



3M2019 RESULTS

Investor presentation



15 May 2019

The Kofola Group

One of the most significant producers of non-alcoholic beverages in CEE and SEE



Revenue 3M19: € 50.3M
EBITDA 3M19: € 4.6M



8 production plants



1,931 employees



countries for expansion

CZK/EUR average FX rate: 25.682

Kofola Group in figures



CZECHIA

- **No. 2** player in the soft drinks market



SLOVAKIA

- **No. 1** player in the soft drinks market



SLOVENIA

- **No. 1** water brand
- **No. 1** player in the soft drinks market



CROATIA

- **No. 2** water brand



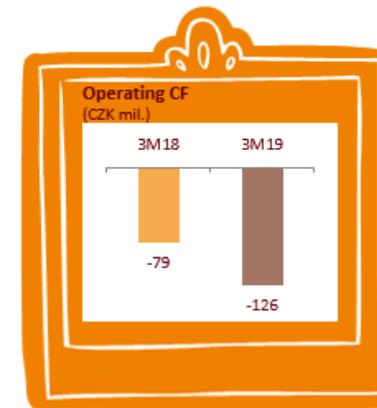
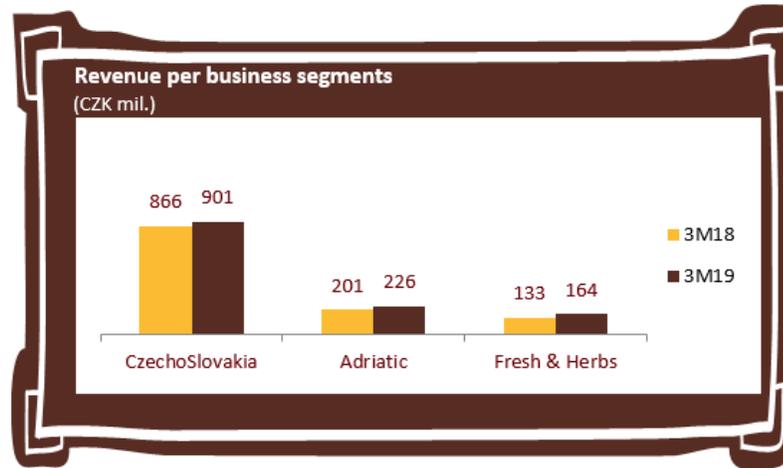
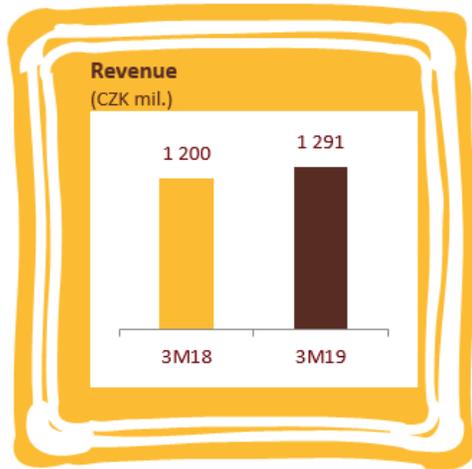
Royal Crown Cola sales in CzechoSlovakia growing by double digit percentage, also thanks to a successful marketing campaign.

Hoop Polska sold / New segment structure

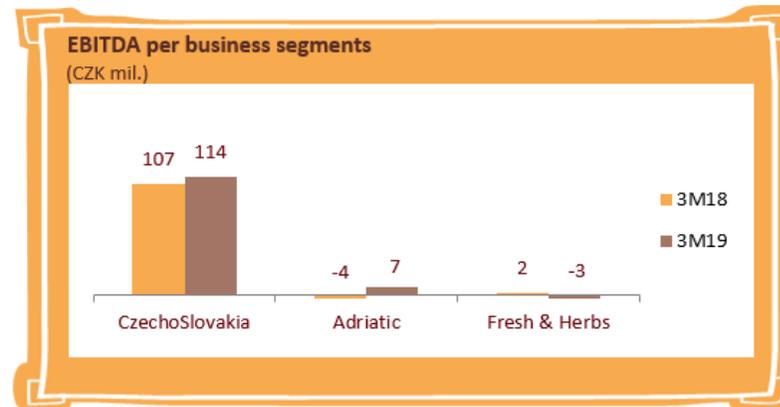
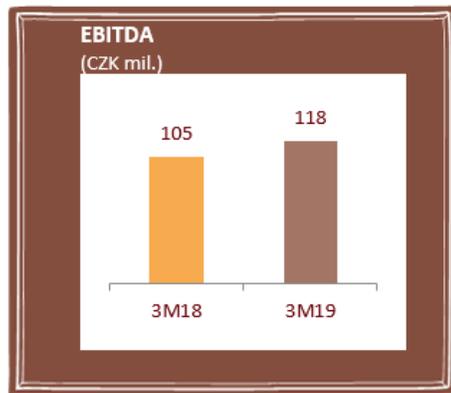
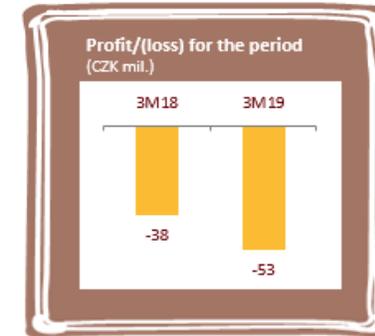
- On 18 March 2019, the Group has sold Hoop Polska. The results of Hoop Polska were therefore part of the Group until 18 March 2019. The consolidated statement of profit or loss is divided into **Continuing** and **Discontinued** operations.
- **3M19 and 3M18 Continuing operations** exclude Hoop Polska.
- **3M19 and 3M18 Discontinued operation** represents results of Hoop Polska. In 3M19, it also contains the gain arising on the sale transaction and the income arising from the translation of the historical cumulative foreign currency translation reserve into profit or loss statement.
- This document contains mainly information related to the **Continuing operations**.
- After the sale of Hoop Polska, management has decided to adjust the structure of segment information.
3 business segments are now presented:
 - **CzechoSlovakia** (Kofola ČeskoSlovensko a.s., Kofola a.s. (CZ), Kofola a.s. (SK), Minerálka s.r.o. and SANTA-TRANS s.r.o.),
 - **Adriatic** (RADENSKA d.o.o., Studenac d.o.o. and Radenska d.o.o.), and
 - **Fresh & Herbs** (UGO trade s.r.o., Premium Rosa Sp. z o.o. and LEROS, s.r.o.).

Kofola Group Key 3M Highlights*

(continuing operations)



Net debt/LTM EBITDA



MAIN INFORMATION IN 3M19:

- GROUP'S EBITDA FROM CONTINUING OPERATIONS INCREASED BY CZK 12.8 MIL. (12.2%).
- GROUP'S REVENUE FROM CONTINUING OPERATIONS INCREASED BY CZK 91.5 MIL. (7.6%), WITHOUT LEROS INCREASED BY CZK 64.0 MIL. (5.3%).
- INCREASED LOGISTIC AND PAYROLL COSTS PARTIALLY COMPENSATED BY SAVINGS FROM LOWER SUGAR PRICE.
- THE HIGHEST HORECA MARKET SHARES ON CZECH AND SLOVAKIA MARKET SINCE 2011.

* Adjusted for one-offs

Results of Kofola Group - 3M19

Reconciliation of reported and adjusted results	Reported	One-offs	Adjusted
	CZK mil.	CZK mil.	CZK mil.
Revenue	1,291.2	-	1,291.2
Cost of sales	(733.4)	-	(733.4)
Gross profit	557.8	-	557.8
Selling, marketing and distribution costs	(463.0)	-	(463.0)
Administrative costs	(106.5)	-	(106.5)
Other operating income/(costs), net	(6.7)	6.6	(0.1)
Operating profit/(loss)	(18.4)	6.6	(11.8)
EBITDA	111.7	6.6	118.3
Finance costs, net	(22.4)	-	(22.4)
Income tax	(19.1)	0.8	(18.3)
Profit/(loss) for the period continuing operations (CO)	(59.9)	7.4	(52.5)
Profit/(loss) for the period discontinued operation (DO) *	76.0	(89.4)	(13.4)
Profit/(loss) for the period (CO+DO)	16.1	(82.0)	(65.9)
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	17.9	(82.0)	(64.1)

One-offs:

In Other operating income/(costs), net – Continuing operations:

- Costs connected with the maintenance of closed Grodzisk Wielkopolski plant of CZK 2.1 mil. (Fresh & Herbs segment).
- Gain on sold items of Property, plant and equipment (mainly machines) of CZK 4.7 mil. recognized in the Adriatic segment (tax 19% applies).
- Acquisition advisory costs – CzechoSlovakia segment incurred costs of CZK 9.2 mil.

In Other operating income/(costs), net – Discontinued operation:

- Gain on sale of Hoop Polska of CZK 8.0 mil.
- Gain of CZK 81.4 mil. from the release of the cumulated foreign currency translation reserve related to the historical consolidation of Hoop Polska.

* Result of Hoop Polska for 1 January 2019 – 18 March 2019 + result on sale of Hoop Polska + income on release of the cumulated foreign exchange difference related to Hoop Polska.

