

# COCA-COLA HBC INVESTOR DAY 2023



Coca-Cola  
HBC

# Today's agenda

## 08:45 Setting the scene

### 01 Welcome

Zoran Bogdanovic &  
Anastassis G David  
Chairman, Coca-Cola HBC  
(5 mins)

### 02 Sustainable and profitable growth: Introduction

Zoran Bogdanovic  
(25 mins)

### 03 The future of marketing is now

Manolo Arroyo, CMO, TCCC  
(20 mins)

## 9:40 Strategies for growth

### 04 Growing our categories with the capabilities to win

Naya Kalogeraki  
(25 mins)

### Growth accelerators (90 mins)

#### 04A Data Insights & Analytics

#### 04B Adult Sparkling

#### 04C Digital

#### 04D Coffee

### 05 Driving growth with our diversified country footprint

Naya Kalogeraki  
(15 mins)

### 06 Step-changing growth in Italy

Frank O'Donnell  
(15 mins)

### Q&A

(25 mins)

### Lunch and Coffee (from 12:30)

## 13:30 Sustainable and profitable growth

### 07 Growing sustainably

Katya Ryabets  
(15 mins)

### 08 Growing together – panel discussion

Nikos Koumettis, President Europe, TCCC,  
Zoran and Naya  
(20 mins)

### 09 Driving shareholder value

Ben Almanzar  
(20 mins)

### Q&A

(25 mins)

### 10 Sustainable and profitable growth: Conclusions

Zoran Bogdanovic  
(10 mins)

15:00 – 18:00

### Market visit

# The team you will meet today

## Coca-Cola HBC presenters



**Anastassis G. David**  
Chairman

**Zoran Bogdanovic**  
Chief Executive Officer



**Ben Almanzar**  
Chief Financial Officer

**Naya Kalogeraki**  
Chief Operating Officer



**Ivo Bjelis**  
Supply Chain

**Mourad Ajarti**  
Digital & Technology



**Frank O'Donnell**  
General Manager, Italy



**Vitaliy Novikov**  
Digital Commerce

**Ruchika Sachdeva**  
Data, Insights & Analytics



**Prodromos Nikolaidis**  
Coffee



**Kristina Djordevic**  
Adult Sparkling

**Katya Ryabets**  
Sustainability



## The Coca-Cola Company guests

**Manolo Arroyo**  
Chief Marketing Officer



**Nikos Koumettis**  
President of Europe



A man in a red shirt and safety glasses is working on a production line of glass bottles. He is wearing a red cap and safety glasses, and is focused on his work. The background shows a factory setting with various pipes and lights.

**WELCOME**  
**ANASTASSIS G. DAVID**  
**CHAIRMAN**

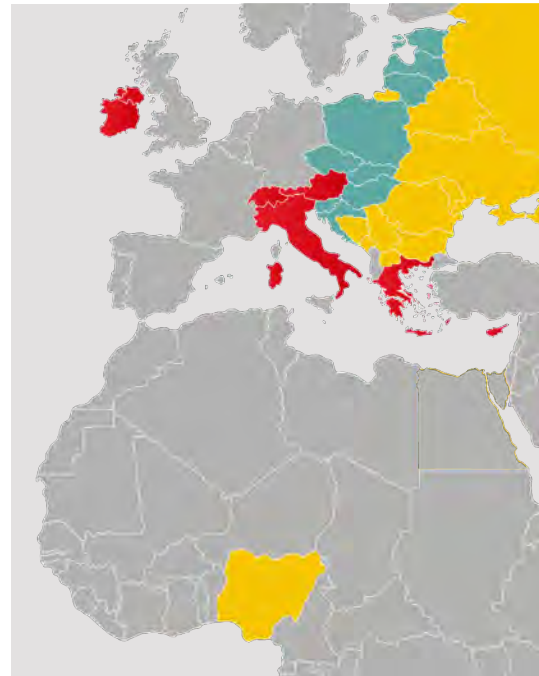
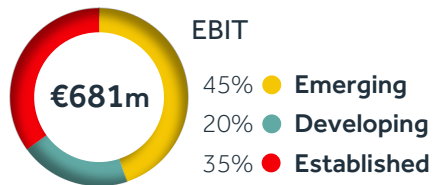
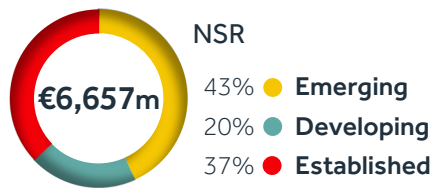
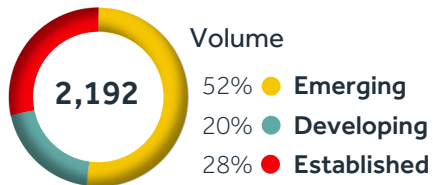
# SUSTAINABLE AND PROFITABLE GROWTH: INTRODUCTION

**ZORAN  
BOGDANOVIC**  
CHIEF EXECUTIVE OFFICER



# Four years of significant growth since our last Capital Markets Day in 2019

2018



## Established

Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland, Switzerland

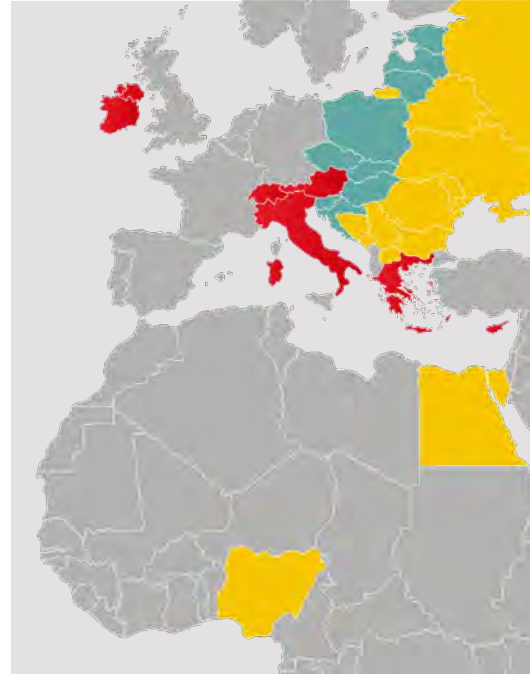
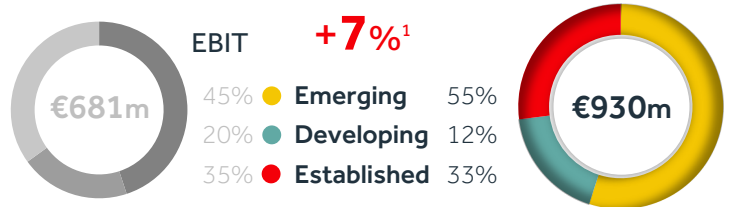
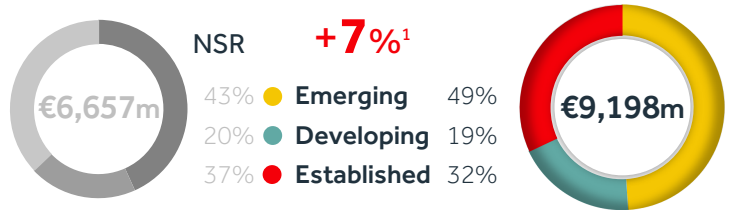
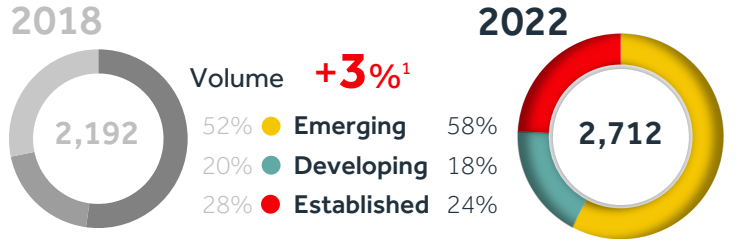
## Developing

Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia

## Emerging

Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Moldova, Montenegro, Nigeria, North Macedonia, Romania, Russia, Serbia (including the Republic of Kosovo), Ukraine

# Four years of significant growth since our last Capital Markets Day in 2019



## Established

Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland, Switzerland

## Developing

Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia

## Emerging

Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Egypt, Moldova, Montenegro, Nigeria, North Macedonia, Romania, Russia, Serbia (including the Republic of Kosovo), Ukraine

1. Organic growth average 2019-2022

# Our business has proven resilient in a challenging macro environment

**2019**



Business as usual

**2020**



COVID-19

Severe disruption for two years

Shift from out-of-home to at-home

**2021**



Significant commodity inflation and post-COVID supply chain challenges

Start of recovery of out-of-home

**2022**



War in Ukraine and suspension of TCCC business in Russia

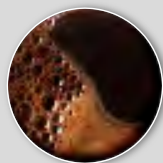
Energy and commodity inflation acceleration



# We operate in very attractive growth categories

Non-Alcoholic  
Ready to Drink

NARTD



€68bn

market value in 2022



4-6%

CAGR 2024-28

Coffee



€32bn

market value in 2022



4-5%

CAGR 2024-28

Source: internal system projections, excluding Russia and Ukraine

# We prioritise the best opportunities in our unique, 24/7 sparkling-led portfolio

## SPARKLING ENERGY COFFEE

Prioritised across the Group  
Grow penetration and share

## All other brands

Locally relevant portfolio  
Focus on profitable growth



All numbers as of FY 2022

1. 7% excluding the Egypt acquisition and Multon consolidation

# Pillars of our growth strategy are unchanged and have been key to our success

## 1 Leverage our unique 24/7 portfolio



### Prioritising our best opportunities

- Offer the best 24/7 beverage portfolio on the planet, together with The Coca-Cola Company and other partners

## 2 Win in the marketplace



### Adding value to customers and gaining share

- Build unrivalled teams of true partners for our customers, executing with excellence in every channel for prioritised drinking moments
- Fast-forward critical capabilities for growth

## 3 Fuel growth through competitiveness and investment



### Investments driving strong returns

- Transform, innovate and digitise our business to ensure that we are fit for the future
- Improve productivity and drive efficiencies

## 4 Cultivate the potential of our people



### Agile learning organisation

- Invest in building the best teams in the industry
- Develop an inclusive growth culture around our empowered people

## 5 Earn our license to operate



### Commitments and progress

- Be an environmental leader, engage our communities behind water and waste initiatives, and empower youth, together with our partners
- Committed to delivering NetZero by 40

# Driving profitable growth through targeted innovation to enhance the portfolio...

## SPARKLING



## ENERGY



## STILLS



# Invested in targeted bolt-on opportunities that will accelerate growth...

2019

LURISIA



- Premium Water and Adult Sparkling
- Significant scale-up in Italy
- Targeted expansion

2019

BAMBI



- High occasion complementarity with core business
- Driving growth in existing markets

2021

CAFFÈ  
VERGNANO  
Acquisition of  
30% stake



- Super-premium Coffee brand
- Recruited ~1,500 new HoReCa outlets
- Now in 17 markets

2022

THREE  
CENTS



- Strong super-premium brand recognition
- Start of roll-out plans
- Unlocking premium HoReCa opportunities

# Egypt acquisition adds to our growth potential

## Strong growth dynamics

- **111m people** and growing strongly
- Low average age of **24 years**
- Long-term **growth in GDP** per capita to drive category expansion
- SSD **servings** per capita **well below** CCHBC average
- Significant **market share** opportunity (#2 position today)

1. UN, Total Population, as of 1 July 2022

2. Based on GDP IHS May '23 release

3. Based on Internal Industry Estimates and UN Population 1 July 2022



## Egypt

**Population growth<sup>1</sup>**

CAGR 2024-2028



**est. +1.5%**

**GDP per capita growth<sup>2</sup>**

CAGR 2024-2028



**est. +3.0%**

**SSD servings per capita<sup>3</sup>**

Compared to average CCH



**18%** below CCH average growth opportunity

# Behind the scenes we've delivered significant changes

## DOLPHIN

unlocks resources for accelerated growth

Creating a future-focused organisation with a stronger focus on the customer

**1,000 FTE<sup>1</sup>s**  
redeployed



1. Full Time Equivalent

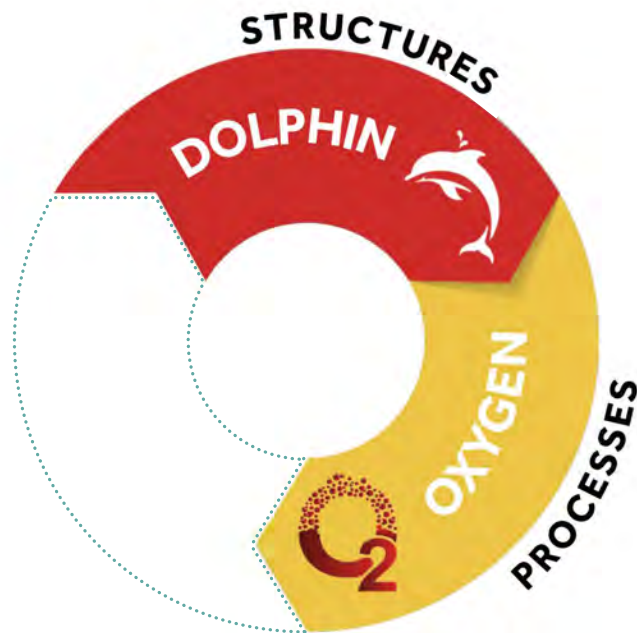
# Behind the scenes we've delivered significant changes

## DOLPHIN

unlocks resources for accelerated growth

Creating a future-focused organisation with a stronger focus on the customer

**1,000 FTE<sup>1</sup>s**  
redeployed



## OXYGEN

will delivers major process improvements

Creating the capacity for people to work together on the things that matter

**>1 million hours**  
of process waste identified

1. Full Time Equivalent



# Achieving the right balance for successful change

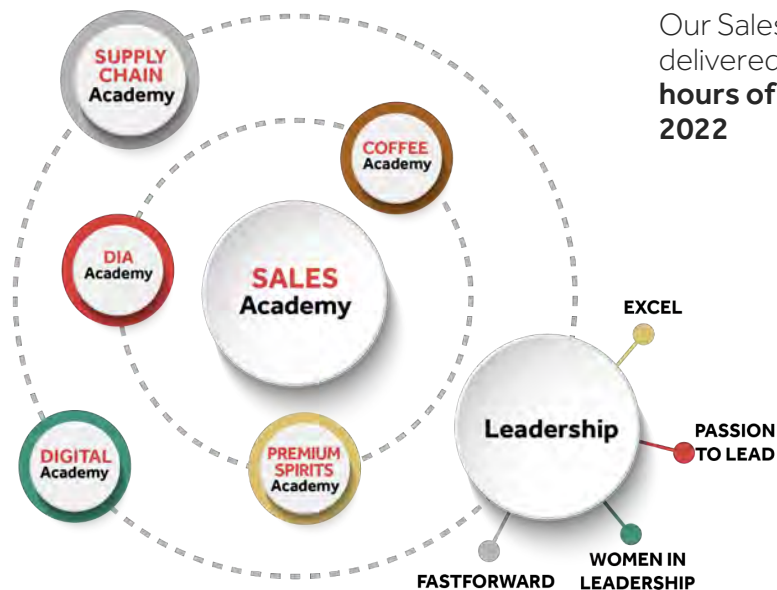


# Our prioritised capabilities underpin our growth ambitions



# Cultivating the talent and potential of our people

Fostering and nurturing people to achieve great things



Among  
**Top 10 FMCG employers**  
in all markets

**86%** leaders appointed internally

**85%** Employee Engagement Score 2022

**40%** of managers are women

**60** Top Employer Awards

**62** System career moves

**Our purpose**  
builds on our  
clear vision  
and values

**OUR PURPOSE**

**OPEN UP  
MOMENTS  
THAT  
REFRESH  
US ALL**

**OUR VISION**

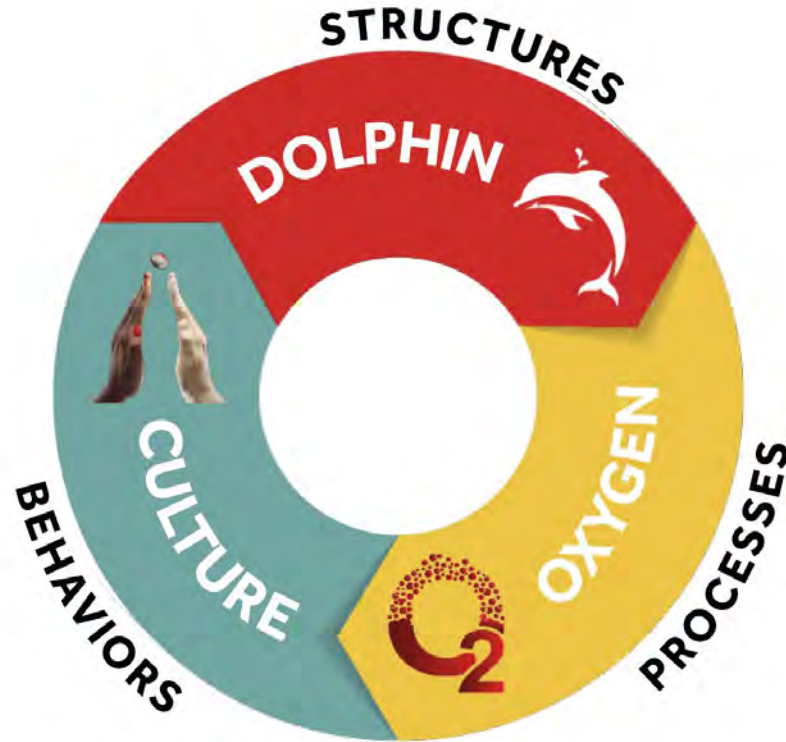
**THE  
LEADING  
24/7  
BEVERAGE  
PARTNER**

**OUR VALUES**

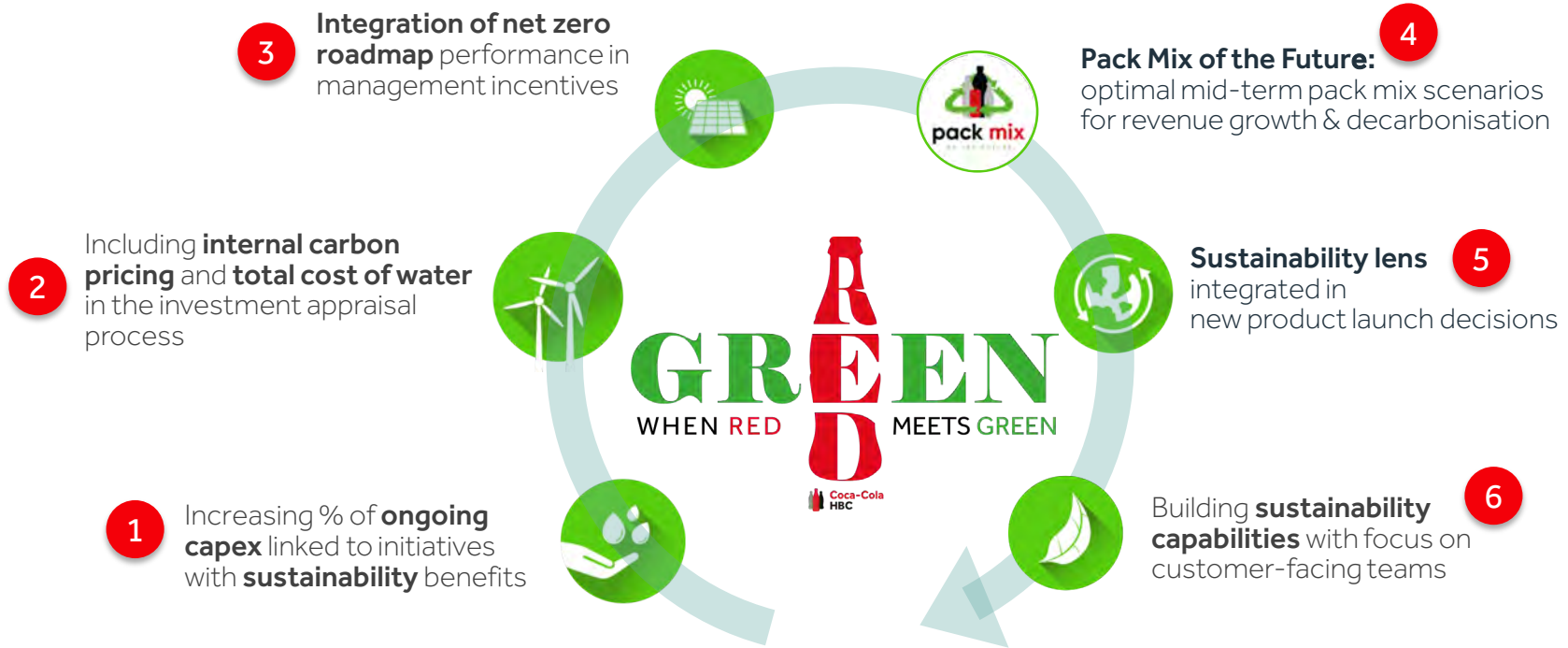
**CUSTOMER  
FIRST  
WE OVER I  
MAKE IT  
SIMPLE  
DELIVER  
SUSTAINABLY**



# Culture completes the cycle of continuous renewal



# We put sustainability at the core of our decision-making processes



# STRONG PARTNERSHIPS ARE AT THE HEART OF OUR BUSINESS

# Key messages today

- ◆ We're continuing to grow
  - ◆ Led by strong categories, capabilities and footprint
  - ◆ Sustainably
  - ◆ Profitably...
- ... with excellent people and partners**



