



# 2020 KOFOLA GROUP INVESTOR PRESENTATION

14 April 2021

## Dear investors,

The following pages contain information about all important events that the Kofola Group was involved in during 2020. Facts, figures, and lots of other data. I would like to highlight a few things that brought me a bit of joy in the previous year.

The first is the confirmation that our clients and consumers are simply great. They love Kofola and enjoyed the summer with us to the full. Thank you all.

Last year, we finished the diversification of the Group's portfolio. Our water segment currently represents around one third of our revenue, thanks to Ondrášovka and Korunní. This is very important to us, mainly as it reduces our dependence on sugar.

We haven't stopped our work on environmental projects, quite the opposite. We are continuing with creating the Rajec valley habitat, our pilot project for production plants, which we would also like to spread to the other areas we operate in. We supported the planting of 20,000 trees in Slovenia and Croatia.

Finally, I would like to thank everybody once again who accompanied us through 2020. I believe that this difficult year has made us stronger and that 2021 will put us back on the track of stable and long-term growth.



**Jannis Samaras**

Kofola Group CEO

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# THE KOFOLA GROUP

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



Revenue 2020  
€ 233.4m



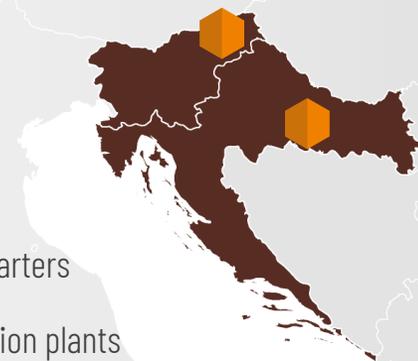
EBITDA 2020  
€ 39.0m



11 production plants



2,042 employees



Headquarters



Production plants

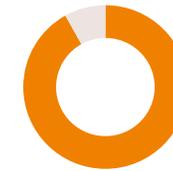


Kofola Group's markets

Note: CZK/EUR average FX rate for 2020: 26.444

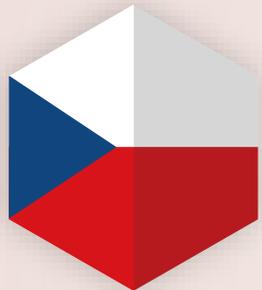


# OUR LONG-TERM STRATEGY IS TO BE MARKET LEADER OR RUNNER-UP



Sales in countries where Kofola Group is number one or two in the soft drinks market account for **92% 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



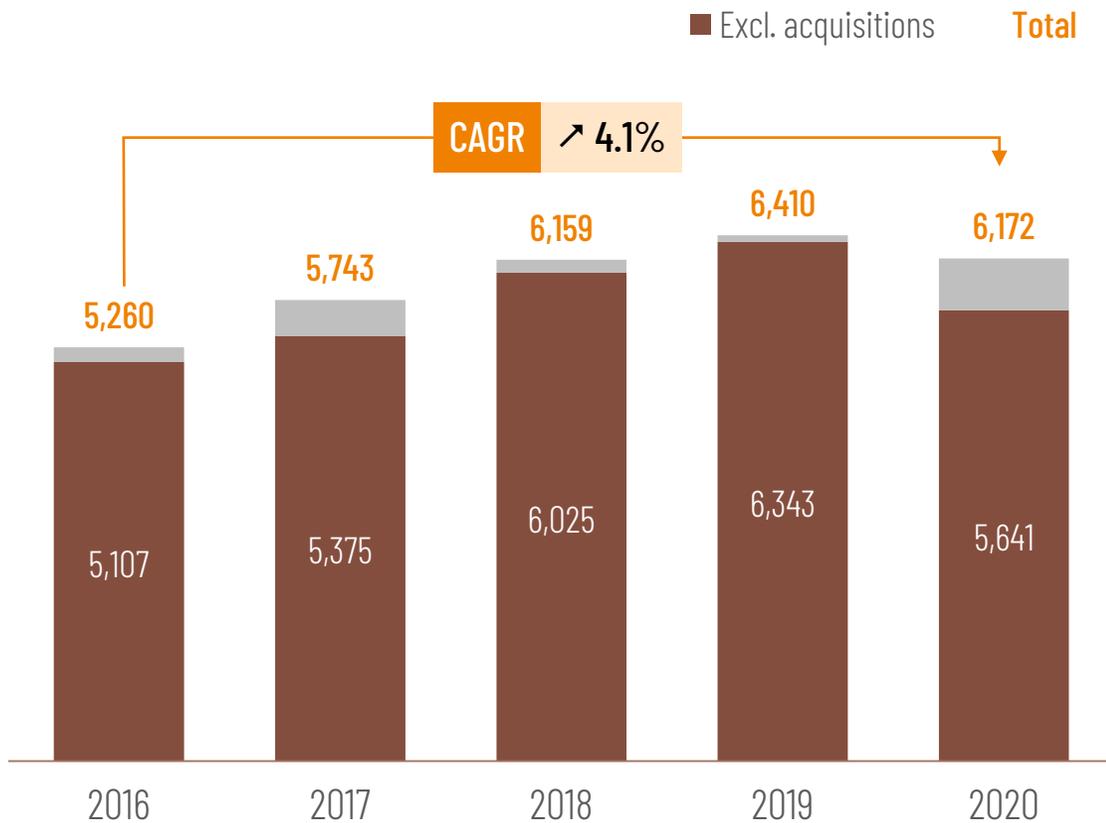
# PRODUCT SEGMENTS

CATEGORY	REVENUE SHARE	MAIN OWN BRANDS	DISTRIBUTED AND LICENCED BRANDS
Carbonated Beverages	2020 39% 2019 42%		
Waters	2020 33% 2019 27%		
Non-carbonated Beverages	2020 9% 2019 11%		
Syrups	2020 8% 2019 7%		
Fresh & Salad Bars	2020 4% 2019 7%		
Other	2020 7% 2019 6%		

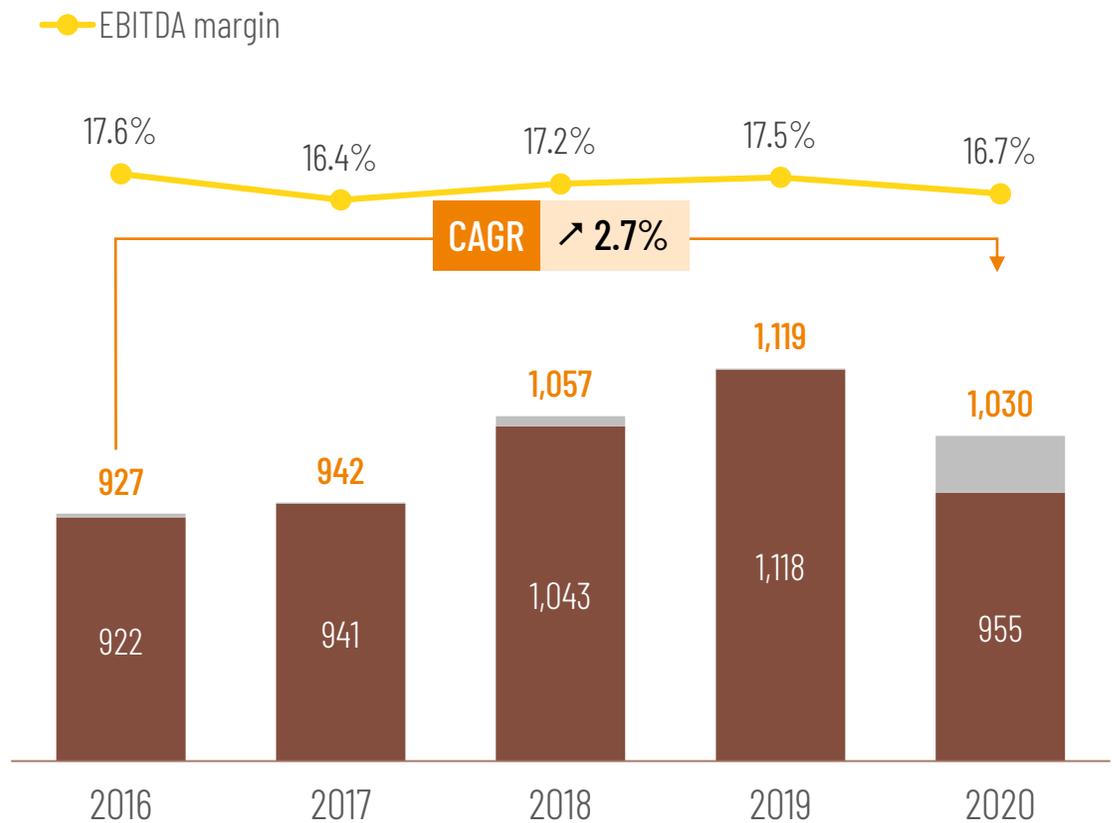


# LONG-TERM ORGANIC GROWTH

Revenue\* (CZKm)



EBITDA\* (CZKm)



Grey chart represents an acquisition effect between two subsequent periods.

\* Continuing operations; adjusted for one-offs



# 2020 HIGHLIGHTS



New brand Trepallini – authentic Italian coffee in HoReCa, in Retail from 2021.

Kofola decided to recall and revive the car legend. The famous Sicilian race Targa Florio with which we are connected by the story of the most famous female Czech car racer in it. Now we have a new range of premium lemonades with a higher content of Sicilian citrus fruit juice called Targa Florio.



# OUR SUSTAINABILITY EFFORTS

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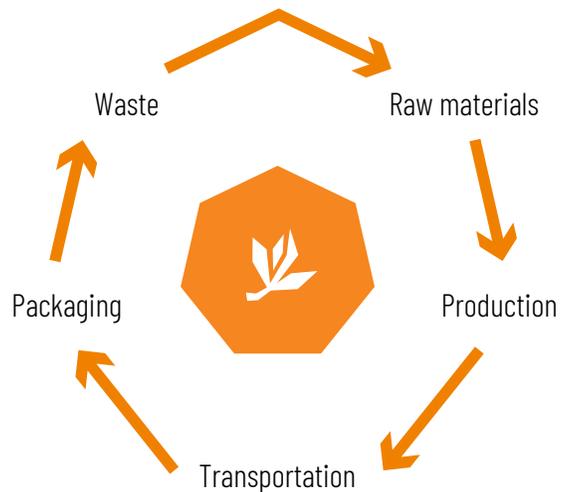
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# A COMPLEX APPROACH IS THE CORNERSTONE OF OUR SUSTAINABILITY PHILOSOPHY

*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 we got 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 were successful.
- 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 have introduced our first draught spring water for the HoReCa segment in 2020. 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 was the first CzechoSlovak water packed in 100% rPET.

## RECYCLE



100% recyclable



100% compostable



# WE OPERATE WITH RESPECT TO NATURE, SOCIETY AND INDIVIDUALS.

Whole sustainability presentation for [download](#).



# KOFOLA GROUP RESULTS

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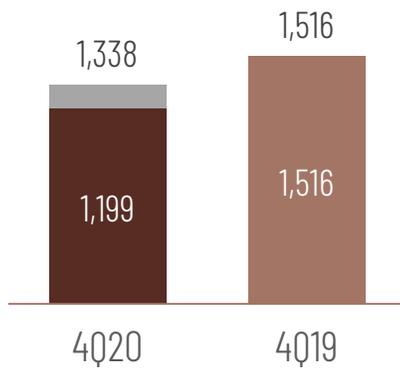
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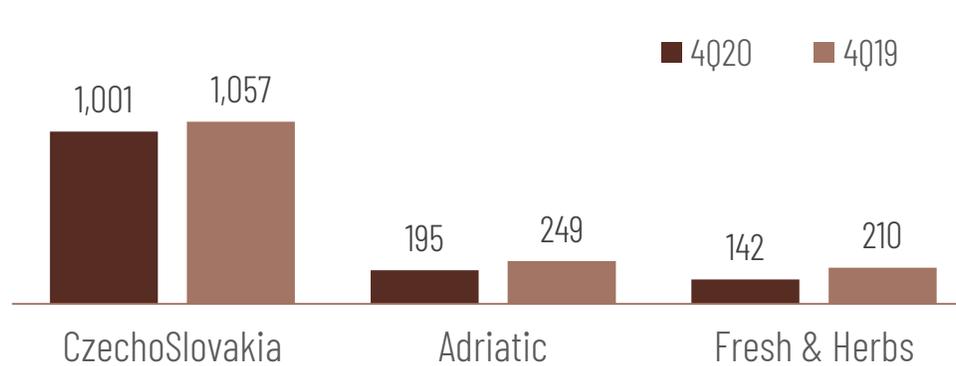
# KOFOLA GROUP KEY 4Q FINANCIAL INDICATORS\*

CONTINUING OPERATIONS

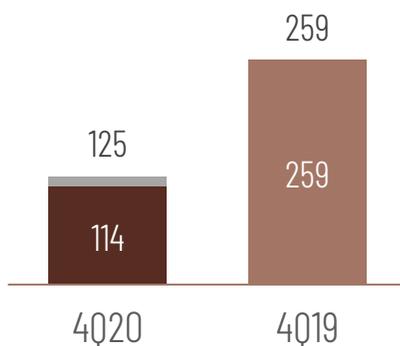
Revenue (CZK<sub>m</sub>)



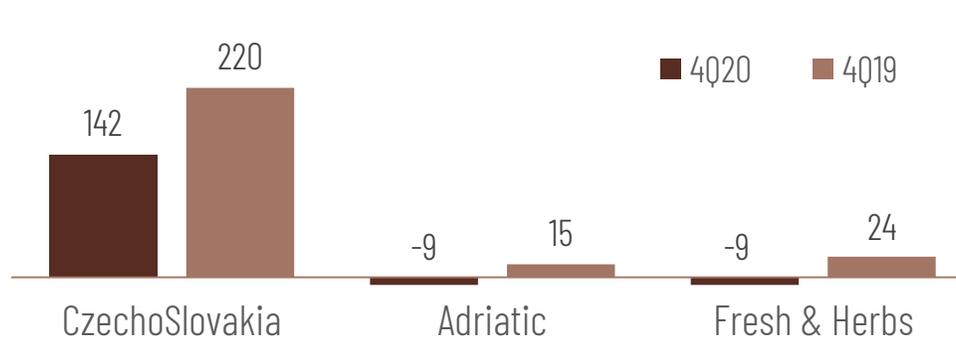
Revenue per main business segments (CZK<sub>m</sub>)



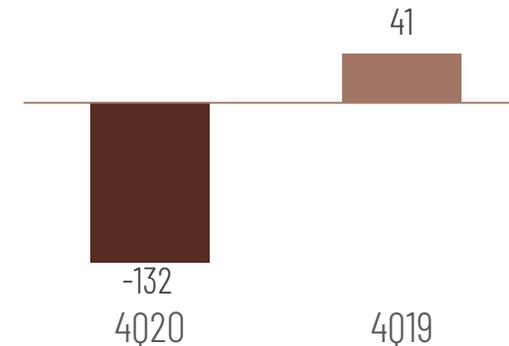
EBITDA (CZK<sub>m</sub>)



EBITDA per main business segments (CZK<sub>m</sub>)



Profit/(loss) for the period (CZK<sub>m</sub>)



Grey chart represents share of ONDŘAŠOVKA and Karlovarská Korunní.

