

CURRENT REPORT

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KOFOLA ČESKOSLOVENSKO A.S.

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Preliminary 2020 consolidated results (unaudited and adjusted for one-offs)

Inside information

Kofola ends last year by exceeding expectations, with its annual EBITDA above 1 billion CZK (37.8 million EUR).

The Kofola Group slightly exceeded expectations at the end of 2020, despite significant limitations on the market during the last months of the year, due to the coronavirus pandemic. The value of EBITDA for 2020 reached, according to preliminary economic results, 39.0 million EUR. Annual revenue dropped compared to the previous year by 3.7%. One reason behind this relatively small revenue decrease is the successful acquisition of Ondrášovka and Korunní mineral waters, which contributed to growth in the retail market.

“Before the end of the year, we still estimated EBITDA to be between 35.9 million and 37.8 million EUR. Achieving better figures is a result of making the most of the short period when coronavirus-related restrictions loosened at the beginning of December, the good condition of our working capital, and our cost discipline at the end of the year,” comments Jannis Samaras, CEO of the Kofola Group.

For the Kofola Group, the fourth quarter meant a year-to-year decrease of revenue by less than 12%, while EBITDA was approximately 5.2 million EUR lower. The full results for 2020 exceed expectations.

This result was achieved thanks to great flexibility in the company’s operations at the time of significant market limitations due to coronavirus restrictions, the adjustment of marketing and business activities of brands to the current situation, and corresponding cost measures. Last year, Kofola also added the traditional Czech mineral waters Ondrášovka and Korunní to its portfolio, thereby increasing its retail market share.

“The coronavirus pandemic caused us a decrease in EBITDA of approximately 10.6 million EUR, which we were able to significantly compensate for by good results during the summer months, and also with the results from Ondrášovka and Korunní. Compared to 2019, our total EBITDA loss was approximately 3.4 million EUR,” adds Samaras.

The gastronomy segment was, from the business point of view, most affected by the restrictions. Mobility limitations and closing of shopping malls had a negative impact on the development of revenue from UGO. On the other hand, our traditional Czechoslovak producer of herbal blends, LEROS, recorded higher revenues even during the pandemic. All in all, last year showed the power of the Group's brand portfolio, which, combined with the flexibility of their management, led to a satisfying result.

Kofola has a clear goal for 2021 - to raise EBITDA to between 39.0 – 43.5 million EUR. "We expect the year 2021, like 2020, to be full of restrictions connected to the coronavirus pandemic. This means we have to be flexible once again. However, this time we are better prepared. We have experience with lockdowns, our costs have been restructured, and we expect synergies from the integration of Ondrášovka and Korunní. We will lower our debt by being more cautious in investments," concludes Martin Pisklák, CFO of the Kofola Group.

in EUR million (continuing operations)*	2020**	2019**	Change	Change (%)
Revenue***	233,4	242,4	-9,0	-3,7%
EBITDA***	38,9	42,3	-3,4	-8,0%
Net debt / EBITDA	3,7	2,4	1,3	

* preliminary unaudited results

** adjusted for one-offs

*** recalculated using average FX rate of 26,444 CZK/EUR

in EUR million (continuing operations)*	4Q2020**	4Q2019**	Change	Change (%)
Revenue***	50,6	57,3	-6,7	-11,7%
EBITDA***	4,6	9,8	-5,2	-53,1%

* preliminary unaudited results

** adjusted for one-offs

*** recalculated using average FX rate of 26,444 CZK/EUR

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