

**COCA-COLA EUROPACIFIC PARTNERS**  
**FY 2025 Preliminary Results**  
**Analyst Call Transcript**  
**17 February 2026**

**CORPORATE PARTICIPANTS OF PREPARED REMARKS**

Damian Gammell - CEO

Ed Walker - CFO

Sarah Willett - VP, Investor Relations & Corporate Strategy

**PREPARED REMARKS**

*Sarah Willett: Introduction*

*Thank you all for joining. I'm here with Damian Gammell, our CEO and our CFO, Ed Walker who will make prepared remarks followed by Q&A.*

*Before we begin, our cautionary statements. This call will contain forward-looking management comments and other statements reflecting our outlook. These should be considered in conjunction with the cautionary language contained in today's release, as well as the detailed cautionary statements found in reports filed with the UK, U.S., Dutch, and Spanish authorities.*

*A copy of this information is available on our website on which a full transcript will be made available as soon as possible.*

*Unless otherwise stated, metrics presented today will be on a comparable and FX neutral basis. They will be presented on an adjusted comparable basis, thus reflecting the results of CCEP and our Australia, Pacific & Southeast Asia business unit (APS) as if the Philippines transaction had occurred at the beginning of last year, rather than in February when it completed.*

*Now over to Damian.*

### ***Damian Gammell: Executing on our value creation strategy***

*Thank you, Sarah, and thank you all for joining.*

*First, I want to thank our colleagues for their hard work and dedication to this great business. Strong brand partnerships and our people continue to drive us forward whilst making CCEP a great place to work.*

*We are executing on our value creation strategy. Over the last three years, we generated €4bn of value for our retail customers, returned €4bn to shareholders through dividends and buybacks and delivered healthy 90% TSR.*

*We are a consistent top and bottom-line compounder and generate significant cash enabling record investment in growth.*

### ***Damian Gammell: FY25 Key messages***

*2025 has been another strong year for CCEP leading the way in FMCG in creating value for our customers across our markets and in innovative & growing categories. We delivered robust topline growth, especially in our away from home channel and grew market share. I am particularly pleased with our progress on mix which Ed will talk more to later.*

*Productivity efficiencies supported resilient profit growth. We generated strong free cash flow and grew shareholder returns.*

*All whilst having laid the foundations for 2026 and beyond, including delivery of strategic portfolio changes which are now largely behind us.*

### ***Damian Gammell: FY25 Key metrics***

*Across all key financial metrics FY25 has been a record year for CCEP as we approach our 10<sup>th</sup> birthday in May – for revenue, profit, FCF and returns!*

*Revenue reflects strong execution and solid revenue-per-case gains.*

*Volumes grew in both Home and Away from Home, with strong growth in zeros up around 6%. This helped offset portfolio changes, softer trends in Indonesia, and softer volumes in Germany and in France, impacted by the higher sugar tax.*

*The category remains really attractive for our consumers and customers and indeed is as competitive as ever. Price relevance across all occasions remains key with value continuing to play a role for shoppers in our developed markets.*

*In our emerging markets we continue to focus on entry level affordability to build the category.*

*In 2025 we continued to build our total beverage offering, leveraging our diverse brand and pack range and our capabilities in revenue and margin growth management.*

*The NARTD category remains profitable and growing - up around 6% in value terms. That included volume growth, with Europe up 2% and APS up 5%. We were the number 1 in FMCG, with value share up 20 basis points, driven by APS.*

*Opex efficiencies supported operating profit growth of 7.1%, with margin expansion in Europe and APS.*

*This all supported strong free cash flow of just over €1.8bn after investing well over €900m in capacity, coolers, technology, and digital. And we returned just under €2bn to shareholders, including €1bn from last year's buyback programme.*

*Ed will cover the financials in more detail shortly.*

### ***Damian Gammell: Great people***

*Our performance reflects our great people, great brands and great execution, all done sustainably. Now a quick look back at each.*

*We were again recognised as a Top Employer. And we welcomed over 100 new colleagues via our new shared service centre in Manila, a key enabler of future productivity.*

*And we're continuing to build the capabilities of our teams. For example, we're accelerating digital and AI training to equip everyone at CCEP with the mindset, skills and confidence to unlock value from our investments in tech and AI. More on that later.*

### ***Damian Gammell: Great brands***

*Now to our great brands. Just to touch on a few points given the detail in today's release.*

*We started making bolder moves with Coke, in both Original Taste and Zero Sugar, with new eye-catching and impactful campaigns. On Diet Coke, we launched This is My Taste, supporting an improved performance, particularly in its biggest market, GB.*

*In Flavours, new variants and zeros are an increasing focus. For example, Sprite did well supported by new Green Apple X and new listings.*

*Monster had another terrific year with volumes up nearly 20 per cent, driving share gains of 200 basis points. New launches like Juiced Rio Punch, the runaway success of Lando Norris, the enduring success of core variants and more coolers supported performance.*

*In Ready to Drink Tea, the Nestea transition in Iberia was a success with Fuze Tea now leading the category!*

*The ARTD category grew by around 10% in value and we grew share. We introduced multipacks in grocery, launched Bacardi & Coke & flavour variants of the wider offerings and we commenced the transition away from Suntory.*

*And finally, the sports category continued to perform well driven by Aquarius in Spain and Powerade in Australia.*

### ***Damian Gammell: Great execution***

*Great execution focuses on selling to more people, more often, through increased penetration, incidence and spend per trip. With more volume we leverage R&MGM to create more value. Delivered every day by our field sales force of over 12,000 colleagues.*

*This slide gives just a few examples. Through amazing displays, social media channels or increasingly via retail media. Our own MyCCEP customer portal closed the year delivering a huge €2.5bn of CCEP's total revenue.*

*We've made great progress with rolling out more Coke and Monster coolers to drive greater distribution and impulse purchasing, placing over 75k more coolers.*

*We continue to focus on choice including premiumisation, be it through mini-cans in France and Spain, mini-PET in Australia or more returnable glass. And with affordability remaining relevant for more consumers, we're also focused on delivering value for money, through extra fill on PET or extra cans in multipacks.*

### *Damian Gammell: Done sustainably*

*And now onto sustainability.*

*We remain on CDP's Climate A-List for a 10th year.*

*Packaging collection progress continued, including the imminent launch of DRS in Portugal and preparing for GB next year, and we invested in new clean-tech solutions via CCEP Ventures.*

*All contributing to our decarbonisation journey proof of which you see here.*

*Now over to Ed to talk about the financials in more detail.*

### *Ed Walker: FY25 Financial summary*

*Thanks Damian and thank you all for joining us.*

*We delivered revenue of €20.9bn, an increase of 2.8% with comparable volumes marginally ahead. For the year as a whole, transactions were in-line with volume, though ahead in Europe. The trend however improved in Q4, with immediate consumption or single-serve volumes running ahead of future consumption formats.*

