

# RESULTS PRESENTATION

## HALF YEAR RESULTS

5 AUGUST 2020



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



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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 2020 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



Coca-Cola  
Hellenic Bottling Company

# SAFETY, RESILIENCE, AGILITY

The SAFETY of our people, customers, partners and communities is our FIRST PRIORITY

Demonstrable business RESILIENCE during the crisis

AGILITY as we prepare for future opportunities

## COMING FROM A STRONG POSITION

|                           |                                  |                                   |
|---------------------------|----------------------------------|-----------------------------------|
| Leading product portfolio | Excellent customer relationships | Relevant capabilities - RGM & RTM |
| Unique partnerships       | A strong balance sheet           | A high performance culture        |



# ENCOURAGING SIGNS AS MARKETS REOPEN

## 3 distinct periods

1. Pre-COVID (up to early March)
2. Lockdowns (mid March to end of April)
3. Easing of restrictions

Timing of countries going through these phases, as well as exposure to the out-of-home channel, has a significant impact on their performance

### GROUP FX-n REVENUE



# OUT-OF-HOME LEADING THE RECOVERY

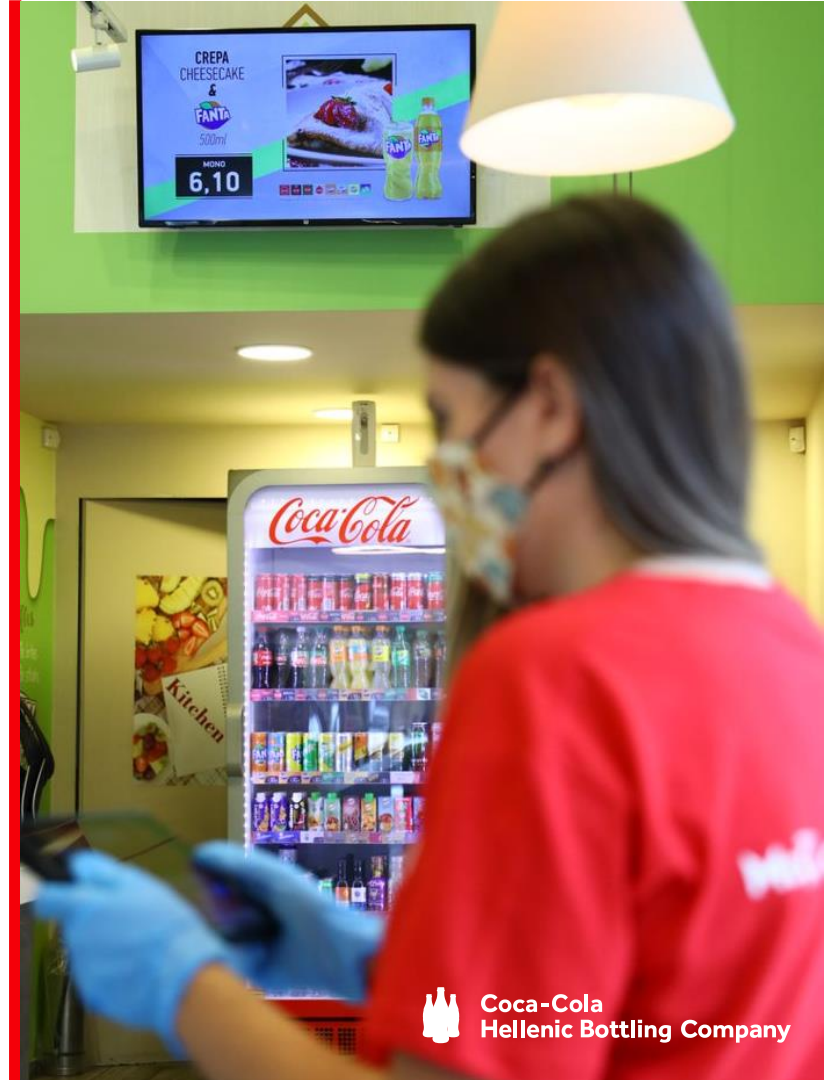
## OUT-OF-HOME CHANNEL VOLUME YoY\*



## AT-HOME CHANNEL VOLUME YoY



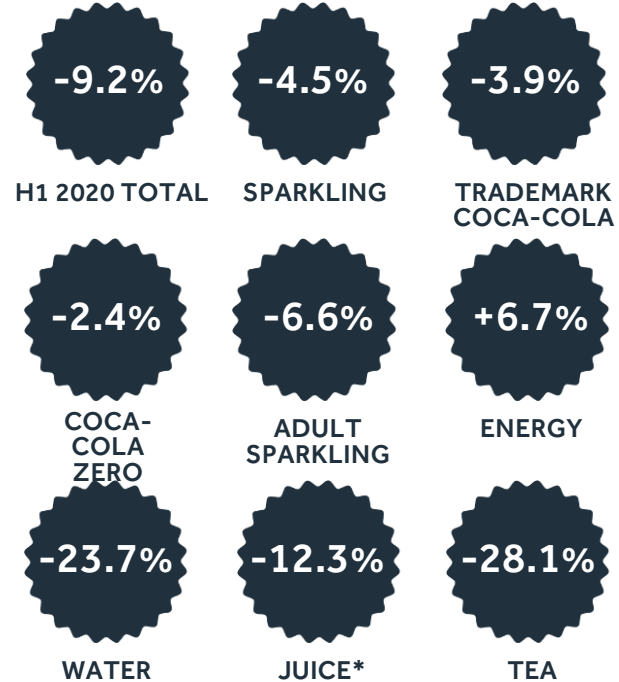
\*The out-of-home channel typically accounts for slightly over 40% of revenues



# SPARKLING RESILIENCE

- Notable resilience in the sparkling category is consistent in all segments
- Low- and no-sugar variants continue to lead
- Stills portfolio is over-indexed to the out-of-home
- We are gaining or maintaining share in the majority of our markets in BOTH Sparkling and overall non-alcoholic ready to drink (NARTD)

## H1 2020 Volume movements YoY



\*Juice volumes adjusted for accounting change on Russian Juice business. Including the accounting adjustment Juice volumes declined by 25.4%

# SINGLE SERVE MIX RECOVERING FROM APRIL LOWS

**2015-2019:**

Single-serve mix grew by over 1pp per year

**H1 2020**

Single-serve mix down by 3.7pp



Movement YoY in SS volume as % of Total Volume

For sharing more  
face to face time

**This Coke  
is on us**



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for a FREE  
