



KOFOLA ČESKOSLOVENSKO 2015 RESULTS

16 March 2016





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- Kofola Group
- Results
- Markets, trends and strategy
- Profile and history
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KOFOLA GROUP KEY HIGHLIGHTS



- no. 2 player on the soft drinks market
- 2nd most recognised brand in 2014 survey
- 3rd most recognised company in 2015 survey



- no. 1 player in the soft drinks market in both Retail & HoReCa



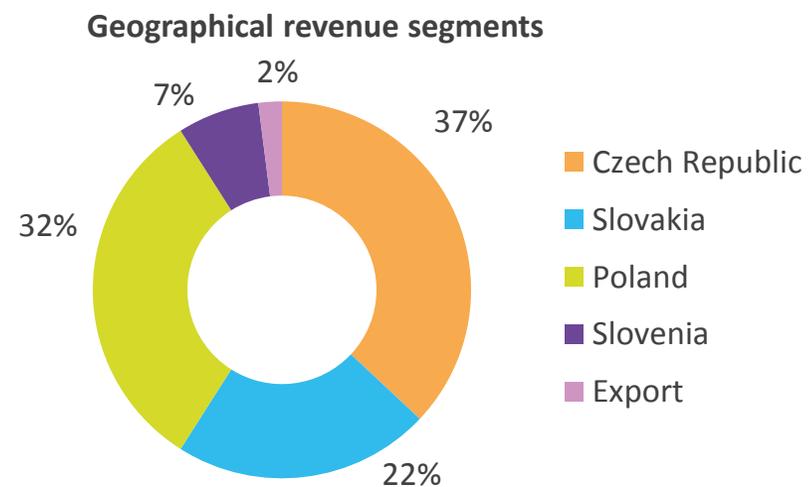
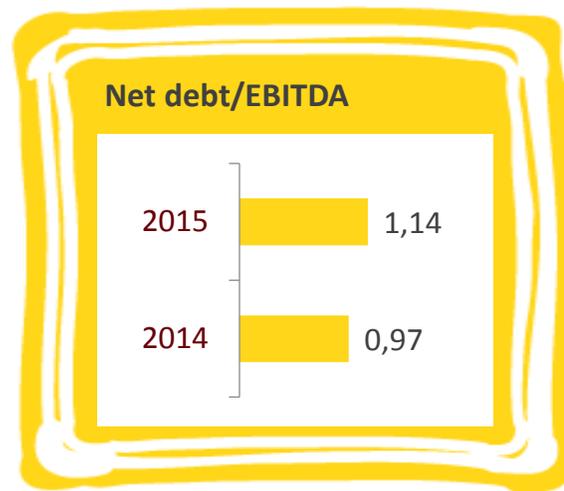
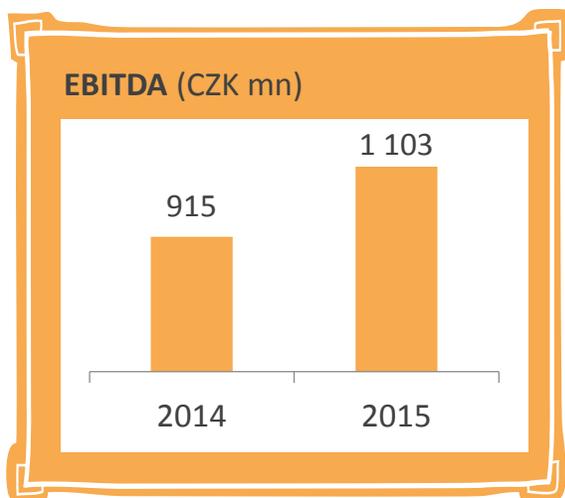
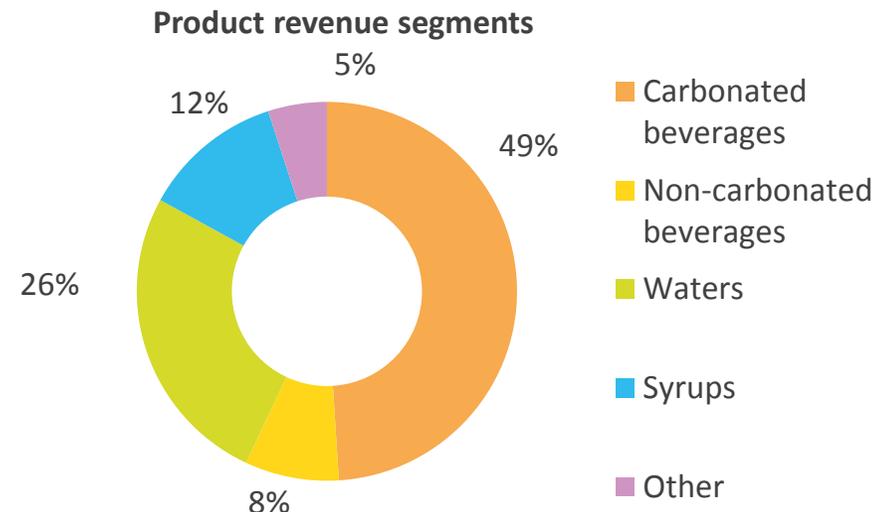
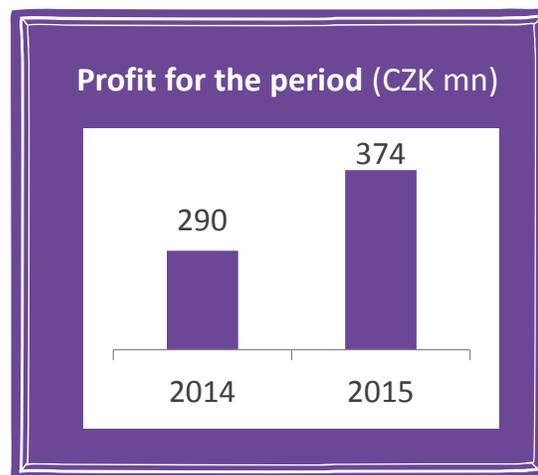
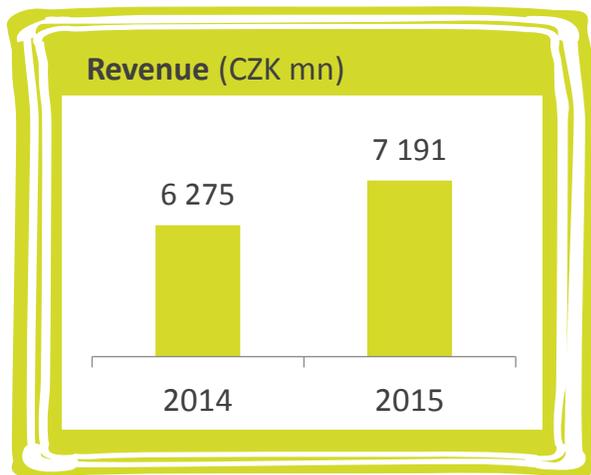
- no. 2 syrup brand
- no. 3 cola brand
- one of leading private label soft drinks producers



