S&P Global
Ratings

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Coca-Cola HBC AG

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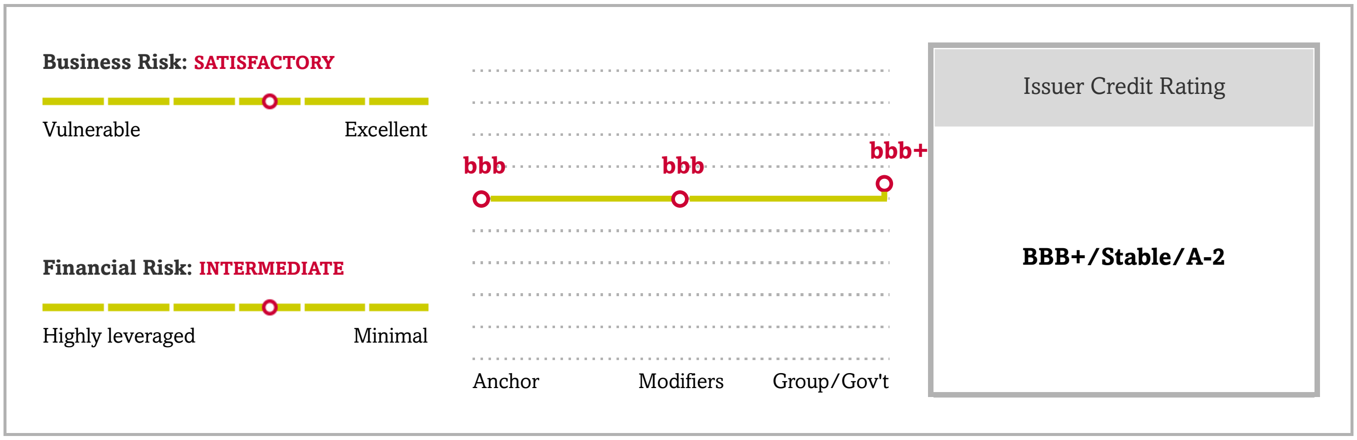
Coca-Cola HBC AG



Credit Highlights

Overview

Key strengths	Key risks
Leading market position in 28 countries, supported by a portfolio with a very strong brand equity.	Exposure to low-growth Western European markets with changing consumer habits, and stricter health regulations.
Presence in large emerging markets with positive long-term growth prospects like Nigeria.	The trademark Coca-Cola range accounts for the majority of revenue but is still growing strongly in emerging markets.
Strategy of shifting toward low-calorie sparkling beverages, energy, water, and coffee aligned with The Coca-Cola Company.	Foreign exchange volatility due to large operations in Nigeria and Russia.
Limited risk of large mergers and acquisitions, and a prudent financial policy.	Capex intensity, driven by modernization of production and distribution.

The solid financial position should enable the company to weather the storm in 2020. Coca-Cola HBC AG (CCH) entered the pandemic-driven crisis in good financial health with a strong liquidity position and no near-term refinancing risks. The company funded its main financing needs back in 2019, after issuing about €1.8 billion of senior unsecured notes, significantly prolonging maturities in the process. We believe the company maintains sufficient liquidity sources to redeem the remaining €563 million maturing June 2020, and fund operational and financing needs through the next 24 months.

Solid business position despite near-term disruptions from the COVID-19 pandemic. CCH benefits from well-established market positions across all of its geographies due to the strong brand equity of the Coca-Cola beverages and its distribution reach. In line with overall strategy of The Coca-Cola Co. (TCCC; A+/Negative/A-1), CCH continues to invest in product and packaging innovation across all product categories, with a view to increase revenue per unit. CCH is also trying to diversify and grow scale in other large beverage categories like water and coffee. While the out-of-home and foodservice channels are likely to remain disrupted for some time, we think that CCH will continue to invest in these channels. That said ecommerce's strategic importance is likely to necessitate further investments from CCH.

