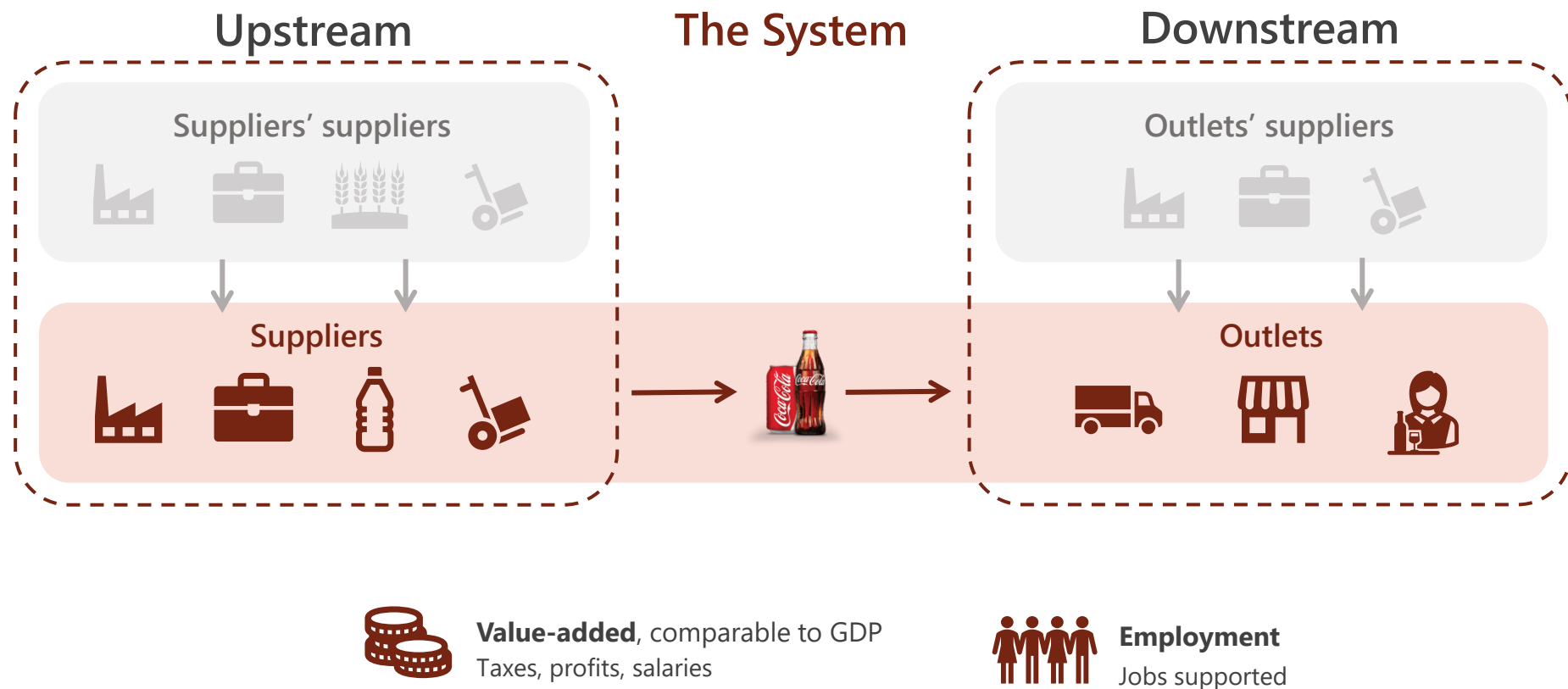




# The Coca-Cola System's 2023 impact in Bulgaria

Draft results

# The study quantifies the Coca-Cola System's impact along its value chain



## Key findings

TCCS is a local business, which adds value to the Bulgarian economy and supports quality employment opportunities



**5 units**

Make up the Coca-Cola System in Bulgaria



**411 million litres**

produced locally in Bulgaria in 1 plant and 1 water facility



**€ 114 million**

worth of goods and services purchased from Bulgarian suppliers



**€508 million**

value added supported in the economy across the value chain



**0.5%**

contribution to Bulgaria's gross domestic product



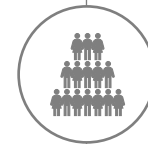
**€217 million**

supported in tax payments across the value chain



**3,270**

people employed directly by the System in Bulgaria



**12,400**

additional employment opportunities supported across the value chain



**1:4**

For each direct job at the system, there are 4 others supported elsewhere in Bulgaria

# Impact of TCCS in Bulgaria in 2023 in a nutshell

## Coca-Cola is a **local business**

- Coca-Cola is a local business, producing **411 m liters** in one plant and one water facility in Bulgaria
- The Coca-Cola System in Bulgaria consists of **5 different units**
- The System buys goods and services worth **€114 m** from domestic suppliers



## **€509 million** total income contribution

- The System generates **€120 m** incomes directly
- Indirectly, it supports **€78 m** in incomes upstream and is associated with **€311 m** downstream
- The total contribution equals **0.5%** of Bulgaria's GDP
- For every **€1** spent on Coca-Cola beverages leads to **€0.75** of incomes in Bulgaria