- no. 1 player on the soft drinks market in Slovenia
- no. 1 water brand in both Retail & HoReCa



KOFOLA GROUP KEY HIGHLIGHTS*



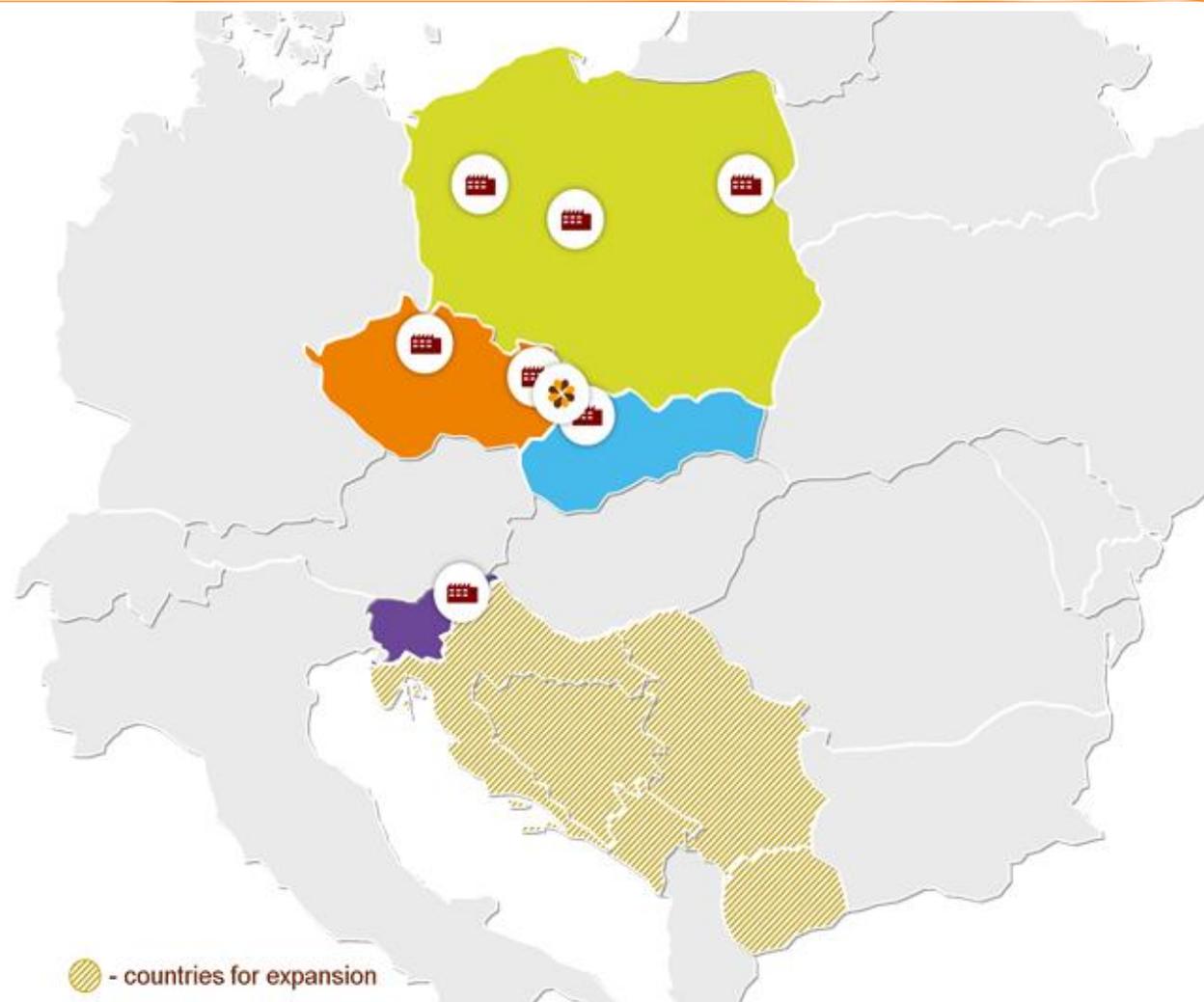
KOFOLA GROUP KEY HIGHLIGHTS

KEY FINANCIAL DATA [MCZK]

Segment revenues*	2015	%
Carbonated beverages	3 513.7	49%
Waters	1 854.5	26%
Syrups	870.5	12%
Non-carbonated beverages	559.9	8%
Other	392.2	5%
Total	7 190.8	100%

EBITDA*	1 102.6
Total assets	8 491.0
Equity	2 870.2
Net debt	1 276.9
Net debt/EBITDA**	1.14
Net debt/Equity	0.45

EPS attributable to shareholders of Kofola ČeskoSlovensko* [CZK/share] 16.9



* adjusted for one-offs

** EBITDA adjusted for one-offs and annualised for Radenska

OUR MAIN BRANDS



NEW PRODUCTS IN 2015



Hoop Cola Coconut 2l limited edition



New interesting coconut taste for HOOP cola. Product is available in PET bottles of 2.0l.



Top Topic Orange + Raspberry 1.5l, 0.5l, KEG



Popular Top Topic has new refreshing taste – orange and raspberry. The products are available in PET bottles of 1.5l, 0.5l and in KEGs.



Kofola Apricot 0.5l



Kofola family has new member. The apricot joins the original, citrus, cherry, extra herbs, vanilla and guarana flavours. The product is available in PET bottles of 0.5l.



Jupí Cherry



New taste of popular Jupí syrups will support strong position of this brand on the Czech and Slovak market. Syrup is produced on the hot bottling line without using preservatives. Product is available in PET bottles of 0.7l.



Hoop Cola Cherry 1l – new format



New format of the cherry Hoop Cola that is now available in 1l PET.