The risk of large mergers and acquisitions is limited and there is a clear shareholder remuneration policy. We think that large M&A risk is limited because of the scarcity of Coca-Cola licenses available in nearby countries, and TCCC's decision to retain ownership of Coca-Cola Beverage Africa last year. The company has a consistent public financial policy of maintaining reported net debt to EBITDA between 1.5x and 2.0x. While external growth will remain part of

CCH's long-term business strategy, we think that the strategy will revolve around small bolt-on acquisitions to complement its existing product portfolio. Shareholder remuneration is also consistent with a clear dividend policy, while extraordinary dividends like in 2019 occur only if net leverage remains in check.

Outlook: Stable

The stable outlook reflects S&P Global Ratings' view that despite near-term challenges like weak demand in the out-of-home channel as a result of the COVID-19 pandemic, CCH should be able to maintain adjusted debt to EBITDA of about 2.0x-2.5x over the next 24 months. This is supported by the company's very strong market position in soft drinks, a defensive consumer staples category, that should enable it to generate positive free operating cash flow of over €150 million per year.

Downside scenario

CCH's ratios currently afford comfortable headroom for the 'BBB+' rating. Nevertheless, we could consider lowering the rating on CCH, if we see material weakening in credit metrics beyond our current base case. For example, if we observed S&P Global Ratings-adjusted operating margins falling below 12.0%, resulting in adjusted debt to EBITDA of above 3.0x for a protracted period of time. This could occur if global macroeconomic conditions did not improve in 2021, with persistently very weak consumer demand, and lack of footfall in the out-of-home channel for a prolonged period of time, combined with increased challenges in the retail channel.

Upside scenario

We could raise the rating on CCH if we see sustained stronger-than-expected free cash flow growth, resulting in free operating cash flow (FOCF) to debt comfortably above 25% and adjusted net debt to EBITDA remaining at the lower end of the policy range of 1.5x-2.0x. This could occur if we see a very sharp bounce back in trading conditions over the next 12-18 months, with complete restoration of activity in the out-of-home channel. Given the capital intensity of the business, under such a scenario, an upgrade would also require a firm commitment to maintain reported net debt to EBITDA closer to 1.5x. This would therefore entail an amendment to its stated target policy.

Our Base-Case Scenario

Assumptions

Our base-case for 2020-2021 assumes:

- Overall revenue decline of about 11.0%-13.0% in 2020 compared with 2019, to €6.1 billion-€6.3 billion. We forecast a rebound in growth to close to 10.0% in 2021.
- Drop in S&P Global Ratings' adjusted EBITDA margin to about 14.0%-14.5% in 2020, mostly due to an unfavorable product mix (away from single-serve) and the group's overall operational leverage. We forecast a rebound in margins to 15.0%-16.0% in 2021, assuming smooth restoration of the footfall across the out-of-home channel and increased consumer demand across key categories.
- FOCF of about €150 million-€200 million in 2020 and about €300 million-€350 million in 2021. Our expectations for

2020 incorporate €400 million-€450 million of capital expenditure (capex) and working capital outflows of about €50 million–€60 million related to lower sales activity throughout the year.

- Common ordinary dividend distribution of about €229 million in 2020, and our assumption for about 35%-45% of ordinary dividend distribution in 2021, in line with the company's publicly stated target policy.
- No acquisitions in 2020 and 2021, although we understand that management will continue to screen for value accretive bolt-on opportunities.

Based on these assumptions, we arrive at the following credit measures:

- Adjusted debt to EBITDA of about 2.4x-2.5x in 2020, and about 2.0x in 2021.
- Funds from operations (FFO) to debt of 30%-35% in 2020, and 35.0%-40.0% in 2021.
- FOCF to debt of about 5%-10% in 2020 and 15%-20% in 2021.

Key Metrics

Coca Cola HBC AG--Key Metrics

	2019A	2020F	2021F
EBITDA Margin (%)	15.9	14.0-14.5	15.0-16.0
Debt/EBITDA (x)	1.7	2.4-2.5	~ 2.0
FFO/Debt (%)	45.0	30.0-35.0	35.0-40.0
FOCF/Debt (%)	20.9	5.0-10.0	15.0-20.0

*All metrics are on S&P Global Ratings adjusted basis. A--Actual. F--Forecast. FFO--Funds from operations. FOCF--Free operating cash flow.

