



# 12M 2019

## KOFOLA GROUP INVESTOR PRESENTATION

25 March 2020

## Dear investor,

Last year was an important milestone in the ongoing process of continuous improvement of our work in the area of production and distribution of beverages and food, from crops and raw materials of uncompromised quality.

We have significantly simplified our business structure with successful divestment of our operations in Poland and Russia to unlock internal resources and to devote appropriate attention to areas of our future development.

We have strengthened our Fresh & Herbs segment with the acquisition of coffee brand Café Reserva and distribution of Café Vergnano and premium tea Dilmah.

I am very pleased that while executing all these demanding changes, we were also able to deliver and even exceed our EBITDA target by almost 40 CZKm and grow in adjusted EBITDA by almost 6%.



**Jannis Samaras**

Kofola Group CEO

## CONTENTS

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

APPENDIX





# THE KOFOLA GROUP

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



Revenue 12M 2019  
**€ 249.7m**



EBITDA 12M 2019  
**€ 43.6m**



**9** production  
plants



**1,991**  
employees



Headquarters



Production plants

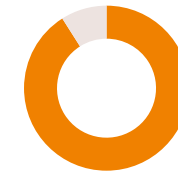


Kofola Group's markets

*Note: CZK/EUR average FX rate: 25.672*



# OUR LONG-TERM STRATEGY IS TO BE MARKET LEADER OR RUNNER-UP



Sales in countries where Kofola Group is number one or two in the soft drinks market account for **91% of our total revenue**

## CZECHIA



**No. 2**

player in the soft  
drinks market

## SLOVAKIA



**No. 1**

player in the soft  
drinks market

## SLOVENIA



**No. 1**

player in the soft  
drinks market

**No. 1**  
water brand

## CROATIA

































**No. 2**

water brand





# PRODUCT SEGMENTS

CATEGORY	REVENUE SHARE	MAIN OWN BRANDS	DISTRIBUTED AND LICENCED BRANDS
Carbonated Beverages	<div>2019 42%</div> <div>2018 43%</div>	      	  
Waters	<div>27%</div> <div>27%</div>	    	  
Non-carbonated Beverages	<div>11%</div> <div>11%</div>	  	
Syrups	<div>7%</div> <div>7%</div>	  	
Fresh & Salad Bars	<div>7%</div> <div>6%</div>		
Other	<div>6%</div> <div>6%</div>	  	



# 2019 HIGHLIGHTS



Royal Crown Cola is far from its home in Southern America but thanks to its story and taste it has found its way to Czech and Slovak customers who love it. It continues growing by double digits.

We successfully launched Klášťorná Kalcia mineral water in Slovakia and reached a market share of 3.5% in 6 months. In February 2020, Klášťorná Kalcia entered the Czech retail market.

After rebranding, Semtex is giving more energy not only to our customers but also to Kofola Group's results.



# OUR SUSTAINABILITY EFFORTS

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

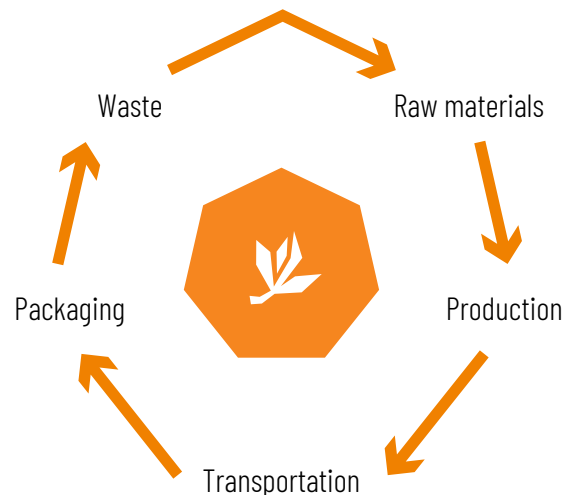
APPENDIX





# A COMPLEX APPROACH IS THE CORNERSTONE OF OUR SUSTAINABILITY PHILOSOPHY

*We have been deeply engaged in the reduction of the impact of our business on the environment since 2010. We have introduced hundreds of steps to make our business work in harmony with nature. We don't use sustainability as an empty phrase. We want "sustainable thinking" to be part of every decision we make. This is the only way to be sure that we can always be proud of what we do.*



## CIRCULAR ECONOMICS IS THE GOAL

Sustainability impacts the whole lifecycle of our products. We prefer to buy healthy and local ingredients, which we process in a considerate way. We try to cut our carbon footprint during transportation. We reduce packaging materials — for example, we sell some products without any packaging at all. And, last but not least, we try to find a reasonable use for any waste produced as a byproduct of our activities.



## CASE STUDY: Transition of the Rajec Valley into a bio-district

The Rajec Valley in Slovakia is the source of our Rajec spring water. However, we don't only protect water resources. In 2019, we established closer cooperation with local farmers and currently we are trying to get organic certification for the whole area. The aim is to protect the whole unique Rajec ecosystem. We not only produce water in the Rajec Valley, but we also plant herbs for our products and keep bees. All these activities illustrate the complexity of our approach to the issue of sustainability.





# SUSTAINABILITY: OUR 6 KEY AREAS OF INTEREST

## CARBON FOOTPRINT



**We decrease and offset the carbon footprint of our business in order to achieve full carbon neutrality by 2030.**

- The biggest fleet of CNG trucks in Central Europe with 25% emission savings compared to regular trucks
- Purchase of green energy: SK 100%, CZ 20%

## WASTE POLICY



**We cut the amount of waste produced in connection with our business and look for ways to reuse this waste.**

- 100% recyclability of packaging and materials
- Support of zero, returnable, and more times reusable packaging
- Zero waste office

## WATER PROTECTION



**Water is the cornerstone of our business. We actively protect water sources to keep water in nature.**

- Efforts to get organic certification for the Rajec Valley in Slovakia in cooperation with local farmers
- Cooperation with farmers to protect water sources in Radenska, Slovenia

## LOCAL FIRST



**We put local suppliers first because we believe it is necessary to support the place where we live and run our business.**

- Preparation of our own extracts from local herbs
- Cooperation with relevant stakeholders in the surroundings of our production plants, and support of local activities

## INGREDIENTS AND PRODUCTS



**We prefer natural ingredients from verified suppliers. This is the only way to produce healthy products for our customers.**

- Removal of preservatives thanks to modern technologies
- Decrease of sugar content in beverages
- Transparent information about the origin of ingredients on labels – e.g. UGO fresh juice

## PEOPLE



**We create a healthy and motivating work environment. Satisfied employees are the best ambassadors for our company.**

- Family Friendly Company certification in Slovenia
- Support of personal and professional development



# WE REDUCE PACKAGING WASTE FOLLOWING THE REDUCE—REUSE—RECYCLE PRINCIPLES

As far as possible, we try not to generate any packaging waste at all. All our draught beverages belong in this category. We will introduce our first draught spring water for the HoReCa segment this year. We are also decreasing the weight of our beverage packaging, which saves up to 20 tons of PET a year.

## REDUCE



75 million pints without need of individual packaging



First draught spring water for HoReCa



Lite PET packaging and caps

We prefer returnable packaging, and we are looking for new ways to spread the use of returnable packaging outside the HoReCa segment by increasing comfort levels for end users. In our UGO branches, meals are served on porcelain tableware, and drinks in glasses.

## REUSE



Returnable bottles in the HoReCa segment



Repeatedly reusable tableware

In the countries we operate, we financially support collection systems for packaging that can no longer be used. Our brand Klášťorná Kalcia is the first Czechoslovak water packed in 100% rPET.

## RECYCLE



100% recyclable



100% compostable

# KOFOLA GROUP RESULTS

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

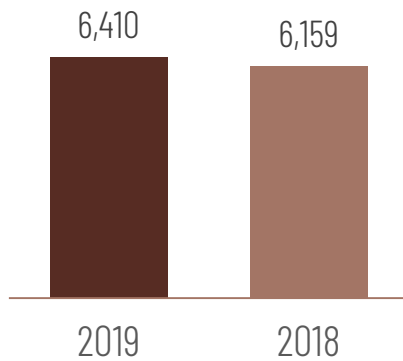
MORE ABOUT KOFOLA

APPENDIX

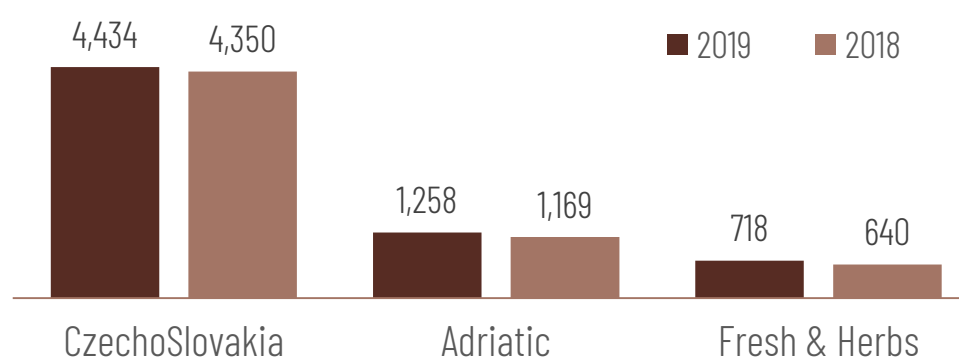


# KOFOLA GROUP KEY 12M FINANCIAL INDICATORS\*

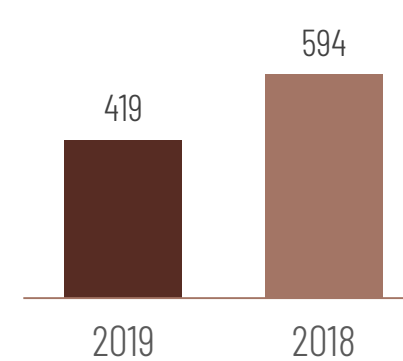
## Revenue (CZK<sup>m</sup>)\*\*



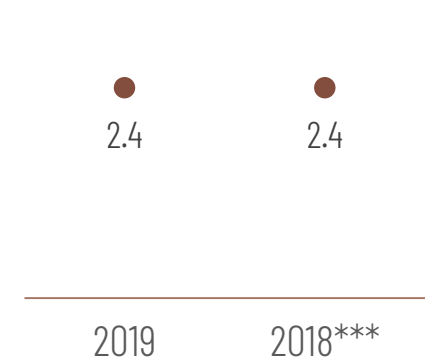
## Revenue per main business segments (CZK<sup>m</sup>)\*\*



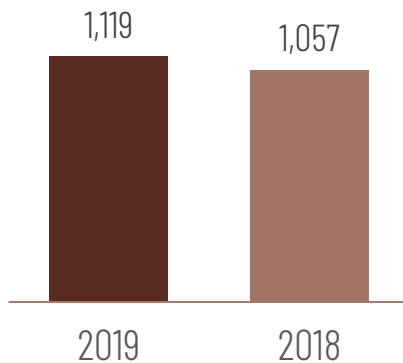
## FCF (CZK<sup>m</sup>)\*\*



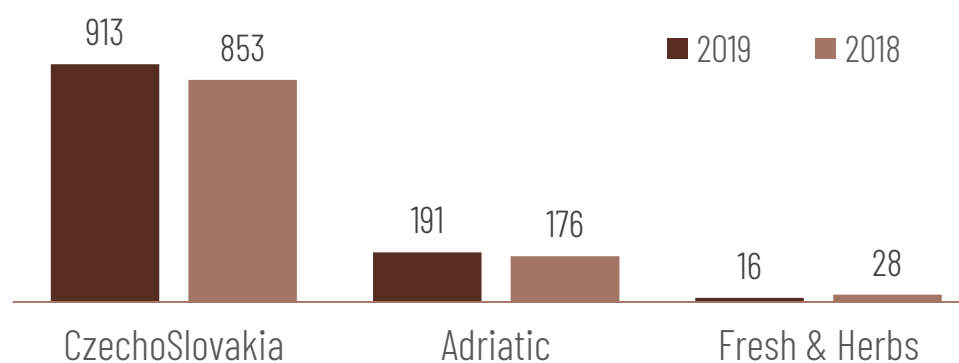
## Net debt/LTM EBITDA



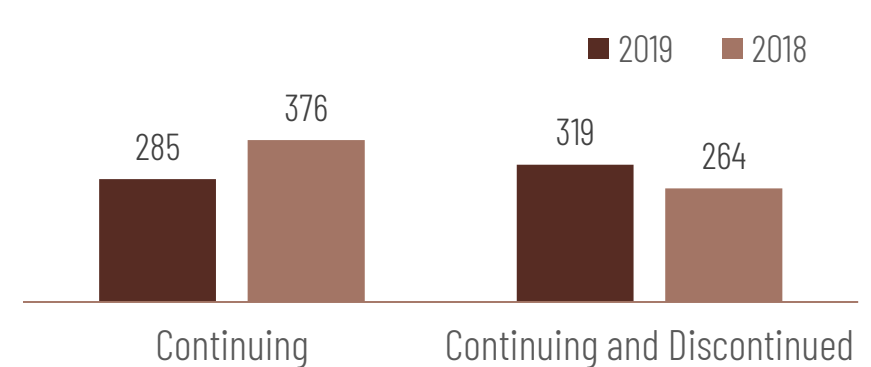
## EBITDA (CZK<sup>m</sup>)\*\*



## EBITDA per main business segments (CZK<sup>m</sup>)\*\*



## Profit for the period (CZK<sup>m</sup>)



\*Adjusted for one-offs \*\*Continuing operations \*\*\*Reported





# KEY 12M 2019 MESSAGES\*

CONTINUING OPERATIONS

## EXCEEDED TARGETS

- EBITDA target 1,080 CZKm exceeded by 3.6%
- CS EBITDA up by 7.0%, EBITDA margin improved to 20.6%
- ADRI sales up by 7.6%, EBITDA by 8.5%

## M&A

- Extended gastro portfolio – coffee, tea, ciders
- Ondrášovka & Korunní M&A completion to come
- Divestments of Hoop Polska and MGPCCK

## HORECA POSITION

- Highest ever market shares in CZ (27.8%) / SK (41.2%) outperforming competitors
- Radenska keeping leadership position in Slovenia, increased distribution in Croatia

## MANAGED INPUT COSTS

- L/T contracts ensured favourable costs of sweeteners
- PET resin costs flat
- Increased logistic costs and push on payroll

