

### 9M2019 FINANCIAL PERFORMANCE:

#### Net Sales\*:

up by 22% to TL 38.9 bn

#### EBITDA\*:

up by 31% to TL 4.7 billion

#### Net loss attributable to parent\*:

TL 133 million

Proforma Consolidated** (TL mn)	9M18*	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	31.916	38.905	21,9%	38.905	21,9%
Gross Profit	9.607	12.169	26,7%	12.072	25,7%
EBIT	1.452	2.739	88,6%	2.528	74,1%
EBITDA	3.594	5.452	51,7%	4.708	31,0%
Net income <sup>1</sup>	-1.483	-228	84,6%	-133	91,0%

<sup>1</sup> Net income attributable to the parent company

\*For comparison purposes, 2018 figures are prepared including the impact of merger with ABI Inbev in Russia and Ukraine since the beginning of the year.

\*For comparison purposes, 9M19 figures exclude IFRS16 impact. (Results including IFRS16 are on page 10-11 of the Earnings Release and CMB report)

\*\* Proforma Consolidated figures include Migros as fully consolidated for the 9 months period

### MESSAGE FROM CEO MR. HURŞİT ZORLU

*"We are happy to announce that our consolidated net sales grew by 22% and EBITDA by 31% in the first nine months of the year, linked with our major operations' strong growth trends, which were also in place in the first half. As Anadolu Group, we continue to execute our prudent and effective financial management approach with decisiveness and precision, targeting sustainable growth.*

*In this quarter, solid performance of Beer operations, mainly due to the positive momentum in Russia and Ukraine, continued to make substantial contribution to our results. In Soft Drinks operations, operational and financial position remained strong in the third quarter and operations recorded the highest-ever EBIT margin in Turkey in 9M2019. In Migros, while market share gains in both total and modern FMCG continued, EBITDA growth outpaced the revenue growth in the third quarter of 2019 as in the previous quarters.*

*With the priority of generating strong free cash flow in all of our businesses, we continue to take necessary action plans and execute accordingly. On top of synergies created from our international Beer operations, strong operational profitability of Soft Drinks and Migros operations also contributed to the generation of TL 2.4 bn consolidated free cash flow in the first nine months of the year. The importance we attach to this issue will continue in the coming periods.*

*In this context, we are also happy that our net debt /EBITDA ratio was down to 2.0x as of 3Q19-end. We are working in a proactive manner for optimizing the level and covenants of debt structures across all of our segments.*

*We left behind a quarter, in which we delivered important progress in fulfilling our 2019 expectations with the financial priorities of free cash flow generation and deleveraging, as has been underlined since beginning of the year. Needless to say, we will continue to implement these financial priorities effectively in the coming periods.*

