

# RESULTS PRESENTATION

## FULL YEAR RESULTS

11 FEBRUARY 2021



**Coca-Cola**  
**Hellenic Bottling Company**



# FORWARD-LOOKING STATEMENT

Unless otherwise indicated, the condensed consolidated interim financial statements and the financial and operating data or other information included herein relate to Coca-Cola HBC AG and its subsidiaries ("Coca-Cola HBC" or the "Company" or "we" or the "Group").

This document contains forward looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as "believe", "outlook", "guidance", "intend", "expect", "anticipate", "plan", "target" and similar expressions to identify forward looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2021 and future years, business strategy and the effects of the global economic slowdown, the impact of the sovereign debt crisis, currency volatility, our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure, free cash flow, effective tax rates and plans and objectives of management for future operations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results and events could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in the 2019 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries.

Although we believe that, as of the date of this document, the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we, nor our directors, employees, advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. After the date of the condensed consolidated interim financial statements included in this document, unless we are required by law or the rules of the UK Financial Conduct Authority to update these forward-looking statements, we will not necessarily update any of these forward-looking statements to conform them either to actual results or to changes in our expectations.

# OPERATIONAL REVIEW & STRATEGY

ZORAN BOGDANOVIC  
CHIEF EXECUTIVE OFFICER



# OPERATIONAL AGILITY – RESILIENT PERFORMANCE

## PEOPLE SAFE; CUSTOMERS SERVED

- Safety of people ensured
- Fully operational supply chain
- Dynamic route-to-market
- Enhanced digital capabilities

## WINNING IN THE MARKET

- Strong value share gains
- +40bps in NARTD
- +30bps in Sparkling

## OPERATIONAL AGILITY

- Structural improvements to cost base
- €120m of cost savings found
- Disciplined working capital management
- Rigorous prioritisation of opportunities

## FINANCIAL PERFORMANCE

- Volume and revenue trends stabilised in H2
- Like-for-like EBIT margin at 10.6%, 20bps below all-time highs
- Strong cash generation up €54 m YoY
- Proposed dividend of €0.64, up 3.2% YoY

# ADAPTING FAST TO CONTINUE WINNING IN THE CRISIS

## OUR GROWTH PILLARS

## 2020 ACTIONS

### 1 LEVERAGE OUR UNIQUE 24/7 PORTFOLIO

- Disciplined portfolio prioritisation
- Fewer, larger more scalable innovations

### 2 WIN IN THE MARKET PLACE

- Remaining close to all our customers, open or closed
- Dynamic Route to Market – physical and digital
- Adapted and reprioritised investments behind At-home & digital

### 3 FUEL GROWTH THROUGH COMPETITIVENESS & INVESTMENT

- Rigorous cost management
- Reprioritisation of capex allowed continued investment in growth markets and digital

### 4 CULTIVATE THE POTENTIAL OF OUR PEOPLE

- Keeping our people safe and supporting them
- Fast forwarding critical capabilities
- Digital workplace investment

### 5 EARN OUR LICENCE TO OPERATE

- Practical and financial support for our communities
- Investment behind our 2025 sustainability commitments ensuring we continue to lead



# AT-HOME GROWING OUT-OF-HOME RESILIENT

## AT-HOME CHANNEL VOLUME YoY\*



## OUT-OF-HOME CHANNEL VOLUME YoY\*



\*The out-of-home channel typically accounts for slightly over 40% of revenues  
Volume numbers exclude Nigeria as the country's large OOH exposure distorts performance analysis

