

Coca-Cola HBC

DB Consumer Conference
June 2019



Zoran Bogdanovic
CEO

Forward looking statements

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”).

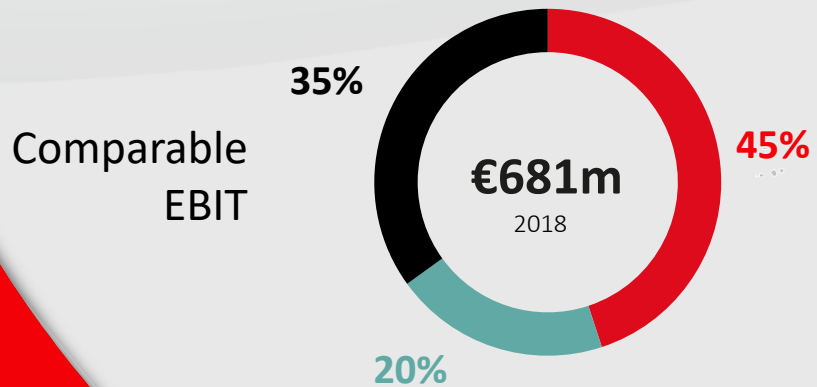
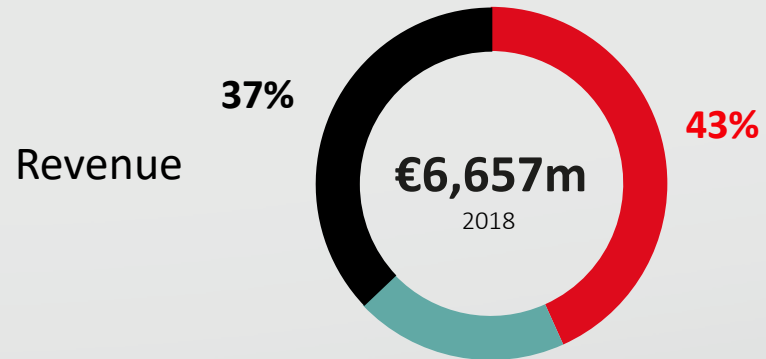
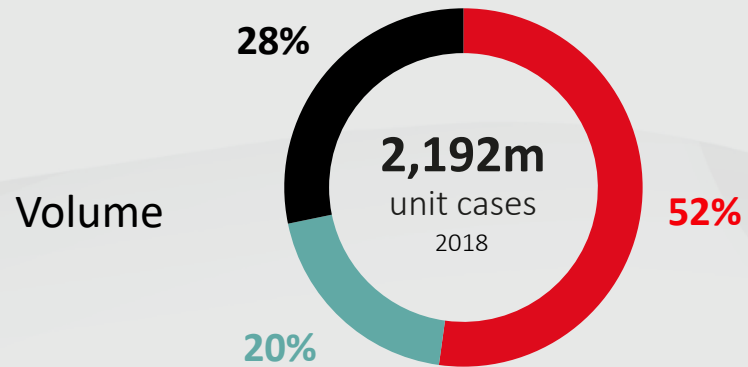
This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as “believe”, “outlook”, “guidance”, “intend”, “expect”, “anticipate”, “plan”, “target” and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2019 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 2018 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.



Our Company



Established markets
Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland, Switzerland

Developing markets
Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia

Emerging markets
Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Moldova, Montenegro, Nigeria, North Macedonia, Romania, Russia, Serbia, Ukraine

A unique business with a strong growth profile

68 years of history

Industry leader in sustainability with deep roots in our communities

Diverse geographic footprint – 28 countries across 3 continents

Broad, differentiated product offering – 29% of revenues from non-Sparkling

Committed to, and delivering, strong financial growth and shareholder returns – 23% TSR CAGR since 2015

Passionate, dedicated and engaged people

Strategic partner of The Coca-Cola Company

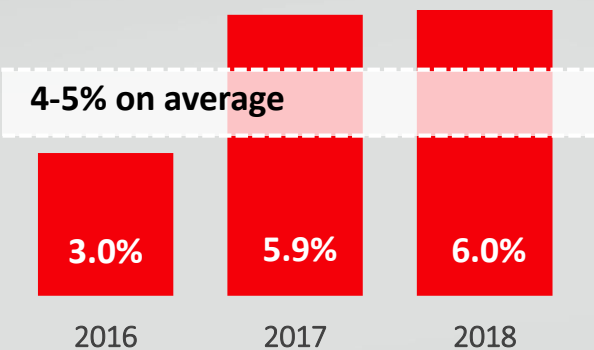
In 2016 we set
ambitious
targets for
2020

