



# Half Year Results

11 August 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 2021 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

# Delivering today while investing for tomorrow

- 1 Disciplined execution of our strategy is driving performance
- 2 Strong top-line growth combined with share gains
- 3 Our actions protected profitability
- 4 Harvesting previous investment in growth, and continuing to invest for the future
- 5 Strength of partnership with The Coca-Cola Company enables adaptability and strong plans



# Strong financial progress

Organic volume

**+4.7%**

**+12.1%** Ex Russia  
& Ukraine

Organic revenue / case

**+14.0%**

**+11.6%** Ex Russia  
& Ukraine

Organic revenue

**+19.4%**

**+25.2%** Ex Russia  
& Ukraine

Organic EBIT

**+23.0%**

Margin **+30bps**

# Volume momentum continues

Growth led by strategic priorities in Sparkling and Energy



Sparkling  
**+11.2%**



Low / no sugar  
**+30.8%**



Adult Sparkling  
**+18.7%**



Energy  
**+28.8%**



Stills  
**+13.0%**



Coffee  
**+65.2%**

All performance H1 excluding Russia and Ukraine



# Harnessing healthy consumer demand; ready to adapt



Demand remains healthy and consumers willing to spend



Managing inflationary pressures through RGM capabilities and cost discipline



Alert to any changes with ready-to-go plans to adapt offer while still driving healthy mix



# Data, insights & analytics sharpens RGM

We leverage data to drive insights to improve our price and mix

## Value drivers



Consumer



Shopper



Channel/  
Customer

## Data

Consumer data

Household panel

Sell-in and sell-out data

Weather and Geo-location

Products & Pricing data

Channel/Customer data

## Insights & Opportunities

Improving price and mix

Launching new packs & flavours

Entering whitespaces

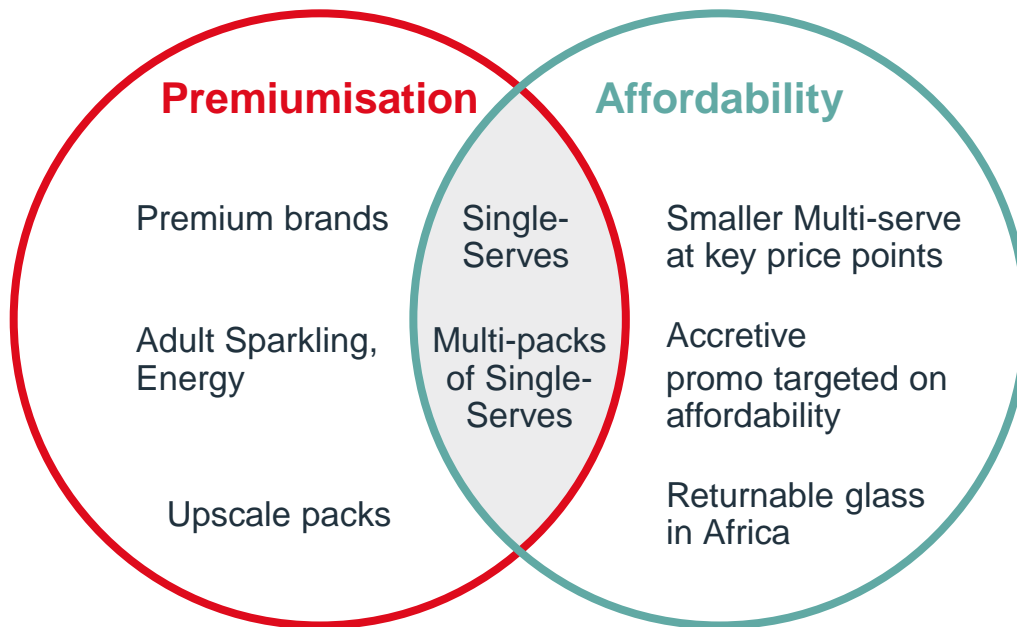
Segmenting customers to  
optimize assortment

