

Coca-Cola Euro Ptnrs - Preliminary Unaudited Results Q4 & FY 2020

11 Feb 2021
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Coca-Cola European Partners plc
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COCA-COLA EUROPEAN PARTNERS

Preliminary Unaudited Results for the Full-Year Ended 31 December 2020

Resilient performance despite the challenging backdrop; well-positioned for a digital & green led future

FY 2020 Metric ^[1]	As Reported	Comparable	Change vs 2019		
			As Reported	Comparable	Comparable Fx-Neutral
Volume (m unit cases) ^[2]	2,277	2,277	(9.5)%	(10.0)%	
Revenue (€M)	10,606	10,606	(11.5)%	(11.5)%	(11.0)%
Cost of sales (€M)	6,871	6,809	(7.5)%	(8.5)%	(7.5)%
Operating expenses (€M)	2,922	2,603	(4.0)%	(11.0)%	(10.0)%
Operating profit (€M)	813	1,194	(47.5)%	(29.0)%	(28.5)%
Profit after taxes (€M)	498	821	(54.5)%	(30.5)%	(30.5)%
Diluted EPS (€)	1.09	1.80	(53.0)%	(29.0)%	(28.5)%
Revenue per unit case (€)		4.69			(1.5)%
Cost of sales per unit case(€)		3.01			2.5 %
Free cash flow (€M)		924			
Capital Returns:					
Dividend per share ^[3] (€)	0.85	Maintained dividend payout ratio of c.50%			
2020 Share buyback (€M)	c.130				

DAMIAN GAMMELL, CHIEF EXECUTIVE OFFICER, SAID:

"2020 was a challenging year like no other, and I am very proud of how well we have managed through such a rapidly changing environment. That is down to the extraordinary work and commitment of our colleagues, supporting each other as well as our customers and communities, and to all of whom, I am sincerely grateful.

"The crisis also reinforced the power of our relationship with The Coca-Cola Company and our other brand partners. Our collective belief in continuing to invest in our core brands has served us well, gaining share^[4] both in the home channel and online. We also took meaningful actions to protect our performance, ending the year with strong free cash flow^[1] and a solid balance sheet. This enabled us to continue to return cash to shareholders, as evidenced by the dividend paid in December.

"While our business continues to face significant restrictions, which we confidently continue to navigate, the crisis has strengthened our determination to move further and faster towards a stronger and even more sustainable future. We protected the short-term without compromising the longer-term by continuing to invest, particularly in digital, sustainability and our portfolio. These investments enabled us to provide exceptional service and support for our customers and colleagues, to progress faster towards our 2040 net zero carbon ambition and to seed future revenue streams like Costa, Tropicana and Topo Chico. We also adjusted our cost base to a new reality with more to come.

"So, we are confident about the future, built upon three pillars: great people, great service and great beverages. We are making a difference and believe we have the right foundation, alongside the exciting Coca-Cola Amatil acquisition, to drive sustainable growth and deliver increased shareholder value."

[1] Refer to 'Note Regarding the Presentation of Alternative Performance Measures' for further details

[2] Unit Case = approximately 5.678 litres or 24 8-ounce servings

[3] 25 October 2020 declared €0.85 dividend per share, paid 1 December 2020

[4] Source: NARTD (non-alcoholic ready to drink) Nielsen Global Track Data for ES, PT, DE, GB, FR, BE, NL, SE, NO to YE 27.12.20

FULL-YEAR & Q4 2020 HIGHLIGHTS^[1]

FY Revenue (-11.0%)^[2]

- FY NARTD value share gains across measured channels both in store^[3] (+40pts) & online^[3] (+140pts)
- Comparable volume -10.0%^[4] driven by the impact of the COVID-19 pandemic & some customer disruption as a result of our planned pricing strategy (resolved in August) partially offset by growth in Monster & Coca-Cola Zero Sugar
 - Adverse away from home (AFH) volumes (-27.5%) reflecting outlet closures & restrictive measures, partially offset by growth in the home channel (+1.5%) supported by growth in online grocery^[5] (+44%)
 - Immediate consumption (IC) volumes (-24.5%) significantly impacted in both AFH & home channels reflecting lower consumer mobility. Future consumption (FC) volumes outperformed (-2.0%)
- Revenue per unit case -1.5%^[2] with positive momentum in Q1 (+1.5%) & Q3 (+1.0%) offset by Q2 (-5.0%) & Q4 (-3.5%) reflecting the varying extent of restrictions during the year

Q4 Revenue (-10.5%)^[2]

- Comparable volume -9.5% driven by continued impact of the COVID-19 pandemic across our markets reflecting renewed restrictive measures
 - Decline in AFH volumes (-32.0%) reflecting the increase of restrictive measures & outlet closures
 - Robust home channel volumes (+4.0%) driven by solid Christmas execution & the outperformance of FC packs, partially offset by weaker IC trends
 - Broadly similar volumes across Q4 however weaker volumes in January 2021 reflecting even tougher restrictions
- Reported volumes -7.0% reflecting the benefit of two additional selling days when compared to the prior year
- Revenue per unit case -3.5%^[2] reflecting negative geographic, channel & pack mix

