CCH – dbAccess Global Consumer Conference 2021
Presentation script – 9 June 2021

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Hello, thank you for joining us. I'm Zoran Bogdanovic, I'm the CEO of Coca-Cola HBC and it is a pleasure to be with you all today. I'd like to take you through a short presentation about our business, our strategic priorities and our targets and then Ben Almanzar, our CFO, and I will be happy to take any questions you have.

Becoming the leading 24/7 beverage partner

As the exclusive bottling partner for The Coca-Cola Company in our 28 markets, we believe that our portfolio of beverages is the strongest, broadest and most flexible in the industry. Our products cater to a growing range of tastes with a wider choice of healthier options, premium products and increasingly sustainable packaging. Our offering also includes Premium Spirits and Coffee, allowing us to delight consumers across all consumption occasions.

We operate a diverse and attractive geographical footprint that combines the predictability of established markets with the vibrant growth opportunities of Emerging.

Our route-to-market reaches 1.4 million customers with our 15,000 passionate and valuable salespeople. We have the scale and execution capability to create value for a wide range of customers with differentiated, segmented strategies.

We systematically invest in our people, building critical capabilities to ensure we can keep our leading edge, continuing to serve our customers with excellence.

Finally, and critically, our wider contribution to society through the socio-economic development of the communities where we operate, as well as the way we integrate sustainability into every aspect of our strategy is the keystone for us to continue to create long-term value for all our stakeholders. We are passionate about ESG at Coca-Cola HBC, proud of our strong performance in this area and pushing for further progress.

A clear strategy frames our actions

In 2019 we laid out a clear strategy to drive the business towards our vision of being the leading, 24/7 beverage partner.

Our strategy was under-pinned by 5 growth pillars.

1) Leveraging our unique, 24/7 portfolio;
2) Winning in the marketplace with our customers;
3) Continuing to focus on efficiency and fuelling investments with careful prioritisation;
4) Developing our people, particularly by accelerating critical capabilities; and
5) Earning our license to operate by delivering on our Mission 2025 sustainability commitments

These pillars are positioning the company for sustained success. They have also guided us in the rigorous prioritisation needed to perform through the previous year which has been impacted by the COVID-19 pandemic, and to prepare for the recovery we are starting to see.

Our strategic priorities

I'd like to spend the next few minutes discussing the first three pillars of our strategy in more detail.

Our 24/7 portfolio gives us a huge range of opportunities to delight consumers with a range of beverages including Sparkling, Energy, Juices, Water, Tea, Sports drinks, Plant based, Premium Spirits, Coffee, and now Hard seltzer. Within those categories we will continue to innovate, to be obsessively consumer centric, to gain share and to prioritise the highest potential occasions and brands.

The second pillar is Winning in the marketplace with our customers. While consumer centricity guides the first pillar, this pillar is guided by CUSTOMER centricity. The strength of our customer relationships is one of the most important assets we have as a business. We need to ensure that we are doing everything we can to support growth and value creation across all our categories, which ensures we can create value for our customers, and us.

The third pillar is ensuring that we continuously keep focus on efficiency and managing costs, to take them out, or to reinvest in the business so that we can deliver sustained profitable growth. We have a strong track record here having increased our EBIT margin by 400bps since 2014. We will not stop looking for opportunities to be more productive with the assets we have.

Our strategic priorities – pillar 1

I'm now going to go through the most important initiatives in each of those areas which will drive our performance, starting with our 24/7 portfolio.

Prioritise Sparkling and Energy 1.

The power and depth of our portfolio of Sparkling and Energy brands will continue to be the key source of growth and profitability for the business.

We are deliberately focusing our resources behind these categories – they have natural tailwinds and we are delivering excellent results. Q1 Sparkling volumes were just shy of double-digit and Energy grew by more than 50%.

Let's start with deep diving on Sparkling. We have seen strong volume growth in Sparkling over the past few years, with that performance reinvigorated by the success of Coke Zero and other low and no-sugar variants as well as Adult Sparkling and the growth in our Developing and Emerging segments.