Promo optimization

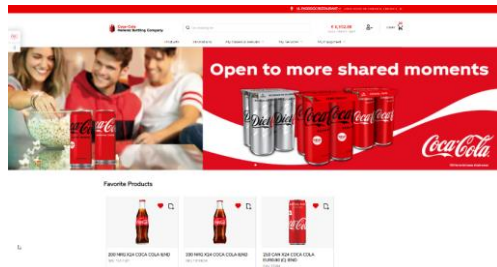


# Plenty of headroom to continue to drive mix improvement

Balance between premiumisation and affordability initiatives to maximise the value of every transaction and meet consumer expectations, in an NSR/case accretive way

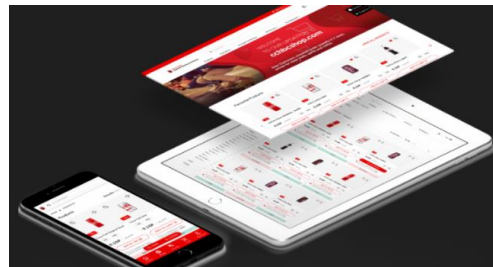


# B2B drives incremental revenue and micro-segmentation capability



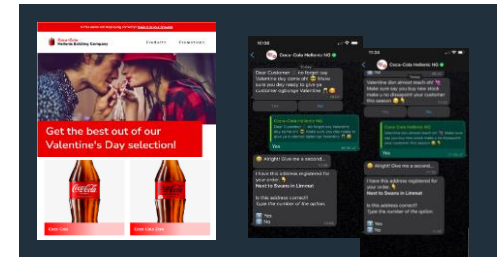
**8.4%**  
Of orders in June

Customer Portal enables our customers to order online from us, 24/7



**>200,000**  
Registered customers

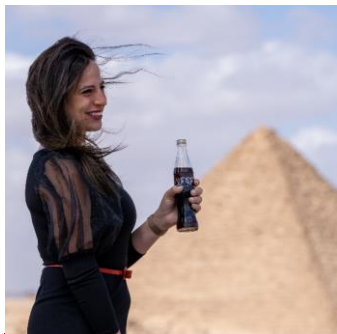
Provides us valuable data for micro-segmenting and targeted digital campaigns



**+28%**  
Active customers increase YoY in June

Scale of the platform growing albeit with a setback from Russia - strong progress in Poland, Czech, Ireland

# Bright future for Egypt



Large, growing market with mid-term margin accretion potential



Route-to-market improvement through cooler investment



Portfolio adjustment to generate growth and improve revenue quality



Integration of back-office including critical environmental impact data



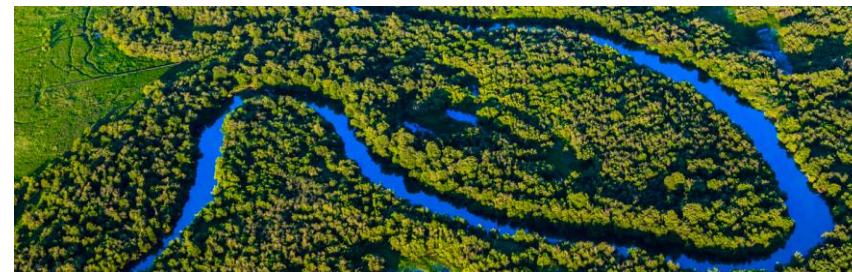
Gaining share for the first time since 2019

# Remaining a leader in sustainability



- **Launched a label-free Valser Water package to improve recyclability**
- **Launched 100% rPET across the whole portfolio in Switzerland in May**
  - Improves brand equity with consumer and customer
  - Clear commercial value creation and alignment with pack/price architecture strategy
  - CO<sub>2</sub> reduction of c.45%

## → PROGRESS ON PACKAGING



## Commitment to biodiversity

- Commitment to enhancing biodiversity by reducing emissions and water use, preserving and re-instating water priority areas, and sourcing agricultural ingredients sustainably
- In June 2022 we joined the Science Based Targets Network (SBTN) corporate engagement programme
- Committed to achieve a net positive impact on biodiversity in critical areas of our operations by 2040 and eliminate deforestation in our supply chain by 2030