Comparable Operating Profit -28.5%^[2] (Reported Operating Profit -47.5%)

- Cost of sales per unit case +2.5%^[2] reflects the under-recovery of fixed manufacturing costs given lower volumes & adverse mix, offset by the decline in revenue per unit case driving lower concentrate costs
- Comparable operating profit of €1,194m, -28.5%^[2] reflecting revenue declines offset by a reduction in discretionary operating expenses of c.€260m (ahead of guidance of €200-250m)
- Comparable diluted EPS of €1.80 -28.5% (reported -53.0%)

Capital Returns

- Dividends: full-year dividend of €0.85 per share (announced at Q3), maintaining annualised dividend payout ratio of approximately 50%, in line with our policy
- Share buyback: repurchased c.€130m (3m shares) prior to suspension of programme in March

Other

- Generated strong free cash flow of €924m (net cashflows from operating activities of €1,490m)
- ROIC 7.6% (2019: 10.3%) driven by the decline in profit
- CCEP Ventures continued to bring new innovative solutions into the business with 5 new investment partnerships in early stage e-commerce, packaging free & recycling technology businesses
- Unable to provide FY21 outlook guidance given on-going COVID-19 uncertainty

Sustainability

- Announced ambition to reach net zero greenhouse gas (GHG) emissions across our entire value chain by 2040, and to reduce our absolute GHG emissions by 30% by 2030 (vs 2019)
- Closed 2020 at c.41%^[6] recycled plastic (rPET); targeting 50% rPET by 2023
 - Sweden became first 100% rPET market in the Coke system. Norway, the Netherlands & Iceland to transition full portfolio to 100% rPET in 2021
- Retained:
 - on Carbon Disclosures Project's A List for climate change & water security
 - in Dow Jones Sustainability Indices (Europe & World)
 - AAA MSCI ESG rating

[1] Refer to 'Note Regarding the Presentation of Alternative Performance Measures' for further details; Change percentages against prior year equivalent period; [2] Comparable and Fx-Neutral; [3] Instore: NARTD (non-alcoholic ready to drink) Nielsen Global Track Data for ES, PT, DE, GB, FR, BE, NL, SE, NO to YE 27.12.20; Online: Data to w/e GB 26.12.20 (Retailer EPOS), ES FR & NL 27.12.20 (Nielsen); [4] Adjusted for 1 extra selling day in 2020. Reported volumes (9.5)%; [5] Source: Nielsen Top 4 markets (GB FR NL ES) to YE 27.12.20 changes; [6] Unaudited. Provisional. Note: Changes versus equivalent 2019 period

COVID-19 FY20 UPDATE: Respond, recover & build for future led by green & digital

Our rapid response prioritised our people, customers & communities whilst protecting our business for the long-term & building for the future.

Key highlights as follows:

People:

- Implemented comprehensive measures in line with government guidance
- Advanced digital workplace capabilities
- Increased internal communications with colleagues
- Provided extensive emotional & mental well-being support
- Maintained high colleague engagement & progressed on inclusion & diversity

Communities:

- Donated over 600,000 unit cases of product
- Partnered with The Coca-Cola Company to provide substantial financial aid through the Red Cross & other local NGOs

Business continuity:

- Leveraged strong relationships with brand partners & jointly invested behind core brands
- Optimised pack price architecture
- Maintained great customer service levels
- Reallocated resource to capture revenue opportunities
- Leveraged our digital capabilities

Balance sheet & cost mitigation:

- Delivered discretionary opex savings of c.€260m, ahead of targeted €200-250m, & launch of Accelerate Competitiveness efficiency programme (see Supplemental Financial Information - Cost of Sales and Operating Expenses)
 - FY21 opex savings of c.€150m vs. FY19 (combination of permanent discretionary savings from 2020 & new Accelerate Competitiveness savings); FY21 opex expected to be lower than FY19

- Reduced Capex^[1] spend by around a third to c.€360m
- Suspension of share buyback programme
- Maintained solid balance sheet & strong free cash flow generation (net debt/adjusted EBITDA of 3.2 times^[2])
- Maintained strong investment grade debt rating (Moody's A3/P2; S&P BBB+/A2)^[3] with no covenants on our debt or facilities

Acquisition of Coca-Cola Amatil Limited (CCL)

- Entered into binding agreement to acquire CCL on 3 November 2020
- Received Australian Foreign Investment Review Board regulatory approval 29 January 2021
- The Scheme remains subject to other customary conditions, including CCL independent shareholder approval, court approval & the New Zealand Overseas Investment Office regulatory approval
- Further updates will be provided in due course^[4]

[1] Excludes payments of principal on lease obligations; Refer to 'Note Regarding the Presentation of Alternative Performance Measures' for further details. Change vs initial FY20 guidance announced 13 February 2020; [2] As at 31 December 2020. Refer to 'Note Regarding the Presentation of Alternative Performance Measures' for further details; [3] Moody's on review for downgrade; S&P on CreditWatch negative reflecting proposed acquisition of Coca-Cola Amatil; [4] CCEP has not yet made an election as to how they will purchase the remaining 20% of The Coca-Cola Company's shares, but have agreed with The Coca-Cola Company that they will make this election no later than 14 days before the Scheme vote