Base-case projections

Material decline in revenue and EBITDA in 2020 as the higher-margin out-of-home channel remains mostly closed in the second quarter, with our expectations for no meaningful recovery until first-quarter 2021. CCH reported about 27.3% decline in volume (excluding the Bambi acquisition) and a 37.2% decline in revenue (foreign currency-neutral) in April, with the out-of-home channel representing just over 40% of total net revenue. Under our base case, we forecast an overall decline of about 25% in volumes and one-third in revenues in the second quarter (relative to 2019), and a further decline of close to 9% in revenue and 12% in volume in the third quarter. We do not forecast a return to growth until first-quarter 2021. In our view, in the near term, subdued consumer confidence and lower footfall in the out-of-home channel will persist, with social distancing measures remaining the norm until at least the end of 2020. Online channel opportunities will only partially offset lost volumes. In 2020, we project an overall net sales decline of up to 13% relative to 2019, with a reported operating margin decline to close to 14%. Our forecasts for reduced margins in 2020 reflect mostly negative product mix and overall operational leverage of the business, only partially offset by identified cost saving measures.

We expect a return to positive growth dynamics in 2021 on the back of our expectations that global macroeconomic conditions will stabilize and assuming no further infection waves and lockdowns. We forecast a return to volume growth of up to 5%-6% and net sales growth of up to 10% in 2021, as the out-of-home channel adjusts to the new norm. Assuming no further disruptions and lockdowns, and some rebound in global macroeconomic conditions, CCH's revenue growth should be further supported by some large sporting events, some of which directly affect most of its geographies (e.g. the European Football Championship). We also expect the overall product mix will improve and pressure from operational leverage will subside, which should lead to a restoration in overall margins to 2019's level of about 15.0%-16.0%.

Continued strong positive FOCF will allow relatively smooth deleveraging to about 2.0x in 2021. Our projections for FOCF in 2020 factor in still relatively high capex intensity, reflecting increased capacities for some growth projects such as the Costa Coffee rollout. Assuming stabilization in working capital movements in 2021 and bounce back to a growth trajectory, we anticipate FOCF will return to previous levels of above €300 million, which should drive deleveraging to the upper end of the stated target financial policy range by the end of 2021.

Company Description

Headquartered in Switzerland, CCH is soft drinks, beverages, waters, coffee, and juices branded manufacturer. The company produces and distributes most of its products under an exclusive license from TCCC. CCH in its current form and shape traces its formation back to 2000, when Greece-based Hellenic Bottling Company S.A. acquired Coca-Cola Beverages Limited.

CCH produces over 2 billion unit cases per year from 56 manufacturing plants. It has operations in 28 countries with its main markets being Russia, Italy, and Nigeria, which together accounted for about 39% of the total volumes and 35% of revenues in 2019. In 2019, CCH reported total revenue of about €7.0 billion and adjusted EBITDA of approximately €1.1 billion.

As of Dec. 31, 2019, approximately 23% of CCH's share capital is owned by TCCC, a further 23% by Luxembourg-based private investment holding company, Kar-Tess Holding, with the remainder freely floating on the London and Athens stock exchanges.

Peer Comparison

Table 1

Coca-Cola HBC AG--Peer Comparison				
Industry sector: Beverages				
	Coca-Cola HBC AG	**Coca-Cola European Partners PLC**	**Coca-Cola Femsa S.A.B. de C.V.**	**Refresco Group B.V.**
Ratings as of June 3, 2020	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB+/Negative/--	B+/Stable/--
	--Fiscal year ended Dec. 31, 2019--			
(Mil. €)				
Revenue	7,026	12,017	9,188	3,897
EBITDA	1,116	2,207	1,767	428
Funds from operations (FFO)	833	1,851	1,319	282
Interest expense	77	110	318	155
Cash interest paid	72	86	221	138
Cash flow from operations	860	1,818	1,269	273
Capital expenditure	473	602	555	202
Free operating cash flow (FOCF)	387	1,216	714	71
Discretionary cash flow (DCF)	(739)	(363)	362	63

Table 1

Coca-Cola HBC AG--Peer Comparison (cont.)

