Growth pillars

2 Win in the marketplace

Growth pillars continued

2 Win in the marketplace

2023 highlights

- Scaled segmented execution so that all markets benefit from advanced micro-segmentation
- Expanded revenue per case while delivering market share gains, with appropriate price increases and mix improvements
- Continued digital transformation with the introduction of a next-generation customer relationship management system

KPIs
- Organic revenue growth
- Organic revenue per case growth
- Volume growth

Principal risks and opportunities
- Foreign exchange fluctuations
- Marketplace economic conditions
- Geopolitical and security environment
- Competing in the digital marketplace
- Suppliers and sustainable sourcing
- Cyber incidents
- Sustainable packaging

Material topics
- Socio-economic impact
- Packaging and waste management
- Climate change
- Food loss and waste

Stakeholders

Our customers

Our consumers

The Coca-Cola Company

Our investors

Bespoke capabilities with exceptional people

Our second growth pillar, win in the marketplace, encapsulates how we drive profitable revenue growth and anticipate or react to new challenges faster and smarter than our competition. Two elements underpin this pillar: our bespoke capabilities, which are critical for us to better understand the real and changing needs of both customers and consumers; and our talented salespeople, or business developers, who establish long-lasting winning partnerships with customers.

Our customers range from global supermarket brands and independent convenience stores to restaurants and e-retailers. Understanding the needs of these customers and their relationship with consumers is critical to our success. Targeting personalised execution for every outlet requires capabilities in data, insights & analytics (DIA), revenue growth management (RGM) and route to market (RTM). In 2023, we continued to invest in these bespoke capabilities, particularly DIA and digital commerce, enhancing tools that allow us to deliver best-in-class RGM, RTM and customer management.

The power of our 24/7 portfolio and consistent investment in our capabilities has allowed us to make informed pricing decisions and offer a personalised mix of categories and package formats to customers. This data-driven approach has resulted in another year of strong revenue per case expansion and profit growth, enabling us to drive a further 110bps of value share expansion in NARTD in 2023, and an 80bps improvement in value share expansion in Sparkling.

We have adapted our ways of working, strengthened our supply chains, and proven the depth and breadth of our capabilities. This is particularly the case for RGM, where we have delivered robust price and mix improvements in the face of significant commodity inflation and, more recently, energy cost rises. We have been laser-focused and clear on the decisions we are making and what we expect these decisions to achieve.

Growth pillars continued
Win in the marketplace

> "I am so excited by the progress we have made in our bespoke capabilities, enabling a step change in our ability to win in the marketplace. It is the interconnection of route to market, data, insights & analytics, and revenue growth management, together with digital commerce, customer management and talent development, our lighthouse capability, which allows us to personalise execution for every outlet."

Naya Kalogeraki
Chief Operating Officer

Targeting personalised execution for every outlet

At our investor day in May, we shared how our capabilities are driving personalised execution for every outlet.

The six key capabilities are:

Revenue growth management
Industry-leading RGM enables us to drive smart affordability and premiumisation

Data, insights & analytics
Our investment in data, insights & analytics allows us to drive revenue faster and optimise smarter

Digital commerce
Key growth driver to equip our business for the future.
Route-to-customer through eB2B
Route-to-consumer through e-retail and delivery apps

Execution Excellence for every outlet

Route to market
We have more customer interactions than ever before due to our physical and digital route to market

Talent development
Investing in our people and their development remains our 'lighthouse' capability

Customer management
Joint value creation is at the heart of customer partnership.

Growth pillars continued
Win in the marketplace

Our bespoke capabilities

At our investor day in May, we shared how our capabilities are driving personalised execution for every outlet. Over the next three pages, we describe these six capabilities in detail, starting with customer management at the bottom right-hand side, and working anti-clockwise round the wheel on page 35.

Customer management

We are committed to creating value jointly with our customers and this is at the heart of our successful partnerships. Through our joint value creation strategies, we were once again the leading contributor to revenue growth in fast-moving consumer goods (FMCG) across our retail customers, according to market researcher Nielsen. Innovations such as our new next-generation customer relationship management (CRM) system support such success. The new system was rolled out in 18 markets during the year, strengthening our customer management capabilities that are directly linked to growing customer revenue. As well as supporting our core business, this has enabled us to accelerate our performance in new categories such as Coffee and Premium Spirits, as the system is able to consolidate customer leads efficiently and accurately for our sales team. Providing a stronger digital tool for communication drives better service and is another way for our salespeople to spend more time with our customers and provide them with data-driven analytics and insights.

We are committed to measuring and improving customer experience using the Net Promoter Score® metric applied through CustomerGauge 'voice of customer' software, which enables instant feedback from customers.

When a customer has an issue, the target for our sales teams is to 'close the loop' and resolve issues within 48 hours. In 2023, 83% of cases were resolved in 48 hours, up from 66% in 2022. This tool is now live in all our markets, with 55% of our customers providing feedback on our performance.