# SUMMARY FINANCIALS

Beer (TL mn)	3Q18*	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18*	9M19	Change	9M19 (excl. IFRS16)	Change
Sales Volume (mhl)	9,7	10,1	4,2%	10,1	4,2%	26,0	27,6	6,2%	27,6	6,2%
Net Sales	2.650	3.190	20,4%	3.190	20,4%	6.203	8.206	32,3%	8.206	32,3%
Gross Profit	1.091	1.419	30,1%	1.419	30,1%	2.357	3.348	42,0%	3.348	42,0%
EBITDA (BNRI)	403	543	35,0%	529	31,3%	682	1.176	72,3%	1.133	66,1%
Net Income	-83	312	n.m.	312	n.m.	-223	514	n.m.	522	n.m.
Gross Profit Margin	41,2%	44,5%		44,5%		38,0%	40,8%		40,8%	
EBITDA Margin	15,2%	17,0%		16,6%		11,0%	14,3%		13,8%	
Net Income Margin	-3,1%	9,8%		9,8%		-3,6%	6,3%		6,4%	
Soft Drinks (TL mn)	3Q18	3Q19	Change			9M18	9M19	Change		
Sales Volume (mn unit case)	417	413	-0,8%			1.086	1.086	0,0%		
Net Sales	3.672	3.908	6,4%			8.622	10.025	16,3%		
Gross Profit	1.256	1.358	8,1%			2.954	3.436	16,3%		
EBITDA	813	872	7,3%			1.741	2.090	20,0%		
Net Income	29	556	1795,4%			165	965	483,6%		
Gross Profit Margin	34,2%	34,7%				34,3%	34,3%			
EBITDA Margin	22,1%	22,3%				20,2%	20,8%			
Net Income Margin	0,8%	14,2%				1,9%	9,6%			
Migros (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	5.331	6.464	21,3%	6.464	21,3%	13.794	17.195	24,7%	17.195	24,7%
Gross Profit	1.387	1.772	27,8%	1.749	26,1%	3.553	4.690	32,0%	4.628	30,2%
EBITDA	383	698	82,3%	503	31,5%	859	1.774	106,6%	1.214	41,3%
Net Income	-670	179	n.m.	228	n.m.	-1.207	-202	83,2%	-58	95,2%
Gross Profit Margin	26,0%	27,4%		27,1%		25,8%	27,3%		26,9%	
EBITDA Margin	7,2%	10,8%		7,8%		6,2%	10,3%		7,1%	
Net Income Margin	-12,6%	2,8%		3,5%		-8,7%	-1,2%		-0,3%	
Automotive (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	995	989	-0,7%	989	-0,7%	2.700	2.642	-2,1%	2.642	-2,1%
Gross Profit	222	159	-28,5%	159	-28,4%	548	438	-20,1%	438	-20,2%
EBITDA	129	103	-19,8%	102	-21,1%	306	279	-8,8%	275	-10,1%
Net Income	-245	-69	71,7%	-69	71,8%	-444	-236	46,9%	-235	47,0%
Gross Profit Margin	22,3%	16,0%		16,1%		20,3%	16,6%		16,6%	
EBITDA Margin	12,9%	10,4%		10,3%		11,3%	10,6%		10,4%	
Net Income Margin	-24,6%	-7,0%		-7,0%		-16,4%	-8,9%		-8,9%	
Retail (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	344	414	20,4%	414	20,4%	966	1.088	12,6%	1.088	12,6%
Gross Profit	81	101	25,1%	87	7,8%	222	258	16,4%	224	1,3%
EBITDA	56	88	55,9%	53	-5,8%	119	209	75,6%	113	-4,7%
Net Income	18	19	2,3%	19	5,9%	25	-4	n.m.	7	-73,0%
Gross Profit Margin	23,6%	24,5%		21,1%		22,9%	23,7%		20,6%	
EBITDA Margin	16,3%	21,1%		12,8%		12,3%	19,2%		10,4%	
Net Income Margin	5,3%	4,5%		4,7%		2,6%	-0,4%		0,6%	
Other (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	107	81	-24,2%	81	-24,2%	247	543	119,9%	543	119,9%
Gross Profit	30	30	-1,7%	30	-1,7%	109	123	12,8%	123	12,8%
EBITDA	2	6	189,4%	3	59,5%	11	43	280,6%	35	212,5%
Net Income**	-548	-66	87,9%	-66	88,0%	-985	-480	51,3%	-444	55,0%
Gross Profit Margin	28,4%	36,9%		36,9%		44,1%	22,6%		22,6%	
EBITDA Margin	2,0%	7,5%		4,1%		4,5%	7,8%		6,4%	
Net Income Margin	-511,1%	-81,7%		-81,0%		-398,9%	-88,4%		-81,7%	
Consolidated (TL mn)	3Q18*	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18*	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	7.742	14.740	90,4%	14.740	90,4%	18.599	32.447	74,5%	32.447	74,5%
Gross Profit	2.651	4.805	81,3%	4.768	79,9%	6.088	10.342	69,9%	10.268	68,7%
EBITDA	1.354	2.292	69,3%	2.036	50,4%	2.758	4.801	74,1%	4.292	55,6%
Net Income	-782	243	n.m.	272	n.m.	-1.483	-228	84,6%	-133	91,0%
Gross Profit Margin	34,2%	32,6%		32,3%		32,7%	31,9%		31,6%	
EBITDA Margin	17,5%	15,5%		13,8%		14,8%	14,8%		13,2%	
Net Income Margin	-10,1%	1,7%		1,8%		-8,0%	-0,7%		-0,4%	
Proforma Consolidated (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	12.857	14.740	14,6%	14.740	14,6%	31.916	38.905	21,9%	38.905	21,9%
Gross Profit	4.025	4.805	19,4%	4.768	18,5%	9.607	12.169	26,7%	12.072	25,7%
EBITDA	1.722	2.300	33,6%	2.036	18,3%	3.594	5.452	51,7%	4.708	31,0%
Net Income	-782	243	n.m.	272	n.m.	-1.483	-228	84,6%	-133	91,0%
Gross Profit Margin	31,3%	32,6%		32,3%		30,1%	31,3%		31,0%	
EBITDA Margin	13,4%	15,6%		13,8%		11,3%	14,0%		12,1%	
Net Income Margin	-6,1%	1,7%		1,8%		-4,6%	-0,6%		-0,3%	

