

RESULTS PRESENTATION

HALF YEAR RESULTS

12 AUGUST 2021



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 2020 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



GROWING SHARE AND ACCELERATING MOMENTUM AS MARKETS REOPEN

ACCELERATING GROWTH

- H1 FX-neutral revenue up 23.1% with Q2 up 39.5% (like for like)
- Like for like FX-n revenues are 4% above 2019 levels

WINNING IN THE MARKET

- Value share gains increase +50bps in NARTD
- Gained or maintained Sparkling value share in most markets

FINANCIAL PERFORMANCE

- Comparable EBIT margin +340bps
- Comparable EPS +82.0%
- Accelerating investment and free cash flow

EARNING OUR LICENSE TO OPERATE

- Launched additional Water brand in 100% rPET
- Science-based emissions reduction targets to 2030

DELIVERING OUR STRATEGY

1

GROWTH PILLAR

24/7 PORTFOLIO

- Acceleration in Sparkling and Energy
- New Coke Zero in most markets
- Costa Coffee in 16 markets
- Caffè Vergnano adds premium Coffee brand

2

GROWTH PILLAR

WIN IN THE MARKET PLACE

- Price/mix accelerated – RGM and pricing
- Increased share gain in at-home
- Activating out-of-home reopening plans
- Digital commerce expansion

3

GROWTH PILLAR

COMPETITIVENESS & INVESTMENT

- In-house rPET production investments
- €15-20m of 2020 cost saves to remain FY 2021
- Investment in Nigeria, coolers and digital
- Value enhancing M&A

4

GROWTH PILLAR

POTENTIAL OF OUR PEOPLE

- Talent development - investing in critical capabilities
- Nurturing our high performance growth culture
- Working towards a more diverse and inclusive workforce

5

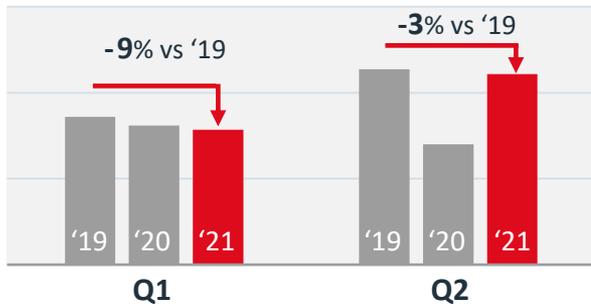
GROWTH PILLAR

LICENSE TO OPERATE

- 5 mineral water brands in 100% rPET in 6 countries
- Sparkling single-serve packs in 100% rPET in Italy
- Reducing use of plastics in secondary packaging

RECOVERY IN OUT OF HOME

OUT-OF-HOME CHANNEL – re-opening plans accelerate growth



OUT-OF-HOME TRENDS

- Customer relationships strengthened during crisis
- 24/7 portfolio and execution excellence driving performance

AT-HOME CHANNEL – maintaining good momentum



AT-HOME TRENDS

- Growth continues
- Share gains accelerate
- New occasions driving premiumisation



IMPROVEMENT IN SINGLE-SERVE MIX

SINGLE-SERVE MIX PERFORMANCE



**SINGLE SERVE REVENUE PER CASE:
1.7x VS MULTI SERVE**

What is driving the improvement?

1 Reopening of the out-of-home channel and increased mobility



2 Increasing single-serve in at-home channel: Multi packs of single-serve +18.3% H1 and Q2



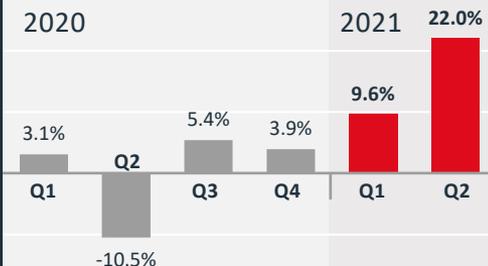
3 Innovations in single-serve packs:



PRIORITISATION OF OPPORTUNITIES IS DRIVING MOMENTUM

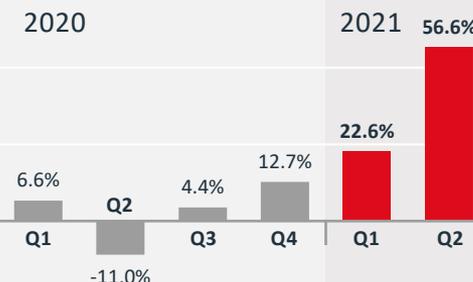
SPARKLING

- Resilient during pandemic
- Broad-based growth across brands
- Coke with meals a key occasion
- Flavour innovations