**Coca-Cola  
HBC**



# THE FUTURE OF MARKETING IS NOW

**MANOLO  
ARROYO**

**GLOBAL CHIEF MARKETING OFFICER,  
THE COCA-COLA COMPANY**



**Coca-Cola  
HBC**

*Coca-Cola*

# Forward-Looking Statements

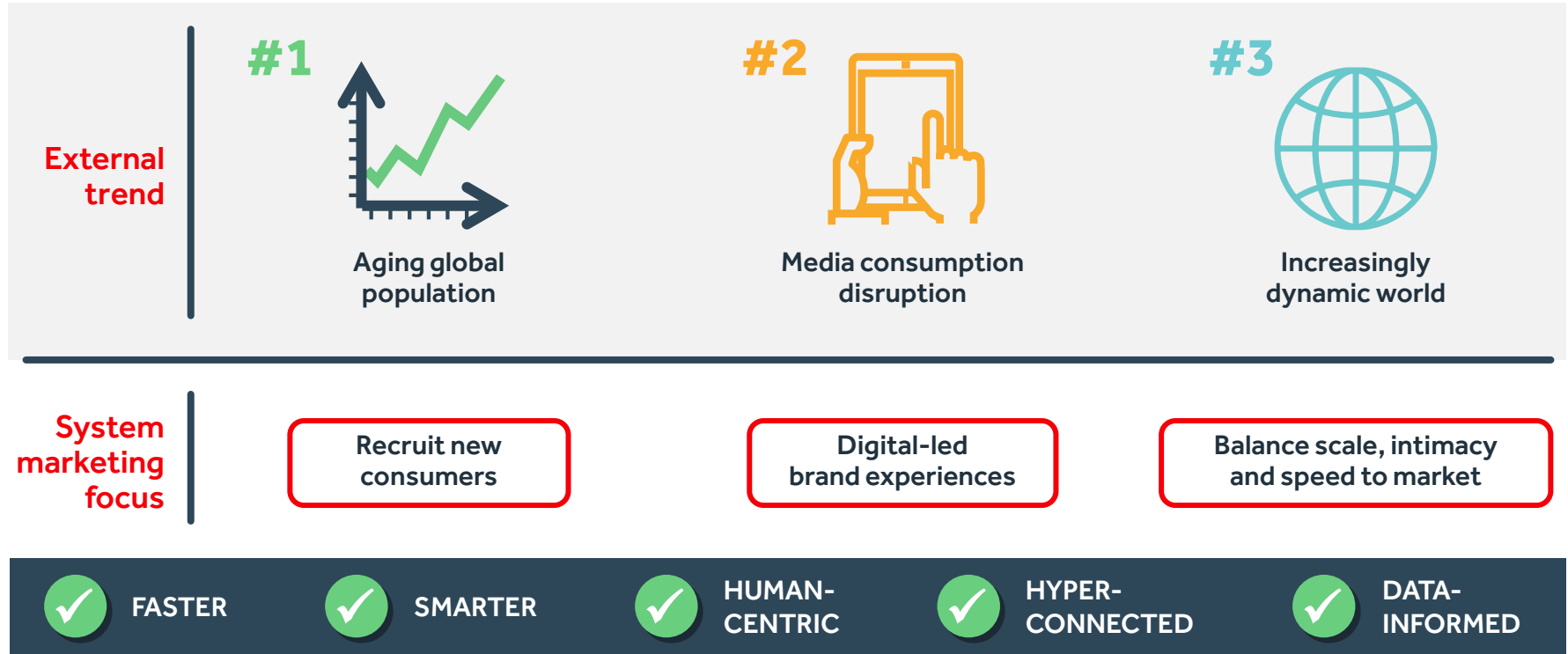
This presentation may contain statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause The Coca-Cola Company's actual results to differ materially from its historical experience and our present expectations or projections. These risks include, but are not limited to, unfavorable economic and geopolitical conditions, including the direct or indirect negative impacts of the conflict between Russia and Ukraine; increased competition; an inability to be successful in our innovation activities; changes in the retail landscape or the loss of key retail or foodservice customers; an inability to expand our business in emerging and developing markets; an inability to successfully manage the potential negative consequences of our productivity initiatives; an inability to attract or retain a highly skilled and diverse workforce; disruption of our supply chain, including increased commodity, raw material, packaging, energy, transportation and other input costs; the negative impacts of, and continuing uncertainties associated with the scope, severity and duration of the global COVID-19 pandemic and the substance and pace of the post-pandemic economic recovery; an inability to successfully integrate and manage our acquired businesses, brands or bottling operations or an inability to realize a significant portion of the anticipated benefits of our joint ventures or strategic relationships; failure by our third-party service providers and business partners to satisfactorily fulfill their commitments and responsibilities; an inability to renew collective bargaining agreements on satisfactory terms, or we or our bottling partners experience strikes, work stoppages, labor shortages or labor unrest; obesity and other health-related concerns; evolving consumer product and shopping preferences; product safety and quality concerns; perceived negative health consequences of certain ingredients, such as non-nutritive sweeteners and biotechnology-derived substances, and of other substances present in our beverage products or packaging materials; failure to digitalize the Coca-Cola system; damage to our brand image, corporate reputation and social license to operate from negative publicity, whether or not warranted, concerning product safety or quality, workplace and human rights, obesity or other issues; an inability to successfully manage new product launches; an inability to maintain good relationships with our bottling partners; deterioration in our bottling partners' financial condition; an inability to successfully manage our refranchising activities; increases in income tax rates, changes in income tax laws or the unfavorable resolution of tax matters, including the outcome of our ongoing tax dispute or any related disputes with the U.S. Internal Revenue Service ("IRS"); the possibility that the assumptions used to calculate our estimated aggregate incremental tax and interest liability related to the potential unfavorable outcome of the ongoing tax dispute with the IRS could significantly change; increased or new indirect taxes; changes in laws and regulations relating to beverage containers and packaging; significant additional labeling or warning requirements or limitations on the marketing or sale of our products; litigation or legal proceedings; conducting business in markets with high-risk legal compliance environments; failure to adequately protect, or disputes relating to, trademarks, formulas and other intellectual property rights; changes in, or failure to comply with, the laws and regulations applicable to our products or our business operations; fluctuations in foreign currency exchange rates; interest rate increases; an inability to achieve our overall long-term growth objectives; default by or failure of one or more of our counterparty financial institutions; impairment charges; an inability to protect our information systems against service interruption, misappropriation of data or cybersecurity incidents; failure to comply with privacy and data protection laws; failure to achieve our sustainability goals and targets or accurately report our progress due to operational, financial, legal and other risks, many of which are outside our control and are dependent on the actions of our bottling partners and other third parties; increasing concerns about the environmental impact of plastic bottles and other packaging materials; water scarcity and poor quality; increased demand for food products, decreased agricultural productivity and increased regulation of ingredient sourcing due diligence; climate change and legal or regulatory responses thereto; adverse weather conditions; and other risks discussed in our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2022, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements.

# Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. A schedule which reconciles our results as reported under Generally Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation is attached as an appendix hereto. The 2023 outlook information provided in this presentation includes forward-looking non-GAAP financial measures, which management uses in measuring performance. The company is not able to reconcile full year 2023 projected organic revenues (non-GAAP) to full year 2023 projected reported net revenues without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the exact impact of changes in foreign currency exchange rates throughout 2023 and the exact timing and exact impact of acquisitions, divestitures and structural changes throughout 2023.



# Delivering amidst a rapidly changing landscape



# Our transformation is rooted in growth



**Shaping our growth portfolio**

**~50%<sup>(a)</sup> fewer brands**  
**26 \$Bn brands**



**Step change effectiveness & efficiency**

**~+9%<sup>(a)</sup>**  
**Gross profit per ad spend**



**Shifting approach to innovation**

**~25%<sup>(b)</sup>**  
**of gross profit growth**

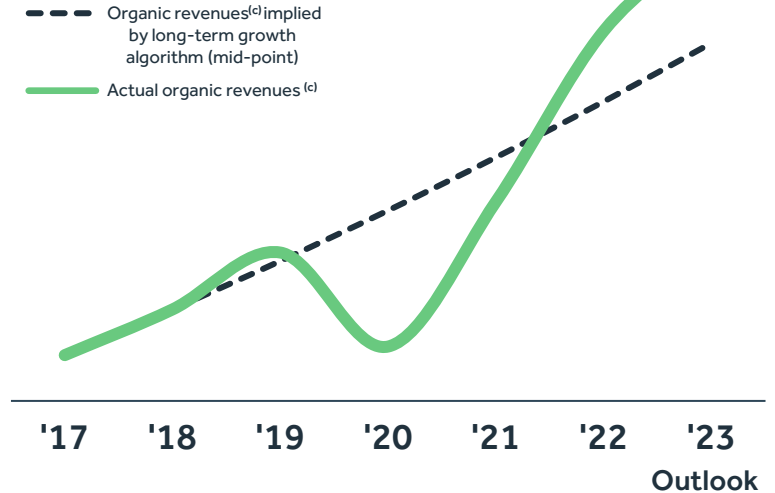


**New agency marketing model**

**6K+ Agencies** → **WPP Umbrella<sup>(a)</sup>**



## TCCC organic revenue<sup>(c)</sup> growth vs. long-term target



(a) Change from 2022 vs. 2019

(b) Expected contribution of innovation to 2023 gross profit growth

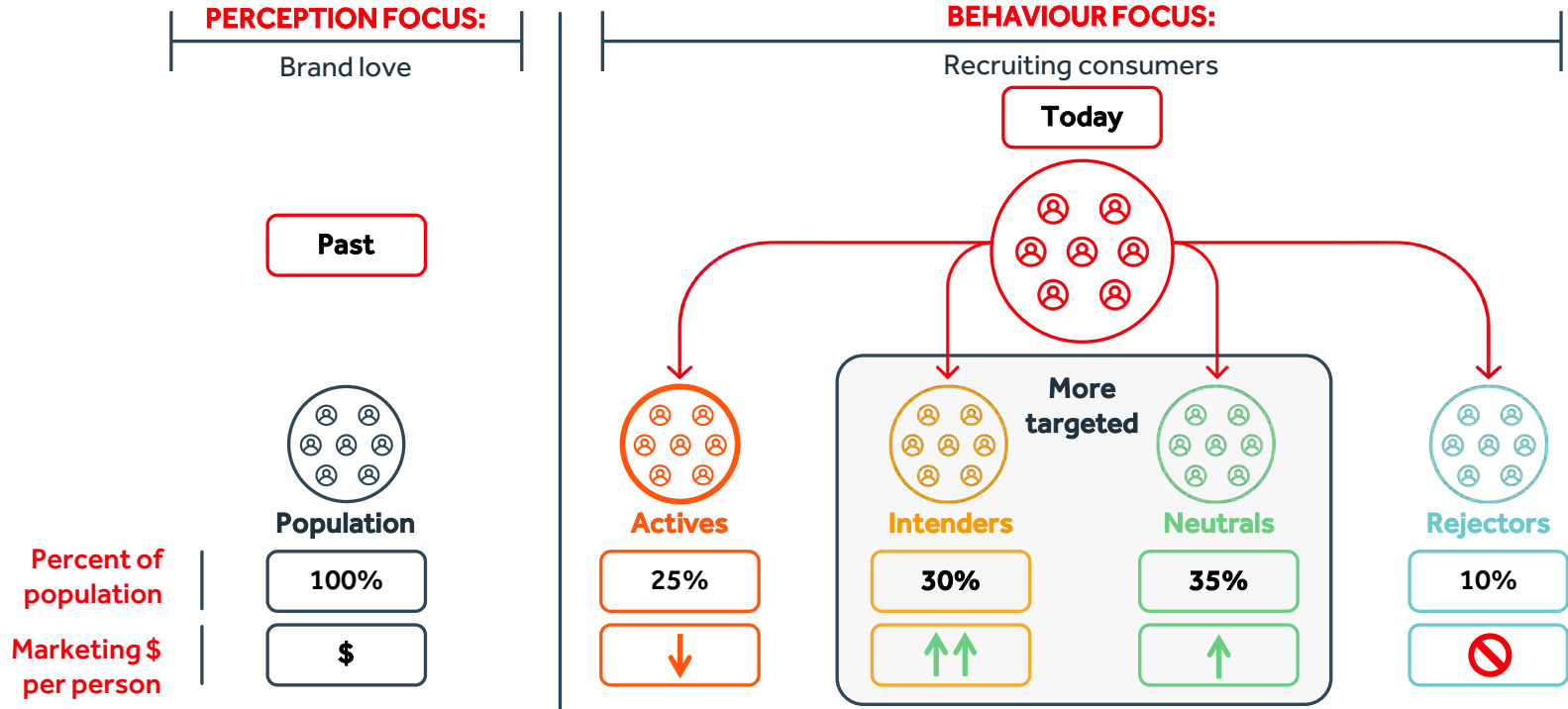
(c) Non-GAAP



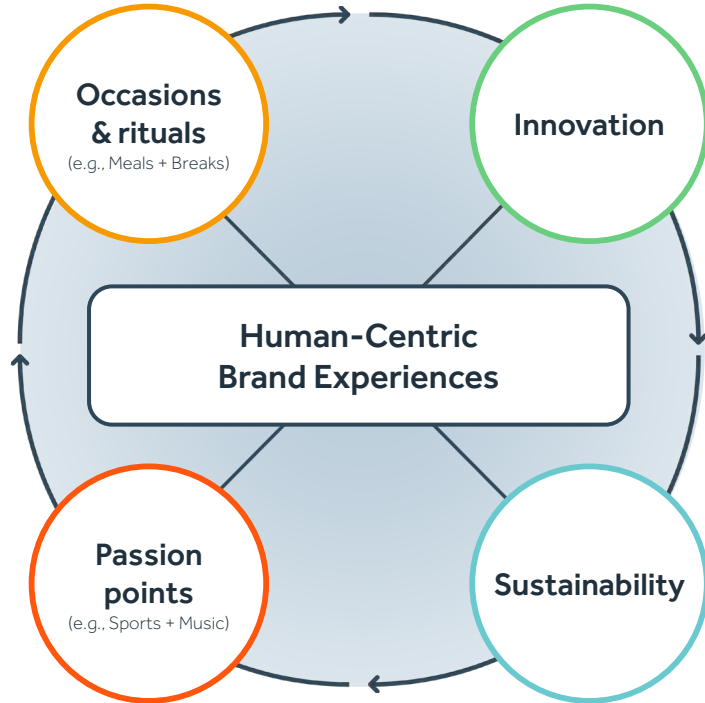


# Significant headroom to recruit consumers







## Italy Coca-Cola – System example



# Experiences drive consumption



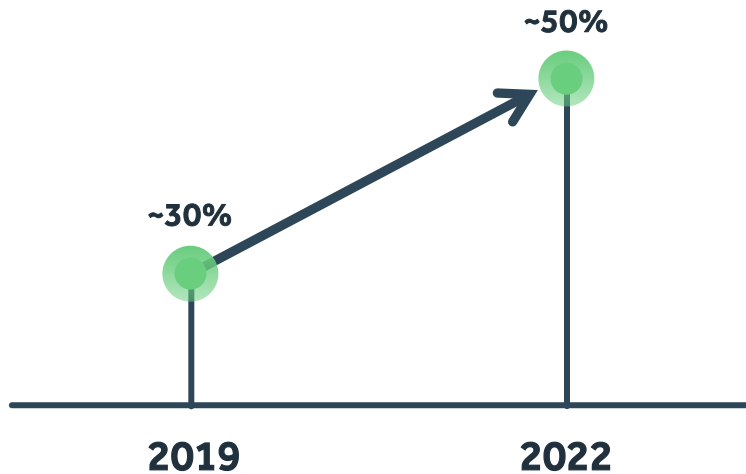
WHICH

 <b>DIGITAL</b> Experiences	 <b>RETAIL</b> Experiences	 <b>LIVE</b> Experiences
		

WHERE

# Significant progress to date

## TCCC digital spend as a % of total media



## Building an edge through experimentation



Accelerating  
the velocity of  
experiments



Measuring  
results in  
real-time



Scaling  
success  
stories

**Culture of risk-taking and learning**

## Coke is cooking

- **Context:** Evolve from a TV-centric into experienced-based marketing model
- **Action:** Street "food and music" festival and food customers activation
  - Creating shared stories with social media influencers
- **Result:** Double-digit sales uplift

# IS COOKING

HANOI



KOLKATA



CAIRO





# Key takeaways

- 1 Our transformation is rooted in growth
- 2 We drive growth through expanding our consumer base
- 3 Our model is increasingly driven by digital-led experiences
- 4 This comes to life in the marketplace through our strong partnership with CCH