Kofola 0.2l – new design



New design of the original taste Kofola glass, mainly for gastro segment.

NEW PRODUCTS IN 2015



Arctic – new design



New design of natural and flavoured Arctic water PET bottles.



Rajec Elderberry 1.5l, 0.75l



New taste flavoured water in PET. All Rajec products are now without preservatives.



Rajec infant water – new format



New format of the Rajec baby water is now available in 0.75l and 0.33l PET bottles.



Rauch products



Exclusive distribution of Rauch products in the Czech Republic and Slovakia.



and more...

MAIN EVENTS 2015

IPO

Following the successful IPO conducted in December 2015, Kofola ČeskoSlovensko a.s. welcomed new shareholders, both renowned institutional investors and a significant portion of retail investors.

Group restructuring

In October 2015, Kofola ČeskoSlovensko a.s., a Czech-based company, became a parent company of Kofola S.A. and of the whole Kofola Group.

Acquisition of Radenska

The Group acquired 97.62% share in Radenska d.d., Slovenian nr. 1 producer of mineral and spring water products.

The transaction constitutes great opportunity for the Group to establish its presence in another European region. The Group will utilise the synergies coming from use of its know-how, efficient processes and innovations and is looking forward to develop and further build the Radenska brand. Also the Group anticipates that the acquisition of Radenska will support its expansion possibilities in the Adriatic region.

Acquisition of WAD GROUP

The Group concluded sales and purchase agreement to acquire 100% share in WAD GROUP a.s., owner of 40% share in WATER HOLDING a.s., one of the leaders on Slovak bottled water market. Key brands of the group are Budiš, Fatra, Gemerka and Zlatá Studňa. The transaction is subject to antimonopoly office approval that is currently in progress.

Distribution of Rauch products

Since the beginning of 2015, the Group is the exclusive distributor of Rauch products in the Czech Republic and Slovakia, which enhanced Group's comprehensive and high-quality portfolio.

Direct distribution in the Czech Republic

Direct distribution launched in the Czech Republic in October 2014 brings positive implications resulting from the utilisation of know-how gained in Slovakia where the direct distribution started in 2009.





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MARKET CONDITIONS IN 2015

MACROECONOMICS

- increasing household consumption
- decreasing household unemployment and increasing real wages
- stabilisation of raw material prices

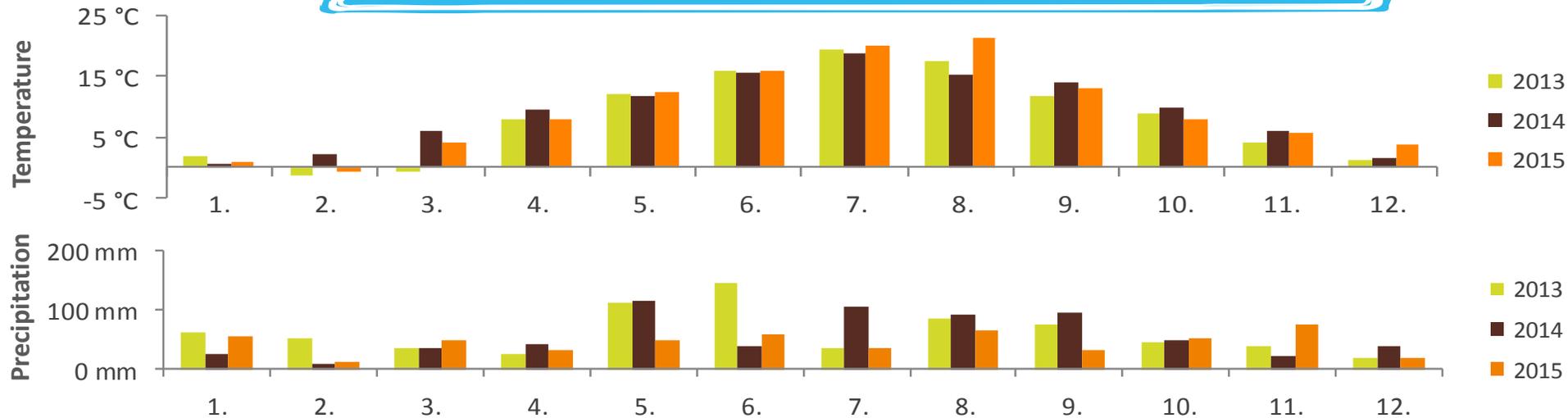
MARKET / COMPETITION

- stabilisation of consumption in the most profitable gastro segment
- faster increase of turnover in discount chains

REGULATION

- stable environment

WEATHER IN THE CENTRAL EUROPE



RESULTS OF KOFOLA GROUP

Reconciliation of reported and adjusted results	Reported CZK mn	One-offs CZK mn	Adjusted CZK mn
Revenue	7 156.7	34.1 *	7 190.8
Cost of sales	(4 330.5)	(21.6) *	(4 352.1)
Gross profit	2 826.2	12.6	2 838.7
Selling, marketing and distribution costs	(1 898.4)	14.0 *, **	(1 884.4)
Administrative costs	(446.9)	61.4 **, ***	(385.5)
Other operating income/(expense), net	(46.3)	66.8 *, ****	20.6
Operating result	434.7	154.7	589.4
EBITDA	947.9	154.7	1 102.6
Finance costs, net	(112.4)	-	(112.4)
Income tax	(93.3)	(9.8)	(103.1)
Profit for the period	229.0	144.9	373.9
- attributable to shareholders of the parent	227.7	144.6	372.2



ONE-OFF TRANSACTIONS

- * Polish operations incurred net costs of CZK 102 641 thousand relating to the qualitative product complaints connected with the poor quality of packaging material.
- ** Czech operations incurred costs of CZK 11 754 thousand relating to group reorganisation advisory and further costs of CZK 13 372 thousand relating to IPO promotion. Tax applies at 19%.
- *** Slovak operations incurred costs of CZK 9 076 thousand relating to advisory for WAD Group acquisition. Tax applies at 19%.
- *** Slovenian and Polish operations incurred costs of CZK 27 283 thousand relating to advisory for Radenska acquisition. Tax applies at 19%.
- *** Slovenian operations incurred costs of CZK 8 341 thousand relating mainly to implementation of the Group IT standards. Tax applies at 17%.
- **** Slovenian operations released the provision for legal case of CZK 17 734 thousand. Tax applies at 17%.

No items treated as one-off in 2014.