\* Adjusted for one-offs



# KEY 4Q 2020 MESSAGES\*

CONTINUING OPERATIONS

## RESULTS

- Group revenue down by 11.7%, w/o ACQ by 20.9%.
- Group EBITDA lower by 134.7 CZKm (52.0%), mainly due to ADRI and F&H.
- Net loss due to significant outage of Gross profit (COVID-19).

## M&A

- Ondrášovka & Korunní results on expected levels.

## COVID-19

- Government restrictions for almost whole 4Q20.
- Biggest impact on UGO due to closed stores.
- Least affected sales of syrups (standard At home format).

## COSTS DEVELOPMENT

- Increased loss allowances for receivables.
- Cost savings – continuance in savings from previous quarters.
- Lower annual employee bonuses.

## INNOVATIONS

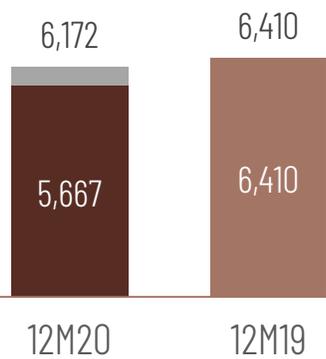
- Coffee brand Trepallini.
- New product line Targa Florio.



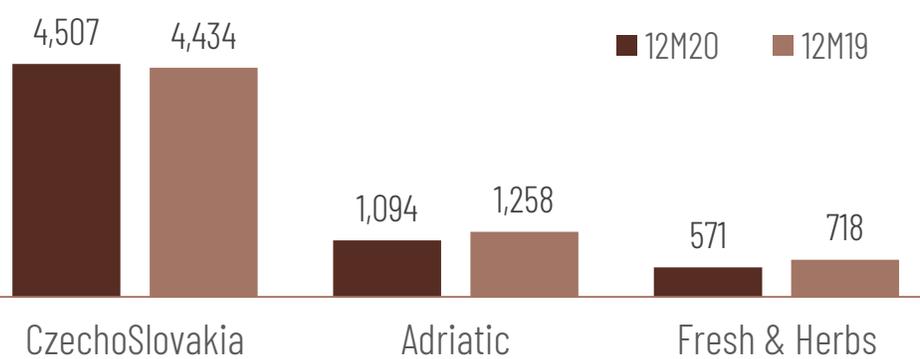
# KOFOLA GROUP KEY 2020 FINANCIAL INDICATORS\*

CONTINUING OPERATIONS

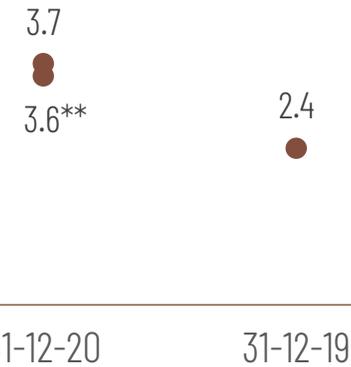
## Revenue (CZKm)



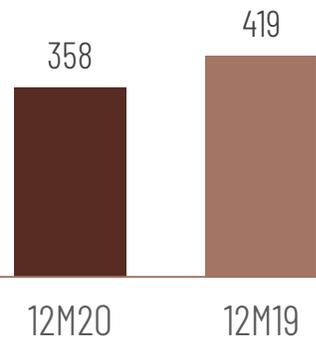
## Revenue per main business segments (CZKm)



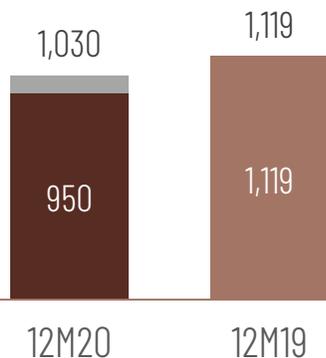
## Net debt/LTM EBITDA



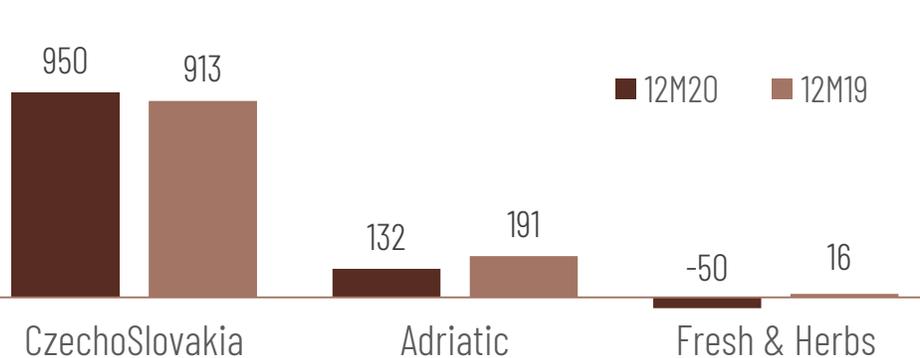
## FCF (CZKm)



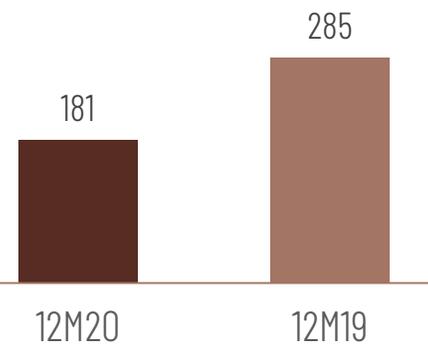
## EBITDA (CZKm)



## EBITDA per main business segments (CZKm)



## Profit/(loss) for the period (CZKm)



Grey chart represents share of ONDRÁŠOVKA and Karlovarská Korunní.

\* Adjusted for one-offs \*\* LTM EBITDA includes pre-acquisition EBITDA of new ACQ, i.e. all entities with LTM effect (incl. ONDRÁŠOVKA and Karlovarská Korunní for 4Q19-1Q20).



# KEY 2020 MESSAGES\*

CONTINUING OPERATIONS

## ANNUAL RESULTS ABOVE EXPECTATIONS

- Group EBITDA over 1 billion CZK.
- Group Revenue lower by 3.7%, w/o ACQ lower by 12.0%.
- Group EBITDA margin of 16.7%, i.e. lower only by 0.8 ppt.
- CS segment EBITDA margin even above 2019 reaching 21.1%!

## M&A

- Extended gastro portfolio – ciders (F.H.Prager small acquisition in Jan 2020).
- Ondrášovka & Korunní M&A completion in 2Q20 (15 April 2020).

## COVID-19

- Impact from mid March in CZ+SK.
- Impact in Adriatic from 2Q20.
- Almost full 4Q20 impacted by restrictions.
- Impact mainly on Gastro segment, changes in consumers' purchasing habits in Retail.
- F&H impacted due to closed UGO fresh and salad bars.

## MANAGED INPUT COSTS

- Savings on labour and marketing costs.
- Lower annual employee bonuses.
- PET resin costs down by c. 30%.
- Sweeteners costs flat.

## INNOVATIONS

- Successful launch of Klášterná Kalcia mineral water on Czech market since Feb 2020 (new 0.5l format and 100% rPET).
- 0.5l Kofola cans – sales significantly exceeding outlook.
- 0.5l lite Radenska 100% rPET.
- Coffee brand Trepallini.
- New flavours on recent acquisitions (Ondrášovka Liči).
- New product line Targa Florio.



# COVID-19 EBITDA\* EFFECT

Period	Estimated effect
1Q20	c. (27) CZKm
2Q20	c. (100) CZKm
3Q20	c. (15) CZKm
4Q20	c. (138) CZKm
Total	c. (280) CZKm

\*Based on results adjusted for one-offs

# BUSINESS SEGMENTS

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# OUR BUSINESS CONSISTS OF THREE MAIN SEGMENTS



CzechoSlovakia



Adriatic



Fresh & Herbs

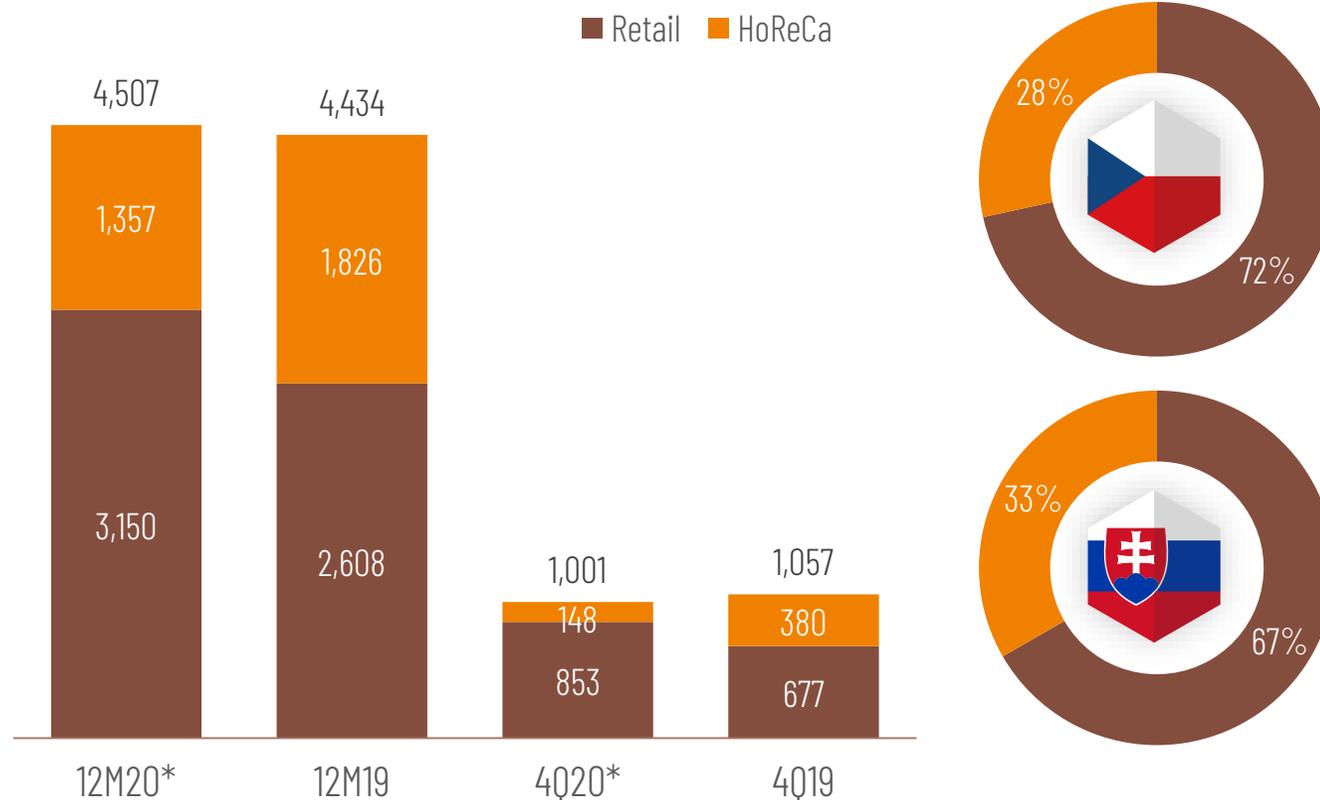




# REVENUE | CZECHOSLOVAKIA



## Revenue (CZKm)



## Sales in litres ('000)

CZECHIA	2020*	2019
Retail	↗ 327,358	197,406
HoReCa	↘ 66,552	82,513
<b>Total</b>	↗ 393,910	279,919

