

## ANADOLU EFES FY2020 VOLUME RESULTS

Istanbul, January 8, 2021 – Anadolu Efes (BIST: AEFES.IS) today announced:

	Restated*				Restated*		
	4Q2019	4Q2020	% change		FY2019	FY2020	% change
Beer Group (mhl)	8.6	8.2	-4.1%		36.2	36.2	0.2%
Turkey Beer	1.3	1.1	-13.4%		5.4	4.6	-13.6%
International Beer	7.3	7.1	-2.4%		30.8	31.6	2.6%
Coca-Cola Icecek (m u/c)	203.0	226.7	11.7%		1,207.4	1,183.9	-1.9%
Turkey	98.7	105.9	7.3%		553.9	512.3	-7.5%
International	104.3	120.8	15.8%		653.7	671.7	2.8%
Anadolu Efes Consolidated (mhl)	20.1	21.1	4.9%		104.7	103.5	-1.2%

1 hectoliter (hl) is 100 liters

1 unitcase (uc) is 5.678 liters

\*Restatement represents classification of Doğadan business as discontinued operations.

## ANADOLU EFES CONSOLIDATED

2020 volume performance of each business segment of Anadolu Efes demonstrates the resilience and ability to respond to unprecedented challenges as well as quickly adapting to the significantly changing landscape.

Anadolu Efes posted 4.9% **consolidated sales volume** growth in 4Q2020 despite increased restrictions and lock downs in the period. The volume growth in 4Q was attributable to soft-drink operations where both domestic and international soft drink operations were resilient and contributed to volume growth. Beer group volume was down year-on-year in 4Q, in line with our conservative outlook, due to increased COVID-related restrictions, especially in Russia. The volume shortfall in the first half of the year was largely compensated in the second half, with consolidated year-on-year sales volume decline merely 1.2% in FY2020. As a result, Anadolu Efes consolidated volume reached 103.5 mhl in FY2020.

## BEER GROUP

**Beer Group** volume slightly grew year-on-year and reached to 36.2 mhl in FY2020. Despite substantial headwinds in 4Q, this result outperforms our guidance of mid-single digit decline for the full year.

**Turkey beer** total sales volume was 1.1 mhl in 4Q2020, down by 13.4% compared to 4Q2019. Thus, Turkey beer total sales volume reached to 4.6 mhl in FY2020, 13.6% below last year.

The volume performance especially in the first half of the quarter was more resilient than expected. However, on-trade sales limitations, weekend lockdowns and sales restrictions in off-trade which were introduced in the second half of 4Q adversely affected Turkey volume in this period. Nevertheless, the performance in 4Q was better than that of in 1Q and 2Q, despite tougher sales limitations during the quarter. Better export volume performance also supported the volume in the period.

We continued our investments in our brands and the market in 4Q to enhance the visibility as well as to improve our consumer touch.

**International Beer Operation's** consolidated sales volume reached 31.6 mhl, growing by 2.6% year-on-year in FY2020. However, 4Q2020 volume was down by 2.4% year-on-year at 7.1 mhl. Ukraine and Moldova contributed positively by posting volume growth in the quarter.

**Russian** beer volume showed low-to-mid-single decline in the quarter cycling a high base in 4Q2019, where the volume growth was high-single digit. The number of new COVID-19 daily cases were the highest ever during this period similar to the global trend. Increased restrictions together with intense competition continued to put pressure on volumes. Nevertheless, in FY2020, we were able to generate mid-single digit volume growth with higher volume and value share than FY2019. We benefitted from our premium segment focus as well as the expansion in the core segment and non-alcoholic segment, yielding a third consecutive year of growth.

**Ukraine** delivered high-single volume growth in the last quarter, despite total industry volume negatively impacted by increasing number of COVID cases. The development of global brands significantly supported volume performance this year.