Please note that only adjusted results are commented in the whole presentation, unless stated otherwise.

RESULTS OF KOFOLA GROUP*

Results comparison	2015	2014	Change	Change
	CZK mn	CZK mn	CZK mn	%
Revenue	7 190.8	6 275.4	915.4	14.6%
Cost of sales	(4 352.1)	(3 881.4)	(470.7)	12.1%
Gross profit	2 838.7	2 394.0	444.7	18.6%
Selling, marketing and distribution costs	(1 884.4)	(1 607.7)	(276.7)	17.2%
Administrative costs	(385.5)	(317.9)	(67.6)	21.2%
Other operating income/(expense), net	20.6	(25.6)	46.1	(180.5%)
Operating result	589.4	442.8	146.6	33.1%
EBITDA	1 102.6	914.8	187.8	20.5%
Finance costs, net	(112.4)	(73.4)	(39.0)	53.1%
Income tax	(103.1)	(79.3)	(23.8)	30.0%
Profit for the period	373.9	290.1	83.8	28.9%
- attributable to shareholders of the parent	372.2	290.4	81.8	28.2%

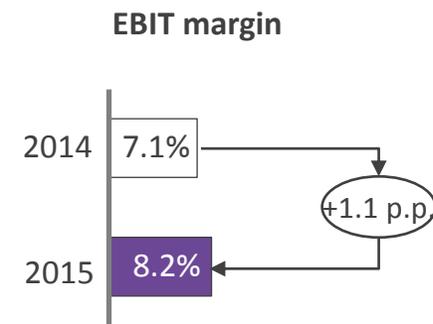
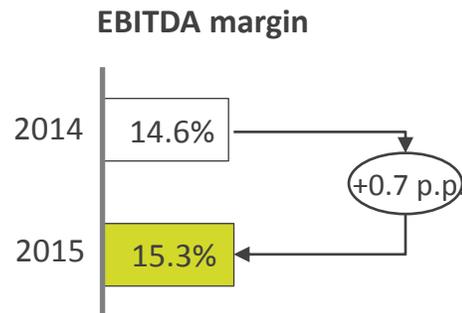
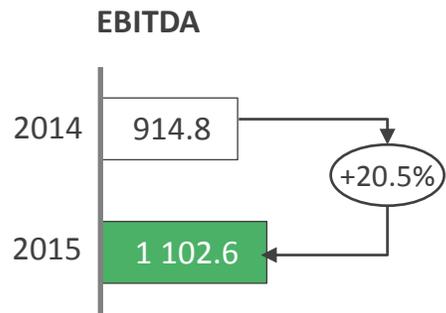
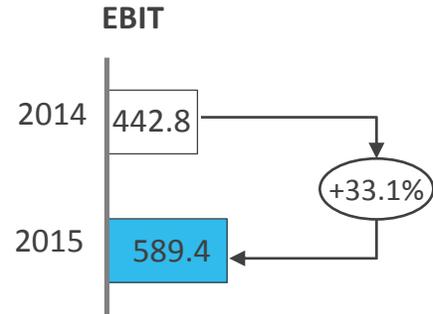
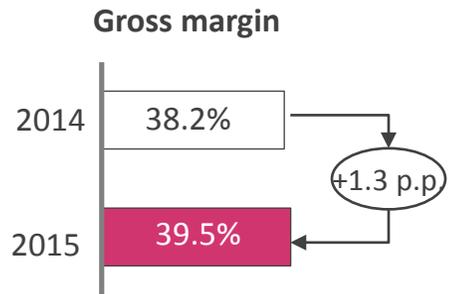
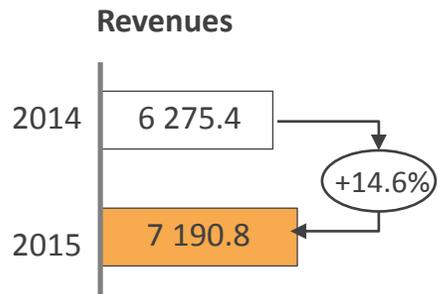
HIGHLIGHTS

- Gross profit increased by 18.6 %
- EBIT increased by 33.1 %
- EBITDA increased by 20.5 %



RESULTS OF KOFOLA GROUP* [MCZK]

COMMENTS ON 2015 RESULTS



- All elements positively influenced by Radenska acquired in March and Rauch products distributed in the Czech Republic and Slovakia since the beginning of 2015.
- Continuous focus on the development of profitable products and customers.
- Gross margin improved as a result of favourable product mix and direct distribution introduced in the Czech Republic at the end of 2014.
- Awards-winning marketing campaigns made impact.
- Radenska performed above expectations and generated 14% of the Group's 2015 EBIT.
- UGO fresh and salad bars increased revenue by 72.1%.



RESULTS OF KOFOLA GROUP* [MCZK]

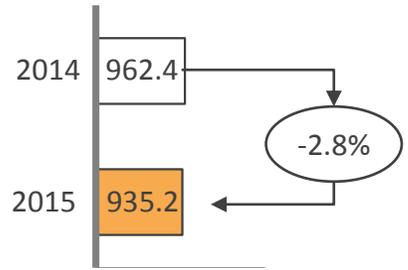
CASH FLOW AND NET DEBT

- Strong cash inflow from core business confirms a robust cashflow performance of the Group.
- With CapEx increased by 33.6% the Group shows consistent approach to invest and innovate.
- Increase of Net debt and Net debt/EBITDA mainly due to loan to acquire Radenska.

