

Coca-Cola EP PLC - Update re acquisition of CCBPI

20 Nov 2023
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Coca-Cola Europacific Partners plc
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Coca-Cola Europacific Partners plc (CCEP) today announces it has, together with Aboitiz Equity Ventures Inc. (AEV), entered into a definitive agreement to jointly acquire Coca-Cola Beverages Philippines, Inc. (CCBPI) from The Coca-Cola Company (KO)

Share Purchase Agreement (SPA)

- Further to the announcement on 2 August 2023, CCEP today announces that it has completed its due diligence and entered into a definitive agreement, together with AEV, to acquire 100% of CCBPI from KO
- The SPA confirms the key terms of the proposed acquisition:
 - 60:40 ownership structure between CCEP and AEV¹
 - Values 100% of CCBPI at US\$1.8 billion on a debt-free, cash-free basis
 - Comprehensive governance arrangements agreed between CCEP and AEV
- The SPA is subject to a number of customary closing conditions, including receipt of required regulatory approvals

Compelling strategic rationale

The acquisition will build on CCEP's successful expansion into Australia, Pacific & Indonesia (API) in 2021, further strengthening the partnership with its significant shareholder KO, and positioning CCEP as the world's largest Coca-Cola bottler by both revenue and volume while supporting its long-term growth strategy and focus on driving shareholder value.

CCEP's acquisition of CCBPI, with AEV, one of the leading conglomerates in the local market, offers a great opportunity to co-own an established, well-run business with attractive profitability and growth prospects.

The transaction is a further step for CCEP to create a more diverse footprint within its existing API business segment. It will also provide the opportunity to leverage best practice and talent, including supporting Indonesia's transformation journey. It is therefore aligned with CCEP's aim of driving sustainable and stronger growth through diversification and scale, and underpins the company's mid-term strategic objectives.

¹ Subject to adjustment in the event of any currently unforeseen event which causes AEV to terminate its participation in the acquisition - in which case CCEP may acquire 60% or 100% of CCBPI (at the election of KO)

Further information

The transaction is currently expected to close early next year. Further updates will be provided in due course.

For more information, please see our website:

- <https://ir.cocacolaep.com/static-files/0e2aab54-4883-4518-bb2b-c1a5b4d55c2c>
(02 August 2023)
- <https://ir.cocacolaep.com/static-files/677bf92b-85af-4a50-8520-9f693ff2ec1d>
(02 August 2023)

Advisers

Rothschild & Co are acting as financial adviser to CCEP. BofA Securities² are acting as adviser to the Affiliated Transaction Committee (ATC) of the Board of Directors of CCEP. Slaughter and May and Villaraza & Angangco are acting as legal counsel to CCEP.

Related party transaction

By reason of KO's shareholding in CCEP, the sellers are treated as related parties of CCEP. The transaction has been reviewed and recommended by the ATC of CCEP, which has been independently advised by BofA Securities² on the financial terms of the transaction, and, in line with requirements of the UK Disclosure and Transparency Rules, approved by the Board of Directors of CCEP who are not nominated by KO.

About CCEP (LEI 549300LTH67W4GWMRF57)

CCEP is one of the leading consumer goods companies in the world. We make, move and sell some of the world's most loved brands - serving 600 million consumers and helping 2 million customers across 30 countries grow their business.

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](https://twitter.com/CocaColaEP).

² Merrill Lynch International ("BofA Securities"), a subsidiary of Bank of America Corporation, is acting exclusively for CCEP in connection with the transaction that is the subject of this announcement and for no one else and will not be responsible to anyone other than CCEP for providing the protections afforded to its clients or for providing advice in relation to such transaction.

About AEV

AEV is one of the leading conglomerates in the Philippines with over 100 years of business history. It has major investments in power, banking and financial services, food, infrastructure, land, and data science and artificial intelligence. AEV is recognized as one of the best-managed companies in the Philippines and the region, consistently cited for its commitment to good corporate governance and sustainability. Currently, the company is on its Great Transformation journey to become the Philippines' first Techglomerate as it continues to drive change for a better world by advancing business and communities.