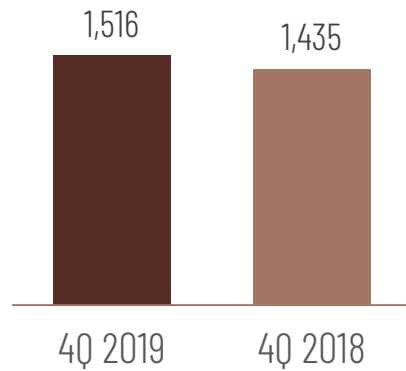
## INNOVATIONS

- Successful launch of Klášterná Kalcia mineral water (SK), Czech market since Feb 2020
- Rebranding of energy drink Semtex in CZ/SK – extra volumes and margins in growing category
- Strong Radenska brand growth supported by new formats (can) and flavours

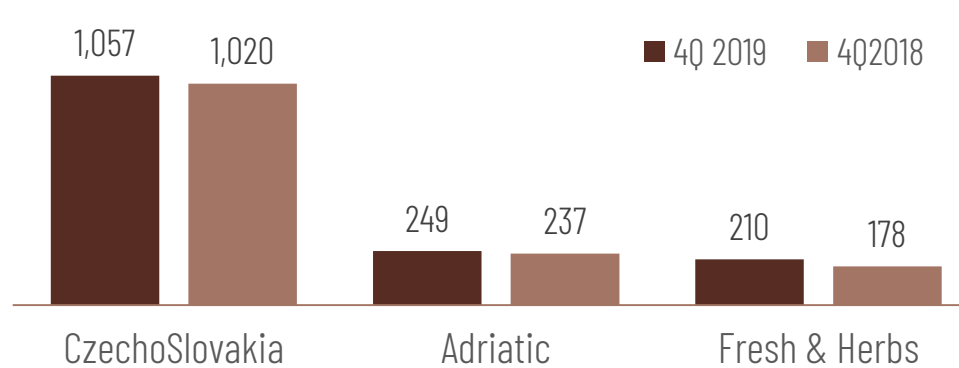


# KOFOLA GROUP KEY 4Q FINANCIAL INDICATORS\*

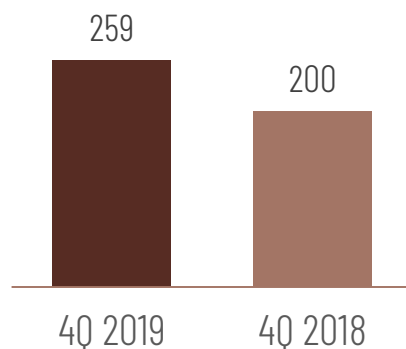
**Revenue (CZKm)\*\***



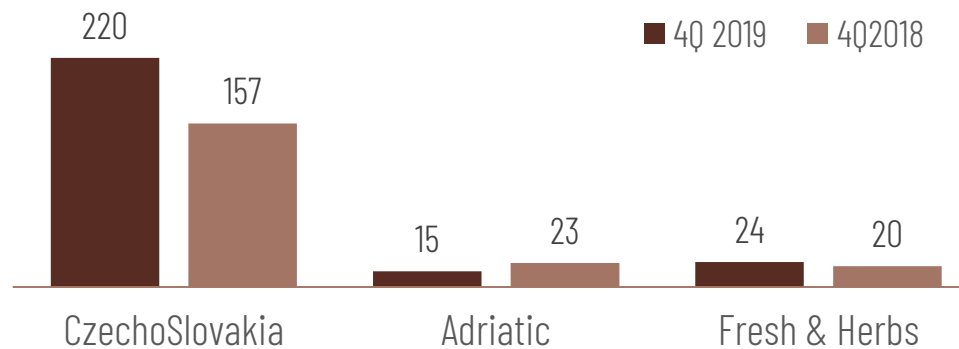
**Revenue per main business segments (CZKm)\*\***



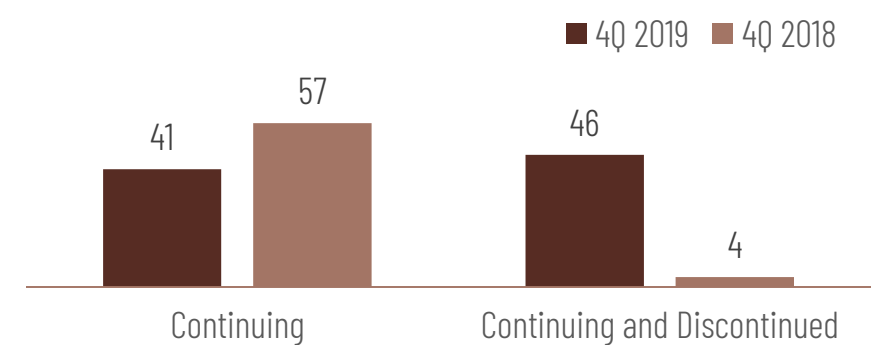
**EBITDA (CZKm)\*\***



**EBITDA per main business segments (CZKm)\*\***



**Profit for the period (CZKm)**



\*Adjusted for one-offs \*\*Continuing operations



# KEY 4Q 2019 MESSAGES\*

CONTINUING OPERATIONS

## EXCELLENT PERFORMANCE

- Organic sales growth of 60 CZK (4.1%)
- EBITDA increase by 59 CZK (29.4%)
- EBITDA margin up by 3.1 p.p. to 17.1%

## ADRIATIC

- Revenue up by 5.2%
- Excellent sales of Radenska water, ORA (CSD) and Pepsi
- Decrease in EBITDA due to 8 CZK loss allowance for overdue receivables (CRO)

## CZECHOSLOVAKIA

- Accelerated top line growth of 3.7%
- Improved EBITDA margin by 5.5 p.p. to 20.8%
- Kofola reached its historical volume share on SK retail market (19.0%)

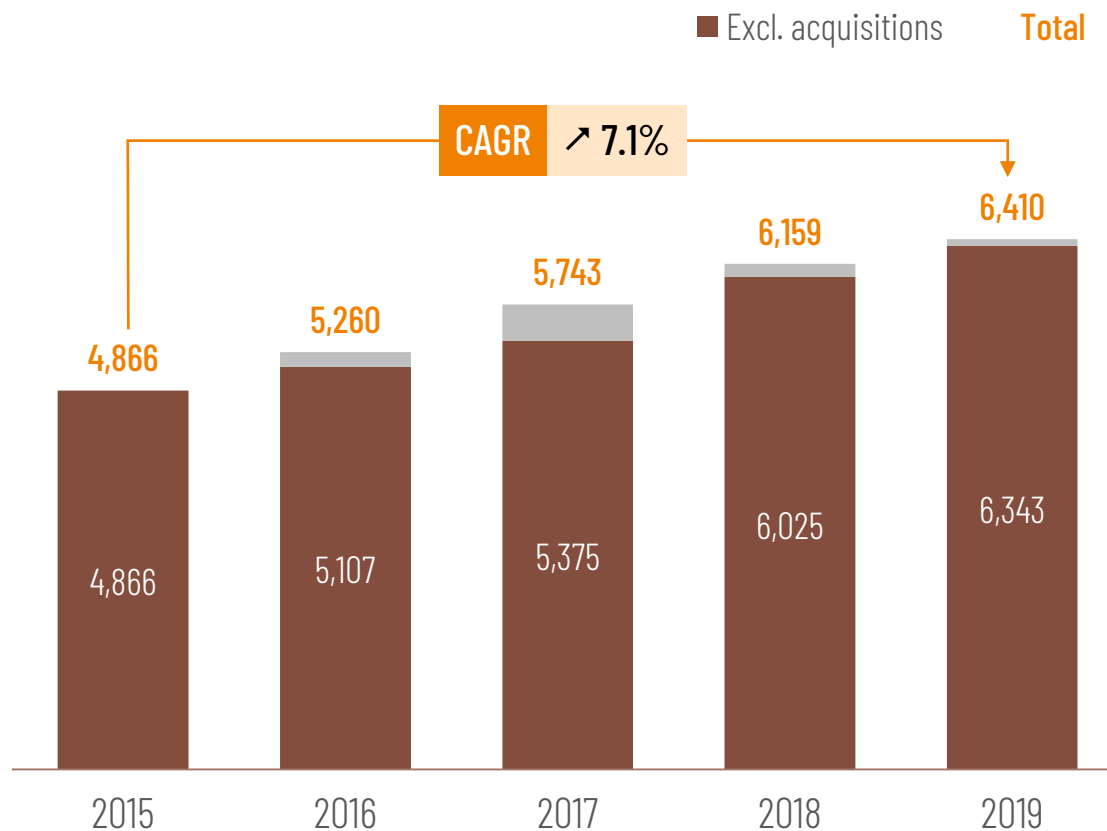
## FRESH & HERBS

- Accelerated organic top line growth of 5.5%
- UGO revenues double-digit growth
- UGO improved production efficiency of salads' division

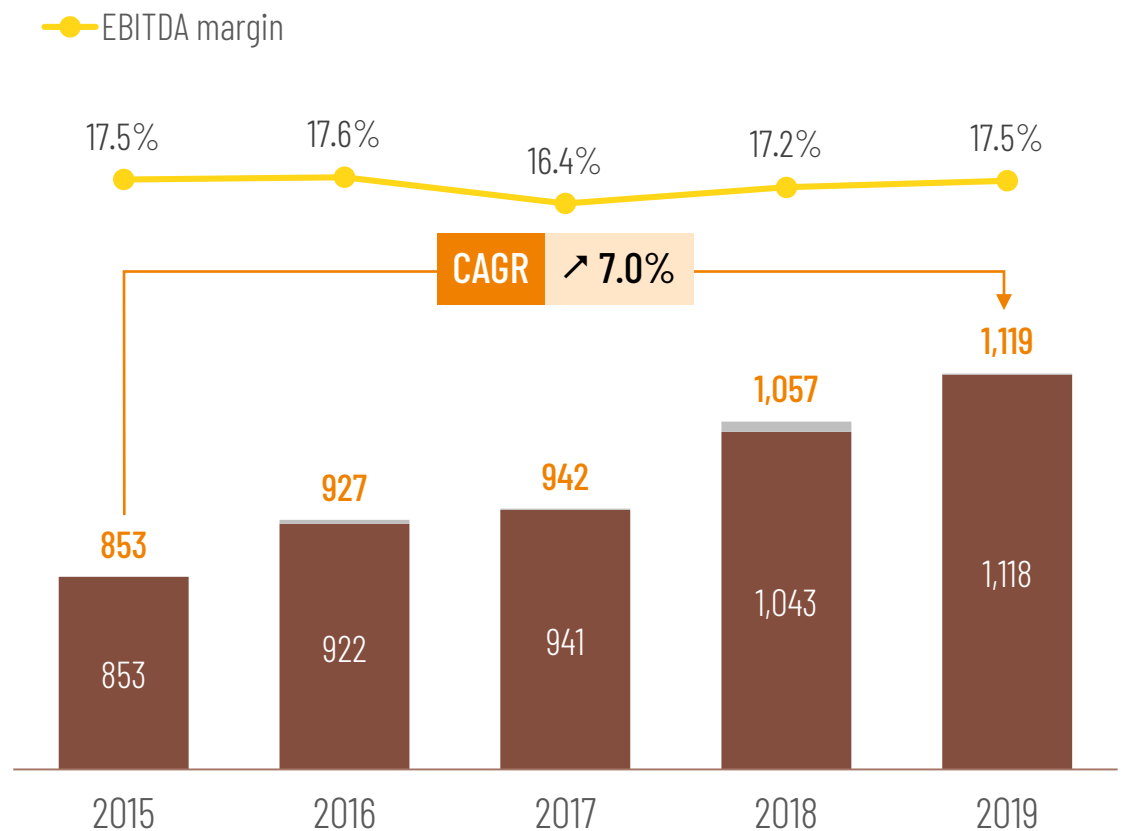


# CONSOLIDATED ADJUSTED EBITDA\* AND REVENUE\* (LONG-TERM VIEW)

Revenue (CZKm)



EBITDA (CZKm)



Grey chart represents an acquisition effect between two subsequent periods.

\*Continuing operations; adjusted for one-offs



# BUSINESS SEGMENTS

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

APPENDIX



# OUR BUSINESS CONSISTS OF THREE MAIN SEGMENTS



CzechoSlovakia



Adriatic



Fresh & Herbs

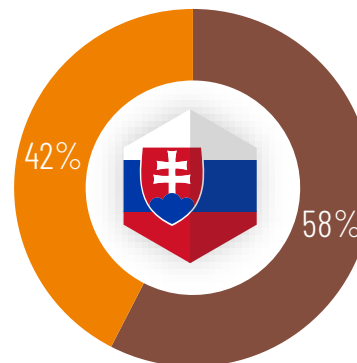
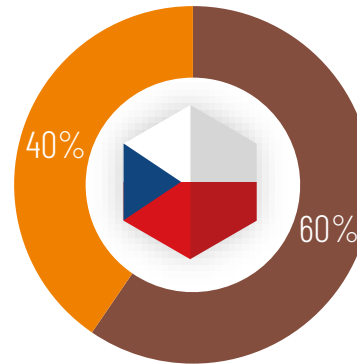
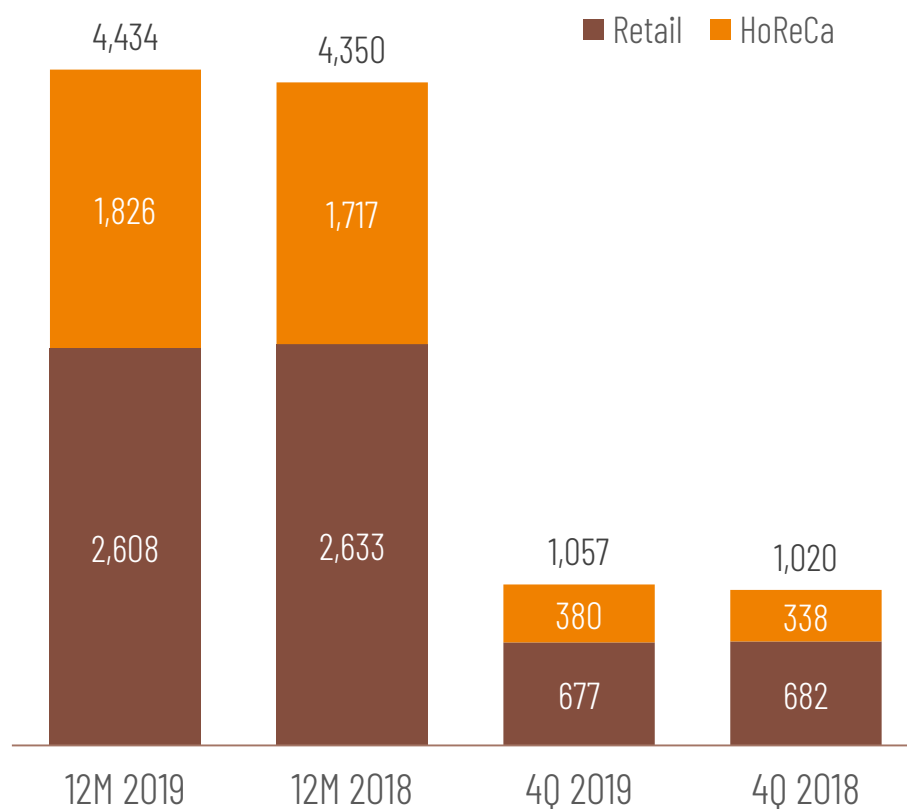




