

# EXECUTION DRIVES MOMENTUM

## FULL YEAR RESULTS

22 FEBRUARY 2022



# 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 2022 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



# STRONG EXECUTION DRIVES GROWTH MOMENTUM

- 1 Delivered strong financial performance
- 2 Growth driven by strategic priorities
- 3 Increasing prices and gaining share
- 4 Investing for sustainable, long-term growth
- 5 Increasing dividend pay-out ratio
- 6 Strongest ever partnership with The Coca-Cola Company



# STRONG FINANCIAL PROGRESS

## Volume\*

+ 14.0% vs 2020

+ 9.0% vs 2019

## Comparable EBIT

€831m

+ 23.6%

or  
+ 20.2% ex Cyprus  
property sale

## Free cash flow

€601.3m

+ €104.3m

## FX-neutral revenue\*

+ 20.6% vs 2020

+ 10.3% vs 2019

## Comparable EPS

€1.58

+ 33.7%

## Dividend

€0.71

+ 10.9%

\*Like for like

# PERFORMANCE IS DRIVEN BY OUR STRATEGY

## 1 24/7 PORTFOLIO



ACCELERATING GROWTH

- Growth driven by strategic areas
- Low/no sugar growing faster than full sugar in all segments
- Adult Sparkling and Energy growth accelerating
- Expansion in Coffee

## 2 WIN IN THE MARKET PLACE



SHARE GAINS INCREASE

- Price increases in 95% of markets
- Consistently growing NARTD value share, +80bps in 2021
- Strong recovery in out-of-home

## 3 COMPETITIVENESS & INVESTMENT



INCREASED FCF and INVESTMENT

- Value enhancing M&A – CCBC of Egypt, Caffè Vergnano
- In-house rPET production
- Implementation of S/4 HANA
- Investment in Nigeria, coolers and digital

## 4 POTENTIAL OF OUR PEOPLE



AGILE ORGANISATION

- Recognised in Forbes World's Best Employers 2021 list
- Progress on diversity and inclusion – ranked no. 8 in Refinitiv D&I index
- High performance culture
- Investing in capabilities

## 5 LICENSE TO OPERATE



COMMITMENTS AND PROGRESS

- Net-zero by 2040 with aligned incentives
- #1 ranking in DJSI European Beverages
- A List CDP ranking for Climate and Water
- 1 carbon-neutral plant, and more planned

# EGYPTIAN GROWTH OPPORTUNITY



## Acquisition closed in January adding growth potential and EPS accretion

- EBIT margin impact of c. -30bps in 2022
- Low-single digit EPS accretion expected in 2022

## Significant growth opportunity

- Adding >100 million people, average age of 25
- Opportunity to increase per-capita consumption
- Currently strong no. 2 in market – room for share expansion

## Integration on track with strong plans for portfolio expansion

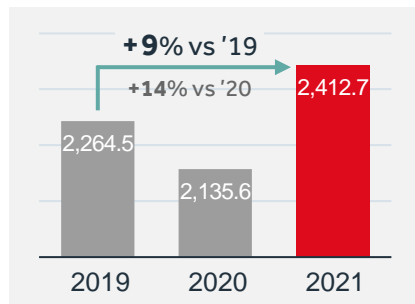
- Leverages our execution capabilities and experience in Emerging markets
- Started commercial capability building on core priorities
- Started migration of back-office, standard procedures and systems
- Strong portfolio expansion plans
- Significant opportunity to create further value, progressively moving CCBCE's margins towards group average over time