*We delivered strong revenue per unit case growth of 2.9%. Over a third of this came from brand and pack mix which we're really pleased with, driven by areas such as more coolers and the growth in Monster. Our revenue per unit case growth also reflected headline pricing and promotional optimisation, whilst ensuring affordability on key packs, and the impact of the French sugar tax increase.*

*Cost of sales per unit case increased by 2.7%. This reflects our increased revenue per unit case, driving higher concentrate costs through the incidence pricing model, and the increase in soft drinks taxes in GB and France.*

*Opex as a percentage of revenue was 22.1%, an improvement of 40 basis points driven by continued productivity gains.*

*These elements all combined to drive operating profit of €2.8bn, up 7.1%, and an operating margin of 13.4%, an expansion of around 50 basis points, including an improvement in our gross margin.*

*We delivered diluted earnings per share of €4.11 up 6.2% on a comparable basis. The share buyback drove EPS accretion, though this was offset by the*

*expected increase in our effective tax rate to 26% and higher interest as we refinance maturing debt at higher interest rates.*

*Free cash flow remains a key priority, and we delivered another strong result of just over €1.8 billion. This was after capex investment of nearly €1bn in key projects such as: new aseptic capabilities, a new canning line at our Queensland site, the start of construction of a new site outside of Manila, new ARTD capacity, more coolers and the continued development of digital, AI and SAP S4 Hana.*

*And our investment continues to deliver strong returns, with ROIC up 70 basis points to 11.5%.*

*And finally, we returned €1.9bn euros to shareholders through our dividend at €2.04 cents per share, and the buyback of €1bn.*

### ***Ed Walker: Market spotlight GB***

*Before moving on to talk to productivity and cash, we wanted to highlight a couple of markets. Starting with GB – our largest single revenue market which has just celebrated its 125th anniversary since the sale of its first Coke.*

*GB had a fantastic year with revenue growing almost 6% and volume growth in both channels, with Away from Home benefiting from several new customer wins like Arsenal football club, Fullers and Jet2.*

*Our zeros portfolio saw another strong performance from Coca-Cola Zero & Diet Coke supported by the Jamie Dornan ‘This is My Taste’ campaign and the Diet Coke & Cherry flavour extension.*

*Given the greater size of the energy category than in other markets, GB enjoyed more benefit from the growth of Monster, supported by the launch of more multipacks for at Home consumption. Another top performer was Dr Pepper where a push on Zero and the latest Cherry Crush variant, helped the brand become the fastest growing sparkling soft drink in Europe.*

### ***Ed Walker: Market spotlight Australia***

*Now to APS and Australia which delivered topline performance, excluding alcohol, of an impressive 7%, its strongest growth for many years.*

*Share gains in sparkling, energy and sports supported low single digit volume growth, driven by Coke Zero in single-serve and multi-pack PET, Monster Ultra White and the new grape variant of Powerade. We also saw good growth in our*

*coffee brand Grinders, which supplies beans and ground coffee to the home and away from home channel.*

*While we continue with the transition away from Suntory this year, new ARTD brands, aligned with The Coca-Cola Company are now entering the market providing a great growth platform. A bit more on that later.*

***Ed Walker: Consistent efficiency savings driving lower opex % of revenue***

*Now onto efficiency and productivity where, as you know, we have a proven track record, with a consistent reduction in opex as a % of revenue.*

*Our current programme will deliver between 350 and 400 million euros of savings by 2028 and is on track.*

*We continue to optimise our network. During the year we reduced the number of distribution sites in Germany, consolidated production in Paris into our Grigny facility and closed 3 single-line sites in Indonesia.*

*And as Damian mentioned earlier, we opened a new shared service centre in Manila, enabling us to centralise activities, harmonising processes and driving efficiency - all enabled by tech.*

***Ed Walker: Strong free cashflow supporting investment & strong balance sheet***

*Turning now to cash and the balance sheet.*

*Another strong year of free cash flow generation with over €1.8bn translating into a healthy FCF conversion to net profit ratio.*

*And within this we invested over €1 billion in capex and restructuring initiatives.*

*The strength of our cash generation has driven sustained deleveraging, with net debt to EBITDA of just below 2.7x, comfortably in our guidance range of 2.5 to 3x.*

*Our debt has a balanced weighted average maturity of around 5 years. Given we refinance around €1 billion a year, much of which related to the acquisition of Amatil when rates were lower, we expect a modest increase in annual interest expense, whilst retaining an overall low weighted average cost of debt below 2.5%.*

***Ed Walker: Consistent & disciplined focus on capital allocation***

*Which brings me onto our capital allocation framework which is unchanged.*

*We remain focused on ensuring we maintain a strong and flexible balance sheet, operating ideally towards the bottom end of our leverage range and with a strong investment grade rating.*

*Our guidance on capital investment is unchanged for 2026. And we continue to remain alert to value accretive M&A should an opportunity arise.*

*We remain committed to delivering growing shareholder returns. These comprise our annual dividend payout ratio of around 50%, which grows with earnings, and we are pleased to announce a further €1 billion share buyback to be executed over the coming year.*

*Thank you. Now back to Damian.*

***Damian Gammell: Winning today, creating tomorrow***

*Thank you, Ed.*

*So, we're delivering strong results today, but our focus is also firmly on delivering tomorrow.*

*We're winning because we operate in growing, profitable categories, with meaningful share and unmatched scale and execution across our supply chain and frontline teams. Our geographic expansion from Europe into APS provides us with a powerful and diverse platform.*

*We're scaling capabilities, investing behind our brands with our partners and driving the impact of tech and digital from revenue through to productivity. All whilst executing multi-year ROIC accretive investment plans that set us up for long-term value creation.*

*And above all, we remain committed to maximising returns for all our shareholders.*

***Damian Gammell: Operating in growing markets in diverse channels***

*A brief reminder of a slide we've shared before. Simply put, we are in the right categories. We are well positioned, from a portfolio, channel & geographical perspective across our 31 wonderful markets. And we've got meaningful share of our core NARTD category, the largest FMCG category in retail.*

### *Damian Gammell: Total Beverage Portfolio*

*We have the privilege to move, make and sell the world's best beverage brands. We have a total beverage portfolio that addresses all drinking occasions across the day.*

*The category is growing not just in total but across all sub-categories and even more so with zeros. So, having a zero option for every occasion and across pack sizes too, provides consumers with unmatched choice making our portfolio more accessible than ever.*

### *Damian Gammell: Best-in-class RMGM supports...*

*Which brings me on to R&MGM strategy which of course goes way beyond pricing as we continue to balance premiumisation with affordability. We know that value is playing a role for a lot of consumers, but we also know they love innovation and excitement. As the category leader, we take the role of bringing this to the consumer - more taste innovation with new flavours, more pack innovation and more promotional innovation with more win mechanics and value add.*

*All brought to life with examples on this slide and those that follow - with plenty more to go for as we become even more sophisticated, leveraging data, AI and insights.*

