

## CCEP – Fireside Chat - Morgan Stanley Consumer Conference

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Eric Serotta: Good morning, everyone. I'm Eric Serotta from Morgan Stanley's beverages, household products and tobacco team. And I'm very pleased to welcome Coca-Cola Europacific Partners back to Morgan Stanley's Consumer and Retail Conference. Before we begin, please see Morgan Stanley's research website at [www.morganstanley.com/research](http://www.morganstanley.com/research) disclosures for important disclosures. And if you have any questions, you could reach out to your Morgan Stanley sales rep.

CCEP is Coke's largest bottler by revenue with a strong record of value creation. Joining us today is CFO Ed Walker. Ed, thanks for joining us.

Ed Walker: Thank you. Thank you for having me.

Eric Serotta: Great. So CCEP's wrapping up another solid year in a pretty tough macro environment, 2.7% FX neutral revenue growth through the first 9 months. First, can you start by talking about the drivers of this year's growth, whether it's in terms of categories, markets, or price versus volume and mix, and then how you see those drivers evolving as we look to 2026.

Ed Walker: Yes, sure. So 2025 has been a solid year in what I think is a challenging environment. I'd start off by saying that the category, though, has remained healthy. So soft drinks in our territory has good value growth, and I've seen volume growth as well, which you can't say for all categories.

For us we've had some great areas of growth. If I look at the categories to start with, light colas has grown very well, Coke Zero in particular. Diet Coke has stabilized, so in GB that had been declining for a number of years. We've invested a lot and now it's stabilized. Also, Zero Sugar flavors like Fanta & Sprite are doing very well. Energy performed excellently, and I know a number of you were at the Monster event yesterday & that's been a very strong contributor to growth this year. And then we have growth in stills and growth in ARTD. So lots of individual elements of growth across the categories.

From a market perspective, Australia has had a very good year, GB's had a good year but cycling some tougher comps from 2024. One of the things we are pleased about is that Away From Home has returned to growth in Europe. So after a couple of years post the pandemic, it's now growing in line with the home channel, and that's obviously a very important channel and subchannels for us. So lots of elements of growth when you look across the portfolio.

But in '25, we've also had some challenges, I think two types. Some technical challenges, so we exited Nestea in Spain and moved to Fuze Tea, which is a better platform going forward. It's been a very successful transition, but that's had an impact on the revenue as we've gone through that. And then in Australia, we've also had the

exit of the Beam Suntory contracts in the last 6 months of '25, which is also another headwind. So, some technical challenges.

And then we've also had some market challenges. Indonesia's one that really stands out where, again, the macroeconomic conditions really impacted volume. But then also in a number of our developed markets, the general macro and the consumer sentiment has really impacted volume. And you can see that in the most recent market and scanner data. Over the last few weeks volume has been impacted. So I think yes, a solid year when you look at the performance in that macro context.

What that means for '26 going forward is that affordability remains absolutely critical. For us, affordability is about getting the right pack at the right price in the right environment for the right drinking occasion. It doesn't mean prices need to be reduced everywhere, but it means we need to be very segmented in how to address that affordability in those particular situations. I'd also have to make sure we communicate effectively the value for money associated with that.

But we're positive as we look forward because we don't think the macro challenges will get any worse. We're not assuming they will improve, but we don't think they'll get any worse, and we've got some exciting plans from a marketing and innovation perspective.

Eric Serotta: It makes sense. A lot there. I want to start unpacking it. So since earlier this year, you have pointed to some softer consumer demand and some heightened competition in markets like Germany and GB. You mentioned the scanner data a little bit weaker recently. Can you talk a bit about expectations for the European consumer as we head into the holiday season, and then what CCEP is doing to tweak your strategy and execution for this environment. You mentioned affordability, but other metrics or other levers that you might have--promotions, affordability, price pack, anything else to adjust to this environment that we're in now.

Ed Walker: Yes, yes. It's quite early to look at the Quarter 4 numbers at this stage. And also for us, December is such a critical month with the holiday season. And of course in markets like Australia, you see that it's also their summer. So I think we'll get a much better read on the consumer health and consumer sentiment once you've got through that holiday period. But what we've seen, as we said in the most recent data, is the consumer remains challenged.

For us really, affordability is about that right pack at that right price. We've learned a lot as we've gone through the year, so activities where you really effectively communicate that value for money are working better. So we've had a lot of focus on extra field type activities, so 1.5 liters for the price of 2, for example, or 12 cans in a multipack for the price of 8. So it is the discounts really resonate well with the consumer and give that sense of strong value for money.

