

# dbAccess Global Consumer Conference

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# 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”).

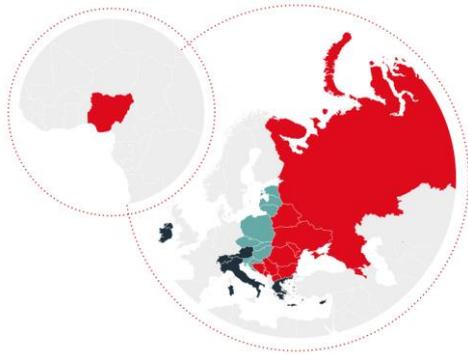
This document contains forward looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as “believe”, “outlook”, “guidance”, “intend”, “expect”, “anticipate”, “plan”, “target” and similar expressions to identify forward 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.

# BECOMING THE LEADING 24/7 BEVERAGE PARTNER

## WHERE WE OPERATE

We benefit from a diverse combination of countries across both growth and established markets



% of 2020  
Group revenue

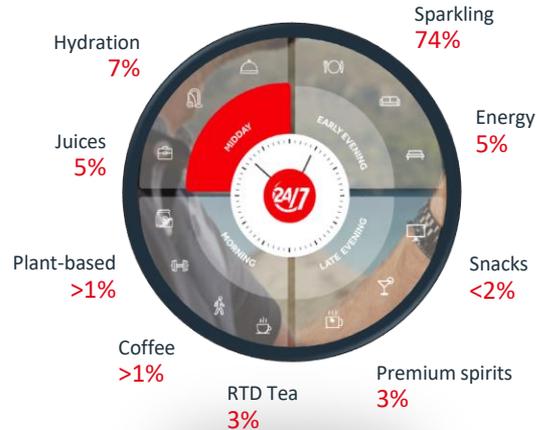
Established  
markets  
36%

Developing  
markets  
19%

Emerging  
markets  
45%

## OUR 24/7 PORTFOLIO

We offer the strongest, broadest and most flexible portfolio in the beverage industry



% of 2020  
Group revenue

## KEY STATS

28  
countries

100+  
brands

+40bps  
value share gain in  
our footprint vs.  
2019

#1 in DJSI  
The world's most  
sustainable  
beverage company

1.4 million+  
customers

investing in our  
27,722  
people to build critical  
capabilities

# A CLEAR STRATEGY FRAMES OUR ACTIONS



GROWTH PILLAR

**LEVERAGE OUR  
UNIQUE 24/7  
PORTFOLIO**



GROWTH PILLAR

**WIN  
IN THE  
MARKET PLACE  
WITH CUSTOMERS**



GROWTH PILLAR

**FUEL GROWTH  
THROUGH  
COMPETITIVENESS  
& INVESTMENT**



GROWTH PILLAR

**CULTIVATE  
THE POTENTIAL  
OF OUR PEOPLE**



GROWTH PILLAR

**EARN OUR  
LICENSE  
TO OPERATE**

# OUR STRATEGIC PRIORITIES

1

GROWTH PILLAR

## LEVERAGE OUR UNIQUE 24/7 PORTFOLIO

- Prioritise Sparkling & Energy
- Targeted, more scalable innovations
- Coffee a key focus

2

GROWTH PILLAR

## WIN IN THE MARKET PLACE WITH CUSTOMERS

- Ready for out-of-home reopening
- Continue to gain share in at-home occasions
- Leverage RGM for value creating growth
- Accelerate digital commerce creating an integrated physical and digital route to market

3

GROWTH PILLAR

## FUEL GROWTH THROUGH COMPETIVENESS AND INVESTMENTS

- Continue to manage costs closely and drive efficiencies
- Invest behind the highest potential projects and sustainability initiatives
- Accelerate digital transformation

# OUR STRATEGIC PRIORITIES- PILLAR 1

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# PRIORITISE SPARKLING AND ENERGY