Targets	Drive volume growth	Focus on value	Improve efficiency	Invest in the business
Scorecard	<p>4-5% p.a. Average currency-neutral revenue growth</p>		<p>26-27% by 2020 comparable OpEx as % of revenue</p>	<p>Capital expenditure 5.5%-6.5% of revenue*</p>
	<p>11% by 2020 comparable EBIT margin</p>		<p>Working capital less than €-100m</p>	



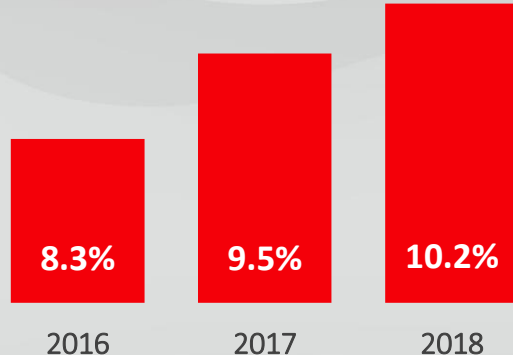
We are delivering on our 2020 targets

Currency-neutral
Revenue growth

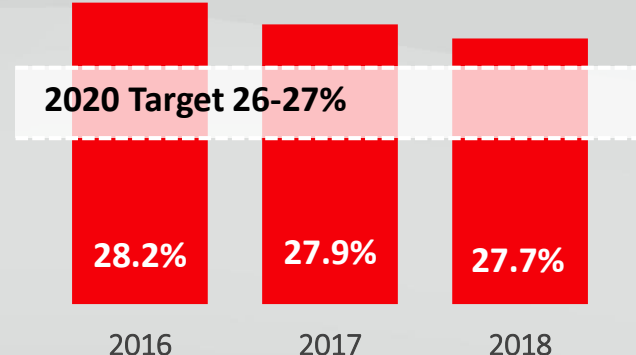


Comparable EBIT margin

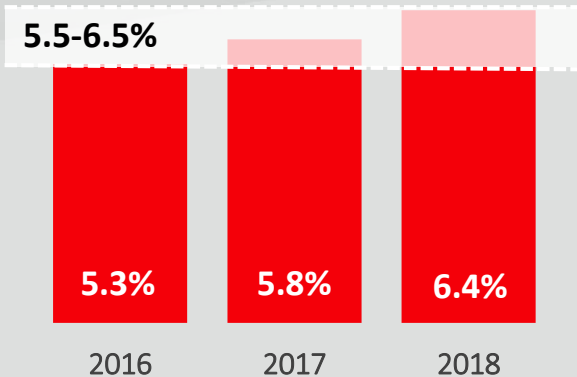
2020 Target 11%



Operating expenses as a
% of Revenue



CAPEX as a % of revenue










Working capital (€ mn)

Consistently
triple-digit
negative

Leader in the dynamic, growing Non-alcoholic ready-to-drink (NARTD) industry

No. 1
in SSDs in
22 of 23
measured
markets

		2018 value share of category in total industry	2018 CCH category value share	2016-2020 industry CAGR	2021-2025 industry CAGR
 Sparkling	23 2 5	33%	56%	3.7%	3.9%
 Hydration*	20 2 4	30%	10%	3.8%	3.6%
 Juice	10 0 1	15%	15%	1.5%	2.5%
 Energy	4 1 2	6%	15%	8.9%	7.8%
 RTD tea	2 0 1	4%	23%	3.5%	4.4%
 Other	9 1 3	13%	0.2%	4.4%	5.7%
 NARTD	69 6 17	100%	26%	3.8%	4.1%

● 2018 (€bn)