And also making sure that we have the right packs for consumers that don't enter the category very frequently, so real affordability packs. The key price point in Europe is around EUR1.50 for a multiserve, so lots of focus on that. We've recently launched a 50-mil PET pack in a number of our markets, and we're going a lot more on 1-liter and 1.25-liter packs.

For us as we look at it, it's not, as I said, low prices everywhere. It's been more segmented in our approach, making sure you have the right price point on the packs that make a difference for affordability, but then leveraging the opportunity where you can take a bit more price, maybe things like mini-cans or some particular channels or customers where you can afford to take a bit more price to offset what you're investing in affordability. And as you rightly pointed out, we invest so much money on promotion. There's an awful lot we can do by driving promotional effectiveness, using our tools and the insights that we have as opposed to always looking at headline price increases.

And then finally, there's always mix. We can always leverage mix on things like stills, energy, immediate consumption. We are seeing benefits with more people returning to the office and being out and about during the day more, so more growth through convenience. All those mix opportunities as well can help us generate the revenue per case we still need while meeting the affordability challenge.

We will continue to take price in all of our markets, but I think it will be more segmented than we've seen in the past. And certainly as we build the plan for 2026, there's going to be more focus on getting that revenue growth through volume than from revenue per case, as we've seen in '24 and '25.

Eric Serotta: Great. So one of the surprises, at least to me this year, is given the weakness in the at-home channels, particularly in Europe, that one of the bright spots that you pointed to has been a return to growth in your away-from-home business. What's driving this apart from the easier comparisons, and how sustainable do you see this away-from-home strength as we go into 2026 and have some tougher, more normalized comparisons?

Ed Walker: Yes, Eric, Away from Home is a critical channel for us. About 45% of our revenue goes through that channel, so it's very important from the overall business perspective in the P&L. But it's also a critical channel for recruitments of consumers for the future. A lot of young consumers frequent that channel and it's a growing opportunity to get them into the franchise at an early stage. So we're very pleased to see that back into growth in 2025. It was certainly a headwind for the previous years, coming out of the pandemic with less outlets and people really down-trading within the channel, so we're very pleased to see what we've been able to do in '25.

We've invested a lot in that area, and it's across the board. So there's a big focus on coolers. I think Damian actually was here last year to talk about the year of the cooler. We're increasing our sales force in many of our markets so we can visit more outlets more frequently and influence better within those outlets. We've got big investments in tech in that area, whether it's from our MyCCEP platform, which allows people to order directly through our own platform, or through RedOne, which is what we use to manage our sales force, and they're using AI to better enable the cause and for that picture of success, or even gen AI to build things like menu makers and better points of sale in the outlets, so lots of investment in technology as well.

And then a lot of work with our customers themselves on how they adapt their offering to meet the macroeconomic challenges. So you see more meal bundling in the channel; better, more exciting meal combinations. And again, so giving that consumer the value for money.

And we've had some good account wins as well over the last 12 months. So lots of investment, which is paying off, and I think that investment is long-term in nature, a lot of it, so that is really what is going to give us confidence as we go into '26, so we continue to see away-from-home performing well.

Eric Serotta: So turning back to pricing, which you touched upon, Damian's made the comment, you've landed pricing basically every year since CCEP was formed. So you talked about rest of the contribution from list pricing for next year, but what's--have you started the discussions yet? I know some pricing goes in early January in some markets. What's been the retail reception in this market to pricing? I know it's always tough, particularly in Europe and Australia. But what's the early read in terms of pricing and the pricing versus affordability push-pull?

Ed Walker: Yes, we've got a great track record of always getting price within our markets since CCEP was created, and we've done it without disruption or without material disruption, certainly, over time. I think the key to that success has been we take a very measured and considered approach when we look at it. As I said earlier, we look at what's right for the consumer, what's right for the category and the customer, so to make sure the category remains very healthy from the retailer P&L perspective, And then what we think we need from our P&L, but also what we need to do for pricing to allow investment back into the category and the products for the future. That's the approach we've always taken, and even in the more inflationary years after COVID, we were quite measured in how much pricing we took. And I think that stands us in good stead going forward because I think retailers understand that we look very carefully and only take price where we think we can afford it and where it makes sense.