## → PROGRESS ON WATER AND CLIMATE



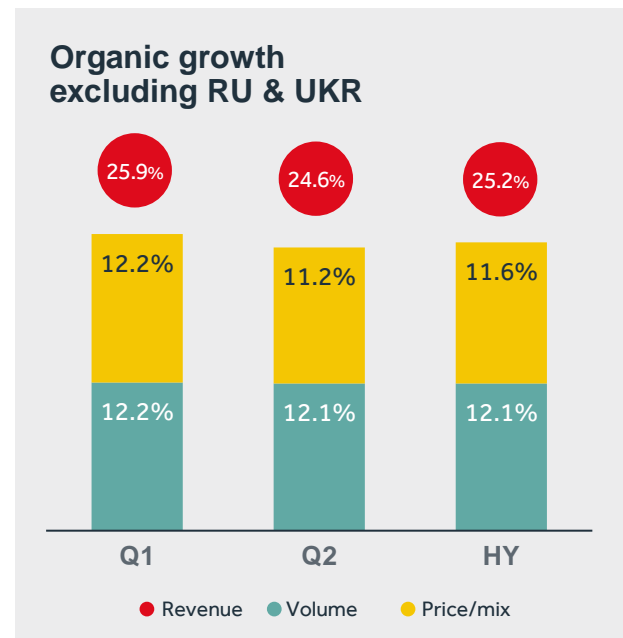
# FINANCIAL REVIEW

Ben Almanzar  
Chief Financial Officer



# Consistently strong top-line performance

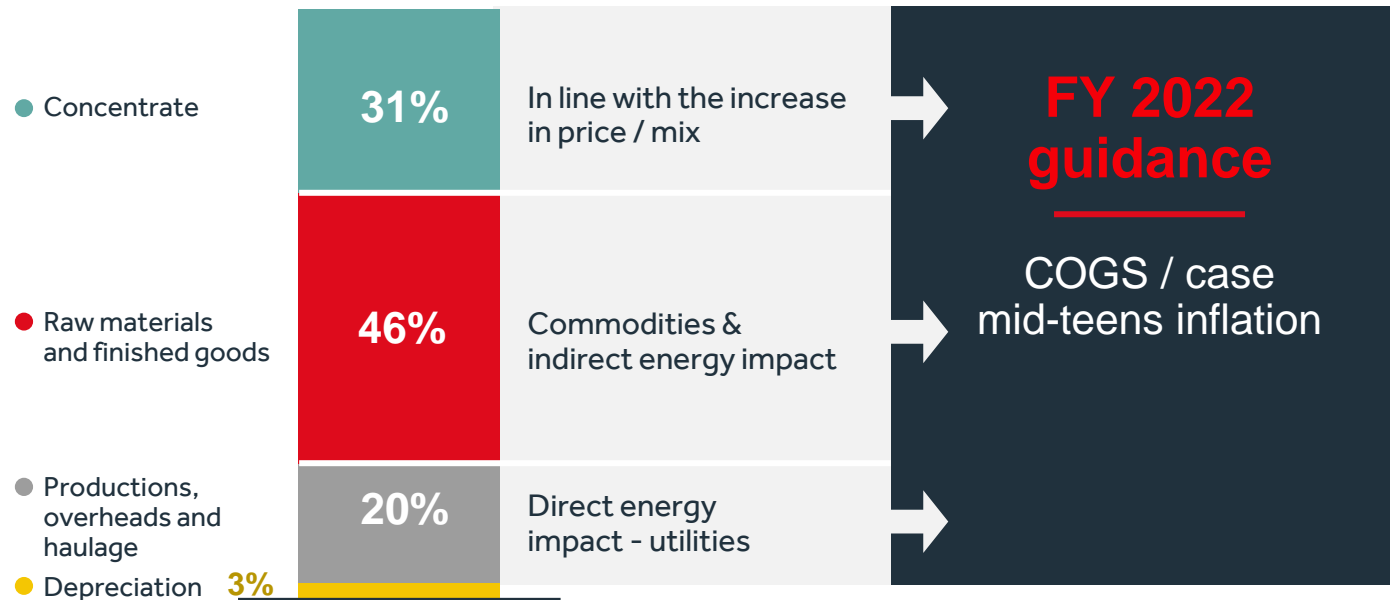
- Net sales revenue increased by 19.4% on an organic basis and 25.2% excluding Russia & Ukraine
- Robust double-digit growth volume growth ex Russia and Ukraine
- Revenue growth propelled by both price/mix and underlying volumes



Organic financial indicators exclude the impact from foreign currency translation and consolidation perimeter, i.e. acquisitions, divestments and reorganisations resulting in equity method accounting. Certain differences in calculations are due to rounding.

