



IR Meeting at Česká
Spořitelna a.s.

Investor presentation

12 December 2019



Presenters



Jannis Samaras

Chairman of the BoD, CEO, founder
67.22% stake in Kofola (via AETOS)



Daniel Buryš

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



Jiří Vlasák

Group Strategy Director
Member of the BoD
In Kofola since 2010



The Kofola Group

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



Revenue 9M19: € 190.4 mil.
EBITDA 9M19: € 33.5 mil.



9 production plants



1,972 employees



countries for expansion

CZK/EUR average FX rate: 25.702

Kofola Group in figures



CZECHIA

- **No. 2** player in the soft drinks market
- **No. 1** syrup brand
- **No. 1** on-the-go water brand



SLOVAKIA

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



SLOVENIA

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



CROATIA

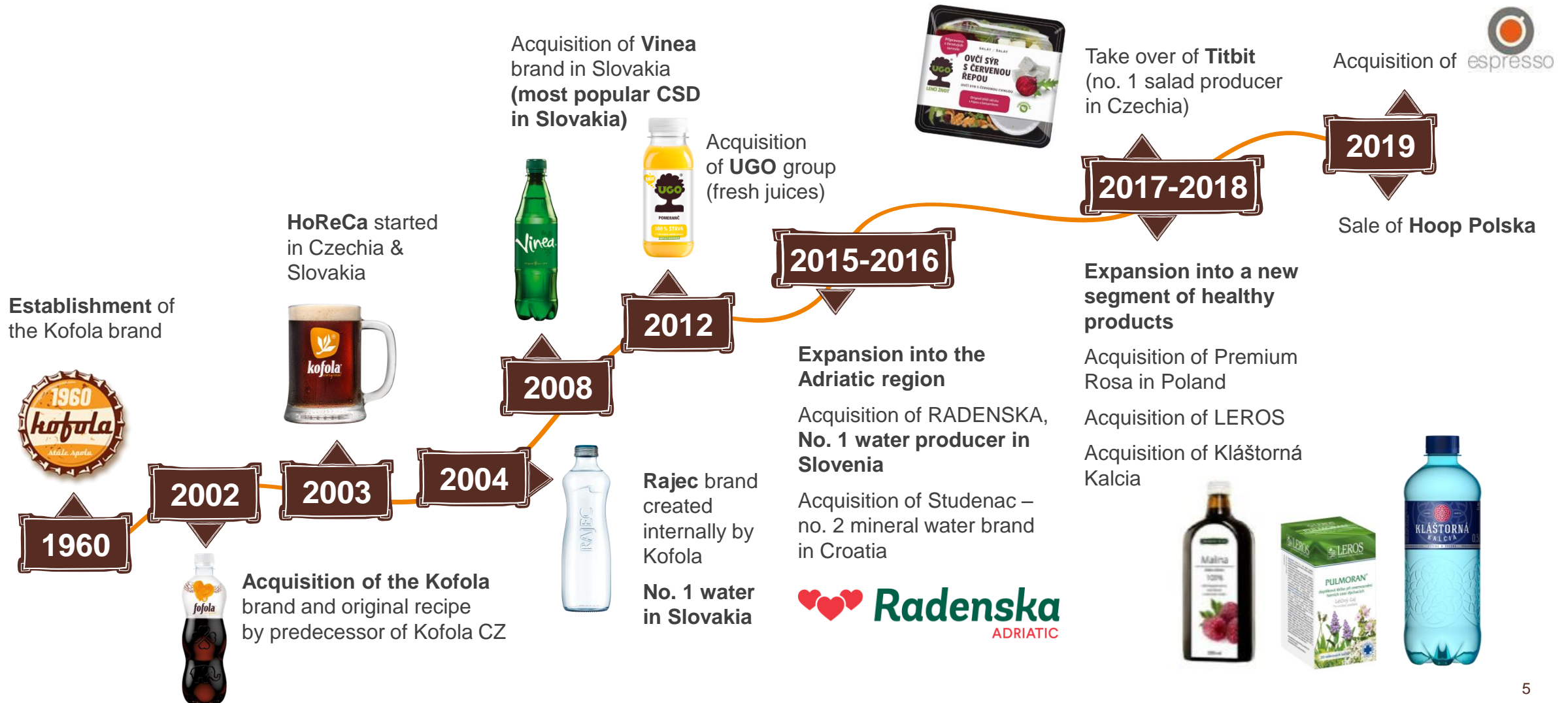
- **No. 2** water brand

Source: AC Nielsen (retail volume) - for market shares



**3.5% market share
in 6 months**
in volume on the Slovakian market

History of successful acquisitions and development



The complete portfolio of strong brands



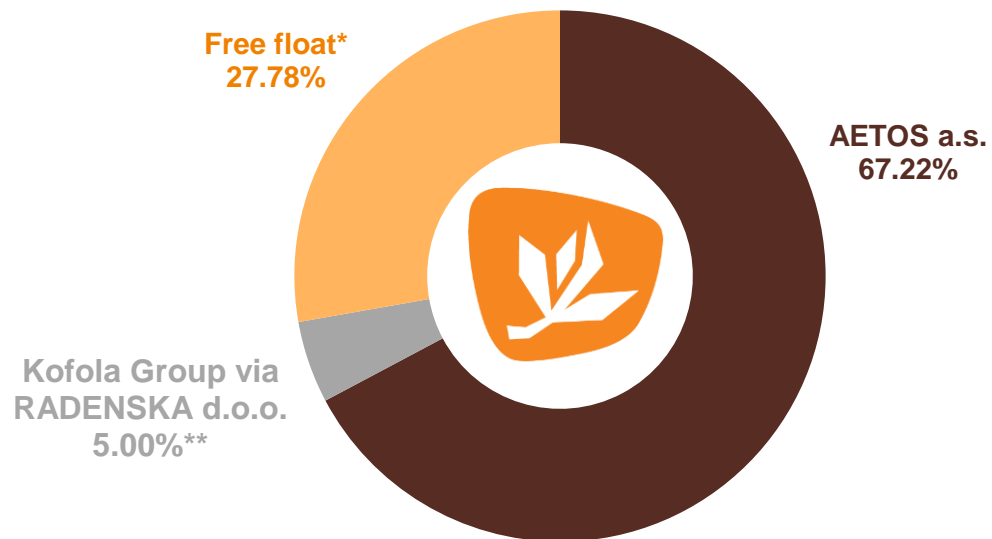
Kofola ownership structure

Current ownership structure



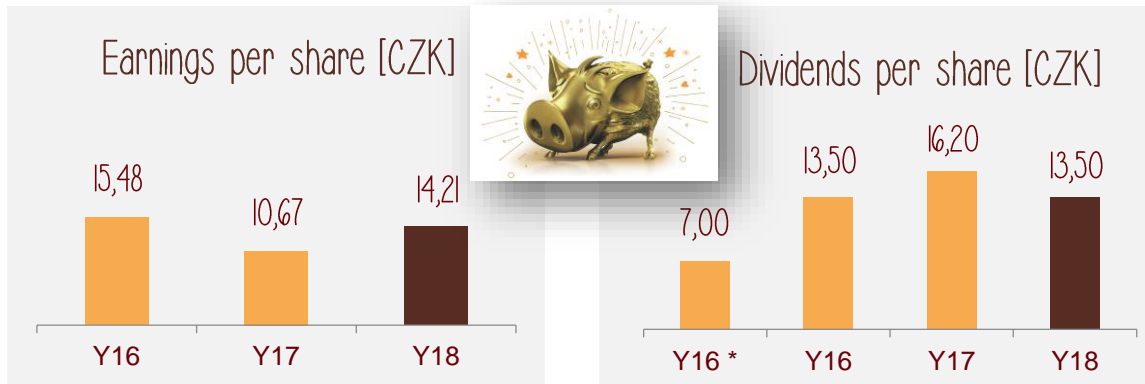
Jannis Samaras :

- holds 67.22% in Kofola via AETOS (with his family),
- acts as an executive group CEO,
- intends to keep a majority stake.



* 6.2 million shares at Prague Stock Exchange ** can increase free float in the future

Kofola listed on Stock Exchange since 2008



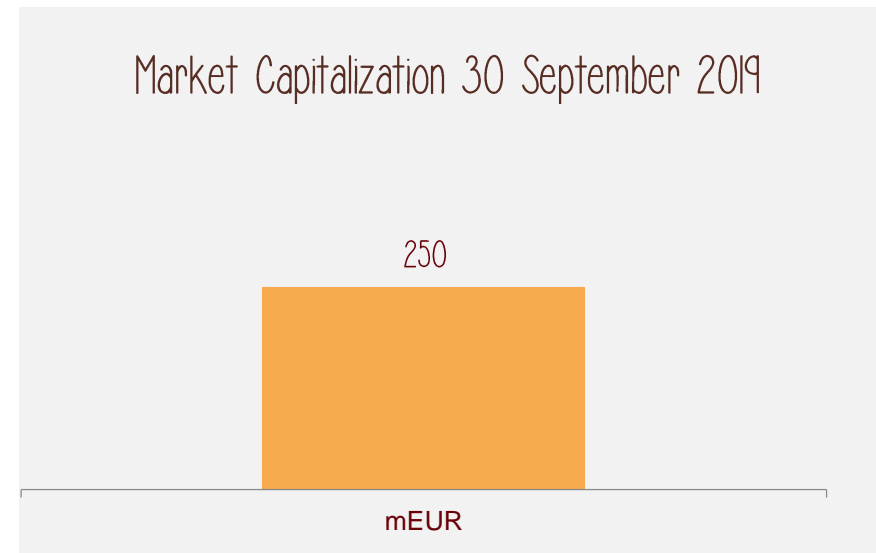
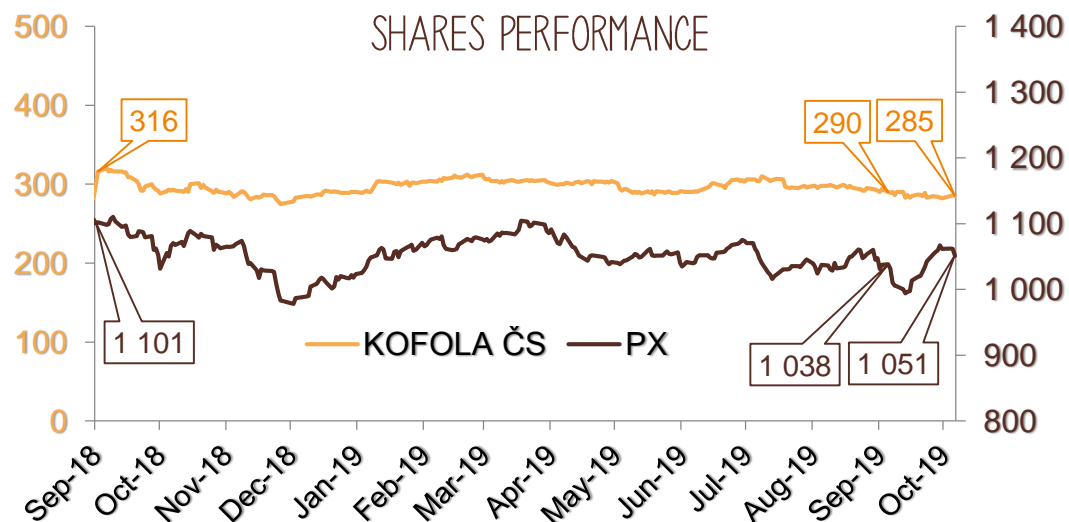
* advance dividend

