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Mitch Collett:

Good morning. My name's Mitch Collett from Deutsche Bank's Consumer Staples team. I'm delighted to be joined by Zoran Bogdanović, CEO of Coca-Cola Hellenic Bottling Company. Zoran, thank you for joining us. Just to get us started, Q1 or 2026 got off to a very strong start, in terms of both volume and revenue growth, but there was the beneficial impact of six extra selling days, and also the phasing impact in some markets of Easter. Stripping that out, the growth was maybe slightly below your long-term algorithm. So what are the factors that you see improving growth through the balance of the year? And how will you drive improvements in price mix specifically?

Zoran Bogdanović:

Good morning, everyone. So first of all, to say that Q1 was a good start and as in line with the expectations and more intentionally on the volume side. I just want to remind everyone for the last couple of years you've seen our organic revenue growth mostly coming from price mix, however, with positive volume. This year looks like that will be more driven by volume generation. However, still with positive price mix because both of those are important. Now, Q1 intentionally was stronger on the volume side exactly because it had more selling days. So it would be easy to have a reported number on positive volume. So we really wanted also to ensure that across all our segments we have positive like for like volume. Also, Catholic Easter coming earlier does have an impact in March with more multi-serve promotional activities that play a role for that type of the year and occasion. So fully in line and we do expect that. And also every quarter always has its own dynamic, but this was intentionally so and I think a good start to the year.

Mitch Collett:

Okay. Thank you. And I guess to build on that, it's a pretty uncertain and volatile consumer environment. There's obviously a conflict in the Middle East, but since the end of Q1, have you seen any significant variations in consumer sentiment in any of your markets?

Zoran Bogdanović:

We don't see anything materially. The environment seems to be pretty in line with what we've seen last year and that already has a consumer where affordability plays a role, but we also see that premiumization initiatives also land well. We do see in a few markets more sensitivity. I've called out Romania, Bulgaria and last year Austria, which is also correlated with the fact of some more taxation that happened over the last three years, for example, in Romania. But on the other side, we've seen a very good consistent performance in Hungary, which was in a similar place to Romania a few years back. But with most stable environment now, we do see country's performing really well. Ireland, Czechoslovakia, we've seen good recovery in Switzerland, which is an important one. All in all, it always happens that you have some markets here and there, but in our plans, what is embedded are a number of affordability focused initiatives, which means changing pack sizes to be at the right price points or intensity of the promotions that are already embedded in our plan, playing important role in the overall

revenue growth management. And by promotions, I don't mean only price promotions, which of course are there to also help consumers with more affordable solutions, but also value-added promotions, leveraging excellent assets that we have both with The Coca-Cola Company and Monster Energy Company.

We do see that also the consumer reacts pretty well to innovation. We started the year with quite a few exciting things in innovation, including a more conscious effort and activation behind the zero sugar, zero caffeine product. Q1 had an excellent performance of this product. Then we had overall zero sugar is performing really well. Then new flavor in Sprite, Sprite Chill, which is lemon mint, which we launched in six markets had a good start, with Schweppes and Monster, again introducing new flavors. So I'm very excited to see that consumers, even though paying attention to affordability, there is also the need and great receptiveness to innovation and experiential events that we are providing from the Winter Olympics and that we will be doing now for the upcoming World Cup.

Mitch Collett:

Okay, thank you. And then last short-term one for now, but given the extra selling days in Q1 and the catch-up in Q4, is there anything to call out about how we should think about the 1H/2H phasing of profits?

Zoran Bogdanović:

I would see it in a similar pattern as the volume and the revenue, where you see that volume and revenue are a bit more skewed in half one versus half two. So the same pattern follows.

Mitch Collett:

So better profit growth 1H than 2H.

Zoran Bogdanović:

Yeah.

Mitch Collett:

Okay. Thank you. So moving on, for several years I've asked you what you're going to do with your cash. That's now not such a good question because you've been successful in announcing the acquisition of CCBA and I know there's still some approvals to go through, but can you provide an update on where you're still seeking approval and on what timeline you expect to receive it?

Zoran Bogdanović:

Yes. As expected, this is a bit lengthy process with some of these markets, four approvals gained so far and two more in process, South Africa and Tanzania, but nothing out of ordinary. We are in the process and there are steps to be done. And as we said, by the end of the year, we do expect to get all the approvals and we are not standing still. This period also is an opportunity for our teams to work on the integration planning, which we are doing. So all our functional teams are working in collaboration with CCBA teams and preparing things for the day when we will be able to be really in the business, which at the moment we are not.