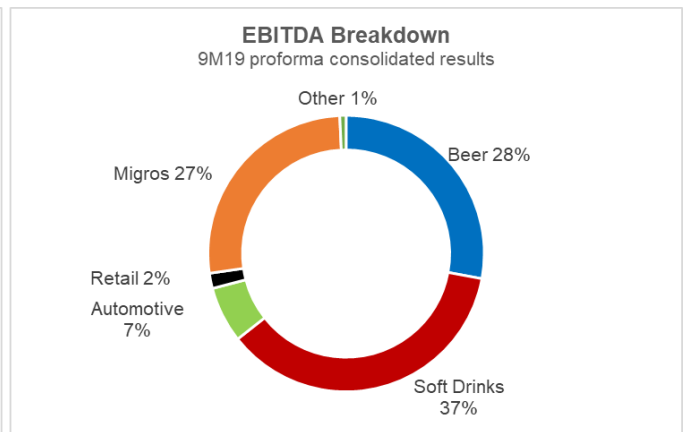
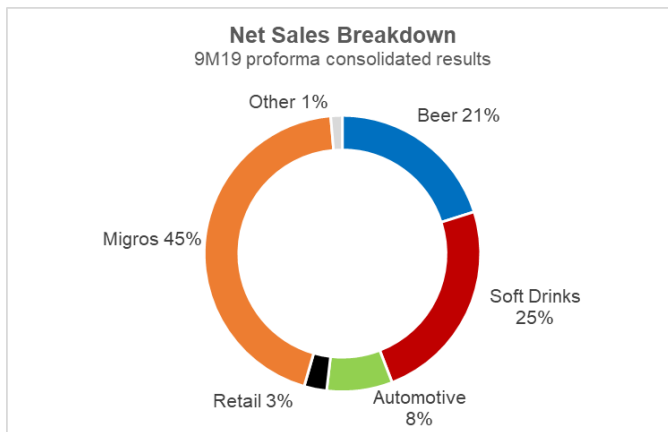
\*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 instead of actual April 1st. Therefore proforma 2018 restated results include 3 months of operation of combined business. In addition to actual results, 2018 figures also include the incremental depreciation charge in 2019 which is a result of the revaluation of fixed assets as required by IFRS 3.

\*\*As Migros is started to be fully consolidated, net income impact for the first 4 months has been excluded from net income of other segment

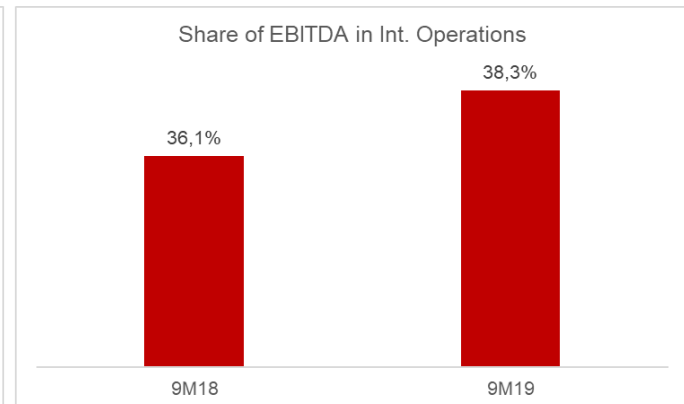
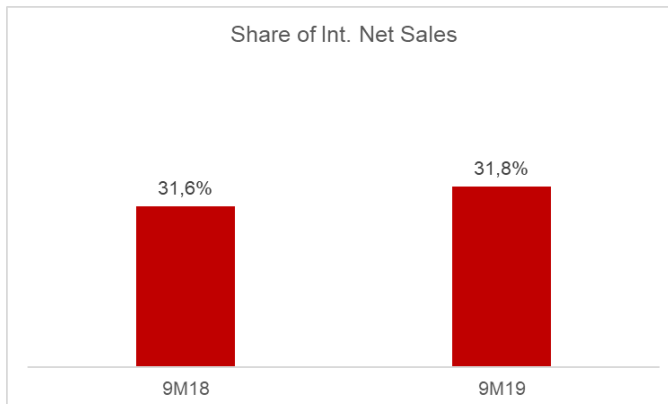
## CONSOLIDATED FINANCIAL PERFORMANCE

Proforma Consolidated (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	12.857	14.740	14,6%	14.740	14,6%	31.916	38.905	21,9%	38.905	21,9%
Gross Profit	4.025	4.805	19,4%	4.768	18,5%	9.607	12.169	26,7%	12.072	25,7%
EBITDA	1.722	2.300	33,6%	2.036	18,3%	3.594	5.452	51,7%	4.708	31,0%
Net Income	-782	243	n.m.	272	n.m.	-1.483	-228	84,6%	-133	91,0%
Gross Profit Margin	31,3%	32,6%		32,3%		30,1%	31,3%		31,0%	
EBITDA Margin	13,4%	15,6%		13,8%		11,3%	14,0%		12,1%	
Net Income Margin	-6,1%	1,7%		1,8%		-4,6%	-0,6%		-0,3%	

AG Anadolu Grubu Holding ("Anadolu Group", "Group") **proforma consolidated net sales** were up by 21.9% y-o-y to TL 38.9 bn in 9M19. While Beer segment revenues increased yearly by 32.3%, followed by Migros with 24.7% and Soft Drinks with 16.3%, Retail segment' top-line was up by 12.6%. On the other hand, revenues of Automotive segment decreased by 2.1% compared to the same period of last year and Other segment, which includes Energy and Real Estate businesses, that have relatively lower shares in the portfolio, contributed positively to the top-line growth due to the deliveries of Kartal residential project.