FULL-YEAR & FOURTH-QUARTER REVENUE PERFORMANCE BY GEOGRAPHY

All values are unaudited, changes versus 2019

Full-Year	As reported			Fx-Neutral
	€ million	% of Total	% change	% change
Great Britain	2,203	21.0 %	(8.5)%	(7.5)%
France (France & Monaco)	1,709	16.0 %	(10.0)%	(10.0)%
Germany	2,270	21.5 %	(6.5)%	(6.5)%
Iberia (Spain, Portugal & Andorra)	2,173	20.5 %	(22.0)%	(22.0)%
Northern Europe ^[1]	2,251	21.0 %	(9.5)%	(8.0)%
Total	10,606	100.0 %	(11.5)%	(11.0)%

Q4	As reported			Fx-Neutral
	€ million	% of Total	% change	% change
Great Britain	565	22.0 %	(11.0)%	(6.5)%
France (France & Monaco)	401	15.5 %	(12.5)%	(12.5)%
Germany	586	22.5 %	(4.0)%	(4.0)%
Iberia (Spain, Portugal & Andorra)	517	20.0 %	(17.0)%	(17.0)%
Northern Europe ^[1]	521	20.0 %	(13.5)%	(12.5)%
Total	2,590	100.0 %	(11.5)%	(10.5)%

^[1] Belgium, Luxembourg, Netherlands, Norway, Sweden & Iceland

Great Britain

- FY & Q4 volume impacted by restrictive measures & outlet closures. Weakness in AFH channel partially offset by home channel volume growth, both online & in store. Coca-Cola Zero Sugar, Monster & Schweppes mixers all grew in Q4
- FY revenue/UC^[1] negatively impacted by the outperformance of the home channel & in particular the growth in FC packs (e.g. large PET +5.0% & multipack cans +23.0%), alongside IC weakness in both channels

France (France & Monaco)

- FY & Q4 volume mainly impacted by AFH outlet closures & hypermarket weakness reflecting lower footfall given restrictions. FY volume benefited from a solid Q3 when AFH outlets reopened & consumer mobility increased, aided by favourable weather. Coca-Cola Zero Sugar, Monster & Capri-Sun all outperformed in Q4
- FY revenue/UC^[1] negatively impacted by channel mix given AFH outlet closures & pack mix due to the

weakness in IC, partially offset by lower promotions

Germany

- FY & Q4 volume impacted by AFH outlet closures, partially offset by the additional border trade business. Coca-Cola Zero Sugar & Monster outperformed, while Vio & Apollinaris underperformed given the brands' exposure to AFH & IC
- FY revenue/UC^[1] driven by the growth in cans due to the additional border trade business, increased promotional efficiency in the home channel & favourable brand mix. This was partially offset by adverse channel mix & pack mix given the outperformance of FC packs

Iberia (Spain, Portugal & Andorra)

- FY & Q4 volume impacted by significant exposure to the AFH channel & weaker tourism trends, particularly in Spain where we over-index in exposure to HoReCa^[2]. The home channel also suffered, partly due to weakness in the cash & carry channel^[3]
- FY revenue/UC^[1] significantly impacted by channel mix given the closure of HoReCa^[2] outlets in addition to negative pack mix (e.g. glass -48.0%)

Northern Europe

- FY & Q4 impacted by negative AFH volumes reflecting outlet closures partially offset by growth in the home channel led by Norway & the Netherlands. Coca-Cola Zero Sugar, Monster & Nalu all grew volumes during Q4
- FY revenue/UC^[1] grew modestly due to positive country & brand mix, offset by adverse channel mix

[1] Revenue per unit case

[2] HoReCa = Hotels, Restaurants & Cafes

[3] Cash & Carry included in home channel for Iberia (~12.5% of 2019 Iberia volume), elsewhere included in AFH channel

Note: All values are unaudited, changes versus equivalent 2019 period; comparable volumes

FULL-YEAR & FOURTH-QUARTER VOLUME PERFORMANCE^[1] BY CATEGORY

Comparable volumes, changes versus 2019

	Q4		YTD	
	% of Total	% Change	% of Total	% Change
Sparkling	90.5 %	(7.0)%	88.5 %	(7.0)%
Coca-Cola™	67.5 %	(7.0)%	66.0 %	(6.5)%
Flavours, Mixers & Energy	23.0 %	(7.0)%	22.5 %	(9.0)%
Stills	9.5 %	(29.0)%	11.5 %	(27.0)%
Hydration	5.0 %	(38.0)%	6.5 %	(34.0)%
RTD Tea, RTD Coffee, Juices & Other ^[2]	4.5 %	(15.5)%	5.0 %	(17.0)%
Total	100.0 %	(9.5)%	100.0 %	(10.0)%