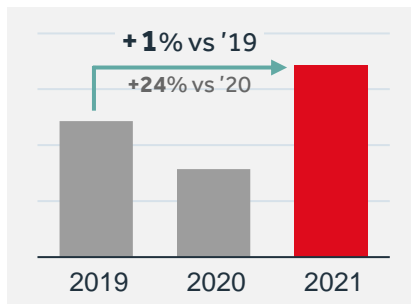
# STRONG RECOVERY; ROOM FOR MORE IN EST AND DEV

## VOLUMES (m unit cases)

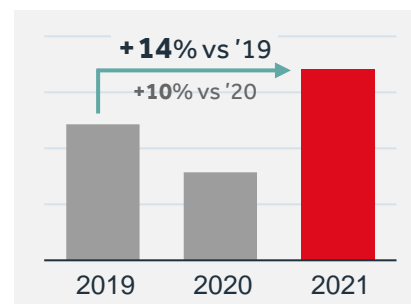
### GROUP



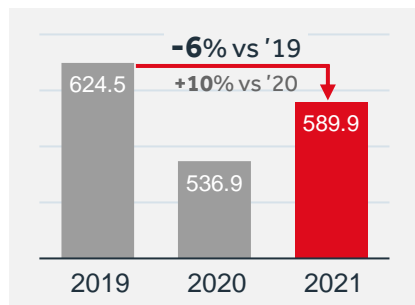
### OUT-OF-HOME CHANNEL



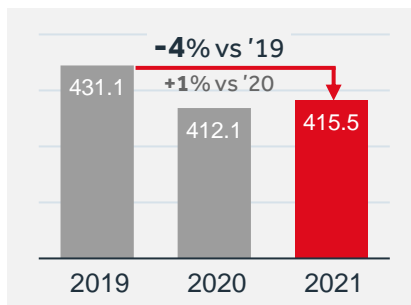
### AT HOME CHANNEL



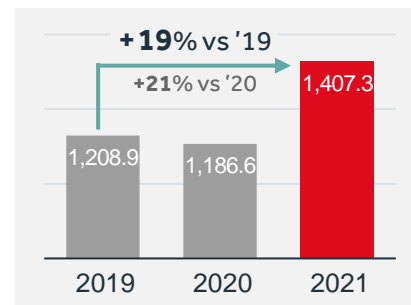
### ESTABLISHED SEGMENT



### DEVELOPING SEGMENT



### EMERGING SEGMENT



\*Growth rates are all like for like



# REVENUE GROWTH MANAGEMENT, INCLUDING PRICING DRIVES PRICE / MIX +5.8%

## Pricing

- Taken pricing in 95% of our markets in 2021
- Pricing in all quarters, including additional wave in Q4
- Improving ROI on promotions

## Package Mix

- Smart affordability with Sharing Entry Packs
- Drive premiumization with Multi-Packs of Single Serves
- Single serve mix +0.9pp vs 2019



## Category mix

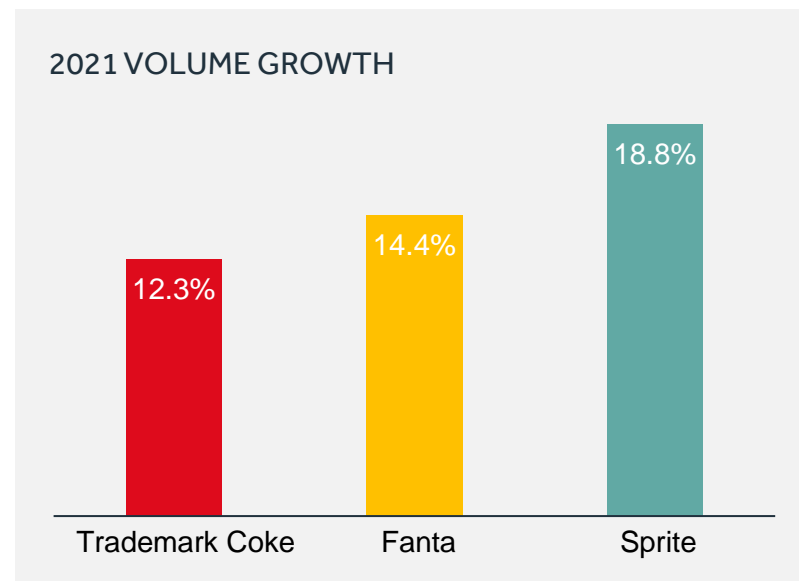
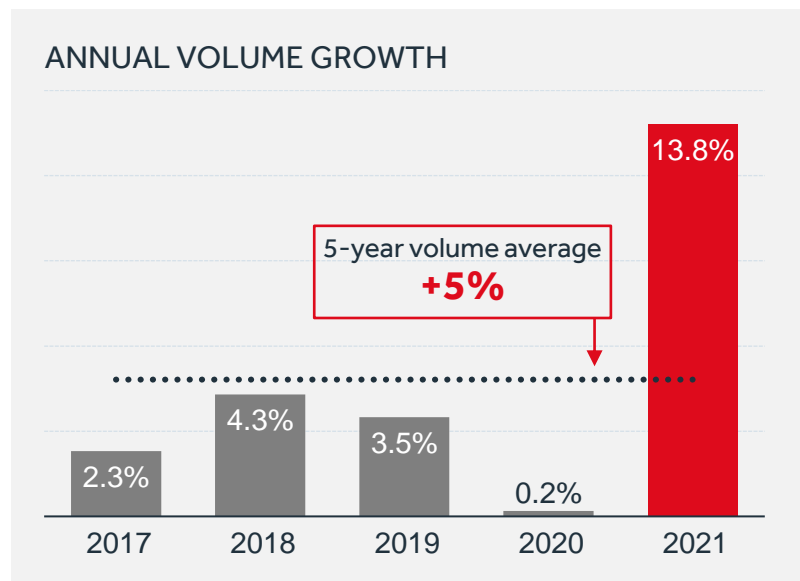
- Driving growth in Sparkling and premiumising through Adult Sparkling
- Energy acceleration through innovation and new launches



## Channel mix

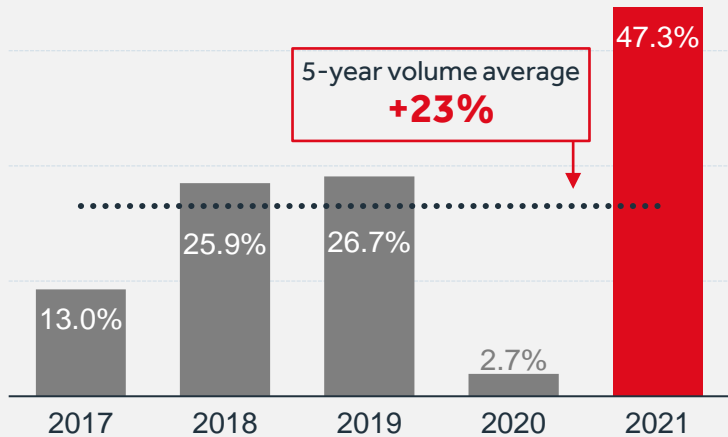
- Good recovery in out-of-home channel in 2021 but more to come
- Ongoing resilience in at-home & premiumising at-home consumption occasions