\*Sum of segmental percentages may exceed 100% due to eliminations



Share of international sales in total sales merely increased to 31.8% in 9M19 from 31.6% in 9M18, yet EBITDA rose from 36.1% to 38.3% in 9M19, with a relatively a higher climb, which is attributable to the positive contribution from international beer operations.

**Proforma consolidated EBITDA** of the Group increased by 31.0% to TL 4.7 bn in 9M19, thanks to strong operational profitability of Beer, Soft Drinks and Migros during the nine months of the year. While share of Soft Drinks segment in proforma consolidated EBITDA was at 37%, Beer and Migros constituted 28% and 27% shares, respectively. Remaining Automotive, Retail and Other segments had total of 10% share in EBITDA.

As a result of the strong EBITDA generation in the three major segments that we operate coupled with the relative stabilization and even appreciation TL in 2Q19 and 3Q19, net loss\* figure significantly decreased to TL 133 mn in 9M19 vs. TL1.5 bn in 9M18. Anadolu Group reported **net income** of TL 272 mn in 3Q19 compared favorably to net loss of TL 782 mn in 3Q18, again thanks to appreciation of TL and better operational profitability.

In line with the efforts to increase **free cash flow generation**, a top agenda item for 2019, Anadolu Group generated TL 2.4 bn FCF in the first nine months of the year, thanks to the synergies in Russia and Ukraine together with strong operational profitability of Migros and Soft Drinks operations and asset divestitures of Migros as well. Seasonality in Beer, Soft Drinks and Migros was another factor that increased free cash flow generation in the third quarter.

In regard of the plans for effective management of debt and deleveraging, proforma consolidated **net debt/EBITDA** decreased by 70 bps to 2.0x as of 3Q19-end compared to year-end. Strong free cash flow generation, improvement in the profitability and efficiency of our businesses were the main reasons for this decline. Net debt/EBITDA ratios were even lower at comfortable levels of 1.2x and 1.1x for Beer and Soft Drink segments, respectively. Migros also substantially decreased its leverage ratio to 1.3x as of 3Q19-end vs. 2.3x of 2018 year-end. Additionally, Automotive segment Net debt/EBITDA decreased by 120 bps to 4.9x as of 3Q19-end.

As of September 19-end, 35% of **proforma consolidated debt** is short-term and 65% is long-term.

In order to refrain from the operational and financial risks related to currency, our Group companies continue to use hedging instruments in 2019. In line with the strategy of deleveraging the businesses through cash generation, strategic options are evaluated for the divestiture or further utilization of non-operational assets.

## Segmental Indebtedness\*\*

9M19 (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	4.528	2.648	1.880	1,2
Soft Drinks	5.010	2.724	2.286	1,1
Migros	4.337	2.282	2.055	1,3
Automotive	2.021	119	1.901	4,9
Retail	413	86	327	3,1
Other (incl. Holding)	3.424	300	3.124	n.m.
<i>Holding-only</i>	1.908	220	1.688	n.m.
Proforma Consolidated	19.733	8.160	11.573	2,0
Proforma Consolidated (Euro mn)	3.191	1.320	1.872	2,0

2018YE (TL mn)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	4.285	2.480	1.805	1,5
Soft Drinks	4.943	2.311	2.633	1,4
Migros	4.570	1.769	2.801	2,3
Automotive	2.809	241	2.567	6,1
Retail	334	106	228	2,1
Other (incl. Holding)	3.008	185	2.823	n.m.
<i>Holding-only</i>	1.645	110	1.535	n.m.
Proforma Consolidated	19.945	7.092	12.853	2,7
Proforma Consolidated (Euro mn)	3.295	1.172	2.123	2,7

\*The effective part of the change in the value of the bonds and loans designated as hedging of net investments of Holding, Anadolu Efes and Coca Cola Icecek amounting to TL 346.320 (TL 270.523- including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income

\*\*Due to the reclassification of finance lease payables as leasing liabilities in regard of the first time adoption of IFRS 16, total debt figures for FY2018 and 9M19 do not include finance lease payables; therefore, total debt, net debt and net debt / EBITDA figures were restated for year-end 2018.