# REVENUE | CZECHOSLOVAKIA



Net revenue (CZKm)



Sales in litres ('000)

CZECHIA	12M 2019	12M 2018
Retail	↓ 197,406	204,184
HoReCa	↑ 82,513	78,672
Total	↘ 279,919	282,856

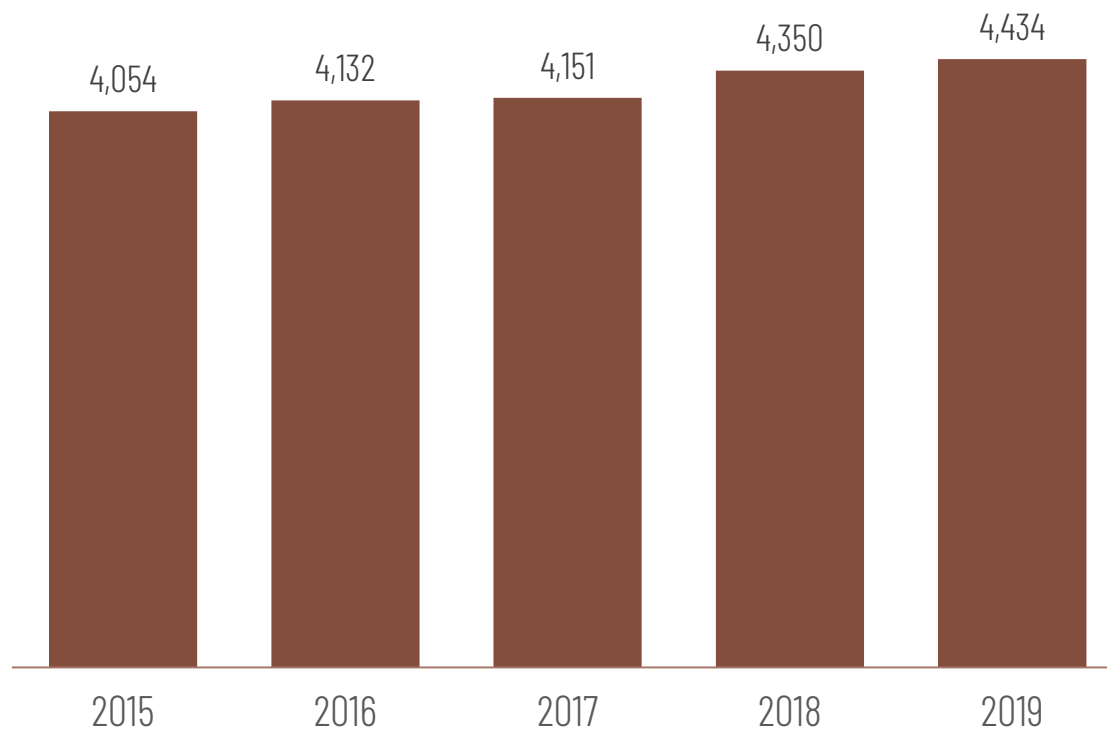
SLOVAKIA	12M 2019	12M 2018
Retail	↑ 155,169	151,137
HoReCa	↑ 50,318	49,352
Total	↗ 205,487	200,489



# REVENUE 2015–19 | CZECHOSLOVAKIA



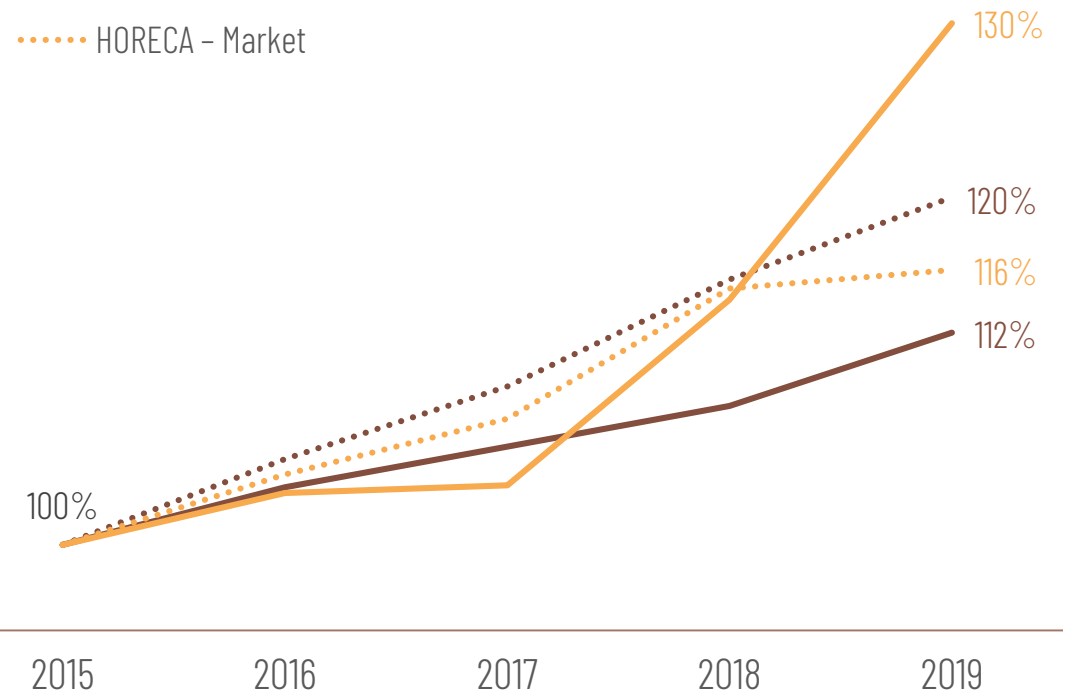
Revenue (CZKm)



Comparison with CS market dynamics (value)

- RETAIL – Kofola
- ..... RETAIL – Market
- HORECA – Kofola
- ..... HORECA – Market

Source: AC Nielsen, Data Servis, Internal data





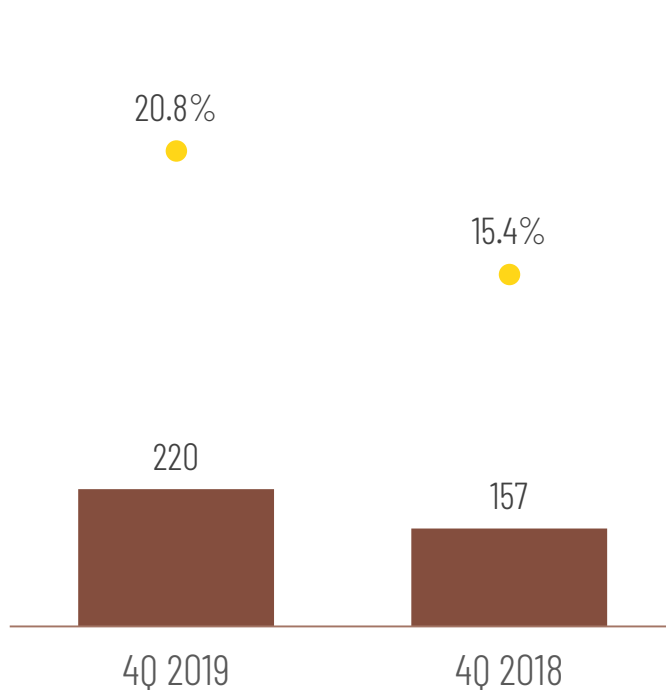


# EBITDA AND EBITDA MARGIN | CZECHOSLOVAKIA



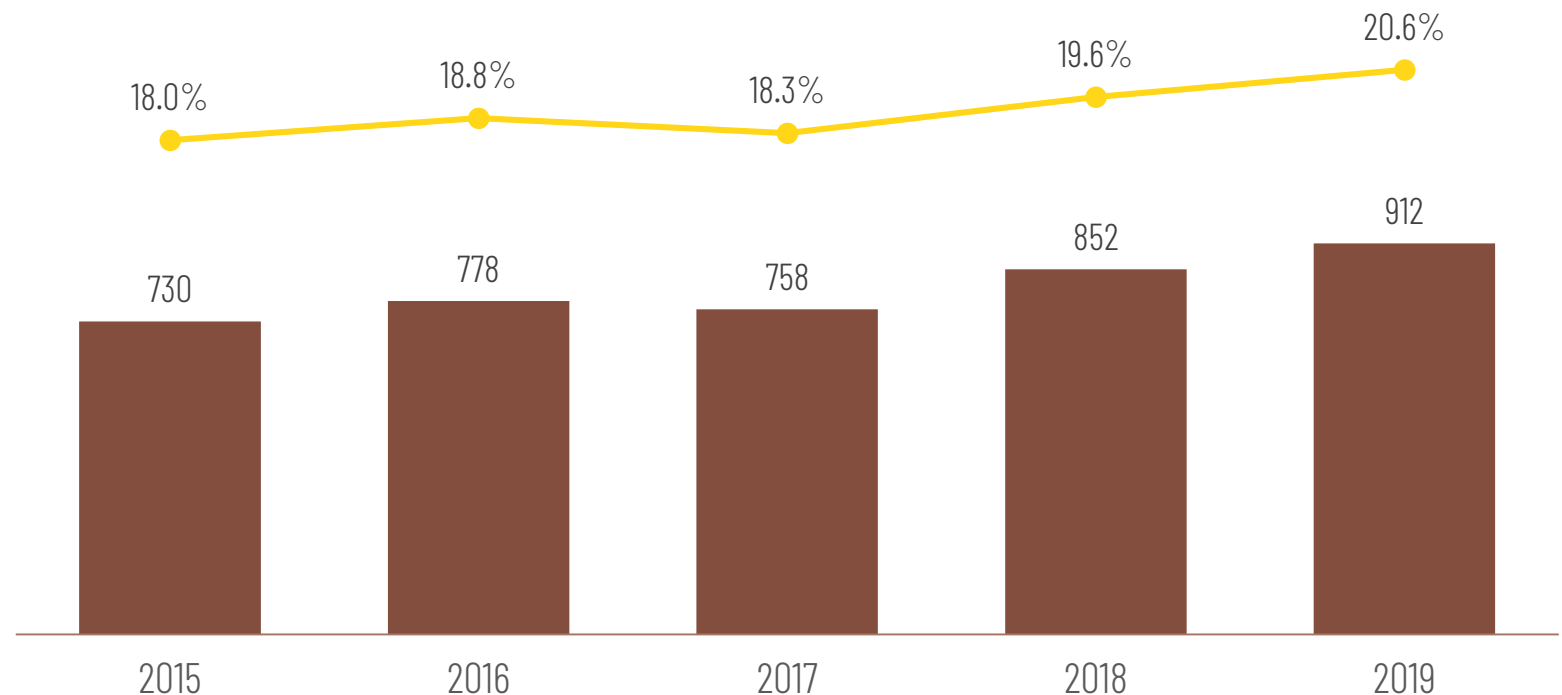
## Adjusted EBITDA (CZK<sub>m</sub>)

■ EBITDA ● EBITDA margin



## Long-term view | Adjusted EBITDA (CZK<sub>m</sub>)

■ EBITDA ● EBITDA margin





# KOFOLA CAN COMPETE WITH GLOBAL BRANDS

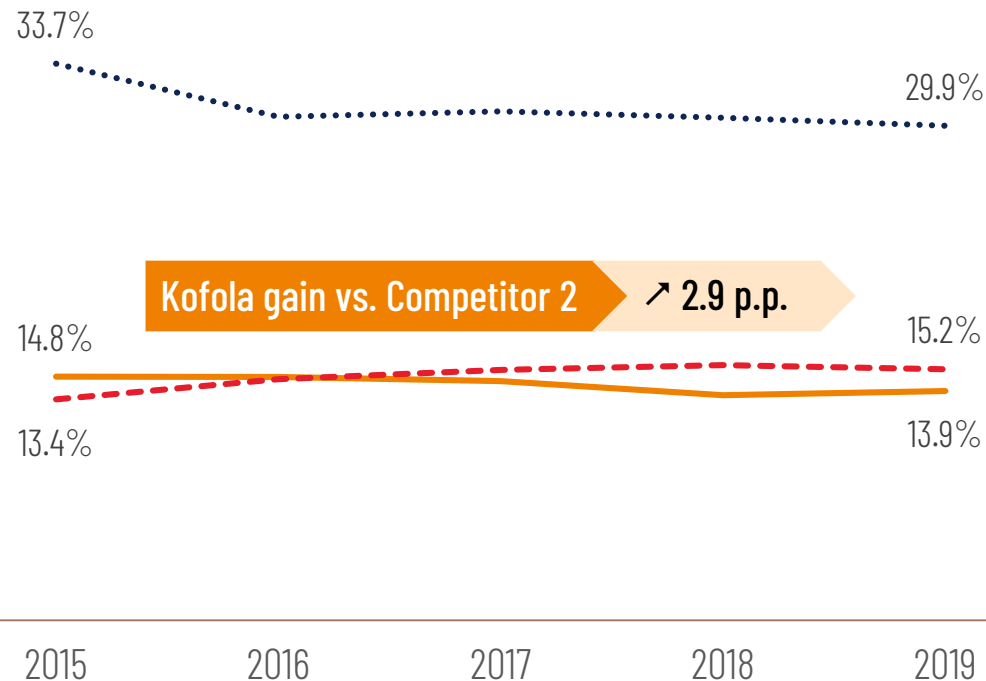
## KOFOLA RETAIL MARKET SHARE (VALUE)