Mitch Collett:

Okay. I appreciate you don't own it yet, but CCBA comes with some very high growth potential markets. You already have one of the fastest growth algorithms in European staples, but how should we think about the 6 to 7% medium term guidance once you're able to bring CCBA in?

Zoran Bogdanović:

Look, overall, we are excited about Africa and the opportunities that we have there. Clearly it's all about growth, but we also know that these markets are every now and then bringing their own risks that we need to overcome that sometimes can be a factor in how you look at the growth. So as we said, once the whole transaction is done, we will come back with our view on how do we see that. But for me, it's just too early to tell that now.

Mitch Collett:

Okay, understood. And then there's different levels of soft drink penetration across the markets in CCBA and the largest market South Africa clearly has a higher level of penetration. Again, I appreciate it's early, but how do you think about the opportunity to grow volumes in South Africa and any potential portfolio gaps that you've identified that you can target pretty quickly?

Zoran Bogdanović:

Yes. So in the overall set of countries, South Africa plays the most prominent role. It's a big country, with far more developed per capita consumption and a great portfolio. So, we do see already very solid situation there, but equally, we do see more opportunities where we can contribute, and we can drive forward.

I was recently with Luis Avellar, President of Operating Unit Africa from The Coca-Cola Company. We met together at the President's Investment Conference in South Africa and it was great to see the level of investments that are coming into the country. And that's a good sign that clearly it is going in the right direction. You see the level of tourism and on that already very strong portfolio, we do recognize what more can be done in terms of the portfolio in terms of the activation.

So we clearly so far, from our so far view, have seen the opportunities we can bring, especially with our capabilities that we want to transfer to CCBA, equally as we have done with Egypt once we bought it four years ago. So I would see the overall template and approach like Egypt, just done on a much bigger scale, respecting every country what they need to do. But South Africa is going to be and will remain to be the cornerstone of CCBA's growth.

Mitch Collett:

Okay. So you can have volume growth in South Africa, you think?

Zoran Bogdanović:

Yes.

Mitch Collett:

Okay, great. And then Uganda, Kenya, Ethiopia, Mozambique, I know there's a few others, clearly much lower per capita consumption. How do you think about the growth opportunity there and how can you bring to those markets what you've learned in markets like Nigeria and Egypt?

Zoran Bogdanović:

Well, as I said on Egypt, that was a good real showcase. That's why we will be having live Bitesize event on July 7th, because we really want to share our approach. This started with portfolio, where in that case we immediately added Monster Energy on top of what we have done in the existing business of sparkling and water, without further now expanding. So in each of these countries that you mentioned, Mitch, it's about which parts of the portfolio have viable white spaces as we call them, meaning in certain countries we see opportunity with juice. In some countries, we do see opportunity with energy. Then we see opportunities with extending flavors or relevant flavors within Fanta, Sprite and Schweppes. Overall flavors we see as a good opportunity.

But the biggest one is how to do effective programs that we've seen working in Nigeria and Egypt. Recruitment of Coca-Cola as our most important brand that we have in the portfolio. African consumers have a great affinity to Coca-Cola. So we see fertile ground of how we can do more recruitment with relevant pack price architecture. For that, we will need to have some supply chain investments, whether that's in the new capacity or expanding the capacity. And that will be all enabled with upskilling, increasing the capability of people through our sales academy, equally in supply chain academy. Commercially is the leading end, but also we need strong supply chain that will help all our commercial programs to come to life. So we've seen that that upskilling, training, certifying the knowledge of our people will play a role because that's the precondition that we can elevate the level of execution that we plan to do.

Mitch Collett:

Okay. And you mentioned supply. I would imagine you might need to invest in coolers as well. So how do you think about the CapEx requirements of what you're buying and how does that affect the overall CapEx requirements of CCH?

Zoran Bogdanović:

So overall CapEx, we do see that next couple of years will be more front-loading of the investments, but still that will keep us at the top end of our corridor, maybe slightly above, but it's not going to be anything dramatic from what we already guided for. In capacity in coolers that we clearly see opportunity to do more like we've been doing and we are doing in Egypt as well. So various digital technology, AI platforms and tools and solutions. So our intention is to transfer what we have in Hellenic as quickly as possible to CCBA over a couple of years so that it has the same way of working and operating.