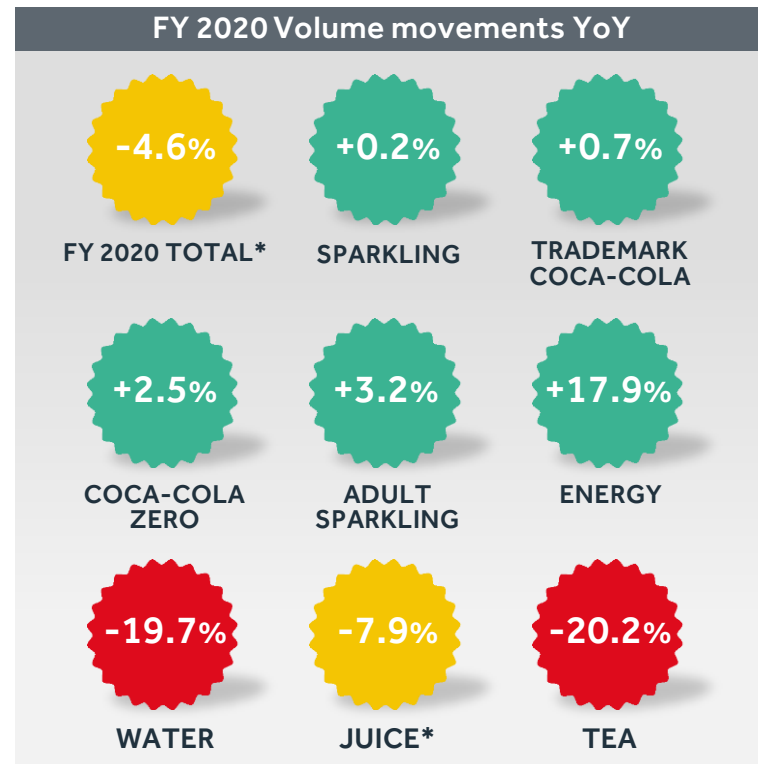


Coca-Cola  
Hellenic Bottling Company

# STRONG H2 RECOVERY IN 75% OF OUR PORTFOLIO

- Sparkling and Energy (75% of total volume) showed strong recovery in H2, up +4.7% and +27.6% respectively
  - Consumers choosing tried and tested brands leading to outperformance from Trademark Coke
  - Low- and no-sugar variants continue to lead
  - Portfolio targets affordability and premiumisation trends
  - Adult Sparkling, with higher price point, growing faster than core Sparkling
  - Strong momentum in Energy
- Stills portfolio is over-indexed to the out-of-home
  - Prioritising the highest potential, scalable brands

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Financial indicators on a like-for-like basis adjust for the change in classification of our Russian Juice business (Multon) from a joint operation to a joint venture, the Group's election to classify share of results of integral equity method investments within operating profit and the performance of Bambi for H1 2020. They also exclude the recognition of restructuring costs, unrealised commodity hedging results and non-recurring items.



# SINGLE-SERVE MIX STABILISED

**2015-2019:**

Single-serve mix grew by over 1pp per year

**FY 2020:**

Single-serve mix stabilised in H2

## SINGLE-SERVE MIX\*



Movement YoY in SS volume as % of Total Volume

**Increasing single-serve in at-home channel:**

**Multi packs of single-serve +5% in Q3 and + 13% in Q4**

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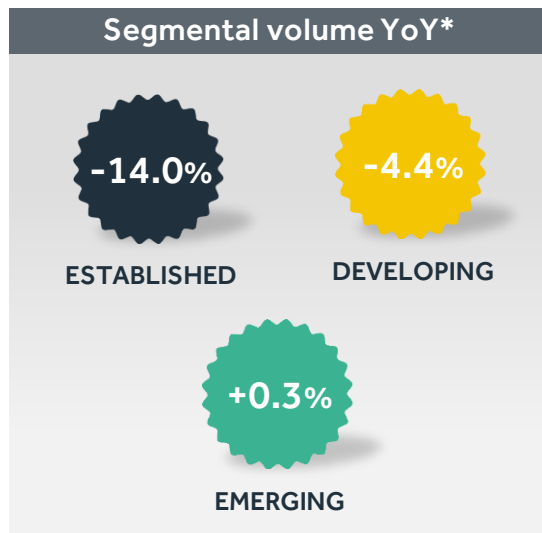
# SEGMENTAL OVERVIEW