We continue to support our customers through challenging periods of cost inflation and other economic pressures by offering a diverse portfolio and investing in engaging and relevant brand campaigns. This helped our customers generate top-line growth, whilst satisfying their shopper and customer needs. For example, at-home and out-of-home channels both delivered positive revenue growth in 2023, with more digital and physical at-home solutions and a wider out-of-home portfolio offering.

Digital commerce

In 2023, we significantly invested in our digital commerce platforms and solutions, as part of our digital journey to enhance our capabilities using data-driven strategies and efficient online business platforms for growing revenue. Our collaboration with e-retailers and food delivery platforms to create unique omnichannel consumer experiences further intensified. Our strong online execution capabilities, with a focus on digital shelf execution and data-driven shopper activation, led to strong double-digit revenue growth online and growth in online market share. On food delivery platforms, we aim to sell a drink with a meal and this 'beverage attachment' rate improved slightly to 26% (excluding Russia).

Our Customer Portal e-business-to-business (eB2B) platform saw further growth. Our focus was on driving incremental revenue and expanding the omnichannel service tools. We enhanced Customer Portal's reach and efficiency, which drove an increase in customer orders and revenue, particularly in small non-chain stores. It is now the main order-taking channel, representing 10% of orders made, more than doubling the share of orders in 2022. Meanwhile, we scaled our business-to-business digital marketing capabilities, launching automated customer engagement journeys and piloting generative AI-powered marketing campaigns with promising first results — all using the size, scale and user friendliness of Customer Portal.

Sirvis, our 24/7 multi-category, eB2B aggregator ordering platform for indirect route to market, was rolled out to more regions in Italy, and we prepared for expansion into three more countries for 2024. The platform connects out-of-home outlets to wholesale suppliers of goods, as well as service providers of relevant services. We continued to pilot direct-to-consumer platforms, including Home Delivery in Egypt.

Growth pillars continued
Win in the marketplace

Data, insights & analytics

DIA is one of our prioritised growth capabilities and we see this as a competitive advantage. Everything we do in this space, primarily through prioritised use cases, is done with the customer in mind and to strengthen our RGM and RTM.

2023 was a pivotal year for the implementation of DIA capabilities. We stepped up our analytics and AI usage, with the ambition to become an industry leader and to set a global benchmark in these capabilities. We have four prioritised use cases:

Segmented execution

In 2023, we scaled segmented execution so that all markets, including Egypt, now have advanced micro segmentation, the ability to predict the potential value of a single outlet from a single product category – see an example from Nigeria in our feature on page 39 and in the video from our investor day, link also on page 39. We also launched the next generation of segmented execution, which provides new capabilities that personalise what we sell, personalises how we serve and execute with our customers, and enables us to make strategic and profitable investments.

Promotion spend effectiveness

In 2023, we continued to increase our use of advanced analytics algorithms to improve the return on promotion investments, as well as improve demand forecasting. The algorithms mean we can measure the effectiveness of every Euro of promotional spend, allowing us to 'course-correct' and allocate investment to higher return promotions. We have automated these algorithms so that we run promotion management measurement each quarter to be agile in taking actions, rather than having annual plans, as well as leveraging the insights to drive joint value creation with our customers.

Demand forecasting

We continued to develop our AI-enabled forecasting for short- and long-term demand for our products. In Romania, for example, we saw a 10% improvement in our demand forecasting after putting these AI tools in place.

Improving retention of our business developers

This gives us valuable insights into how to reduce churn and have consistency and longer tenure with better performance.

Our sales teams – and colleagues in wider functions – continue to benefit significantly from the Data and Analytics Academy. It is accelerating the culture of data-driven decision making, enabling us to upskill our colleagues. We now have over 1,200 colleagues involved in DIA academy courses. New for 2023 was a module on generative AI, which we introduced to equip our colleagues with the very latest skills to improve data literacy.

Revenue growth management

In 2023, we leveraged our RGM capabilities to implement price increases across all our markets, as well as drive mix increases, balancing premiumisation and affordability in a highly inflationary environment.

Enhanced data and analytics tools have allowed us to adapt to ever-changing price elasticities, making decisions that protect consumption and our competitive position. Our proactiveness and agility in adapting price moves or promotional strategies to the marketplace and the competitive landscape have been critical to deliver revenue growth from both pricing and mix, while growing market share.

Ongoing high inflation reinforced our long-standing focus on improving affordability. We launched new affordable pack formats in the Czech Republic and Slovakia where we replaced 1.75 litre with 1.5 litre and 2.25 litre with 2 litre formats. We expanded affordable offerings in a segmented way, aiming at channels and regions most relevant to the target consumer. For example, in Egypt we scaled our returnable glass bottle offerings and 300ml PET, leveraging segmentation based on consumer disposable income. We continued the expansion of 300ml PET in Bulgaria and we expanded our 350ml returnable glass bottle offering in Nigeria.

Promotions are another important part of affordability. In 2023, we used data and insights to improve return on investment, offer more value-add promotions and focus on profitability. This helped to maximise returns for us and our customers. Premiumisation remains relevant for certain consumer segments, and we continued to increase our range of premium packs – in Austria launching a 400ml glass bottle and expanding our 1 litre glass bottle into flavours. We also increased our focus on premium multi-packs of mini cans in our Established markets. Our focus on single-serve packs increased at-home channel sales. Due to our ongoing focus on HoReCa, we improved the percentage of sales from the out-of-home channel in Europe.