SLOVAKIA	2020	2019
Retail	↗ 157,470	155,169
HoReCa	↘ 36,387	50,318
<b>Total</b>	↘ 193,857	205,487

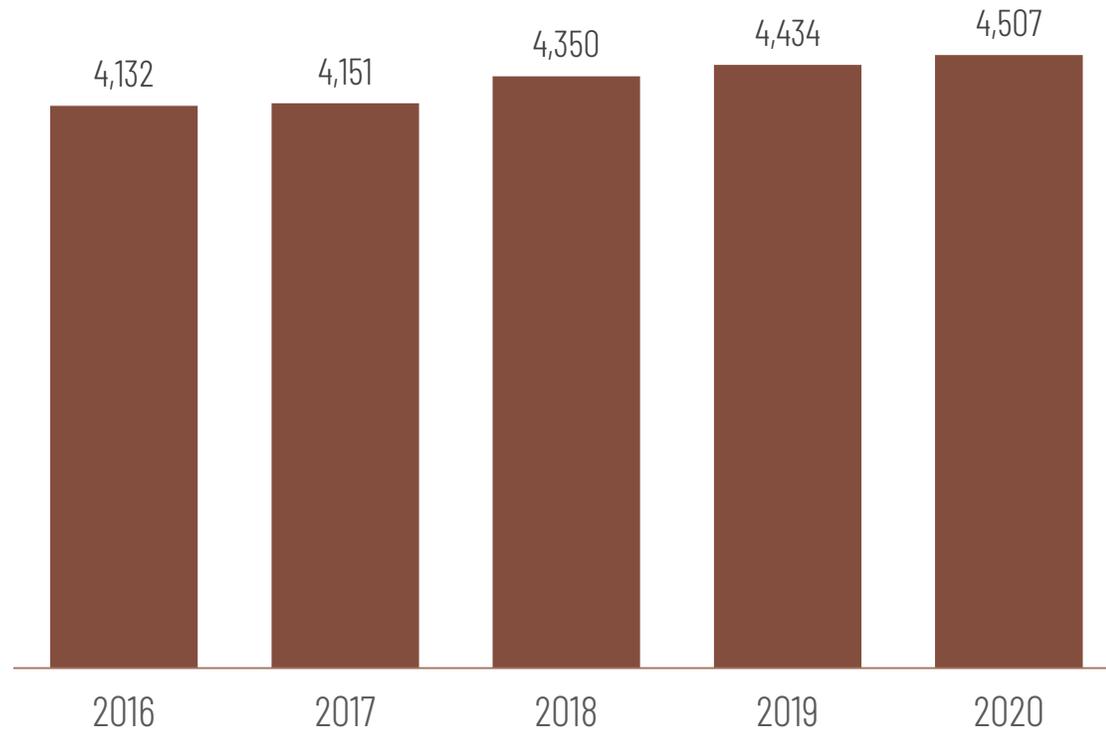
HoReCa includes On premise and On the go.  
\*Including ONDŘÁŠOVKA and Karlovarská Korunní



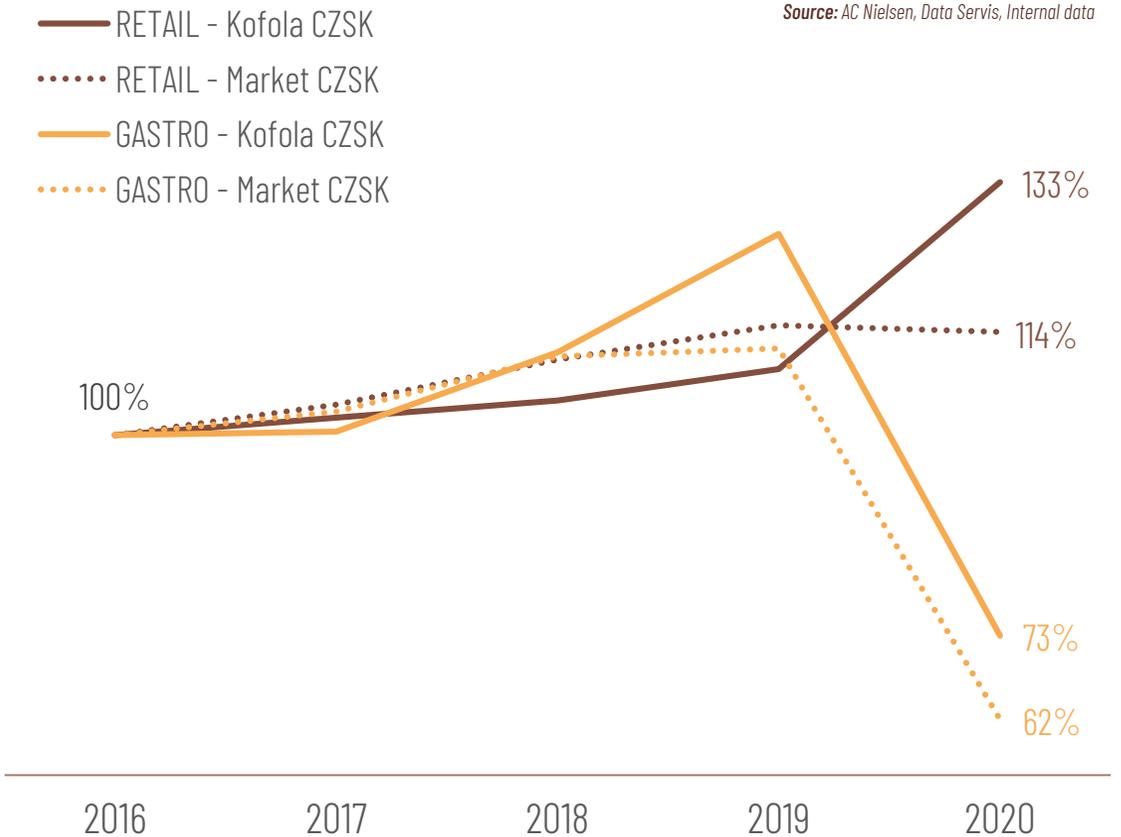
# REVENUE | CZECHOSLOVAKIA



Revenue (CZKm)



Comparison with CS market dynamics (value)



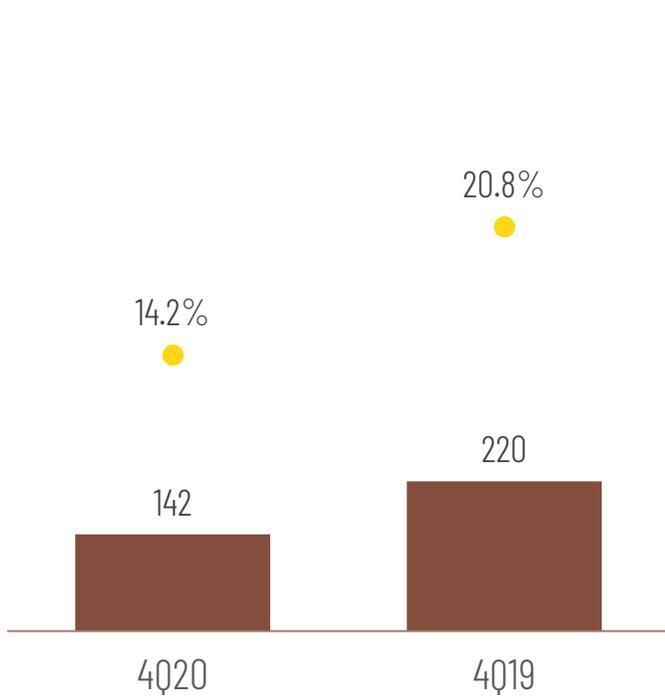


# EBITDA AND EBITDA MARGIN | CZECHOSLOVAKIA



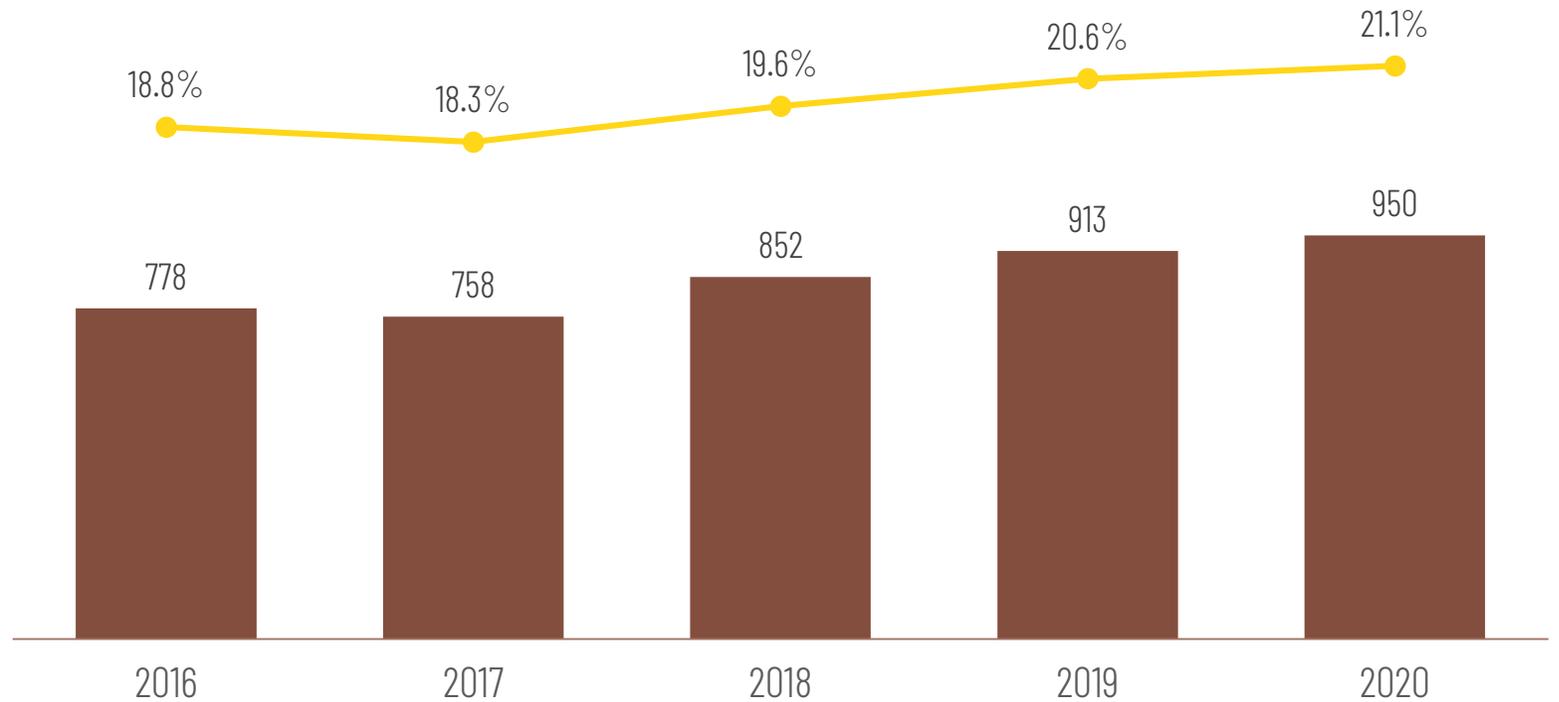
Adjusted EBITDA (CZKm)

■ EBITDA ● EBITDA margin



Long-term view | Adjusted EBITDA (CZKm)