## BEER SEGMENT

Beer (TL mn)	3Q18*	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18*	9M19	Change	9M19 (excl. IFRS16)	Change
Sales Volume (mhl)	9,7	10,1	4,2%	10,1	4,2%	26,0	27,6	6,2%	27,6	6,2%
Net Sales	2.650	3.190	20,4%	3.190	20,4%	6.203	8.206	32,3%	8.206	32,3%
Gross Profit	1.091	1.419	30,1%	1.419	30,1%	2.357	3.348	42,0%	3.348	42,0%
EBITDA (BNRI)	403	543	35,0%	529	31,3%	682	1.176	72,3%	1.133	66,1%
Net Income	-83	312	n.m.	312	n.m.	-223	514	n.m.	522	n.m.
Gross Profit Margin	41,2%	44,5%		44,5%		38,0%	40,8%		40,8%	
EBITDA Margin	15,2%	17,0%		16,6%		11,0%	14,3%		13,8%	
Net Income Margin	-3,1%	9,8%		9,8%		-3,6%	6,3%		6,4%	

\* 2018 figures assume realization of ABI Efes JV as of January 1st 2018 (instead of actual April 1st). Therefore 2018 restated results include 3 months of operation of combined business. In addition to actual results, 9M18 figures also include the incremental depreciation charge in 9M19 which is a result of the revaluation of fixed assets following the merger in Russia & Ukraine as required by IFRS 3.

Beer segment **total sales volume** increased by 4.2% in 3Q19 driving the nine months cumulative sales volume to 27.6 mhl, up by 6.2% compared to the same period of last year. In Turkey beer, higher prices and weak consumer sentiment put pressure on demand in the FMCG sector, beer sector also declined by 6.1%, exhibiting a similar trend. **In international beer operations**, Russian beer market posted low-single digit growth in 9M2019 over the same period of last year, where July and August volumes showed decline due to unfavorable weather conditions and the strong base of last year. Market share gains in super premium and mainstream segments as well as in modern and traditional trade channels contributed to our strong performance in the period. Thus international beer sales volumes were up by 8.4% y-o-y to 23.5 mhl. Share of international beer sales volume was 85% in total sales.

**Net sales revenues** increased by 20.4% in 3Q19 on a yearly basis to TL 3.2 bn, increasing the 9M19 top-line to TL 8.2 bn, up by 32.3%. **Turkey beer operations** benefited from price increases as well as positive category mix. On the other hand, volume growth and higher prices played important roles for top-line growth in **international operations**. Share of international beer revenues reached 79% of total revenues in 9M19.

**Gross profit margin** of beer segment recorded at 44.5% in 3Q19, implying an 280 bps increase to 40.8% in 9M19. In Turkey, increase in cost of sales was similar to previous quarters and was driven by higher raw material, packaging and energy prices as well as package mix. On the other hand, gross profit margin expansion of international operations more than offset the contraction in the domestic market which was attributable to better operating leverage due to strong topline growth, favorable category mix as well as extraction of synergies.

**EBITDA** emerged at TL 1.1 bn in 9M19 which is %66.1 higher compared to the same period of last year. Although operating expenses increased in Turkey, which is attributable mainly to commitment to invest in brands and led to an increase in our marketing expenses, EBITDA of international operations benefited from the improvement in gross profitability and further synergy generation in OPEX. Share of EBITDA in international operations constitute 80% of total EBITDA.

Beer segment recorded TL 312 mn **net profit** in 3Q19, driving nine months cumulative bottom-line to TL 522 mn, thanks to higher operational profitability coupled with lower FX losses.

## SOFT DRINKS

Soft Drinks (TL mn)	3Q18	3Q19	Change	9M18	9M19	Change
Sales Volume (mn unit case)	417	413	-0,8%	1.086	1.086	0,0%
Net Sales	3.672	3.908	6,4%	8.622	10.025	16,3%
Gross Profit	1.256	1.358	8,1%	2.954	3.436	16,3%
EBITDA	813	872	7,3%	1.741	2.090	20,0%
Net Income	29	556	1795,4%	165	965	483,6%
Gross Profit Margin	34,2%	34,7%		34,3%	34,3%	
EBITDA Margin	22,1%	22,3%		20,2%	20,8%	
Net Income Margin	0,8%	14,2%		1,9%	9,6%	

**Consolidated sales volume** decreased merely by 0.8% to 415 mn uc in 3Q19, cycling 2.9% growth in 3Q18. Thus Soft Drinks segment sales volume reached 1.1 bn uc in 9M19. Share of sales volume of international operations comprised 51% of total sales.

**Net sales revenues** rose by 6.4% in 3Q19, driven by Turkey while International operations had a negative impact on consolidated turnover due to lower revenues generated along with negative currency conversion impact in the quarter and drove 9M19 revenues to TL 10.0 bn, up by 16.3% y-o-y. **In Turkey**, net sales revenues was up by 23.9% in 3Q19, on the back of increase in list prices. NSR per unit case grew by 19.9%, mainly driven by list price adjustments, strong growth in all categories in on-premise channel and higher IC share in total sales. **In international operations**, net sales revenues decreased by %5.7 in 3Q19 y-o-y translating into 1.2% growth on an FX-neutral basis and top-line growth reached 11.1% in 9M19. Share of international soft drinks sales is 53% of total revenues.