### *Damian Gammell: Bolder moves on Coke*

*So now to what's in store from our brands in 2026.*

*Starting with Coke, as I've talked to before, we need bolder moves to drive category volume. 2025 had plenty of highlights. But we have only just begun, and I'm really excited about what is coming this year with almost too much to put on one slide!*

*High profile activations linked to the FIFA World Cup and the English Premier League are already in play. We are continuing to reinvigorate Diet Coke through the exciting Devil Wears Prada movie sequel collaboration.*

*And we've a number of packaging innovations like the Gen Z focused graphics on the new 500ml Coke Classic can, new retro flavours like cherry float and a new black 007 identity for our caffeine-free platform.*

### ***Damian Gammell: Fanta, Sprite & Sports***

*There's also lots to come across flavours and sports. More innovation, including Sour Cherry & Apple is on the way for Fanta, focusing on faster growing zeros, whilst tapping into Gen-Z passion points through gaming platforms.*

*You'll be seeing new packaging for Sprite with an icy explosion of sensory chill refreshment from a new fresh Lemon mint flavour. In Sports, we will see new flavour editions in Powerade and new sports cap packs, alongside World Cup activations. And BodyArmor has just been launched in a variety of flavours in Spain and New Zealand.*

### ***Damian Gammell: Energy***

*I referenced earlier the strength of Energy last year, with strong share gains and volume growth in a category that has evolved from functional to mainstream with broadening consumer appeal.*

*There remains plenty of headroom for growth and our focus is clear: more coolers, more distribution and more innovation. This, including zeros, continues to drive incremental growth supported by great marketing assets. Lando Norris was the #1 energy SKU in Europe last year in retail so let's see what happens with Viking Berry and others coming this year!*

### ***Damian Gammell: Stronger portfolio***

*We're strengthening in RTD tea and ARTD segment. Suntory distribution has now ended, positioning us for a stronger, more integrated platform whilst leveraging nearly 20 years of expertise in the category. While this creates a near-term headwind, it is the right decision for the long-term. And more broadly across CCEP, there is so much to look forward this year, including the launch of Bacardi Spiced Rum & Coke.*

*The Fuze tea transition in Iberia I've already touched on, which I'm confident will only get stronger from here. And in Indonesia, Frestea was relaunched with new flavours and a fresh look. Early days but the Blackcurrant variant closed the year as the #1 flavoured tea!*

### *Damian Gammell: Indonesia exciting long-term opportunity*

*Which brings me onto Indonesia.*

*Indonesia had a challenging year, with the macroeconomic slowdown impacting consumer demand, affecting local and international brands alike. NARTD volumes excluding water were down double digits, and our own volumes were consistent with that trend, albeit with an improving performance in the second half.*

*Sparkling performed better, with an encouraging exit rate, supported by Zeros, where mix increased from 3% to 7%. Black tea however remained under pressure, though flavoured tea continued to perform better.*

*We continue to push on at pace with our transformation as we unlock the long-term opportunity for growth.*

*We have strong innovation and brand plans in place, focusing on sparkling and tea, and we've delivered major network change moving from eight plants to five, whilst optimising our logistics through third-party partnerships. And despite the significant change agenda, including a new route to market, which I'll briefly talk to next, our people are energised by the changes being made. Recognised by retaining Top Employer status.*

### *Damian Gammell: Indonesia transformation of RTM complete.....*

*Our new distributor led route to market enables us to expand availability and optimise cost to serve. It's anchored in building a robust network of bigger and better distributors, partners with deep regional knowledge and strong ties to local communities, wholesalers and retailers. These distributors have true accountability, shifting from service providers to active sellers with skin in the game.*

*We've grown our distributor base from zero to 182 partners operating across 300 distribution points, now with a salesforce of more than 1,700 people in market, an increase by around a quarter. Early results are encouraging, with more distribution points being gained on a sustained basis.*

### *Damian Gammell: Philippines another year of great delivery*

*The Philippines delivered another great year despite cycling strong comparables, adverse weather and like Indonesia, they're not immune from the macros.*

*Revenue grew around 3%, delivering record high sparkling value share of 77% supported by customer wins like the 1,300 strong Angel's burger chain.*

*EBIT margins expanded by around 150 basis points so well on track to its 10% target, driven by profitable top line growth and efficiency delivery.*

*Ed and I were over there last month for the annual field sales rally with high energy levels and optimism carrying into 2026!*

*We saw solid commercial plans led by Coke Trademark, where we expect Coke Zero to continue to gain momentum, having grown 20% last year. We're building on the energy opportunity, having really only entered the category recently and to support our growth ambitions, we broke ground on one of our largest infrastructure investments to date, the new plant in Tarlac just outside of Manila.*

### ***Damian Gammell: Accelerating digital & AI capabilities across the business***

*As we've mentioned already, our capex investments include digital and tech, and we're investing more than ever in growing our digital capabilities and use of AI.*

*AI, particularly machine learning, has featured widely across the business for many years but is accelerating. We're focused on areas in commercial, supply chain and shared services, designed to unlock growth, improve operations, and enable smarter, faster decision-making.*

*This includes optimisation of promotional spend and enhanced demand forecasting to help drive growth and better customer service. But also, AI in our operations, helping maximise our asset utilisation, whether looking at production schedules or assessing the impact of introducing new product to our network.*

*We're transforming how commercial teams access customer insights. First through a significant investment to unify our data and now by using gen AI to allow for faster access to complex queries, and diagnosis of performance.*

*Agentic input is a potential game changer for our sales force and we have a couple of applications using agents, but really our goal is to embed it in shaping and enhancing customer contact and support.*

*Driving data and AI across CCEP is not simply a technology challenge of course. Fundamental to all of this is exploration and learning. Our AI incubator allows us to gather and prioritise ideas from across the business, creating an environment to experiment and test solutions, before committing at scale.*

*And as I mentioned earlier, we're getting our people ready, rolling out digital and AI training at pace for all CCEP roles to really change mindsets and ways of working.*

### ***Damian Gammell: Mid-term objectives***

*And all of this feeds into our mid-term objectives which remain unchanged.*

*They reflect our confidence in the business. We believe that top line guidance of four on revenue and seven on profit is sustainable and achievable over the mid-term. It provides the framework for us to invest in our business for growth, making us an attractive multi-year value creation story.*

### ***Damian Gammell: FY26 guidance***

*Which then brings me onto our FY26 guidance reflecting our current view of market conditions. Touching briefly on areas by exception.*

*We remain resilient, operating in vibrant categories even though the consumer environment remains challenging. In that context, we expect revenue growth of 3 to 4% driven by volumes and revenue per unit case. This also reflects the Suntory exit impact.*

*We expect cost of sales to grow by around 1.5% per case. As you know, our concentrate costs are tied to our revenue per unit case growth. On relatively benign commodities we are approximately 80% hedged for FY26. We do continue to see inflationary pressures in labour within manufacturing partly offset by our efforts on efficiency. All other metrics remain the same as last year.*