## Segmental performance influenced by two factors:

- Severity and length of the lockdowns in each market
- Exposure of each country to the out-of-home channel and tourism

## Leading to prioritised investments:

- Rigorous and rapid prioritisation of highest return markets
- Continued investments in Nigeria and Russia delivered strong results



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# ESTABLISHED MARKETS

**GAINING SHARE IN ALL MARKETS EXCEPT SWITZERLAND.  
ACHIEVED STABLE PRICE/MIX THROUGH PRICING AND CATEGORY  
MIX DESPITE HIGH-EXPOSURE TO OUT-OF-HOME.**



VOLUME



PRICE / MIX



FX-NEUTRAL  
REVENUE



SPARKLING



TRADEMARK  
COCA-COLA



LOW- AND  
NO-SUGAR



ADULT  
SPARKLING

## ESTABLISHED MARKETS

- Majority locked down early and severely during both waves of the pandemic
- Highest exposure to out-of-home
- Price/mix stable benefiting from strong category mix, pricing taken at the start of the year and positive geographic mix

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# DEVELOPING MARKETS

VOLUME RESILIENCE ACHIEVED THROUGH  
STRONG SHARE GAINS IN LARGEST MARKETS



-4.4%

VOLUME



-6.2%

PRICE / MIX



-10.3%

FX-NEUTRAL  
REVENUE



+0.6%

SPARKLING



+2.6%

TRADEMARK  
COCA-COLA



+11.4%

LOW- AND  
NO-SUGAR



+4.0%

ADULT  
SPARKLING

## DEVELOPING MARKETS

- Lower exposure to out-of-home
- Strong share gains in largest markets with Poland growing volumes
- Price/mix also impacted by strategic decision taken prior to crisis to have less revenue growth from pricing in 2020 after several years of strong performance on this metric

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# EMERGING MARKETS

GAINING SHARE IN ALL LARGE MARKETS  
DRIVES PERFORMANCE

+0.3%

VOLUME

-3.1%

PRICE / MIX

-2.8%

FX-NEUTRAL  
REVENUE

+5.5%

SPARKLING

+5.6%

TRADEMARK  
COCA-COLA

+3.1%

LOW- AND  
NO-SUGAR

+4.7%

ADULT  
SPARKLING

## EMERGING MARKETS

- Growth in Russia, Nigeria and Ukraine
- Russia and Ukraine have low exposure to out-of-home
- Price/mix impacted by COVID, Nigeria price investment in 2019 and negative country mix