Coke

*Coca-Cola*

Learn from other sites, connections, advertising, etc., and then we may offer you personalized ads. We will only use your personal information, and we will not share it with anyone else. You can opt out of this at any time. For more information, please visit our privacy policy at [www.coca-cola.com/privacy](#). © 2020 Coca-Cola Bottling Co. All rights reserved.



# ESTABLISHED MARKETS



-19.0%

VOLUME



-2.6%

PRICE/MIX



-21.1%

FX-NEUTRAL  
REVENUE



-15.8%

SPARKLING



-13.6%

TRADEMARK  
COCA-COLA



-6.5%

LOW- AND  
NO-SUGAR



-16.1%

ADULT  
SPARKLING



## ESTABLISHED MARKETS

- Majority locked down early and severely, eased cautiously
- Highest exposure to out-of-home
- Price/mix decline driven by lower volumes of higher priced single-serve package formats sold in lockdown

All figures refer to half-year 2020 compared to prior-year, unless otherwise stated

# DEVELOPING MARKETS



VOLUME



PRICE/MIX



FX-NEUTRAL  
REVENUE



SPARKLING



TRADEMARK  
COCA-COLA



LOW- AND  
NO-SUGAR



ADULT  
SPARKLING

## DEVELOPING MARKETS

- Generally shorter, sharper lockdowns and faster easing
- Lower exposure to out-of-home
- 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

All figures refer to half-year 2020 compared to prior-year, unless otherwise stated

# EMERGING MARKETS



VOLUME



PRICE/MIX



FX-NEUTRAL  
REVENUE



SPARKLING



TRADEMARK  
COCA-COLA



LOW- AND  
NO-SUGAR



ADULT  
SPARKLING



## EMERGING MARKETS

- Varied impacts
- Nigeria resilient, growing in H1 and stable in Q2
- Russia and Ukraine have low exposure to out-of-home
- Rest of the markets experience similar to Developing segment
- Price/mix impacted by COVID and Nigeria price adjustment in 2019

All figures refer to half-year 2020 compared to prior-year, unless otherwise stated

# COSTA LAUNCHED IN SIX MARKETS WITH MORE TO COME

# COSTA COFFEE



BULGARIA



POLAND



ROMANIA



SLOVENIA



GREECE



HUNGARY



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# ESG – MORE IMPORTANT THAN EVER

| KPI  | FY '19 | 2025 target |
|--|--------|-------------|
| Consumer packaging to be recyclable (%)      | 99.9   | 100         |
| Recycled PET used within total PET(%)        | 12     | 35          |
| Primary packaging collected for recovery (%) | 48     | 75          |

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In collaboration with a RobecoSAM brand