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.



Kofola vs. peers

ADJUSTED (continuing operations)

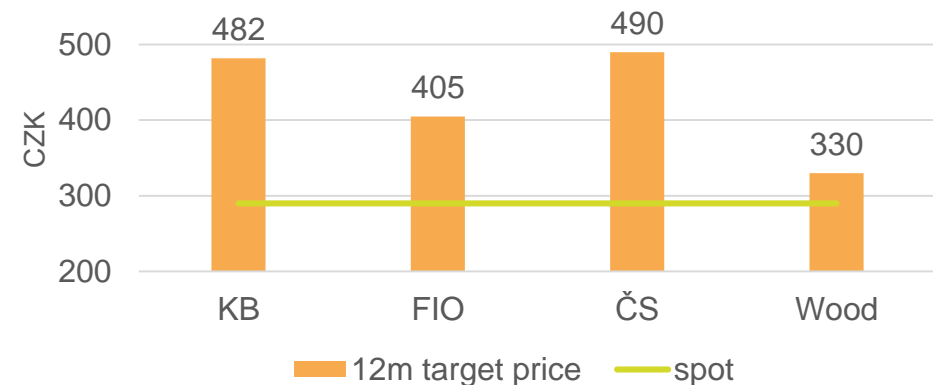
	Y18	Sept 19
EV/EBITDA	9,6	8,8
EV/revenue	1,7	1,5
P/Sales	1,3	1,0
P/E ratio	17,3	16,9
Dividend yield	4,7%	4,5%

REPORTED (continuing operations)

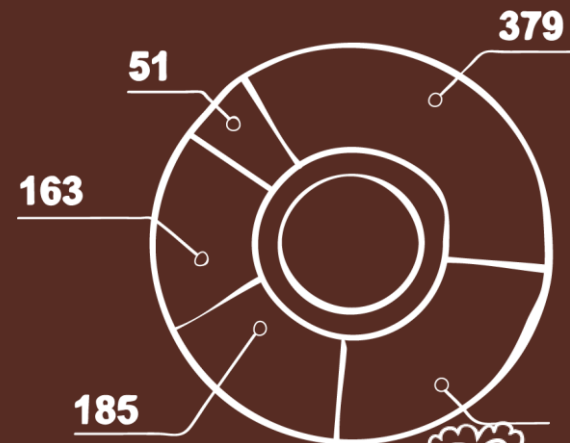
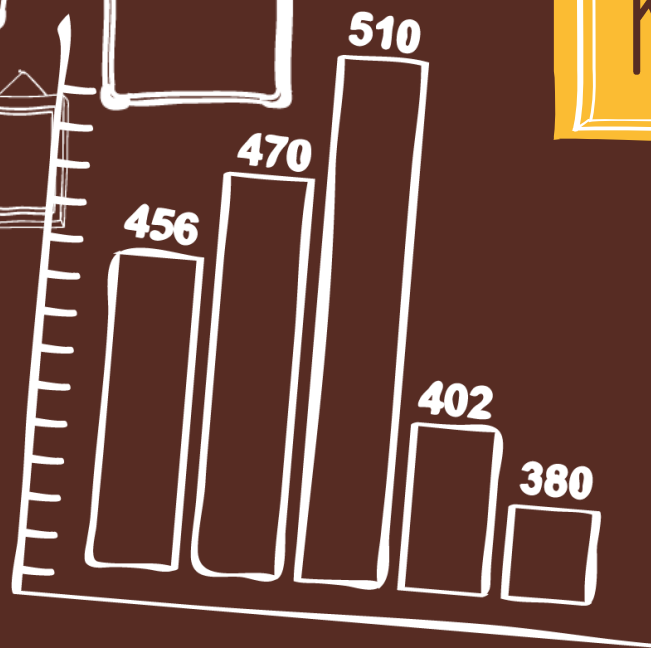
	Y18	Sept 19	Peers median	S&P 500 Soft Drinks Sub Indust
EV/EBITDA	10,0	9,2	24,0	20,0
EV/revenue	1,7	1,5	6,2	n/a
P/Sales	1,3	1,0	5,3	4,2
P/E ratio	18,8	18,7	26,6	23,9
Dividend yield	4,7%	4,5%	2,1%	n/a