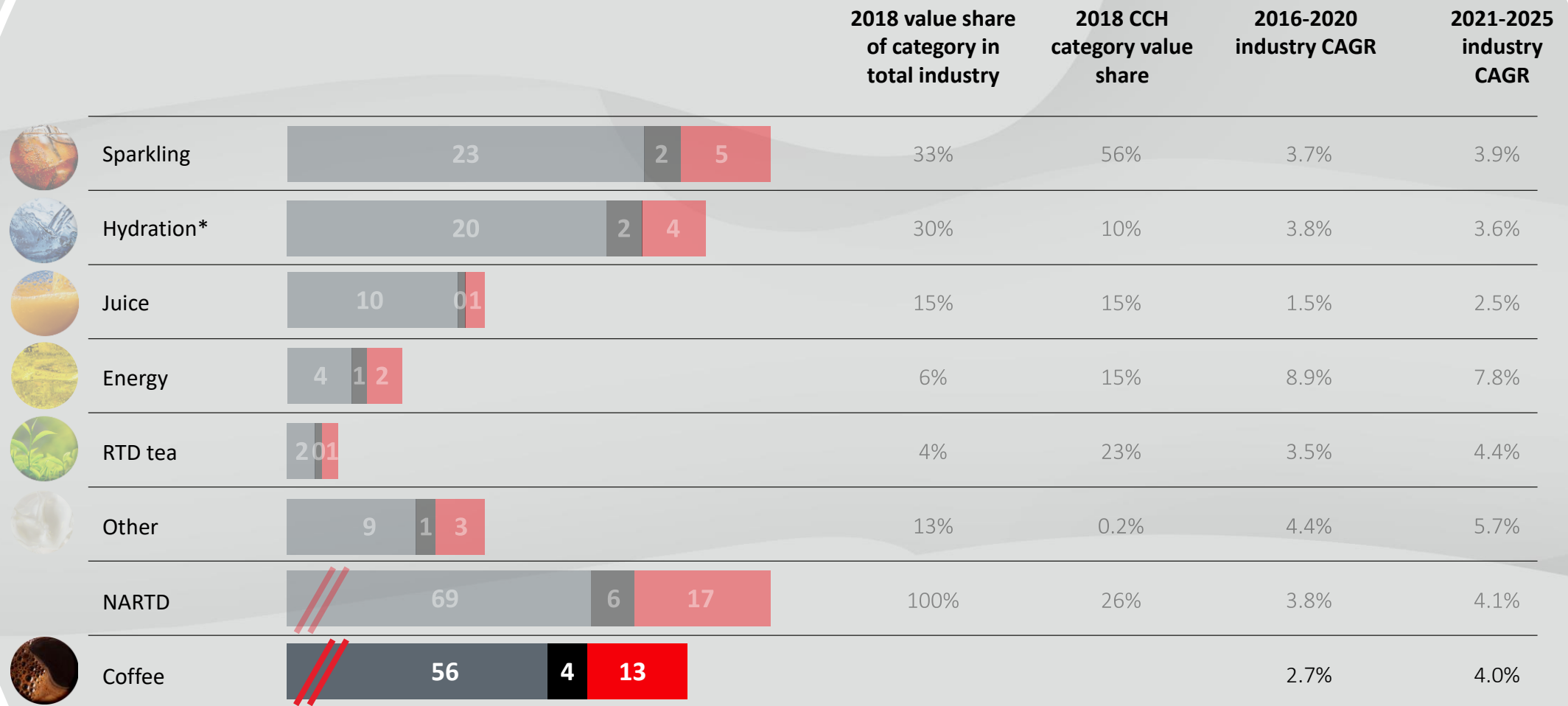
● 2019-2020 projected
increase (€bn)

● 2021-2025 projected
increase (€bn)

*Hydration includes Water and Sports drinks

Source: 2018 GlobalData and value extrapolated based on Nielsen and internal estimates. 2018-25 Forecast based on internal estimates.