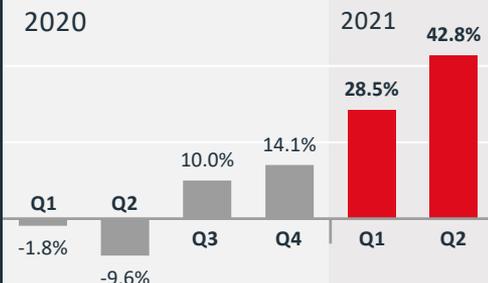
LOW/NO SUGAR

- 22% of Sparkling volumes and growing faster than full sugar in all segments
- New Coke Zero launch in April and now in 24 of our markets



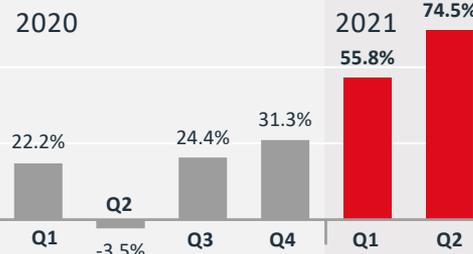
ADULT SPARKLING

- Successful playbook of investing to elevate Schweppes & Kinley
- Activation with unique Premium Spirits portfolio
- Key socialising occasions, both in and out of home



ENERGY

- Pace of successful innovation continues
- Brands addressing a range of consumer profiles from mass premium to affordable



COFFEE STRATEGY STRENGTHENED

NOW WITH A PREMIUM AND MASS PREMIUM OFFERING

Costa roll-out continues:

- Diverse product offering for both the at home and the out-of-home channels
- Deepening and broadening penetration in first 16 markets
- Accelerating out-of-home expansion
- Expect to launch in all our markets by 2023

Expanding into premium coffee:

- Announced acquisition of 30% stake in **Caffè Vergnano**: one of the oldest Italian coffee roasters with roots dating back to 1882
- Expands our premium offer
- Exclusive distribution rights in all our markets (except Italy)
- Plan to roll out distribution by early 2022

OUR MARKETING POSITION



EXPANDING INTO EGYPT

STRATEGIC RATIONALE

- **Adding significant scale**
 - Increases population served to c. 715 million
 - With Egypt, CCH will operate in Africa's two largest NARTD markets by volume
- **Attractive demographics**
 - Egypt population >100 million, average age of 25
 - Nigeria and Egypt combined are c 25% of continent population
- **Growth potential**
 - Currently strong no. 2 in market with 42% value share – room for further share expansion
 - Opportunity to increase per-capita consumption
- **Excellent fit**
 - Leverages our execution capabilities and experience in Emerging markets



EXPANDING INTO EGYPT

FINANCIAL RATIONALE

- Revenue of €410 million in 2020
- Low-single digit EPS accretion expected in the near term
- Significant opportunity to create further value, progressively moving CCBCE's margins towards group average over time
- Expected closing late Q4 2021



EMERGING MARKETS

STRENGTH IN LARGEST MARKETS- RUSSIA AND NIGERIA CONTINUES;
RECOVERY THROUGH REST OF SEGMENT

+22.9%

VOLUME*

+6.1%

PRICE/MIX*

+30.3%

FX-NEUTRAL
REVENUE*

+24.7%

SPARKLING

+24.5%

TRADEMARK
COCA-COLA

+70.9%

LOW- AND
NO-SUGAR

+39.2%

ADULT
SPARKLING

+94.1%

ENERGY

EMERGING MARKETS

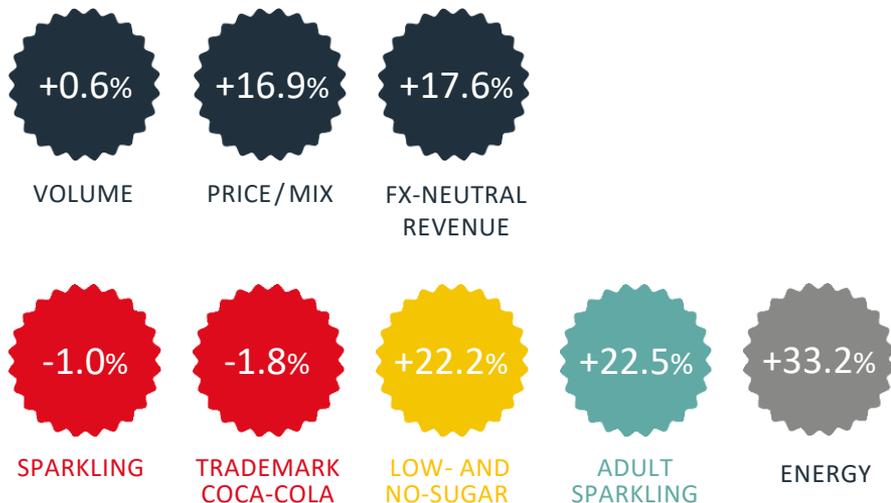
- FX-neutral revenue is c. 19% above 2019
- Recovery in Romania and Serbia adds to continued strong performance in Nigeria, Russia and Ukraine
- Price/mix accelerates in Q2 with broad based strength