**Gross profit margin** increased by 50 bps to 34.7% in 3Q19, which was mainly attributable to improving gross margin of Turkey operation, corresponding to gross profit margin of 34.3% in 9M19 which remained unchanged. While **Turkey operations** benefited from increasing net sales revenue per unit case and lower raw material costs as a percentage of revenues and increased by 190 bps to 41.6% third quarter and up by 280 bps to %42.2 in 9M19. In **International operations**, gross margin declined due to higher raw material costs in Central Asia as well as lack of Turkmenistan's contribution due to production stoppage. Thus, higher gross profit margin of Turkey operations offset lower margin from international markets.

**EBITDA margin** remained almost unchanged at 22.3% in 3Q19 and drove nine months cumulative EBITDA to TL 2.1 bn with a margin of 20.9% in 9M19. Share of EBITDA for international operations stands at 51%.

**Net income** was TL 556 mn in 3Q19, implying a significant growth, on the back of higher EBIT and FX gains. Soft Drinks segment recorded net income of TL 965 mn in 9M19.



# MIGROS

Migros (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	5.331	6.464	21,3%	6.464	21,3%	13.794	17.195	24,7%	17.195	24,7%
Gross Profit	1.387	1.772	27,8%	1.749	26,1%	3.553	4.690	32,0%	4.628	30,2%
EBITDA	383	698	82,3%	503	31,5%	859	1.774	106,6%	1.214	41,3%
Net Income	-670	179	n.m.	228	n.m.	-1.207	-202	83,2%	-58	95,2%
Gross Profit Margin	26,0%	27,4%		27,1%		25,8%	27,3%		26,9%	
EBITDA Margin	7,2%	10,8%		7,8%		6,2%	10,3%		7,1%	
Net Income Margin	-12,6%	2,8%		3,5%		-8,7%	-1,2%		-0,3%	

**Net sales revenues** of Migros increased by 24.7% in 9M19 on a y-o-y basis, corresponding to a top-line of TL 17.2 bn. The company opened 96 new stores in 9M19 and focused on increasing customer value through reduced prices in several fresh categories and basic commodities.

**Gross profit** increased by 27.1% y-o-y in 3Q19, implying 110 bps increase in gross profit margin of 26.0% compared to the same period of last year. Thus, **gross profit** of the company reached TL 4.6 bn in 9M19 with a margin of 26.9%.

Migros announced **EBITDA** of TL 503 mn in 3Q19, up by 31.5% y-o-y corresponding to a **EBITDA margin** of 7.8% which is 60 bps higher compared to same period of last year. EBITDA reached TL 1.2 bn in 9M19, up by 41.3% y-o-y. Efforts to improve the same store sales through improved traffic and vigilant cost management played important parts in margin improvement.

Due to stellar operational performance and appreciation of TL against Euro, Migros posted **net income** of TL 228 mn in 3Q19. The company posted TL 58 mn net loss in 9M19, which is significantly lower than the same period of last year.

Along the plan implemented by the management for deleveraging, Migros's **net debt/EBITDA ratio** improved further 100 bps compared to 2018 year-end and came down to 1.3x as of 3Q19-end. Improvement in operational profitability together with asset sales reaching TL406 mn since the beginning of 2019 to end of October contributed positively to bottom-line.

## AUTOMOTIVE SEGMENT

Automotive (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	995	989	-0,7%	989	-0,7%	2.700	2.642	-2,1%	2.642	-2,1%
Gross Profit	222	159	-28,5%	159	-28,4%	548	438	-20,1%	438	-20,2%
EBITDA	129	103	-19,8%	102	-21,1%	306	279	-8,8%	275	-10,1%
Net Income	-245	-69	71,7%	-69	71,8%	-444	-236	46,9%	-235	47,0%
Gross Profit Margin	22,3%	16,0%		16,1%		20,3%	16,6%		16,6%	
EBITDA Margin	12,9%	10,4%		10,3%		11,3%	10,6%		10,4%	
Net Income Margin	-24,6%	-7,0%		-7,0%		-16,4%	-8,9%		-8,9%	

Automotive segment posted TL 2.6 bn **net sales revenues** in 9M19, down by 2.1% y-o-y. Anadolu Isuzu focused on exports in the first nine months of the year in order to compensate the contraction at the domestic market. According nine months results, Çelik Motor constituted 66% of automotive sales revenues, remaining shares were 31% of Anadolu Isuzu and 3% of Anadolu Motor.