# GROWING OUR CATEGORIES WITH THE CAPABILITIES TO WIN

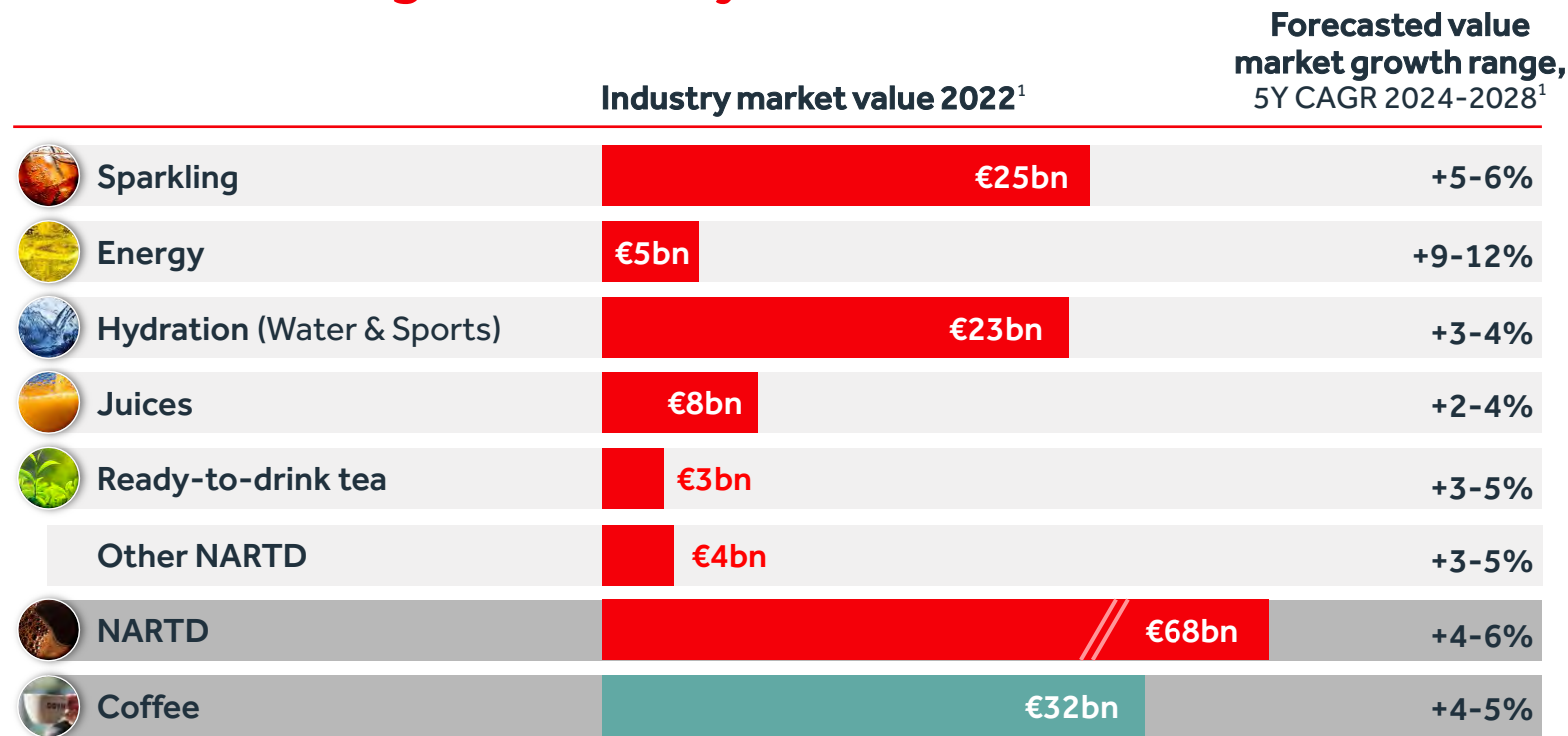
**NAYA  
KALOGERAKI**

**CHIEF  
OPERATING  
OFFICER**



**Coca-Cola  
HBC**

# We understand where our largest opportunities are, in an advantaged industry



1. Source; Internal system projections, excluding Russia and Ukraine

# We prioritise the best opportunities in our unique, 24/7 portfolio

## SPARKLING ENERGY COFFEE

Prioritised across the Group  
Grow penetration and share

## All other brands

Locally relevant portfolio  
Focus on profitable growth



All numbers as of FY 2022

1. 7% excluding the Egypt acquisition and Multon consolidation

# It's working

- we are winning in our prioritised categories and gaining share overall

## Sparkling

**+5%**

Volume growth  
2019-22<sup>1</sup>

**+9%**

Revenue growth  
2019-22<sup>1</sup>



**57%**

CCH Value share  
2022<sup>2</sup>

**+230bps**

since 2019<sup>2</sup>

## Energy

**+32%**

Volume growth  
2019-22<sup>1</sup>



**19%**

CCH Value share  
2022<sup>2</sup>

**+370bps**

since 2019<sup>2</sup>

## Coffee

**>100%**

Volume growth  
2021-22<sup>1</sup>



**1%**

CCH Value share  
2022<sup>2</sup>

**NARTD value share +270bps<sup>2</sup> since 2019**

1. Organic growth average, ex Russia & Ukraine

2. Source: Nielsen data, excluding Russia, Ukraine & Egypt

# Driving growth in our strategic priorities: **SPARKLING** key engine of growth

- Sparkling largest driver of growth and profitability
- Adult Sparkling driving premiumisation, enabled by multi-tier portfolio and higher price/mix vs Sparkling
- Low/ no sugar fastest growing subcategory, huge headroom to grow



**SPARKLING**

**+5%<sup>1</sup>**

1. Organic volume growth average 2019-2022, excluding Russia & Ukraine

**ADULT SPARKLING**

**+10%<sup>1</sup>**

**LOW / NO SUGAR**

**+22%<sup>1</sup>**

2. % of 2022 SSD volumes, excluding Russia & Ukraine

**LOW / NO SUGAR**

**26% of SSDs<sup>2</sup>**

# Driving growth in our strategic priorities: **ENERGY** brings significant growth

- Fastest growing category in NARTD
- Portfolio of brands covering all consumer segments
- Strong opportunity to continue growing per-capita consumption
- **Ambition of double-digit contribution to CCH revenue mid-term**



**ORGANIC VOLUME**

**+32%<sup>1</sup>**

**% GROUP REVENUE**

**6%<sup>2</sup>**

1. Organic growth average 2019-2022, excluding Russia and Ukraine

2. FY 2022, 7% excluding the Egypt acquisition and Multon consolidation

**NSR/CASE  
vs. SSDs**

**2.4x<sup>3</sup>**

**VOLUME GROWTH  
vs. SSDs**

**6x<sup>1</sup>**

3. FY 2022

# Driving growth in our strategic priorities: **COFFEE** significant revenue pool

- Significant market opportunity, with €10bn distributor value
- Segmented approach across price tiers with Costa Coffee and Caffè Vergnano
- Expanding out-of-home distribution
- **Ambition to reach LSD to MSD market share in the €10bn Coffee market**



**ORGANIC VOLUME**

**>100%<sup>1</sup>**

**NSR/CASE vs SSDs**

**2x**

1. Organic growth average 2021 – 2022, excluding Russia & Ukraine

**COSTA OOH OUTLETS**

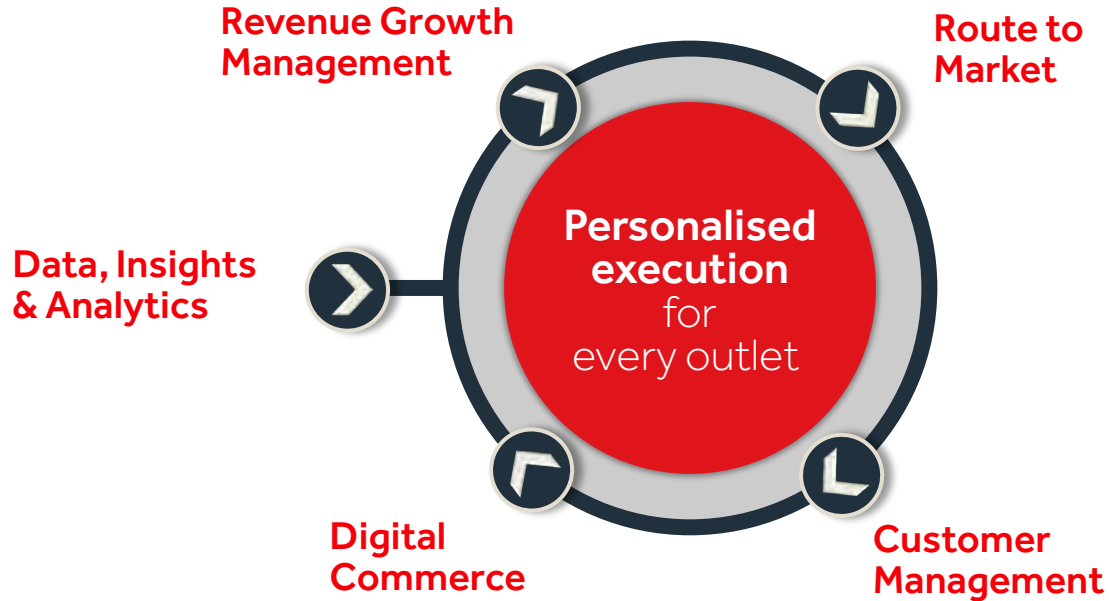
**2x vs 2021**

**CAFFÈ VERGNANO**

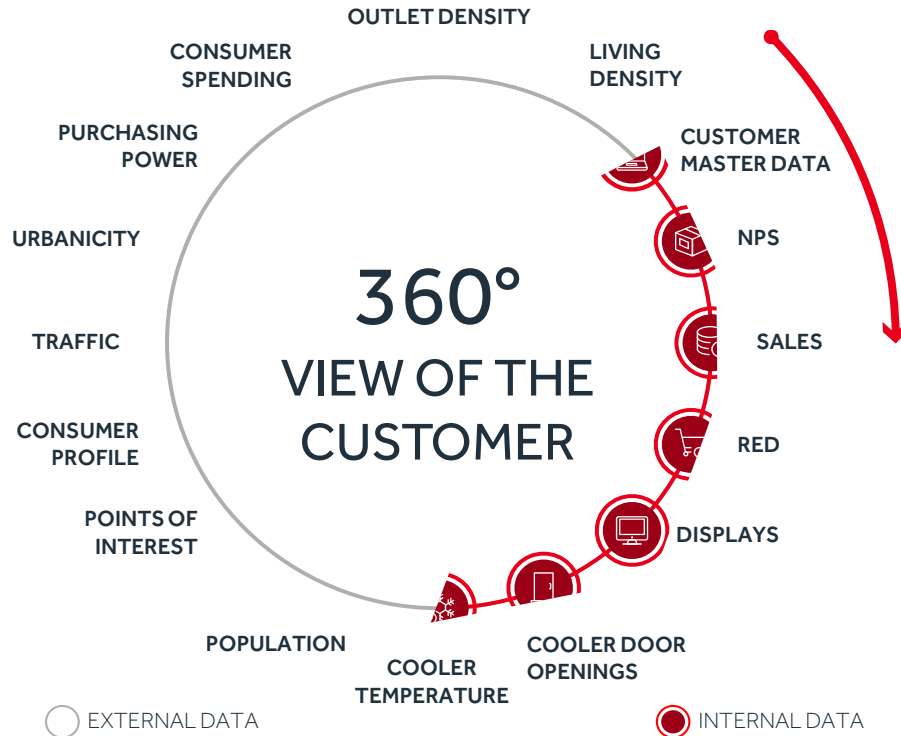
**17 markets**



# We have built capabilities that allow us to win in the marketplace



# Our investment in Data, Insights and Analytics allows us to drive revenue faster and optimise smarter



## CUSTOMER-CENTRIC ACTIONS BY OUTLET

### SEGMENTED EXECUTION

- Suggested orders
- In store activation
- Cooler management
- Visit frequency

### PROMOTION OPTIMISATION

### DEMAND FORECASTING

### SALESFORCE TURNOVER

# Industry leading Revenue Growth Management enables us to drive smart affordability and premiumisation

## Price acceleration

### Headline pricing to navigate inflation

- >100% CPI coverage

### Granular approach

- Secure competitiveness while driving value share growth

### Data-driven, proactive and agile decisions

## Mix acceleration

### Category mix

- Sparkling, Energy, Coffee

### Package mix

- Single-serve mix +4.4pps<sup>1</sup> vs. 2019
- Multi-packs of single serves
- Secure right entry packs to address affordability

### Channel & customer mix

- Drive OOH acceleration
- eRetail expansion

## Promotion optimisation

### Focus on promotion return investment

### Efficient investment mix

- Enhanced by Data, Insights & Analytics

1. Organic growth

# We have more customer interactions than ever before due to our physical and digital Route to Market

## Salesforce

**15,000**  
Salespeople

**2 million**  
Customers

**75%**  
of stores visited directly

## Coolers

**1.4 million**  
Coolers

**90%<sup>1</sup>** coverage  
In high potential outlets

**54%<sup>1</sup>**  
of coolers are connected

## New tools

**Image recognition in**  
**27 countries** with  
**350,000 outlets**  
covered

**New dynamic routing tool**  
**to optimise salespeople**  
**travel time**

**>30%<sup>1</sup>** of our indirect  
**distribution partners**  
connected through CCH  
integration tool

All numbers as of April 2023

1. Excluding Russia & Ukraine

# Digital Commerce is a key growth driver to equip our business for the future

ROUTE-TO-CUSTOMER:  
eB2B PLATFORMS



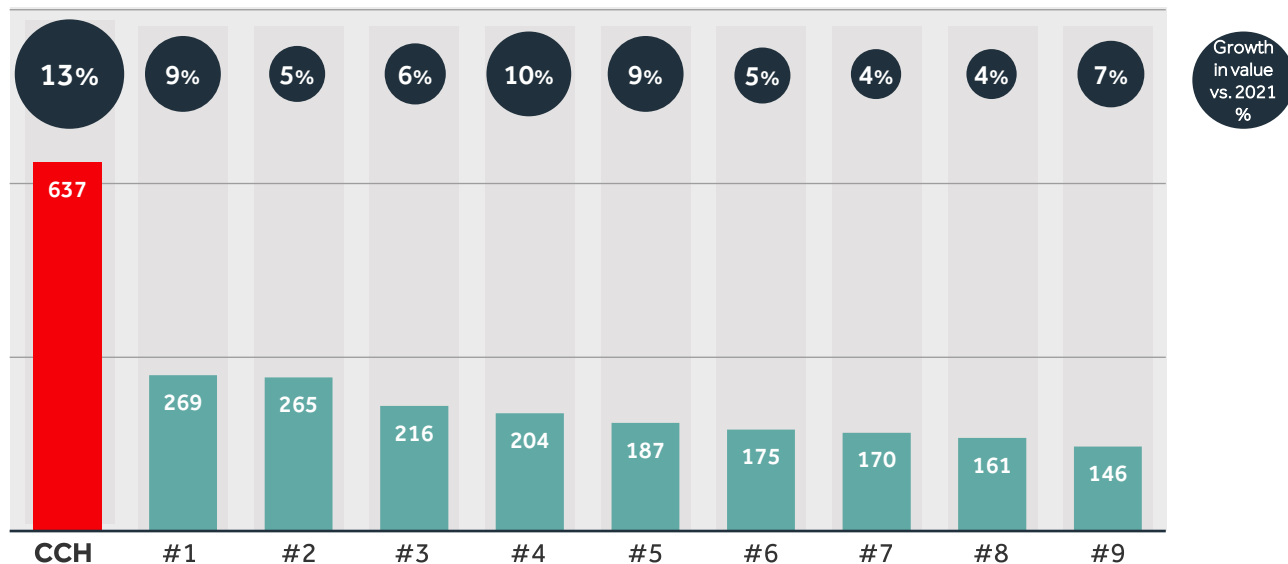
ROUTE-TO-CONSUMER:  
E-RETAIL & FOOD SERVICE AGGREGATORS



# Joint value creation is at the heart of customer partnership

## Incremental retail value delivered in 2022 by top FMCG players

CCH Europe excl. Russia, €m



**1 FMCG player in 2022**  
for incremental value delivered to customers

# Customer centric behaviours are embedded

## Customer Gauge

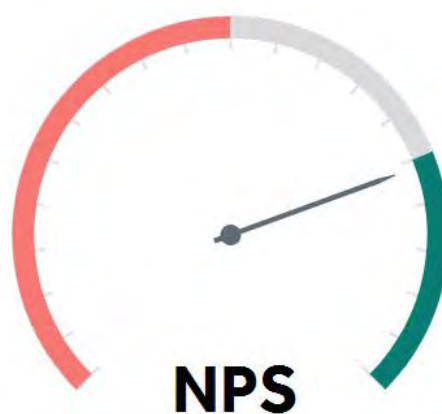
- Listening to customers in real-time
- 48hr deadline to close the loop
- We have pulsed over 740,000 customers



**% cases closed  
in 48 hours**

## Net Promoter Score

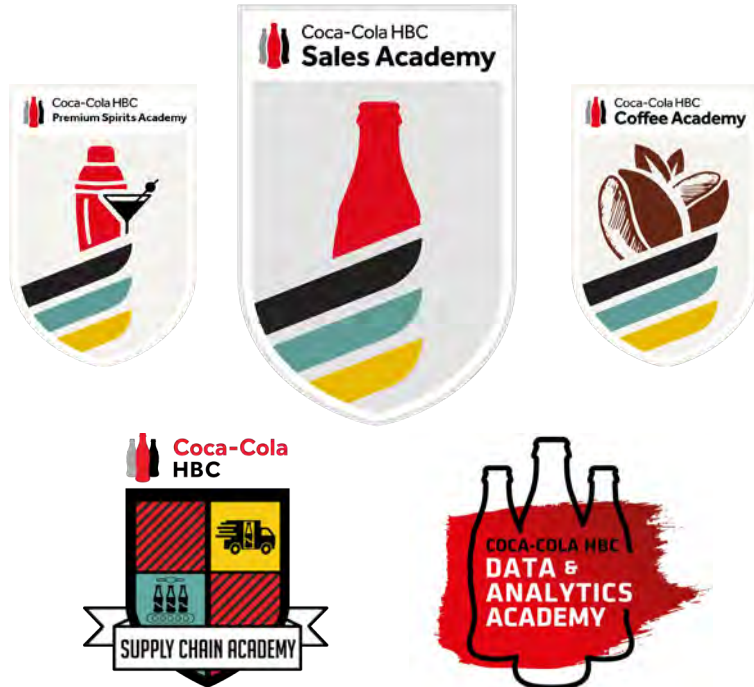
- True measure of customer loyalty
- Closing the loop faster drives higher NPS



**NPS**

# Upskilling our people is fundamental to giving our capabilities an edge

180,000 hours of learning and capability building





# Growing our categories with the capabilities to win

## Accelerator breakouts



**COFFEE**



**ADULT  
SPARKLING**



**DIGITAL**



**DATA,  
INSIGHTS &  
ANALYTICS**



# DATA, INSIGHTS & ANALYTICS

**RUCHIKA  
SACHDEVA**

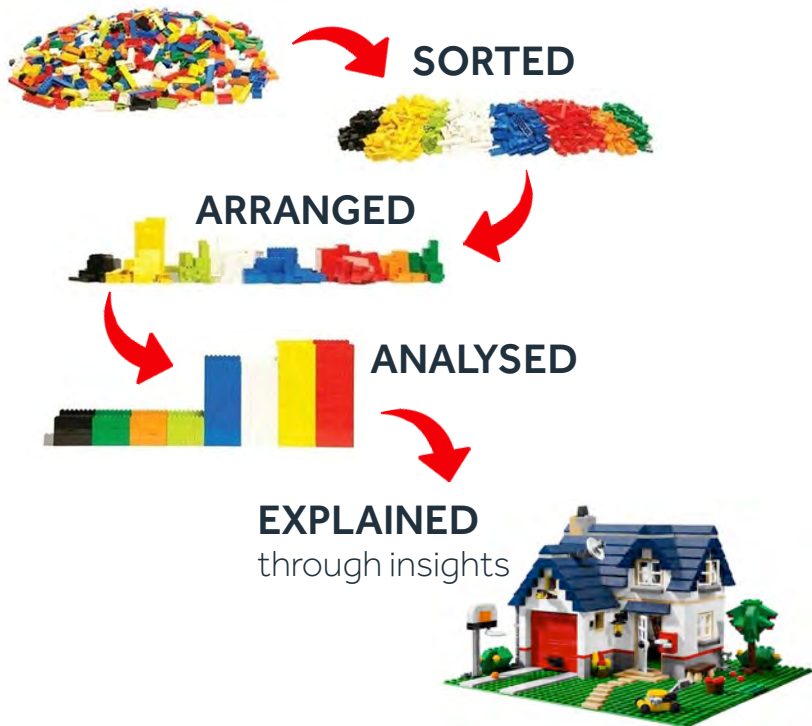
**HEAD OF DATA,  
INSIGHTS AND ANALYTICS**



**Coca-Cola  
HBC**

# What is Data, Insights & Analytics (DIA)

DATA



**From just data ...**  
**... to business insights**

**Enabled by**

Statistics

Data Analysis

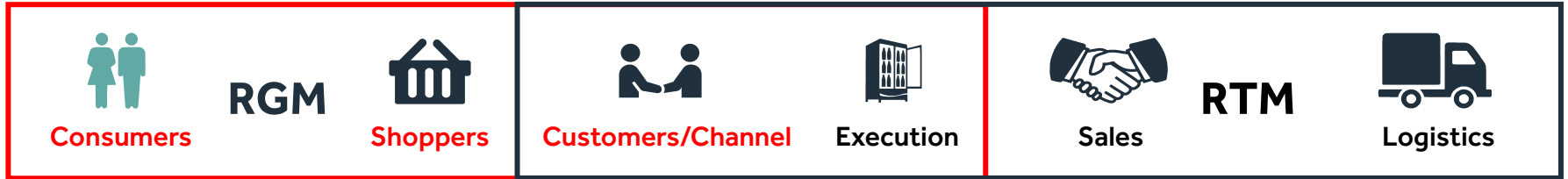
Machine learning

Artificial intelligence

# We leverage DIA to enhance Revenue Growth Management (RGM) and Route to Market (RTM)

**'WHAT'** to offer

**'HOW'** to serve



**Data, Insights & Analytics:** glue powering our strategy

## Personalised execution for every outlet

Delivering customized products and service to each outlet:

**'SEGMENTED EXECUTION'**

# Segmented execution allows us to drive customer-centric, outlet specific actions

**Differentiate (How to understand)**

Segment customers

**Profitable promotions (How to invest)**

What to promote, when how often and how much discount to offer

**Engage across channels (How to engage)**

Intelligent interactions in every channel (BD, tele sales, or digital portal)



**Assortment (What to offer)**

Right product, in right pack size, at the right time

**Value (How to serve)**

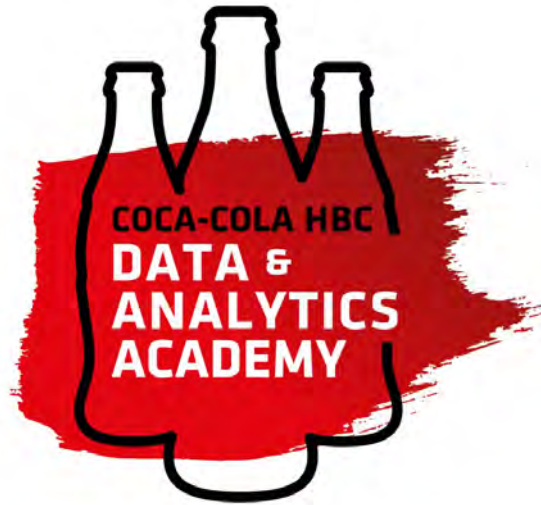
Predict customer value to decide how to serve (digital, physical, hybrid, etc.)