- Indicators EV/EBITDA, EV/Revenue, P/Sales show a significant discount in Kofola's valuation.
- Higher dividend yield than peers.
- Analysts opinion on Kofola's share 12M target price confirm that it is currently undervalued.

Analysts target price of Kofola shares vs. spot price



Korunní and Ondrášovka

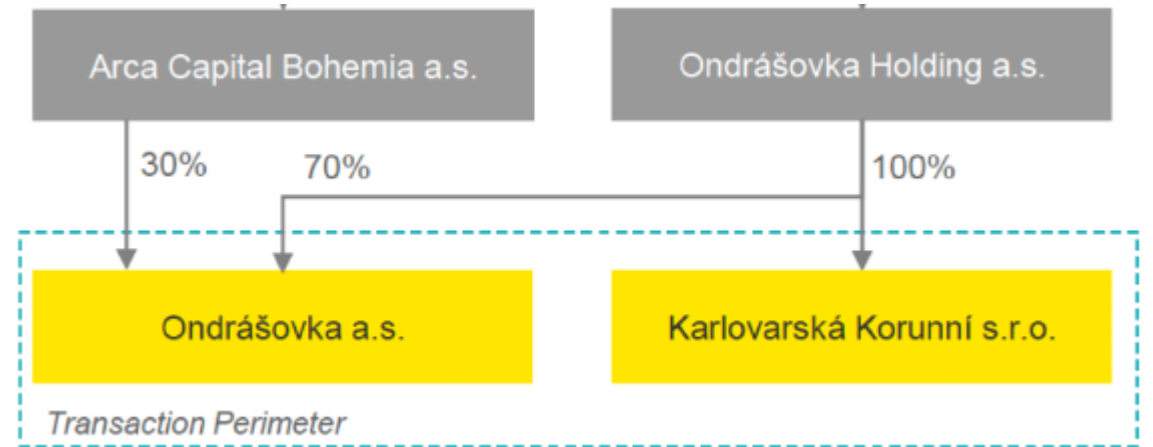


Current operating locations and ownership

Operating locations



Ownership structure



Key financials

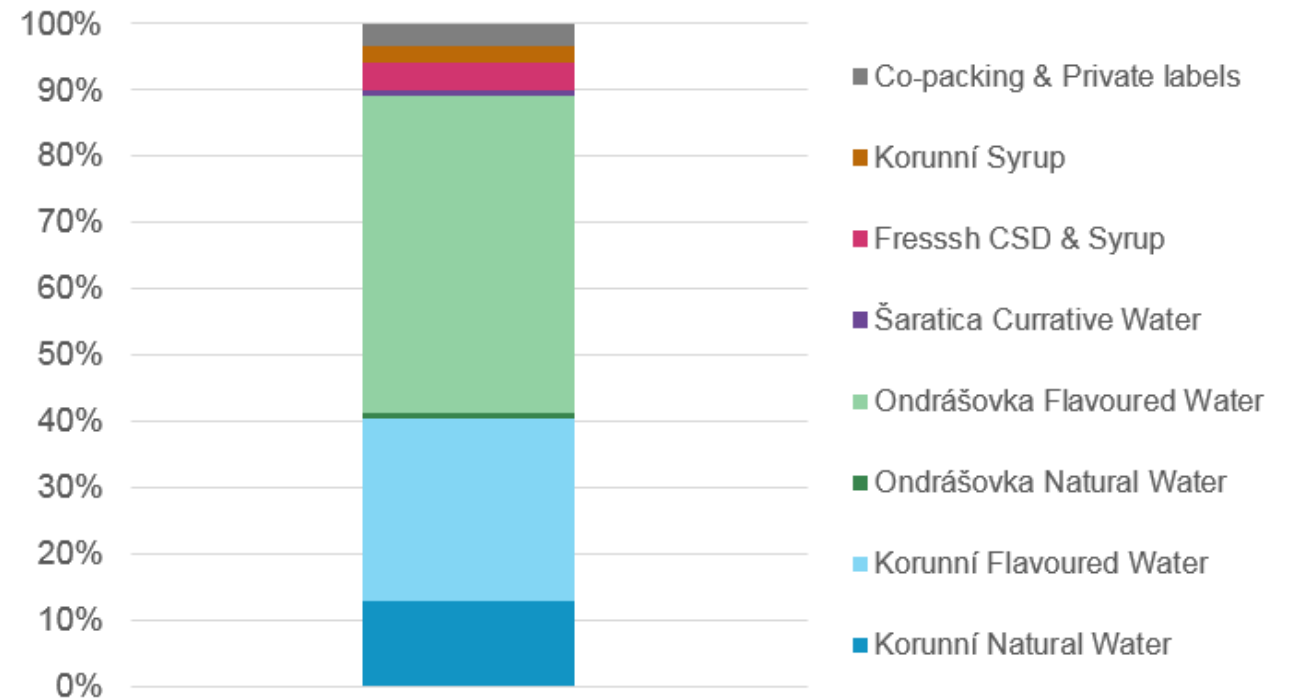
Key financials (as reported)