Group Results Comparison 3M*

Results comparison	3M19	3M18	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	1,291.2	1,199.7	91.5	7.6%
Cost of sales	(733.4)	(702.0)	(31.4)	4.5%
Gross profit	557.8	497.7	60.1	12.1%
Selling, marketing and distribution costs	(463.0)	(423.1)	(39.9)	9.4%
Administrative costs	(106.5)	(90.6)	(15.9)	17.6%
Other operating income/(costs), net	(0.1)	2.7	(2.8)	(105.5%)
Operating profit/(loss)	(11.8)	(13.3)	1.5	9.9%
EBITDA	118.3	105.4	12.9	12.2%
Finance costs, net	(22.4)	(21.9)	(0.5)	2.6%
Income tax	(18.3)	(3.4)	(14.9)	444.0%
Profit/(loss) for the period continuing operations (CO)	(52.5)	(38.6)	(13.9)	(36.7%)
Profit/(loss) for the period discontinued operation (DO) **	(13.4)	(29.6)	16.2	54.8%
Profit/(loss) for the period (CO+DO)	(65.9)	(68.2)	2.3	3.1%
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	(64.1)	(66.9)	2.8	4.0%

Continuing operations:

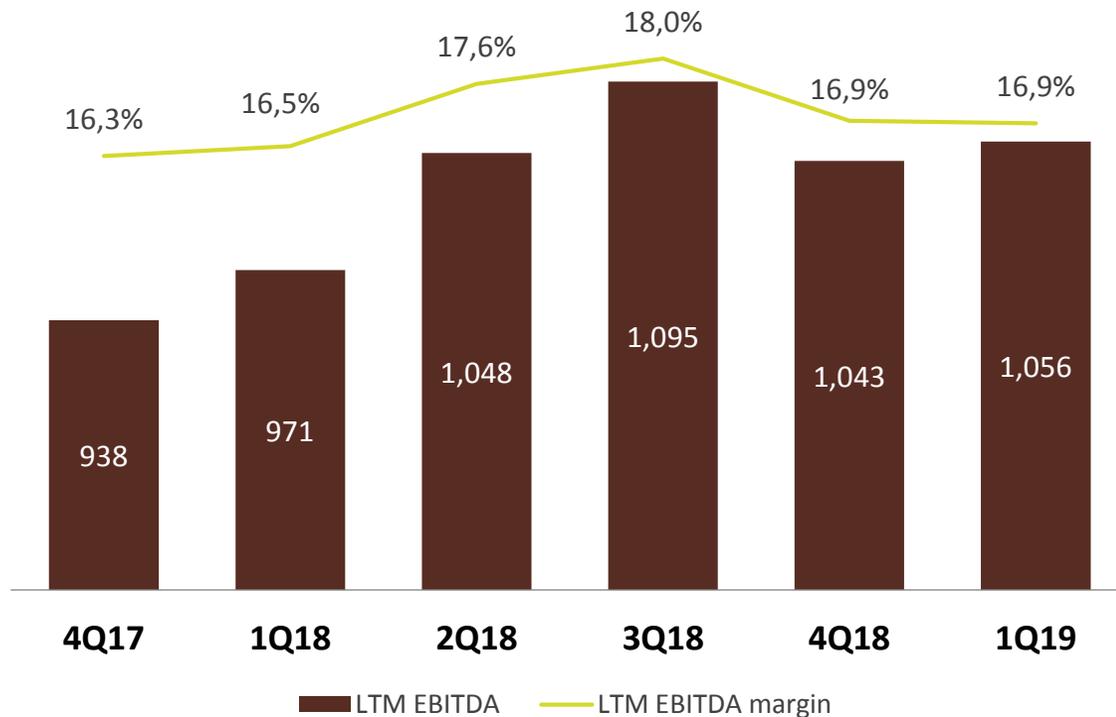
- Total Group's revenue increased by 7.6%. CzechoSlovakia segment sales grew in all main brands. Share of Royal Crown Cola sales in the CzechoSlovakia segment is growing by double digit percentage. By double digit grew also sales of the whole Adriatic segment.
- Increase of cost of sales significantly lower than increase of revenue, mainly as a result of the lower sugar price.
- Increased selling costs driven by higher revenue, higher distribution prices, and selling, marketing and distribution costs attributable to LEROS (acquired in March 2018).
- Increased administrative costs attributable to LEROS (acquired in March 2018) and higher depreciation.
- Higher income tax due to decrease of the deferred tax asset from provisions due to decrease of the provision for bonuses on the parent company level (timing effect of quarterly reporting).

* Adjusted for one-offs

** Result of Hoop Polska for 1 January 2019 – 18 March 2019 + result on sale of Hoop Polska + income on release of the cumulated foreign exchange difference related to Hoop Polska; result of Hoop Polska for 1 January 2018 – 31 March 2018.

Consolidated adjusted LTM* (Last Twelve Months) EBITDA

(CZK m)



CZK mil.	1Q18	2Q18	3Q18	4Q18	1Q19
LTM Revenue	5,883	5,969	6,088	6,157	6,249
LTM EBITDA**	971	1,048	1,095	1,043	1,056
LTM EBITDA margin	16.5%	17.6%	18.0%	16.9%	16.9%

OVERALLY IMPROVED PERFORMANCE.

CZK 13 MIL. INCREASE OF LTM EBITDA IN LTM 4Q18-1Q19 DRIVEN MAINLY BY HIGHER REVENUES.

CONSTANT LTM EBITDA MARGIN IS A NET EFFECT OF LOWER COST OF SALES AND HIGHER LOGISTIC AND PERSONNEL COSTS.

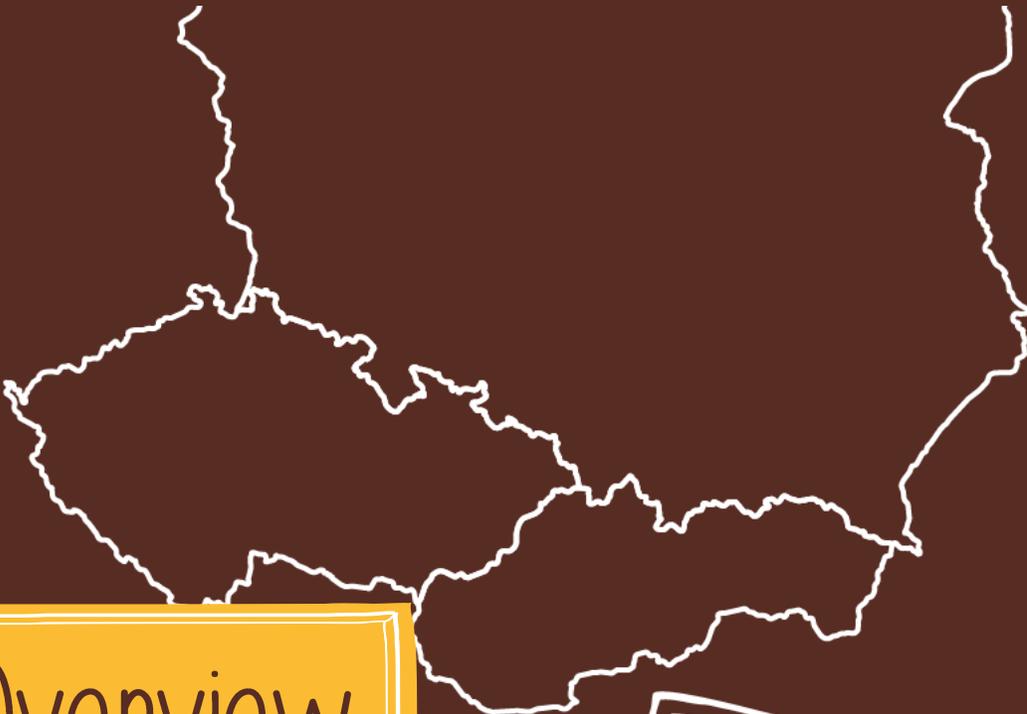
LTM 4Q17-3Q18 INFLUENCED BY RELEASE OF PROVISION FOR BONUSES IN 4Q17 (CZK 62 MIL).

* Continuing operations

** Adjusted for one-offs



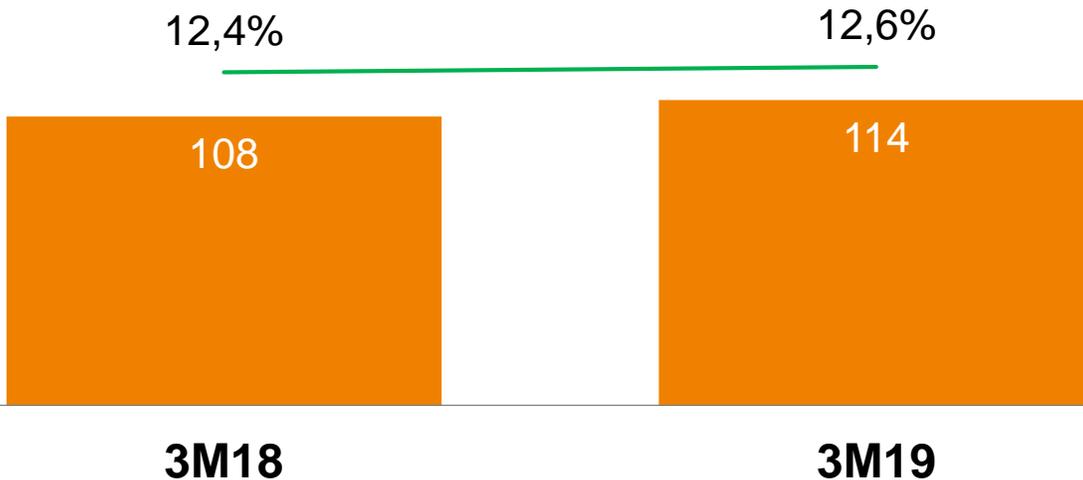
Country Overview



Key CzechoSlovakia segment: high EBITDA share

Adjusted EBITDA & EBITDA margin

(CZK m)



Main drivers:

- Increased total revenues.
- Increased proportion of HoReCa sales with double digit growth of Royal Crown Cola.
- Top market share in HoReCa distribution channel since 2011.
- Lower sugar prices.