# CONSISTENT SPARKLING GROWTH; BROAD-BASED STRENGTH ACROSS BRANDS

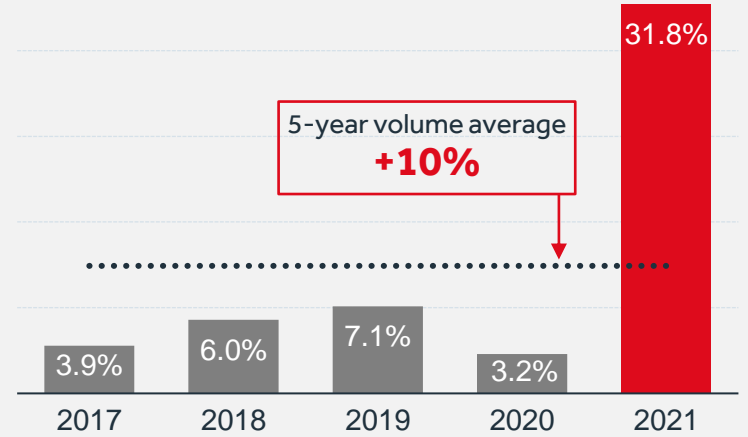


# LOW/NO SUGAR AND ADULT SPARKLING DRIVING MOMENTUM

## LOW/NO SUGAR VOLUME GROWTH

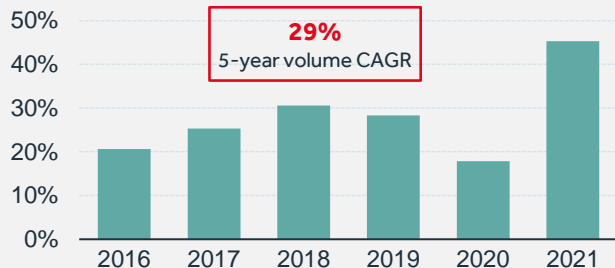


## ADULT SPARKLING VOLUME GROWTH

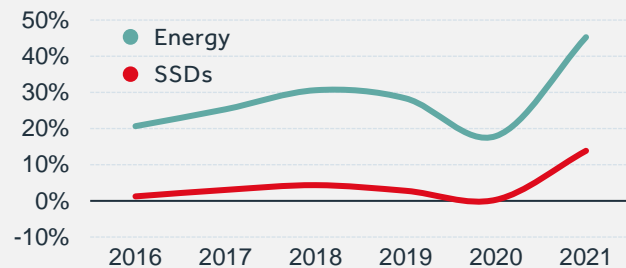


# ENERGY GROWTH CONTINUES

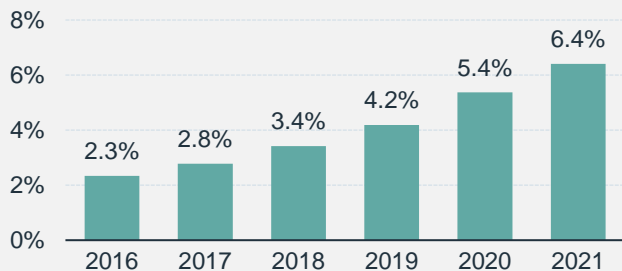
## ENERGY VOLUME GROWTH



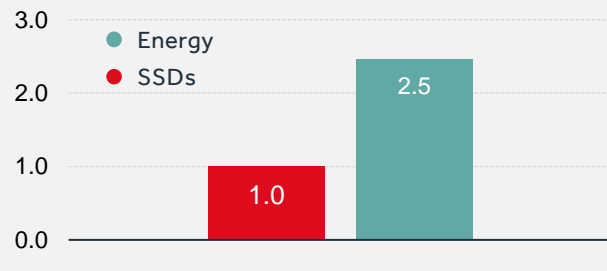
## ENERGY VOLUME GROWTH VS SPARKLING



## ENERGY REVENUE AS % OF GROUP



## ENERGY REV / UC INDEX VS SPARKLING



- Pace of successful innovation continues, with more planned for 2022
- Brand portfolio addresses range of consumer profiles from mass premium to affordable
- Price / mix and EBIT margin accretive to the Group

# COFFEE IS ANOTHER GROWTH OPPORTUNITY

## PREMIUM AND MASS PREMIUM / OOH AND AH OFFERING

The coffee market is large, and growing

**€9 billion**  
distributor value

**+ MSD**  
category growth

**LSD to MSD**  
market share  
target for  
2025

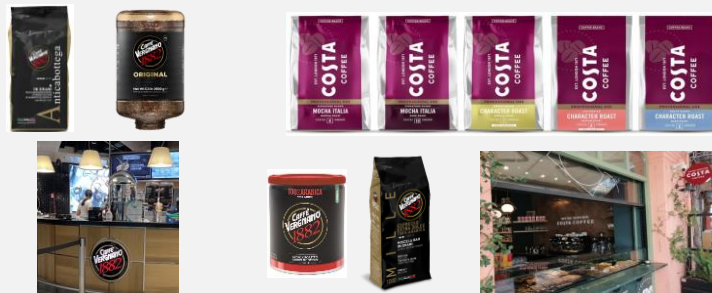
### At Home portfolio

Breakfast & Routine at home



### Away from Home portfolio & Solutions

Socialising and drinking out



At Work & On the go:  
Costa Express



# DEDICATED DIGITAL STRATEGY TO UNLOCK VALUE

## ROUTE TO CUSTOMER

01

Enabling our customers to order online from us, 24/7



Platform allowing customers to buy CCH products 24/7

02

Digitising our route to market through e-marketplaces



One-stop-shop for traditional trade to buy products from other FMCGs and us

## ROUTE TO CONSUMER

03

Increasing sales in e-retail

Brick & Click

Food Service Aggregators

Pureplay e-retailers

04

Trialing direct to consumer platforms

Early stages of trialing platforms that deliver beverages directly to the consumer's homes

