

# CCH – 2025 First quarter trading update

## Conference call script – 30 April 2025

### **CORPORATE PARTICIPANTS**

**Zoran Bogdanovic – Coca-Cola HBC AG - CEO**

**Anastasis Stamoulis - Coca-Cola HBC AG – CFO**

**Jemima Benstead - Coca-Cola HBC AG – Head of Investor Relations**

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Good morning everyone. Thank you for joining the call. I'm here with our CEO, Zoran Bogdanovic and our CFO, Anastasis Stamoulis.

We'll start with some opening remarks from Zoran and then open the floor to your questions. Please keep to one question and a follow up, waiting for us to answer the first question before moving to your follow up. We have about an hour for the call today, which should give plenty of time for a good discussion.

Finally, I must remind you that this conference call contains various forward-looking statements. These should be considered in conjunction with the cautionary statements in our trading update of this morning. And with that I will turn the call over to Zoran.

**Zoran Bogdanovic – Coca-Cola HBC AG – CEO**

Thank you, Jemima. And good morning everyone. Thank you for joining the call.

Let me start by calling out three key highlights from these results.

**First**, we've achieved another quarter of strong revenue growth, with good volume momentum, as well as revenue-per-case expansion. This is a strong start to the year, and I am really pleased that our results continue to demonstrate how our business can deliver quality growth, in a challenging and unpredictable macroeconomic and geopolitical backdrop.

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**Second**, we gained a further 130 basis points of value share in the non-alcoholic ready-to-drink market. This is a testament to our unique, 24/7 portfolio, and our focused execution to drive joint value creation for customers.

And **thirdly**, this strong start to the year, combined with our 24/7 portfolio, our bespoke capabilities and our proven track record, enables us to reiterate our 2025 guidance that we issued in February.

And now I'll share some detail on the **Q1 performance**, then Anastasis and I will be happy to take your questions.

Organic revenue grew **10.6%**, with volumes up **1.8%** and revenue per unit case up **8.7%**. Reported revenue grew 8.7%, as we continued to face some currency headwinds, although these were lower than in 2024.

We delivered another quarter of volume growth. I'm really pleased by this continued momentum and how we have adapted to the current environment, leveraging our 24/7 portfolio and execution excellence to achieve this.

Revenue per unit case also continued to expand, driven by both price and mix.

This was supported by our revenue growth management framework which allows us to take a segmented approach to pricing in all our markets, considering inflation, currency movements, and the competitive and regulatory environment. Pricing remained an important driver of growth in the quarter, due to the ongoing levels of high inflation in Africa, whereas in Europe, as expected, inflation remained at lower levels.

Our ongoing focus on improving both category and package mix drove good results, with total single-serve mix up a further 50 basis points overall in the quarter.

Our revenue growth management toolkit also enables us to meet demand from consumers for both affordability and premiumisation. In terms of affordability, we

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continued to focus on entry packs and smaller packs, as well as leveraging promotional activities.

When it comes to premiumisation, I want to call out a newer initiative that we have been implementing in Nigeria, targeting the premium consumer, to support our efforts to drive profitable growth. As we've spoken about before, jointly with The Coca-Cola Company, we are leveraging our Data, Insights and Analytics capabilities to segment consumers and customers. In the quarter, we further advanced our customer segmentation for specific consumer groups, with a focus on targeting the affluent urban consumer. In the targeted cities in Nigeria, we now have custom-build segmentation, and we're able to categorise affluency per outlet, per city. In these specific outlets we're activating our premium portfolio, namely cans, Energy, Schweppes and Juice, and we can execute hyper-personalised communication and marketing activities. It's early days, but just to give one data-point, Schweppes volumes grew mid-teens in Q1 in Nigeria.

Another initiative I want to highlight, which Ruchika mentioned at the bitesize event last year is our HoReCa segmentation approach, where we can now leverage our data-driven segmentation to offer each HoReCa client a relevant assortment of premium products.

Now turning to performance by category.

**Sparkling** performance remains resilient, with volumes up 1.1% in the quarter. Trademark Coke grew low-single digits, with Coke Zero growing high-single digits.

We activated Coke & Meals campaigns across many markets throughout the period, leveraging what continues to be the biggest consumption occasion of Coca-Cola. And I'm really excited that as of early April, nearly all our markets have started activating the "Share a Coke" campaign, which will continue through the summer. The last time we did this campaign was over 10 years ago. It was a great success back then, and we're excited to see the impact this year for newer consumers.

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**Energy** growth remains very strong, with volumes up over 25%, despite tough comparatives. After the successful launch of Monster Green Zero Sugar last year, we continued to build stronger distribution of the brand in our markets. We introduced new innovations of Monster, such as Rio Punch, which we launched in 10 markets in the quarter.