*And our new €1bn share buyback programme will commence imminently, to be executed over the course of the year.*

### ***Damian Gammell: FY26 outlook***

*2025 has been another solid year for CCEP and I look forward to the same again in 2026, our 10<sup>th</sup> birthday year.*

*We have a fantastic total beverage portfolio and we're operating in growing categories supported by strong relationships with our customers and brand partners.*

*The innovation pipeline is bigger than ever before and we remain focused on value & affordability, especially in Europe. Not everything is perfect of course – we continue to learn with even more focus on zeros, driving more innovation at pace, bringing even more magic to Coke Original Taste and adapting even faster, leveraging tech to strengthen our pricing and promo efficiency.*

*This all backed up by investment. We're investing more than ever in top line growth and greater productivity to drive expanding operating margins. Portfolio changes are largely behind us, and we look forward to a more normalised outlook for the Philippines and an improving outlook in Indonesia.*

*Our FY26 guidance, combined with a growing dividend and a further €1 billion of share buybacks demonstrate the strength of this great business and our ability to deliver attractive and consistent shareholder value.*

*Thank you for your time. Ed and I will now be very happy to take your questions. Over to you operator.*

### **QUESTIONS AND ANSWERS**

***Operator***

***(Operator Instructions) Sanjeet Aujla, UBS.***

***Sanjeet Aujla - UBS AG - Analyst***

*A couple for me, please. Damian, I was wondering if you could just go through how Europe played out through the quarter, in particular,*

*the exit rate through December? And it seems like the headwinds are really in Germany and France. What are you doing in terms of your*

*commercial plans for 2026 to get those businesses to stabilize or growth? My follow-up is really for Ed on free cash flow guidance.*

*I think you're talking about at least EUR1.7 billion, that would imply maybe flat to slightly down on the 25 base despite another year of talking*

*about 7% EBIT growth. Can you just help us square that, please?*

**Damian Gammell**

*Sanjeet, yes. I mean if I just look at the quarter, I mean, clearly, we exited it really well. We had a very strong Christmas campaign in Europe*

*and summer campaign across Asia Pacific. So really happy with the momentum. Really happy with the execution we delivered in store, had*

*the benefit to be it in a lot of our markets and with more pallets on floor, more coolers and more product available and really strong pack*

*communications.*

*So I think this year, we really stepped up with the quality of our communication. So quarter started a slow, but clearly gained momentum as*

*we got towards year-end. Yes, you're spot on. If you look at Europe, I mean, a lot of our markets were ahead of our expectations in 2025.*

*Obviously, GB being the standard. And then on the other side of the equation, clearly, France and Germany were more challenged. I think*

*the French situation is more transparent. Really, we had that tax increase on Coke Classic, which is a massive brand for us in France.*

*To be honest, the brand performed stronger than I would have expected given the size of the tax that we passed on to the consumer. So*

*that was a positive, albeit it still was a drag on volumes. Clearly, as we move into 2026, we've got a number of activities going on in France.*

*One is a continued push on our great Zero portfolio. There's still a big opportunity in France around zero and sugar free.*

*And then also, we're looking at our brand pack architecture around Coke plastic given that new tax and trialing some smaller pack variants*

*to hit better price points, but also looking at value on our large 1.75.*

*So more to come on France, but I would say very transparent. Yes. Clearly, Germany was the other market. Really, we had a better second*

*half in Germany, but clearly, the first half was quite difficult, mainly driven by higher promo prices, Sanjeet. So what we've seen is a number*

*of our customers took up some promo pricing above levels that may be for the consumer, given some of the macros proved a bit more*

*challenging.*

*We did reinvest some more money and value in the second half of the year into Germany. That certainly helped. But obviously, making up*

*for a slow first half was challenging as we go through. But again, the exit rate in Germany, I'm pleased with, also pleased with the plans we*

*have in place around that promo value proposition as we move into 2026. And Ed, do you want to talk about --*

***Edward Walker***

*Yes. Sanjeet, Yes, on free cash flow. So we're very pleased with 2025. We delivered over EUR1.8 billion. And '26, we're guiding to at least*

*EUR1.7 billion, which is in line with our objectives.*

*We are investing a little bit more on a net basis in CapEx in 2026 and 2025. And we see -- because we see opportunities to invest strong*

*business cases with great returns.*

*So we don't really want to constrain our ability to invest by quoting #2 on the free cash flow. So we think EUR1.7 billion is a good number*

*to start the year with. Obviously, we'll review as we go through the year and shouldn't improve, we'll let you know.*

***Operator***

***Bonnie Herzog, Goldman Sachs.***

***Bonnie Herzog - Goldman Sachs Group Inc - Analyst***

*All right. I had a quick follow-up question on Europe. I guess wondering how big of a tailwind you're expecting from the World Cup? And*

*any early sell-in ahead of the events as you work to increase activation? And then I got a question on your guidance.*

*Your top line guidance this year is just slightly below your medium-term targets. So just hoping to hear a little more color behind this and*

*maybe the key puts and takes? And ultimately, what are you expecting in terms of the balance between volume growth and price mix?*

***Damian Gammell***

*Bonnie, yes. So maybe just to start with, yes, World Cup. I mean, as I hopefully demonstrated in some of the slides I shared this morning,*

*we have a fantastic calendar of activity starting now. So if you're actually in our markets now, we've really tried to bridge the World Cup all*

*the way through to the event itself.*

*Also, we've got obviously the EPL, which is a massive asset for us in GB. So World Cup activations really starts now. We're all the way through*

*to the event in July. So lots of unpack activity, lots of win activity. I mean one point I touched on, as Ed mentioned it, we recognize value*

*has been a key need for some of our consumers.*

*What we really recognize that excitement and innovation is absolutely essential.*

*So while we will offer value, we also know there's lots of consumers who want to engage with brands like our brands, but give them something*

*a bit more, whether that's more on taste or package innovation or particularly more on great consumer promos.*

*So winning tickets, guessing the goals at the Premier League having a chance to secure only Coke can assets for us is going to be critical*

*as we build out FIFA. So from a consumer engagement perspective, we've got super plans right away through 2026. From the guidance*

*side, it's really reflecting what we talked about in 2025. I mean, broadly speaking, if you look at the exits that we're dealing with in the*

*Suntory space, very high revenue products.*

*And effectively, when you put all that together, it's about 0.5 to 1 point of growth, right? So there's nothing else really beyond that and that we're just reflecting that in our '26 guidance because we know we'll be through '26. Beyond that, if you look at our performance last year, it was bang in line with our midterm guidance.*

*So we still feel very confident about the 4%. And as you can see from our activity calendar, there's a lot to support that and potentially, as we move forward, look to embed it with a lot of innovation coming down the line. So nothing more really on guidance. It's just a pure reflection on the changes that were already in the middle of. Ed?*

**Edward Walker**

*And then, Bonnie, on your question about the shape of the '26 revenue, so we're expecting about 1/3 from volume, 1/3 from mix and about 1/3 from price. So we're very pleased, as we said earlier, in 2025 to see mix come back and play such a prominent role in the revenue growth.*

*And we're looking forward to seeing that continue into '26. And as we talked about earlier, I mean, volume growth is critical for us in the long term and certainly the plans from a marketing and consumer and innovation perspective are all built around that volume growth for '26. So we expect about 1/3 of 1/3 for this year.*

**Damian Gammell**

*And maybe just to build on Ed's point because I think it's really exciting. We've put a lot of effort into reenergizing away from home. We talked about that, I think, on all our calls last year. We put a lot of effort into more cooler placements. So it was a record year for us in 2025.*

*And it's great to see that coming through in the P&L through mix. And we know that a sustainable 4% will be a healthy mix of top line volume, reasonable pricing and brand and pack mix. And that brand on pack mix settlement was very strong in '25, and we're really happy to see*

that coming through.

