

Chief Financial Officer's letter

Disciplined execution powers another year of strong growth



I am very proud of our achievements, not only in delivering another year of strong financial performance and disciplined capital allocation, but also in developing our talent and capabilities to be truly future ready."

Strong execution drives continued profitable growth

As I reflect on my first year as CFO, I am very proud of the strong financial performance of the business in 2024, while we continued to navigate through geopolitical and macro-economic challenges.

In 2024, organic revenue growth was 13.8% (up 5.6% on a reported basis), and we saw good organic volume growth of 2.8%. This volume growth was broad-based, with growth in each segment, and driven by our strategic priority categories of Sparkling, Energy and Coffee. Organic revenue per case increased by 10.7%, driven by targeted revenue growth management actions. Pricing remained the most important driver of revenue per case as we took action to mitigate ongoing inflation, currency devaluation, regulation and taxation in specific markets.

Comparable gross profit grew by 8.9%, and gross profit margin expanded by 110 basis points to 36.1%. We benefitted from strong top line growth, combined with the easing rate of inflation in our key commodities, with Comparable COGS per unit case up 1.0%. Comparable operating expenses as a percentage of revenue increased by 70 basis points to 25.1% in 2024, impacted by the non-cash foreign currency remeasurement of an intercompany loan in Egypt in the first half of 2024, as well as continued investment in the business.

Comparable EBIT increased by 10.0% on a reported basis to €1,192.1 million, driven by growth across our markets, only partially offset by negative foreign currency movements. Our comparable EBIT margin was 11.1%, up 40 basis points on a reported basis, benefitting from operational leverage. On an organic basis, comparable EBIT increased by 12.2%, and margins contracted 20 basis points, mainly due to negative foreign currency movements.

Comparable basic EPS grew 9.5% in 2024 to €2.275, supported by strong profit delivery and effective management of financial costs.

ROIC remains an important KPI and in 2024 ROIC expanded by 190 basis points to 18.3%, driven by higher profit and lower capital employed.

Capital allocation discipline

Our priorities for capital allocation remain unchanged and are set in service of our strategy and vision to be the leading 24/7 beverage partner.

We continue to invest in the business organically. Capital expenditure was €679.3 million in 2024, or 6.3% of revenue, as we invested in growth initiatives such as production capacity, ongoing automation in supply chain, digital and data solutions, and energy-efficient coolers.

The Group has a progressive dividend policy, with a target payout ratio of 40% to 50%. The Board of Directors has proposed an ordinary dividend of €1.03 per share for 2024, an increase of 11% from €0.93 per share paid in 2023. The dividend payment will be subject to shareholders' approval at our Annual General Meeting.

We also look to make value accretive acquisitions that further enhance our portfolio or our capabilities. In 2024 we focused on integrating our most recent acquisition, Finlandia Vodka, into our business.

Our capital discipline has also allowed us to drive higher returns to shareholders, while maintaining a strong balance sheet. We have progressed well with our share buyback programme, having returned €226 million to shareholders, since its launch in November 2023. At the close of the year net debt to comparable EBITDA was 1.0x.

Overall, I'm really pleased that we're successfully achieving a combination of investment in the business, strong improvements in ROIC and increased shareholder returns.

Accelerating digitalisation and enhancing our strong talent pipeline

We are accelerating the digitalisation of the finance function with the development of new tools and capabilities. For example, we are enhancing our End-to-End planning capabilities by implementing new systems and tools while connecting different parts of the organisation in an integrated streamlined process.

We are also leveraging our digital platforms and technologies for automation, reporting, insights, and analytics, that will allow our people to focus on value creation and growth generative business partnering.

Finally, through our dedicated processes and programs on talent development we are building a strong talent pipeline of future ready leaders.

Looking ahead

Overall, we have delivered a strong performance in 2024, in a challenging business environment. In 2025, we expect the macroeconomic and geopolitical backdrop to remain challenging, but we have high confidence in our 24/7 portfolio, bespoke capabilities, our people and the opportunities for growth in our diverse markets.

At our FY 2024 results on 13 February 2025, we shared that we expect to achieve organic revenue growth in the range of 6% to 8% and to deliver organic EBIT growth in the range of 7% to 11% in 2025. We expect to also make continued progress towards our medium-term growth targets in 2025 and beyond.