Currency: CZK 000	FY17A	FY18A
Korunní - Sales	320,055	366,025
Korunní - EBITDA	19,540	41,549
Korunní - EBITDA margin (%)	6.11	11.35
Ondrášovka - Sales	466,531	485,262
Ondrášovka - EBITDA	55,200	69,025
Ondrášovka - EBITDA margin (%)	11.83	14.22

2018 Combined Adjusted:

Revenues 850mCZK
Adj. EBITDA 115mCZK
Adj. Net debt 150mCZK

Revenues by product group 2018 (mCZK)



Mineral water = 90% of revenues
 (Korunní 40% & Ondrášovka 50%)
Minimum dependancy on private labels (3%)

Structuring

- **Kofola ČeskoSlovensko will directly acquire 100% stake in both companies Karlovarská Korunní s.r.o. and ONDRÁŠOVKA a.s. (after UOHS approval)**
- **Korunní and Ondrášovka will act as production plants**, all supporting functions (e.g. accounting, controlling, purchasing, R&D, IT, marketing etc.) will be centralized to **Kofola ČeskoSlovensko to current shared services center.**
- Future potential merger of Korunní and Ondrášovka to Kofola a.s. (ČR).
- Financed partly by Kofola's own resources and partly by a bank debt.
- Net debt/EBITDA after the transaction within bank covenant (max 3.5x).



Business rationale



- **Acquisition will double Kofola market share in CZ Retail** in the most important Water category (water category makes up to 60% of the entire volumes in CZ Retail).
- Acquisition will **complete Kofola portfolio with high quality mineral water** sources (which are very rare).
- Potential to benefit from **strong Kofola distribution in Impulse and HoReCa channels.**
- Mineral water market is relatively well protected against negative market fluctuations because of **growing number of health conscious consumers.**
- Synergies limited to 3 key areas: **sales team optimization, cost of management, production concentration.**
- No post-closing significant CAPEX needed.

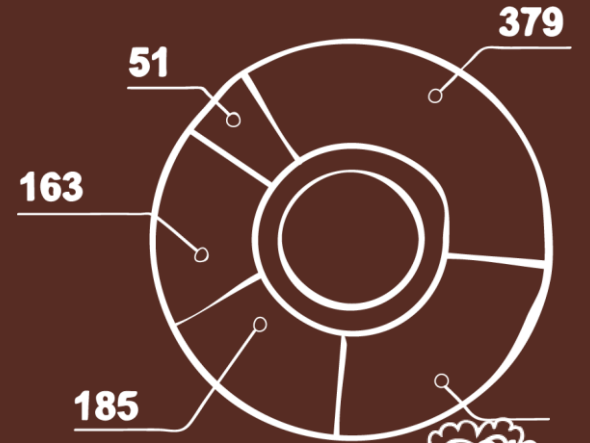
Current status



- SPA signed (11 Dec 2019)
- UOHS notification in progress
- Closing expected during 1H2020