■ EBITDA ● EBITDA margin



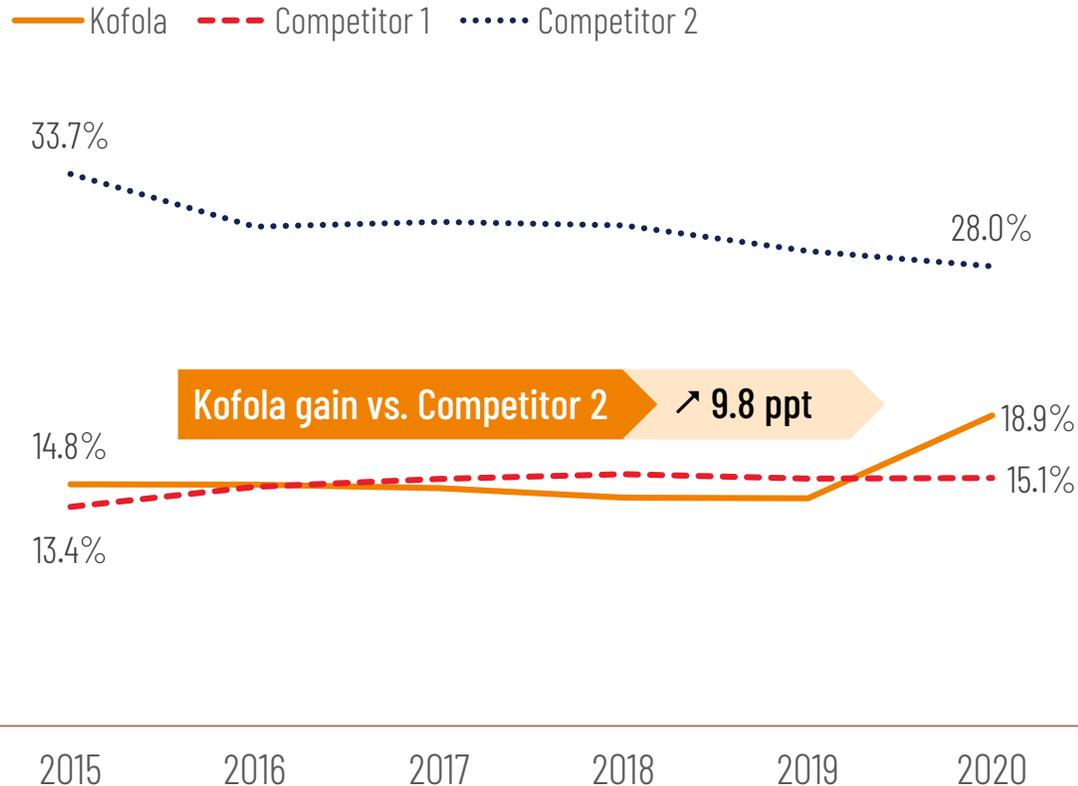


# KOFOLA CAN COMPETE WITH GLOBAL BRANDS

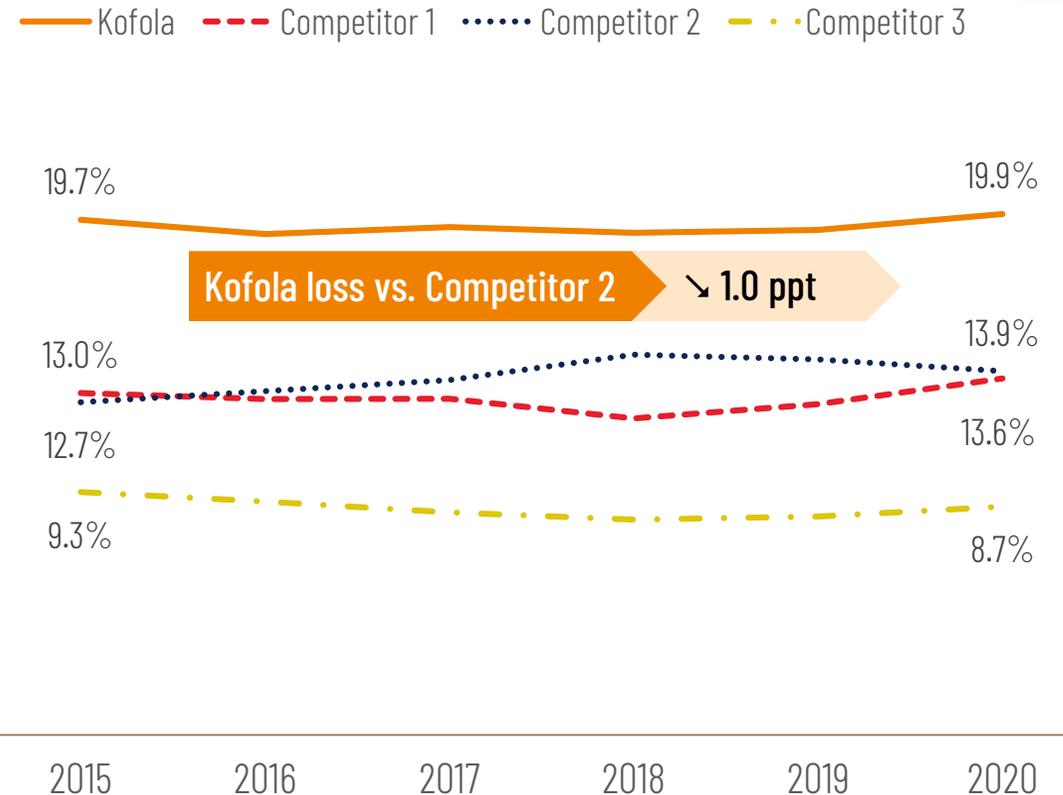
## KOFOLA RETAIL MARKET SHARE (VALUE)



### Czech Republic



### Slovakia



ONDRÁŠOVKA and Karlovarská Korunní acquired in 2Q 2020.

Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola relative gain/loss vs. Competitor 2 calculated between start and end of reported periods.

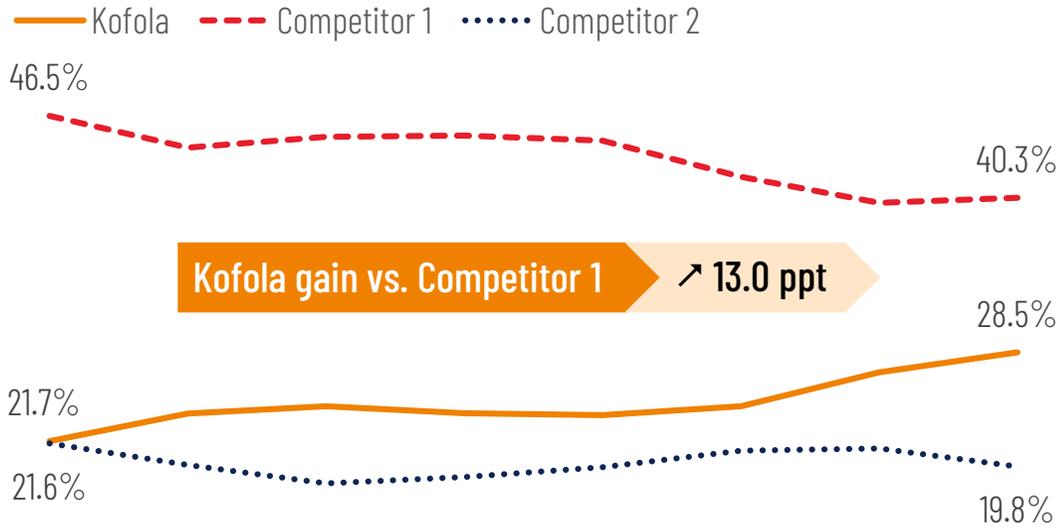


# KOFOLA CAN COMPETE WITH GLOBAL BRANDS

## KOFOLA HORECA MARKET SHARE (VOLUME)



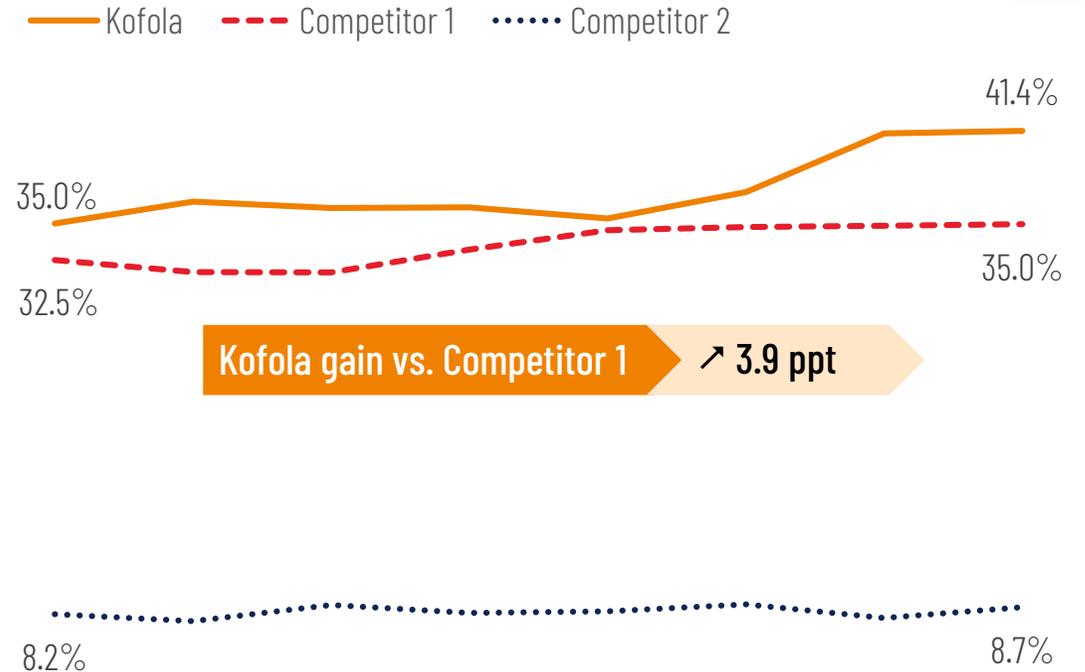
### Czech Republic



**Kofola gain vs. Competitor 1** ↗ 13.0 ppt

2013 2014 2015 2016 2017 2018 2019 2020

### Slovakia



**Kofola gain vs. Competitor 1** ↗ 3.9 ppt

2013 2014 2015 2016 2017 2018 2019 2020

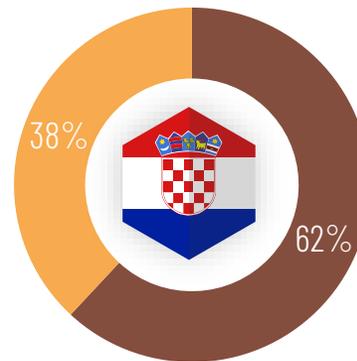
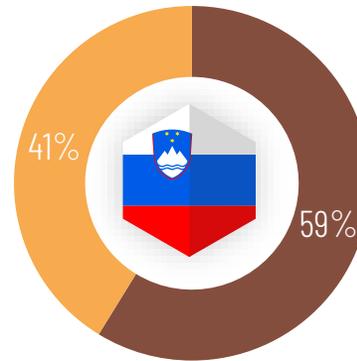
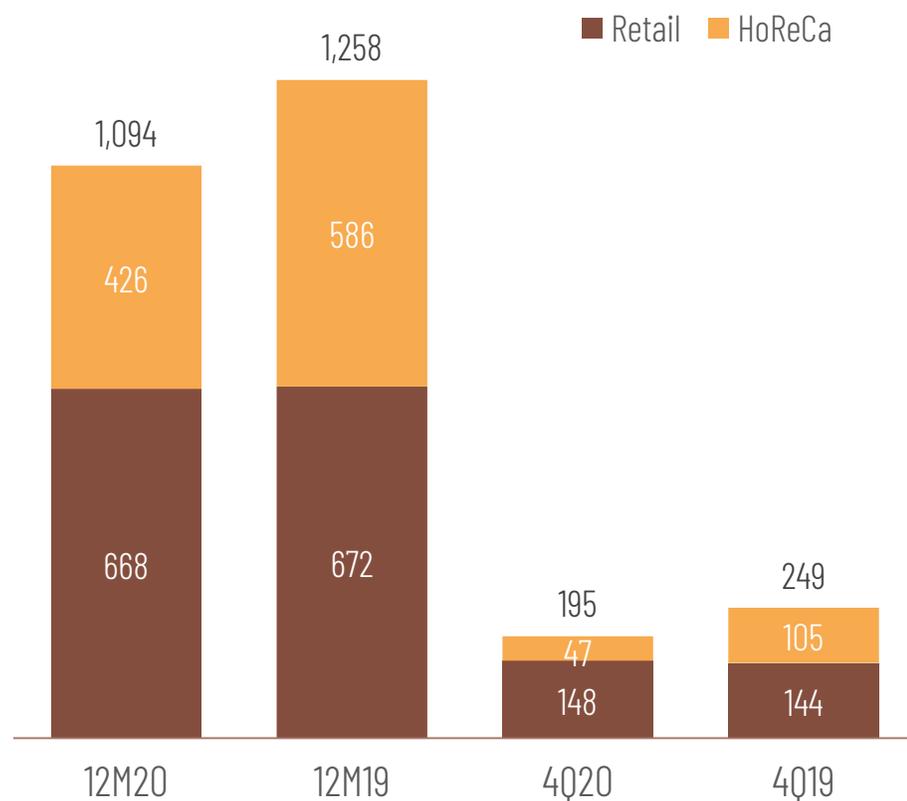
Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola relative gain/loss vs. Competitor 1 calculated between start and end of reported periods.