**Operator**

**Edward Mundy, Jefferies.**

**Edward Mundy - Jefferies LLC - Analyst**

*So just a quick point of clarification and then my question. So the clarification is that like the last 2 years or so, there have been quite a lot*

*of sort of one-off technical portfolio changes, Capri, Fuze Beam. If you back all these factors out, what do you think your underlying growth*

*would have been the last 2 years? And then my question is really around the changing of the guard at the Coca-Cola Company. We've seen*

*this both in Europe with and then in Atlanta.*

*What do you think this mean, if anything, for CCEP's next chapter?*

**Damian Gammell**

*Thanks, Ed. I mean we'll get a more accurate number than I'm going to give you, but all of the work we've done in terms of backing out all*

*of those changes you talked about, which, let's be honest, will set us up for a stronger platform going forward. It's between 0.5 and 1 point*

*of growth, right? So if you strip that out, we'd be bang in line with our midterm guidance.*

*And that's what gives us confidence in reiterating our midterm guidance today. And also, we've just decided to reflect that in the 3% to 4%,*

*bearing in mind, we already know that for a period of this year, we'll be at the final phase of that exit. When you strip it all out, that's what*

*gives us a lot of confidence for '26 and beyond. We get bang on that 4%.*

*And I think that's a great number given everything else that we're looking at. On your comments around the Coca-Cola Company and the*

*system, I would say change is good with both Enrique coming into roll. And then as you mentioned, Louise in Europe, it's always a great*

*time for us to get executives who've had experience outside of our markets coming in and looking at how we do things.*

*Obviously, they learn, but also they can challenge, bring new learning from different geographies. I think that's one of the strength of the Coke system is that we can lift and shift and learn from different parts of the world. And as we've got a very diverse group of markets now from very developed emerging right of way to to developing, having executives like Enrique and Louise, who worked in multi-jurisdictions really helps us. So overall, those changes are good, brings new energy. And as I said, really new curiosity and learning and I always think that helps any business.*

**Operator**

**Matthew Ford, BNP.**

**Matthew Ford - Exane Bnp Paribas - Analyst**

*My question is just on energy. Obviously, you saw a very, very strong performance, 19% volume growth from energy in the year and you had various innovations. You've spoken in the past and today as well around the strong innovation pipeline next year and beyond. But obviously, the 19% growth was quite a bit stronger than we've seen over the last couple of years in the business. How are you thinking about the kind of the quantum of that growth next year and beyond? I mean, should we be expecting a similar level of growth? Or would you expect that to moderate after what was potentially a particularly strong year?*

**Damian Gammell**

*Yes. It's been a fantastic category for us over a number of years. Some of that CapEx and cash that Ed talked to, has gone into some more accounting lines to make sure we're ahead of the demand. So that's a really nice problem to have bottler, to be honest. I expect that category to remain in its kind of 2- to 3-year cadence of mid-teens. I think there's no reason why we don't see it on the back of a number of fundamentals. One, we still have a job will work to do is about in*

*terms of distribution and bringing those brands to more locations on the back of higher cooler placements.*

*The Monster organization is doing a fantastic job bringing really strong innovation, and we see that. I think I mentioned when we last spoke,*

*I enjoyed a visit to our innovation lab and had a view of the innovation, not just for '26, but for '27 and our thoughts on '28. So that's going*

*to keep coming.*

*So all of that gives me confidence that the energy category will remain the leading NARTD growth category. We're well positioned. We're*

*a share leader or very close to share leadership in all our markets. And on the back of that, I see those growth levels being maintained. Will*

*it be another year of 20-plus percent?*

*Who knows? It certainly has the potential. Will it remain at that mid-teen growth level? I see no reason why not.*

***Edward Walker***

*I think one thing that's very encouraging as well is that about half the growth for energy each year comes from the core and about half the*

*growth comes from innovation. So I think that's very healthy. It wasn't the '25 was just built on innovation and is a one-off. So yes, I think to*

*Damian's point, we see the no reason why the trajectory won't stay the same.*

***Damian Gammell***

*And zeros are playing a much bigger role. So -- which also, I think, gives it more accessibility to a different profile to consumer and the taste*

*profile on the zero products is fantastic. So yes, a lot to be positive about that.*

***Operator***

***Nadine Sarwat, Bernstein.***

***Nadine Sarwat - Sanford C Bernstein & Co LLC - Equity Analyst***

*Two questions for me, one on the quarter and one bigger picture. So on the quarter, good to see you guys call out moderating volume*

*decline in Indonesia in the fourth quarter. Could you perhaps provide some more color as to what's driving this and how Q1 is going so far and what your guidance for the full year bakes in for the country?*

*And then my second bigger picture question as you called out in your presentation, revenue growth management has been a hugely powerful lever. You guys have been able to utilize to deliver of top and bottom line growth. And in your mature European markets now, how do you view the potential for further revenue growth from this lever that you have? Is all the low-hanging fruit achieved in these mature markets? Or do you see continued significant opportunities? And if so, could you give us a few examples?*

***Damian Gammell***

*Nadine, thank you. Maybe I'll start with your second question, on the whole revenue and margin growth management. I see immense opportunity going forward. I think we've done a lot. But if you look at our results over the last number of years, '25 stands out has been the first year in a while, where we've seen mix really coming back into our revenue delivery, which is fantastic.*

*Some of that's channel mix, particularly with away-from-home performing well. Some of it is category mix as we move into ARTD. But a lot of it's coming from smarter decisions around pack pricing, pack offerings, whether it's mini cans, small PET.*

*So when you look at the options beyond that, there's still a lot out there that we can make for. We've got massive manufacturing flexibility in terms of pack formats and sizes. What we need to do better is run that through some of the AI referenced and some of the analytic tools just to sharpen exactly out at the price point or the exact pack offering. We have an 850 out in trade now, both in France and Germany, we need to review that as an idea to enter small single households.*

*We've got a 12 pack 300 ML PET in Australia. That's doing phenomenally well. That's only really in Germany and Europe. So we know we've got an opportunity there. We've launched a 500 ml Coke can.*