Although **gross profit margin** of Anadolu Isuzu increased to 19.5% in 9M19 vs. 18.1% in 9M18, which is attributable to increased exports, gross profit margin of the Automotive Segment declined by 370 bps to 16.6% in 9M19 mainly due to contraction in the gross profit margin of Çelik Motor.

In regard of increased exports, Anadolu Isuzu generated **EBITDA** of TL 80 mn in 9M19 vs. TL 10 mn in 9M18. However contraction in operating profitabilities of Çelik Motor and Anadolu Motor, led only to a decline in EBITDA margin of the segment by 90 bps to 10.4% in 9M19.

**Net debt/EBITDA** ratio of the segment decreased to 4.9x as of 3Q19-end compared to 6.1x as of 2018-end, in regard of the efficient financial management precautions together with a more stable TL. Net debt of Çelik Motor and Anadolu Isuzu decreased by TL 499 million and TL 114 million, respectively.

On the other hand, Çelik Motor continued to optimize its fleet size and generated around TL 740 million funds thereby in 9M19. The total fleet size of the company stands at 11,000 as of 3Q19-end.

The ratio of Euro denominated **debt** in total debt of Çelik Motor stood at 12% as of 3Q19-end.(June 2019: 27%)

## RETAIL SEGMENT

Retail (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	344	414	20,4%	414	20,4%	966	1.088	12,6%	1.088	12,6%
Gross Profit	81	101	25,1%	87	7,8%	222	258	16,4%	224	1,3%
EBITDA	56	88	55,9%	53	-5,8%	119	209	75,6%	113	-4,7%
Net Income	18	19	2,3%	19	5,9%	25	-4	n.m.	7	-73,0%
Gross Profit Margin	23,6%	24,5%		21,1%		22,9%	23,7%		20,6%	
EBITDA Margin	16,3%	21,1%		12,8%		12,3%	19,2%		10,4%	
Net Income Margin	5,3%	4,5%		4,7%		2,6%	-0,4%		0,6%	

Retail segment reported TL 1.1 million **net sales revenues** in 9M19, up by 12.6% y-o-y. While McDonald's increased its sales by 29%, revenues of Adel declined by 16% in 9M19 due to suppliers' keeping high inventory and more cautious stance since the beginning of 2019 that put pressure on domestic revenues. McDonald's holds 69% share in total sales of retail segment, followed by 27% share of Adel and 4% share of tourism company Efestur.

**Gross margin** of the segment was down by 230 bps to 20.6% in 9M19. EBITDA for the first nine months was registered at TL 113 million, with a decrease of 4.7%. EBITDA of McDonald's, which has a significant share in total segment, increased by 51% in 9M19 compared to the same period of last year.

**Net debt/EBITDA** ratio of the retail segment stood at 3.1x as of 3Q19-end. The borrowings of all companies operating under retail segment are in local currency.

## OTHERS

Other (TL mn)	3Q18	3Q19	Change	3Q19 (excl. IFRS16)	Change	9M18	9M19	Change	9M19 (excl. IFRS16)	Change
Net Sales	107	81	-24,2%	81	-24,2%	247	543	119,9%	543	119,9%
Gross Profit	30	30	-1,7%	30	-1,7%	109	123	12,8%	123	12,8%
EBITDA	2	6	189,4%	3	59,5%	11	43	280,6%	35	212,5%
Net Income**	-548	-66	87,9%	-66	88,0%	-985	-480	51,3%	-444	55,0%
Gross Profit Margin	28,4%	36,9%		36,9%		44,1%	22,6%		22,6%	
EBITDA Margin	2,0%	7,5%		4,1%		4,5%	7,8%		6,4%	
Net Income Margin	-511,1%	-81,7%		-81,0%		-398,9%	-88,4%		-81,7%	

\*\*As Migros is started to be fully consolidated, net income impact for the first 4 months has been excluded from net income of other segment

Holding, energy and real estate companies are consolidated under the other segment. Net sales revenues of the other segment increased significantly to TL 543 million, mainly due to TL 353 million deliveries from AND Pastel residential project.

Around 70% of pre-sales of AND Pastel residential project has been completed as of 3Q19-end. The deliveries have started in the second half of 2018; as the pre-sales are realized, gains will be booked under revenues in the related quarter. Meanwhile, rental works continue at AND Kozyatağı.

Aslancık HEPP, which is consolidated via equity pick up method, generated turnover of TL 128 million in 9M19 and Paravani HEPP recorded TL 62 million revenues in the same period. The electricity produced at Paravani HEPP is sold in Turkey and Georgia in accordance with the weather conditions. Accordingly, around 71% of the electricity produced at Paravani HEPP was sold to Georgia in 9M19.