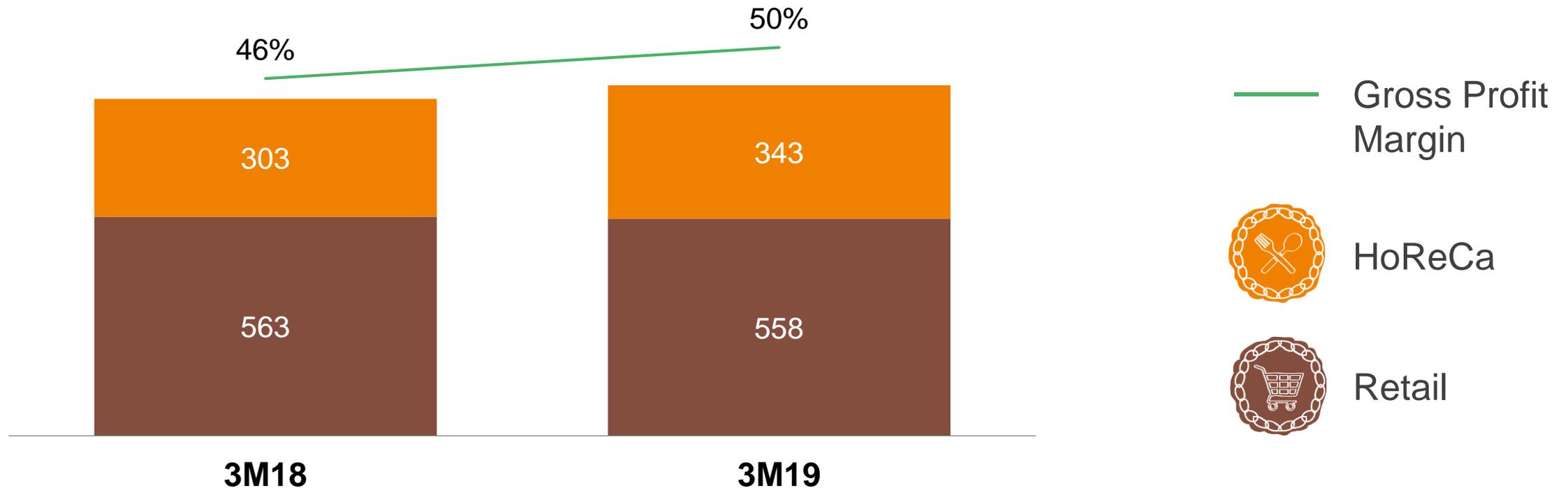
Share in Group's
EBITDA: 96.1%

CZ & SK: Solid results & strong brands position

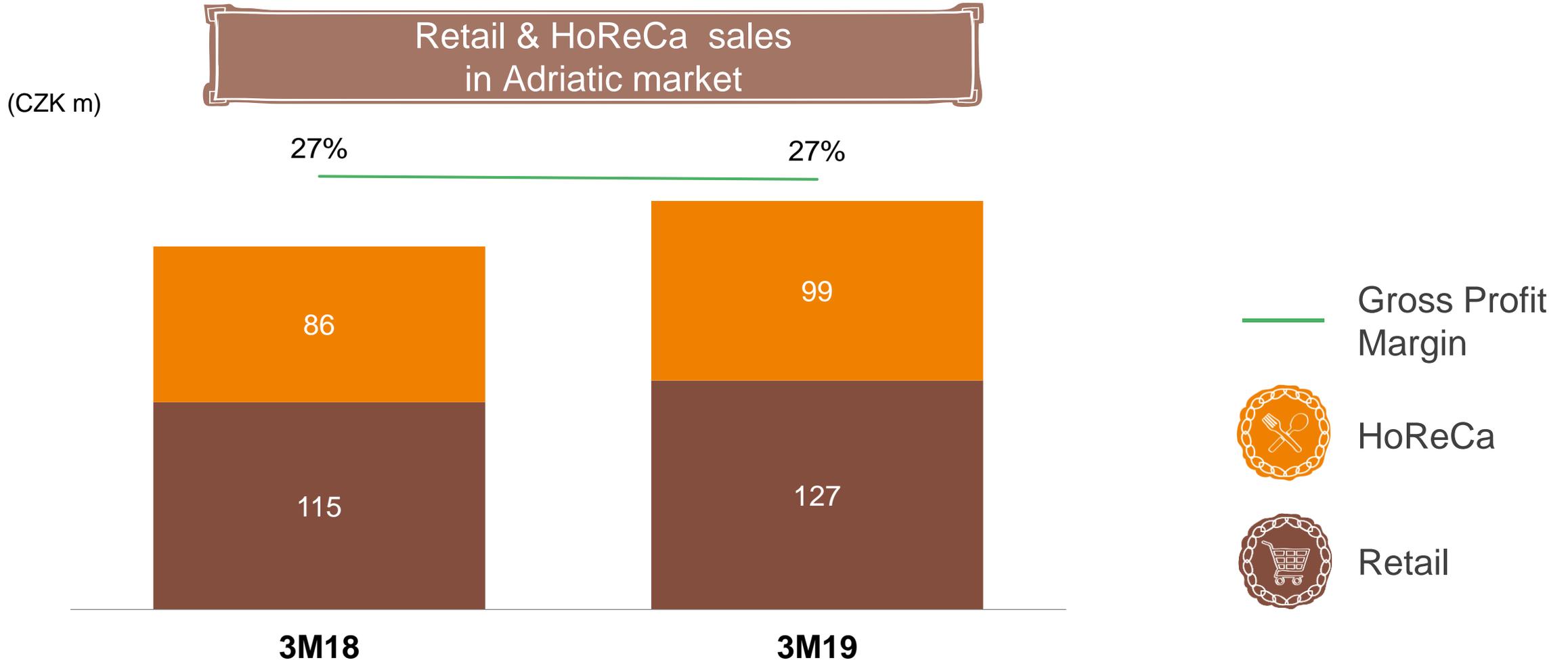


Kofola sales on Retail & HoReCa
CzechoSlovak market

(CZK m)



Adriatic market: Developing strong brands

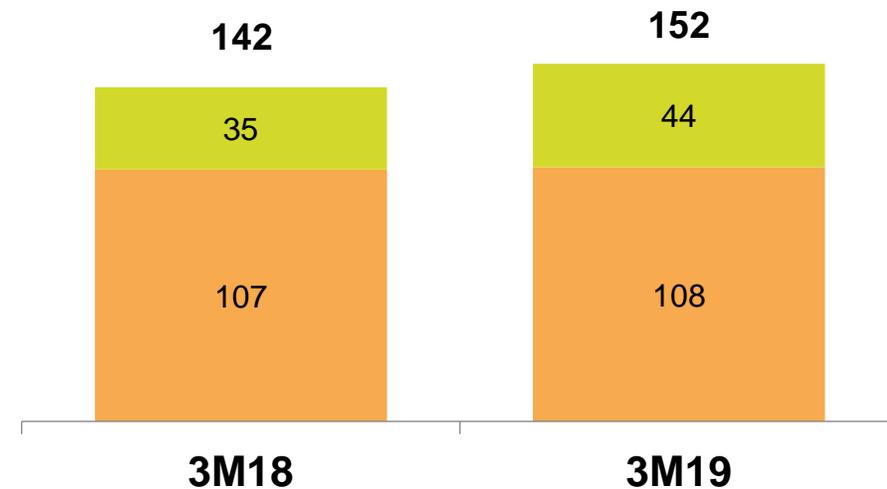


Fresh juice concept committed to a healthy lifestyle

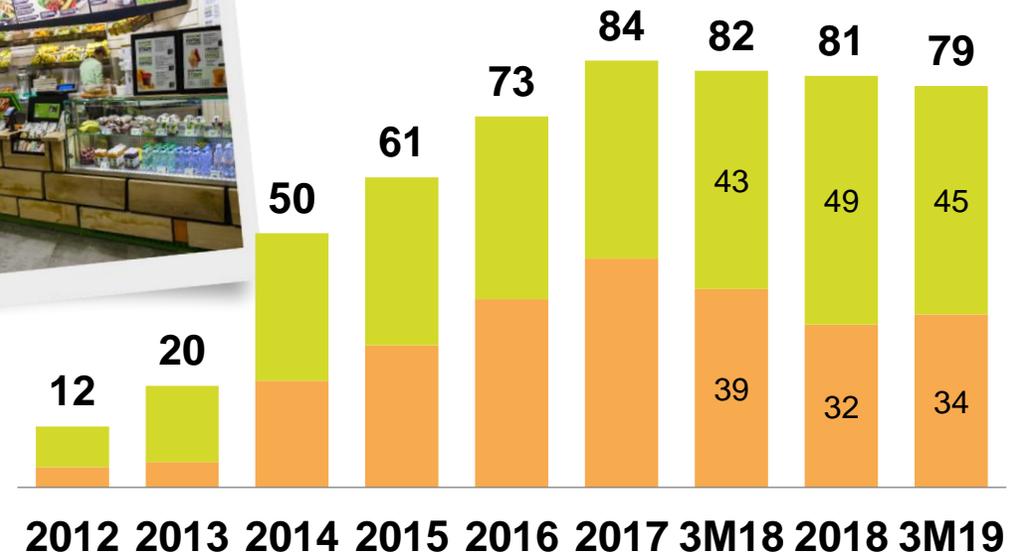


UGO sales* + UGO franchise sales**

(CZK m)



Highest number of bars in CEE

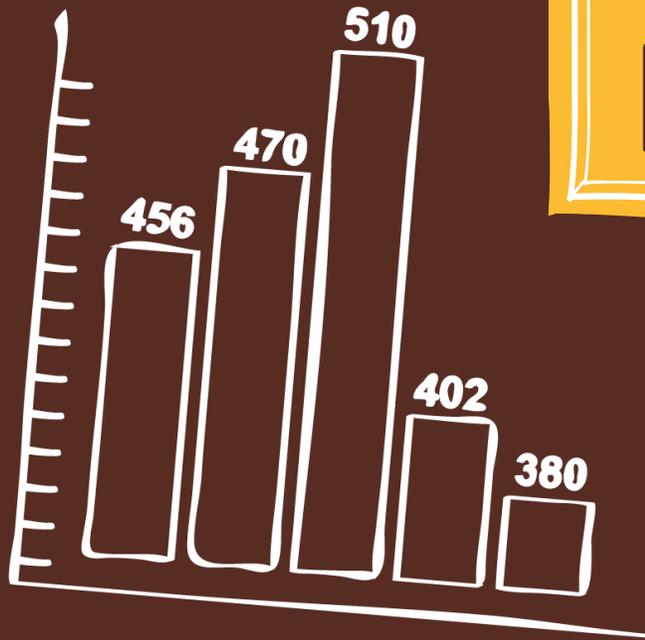


Own

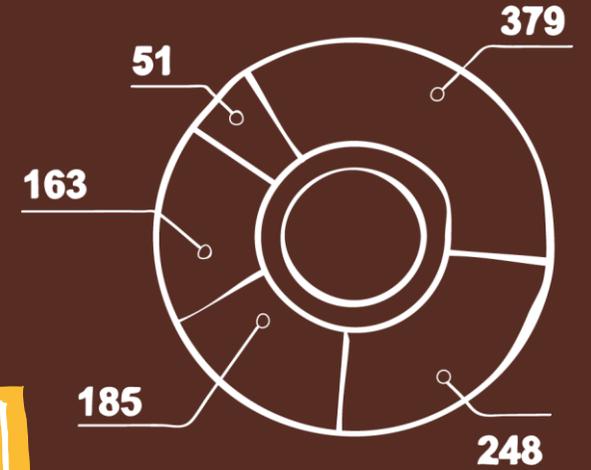
Franchises

* includes sales of salads and UGO bottles ** not included in the Group's results

