between Anadolu Efes and AB InBev



Synergies



Expected to generate USD 80-100 million cost synergies annually

- ✓ Full capture by the end of 2020



Main synergies to be derived from

- ✓ Procurement
- ✓ Production (cross-brewing)
- ✓ Route to Market
- ✓ G & A
- ✓ Zero Based Budgeting



Other International Beer Operations

- ✓ Kazakhstan – Market leader with 49% share*
- ✓ Georgia – Market leader with 49% share**
- ✓ Moldova – Market leader with 61% share***
- ✓ Ukraine – 2nd player with 31% share*



Commitment to Environment



ENERGY AND EMISSIONS MANAGEMENT

15%+14%

Compared to 2008, we consumed **15% less energy** and generated **14% fewer emissions per unit product**.



OPERATIONAL RELIABILITY

50 Thousand Person Hours

In 2016, we provided a total of more than **49.898 person hours of occupational health and safety** training to our employees.



WATER MANAGEMENT

36% Decrease in Total Water Consumption

Compared to 2008, we consumed 23% less water in beer production and 21% less water in malt production



PACKAGING MANAGEMENT

98% Waste Recovery

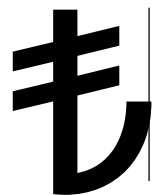
Compared to the previous year, in 2016, the returnable glass bottle rate increased to 15.1% from 14.9%, and aluminum cans to 21.8% from 21.6%. Steel keg and returnable glass bottle rate increased to 23.1%.



SOFT DRINK OPERATIONS



Coca-Cola İçecek in a Nutshell



8.5 billion annual revenue

1.4 billion annual EBITDA



26 plants ⁽¹⁾, 124 production lines ⁽¹⁾



9 thousand employees



1.2 billion UC ⁽²⁾
sales volume



10 countries



28 billion annual servings to

400 million people

Annual production capacity of



1.5 billion UC

~800K sales points



Coca-Cola İçecek – Opportunities



400 MILLION
CONSUMERS



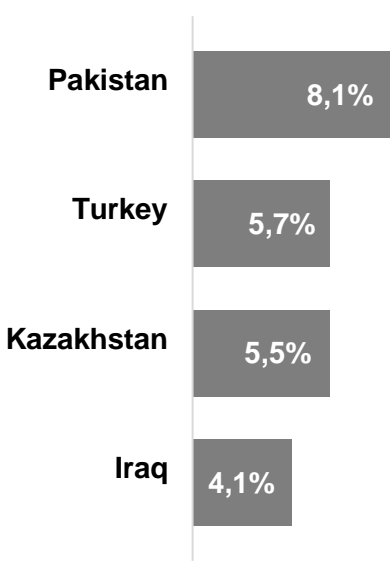
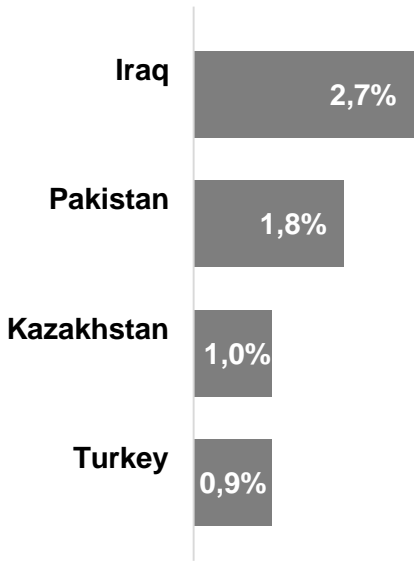
20 MILLION
NEW CONSUMERS
BY 2021

53% will consist of **urban middle class**

More than **60%** will be **below 30**

**Population Growth
(CAGR 2018-2021)**

**GDP Growth*
(CAGR 2018-2021)**



Population



GDP

Average CCI
Growth
(CAGR 2018-2021)

1.7%

6.0%

Coca-Cola İçecek – Strategic Priorities

Accelerating Growth

- Full Beverage Portfolio
- Revenue Growth Management
- Increase Frequency
- Grow Sparkling & Stills
- Regional Strategies



Win at the Point of Sale

- Increase cooler penetration
- Increase outlet coverage
- Improve commercial capabilities
- Future proof RTM