*So for those of you in the same age bracket as, that was a super was going up. We brought that back. There is a lot of opportunity in revenue and margin management.*

*And I haven't even touched on, which is my personal passion how we spend our promotional money. That can be a massive driver of value and mix accretion going forward. We're getting better. But as I've called out, obviously, our decisions on promo in Germany didn't work last year. And we've seen that impact our business.*

*So we know we can continue to get smarter on what is a lot of cash that we reinvest with our customers behind promo points. So in some ways, we're not at the beginning, but certainly, there's a long way ahead of us in terms of MGM.*

*We deliberately included margin in that capability a number of years ago, because we do think revenue growth for revenue's sake may be good. Revenue growth with margin is great. So -- and that's what we're really focused on with our teams.*

*On Indonesia, definitely a stronger finish to the year, definitely a good start of the year. I would just caution that with we know Ramadan is 10 days earlier every year. So our teams in Indonesia now are really looking forward to that key and very special period for all of our consumers and our employees in Indonesia.*

*And then obviously, we'll have Eid following that. So myself and the team are down in Jakarta in April, that will be able to allow us to look back at our business in terms of the momentum from Q4. Clearly, we see momentum in Q1. What we got to just look at and see is that momentum is sustainable and at what level into Q3 and Q4.*

*But really happy with our Ramadan execution, really happy with our performance across some of our key packs. To your question on guidance, we haven't materially reflected anything significantly different in Indonesia. We expect Indonesia to grow this year, both on volume and revenue.*

*That is clear. But the size of the potential we haven't reflected in our guidance. I think it's prudent to get a good few quarters under our belt in Indonesia, and then we can talk a little bit more about how that may impact that top line for guidance going forward. At the moment, I'm just happy we finished the year stronger. We started the year really well.*

*We're benefiting from an early Ramadan, that's been really well executed. And then we'll take a look and see, and take a view on how the rest of the year is performing. The macros look a bit more favorable. Consumers are spending a bit more money. We see Sparkling doing well, as I called out, my tea is still a little bit of a headwind for us, but we cycled through that.*

*So from an absolute volume growth perspective, we should see that coming in '26 and we will be on the back of sparkling.*

**Operator**

**Lauren Lieberman, Barclays.**

**Lauren Lieberman - Barclays Services Corp - Analyst**

*First, I had a clarifying question, Damian, you mentioned in Indonesia that you're not anticipating a big acceleration or change in trend for 2026. But I think you said you expect the business to grow. And I think in the presentation, you mentioned that volumes were down double digits. So I just wanted to clarify what's built -- is there an improvement built in or not? And if I'm right in reading the way you presented the Indonesia stats in the presentation?*

**Damian Gammell**

Yes. For sure, Lauren, there is an improvement built in absolutely, and we see that coming out of Q4 and into Q1. And I suppose it is about comps. When you look at the year we had last year, growing volume in 2026 is in our plan.

I suppose when I think about Indonesia, I have much bigger ambition and plans for that market in terms of it being sustainably impacting our long-term revenue algorithm. It will help in 2026, but really, it will be probably a single-digit volume turnaround, which is very happy to see and offer a new cost base.

So we're very pleased with that. But honestly, it's the unlocking of that future growth potential that gets me excited. And we will see that in '26. Yes, so we'll be I'll say, turnaround is a word I don't normally use in Indonesia, but I do see big improvements in the end of last year and starting this year.

**Edward Walker**

And I think, Lauren, it's just worth reminding ourselves that from a materiality perspective, from a profit and revenue perspective, it's small for CCEP, a bit more impactful from a volume perspective for sure. But when you look at the revenue, I think the decline this year only had a 0.2% impact for CCEP overall.

**Lauren Lieberman - Barclays Services Corp - Analyst**

Okay. Understood. And then just mentioning earlier that the balance you're looking for the revenue build of 3 each across volume, price and mix. When I look at the second half performance for '25, it looks like that's about where you were. So would you say you're kind of -- is that a fair assessment?

Kind of your strike in the second half of the year overall kind of struck that right balance between the 3 elements of organic revenue growth.

And then the idea for '26 is just a little bit better across all fronts. Because I know from KO, a huge focus on volume overall through the

*system this year. But if I look at your performance in the second half, it looks - overall, again, like your volume is kind of contributing at the pace you might anticipate within the overall revenue build.*

***Damian Gammell***

*Yes. I think as we look into '26, I mean pricing is pretty much where we want it to be. And as you know, Lauren, we talked last year, we did invest a lot in incremental value activity, particularly in the second half. So I think on pricing, we're in a good place, and we're in a good place in value as well, which is great.*

*Mix, as we talked about, is also coming through nicely. That's on the back of not just chasing price because, as I called out, I firmly believe that this category is so valuable to our customers and also to our consumers in terms of excitement and innovation.*

*So we've really got to focus on what grows the category. So flavor innovation, pack innovation, great marketing and consumer connection is key with some value to make sure particularly those shoppers that need it can access our products. And we delivered that in 2025. That will continue in '26.*

*So you will see a nice balance of pricing that reflects some of those macros, mix that reflects innovation and premiumization and excitement and then obviously, volume coming through as well. And we saw that in the second half of the year, and that's really our model going forward.*

***Operator***

***Andrea Pistacchi, Bank of America.***

***Andrea Pistacchi - Bofa Merrill Lynch Asset Holdings Inc - Analyst***

*So I have a question on the operating profit, please. So you've delivered again on the 7% operating profit growth. Despite top line falling a bit shy of expectations, the same in 2024. In fact, you did 8% EBIT growth then. And for '26, again, you're guiding to 7% in line with your mid-to algo, although top line guidance is slightly below the midterm.*

*So with, I guess, a bit less leverage from top line than you would have anticipated. What drivers are enabling you to still consistently deliver on operating profit? Is it solid revenue per case drop-through, the COGS environment, which is I guess, pretty favorable? Or are you having to push a bit harder with the cost savings, please? And did you -- I may have missed it, but did you give a cost saving number at least for 2025?*

**Edward Walker**

*Yes. So yes, we're very pleased with our '25 operating profit doing 7% despite the fact that the revenue could have been a little bit higher in some areas. It was a great result to still deliver that 7%. It comes from many areas. We talked about some of them already.*

*I think mix was clearly a great lever for us both on the revenue side but also on the profitability side. Strong R&M GM and making sure those promos really work and generate a return, and we end up with a bit better revenue per case than our cost per case in the margin. And then also critical is our productivity and transformation agenda. So again, we were delighted that our revenue grew faster than our OpEx in 2025 and continuing that kind of improvement as a ratio of 40 basis points in the year.*

*And we see that continuing as we go into 2026. So yes, very pleased with the profit performance.*

*I think going into next year, we do expect more of the revenue growth to come from volume as a whole for the year than in 2025. And*

*obviously, although that's still accretive at the profit line, it generates a bit less profit than revenue per case or a pure rate increase. So that's*