# REVENUE | ADRIATIC



## Revenue (CZKm)



## Sales in litres ('000)

SLOVENIA	2020	2019
Retail	↓ 64,753	67,286
HoReCa	↓ 24,845	34,168
<b>Total</b>	↓ 89,598	101,454

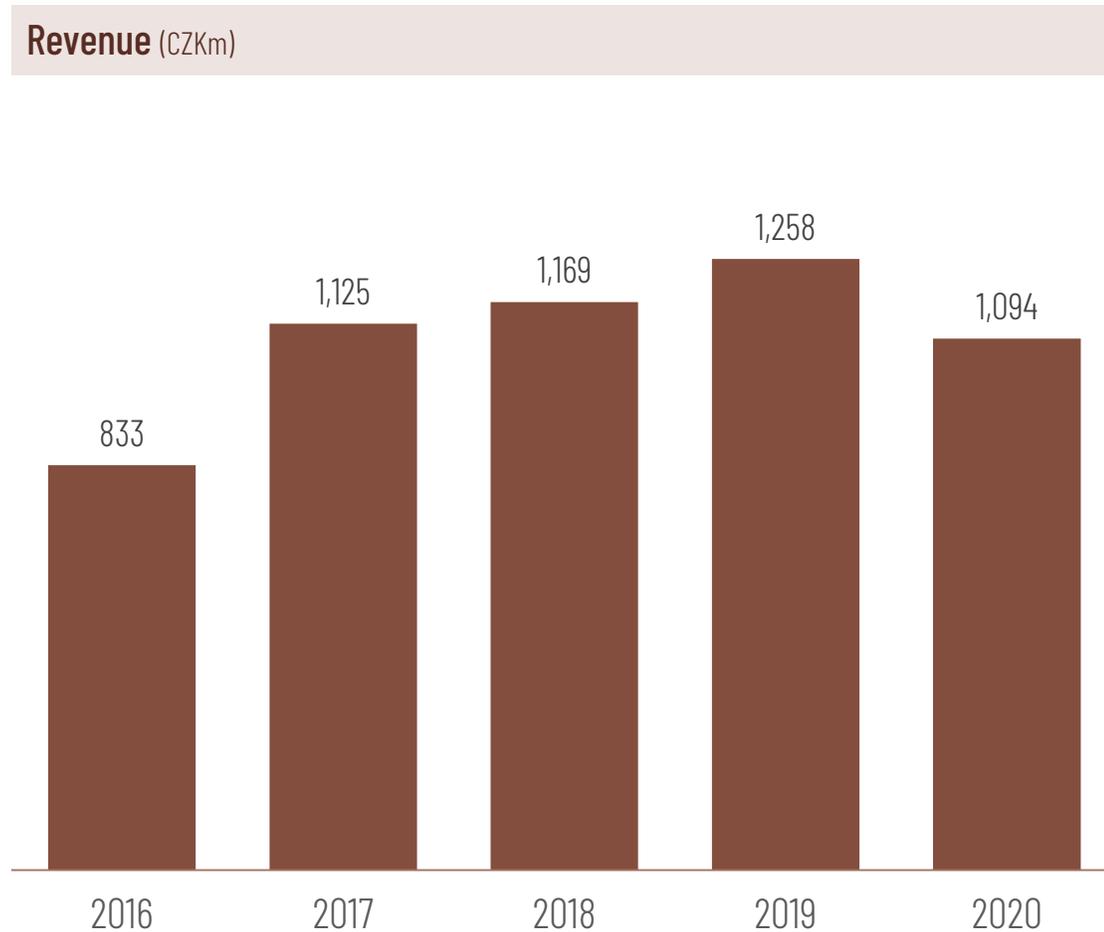
CROATIA	2020	2019
Retail	↓ 31,316	35,107
HoReCa	↓ 12,703	18,887
<b>Total</b>	↓ 44,019	53,994



# REVENUE | ADRIATIC



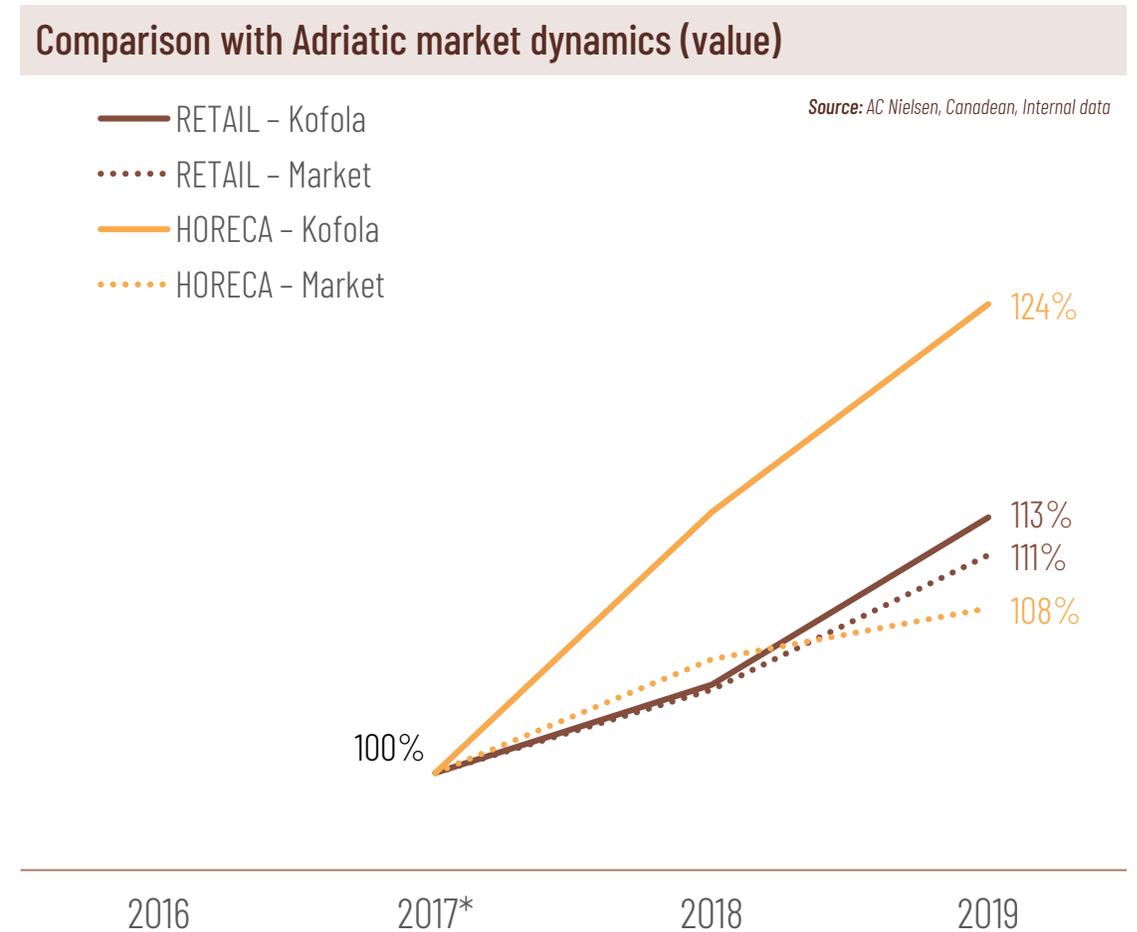
Revenue (CZKm)



Comparison with Adriatic market dynamics (value)

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

Source: AC Nielsen, Canadean, Internal data



Data for 2020 not available to the Group.  
\* Measured since acquisition of Studenac.

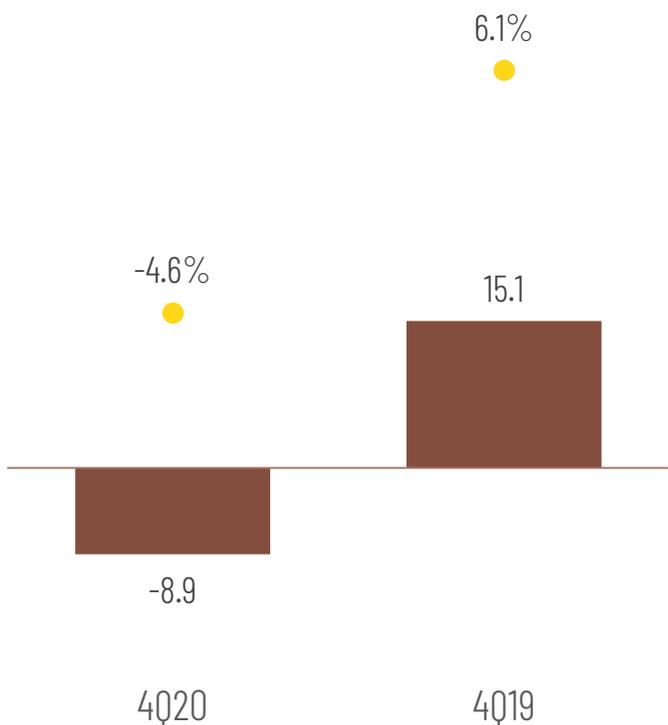


# EBITDA AND EBITDA MARGIN | ADRIATIC



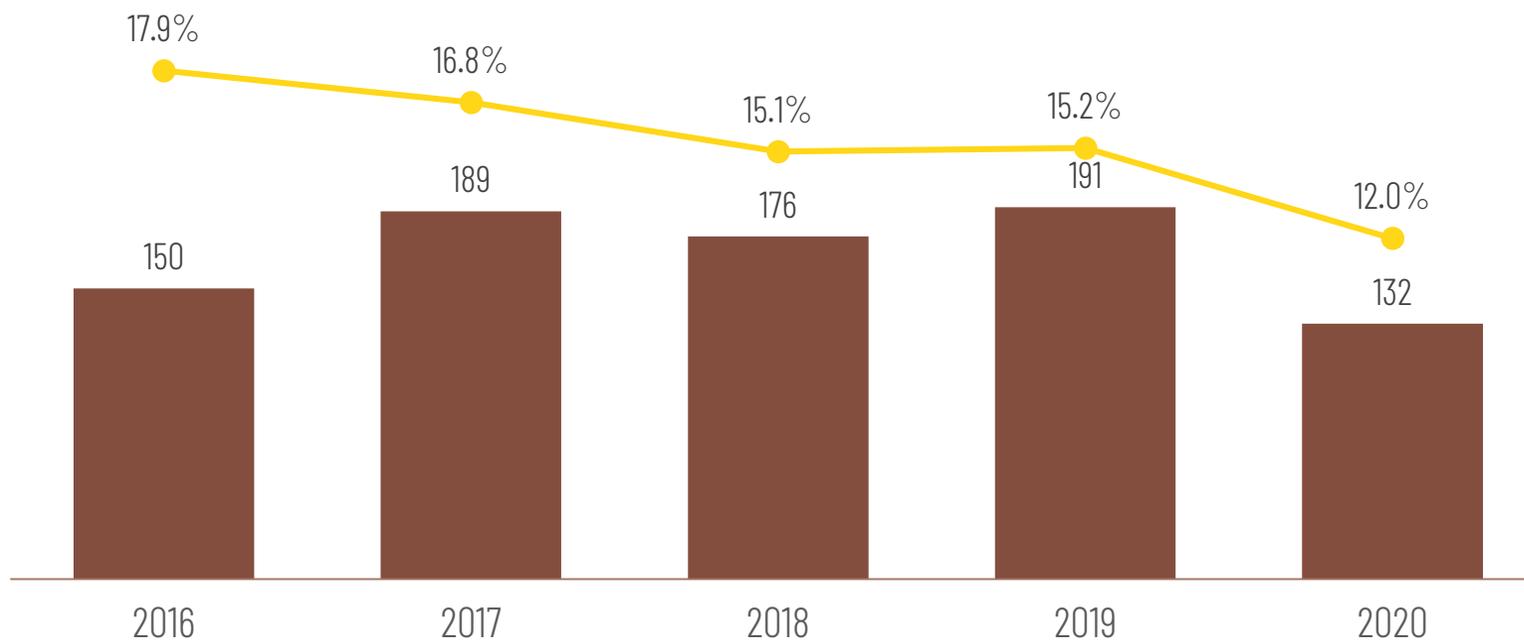
Adjusted EBITDA (CZKm)

■ EBITDA ● EBITDA margin



Long-term view | Adjusted EBITDA (CZKm)

■ EBITDA ● EBITDA margin

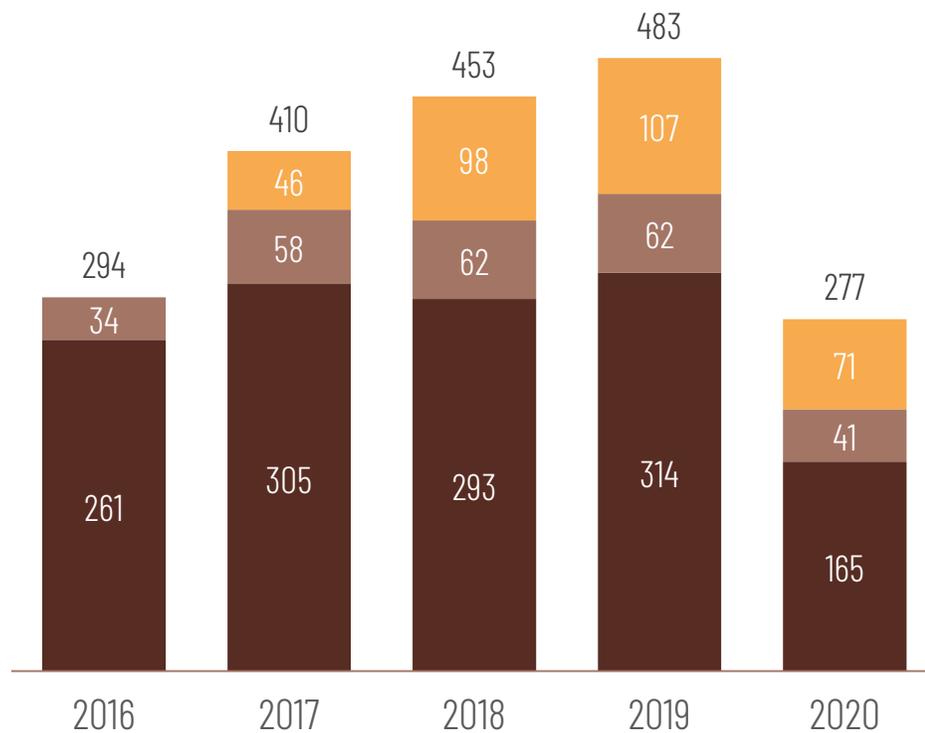


# FRESH & HERBS: UGO



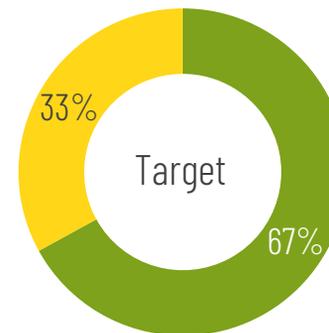
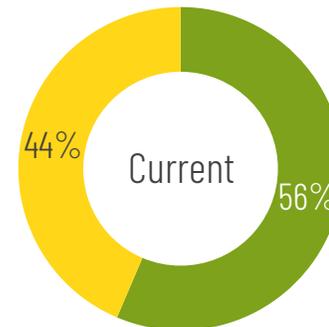
## Revenue (CZKm)

■ Fresh bars & Salad bars ■ Bottles ■ Packaged food



## Stores split

■ Franchise ■ Own





# FRESH & HERBS: UGO



## Newest salad bar on prestigious address

UGO opened its newest and largest Salad bar in the heart of the CZ capital on Wenceslas Square. This is already 34th establishment in Prague, the 79th overall across CS. The two-store flagship with a total area of 482 m<sup>2</sup> started its operation in July.