Exercise Financial Discipline

- Productivity Savings
- WC improvements
- Healthy FCF
- Optimum Leverage
- Effective FX management



FINANCIALS & OUTLOOK



1Q2018 Financial Highlights

	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		BEER GROUP (TL mn)		CCI (TL mn)	
	1Q2018	vs 1Q2017	1Q2018	vs 1Q2017	1Q2018	vs 1Q2017	1Q2018	vs 1Q2017
Volume (mhl)	1.0	-12.3%	3.0	-3.9%	4.1	-6.1%	261.9	12.4%
Net Sales	309.9	5.1%	582.8	2.2%	898.5	3.3%	1865.6	19.9%
Gross Profit	168.4	5.2%	215.7	-4.6%	390.6	0.0%	614	27.5%
EBIT (BNRI)	-0.5	-103.2%	-31.5	-238.6%	-43.1	-723.5%	148.3	114.0%
EBITDA (BNRI)	44.9	-23.4%	35.4	-34.8%	70.0	-31.0%	282.1	45.7%
Net Income**	-101.3	-69.1%	-28.3	-184.2%	-81.8	-104.7%	-46	46.5%
	Change (bps)		Change (bps)		Change (bps)		Change (bps)	
Margins								
Gross Profit	54.3%	3	37.0%	-264	43.5%	-142	32.9%	197
EBIT (BNRI)	-0.2%	-561	-5.4%	-377	-4.8%	-419	7.9%	349
EBITDA (BNRI)	14.5%	-540	6.1%	-344	7.8%	-387	15.1%	267
Net Income**	-32.7%	-1,236	-4.9%	-1,076	-9.1%	-451	-2.5%	306

* mn unit case
 ** Net income attributable to shareholders

Gross & Net Debt (Organic)



Anadolu Efes Consolidated

1Q2017	1Q2018	
6,424.8	9,011.3	TOTAL FINANCIAL DEBT (m TL)
2,683.1	5,514.0	TOTAL CASH & EQUIVALENTS (m TL)
3,741.7	3,497.3	NET DEBT (m TL)
1,028.3	885.6	NET DEBT (m USD)

Beer Group

1Q2017	1Q2018	
2,523.6	2,703.3	TOTAL FINANCIAL DEBT (m TL)
1,296.0	1,485.6	TOTAL CASH & EQUIVALENTS (m TL)
1,227.6	1,217.7	NET DEBT (m TL)
337.4	308.4	NET DEBT (m USD)

Turkey Beer

1Q2017	1Q2018	
2,234.4	2,520.7	TOTAL FINANCIAL DEBT (m TL)
369.5	331.2	TOTAL CASH & EQUIVALENTS (m TL)
1,864.9	2,189.5	NET DEBT (m TL)
512.5	554.5	NET DEBT (m USD)

EBI

1Q2017	1Q2018	
280.5	171.8	TOTAL FINANCIAL DEBT (m TL)
921.7	1,150.5	TOTAL CASH & EQUIVALENTS (m TL)
(641.2)	(978.7)	NET DEBT (m TL)
(176.2)	(247.8)	NET DEBT (m USD)

Gross & Net Debt (Reported)



Anadolu Efes Consolidated

1Q2017	1Q2018	
6,424.8	9,593.4	TOTAL FINANCIAL DEBT (m TL)
2,683.1	5,531.8	TOTAL CASH & EQUIVALENTS (m TL)
3,741.7	4,061.6	NET DEBT (m TL)
1,028.3	1,028.5	NET DEBT (m USD)

Beer Group

1Q2017	1Q2018	
2,523.6	3,285.4	TOTAL FINANCIAL DEBT (m TL)
1,296.0	1,503.4	TOTAL CASH & EQUIVALENTS (m TL)
1,227.6	1,782.0	NET DEBT (m TL)
337.4	451.3	NET DEBT (m USD)

Turkey Beer

1Q2017	1Q2018	
2,234.4	2,520.7	TOTAL FINANCIAL DEBT (m TL)
369.5	331.2	TOTAL CASH & EQUIVALENTS (m TL)
1,864.9	2,189.5	NET DEBT (m TL)
512.5	554.5	NET DEBT (m USD)