Certainly the conversations for next year won't be any easier. They have started. A number of our markets take pricing in the first quarter. But where we are aligned with retailers is the focus on affordability will remain critical. So back to what we were talking about earlier, making sure for those key packs you have the key promotions and the key price points and the clear communication of that to ensure we're still bringing people into the category and we're meeting all of the consumers' needs, those most challenged by affordability, but across the whole piece.

At the end of the day, the category remains very healthy from a value and a volume perspective. So the retailers as well are, I think, keen to see us continuing to invest in that category.

As we said earlier, I do think we will take price in every market next year, but there will be a little less emphasis perhaps on that and more emphasis on volume growth next year and not just headline pricing, but better management of the promo, the mix, and all the other levers that we have at our disposal to drive that revenue per case.

Eric Serotta: Great. So shifting gears, I wanted to dig into the APS, Australia, Pacific, Southeast Asia. Let's start with Australia. The business struggled for a number of years. It was showing some signs of improvement under a lot of the changes that Peter and the team did under Amatil shortly before you acquired it. But clearly took it to a new level under CCEP ownership. So sitting here today and heading into 2026, can you talk about the opportunities to further improve the performance of Australia going forward--not necessarily in 2026, but over the next few years? And what rate can that business grow at over the medium term?

Ed Walker:

Yes. We're super pleased with the Australia performance, and also New Zealand, Papua New Guinea and the Pacific islands. The API region has performed extremely well since the acquisition. The Australia business is a brilliant business and it was before we bought it. But we're pleased with how it's grown since then. There were a number of things that we did which will stand us in great stead for the future.

The first was we invested a lot in the supply chain, more regional production and stronger regional logistics, which means we're able to better service customers. It also means we have a more efficient route to market, and it enables us to really meet the growth opportunity in the market and expand that mix opportunity. So lots of investment from a capacity and a capability perspective.

We also addressed some of the price promo challenges that historically had been in the market. It was a very heavily promoted environment, and I think one of the benefits with CCEP's style is you can afford to do a bit of a reset in those situations and weather the storm a little bit as it goes through its transition through the trade, but get the pricing and the promo set up much better for everybody going forward.

We've invested in tools and tech, building on the capabilities that we have in Europe, but it also--that was not a one-way avenue. We took a lot of great capabilities from the market in Australia that we applied back into Europe.

And I think finally, and probably most importantly, is a much stronger alignment with the Coke Company. So we did a lot of work with them on the portfolio. We actually sold some brands back to the Coke Company, you might recall, and really made sure we were clear for every brand within the portfolio--what was its role, what were we trying to do with it from a consumer perspective. And so much, much stronger alignment.

So all those things have really set us up for the future. I think that's why we've had a great couple of years, and that's why that will continue into '26. That market, we think, should grow consistently in the 4% to 5% revenue perspective, and that should be a healthy mix of volume and revenue per case.

Lots of exciting opportunities from a category perspective down there. It seems like the sports category is extremely well developed, a great energy portfolio. We're going through this slight headwind this year of the alcohol exit from Beam Suntory, so that will phase out by the time we get to the half-year point in 2026. But we actually think the current approach with the Coke Company and the partnerships we've been able to build and put in place there will actually set us up for a stronger ARTD portfolio in the long run. But that's obviously going to take some time to cycle through and then build up. But yes, 4 to 5 to 10 revenue growth is very achievable in the long run for Australia.

Eric Serotta:

Great. And then the Philippines has been a fantastic market since you acquired it almost 2 years ago, notwithstanding some of the weather-related disruptions last quarter. I had the benefit of attending your event in Manila, and it was really eye-opening, the opportunities there. But maybe you could distill 3 days of presentations into a 3-minute response here as to discussing some of the opportunities for CCEP to further build on the business in the Philippines and the revenue and margin potential as you leverage scale across the broader Southeast Asia or APS footprint.

Ed Walker:

Yes, the Philippines is a fantastic market. We think of it as a developed Coke market, a very developed soft drinks market operating in a broader emerging market. So you get the best of both worlds, very well understood soft drinks proposition, a real love of Coke and the Coke brands, but then all the benefits of those macro drivers in an emerging market with a growing population and growing disposable income within that population. So it's a real sweet spot from that perspective. It's always been a great business.