Mitch Collett:

And then last question on CCBA and then we'll get back to the main business, but the EBIT margin of the business you're acquiring is about 400 basis points lower than CCH overall. I'm conscious this isn't a transaction that's about synergies or cost cutting. It's all about growth. And I'm also conscious that some of your other markets in Africa also have a lower level of profitability. But how do you think about closing that gap? Is it possible that in the long term you can make CCBA as profitable as the rest of CCH?

Zoran Bogdanović:

I do believe, yes. That belief and growth potential as well as the algorithm that we can do patiently over years is something that we will strive for. And that will be primarily combination, as you said, leveraging and driving it through the top line, through volume and price mix with the quality revenue, but we will be doing continuous productivity enhancements as we've been doing in rest of Hellenic. And Nigeria is the best example of that. While we focused on the top line always in Nigeria, we need to have

a competitive business. Nigeria 12, 13 years ago was one of the least cost-effective units we had. We have really transformed it to be by far the most cost-effective while not sacrificing the capacity of a number of our people that we have to serve customers.

If anything, we've actually been adding them, but we always find ways to do the business in a more efficient and productive way and this is where technology and new investments are really playing a role. So we will be doing the same, and our journey ahead will be a combination of work on the margin while also knowing that these profiles of the markets are important volume and revenue driving market. So it has to be a good balance.

Mitch Collett:

Okay, so we'll move on from CCBA. You've said that this year's FIFA World Cup will be the biggest activation yet. Can you give us some colour on your plan to execute within the World Cup and how you expect it to benefit your business in Q2 and beyond?

Zoran Bogdanović:

Look, it's really exciting, not only as someone who is very passionate about football, but as a business to witness the biggest World Cup ever. Also, as The Coca-Cola Company team said, I think there's going to be the biggest and the strongest activation I think we will see. From everything that we've seen so far, I think it's so exciting to see the angle and how things will be done. So I can't wait that it starts and it's a phenomenal leverage for us to do so many things. Of course, in the countries that have qualified, but even in the countries that didn't, everyone is going to be following this. So famous Panini stickers that people like to collect, we have that in many countries.

Look, in a number of markets, we have also opportunities for consumers to win tickets. Look, even perceptive value of those tickets, winning them today is higher than maybe usual because it's not cheap to go to US and to watch a game.

We do that because we are also a sponsor of a number of national teams. That gives us the opportunity with customers for fantastic activations in the stores as well as in the cafe bars because we will have a special program for our returnable glass bottle because many people will be in the bars watching those games. So that's a great asset giving us so many opportunities.

But even when the FIFA World Cup is over, I use the opportunity, Mitch, just to highlight how football overall together with Coca-Cola Company, we really love it and we see how we can activate it even more. So you know that English Premier League, Coca-Cola is a partner, and we see opportunities that in some of our markets to utilize that and we will be doing that. So I think I see FIFA World Cup as a great asset, but also as a warmup of how we want to also do things more in that space.

Mitch Collett:

And most importantly, who do you want to win?

Zoran Bogdanović:

Croatia.

Mitch Collett:

From a CCH perspective.

Zoran Bogdanović:

Croatia. But I know it's a dream.

Mitch Collett:

Understood.

Zoran Bogdanović:

It's okay to dream.

Mitch Collett:

So you've already pointed to the Zero Sugar, Zero Caffeine. How far have you got in the rollout of that? And how is that helping you tackle new occasions and new consumers?

Zoran Bogdanović:

I see this. I think Henrique explained it on his call about these four Is that he talks about from insight, innovation, intimacy, and then integrated execution. This product really taps into the insight that a significant percentage of adults are stopping to consume products which have caffeine from late afternoon and for sure in the evening. I would say I'm one of them as well. And this really gets into that occasion, which we see that people then allow themselves to have a great tasting Coke in the evening knowing that it's not going to affect their sleep because of the caffeine. But then what it turned out is that this is a product that actually people like to drink through the day. So that's why, while tapping into the evening occasion, it's actually all-day Coca-Cola.

So for me, it's a great example of how also, even though in few markets we had it for a number of years, it's just that revamped effort started last year where this great looking visual and graphic came into play. Some months back when we were visiting Austria and Switzerland, it was remarkable to hear from customers themselves how much even from the look and feel they want to have the product. And they know. Everyone sees the opportunity to create some more value together while bringing consumers a great tasting product with a new functionality.