Industry sector: Beverages

	Coca-Cola HBC AG	Coca-Cola European Partners PLC	Coca-Cola Femsa S.A.B. de C.V.	Refresco Group B.V.
Cash and short-term investments	1,532	316	964	248
Debt	1,850	6,246	2,561	3,153
Equity	2,700	6,156	6,127	806
Adjusted ratios				
EBITDA margin (%)	15.9	18.4	19.2	11.0
Return on capital (%)	17.1	13.0	14.3	3.6
EBITDA interest coverage (x)	14.5	20.1	5.6	2.8
FFO cash interest coverage (x)	12.6	22.5	7.0	3.0
Debt/EBITDA (x)	1.7	2.8	1.4	7.4
FFO/debt (%)	45.0	29.6	51.5	8.9
Cash flow from operations/debt (%)	46.5	29.1	49.5	8.7
Free operating cash flow/debt (%)	20.9	19.5	27.9	2.2
Discretional cash flow/debt (%)	(40.0)	(5.8)	14.1	2.0

Business Risk: Satisfactory

Our assessment of CCH's earnings generation capacity reflects its focus on the large, growing, and relatively noncyclical category of nonalcoholic ready-to-drink beverages. The group boasts a leading market share (27% in value terms in 2019) across most of its geographies. Within sparkling beverages, this rises to 53%, reflecting the very strong brand equity of the Coca-Cola brands, including Fanta and Sprite. Its main long-term franchise agreement with TCCC (96% of total sales) is not up for renewal until 2023.

Given the overall size of the business, the main building block of CCH's business strategy is primarily linked to defending existing market share across geographies. At the same time, it is also pursuing expansion opportunities outside the traditional sparkling beverage category, notably in water, energy, coffee and plant-based beverages. This is in line with the overall strategy of TCCC. The need for modernization of production and distribution footprint also explains the capital intensity of the business with target capex of 6.5%-7.5% of sales per year. In May, the company launched Costa Coffee in the retail channel in select countries in Central and Eastern Europe. The company intends to continue with the launches across other markets, and potentially extend it to the hotel, restaurant, and catering (HORECA) sector, once lockdown measures are lifted, as TCCC aims to become a prominent player in the large and growing hot drinks category.

In terms of category mix, despite the fact that overall net revenue is still dependent on Trademark Coca-Cola (about 50%) which have weak growth in mature markets, we note that CCH is growing at a healthy pace in emerging markets (net revenue growth of 7.1% in 2019, 6.8% in 2018 on a foreign exchange-neutral basis). Within the sparkling category, the company's product innovation effort focuses on the low and no-sugar range, where Coke Zero has been growing on average at over 27% for the past two years.

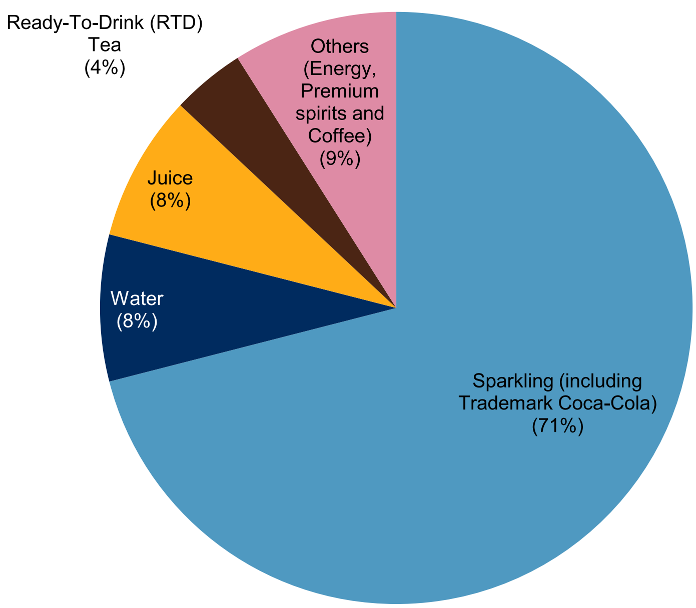
In terms of geographical trends, we anticipate emerging markets (45% of total revenue and 48% of EBIT in 2019) will remain a primary source of growth due to positive demographic and consumption trends, particularly Nigeria (12% of total volume and about 7% of revenue in 2019). This should more than offset ongoing low-growth dynamics in the mature established markets, where overall growth prospects are more limited, with strong competition from other branded and private-label producers. Growth trends in some notable developing markets, such as Poland, could potentially diverge toward those in established markets over time, with planned sugar tax implementation. CCH, however, has experience in managing this when Ireland introduced such measures in 2018.