**Personalize instore execution (How to serve)**

Customized displays, activation, coolers placement, other marketing activities

# Building capabilities for sustainable growth

Data literacy initiatives, to build capabilities **to accelerate usage and adoption of data & insights**



## Structured and personalized learning

- Online **E-learning platform** for all employees
- **Dedicated classroom sessions** (5 weeks learnings)
- Learning through **Data & Analytics project-based assignment**
- **Data & Analytics** certifications

# Segmented Execution

Suggested orders for relevant assortment

**Coca-Cola HBC**

**NIGERIA**  
Customer centric order taking

Local & traditional outlets in Nigeria

Premium local & traditional outlets in Lagos central

**TOP CATEGORIES FOR SUGGESTED ORDERS**

Premium SSDs  
Energy drinks

**ALGORITHM SUGGESTS EXACT PACK SIZE and QUANTITIES**

**INTEGRATED INTELLIGENCE ACROSS ALL CHANNELS**

Suggested orders for **Business Developer**

Smart orders in **Customer Portal**

Suggested orders for **Call centre**

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.

# Segmented Execution

## Personalised instore activation



### BULGARIA



### OUTLET RELEVANT TARGETED ACTIVATIONS

**Microsegments  
fragmented trade**

**Top instore  
activities**

**High income**  
30-44 years

- Cooler in prime position

**High income**  
60+ years

- Put more displays

**Low income families**  
30-44 years

- Focus on core SKU's

**Low income couples**  
50+ years

- Improve cooler occupancy

**Lowest income**  
15-29 cohabit

- Improve water shelf share

Use of personalized execution in microsegments of Coca-Cola HBC is a pilot and does not represent a confirmed activation.



# Segmented Execution

## Personalised instore activation



### BULGARIA



### TARGETED PRODUCT & PACK ACTIVATIONS



Laser focused activation of  
300 mL PET in 1700 outlets

Channel	Future consumption
Age	15-29 years
Purchasing power	0 — 50
Traffic index	50 — 100
Point of interest	Schools, universities
Coolers	≥ 2 doors



**NIGERIA**  
Schweppes



**ITALY**  
Lurisia & Powerade



**EGYPT**  
Fury



**ROMANIA**  
Fanta and Marvel SSDs

Essential and proprietary information of Coca-Cola HBC. Not to be shared beyond the intended recipients.

# Segmented Execution

## Cooler management



**RECOMMENDED  
COOLER**  
Higher sales



**COOLER  
THAT SHOULD  
BE IMPROVED**



Revenue lost

**DATA AND ALGORITHMS**  
DETERMINE COOLER  
PROFITABILITY



Cooler Pictures  
(Image Recognition)

+  
Cooler Door  
Openings  
+  
Cooler  
Position  
+  
Outlet  
Sales



**TARGETED  
ACTIONS**

- PLACE** a cooler
- RELOCATE** a cooler
- CHANGE** cooler position
- IMPROVE MERCHANDISING** standards
- OTHERS**

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.





# Profitable Promotion Management

Algorithms determine profitability of every promotion providing insights that guide our promo strategy



**WHEN** to promote  
(time of the year, week, season, etc.)

**HOW OFTEN** to promote (frequency)

**HOW MUCH** to promote  
(optimal depth of discount)

**HOW** to promote  
(e.g., price off, multipack, multibuy)

Confidential and proprietary information of Coca-Cola HBC AG. Not to be shared beyond the intended recipient.

# Demand Forecasting

To maintain high customer service level



ROMANIA

## 10pp

Improvement in demand forecast

### DEMAND SIGNALS

Customer demand

Price changes

Customer promotion

Weather

Distribution changes

Others

### MACHINE LEARNING ALGORITHMS



Predict demand per product, per location

# Sales Force Turnover Analytics



For customer continuity and experience

## 1 – 3 year

tenure population had higher churn

### OPPORTUNITIES

- 1 Improve onboarding support
- 2 Increase time with line manager
- 3 Smart bonus setting

### ACTIONS

- Introduced **Sales Academy**
- 'Builds Talent' module added to Sales Academy
- Improved **target setting**

Confidential and proprietary information. Coca-Cola HBC © 2023  
All rights reserved. For internal use only.



# DIGITAL

**MOURAD AJARTI**  
CHIEF DIGITAL &  
TECHNOLOGY OFFICER

**VITALIY NOVIKOV**  
DIGITAL COMMERCE  
BUSINESS DEVELOPMENT  
DIRECTOR

**IVO BJELIS**  
CHIEF SUPPLY CHAIN  
OFFICER



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

# Accelerate our growth

by leveraging Digital, Data & Technology to drive **CUSTOMER CENTRICITY**,  
**EMPLOYEE EXPERIENCE** and **OPERATIONAL PRODUCTIVITY**

## CONSUMER AND CUSTOMER CENTRICITY



Personalised execution for every outlet with **100% digitally engaged customers**, delivering joint value creation

## EMPLOYEE EXPERIENCE



Make CCH a **fully digital workplace**, where employees feel heard, valued, supported and motivated to realize their full potential

## OPERATIONAL PRODUCTIVITY



Deliver **stronger results faster** through data, technology & insights enabled processes and decision making

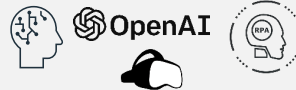
### Digital Enablers



Fuelling our transformation



Secure cloud platforms



Exponential technologies



Agile ways of working

# CONSUMER AND CUSTOMER CENTRICITY

Personalised execution for every outlet with **100% digitally engaged customers**, delivering joint value creation

## NOW: Scaled capabilities driving business today

**Digitize customer relationship management**



**Augment business developers with data, AI & technology**




**Connected coolers & Coffee telemetry**




## NEXT: Define future of commerce


**New business models: eMarketplace**



**Co-create with Microsoft Sales Academy Metaverse**



**Autonomous retail / smart vending**





# EMPLOYEE EXPERIENCE

Make CCH a **fully digital workplace**, where employees feel heard, valued, supported and motivated to realize their full potential

## NOW: Scaled capabilities driving business today

### Step change productivity and collaboration

Microsoft 365



Microsoft Intune

### Promote automation and self-service



### Implement best-in-class talent management

qualtrics XM



Avature

## NEXT: Define future of work

### Adopt AI in our ways of working



### 'Digital first' experience throughout employee lifecycle



servicenow



### Embedding culture manifesto in every digital product



# OPERATIONAL PRODUCTIVITY

Deliver stronger results faster through data, technology & insights enabled processes and decision making

## NOW: Scaled capabilities driving business today

Transform enterprise core processes with SAP S/4 HANA

Implement mobile accessible company wide business KPI management

THE EDGE  
SPEED | QUALITY | EFFICIENCY | IN DECISION MAKING

Transform Supply Chain with Industry 4.0 capabilities

## NEXT: Define future of Supply Chain

Co-create with Microsoft on Industrial Metaverse with Siemens Industrial IOT and Metaverse from Microsoft

Continue Industry 4.0 Roadmap

Predictive Maintenance Automated yard Mgmt Spare Parts Photo Recognition

Create enterprise connected planning capability

# Digital commerce is a key growth bet for CCH

**A dedicated centralised Business Unit**  
with **a standard capability blueprint in every market**

... We **started from 0** less than 2 years ago

dCom has **quadrupled its business contribution over the last 2 years**, currently at 7%<sup>1</sup> of CCH revenue

**Significant opportunity** to drive mid-term dCom revenue

1. FY22 excluding Russia and Ukraine

# A suite of digital solutions to enhance customer centricity and maximise value

## ROUTE-TO-CONSUMER

### E-RETAIL



Brick&Mortar.com



Pure Players

### FOOD SERVICE AGGREGATORS (FSA)



## ROUTE-TO-CUSTOMER

### eB2B DIGITAL PLATFORMS



A digital hub for CCHBC Customers, including ordering, invoicing, and value-added services



AI Chatbot for CCHBC customers to order products and get timely reminders and promotions.



Sirvis is a one-stop-shop hybrid marketplace targeting indirect HoReCa customers and wholesalers



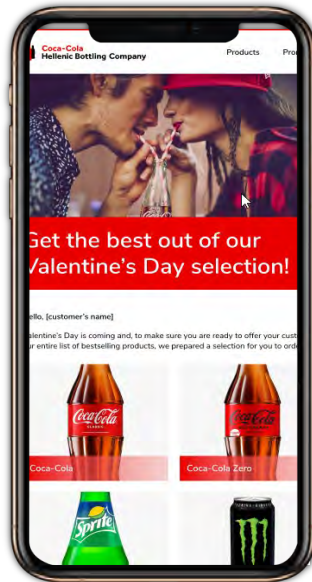
# Business impact of FSA

## Ireland case study



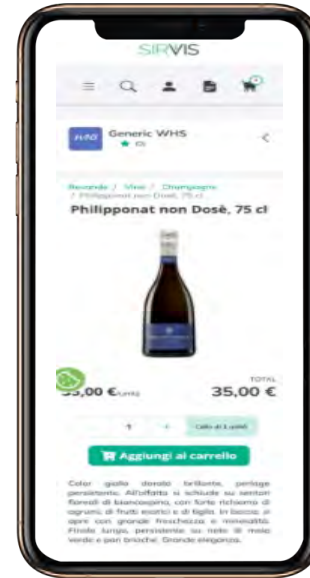
1. FY22 figures

# We experiment and learn with different eB2B models to maximize omnichannel customer satisfaction and system value



**24/7 access to CCH assortment, equipment, invoicing in direct route to market**

- ✓ 24/7 access to CCH product ordering
- ✓ CCH execution focus
- ✓ Invoice and settlements archive
- ✓ Smart orders and analytics
- ✓ Direct Store Delivery service (all DSD markets)
- ✓ Digital marketing and CCH activation programs

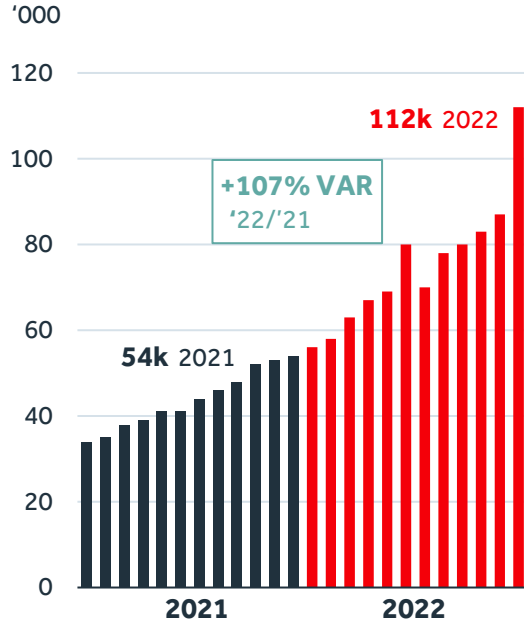


**Hybrid marketplace B2B platform for HoReCa with open access for wholesalers, CPGs, equipment and service providers**

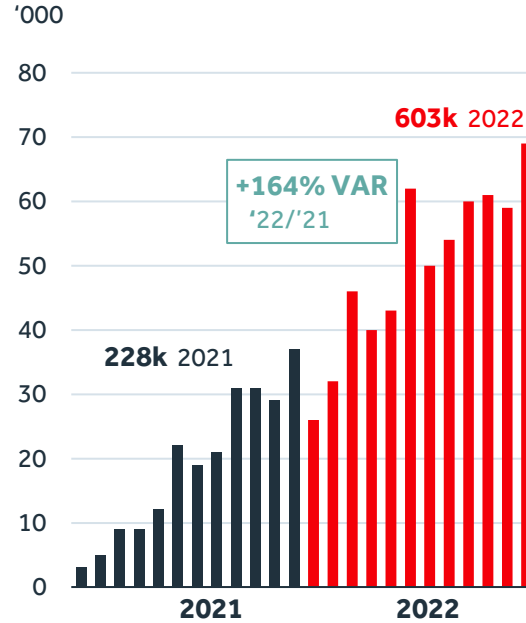
- ✓ HoReCa marketplace for demanding premium customers piloted in Italy to be followed by other European markets
- ✓ 24/7 access to multi-category products
- ✓ Indirect route to market multiple supply points
- ✓ Integrated price and product catalogue management
- ✓ Advertising and promotion services for CPG

# Customer portal business performance

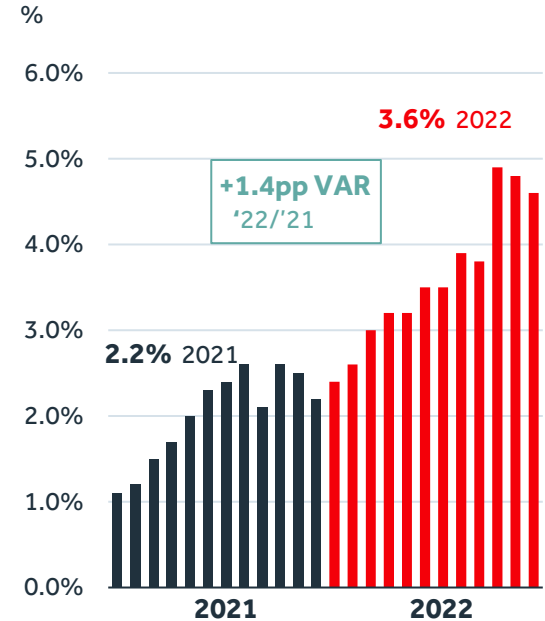
## CP Registered Customers



## CP Orders



## CP Order Share



**In 2022 Customer Portal collected 241,000 orders outside BD working hours & during the weekends (40% of total CP orders in 2022)**

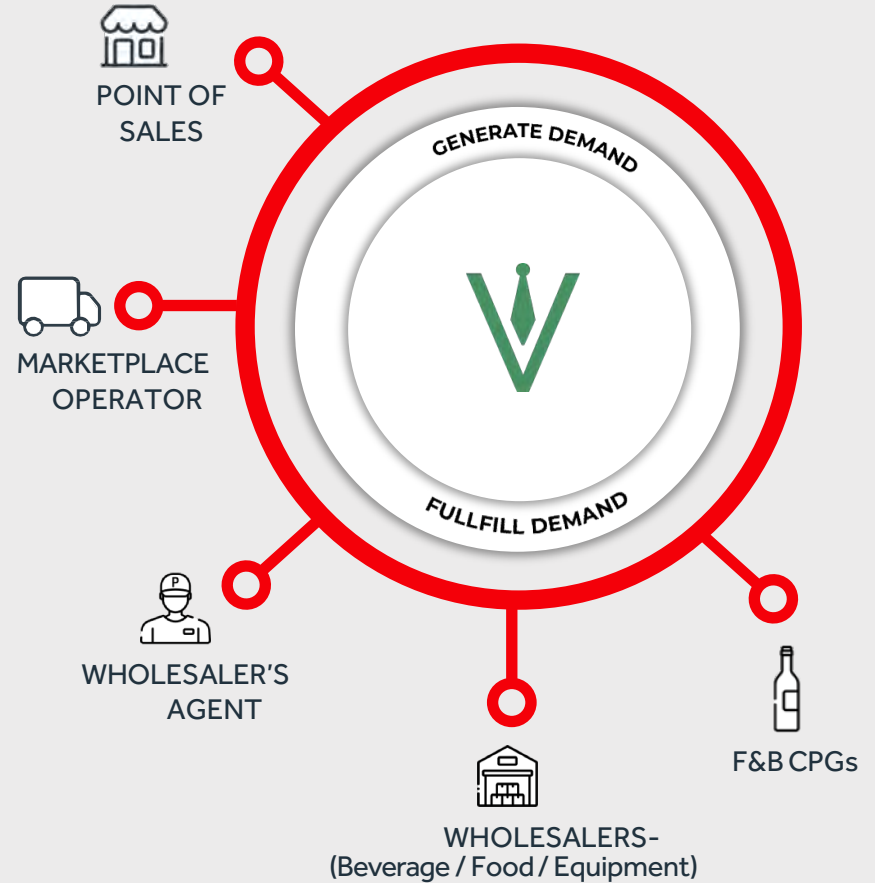
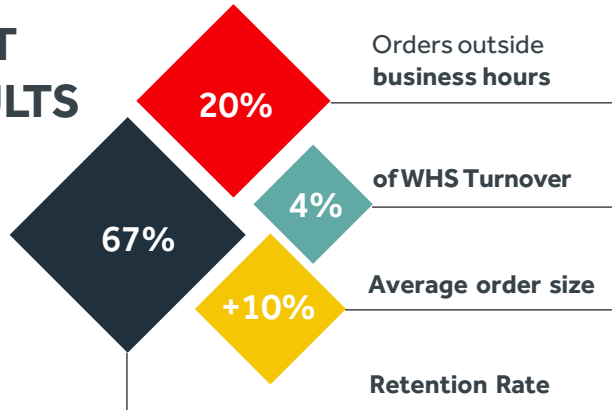
All charts excl. Russia and Ukraine

# SIRVIS ECOSYSTEM

Sirvis is a **one-stop-shop hybrid marketplace**

It's a digital hub specifically designed for **fragmented HoReCa markets**, where customers and suppliers can connect, generate & fulfill demand.