Future opportunity in Coffee



● 2018 (€bn)

● 2019-2020 projected increase (€bn)

● 2021-2025 projected increase (€bn)

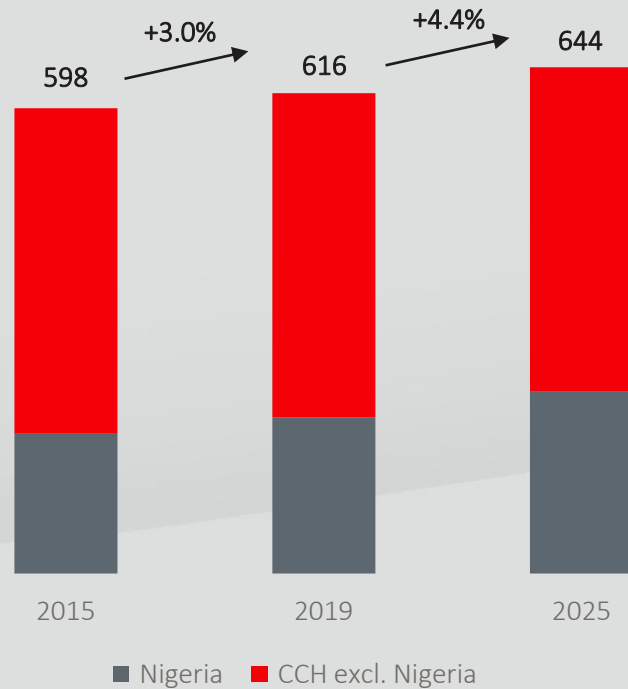
*Hydration includes Water and Sports drinks

Source: 2018 GlobalData and value extrapolated based on Nielsen and internal estimates. 2018-25 Forecast based on internal estimates.

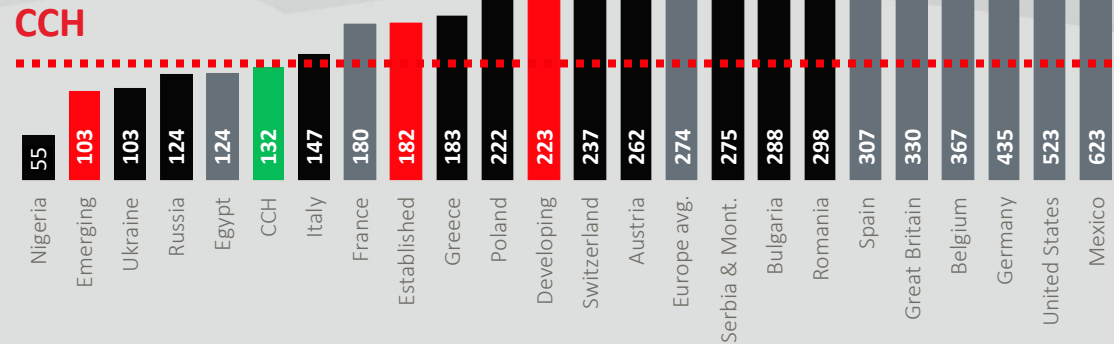
Favourable demographics - growing population with very low per-capita consumption

54% of Nigeria's population is less than 19 years old

Population (m)