## Sparkling - Drive category value growth

**Sparkling growth**  
with volumes **up 11%**  
since 2016 despite  
COVID



**Lights and Zeroes**  
reaching 16% of  
total Sparkling in  
2020

**Growth in lights**  
accelerating growth in  
the overall Sparkling  
category

**Premiumisation  
opportunities**  
in Adult Sparkling with three  
diverse brands: Schweppes,  
Kinley and Lurisia

**Improving  
package-mix**  
through growth in  
multi-packs of single  
serve

# PRIORITISE SPARKLING AND ENERGY

Energy – Innovate and expand

In 2020, **Energy** saw  
fifth year of  
**double digit volume  
growth**



**Tiered portfolio**  
catering to premium  
and affordable  
consumer demand

**Innovations**  
including new flavours  
and functional benefits

**Portfolio expansion**  
with new brands and  
flavours

**Entering adjacent  
segments**  
with new  
functionalities

# TARGETED, MORE SCALABLE INNOVATIONS

## A disciplined innovation framework

- Eliminating underperforming and unprofitable brands and SKUs
- Targeting country/category combinations with the greatest topline opportunity
- Focusing investments against fewer, scalable and profitable innovations



More scalable

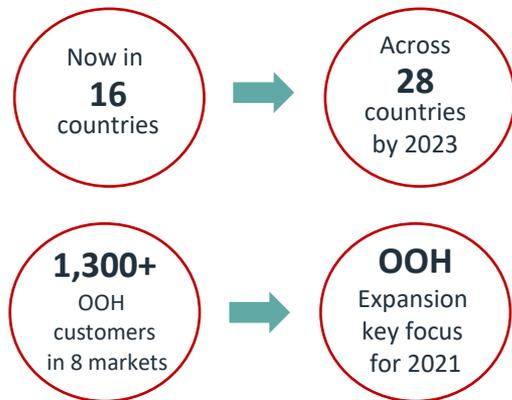
More targeted



# COFFEE IS A SIGNIFICANT OPPORTUNITY

## Roll-out in line with expectations

We will be building Costa coffee on a strong foundation over several years



## Diverse product offering

We offer a comprehensive range of products for both the out-of-home and the at-home channels



## The coffee market is large, and growing

€9 billion

distributor value

+MSD

category growth

LSD to MSD

At Home market share target for 2025

# COSTA COFFEE

Strong presence in both at-home and out-of-home channels

## At Home portfolio

Breakfast & Routine at home



## Away from Home portfolio & Solutions

Socialising and drinking out

At Work & On the go



# OUR STRATEGIC PRIORITIES – PILLAR 2

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# READY FOR OUT-OF-HOME REOPENING; CONTINUE TO GAIN SHARE IN AT-HOME

## CUSTOMERS



By the side of our customers throughout the pandemic and currently supporting them with re-opening plans

## FLEXIBILITY



Flexible route to market means we can dynamically re-allocate our sales force, maximising opportunities in a changing marketplace.

## BDAA



Deployment of Big Data and Advanced Analytics, delivering powerful insights into consumer demand in a much more precise way

## TAILORED OFFERS



Data allows us to segment our customer base and make offers perfectly tailored for their unique needs.

## EXECUTION



Our sales force are directly connected to these insights through suggested orders for their customers