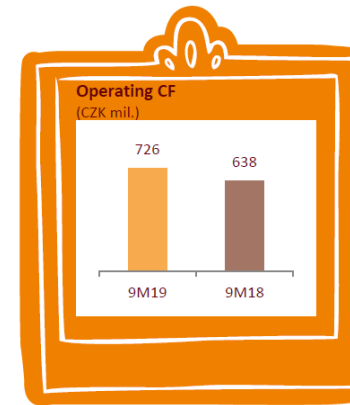
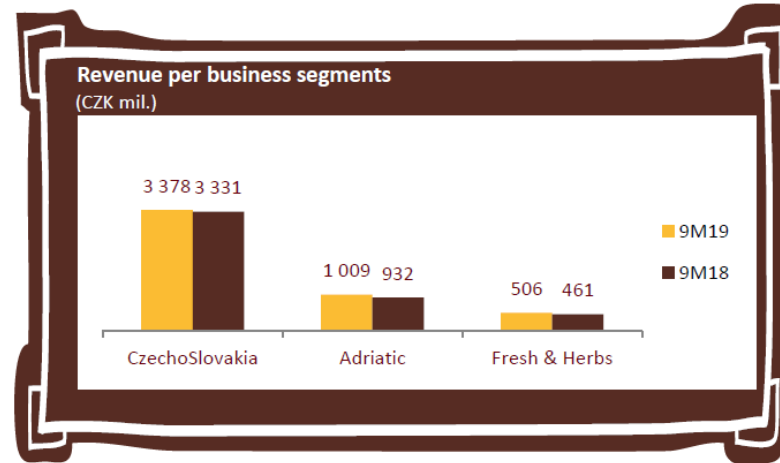
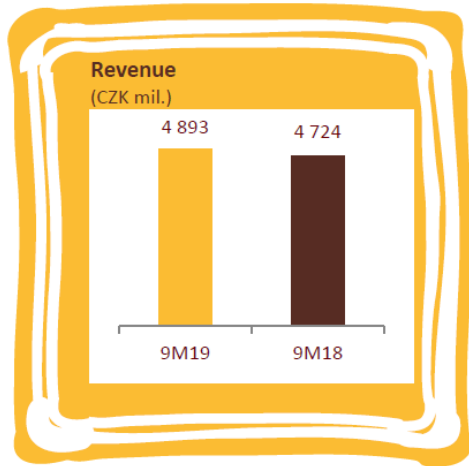


Consolidated Performance

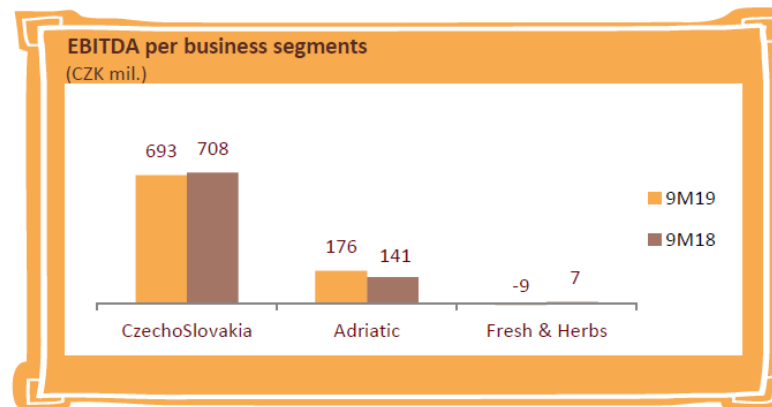
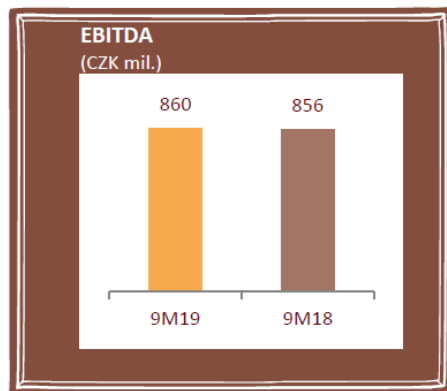
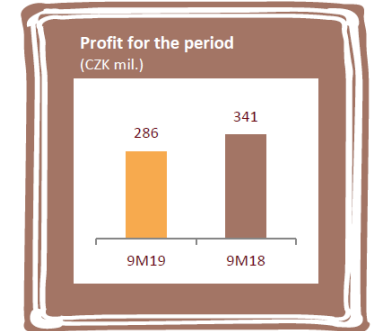
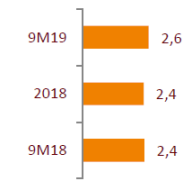


Kofola Group Key 9M Highlights*

(continuing operations)