SPARKLING

Coca-Cola™

- Q4 transactions -10.0%^[3], reflecting decline in small glass & PET, partially offset by growth in cans
- Q4 Classic -10.0%; Lights -2.0%, Diet/light taste decline (-10.5%) offset by resilient performance of Coca-Cola Zero Sugar (+1.5%)
- Coca-Cola Zero Sugar: FY20 #1 brand in NARTD for absolute value growth across our markets^[4]

Flavours, Mixers & Energy

- Q4 Fanta -12.0% driven by the impact of COVID-19 on AFH
- Q4 Energy +27.5% reflecting growth in both channels & driven by Monster. Strong growth in Monster multipacks (+54.0%)
- Q4 Schweppes mixers +1.0% in GB reflecting growth in the home channel given switching of AFH occasions. Schweppes mixers gained FY value share in GB^[5]

STILLS

Hydration

- Continued soft performance in Q4 reflecting on-going impact of COVID-19 & exposure to IC

RTD Tea, RTD Coffee, Juices & Other^[2]

- Q4 Fuze Tea -14.5% reflecting soft IC performance due to reduced on-the-go consumption
- Q4 Juice drinks -13.0% reflecting exposure to on-the-go occasions, offset by solid growth in Capri-Sun in GB & France
- Launched Topo Chico Hard Seltzer in three flavours in GB & NL in December. Will launch across other markets in 2021

[1] Adjusted for selling day shifts

[2] RTD refers to Ready To Drink

[3] Defined as the serving container that is ultimately used directly by the consumer. It can be a standalone container or one part of a multipack

[4] Nielsen Strategic Planner FY20 Data to YE 27.12.2020. Countries included are ES, PT, DE, GB, FR, BE, NL, SE & NO

[5] Nielsen Global Track Data for GB to YE 27.12.2020

Note: All values are unaudited, changes versus equivalent 2019 period; comparable volumes

Conference Call

- 11 February 2021 at 12:00 GMT, 13:00 CET and 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

- Financial calendar available here: <https://ir.cocacolaep.com/financial-calendar/>

Results & Presentations

- Previous results & presentations available here:
<https://ir.cocacolaep.com/financial-reports-and-results/financial-releases/default.aspx>

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About CCEP

Coca-Cola European Partners plc is a leading consumer goods company in Western Europe, making, selling & distributing an extensive range of non-alcoholic ready to drink beverages & is the world's largest Coca-Cola bottler based on revenue.

Coca-Cola European Partners serves a consumer population of over 300 million across Western Europe, including Andorra, Belgium, continental France, Germany, Great Britain, Iceland, Luxembourg, Monaco, the Netherlands, Norway, Portugal, Spain & Sweden. The Company is listed on Euronext Amsterdam, the New York Stock Exchange, London Stock Exchange & 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).

Forward-Looking Statements

This document contains statements, estimates or projections that constitute "forward-looking statements" concerning the financial condition, performance, results, strategy and objectives of Coca-Cola European Partners plc and its subsidiaries (together "CCEP"). CCEP's proposed acquisition (the "Acquisition") of Coca-Cola Amatil Limited and its subsidiaries (together "CCL") and the integration of CCL into CCEP. Generally, the words "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 and CCL's historical experience and present expectations or projections, including with respect to the Acquisition. 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 2019 Integrated Report / Annual Report on Form 20-F, including the statements under the following headings: Packaging (such as, refillables and recycled plastic); Perceived health impacts of our beverages and ingredients, and changing consumer preferences (such as sugar alternatives and other ingredients); Legal, regulatory and tax change (such as the development of regulations regarding packaging, taxes and deposit return schemes); Market (such as disruption due to customer negotiations, customer consolidation and route to market); Cyber and social engineering attacks; Competitiveness and transformation; Climate change and water (such as net zero emission legislation and regulation, and resource scarcity); Economic and political conditions (such as the UK's exit from the EU, the EU-UK trade and co-operation agreement, and uncertainty about the future relationship between the UK and EU); The relationship with The Coca-Cola Company and other franchisors; Product quality; and Other risks, such as widespread outbreaks of infectious disease including the adverse impact that the COVID-19 pandemic and related government restrictions and social distancing measures implemented in many of our markets, and any associated economic downturn, may have on our financial results, operations, workforce and demand for our products;*
- 2. those set forth in the "Principal Risks" section of CCEP's 2019 Integrated Report / Annual Report on Form 20-F, as updated in CCEP's Results for the six months ended 26 June 2020 & COVID-19 update and including principal risks under the additional headings: Business continuity (such as government restrictions in our countries of operation); People; and Stakeholders; and*
- 3. risks and uncertainties relating to the Acquisition, including the risk that the businesses will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected, which could result in additional demands on CCEP's resources, systems, procedures and controls, disruption of its ongoing business and diversion of management's attention from other business concerns; the possibility that certain assumptions with respect to CCL or the Acquisition could prove to be inaccurate; the failure to receive, delays in the receipt of, or unacceptable or burdensome conditions imposed in connection with, all required regulatory approvals, shareholder approvals and the satisfaction of closing conditions to the Acquisition; ability to raise financing; the possibility that CCEP and CCL fail to agree upon a scheme implementation agreement; the potential that the Acquisition may involve unexpected liabilities for which there is no indemnity; the potential failure to retain key employees of CCEP and CCL as a result of the proposed Acquisition or during integration of the businesses and disruptions resulting from the proposed Acquisition, making it more difficult to maintain business relationships; the potential if the Acquisition is not completed in a timely manner or at all for (i) negative reaction from financial markets, customers, regulators, employees and other stakeholders, (ii) loss of time spent on an unsuccessful Acquisition, and (iii) litigation related to the Acquisition.*