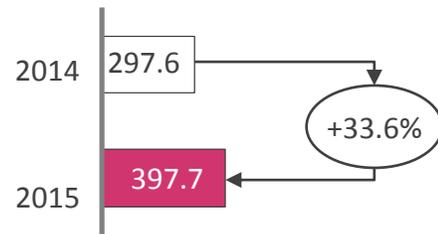
NET DEBT / EBITDA 1.14x



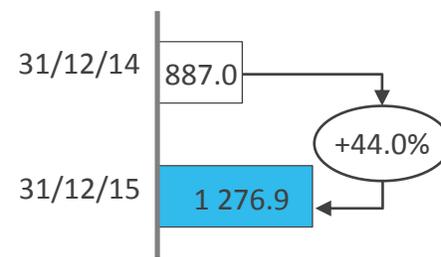
Cash flow from operations



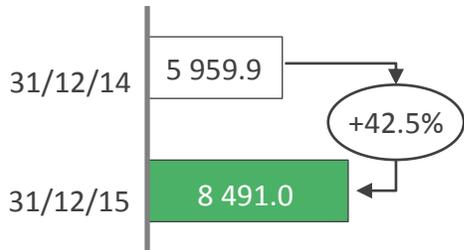
CapEx



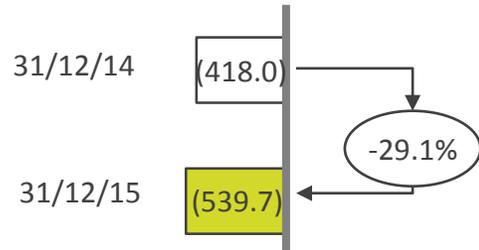
Net debt



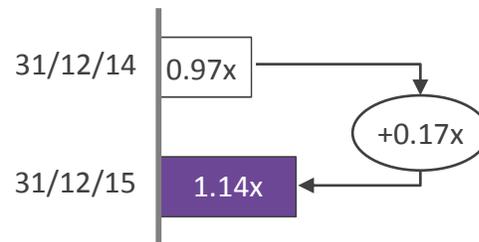
Total assets



Working capital



Net debt/EBITDA**

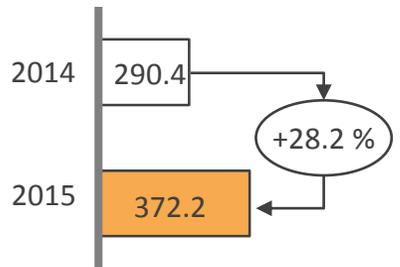


* adjusted for one-offs

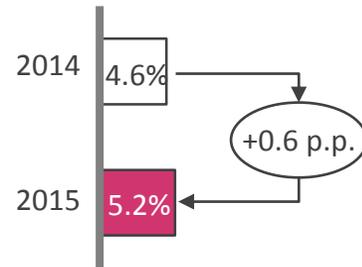
** EBITDA adjusted for one-offs and annualised for Radenska

RESULTS OF KOFOLA GROUP* [MCZK]

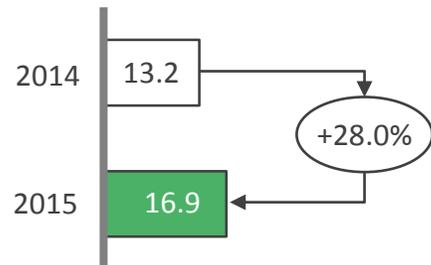
Net profit attributable to shareholders of Kofola ČeskoSlovensko



Net profit margin



EPS attributable to shareholders of Kofola ČeskoSlovensko [CZK/share]

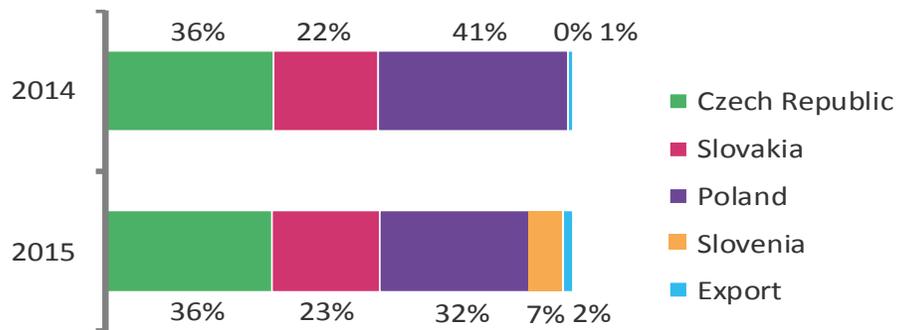
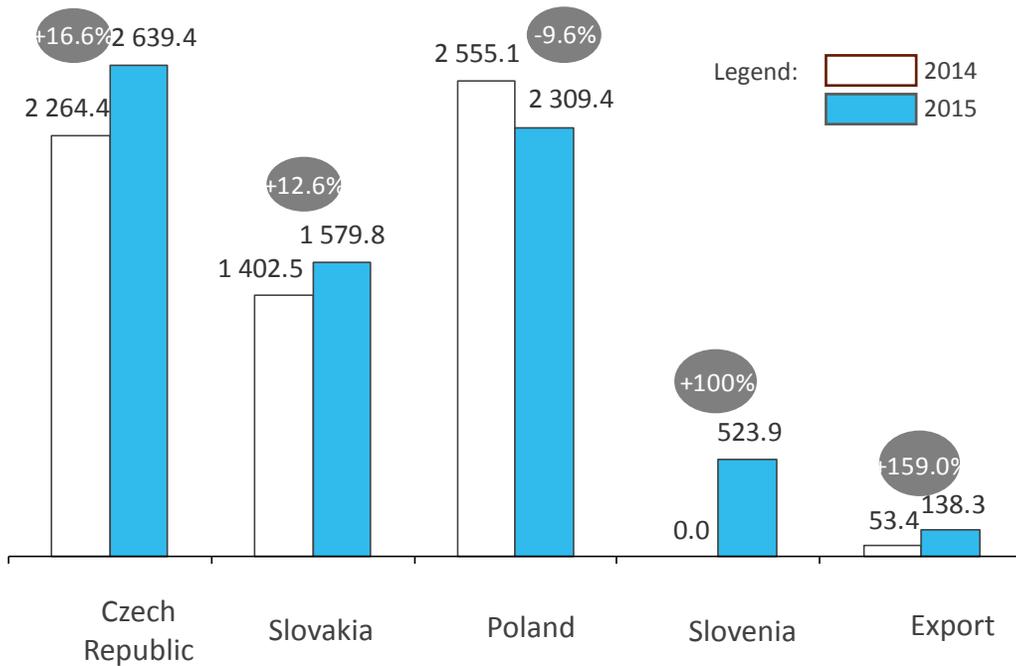


PROFIT FOR THE PERIOD

- Increase of Net margin by 0.6 p.p.
- Increase of Net profit attributable to shareholders of parent company by CZK 81.8 million.
- EPS 16.9 CZK/share.