## PILOT RESULTS





# Industry 4.0 and digital transformation prioritized solutions

## 01 Connectivity, data & computational power

€ <b>Manufacturing digital platform</b>	Pilot in Greece
🦋 <b>Automated transport visibility</b>	70% Countries covered
🦋 <b>Automated yard management</b>	Roll-out

## 02 Analytics and intelligence

€ <b>Next gen planning solution</b>	Roll-out
🌿 € <b>Digital twins</b>	Wave 1 in Austria
🦋 € <b>Transport capacity forecasting</b>	4 countries

## 03 Human – machine interaction

€ <b>Augmented reality remote assistance</b>	Fully implemented
€ <b>Vision picking. Automated picking</b>	Fully implemented
🦋 € <b>Connected worker</b>	Live in 32 plants



## 04 Advanced and 'Green' engineering

€ 🦋 <b>Automated warehouses</b>	7 Plants + 3 in plan
🌿 <b>Solar panel</b>	In 18 Plants
€ 🦋 <b>3D printing</b>	In 14 Plants

🦋 Customer Service/Agility    € Cost saving    🌿 Sustainability

# Fusion of digital and physical shapes the future of Supply Chain

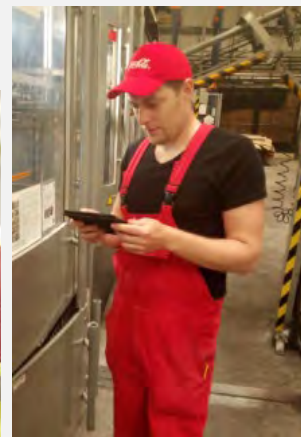
## Connected Worker

One platform and paperless virtual environment to connect our front-liners in the plants to existing and future digital platforms

### Existing scope deployed in 32 plants:

- Digitalize procedures & standards
- Automate task management

### Future scope to be deployed in 2024



### Flagship capability development

**program Supply Chain Academy goes digital...**  
combining power of e-learning and on-the job development



# COFFEE

**PRODROMOS  
NIKOLAIDIS**

**COFFEE  
BUSINESS  
DIRECTOR**



**Coca-Cola  
HBC**

# The Coffee category

is estimated at:

**€32bn**

in industry market value<sup>1</sup>

**€10bn**

in distributor value<sup>1</sup>

With our RTM and coffee capability development, we are well positioned to win

## Why Coffee?

- Sizeable and profitable category
- High relevance and appeal across **all** our markets
- Important revenue and profit driver for our customers
- Accounts for 65% of consumer spending at work

### AWAY FROM HOME

- Strategic priority
- 37% of coffee NSR (2022)

### OUR MID-TERM TARGET

- LSD to MSD share in the **€10bn coffee market**

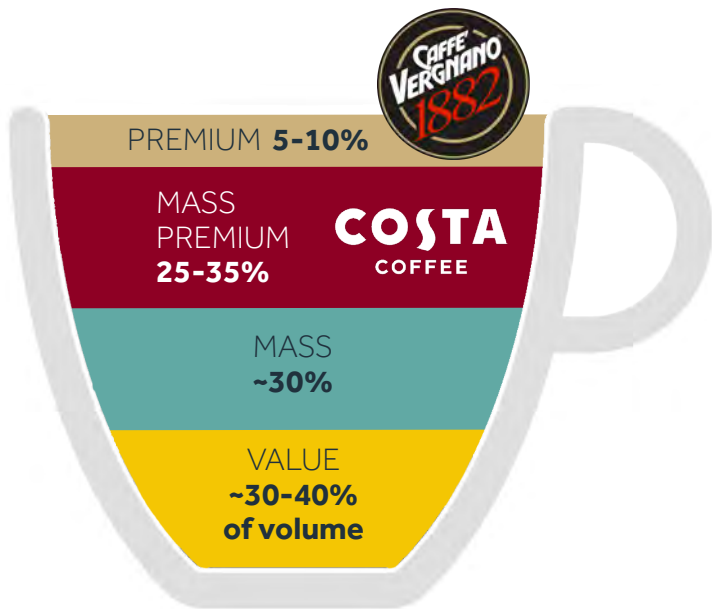
### How we will benefit

- Strengthens our 24/7 beverage partner status across **all** sales channels
- Allows us to accelerate **direct-to-consumer** business such as vending
- Enables increased penetration of our alcohol-free beverage portfolio at work

1. Source; Internal system projections, excluding Russia and Ukraine

# COSTA & Caffè Vergnano brands well positioned...

... to meet more diverse consumer and customer preferences in premium



**COSTA**  
COFFEE



<p><b>At home</b> (supermarkets, e-commerce etc)</p>		
<p><b>HoReCa</b> (served)</p>		
<p><b>At work and on-the-go</b> (self-served)</p>		
<p><b>Ready-to-drink</b></p>		
<p><b>Branded coffee stores</b></p>		

# COSTA Coffee

Targeted towards younger, more modern locations, and our **priority brand** towards on-the-go and self-serve occasions, e.g. at work

**COSTA**  
COFFEE



# Caffè Vergnano

Targeted towards **more premium** HoReCa locations and those which look to offer authentic Italian espresso experience



# 360° Coffee capability development

Building coffee expertise, telemetry and DIA\* capabilities

**14 coffee experts**

- trained, certified baristas



All **customer baristi** trained with our coffees and our coffee machines



**CUSTOMER TRAINING**



Combining data from field visits + telemetry + external data sources to **drive targeted customer segmentation**



Tailored learning paths per role.  
**Live since March 2022**

**~100% connected coffee machines** transmitting real-time data, enabling personalised customer execution.

\*Data, Insights & Analytics



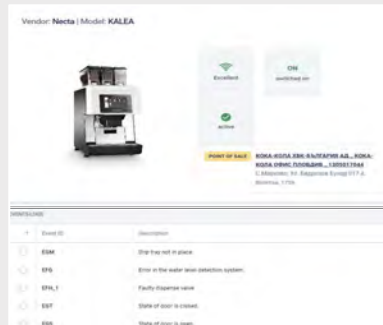
# Coffee Telemetry

## The solution in a nutshell

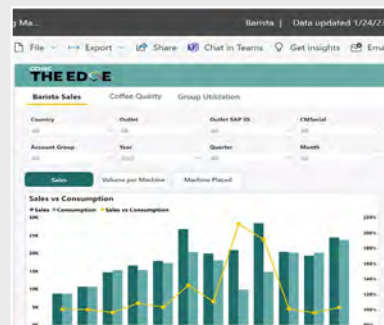
**Telemetry devices** are installed in all our **medium and large coffee machines**



We receive **real-time data on sales, quality & technical** key business indicators (KBIs)



**Full visibility of major KBIs** (volume, quality, technical) for key stakeholders through **reports** and scheduled alerts



These insights support design of **specific actions per customer** in order to **improve our ROI**



# COFFEE WELL POSITIONED FOR SIGNIFICANT GROWTH

€10bn

market

- Track record of growth
- COSTA and Caffè Vergnano are premium brands in all our markets

LSD to MSD share is our mid-term target growth

With our RTM and coffee capability development, we are well positioned to win

# DRIVING GROWTH WITH OUR DIVERSIFIED COUNTRY FOOTPRINT

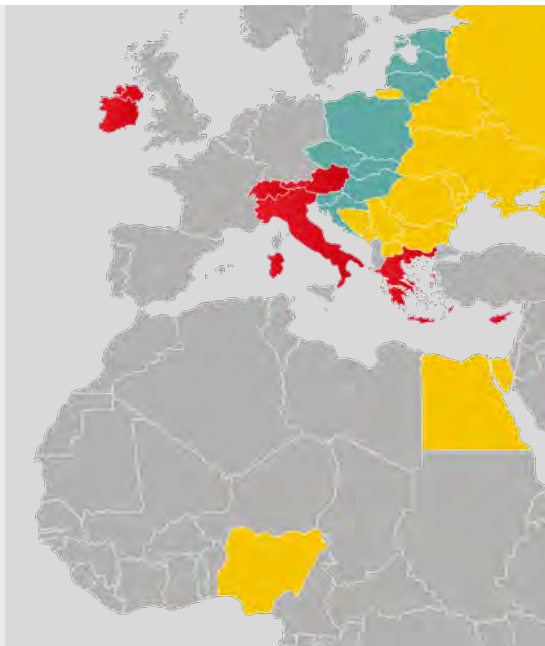
**NAYA  
KALOGERAKI**

**CHIEF  
OPERATING  
OFFICER**



**Coca-Cola  
HBC**

# We have a natural advantage in driving growth across Western, Central & Eastern Europe and Africa



## Established

Profitable revenue creator

**Highest**

NSR/uc in the Group

## Developing

Driver of volume & price / mix growth

**+10%**

NSR growth<sup>1</sup>

## Emerging

Capturing share with growing per capita consumption

**+13%**

servings per capita<sup>2</sup>

1. Organic growth, covering the period 2019-2022
2. Growth over the last 4 years (2019-2022), excluding Russia & Ukraine

# Established markets

## Profitable revenue generator



### NSR

**+5%<sup>1</sup>**

on average  
p.a.

**32%**

of Group NSR  
in 2022

### NSR/uc

**+3%<sup>1</sup>**

on average  
p.a.

**1.4x**

the Group  
average

### ITALY

- Highest NSR contribution to the Group, over €1bn in 2022
- Best performance of low/no sugar variants in the segment
- Per capita consumption opportunity – 24% lower than the segment

### Category mix<sup>2</sup>

**+18%**

Adult Sparkling

**+27%**

Energy

### Channel mix

**OOH**

above  
2019 levels

**HoReCa**

highest  
exposure

### IRELAND

- Highest Energy volumes in the segment
- Strong margin recovery since sugar tax implementation in 2018
- Highest mix of single-serve in the segment

### Package mix<sup>3</sup>

**+14%**

single-serve  
improvement

**+5pp**

single-serve mix  
improvement

### GREECE

- Highest Adult Sparkling volumes in the segment
- Group's largest Premium Spirits contribution
- Highest exposure to out-of-home in the segment

1. Organic growth, covering the period 2019-2022

2. Organic volume growth average 2019-2022

3. Organic volume growth improvement 2019-2022

## Established markets

# Profitable revenue generator

### Strategic Priorities

- **Continued growth in Sparkling**, strengthening our leadership supported by low/no sugar and Adults
- Further strong growth of **Energy**
- Accelerate **Coffee** growth
  
- Further growth of **single-serve mix** both in at-home and out-of-home channel
- Further improvement of **out-of-home channel**, through **HoReCa**
- Targeted opportunities with **RTD Tea** and **Sport drinks**



## Developing markets

# Driver of volume and price / mix growth



### NSR

**+10%<sup>1</sup>** **19%**  
on average of Group NSR  
p.a. in 2022

### Volume<sup>1</sup>

**+12%** **+3%**  
improvement on average  
p.a.

### POLAND

- More than doubled low/no sugar volumes since 2019
- Highest contributor in single-serve mix improvement in the segment

### Category mix<sup>2</sup>

**+15%** **+22%**  
Low/no sugar Energy

### NSR/uc

**+7%<sup>1</sup>** **3.59**  
on average record  
p.a. price / mix

### HUNGARY

- Significant growth in multipacks of single-serves over the last 4 years
- Very good growth momentum in Energy

### Package mix<sup>3</sup>

**+15%** **+1pp**  
single-serve single-serve mix  
improvement improvement

### CZECH

- Highest exposure to out-of-home channel in the segment
- Strong performance in Adult Sparkling, driven by Kinley

1. Organic growth, covering the period 2019-2022

2. Organic volume growth average 2019-2022

3. Organic volume growth improvement 2019-2022

## Developing markets

# Driver of volume and price/mix growth

### Strategic Priorities

- **Continued growth in Sparkling**, strengthening our leadership supported by low/no sugar and Adults
- Further strong growth of **Energy**
- Accelerate **Coffee** growth
  
- Further improvement of **package** mix, through multi-packs of single-serves
- Address **affordability** through smaller packs
- Drive growth in **out-of-channel** through investments in HoReCa





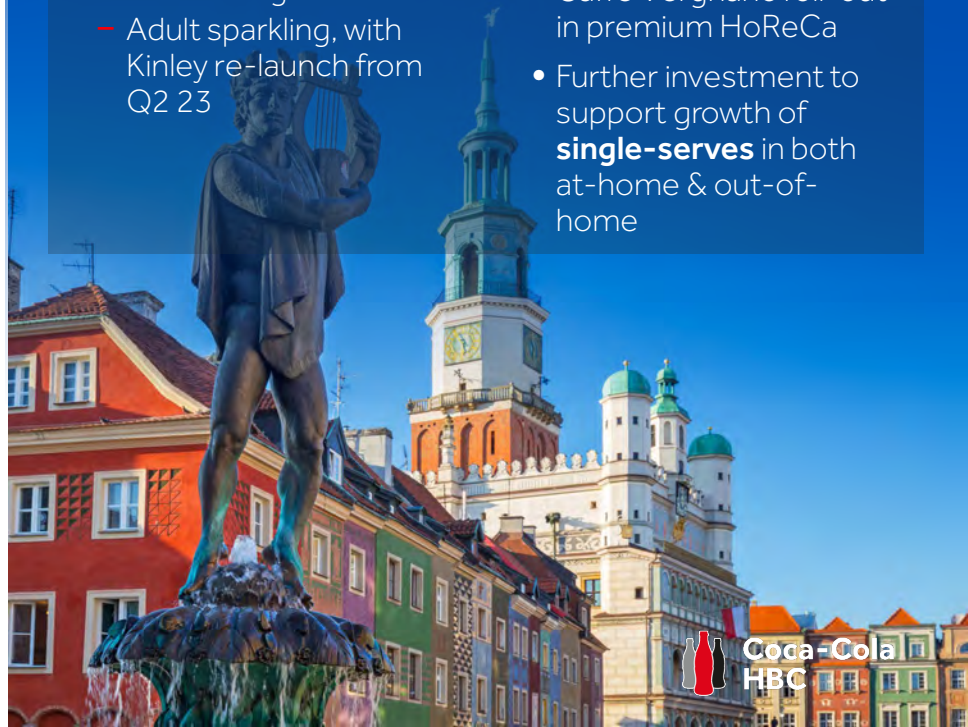
# POLAND

## Strong rebound after the sugar tax

- Margin reset since sugar tax implementation in 2021
- Leveraging our **RGM capabilities** and our strong execution in the market resulted in **market share gains**
- **Sparkling** growth driven by low/no sugar variants which more than doubled since 2019
- Strong **Energy** performance, led by Monster, and introduced Predator in 2020
- Highest volume contribution in **Coffee**, adding Costa Express in 2021
- Improved **single-serve mix** through improvement of multi-packs of single-serves

## Key drivers of further growth

- **Continue growth in Sparkling** fueled by:
  - Trademark Coke and Flavours
  - Low/no sugar variants
  - Adult sparkling, with Kinley re-launch from Q2 23
- **Fuel growth in Energy** with all brands
- **Continue Coffee growth**, supported by Caffè Vergnano roll-out in premium HoReCa
- Further investment to support growth of **single-serves** in both at-home & out-of-home



# Emerging markets

## Capturing share with growing per capita consumption



### NSR

**+13%**<sup>1</sup>  
on average  
p.a.

**49%**  
of Group NSR  
in 2022

### Volume<sup>1</sup>

**+31%**  
improvement

**+8%**  
on average  
p.a.

### Category mix<sup>2</sup>

**+8%**  
Sparkling

**+59%**  
Energy

### Servings per capita<sup>4</sup>

**+13%**  
improvement

**+3%**  
on average  
p.a.

### Package mix<sup>3</sup>

**+47%**  
single-serve  
improvement

**+6pp**  
single-serve mix  
improvement

### NIGERIA

- Strongest volume growth in the Group since 2019, driven by Sparkling
- Very strong Energy performance, almost doubled volumes in 2022

### ROMANIA

- Highest Adult Sparkling volumes in the segment
- Good growth momentum in Energy

### SERBIA

- Great example of a 24/7 portfolio country with significant presence across categories
- Best performing country in Water in the segment

1. Organic growth, covering the period 2019-2022, excluding Russia & Ukraine

2. Organic volume growth average 2019-2022, excluding Russia & Ukraine

3. Organic volume growth improvement 2019-2022

4. Growth over the last 4 years (2019-2022), excluding Russia & Ukraine

## Emerging markets

# Capturing share with growing per capita consumption

### Strategic Priorities

- **Continued growth in Sparkling**, strengthening our leadership supported by low/no sugar, Flavours and Adults
  - Further strong growth of **Energy**
  - Accelerate **Coffee** growth
- 
- Capture targeted opportunities in **Juice** and **Water**
  - Address **affordability** through smaller packs and returnable glass bottles
  - Further unlock **per capita consumption** potential



# EGYPT

## Attractive demographics

### Growth opportunities

- Young and growing population
- Currently #2 in market share
- GDP and CPI growth dynamics
- NARTD industry value growth
- Low per capita consumption in NARTD and SSDs

### SSDs servings per capita, 2022



Population  
**111 million**

**64%**  
Below  
29 years

**3rd**  
Largest  
in Africa

**43%**  
Urbanisation

GDP  
**\$380 billion**

**3rd**  
Largest economy  
in Africa

**+5%**  
CAGR 19-22

Industry  
value<sup>1</sup>

**+11%**  
NARTD

**+8%**  
SSDs

1. CAGR growth 2019-2022

# EGYPT

## Promising first year of acquisition, despite the challenges



### Integration

Back-office integration completed

Implementation of execution capabilities  
RGM, RTM, DIA



### Share Gains

NARTD +1.7pp  
in 2022

#1 in Adult Sparkling



### Revenue per case expansion

Successful pricing execution

Record NSR/uc,  
+16% vs PY



### Cooler investment

20,000 new coolers  
in 2022

>90,000 coolers in  
the market



### Portfolio optimisation

Reduced Water contribution

Introduced Energy  
(Fury)

# EGYPT

## Unlocking the growth potential

### Gain market leadership in NARTD

- Further portfolio expansion with Energy acceleration -addition of Monster from Q2 2023
- Invest ahead of the market in Sparkling to close the leadership gap
- Balance premiumisation and affordability with Schweppes and scaling of RGB

### Leveraging our proven capabilities

- **RGM:** Maximise the value of every transaction & manage currency volatility
- **RTM:** Invest in outlet coverage and further cooler placement
- **DIA:** Apply segmented execution to drive personalised execution for every outlet



## MID-TERM ASPIRATION

Increase  
**per-capita  
consumption**

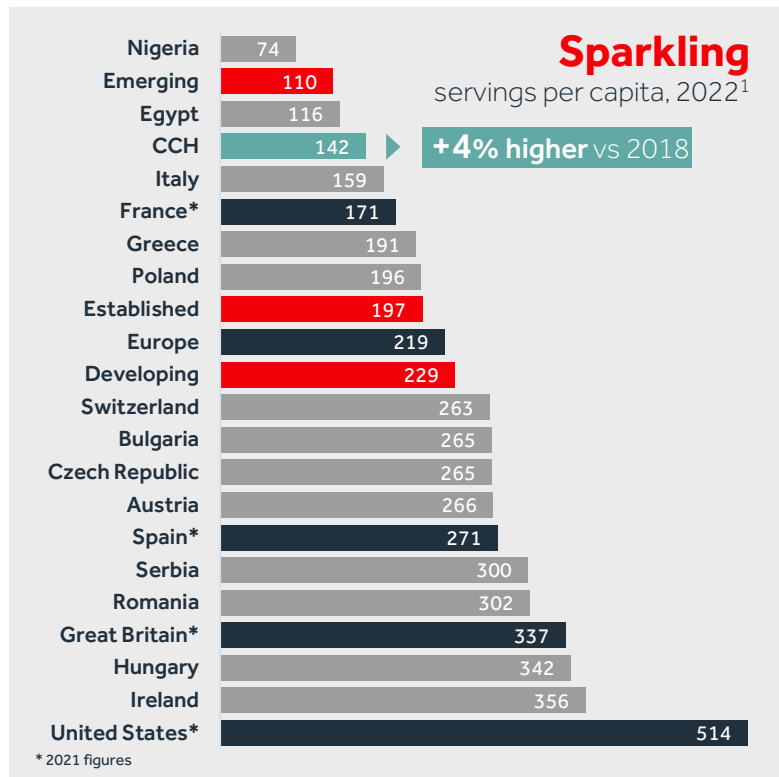
Become  
**market  
leader**

Expansion  
**of EBIT margin**



# Favourable demographics

growing population with low per-capita consumption



## POPULATION SERVED<sup>1</sup>

**740m**  
in 2022

**+5%**  
by 2028

1. Based on Internal Industry Estimates and UN Population 1 July 2022



# STEP- CHANGING GROWTH IN ITALY

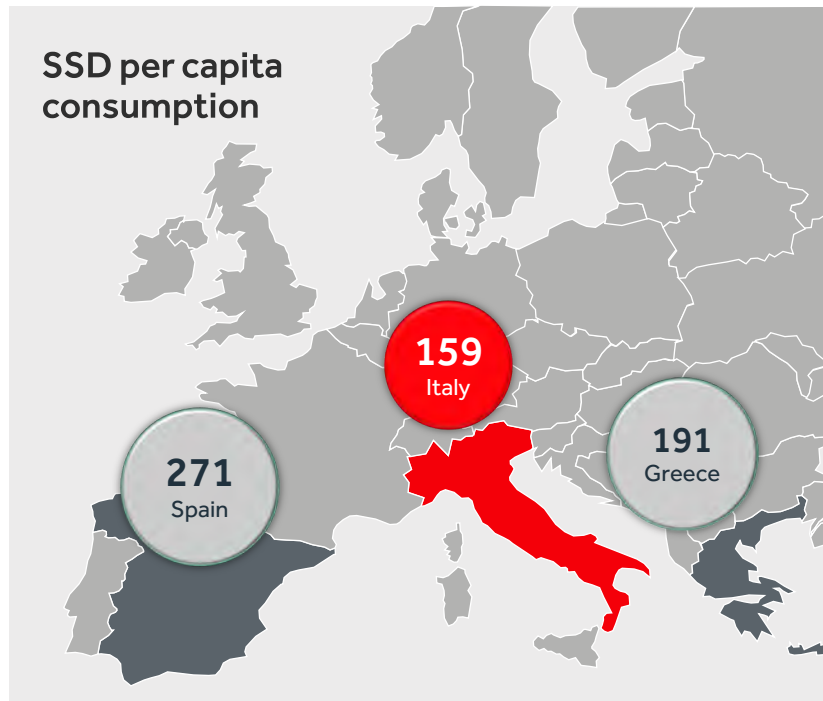
FRANK  
O'DONNELL  
GM ITALY



Coca-Cola  
HBC



# Italy is a market with huge potential for us....



## FAVOURABLE CONDITIONS TO SUCCEED

**HORECA MARKET**

**17m under 30**

**YEAR-ROUND TOURISM**

**PASSION POINTS**

# And we have started to capture that opportunity, with few & focused big bets

## OPPORTUNITY ONE

Drive Sparkling led by Italian passion points

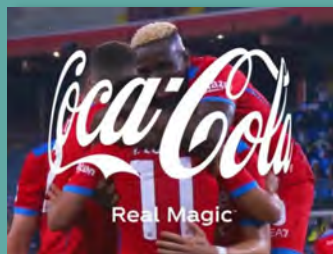
### Food

- Coke & Pizza
- 30,000 outlets activated
- Incidence doubles



### Football

- Napoli & Juve sponsorships
- Dazn association



### Music

- Milan I festival
- Summer single



### Fanta

- Carnival & Halloween
- Year-round snacking



### Adult Sparkling

- Adult Sparkling 6x vs 2019
- Acquired Lurisia
- Re-launched Kinley



# And we have started to capture that opportunity, with few & focused big bets

## OPPORTUNITY TWO

Win in fastest growing segments



### Energy

- Monster 4x vs 2018
- Became #1 in Retail



### Ready to drink tea

- Doubled in 4 years
- #3 player in the Market



### Sports

- Became #1 in Sports ('22)