What we've been able to do to really leverage that potential is to invest, certainly, in meeting all of the demand, so that had been a bit of a challenge in the past, so we've put a lot of money into the supply chain. We've actually just broken ground on a brand-new greenfield facility north of Manila, which will be one of the biggest plants in the Coke system when it's completed. And it also allows us to really leverage all the mix opportunities, so it's a big RGB market. But there's a lot we can do with single-serve PET, a lot we can do with things like cans. We can further expand the water opportunity through this capital investment. And of course, all this capital investment is state-of-the-art machinery replacing some very old assets that we had, so also driving a lot of improvement from a margin and efficiency perspective.

We've done a lot of work on tools and tech and really investing as well in capabilities, particularly for the modern trade, where some of our R&MGM capabilities from Europe, Australia, New Zealand can really be applied now to the modern trade development within the Philippines, and really giving them as well investment in making the whole business more efficient going forward. So that means I think we'll continue to see great growth on the top line from a category perspective. High single digit is what we're planning over the midterm, but even more growth on the bottom line. And we've already seen great margin progression. It was about 6% when we acquired the business. We think we're a couple of years away from a 10% margin, and there's no reason why it couldn't get up to the average that we have across the group. So very, very exciting and lots of long-term potential there in the Philippines.

Eric Serotta:

Great. And shorter term, is the business back to normalized after the flooding and the typhoons back in the third quarter? Are we at a normal rate now, fully recovered, or I know some of these markets take an extended time to recover.

Ed Walker:

Yes. We look at these weather events very carefully. There's always weather in the Philippines, in that part of the world, and they've built up an incredible resilience in how to adapt to that. And I remember when we first saw them back in '24, the first typhoons and we saw the extent of the damage and the flooding, we were thinking it's going to take months to recover, and then within a couple of days, they're back up and running. So they've got incredible resilience and ability to bounce back.

Yes, the business is now fully operational after those events. You do take the hits in terms of the volume because what you don't sell from a consumer perspective, you don't really recover. But as we said, there's always weather in that part of the world.

I think what we've seen more of this year in the Philippines is more of the macro impacts and the general, a little bit of a slowdown from an economics perspective. There's a lot of data points that support that. Remittances are down across the market. That's in some other territories in that region, but we think that's probably had

a bigger effect on '25 than the weather. So back up and running and looking forward to a good Q4.

Eric Serotta: Great. And then Indonesia, one of the most attractive markets from a longer-term standpoint, demographics, GDP growth, underdeveloped sparkling category. But obviously, you've had first the geopolitical headwinds, and more recently, the macro headwinds. I believe you said the RTM, their out-to-market transformation, will be wrapped up around year end. So what's next on the agenda for Indonesia? And then how are you thinking about the long-term growth in margin potential for the business? And what can you really expect over the next 2 to 3 years?

Ed Walker: Yes, yes. So Indonesia is a fantastic opportunity for the long term, and our view on that certainly hasn't changed. When you look at the characteristics of 300 million-plus people, a relatively low average age across the country, not a lot of alcohol is consumed, it's almost your perfect soft drinks kind of environment. So a huge opportunity for the long run, but a very frustrating one to crack.

So yes, in '23 and '24 we saw the impacts of the geopolitical situation impacting demand in the country, and we could actually pinpoint that quite clearly because you could see very different demand across the region. We don't think that's got any worse, but then for '25 we've been hit more by the macro perspective. And you see those impacts across multiple categories and across local players, so not just a geopolitical challenge with Western brands.

So we hope that we're coming through the end of that yet. I think it's a bit early to say that that's where we've bottomed out in terms of that. But we haven't been wasting the fact that the top line has been--wasting time while the top line has been down. We've done a lot of transformation in the business. So as you rightly said, we've totally transformed the route to market. That's just now being completed for Jakarta. That was the last region. And we've done a lot on the supply chain. We've reduced the manufacturing footprint, taken out three sites. We've done a lot of transformation in the back office. So the business is a lot leaner and more efficient now and going forward. So much better placed for when that demand does start, to react to it.

I think what's important for now going forward into '26 is what is the right pack-price combination? And we're trialing a number of different combinations across the country today. In fact, Damian's there this week and looking at the results of some of that, and doing that in combination with the Coke Company in terms of what's the right marketing to really bring some excitement into the sparkling category.

So that's really what the future is really focused on, getting that right combination of pack price architecture with the right marketing to really unlock that potential. It's too early to say how quickly that will come. Is it '26? Is it '27? But at the end of the day, it's such a long-term opportunity, we have to look at it as something we're in for the long term and just do the right things for the long term.

It isn't material to our bottom line, as you know, from a business, so it's not impacting our results today. It's not a very profitable market for us today, but it's also not a drain on profit. So we can afford to make sure we get it right for that long term to unlock that opportunity.