EBI

1Q2017	1Q2018	
280.5	753.9	TOTAL FINANCIAL DEBT (m TL)
921.7	1,168.3	TOTAL CASH & EQUIVALENTS (m TL)
(641.2)	(414.4)	NET DEBT (m TL)
(176.2)	(104.9)	NET DEBT (m USD)

Balance Sheet Flexibility

Net Leverage Ratio: Net Debt / EBITDA (BNRI)

Anadolu Efes Consolidated (organic)



80% of cash is hold as hard currency

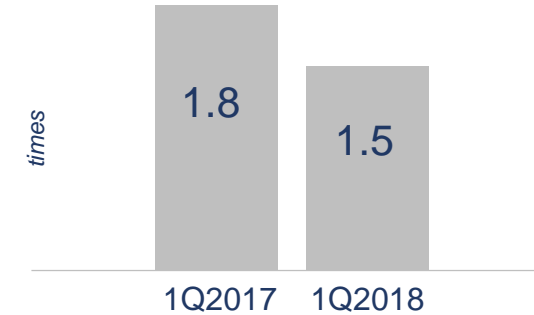


85% of debt is in hard currency



On a reported basis, net debt to EBITDA is 1.8x

Beer Group (organic)



83% of cash is hold as hard currency



99% of debt is in hard currency



On a reported basis, net debt to EBITDA is 2.2x

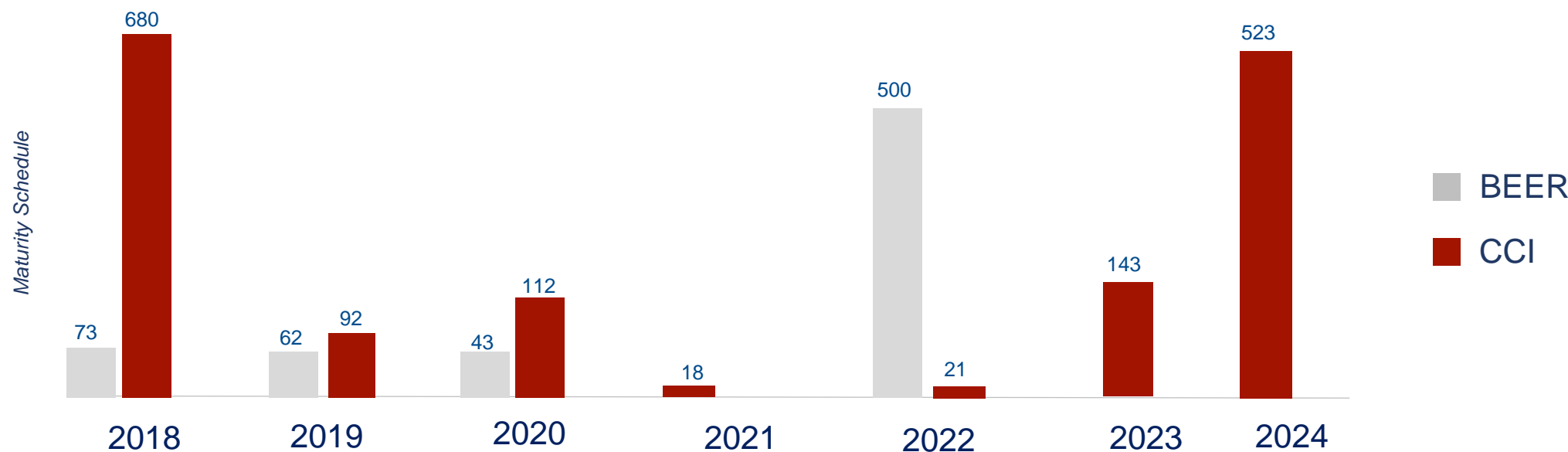
Borrowing Mix and Liquidity Profile



Easily manageable debt repayment schedule



Weighted average maturity of debt for
Beer Group is 3.7 years and
Anadolu Efes is app. 3.3 years