Low and no-sugar is currently 16% of volumes and growing faster than full sugar variants in all segments -contributing meaningfully to our growth algorithm. For example, Q1 volumes in low- and no-sugar were up double digit in all three segments.

The other key sub-segment to mention is Adult Sparkling. We have several brands in this area – Schweppes, Kinley and now Lurisia our Italian craft sparkling brand. These products sell at a higher revenue per case and are growing 3 times faster than the core portfolio. Q1 volume in Adult Sparking was up 28%.

Across our Sparkling portfolio we are actively premiumising our package formats by growing single-serve mix. Package is a key driver of improving price/mix in our business and we have a solid track record here. Sparkling single serve mix increased by over one percentage point a year over the 5 years prior to the pandemic. In 2020, pack mix was negatively impacted by the closure of the out-of-home channel. Even then, we improved pack mix in the at-home channel by focusing on multi-packs of single serve with good results, these package formats grew by 18% in Q1. The opportunity now, is to keep the strong performance on single serve within the at-home channel, while also seeing package mix benefit from the reopening of the out-of-home channel as we emerge from the COVID-19 pandemic.

Prioritise Sparkling and Energy 2

Energy is one of the fastest growing beverage categories and importantly we are growing ahead of the market. Even during the COVID impacted year of 2020 our Energy volumes were up 18%. In fact, 2020 marked the 5th year of double-digit volume growth from Energy. We saw a strong acceleration in Q1 2021 with volumes up by 56%.

We benefit from having a broad portfolio of Energy brands for different consumer profiles. Monster is our mainstream offering; Burn is at the upper end and Predator is the more affordable option. We are seeing strong growth from all these brands.

There is also a huge amount of innovation in the category with new flavour launches and even adjacencies such Reign, which is an energy drink designed for athletes.

Growth in Energy is beneficial to category mix given that even the affordable end of the energy category has a higher revenue per case than Sparkling.

Targeted, more scalable innovations

Our approach to innovation is much more disciplined. You will see fewer innovations launched and they will be truly scalable or highly targeted. Both have a role to play and can drive value creation.

The enhanced formula and package design of Coca-Cola Zero Sugar which we started to roll out earlier this year is a prime example of a truly scalable innovation. We believe the revamped proposition will make the product even more loved by consumers.

Along with large-scale innovations, we are making selected bets in new categories: we continue to develop Topo Chico, launching in the additional market of Switzerland in April, and we are working on the targeted acceleration of Aquarius in several markets also.

Coffee is a significant opportunity

Let's spend some more time on Coffee.

There is a significant opportunity in this large and growing market for us to win with our customers and expand our business. As of today, we are live in 16 markets. In 2021 we will scale in these markets and start to bring more focus to the significant opportunity in the out-of-home channel. Our plan is to have Costa Coffee in all 28 of our countries by 2023.

Coffee is a €9billion market in our territories at distributer level. We talk about distributer level since that is the value that we can target directly. The overall size of the coffee category at retail level is several multiples larger than that.

That €9billion market is growing mid-single digits every year, and we see an opportunity to target a low to mid-single digit market share by 2025.

Having had the experience of selling a full portfolio of coffee in several of our markets through our previous coffee partnership with Lavazza, we believe we are uniquely positioned as a partner of The Coca-Cola Company to offer a full and diverse product offering in coffee and to target all channels.

Costa Coffee

This slide gives you a flavour of what that means and how we sell this high-quality coffee in our markets. We are targeting both at home and out-of-home opportunities. We have a full range of product and packaging offerings. In at-home that would include whole beans, roast and ground coffee and coffee capsules. In the out-of-home we will offer the opportunity for outlets to serve Costa Coffee, leasing them coffee machines and becoming their sole coffee supplier. Finally in direct to consumer we are launching a range of vending machines including selling barista quality coffee via Costa Express machines. We will also be selling ready-to-drink, but this will be a small proportion of our overall coffee business.

We are carefully building a best-in-class coffee business that can execute across a range of channels. That requires investment to lay the groundwork and we do not expect Costa to be profitable in the early stages, however, at scale, we expect the business to be margin accretive to the business.

