CCI

Earnings Release

Istanbul, August 19, 2024

DEDICATED FOCUS ON QUALITY MIX CONTINUED TO DELIVER ROBUST RESULTS AMID VOLATILITY

2Q24 HIGHLIGHTS

- Sales volume **+0.7%**

With TAS 29:

- Net sales revenue (NSR) **-6.9%**
- EBIT **-1.5% y/y**
- EBIT margin **18.8%, + 104bps y/y**
- Net profit of **TL 5.4billion**

Without TAS 29:

- NSR **+61.6%**
- FX-Neutral NSR: **+24.1%**
- EBIT margin **20.4%, + 35bps y/y**
- Net profit of **TL 3.9billion**

Karim Yahi, CEO of Coca-Cola Içecek (CCI), commented:

Our second quarter performance was another testament to the resilience of our operating model and the strength of our people. Despite the external challenges, our focus on quality growth and operational excellence have enabled us to navigate this volatile environment effectively.

We are happy to report a consolidated revenue of TL 36.6 billion in 2Q24. Our focus on revenue growth management combined with cost control has paid off, leading to a 487 bps year-over-year improvement (y/y) in our gross margin. EBIT margin improved by 104 bps y/y to 18.8%, while Earnings per Share (EPS) was $0.66 in the quarter.

We managed to deliver $2.58 Net Sales Revenue/uc before TAS 29 – the highest among the second quarters of the last decade, implying a growth of 3.6% y/y in $ terms. Again, without TAS 29, our EBIT margin reached 20.4% - the highest second quarter margin of the last decade. This improvement reflects our ability to adapt to rapidly evolving market conditions, and drive efficiencies across the organization, while effectively locking in favorable hedges for commodities.

In 2Q24, Türkiye recorded 1.8% y/y volume growth, reaching 169 million uc. While Ramadan's pull-forward to 1Q capped y/y growth, effective trade promotions and active consumer marketing with UEFA Euro Cup activations have resulted in successful volume generation vs prior year and prior quarter. In international operations, we have recorded 0.1% y/y improvement after realizing 7.2% y/y decline in 1Q24.

Our purpose is to create value for all stakeholders. Hence, we are proud to share that our circular economy practices have been accredited by the International Finance Corporation (IFC). The IFC issued an umbrella loan of $250 million to CCI in Türkiye, Uzbekistan, Tajikistan, and Iraq, to reduce energy and water usage and to address the gender gap in our workplace, in line with our 2030 pledge.

Our disciplined approach to preserving balance sheet strength while maintaining flexibility, combined with our sustainable value generation has resulted in the reiteration of our BBB rating by Fitch despite the on-going economic and social volatility our markets are facing. This once again confirms our status as the highest-rated entity in Türkiye.

Looking ahead to 2024, we remain cautiously optimistic but are revising our full-year guidance to better reflect current consumer sensitivities and on-going macroeconomic challenges. We now expect flat to low single digit volume growth on an organic basis and low 30% levels of FX neutral revenue growth. We will put relentless effort to deliver in line with our previous EBIT margin guidance of "flat vs previous year". We do, however, see risk of a slight decline in EBIT margin vs previous year, if the operating environment deteriorates further. Incorporating this, we amend our EBIT margin guidance as "slight decline to flat vs last year".

Thanks to our talented team dedicated to creating sustainable value, we are mindful of ongoing macroeconomic challenges. Yet, we are confident in our strategic direction, the favorable fundamentals of our operating countries, and our ability to adapt to changing market dynamics to ensure CCI's continued profitable growth in the mid to long term.

Follow 20th August live event!

2Q24 Results Webcast;

16:00 Istanbul

14:00 London

09:00 New York

Click to access webcast

Key P&L Figures and Margins

TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

Consolidated (million TL)	2Q24	2Q23	Change %	1H24	1H23	Change %
Volume (million UC)	451	448	0.7%	793	801	-1.0%
Net Sales	36,600	39,315	-6.9%	66,119	67,988	-2.7%
Gross Profit	13,956	13,075	6.7%	23,766	21,896	8.5%
EBIT	6,896	7,000	-1.5%	10,378	10,419	-0.4%
EBIT (Exc. other)	**6,783**	**6,619**	**2.5%**	**10,210**	**9,999**	**2.1%**
EBITDA	8,319	7,955	4.6%	13,158	12,724	3.4%
EBITDA (Exc. other)	**8,101**	**7,979**	**1.5%**	**12,976**	**12,725**	**2.0%**
Profit Before Tax	6,773	7,147	-5.2%	11,743	12,218	-3.9%
Net Income/(Loss)	5,408	4,501	20.2%	8,352	7,948	5.1%
Gross Profit Margin	38.1%	33.3%		35.9%	32.2%	
EBIT Margin	18.8%	17.8%		15.7%	15.3%	
EBIT Margin (Exc. other)	**18.5%**	**16.8%**		**15.4%**	**14.7%**	
EBITDA Margin	22.7%	20.2%		19.9%	18.7%	
EBITDA Margin (Exc. other)	**22.1%**	**20.3%**		**19.6%**	**18.7%**	
Net Income Margin	14.8%	11.4%		12.6%	11.7%	