We have more customer interaction than before due to our physical and digital route to market

Sales force	Coolers	New tools
15,000 salespeople	**1.4 million** coolers	**27** Image recognition in 27 countries, with **350,000 outlets** covered
1.8 million customers	**90%** coverage in high-potential outlets	**New dynamic routing tool** to optimise salespeople travel time
67% of stores visited directly	**1.0 million** coolers are connected, improving data collection from the field	**>30%** of our indirect distribution partners connected through CCH integration tool

Growth pillars continued
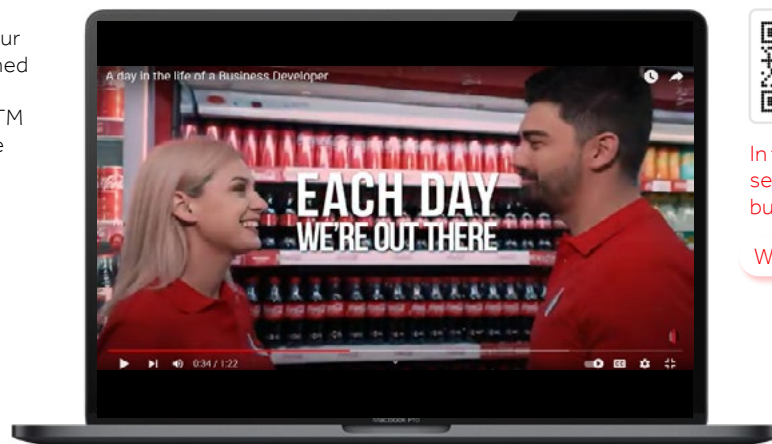## Win in the marketplace

Route to market

We have a vast route to market. Each day, around 15,000 business developers in sales teams across our countries service two million customers – in fact, we have more customer interactions than ever before due to our physical and digital RTM. And, with 1.4 million coolers (refrigerators) owned on our customers' premises, we have multiple RTM models with different sales force roles, different last-mile models and different execution strategies. A 24/7 dynamic sales and distribution model seeks to maximise profitable growth through data-driven execution excellence. We are constantly upgrading our physical RTM fundamentals to adapt to the digital transformation, and we are incorporating data and analytics to make it even more efficient.

We continue to invest in new coolers as they help to drive single-serve mix and revenue growth. We increased the number of coolers by 9,300[1] in 2023, led by Italy, to a total of 1.4 million coolers on customer premises. More than half now have online connections, up 6pp, which improves their profitability by providing volume data for better execution. We have focused on using data to increase our profitable cooler coverage and in 2023 reached 90%[1] coverage of our top customer outlets. We also continued upgrading our physical RTM to adapt to the digital transformation and we now have 91,000 active digital customers, up 46% from 2022.

Image recognition tools are now operational in most of our markets. These tools help us understand in a precise and efficient way the quality of our execution at the point of sale, and to drive the needed corrective actions. We are also supporting our indirect distribution partners by connecting them through a bespoke CCH integration tool. Finally, we are expanding our digital coverage enabled by our eB2B platforms.

In 2023, we expanded our physical coverage of outlets to support our out-of-home channel development. We increased our sales force in Italy, Croatia, Czech Republic and Slovakia and as a result we now visit two-thirds of our customers in person. We are enhancing our physical coverage by using dynamic routing tools, which optimise travel times and allow our sales force to spend more time with customers. It is this combination of in-person visits with data-driven insights and digital execution that is the foundation of our RTM success.

Talent development

Investing in our people and their development remains our 'lighthouse capability'. We aim to make our company an irresistible place to work – where our employees feel heard, valued, supported and motivated to realise their full potential. We strive to ensure that we recruit and retain the best talent, providing unique and personalised development as a reason to join, grow, stay and best serve our customers. We have numerous development tools in place like fast-track development programmes for our high-potential colleagues. We develop critical sales and supply chain capabilities by offering a suite of academies, and our learning culture is embedded by making learning accessible through technology-enabled solutions. You can read more abour our talent development in Cultivate the potential of our people on page 45.

In this lively video, you can see a day in the life of a business developer

Watch the video online ⊙

Priorities in 2024

- Deliver continuous improvements to joint value creation with customers and customer experience
- Accelerate digital commerce, leveraging the scale of Customer Portal and expanding Sirvis
- Enhance our competitive advantage from segmented execution insights, particularly in the HoReCa channel, as well as leverage insights from promotion analytics
- Continue to implement our revenue growth management strategies, addressing both affordability and premiumisation, with an increased focus on mix initiatives
- Continue to improve our physical and digital route-to-market coverage with enhanced digital and technology tools and upgraded capabilities

UN Sustainable Development Goals

As we build our business by helping our customers to grow and thrive, we make substantial contributions to the achievement of the Sustainable Development Goals related to ending poverty, decent work, sustainable communities, responsible production, justice and strong institutions, as well as partnerships.