So I think it's a really good example of how innovation, activation is igniting the whole Coca-Cola trademark. That's why with original taste, with zero sugar, with this version, with a few flavors that we are adding in a number of countries, whether it's a cherry, whether it's lemon or lime that we have across markets, that's why you see our Coca-Cola trademark performing well. And that's why if you ask me what am I really optimistic about? I really think there is so much that within Coca-Cola trademark we can and we will be doing. And that's a perfect example.

Mitch Collett:

Yeah. We should probably have a quick tour around some of your bigger markets. I mean, you've already talked a bit about Nigeria. It's back to strong growth. You've said that you've managed to improve profitability, but is there still a profitability gap to close for Nigeria to the rest of the group?

Zoran Bogdanović:

Yes.

Mitch Collett:

And how do you think about the growth and the durability of that growth given all the geopolitical uncertainty?

Zoran Bogdanović:

So Nigeria now for last number of years has been performing really well in a very, I would say, quality growth, driving well-balanced revenue growth with volume and price mix, gaining share continuously over the last number of years. And this is enabled by excellent work of marketing. We have a strong portfolio. Nigeria is one of our leading countries where we always push our capabilities to the new frontiers, because in such a complex market you have to have strong capabilities to really win.

And last but not least is the supply chain investments. Capacity and technical capability to produce are super important, which proved to be critical versus some of the competitors over the last few years.

So it's progressing in the right way. Still, there is some gap to close to our average profitability but this gap is narrowing. And I'm very excited about Nigeria, with potentiality of that population, which slowly but surely is getting a bit more and more affluent. And this year we will also be doing a special program because we will celebrate 75 years from the start of our company, which was in Nigeria. So I'm very proud the team is really thinking how to bring consumer to the centre of this important anniversary for us.

Mitch Collett:

And then staying in Africa, Egypt, which was a business you acquired four years ago and have put a lot of change into, I guess it has had some disruption from the Middle East, but you've still delivered very strong volume growth. Is anything changing in Egypt? I know we're going in a month's time, but is there anything to say on what's happening in Egypt?

Zoran Bogdanović:

Look, we had in these four years, first of all, we went through a period of headwinds where there was twice devaluation, there was high inflation, there was boycotts. And now when things have, in the last 18, 20 months stabilized, we've seen the business really doing well. You know that in sparkling, we are the challenger there to the leader, but we've been closing that gap in share consistently.

So I'm very excited how Egypt is developing with elevated level of capability, the way we do things. That's why we really want to share the approach and progress that we are making. Still far away from where we really imagine Egypt to be as a country of 100-plus million population, so it's an unlimited source of growth.

Now, we'll be there in July, but I'm going already on Friday, going to Alexandria to really see what we are doing at the North Coast. So that it's not only the capital, but we really want to see how we are developing all parts of the country.

Mitch Collett:

And then Italy is a market with a good per capita consumption growth opportunity. But in other senses, it's very developed and you've had some unfavorable weather and there's no World Cup benefit. How do you think about growth in Italy, getting that per capita consumption up and closing the gap to some of the other markets?

Zoran Bogdanović:

Yeah, you really had to emphasize this. No World Cup opportunity. I'm not Italian, but I sympathize.

Yes, Italy per capita opportunity is there. And first of all, I'm quite pleased how Italy went through this period from post COVID with higher inflation. We have intentionally focused more on the price mix because it was the period when this was necessary to be done and the right time to do it. Now, this is

getting into more balanced type of growth where there is more focus on volume still with price mix. That's why you will see Italy this year, performance about which I'm positive and optimistic, which will be far more balanced. I'm very pleased that we are gaining share there. Portfolio is developing very nicely. We've done sizable investments, so that not only in the modern trade, which is the retail channel, but also out of home of adding more people, visiting more customers,

So I see very holistic approach to the way we develop business in Italy. And also with Coca-Cola Company, I see exciting activation and consumer activation, promotions, campaigns, what we want to do, tapping into the very well-known passion points of Italians, music, food, and football.

Mitch Collett:

So data insights and analytics is very much a core competency of CCH. I know we talked about it a lot last year at the conference. But how have those tools evolved over the past year, and can you maybe give us some insights into how you use micro segmentation?

Zoran Bogdanović:

Yes. This space is developing so fast, but I really want to say that we don't measure progress here by the quantity of things that we will be doing. We really don't want to be like headless chicken that goes wherever, does whatever. We have to see these investments in AI and digital to support our strategic initiatives. And this is where prioritized capabilities play a role. So segmented execution is part of our route to market capability. It is what matters. In our business, it's super important. Will Powerade be in all stores and all channels, which we know is not the case for the product, but where should it be? And when we know where it should be, then it has to be present to the full extent.