Türkiye (million TL)	2Q24	2Q23	Change %	1H24	1H23	Change %
Volume (million UC)	169	166	1.8%	287	278	3.2%
Net Sales	15,721	16,799	-6.4%	27,305	27,381	-0.3%
Gross Profit	6,592	4,992	32.0%	10,438	7,614	37.1%
EBIT	3,382	5,868	-42.4%	6,035	285	2020.9%
EBIT (Exc. other)	**2,309**	**1,264**	**82.6%**	**2,311**	**925**	**149.8%**
EBITDA	4,008	6,369	-37.1%	7,236	1,429	406.3%
EBITDA (Exc. other)	**2,907**	**1,895**	**53.4%**	**3,557**	**2,189**	**62.5%**
Net Income/(Loss)	3,032	-1,448	n.m.	4,840	-6,067	n.m.
Gross Profit Margin	41.9%	29.7%		38.2%	27.8%	
EBIT Margin	21.5%	34.9%		22.1%	1.0%	
EBIT Margin (Exc. other)	**14.7%**	**7.5%**		**8.5%**	**3.4%**	
EBITDA Margin	25.5%	37.9%		26.5%	5.2%	
EBITDA Margin (Exc. other)	**18.5%**	**11.3%**		**13.0%**	**8.0%**	
Net Income Margin	19.3%	n.m.		17.7%	n.m.	

International (million TL)	2Q24	2Q23	Change %	1H24	1H23	Change %
Volume (million UC)	282	282	0.1%	506	522	-3.2%
Net Sales	20,925	22,517	-7.1%	38,913	40,641	-4.3%
Gross Profit	7,402	8,090	-8.5%	13,403	14,314	-6.4%
EBIT	4,169	5,107	-18.4%	7,163	16,027	-55.3%
EBIT (Exc. other)	**4,188**	**5,096**	**-17.8%**	**7,272**	**8,563**	**-15.1%**
EBITDA	5,046	5,698	-11.5%	8,888	17,344	-48.8%
EBITDA (Exc. other)	**4,908**	**5,825**	**-15.7%**	**8,792**	**10,025**	**-12.3%**
Net Income/(Loss)	2,788	3,785	-26.3%	4,765	13,456	-64.6%
Gross Profit Margin	35.4%	35.9%		34.4%	35.2%	
EBIT Margin	19.9%	22.7%		18.4%	39.4%	
EBIT Margin (Exc. other)	**20.0%**	**22.6%**		**18.7%**	**21.1%**	
EBITDA Margin	24.1%	25.3%		22.8%	42.7%	
EBITDA Margin (Exc. other)	**23.5%**	**25.9%**		**22.6%**	**24.7%**	
Net Income Margin	13.3%	16.8%		12.2%	33.1%	

Operational Overview

Acquisition of 100% in Coca-Cola Bangladesh Beverages Limited ("CCBB") was completed on February 20th, 2024, and accordingly CCBB financial results are consolidated in our financials as of 1 March 2024. Therefore, all operational performance metrics presented in this release are on a reported basis (including CCBB), except indicated otherwise. Unit case data is not within the scope of independent audit.

Sales Volume

Following the 3.2% y/y volume decline recorded in 1Q24, CCI's consolidated volume in 2Q24 increased by 0.7% y/y, reaching 451 million unit cases ("uc"). Robust performance of Iraq and Azerbaijan; continued growth in Türkiye; and improved performance of Pakistan have paved the way for a better volume performance in the second quarter of the year. On an organic basis, excluding the impact of Bangladesh, CCI's volume would have been slightly down by 1.7%. Organic volume decline in 1Q24 was 4.1% y/y.

Category-wise, CCI continued to diversify its positioning between sparkling and the stills in line with our strategic direction. Accordingly, while sparkling volume slowed down by 1.6% y/y in 2Q24; stills volume continued its remarkable performance with 11.6% y/y improvement. This was also partly impacted by the fact that the international operations, where sparkling share is higher, had softer volumes. Consequently, the share of stills category – which includes iced teas, energy drinks and fruit juices – has further improved by 82bps y/y to 8.5% in 2Q24.

Quality mix focus continued in 2Q24 too with ongoing improvement in immediate consumption ("IC") package share and channel share. Accordingly, the share of IC packs increased by 289bps y/y in 2Q24, reaching 29.1%, on top of 133 bps improvement recorded in 2Q23. From a channel perspective, share of our volume in On-Premise increased by 53bps y/y, on top of 107bps surge realized in 2Q23.

	Change (YoY)		Breakdown		Change (YoY)	Breakdown
	2Q24	2Q23	2Q24	2Q23	1H24	1H24
Sparkling	-1.6%	-9.0%	82.1%	84.0%	-3.1%	81.4%
Stills	11.6%	-0.2%	8.5%	7.6%	11.3%	8.8%
Water	14.3%	-15.2%	9.5%	8.3%	8.0%	9.8%
Total	**0.7%**	**-8.9%**	**100%**	**100%**	**-1.0%**	**100%**

Totals may not add up due to rounding differences.

In 2Q24, **Türkiye** recorded 1.8% y/y volume growth, reaching 169 million uc. While Ramadan's pull-forward to 1Q capped y/y growth, effective trade promotions and active consumer marketing with UEFA Euro Cup activations have resulted in successful volume generation vs prior year and prior quarter. Continued focus on quality mix has yielded robust results fostering our strategic targets. Accordingly, in Türkiye, CCI recorded 5.7% y/y growth in Adult Sparkling Premium category including Schweppes; 27.2% y/y surge in Fuse Tea; 208bps y/y rise in the share of Traditional Trade and 155bps y/y improvement of IC package share – reaching 33.0%. Share of low/no sugar products in sparkling category has also advanced by 333bps y/y.

CCI recorded 0.1% y/y growth in **International** operations following 7.2% y/y decline in 1Q24. On an organic basis, second quarter volume was down by 3.7% y/y. Pakistan operations started to post better volume performance compared to previous four quarters. On a y/y basis, sales volume is only down by 5.1%, showing signs of normalization, considering 22.8% volume decline realized in 1Q24 y/y. Iraq and Azerbaijan continued to deliver strong results with 15.1% and 11.5% y/y growth, respectively.