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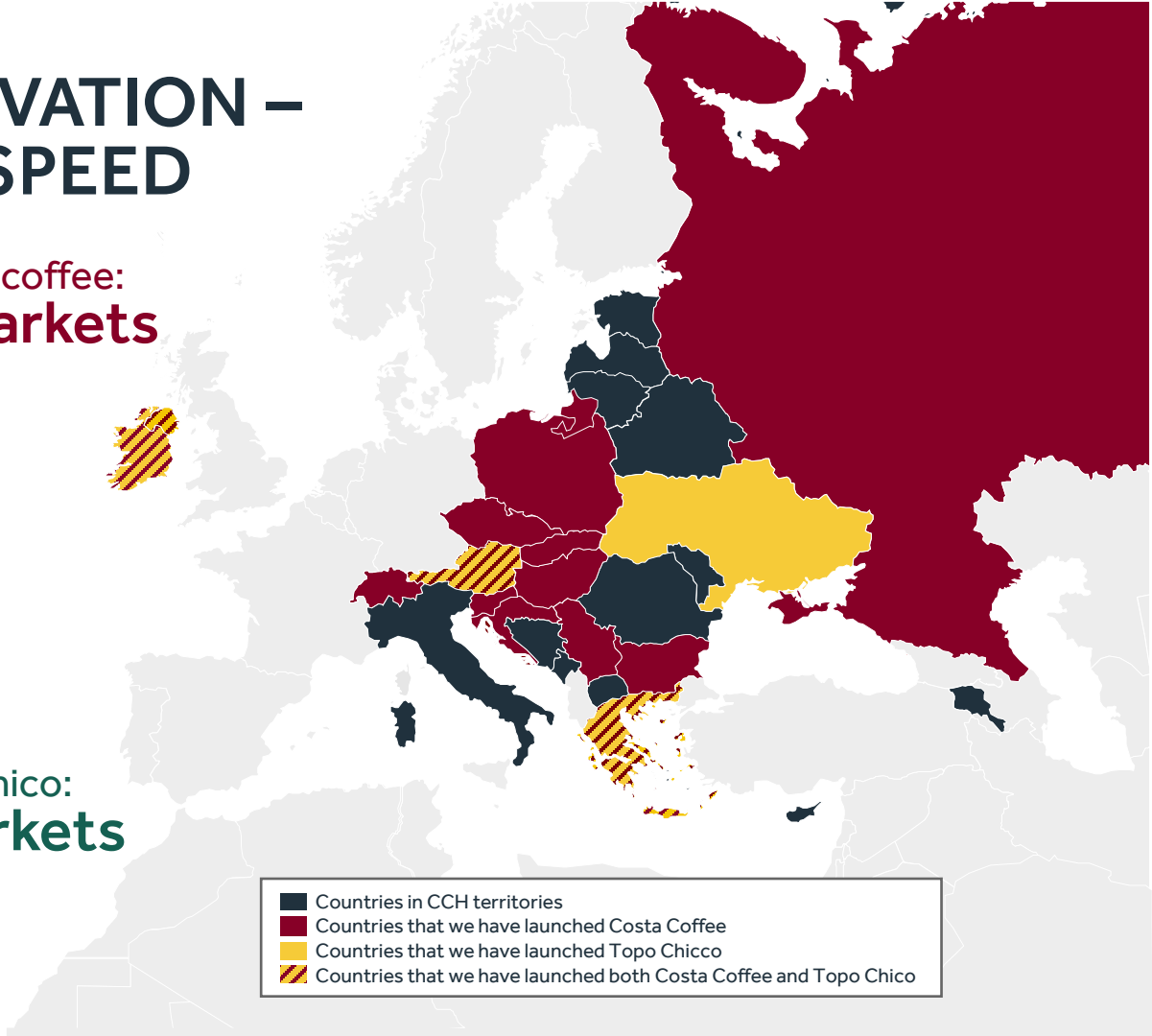
# PRIORITISED INNOVATION – WITH SCALE AND SPEED



COSTA coffee:  
**14 markets**



Topo Chico:  
**5 markets**





# ADDITIONAL IN-HOUSE RECYCLED PET CAPACITY

- Investing in in-house capacity to produce recycled PET bottle preforms from a cheaper, more plentiful feedstock: hot-washed PET flakes
- Addresses one of the major challenges in reaching our recycled PET use targets which is the lack of availability and high price of recycled PET feedstock

|  | 2025 target |
|--|-------------|
| Consumer packaging to be recyclable (%)      | 100         |
| Recycled PET used within total PET (%)       | 35          |
| Primary packaging collected for recovery (%) | 75          |



# FINANCIAL REVIEW

MICHALIS IMELLOS  
CHIEF FINANCIAL OFFICER



# FINANCIAL PERFORMANCE – REVENUES

- Like-for-like volume declined 4.6% with better trends in H2
- Like-for-like price/mix declined 4.1%, stabilising in H2
  - Negative package and channel mix as a result of lockdowns
  - Positive category mix and pricing
- Like-for-like FX-neutral revenues fell 8.5% YoY, stabilising after H1 decline of 15.1%

|                                   | FY 2020 | FY 2019 | change | like-for-like change |
|-----------------------------------|---------|---------|--------|----------------------|
| Volume (m u.c.)                   | 2,135.6 | 2,264.5 | -5.7%  | -4.6%                |
| FX-neutral revenue per case (€)   | 2.87    | 2.99    | -4.1%  | -4.1%                |
| FX-neutral net sales revenue (€m) | 6,131.8 | 6,781.7 | -9.6%  | -8.5%                |
| Net sales revenue (€m)            | 6,131.8 | 7,026.0 | -12.7% | -11.7%               |