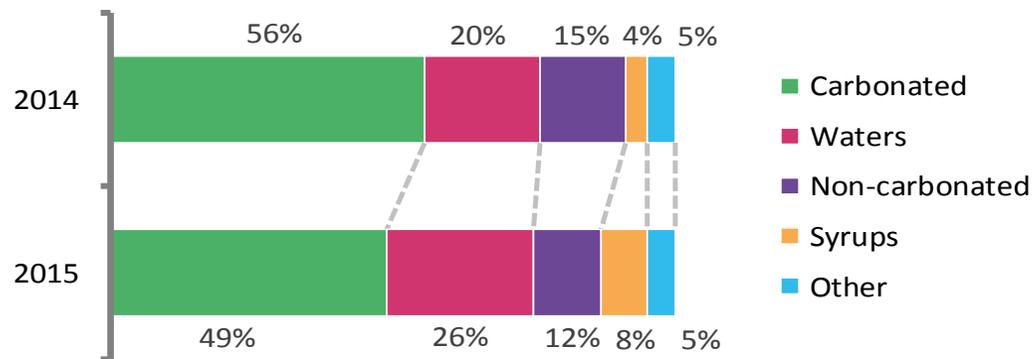
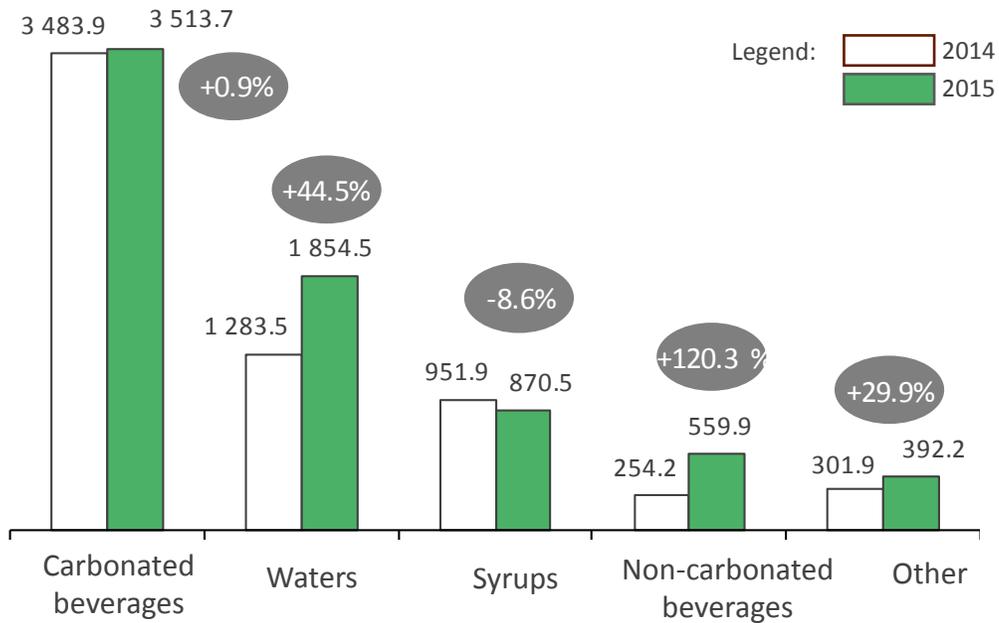


GEOGRAPHICAL SEGMENT SALES* [MCZK]



- Czech Republic**
 Revenues increased by 16.6%. Increase driven mainly by distribution of Rauch products and strengthening the position in Impulse segment. On slightly growing Czech retail segment and stable gastro segment, revenues increased in both these segments, in both segments above the market. Rajec waters performed very well with sales increased by 13.7%. Fresh bars UGO generated increased revenue by 72.1%.
 In 2015, the Group was the vice-leader in the soft drinks market and continues to strengthen its position (both in retail and HoReCa channel).
- Slovakia**
 Revenues in CZK increased by 12.6%. Increase driven by distribution of Rauch products and improved sales in Gastro segment.
 On growing Slovak retail segment and stable gastro segment, the company performed above the market and increased its market share in these segments. In 2015, Kofola SK had a clear leading position in the retail segment as well as HoReCa segment in terms of market share and became the market leader in the cola beverages segment keeping its leading position in Waters segment.
- Poland**
 Revenue decrease by 9.6% caused by lower sales of private labels and drop of revenue from brands mainly in traditional channel. Focus on improving the margins on our products in Poland despite the possibility of losing some part of the volume sold persists.
- Slovenia**
 Radenska acquired in March exceeded expectations and generated about 14% of the Group's 2015 EBIT keeping its clear leading position in Waters segment.

PRODUCT SEGMENT SALES* [MCZK]



- Carbonated beverages**
 Increased Carbonated beverages segment in the Czech Republic, Slovakia, Slovenia, decreased in Poland.
- Waters**
 Growing Water segment driven mainly by Slovenian Radenska. The Group is a leader of this segment in Slovakia and Slovenia.
- Syrups**
 Strong position in the Syrups segment – first position in the Czech Republic, second in Slovakia and Poland. Higher competition in syrups segment following the increased marketing activities of competitors mainly in the Czech Republic.
- Non-carbonated beverages**
 Strengthening position in the non-carbonated beverages segment driven mainly by distribution of Rauch products and UGO fresh bottles.
- Other**
 Significant increase in the Other segment mainly from growing revenues of both UGO fresh and salad bars and energy drink Semtex.



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SEGMENT POSITIONS*

Legend:  Leader  Viceleader

	PL	CZ	SK	SI
Cola beverages	3	 2	 1	3
Carbonated beverages	-	3	 2	 2
Waters	-	5	 1	 1
Syrups and concentrates	 2	 1	 2	-
Beverages for children	6	 2	 2	-
Energy drinks	-	4	>6	-

COMMENT

- Strong second position on Czech market and leading position on Slovak market.
- Strong position in carbonated beverages segment in Slovakia was achieved due to acquisition of Vinea brand in 2008.
- No. 1 in the natural spring waters in Slovakia and Slovenia. Position achieved due to innovations.
- Jupi is clear leader in the syrup segment in the Czech Republic and viceleader in Slovakia thanks to introduced innovations. Second place of Paola syrup in Poland.
- Inovative activities in the segment of beverages for children on Czech and Slovak markets (Jupík, Jupík Aqua).
- Energy drink Semtex since acquisition in 2011 strengthens its position in the Czech Republic and Slovakia.