# Inflationary pressure continues

## H1 COGS split (%)





# Levers to mitigate inflationary pressure



**RGM capabilities enhanced through data**

Drive revenue growth



**Long-term supply contracts and hedging in place**

**Productivity and logistics initiatives in production**

Help mitigate COGS inflation

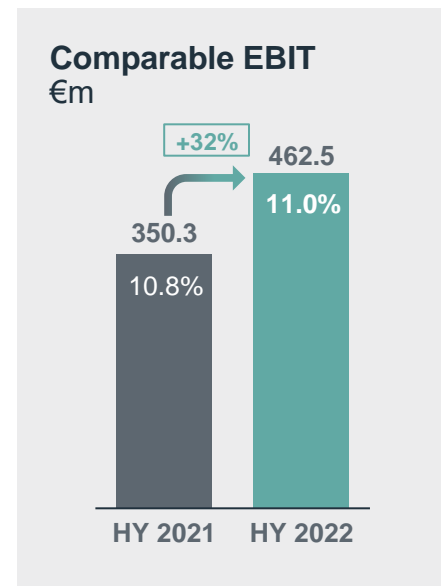


**Diligent OPEX management and cost discipline**

Operational gearing as revenue expands

# Organic EBIT grew by 23.0%; margin expansion IN ALL SEGMENTS

- Organic growth of EBIT margin +30bps
- Significant **improvement** in OPEX as a percent of revenue **-250bps YoY** offsetting Gross Profit margin pressure
- Benefiting from cost control as revenues grew and ceased investment in Russia



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# Established markets

## Strong price/mix as volumes accelerate

Volume  
**+11.4%**

EBIT margin  
**10.1%**

Organic price / mix  
**+6.8%**

Organic EBIT change  
**+26.5%**

Organic revenue  
**+19.1%**



- Volumes ahead of 2019 levels
- Out-of-home recovery provided strong support to volumes
- Price/mix was driven by pricing actions in all markets, positive channel and pack mix
- Italy benefitted from summer season activations and HoReCa recovery
- Growth in EBIT margins due to operational leverage despite cost pressures

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# Developing markets

## Broad-based strength

Volume  
**+20.7%**

EBIT margin  
**6.5%**

Organic price / mix  
**+10.7%**

Organic EBIT change  
**+63.8%**

Organic revenue  
**+33.6%**



- Volumes above 2019 levels
- Price/mix was driven by pricing actions in all markets, positive category and pack mix
- Poland saw a strong performance in Sparkling and execution driven share gains
- Growth in EBIT margins due to operational leverage despite cost pressures