Our strategic priorities – pillar 2

Let's move on to the second of our five growth pillars, how we win in the market place with our customers. This pillar is supported by critical capabilities such as our route-to-market, revenue growth management and Big Data and Advanced Analytics and the next few slides will touch on all of these areas.

Ready for the out-of-home reopening; continue to gain share in at-home

During 2020, and the start of this year, while the out-of-home channel has been under pressure, we have achieved good growth in the at-home channel as well as continued share gains.

We have seen results from our focus on gaining share in the highest value at-home occasions, capitalising on the ways in which consumers are replicating the out-of-home experience at-home, for example with Adult Sparkling products as an aperitif after work, or while socializing at home. Overall, we are driving mid-single digit volume and price/mix expansion in the at-home channel.

Meanwhile, the out-of-home channel is starting to recover. Trading improved towards the end of Q1 and since then we have seen further signs of improvements and opening in our markets. That said, the path to recovery and reopening will continue to be uncertain and will vary by market through the rest of 2021.

What does not change is our support for our out-of-home customers. We have been by their side throughout the crisis, providing them with consumer insights, targeted programmes and practical support, and we are working with them to ensure we capture growth opportunities together as markets reopen.

The flexibility of our route-to-market makes a critical difference to our business. We are able to dynamically re-allocate our sales force, maximising opportunities in a changing marketplace. That capability will continue to be important as we progress through the recovery. At the same time, strong execution across our channels is being driven by greater use of digital tools.

We can now understand and fulfil consumer and customer demand in a much more precise way than ever before. By building layers of information around an outlet, including key demand parameters like foot traffic, weather, social media activity and demographics, we are able to provide a targeted offering and in-outlet execution to our customers which ultimately drives more transactions.

Leverage RGM for profitable growth

I'd like to spend a minute or two talking about revenue growth management. This is a critical capability for our organisation and one we invest heavily behind because it delivers results.

Our revenue growth management framework is key to ensuring profitable top-line growth. Through this capability we work to maximise the value and the number of our transactions. We deliver this by improving category and package mix as well as through pricing and increasing the return on investment on our promotions. RGM is a key growth catalyst and we continuously evaluate our approach to address consumer needs for affordability as well as premiumisation.

We have really stepped up our investments here over the past 3 to 4 years and developed stronger capabilities. The overall intention is the same, getting higher value for every case we sell, but we have more data and tools to use which make the insights more valuable.

Another crucial aspect of RGM is that it brings with it real discipline to execute, because once initiatives are agreed then the teams are set to act with absolute clarity on the strategy.

Dedicated digital strategy to unlock value

While digital is improving the way we can understand and serve our customer base, digital commerce is creating a new growth driver for the business. Digital commerce trends have accelerated due to COVID and we are investing in four key areas:

The first is our own business to business sales platform where we are seeing a growing demand from our customers to order online from us. COVID has accelerated this change, but we believe that many of the customers who tried ordering online for the first time during the pandemic, will continue to do so once COVID is behind us. We have plans to increase the percentage of our sales through this platform.

The second is looking at other opportunities to digitise our route-to-market, and add value to our customers, with the use of more comprehensive e-market places. These market places can ultimately create ecosystem benefits.

The third is partnering with our existing omnichannel customers to increase our digital shelf space and visibility on their own e-commerce websites, and through working with newer, digital-only customers such as food delivery platforms to increase the beverage penetration in food orders.

And finally, by exploring the opportunities which are emerging in direct-to-consumer platforms.

Seizing the digital commerce opportunity

We are early on this journey. Digital commerce is still a relatively small part of our business. However, we are seeing high double-digit growth in this area, have bold ambitions and are investing and building capability fast to achieve them.

Our strategic priorities – Pillar 3

Moving on to our third pillar.

A lean, resilient operating model

We have radically transformed the efficiency of this business over the last decade taking out costs and helping drive over 400basis point of margin improvement.