CCH has a smaller industrial scale than its peers, Coca-Cola Femsa S.A.B. de C.V. (KOF) and Coca-Cola European Partners PLC (CCEP). However, unlike CCEP and in line with KOF it has a presence in faster growing emerging markets. Profitability-wise, we note that CCH exhibits slightly lower profitability than CCEP and KOF. Unlike all the companies above, Refresco Group B.V. is not a branded player. Its portfolio consists of a mix of private label and contract manufacturing for A-brands (e.g. Pepsi and Coca-Cola). This helps explain its much lower profitability.

In terms of credit metrics, CCH exhibits lower debt leverage, in line with that of KOF. Both companies have a publicly-stated net leverage range of 1.5x-2.0x. CCEP has a higher target debt leverage policy of 2.5-3.0x. In contrast, Refresco's much more leveraged capital structure at 6.5-7.0x adjusted debt to EBITDA reflects its majority ownership by private equity firms PAI Partners and British Colombia Investment Management Corp.

Chart 1

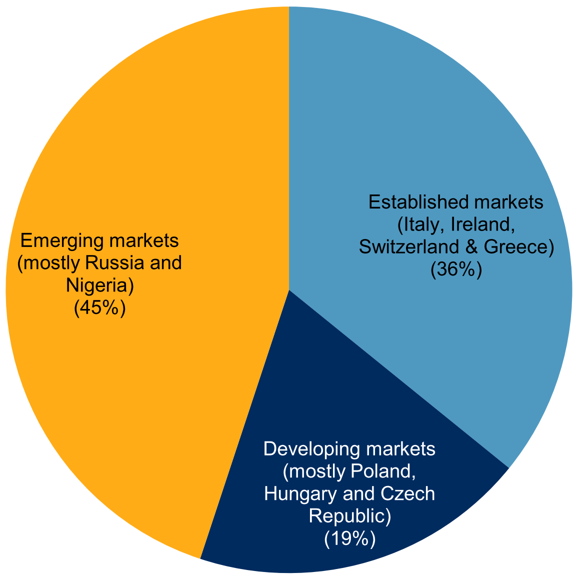
Coca-Cola HBC AG 2019 Revenue Breakdown By Category



FY--Fiscal year. Source: S&P Global Ratings.

Chart 2

Coca-Cola HBC AG 2019 Revenue Breakdown By Geography
Net sales revenue



A--Actual. Source: S&P Global Ratings.

Financial Risk: Intermediate

Despite our forecasts for pressure on profitability from an unfavorable product mix and overall operational leverage of the business this year, and relatively stable capex (in percentage terms of sales) compared with last year, CCH still has enough financial flexibility to maintain strong positive FOCF of about €150 million-€200 million. The company's action plans, with reduced marketing spend and further overhead cost savings, collectively amounting to about €100 million this year, should help preserve cash generation and maintain adjusted debt to EBITDA at about 2.5x. The company has comfortable headroom at the current 'BBB+' rating level. While its target financial policy range supports a higher rating, we view its capital intensity as more commensurate with the existing rating level.

The debt maturity profile is well spread with no near term refinancing needs. Virtually all of the group's borrowings are euro-denominated and comprise senior unsecured notes and commercial paper. CCH has significant operations outside the Eurozone and in some large emerging markets. Earnings generated in local currencies can be volatile in countries like Nigeria. We expect to see some negative foreign exchange impact in 2020, particularly from the weaker Nigerian naira and Russian ruble due to the low global oil prices. That said the company manages transactional exposures through hedging instruments, about 49% of which were covered for 2020 as of March.