### Czech Republic



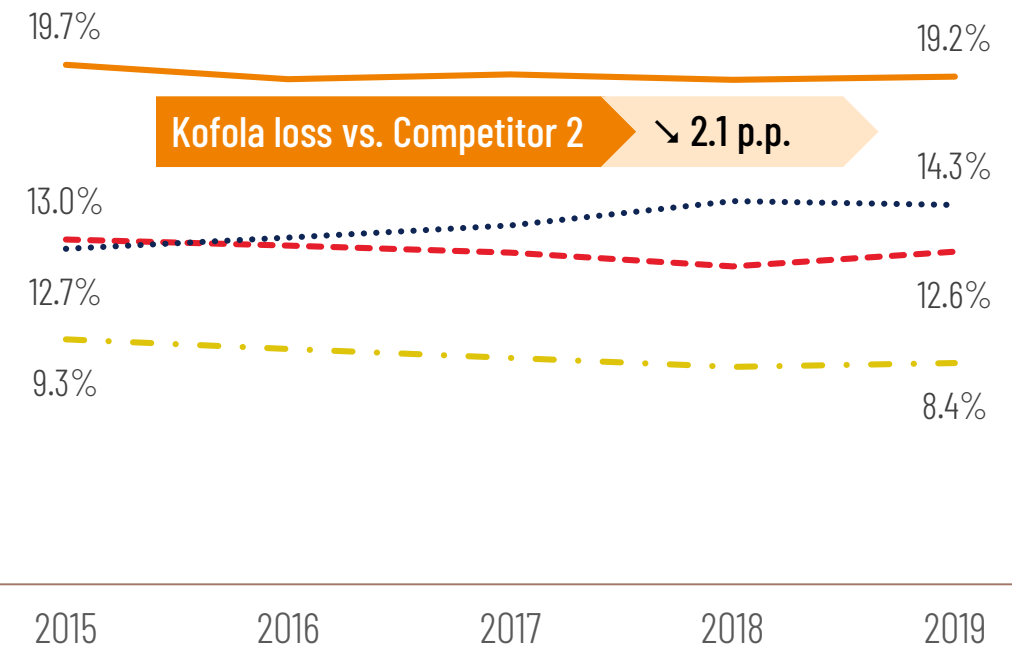
— Kofola — Competitor 1 ..... Competitor 2



### Slovakia



— Kofola — Competitor 1 ..... Competitor 2 — Competitor 3





# KOFOLA CAN COMPETE WITH GLOBAL BRANDS

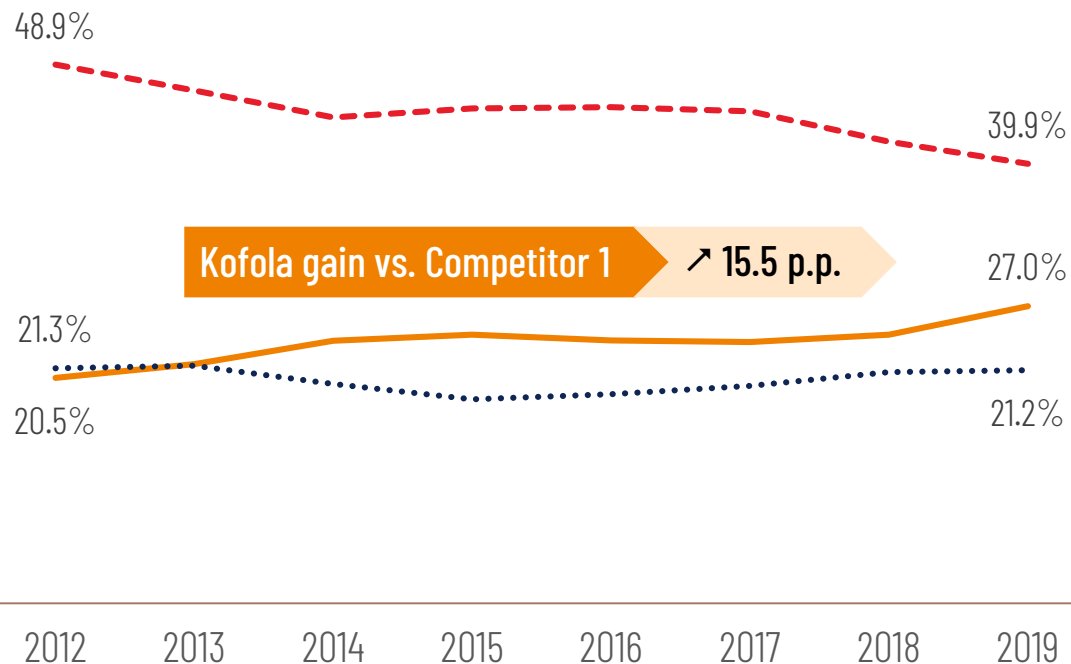
## KOFOLA HORECA MARKET SHARE (VOLUME)



### Czech Republic



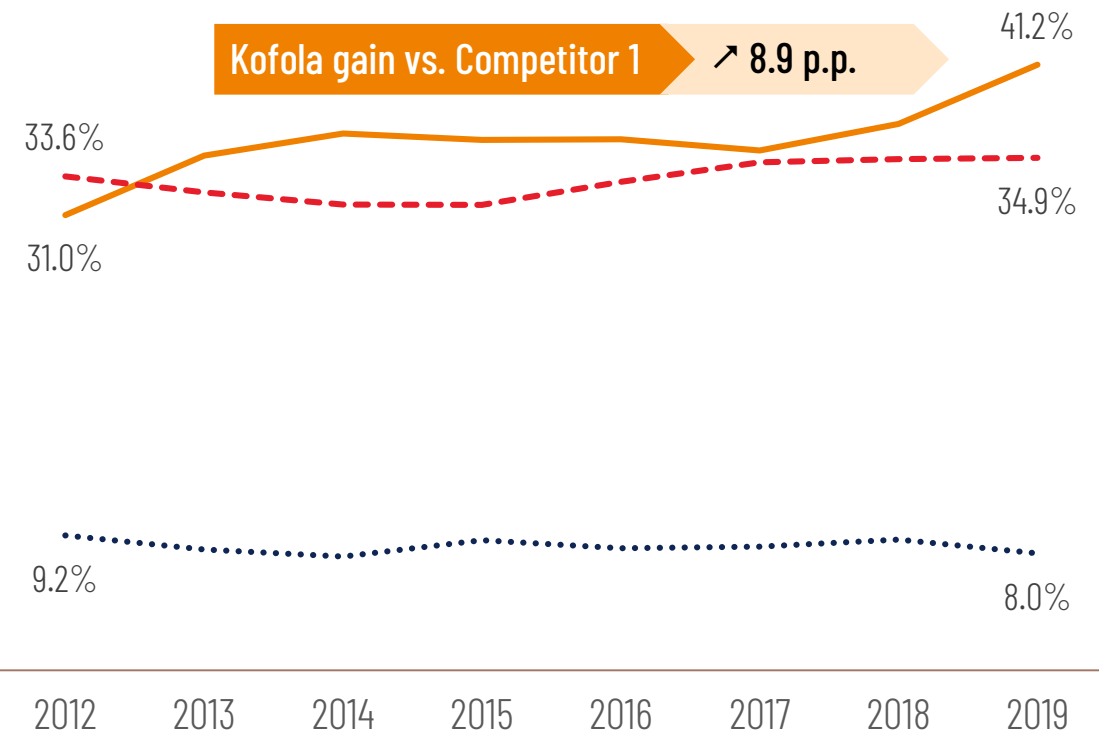
— Kofola — Competitor 1 ..... Competitor 2



### Slovakia



— Kofola — Competitor 1 ..... Competitor 2

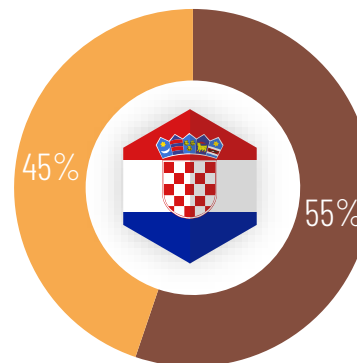
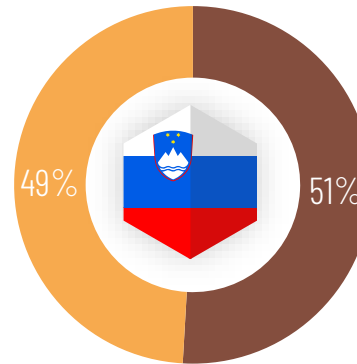
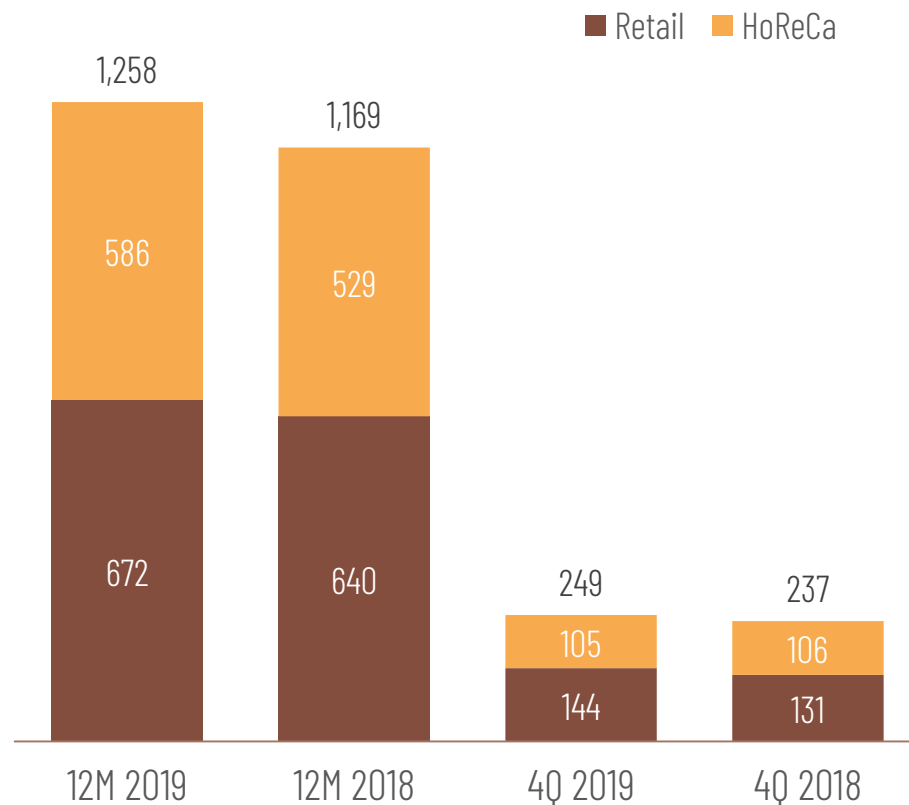




# REVENUE | ADRIATIC



## Net revenue (CZKm)



## Sales in litres ('000)

SLOVENIA	12M 2019	12M 2018
Retail	↗ 67,286	66,424
HoReCa	↗ 34,168	32,390
Total	↗ 101,454	98,814

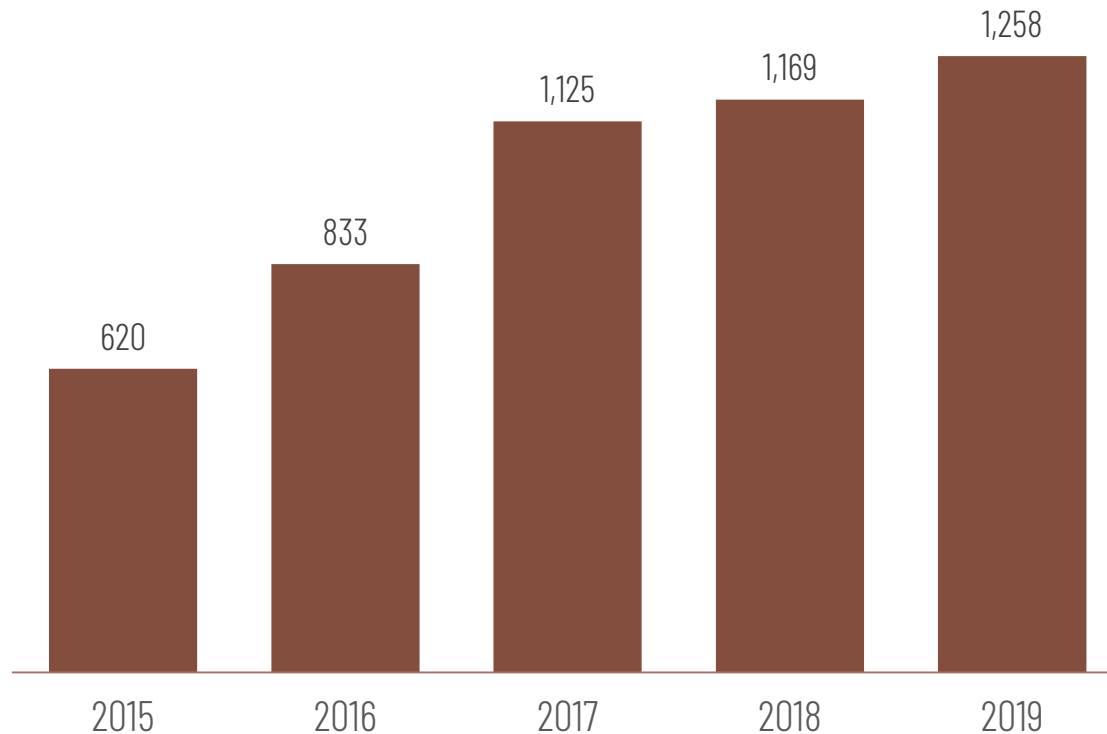
CROATIA	12M 2019	12M 2018
Retail	↗ 35,107	33,402
HoReCa	↗ 18,887	16,412
Total	↗ 53,994	49,814