In **CIS countries**, the volumes were down by low-to-mid single digit where all markets were affected by the increased number of COVID-19 cases and strict restrictive measures. The economy segment has shown growth in the period in each region. In Kazakhstan, the market was further impacted by the decline in purchasing power. In Moldova, favorable weather conditions helped to slow down market decline leading to volume growth in the last quarter. In Georgia, volume was significantly under pressure due to low tourism in the country with very limited sales in on-trade.

## **SOFT DRINK GROUP**

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4Q2020 showed strong volume growth of 11.7% year-on-year **on a consolidated basis** with all countries' positive contributions except for Tajikistan. Turkey's sales volume grew by 7.3%, while consolidated international operations grew by 15.8% year-on-year. Our sparkling business continued to outperform, growing by 20.2% year-on-year. The sparkling category's growth came on the back of 24.8% growth of brand Coca-Cola™ and double-digit growth achieved in Fanta and Sprite brands. The sparkling category grew by double digits in both Turkey and International markets. The stills category recovered significantly compared to previous quarters, recording a limited decline of 1.1% year-on-year cycling a solid 14.5% growth of the last year. The 23.2% contraction in the water category is driven by our value focus, prioritizing small packs and premium extensions vs. large packs with lower profits. In FY2020, consolidated sales volume declined by 1.9% to 1,183.9 million unit cases ("UC"). International operations' sales volume grew by 2.8%, delivering a more resilient performance during the year. The lower exposure to the on-premise channel and a higher share of the strong sparkling category were the main reasons for international operations' strong performance. Also, strong execution brought us sparkling category leadership in our largest international market, Pakistan. Sales volume in Turkey was down 7.5% year-on-year.

Demonstrating its importance in our consumers' lives even at the time of such pandemic, the sales volume of brand Coca-Cola™ increased by 7.7% year-on-year in FY2020 with growth in all our countries without exception. Accordingly, the sparkling category recorded a 3.9% growth in FY2020. On the other hand, the stills category contracted by 10.8% year-on-year in FY2020 while cycling a 5.1% growth in the previous year. As a result of our value focus, the water category volume declined by 27.4% year-on-year in FY2020.

**Turkey operations** recovered significantly compared to previous quarters while growing volume by 7.3% in 4Q2020 year-on-year. Activation of at-home occasions through strong collaboration with other FMCG companies, primarily focusing on multipacks, played an important role in growing volume. Our newly launched digital sales tools and well-managed consumer promotions through new digital platforms also

supported our strong performance. Our innovations in sparkling and stills categories and good weather were other positive factors, offsetting the negative impact of re-closure of the on-premise channel at the end of November. Cycling 3.2% growth a year ago, Turkey's total sales volume contracted by 7.5% in FY2020 year-on-year to 512.3 million UC.

The sparkling category had an outstanding performance in 4Q2020 and grew by 18.1% year-on-year despite cycling a robust growth of 15.8% a year ago. Coca-Cola™'s remarkable volume growth of 24.3% in 4Q2020 was the main driver of the sparkling category growth, while Fanta and Schweppes were other contributors. The userbase of Coca-Cola™ stayed at the high season level in Q4 due to increased consumer communication, promotion, and in-store activation support. While cycling a strong growth of 3.8% a year ago, the sparkling category remained flat in FY2020 on the back of the last two quarters' good performance.

The stills category improved significantly in 4Q2020 compared to the previous quarter and grew by 1.4% year-on-year despite cycling 12.9% growth. The main drivers were iced tea with 5.1% year-on-year volume growth and the recovery in a juice segment compared to earlier quarters. Due to softer performance in the second and third quarters, the stills category contracted by 13.3% year-on-year in FY2020. The water category was down by 22.8% year-on-year in 4Q2020, bringing the yearly decline to 28.3%. The contraction in the water category mainly stemmed from our value-based approach prioritizing profitable packs.

Our efforts to increase the share of immediate consumption packages in all categories mitigated the negative effect arising from the closure of the on-premise channel to some extent; therefore, IC share in FY2020 decreased to 25% from 33% in FY2019.