Negative foreign exchange movements in 2020 will be only partially offset by weaker commodity prices. The group's main input costs comprise sugar and sweeteners (8% of cost of goods sold), resin (8%), metal packaging (5%), and juices (2%). The company is almost entirely hedged in sugar, sweeteners, and juices, while also having sizable coverage of metal packaging and resin. We therefore think that limited tangible benefits will accrue from lower market prices of these inputs this year.

We view the risks of large M&A activity as low. We understand that the company is pausing external investment initiatives for the duration of the pandemic, and will restart some bolt-on activity once all channels restore normal operations.

Financial summary

Table 2

Coca-Cola HBC AG--Financial Summary

Industry sector: Beverages					
	--Fiscal year ended Dec. 31--				
	2019	**2018**	**2017**	**2016**	**2015**
(Mil. €)					
Revenue	7,026.0	6,657.1	6,522.0	6,219.0	6,346.1
EBITDA	1,115.9	1,029.3	967.2	903.4	825.6
Funds from operations (FFO)	832.6	863.1	793.8	729.9	673.0
Interest expense	76.7	59.3	64.4	89.4	93.7
Cash interest paid	71.8	49.7	45.0	81.3	79.9
Cash flow from operations	860.3	800.7	801.8	728.0	715.2
Capital expenditure	473.2	438.7	411.7	347.8	331.1
Free operating cash flow (FOCF)	387.1	362.0	390.1	380.2	384.1
Discretionary cash flow (DCF)	(739.4)	135.2	229.4	235.2	194.3
Cash and short-term investments	1,531.8	887.8	753.3	412.2	415.3
Gross available cash	1,531.8	891.3	757.0	415.8	416.5
Debt	1,849.9	908.9	1,066.8	1,419.0	1,511.7
Equity	2,700.2	3,116.4	3,012.2	2,870.1	2,824.1
Adjusted ratios					
EBITDA margin (%)	15.9	15.5	14.8	14.5	13.0
Return on capital (%)	17.1	16.6	14.8	12.4	10.2
EBITDA interest coverage (x)	14.5	17.4	15.0	10.1	8.8
FFO cash interest coverage (x)	12.6	18.4	18.7	10.0	9.4
Debt/EBITDA (x)	1.7	0.9	1.1	1.6	1.8
FFO/debt (%)	45.0	95.0	74.4	51.4	44.5
Cash flow from operations/debt (%)	46.5	88.1	75.2	51.3	47.3
FOCF/debt (%)	20.9	39.8	36.6	26.8	25.4
DCF/debt (%)	(40.0)	14.9	21.5	16.6	12.9

Reconciliation

Table 3

S&P Global Ratings' Adjustments For Coca-Cola HBC AG (Mil. €)

	--Fiscal year ended Dec. 31, 2019--						
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**
Unadjusted amounts	3,114	2,698	1,114	728	74	1,116	926
S&P Global Ratings' adjustments							
Cash taxes paid	--	--	--	--	--	(212)	--
Cash interest paid	--	--	--	--	--	(72)	--
Reported lease liabilities	211	--	--	--	--	--	--
Postretirement benefit obligations/deferred compensation	57	--	3	3	3	--	--
Accessible cash and liquid investments	(1,532)	--	--	--	--	--	--
Share-based compensation expense	--	--	10	--	--	--	--
Dividends received from equity investments	--	--	8	--	--	--	--
Income (expense) of unconsolidated companies	--	--	(13)	--	--	--	--
Nonoperating income (expense)	--	--	--	7	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	(66)
Noncontrolling interest/minority interest	--	3	--	--	--	--	--
EBITDA: Gain/(loss) on disposals of PP&E	--	--	(6)	(6)	--	--	--
Total adjustments	(1,264)	3	2	4	3	(283)	(66)
S&P Global Ratings' adjusted amounts							
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**
Adjusted	1,850	2,700	1,116	732	77	833	860

Liquidity: Strong

We assess CCH's liquidity as strong, reflecting our calculation that sources of cash should exceed uses by more than 1.5x over the 24 months, with no material large debt maturities beyond the outstanding amounts under the June 2020 notes, until 2024. This is supported by the group's well-established track record in accessing capital markets and bank financing. There are no maintenance financial covenants on the debt.