## SUMMARY SEGMENTAL FINANCIAL RESULTS -9M19\*

TL mn	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit Attr. To Parent	Yearly Change
Beer	8.206	32%	3.348	42%	1.133	89%	522	n.m.
Soft Drinks	10.025	16%	3.436	16%	2.013	17%	965	441%
Migros	17.195	25%	4.628	30%	1.214	41%	-58	-95%
Automotive	2.642	-2%	438	-20%	275	-10%	-235	-47%
Retail	1.088	13%	224	1%	113	-5%	7	-73%
Other	543	120%	123	13%	35	213%	-444	55%
Consolidated**	32.447	74%	10.268	69%	4.292	56%	-133	91%
Proforma Consolidated***	38.905	22%	12.072	26%	4.708	31%	-133	91%

\*2018 Proforma figures assume realization of ABI Efes JV as of January 1st 2018 instead of actual April 1st. Therefore proforma 2018 restated results include 3 months of operation of combined business. In addition to actual results, 2018 figures also include the incremental depreciation charge in 2019 which is a result of the revaluation of fixed assets as required by IFRS 3.

\*\* Consolidated results include Migros as fully consolidated starting from end of April.

\*\*\* Proforma consolidated results include Migros as fully consolidated for 9 months.

# SUMMARY BALANCE SHEET

TL million		
	30.09.2019	31.12.2018
Cash and equivalents	8.151	5.283
Trade receivables	4.258	3.030
Inventories	5.810	3.131
Prepaid expenses	806	569
Other current assets	1.310	1.411
<b>Current Assets</b>	<b>20.335</b>	<b>13.424</b>
Investments accounted through equity method	35	1.975
Investment properties	330	296
Tangible assets	15.726	11.739
Right of use assets	3.719	0
Intangible assets	21.711	17.111
-Goodwill	5.761	2.552
-Other intangible assets	15.950	14.559
Other non-current assets	2.552	2.927
<b>Non-Current Assets</b>	<b>44.073</b>	<b>34.048</b>
<b>Total Assets</b>	<b>64.408</b>	<b>47.472</b>
Short term borrowings	3.383	3.185
Short term poriton of long term borrowings	4.223	3.757
- Bank Loans	3.550	3.643
- Lease Liabilities	673	114
Trade payables	11.616	4.161
Deferred income	332	479
Other current liabilities	2.675	1.968
<b>Current Liabilities</b>	<b>22.229</b>	<b>13.550</b>
Long term borrowings	16.211	8.712
- Bank Loans	12.800	8.549
- Lease Liabilities	3.411	163
Deferred tax liability	2.947	2.762
Other non-current liabilities	1.433	988
<b>Non-Current Liabilities</b>	<b>20.591</b>	<b>12.462</b>
<b>Total Liabilities</b>	<b>42.820</b>	<b>26.012</b>
<b>Equity</b>	<b>21.588</b>	<b>21.460</b>
Non-controlling interests	16.647	16.414
Equity of the parent	4.941	5.046
<b>Total Liabilities &amp; Equity</b>	<b>64.408</b>	<b>47.472</b>

## SUMMARY INCOME STATEMENT

TL million	30.09.2019	30.09.2018
Revenues	32.447	18.138
Cost of sales (-)	(22.105)	(12.094)
<b>Gross Profit</b>	<b>10.342</b>	<b>6.044</b>
Operating expenses (-)	(7.387)	(4.364)
Other operations income/(expense)	(311)	(142)
Gain/(Loss) from investments accounted through equity method	(290)	(772)
<b>Operating Income/(Loss) (EBIT)</b>	<b>2.354</b>	<b>766</b>
Income /(expense) from investment operations	563	(2)
Financial income/(expense)	(1.795)	(2.119)
<b>Income/(Loss) Before Tax from Continuing Operations</b>	<b>1.122</b>	<b>(1.355)</b>
Tax income/(expense)	(453)	(116)
<b>Net Income/(Loss)</b>	<b>669</b>	<b>(1.471)</b>
<b>Net Income/(Loss)</b>		
Non-controlling interests	897	(35)
Equity holders of the parent	(228)	(1.436)

## SUMMARY FINANCIALS – UNLISTED COMPANIES

TL million	Net Sales		EBITDA		Net Income		Net Debt	
	9M18	9M19	9M18	9M19	9M18	9M19	2018	9M19
McDonalds	578	748	26	40	-12	2	89	49
Anadolu Motor	97	72	1	0	-31	-41	101	49
Efestur	42	47	1	0	0	0	-1	-1
AND Anadolu Gayrimenkul	44	35	23	12	-105	-33	359	408
GUE	57	62	39	41	-6	-65	576	609
Aslancık Elektrik	93	128	48	64	-211	-14	662	511
Çelik Motor	1.737	1.748	294	196	-327	-181	1.920	1.421

## INVESTOR RELATIONS CONTACTS

Please visit our website at <https://www.anadolugrubu.com.tr/en> for financial reports and further information regarding Anadolu Group Holding.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

*This document may contain certain forward-looking statements concerning for future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.*