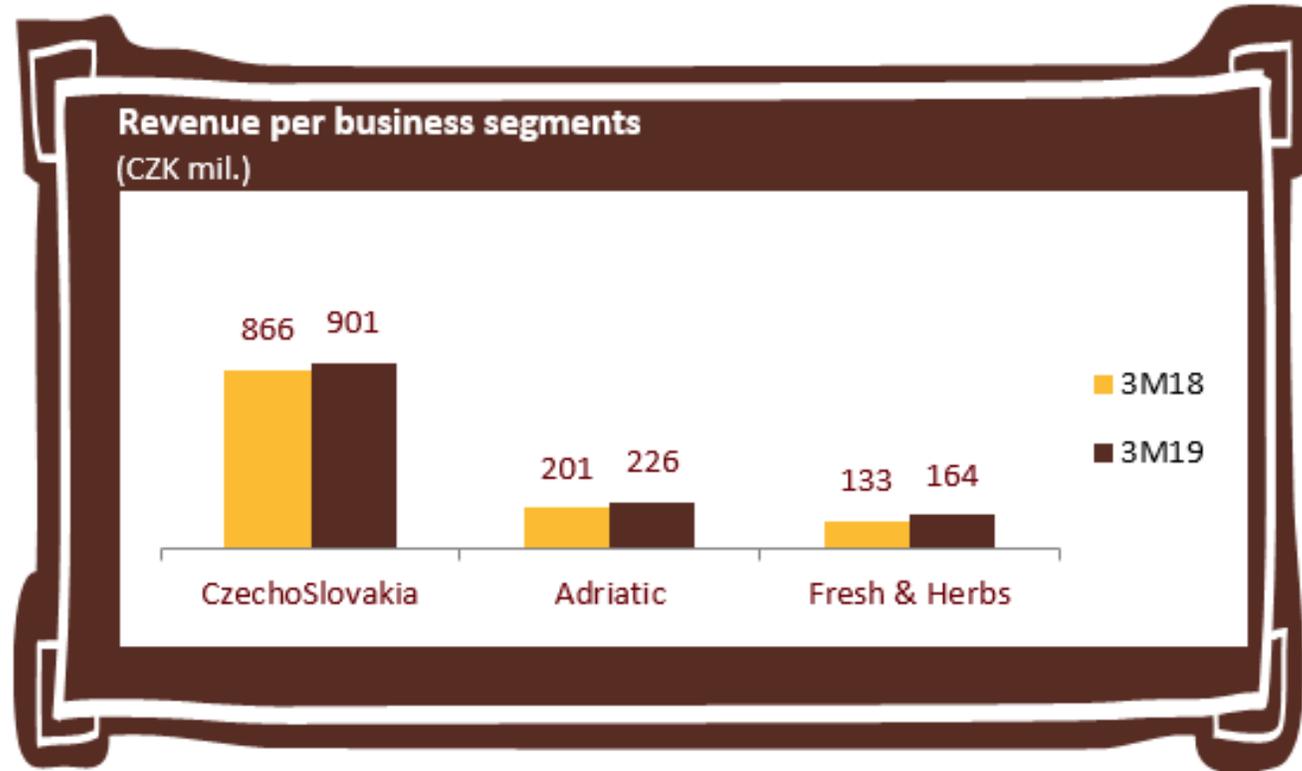
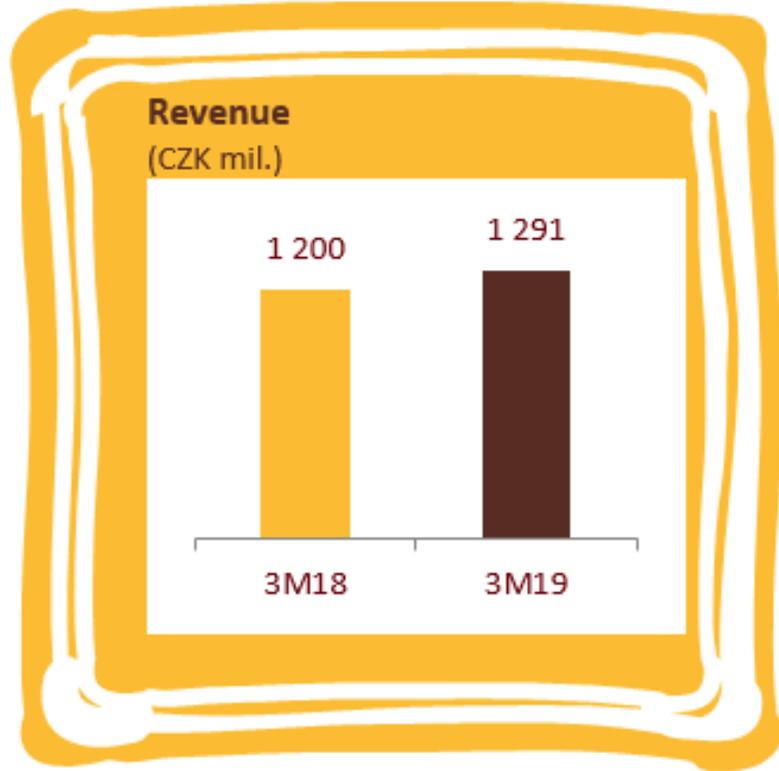




Consolidated Financial Performance Indicators



Consolidated Revenue*



- 7.6% growth of sales in Group, 5.3% without effect of LEROS acquisition.
- 4.1% growth of sales in CzechoSlovakia (growth in all main brands, double digit growth of Royal Crown Cola).
- 12.5% growth of sales in Adriatic. Increase of sales in all main brands with further increase of sales from the distribution of Pepsi.
- 23.4% growth of sales in Fresh & Herbs, 2.8% after exclusion of LEROS (acquired in March 2018).

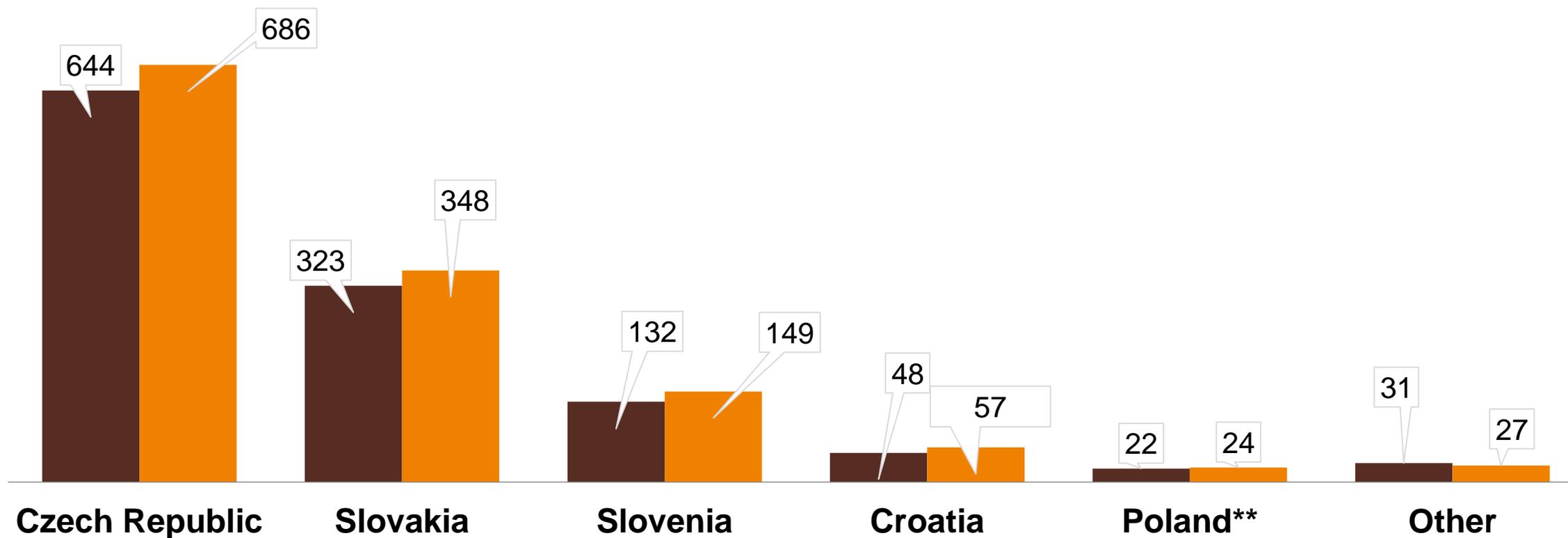
* Continuing operations

Geographical information* (sales by end customer)

(CZK m)

■ 3M18

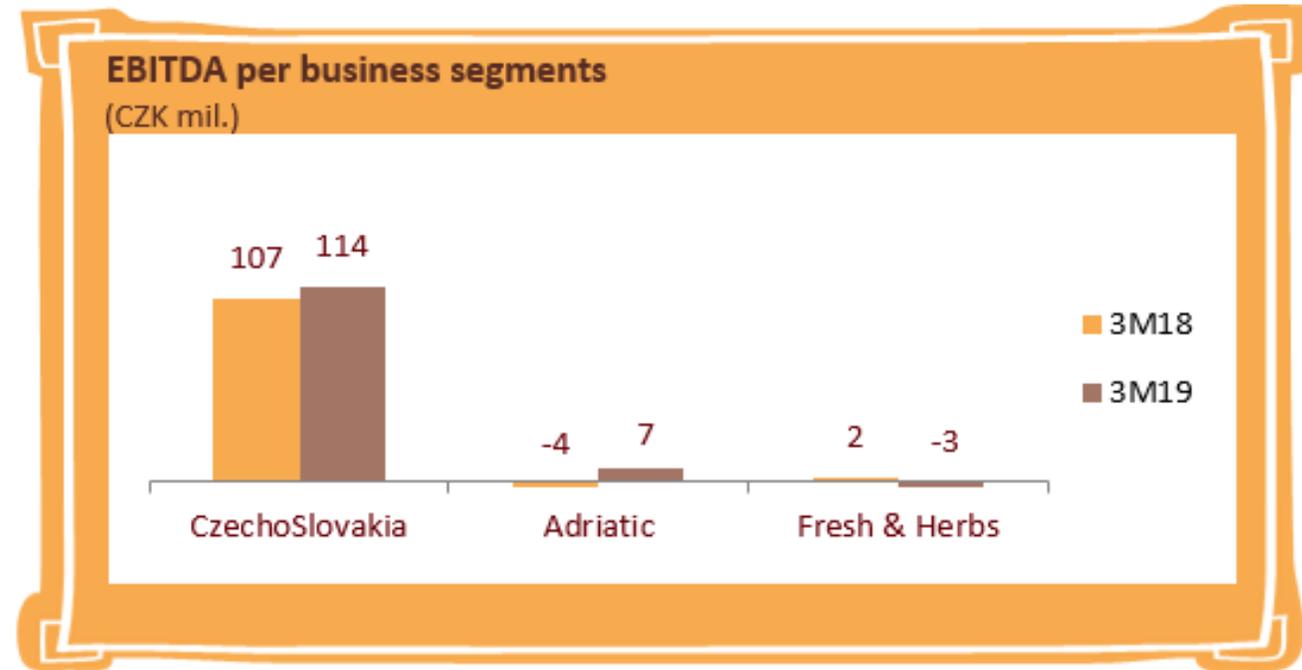
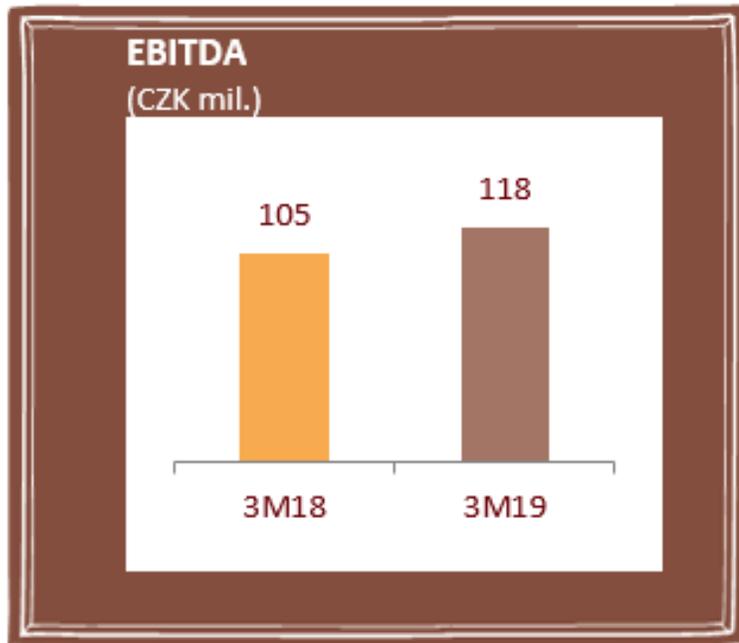
■ 3M19