Eric Serotta: Yes, and then briefly zooming back out from APS, energy has been a very nice contributor to CCEP's top line growth, really driven by the Monster portfolio. I was just in a meeting with them downstairs. Clearly a lot of respect and excitement for what you guys are doing and what's happening with Monster in your markets. So how are you thinking about targets or how fast energy could grow in your markets over the next few years, and how is that split between Europe and APS?

Ed Walker: Yes, Monster has had a fantastic year for us. We've seen a real broadening of the category from all aspects. Some amazing innovation and a lot of the growth that we've seen this year has come from innovation, but not all of it. We've also seen a lot of growth from the core, so a very healthy balance of that growth. We've seen great growth in availability and distribution. We've seen growth in terms of the consumption occasions during the day, but also growth in terms of the consumers. It's becoming much more balanced in terms of age profile, male/female, and those drinking occasions.

We think there's a lot more opportunity to come when you look at the number of the metrics versus the US. We see lots of opportunity to continue growing that availability and that distribution. We're seeing a big growth in their ability to place Monster equipment now. As the category gets bigger and the Monster portfolio gets bigger, there's many more situations now where you can justify with a retailer having a dedicated Monster piece of equipment in the store. So we see no reason why that won't continue.

And we're planning for another year of double digits next year, and it's a very significant contribution now to our growth. So very excited about the energy plans in our developed markets, so that's Europe and Australia. And then it's very early days, but we just launched Predator in the Philippines. And again, I was very encouraged to see the performance of Predator in other markets around the world when we attended the Monster events yesterday. And that could be a huge marker of potential for us in the Philippines, and then maybe Indonesia in the months and years to come. And so a big contributor to our growth and a core part of our plans going forward.

Eric Serotta: Great. And then looking for your overall algorithm, back in Manila you reiterated the midterm algorithm, the 4% and 7% top line OI, all organic. 2024, you did about 3.5% organic. This year consensus is around 3% to 3.1%. We're all aware of the macro headwinds. So can you talk briefly about the building blocks to get back to and sustainably deliver on that 4%?

Ed Walker: Yes, so as we talked about in Manila, when you look at the components and all of the individual elements of the business, it actually adds up to a very healthy 4% or more. So whether that's light colas and the growth we see in that category, the early ability to grow more Zero Sugar within flavors, lots of headroom there. We talked already a lot about energy. We think a lot of opportunity in stills, a lot of opportunity in ARTD as well that we haven't really talked about today. And then you look at some of our markets. 2% to 3% is what we should certainly be doing, year in, year out within the European developed market context, a bit more in Australia and New Zealand, more like 4% to 5%. And then our emerging markets like the Philippines, the Pacific islands, Papua New Guinea should be growing high single digits. So when we look at all of that together, that gives us a lot of confidence that on a consistent basis over the midterm, 4% is very possible.

There are always going to be good years and bad years, and we talked already about the headwinds. Also where we have a lot of confidence is our ability to turn that 4% into a 7% at the operating profit line, helped with some of that volume growth as we're a very fixed-cost business, as you can imagine, But also our ability through RNM-GNM to take a bit more price than cost, perhaps. And then also fueled by our transformation and productivity agenda, lots of confidence in our ability to deliver that 7%.

Eric Serotta: Maybe you could give us a little more granularity on that productivity and transformation. I believe it's EUR350 million to EUR400 million of savings by fiscal 2028. What are the key buckets there? And then I know the ERP backbone integrating from four systems to one is a big enabler there. So what's the timing and milestones and, frankly, the risk points, as that's been a source of risk throughout CPG over the past two decades.

Ed Walker: Yes. So productivity and transformation to start with. So this is our third program since CCEP was created. This is EUR350 million, as you say, between '24 and '28, so we're a couple of years into that. It's going very well. We really planned to be able to deliver roughly EUR100 million a year from that. The big elements, I would say, are the supply chain and the network itself. Still opportunities to better consolidate in Europe and in markets like the Philippines in manufacturing and in the logistics area. Opportunities to invest in new equipment that runs more efficiently with less people, better output, so a lower cost per case. So really, a lot of that enabled as well by the technology and what technology can now do in terms of better forecasting, demand planning, and that resulting in better asset utilization.