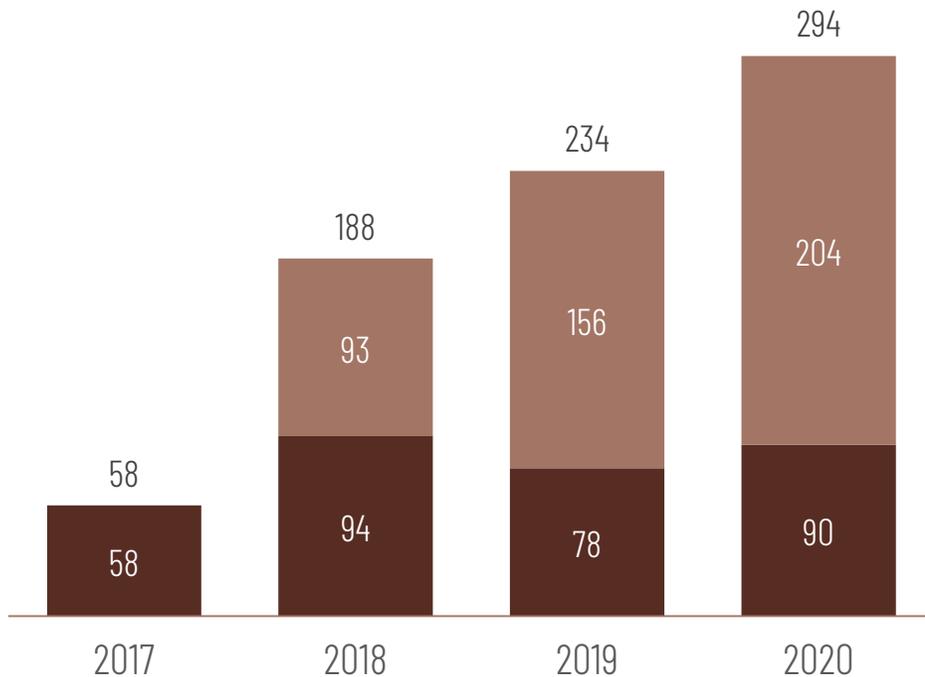


# FRESH & HERBS: LEROS AND PREMIUM ROSA



## Revenue (CZKm)

■ Premium Rosa ■ Leros



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



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



espresso

Distributor of high quality Café Reserva coffee and Dilmah teas. Merged with LEROS in 1Q20.

Espresso acquired in July 2019 and merged with LEROS, presented within LEROS's revenue also for 2019.

# CONSOLIDATED FINANCIAL PERFORMANCE INDICATORS

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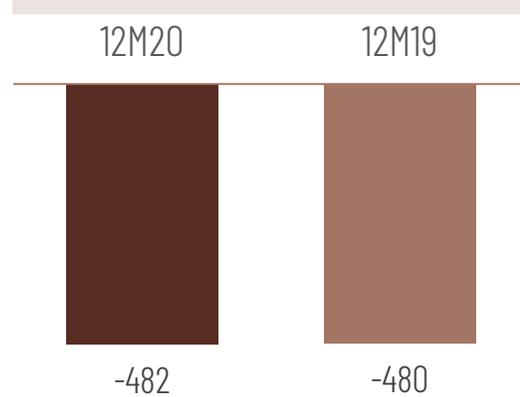
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# SELECTED FINANCIAL PERFORMANCE INDICATORS

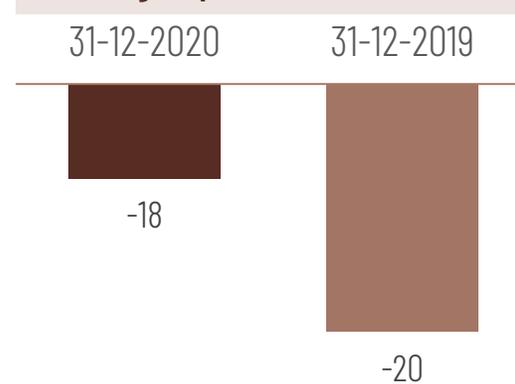
CONTINUING OPERATIONS

## CAPEX (CZKm)



- No major changes.

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



- INV: +34 CZKm - ACQ effect
- REC: (208) CZKm - COVID-19.
- PAY: +176 CZKm - COVID-19.

## Free CF (CZKm)

	2020	2019
Adjusted EBITDA	1,030.3	1,119.4
Change of WC	(60.4)	(98.6)
CAPEX	(481.5)	(479.8)
Taxes paid	(130.5)	(122.2)
<b>Free CF</b>	<b>357.9</b>	<b>418.8</b>
<i>Cash bal.</i>	<i>543.9</i>	<i>774.5</i>

- EBITDA decrease mainly due to COVID-19.
- Higher cash flow from REC, INV, lower CF from PAY.

## ROCE\*\*

	2020	2019
Adjusted EBIT	410.2	569.5
Total assets	7,537.3	6,916.4
Cash & CE	543.9	774.5
Current liabilities	2,236.8	2,560.3
<b>ROCE</b>	<b>8.6%</b>	<b>15.9%</b>

- Lower EBIT due to COVID-19.
- Assets and LT liabilities significant increase due to new ACQ.
- Lower ST liabilities mainly due to repayment of overdraft and lower PAY due to COVID-19.

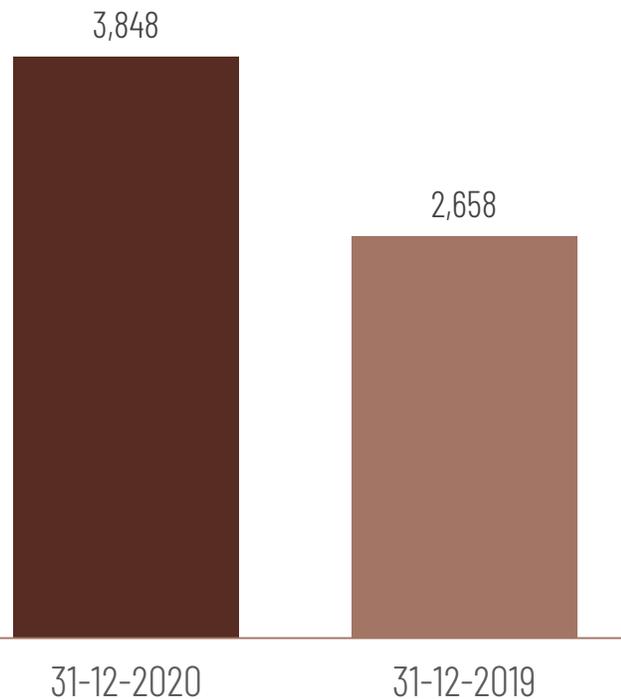
\* Inventories + Trade and other receivables - Trade and other payables. Adjusted for items not representing working capital.

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

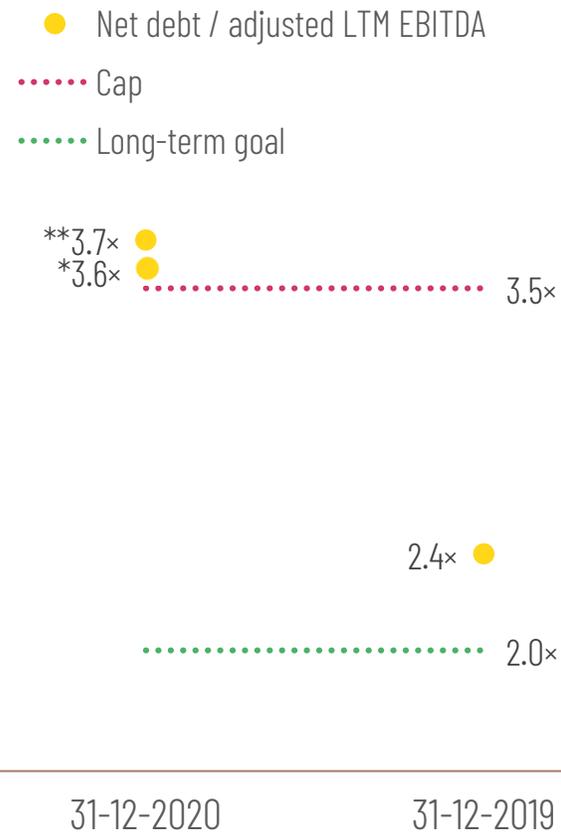


# SELECTED FINANCIAL PERFORMANCE INDICATORS

## Net debt (CZKm)



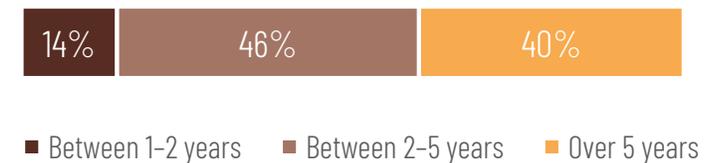
## Net debt / adjusted LTM EBITDA



## Gross and net debt calculation (CZKm)

	31-12-20	31-12-19
L/T bank loans	3,252.2	2,229.2
L/T lease liabilities	322.4	314.4
S/T bank loans	685.2	783.8
S/T lease liabilities	132.4	105.4
<b>Gross debt</b>	<b>4,392.2</b>	<b>3,432.8</b>
Cash	(543.9)	(774.5)
<b>Net debt</b>	<b>3,848.3</b>	<b>2,658.3</b>

## Repayment schedule of LT bank loans



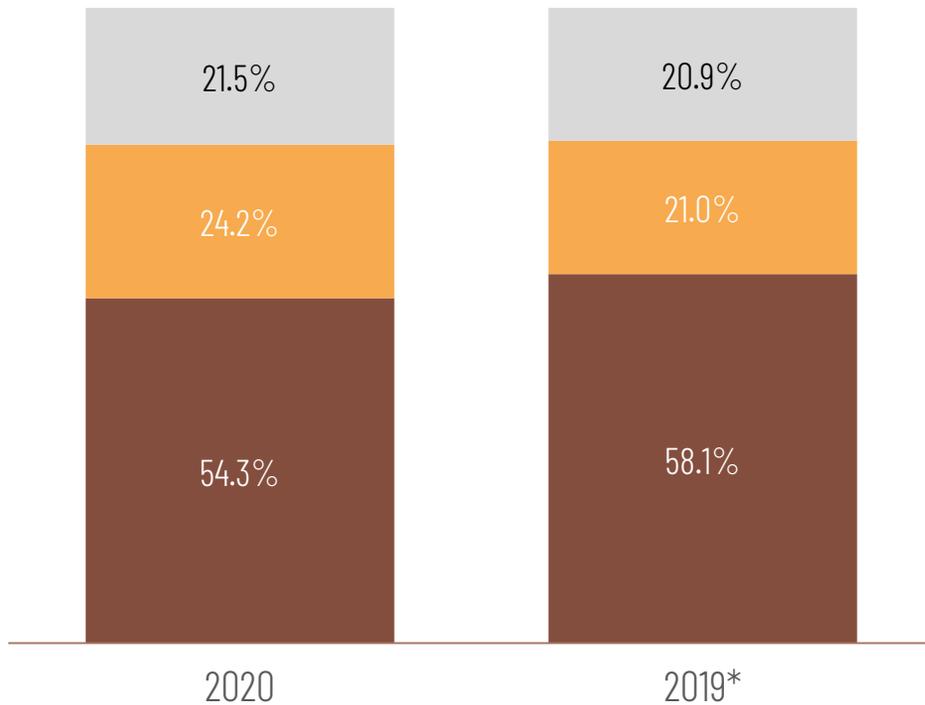
\* LTM EBITDA includes pre-acquisition EBITDA of new ACQ, i.e. all entities with LTM effect (incl. ONDRÁŠOVKA and Karlovarská Korunní for 1Q20). \*\* Excl. EBITDA of ONDRÁŠOVKA and Karlovarská Korunní for 1Q20



# PACKAGING AND SWEETENERS ARE TWO MAIN COST DRIVERS

## Group direct material costs

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



\* Comparatives recalculated using the 2020 FX rate to determine weights of the subsidiaries denominated in other FX rates than CZK.

# M&A

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# M&A STRATEGY | WHERE WE INVEST?