# REVENUE 2015–19 | ADRIATIC



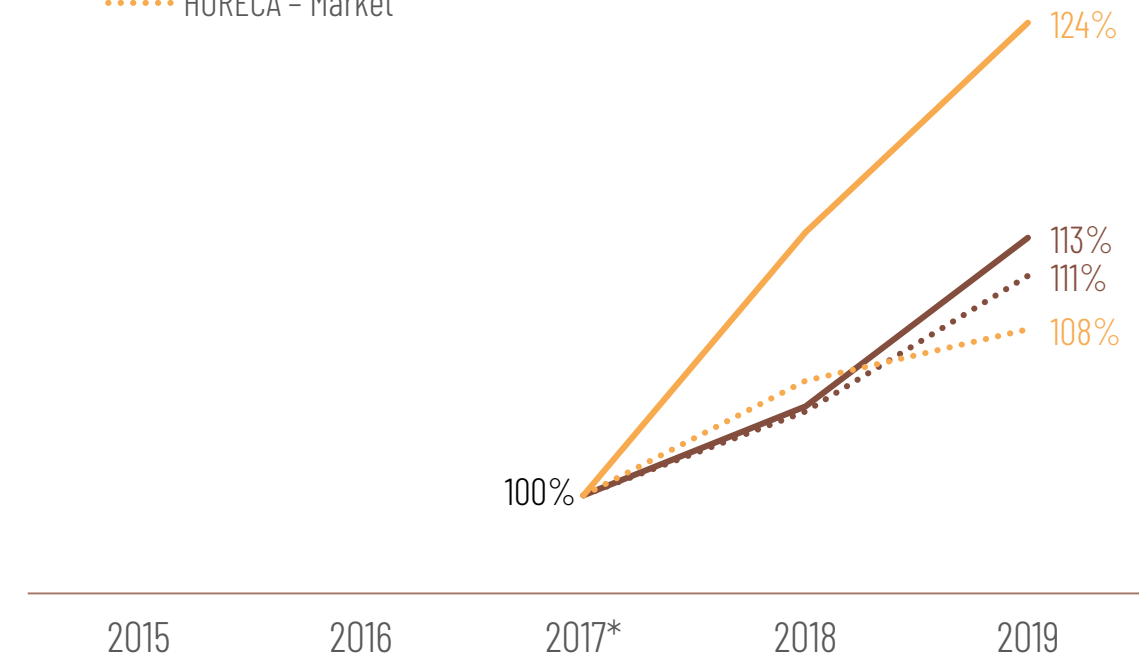
Revenue (CZKm)



Comparison with Adriatic market dynamics (value)

- RETAIL – Kofola
- ..... RETAIL – Market
- HORECA – Kofola
- ..... HORECA – Market

Source: AC Nielsen, Canadean, Internal data



\*Measured since acquisition of Studenac

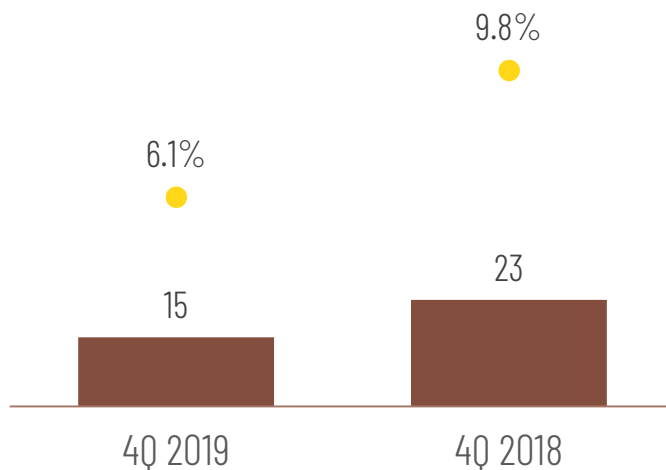


# EBITDA AND EBITDA MARGIN | ADRIATIC



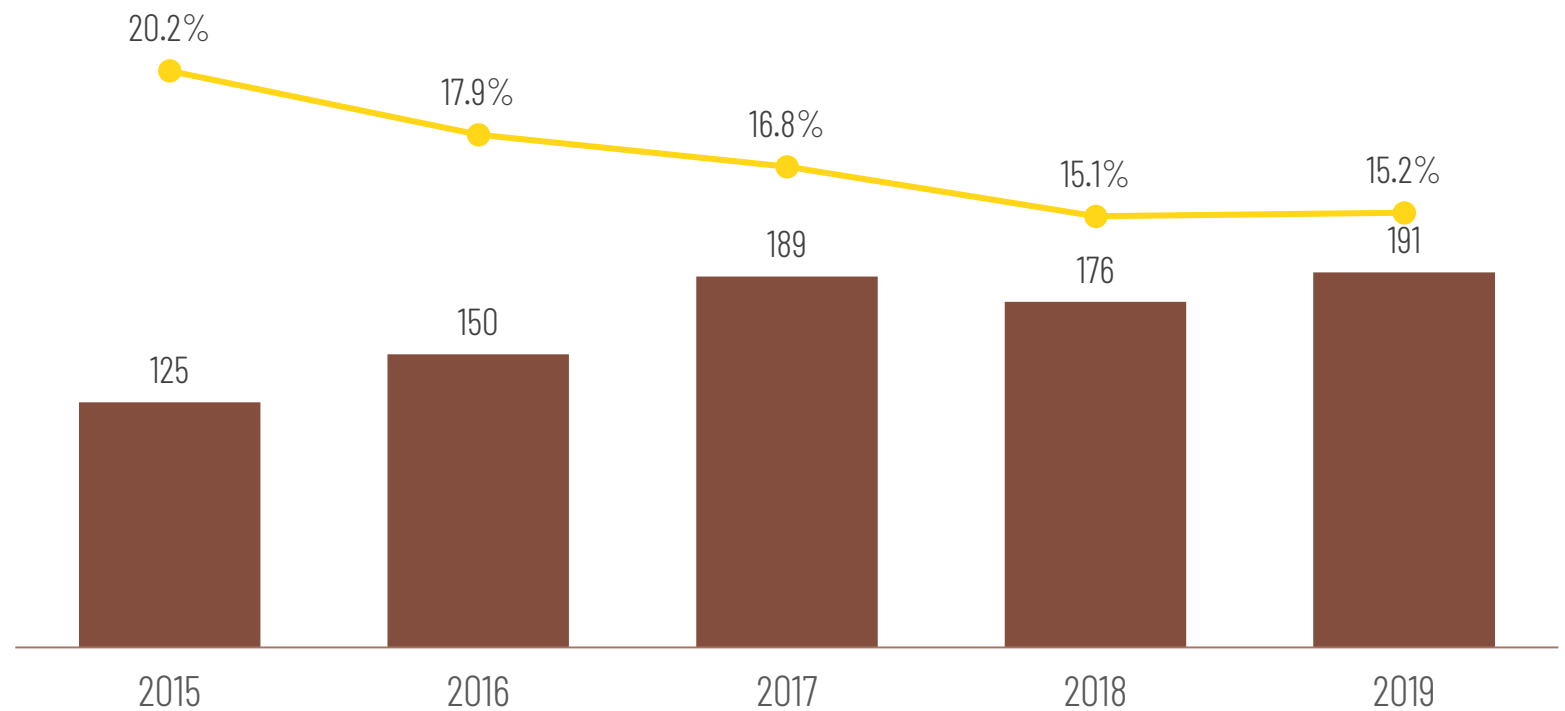
## Adjusted EBITDA (CZK<sub>m</sub>)

■ EBITDA ● EBITDA margin



## Long-term view | Adjusted EBITDA (CZK<sub>m</sub>)

■ EBITDA ● EBITDA margin





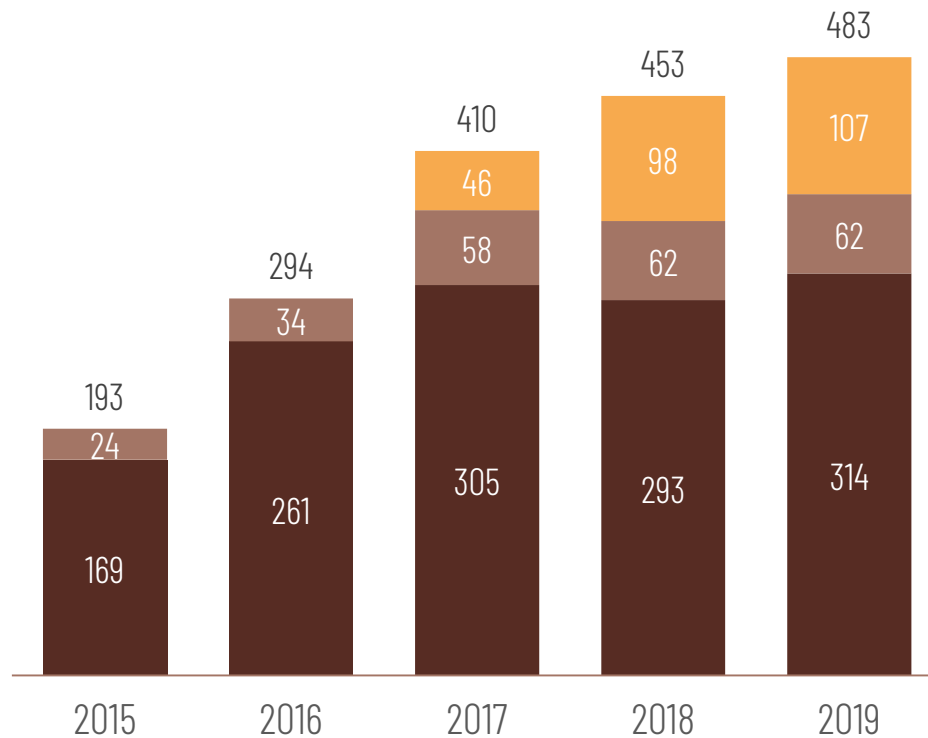


# FRESH & HERBS: UGO



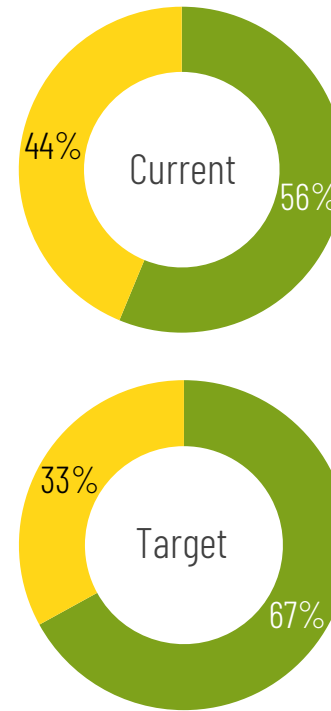
## Revenue (CZKm)

■ Fresh bars & Salad bars ■ Bottles ■ Packaged food



## Stores split

■ Franchise ■ Own



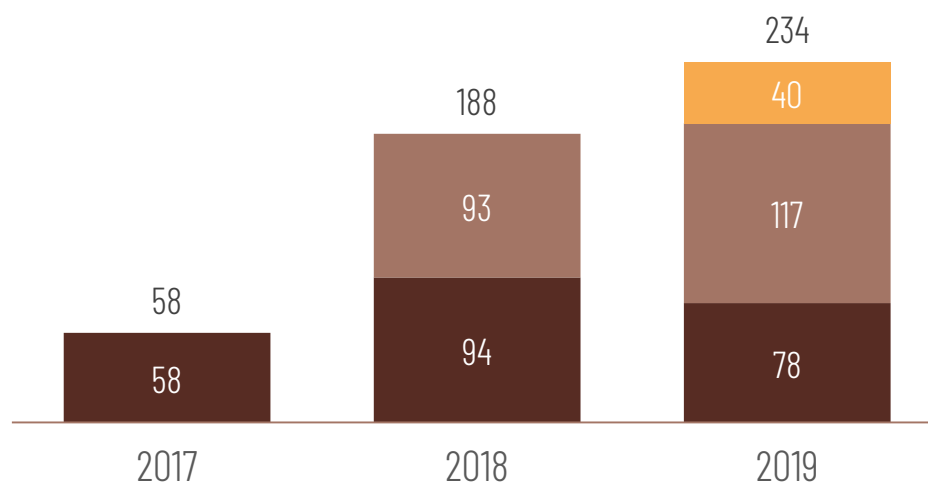


# FRESH & HERBS: LEROS, PREMIUM ROSA AND ESPRESSO



## Revenue (CZKmln)

■ Premium Rosa ■ Leros ■ Espresso



Producer of premium natural products such as syrups, juices and jams



Certified producer of medical-grade herbal teas with history dating back to 1954



Distributor of high quality Café Reserva coffee and Dilmah teas

# CONSOLIDATED FINANCIAL PERFORMANCE INDICATORS

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

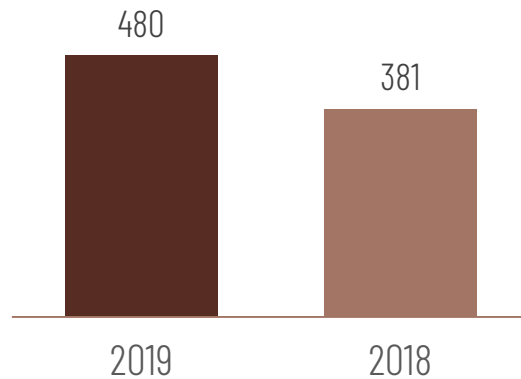
APPENDIX



# SELECTED FINANCIAL PERFORMANCE INDICATORS

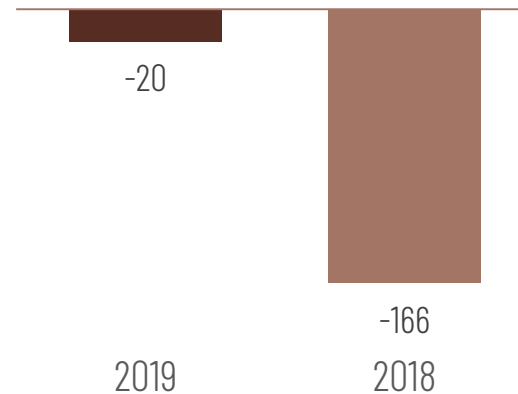
CONTINUING OPERATIONS

## CAPEX (CZKm)



- CS: New production line
- ADRI: New production line and water preparation upgrade
- F&H: Food packaging machine, UGO stores technical enhancement