• Continuing operations

** Sales in Poland mainly from Premium Rosa.

Consolidated adjusted EBITDA*

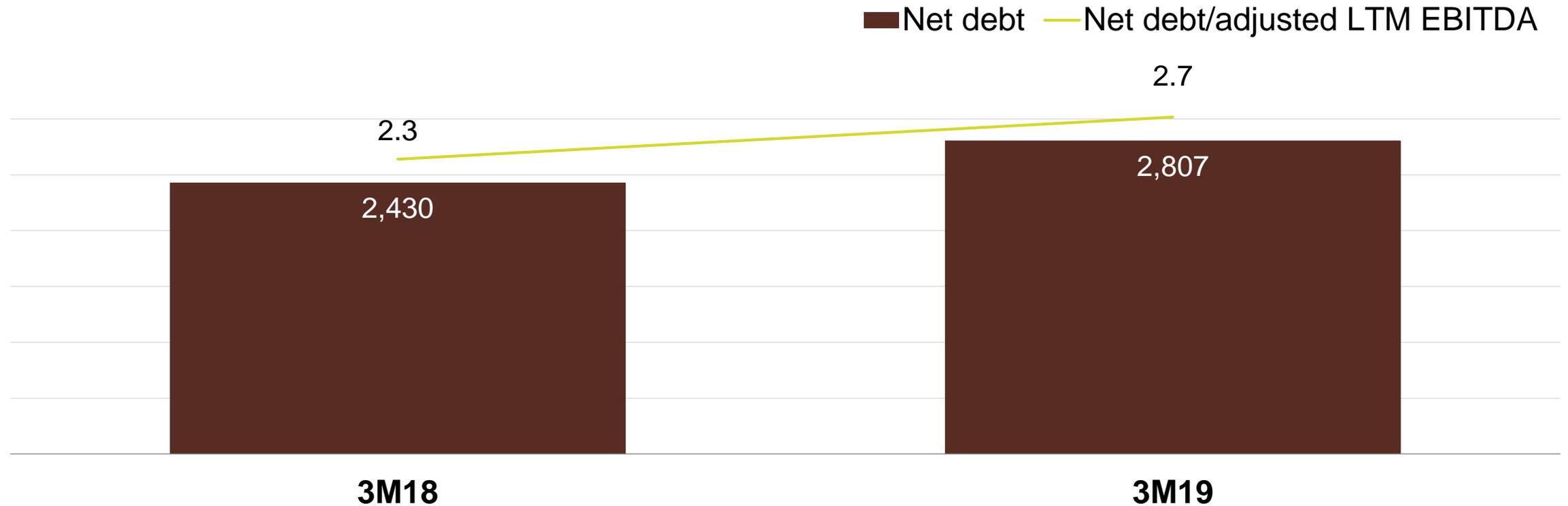


- The Group's adjusted EBITDA increased by CZK 12.8 mil. (12.2%) in comparison with 3M18.
- The adjusted EBITDA in the CzechoSlovakia and Adriatic reached CZK 121.1 mil. with a double-digit growth of CZK 18.0 mil. (17.5%) - very positive first steps towards meeting target profitability in 2019.
- The adjusted EBITDA of the Fresh & Herbs decreased by CZK 5.0 mil. - influenced mainly by LEROS which is investing in marketing and positioning on the CZ+SK markets.

* Continuing operations

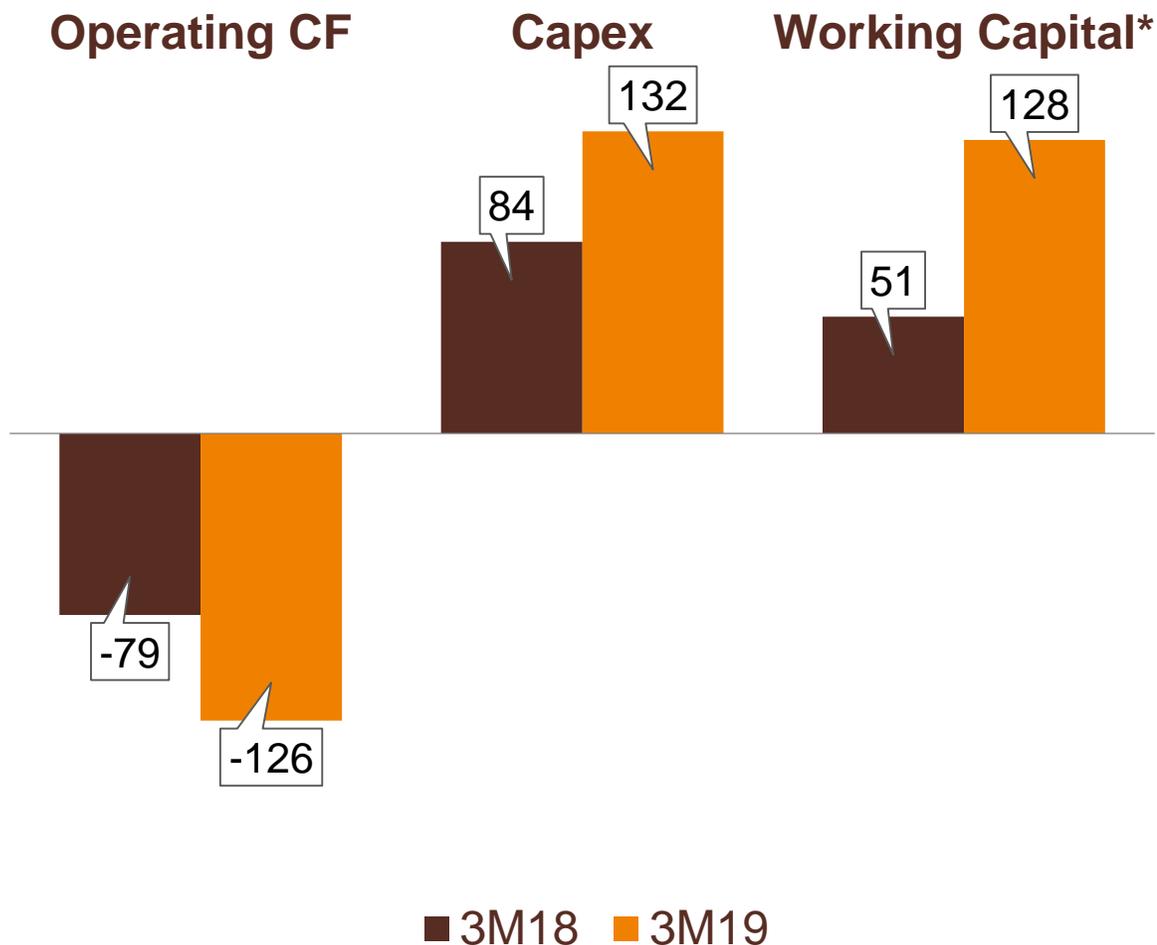
Consolidated NET DEBT

(CZK m)



Increase of Net debt is caused by new IFRS 16 (capitalization of leases) and capital expenditures.

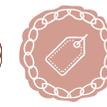
Operating cash flow, CAPEX and Working capital (CZK mil.)



- Decreased operating cash flow in 3M19 is mainly a result of higher payments of the Group's payables in 3M19 in comparison to 3M18.
- Increase in CAPEX is mainly a result of the investment in the new production line (Slovakia).
- Increase of Working capital caused by the decrease of trade and other receivables (CZK 65 mil.), decrease of inventories (CZK 110 mil.) and decrease of trade and other payables (CZK 252 mil.). Trade and other payables decreased mainly due to sale of Hoop Polska.

* Inventories + Trade and other receivables (excluding receivable from sale of Hoop Polska) - Trade and other payables

Revenue of Kofola Group in '000 liters*



CZECHIA	2015	2016	2017	2018	3M18	3M19
Retail	210 960	213 657	199 119	204 458	46 471	42 005
HoReCa	64 736	71 490	72 928	78 844	16 028	16 458
Total	275 696	285 147	272 047	283 302	62 499	58 463



ADRIATIC	2015	2016	2017	2018	3M18	3M19
Retail	67 551	70 515	105 157	99 075	18 832	20 235
HoReCa	27 446	28 876	32 817	42 380	7 710	8 488
Total	94 997	99 391	137 974	141 455	26 542	28 723



SLOVAKIA	2015	2016	2017	2018	3M18	3M19
Retail	141 721	150 052	149 189	151 137	29 517	31 382
HoReCa	40 466	42 945	43 717	49 352	8 625	9 607
Total	182 187	192 997	192 906	200 489	38 142	40 889