The full extent to which the COVID-19 pandemic will negatively affect CCEP and/or CCL and the results of their operations, financial condition and cash flows will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental

authorities and other third parties in response to the pandemic.

Due to these risks, CCEP's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set out in forward-looking statements (including those issued by CCL prior to the Acquisition). 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 United States Securities and Exchange Commission ("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. Furthermore, CCEP assumes no responsibility for the accuracy and completeness of any forward-looking statements. Any or all of the forward-looking statements contained in this filing and in any other of CCEP's public statements (whether prior or subsequent to the Acquisition) may prove to be incorrect.

Note Regarding the Presentation of Alternative Performance Measures

We use certain alternative performance measures (non-GAAP performance measures) to make financial, operating and planning decisions and to evaluate and report performance. We believe these measures provide useful information to investors and as such, where clearly identified, we have included certain alternative performance measures in this document to allow investors to better analyse our business performance and allow for greater comparability. To do so, we have excluded items affecting the comparability of period-over-period financial performance as described below. The alternative performance measures included herein should be read in conjunction with and do not replace the directly reconcilable GAAP measure.

For purposes of this document, the following terms are defined:

"As reported" are results extracted from our consolidated financial statements.

"Comparable" is defined as results excluding items impacting comparability, such as restructuring charges, out of period mark-to-market impact of hedges and net tax items relating to rate and law changes. Comparable volume is also adjusted for selling days.

"Fx-neutral" is defined as comparable results excluding the impact of foreign exchange rate changes. Foreign exchange impact is calculated by recasting current year results at prior year exchange rates.

"Capex" or **"Capital expenditures"** is defined as purchases of property, plant and equipment and capitalised software, plus payments of principal on lease obligations, less proceeds from disposals of property, plant and equipment. Capex is used as a measure to ensure that cash spending on capital investment is in line with the Group's overall strategy for the use of cash.

"Free cash flow" is defined as net cash flows from operating activities less capital expenditures (as defined above) and interest paid. Free cash flow is used as a measure of the Group's cash generation from operating activities, taking into account investments in property, plant and equipment and non-discretionary lease and interest payments. Free cash flow is not intended to represent residual cash flow available for discretionary expenditures.

"Adjusted EBITDA" is calculated as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), after adding back items impacting the comparability of year over year financial performance. Adjusted EBITDA does not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs, and although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements.

"Net Debt" is defined as the net of cash and cash equivalents less currency adjusted borrowing. We believe that

reporting net debt is useful as it reflects a metric used by the Group to assess cash management and leverage. In addition, the ratio of net debt to adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

"ROIC" is defined as comparable operating profit after tax divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity less cash and cash equivalents. ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business.

"Dividend Payout Ratio" is defined as dividends as a proportion of comparable profit after tax.

Additionally, within this document, we provide certain forward-looking non-GAAP financial information, which management uses for planning and measuring performance. We are not able to reconcile forward-looking non-GAAP measures to reported measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability throughout year.

Unless otherwise stated, percent amounts are rounded to the nearest 0.5%.

Supplementary Financial Information - Income Statement

The following provides a summary reconciliation of CCEP's reported and comparable results for the periods presented:

Full year 2020 <i>Unaudited, in millions of € except per share data which is calculated prior to rounding</i>	As Reported	Items Impacting Comparability			Comparable	
	CCEP	Mark-to-market effects ^[1]	Restructuring Charges ^[2]	Acquisition Related Costs ^[3]	Net tax ^[4]	CCEP
Revenue	10,606	-	-	-	-	10,606
Cost of sales	6,871	-	(62)	-	-	6,809
Gross profit	3,735	-	62	-	-	3,797
Operating expenses	2,922	(2)	(306)	(11)	-	2,603
Operating profit	813	2	368	11	-	1,194
Total finance costs, net	111	-	-	(3)	-	108
Non-operating items	7	-	-	-	-	7
Profit before taxes	695	2	368	14	-	1,079
Taxes	197	-	103	3	(45)	258
Profit after taxes	498	2	265	11	45	821
Diluted earnings per share (€)	1.09	-	0.58	0.03	0.10	1.80

Diluted weighted average shares outstanding 456

Full year 2019 <i>Unaudited, in millions of € except per share data which is calculated prior to rounding</i>	As Reported	Items Impacting Comparability		Comparable	
	CCEP	Mark-to-market effects ^[1]	Restructuring Charges ^[2]	Net tax ^[4]	CCEP
Revenue	12,017	-	-	-	12,017
Cost of sales	7,424	(1)	-	-	7,423
Gross profit	4,593	1	-	-	4,594