## Working Capital (WC)\* (CZKm)



- INV: +85 CZKm
- VAT REC: +18 CZKm
- Prepayments REC: +15 CZKm
- CAPEX PAY: +12 CZKm
- Other: +16 CZKm

## Free CF (CZKm)

	12M 19	12M 18
Adjusted EBITDA	1,119.4	1,056.6
Change of WC	(98.6)	(9.7)
CAPEX	(479.8)	(381.4)
Taxes paid	(122.2)	(71.4)
<b>Free CF</b>	<b>418.8</b>	<b>594.1</b>
Cash bal.	774.5	619.3

- EBITDA growth
- Higher INV at 31-Dec-19
- Increased tax payments due to higher license fee payables at 2018 year-end

## ROCE\*\*

	12M 19	12M 18
Adjusted EBIT	569.5	553.5
Total assets	6,916.4	6,563.0
Cash & CE	774.5	619.3
Current liabilities	2,560.3	2,473.9
<b>ROCE</b>	<b>15.9%</b>	<b>16.0%</b>

- Stable
- Improved EBIT offset by increased L/T lease liabilities

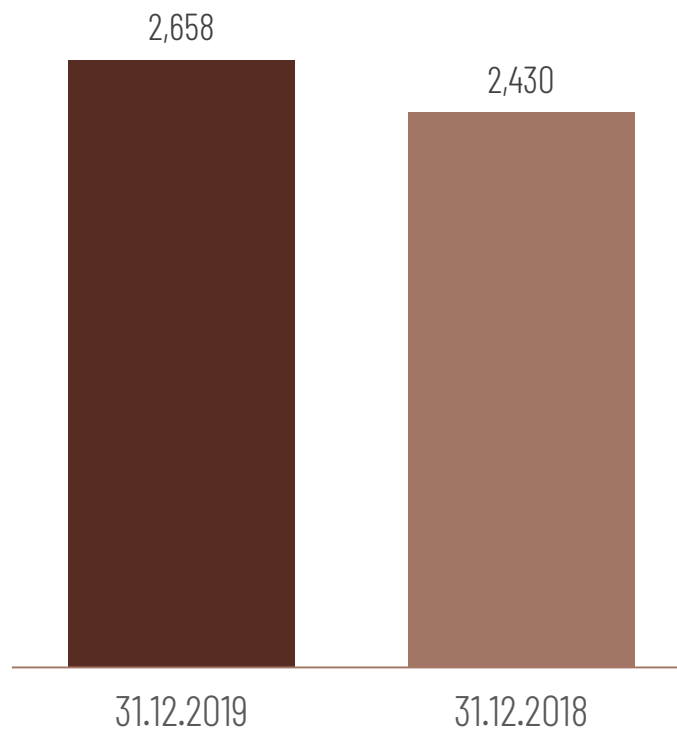
\*Inventories + Trade and other receivables (excluding receivables from sale of Hoop Polska and Megapack) – Trade and other payables

\*\*EBIT / (Total assets – Cash and cash equivalents – Current liabilities)

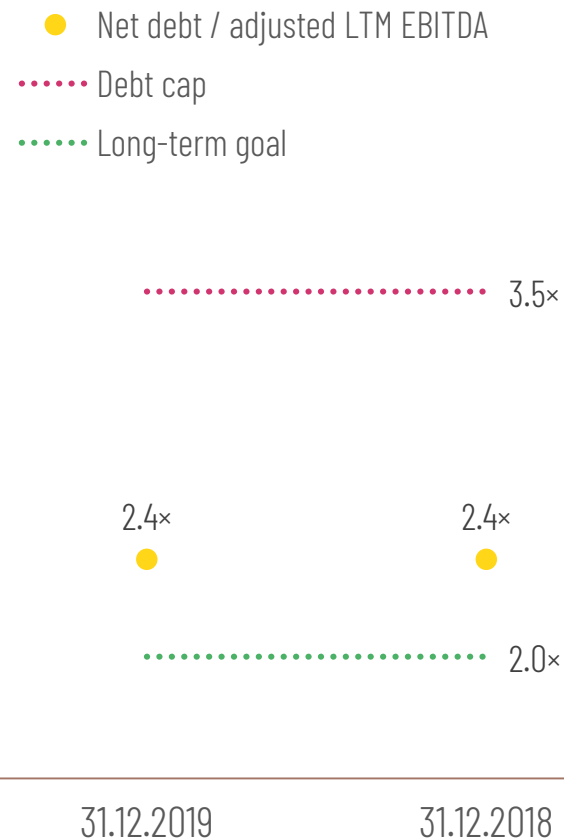


# SELECTED FINANCIAL PERFORMANCE INDICATORS

## Net debt (CZKm)



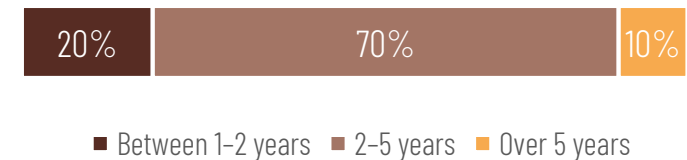
## Net debt /adj. EBITDA



## Gross and net debt calculation (CZKm)

	12M 2019	12M 2018
L/T bank loans	2,229.2	2,308.4
L/T lease liabilities	314.4	88.3
S/T bank loans	783.8	605.3
S/T lease liabilities	105.4	47.5
<b>Gross debt</b>	<b>3,432.8</b>	<b>3,049.5</b>
Cash	(774.5)	(619.3)
<b>Net debt</b>	<b>2,658.3</b>	<b>2,430.2</b>

## Repayment schedule of LT bank loans

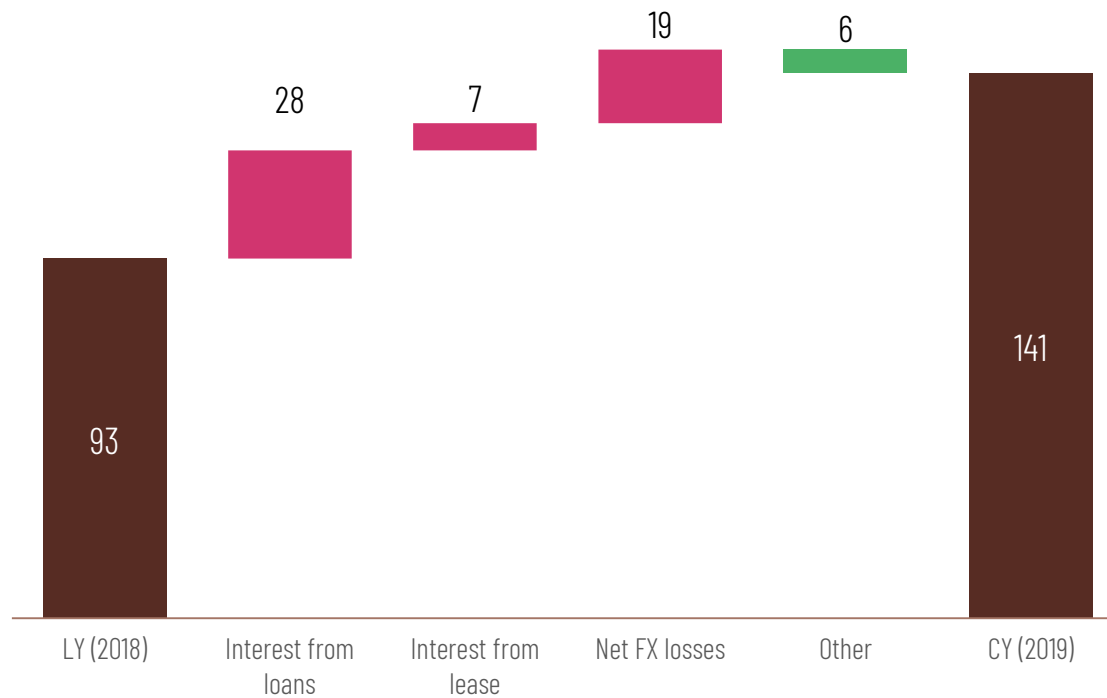




# FINANCIAL RESULT & INCOME TAX

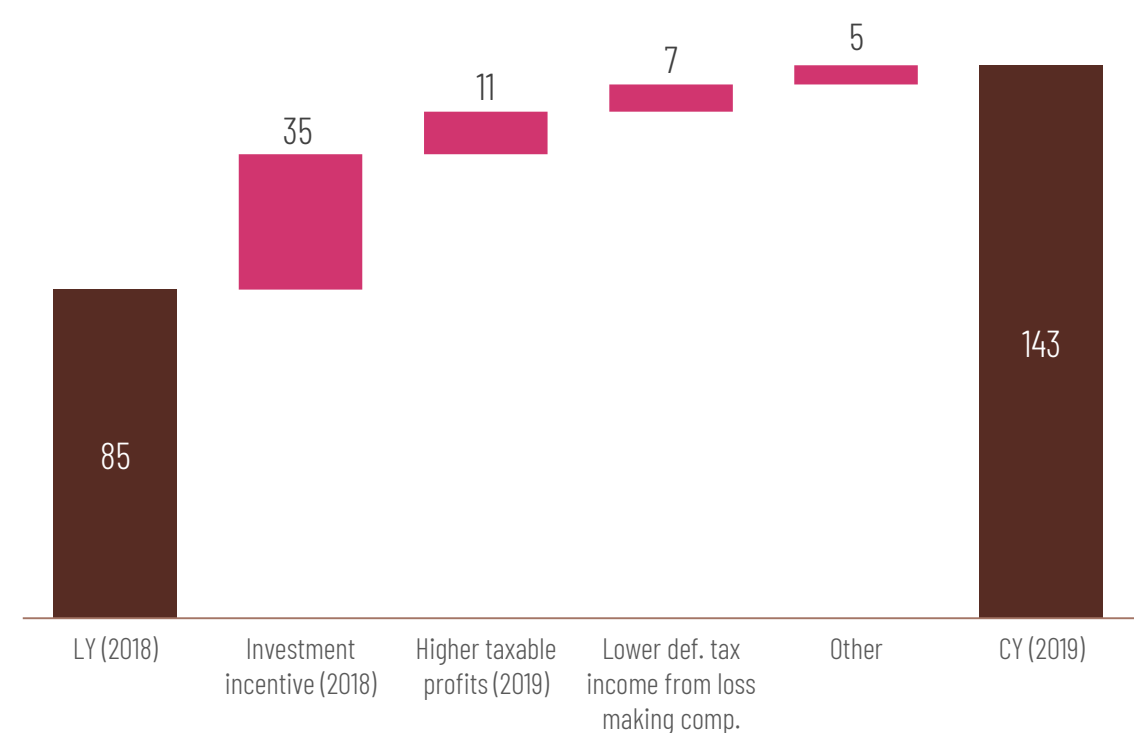
## Finance costs (CZKm)

■ Increase ■ Decrease



## Income tax expense (CZKm)

■ Increase ■ Decrease







# EFFECT OF THE INITIAL APPLICATION OF IFRS 16



Effect on debt (31-Dec-19)

↗ 220 CZKm

Effect on interest

↗ 6 CZKm

Effect on net profit

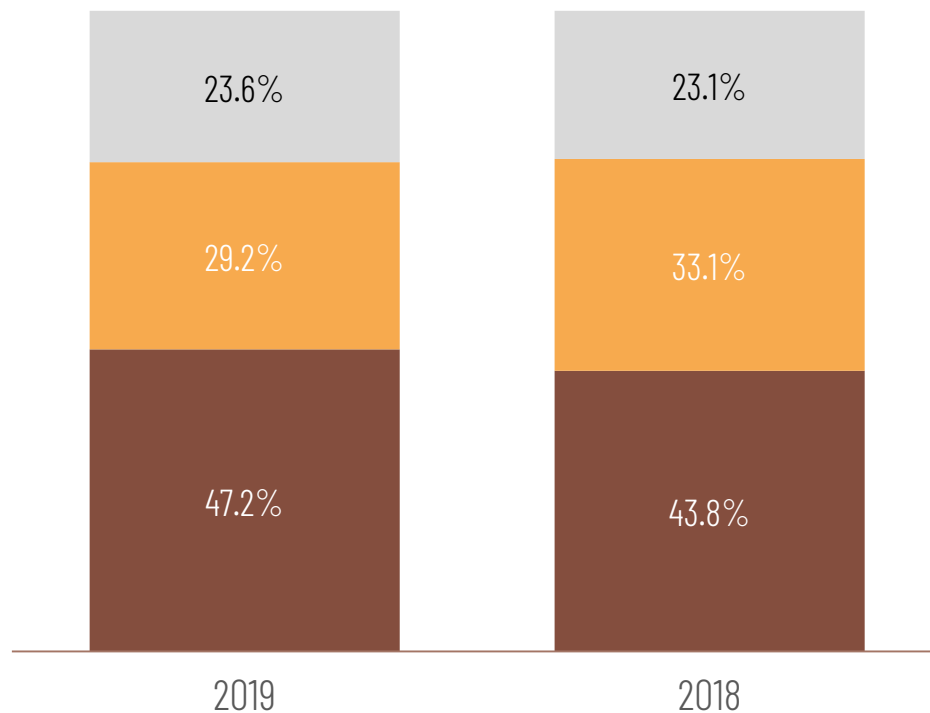
↘ 4 CZKm



# PACKAGING AND SWEETENERS ARE TWO MAIN COST DRIVERS

## Group direct material costs

■ Packaging ■ Sweeteners ■ Other (e.g. concentrates, aromas)



# M&A

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

APPENDIX



# M&A STRATEGY | WHERE WE INVEST?

## Authentic healthy raw materials



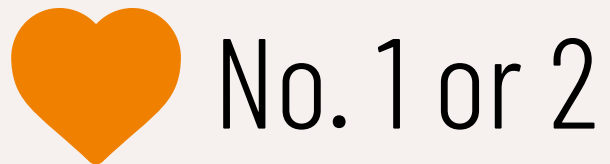
## Extensions of our gastro portfolio



## Mineral water

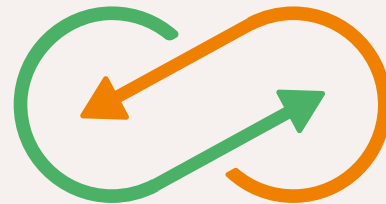


## Strong love brands



No. 1 or 2

## Synergies with current business



## EBITDA multiple

< 12

No material acquisitions in the mid-term future.