*why even with a slightly higher revenue number, we're still at the 7% profit line for '26 in our guidance.*

**Andrea Pistacchi - Bofa Merrill Lynch Asset Holdings Inc - Analyst**

*If I may be, sorry to squeeze in a quick follow-up for Damian, please on the the channels in Europe. So you had a strong performance this*

*year in away from home in Europe. And of course, it was a big, big focus for you. Do you expect this momentum to continue in away from home as we go into 2026, how would you see the balance of performance of the channels in Europe?*

***Damian Gammell***

*Yes. I expect it to continue. I mean our investment and strategic intent hasn't changed. That will continue into '26 and into '27 built off what we did in '25 around more coolers, driving more incidents, winning new business and working with the Coca-Cola Company and Monster on driving consumer relevance for those channels, both on pack and in-store. So that's a multiyear program.*

*So I see no reason why that won't continue into 2026.*

***Operator***

***Richard Withagen, Kepler Cheuvreux.***

***Richard Withagen - Kepler Cheuvreux SA - Analyst***

*On the sports drinks, you're putting more efforts and resources behind those sports drinks that you have the queries, you have POWERAID, body armor. So how should we think about the positioning to different brands? And how do you avoid cannibalization?*

***Damian Gammell***

*Yes. We are blessed with lots of brands that come with some choices. So I think Acqaris is a fantastic brand for us really in two markets, really, Belgium and Spain. Our main sports platform will always be Powerade, and we continue to build that out both in terms of functionality pack sizes, flavors. And then we've got, obviously, large assets like the FIFA World Cup coming.*

*We have a fantastic Powerade business in in Australia and New Zealand that I'd love to keep replicating in Europe. So that will be our main platform. I think around that, though, we see that hydration and wellness opportunity even bigger, and that's where brands like BodyArmor,*

*which are quite different in terms of functionality and ingredients to a Powerade and Aquarius. So both of those can exist very well together in the segment, and it's a growing segment.*

*So yes, I think is probably a little bit more niche. We have tried the queries in different markets didn't quite take off as well as Powerade, so*

*be our main platform, and then we'll supplement that with brands that we think can add more value like BodyArmor and clearly keep our*

*great business in Spain and Belgium with. Yes. Good choice to have to make, to be honest.*

***Richard Withagen - Kepler Cheuvreux SA - Analyst***

*Exactly. And in terms of the growth drivers of these businesses, is it a lot of distribution gain? Is it innovation?*

***Damian Gammell***

*Yes, it's a little bit of everything. I mean, innovation is key, particularly on the product. So we've got some Powerade zero water. We've got*

*enhanced Powerade. We've got 1 liter Powerade now, so coming to Europe, which is great.*

*That's a pack we've had in Australia for a while.*

*And then it's clearly -- yes, still distribution, particularly out of retail, but also markets like GB, a great market for us. We really only have 2*

*SKUs in GB, 2 flavor variants. So when you stand back and look at a business like Australia where you've got multi-packs -- you've got small*

*single serve, you've got 1 liter. And then you compare it to a market like GB, we still have a big, big opportunity.*

***Operator***

***Eric Serotta, Morgan Stanley.***

***Eric Serotta - Morgan Stanley - Analyst***

*Two quick ones. First, from a housekeeping basis, you called out in the press release as you have previously the selling day impact for the*

*first quarter and the fourth quarter, the impact on revenue. How are you guys -- how should we think of that in terms of the impact in terms of the profit cadence for the first half versus the second half?*

*And then the second question, bigger picture for Damian would be clearly nice. You guys clearly had a nice uptick in mix in the ending*

*2025. I know you said roughly 1/3, 1/3, 1/3 between price mix and volume for '26. Can you talk a bit about the mix drivers going forward?*

*And I guess, what you've been doing to really enhance that mix contribution exiting 2025?*

**Edward Walker**

*Maybe I'll start, Eric, on the selling days. So yes, the 6 extra days in the first -- in the first quarter and therefore, in the first half, so that does*

*affect absolutely the volume, and we'll see that for sure in our quarter 1 results. I think overall, though, when you look at the operating profit,*

*which is, I think, behind your question, we actually think the operating profit will be fairly balanced for the year. So although we have the*

*benefit of the extra days in the first half, we also have the last bit of the exit from Suntory all in H1.*

*And obviously, that's a higher revenue per case and a higher profit. So there's lots of puts and takes. It's always on the phasing, but we*

*expect an operating profit pretty evenly phased between H1 and H2.*

**Damian Gammell**

*Yes. And just your second point, Eric, I mean it's a key focus for us in terms of driving mix and it comes across a number of different aspects.*

*So obviously, category mix as we move into NARTD, energy, we talked about BodyArmor on the previous question, we continue to look at*

*categories that generate a better mix. Then you look at channel, clearly, we're seeing the benefit of away-from-home recovering after a*

*number of years, and that clearly is a positive for our mix.*

*Then we drop into packaging. So generally, smaller is better when it comes to mix. So cans, half liter, we're doing a lot around mini cans, more pack innovation. Then we also got to look at price promo, so making sure our price promo strategy drives mix. And then the last point that I'll keep calling out because I do think it's really, really important is the more added value we can bring to our brands is a real driver of mix.*

*So when you look at, for example, our half-liter PET pack today in GB, it's got an excellent EPL promo on it. Guess the goals, very engaging, nothing to do with price, pure value add. And clearly, the more we can bring that to the right packs, it's an enhancement on revenue and it's an enhancement on mix.*

*So I still believe, although consumers and shoppers do struggle for value with cost of living, and we will meet that occasion, and we are meeting that occasion. We can't lose sight of the role we play in terms of bringing excitement, engagement. And for a relatively small price, fantastic tasting products that can put a few smiles on people's faces during the day. So value is key. But for me, longer term, continuing to build out the excitement through flavor, through packaging, great taste will also be a big driver mix.*

*So we're very fortunate given the diversity of our channels the categories we operate within, but we have a number of areas where we can really lean on mix to help that revenue growth.*

**Operator**

**Charlie Higgs, Rothschild & Co Redburn.**

**Charlie Higgs - Redburn Partners LLP - Analyst**

*My first question is just on the Manila shared service center that you spoke about upgrading. I was wondering if you could just expand a bit more on what the remit of the shared service center will be? We saw some very strong margin expansion in the Philippines there. But will*

*it also help contribute to margin expansion more broadly? And how do you see it interplaying with your existing Bulgaria shared service center?*

*And then my second one for Ed, is just on leverage, where I think on my math, even with the EUR1 billion buyback, you'll still be running at*

*sort of the low end of your 2.5 to 3x range. How do you think about using the balance sheet at the moment? And what are your key priorities*

*when it comes to capital allocation in 2026?*

**Edward Walker**

*Thanks, Charlie. Yes, very well thanks. And if I pick up your start -- your question starting then with Manila. So we're very excited about the opening in Manila. I think we've already got well over 100 people in the first 8 months.*