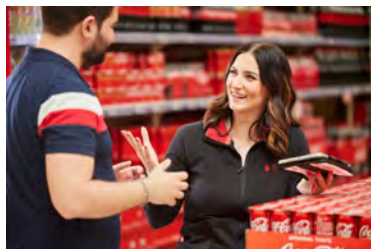


### Premium Spirits

- Local & international brands
- Dedicated BDs

# We are investing significantly in capabilities

## Driving forward our Route to Market



**+200**  
more BDs  
-now 1,000 strong sales team

**+57%**  
Growth in coverage vs. 2021

**25,000**  
Coolers placed

## Investing in data and digital tools



Since  
**2021**

Since  
**2023**



## Revenue Growth Management driving NSR/uc



**Price realization**

**Pack mix improvement vs 19**  
Single-serve mix +4pp  
90% contribution to revenue growth

**Category mix improvement vs 19**  
Category mix +3pp

# We are investing in sustainable packaging solutions and expanding capacity

## PACKAGING

### 100% rPET

Live in 2023

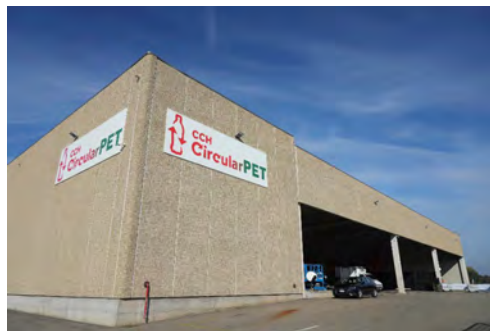
Keel Clip on multipack cans



## rPET

### €30m Investment

in Gaglianico pre-form plant



## CAPACITY

### Investing ahead of growth

3 new lines by 2025

+18% in capacity vs 2022



# With a significant step forward in results....

## Key indicators



**22% revenue expansion vs 21**

NSR/uc +12%



Volume +9%



**Driving consumption**

500m more transactions

20m households

9m weekly drinkers



**Customer value creation**

#1 Value creator over 2021-22

Grew retail value by €190m

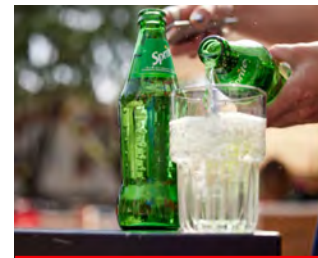


**Single-Serve focus**

Single-serve mix 53%

+4pts vs 2019

25,000 coolers added over 2022-23



**Share gains vs 2018**

+2pp in NARTD share over 4 years

Share gains in all key categories: SSD, Tea, Energy, Sports

# We expect to drive accelerated growth for Italy in the mid-term



## Huge per capita consumption opportunity

OOH as the catalyst of growth



## Win in Sparkling

- Meals association
- Focus on Zeros
- Capture Adults occasion
- Flavours expansion



## Expand Stills & Energy

Opportunity to double over 5 years



## Drive capabilities

- Grow coverage
- Expand coolers
- RGM via mix and price
- Leverage digital

Mid-term organic sales growth ahead of Group algorithm

# GROWING SUSTAINABLY

**KATERYNA  
RYABETS  
HEAD OF  
SUSTAINABILITY**

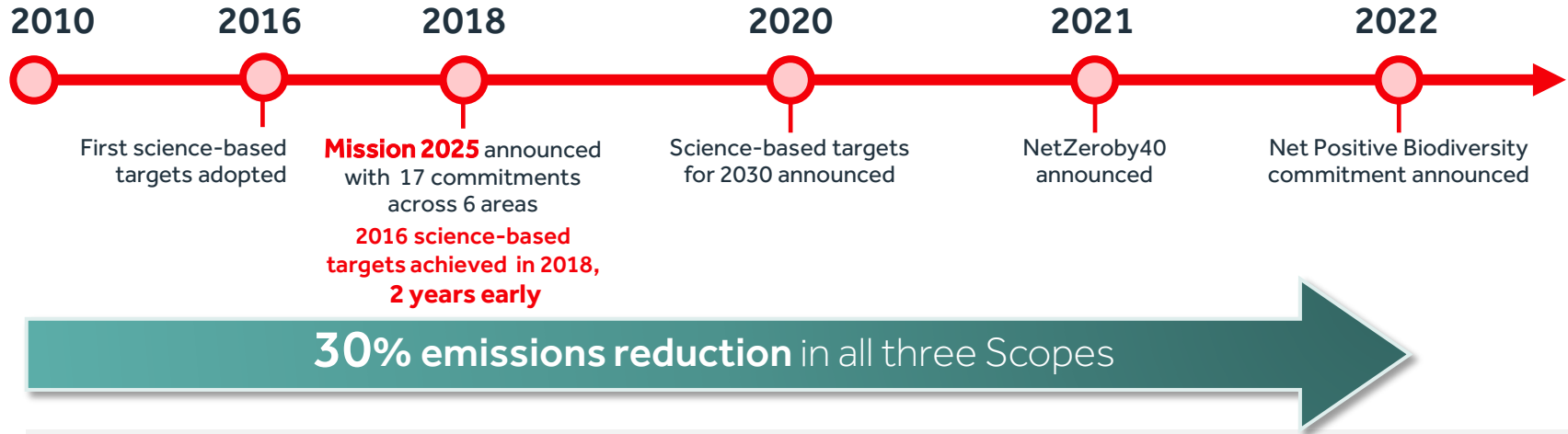


**Coca-Cola  
HBC**



# We have a long-standing track record in sustainability

Placing it at the core of our business model

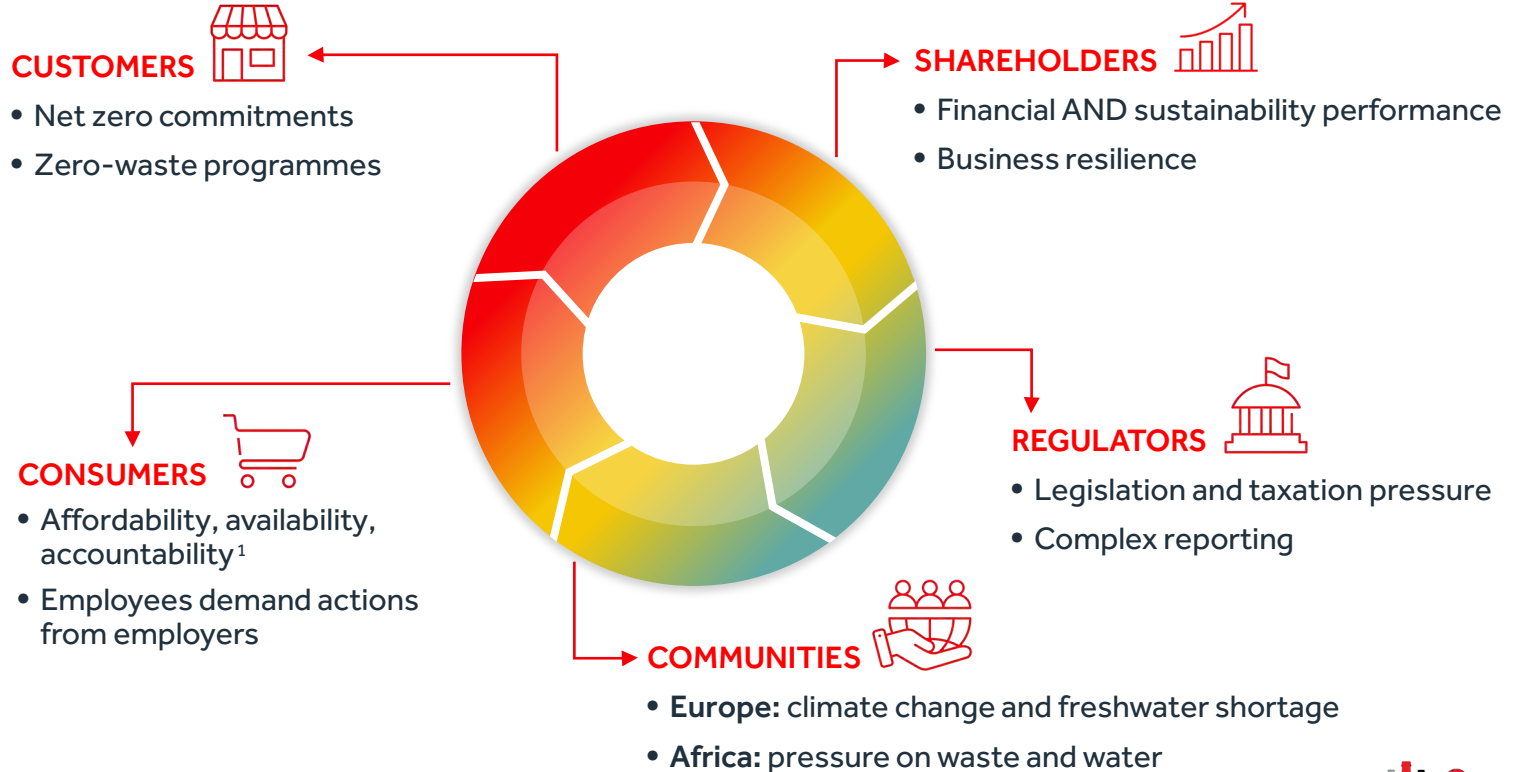


... and we are recognised externally<sup>1</sup>








1. Sources: DJSI World & Europe – Dec '22, S&P Yearbook – Feb '23, MSCI ESG – May '22, CDP Supplier Engagement - March '23, CDP Climate & Water – Dec '22, ISS – Apr '22, Sustainalytics – Jan/23

# Stakeholders' expectations are changing rapidly

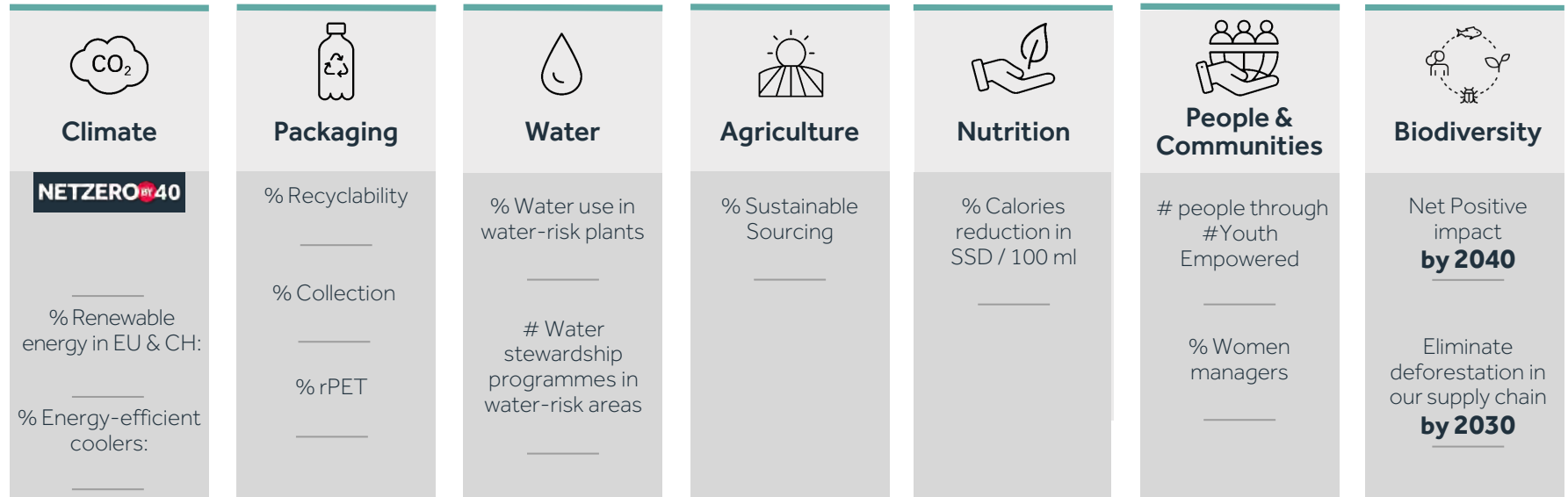


1. NIQ 2023 Sustainability Report

# Creating value and strengthening business resilience, while prioritising sustainability

SUSTAINABILITY OUTCOME	BUSINESS BENEFIT
 <b>Energy use</b> reduced by <b>30%</b> since 2010	<b>€50m savings</b> in 2021
 <b>99%</b> of electricity in EU & CH from renewable or clean sources	<b>Resilience</b> in volatile energy market
 <b>Deposit Return Schemes</b> implementation in EU markets	<b>Expected &gt;90%</b> collection rate Potential access to <b>feedstock for recycling</b>
 <b>€50m investment</b> in in-house rPET production	<b>Secured</b> rPET supply <b>Reduced</b> rPET costs
 <b>17%</b> calories reduction in SSDs / 100 ml vs 2015	<b>75,000 tonnes</b> emissions reduction in 2022 Market share <b>growth driver</b>

# Our Sustainability strategy covers seven most critical areas, with clear time-bound targets

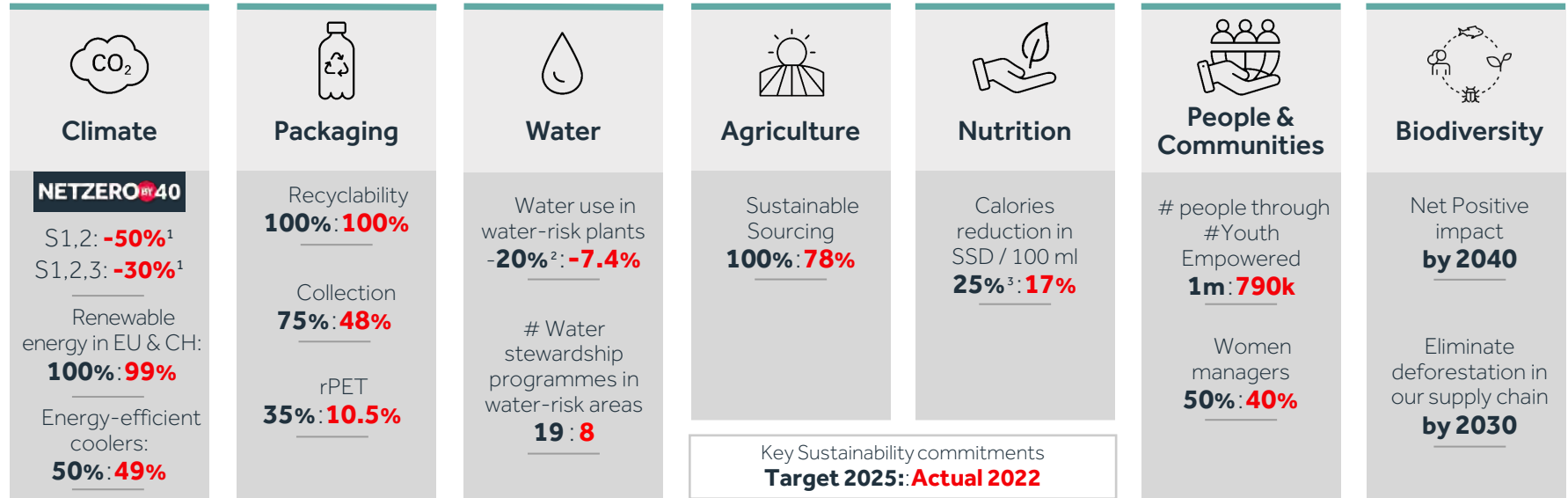


Partnerships are key to deliver our targets

Note

All targets except NetZeroBy40 and those in Biodiversity form our Mission 2025 targets. The full list of our sustainability commitments (Mission 2025, Net Zero and others) and 2022 performance outcomes can be found in our 2022 Integrated Annual Report.

# Our Sustainability strategy covers seven most critical areas, with clear time-bound targets



**Partnerships are key to deliver our targets**

**Note**

All targets except NetZeroby40 and those in Biodiversity form our Mission 2025 targets. The full list of our sustainability commitments (Mission 2025, Net Zero and others) and 2022 performance outcomes can be found in our 2022 Integrated Annual Report.

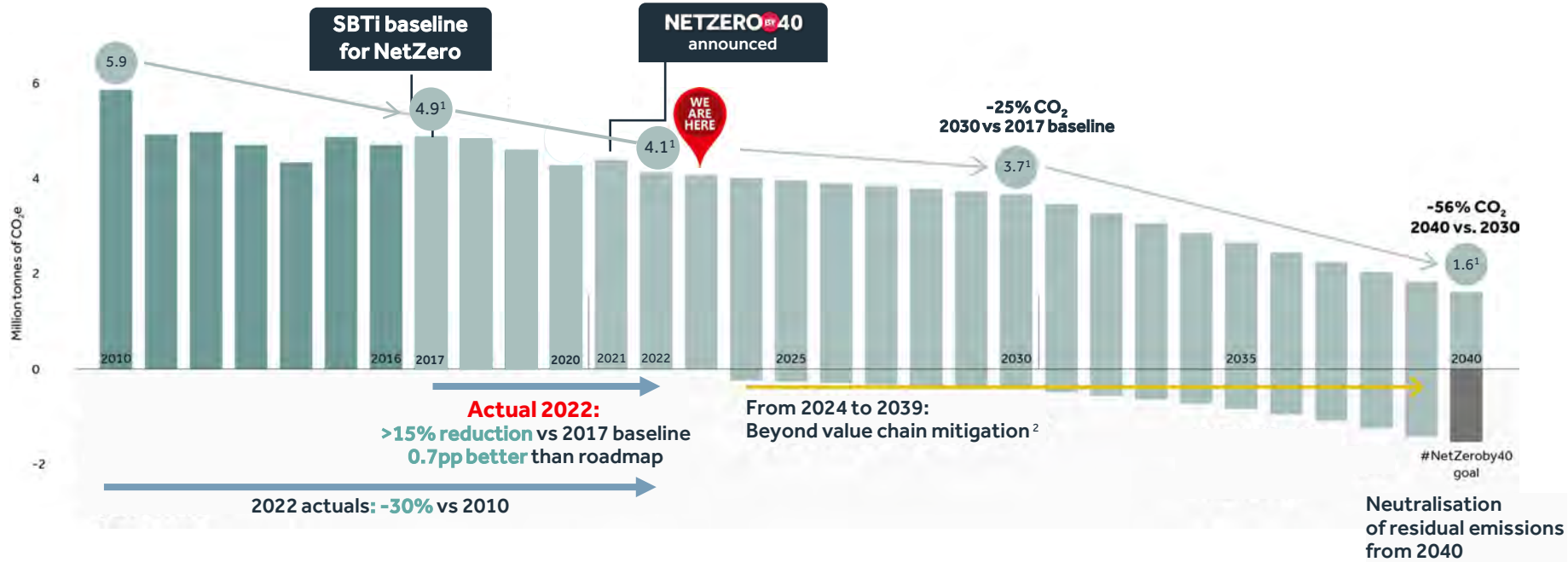
1. Reduction of absolute emissions vs 2010  
2. vs 2017 baseline  
3. vs 2015 baseline

All numbers are FY2022 excluding Egypt



# NetZero by 40

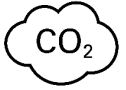
In the first two years we have delivered on our roadmap targets



Scopes 1,2,3. All numbers exclude Egypt.