## Of the total incomes, **€217 m** is taxes

- The System pays **€26 m** in taxes and supports **€190 m** indirectly (of which **€113 m** in VAT)
- The amount equals nearly **1%** of Bulgaria's tax income; this is equal to around **2/3\*** of the government's spending on cultural services\*, or to the amount needed to fund the annual educational expenses of nearly **170,000** primary and pre-primary students\*\*



## **15,700 jobs** across the value chain

- The System employs **3,270** people in its production plants and offices
- The System supports **2,300** jobs upstream and is associated with **10,100** downstream
- Every job in the System supports **4** jobs elsewhere, of which **1** due to local production, and **3** from local sales



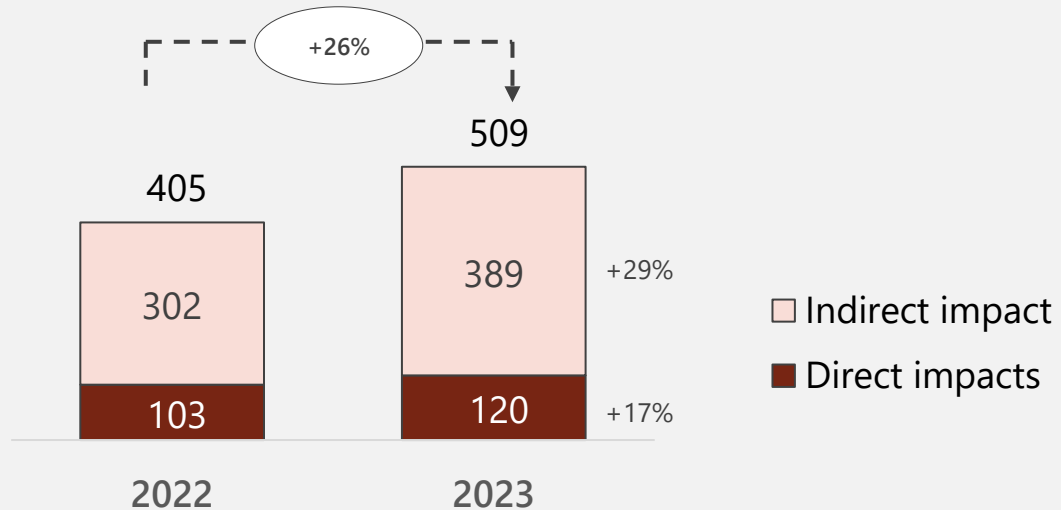
\* Government spending on cultural services in 2021 (latest reported) : €310 million (Eurostat);

\*\* Based on government spending on pre-primary and primary education and pupils enrolled at those levels in 2021 (€ 570 million spent and 453,403 pupils respectively, Eurostat)

# Both the value added and employment contributions of the System increased

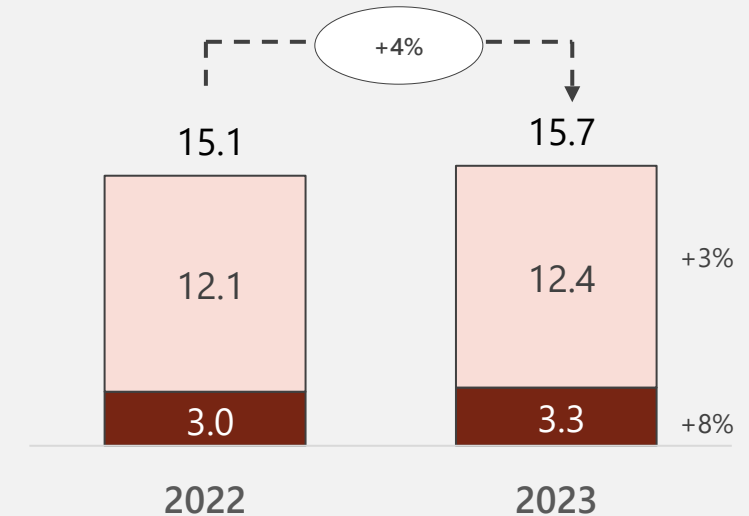
## Value added impacts (nominal)

EUR million



## Employment impacts

Thousands of people



### Value added increased by 26%

This impact growth is in line with the improved business performance of the System. CCHBC's sold 6% more volumes and generated nearly 20% more revenues

Indirectly, more value was supported upstream in the value chain due to increase in the value of domestic procurement (+28%)

Downstream, margins generated by outlets increased by nearly 31%, driven by the higher sales in the on-trade channel (+26%) and higher distributor mark-ups (21% vs 17% in 2022)

This growth in the domestic spending and the margins generated by outlets translated into more value supported throughout the value chain

### Employment impacts went up by 4%

Despite increase in sales, domestic sourcing and outlet margins, the employment impact increased by 4%

This is driven by the continuing trend of productivity improvements in the country's economy. Compared to the previous study, fewer employees are needed to generate the same amount of work. In the on-trade sector, the labour intensity has decreased by a quarter (same as in the manufacturing of sugar and some packaging materials sectors), while off-trade intensities decreased by 17%. For example, statistics used in this study show that it EUR1m in sales required 32 people in the on-trade sector, versus 32 people based on the previous study's model.

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