**International operations** maintained its positive trend with growth in each month throughout the last quarter of the year. Consolidated sales volume of international operations increased by 15.8% year-on-year in 4Q2020 with all countries contributing to growth except for Tajikistan, where adverse weather and macro-economic factors played a role in contraction. In FY2020, the consolidated sales volume of international operations grew by 2.8% year-on-year to 671.7 million UC, led by a remarkable 6.5% year-on-year growth of the sparkling category.

**Pakistan** operations continued to deliver substantial recovery during 4Q2020. Sales volume was up by 32.1% year-on-year in 4Q2020, bringing yearly growth to 5.2% in FY2020. This growth was built on strategic consistency and operational excellence. CCI continued its focus on at-home consumption by successfully executing consumer promotions, focused regional plans, and consistently improving execution. In FY2020, the sparkling category grew by 5.4% year-on-year, supported by 11.4% year-on-year growth in Coca-Cola™. While in 4Q2020, the sparkling category grew by 32.9% year-on-year with double-digit growth across Coca-Cola™, Sprite & Fanta. The water category recovered significantly in 4Q2020, growing 20.1%, bringing full-year growth to 6.2%. CCI Pakistan consistently outperformed the market and achieved FY2020 sparkling share leadership in 4Q2020. While Coca-Cola™ continues to be the leader in Colas, Sprite also performed well.

In the **Middle East**, sales volume in 4Q2020 increased by 4.9%, with growth in both Iraq and Jordan operations. In Iraq, total sales volume grew by 1.6% year-on-year in 4Q2020, supported by the sparkling category's double digits growth. Coca-Cola™ continued to be the most resilient, growing by 7.2% year-on-year in the same period. In FY2020, despite the solid growth of 6.9% in the sparkling category, a 37.4% contraction in the water category resulted in a 4.1% total volume decline in Iraq. Jordan operations continued its excellent performance in 4Q2020 and recorded a total growth of 24.7% in 4Q2020 and 16.0% in FY2020, primarily driven by sparkling growth.

In **Central Asia**, sales volume increased by 6.2% year-on-year in 4Q2020, bringing the full-year growth to 1.8% in FY2020 despite cycling 9.0% growth a year ago. The sparkling category grew by 7.3% year-on-year

in FY2020 with all countries in the region, contributing to growth without exception despite cycling 7.9% growth a year ago.

In **Kazakhstan**, 4Q2020 sales volume grew by 1.6%, cycling 16.2% growth in 4Q2019. FY2020 sales volume grew 0.4% year-on-year despite cycling strong growth of 13.9% a year ago. Coca-Cola™ and Schweppes led the 5.9% growth in the sparkling category in FY2020. The stills category contracted by 7.9% year-on-year in FY2020. Cycling 27.5% growth in FY2019, the water category declined by 26.0% year-on-year in FY2020.

In **Azerbaijan**, the total sales volume in 4Q2020 increased by 3.0%. Cycling 20.5% growth in FY2019, total sales volume in Azerbaijan decreased by 1.2% year-on-year. As in all countries, the sparkling category was the most resilient in Azerbaijan in FY2020, growing 5.9% driven by the strong performance of Coca-Cola™. Cycling 27.1% and 1.2% respective growth a year ago, the stills and the water category declined by 1.8% and 29.4% year-on-year, respectively.

**Turkmenistan** operations positively contributed to total volume, having started limited production in the third quarter. Without Turkmenistan, the volume growth of our international operations in FY2020 would have been 2.4%.

## ABOUT ANADOLU EFES

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Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with a total of 16,954\* employees, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI that manages international beer operations, and is the largest shareholder of CCI which manages the soft drink business in Turkey and international markets.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This document may contain certain forward-looking statements concerning our 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.

## ENQUIRIES

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For financial reports and further information regarding Anadolu Efes, please visit our website at <http://www.anadoluefes.com/> or you may contact

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\*As of September 30, 2020