In addition, our mix improvement strategies continued to deliver positive results in international operations too. Energy drinks category almost quadrupled with 3.6x y/y growth and Adult Sparkling Premium category including Schweppes posted 28.4% y/y improvement. IC share in international operations also surged by 365 bps y/y on top of 191 bps y/y expansion realized in 2Q23. In addition, the share of on-premise channel further advanced by 46 bps y/y.

In 2Q24, **Uzbekistan** sales volume was impacted by the introduction of excise tax as of 1st of April and high base of the same period last year. Accordingly, our volume declined by 6.6% y/y, cycling a robust 25.3% growth realized a year ago. Improved execution in the field continued to deliver strong results with cooler coverage reaching 77.3% vs 66.8% a year ago In addition, share of on-premise channel increased by 784bps y/y to 19%, the highest figure ever.

Kazakhstan, in line with our expectations, continued to be modest considering the lower consumer sentiment, move-back of foreign consumers to their countries, high base of last year and limited summer stocking - a practice that we undertake to keep up with summer demand, due to opening of our new plant. As such, we have recorded 10.2% y/y volume decline in 2Q24. The new plant in Kazakhstan will not only help with inventory management and capacity, but also create savings thanks to reduced distribution expenditures, faster delivery and better execution in the market, while generating higher production efficiencies. Despite softer volume performance, our volume market share in sparkling category has increased by 40 bps y/y as of June-end on a 12 month trailing basis vs last year.

Following the 22.8% volume reduction realized in 1Q24, **Pakistan** now recorded only 5.1% slow-down in 2Q24 vs same period last year – a result of both better macroeconomic environment and our commercial choices. Macroeconomic challenges continue to impact consumers' daily disposable income and affordability concerns impacting shopper preferences, yet the new economy management's actions started to show signs of improvement in inflation and consumer confidence. Accordingly, inflation in Pakistan has reduced to 12.6% as of June 2024 vs 29.4% a year ago and consumer confidence index improved by 4pp ytd. In addition, Pakistan and the IMF reached a three-year, $7 billion aid package deal, which fosters cautious optimism for the rest of the year. In this context, we have posted 288bps y/y improvement in IC share, demonstrating our strength in daily execution.

Financial Overview

Based on the CMB's decision dated 28 December 2023 and numbered 81/1820 and the "Implementation Guide on Financial Reporting in High Inflation Economies" published by the POA with the announcement made on 23 November 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of December 31, 2023.

As of June 30, 2024, an adjustment has been made in accordance with the requirements of TAS 29 ("Financial Reporting in High Inflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. TAS 29 requirements require that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods are rearranged in the same way. The indexing process was carried out using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TUIK").

The relevant figures for the previous reporting period are rearranged by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit valid at the end of the reporting period.

However, certain items from our financials are also presented without inflation adjustment for information purposes in order to give an idea of our performance relative to our 2024 forecasts, which we announced at the beginning of the year and which we stated were based on the financials without inflation adjustment. These unaudited figures are clearly labelled where relevant. All financial figures without such disclosure are reported in accordance with TAS29.

In 2Q24:

- **The net sales revenue ("NSR")**, decreased by 6.9% year-over-year and reached 36.6 billion TL with 7.6% y/y NSR/uc decline during the period. Excluding the impact of inflation accounting, NSR and NSR/uc growth was recorded as 61.6% and 60.4%, respectively thanks to timely revenue growth management actions. In addition, $-based NSR/uc before TAS 29 was realized as $2.58 – the highest among the second quarters of the last decade, implying a growth of 3.6% y/y in $ terms.

- Türkiye recorded 6.4% and 8.0% NSR and NSR/uc decline in 2Q24, respectively. Without TAS 29 adjustments, NSR in Türkiye grew by 61.2% and NSR/uc realized as TL90.6 with 58.4% y/y improvement thanks to continued focus on quality mix, as both adult premium category continued its strong growth momentum and higher revenue yielding packages and channels grew faster vs others (155bps y/y improvement of IC package share and 208bps y/y rise in Traditional Channel share).

- In the international operations, NSR was 7.1% lower y/y; while without the impact of TAS 29, NSR increased by 62.2% y/y. NSR/uc growth, on the other hand, realized as 62.0% y/y before TAS 29 in TL terms. Special focus on quality mix growth along positively impacted NSR in international operations, while due to macroeconomic challenges, price increases were either delayed or limited in certain markets. Nevertheless, international operations delivered $2.4 NSR/uc – up by 4.6% vs same period last year before TAS 29.

	Net Sales Revenue (TL mln)		**NSR per U.C. (TL)**	
	2Q24	**YoY Change**	**2Q24**	**YoY Change**
Türkiye	15,721	-6.4%	92.9	-8.0%
International	20,925	-7.1%	74.2	-7.2%
Consolidated	36,600	-6.9%	81.1	-7.6%

- **Gross margin** expanded by 487 bps to 38.1% y/y on a consolidated basis, mostly thanks to Türkiye's softer cost base. Without TAS 29, gross margin improvement on a consolidated level was 391 bps. In Türkiye, stronger TL against USD in real term basis, benign commodity prices- both through hedges and spot market- , and positive channel & product mix, resulted in better cost environment. Accordingly, Türkiye's gross margin improved from 29.7% in 2Q23 to 41.9% in 2Q24. Our international operations' gross margin slightly declined by 55 bps to 35.4% mostly due to our mindful choice of limited pricing actions, especially in Pakistan, lower volumes and higher cost base in certain raw materials.