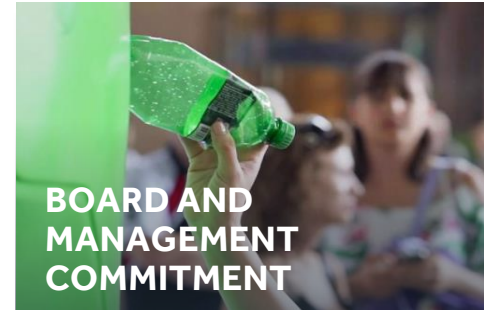
# NET ZERO BY 2040



- 31% reduction since 2010
- Targets achieved 2 years ahead of plan
- Approved, science based targets for further 25% reduction by 2030
- Further 50% reduction planned for 2030-2040



- Reductions across Scope 1, 2 and 3
- Built on sound science and entirely comparable
- Enabled by collaboration across the value chain
- Confidence driven by previous achievements



- Long-term incentives support our plans
- 15% weight in LTIP to annual carbon reduction target

# PROGRESS ON MISSION 2025



**98%**  
of total electricity used in our plants in EU & Switzerland is from renewable and clean sources



**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

**#1 ranking in European Beverages and #2 in Global Beverages, the 11<sup>th</sup> year we have achieved a top 3 global ranking**



**42%**

of our coolers in the market are energy-efficient

+ 6 pp YoY



**15%**

reduction in calories per 100ml SSD vs. our baseline year of 2015



**A List ranking for actions relating to global climate action and water stewardship; CCH is in the top 1% of companies to achieve a double 'A' rating**



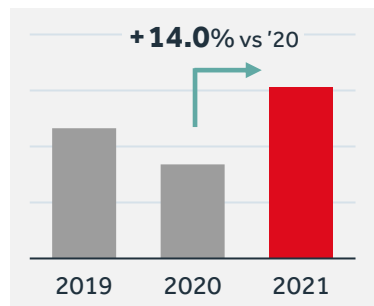
# FINANCIAL REVIEW

BEN ALMANZAR  
CHIEF FINANCIAL OFFICER

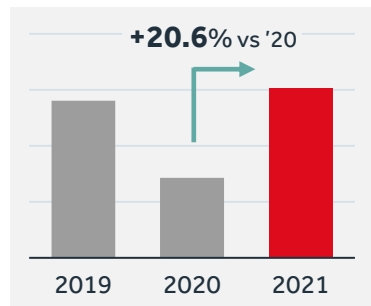


# STRONG FINANCIAL PERFORMANCE ON ALL KEY LINES

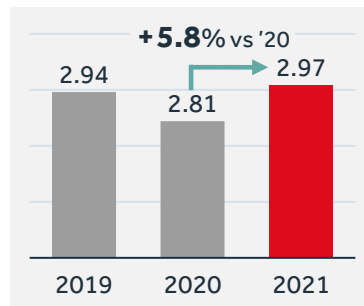
VOLUME GROWTH ACCELERATION\* (€m)



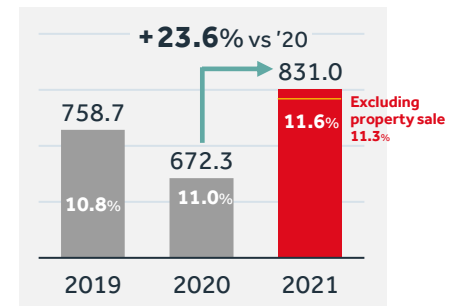
RECORD REVENUE\* (€m)



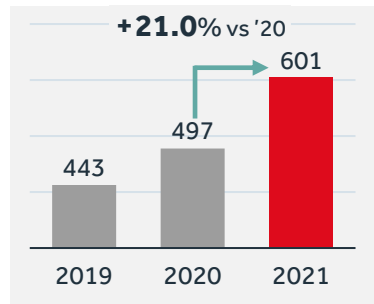
IMPROVED PRICE/MIX\*(€)



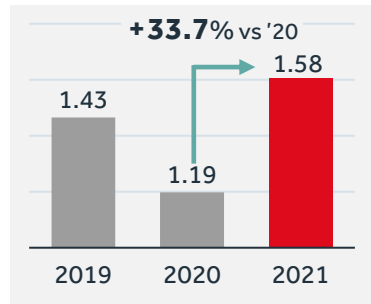
RECORD EBIT AND MARGIN (€m)



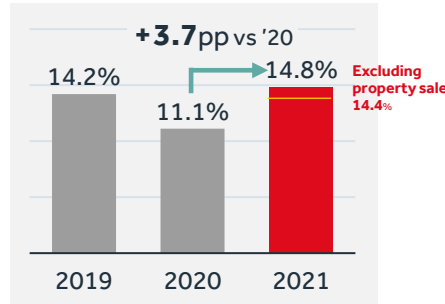
RECORD FCF (€m)