Principal Liquidity Sources	**Principal Liquidity Uses**

• €800 million of committed available undrawn revolving credit facility (RCF) maturing beyond the next 12 months; • Available cash and cash equivalents of about €1.4 billion as of March 31, 2020; and • Our forecast of cash funds from operations (FFO) of €700 million-€800 million.	• €761.8 million of borrowings due within one year (as of Dec. 31, 2019), of which €563 million relates to the outstanding senior unsecured notes due June 2020; • Our forecast of net annual working capital outflows of €40 million-€50 million; • Intrayear working capital requirements of about €100 million; • Our forecast of capex requirements of about €400 million-€450 million; • Cash dividends of about €229.4 million.

Debt maturities

As of Dec. 31, 2019, the long-term debt maturity profile of CCH is well balanced and long-dated, as follows:

- 2020: €563 million
- 2024: €600 million
- 2027: €700 million
- 2029: €500 million
- 2031: €600 million

Environmental, Social, And Governance

Similar to other beverage bottling companies, CCH has moderate exposure to environmental risks related to plastic packaging waste, water scarcity, and health concerns. Governments are increasingly enforcing more stringent recycling rules, which could mean higher operating costs for CCH if it has to pay to collect and recycle plastic waste. For instance, the EU introduced in 2018 the first regional-wide plastics strategy to achieve 100% recyclable plastic packaging by 2030 and reduce consumption of single-use plastics. CCH is committed to collect and recycle 75% of primary packaging by 2025 (48% in 2019). It also aims to increase the share of recyclable (or that from renewable sources) PET to 35% by 2025 and 50% by 2030 (12% in 2019). Changing consumer tastes and stricter health regulations on sugar content in drinks are risks for its sparkling beverages business. Therefore, CCH continues to invest in the expansion of its no- and low-sugar content drinks.

As a beverage bottler, CCH could also face rising operating costs to source water and face rising tensions with local communities as natural resources become more scarce. The company is aiming to reduce water usage by 20% by 2025 (7% in 2019 from 2017 baseline) in plants located in high-risk areas such as Nigeria, Russia, Greece, Cyprus, and Armenia.

Our assessment of CCH's management and governance as satisfactory is supported by the consistency of the business strategy, a strong track record of growing profitably in volatile emerging markets and a balanced board composition.

Group Influence

Our issuer credit rating on CCH also incorporates our assessment of the company being moderately strategic to TCCC (A+/Negative/A-1), as a "dedicated purchaser." We therefore believe that there is potential for extraordinary support from TCCC in case of need. We take into account CCH's significant long-term contractual arrangements with TCCC and the brand equity and reputational risks associated with the Coca-Cola name. This also reflects our view that CCH is a major contributor in concentrate fees for TCCC and that its geographical markets are a key region for TCCC.

Issue Ratings - Subordination Risk Analysis

Capital structure

CCH's capital structure mostly comprises of about €2.96 billion of outstanding senior unsecured notes, issued by Coca-Cola HBC Finance B.V., the group's wholly owned financing subsidiary.

Analytical conclusions

Our 'BBB+' issue ratings on the group's outstanding senior unsecured notes is in line with the long-term issuer credit rating on CCH, reflecting their pari passu ranking, and limited structural subordination in the company's capital structure.

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/A-2

Business risk: Satisfactory

- **Country risk:** Intermediate
- **Industry risk:** Low
- **Competitive position:** Satisfactory

Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: bbb

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : bbb

- **Group credit profile:** bbb+
- **Entity status within group:** Moderately strategic (+1 notch from SACP)

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013

- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	**bbb/bbb-**	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of June 15, 2020)*

Coca-Cola HBC AG		
Issuer Credit Rating		BBB+/Stable/A-2
Issuer Credit Ratings History		
10-Apr-2019	*Foreign Currency*	BBB+/Stable/A-2
19-May-2016		BBB+/Positive/A-2
22-May-2015		BBB+/Stable/A-2
10-Apr-2019	*Local Currency*	BBB+/Stable/A-2
19-May-2016		BBB+/Positive/A-2
22-May-2015		BBB+/Stable/A-2

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.