Net debt/LTM EBITDA



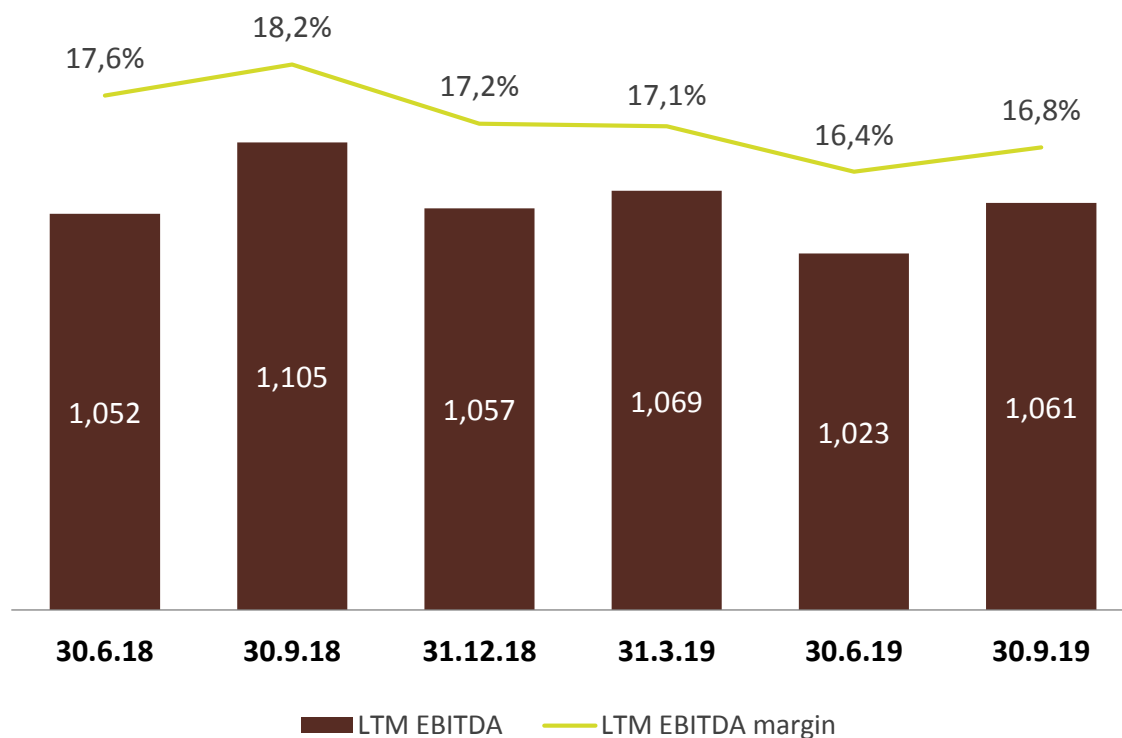
MAIN INFORMATION IN 9M19:

- GROUP'S REVENUE FROM CONTINUING OPERATIONS INCREASED BY CZK 169.1 MIL. (3.6%), WITHOUT LEROS AND ESPRESSO ACQUISITION EFFECTS INCREASED BY CZK 123.6 MIL. (2.6%).
- GROUP'S EBITDA FROM CONTINUING OPERATIONS INCREASED BY CZK 3.9 MIL. (0.5%).
- THE COLDEST AND RAINIEST WEATHER IN MAY 2019 FOR THE LAST DECADE.
- INCREASED LOGISTIC, PAYROLL, REPAIR AND MAINTENANCE AND PACKAGING COSTS, PARTIALLY COMPENSATED BY SAVINGS FROM LOWER SUGAR PRICE.
- PROFIT FROM CONTINUING OPERATIONS DECREASED BY CZK 55.6 MIL., MAINLY AS A RESULT OF MAY 2019 WEATHER EFFECT COMBINED WITH HIGHER COSTS.
- THE HIGHEST HORECA MARKET SHARES ON CZECH (27.3%) AND SLOVAKIA (42.0%) MARKET.

* Adjusted for one-offs

Consolidated adjusted LTM* (Last Twelve Months) EBITDA

(CZK mil.)



CZK mil.	30.6.18	30.9.18	31.12.18	31.3.19	30.6.19	30.9.19
LTM Revenue	5,969	6,088	6,157	6,249	6,256	6,326
LTM EBITDA**	1,052	1,105	1,057	1,069	1,023	1,061
LTM EBITDA margin	17.6%	18.2%	17.2%	17.1%	16.4%	16.8%

Increase of LTM EBITDA as at 30.9.19 in comparison to 30.6.19 due to overallly successful 3Q19.

Decrease of LTM EBITDA as at 30.6.19 in comparison to 31.3.19 is mainly a result of the coldest and rainiest weather in May 2019 for the last decade.

Increase of LTM EBITDA as at 31.3.19 in comparison to 31.12.18 driven mainly by higher revenues.

Decrease of LTM EBITDA as at 31.12.18 in comparison to 30.9.18 influenced by release of provision for bonuses at the end of 2017.