We also introduced various local marketing activations. For example, in both Nigeria and Egypt, we launched local campaigns and partnerships with Chelsea Football Club to activate Predator and Fury. Both brands saw strong double-digit growth despite tough comparatives.

I want to take a moment to explain the performance in **Coffee**. As I mentioned at the full-year 2024 results, we have made the joint decision with our partners at Costa Coffee to prioritise further strengthening Coffee in the out-of-home channel, rather than the at-home channel, because that is where we see the greatest potential for sustainable, profitable growth. In the quarter, we achieved good results from the out-of-home channel, with volume growth of 19%, from both existing outlets and newly recruited outlets.

However, as we shift away from the at-home channel this means there will be an impact on total coffee volumes in the short-term, which is why we saw an 8% volume decline in the quarter.

Let me reiterate, we remain very positive about the Coffee category in the long-term, and still see significant white space opportunities. We have a strong, credible business with unique competitive advantages. This strategic shift will allow us to continue capitalising on that position, as we leverage our innovative tools and services to add value to both our customers and consumers.

Moving to **Stills**, where volumes grew 2.1%. Water grew mid-single digits and we continued to focus on driving profitable growth. Sports Drinks continued to grow well, up low-teens, as we leveraged relevant global and local partnerships mostly connected to running, to drive transactions. In each of our markets we are taking a local approach for

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sponsorships of Powerade – for example a half marathon in Athens, The Women's Ice Hockey World Championships in the Czech Republic, and the Vienna City marathon. From Q2, Powerade will be venturing more into the football space globally, partnering with FIFA Clubs World Cup, and having signed two global ambassadors.

Finally, **Premium Spirits** also had a good start to the year, and I'm excited that we've just launched the new Finlandia marketing campaign in nearly all our markets. We're also launching the adult-ready-to-drink, Bacardi and Coke, in 8 markets.

Moving to **Sustainability**, which is a key priority and growth enabler for us. I am very proud of our leadership in this area, and our continued focus on packaging circularity. In January, Austria launched a Deposit Return Scheme, with encouraging first results. DRS are now live in nine of our markets, and we expect two more to come later in the year. In general, we continue to see the transitions to DRS progressing in line with plans and customers and consumers are responding positively.

In January, we launched the first-ever Coca-Cola System-owned and operated packaging collection facility in Nigeria, which can process up to 13,000 tonnes of plastic bottles per year, and is an important step in reducing waste by collecting and recycling packaging in Nigeria.

Now, turning to performance by segment.

In **Established**, net sales revenue grew by 2.1%, with volumes broadly flat, and price/mix continuing to grow at a low-single digit level.

I'm pleased with the volume performance, which also includes some impact from fewer selling days and a later Catholic Easter than 2024. When it comes to categories, we achieved good performance in Established from Coke Zero, Energy, Sports Drinks and Premium Spirits.

In **Developing** markets, net sales revenue grew by 4.6%, led by revenue per case expansion.

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Volumes declined 2.5%, also impacted by fewer selling days and a later Catholic Easter than 2024. Hungary and the Czech Republic saw good volume growth, but Poland volumes declined against a tough comparative. Similar to the Established markets, we saw good performances from Coke Zero, Energy, Sports Drinks and Premium Spirits.

Finally, in our **Emerging** markets we delivered organic revenue growth of 20.3%. Revenue per case expansion continued to be the main driver of our revenue growth, as we navigated the impact of weaker currencies and high inflation in both Nigeria and Egypt.

That said, I'm pleased with the volume growth of 3.5% in the quarter, despite ongoing volatility in individual markets. Categories and brands that performed particularly well were Energy, and Coke Zero.

And now, looking ahead to the rest of 2025, we continue to expect a challenging and unpredictable macroeconomic and geopolitical outlook. Despite this, we remain confident in our ability to navigate through periods of volatility, with agility, supported by our 24/7 portfolio, our bespoke capabilities, our close customer partnerships, and our people who remain close to the market. We remain on track to deliver against our financial guidance for 2025, that we set in February.

Finally, I would like to thank all our people and partners for their dedication. As always, it is this collaboration that allows us to drive sustainable, profitable growth and continue to create value for all of our stakeholders, in a range of market conditions. I look forward to working together to deliver on our guidance for the year and to prepare for the years ahead.

Thank you for your attention. With that, let us now open up the floor to questions.

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*---- Q&A transcript will be available on the company's website ----*

**Zoran Bogdanovic – Coca-Cola HBC AG – CEO**

Thank you operator.

I would like to thank everyone for taking part in today's call and I look forward to catching up with you again soon.

We wish you all a good day. Goodbye.