2018 industry SSDs servings per-capita



Sources: IHS, internal estimates
Serving is 8oz or 237ml

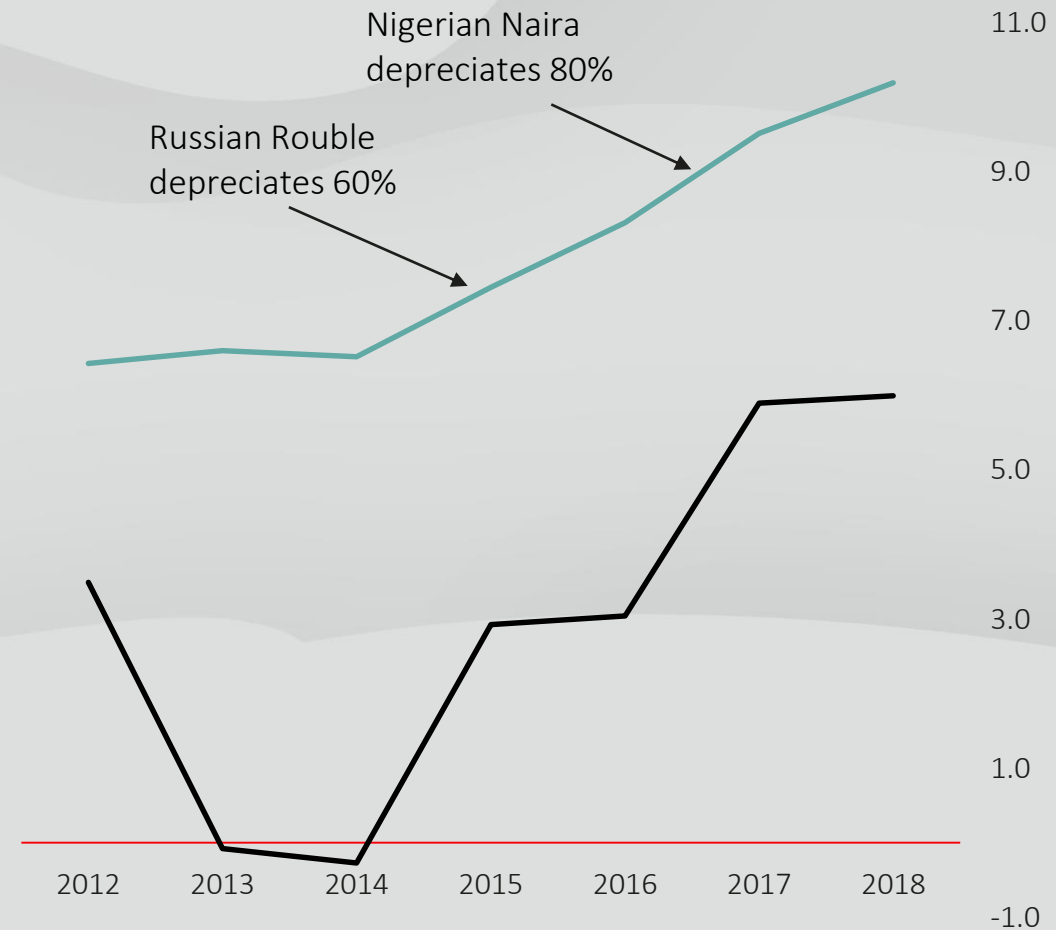
Diverse, balanced country portfolio mitigates country-specific risks

Diverse geographical source of EBIT

3 countries
with >10% of
EBIT contribution
each

7 countries
with 5-10% of
EBIT contribution
each

18 countries
with <5% of EBIT
contribution
each



● Currency-neutral revenue growth (%) ● EBIT margin (%)

The strongest, broadest, most flexible portfolio

8 categories, over 100 brands, c. 4,000 SKUs

% in CCH revenue

Categories

Brands

71%



Sparkling



9%



Hydration (Water & Sports)