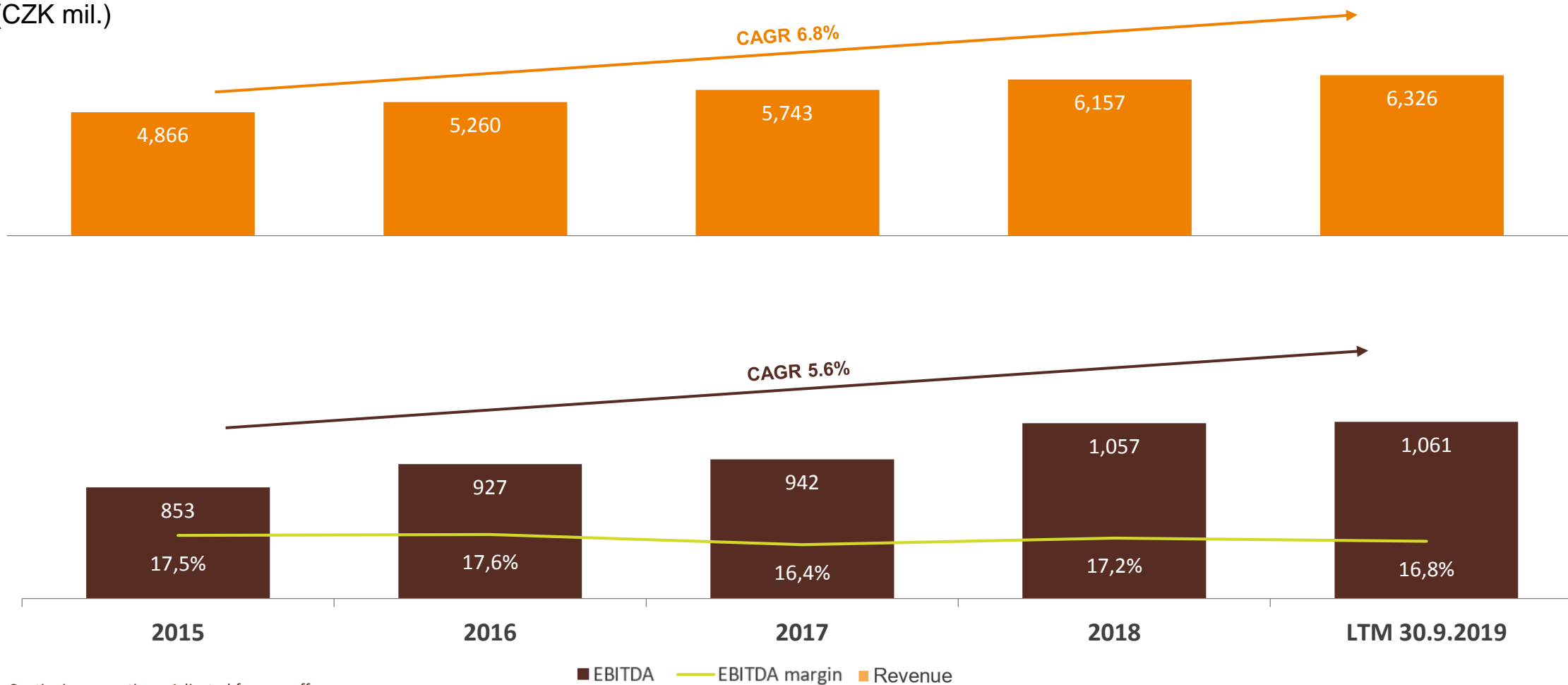
Increase of LTM EBITDA as at 30.9.18 in comparison to 30.6.18 influenced by release of provision for bonuses in 4Q17 (CZK 62 mil.).

* Continuing operations

** Adjusted for one-offs

Consolidated adjusted EBITDA* & Revenue* (long-term view)

(CZK mil.)

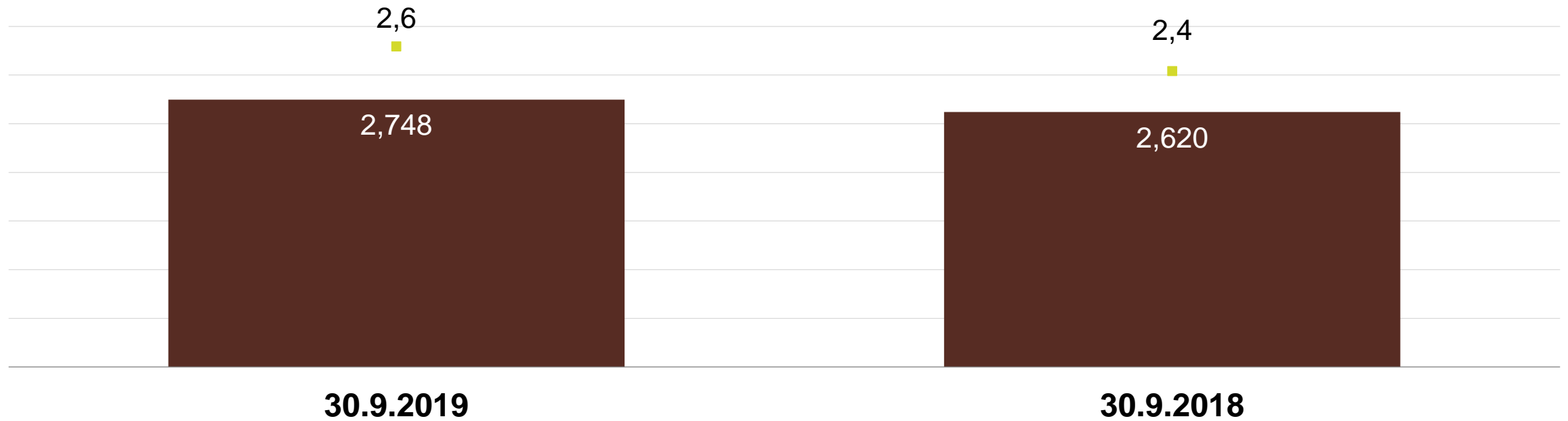


* Continuing operations; Adjusted for one-offs

Consolidated NET DEBT

(CZK mil.)

■ Net debt ■ Net debt/adjusted LTM EBITDA



Increase of Net debt is mainly caused by new IFRS 16 standard (capitalization of leases).

Contact

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

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