# ESPRESSO: 2019 ACQUISITION

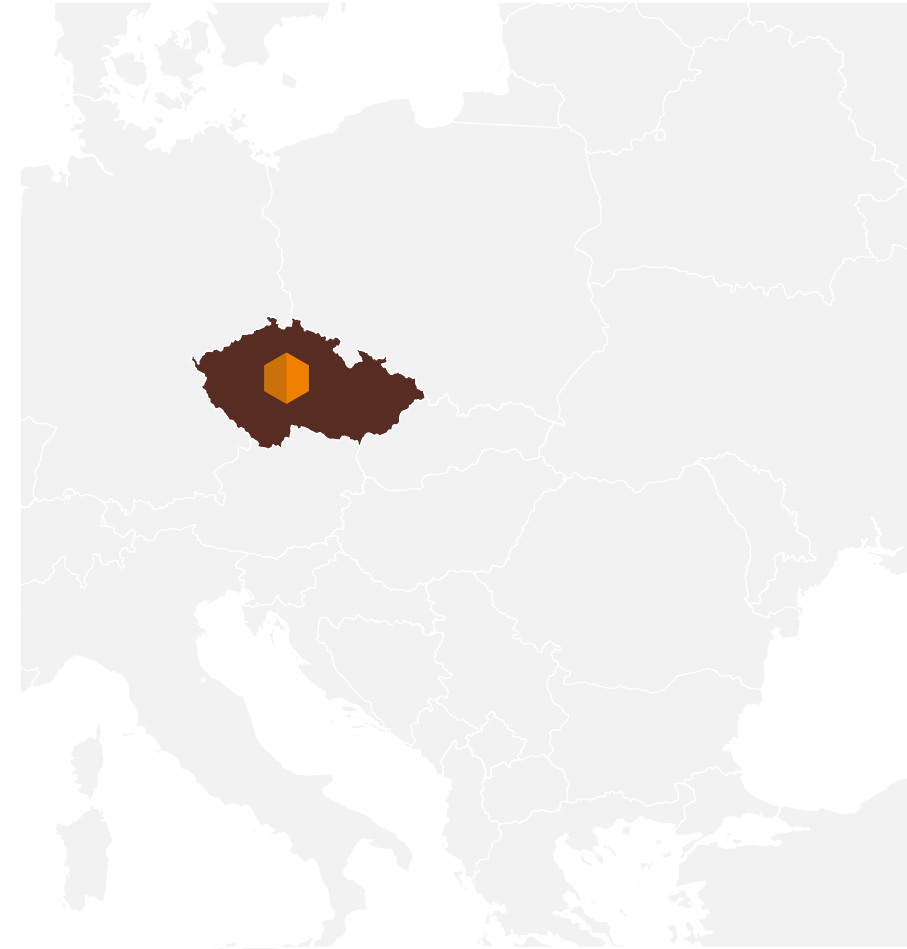


## Basic information

Acquisition date	9 July 2019
Price	78 CZKmn
Recognized goodwill	12 CZKmn
Post acquisition revenue	40 CZKmn
Post acquisition EBITDA	9 CZKmn

## Rationale

- Fits to our portfolio
- Dilmah teas for Retail and HoReCa
- Café Reserva for HoReCa
- Coffee business is continuously growing in countries where we operate





# ONDRÁŠOVKA AND KORUNNÍ: 2020 ACQUISITION

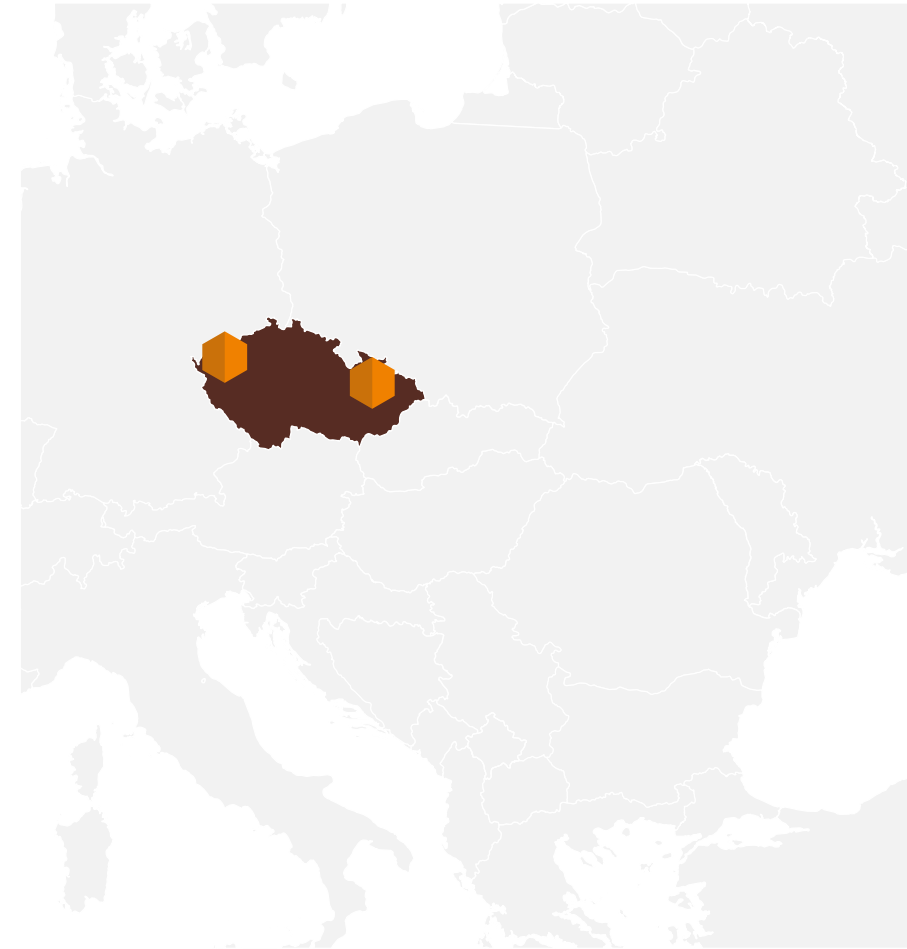


## Basic information

SPA date	11 December 2019
Antimonopoly approval	11 March 2020
Expected closing of acquisition	1H 2020

## Rationale

- Will double our market share in CZ retail in water category
- Water makes up to 60% of CZ retail market volumes
- Mineral water market protected against negative market fluctuations







# 2019: HOOP AND MEGAPACK DIVESTMENTS

## HOOP sale

Leaving unsuccessful business in Poland based on private labels and low performing own brands.

### Cash-flow effects in 2019 (CZK<sub>m</sub>)

Receivables paid	39.1
Repayment of loan	104.2
Payment of the transaction price I	68.0
Cash of disposed subsidiary	(46.6)
<b>Total</b>	<b>164.7</b>

### Cash-flow effects in 2020 (CZK<sub>m</sub>)

Payment of the rest of the transaction price II	142.0
---	-------

## Megapack sale

Leaving non-core business in a Russian associate.

### Cash-flow effects in 2019 (CZK<sub>m</sub>)

Dividend I	21.7
Dividend II	15.3
<b>Total</b>	<b>37.0</b>

### Cash-flow effects in 2020 (CZK<sub>m</sub>)

Payment of the transaction price	115.6
----------------------------------	-------

# GOALS 2020

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

APPENDIX



# GOALS 2020

	2020
EBITDA (range)	N/A
Revenue growth	N/A
Max CAPEX	N/A
Dividend per share	N/A
Net debt / EBITDA	N/A

Due to the current COVID-19 situation, we cannot estimate the financial effects on the Group, especially on the HoReCa segment, until the end of the government restrictions. The goals will be presented with the publication of the 1Q 2020 results.



# MORE ABOUT KOFOLA

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

APPENDIX



# HISTORY OF SUCCESSFUL ACQUISITIONS AND DEVELOPMENT



Establishment of the Kofola brand

2002

HoReCa started in Czechia & Slovakia



2004



Acquisition of **Vinea** brand in Slovakia – most popular CSD in Slovakia

2012

1960



Acquisition of the **Kofola** brand and original recipe by predecessor of Kofola

2003



**Rajec** brand created internally by Kofola  
No. 1 water in Slovakia

2008



Acquisition of **UGO** Group – fresh juices



# HISTORY OF SUCCESSFUL ACQUISITIONS AND DEVELOPMENT



## Expansion into the Adriatic region

Acquisition of Radenska –

No. 1 water producer in Slovenia

Acquisition of Studenac –

No. 2 mineral water brand in Croatia

2015–16



## Expansion into a new segment of healthy products

Acquisition of Premium Rosa in Poland

Acquisition of LEROS in Czechia

Acquisition of Klášťorná in Slovakia

2017–18



espresso



**F.H. PRAGER**  
jablářství

## Expansion into coffee and handcrafted cider

Acquisition of Espresso

Acquisition of F.H. Prager

Sale of Hoop Polska and Megapack

Take over of Titbit –  
No. 1 salad producer in Czechia



2019–20



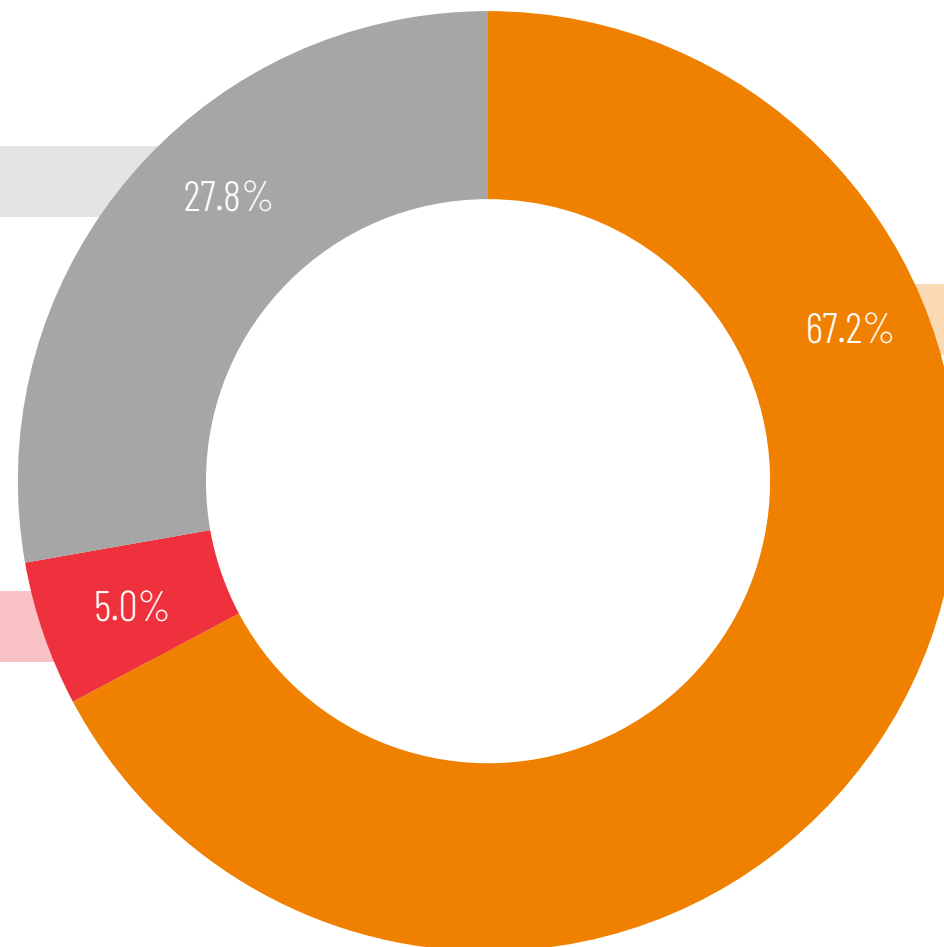


# KOFOLA OWNERSHIP STRUCTURE

## Free float

Currently 6.2 million shares  
at Prague Stock Exchange

## Kofola Group via RADENSKA d.o.o.



## AETOS a.s.

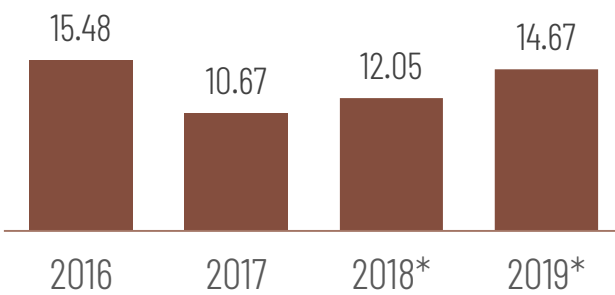
*The majority in AETOS is owned by  
Jannis Samaras and his family.  
Minority shares are owned by Kofola Group's  
COO René Musila and Supervisory Board  
member Tomáš Jendřejek.*



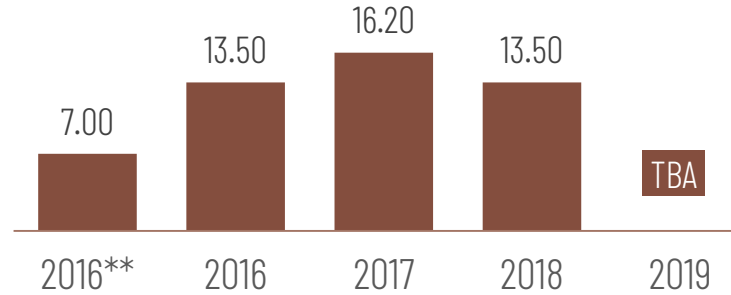
# KOFOLA LISTED ON PSE



## Earnings per share (CZK)



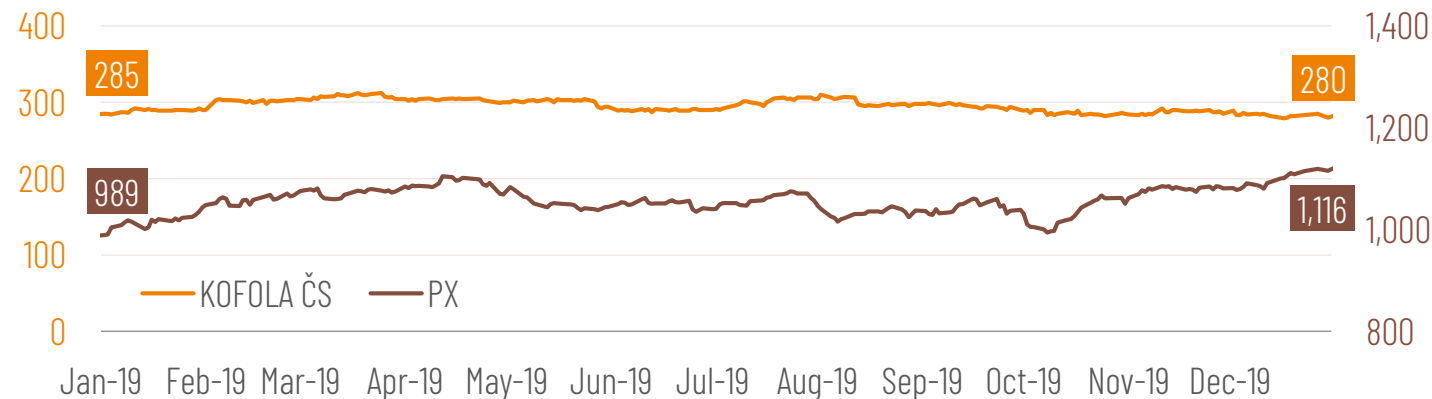
## Dividends per share (CZK)



## Dividend policy

- To be updated with 1Q 2020 results due to current COVID-19 situation.