- Our **consolidated EBIT margin** is up by 104 bps, reaching 18.8%, while without TAS 29 accounting, EBIT margin y/y improvement was 35 bps, tapping 20.4% - the highest 2Q EBIT margins realized in the last 10 years. EBIT/uc in USD terms also reached $0.53 excluding TAS 29, marking the highest level among the second quarters of last decade.

- **The EBITDA margin** improved by 249 bps to 22.7% in 2Q24. Without TAS 29 reporting, our EBITDA margin was 23.3% - up by 159 bps y/y.

- **Net financial expense,** including lease payables related to TFRS 16, was (2,576) million TL in 2Q24 compared to (1,687) million TL in 2Q23 due to the rise in interest rates, which was mitigated by the decrease in FX loss due to higher share of local currency borrowings.

Financial Income / (Expense) (TL million)	**2Q24**	**2Q23**	**1H24**	**1H23**
Interest income	333	274	681	495
Interest expense (-)	-2,120	-1,483	-4,129	-2,448
FX gain / (loss) – Borrowings	-316	-2,368	-829	-3,043
Other	-473	1,884	460	2,470
Financial Income / (Expense) Net	**-2,576**	**-1,693**	**-3,817**	**-2,526**

- **Non-controlling interest (minority interest)** was 52 million TL in 2Q24, compared to 278 million TL in 2Q23. Full ownership of Pakistan operations resulted in lower minority interest.
- **Net profit** is recorded as 5.4 billion TL in 2Q24 vs. 4.5 billion TL last year. The robust increase in net profit is mostly attributable to stronger operational profitability and monetary gains. Without TAS 29 accounting, net profit grew by 63.4% in TL terms, reaching 3.9 billion TL and USD EPS surging to $0.5 – up by 5.5% y/y.
- **The free cash flow** was (2.4) billion TL in 1H24 vs (3.2) billion TL of 1H23. Increased financial interest payments and higher investments in financial assets amid Bangladesh acquisition, we have still improved free cash flow y/y thanks to improvement in Net Working Capital ("NWC") management. Accordingly, NWC/NSR improved from 18.0% of June'23 to 4.3% as of June'24 thanks to extended payment terms and reduced days inventory outstanding, also cycling an unusually high base due to earthquake in Türkiye last year.

- **Capex** was 5.6 billion TL as of June 2024. 19% of the total capital expenditure was related to the Türkiye operation, while 81% was related to international operations. Capex/Sales was realized at 8.5% in the first half.
- **Consolidated debt** was 46.7 billion TL (USD 1.4 billion) by 30 June 2024 and consolidated cash was 25.5 billion TL (USD 777 million), bringing consolidated net debt to 21.2 billion TL (USD 642 million). Net Debt to consolidated EBITDA was 0.92x as of June 30, 2024.

Financial Leverage Ratios	**1H24**	**2023**
Net Debt / EBITDA	0.92	0.82
Debt Ratio (Total Fin. Debt / Total Assets)	32%	34%
Fin. Debt-to-Equity Ratio	85%	82%

- As of June 30, 2024, including the USD 150 million of a hedging transaction, 65% of our consolidated financial debt is in USD, 4% in EUR, 21% in TL, and the remaining 10% in other currencies.
- The average maturity of the consolidated debt portfolio is 2.9 years, and the maturity profile was as follows:

Maturity Date	**2024**	**2025**	**2026**	**2027**	**2028-30**
% of total debt	36%	17%	4%	3%	40%

Unaudited Highlighted Items Without the Impact of TAS 29

CCI is fully compliant with the regulation to implement TAS 29 (Financial Reporting in Hyperinflationary Economies) in accordance with Capital Markets Board Bulletin dated 28.12.2023 and numbered 2023/81 and therefore has presented its financials starting from the annual financial reports for the accounting periods ending on and after 31.12.2023 in line with the regulatory framework as above. The following section is presented without the impact of TAS 29 in order to allow an assessment of the material expectations/assumptions/guidance shared previously and is unaudited.

- Without the impact of TAS 29, NSR reached 37.6 billion TL in 2Q24, growing by 61.6% y/y.
- While gross profit margin improving by 391 bps in 2Q24 y/y thanks to softer cost base and timely revenue growth management actions, EBIT margin also was up by 35 bps and hence reaching 20.4% - the highest second quarter EBIT margin in the last 10 years
- Net income is recorded as 3.9 billion TL with 63.4% y/y improvement.