## Authentic healthy raw materials



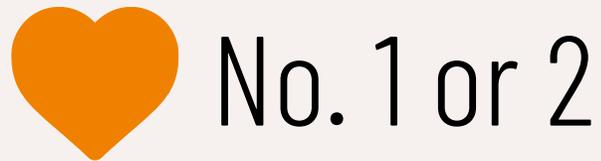
## Extensions of our gastro portfolio



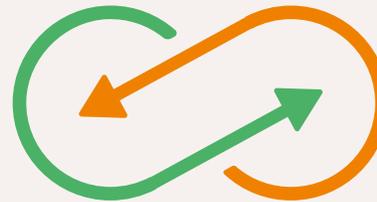
## Mineral water



## Strong love brands



## Synergies with current business



## EBITDA multiple

< 12

No material acquisitions in the mid-term future.



# F.H.PRAGER: 1Q 2020 ACQUISITION

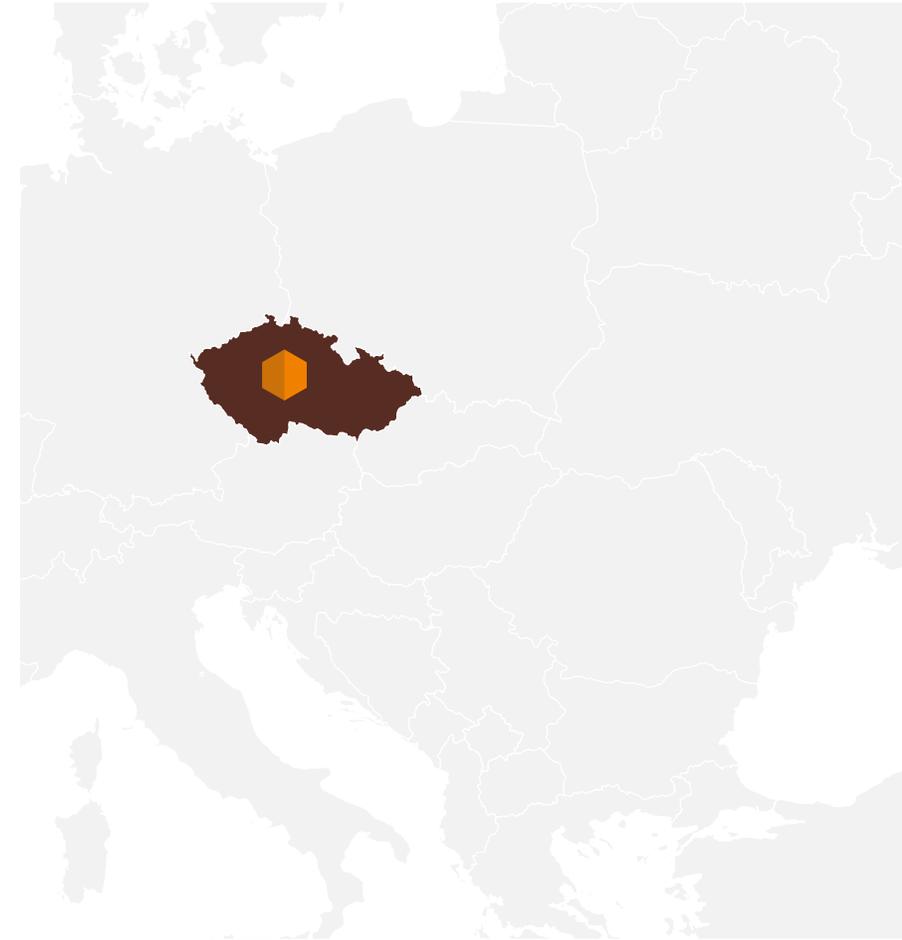


## Basic information

Acquisition date	9 January 2020
Price	3.0 CZKm
Recognized goodwill	3.3 CZKm

## Rationale

- Extends our portfolio.
- Know-how of the fermentation process.
- Intended for both HoReCa and Retail.





# ONDRÁŠOVKA AND KORUNNÍ: 2Q 2020 ACQUISITION

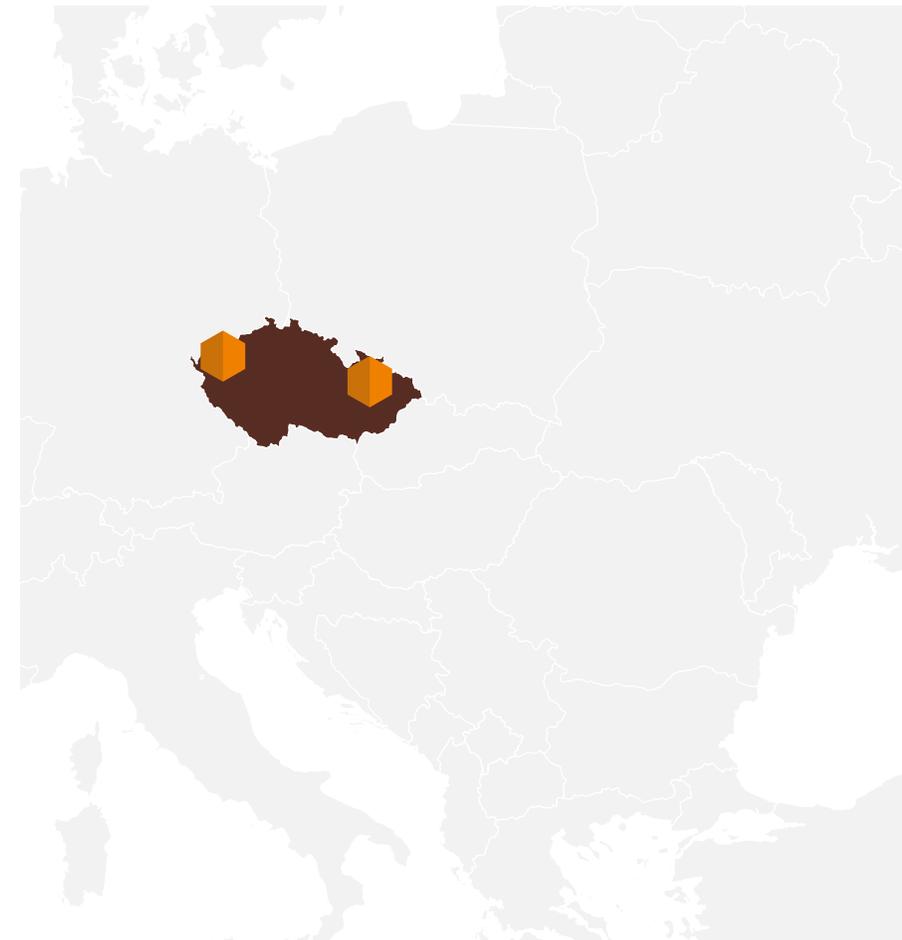


## Basic information

Acquisition date	15 April 2020
Price	1,105.8 CZKm
Recognized goodwill	538.0 CZKm

## Rationale

- To 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.
- Is subject to integration into Group's systems and processes.





# 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 1Q 2020 (CZK<sub>m</sub>)

Payment of the rest of the transaction price II	138.5*
---	--------

## 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 1Q 2020 (CZK<sub>m</sub>)

Payment of the transaction price	113.9*
----------------------------------	--------

\* Applying actual FX rate at the date of cash receipt

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# GOALS 2021

2021

EBITDA (range)	1,030-1,150 CZKm
Revenue growth	N/A
Max CAPEX	N/A
Dividend per share	N/A
Net debt / EBITDA	N/A

Due to the current situation regarding COVID-19, we cannot set goals for all KPIs. The amount and timing of the dividend payment will be decided after the end of restrictions in the HoReCa segment.



# REVENUE OUTLOOK\*

Month	Change
January 2021	c. (36%)
February 2021	c. (24%)
March 2021	c. (5%)

- Decrease due to persisting COVID-19 impact (LY restrictions started in mid March).
- 1Q has the smallest effect on annual results.



\* Y-o-Y change - Ondrášovka and Korunni included in 1Q20.

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# HISTORY OF SUCCESSFUL ACQUISITIONS AND DEVELOPMENT



Establishment of the Kofola brand

2002

HoReCa started in Czechia & Slovakia



2004

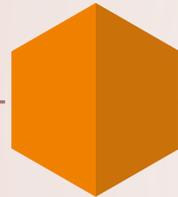


Acquisition of Vinea brand in Slovakia - most popular CSD in Slovakia

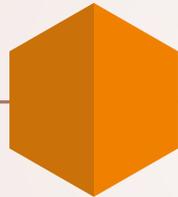
2012



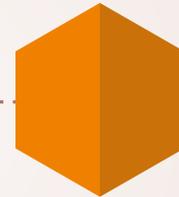
1960



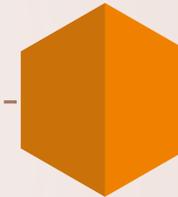
Acquisition of the Kofola brand and original recipe by predecessor of Kofola



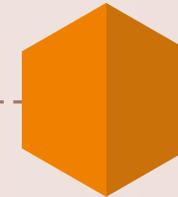
2003



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

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

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

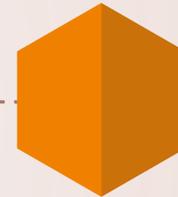


Take over of **Titbit** –  
 No. 1 salad producer in Czechia

2019–20



2020 acquisition of **ONDŘÁŠOVKA** and **Karlovarská Korunní**  
 – producers of mineral waters in Czechia



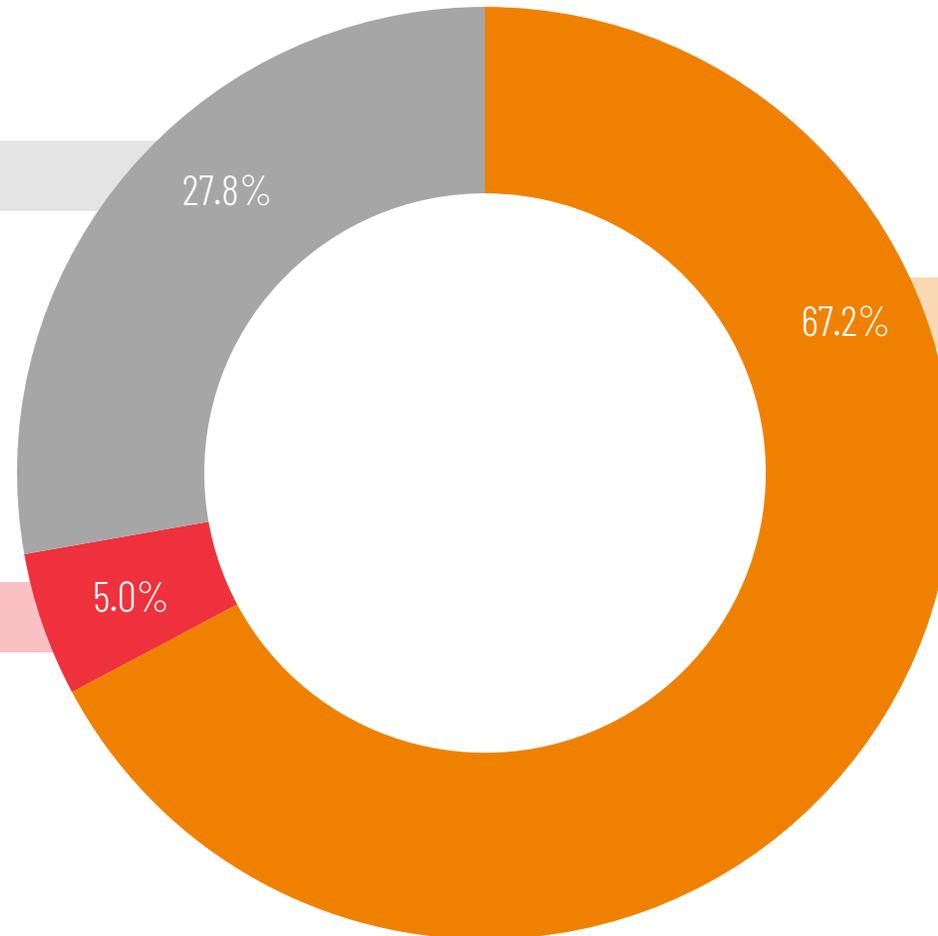


# KOFOLA OWNERSHIP STRUCTURE AS OF 31 DECEMBER 2020

## Free float

Currently 6.2 million shares  
at Prague Stock Exchange

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



## AETOS a.s.

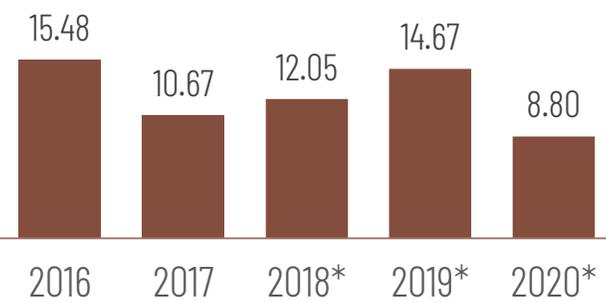
The majority in AETOS is owned by  
Jannis Samaras and his family.  
Minority shares are owned by Kofola Group's  
COO René Musila and Supervisory Board  
member Tomáš Jendřejek.