This work, which optimised and automated our production and logistics infrastructure, shifted fixed costs to variable wherever possible and drove the use of common systems and processes throughout the organisation, hasn't just improved margins but has resulted in a much less operationally geared business than in the past.

The proof of this is 2020 where, despite a high single digit decline in fx-neutral revenues due to COVID, like-for-like EBIT margins declined only 20 basis points from their high in the prior year.

We remain vigilant on costs and will not stop looking for efficiencies and opportunities to further streamline. However, in our current phase of growth, the most important driver of the margin expansion we target will be through the operational leverage that comes from growing revenues on top of an already efficient cost base.

Investing in the business for growth

That is also why we will continue to invest behind revenue generating opportunities.

That investment will typically be in capacity expansions in targeted markets and categories, cooler placements which are a key driver of improved single-serve mix and also our digital agenda. We will also allocate investment to our sustainability commitments, for example our in-house recycled PET lines. Finally, our growth plans for Coffee will require investment, although this is a very small proportion of overall CapEx.

Capital allocation priorities

Let's now place those investment requirements into the context of our overall capital allocation priorities.

As I hope I've made clear over the last few minutes, we have significant growth opportunities across our footprint. Therefore, our first priority is organic investment in the business to support growth. We expect to invest between 6.5% and 7.5% of revenue in CapEx.

Our second priority is our progressive ordinary dividend policy. We target a payout ratio of 35 to 45%. In 2020, in order to keep increasing the dividend in a year impacted by COVID-19, we were above that range. We expect to maintain the progressive nature of our dividend in the future, while also seeing that payout ratio move back into range in time.

Our third priority is value creating M&A. There are two main types of opportunity for us.

1) selective bolt-on acquisitions of strong local brands to complement our existing portfolio.

2) expansion into the right geographies.

We have been clear that we continue to be interested in expanding into new markets, as and when they are available and we have the strong balance sheet to do that.

If after exhausting the previous options, we still see the need to further optimise our balance sheet, we will consider an additional capital return in the form of an extraordinary dividend. We paid our last special dividend of €2 a share in July 2019.

Earning our license to operate

We know that our vision to be the leading 24/7 beverage partner cannot be achieved without integrating environmental, social and governance considerations into everything that we do. Our Mission 2025 sustainability commitments are informed through an understanding of the most material issues for our stakeholders. It is an understanding of their needs that drove us to the 6 priorities you see on this slide.

We are as committed to transparency and accountability on our Mission 2025 targets as on our financial goals. We report against each of our commitments annually in our integrated annual report. We also have broad reporting on non-financial aspects using a range of respected frameworks including TCFD, GRI and SASB to name a few.

We have a strong track record of improvement in these areas and in 2021 we were named the most sustainable beverage company globally in the Dow Jones Sustainability Index.

Delivering on our sustainability commitments is part of our 2025 strategy and fully integrated into our plans. Equally, we will continue to push for progress in this area, looking for ways we can raise the bar further. We recently announced a plan to reduce our absolute emissions from direct operations by 55% by 2030 for example.

Competitive advantage

So let me bring my presentation to a close with a few last thoughts.

Coca-Cola HBC is the leader in a large and growing industry with significant growth opportunities across high value occasions and categories, including into new adjacencies such as coffee. We benefit from a diverse, balanced country portfolio with exposure to fast growing markets.

Our resilient margin performance in 2020 demonstrates the quality of this business and the significant structural improvements we have made to it over the last decade. This flexibility in our cost base allows us additional confidence in the consistency of the return on our future investments.

Finally, we are committed to continuing to earn our license to operate and to creating long term value for all our stakeholders through sustainable growth.

Creating long term, sustainable value.

It is the combination of all of these drivers which gives us confidence in our growth algorithm.

We believe that once recovery is underway, we can return to the growth algorithm we set out in 2019, 5-6% FX-neutral revenue growth and 20-40 bps of EBIT margin expansion per year.

Thank you very much for your interest in Coca-Cola HBC and for your attention. I'd now like to open it up to your questions and I'll ask Ben Almanzar, our CFO to join me in answering them.

Q&A