8%



Juices



4%



Ready-to-drink tea



3%



Energy



<1%



Plant-based beverages



3%



Premium spirits



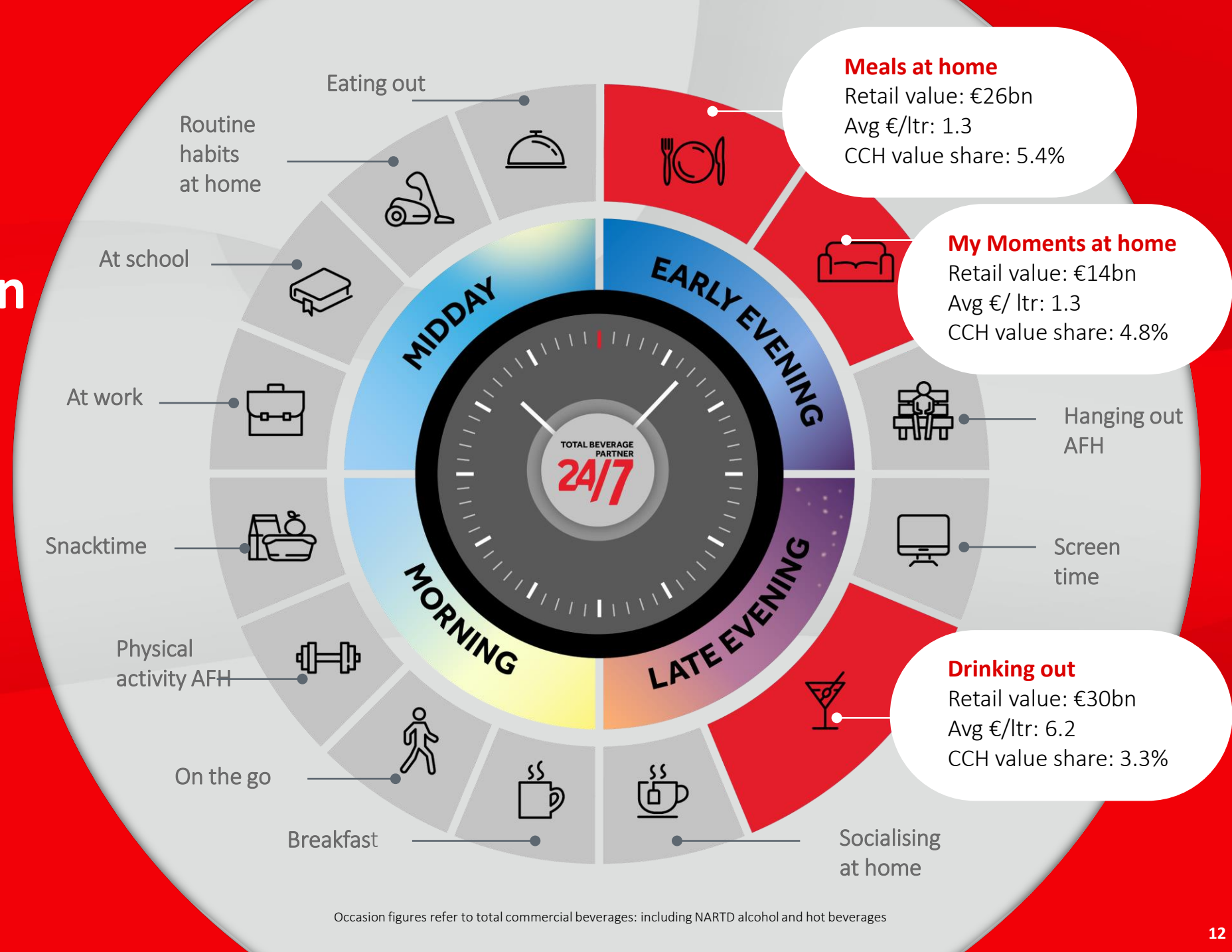
1%



Coffee



Growth opportunity in commercial beverages within the largest and most valuable occasions