Anastasis Stamoulis
Chief Financial Officer



Please click here to view our 2024 full year results:
<https://www.coca-colahellenic.com/en/investor-relations/results-reports-presentations>

Chief Financial Officer's letter continued

Taxes we contribute to our communities

Coca-Cola HBC stands firmly behind the principle of paying relevant taxes in the countries where value is created and ensuring that we are fully compliant, not only with the letter of tax laws and regulations, across all jurisdictions we operate in, but with the spirit as well. In addition, we commit to being open and transparent with tax authorities about the Group's tax affairs and to disclose relevant information to enable tax authorities to carry out their reviews effectively, efficiently and without unwarranted delays.

Total Tax by category



Corporate Income Tax	56.8%
Withholding Tax	3.6%
Payroll Taxes	31.2%
VAT (cost)	3.1%
Other taxes	5.3%

2024 borrowing structure



Bonds	€3,372.3m
Commercial paper	€215.0m
Leases	€254.0m
Other	€139.3m

Segment financial highlights

Established markets

Net sales revenue (NSR) grew by 3.3% and 4.3% on an organic and reported basis respectively. Volume increased by 0.3% on an organic basis. Organic growth in net sales revenue per case was 3.0%, benefitting from pricing actions and package mix, with a 110bps improvement in single-serve mix. Comparable EBIT increased by 1.8%, broadly unchanged on an organic basis. Comparable EBIT margin was 11.1%, down 40bps on an organic basis, due to a step up in investment to drive growth.

Developing markets

NSR grew by 12.7% on an organic basis, or by 14.2% on a reported basis. Volume grew by 2.5% organically. Net sales revenue per case grew 10.0% organically, benefitting from pricing actions, as well as favourable category mix and the rollout of Finlandia distribution. Comparable EBIT increased by 39.6% and 47.9% on an organic and reported basis respectively. Comparable EBIT margin was 9.5%, up 180bps on an organic basis, as operational leverage and cost control more than offset COGS inflation.

Emerging markets

NSR grew by 23.3% on an organic basis, or by 2.8% on a reported basis, impacted by currency headwinds from the Nigerian Naira, Egyptian Pound and Russian Rouble. Volume grew by 3.7% organically. NSR per case grew 18.9% organically, primarily due to pricing actions taken to manage the impact of currency devaluation, regulation and cost inflation. Comparable EBIT grew by 13.0% on an organic basis and 5.1% on a reported basis. Comparable EBIT margin was 11.8%, down 110bps on an organic basis, impacted by foreign currency remeasurement of balance sheet items in H1.

	2024	2023	% change reported	% organic change
Volume (m unit cases)	631.3	628.7	0.4%	0.3%
Net sales revenue (€ million)	3,501.3	3,358.5	4.3%	3.3%
Operating profit (EBIT) (€ million)	385.8	379.2	1.7%	
Comparable EBIT (€ million)	388.0	381.1	1.8%	-0.1%
Comparable EBIT margin (%)	11.1	11.3	-30bps	-40bps
Total taxes (€ million) ¹	194.1	163.8	18.5%	

	2024	2023	% change reported	% organic change
Volume (million unit cases)	482.6	471.0	2.5%	2.5%
Net sales revenue (€ million)	2,385.2	2,088.6	14.2%	12.7%
Operating profit (EBIT) (€ million)	223.6	152.6	46.5%	
Comparable EBIT (€ million)	227.4	153.8	47.9%	39.6%
Comparable EBIT margin (%)	9.5	7.4	220bps	180bps
Total taxes (€ million) ¹	101.6	73.4	38.3%	

	2024	2023	% change reported	% organic change
Volume (million unit cases)	1,800.6	1,735.8	3.7%	3.7%
Net sales revenue (€ million)	4,867.9	4,736.9	2.8%	23.3%
Operating profit (EBIT) (€ million)	576.0	421.8	36.6%	
Comparable EBIT (€ million)	576.7	548.9	5.1%	13.0%
Comparable EBIT margin (%)	11.8	11.6	30bps	-110bps
Total taxes (€ million) ¹	220.0	243.0	-9.5%	

1. Total taxes include corporate income tax, withholding tax and deferred tax, as well as social security costs and other taxes that are reflected as operating expenses, as per IFRS accounts.

Volume breakdown



Established	22%
Developing	16%
Emerging	62%

Net sales revenue breakdown



Established	33%
Developing	22%
Emerging	45%

Comparable EBIT breakdown



Established	33%
Developing	19%
Emerging	48%