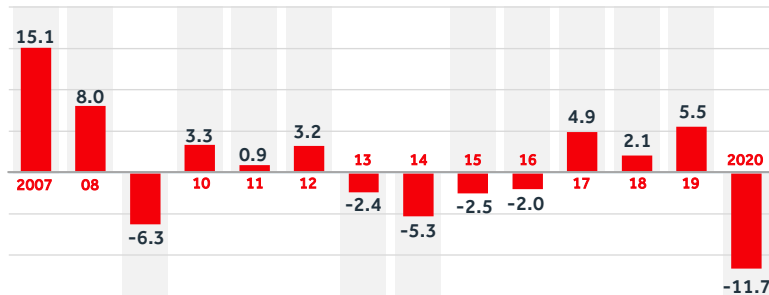
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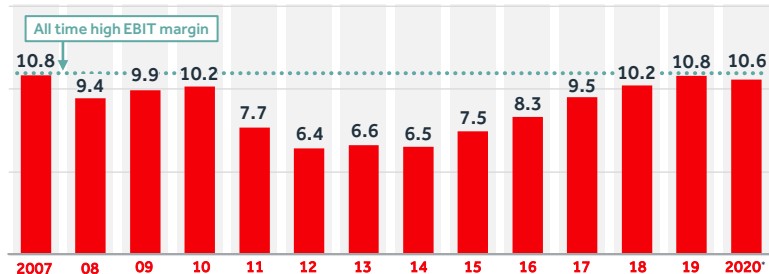
# YEARS OF EFFICIENCY IMPROVEMENTS BRING LASTING MARGIN RESILIENCE

- Restructuring work done over the last decade has created a more resilient, flexible and variable business
  - Optimised, automated, efficient production infrastructure (plants and lines)
  - Optimised, automated, widely outsourced logistics footprint (warehouses, distribution)
  - Common systems and processes across the entire geographic footprint
  - Process centralisation and shared services centres
  - Digital transformation and Big Data Analytics for fast wide adoption of pilots and learnings
- Quick and decisive action on discretionary cost management
  - €120 million of 2020 savings target delivered

## REPORTED REVENUE GROWTH (%)



## COMPARABLE EBIT MARGIN (%)



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\*2020 Revenue and Comparable EBIT on a like-for-like basis.

# COST CONTROL SUPPORTS MARGINS

- Like-for-like Gross Profit margin up 20bps
  - Strong variable COGS base and cost control
  - Favourable input costs
  - Effective FX and commodity hedging
- OPEX declined 10.4% like for like, with targeted €120 million cost savings delivered
- OPEX as a % of revenue up only 40bps, despite significant revenue deleverage in the year

|                                 | FY 2020 | FY 2019 | change | like-for-like change |
|---------------------------------|---------|---------|--------|----------------------|
| Comparable gross profit margin  | 37.9%   | 37.7%   | 20bps  | 20bps                |
| Comparable operating expenses   | 1,672.4 | 1,889.3 | -11.5% | -10.4%               |
| Comparable OPEX as % of revenue | 27.3%   | 26.9%   | 40bps  | 40bps                |