*And there's amazing talent in that market. We've been super impressed with the capabilities we found. As we look at the role of the center,*

*it's really to provide global capabilities. So it's not there just to support the APS region. It's an opportunity to centralize more activities and*

*also some new activities using the capabilities that we've got there.*

*But it's also an opportunity for us to reduce the risk profile a little bit. We obviously have a lot of activities today based in Bulgaria. And so*

*having multi hubs allows us to spread that risk a little bit. And although it's not a regional center, certainly, it does help from a time zone*

*perspective, and being able to directly contact customers and suppliers in markets like Australia and New Zealand and much more time*

*zone friendly in terms of our employees and also the customers.*

*So we see it as a huge asset for us going forward.*

*I think, therefore, it won't really impact the margin specifically in the Philippines. I mean it's a global asset. So it's a key part of our overall*

*productivity and transformation agenda. So we'll see it in the delivery of the overall numbers. On the allocation framework, so no change*

*there really in terms of our framework and capital allocation priorities.*

*So we want to maintain that investment-grade rating, and that means keeping that leverage in that 2.5 to 3x. We continue firstly, to generate*

*-- to spend cash the business generates on what we need to do to grow the business. And as mentioned earlier, investing over EUR1 billion*

*CapEx again in 2026. Absent the M&A, then we return that cash to shareholders.*

*I think with a EUR1 billion buyback as you say, we think our leverage will continue to modestly decrease as in fact, it has done in '25 versus*

*'24. And we think that's a healthy way -- healthy trend for it to continue. I think with the current interest rate environment, there's plenty of*

*access to money. We still can borrow at competitive rates.*

*We think leverage in that 2.5 to 3x remains the kind of the efficient level for our balance sheet. So we expect that to continue.*

**Operator**

**Robert Ottenstein, Evercore ISI.**

**Robert Ottenstein - Evercore Inc - Equity Analyst**

*Great. Just one question for me. Damian, you mentioned earlier that how you spend the promo money is a personal passion, which makes*

*a lot of sense. So can you maybe just elaborate on how big an opportunity that is? And also perhaps tie in kind of exactly what happened*

*in Germany and what the learnings from that was?*

**Damian Gammell**

*Thanks, Robert. Yes. If you speak to all of my colleagues, Dave also confirm it is a passion point for a couple of really valid reasons. One,*

*it's a huge amount of money; and two, it has a significant impact on our performance. So it certainly -- it warrants the focus that we're giving*

*it, not just me, to be fair, the whole team.*

*It's a key part of our technology platform build-out, and we have been doing better year-on-year in terms of our promo efficiency and*

*effectiveness, but it's like a never-ending opportunity.*

*So if you just step back and look at it, we are fully funded from a promo investment perspective. We put a bit of extra money in at the end*

*of last year. We saw that benefiting. So from now on, it's really more about promo effectiveness rather than quantity, and it's just finding*

*ways to use those euros and dollars smarter to get a better return for our customer and also a better return from our shareholder.*

*And again, that is sometimes live market tests are an easier way to figure out how consumers will respond. We run a lot of analytics, both*

*through Bulgaria. We're also doing the future through Manila to try and model. We've got elasticity survey. So pretty much what any*

*organization in our space will be working on.*

*If I step back and just talk a little bit to Germany, what we saw last year in Germany was obviously an ongoing macro value environment,*

*which we were playing in, and we continue to play in. But a number of our promotional packs did go above certain price thresholds. And I*

*think that's where we saw a little bit of hesitation from our consumers at those higher price points.*

*That hesitation can sometimes be -- well, I'm going to wait until the price comes down again or it can be I'm going to buy a little bit less. And*

*that's really what we've seen. So it's more an impact on frequency. And that's something that we're working on with our team and learning*

*from. So yes, when you look at the number of packs and SKUs we have, we've got a very rich opportunity by pack, by brand, by channel,*

*and that's what we keep using.*

*So I think it's something that will continue to be a key focus of our data and AI. Obviously, in Europe, customers set the pricing on shelf. And*

*some of those dynamics can also be driven by our customers and nothing to do with us. And that's something that we got to deal with.*

*Clearly, the category is super profitable for our customers.*

*And for me, that's the most important. So we continue to get great relevance and great focus from our customers. And they grew their revenues faster than we did last year. And I think for long-term health, that's not a bad outcome. Thanks, Robert.*

**Operator**

**Usama Tariq, ABN AMRO.**

**Usama Tariq - ABN AMRO - ODDO BHF B.V. - Analyst**

*Just one quick question from my side on capital allocation. So I heard that you indicated that we remain committed to any accretive M&A*

*opportunity if it comes. If I'm correct, that is one of the earliest times that you have been more positive on it. Can you indicate to me at what*

*scale are you looking into or what geography would you be more interested in? Would it be APS or Europe?*

*And would it be small or big? I'm just trying to gauge your level of interest if an opportunity comes in this year?*

**Damian Gammell**

*Thanks, Usama. Well, that position hasn't really changed at all. I mean, since we created CCEP, we've been always focused on having a*

*balance sheet and a free cash flow that will allow us to consider M&A that we think will make value for our shareholders. I think whether it*

*was the Philippines or previously Amatil. That hasn't changed.*

*And I don't know whether it was a comment or wording, but certainly, there's nothing significantly different in that space as we close out*

*2025 and look into 2026.*

*As I said before, we'll always remain curious. I think our performance delivery with the Coca-Cola Company is an essential element of even*

*having the opportunity to look at potential M&A., but we don't really see that in the near term mainly due to the fact of available quality*

*assets. That can change quickly. We always know that, but certainly, nothing has really changed in that space. So if that was one of the*

*takeaways from one of our comments, but that's probably not reflecting the reality.*

*So we're pretty much where we were going into '25, same into '26, focused on delivering the value add of the Philippines, getting Indonesia*

*to where we want it to be and continuing our journey in our other markets around quality top line revenue growth. And if at some stage, a*

*good quality M&A opportunity comes up, we definitely consider it. We've got the balance sheet to do it.*

**Operator**

*I would now like to hand the conference back over to Damian Gammell for his closing remarks. Damian, please go ahead.*

**Damian Gammell**

*Thank you, operator. And again, a big thank you to everybody joining us today and for your questions. 2025 was another great record year*

*for CCEP. We're very much now focused on delivering a really strong start to 2026 and looking forward to a great summer activation across*

*all of our markets in Europe, and enjoying a great summer activation now in APS.*

*And as I mentioned earlier, across all of our markets, clearly, Ramadan will be celebrated and we look forward to that as well. So really*

*excited about our brand plans. I hope you got a flavor today of the quality and depth across multiple categories. Excited to see mix playing*

*a bigger role to see that continue. And obviously, we look forward to updating you on our Q1 revenue performance a little bit later on in the*

*year.*

*But again, a big, big thank you, and I wish everybody a great rest of the day. Thank you.*

**Operator**

*Thank you. That concludes our conference for today. Thank you for participating, and you may all disconnect.*