APPROACH TO MARKET TRENDS AND DEVELOPMENT

Healthy food and beverages

- Gradual conversion of products to preservative-free, healthy innovations
- Promotion of healthy life style (www.hravezizdrave.cz, www.hravozizdravo.sk, www.trzymajforme.pl)
- More healthy beverages (water, children's beverages) with lower sugar content compared to other competitors and beverages with herbs and tree extracts (Mr. UGO juices, fresh drinks)
- First drinks with stevia (natural sweetener - without calories) - Kofola bez cukru (Sugar free), Jupik with stevia.
- Hot filling and aseptic lines allowing the new products without preservatives (syrups, ice tea, beverages for children)

Increasing amount of outdoor activities

- Focus on impulse products (portfolio enhancement)
- Development of the impulse channels
- Development of cooperation with hotels, restaurants and catering (HoReCa)
- Entrance to the "on-the-go" market (kiosks, vending machines, gyms, schools, work places etc.)
- Increasing share of small formats in the product portfolio (most of the new formats are up to 0.5 litre)
- Increasing number of supplied restaurants (direct distribution in Slovakia since 2009, in the Czech Republic since 2014)
- Dedicated sales team for HoReCa clients in the Czech Republic

Consolidation of retail and drift of volume to retail channel

- Strengthening brands to be more important for retailers
- Focus on terms and conditions with retailers
- Proper pack/channel tactics

Consolidation of food and beverage producers

- Ambition to be a market consolidator
- Constant search for leads of unexplored brands (companies)
- Acquisition of Vinea, Citro Cola, Semtex, Mr. UGO, Mangaloo and Radenska in the last 7 years

Globalisation and growing individualism

- Rollout of successful brands to other markets where the Group Companies operate
- Building and/or creation of brands with functional/emotional features
- Using production/distribution licenses, introduction of global brands (Rauch, Orangina, Pickwick Ice Tea, RC Cola, Evian, Badoit)
- Engaging the customers in the promotion of positive emotions related to the Group's brands



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MISSION AND VISION

MISSION

We are Kofola. With enthusiasm we strive for what is truly important in life: to love, to live healthy and always look for new ways.

OUR CORE COMPETENCES ARE OUR DNA

- We aim to be one step ahead
- We are constantly looking for new opportunities to grow
- Our business is created by our consumers, customers, suppliers and employees
- We are bringing emotions
- We work where we are at home and we know the local culture

VISION

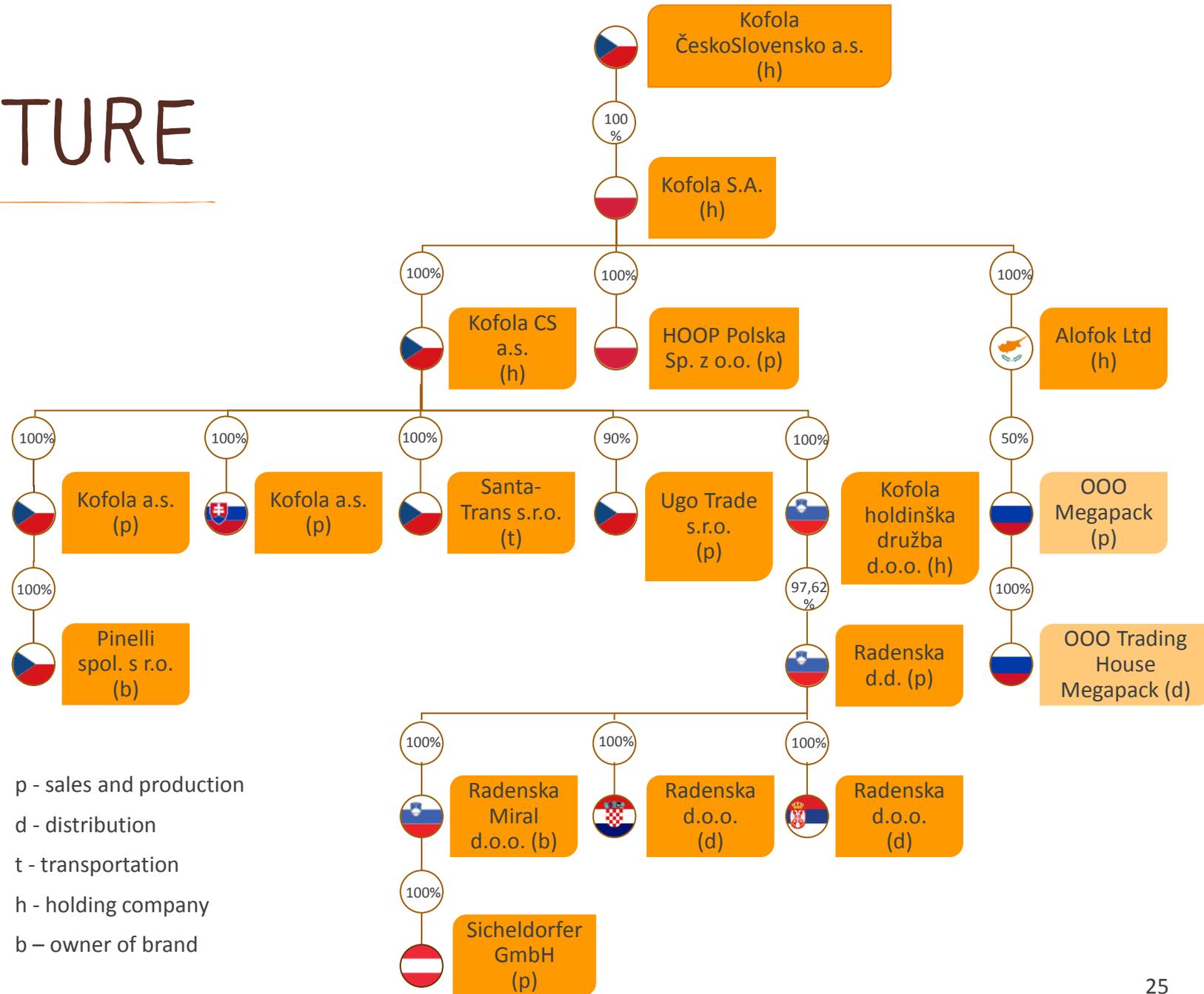
By 2018 we want to become the soft drinks market leader in CzechoSlovakia, the fastest growing soft drink company in Poland, the market leader in Slovenia and successfully enter other Adriatic countries. We want to anchor UGO as the leader and creator of fresh juices and develop new leg of fresh food business.