Consolidated (million TL)	2Q24	2Q23	Change %	1H24	1H23	Change %
Volume (million UC)	451	448	0.7%	793	801	-1.0%
Net Sales	37,606	23,273	61.6%	64,520	38,828	66.2%
Gross Profit	14,615	8,134	79.7%	24,496	13,294	84.3%
EBIT	**7,663**	**4,660**	**64.4%**	**11,988**	**7,003**	**71.2%**
EBITDA	**8,780**	**5,064**	**73.4%**	**14,012**	**7,971**	**75.8%**
Net Income/(Loss)	3,902	2,388	63.4%	5,486	3,423	60.3%
Gross Profit Margin	38.9%	34.9%		38.0%	34.2%	
EBIT Margin	**20.4%**	**20.0%**		**18.6%**	**18.0%**	
EBITDA Margin	**23.3%**	**21.8%**		**21.7%**	**20.5%**	
Net Income Margin	10.4%	10.3%		8.5%	8.8%	
Türkiye (million TL)	**2Q24**	**2Q23**	**Change %**	**1H24**	**1H23**	**Change %**
Volume (million UC)	169	166	1.8%	287	278	3.2%
Net Sales	15,331	9,511	61.2%	25,699	15,162	69.5%
Gross Profit	6,784	3,203	111.8%	11,161	4,968	124.6%
EBIT (Exc. other)	**2,798**	**1,185**	**136.2%**	**3,928**	**1,470**	**167.3%**
EBITDA (Exc. other)	**3,029**	**1,376**	**120.2%**	**4,406**	**1,833**	**140.4%**
Net Income/(Loss)	1,358	-1,200	n.m.	1,940	-4,579	n.m.
Gross Profit Margin	44.2%	33.7%		43.4%	32.8%	
EBIT Margin (Exc. other)	**18.3%**	**12.5%**		**15.3%**	**9.7%**	
EBITDA Margin (Exc. other)	**19.8%**	**14.5%**		**17.1%**	**12.1%**	
Net Income Margin	8.9%	n.m.		7.5%	n.m.	
International operations (million TL)	**2Q24**	**2Q23**	**Change %**	**1H24**	**1H23**	**Change %**
Volume (million UC)	282	282	0.1%	506	522	-3.2%
Net Sales	22,319	13,762	62.2%	38,913	23,684	64.3%
Gross Profit	7,867	4,934	59.5%	13,403	8,339	60.7%
EBIT (Exc. other)	**4,427**	**3,092**	**43.2%**	**7,272**	**4,988**	**45.8%**
EBITDA (Exc. other)	**5,209**	**3,542**	**47.0%**	**8,792**	**5,840**	**50.5%**
Net Income/(Loss)	2,942	2,547	15.5%	4,765	7,845	-39.3%
Gross Profit Margin	35.2%	35.9%		34.4%	35.2%	
EBIT Margin (Exc. other)	**19.8%**	**22.5%**		**18.7%**	**21.1%**	
EBITDA Margin (Exc. other)	**23.3%**	**25.7%**		**22.6%**	**24.7%**	
Net Income Margin	13.2%	18.5%		12.2%	33.1%	

FY 2024 Revised Guidance

The forward looking guidance below is given on an organic basis and without any potential impact from the implementation of TAS 29 (Financial Reporting in Hyperinflationary Economies) and may change as per TAS 29. In order to provide a comparison with our previously shared guidance on Jan 8th 2024, we again release the below guidance based on historical figures (i.e. without TAS 29).

We **revise** our full year guidance on **volume** from "*mid-single-digit growth*" to "*flat-to-low-single-digit growth*" on the back of lower purchasing power expectation and cautious consumer sentiment both reflecting the combination of lingering economic challenges with sensitivities resulting from the on-going conflict in the Middle East.

We are committed to creating quality value through investing ahead of demand in our geographies, executing effectively in the store, implementing Revenue Growth Management (RGM) actions and robust marketing plans. Our focus remains intact: "over time growing per capita NARTD consumption and creating value through our Quality Growth Algorithm (EBITDA growth > Revenue Growth > Transaction growth > Volume growth)." Accordingly, in order to find the optimal balance between volume and value growth, we are cautious in taking price increases in this macroeconomically challenging environment and we rely more heavily on other RGM actions to deliver top line growth. Nevertheless, with revised volume guidance and slower than initially planned price increases, we also **revise** our **FX-neutral Net Sales Revenue** growth guidance to *"low 30% growth"* from "*low 40s% growth*".

Timely hedges resulting in tight COGS control combined with relentless focus on strict opex management enable us to deliver value in this challenging environment. Despite lower volume and our cautious stance on price increases, we will put relentless effort to deliver in line with our previous **EBIT margin guidance** of "*flat vs previous year*". We do, however, see risk of a slight decline in EBIT margin vs previous year, if the operating environment deteriorates further. Incorporating this potential risk to our guidance, we amend our EBIT margin guidance as "*slight decline to flat vs last year".*

Our company's expectations for 2024 are as follows *(on an organic basis and without any potential impact from the implementation of inflation accounting):*

Sales Volume - *Revised*:

Flat-to-Low-single-digit volume growth on a consolidated basis;

- Low-to-Mid-single-digit growth in Türkiye
- Low-single-digit volume decline in the international operations

Net Sales Revenue - *Revised*:

Low 30s percentage FX-neutral NSR growth

EBIT Margin - *Revised*:

Slight-decline-to-Flat vs previous year

Accounting Principles

The consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting in Capital Markets. In accordance with article 5 of the CMB Accounting Standards, companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

As of June 30, 2024, the list of CCI's subsidiaries and joint ventures is as follows:

Subsidiaries and Joint Ventures	**Country**	**Consolidation Method**
Coca-Cola Satış ve Dağıtım A.Ş.	Türkiye	Full Consolidation
JV Coca-Cola Almaty Bottlers LLP	Kazakhstan	Full Consolidation
Azerbaijan Coca-Cola Bottlers LLC	Azerbaijan	Full Consolidation
Coca-Cola Bishkek Bottlers Closed J. S. Co.	Kyrgyzstan	Full Consolidation
CCI International Holland BV.	Holland	Full Consolidation
The Coca-Cola Bottling Company of Jordan Ltd	Jordan	Full Consolidation
Turkmenistan Coca-Cola Bottlers	Turkmenistan	Full Consolidation
Sardkar for Beverage Industry Ltd	Iraq	Full Consolidation
Waha Beverages BV.	Holland	Full Consolidation
Coca-Cola Beverages Tajikistan LLC	Tajikistan	Full Consolidation
Al Waha LLC	Iraq	Full Consolidation
Coca-Cola Beverages Pakistan Ltd	Pakistan	Full Consolidation
Coca-Cola Bottlers Uzbekistan Ltd	Uzbekistan	Full Consolidation
CCI Samarkand Ltd LLC	Uzbekistan	Full Consolidation
CCI Namangan Ltd LLC	Uzbekistan	Full Consolidation
Anadolu Etap Penkon Gıda ve İçecek Ürünleri A. Ş	Türkiye	Full Consolidation
Syrian Soft Drink Sales and Distribution LLC	Syria	Equity Method
Coca-Cola Bangladesh Beverages Ltd.	Bangladesh	Full Consolidation