Our growth will be driven by
a crystal clear vision



Each of our **growth pillars** is a core strength or competitive advantage

Leverage our unique 24/7 portfolio

Win in the marketplace with our customers

Fuel growth through competitiveness and investment

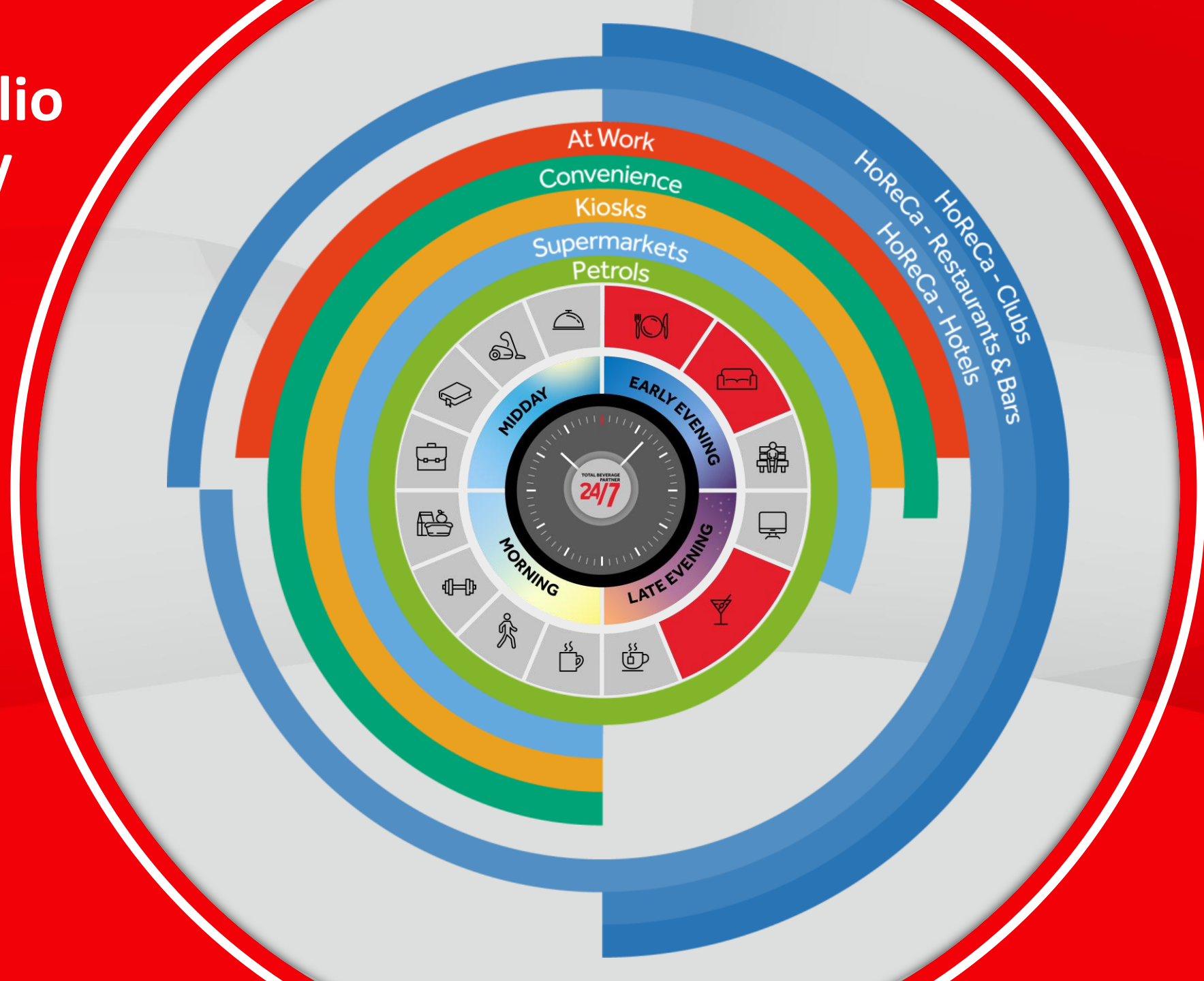
Cultivate the potential of our people

Earn our licence to operate

Growth Capabilities



Our 24/7 portfolio allows us to stay relevant for every outlet in every channel



Winning in the marketplace with customers

Next generation
customer
approach
driven
by insights

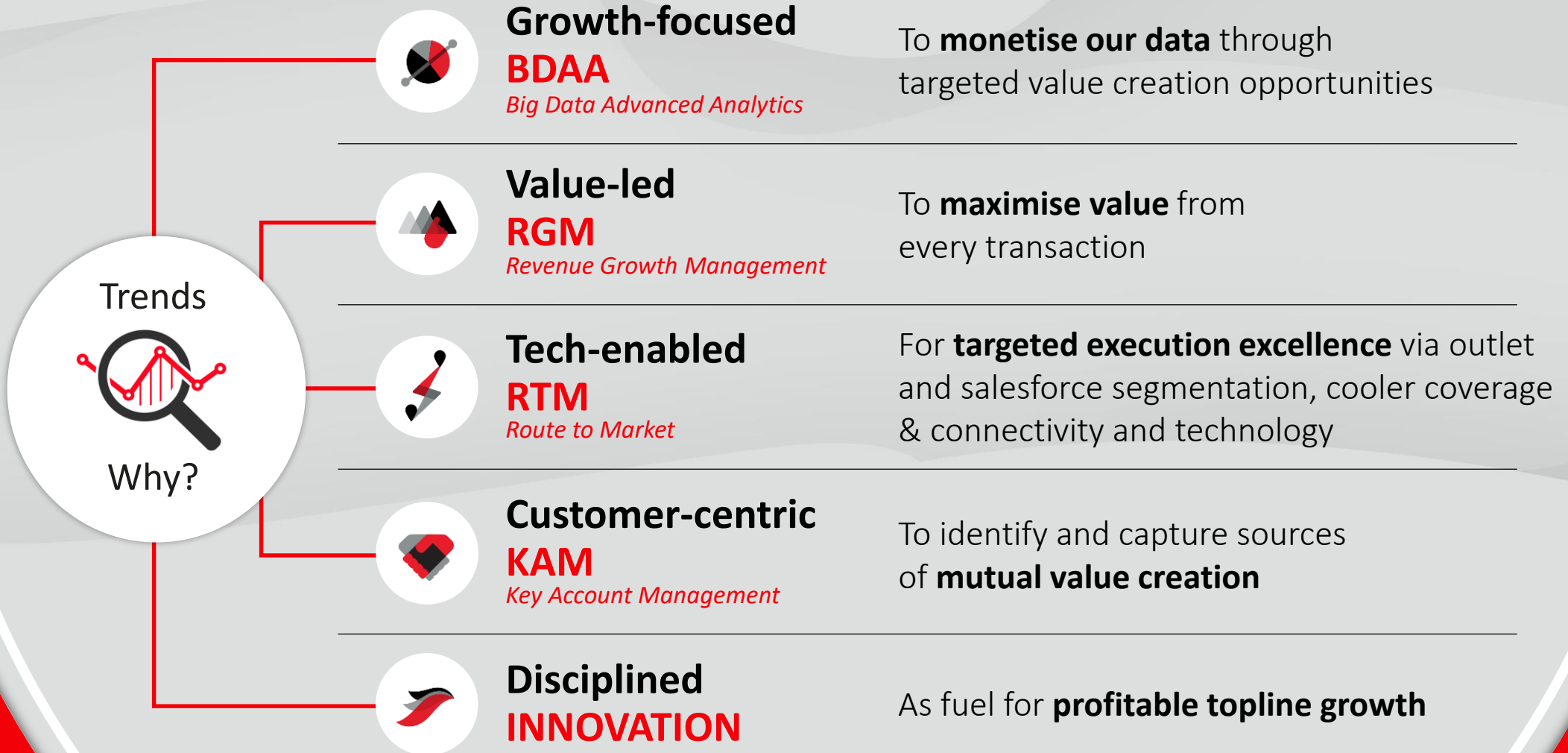
**JOINT
VALUE
CREATION**

Industry
leading
commercial
capabilities

**We win with customers when they
win with shoppers**



Our capabilities are **catalysts for growth** and drivers of **competitive advantage**



Fuelling growth through competitiveness and investments



Efficiency scorecard

	2016-20	2021-25
Production overheads as % of revenue (beginning – end of period)	140 bps improvement	40 bps improvement
Cost to supply as % of revenue (beginning – end of period)	60 bps improvement	40 bps improvement
Capex as % of revenue (average p.a. – restated for impact of IFRS 16 adoption)	7%	6.5% to 7.5%
Production line efficiency (average p.a.)	69%	72%
	Europe	78%
Capacity utilisation (average p.a.)	Russia	77%
	Nigeria	78%



5-6%

Annual organic revenue growth

We aim to deliver another step up in **performance**

20-40bps

EBIT margin expansion p.a. on average

Accomplish our **2025 sustainability commitments**