## Share performance (CZK)



## About shares

Market capitalization	245.6 EURm
Dividend yield	4.8%
Average transaction volume	6,368 per day



# AWARDS



## Czech TOP 100

Kofola ČeskoSlovensko is the 2<sup>nd</sup> most admired company in the Czech Republic in 2019. Repeatedly in top 5 since 2007.



## Art Directors Club Czech Creative Award

12 Medal Awards including Client of the Year.



## Randstad Award

Kofola is among top 10 most attractive employers in the Czech Republic.



## POPAI Awards

Gold and Silver for our creative Royal Crown Cola and Kofola displays.



## Most trusted brand 2019

Both in Czechia and Slovakia.

# APPENDIX

THE KOFOLA GROUP

SUSTAINABILITY

KOFOLA GROUP RESULTS

BUSINESS SEGMENTS

CONSOLIDATED INDICATORS

M&A

GOALS 2020

MORE ABOUT KOFOLA

APPENDIX



# RESULTS OF KOFOLA GROUP | 12M 2019

Reconciliation of reported and adjusted results (CZK <sub>m</sub> )	Reported	One-offs	Adjusted
Revenue	6,409.5	-	6,409.5
Cost of sales	(3,344.9)	-	(3,344.9)
<b>Gross profit</b>	<b>3,064.6</b>	<b>-</b>	<b>3,064.6</b>
Selling, marketing and distribution costs	(2,090.5)	-	(2,090.5)
Administrative costs	(453.8)	-	(453.8)
Other operating income/(costs), net	(19.5)	29.7	49.2
<b>Operating profit/(loss)</b>	<b>539.8</b>	<b>29.7</b>	<b>569.5</b>
<b>EBITDA</b>	<b>1,102.1</b>	<b>17.3</b>	<b>1,119.4</b>
Finance costs, net	(141.0)	-	(141.0)
Income tax	(146.1)	2.9	(143.2)
<b>Profit/(loss) for the period</b> continuing operations (CO)	<b>252.7</b>	<b>32.6</b>	<b>285.3</b>
<b>Profit/(loss) for the period</b> discontinued operations (DO)*	<b>23.4</b>	<b>9.9</b>	<b>33.3</b>
<b>Profit/(loss) for the period (CO+DO)</b>	<b>276.1</b>	<b>42.5</b>	<b>318.6</b>
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	284.4	42.5	326.9

## One-offs

### Continuing operations:

- Costs for maintenance of closed Grodzisk Wielkopolski plant of 20.1 CZK<sub>m</sub> (F&H segment)
- Gain on sold items of PPE (mainly machines) of 6.1 CZK<sub>m</sub> recognized in ADRI segment (tax 19% applies)
- Gain on sold items of PPE of 9.0 CZK<sub>m</sub> recognized in CS segment (tax 19% applies)
- Advisory costs – CS segment incurred costs of 21.5 CZK<sub>m</sub>, business category Other incurred costs of 0.3 CZK<sub>m</sub>
- Severance costs in LEROS (F&H segment) of 2.9 CZK<sub>m</sub>

### Discontinued operations:

- Gain on sale of Hoop Polska of 8.0 CZK<sub>m</sub>
- Gain of 81.4 CZK<sub>m</sub> from release of the cumulated FX translation reserve related to the historical consolidation of disposed Hoop Polska
- Gain on sale of Megapack of 19.1 CZK<sub>m</sub>
- Loss of 118.4 CZK<sub>m</sub> from the release of the cumulated FX translation reserve related to the historical equity accounting of the disposed Megapack

\*Result of Hoop Polska till 18 Mar 2019 + Gain on sale of Hoop Polska + Income on release of FCTR related to Hoop Polska + Share of MGPC's result till 25 Dec 2019 + Gain on sale of MGPC + Expense on release of FCTR related to MGPC



# GROUP RESULTS COMPARISON 12M\*

(CZKm)	2019	2018	Change	Change (%)
Revenue	6,409.5	6,159.2	250.3	4.1%
Cost of sales	(3,344.9)	(3,300.2)	(44.7)	1.4%
<b>Gross profit</b>	<b>3,064.6</b>	<b>2,859.0</b>	<b>205.6</b>	<b>7.2%</b>
Selling, marketing and distribution costs	(2,090.5)	(1,925.8)	(164.7)	8.6%
Administrative costs	(453.8)	(409.5)	(44.3)	10.8%
Other operating income/(costs), net	49.2	29.8	19.4	65.1%
<b>Operating profit/(loss)</b>	<b>569.5</b>	<b>553.5</b>	<b>16.0</b>	<b>2.9%</b>
<b>EBITDA</b>	<b>1,119.4</b>	<b>1,056.6</b>	<b>62.8</b>	<b>5.9%</b>
Finance costs, net	(141.0)	(92.6)	(48.4)	52.3%
Income tax	(143.2)	(85.0)	(58.2)	68.5%
<b>Profit/(loss) for the period continuing operations (CO)</b>	<b>285.3</b>	<b>375.9</b>	<b>(90.6)</b>	<b>(24.1%)</b>
<b>Profit/(loss) for the period discontinued operations (DO)**</b>	<b>33.3</b>	<b>(111.8)</b>	<b>145.1</b>	<b>129.8%</b>
<b>Profit/(loss) for the period (CO+DO)</b>	<b>318.6</b>	<b>264.1</b>	<b>54.5</b>	<b>20.6%</b>
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	326.9	268.5	58.4	21.8%

## Continuing operations

- Revenue increased in all segments. In F&H, Espresso ACQ and UGO organic growth compensated lower sales in Premium Rosa (fluctuation in demand of selected customers)
- Increased GP margin resulting mainly from lower price of sweeteners and increased sales
- Increased S,M&D costs due to increased logistic, payroll and selling (loss allowances and acquired brand's amortization charge) costs
- Increased ADMIN costs due to higher payroll, depreciation charge and expense from ACQ
- Net FIN costs higher mainly due to raise in market interest rates, lease interests (IFRS 16 application) and FX losses
- Higher TAX due to investment incentive in 2018 and higher taxable profits in 2019

\*Adjusted for one-offs \*\*Result of Hoop Polska (in 2019 only till 18 Mar 2019) and Megapack (in 2019 only till 25 Dec 2019)



# GROUP RESULTS COMPARISON 4Q\*

(CZKm)	4Q 2019	4Q 2018	Change	Change (%)
Revenue	1,516.2	1,435.0	81.2	5.7%
Cost of sales	(818.1)	(856.2)	38.1	(4.4%)
<b>Gross profit</b>	698.1	578.8	119.3	20.6%
Selling, marketing and distribution costs	(503.6)	(432.2)	(71.4)	16.5%
Administrative costs	(122.9)	(115.3)	(7.6)	6.6%
Other operating income/(costs), net	47.3	26.5	20.8	78.5%
<b>Operating profit/(loss)</b>	118.9	57.8	61.1	105.7%
<b>EBITDA</b>	259.2	200.3	58.9	29.4%
Finance costs, net	(49.5)	(23.4)	(26.1)	111.5%
Income tax	(28.8)	22.2	(51.0)	(229.7%)
<b>Profit/(loss) for the period continuing operations (CO)</b>	40.6	56.6	(16.0)	(28.3%)
<b>Profit/(loss) for the period discontinued operations (DO)**</b>	5.8	(53.1)	58.9	110.9%
<b>Profit/(loss) for the period (CO+DO)</b>	46.4	3.5	42.9	1,225.7%
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	48.8	4.0	44.8	1,120.0%

## Continuing operations

- Revenue increased in all segments
- Operating profit has doubled, driven by increased HoReCa market shares, revenue growth, successful innovations (Semtex rebranding) and lower prices of sweeteners and PET
- Net FIN costs higher mainly due to FX losses, raise in market interest rates and lease interests (IFRS 16 application)
- Higher TAX due to investment incentive in 4Q 2018 and higher taxable profits in 4Q 2019

\*Adjusted for one-offs \*\*Result of Hoop Polska (only in 4Q 2018) and Megapack (in 4Q 2019 only till 25 Dec 2019)



# CONSOLIDATED INCOME STATEMENT\*

(CZKm)	2019***	2018***	2018**	2017**	2016**	2015**
Revenue	6,409.5	6,159.2	7,118.8	6,963.3	6,999.0	7,190.8
Cost of sales	(3,344.9)	(3,300.2)	(4,053.4)	(4,134.1)	(4,211.6)	(4,352.1)
Gross profit	3,064.6	2,859.0	3,065.4	2,829.2	2,787.4	2,838.7
Selling, marketing and distribution costs	(2,090.5)	(1,925.8)	(2,196.9)	(2,093.0)	(1,876.9)	(1,884.4)
Administrative costs	(453.8)	(409.5)	(442.0)	(373.7)	(403.1)	(385.5)
Other operating income/(costs), net	49.2	29.8	17.2	22.4	33.9	20.6
Operating profit	569.5	553.5	443.7	384.9	541.3	589.4
EBITDA	1,119.4	1,056.6	1,011.0	950.2	1,064.4	1,102.6

\*Audited \*\*Reported \*\*\*Continuing operations (2018 restated due to erroneous calculation of deferred tax asset, disposal of Hoop Polska and Megapack)





# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CZKm)	31.12.2019	31.12.2018*	31.12.2018	31.12.2017	31.12.2016	31.12.2015*
Non-current assets	4,394.0	4,348.8	4,348.8	4,786.2	4,915.9	5,095.7
Current assets	2,522.4	2,214.2	2,214.2	1,792.7	3,104.0	3,395.3
Total assets	6,916.4	6,563.0	6,563.0	6,578.9	8,019.9	8,491.0
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1,530.1	1,483.4	1,531.7	1,977.7	2,736.6	2,810.2
Equity attributable to non-controlling interests	(16.5)	(8.2)	(8.2)	(3.7)	2.9	49.2
Total equity	1,513.6	1,475.2	1,523.5	1,974.0	2,739.5	2,859.4
Non-current liabilities	2,842.5	2,613.9	2,565.6	1,855.7	1,580.4	1,750.7
Current liabilities	2,560.3	2,473.9	2,473.9	2,749.2	3,700.0	3,880.9
Total liabilities	5,402.8	5,087.8	5,039.5	4,604.9	5,280.4	5,631.6
Total liabilities and equity	6,916.4	6,563.0	6,563.0	6,578.9	8,019.9	8,491.0

\*Restated. All Y/E periods audited.



# CONSOLIDATED STATEMENT OF CASH FLOWS

(CZKm)	2019	2018	2017	2016	2015*
Net cash flows from operating activities	932.3	821.2	720.0	655.3	935.2
Net cash flows from investing activities	(355.0)	(389.4)	(469.0)	(748.7)	(1,136.8)
Net cash flows from financing activities	(418.7)	(101.7)	(1,352.8)	(420.4)	1,564.6
Cash and cash equivalents at the beginning of the period	619.3	289.6	1,421.0	1,940.0	568.8
Effects of exchange rates changes on cash and cash equivalents	(3.4)	(0.4)	(29.6)	(5.2)	8.2
Cash and cash equivalents at the end of the period	774.5	619.3	289.6	1,421.0	1,940.0

# CONTACT

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

Lenka Frostová 🇨🇪 🇬🇧

✉ [investor@kofola.cz](mailto:investor@kofola.cz)

☎ +420 735 749 576

🌐 <http://investor.kofola.cz/en>

**Kofola ČeskoSlovensko a.s.**

Nad Porubkou 2278/31A

708 00 Ostrava

Czech Republic



# DISCLAIMER

This presentation ("the Presentation") has been prepared by Kofola ČeskoSlovensko a.s. ("the Company").

The Company has prepared the Presentation with due care, however certain inconsistencies or omissions might have appeared in it. Therefore it is recommended that any person who intends to undertake any investment decision regarding any security issued by the Company or its subsidiaries shall only rely on information released as an official communication by the Company in accordance with the legal and regulatory provisions that are binding for the Company.

It should be also noted that forward-looking statements, including statements relating to expectations regarding the future financial results give no guarantee or assurance that such results will be achieved. The Board of Directors' expectations are based on present knowledge, awareness and/or views of the Company's Board of Directors' members and are dependent on a number of factors, which may cause that the actual results that will be achieved by the Company may differ materially from those discussed in the document. Many such factors are beyond the present knowledge, awareness and/or control of the Company, or cannot be predicted by it.

No warranties or representations can be made as to the comprehensiveness or reliability of the information contained in this Presentation. Neither the Company nor its directors, managers, advisers or representatives of such persons shall bear any liability that might arise in connection with any use of this Presentation. Furthermore, no information contained herein constitutes an obligation or representation of the Company, its managers or directors, its shareholders, subsidiary undertakings, advisers or representatives of such persons.

This Presentation was prepared for information purposes only and is neither a purchase or sale offer, nor a solicitation of an offer to purchase or sell any securities or financial instruments or an invitation to participate in any commercial venture. This Presentation is neither an offer nor an invitation to purchase or subscribe for any securities in any jurisdiction and no statements contained herein may serve as a basis for any agreement, commitment or investment decision, or may be relied upon in connection with any agreement, commitment or investment decision.