EBITDA Reconciliation

The Company's "Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)" definition and calculation is defined as; "Profit/(loss) from operations" plus relevant non-cash expenses including depreciation and amortization, provision for employee benefits like retirement and vacation pay (provision for management bonus not included) and other non-cash expenses like negative goodwill and value increase due to change in scope of consolidation. As of June 30, 2024, and June 30, 2023, the reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

EBITDA (TL million) *TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented*	**2Q24**	**2Q23**	**1H24**	**1H23**
Profit / (loss) from operations	**6,896**	**7,000**	**10,378**	**10,419**
Depreciation and amortization	1,193	1,183	2,454	2,385
Provision for employee benefits	77	111	209	212
Foreign exchange gain / (loss) under other operating income / (expense)	105	-405	14	-421
Right of use asset amortization	48	65	104	129
EBITDA	**8,318**	**7,955**	**13,157**	**12,724**

Totals may not foot due to rounding differences.

Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey used by the Group's subsidiaries in Turkey. USD amounts presented in the asset accounts are translated into TL with the official TL exchange rate of USD buying on June 30, 2024, USD 1,00 (full) = TL 32,8262 (December 31, 2023; USD 1,00 (full) = TL 29,4382) whereas USD amounts in the liability accounts are translated into TL with the official TL exchange rate of USD selling on June 30, 2024, USD 1,00 (full) = TL 32,8853 (December 31, 2023; USD 1,00 (full) = TL 29,4913). Furthermore, USD amounts in the income statement are translated into TL, at the average TL exchange rate for USD buying for the period is USD 1,00 (full) = TL 31,6040 (January 1 - June 30, 2023; USD 1,00 (full) = TL 19,8612).

Exchange Rates	**1H24**	**1H23**
Average USD/TL	31,6040	19,8612
End of Period USD/TL (purchases)	32,8262	25,8231
End of Period USD/TL (sales)	32,8853	25,8696

The assets and liabilities of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences that occur in the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

Consolidated Income Statement CCI

TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

	Reviewed					
	January 1 - June 30			April 1 - June 30		
(TL million)	**2024**	**2023**	**Change (%)**	**2024**	**2023**	**Change (%)**
Sales Volume (UC millions)	**793**	**801**	**-1.0%**	**451**	**448**	**0.7%**
Revenue	66,119	67,988	-2.7%	36,600	39,315	-6.9%
Cost of Sales	-42,353	-46,092	-8.1%	-22,645	-26,239	-13.7%
Gross Profit from Operations	**23,766**	**21,896**	**8.5%**	**13,956**	**13,075**	**6.7%**
Distribution, Selling and Marketing Expenses	-10,239	-9,309	10.0%	-5,481	-5,056	8.4%
General and Administrative Expenses	-3,317	-2,588	28.2%	-1,692	-1,401	20.8%
Other Operating Income	1,587	2,055	-22.7%	868	1,532	-43.3%
Other Operating Expense	-1,419	-1,634	-13.2%	-755	-1,150	-34.4%
Profit/(Loss) from Operations	**10,378**	**10,419**	**-0.4%**	**6,896**	**7,000**	**-1.5%**
Gain/(Loss) From Investing Activities	-26	-80	67.2%	-8	-107	92.1%
Gain/(Loss) from Associates	-3	-19	81.8%	-1	-2	37.0%
Profit/(Loss) Before Financial Income/(Expense)	**10,348**	**10,321**	**0.3%**	**6,886**	**6,891**	**-0.1%**
Financial Income	1,878	5,233	-64.1%	505	3,169	-84.1%
Financial Expenses	-5,695	-7,759	-26.6%	-3,081	-4,862	-36.6%
Monetary Gain /(Loss)	5,213	4,424	17.8%	2,462	1,949	26.3%
Profit/(Loss) Before Tax	**11,743**	**12,218**	**-3.9%**	**6,773**	**7,147**	**-5.2%**
Deferred Tax Income/(Expense)	270	-1,095	n.m.	429	-1,114	n.m.
Current Period Tax Expense	-3,616	-2,825	28.0%	-1,741	-1,254	38.9%
Net Income/(Loss) Before Minority	**8,398**	**8,298**	**1.2%**	**5,460**	**4,779**	**14.3%**
Minority Interest	-45	-350	-87.0%	-52	-278	-81.3%
Net Income	**8,352**	**7,948**	**5.1%**	**5,408**	**4,501**	**20.2%**
EBITDA	**13,158**	**12,724**	**3.4%**	**8,318**	**7,955**	**4.6%**

Totals may not add up due to rounding differences.