Operating expenses	3,045	3	(130)	-	2,918
Operating profit	1,548	(2)	130	-	1,676
Total finance costs, net	96	-	-	-	96
Non-operating items	(2)	-	-	-	(2)
Profit before taxes	1,454	(2)	130	-	1,582
Taxes	364	(1)	36	(2)	397
Profit after taxes	1,090	(1)	94	2	1,185
Diluted earnings per share (€)	2.32	-	0.21	-	2.53

Diluted weighted average shares outstanding **469**

[1] Amounts represent the net out-of-period mark-to-market impact of non-designated commodity hedges.

[2] During the full-year 2020, we recognised restructuring charges totalling €368million, which include €202 million related to Accelerate Competitiveness proposals announced in October 2020. These proposals are aimed at reshaping CCEP using technology enabled solutions to improve productivity and include the closure of certain production sites in Germany and Iberia.

[3] Amounts represent costs associated with the proposed acquisition of Coca-Cola Amatil Limited.

[4] Amounts include the deferred tax impact related to income tax rate and law changes.

Supplemental Financial Information - Revenue

Revenue

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.

	Fourth Quarter Ended			Year Ended		
	31 December 2020	31 December 2019	% Change	31 December 2020	31 December 2019	% Change
As reported	2,590	2,933	(11.5)%	10,606	12,017	(11.5)%
Adjust: Total items impacting comparability	-	-	- %	-	-	- %
Comparable	2,590	2,933	(11.5)%	10,606	12,017	(11.5)%

Adjust: Impact of fx changes	36	n/a	(1.0)%	75	n/a	(0.5)%
Comparable & fx-neutral	2,626	2,933	(10.5)%	10,681	12,017	(11.0)%
Revenue per unit case	4.59	4.76	(3.5)%	4.69	4.77	(1.5)%

Revenue by Geography <i>In millions of €</i>	Fourth Quarter Ended 31 December 2020			Year Ended 31 December 2020		
	As reported	Reported % change	Fx-Neutral % change	As reported	Reported % change	Fx-Neutral % change
Iberia ^[1]	517	(17.0)%	(17.0)%	2,173	(22.0)%	(22.0)%
Germany	586	(4.0)%	(4.0)%	2,270	(6.5)%	(6.5)%
Great Britain	565	(11.0)%	(6.5)%	2,203	(8.5)%	(7.5)%
France ^[2]	401	(12.5)%	(12.5)%	1,709	(10.0)%	(10.0)%
Belgium/Luxembourg				892	(11.0)%	
Netherlands				529	(12.0)%	
Norway				423	(3.0)%	
Sweden				337	(8.0)%	
Iceland				70	(17.5)%	
Northern Europe	521	(13.5)%	(12.5)%	2,251	(9.5)%	(8.0)%
Total	2,590	(11.5)%	(10.5)%	10,606	(11.5)%	(11.0)%

^[1] Iberia refers to Spain, Portugal & Andorra.

^[2] France refers to continental France & Monaco.

**Comparable Volume - Selling
Day Shift**

<i>In millions of unit cases, prior period volume recast using current year selling days</i>	Fourth Quarter Ended			Year Ended		
	31 December 2020	31 December 2019	% Change	31 December 2020	31 December 2019	% Change
Volume	572	616	(7.0)%	2,277	2,521	(9.5)%

Impact of selling day shift	n/a	16	n/a	n/a	8	n/a
Comparable volume - Selling Day Shift adjusted	572	632	(9.5)%	2,277	2,529	(10.0)%

Comparable Volume by Brand Category <i>Adjusted for selling day shift</i>	Fourth Quarter Ended			Year Ended		
	31 December 2020	31 December 2019	Volume % Change	31 December 2020	31 December 2019	% Change
	% of Total	% of Total		% of Total	% of Total	
Sparkling	90.5 %	88.0 %	(7.0)%	88.5 %	86.0 %	(7.0)%
Coca-Cola™	67.5 %	65.5 %	(7.0)%	66.0 %	63.5 %	(6.5)%
Flavours, Mixers & Energy	23.0 %	22.5 %	(7.0)%	22.5 %	22.5 %	(9.0)%
Stills	9.5 %	12.0 %	(29.0)%	11.5 %	14.0 %	(27.0)%
Hydration	5.0 %	7.0 %	(38.0)%	6.5 %	8.5 %	(34.0)%
RTD Tea, RTD Coffee, Juices & Other ^[1]	4.5 %	5.0 %	(15.5)%	5.0 %	5.5 %	(17.0)%
Total	100.0 %	100.0 %	(9.5)%	100.0 %	100.0 %	(10.0)%

[1] RTD refers to Ready To Drink.