The beauty is when we combine our segmentation capability both from Coca-Cola company side, doing segmentation of consumers and we are doing on customers. So when we put those data together, Nigeria demonstrates this really well, so that gives us quite precise way of knowing which product goes in which types of stores, which communication should be there, knowing which type of consumer is mostly shopping there and for which occasion. It can sound sophisticated, but it truly is. And that helps us to invest to have better return and more effective use of all our joint marketing funds and how our people are investing time. So that's the physical meaning what segmented execution really means.

AI and digital has been helping here so that our people, when they come with the iPad into the store, they already have suggested order, which in itself in background has a machine learning and AI, which through algorithms is constantly taking many factors into play for this outlet. Maybe it's an upcoming weekend where there is an important football match. It will increase the order versus the last week where maybe the forecast for the weekend was bad. So it takes many data points into account that are giving me, as a salesperson, a suggested order and also suggested activities that I need to do in that outlet.

And then we measure compliance of what I actually do because it's my call to eventually finalize the order and what I will do. But we do see that, over time, the accuracy of suggestions is constantly increasing. So that compliance is also getting higher and higher. And people appreciate that this helps them. So they don't waste time on filling out the orders for customers, but rather starting already from something that's prefilled and only then verified quickly with the customer. So that's a, let's say, live example of what we are doing in something that we do every single day.

Mitch Collett:

So it helps you get the right product and the right outlets at the right time.

Zoran Bogdanović:

And with the right type of activation and communication. Because communication, the way consumers react to it is very important.

Mitch Collett:

And I guess it makes your salespeople more efficient, but does that ultimately get reinvested in product or does it allow you to do it, I guess, more cheaply?

Zoran Bogdanović:

Well, it can more efficient and they can do more visits in a day. It also allows our people to spend more quality time with customers. Because we constantly hear from our customers that while we are investing in platforms and digital and all kinds of tools, they constantly say that they do want human interaction. We give them a 24/7 ordering platform with our customer portal, and they appreciate that.

So someone has insomnia and then 2:00 in the morning they are making an order of product or because they think about their business or whatever, fine, they appreciate that. But someone has to come to the outlet to discuss what's working, what they would like more, how did that last promotion work or it didn't work, what could we do better, listing of the new products, explaining what's coming in the next few months. So that really does play a role.

And this is where I see our strength and advantage, because in all countries, we have the largest sales force I think of all the CPG companies. And these people who are visiting a huge number of customers constantly gathering lots of quality firsthand input from customers. And that quality information that we are constantly gathering and insights, when that gets complimented with these digital and AI tools, it gives us a good backdrop at which we can get the quality output. But combination of the physical human world with digital and AI and blend that together, I really think it's something that we are developing and strengthening as a competitive advantage.

Mitch Collett:

Okay. I'm conscious, we're nearly out of time, but I haven't asked about energy yet. And I think you're in your 10th consecutive year of double-digit growth for energy. There's been some strong innovations, but do you think that innovation pipeline is as good as ever and do you think that energy growth can continue?

Zoran Bogdanović:

Absolutely. I think that the overall category proves to be having excellent growth all these years. And I'm very happy that together with our Monster partners here in the room, that we are actually doing that in a way that growing faster than others. So quality of partnership reflected in the execution but enabled with excellent innovation, product flavor combinations, reformulation also because of the zero sugar as well.

So we talk about volume. However, we are also very much conscious together how do we work on the revenue front because volume is the key driver. However, also the overall end mix and price in this category is also important. After all, there are great assets that can be leveraged. Consumers are having great appeal. So I see the opportunity to continue driving both volume and quality revenue as we go forward.

Mitch Collett:

And finally, maybe just to wrap it all together, is there anything we missed that you think investors should know, that we didn't cover?

Zoran Bogdanović:

You asked lots of questions. I just think that I would remind on something that we as a team are proud of the last five years of continuous growth with share gains and being among the highest-growing, let's say, peer group. And I just want to say that there are great times ahead of us for this business, even looking at the current markets, but especially because of the addition of how Coca-Cola Hellenic will look like going forward. So I see abundance opportunity in a great industry and with great partnerships we have. I just see immense opportunity to drive growth and create value.

Mitch Collett:

Okay. That's a great place to leave it. Zoran, thank you very much. Appreciate it.

Zoran Bogdanović:

Thank you. Thank you very much.