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# PROFITABILITY PROTECTED - STRONG CASH FLOW

- Like-for-like EBIT declined by 13.5%, almost in line with the revenue decline
- Like-for-like EBIT margin fell by just 20bps from the 2019 all-time highs of 10.8%
- Strong improvement in working capital, partly driven by phasing benefits, expected to be reversed this year
- The strong working capital performance allowed us to limit capex deferrals and bring forward €40m of capex spend
- Free cash flow of €497m outpaced prior year by €54m or +12%

|                            | FY 2020 | FY 2019 | change | like-for-like change |
|----------------------------|---------|---------|--------|----------------------|
| Comparable EBIT (€m)       | 672.3   | 758.7   | -11.4% | -13.5%               |
| Comparable EBIT margin     | 11.0%   | 10.8%   | +20bps | -20bps               |
| Comparable net profit (€m) | 431.4   | 522.2   | -17.4% | -19.6%               |
| Comparable EPS (€)         | 1.185   | 1.436   | -17.5% | -19.6%               |

|                              | FY 2020 | FY 2019 | change |
|------------------------------|---------|---------|--------|
| EBITDA (€m)                  | 1,059.2 | 1,110.7 | -4.6%  |
| Working capital change (€m)  | 108.3   | 33.2    | +75.0m |
| Net capital expenditure (€m) | 464.5   | 483.6   | -3.9%  |
| Free cash flow (€m)          | 497.0   | 442.6   | +12.3% |

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# EMERGING SEGMENT MORE RESILIENT

## TOP LINE CHANGE

|                            | FY 2020 vs<br>FY 2019 | Like-for like |
|----------------------------|-----------------------|---------------|
| <b>Total CCH</b>           |                       |               |
| Volume                     | -5.7%                 | -4.6%         |
| Price/mix                  | -4.1%                 | -4.1%         |
| FX-n revenue               | -9.6%                 | -8.5%         |
| <b>Established markets</b> |                       |               |
| Volume                     | -14.0%                | -             |
| Price/mix                  | -0.1%                 | -             |
| <b>Developing markets</b>  |                       |               |
| Volume                     | -4.4%                 | -             |
| Price/mix                  | -6.2%                 | -             |
| <b>Emerging markets</b>    |                       |               |
| Volume                     | -1.8%                 | +0.3%         |
| Price/mix                  | -3.6%                 | -3.1%         |

## EBIT MARGIN

|                            | FY 2020 vs<br>FY 2019 | Like-for like |
|----------------------------|-----------------------|---------------|
| <b>Total CCH</b>           |                       |               |
| EBIT margin                | 11.0%                 | 10.6%         |
| EBIT margin expansion      | +20bps                | -20bps        |
| <b>Established markets</b> |                       |               |
| EBIT margin                | 9.6%                  | -             |
| EBIT margin expansion      | -60bps                | -             |
| <b>Developing markets</b>  |                       |               |
| EBIT margin                | 8.7%                  | -             |
| EBIT margin expansion      | -210bps               | -             |
| <b>Emerging markets</b>    |                       |               |
| EBIT margin                | 13.0%                 | 12.0%         |
| EBIT margin expansion      | +170bps               | +70bps        |

- Volume and pack/channel mix declines most pronounced in Established and Developing markets, impacting margins more adversely
- Emerging markets more resilient, up 70 bps to 12.0% like-for-like (excluding accounting and Bambi benefit)

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# STRONG BALANCE SHEET

- Closing net cash position: **€1.3b**
- Additional facilities
  - €800m unutilised commercial paper facility
  - €800m unutilised revolving credit facility
  - No financial covenants that can impact liquidity or access to capital
- Next bond maturity November 2024
- Gearing of **1.5x** at the low end of the targeted range of 1.5-2.0x
- Proposed dividend of €0.64, up 3.2% YoY



# TECHNICAL GUIDANCE

| ← ADD / (LESS) →        |               |                         |       |                |
|-------------------------|---------------|-------------------------|-------|----------------|
| 2020 vs. 2019           | Like-for-like | Multon/JV<br>a/c change | Bambi | As<br>Reported |
| Volume change (%)       | (4.6)         | (1.8)                   | 0.6   | (5.7)          |
| Price/mix change (%)    | (4.1)         | -                       | -     | (4.1)          |
| FX-n revenue change (%) | (8.5)         | (1.7)                   | 0.6   | (9.6)          |
| EBIT (€m)               | 656.1         | 2.9                     | 13.1  | 672.3          |
| EBIT margin (%)         | 10.6          | 0.3                     | 0.1   | 11.0           |