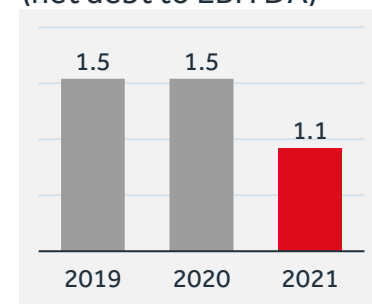
EPS STEP UP (€)



RESTORED ROIC (%)



STRONG BALANCE SHEET (net debt to EBITDA)

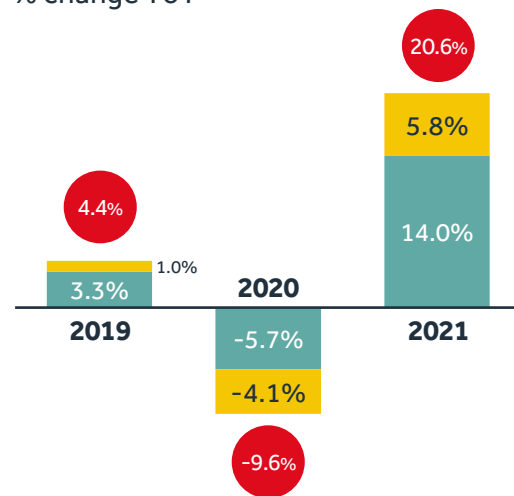


\*refers to like for like numbers

# REVENUES ACCELERATE

- Strong rebound in volumes, up 14.0% like-for-like. Volumes are now 9.0% above 2019 levels, on a like-for-like basis
- Like-for-like price/mix expanded 5.8%, or 3.9% ex Poland
  - Positive contribution from pricing, category mix and package mix
  - Negative contribution from country mix
- Like-for-like FX-neutral revenues up 20.6%, with H2 18.6%

FX NEUTRAL REVENUE (like for like)  
% change YoY



- FX neutral revenue
- Volume
- Price mix

Comparable financial indicators exclude the recognition of restructuring costs, unrealised commodity hedging results, acquisition and integration 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.

# EBIT GREW BY 23.6%; MARGIN EXPANSION CONTINUES

- Comparable EBIT expanded 23.6% while comparable EBIT margins expanded 60bps to 11.6%
  - 30bps benefit from the sale of a property in Cyprus
- Comparable gross profit margin down 170bps
  - COGS cost per case inflation of 6.3%
  - Partially offset by price/mix and productivity gains
- Comparable OPEX as a % of revenue improved by 220bps YoY

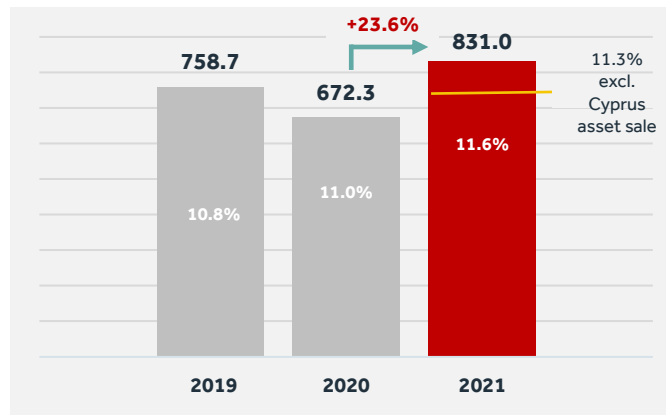
## PRODUCTIVITY EFFICIENCIES

POH as % NSR vs  
2020

-140bps

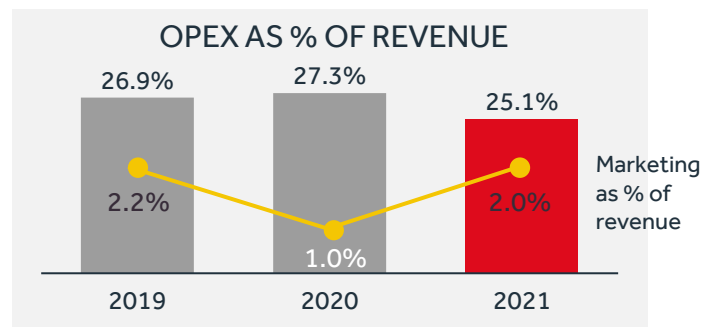
POH per UC vs  
2020

-9.4%



# MARKETING INVESTMENT UP 63%

- Comparable OPEX increased 7.5%
  - Discretionary opex savings
  - Operational leverage
- Significant increase in marketing spend
- Comparable OPEX as a % of revenue improved by 220bps YoY

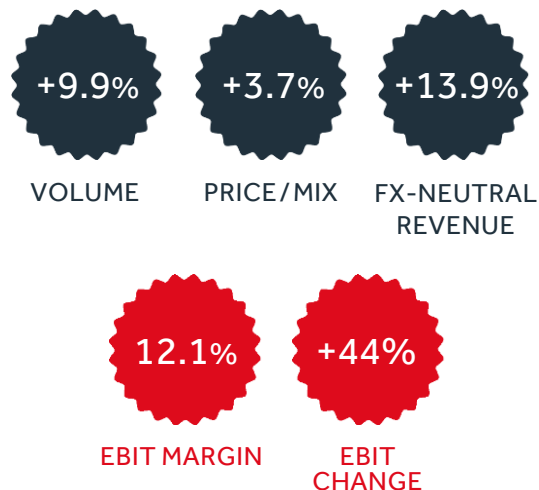


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Certain differences in calculations are due to rounding.