Türkiye Income Statement

TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

	Reviewed					
	January 1 - June 30			April 1 - June 30		
(TL million)	**2024**	**2023**	**Change (%)**	**2024**	**2023**	**Change (%)**
Sales Volume (UC millions)	**287**	**278**	**3.2%**	**169**	**166**	**1.8%**
Revenue	27,305	27,381	-0.3%	15,721	16,799	-6.4%
Cost of Sales	-16,867	-19,767	-14.7%	-9,128	-11,806	-22.7%
Gross Profit from Operations	**10,438**	**7,614**	**37.1%**	**6,592**	**4,992**	**32.0%**
Distribution, Selling and Marketing Expenses	-5,936	-4,959	19.7%	-3,141	-2,782	12.9%
General and Administrative Expenses	-2,190	-1,730	26.6%	-1,143	-947	20.7%
Other Operating Income	4,484	7,739	-42.1%	1,518	5,491	-72.3%
Other Operating Expense	-761	-8,379	-90.9%	-445	-887	-49.8%
Profit/(Loss) from Operations	**6,035**	**285**	**2020.9%**	**3,382**	**5,868**	**-42.4%**
Gain/(Loss) From Investing Activities	-25	-124	-79.4%	-7	-151	-95.5%
Gain/(Loss) from Associates	0	0	n.m.	0	0	n.m.
Profit/(Loss) Before Financial Income/(Expense)	**6,010**	**161**	**3632.3%**	**3,375**	**5,717**	**-41.0%**
Financial Income	1,461	2,713	-46.1%	310	2,278	-86.4%
Financial Expenses	-6,848	-13,362	-48.8%	-2,666	-11,744	-77.3%
Monetary Gain /(Loss)	5,213	4,424	17.8%	2,462	1,949	26.3%
Profit/(Loss) Before Tax	**5,836**	**-6,065**	**n.m.**	**3,481**	**-1,800**	**n.m.**
Deferred Tax Income/(Expense)	762	757	0.7%	472	594	-20.5%
Current Period Tax Expense	-1,752	-719	143.7%	-904	-202	346.7%
Net Income/(Loss) Before Minority	**4,846**	**-6,027**	**n.m.**	**3,049**	**-1,408**	**n.m.**
Minority Interest	-6	-40	-84.1%	-18	-40	-55.5%
Net Income	**4,840**	**-6,067**	**n.m.**	**3,032**	**-1,448**	**n.m.**
EBITDA	**7,236**	**1,429**	**406.3%**	**4,008**	**6,369**	**-37.1%**

Totals may not add up due to rounding differences.

International Income Statement

TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

	Reviewed					
	January 1 - June 30			April 1 - June 30		
(TL million)	**2024**	**2023**	**Change (%)**	**2024**	**2023**	**Change (%)**
Sales Volume (UC millions)	**506**	**522**	**-3.2%**	**282**	**282**	**0.1%**
Revenue	38,913	40,641	-4.3%	20,925	22,517	-7.1%
Cost of Sales	-25,510	-26,327	-3.1%	-13,523	-14,428	-6.3%
Gross Profit from Operations	**13,403**	**14,314**	**-6.4%**	**7,402**	**8,090**	**-8.5%**
Distribution, Selling and Marketing Expenses	-4,303	-4,351	-1.1%	-2,340	-2,274	2.9%
General and Administrative Expenses	-1,829	-1,400	30.7%	-874	-720	21.5%
Other Operating Income	549	8,065	-93.2%	289	274	5.6%
Other Operating Expense	-658	-601	9.4%	-309	-263	17.3%
Profit/(Loss) from Operations	**7,163**	**16,027**	**-55.3%**	**4,169**	**5,107**	**-18.4%**
Gain/(Loss) From Investing Activities	-1	44	n.m.	-2	44	n.m.
Gain/(Loss) from Associates	-3	-19	81.8%	-1	-2	37.0%
Profit/(Loss) Before Financial Income/(Expense)	**7,159**	**16,052**	**-55.4%**	**4,166**	**5,149**	**-19.1%**
Financial Income	469	2,561	-81.7%	220	911	-75.8%
Financial Expenses	-1,327	-2,930	-54.7%	-791	-981	-19.4%
Profit/(Loss) Before Tax	**6,300**	**15,682**	**-59.8%**	**3,596**	**5,078**	**-29.2%**
Deferred Tax Income/(Expense)	58	-162	n.m.	12	-159	n.m.
Current Period Tax Expense	-1,554	-1,754	-11.4%	-785	-897	-12.5%
Net Income/(Loss) Before Minority	**4,804**	**13,767**	**-65.1%**	**2,823**	**4,023**	**-29.8%**
Minority Interest	-39	-310	-87.4%	-34	-238	-85.7%
Net Income	**4,765**	**13,456**	**-64.6%**	**2,788**	**3,785**	**-26.3%**
EBITDA	**8,888**	**17,344**	**-48.8%**	**5,046**	**5,698**	**-11.5%**

Totals may not add up due to rounding differences.

CCI Consolidated Balance Sheet

TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

(TL million)	Reviewed June 30 2024	Audited December 31 2023
Current Assets	**69,632**	**60,190**
Cash and Cash Equivalents	22,752	27,136
Investments in Securities	2,770	469
Trade Receivables	22,452	10,995
Other Receivables	287	150
Derivative Financial Instruments	184	176
Inventories	16,180	16,194
Prepaid Expenses	3,008	2,328
Tax Related Current Assets	465	792
Other Current Assets	1,532	1,950
Non-Current Assets	**78,372**	**77,215**
Other Receivables	159	168
Property, Plant and Equipment	47,117	43,950
Goodwill	5,485	5,794
Intangible Assets	22,165	24,074
Right of Use Asset	532	676
Prepaid Expenses	1,354	1,518
Deferred Tax Asset	1,522	724
Derivative Financial Instruments	38	42
Other Non-Current Assets	0	269
Total Assets	**148,004**	**137,406**
Current Liabilities	**62,296**	**51,775**
Short-term Borrowings	9,238	10,644
Current Portion of Long-term Borrowings	11,799	11,887
Bank borrowings	11,600	11,643
Finance lease payables	199	244
Trade Payables	31,093	23,196
Due to related parties	12,095	9,593
Other trade payables to third parties	18,998	13,603
Payables Related to Employee Benefits	513	451
Other Payables	5,854	3,111
Due to related parties	258	288
Other payables to third parties	5,596	2,822
Derivative Financial Instruments	369	347
Deferred Income	289	256
Provision for Corporate Tax	1,827	510
Current Provisions	1,187	1,205
Other Current Liabilities	128	167
Non-Current Liabilities	**30,915**	**29,556**
Long-term Borrowings	25,200	23,091
Financial lease payables	455	579
Trade Payables	3	6
Provision for Employee Benefits	846	913
Deferred Tax Liability	4,385	4,908
Derivative Financial Instruments	0	4
Deferred Income	25	55
Equity of the Parent	**47,487**	**49,004**
Minority Interest	7,306	7,070
Total Liabilities	**148,004**	**137,406**

Totals may not add up due to rounding differences.