AEV is a member of the United Nations Global Compact, Global Compact Network Philippines Board of Trustees, the APEC Business Advisory Council and the Council for Inclusive

Capitalism, and helps champion sustainability initiatives on a regional level through policies, advocacies, and initiatives that contribute to the United Nations Sustainable Development Goals (UN SDGs). With a clear focus on ESG, the company is implementing its #OneAboitizSustainability Synergy model which transforms its life-essential businesses to improve sustainable practices and continue to create a positive impact on society and the environment.

Link to AEV's website and release: <https://abotiz.com/investor-relations/disclosure/>

Enquiries

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Forward-Looking Statements

This document contains statements, estimates or projections that constitute "forward-looking statements" concerning the financial condition, performance, results, guidance and outlook, dividends, consequences of mergers, acquisitions, joint ventures, and divestitures, including the proposed joint venture with Aboitiz Equity Ventures Inc. (AEV) and acquisition of Coca-Cola Beverages Philippines, Inc. (CCBPI), strategy and objectives of Coca-Cola Europacific Partners plc and its subsidiaries (together CCEP or the Group). Generally, the words "ambition", "target", "aim", "believe", "expect", "intend", "estimate", "anticipate", "project", "plan", "seek", "may", "could", "would", "should", "might", "will", "forecast", "outlook", "guidance", "possible", "potential", "predict", "objective" and similar expressions identify forward-looking statements, which generally are not historical in nature.

Forward-looking statements are subject to certain risks that could cause actual results to differ materially from CCEP's historical experience and present expectations or projections. As a result, undue reliance should not be placed on forward-looking statements, which speak only as of the date on which they are made. These risks include but are not limited to:

1. those set forth in the "Risk Factors" section of CCEP's 2022 Annual Report on Form 20-F filed with the SEC on 17 March 2023 and as updated and supplemented with the additional information set forth in the "Principal Risks and Risk Factors" section of the H1 2023 Half-year Report filed with the SEC on 2 August 2023;
2. risks and uncertainties relating to the global supply chain and distribution, including impact from war in Ukraine and increasing geopolitical tensions and conflicts including in the Middle East and Asia Pacific region, such as the risk that the business will not be able to guarantee sufficient supply of raw materials, supplies, finished goods, natural gas and oil and increased state-sponsored cyber risks;
3. risks and uncertainties relating to the global economy and/or a potential recession in one or more countries, including risks from elevated inflation, price increases, price elasticity, disposable income of consumers and employees, pressure on and from suppliers, increased fraud, and the perception or manifestation of a global economic downturn;
4. risks and uncertainties relating to potential global energy crisis, with potential interruptions and shortages in the global energy supply, specifically the natural gas supply in our territories. Energy shortages at our sites, our suppliers and customers could cause interruptions to our supply chain and capability to meet our production and distribution targets;
5. risks and uncertainties relating to potential water use reductions due to regulations by national and regional authorities leading to a potential temporary decrease in production volume; and
6. risks and uncertainties relating to the proposed joint venture with AEV and acquisition of

CCBPI, including the risk that the proposed transactions may not be consummated on the currently contemplated terms or at all, or that our integration of CCBPI's business and operations may not be successful or may be more difficult, time consuming or costly than expected.

Due to these risks, CCEP's actual future financial condition, results of operations, and business activities, including its results, dividend payments, capital and leverage ratios, growth, including growth in revenue, cost of sales per unit case and operating profit, free cash flow, market share, tax rate, efficiency savings, achievement of sustainability goals, including net zero emissions and recycling initiatives, capital expenditures, our agreements relating to and results of the proposed joint venture with AEV and acquisition of CCBPI, and ability to remain in compliance with existing and future regulatory compliance, may differ materially from the plans, goals, expectations and guidance set out in forward-looking statements. These risks may also adversely affect CCEP's share price. Additional risks that may impact CCEP's future financial condition and performance are identified in filings with the SEC which are available on the SEC's website at www.sec.gov. CCEP does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required under applicable rules, laws and regulations. Any or all of the forward-looking statements contained in this filing and in any other of CCEP's public statements may prove to be incorrect.

End

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