| 2021 vs. 2020            | Multon/JV<br>a/c change | UEL<br>extension | Polish<br>Sugar Tax |
|--------------------------|-------------------------|------------------|---------------------|
| Volume change (%)        | (0.9)                   | -                | (0.5) to (0.9)      |
| Price/mix change (%)     | -                       | -                | +2.7                |
| FX-n revenue (%)         | (0.9)                   | -                | +1.8 to +2.2        |
| EBIT margin change (bps) | -                       | +40 to +45       | (40) to (45)        |

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## COMPARABILITY OF RESULTS IMPACTED BY:

### 1. Bambi acquisition (2019 and 2020)

- From July 2020 we are cycling the full consolidation of Bambi in our results
- Impact: Bambi becomes part of our 'organic' business results

### 2. Multon & other JV accounting change (2020)

- From early May 2020 the accounting treatment of our Russian Juice business changed following its reorganisation. As of 1 January 2020 we present our share of results from integral equity method investments within operating profit.
- Impact: As of May 2020 we no longer recognise the Russian Juice business' financials in our P&L except for our share of its net profit after tax as 'share of results of integral joint ventures', which is included in our Comparable EBIT. As of 1 Jan 2020, we also include the net profit after tax of our other integral joint ventures in our Comparable EBIT.

### 3. Useful Economic Life Extension (2021 only)

- From January 1, 2021 the expected useful lives of certain assets will change
- Impact: A reduction in the annual depreciation charge, and therefore a positive impact on Comparable EBIT margin

### 4. Polish Sugar Tax (2021 only)

- The implementation of a sugar tax in Poland on January 1, 2021.
- Impact: We plan to take pricing to offset this tax and therefore expect this to result in an inflation in revenue, with minimal net impact on Group EBIT and a negative impact on EBIT margin caused by the higher level of revenue.



# OUTLOOK

- Economic outlook uncertain
- Signs of restrictions easing but uncertainty remains
- Continuously monitoring to prioritise opportunities
- Expect a strong FX-n revenue recovery
  - Gradual volume recovery
  - Price/mix recovery driven by package mix
  - Pricing taken to offset Polish sugar tax will inflate price/mix
- Expect to achieve a small expansion in like-for-like EBIT margin
  - Increased marketing investment
  - HSD raw material cost per case inflation
  - FX impact higher in 2021 than 2020
- Once recovery is underway, expect to return to FX-neutral revenue growth of 5-6%, with 20-40 basis points of EBIT margin expansion per year on average





# Q&A

For further information on Coca-Cola Hellenic  
please visit our website at:  
[www.coca-colahellenic.com](http://www.coca-colahellenic.com)

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**Coca-Cola**  
**Hellenic Bottling Company**



# CONTINUE FOCUSING ON WHAT MATTERS MOST

## OUR GROWTH PILLARS

## 2021 AND BEYOND

### 1 LEVERAGE OUR UNIQUE 24/7 PORTFOLIO

- Portfolio prioritization with Sparkling & Energy
- Coffee as a key focus
- Targeted, more scalable innovations

### 2 WIN IN THE MARKET PLACE

- Ecosystem of Digital (B2B2C) and physical RTM
- At-home and HoReCa focused initiatives
- Leverage RGM and BDAA for accelerated growth

### 3 FUEL GROWTH THROUGH COMPETITIVENESS & INVESTMENT

- Continue to manage costs closely and drive efficiencies
- Drive Industry 4.0 innovations in Supply Chain
- Accelerate Digital transformation

### 4 CULTIVATE THE POTENTIAL OF OUR PEOPLE

- Unrivalled Talent Capabilities in the industry
- Winning mindset & performance culture

### 5 EARN OUR LICENCE TO OPERATE

- Accelerating investments and partnerships to advance our Mission 2025 commitments
- Accelerate World Without Waste initiatives