# LEVERAGE RGM FOR PROFITABLE GROWTH

## Insights



Consumer



Shopper



Channel /  
Customer

## Price/Pack architecture



Affordability &  
Premiumisation



## Segmented approach



Occasion

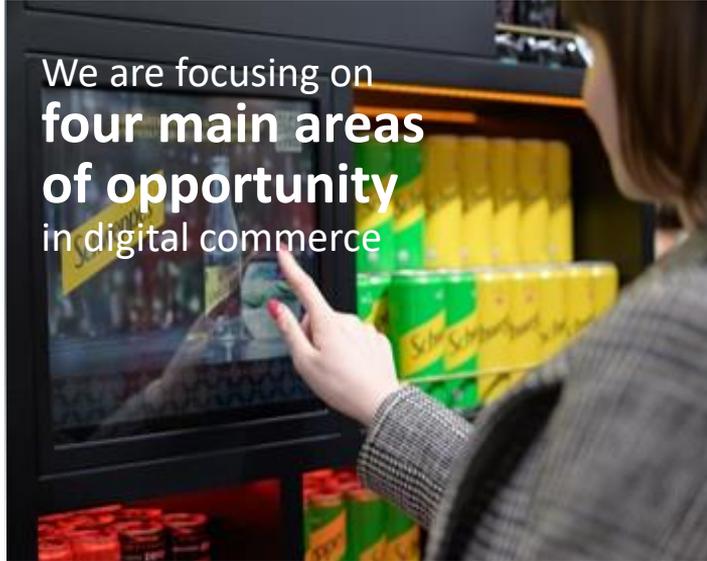


Channel



Market

# DEDICATED DIGITAL STRATEGY TO UNLOCK VALUE



1

Growing demand from our customers to order online from us

2

Digitising our physical business to business route to market through e-marketplaces

3

Increasing our availability, digital shelf space and visibility with pure e-retail and omnichannel customers

4

Accelerating direct to consumer offers and business models

# SEIZING THE DIGITAL COMMERCE OPPORTUNITY



\* Data refers to Q1 2021 NSR vs LY

# OUR STRATEGIC PRIORITIES – PILLAR 3

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# A LEAN, RESILIENT OPERATING MODEL

## We have created a lean and resilient operating model

Plants

-30%  
to 56

Distribution centres

-65%  
to 98

Warehouses

-35%  
to 56

\*Reduction in numbers since 2008

## 2020: Sustaining margins despite challenged revenues

OPEX as  
% of revenue

-3.5pp  
to 27.3%

+1.3pp  
to 37.9%

Gross  
profit margin

\*Reduction in numbers since 2008

## 2021 and beyond: adapt with speed and agility to protect profitability

- Committed to investing behind our brands
- We will keep the disciplined cost control initiatives



# INVESTING IN THE BUSINESS FOR GROWTH

The key areas of focus for our investments are:

Capacity expansion in high growth markets

Cooler placement

Building digital capabilities

Sustainability commitments

Expansion in Coffee



# 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

# EARNING OUR LICENSE TO OPERATE – PILLAR 5

## We are on track to meet our Mission 2025 sustainability commitments

Our Mission 2025 approach to achieving sustainable growth is based on our stakeholder materiality matrix and is fully aligned with the United Nations Sustainable Development Goals (SDGs) and their targets

## We have set new science-based targets to reduce emissions by 2030

In the next ten years, we plan to reduce our absolute emissions for our direct operations and production (Scope 1 & 2) by 55% compared with the 2017 baseline levels. Scope 3 emissions will be reduced by 21%

## Our key priorities for 2021

- Reduce emissions scope 1, 2 and 3 in line with 2030 science-based target
- Develop plan to reach net zero emissions by 2040
- Continue reduction of water consumed in priority plants
- New technologies for in-house recycled PET production
- Launch of KeelClip™ paperboard solution for can multi-packs in Italy, Switzerland, Romania, Poland and Greece

## Emissions reduction



## Water reduction & stewardship



## World without waste



## Sourcing



## Nutrition



## Our people & communities



# COMPETITIVE ADVANTAGE

## Growth opportunity



- 1** Leader in the large, growing non-alcoholic ready to drink industry



- 2** Growth opportunities across high-value occasions and categories



- 3** Diverse, balanced country portfolio with exposure to fast growing markets



- 4** Focus on cost and efficiency to fuel investments for growth



- 5** Earning our license to operate



- 6** Strong free cash flow, balance sheet and investor returns

# CREATING LONG TERM, SUSTAINABLE VALUE

	TARGETS	2021	ONCE RECOVERY IS UNDERWAY
1	FX-neutral revenue growth	A strong recovery	+ 5-6%
2	Comparable EBIT margin	A small increase	+ 20-40bps
3	Employee engagement score	Above the high-performing norm	
4	Mission 2025	Accomplish our sustainability commitments	

# Q&A

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

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