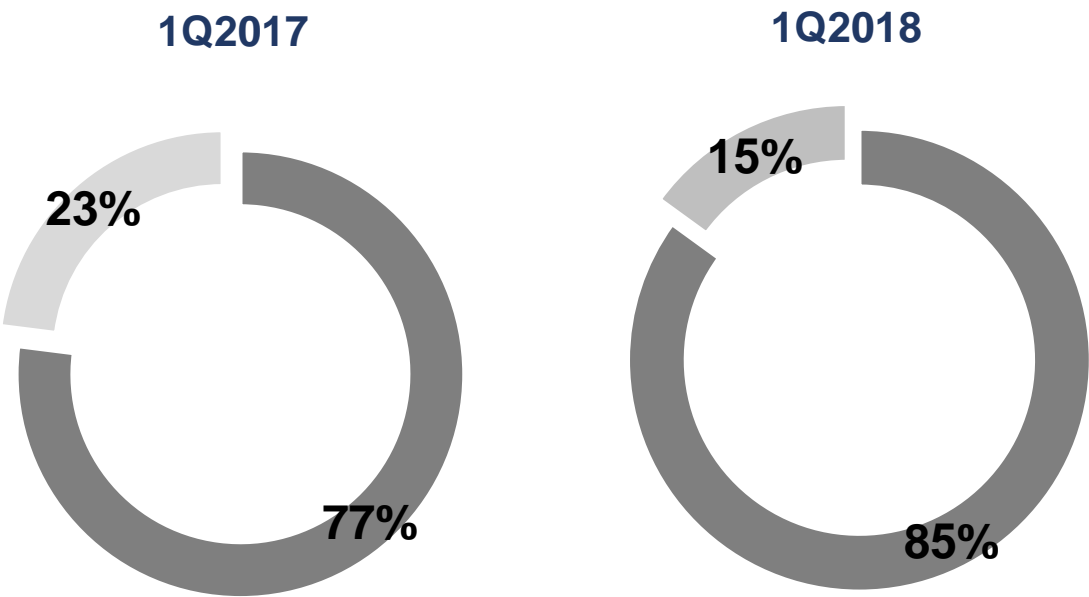
*Figures represent principal amounts

Interest Breakdown

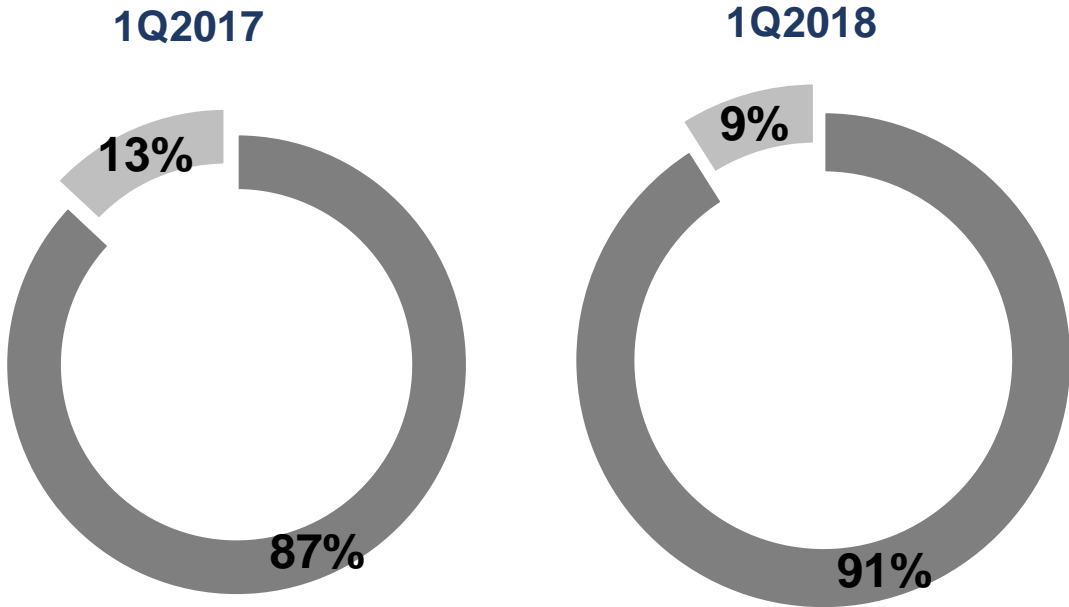


Significant portion of debt is fixed, minimized interest rate risk

ANADOLU EFES



BEER GROUP



2018 Guidance



We are cautiously keeping our 2018 guidance at this point since first quarter is the smallest quarter of the year.