Supplemental Financial Information - Cost of Sales and Operating Expenses

Cost of Sales

Cost of Sales <i>In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.</i>	Year Ended		
	31 December 2020	31 December 2019	% Change
As reported	6,871	7,424	(7.5)%
Adjust: Total items impacting comparability	(62)	(1)	(1.0)%
Comparable	6,809	7,423	(8.5)%
Adjust: Impact of fx changes	54	n/a	(1.0)%
Comparable & fx-neutral	6,863	7,423	(7.5)%
Cost of sales per unit case	3.01	2.94	2.5 %

Reported cost of sales were €6,871 million, down 7.5 percent. Comparable cost of sales were €6,809 million, down 8.5 percent on a comparable basis and 7.5 percent on a comparable and fx-neutral basis. Cost of sales per unit case increased by 2.5 percent on a comparable and fx-neutral basis. This reflects the impact of the under-

recovery of fixed manufacturing costs given lower volumes & adverse mix, offset by the decline in revenue per unit case driving lower concentrate costs.

Operating Expenses

Operating Expenses	Year Ended		% Change
	31 December 2020	31 December 2019	
<i>In millions of €. FX impact calculated by recasting current year results at prior year rates.</i>			
As reported	2,922	3,045	(4.0)%
Adjust: Total items impacting comparability	(319)	(127)	(7.0)%
Comparable	2,603	2,918	(11.0)%
Adjust: Impact of fx changes	16	n/a	(1.0)%
Comparable & fx-neutral	2,619	2,918	(10.0)%

Reported operating expenses were €2,922 million, down 4.0 percent. Comparable operating expenses were €2,603 million, down 11.0 percent on a comparable basis and 10.0 percent on a comparable and fx-neutral basis. Lower volumes resulted in a reduction of variable expenses, such as distribution costs. Operating expenses also benefited from a reduction in discretionary spend, partially offset by our continued investments for the future in areas such as our digital capabilities.

During the full-year 2020, we recognised restructuring charges totalling €368million, which include €202 million related to Accelerate Competitiveness proposals announced in October 2020. These proposals are aimed at reshaping CCEP using technology enabled solutions to improve productivity and include the closure of certain production sites in Germany and Iberia.

Effective Tax Rate

The effective tax rate was 28 percent and 25 percent for the years ended 31 December 2020 and 31 December 2019, respectively.

The increase in effective tax rate to 28 percent from 2019 is largely due to the remeasurement of deferred tax positions following tax rate changes in United Kingdom and the Netherlands, offset by changes in profit mix and the impact of lower corporate income tax rates in France and Belgium.

The comparable effective tax rate was 24 percent and 25 percent for the years ended 31 December 2020 and 31 December 2019, respectively.

Supplemental Financial Information - Free Cash Flow

Free Cash Flow	Year Ended	
	31 December 2020	31 December 2019
<i>In millions of €</i>		
Net cash flows from operating activities	1,490	1,904

Less: Purchases of property, plant and equipment	(348)	(506)
Less: Purchases of capitalised software	(60)	(96)
Less: Interest paid, net	(91)	(86)
Add: Proceeds from sales of property, plant and equipment	49	11
Less: Payments of principal on lease obligations	(116)	(128)
Free Cash Flow	924	1,099

Supplemental Financial Information - Borrowings

Net Debt <i>In millions of €</i>	As at		Credit Ratings <i>As of 11 February 2021</i>	Moody's	Standard & Poor's
	31 December 2020	31 December 2019			
Total borrowings	7,187	6,421	Long-term rating	A3	BBB+
Add: fx impact of non-EUR borrowings	36	6	Outlook	On review for downgrade	On CreditWatch negative
Adjusted total borrowings	7,223	6,427	Note: Rating outlooks were updated to reflect proposed acquisition of Coca-Cola Amatil Limited. Our credit ratings can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions and working capital management activities of TCCC and/or changes in the credit rating of TCCC. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.		
Less: cash and cash equivalents	(1,523)	(316)			
Net debt	5,700	6,111			

Supplemental Financial Information - Adjusted EBITDA

Adjusted EBITDA <i>In millions of €</i>	Year Ended	
	31 December 2020	31 December 2019
Reported profit after tax	498	1,090
Taxes	197	364
Finance costs, net	111	96
Non-operating items	7	(2)

Reported operating profit	813	1,548
Depreciation and amortisation	727	639
Reported EBITDA	1,540	2,187
Items impacting comparability		
Mark-to-market effects ^[1]	2	(2)
Restructuring charges ^[2]	247	92
Adjusted EBITDA	1,789	2,277
Net Debt to EBITDA	3.70	2.79
Net Debt to Adjusted EBITDA	3.19	2.68

[1] Amounts represent the net out-of-period mark-to-market impact of non-designated commodity hedges.

[2] Amounts represent restructuring charges related to business transformation activities, excluding accelerated depreciation included in the depreciation and amortisation line.