# ESTABLISHED MARKETS

## STRONG RECOVERY AS OUT-OF-HOME REOPENED



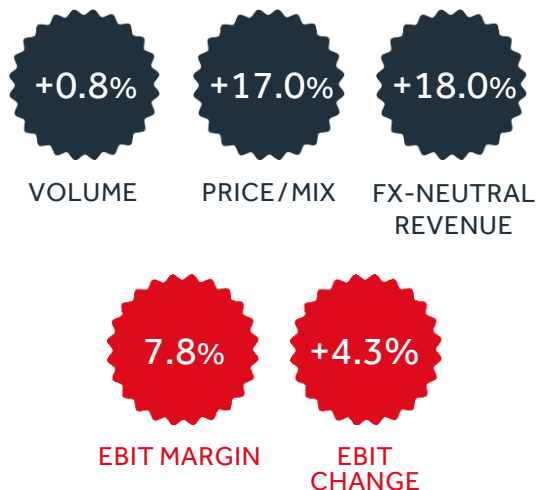
### ESTABLISHED MARKETS

- FX-n revenue is 2.1% below 2019
- Out-of-home reopening provided strong support to volumes
- Italy sales slightly above pre-pandemic levels, while Greece has benefitted from the reopening of HoReCa
- Price/mix was driven by pricing actions, positive category and pack mix
- EBIT margins benefited 90bps from the asset sale in Cyprus



# DEVELOPING MARKETS

## SHARE GAINS HELP TO MITIGATE SUGAR TAX IMPACT



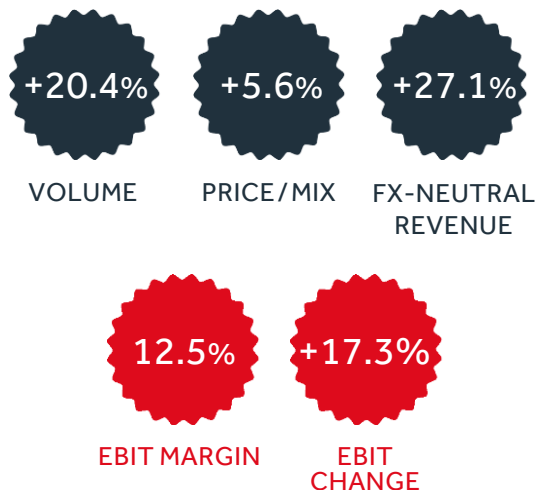
### DEVELOPING MARKETS

- FX-n revenue is 5.7% above 2019
- Strong low/no sugar performance and market share gains in Poland drove resilient volumes despite sugar tax
- Excluding the Polish sugar tax, volumes would have grown +4.4% and price/mix +5.8%
- EBIT margins impacted by Polish sugar tax



# EMERGING MARKETS

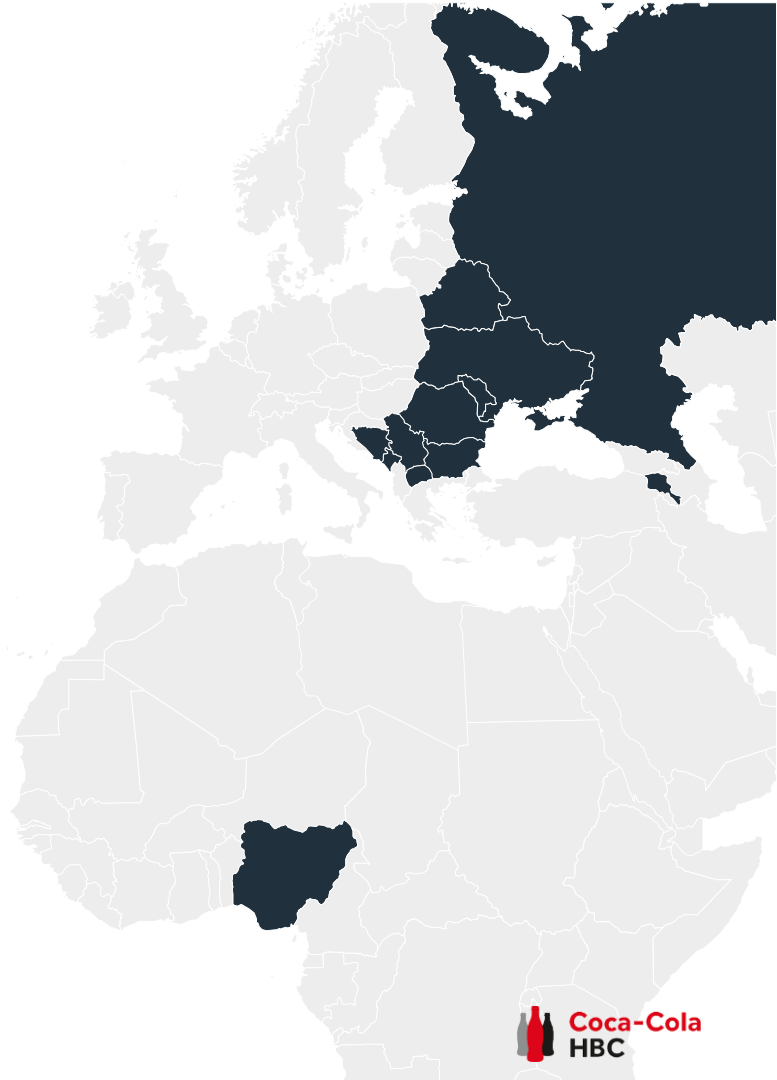
## STRENGTH IN RUSSIA AND NIGERIA CONTINUES