Sales Volume:



Mid-single digits growth **on a consolidated basis**



Total Beer: Flattish to low single digit growth



Turkish beer market: Flattish- to low single digit growth

Turkey own beer: In line with market



Russian beer market: Flattish

Russian own beer: In line with market



Consolidated Soft Drinks: 4%-6% growth



Turkey soft drinks: 2%-4% growth



International soft drinks: 8%-10% growth

Revenue:



Outperform sales volume **in all business lines**

EBITDA Margin:



Slightly higher **on a consolidated basis**



Margin improvement **for beer group**



Slight improvement in EBITDA margin **for soft drinks**

Capex:



As a percentage of net sales at high single digits **on a consolidated basis**

FCF:



Positive FCF in **both beer and soft drinks**

Financial Priorities



Sustain consolidated cash flows through;

- Focus on WC optimization
- Optimized capex policy
- Sticking to tight BS management



Deleveraging



Efficiency improvements via savings



Managing impact of F/X volatility on operations



Commitment to Investment Grade Ratings

APPENDIX



FY2017 Financial Highlights



	TURKEY BEER (TL mn)		INTERNATIONAL BEER (TL mn)		BEER GROUP (TL mn)		CCI (TL mn)	
	FY2017	vs FY2016	FY2017	vs FY2016	FY2017	vs FY2016	FY2017	vs FY2016
Volume (mhl)	5.8	-3.2%	15.2	9.3%	21.1	5.6%	1,237.5**	4.1%
Net Sales	1,588.4	10.4%	2,806.8	47.5%	4,425.9	31.3%	8,521.1	20.9%
Gross Profit	940.5	10.2%	1,177.7	41.7%	2,142.6	25.4%	2,901.3	21.3%
EBIT (BNRI)	228.5	-7.3%	220.4	71.4%	407.8	28.3%	874.0	36.4%
EBITDA (BNRI)	401.1	-1.8%	487.4	49.8%	849.7	25.1%	1,378.7	26.2%
Net Income**	-8.2	93.6%	98.7	38.0%	61.2	n.m.	237.6	n.m.
Margins	Change (bps)		Change (bps)		Change (bps)		Change (bps)	
Gross Profit	59.2%	-12	42.0%	-171	48.4%	-142	34.0%	11
EBIT (BNRI)	14.4%	-276	7.9%	110	9.2%	-419	10.3%	117
EBITDA (BNRI)	25.3%	-313	17.4%	27	19.2%	-387	16.2%	68
Net Income**	-0.5%	845	3.5%	-485	1.4%	-451	2.8%	319

* mn unit case

** Net income attributable to shareholders

Proforma Financials



- ✓ Valuation is made based on DCF of future projected cash flows by independent investment banks
- ✓ Certain working capital & net debt adjustments at closing