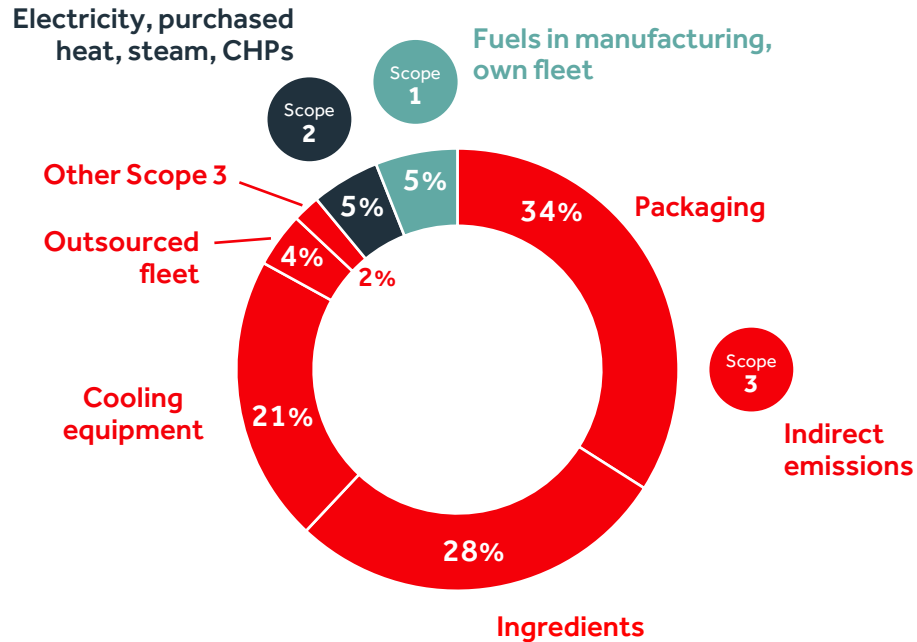
1. Recalculation of all emissions made due to conversion factors change and according to the GHG Protocol Corporate Accounting and Reporting Standard.

2. As defined by Science Based Targets initiative.



# 89% of our emissions are Scope 3

Packaging, ingredients and coolers as major contributors



## Our key focus projects

- Scope 1**
  - Renewable fuels
  - Green Fleet
  - Piloting green hydrogen
- Scope 2**
  - Renewable energy
  - Energy optimisation projects
- Scope 3**
  - Packaging:** rPET; packageless; refillables; lightweighting; replacing plastic in secondary packaging
  - Ingredients:** low / no sugar, sustainable sourcing
  - Cooling equipment:** energy-efficient coolers, greening of electricity grid
  - Critical enabler:** suppliers' emissions improvement

Note all numbers are FY2022 excluding Egypt



# Increasing circularity of our packaging: recovering packaging and reducing waste

## DRS<sup>1</sup> MARKETS

5 EU markets: live

4 EU markets: go live in  
2023-2024<sup>2</sup>

12 markets: aligned or  
evaluating DRS

1. DRS: Deposit Return Scheme

2. according to new industry-owned operators' plans

## EGYPT

Supporting government  
to develop an  
**EPR<sup>3</sup>-based national  
collection system**

3. EPR: Extended Producer Responsibility

## NIGERIA

The Coca-Cola System-  
led **collection model**  
starts in 2023



# Increasing circularity of our packaging: 100% rPET in selected markets



## rPET IN-HOUSE PRODUCTION

>€50m  
INVESTMENTS

- Italy / Gaglianico
- Poland / Krakow
- Romania / Ploeisti

## 100% rPET LAUNCHES

100%  
rPET PORTFOLIO

- **2022:** Switzerland, Italy<sup>1</sup>, Austria
- **2023:** Romania, Ireland

1. excluding water portfolio



# Innovating to increase share in reusable packaging and minimise plastic

## REFILLABLES

### INCREASING RETURNABLE GLASS BOTTLE SHARE

- Up to **60% less emissions** vs non-returnable
- **>95%** collection rate
- Better margins

## PACKAGELESS

### PILOTING 'COMPACT FREESTYLE' DISPENSER

- **40+** beverages
- Up to **70% less emissions** vs PET<sup>1</sup>
- Closed loop infrastructure for reusable vessels

1. provided reusable vessels are used. Life cycle analysis (LCA) by IFEU: LCA study with Product Environmental Footprint methodology, July 2022

## SECONDARY PACKAGING

### REDUCING PLASTIC

- **KeelClip™** carton-based cans multipacks live in all EU markets
- **LitePac Top** pilot eliminating multipack shrink film





# Committed to water reduction in our operations and water stewardship projects in our communities

## Water use ratio in water priority plants<sup>1</sup>

Target 2025

**-20%**<sup>2</sup>

Actual 2022

**-7.4%**<sup>2</sup>

## Number of water community projects<sup>3</sup>

Target 2025

**19**  
projects

Actual 2022

**8**  
projects

**~2 million**  
m<sup>3</sup> of water replenished



### Nicosia, Cyprus water stewardship project

- grey water reuse
- rainwater harvesting
- smart watering
- **saving up to 3 m litres** of water per year



### Heraklion, Greece 'Zero Drop' project

- new water piping network
- **saving up to 10 m litres** per year of treated wastewater used for agriculture



### Challawa, Nigeria water supply project

- new water piping system to transform river water to drinking quality water
- **965,000 m<sup>3</sup>** of water replenished annually
- **water supply for 1 million people**

1. litre / litre of produced beverage

2. vs 2017 baseline

3. including water, sanitation and hygiene projects

# Our diverse partnerships help us succeed, with...

## Customers

- Joint programmes promoting circular packaging and supporting communities
- Sustainable solutions driving business value while doing good

### Customer benefits

~50% energy-efficient coolers  
estimated €72 m cost savings for customers  
120,000 tonnes reduction in emissions

## Suppliers

- 2022 CDP Supplier Engagement Leader (climate change)
- 2022: First startups **Sustainability Challenge**

## Academia

- University of Portsmouth: enzymatic recycling of PET
- University of Vienna: blockchain research

## NGOs



*"Coca-Cola is enormously important for us, because we have the goal of net zero and Coop can't achieve it if Coca-Cola doesn't follow suit"*

**Philipp Wyss,**  
CEO COOP



# Funding our sustainability programme

## 2021

**€171 million spend**

on emissions reduction in 2021 (capex and opex)<sup>1</sup>

## 2022

**€206 million capex spend**

specifically targeted to our sustainability agenda

**Green Bond** supports financing of our initiatives:

- 100% rPET purchases
- In-house rPET production infrastructure
- Returnable beverages containers
- Energy-efficient coolers

1. according to CC HBC CDP reporting

2. according to our Green Finance Framework

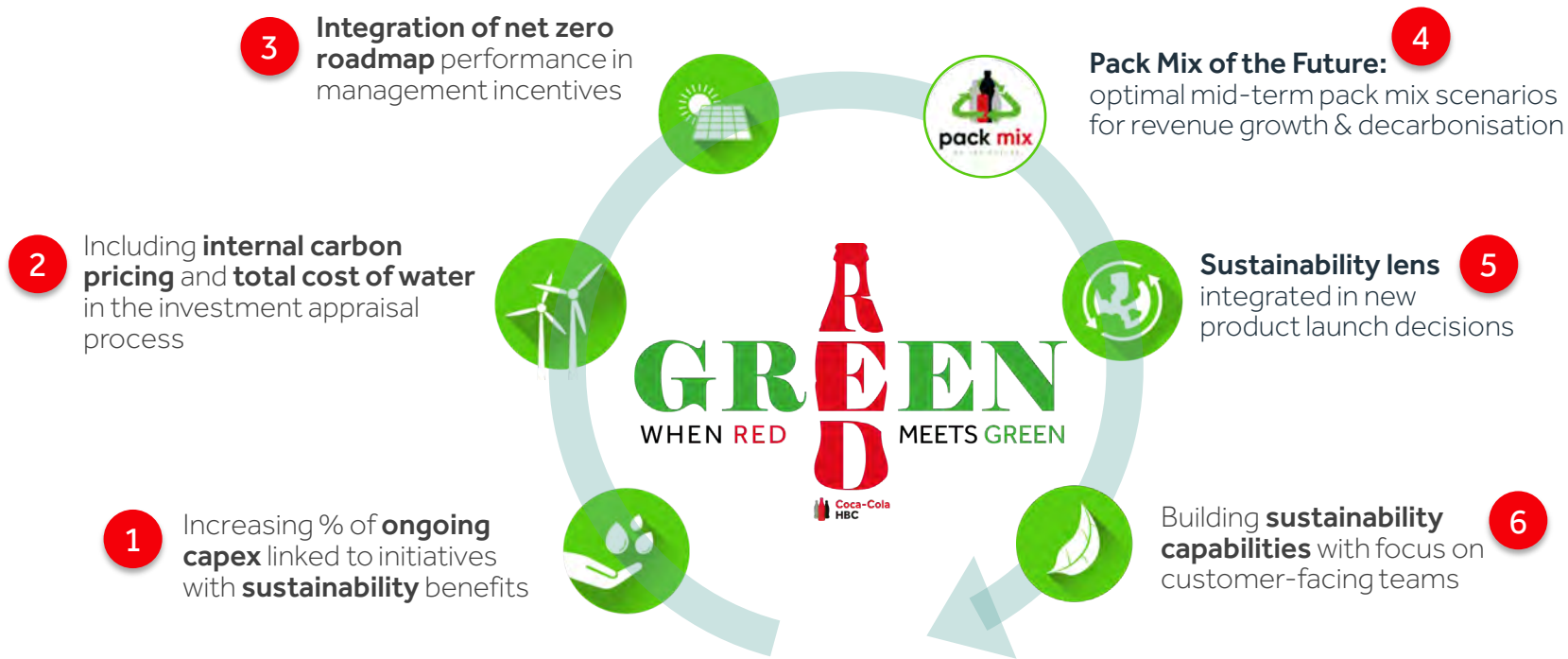
**2022: issued our first green bond for €500m**

The funds may be allocated to the following spend categories<sup>2</sup>, aligned to the UN SDGs

ELIGIBLE GREEN CATEGORY	UN SDGs
Circular economy	 
Energy efficiency	  
Renewable energy	 
Environmentally sustainable management of living natural resources and land use	
Sustainable water and wastewater management	

**First-year allocation and impact reports published September 2023**

# We put sustainability at the core of our decision-making processes





# We have a proven track record of delivering on our sustainability commitments

## Delivering

on first two years of our net zero roadmap

---

## Focusing

on circular packaging to decarbonise our portfolio and reduce waste:

- designing Pack Mix of the Future
  - leading implementation of national collection schemes
- 

## Funding

our sustainability journey using green finance

---

## Entering

partnerships for scale and impact with customers, suppliers, NGOs, academia and startups

# DRIVING SHAREHOLDER VALUE

**BEN  
ALMANZAR**  
CHIEF  
FINANCIAL  
OFFICER



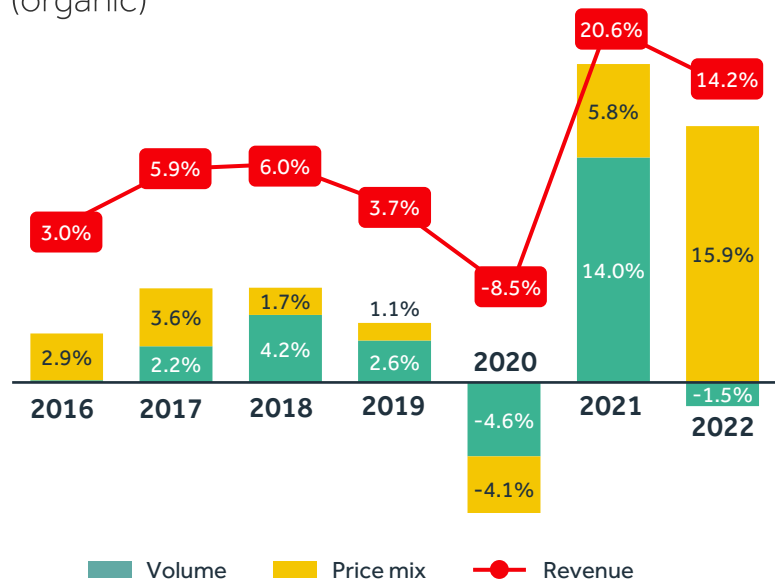
**Coca-Cola  
HBC**



# We have consistently delivered strong financial results

## REVENUE

### Top line growth<sup>1</sup> (organic)



- Strong performance since 2016
  - Resilience through business cycles
- Acceleration in volume growth
  - From 3% (2016-19) to 5% (2020-2022), both excluding Russia and Ukraine, on average
- Volume and revenue recovered post-pandemic, surpassing 2019 levels by a wide margin

**+c.14% Volume**      **+c.30% NSR**  
2022 vs 2019<sup>2</sup>

1. Total Group

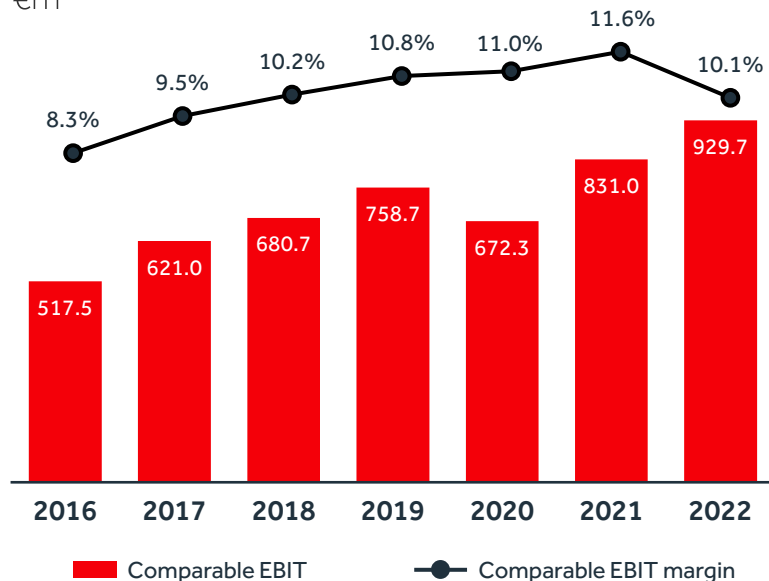
2. Excluding Russia and Ukraine – total change 2022 vs 2019

# We have consistently delivered strong financial results

## EBIT

### Resilient profitability

€m



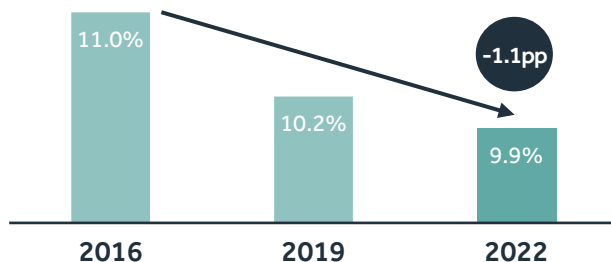
- Strong focus on cost management helped deliver record performance
  - 11.6% EBIT margin in 2021
  - EBIT of €929.7m in 2022
- EBIT expansion outpaced top-line growth since 2016
  - Comparable EBIT +80% vs 2016
  - 180bps of comparable margin added since 2016

**+c.11% EBIT growth**

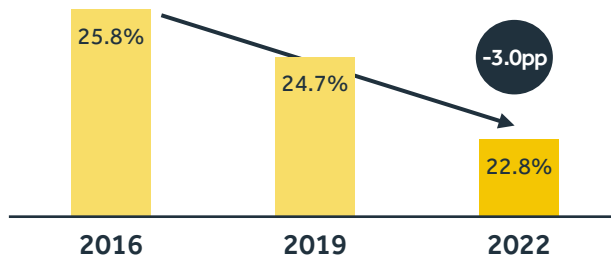
average comparable 2022 vs 2016<sup>2</sup>

# Years of efficiency improvements have created a resilient business

## Production Overheads as % of NSR



## Comparable Operating Expenses<sup>1</sup> as % of NSR



1. Excluding direct marketing expenses (DMEs)



### Production efficiencies

>€100m since 2020

Savings from productivity initiatives

### Cost to Serve as % of NSR

-0.5pp vs 2016

Optimised warehouse and logistics infrastructure

### Cost savings

~€300m since 2016

Benefits from operational efficiencies

# Efficiencies are embedded in our business



## Productivity

- Continuous modernisation of production lines
- Scaling in-house production of Monster
- Automation on warehousing & logistics



## Operational

- Oxygen: simplification of processes and focus on value-added tasks
- Dolphin: efficient and adaptable structure to ensure prioritisation



## Sustainability

- Investments towards in-house production of rPET
- New energy efficient & connected coolers



## Digitalisation

- New technologies in production driving productivity improvements & sustainability progress
- New digital tools in RTM and RGM

# Productivity initiatives adding value

- **Continuous modernisation of our production**
  - Additional automated production lines add flexibility and reduced waste
  - Increased energy efficiency, reducing utility costs and lower production overheads
  - Digital tools to improve performance management
- **Enhancing our warehousing & logistics network**
  - Further improvement of variable to fix cost
  - Automated processes improve flexibility & avoid disruptions
  - Best-in-class customer service
- **Scaling in-house production of Monster products**
  - More efficient and flexible supply of Monster products
  - Incremental toll filling revenues
  - Increased production line utilisation with lower fixed costs



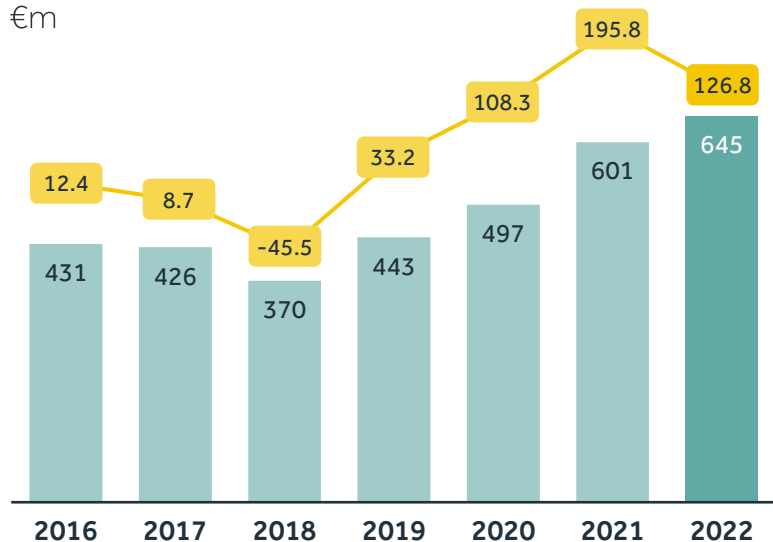
# FCF generation supports our strong balance sheet...



