

COCA-COLA EUROPACIFIC PARTNERS - Preliminary unaudited results for the full-year ended 31 December 2021

February 16, 2022

Extraordinary year, entering 2022 as a stronger business

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CHANGE VS FY 2020							PRO FORMA ^[3] COMPARABLE		
	FY 2021 METRIC ^[1]	AS REPORTED	COMPARABLE ^[1]	AS REPORTED	COMPARABLE ^[1]	COMPARABLE FXN ^[1]	PRO FORMA PRO FORMA COMPARABLE ^[3]	CHANGE VS FY 2020	COMPARABLE FXN ^[3]
TOTAL CCEP	VOLUME (M UC) ^[2]	2,804	2,804	23.00%	23.50%	-	3,019	4.50%	-
	REVENUE (€M)	13,763	13,763	30.00%	30.00%	28.00%	14,819	9.50%	7.50%
	COST OF SALES (€M)	8,677	8,606	26.50%	26.50%	24.50%	9,222	8.00%	6.00%
	OPERATING EXPENSES (€M)	3,570	3,385	22.00%	30.00%	28.50%	3,711	6.00%	4.50%
	OPERATING PROFIT (€M)	1,516	1,772	86.50%	48.50%	46.00%	1,886	26.00%	23.50%
	PROFIT AFTER TAXES (€M)	988	1,302	98.50%	58.50%	56.00%	-	-	-
	DILUTED EPS (€)	2.15	2.83	97.00%	57.00%	54.50%	-	-	-
	REVENUE PER UC (€)	-	4.83	-	-	4.00%	4.83	-	3.00%
	COST OF SALES PER UC (€)	-	3.02	-	-	1.00%	3	-	1.50%
	DIVIDEND PER SHARE ^[4] (€)	1.4	Maintained dividend payout ratio of c.50%						
EUROPE	VOLUME (M UC) ^[2]	2,379	2,379	4.50%	5.00%	-	2,379	5.00%	-
	REVENUE (€M)	11,584	11,584	9.00%	9.00%	8.00%	11,584	9.00%	8.00%
	OPERATING PROFIT (€M)	1,298	1,500	59.50%	25.50%	24.00%	1,500	25.50%	24.00%
	REVENUE PER UC (€)	-	4.81	-	-	3.50%	4.81	-	3.50%
API	VOLUME (M UC) ^[2]	425	425				640	4.00%	-
	REVENUE (€M)	2,179	2,179				3,235	10.50%	7.00%
	OPERATING PROFIT (€M)	218	272				386	28.00%	23.50%
	REVENUE PER UC (€)	-	4.95				4.88	-	3.00%



DAMIAN GAMMELL, CHIEF EXECUTIVE OFFICER, SAID:

"2021 was an extraordinary year for CCEP. We are a stronger more diverse business, built on great people, great service and great beverages – done sustainably. Solid top-line recovery, value share gains, operating margin expansion and remarkable free cash flow generation demonstrate our strong performance in a challenging environment. Our results also reflect the successful acquisition and integration of Coca-Cola Amatil, a fantastic business to have acquired at the right time, as we look forward to an even brighter future together.

"Together with The Coca-Cola Company and our other partners, our focus on core brands, in-market execution and smart revenue growth management initiatives solidified our FY21 position as the largest FMCG value creator^[5], delivering revenue per unit case^{[2],[3]} growth ahead of FY19^{[6],[11]}. We also continued to make progress on our ambition to reach net zero emissions by 2040 and invest in making our packaging more sustainable.

"We are well placed as we look to FY22 and beyond. Our aim is to be smart and sustainable – through our people centric, data driven and digitally enabled approach. Disciplined investment in these areas, as well as in our portfolio, will support our long-term growth ambitions. In the near-term, we expect to see further volume and mix recovery whilst managing our key levers of pricing, promotional spend and driving efficiencies across our business, collectively with the aim of mitigating inflationary pressures.

"It is an outstanding time to be leading CCEP. We are making a difference and believe we have the right foundation to drive sustainable growth and, as evidenced by our FY21 dividend being greater than FY19 and FY20, deliver increased shareholder value."