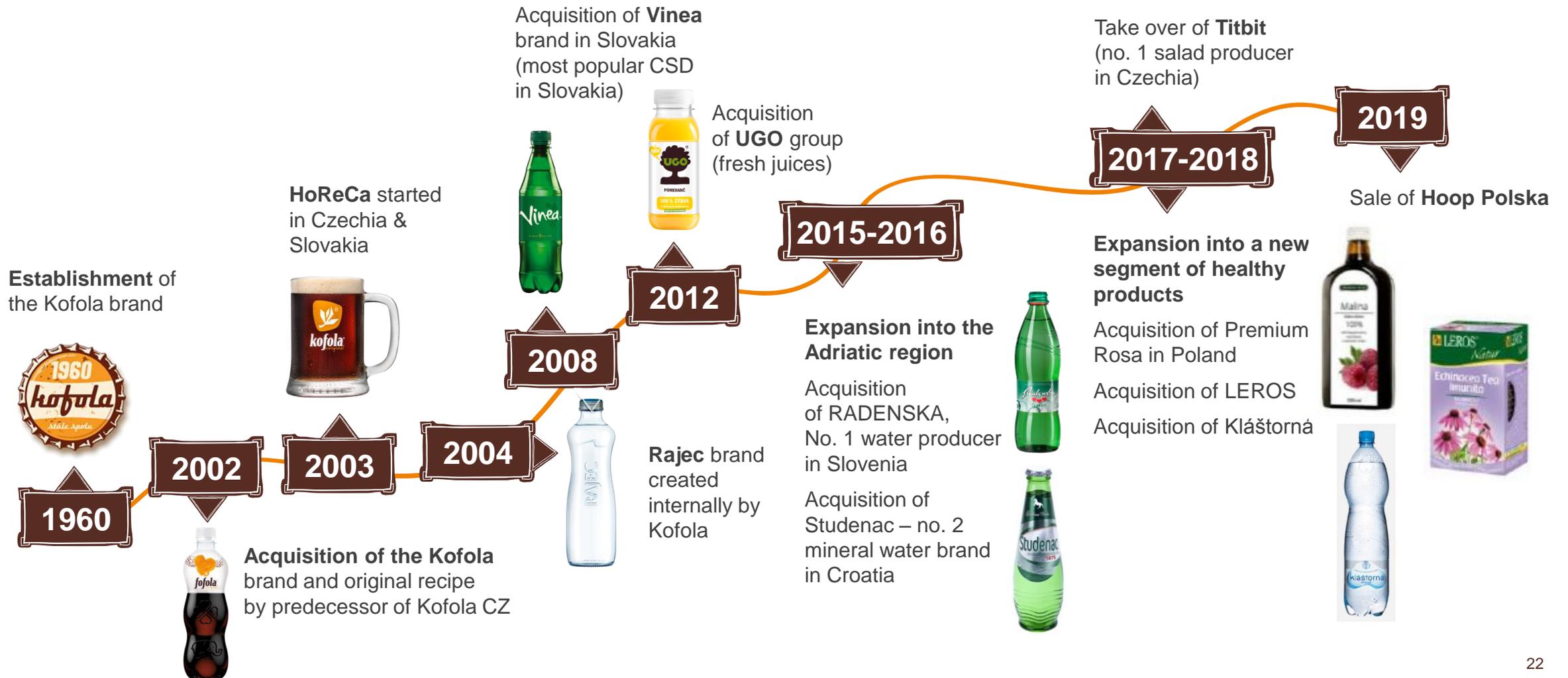


* based on the seat of producer



Kofola INFO

History of successful acquisitions and development



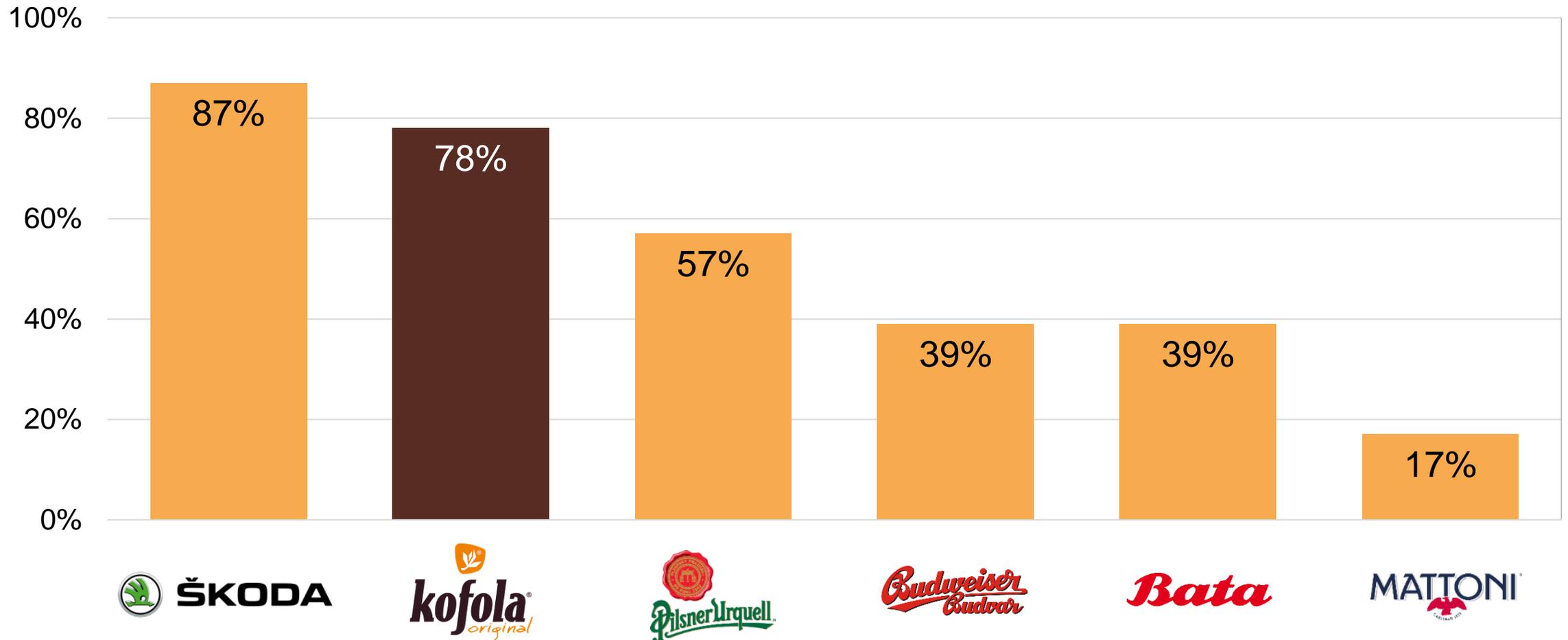
Most relevant topics for our business

- Kofola is among the most admired companies in the Czech Republic according to the Czech Top 100 Awards.
- Kofola is a herbal drink made from 14 herbs.
- Kofola has 30% less sugar than other cola drinks.
- Kofola contains no acid phosphoric.
- Water makes 30% of our product portfolio.
- We use HPP* technology to produce UGO fresh juices.
- 40% of our trucks use CNG.
- 60% of our products without preservatives.
- We build a new segment based on herbs and authentic healthy raw materials - in our new acquisitions LEROS and Premium Rosa.