### EMERGING MARKETS

- FX-neutral revenue is 23.6% above 2019
- Strong volume growth in Nigeria, Russia and Ukraine
- Price/mix benefited from pricing, positive category and pack mix, partly offset by negative country mix
- EBIT margins impacted by higher input costs, negative FX and higher opex

Like-for-like FY 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





# EPS EXPANSION OF 33.7%

- Comparable EPS +33.7% supported by higher profitability
- Comparable tax rate down to 25%
- Finance costs remain broadly unchanged

	FY 2021	FY 2020	change
Finance cost, net (€m)	67.6	70.1	-3.6%
Comparable tax (€m)	188.2	174.0	8.2%
Comparable tax rate	25%	29%	-400bps
Comparable net profit (€m)	578.1	431.4	34.0%
Comparable EPS (€)	1.584	1.185	33.7%

Comparable financial indicators exclude the recognition of restructuring costs, unrealised commodity hedging results, acquisition and integration 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.

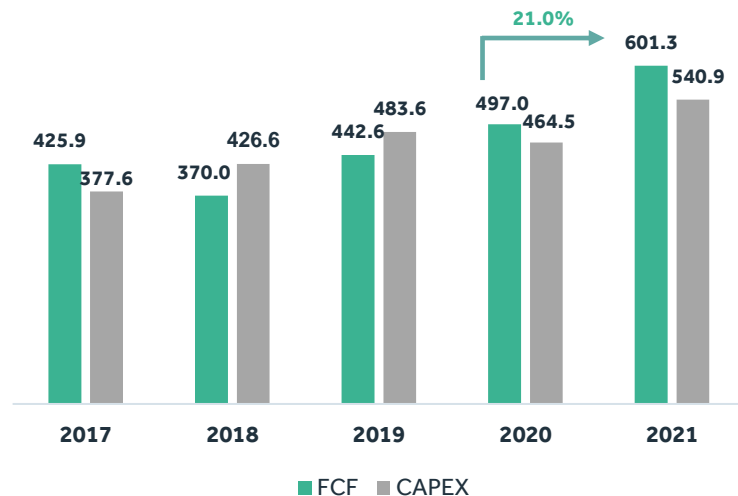
Certain differences in calculations are due to rounding.

Comparable net profit refers to comparable net profit attributable to owners of the parent.

# FREE CASH GENERATION WITH CONTINUED INVESTMENT

- Capex reached 7.5% of revenue, the top end of our guidance range of 6.5-7.5%
- We took advantage of our strong balance sheet and invested in:
  - Increased production capacity in growth markets
  - Coolers to drive immediate consumption
  - Digital & e-commerce platforms
  - Sustainability commitments
- Free cash flow increased by €104m, driven by higher profitability and significant improvement of our working capital

	FY 2021	FY 2020	change
Comparable EBITDA (€m)	1,183.0	1,070.8	10.5%
Working capital change (€m)	196.8	108.3	81.7%
Net capital expenditure (€m)	540.9	464.5	16.4%
Free cash flow (€m)	601.3	497.0	21.0%



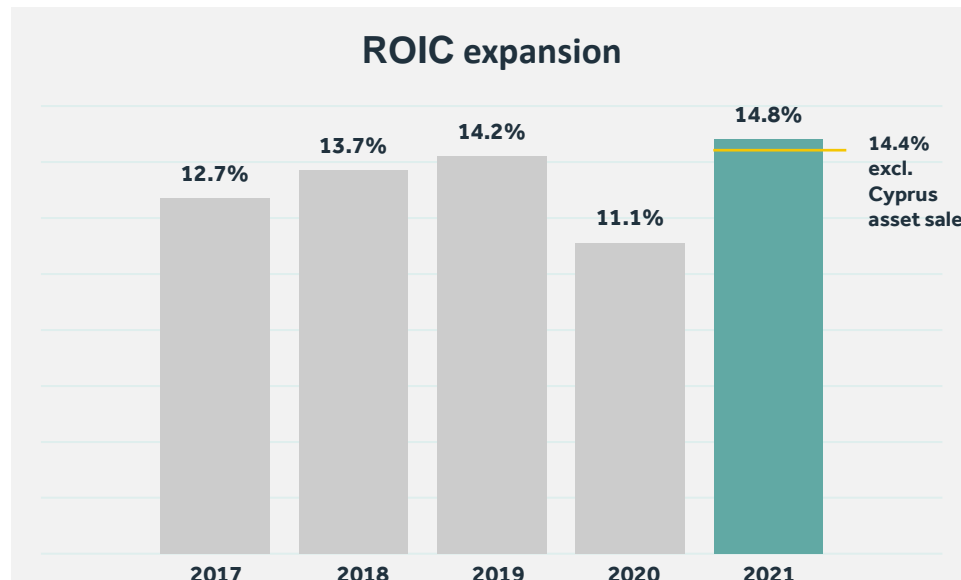
Comparable financial indicators exclude the recognition of restructuring costs, unrealised commodity hedging results, acquisition and integration costs. Financial indicators for the current year on a like-for-like basis also adjust for the change in classification of our Russian Juice business (Multon) from a joint operation to a joint venture. Cyprus asset sale increased free cash flow growth by 50bps.