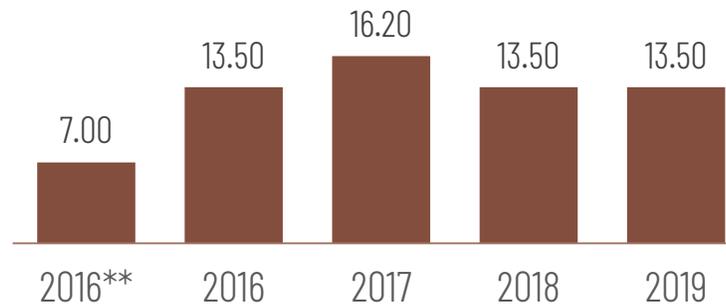
# KOFOLA LISTED ON PSE



## Earnings per share (CZK)



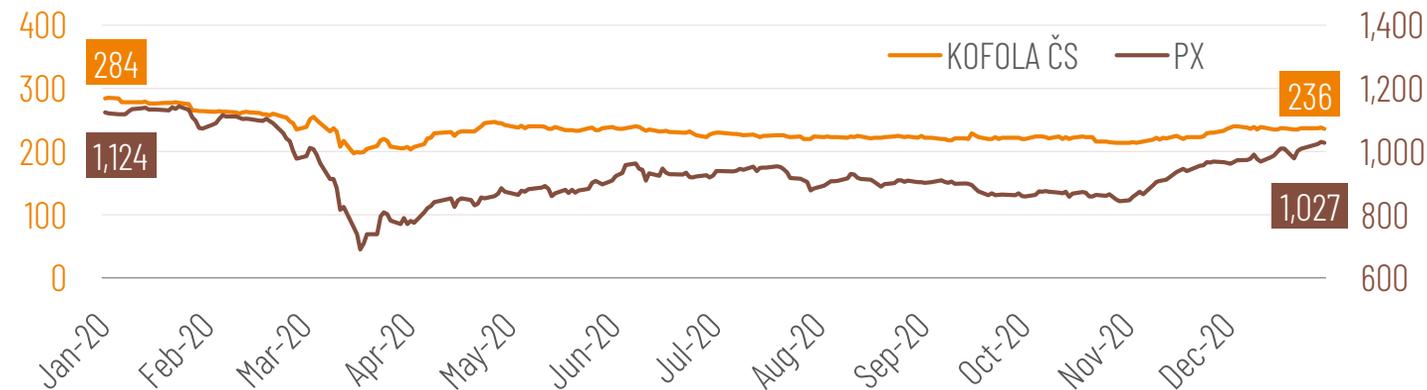
## Dividends per share (CZK)



## Dividend policy

- 60% of consolidated net profit achieved in each financial year from 2017-2020, subject to sufficient distributable profits.

## Share performance (CZK)



## About shares

Market capitalization	200.5 EURm
Dividend yield (latest dividend to share price as at 31-12-20)	5.7%
Average transaction volume	7,681 per day



# 2020 AWARDS



PROKOP 2019

## PROKOP 2019

First prize in corporate communication for the Kamilka Project.



## Randstad Award

3rd place for Kofola in the complete ranking of the most attractive employers in the Czech Republic, 1st place in FMCG category.



## Mediář

2 TV spots (Royal Crown Cola and Kofola) placed in TOP 10 of TV Advertisements in 2019.



## Zlatá pecka

Best of Best from Association of Czech Advertising Agencies and Marketing Communication (Acra-mk) for the legendary Christmas TV Kofola Advertisement.



# 2020 AWARDS



## Zlatý středník

1st place in the category Rebranding and relaunch for Klášterná Kalcia.



## Global Water Drinks Awards

1st place in the category Best PET for Klášterná Kalcia.



## Nejdůvěryhodnější značka

Kofola brand became the most trusted brand in the Czech Republic in the category Carbonated Soft Drinks.



## Agra

Radenska received one gold and one silver medal for Radenska with mango and lime from international agri-food fair Agra in Gornja Radgona.



# 2020 AWARDS



## Effie Awards Czech Republic

The gold medal for communication of Royal Crown Cola brand and the campaign Slow is the way to go and bronze for the campaign of energy drink Semtex called Choose your energy.



## Zlatá pecka

Czech Marketing society awarded Kofola for the Christmas TV campaign which has been broadcasted for 17 years. Legendary TV Add got the special prize Zlatá pecka.



## Honorable mention

Honorable mention "Heroes in the fight against COVID-19" awarded by CZECH TOP 100 for companies that selflessly helped in times of crisis.

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# RESULTS OF KOFOLA GROUP | 2020

Reconciliation of reported and adjusted results (CZK <sub>m</sub> )	Reported	One-offs	Adjusted
Revenue	6,171.5	-	6,171.5
Cost of sales	(3,349.5)	-	(3,349.5)
<b>Gross profit</b>	<b>2,822.0</b>	<b>-</b>	<b>2,822.0</b>
Selling, marketing and distribution costs	(2,041.7)	-	(2,041.7)
Administrative costs	(425.7)	-	(425.7)
Other operating income/(costs), net	(61.4)	117.0	55.6
<b>Operating profit/(loss)</b>	<b>293.2</b>	<b>117.0</b>	<b>410.2</b>
Depreciation and amortisation	632.5	(12.4)	620.1
<b>EBITDA</b>	<b>925.7</b>	<b>104.6</b>	<b>1,030.3</b>
Finance income/(costs), net	(101.4)	0.1	(101.3)
Income tax	(126.0)	(1.5)	(127.5)
<b>Profit/(loss) for the period</b>	<b>65.8</b>	<b>115.6</b>	<b>181.4</b>
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	80.5	115.6	196.1

## One-offs

### Continuing operations:

- PPE impairment of 35.5 CZK<sub>m</sub> (UGO PET production line in F&H).
- Restructuring costs of 33.0 CZK<sub>m</sub> (CS) and of 4.4 CZK<sub>m</sub> (F&H).
- Costs connected with the maintenance of closed Grodzisk Wielkopolski plant of 16.2 CZK<sub>m</sub> (F&H).
- Advisory costs of 13.9 CZK<sub>m</sub> (CS).
- Costs for support of the parties impacted by COVID-19 of 6.0 CZK<sub>m</sub> (CS).
- Costs arising on integration of newly acquired subsidiaries of 7.4 CZK<sub>m</sub> (CS).
- Costs arising on merger between LEROS and Espresso of 1.5 CZK<sub>m</sub> (F&H).
- Net gain on sold items of Property, plant and equipment of 9.7 CZK<sub>m</sub> (All segments, mainly CS).



# GROUP RESULTS COMPARISON 12M\*

(CZKm)	2020	2019	Change	Change (%)
Revenue	6,171.5	6,409.5	(238.0)	(3.7%)
Cost of sales	(3,349.5)	(3,344.9)	(4.6)	0.1%
<b>Gross profit</b>	2,822.0	3,064.6	(242.6)	(7.9%)
Selling, marketing and distribution costs	(2,041.7)	(2,090.5)	48.8	(2.3%)
Administrative costs	(425.7)	(453.8)	28.1	(6.2%)
Other operating income/(costs), net	55.6	49.2	6.4	13.0%
<b>Operating profit/(loss)</b>	410.2	569.5	(159.3)	(28.0%)
<b>EBITDA</b>	1,030.3	1,119.4	(89.1)	(8.0%)
Finance income/(costs), net	(101.3)	(141.0)	39.7	(28.2%)
Income tax	(127.5)	(143.2)	15.7	(11.0%)
<b>Profit/(loss) for the period</b> continuing operations (CO)	181.4	285.3	(103.9)	(36.4%)
<b>Profit/(loss) for the period</b> discontinued operations (DO)**	-	33.3	(33.3)	(100.0%)
<b>Profit/(loss) for the period</b> (CO+DO)	181.4	318.6	(137.2)	(43.1%)
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	196.1	326.9	(130.8)	(40.0%)

## Continuing operations

- Revenue drop due to COVID-19, impacting mainly HoReCa distribution channel. Partly compensated by Revenue from ACQ.
- Gross profit margin decreased only by 2.1 ppt due to realized saving measures and lower prices of PET.
- Decreased SMD costs due to lower sales (distribution costs), lower employee expenses and savings in marketing.
- ADMIN costs (excl. ACQ) percentage decrease lower than SMD costs due to higher portion of fixed costs.
- Net FIN result significantly better mainly due to FX gains arising on Company's EUR receivables and lower interest expense.
- No major changes in Income tax expense.
- EBITDA margin at 16.7% representing decrease only by 0.8 ppt. Driven by CS.

\* Adjusted for one-offs \*\* Result for 2019 includes Hoop Polska (only till 18 Mar 2019) and Megapack.



# GROUP RESULTS COMPARISON 4Q\*

(CZKm)	4Q20	4Q19	Change	Change (%)
Revenue	1,338.1	1,516.2	(178.1)	(11.7%)
Cost of sales	(786.8)	(818.1)	31.3	(3.8%)
<b>Gross profit</b>	551.3	698.1	(146.8)	(21.0%)
Selling, marketing and distribution costs	(514.2)	(503.6)	(10.6)	2.1%
Administrative costs	(109.3)	(122.9)	13.6	(11.1%)
Other operating income/(costs), net	27.8	47.3	(19.5)	(41.2%)
<b>Operating profit/(loss)</b>	(44.4)	118.9	(163.3)	(137.3%)
<b>EBITDA</b>	124.5	259.2	(134.7)	(52.0%)
Finance income/(costs), net	(69.9)	(49.5)	(20.4)	41.2%
Income tax	(17.5)	(28.8)	11.3	(39.2%)
<b>Profit/(loss) for the period</b> continuing operations (CO)	(131.8)	40.6	(172.4)	(424.6%)
<b>Profit/(loss) for the period</b> discontinued operations (DO)**	-	5.8	(5.8)	(100.0%)
<b>Profit/(loss) for the period</b> (CO+DO)	(131.8)	46.4	(178.2)	(384.1%)
- attributable to shareholders of Kofola ČeskoSlovensko a.s.	(126.8)	48.8	(175.6)	(359.8%)

## Continuing operations

- Revenue drop due to COVID-19, impacting mainly HoReCa distribution channel. Partly compensated by Revenue from ACQ.
- Lower COS percentage decline due to ACQ.
- SMD costs higher mainly due to loss allowances for receivables.
- Lower 4Q20 ADMIN costs due to payroll savings (lower bonuses) and option scheme expenses in 4Q19.
- Net FIN result worse mainly due to higher FX losses in 4Q20.
- Lower tax due to lower taxable profits.
- Lower EBITDA resulting mainly from lower Gross profit.

\* Adjusted for one-offs \*\* Result for 4Q19 includes Megapack.



# CONSOLIDATED INCOME STATEMENT\*

(CZKm)	2020**	2019**	2018**	2017	2016
Revenue	6,171.5	6,409.5	6,159.2	6,963.3	6,999.0
Cost of sales	(3,349.5)	(3,344.9)	(3,300.2)	(4,134.1)	(4,211.6)
Gross profit	2,822.0	3,064.6	2,859.0	2,829.2	2,787.4
Selling, marketing and distribution costs	(2,041.7)	(2,090.5)	(1,925.8)	(2,093.0)	(1,876.9)
Administrative costs	(425.7)	(453.8)	(409.5)	(373.7)	(403.1)
Other operating income/(costs), net	55.6	49.2	29.8	22.4	33.9
Operating profit/(loss)	410.2	569.5	553.5	384.9	541.3
EBITDA	1,030.3	1,119.4	1,056.6	950.2	1,064.4

\* Adjusted for one-offs \*\* Continuing operations; All Y/E periods audited



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CZKm)	31.12.2020	31.12.2019	31.12.2018*	31.12.2017	31.12.2016
Non-current assets	5,683.6	4,394.0	4,348.8	4,786.2	4,915.9
Current assets	1,853.7	2,522.4	2,214.2	1,792.7	3,104.0
<b>Total assets</b>	<b>7,537.3</b>	<b>6,916.4</b>	<b>6,563.0</b>	<b>6,578.9</b>	<b>8,019.9</b>
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1,338.4	1,530.1	1,483.4	1,977.7	2,736.6
Equity attributable to non-controlling interests	(31.2)	(16.5)	(8.2)	(3.7)	2.9
<b>Total equity</b>	<b>1,307.2</b>	<b>1,513.6</b>	<b>1,475.2</b>	<b>1,974.0</b>	<b>2,739.5</b>
Non-current liabilities	3,993.3	2,842.5	2,613.9	1,855.7	1,580.4
Current liabilities	2,236.8	2,560.3	2,473.9	2,749.2	3,700.0
<b>Total liabilities</b>	<b>6,230.1</b>	<b>5,402.8</b>	<b>5,087.8</b>	<b>4,604.9</b>	<b>5,280.4</b>
<b>Total liabilities and equity</b>	<b>7,537.3</b>	<b>6,916.4</b>	<b>6,563.0</b>	<b>6,578.9</b>	<b>8,019.9</b>

\* Restated; All Y/E periods audited



# CONSOLIDATED STATEMENT OF CASH FLOWS

(CZKm)	2020	2019	2018	2017	2016
Net cash flows from operating activities	785.0	932.3	821.2	720.0	655.3
Net cash flows from investing activities	(1,349.3)	(355.0)	(389.4)	(469.0)	(748.7)
Net cash flows from financing activities	325.0	(418.7)	(101.7)	(1,352.8)	(420.4)
Cash and cash equivalents at the beginning of the period	774.5	619.3	289.6	1,421.0	1,940.0
Effects of exchange rates changes on cash and cash equivalents	8.6	(3.4)	(0.4)	(29.6)	(5.2)
Cash and cash equivalents at the end of the period	543.9	774.5	619.3	289.6	1,421.0

# CONTACT

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