* high pressure processing

Kofola is 2nd best traditional Czech brand

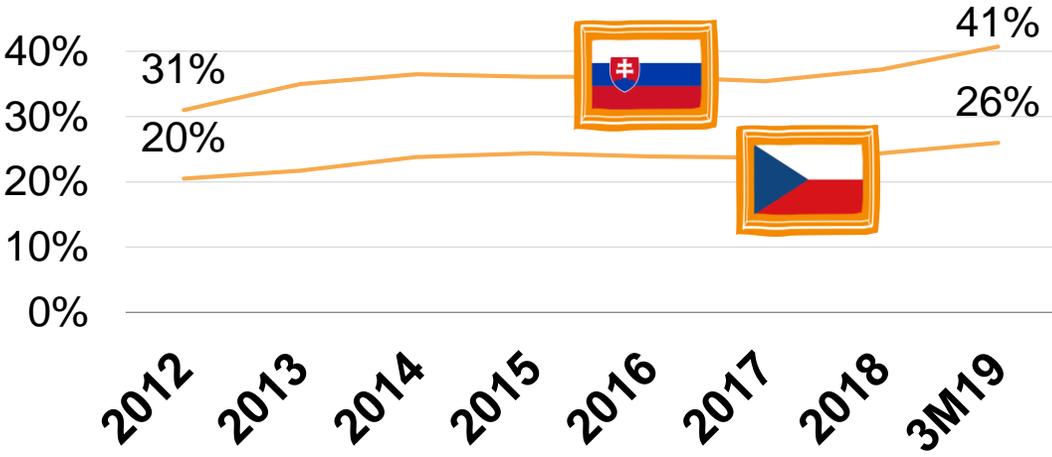


The complete portfolio of strong brands

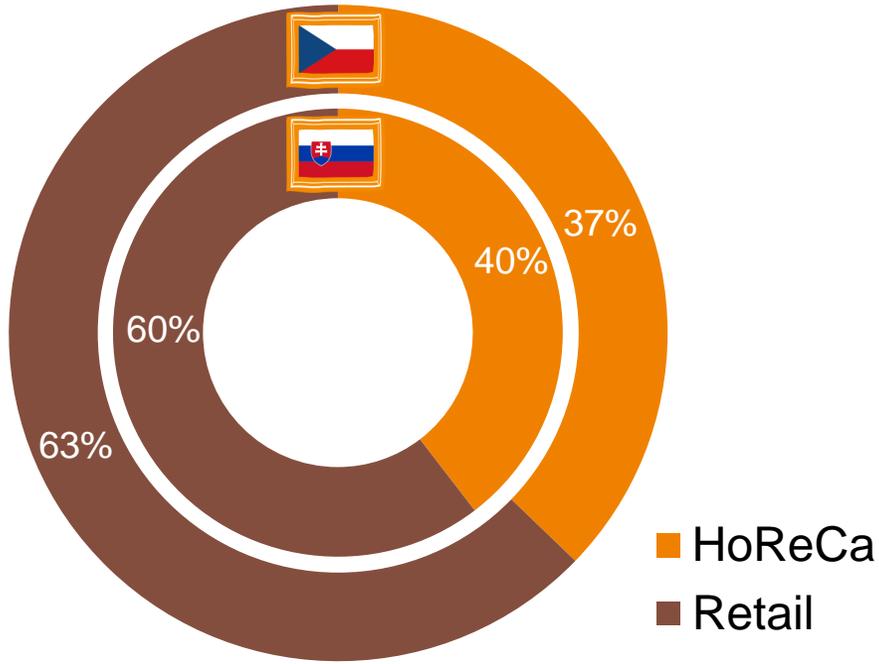


HoReCa channel: An important part of our business

Kofola share in HoReCa channel*



Kofola's HoReCa sales in total sales 3M19

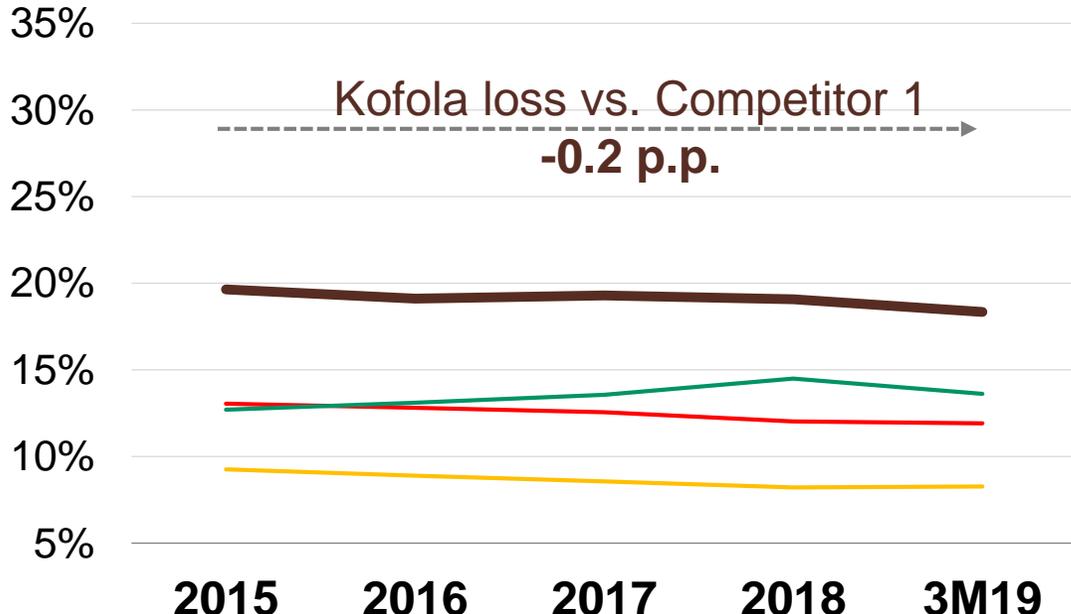
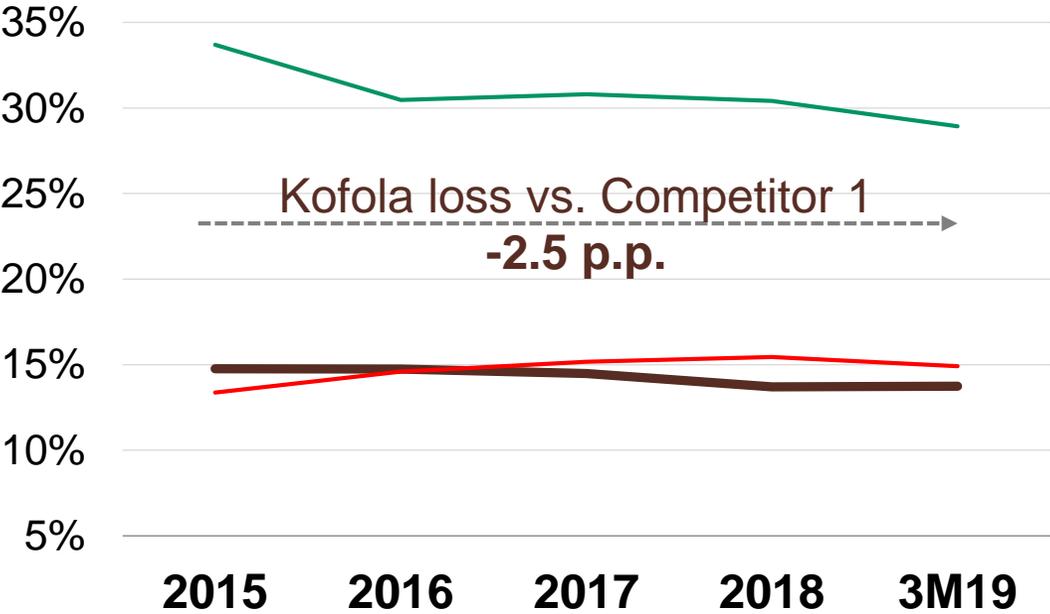


* based on Data Servis and Canadean (volume terms)

Kofola can compete with global brands in Retail



Kofola Retail market share (VALUE)



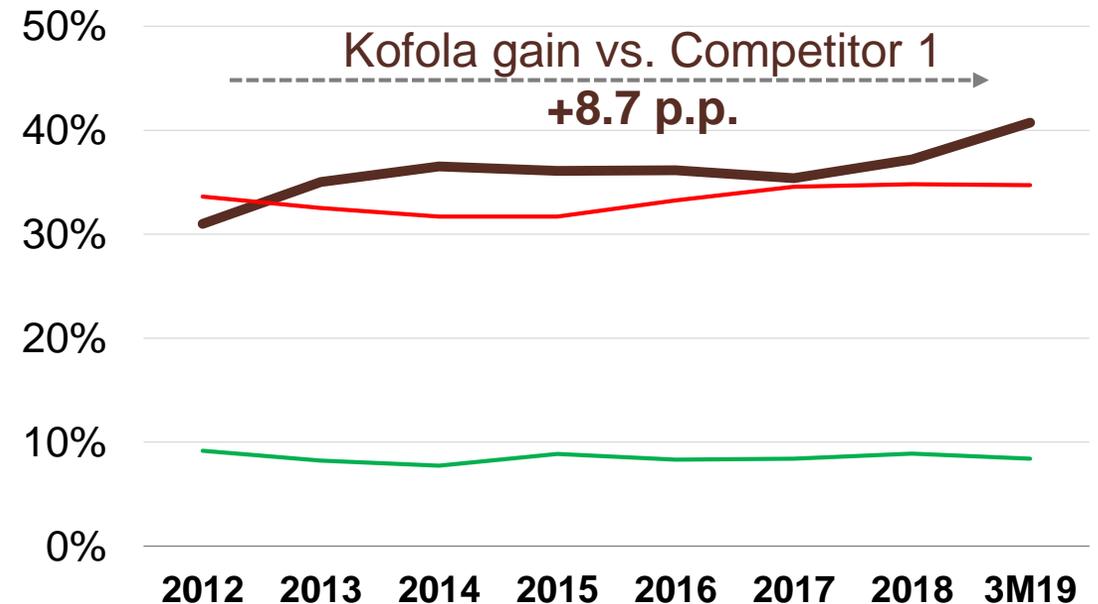
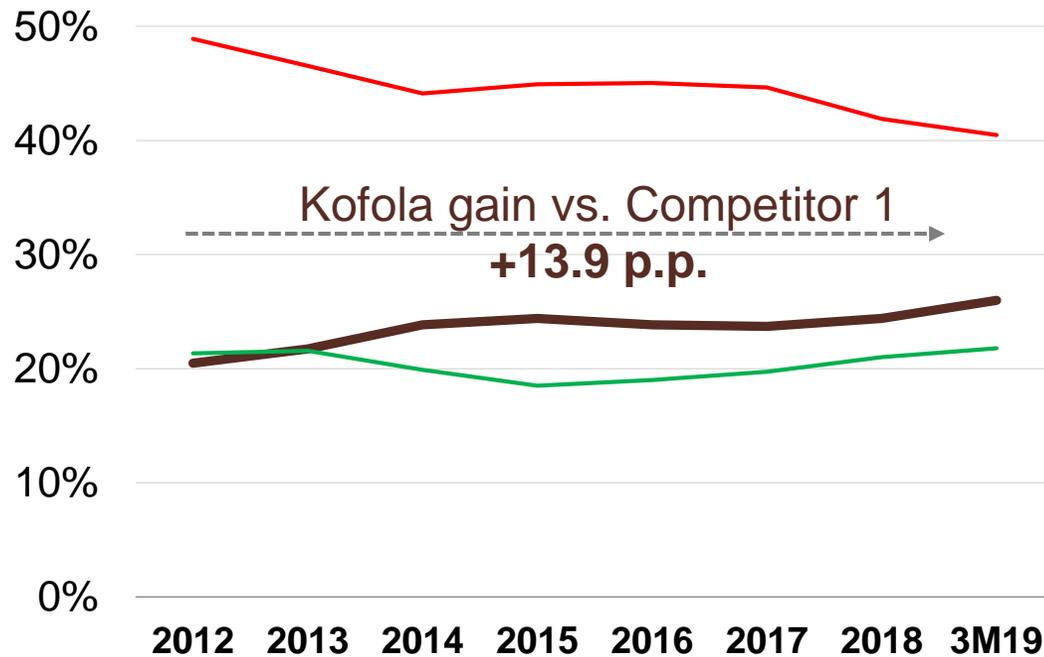
— Kofola — Competitor 1 — Competitor 2 — Competitor 3

Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola relative gain/(loss) vs. Competitor 1 calculated between start and end of reported periods.

Kofola can compete with global brands in HoReCa



Kofola HoReCa market share (VOLUME)



— Kofola

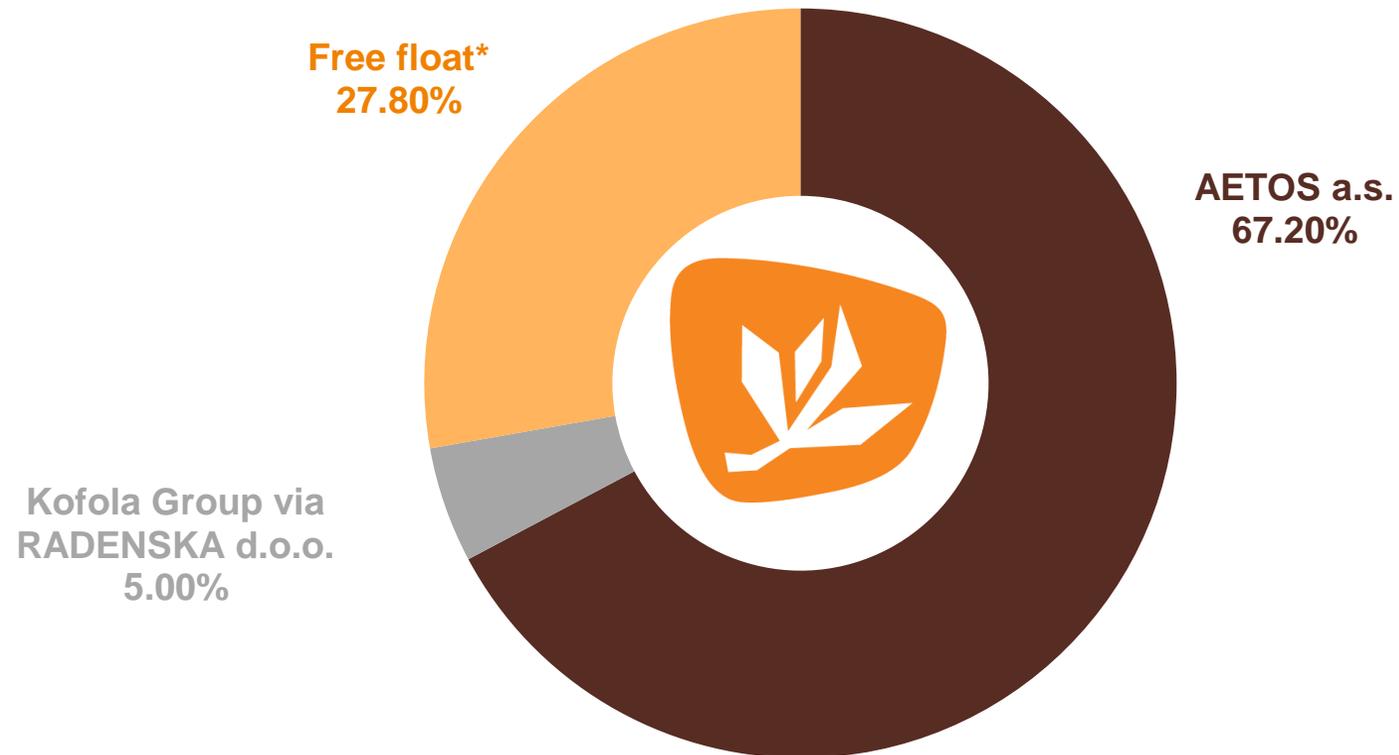
— Competitor 1

— Competitor 2

Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola relative gain/(loss) vs. Competitor 1 calculated between start and end of reported periods.