Certain differences in calculations are due to rounding.

# CONTINUED ROIC EXPANSION

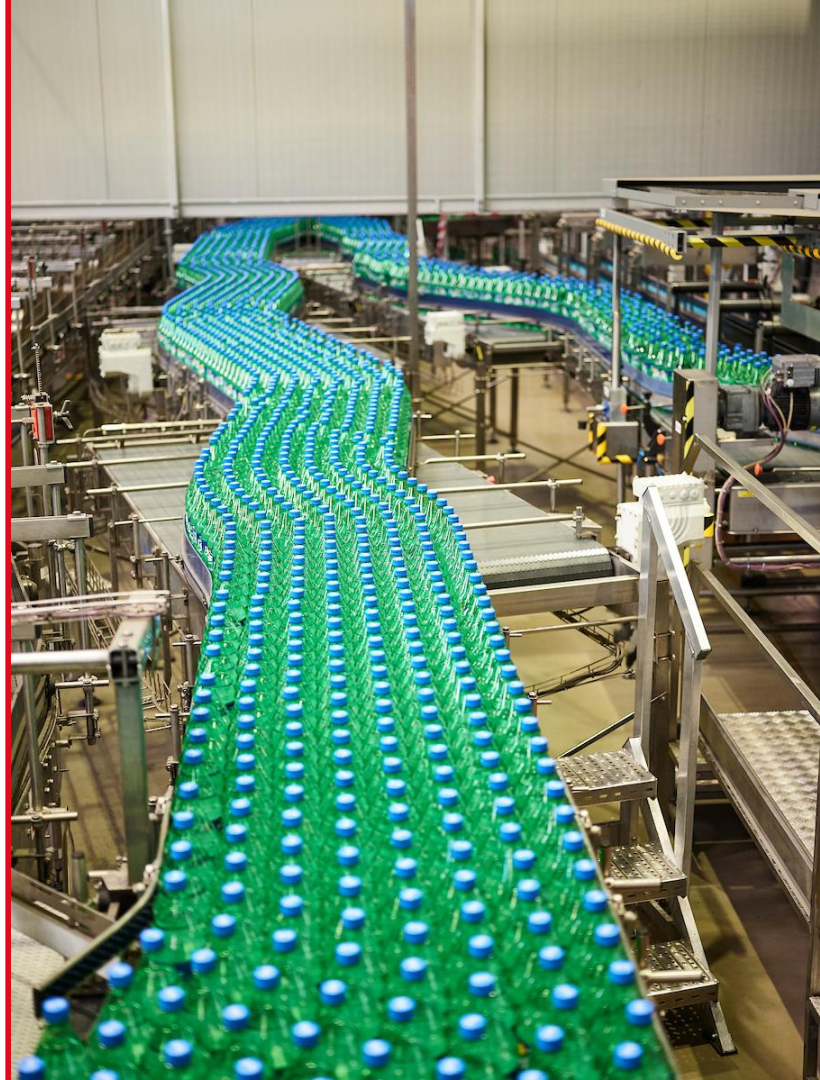
ROIC at 14.8%, above 2019 levels, driven by:

- Increased profitability vs 2020
- Lower net working capital
- Cyprus property sale added 40bps



# STRONG BALANCE SHEET MAINTAINED

- Net debt to EBITDA at balance sheet date was 1.1x
  - 1.6x in January, including the acquisition of Coca-Cola Bottling Company of Egypt, within our targeted range of 1.5-2.0x
- Next bond maturity November 2024
- Proposed dividend of €0.71



# SHIFT TO ORGANIC METRICS

## We plan on introducing organic reporting as of Q1 22

- Shift from FX-neutral and LFL measures to organic measures
- More consistency and comparability with peers on volume, sales and EBIT

## No change to our 2022 guidance

- Organic sales growth replaces FX-neutral like for like sales growth
- Organic comparable EBIT growth replaces comparable EBIT growth

## No impact to our mid-term guidance

- Organic sales growth of 5-6% on average, to 2025
- Organic EBIT margin expansion of 20-40bps, on average, to 2025



# 2022 OUTLOOK

**Expect FX-n like-for-like revenue growth above the 5-6% range in 2022**

- Volume progress in all segments led by Emerging
- Another year of price/mix expansion

**Expect like-for-like comparable EBIT growth of low to mid single digits in 2022**

- Upper end of HSD COGS/case inflation for the year, like for like
- **Excluding the one-off benefit of a sale of property in Cyprus in 2021, implies a guidance of comparable EBIT growth of mid to high single digits**

**Dividend payout ratio target increased to 40-50%**



# SUSTAINABLE, LONGTERM GROWTH

- Leader in an attractive, growing industry
- Broad portfolio to serve consumers, 24/7, combined with the capabilities to win in the market with our customers
- Highly engaged team with a winning mindset
- Diverse markets with exposure to high growth geographies
- Relentless focus on cost and efficiencies to fuel investments for long-term growth
- Determined to remain a leader in sustainability



# Q&A

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

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**Coca-Cola**  
**HBC**

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