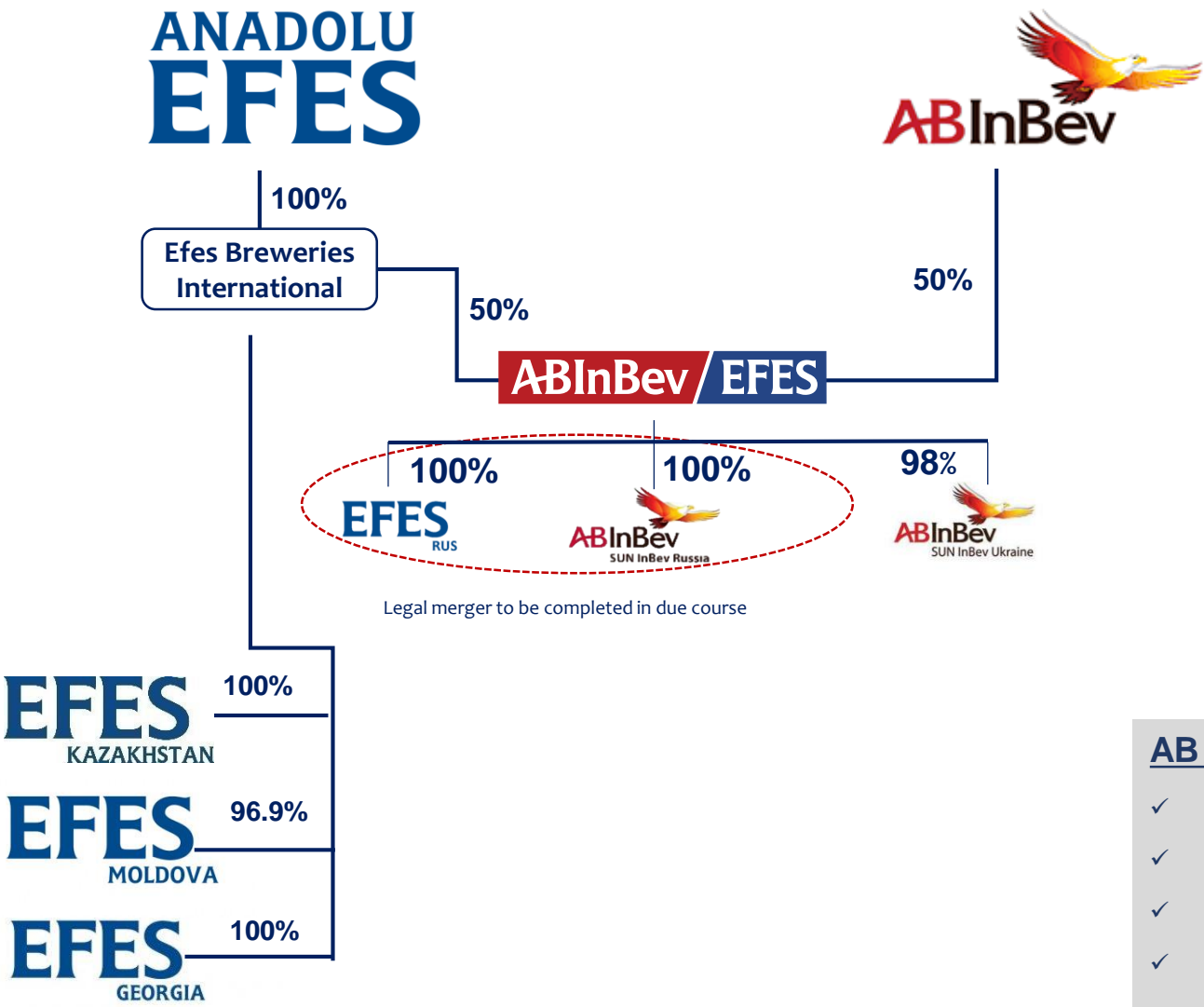
2016	Beer Group Reported	Beer Group Proforma
Sales Volume (mhl)	19.9	33.6
Net Sales Revenue (m TL)	3,370.1	5,136.6
EBITDA BNRI (m TL)	679.1	888.5
EBITDA BNRI Margin (%)	20.1%	17.3%

2017	Beer Group Reported	Beer Group Proforma
Sales Volume (mhl)	21.1	33.9
Net Sales Revenue (m TL)	4,425.9	6,810.6
EBITDA BNRI (m TL)	849.2	1,062.5
EBITDA BNRI Margin (%)	19.2%	15.6%

Beer group proforma figures are provided for 2016 & 2017, which include the results of AB InBev's Russian and Ukrainian beer businesses in full as if both businesses were operating together with Anadolu Efes' Russian operations starting from January 1st 2016 and 2017.

The revenue and EBITDA calculations of ABI operations are reclassified as per Efes accounts and certain expenses are adjusted according to the terms of the new company and may therefore be different than as reported by ABI.

Corporate Structure



AB INBEV EFES BV:

- ✓ Equal board representation
- ✓ Chairman of the Board appointed by Anadolu Efes
- ✓ CEO & CFO appointed by BoD
- ✓ Governance rights enables AEFES to fully consolidate

*indirectly through subsidiaries

THANK YOU