Leverage our unique 24/7 portfolio

Win in the marketplace with our customers

Fuel growth through competitiveness and investment

Cultivate the potential of our people

Earn our licence to operate

Greater than high performing norm **Employee engagement score**

Growth Capabilities



We have the strategy and competitive advantage

Leader in the dynamic, **growing** NARTD industry

Strongest, broadest, most flexible, **24/7 portfolio of brands**

Relentless focus on **cost and efficiency** to fuel **investments for growth**

Diverse, balanced **country portfolio** with very low **per-capita consumption**

Significant **growth opportunities** across **high-value occasions and categories**

To deliver superior shareholder returns

Superior organic revenue growth of 5-6% p.a.

Cash-generative business that invests 6.5-7.5% of revenue in capex for **profitable growth**

Total shareholder returns above industry average

Strong balance sheet with opportunity to leverage for:

Bolt-on acquisitions of strong local brands in still drinks

Geographic opportunities with a growth profile, where we can create value

Consistent margin expansion of **20 to 40 bps p.a.** on average

A hand is pouring Coca-Cola from a red can into a glass filled with ice. The can has the Coca-Cola logo and the words "GREAT TASTING AND ORIGINAL TASTE" on it. The glass is a cut-crystal tumbler. The background is blurred, showing a person in a white shirt. The entire scene is framed by a large white circle on a red background.

Q&A