Supplemental Financial Information - Return on invested capital

ROIC	Year Ended	
	31 December 2020	31 December 2019
<i>In millions of €</i>		
Comparable operating profit^[1]	1,194	1,676
Taxes ^[2]	(286)	(421)
Comparable operating profit after tax	908	1,255
Opening borrowings less cash and cash equivalents	6,105	5,631
Opening equity	6,156	6,564
Opening Invested Capital	12,261	12,195
Closing borrowings less cash and cash equivalents	5,664	6,105
Closing equity	6,025	6,156

Closing Invested Capital	11,689	12,261
Average Invested Capital	11,975	12,228
ROIC	7.6 %	10.3 %

[1] Reconciliation from reported operating profit to comparable operating profit is included in Supplementary Financial Information - Income Statement section.

[2] Tax rate used is the comparable effective tax rate for the year (2020: 23.9%; 2019: 25.1%).

Coca-Cola European Partners plc

Consolidated Income Statement (Unaudited)

	Year ended	
	31 December 2020	31 December 2019
	€ million	€ million
Revenue	10,606	12,017
Cost of sales	(6,871)	(7,424)
Gross profit	3,735	4,593
Selling and distribution expenses	(1,939)	(2,258)
Administrative expenses	(983)	(787)
Operating profit	813	1,548
Finance income	33	49
Finance costs	(144)	(145)
Total finance costs, net	(111)	(96)

Non-operating items	(7)	2
Profit before taxes	695	1,454
Taxes	(197)	(364)
Profit after taxes	498	1,090
Basic earnings per share (€)	1.09	2.34
Diluted earnings per share (€)	1.09	2.32

The financial information presented in the unaudited consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows within this document does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This financial information has been extracted from CCEP's consolidated financial statements which will be delivered to the Registrar of Companies in due course.

Coca-Cola European Partners plc

Consolidated Statement of Financial Position (Unaudited)

	31 December 2020	31 December 2019
	€ million	€ million
ASSETS		
Non-current:		
Intangible assets	8,414	8,506
Goodwill	2,517	2,520
Property, plant and equipment	3,860	4,205
Non-current derivative assets	6	3
Deferred tax assets	27	27
Other non-current assets	337	321

Total non-current assets	15,161	15,582
Current:		
Current derivative assets	40	12
Current tax assets	19	18
Inventories	681	723
Amounts receivable from related parties	150	106
Trade accounts receivable	1,439	1,669
Other current assets	224	259
Cash and cash equivalents	1,523	316
Total current assets	4,076	3,103
Total assets	19,237	18,685
LIABILITIES		
Non-current:		
Borrowings, less current portion	6,382	5,622
Employee benefit liabilities	283	221
Non-current provisions	83	54
Non-current derivative liabilities	15	13
Deferred tax liabilities	2,134	2,203
Non-current tax liabilities	131	254
Other non-current liabilities	44	47
Total non-current liabilities	9,072	8,414
Current:		
Current portion of borrowings	805	799
Current portion of employee benefit liabilities	13	17
Current provisions	154	142
Current derivative liabilities	62	28

Current tax liabilities	171	95
Amounts payable to related parties	181	249
Trade and other payables	2,754	2,785
Total current liabilities	4,140	4,115
Total liabilities	13,212	12,529
EQUITY		
Share capital	5	5
Share premium	192	178
Merger reserves	287	287
Other reserves	(537)	(449)
Retained earnings	6,078	6,135
Total equity	6,025	6,156
Total equity and liabilities	19,237	18,685

Coca-Cola European Partners plc Consolidated Statement of Cash Flows (Unaudited)

	Year ended	
	31 December 2020	31 December 2019
	€ million	€ million
Cash flows from operating activities:		
Profit before taxes	695	1,454
Adjustments to reconcile profit before tax to net cash flows from operating activities:		
Depreciation	665	587
Amortisation of intangible assets	62	52

Share-based payment expense	14	15
Finance costs, net	111	96
Income taxes paid	(273)	(270)
Changes in assets and liabilities:		
Decrease in trade and other receivables	208	5
Decrease/(increase) in inventories	34	(25)
(Decrease)/increase in trade and other payables	53	(63)
Increase/(decrease) in net payable / receivable from related parties	(112)	59
(Decrease)/increase in provisions	43	(57)
Change in other operating assets and liabilities	(10)	51
Net cash flows from operating activities	1,490	1,904
Cash flows from investing activities:		
Purchases of property, plant and equipment	(348)	(506)
Purchases of capitalised software	(60)	(96)
Proceeds from sales of property, plant and equipment	49	11
Investments in equity instruments	(11)	(8)
Net cash flows used in investing activities	(370)	(599)
Cash flows from financing activities:		
Proceeds from borrowings, net	1,598	987
Changes in short-term borrowings	(221)	101
Repayments on third party borrowings	(569)	(625)
Payments of principal on lease obligations	(116)	(128)
Interest paid, net	(91)	(86)
Dividends paid	(386)	(574)
Purchase of own shares under share buyback programme	(129)	(1,005)
Exercise of employee share options	14	26

Other financing activities, net	-	2
Net cash flows used in financing activities	100	(1,302)
Net change in cash and cash equivalents	1,220	3
Net effect of currency exchange rate changes on cash and cash equivalents	(13)	4
Cash and cash equivalents at beginning of period	316	309
Cash and cash equivalents at end of period	1,523	316

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