All figures refer to like-for-like HY 2021 compared to prior-year, unless otherwise stated. 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 joint venture.

Like-for-like H1 2021 compared to 2019, adjust for the change in classification of our Russian Juice business (Multon) from a joint operation to joint venture and the acquisition of Bambi

DEVELOPING MARKETS

SHARE GAINS IN LARGEST MARKETS
HELP TO MITIGATE SUGAR TAX IMPACT



DEVELOPING MARKETS

- FX-n revenue is c. 2% below 2019
- Strong low/no sugar performance and market share gains in Poland drove stable volumes despite sugar tax
- Price/mix was +5.6% ex Polish tax.

ESTABLISHED MARKETS

STRONG RECOVERY IN Q2
AS THE OUT-OF-HOME REOPENED

+11.8%

VOLUME

+4.8%

PRICE/MIX

+17.1%

FX-NEUTRAL
REVENUE

+10.6%

SPARKLING

+9.9%

TRADEMARK
COCA-COLA

+15.4%

LOW- AND
NO-SUGAR

+48.2%

ADULT
SPARKLING

+67.6%

ENERGY

ESTABLISHED MARKETS

- FX-n revenue is c. 8% below 2019
- Out-of-home opening drove strong recovery
- Italy volumes are nearing pre-pandemic levels, while Greece is still impacted by weak tourism
- Price/mix acceleration in Q2

EARNING OUR LICENSE TO OPERATE

World without waste

- New 100% rPET launches
- Swapping plastic wrapping for paperboard solution in 10 markets



Emissions reduction

- Reduction of 50% over last decade
- Science-based reduction target to 2030



FINANCIAL REVIEW

BEN ALMANZAR
CHIEF FINANCIAL OFFICER



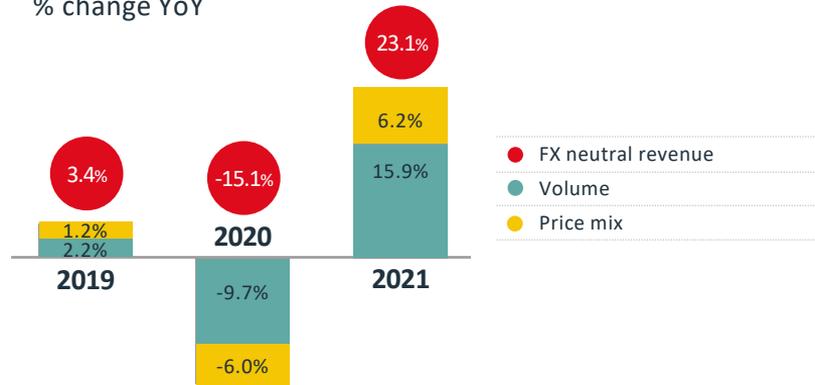
REVENUES ACCELERATE

- Like-for-like FX-neutral revenues up 23.1% in H1 and up 39.5% in Q2
- Strong acceleration in volume in Q2, up 26.5% drove H1 like-for-like volumes above 2019 levels
- Like-for-like price/mix expanded 6.2% with strong improvement in Q2
 - Positive package mix as ‘on-the-go’ occasions and out-of-home channel returned
 - Positive category mix given ongoing strength in Sparkling and Energy
 - Pricing taken in over 90% of markets
 - Polish sugar tax impact +180bps

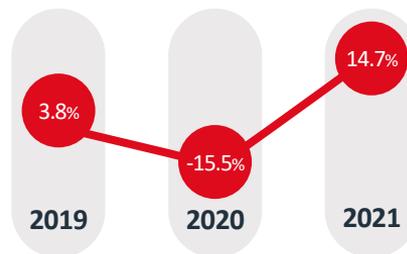
Comparable financial indicators exclude the recognition of restructuring costs, unrealised commodity hedging results and acquisition costs. Financial indicators for the current year on a like-for-like basis also adjust for the change in classification of our Russian Juice business (Multon) from a joint operation to a joint venture.