FTSE4Good

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA



CLIMATE



WATER

## PLASTIC-FREE CASES AND MULTIPACKS



## COCA-COLA HBC'S 100% rPET PORTFOLIO



# FINANCIAL REVIEW

**MICHALIS IMELLOS**  
CHIEF FINANCIAL OFFICER



Coca-Cola  
Hellenic Bottling Company

# IMPACT ON YOY GROWTH

|                            | H1 2020<br>Actual | H2<br>Estimate | FY 2020<br>Estimate |
|----------------------------|-------------------|----------------|---------------------|
| <b>Accounting change</b>   |                   |                |                     |
| Volume (YoY pp)            | (0.8)             | (2.7)          | (1.8)               |
| NSR/uc (YoY pp)            | -                 | -              | -                   |
| Revenue (YoY pp)           | (0.8)             | (2.8)          | (1.8)               |
| EBIT (€m)                  | (1)               | +4             | +3                  |
| <b>Bambi consolidation</b> |                   |                |                     |
| Volume (YoY pp)            | +1.3              | -              | +0.7                |
| NSR/uc (YoY pp)            | -                 | -              | -                   |
| Revenue (YoY pp)           | +1.3              | -              | +0.7                |
| EBIT (€m)                  | +13               | -              | +13                 |
| <b>Total</b>               |                   |                |                     |
| Volume (YoY pp)            | +0.5              | (2.7)          | (1.1)               |
| NSR/uc (YoY pp)            | -                 | -              | -                   |
| Revenue (YoY pp)           | +0.5              | (2.8)          | (1.1)               |
| EBIT (€m)                  | +12               | +4             | +16                 |

## Comparability of results impacted by:

### 1. Accounting change

- From early May the accounting treatment of our Russian Juice business changed
- Impact: We no longer recognise the Russian Juice business' financials in our P&L except for our share of its net profit as 'share of results of integral joint ventures', which is included in our comparable EBIT

### 2. Bambi acquisition

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

# FINANCIAL PERFORMANCE

## REVENUES RECOVERING

- FX-neutral revenues fell 14.7%, or 15.1% excluding Bambi & accounting changes \*
- Price/mix decline largely driven by weaker package and channel mix impacted by lockdowns in the out-of-home channel
- Sequential improvement in volume and price/mix during Q2

### \*Technical impacts:

- Bambi benefited FX-neutral revenue and volume growth by 130bps YoY
- Accounting changes negatively impacted FX-neutral revenue and volume growth by 80bps
- Net impact was 50bps positive on YoY reported growth

|                                   | As reported | Adjusted for the accounting change | Like for like organic |
|-----------------------------------|-------------|------------------------------------|-----------------------|
| Volume (m u.c.)                   | -9.2%       | -8.4%                              | -9.7%                 |
| Net sales revenue (€m)            | -15.5%      | -14.7%                             | -16.0%                |
| FX-neutral net sales revenue (€m) | -14.7%      | -13.9%                             | -15.1%                |
| FX-neutral NSR per case (€)       | -6.1%       | -6.0%                              | -6.0%                 |

Financial indicators on a comparable basis exclude the recognition of restructuring costs, unrealised commodity hedging results and non-recurring items.  
Certain differences in calculations are due to rounding.



# COST CONTROL SUPPORTS MARGINS

- Flat YoY gross margin
  - Strong variable COGS base and cost control;
  - Favourable input costs;
  - Effective FX and commodity hedging;
  - Reclassification of raw materials credit settlements YoY (+0.8pp), with no impact on absolute Gross Profit or EBIT
- OPEX as a % of revenue deteriorated due to volume and price/mix deleverage, reflecting the fixed portion of OPEX, despite absolute OPEX decline of 7.8%
- Marketing costs cut by over 40% YoY in Q2

|                                    | <b>H1 2020</b> | H1 2019 | <b>change</b> |
|------------------------------------|----------------|---------|---------------|
| Comparable gross profit margin     | <b>37.2%</b>   | 37.2%   | <b>0bps</b>   |
| Comparable operating expenses (€m) | <b>850.0</b>   | 922.0   | <b>-7.8%</b>  |
| Comparable OPEX as % of NSR        | <b>30.0%</b>   | 27.5%   | <b>250bps</b> |

# EBIT AND CASHFLOW

## Comparable EBIT margins fell by 230bps to 7.4%

- Revenue deleverage (mainly driven by volume and pack mix weakness) led to EBIT margin decline

## Free cash outflow of €38.5m

- Lower operational profitability
- Lower activity drove lower payables, significantly outstripping benefits from lower receivables and inventories
- Capex deferrals in line with plans