Free cash flow

## Free Cash Flow & Working Capital

€m



Free Cash Flow

Changes in Working Capital

### Free cash flow

- Record FCF delivery in 2022
- Increased profitability with **EBITDA up +59%** vs 2016
- Efficient working capital management
- Disciplined Capex spending

### Working capital

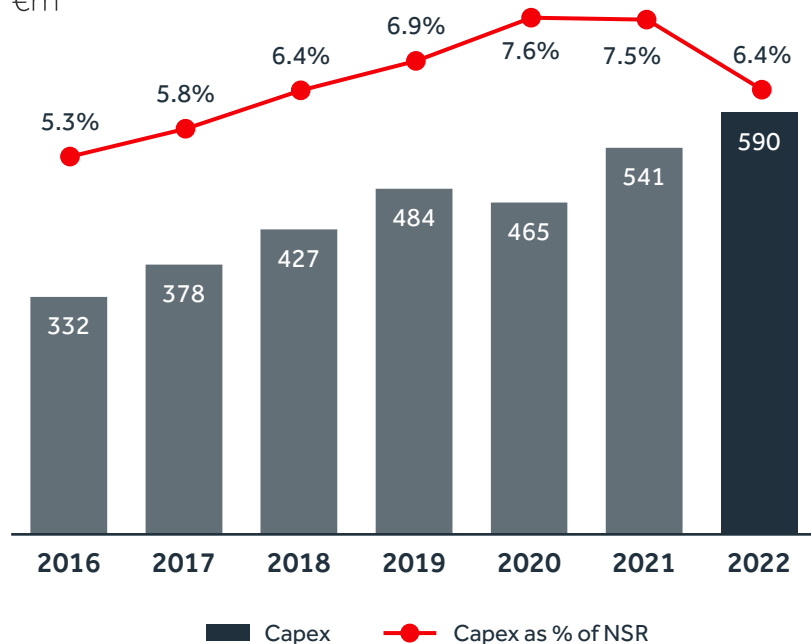
- Efficient working capital generation for **3rd consecutive year**
- Continuous improvement of cash conversion cycle

# ...while keep investing in the business



## Capital Expenditure (Capex)

€m



## Capex

### Continue investing in:

- Increasing capacity & technical capability while modernising production facilities
- Upgraded coolers driving immediate consumption
- Digital and e-commerce platforms
- Sustainability commitment to drive competitiveness

# Clear capital allocation priorities drive shareholder value

## 1. Organic investment

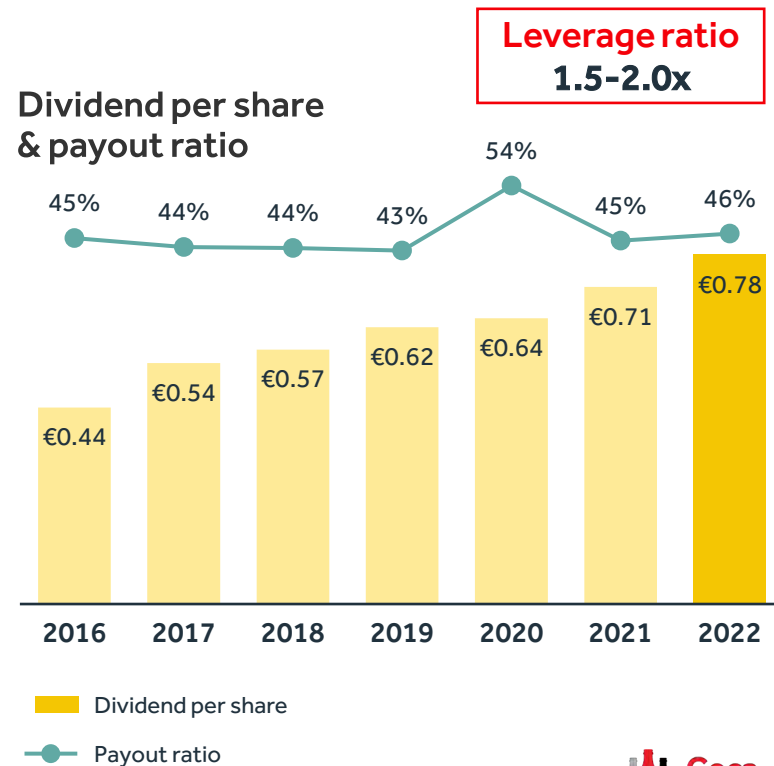
in the business

## 2. Progressive dividend policy

payout ratio 40%-50%

## 3. Strategic M&A

## 4. Additional capital return





# M&A that supports our strategy

## Criteria

Strong  
strategic rationale

Sound  
financial returns

Geographic fit

## Geographical expansion

Increase exposure to  
**high growth geographies**



**Coca-Cola HBC**  
Egypt

## Bolt-on: in existing categories

Smaller businesses, with  
**potential to scale**



## Bolt-on: in step-out categories

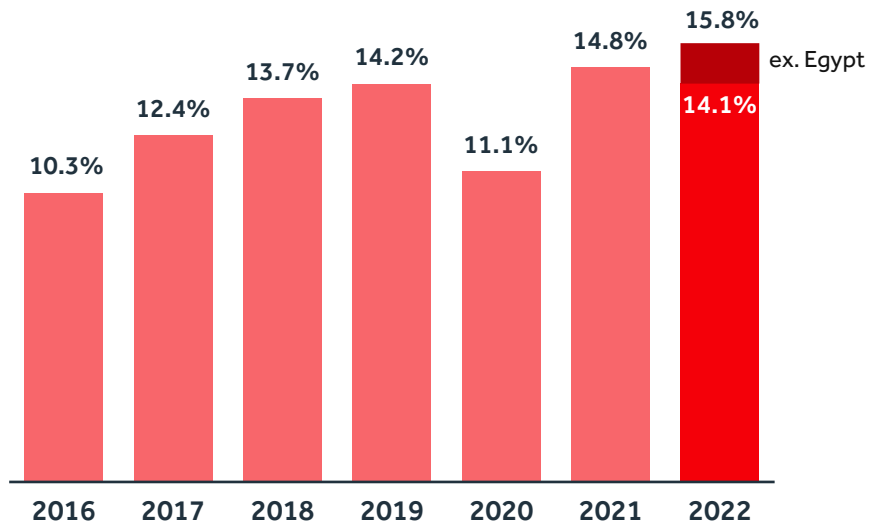
Targeted acquisitions **complementary**  
to our existing proposition



# Laser-focus on improving returns, while growing the business



## Return On Invested Capital (ROIC)



## ROIC

**+380bps** vs 2016



**+10%** on average

Net profit after tax  
(NOPAT) improvement



**+18%**

Capital turnover  
(Revenue/Invested capital)

# We have high confidence in the growth algorithm



## NARTD market value growth



2019-2022

**+5%<sup>1</sup>**



## Value share gain (NARTD)



2019-2022

**+270bps<sup>2</sup>**



## CCH price / mix improvement

Across categories, packs,  
channels and countries



2019-2022

**+4.7%<sup>3</sup>**

1. 4-year CAGR, excluding Russia & Ukraine

2. Source: Nielsen & Globaldata, excluding Egypt, Russia and Ukraine

3. 4-year organic revenue per case growth

# Organic EBIT should grow ahead of organic revenue in future years

2019 - 2022



**Organic NSR**

**+7%**<sup>1</sup> p.a.

**Organic EBIT**

**+7%**<sup>1</sup> p.a.

ENABLERS



Pricing

Mix

Operational leverage

Cost efficiencies

MID-TERM



Organic  
**EBIT growth**

**AHEAD of**

Organic  
**Revenue growth**

1. 4-year average organic growth

# MID-TERM OUTLOOK

**Organic revenue**  
growth

**+6-7%**

on average p.a.

**Organic EBIT margin**  
growth

**+20-40bps**

on average p.a.

- Continued focus on **ROIC** expansion
- **CAPEX** 6.5-7.5% of revenue
- Growing **Free Cash Flow** to support capital allocation priorities

# Driving shareholder value



Confidence  
in **growth**  
algorithm



Continued  
**efficiency**  
improvement



Driving  
**EBIT growth**  
ahead of  
revenue growth



Clear  
**capital allocation**  
priorities

# SUSTAINABLE AND PROFITABLE GROWTH: CONCLUSIONS

ZORAN  
BOGDANOVIC

CHIEF  
EXECUTIVE  
OFFICER



Coca-Cola  
HBC

# Key messages today

- ◆ We're continuing to grow
  - ◆ Led by strong categories, capabilities and footprint
  - ◆ Sustainably
  - ◆ Profitably...
- ... with excellent people and partners**





# Strong track record of investing, adapting and driving performance

## 2016 to 2019

Recovery and strong  
operating leverage

**+5%**

NSR avg organic growth

**+250bps**

Margin improvement

**+13%**

EBIT avg organic growth

**+390bps**

ROIC improvement

## 2020 to 2022

Managing through  
significant change

**+9%**

NSR avg organic growth

**+6%**

EBIT avg organic growth

## Onwards

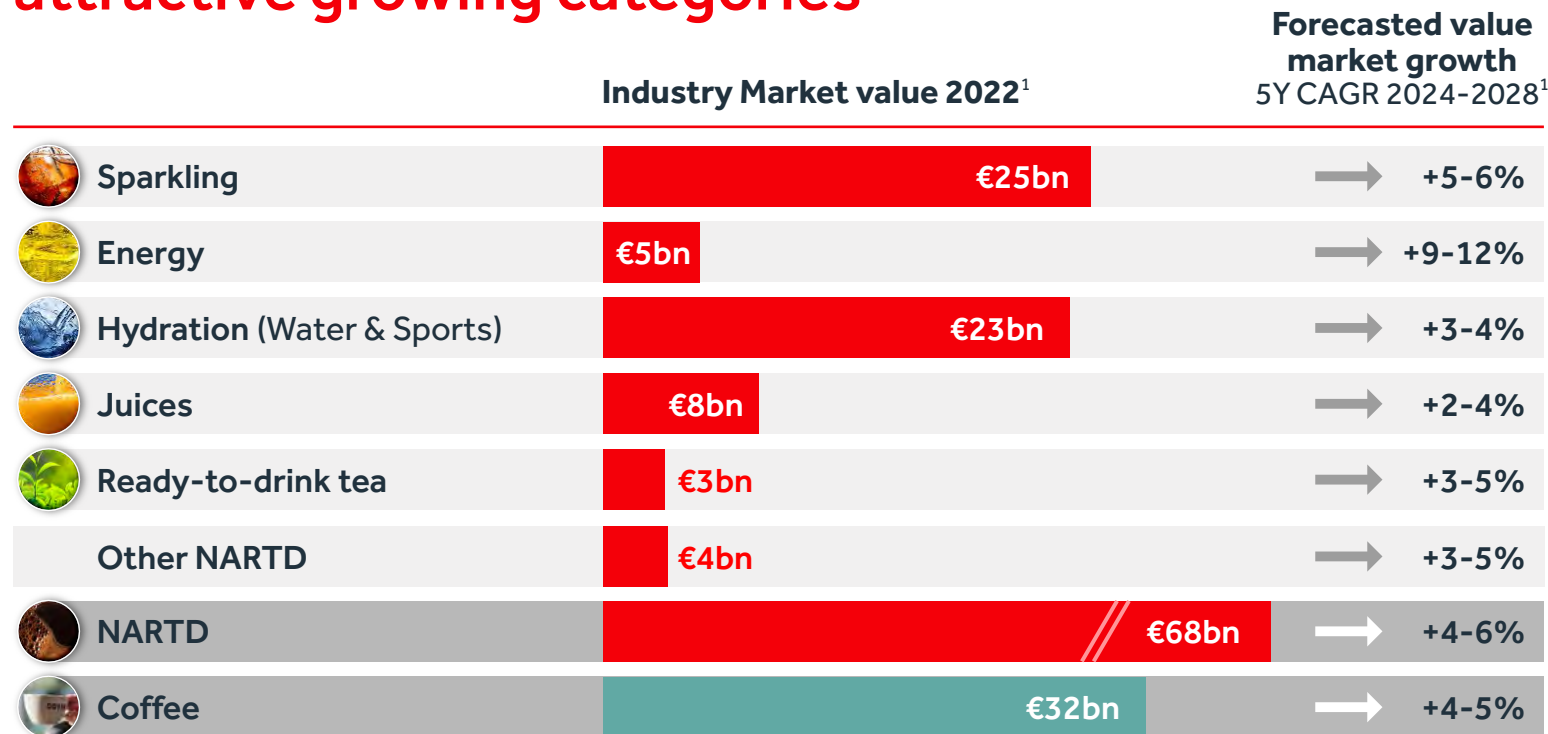
Strong NSR growth

Strong EBIT growth

Improving ROIC

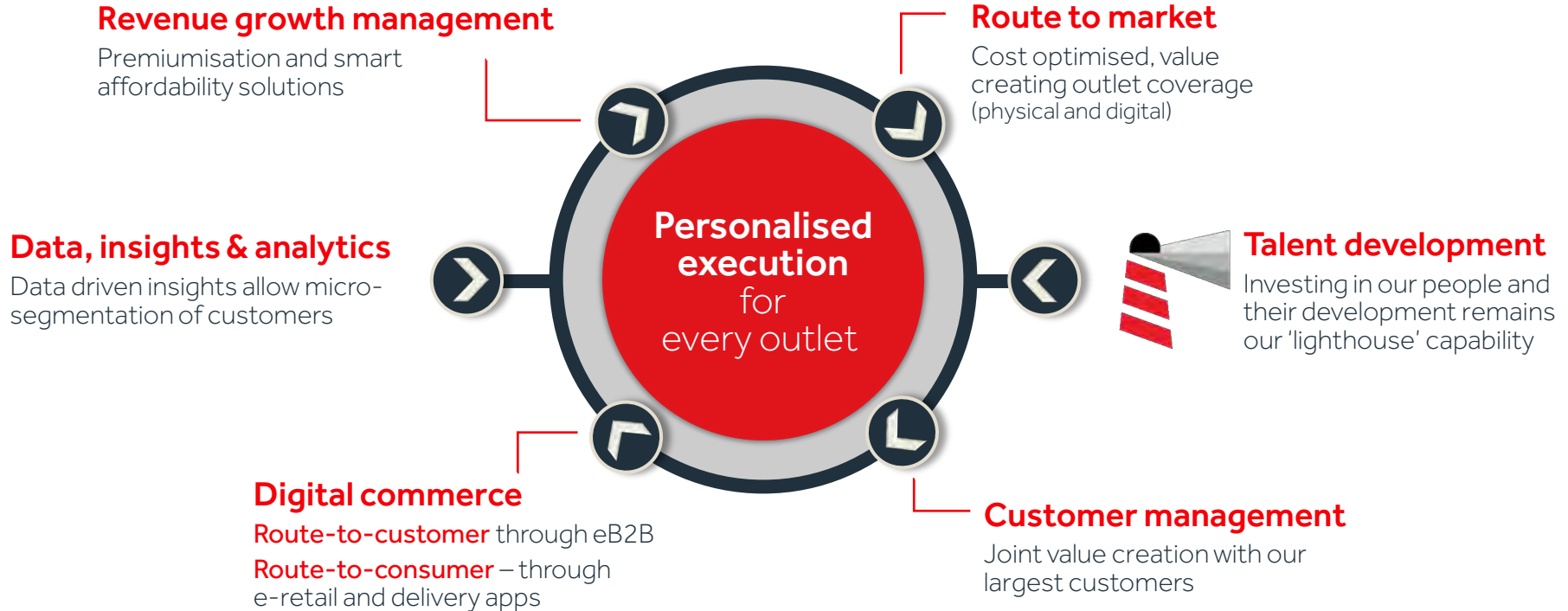
Growing FCF

# Clear growth priorities in attractive growing categories



1. Source: internal system projections, excluding Russia and Ukraine

# Our prioritised capabilities underpin our growth ambitions

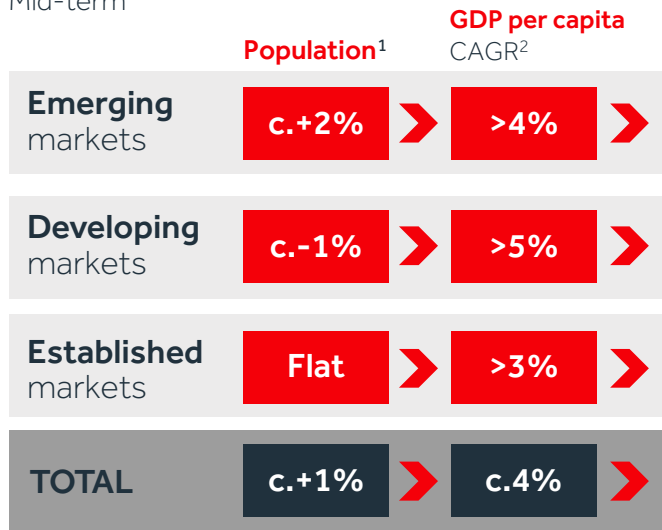


# Growth opportunities across our diversified markets

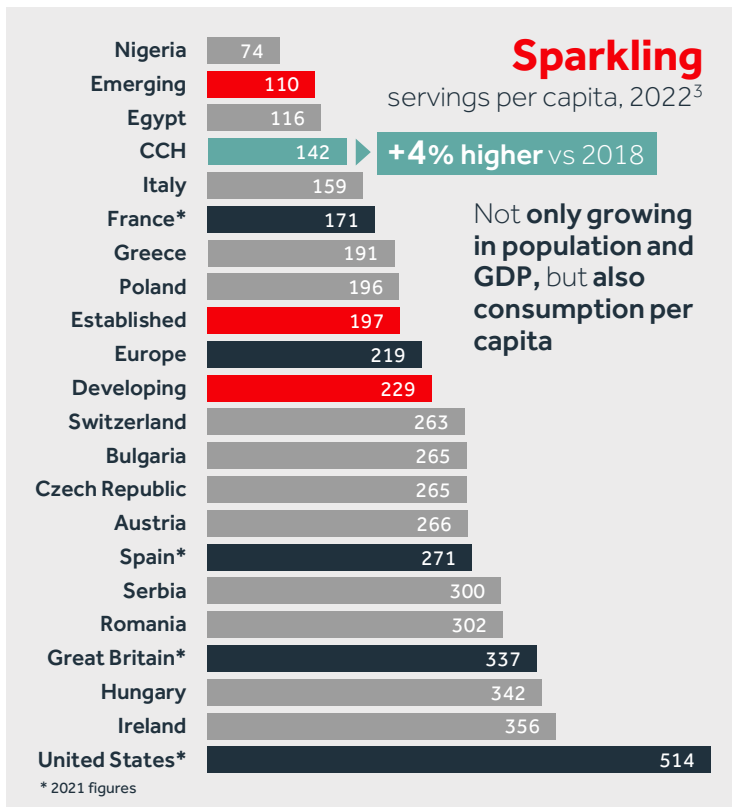
## Sparkling Soft Drinks

### Forecast growth rates

Mid-term



1. UN Population 1 July 2022, excluding Russia & Ukraine  
 2. IMF: GDP per capita (PPP; International \$)  
 3. Based on Internal Industry Estimates and UN Population 1 July 2022, excluding Russia & Ukraine



**5-6%**  
SSD value market growth



# We're working in a sustainable way...

...environmentally, socially and with a clear set of stretching targets

- **CLIMATE**

- **NetZero by 40 target set in 2022**
- 50% of coolers energy efficient
- 50% of total energy used in plants from renewable and clean1 sources

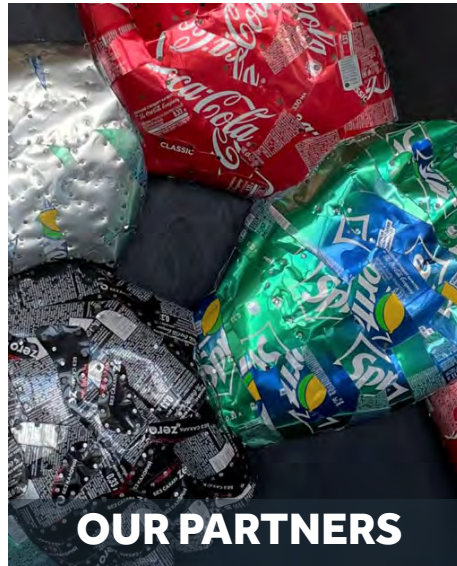
- **PACKAGING**

- Source 35% of total PET from rPET or renewable material
- 100% of consumer packaging to be recyclable

- **WATER**

- Reduce water used per litre of beverage by 20% vs 2017, in water risk areas





**Our success is underpinned by**  
**our people and partners, and our**  
**joint focus on customers and consumers**

# We have high confidence in the growth algorithm



**NARTD market  
value growth**



2019-2022

**+5%<sup>1</sup>**



**Value share  
gain (NARTD)**



2019-2022

**+270bps<sup>2</sup>**



**CCH price /  
mix improvement**

Across categories, packs,  
channels and countries



2019-2022

**+4.7%<sup>3</sup>**

1. 4-year CAGR, excluding Russia & Ukraine

2. Source: Nielsen & Globaldata, excluding Egypt, Russia and Ukraine.

3. 4-year organic revenue per case growth

# MID-TERM OUTLOOK

**Organic revenue**  
growth

**+6-7%**

on average p.a.

**Organic EBIT margin**  
growth

**+20-40bps**

on average p.a.

- Continued focus on **ROIC** expansion
- **CAPEX** 6.5-7.5% of revenue
- Growing **Free Cash Flow** to support capital allocation priorities



# Key messages today

- ◆ We're continuing to grow
- ◆ Led by strong categories, capabilities and footprint
- ◆ Sustainably
- ◆ Profitably...

**... with excellent people and partners**



**THANK YOU  
FOR  
JOINING US**