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# Emerging markets

## Resilient performance despite headwinds

Organic volume

**-2.6%**

EBIT margin

**13.3%**

Organic price / mix

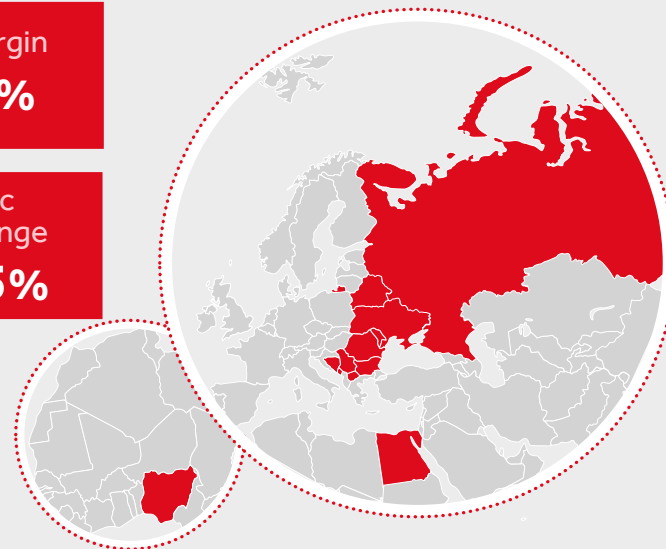
**+17.3%**

Organic EBIT change

**+15.5%**

Organic revenue

**+14.2%**

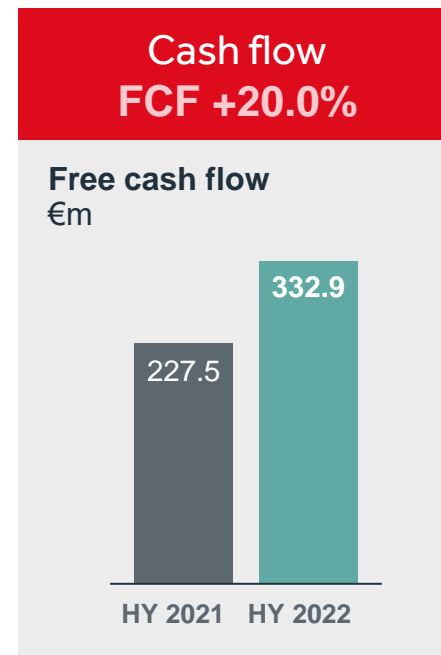
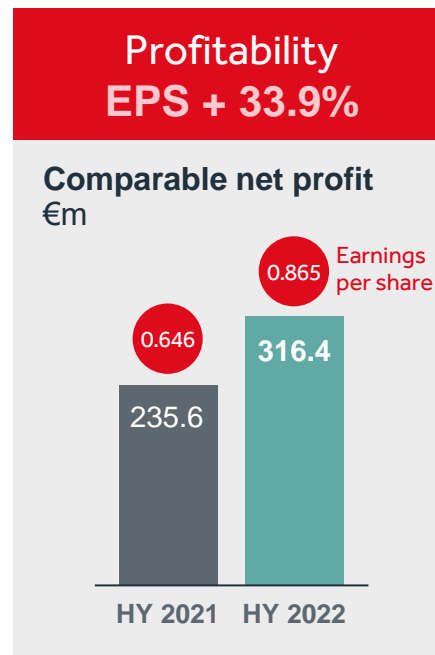


- Excluding Russia & Ukraine, volumes grew high-single digits
- Price/mix benefited from pricing and pack mix, partly offset by negative country mix
- Organic revenue grew by high-twenties when excluding Russia & Ukraine
- Slight growth in organic EBIT margins as positive price mix offset cost pressures

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# EPS expansion and FCF generation continue

- Strong EPS recovery
- Finance costs increased +23.1%, mainly due to consolidation of Egypt
- Comparable tax rate of 25%, at lower end of our guidance 25% to 27%
- Capex as % of NSR at 4.7%; we expect to be inline with our range 6.5% to 7.5% in FY22
- Additional free cash flow of €55m driven from higher profitability and lower capex spent



# Balance sheet strength remains

- Expected gearing by end of 2022 within the 1.5-2x range
- Balance sheet continues to provide firepower and flexibility to invest organically or through M&A





# 2022 outlook

## Expect positive Group organic revenue growth in 2022

- Excluding Russia and Ukraine we expect double digit organic revenue growth

## Expect Group Comparable EBIT in the range of €740-820 million

- We now assume mid-teens COGS per case inflation for 2022
- We will remain disciplined on efficiency while continuing to invest behind growth opportunities across our portfolio, capabilities, people and sustainability commitments



# Sustainable, long-term growth



**Leader** in an attractive, **growing industry**



**Diversified** geographies with exposure to **growth**



**24/7 portfolio** and **execution capabilities** to win share



Relentless **cost efficiency** fuels profit growth



**Engaged** team with a winning mindset



Determined to remain a **leader in sustainability**

# 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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