CCI Consolidated Cash Flow

TAS 29 (Financial Reporting in Hyperinflationary Economies) implemented

(TL million)	Reviewed Period End	
	June 30 2024	**June 30 2023**
Cash Flow from Operating Activities		
IBT Adjusted for Non-cash items	**10,596**	**11,848**
Change in Tax Assets and Liabilities	-2,057	-1,407
Employee Term. Benefits, Vacation Pay, Management Bonus Payment	-213	-208
Change in other current and non-current assets and liabilities	-2,129	-6,698
Change in Operating Assets & Liabilities	-67	-913
Net Cash Provided by Operating Activities	**6,130**	**2,624**
Purchase of Property, Plant & Equipment	-5,319	-4,236
Other Net Cash Provided by/ (Used in) Investing Activities	-2,547	-1,348
Cash inflow/outflow from acquisition of subsidiary	-814	-3,746
Net Cash Used in Investing Activities	**-8,680**	**-9,330**
Interest Paid	-3,673	-1,850
Interest Received	673	495
Change in ST & LT Loans	4,010	4,822
Dividends paid (including non-controlling interest)	-2,104	-1,340
Cash flow hedge reserve	-244	10
Change in finance lease payables	-172	-240
Net Cash Provided by / (Used in) Financing Activities	**-1,510**	**1,898**
Currency Translation Differences	420	5,478
Monetary gain / loss on cash and cash equivalents	-744	-266
Net Change in Cash & Cash Equivalents	**-4,384**	**404**
Cash & Cash Equivalents at the beginning of the period	27,136	28,792
Cash & Cash Equivalents at the end of the period	**22,752**	**29,196**

Free Cash Flow	**-2,360**	**-3,207**

Totals may not foot due to rounding differences.

Investor Contacts:

Çiçek Uşaklıgil Özgüneş

Investor Relations and Treasury Director

Tel: +90 216 528 4002

E-mail: cicek.ozgunes@cci.com.tr

Melda Öztoprak

Investor Relations Senior Manager

Tel: +90 216 528 4367

E-mail: melda.oztoprak@cci.com.tr

Tuğçe Tarhan

Investor Relations Executive

Tel: +90 216 528 4119

E-mail: tugce.tarhan@cci.com.tr

Selim Çiriş

Investor Relations Analyst

Tel: +90 216 528 4324

selim.ciris@cci.com.tr

Media Contacts:

Burçun İmir

Chief Corporate Affairs and Sustainability Officer

Tel: +90 216 528 4209

E-mail: burcun.imir@cci.com.tr

CCI is a multinational beverage company which operates in Türkiye, Pakistan, Kazakhstan, Iraq, Uzbekistan, Bangladesh, Azerbaijan, Kyrgyzstan, Jordan, Tajikistan, Turkmenistan, and Syria. CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company and Monster Energy Beverage Corporation along with the production of fruit juice concentrate via its affiliate Anadolu Etap İçecek (Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret Anonim Şirket).

CCI employs more than 10,000 people, has a total of 33 bottling plants, and 3 fruit processing plants in 12 countries, offering a wide range of beverages to a population base of 600 million people. In addition to sparkling beverages, the product portfolio includes juices, waters, sports and energy drinks, iced teas and coffee.

CCI's shares are traded on the Borsa Istanbul Stock Exchange (BIST) under the symbol "CCOLA.IS".

Reuters: CCOLA.IS
Bloomberg: CCOLA.TI

Special Note Regarding Forward-Looking Statements

This document contains forward-looking statements including, but not limited to, statements regarding Coca-Cola İçecek's (CCI) plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements can generally be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "target," "believe" or other words of similar meaning. These forward-looking statements reflect the current views and assumptions of management and are inherently subject to significant business, economic and other risks and uncertainties. Although management believes the expectations reflected in the forward-looking statements are reasonable, at this time, you should not place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from CCI's expectations include, without limitation: changes in CCI's relationship with The Coca-Cola Company and its exercise of its rights under our bottler's agreements; CCI's ability to maintain and improve its competitive position in its markets; CCI's ability to obtain raw materials and packaging materials at reasonable prices; changes in CCI's relationship with its significant shareholders; the level of demand for its products in its markets; fluctuations in the value of the Turkish Lira and currencies in CCI's other markets; the level of inflation in Türkiye and CCI's other markets; other changes in the political or economic environment in Türkiye or CCI's other markets; adverse weather conditions during the summer months; changes in the level of tourism in Türkiye; CCI's ability to successfully implement its strategy; and other factors. Should any of these risks and uncertainties materialize or should any of management's underlying assumptions prove to be incorrect, CCI's actual results from operations or financial conditions could differ materially from those described herein as anticipated, believed, estimated, or expected. Forward-looking statements speak only as of the date of this press release and CCI has no obligation to update those statements to reflect changes that may occur after that date.