Note: All footnotes included after the 'About CCEP' section

FY & Q4 HIGHLIGHTS^{[1],[3]}

Revenue

FY Reported +30.0%; FY Pro forma +7.5%^[6]

- Reported growth, in addition to the drivers below, reflects the acquisition of Coca-Cola Amatil (completed 10 May 2021)
- NARTD value share gains across measured channels both in store^[7] (+40bps) including sparkling (+30bps) & online^[8] (+120bps)
- Delivered more revenue growth for our retail customers than any of our FMCG peers^[5]
- Pro forma:
 - comparable volume +4.5%^[9] (-5.5% vs FY19) driven by the reopening of Away from Home (AFH) & increased consumer mobility given the easing of restrictions across most of our markets
 - comparable volume by channel: AFH +10.0% (-16.0% vs FY19) reflecting fewer restrictions & recovery of immediate consumption (IC) packs (+20.5%^[10] vs FY20; -19.5%^[10] vs FY19); Home +1.5% (+2.0% vs FY19) supported by growth of IC & sustained growth in key future consumption packs (e.g. multipack cans +3.5%^[10] vs FY20; +18.5%^[10] vs FY19)
 - revenue per unit case +3.0%^{[2],[6]} (+1.5%^[11] vs FY19) reflecting positive pack & channel mix driven by the improvement in AFH volume & growth in IC packs, alongside favourable price & brand mix

Q4 Reported +50.5%; Q4 Pro forma +8.5%^[6]

- Reported growth, in addition to the drivers below, reflects the acquisition of Coca-Cola Amatil
- Pro forma:
 - comparable volume +8.5%^[9] (-1.5% vs FY19) driven by solid execution in the Home channel & cycling of soft comparables
 - comparable volume by channel: AFH +23.0% (-9.5% vs FY19); Home +1.5% (+4.0% vs FY19)
 - revenue per unit case +5.5%^{[2],[6]} (+1.5%^[11] vs FY19) primarily driven by favourable pack mix & promotional optimisation
- Recent trading impacted by Omicron however restrictions not as severe as PY (pro forma comparable volume Q1 2021 -8.5% vs FY20)

Operating profit

Reported +86.5%; Pro forma comparable +23.5%^[6]

- Reported growth, in addition to the drivers below, reflects the acquisition of Coca-Cola Amatil
- Pro forma cost of sales per unit case +1.5%^{[2],[6]} reflecting increased revenue per unit case driving higher concentrate costs, commodity inflation & adverse mix, partially offset by the favourable recovery of fixed manufacturing costs given higher volumes
- Pro forma comparable operating profit of €1,886m, +23.5%^[6] reflecting the increased revenue, the benefit of on-going efficiency programmes & our continuous efforts on discretionary spend optimisation
- Comparable diluted EPS of €2.83, +54.5%^[6] (reported +97.0%)

Dividend

- FY21 dividend per share of €1.40 (paid December^[4]), +64.5% vs last year & +13.0% vs FY19, maintaining annualised dividend payout ratio of approximately 50% (in line with our dividend policy)
- CCEP announces that it will revert to two interim dividends starting in FY22, the first declared with the Q1 trading update (paid in June), the second declared at the Q3 trading update (paid in December). The first interim dividend will be calculated as 40% of the prior year FY dividend, with the second interim dividend being paid with reference to the current year annualised total dividend payout ratio of approximately 50%

Other

- Generated strong free cash flow of €1,460m (net cash flows from operating activities of €2,117m), supporting our focus on returning to our target leverage range (Net debt:Adjusted EBITDA of 2.5x-3x) by FY24. Assuming the Coca-Cola Amatil acquisition occurred on 1 January 2021, FY21 pro forma free cash flow is estimated to be €85m lower
- Pro forma ROIC 8.0% (reported ROIC 9.2%)
- API integration progressing very well; reorienting the portfolio to maximise system value creation to enable greater focus on NARTD, RTD alcohol & Spirits:
 - sale of NARTD own brands to The Coca-Cola Company for A\$275m; annualised EBIT impact of ~A\$25m
 - progressing previously announced plans to exit production, sale & distribution of Australia beer & apple cider products; minimal EBIT impact
 - these initiatives are expected to substantially complete by the end of the first half

Sustainability

- Europe: closed 2021 at ~53%^[12] recycled plastic (rPET) achieving 2023 target 2 years early
- API^[13]: announced industry partnerships to build new PET recycling facilities in Australia & Indonesia
- 2 manufacturing sites in Spain & Sweden certified carbon neutral. Aiming for at least 8 sites by end of 2023
- Retained on Carbon Disclosures Project's A Lists for climate change & water security; in Dow Jones Sustainability Indices (Europe & World) for 6 years in a row & MSCI ESG Leaders index

FY22 Guidance & Outlook^{[1],[3]}

The outlook for FY22 reflects current markets conditions. Guidance is on a pro forma comparable & Fx-neutral basis.