## Working capital days improving YoY

|                            | H1 2020 | H1 2019 | change  |
|----------------------------|---------|---------|---------|
| Comparable EBIT (€m)       | 208.8   | 325.1   | -35.8%  |
| Comparable EBIT margin     | 7.4     | 9.7%    | -230bps |
| Comparable net profit (€m) | 129.0   | 222.8   | -42.1%  |
| Comparable EPS (€)         | 0.355   | 0.612   | -42.0%  |

|                              | H1 2020 | H1 2019 | change |
|------------------------------|---------|---------|--------|
| EBITDA (€m)                  | 399.8   | 479.4   | -16.6% |
| Working capital change (€m)  | -194.2  | -129.5  | 64.7   |
| Net capital expenditure (€m) | -176.3  | -195.7  | -9.9%  |
| Free cash flow (€m)          | -38.5   | 79.3    |        |

Financial indicators on a comparable basis exclude the recognition of restructuring costs, unrealised commodity hedging results and non-recurring items.  
Certain differences in calculations are due to rounding.

# EMERGING SEGMENT MORE RESILIENT

## REVENUE CHANGE

|                            | H1 2020 vs<br>H1 2019 |
|----------------------------|-----------------------|
| <b>Total CCH</b>           |                       |
| Volume                     | -9.2%                 |
| FXN-NSR per case           | -6.1%                 |
| FXN-NSR                    | -14.7%                |
| <b>Established markets</b> |                       |
| Volume                     | -19.0%                |
| FXN-NSR per case           | -2.6%                 |
| <b>Developing markets</b>  |                       |
| Volume                     | -8.9%                 |
| FXN-NSR per case           | -8.2%                 |
| <b>Emerging markets</b>    |                       |
| Volume                     | -4.1%                 |
| FXN-NSR per case           | -4.5%                 |

## COMPARABLE EBIT MARGIN

|                            | H1 2020 vs<br>H1 2019 |
|----------------------------|-----------------------|
| <b>Total CCH</b>           |                       |
| EBIT margin                | 7.4%                  |
| EBIT margin expansion      | -230bps               |
| <b>Established markets</b> |                       |
| EBIT margin                | 5.0%                  |
| EBIT margin expansion      | -410bps               |
| <b>Developing markets</b>  |                       |
| EBIT margin                | 3.7%                  |
| EBIT margin expansion      | -480bps               |
| <b>Emerging markets</b>    |                       |
| EBIT margin                | 10.6%                 |
| EBIT margin expansion      | -10bps                |

- Volume and pack/channel mix declines most pronounced in Established and Developing markets, impacting margins more adversely
- Emerging markets more resilient, with margins benefitting by +240bps from YoY reclassification of input cost settlements, Bambi consolidation and accounting changes

# STRONG BALANCE SHEET

- Net cash position at end of July (after dividend paid): **€1.0b**
  - €700 m unutilised commercial paper facility
  - €800 m unutilised revolving credit facility
  - 2020 bond maturity paid
  - Ordinary dividend of €0.62 paid
  - No financial covenants that can impact liquidity or access to capital
- Next bond maturity November 2024
- Gearing of 1.8x\* at June-end, well within targeted range of 1.5-2.0x

\* Based on the Net Debt at 26/06/2020 and last 12 months Comp. EBITDA



# Q&A

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

Or contact our investor relations team:  
Joanna Kennedy – Investor Relations Director  
[Joanna.Kennedy@cchellenic.com](mailto:Joanna.Kennedy@cchellenic.com)  
+44 (0)7802 427505

Carla Fabiano – Investor Relations Manager  
[Carla.Fabiano@cchellenic.com](mailto:Carla.Fabiano@cchellenic.com)  
+44 (0) 7808 215245

Vasso Aliferi – Investor Relations Manager  
[Vasso.Aliferi@cchellenic.com](mailto:Vasso.Aliferi@cchellenic.com)  
+41 79 610 7881



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**Hellenic Bottling Company**



# STRONG INVESTMENT PROPOSITION

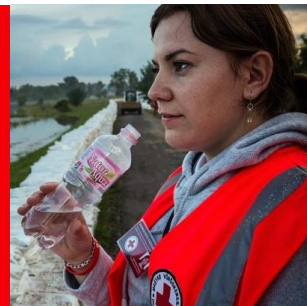
A leading bottler and strategic partner of The Coca-Cola Company with a 60+ year history



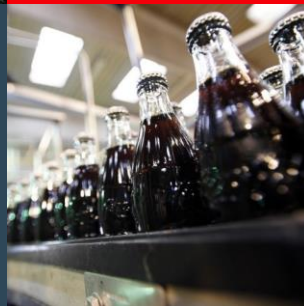
World's best-selling non-alcoholic beverage brands in portfolio



Diverse geographic footprint with favourable demographics



Strong balance sheet and liquidity



Committed to generating value for shareholders



Ranked among the top performers in ESG benchmarks