Certain differences in calculations are due to rounding.

FX NEUTRAL REVENUE (like for like)
% change YoY



NET SALES REVENUE GROWTH
% change YoY



COST SAVINGS KEPT ABSOLUTE OPEX FLAT

- Gross Profit margin down 70bps
 - Input and FX cost pressure partially offset by hedging, price/mix and productivity gains (-50bps)
 - Polish sugar tax (-70bps)
 - Useful Lives Extension (+50bps)
- Comparable OPEX was stable YoY despite strong revenue recovery, with most of the 2020 cost saves retained temporarily
- Comparable OPEX as a % of revenue improved by 380bps YoY

	HY 2021	HY 2020	change
Comparable gross profit margin	36.6%	37.2%	-70bps
Comparable operating expenses	-852.0	-850.0	0.2%
Comparable OPEX as % of revenue	26.2%	30.0%	-380bps

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MARGINS IMPROVE IN ALL SEGMENTS

TOP LINE CHANGE

	HY 2021 vs HY 2020
Total CCH	
Volume	13.8%
Price/mix	6.2%
FX-n revenue	20.8%
Established markets	
Volume	11.8%
Price/mix	4.8%
Developing markets	
Volume	0.6%
Price/mix	16.9%
Emerging markets	
Volume	19.1%
Price/mix	5.2%

EBIT MARGIN

	HY 2021 vs HY 2020
Total CCH	
EBIT margin	10.8%
EBIT margin expansion	340bps
Established markets	
EBIT margin	9.4%
EBIT margin expansion	440bps
Developing markets	
EBIT margin	5.5%
EBIT margin expansion	180bps
Emerging markets	
EBIT margin	14.0%
EBIT margin expansion	340bps

- Established margins accelerate fastest due to revenue recovery driving strong operational leverage
- Developing margins include a c. 2pp negative impact from the Polish sugar tax
- Emerging markets margin improvement continues driven by ongoing leverage on top-line growth

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H1 EBIT MARGIN +340BPS

- Comparable EBIT expanded 67.8% while comparable EBIT margins expanded 340bps
- We now expect 20-30bps EBIT margin expansion in 2021
- Capex reached 6.7% of net sales revenue, inline with guidance
- Free cash flow of €277.5 m on higher profitability and continued working capital improvements
- Comparable EPS +82.0%
 - broadly stable tax rate and finance charges

	HY 2021	HY 2020	change
Comparable EBIT (€m)	350.3	208.8	67.8%
Comparable EBIT margin	10.8%	7.4%	+340bps
Comparable net profit (€m)	235.6	129.0	82.6%
Comparable EPS (€)	0.646	0.355	82.0%

	HY 2021	HY 2020	change
EBITDA (€m)	514.7	399.8	28.7%
Working capital change (€m)	81.6	-194.2	-
Net capital expenditure (€m)	218.4	176.3	23.9%
Free cash flow (€m)	277.5	-38.5	316.0

Comparable financial indicators exclude the recognition of restructuring costs, unrealised commodity hedging results and acquisition costs. Financial indicators for the current year on a like-for-like basis also adjust for the change in classification of our Russian Juice business (Multon) from a joint operation to a joint venture.

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CAPITAL ALLOCATION PRIORITIES

Investing for growth

- 1 Organic investment in the business**
 - CAPEX target ratio: 6.5% - 7.5% of revenue
 - Capacity expansion, coolers, digital
- 3 Value creating M&A**
 - Selective bolt-on acquisitions of strong local brands to complement the existing portfolio
 - Expansion into the right geographies

Returning cash to shareholders

- 2 Progressive ordinary dividend policy**
 - Target pay-out ratio: 35%-45% of comparable net profits
- 4 Additional capital return**
 - In the form of an extraordinary dividend
 - We have returned €4.1bn in dividends to shareholders since 2001

Net Debt to Comparable EBITDA target 1.5 to 2.0x

OUTLOOK

- Encouraging H1, vaccination rates are high and restrictions have eased but uncertainty about new variants remains
- Continuously monitoring to prioritise opportunities

2021 guidance

- **Expect a strong FX-n revenue recovery**
 - Continued volume recovery
 - Price / mix expansion
- **Now expect 20-30bps EBIT margin expansion this year**
 - H2 EBIT margins expected to be lower than H22020
 - Expected return of €100m of opex saved in 2020 still anticipated in H2
 - HSD raw material cost per case inflation
 - FX impact higher in 2021 than 2020



Q&A

For further information on Coca-Cola Hellenic please visit our website at:
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