Kofola ownership structure

Current ownership structure



* 6 million shares

Kofola listed on Stock Exchange since 2008

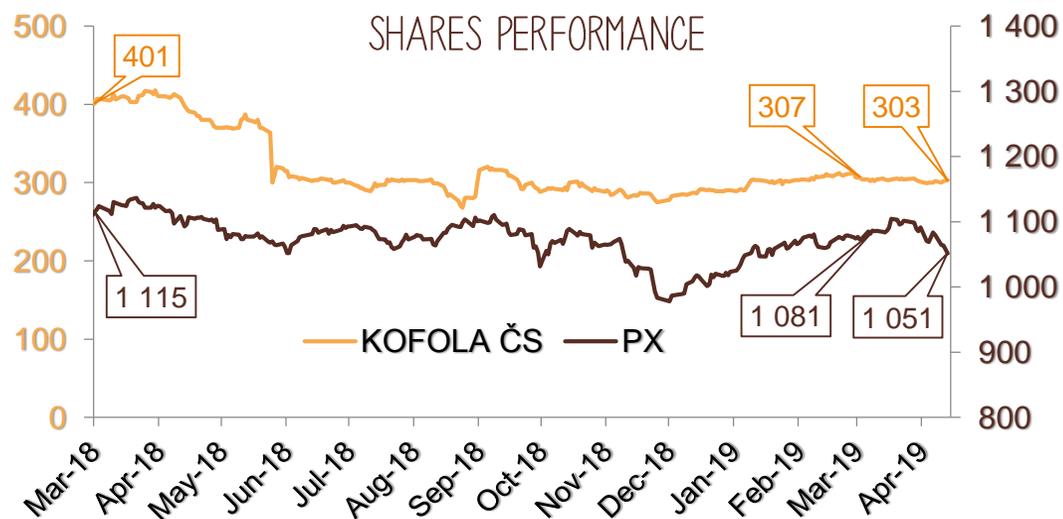


DIVIDEND POLICY

Aim of dividend distribution to shareholders of Kofola of at least

60% of its consolidated net profit

achieved in each financial year from 2017 until 2020, subject to sufficient distributable profits.



Experienced & stable team



Jannis Samaras

Chairman of the BoD, CEO, founder
67.2% stake in Kofola (via AETOS)



René Musila

Vice-Chair of the BoD, COO
In Kofola since 1993



Daniel Buryš

Vice-Chair of the BoD, Country
manager CzechoSlovakia
In Kofola since 2010



Jiří Vlasák

Member of the BoD
In Kofola since 2010



Pavel Jakubík

Member of the BoD, Group CFO
In Kofola since 2008



Marián Šefčovič

Member of the BoD,
Country Manager Adriatic region
In Kofola since 2002



Appendix

Consolidated Income Statements

Adjusted consolidated financial results	3M19**	3M18**	2018*	2017*	2016*	2015*	2014*
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Revenue	1,291,170	1,199,711	7,118,768	6,963,278	6,998,960	7,190,838	6,275,391
Cost of sales	(733,413)	(702,015)	(4,053,399)	(4,134,081)	(4,211,593)	(4,352,102)	(3,881,359)
Gross profit	557,757	497,696	3,065,369	2,829,197	2,787,367	2,838,736	2,394,032
Selling, marketing and distribution costs	(463,041)	(423,143)	(2,196,898)	(2,092,992)	(1,876,854)	(1,884,399)	(1,607,706)
Administrative costs	(106,519)	(90,591)	(441,976)	(373,702)	(403,059)	(385,491)	(317,937)
Other operating income/(costs), net	(153)	2,763	17,174	22,444	33,903	20,567	(25,564)
Operating profit	(11,956)	(13,275)	443,669	384,947	541,357	589,413	442,825
EBITDA	118,233	105,394	1,011,001	950,175	1,064,360	1,102,614	914,820

* Audited ** Continuing operations

In 2014, EBITDA was adjusted by one-off item relating to impairment of investment in associate in the amount of CZK 44 million.

In 2015, EBITDA was adjusted by one-off items: qualitative product complaints in Hoop Poland connected with a poor quality of packaging material, the net impact on operating result was of CZK 103 million, CZK 70 million related to advisory costs related to acquisitions and restructuring project and positive effect of CZK 18 million related to court litigation against a competitor of the Group for protection against unfair competition and infringement of Kofola trademarks.

In 2016, EBITDA was adjusted by one-off items: closure of Bielsk and reorganization costs (CZK 3 mil.), merger, acquisition and due diligence costs (CZK 47 mil.), income of CZK 29 mil. from insurance income connected with qualitative product complaints and release of provision for legal case, costs of WSE delisting (CZK 3 mil.), impairment costs – in Polish operation CZK 70 mil. and CZK 126 mil. In Russian associate, assets impairments – CZK 24 mil.

In 2017, EBITDA was adjusted by one-off items: net operating income from the sale of warehouse (CZK 2.9 mil.), costs connected with SAP implementation (CZK 6.3 mil.), costs connected with the liquidation of an inactive subsidiary in Sieldorfer (CZK 1.8 mil.), revenue from the sale of building (CZK 11.6 mil.), net operating income from the sale of production lines in Poland (CZK 37.8 mil.), costs connected with maintenance of Bielsk Podlaski plant and release of provision (CZK 3.9 mil.), costs connected with the closure of Grodzisk (CZK 43.8 mil.), net operating income from compensation and release of provision connected with prior years qualitative product complaints (CZK 41.6 mil.), impairment costs (CZK 112.4 mil.), acquisition costs – Czech operation incurred costs of CZK 14.5 mil. and costs of CZK 4.4 mil. connected with closing "Na grilu" operation in UGO.

In 2018, EBITDA was adjusted by one-off items: severance costs – costs of CZK 3.5 mil. connected with changed Trade Union Agreement (in Croatia), severance costs – acquisition related costs of CZK 1.5 mil in Czechia, acquisition advisory costs – Czech and Slovak operations incurred costs of CZK 26.5 mil., net other operating income from the sale of production lines in Poland of CZK 4.5 mil., costs of CZK 17.7 mil. from the sale of Bielsk Podlaski plant, costs of CZK 0.3 mil. from the sale of fixed assets in Czechia, costs connected with the maintenance of closed Bielsk Podlaski plant of CZK 6.0 mil., costs connected with the maintenance of closed Grodzisk Wielkopolski plant, release of provision and other restructuring costs of CZK 1.7 mil., impairment of the Grodzisk Wielkopolski plant of CZK 3.7 mil., impairment of the drill of CZK 3.7 mil. and impairment related to the sale of Hoop Polska of CZK 345.8 mil.

In 3M18, EBITDA was adjusted by one-off items: acquisition costs – Czech operation incurred costs of CZK 4.3 mil., Costs connected with maintenance of closed Grodzisk Wielkopolski plant and other restructuring costs of CZK 3.8 mil.

Consolidated Statements of Financial Position & Cash Flow Statements

Consolidated statement of financial position	31.3.2019	31.3.2018	31.12.2018	31.12.2017	31.12.2016	31.12.2015*	31.12.2014
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Non-current assets	4,258,672	4,843,700	4,348,833	4,786,195	4,915,863	5,095,724	4,171,985
Current assets	2,202,215	1,935,599	2,214,197	1,792,673	3,104,020	3,395,290	1,787,877
Total assets	6,460,887	6,779,299	6,563,030	6,578,868	8,019,883	8,491,014	5,959,862
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1,476,516	1,890,386	1,531,669	1,977,670	2,736,572	2,810,188	2,569,449
Equity attributable to non-controlling interests	(10,007)	(4,895)	(8,156)	(3,684)	2,896	49,233	7,380
Total equity	1,466,509	1,885,491	1,523,513	1,973,986	2,739,468	2,859,421	2,576,829
Non-current liabilities	2,704,249	2,358,667	2,565,592	1,855,652	1,580,357	1,750,669	1,029,534
Current liabilities	2,290,129	2,535,141	2,473,925	2,749,230	3,700,058	3,880,924	2,353,499
Total liabilities	4,994,378	4,893,808	5,039,517	4,604,882	5,280,415	5,631,593	3,383,033
Total liabilities and equity	6,460,887	6,779,299	6,563,030	6,578,868	8,019,883	8,491,014	5,959,862

Consolidated statement of cash flows	3M19	3M18	2018	2017	2016	2015*	2014
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Net cash flows from operating activities	(125,611)	(79,477)	821,155	719,995	655,330	935,241	962,426
Net cash flows from investing activities	1,077	(178,611)	(389,430)	(468,963)	(748,667)	(1,136,775)	(241,703)
Net cash flows from financing activities	33,081	181,894	(101,692)	(1,352,846)	(420,418)	1,546,637	(352,204)
Cash and cash equivalents at the beginning of the period	619,300	289,594	289,594	1,421,014	1,940,008	568,764	201,669
Cash and cash equivalents at the end of the period	528,120	212,197	619,300	289,594	1,421,014	1,940,008	568,764

* Restated. All Y/E periods audited

Contact

Should you have any question related to Kofola Group do not hesitate to contact our investor relations office:

LENKA FROSTOVÁ   

e-mail: investor@kofola.cz

tel.: +420 735 749 576

<http://investor.kofola.cz/en>

Kofola ČeskoSlovensko a.s.

Nad Porubkou 2278/31A

708 00 Ostrava

Czech Republic

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