Revenue: pro forma comparable growth of 6-8%

Volume

- Continued recovery as easing restrictions support AFH & tourism

Price

- Successful execution of pricing strategies to date across many of our markets, elevated given input cost pressures

Promotions

- Optimising our spend
- Continuing to leverage segmentation, analytics, customer & consumer insights

Mix

- Continued recovery of AFH & IC packs
- Driving positive mix through smart revenue growth management initiatives & scaling innovation

Cost of sales per unit case: pro forma comparable growth of ~5% (previously 4-5%)

- Volume recovery supporting favourable overhead absorption
- We expect commodity inflation to be in the high single-digit range
- FY22 hedge coverage at ~57%

Operating profit: pro forma comparable growth of 6-9%

- Remain on track to deliver our previously announced efficiency savings & API combination benefits (multi-year programmes amounting to €350 to €395m in total (vs FY19))
- Continued focus on optimising our discretionary spend

Comparable effective tax rate: c.22-23%

Dividend payout ratio: c.50%^[14]

[Link to full results](#)

<https://www.cocacolaep.com/assets/IR-Documents/Results-and-Trading-Updates/2021/b8c4b7102c/CCEP-Preliminary-Results-for-FY21-web.pdf>

[Conference Call \(with presentation\)](#)

- 16 February 2022 at 12:00 GMT, 13:00 CET & 7:00 a.m. EST; accessible via www.cocacolaep.com
- Replay & transcript will be available at www.cocacolaep.com as soon as possible

[Financial Calendar](#)

- First-quarter 2022 trading update: 27 April 2022
- Financial calendar available here: <https://ir.cocacolaep.com/financial-calendar/>

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About CCEP

Coca-Cola Europacific Partners is one of the world's leading consumer goods companies. We make, move and sell some of the world's most loved brands – serving 600 million consumers and helping 1.75 million customers across 29 countries grow.

We combine the strength and scale of a large, multi-national business with an expert, local knowledge of the customers we serve and communities we support.

The Company is currently listed on Euronext Amsterdam, the NASDAQ Global Select Market, London Stock Exchange and on the Spanish Stock Exchanges, trading under the symbol CCEP.

For more information about CCEP, please visit www.cocacolaep.com & follow CCEP on Twitter at @CocaColaEP

1. Refer to 'Note Regarding the Presentation of Pro forma financial information and Alternative Performance Measures' for further details and to 'Supplementary Financial Information' for a reconciliation of reported to comparable and reported to pro forma comparable results; Change percentages against prior year equivalent period unless stated otherwise
2. A unit case equals approximately 5.678 litres or 24 8-ounce servings
3. Pro forma figures as if the acquisition of Coca-Cola Amatil Limited occurred at the beginning of the period presented for illustrative purposes only, it is not intended to estimate or predict future financial performance or what actual results would have been. Acquisition completed on 10 May 2021. Prepared on a basis consistent with CCEP accounting policies and include transaction accounting adjustments for the period 1 January to 10 May. Refer to 'Note Regarding the Presentation of Pro forma financial information and Alternative Performance Measures' for further details
4. 9 November 2021 declared €1.40 dividend per share, paid 6 December 2021
5. NielsenIQ Strategic Planner FY21 Data to 02.Jan.22 Countries included are ES, DE, GB, FR, BE, NL, SE, PT & NO
6. Comparable & FX-neutral
7. Combined NARTD (non-alcoholic ready to drink) NielsenIQ Global Track MAT data for ES, PT, DE, FR, BE, NL, NZ, NO, SE to 02.Jan.22; GB to 01.Jan.22; IND to 31.Dec.21; NARTD IRI data for AUS to 02.Jan.22
8. Online Data is for available markets MAT GB to 01.Jan.22 (Retailer data+NielsenIQ), ES, FR, NL & SE to 02.Jan.22 (NielsenIQ), AUS to 02.Jan.22 (Retailer Data)
9. Adjusted for 4 fewer selling days in Q4; 1 less selling day in FY21; CCEP pro forma volume Q4 +3.0% vs FY20; CCEP pro forma volume FY21 +4.5% vs FY20
10. Europe only
11. Management's best estimate
12. Unassured & provisional
13. Includes Australia, New Zealand & the Pacific Islands, Indonesia & Papua New Guinea
14. Dividends subject to Board approval
15. Includes France & Monaco
16. Includes Spain, Portugal & Andorra
17. Includes Belgium, Luxembourg, the Netherlands, Norway, Sweden & Iceland
18. Revenue per unit case
19. HoReCa = Hotels, Restaurants & Cafes
20. Northern Europe revenue per unit case declined in FY21 as a result of changes to Norwegian Soft Drink Taxes
21. RTD refers to Ready to Drink; Other includes Alcohol & Coffee

 View original content: <https://www.prnewswire.com/news-releases/coca-cola-europacific-partners--preliminary-unaudited-results-for-the-full-year-ended-31-december-2021-301483613.html>

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