The second big area is shared services. So we've been on a long journey on shared services. It really started with finance, which 90% of the activity in shared services was finance related a couple of years ago. We're already now at more like a 70/30 split. We do commercial operations, people services, some logistics and procurement activity out of our shared services environment. And we see that's a real competitive advantage now going forward.

One of the other benefits of being in the Philippines is there's an amazing access to talent out there in Manila in this environment. We've just opened a second shared service engine in the last 6 months out in Manila. And then the third thing is really how we can drive efficiency through tech across the business, also through shared services. So maybe you can look at situations where you can centralize activity, you can look at situations where you can do the same activity with less people more efficiently. So all of those really combine to generate the majority of our productivity and transformation agenda.

And then you're right. It's good linkage because our investment in ERP and S/4HANA will also help that journey because we're moving from five ERP to actually is with Amatil as well from our acquisition history. And we're taking this as an opportunity to move to one ERP with one standard process. We've got an extensive business case with really tangible benefits identified that we can leverage through that journey. But what I think is most exciting is when we get all that data in one place digitally, from an analytics and insights perspective we're going to be able to drive massive value in terms of understanding the business better and really using that to leverage better commercial and operational performance.

We're a long way along the journey in terms of the design complete. The build is done. We're doing now the local configuration for Germany, which will be our first market which will go live towards the end of '26. And then we'll quickly follow throughout Europe and then down to Australia.

We're taking a very safe approach, I would describe it, from a risk perspective. We have all got scars from previous SAP implementations, so there's extremely strong governance. And it's so important for us. The critical thing is to do it the right way, and if we need to take a little bit longer to make sure it's right, we will certainly do that. But it will be a big unlocker of value. But we're looking 3 to 4 years before it's fully rolled out throughout all of CCEP.

Eric Serotta: Great. So having the CFO here, I have to ask you about cash flow and capital allocation. This year you're talking at least EUR1.7 billion, which free cash flow slightly above your--about EUR1.7 billion despite your top line being a little softer. Where are you seeing the upside on cash generation? And then your leverage is basically at or even slightly below your target, even though you just finished your buyback program or finishing up your buyback program this year, EUR1 billion a few months ahead of schedule. So maybe talk about the capital allocation priorities from here. It doesn't seem like there's anything big in terms of M&A on the horizon. So can we expect to see more regular buyback year after year?

Ed Walker: Yes, so cash is super important in CCEP. We spend a lot of time really driving the understanding of cash throughout all aspects of our business, and we're very confident we can continue to convert that profit very healthily into free cash flow. So no change there, and lots of potential going forward. And that really then feeds into that capital allocation framework. So no change. We generate a lot of cash in the business. The first call on that is really to invest back into future growth, and I've talked a lot about examples of that today. We're committed to maintaining that leverage range between 2.5 to 3 and that investment grade rating. And then absent any M&A, which I'll come back to, and continue with our dividend, which of course will grow, given our policy, we do have extra cash, then, that we are committed to returning to shareholders over the long run.

The share buyback program in '25 has worked every effectively, so we'll continue to look at those types of mechanics going forward and returning that cash to shareholders for '26 and the future. And that allocation framework, there's no plan to change that.

Eric Serotta: Great, so to wrap up, it certainly seems like your relationship or CCEP's relationship with the Coca-Cola Company is really the strongest I've seen it in over a decade. And I think the same could be said for a lot of the publicly traded bottlers. So what is CCEP doing to maintain this alignment, stay in a good place, get better work on the marriage, even when things are good? And just to continue to make sure everyone's rowing in the same direction.

Ed Walker: Yes. I've been nearly, just coming up to my 30th year now in the system, and certainly I would say the relationship is the strongest that I've seen. I think one thing that helps is good performance, so if we deliver and the system delivers, then obviously that makes that relationship a little bit easier. I think a lot of trust in each other's capabilities and making sure everyone plays their part within the relationship. A lot of alignment. We look at everything together from long-range planning, midterm, through

to tactical, day-to-day operations. So a lot of time invested in the relationship from that perspective.

And then I think from a finance side, I think the economic model that we have and the incidence pricing model as well has been a big unlocker of value in that relationship because it really incentivizes everybody to grow the system and grow the opportunity together. But it's in a great place, the relationship.

Eric Serotta: Great. Well, with that, I'm going to keep you guys on schedule. I want to thank you and CCEP for attending this year, continuing the streak here at the Morgan Stanley conference. So thank you.

Ed Walker: Thank you. Great to see you, Eric.

Eric Serotta: Thank you. Thank you, Ed.