HISTORY OF KOFOLA GROUP



GROUP STRUCTURE



p - sales and production
 d - distribution
 t - transportation
 h - holding company
 b – owner of brand



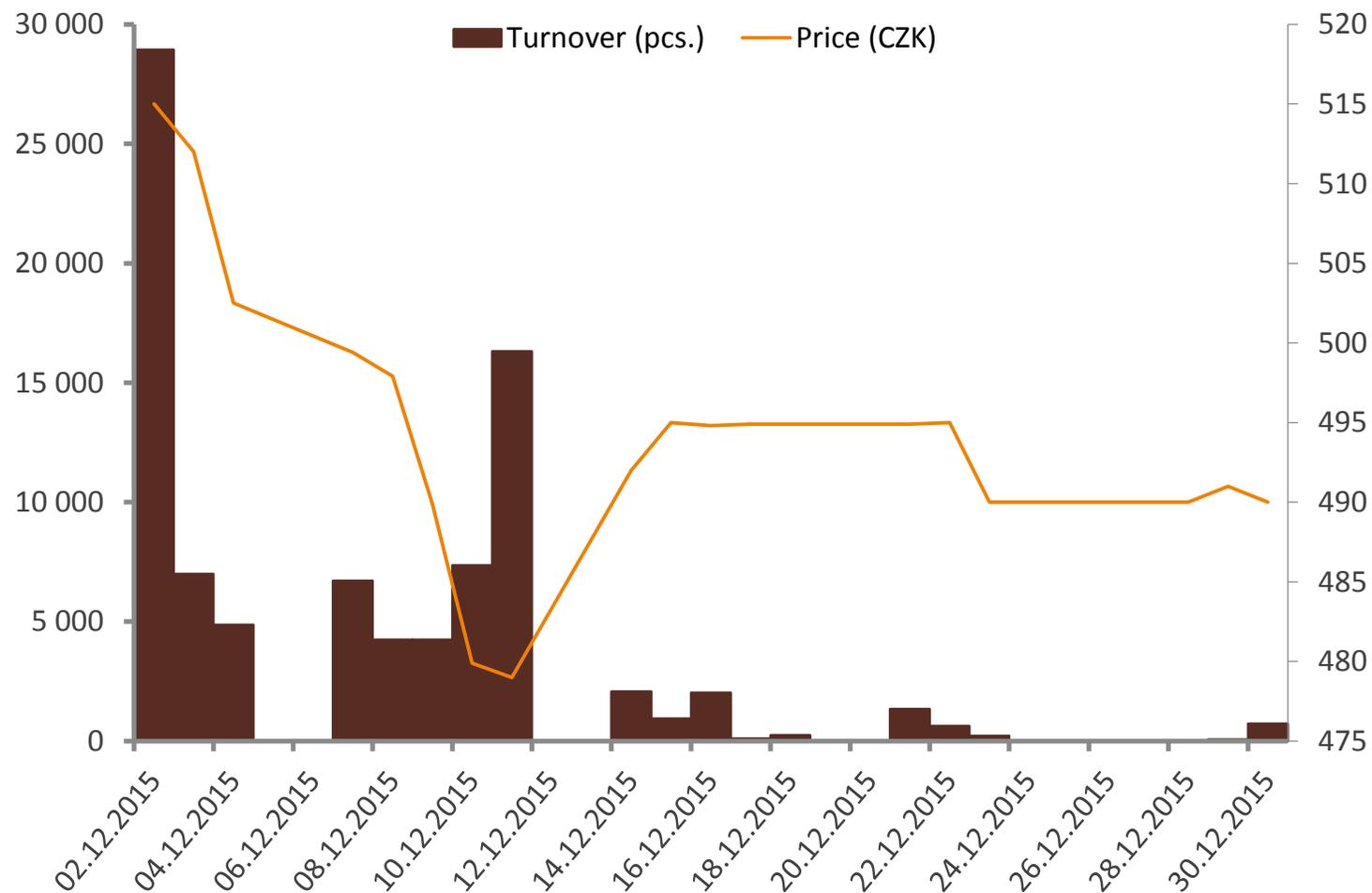
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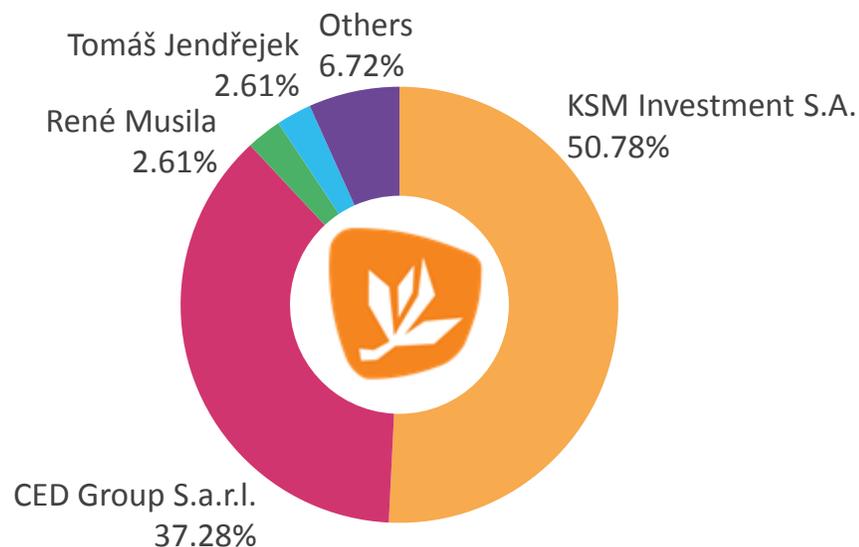
SHARE PRICE AND TURNOVER AT PSE

Share price information	2015
Average share price	495 CZK
Average daily transaction activity	4 637 pcs



SHAREHOLDERS STRUCTURE

As at 31 December 2015



- Share capital of Kofola ČeskoSlovensko a.s. comprises 22 295 thousand ordinary shares

SHARE CAPITAL

- On 15 October 2015 Kofola ČeskoSlovensko a.s. replaced Kofola S.A. as the parent company of the Kofola Group.
- Following the initial public offering of Kofola ČeskoSlovensko a.s. at the Prague Stock Exchange the share capital was increased on 1 December 2015 by CZK 27.5 million, which corresponds to 275 000 new shares with nominal value of CZK 100 each.
- The IPO issue price for one share was set at CZK 510, corresponding to gross proceeds of CZK 140.25 million.





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CONTACT

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

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